



MMA Offshore Limited

UBS Australian Emerging Companies Conference

10 April 2018



MMA
OFFSHORE

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- Macro environment remains challenging, however sentiment continues to be positive towards a recovery in the oil and gas industry
- 1H FY18 financial result in line with expectations
- Secured a number of project work scopes in Australia for 2H
- Recently secured two new term contracts
- Strengthened balance sheet through recent equity raising and debt amendments
- Vessel sales programme close to completion
- Streamlined business focusing on a core fleet of high specification vessels operating in key regions
- Ongoing focus on cost management
- Challenging conditions expected to continue through FY18, however 2H expected to be stronger than 1H due to project activity in Australia

Continued positive sentiment towards a recovery in the oil and gas markets

Oil price strengthening but ongoing volatility expected

- Oil price rose in recent months from US\$50 to US\$65/bbl and exceeded the US\$70/bbl mark for the first time since 2014
- Global inventory levels continue to decline
- US shale production resilient impacting supply
- Global oil demand remains strong

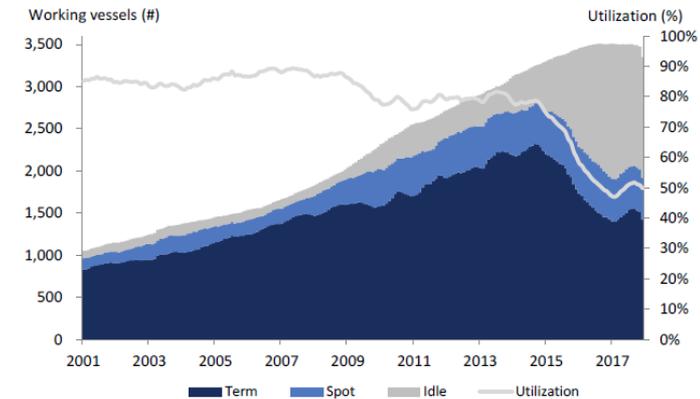
Investment needs to increase to offset reserve depletion

- Only 1 in 3 barrels produced offshore have been replaced over the past three years
- Majority of oil companies are now cash flow positive at current oil price levels
- New offshore project commitments rose in 2017 and are expected to rise substantially in 2018
- Inspection, maintenance and repair (“IMR”) activity expected to increase due to deferred work scopes in recent years

Early signs of a recovery are encouraging

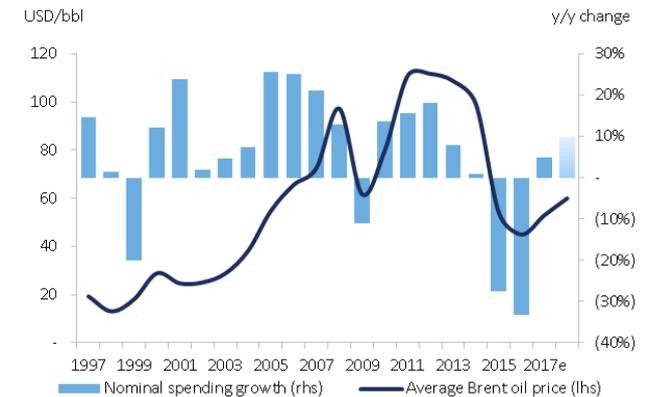
- Lead indicators positive including an increase in North Sea OSV activity, rig contracting, seismic activity and new offshore projects being sanctioned
- Global OSV utilisation and asset values have stabilised
- Whilst there is an oversupply of vessels, there is a growing consensus a portion of the global cold stacked fleet will never return to service
- Due to the lag between E&P investment by oil companies and vessel activity, it will take some time for global vessel utilisation to improve, however the early signs are encouraging

