MMA Offshore Limited

2017 Financial Year Results Presentation

28 August 2017

MMA
OFFSHORE

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Overview

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Trading Update

- Industry conditions remain challenging although market sentiment is improving
- Overall vessel utilisation and rates remained at historic lows during FY17 however utilisation of our core vessel fleet was relatively firm with a number of long term contracts and demand for our newbuild IMR vessels
- MMA's strategy to dispose of non-core vessels from the fleet is being executed – sold 13 non-core vessels during FY17 and FY18 YTD with a further 10 vessels earmarked for sale
- Vessel impairment charge of $254m booked in Dec-16 with a further $33.5m booked in Jun-17, reflecting the impact of the current market conditions on asset values
- Whilst conditions remain difficult we are seeing early signs of increased activity at the front end of the value chain which should translate to increase vessel demand over time

Disposal of Supply Bases

- Strategic decision made to dispose of MMA's Supply Base and Slipway assets to focus on the core vessel business
- Sale of Dampier Supply Base and Slipway assets completed in Jun-17; sale of MMA's 50% share of the Broome Supply Base completed in Apr-17
- Transition has been smooth with no impact on MMA's vessel operations

Balance Sheet

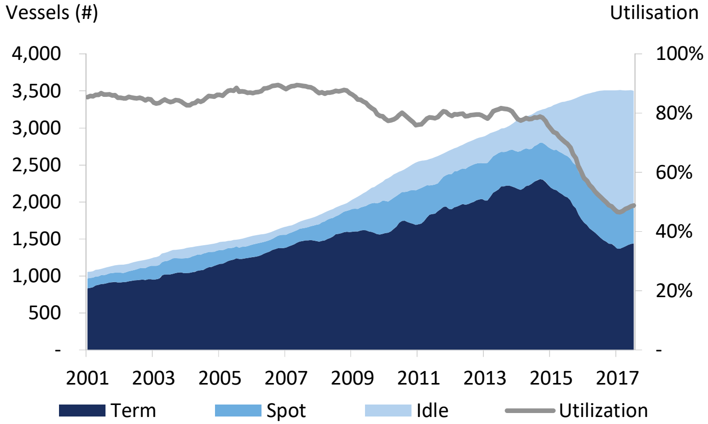
- MMA continues to have the support of its Banking Syndicate
- In Feb-17 MMA agreed a range of amendments to the company's Banking Facilities including a reduced amortisation profile and extension of the term of the facility
- Total debt repayments during FY17 - $67.3m. No further compulsory amortisation required until the expiry of the facility in Sep-19

Macro Conditions

Some positive sentiment returning to the offshore vessel market

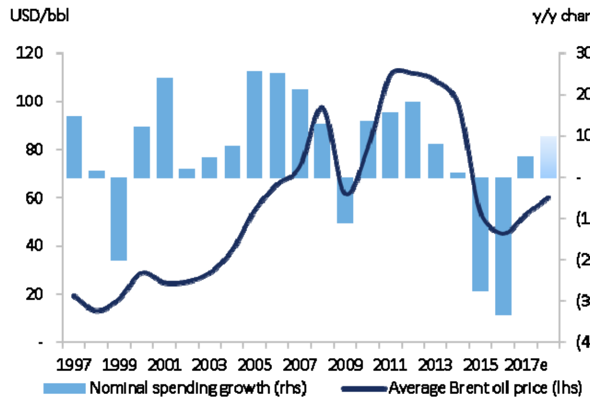
- **Oil markets rebalancing but ongoing volatility expected**
  - OPEC production and export cuts having an impact
  - Global inventory levels declining
  - US shale production remains resilient
  - Global oil demand is robust – increasingly non-OECD driven
- **Investment needs to increase to offset 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
  - IEA forecasting a global supply shortage by 2020 if underinvestment continues
  - Indications of an increase in FEED and FID activity
- **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
  - A large 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 for a market recovery

