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MMA OFFSHORE

ASX Announcement

24 September 2021

The Manager
ASX Market Announcements
ASX Limited

Dear Sir/Madam,

MMA OFFSHORE LIMITED ("MMA" or "COMPANY") – $15M DEBT REDUCTION AND WAIVER OF DEBT COVENANTS

The Company wishes to advise that it has made a voluntary prepayment under its syndicated debt facility of:

- A$12.5M to satisfy (in full) its FY2022 amortisation payments under its syndicated debt facility; and
- A$2.5M to satisfy (in part) its FY2023 amortisation payments under its syndicated debt facility.

The total A$15M debt reduction will reduce the Company's annual interest costs by approximately A$600,000 per annum (based on the current interest rate).

Whilst MMA currently forecasts that it will remain compliant with all of its banking covenants, to be prudent the Company has negotiated a waiver of its interest cover ratio and its leverage ratio covenants for the period from 1 July 2021 until 31 March 2022. This waiver of these debt covenants has been agreed on the basis of the challenging trading conditions the offshore support vessel industry is facing due to the ongoing affects of the COVID-19 Delta variant. The covenant waivers are subject to certain other conditions which will apply during the three quarters to 31 March 2022.

Commenting on the debt reduction and covenant waiver, MMA's Managing Director, Mr David Ross, said:

"*Our present cash holdings are in excess of our current and forecast requirements and it is therefore sensible to continue to lower our debt levels and reduce our cash interest costs. Following the voluntary prepayment, we continue to retain a healthy cash balance for future needs.*

With the visibility of forward earnings challenging in the short-term due to the ongoing impacts of the COVID-19 Delta variant, we are thankful for the ongoing, positive support of our banking syndicate. While we presently remain compliant with all of our banking covenants, it was considered prudent to obtain a covenant waiver to avoid any unforeseen, short-term issues.

The impacts of the COVID-19 Delta variant are significantly increasing our costs and restricting our ability to execute projects in the short-term. However, the medium-term outlook remains positive with increased project activity forecast in our sectors and operating regions."

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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