15 February 2005

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

Dear Sir/Madam

PLACEMENT TO RAISE $1.56 MILLION

The Board of Neptune Marine Services Limited is pleased to announce that the Company and Marketech Pty Ltd have arranged the placement of 2.4 million ordinary fully paid shares in the Company at an issue price of $0.65 per share to raise $1.56 million. The placement has been made pursuant to the provisions of section 708 of the Corporations Act 2001.

The shares, which have been placed with private investor clients of Marketech Pty Ltd (AFSL 230014), will rank pari passu with all other existing ordinary shares of the Company.

The funds raised will be principally applied to funding the working capital requirements associated with the Company's rapid expansion, which is progressing well ahead of original expectations. These requirements include investment in both human and financial resources required to meet anticipated demand. Funding is predominantly required on two main fronts, being establishment costs for **Overseas Licensing** arrangements**,** and preliminary work on potential **Australian Projects.**

The Board believes the placement strategically positions the Company to enable it to capitalise on significant opportunities that exist both at home and abroad for the Neptune Technology.

Authorised by:

Andrew Harrison
Managing 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.