

# Annual General Meeting

8<sup>th</sup> June 2015



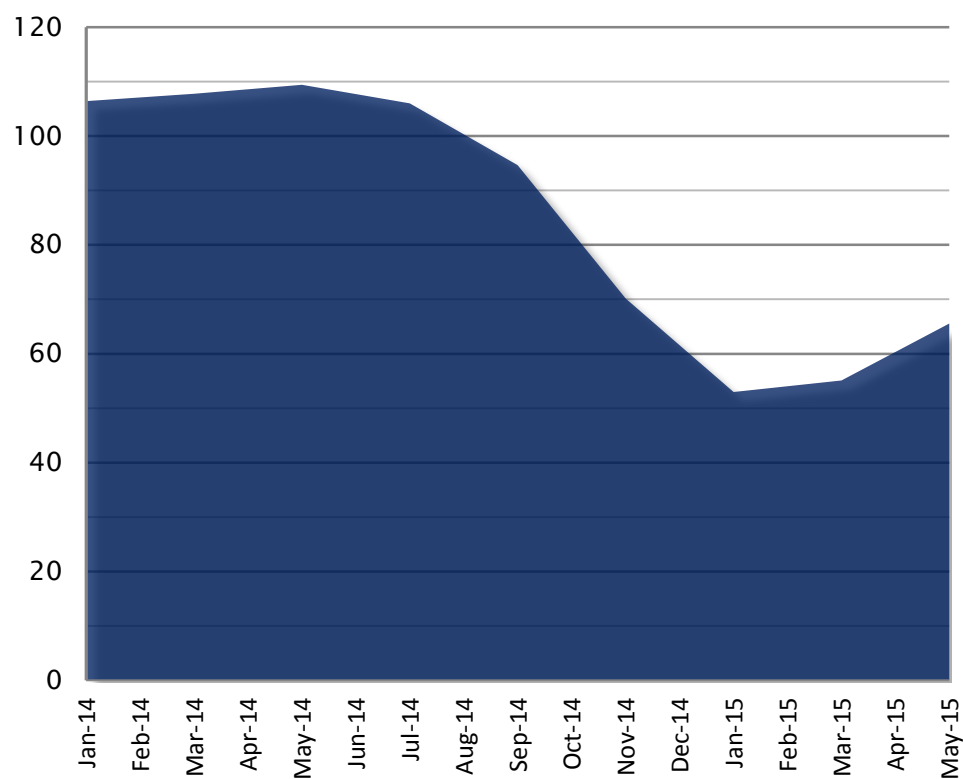
BUMIARMADA

"Knots Ahead of the Rest"

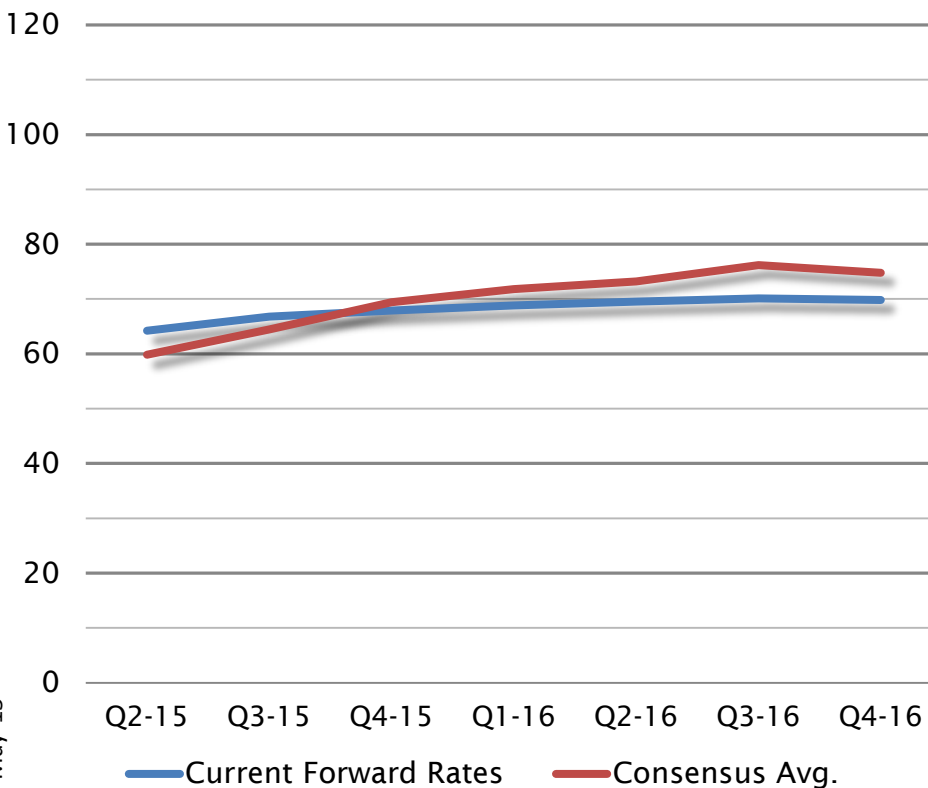
# The oil price trend

- The second half of 2014 saw a sharp decline in oil prices.
- The forecast is for a recovery in oil prices, but in the range of USD60-70 per barrel in 2015 and 2016.

