



MMA OFFSHORE LIMITED HALF YEAR RESULTS

31 DECEMBER 2018

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H1 FY2019 HIGHLIGHTS

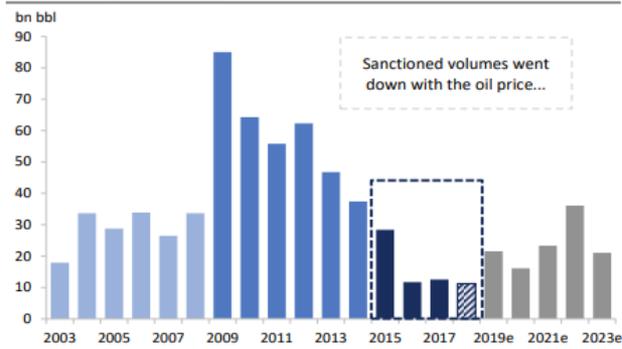


MACRO CONDITIONS

Recent volatility in the oil price has impacted sentiment however longer term fundamentals for a recovery in demand for offshore services remain sound

SANCTIONED VOLUMES WENT DOWN WITH THE 2014 OIL PRICE CRASH

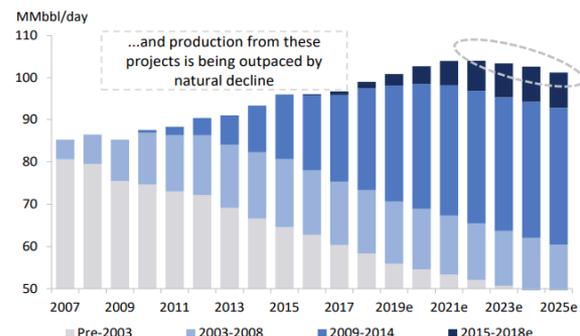
2P reserves by sanctioning year



Source: Pareto Securities Equity Research, Rystad

SANCTIONING NEEDED TO OFFSET DEPLETING PRODUCTION CAPACITY

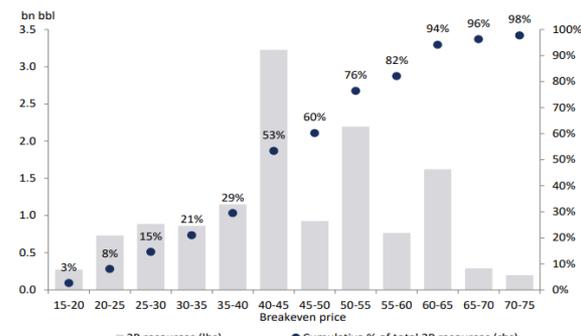
Production profile from sanctioned oil reserves



Source: Pareto Securities Equity Research, Rystad

94% OF OFFSHORE 2P RESERVES PROFITABLE AT US\$60-65/BBL BRENT

Offshore break evens and cumulative 2P resource levels



Source: Pareto Securities Equity Research, Rystad

The fact that the world would need to invest heavily in oil, almost irrespective of how the global energy system evolves over the next 20 years is something which I don't think is well understood today"

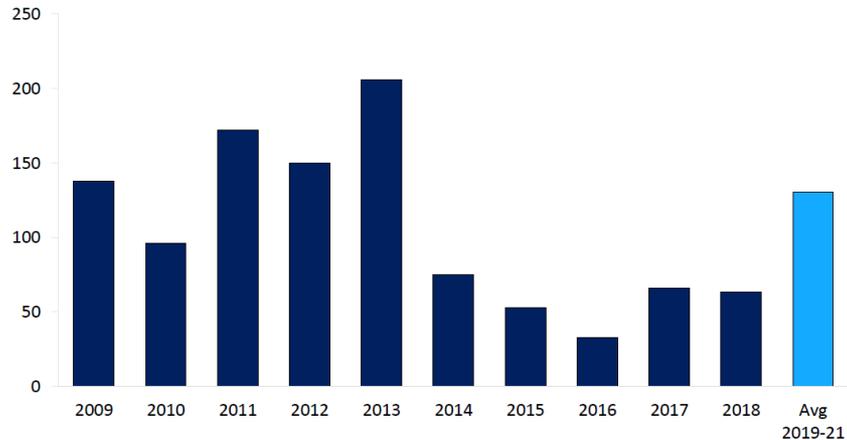
Spencer Dale, BP Chief Economist, Feb 2019

MACRO CONDITIONS

Despite short term volatility, key market analyst forecasting solid growth in offshore capex driven by new project approvals

