

MMA Offshore Limited

Investor Presentation

Half Year Results – 31 December 2015

22 February 2016

Innovative Approach
Global Perspective



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Overview



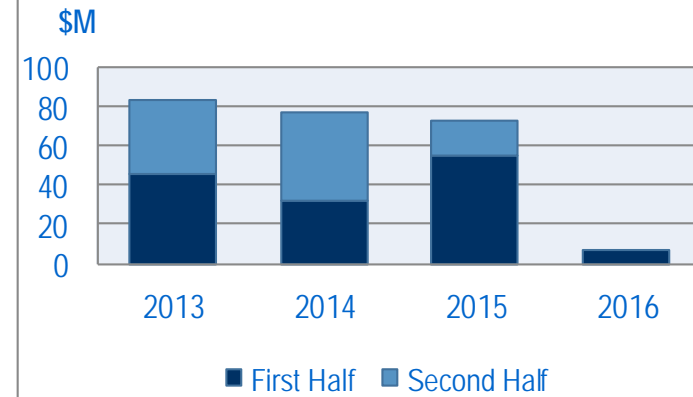
Financial

- Revenue \$309.3 million, ↓ 32.2% pcp
- EBITDA \$66.3 million, ↓ 49.8% pcp
- Pre-tax profit \$7.0 million, ↓ 87.3% pcp
- Net profit after tax \$6.5 million, ↓ 82.8% pcp
- Earnings per share of 1.7c, ↓ 83.5% pcp
- Operating cash flow \$35.2 million, ↓ 70.3% pcp
- Cash at bank \$87.1 million
- \$25m in debt repayments made in first half
- Debt facility amendments agreed with banking syndicate
- Dividends suspended

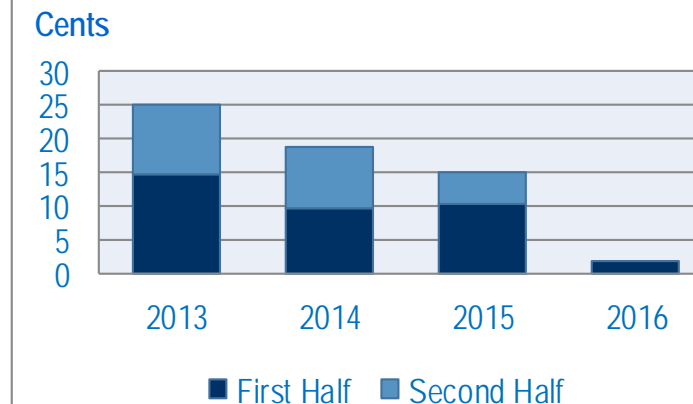
Operating

- Industry conditions remain challenging with oil price at 12 yr low
- Vessel utilisation and rates remain under pressure
- Secured and extended a number of long term vessel contracts in Australia and internationally
- Expanding our presence in the Middle East
- Vessel sales programme ongoing with 14 vessels sold to date
- Dampier Supply Base continued to support construction and production activity in Australia
- Cost reduction programme currently ahead of target
- Vessel Newbuild programme to be completed in FY16

Profit before Tax



Earnings per Share



Key Performance Ratios



	Variance PCP	6 Months Ended 31 Dec 2015	6 Months Ended 30 June 2015	6 Months Ended 31 Dec 2014
Revenue	↓ 32.2%	\$309.3M	\$340.3M	\$456.3M
EBITDA ⁽¹⁾	↓ 49.8%	\$66.3M	\$86.1M	\$132.3M
EBITDA / Revenue	↓ 7.5%	21.4%	25.3%	28.9%
EBIT ⁽¹⁾	↓ 79.6%	\$12.7M	\$24.9M ⁽²⁾	\$62.2M
EBIT / Revenue	↓ 9.5%	4.1%	7.3% ⁽²⁾	13.6%
Share of Profits from Associates	↑ 5.9%	\$1.8M	\$1.7M	\$1.7M
Profit before Tax	↓ 87.3%	\$7.0M	\$17.2M ⁽²⁾	\$55.3M
NPAT	↓ 82.8%	\$6.5M	\$17.6M ⁽²⁾	\$37.7M
Earnings per Share	↓ 83.5%	1.7c	4.8c ⁽²⁾	10.3c
Return on Assets ⁽³⁾	↓ 6.7%	2.0%	3.4% ⁽²⁾	8.7%
Return on Equity ⁽³⁾	↓ 8.0%	1.6%	4.1% ⁽²⁾	9.6%

¹ Excludes profit / loss on sale of assets ² Normalised to exclude Impairment of Assets charge of \$120.7m in Jun-15 ³Annualised return



Balance Sheet



Ongoing focus on debt reduction.

