

ASX Announcement

17 June 2020

The Listing Manager
ASX Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

MMA OFFSHORE LIMITED (“MMA” or “COMPANY”) – UPDATE ON BANK ENGAGEMENT PROCESS

Further to its announcement on 23 March 2020, the Company advises that its trading conditions continue to be affected by COVID-19 as well as the decline in demand in the oil and gas market and the resultant decline in the oil price. The Company continues to proactively manage the impact on its business as much as possible. Consistent with this, the Company has agreed a waiver with its banks in respect of certain financial covenants under its syndicated term loan facility agreement (**SFA**).

As announced previously in November 2017¹, the SFA includes a leverage ratio covenant, an interest coverage ratio covenant and a loan to value ratio covenant. The waiver applies to the leverage ratio and the interest coverage ratio covenants, for the upcoming quarterly test dates at 30 June 2020 and 30 September 2020. The Company's loan to value ratio is expected to remain in compliance with the applicable covenant, and there is no waiver of that.

The SFA also contains a biannual cash sweep for excess cash above A\$70M at 30 June 2020, 31 December 2020 and 30 June 2021. The Company has also negotiated a waiver of this cash sweep until 31 December 2020. This cash sweep waiver allows the Company to retain any excess cash above \$70M to support the business through this challenging trading period.

In conjunction with these waivers, the Company has agreed that it will maintain a minimum level of liquidity in the business from now until 30 September 2020 (to match the period of the financial covenant waivers). A failure to maintain the required liquidity would trigger a review event, subject to a 30-day remedy period.

The waiver package continues a process of ongoing, positive engagement between the Company and its banks, with a view to ultimately refinancing or restructuring the SFA before its maturity in September 2021.

This announcement has been authorised for release to ASX by the Company's Board of Directors.

¹ See ASX announcement dated 16 November 2017



If you have any queries in relation to this announcement, please do not hesitate to contact either the Company's:

- Managing Director / Chief Executive Officer on +65 6864 5505; or
- Chief Financial Officer on +61 8 9431 7431.

Kind regards,

MMA OFFSHORE LIMITED



DYLAN ROBERTS
Company Secretary