

1H 2012 Results Briefing

16th August 2012



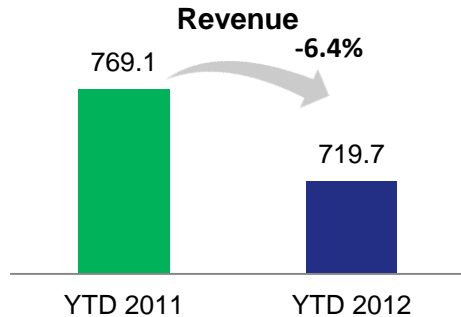
BUMIARMADA



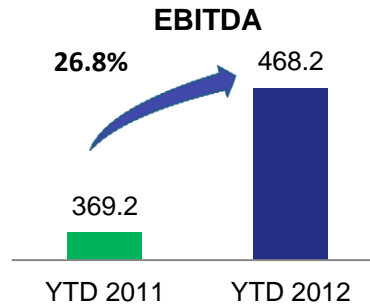
"Knots Ahead of the Rest"

Results Overview – Q2 YTD 2012 vs. Q2 YTD 2011

Improved key performance indicator despite delay in award of marginal fields



Lower revenue mainly due to completion of Sepat project offset by Apache FPSO project & increase in OSV fleet size and utilization



Higher EBITDA as a result of higher margin on FPSO and OSV segment, last year EBITDA diluted by lower margin on Sepat EPIC project



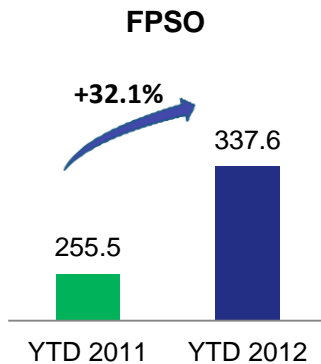
*Attributable to Bumi Armada shareholders

Higher net profit in line with increase in EBITDA reduced by depreciation from new OSV vessels and additional finance cost on Armada TGT operating since Aug 2011

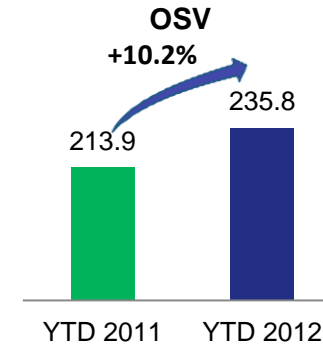


Revenue composition by business units

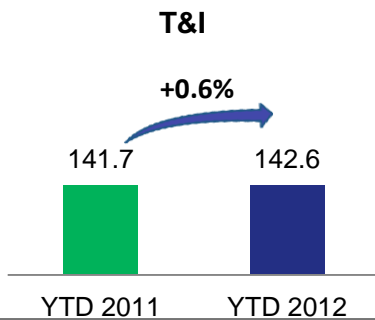
Improved performance in established sectors



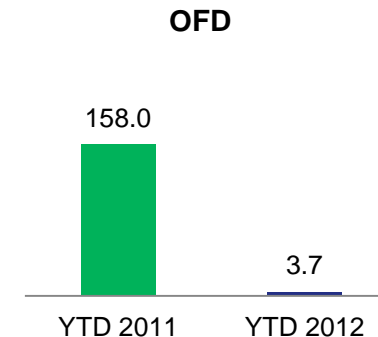
Increasing FPSO performance due to Apache Contract award (D1 recorded as part of share of results of JCE)



Increase in fleet size and utilization



Installer guarantee days and Impact of LukOil begins to kick in



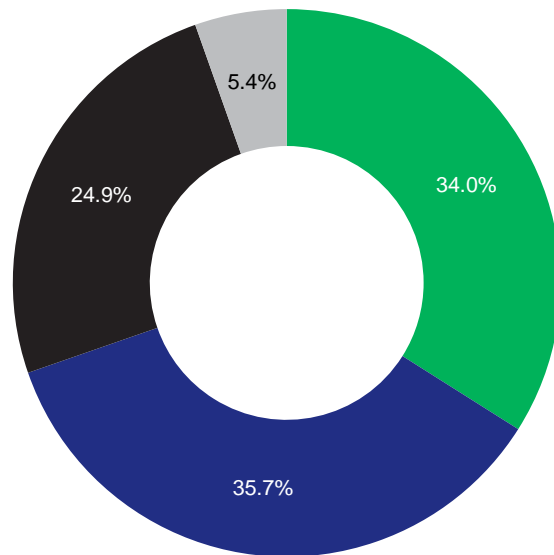
Completion of Sepat in prior year. Delay in the award of marginal fields