OSV utilization



Source: Pareto, Jan-18

Oil company capex has begun to increase

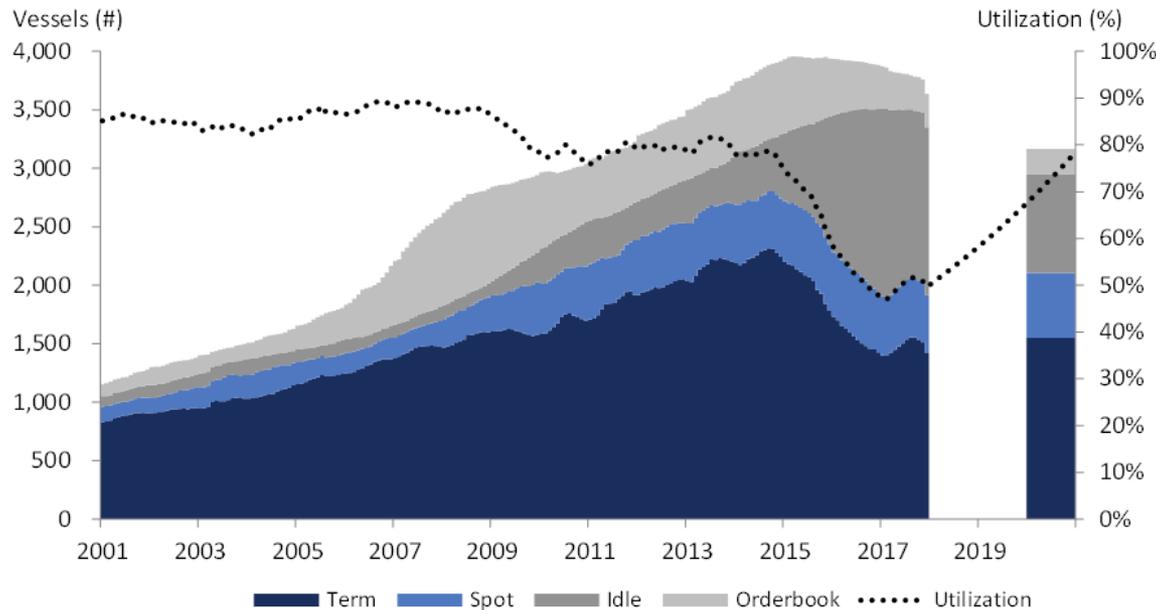


Source: Pareto E&P Survey, Aug-17

A adjustment to supply for scrapping of older cold stacked tonnage combined with a normalisation of demand over time would result in utilisation returning to ~ 80% levels.

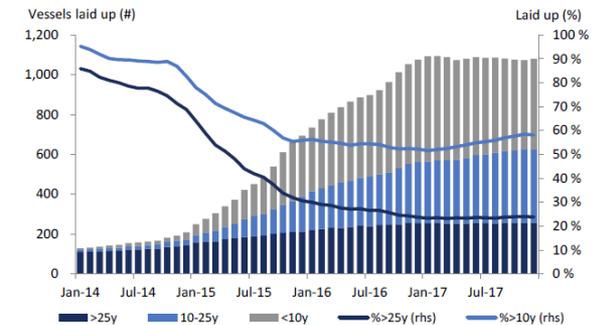
Supply side adjusted for older vessels/scrapping

OSV fleet and utilization



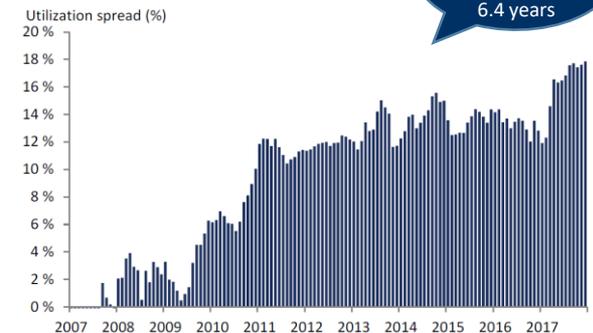
Source: Pareto Securities Equity Research

Cold stacked fleet



Source: Pareto Securities Equity Research

Utilization spread; vessels built pre- and post-2005



Source: Pareto Securities Equity Research

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

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 Vessel Sales Programme

- 35 vessels sold since FY16 for a total of \$94m
- Proceeds predominantly used to fund debt amortisation
- Three vessels remaining on the sales list, with one of these already under contract
- Sales programme has focused on vessels of limited future strategic value to MMA

