MMA OFFSHORE LIMITED

HALF YEAR FINANCIAL REPORT – 31 DECEMBER 2016

The Directors of MMA Offshore Limited ("MMA" or "Company") (ASX: MRM) submit herewith the Financial Report of the Company for the six months ended 31 December 2016.

Financial Summary

	Half year ended 31 Dec 2016 (pre-impairment)	Half year ended 31 Dec 2016 (post-impairment)	Half year ended 31 Dec 2015
Revenue from Continuing Operations	$119.7M	$119.7M	$269.8M
Loss from Continuing Operations	$(46.2)M	$(299.9)M	$(1.1)M
Profit / (Loss) from Discontinued Operations	$0.9M	$(23.8)M	$7.6M
Net Profit / (Loss) after Tax	$(45.4)M	$(323.7)M	$6.5M

Commenting on the result, MMA's Chairman, Mr Tony Howarth said:

"*The Company continues to go through a very difficult time with historically low vessel rates and utilisation impacting earnings.*

"The current market conditions continue to have a material impact on asset values, resulting in a further non-cash impairment charge of $278 million as at 31 December 2016.

"Importantly, we retain the support of our Banking Syndicate and have recently agreed a revised Facility Agreement that balances debt repayments with ongoing liquidity requirements.

"As announced today, we have agreed terms to sell our Dampier and Broome Supply Base assets for a total of $52.8 Million which will be used to fund debt reduction.

"There have been improvements in overall sentiment in the oil and gas industry with a recent stabilisation in the oil price. MMA will continue to focus on strengthening its Balance Sheet and positioning the Company to take advantage of any improvement in market conditions."

MMA's Managing Director, Mr Jeffrey Weber, commented:

"Global trading conditions for offshore vessels have yet to improve on the back of improved underlying oil price but there are some positive signs in the market.

“There is ongoing activity in the Australian market with a number of commissioning and decommissioning scopes providing work for our vessels. Internationally, the market remains difficult, however we are seeing some early signs of an increase in tender activity.

“Our newbuild programme is now complete with all five newbuild vessels currently working on long and short term contracts. Importantly, we have secured contracts for our newest vessels, the MMA Prestige and MMA Pinnacle, with both vessels currently operating in the dive support market. This Inspection, Maintenance and Repair market is currently one of the stronger market segments and we are pleased with the level of interest in these new vessels.

“The sale of our Dampier and Broome Supply Bases aligns with our strategy to divest non-core assets to focus on the core vessel business while reducing debt. Notwithstanding the sale of these land-based assets, we remain firmly committed to the Australian market. We currently have 13 offshore vessels operating in Australia and the region remains a key platform in MMA’s overall strategy.

“We continue to focus on streamlining the business, sustainably reducing costs, selling non-core assets and reducing our debt to position us for a turnaround in the market when it occurs. We are pursuing an accelerated divestment of our non-core vessel assets which will have a positive impact on cash flow, reducing operating costs, interest and overheads.

“The recent stabilisation in the oil price is a positive and should drive a return to investment in the offshore oil and gas industry.

“At this stage we expect activity to remain subdued through the remainder of FY17 with full year operating EBITDA to be in line with our previous guidance of $20-25 million.”

For further information contact:

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MMA OFFSHORE

ABN 21 083 185 693

Financial Report and Appendix 4D
for the Half Year Ended 31 December 2016

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Results for Announcement to the Market

Current Reporting Period: Half year ended 31 December 2016
Previous Reporting Period: Half year ended 31 December 2015

Earnings	31 Dec 2016 $'000	31 Dec 2015 $'000	% Change
Revenue from ordinary activities	119,668	269,793	-56%
Loss before tax from continuing operations	(300,386)	(3,011)	-9,876%
Loss from continuing operations after tax attributable to members	(299,911)	(1,123)	-26,606%
Loss from discontinued operations after tax	(23,753)	7,580	-413%
Net loss attributable to members	(323,664)	6,457	-5,113%

Information regarding the revenue and loss for the period is set out in the covering announcement accompanying this Report and in the Review of Operations in the Directors' Report on Page 4.

Dividends
Given the on-going market conditions, no interim dividend has been declared for the 2017 financial year.

Net Tangible Asset Backing	31 Dec 2016	31 Dec 2015
Net tangible asset backing per share	$0.87	$2.15

Details of Entities Where Control Has Been Gained or Lost During the Period to the date of this Report

MMA has not gained or lost control of any entities during the period up to the release of this Report.

Directors' Report

The Directors of MMA Offshore Limited (MMA) submit herewith the Financial Report of the Company and its subsidiaries (the Group) for the half year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001 (Cth), the Directors report as follows:

The names of the Directors of the Company during or since the end of the half year are:

- Mr A Howarth AO
- Mr J Weber
- Mr A Edwards
- Ms E Howell
- Mr CG Heng
- Mr M Bradley (retired 24 November 2016)

Review of Operations
Market conditions in the offshore oil and gas industry remained challenging during the first half of FY2017 with rates and utilisation remaining at historically low levels.

All of MMA's business divisions continue to be impacted by the market downturn, each reporting significant declines in revenue as compared to the first half of FY2016.

The prevailing industry downturn continues to impact asset values and MMA recorded a further non-cash impairment charge against the value of its assets of $278.3 million as at 31 December 2016.

Excluding the impact of the impairment charge, MMA recorded a net loss after tax of $(45.4) million down from a profit of $6.5m for the first half of FY2016. The reported net loss after tax was $(323.7) million including the impact of the impairment charge.

