

BUMI ARMADA BERHAD
(Company No: 370398-X)
(“**Bumi Armada**” or “**Company**”)

SUMMARY OF KEY MATTERS DISCUSSED

Twenty-First Annual General Meeting of Bumi Armada Berhad held at 2.30 p.m. Kuala Lumpur time on Tuesday, 30 May 2017 at Ballrooms 1 & 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia

Directors Present

*YAM Tunku Ali Redhaudin ibni Tuanku Muhriz (Chairman of Board of Directors, Chairperson of Nomination & Corporate Governance Committee)
Independent Non-Executive Director*

*Mr. Saiful Aznir bin Shahabuddin (Chairperson of Audit Committee)
Independent Non-Executive Director*

*Ms. Alexandra Elisabeth Johanna Maria Schaapveld (Chairperson of Remuneration Committee)
Independent Non-Executive Director*

*Ms. Maureen Toh Siew Guat
Non-Independent Non-Executive Director*

*Mr. Steven Leon Newman (Chairperson of Risk Management Committee)
Independent Non-Executive Director*

*Mr. Uthaya Kumar K Vivekananda
Independent Non-Executive Director*

*Mr. Leon Andre Harland
Executive Director/Chief Executive Officer*

*Mr. Shaharul Rezza bin Hassan
Executive Director/Head of Offshore Marine Services*

Shareholders Present

933 representing 2,057,789,267 ordinary shares (“BAB Shares”)

Proxies Present

1,026 representing 2,166,848,439 BAB Shares of which 586,062,282 BAB Shares were represented by Chairman

By Invitation

44 corporate guests registered

1.1 Chairman

Tunku Ali Redhaudin Ibni Tuanku Muhriz, the Chairman of the Board, presided over the Twenty-First Annual General Meeting of the Company (“Meeting” or “21st AGM” or “AGM”).

The Chairman welcomed all present to the Meeting. He informed the members that the total number of valid proxy forms received within the stipulated time was 741 appointing 1,191 proxies and representing a total of 4,298,500,879 shares out of which 145 holders of 586,062,282 shares had appointed the Chairman of the Meeting to be their proxy.

The Chairman declared that the required quorum for the Meeting was present. He then introduced the Board Members, the Senior Management of Bumi Armada and the representatives of the Company’s external legal counsel, external auditors and advisor to the proposal relating to the Management Incentive Plan (“MIP”).

A short video presentation on the operational and financial highlights of the Company for the financial year ended 31 December 2016 (“FY 2016”) was shown to the shareholders.

At the request of the Chairman, Mr. Leon Harland (“Mr. Harland”), the Chief Executive Officer of Bumi Armada presented an overview of the operational and financial highlights of the Company for FY 2016, which included, among others, the following:

- (i) Background information on the services that BAB provides, namely Floating Production & Operations (“FPO”) and Offshore Marine Services (“OMS”);
- (ii) BAB’s work principles in providing services to its clients and a snapshot of BAB’s global business;
- (iii) Macro background on the Brent Crude Oil Prices from January 2014 to April 2016;
- (iv) FPO updates including the highlights on the 4 latest projects – LNG (Armada LNG Mediterrana FSU in Malta), heavy oil floating production storage and offloading (“FPSO”) vessel (Armada Kraken in UK), largest FPSO to date (Armada Olombendo in Angola) and gas-condensate FPSO (Karapan Armada Sterling III in Madura, Indonesia);
- (v) Results overview for FY 2016 vs FY 2015, focusing on revenue, EBITDA, and net profit/(loss), and the revenue composition by segments namely, FPO and OMS;
- (vi) Order book as at 31 December 2016 where the Group’s firm order book stood at RM25.6 billion;
- (vii) Key targets for 2017 included:
 - Complete the commissioning of all new projects and commence the charter hire of these projects.
 - Streamlining the organisation.
 - Focus on processes and procedures.
 - Balance sheet restructuring including funding for growth.
 - Back to profit.