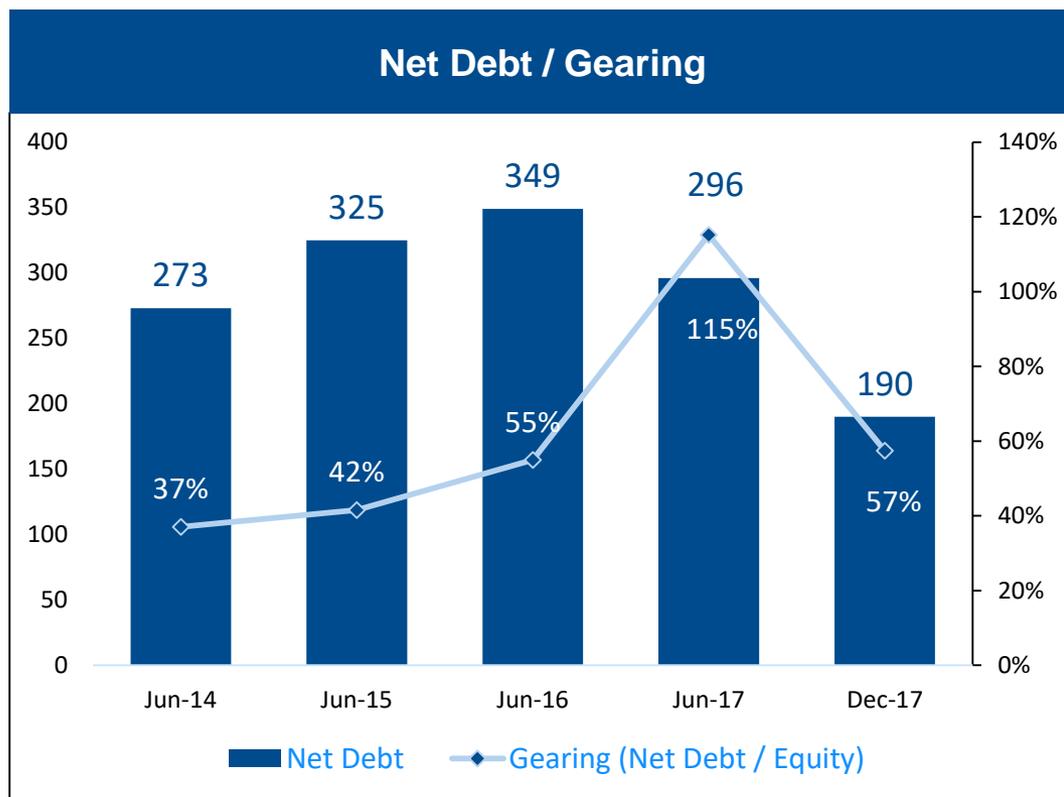
Sustainable Cost Reduction

- Sustainably reduced costs in all areas of the business whilst maintaining high safety and operating standards
- Ongoing focus on sustainable cost management



Strengthened Balance Sheet

Balance Sheet recapitalisation completed in Dec-17 significantly reducing net debt and extending the term of the Company's debt facilities



Key Debt Facility Amendments

- Term extension to 30 Sept 2021
- Reduced interest rate including removal of PIK interest
- Amended covenants – covenant holiday until 30 Jun 19
- Revised amortisation profile – scheduled amortisation commencing Jun 2020 including cash sweep above \$70m

¹ Net debt is calculated excluding the impact of unamortised loan fees

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

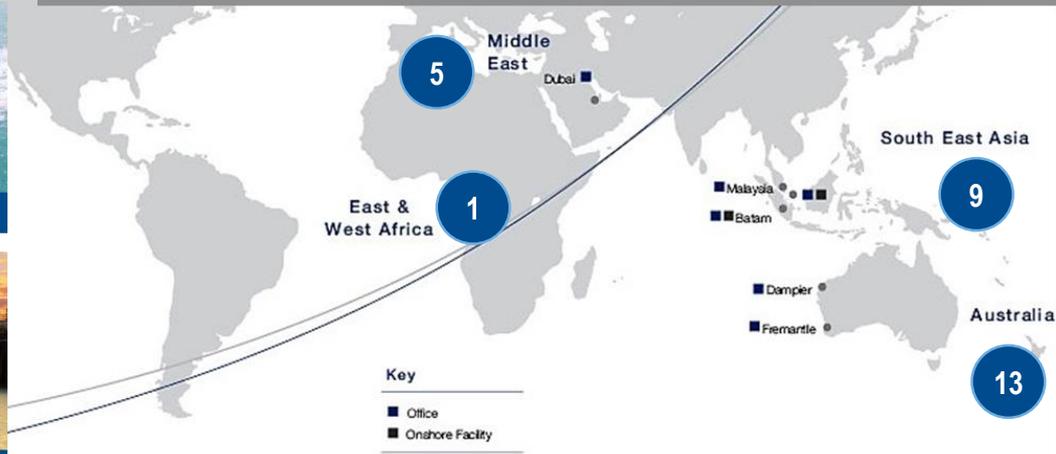


Onshore Services



Marine Expertise

Operating Areas



Our key focus areas

- Quality assets and quality operations
- Strong in-house marine capability
- Working with our clients to deliver innovative marine solutions
- Expanding our IMR service offering
- Leveraging our onshore assets and expertise in project logistics