During the first half, a strategic decision was made to dispose of MMA's Supply Base and Slipway assets to focus on the core offshore vessel business. As a result, the Supply Base and Slipway segments have been classified as "Discontinued Operations" in the Financial Statements. MMA has also identified a number of non-core vessels which are actively being marketed for sale and as such have been reclassified as "Vessels held for Sale" in the Financial Statements.

MMA continues to have the support of its Banking Syndicate and the Company recently renegotiated a range of amendments to its Banking Facilities including a reduced amortisation profile and an extension to the facility term to assist MMA to trade through the current difficult market conditions.

Vessel Operations

The Vessel division reported EBITDA for the first half of $7.5 million down from $58.1 million in the previous corresponding period. Average utilisation across the fleet globally for the first half was approximately 50% as compared to 60% in the first half of FY2016. Rates have declined by a further 10-15% depending on vessel category over the same period.

Activity in Australia was boosted by a number of work scopes associated with the commissioning of the Ichthys and Prelude LNG facilities. MMA had a number of vessels active on these projects during the first half. MMA is also active in decommissioning of the Thevenard Island production facilities in the North West Shelf with this project expected to continue into the second half.

Adding to the Company's portfolio of production support contracts, the MMA Plover commenced its 5+ year contact with INPEX's Ichthys project in August contributing to revenue during the first half. Its sister vessel, the MMA Brewster is currently working in Australia prior to commencing with INPEX in the last quarter of the financial year. Both vessels will contribute a full year of earnings in FY2018.

MMA's last two newbuild vessels the MMA Pinnacle and MMA Prestige were completed during the first half. Both vessels have been fitted out with saturation dive spreads and have secured their first contracts as Dive Support Vessels; the Prestige in Malaysia and the Pinnacle in India. Both will contribute to earnings in the second half. The MMA Privilege continues its contract as a maintenance support vessel in Cote D'Ivoire in Africa.

The completion of the Pinnacle and Prestige brings to an end MMA's newbuild programme. This is a significant milestone for the Company and having all five vessels contracted in the current market is positive. Following the completion of the newbuild programme, the Batam Shipyard has ceased shipbuilding operations and will continue to be utilised as a low cost layup facility for MMA's vessels in South East Asia. Future capital expenditure will be significantly reduced.

MMA continues to have vessels operating in its key international regions of Asia, the Middle East and Africa with a number of contracts secured and extended during the period albeit at low rates and relatively short contract durations.

MMA has an active vessel layup programme with all vessels either warm or cold stacked where possible between contracts to minimise operating costs. MMA utilises its land based facilities in Singapore, Batam and Australia to layup vessels at low cost, supplemented by third party facilities in Africa and the Middle East. A comprehensive management programme is in place to maintain the quality and operational capability of the vessels during layup and to ensure that these vessels are available for work as and when required.

Vessel activity continues to be subdued across all sectors particularly exploration and construction although we are starting to see early signs of an increase in tender activity as well as some seismic scopes coming to the market. At a regional level, the Middle East continues to see the most activity, however, competition has increased significantly in that market reducing rates and utilisation.

Notwithstanding the recent increase in the oil price driven by OPEC production cuts, activity and rates across all regions are expected to remain soft for the remainder of the 2017 financial year.

Dampier Supply Base

During the first half of FY2017 the Dampier Supply Base generated revenue of $15.0 million and EBITDA of $2.2 million down from $36.1 million and $13.3m in the previous corresponding period.

Activity during the half related predominantly to production and construction activity with minimal drilling in the region as a result of the current market conditions.

MMA's initiatives to streamline the business have significantly reduced the fixed cost base for the business, however operating margins have reduced as a result of the downward pressure on rates and lower activity levels.

During the first half, MMA made a strategic decision to dispose of the Dampier Supply Base to focus on its core vessel operations. On 28 February, MMA entered into an agreement to sell the Dampier Supply Base to Toll Group for $44.1m subject to a number of conditions precedent including regulatory and other approvals. The proceeds from the sale will be used to reduce the company's debt in line with the revised amortisation profile agreed with MMA's Banking Syndicate. At this stage we expect the sale to complete no later than June 2017.

Dampier Slipway

The Dampier Slipway had a better than expected first half with the new operating model returning the business to profitability.

The Slipway generated revenue of $4.3m and EBITDA of $0.6 million for the half as compared to revenue of $6.7m and an EBITDA loss of $(1.2) million in the first half of FY2016.

A total of 22 dockings were completed during the half as compared to 11 in the previous corresponding period.

Second half activity for the Slipway is expected to be slightly lower than the first half.

The Slipway will form part of the Supply Base sale, however MMA will continue to operate the Slipway under a licence arrangement for a period of 12 months with an option to extend, thus retaining a maintenance capability and operating base for MMA's vessel fleet in the region.

Broome Supply Base – JV with Toll Holdings Ltd

MMA's 50% share of NPAT for the Broome Supply Base was $0.4 million, down from $1.8 million in the previous corresponding period.

As part of its Supply Base disposal strategy, MMA has agreed to dispose of its 50% share in the Broome JV to its joint venture partner Toll Holdings Limited for $8.7m with completion expected to occur by April 2017.

Vessel Sales Programme

MMA's vessel sales programme continues with 19 vessels sold to date for a total of $55 million and a further 5 vessels in advanced contract negotiations.

MMA is pursuing the accelerated sale of a number of non-core vessels from the fleet. Whilst vessels values are currently depressed, the strategy will have a positive impact on cashflow reducing holding costs, interest and overhead costs. The proceeds from these vessel sales will be used for debt amortisation and liquidity.

Cost Reduction Programme

MMA has taken significant steps to reduce costs over the past two years.

MMA is on track to reduce corporate and operating overhead by $32m or 38% from FY15 levels. Headcount has reduced by over 50% over the past two years and salary packages have been materially reduced for all non-marine staff.

