

Q2 2016 Briefing

26th August 2016



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Agenda

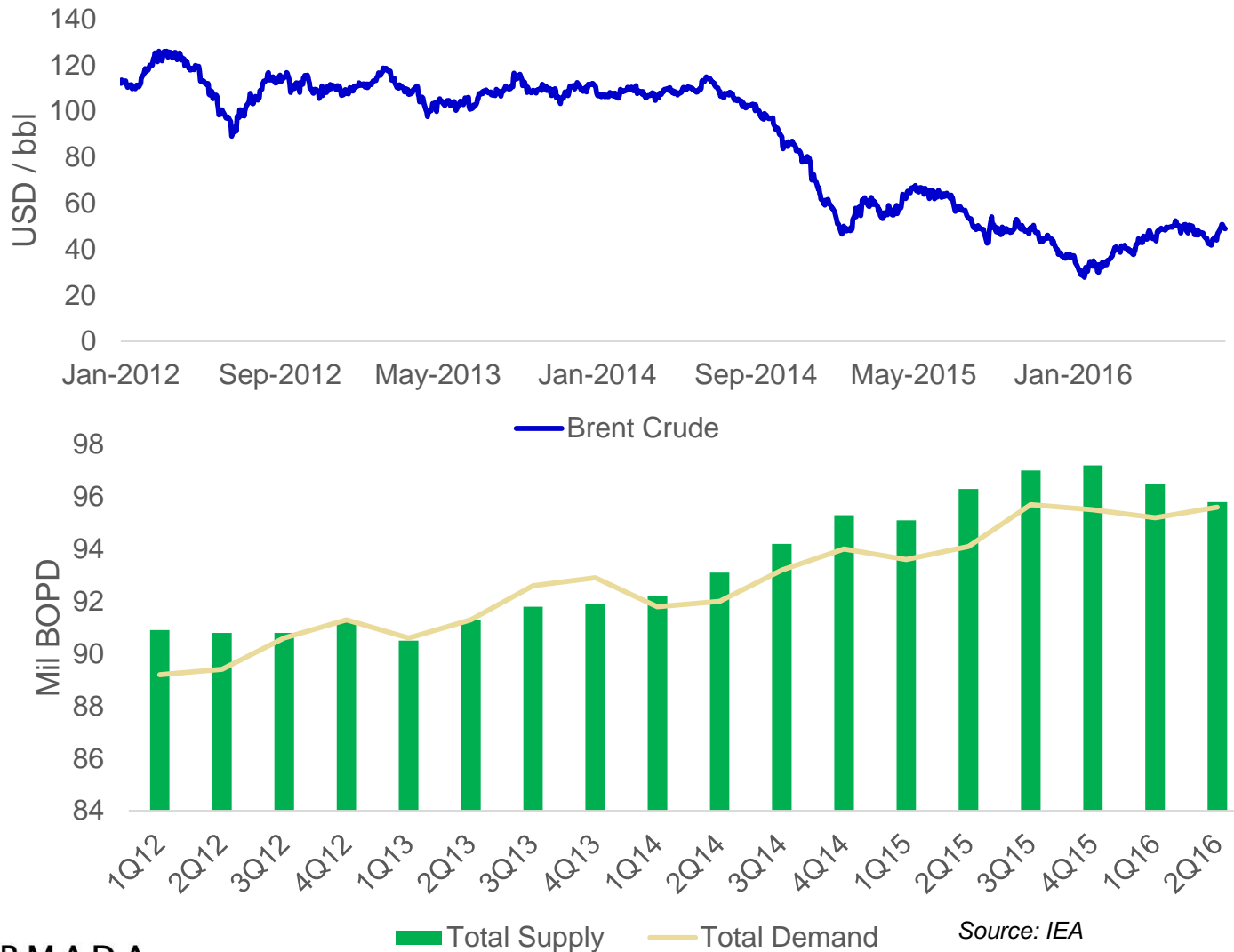
1. Industry overview and Key Highlights
2. Q2 2016 Financials
3. Outlook
4. Q&A

Industry overview and operational updates



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Oil Overview – Ongoing Rebalancing



Key Highlights for Q2 2016

FPSO

- Operational fleet maintaining high uptimes averaging above 99%.
- Safety highlights – 3-yrs LTI-free operations on Armada Sterling,
- Key focus remains on the four new conversions – progressing well.
- Sail aways expected Q3/Q4.
- Armada Claire litigation is on-going

OMS

- Three Ice Class vessels were accepted for hire by LukOil the Caspian in June.
- Two accommodation workboats went on charter with PCSB in Malaysia.
- OSV fleet utilisation increased to 55% in Q2 2016 from 45% in Q1 2016.
- LukOil project progressing well and Armada Constructor is currently active for the project.