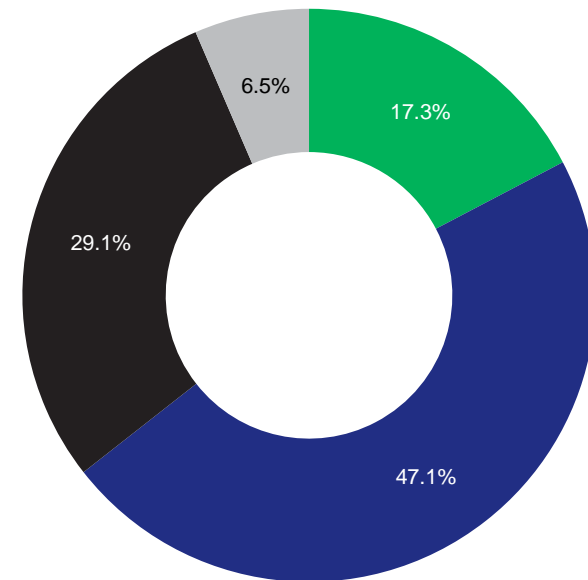
Revenue composition by geographical %

Malaysia based international company , expansion across key regions

YTD 2011



YTD 2012



- Ltn America
- Africa
- Asia
- Malaysia

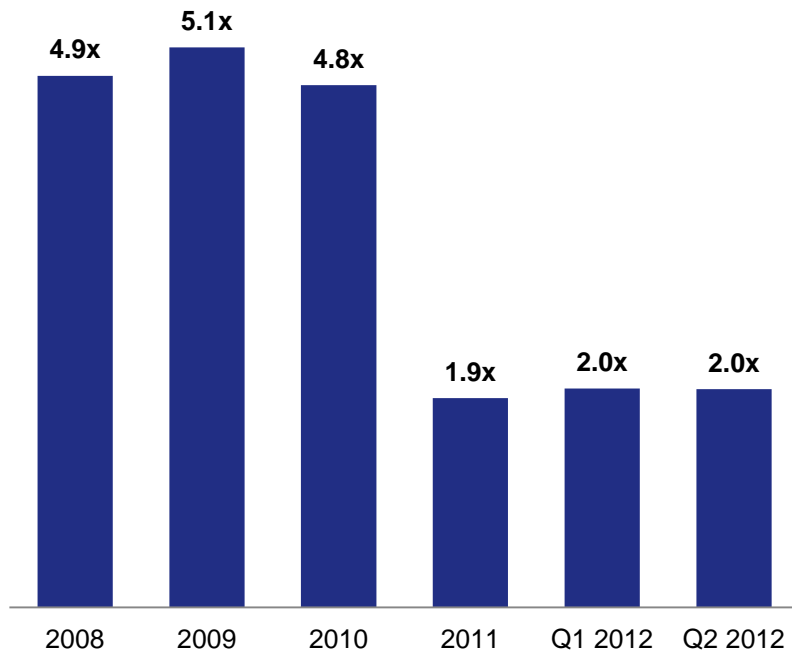
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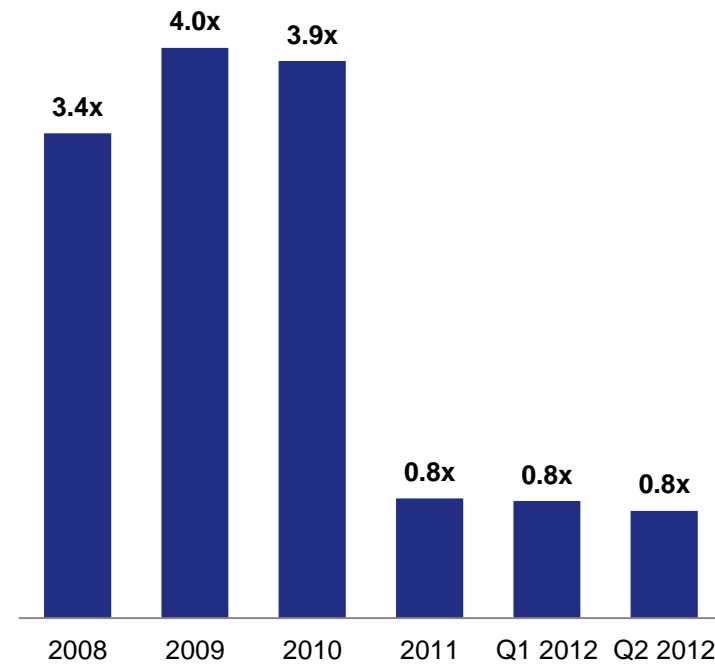
Leverage and capitalization

Financial capacity to undertake more projects

Net Debt / EBITDA⁽¹⁾



Gearing ratio



⁽¹⁾ Calculated based on annualized EBITDA

Total debt of RM2.8b, shareholders funds of RM3.7b and cash and bank balances of RM0.9b at 30 June 2012



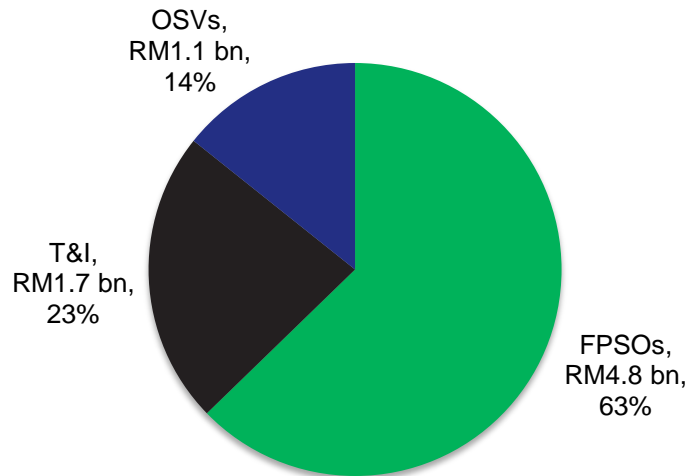
Order book

Increase in quality firm backlog to RM7.6b

As at 30 June 2012, the Group's order book stood at RM7.6billion compared to RM7.0billion as at 31 March 2012. Upon expiration of the firm contract period, certain contracts contain extension options which are renewable on annual basis with a total potential contract sum of RM3.0billion over the entire option periods.

Firm contract period

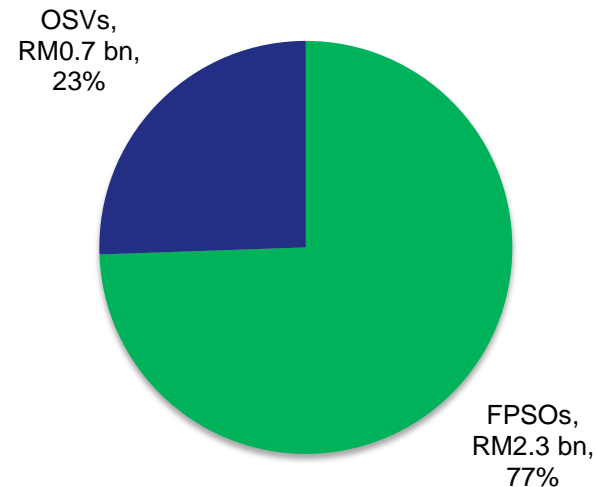
- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



Firm contract period order book: RM7.6bn

Optional extension period

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



Optional extension period order book: RM3.0bn



The External Environment

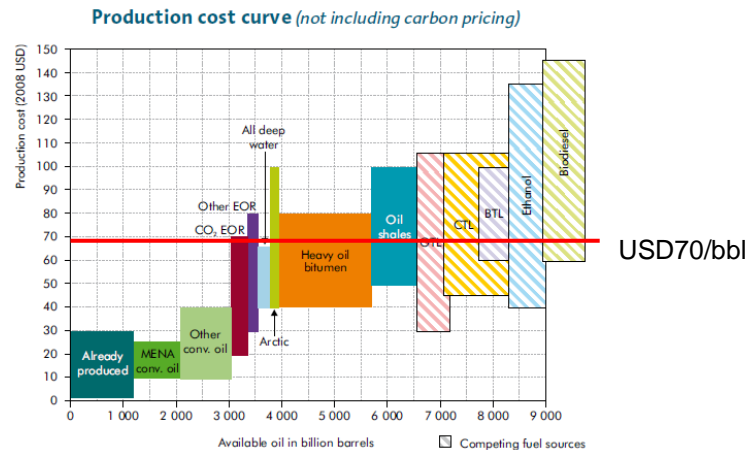


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"Knots Ahead of the Rest"

Oil outlook

- Volatility in oil prices, making it difficult to factor into budgets.
- New normal of geo-political risk:
 - Continuing ME conflicts.
 - Key Elections.
 - Taxes
 - Resource nationalisation
- Demand concerns:
 - Slow growth in China- knock-on from Europe
 - IEA reduces forecast demand for 2013.
 - Low real interest rates favouring more investment in oil & gas