2.0 Notice of 21st AGM

The Notice of the Meeting was taken as read.

The Chairman explained to the members the manner in which the Ordinary Resolutions tabled before for the Meeting, would be determined which was by poll. The poll voting would be done electronically after all the proposed resolutions have been tabled to the shareholders for consideration and questions by shareholders on the proposed resolutions had been dealt with accordingly.

3.1 Consideration of the Audited Financial Statements for FY 2016 and the Reports of the Directors and Auditors thereon

The Audited Financial Statements for FY 2016 and the Reports of the Directors and Auditors thereon were taken as read.

Questions received by the Company from the Minority Shareholder Watchdog Group (“MSWG”) and Kumpulan Wang Persaraan (Diperbadankan) (“KWAP”), and the Company’s responses thereto were displayed on the screens in the Meeting Hall and were also read out for the benefit of those present. Bumi Armada’s response letters to MSWG and KWAP are enclosed as Appendix 1 and 2 respectively.

The key questions posed by the members and proxies present and the responses to each such question are set out below:

(i) Outlook for 2017

Oil prices continued to be low over the first quarter of 2017, which could continue to dampen sentiment in the market, and oil companies are likely to remain cautious over the short-term. The Company has seen some positive signs in the FPSO market as oil companies consider bringing new projects on stream. However, the outlook for exploration activities remains unclear, which will likely delay recovery in the Offshore Support Vessel (“OSV”) market.

At this moment, the Company is participating in FPSO bid tenders (large sized projects) for clients operating in West Africa, Brazil and India. The Company expects the OSV market to remain challenging in 2017 and a similar utilisation rate as that seen in 2016.

The Company will not undertake any large capex project this year unless it wins a tender for a new FPSO project.

(ii) The implication to BAB caused by the delay in achieving First Oil for the Armada Kraken FPSO

The Company has made the relevant provisions for the supplementary payments to the client for the delay. With the delay in the project completion, the project team and resources must be extended until such completion is achieved.

The rectification works on the vessel is ongoing and First Oil is expected to be achieved by 15 July 2017.

(iii) Termination of contract in relation to Armada Claire FPSO

The matter was progressing towards trial but no date for trial has been fixed yet. The Company expects that based on the current litigation schedule, the trial may be set at the earliest, in the first half of 2018.

The Company was of the view that there are reasonable grounds to expect a favourable outcome in the claim against Woodside for repudiation of the contract. The award of damages in the event of a favourable outcome would be subject to final determination by the court. The Company was unable to comment further on the case because the matter was the subject of ongoing litigation.

The Company was actively looking into re-deployment opportunities for the Armada Claire FPSO. The Company does not expect any further impairment on Armada Claire.

(iv) Updates on monies owing from the two Nigerian clients

The debt due from the customers in Nigeria, aged more than 6 months have been fully provided for as part of the Group's policy on allowance for doubtful debts. Armada Perkasa has been sold subsequent to year 2016.

For Armada Perdana, the Company received payments from the client sufficient to cover the costs of operations. The Company was pursuing the remaining balance through active discussion with the client on the repayment plan and it continues to evaluate all options available to protect and enforce its rights.

The Company will continue to take measures to mitigate risks on clients' ability to make payments.

(v) Any further impairments expected to be made

At this time, the Company does not expect any additional impairments on its assets. However, if there are changes in either the market conditions or to any specific contracts, positively or negatively, future adjustments may be required.

(vi) Action plans to improve the Group's funding position to support the Group's growth plans

The deployment of 4 new vessels in 2017 and their full year operations in 2017 onwards will generate a significant increase in operating cash flow. In addition, the Company was evaluating several debt and equity structures to fund new projects. Concurrently, cost efficiencies and cost saving initiatives are being undertaken.

