BUMIARMADA

Knots ahead of the rest

BUMI ARMADA BERHAD
(Company No. 370398-X)
(Incorporated in Malaysia under the Companies Act, 1965)
Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur, Malaysia
Tel : +603.2171.5799 Fax : +603.2171.5600

www.bumiarmada.com

BUMI ARMADA BERHAD | PROSPECTUS

PROSPECTUS

BUMIARMADA

BUMI ARMADA BERHAD
(Company No. 370398-X)
(Incorporated in Malaysia under the Companies Act, 1965)

INITIAL PUBLIC OFFERING OF UP TO 878,538,600 ORDINARY SHARES OF RM0.20 EACH IN BUMI ARMADA BERHAD ("**BUMI ARMADA**") ("**SHARES**") COMPRISING:

(I) OFFER FOR SALE OF UP TO 234,277,000 EXISTING SHARES ("**OFFER SHARES**") COMPRISING:

- THE INSTITUTIONAL OFFERING OF UP TO 234,277,000 OFFER SHARES TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY ("**MITI**") AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("**INSTITUTIONAL PRICE**"); AND

(II) PUBLIC ISSUE OF UP TO 644,261,600 NEW SHARES ("**ISSUE SHARES**") COMPRISING:

- THE INSTITUTIONAL OFFERING OF UP TO 564,400,200 ISSUE SHARES TO MALAYSIAN AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY MITI AT THE INSTITUTIONAL PRICE; AND
- THE RETAIL OFFERING OF 79,861,400 ISSUE SHARES TO THE MALAYSIAN PUBLIC, THE DIRECTORS OF BUMI ARMADA, AND ELIGIBLE EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF BUMI ARMADA AND ITS SUBSIDIARIES AT THE RETAIL PRICE OF RM3.15 PER SHARE ("**RETAIL PRICE**"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO A REFUND OF THE DIFFERENCE IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS. THE FINAL RETAIL PRICE WILL EQUAL THE LOWER OF (I) THE RETAIL PRICE; AND (II) THE INSTITUTIONAL PRICE.

JOINT PRINCIPAL ADVISERS

CIMB
CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Maybank Investment Bank
Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

RHB
RHB Investment Bank Berhad
(19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

JOINT GLOBAL CO-ORDINATORS

CIMB | CREDIT SUISSE | Maybank Investment Bank

JOINT BOOKRUNNERS

CIMB | CLSA ASIA-PACIFIC MARKETS | CREDIT SUISSE | Maybank Investment Bank | RHB Investment Bank Berhad | UBS

JOINT MANAGING UNDERWRITERS

CIMB | Maybank Investment Bank | RHB Investment Bank Berhad | AmInvestment Bank Group

LEAD MANAGERS

Deutsche Bank | OCBC Bank

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH INVESTORS SHOULD CONSIDER, SEE "RISK FACTORS" IN SECTION 5 OF THIS PROSPECTUS.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS DATED 30 JUNE 2011




OUR DIRECTORS, THE PROMOTERS, NAMELY OBJEKTIF BERSATU SDN BHD AND OMBAK DAMAI SDN BHD ("ODSB"), AND THE SELLING SHAREHOLDERS, NAMELY ODSB, WIJAYA SINAR SDN BHD, KARISMA MESRA SDN BHD AND WIJAYA BAIDURI SDN BHD, HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

CIMB INVESTMENT BANK BERHAD ("CIMB"), MAYBANK INVESTMENT BANK BERHAD ("MAYBANK IB") AND RHB INVESTMENT BANK BERHAD ("RHB"), AS THE JOINT PRINCIPAL ADVISERS, ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE INITIAL PUBLIC OFFERING ("IPO").

