



Acquisition of Neptune Marine Services' business

24 July 2019



IMPORTANT NOTICES & DISCLAIMER

This presentation has been prepared by MMA Offshore Limited (MMA) and relates to MMA's proposed acquisition of the business of Neptune Marine Services Limited (NMS).

This presentation contains general information about the activities of MMA, which is current at the date of this presentation, unless expressly stated otherwise. It is information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. The information in this presentation remains subject to change without notice, and MMA is not responsible for updating, nor does it undertake to update, this presentation. It should be considered in conjunction with MMA's other periodic and continuous disclosure announcements to the Australian Securities Exchange, which are available at www.asx.com.au.

MMA makes no representation or warranty (express or implied) as to the accuracy, reliability or completeness of the statements, information, opinions, or other matters stated in or contemplated by this presentation. MMA and its directors, officers, employees, advisors, agents and associates disclaim all liability for any statements, opinions, information or matters (express or implied) arising out of, or contained in or derived from, or for any omissions from, this presentation, except for any liability under statute that cannot be excluded.

Not a prospectus or offer: To avoid any doubt, this presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities & Investments Commission. This presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

Not investment advice: The information provided in this presentation is not intended to be relied upon as advice to investors or prospective investors and has been prepared without taking into account any recipient's investment objectives, financial circumstances or particular needs. Recipients of this presentation are advised to consult their own professional advisers. An investment in any listed company, including MMA, is subject to significant risks of loss of income and capital; and nothing in this presentation is intended to promote or support an investment in MMA (ongoing or otherwise).

Limitation on information relating to NMS: All information in this presentation in relation to NMS and its business, including any historical financial information, has been sourced from NMS. MMA has conducted appropriate (but limited) due diligence on NMS and its business, including by reference to information sourced from and provided by NMS. Nevertheless, none of MMA, its directors, officers, employees, advisors, agents and associates has independently verified any such information, and no representation or warranty (express or implied) is made as to the accuracy, reliability or completeness of such information (including the information in this presentation in relation to NMS and its business).

Industry Data: This presentation contains industry data which has been derived from publicly available sources. Such data has not been independently verified by MMA or any its directors, officers, employees, advisors, agents and associates. No representation or warranty (express or implied) is made as to the accuracy, completeness or reliability of such information.

Financial Data: All currency amounts are in Australian dollars. The pro-forma statement of financial position has been prepared based on the reviewed consolidated statement of financial position for MMA as at 31 December 2018 and the unaudited consolidated statement of financial position for NMS as at 30 June 2019 (Pro-Forma Financial Information). The Pro-Forma Financial Information has been included for illustrative purposes only, and should not be relied upon or otherwise considered as being indicative of, or providing guidance in respect of, the future performance or potential of MMA (following completion of the proposed acquisition and integration of the NMS business).

This presentation contains financial information that is "non-IFRS financial information" under ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information". The non-IFRS financial information includes the Pro-Forma Financial Information and NMS historical Earnings before Interest Tax Depreciation and Amortisation (EBITDA) figures. Such financial information has not been prepared in accordance with all applicable accounting standards and accounting interpretations. The non-IFRS financial information in this presentation does not have a standardised meaning prescribed by the Australian International Financial Reporting Standards (or AIFRS) and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this presentation.

Financial totals may be subject to rounding.

Pre-tax cost synergies: This presentation contains preliminary estimates of anticipated pre-tax cost synergies that may be realisable if MMA acquires the business of NMS. These are estimates only and based solely on MMA's current understanding of the NMS business. The extent of any pre-tax cost synergies, and the potential timing for realising all or some of them, are currently preliminary and uncertain, and MMA has not yet developed a detailed integration plan to seek to achieve those synergies.

Future performance: This presentation contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, and indications of industry trends are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about industry trends, which are based on interpretations of current market conditions. Such forward-looking statements are not guarantees of future performance or industry trends and involve significant elements of subjective judgment, assumption as to future events that may not be correct, known and unknown risks, uncertainties and other factors, many of which are beyond the control of MMA, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward-looking statements and neither MMA nor any of its directors, officers, employees, advisors, agents or associates assumes any obligation to update such information.

Past performance: Information about past performance in this presentation is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future performance.