COMMITTED OFFSHORE CAPEX SET FOR SOLID COMEBACK STORY

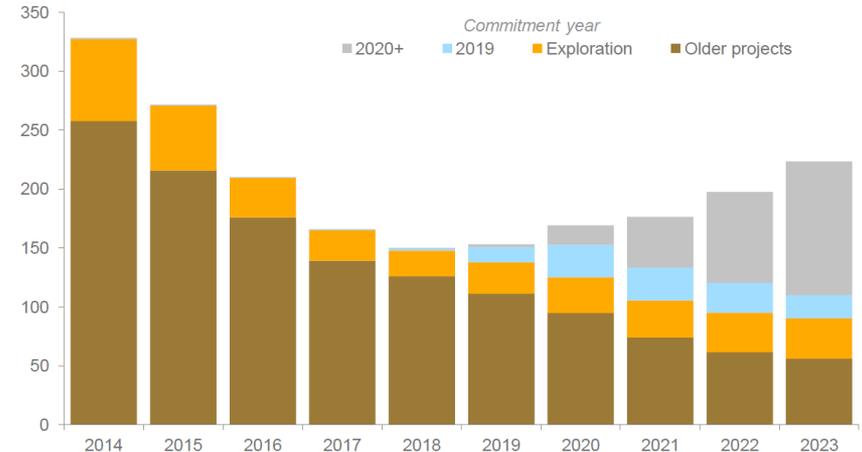
Offshore greenfield capex by commitment year*
USD Billion



Source: Rystad Energy, Feb 2019

TURNAROUND IN 2019 WITH MORE MEANINGFUL GROWTH EXPECTED FROM 2020

Offshore spending (capex) per year, split by timing of capex commitment
Million USD



