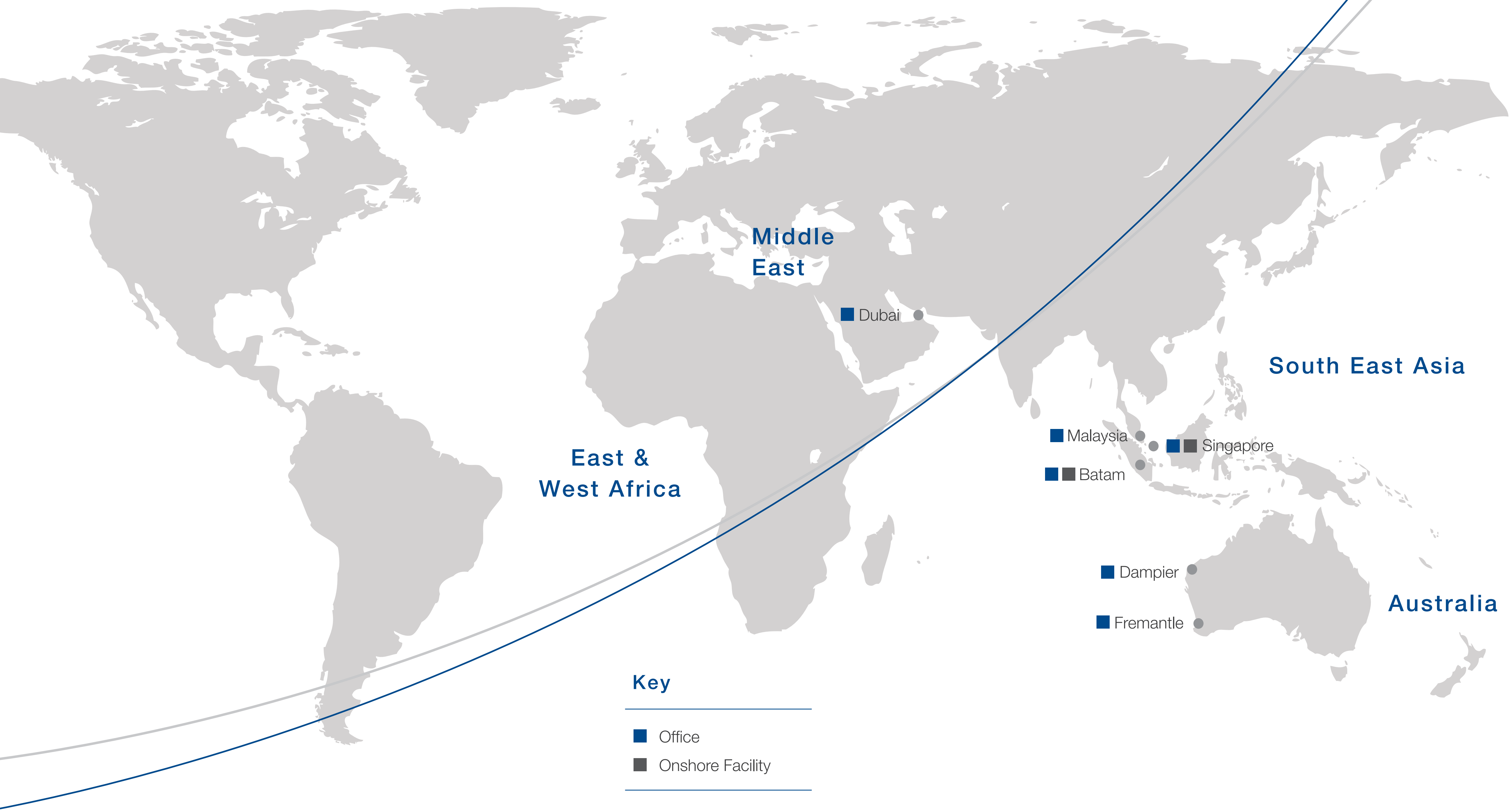
MMA
OFFSHORE

ANNUAL REPORT
2017

Together, we make it happen

At MMA Offshore Limited ("MMA" or "Company"), we specialise in providing vessel solutions and marine expertise to the offshore oil and gas industry.



Specialised Offshore Fleet

We own and operate a specialised, high specification fleet of 30 core vessels with an average age of 5 years

Marine Logistics Support

Our vessel service offering is backed by strategically located onshore facilities

Technical Expertise

Strong project management capability delivering innovative and fit for purpose marine solutions

World Class Safety Performance

Total Recordable Case Frequency ("TRCF") of 0.95 in FY2017 (rate per million hours worked)

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About the cover

Designed and built by VARD, the MMA Brewster is the second of two PSVs (along with the MMA Plover, delivered in November 2015) built to provide drilling, commissioning and operational production support for the INPEX Ichthys Project offshore facilities. The MMA Brewster is one of the world's most advanced and sophisticated PSVs [photo by MMA Brewster Electrical Technical Officer, Kevin Domaille].

MMA prides itself on the quality, safety and reliability of its operations.

About Us

MMA Offshore Limited is one of the largest providers of marine logistics services to the offshore oil and gas industry in the Asia Pacific region

Core Fleet Profile

Vessel Type	Number	Average Age
AHT	3	6.3
AHTS	14	6.5
PSV	7	4.4
MPV/IMR	6	3.5
Total	30	5.2

Vessel Operations

MMA currently owns and operates a fleet of over 40 vessels throughout its key regions of operation which include Australia/New Zealand, South East Asia, the Middle East and Africa.

Following the sale of a number of non-core vessels which are earmarked for disposal from the fleet, MMA's ongoing focus will be on a core fleet of approximately 30 high quality, specialised vessels with an average age of five years.

MMA's fleet is capable of undertaking a range of offshore marine activities including:

- FPSO offtake support;
- Supply operations – drilling and production;
- Construction support;
- Survey support;
- Dive and ROV support;
- Subsea installation support;
- Subsea inspection, maintenance and repair; and
- Tug and barge operations.

MMA's combination of offshore vessels, technical marine expertise and strategically located onshore facilities enables us to differentiate ourselves from our competitors by providing innovative, fit for purpose vessel solutions to the industry. This includes collaborating with clients on specialised vessel designs, vessel conversions and modification projects to meet their unique project requirements.

MMA also has a strong capability in project managing larger marine logistics projects, supplementing its owned fleet with chartered vessels as required. MMA can leverage its land based facilities in South East Asia as staging and project preparation facilities to service these projects.

MMA prides itself on the quality, safety and reliability of its operations which are critical to success in the offshore industry.

Onshore Facilities

Singapore Oil & Gas Support Facility

MMA's Singapore Facility includes a 2.5 hectare site with 130 metres of water frontage, making it an ideal facility for vessel modification projects, mobilisation and demobilisation scopes and as a staging area for offshore projects.

Batam Shipyard Facility

MMA's Batam Shipyard includes an 18.1 hectare yard site, fabrication and construction areas and warehouse storage facilities. The facility was previously used to build customised offshore support vessels and is now used as a layup facility for MMA and third party vessels and as a multi-user storage, staging and project preparation facility.

Dampier Slipway

The Dampier Slipway facility is located adjacent to the North West Shelf oil and gas region in Western Australia. The Slipway provides routine and emergency dockings, mobilisations and a wide range of marine repairs and maintenance services to MMA's vessels and third party operators. Following the sale of MMA's Dampier Supply Base and Slipway assets in June 2017, MMA now operates the Dampier Slipway under a licence agreement.

Chairman's Address

MMA continued to face challenging market conditions throughout FY2017, although market sentiment is improving

The oil price has stabilised with Brent oil trading between US$45 and US$55 a barrel over the course of FY2017. The oil market appears to be rebalancing and we have seen global inventories begin to reduce in recent months. However, we expect to see ongoing volatility for some time as various supply and demand factors impact the market.

Global Exploration and Production ("E&P") expenditure, which has been drastically cut over the past three years, is insufficient to offset reserve depletion and meet future demand growth. The International Energy Agency ("IEA") recently forecast a global supply shortage by 2020 if underinvestment continues. Recent data indicates that oil company capital expenditure has begun to increase which is a positive sign.

The offshore vessel market remains challenging, however there are early signs of increased activity at the front end of the value chain which point to a future increase in vessel activity. The large overhang of vessels in the market will continue to temper a recovery in the short term, however the significant reactivation costs associated with bringing vessels back into service means that many of the older vessels which are currently cold stacked will not return to service, eliminating some of the oversupply.

It will take some time for the vessel market to come back into balance with utilisation needing to increase significantly before we see any increase in rates, however the early signs are encouraging for a market recovery.

MMA's strategy during the downturn has been to streamline the business to reduce costs, repay debt and focus on the market segments where MMA can generate the most value over time. MMA's decision to dispose of its Australian Supply Base assets during the year was a key part of that strategy. The proceeds from the sale were used to reduce debt. MMA is also in the process of rationalising a number of non-core vessels from its fleet. The vessels selected for disposal are typically older and more commoditised vessels which are outside of MMA's future strategic focus. MMA sold 11 vessels during the year and intends to reduce the fleet by a further 10 vessels. The strategy has been successful in reducing holding costs and overheads and improving cash flow.

Following the completion of the sales programme, MMA's core owned fleet will comprise of approximately 30 high quality, high specification vessels with an average age of five years. These vessels will compete at the more specialised end of the market, where MMA believes it can generate the best return from its assets.

MMA reviewed the carrying value of its assets as at 31 December 2016 and again on 30 June 2017 and recognised a non-cash impairment charge of $312.2 million for the year. The impairment charge comprised of a $287.5 million charge against the vessel fleet (including $139.5 million against the non-core vessels held for sale) and a $24.7 million charge against the Dampier Supply Base and Slipway assets. MMA's Net Tangible Assets as at 30 June 2017 was 69 cents per share including the impact of the impairment charge.

Excluding the impact of the impairment charge, MMA delivered EBITDA of $21.7 million and a Net Loss after Tax of $(65.8) million. The Reported Loss for the Year was $(378.0) million after the impairment charge. Whilst a disappointing overall result, EBITDA was in line with our expectations and market guidance.

Notwithstanding MMA's reduced earnings profile in the current environment, MMA continues to have the support of its Banking Syndicate. In February 2017, the Syndicate agreed to a number of amendments to the terms of the Company's Debt Facility including a reduced level of amortisation and an extension of the facility term. Previously required amortisation payments of $75 million per annum were replaced by a single principal repayment of $45 million, which was made prior to 30 June 2017. MMA has committed to applying the proceeds from the sale of any non-core vessels to debt reduction but has no further compulsory amortisation payments until the expiry date of the Facility on 30 September 2019. MMA made total principal repayments of $67.3 million during FY2017, reducing the balance of the Facility to $324.2 million by the end of the financial year. MMA continues to closely engage with its Banking Syndicate and is committed to reducing its debt to a sustainable level over the medium term.

As part of its ongoing Balance Sheet management strategy, MMA has recently engaged advisors to undertake a strategic review of the Company's financial and industrial strategy including optimising the Company's longer term funding structure.

MMA continues to focus on its cost reduction programme in light of the current market conditions. Significant reductions in overhead and operating costs have been achieved over the past three years through a range of initiatives. Headcount has reduced by over 50% and employment costs have also been materially reduced with base salaries frozen since 1 July 2014 and no bonus payments made for the past three years. In light of the ongoing poor operating conditions being faced by the Company, the MMA Board of Directors and members of the Senior Executive Team also recently resolved to reduce their remuneration by at least 10% effective from 1 July 2017.

Operationally, MMA continues to perform very well. We continue to differentiate ourselves from our competitors through our operational excellence, technical expertise and our ability to collaborate with our clients to deliver innovative and cost effective marine solutions. MMA's vessels were active on a range of long term and short term projects during the year in our key regions of Australia, the Middle East, South East Asia and Africa. We continue to focus on increasing our presence in the Middle East, and view this region as key to our future strategy.

Our newbuild programme completed during the year with the final two vessels, the MMA Pinnacle and MMA Prestige delivered into the fleet and contributing to earnings during the second half. We have seen ongoing demand for these vessels in the IMR market which is pleasing. MMA's Batam Shipyard has been decommissioned as a shipbuilding facility and is now used predominantly as a cost effective storage facility for MMA and third party vessels. The facility is also being marketed as a staging and storage facility for marine logistic projects. MMA's capital expenditure requirements will be minimal going forward, significantly reducing the impact on the Company's forward cash flow.

I am pleased to say that MMA continued to demonstrate a world class safety performance during the year. MMA's Total Recordable Case Frequency for the year was 0.95 per million hours worked, slightly up on last year but an excellent performance in comparison to the industry average and an 80% improvement over the past five years.

MMA is committed to continuously improving its systems, processes and overall safety culture, through its Target 365 programme, which is now firmly embedded throughout the organisation. MMA was recently appointed as the Asia Pacific representative on the International Marine Contractors Association ("IMCA") Global HSSE Committee, an endorsement of MMA's commitment and leadership in this area. We view our safety performance as our licence to operate and something that can differentiate us in this highly competitive market. It is also a key value of the Company that we look after the safety and welfare of our employees and we will remain focused on maintaining and improving our performance in this area.

Whilst FY2017 was another very challenging year for MMA, there is a significant change in market sentiment from the position this time last year. The growing industry consensus is that the market has now bottomed and whilst there is still uncertainty about the shape and timing of the recovery, the early signs are certainly encouraging. FY2018 is expected to remain subdued in terms of rates and utilisation until the oversupply of vessels is absorbed, however, conditions in the medium term are expected to improve.

I would like to conclude by thanking Mr Jeff Weber our Managing Director, and all management and staff for their commitment and dedication to the business through what has been one of the worst downturns the offshore market has ever seen. I would also like to sincerely thank my fellow Directors for their valuable contribution and stewardship over the past year.

Finally, I would like to thank you, our shareholders, for your ongoing support.

Tony Howarth AO
Chairman

Managing Director's Report

MMA continues to focus on streamlining its business to position itself for a return to more positive market conditions. The sales of the Supply Bases, non-core vessel sales and cost reduction programmes are key to that strategy

Financial summary

$256.4m
Revenue

$21.7m
EBITDA

$(26.3)m[1]
EBIT (pre-impairment)

$(65.8)m[1]
NPAT (pre-impairment)

$(378.0)m
Reported Net Loss after Tax

$312.2m
Non cash impairment charge (pre-tax)

111.4%
Gearing

$28.8m
Cash at Bank

Operating summary

Challenging market conditions continued to impact the business during FY2017, however sentiment is improving

Continued to deliver high quality, innovative vessel solutions to clients through a range of long and shorter term contracts

Maintained world class safety performance

Strategic decision to streamline the business and focus on our core offshore vessels business

Disposed of Supply Bases and Slipway assets and progressing the sale of non-core vessels

Significant cost savings achieved to date and we continue to focus on this area

[1] *MMA's Financial Report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS"). The pre-impairment reported EBIT and NPAT are unaudited but are derived from audited accounts by removing the impact of the impairment charge from the reported IFRS audited results. MMA believes the non-IFRS disclosures reflect a more meaningful measure of the Company's underlying performance.*

Market conditions for the offshore oil and gas industry continued to be challenging during FY2017, although sentiment is improving

The offshore oil and gas support industry continued to face enormous challenges during FY2017. Unprecedented low levels of investment by oil companies continued to impact demand for offshore vessels.

Global E&P spend has reduced by 50% or US$1 trillion since 2013. The impact on the offshore vessel market has been severe with global fleet utilisation of just over 50%, low day rates and over 30% of the global fleet laid up.

On a positive note, sentiment has improved and the general industry consensus is that the market has now bottomed. We are starting to see signs of a recovery with seismic and jack up rig activity beginning to increase, which should translate to increased demand for offshore vessels. It will however, take some time to absorb the current overcapacity in the market before we will see any improvement in rates.

Ongoing poor market conditions continued to impact the performance of our Vessels business

Vessel operations revenue for the year was $221.8 million, down from $414.7 million in FY2017 and EBITDA was $24.8 million, down from $64.8 million.

Second half performance was better than first half as newbuild vessels began to contribute to earnings, a number of project scopes were extended and holding costs on underutilised vessels reduced, as vessels were sold.

Australian operations contributed revenue of $149.3 million during FY2017, down from $323.6 million in FY2016 and international operations contributed revenue of $72.5 million, down from $91.1 million.

Activity in Australia was sound with a number of key long term production support contracts continuing through the downturn as well as some commissioning and decommissioning project work being undertaken during the year. The international offshore vessel market continued to be extremely challenging with intense competition for available work and historically low rates and utilisation.

Non-core vessel sales programme delivering results

During the year, MMA made a strategic decision to aggressively dispose of approximately 20 non-core vessels from the fleet.

These vessels are of an age and class that is outside of MMA's core strategic focus going forward and whilst asset values are currently depressed, the savings in holding costs and associated overheads on these underutilised vessels made a compelling case for disposal.

The vessels have been classified as held for sale in the accounts and an impairment charge of $129.5 million was recorded against the value of these assets reflective of the expected selling price to be achieved.

MMA has completed approximately 50% of the targeted sales and is seeing active interest in the remaining vessels. MMA's longer term strategic focus is on a core owned fleet of approximately 30 high quality, non-commoditised vessels with a current average age profile of five years.

Newbuild programme completed with two new IMR vessels contributing to earnings in the second half

MMA's newbuild programme is complete with the final two vessels, the MMA Prestige and MMA Pinnacle, delivered during the year and contributing to second half earnings.

Following completion of the newbuild programme, MMA's capital expenditure requirements will be minimal going forward as expenditure is reduced to a maintenance level. At this point MMA does not anticipate building any further vessels for the fleet in the near future unless backed by long term contracts.

MMA's Batam shipyard has ceased shipbuilding activities and is currently being utilised as a layup facility for MMA and third party vessels, as well as being marketed as a multi-user storage, staging and project preparation facility.

Strategic decision to dispose of Australian Supply Bases and Slipway assets

During the 2017 financial year, MMA made the strategic decision to dispose of its Australian Supply Bases and Slipway assets to focus on its core offshore vessels business.

The assets were sold to Toll Group for net sale proceeds of $49.5 million with the proceeds from the sale used to amortise debt.

MMA will continue to operate the Slipway under a licence arrangement through FY2018 with an option to extend through to 30 June 2019. The Slipway will form part of the Vessels operating segment going forward.

The operational transition has been smooth with no impact on MMA's Australian vessel operations. MMA will continue to manage its Australian vessel operations from a regional office at the Dampier Supply Base.

Cost reduction programme delivering results

MMA is focused on sustainably reducing costs in all areas of the business whilst maintaining the high safety and operating standards which are critical to success in the offshore industry.

Significant costs have been taken out of the business over the past three years with corporate and operating overheads set to reduce by 40% between FY2015 and FY2018 (excluding reductions relating to the Supply Base sale).

Headcount across the business has reduced by over 50% (excluding reductions relating to Supply Base, Shipyards and vessel crew). There have been material reductions in overall salary packages with no base salary increases or bonus payments for the past three years. In addition, the Board of Directors and members of the Senior Executive team have taken a reduction in fixed remuneration of at least 10%, effective from 1 July 2017.

In addition to overhead savings, MMA has also significantly reduced direct operating costs through supplier negotiations, business efficiency and general cost control across the organisation. MMA also has an active layup programme for vessels in between contracts utilising our land based facilities. This has significantly reduced holding costs on underutilised vessels.

A culture of cost management has been instilled throughout the business with a focus on minimising all discretionary expenditure whilst being mindful to ensure that cost savings are not made at the expense of the quality, reliability and safety of our operations.

The focus on costs is ongoing and will continue through FY2018.

Further asset impairment charge recognised

As at 30 June 2017, MMA recognised a non-cash impairment charge of $312.2 million against the carrying value of its assets reflecting the impact of the current market conditions on the Company's operations and asset values.

A charge of $287.5 million was booked against the carrying value of the Vessel fleet (including $139.5 million against the non-core vessels held for sale), as well as a $22.3 million charge against the Dampier Supply Base and a $2.3 million charge against the Dampier Slipway.

MMA's Net Tangible Assets ("NTA") as at 30 June 2017 was $0.69 per share, post the impairment charge.

Ongoing Balance Sheet management

Notwithstanding the current trading environment, MMA's Banking Syndicate remain supportive. In February 2017, the Syndicate agreed a number of amendments to terms of the Company's loan facilities to assist it to trade through the current difficult market conditions. Previous scheduled amortisation payments of A$75 million per annum were replaced by a single principal repayment of A$45 million which was made prior to 30 June 2017 from the proceeds of the Supply Base sale. No further compulsory amortisation is required until the expiry date of the Facility which has been extended to 30 September 2019.

In addition to the A$45 million amortisation payment made in June 2017, MMA applied the proceeds from the sale of its share of the Broome Supply Base to debt reduction and has also committed to applying any proceeds from non-core vessel sales to reducing the facility balance.

MMA has recently engaged advisors to undertake a strategic review of the Company. The review is focused on an assessment of the Company's financial and operational strategy, including optimising the Company's longer term funding structure.

MMA's cash at bank as at 30 June 2017 was $28.8 million and gearing has increased to 111.4% following the impairment charge. Cash at bank includes $10.2 million held in Escrow under the terms of MMA's Syndicated Loan Facility.

Continued to achieve excellence in safety culture and performance

MMA continued to achieve excellence in its safety culture and performance. The Company's Total Recordable Case Frequency ("TRCF") for FY2017 was 0.95, up slightly on FY2016 but a world class safety performance compared to our industry peers.

MMA's Target 365 Strategy continues to evolve and produce sustainable improvements in safety performance and culture throughout the organisation.

MMA continues to focus on improving its systems and processes. During the year, the Company achieved a major milestone, moving to a single certified global marine safety management system, down from three previously. MMA has also recently been appointed as the representative for the Asia Pacific region on the International Marine Contractors Association ("IMCA") Global HSSE Committee.

MMA will continue to drive improvements in safety across the organisation with Target 365 at the core of its strategy.

Our people remain critical to our success

At MMA we recognise that our people are critical to the success of our business.

MMA is fortunate to have a highly capable Senior Management Team who are committed to steering the Company through the current challenging market conditions.