Project Updates for Q2 2016

ARMADA LNG MEDITERRANA



ARMADA OLOMBENDO



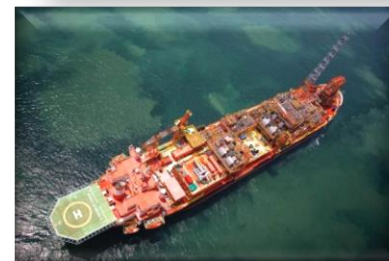
ARMADA KRAKEN



KARAPAN ARMADA STERLING III



Q2 2016 Financials

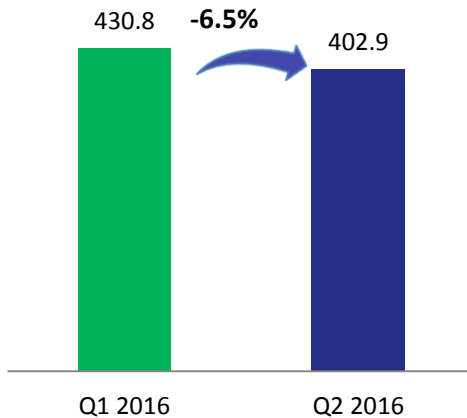


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Results Overview – Q2 2016 vs. Q1 2016

(in RM'mil)

Revenue



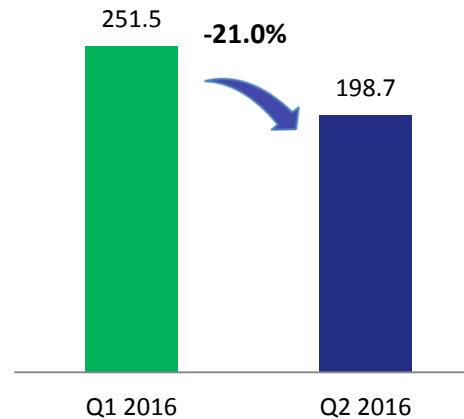
Lower revenue due to:

- Lower FPSO & FGS revenue due mainly to lower contribution from Armada Claire, Armada Perkasa, and lower conversion activities from the Eni 1506 FPSO projects

Partly offset by:

- Increase in OMS revenue due to higher contribution from the LukOil project in the Caspian Sea and higher OSV vessel utilisation.

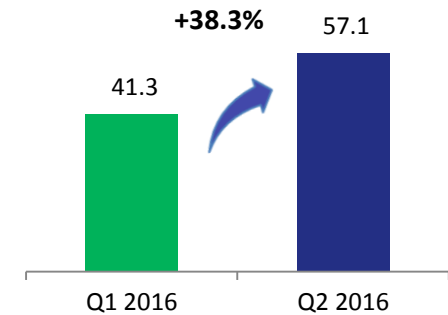
EBITDA



Decrease in EBITDA due to:

- Lower gross profit margin
- Lower revenue

Net Profit ⁽¹⁾



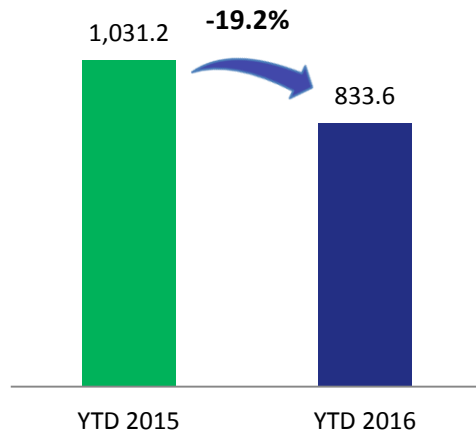
- **Included in the PAT are the following exceptional items:**