Source: Rystad Energy, Feb 2019

SAFETY LEADERSHIP

MMA WINS INTERNATIONAL MARINE CONTRACTORS ASSOCIATION GLOBAL SAFETY AWARD FOR 2018

SAFETY CULTURE

Target 365 producing sustainable improvements in safety culture



CRITICAL CONTROLS

Refreshed and relaunched our critical controls



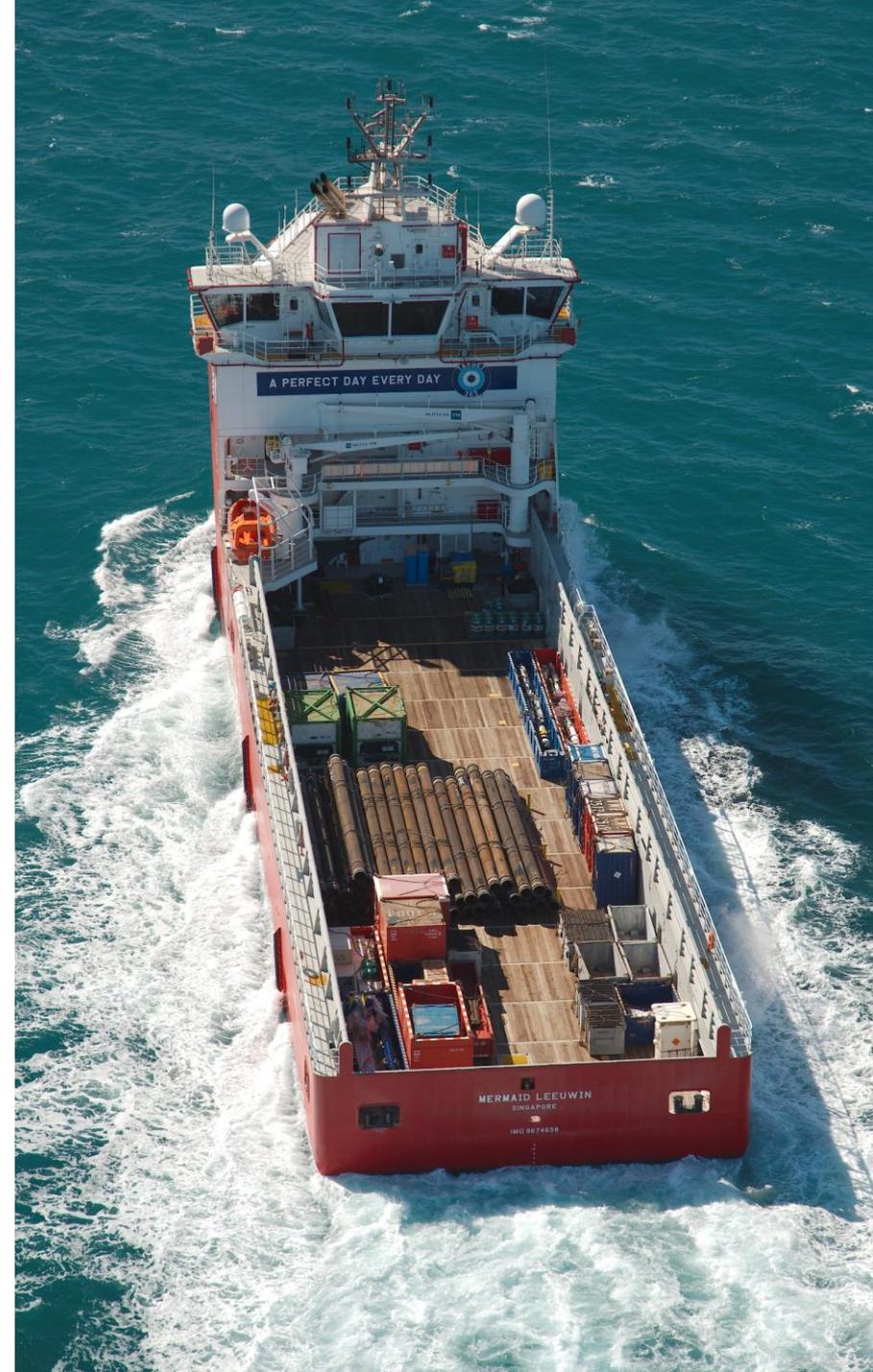
IMCA

Contributor and winner of Global Safety Award



SAFER TOGETHER

Active member of WA/NT safety initiative



H1 OPERATIONAL HIGHLIGHTS



UTILISATION

73%

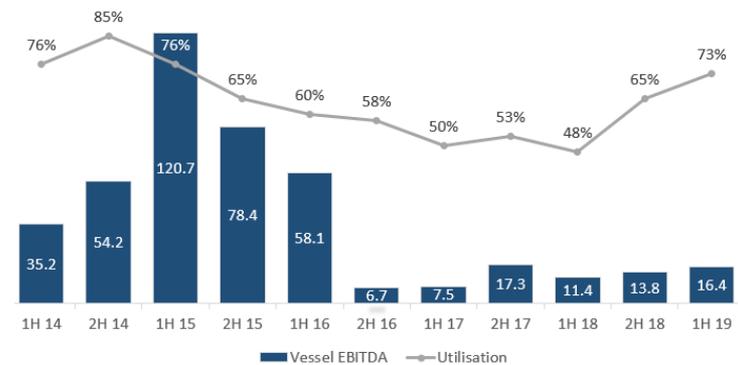
- Utilisation steadily improving as activity levels increase



- Rates stabilised but yet to see any broad based increases

KEY PROJECTS

- Conoco Phillips – Bayu Undan drilling and shutdown support (5 vessels; completed Dec-18)
- Subsea 7 GWF2 Tug & Barge project
- 6 vessels on long term production support contracts in Australia; 3 in Saudi Arabia
- Production support contract in Bass Strait



H1 OPERATIONAL HIGHLIGHTS

SUBSEA FLEET CONTINUING TO BUILD REPUTATION IN MARKET

- MMA Prestige and MMA Pinnacle supported a number of complex project scopes in South East Asia
 - ✓ Well Intervention
 - ✓ Umbilical Installation
 - ✓ Inspection, Maintenance, Repair
- Long term contract with iTech/Subsea 7
- Lead contractor on project scope in Bangladesh

EXPANDING CAPABILITY IN MAINTENANCE AND WALK TO WORK (W2W) OPERATIONS

- MMA Privilege continues on long term Accommodation Support and W2W contract in Côte d'Ivoire since 2016
- MWV Falcon (Chartered vessel) – currently on W2W contract in India
- MMA Pride – currently on W2W contract in Brunei
- Secured new W2W contract in Australia for H2

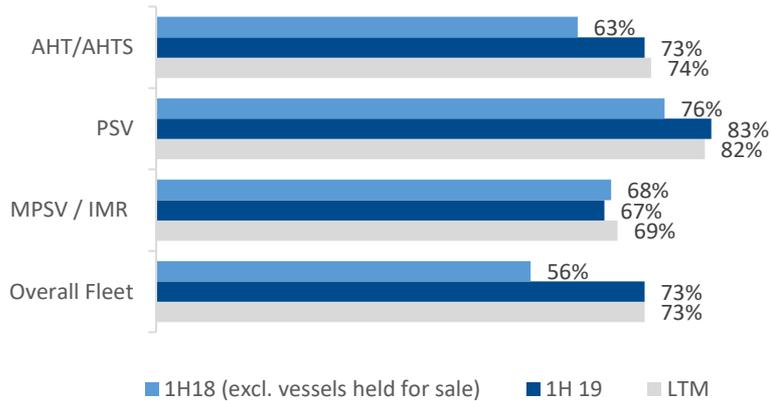
OUTLOOK



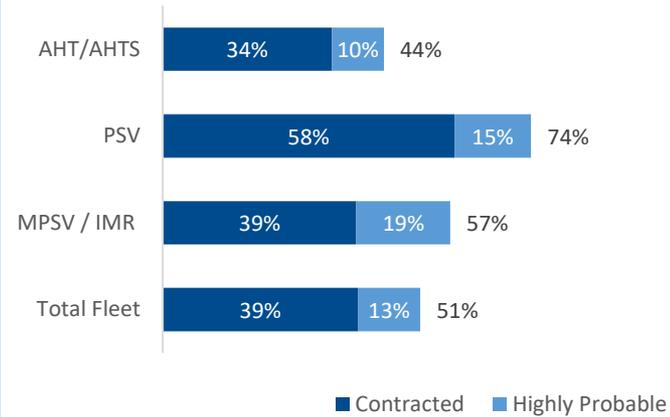
Seeing increased activity across all of our operating regions but no material improvement in rates

