ASX Announcement

18th November 2015

MMA Offshore Limited (“Company”) – 2015 Annual General Meeting – Chairman’s Address and Managing Director’s Presentation

The Listing Manager
Australian Securities Exchange Ltd
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Please find **attached** a copy of the Chairman’s Address and Managing Director’s Presentation to be presented to shareholders at today’s Annual General Meeting for the Company.

The results of the 2015 AGM will be released as soon as possible after the meeting.

Kind regards,
MMA OFFSHORE LIMITED

Dylan Roberts
Company Secretary

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MMA Offshore Limited
2015 Annual General Meeting
Chairman's Address

Year in Review

As you are aware, 2015 was a very challenging year for MMA as the collapse in world oil price severely impacted the oil and gas industry globally. Since the last AGM the price of Brent Oil has fallen over 40% to current levels of $45 a barrel and is down over 60% from its high in mid-2014.

The fall in the oil price has resulted in oil and gas companies drastically cutting capital expenditure as well as renegotiating with their suppliers to reduce operating costs. As a service provider to the oil and gas industry, MMA's operations have been significantly impacted with utilisation and rates falling materially in all the regions we operate in, resulting in disappointing returns for shareholders.

MMA's share price has fallen significantly over the past year and we are currently trading at a substantial discount to the value of the Company's assets. Whilst there is no doubt that market conditions are currently extremely difficult, your company is backed by quality assets which we believe will stand the test of time whilst we navigate through this difficult period.

Looking at our financial performance for FY2015, the business performed well in the first half but second half performance was severely impacted by the industry downturn compounded by the completion of a number of major construction scopes in Australia. The Company reported a Net Loss After Tax of $51.3 million after booking a non-cash impairment charge of $120.7 million against the book value of the Company's assets. The impairment charge reflects the impact of current market conditions on the Company's operations and future cash flows. A charge of $100 million was booked against the carrying value of the vessel fleet and $20.7 million was written off against Supply Base goodwill. Excluding the impact of the impairment charge, MMA delivered a Net Profit After Tax of $55.3 million, up 2.7% on the prior year and Earnings Per Share or "EPS" of 15.0 cents per share, down 20% on 2014. The Company paid full year dividends of 5.5 cents per share, down 56% on the previous year and reflecting a more conservative payout ratio in light of the current market conditions.

To offset the impact of the current market conditions, MMA has taken a number of actions:

A restructuring programme was implemented in February 2015 to reduce overheads and streamline the operating structure in line with anticipated activity levels. The restructuring programme will deliver ongoing annualised cost savings in excess of $15 million from the 2016 financial year onwards. Cost efficiency will continue to be an ongoing focus of the Company as we look for more efficient ways of doing business without compromising on the quality or safety of our operations.

We also continue to focus on our vessel sales programme with the aim to sell a number of selected smaller and larger vessels from the fleet. To date we have contracted approximately A$22 million in vessel sales and continue to negotiate with potential buyers for a number of additional vessels.

MMA has also laid up a number of under-utilised vessels to reduce operating costs. Currently we have 2 vessels cold stacked and up to 6 vessels warm stacked depending on demand. The majority of these vessels being kept at our Singapore and Batam yards, being the most cost effective solution.

We have five vessels currently under construction and due for delivery in the current financial year. Three specialised vessels are under construction at our own shipyard in Batam, Indonesia. These vessels will be targeted at the subsea inspection, maintenance and repair ("IMR") market and the production support and maintenance markets. The other two vessels are highly specialised platform supply vessels ("PSVs") being built at the VARD Shipyard in Vietnam. The first of these vessels, the MMA Plover delivered last week and the second, the MMA Brewster will deliver in March 2016. Both vessels will commence operations on long-term contract with INPEX in the first quarter of the 2017 financial year which is the back end of the contracted commencement window. The contract is for a firm period of five years with two additional option periods of five years each. This is a key contract for MMA and a testament to MMA's in-house marine capability in providing a highly technical and unique solution to INPEX for its production support requirement. We are looking at short-term contract opportunities for the vessels in the period between delivery and commencement of the contract.