	6 Months Ended 31 Dec 2015	6 Months Ended 30 June 2015	6 Months Ended 31 Dec 2014
Gearing % (Net Debt / Equity)	42.9%	40.8%	37.3%
Interest Cover (EBITDA / Interest)	7.6x	9.6x	13.9x
Operating free cash flow	\$35.2M	\$67.0M	\$118.4M ⁽¹⁾
Capital Expenditure	\$82.3M ⁽²⁾	\$48.3M	\$198.9M
Interest Bearing Liabilities	\$431.5M ⁽³⁾	\$442.5M	\$452.0M
Cash at Bank	\$87.1M	\$124.5M	\$143.5M
NTA per Share	\$2.15	\$2.10	\$2.19

Debt Facility amendments agreed with Banking Syndicate

- Range of amendments agreed to the terms and financial covenants of the Facility in response to difficult trading conditions as a result of the significant decline in the oil price
- Positive and supportive relationship maintained with Banking Syndicate

¹ Operating free cashflow for the 6 months ended 31 Dec 2014 benefited from funding received for project mobilisations

² Capital expenditure includes deposits paid on new vessels in prior periods of \$8.8m

³ Debt Facilities comprise: USD Facility US\$193m (Jun-15 US\$204m); AUD Facility A\$170m (Jun-15 A\$180m)



Vessel Sales



MMA has concluded a number of vessel sales albeit in a difficult market

- Sale and Purchase market continues to be challenging however we have seen a positive level of enquiry and inspections on our vessels over the past few months
- Feedback on the quality of MMA's vessels has been positive
- 14 of our smaller vessels have now been sold or contracted for a total of A\$28m
 - 3 Barges
 - 4 AHT / AHTSs (4,000 – 5,150 bhp)
 - 7 Tugs and smaller vessels
- Small book profit recorded on sales concluded to date
- Continuing to focus on rationalising the 5,000 bhp AHTS fleet and other selected vessels
- Vessels are being actively traded in spot market whilst being marketed for sale
- Cost control programme in place for vessels laid up between contracts
- Targeting an additional ~\$50m in vessel sales by end of FY2016



Vessels



Review of Operations:

- 1H Utilisation 60% ⁽¹⁾
- Australia:
 - Secured 2 major new long term production support contracts – Woodside, ConocoPhillips (new client)
 - Extended Santos production support contract
 - Europa contract completed in Dec-15
- International:
 - Market continues to be very challenging
 - Extended key contracts in Middle East and Thailand and secured 2 new long term contracts in Malaysia
 - Expanding our presence in the Middle East
- Vessel lay up strategy to minimise operating costs

Outlook:

- Whilst market conditions remain challenging there is ongoing activity albeit at very low rates
- MMA's quality fleet and operating capability is an advantage
- Newbuild programme will be completed in 2H; 2nd half capex approx. \$80m; minimal capex in FY17
- Ongoing cost and productivity focus to match activity levels
- 2H activity expected to be materially lower than the 1H based on reduced construction activity in Australia, seasonal impact of SEA monsoon and ongoing depressed market conditions

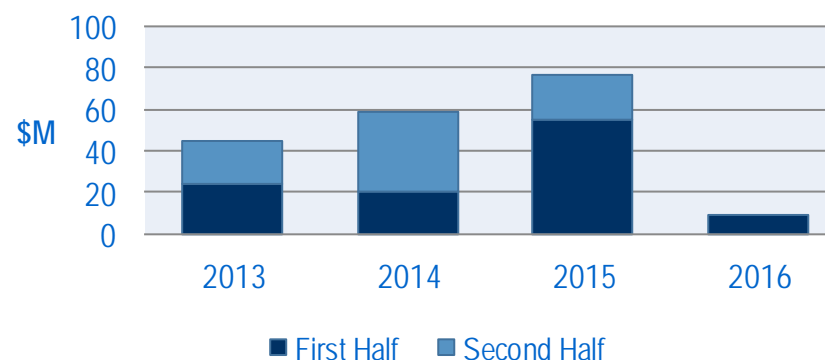
¹ Utilisation excludes barges and small harbour vessels

