

CORPORATE SOCIAL RESPONSIBILITY REPORT 2010-2011



BUMIARMADA



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OUR BUSINESS

Bumi Armada Berhad is a Malaysia-based international offshore oil field services provider, serving clients in Asia, Africa and Latin America. The company is the largest owner and operator of offshore support vessels in Malaysia and the sixth largest FPSO owner and operator of FPSO systems in the world. The company was incorporated in December 1995 as a public limited company (under the Companies Act, 1965), and the Bumi Armada group of companies include diversified subsidiaries as well as joint venture companies. It was listed on Bursa Malaysia in July 2011.

The company has 6 business units:

Floating Production, Storage and Offloading (FPSO) vessels

FPSO systems offer technical and cost-effective solutions in locations which are remote or which do not have the required processing and production infrastructure. FPSOs eliminate the need to install large fixed oil production platforms or to lay expensive long-distance seabed pipelines from oil fields to a receiving terminal. Bumi Armada has three FPSOs in operation – Armada Perkasa and Armada Perdana in Nigeria and Armada TGT 1 in Vietnam – and two more under conversion for Oil and Natural Gas Corporation (ONGC) in India and Apache Energy Ltd in Australia.

The company intends to grow its FPSO business by leveraging on the combined industry experience of our FPSO and EPC teams. All FPSO-related designs, engineering, procurement, project management and other capabilities are available in-house under the ambit of our EPC team.

In addition, Bumi Armada provides a total development solution that includes seismic surveys, drilling, facilities supply, installation and operations. The company's development solution also comes complete with respect for local community needs; a critical ingredient to our clients' ongoing oil production.



FPSO Armada TGT 1



Armada Tuah 25



DLB Armada Installer

Offshore Support (OSV) vessels

Bumi Armada owns, operates and charters vessels to provide support for exploration, development and production activities in the offshore oil and gas (O&G) industry. Equipped with in-house expertise, we are also able to project-manage the construction of our vessels. We are one of the largest OSV owners and operators in South East Asia with over 40 vessels of various types, serving clients in over 10 countries in Asia, Africa and Latin America.

Transport & Installation (T&I)

Bumi Armada provides pipelay, heavy lift, subsea installation, floater and mooring installation and marine spread support. Our derrick pipe lay barge (DLB), Armada Installer has been operational since 2010 off Turkmenistan in the Caspian Sea.

As more offshore installations move into deepwater, the demand for subsea installation will continue to grow. In 2010, we have acquired the Armada Hawk, a cost effective DP2 subsea installation vessel, which will also allow us to offer SURF (subsea umbilicals, risers and flowlines) services in support of our synergistic service to FPSO installation as well as to third parties.

Oil Field Services (OFS)

OFS provides various specialized services required in the offshore mature/brownfield markets. These include, amongst others, marginal field production solutions such as Enhanced Oil Recovery (EOR), process modules to enhance the extraction of hydrocarbons from the reservoirs as well as specific services and assets offered on a risk-based service contract (RBC) basis for working in the marginal and mature/brownfield environment.

We ventured into the OFS segment with the conversion and sale of a Floating Storage and Offloading vessel (FSO) to Petrofac E & C Sdn Bhd, for the Sepat field, off Terengganu, Malaysia.

Fleet Management System (FMS)

The focus of our in-house FMS support unit is primarily the manning and maintenance services for our vessels, fleet and crew. Other items such as scheduled maintenance and repairs of vessels are also coordinated under our FMS unit. Our OSVs and FPSOs are managed centrally from Malaysia via operational shore bases. All our vessels are connected to the internet via satellite. This allows full ship-to-shore connectivity and communication for both our offshore crew as well as our shore bases.

Safety is a vital factor in the offshore O&G industry and taking this into consideration, we maintain our operations in-house, taking a hands-on approach to the day-to-day activities on our vessels. We also view the management of our assets as a major factor in maintaining the integrity and operational capacity of our vessels.

The information technology back-bone to our FMS unit is the Barber Ship Management System (BASS). This system is a critical operational component as it coordinates our entire fleet which has access to over 1,300 crew members in more than 10 countries around the world.

Engineering, Procurement and Commissioning (EPC)

Our EPC unit provides Engineering, Procurement, Installation, Construction and Commissioning (EPICC) services for all our own assets and major projects and on a turn-key basis. We have successfully established our in-house expertise to design, procure and build on all major projects, such as FPSOs and the DLB, Armada Installer.

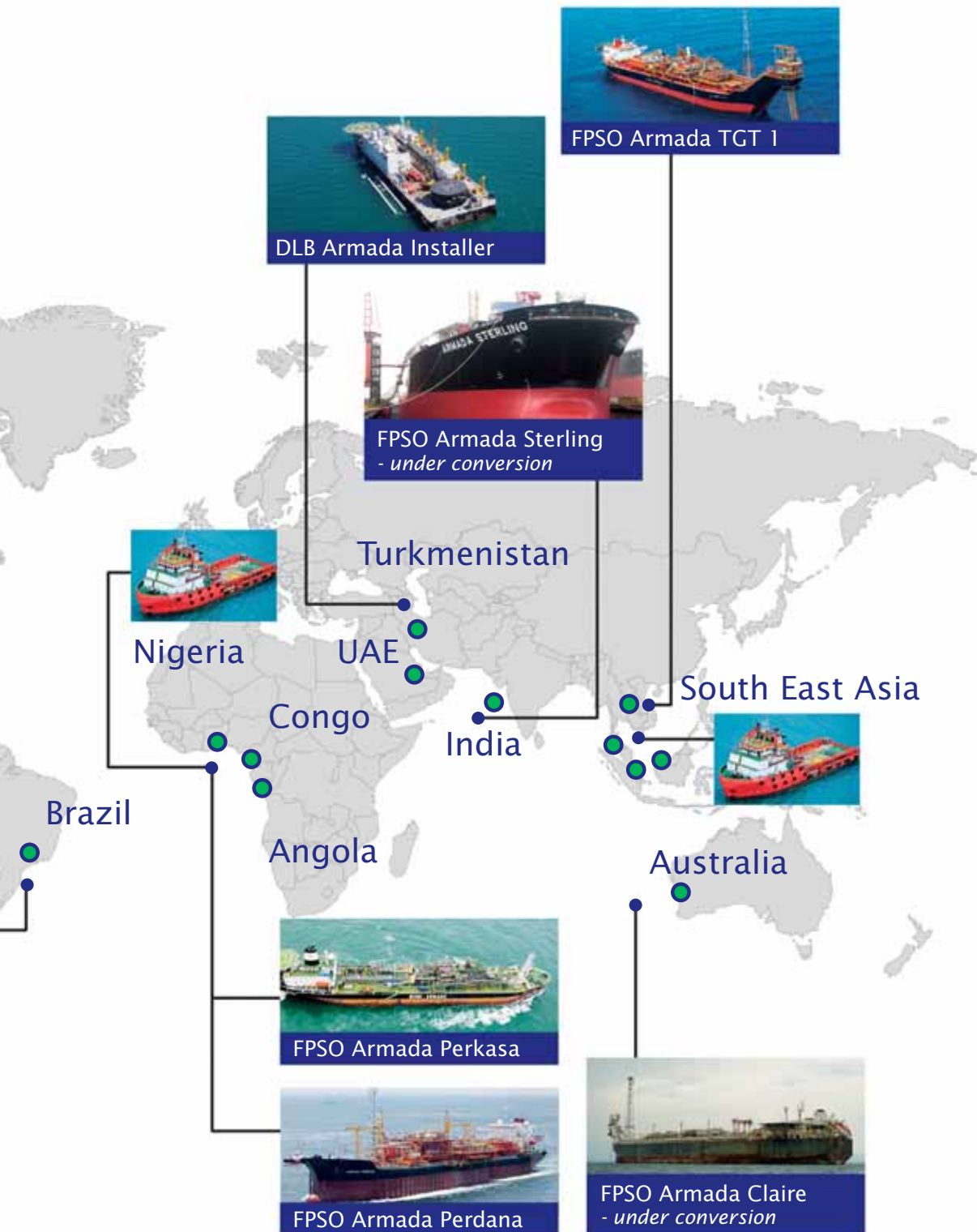


OUR PRESENCE

A Malaysia-based international offshore services provider with an expanding reach.

Location	Functions
MALAYSIA	Headquarters in Kuala Lumpur and three shore bases located in Miri, Labuan and Kemaman to provide support and FMS for customers in South East Asia.
SINGAPORE	Office to support the EPC unit.
BRUNEI	Representative office to support our operations in Brunei.
VIETNAM	Representative office in Vung Tau to support our operations in Te Giac Trang field.
INDONESIA	Shore base/office in Jakarta for our joint-venture with Indonesia's PT Gema Group for expansion and market development in Indonesia.
AUSTRALIA	Australian office supports Balnaves field operations. In addition, over medium term, technology resources to support our international sales and operations will also be developed in this office.
INDIA	An office in Mumbai. We have individual joint-ventures with Forbes Campbell Finance Ltd, Forbes & Company Ltd, and Shapoorji Pallonji & Company Limited, offering services for the Indian offshore O&G market.
UAE	Marketing office in Dubai for our activities in this region.
TURKMENISTAN	Shore base in Turkmenbashi and an office in Ashgabat to support our operations in the Caspian Sea.
AFRICA	Shore bases/offices in Angola, Congo and Nigeria to support our operations in West Africa and an office in Lagos, Nigeria for our joint-venture with Nigeria-based Century Energy Services Limited (CESL) for projects in Africa.
BRAZIL	Representative office in Rio de Janeiro to support our expansion into this market.
VENEZUELA	Representative office in Puerto la Cruz to support our operations in Venezuela.
MEXICO	Representative office to support operations in Mexico.





GLOSSARY OF TECHNICAL AND OTHER TERMS

AHTS	Anchor handling towing support, used to provide logistic support to offshore oil rigs, production platforms and other offshore installations, to tow rigs, barges and mobile structures from location to location as well as making sure their anchors are well placed in suited position
BAE	Bumi Armada Engineering Sdn Bhd
BAN	Bumi Armada Navigation Sdn Bhd
BASS	Barber Ship Management System, the information technology system used in fleet management
bbls/day	Barrels per day Barrel is a unit of measure for oil and petroleum products. One barrel is equivalent to about 158.987 litres
bhp	Brake horse power, a measure of an engine's horsepower before the loss in power caused by amongst others, gearbox and other auxiliary components
CAGR	Compounded annual growth rate
COPQ	Cost of poor quality
CO ₂	Carbon dioxide
CSR	Corporate social responsibility
DLB	Derrick lay barge, a vessel (commonly a barge or ship) which has been installed with a crane for the lifting of heavy structures in the marine environment, as well as having flexible and/or rigid pipeline installation capabilities
DP	Dynamic positioning, a computer-controlled system to automatically maintain a vessel's position and heading by using its propellers and thrusters. The dynamic positioning level (e.g. DP2, DP3) indicates the degree and redundant systems built into the safety system to remove redundancy or failure of the system
E&P	Exploration and production
EBITDA	Profit before finance cost, taxation, depreciation and amortisation
EOR	Enhanced oil recovery is a generic term for techniques used for increasing the amount of crude oil that can be extracted from an oil field. It is sometimes referred to as "improved oil recovery" or "tertiary recovery"
EPC	Engineering, procurement and construction is a form of contracting arrangement whereby the contractor will design the product, procure the necessary materials and construct it, either in-house or by subcontracting part of the work
EPICC	Engineering, procurement, installation, construction and commissioning, where the contractor is also contracted to commission (involving preparatory activities to commence operations) the product
ESOS	Employee share option scheme established for the grant of options to eligible employees of our Group and our Executive Directors to subscribe for new Shares in the Company
FACF	First aid case frequency
FPSO	Floating production, storage and offloading system, an offshore system comprising a large tanker or similar vessel equipped with a high-capacity production facility. FPSOs are normally moored at the bow to the seabed to maintain a geo-stationary position, and serve as a fixed point for risers to connect subsea wellheads to on-board processing/production, storage and offloading systems. Produced oil is periodically offloaded to smaller shuttle tankers, which transports the oil to onshore facilities for further processing
FSO	Floating storage and offloading vessel, is similar to an FPSO, but the FSO is not designed and installed with the topsides to process hydrocarbons, but is only designed to store processed products in the offshore environment
FTSE	FTSE Group (FTSE) is a world-leader in the provision of global index and analytical solutions
GRI	Global Reporting Initiatives is a non-profit organisation that promotes economic, environmental and social sustainability. GRI provides all companies and organisations with a comprehensive sustainability reporting framework that is widely used around the world
HLJOC	Hoang Long Joint Operating Company
HSSE	Health, safety, security and environment
HSE	Health, safety, security - In some cases, HSEQ where 'Q' stands for quality
IMCA	International Marine Contractors Association

IOC	International oil company, refers to large private or public oil companies that have upstream, midstream and downstream capabilities, such as Royal Dutch Shell plc and The Exxon Mobil Corporation
IPO	Initial public offering
IRM	Inspection, repair and maintenance
ISO	International Organisation for Standardisation
KPI	Key performance indicator
LTI	Lost time injury, a work-related injury or illness that renders the injured person unable to return to work on the next working day after the day of the injury or illness
MOPU	Mobile offshore production unit
MSCI	Morgan Stanley Composite Index
NCR	Non conformance report
NOC	National oil company, O&G company owned or controlled by a national government, typically having special rights or access to its local market
O&G	Oil and gas
O&M	Operations and maintenance
OFS	Oil field services, refers to services required to maximise the extraction of hydrocarbons in the marginal field and EOR business
ONGC	Oil and Natural Gas Corporation in India
OPEC	Organisation of Petroleum Exporting Countries
Operating EBITDA	Profit before finance cost, tax, depreciation, amortisation, fair value changes of call option and listing expenses
OSV	Offshore support vessel, refers to any vessel, boat or ship whose main function is to support the offshore O&G operations, which includes movement of equipment or structures, as well as transportation of materials and personnel
PAP	Positive Attitude Programme
Petrobras	Petróleo Brasileiro S.A.
Petronas	Petroleum Nasional Berhad
PSV	Platform support vessel, designed to supply offshore oil platforms and used for transportation of goods and personnel to and from offshore oil platforms and other offshore structures
PTTEP	PTT Exploration and Production Public Company Limited
PVEP	Petrovietnam Exploration Production Corporation
Riser	pipe or assembly of pipes used to transfer produce from the seabed to the surface facilities or to transfer injection fluids, control fluids or lift gas from the surface facilities to seabed
SEA	South East Asia
SGD or Singapore Dollar	Singapore Dollar, the lawful currency of Singapore
SURF	Subsea umbilicals, risers and flowlines
TRIF	Total recordable injuries frequency
TQM	Total quality management
USD or US Dollar	United States Dollar, the lawful currency of the US

VISION, MISSION AND CORE VALUES

VISION

“To be the trusted premier offshore and marine oil and gas services provider in every corner of the world”

MISSION

“To own, lease and operate a modern oil and gas fleet safely and in an environmentally friendly manner”

CORE VALUES



BUMI ARMADA BERHAD'S CORPORATE SOCIAL RESPONSIBILITY CHARTER

Introduction:

We are committed to becoming a truly responsible business and aim to achieve our company goals in a fair, ethical, and responsible manner, whilst making every effort to positively impact the communities and environments in which we work. To achieve this, the company will strive to positively impact the following key areas:

Our Impact on the Environment:

We will act responsibly towards the environment and seek to mitigate or reduce our impact; with the ultimate aim of conducting our business in a sustainable way.