4.1 Consideration of Proposed Ordinary Resolutions No.1 to 9

On the proposal of members and proxies, and seconded by members and proxies, all 9 proposed Ordinary Resolutions were tabled to the shareholders for deliberation.

The Board and Management addressed several questions from members relating to the said proposed Ordinary Resolutions, and the key discussion points were as follows:

- (i) The basis of the proposed payment of fees and benefits to the Non-Executive Directors (“NEDs”) up to an amount of RM6.0 million from 31 January 2017 to the next AGM (Resolution 5)

The cap of RM6.0 million for the NEDs’ fees and benefits is for the 16-month period from 31 January 2017 to the next AGM estimated to be held in May 2018. There has been no revision to the current NED remuneration policy since it took effect in July 2014.

The said cap was intended to give adequate buffer to the Company to pay fees to any new Director appointed during the 16-month period. The Company was currently looking for a suitable candidate with engineering qualifications and oil and gas experience.

- (ii) Clarification on the Company’s share schemes

Based on a review of the global trend, Employee Share Option Scheme (“ESOS”) was not an effective employee incentive programme. Similar programmes like the MIP have been implemented at other global companies and was more effective in aligning the interest of key employees with a company’s goals and targets. This will also ensure Management is focused on long term shareholder value creation.

The offer and grant of shares to Management under the MIP would be based on KPIs for 2017 which were approved by the Board.

5.0 Polling

There being no other questions from the floor or any other business to be dealt with at the Meeting, the Chairman invited the representative from the Share Registrar, Symphony Share Registrar Sdn Bhd, to brief the shareholders on the electronic-polling procedures.

After the briefing to shareholders, the Chairman invited the shareholders and proxies to proceed to the poll voting area to cast their votes.

6.0 Declaration of Results

The Chairman announced the results of the poll, which had been verified by the scrutineers, Malaysian Issuing House Sdn Bhd.

All 9 proposed Ordinary Resolutions had been passed and the detailed results were as follows:

Resolution No.	For		Against	
	No. of shares	%	No. of shares	%
RESOLUTION 1: Re-election of Alexandra Elisabeth Johanna Maria Schaapveld who retires by rotation in accordance with Article 113 of the Company’s Articles of Association.	3,445,672,770	99.99995	1,641	0.00005
RESOLUTION 2: Re-election of Maureen Toh Siew Guat who retires by rotation in accordance with Article 113 of the Company’s Articles of Association.	3,417,032,510	99.14257	29,551,901	0.85743
RESOLUTION 3: Re-election of Shaharul Rezza bin Hassan who retires by rotation in accordance with Article 113 of the Company’s Articles of Association.	3,423,727,170	99.33681	22,857,241	0.66319

Resolution No.	For		Against	
	No. of shares	%	No. of shares	%
RESOLUTION 4: Election of Uthaya Kumar A/L K Vivekananda in accordance with Article 120 of the Company's Articles of Association, and who being eligible, offers himself for election as a Director of the Company.	3,446,572,770	99.99995	1,641	0.00005
RESOLUTION 5: Payment of fees and benefits to the Non-Executive Directors up to an amount of RM6.0 million from 31 January 2017 until the conclusion of the next AGM.	3,085,840,761	89.46882	363,227,692	10.53118
RESOLUTION 6: Re-appointment of Messrs. PricewaterhouseCoopers as Auditors of the Company for the financial year ending 31 December 2017 and the Directors be authorised to fix their remuneration for that year.	3,484,140,670	99.98499	523,041	0.01501
RESOLUTION 7: The Directors be authorised to allot and issue new ordinary shares pursuant to Section 75 and Section 76 of the Companies Act, 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.	3,411,215,26	98.78765	41,863,301	1.21235
RESOLUTION 8: The offer, grant and/or allotment in respect of ordinary shares in the Company to Leon Andre Harland, Executive Director/Chief Executive Officer pursuant to the Company's MIP.	2,973,727,199	86.11866	479,330,562	13.88134
RESOLUTION 9: The offer, grant and/or allotment in respect of ordinary shares in the Company to Shaharul Rezza bin Hassan, Executive Director/Head of Offshore Marine Services pursuant to the Company's MIP.	2,973,812,199	86.12113	479,245,562	13.87887

7.0 Closure

The Chairman on behalf of the Board, recorded his appreciation to Mr Saiful Aznir bin Shahabudin who was retiring from the Board after the AGM, for his contribution to the Company over the years.