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED THE IPO AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION EXPRESSED OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS BY US. THE SC ALSO TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE IPO AND THE INVESTMENT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS.**

OUR COMPANY HAS OBTAINED THE APPROVAL OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED AND PAID-UP ORDINARY SHARES OF RM0.20 EACH IN OUR COMPANY ("SHARES"). ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE IPO, OUR COMPANY OR OUR SHARES.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES OF MALAYSIA, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE IPO FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE SHARIAH ADVISORY COUNCIL OF THE SC ("SAC") HAS CLASSIFIED OUR SHARES AS SHARIAH COMPLIANT BASED ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010. THIS CLASSIFICATION REMAINS VALID UNTIL THE NEXT SHARIAH COMPLIANCE REVIEW IS UNDERTAKEN BY THE SAC. THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SHARIAH-COMPLIANT SECURITIES ON THE LAST FRIDAY OF MAY AND NOVEMBER OF EACH YEAR.

YOU SHOULD NOTE THAT ANY AGREEMENT BY THE JOINT MANAGING UNDERWRITERS NAMED IN THIS PROSPECTUS TO UNDERWRITE OUR SHARES UNDER THE RETAIL OFFERING IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR SHARES BEING OFFERED.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE IPO ARE SUBJECT TO THE LAWS OF MALAYSIA. THIS PROSPECTUS WILL NOT BE DISTRIBUTED OUTSIDE MALAYSIA. OUR COMPANY, THE PROMOTERS, SELLING SHAREHOLDERS, JOINT PRINCIPAL ADVISERS, JOINT GLOBAL CO-ORDINATORS, JOINT BOOKRUNNERS, JOINT MANAGING UNDERWRITERS AND LEAD MANAGERS NAMED IN THIS PROSPECTUS HAVE NOT AUTHORISED AND TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA. NO ACTION HAS BEEN TAKEN TO PERMIT A PUBLIC OFFERING OF OUR SHARES IN ANY JURISDICTION OTHER THAN MALAYSIA BASED ON THIS PROSPECTUS. ACCORDINGLY, THIS PROSPECTUS MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OR INVITATION TO SUBSCRIBE FOR OR PURCHASE SHARES OFFERED UNDER THE IPO IN ANY JURISDICTION OR IN ANY CIRCUMSTANCE IN WHICH AN OFFER IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND THE SALE OF OUR SHARES OFFERED UNDER THE IPO IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. INVESTORS ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

THIS PROSPECTUS IS PUBLISHED SOLELY IN CONNECTION WITH THE IPO. OUR SHARES BEING OFFERED IN THE IPO ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED AND REPRESENTATIONS MADE IN THIS PROSPECTUS. OUR COMPANY, THE PROMOTERS, SELLING SHAREHOLDERS, JOINT PRINCIPAL ADVISERS, JOINT GLOBAL CO-ORDINATORS, JOINT BOOKRUNNERS, JOINT MANAGING UNDERWRITERS AND LEAD MANAGERS HAVE NOT AUTHORISED ANYONE TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS. ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY OUR COMPANY, THE PROMOTERS, SELLING SHAREHOLDERS, JOINT PRINCIPAL ADVISERS, JOINT GLOBAL CO-ORDINATORS, JOINT BOOKRUNNERS, JOINT MANAGING UNDERWRITERS AND LEAD MANAGERS OR ANY OF THEIR RESPECTIVE DIRECTORS OR ANY OTHER PERSONS INVOLVED IN THE IPO.

THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM THE WEBSITE OF BURSA MALAYSIA BERHAD AT www.bursamalaysia.com.

IT IS TO BE NOTED THAT THE ROLE OF CLSA SINGAPORE PTE LTD ("CLSA") IN THE IPO IS LIMITED TO THAT OF A JOINT BOOKRUNNER IN RESPECT OF THE INSTITUTIONAL OFFERING OUTSIDE MALAYSIA ONLY. CLSA DOES NOT HAVE ANY ROLE IN, AND DISCLAIMS ANY RESPONSIBILITY FOR, THE INSTITUTIONAL OFFERING AND THE RETAIL OFFERING IN MALAYSIA.

THIS PROSPECTUS HAS BEEN PREPARED IN THE CONTEXT OF AN IPO UNDER THE LAWS OF MALAYSIA. IT DDES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA.