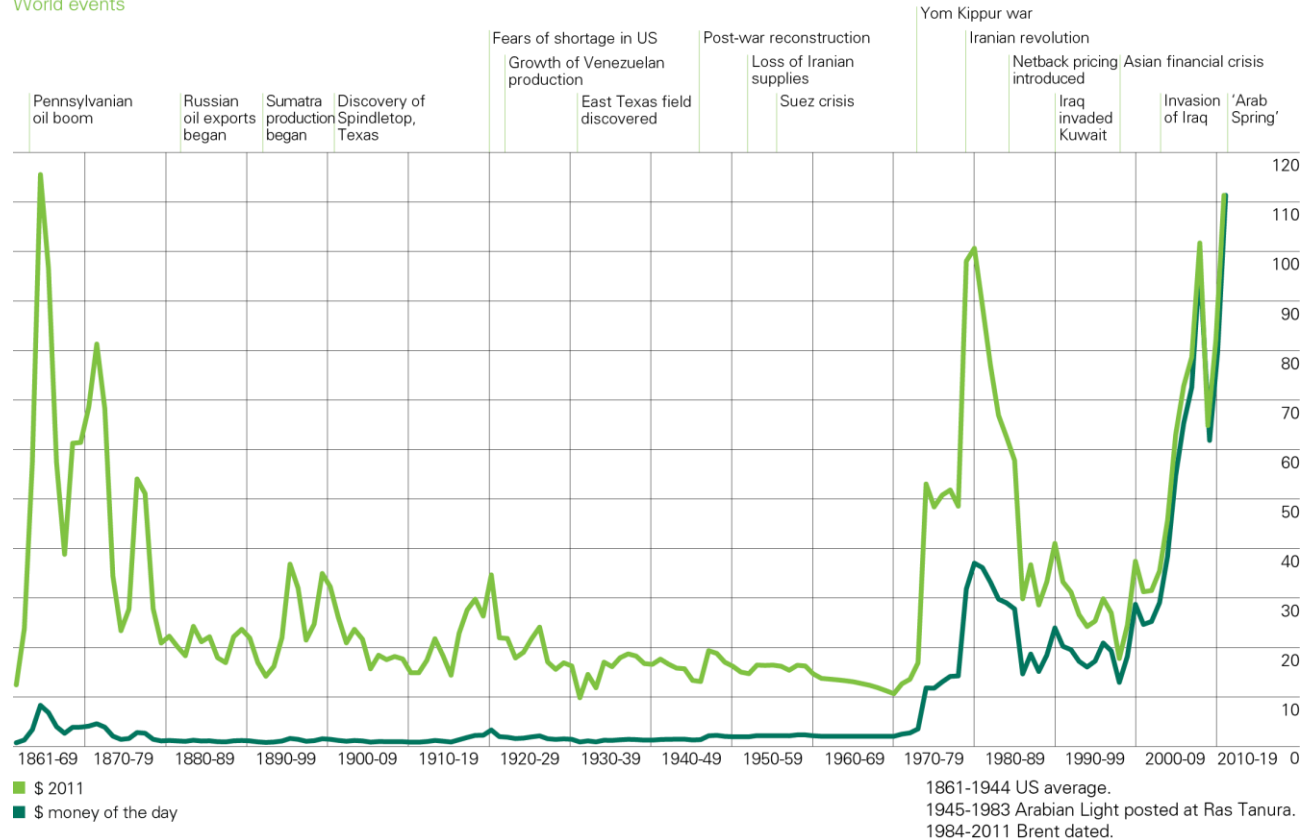


Increasing volatility but expected to remain above USD70/barrel.

Historical crude oil prices

Crude oil prices 1861-2011

US dollars per barrel
World events



- Irreversible shift in the oil price trend?
- World has a new Geo-Political norm?

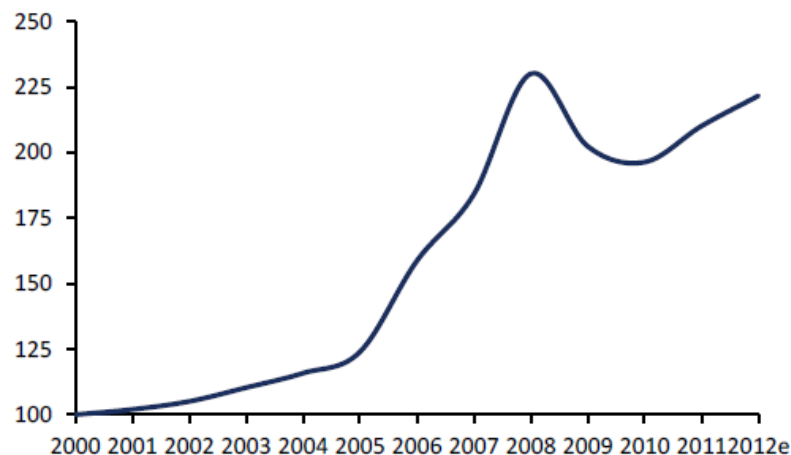
The end of “easy” and “cheap”, oil.



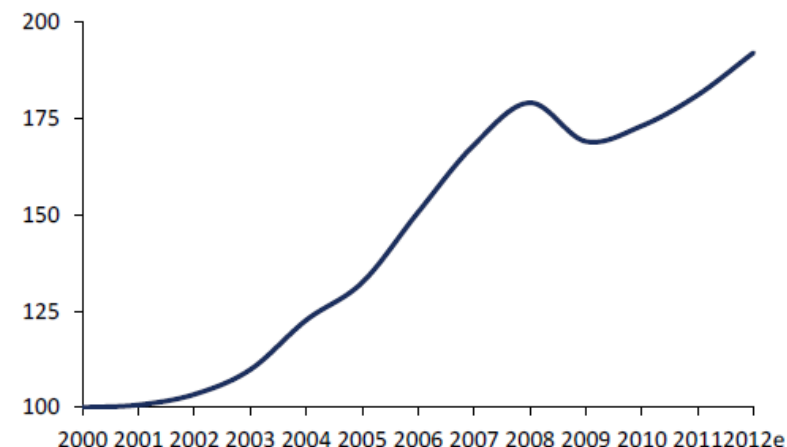
Inflation in project capex and opex continues unabated

Upstream cost and operational cost development

Upstream costs (2000=100)



Operating costs (2000=100)