The Meeting ended at 5.20 p.m. with a vote of thanks to the members.



BUMI ARMADA

Appendix 1

29 May 2017

Badan Pengawas Pemegang Saham Minoriti Berhad
(Minority Shareholder Watchdog Group)
Tingkat 11, Bangunan KWSP
No. 3 Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Attn: Ms Lya Rahman, General Manager

Dear Madam,

**BUMI ARMADA BERHAD (“BAB” or the “COMPANY”)
- Twenty-First Annual General Meeting (“21st AGM”)**

Thank you for your letter dated 26 May 2017.

Please find our response to the questions raised by you, which will also be highlighted to those who attend our 21st AGM scheduled to be held on 30 May 2017:

Strategic and Financial Matters		
No.	Question	Bumi Armada's response
1.	<p>As reported in the Chairman's Message, of late there has been an increase in activity for qualifications and surveys by oil companies looking at new FPSO projects, as they look to move approved developments to production, which is positive for potential project awards.</p> <p>Could the Board enlighten shareholders on the outlook for 2017 and the total value of bids the Group has submitted?</p>	<p>We can indeed confirm a growing number of requests for ballpark, budgetary and firm bid offers for FPSOs; particularly for large sized ones. At this moment, we are participating in bid tenders for Clients operating in West Africa, Brazil and India.</p> <p>Since the market is limited to only a few competitors, we like to keep the submitted bids and values confidential.</p>
2.	<p>2016 was a landmark year for our work in the shipyards. The Company worked hard to complete four major conversion projects (three FPSOs and one FSU), all of which sailed to their various operational locations before the end of the year.</p> <p>What was the total value of projects and have all amounts due been fully received?</p>	<p>Total value of the four major conversion projects is approximately USD3.1 billion.</p> <p>For the second part of the question, we have assumed that you are referring to the recovery of the total amounts. The recovery of the total contract value is through the charter payments over the firm contract period.</p>

Strategic and Financial Matters		
No.	Question	Bumi Armada's response
3.	<p>In March 2016, the Company received a purported notice of termination for the contract for the Armada Claire FPSO, for which it had instituted legal proceedings, seeking damages of USD275.8 million. Meanwhile, the FPSO has been demobilised from the field and is warm-stacked in Balam, Indonesia, while the Company pursue redeployment opportunities for her.</p> <p>(i) What is the probability of the Company getting the damages sought for?</p> <p>(ii) What is the likelihood of securing redeployment opportunities and would there be any implications on the contract?</p>	<p>(i) The matter is currently progressing towards trial. No date for trial has been fixed yet. We expect that based on the current litigation schedule, trial may be set at the earliest, in first half of 2018.</p> <p>The Company is of the view that there are reasonable grounds to expect a favourable outcome in the claim against Woodside for repudiation of the contract. The award of damages in the event of a favourable outcome is subject to final determination by the court. We are unable to comment further on the case because the matter is the subject of ongoing litigation.</p> <p>(ii) The Company is actively looking into redeployment opportunities for the Armada Claire FPSO. Neither the contract nor the ongoing litigation prohibits the redeployment of the FPSO.</p>
4.	<p>The Company's two clients in Nigeria, representing its two smaller FPSOs, also face financial difficulties, resulting in irregular charter payments. Management has dedicated resources to work with its clients and advisors to resolve the issues as soon as possible.</p> <p>What was the amount owing from these two clients and could the Board provide an update on the matter?</p>	<p>The debt due from the customers in Nigeria, aged more than 6 months have been fully provided for as part of the Group's policy on allowance for doubtful debt.</p> <p>Armada Perkasa has been sold to the client subsequent to year 2016.</p> <p>For Armada Perdana, we received payments from the client sufficient to cover cash cost. We are pursuing the remaining balance through active discussion with the client on the repayment plan and we continue to evaluate all options available to protect and enforce our rights.</p>
5.	<p>Despite the challenges, the Company had some positive activity in the Caspian Sea, as its pipe-laying barge, the Armada Installer, continued to work for both Petronas Turkmenistan and LukOil during the year and, in addition, the three purpose built new Ice-Class OSVs started their long-term charter with LukOil.</p> <p>(i) Please provide more details on the value and duration of the contract for Armada Installer.</p>	<p>(i) Out of the RM2.1 billion orderbook for OMS segment as at 31 December 2016, approximately 16% is attributed to the</p>

