

BUMI ARMADA BERHAD

1H 2014 Results Presentation



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“Knots Ahead of the Rest”

Disclaimer

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1. External Market & Leading Indicators



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Leading Indicators – Brent Crude Price

- Prices have remained stable amid global economic/political uncertainty.
- Conducive for shallow water & deepwater production.

Brent Crude – 3 Year Historical Price



Source: Bloomberg

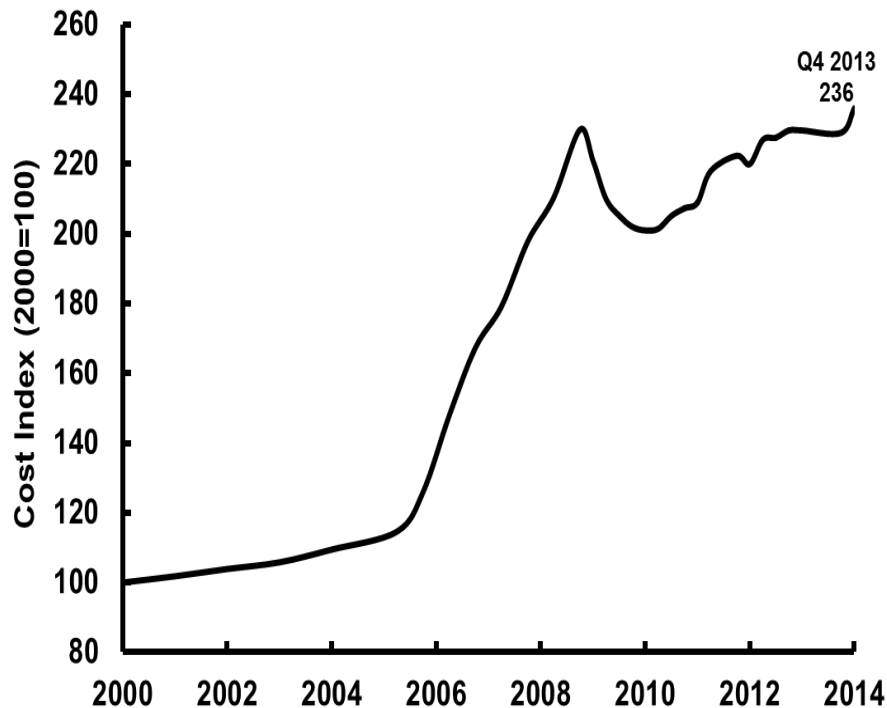


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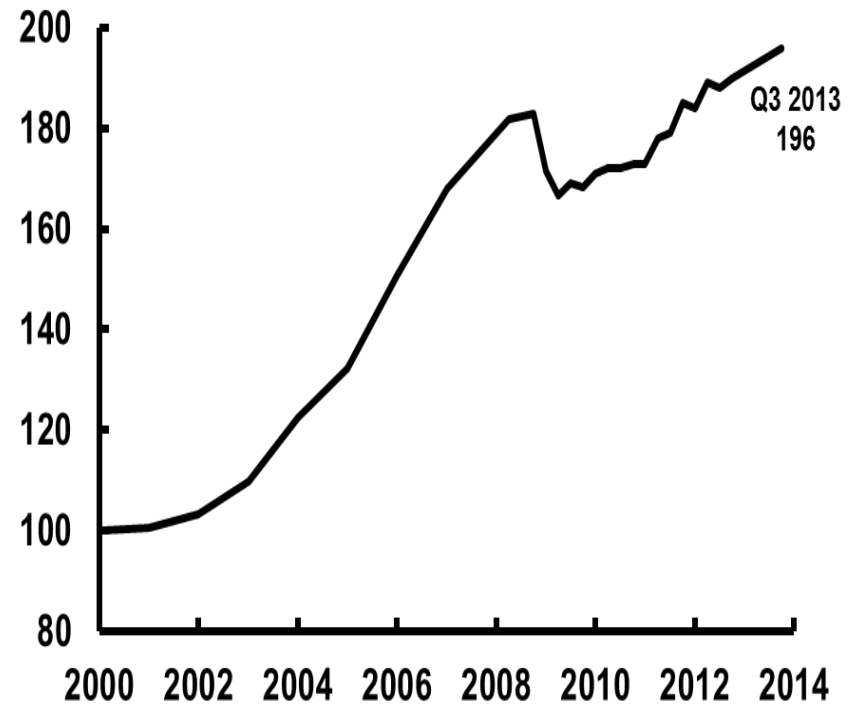
Cost efficiency will be critical

- Capex and opex costs have effectively more than doubled over the last 10 years.
- Costs have held at or near record levels; uptrend will continue.