Risks: An investment in MMA and its securities is subject to general investment and other known and unknown risks, some of which are beyond the control of MMA (as well as MMA's directors, officers, employees, advisors, agents or associates). MMA does not guarantee any particular rate of return or the performance of MMA nor does it guarantee the repayment of capital from MMA or any particular tax treatment. Furthermore, there are risks associated with any acquisition, including the proposed acquisition of the NMS business the subject of this presentation.

TRANSACTION HIGHLIGHTS



**ACQUISITION OF NEPTUNE
MARINE SERVICES
BUSINESS FOR APPROX
\$18.5M¹**



**CONSIDERATION
COMPRISING \$5.0M IN
CASH PLUS THE ISSUE OF
SHARES IN MMA**



**DIRECTORS OF NMS
UNANIMOUSLY SUPPORT
THE TRANSACTION²**



**STRONG GROWTH
PLATFORM TO EXPAND
MMA'S SUBSEA SERVICES**



**COMPELLING STRATEGIC
RATIONALE WITH STRONG
FIT AND POSITIVE IMPACT
ON ROA**



**COMBINED BUSINESS HAS
OPPORTUNITY TO BENEFIT
FROM A RECOVERY IN
OFFSHORE AND SUBSEA
INVESTMENT**

¹ Consideration expected to total \$18.5M - This assumes that the volume weighted average price of MMA shares in the 30 day period ending on the date that is 2 business days before completion (of the acquisition) is \$0.25 or less

² In the absence of any superior proposal

TRANSACTION SUMMARY

Strategic acquisition at a low point in the cycle providing MMA with a strong platform to expand its subsea services business











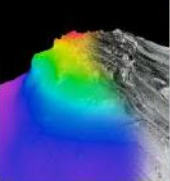





Transaction Structure	<ul style="list-style-type: none"> Acquisition of the business of Neptune Marine Services Limited by acquiring its key operating subsidiaries Excludes the listed company Neptune Marine Services Limited which will be re-named post transaction
Consideration	<ul style="list-style-type: none"> Expected to total \$18.5 million Comprising \$5.0 million in cash plus shares in MMA worth approximately \$13.5¹ million (Consideration Shares) Issue price based on 30 day VWAP before Completion subject to a minimum price of \$0.20 per share Consideration based on the net asset value of the business being acquired and subject to adjustment for any movement in net asset value at completion
Funding	<ul style="list-style-type: none"> Cash consideration of \$5.0 million has been paid to an escrow agent as an upfront refundable deposit and was funded from MMA's existing cash resources Issue of Consideration Shares in MMA to NMS upon completion
Conditions	<ul style="list-style-type: none"> Majority approval of MTQ's and NMS's respective shareholders There being no material adverse change in respect of NMS or MMA Other conditions precedent including certain counterparty change of control consents and certain authorisations being obtained, and completion of NMS's internal restructuring
Other Key Terms	<ul style="list-style-type: none"> Exclusivity, notification and matching right undertakings Break fee of \$200k payable by NMS or MMA in certain circumstances – see schedule 1 of MMA's accompanying ASX announcement for further details Customary conduct of business restrictions including consultation rights for MMA on prescribed matters
Timeline	<ul style="list-style-type: none"> MTQ Shareholder Approval at EGM scheduled to be held in September NMS Shareholder Approval at EGM scheduled to be held in October Targeting Completion by October/November 2019

¹ This assumes that the volume weighted average price of MMA shares in the 30 day period ending on the date that is 2 business days before completion (of the acquisition) is \$0.25 or less, in which case the assumed issue price will be (and the number of shares to be issued will be determined by reference to) to 30-day VWAP, subject to a minimum issue price of \$0.20 per share

NMS OVERVIEW

A leading provider of inspection, maintenance and repair solutions to the oil and gas, marine and renewable energy industries

SUITE OF COMPLEMENTARY SERVICES

 Asset Integrity	 Diving	 Survey & Positioning	 Inspection	 Subsea Stabilisation	 ROV	 Manufacture, Assembly, Test	 Engineering
							