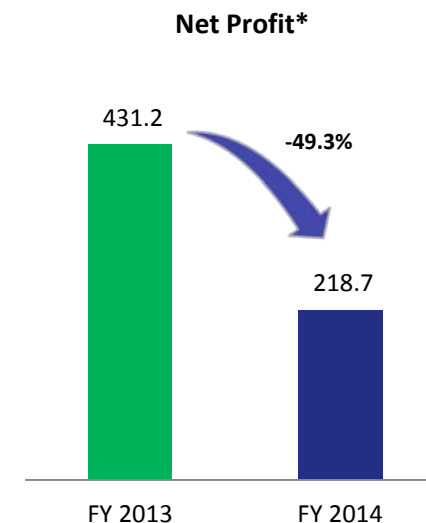
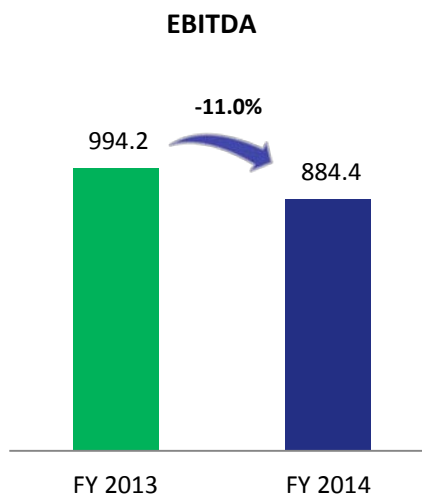
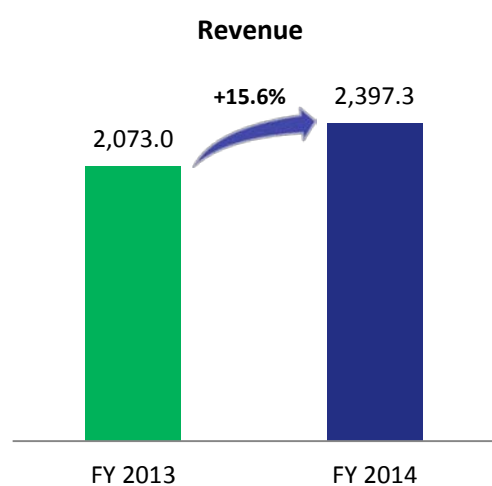
### Brent Prices (Monthly Closing)



### Bloomberg Consensus Forecast of Brent Pricing



# FY 2014 Results



Revenue grew by 15.6% year-on-year on the back of improved contribution from all business units.

FPSO +20%  
OSV +3%  
T&I + 22%

Lower EBITDA after accounting for:

- Allowance for certain trade receivables and impairment charge on available-for-sale financial assets
- T&I cost of additional work scope for FPSO installation

Lower Net Profit after accounting for:

- Allowance, impairment charge and T&I cost of additional work scope
- Higher depreciation of new vessels
  - Higher tax for T&I activities
- Higher finance costs from SUKUK loan