IHS CERA Upstream Capital Cost Index



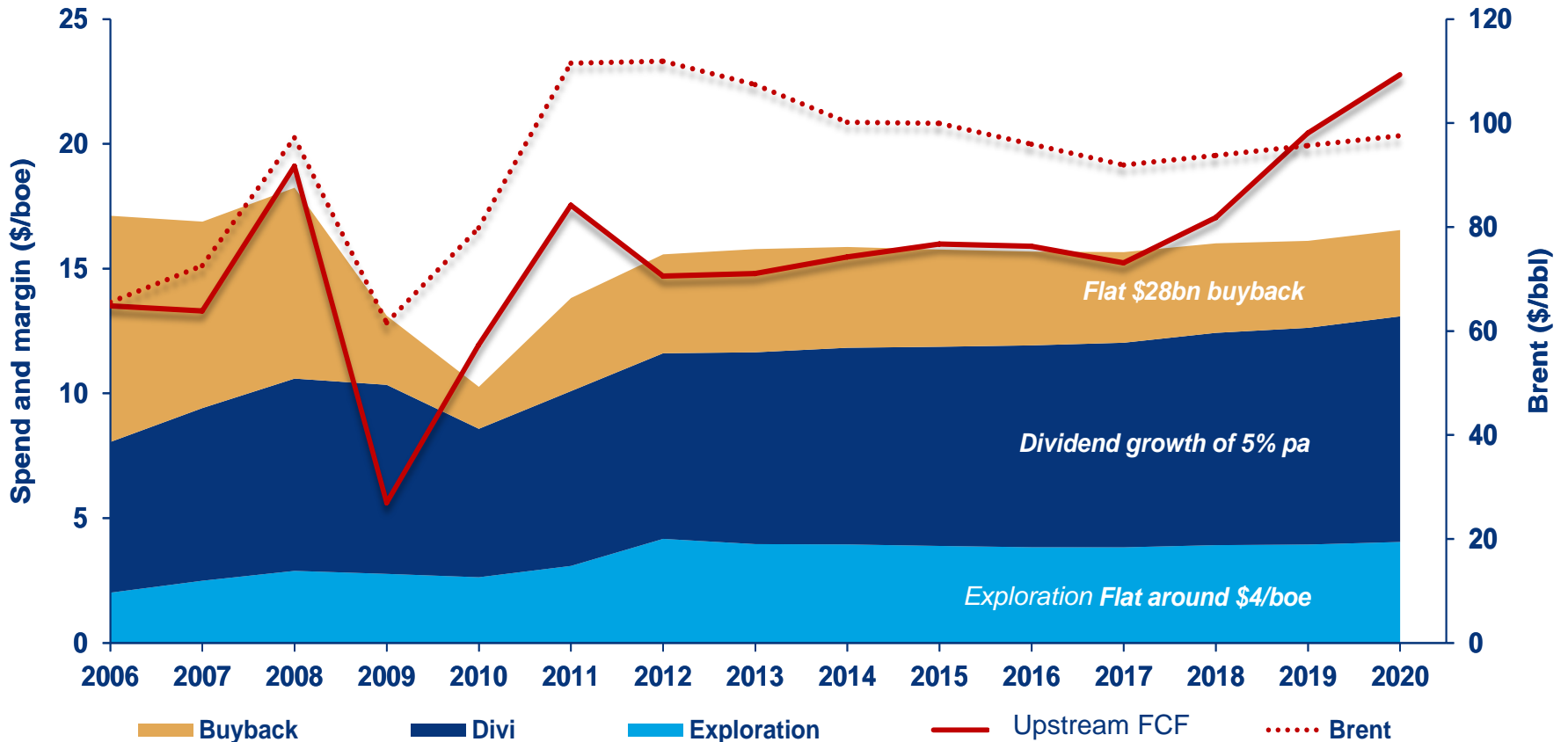
IHS CERA Upstream Operating Cost Index



Source: IHS Cera

Tight cash-flow for spending or returns in 2014-2017

Majors: allocation of upstream free cash flows (US\$/boe)



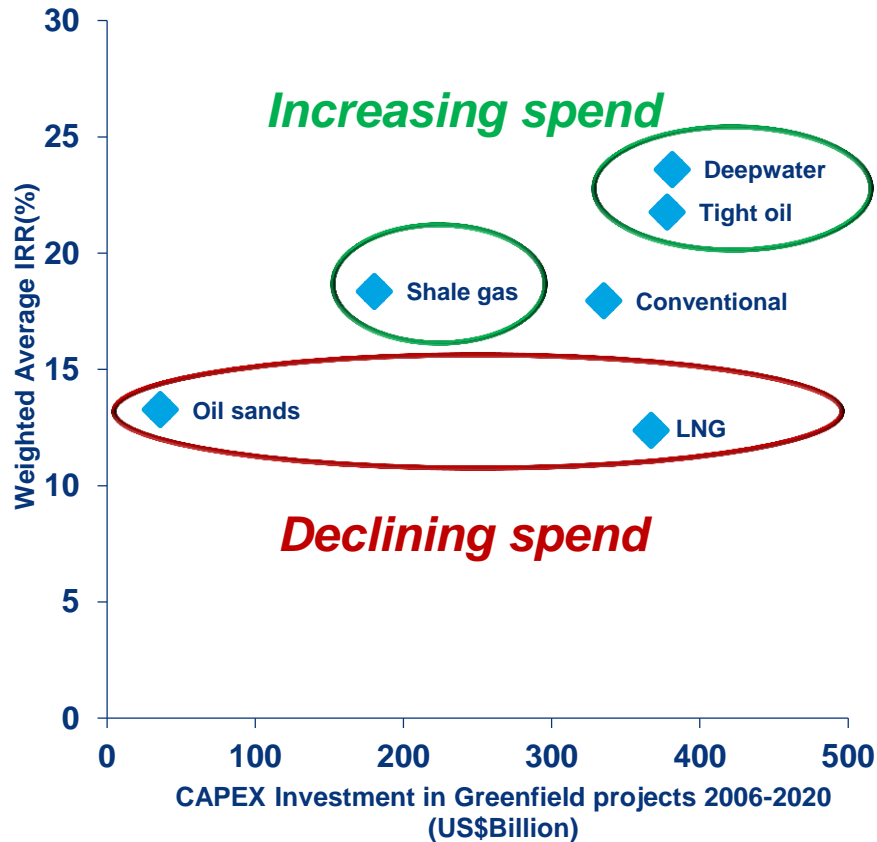
Source: Wood Mackenzie

Oil companies are trying to manage their returns

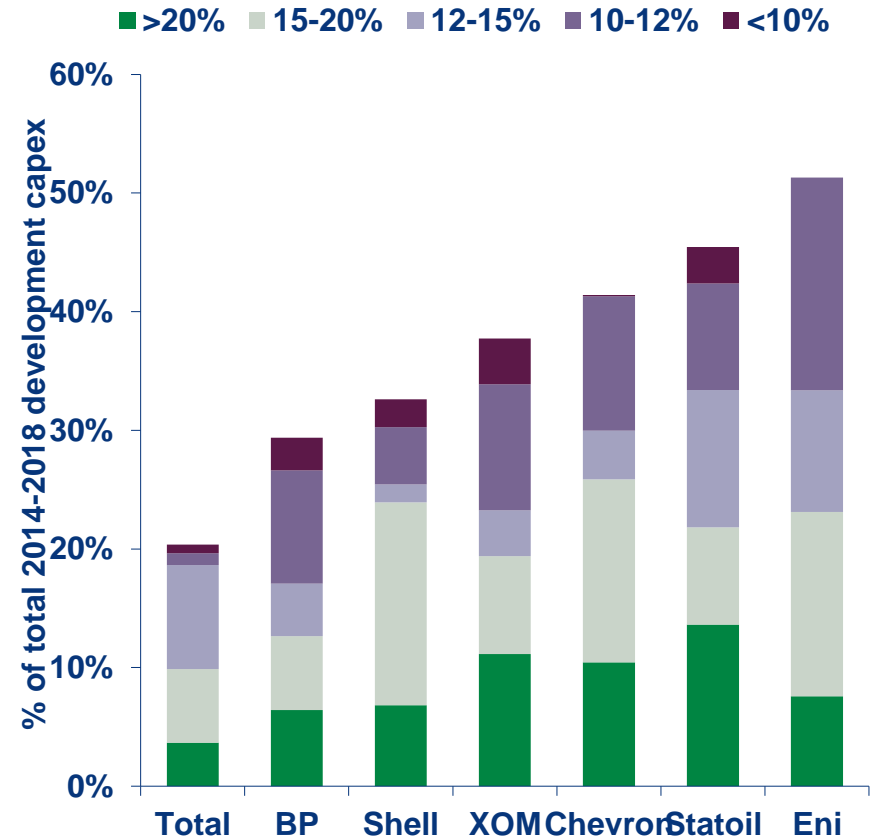
- Investment in deepwater will continue.

- Oil Cos are having to manage their portfolios.