PRESENCE IN KEY OIL & GAS MARKETS



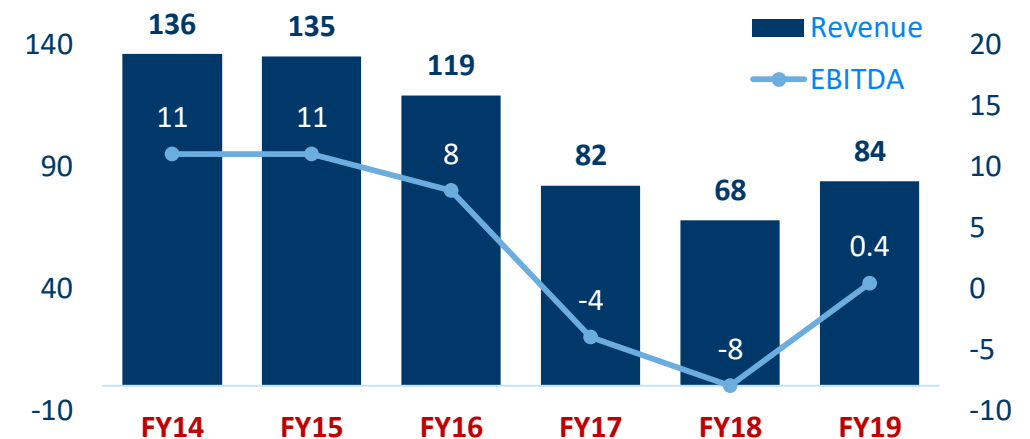
190 EMPLOYEES



TIER ONE CLIENT BASE



HISTORICAL FINANCIALS



MMA GROWTH STRATEGY

Acquisition aligned with MMA's strategic growth objectives

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
- **Strategic M&A**

EXPANDING MMA'S SUBSEA SERVICE OFFERING

Increasing MMA's ability to service its clients



MMA Offshore Services

- Fleet of 30+ specialised offshore support vessels
- AHT, AHTS, PSV, MPSV
- Offtake Support, Supply Operations, Drilling Support, Construction Support, Seismic & Survey Support, Anchor Handling and Towing, Accommodation and Walk to Work Services



MMA Subsea

- MMA currently services the subsea market predominantly as a vessel operator
- The acquisition enables MMA to provide additional services to existing and new clients
- Current NMS service offering improved with access to MMA vessels

