ASX Announcement

19th December 2017

MMA Offshore Limited ("Company") – 2017 Annual General Meeting – Chairman's Address and Managing Director's Presentation

The Listing Manager
Australian Securities Exchange Ltd
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Please find **attached** a copy of the Chairman's Address and Managing Director's Presentation to be presented to shareholders at today's Annual General Meeting for the Company.

The results of the 2017 AGM will be released as soon as possible after the meeting.

Kind regards,
MMA OFFSHORE LIMITED

Dylan Roberts
Company Secretary

MMA Offshore Limited
2017 Annual General Meeting
Chairman's Address

As you are no doubt aware, the offshore oil and gas sector has been through one of its worst periods in history over the past three and a half years. This followed a significant fall in the oil price which went from over US$100 a barrel during 2014 to a low of US$27 a barrel in Feb 2016. This in turn has had a severe impact on global exploration and production expenditure, which has fallen approximately 50%, or US$1 trillion, since 2013 levels. This downturn in expenditure has had significant ramifications for the offshore vessel market and has led to an industry wide loss of market capitalisation for public companies operating in this sector. A number of these companies have undertaken major capital reconstructions to stabilise their financial position and business models, often at the expense of existing Shareholder value.

MMA has not been immune to the loss of market capitalisation in the sector. Whilst the Pareto analysis, which was sent to Shareholders with the Company's Notice of Meeting, indicates that MMA has been one of the better performing stocks amongst its peer group, this does not diminish the fact that the last three years have been very difficult for Shareholders and the Board acknowledges this.

In responding to the challenging market conditions, MMA has been highly focused on firstly, maintaining its solvency; and, secondly managing its capital structure in a manner that would position Shareholders to benefit as much as possible from a return to more normal trading conditions.

The business has been streamlined by both sustainably reducing costs and focusing on the market segments where your Board and management team believe MMA can generate and extract the most value over time.

Non-core assets have been sold with the proceeds applied to reducing the Company's debt. This debt reduction was integral to achieving significant amendments to our debt facilities in February 2017, including the deferral of fixed principal payments until the (then) facility expiry in September 2019.

A key element of the non-core asset sales strategy was the sale of the Company's interests in the Dampier and Broome supply bases, which the Board considered were no longer core to the Company's future strategy, in light of the significant decline in major offshore construction projects in the region. In addition, the vessels which have been sold or are earmarked for sale are those vessels which the Company sees as being outside of the future strategic direction of the Company. Following the sale of the remaining non-core vessels, MMA will be a more highly focused vessel operator with a quality and sophisticated fleet with an average age of approximately 5 years - one of the youngest fleets in the industry.

The actions that the Board has taken to manage costs and reduce debt during the downturn have enabled the Company to remain solvent, and in conjunction with its advisors, progress a capital management strategy in an orderly and structured manner that is in the best interests of the Company and all of its Shareholders.

As previously advised, during the year MMA engaged Pareto Securities, a specialist international maritime investment bank to undertake a strategic review with respect to the Company's operating strategy and balance sheet options.

As noted in the Notice of Meeting, this review identified the following in particular:

i. market commentary generally indicates that the market has bottomed but remains volatile and, whilst a recovery is expected, the timing is uncertain;
ii. the OSV market has already begun to recover since the bottom in January of this year;
iii. there is increasing interest in the offshore segment as investors focus on the key indicators that foreshadow an improvement in the market; and
iv. the Company should consider a suitably timed and priced equity raising, coupled with amended and extended debt facilities, to shore up its balance sheet.

The Board were firmly of the view that the Company needed to strengthen its balance sheet. To achieve this, as you know, the Company recently completed an equity raising under which it raised approximately $97 million (before costs), and concurrently secured valuable changes to the terms of its existing debt facilities; notably to extend the term by a further 2 years to 30 September 2021, vary the amortisation profile and reduce the interest rate on the facility. A key condition to securing these debt facility changes was that MMA raise at least $65 million under the equity raising, which it did.

The equity raising and concurrent debt amendments have together strengthened the Company's balance sheet and in consequence, MMA has an improved cash buffer to provide a measure of insulation against continuing market and earnings volatility and a stronger platform from which to take advantage of any sustained improvement in industry conditions.