OSV demand has increased in 2017



Source: Pareto, August 2017

Oil company capex has begun to increase



Source: Pareto, August 2017

Financial Summary
Continuing and Discontinued Operations

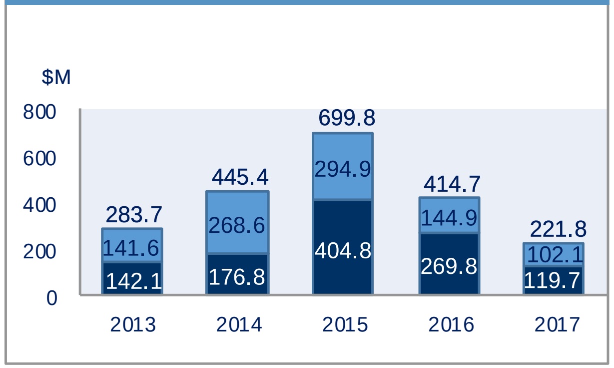
FY 2017 Full Year	Year ended 30 Jun 17	Year ended 30 Jun 16	Variance $	Variance %
Revenue	$256.4M	$481.1M	⬇ $224.7M	⬇ 46.7%
EBITDA	$21.7M	$75.5M	⬇ $53.8M	⬇ 71.3%
EBIT (Normalised)[1]	$(26.3)M	$(13.5)M	⬇ $12.8M	⬇ 94.8%
Impairment of Assets	$(312.2)M	$(139.0)M	⬆ $173.2M	⬆ 124.6%
Loss on Sale of Assets	$(15.5)M	$(3.8)M	⬆ $11.7M	⬆ 307.9%
Finance Costs	$(26.3)M	$(16.7)M	⬆ $9.6M	⬆ 57.5%
Profit before Tax	$(380.0)M	$(155.3)M	⬇ $224.7M	⬇ 144.7%
Reported Net Loss after Tax	$(378.0)M	$(144.0)M	⬇ $234.0M	⬇ 162.5%
Net Loss after Tax (Normalised)[2]	$(65.8)M	$(20.2)M	⬇ $45.6M	⬇ 225.7%

[1] EBIT (Normalised) is shown without the impact of the Impairment Charge
[2] Net Loss after Tax (Normalised) is shown without the impact of the Impairment charge

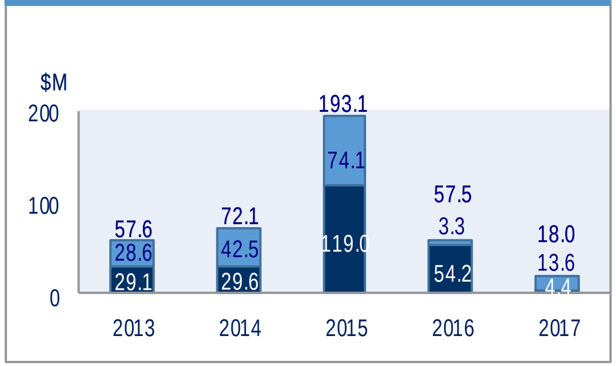
Key Financials

Continuing Operations (pre-impairment)

