

# Welcome to Bumi Armada's 17th Annual General Meeting

18 June 2013



BUMIARMADA



"Knots Ahead of the Rest"

# CEO's Presentation

## Mr. Hassan Basma

18 June 2013



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"Knots Ahead of the Rest"

# “Safety Is Everyone's Business”

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## Safety and Operational Excellence



Source: The Telegraph Media Group Ltd



Source: Upstreamonline.com

## The Macondo blowout



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# Ahead Of The Marine Industry On Safety KPI's

Indicators	KPI	BUMI ARMADA & IMCA HSE STATISTICS			
		BAB 2011	BAB 2012	IMCA 2012	BAB 2012 (Target)
Leading KPIs (Base on 200,000 Man hours)	Safety Observation Freq.	284.8	513.8	312.34	342
	Near Miss Report Freq.	1.42	<b>1.26</b>	NA	2.0
	Management Visits Ratio	3.4	7.52	6.92	Top Manager: Once a year Line Manager: Twice a year
Lagging KPIs (Base on 1,000,000 Man hours)	Lost Time Injury Freq. (LTIF)	0	<b>0.18</b>	0.51	0
	Total Recordable Injuries Freq. (TRIF)	0.038	<b>1.11</b>	1.93	0.08
	First Aid Case Freq. (FACF)	0.23	<b>3.3</b>	4.57	0.88
	High Potential Near Miss Incident with potential severity ratings of serious & very serious	2	1	NA	All near miss & very serious events to be investigate in depth
Total Man-hours (Million)		5.331	5.396	945	-

BAB Staff Full Year HSE Performance Vs. IMCA (Leading & Lagging KPIs)



# 2012 Safety Awards

## Talisman Energy

- *3 Marine HSSE and Operational Excellence Awards*



## ExxonMobil

- *Marine Vessel and Marine Contractor of Q1 2012*

## PTSC Marine

- *3 HSE Performance Awards including one year operations without LTI and downtime*



## Shell

- *Achieved full year Goal Zero Days in 2012, while operating for Sarawak Shell Berhad and Sabah Shell Petroleum Company Limited*



# 2012 Financial Highlights



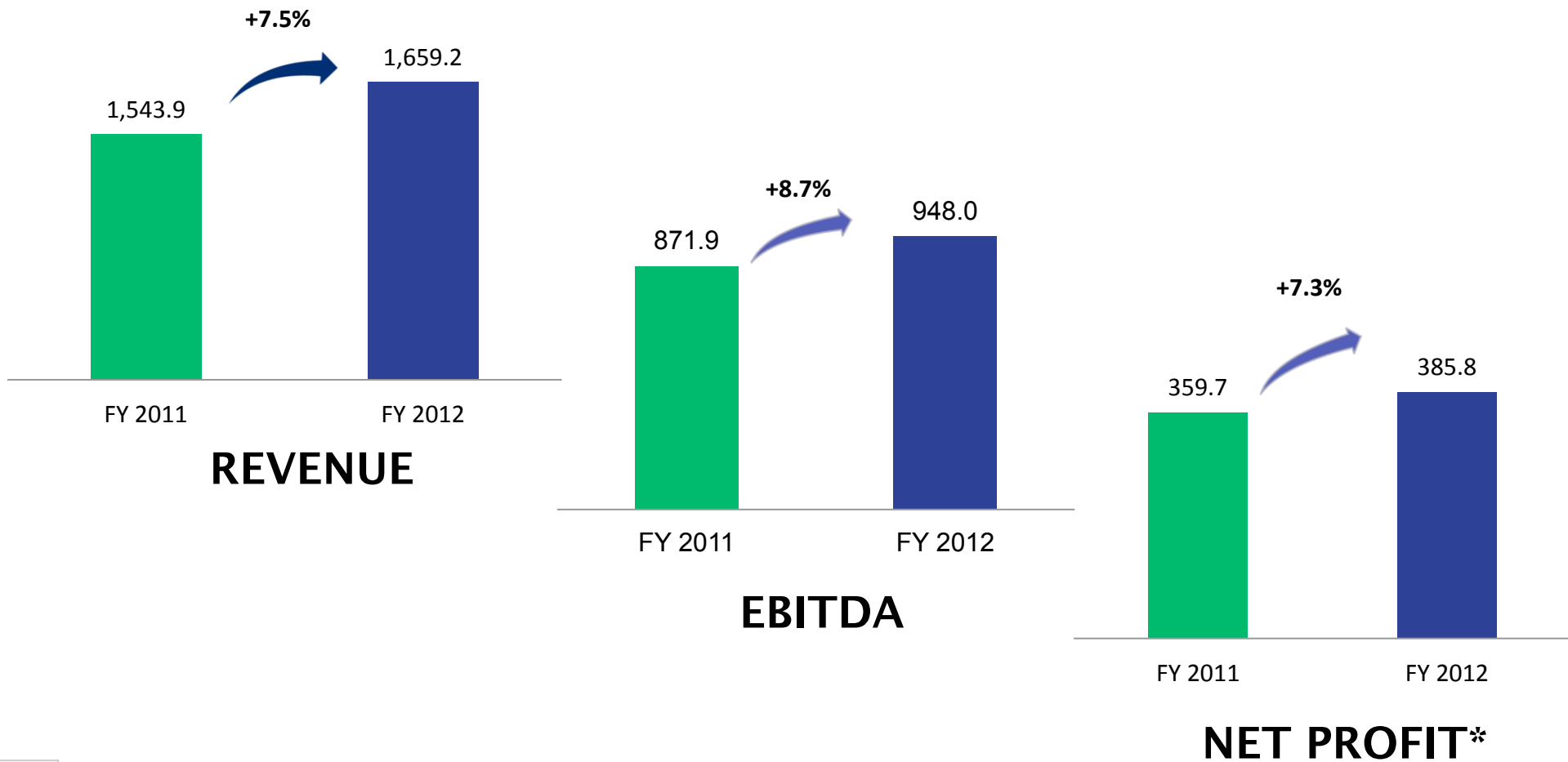
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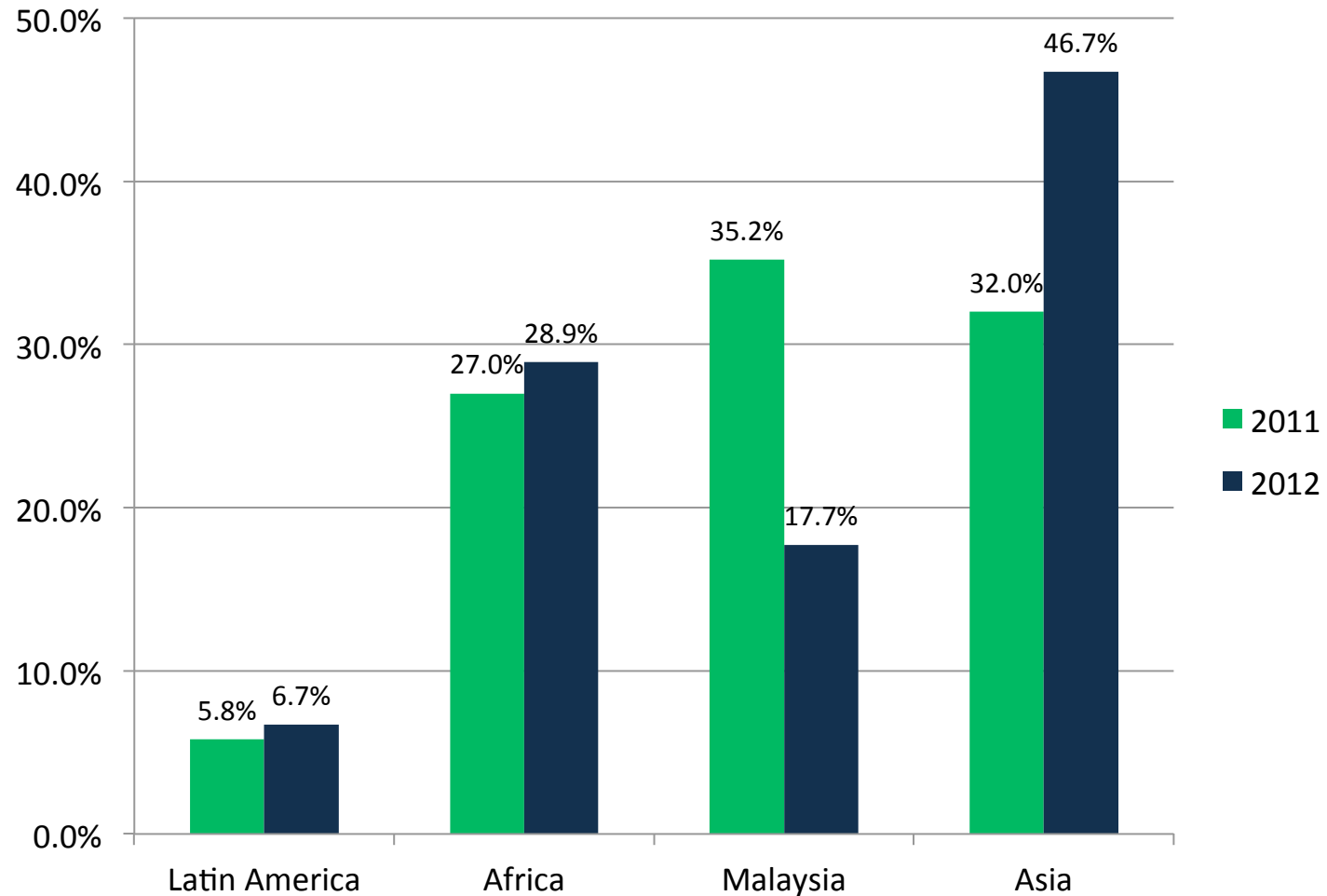
# Improved Key Performance Indicators Despite Delay In FPSO Awards