Our Impact on Society:

At all times act as a good corporate citizen and participate in the social development of communities where our operations are based, and showing sensitivity and respect to the local laws, culture and customs.

Our Respect for People:

We will look beyond minimum legal requirements in terms of improving the personal health, wellness and safety protection of our staff and visitors.

In line with our HSSE Policy, we will act in a way that develops our employees' skills, encourages them to be proactive in health and safety, and promotes awareness of health and safety objectives.

Respect the rights of every individual we interact with and promote a good working environment for our employees and visitors.

Responsibility for the Corporate Social Responsibility (CSR) Charter:

The Bumi Armada Corporate Social Responsibility Charter is the duty of each and every member of staff to implement and maintain. Those holding supervisory, management or other senior positions have additional and particular responsibilities to ensure the effectiveness of its application and the commitment of all staff and others to it.

Feedback and Contact Information:

We welcome feedback from any section of the community. If you have a comment regarding our Corporate Social Responsibility Charter or the company, please contact us at: bumiarmada@bumiarmada.com

Hassan Basma
Executive Director/Chief Executive Officer

MESSAGE FROM THE CEO AND PERFORMANCE REVIEW

This Corporate Social Responsibility (CSR) Report covers a period of two years, 2010-2011, following our inaugural report in 2009. Both years in question saw companies and countries across the globe struggle to tackle a myriad of social-economic issues as the equilibrium of past years was shaken by the post Euro debt crisis, global recession, compounded by a variety of natural and man-made disasters.

The 2010 Icelandic volcanic eruption that shut down European air travel together with the other natural disasters like the 2011 tsunami that hit Japan have refocused our attention on disaster preparation and recovery. The Macondo disaster in the Gulf of Mexico that cost BP more than USD21 billion for clean-up and economic damage due to the oil spill sends a strong message for safety and operational excellence while the Arab Spring has revealed unhappy people who want their voices to be heard; voices that ask for jobs, freedom and a good standard of living and the internet, with its wide reach, has become an enabler. All these incidents have strong sustainability implications.

A new era with new dynamics and a new equilibrium is emerging. An era where CSR is no longer nice to have but a 'must have'; where CSR policies are no longer just for brand imaging but a reflection of good governance and of operational excellence. Indeed several world class organisations have been measuring CSR and sustainability indices of countries and companies alike indicating beyond the shadow of doubt that investors, both retail and corporate, see CSR and sustainability as a measure of how well companies are run.

As the CSR equilibrium and best practices evolve, we at Bumi Armada have taken several tentative steps towards developing and implementing a strong CSR Charter and strategy. To begin with, we believe that sustainable growth means "to use this earth, human and material resources effectively to achieve our objectives in such a way that it allows our children and grandchildren to surpass our achievements and reach their goals."

Bumi Armada has established a CSR Committee with a charter to spearhead the company's CSR performance. The Committee will be responsible for assessing economic, environmental and social impact of our business, identifying areas for improvement for our OSV fleet and FPSOs and raising awareness levels amongst our employees of the strategic importance of responsible and sustainable management.

Moving forward, our focus will be on:

1. Energy efficiency and emissions
2. Local content as an integral part of "Global execution, local delivery"
3. Equality and meritocracy

We have taken initial steps in this thousand mile journey. Whilst progress has been made, a lot of hard work and major challenges remain ahead.

Given our track record thus far, and the depth of the commitment and passion our people have demonstrated, I feel confident we can succeed in making this world a better, more humane and more compassionate and far more exciting place to work and live in.

Yours truly,


Hassan Basma
Executive Director/
Chief Executive Officer



KEY SUSTAINABILITY INDICATORS AND FINANCIAL HIGHLIGHTS

In the past 2 years, we have made progress in expanding our data collation to cover offices outside Malaysia and highlights of our CSR performance are:

 **30%** increase in the Safety Observations Frequency

 **76%** reduction in the Total Recordable Injuries Frequency (TRIF)

Reduction from  **5 to 3** in loss of containment (contained on board)


Zero fatality and zero LTI


13 health, safety and environment (HSE) awards (2010-2011)


13,750 manhours of training and development

Implementation of video conferencing facilities across our operating offices globally

Fuel consumption from our fleet is 95,824.92 cu/m.

 **4.1%** reduction in electricity consumption

 **1.2%** reduction in water consumption

 **9.2%** reduction in paper consumption

HSSEQ Performance 2010-2011

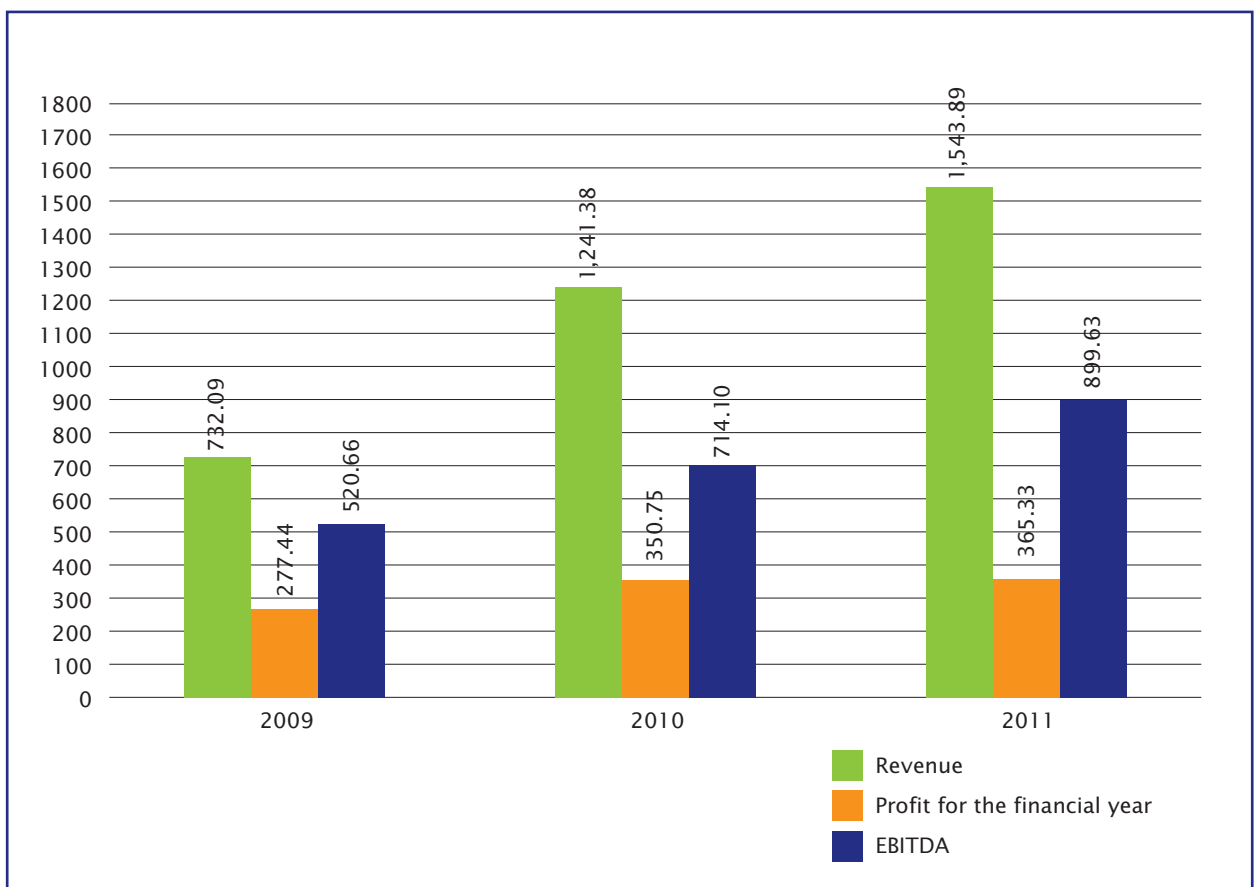
Incident	2011	2010
Fatality	0	0
Lost Time Injury Frequency (LTIF)	0	0.043
Total Recordable Injuries Frequency (TRIF)	0.038	0.085
First Aid Case Frequency (FACF)	0.23	0.64
High Potential Near Miss Incident with potential severity ratings of serious and very serious	2	0
Fire / Explosion	0	1
Loss of containment (on board)	3	5
Loss of containment (overboard)	0	0
Security	1	5
Manhours	5.331 million	4.703 million

KEY SUSTAINABILITY INDICATORS AND FINANCIAL HIGHLIGHTS

Consumption of Resources

Resources	2011	2010	2009
Electricity (kWh)	884,882	879,224	922,658
Water (m3)	1,470	1,258	1,488
Paper (reams)	6,666	7,341	6,415
Bunker fuel (litres)	56,922,514	38,902,409	Not Available

Profit, Revenue and EBITDA, in RM (millions) 2009-2011:



AWARDS AND RECOGNITION



Corporate Awards

2011 Alpha Southeast Asia Deal & Solutions Awards
Best Equity/IPO Deal in SEA

2011 Islamic Finance News Awards
IPO/Equity Deal in SEA

2011 Finance Asia Achievement Awards: Malaysia
Bumi Armada USD888 million IPO

2011 Asia Money Plus Country Deal Awards: Malaysia
Bumi Armada USD888 million IPO

The BrandLaureate Master Awards 2010-2011 For Best Brands In Logistics
Offshore and Marine Support Vessels by The Asia Pacific Brands Foundation

Frost & Sullivan's 2010 Malaysia Excellence Awards
Oil & Gas Services Provider Of The Year

AWARDS AND RECOGNITION

Health, Safety and Environment (HSE) Awards

Year	Achievement	Awarded by
2011	Armada Tuah 10 – HSE Award for 1-year operation without Lost Time Injury (LTI) and downtime	PTSC (Petrovietnam Technical Services Corporation)
2011	Best Contractor for Q4 2010	ExxonMobil Exploration and Production Malaysia Inc.
2011	Exxon Gold Award – ‘Hurt-Free’ 3 Years	ExxonMobil Exploration and Production Malaysia Inc.
2011	5 million man-hours without Lost Time Injury (LTI) for the overall TGT project	Hoang Long Joint Operating Company (HLJOC)
2011	Petrofac Cendor Field – PM304: 5 million man-hours without Lost Time Injury (LTI)	Petrofac E & C Sdn. Bhd.
2011	Shell (SSB/SSPC) Award – 2265 Goal Zero Days on 30.09.2011	Sarawak Shell Berhad (SSB)/ Sabah Shell Petroleum Co. Ltd. (SSPC)
2011	Best Contractor for Q4 2011	ExxonMobil Exploration and Production Malaysia Inc.
2011	Best Vessel for Q4 2011– Armada Tuah 9	ExxonMobil Exploration and Production Malaysia Inc.
2011	ISO 14001 Certification for OSV	Det Norske Veritas (DNV)
2011	Best Contractor of the Year 2010	ExxonMobil Exploration and Production Malaysia Inc.
2010	Drilling Department Development Division of Petronas Carigali for its 250 days free of Total Recordable Case (TRC)	Petronas Carigali Sdn. Bhd.
2010	1900 Goal Zero Days – Marine Services Shell	Sarawak Shell Berhad (SSB)/ Sabah Shell Petroleum Co. Ltd. (SSPC)
2010	Armada Tuah 9 and Armada Tuah 20 – safety recognition for ‘Hurt-Free Operations’ < 100 000 manhours	ExxonMobil Exploration and Production Malaysia Inc.



ABOUT THIS REPORT

This is our second Corporate Social Responsibility (CSR) Report which covers our responsibilities to our stakeholders and our ongoing commitment to transparency and accountability. This report discloses our performance on economic, social and environmental issues which are most material to our business and stakeholders.

We have made considerable progress in the last 2 years following our inaugural report in 2009 and we have also identified key areas of focus for improvements which will enable us to track our performance and coordinate our efforts across our operations worldwide more effectively. For this report, we have consolidated data from Bumi Armada Berhad's head office, domestic and overseas offices and shore bases, 43 OSVs, 3 FPSOs and a barge. Data presented in this report will be in its basic form, such as litres/cu metres of fuel and kWh of electricity, and we intend to explore conversion to carbon and GHG emissions as we move forward.

We have engaged an independent consultant, OWW Consulting Sdn Bhd, to provide an external assurance of this report.

Reporting Scope

This report covers all significant environmental, economic and social impacts resulting from Bumi Armada's activities in the 2010/2011 period. Indicators and initiatives which are partial and relate to certain branches are labelled accordingly.

Reporting Period

This report describes activities and achievements in FY2010/2011 (January 2010 to December 2011). In some cases, the report covers activities outside this period.

Reporting Cycle

Biennial.

Reporting Framework

In preparing this report, we have taken into consideration ISO 26000 principles of inclusivity, materiality and responsiveness, and the updated International Petroleum Industry Environmental Conservation Association (IPIECA) reporting guidance. We aim to align our approach to sustainability management and reporting with the following principal framework:

Global Reporting Initiative (GRI) G3.1 Guidelines

We are pleased to announce our achievement of an A+ GRI grade for our second consecutive Corporate Social Responsibility Report, which is an indication of our comprehensive and transparent reporting approach following GRI indicators.