I would like to express my sincere thanks to the Senior Management Team and to all MMA staff for their valuable contribution to the business.

MMA is also fortunate to have a highly experienced Board of Directors and I would like to take this opportunity to thank the Board for their ongoing stewardship and guidance throughout the year.

Refined strategy focused on core vessel operations

As mentioned previously, MMA made the strategic decision to dispose of its Australian Supply Bases and Slipway during the year and to accelerate the sale of vessels that MMA no longer views as core to the business going forward.

Following the sale of the remaining non-core vessels, MMA's strategy will be highly focused and centred on a core fleet of approximately 30 high quality, specialised vessels where MMA can leverage its marine expertise to extract the most value from its assets. The core fleet will have an average age of five years which is very young by industry standards and will place MMA in a strong position to compete for more attractive contracts as the market improves.

MMA has a strong project management capability and will continue to seek opportunities to project manage larger marine logistics projects, supplementing its owned fleet with chartered vessels as required. MMA's land based facilities in South East Asia provide MMA with additional capability and resources to compete for these types of projects.

Regionally, we continue to focus on maintaining operating scale in the key regions of Australia/New Zealand, the Middle East and South East Asia, with operations in Africa on the back of long term contracts.

MMA continues to focus on growing our presence in the Middle East and we strengthened our Dubai office during the year with the appointment of a full time Technical Manager. The Middle East requires a high level of technical and operational expertise and is well suited to MMA's skillset.

The decision to dispose of non-core assets enables MMA to further streamline its operations through its cost reduction and business efficiency initiatives.

Market Outlook

The past three years have seen the offshore vessel industry go through one of the worst downturns in history. Sentiment has, however, recently improved and there are early signs of increased tendering, jack up rig fixing and seismic activity which is promising. There is a growing consensus that the market has now bottomed.

E&P spending, which has been drastically cut in recent years, needs to increase significantly to offset reserve depletion and to meet future demand growth and there are some early indications that project sanctioning is beginning to pick up.

The oversupply of offshore vessels in the market remains an issue, although the consensus is that a large proportion of the global fleet which is currently cold stacked will never return to service which will eliminate some of the supply overhang.

It will take some time for the vessel market to come into the balance with utilisation needing to increase significantly before we see any increase in rates. However, the early signs are positive for a market recovery.

With the full year contribution from new vessels and the impact of our cost reduction programmes, we expect a modest improvement in EBITDA from continuing operations in FY2018.

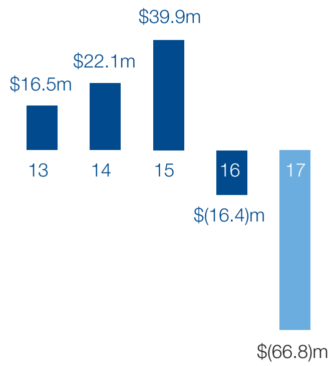
Jeff Weber
Managing Director

The Company continued to work through a significant restructuring programme during the year.

Financial Position

Net Profit/(Loss) After Tax From Continuing Operations (Pre-impairment charge)

$(66.8)m



The Company reported a net loss after tax for the 2017 financial year from both continuing and discontinued operations of $(378.0) million after booking non-cash impairment charges of $312.2 million against the carrying value of the Company's Vessel, Supply Base and Slipway businesses

The Directors made a strategic decision during the year to dispose of the Company's Supply Base and Slipway businesses in Dampier and its 50% investment in the Supply Base business in Broome and focus on the core offshore vessels business going forward.

The Company completed the sale of its share in the Broome Supply Base business on 28 April 2017 and the Dampier Supply Base and Slipway businesses on 15 June 2017.

The Company reported a net loss after tax from these businesses, which were reported as discontinued operations during the year, of $(23.7) million which included an impairment charge of $24.6 million.

The Company reported a net loss after tax from its continuing vessel operations during the year of $(354.3) million after booking an impairment charge against the carrying value of its vessel fleet of $287.5 million.

Impairment Charge

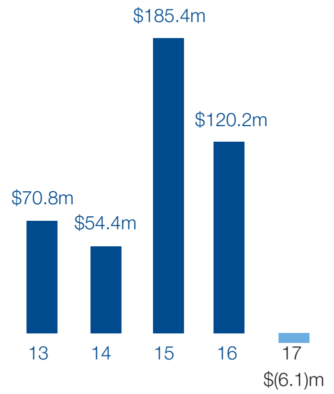
Following the decision to sell the Dampier Supply Base and Slipway businesses and the 50% share of the Broome Supply Base business, the Company assessed their carrying values against their expected net sale values. This resulted in an impairment charge of $22.3 million being booked against the carrying value of the Dampier Supply Base and an impairment charge of $2.3 million against the Slipway business.

The Company also resolved during the year to dispose of a number of non-core vessels from its fleet. These vessels were classified as held for sale in the financial statements and their carrying values were reported at their expected net sale values which resulted in an impairment charge of $129.4 million being booked against these vessels.

Going forward the Company will focus on operating its core fleet of approximately 30 high quality vessels. The Company continued to experience difficult trading conditions during the year due to the subdued oil price and an oversupply of vessels which has resulted in low demand and low charter rates for vessels. As a result, the Company again assessed the carrying value of the core fleet against its fair market value and recorded an impairment charge of $158.1 million for the 2017 financial year.

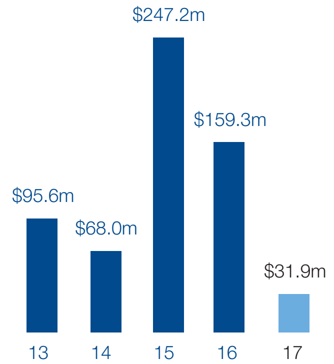
Operating Cashflow

$(6.1)m



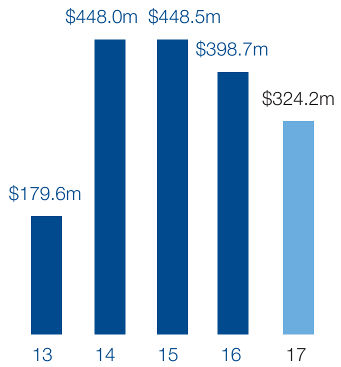
Capital Expenditure

$31.9m



Interest Bearing Liabilities (excluding unamortised fees)

$324.2m



Cashflow

Cash outflows from operations for the 2017 financial year were $6.1 million after meeting debt facility interest commitments of $20.6 million during the year.

In addition, the Company received net proceeds of $76.0 million during the year from assets sales which included the sale of the Dampier Supply Base and Slipway businesses, its 50% share of the Broome Supply Base business and the sale of a number of non-core vessels in the fleet. The Company also received dividends of $9.1 million from the Broome Supply Base joint venture business.

The Company applied $71.0 million toward refinancing costs and repayment of the outstanding balance of its debt facility.

Capital Expenditure

The capital expenditure for the year of $31.9 million was a significant reduction from the amount incurred in the previous year of $159.3 million. The major capital expenditure for the year was in relation to completing the construction of the two specialised Inspection Maintenance and Repair ("IMR") vessels, MMA Prestige and MMA Pinnacle, which were being built at the Company's Shipyard in Batam, Indonesia. Both vessels were completed during the first half of the financial year and contributed to earnings during the second half.

The Company has now completed its newbuild programme and accordingly, the Company's capital expenditure is expected to be significantly lower again in the coming year.

Dividends

Due to the ongoing difficult trading conditions which the Company experienced during the year, the Company was again unable to pay a dividend for the 2017 financial year.

Debt Management

In response to the ongoing difficult trading conditions that the Company was experiencing, in August 2016, the Company received approval for a number of further amendments to the terms and financial covenants of its Syndicated Term Loan Facility and committed to an increase in the annual principal repayments over the remaining term of the Facility to $75 million, payable in six month instalments of $37.5 million, with the first payment due on 31 December 2016.

On 23 December 2016 the Syndicate agreed to defer the payment of the scheduled amortisation of $37.5 million which was due on 31 December to 31 March 2017.

Subsequently, on 28 February 2017, the Company and the Syndicate members agreed to a number of further amendments to the Facility including replacing the previous scheduled amortisation payments with a principal repayment of $45 million to be paid on 30 June 2017 and the remaining balance of the Facility to be repaid at the termination date. The parties also agreed to extend the term of the Facility for a further six month period to 30 September 2019.

The $45 million principal repayment at 30 June 2017 was funded primarily from the proceeds of the sale of the Company's Dampier Supply Base and Slipway businesses.

The Company also applied the proceeds received from the non-core vessels sales and the dividend and sale proceeds from the Broome Supply Base business toward prepayment of the remaining balance of the Facility.

In accordance with the terms of the Facility, proceeds from the sale of the remaining non-core vessels will also be applied toward prepayment of the remaining balance of the Facility.

The weighted average interest rate on the Facility at 30 June 2017 was 7.6%.

Following the principal repayments during the year, the balance owing on the Facility had reduced to $324.2 million at 30 June 2017.

Balance Sheet

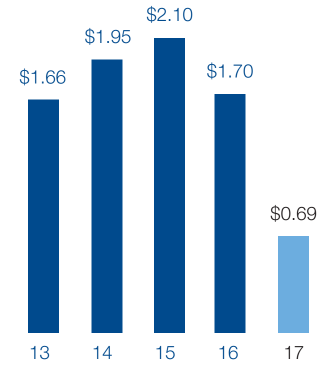
The Company continues to have a strong asset base comprising its core fleet of high quality vessels with an average age of five years. At 30 June 2017, the Company reported Total Assets of $632.7 million, Net Assets of $256.5 million and a Net Tangible Asset backing per share ("NTA") of $0.69 per share.

At 30 June 2017 the Company had cash reserves totalling $28.8 million. Included in this balance is a total of $10.2 million which is held in Escrow under the terms of the Company's Syndicated Loan Facility. These funds may be used to make additional prepayment of the outstanding balance of the Facility at any time. Alternatively the Company may access these funds for other purposes subject to receiving approval from the majority of the Syndicate members.

The Company's gearing ratio (net debt to equity) at 30 June 2017, following the impairment charge for the year, increased to 111.4%, compared to 53.9% the previous year.

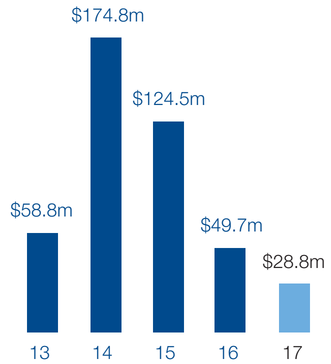
NTA Per Share

$0.69



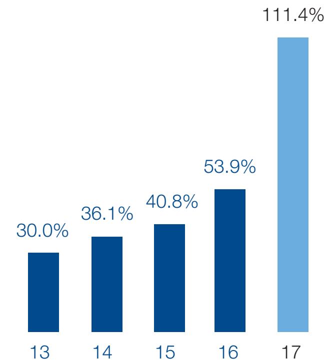
Cash At Bank

$28.8m



Gearing

111.4%



Risks

MMA recognises that risk is an inherent part of its business. Effectively identifying and managing risk is critical to MMA's success

MMA operates an enterprise risk management framework aligned to ISO 31000, the international standard for risk management.

This section describes (in no order of significance) the material risks that have been identified and are being managed in order for the Company to deliver on its objectives. It is not intended to be all encompassing, nor is any of the information intended to be taken as a statement of fact. These risks can be affected by a variety of factors which can, in turn, impact the Company's performance.

Dependence on level of activity in the offshore oil and gas industry

The Company is dependent on the level of activity in the offshore oil and gas industry in the markets in which the Company operates (currently Australia, South East Asia, the Middle East and Africa).

The level of activity in the offshore oil and gas industry will be affected by prevailing and future oil and gas prices, economic growth, energy demand, the cost and availability of other energy sources and changes in energy technology and regulation. Any prolonged period of low offshore oil and gas activity (such as what is currently being experienced) will have an adverse impact on MMA's business.

The Company aims to mitigate the impact of lower offshore oil and gas activity by differentiating itself though innovation and operational excellence, by diversifying our contract portfolio across production, construction and exploration and by diversifying our geographic footprint across a number of key regional areas.

Decreases in industry activity may also increase the risk of the Company failing to comply with the covenants associated with its Banking Facilities. In addition to the controls listed above, MMA seeks to manage this risk through proactively engaging with its lenders, through divesting non-core assets and through ongoing monitoring and review of the Company's Balance Sheet strategy.

Competition, vessel oversupply and fleet composition misalignment with market demand

Demand for MMA's vessels is also affected by the number of vessels available in the market and the competitive landscape.

In the current market, there is an oversupply of vessels and the corresponding increase in competition adversely impacts utilisation, rates and contract terms, thereby impacting MMA's earnings.

MMA seeks to manage this risk by having a clear strategic plan including an ongoing review of its asset mix and capability to meet market demand. MMA is in the process of disposing of a number of non-core vessels from the fleet which are commoditised in nature to focus on more technically sophisticated vessels where MMA can utilise its marine expertise to extract the most value out of its assets.

MMA also has an active lay-up programme to minimise holding costs for vessels between contracts. These laid-up vessels are either cold or warm stacked to minimise costs predominantly at our land based facilities in Batam, Singapore and Australia.

MMA's strategy is to differentiate itself from its competitors through operational excellence, proactive and innovative solutions, long term customer relationships and responsive account management whilst remaining competitive on price.

Operational risks

The Company's operations are subject to various risks inherent in servicing the offshore oil and gas industry. Our international operations broaden our risk exposure in terms of both opportunities and threats.

Operational risks include (but are not limited to):

- Health and safety incidents;
- Loss of key customers/contracts;
- Failure by customers to pay for services contracted and/or performed;
- Redeployment costs of assets that are unable to be used in their current geography for a period of time;
- Equipment damage, technical failures or human error;
- Industrial unrest;
- Capsizing, sinking, grounding, collisions, fires and explosions, piracy, vessel seizures or arrests and acts of terrorism;
- Environmental pollution/ contamination and other related accidents;
- Regulatory and legislative non-compliance;
- Fraud and theft;
- Increases in input costs;
- Loss of key personnel; and
- Contractual assumptions of risk.

Potential consequences associated with these risks include the loss of human life or serious injury, pollution, environmental damage, significant damage or loss to assets and equipment, business disruption, client dissatisfaction, damage to our reputation and legal and regulatory action, including fines. This could expose MMA to significant liabilities, a loss of utilisation, revenue and/or the incurrence of additional costs and therefore may have a materially adverse impact on the Company's financial position and profitability.

We employ a number of well executed controls to manage these risks, including, but not limited to, appropriate insurance coverage, hazard and risk management processes, quality audits, planned maintenance programmes, compliance programmes, tender and contract management processes, access to in-house and external legal expertise, industrial relations strategies, emergency preparedness and contingency plans, preferred supplier and subcontractor processes, counterparty risk assessments and a host of engineering and operational controls.

Geopolitical, government and regulatory factors

Our international operations are subject to more challenging geopolitical climates to varying degrees. Changes in the geopolitical climate in our market areas, such as the outbreak or resolution of war, nationalisation of our customers' oil and gas projects and changes to industry related legislation, protectionist measures and economic sanctions, may open up more advantageous areas to operate or could require us to discontinue operating in that area, leading to corresponding impacts on vessel and service utilisation.

MMA's strategic plan considers such risks and operationally we risk assess market areas and clients regularly to limit negative and optimise positive impacts.

Industry news, experienced personnel and industry relationships are leveraged to ensure we base our decisions on up to date geopolitical information. Contingency plans for fast emerging geopolitical risks are used to limit business disruption.

Foreign exchange

The majority of MMA's revenues are paid in either Australian or US Dollars and the Company's operating costs are primarily denominated in a combination of Australian, Singaporean and US Dollars, providing a natural hedge for our activities. MMA also has a combination of Australian Dollar and US Dollar debt.

Adverse movements in these currencies may result in a negative impact on MMA's reported earnings.

MMA's treasury policy and contract management processes further mitigate this risk. The Board also considers from time to time whether to manage currency fluctuation risk through appropriate hedging.

Vessel Operations

Ongoing poor market conditions continued to impact the performance of our Vessels division during FY2017

Financial overview

- Revenue down 46.5%
- EBITDA down 61.7%
- EBIT down 29.2% (pre-impairment)
- $287.5m vessel impairment charge

Operating overview

- Utilisation – average 52%
- Rates remain at historically low levels across all regions and vessel segments
- Second INPEX vessel commenced on long term contract
- Newbuild IMR vessels contributed to second half earnings
- Non-core vessel sales programme progressing with a further 11 vessels sold during FY2017
- Increased tendering activity

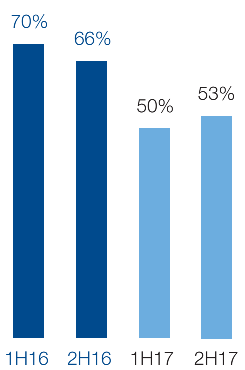
Strategy

- Optimising the fleet to dispose of non-core/commoditised vessels and focus on more specialised vessels where MMA can add value through its technical and operational expertise
- Focus on key geographic regions of Australia/New Zealand, South East Asia, the Middle East and Africa
- Differentiation through innovative solutions, superior service, high quality and safe operations whilst remaining cost competitive

Outlook

- Market sentiment improving
- Early signs of increase in activity at the front end of the value chain
- Challenging conditions expected to continue through FY2018 as oversupply in the market is absorbed, however the signs for a recovery are looking more positive

Vessel Utilisation



Vessels Financials

	Variance	30 Jun 2017	30 Jun 2016
Revenue	↓ 46.5%	$221.8m	$414.7m
EBITDA	↓ 61.7%	$24.8m	$64.8m
EBITDA / Revenue	↓ 4.4%	11.2%	15.6%
EBIT (pre-impairment)[1]	↓ 29.2%	-$19.9m	-$15.4m
EBIT / Revenue[1]	↓ 5.3%	-9.0%	-3.7%
Segment Assets	↓ 37.9%	$582.0m	$937.7m

[1] EBIT is shown excluding the impact of the $287.5m impairment charge against vessel assets in FY2017 and $100m impairment charge in FY2016

Australia

Production support is a key focus of MMA's Australian business now that the major LNG projects have moved beyond the main construction phase. MMA continues to service the majority of the oil production facilities on the North West Shelf on term contracts and vessel sharing arrangements.

MMA also has three vessels operating out of Darwin including the MMA Plover and MMA Brewster which are on a five year plus options contract supporting INPEX's Ichthys LNG Project. In addition, the MMA Inscription is on a five year contract supporting ConocoPhillips' Bayu-Undan Project in the Timor Sea. These are key contracts for MMA providing full utilisation for the vessels for the term of the contracts.

In terms of project work, MMA managed a fleet of 13 vessels for Technip Oceania for the Shell Prelude Subsea Installation Project during the first half of FY2017. Five tugs (three owned by MMA) and five barges were mobilised in South East Asia and prepared for arrival in Australia. Upon arrival in Australia, the barges were loaded with subsea pipeline spools which were delivered to the Prelude site north west of Broome. Two MMA tugs acted as infield support vessels to berth the barges alongside the construction vessel and one MMA PSV conducted supply operations from Broome to the Prelude site. This was the third campaign in which MMA had provided vessel support to Technip Oceania for the Prelude Project.

MMA also had three vessels engaged in supporting Chevron's Thevenard Island Abandonment Project during the second half of the year with activity continuing into the first quarter of FY2018.

The vessel sharing arrangements that MMA implemented in FY2016 have been working well with three vessels currently being shared by six clients. The arrangement is mutually beneficial for all parties, reducing operating costs for the oil companies whilst increasing utilisation of MMA's fleet.

Exploration activity in Australia continues to be subdued with the rig count in Australia at historically low levels. We did however, see an increase in seismic activity during the year with the Mermaid Searcher supporting two seismic scopes during the second half. This is a positive sign for future exploration activity in the region.

MMA currently has 15 vessels working in Australia with six on term contracts and the remainder positioned for spot work in the region.

MMA continues to have a layup strategy in place to minimise operating costs in between contracts for vessels which are not working. The vessels are either shut down in safe anchorage and monitored, kept on the Slipway or transferred to our facilities in South East Asia.

During the year we concluded the negotiations for new four year Enterprise Bargaining Agreements for our marine personnel. A sustainable outcome was achieved for MMA's employees, the Company and the industry and the agreement was reached without experiencing any lost time due to protected industrial action.

Looking ahead, Australia will remain a key market for MMA. MMA will focus on servicing its existing production support contracts in Australia and we continue to tender for new opportunities for both short and long term contracts as they arise. A number of scopes are currently being tendered for construction projects in 2018 including Woodside's Greater Western Flank Phase 2 Development and Woodside's Greater Enfield Project. Overall, we expect market activity to remain relatively stable at current levels in Australia.

International

Internationally, market conditions remained challenging across MMA's operating regions of South East Asia, the Middle East and Africa. The ongoing oversupply of vessels in the market means that competition is intense, keeping rates at close to breakeven levels.

Utilisation remained steady during the year at approximately 43%. This includes laid up vessels and vessels being marketed for sale. Excluding the non-core fleet, utilisation was significantly higher.

South East Asia

There was no improvement in utilisation or rates in the South East Asian market during the year. However, tendering activity has picked up significantly across the region and there has been a small increase in rig utilisation which could signify an upcoming improvement in market conditions for the offshore vessel industry. Oversupply remains an issue although with an increasing number of vessels going into layup, the number of available vessels in the market is reducing.

MMA currently has 11 vessels working in South East Asia.

The MMA Almighty continues on its long term production support with PTTEP in Thailand, however this contract will be retendered in FY2018. The remaining vessels are on shorter term contracts or operating in the spot market.

The MMA Prestige and MMA Pinnacle, MMA's newbuild IMR vessels, have been engaged in ongoing work for a variety of clients in the dive support market since their delivery into the fleet during FY2017 until recently. Currently the MMA Pinnacle is in northern Australia working with ROVs on board and the MMA Prestige is in the Middle East on a short term dive support campaign.

Other vessels have been engaged in a range of shorter term contracts through Brunei, Myanmar, Malaysia, Thailand and India.

