



**MEDIA RELEASE**

**1 March 2011**

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**OR FOR DISSEMINATION IN THE UNITED STATES**

**NEPTUNE SATISFIES CONDITIONS PRECEDENT FOR EXTENDED BANKING FACILITIES**

Neptune Marine Services Limited (ASX: NMS, **Neptune** or the **Company**) confirms that it has today satisfied all conditions precedent to first draw down of funds pursuant to the Company's revised banking facilities which were agreed on 21 December 2010 and formalised in the term debt and working capital facilities agreement dated 31 January 2011 between National Australia Bank (**NAB**), the Company and each of the Company's subsidiaries (**NAB Agreement**).

The NAB Agreement extends the date for complete repayment of the Company's various facilities until 31 March 2012, subject to the Company raising a minimum amount of \$60 million pursuant to the entitlement offer under the Company's prospectus dated 31 January 2011 (**Offer**), and lodged with the Australian Securities and Investments Commission and the ASX on that date (**Prospectus**). A more detailed summary of the NAB Agreement can be found in section 5.4 of the Prospectus.

The Company is also pleased to announce that it has reached agreement with the vendors of Subsea Engineering Services Limited (a business acquired by Neptune in January 2009) (**SES Vendors**) with respect to the second earn-out payment which, as noted in the Prospectus, the Company has been negotiating with the SES Vendors. Pursuant to the terms of the agreement reached with the SES Vendors, the date for satisfaction of the second earn-out payment has been extended until after the close of the Offer and the Company will be required to pay an additional amount of approximately \$[insert amount] from the proceeds of the Offer to the SES Vendors<sup>1</sup> and issue approximately [insert] shares (subject to the applicable GBP/AUD exchange rate at the date of payment and issue) to the SES Vendors for no cash consideration (at a deemed issue price of \$0.05 per share).

The payment to the SES Vendors will increase the total amount to be paid to the vendors under the terms of the vendor agreements (as set out in section 2.2 of the Prospectus) from \$9.4 million to \$9.

Neptune is currently undertaking a 3.6 for 1 entitlements issue priced at \$0.05 per share to raise a minimum of \$60 million and a maximum of \$80.6 million. The Offer is currently open and is scheduled to close tomorrow, **Tuesday, 1 March 2011 at 5.00pm WST**.

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**Further information:**

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<sup>1</sup> The Company wishes to clarify that the amount of \$2,223,611 noted as being payable to the Access Vendor in the footnote to section 2.2 of the Prospectus should actually be an amount of \$2,128,857, with the difference of \$94,754 also being payable to the SES Vendors.