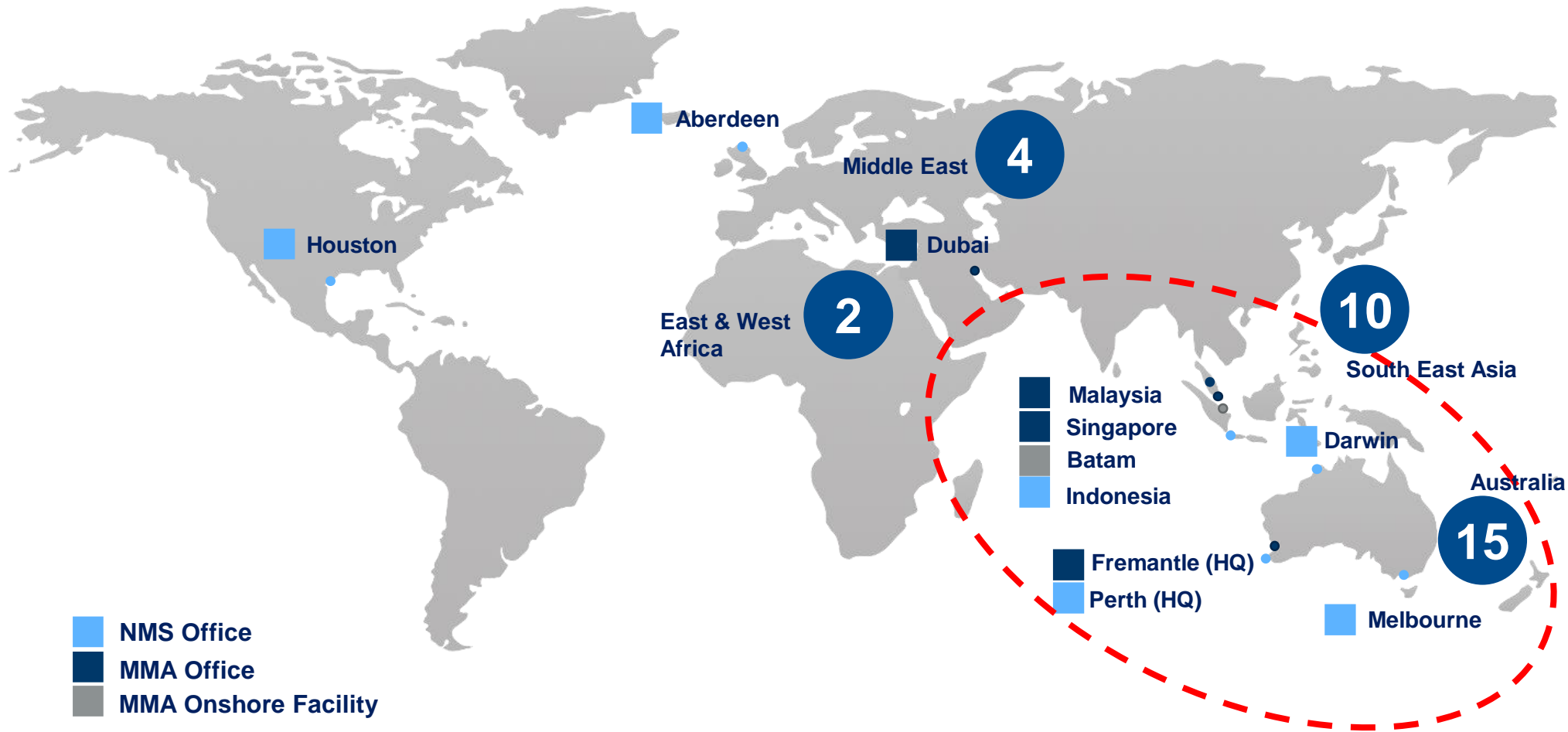


MMA Global Projects

- Project management of large marine spreads and complex marine logistics
- New entity "MMA Global Projects" established to work with EPC contractors in developing energy hubs globally