Core Vessel Fleet (28 Vessels)



AHT

7.3 yrs average age



AHTS

7.6 yrs average age



PSV

5.4 yrs average age



MPSV / IMR

3.5 yrs average age

Core owned fleet supplemented by chartered vessels as required

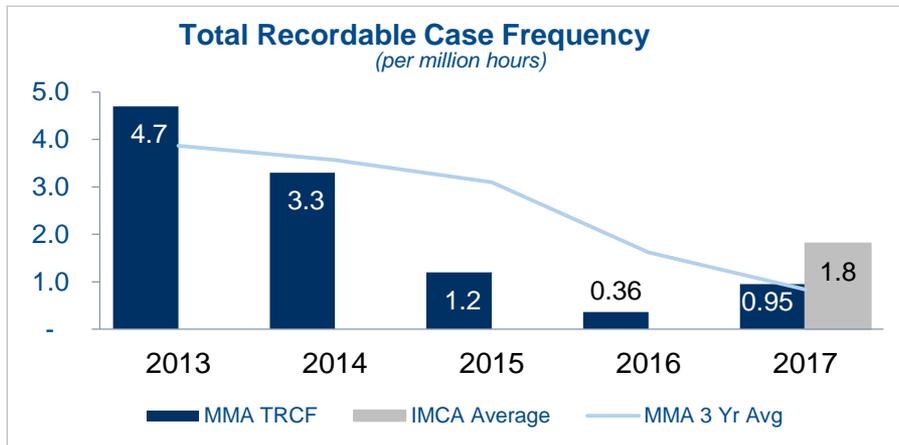


MMA continues to achieve excellence in its safety culture and performance

- TRCF result of 0.95 FY17; increase on FY16; 71% improvement over the past three 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 eight highest risk activities across the business
- Process improvements resulting in a single certified global marine safety management system (down from three)
- 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



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

Our newly built IMR fleet is seeing ongoing demand 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 to be on location longer with minimised external support
- JV with dive support operator to market the vessel in the DSV market
- Vessels have had ongoing demand since delivery in FY2017 with a range of projects completed including dive support, ROV and salvage operations

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



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- Recently secured two new term contracts
- Vessel sales programme close to completion with only three vessels remaining to be sold
- Streamlined business focusing on a core fleet of high specification vessels operating in key regions
- Ongoing focus on cost management
- Challenging conditions expected to continue through FY18, however 2H expected to be stronger than 1H due to project activity in Australia
- Continue to expect full year FY2018 operating EBITDA in line with previous guidance of \$18-20m

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Half Year Results – 31 December 2017

Financial Summary



1H FY2018 financial result in line with expectations

	6 months ended 31 Dec 17	6 months ended 30 Jun 17	6 months ended 31 Dec 16	Variance \$	PCP %
Continuing Operations					
Revenue	\$92.5M	\$102.1M	\$119.7M	↓ \$27.2M	↓ 22.7%
EBITDA	\$7.6M	\$13.6M	\$4.4M	↑ \$3.2M	↑ 72.7%
EBIT (Normalised) ¹	\$(8.2)M	\$(3.7)M	\$(23.7)M	↑ \$15.5M	↑ 65.4%
(Impairment of Assets) / reversal	\$8.4M	\$(33.9)M	\$(253.7)M	↓ \$262.1M	n/a
Gain / (Loss) on Sale of Assets	\$0.1M	\$(3.6)M	\$(11.1)M	↑ \$11.2M	n/a
Finance Costs	\$(14.2)M	\$(14.4)M	\$(11.9)M	↑ \$2.3M	↑ 19.3%
Loss before Tax	\$(13.9)M	\$(55.6)M	\$(300.4)M	↓ \$286.5M	n/a
Net Loss from continuing operations	\$(14.3)M	\$(54.4)M	\$(299.9)M	↓ \$285.6M	n/a
Net Loss from discontinued operations	-	-	\$(23.8)M	↓ \$23.8M	n/a
Reported Net Loss after Tax	\$(14.3)M	\$(54.4)M	\$(323.7)M	↓ \$309.4M	n/a
Net Loss after Tax (Normalised) ²	\$(22.7)M	\$(20.5)M	\$(46.2)M	↓ \$23.5M	↓ 50.9%