Greenfield project IRRs by theme



New project exposure ranked by returns



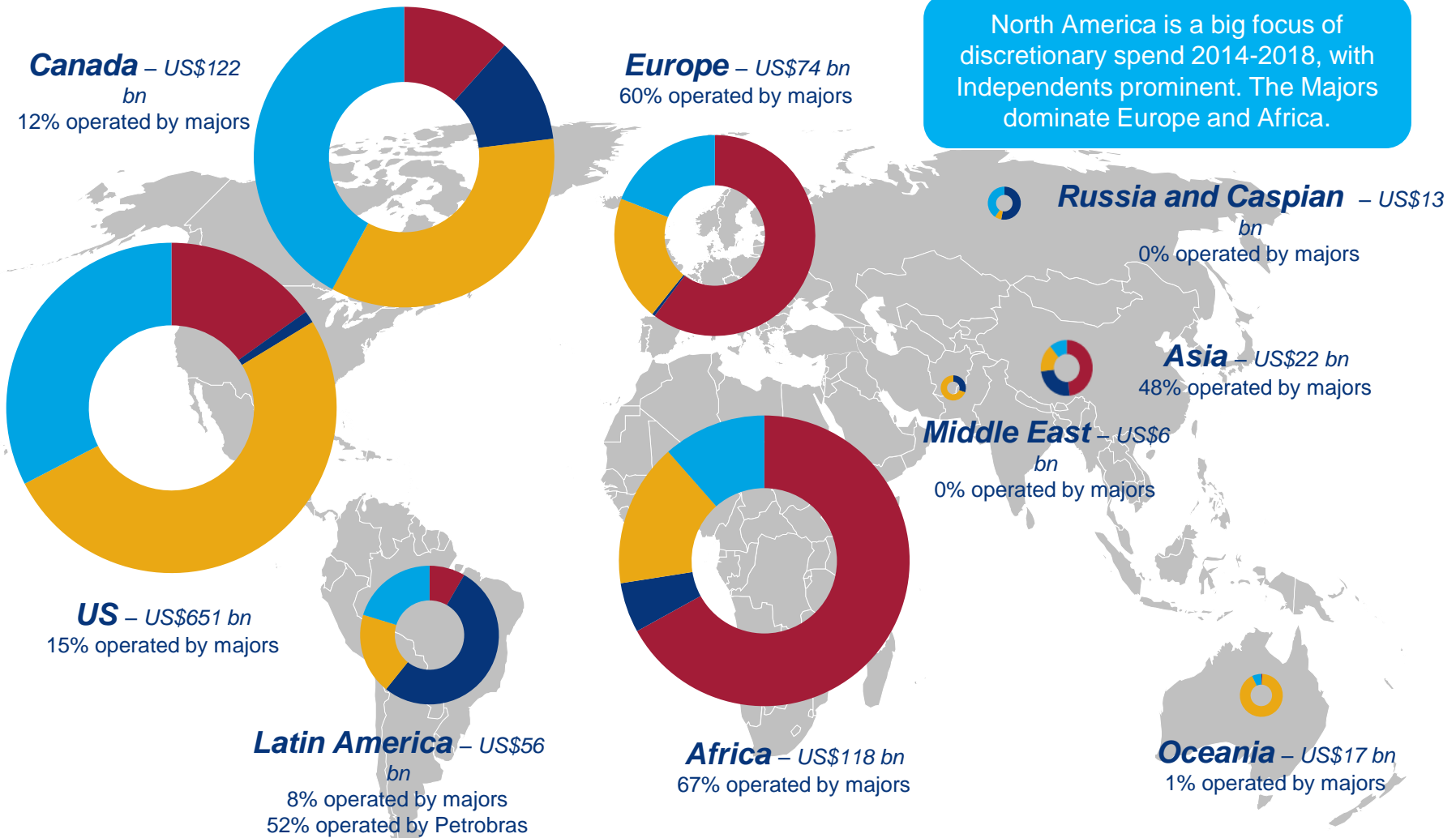
Source: Wood Mackenzie



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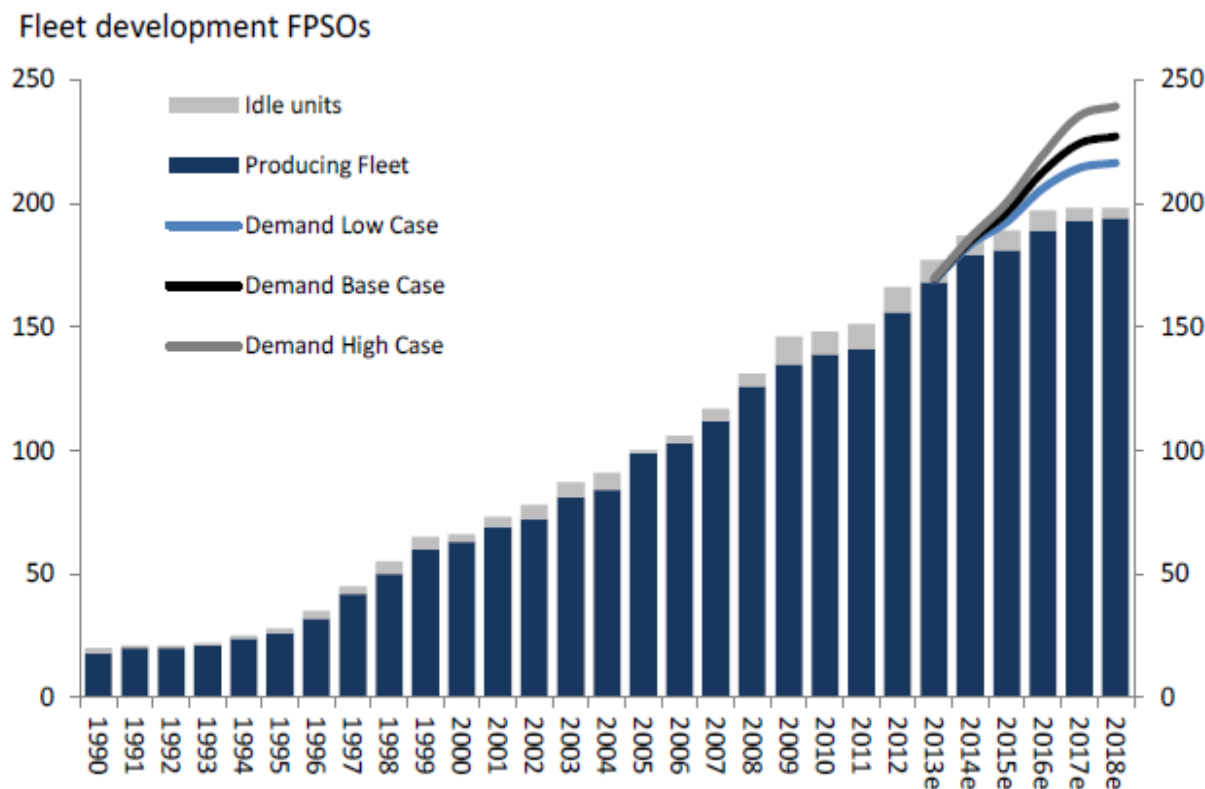
North American, Africa and Europe likely to get most of the money

North America is a big focus of discretionary spend 2014-2018, with Independents prominent. The Majors dominate Europe and Africa.



Source: Wood Mackenzie. Based on our global probable development dataset. North American onshore capex based on our upstream coverage. Excludes LNG plant capex for unintegrated projects.