There are a few comments that I would like to make about the structure and timing of the equity raising:

- As already noted, the Company was required to raise a minimum amount of funds, being $65 million, as a key condition to securing the amendments to its debt facilities;
- A precondition for procuring equity funds of at least this magnitude, is that there is investment interest in the sector and the Company. Market sentiment has improved recently so as to facilitate MMA being able to raise the desired

amount of equity at a modest discount to the trading in MMA shares immediately before launch of the equity raising; and

- Consistent with the Board's objectives, all Shareholders have had the opportunity to participate in the equity raising.

Nevertheless, the Board recognises that the structure of the equity raising has resulted in dilution to most Shareholders by reason of the placement component.

Structuring an equity raising is always a difficult balancing act of competing objectives. However, after taking into account independent advice on the equity offer structure and minimum size of the raising required by MMA's lenders, the Board believed that the drawbacks of this dilution were outweighed by the benefits of raising a certain, minimum amount of funds, which could best be achieved by a fully underwritten raising with a placement component. The Company's share price is now trading at a premium to the offer price under the equity raising, which the MMA Board is pleased to see.

In relation to the timing of the equity raising, the Board's view was that the conditions were right to launch the equity raising when it did (having secured the agreement of its lenders just prior to launch), notwithstanding that the sequencing with the upcoming AGM was not ideal. We believed we needed to act whilst the opportunity was clearly there, and not expose the Company to the risk that this may not have been the case at a later time, whether that be due to a deterioration in equity market conditions, changes in lender or underwriter sentiment, or otherwise.

As Shareholders would know, the Takeovers Panel made a declaration of unacceptable circumstances in relation to the affairs of MMA Offshore following Halom's application. To be clear, the Panel's finding was not that MMA had breached any law or that the conduct of the Company or its directors was unacceptable. The Panel did find that the timing of the equity raising relative to the original date of the Annual General Meeting meant that retail shareholders participating in the equity raising would be unable to vote their shares at the AGM in contrast to participating institutional shareholders. The Panel accepted an undertaking from the Company to postpone the date of this AGM so as to enable all participants in the capital raising to vote their new shares on the resolutions before the AGM today. The Company welcomed this outcome, particularly as we had previously considered that postponing the date of the AGM beyond the end of November was not an available option.

I would also like to make some comments about the amendments to MMA's debt facilities which have been secured and which became effective last week. Firstly, we have had the full support of our lenders all the way through the industry downturn and, on behalf of the Board, I would like to publicly express our thanks for that support. Secondly, I am firmly of the view that the credibility and strength of the relationship which our CEO and Managing Director, Jeff Weber, has held with our lenders, has been instrumental in maintaining that support and realising the outcomes achieved.

Jeff has been equally instrumental in maintaining the support of our clients, another crucial component to successfully continuing MMA's recovery strategy.

For these reasons, amongst others, Jeff has the full support of the Board as the Company's Managing Director and Chief Executive Officer. The Board strongly and unanimously believes that Jeff is the right person to lead the Company and its people through this ongoing difficult time in the industry and onwards to the anticipated recovery in market conditions.

As Shareholders are aware, the Board has embarked on a Board renewal programme. I have assumed the Chairman's role from Tony Howarth, who retired from the Board on 30th November 2017. Peter Kennan, founder of Black Crane Capital which manages MMA's largest Shareholder, Black Crane Opportunities Fund, has also recently joined the Board. Black Crane are a supporter of MMA's current strategy and management team.

The proxy votes for each of the now withdrawn resolutions, as at the proxy cut off time, which were included in the Company's ASX announcement yesterday indicated that a significant majority of MMA's Shareholders, including new investors, are supportive of the incumbent MMA Board, its strategy and vision for the Company and what it has achieved with the completion of the equity raising and amendments to its debt facilities.

In conclusion, on behalf of the Board, I do once again thank you both for your past support during what has been a very difficult three years and your ongoing support.

Managing Director's Presentation

Jeff Weber

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Introduction

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Market Conditions	• Industry conditions remain challenging although market commentary generally indicates that the market has likely bottomed • Volatility is expected to continue however and the timing of a recovery remains uncertain
Strengthened Balance Sheet	• Balance sheet recapitalisation completed through a combination of $97m in new equity combined with amended and extended debt facilities • Proceeds to be used to provide an improved cash buffer for the Company and a stronger capital structure • The equity raising and debt amendments (now complete and effective), in combination, provide a platform for MMA to take advantage of any sustained improvement in industry conditions
Streamlined Business	• MMA has streamlined its business through non-core asset sales and sustainable cost management to address the challenging market conditions and better position the company for the future • Vessel sales programme is close to completion
Focused strategy	• Quality core fleet of 28 vessels with an average age of approximately 5 years • Focused on the market segments and regions where MMA can generate the best return on its assets