Given current market conditions, MMA does not anticipate adding any additional vessels to the fleet in the foreseeable future. With that in mind, the Batam Shipyard will focus on vessel maintenance and logistics services as well as opportunities for third party builds or modifications.

FY2016 is a high capital expenditure year for the Company, however capex in FY2017 will reduce significantly as the newbuilds complete and we are only covering maintenance capital expenditure.

Whilst market conditions are as challenging as we have seen, MMA continues to service oil and gas companies throughout the various phases of the cycle.

In Australia, LNG construction activity is still ongoing with Shell's Prelude Project, INPEX's Ichthys Project and Chevron's Wheatstone Project all currently underway. MMA is providing vessels and supply base services to each of these projects.

Construction of the Gorgon Project is nearing completion and the number of vessels MMA has employed on that project will reduce from 1 January 2016. The Europa accommodation vessel will complete its contract on 31 December 2015 with some minor logistics scopes continuing on the Project through the second half of FY2016.

On the production side, MMA continues to support the majority of the offshore production facilities in the North West Shelf off the West Australian coast, providing a stable baseload of earnings for the Company throughout market highs and lows. Whilst margins have declined somewhat, these contracts provide full utilisation for the vessels involved. MMA has been successful in extending a number of existing production support contracts during the year, which is pleasing in such a competitive environment. The recent award of the Woodside Integrated Fleet contract is an excellent example of MMA's success in this area. Under the contract MMA will provide three vessels to support Woodside's offshore North West Shelf, Pluto and AusOil production assets. The contract is valued at approximately A$50 million for the firm period and up to A$110 million if the extension options are exercised. The significance of this contract award cannot be overstated in the current competitive environment.

Exploration activity has naturally declined given the current oil price, however this is not a market that MMA has significant exposure to in Australia.

Internationally, the markets in Asia and Africa have been very challenging with rates and utilisation down significantly across all vessel classes and contracts being let at historically low rates to maintain utilisation. The market in the Middle East is holding up better in terms of utilisation with sound activity in spite of the market, but rates have dropped materially with competition increasing for each new contract. The Middle East is a key focus market for MMA and we continue to build relationships and increase our management presence in the region.

MMA's Dampier Supply Base has also been under pressure with lower drilling in the region and the winding down of construction freight to Barrow Island. Pleasingly, MMA secured the Chevron Shore Base contract to provide ongoing supply base services for Chevron's operations in the North West. The contract commenced on 1 July 2015 and is for a period of two years firm with an option to extend for a further year. The contract will provide stable earnings for the Base and provide employment for 25-35 people for the duration of the contract.

The Broome Supply Base which we operate in joint venture with Toll has also experienced lower demand due to a reduction in exploration drilling in the region. However, the Base continues to support development drilling for Shell and INPEX on their Prelude and Ichthys Projects. Woodside also announced during the year that it had commenced Front End Engineering and Design on its proposed Browse FLNG development with a Final Investment Decision expected sometime next year. The Broome Supply Base with its high quality infrastructure and proven operational capability would be ideally positioned to support such future projects in the region.

Integration of the Jaya operations is now complete and with a number of cost and revenue synergies delivered. As of 1 July 2015, the Australian and international businesses have been operating on a single enterprise system which was a significant milestone in the integration and critical in efficiently managing the Company. In addition, the Australian and International businesses now operates under a single brand "MMA Offshore".

MMA had its best safety performance on record during FY2015 with its Total Recordable Case Frequency reducing by 64% to 1.2. This is a world class performance and is a key competitive advantage when bidding for contracts in the oil and gas industry.

Notwithstanding the harsh economic conditions, MMA's Balance Sheet remains strong with cash at bank of $118 million as at 31 October 2015 and gearing of 40% which is relatively low by industry standards. MMA is trading within its banking covenants and is actively working to reduce debt through its asset sales programme.

As recently announced in our trading update, the first four months of trading for the current financial year were lower than expected and we believe that market conditions are unlikely to improve through the remainder of FY2016. MMA continues to generate positive cash flows and currently expects to deliver EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) in the region of A$75 – 85 million for the full year but with a low level of visibility of demand for the second half of the financial year.