FPSO Demand

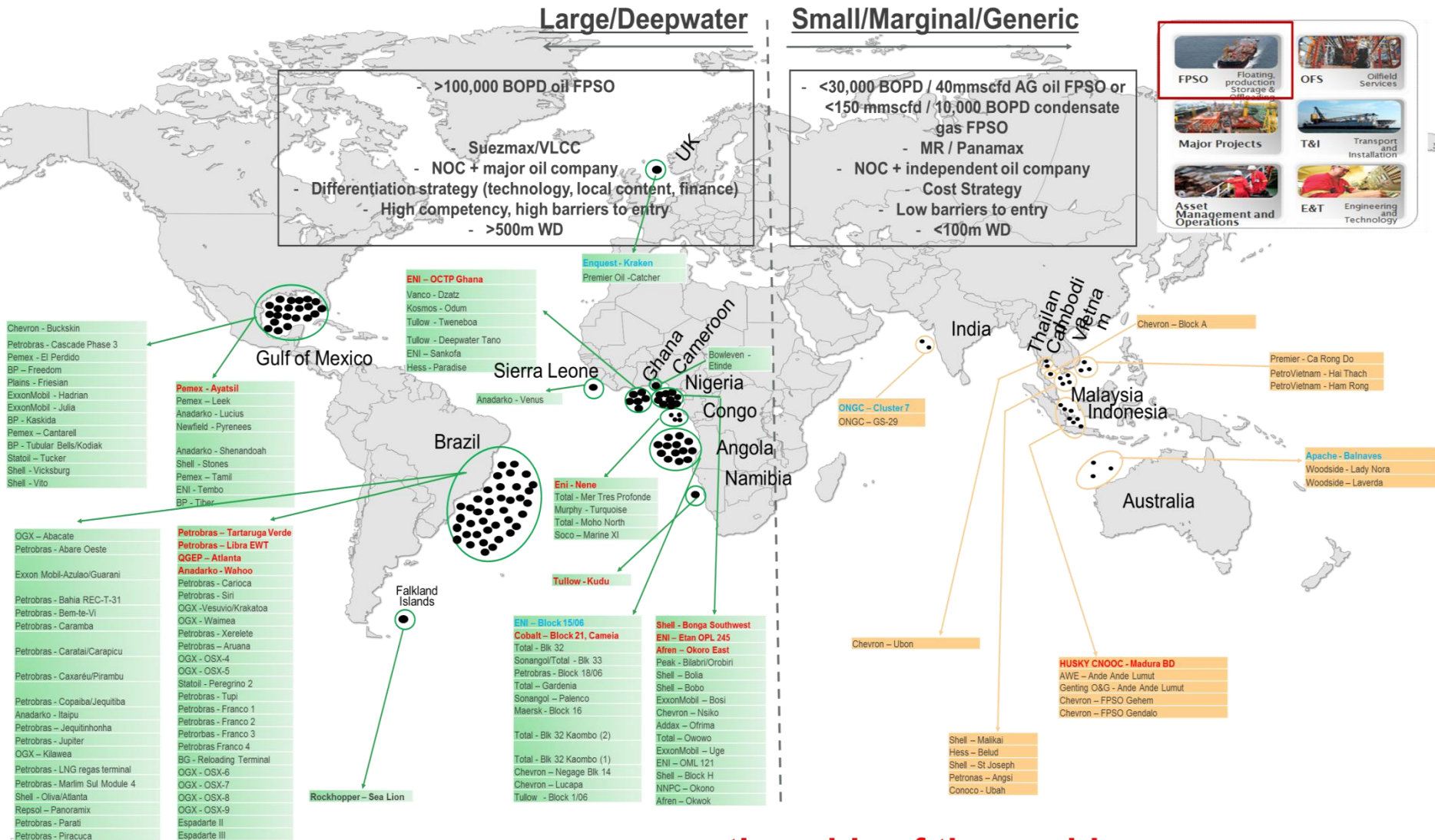


Source: Pareto Research, ODS Petrodata

- High fleet growth for the next 5 years.
- Continues to be a favoured solution with strong project pipeline.
- Spending incurred by FPSO development forecasted by Wood Mackenzie to be >\$30 billion per annum by 2016.



Market/Prospects



➤ Our key market is on the **other side of the world**

Outstanding FPSO Bids

No.	Project
1.	Eni OCTP, Ghana
2.	Eni Etan, Nigeria
3.	Tullow Oil Kudu, Namibia
4.	Petrobras Tartaruga, Brazil
5.	Petrobras Libra, Brazil
6.	Cobalt Cameia, Angola



2. Operational Highlights



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Operational Highlights

■ FPSO

- Received a Letter of Intent for an FPSO for the Madura BD Field in Indonesia.
- Armada Claire completed hook-up to Balnaves field, Australia and achieved first oil.
- Contract for eni 15/06 has been signed. The candidate vessel, Armada Ali, is already in the shipyard ready to begin conversion.
- Armada Sterling 2 on target to leave Keppel in 4Q 2014.
- Submitted bids with major clients including Eni, Petrobras and Tullow Oil.



Armada Claire achieves First Oil



Conversion work on-going on Kraken FPSO



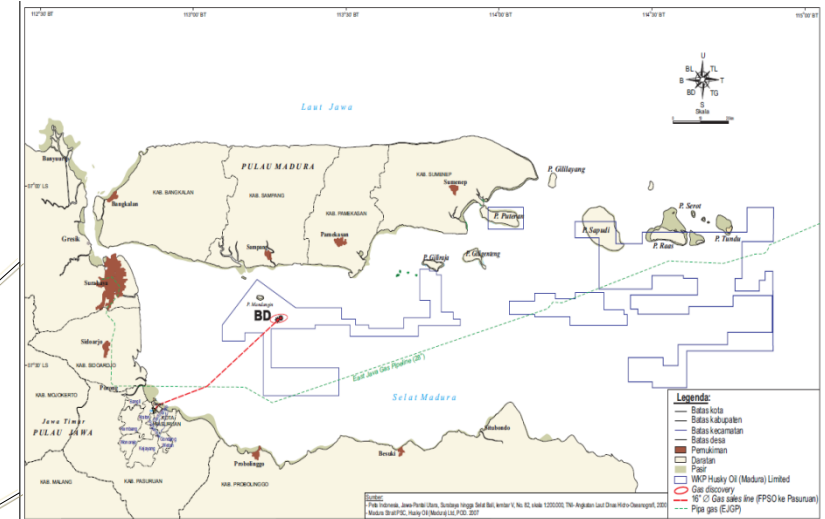
Armada Ali in Keppel for eni 15/06



FPSO – Madura BD

Field Details

- Client/Operator: Husky-CNOOC Madura Limited (HCML)
- Country: Indonesia
- Location: Madura Strait East Java, about 65 km east of Surabaya and about 16km south of Madura Island.
- Water depth: Approximately 182 feet (~55m)



FPSO Details

- Storage: 370,000 bbls
- Gas Handling: 110 mmscfd
- Condensates: 7,500 bpd
- Produced Water: 2,500 bpd
- Sulfur recovery unit required to handle 20 tonnes of sulfur per day
- Design life: 20 years
- 12 point spread mooring

Operational Highlights

■ OSV

- Up to 80% Class-A vessel utilisation.
- Commenced fleet renewal exercise with focus on Class-B vessels (sold 1 vessel in H1 2014 with another 4 in advanced negotiations).
- 2 MPSV's delivered in 2014; 4 more to be delivered in 2015.



AT 400 Series - due for delivery in 2015

■ T&I

- Cumulative progress for LukOil Filanovsky post-trenching pipelaying at 91%.
- Armada Hawk continues operations in Vietnam, Armada Condor continues work in Gabon.
- Purchased Armada KP1, a shallow water pipelay barge, from McDermott.
- Started construction of a shallow water pipelay barge destined for the Caspian Sea.
- SURF 1/2 vessel design underway.



Armada KP1



Operational Highlights

- OFS
 - Continue to bid for well service jobs in Europe, West Africa and Malaysia.
- Gas Development & Technology
 - Qualified for FLNG FEED
 - Continued rapid build-up.