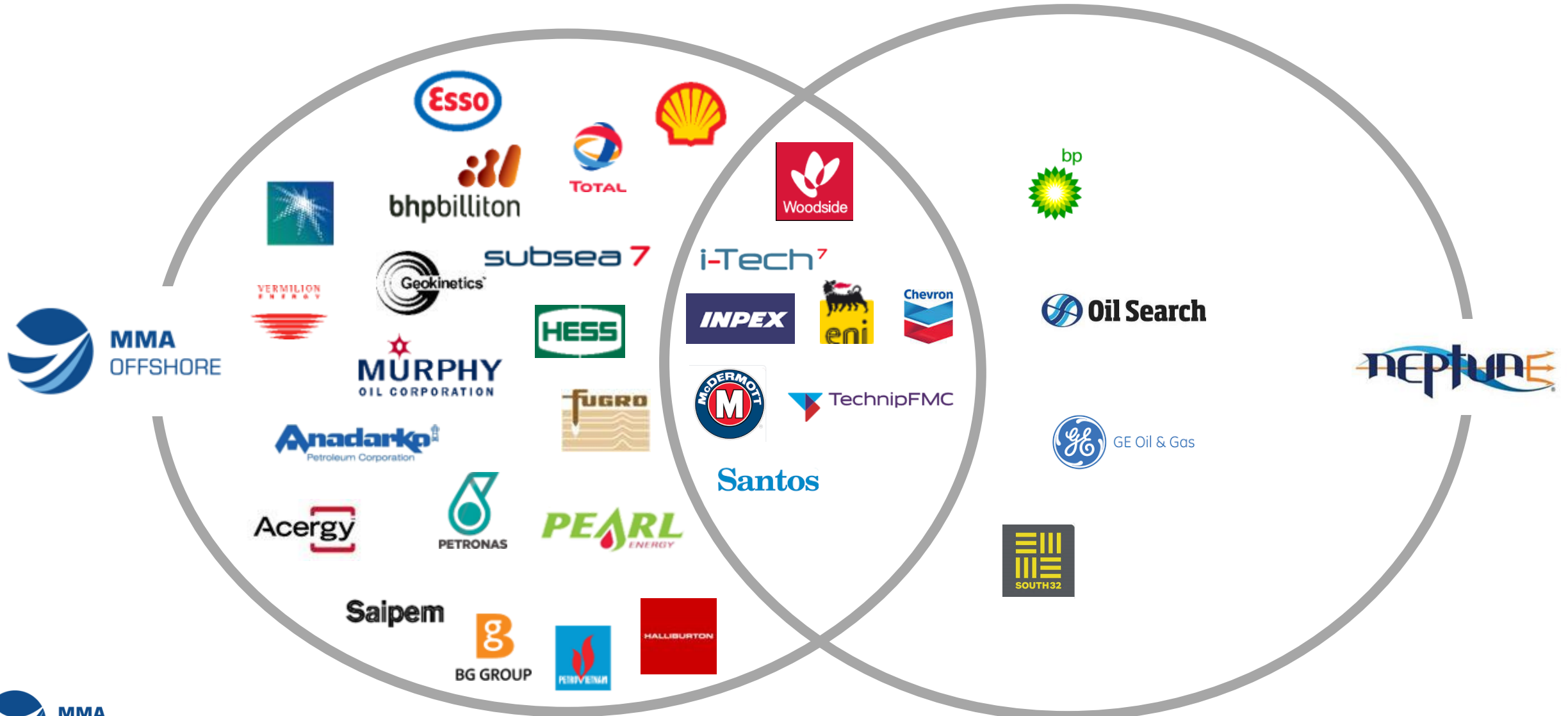
STRONG REGIONAL AND CULTURAL FIT

Complementary regional presence with strong safety and quality culture



COMPLEMENTARY CLIENT BASE

Potential to cross sell services and enhance client relationships at multiple levels of the oil and gas value chain



STRATEGIC BENEFITS

Acquisition is expected to deliver a number of strategic benefits

1 IMPROVED SERVICE OFFERING

- NMS can offer an improved service to its clients through guaranteed access to MMA's owned and chartered fleet
- Expanded MMA fleet capability with pre-mobilised equipment and packaged services
- Broadened scope of innovative engineering capability

2 INCREASED ASSET UTILISATION

- Increased asset utilisation expected through the improved combined service offering utilising vessels which can be drawn from MMA's existing fleet

3 ENHANCED RETURN ON ASSETS

- NMS is a "capital light" business which will drive improved overall ROA
- Additional value added services generate incremental margin on MMA's vessels

4 REVENUE SYNERGIES

- Revenue synergies through incremental margin on MMA vessels, improved utilisation and cross selling of services

5 COST SYNERGIES

- Cost synergies that may be realisable are estimated to be approximately \$2 million pre-tax per annum post completion

6 MARKET TIMING

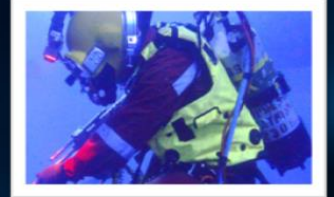
- Acquisition at a low point in the market cycle
- Combined business projected to benefit from a recovery in offshore and subsea investment

INCREASED ROA THROUGH INCREMENTAL MARGIN

In addition to NMS recovering with the cycle, incremental margin through packaging back deck services is expected to increase the EBITDA ROA on MMA's MPSV assets while utilised