# Businesses in 2014

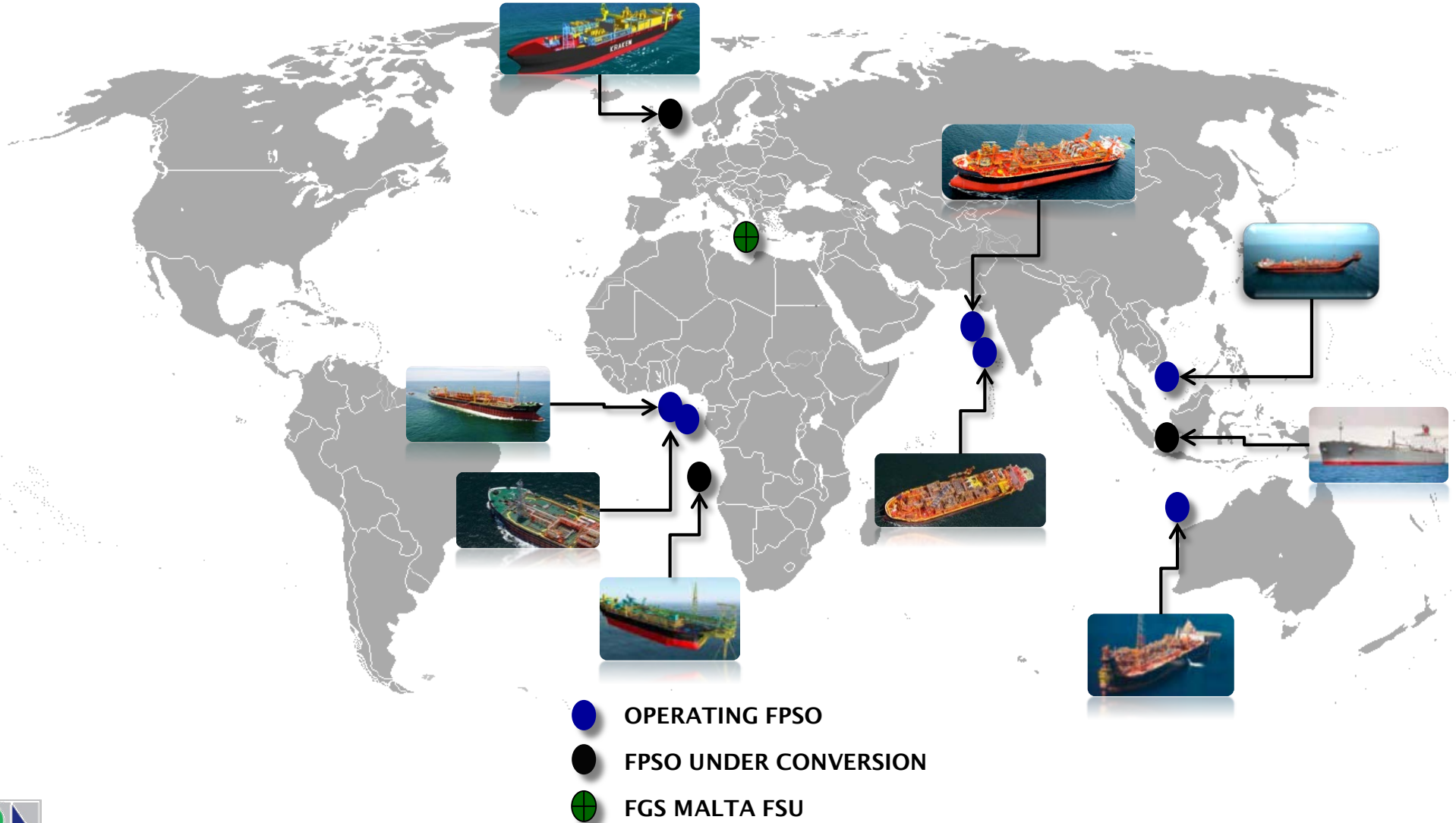


"Knots Ahead of the Rest"





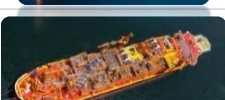






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# Project locations



# Increasing project and technical complexity

Vessel Name		Vessel Size	Topsides Weight	Turret / Spread
Armada Perkasa		Panamax	3,000	Spread moored
Armada Perdana		Suezmax	4,200	Spread moored
Armada Sterling		Aframax	6,500	Internal Turret
Armada Claire		Suezmax	<6,500	External Disconnectable Turret
Armada Sterling II		Aframax	7,500	Internal Turret
Armada TGT 1		Suezmax	9000	External Turret
Armada Kraken		Suezmax	<14,000	Internal Disconnectable Turret
Armada Olombendo FPSO		VLCC	17,000	External Turret
Rainbow 1		Aframax	6,200	Spread moored

# Armada Claire

- The Armada Claire FPSO left Keppel Shipyard in April 2014 for the Balnaves field off the north-west coast of Australia
- First oil was delivered on the 12<sup>th</sup> August 2014



# Armada Sterling 2

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- Armada Sterling 2 departed Keppel Shipyard for the Cluster 7 Field, India in October 2014.
- First oil was achieved in February 2015.





# FPSO Project Updates as at Q1 2015

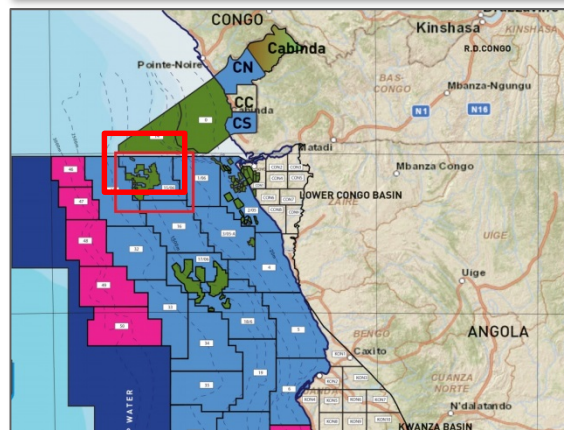
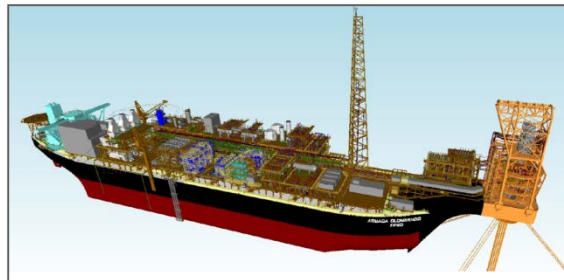
## KRAKEN PROJECT

- 5.3 mil man-hours completed
- Project completion currently at 52%.
- All major procurement packages orders have been completed.
- Project is on schedule.