In the current environment MMA is focused on taking measures to streamline the business through a range of actions including optimising the asset base, reducing costs, increasing productivity and improving our overall operating performance. This will position the Company well for when market conditions improve. The offshore oil and gas industry is currently being challenged as a result of low oil prices and a cut back in investment, but this cycle will eventually change and improved conditions will eventuate.

Finally, I would like to take this opportunity to thank Mr Jeff Weber our Managing Director, the Executive Management Team and all of MMA's staff for their hard work and dedication to the business during what has been an extremely difficult year.

I would also like to thank my fellow Board members for their valuable contribution during the year. I would also like to pay tribute to Mark Bradley, who has served on the MMA Board for the last 15 years and made a significant contribution to the Company over that time. Mark has advised that the coming year will be his final year on the MMA Board and that he will not seek re-election at the 2016 AGM.

Lastly, I would like to thank you, our Shareholders, for your ongoing support as we navigate through this uncertain and challenging time for the Company.

Annual General Meeting

18 November 2015

Disclaimer

This document contains general background information about the activities of MMA Offshore Limited (MMA) current as at the date of release of this document to the ASX. It is information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be read in conjunction with MMA's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

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Risks: *An investment in MMA Securities is subject to investment and other known and unknown risks, some of which are beyond the control of MMA and MMA's directors, employees, servants, advisers or agents. 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.*

Managing Director's Presentation

Jeff Weber

Summary

- Macro environment continues to be very challenging
- Vessel utilisation remains under pressure both in Australia and Internationally – Q1 Utilisation 56% (61% Australia; 52% International)
- Day rates have reduced by up to 40% in some regions
- Vessel sales of A$22m achieved in FY2016 YTD
- Newbuild programme progressing as planned
- Supply Base activity has reduced due to lower construction and drilling activity
- On track to deliver on $15m cost reduction and productivity improvement target
- Excellent safety performance with TRCF reduced by 64% in FY2015
- Balance sheet remains strong with relatively low gearing – focus on debt reduction
- Expect trading conditions to remain very soft through FY2016 and into FY2017 but actions are currently being undertaken to streamline the business to position us for when market conditions improve

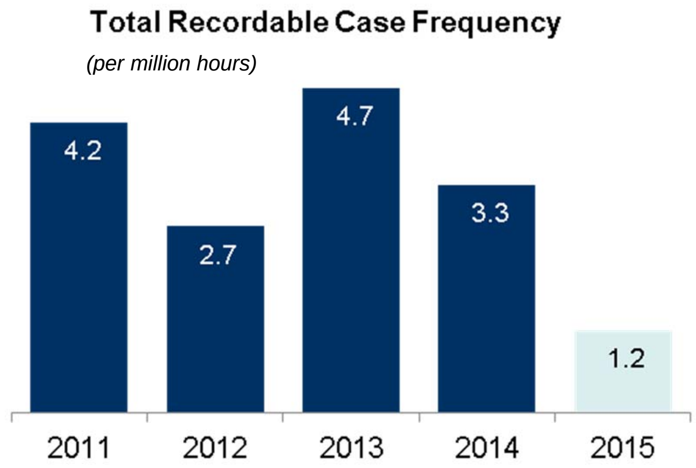
FY2015 Financial Result

- **Revenue** $796.7m ⬆ 34.0% (including full year of Jaya operations)
- **EBIT** $86.9m ⬆ 8.3% (pre-impairment)
- **NPAT** $55.3m ⬆ 2.7% (pre-impairment)
- **EPS** 15.0c ⬇ 20.2% (pre-impairment)
- **Reported Net Loss After Tax** $(51.3)m after $120.7m non-cash impairment charge
- **Final Dividend** of 1.5c bringing full year dividends to 5.5cps ⬇ 56.0%
- **Operating Cash Flow** $185.4m ⬆ 240.8%
- **Cash at Bank** $124.5m
- **Gearing** 40.8% (post impairment) (FY2014 36.1%)