Distribution and Feedback of the Report

Feedback on our report is welcome. For further information and comments, please contact:

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Vice President, Corporate Communications and CSR
Bumi Armada Berhad, Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur.
Email: bumiarmada@bumiarmada.com

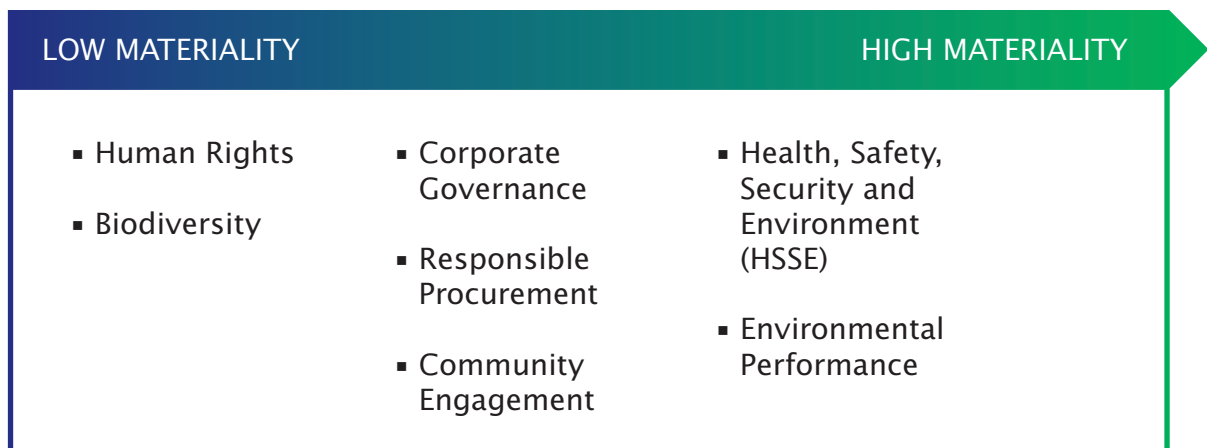


MATERIALITY ANALYSIS

The content of the report was determined by:

- (1) Bumi Armada's sustainability charter;
- (2) issues material to our key stakeholders;
- (3) our sustainability self-assessment; and
- (4) the core GRI indicators that apply to our business.

In this report, we address sustainability risks and opportunities identified as having low-to-high impact on our business and being of low-to-high interest to our stakeholders. These are either issues that exert a great impact on us or issues that we believe we can influence positively. At present, the topics of high level of relevance for us and our stakeholders are:



Identifying Key Issues

To identify key issues, we conducted a materiality review that involved an in-depth look at Bumi Armada's objectives and risk factors, as well as media coverage, and internal newsletters that highlight important events throughout the year. Issues were also identified from ongoing dialogues where we highlight, discuss and address complex and significant material issues with a wide range of stakeholders who are important to our organisation and industry. The "Guidance on Defining Report Content" and the associated Principles of the GRI G3.1 Reporting Guidelines provided a useful framework for determining what to include in this report.

We have made use of the following sources in order to identify material fields of activities:

- results of our Customer Satisfaction Survey 2011;
- evaluations of the feedback from business partners;
- corporate strategy priorities.

CORPORATE GOVERNANCE

Bumi Armada Berhad was incorporated in December 1995 as a public limited company (under the Malaysian Companies Act, 1965). The Bumi Armada Group of companies now includes diversified subsidiaries as well as joint venture companies. Bumi Armada was listed on Bursa Malaysia Securities Berhad in July 2011.

Malaysian Code of Corporate Governance

The company aims to comply with the Malaysian Code of Corporate Governance ("The Code") which sets out principles and best practices that companies may use in achieving an optimal Corporate Governance framework. The Code outlines the roles and responsibilities of the Board, a remuneration system which covers the relationship between compensation and effectiveness of the Board, criteria for appointment of Directors, the compensation of the Board of Directors, accountability and audit and the role of a Nominating Committee. Independent Non-Executive Directors are expected to provide a more meaningful and independent oversight function to The company's Board, including the Independent Directors and Audit Committee meet on a regular basis which provides mutually beneficial advice and oversight, and direction for the company's performance.

Board of Management

There are presently ten Directors on the Board comprising two Executive Directors and eight Non-Executive Directors, of whom three are independent. The number of Independent Directors provides an effective check and balance in the functioning of the Board and is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires at least one third of the Board to be comprised of Independent Directors.

Collectively, the Directors bring to the Board a wide and varied range of business, commercial, financial and technical experience for the effective management of the group's businesses. The Directors' profiles are presented on our website.

The three Independent Non-Executive Directors on the Board play a pivotal role in corporate

accountability as they provide unbiased and independent views, advice, opinions and judgement to safeguard the interest of minority shareholders. None of the Non-Executive Directors participate in the day-to-day management of the group.

Together, the Directors believe that the current Board composition fairly and satisfactorily reflects the interest of its shareholders and is able to provide clear and effective leadership to the Bumi Armada group.

To date, the Board has not found it necessary to designate a senior independent non-executive to whom concerns may be conveyed, mainly because full deliberation of issues affecting the Bumi Armada group by all members of the Board and shareholders is encouraged.

Division of Roles and Responsibilities between the Chairman and the Chief Executive Officer

There is a distinct division of roles and responsibilities of the Chairman of the Board and the Chief Executive Officer ("CEO"). The Chairman who is a Non-Independent Non-Executive Director represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the company. The Chairman also ensures that management proposals are deliberated and examined by Directors, executive and non-executive alike, taking into account the interests of the company and its shareholders.

The CEO on the other hand as an executive, has overall responsibilities over the performance of the group's operational and business units. He is responsible for the implementation of Board policies, directives, strategies and decisions. At the same time, the CEO functions as the

CORPORATE GOVERNANCE

intermediary between the Board and Management, working with the Board in defining the strategic objectives of the organisation, preparing its operational plans and seeing to its implementation including business and financial performance, organisation effectiveness, human resource development, investor relations and building brand equity, striving for operational excellence, supporting health, safety, environment and quality performance initiatives as well as commitment to corporate social responsibility.

Principal Responsibilities of the Board

The Board is responsible for the effective control of the Bumi Armada group and has adopted the following responsibilities for effective discharge of its functions:

- Reviewing and adopting a strategic plan for the group;
- Overseeing the conduct of the group's businesses to evaluate whether the businesses are being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation and where appropriate, replacing key management;
- Developing and implementing an investor relations programme or shareholders' communications policy for the group; and
- Reviewing the adequacy and the integrity of the group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has collective responsibility for promoting the success of the company by directing and supervising its affairs. The Executive Directors are directly responsible for business operations while the Non-Executive Directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board and providing objective challenges to the Management.

The Board has delegated specific responsibilities to four committees, namely, the Audit, Nomination, Remuneration and Executive Committees, which operate within approved terms of reference. These committees assist the Board in making informed decisions through in-depth deliberation on complex issues which would be impractical for the entire Board to deliberate. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board after considering recommendations by the committees.

Remuneration

Directors' remuneration are to attract and retain Directors of the experience and calibre needed to manage the group successfully. The component parts of remuneration for the Executive Directors are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibility undertaken by them and the role played by them in Board Committees.

The company has also incorporated an Employee Share Option Scheme (ESOS) in 2011. The purpose of the Scheme is to promote ownership of shares in Bumi Armada Berhad by Executive Directors of the company and employees of the group, thereby reinforcing a mutuality of interest among directors, employees and shareholders to attract, retain, reward and motivate employees by permitting them to share in its growth.

Board Effectiveness Evaluation

As part of the Board's function, the Board reviews the effectiveness of the Board as a whole, Board committees as well as the individual Directors through a Board Effectiveness Evaluation Exercise.

This includes a review of the required mix of skills and experience of Non-Executive Directors.

Audit Committee

Bumi Armada's Audit Committee has 4 directors, of whom 3 are Independent Non-Executive Directors. Our Audit Committee has full access to both internal and external auditors who in turn have access at all times to the Chairman of our Audit Committee. The Company's Board, Independent Directors and Audit Committee meet on a regular basis which provides mutually beneficial advice and oversight, and direction for the group's performance.

The formal terms of reference require that our Audit Committee must consist of at least 3 Non-Executive Directors, the majority of whom shall be Independent Non-Executive Directors. The Chairman of the Audit Committee must be an Independent Non-Executive Director, and is selected by the members of our Audit Committee. Our Board will review the composition, terms of office, performance and effectiveness of our Audit Committee annually.

Internal Audit Department

The group has its own in-house Internal Audit function, whose primary responsibility is to undertake regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively within the group.

Risk Management Policy

The Board of Directors places strong emphasis and commitment to attaining the highest standards in effective risk management in-line with "Best Practices in Corporate Governance of Malaysian Code of Corporate Governance (MCCG)" guidelines. An enterprise risk management approach aligns strategy, processes, people, technology, knowledge and culture with the goal of identifying, evaluating and managing risks to protect and preserve not only business value but also the reputation and integrity of the company.

Whistle-blowing Policy

Whistle-blowing is a specific means by which an employee or stakeholder can report or disclose through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements. The policy provides employees with a secure channel of reporting impropriety in the knowledge that the matter will be treated confidentially. This policy covers the reporting of malpractice, the information that will need to be recorded and the steps that need to be followed to ensure that the complainant does not suffer any recriminations or victimisation.

COMPLIANCE MANAGEMENT

In maintaining a high standard compliance culture, Bumi Armada Berhad's policy is to comply with international standards, client's contractual requirements and respective countries' local rules and regulations. This further helps the company to continually improve its management's standards in all of its business processes.

The company is certified to the following standards.

- Quality Management System Standard ISO 9001:2008
- Environmental Management System Standard ISO 14001:2004
- Occupational Health & Safety Assurance Standard OHSAS 18001: 2007

Environmental Management System

As an environmentally responsible company, we are taking the lead to implement and integrate the ISO 14001: 2004 Environmental Management System (EMS) into our company's management system and processes. All Bumi Armada-owned vessels and our environmental management system are certified under the ISO 14001 Standard for Environmental Management Systems. The overall aim of ISO 14001 is to provide organisations with a framework and strategic approach to develop environmental policies, plans and actions, requiring their commitment to comply with or exceed statutory requirements, along with a commitment to continuous improvement. By outlining the generic requirements for an environmental management system, the international standard establishes a common reference for communicating on environmental management issues between organisations, customers, regulators and other stakeholders.

<i>International Conventions</i>	<i>Description</i>
<i>ISM</i>	<i>The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention:</i> <ul style="list-style-type: none"> ▪ <i>To ensure safety at sea</i> ▪ <i>To prevent injury or loss of life</i> ▪ <i>To avoid damage to the environment and to the ship</i>
<i>Safety Management System (SMS)</i>	<i>A management system to manage all aspect of safety throughout an organisation. It provides a systematic way to identify hazards and control risks while maintaining assurance that these risk controls are effective.</i>
<i>International Maritime Consultative Organisation (IMCO)</i>	<i>Codes which relate to international shipping, particularly regarding safety and marine pollution.</i>
<i>International Convention for the Safety of Life at Sea (SOLAS)</i>	<i>An international treaty protecting the safety of merchant ships in the world.</i>
<i>International Convention for the Prevention of Pollution From Ships, 1973 as modified by the Protocol of 1978 ("MARPOL")</i>	<i>MARPOL was designed to minimise pollution of the seas, including dumping, oil and exhaust pollution. Its stated object is: to preserve the marine environment through complete elimination of pollution by oil and other harmful substances and the minimisation of accidental discharge of such substances.</i>
<i>International Marine Contractors Association (IMCA)</i>	<i>The international trade association representing offshore, marine and underwater engineering companies promoting good practices, particularly in the areas of HSE standards, quality and efficiency and technical standards.</i>
<i>Oil Companies International Marine Forum (OCIMF)</i>	<i>A voluntary association of marine companies with an interest in the safe shipment of petroleum, crude oil, liquefied gas and other associate products.</i>
<i>International Ship and Port Facility Security Code (ISPS Code)</i>	<i>A comprehensive set of measures to enhance the security of ships and port facilities. The ISPS Code is implemented through chapter XI-2 Special measures to enhance maritime security in the International Convention for the Safety of Life at Sea (SOLAS), 1974.</i>

MARPOL

Our fleet and FPSOs comply with MARPOL Convention and country regulations wherever they operate. In the period under review we are pleased to say there were no violations recorded.

Business Segment	Area of Operations	Vessel Names	ISM	ISPS	
OSV	International Fleet	Armada Tuah 102	Yes	Yes	
		Armada Tuah 104	Yes	Yes	
		Armada Tuah 105	Yes	Yes	
		Armada Tuah 301	Yes	Yes	
		Armada Firman 3 Mahakam	Yes	Yes	
				Vessel complies to BAN SMS	
	West Malaysian Fleet	Armada Firman	Yes	Yes	
		Armada Tuah 8	Yes	Yes	
		Armada Tuah 10	Yes	Yes	
		Armada Tuah 85	Yes	Yes	
		Armada Tuah 25	Yes	Yes	
		Venture Tuah 1	Yes	Yes	
		Venture Tuah 2	Yes	Yes	
		Armada Aman	Yes	Yes	
		Armada Tuah 23	Yes	Yes	
		Armada Tugas 3	Yes	Yes	
		Armada Tuah 9	Yes	Yes	
	Armada Tuah 24	Yes	Yes		
	East Malaysian Fleet	Armada Goodman	Yes	Yes	
		Armada Iman	Yes	Yes	
		Armada Topman	Yes	Yes	
		Armada Tuah 6	Yes	Yes	
		Armada Tuah 21	Yes	Yes	
		Armada Tuah 26	Yes	Yes	
		Armada Tuah 80	Yes	Yes	
		Armada Tuah 82	Yes	Yes	
		Armada Tuah 84	Yes	Yes	
		Armada Tugas 2	Yes	Yes	
		Armada Salman	Yes	Yes	
		Armada Mutiara 2	Vessel complies to BAN SMS		
		Armada Mutiara 3	Vessel complies to BAN SMS		
		Armada Mutiara 4	Vessel complies to BAN SMS		
Nigerian Fleet	Armada Firman 2	Yes	Yes		
	Armada Tugas 4	Vessel complies to BAN SMS			
	Armada Tuah 22	Yes	Yes		
	Armada Tuah 81	Yes	Yes		
	Armada Tuah 101	Yes	Yes		
	Armada Tuah 83	Yes	Yes		
	Armada Tuah 20	Yes	Yes		
	Armada Hydro	Vessel complies to BAN SMS			
	Armada 5	Yes	Yes		
	Armada 6	Yes	Yes		
	Armada Tugas 1	Vessel complies to BAN SMS			
FPSO	Nigeria	Armada Perkasa	Vessel complies to FPSO unit SMS		
	Nigeria	Armada Perdana	Vessel complies to FPSO unit SMS		
	Vietnam	Armada TGT 1	Vessel complies to FPSO unit SMS		
T&I	Indonesia	Armada Hawk	Vessel complies to T&I unit SMS		
	Turkmenistan	Armada Installer	Vessel complies to T&I unit SMS		

ETHICAL OPERATIONS

Bumi Armada is committed to ensuring that it operates responsibly and with integrity in all its locations of operation. In the international arena, our company operates with local joint-venture partners to ensure superior and seamless compliance with local laws and regulations and better service provision in the local context. It also ensures the hiring of local talent as far as possible.