## 15-06 PROJECT

- 2.7 mil man-hours completed
- Project completion currently at 38%.
- Majority of major procurement packages have been placed.
- Project is on schedule.



## MADURA PROJECT

- 0.08 mil man-hours completed
- Project completion currently at 11%
- Project is on schedule.



# FGS - Malta FSU overview

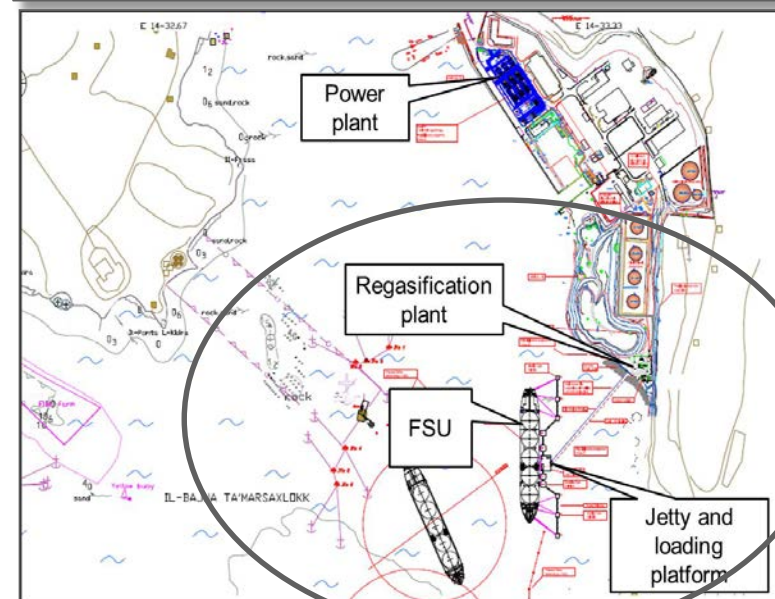
- Malta FSU project was announced 14<sup>th</sup> April 2015
- Contract is for a fixed term of 18 years and 2 months
- Total contract value is USD300 million (approximated RM1.1 billion)
- The FSU is expected to begin operations in Malta in June 2016.



