

Submarines Australasia Limited Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of the shareholders of Submarines Australasia Limited ("the Company") will be held in the Boardroom of the Employers & Manufacturers Association, Level 8, Federation House, 95-99 Molesworth Street, Wellington, on 29 November 2002 commencing at 10 a.m. for the purpose of transacting the business as indicated below.

Ordinary Business

1. To receive and consider the Director's Report and the Financial Statements for the period ended 30 June 2002.
2. Clarke Craw & Partners, being the Company's auditors are automatically reappointed as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next Annual Meeting, and the shareholders are asked to authorise the directors to fix their remuneration for the ensuing year.

Special Business

Approval of Issue of 10 Million Ordinary Shares

3. To consider and, if thought fit, pass the following resolution as a resolution of the minority and as an ordinary resolution:

"That the Company issue 10 million ordinary shares to International Marine Services Limited ("IMS") for cash consideration of 5 cents per share payable immediately on the issue of the shares, giving IMS approximately 49.2% ownership of the total shares on issue in the Company after the issue. Such issue to take place within four weeks of this annual meeting. The shares being issued will rank equally with all other shares on issue. This issue is approved in terms of rule 7 (d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code."

Name Change

4. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Company change its name from Submarines Australasia Limited to Networkmarine Limited and that the Board be authorised to make such change after the issue of the shares to IMS under paragraph 3 above."



Other business

5. To transact any other business, which may lawfully be brought forward.

Please Note Resolutions that would normally be presented to shareholders relating to authorisation of dividends, payments to directors, and reappointment of directors who have retired by rotation, are not required under the NCM Rules and so are not presented. If in future periods any of these events are to take place, shareholders will have the opportunity to approve them in the normal way.

EXPLANATORY NOTES

1. Approval of Issue of Shareholding – Resolution 3

a. Waiver

The Company has obtained a waiver of rule 12.5.5 (e) (i) of the Listing Rules from the New Zealand Stock Exchange which allows it to issue the shares to IMS at 5 cents per share subject to obtaining shareholder approval by way of a resolution of the minority (as described in paragraph b below) both to the issue of the shares and to the issue price of five cents.

The purpose of the issue is to provide the Company with a much needed cash injection. The money will be used to pay creditors and meet its day to day operating expenses. The intention is for the Company to work with IMS in good faith with a view to the Company issuing further shares to IMS for non-cash consideration being assets to be agreed in IMS and some related companies. This further issue will be put to shareholders upon the terms being finalised.

b. Resolution of the Minority

Resolution 3 for approval for the issue of 10 million shares to IMS at 5 cents per share, being at a price less than the average end of day market price over the 20 business days before the issue is announced to the market requires approval by a Resolution of the Minority as a term of the waiver.

“Resolution of the Minority” means, in addition to any resolutions required by the Companies Act 1993, a resolution (passed by a simple majority of Votes) of those holders of shares in the Company carrying Votes, excluding any NCM Associate (except to the extent that an NCM Associate has been appointed as a proxy or Voting representative by another person and the NCM Associate votes in accordance with the express instructions of the other person).

“NCM Associate” in relation to an NCM Issuer means:

- a. a Director or officer of the NCM Issuer or any of its Subsidiaries; or
- b. the beneficial owner of NCM Restricted Securities; or
- c. a person with a Relevant Interest in 20% or more of the Equity Securities of the NCM Issuer; or
- d. an Associated Person of the NCM Issuer or any of the persons referred to in (a) or (b) or (c); or
- e. a person in respect of whom there are arrangements intended to result in that person becoming a person described in (a), (b), (c), or (d) or of whom the attainment of such status may reasonably be expected.

c. Takeover Provisions

IMS currently has no shareholding in the Company. Before the Company can agree to issue shares to IMS it requires shareholder approval. The issue of shares, if approved, will be permitted under rule 7 (d) of the Takeovers Code as an exception to rule 6 of the Takeover Code.

Rule 6 (1) (a) of the Takeover Code states that:

"Except as provided in rule 7, a person who holds or controls no voting rights in a code company may not become the holder of an increased percentage of the voting rights in the code company unless, after that event, that person and that person's associates hold or control in total not more than 20% of the voting rights in the code company."

Currently IMS holds no shares in the Company. As it is intended to issue 49.2% of the total shares in the Company to IMS approval is required under rule 7 (d).

Attached to this notice are the following:

1. A report from an independent adviser in compliance with rule 18 of the Takeovers Code.
2. A statement by the directors of the Code Company in compliance with rule 19 of the Takeover Code.