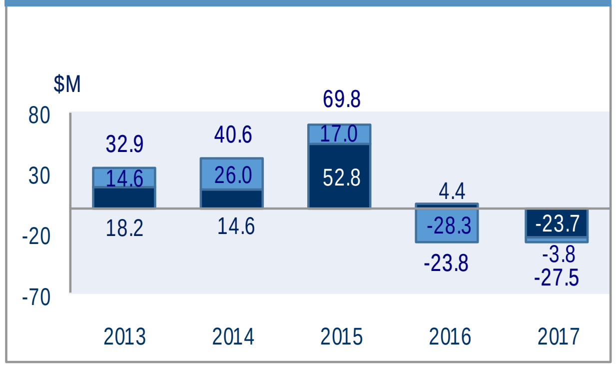
Revenue $221.8M



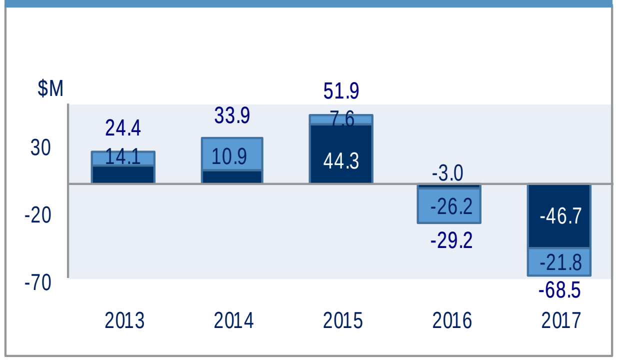
EBITDA $18.0



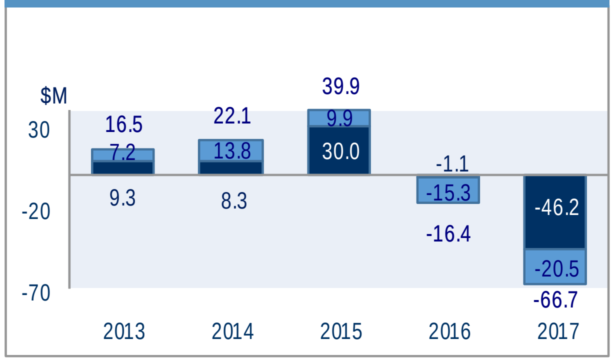
EBIT -$27.5M



Profit before Tax -$68.5M



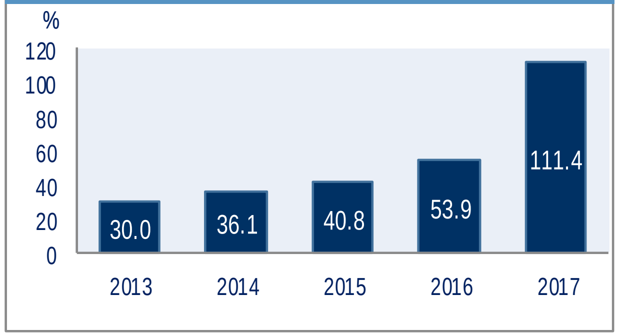
NPAT -$66.7M



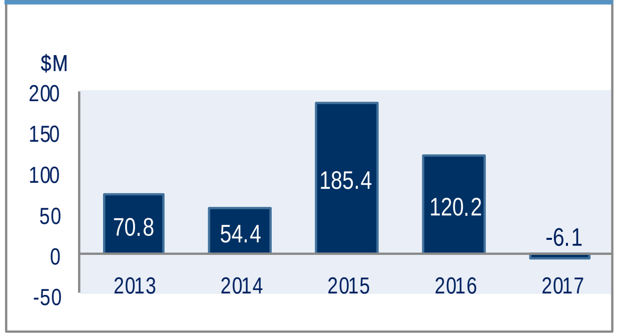
2H
1H

Balance Sheet
(post-impairment)

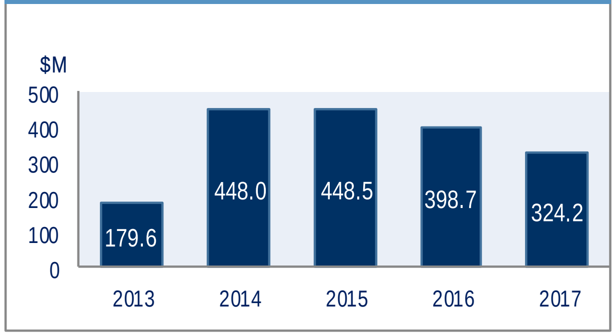
Gearing 111.4%[1]



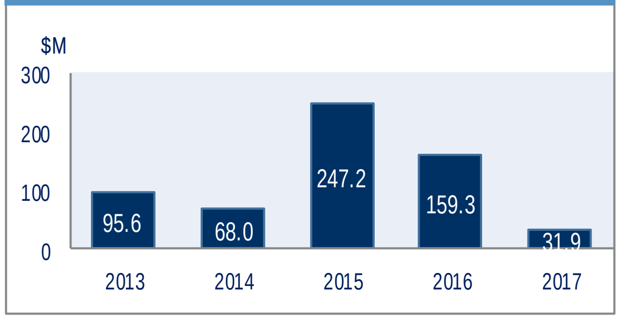
Operating Cash flow - $6.1m



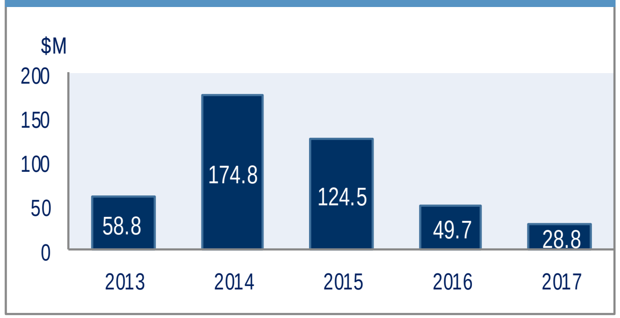
Int Bearing Liabilities $324.2M[2]