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 and excluding the net loss from discontinued operations



Half Year Results – 31 December 2017

Balance Sheet



Strengthened balance sheet following the recent equity raising with Net Debt reduced to \$189.6m and gearing of 57.4%

	6 Months Ended 31 Dec 2017	6 Months Ended 30 Jun 2017	6 Months Ended 31 Dec 2016	Variance PCP
Gearing ¹ % (Net Debt / Equity)	57.4%	115.2%	113.1%	↓ 55.7%
Interest Cover (EBITDA / Interest)	0.9x	0.9x	0.9x	-
Operating free cash flow	\$5.7M	\$2.5M	\$(8.6)M	↑ \$14.3M
Capital Expenditure	\$3.2M	\$5.6M	\$26.3M	↓ \$23.1M
Interest Bearing Liabilities	\$276.0M	\$324.2M	\$401.0M	↓ \$125.0M
Cash at Bank	\$86.4M	\$28.8M	\$33.0M	↑ \$53.4M
Net Debt ¹	\$189.6M	\$295.5M	\$368.0M	↓ \$178.4M
NTA per Share	\$0.38	\$0.69	\$0.87	↓ \$0.49

¹ Net debt and gearing are calculated excluding the impact of unamortised loan fees



Half Year Results – 31 December 2017

Vessels



Review of Operations:

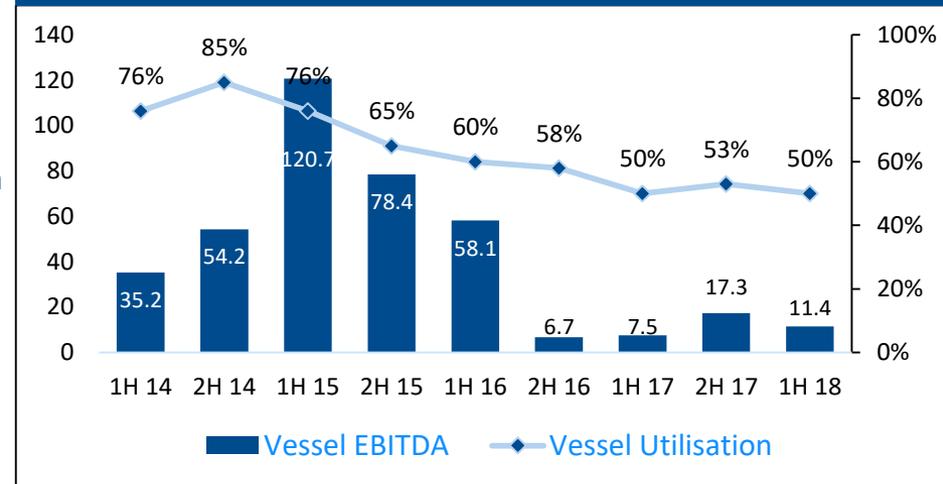
- 1H utilisation 50%¹; 65% excluding vessels held for sale
- Ongoing production support contracts in Australia underpinning utilisation for six vessels
- Secured new one year contract for MMA Privilege in Côte d'Ivoire
- Secured new multi-vessel contract with ConocoPhillips supporting Bayu Undan drilling and shutdown operations
- MMA Prestige and Pinnacle building a sound reputation in the IMR market securing several short and long term projects during the first half; currently bidding into a number of scopes
- MMA Centurion and Chieftain continue their contracts in the Middle East with a third vessel expected to commence in 2H
- MMA Searcher and Vantage securing shorter term seismic work
- Market continues to be soft in South East Asia and Africa with no improvement in rates or utilisation
- Activity continues to be stronger in the Middle East but market remains highly competitive

Outlook:

- Project activity in Australia expected to increase in 2H with work commencing on recently awarded Greater Enfield and Greater Western Flank two projects
- Challenging conditions expected to continue through FY18, however 2H expected to be stronger than 1H