Middle East

There continues to be strong levels of activity in the Middle East, predominantly driven by Saudi Aramco's expansion activities in Saudi Arabia. Saudi Aramco has committed to spending over US$300 billion over the next 10 years, increasing demand for offshore support vessels. Vessel supply continues to increase, however, as operators mobilise vessels into the Middle East from other regions, rates have therefore declined significantly over the past two years.

MMA currently has five vessels operating in the Middle East with three on long term contracts. Unfortunately one of the three vessels is currently off-hired to undergo repairs which impacted the financial contribution from this contract. The MMA Pride has been on continuous shorter term scopes with a key contractor in the region.

MMA continues to view this region as a key platform in its future strategy and strengthened its Dubai office with the addition of a full time Technical Manager during the year.

We are currently seeing very strong tendering activity out of the Middle East region, particularly Saudi Arabia as well as Qatar and the United Arab Emirates. The Middle East requires a high level of technical and operational expertise and is well suited to MMA's skillset. MMA is focused on growing our presence in this region.

Africa

The African market continues to be plagued by an oversupply of vessels and limited work. During FY2016 MMA made the strategic decision to pull its spot vessels out of the African market.

Currently we have one vessel, the MMA Privilege, on a longer term contract with a major marine contractor in Cote d'Ivoire.

Whilst not active in the African spot market, MMA will transfer vessels into this market on the back of longer term contracts.

Whilst market activity in West Africa remains subdued, longer term prospects for East Africa remain very promising after the sanctioning in June 2017 by ENI of its Coral South FLNG project in offshore Mozambique. This marks the first such development in East Africa, an emerging frontier region with significant gas discoveries. Drilling, construction and installation contracts have been awarded and the project is targeting first LNG production in 2022. MMA will seek to leverage its experience in frontier LNG developments in Australia to support this project as it progresses.

Newbuild Programme

MMA's newbuild programme is complete with the final two vessels, the MMA Prestige and MMA Pinnacle, delivered during the year.

Following completion of the newbuild programme, MMA's capital expenditure requirements will be minimal going forward as expenditure is reduced to a maintenance level. At this point MMA does not anticipate building any further vessels for the fleet in the near future unless backed by long term contracts.

Vessel Sales Programme

MMA's vessel sales programme to optimise the fleet composition and reduce debt has been ongoing since FY2016.

During FY2017, MMA made the decision to accelerate the sale of a number of non-core vessels to reduce holding costs, interest and overhead costs and to improve cash flow. The programme has been successful with 11 vessels sold during FY2017 and two further vessels sold in the 2018 financial year to date.

Since FY2016, 28 non-core vessels have been sold for a total consideration of A$68 million. A further 10 vessels have been earmarked for sale with one of these vessels currently under contract.

Following the completion of the sales programme, MMA will retain a core fleet of approximately 30 high quality, high specification vessels with an average age of five years.

Proceeds from the sale of non-core vessels will be used to fund debt reduction.

Discontinued Operations

During the year MMA disposed of its Dampier Supply Base and Slipway and its 50% share of the Broome Supply Base Joint Venture

In June 2017, MMA disposed of its Dampier Supply Base and Dampier Slipway assets to Toll Group for net sale proceeds of $40.8 million. Proceeds from the sale were used to amortise debt.

The Dampier Supply Base contributed revenue of $27.6 million and EBITDA of $3.7 million during the year, down 55.7% and 81.8% respectively on the previous financial year.

The Dampier Slipway contributed revenue of $12.0 million and EBITDA of $0.7 million during the year, up from revenue of $9.8 million and an EBITDA loss of $(2.1) million in FY2016.

MMA will continue to operate the Slipway under a licence arrangement through FY2018 with an option to extend through to 30 June 2019. The Slipway will form part of the Vessels operating segment going forward.

The operational transition has been smooth with no impact on MMA's Australian vessel operations. MMA will continue to manage its Australian vessel operations from a regional office at the Dampier Supply Base.

MMA also disposed of its 50% share in the Broome Supply Base joint venture to Toll Group in April 2017 for $8.7 million represented by a dividend distribution of $8.3 million and sale proceeds of $0.4 million.

MMA's 50% share of NPAT from the Broome Supply Base for the 2017 financial year up to the date of sale was $0.5 million, down from $2.6 million in FY2016.

Dampier Supply Base Financials

1 Jul 16 to 15 Jun 17	Variance	30 Jun 2017	30 Jun 2016
Revenue[1]	55.6%	$27.6m	$62.2m
EBITDA	82.0%	$3.6m	$20.0m
EBIT (pre-impairment)[2]	8%	$1.6m	$13.1m

Dampier Slipway Financials

1 Jul 16 to 15 Jun 17	Variance	30 Jun 2017	30 Jun 2016
Revenue[1]	22.4%	$12.0m	$9.8m
EBITDA[3]	$2.8m	$0.7m	$(2.1)m
EBIT (pre-impairment)[3,4]	$3.3m	$0.4m	$(2.9)m

Broome Supply Base Financials

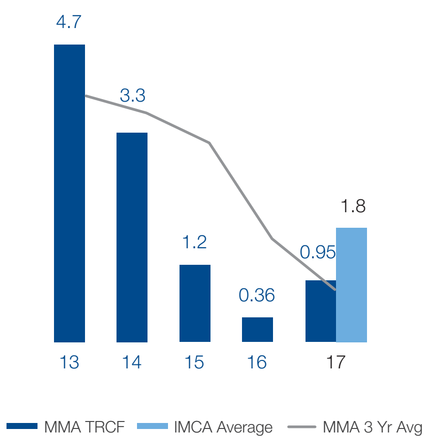
1 Jul 16 to 28 Apr 17	Variance	30 Jun 2017	30 Jun 2016
50% Share of NPAT	$2.1m	$0.5m	$2.6m

[1] Including intercompany revenues
[2] Excluding impairment charge of $22.3m in FY2017 and $36m in FY2016
[3] Excluding impairment charge of $2.3m in FY2017 and $3m in FY2016
[4] Prior to consolidation eliminations

Health, Safety, Environment & Quality

In 2017 MMA maintained a world class HSEQ performance

Total Recordable Case Frequency (per million hours)



MMA continues to strive for 'A Perfect Day Every Day', that is a day free of recordable injuries or illness and material incidents; our "Target 365".

MMA's Total Recordable Case Frequency "TRCF" for FY2017 was 0.95 per million hours worked, slightly up on FY2016 but an 80% improvement over the past five years and a world class safety performance compared to our industry peers. The IMCA average for 2017 was 1.8.

MMA also tracks the number of 'Perfect Days' across its global operations with our Target being 365 perfect days each year. In FY2017, MMA achieved 310 Perfect Days across the whole organisation, equating to an overall percentage of 85%, consistent with the previous reporting period.

MMA continues to encourage an open reporting culture and is now including measures relating to asset reliability in its Target 365 reporting.

As part of our continuous improvement culture, we have implemented a number of initiatives during the year, including:

- A comprehensive internal assurance programme targeted at verifying that controls are in place and sufficient to prevent incidents, thus maintaining our licence to operate;
- Continuing to embed our Target 365 Critical Controls into all operations and verify their effectiveness; and
- Improving our management systems to ensure efficient and effective global operations.

MMA supports industry HSEQ forums by openly sharing lessons learned and through active involvement in events and forums across our global operations. MMA has also recently been appointed to the International Marine Contractors Association ("IMCA") Global HSSE Committee as the representative for the Asia Pacific region.

Environment

MMA remains committed to achieving the highest standard of environmental performance across all of its business activities.

MMA continues to undertake a programme of environmental monitoring and reporting in compliance with our onshore environmental licences. The sale of the Dampier Supply Base required the transfer of Ministerial Statement 535 to the new owner. MMA continues to operate in compliance with its environmental licence for boat building and maintenance activities (Licence L4996/1993/8) at our Slipway.

Quality

MMA maintained certification for its quality systems accreditation (AS/NZS ISO 9001: 2008) across its global operations during the reporting period and OHSAS 18001: 2007 and ISO 14001: 2015 in our international operations.

MMA continues to improve its systems and processes to ensure that they reduce risk and are operationally efficient. In FY2017 we achieved a major milestone, moving to a single global marine safety management system, down from three separate systems previously. We also achieved third party certification of the new system across all of our global operations.

Senior Management Engagement

MMA believes that visible senior management commitment is fundamental to achieving our Target 365 vision and a positive HSE culture.

In FY2017, we implemented the Target 365 Senior Management Engagement programme. Each shore based senior manager is encouraged to engage with the workforce by being actively involved in applying our safety management systems with crews and staff.

Targets are set and senior management engagements are tracked to ensure we maintain a consistent and quality management presence in the field.

In FY2017 we achieved hundreds of formal senior management engagements and received positive feedback from crews and staff, which has set the foundation for us to continue the programme into FY2018.

Our People

MMA's success is dependent upon its people, their capabilities and the Company's ability to remain agile

MMA strives to provide a workplace built on trust, cooperation and mutual respect, where our people care about their safety and the safety of those around them.

MMA's workforce planning principles continue to be based on a dynamic model that plans for the right person, to be in the right job, with the right skills, at the right time.

During FY2017, we concluded the negotiations for new four year Enterprise Agreements for our Australian marine personnel. A sustainable outcome was achieved for MMA's employees, the Company, our clients and the industry. The agreement was reached without experiencing any lost time due to protected industrial action.

Additionally, FY2017 saw refinement of MMA's resource planning and utilisation analysis tools, which has enabled the business to optimise the scheduling of our offshore employees.

Training and Development

MMA is committed to the development of our people through performance feedback, internal development opportunities and training programmes.

MMA continues to focus on providing our people with the right skills so that they can perform their roles safely and competently.

MMA continued with its commitment to in-house training activities during the year, with several new training programmes developed to meet specific needs or risks within the business.

Throughout the year, 1,093 employees completed 3,968 individual training programmes. Of these, 78% were developed in-house and completed via MMA's online learning environment.

Diversity

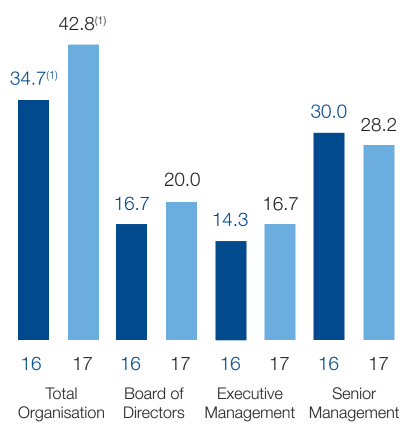
As a business with a global focus, MMA aims to have a workforce that best represents the communities in which we operate.

MMA's employees are made up of 20 different nationalities, with 652 of our people coming from non-English speaking backgrounds.

In terms of gender diversity, MMA's target for FY2017 was for women to hold at least 10% of senior executive positions (16.7% currently) and at least 30% of senior management roles (28.2% currently).

Targeted employment opportunities for Indigenous Australians and women in non-traditional seafaring roles have also increased throughout the year.

% Of Women Employed



[1] The company considers that it is more accurate to report its diversity statistics excluding seafarers as seafaring is not generally a profession that women chose.

Our Community

MMA is committed to the communities in which it operates, through creating and developing opportunities that have economically and socially beneficial outcomes

Using a combination of procurement of goods and services, employment opportunities and sponsorship, MMA delivers economic and social benefits to the communities in which it operates.

MMA also participates in locally based industry network groups as a means of achieving greater interaction with local stakeholders.

Procurement

Local content is embedded in our approach to the procurement of goods and services and MMA is committed to developing new capabilities in the communities in which we operate.

MMA aims to procure at least 80% of its operational spend through localised supply and service agreements.

Typically, we identify opportunities where local providers have the ability to directly service MMA's requirements and where this is not possible, we work with counterparties to develop these offerings.

MMA continued to make considerable gains in its engagement with Aboriginal and Torres Strait Islander ("ATSI") businesses over the past 12 months.

MMA's overall spend with ATSI enterprises since the inception of business engagement in FY2015 is just over $5.5 million. In FY2017 MMA's spend surpassed $1.6 million.

The range of products and services supplied by ATSI businesses includes waste management services, office supplies, personal protective equipment, lifting and rigging equipment and consumables, victualling supplies, facilities maintenance, graphic design, payroll and recruitment services. MMA is proud to be a leader in this area.

Employment

With vessel activity in the Timor Sea, MMA's Maritime Cadet Programme in Timor-Leste continues to provide a marine career pathway for Timorese nationals.

The first STCW-rated cadet graduated in early 2017 from Akademi Laut Malaysia. A second cadet is expected to graduate in October 2017.

Graduates will enter our international fleet to gain valuable sea time and ongoing positions, adding real value to our operations and leading the way to marine careers for their Timorese peers.

MMA's ATSI Traineeship programme is providing marine careers to ATSI people in Northern Australia.

With three vessels operating from Darwin, ATSI communities are a key stakeholder in our operations.

In the last 12 months, two ATSI trainees completed formal qualifications. One successfully completed a Certificate III in Maritime Operations (Integrated Rating) at South Metropolitan TAFE. This trainee has progressed to sea time in order to gain eligibility for an Integrated Rating Certificate of Proficiency.

The second ATSI Trainee completed their Certificate of Safety Training in May 2017 and is progressing to a Certificate III in Maritime Operations (Integrated Rating).

Sponsorship

As part of MMA's Target 365 rewards programme, business units provided donations to a range of charities including the Prostate Cancer Foundation (Australia), Alzheimer's Australia (Australia), Care Corner (Singapore) and Legacy (Australia) in 2017.

MMA recognises that supporting community endeavours, either in kind or monetarily, is a responsibility we have to the communities in which we operate. We look forward to continuing our corporate citizenship in 2018.

Industry Networking

MMA continues its support of the Local Contracting Alliance ("LCA"), which assists businesses in achieving their local content targets. Specifically aligned to ATSI business engagement, the LCA is reporting strong success in facilitating collaboration between Indigenous and non-Indigenous enterprises.

MMA is now a member of the Petroleum Club NT. Membership provides an important network with NT local vendors and industry. In May 2017, MMA sponsored the Petroleum Club's Industry Networking Session and MMA's Fleet Operations General Manager was a keynote speaker at the event.

Board of Directors

Mr Anthony (Tony) John Howarth AO

Chairman
– Appointed 1 August 2006

Tony was appointed as a Director of the Company on 5 July 2001 and as Chairman of the Company on 1 August 2006. Tony is also currently a Non-Executive Director of Wesfarmers Limited, Alinta Holdings and BWP Management Limited, the responsible entity for the BWP Trust. Tony is also a Life Fellow of the Financial Services Institute of Australasia, a Fellow of the AICD and has worked in the banking and finance industry for over 30 years. He has previously held the positions of Managing Director of Challenge Bank Limited, CEO of Hartleys Limited, Chairman of Alinta Limited, Chairman of Home Building Society Limited, Deputy Chairman of the Bank of Queensland Limited and a Non-Executive Director of AWB Limited. Tony is also Chairman of St John of God Health Care Inc. and an Adjunct Professor (Financial Management) at the University of Western Australia Business School.

Tony is also involved in a number of community and business organisations including being a member of the University of Western Australia Business School Advisory Board and is the current Chairman of the West Australian Rugby Union Inc.

Tony is also a member of the Company's Nomination and Remuneration Committee and the Audit and Risk Committee.

Mr Jeffrey Andrew Weber

Managing Director
– Appointed 31 December 2002

Jeff began his career as a Marine Engineer with BHP Transport. He went on to complete a degree in this field in 1993 and in 1994 graduated with a Master's in Engineering and Technology Management from the University of Queensland. During his 19 years with BHP, Jeff gained comprehensive project management experience and helped develop new business for BHP Transport in Australia and South East Asia. He also managed a major initiative with BHP's steel division, reviewing its logistics arrangements and developing processes to improve services and reduce costs. In 1998, Jeff joined Riverside Marine in Queensland and helped expand its operations Australia wide. This included forming a joint venture company with Wijsmuller International Towage BV, RiverWijs and negotiating with Woodside Petroleum to take over that company's harbour towage operation in Dampier, Western Australia. Jeff is also a Non-Executive Director of Maritime Super Pty Ltd, a superannuation fund dedicated to employees in the maritime industry.

As Managing Director of MMA, Jeff is responsible for the financial and operational performance of all of the Company's business lines.

Mr Mark Francis Bradley

Non-Executive Director
– Appointed 22 September 2000
– Retired 24 November 2016

A Civil Engineer with a track record in senior offshore engineering management, Mark joined the J Ray McDermott company in 1977 for service on Esso's Tuna/Mackerel project in Bass Strait. During the 14 years of technically challenging work that followed, Mark held senior positions with the company in Indonesia, Singapore, Malaysia, Dubai and Saudi Arabia. Still with McDermott, but returning to Australia, he then worked on new projects in Bass Strait and, finally, the Woodside North Rankin A and Goodwyn A platforms on the North West Shelf in Western Australia. In 1991, Mark joined Clough Offshore as Project Manager of a number of North West Shelf projects. Duties in Thailand, China and Indonesia followed, and by 1993 he was Operations/Project Manager for BHP's Griffin project. In 1994, Mark became Managing Director of Clough Offshore. He then presided over that company's fivefold growth. In 1997, Mark joined the Board of Clough Engineering as an Executive Director, retiring and becoming a Director of MMA in 2000.

Mr Hugh Andrew Jon (Andrew) Edwards

Non-Executive Director
– Appointed 18 December 2009

Andrew currently serves as a Non-Executive Director of Nido Petroleum (delisted 26 June 2017), is Non-Executive Chairman of MACA Ltd and is President of Activ Foundation Inc. Andrew is a former Managing Partner of PriceWaterhouseCoopers' Perth Office (PwC), a former National Vice President of the Securities Institute of Australia (now the Financial Services Institute of Australasia) and a former President of the Western Australian division of that Institute. He is a Fellow of the Australian Institute of Company Directors, a Fellow of the Chartered Accountants Australia and New Zealand and has served as State Chairman of the local Education Committee of that organisation and was a former member of its National Education Committee. Andrew graduated from the University of Western Australia with a Bachelor of Commerce degree.

Andrew is the Chairman of the Company's Audit and Risk Committee and a member of the Company's Nomination and Remuneration Committee.

Ms Eva Alexandra (Eve) Howell

Non-Executive Director
– Appointed 27 February 2012

Eve has over 40 years of experience in the oil and gas industry in a number of technical and managerial roles. Eve is currently a Non-Executive Director of Downer EDI Ltd and Buru Energy Ltd. She is also a Senior Adviser to African Geopolitics, a socio-political advisory group helping enterprises work successfully in Africa.

Eve is a former Executive Vice President for Woodside Energy Ltd responsible for Health, Safety & Security and before that, the North West Shelf Project. Prior to that, Eve held the position of Managing Director at Apache Energy Ltd. She has previously served on a number of Boards, including Tangiers Petroleum Limited, EMR Resources Pty Ltd, the Fremantle Port Authority, the Australian Petroleum Production & Exploration Association and was a Board member and President of the Australian Mines and Metals Association. Eve holds a Bachelor of Science (with Honours in Geology and Mathematics) from the University of London and an MBA from Edinburgh Business School and is a graduate of the Australian Institute of Company Directors.

Eve is Chair of the Company's Nomination and Remuneration Committee and a member of the Company's Audit and Risk Committee.

Mr Chiang Gnee Heng

Non-Executive Director
– Appointed 5 July 2012

Chiang Gnee graduated as a Marine Engineer in July 1977 from the University of Newcastle Upon Tyne (UK) and spent almost 30 years working in Singapore government linked companies and in various industries including shipyards, ordnance equipment manufacturing, aircraft engine component manufacturing, amusement and lifestyle businesses and environment management.

In June 1989, Chiang Gnee attended the Sloan School of Management at MIT (USA) and graduated with a Masters in Management in July 1990. He was formerly the CEO of Sembawang Shipyard for 10 years and CEO of Sembcorp Environment Management Pte Ltd for two years until August 2007. Chiang Gnee was also formerly an Executive Director of the Singapore Maritime Institute (SMI) which focuses on the development of the Singapore maritime industry. Chiang Gnee is currently engaged in workplace health and safety management and in vocational technical education in Singapore. He is Chairman of the Singapore Workplace Safety and Health Council and Deputy Chairman of the Institute of Technical Education (ITE) Board of Governors.

Chiang Gnee is also a Director of MMA Offshore Asia Pte Ltd (Singapore) and all of its subsidiaries/related companies in Singapore, Malaysia and Indonesia.

With the exception of Mr Mark Bradley (who resigned with effect from 24 November 2016), the above named Directors held office during the whole of the financial year and since the end of the financial year.

Corporate Governance

Corporate Governance

The Board of Directors ("Board") of MMA Offshore Limited ("Company" or "MMA") is responsible for the corporate governance of the consolidated entity. The Board is a strong advocate of good corporate governance.

Compliance with Australian Corporate Governance Standards

In accordance with the disclosure requirements of the ASX Listing Rules, the Board believes that the governance policies and practices adopted by the Company for the year ended 30 June 2017 follow the 3rd edition of the Corporate Governance Principles and Recommendations ("3rd Edition ASX Principles") set by the ASX Corporate Governance Council.

Access to Corporate Governance Statement

The Company's Corporate Governance Statement, which outlines the Company's corporate governance policies and practices for the year ended 30 June 2017, can be found on the Company's website at www.mmaoffshore.com/company/corporate_governance.phtml.

The Company's Corporate Governance Statement is current as at 18 September 2017 and has been approved by the Board.

ASX Corporate Governance Council Recommendations Checklist

ASX Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the 3rd Edition ASX Principles.