FY2015 Safety Performance

MMA's strongest ever safety performance

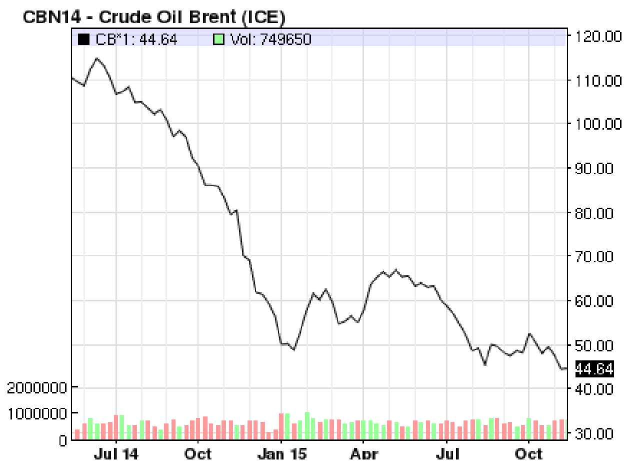
- TRCF improved by 64% to 1.2
- Target 365 strategy maturing and has been extended to the international business
- Continuous improvement of systems and processes and focus on lead indicators
- Meeting or exceeding environmental standards across the organisation



Macro Conditions

Challenging conditions continue as low oil prices impact spending by oil and gas companies

- **Oil price -** Brent currently trading around US$45 a barrel down more than 60% since Jun-14
  - OPEC showing no signs of reducing production
  - US shale rig count has fallen but production levels have been slower to reduce
  - Iran sanctions deal causing further supply uncertainty
  - Reduced demand due to lower global growth
- **E&P spend** – oil companies have cut E&P budgets by approx. 25% in 2015 with further cuts expected in 2016 (biggest cuts since the 1980s)[1]
- **OSV market -** intense competition for fewer contract opportunities and lower rates being negotiated on both new and existing contracts. Owners laying up vessels to reduce supply with little impact to date
- **MMA -** lower utilisation and reduced margins



Source: Nasdaq 17/11/15

[1] Pareto E&P Survey 2015, Aug 15

Market - Australia

Australian construction activity is ongoing with major sanctioned LNG projects underway but the low oil price is having a negative impact on discretionary spending and day rates

- **Gorgon** – First LNG cargo is expected in Q3 FY2016, however we expect limited marine logistics work scopes to extend beyond this point
- **Ichthys** – H2 FY2016 and H1 FY2017 work scopes are under tender
- **Wheatstone** –Tug and Barge, Assist Tug and Supply Vessel scopes are in field
- **Prelude** – Finalising contracting of H2 FY2016 scopes with H1 FY2017 scopes coming into focus
- **Drilling** – Australian rig count is still reducing with Prelude development drilling finalising soon
- **Inspection Maintenance Repair** – Tendering work for MMA newbuild vessels, MMA Pinnacle and MMA Prestige for a number of opportunities
- **Production Support** – Recently secured key Woodside Contract; continuing to tender for other opportunities

Market - International

The low oil price has translated into lower utilisation and day rates across our international markets

South East Asia	• Day rates have reduced by up to 40% • Maintaining utilisation is challenging due to high vessel availability and lower demand – Malaysia – secured long term contract and bidding ongoing opportunities – Myanmar – bidding a number of term scopes – Thailand – ongoing production support contract and secured some minor spot work – Vietnam – market effectively closed for external operators – Indonesia – large number of vessels laid up
Middle East	• The market is relatively stable in terms of utilisation but there has been downward pressure on rates in the order of 20% • 6 vessels currently operating in the region • MMA looking to increase exposure to this region
Africa	• West Africa – 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 (MMA does not currently operate in Nigeria) • East Africa – waiting for investment decisions on new LNG developments

Vessel Sales

Asset sales programme continues but in a very difficult market

- Sale and Purchase market continues to be challenging in the current environment, however seeing increased inspections
- A$22m in Sales Contracts completed in FY2016 YTD
- Rationalising 5,000 bhp AHTS fleet, small fleet and barges
- Selectively targeting other vessel sales as appropriate
- Vessels actively traded in spot market whilst being marketed for sale
- Cost control programme in place for vessels laid up between contracts
- Some vessel sale opportunities subject to counterparties winning tenders
- Targeting an additional $50m in vessel sales by end of FY2016