## Results Overview – FY 2012 vs. FY 2011



# Consolidated International Foothold

Continued expansion across key regions in Asia, Africa and Latin America



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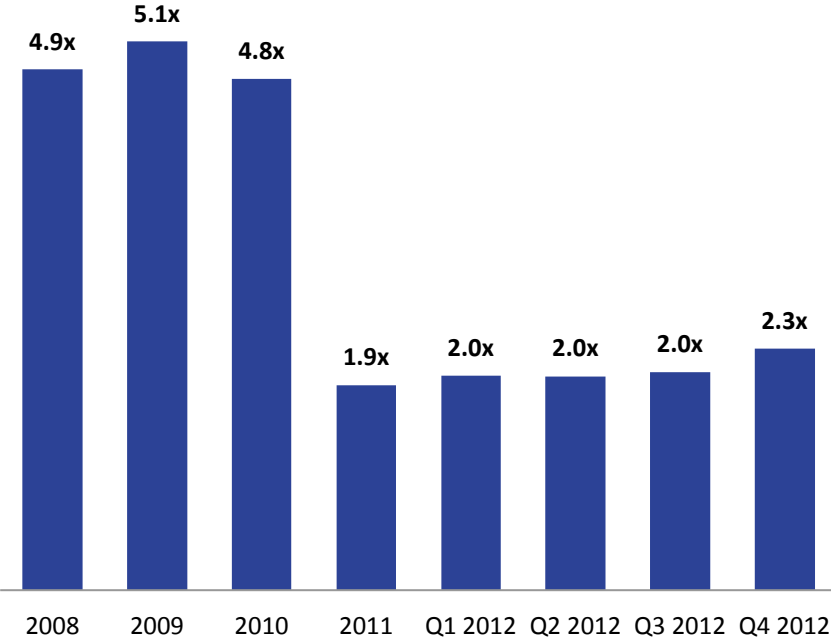
Revenue composition by geographical %