² Normalised to exclude Impairment of Assets charge in Jun-15

Vessel Financials

	Variance PCP	6 Months Ended 31 Dec 15	6 Months Ended 30 Jun 15	6 Months Ended 31 Dec 14
Revenue	↓ 33.3%	\$269.8M	\$294.9M	\$404.8M
EBITDA	↓ 51.9%	\$58.1M	\$78.4M	\$120.7M
EBITDA / Rev	↓ 8.3%	21.5%	26.6%	29.8%
EBIT	↓ 83.8%	\$8.9M	\$22.1M ⁽²⁾	\$55.0M
EBIT / Rev	↓ 10.3%	3.3%	7.5% ⁽²⁾	13.6%
ROA	↓ 8.4%	1.6%	3.7% ⁽²⁾	10.0%

Vessels EBIT



Dampier Supply Base



Review of Operations:

- Activity driven by production and construction support
- Drilling activity in the region has been lower, however wharf visits have been in line with expectations
- Ongoing cost reduction and workforce productivity initiatives have been introduced to lower costs
- Marketing Base to new clients to increase land utilisation

Outlook:

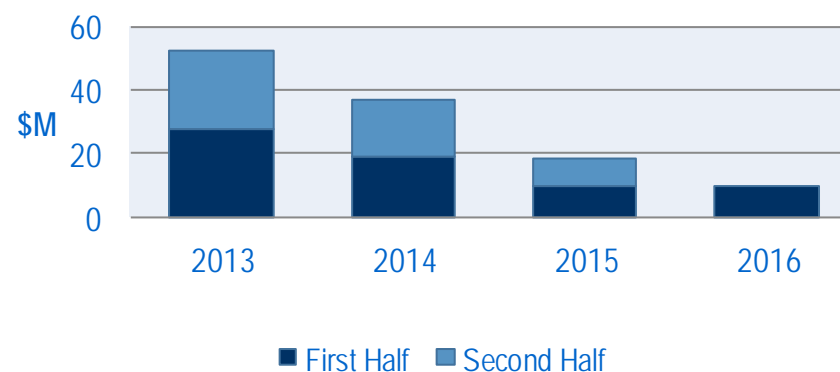
- Lower oil prices will continue to result in a low level of drilling activity
- Continued focus on cost reduction and productivity to streamline the operation
- Second half activity expected to be lower than the first half as construction activity reduces

¹ Normalised to exclude Impairment of Assets charge in Jun-15

Dampier Supply Base Financials

	Variance PCP	6 Months Ended 31 Dec 15	6 Months Ended 30 Jun 15	6 Months Ended 31 Dec 14
Revenue	↓ 23.5%	\$36.1M	\$41.3M	\$47.2M
EBITDA	↑ 0.8%	\$13.3M	\$12.7M	\$13.2M
EBITDA / Rev	↑ 8.9%	36.8%	30.9%	27.9%
EBIT	↑ 2.1%	\$9.8M	\$9.0M ⁽¹⁾	\$9.6M
EBIT / Rev	↑ 6.8%	27.1%	21.9% ⁽¹⁾	20.3%
ROA	↑ 4.5%	15.6%	10.9% ⁽¹⁾	11.1%

Dampier Supply Base EBIT



Dampier Slipway



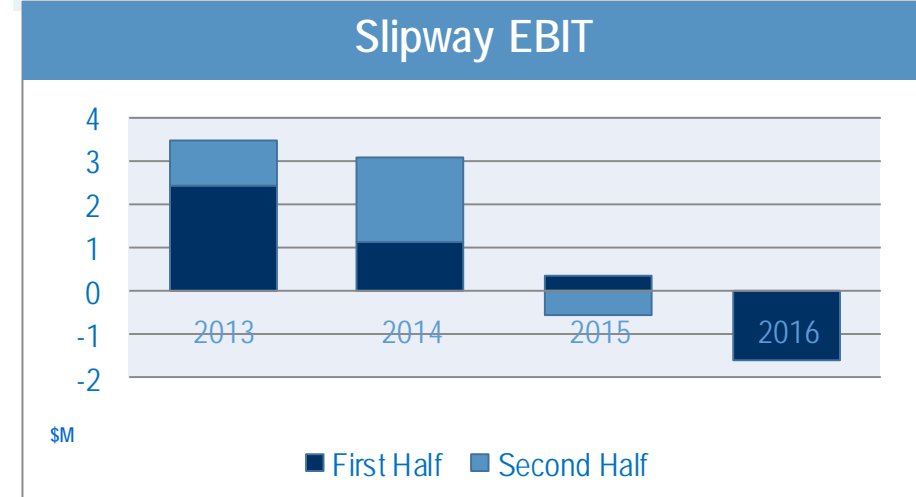
Review of Operations:

- Activity in the region down materially due to fewer vessels in region and cost cutting by operators
- Margins under pressure due to increased competition
- 11 dockings completed (1H FY2015 - 26)
- Further restructuring undertaken to reduce permanent personnel and increase contractor workforce enabling the business to better match overhead with workflow
- Marketing to terminal tug operators in the region

Outlook:

- 2nd Half activity is expected to remain soft
- Continued focus on cost reduction and productivity improvement

Dampier Slipway Financials				
	Variance PCP	6 Months Ended 31 Dec 15	6 Months Ended 30 Jun 15	6 Months Ended 31 Dec 14
Revenue	↓ 43.7%	\$6.7M	\$10.8M	\$11.9M
EBITDA	↓ 271.4%	\$(1.2)M	\$(0.2)M	\$0.7M
EBITDA / Rev	↓ 23.8%	(17.9)%	(1.8)%	5.9%
EBIT	↓ 500.0%	\$(1.6)M	\$(0.6)M	\$0.4M
EBIT / Rev	↓ 27.3%	(23.9)%	(5.5)%	3.4%
ROA	↓ 26.5%	(22.6)%	(7.3)%	3.9%



Broome Supply Base JV



Review of Operations:

- MMA 50% Share of NPAT for the half year - \$1.8m (\$1.7m 1H FY2015)
- Supported drilling campaigns for Shell and INPEX during the 1st Half
- Restructuring of business completed to match lower expected activity levels

Outlook:

- Second half earnings expected be lower than first half
- Shell drilling has completed but INPEX will continue through second half



Market Outlook - Australia



LNG construction activity is ongoing and MMA continues to secure major production support contracts in the region

<p>Production Support</p>	<ul style="list-style-type: none"> • Recently secured multi vessel contract with Woodside • Extended Santos contract • Secured new 5 year contract with ConocoPhillips • Ongoing production support activity through the Supply Base • Tendering inspection, maintenance and repair work for MMA newbuild vessels MMA Pinnacle and MMA Prestige for a number of opportunities
<p>Construction Support</p>	<ul style="list-style-type: none"> • Gorgon – First LNG cargo is imminent, however we expect limited marine logistics work scopes to extend beyond this point • Ichthys – 2H FY2016 and 1H FY2017 work scopes are under tender • Wheatstone – Tug and Barge, Assist Tug and Supply Vessel scopes are in field • Prelude – Currently executing 2H FY2016 subsea installation scopes and in negotiations for 1H FY2017 subsea installation scopes. 2H FY2017 Hook-up and commissioning scopes are under tender.
<p>Exploration Support</p>	<ul style="list-style-type: none"> • Australian rig count at historically low levels • Minimal seismic activity



Market Outlook - International



International markets remain under pressure

South East Asia	<ul style="list-style-type: none">• Day rates have reduced by 40 - 50% from Jun-14• Maintaining utilisation is challenging due to high vessel availability and lower demand• Malaysia – secured two large AHTS long term contracts; actively bidding other opportunities• Myanmar – bidding a number of term scopes in accommodation support, supply and drilling• Thailand – extended two existing long term contracts and secured some minor spot work• Vietnam – market effectively closed for external operators• Indonesia – large number of vessels laid up
Middle East	<ul style="list-style-type: none">• The market is relatively stable in terms of utilisation but rates have reduced by over 30% since 2014• 6 vessels currently operating in the region• Extended key contracts for a further year but at reduced rates• Signed Master Services Agreement with key multinational contractor in the region• Dubai regional office opened with experienced Regional Manager engaged to manage and grow the Middle Eastern operations
Africa	<ul style="list-style-type: none">• Limited exposure to the African market with 4 AHTS vessels operating in the region• West African market remains flat with few requirements and a significant oversupply of vessels, especially PSVs• Some tendering out of Nigeria which may present vessel sales opportunities