Source: Pareto, IHS Cera

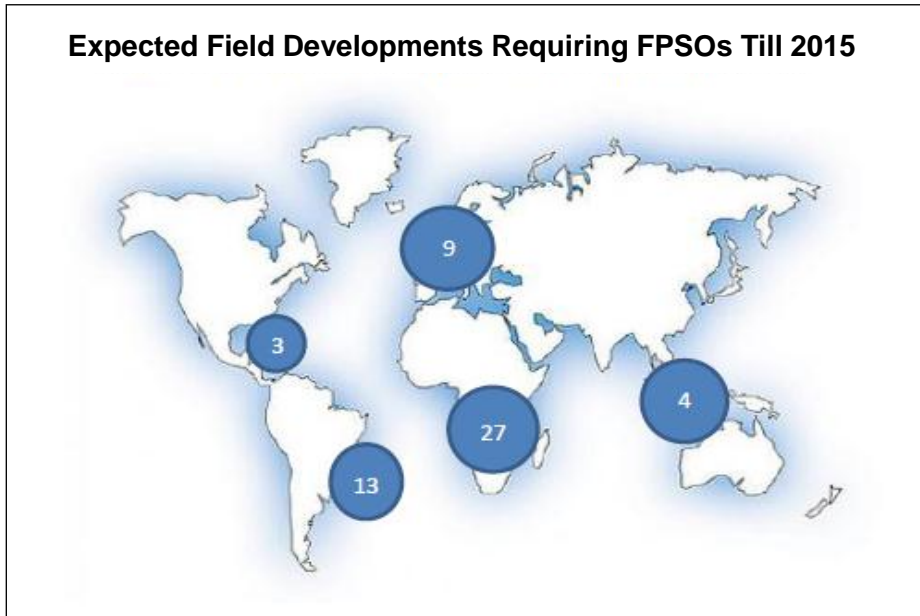
Annual project inflation estimates:

- Mature markets: +6 to +8%
- Brazil, Australia and growth market expected to be +12 to +16% .

Inflation and budget control tactics and strategies essential for maintaining margins.

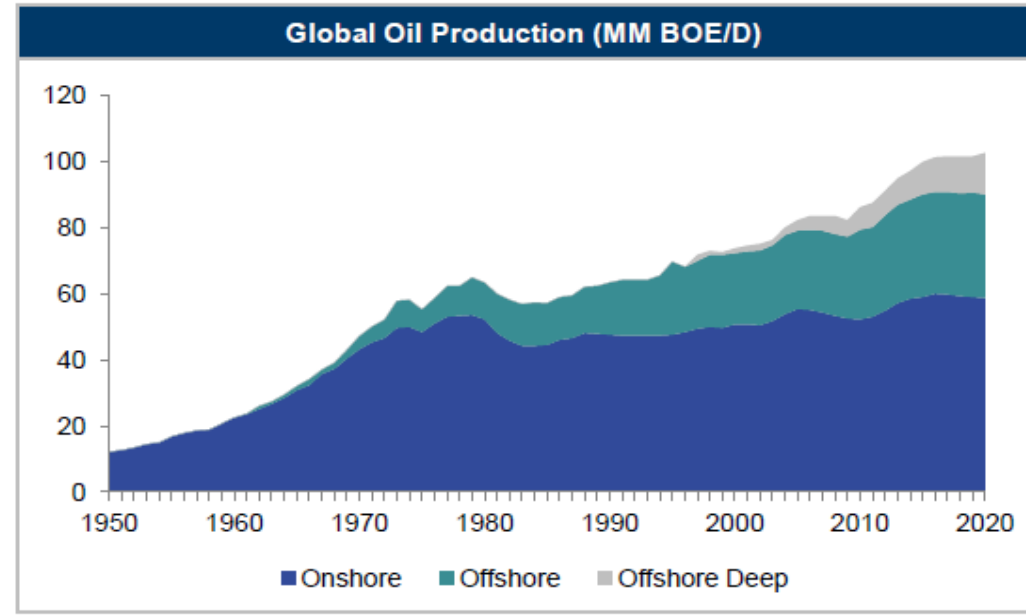


Demand for FPSOs remains strong



Source: Fearnley Offshore

Current Demand



Source: Infield Systems

Global Oil Production

More oil from deepwater projects going forward.

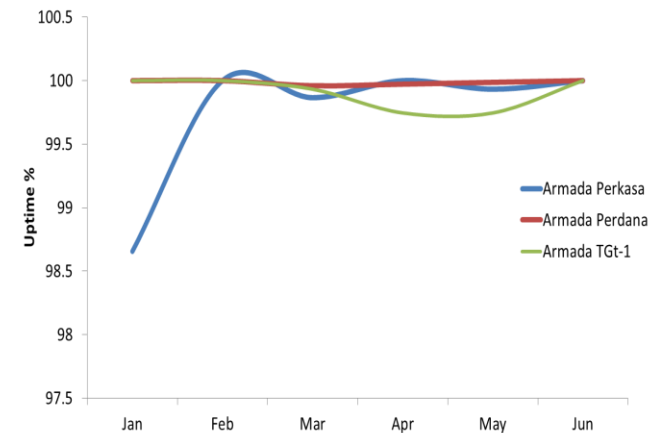
Operational excellence

Operational performance improvement needs across the industry are massive, with huge variance in delivery

OE PRIORITY PERFORMANCE AREAS	KPI'S	PERFORMANCE RANGE		
		Worst	Average	Best
Safety	Lost Time Injury Frequency	1.57	0.42	0.07
	Dow Jones Sustainability	xxx	xxx	xxx
Sustainability	Solomon Energy Efficiency	140	100	80
	Uptime % - E&P	75%	85%	97%
Reliability	Utilization % - Refining	75%	87%	92%
	Utilization % - Chemicals	75%	85%	98%
Operating Costs	Operating Costs/Barrel Index	173	144	115
	E&P Operating Margins	-12%	26%	45%
	Refining Operating Margins	3%	9%	15%
ROACE	Industry ROACE	5%	12%	31%
	Upstream ROACE	7%	20%	27%
	Downstream ROACE	-1%	8%	17%

Source: Bain & Company, Inc.

BAB's operating FPSOs have maintained at an average uptime of over 99%.



Source: Bain & Co.

Operational excellence is directly proportional to financial performance

Eurozone Crisis

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Bernanke: Europe debt crisis, U.S. "financial cliff" are biggest threats to economic recovery

POSTED: Tuesday, July 17, 2012 - 1:00pm
UPDATED: Tuesday, July 17, 2012 - 1:14pm

Annalyn Censky and Scott Sperry/CNNMoney

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NEW YORK (CNNMONEY) — Europe's debt crisis and fiscal cliff in the United States are the two biggest risks to economic recovery, Federal Reserve Chairman Ben Bernanke said Tuesday.