- Impairment loss on property, plant and equipment, non-current asset held for sale and available-for-sale financial assets of RM575.5mil
- **Excluding the exceptional item above, the Group posted a profit of RM57.1 mil**

⁽¹⁾ Attributable to Owners of the Company excluding impairment

Results Overview – YTD 2016 vs. YTD 2015 (in RM'mil)

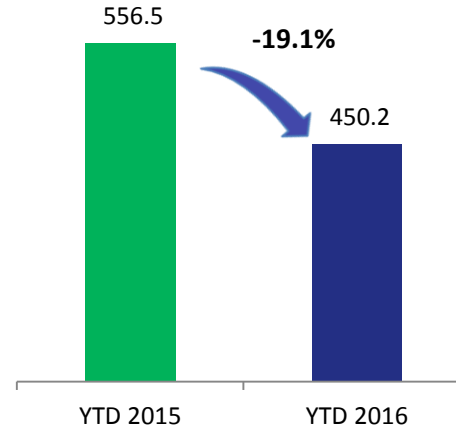
Revenue



Lower revenue due to:

- Lower contribution from Armada Claire, Armada Perdana and Armada Perkasa
- Lower conversion activities for the Kraken FPSO project
- Lower utilisation for OSV vessels

EBITDA



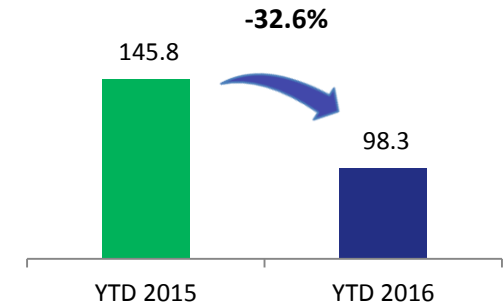
Decrease of EBITDA due to:

- Lower gross profit margin
- Lower other income

Slightly offset by:

- Higher share of joint ventures from the operations of Armada Sterling and Armada Sterling II.

Net Profit ⁽¹⁾

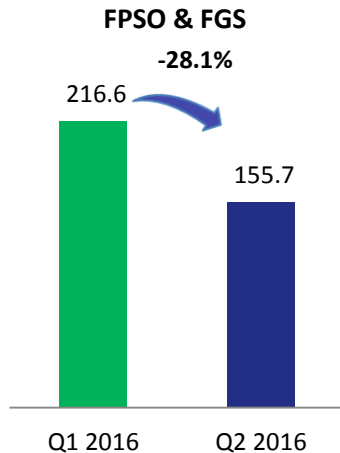


- **Included in the PAT are the following exceptional items:**
 - Impairment loss on property, plant and equipment, non-current asset held for sale and available-for-sale financial assets of RM593.3 mil
- **Excluding the exceptional item above, the Group posted a profit of RM98.3 mil**

(1) Attributable to Owners of the Company excluding impairment

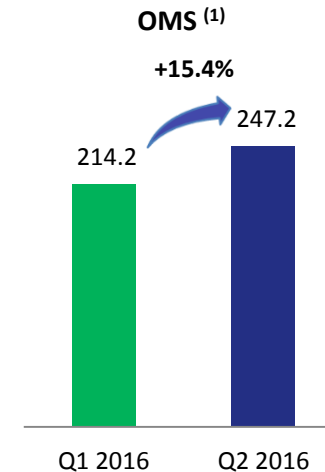
Revenue composition by segments – Q2 2016 vs. Q1 2016 (in RM'mil)

Performance in established segments driven by the underlying activities



Lower revenue due to:

- Lower contribution from Armada Claire, Armada Perkasa and lower conversion projects activities

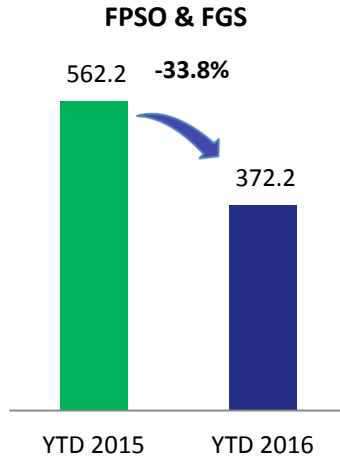


Higher revenue due to:

- Higher contribution from LukOil project in the Caspian Sea and higher OSV vessel utilisation, partially offset by lower O&M activities in the Caspian Sea

Revenue composition by segments – YTD 2016 vs. YTD 2015 (in RM'mil)

Performance in established segments driven by the underlying activities



Lower revenue due to:

- Reduced contribution from Armada Claire, Armada Perdana, Armada Perkasa, and lower conversion project activities



Lower revenue due to:

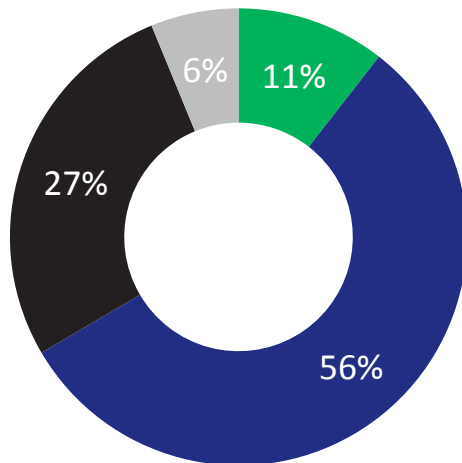
- Decrease in overall utilisation of OSV vessels



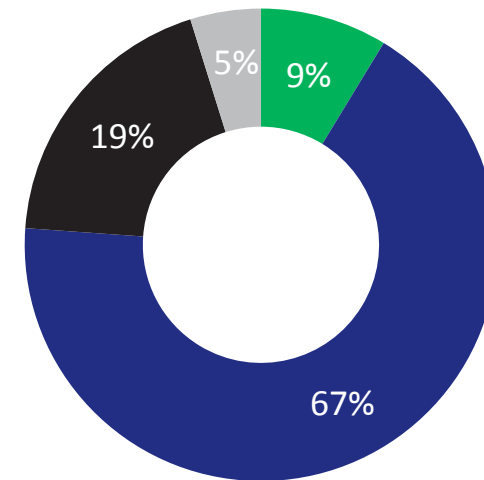
Revenue composition by geographical %

Malaysia based international company continued expansion across key regions

YTD 2015



YTD 2016



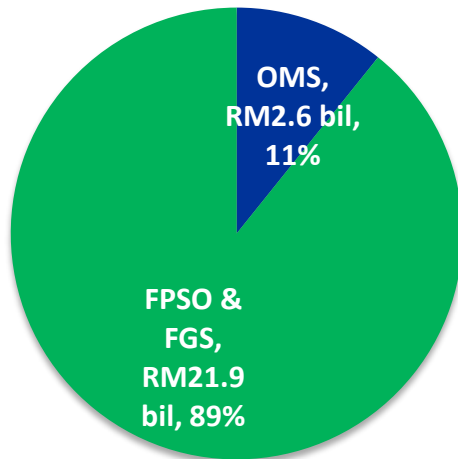
- Malaysia
- Asia (excluding Malaysia) and Australia
- Africa
- Latin America

Order book as at 30 June 2016

As at 30 June 2016, the Group's firm order book stood at RM24.5 bil compared to RM24.2 bil as at 31 March 2016. 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 RM12.6 bil over the entire option periods.

Firm contract period

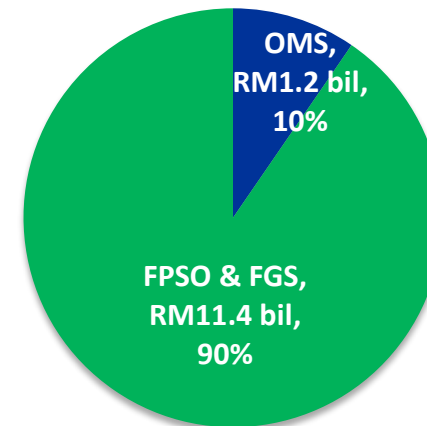
- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



Firm contract period order book: RM24.5bil

Optional extension period

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



Optional extension period order book: RM12.6 bil



Outlook



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Outlook

- Challenging environment for the oil sector to continue.
- Focus on sail aways and delivery of the new projects.
- Transformation from project phase to operational phase.
- Pursuing business opportunities.
- 2017 expected to bring the transformation in financial performance with delivery of major projects.

Q&A



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