FY17 Financial Result

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- **Revenue** $256.4m ⬇ 46.7%
- **EBITDA** $21.7m ⬇ 71.3%
- **EBIT (pre-impairment[1])** $(26.3)m ⬇ 94.8%
- **Non-cash impairment charge** $(312.2)m
- **Reported Net Loss after Tax** $(378.0)m
- **Net Loss after Tax (pre-impairment[1])** $(65.8)m
- **Operating cash flow** $(6.1)m
- **Cash at Bank** $28.8m

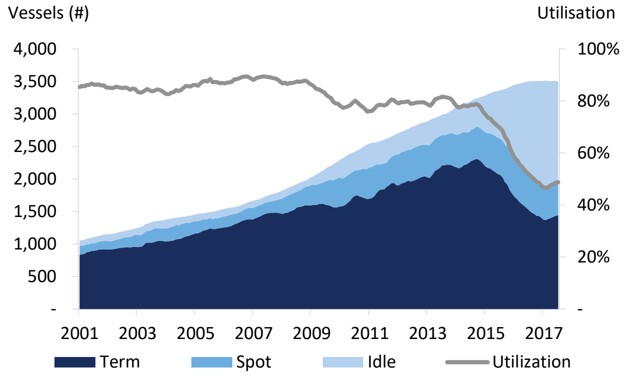
[1] Normalised to exclude the impact of the $312.2m impairment charge

Macro Conditions

Improving sentiment in the offshore vessel market

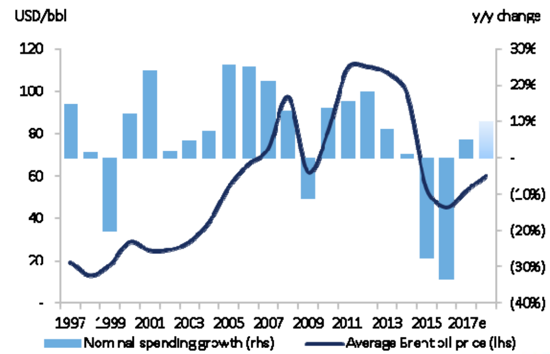
- **Oil markets rebalancing but ongoing volatility expected**
  - OPEC production and export cuts extended through H2 2018 and having an impact
  - Global inventory levels continue to decline
  - US shale production remains resilient
  - Global oil demand remains strong
- **Investment needs to increase to offset reserve depletion**
  - E&P spending, which has been drastically cut in recent years is not enough to meet future demand growth and offset reserve depletion
  - Majority of oil majors cash flow positive in 2017 at USD50-60/bbl
  - IEA forecasting a global supply shortage by 2020 if underinvestment continues
  - Indications of an increase in FEED and FID activity on falling project costs
- **OSV market remains challenging but sentiment has become more positive**
  - Increased tendering activity particularly around seismic and IMR scopes and in the Middle East region, jack up fixing showing signs of recovery in South East Asia
  - A proportion of the global cold stacked fleet is not expected to return to service eliminating some of the supply overhang
  - It will take some time for the vessel market to come back into balance, however the early signs are encouraging

OSV demand has increased in 2017



Source: Pareto, August 2017

Oil company capex has begun to increase



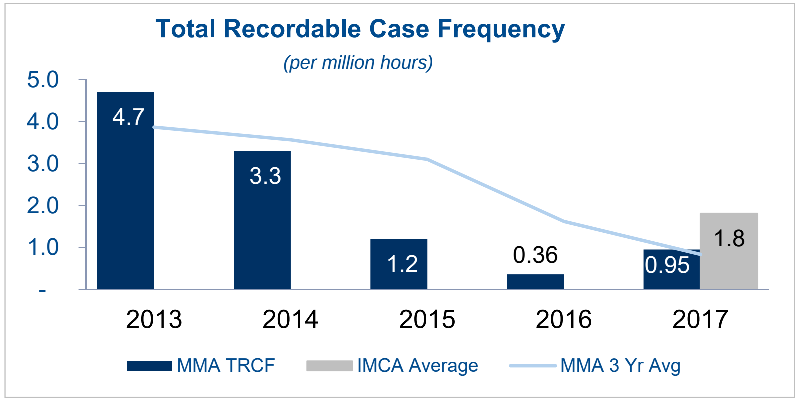
Source: Pareto, August 2017

Health, Safety and Environment

MMA continues to achieve excellence in its safety culture and performance

- TRCF result of 0.95 FY17; increase on FY16; 71% improvement over the past 3 years
- World class TRCF performance compared to industry peers (IMCA average for 2017 was 1.8)
- Target 365 strategy continues to evolve and produce sustainable improvements in safety performance and culture
- Embedded Target 365 Critical Controls programme focusing on the 8 highest risk activities across the business
- Process improvements resulting in a single certified global marine safety management system (down from 3)
- MMA recently appointed as the representative for the Asia Pacific region on the International Marine Contractors Association ("IMCA") Global HSSE Committee