Vessel Financials	Variance PCP	6 Months Ended 31 Dec 17	6 Months Ended 30 Jun 17	6 Months Ended 31 Dec 16
Revenue	↓ 22.7%	\$92.5M	\$102.1M	\$119.7M
EBITDA	↑ 52.0%	\$11.4M	\$17.3M	\$7.5M
EBITDA / Rev	↑ 6.0%	12.3%	16.9%	6.3%
EBIT ²	↑ 79.7%	\$(4.1)M	\$0.3M	\$(20.2)M
EBIT/Rev ²	↑ 12.5%	(4.4)%	0.3%	(16.9)%
ROA ²	↑ 2.9%	(1.4)%	0.1%	(4.3)%

Historical Performance – Vessels Division



¹ Utilisation includes laid up vessels and vessels held for sale, excludes barges

² EBIT / ROA normalised to exclude vessel impairment charges / impairment reversal



Vessel Listing (1 of 3)



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
Anchor Handling Tugs (AHT)								
MERMAID	SEARCHER	AUSTRALIA	AHT	2008	34	54	3200	34
MERMAID	COVE	AUSTRALIA	AHT	2013	70.3	52.4	5620	22
MERMAID	SOUND	AUSTRALIA	AHT	2007	70	50	7341	22
MERMAID	STRAIT	AUSTRALIA	AHT	2012	69	52.4	7341	24
Anchor Handling Tug Supply Vessels (AHTS)								
MERMAID	VANTAGE	SINGAPORE	AHTS	2009	66	59.2	5150	42
MERMAID	VOYAGER	AUSTRALIA	AHTS	2009	66	59.2	5150	42
MMA	ALMIGHTY	SINGAPORE	AHTS	2010	67.3	58.7	5150	42
MMA	CAVALIER	SINGAPORE	AHTS	2010	108	70	8000	50
MMA	CENTURION	SINGAPORE	AHTS	2011	102.5	70	8000	50
MMA	CONCORDIA	SINGAPORE	AHTS	2010	100	70.5	8000	42
MMA	CORAL	SINGAPORE	AHTS	2011	108	70	8000	50
MMA	CRYSTAL	SINGAPORE	AHTS	2012	104.2	70	8000	50
MERMAID	VISION	SINGAPORE	AHTS	2009	105	67.8	8000	32
MMA	CHIEFTAIN	SINGAPORE	AHTS	2010	102	70	8046	42
JAYA	MAJESTIC	SINGAPORE	AHTS	2014	160.7	78.2	12070	46
SEA	HAWK 1	MALAYSIA	AHTS	2009	155	75.4	12070	50



Vessel Listing (2 of 3)



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
Platform Supply Vessels								
MERMAID	VIGILANCE	SINGAPORE	PSV	2009	-	70	2850 DWT	50
MMA	LEVEQUE	SINGAPORE	PSV	2010	-	75	3100 DWT	40
MERMAID	LEEUWIN	SINGAPORE	PSV	2013	-	82.2	4000 DWT	28
MMA	PLOVER	AUSTRALIA	PSV	2015	-	81.7	4000 DWT	27
MMA	BREWSTER	AUSTRALIA	PSV	2016	-	81.7	4000 DWT	27
MMA	INSCRIPTION	SINGAPORE	PSV	2012	-	87.1	5188 DWT	48
JAYA	VALOUR	MALAYSIA	PSV	2013	-	83.6	5509 DWT	60
Multi-purpose and IMR Vessels								
MMA	PRIDE	SINGAPORE	MPV	2013	-	78	5150	148
MMA	PRIVILEGE	SINGAPORE	MPV	2015	-	90	10459	239
MMA	PRESTIGE	SINGAPORE	IMR	2016	-	87.8	3000 DWT	100
MMA	PINNACLE	SINGAPORE	IMR	2016	-	87.8	3000 DWT	100
JAYA	VIGILANT	SINGAPORE	IMR	2013	-	83.6	5188 DWT	60
Barges								
MERMAID	ESPERANCE	SINGAPORE	BARGE	2010	-	76.2	-	-
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
Vessels Held for Sale								
JAYA	AMARA	SINGAPORE	AHTS	2009	60.2	58.7	4824	42
MMA	CONFIDENCE	SINGAPORE	AHTS	2011	105	70.5	8000	42
MDPL	CONTINENTAL ONE	SINGAPORE	AHTS	2010	121	70.5	8000	42



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