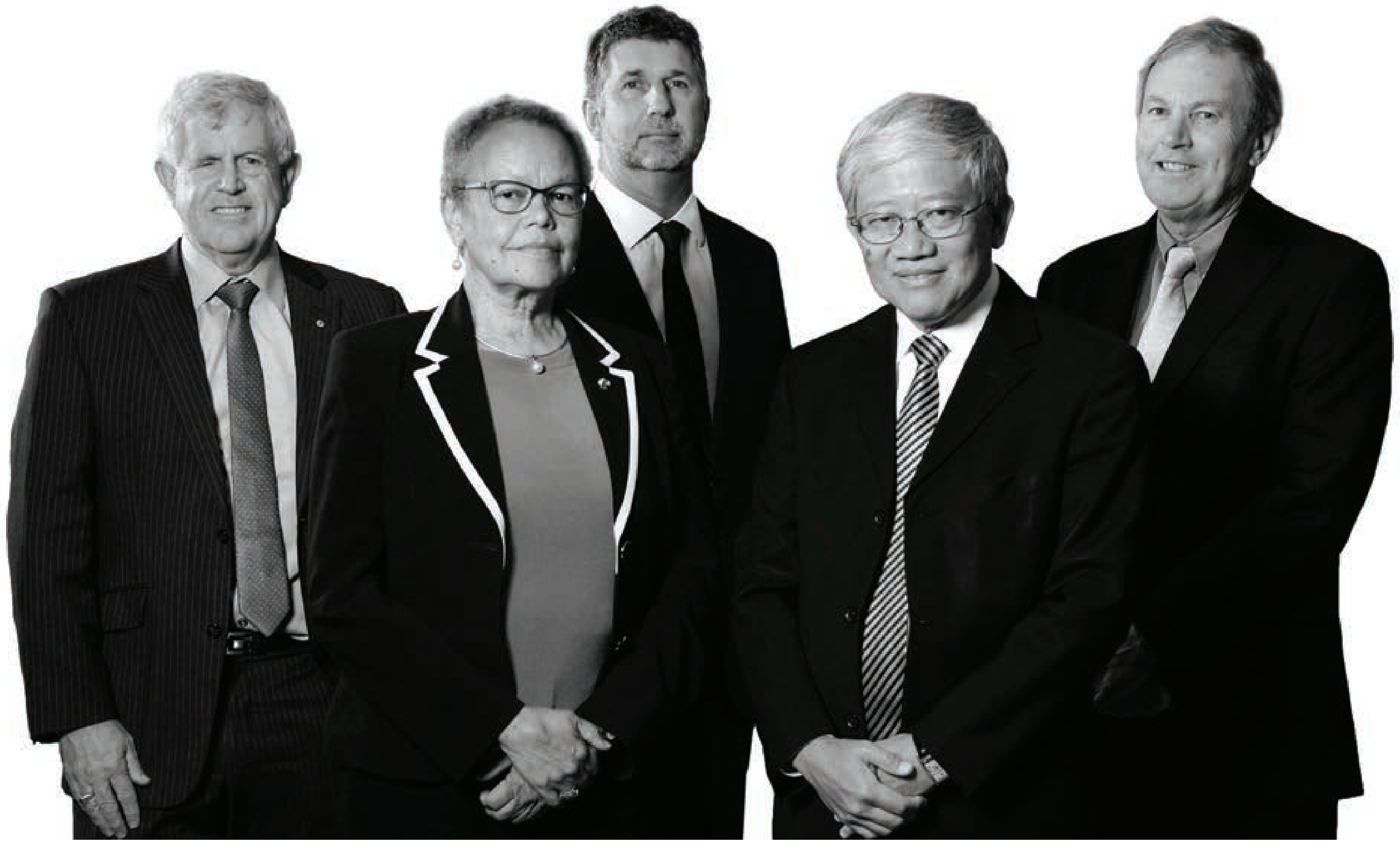
The table below lists each of the 3rd Edition ASX Principles and the Company's assessment of its compliance with these for the year ended 30 June 2017, with reference to the section of the Corporate Governance Statement where further details can be found.

3rd Edition ASX Corporate Governance Principles and Recommendations		Comply	Reference in Corporate Governance Statement
Principle 1: Lay solid foundations for management and oversight			
1.1	A listed entity should disclose:		
	(a) the respective roles and responsibilities of its board and management; and	Yes	Recommendation 1.1
	(b) those matters expressly reserved to the board and those delegated to management.	Yes	Recommendation 1.1
1.2	A listed entity should:		
	(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and	Yes	Recommendation 1.2
	(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	Recommendation 1.2
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Recommendation 1.3
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Recommendation 1.4
1.5	A listed entity should:		
	(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;	Yes	Recommendation 1.5
	(b) disclose that policy or a summary of it; and	Yes	Recommendation 1.5
	(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:	Yes	Recommendation 1.5
	(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or	Yes	Recommendation 1.5
	(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Yes	Recommendation 1.5
1.6	A listed entity should:		
	(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	Yes	Recommendation 1.6
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Recommendation 1.6
1.7	A listed entity should:		
	(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	Yes	Recommendation 1.7
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Recommendation 1.7
Principle 2: Structure the Board to add value			
2.1	The board of a listed entity should:		
	(a) have a nomination committee which:	Yes	Recommendation 2.1
	(1) has at least three members, a majority of whom are independent directors; and	Yes	Recommendation 2.1
	(2) is chaired by an independent director,	Yes	Recommendation 2.1
	and disclose:		
	(3) the charter of the committee;	Yes	Recommendation 2.1
	(4) the members of the committee; and.	Yes	Recommendation 2.1
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Recommendation 2.1
	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	N/A	N/A

3rd Edition ASX Corporate Governance Principles and Recommendations		Comply	Reference in Corporate Governance Statement
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Recommendation 2.2
2.3	A listed entity should disclose:		
	(a) the names of the directors considered by the board to be independent directors;	Yes	Recommendation 2.3
	(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (Factors relevant to assessing the independence of a director) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and.	Yes	Recommendation 2.3
	(c) the length of service of each director.	Yes	Recommendation 2.3
2.4	A majority of the board of a listed entity should be independent directors.	Yes	Recommendation 2.4
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Recommendation 2.5
2.6	A listed entity should have a programme for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Recommendation 2.6
Principle 3: Act Ethically and Responsibly			
3.1	A listed entity should:		
	(a) have a code of conduct for its directors, senior executives and employees; and	Yes	Recommendation 3.1
	(b) disclose that code or a summary of it.	Yes	Recommendation 3.1
Principle 4: Safeguard Integrity in Corporate Reporting			
4.1	The board of a listed entity should:		
	(a) have an audit committee which:	Yes	Recommendation 4.1
	(1) has a least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	Yes	Recommendation 4.1
	(2) is chaired by an independent director who is not the chair of the board,	Yes	Recommendation 4.1
	and disclose:		
	(3) the charter of the committee;	Yes	Recommendation 4.1
	(4) the relevant qualifications and experience of the members of committee; and	Yes	Recommendation 4.1
	(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Recommendation 4.1
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	N/A	N/A

3rd Edition ASX Corporate Governance Principles and Recommendations		Comply	Reference in Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Recommendation 4.2
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	Recommendation 4.3
Principle 5: Make timely and balanced disclosure			
5.1	A listed entity should:		
	(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and	Yes	Recommendation 5.1
	(b) disclose that policy or a summary of it.	Yes	Recommendation 5.1
Principle 6: Respect the rights of shareholders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Recommendation 6.1
6.2	A listed entity should design and implement an investor relations programme to facilitate effective two-way communications with investors.	Yes	Recommendation 6.2
6.3	A listed entity should disclose the policies and procedures it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Recommendation 6.3
6.4	A listed entity should give security holders the option to receive communication from and send communications to, the entity and its security registry electronically.	Yes	Recommendation 6.4
Principle 7: Recognise and manage risk			
7.1	The board of a listed entity should:		
	(a) have a committee or committees to oversee risk, each of which:	Yes	Recommendation 7.1
	(1) has at least three members, a majority of whom are independent directors; and;	Yes	Recommendation 7.1
	(2) is chaired by an independent director,	Yes	Recommendation 7.1
	and disclose:		
	(3) the charter of the committee;	Yes	Recommendation 7.1
	(4) the members of the committee; and;	Yes	Recommendation 7.1
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Recommendation 7.1
	(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	N/A	N/A

3rd Edition ASX Corporate Governance Principles and Recommendations		Comply	Reference in Corporate Governance Statement
7.2	The board or a committee of the board should:		
	(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	Yes	Recommendation 7.2
	(b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Recommendation 7.2
7.3	A listed entity should disclose:		
	(a) if it has an internal audit function, how the function is structured and what role it performs; or	Yes	Recommendation 7.3
	(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	N/A	N/A
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages or intends to manage those risks.	Yes	"Risks" under the Operating & Financial Review section of the 2017 Annual Report.
Principle 8: Remunerate fairly and responsibly			
8.1	The board of a listed entity should:		
	(a) have a remuneration committee which:	Yes	Recommendation 8.1
	(1) has at least three members, a majority of whom are independent directors; and	Yes	Recommendation 8.1
	(2) is chaired by an independent director,	Yes	Recommendation 8.1
	and disclose:		
	(3) the charter of the committee;	Yes	Recommendation 8.1
	(4) the members of the committee; and;	Yes	Recommendation 8.1
	(5) as at the end of the each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Recommendation 8.1
	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	N/A	N/A
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Recommendation 8.2
8.3	A listed entity which has an equity-based remuneration scheme should:		
	(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and	Yes	Recommendation 8.3
	(b) disclose that policy or a summary of it.	Yes	Recommendation 8.3



L-R Mr Tony Howarth (Chairman), Ms Eve Howell, Mr Jeff Weber (Managing Director), Mr Chiang Gnee Heng and Mr Andrew Edwards.

The Board of Directors of MMA Offshore Limited is responsible for the corporate governance of the consolidated entity. The Board is a strong advocate of good corporate governance.

Directors' Report

The Directors of MMA Offshore Limited ("Company" or "MMA") submit herewith the annual report of the Company for the financial year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001 (Cth), the Directors report as follows:

Directors

The names and particulars of the Company's Directors in office during or since the end of the financial year are set out on pages 26 to 27 (including their qualifications, experience and special responsibilities).

With the exception of Mr Mark Bradley (who resigned with effect from 24 November 2016), the Directors held office during the whole of the financial year and since the end of the financial year.

Directorships of Other Listed Companies

Directorships of other listed companies held by the Directors in the three years immediately before and since the end of the financial year are as follows:

Name	Company	Period of Directorship
Mr A Howarth	Wesfarmers Limited	Since July 2007
	BWP Management Limited	Since October 2012
Mr A Edwards	Nido Petroleum Limited (delisted 26 June 2017)	Since December 2009
	MACA Limited	Since October 2010
Ms E Howell	Downer EDI Limited	Since January 2012
	Buru Energy Limited	Since July 2014

Directors' Shareholdings

The following table sets out each Director's relevant interest in the securities of the Company as at the date of this report:

Name	Fully paid ordinary shares direct	Fully paid ordinary shares indirect	Performance rights direct
Mr A Howarth	384,146	781,756	-
Mr J Weber	-	1,907,958	2,001,432
Mr A Edwards	-	115,680	-
Ms E Howell	-	123,529	-
Mr CG Heng	100,000	-	-

The Directors do not have any interests in shares, options or rights of any related body corporate of the Company as at the date of this report.

Remuneration of Key Management Personnel

Information about the remuneration of key management personnel is set out in the Remuneration Report section of this Directors' Report on pages 38 to 47. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, either directly or indirectly, including any Director (whether executive or otherwise) of the consolidated entity.

Rights Granted to Directors and Senior Management

During and since the end of the financial year, no performance rights were granted to either the Managing Director or any key management personnel as part of their remuneration.

Company Secretary

Dylan Darbyshire-Roberts, solicitor, held the position of Company Secretary of the Company at the end of the financial year.

Dylan joined the Company in May 2007 in the role of Commercial Manager and was appointed as Company Secretary of MMA Offshore Limited on 19 August 2008.

Previously, he was a Senior Associate with the law firm DLA Piper where he practised in the areas of insurance, corporate and marine law. After obtaining a Bachelor of Commerce degree (1995) and a LLB degree (1997) at the University of Natal (PMB), Dylan qualified as a Solicitor in South Africa, New South Wales and Western Australia. Dylan has worked in a legal capacity in all of these jurisdictions as well as the UK over the past 19 years. He holds a Graduate Diploma of Applied Corporate Governance and is a Fellow of the Institute of Chartered Secretaries and Administrators and The Governance Institute of Australia.

Principal Activities

The consolidated entity's principal activities during the course of the financial year were the provision of marine logistics and supply base services to the offshore oil and gas industry.

During the financial year, the consolidated entity sold its Dampier Supply Base and Slipway assets and also sold its 50% interest in the Toll Mermaid Logistics Broome Supply Base. Details of these sales are contained in note 2.3 to the Financial Statements. Apart from these sales, there were no significant changes in the nature of the activities of the consolidated entity during the financial year.

Review of Operations

A review of and information about the operations of the consolidated entity for the financial year and the results of those operations are set out in the Chairman's Address, the Managing Director's Report and the Operating and Financial Review section of this Annual Report.

Changes in State of Affairs

As noted above, during the financial year the consolidated entity sold its Dampier Supply Base and Slipway assets and also sold its 50% interest in the Toll Mermaid Logistics Broome Supply Base. Details of these sales are contained in note 2.3 to the Financial Statements. In addition, the Chairman's Address and the Managing Director's Report (in this Annual Report) set out a number of matters which have had a significant effect on the state of affairs of the consolidated entity. Other than those matters, there was no significant change in the state of affairs of the consolidated entity.

Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments

The Chairman's Address and the Managing Director's Report give an indication, in general terms, of likely developments in the Company's operations in future financial years and the expected results of those operations.

Environmental Regulations

The Company continues to conduct its operations within the parameters of the Department of Environmental and Conservation Licence and Ministerial requirements. There were no known breaches of licence conditions for the year ended 30 June 2017.

Dividends

In respect of the financial year ended 30 June 2016, as detailed in the Directors' Report for that financial year, the Directors suspended the payment of dividends (both interim and final) in order to retain cash to support business operations until market conditions improve.

This position remains the same in respect of the financial year ended 30 June 2017. Accordingly, no interim or final dividend has been recommended, declared or paid for the 2017 financial year.

Unissued Shares under Rights

Details of unissued shares under rights as at the date of this report are:

Issuing entity	Number of unissued shares under rights	Class of shares	Exercise price of rights $	Expiry date of rights
MMA Offshore Limited	7,554,228	Ordinary	0.00(a)	1 Jul 2020
MMA Offshore Limited	2,001,432	Ordinary	0.00(b)	1 Jul 2020

(a) These performance rights issued under the terms of the MMA Offshore Limited Performance Rights Plan - 2015 vest on 1 July 2018 subject to the performance criteria as set out in the Remuneration Report (on page 44 of this Annual Report) being met and have a 2 year exercise period to 1 July 2020.
(b) These performance rights issued under the terms of the MMA Offshore Limited Managing Director's Performance Rights Plan - 2015 vest on 1 July 2018 subject to the performance criteria as set out in the Remuneration Report (on page 44 of this Annual Report) being met and have a 2 year exercise period to 1 July 2020.

The holders of these rights do not have the right, by virtue of the issue of the right, to participate in any share issue of the Company.

Shares Issued on Vesting of Rights

No shares were issued during or since the end of the financial year as a result of the vesting of rights.

Insurance and Indemnification of Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all Executive Officers of the Company and of any related body corporate against a liability incurred in acting in their capacity as a Director, Company Secretary or Executive Officer of the Company to the extent permitted by the Corporations Act 2001 (Cth). The relevant contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company's Constitution requires the Company, so far as permitted under applicable law and to the extent the person is not otherwise indemnified, to indemnify each officer of the Company and its wholly owned subsidiaries, and may indemnify its auditors, against a liability incurred as such an officer or auditor to any person (other than the Company or a related body corporate) including a liability incurred as a result of appointment or nomination by the Company or subsidiary as trustee or as an officer of another corporation, unless the liability arises out of conduct involving a lack of good faith. The Company has entered into Deeds of Indemnity, Insurance and Access with each of the Directors of the Company and its wholly owned subsidiaries in terms of the indemnity provided under the Company's Constitution.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against any liability incurred in acting in their capacity as such an officer of the Company.

No indemnity payment has been made under any of the documents referred to above during or since the end of the financial year.

Indemnification of Auditors

The Company's auditor is Deloitte.

The Company has agreed with Deloitte, as part of its terms of engagement, to indemnify Deloitte against certain liabilities to third parties arising from the audit engagement. The indemnity does not extend to any liability resulting from the wilful misconduct or fraudulent act or omission by Deloitte.

During the financial year:

- The Company has not paid, or agreed to pay, any premium in relation to any insurance for Deloitte or a body corporate related to Deloitte;
- No indemnity payment has been made under any of the documents referred to above during or since the end of the financial year; and
- There were no officers of the Company who were former partners or directors of Deloitte, whilst Deloitte conducted audits of the Company.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee member). During the financial year, 11 Board meetings, 4 Audit and Risk Committee meetings and 3 Nomination and Remuneration Committee meetings were held.

	Board of Directors		Audit and Risk Committee		Nomination and Remuneration Committee	
Name	Held	Attended	Held	Attended	Held	Attended
Mr A Howarth	11	10	4	4	3	3
Mr J Weber	11	11	4	4	3	3
Mr M Bradley[1]	4	4	2	2	1	1
Mr A Edwards	11	11	4	4	3	3
Ms E Howell	11	11	4	4	3	3
Mr CG Heng	11	11	4	4	3	3

(1) Mr Bradley retired as a director on 24 November 2016.

Proceedings on Behalf of the Company

No proceedings have been brought on behalf of the Company, nor has any application been made in respect of the Company under section 237 of the Corporations Act 2001 (Cth).

Non-Audit Services

Details of the amounts paid or payable to the external auditor for non-audit services provided during the year are outlined in note 5.5 to the Financial Statements.

During the year, the Company paid Deloitte the sum of $407,758 for the provision of non-audit services (being extensive debt restructuring advice and tax compliance services) and the sum of $598,898 for the provision of audit services. Despite this, the Directors are satisfied that the provision of non-audit services during the year by the external auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth).

In view of the above, the Directors are of the opinion that the services as disclosed in note 5.5 to the Financial Statements do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 48 of this Annual Report.

Rounding Off of Amounts

The Company is a company of the kind referred to in ASIC Corporations *(Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Remuneration Report

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of the Company's key management personnel for the financial year ended 30 June 2017. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, either directly or indirectly, including any Director (whether executive or otherwise) of the consolidated entity.

The prescribed details for each person covered by this Remuneration Report are detailed below under the following headings:

- Key Management Personnel;
- Remuneration Policy;
- Relationship between the Remuneration Policy and Company Performance;
- Remuneration of Key Management Personnel; and
- Key Terms of Employment Contracts.

Key Management Personnel

The Directors and other key management personnel of the consolidated entity during and since the end of the financial year were:

Executive Director	Non-Executive Directors
Mr J Weber (Managing Director)	Mr A Howarth (Chairman)
	Mr M Bradley[(1)]
	Mr A Edwards
	Ms E Howell
	Mr CG Heng
Other Key Management Personnel	
Mr D Ross (Chief Operating Officer)	
Mr P Raynor (Chief Financial Officer)[(2)]	
Mr D Lofthouse (General Manager Business Development)[(3)]	
Mr D Roberts (General Manager Legal/Company Secretary)	
Mr M Gillett (General Manager Human Resources)	
Ms L Buckey (General Manager Corporate Development)	
Mr D Thomas (General Manager HSEQ)	

(1) Retired on 24 November 2016.
(2) Resigned on 28 July 2017.
(3) Ceased employment on 15 November 2016.

Apart from Mr M Bradley and Mr D Lofthouse (who only held their respective positions for part of the financial year), the above named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration Policy

The Nomination and Remuneration Committee is delegated responsibility by the Board for reviewing the remuneration packages of all Directors and key management personnel on an annual basis and making recommendations to the Board in this regard. The specific responsibilities of the Nomination and Remuneration Committee are set out in the Committee's Charter, which is to be found under Appendix C of the Board Charter.

Remuneration packages are typically reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries and are adjusted to reflect changes in the performance of the Company.

Given current financial constraints, the Nomination and Remuneration Committee carried out an internal review of the remuneration packages of the Managing Director and non-director key management personnel for the 2017 financial year, without engaging the services of an independent remuneration consultant. The Board is satisfied that the remuneration recommendations made by the Nomination and Remuneration Committee were free from undue influence by any member of the key management personnel to whom the recommendations relate.

Key Remuneration Outcomes

Having regard to the overall performance of the Company during the 2017 financial year and current market conditions, the key remuneration outcomes for the Company's key management personnel in 2017 were as follows:

Fixed Annual Remuneration (FAR)

- The Board froze the FAR component for the Managing Director and other key management personnel for the 2017 financial year; and
- The Managing Director, Chief Financial Officer and Chief Operating Officer have agreed to a 10% decrease in FAR for the 2018 financial year. For the remaining key management personnel, FAR has again been frozen for the 2018 financial year.

Short-term Incentive (STI)

- The Board suspended the STI component in relation to the Managing Director and other key management personnel for the 2017 financial year and once again for the 2018 financial year.

Long-term Incentive (LTI)

- The Board suspended the LTI component in relation to the Managing Director and other key management personnel for the 2017 financial year and once again for the 2018 financial year.

Remuneration Report 2016

MMA Offshore Limited's Remuneration Report for 2016 was adopted at the Annual General Meeting on 24 November 2016 with a clear majority of 46,705,661 votes in favour of the motion (representing 84% of the votes received).

Non-Executive Directors' Remuneration

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool which is periodically recommended for approval by shareholders. The maximum fees payable to Non-Executive Directors are currently $950,000 per annum in aggregate (as approved by shareholders at the Company's AGM on 22 November 2012).

Fees paid to Non-Executive Directors are set at levels which reflect both the responsibilities of, and time commitments required from each Non-Executive Director to discharge their duties. Non-Executive Directors' fees are reviewed annually by the Board to ensure they are appropriate for the duties performed, including Board committee duties, and are in line with the market. Non-Executive Directors do not receive performance-based remuneration. Other than statutory superannuation, Directors are not entitled to retirement allowances.

Following a review by the Nomination and Remuneration Committee, there was no increase in Non-Executive Directors' fees for the 2017 financial year.

In addition, there has been a general 10% decrease in Non-Executive Directors' fees for the 2018 financial year, with the Chairman agreeing to a 37% decrease in fees for the 2018 financial year.