With regards to this, the company has a Code of Ethics, which lays down guidelines towards building an organisation of trust, both individually and collectively. The Code of Ethics is broad in its scope of applicability – covering all Bumi Armada employees, contractors, suppliers and customers. The Code sets out guidelines for compliances with the law, integrity in business dealings, record keeping and on illegal and questionable payments. The Code also governs the ethics of gifts and entertainment by employees.

In addition, the company supports a whistle-blowing culture as part of its corporate governance, in line with the ISO 26000 guidelines on Ethical Behaviour. This is evidenced by its whistle-blowing policy which refers to the disclosure of relevant information internally or externally by employees who have encountered malpractices as well as illegal acts or omission at work within the company. This policy provides employees with a secure channel of reporting impropriety in the knowledge that the matter will be treated confidentially. The aim is to achieve the highest possible standards of corporate governance and ethical performance.



HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY (HSSEQ)

CORPORATE OVERVIEW

Company Core Value: Safety Mindset

“Proactively safeguard yourself, others, the environment and asset”

Vision

“Our vision is to deliberately and conscientiously work together with all stakeholders to eliminate risk of injuries to personnel, damage to property and harm to environment in all aspects of what we do, build or operate.”

Mission

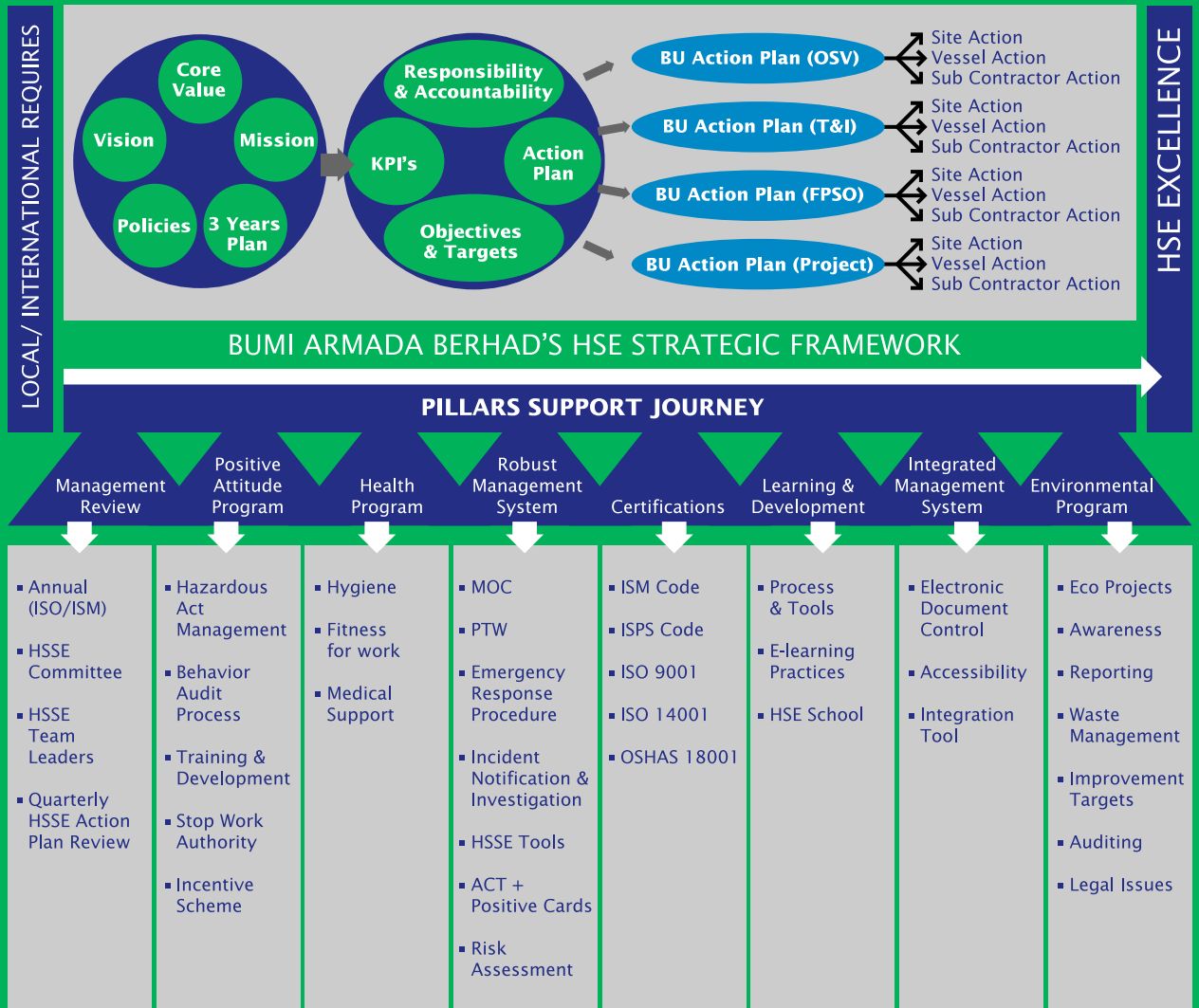
“Our mission is to build a zero tolerance culture throughout our value chain such that safety mindset becomes a way of life.”

The Health, Safety, Security, Environment and Quality (HSSEQ) department was established on the premise that safety is everyone's responsibility; to proactively safeguard oneself, our colleagues and business associates, the environment and our assets. The HSSEQ department works closely with each business unit and the HSSEQ Vice President reports directly to the CEO. There are Health, Safety, Security and Environment (HSSE) Committees at various levels to increase the interface of joint management – worker cooperation in monitoring and mitigating health, safety, security and environmental risks. The company has a robust HSSEQ development model framework with a 3-year HSSEQ Plan which is driving towards HSSEQ excellence; maintaining Goal Zero target. Based on this Corporate HSSEQ Plan, the individual business units develop their relevant operation-specific HSSEQ plans to support the corporate targets.



HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY (HSSEQ)

BUMI ARMADA HSE DEVELOPMENT MODEL



Our Corporate HSSEQ Plan incorporates health, safety, security, environmental and quality factors for all the company's offices and associated facilities. The HSSEQ department also conducts formal office inspections annually and where appropriate, develops remedial action plans with all parties. In addition, the department has continual ongoing HSSEQ competency training for all staff and organises presentations on HSSEQ – related issues in order to increase staff awareness. The department is fully equipped to identify all HSSEQ non-conformities in each office location such as ergonomics, lighting, noise and hygiene conditions.

Regular annual office health hazard identification audits are conducted and addressed. Selected personnel are trained as first aid practitioners and their training is up-to-date.

HSSE Objectives

1. Improve Bumi Armada's culture, change towards compliance issues, critical safety behaviour and HSSE leadership.
2. Improve HSSE reporting, communication, and promotion processes.
3. Improve HSSE Management System and Software.
4. Develop "Processes & Tools" training modules.
5. Improve sub-contractors management, HSSE perspective.
6. Measure, control and manage our environmental performance.
7. Improve our standards in hygiene, personnel fitness for work and medical support.
8. Manage and maintain marine security.

Organisation Safety Culture

Our commitment to safety is in our actions. Where a safety culture operates, there is zero tolerance for hazardous conditions, unsafe practices, short cuts that compromise safety, or non-compliance with safety procedures.

Our safety culture is pro-active. Employees - from the Master to the deck / engine trainee on board our vessels, from tea ladies to management executives in our offices - are actively looking to spot hazards and unsafe practices both in their own jobs and elsewhere on board the ship or in the offices. Once identified, these hazards can be eliminated or mitigated. We encourage staff to report their own errors and near misses. The vessel management team shall foster such a climate by their leadership and example.

A safety culture requires leadership, example and commitment to safe working practices and an incident-free environment from on-board management, plus the active participation of all officers and crew. The corporate HSSEQ department provides guidance, support and assistance in driving the safety culture.



HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY (HSSEQ)

OUR 2010 AND 2011 PERFORMANCE

HSSEQ Performance Statistics - 2010 and 2011

Bumi Armada maintained a strong HSSEQ performance in all levels of our business meeting predetermined key performance indicators (KPIs) and targets. The company's performance for 2011 in comparison to 2010 improved as highlighted in the table below. In 2011 the Corporate HSSEQ department initiated various initiatives which drove the HSSE performance to an improved level for the organisation.

- Implementation of corporate HSSEQ action plan
- Driving HSSE excellence in line with Bumi Armada's HSSE Development Model
- Positive Attitude Programme implementation and training
- Hazardous Act Management implementation
- Reinforcing the vessel masters overall responsibilities
- Pre-joining HSSE Inductions being further developed
- Roll out of the OSV sector new Safety Management System
- Supporting individual client's HSSE Initiatives and driving it into the organisation standards
- Stop Work Policy being continuously driven for all senior officers

HSSEQ Performance 2010-2011

Incident	2011	2010
Fatality	0	0
Lost Time Injury Frequency (LTIF)	0	0.043
Total Recordable Injuries Frequency (TRIF)	0.038	0.085
First Aid Case Frequency (FACF)	0.23	0.64
High Potential Near Miss Incident with potential severity ratings of serious and very serious	2	0
Fire / Explosion	0	1
Loss of containment (on board)	3	5
Loss of containment (overboard)	0	0
Security	1	5
Manhours	5.331 million	4.703 million

Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) for period 2008-2011:



ENVIRONMENTAL PERFORMANCE

Electricity Consumption

Our electricity consumption has been a key area of focus at Bumi Armada. We have implemented measures aimed at reducing by 5% the electricity we consume in our facilities and other operations. We encourage our employees and crew members on board our facilities to keep lights off when not in use. At our shore bases at all locations and business units air-conditioning thermostats are set at 25 degree Celsius as part of our efforts for energy conservation. We invested in the purchase of ENERGY STAR qualified computers and laptops as they use less energy than conventional products.

For 2011, our total Malaysian onshore electricity consumption was 884,882 kilowatt-hours (kWh) – a decrease of 4.1% since 2009 – despite an increase in number of employees.

Water Consumption

In 2011, our water consumption across all Malaysian offices was 1,470 cubic metres (m3) – a modest 1.2% reduction in water use since 2009. A water conservation awareness programme has since been implemented across the company with a target of reducing consumption by 5%.

Paper Consumption

Our total Malaysian onshore paper consumption reduced by 9.2% from 7,341 reams in 2010 to 6,666 reams in 2011, driven largely by a decrease in the amount of printing at our Malaysian offices in 2011. Reducing overall paper usage is consistent with our environmental vision, and our target of 5% year-on-year reduction until August 2013.

Travel

As a Malaysia-based international company, our employees often have to travel to locations where we operate around the world. One of the initiatives moving forward will be an effective method of tracking international air travel and its resultant carbon footprint. The past two years have been focussed around minimising the need for business

travel and by equipping our offices with state-of-the-art technology to enable our people to communicate and work together.

As we had proposed in the 2009 CSR report, we have now implemented video conference facilities in 6 locations - Kuala Lumpur, Kemaman, Miri, Labuan, Singapore and Turkmenistan end of year 2011. Currently, internal meetings and trainings between offices are conducted through video conference. While we are unable to present exact number of air miles and time cost saved as well as productivity improvements at work, we are pleased to note video or teleconferences occurring almost on a daily basis. The HR Department as an example, conducts interviews via Skype. With this facility we believe it has significantly reduced the travelling of our employees.

A system for tracking this usage and the resultant savings is being assessed and we hope to be able to report on that in the next report.



HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY (HSSEQ)

A. FPSO BUSINESS UNIT

Operational Safety and Health

Bumi Armada gives the highest priority to health, safety and environmental matters wherever we operate. We are committed to reducing the risks and hazards to health, safety and environment from our activities and services. We take the following measures towards achieving this goal and preservation of the environment we work in:

- On board the FPSOs, each Superintendent makes a weekly formal safety performance inspection of a designated area (or work area of another Superintendent) for the specific purpose of identifying hazards, unsafe conditions, unsafe work habits or employees with weak safety attitudes.
- The FPSO Offshore Installation Manager (OIM) makes a weekly employee safety performance observation of at least one work area on the job. This is to evaluate the thoroughness of the superintendent's safety programme and, also serves as a measure of employee understanding, acceptance, responsiveness and knowledge of the programme.
- Weekly safety meetings are conducted to discuss near-miss incidents, accident investigations, job safety audits and safety problems encountered or anticipated. This serves as a safety awareness training session with an emphasis on improving and expanding the supervisor's or foreman's safety knowledge, performance and awareness.
- Once every two months, the company's health and safety representatives conduct a job-site safety performance inspection.
- Procedures for security are followed as per International Ship and Port Facility Security (ISPS) regulations.
- We ensure that employees are provided with a job site free from hazards by using accepted engineering and work practice control measures.

Security

As with most oil and gas services companies, we operate in some high risk locations and we have in place plans to ensure the wellbeing of our people, assets and the integrity of operations in those locations. The security of our personnel and assets are regularly reviewed and updated via the processes contained within the company's management system and our corporate risk management guidelines. Our commitment to local content and local partners, and close collaboration with our clients, the oil field operators, play an important role as well.





Environmental Performance

Flaring

Depending on the field, gas is a by-product of oil production of an FPSO operation. Where possible, the FPSO is designed to export the gas, or re-inject it into the field. Where possible, the FPSO will utilize the gas for power generation. Disposal of excess natural gas into the atmosphere can be direct (venting) or by controlled burning (flaring). For safety and environmental reasons, venting is not preferred.

On the FPSO Armada Perkasa, production revealed an unexpected significant amount of gas; this is an unfortunate situation as the reservoir is not capable of receiving re-injected gas. The amount of gas flared on the FPSO Armada Perkasa has increased 35.5% from 4.71 million metric standard cubic feet per day (MMscf/d) in 2010 to 6.38 MMscf/d in 2011.