KEY FLEET METRICS

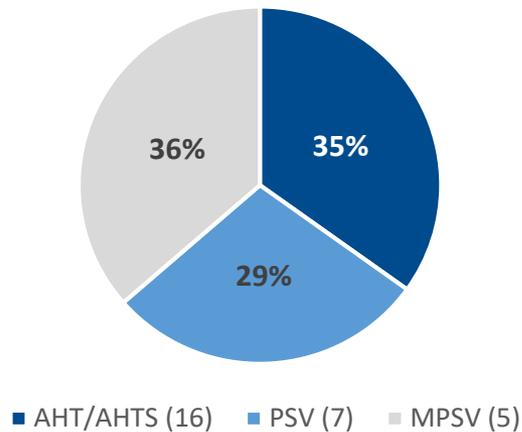
Utilisation



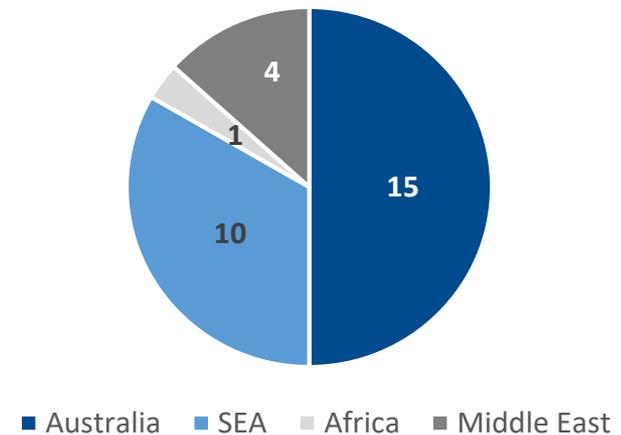
2019 Contracted Utilisation Days



Fleet Breakdown (% of Book Value)



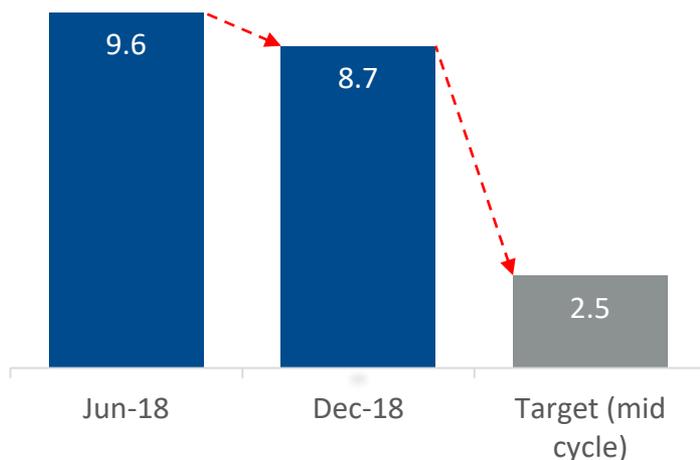
Regional Fleet Breakdown



BALANCE SHEET

MMA is focused on improving our key debt metric (Net Debt / EBITDA). Covenants resume from 30 June 2019.

MMA Target Net Debt / EBITDA



Valuation of Assets

- \$13.1m non-cash impairment for 1H 2019 (2.6% of Fleet book value)
- Based on independent market valuation less cost of disposal
- Valuations remain volatile in the short term; pcp was a positive \$8.4m
- Non core asset sale process already completed

Debt Facilities

- 1 Balance \$270m (US\$120m; A\$100m)
- 2 Term expiry 30 Sep 2021
- 3 Amortisation holiday until Jun 2020
- 4 Covenant holiday until Jun 2019¹
- 5 Weighted average interest rate 6.36%

STRATEGY THROUGH THE DOWNTURN

REPOSITIONED FOR GROWTH

1

RATIONALISE AND STABILISE

- Non core assets sold
- Reduced exposure to commoditised market
- Restructured debt
- Strengthened Balance Sheet
- Reduced costs

2

EXPAND OUR CORE CAPABILITY

- Operational excellence
- Safety leadership
- Asset reliability
- Tailored marine solutions
- Expertise and innovation

3

GROWTH

- Higher margin segments
- Technically advanced assets
- Subsea
- Walk to Work
- Project logistics
- M&A

STRATEGY UPDATE

Subsea

BUILDING OUR REPUTATION

Schlumberger (well intervention)
Shelf Subsea/Technip (umbilical installation)
iTech/Subsea 7 (IMR)

LEAD CONTRACTOR

Direct enquiries for subsea services increasing
Starting to take lead contractor role on select projects

EXPANDING SERVICE OFFERING

Packaged services
New clients
New markets

Strategic Third Party Charters

STRATEGY

Leverage MMA's in-house marine capability to manage third party vessels stranded in shipyards or with banks as a result of the downturn

TARGETING

High quality or unique assets

CURRENT CHARTERS

2 vessels currently on bareboat charter

MMA RESPONDER PSV

Recently commenced a new contract in Bass Strait following a successful project with ConocoPhillips

MWV FALCON

200 person accommodation support and Walk to Work vessel on contract in India

FURTHER OPPORTUNITIES

Continuing to seek further charter opportunities as part as this strategy

Project Logistics

STRATEGY

Leverage MMA's Australian LNG project logistics experience to support projects globally

