

CHAIRMAN'S REPORT

Labour hire is heavily dependent upon the quality of the personnel database and our intention has been announced to offer training at Dampier, Broome and Darwin for those who live in the North West and wish to work in the offshore industry there. Planning for this new initiative is well advanced and we expect to be running courses for prospective offshore employees in coming months. Although the training program is not directed to any particular community group, it has been encouraging to have active support from Aboriginal leaders in the Kimberley region.

World prospects for energy, the need for Australia to add value to its resources, Government initiatives for the support of these activities and environmental imperatives, heavily favour gas, giving every indication that Mermaid Marine's development push has been extremely timely.

It is also important to draw attention to increased efforts in terms of health, safety and environmental protection. Our workplace is largely at sea, where operations involve natural dangers and the safety of our people is paramount. We also work in a setting where the tasks in which we are involved cast us in the role of environmental caretakers of the sea and coastline.

Over the past twelve months, we have worked even more closely with producers to take this side of our business to the highest possible standard. We are proud of the achievement and at the time of this report, despite the inherent dangers involved in the work, our employees have accrued a record 348 days free of Lost Time Injuries, a tremendous effort.

Average turnover for the last two years was \$20 million, our target in the near term is to achieve earnings of at least \$100million, with appropriate levels of accompanying profit. That will be addressed through our policy of strategic positioning and development in the North West of Australia, and also by acquisition where merger or purchase will add to our earnings and strengths. Mermaid Marine Australia Limited is in excellent shape, with confidence that we are well able to pursue and secure our ambitious program.

Alan Birchmore
Chairman