# Financial Capacity To Undertake More Projects

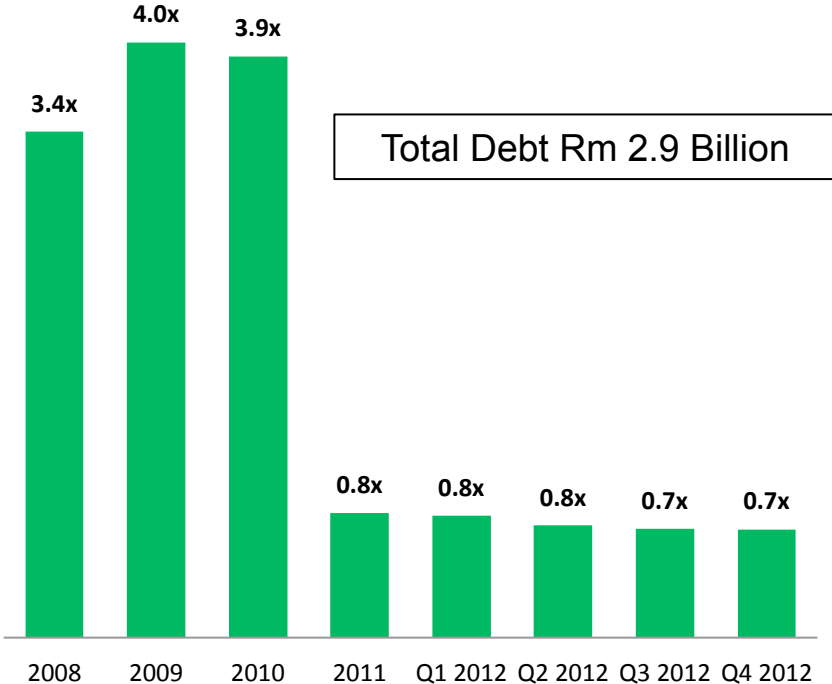
## Leverage And Capitalisation

Net Debt / EBITDA<sup>(1)</sup>



<sup>(1)</sup> Calculated based on annualised EBITDA

Gearing ratio

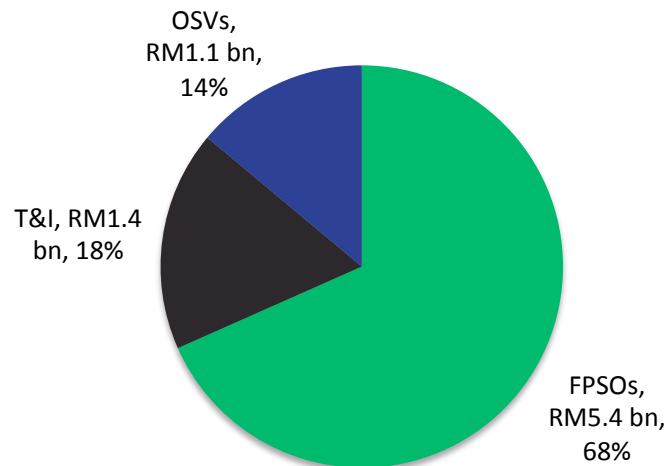


# Solid and Quality Order backlog

## Increase in quality firm backlog to RM7.9b

### Firm contract period

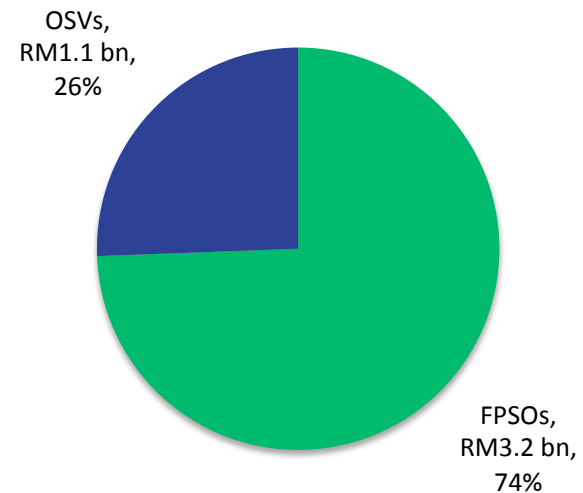
- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



**Firm contract period order book:  
RM7.9bn\***

### Optional extension period

- The breakdown of order book with optional contract period by business segments (fleets) is as follows:



**Optional extension period order book:  
RM4.3bn\***

\* Includes Group's share of C7 FPSO contract



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# The Year 2012 in Review



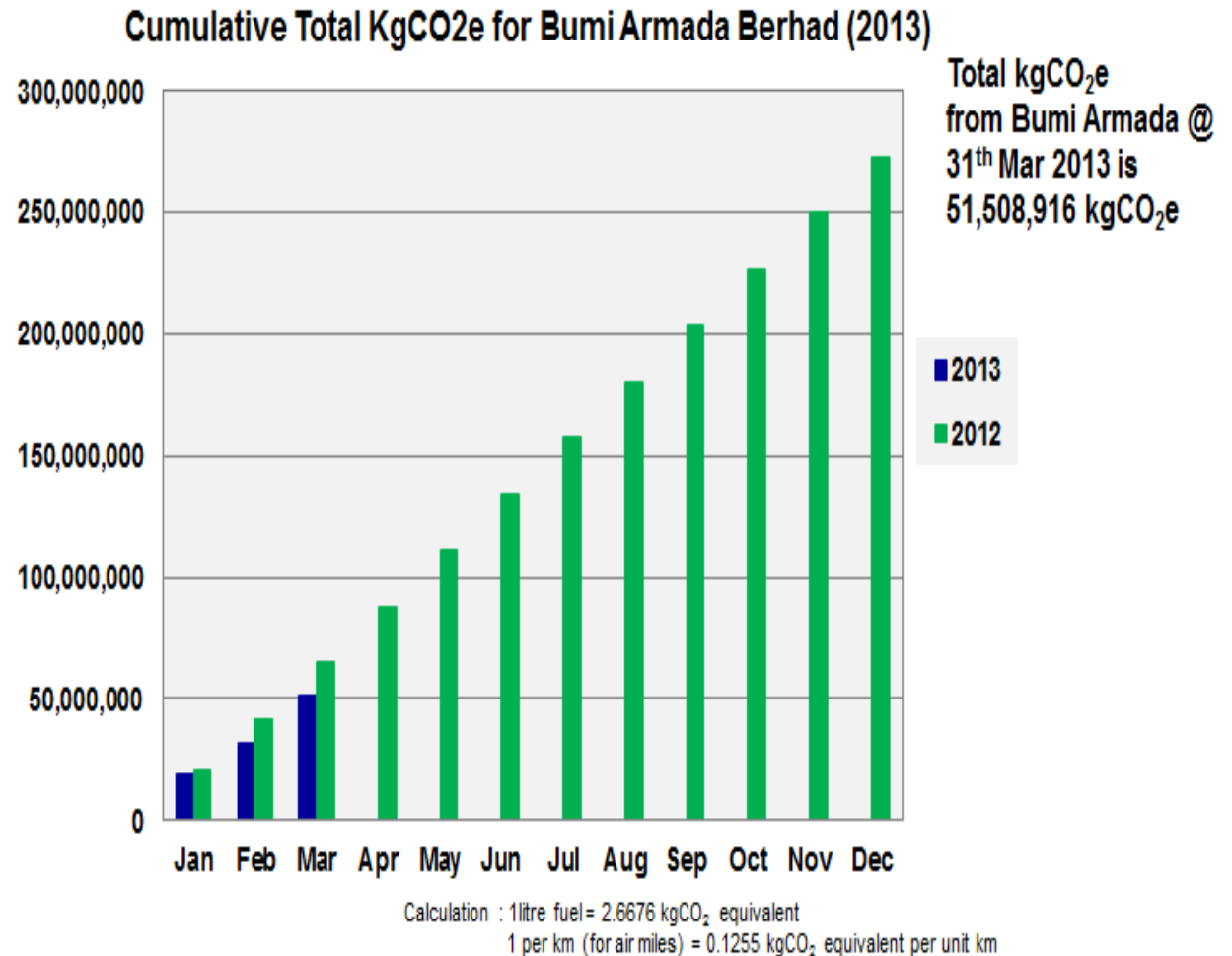
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# Towards Reducing Our Carbon Footprint

- Carbon footprint for 2012 **263,872 tonnes of CO<sub>2</sub>e**
- Moving forward - Establishing a common denominator/ratio to rationalise carbon footprint with growing fleet



# Towards Reducing Our Carbon Footprint

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## Malaysia's First Carbon Conservation Programme with FRIM

- Involves conservation of carbon stored at Field 11, a 5.6 hectare (ha) of rich, biologically diverse forest site at FRIM.



# Towards Reducing Our Carbon Footprint – Fuel Efficiency

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- OSV Fuel management system showed **20% fuel savings**
- SOW 2 **diesel electric**. Maintain a young, high specification, “green, safe and efficient” (GSE) fleet.



# CSR – Case for Sustainable Growth

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM 



- Bumi Armada was included in the Dow Jones Sustainability Emerging Markets Index (DJSI Emerging Markets) which was launched on Feb 21, 2013 by RobecoSAM
- Companies included on the list include Petrobras, Schlumberger, Genting and MayBank

# Business Highlights



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# From Good To Great

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Deep water  
Services  
and  
Technology



DST



# Deepwater FPSOs

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## Pre-Qualifications and FEEDS

- Pre-Qualified for Deepwater Brazil, Petrobras
- Pre-Qualified for Deepwater Angola, ENI 15/06
- FEED contract on EnQuest Kraken, North Sea United Kingdom awarded Q4 2012



# FPSO – Continued To Deliver On Our Promises

## Armada Sterling for ONGC - D1 field

- Armada Sterling FPSO arrived at D1 field on 10th December 2012, First Oil delayed to end March 2013.
- First Oil was achieved early hours of the 7th April 2013.
- Final Acceptance from ONGC was received on the 22nd April 2013.



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# FPSO And T & I – Becoming A Full Service Provider

- **D1 Installation:** Subsea installation



# T & I – Becoming A Full Service Provider

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- **Purchase of Armada Condor**
  - Diesel electric SURF vessel, expanding our SURF services



# T & I – Towards Becoming A Full Service Provider

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## Lukoil Project:

- Line-pipe progress is at 100% (about 89 kms produced out of 89kms) and line-pipe coating progress is at 96% (about 85.42 kms produced out of 89 kms).



# FPSO – Our First External Disconnectable Turret



## Armada Claire for Apache Energy – Balnaves field

- Overall project progress at 67.39% as at January 2013,
- Continue construction of RTM column – 75.2% completed. Load out date agreed with Apache Energy is now 23rd September 2013.
- Emerging work continues to increase the project scope, although this trend should be largely arrested at this stage of the project.



# FPSO – Our First Internal Turret, Solid Execution

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## D1 Installation:

- Installation was successfully completed on 7th Apr'13.
- Armada Hawk was demobilized from D1 project on 28th Apr'13 in Singapore.