POSITIVE OUTLOOK

For mega LNG projects (East Africa) and global oil and gas

POSITIVE ROA IMPACT

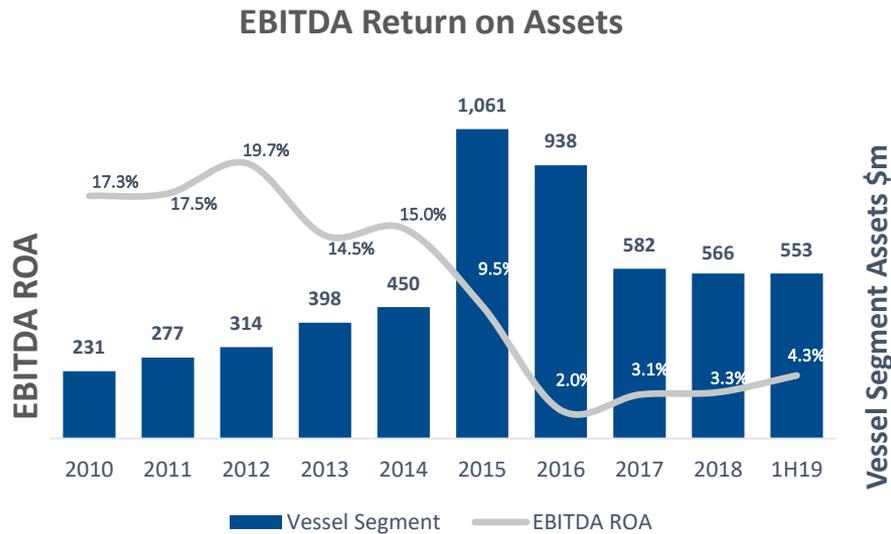
Due to vessel chartering model

ONSHORE FACILITIES

Leverage MMA's onshore facilities in South East Asia

INCREASING OUR RETURN ON ASSETS

Increasing ROA is our primary focus which will also improve our debt metrics



-
- 1 UTILISATION
 - 2 RATES
 - 3 COST CONTROL
 - 4 SUBSEA
 - 5 CHARTERING
 - 6 PROJECT LOGISTICS

Notes

¹ EBITDA figures are Vessel Segment EBITDA less unallocated corporate overhead adjusting for major one-off projects in 2014 and 2015

² FY14 asset base and EBITDA is based on pre Jaya acquisition numbers (Jaya transaction completed on 4 June 2014)

³ 1H19 ROA based on LTM EBITDA

SUMMARY



Market is volatile but fundamentals remain sound for a recovery



Our clients are now generating cash at pre-downturn levels



Project FIDs are increasing



MMA is focused on growth and capitalising on opportunities in the current cycle



Increasing our return on assets and debt metrics is a key priority

73% utilisation for H1

67% Increase in EBITDA on pcp

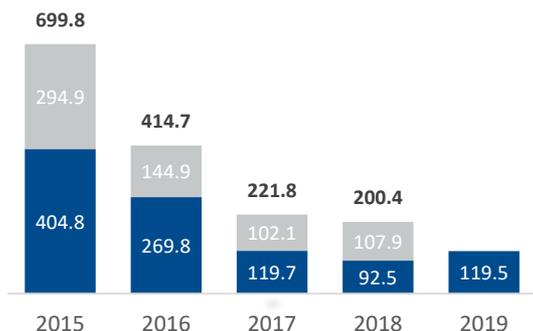


We confirm our previous guidance of full year operating EBITDA in the order of \$27m