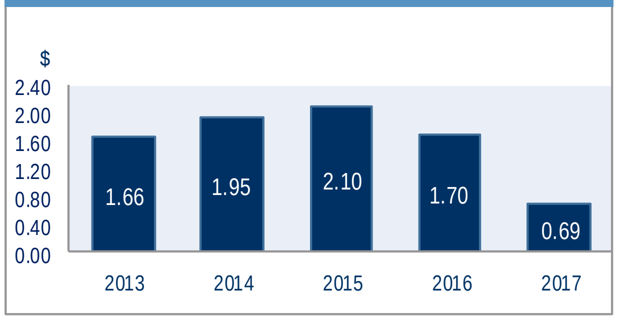
Capital Expenditure $31.9M



Cash at Bank $28.8M[3]



NTA per share $0.69



[1] **Gearing** – has increased as a result of the FY17 asset impairment charge
[2] **Interest Bearing Liabilities** excludes unamortised fees
[3] **Cash at Bank** includes $10.2m held in Escrow under the terms of MMA's Syndicated Loan Facility. Amounts in this account may be used to make additional prepayment of the outstanding balance of the Facility at any time. MMA may not otherwise withdraw the cash unless approved by a majority of the syndicate members.

Balance Sheet Management

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Loan Facility Restructure

- In Feb-17 MMA agreed a number of amendments to its Syndicated Loan Facility to assist it to trade through the current difficult market conditions
- Previous scheduled amortisation payments of $75m per annum replaced by a single principal repayment of $45m on 30 June 2017
- No further compulsory amortisation post 30 June 2017 with the remaining balance of the Facility to be repaid at the Facility expiry date
- Any proceeds received from the non-core vessel sales programme to be applied toward prepayment of the remaining balance of the Facility
- Facility Term extended to 30 Sep 2019

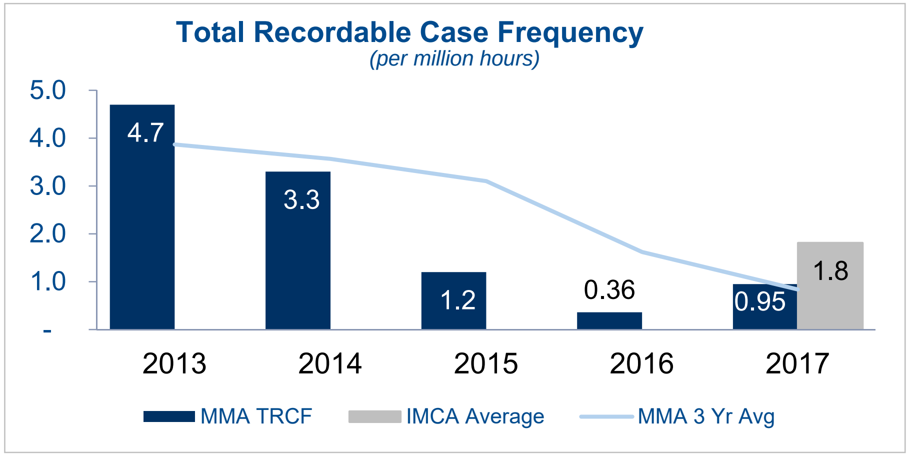
Strategic Review

- MMA has recently engaged advisors to undertake a strategic review focused on an assessment of the Company's financial and operating strategy, including optimising the Company's longer term funding arrangements

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
- 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

Non-Core Vessel Sales

MMA has sold 28 non-core vessels from the fleet to date for a total of A$68m

- 28 vessels sold since FY16 for a total of A$68m
  - FY16 - 15 vessels - $34m;
  - FY17 - 11 vessels - $33m;
  - FY18 YTD - 2 vessels - $1m
- 1 additional vessel is currently under contract with deposit received
- A further 9 vessels being marketed for sale
- Following the completion of the sale programme, MMA will retain a core fleet of approximately 30 high quality, high specification vessels with an average age of 5 years
- Proceeds from the sale of non-core vessels to fund debt amortisation
- Programme is having a positive cash flow impact, reducing holding costs, interest and overhead costs
- Vessels are available for charter in the spot market whilst being marketed for sale with holding costs minimised through our layup programme