Armada Sterling & Armada Hawk

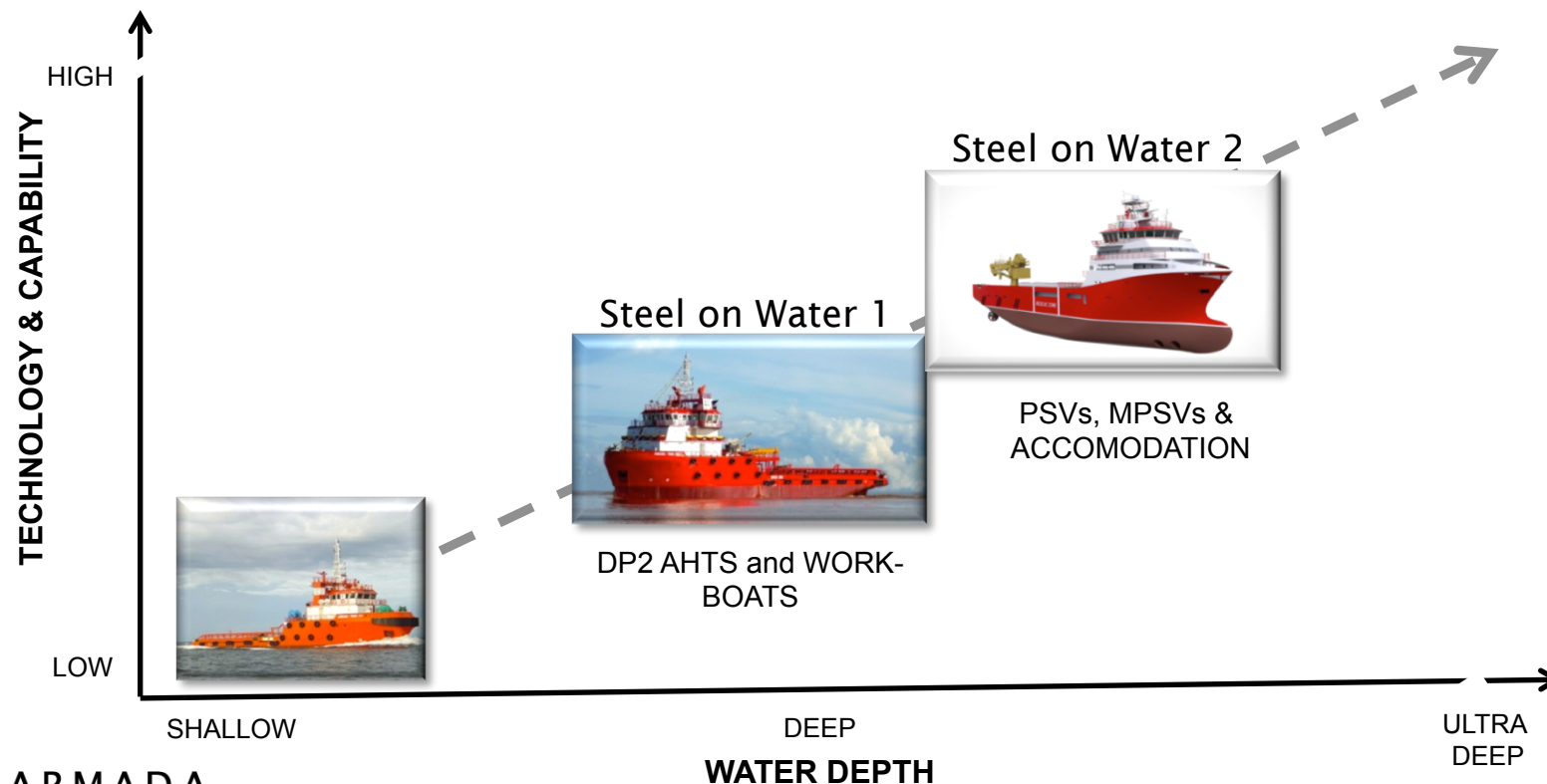




# OSV – Fleet Expansion. Deeper, Further, Harsher

Fleet grew from 40-45

- AT 107/108 and Armada Hibiscus
- Acquisition of 4 x 3300TDWT PSV from Sentinel.
- Enhance our deepwater offering, service capability and competency.
- Rationalise the fleet across our Asia, Africa and Latin America markets.



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# OSV – Expansion into new Markets

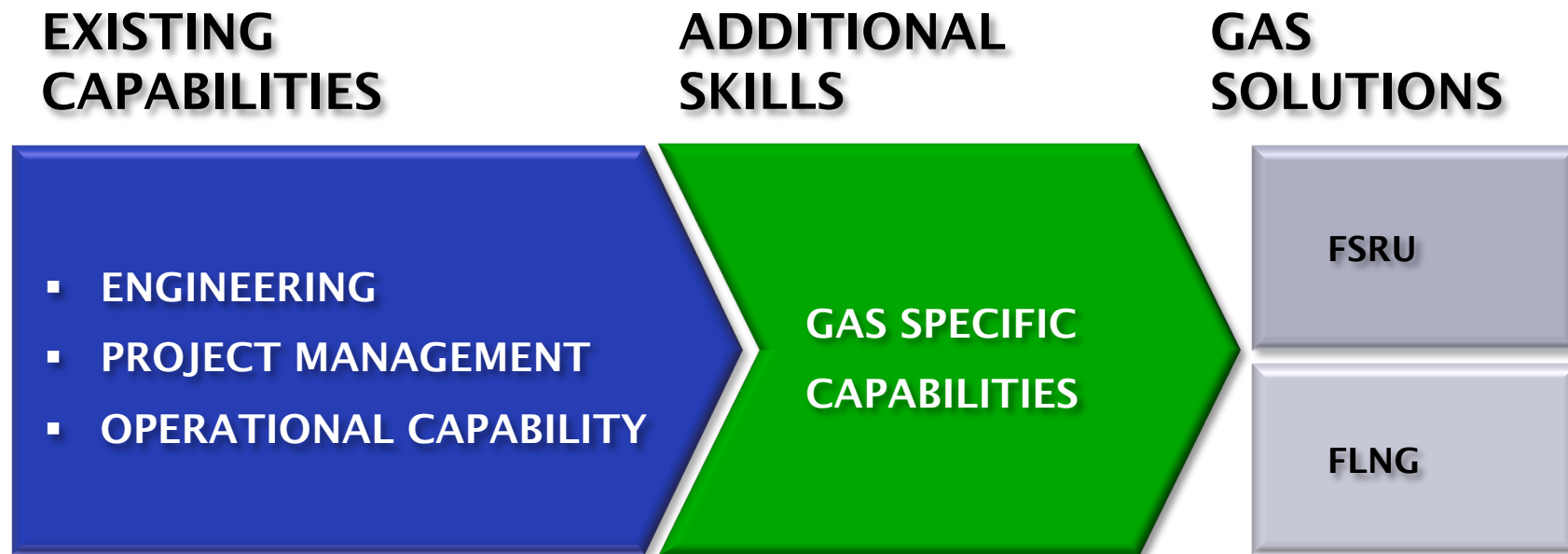
New contracts and markets –

- Brazil
- Congo
- Gabon
- Saudi Arabia



# Floating gas solutions - embryonic

- A new business built based on existing competencies with additional complimentary capabilities.