Strategic and Financial Matters		
No.	Question	Bumi Armada's response
	(ii) What is the duration of the long-term charter for the OSVs and the key terms?	Armada Installer up to second quarter in 2018. (ii) It is 10 years firm contract duration with optional extensions of up to 20 years.
6.	As reported, limitations in the Group's ability to fund new projects or restrictions in raising sufficient funding in certain situations, may restrict the Group's ability to grow. (i) How would the Company be able to address these limitations? (ii) What is the Group's current net gearing ratio and what is the optimal or targeted ratio?	(i) The deployment of 4 new vessels in 2017 and its full year operations in 2017 onwards will generate a significant increase in operating cash flow. In addition, we are evaluating a number of debt and equity structures to fund new projects. (ii) The current gearing ratio (debt / equity) is at 2.3 times. Generally in a typical FPSO funding structure, the debt/ equity ratio is 70:30.
7.	For the OSV business, the fleet managed an average utilisation rate of approximately 50% during for the year and closed full year 2016 with 19 OSVs cold-stacked as the market remains oversupplied. (i) How many of the OSVs are in long term and short term charters? (ii) Is the Board expecting the OSV market to improve in 2017?	(i) As at 31 December 2016, approximately 28% of the active vessels are on long term (more than 12 months) charters. (ii) We expect that the market to remain challenging in 2017.
8.	In Note 25 on page 162 of the Annual Report, the non-current other receivables relate to amount due from charterer and is not expected to be recovered within the next 12 months. Why was the amount not expected to be recovered within the next 12 months?	This amount relates mainly to the amount receivable from one of the clients for the demobilisation cost of a vessel. The amount is expected to be realised after the next 12 months and as such is disclosed as non-current accordingly.

Corporate Governance Matter		
No.	Question	Bumi Armada's response
1.	<p>As noted on page 139 of the Annual Report, the Executive Directors' salaries, bonuses, allowances and other staff related costs had increased from RM851,000 in 2015 to RM2.9 million in 2016.</p> <p>What was the reason for the increase?</p>	<p>On 1 January 2015, Mr Chan Chee Beng (Non-Executive Director then) was appointed as the Acting Executive Director ("ED") / Chief Executive Officer ("CEO") while the Company was in search for a suitable candidate to fill the role.</p> <p>In 2015, Mr Chan was not provided with any salary or benefits that associated with his role as Acting ED/CEO, hence the salaries and related costs for EDs reported in 2015 was only declared for En Rezza Hassan, ED/Head of OMS.</p> <p>Mr Leon Harland came on board as the ED/CEO on 16 May 2016. As such for 2016, we have declared salaries for both Mr Leon Harland, – pro-rated from May-Dec, and En Rezza Hassan and their related cost in 2016. Hence, this has resulted the increased numbers as reported in 2016 compared to 2015.</p>

We trust the above clarifies. Kindly acknowledge receipt of this letter by signing and returning to us the duplicate copy of the same.

Thank you.