Bumi Armada FLNG Concept



3. Financial Highlights



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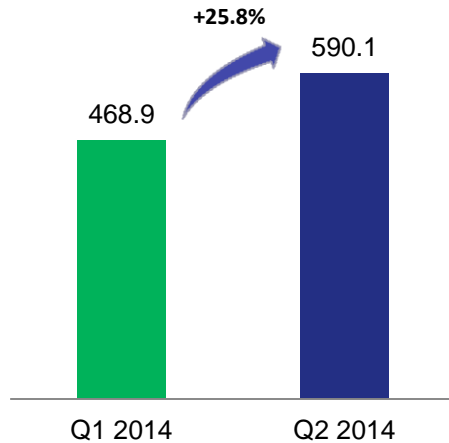
Key takeaways

- Q2 Net Profit increased 51.9% from RM64.8 mil to RM98.4 mil. YTD Net Profit shed 26.4% from RM221.6 mil to RM163.2 mil
- Q2 EBITDA increased 17.7% from RM223.1 mil to RM262.6 mil. YTD EBITDA shed 2.5% from RM498.3 mil to RM485.8 mil
- YTD 2014 EBITDA margins of 46% as compared to 51% in YTD 2013 reflects the impact of a higher percentage of revenue contribution from the LukOil EPIC contract
- OSV utilisation recovery in progress at 72% in Q2 2014 (Q1 2014: 70%)
- Firm order book stands at RM21.7 bil, a 63.2% increase compared to RM13.3 bil in Q1 2014 with good profitability bringing the total order book to RM33.3 bil with ENI 1506 FPSO award (comprising RM21.7 bil on firm and RM11.6 bil on extensions).
- Currently tendering and remain on track to secure other FPSO awards
- Ample financing head-room to take on new projects with current gearing ratio at 1.1x



Results Overview - Q2 2014 vs. Q1 2014 (in RM'mil)

Revenue



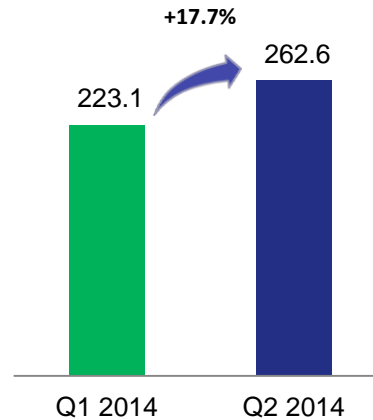
Higher revenue from:

- FPSO contribution from ENI 15/06 & Kraken
- T&I Lukoil activities in the Caspian Sea, Installer O&M and Armada Hawk

Offset by:

- Lower OSV revenue due to contract completion on certain Class-A vessels

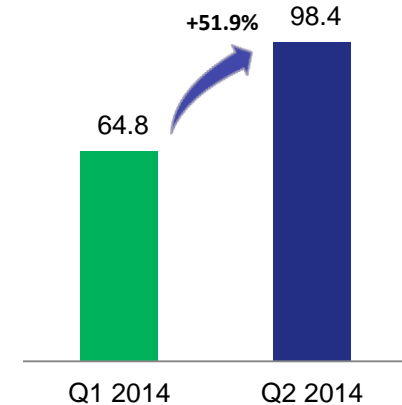
EBITDA



Higher EBITDA in line with:

- ENI 15/06 & Kraken FPSO contribution
- T&I Lukoil activities in the Caspian Sea, Installer O&M and Armada Hawk

Net Profit*



Higher Net Profit in line with:

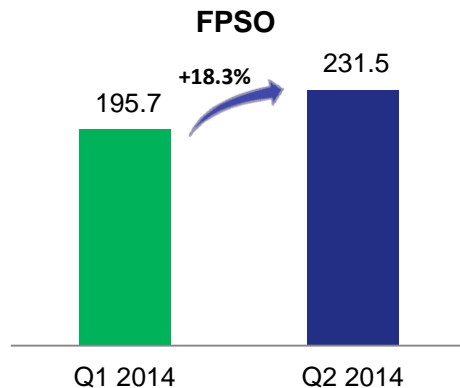
- FPSO contribution from ENI 15/06 & Kraken
- T&I Lukoil activities in the Caspian Sea, Installer O&M and Armada Hawk

Offset by:

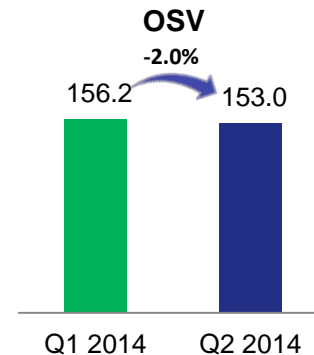
- Higher taxation costs due to increased LukOil activities

Revenue composition by business units – Q2 2014 vs. Q1 2014 (in RM'mil)

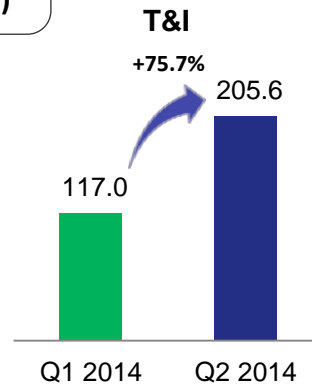
Performance in established segments driven by the underlying activities



FPSO ENI 15/06 and higher Kraken contribution
(Armada Sterling II recorded as part of share of JV)



Contract completion on certain Class-A vessels
despite higher overall vessel utilisation