Other Key Management Personnel

Remuneration of the Managing Director and other executive key management personnel generally comprises both a fixed component and an at-risk component, which is designed to remunerate key management personnel for increasing shareholder value and for achieving financial targets and business strategies set by the Board.

The remuneration of the Managing Director and other key management personnel has the following three components:

No.	Remuneration Component	Details
1	Fixed Annual Remuneration (FAR)	• Comprising base salary and superannuation. • In setting FAR, consideration is given to current market rates and industry benchmarking against appropriate comparator groups (including the median market rates within the sector and industry peers), Company performance and individual performance. • As previously reported, given the performance of the Company and current market conditions, the Board determined that the Managing Director and Senior Management would not receive any increase in FAR for the 2017 financial year. • The Managing Director, Chief Financial Officer and Chief Operating Officer have all agreed to accept a 10% decrease in FAR for the 2018 financial year. The Board has also determined that the other Senior Management of the Company will not receive any increase in FAR for the 2018 financial year.
2	Short-term Incentive (STI)	• An annual “at-risk” cash component designed to reward performance against the achievement of key performance indicators (KPIs) set by the Board. • The invitation to participate in the STI is at the absolute discretion of the Board and is subject to such conditions which the Board may prescribe from time to time. • As previously reported, given the performance of the Company and current market conditions, the Board exercised its discretion to suspend the STI component for the 2017 financial year. • Once again, the Board has exercised its discretion to suspend the STI component for the 2018 financial year (subject always to the Board’s discretion to reinstate the STI component if market conditions change).
3	Long-term Incentive (LTI)	• The Company grants rights over its ordinary shares under the LTI. • The vesting of these rights is based on the achievement of stipulated performance criteria targets over a 3 year period. • The LTI also aims to align executives’ long-term interests with those of shareholders and to retain executives. • Given the performance of the Company and current market conditions, the Board has exercised its discretion to suspend the LTI component for the 2017 financial year. • Once again, the Board has exercised its discretion to suspend the LTI component for the 2018 financial year.

The Board is currently considering a new 2018 Employee Incentive Plan to replace both the STI and LTI incentive plans - which (as noted above) have both been suspended for the 2018 financial year.

It is anticipated that the new 2018 Employee Incentive Plan will be a share rights plan operating over a 2 year term with vesting triggers and parameters linked to the strategic objectives of the Company.

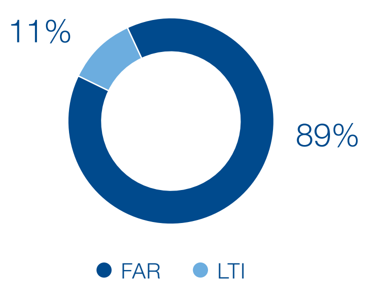
While the proposed 2018 Employee Incentive Plan is not a typical incentive structure, the Board considers that it is appropriate in the current circumstances to achieve its business turnaround strategy, to retain key management personnel within the Company and to achieve the strategic objectives of the Company.

The Board maintains its discretion to revert to a more normal remuneration structure (including STI and/or LTI) if market conditions change.

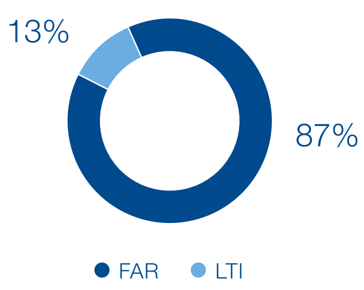
Allocation of Executive Remuneration between Fixed and Variable Remuneration

The allocation of total executive remuneration between fixed and variable remuneration for the 2017 financial year is as follows:

Managing Director



Other Executives (Maximum)



Relationship between the Remuneration Policy and Company Performance

The table below summarises information about the Company’s earnings for the 2017 financial year and the Company’s earnings and movements in shareholder wealth for the five years to 30 June 2017, which is a key factor in the Board’s decision to suspend both the STI and LTI remuneration components for the 2017 financial year.

	30 June 2017 $'000	30 June 2016 $'000	30 June 2015 $'000	30 June 2014 $'000	30 June 2013 $'000
Revenue	256,396	481,123	796,666	594,597	449,490
Net profit/(loss) before tax	(379,791)[3]	(155,262)[3]	(48,219)	77,112	83,755
Net profit/(loss) after tax	(378,032)	(143,962)	(51,291)	53,884	60,298
Share price at start of the year	$0.31	$0.54	$2.06	$3.52	$2.82
Share price at end of the year	$0.15	$0.31	$0.54	$2.06	$3.52
Interim dividend[1]	0cps	0cps	4.0cps	5.5cps	5.5cps
Final dividend[1]	0cps	0cps	1.5cps	7.0cps	7.0cps
Basic earnings per share	(101.30cps)	(38.64 cps)	(13.91 cps)	18.78cps	25.17cps
Diluted earnings per share	(101.30cps)	(38.64 cps)	(13.91 cps)	18.76cps	24.78cps
3 year compound annual TSR[2]	(49%)	(46%)	(32%)	(9%)	15%

[1] Franked to 100% at 30% corporate income tax rate.
[2] TSR comprises share price growth and dividends.
[3] This includes a non-cash impairment charge of $312 million against the carrying value of the Company’s assets as at 30 June 2017 (2016: $139 million).

Remuneration of Key Management Personnel

In this Annual Report, remuneration outcomes are presented based on the requirements of accounting standards (which has the benefit of being readily comparable with other companies) rather than the actual "take-home" pay received by executive key management personnel (being cash, other benefits and the value of equity vesting during the relevant financial year).

An example of this includes LTI awards which are recognised and accounted for over the performance period (3 years) based on their assessed value when originally granted to the executive. This may be significantly different to their value, if and when the incentive vests to that executive.

The following tables disclose:

(A) The actual remuneration of the Directors and other key management personnel of the Company for the 2017 financial year (i.e. the actual "take-home" pay received by key management personnel for the 2017 financial year); and

(B) The statutory presentation of the remuneration of the Directors and other key management personnel of the Company for the 2017 financial year and for the previous financial year based on the requirements of accounting standards.

(A) Key Management Personnel Remuneration (Actual)

	Short-term employee benefits				Post-employment benefits		Long-term employee benefits	Share based payments	Total
2017	Salary & fees	Cash bonus	Non-monetary[2]	Leave Payout	Superannuation	Termination	Long Service Leave	Rights[3]	
	$	$	$	$	$	$	$	$	$
Directors							-		
Mr A Howarth	227,164	-	1,628	-	19,616	-	-	-	248,407
Mr J Weber	926,456	-	2,158	-	34,231	-	-	-	962,485
Mr M Bradley[1]	45,928	-	-	-	4,363	-	-	-	50,291
Mr A Edwards	111,600	-	-	-	10,602	-	-	-	122,202
Ms E Howell	107,485	-	-	-	10,211	-	-	-	117,696
Mr CG Heng	104,987	-	-	-	6,174	-		-	111,161
Senior Management							-		
Mr D Ross	535,495	-	2,198	-	29,615	-	-	-	567,309
Mr P Raynor	540,110	-	2,002	-	25,000	-	-	-	567,112
Mr D Lofthouse[1]	144,920	-	816	179,250	12,826	302,342	-	-	640,154
Mr D Roberts	308,980	-	2,497	-	19,616	-	-	-	331,093
Mr M Gillett	308,980	-	-	17,826	19,616	-	-	-	346,422
Ms L Buckey[4]	214,061	-	-	-	19,616	-	-	-	233,676
Mr D Thomas	296,892	-	-	-	19,616	-	-	-	316,508
Total	3,873,057	-	11,300	197,076	231,100	302,342	-		4,614,875

(B) Key Management Personnel Remuneration (Statutory Presentation)

	Short-term employee benefits			Post-employment benefits		Long-term employee benefits	Share based payments	Total
2017	Salary & fees	Cash bonus	Non-monetary[2]	Superannuation	Termination	Long Service Leave	Rights[3]	
	$	$	$	$	$	$	$	$
Directors								
Mr A Howarth	227,164	-	1,628	19,616	-	-	-	248,407
Mr J Weber	926,456	-	2,158	34,231	-	16,012	120,440	1,099,297
Mr M Bradley[1]	45,928	-	-	4,363	-	-	-	50,291
Mr A Edwards	111,600	-	-	10,602	-	-	-	122,202
Ms E Howell	107,485	-	-	10,211	-	-	-	117,696
Mr CG Heng	104,987	-	-	6,174	-		-	111,161
Senior Management								
Mr D Ross	535,495	-	2,198	29,615	-	9,419	88,480	665,207
Mr P Raynor	540,110	-	2,002	25,000	-	9,419	88,480	665,011
Mr D Lofthouse[1]	144,920	-	816	12,826	302,342	994	23,326	485,224
Mr D Roberts	308,980	-	2,497	19,616	-	5,477	19,327	355,897
Mr M Gillett	308,980	-	-	19,616	-	7,636	19,327	355,559
Ms L Buckey[4]	214,061	-	-	19,616	-	6,263	16,662	256,601
Mr D Thomas	296,892	-	-	19,616	-	-	18,615	335,123
Total	3,873,057	-	11,300	231,100	302,342	55,220	394,657	4,867,676

	Short-term employee benefits			Post-employment benefits		Long-term employee benefits	Share based payments	Total
2016	Salary & fees	Cash bonus	Non-monetary[2]	Superannuation	Termination	Long Service Leave	Rights[3]	
	$	$	$	$	$	$	$	$
Directors								
Mr A Howarth	235,900	-	1,537	19,307	-	-	-	256,744
Mr J Weber	961,290	-	2,266	36,346	-	16,035	200,495	1,216,432
Mr M Bradley	115,892	-	-	11,009	-	-	-	126,901
Mr A Edwards	115,892	-	-	11,009	-	-	-	126,901
Ms E Howell	105,507	-	-	9,652	-	-	-	115,159
Mr CG Heng	105,706	-	-	6,411	-	-	-	112,117
Senior Management								
Mr D Ross	555,691	-	4,776	31,153	-	9,781	126,481	727,882
Mr P Raynor	560,883	-	5,830	25,961	-	9,781	126,481	728,936
Mr D Lofthouse	391,285	-	1,848	19,307	-	6,843	38,839	458,122
Mr D Roberts	320,863	-	2,642	19,307	-	5,670	32,181	380,662
Mr M Gillett	320,863	-	-	19,307	-	17,009	32,181	389,360
Ms L Buckey[4]	205,944	-	-	19,307	-	11,263	20,030	256,544
Mr D Thomas	308,310	-	-	19,307	-	-	30,994	358,611
Total	4,304,026	-	18,899	247,383	-	76,382	607,681	5,254,371

(1) These salaries & fees are only for part of the financial year as Mr M Bradley retired from the Company on 24 November 2016 and Mr D Lofthouse ceased employment with the Company on 15 November 2016.
(2) These non-monetary benefits comprise the provision of motor vehicle, fuel, travel and other benefits, as applicable.
(3) The value of the rights granted to key management personnel as part of their remuneration is calculated as at the grant date using the binomial pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from the grant date to the vesting date (i.e. 3 years).
(4) Ms Buckey is employed on a part-time basis.

The table below sets out the relative proportions of the elements of remuneration of key management personnel that are linked to performance:

	Fixed Remuneration		Remuneration linked to Performance	
	2017	2016	2017	2016
Non-Executive Directors				
Ms A Howarth	100%	100%	0%	0%
Mr M Bradley	100%	100%	0%	0%
Mr A Edwards	100%	100%	0%	0%
Ms E Howell	100%	100%	0%	0%
Mr CG Heng	100%	100%	0%	0%
Executive Directors				
Mr J Weber	89%	84%	11%	16%
Senior Management				
Mr D Ross	87%	83%	13%	17%
Mr P Raynor	87%	83%	13%	17%
Mr D Lofthouse	95%	92%	5%	8%
Mr D Roberts	95%	92%	5%	8%
Mr M Gillett	95%	92%	5%	8%
Ms L Buckey	94%	92%	6%	8%
Mr D Thomas	94%	91%	6%	9%

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Bonus and Share-based payments granted as compensation for the current financial year

STI (Cash Bonuses)

As noted above, having regard to the overall performance of the Company and current market conditions, the Board has, in relation to the Managing Director and other key management personnel, exercised its discretion to:

- Suspend the STI component for the 2017 financial year; and
- Once again, suspend the STI component for the 2018 financial year (subject to the Board's discretion to reinstate the STI component if market conditions change).

LTI (Performance Rights/Share Based Payments)

During the financial year:

- No performance rights were granted to either the Managing Director or the other key management personnel;
- No share-based payments were granted as compensation to either the Managing Director or the other key management personnel; and
- No performance rights granted to either the Managing Director or the other key management personnel as part of their compensation in previous financial years vested.

During the financial year, the following rights schemes were in existence:

Series	Number issued	Grant date	Expiry date	Exercise price $	Fair value at grant date $	Vesting date
(1) 3 Dec 2013 (a)	1,092,384	11 Oct 2013	1 Jul 2016	0.00	2.14	1 Jul 2016
(2) 3 Dec 2013 (a)	339,238	11 Oct 2013	1 Jul 2016	0.00	2.02	1 Jul 2016
(3) 3 Dec 2013 (a)	346,023	21 Nov 2013	1 Jul 2016	0.00	1.71	1 Jul 2016
(4) 22 Oct 2014 (b)	1,052,625	22 Oct 2014	1 Jul 2017	0.00	1.09	1 Jul 2017
(5) 1 Dec 2014 (b)	11,382	1 Dec 2014	1 Jul 2017	0.00	1.09	1 Jul 2017
(6) 1 Dec 2014 (b)	430,075	18 Nov 2014	1 Jul 2017	0.00	0.75	1 Jul 2017
(7) 10 Feb 2016 (c)	2,001,432	18 Nov 2015	1 Jul 2020	0.00	0.02	1 Jul 2018
(8) 10 Feb 2016 (c)	8,037,836	7 Dec 2015	1 Jul 2020	0.00	0.02	1 Jul 2018
(9) 7 Jun 2016 (c)	220,284	18 Apr 2016	1 Jul 2020	0.00	0.02	1 Jul 2018

(a) In accordance with the terms of the Mermaid Marine Australia Limited Performance Rights Plan - 2013 (issued by the Board on 11 October 2013) and the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2013 (as approved by shareholders at the Company's AGM on 21 November 2013), the number of performance rights which vest on 1 July 2016 will depend on the growth in the Earnings per Share of MMA Offshore Limited and the total shareholder return of the Company relative to a selected peer group of companies. These performance hurdles have not been met. As such, the performance rights have lapsed in accordance with the terms of the relevant plan rules.

(b) In accordance with the terms of the Mermaid Marine Australia Limited Performance Rights Plan - 2014 (issued by the Board on 22 October 2014 and 1 December 2014) and the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2014 (as approved by the shareholders at the Company's Annual General Meeting on 18 November 2014) the number of performance rights which vest on 1 July 2017 will depend on growth in the Earnings per Share of MMA Offshore Limited and the total shareholder return of the Company relative to a selected peer group of companies. These performance hurdles have not been met. As such, the performance rights have lapsed in accordance with the terms of the relevant plan rules.

(c) In accordance with the terms of the MMA Offshore Limited Performance Rights Plan - 2015 (issued by the Board on 7 December 2015 and 18 April 2016) and the MMA Offshore Limited Managing Director's Performance Rights Plan - 2015 (as approved by the shareholders at the Company's Annual General Meeting on 18 November 2015) the number of performance rights which vest on 1 July 2018 will depend on the Company achieving the specified share price target(s) for MMA Offshore Limited and the total shareholder return of the Company relative to a selected peer group of companies. Subject to the performance rights vesting on 1 July 2018, the vested performance rights must be exercised within a 2 year period from the vesting date (i.e. by 1 July 2020) or such other time as determined by the Board in its sole and absolute discretion.

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

The following table summarises the number of performance rights that lapsed during the financial year in relation to performance rights granted to key management personnel as part of their remuneration:

Name	Financial year in which rights were granted	No. of rights lapsed during the current year
Mr J Weber	2012/2013	511,822
Mr D Ross	2012/2013	250,893
Mr P Raynor	2012/2013	250,893
Mr D Roberts	2012/2013	67,801
Mr M Gillett	2012/2013	67,801
Ms L Buckey	2012/2013	35,069
Mr D Thomas	2012/2013	42,548

Key Management Personnel Equity Holdings

Details of the fully paid ordinary shares of the Company held by key management personnel are as follows:

2017	Balance at 1 July 2016	Granted as compensation	Received on vesting of Performance Rights	Net other change	Balance at 30 June 2017	Balance held nominally
Mr A Howarth	1,165,902	-	-	-	1,165,902	-
Mr J Weber	1,907,958	-	-	-	1,907,958	-
Mr A Edwards	115,680	-	-	-	115,680	-
Ms E Howell	123,529	-	-	-	123,529	-
Mr CG Heng	-	-	-	100,000	100,000	-
Mr D Ross	765,785	-	-	-	765,785	-
Mr P Raynor	204,992	-	-	-	204,992	-
Mr D Roberts	-	-	-	-	-	-
Mr M Gillett	59,903	-	-	-	59,903	-
Ms L Buckey	1,475	-	-	-	1,475	-
Mr D Thomas	-	-	-	-	-	-

2016	Balance at 1 July 2015	Granted as compensation	Received on vesting of Performance Rights	Net other change	Balance at 30 June 2016	Balance held nominally
Mr A Howarth	965,902	-	-	200,000	1,165,902	-
Mr J Weber	1,907,988	-	-	-	1,907,958	-
Mr A Edwards	15,431	-	-	100,249	115,680	-
Ms E Howell	120,000	-	-	3,529	123,529	-
Mr CG Heng	-	-	-	-	-	-
Mr D Ross	740,012	-	25,773	-	765,785	-
Mr P Raynor	178,223	-	25,773	996	204,992	-
Mr D Roberts	-	-	-	-	-	-
Mr M Gillett	59,903	-	-	-	59,903	-
Ms L Buckey	1,475	-	-	-	1,475	-
Mr D Thomas	-	-	-	-	-	-

Details of the performance rights held by executive key management personnel are as follows:

2017 Executives	Balance at 1 July 2016	Granted as compensation	Vested	Net other change (lapsed)	Balance at 30 June 2017	Vested but not exercisable	Rights vested during year
Mr J Weber	2,943,329	-	-	(511,822)	2,431,507	-	-
Mr D Ross	1,395,131	-	-	(250,893)	1,144,238	-	-
Mr P Raynor	1,395,131	-	-	(250,893)	1,144,238	-	-
Mr D Roberts	375,403	-	-	(67,801)	307,602	-	-
Mr M Gillett	375,403	-	-	(67,801)	307,602	-	-
Ms L Buckey	300,244	-	-	(35,069)	265,175	-	-
Mr D Thomas	338,807	-	-	(42,548)	296,259	-	-

2016 Executives	Balance at 1 July 2015	Granted as compensation	Vested	Net other change (lapsed)	Balance at 30 June 2016	Vested but not exercisable	Rights vested during year
Mr J Weber	1,093,963	2,001,432	-	(152,066)	2,943,329	-	-
Mr D Ross	553,597	941,850	(25,773)	(74,543)	1,395,131	-	25,773
Mr P Raynor	553,597	941,850	(25,773)	(74,543)	1,395,131	-	25,773
Mr D Roberts	140,216	252,126	-	(16,939)	375,403	-	-
Mr M Gillett	140,216	252,126	-	(16,939)	375,403	-	-
Ms L Buckey	91,656	217,350	-	(8,762)	300,244	-	-
Mr D Thomas	95,979	242,828	-	0	338,807	-	-

During the financial year, no performance rights vested in favour of the Managing Director or other key management personnel.

Further details of the share based payment arrangements during the 2017 and 2016 financial years are contained in note 5.2 of the Financial Statements.

Loans to Key Management Personnel

The Company has provided a member of its key management personnel with a short-term loan at rates comparable to the average commercial rate of interest. This loan is unsecured.

The following table outlines aggregate amounts in respect of loans made to key management personnel of the Group.

Balance as at 1 July 2016	Interest charged	Arm's length interest differential[1]	Allowance for doubtful receivables	Balance as at 30 June 2017	Number of key management personnel
34,870	1,387	-	-	24,732	1

[1] The arm's length interest differential refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arms-length basis.

Share Trading Restrictions

The Company's Share Trading Policy requires key management personnel proposing to enter into arrangements that limit the economic risk of a vested holding in the Company's securities to first obtain approval from the Chairman of the Board (for directors), approval of the Chairman of the Audit and Risk Committee (for the Chairman of the Board), and approval from the Managing Director (for other executives), and subsequently provide details of the dealing within five business days of the dealing taking place. Any breach of the Share Trading Policy is taken very seriously by the Company and is subject to disciplinary action, including possible termination of a person's employment or appointment. A copy of the Company's Share Trading Policy can be found on the Corporate Governance page of our website at www.mmaoffshore.com/company/corporate_ governance.phtml.

Key Terms of Employment Contracts

As at the date of this report, the Managing Director and other executive key management personnel are all employed by the Company under an employment contract, none of which are of fixed-term duration.

These employment contracts may be terminated by either party giving the required notice and subject to termination payments as detailed in the table below:

Name	Termination notice period	Termination benefits payable
Mr J Weber	6 months	Yes[1]
Mr D Ross	6 months	Yes[1]
Mr P Raynor	6 months	Yes[1]
Mr D Roberts	6 weeks	No
Mr M Gillett	8 weeks	No
Ms L Buckey	30 days	No
Mr D Thomas	12 weeks	No

[1] If the employee is made redundant as a result of a material diminution in the nature and level of responsibilities or functions of the employee's position in a publicly listed company located in Perth, Western Australia, including without limitation through a change in control of the Company, the employee will be entitled to a payment being the lesser of either:
- 1.5 times the Fixed Annual Remuneration in the relevant year (excluding any short-term incentives or long-term incentives); or
- The maximum amount that may be paid to the employee under the Corporations Act and ASX Listing Rules without prior shareholder approval.