Summary



- First half performance impacted by low offshore activity levels
- Australian vessels performed reasonably well with Europa contract and other LNG construction activity contributing in the 1st Half
- International vessels below expectations with lower utilisation and rates impacting performance
- Dampier Supply Base activity driven mainly by production and construction support – construction activity expected to decline in the 2nd half
- Slipway had a difficult first half with fewer vessels in the region and cost pressures impacting demand for services
- Australian construction activity on major LNG projects (Prelude, Wheatstone, Ichthys) continues but Gorgon is nearing completion
- Secured two major new production support contracts in Australia with Woodside and ConocoPhillips
- Increasing presence in the Middle East
- Renegotiated debt facilities with banking syndicate – focus on debt reduction
- Cost reduction programme on track to exceed \$15m target
- Vessels sales programme continuing
- Second half activity expected to be significantly lower than first half with full year EBITDA in line with previous guidance of \$75m - \$85m



For further information contact



Jeffrey Weber - Managing Director

MMA Offshore Limited

Telephone: (+61) 8 9431 7431

Email: jeff.weber@mmaoffshore.com

Peter Raynor - Chief Financial Officer

MMA Offshore Limited

Telephone: (+61) 8 9431 7431

Email: peter.raynor@mmaoffshore.com



Vessel Listing



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
MERMAID	INSCRIPTION	SINGAPORE	PSV, DP2	2012	-	87	5188 DWT	48
MERMAID	LEEUEWIN	SINGAPORE	PSV	2013	-	82.2	4000 DWT	28
MMA	LEVEQUE	SINGAPORE	PSV, DP2	2010	-	75	3100 DWT	40
JAYA	VALOUR	MALAYSIA	PSV	2013	-	83.6	5509 DWT	60
JAYA	VALIANT	SINGAPORE	PSV	2014	-	76	3500 DWT	44
MERMAID	VIGILANCE	SINGAPORE	PSV, MULTI PURPOSE	2009	-	70	2850 DWT	50
JAYA	VICTORY	SINGAPORE	PSV	2014	-	76	3500 DWT	44
JAYA	VIGILANT	SINGAPORE	PSV	2013	-	83.6	5100 DWT	60
JAYA	PRIDE	SINGAPORE	MULTI PURPOSE	2013	-	78	5150	148
MMA	ALMIGHTY	SINGAPORE	AHTS	2010	67.3	58.7	5150	42
JAYA	AMANDAM	SINGAPORE	AHTS	2009	67.1	58.7	4800	42
JAYA	AMARA	SINGAPORE	AHTS	2009	65	58.7	4800	42
MMA	CAVALIER	SINGAPORE	AHTS	2010	108	70	8000	50
JAYA	CENTURION	SINGAPORE	AHTS	2011	108	70	8000	50
MMA	CHIEFTAIN	SINGAPORE	AHTS	2010	103	70	8160	42
MMA	CONCORDIA	SINGAPORE	AHTS	2010	125	70.5	8000	42
MMA	CONFIDENCE	SINGAPORE	AHTS	2011	105	70.5	8000	42
MDPL	CONQUEROR	SINGAPORE	AHTS	2010	119.5	70.5	8000	42



Vessel Listing



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP/DWT	Berths
MDPL	CONTINENTAL ONE	SINGAPORE	AHTS	2010	121	70.5	8000	42
JAYA	CORAL	SINGAPORE	AHTS	2011	108	70	8000	50
JAYA	CRYSTAL	SINGAPORE	AHTS	2012	108	70	8000	50
JAYA	DAUPHIN	SINGAPORE	AHTS	2008	127	72.5	10730	42
JAYA	DEFENDER	SINGAPORE	AHTS	2009	129	72.5	10730	42
DJM	FORTUNE 3	SINGAPORE	AHTS	2004	63	57.5	4750	42
JAYA	MAJESTIC	SINGAPORE	AHTS	2014	150	78.2	12070	46
SEA	HAWK 1	MALAYSIA	AHTS	2009	156	75.4	12240	50
JAYA	SEAL	SINGAPORE	AHTS	2004	66	62.9	5500	42
JAYA	TREASURE 2	SINGAPORE	AHTS	2005	65	58.7	5150	42
MERMAID	VANQUISH	SINGAPORE	AHTS	2007	64.3	59.3	5150	42
MERMAID	VANTAGE	SINGAPORE	AHTS	2009	66	59.2	5150	42
MERMAID	VISION	SINGAPORE	AHTS	2009	105	67.8	8000	32
MERMAID	VOYAGER	AUSTRALIA	DP1, AHTS	2009	66	59.2	5150	42
MERMAID	RANGER	SINGAPORE	AHT	2007	50.9	40	4000	18
MERMAID	RELIANCE	SINGAPORE	AHT	2010	68.6	50	5150	30
MMA	RESOLUTION	SINGAPORE	AHT	2010	70	50	5150	30
MERMAID	SUPPORTER	AUSTRALIA	AHT	2001	60	45	4800	20