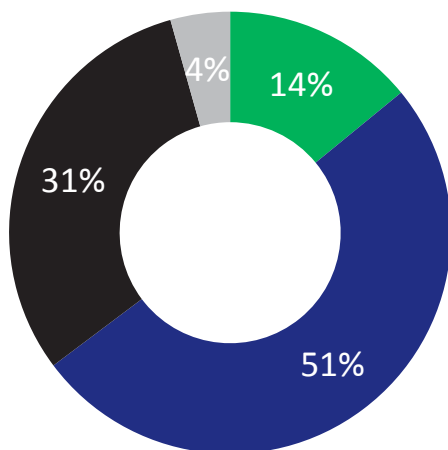


T&I Lukoil activities in the Caspian Sea,
Installer O&M and Armada Hawk

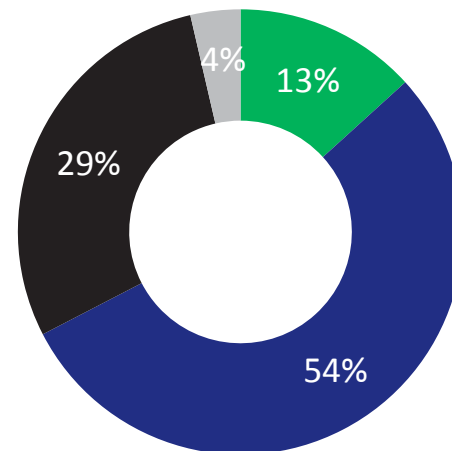
Revenue composition by geographical %

Malaysia based international company
continued expansion across key regions

YTD 2013



YTD 2014

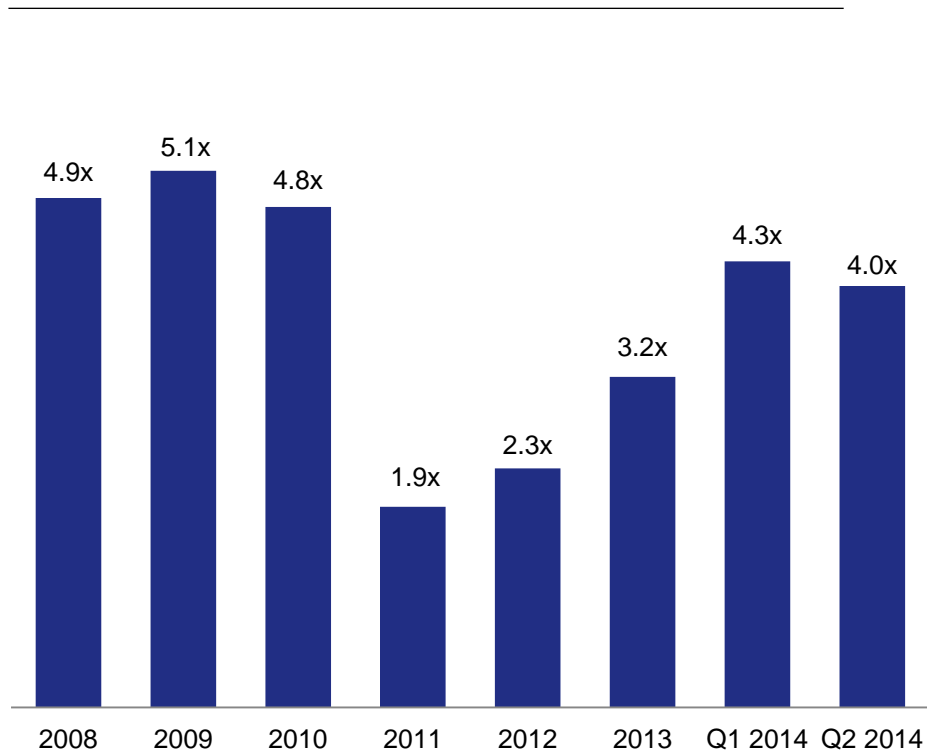


- Ltn America
- Africa
- Asia
- Malaysia

Leverage and capitalization

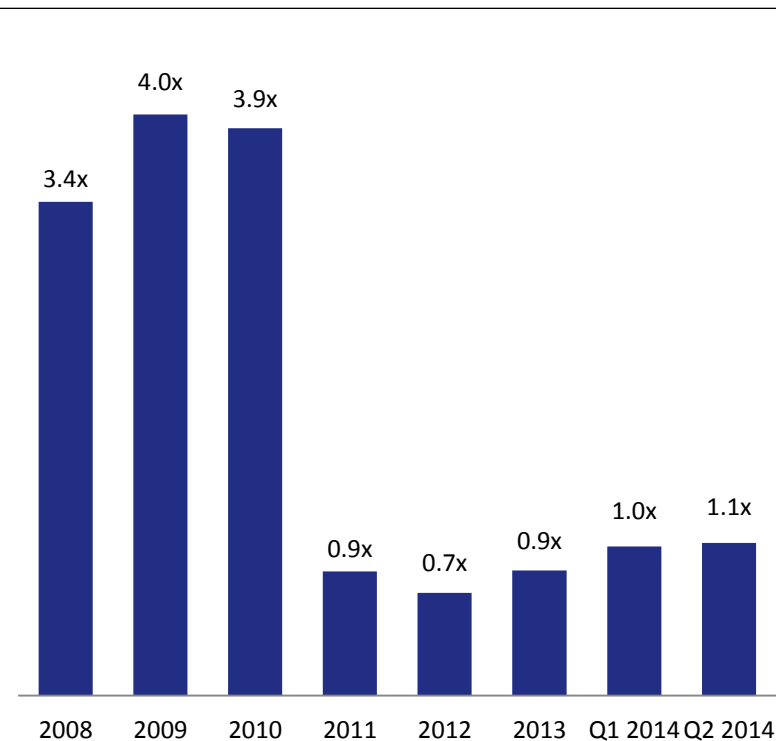
Financial capacity intact to undertake more projects

Net Debt / EBITDA⁽¹⁾



⁽¹⁾ Calculated based on annualised YTD 2014 EBITDA

Gearing ratio⁽²⁾



⁽²⁾ Gearing = Gross Debt / Shareholders Equity



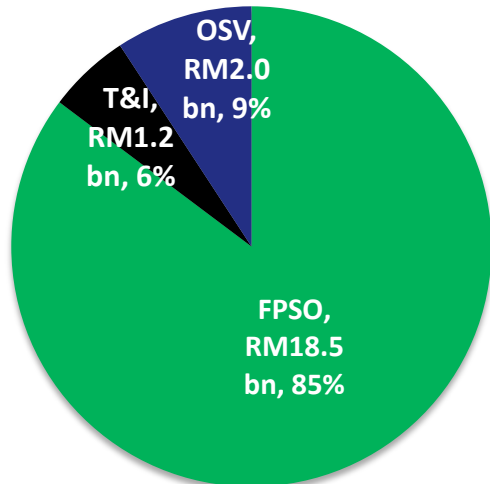
Order book as at 30 June 2014

63.2% increase in quality firm backlog to RM21.7 bn (Q1: RM13.3 bn)

As at 30 June 2014, the Group's order book stood at RM21.7 billion compared to RM13.3 billion as at 31 March 2014. 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 RM11.6 billion over the entire option periods.

Firm contract period

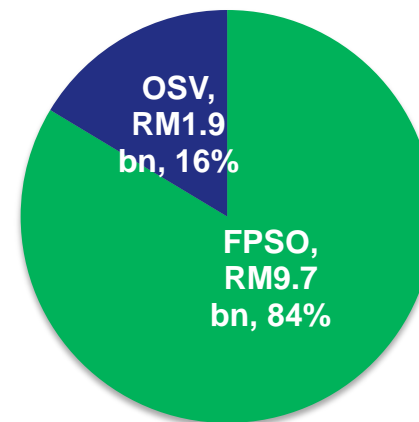
- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