A PERFECT DAY EVERY DAY



Recapitalisation strengthening the Balance Sheet

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Balance sheet recapitalisation completed through a combination of a $97m equity raising and amendments to the Company's debt facilities

$97m Equity Raising

- Fully underwritten equity raising of approximately $97m before costs
- Equity raising comprised a $22.4m Institutional Placement and $74.6m 1 for 1 pro-rata, accelerated, non-renounceable entitlement offer
- Institutional proceeds of $38.1m received on 24 Nov 2017
- Fully underwritten retail entitlement offer completed which raised a further $58.9m, with proceeds received on 8 Dec 2017
- Proceeds to be used to repay, in part, $30m of debt[1] and provide an improved cash buffer and a stronger capital structure for the Company

Debt Facility Amendments[2]

- As part of the recapitalisation MMA's existing lenders agreed to the following key amendments to the Company's debt facilities
  - Term extension to 30 September 2021
  - Reduced interest rate including removal of PIK interest
  - Amended covenants – covenant holiday until 30 Jun 2019
  - Revised amortisation profile – scheduled amortisation[3] commencing Jun 2020 including cash sweep above $70m
- All key conditions associated with the debt amendments have now been satisfied and the facility amendments have become effective

Impact

- Stronger balance sheet with pro forma net debt[4] reduced by $92m to $203m upon completion of the offer, pro-forma gearing[4] reduced from 115.2% to 58.4% and Pro-forma cash at bank increased from $28.8m to $90.8m
- Additional cash buffer provided by the proceeds of the Offer improves the Company's "liquidity runway", which better positions MMA to undertake a refinancing of its debt obligations at the appropriate time, and provides a measure of insulation in the event of continuing market and earnings volatility

[1] $10m of MMA's existing cash held in a blocked account was applied towards the $30m repayment, with the remaining $20m paid from proceeds of the equity raising
[2] Full details of the Debt Facility Amendments can be found in the Equity Raising Investor Presentation dated 16 November 2017
[3] MMA has also committed to prepayment from proceeds of non-core asset sales of at least $30m for period 1 Nov 17 to 31 Dec 18 with any shortfall below $30m to be funded from MMA's cash reserves on 31 Dec 18
[4] Net debt and gearing are calculated excluding the impact of unamortised loan fees

Strategy to Streamline the business

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MMA has streamlined its business through non-core asset sales and sustainable cost management to address the challenging market conditions and better position the company for the future

Sale of Supply Bases	• Dampier and Broome Supply Base interests sold during FY2017 • Net sale proceeds of AUD$49.5m used to reduce debt • As project activity in Australia slowed, the strategic benefit of owning these interests was limited
Non-Core Vessels Sales Programme	• Sales programme focused on vessels of limited future strategic value for the Company • Positive cash flow impact reducing holding costs, interest and overhead costs • 28 vessels sold since FY2016 • Proceeds predominantly used to fund debt amortisation • Sales programme is close to completion with 10 vessels remaining to be sold, 5 of which are currently under sales contracts and expected to complete in the near term
Sustainable cost reduction	• Sustainably reduced costs in all areas of the business whilst maintaining high safety and operating standards • Focus on core capabilities – safety, compliance, technical expertise, crewing, commercial • Ongoing focus on sustainable cost management

Strategy

MMA has a focused strategy with high quality core fleet operating in key regions of Australia / NZ, Middle East, South East Asia & Africa