IMF cuts global growth forecast as emerging economies slow

WASHINGTON: The International Monetary Fund (IMF) on Monday cut its forecast for global economic growth and warned that the outlook could dim further if policymakers in the eurozone do not act with enough force and speed to quell their region's debt crisis.

In a mid-year health check for the world economy, the IMF's emerging market nations, long a bright spot, were being dragged down by the economic turmoil in Europe. It said a drop in exports these countries would combine with earlier policies meant to prevent overheating and slow growth more sharply than hoped.

The IMF shaved its 2013 forecast for global growth to 3.9% from 4.1% it projected in April, trimming projections for most advanced and emerging economies. It left its 2012 forecast unchanged at 3.5%.

Spain debt costs fall but still seen as unsustainable

MADRID: Spain's borrowing costs dropped yesterday, at the first sale of debt since the government announced a new austerity package, but not enough to suggest markets believe the country's finances are on a sustainable path.

Prime Minister Mariano Rajoy last week unveiled spending cuts and tax hikes worth 65 billion euros over the next four years.

Foreign bailout have kept its debt costs elevated with 10-year yields again heading towards the seven percent tipping point.

Nonetheless, borrowing costs at yesterday's short-term debt sale were sharply lower than a month ago.

The yield on the 120-month bill was 3.918%, down from 5.074% last month, which was its highest in 15

sought a bailout for its ailing banks worth up to 100 billion euros.

Eurozone finance ministers are due to discuss the terms of Spain's bank rescue on Friday, a spokeswoman for the chairman of the eurozone ministers, Jean-Claude Juncker, said.

Spain's economy minister said Europe's debt markets were not functioning properly and investors

Oil rises on easing eurozone worries

Greece turmoil pressures euro, equities, copper

by Julia Payne

LONDON: Brent crude oil futures firmed yesterday, as the eurozone narrowly avoided recession and as GDP data raised hopes that Germany would steer the way through the European debt crisis.

The eurozone economy stagnated, with zero growth, the EU's statistics office Eurostat said yesterday. The results were more positive than forecast, boosting riskier assets, but the region's debt crisis has sapped the life out of the French and Italian economies and widened a split with paymaster Germany.

Brent crude staged further gains, rising by 80 cents to US\$112.37 (RM346.10) a barrel by 1215 GMT and erasing the previous session's losses, when prices slid to US\$110.04, the lowest

est intraday price since Jan 25. US crude rose 12 cents to US\$94.90 a barrel, after Monday's fall to US\$93.65, the weakest intraday price since Dec 19.

German GDP grew by 0.5% in 1Q, far exceeding forecasts due largely to robust exports.

AY 5 JULY 2012

"The market's better relief, a relief, says analyst at Standard strength to the oil market.

The euro's weakness as the euro's dollar gives the capacity to commodity.

But by Italy's Moody's, boeroi B, Global, N

Unwise to buck weak global trends

by Lee Cheng Hooi

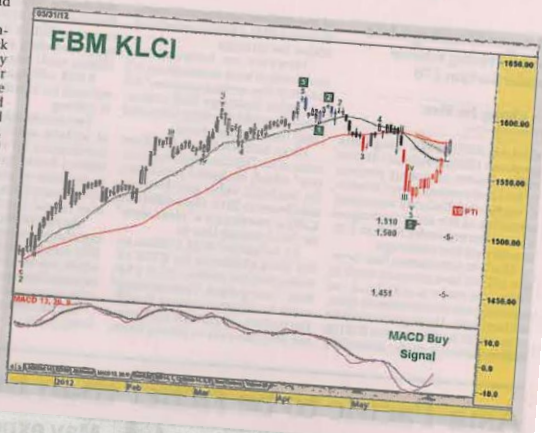


The European debt crisis still persists as the euro nearly touched a two-year low as turmoil in the Spanish banking sector added to the signs that the crisis to

the long term in the wake of uncertain and dangerously volatile global markets.

Despite our cautious outlook for the index, our featured "laggard chart buy" stock for this week is Malaysia Marine and Heavy Engineering Holdings Bhd (MHB). Over the years, MHB has moved up the value chain from being a pure fabricator of oil and gas structures to become a full-fledged engineering (EPC) contractor. Despite the construction, the group's Sime has the largest capacity in the world to include engine (E), marine services (IQFY12), of RM665 million. The group's revenue is expected to grow by 8% in the first three months of 2012, 8 million, prompting Moody's to downgrade the 26 Italian banks on Monday.

The Greek political stalemate and Ebit remained the biggest weight on the index as many market players believe that the President of the



Slow demand seen in Q2

Report says downtrend is in line with poor growth globally



Kuala Lumpur Tower is seen behind an under

EIT, we have taken note of several downside risks to growth. These include a further deterioration in global investor confidence, the increasing likelihood of a prolonged eurozone debt crisis as well as a steeper slowdown experienced

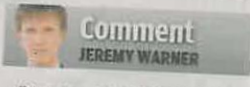
World economy heads for another perfect storm

TRUE enough, the International Monetary Fund (IMF) has not reduced its forecasts of world growth for this year and next by very much — just 0.1% and 0.2% respectively — but it notes some key downside risks, and it is not just the problems of the eurozone it is talking about this time either.

Already struggling to return to

about the banking union they've agreed. Details remain confused and thin on the ground. Northern creditor nations also seem to be fast backtracking on use of the European Stability Mechanism to recapitalize banks directly and on use of bailout funds for intervention in secondary bond markets.

And even if these things are



Comment JEREMY WARNER

Even so, most anticipate at best anaemic growth of little more than 1% in annualised terms, and that's before we encounter the dreaded

now come back to haunt. A fog of political uncertainty has once more descended over the US economy. Political gridlock is again the order of the day.

No doubt the Fed can be relied on to come riding to the rescue with a third round of quantitative easing — some believe it should already have done so — but even if you think more money printing the right approach, it couldn't possibly counter a 4 percentage point fiscal squeeze. Still, there are always the turbo-charged emerging markets to support growth, aren't there? Unfortunately not.

China's situation

Even China is slowing fast. Caught between stagnant export markets and evident overcapacity in the domestic economy, a hard landing now seems all too possible.

China is about to test the assumption that a centrally directed economy

IMF growth forecast has been graded more than any advanced economy for this year next, with virtually nil growth year and just 1.4% next. The IMF trails official UK forecasts by distance on deficit reduction.

Outright reversal

A while back, when its forecast for the United Kingdom looked prettier than they do now, the said the government might have considered a Plan B if growth slowed. Since then, it has slowed a lot still the IMF is not urging outright reversal of the austerity measures.

Of course, we all know why it is the case. The IMF can't go to a country not obviously in need of a bailout and say you've got things hoped wrong, especially one that unlike the United States and Canada, has agreed to cough up more IMF financing.