Packaging ROV services increases the vessel ROA by ~4%



Packaging ROV and diving services in combination increases the vessel ROA by ~7%



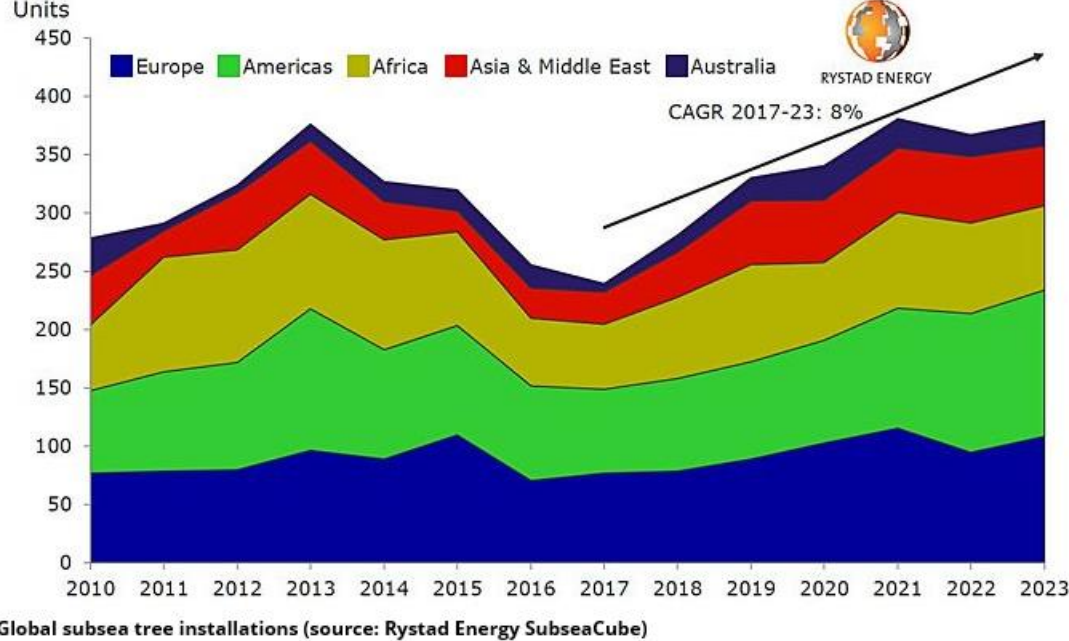
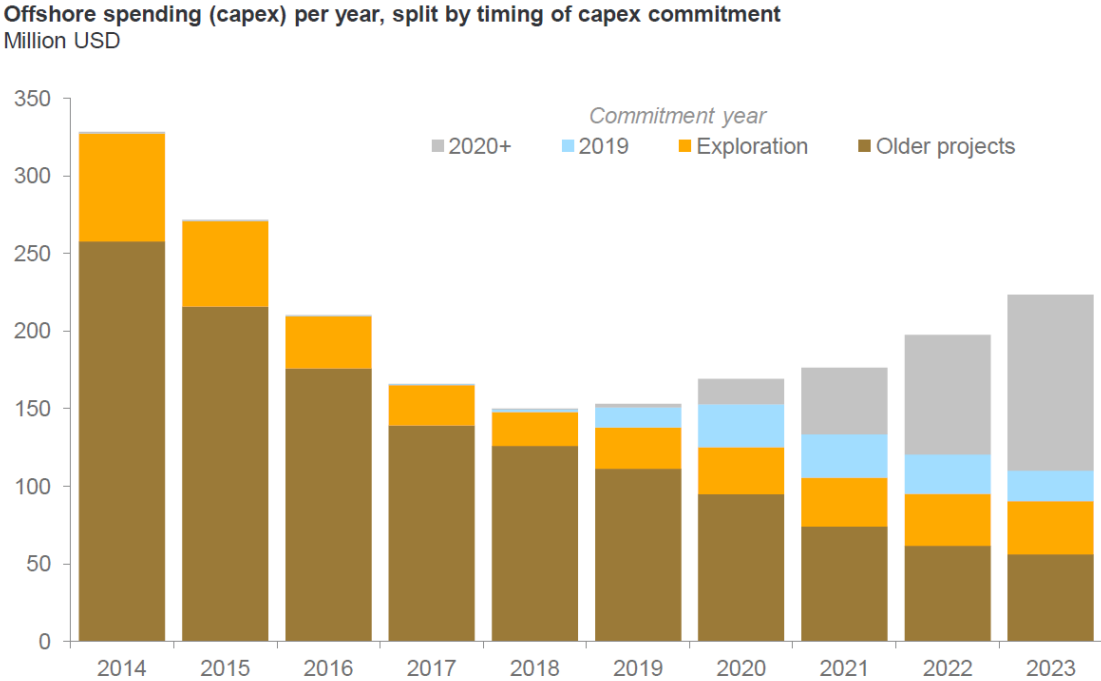
Note: Incremental ROA is illustrative and estimated based on historical charters of MMA subsea vessels with third party equipment installed. Future rates will be subject to market conditions.

RECOVERY IN OFFSHORE AND SUBSEA INVESTMENT

The combined business is expected to benefit from a recovery in offshore and subsea investment

OFFSHORE CAPEX PROJECTED TO INCREASE

SUBSEA X-MAS TREE AWARDS PROJECTED TO INCREASE



Source: Rystad Energy, Feb 2019

Source: Rystad Energy, Mar 2019

TRANSACTION IMPACT

The NMS business is expected to contribute to MMA earnings in an improving market and as revenue and cost synergies are realised

