

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

20 November 2017

Dear Shareholder,

MMA Offshore Limited –entitlement offer and placement – notification to ineligible shareholders

On 16 November 2017, MMA Offshore Limited ACN 083 185 693 (**MMA** or the **Company**) announced an accelerated pro rata non-renounceable entitlement offer of new fully paid ordinary shares in MMA (**New Shares**) at an issue price of A\$0.20 per New Share (**Offer Price**), (**Entitlement Offer**), to raise up to A\$74.6 million.

Under the Entitlement Offer, MMA will offer eligible existing shareholders (**Eligible Shareholders**) the opportunity to subscribe for 1 New Share for every 1 existing MMA share (**Share**) held as at 7.00pm (Sydney time) on Monday, 20 November 2017 (**Record Date**).

Contemporaneously with the Entitlement Offer, MMA announced that it would be conducting a placement to existing and new institutional investors to raise A\$22.4 million (**Placement**). Together, the Entitlement Offer and the Placement are the **Equity Raisings**.

The Equity Raisings are fully underwritten by Shaw and Partners Limited (**Shaw**) and joint lead managed by Shaw, Aitken Murray Capital Partners Pty Ltd and Pareto Securities Pty Limited (together, the **Joint Lead Managers**).

Why are we sending you this letter?

This letter is to inform you that you are not an Eligible Retail Shareholder (as defined below) for the purposes of the Retail Entitlement Offer (as defined below), and explain to you why you will not be able to subscribe for New Shares under the Entitlement Offer.

No action required

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

Details of the Entitlement Offer and the retail component

Details about the effect of the Equity Raisings on the Company, as well as MMA's proposed use of the proceeds raised under the Equity Raisings, are provided in MMA's announcements to ASX about the Equity Raisings.

The Entitlement Offer comprises an offer to eligible institutional shareholders (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the Offer Price and offer ratio (**Retail Entitlement Offer**). The Entitlement Offer is being made by MMA in accordance with section 708AA of the *Corporations Act 2001 (Cth)* (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*, meaning that no prospectus needs to be prepared in relation to the Entitlement Offer.

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below), on the basis of 1 New Share for every 1 existing Share held at the Record Date, being 7.00pm (Sydney time) on Monday, 20 November 2017.

MMA has today lodged a Retail Entitlement Offer information booklet with ASX which sets out further details in respect of the Entitlement Offer, particularly in respect of retail shareholders (**Information Booklet**). The Information Booklet will be dispatched to Eligible Retail Shareholders (as defined below) on Thursday, 23 November 2017.

As announced on 20 November 2017, the Institutional Entitlement Offer and Placement have already been completed and raised approximately A\$38.1 million, with settlement expected to occur on Friday, 24 November 2017. The Retail Entitlement Offer is expected to raise approximately A\$58.9 million.

ELIGIBILITY CRITERIA

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are shareholders who:

- a) were not institutional shareholders eligible to participate in the Institutional Entitlement Offer, as determined by the Joint Lead Managers in consultation with the Company, who ultimately participated in the Institutional Entitlement Offer or were not institutional shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer;
- b) are registered as a holders of Shares as at 7.00pm (Sydney time) on the Record Date;
- c) as at the Record Date, have a registered address on the MMA share register in Australia or New Zealand, or are Shareholders that the Company has otherwise determined are eligible to participate;
- d) are not in the United States and not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account of benefit of such person in the United States); and
- e) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

To avoid, any doubt, an Eligible Retail Shareholder also includes any other institutional shareholder who was eligible to participate in the Institutional Entitlement Offer but was either not invited to participate in the Institutional Entitlement Offer and was not treated as an as ineligible institutional shareholder under the Institutional Entitlement Offer (as determined by the Joint Lead Managers in consultation with MMA), or was invited to participate in the Institutional Entitlement Offer but indicated a preference to participate in the Retail Entitlement Offer instead (subject to compliance with applicable laws).

Shareholders who are not Eligible Retail Shareholders and who did not participate in the Institutional Entitlement Offer are **Ineligible Retail Shareholders** and are consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of legal and regulatory limitations in some countries other than Australia and New Zealand and the potential costs to MMA of complying with these legal and regulatory requirements compared with the relatively small number of MMA shareholders there, the small number of MMA shares they hold, and the relatively low value of New Shares to which those shareholders would otherwise be entitled. MMA has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, that it would be unreasonable to make or extend offers to shareholders in all countries in connection with the Retail Entitlement Offer.

Unfortunately, as you do not satisfy the criteria stated above, you are deemed to be an Ineligible Retail Shareholder. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, MMA wishes to formally notify you that MMA will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. Under the terms of the Retail Entitlement Offer, you are not eligible to apply for New Shares and you will not be sent a copy of the offering materials relating to the Retail Entitlement Offer.

To satisfy applicable Corporations Act conditions, MMA has appointed a nominee to sell the New Shares that would otherwise have been available for subscription by Ineligible Retail Shareholders. The nominee will arrange the sale of those New Shares to certain institutional investors through a bookbuild process. MMA has applied for and obtained the approval of the Australian Securities & Investments Commission for the appointment of the nominee to sell the New Shares that would otherwise have been available to Ineligible Foreign Shareholders for the purposes of, and in accordance with, section 615 of the Corporations Act. The nominee sale procedure will be implemented in accordance with section 615 of the Corporations Act such that:

- a) the New Shares that Ineligible Retail Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Shares**) will be offered for sale in an bookbuild process to be conducted on Tuesday, 5 December 2017;
- b) the Nominee will sell the Nominee Shares at a price and otherwise in a manner determined by the nominee in its absolute and sole discretion; and
- c) the net proceeds of the sale of the Nominee Shares (after deducting the aggregate sale price of the Nominee Shares and costs of sale including brokerage and commission), if any, will be distributed by the Company (through its share registry) to the Ineligible Retail Shareholders for whose benefit the New Shares are sold in proportion to their shareholdings as at the Record Date.

If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Accordingly, there is a possibility that Ineligible Retail Shareholders may receive no net proceeds if the sale price plus costs of the sale of the Nominee Shares are greater than the sale proceeds. The Company and the nominee will not be held liable for a failure to obtain any net proceeds, or the sale of any the Nominee Shares at any particular price or the timing of such sale.

If you have any questions about the Retail Entitlement Offer, you should consult your stockbroker, accountant or other professional adviser. For further information about the Retail Entitlement Offer you can call the Shareholder Information Line on 1300 727 014 or +61 3 9415 4000 at any time between 9:00am and 5:00pm (Sydney time) on Monday to Friday during the Retail Entitlement Offer period.

Yours sincerely,

MMA OFFSHORE LIMITED



Dylan Roberts
Company Secretary

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IMPORTANT INFORMATION

This letter is issued by MMA. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in MMA in any jurisdiction. This letter does not constitute financial product advice and has been prepared without taking account of the investment objectives, financial situation or needs of any particular investor. This letter does not and will not form any part of any contract for the acquisition of MMA shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares that will be offered and sold in the Retail Entitlement Offer have not been, nor will be, registered under the *U.S. Securities Act of 1933*, as amended (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to, persons in the United States or to persons that are acting for the account or benefit of persons in the United States unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

The distribution of this letter or any material in relation to the Retail Entitlement Offer in other jurisdictions outside Australia and New Zealand may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.