

ASX Announcement

28th May 2021

The Manager
ASX Market Announcements
ASX Limited

Dear Sir/Madam,

SUBLEASE OF BATAM YARD AND PURCHASE OPTION

MMA Offshore Limited ("MMA" or "the Company") is pleased to announce that it has entered into a contract to sublease a substantial portion of the Company's shipyard facility in Batam, Indonesia ("Batam Facility") to a subsidiary of Wasco Energy Ltd ("WASCO").

The sublease commences 15 April 2021 and is for a firm period of three years (subject to the option to purchase detailed below). The sublease rent is structured to escalate each 6 month period. The total rent payable under the sublease will total A\$6.5m should the lease continue for the full period.

WASCO has indicated it will immediately commence works to upgrade the facility at its own expense to enable it to expand capacity and its operations in Batam, Indonesia.

Further, as part of the overall transaction, MMA has granted WASCO an option to purchase the Company's interest in the Batam Facility for a purchase price of US\$15M. The option to purchase may be exercised by WASCO at any time up to 12 March 2024. In consideration for the grant of the option, WASCO will pay MMA a fee of US\$1.5m in the event that WASCO does not exercise the option. The sublease will terminate upon exercise of the option.

MMA will retain a portion of the Batam Facility and have access to the wharf for the term of the sublease and, if the option to purchase is exercised by WASCO, for a period of 5 years following completion of the sale.

MMA's Managing Director, Mr David Ross, said that he was very pleased to enter into the contracts with WASCO.

"MMA's Batam shipyard is an excellent facility which was instrumental in the construction of a number of MMA's flagship vessels. As MMA has ceased shipbuilding in recent years, the sublease and potential sale of the Company's interest to WASCO is a sensible strategic decision for the Company. We will continue to retain a portion of the site and will have sufficient wharf access to meet our internal needs. I wish WASCO every success for their prospective operations at the facility and look forward to working with them in the future". Mr Ross said.

This announcement has been authorised for release to ASX by the Company's Board of Directors.

If you have any queries in relation to this announcement, please do not hesitate to contact the Company's Managing Director/Chief Executive Officer on +61 8 9431 7431.

Kind regards,

MMA OFFSHORE LIMITED



DYLAN ROBERTS
Company Secretary