OUR SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES OF AMERICA ("US") SECURITIES ACT OF 1933 ("US SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR TRANSFERRED WITHIN OR INTO THE US, EXCEPT PURSUANT TO AN EXEMPTION UNDER THE US SECURITIES ACT. OUR SHARES ARE BEING OFFERED AND SOLD TD CERTAIN PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE UPON REGULATION S UNDER THE US SECURITIES ACT.

OUR SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSIDN, ANY STATE SECURITIES COMMISSION IN THE US OR ANY OTHER US REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE IPO OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE US.

ELECTRONIC PROSPECTUS

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. YOU MAY VIEW A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITES OF CIMB AT www.eipocimb.com, CIMB BANK BERHAD AT www.cimbclicks.com.my, MALAYAN BANKING BERHAD AT www.maybank2u.com.my, RHB BANK BERHAD AT www.rhb.com.my, AFFIN BANK BERHAD AT www.AffinOnline.com AND PUBLIC BANK BERHAD AT www.pbebank.com.

THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET SHARE APPLICATION MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM OUR COMPANY OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "THIRD PARTY INTERNET SITES"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

(I) WE DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;

(II) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY TERMS OF ANY AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, FILE OR OTHER MATERIAL PROVIDED IN THIRD PARTY INTERNET SITES; AND

(III) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEMS OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, FILE OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:

(I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND

(II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURE MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, THAT YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTERS, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

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INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:

Events	Date
Opening of the Institutional Offering	28 June 2011
Opening of the Retail Offering	10.00 a.m., 30 June 2011
Closing of the Retail Offering	5.00 p.m., 7 July 2011
Closing of the Institutional Offering	8 July 2011
Price Determination Date	11 July 2011
Balloting of applications for the Issue Shares offered under the Retail Offering	11 July 2011
Allotment/Transfer of the Issue Shares/Offer Shares to successful applicants	19 July 2011
Listing	21 July 2011

Applications for the Issue Shares offered under the Retail Offering will close at the time and date stated above or such other date or dates as our Directors and the Majority Joint Managing Underwriters in their absolute discretion may decide. The Institutional Offering commenced on 28 June 2011 and will close on the date stated above or such other date or dates as our Directors, the Selling Shareholders and Joint Global Co-ordinators in their absolute discretion may decide.

In the event that the closing date and/or time of either the Institutional Offering or the Retail Offering is extended, the Price Determination Date and dates for the balloting and allotment of the Issue Shares, transfer of the Offer Shares and the Listing may be extended accordingly. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

All terms used are defined under "Presentation of financial and other information", "Definitions" and "Glossary of technical terms" commencing on pages x, xiv and xx, respectively.

CONTENTS

CONTENTS *(cont'd)*

CONTENTS *(cont'd)*

CONTENTS *(cont'd)*

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "our Company" or "Bumi Armada" in this Prospectus are to Bumi Armada Berhad. All references to "our Group" or "Bumi Armada Group" in this Prospectus are to our Company and our subsidiaries taken as a whole. References to "we", "us", "our" and "ourselves" are to our Company and where the context requires, our Company and our subsidiaries.

In this Prospectus, references to the "Government" are to the Government of Malaysia; and references to "RM" and "sen" are to the lawful currency of Malaysia. Any discrepancies in the tables included in this Prospectus between the amounts listed and totals thereof are due to rounding. Other abbreviations used herein are defined in the "Definitions" section appearing on pages xiv to xix of this Prospectus. Certain acronyms and technical terms used herein are defined in the "Glossary of technical terms" appearing on pages xx to xxvi of this Prospectus. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

Any reference to a time or day shall be a reference to Malaysian time, unless otherwise stated.

References to the "LPD" in this Prospectus are to 1 June 2011, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

The information on our website or any website directly or indirectly linked to such websites is not incorporated by reference into this Prospectus and should not be relied on.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industries in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is acknowledged in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the report prepared by Infield Systems Limited, an independent energy industry analyst. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate. However, we, the Promoters, Selling Shareholders, Joint Principal Advisers, Joint Global Co-ordinators, Joint Bookrunners, Joint Managing Underwriters and Lead Managers have not independently verified these data and projections. None of our Company, the Promoters, Selling Shareholders, Joint Principal Advisers, Joint Global Co-ordinators, Joint Bookrunners, Joint Managing Underwriters and Lead Managers make any representation as to the correctness, accuracy or completeness of such data and projections and accordingly, you should not place undue reliance on the statistical data and projections cited in this Prospectus. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurances are or can be given that the estimated figures will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

EBITDA, as well as the related ratios presented in this Prospectus, are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the FRS. EBITDA is not a measurement of financial performance or liquidity under the FRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with the FRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible.