MMA has also been active in reducing its direct costs through supplier negotiations and re-tendering, business efficiency initiatives and a comprehensive layup programme to reduce holding costs on vessels between contracts.

MMA will continue to focus on reducing costs in all areas of the business whilst maintaining high safety and operating standards which are critical in the offshore oil and gas industry.

Balance Sheet

MMA's cash at bank as at 31 December 2016 was $33.0 million with Gearing (Net debt / Equity) at 110.5%. The Company's gearing level has increased significantly as a result of the $278 million asset impairment charge.

On 28th February 2017, MMA agreed further amendments to the terms of its debt facilities with its Banking Syndicate including a reduced amortisation profile and an extension of the facility term to enable MMA to trade through the current difficult market conditions.

Under the new terms of the facility, MMA's previous scheduled amortisation payments of $75 million per annum and the deferred 31 December 2016 instalment of $37.5 million, have been replaced by a single principal repayment of $45 million to be paid on 30 June 2017, with the remaining balance of the Facility to be repaid at the termination date.

The term of the facility has also been extended to 30 September 2019.

The principal repayment at 30 June 2017 is expected to be funded primarily from the proceeds of the proposed sale of the Company's Dampier Supply Base and Slipway.

The Company will also apply any proceeds received from the non-core vessel sales programme and the sale of its 50% share of the Broome Supply Base towards the prepayment of the remaining balance of the Facility.

Outlook

The recently announced OPEC production cuts have been a positive for the oil price however there is still concern around the resilience of US shale production which has tempered the impact.

A stabilisation of the oil price is positive for the industry and should drive increased investment in the offshore oil and gas industry which would translate to increased demand for offshore vessel services.

At this stage we expect activity to remain subdued through the remainder of FY17, with full year operating EBITDA to be in line with our previous guidance of $20-25 million.

Auditors' Independence Declaration

The Auditors' Independence Declaration is included on page 7 of the half year report.

Rounding off of Amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with this Corporations Instrument, amounts in the Directors' Report and the Half Year Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s306(3) of the Corporations Act 2001 (Cth).

On behalf of the Directors

TONY HOWARTH AO
Chairman

Perth, 28 February 2017

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The Board of Directors
MMA Offshore Limited
Endeavour Shed
1 Mews Road
Fremantle WA 6160

28 February 2017

Dear Directors

MMA Offshore Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of MMA Offshore Limited.

As lead audit partner for the review of the financial statements of MMA Offshore Limited for the half year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
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Independent Auditor's Review Report to the members of MMA Offshore Limited

We have reviewed the accompanying half-year financial report of MMA Offshore Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 26.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the MMA Offshore Limited's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MMA Offshore Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of MMA Offshore Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MMA Offshore Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty related to Going Concern

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates MMA Offshore Limited incurred a net loss after tax of $323.7 million during the half-year ended 31 December 2016 and, as of that date, was required to make debt repayments totaling $112.5 million by 31 December 2017. Subsequent to the period end MMA Offshore Limited executed an amended facility agreement with their banking syndicate which amended existing facility terms including the dates and amounts of scheduled repayments. In addition MMA Offshore Limited has executed a sales agreement for the Dampier Supply Base, subject to the satisfaction of outstanding conditions settlement is expected to occur on or before 15 June 2017.

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants
Perth, 28 February 2017

Directors' Declaration

The Directors declare that:

a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 (Cth), including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of the Corporations Act 2001 (Cth).

On behalf of the Directors,

TONY HOWARTH AO
Chairman

Perth, 28 February 2017

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2016

	Note	Half year ended 31 Dec 2016 $'000	Half year ended 31 Dec 2015 $'000
Continuing Operations			
Revenue		119,668	269,793
Investment income		6	479
Other gains/(losses)	3(a)	(10,453)	1,480
Vessel expenses		(139,859)	(260,942)
Administration expenses		(4,188)	(5,069)
Impairment charge	2(e)	(253,665)	-
Finance costs		(11,895)	(8,752)
Loss before tax from continuing operations		(300,386)	(3,011)
Income tax benefit		475	1,888
Loss for the period from continuing operations		(299,911)	(1,123)
Discontinued Operations			
Profit/(loss) from discontinued operations	4(c)	(23,753)	7,580
Profit/(Loss) for the Period		(323,664)	6,457
Other Comprehensive Income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		22,630	39,800
Loss on hedge of net investment in a foreign operation		(7,963)	(14,790)
Gain on cashflow hedges		-	4,969
Transfer of cashflow hedge gain to initial carrying amount of hedged items		-	(8,936)
Other comprehensive income for the period, net of tax		14,667	21,043
Total Comprehensive Income/(Loss) for the Period		(308,997)	27,500
Profit/(loss) attributable to owners of the Company		(323,664)	6,457
Total comprehensive income/(loss) attributable to owners of the Company		(308,997)	27,500

		Cents Per Share	Cents Per Share
Earnings/(Loss) per share			
From continuing and discontinued operations			
Basic	5	(86.76)	1.74
Diluted	5	(86.76)	1.73
From continuing operations			
Basic	5	(80.39)	(0.31)
Diluted	5	(80.39)	(0.31)

The above Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position
As at 31 December 2016