# External Environment



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# Political – Political Risk, A Fact of Life

## Top World Economies

- USA presidential election 2012
- Japan parliamentary election, 2012
- China presidential election 2013

## Asia

- Malaysia GE 13
- Iranian presidential election, 2013
- Indonesia presidential election, 2014

## Africa

- Egyptian parliamentary election, 2012
- Ghana presidential elections, 2012
- Nigeria presidential elections, 2012
- Angola presidential elections, 2012

## Latin America

- Mexico presidential elections, 2012
- Venezuela presidential elections, 2013



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Sunday May 5, 2013

**GE13: Malaysians head to 'most hard fought general election in history'**

Obama wins 2012 presidential election, defeats Romney in tight race

By Ted Sherman/The Star-Ledger  
on November 06, 2012 at 11:22 PM, updated

Moderate wins Iran election

Global Times | 2013-6-16 23:18:01  
By Yang Xun in Tehran and Chang Meng in Beijing

The Economist

Venezuela's election audit

Beside the point

The real questions about Maduro's victory have not been answered

Iran (part), Saturday, 15th June 2013

AFTER Nicolás Maduro narrowly won Venezuela's presidential election on April 14th, opposition candidate Henrique Capriles immediately disputed the result. Two months later, Capriles' campaign was still ongoing. At Vanak Square in north Tehran, a candidate for the 2013 Iranian presidential election, Hassan Rouhani, won 50.68 percent of the vote.

# Economic and Finance

- Feeble economic recovery in the USA. Europe remains in recession
- Slow down in China
- Is it “Easy money”?

theguardian

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## Eurozone crisis as it happened: Italian PM warns EU could 'implode' without action on growth and jobs

- **Enrico Letta:** Europe must not be timid
- **Bundesbank:** deficit targets must be respected
- **Vodafone:** 'Severe' economic weakness in Southern Europe
- **Parliamentary Committee** approves plan to bail-in large depositors
- **UK inflation** falls

Graeme Wearden and Nick Fletcher  
guardian.co.uk, Tuesday 21 May 2013 18:21 BST

REUTERS

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## TREASURIES-U.S. bonds steady, pausing for clues on Fed bond buys

9:35am EDT

U.S. Treasury bond yields hover near two-month highs

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## Closing Bell: Dow hits record high as stock markets climb after U.S. jobs data

CANADIAN PRESS | 13/05/03 | Last Updated: 13/05/03 5:44 PM ET

NP More from Canadian Press



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## In the Abenomics era, partying is good economy

QUARTZ By Jake Maxwell Watts | Quartz - 14 hours ago

Email Recommend 0 Tweet 0 Share +1 0

Davide Pasca, via Wikimedia Commons

Prime minister Shinzo Abe's government seems to have a knack for getting people down. Thanks in part to Abe's bold economic policies—often referred to as “Abenomics”—traditionally cautious Japanese consumers are now buying up luxury watches, Formula 1 racing and now lawmakers want to relax strict rules curbing late-night partying. Until recently, Japanese authorities were fairly lax in regulating nightlife. That has changed when concerns about drug use and violence prompted a crackdown on illegal clubs.

# Social

- Local Content

## Brazil's Oil Industry Seeks Reductions in Local Content Rules

Published February 27, 2013 / Dow Jones Newswires

Brazilian state-run oil giant Petroleo Brasileiro (PBR, PETR4.BR) has formally requested the government to reduce local content requirements in oil and gas contracts.

### Introduce local content in the oil and gas contracts - Association of Ghana Industry

Share Like 2 Tweet 3 +1 0 in Sha



International Association for Energy Economics

## Nigerian Local Content: Challenges and Prospects

By Jean Balouga\*

### Introduction

The need for resource-rich Nigeria to assume control of the exploration, exploitation and production activities in the oil and gas sector and to harness the potentials of this most strategic industry in order to generate more value-added, seems to be receiving much desired attention from all the stakeholders.