IMS has not provided a statement as required under rule 16(g) of the Takeovers Code confirming whether any agreement or arrangement has been or is intended to be entered into between IMS and any other person (other than the Company in terms of the issue of the shares) relating to the allotment, holding or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.

2. Name Change – Resolution 4

The use of the names "Submarines" and "Australasia" limit the Company's visionary aspect for the future and the objective is to better reflect the broader growth focus proposed for the Company. Networkmarine is reflective of the combination of innovative marine companies that unite to maximise their advantage and best utilise their strengths for the benefit of those involved.

3. Procedural Notes

The persons who will be entitled to vote on the resolutions at this Annual Meeting are those persons who are Shareholders of Submarines Australasia Limited at 5.00 pm on 28 November 2002. In respect of Resolution 3 voting is restricted to those persons referred to in Note 2 (b) who are Shareholders of Submarines Australasia Limited at 5.00 pm on 28 November 2002.



4. Proxies

A proxy form is enclosed with this Notice of Meeting.

A shareholder entitled to attend and vote at the annual meeting is entitled to appoint a proxy to attend and vote on their behalf. A proxy need not also be a shareholder of Submarines Australasia Limited.

The form attached allows shareholders to determine whether the proxy can vote at the proxy's discretion or vote in accordance with the shareholder's wishes. If the form is returned without a direction as to how the proxy shall vote on any particular resolution, the proxy will exercise their discretion as to whether to vote and, if so, how.

All joint holders must sign the proxy form. If the person appointing a proxy is a corporation the proxy must be signed for and on behalf of that corporation by two directors or otherwise in accordance with the constitution of that corporation. If the proxy form is signed by an attorney, the attorney must have been authorised in writing.

The proxy form, and any power of attorney or other authority (if any) should be delivered to your proxy or posted to **Submarines Australasia Limited, PO Box 791, DUNEDIN** to be received no later than **5pm on 28 November 2002**.



Submarines Australasia Limited
Annual Meeting

12TH FLOOR
RESERVE BANK BUILDING
2 THE TERRACE
P.O. BOX 1179
WELLINGTON
TEL 64-4-472 9830
FAX 64-4-472 8076
E MAIL seccom@sec-com.govt.nz
WEBSITE www.sec-com.govt.nz

To be held at the Boardroom of the Employers & Manufacturers Association, Level 8, Federation House, 95-99 Molesworth Street, Wellington on 29 November 2002 commencing at 10 a.m.

Proxy Form (for use if you are unable to attend the meeting)

I/We: Shareholder Number:

Being a holder of Ordinary Shares in Submarines Australasia Limited appoint:

(full name of proxy) of (full address)

or failing that person:

(full name of proxy) of (full address)

or The Chairman of the Meeting

as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting to be held at the Boardroom of the Employers & Manufacturers Association, Level 8, Federation House, 95-99 Molesworth Street Wellington, on 29 November 2002 commencing at 10 a.m. and at any adjournment of that meeting.

Voting Instructions/Ballot Paper

This part of the form can either be used as voting instructions for a proxy or as a ballot paper at the meeting (if a ballot is called). This form is to be used to vote as follows on the following resolutions:

Shareholder Resolution

For Against

- 1. To receive and consider the Director's Report and the Financial Statements for the period ended 30 June 2002.
2. Clarke Craw & Partners, being the Company's auditors are automatically reappointed as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next Annual Meeting, and the shareholders are asked to authorise the directors to fix their remuneration for the ensuing year.
3 To consider and, if thought fit, pass the following resolution as a resolution of the minority and as an ordinary resolution: "That the Company issue 10 million ordinary shares to International Marine Services Limited ("IMS") for cash consideration of 5 cents per share payable immediately on the issue of the shares, giving IMS approximately 49.2% ownership of the total shares on issue in the Company. Such issue to take place within four weeks of this annual meeting. The shares being issued will rank equally with all other shares on issue. This issue is approved in terms of rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code."
4. To consider and, if thought fit, pass the following resolution as an ordinary resolution: "That the Company change its name from Submarines Australasia Limited to Networkmarine Limited and that the Board be authorised to make such change after the issue of the shares to IMS under paragraph 3 above."

And to vote on any resolutions to amend any of the resolutions, on any resolution so amended and on any other resolution proposed at the Annual Meeting (or any adjournment thereof) so as to give effect to my/our intention as set out above or, in the event I/we have not expressed any intention or the intention is unclear (in my/our proxy's sole opinion) as my/our proxy sees fit.

Signed this day of 2002

Signature(s)

The completed form should be delivered to your proxy or posted to Submarines Australasia Limited, PO Box 791, DUNEDIN to be received no later than 5 pm on 28 November 2002.