	Note	31 Dec 2016 $'000	30 June 2016 $'000
Current Assets			
Cash and cash equivalents		33,040	49,725
Trade and other receivables	6	70,056	66,676
Inventories	7	4,743	4,263
Current tax asset		-	5,712
Prepayments		2,005	3,349
Assets classified as held for sale	8	107,543	-
Total Current Assets		217,387	129,725
Non-Current Assets			
Investments accounted for using the equity method		-	8,966
Property, plant and equipment	9	572,573	955,782
Total Non-Current Assets		572,573	964,748
Total Assets		789,960	1,094,473
Current Liabilities			
Trade and other payables	11	44,783	43,940
Unearned revenue		1,644	3,489
Borrowings	12	109,253	73,083
Provisions	13	10,947	14,633
Current tax liabilities		3,102	-
Customer security deposits		2,154	2,210
Total Current Liabilities		171,883	137,355
Non-Current Liabilities			
Unearned revenue		295	311
Trade payables		7,137	-
Borrowings	12	283,358	318,742
Provisions	13	887	806
Deferred tax liabilities		1,069	3,093
Total Non-Current Liabilities		292,746	322,952
Total Liabilities		464,629	460,307
Net Assets		325,331	634,166
Equity			
Issued capital		561,275	556,566
Reserves		129,673	119,553
Accumulated losses		(365,617)	(41,953)
Total Equity		325,331	634,166

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2016

Half Year Ended 31 December 2016	Issued Capital $'000	Employee Equity Settled Benefits Reserve $'000	Hedging Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2016	556,566	5,704	(58,345)	172,194	(41,953)	634,166
Comprehensive income/(loss) for the period:						
Loss for the period	-	-	-	-	(323,664)	(323,664)
Other comprehensive income/(loss) for the period	-	-	(7,963)	22,630	-	14,667
Total Comprehensive Income/(Loss) for the Period	-	-	(7,963)	22,630	(323,664)	(308,997)
Transfer to share capital	4,709	(4,709)	-	-	-	-
Recognition of share based payments	-	328	-	-	-	328
Related income tax expense	-	(166)	-	-	-	(166)
Balance at 31 December 2016	561,275	1,157	(66,308)	194,824	(365,617)	325,331

Half Year Ended 31 December 2015	Issued Capital $'000	Employee Equity Settled Benefits Reserve $'000	Hedging Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2015	555,681	4,952	(37,971)	148,877	107,578	779,117
Comprehensive income/(loss) for the period:						
Profit for the period	-	-	-	-	6,457	6,457
Other comprehensive income/(loss) for the period	-	-	(18,757)	39,800	-	21,043
Total Comprehensive Income/(Loss) for the Period	-	-	(18,757)	39,800	6,457	27,500
Payment of dividends	-	-	-	-	(5,569)	(5,569)
Issue of shares under dividend reinvestment plan	885	-	-	-	-	885
Recognition of share based payments	-	506	-	-	-	506
Related income tax expense	-	(204)	-	-	-	(204)
Balance at 31 December 2015	556,566	5,254	(56,728)	188,677	108,466	802,235

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2016

	Half year ended 31 Dec 2016 $'000	Half year ended 31 Dec 2015 $'000
Cash flows from Operating Activities		
Receipts from customers	122,992	299,163
Interest received	6	479
Payments to suppliers and employees	(128,256)	(244,594)
Income tax received/(paid)	7,033	(11,891)
Interest and other costs of finance paid	(10,352)	(7,983)
Net Cash (Used in) / Provided by Operating Activities	(8,577)	35,174
Cash flows from Investing Activities		
Payments for property, plant and equipment	(16,022)	(70,926)
Proceeds from sale of property, plant and equipment	12,425	22,599
Dividends received	750	2,250
Net Cash Used in Investing Activities	(2,847)	(46,077)
Cash flows from Financing Activities		
Repayment of borrowings	(5,625)	(26,525)
Financing fees on borrowings	(202)	-
Dividends paid	-	(4,684)
Net Cash Used In Financing Activities	(5,827)	(31,209)
Net decrease in cash and cash equivalents	(17,251)	(42,112)
Cash and cash equivalents at the beginning of the half year period	49,725	124,482
Effects of exchange rate changes on the balance of cash held in foreign currencies	566	4,717
Cash and Cash Equivalents at the End of the Half Year	33,040	87,087

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

1. Significant accounting policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with this Corporations Instrument, amounts in the half year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the financial year ended 30 June 2016**,** except for the impact of the Standards and Interpretations outlined in the New or Revised Standards section below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

The financial statements have been prepared on a going concern basis, with the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the period ended 31 December 2016 the Group incurred a loss after tax of $323.7 million, including total impairment charges before tax of $278.3 million (2015: profit after tax of $6.4 million).

On 23 December 2016 the members of the Company's Syndicated Loan Facility ("Facility") agreed to defer the payment of the scheduled amortisation of $37.5m which was due on 31 December 2016 to 31 March 2017.

As at 31 December 2016, over the following 12 month period, the Company was required to make three scheduled amortisation payments of $37.5 million each on 31 March, 30 June and 31 December respectively totalling $112.5 million.

During the period ended 31 December 2016, the Company resolved to actively market for sale its Dampier Supply Base and Slipway businesses, its 50% share in Toll Mermaid Logistics Broome Pty Ltd (TMLB), the Company which operates the Broome Supply Base business, and 20 non-core vessels from its vessel fleet with the proceeds from the sale of these assets to be applied toward repayment of the amounts outstanding under its Syndicated Loan Facility.

On 28 February 2017, the Company entered into a contract for the sale of the Dampier Supply Base and Slipway businesses for $44.1 million, excluding the related selling costs. This contract is subject to completion of a number of outstanding conditions which are expected to be met over the coming months with settlement to occur no later than 15 June 2017.

The contract is subject to customary regulatory approvals including the following:

- Foreign Investment Review Board (FIRB) approval;
- Australian Competition and Consumer Commission (ACCC) approval; and
- Consultation with ASX in relation to the potential application of ASX Listing Rules 11.1 or 11.2 to the proposed Supply Base sale.

In addition, the contract is subject to a number of other conditions precedent, including receipt of certain key counterparty consents and there being no prescribed material adverse change events.