Newbuild Programme

5 high specification, specialised vessels under construction

1 x Multipurpose Maintenance Work Vessel
MMA Privilege
Under construction at MMA's Batam Shipyard
Completion Q2 FY2016 – tendered into several scopes
Targeting production support (maintenance) market
Key markets – Malaysia, Brunei, Middle East, West Africa

2 x ROV Support Vessels
MMA Pinnacle & MMA Prestige
Under construction at MMA's Batam Shipyard
Completion Q3 FY2016
Targeting the growing subsea IMR market
Key markets – Australia, South East Asia, Africa, Middle East

2 x PSVs
MMA Plover and MMA Brewster
Vard 1 08 design, modified to meet clients unique specifications
Under construction at VARD Shipyard in Vietnam
Completion Q2 & Q3 FY2016
Contracted to INPEX for Ichthys Production Support (Q1 FY2017) - term 5 years + 2 x 5y options – value A$160m and up to A$500m including options

Land Based Facilities

Market conditions have also reduced demand at our land based facilities

- **Dampier Supply Base**
  - Secured $100m + Chevron Shore Base Contract
  - Drilling activity impacted by the downturn although some development drilling ongoing
  - Reconfiguring the operation to meet post construction demand profile
- **Broome Supply Base** – continuing to support development drilling for Shell and INPEX however Shell Prelude drilling expected to complete by end of first half; exploration drilling has been impacted by the downturn
- **Dampier Slipway** – focusing on MMA internal fleet and key external clients including terminal tug operators in the region. Demand significantly reduced as offshore vessel numbers in Australia decline
- **Batam Shipyard** – completing internal newbuild vessels. Future focus on maintenance and logistics services with some potential for external newbuild or modification opportunities
- **Singapore Offshore Engineering** – beginning to generate revenue from new logistics service offering at our Singapore base

Cost Reduction

MMA is on track to deliver targeted annualised savings of $15m in FY2016

- **Personnel:**
  - Headcount reduced by approx. 160 in Australia and 100 internationally since Jaya acquisition
  - Wage freeze for all salaried personnel
  - No short-term bonuses paid to Executive Management and small safety bonus paid to staff for 2015
  - FY2016 Short-Term Incentive Plan suspended
  - Offshore EBA negotiations ongoing
- **Procurement and Supply Chain**
  - Tendered key expenditure items across the organisation – achieved approximately 15-20% savings
- **Cost control**
  - Focus on controlling expenditure across all areas of the business – particularly around laid up vessels

Balance Sheet – Oct 15

Balance sheet remains strong with relatively low gearing – focus on debt reduction

- Gearing – 40%
- Cash at Bank – $118m
- Debt Facilities
  - Drawn down - US$199m; A$175m
  - Remaining Term – 3.6 years
  - Average interest rate – 3.29%
- Capex
  - Committed newbuild capex of approximately A$105m remaining for FY2016
  - Minimal Capex in FY2017 to meet maintenance capex requirements

Trading update

MMA OFFSHORE

The offshore oil and gas market remains under significant pressure

- First four months of trading lower than expected
- Market conditions unlikely to improve through FY2016
- Technip - Wheatstone Project to complete in Q3 FY2016 and Silja Europa to complete Dec-15 impacting second half earnings
- Recently secured Woodside production support contract - a key win for the company in the current environment
- Tendering activity continues but competition is intense and rates continue to reduce
- Dampier and Broome Supply Bases trading in line with expectations for the year to date
- Slipway well below expectations due to fewer vessels in Australia and clients reducing costs
- Actively working to reduce debt through asset sales
- $15m cost reduction programme on track
- 8 vessels laid up at our Batam and Singapore facilities
- Expect EBITDA of A$75m - $85m for the full year but with low visibility of demand for the second half

Building for the future

Notwithstanding the short-term imperatives driven by the current market conditions, we continue to focus on the long-term success of the organisation

- Enhancing safety systems and compliance
- Sustainable cost reduction
- Vessel rationalisation - reducing non core assets
- Improving operational capability - utilisation, reliability, productivity
- Leveraging our technical expertise internationally
- Organisational alignment – accountabilities
- Regional diversification – building high quality operations in all regions
- Building key client relationships
- Long-term financial stability and efficiency

For further information contact

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