Yours faithfully
for **BUMI ARMADA BERHAD**



NOREEN MELINI BINTI MUZAMLI
Joint Company Secretary



BUMI ARMADA

29 May 2017

Appendix 2

Kumpulan Wang Persaraan
Level 36 Integra Tower
The Intermark
348 Jalan Tun Razak
50400 Kuala Lumpur

Attn: Mr Ismail Zakaria, Director
Corporate Strategy & Performance Department

Dear Sir,

**BUMI ARMADA BERHAD (“BAB” or the “COMPANY”)
- Twenty-First Annual General Meeting (“21st AGM”)**

Thank you for your letter dated 25 May 2017.

Please find our response to the questions raised by you, which will also be highlighted to those who attend our 21st AGM scheduled to be held on 30 May 2017:

No.	Question	Bumi Armada’s response
1.	<p>As reported in the financial statements, the Group posted a loss before tax of RM 1.94 billion for the financial year ended 31 December 2016, as compared to a loss before tax of RM171.4 million in the preceding year. It was also reported that the losses were mainly resulted from a major impairment of RM1.74 million.</p> <p>a) Is the Board expecting further asset impairment for 2017?</p> <p>b) What would be the outlook for 2017?</p>	<p>a) At this time, the Company does not expect to have to make any additional impairments on its assets. If, however, there are changes in either the market conditions or to any specific contracts, positively or negatively, there may be future adjustments required.</p> <p>b) Oil prices continued to be low over the first quarter of 2017, which could continue to dampen sentiment in the market, and oil companies are likely to remain cautious over the short-term. We have seen some positive signs in the FPO market as oil companies consider bringing new projects on stream. The outlook for exploration activities however remains more unclear, which will likely delay recovery in the OSV market.</p>

No.	Question	Bumi Armada's response
2.	<p>Since 2016 continued to be a difficult year for the OSV business, the fleet managed an average utilisation rate of approximately 50% during 2016 with 19 OSVs cold-stacked.</p> <p>a) Is the Board expecting to sell any of the cold-stacked vessels?</p> <p>b) What would be the expected average utilisation rate in 2017?</p> <p>c) As reported, daily charter rate remains low in 2016, what would be the expected daily charter rate in 2017?</p>	<p>a) Yes, but generally for the older tonnage.</p> <p>b) We expect that the market will remain challenging in 2017 and we expect a similar utilisation rate as that seen in 2016.</p> <p>c) We do not expect a significant improvement in charter rates in 2017.</p>
3.	<p>The contract for the Armada Claire FPSO remains the subject of a legal case, due to the unlawful purported termination of the contract by Woodside Energy Julimar Pty Ltd. As announced in April 2016, the Company is seeking damages of USD275.8 million for the purported repudiation of the contract by Woodside.</p> <p>a) How much is the loss in earnings per annum from the termination?</p> <p>b) What is the current status on the trial and what is the chance of winning the case?</p>	<p>a) The financial impact of the unlawful termination is material. However, we are unable to comment further on the amount because the matter is the subject of ongoing litigation.</p> <p>b) The matter is currently progressing towards trial. No date for trial has been fixed yet. We expect that based on the current litigation schedule, trial may be set at the earliest, in first half of 2018.</p> <p>The Company is of the view that there are reasonable grounds to expect a favourable outcome in the claim against Woodside for repudiation of the contract. The award of damages in the event of a favourable outcome is subject to final determination by the court. We are unable to comment further on the case because the matter is the subject of ongoing litigation.</p>

We trust the above clarifies. Kindly acknowledge receipt of this letter by signing and returning to us the duplicate copy of the same.

Thank you.

Yours faithfully
for **BUMI ARMADA BERHAD**

A handwritten signature in black ink, appearing to read 'Noreen Melini Binti Muzamli', with a stylized flourish at the end.

NOREEN MELINI BINTI MUZAMLI
Joint Company Secretary