On 28 February 2017, the Company also entered into a contract for the sale of its 50% holding in TMLB for total consideration of $8.7 million, represented by a dividend distribution of $8.3 million and sale proceeds of $0.4 million. Settlement of this contract is expected to occur by 17 April 2017.

The sale program for the non-core vessels is continuing with settlement proceeds of $4.5 million being received from the sale of one vessel on 23 February 2017 and we are in advanced negotiations for a further 5 vessels.

On 28 February 2017, the Company and the Syndicate members agreed to a number of further amendments to the Facility including replacing the previous scheduled amortisation payments over the remaining term of the Facility with a single principal repayment of $45 million which is to be paid on 30 June 2017. The remaining outstanding principal of $355.3 million will be due at the expiry of the Facility which has been extended for a further 6 month period to 30 September 2019.

The principal repayment of $45 million at 30 June 2017 is expected to be funded primarily from the proceeds of the sale of the Company's Dampier Supply Base and Slipway businesses.

The Company will also apply the proceeds received from the sale of its 50% share of TMLB and the sale of the non-core vessels toward prepayment of the remaining balance of the Facility.

The Directors believe that at the date of approving the half year Financial Statements they will be successful in achieving the matters set out above and accordingly there are reasonable grounds that the Group will have sufficient funds to meet its obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

If the Group does not achieve the matters set out above there is a material uncertainty whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classifications of liabilities that might be necessary should the Group not continue as a going concern.

New or Revised Standards and Interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group are:

- AASB 2015 – 1 "Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle"
- AASB 2015 – 2 "Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB101"

The adoption of the new and revised Standards has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half years.

Notes to the Condensed Consolidated Financial Statements

2. Segment Information

(a) Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (The Board of Directors) for the purposes of resource allocation and assessment of segment performance focuses on the types of services provided. In accordance with AASB 8, for the current reporting period the Group had one reportable segment being its Vessel operations.

The Group's previous reportable Supply Base and Slipway segments have been classified as held for sale and discontinued operations (see note 4).

Information regarding the Vessel operating segment is presented below. The accounting policies of the reportable segment are the same as the Group's accounting policies.

(b) Segment revenues and results

The following is an analysis of the Group's revenue and results by Vessel segment:

	Revenue		Segment Profit	
	Half year ended 31 Dec 2016 $'000	Half year ended 31 Dec 2015 $'000	Half year ended 31 Dec 2016 $'000	Half year ended 31 Dec 2015 $'000
Continuing Operations				
Vessels	119,668	269,793	(273,856)	8,851
Investment Revenue			6	479
Other profits/(losses)			(10,453)	1,480
Administration costs			(4,188)	(5,069)
Unallocated finance costs			(11,895)	(8,752)
Loss from Continuing Operations			(300,386)	(3,011)

Segment loss represents the loss earned by the Vessel segment without allocation of investment revenue, other gains and losses, administration costs, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(c) Segment Assets

The following is an analysis of the Group's assets by reportable segment:

	31 Dec 2016 $'000	30 Jun 2016 $'000
Vessel segment assets(i)	690,505	937,658
Unallocated assets	42,977	69,340
Total segment assets	733,482	1,006,998
Assets relating to discontinuing operations	56,478	87,475
Total	789,960	1,094,473

(i) Vessel segment assets include vessels held for sale (see note 8).

For the purposes of monitoring segment performance and allocating resources to a segment, all assets are allocated to a reportable segment other than cash, tax assets, central administration assets and assets relating to discontinuing operations.

2. Segment Information (continued)

(d) Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	31 Dec 2016 $'000	31 Dec 2015 $'000	31 Dec 2016 $'000	31 Dec 2015 $'000
Vessel assets	27,726	49,255	25,841	80,289
Unallocated assets	466	532	42	242
Total	28,192	49,787	25,883	80,531

(e) Impairment charges from continuing operations

In addition to the depreciation reported above, impairment charges were recognised in respect of vessels as follows:

	31 Dec 2016 $'000	31 Dec 2015 $'000
Vessels held for continuing operations	124,212	-
Vessels held for sale	129,453	-
Total	253,665	-

3. **Profit/(Loss) from Continuing Operations**	Half year ended 31 Dec 2016 $'000	Half year ended 31 Dec 2015 $'000
(a) Other gains and losses:		
Net foreign exchange gains	632	653
Gain/(loss) on disposal of property, plant and equipment	(11,085)	827
Total	(10,453)	1,480
(b) Profit/(loss) for the period: Profit/(loss) for the period before income tax has been arrived at after charging the following:		
(i) Depreciation:		
Leasehold buildings and improvements	213	714
Vessels at cost	26,850	48,075
Plant and equipment	1,103	958
Plant and equipment – hire purchase	26	40
Total	28,192	49,787
(ii) Impairment charges:		
Impairment charges recognised on trade receivables	7,338	1,400
Reversal of impairment charge recognised on trade receivables	-	(3)
Impairment charge recognised on vessel assets	253,665	-
(iii) Employee benefits:		
Post-employment benefits:		
Defined contribution plans	4,911	7,516
Share based payments:		
Equity settled share based payments	328	506
Other employee benefits	53,842	82,388
Total	59,081	90,410

4. Discontinued Operations

(a) A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and represents a major segment(s) of the business and is part of a single coordinated plan to dispose of such a line of business. Information regarding the results of the discontinued operations presented separately in the Statement of Profit or Loss and Other Comprehensive Income is presented below.