Vessel Listing



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP/DWT	Berths
MERMAID	COVE	AUSTRALIA	AHT	2013	70	52.4	5725	22
MERMAID	PROVIDER	TUVALU	AHT, OSV	1999	54	45	4000	12
MERMAID	SOUND	AUSTRALIA	AHT, AZIMUTH, OSV	2007	70	50	7200	22
MERMAID	STORM	AUSTRALIA	AHT, AZIMUTH, OSV	1993	48	34	4000	15
MERMAID	STRAIT	AUSTRALIA	AHT OSV, AZIMUTH, DPA	2012	69	52.4	5475	24
MMA	CARVER	AUSTRALIA	AHT, AZIMUTH TUG	2000	47	32	3300	14
MMA	INVESTIGATOR	AUSTRALIA	SUPPLY, MULTI PURPOSE	2006	30	54	3620	42
MERMAID	SEARCHER	AUSTRALIA	SUPPLY, MULTI PURPOSE	2008	34	54	3200	34
MERMAID	RESOURCE	AUSTRALIA	UTILITY	1996	-	27	2600	6
MERMAID	ESPERANCE	SINGAPORE	BARGE	2010	-	76.2	-	-
MERMAID	REGENT	AUSTRALIA	BARGE	2010	-	73.2	-	-
JAYA	INSTALLER 10	PANAMA	MULTI PURPOSE	2011	-	111.6	9900 DWT	300



Vessel Listing – Newbuilds



Vessel	Name	Flag	Type	Delivery	Bollard Pull	LOA	BHP /DWT	Berths
MMA	PRIVILEGE	SINGAPORE	MULTI PURPOSE	2016	-	90.0	10450	239
MMA	PRESTIGE	SINGAPORE	IMR	2016	-	87.8	3000 DWT	100
MMA	PINNACLE	SINGAPORE	IMR	2016	-	87.8	3000 DWT	100
MMA	PLOVER	AUSTRALIA	PSV	2015	-	81.7	8425	27
MMA	BREWSTER	AUSTRALIA	PSV	2016	-	81.7	8425	27

Vessel Listing – Chartered Vessels

Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
BIBBY	RENAISSANCE	BARBADOS	ACCOMMODATION BARGE	1991	-	-	-	660
BRITOIL	121	SINGAPORE	AHT	2011	160	59	12240	48
MISS	HANNAH	USA	CARGO BARGE	2012	-	122	-	-



Glossary of Terms



AHT	Anchor Handling Tug	NTA	Net Tangible Assets
AHTS	Anchor Handling Tug Supply Vessel	OSV	Offshore Support Vessel
EBIT	Earnings before Interest and Tax	PCP	Previous Corresponding Period
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation	PSV	Platform Supply Vessel
FY	Financial Year	ROA	Return on Assets
JV	Joint Venture	SEA	South East Asia
LNG	Liquefied Natural Gas		
NPAT	Net Profit after Tax		



Fremantle

Endeavour Shed, 1 Mews Road
Fremantle WA 6160
T +61 8 9431 7431
F +61 8 9431 7432

Dampier

Mermaid Road
Dampier WA 6713
T +61 8 9183 6600
F +61 8 9183 6660



MMA
OFFSHORE

Singapore

8 Cross Street, PWC Building
Unit 08-01/06 Singapore 048424
T +65 6265 1010
F +65 6864 5555

Batam

Jalan Brigjen Katamso KM 6,
Kel. Tanjung Uncang, Kec. Batu Aji
Batam, PC 29422
Indonesia
T +62 11 778 391474
F +62 11 778 391475

corporate@mmaoffshore.com
www.mmaoffshore.com