We believe that EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-FRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and potential investors should not consider it in isolation from, or as a substitute for analysis of our financial condition or results of operations, as reported under the FRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Company for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future result, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- our future overall business development, operations and financial performance;
- our financial performance and financing plans;
- potential growth opportunities;
- our business strategies, trends and competitive position, and future plans;
- competitive position and effects of competition;
- plans and objectives of our Company for future operations;
- the general industry environment, including the demand and supply for offshore and marine services in the countries in which we operate; and
- the regulatory environment and the effects of future regulation.

Actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, including, without limitation:

- fluctuations in global energy demand and oil prices;
- the general state of, as well as the global demand drivers in the offshore O&G industry;
- continued availability of capital and financing;
- interest rates and foreign exchange rates;
- taxes and duties;
- fixed and contingent obligations and commitments;
- the competitive environment in our industry;
- the activities and financial health of our customers, suppliers and other business partners;
- the general economic and business conditions;
- the political, economic and social developments, and demand and supply for offshore and marine services;

- delays, cost overruns, shortages in skilled and unskilled resources or other changes that impact the execution of our existing projects and expansion plans;

- significant capital expenditure requirements;

- future regulatory or government policy changes affecting us or the countries in which we operate or may operate;

- liability for remedial actions under environmental and/or health and safety regulations;

- the cost and availability of adequate insurance coverage; and

- other factors beyond our control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed elsewhere in Section 5 of this Prospectus on "Risk factors" and Section 12.2 of this Prospectus on "Management's discussion and analysis of financial condition and results of operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Prospectus to reflect any changes in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
ADA	:	Authorised Depository Agent
Afren	:	Afren Energy Resources Limited
Application Form	:	Application form for the application of the Issue Shares under the Retail Offering accompanying this Prospectus
ATM	:	Automated teller machine
Board	:	Board of Directors of our Company
Bumi Armada or Company	:	Bumi Armada Berhad
Bumi Armada Group or Group	:	Collectively, Bumi Armada and our subsidiaries
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
By-Laws	:	By-laws governing the ESOS
CDS	:	Central Depository System
CESL	:	Century Energy Services Ltd
CIMB	:	CIMB Investment Bank Berhad
CLSA	:	CLSA Singapore Pte Ltd
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
CNOOC	:	China National Offshore Oil Corporation
Cornerstone Investors	:	Great Eastern Life Assurance (Malaysia) Berhad, Permodalan Nasional Berhad, HwangDBS Investment Management Berhad, Prudential Fund Management Berhad, Hong Leong Assurance Berhad, Guoline Capital Limited and Asia Fountain Investment Company Limited
Credit Suisse	:	Credit Suisse (Singapore) Limited
Deutsche Bank	:	Deutsche Bank AG, Hong Kong Branch
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Share Application	:	Application for the Issue Shares under the Retail Offering through a Participating Financial Institution's ATM
EMEPMI	:	Exxonmobil Exploration & Production Malaysia Inc.
ENI	:	Eni International B.V.
Equity Guidelines	:	Equity Guidelines issued by the SC
ESOS	:	Employee share option scheme adopted by our Board for the grant of Options to eligible employees of our Group and our executive Directors to subscribe for new Shares
Excorp	:	Excorp Holdings N.V.
Final Retail Price	:	Final price per Issue Share equivalent to RM3.15 per Issue Share or the Institutional Price, whichever is lower, to be determined on the Price Determination Date