(b) Discontinued operations for the period ended 31 December 2016:

Dampier Supply Base and Slipway businesses
During the period ended 31 December 2016, the Group resolved to dispose of the Dampier Supply Base and Slipway businesses and accordingly, classified them as held for sale and discontinued operations. The fair value less costs to sell of the businesses was expected to be lower than the carrying value of the assets comprising the businesses. Consequently the Group recognised an impairment charge of $25 million against the carrying value of the assets (see note 8). On 28 February 2017, the Group entered into a contract for the sale of the Dampier Supply Base and Slipway businesses with settlement to occur no later than 15 June 2017.

Investment in Toll Mermaid Logistics Broome Pty Ltd (TMLB)
During the period ended 31 December 2016, the Group also resolved to dispose of its 50% investment in TMLB which operated the Broome Supply Base business and accordingly, classified the investment as held for sale and a discontinued operation. This investment was previously accounted for using the equity method. The fair value less cost to sell of the investment was expected to equal the carrying amount of the investment. Accordingly, no impairment charge was recognised against the carrying value of the investment (see note 8). On 28 February 2017, the Company entered into a contract for the sale of its holding in TMLB with settlement expected to occur by 17 April 2017.

(c) Analysis of profit/(loss) for the period from discontinued operations:
The combined results of the discontinued operations included in the profit/(loss) for the period are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period.

	Half year ended 31 Dec 2016 $'000	Half year ended 31 Dec 2015 $'000
Profit/(Loss) for the period of discontinued operations		
Revenue	16,609	39,538
Share of profit from jointly controlled entity	447	1,822
Total revenue	17,056	41,360
Expenses	(16,163)	(31,300)
Impairment charge on measurement to fair value	(24,646)	-
Profit/(Loss) before tax	(23,753)	10,060
Attributable income tax expense	-	(2,480)
Profit/(Loss) for the period from discontinued operations	(23,753)	7,580

Cash flows from discontinued operations:		
Net cash inflows from operating activities	3,724	24,532
Net cash inflows from investing activities	956	1,269
Net cash outflows from financing activities	(283)	(728)
Net cash inflows	4,397	25,073

The Supply Base and Slipway businesses and the investment in TMLB have been classified and accounted for at 31 December 2016 as disposal groups held for sale (see note 8).

5. Earnings per Share

(a) Earnings per Share:

The earnings used in the calculation of basic and diluted earnings per share are as follows:

	Half year ended 31 Dec 2016 $'000	Half year ended 31 Dec 2015 $'000
Profit/(Loss) for the year used in the calculation of basic and diluted earnings per share	(323,664)	6,457
Profit/(Loss) from discontinued operations	(23,753)	7,580
Loss for the year used in the calculation of basic and diluted earnings per share from continuing operations	(299,911)	(1,123)

		No.'000	No.'000
(b)	Weighted average number of ordinary shares (basic):		
	Weighted average number of ordinary shares used in the calculation of basic earnings per share	373,077	372,144
(c)	Weighted average number of ordinary shares (diluted):		
	Weighted average number of ordinary shares used in the calculation of basic earnings per share	373,077	372,144
	Shares deemed to be issued for no consideration in respect of employee rights	-	480
	Weighted average number of ordinary shares used in the calculation of diluted earnings per share	373,077	372,624
	The following potential ordinary shares are non-dilutive and are therefore excluded from the weighted average number of ordinary shares used in the calculation of diluted earnings per share:		
	Employee rights	10,924	3,641

6. Trade and Other Receivables	31 Dec 2016 $'000	30 Jun 2016 $'000
Trade receivables	82,917	71,181
Allowance for doubtful debts	(21,427)	(13,456)
Other receivables	8,566	8,951
Total	70,056	66,676

7. Inventories	31 Dec 2016 $'000	30 Jun 2016 $'000
Fuel – at cost	3,596	2,996
Consumables	1,019	1,215
Work in progress	128	52
Total	4,743	4,263

8. Assets Classified as Held for Sale

(a) Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial write-down of the asset to fair value less costs to sell. Information regarding the assets held for sale in the statement of financial position is presented below.

(b) Assets classified as current assets held for sale:

	31 Dec 2016 $'000	31 Dec 2015 $'000
Vessels(i)	57,380	-
Supply Base assets(ii)	37,575	-
Slipway assets(ii)	3,925	-
Investment in TMLB(iii)	8,663	-
Total	107,543	-

(i) The Group resolved during the period to dispose of a number of non-core vessels within the fleet. An impairment charge of $129 million was recognised on the reclassification of the non-core vessels to held for sale at 31 December 2016, as the fair value less costs to sell for these vessels is expected to be lower than their carrying amount (see note 10).

(ii) As described in note 4, the Group also resolved during the period to sell the Dampier Supply Base and Slipway businesses. The fair value less costs to sell of the businesses was expected to be lower than the carrying value of the assets. Accordingly, the Group recognised an impairment charge of $25 million against the carrying value of the assets (see note 10).

(iii) As also described in note 4, the Group resolved during the period to sell its 50% investment in TMLB. The fair value less costs to sell for this investment is expected to equal the carrying amount of the investment. Accordingly, no impairment charge was recognised against the carrying value of the investment.

