

ASX ANNOUNCEMENT

28 February 2017

MMA Offshore Limited to sell Dampier and Broome Supply Bases

MMA Offshore Limited and its relevant subsidiaries (**MMA**) have today entered into agreements with Toll Group for the sale of its Dampier and Broome Supply Base assets (**Transactions**).

The sale of both assets is part of MMA's ongoing capital management strategy to rationalise non-core assets and reduce debt over the course of the 2017 financial year.

MMA will realise approximately \$44.1 million from the sale of the Dampier Supply Base asset and \$8.7 million from its 50% interest in the Toll Mermaid Logistics Broome Supply Base, before adjustments and costs associated with the Transactions. The net proceeds of the Transactions will be applied to debt reduction.

The Transactions are subject to customary regulatory approvals including the following:

- Foreign Investment Review Board (FIRB) approval;
- Australian Competition and Consumer Commission (ACCC) approval; and
- Consultation with ASX in relation to the potential application of ASX Listing Rules 11.1 or 11.2 to the proposed supply base sales.

In addition, the Transactions are subject to a number of other conditions precedent, including (in the case of the Dampier Supply Base asset sale) receipt of certain key counterparty consents and there being no prescribed material adverse change events. The Dampier Supply Base asset sale is expected to complete by June 2017 and the Broome Supply Base sale by April 2017.

MMA's Chairman Tony Howarth said: "*The sale of the Supply Base assets marks a significant step in the strategic repositioning of MMA's asset portfolio and is supported by the Company's Banking Syndicate.*

"Historically the Supply Base assets were a significant contributor to the earnings of our predominantly Australian focussed operations. However, in recent years the Supply Base business has become less significant as the Company has focused its strategy on its Australian and international offshore vessel operations.

"Proceeds from the sale will strengthen our Balance Sheet and position MMA to take advantage of improved oil and gas market conditions when they occur."

MMA's Managing Director, Jeff Weber, said *"MMA remains firmly committed to the Australian market, notwithstanding the sale of MMA's land based assets in Australia. We currently have 13 offshore vessels operating in Australia and the region remains a key platform in MMA's business strategy."*

"As part of our non-core asset disposal strategy, we are continuing to rationalise the smaller, more commoditised vessels from MMA's fleet to focus on larger, more sophisticated vessels. We continue to differentiate ourselves by delivering safe, innovative and cost-effective offshore vessel solutions which provides us with a competitive advantage in a very difficult market."

MMA will maintain a regional office within the Dampier Supply Base to support its vessel operations and clients in the North West of Western Australia.

As part of the agreement with Toll Group, MMA will continue to operate the Dampier Slipway facility for at least 12 months. The facility will continue to serve as a vessel maintenance and repair facility for MMA's Australian fleet as well as third party vessel operators in the region. MMA will continue to utilise the Dampier Supply Base to support vessel operations under a service agreement with the Toll Group.

Toll Group Managing Director, Michael Byrne, said the Transactions are a positive step for Toll, a leading supplier of logistics solutions to the energy and marine markets in Australia.

"These investments provide considerable opportunities for Toll in the Pilbara region and complement our existing assets. As well as expanding our footprint, they strengthen our ability to service customers with an integrated, end-to-end service offering."

"We look forward to working closely with customers and stakeholders in the region to make this a success."

The financial impact of the Supply Base transaction on MMA's earnings and balance sheet is set out in the Company's half year financial accounts, which have been lodged separately with the ASX today.

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For further information please contact:

Mr. Jeffrey Weber, Managing Director +61 8 9431 7431

Mr. Peter Raynor, Chief Financial Officer +61 8 9431 7431