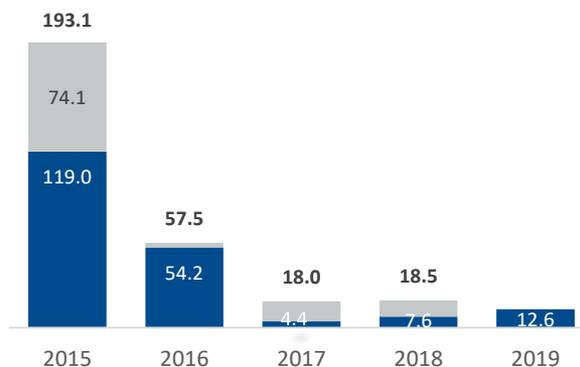


PROFIT AND LOSS

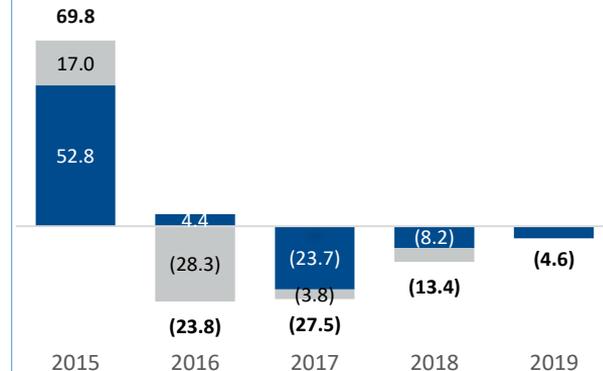
Revenue \$119.5M ↑ 29.2% pcp



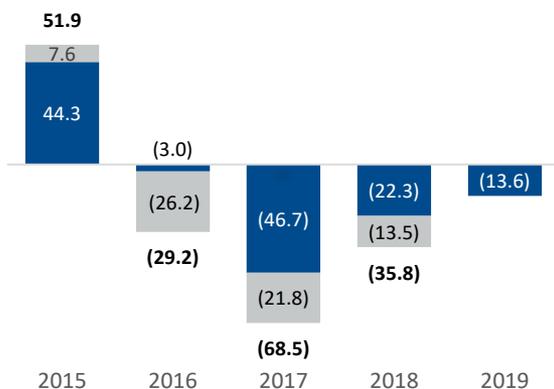
EBITDA \$12.6M ↑ 65.8% pcp



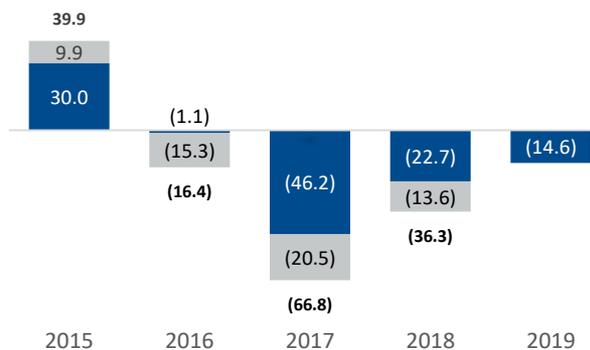
EBIT¹ \$(4.6)M ↑ 43.9% pcp



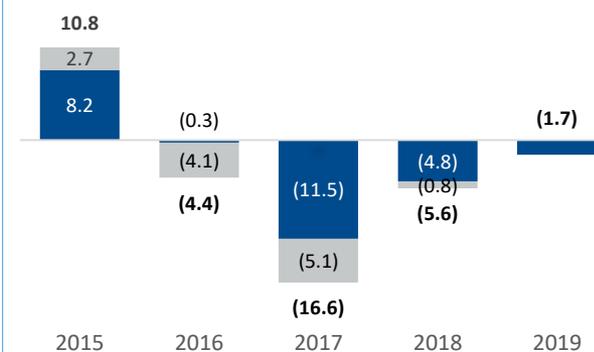
PBT¹ \$(13.6)M ↑ 39.0% pcp



NPAT¹ \$(14.6)M ↑ 35.7% pcp



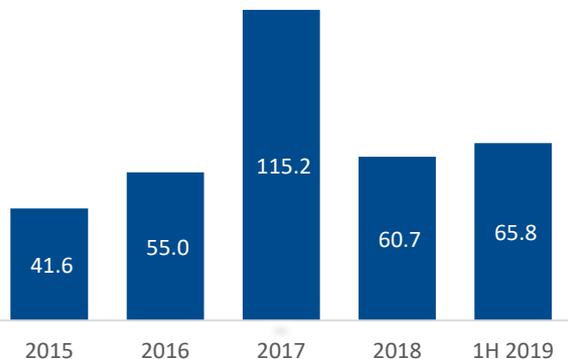
EPS¹ (1.7)c ↑ 64.6%



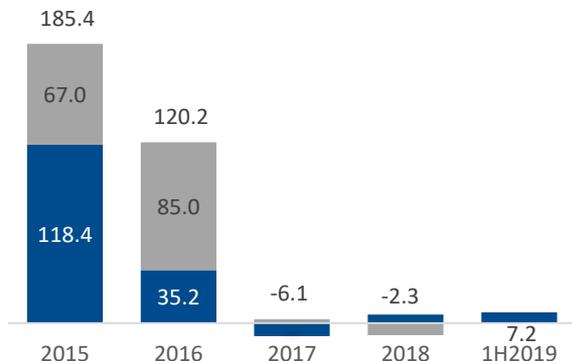
¹ EBIT, PBT, NPAT and EPS are all shown pre-impairment
All charts exclude the impact of discontinued operations