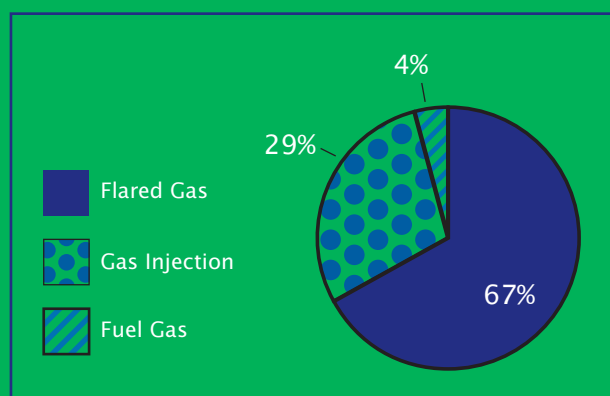
On the other hand, the extent of flaring on the FPSO Armada Perdana in 2011 was reduced by 36.8% compared to 2010. This was achieved by increased reliability of the gas compression package on the facility that is used to re-inject the gas back into the reservoir.

The Armada TGT 1 just started its operations in August 2011 and the facility has stabilized considerably since start-up. The data will be included in the next report.

Oil Field Gas Utilization

MMscf/d	Cumulative			
	Daily	Monthly	Yearly	From Start
Total Gas Produced	47.47	1,400.46	6,602.10	25,575.35
Gas Injection	10.61	213.72	2,313.50	7,409.85
Gas Lift	0.00	0.00	2.26	3.72
Fuel Gas	2.20	51.79	383.61	1,013.98
Flared Gas	34.66	1,134.95	3,902.73	17,147.79

Produced Gas Utilization



HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY (HSSEQ)

Produced Water

'Produced Water' is water extracted from the oil reservoirs and separated from the hydrocarbon liquids through a series of processes usually located on the offshore facilities; a combination of produced formation water typically containing small volumes of hydrocarbons, traces of minerals, production chemicals, dissolved salts and some solid particles such as sand.

Wastewater Discharge

Our FPSOs produce a series of discharges including black water (kitchens and toilets) and grey water (from baths, showers or sinks)

Water Management

As part of the production of oil and gas, large quantities of water are also produced. Whether on land or at sea, it is generally accepted that produced water should be processed sufficiently that the quantities and concentrations of potentially harmful components are reduced to levels that are known or are deemed to be harmless to the environment in which the water is discharged.

After treatment, produced water still contains traces of oil and because of this; discharge into the sea is strictly controlled by legislation. The current protocol limits the content of oil in discharged water to 40 parts per million (ppm) averaged over a calendar month.

Bumi Armada strictly monitors oil concentrations in produced water at all their production facilities on a daily basis and manages the oil/water separation process to meet their discharge compliance.

Waste Management

Implementing waste segregation at the source optimizes potential recycling and minimizes the environmental impacts from waste generation. Waste segregation is performed on all our FPSO installations according to requirements from the customer and local rules and regulations. A large variety of waste products are generated, which are segregated on board for further onshore treatment, recycling and disposal.

A local contractor is appointed to coordinate the staging and ultimate disposal of hazardous and non-hazardous waste from the shore base, on a weekly basis, a supply boat will arrive at the FPSO to remove all waste products, segregated within two categories: hazardous and non-hazardous. Non-hazardous waste (glass, metal, paper and plastic) is removed for recycling where possible, while hazardous waste materials (medical, chemical and toxic materials) are removed for disposal according to local regulation.

Loss of Containment

Through continuous monitoring, adherence to procedures and planning, our FPSOs strive to keep unplanned discharges to a minimum – aim to reach the target of zero spills.

In 2010 FPSO Armada Perkasa reported an oil spill in the deck of the facility, caused by small leak from a crude oil wash line. This was contained on board the FPSO and no oil was discharged to the sea.



B. OSV BUSINESS UNIT

Operational Safety and Health

With a fleet of over 40 vessels working all over the world, we strive to minimize work and operations-related risks to our employees to company assets as well as to our valued clients' assets and employees. This is done through a variety of proactive measures:

- Various safety campaigns are rolled out to our OSVs and company-wide to promote safety awareness. These campaigns are developed and initiated through continuous studies done by the HSSE team leaders and committee analyzing any weaknesses and identifying how to further improve HSSE performance fleet wide.
- Managers and Superintendents carry out International Marine Contractors Association (IMCA) Inspections, International Safety Management (ISM) & International Ship and Port Facility Security (ISPS) Internal Audits and Hygiene Inspections in line with an annual Audit Plan to ensure compliance with management standards.
- Procedures for shipboard security are complied with as per the ISPS Code. There is a Company Security Officer (CSO) for each shore base and at least one Ship Security Officer (SSO) on every OSV Vessel as required compliance with the ISPS Code. The CSO and SSOs are trained in compliance to flag state and international laws.
- A HSSE committee is in place to increase the interface of joint management – workforce cooperation in monitoring and mitigating health, safety, security and environmental risks.

Environmental Performance

Global statistics show that the shipping industry contributes about 4% of global CO₂ emissions to our environment. This comes mainly from burning of marine diesel fuel by vessels' main engines, generators and other diesel operated machineries during sailing or on site operation at the offshore oil fields.

In 2010 and 2011 our OSV fleet fuel consumption was estimated to be 95,824.92 cu/m. It is difficult to reduce fuel consumption as vessels' tasks and job scope vary significantly from day to day. However, we aim to improve efficiency through a variety of initiatives such as:

- Optimizing vessels to operate on economical speed while sailing.
- Utilizing standby buoys provided at specific off-shore locations by oil majors.
- If there are no standby buoys on location, then vessels steam on one main engine while waiting for further instructions from offshore installations or drilling rigs.

Vessels are required to provide detailed daily fuel monitoring reports which are closely monitored. In addition, we have also embarked on a pilot project to install a fuel monitoring system on board for selected vessels. The project results and feedback have been very encouraging.

HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY (HSSEQ)

Electricity and Consumption of Paper

OSV targets for both electricity and paper consumption have been set to reduce by 5% by 31 December 2013. An action plan has been rolled out fleet-wide for its compliance in achieving the targets.

Generation of Waste

Appropriate waste segregation and proper disposal to meet the respective country requirements are strictly complied with on board the company fleet.

Water Management

All of our workforce are trained in respect to the company's Environmental Management System, and are encouraged to conserve water by turning off taps and showers when not in use. Our vessels are also equipped with reverse osmosis water making plants. The reverse osmosis overcomes natural phenomenon by forcing seawater (under high pressure) through a semipermeable membrane into potable water. This allows less or no water supplies required from shore based to vessels operating in the offshore oil fields through supply vessels. We have also fitted vessels with water purification systems to purify water fit for

drinking. The filters are replaced regularly and the water samples are sent for lab testing. This helps reduce the supply and consumption of bottled water thus reducing generation of plastic waste.

Current MARPOL legislation stipulates that separated bilge water containing oil in water of 15 parts per million (ppm) or below can be disposed into international water. To ensure the water meets this requirement, internationally approved "Oily Water Separators" have been fitted on board our OSVs to monitor the content of oil in the water. A three-way valve operates such that in the event that the oil content exceeds 15 ppm, the water will be automatically redirected back to the holding tank and recycled for further cleaning. The "Oily Water Separators" also records the amount of water discharged, its content, and the date and time of discharge.

Anti-fouling Systems

Our OSVs comply with international conventions requiring anti-fouling systems and have received Statement(s) of Compliance for Anti-fouling Systems issued by respective classification societies.



QUALITY ASSURANCE / AUDIT & COMPLIANCE

Quality Vision

To establish a strong quality culture among all levels of employees and senior management; to continually improve our quality management system to world class standards.

Quality Management System (QMS) Approach – Key Elements

Bumi Armada's Quality Management System adopts a holistic total quality management (TQM) based approach which provides for multiple quality initiatives across all business groups. Bumi Armada QMS adopts progressive quality programmes that are included in a broad based management system. This includes empowering staff through improvement workshop programmes, obtaining feedback from clients and contractors through feedback workshops; Quality training in the form of quality leadership training and quality concepts training. In addition Continuous Improvement and Audit and Compliance programmes are prioritised to ensure ongoing improvement and compliance to international standards.



HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY (HSSEQ)

Quality Assurance Programmes

International Standards Certification Programme

This programme includes Bumi Armada's QMS progression to ISO 9001:2008, the latest version of the Quality Management Systems International Standard; as well as certification to international standards; ISO 14001:2004 (Environmental Management Systems) and OHSAS 18001:2007 (Occupational Health & Safety).

Customer Satisfaction Programme

Bumi Armada adopts a customer satisfaction management programme which ensures we regularly measure and improve on our management systems performance on a project-by-project basis; and for vessel fleet, on an annual basis. We have received good feedback from our client satisfaction programme with client satisfaction ratings exceeding 80%.

Quality Training and Awareness Programme

Each year the company develops and implements a training and awareness programme for all levels of staff, from middle management to senior management. This includes training in the concepts of Quality Management such as ISO 9001, Auditing, Continuous Improvement, Risk Management, NCR, COPQ, etc. The benefits of these training sessions are evident in the increased awareness of quality as a key driver for continuous improvement.

Audit and Compliance Programme

The audit and compliance programme is developed on an annual basis and has been extended to cover all business groups and geographical locations, including Kuala Lumpur, Miri, Kemaman, Labuan, offshore Malaysia, Singapore, West Africa- Lagos and offshore, Ashgabat base and offshore, Brazil and offshore vessels, India etc. Audit findings are identified for all areas of the company and translated to opportunities for improvement. This includes office-based as well as offshore operations management systems for vessels. During the audit process we also measure compliance to the Bumi Armada Quality Management System, policies and procedures; as well as against the international standards ISO 9001, ISO 14001 and OHSAS 18001.

Risk Management Programme

Through the process of assessing potential risks (possible impacts to safety, environment, quality etc.) Bumi Armada is able to consider the likelihood and probability of such occurrences and mitigate these potential issues. Mitigations are then translated to actions which are managed to the point where the risk is effectively removed. These include Safety, Environmental and Health risk hazards identified through our ISO 14001 and OHSAS 18001 systems. Every project and business group is subject to the Risk Management Process to ensure company wide compliance and mitigation that could otherwise adversely impact HSSEQ.

Management Systems Development Programme

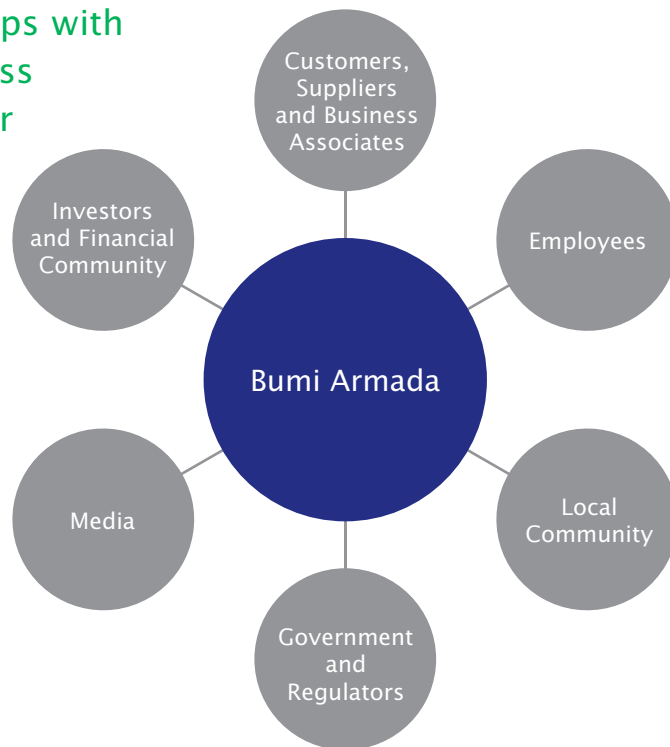
The QMS is one of the key foundations of the company systems we implement. It is used to ensure business excellence through the use of sound engineered and efficient work processes. Bumi Armada has in place a certified QMS (ISO 9001:2008) which has these key attributes. In addition, each business group as well as Corporate Management implements the QMS operating procedures, developed specifically for it. This ensures ongoing compliance to our business excellence model.

Management Review

Bumi Armada conducts regular management reviews of the QMS (including Quality, Health, Safety, Security and Environment performance). Audit and non-conformance findings are reported to the senior management team along with trends in statistical performance data; Progress of programmes and all performance, including training and awareness programmes, continuous improvement programmes and customer feedback. All of these are considered and senior management improvement actions identified. An example of a key improvement action has been the success of the company's Intranet system and in particular the HSSEQ Microsite where staff can easily access HSSEQ data, events, programmes and bulletins.

OUR STAKEHOLDERS

In every location, there are key stakeholders among our customers, suppliers, business associates, employees, local communities, governments and regulators, media, investors as well as the financial community that are significant. Engagements with these stakeholders provide a basis for long-term and mutually beneficial relationships. As a Malaysia-based international company with operations, offices and clients around the world, our in-country local management takes the lead in those relationships with the appropriate support of Business Unit Heads from the Kuala Lumpur headquarters.



Employees at a townhall session

OUR STAKEHOLDERS

A. CUSTOMERS, SUPPLIERS AND BUSINESS ASSOCIATES

Customers

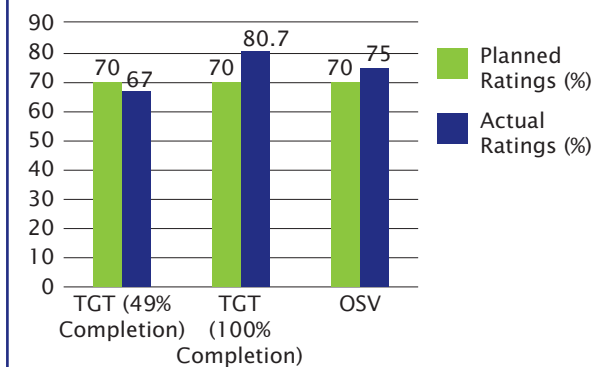
Bumi Armada's business is structured to be flexible and tailored to individual customer needs, and collaboration is an integral element of these relationships. A key topic of concern for customers is the solution for their production and oil field needs. For example, our EPC teams work closely with the project clients, like Hoang Long Joint Operating Company, and a host of suppliers to build a FPSO that can withstand 100-year return environmental conditions including cyclones and tsunamis prevalent offshore Vietnam.