Cost Reduction

Significant costs have been taken out of the business over the past 3 years

- Corporate and operating overhead reduced by 40%[1] between FY15 and FY18
- Headcount reduced by over 50%[2] in the same time period
- Material salary package reductions:
  - No annual remuneration increase for the past 3 years
  - Board and Senior Executive fixed remuneration reduced by at least 10%
  - No short or long term bonuses paid for the past 3 years
- Significant reductions in direct operating costs:
  - Supplier negotiations and re-tendering of key contracts
  - Business efficiency
  - Layup programme for vessels between contracts utilising MMA's land based facilities where possible
  - Culture of cost control across the business
- Ongoing focus on sustainably reducing cost in all areas of the business whilst maintaining high safety and operating standards

[1] Excluding reductions relating to the Supply Base sale
[2] Excluding Supply Base, Shipyard and Vessel Crew

Continuing Operations: Vessels

Financial overview
- Adverse market conditions continue to impact performance
- Revenue down 46.5%; EBITDA down 60.0%
- Non-cash Impairment charge $287.5 million

Operational overview
- Utilisation – Average 52% (FY15 59%) including laid up vessels; Rates remain at historically low levels
- Australia:
  - Key ongoing long term production support contracts (Woodside, ConocoPhillips, INPEX – second PSV commenced Feb-17)
  - Ongoing vessel sharing contracts with key operators in the region
  - Project scopes – 1H Technip Prelude tug & barge scope (13 vessels); 2H Chevron Thevenard Island abandonment (2 vessels)
  - Completed 2 seismic support projects
  - Finalised new 4 year EBA for offshore personnel
- International:
  - Extended contract in West Africa for MMA Privilege
  - Term contracts in Middle East and Thailand
  - Shorter term scopes in Myanmar, Malaysia, Brunei, India
  - Drilling support contracts for large AHTS vessels
  - Ongoing demand for newbuild IMR vessels MMA Pinnacle and MMA Prestige which were completed during the year
  - Increased tendering activity albeit at highly competitive rates

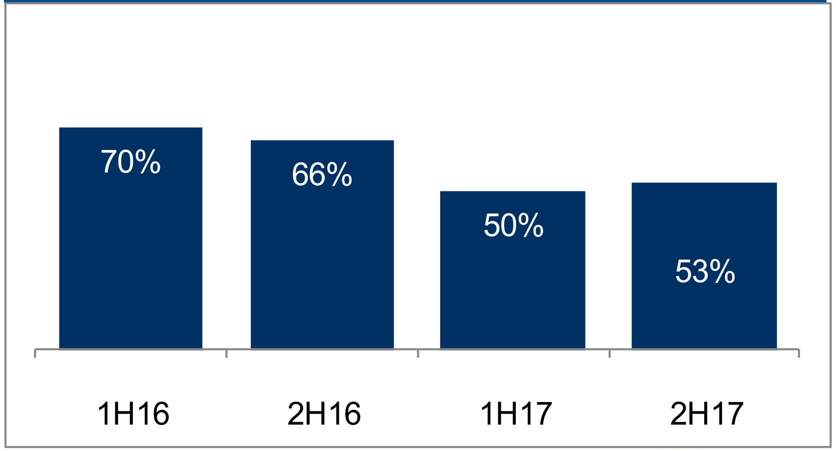
Outlook
- Market sentiment improving
- Early signs of increases in seismic activity, jack up rig tendering and ordering of subsea equipment
- Challenging conditions expected to continue through FY18 as oversupply in the market is absorbed, however the signs for a recovery are looking more positive

Vessels Financials

	Variance	30 Jun 2017	30 Jun 2016
Revenue	⬇ 46.5%	$221.8M	$414.7M
EBITDA	⬇ 61.7%	$24.8M	$64.8M
EBITDA / Revenue	⬇ 4.4%	11.2%	15.6%
EBIT (pre-impairment)[1]	⬇ 29.2%	-$19.9M	-$15.4M
EBIT / Revenue[1]	⬇ 5.3%	-9.0%	-3.7%
Segment Assets	⬇ 37.9%	$582.0M	$937.7M

