



19 July 2004

Company Announcements Office  
Australian Stock Exchange  
PO Box H224  
Australia Square  
Sydney NSW 2000

Dear Sir/Madam

### **E A R L Y   S A L E S   S U C C E S S**

The Company advises that it has secured a major contract for the use of its "Dry Underwater Welding Technology" significantly ahead of plan.

The project, awarded to Neptune Marine Services Limited this week as the major contractor, involves the underwater permanent weld repair of the Cullen Bay Lock in Darwin, Northern Territory, Australia. Neptune has been in discussions with the asset owner, Cullen Bay Marina Management Corporation and consulting engineer Kellogg Brown and Root (KBR) in specifying the Neptune Technology, and represents a milestone in the use of the technology on underwater infrastructure of this type.

Cullen Bay is a natural bay close to inner city Darwin. A marina development necessitated the construction of a lock to ensure ease of vessel ocean access in any tide. Large tidal ranges are a natural feature of much of the coast in this region.

KBR are part of the worldwide Halliburton Group and are a major global consulting engineer working across a number of our target customer segments, including Oil and Gas, Infrastructure, and Defence. Specification of the Neptune Technology by KBR represents a major milestone in the further commercialisation of the technology.

This project has been won significantly ahead of our expectation, and represents the commencement of a body of income generating work in Australasia. This project underlines the benefits and commercial potential of the Neptune Technology, and management's ability to convert this potential into a revenue stream. The management team continue to work hard at developing the sales pipeline in the Shipping and Oil and Gas markets, to ensure a solid body of income generating work going forward.

The Company's current strategy of generating a body of work in Australasia, concurrently with working on longer term (12-24 months) licensing initiatives overseas with major sub sea maintenance providers, asset owners and military is significantly ahead of schedule. The Company is currently negotiating several other projects in both Shipping and Oil and Gas markets, along with very pleasing progress in discussions with potential licensees and users of the technology in Europe and the Americas.

The Company is also working on achieving further Class Society approvals for its technology and securing technical trials with major potential partners.

Authorised by:

**Andrew Harrison**  
*Executive Director*

#### **About Neptune:**

Neptune Marine Services Limited is the owner of the Neptune Dry Underwater Welding System. A technology with patents pending, that allows permanent in-situ weld repairs to be carried out underwater at a fraction of the cost of using conventional permanent repair methods. The technology has Class Society approval for use, and is currently being commercialised globally. Find out more [www.neptuneunderwaterwelding.com.au](http://www.neptuneunderwaterwelding.com.au).

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