

ASX Announcement

8th August 2016

MMA Offshore Limited - Trading update

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

Dear Sir/Madam,

TRADING UPDATE

Further to the recent trading update on the 14th June 2016, MMA Offshore Limited (**MMA or Company**) advises that there have been material developments in respect of two of the Company's significant vessel contracts.

A key contract in South East Asia covering two of our vessels has been suspended due to issues associated with our client's drilling campaign. MMA is working to mitigate the impact of this suspension by seeking alternative deployment for the vessels. However, the rates and utilisation for these vessels are expected to be significantly lower than our original expectations as a result of this development.

In addition, the Company is now expecting a significant rate reduction on a 3 vessel contract with a client in the Middle East flowing from a contract renegotiation currently underway.

The impact of both these developments is an expected reduction in EBITDA for the 2017 financial year in the order of approximately \$10 million. Whilst it is early in the new financial year, it is not clear at this stage whether the Company will be able to recover the potential earnings shortfall having regard to current market conditions – although MMA remains focused on doing so.

MMA is in ongoing dialogue with its banking syndicate who continue to be supportive of the Company in what is a very challenging market.

For further information please contact:

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