## Local content issue an Egina challenge

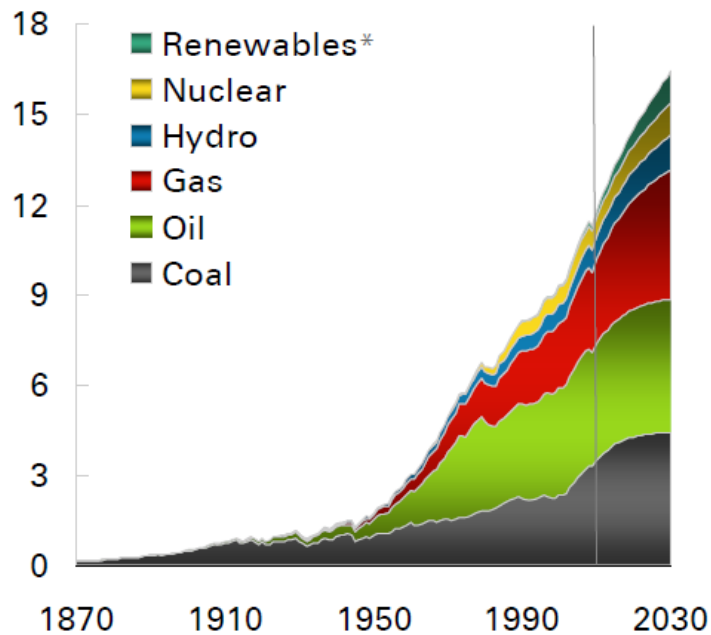


# Technology

- Shale gas
- Pre-salt
- FLNG & FSRU
- Energy Mix

World commercial energy use

Billion toe

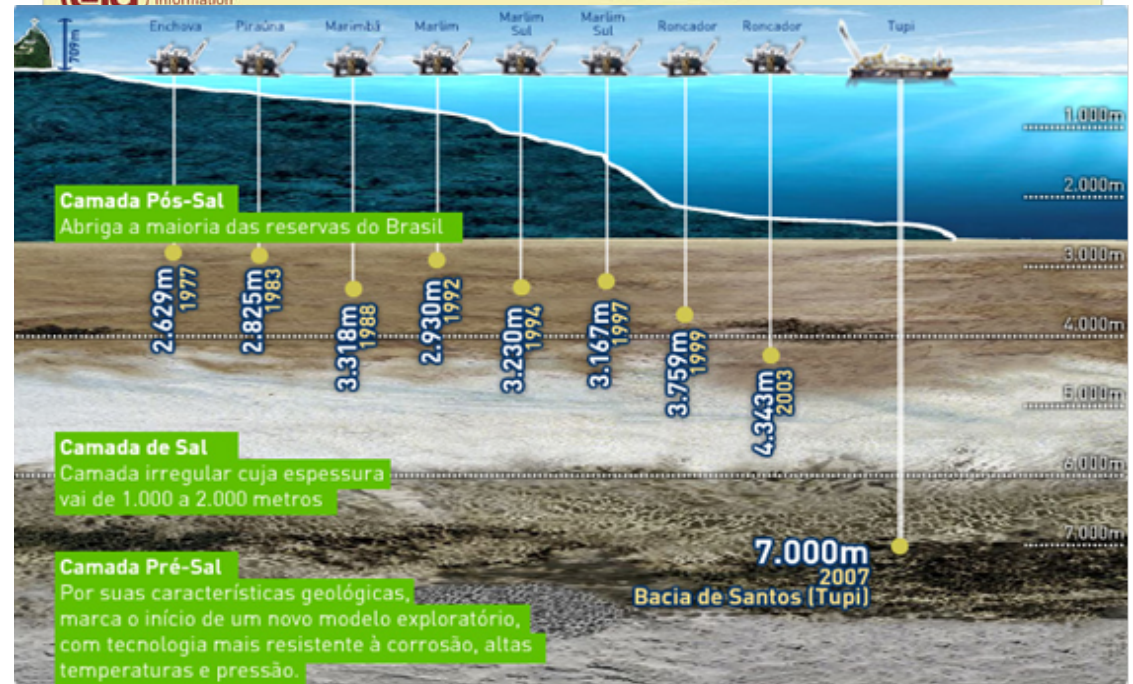
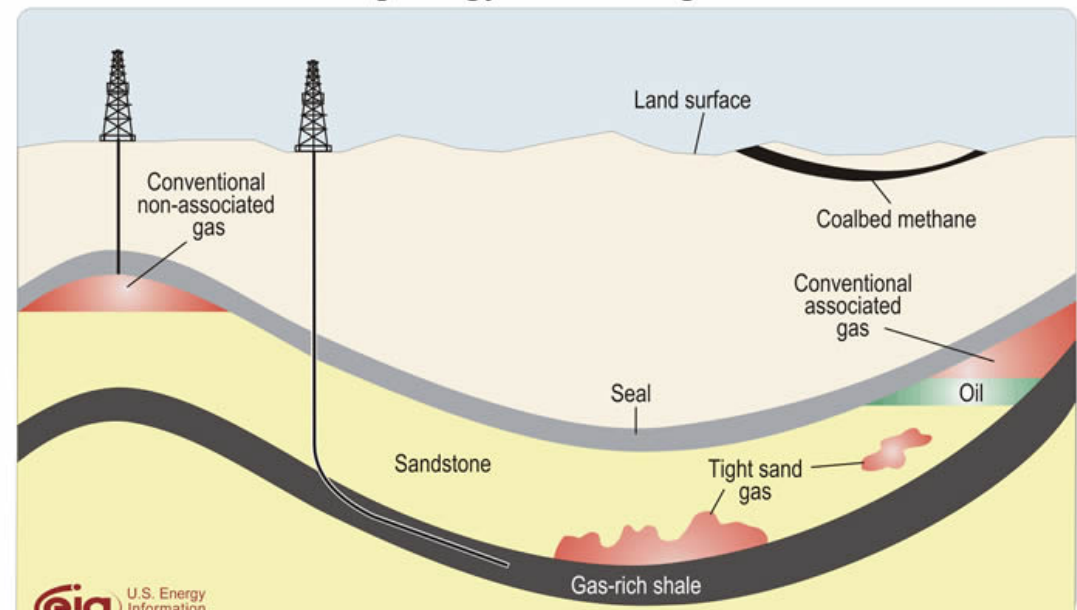