BALANCE SHEET

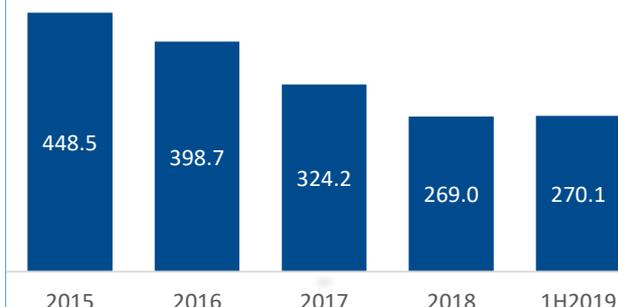
Gearing 65.8%



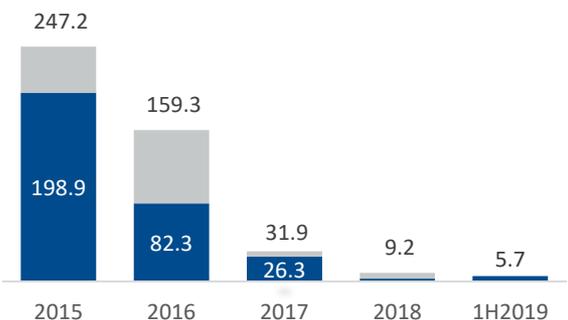
Operating Cash flow \$7.2M



Int Bearing Liabilities \$270M

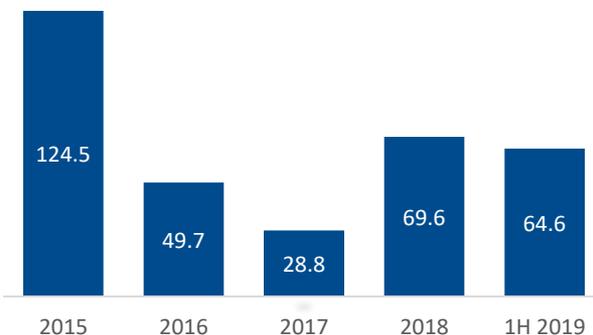


Capital Expenditure \$5.7M

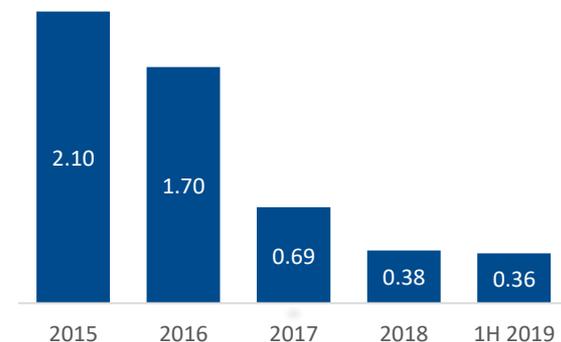


1H2019 excludes \$7.3m Capex for prior year expenditure

Cash at Bank \$64.6M

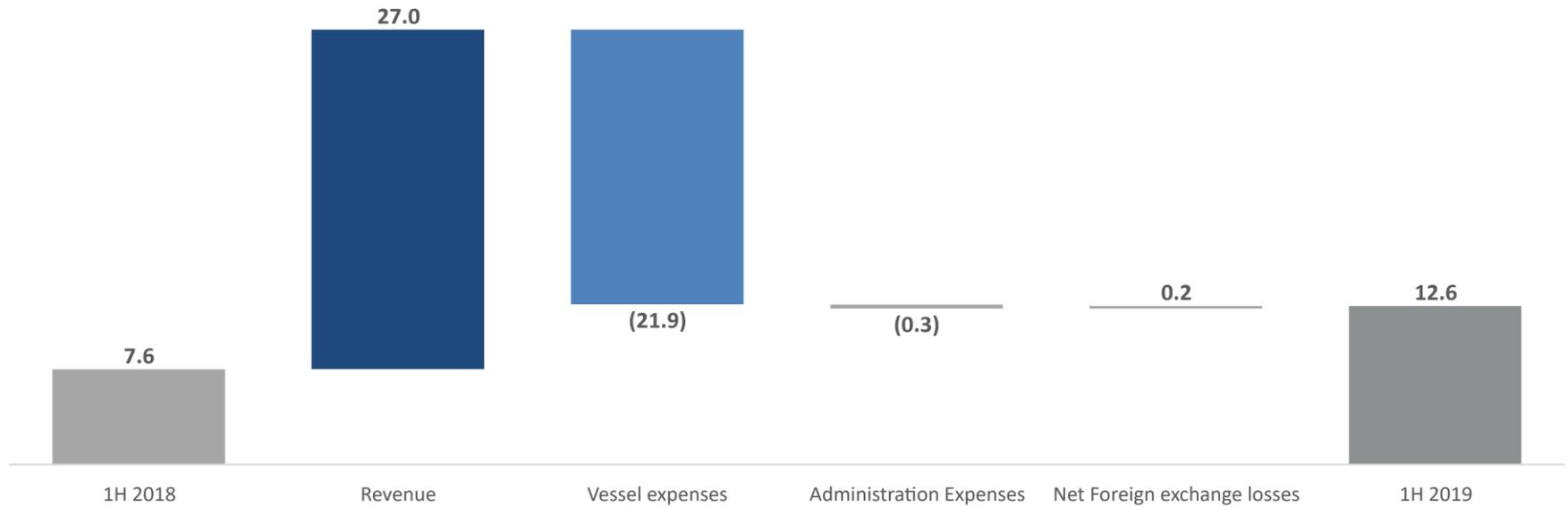


NTA per share \$0.36



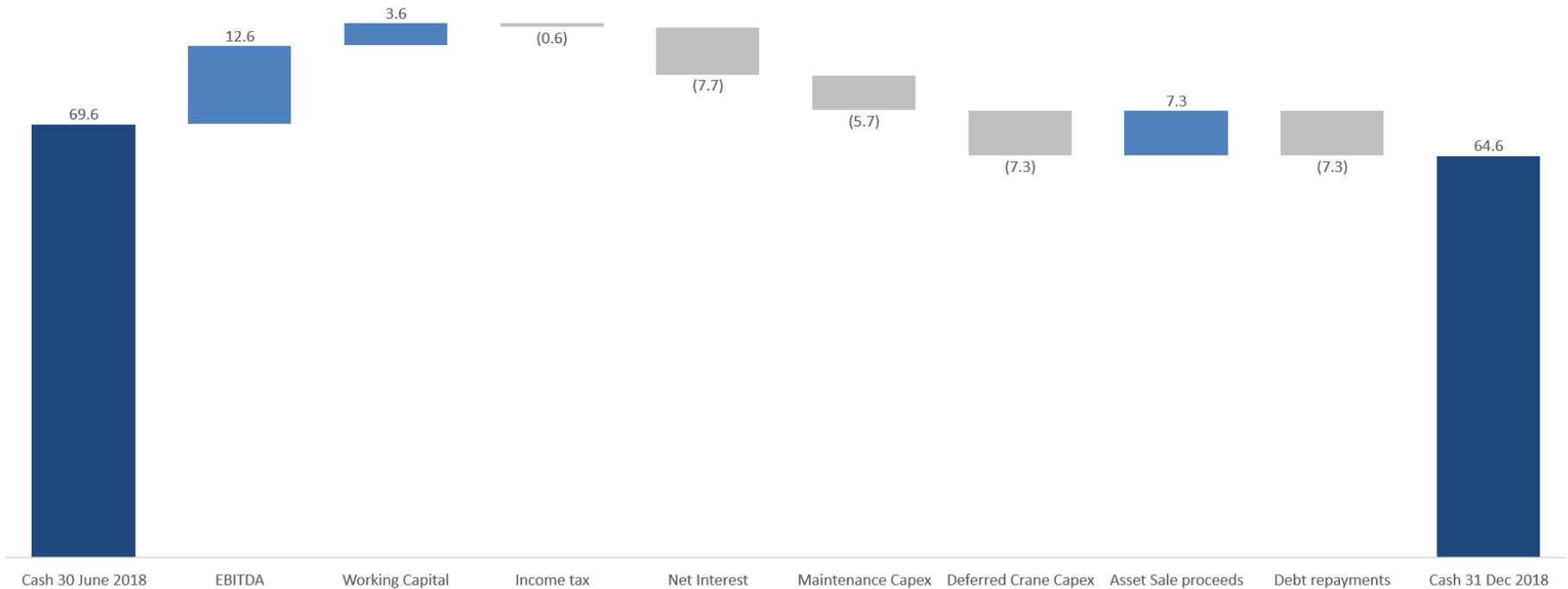
EBITDA BRIDGE

EBITDA increase of \$5.0m on PCP as a result of increased revenue and improved margins



CASH BRIDGE

Cash positive for the half year excluding the \$7.3 million deferred capex payment



Note: Capex included a \$7.3m payment for a crane which was purchased on a deferred payment arrangement in 2016

FINANCIAL SUMMARY

| | 6 MONTHS ENDED 31 DEC 18 | 6 MONTHS ENDED 31 DEC 17 | VARIANCE | PCP \$ | VARIANCE | PCP % |
|--|-------------------------------------|-------------------------------------|-----------------|-------------------|-----------------|------------------|
| Revenue | \$119.5M | \$92.5M | ↑ | \$27.0M | ↑ | 29.2% |
| EBITDA | \$12.6M | \$7.6M | ↑ | \$5.0M | ↑ | 65.8% |
| Depreciation | \$(17.2)M | \$(15.8)M | ↑ | \$1.4M | ↑ | 8.9% |
| EBIT (Normalised) ¹ | \$(4.6)M | \$(8.2)M | ↑ | \$3.6M | ↑ | 43.9% |
| (Impairment of Assets) / Impairment reversal | \$(13.1)M | \$8.4M | ↑ | \$21.5M | | n/a |
| Net Finance Costs | \$(8.9)M | \$(14.2)M | ↓ | \$5.3M | ↓ | 37.3% |
| Loss before Tax | \$(26.7)M | \$(13.9)M | ↓ | \$12.8M | | n/a |
| Tax expense | \$(1.0)M | \$(0.4)m | ↑ | \$0.6M | | n/a |