**Firm contract period order book:
RM21.7bn***

Optional extension period

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



**Optional extension period order book:
RM11.6bn***



4. Strategy in Motion

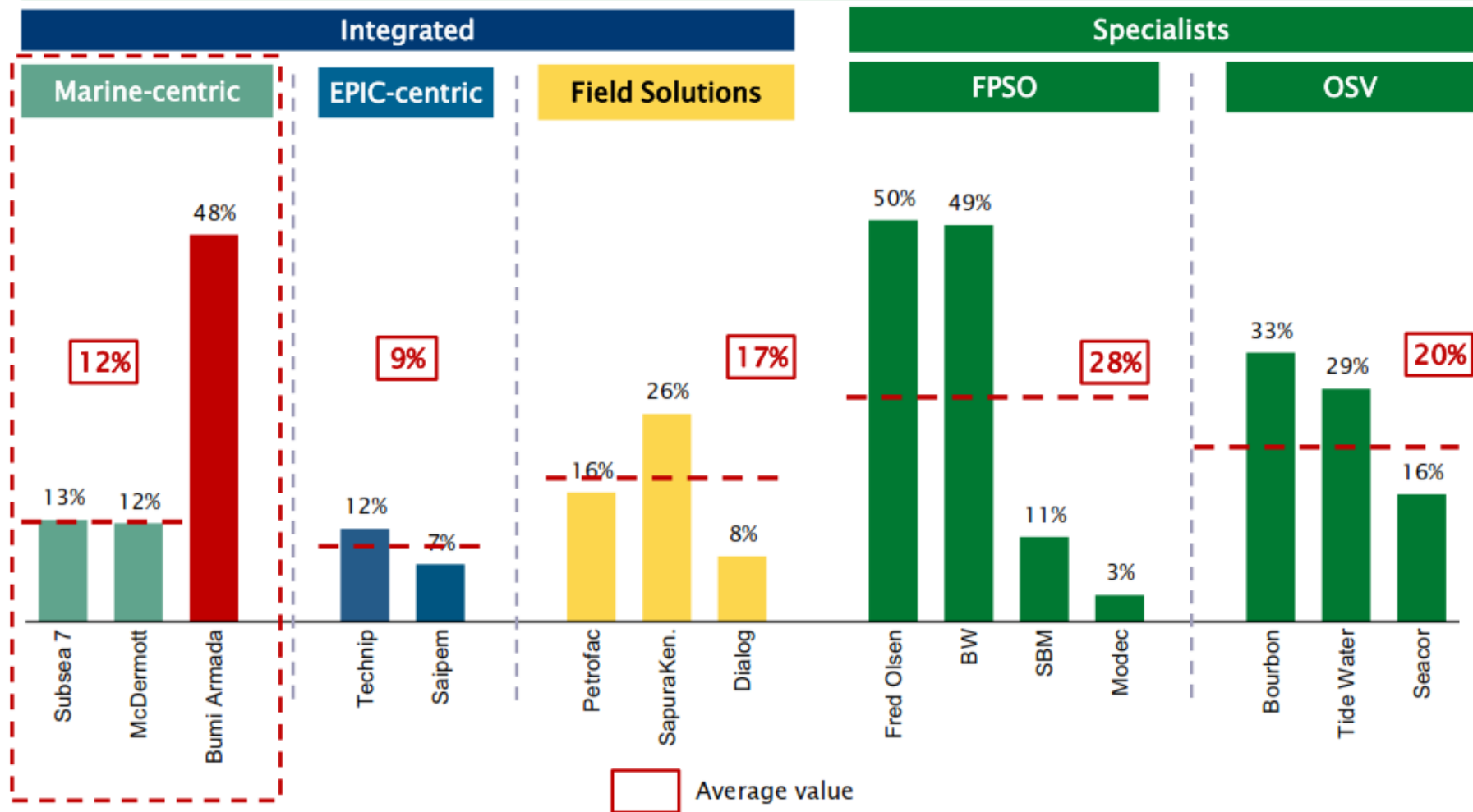


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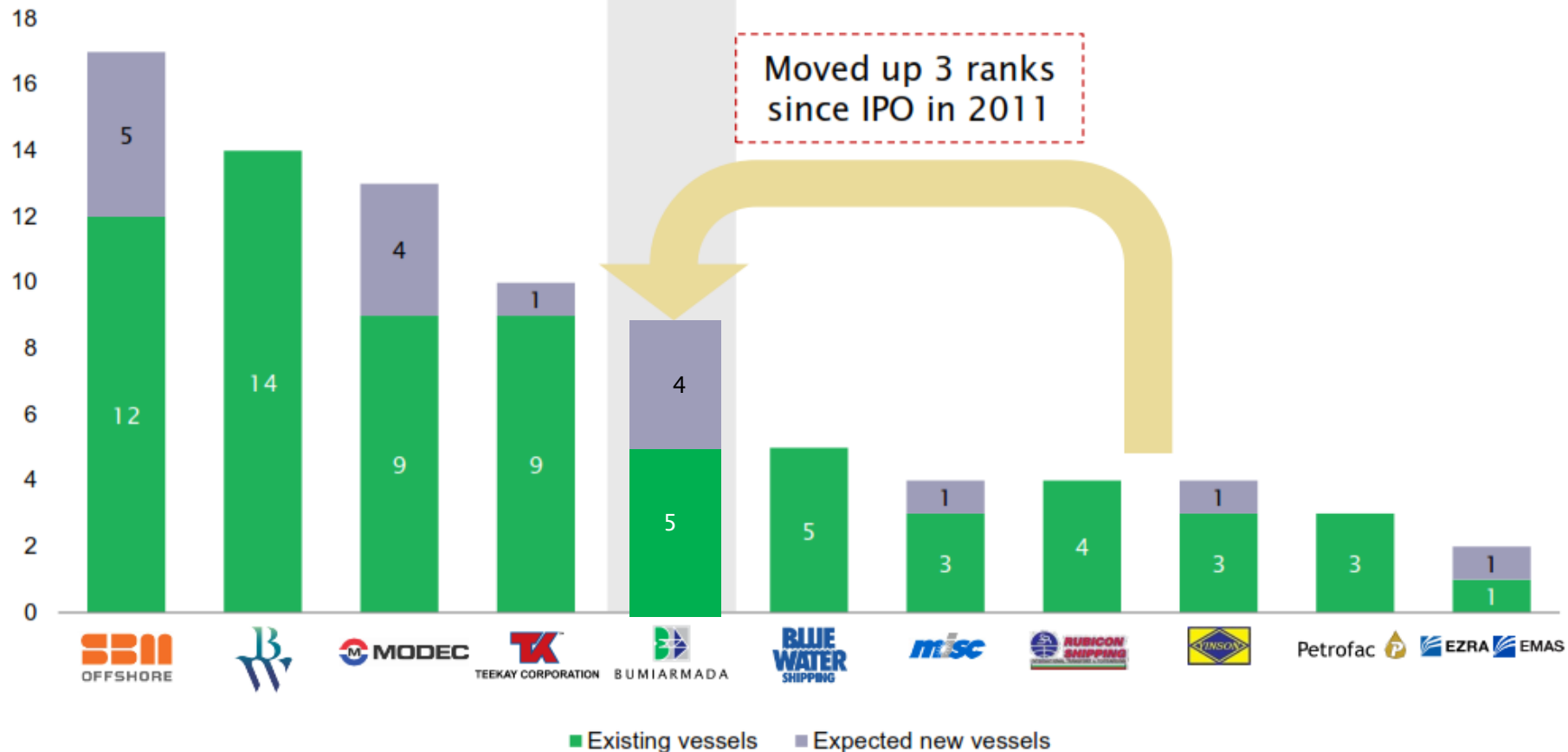
Bumi Armada has the leading EBITDA margin amongst peers

2013 EBITDA margins



Target to be 4th largest FPSO player

Expanding FPSO operator with target to be the 4th largest by fleet size

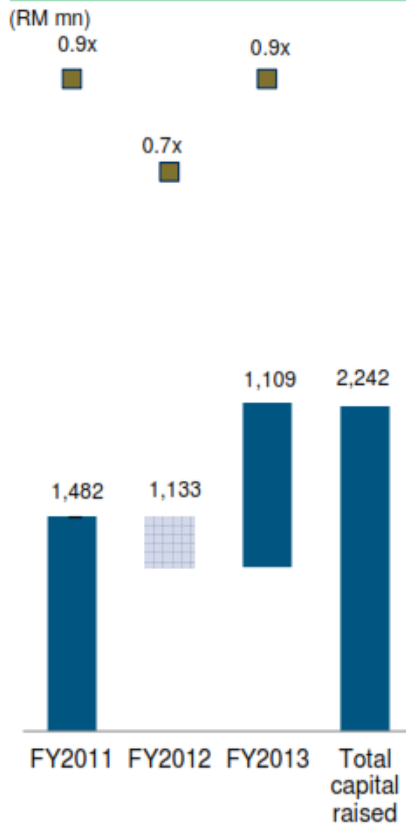


Number of operational FPSOs by selected FPSO lease owners

Note: Bumi Armada figure includes latest letter of intent received from Eni Angola.
Source: Companies' website as at Feb 2014.