Donor Vessel - 1985 LNG Carrier Wakaba Maru

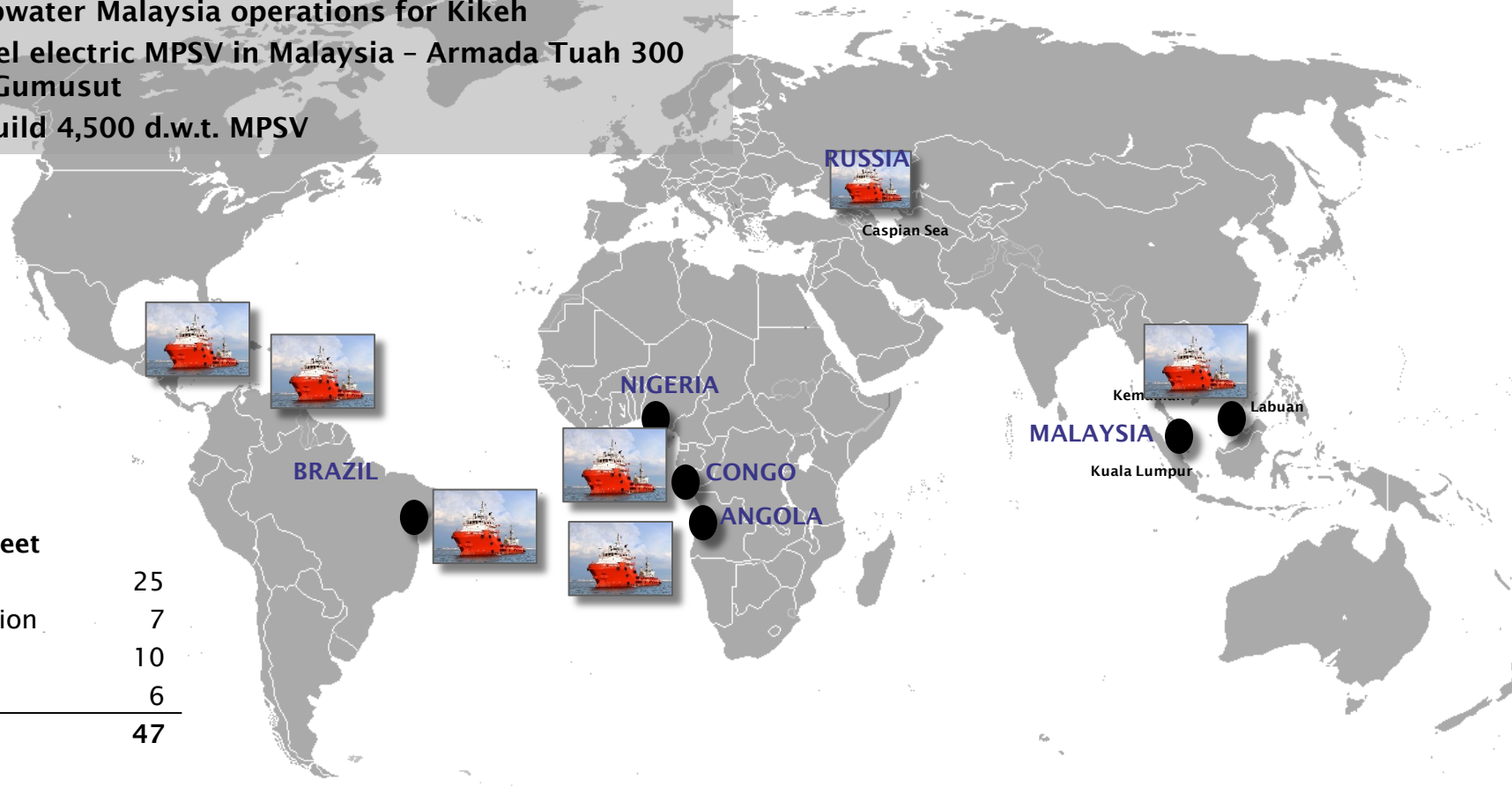


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# OSV – a global player

- First to build DP2 vessels in Malaysia (Steel on Water 1)
- First deepwater Malaysia operations for Kikeh
- First diesel electric MPSV in Malaysia – Armada Tuah 300 for Shell Gumusut
- First to build 4,500 d.w.t. MPSV



## BAB's OSV Fleet

AHTS	25
Accommodation	7
PSVs	10
Others	6
<b>Total</b>	<b>47</b>

# OSV

- Secured new charters in Venezuela, (2 vessels), Angola (5 vessels).
- Renewals of selected vessel charters in SE Asia.
- Challenging year ahead as Q1 2015 utilisation (71% versus 79% at Q4 2014) has already shown a significant downturn.



# Transport and Installation

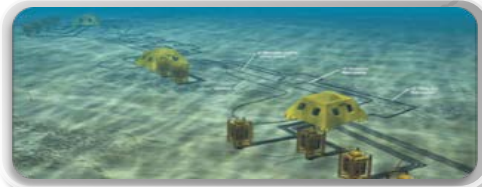
## Services



FPSO Mooring, Riser Installation and Hook-up



Offshore Pipelines and Platforms Installation



Installation, Maintenance and Repair works (IMR)