We worked closely with our client, Petrofac E & C Sdn Bhd to meet a fast track project timeline for the delivery of the FSO Sepat which was part of the Sepat offshore early production system off the East Coast of Malaysia. Delivery of the FSO in a little over 7 months was an important element to Petrofac's and Petronas Carigali's achievement of First Oil in 12 months 9 days. This set a new record for the national oil company and industry in terms of being the fastest completed project.

Shell Malaysia and Keppel Shipyard are examples of business associates that we work with closely, especially in the area of Health, Safety, Security and Environment (HSSE). Through joint workshops, exhibitions and other activities, we exchange views and advance our joint goals. We have conducted regular customer satisfaction surveys to measure our customers' responses, identify gaps and use

these to track our service performance. We are in regular communication with our existing and potential customers to look into various areas which require our services. Customer retention is an integral part of our marketing strategy. Over the years, we believe that our ability to deliver quality services has enabled us to build our reputation in the marketplace. In addition, we protect and respect customer privacy and do not disclose client details to any third-party organisation without prior consent from our customers.

Customer satisfaction survey for Bumi Armada's latest FPSO and OSVs for period Jan-Dec 2011:



*Te Giac Trang (TGT) refers to Bumi Armada's FPSO Armada TGT 1



Suppliers

Bumi Armada collaborates closely with our suppliers across the entire supply chain. We perform inspection and audit visits at suppliers' offices and premises as and when necessary. We have now developed a base of reliable and capable suppliers with whom we work on a long-term basis. Upon completion of each major project, we conduct random periodic supplier performance appraisals on the services performed. This engagement helps us bring the best thinking to the table, benefiting both our business and our operations. We actively seek business relationships with suppliers who share our values and promote the high ethical values by which we do business. High quality, reliable suppliers are important to the quality and timely delivery of our projects and the continued efficiency of our operations. With EPICC projects, the company has engaged proactively with suppliers and involved them early in the initial design and engineering stage of our projects.

It is the company's policy that all purchasing activities are carried out in a manner consistent with professional, ethical, moral and legal standards. All procurement activities made on behalf of the company shall be made by authorised personnel representing the interest of the company. Employees must declare their status in relation to the potential suppliers and must be free from any conflict of interest. Any violation of the policy is subject to disciplinary actions as deemed appropriate by the company.

In addition to ensure that all procurement activities within the company are consistent with the "Best Management Practices", we seek to procure goods and services at the most economically favourable terms while meeting the company's expectations and requirements. We strive to ensure transparency in the procurement activities by putting in place proper documentation of procurement activities that will provide an audit trail for future references and review. The procurement policy aims to achieve excellence in the application of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards.

B. EMPLOYEES

Bumi Armada is committed to creating an environment in which our people can grow and attain the highest standards of professional excellence and integrity. We place priority on employee diversity and inclusivity, local content development, learning and career development, work-life balance and occupational health and safety management – key areas of interest from our employees' perspective.

We engage employees through the following channels:

- Quarterly newsletter
- CEO breakfast sessions
- Quarterly townhall sessions connecting employees worldwide
- Department meetings and luncheons
- Performance management reviews
- Feedback mechanisms on engagement, 360 degree, leadership, climate and organisation effectiveness

Our employees enjoy a good work-life balance where we extend a certain amount of flexibility among employees in arranging their working hours according to their personal commitments. We encourage our employees to look after their own well-being and provide regular health awareness activities such as talks and articles on serious diseases such as cancer awareness, exercise and healthy eating.

We conduct various surveys to understand employees' perceptions about the company, its work environment, needs, as well as to identify issues and areas of improvement. The feedback helps the company map its initiatives to improve their engagement with the company, satisfaction and commitment.



OUR STAKEHOLDERS



During the years 2007, 2008 and 2009 employee climate surveys were conducted and the satisfaction ratings were 68%, 75% and 70% respectively. This translates to an average satisfaction level of 71% which is a respectable level. To benchmark ourselves against global industry players, given the organisation's rapid growth in terms of business, financials and geography we embarked on the Employee Engagement Survey in 2010. From the survey we obtained an engagement level of 58% which is considered to be a satisfactory level for a young organisation like ours. This is close to the global energy employee engagement level of 60%.

We have launched several initiatives to improve engagement levels through organisational effectiveness diagnosis, leadership development profiling and implementing competitive compensation and benefits programmes.

In order to maintain our diversity and inclusivity, we offer job opportunities to the local communities wherever we operate. We also drive community development initiatives in every location of operations.

Key Benefits

We aim to support our employees by rewarding them internally with equitable and externally competitive benefits. Over the years, we have increased the level of non-salary related rewards and currently, we provide a total of 22 additional benefits which include improvements to;

- Medical outpatient (employee and family)
- Health and safety insurance (employee and family)
- Maternity benefits
- Optical and dental benefits
- Group Personal Accident policy
- Group Term Life policy
- Sports/fitness club monthly membership
- Car park allowance
- Various allowances which includes per diem, living, offshore and hardship

IPO and Employee Share Option Scheme (ESOS)

To realize our vision it is imperative that there is a strong alignment between shareholders, management and employees. In line with this and to achieve sustainable value creation and sharing of wealth with the employees, the company offered pink forms to all its eligible employees working in various offices and sites and ESOS was offered to the management team.

Learning and Development

Bumi Armada is an expanding organisation and is committed to attract, build capability and retain key professionals. Career development opportunities are made available for those who wish to gain international exposure.

Over the past 3 years, our investments into development have increased steadily and we will continue to do so. Similarly for the sea staff, we have developed six developmental training courses specifically for Bumi Armada in collaboration with ALAM. We commenced this activity in 2011 for the first time and to date 16 officers have undergone this training. This module is developed to assess and develop Masters and Chief Engineers capabilities in real life situations by using simulators and case studies. New hires and officers identified for promotion are put through this assessment by qualified trainers and management psychologists.

The total training and development manhours for 2010 and 2011 was 13,750 hours.

Cadetship Programme

To offset the shortage of trained Malaysian crew members, we offered scholarships to 40 school graduates from Malaysia in 2010. This is in addition to the 5 students we sponsored in 2007, 17 in 2008 and 55 in 2009. Ten of the cadets are studying at the Sarawak Maritime Academy (SMA), while the rest are studying at Malaysian Maritime Academy (ALAM). The scholarships offered are for the Diploma in Nautical Studies (DNS) and a Diploma in Marine Engineering (DME). This is important for the development of nautical and engineer officers. To date, we have sponsored a total of 138 cadets in the system of which 5 graduated in 2010 and another 17 will graduate in March 2012. These cadets will be offered employment opportunities with our company once they pass their examinations and obtain relevant certifications.

Year	No of Cadets	Year of Graduation
2007	5	2010
2008	17	2012
2009	53	2013
2010	40	2014
2011	20	2015
Total	135	



OUR STAKEHOLDERS



The simulator in ALAM

First DP Training Programme in Malaysia

In addition to a global shortage of trained crew, there is also a shortage of specially trained Dynamic Positioning (DP) officers. Together with ALAM, we initiated a DP training programme in 2007 and provided funding and resources to establish the first DP training programme in Malaysia. The centre is now accredited by the National Institute in UK as an international DP2 training centre.

To date we have a total of 12 Bumi Armada sponsored DP officers who have obtained full DP licence and are serving in our fleet as DPOs. We have additionally trained another 6 DP officers in 2012. Our future plan is to expand the pool of DP certified officers to meet the future demands.

Graduate Development Programme

Under the Graduate Development Programme, fresh graduates are hired to undergo on-the-job training for a period of 24 months. They are placed on a development plan to equip them with functional and business skills. Their assigned manager assumes the role of a mentor. The graduates are provided opportunities to work in different locations and disciplines during this period. Our Graduate Development Programme commenced in 2009. To date, we have successfully hired 26 young graduates. We have also been able to bring back Malaysians who have qualified from overseas institutions.

Integral to career development is performance management and appraisal process. The company conducts regular reviews and for the two years under review, about 80% of our employees have undergone this process.

C. LOCAL COMMUNITY

We have a local content philosophy wherever we operate and this translates into job creation, training and career development and tapping locally available resources for a variety of support services.

Where appropriate, we have established joint ventures with local partners, such as with the Century Energy Group in Nigeria. Being an indigenous company with good understanding of cultural and social issues, they are a positive influence on our operations in Nigeria. In return, we have shared our best practices in HSSEQ, finance and procurement practices.

In 2011, we launched the Nigeria Exchange Programme where a group of professionals were deputed for a two-week period to Bumi Armada's KL office to undergo an orientation programme as well as cultural integration. The second batch of participants are expected to come in April 2012 and similarly a batch from KL is expected to go to Nigeria in June 2012.

In our derrick pipe lay barge project in Turkmenistan, we hired 28 Turkmen to man barge operations and another 10 were hired for the office and shore base.

We may plan for similar initiatives for our existing as well as new offices in Indonesia, India, Brazil, Venezuela, Mexico, Angola, Australia and Vietnam.

In every community, there are the underprivileged and social causes which require assistance and our employees are encouraged to identify causes they wish to support. The company encourages employee volunteerism and enhances these activities with cash funding. A full report on these activities is provided at the end of this document under a section "Supporting the Local Community".

D. GOVERNMENT AND REGULATORS

As an international company, we respect and abide by local and international laws and work with government and regulators in an appropriate and timely manner. These relationships are driven by our local representatives and joint venture companies on the ground.

An example, Malaysia, where we have engaged the Marine Department, the local regulator, and invited them to address our ship captains and leadership on regulations and changes in the regulatory environment. We have shared our Dynamic Positioning (DP) experience with them and offered them vessel visits.

E. MEDIA

As a recently listed company on Bursa Malaysia, we have an obligation to disseminate information thoroughly and in a timely manner to the public and the media is a key communication channel. We interface regularly with the media, both local and international, providing them with accurate information about the company's activities and receiving in return, their perception and expectations of the company and the brand.

F. INVESTORS AND FINANCIAL COMMUNITY

As of Bumi Armada's listing in July 2011, investors and the financial community from all over the world became an important group of stakeholders. In the last six months of this reporting period of 2010-2011, we have held meetings and made presentations to over 70 financial and investment institutions primarily via private meetings and roadshows at major investment conferences, covering institutional investors from Asia, Europe and the United States.

At Bumi Armada, we believe that stakeholder relationships are important for a socially responsible company that has international operations. A good stakeholder engagement strategy allows a company like ours to share our vision and share in growth opportunities for the mutual benefit of everyone concerned.



Engaging analysts and media

HUMAN RIGHTS AND LABOUR PRACTICES

“Human rights are rights inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. These rights are all interrelated, interdependent and indivisible.”

‘United Nation’s Commissioner of Human Rights, www.ohchr.org’

Bumi Armada respects basic human rights and has in place non-discrimination and fair-process policies that guide our actions in how we manage our business.

Although there is no union representation, the company provides an environment for positive staff engagement process as well as a set of the core values which are enshrined in every business decision and action relating to employees. Grievances are dealt with and there is a fair process for conflict resolutions.

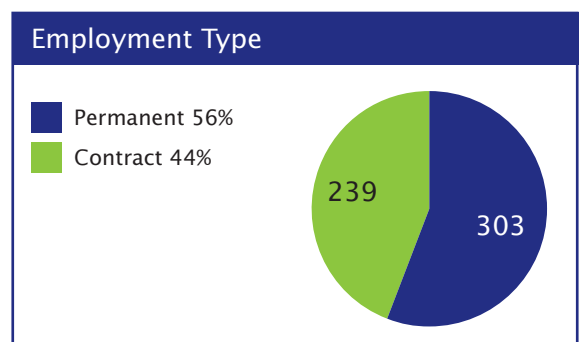
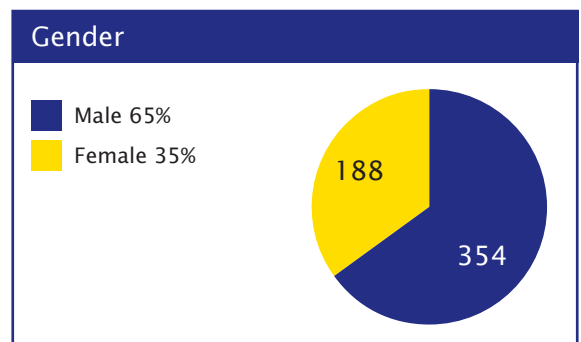
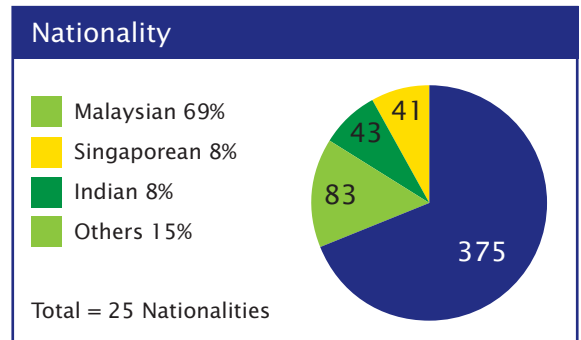
Our values – Customer Focus, Safety Mindset, Hands-On Execution, People Development, Brutal Openness and Commercial Awareness - are simple and they form the bond that holds our people together. We are committed to ensuring that our people receive the right guidance from their leaders, have the necessary capability to deliver their KPIs and are encouraged to explore their growth potential. The organisation that we developed is built on a foundation of teamwork and openness in our conversation.

Bumi Armada is committed to providing a work environment in which every employee is treated fairly, respected, has the opportunity to contribute to business success and also to realise their full potential as individuals.

Labour Practices

Of the 542 staff, 56% of all the employees are on a permanent basis. 69% of those employed are locals, while 31% of the remaining employees are foreigners. Our recruitment strategy is to focus on locals first and then expatriates. 65% of all the employees are male and we are an equal opportunity employer striving to employ both men and women based on their skills and talent. 89% of those employed are executives and 11% are non-executives.

Employees	2011	2010	2009
Inside Malaysia	402	309	337
Outside Malaysia	140	135	86
Total number	542	444	423



THE LOCAL SUPPORTING COMMUNITY

Bumi Armada has the responsibility to ensure our activities and operations have a positive impact on the local communities in and around areas in which we operate. We believe when the communities prosper, so do we. Our community efforts focus on health, youth development, skills and education. In the last reporting period, we have tried to align our efforts to these areas both at home in Malaysia as well as abroad.