EARNINGS IMPACT

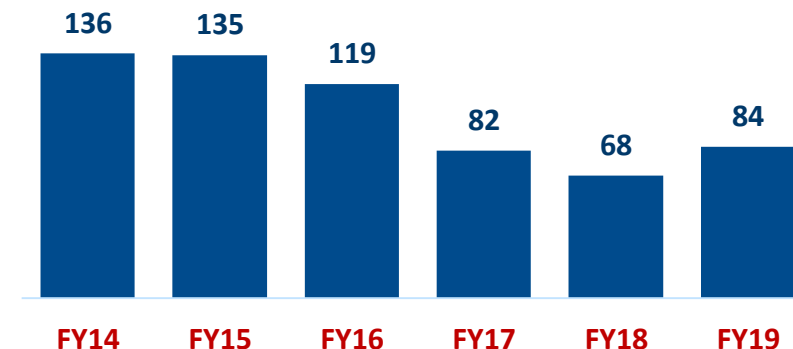
- Acquisition at low point in the cycle
- NMS generated revenue of \$84.4 million and EBITDA of \$0.4 million for the year ended 31 March 2019, following 2 years of negative EBITDA
- The market for NMS's services has begun to improve and we expect the business to be cash flow positive after maintenance capex in FY2020
- Cost synergies that may be realisable are estimated to be approx. \$2 million pre-tax per annum
- Potential to generate revenue synergies and incremental margin under MMA ownership
- Expect NMS standalone revenue and margins to improve as the subsea market recovers

BALANCE SHEET IMPACT

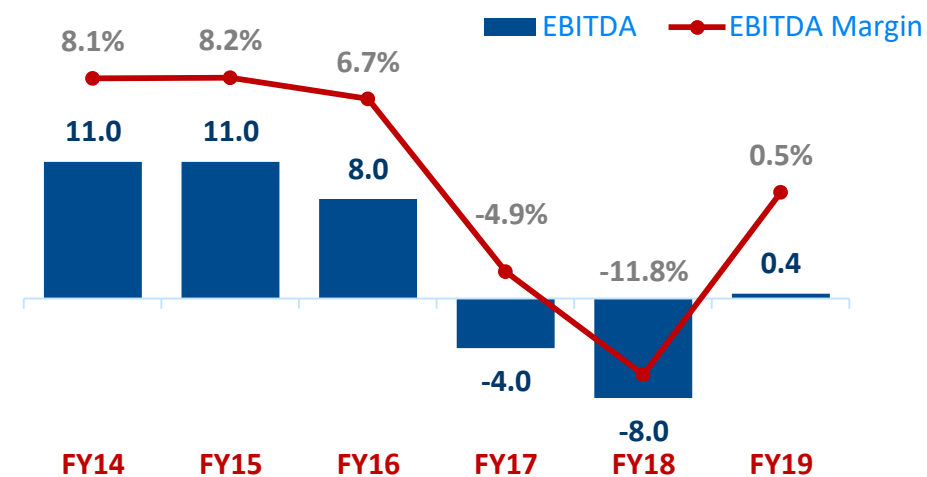
- Purchase consideration expected to total approximately \$18.5¹ million equal to the net asset value of the business as at 30 June 2019

¹ Final purchase consideration subject to adjustment if the net asset value at Completion changes and also depends on the 30-day VWAP of MMA shares 2 days prior to Completion - see slide 15 below and the accompanying ASX announcement for further details

NMS REVENUE



NMS EBITDA



PRO-FORMA STATEMENT OF FINANCIAL POSITION

Transaction expected to result in a modest increase in MMA's net assets post completion

\$m	MMA as at 31 Dec 2018 ¹	Transaction Funding	NMS as at 30 June 2019 ²	Pro Forma Combined as at 31 Dec 2018
Cash & Cash Equivalents	64.5	(5.0)	-	59.5
Property, Plant & Equipment	492.5		14.5	507.0
Other Assets	64.6		27.5	92.1
Total Assets	621.6	(5.0)	42.0	658.6
Interest Bearing Loans	263.9		-	263.9
Other Liabilities	45.5		23.5	69.0
Total Liabilities	309.4		23.5	332.9
Net Assets	312.2	(5.0)	18.5	325.7
Equity	312.2	13.5		325.7

¹ Derived from MMA's reviewed consolidated statement of financial position as at 31 December 2018.

² Derived from NMS' unaudited consolidated statement of financial position as at 30 June 2019.