Under these employment contracts, the remuneration package for:

- The Managing Director, Chief Operating Officer and Chief Financial Officer consists of an annual base salary and a short-term incentive component and a long-term incentive component at the discretion of the Nomination and Remuneration Committee and the Board; and
- Other executive key management personnel consists of an annual base salary and statutory superannuation contributions. Participation in the Company's incentive schemes is at the discretion of the Board.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the Corporations Act 2001 (Cth).

On behalf of the Directors,

Tony Howarth AO
Chairman
Fremantle, 18 September 2017

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
MMA Offshore Limited
1 Mews Road
Fremantle WA 6160

18 September 2017

Dear Board Members

Auditor's Independence Declaration to MMA Offshore Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of MMA Offshore Limited.

As lead audit partner for the audit of the financial report of MMA Offshore Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants

Audit Report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of MMA Offshore Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MMA Offshore Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying value of the Vessel Cash Generating Unit As disclosed in note 2.2 during the financial year an impairment of $287m was recorded in respect of the Vessel Cash Generating Unit (CGU). As disclosed in note 3.7, the assessment of the recoverable amount of the vessels requires management to exercise judgement. The Group appointed external valuers to provide specialist advice on valuing the vessels on a fair value less costs of disposal basis. Key assumptions used in assessing recoverable amount include current and forecast economic conditions including a potential contraction in the market as a consequence of volatile commodity prices and the application of an 'en bloc' discount to the vessel fleet.	Our procedures included, but were not limited to: • Understanding the process management undertakes to evaluate the recoverability of the Vessel CGU; • Assessing management's determination of the Vessels CGU based on our understanding of the nature of the Group's business and the economic environment in which the segments operate; • Assessing the objectivity and competence of the external valuers; • In conjunction with our valuation specialists, evaluating the external valuations obtained by the Group by assessing the valuation methodology adopted and the assumptions used; • Comparing actual sales prices, including 'en bloc' discounts, of vessels during and post the reporting period to evaluate the reasonableness of the valuation; and • Assessing the appropriateness of the related disclosures in Note 3.7 to the financial statements.
Carrying value of assets held for sale As disclosed in note 3.4 the Group had classified certain non-core vessels as assets held for sale. The assessment of the recoverable amount of the non-core assets held for sale requires management to exercise judgement. A market based approach has been used, reflecting the value which could be expected to be realised through sales executed in the period to 30 June 2018. In assessing the recoverable amount of these non-core vessels, the Group has used internal management valuations incorporating existing industry knowledge including actual sales achieved during the period, current discussions with prospective purchasers and market sales of similar vessels.	Our procedures included, but were not limited to: Understanding the process management undertakes to evaluate the recoverability of non-core vessels; • Evaluating and challenging management's determination of the carrying value through; ➢ Comparing the carrying values to the sale prices of non-core vessels sold in the period to 30 June 2017 and up to the date of the financial statements; ➢ Comparing actual market sale prices of similar vessels sold in the period to 30 June 2017 and up to the date of the financial statements; and ➢ Evaluating current discussions and/or negotiations held with prospective purchasers in respect of non-core vessels. • Assessing the appropriateness of the related disclosures in Note 3.7 to the financial statements.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recoverability of trade receivables As disclosed in note 3.2, the carrying value of trade receivables is $55.6 million, net of an allowance for doubtful debts of $21.2 million Significant judgment is required in assessing the recoverability of trade receivables. This includes assessing the credit risk of trade receivables which have been outstanding for a period longer than average payment terms.	Our procedures included, but were not limited to: • Understanding the process management undertakes to evaluate the recoverability of trade receivables; • Assessing the recoverability of a sample of trade receivables by reviewing cash received subsequent to year end; • Reviewing other evidence including customer correspondence and holding discussions with management to challenge their knowledge of future conditions that may impact expected customer receipts; and • Assessing the appropriateness of the related disclosures in Note 3.2 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 38 to 47 of the director's report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of MMA Offshore Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants
Perth, 18 September 2017

Directors' Declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached Financial Statements are in compliance with International Financial Reporting Standards, as stated in note 1.1 to the Financial Statements;

(c) in the Directors' opinion, the attached Financial Statements and notes thereto are in accordance with the Corporations Act 2001 (Cth), including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the Directors have been given the declarations required by section 295A of the Corporations Act 2001 (Cth).

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company, which is party to the deed, guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 5.6 to the Financial Statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, liable for by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001 (Cth).

On behalf of the Directors,

Tony Howarth AO
Chairman
Fremantle, 18 September 2017

MMA's vision is to be an industry leader, an employer of choice for our people, a service provider of choice for our customers and a company of choice for our shareholders.

Financial Report 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
Continuing Operations			
Revenue	2.1	221,766	414,724
Investment income		133	937
Other gains/(losses)	2.2	(14,960)	12,354
Vessel expenses		(241,636)	(430,171)
Administration expenses		(7,377)	(9,365)
Impairment charge	2.1	(287,542)	(100,000)
Finance costs		(26,444)	(17,685)
Loss before tax from continuing operations	2.1	(356,060)	(129,206)
Income tax benefit	2.4	1,729	16,295
Loss for the Year from continuing operations		(354,331)	(112,911)
Discontinued Operations			
Loss from discontinued operations	2.3	(23,701)	(31,051)
Loss for the Year		(378,032)	(143,962)
Other Comprehensive Income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(6,906)	25,152
Reclassification of exchange differences on disposal of entities		-	(1,835)
Gain/(loss) on hedge of net investment in a foreign operation		7,142	(8,829)
Gain on cashflow hedges		-	6,294
Transfer of cashflow hedge gain to initial carrying amount of hedged items		-	(17,839)
Other comprehensive income for the year, net of tax		236	2,943
Total Comprehensive Loss for the Year		(377,796)	(141,019)
Loss attributable to owners of the Company		(378,032)	(143,962)
Total comprehensive loss attributable to owners of the Company		(377,796)	(141,019)

	Note	Cents Per Share	Cents Per Share
Earnings/(loss) per share			
From continuing operations			
Basic	2.5	(94.98)	(30.31)
Diluted	2.5	(94.98)	(30.31)
From continuing and discontinued operations			
Basic	2.5	(101.33)	(38.64)
Diluted	2.5	(101.33)	(38.64)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	2017 $'000	2016 $'000
Current Assets			
Cash and cash equivalents	3.1	28,757	49,725
Trade and other receivables	3.2	65,317	66,676
Inventories	3.3	3,032	4,263
Current tax assets		-	5,712
Prepayments		1,254	3,349
Assets classified as held for sale	3.4	35,944	-
Total Current Assets		134,304	129,725
Non-Current Assets			
Investments accounted for using the equity method	3.5	-	8,966
Property, plant and equipment	3.6	498,386	955,782
Total Non-Current Assets		498,386	964,748
Total Assets		632,690	1,094,473
Current Liabilities			
Trade and other payables	3.8	37,386	43,940
Unearned revenue		66	3,489
Borrowings	3.9	5	73,083
Provisions	3.10	10,208	14,633
Current tax liabilities		2,607	-
Customer deposits		2,000	2,210
Total Current Liabilities		52,272	137,355
Non-Current Liabilities			
Unearned revenue		-	311
Trade payables		8,597	-
Borrowings	3.9	314,447	318,742
Provisions	3.10	885	806
Deferred tax liabilities	3.11	-	3,093
Total Non-Current Liabilities		323,929	322,952
Total Liabilities		376,201	460,307
Net Assets		256,489	634,166
Equity			
Issued capital	4.1	561,275	556,566
Reserves	4.2	115,199	119,553
Accumulated losses		(419,985)	(41,953)
Total Equity		256,489	634,166

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

Year Ended 30 June 2017	Issued Capital $'000	Employee Equity Settled Benefits Reserve $'000	Hedging Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings/ (Accumulated Losses) $'000	Total $'000
Balance at 1 July 2016	556,566	5,704	(58,345)	172,194	(41,953)	634,166
Comprehensive income/(loss) for the year:						
Loss for the year	-	-	-	-	(378,032)	(378,032)
Other comprehensive income/(loss) for the year	-	-	7,142	(6,906)	-	236
Total Comprehensive Income/(Loss) for the Year	-	-	7,142	(6,906)	(378,032)	(377,796)
Transfer to share capital	4,709	(4,709)	-	-	-	-
Recognition of share based payments	-	285	-	-	-	285
Related income tax benefit	-	(166)	-	-	-	(166)
Balance at 30 June 2017	561,275	1,114	(51,203)	165,288	(419,985)	256,489

Year Ended 30 June 2016	Issued Capital $'000	Employee Equity Settled Benefits Reserve $'000	Hedging Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings/ (Accumulated Losses) $'000	Total $'000
Balance at 1 July 2015	555,681	4,952	(37,971)	148,877	107,578	779,117
Comprehensive income/(loss) for the year:						
Loss for the year	-	-	-	-	(143,962)	(143,962)
Other comprehensive income/(loss) for the year	-	-	(20,374)	23,317	-	2,943
Total Comprehensive Income/(Loss) for the Year	-	-	(20,374)	23,317	(143,962)	(141,019)
Payment of dividends	-	-	-	-	(5,569)	(5,569)
Issue of shares under dividend reinvestment plan	885	-	-	-	-	885
Recognition of share based payments	-	915	-	-	-	915
Related income tax benefit	-	(163)	-	-	-	(163)
Balance at 30 June 2016	556,566	5,704	(58,345)	172,194	(41,953)	634,166

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
Cash Flows from Operating Activities			
Receipts from customers		244,195	579,893
Interest received		133	937
Payments to suppliers and employees		(236,413)	(451,668)
Income tax received		6,638	6,959
Interest and other costs of finance paid		(20,647)	(15,947)
Net Cash (Used in)/Provided by Operating Activities	3.1	(6,094)	120,174
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(28,033)	(172,014)
Proceeds from sale of property, plant and equipment		75,536	34,997
Proceeds from sale of investment		425	-
Dividends received		9,063	4,000
Net Cash Provided by/(Used in) Investing Activities		56,991	(133,017)
Cash Flows from Financing Activities			
Repayment of borrowings		(67,326)	(58,660)
Financing fees on borrowings		(3,723)	(2,574)
Dividends paid	2.6	-	(4,684)
Net Cash Used in Financing Activities		(71,049)	(65,918)
Net decrease in cash and cash equivalents		(20,152)	(78,761)
Cash and cash equivalents at the beginning of the financial year		49,725	124,482
Effects of exchange rate changes on the balance of cash held in foreign currencies		(816)	4,004
Cash and Cash Equivalents at the End of the Financial Year		28,757	49,725

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2017

1. General Notes

MMA Offshore Limited (MMA or the Company) is a listed public company incorporated in Australia. Its shares are traded on the Australian Securities Exchange.

1.1 Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards (AASBs) and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The accounting policies are consistent with those applied in previous reporting periods.

The Financial Statements were authorised for issue by the Directors on 18 September 2017.

1.2 Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for certain assets which have been impaired and financial instruments that are measured at fair values. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted. Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at reporting date are translated at the exchange rate prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise except for certain hedging transactions as described in note 4.2.

For the purposes of preparing the financial statements, the Company is a for profit entity.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with this Corporations Instrument, amounts in the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

1.3 Basis of Consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Financial Statements

For the year ended 30 June 2017

1. General Notes (continued)

1.4 New Accounting Standards

Adoption of New and Revised Accounting Standards and Interpretations

In the current year, the Group has applied the following new and amended AASBs that are mandatorily effective for an accounting period that begins on or after 1 July 2016:

AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	This amendment clarifies that an entity need not provide specific disclosure required by an AASB if the information resulting from the disclosure is not material. In addition the amendment provides guidance regarding the structure of the financial statements including ordering and grouping of notes.

The adoption of this standard has not resulted in any adjustment to the amounts recognised in the financial statements.

Standards and Interpretations issued but not yet effective

At the date of authorisation of the Financial Statements, the Standards and Interpretations listed below were issued but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 'Revenue from Contracts with Customers'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018
AASB 9 'Financial Instruments'	1 January 2018	30 June 2019

The Group has reviewed AASB 15, 16 and 2016-2 and the preliminary assessment indicates there is unlikely to be any material impact on its financial statements. The Group is still assessing the impact of adopting AASB 9.

1.5 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following critical judgement has been made by the Directors in the process of applying the Group's accounting policies.

Allowance for doubtful debts – refer note 3.2

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment – refer note 3.6

Impairment of property, plant and equipment – refer note 3.7

Notes to the Financial Statements

For the year ended 30 June 2017

2. Financial Performance

2.1 Segment Information

An operating segment is a component of a group that engages in business activities from which it may earn revenue and incur expenses and whose operating results are regularly reviewed by the chief operating decision maker (the Board of Directors) for the purposes of resource allocation and assessment of segment performance. For the current reporting period the Group had one reportable segment in continuing operations being its Vessel operations.

The Group's previously reportable Supply Base and Slipway segments, which were sold during the current year, have been classified as discontinued operations (see note 2.3).

Information regarding the Vessel operating segment is presented below. The accounting policies of the reportable segment are the same as the Group's accounting policies.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Revenue from external customers		Impairment charge		Profit/(loss) after impairment	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Continuing Operations						
Vessels	221,766	414,724	(287,542)	(100,000)	(307,412)	(115,447)
Investment income					133	937
Other gains/(losses)					(14,960)	12,354
Administration costs					(7,377)	(9,365)
Finance costs					(26,444)	(17,685)
Loss from continuing operations before income tax					(356,060)	(129,206)

Segment loss represents the loss earned by the Vessel segment without allocation of investment revenue, other gains and losses, administration costs, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined progressively at contractual rates as service hours are delivered and direct expenses incurred.

Segment Assets

The following is an analysis of the Group's assets by reportable segment:

	2017 $'000	2016 $'000
Vessel segment assets(i)	582,002	937,658
Unallocated assets	41,742	69,340
Total continuing assets	623,744	1,006,998
Assets relating to discontinued operations(ii)	8,946	87,475
Total	632,690	1,094,473

(i) Vessel segment assets include vessels held for sale (see note 3.4).

(ii) Trade receivables outstanding at 30 June 2017 related to Supply Base and Slipway.

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than cash, investments in jointly controlled entities, other financial assets, current tax assets and central administration assets.

Notes to the Financial Statements

For the year ended 30 June 2017

2. Financial Performance (continued)

2.1 Segment Information (continued)

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Vessel assets	44,708	80,286	31,010	156,403
Unallocated assets	833	1,024	49	-
Total	45,541	81,310	31,059	156,403

Impairment charges from continuing operations

In addition to the depreciation charges reported above, the Group also recognised impairment charges (see note 3.7) in respect of vessels as set out below:

	2017 $'000	2016 $'000
Vessels held for continuing operations	158,089	100,000
Vessels held for sale	129,453	-
Total	287,542	100,000

Geographical information

The Group is based in two principal geographical areas – Australia (country of domicile) and Singapore, however the fleet is traded around the world as a single fleet and moves between all geographical areas.

During the year, the Group operated vessels in a number of countries outside of Australia. The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed in the following table.

	Revenue from external customers		Non-current assets(i)	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Location				
Australia	148,804	323,616	187,018	340,597
Other	72,962	91,108	311,368	615,185
Total	221,766	414,724	498,386	955,782

(i) Non-current assets excluding investments accounted for using the equity method.

Information about major customers for continuing operations

Included in revenues arising from vessel services are revenues of approximately $30.5 million (2016: $38.2 million) which arose from sales to the Group's largest customer, revenues of approximately $28.7 million (2016: $61.4 million) which arose from sales to the Group's second largest customer and revenues of approximately $26.5 million (2016: $7.3 million) which arose from sales to the Group's third largest customer.

Notes to the Financial Statements

For the year ended 30 June 2017

2. Financial Performance (continued)

2.2 Other Income and Expenses

	2017 $'000	2016 $'000
Profit/(loss) for the year has been arrived at after recognising the following specific amounts		
Other gains and losses:		
Net foreign exchange gains/(losses)	(271)	981
Loss on disposal of property, plant and equipment	(11,423)	(3,791)
Loss on disposal of assets held for sale	(3,266)	-
Gain on disposal of investment	-	15,164
Total	(14,960)	12,354
Depreciation:		
Leasehold buildings and improvements	261	1,004
Vessels at cost	43,548	78,106
Plant and equipment	1,678	2,134
Plant and equipment – hire purchase	54	66
Total	45,541	81,310
Impairment charges:		
Impairment charge recognised on trade receivables	8,631	7,279
Reversal of impairment charge recognised on trade receivables	-	(1)
Impairment charge recognised on vessel cash generating unit	287,542	100,000
Employee benefits:		
Post employment benefits:		
Defined contribution plans	9,675	12,969
Share based payments:		
Equity settled share based payments	285	915
Other employee benefits	99,193	139,706
Total	109,153	153,590

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Notes to the Financial Statements

For the year ended 30 June 2017

2. Financial Performance (continued)

2.3 Discontinued Operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and represents a major segment(s) of the business and is part of a single coordinated plan to dispose of such a line of business. Information regarding the results of the discontinued operations presented separately in the Statement of Profit or Loss and Other Comprehensive Income is presented below.

Dampier Supply Base and Slipway businesses

At 31 December 2016, the Group classified the Dampier Supply Base and Slipway businesses as held for sale and discontinued operations.

On 15 June 2017, the Group disposed of the Dampier Supply Base and Slipway businesses.

Investment in Toll Mermaid Logistics Broome Pty Ltd (TMLB)

On 28 April 2017 the Group disposed of its 50% investment in TMLB which operated the Broome Supply Base business and accordingly, classified the investment as a discontinued operation. This investment was previously accounted for using the equity method.

Analysis of profit/(loss) for the year from discontinued operations

The combined results of the discontinued operations included in the profit/(loss) for the year are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period.

	2017 $'000	2016 $'000
Profit/(Loss) for the period of discontinued operations		
Revenue	34,630	66,399
Share of profit from jointly controlled entity	522	2,611
Total revenue	35,152	69,010
Expenses	(33,365)	(56,066)
Loss on sale of discontinued operations	(842)	-
Impairment charge on measurement to fair value	(24,646)	(39,000)
Loss before tax	(23,701)	(26,056)
Attributable income tax expense	-	(4,995)
Loss for the period from discontinued operations	(23,701)	(31,051)
Cash flows from discontinued operations		
Net cash inflows from operating activities	92	34,127
Net cash inflows from investing activities	50,355	6,357
Net cash outflows from financing activities	(861)	(1,701)
Net cash inflows	49,586	38,783

Notes to the Financial Statements

For the year ended 30 June 2017

2. Financial Performance (continued)

2.4 Income Taxes

	2017 $'000	2016 $'000
Income tax recognised in profit or loss		
Tax (benefit)/expense comprises:		
Current tax expense in respect of the current year	1,063	2,635
Deferred tax benefit in respect of the current year	(3,160)	(7,695)
Adjustment recognised in the current year in relation to tax provisions of prior years	368	(11,235)
Total income tax benefit	(1,729)	(16,295)
The income tax (benefit)/expense for the year can be reconciled to accounting loss as follows:		
Loss from operations	(356,060)	(129,206)
Income tax benefit calculated at 30%	(106,818)	(38,762)
Effect of revenue that is exempt from taxation	(226)	(884)
Effect of expenses that are not deductible in determining taxable profit	75,842	28,208
Effect of tax deductible items not included in accounting profit	(461)	(250)
Effect of foreign income taxable in Australia	570	1,671
Effect of tax losses utilised	-	(1,623)
Effect of unused tax losses and temporary differences not recognised as deferred tax assets	25,230	6,030
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,766	550
	(2,097)	(5,060)
Adjustment recognised in the current year in relation to tax provisions of prior years	368	(11,235)
Total income tax benefit	(1,729)	(16,295)

The tax rate used for the 2017 and 2016 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the year ended 30 June 2017

2. Financial Performance (continued)

2.5 Earnings per Share

The earnings used in the calculation of basic and diluted earnings per share are as follows:

	2017 $'000	2016 $'000
Loss for the year used in the calculation of basic and diluted earnings per share from continuing operations	(354,331)	(112,911)
Loss from discontinued operations	(23,701)	(31,051)
Loss for the year used in the calculation of basic and diluted earnings per share	(378,032)	(143,962)

	2017 No.'000	2016 No.'000
Weighted average number of ordinary shares (basic):		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	373,077	372,581
Weighted average number of ordinary shares (diluted):		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	373,077	372,581
Shares deemed to be issued for no consideration in respect of employee rights	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	373,077	372,581
The following potential ordinary shares are non-dilutive and are therefore excluded from the weighted average number of ordinary shares used in the calculation of diluted earnings per share:		
Employee rights	10,924	13,719

2.6 Dividends Provided for or Paid

No dividends have been provided for or paid during the current year. The dividend paid in the comparative year was a final dividend for the year ended 30 June 2015.

	2017 $'000	2016 $'000
Adjusted franking account balance	47,589	44,000

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities

3.1 Cash

Reconciliation of cash and cash equivalents

Cash balances include $10.2 million held in Escrow under the terms of the Group's Syndicated Loan Facility. Amounts in this account may be used to make additional prepayment of the outstanding balance of the Facility (see note 3.9) at any time. The Group may not otherwise withdraw the cash unless approved by a majority of the Syndicate members.

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks.

	2017 $'000	2016 $'000
Cash and cash equivalents	28,757	49,725

Reconciliation of loss for the year to net cash flows from operating activities		
Loss for the year	(378,032)	(143,962)
Depreciation of non-current assets	47,933	89,031
Impairment of non-current assets	312,188	139,000
Amortisation of borrowing costs	3,900	1,739
Loss on sale of property, plant and equipment	11,423	3,791
Loss on sale of assets held for sale	3,266	-
Loss on sale of discontinued operations	842	-
Gain on disposal of investment	-	(15,164)
Unrealised foreign exchange gain	(71)	(228)
Allowance for doubtful debts	8,474	7,279
Bad debts	157	-
Equity settled share based payment	285	915
Share of jointly controlled entity profit	(522)	(2,611)
Change in net assets and liabilities:		
(Increase)/decrease in trade and other receivables	(8,482)	131,343
Decrease in prepayments	2,085	6,562
Decrease in inventories	1,172	558
Decrease/(increase) in current tax balances	8,043	(2,377)
Decrease in provisions	(4,566)	(8,525)
Decrease in trade and other payables	(7,343)	(50,163)
Decrease in unearned revenue	(3,713)	(35,050)
Decrease in deferred tax liabilities	(3,133)	(1,964)
Net cash flows from operating activities	(6,094)	120,174

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.2 Trade and Other Receivables

	2017 $'000	2016 $'000
Trade receivables	76,834	71,181
Allowance for doubtful debts	(21,240)	(13,456)
Other receivables	9,723	8,951
Total	65,317	66,676

The average credit period on rendering of services is 30 days. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past rendering of services.