The emergence of our voluntary groups Rafflesia in our headquarters in Kuala Lumpur and the "Rolling 10" in Kemaman, Terengganu are examples of employee volunteerism.

We use every occasion of an FPSO launch to benefit a community-related cause. Our third FPSO, the "Armada TGT 1", for example, set sail for Vietnam in July 2011 and to commemorate this joyous occasion, Bumi Armada together with its partner in Vietnam, Vietsopetro, donated USD10,000 to the Rehabilitation Centre in Nghe An Province and USD10,000 to the Centre of Art "Tin Thuong", Central Red Cross of Vietnam. This is in addition to the USD5,000, worth of scholarships made to the PetroVietnam Manpower College.

Following are a host of community-related activities conducted throughout our organisation:

KUALA LUMPUR, PENINSULAR MALAYSIA

The Shri Lalithabigai Ashraman Orphanage

As we uphold our responsibilities of a good corporate citizen, Rafflesia, our informal group of employees has been instrumental in ensuring Bumi Armada's community efforts address the needs of various community groups, including the indigent and the underprivileged. Rafflesia has, over the years, conducted a variety of community development work including visits to various homes, organising seasonal shopping trips for the less fortunate as well as other philanthropic activities.

In December 2011, with an allocation of RM5,000, the Rafflesia team wasted no time in organizing a visit to the Shri Lalithabigai Ashraman, an orphanage run by a Hindu priest located in Puchong, Kuala Lumpur. The children of the home, aged between three and 16, could hardly contain their excitement as they welcomed us on 9 December with their warm and friendly smiles. Material contributions such as school uniforms, shoes, bags and clothes as well as RM1,500 supermarket vouchers were donated to the home. As we spent time with the children, it dawned on us just how fortunate we are and how much homes like the Shri Lalithabigai Ashraman need our support. Some of the team have decided to share their thoughts:

"I really feel for the young orphans as they remind me of my own kids and how fortunate we are. I have invited them to my house for my child's birthday this year because I want my children to share the love and joy with the less fortunate."

*Komathi Arumugam,
Chartering Department*

"These children are all so young and innocent. People from all walks of life should come forward to lend their support whether in cash or in kind to help these little ones to have a better education and life, for children are our future."

*Joanne Ng Yeok Ken,
Offshore and Marine Department*

"It was a great experience with the children and staff who had participated in the Charity visit at Shri Lalithabigai Ashraman. The support we received for this visit is marvellous. I would like to thank all the volunteers who helped with the collection; those who attended on the day to assist and especially to all the Rafflesia members who had made this visit successful. As part of bringing some joy and positive spirits to these children, lets us put our hands together to support these young and unfortunate children."

*Shamala Devi,
Projects Department*

SUPPORTING THE LOCAL COMMUNITY

Sri Tanjung Old Folks Home

14 December 2011 marked the day we visited the old folks at Sri Tanjung Old Folks Home in Kluang, Selangor, to remind the residents that they have not been forgotten by society. We brought along useful contributions such as new nursing beds, incontinence products, walkers and food. Many of the residents were eager to share moments from their past with us and gave us much to laugh about with their sense of humour.

The residents' sadness could be felt as the difficult moment came when we had to bid farewell. Some shed a tear or two which was very touching for us. Knowing that our little time spent with them made their day a little brighter is treasured deeply.

Al-Munirah Home for Orphans and the Poor

On 24 August 2011, our employees brought twenty-four children from Al-Munirah Home for Orphans and the Poor on a shopping trip in time for the Eid celebration. A sum of RM5,000 was donated to the Al-Munirah Home, which has seventy-four children aged between seven and seventeen, for the rest of the children who were unable to join the shopping trip and for basic home necessities.



Shopping with children

Rumah Nur Kasih Bestari, Ramadhan 2010

Our Rafflesia team paid a visit to Rumah Nur Kasih Bestari, a privately-managed orphanage in Segambut during Ramadhan in 2010. With thirty children between the ages of four to twenty-one to care for, Puan Nurul, one of the founders of the orphanage, shared with us their dependence on public donations to maintain the orphanage. Some of the residents are disabled and paralysed whilst one other suffers from a heart defect.

In the true spirit of Ramadhan, our people at Bumi Armada were quick to respond and in a short period of time, managed to raise a total of over RM10,200 to be donated to Rumah Nur Kasih Bestari.

KEMAMAN, TERENGGANU, PENINSULAR MALAYSIA

Iftar Ramadhan with Sekolah Kebangsaan Seri Geliga

Our Rafflesia-equivalent in Kemaman, the Rolling 10 (R10) is a voluntary group of employees that runs company gatherings and events in our Kemaman office. On 25 August 2011, the R10 organised a fast-breaking event to celebrate Ramadhan with the orphans of Sekolah Kebangsaan Seri Geliga. Held at the Resident Inn in Cherating, the evening was one filled with activities such as lucky draw, good food and also to encourage and motivate the children to practice the teachings of Islam for all.

Thirty-two children from Sekolah Kebangsaan Seri Geliga, fifty Bumi Armada employees in Kemaman as well as some of our suppliers and contractors attended the event.



Kemaman Team Visit to an Old Folks Home

On 19 March 2010, the R10 brought employees of Bumi Armada on a visit to five homes of the unfortunate old folks from Kampung Ibok, Kampung Payoh, Kampung Melayu Air Jernih and Kijal in Kemaman. The condition that the old folks were living in was so heartrending in that Bumi Armada employees decided to help with some of the repair works around their houses. Material donations such as electrical appliances, mattresses, beddings were also made much to the delight of these unfortunate old folks.



The R10 paid a follow-up visit to the old folks on 2 April 2010 with some cash contributions from the employees and also to spend some time with them. It brought us much pride and satisfaction as we did a good deed and also managed to do some team-building ourselves.

EAST MALAYSIA



Sarawak Orphans Welfare Association (PERYATIM)

Our colleagues in Sarawak were equally committed. A visit to the Sarawak Orphans Welfare Association (PERYATIM) was conducted on 15 December 2010. PERYATIM is home to some 100 children between the ages of five to 17, many of whom have been abandoned, some had

lost their parents to accidents whilst others belong to very poor families who could not afford to care for them. Relying solely on public donations for the daily maintenance of the orphanage and the children's expenses, PERYATIM needed RM20,000 for the school fees of the children.

Led by Assistant General Manager Captain Abdul Ghani bin Talib, our colleagues from Miri made full use of the time at PERYATIM to get to know the children better; playing games and telling jokes to one another. A cheque for RM5,750, a sum pooled together by both the company as well as employees, was presented to the manager of the orphanage, Ibu Hajah Julia who was extremely grateful and appreciative of our visit.

SINGAPORE

A visit to the Singapore Children's Society

Our 2011 community initiative brought our Singapore-based Bumi Armada employees to the Singapore Children's Society in Bukit Merah on 1 December. The Society provides nurture, protection and support to children and youths regardless of race, colour or creed and reaches out to some 57,000 children and youths across the country.

Home Director Ms Kim Beng Hong and her staff, all volunteers, together with 42 children, aged seven to 12, met our team at the home. It was a fun afternoon with a magic show, games and gifts for all the children. Balance of the funds from the company's allocation of SGD5,000 was presented to Ms Kim in support of the activities and programs run by the Society.



SUPPORTING THE LOCAL COMMUNITY

VIETNAM

Scholarship for PetroVietnam Manpower Training College Students

It is important to build a sustainable business in the country where the company operates. Developing talents in the Vietnam O&G sector, through financial support and encouraging access to high quality training, will in return produce qualified local workforce that will add value to the Vietnamese economy and one day may even come onboard and join the Bumi Armada family.

At the 11 June 2011 sail away event for FPSO Armada TGT at Keppel Shipyard in Singapore, Bumi Armada made a scholarship contribution of USD5,000 to the PetroVietnam Manpower Training College (PVMTC). The scholarship is awarded to the top students in the academic year 2010 – 2011. This is the second contribution from Bumi Armada in our effort to show continuous support to PetroVietnam Manpower Training College.



TURKMENISTAN

International Children's Day

To celebrate International Children's Day 2011, Bumi Armada employees in Turkmenistan organised a visit to the Nursing Home Number 43 for Mentally Challenged Children. Together with the students of Ashgabat School Number 53 who volunteered and joined us in the visit, the team entertained the residents with puppet theatre, dancing clowns and piano-playing. Snacks and food were shared and games that could help to improve the children's mobility were played too. Whilst it was a day filled with joyful smiles and laughter from the children, it reminded the team just how fortunate they are and how much a little effort means to the residents of the home.



Educational Support

Bumi Armada believes that it is important to contribute, develop and invest in communities where we operate and the importance of education is emphasized in an official book donation ceremony of 194 maritime educational books by Bumi Armada on 14 June 2011 for the Turkmenbashi Maritime Lyceum Number One at the Charlak Hotel in Turkmenbashi. Attended by representatives of the Maritime Authority, teachers and students of the Lyceum Number One and other guests from other companies, the event included an introduction to Bumi Armada in the form of a video presentation of the construction of the Armada Installer and Bumi Armada's project in the Caspian Sea.

This modest contribution of marine books marked the start of a close partnership with the Turkmenbashi Maritime Lyceum Number One and the State Service of Marine and River Transportation of Turkmenistan.



The Saz Orchestra

In most countries, the arts often struggle for support and survival. In Turkmenistan, our USD3,600 a year for a two-year sponsorship of the Saz Orchestra has helped the orchestra to make a total of six performances in theatres and concert halls in Ashgabat. The orchestra comprises 20 members lead by conductor, Muhammed Mommadov.

The Orchestra made a wonderful effort in their Christmas performance on 17 December 2010 at the "Vatan" Cinema Concert Centre. Performing Symphony Number 45 by J. Haydn, the Orchestra treated an audience comprising diplomats, corporate leaders as well as the local community to a grand concert, including several pieces by candlelight.

Unfortunately the orchestra was dissolved in year 2011.



The Boarding School of Turkmenistan

To mark the International Day of Knowledge on 1 September 2011, our Turkmenistan employees donated some school material to the 188 children of the Boarding School of Turkmenbashi, some of whom are orphans, some with single parents whilst others are boarding at the school because of medical conditions.



"Thank you for remembering us", The Old Folks Home of Ashgabat

Having learnt of the needs of the Old Folks Home of Ashgabat, the Turkmenistan team paid the residents of the home a visit. Employees of Bumi Armada pooled together some money to purchase food and other supplies to contribute to the Home. During the visit, the team realised how lonely the residents were and though that visit has not changed their lives, they hoped it brought them some joy.

“My son came home from a school trip to an old folks home repeating a phrase he heard from the residents, “Thank you for not forgetting us.”
Lilya Kadamova
Bumi Armada, Turkmenistan

NIGERIA

Education and Youth Development in Nigeria

Education and youth development are important for the future of Nigeria. As such, together with our joint venture partner, we developed a few projects that would bring added value to the community. One project to fast-track the creative economy of Nigeria was the sponsorship of the Avant-Garde Interface Foundation breakfast which provided a platform for young and aspiring Nigerians to showcase their creative talents.



To make education fun for children, we donated some 3,000 educational Lego sets to six schools in Lagos, Port Harcourt and Bayelsa to celebrate Children's Day 2011.

SUPPORTING THE LOCAL COMMUNITY

Further projects to promote education include donation of school supplies, community empowerment projects such as the provision of skill acquisition training and scholarships to various schools in Nigeria which also helps to keep the children off the streets.

Our contribution continues with the donation of former President of the Ijaw National Congress (INC) and incumbent President of the Conference of Ethnic Nationalities of the Niger Delta (CENND), Professor Kimse Okoko's book to four universities in Nigeria.

To encourage the young and aspiring writers of Nigeria, we also collaborated with Blue and Hills, Nigeria to sponsor the inaugural literary and writing workshop in Bayelsa State.

Encouraging children to learn sometimes requires improvements in their surroundings and in that light, a bore-hole was donated to the Odi Community Primary School in order for the 2,000 students to have better access to good drinking water.



Health and Environment

Diseases remain a major concern in Nigeria and to help raise awareness on various diseases such as malaria, HIV and AIDS as well as breast cancer, several campaigns to educate the population in Nigeria on various ways of protecting themselves from these deadly diseases were organised.

A "high-end" ambulance was also donated to the Federal Medical Centre in Bayelsa State to help with the growing needs of the local population.

Breast and cervical cancer workshops were also conducted to help the women of Lekki area



perform self-examination and to be more aware of the ways of transmission of the diseases.

In addition to renovating the cottage clinics as well as replenishing general clinical supplies and as part of the Sebecly Care Initiative, we also sponsored the treatment and medication of four children who are suffering from cancer.



Other Community Development Projects

The company sponsored the Dorcas Generation initiative as they pledge to improve the material, financial and emotional well-being of widows and Voiceless Women of Africa.

Rice and other food supplies were donated to the communities of Rumuwoji and Ogu/Onne.

Our concurrent sponsorship of two students from the Rumudaolu and Eligbam communities on their educational projects and the traditional wrestling competition underscores our commitment to improve and develop local communities where we operate.

Other community projects include the development of the first Information Communication and Technology laboratory for Odi Community.

CONCLUSION

As you review this report, we hope you will see the steady progress we have made since 2009. Having said that, we are far from satisfied and we will continue to challenge ourselves to quicken the pace. Over the next three to five years, we expect sustainability to expand within our business through a few key areas – vessel design, engines and fuel efficiency initiatives - which we hope will make significant strides toward improving our fleet's energy efficiency.

As a Malaysia-based international company that will continue to expand its reach across the globe to countries in difficult regions, our philosophy of local content, risk management and good governance will hold us in good stead. We will continue to develop and strengthen mutually beneficial relationships with our customers, employees, business partners and investors as well as the communities around us.

Acknowledgement

We take this opportunity to thank the Board, Management and our employees for their support and enthusiasm on this CSR journey and we look forward to sharing our progress with you in the next report.

Thank you for your interest in our journey as a socially responsible company.