Limited financing in Europe

REUTERS EDITION: U.S. Register

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Banks' credit clampdown seen tightening: ECB

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Italy Bank Loans Slow to +0.2% on Year in June

By Giada Zampano / Published August 08, 2012 / Dow Jones Newswires

New numbers on Italian bank...

German banks cut back periphery lending

By Brooke Masters in London



German banks cut their net... by €55bn to a total of €241bn... show.

A Lack of Lending at European Banks Increases the Fear of Stagnation

By JACK EWING
Published: September 22, 2011

FRANKFURT — This was supposed to be the month that European banks went back to debt markets to refill their coffers. It is not working out that way.



On the contrary, debt issuance by banks has slowed to a trickle at the same time that short-term interbank lending is drying up. The financing drought raises questions about

Euro Lending Falls Again As South Struggles

July 26, 2012, 6:57 a.m. ET

Comments

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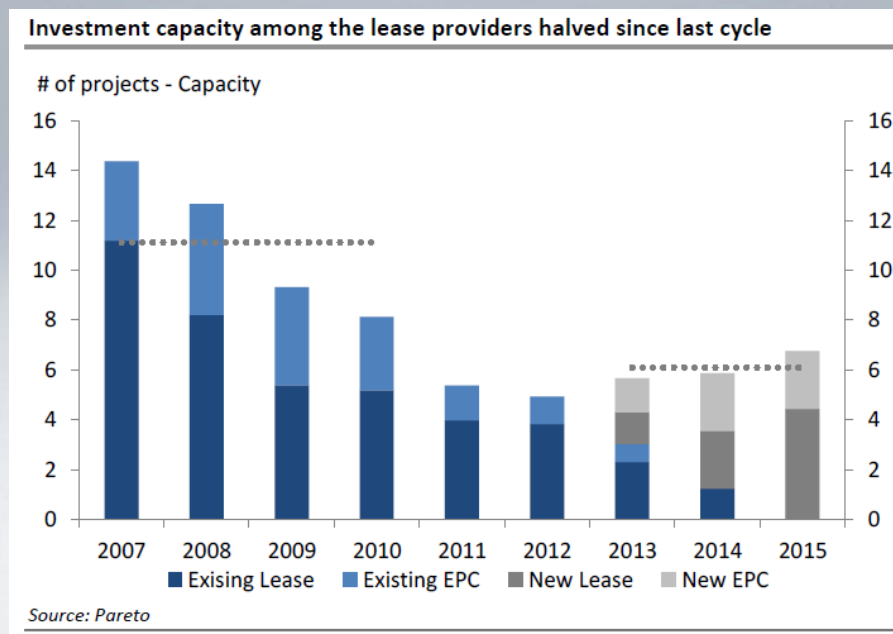
FPSO update



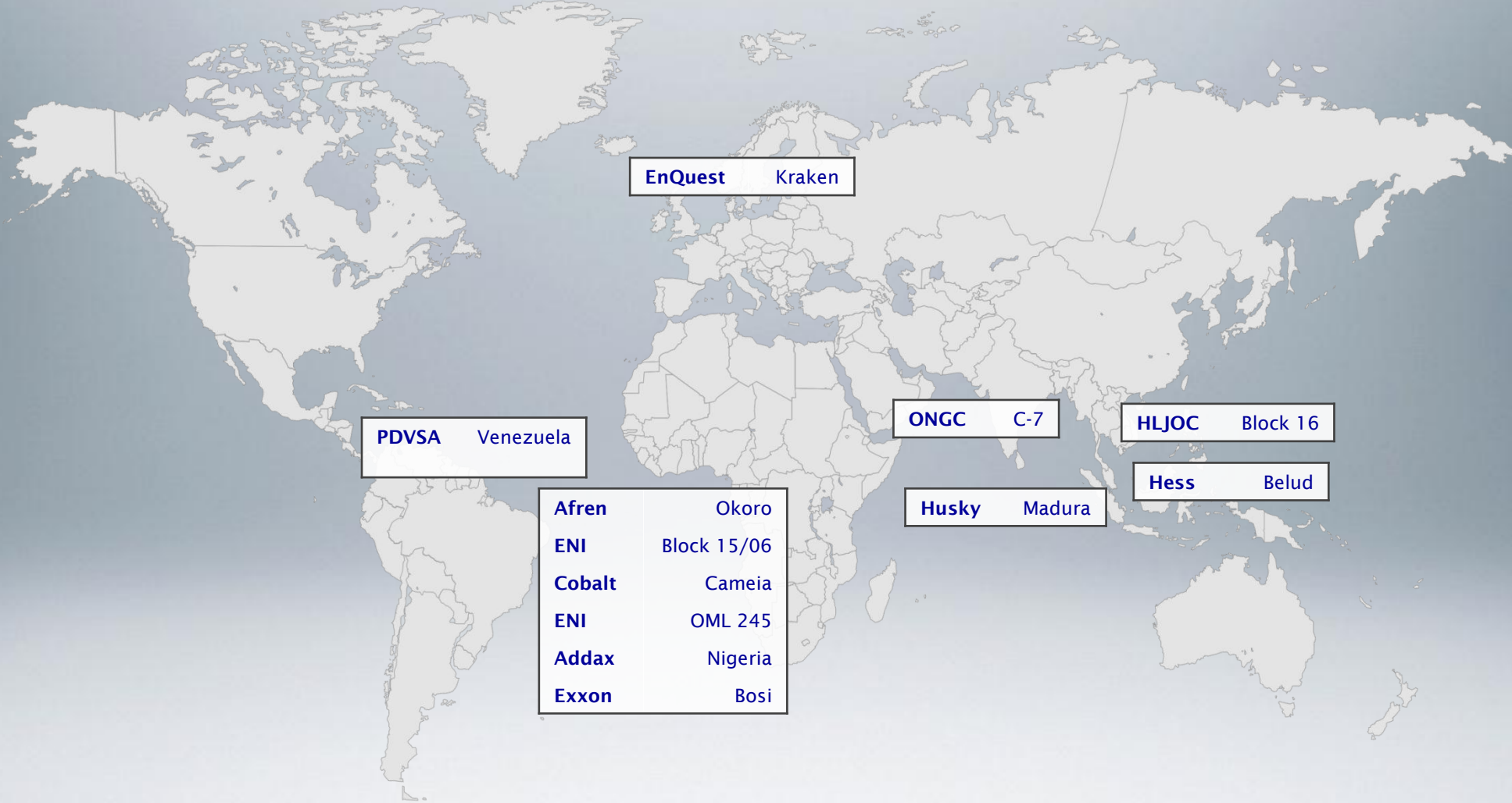
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"Knots Ahead of the Rest"

Norwegian FPSO Players in 2009		Norwegian FPSO Players Today	
1	Aker Floating Production	1	Aker Floating Production
2	BWO	2	BWO
3	FPSOcean		FPSOcean -Bankrupt
4	Fred Olsen Production	3	Fred Olsen Production
5	MPF		MPF – Bankrupt
6	NEXUS		NEXUS – Bankrupt
7	PetroProd		PetroProd -Bankrupt
8	Prosafe Production		Prosafe Production – Bought by BWO
9	Sea Production		Sea Production – Bought by Rubicon
10	SEVAN Marine		SEVAN Marine – Bought by Teekay
11	Songa Floating Production (SFLO)		Songa Floating Production –Bankrupt



Very few real FPSO players left in the market.