[1] EBIT is shown excluding the impact of the $287.5m impairment charge against vessel assets in FY17 and $100m impairment charge in FY2016

Vessels Utilisation



Discontinued Operations

During the year MMA disposed of its Dampier Supply Base and Slipway assets and its 50% share of the Broome Supply Base JV for net sale proceeds of $49.5 million

- Broome JV sale completed on 28 April 2017
- Dampier Supply Base and Slipway sale completed on 15 June 2017
- Proceeds used to reduce debt
- Operational transition has been smooth with MMA continuing to manage its vessel operations from a regional office at the Dampier Supply Base
- MMA will continue to operate the Slipway under a licence agreement through FY18 servicing its own fleet and third party customers
- Slipway will form part of the Vessels operating segment going forward

Dampier Supply Base Financials			
1 Jul 16 to 15 Jun 17	Variance	30 Jun 2017	30 Jun 2016
Revenue[1]	⬇ 55.6%	$27.6M	$62.2M
EBITDA	⬇ 82.0%	$3.6M	$20.0M
EBIT (pre-impairment)[2]	⬇ 8%	$1.6M	$13.1M

Dampier Slipway Financials			
1 Jul 16 to 15 Jun 17	Variance	30 Jun 2017	30 Jun 2016
Revenue[1]	⬆ 22.4%	$12.0M	$9.8M
EBITDA[3]	⬆ $2.8M	$0.7M	$(2.1)M
EBIT (pre-impairment)[3,4]	⬆ $3.3M	$0.4M	$(2.9)M

Broome Supply Base Financials			
1 Jul 16 to 28 Apr 17	Variance	30 Jun 2017	30 Jun 2016
50% Share of NPAT	⬇ $2.1M	$0.5M	$2.6M

[1] Including intercompany revenues [2]Excluding impairment charge of $22.6m in FY17 and $36m in FY16 [3] Excluding impairment charge of $2m in FY17 and $3m in FY16 [4] Prior to consolidation eliminations

Market Outlook – Regions

All regions continue to experience low rates and utilisation, however tendering activity has increased

Australia	• The Australian market is relatively stable in terms of production support • Construction work is available in short scopes as existing projects move into commissioning and production phases; two Woodside projects (Greater Western Flank 2 and Greater Enfield) are currently being tendered for 2018 • Exploration activity continues to be subdued with the rig count at historically low levels, however we have seen an increase in seismic activity which is a positive sign for future exploration activity in the region
South East Asia	• The South East Asian market continues to be challenging with no improvement in utilisation or rates during the year • Tendering activity has picked up significantly across the region and there has been an increase in tenders converting into actual contracts in the last 6 months • Oversupply of vessels remains an issue, however, with increasing numbers of vessels in layup, the number of available and reliable vessels in the market is reducing
Middle East	• Activity in the Middle East continues to be strong, driven primarily by Saudi Aramco's expansion activities in Saudi Arabia • Rates have, however, declined significantly over the past 2 years as operators mobilise vessels into the Middle East from other regions, increasing supply • We are currently seeing very strong tendering activity particularly in Saudi Arabia as well as increasing scopes of work coming to market from other countries. • As a more difficult region to operate in, the Middle East is well suited to MMA's skill set and we are focused on growing our presence in this region
Africa	• The West African market remains subdued with reduced activity and a significant oversupply of vessels • Longer term prospects for East Africa remain very promising following the recent sanctioning by ENI of its Coral South FLNG Project offshore Mozambique with first LNG production targeted for 2022 • MMA has reduced its current presence in Africa but will seek to leverage its frontier LNG experience to expand into East Africa as activity in this region increases