Of the trade receivables balance at the end of the year, $16.1 million (2016: $18.3 million) is outstanding from the Group's largest debtor and $6.8 million (2016: $6.6 million) from the Group's second largest debtor.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

The carrying amount of trade receivables is reduced by the impairment loss through the use of an allowance account when collection is considered at risk. When a trade receivable is subsequently considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

	2017 $'000	2016 $'000
Ageing of receivables past due but not impaired:		
31-60 days	1,932	2,863
61-90 days	4,680	4,342
91-120 days	2,184	1,362
121-150 days	1,027	2,610
Over 150 days	10,533	18,096
Total	20,356	29,273
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	13,456	6,068
Impairment losses recognised on receivables	8,788	7,197
Amounts written off as uncollectible	(157)	-
Amounts recovered during the year	-	(1)
Foreign exchange translation	(847)	192
Balance at the end of the year	21,240	13,456

Significant Accounting Judgement

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. In making their judgement on the appropriateness of the allowance for doubtful debts they have considered the outcomes of regular meetings with customers, ongoing contractual arrangements and regularity of receipts from the customers. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.3 Inventories

	2017 $'000	2016 $'000
Fuel – at cost	2,501	2,996
Consumables	511	1,215
Work in progress	20	52
Total	3,032	4,263

Inventories are stated at the lower of cost or net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.4 Assets Classified as Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount or fair value less costs to sell. An impairment loss is recognised for any initial write-down of the asset to fair value less costs to sell. Information regarding the assets held for sale in the statement of financial position is presented below.

At 31 December 2016, the Group resolved to dispose of a number of non-core vessels within the fleet. An impairment charge of $129.4 million was recognised on the reclassification of the non-core vessels to held for sale at that date, as the fair value less costs to sell for these vessels was expected to be lower than their carrying amount.

At 30 June 2017, the carrying value of the vessels not yet sold was $35.9 million.

3.5 Investments Accounted For Using The Equity Method

The Company owned a 50% (2016:50%) interest in Toll Mermaid Logistics Broome Pty Ltd (TMLB), which was sold on 28 April 2017 for $8.7 million, represented by a dividend distribution of $8.3 million and sales proceeds of $0.4 million. The carrying value on disposal was $8.7 million (30 June 2016: $9.0 million). The company is incorporated in Australia and provides supply base services in Broome for the offshore oil and gas industry.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.6 Property, Plant and Equipment

	Leasehold Buildings and Improvements at cost $'000	Vessels at cost $'000	Plant and Equipment at cost $'000	Plant and Equipment – Hire Purchase at cost $'000	Fixed Assets under Construction at cost $'000	Total $'000
Gross carrying amount:						
Balance at 1 July 2015	153,464	1,124,071	30,909	11,887	122,551	1,442,882
Additions	2,012	122,237	1,469	-	33,602	159,320
Disposals	(5,409)	(90,716)	(2,057)	(690)	-	(98,872)
Transfers	-	49,895	(61)	-	(49,834)	-
Net currency exchange differences	5,296	38,450	2,503	(2)	5,326	51,573
Balance at 1 July 2016	155,363	1,243,937	32,763	11,195	111,645	1,554,903
Additions	194	12,162	106	569	18,834	31,865
Disposals	(964)	(73,088)	(106)	(690)	-	(74,848)
Transfers	-	134,202	160	(135)	(134,227)	-
Reclassification of assets held for sale	(140,363)	(349,852)	(16,625)	(10,426)	-	(517,266)
Net currency exchange differences	(284)	48,399	(242)	(513)	3,748	51,108
Balance at 30 June 2017	13,946	1,015,760	16,056	-	-	1,045,762
Accumulated depreciation:						
Balance at 1 July 2015	(45,450)	(333,316)	(13,478)	(4,560)	-	(396,804)
Disposals	285	57,295	1,919	585	-	60,084
Impairment charge	(35,071)	(82,570)	(1,845)	(2,084)	(17,430)	(139,000)
Depreciation expense	(6,369)	(78,106)	(3,674)	(882)	-	(89,031)
Net currency exchange differences	(6,714)	(26,215)	(1,442)	1	-	(34,370)
Balance at 1 July 2016	(93,319)	(462,912)	(18,520)	(6,940)	(17,430)	(599,121)
Disposals	291	45,256	72	431	-	46,050
Impairment charge	(21,457)	(275,126)	(3,494)	(1,256)	(10,855)	(312,188)
Depreciation expense	(1,738)	(43,549)	(2,311)	(335)	-	(47,933)
Transfers	-	(27,616)	(125)	101	27,640	-
Reclassification of assets held for sale	105,683	292,472	12,318	7,913	-	418,386
Net currency exchange differences	(1,981)	(51,468)	148	86	645	(52,570)
Balance at 30 June 2017	(12,521)	(522,943)	(11,912)	-	-	(547,376)
Net book value:						
As at 30 June 2016	62,044	781,025	14,243	4,255	94,215	955,782
As at 30 June 2017	1,425	492,817	4,144	-	-	498,386

Leasehold buildings and improvements, vessels, plant and equipment and equipment under finance lease are stated at cost less, where applicable, accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the item.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. Leasehold buildings and improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.6 Property, Plant and Equipment (continued)

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period. The following rates are used in the calculation of depreciation:

Leasehold buildings and improvements	2% - 39% straight-line
Vessels	4% - 8.33% straight-line
Vessel refits	20% - 40% straight-line
Plant and equipment	5% - 100% straight-line

Key Source of estimation uncertainty

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. At the end of this reporting period, the Directors have determined that there was no adjustment required to the Group's property, plant and equipment's useful lives.

3.7 Impairment of Non-current Assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Key Source of estimation uncertainty

Determining whether assets are impaired requires an estimate of the recoverable value of the assets. In order to determine the recoverable value of the assets in the current year, a Fair Value less Cost of Disposal ("FVLCOD") approach was used (2016: FVLCOD approach). The FVLCOD method requires an estimate of the current market value of the assets and the costs that would be associated with a disposal of the assets. In estimating the current market value of the assets, the Group engaged experienced and qualified valuers to perform valuations. At the end of the reporting period, the Directors have determined that there is an impairment charge required to the Group's carrying amount of property, plant and equipment.

The Group performs its impairment testing annually on 30 June each year. In addition, market conditions are monitored for indications of impairment for all of the Group's operating assets. Where an indication of impairment is identified, a formal impairment assessment is performed.

The Group has identified the following indicators of impairment at 30 June 2017:

- the carrying amount of the net assets of the Group is greater than the Company's market capitalisation; and
- market conditions in both Australia and internationally have continued to be challenging as the impact of lower oil prices is felt across the offshore support industry.

As a result, the Group assessed the recoverable amounts of the Vessels Cash-Generating Unit ("CGU").

The Supply Base and Slipway CGUs were classified as Held for Sale as at 31 December 2016 resulting in the recognition of an impairment at that date as disclosed below. These assets were subsequently disposed of on 15 June 2017.

Impairment testing

The Group has evaluated whether the recoverable amount of each CGU exceeds its carrying amount. The recoverable amount is determined to be the higher of its fair value less costs of disposal ("FVLCOD") or its value in use. In all instances, the FVLCOD method was used for the purpose of impairment testing on 30 June 2017.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.7 Impairment of Non-current Assets (continued)

Impairment charges recognised

The following information relates to impairment charges included in profit or loss:

			Impairment charge	
			2017	2016
Segment/CGU	Class of asset	Method	$'000	$'000
Vessels	Property, Plant & Equipment	FVLCOD	287,542	100,000
Supply Base	Property, Plant & Equipment	FVLCOD	22,315	36,000
Slipway	Property, Plant & Equipment	FVLCOD	2,331	3,000
Total			312,188	139,000

The impairment charge recognised for Vessels is reflected as part of the Group's continuing operations (note 2.2) while the impairment charge for Supply Base and Slipway CGUs are reflected in discontinued operations (note 2.3).

The inputs used in deriving the recoverable amount of each CGU is categorised in accordance within the following levels of the fair value hierarchy:

		Recoverable
	Level 3(i)	Amount
CGU	$'000	$'000
Vessels		
Continuing operations	498,386	498,386
Held for sale	35,944	35,944

(i) Level 3 inputs are unobservable inputs used to measure fair value. In our calculations the inputs used are based on both observable and unobservable market data prepared by an independent valuation consultant together with internally determined valuations. Due to the unobservable market data and internal valuation components of the valuations, the inputs are considered Level 3.

Vessels

Industry conditions in Australia and internationally continue to be challenging, as the impact of the continued low oil prices and over supply of vessels are felt across the offshore oil and gas support industry. Oil prices have recovered from near 12-year lows, but continue to remain subdued, reflecting ongoing surplus concerns. As a result of these concerns, MMA is impacted through lower utilisation and charter rates for its vessels. In addition, the value of vessels in the market has continued to decrease.

As disclosed in note 3.4, a group of non-core vessels in the fleet were classified as being held for sale as at 31 December 2016. This classification has resulted in two separate fair value assessments for the fleet, being those core vessels used for continuing operations and those non-core vessels that are held for sale.

Continuing Operations

The recoverable amount of the core vessels was determined using a market based approach, reflecting the value which could be expected to be realised through the disposal of the vessels, in an orderly market, on an "as is where is" basis between a willing buyer and willing seller.

An independent valuation of the fleet was undertaken by a specialist marine valuation consultancy and ship broking company. In preparing their valuation report, some of the factors they considered include the current market conditions in which the vessels operate, a review of recent market sales of similar vessels, consideration of the specification and earnings potential of each vessel and the inherent value and replacement cost of each vessel.

A key input into the recoverable amount of the CGU was the application of a discount to the independent vessel valuation to reflect the amount which would be achieved if the fleet was disposed of in one single transaction. We have applied an 'en bloc' discount of 20% being a rate within a range provided by the independent valuer. A 5% increase or decrease in the 'en bloc' discount rate would result in a corresponding $31 million increase or decrease in the impairment charge.

Another key input was the estimated costs of disposal. The Company has adopted a selling cost equal to 2% of the sale value of each vessel based on actual selling costs of between 1.5% and 2.5% for previous vessel sales.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.7 Impairment of Non-current Assets (continued)

At 30 June 2017, the inputs used in calculating the fair value of the core fleet have moved from Level 2 to Level 3 within the fair value hierarchy. While the underlying independent valuation of each vessel is still considered to be a Level 2 input, the continued weakness in the vessel market and industry has resulted in limited market information being currently available to assess the value of the 'en bloc' discount used in the current reporting period. As a result of this limited observable data, the fair value hierarchy is reclassified to Level 3.

Inputs in determining the classification level within the fair value hierarchy are reassessed at each reporting period as part of the impairment process. The inputs used within calculations are assessed and discussed internally to determine the extent to which they can be compared to observable market information and classified accordingly.

Held for Sale

The recoverable amount of the non-core vessels was determined using a market based approach, reflecting the value which could be expected to be realised through an accelerated sale program.

In the initial assessment of the fair value of these non-core vessels at 31 December 2016, the Company had taken into consideration the following factors:

- the current market values assessed by the independent specialist marine consultancy and broking company
- the recent market evidence of deemed distressed sales of vessels of similar age and classification
- the forecast costs the Company would incur in holding the respective vessels over the next 3 year period
- the accelerated timing in which the Company wants to complete the sales

The Company reassessed the fair value of the remaining non-core vessels at 30 June 2017 to take into consideration the following factors:

- actual sales of the non-core vessels that have been completed to date and contracted vessel sales that will complete in the coming months
- current sale discussions and negotiations on the remaining non-core vessels
- market sales evidence for similar vessels over the past 6 months

The price that would be expected to be received in these circumstances for these non-core vessels would be less than if sold in an orderly transaction with no time restrictions to complete the sale.

3.8 Trade and Other Payables

	2017 $'000	2016 $'000
Trade payables	7,826	9,372
Other payables and accruals	24,390	34,443
Goods and services tax payable	5,170	125
Total	37,386	43,940

The average credit period on purchases of all goods is 30 days. The Group monitors payments to ensure that all payables are paid within the credit time frame.

3.9 Borrowings

	2017 $'000	2016 $'000
Secured – at amortised cost		
Current		
Hire purchase liability(i)	5	432
Bank loans(ii)	-	75,000
Unamortised loan fees(iii)	-	(2,349)
Total	5	73,083
Non-Current		
Hire purchase liability(i)	8	491
Bank loans(ii)	324,209	322,755
Unamortised loan fees(iii)	(9,770)	(4,504)
Total	314,447	318,742

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.9 Borrowings (continued)

Summary of borrowing arrangements:

(i) The hire purchase liabilities are fixed interest rate debt with repayment periods not exceeding 3 years. The current weighted average interest rate on the hire purchase liabilities is 2.9% (2016: 6.41%).

(ii) In May 2014, the Company entered into a five year Syndicated Facility Agreement with NAB and ANZ as mandated lead arrangers together with a further five Syndicate Banks, comprising a A$200 million term loan facility and a US$227 million term loan facility. The Facility was fully secured by fixed and floating charges given by certain controlled entities within the Group, registered ship mortgages over a number of vessels owned by certain controlled entities, real property mortgages and a mortgage by way of sub-demise over the Dampier Supply Base lease.

In February 2016, the Company agreed a number of amendments to the terms and financial covenants of the Facility with the members of the Syndicate in response to the difficult trading conditions in the offshore oil and gas industry.

On 16 September 2016, the Company received approval of some further amendments to the terms and financial covenants of the Facility from the Syndicate members and committed to an increase in the annual principal repayments over the remaining term of the Facility to $75.0 million per annum, with $37.5 million to be settled by 31 December 2016.

On 23 December 2016 the Syndicate agreed to defer the payment of the scheduled amortisation of $37.5 million which was due on 31 December 2016 to 31 March 2017.

Subsequently, on 28 February 2017, the Company and the Syndicate members agreed to a number of further amendments to the Facility including replacing the previous scheduled amortisation payments with a principal repayment of $45 million to be paid on 30 June 2017 and the remaining balance of the Facility to be repaid at the termination date. The parties also agreed to extend the term of the Facility for a further 6 month period to 30 September 2019.

The $45 million principal repayment at 30 June 2017 was funded primarily from the proceeds of the sale of the Company's Dampier Supply Base and Slipway businesses.

The Company also applied proceeds received from the non-core vessels sales program and the sale of its 50% shareholding in the jointly controlled Company, Toll Mermaid Logistics Broome Pty Ltd, toward prepayment of the remaining balance of the Facility.

In accordance with the terms of the Facility, proceeds from the sale of the remaining non-core vessels will also be applied toward prepayment of the remaining balance of the Facility.

The current weighted average interest rate on the bank loans is 7.6% (2016: 3.77%).

(iii) The unamortised loan fees are in relation to the Syndicated Facility Agreement.

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in the profit and loss.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.9 Borrowings (continued)

Available borrowing facilities	2017 $'000	2016 $'000
Secured loan facilities with various maturity dates through to 2019 and which may be extended by mutual agreement:		
Amount used	324,209	397,755
Amount unused	-	-
Total	324,209	397,755
Secured bank overdraft:		
Amount used	-	-
Amount unused	4,000	4,000
Total	4,000	4,000

3.10 Provisions

	2017 $'000	2016 $'000
Current		
Employee benefits – annual leave	6,553	7,075
Employee benefits – long service leave	3,507	3,418
Restructuring costs – shipbuilding operations	148	889
Warranty & Cancellation costs – shipbuilding operations	-	3,251
Total	10,208	14,633
Non-current		
Employee benefits – long service leave	885	806

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is performed.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A restructuring provision is recognised when the Group has developed a detailed formal plan for restructuring and has raised a valid expectation with those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.11 Deferred Tax Balances

Deferred tax assets/(liabilities) arise from the following:

2017	Opening Balance $'000	Recognised in Profit or Loss $'000	Recognised in Equity $'000	Closing Balance $'000
Gross deferred tax liabilities:				
Property, plant and equipment	(11,098)	6,219	336	(4,543)
Inventory	(903)	443	-	(460)
Receivables	(674)	6	-	(668)
Other	(104)	148	-	44
	(12,779)	6,816	336	(5,627)
Gross deferred tax assets:				
Provisions	684	(48)	-	636
Employee share trust	382	85	(166)	301
Unearned revenue	104	(104)	-	-
Unused tax losses and credits	7,995	(3,368)	(237)	4,390
Other	521	(221)	-	300
	9,686	(3,656)	(403)	5,627
Total	(3,093)	3,160	(67)	-
2016				
Gross deferred tax liabilities:				
Property, plant and equipment	(8,756)	(1,197)	(1,145)	(11,098)
Inventory	(625)	(278)	-	(903)
Receivables	(658)	(16)	-	(674)
Other	(10,401)	10,297	-	(104)
	(20,440)	8,806	(1,145)	(12,779)
Gross deferred tax assets:				
Provisions	4,247	(3,563)	-	684
Share issue costs	14	(14)	-	-
Employee share trust	270	275	(163)	382
Unearned revenue	7,389	(7,285)	-	104
Unused tax losses and credits	3,187	4,410	398	7,995
Other	450	71	-	521
	15,557	(6,106)	235	9,686
Total	(4,883)	2,700	(910)	(3,093)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Assets and Liabilities (continued)

3.11 Deferred Tax Balances (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period(s) in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Unrecognised deferred tax assets	2017 $'000	2016 $'000
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Tax losses (revenue in nature)	39,371	10,057
Tax losses (capital in nature)	19,313	837
Deductible temporary differences	10,116	10,976

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, MMA Offshore Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if any entity should leave the tax consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

Notes to the Financial Statements

For the year ended 30 June 2017

4. Capital Structure

4.1 Issued Capital

Fully Paid Ordinary Shares	2017 No.'000	2017 $'000	2016 No.'000	2016 $'000
Balance at beginning of financial year	373,077	556,566	371,220	555,681
Issue of shares under employee rights plans	-	-	122	-
Transfer employee equity settled benefits reserve	-	4,709	-	-
Issue of shares under dividend reinvestment plan	-	-	1,735	885
Balance at end of financial year	373,077	561,275	373,077	556,566

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share Rights

As at 30 June 2017, executives and employees held rights over 10,923,881 ordinary shares (2016: 13,718,778) in aggregate (see note 5.2).

Share rights granted under the employee share rights plans carry no right to dividends and no voting rights.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

4.2 Reserves

	2017 $'000	2016 $'000
Employee equity settled benefits	1,114	5,704
Hedging	(51,203)	(58,345)
Foreign currency translation	165,288	172,194
Balance at end of financial year	115,199	119,553

The employee equity settled benefits reserve arises on the grant of share rights to executives and employees under the Company's share rights plans. Amounts are transferred out of the reserve and into issued capital when the rights vest or expire.

The hedging reserve is used to record gains and losses on hedges designated as cash flow hedges including hedges of net investments in a foreign operation. Gains and losses accumulated in the hedge reserve are taken to the profit or loss when the hedged transaction impacts the profit or loss, or is included as an adjustment to the initial carrying amount of the hedged item. For a net investment in a foreign operation any gains and losses are taken to profit and loss on disposal of the foreign operation.

The foreign currency translation reserve represents exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian Dollars.

The assets and liabilities of the Group's foreign operations are translated into Australian Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised through other comprehensive income and recognised in equity.

On the disposal of the foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2017

4. Capital Structure (continued)

4.3 Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2016.

The capital structure of the Group consists of net debt (borrowings as detailed in note 3.9 offset by cash at bank balances) and equity of the Group (comprising issued capital and reserves as detailed in notes 4.1 and 4.2 and accumulated losses).

The Group is not subject to any externally imposed capital requirements other than normal banking requirements.

Based on recommendations of management and the Board, the Group will balance its overall capital structure through new share issues as well as the establishment of new borrowing facilities or repayment of existing facilities. The Group uses its gearing ratio (measured as net debt to equity) to manage its capital. The ratio is monitored on a monthly basis by the Board and management.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

	2017 $'000	2016 $'000
Debt(i)	314,452	391,825
Cash and cash equivalents	(28,757)	(49,725)
Net debt	285,695	342,100
Equity(ii)	256,489	634,166
Gearing ratio	111%	54%

(i) Debt is defined as long and short-term borrowings, as detailed in note 3.9.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes

5.1 Commitments for Expenditure

Capital expenditure commitments	2017 $'000	2016 $'000
Plant and Equipment	339	13
Leasehold Improvements	-	132
Vessels	1,149	7,331
Total	1,488	7,476

Finance lease liabilities

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Not later than 1 year	6	475	5	432
Later than 1 year and not later than 5 years	10	513	8	491
Minimum future payments	16	988	13	923
Less future finance charges	(3)	(65)	-	-
Present value of minimum lease payments	13	923	13	923
Included in the Financial Statements as:				
Borrowings – current (note 3.9)			5	432
Borrowings – non-current (note 3.9)			8	491
Total			13	923

Finance leases relate to various equipment with lease terms of up to 5 years. The Group has options to purchase the equipment for a nominated amount at the conclusion of the lease agreements.

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs and reduction of the lease obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.1 Commitments for Expenditure (continued)

Operating leases	2017 $'000	2016 $'000
Payments recognised as an expense:		
Minimum lease payment	14,848	118,222
Non-cancellable operating lease commitments:		
Not later than 1 year	3,345	10,309
Later than 1 year and not later than 5 years	5,483	13,585
Total non-cancellable operating lease commitments	8,828	23,894
Aggregate operating lease commitments comprise:		
Office rental commitments(i)	4,363	7,153
Onshore facility rental commitments(ii)	3,969	11,919
Vessel charter fee commitments(iii)	-	3,788
Other(iv)	496	1,034
Total	8,828	23,894

(i) The Group has a lease on the head office premises at Fremantle, Australia which expires on 4 August 2020, with an option to extend for a further 5 year term. The Group also has a 3 year lease agreement in place for the Singapore office expiring on 31 January 2018.