\* Includes biofuels



Energy Outlook 2030

Schematic geology of natural gas resources





# The Outlook

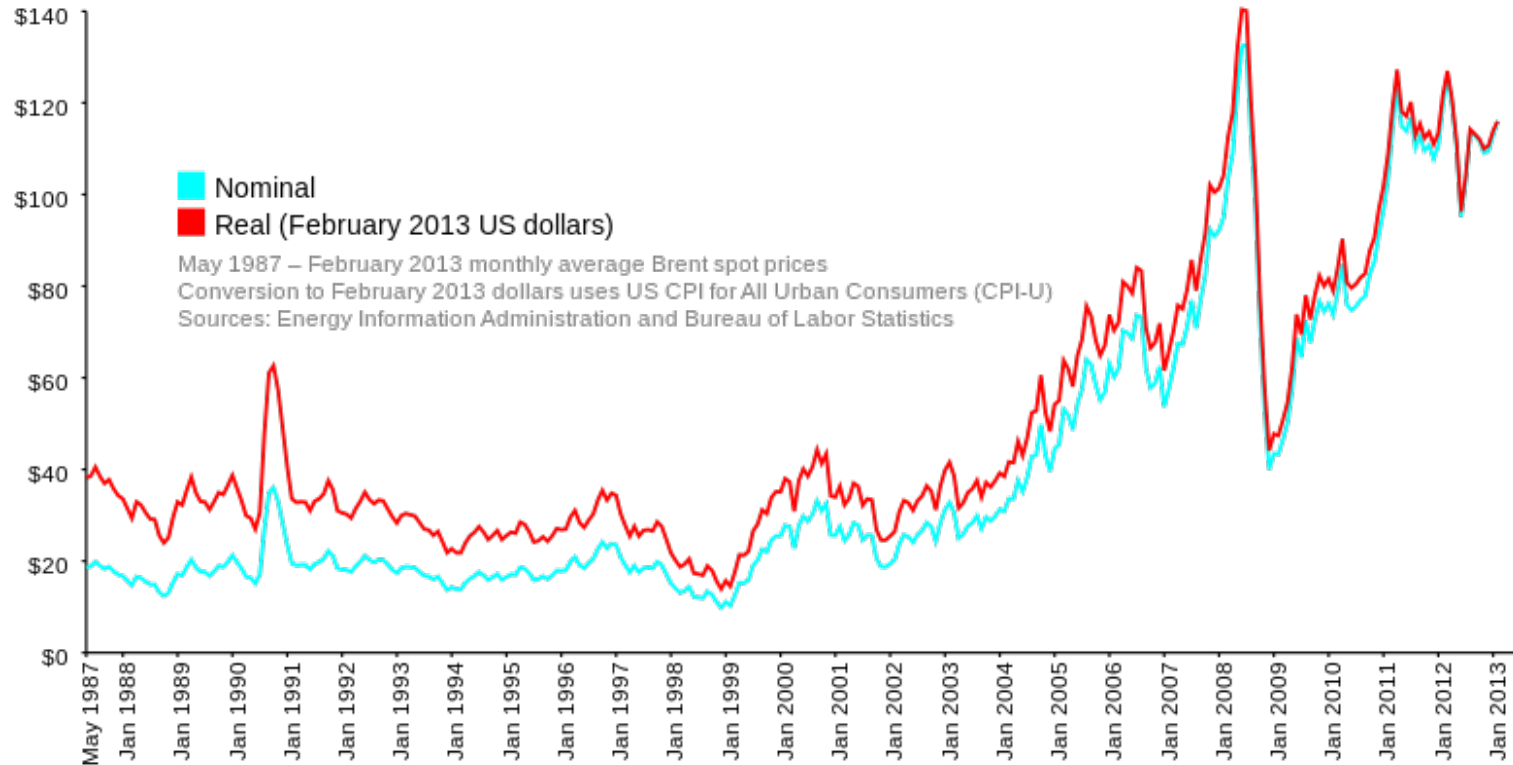


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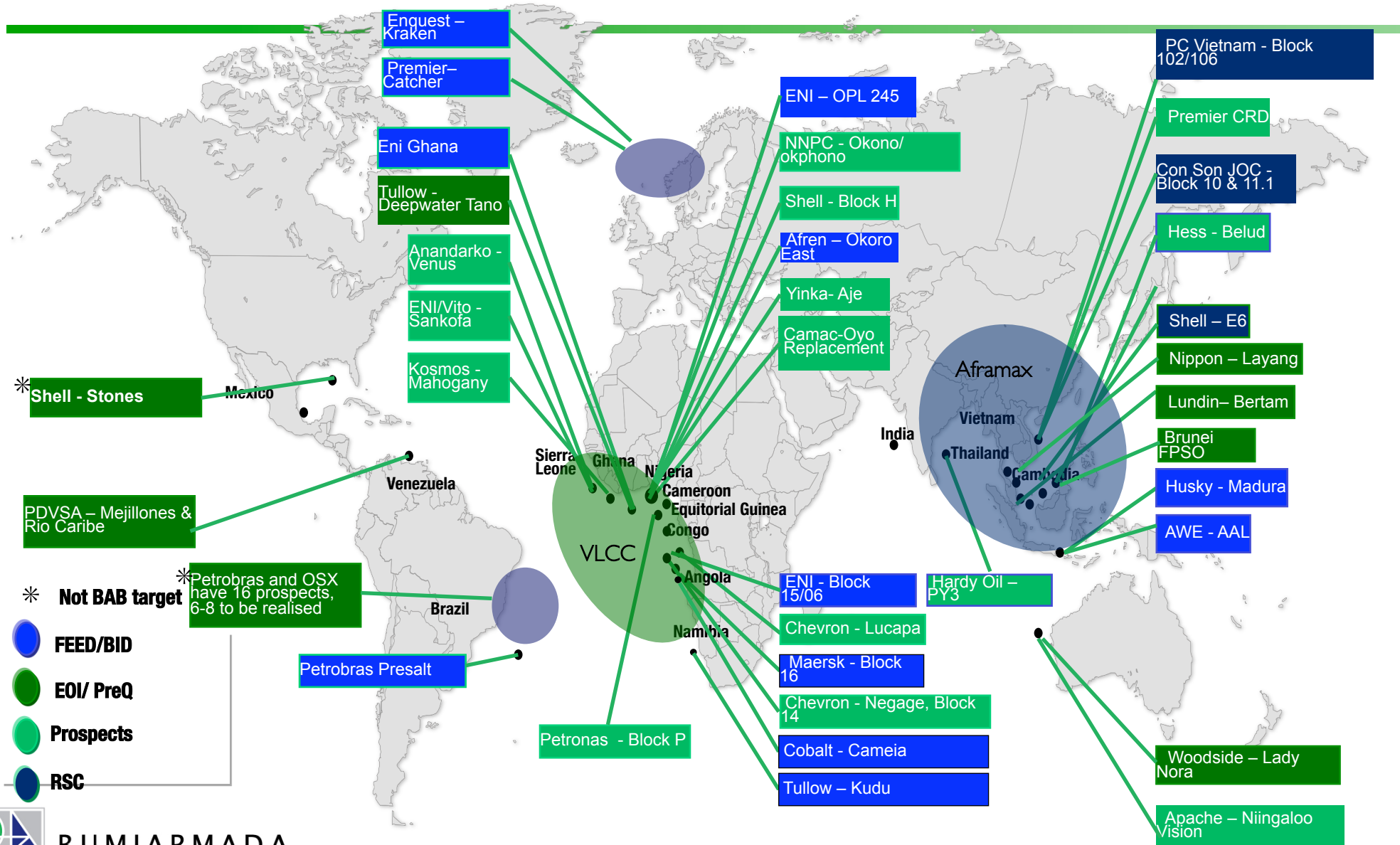
## Oil price – the leading indicator is positive,...



- Long term trend of oil prices remain positive.



# Market Penetrations – Top Prospects



Thank You



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