| Reported Net Loss after Tax | \$(27.7)M | \$(14.3)M | ↓ | \$13.4M | | n/a |
| Net Loss after Tax (Normalised) ² | \$(14.6)M | \$(22.7)M | ↑ | \$8.1M | ↑ | 35.7% |

¹ EBIT (Normalised) and Net Loss after Tax (Normalised) are shown without the impact of the Impairment Charge / Impairment Reversal

GLOSSARY

| | |
|---------------------------|---|
| 2P | Proved and probable |
| AHT | Anchor Handling Tug |
| AHTS | Anchor Handling Tug Supply |
| BBL | Barrel |
| Capex | Capital expenditure |
| EBIT | Earnings before interest and tax |
| EBITDA | Earnings before interest, tax, depreciation and amortisation |
| EPS | Earnings per share |
| GWF2 | Greater Western Flank 2 |
| IMCA | International Marine Contractors Association |
| IMR | Inspection Maintenance Repair |
| LNG | Liquefied natural gas |
| LTM | Last 12 months |
| MPSV | Multi-purpose support vessel |
| M&A | Mergers and acquisitions |
| NPAT | Net profit after tax |
| NTA | Net tangible assets |
| PBT | Profit before tax |
| PCP | Previous corresponding period |
| ROA | Return on Assets |
| SEA | South East Asia |
| TRCF | Total recordable case frequency |
| W2W / Walk to Work | A Walk to Work vessel is fitted with an active heave compensated gangway which enables personnel to transfer safely from the vessel to an offshore platform or production facility. W2W vessels usually have a larger accommodation capacity and are used as a cost effective offshore access solution to support maintenance and construction in the oil and gas and windfarm industries |



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