No shortage of opportunities in the markets.



On target to be the 4th largest player by fleet size.

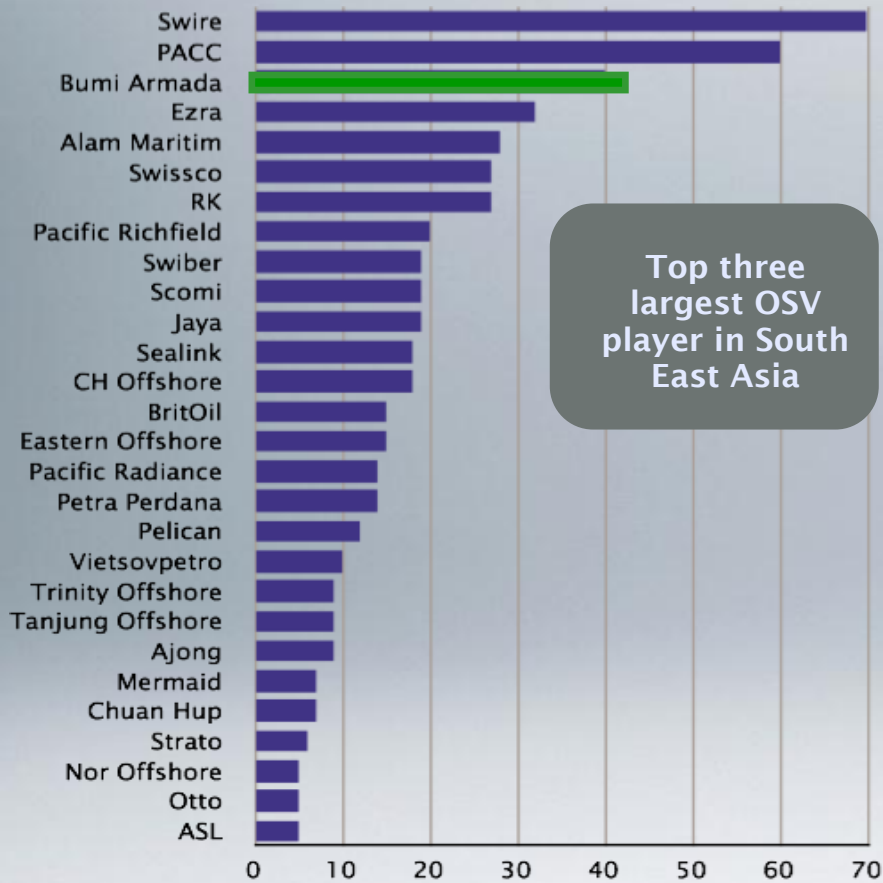
OSV update



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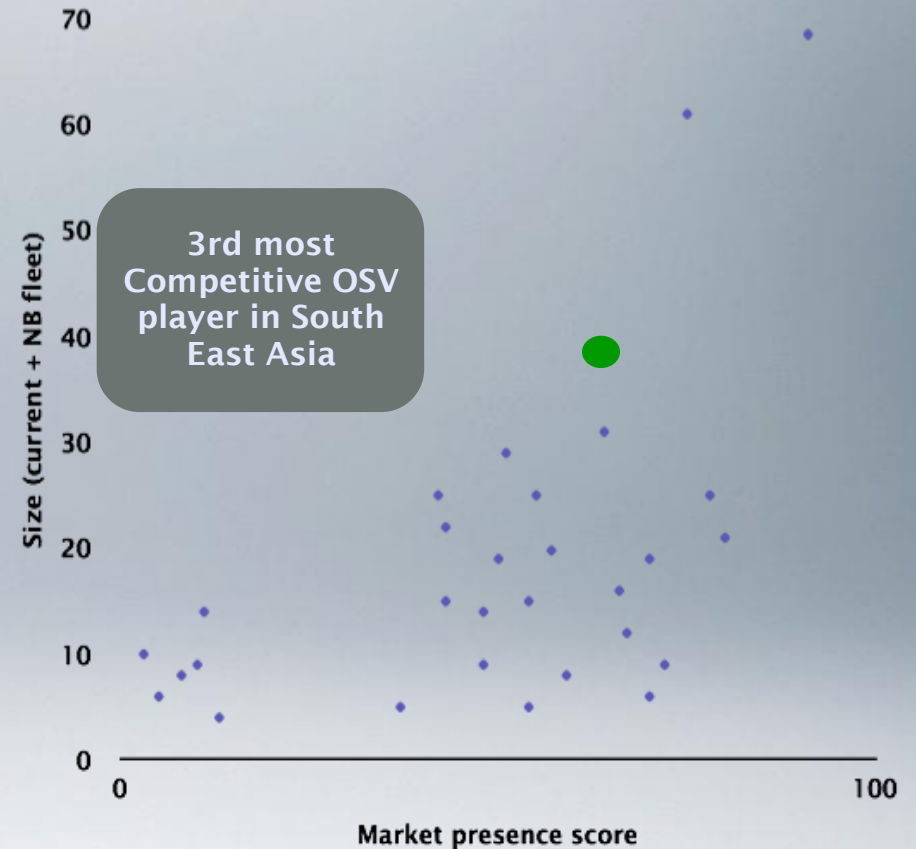
Current and future newbuild OSVs from 1970 to 2015 in South East Asia



Top three largest OSV player in South East Asia

Source: Company, Infield Systems Limited

Competitive landscape of South East Asia based OSV operators



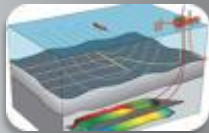
3rd most Competitive OSV player in South East Asia

Source: Infield Systems Limited
 Note: Qualitative scoring system including vessel capabilities, age of fleet, market perception, contract awards along with finances and other investor relations

Focus is on growing a modern, deepwater fleet.

A leading OSV player with global footprint

SERVICES



4D Seismic



CEOR



Niche Production, Drilling & Well Services



Logistics



Rig Movement/ Preset Mooring



- 49 OSVs
- Reputation for reliability
- Technical excellence



A larger fleet is required to adequately service the Asia, Africa and Latin American markets.

