

ASX Announcement

23 December 2016

Trading update

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

Dear Sir/Madam,

MMA OFFSHORE LIMITED (“MMA” OR “COMPANY”) – TRADING UPDATE

Challenging oil and gas market conditions continue to impact the offshore vessel industry globally.

To date, the second quarter of FY2017 has been broadly in line with expectations and consistent with the previous trading update released by the Company to the ASX on 17 October 2016. MMA’s operations in Australia, South East Asia, the Middle East and Africa are generally tracking as expected.

MMA’s newbuild vessel, “MMA Prestige” is now complete and “MMA Pinnacle” is anticipated to be delivered towards the end of December. The “MMA Prestige” has been mobilised with a saturation dive spread and ROV capability and has recently been awarded its first contract commencing at the end of December 2016. The “MMA Pinnacle” is also to be mobilised with a saturation dive spread and is under final contract negotiations with the client and expected to contribute to earnings in January 2017.

MMA’s vessel sales programme is ongoing with the sale of the “Jaya Installer 10” Accommodation Barge completed on 22 December 2016. Whilst the vessel sales market remains subdued, we are continuing to see interest in a number of MMA’s vessels.

The market for the Company’s services remains extremely difficult to predict, however on the basis of the above, MMA continues to expect that full year operating EBITDA is likely to be in the order of \$20-25 million.

MMA’s cost reduction programme is delivering ongoing savings and MMA continues to monitor opportunities to further reduce cost without compromising the quality and safety of the Company’s operations and its people.



MMA
OFFSHORE

Notwithstanding the challenging market conditions, MMA continues to have a constructive and co-operative relationship with its Banking Syndicate. MMA's Banking Syndicate have agreed to defer the scheduled 31 December 2016 amortisation payment of \$37.5 million to 31 March 2017. MMA is progressing a number of strategies, including the sale of assets, to fund the deferred amortisation payment in March 2017. The Company will continue to work closely with its Banking Syndicate to enable it to meet the challenges that continue to present under current market conditions and position the business for a future, sustainable recovery in activity levels.

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