“The journey of a thousand miles begins with one step”
Lao Tzu



Statement GRI Application Level Check

GRI hereby states that **Bumi Armada Berhad** has presented its report "Corporate Social Responsibility Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 02 May 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **Bumi Armada Berhad** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 24 April 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

GRI CONTENT INDEX

GRI REPORTING AREA	STATUS
Profile Disclosures	
Strategy and Analysis	All Reported
Organisational Profile	All Reported
Report Profile	All Reported
Report Scope and Boundary	All Reported
GRI Context Index	All Reported
Assurance	All Reported
Governance	Reported
Commitments to External Initiatives	All Reported
Stakeholder Engagement	All Reported
DMA AND PERFORMANCE INDICATORS	STATUS
Economic	Reported
Social Performance: Labour Practices & Decent Work	Reported
Social Performance: Human Rights	Not Reported
Social Performance: Society	Reported
Social Performance: Product Responsibility	Reported
Environmental	Reported

GRI CONTENT INDEX

G3 CONTENT INDEX

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

1. STRATEGY AND ANALYSIS			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
1.1	Statement from the most senior decision-maker of the organisation.	Fully	P7, 9, 10-11, 17-18, 22-23, 24, Prospectus 96-97
1.2	Description of key impacts, risks, and opportunities.	Fully	P22-23, 28-29, Prospectus 14-15, 116

2. ORGANISATIONAL PROFILE			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
2.1	Name of the organisation.	Fully	FC
2.2	Primary brands, products, and/or services.	Fully	P4-5
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	P4-6 Prospectus 10-12
2.4	Location of organisation's headquarters.	Fully	P6
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	P6
2.6	Nature of ownership and legal form.	Fully	Prospectus P59-64
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	P6, Prospectus P93-95,135
2.8	Scale of the reporting organisation.	Fully	P10-11, 13, 39 Prospectus P19, 93-95, 237, 284-285
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	P40-41, Prospectus P91-92, 96-97
2.10	Awards received in the reporting period.	Fully	P12

3. REPORT PARAMETERS

PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	P13
3.2	Date of most recent previous report (if any).	Fully	P13
3.3	Reporting cycle (annual, biennial, etc.)	Fully	P13
3.4	Contact point for questions regarding the report or its contents.	Fully	P13
3.5	Process for defining report content.	Fully	P13
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	P13
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	P13, 47-65
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	P13, Prospectus P61-64
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	P23, 25
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	P13, 47-65
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	P13
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	P47
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Assurance Statement

GRI CONTENT INDEX

4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Partially	P9, 15-16, Prospectus P206
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	P8, Prospectus P206-207
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Prospectus P206-207
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	P39, Prospectus P242-245
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	Prospectus P227, 230
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Prospectus P258-259
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	Fully	Prospectus P228
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	P7, 15-16, 17-18
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	P9, 13, 17-18, Prospectus P14
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	P9
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Fully	Prospectus P13

4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	P17-18, Prospectus P130-131
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	P17-18, Prospectus P130-131
4.14	List of stakeholder groups engaged by the organisation.	Fully	P32
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	P32-38
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	P32-38
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	P32-38

STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

G3 DMA	DESCRIPTION	STATUS	CROSS-REFERENCE
DMA EC	Disclosure on Management Approach EC		
Aspects	Economic performance	Partially	P9, 10-11, 28-29, 33-35, 40-41 Prospectus P14-15, 16-20
	Market presence	Partially	P39
	Indirect economic impacts	Partially	P22-23, 40-45

GRI CONTENT INDEX

G3 DMA	DESCRIPTION	STATUS	CROSS-REFERENCE
DMA EN	Disclosure on Management Approach EN		
Aspects	Materials	Partially	P24
	Energy	Partially	P22-23, 24, 28-29
	Water	Partially	P24
	Biodiversity	Not	
	Emissions, effluents and waste	Partially	P24-25, 27
	Products and services	Partially	P23-29
	Compliance	Not	
	Transport	Partially	P22-24
	Overall	Not	
DMA LA	Disclosure on Management Approach LA		
Aspects	Employment	Partially	P35, 39
	Labor/management relations	Not	
	Occupational health and safety	Partially	P35, 39
	Training and education	Partially	P35-37, 38
	Diversity and equal opportunity	Partially	P39
	Equal remuneration for women and men	Not	
DMA HR	Disclosure on Management Approach HR		
Aspects	Investment and procurement practices	Not	
	Non-discrimination	Not	
	Freedom of association and collective bargaining	Not	
	Child labor	Not	
	Prevention of forced and compulsory labor	Not	
	Security practices	Not	
	Indigenous rights	Not	
	Assessment	Not	

G3 DMA	DESCRIPTION	STATUS	CROSS-REFERENCE
DMA HR	Disclosure on Management Approach HR		
Aspects	Remediation	Not	
DMA SO	Disclosure on Management Approach SO		
Aspects	Local communities	Partially	P20-21, 32-33, 40-45
	Corruption	Not	
	Public policy	Not	
	Anti-competitive behavior	Not	
	Compliance	Not	
DMA PR	Disclosure on Management Approach PR		
Aspects	Customer health and safety	Not	
	Product and service labelling	Partially	P30-31
	Marketing communications	Not	
	Customer privacy	Not	
	Compliance	Not	

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ECONOMIC			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
ECONOMIC PERFORMANCE			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Partially	P10-11, 33-35, 40-41 Prospectus P16-20
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Fully	P9, 28-29, Prospectus P14-15
EC3	Coverage of the organisation's defined benefit plan obligations.	Not	
EC4	Significant financial assistance received from government.	Not	

GRI CONTENT INDEX

ECONOMIC			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
MARKET PRESENCE			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Not	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	P39
INDIRECT ECONOMIC IMPACTS			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	P40-45
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Partially	P22-23, 40-45
ENVIRONMENTAL			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
MATERIALS			
EN1	Materials used by weight or volume.	Partially	P22
EN2	Percentage of materials used that are recycled input materials.	Not	
ENERGY			
EN3	Direct energy consumption by primary energy source.	Not	
EN4	Indirect energy consumption by primary source.	Partially	P24
EN5	Energy saved due to conservation and efficiency improvements.	Partially	P24
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	P28-29
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	P22-23

ENVIRONMENTAL			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
WATER			
EN8	Total water withdrawal by source.	Partially	P24
EN9	Water sources significantly affected by withdrawal of water.	Not	
EN10	Percentage and total volume of water recycled and reused.	Not	
BIODIVERSITY			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	
EN13	Habitats protected or restored.	Not	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	
EMISSIONS, EFFLUENTS AND WASTE			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Not	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partially	P24-25
EN19	Emissions of ozone-depleting substances by weight.	Not	
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	Not	
EN21	Total water discharge by quality and destination.	Not	
EN22	Total weight of waste by type and disposal method.	Partially	P27
EN23	Total number and volume of significant spills.	Fully	P27

GRI CONTENT INDEX

ENVIRONMENTAL			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
EMISSIONS, EFFLUENTS AND WASTE			
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Not	
PRODUCTS AND SERVICES			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	P23-29
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	
COMPLIANCE			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not	
TRANSPORT			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Partially	P22-24
OVERALL			
EN30	Total environmental protection expenditures and investments by type.	Not	

SOCIAL: LABOR PRACTICES AND DECENT WORK

PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
EMPLOYMENT			
LA1	Total workforce by employment type, employment contract, and region.	Partially	P39
LA2	Total number and rate of employee turnover by age group, gender, and region.	Not	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	P35
LA15	Return to work and retention rates after parental leave, by gender.	Not	
LABOR/MANAGEMENT RELATIONS			
LA4	Percentage of employees covered by collective bargaining agreements.	Not	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	
DIVERSITY AND EQUAL OPPORTUNITY			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Partially	P20-21
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	P10-11
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	P34-35
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	

GRI CONTENT INDEX

SOCIAL: LABOR PRACTICES AND DECENT WORK			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
TRAINING AND EDUCATION			
LA10	Average hours of training per year per employee by employee category.	Partially	P35-37
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partially	P37-38
LA12	Percentage of employees receiving regular performance and career development reviews.	Not	
OCCUPATIONAL HEALTH AND SAFETY			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	P39
EQUAL REMUNERATION FOR WOMEN AND MEN			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not	

SOCIAL: HUMAN RIGHTS			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
INVESTMENT AND PROCUREMENT PRACTICES			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not	

SOCIAL: HUMAN RIGHTS			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
NON-DISCRIMINATION			
HR4	Total number of incidents of discrimination and actions taken.	Not	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not	
CHILD LABOR			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not	
PREVENTION OF FORCED AND COMPULSORY LABOR			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Not	
SECURITY PRACTICES			
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	
INDIGENOUS RIGHTS			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	
ASSESSMENT			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	
REMEDIATION			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not	

GRI CONTENT INDEX

SOCIAL: SOCIETY			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
LOCAL COMMUNITIES			
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially	P20-21, 32-33, 40-45
S09	Operations with significant potential or actual negative impacts on local communities.	Not	
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not	
CORRUPTION			
S02	Total number of incidents of discrimination and actions taken.	Not	
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Not	
S04	Actions taken in response to incidents of corruption.	Not	
PUBLIC POLICY			
S05	Public policy positions and participation in public policy development and lobbying.	Not	
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not	
ANTI-COMPETITIVE BEHAVIOR			
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not	
COMPLIANCE			
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not	

SOCIAL: PRODUCT RESPONSIBILITY			
PROFILE DISCLOSURE	DESCRIPTION	STATUS	CROSS-REFERENCE
CUSTOMER HEALTH AND SAFETY			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	
PRODUCT AND SERVICE LABELLING			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	P30-31
MARKETING COMMUNICATIONS			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	
CUSTOMER PRIVACY			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	
COMPLIANCE			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not	

ASSURANCE STATEMENT



Introduction

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI). We were engaged by Bumi Armada Berhad (“Bumi Armada”) to provide assurance services for their Corporate Social Responsibility Report 2011 (the “Report”). This is the second year in which we have conducted assurance of Bumi Armada’s Corporate Social Responsibility Report.

The Report and its contents are the exclusive responsibility of Bumi Armada. Our responsibility is to perform limited assurance procedures over the Report and underlying processes within the scope set out below:

- Economic
- Social Performance: Labour Practices & Decent Work
- Social Performance: Human Rights
- Social Performance: Society
- Social Performance: Product Responsibility
- Environmental

In each case verification was conducted through low-level assurance via information provided by Bumi Armada.

It is agreed that Bumi Armada expects to be able to provide a response to each of the GRI-G3.1 Guideline Protocols and to provide an A+ Application Level which requires reporting on each of the GRI-G3.1 indicators, even if the report is an omission statement.

Exclusions from the scope of our work

Excluded from the scope of our work is information relating to:

- Statements of commitment or intention to undertake action in the future;
- Statements of opinion, belief or aspiration;
- Information in internal or external documents referred to in the Report, except insofar as we have viewed their existence as part of the assurance process.

Basis of our opinion

In conducting this engagement we have considered the principles of balance, comparability, accuracy, timeliness, clarity, relevance and reliability as in the Global Reporting Initiative (GRI) G3.1 Guidelines.

We have also taken into account the principles of independence of assurance in the GRI-G3.1 Guidelines and have been mindful of the AA1000AS and the International Standard on Assurance Engagements (ISAE 3000) although we have not been asked to apply these standards directly.

We have conducted this engagement to provide a reasonable rather than an absolute level of assurance and we believe that the work conducted and described herein provides a reasonable basis for our conclusions. The assurance provided should not be taken in isolation and should be evaluated in the context of other forms of verification, assurance and certification used by Bumi Armada and described in the Report, the Bumi Armada Prospectus and other disclosures.

Our review included the following activities:

- Interviews and one-to-one meetings with relevant internal stakeholders related to Bumi Armada activities, including Head of Departments, offshore and onshore employees;
- Documentary evidence was reviewed from communications meant for both internal and external circulation but emanating from within Bumi Armada. This comprised of manually generated internal reports, reports generated from internal specialist management information systems, performance data, press releases, internal policies, established Code of Ethics, operating manual, corporate presentation, internal newsletters, and safety procedures of Bumi Armada;
- Observed related facilities and areas including notice boards, scaled models and management office;
- A review of figures for all direct and indirect energy consumption (EN3 and EN4) as well as for economic value generated (EC1) to ascertain the accuracy of the calculation of the figures reported;
- Challenges to the Corporate Social Responsibility (CSR) related statements and claims made in the Report.

During our investigation we discussed the necessary changes in the Report with Bumi Armada personnel and determined that these changes have been adequately incorporated into the final version. We relied on representations made to us during the course of our assurance work by Bumi Armada personnel.

Information in the Report that is directly sourced from Bumi Armada Prospectus is considered to be reliable based on the audit statement of the Independent Chartered Accountant and Registered Auditor to these statements.

We provided advice on which data is necessary and how this data should be compiled to comply with the GRI-G3.1 Guidelines. All data and corrections were provided directly by Bumi Armada staff. In the same reporting period we have not provided any other advisory work for Bumi Armada which may be material in determining our opinion.

Conclusions

1. In our opinion, the Report meets the content and quality requirements of the Global Reporting Initiative Sustainability Reporting Guidelines (Version G3.1);
2. The Report provides a fair representation of Bumi Armada's social accounting and reporting activity for the period covered by the Report;
3. The information in the Report is reliable and free from significant bias;
4. Bumi Armada has processes in place for identifying, understanding and managing its environmental and social responsibilities and for capturing, understanding and responding to the views of its main stakeholders;
5. In our opinion, the Report contains new information in each domain which we believe is a fair and balanced reflection of the efforts of Bumi Armada to develop and improve their approach to sustainability and reporting. It also reflects the Company's efforts in achieving better transparency, covering wider stakeholder groups.

Considerations and limitations

In relation to our assurance work and conclusions, the following considerations and limitations should be noted:

- Certain information is excluded from the scope of our assurance work, as stated above and in the Report itself;
- Due to its nature and the methods used for determining, calculating or estimating such data, environmental and social data are subject to inherent limitations. Therefore, this assurance statement should not be relied upon to detect all errors, omissions or misstatements in the Report.
- The assurance statement cannot guarantee the quality of social accounting and reporting processes used by Bumi Armada.

10th January 2012
OWW Consulting Sdn Bhd



Dr Geoffrey Williams
Chief Executive Officer



Statement by OWW Consulting Sdn Bhd on Independence, Objectivity and Capability

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI) with established experience in providing independent CSR advisory, reporting and assurance services.

OWW Consulting has implemented a Code of Conduct in Assurance and Assessment and a Code of Ethics across our company. Our Code requires that all of our employees maintain high ethical standards and makes explicit reference to the independence and objectivity of our assurance and assessment engagements which we believe conform to emerging international best practice.

Our assurance team conducting the work for this Report has experience in conducting engagements of this type for sustainability reports, systems and processes. They are familiar with current guidelines and best practice and update their experience on a regular basis.



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