T&I update



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"Knots Ahead of the Rest"

Armada Installer



Project	Client	Status
LukOil	LukOil	Secured
Momentum	Momentum	Secured
LAM-E /LAM-D	Dragon Oil	Pending
Filanovsky LSP2	LukOil	Pending
Filanovsky Cables	LukOil	Pending

Armada Hawk



Project	Client	Status
Indonesia	PT Pan	Secured
D1 Installation	ONGC	Secured
W Desaru	Petrofac	Pending
Vietnam	PTTEP	Pending

Plans to add 2 new subsea vessels in 2014/15.

OFD update



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"Knots Ahead of the Rest"

Project Development Through Integrated Floating Solutions



Pull-through



Major Projects



Transport & Installations



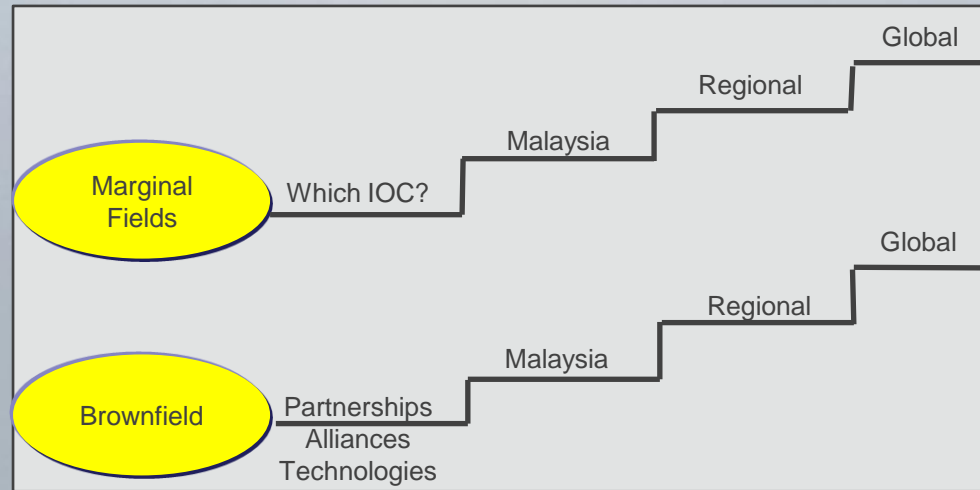
FPSO



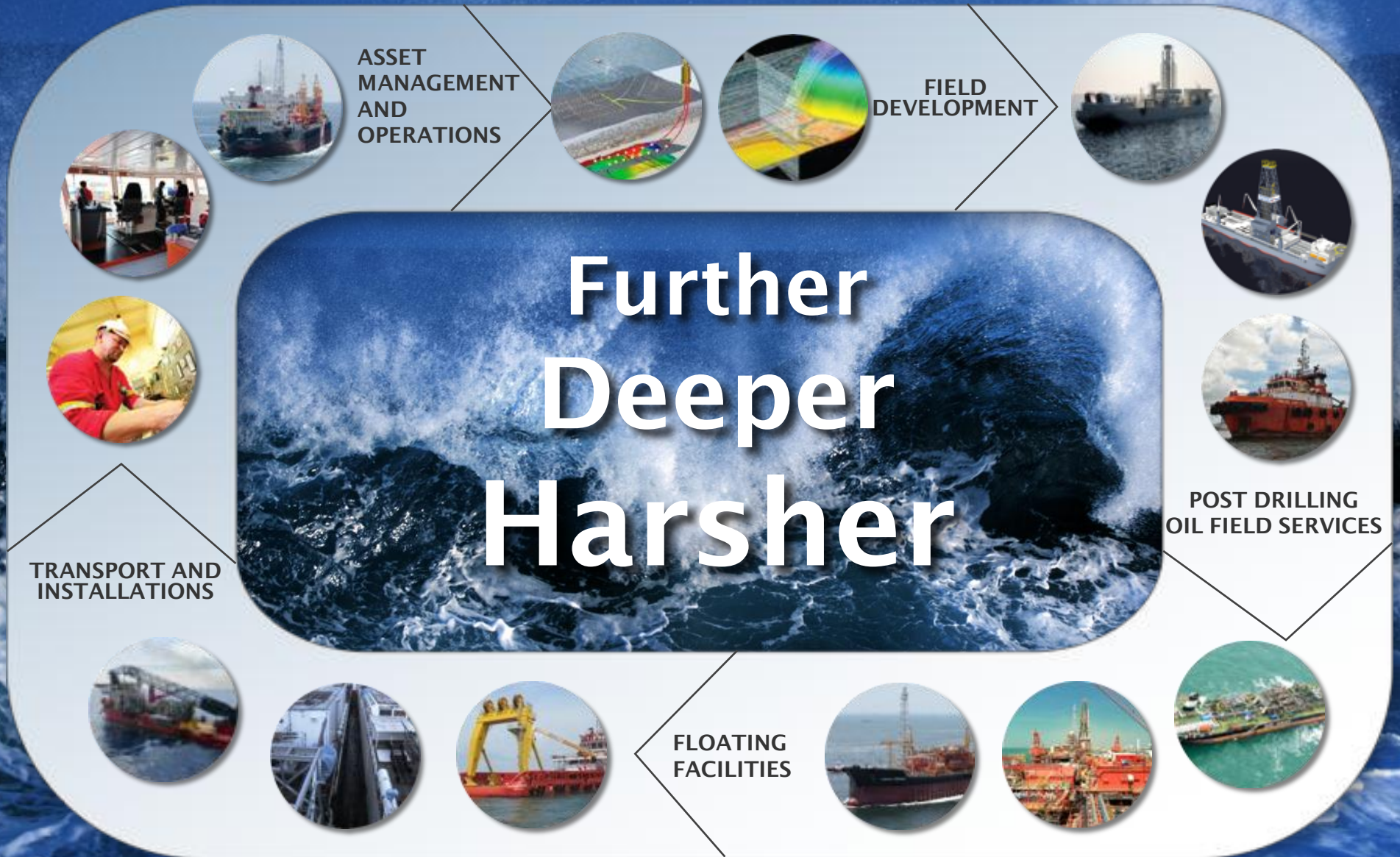
Offshore Services Vessels

Leveraging on core capabilities

OFD strategy is established and waiting for launch project



Project	Client	Location	Status
St Joseph (CEOR)	Shell	Malaysia	Pending
Angsi (CEOR)	Petronas	Malaysia	Pending
Marginal Field 1	Petronas	Malaysia	Pending
Marginal Field 2	Petronas	Malaysia	Pending



Thank You



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