9. Property, Plant & Equipment

	Leasehold Buildings and Improvements at cost	Vessels at cost	Plant and Equipment at cost	Plant and Equipment – Hire Purchase at cost	Fixed Assets Under Construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount:						
Balance at 1 July 2016	155,363	1,243,937	32,763	11,195	111,645	1,554,903
Additions	179	7,007	56	235	18,834	26,311
Disposals	(964)	(60,003)	(106)	(690)	-	(61,763)
Transfers	-	67,855	25	-	(67,880)	-
Reclassification of assets held for sale	(140,363)	(349,852)	(16,625)	(10,426)	-	(517,266)
Net currency exchange differences	(257)	99,566	211	-	2,882	102,402
Balance at 31 December 2016	13,958	1,008,510	16,324	314	65,481	1,104,587
Accumulated depreciation:						
Balance at 1 July 2016	(93,319)	(462,912)	(18,520)	(6,940)	(17,430)	(599,121)
Disposals	291	37,458	72	431	-	38,252
Depreciation expense	(1,689)	(26,851)	(1,736)	(307)	-	(30,583)
Impairment charge	(18,857)	(241,249)	(3,494)	(1,256)	(10,855)	(275,711)
Transfers	-	(9,382)	(24)	-	9,406	-
Reclassification of assets held for sale	103,083	292,472	12,318	7,913	-	415,786
Net currency exchange differences	(2,666)	(77,365)	(268)	-	(338)	(80,637)
Balance at 31 December 2016	(13,157)	(487,829)	(11,652)	(159)	(19,217)	(532,014)
Net book value:						
As at 30 June 2016	62,044	781,025	14,243	4,255	94,215	955,782
As at 31 December 2016	801	520,681	4,672	155	46,264	572,573

10. Impairment of Non-current Assets

The Group performs a review of non-current asset values at each reporting period whenever events occur or changes in circumstances indicate that the carrying amount of an asset group may be impaired. Market conditions are monitored for indications of impairment for all of the Group's operating assets and where such indications are identified, a formal impairment assessment is performed.

The Group has identified the following indicators of impairment at 31 December 2016:

- the carrying amount of the net assets of the Group is greater than the Company's market capitalisation; and
- market conditions in both Australia and internationally have continued to be challenging as the impact of lower oil prices is felt across the offshore support industry.

As a result, the Group assessed the recoverable amounts of each of the Vessels, Supply Base and Slipway Cash-Generating Units ('CGUs') noting that the Supply Base and Slipway CGU's are being treated as Held for Sale in this Financial Report (see note 8).

Impairment testing

The Group has evaluated whether the recoverable amount of each CGU exceeds its carrying amount. The recoverable amount is determined to be the higher of its fair value less costs of disposal ("FVLCOD") or its value in use. In all instances, the Group has used the FVLCOD model for the purpose of impairment testing as at 31 December 2016.

10. Impairment of Non-current Assets (continued)

Impairment charges recognised

The following information relates to impairment charges included in profit or loss:

Segment/CGU	Class of asset	Method	31 Dec 2016 $'000	31 Dec 2015 $'000
Vessels	Property, Plant & Equipment	FVLCOD	253,665	-
Supply Base	Property, Plant & Equipment	FVLCOD	22,315	-
Slipway	Property, Plant & Equipment	FVLCOD	2,331	-
Total			278,311	-

The impairment charge recognised for Vessels is reflected as part of the Groups continuing operations while the impairment charge for Supply Base and Slipway CGUs are reflected in discontinued operations.

The inputs used in deriving the recoverable amount of each CGU is categorised in accordance within the following levels of the fair value hierarchy:

CGU	Level 2[(i)] $'000	Level 3(ii) $'000	Recoverable Amount $'000
Vessels:			
Continuing operations	-	572,574	572,574
Held for sale	-	57,380	57,380
Supply Base	37,575	-	37,575
Slipway	3,925	-	3,925

(i) Level 2 inputs are those other than quoted prices in active markets that are observable. The inputs used are based on the sale prices being negotiated with potential purchasers.

(ii) Level 3 inputs are unobservable inputs used to measure fair value. In our calculations the inputs used are based on both observable and unobservable market data prepared by an independent valuation consultant together with internally determined valuations. Due to the unobservable market data and internal valuation components of the valuations, the inputs are considered Level 3.

Vessels

Industry conditions in Australia and internationally continue to be challenging, as the impact of the continued low oil prices and over supply of vessels are felt across the offshore oil and gas support industry. Oil prices have recovered from near 12-year lows, but continue to remain subdued, reflecting ongoing surplus concerns. As a result of these concerns MMA is impacted through lower utilisation and charter rates for its vessels. In addition, the value of vessels in the market has continued to decrease.

As disclosed in note 8, a group of non-core vessels in the fleet have been classified as being held for sale. This has resulted in two separate fair value assessments for the fleet, being those core vessels used for continuing operations and those non-core vessels that are held for sale.

Continuing Operations

The recoverable amount of the core vessels was determined using a market based approach, reflecting the value which could be expected to be realised through the disposal of the vessels, in an orderly market, on an “as is where is” basis between a willing buyer and willing seller.

An independent valuation of the fleet was undertaken by a specialist marine valuation consultancy and ship broking company. In preparing their Valuation Report, some of the factors they considered include the current market conditions in which the vessels operate, a review of recent market sales of similar vessels, consideration of the specification and earnings potential of each vessel and the inherent value and replacement cost of each vessel.

A key input into the recoverable amount of the CGU was the application of a discount to the independent vessel valuation to reflect the amount which would be achieved if the fleet was disposed of in one single transaction. We have applied an ‘en bloc’ discount of 20% being a rate within a range provided by the independent valuer. A 5% increase or decrease in the ‘en bloc discount rate would result in a corresponding $36 million increase or decrease in the impairment charge.

Another key input was the estimated costs of disposal. The Company has adopted a selling cost equal to 2% of the sale value of each vessel based on actual selling costs of between 1.5% and 2.5% for previous vessel sales.

10. Impairment of Non-current Assets (continued)

At 31 December 2016, the inputs used in calculating the fair value of the core fleet have moved from Level 2 to Level 3 within the fair value hierarchy. While the underlying independent valuation of each vessel is still considered to be a Level 2 input, the continued weakness in the vessel market and industry has resulted in limited market information being currently available to assess the value of the 'en bloc' discount used in the current reporting period. As a result of this limited observable data, the fair value hierarchy is reclassified to Level 3.