SURF EPIC Works

## Integrated transport and installation services



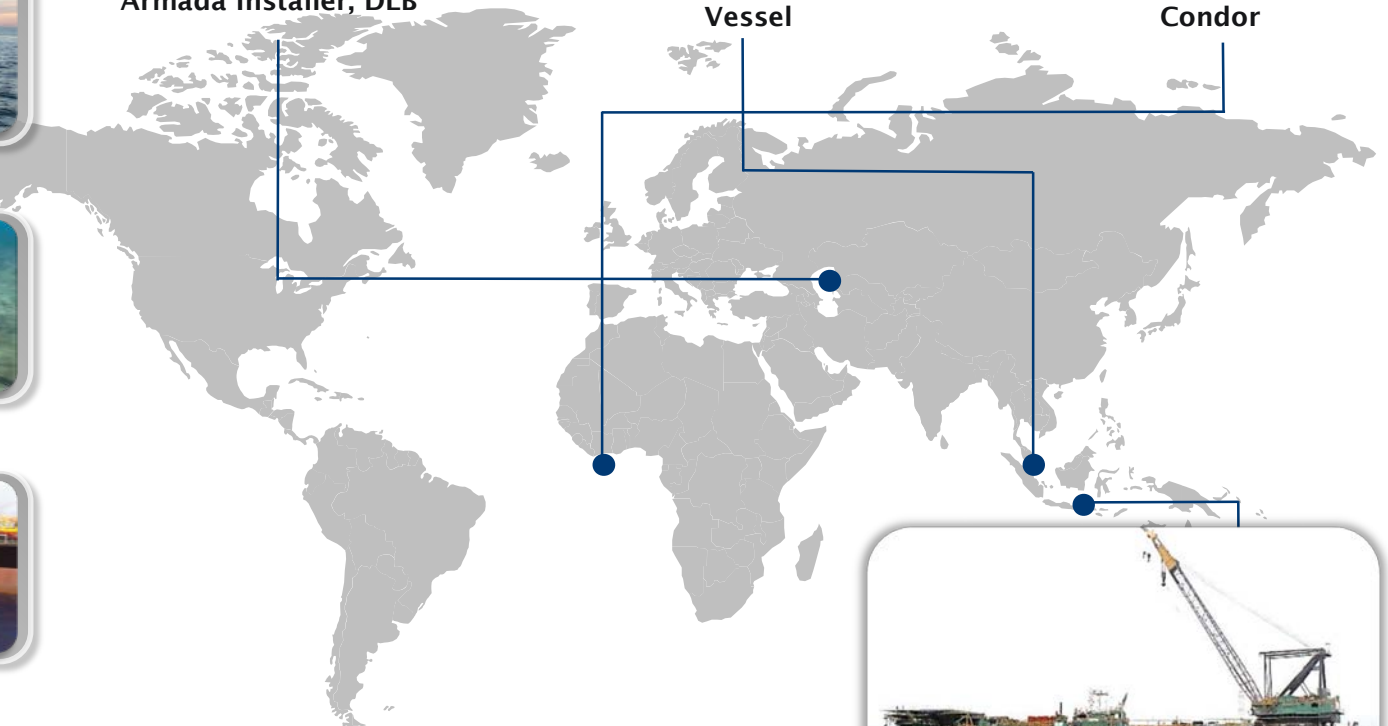
Armada Installer, DLB



Armada Hawk, SURF Vessel



Armada Condor



Armada KPI, DLB



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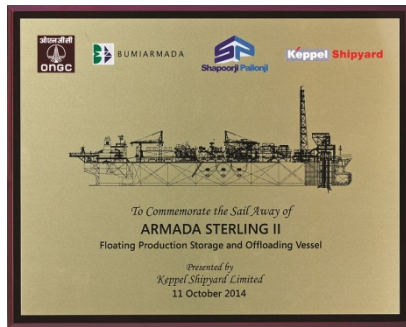
- The Armada Installer completed Phase-1 of the LukOil project in the Filanosky field in the Caspian Sea.
- The Armada hawk completed the installation of the Armada Sterling II for ONGC in the Cluster 7 field in India.



# Safe operations

Bumi Armada's operating and HSE track record was recognised by our clients.

- 3371 Goal Zero Days Award for 2014 by *Sarawak Shell Berhad/Sabah Shell Petroleum Co.*
- Visible and active engagement with marine crew on the Health, Safety and Environment factors, hazard recognition and risk tolerance." *ExxonMobile Exploration & Production, Malaysia*



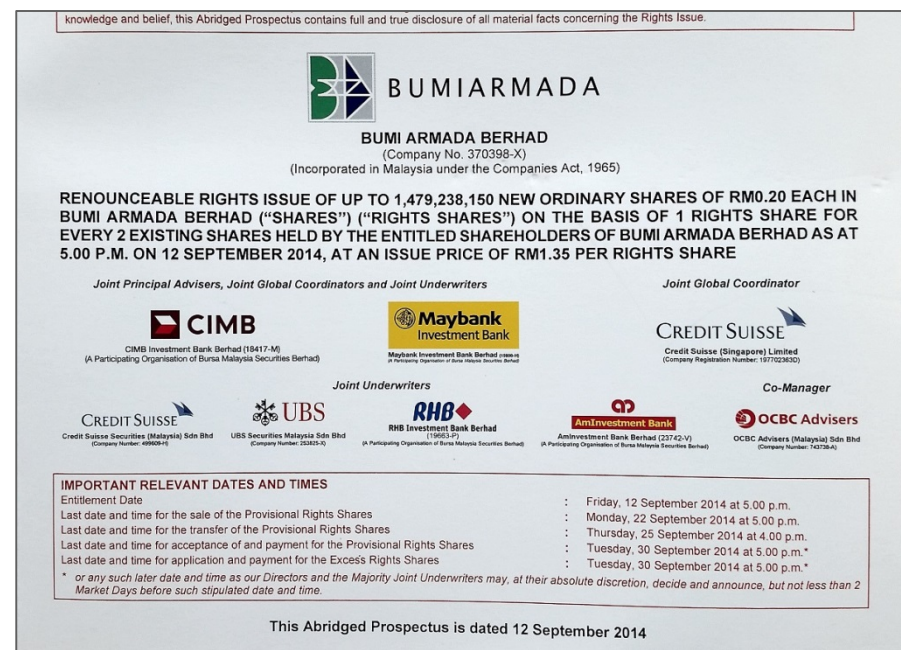
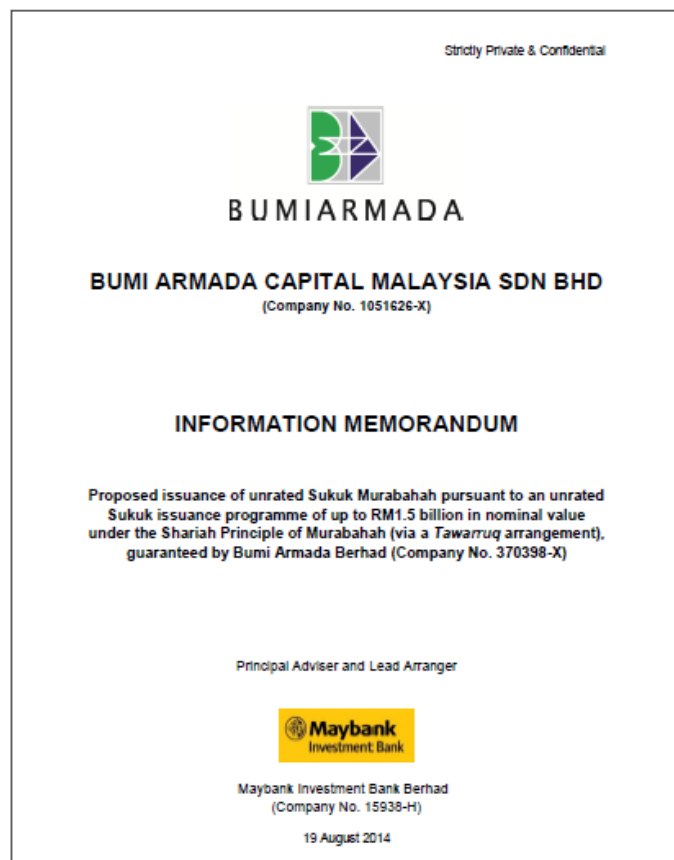
## Safety Milestones:

- A total of 7.6 million man hours were recorded in FY2014, an increase of 10.5%.
- Armada TGT 1 achieved three years of continuous operation without a single Lost Work Case.
- In FY2014, T&I achieved 710 days without a LTI.
- Added Offshore Pipeline component to our ISO 9001:2008 Quality Management System.

# Capital raising for growth

Bumi Armada completed two significant funds raising exercises during the year:

- The issuance of the RM1.5 billion worth of Sukuk bonds, and
- The RM2.0 billion raised by the Rights issue.

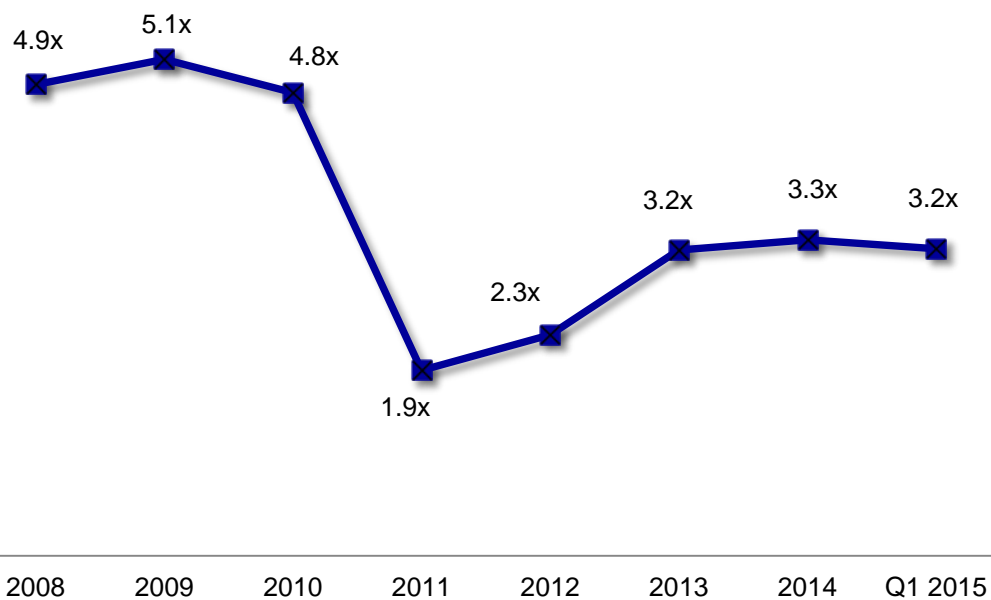




# Leverage and capitalisation

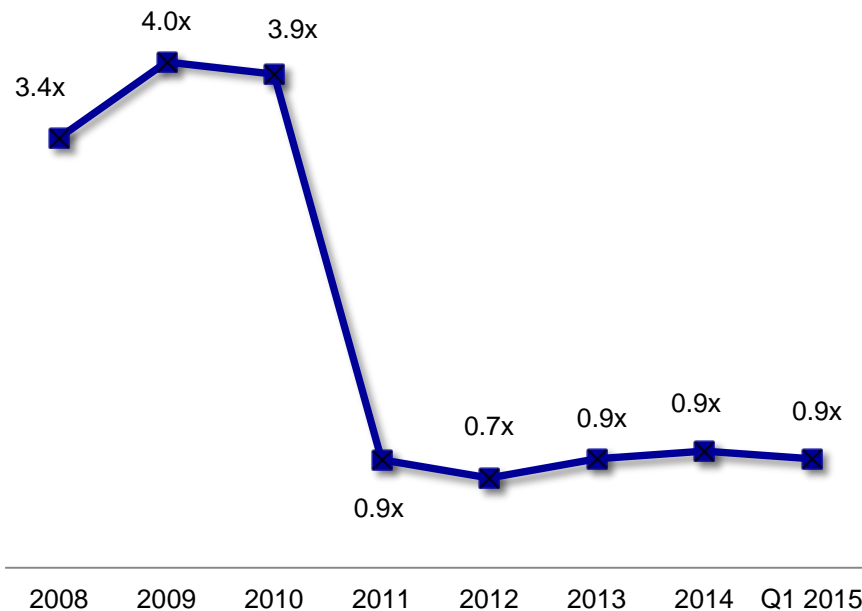
Financial capacity intact to execute existing projects