Service Offering

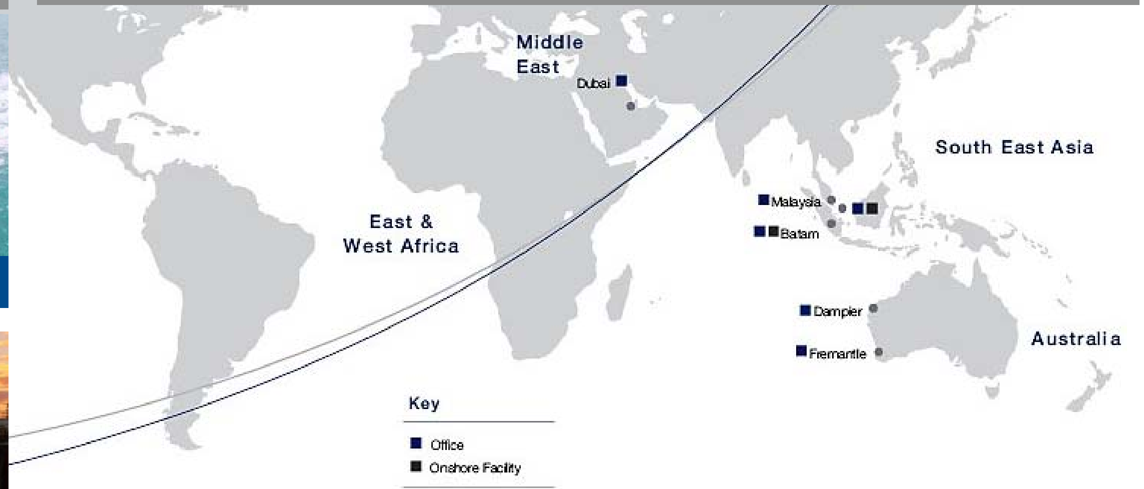
Offshore Services

Subsea Services

Onshore Services

Marine Expertise

Operating Areas



Core Vessel Fleet (28 Vessels)

3	12	7	6
AHT 6.3 yrs average age	AHTS 6.7 yrs average age	PSV 4.4 yrs average age	MPSV / IMR 3.5 yrs average age

Differentiation through Specialisation

MMA's ability to leverage its in-house technical marine expertise to deliver unique and cost effective solutions for clients is a key competitive advantage

Offtake Support

- Sound, Strait, Cove
- AHTs specifically designed to perform offtake support in remote challenging environments
- On term contracts supporting production facilities in the North West Shelf of Australia

Production Support PSVs

- MMA Plover, Brewster
- Specifically designed PSVs with unique chemical carrying capabilities
- On 5 year + contract supporting INPEX Ichthys LNG Project in Australia

Dual purpose PSV

- MMA Inscription
- PSV modified to undertake both platform supply and static tow services
- Awarded 5 year contract with ConocoPhillips
- Unique solution significantly reducing client operating costs

Specialised project solutions

MMA has delivered a range of specialised project solutions e.g. Gorgon LNG project

- 2 x 400ft "Super Barges"
- Desalination Vessel
- Fuel Facility Barge
- Water Barge
- Accommodation vessels (500-1400 berth)

IMR Fleet

Our newly built IMR fleet is building a sound reputation within the industry and is a key component of our future strategy

MMA Prestige & MMA Pinnacle

- Sophisticated and flexible vessels operating in the light construction/ IMR markets
- Designed to provide faster more efficient and cost effective project mobilisation times
- On-board systems and infrastructure allows the vessel to be on location longer with minimal external support
- Contracts in place with leading offshore service providers to extend the vessels' capabilities e.g. saturation dive operations, remote operated underwater vehicles (ROVs) and subsea installations
- Vessels have had ongoing demand since delivery in FY2017 with a range of project work scopes completed including: air and saturation diving operations, riser and spool installations, single buoy mooring maintenance, salvage, ROV operations, subsea mat restoration and installation, recommissioning support

MMA Privilege

- Multi-purpose maintenance work vessel
- Designed for cost effective platform commissioning field maintenance tasks and coil tubing operations
- High capacity lattice boom crane for surface to platform lifts of up to 50 tonnes
- 239 man accommodation
- Vessel has been on contract in Cote d'Ivoire, West Africa since its delivery in FY2016 supporting maintenance operations

Summary

- Market commentary is indicating an improvement in sentiment towards an expected recovery in the oil and gas services industry, although volatility is expected to continue
- Strengthened balance sheet through recent equity raising and debt amendments
- Streamlined business through non-core asset sales and sustainable cost management
- Continued to achieve a world class safety performance across our operations
- Strategy to focus on core vessel business with a target core fleet of high specification vessels operating in Australia/NZ, South East Asia, Middle East and Africa
- Challenging conditions expected to continue through FY18, with 2H expected to be stronger than 1H due to project activity in Australia

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