TRANSACTION FUNDING

Consideration to be funded through existing cash resources and the issue of scrip to NMS

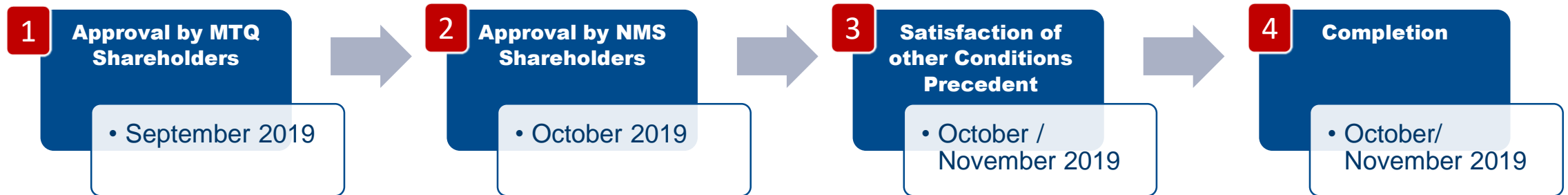
Consideration	<ul style="list-style-type: none"> Expected to total approximately \$18.5 million¹ comprising \$5.0 million in cash with the balance to be settled by the issue of shares in MMA to NMS 												
Cash Consideration	<ul style="list-style-type: none"> \$5.0 million paid as a refundable upfront deposit and funded from MMA's existing cash resources 												
Consideration Shares	<ul style="list-style-type: none"> Shares in MMA to the value of approximately \$13.5² million expected to be issued to NMS on Completion up to a maximum of \$16.2 million (depending on the 30-day VWAP of MMA shares for the period ending on the date that is two business days prior to Completion – see below) 												
Issue Price	<ul style="list-style-type: none"> Issue price (and total value) of Consideration Shares to be based on the VWAP of MMA shares in the 30 day period ending on the date that is two business days prior to Completion as follows: <table border="1" data-bbox="580 686 1885 972"> <thead> <tr> <th>30-day VWAP per MMA Share</th> <th>Number of MMA Shares to be Issued to NMS</th> <th>Issue Price</th> </tr> </thead> <tbody> <tr> <td>Less than or equal to \$0.25</td> <td>13,531,000 / the Issue Price</td> <td>The higher of \$0.20 and the 30-day VWAP</td> </tr> <tr> <td>Greater than \$0.25 but less than \$0.30</td> <td>54,124,000 shares</td> <td>\$0.25</td> </tr> <tr> <td>\$0.30 or greater</td> <td>16,237,000 / the 30-day VWAP</td> <td>The 30-day VWAP</td> </tr> </tbody> </table> Consideration Shares under all issue price scenarios represent less than 15% of MMA's issued share capital and as such MMA will not require Shareholder approval under the ASX Listing Rules to issue those shares 	30-day VWAP per MMA Share	Number of MMA Shares to be Issued to NMS	Issue Price	Less than or equal to \$0.25	13,531,000 / the Issue Price	The higher of \$0.20 and the 30-day VWAP	Greater than \$0.25 but less than \$0.30	54,124,000 shares	\$0.25	\$0.30 or greater	16,237,000 / the 30-day VWAP	The 30-day VWAP
30-day VWAP per MMA Share	Number of MMA Shares to be Issued to NMS	Issue Price											
Less than or equal to \$0.25	13,531,000 / the Issue Price	The higher of \$0.20 and the 30-day VWAP											
Greater than \$0.25 but less than \$0.30	54,124,000 shares	\$0.25											
\$0.30 or greater	16,237,000 / the 30-day VWAP	The 30-day VWAP											
Impact	<ul style="list-style-type: none"> Post completion and based on the maximum number of shares to be issued, NMS is expected to hold no more than approximately 7.3% of MMA's issued share capital. The Directors of NMS have stated their intention to distribute the cash and Consideration Shares in-specie to NMS Shareholders at some point post Completion 												

¹ The Consideration is based on the business's net asset value as at 30 June 2019 and will be subject to adjustment if the net asset value of the business is different to that amount on Completion.

² This assumes that the volume weighted average price of MMA shares in the 30 day period ending on the date that is 2 business days before completion (of the acquisition) is \$0.25 or less, in which case the assumed issue price will be (and the number of shares to be issued will be determined by reference to) to 30-day VWAP, subject to a minimum issue price of \$0.20 per share

TRANSACTION TIMELINE

Subject to the required conditions precedent being met, completion is expected to occur by October / November 2019



SUMMARY

- Acquisition of NMS a key platform in MMA's growth strategy
- Enables MMA to deliver a broader service offering to new and existing clients in the subsea sector
- Compelling strategic rationale with strong fit and potential to increase MMA's Return on Assets
- Combined business has the potential to benefit from a recovery in offshore and subsea investment

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
 - **Strategic M&A**

corporate@mmaoffshore.com
mmaoffshore.com