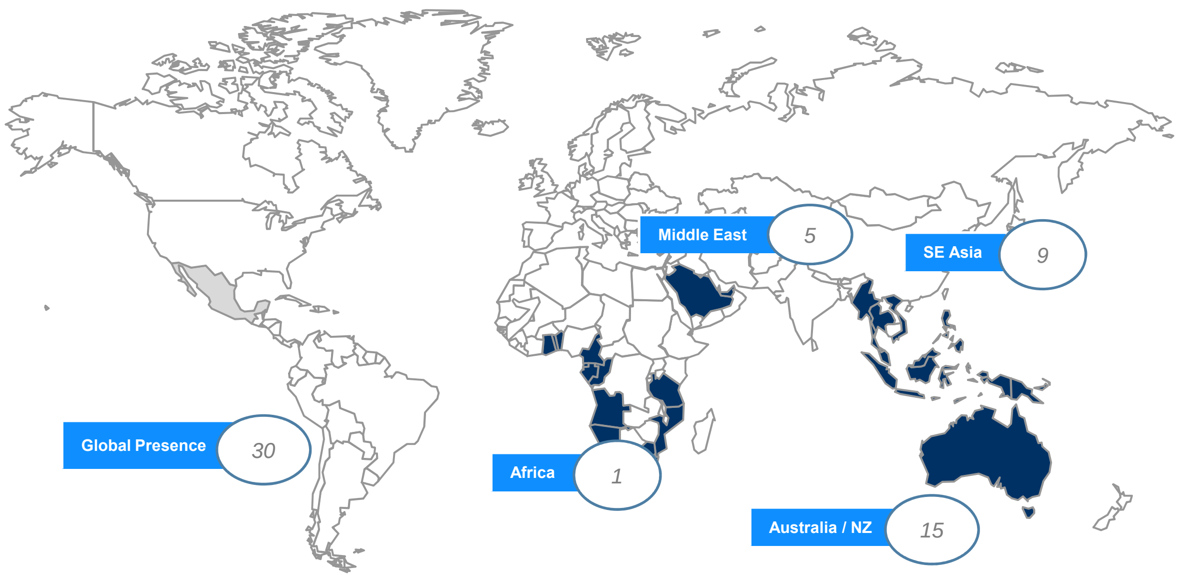
Core Fleet Strategy

MMA's regional strategy is focused on a core fleet of 30 high quality, specialised vessels with an average age of 5 years

Fleet Composition:

Vessel Type	Number	Average Age
AHT	3	6.3
AHTS	14	6.5
PSV	7	4.4
MPV / IMR	6	3.5
Total	**30**	**5.2**

Regional Focus:



Core vessels (excluding vessels earmarked for sale)

Summary

- Industry conditions remain challenging although market sentiment is improving
- Utilisation and rates remain at historic lows, however utilisation of MMA's core fleet remains relatively firm with a number of long term production support contracts and demand for our newbuild IMR vessels
- Continued to achieve a world class safety performance across our operations
- Pursuing non-core vessel sales strategy with 13 vessels sold during FY17 and FY18 (YTD)
- Sale of Dampier and Broome Supply Bases completed - transition has been smooth with capability retained in Dampier region to support vessel operations
- Strategy to focus on core vessel business with a target core fleet of approximately 30 high specification vessels operating in Australia/NZ, South East Asia, Middle East and Africa
- Continued focus on reducing operating costs and overhead
- Ongoing support of Banking Syndicate with revised facility terms agreed in Feb-17; Supply Base proceeds utilised to reduce debt with no further scheduled amortisation payments until Sep-19
- Rates and utilisation are expected to remain subdued during FY18 as the oversupply of vessels in the market tempers any near term recovery; however, conditions in the medium term are expected to improve
- With the full year contribution from new vessels and the impact of our cost reduction programmes, we expect a modest improvement in EBITDA from continuing operations in FY18

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Glossary of Terms

AHT	Anchor Handling Tug
AHTS	Anchor Handling Tug Supply Vessel
DP	Dynamic Positioning
EBA	Enterprise Bargaining Agreement
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
E&P	Exploration & Production
FY	Financial Year
IMCA	International Marine Contractors Association
IMR	Inspection Maintenance and Repair
JV	Joint Venture
LNG	Liquefied Natural Gas
NPAT	Net Profit after Tax
NTA	Net Tangible Assets
OSV	Offshore Supply Vessel
PSV	Platform Supply Vessel
SEA	South East Asia
TRCF	Total Recordable Case Frequency

Vessel Listing (1 of 3)

Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
MMA	INSCRIPTION	SINGAPORE	PSV, DP2	2012	-	87.1	5188 DWT	48
MERMAID	LEEUWIN	SINGAPORE	PSV	2013	-	82.2	4000 DWT	28
MMA	LEVEQUE	SINGAPORE	PSV, DP2	2010	-	75	3100 DWT	40
JAYA	VALOUR	MALAYSIA	PSV	2013	-	83.6	5509 DWT	60
JAYA	VALIANT	SINGAPORE	PSV	2014	-	76	3500 DWT	44
MERMAID	VIGILANCE	SINGAPORE	PSV, MULTI PURPOSE	2009	-	70	2850 DWT	50
JAYA	VICTORY	SINGAPORE	PSV	2014	-	76	3500 DWT	44
JAYA	VIGILANT	SINGAPORE	IMR	2013	-	83.6	5188 DWT	60
MMA	PRIDE	SINGAPORE	MULTI PURPOSE	2013	-	78	5150	148
MMA	ALMIGHTY	SINGAPORE	AHTS	2010	67.3	58.7	5150	42
JAYA	AMANDAM	SINGAPORE	AHTS	2009	61.7	58.7	4824	42
JAYA	AMARA	SINGAPORE	AHTS	2009	60.2	58.7	4824	42
MMA	CAVALIER	SINGAPORE	AHTS	2010	108	70	8000	50
MMA	CENTURION	SINGAPORE	AHTS	2011	102.5	70	8000	50
MMA	CHIEFTAIN	SINGAPORE	AHTS	2010	102	70	8046	42
MMA	CONCORDIA	SINGAPORE	AHTS	2010	100	70.5	8000	42
MMA	CONFIDENCE	SINGAPORE	AHTS	2011	105	70.5	8000	42
MDPL	CONQUEROR	SINGAPORE	AHTS	2010	119.5	70.5	8000	42

Vessel Listing (2 of 3)

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Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
MDPL	CONTINENTAL ONE	SINGAPORE	AHTS	2010	121	70.5	8000	42
MMA	CORAL	SINGAPORE	AHTS	2011	108	70	8000	50
MMA	CRYSTAL	SINGAPORE	AHTS	2012	104.2	70	8000	50
JAYA	DEFENDER	SINGAPORE	AHTS	2009	129	72.5	10730	42
JAYA	MAJESTIC	SINGAPORE	AHTS	2014	160.7	78.2	12070	46
SEA	HAWK 1	MALAYSIA	AHTS	2009	155	75.4	12070	50
MERMAID	VANTAGE	SINGAPORE	AHTS	2009	66	59.2	5150	42
MERMAID	VISION	SINGAPORE	AHTS	2009	105	67.8	8000	32
MERMAID	VOYAGER	AUSTRALIA	DP1, AHTS	2009	66	59.2	5150	42
MERMAID	RANGER	AUSTRALIA	AHT	2007	50.9	40	3872	18
MERMAID	SUPPORTER	AUSTRALIA	AHT	2001	60	45	4800	20
MERMAID	COVE	AUSTRALIA	AHT	2013	70.3	52.4	5620	22
MERMAID	SOUND	AUSTRALIA	AHT, AZIMUTH, OSV	2007	70	50	7341	22
MERMAID	STRAIT	AUSTRALIA	AHT, OSV, AZIMUTH, DPA	2012	69	52.4	7341	24
MERMAID	SEARCHER	AUSTRALIA	UTILITY	2008	34	54	3200	34
MERMAID	ESPERANCE	SINGAPORE	BARGE	2010	-	76.2	-	-
MERMAID	REGENT	AUSTRALIA	BARGE	2010	-	73.2	-	-
JAYA	300	SINGAPORE	BARGE	2008	-	87.8	9114 DWT	-

Vessel Listing (3 of 3)

Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
MMA	PRIVILEGE	SINGAPORE	MULTI PURPOSE	2015	-	90	10459	239
MMA	PLOVER	AUSTRALIA	PSV	2015	-	81.7	4000 DWT	27
MMA	BREWSTER	AUSTRALIA	PSV	2016	-	81.7	4000 DWT	27
MMA	PRESTIGE	SINGAPORE	IMR	2016	-	87.8	3000 DWT	100
MMA	PINNACLE	SINGAPORE	IMR	2016	-	87.8	3000 DWT	100

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