Inputs in determining the classification level within the fair value hierarchy are reassessed at each reporting period as part of the impairment process. The inputs used within calculations are assessed and discussed internally to determine the extent to which they can be compared to observable market information and classified accordingly.

Held for Sale

The recoverable amount of the non-core vessels was determined using a market based approach, reflecting the value which could be expected to be realised through an accelerated sale program.

In assessing the fair value of these non-core vessels the Company has taken into consideration the following factors:

- The current market values assessed by the independent specialist marine consultancy and broking company;
- The recent market evidence of deemed distressed sales of vessels of similar age and classification;
- The forecast costs the Company would incur in holding the respective vessels over the next 3 year period; and
- The accelerated timing in which the Company wants to complete the sales.

The price that would be expected to be received in these circumstances for these non-core vessels would be less than if sold in an orderly transaction with no time restrictions to complete the sale.

A 5% increase or decrease of expected sale proceeds would result in corresponding $4 million decrease or increase in the impairment amount for these non-core vessels.

Supply Base and Slipway

As described in note 8, the Group resolved during the period to sell the Dampier Supply Base and Slipway businesses. In assessing the fair value less costs to sell for the businesses, the Company considered the sale prices being negotiated with potential purchasers. Accordingly the Company has applied an impairment charge of $25 million against the carrying value of the assets.

11. Trade and Other Payables	31 Dec 2016 $'000	30 June 2016 $'000
Current		
Trade payables	14,647	9,372
Other payables and accruals	29,653	34,443
Goods and services tax payable	483	125
Total	44,783	43,940

12. Borrowings	31 Dec 2016 $'000	30 June 2016 $'000
Secured – at amortised cost		
Current		
Hire purchase liability	341	432
Bank loans	112,500	75,000
Unamortised loan fees	(3,588)	(2,349)
Total	109,253	73,083
Non-Current		
Hire purchase liability	347	491
Bank loans	287,826	322,755
Unamortised loan fees	(4,815)	(4,504)
Total	283,358	318,742

In May 2014, the Company entered into a five year Syndicated Facility Agreement with NAB and ANZ as mandated lead arrangers together with a further five Syndicate Banks, comprising a A$200 million term loan facility and a US$227 million term loan facility. The Facility is fully secured by fixed and floating charges given by certain controlled entities within the Group, registered ship mortgages over a number of vessels owned by certain controlled entities, real property mortgages, and a mortgage by way of sub-demise over the Dampier Supply Base lease.

In February 2016, the Company agreed a number of amendments to the terms and financial covenants of the Facility with the members of the Syndicate in response to the difficult trading conditions in the offshore oil and gas industry.

On 16 September 2016, the Company received approval of some further amendments to the terms and financial covenants of the Facility from the Syndicate members and committed to an increase in the annual principal repayments over the remaining term of the Facility to $75.0 million per annum, with $37.5 million to be settled by 31 December 2016.

On 23 December 2016 the Syndicate agreed to defer the payment of the scheduled amortisation of $37.5m which was due on 31 December 2016 to 31 March 2017.

As at 31 December 2016, over the following 12 month period, the Company was required to make 3 scheduled amortisation payments of $37.5 million each on 31 March, 30 June and 31 December respectively.

Subsequently, on 28 February 2017, the Company and the Syndicate members agreed to a number of further amendments to the Facility including replacing the previous scheduled amortisation payments with a principal repayment of $45 million to be paid on 30 June 2017 and the remaining balance of the Facility to be repaid at the termination date. The parties also agreed to extend the term of the Facility for a further 6 month period to 30 September 2019.

The principal repayment at 30 June 2017 is expected to be funded primarily from the proceeds of the proposed sale of the Company's Dampier Supply Base and Slipway businesses.

The Company will also apply proceeds received from the non-core vessels sales program and the sale of its 50% share of the Broome Supply Base business, via the sale of its 50% shareholding in the jointly controlled Company, Toll Mermaid Logistics Broome Pty Ltd, toward prepayment of the remaining balance of the Facility.

13. Provisions	31 Dec 2016 $'000	30 June 2016 $'000
Current		
Employee benefits – annual leave	7,179	7,075
Employee benefits – long service leave	3,389	3,418
Restructuring costs – shipbuilding operations	156	889
Warranty & Cancellation costs – shipbuilding operations	223	3,251
Total	10,947	14,633
Non-Current		
Employee benefits – long service leave	887	806

14. Events After the Reporting Period

As detailed in note 12, on 28 February 2017, the Company agreed a number of further amendments to its Syndicated Loan Facility, including replacing the previous scheduled amortisation payments with a principal repayment of $45 million to be paid on 30 June 2017 and the remaining balance of the Facility to be repaid at the termination date. The parties also agreed to extend the term of the Facility for a further 6 month period to 30 September 2019.

On 28 February 2017, the Company entered into a contract for the sale of the Dampier Supply Base and Slipway businesses for $44.1 million. This contract is subject to the completion of a number of outstanding conditions which are expected to be met over the coming months with settlement to occur no later than 15 June 2017. Refer to note 8 for further details. The proceeds from the sale of these businesses will be applied toward the $45 million principal repayment due under the amended Syndicated Loan Facility Agreement on 30 June 2017.

On 28 February 2017, the Company also entered into a contract for the sale of its 50% holding in TMLB. Prior to settlement the Company will receive a dividend payment totalling $8.3 million from TMLB and an additional $0.4 million from the sale of its shares on settlement. The proceeds from the dividend and subsequent share sale will be applied toward prepayment of the Syndicated Loan Facility balance. Refer to note 8 for further details.

Apart from the matters set out above, there has not been any other matter or circumstance that occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.