(ii) The Group has a rental commitment for the lease of the Singapore Onshore Facility for a term expiring on 15 April 2021. The Group also has a Licence Agreement to operate the Dampier Slipway facility for 1 year expiring 15 June 2018, with an option for a further year.

(iii) As of 30 June 2017, the Company had no vessels (2016:1 vessel) under a bare boat charter agreement. Vessel charter commitments represent charter fee payments to be made to the owners of these vessels.

(iv) The Group has leases over a number of residential properties and various items of machinery and equipment. These leases are all on commercial terms for periods up to 5 years.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group as lessor

In the previous year the Group had sub lease agreements and equipment rental agreements with clients at the Dampier Supply Base. The Group also had bareboat charter agreements, relating to certain vessels.

	2017 $'000	2016 $'000
Non-cancellable operating lease receivables:		
Not later than 1 year	-	12,652
Later than 1 year and not later than 5 years	-	23,335
Total	-	35,987

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.2 Share Based Payments

Share rights incentive plans

The Group has established ownership based compensation plans whereby executives and employees of the Group have been issued rights over ordinary shares of MMA Offshore Limited.

Upon exercise, each share right, converts into one ordinary share of MMA Offshore Limited. No amounts are paid or are payable by the recipient on receipt of the rights. The rights carry no entitlement to dividends and no voting rights. Holders of rights do not have the entitlement, by virtue of the right, to participate in any share issue of the Company. The rights may be exercised at any time from their vesting date to the date of their expiry. The rights are not quoted on the ASX.

The following share based payment arrangements were in existence during the current reporting period:

Series		Number issued	Grant Date	Expiry Date	Exercise price $	Fair Value at Grant date $
(1)	Issued 03 December 2013	1,092,384	11 Oct 2013	1 Jul 2016	0.00	2.14
(2)	Issued 03 December 2013	339,238	11 Oct 2013	1 Jul 2016	0.00	2.02
(3)	Issued 03 December 2013	346,023	21 Nov 2013	1 Jul 2016	0.00	1.71
(4)	Issued 22 October 2014	1,052,625	22 Oct 2014	1 Jul 2017	0.00	1.09
(5)	Issued 1 December 2014	11,382	1 Dec 2014	1 Jul 2017	0.00	1.09
(6)	Issued 1 December 2014	430,075	18 Nov 2014	1 Jul 2017	0.00	0.75
(7)	Issued 10 February 2016	2,001,432	18 Nov 2015	1 Jul 2020	0.00	0.02
(8)	Issued 10 February 2016	8,037,836	7 Dec 2015	1 Jul 2020	0.00	0.02
(9)	Issued 07 June 2016	220,284	18 Apr 2015	1 Jul 2020	0.00	0.02

None of the Performance Criteria for rights issued during the 2014 financial year as part of Series 1, 2 and 3 were met. As such, all the rights have lapsed in accordance with the terms of the Plan rules.

Performance Rights issued during the 2015 financial year as part of Series 4, 5 and 6 to executives and employees are subject to achievement of a number of vesting targets. 25% of the rights are subject to achieving normalised earnings per share (EPS) growth targets over the 3 year vesting period and the remaining 75% are subject to the Company's Total Shareholder Return percentile ranking relative to a selected Peer Group. At 30 June 2017 none of the performance criteria for these rights had been met and they will lapse in accordance with the terms of the Plan rules.

Performance Rights issued during the 2016 financial year as part of Series 7, 8 and 9 to executives and employees are subject to achievement of a number of vesting targets. 50% of the rights are subject to achieving a share price target and the remaining 50% are subject to the Company's Total Shareholder Return percentile ranking relative to a selected Peer Group over the 3 year vesting period.

Please refer to the Remuneration Report on pages 38 to 47 for further details of Performance Rights issued to executives and employees.

Fair value of share rights granted during the year

There were no share rights granted during the year.

Equity settled share based payments to employees are measured at fair value of the equity instrument at grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with corresponding adjustment to the employee equity settled benefits reserve.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.2 Share Based Payments (continued)

Movement in share rights during the period

The following reconciles the outstanding share rights at the beginning and end of the financial year:

	2017		2016	
Employee Share Right Plans	Number of rights	Weighted average exercise price $	Number of rights	Weighted average exercise price $
Balance at the beginning of the financial year	13,718,778	0.00	4,172,468	0.00
Granted during the financial year	-	0.00	10,259,552	0.00
Exercised during the financial year	-	0.00	(121,546)	0.00
Forfeited during the financial year	(815,406)	0.00	-	0.00
Expired during the financial year	(1,979,491)	0.00	(591,696)	0.00
Balance at the end of the financial year	10,923,881	0.00	13,718,778	0.00
Exercisable at end of the financial year	-	0.00	-	0.00

Share rights outstanding at the end of the year

The following share rights were outstanding at the end of the financial year:

Series		Number	Exercise price $	Expiry Date
(4)	Issued 22 October 2014	926,764	0.00	1 Jul 2017
(5) & (6)	Issued 01 December 2014	441,457	0.00	1 Jul 2017
(7)	Issued 10 February 2016	2,001,432	0.00	1 Jul 2020
(8)	Issued 10 February 2016	7,333,944	0.00	1 Jul 2020
(9)	Issued 07 June 2016	220,284	0.00	1 Jul 2020
Total		10,923,881		

5.3 Key Management Personnel Compensation

Please refer to the Remuneration Report for details of key management personnel.

The aggregate compensation made to the Directors and other key management personnel of the Company and the Group is set out below:

	2017 $	2016 $
Short-term employee benefits	3,884,357	4,322,925
Post-employment benefits	231,100	247,383
Other long-term benefits	55,220	76,382
Termination benefits	302,342	-
Share based payments	394,657	607,681
Total	4,867,676	5,254,371

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.4 Related Party Transactions

The immediate parent and ultimate controlling party of the Group is MMA Offshore Limited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of Goods		Purchase of Goods	
	2017 $	2016 $	2017 $	2016 $
Jointly controlled entity	44,809	65,505	8,770	2,191

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related party		Amounts owed to related party	
	2017 $	2016 $	2017 $	2016 $
Jointly controlled entity	-	17,893	-	-

Sales and purchases of services to and from related parties were made at normal commercial rates.

Amounts outstanding were unsecured and were settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of amounts owed by related parties.

Loans to related parties

The Group provided a member of its key management personnel with a short term loan during the year, at a rate comparable to the average commercial rate of interest. The outstanding balance at the end of the year was $24,732 (2016: $34,870).

Other related party transactions

Other transactions that occurred during the financial year between entities in the wholly owned Group were the charter of vessels and the provision of Supply Base and Slipway services. These are all provided at commercial rates.

5.5 Remuneration of Auditors

	2017 $	2016 $
Auditor of the Parent Entity		
Audit or review of the financial report	313,076	361,725
Advice relating to debt restructure	344,978	-
Total	658,054	361,725
Network firms of the Parent Entity auditor		
Audit or review of the financial report	285,822	382,566
Taxation compliance services	62,780	43,652
Total	348,602	426,218

The auditor of MMA Offshore Limited is Deloitte Touche Tohmatsu (“Deloitte”).

Following a detailed review by the Audit and Risk Committee of the nature of the non-audit services provided by the external auditor during the year, the Board has determined that the services provided, and the amount paid for those services, are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth) and that the auditor’s independence has not been compromised.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.6 Subsidiaries

The Group’s material subsidiaries at the end of the reporting period are as follows:

	Note	Country of Incorporation	Ownership Interest 2017 %	Ownership Interest 2016 %
Parent Entity				
MMA Offshore Limited	(i)	Australia		
Subsidiaries				
MMA Offshore Vessel Operations Pty Ltd	(ii) (iii)	Australia	100	100
MMA Offshore Charters Pty Ltd	(ii) (iii)	Australia	100	100
MMA Offshore Supply Base Pty Ltd	(ii) (iii)	Australia	100	100
MMA Offshore Asia Pte Ltd		Singapore	100	100
MMA Offshore Logistics Pty Ltd	(ii) (iii)	Australia	100	100
MMA Offshore Vessel Holdings Pte Ltd	(ii)	Singapore	100	100
MMA Offshore Malaysia Sdn Bhd		Malaysia	100	100
MMA Offshore Shipyard and Engineering Services Pte Ltd		Singapore	100	100
Airia Jaya Marine (S) Pte Ltd		Singapore	100	100
MMA Offshore Asia Vessel Operations Pte Ltd		Singapore	100	100
JSE Offshore Shipping Pte Ltd		Singapore	100	100
JSE Offshore (Labuan) Pte Ltd		Malaysia	100	100
Concord Offshore (Labuan) Ltd		Malaysia	100	100
PT Jaya Asiatic Shipyard		Indonesia	100	100

(i) MMA Offshore Limited is the head entity within the tax consolidated group.

(ii) These companies are members of the tax consolidated group.

(iii) Pursuant to ASIC Class Order 98/1418, relief has been granted to these wholly owned controlled entities from the Corporations Law requirements for preparation, audit and lodgement of the financial report. As a condition of the Class Order, MMA Offshore Limited and the controlled entities entered into a Deed of Cross Guarantee on 15 February 2012.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.6 Subsidiaries (continued)

The consolidated statements of comprehensive income and financial position of entities which are party to the deed of cross guarantee are as follows:

	2017 $'000	2016 $'000
Statement of Comprehensive Income		
Continuing Operations		
Revenue	150,341	323,616
Investment income	2,759	2,696
Dividend income	9,063	50,025
Other income/(losses)	3,906	(10,258)
Vessel expenses	(146,544)	(307,563)
Administrative expenses	(7,377)	(9,365)
Impairment charge	(453,437)	(85,866)
Finance costs	(26,450)	(17,075)
Loss before income tax expense from continuing operations	(467,739)	(53,790)
Income tax benefit/(expense)	(368)	4,313
Loss for the year from continuing operations	(468,107)	(49,477)
Discontinued Operations		
Loss from discontinued operations	(23,701)	(31,051)
Loss for the Year	(491,808)	(80,528)
Other Comprehensive Income		
Gain on cashflow hedges	-	6,294
Transfer of cashflow hedge gain to initial carrying amount of hedged items	-	(17,839)
Other comprehensive income/(loss) for the year, net of tax	-	(11,545)
Total Comprehensive Income/(Loss) for the year	(491,808)	(92,073)

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.6 Subsidiaries (continued)

	2017 $'000	2016 $'000
Statement of Financial Position		
Current Assets		
Cash and cash equivalents	24,944	35,767
Trade and other receivables	38,831	33,487
Inventories	1,535	3,063
Prepayments	717	2,474
Assets classified as held for sale	857	-
Current tax assets	-	11,128
Total Current Assets	66,884	85,919
Non-Current Assets		
Investments accounted for using the equity method	-	8,966
Other financial assets	335,537	748,071
Property, plant and equipment	112,932	235,880
Total Non-Current Assets	448,469	992,917
Total Assets	515,353	1,078,836
Current Liabilities		
Trade and other payables	39,285	34,143
Unearned revenue	-	1,980
Borrowings	-	73,083
Provisions	9,447	9,955
Total Current Liabilities	48,732	119,161
Non-Current Liabilities		
Unearned revenue	-	311
Other payables	1,901	-
Borrowings	314,452	318,742
Provisions	885	806
Total Non-Current Liabilities	317,238	319,859
Total Liabilities	365,970	439,020
Net Assets	149,383	639,816
Equity		
Issued capital	561,275	556,566
Reserves	1,114	4,448
Retained earnings/(accumulated losses)	(413,006)	78,802
Total Equity	149,383	639,816
Retained earnings/(accumulated losses)		
Retained earnings at beginning of the financial year	78,802	164,899
Net loss	(491,808)	(80,528)
Dividend provided for or paid	-	(5,569)
Retained earnings/(accumulated losses) at end of the financial year	(413,006)	78,802

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.7 Parent Company Information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the Consolidated Financial Statements.

Financial Position	2017 $'000	2016 $'000
Assets		
Current assets	17,352	39,599
Non-current assets	563,601	1,030,163
Total assets	580,953	1,069,762
Liabilities		
Current liabilities	4,982	73,220
Non-current liabilities	319,482	324,549
Total liabilities	324,464	397,769
Net Assets	256,489	671,993
Equity		
Issued capital	561,289	556,579
Retained earnings/(accumulated losses)	(420,079)	114,122
Profit reserve - 2016[(i)]	114,122	-
Employee equity settled benefits reserve	1,157	1,292
Total Equity	256,489	671,993
Financial Performance		
Loss for the year	(420,079)	(36,811)
Other comprehensive gain	-	-
Total comprehensive loss	(420,079)	(36,811)
Guarantees provided under the deed of cross guarantee	41,506	41,251
Commitments for the acquisition of property, plant and equipment by the parent entity	-	-

(i) A profit reserve has been created this year and represents an appropriation of amounts from retained earnings for the payment of future dividends.

5.8 Financial Instruments

Categories of financial instruments	2017 $'000	2016 $'000
Financial assets		
Cash and cash equivalents	28,757	49,725
Loans and receivables	65,317	66,676
Financial liabilities		
Payables and borrowings at amortised cost	360,435	435,765

Financial risk management objectives

The Group's treasury function includes the management of the Group's financial assets and commitments including ensuring adequate procedures and controls are in place to manage financial risks. These risks include market risk (including currency and interest rate risk) credit risk and liquidity risk.

A Treasury Policy has been approved by the Board and provides guidelines for conducting treasury activities. Compliance with this Policy is monitored through internal audit procedures and subsequent reporting to the Audit and Risk Committee.

The Group seeks to minimise the effects of these risks, by using, where considered appropriate, derivative financial instruments to hedge these risk exposures. The allowable financial derivatives and conditions for their use are documented in the Treasury Policy. The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purposes.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.8 Financial Instruments (continued)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Where required, the Group can enter into a range of derivative financial instruments to manage its exposure to these risks.

At a Group level, these market risks are managed through sensitivity analysis. There is no change in the manner in which these risks are managed and measured in the current year.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the financial year are as follows:

	Liabilities		Assets	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
US Dollars	17,061	28,473	41,844	63,394
Singapore Dollars	3,518	10,626	2,335	3,494
Euro	643	937	877	59
Other	975	2,864	1,224	1,443

Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollars (USD), Singapore Dollars (SGD) and Euro (EUR).

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. The 10% sensitivity represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian Dollar against the relevant currency, there would be an equal and opposite impact on the profit or equity.

	Profit or Loss		Equity[(i)]	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
US Dollar Impact	(788)	(103)	(1,465)	(3,072)
Singapore Dollar Impact	1	75	107	573
Euro Impact	(17)	14	(5)	66

(i) The current and comparative year USD impact relates to the translation from the functional currencies of the Group's foreign entities into Australian Dollars.

The Group's profit and loss sensitivity to foreign currency has increased at the end of the current period due to higher USD denominated assets in Australian operations.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.8 Financial Instruments (continued)

Interest rate risk management

The Group is exposed to interest rate risk because it borrows funds primarily at floating interest rates. The risk is managed by the Group by the use of interest rate swap contracts when considered appropriate. Hedging activities are evaluated regularly to align with interest rate views ensuring the most cost-effective hedging strategies are applied, if required.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At reporting date, if interest rates had been 100 basis points higher/lower and all other variables were held constant, the impact on the net profit of the Group would be as follows:

- Net profit would decrease/increase by $3,242,085 (2016: decrease/increase by $3,977,559). This is attributable to the Group's exposure to interest rates on its variable borrowings.

The Group's sensitivity to interest rates has decreased during the current year due to the decrease in the carrying value of the variable rate debt instruments as a result of the principal repayments made during the year.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a policy of only dealing with credit worthy counterparties. The Group's exposures to its counterparties are continuously monitored by management. Where appropriate, the Group obtains guarantees from customers. Cash terms, advance payments or letters of credit are required from customers of lower credit standing.

Trade receivables consist of a large number of customers spread across the offshore oil and gas exploration, development and production industries and across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

Apart from the largest and second largest trade receivables (refer note 3.2), the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on the largest and second largest receivables is managed through regular meetings with the customers, ongoing contractual arrangements and regular receipts for the balances outstanding.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate cash reserves, overdraft and borrowing facilities, continuously monitoring forecast and actual cash flows and managing credit terms with customers and suppliers. Note 3.9 sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.8 Financial Instruments (continued)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from current interest rates at the end of the reporting period.

	Weighted average effective interest rate %	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Total $'000
30 June 2017						
Non-interest bearing	-	37,386	-	-	8,597	45,983
Finance lease liability	2.90	1	1	4	10	16
Variable interest rate instruments	7.60	2,899	4,124	18,457	355,106	380,586
Total		40,286	4,125	18,461	363,713	426,585
30 June 2016						
Non-interest bearing	-	43,940	-	-	-	43,940
Finance lease liability	6.41	62	124	290	518	994
Variable interest rate instruments	3.77	1,435	2,503	85,471	342,409	431,818
Total		45,437	2,627	85,761	342,927	476,752

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

	Weighted average effective interest rate %	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Total $'000
30 June 2017						
Non-interest bearing	-	23,354	8,430	27,084	6,449	65,317
Variable interest rate instruments	1.06	28,782	-	-	-	28,782
Total		52,136	8,430	27,084	6,449	94,099
30 June 2016						
Non-interest bearing	-	8,638	4,521	49,868	3,649	66,676
Variable interest rate instruments	1.22	49,776	-	-	-	49,776
Total		58,414	4,521	49,868	3,649	116,452

The Group has access to financing facilities as described in note 3.9, of which $4.0 million were unused at the end of the reporting period (2016: $4.0 million). The Group expects to meet its other obligations from the proceeds of the ongoing vessel sales programme, operating cash flows and proceeds of maturing financial assets.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Other Notes (continued)

5.8 Financial Instruments (continued)

Fair value of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

5.9 Events After the Reporting Period

There has not been any matter or circumstance that occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Additional Securities Exchange Information

For the year ended 30 June 2017

Ordinary Share Capital (as at 7 September 2017)

373,076,993 fully paid ordinary shares are held by 7,611 individual shareholders. All issued ordinary shares carry one vote per share.

Substantial shareholders	Number of Shares	% of Issued Capital
Halom Investments Pte Ltd	66,045,938	17.70
Black Crane Asia Opportunities Fund	38,709,498	10.38
Mr Hassan El Ali	19,849,123	5.32

Distribution of Holders of Ordinary Shares (as at 31 August 2017)

Size of Holding	Number of ordinary shareholders
1 to 1,000	1,696
1,001 to 5,000	2,293
5,001 to 10,000	1,257
10,001 to 100,000	2,129
100,001 and over	258
Total	7,633

Twenty Largest Shareholders (as at 7 September 2017)

	Twenty Largest Shareholders (as at 7 September 2017)	Number of Shares	% of Issued Capital
1	HSBC Custody Nominees (Australia) Limited	89,124,723	23.89
2	Citicorp Nominees Pty Limited	77,835,865	20.86
3	BNP Paribas Nominees Pty Ltd <IB AU NOMS Retail Client DRP>	18,832,891	5.05
4	J P Morgan Nominees Australia Limited	12,410,721	3.33
5	Argo Investments Limited	7,000,000	1.88
6	Evelin Investments Pty Limited	4,580,000	1.23
7	Hishenk Pty Ltd	3,525,000	0.94
8	Mr Hong Keong Chiu & Ms Yok Kee Khoo	3,419,647	0.92
9	Mr Mark Francis Bradley	2,250,000	0.60
10	Ms Jennifer Ann Weber & Mr Jeffrey Andrew Weber [JAWS Family A/C]	1,907,958	0.51
11	UBS Nominees Pty Ltd	1,799,610	0.48
12	BNP Paribas Nominees Pty Ltd <DRP>	1,659,111	0.44
13	Dental Union Of Australia Pty Ltd <Ian Weatherlake S/F A/C>	1,500,000	0.40
14	One Managed Investment Funds Ltd <1A/C>	1,500,000	0.40
15	Ms Ying Liang & Mr Zong Sui Liu <Liu Family Super Fund A/C>	1,497,963	0.40
16	Mrs Elizabeth Aprieska <Tap Money Family A/C>	1,444,553	0.39
17	Akir Pty Ltd	1,255,924	0.34
18	Mr Sheng Qi Yu	1,234,375	0.33
19	Mr Yong Zheng	1,209,080	0.32
20	Ms Melissa Mary Stephens	1,202,550	0.32
Total		235,189,971	63.04

Additional Securities Exchange Information

For the year ended 30 June 2017 (continued)

Unmarketable Parcels (as at 31 August 2017)

The number of holders holding less than a marketable parcel of the Company's shares is as follows:

Minimum Parcel Size	Number of ordinary shareholders	Number of shares
2,778	2,918	2,875,809

Voting Rights

All ordinary shares carry one vote per share without restriction.

Unquoted Rights (as at 7 September 2017)

9,555,660 unlisted rights are held by 69 individual rights holders.

Shareholder Enquiries

Shareholders can obtain information about their shareholding by contacting the Company's share registry:

Computershare Investor Services Pty Ltd

GPO Box 2975
Melbourne
Victoria 3000 Australia
Enquiries:
(within Australia) 1300 727 014
(outside Australia) +61 3 9946 4439
Facsimile: +61 3 9473 2500
www.computershare.com/Investor/Contact
www.computershare.com.au

Change of Address

Shareholders should notify the share registry immediately if there is a change to their registered address.

Securities Exchange Listing

Shares in MMA Offshore Limited are listed on the Australian Securities Exchange.

Publications

The Annual Report is the main source of information for shareholders.

Corporate Directory

Directors

Tony Howarth
Chairman

Jeffrey Weber
Managing Director

Andrew Edwards
Non-Executive Director

Eve Howell
Non-Executive Director

Chiang Gnee Heng
Non-Executive Director

Company Secretary

Dylan Darbyshire-Roberts

Registered Office

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Solicitors

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