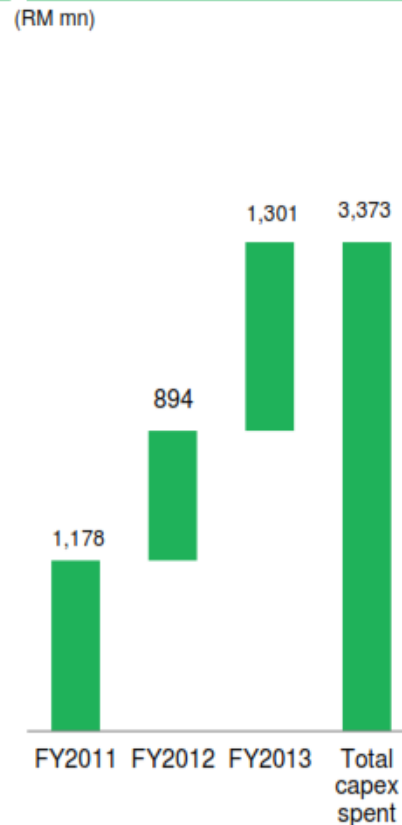
Continued efficient balance sheet and orderbook growth

Net capital raised and gearing Capex

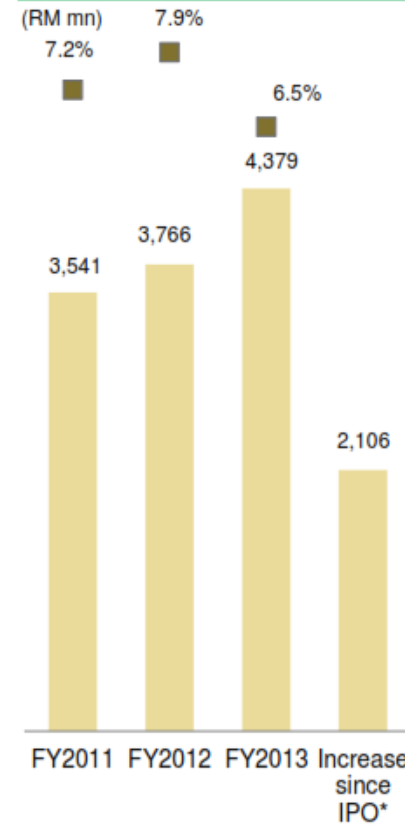


Note: Net capital raised = Equity raised plus debt raised – debt repaid. FY2011 net capital raised includes RM1.8bn net proceeds from IPO

Capex

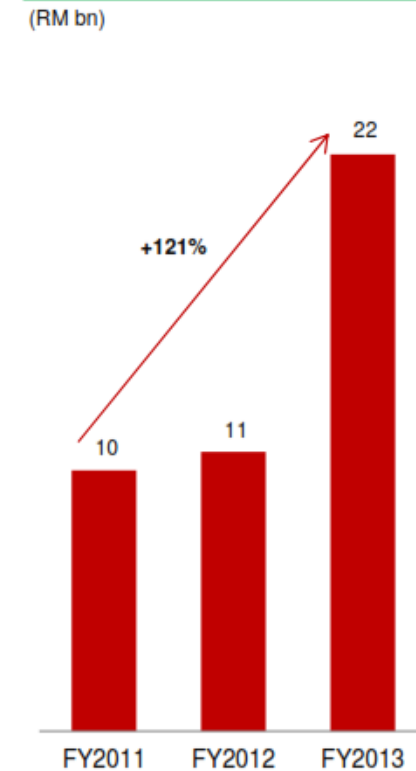


NTA and ROIC



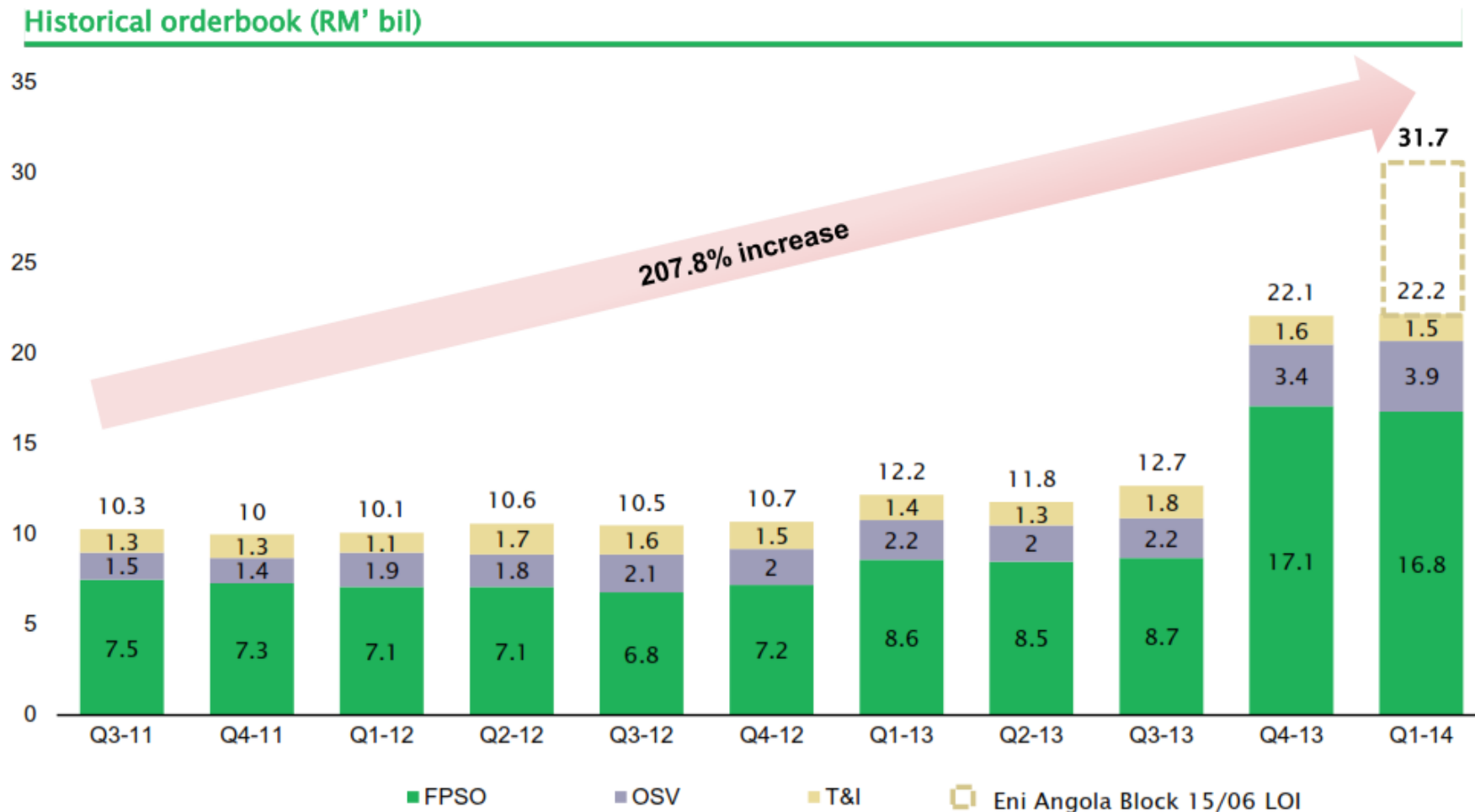
Note: * NTA at IPO = RM1,256mn

Orderbook



Bumi Armada has efficiently utilised capital raised to fund capex and grow orderbook since IPO

Strong organic growth since IPO



Bumi Armada has grown its order book by more than two-fold since IPO

Thank You.



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