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



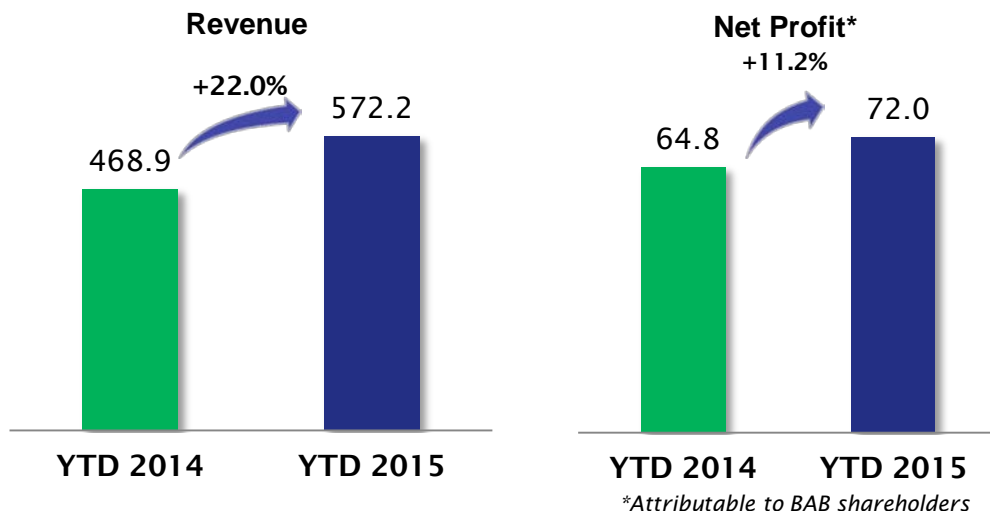
<sup>(1)</sup> Calculated based on YTD 2015 EBITDA

Gearing ratio<sup>(2)</sup>



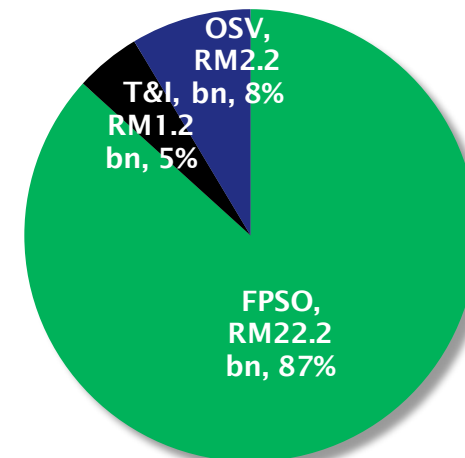
<sup>(2)</sup> Gearing = Gross Debt / Shareholders Equity

# Q1 2015 Updates

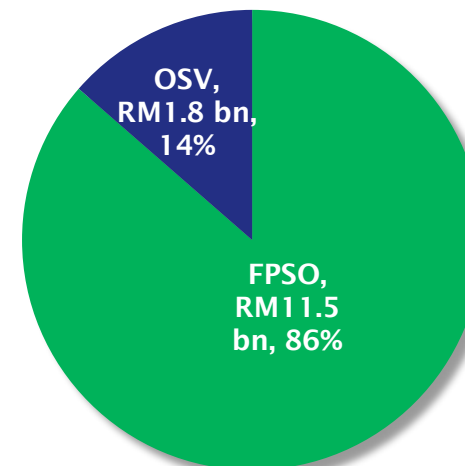


- Staff retrenchment exercise completed in April 2015 resulted in 155 reduction in headcount. One-off charge of the retrenchment exercise was RM20.6 million in Q1 2015.
- The Group now has three FPSOs and an FSU project in-hand and we will focus on the delivery of these critical projects.
- The Group will continue to focus on costs efficiency and productivity across the business and support functions.

## Firm contract period



## Firm contract period order book: RM25.6bn\*



## Optional extension period order book: RM13.3bn\*

*\*Includes 50% share of Madura FPSO contract*

# On-going actions

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- Strategic review of the business segments.
- Streamline the organisation.
- Rationalisation of the headcount.
- Trim overheads and costs.
- Focus on executing the 4 major projects.
- Improve quality assurance and safety.
- Secure strategic partnerships.
- Improve the funding structure of the business.

**Thank You**



**BUMIARMADA**

*"Knots Ahead of the Rest"*