FRS	:	Financial Reporting Standards
FVSB	:	FPSO Ventures Sdn Bhd
HAIntl	:	Haven Automation International Sdn Bhd
HAM	:	Haven Automation (Malaysia) Sdn Bhd
Haven	:	Haven Automation Industries Sdn Bhd
Haven Group	:	Collectively, AMCCPL, BAAI, HAM, HEM, HAISPL, HCE, HAIntl, of which 4 subsidiaries within the Haven Group (namely HAM, HEM, HCE and HAIntl) were disposed in 2008
HCE	:	Haven Corrosion Engineering Sdn Bhd
HEM	:	Haven Engineering (Malaysia) Sdn Bhd
HLJOC	:	Hoang Long Joint Operating Company
Institutional Offering	:	Offering of up to 798,677,200 IPO Shares at the Institutional Price, subject to clawback and reallocation, to the following: (i) Malaysian institutional and selected investors, including Bumiputera investors approved by MITI; and (ii) Institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act
Institutional Price	:	Price per IPO Share to be paid by investors pursuant to the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
International Placement Agreement	:	Placement agreement to be entered into between our Company, the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers in respect of the placement of the Issue Shares offered under the Institutional Offering to institutional and selected investors outside Malaysia
Internet Participating Financial Institution	:	The participating financial institution for the Internet Share Application
Internet Share Application	:	Application for the Issue Shares under the Retail Offering through an Internet Participating Financial Institution
IPO	:	Initial public offering of up to 878,538,600 IPO Shares, comprising the Offer for Sale and the Public Issue
IPO Shares	:	Collectively, the Offer Shares and the Issue Shares
ISL	:	Infield Systems Limited
Issue Shares	:	New Shares to be issued pursuant to the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd
Joint Bookrunners	:	Collectively, CIMB, CLSA, Credit Suisse, Maybank IB, RHB and UBS, being the Joint Bookrunners for the Institutional Offering
Joint Global Co-ordinators	:	Collectively, CIMB, Credit Suisse and Maybank IB, being the Joint Global Co-ordinators for the Institutional Offering
Joint Managing Underwriters	:	Collectively, CIMB, Maybank IB, RHB and AmInvestment Bank Berhad, being the Joint Managing Underwriters for the Retail Offering
Joint Principal Advisers	:	Collectively, CIMB, Maybank IB and RHB
KMSB	:	Karisma Mesra Sdn Bhd

Lead Managers	:	Deutsche Bank and OCBC, being the Joint Lead Managers for the Institutional Offering
Listing	:	Listing of and quotation for up to 2,928,461,600 Shares representing the entire enlarged issued and paid-up share capital of our Company on the Main Market
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	1 June 2011, being the latest practicable date prior to the registration of this Prospectus
Main Market	:	Main Market of Bursa Securities
Majority Joint Managing Underwriters	:	2 or more Joint Managing Underwriters who have agreed to underwrite in aggregate more than 50% of the total Issue Shares under the Retail Underwriting Agreement
Malaysian Placement Agreement	:	Placement agreement to be entered into between our Company, the Selling Shareholders, the Joint Global Co-ordinators, the Joint Bookrunners (save for CLSA) and the placement managers in respect of the placement of the Issue Shares and the Offer Shares offered under the Institutional Offering, to institutional and selected investors in Malaysia
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maxis	:	Maxis Berhad
Maxis Group	:	Collectively, Maxis and its subsidiaries
Maybank IB	:	Maybank Investment Bank Berhad
MISC	:	Malaysia International Shipping Corporation Berhad
MITI	:	Ministry of International Trade and Industry of Malaysia
MLP	:	Malaysian Landed Property Sdn Bhd
MSSB	:	Mutu Saluran Sdn Bhd
NA	:	Net assets
NAE	:	Nigerian Agip Exploration Ltd
NBV	:	Net book value
OBSB	:	Objektif Bersatu Sdn Bhd
OCBC	:	Oversea-Chinese Banking Corporation Limited
ODSB	:	Ombak Damai Sdn Bhd
Offer for Sale	:	Offer for sale of up to 234,277,000 Offer Shares to Bumiputera investors approved by MITI at the Institutional Price
Offer Shares	:	Shares to be offered pursuant to the Offer for Sale
Official List	:	A list specifying all securities listed on the Main Market
Option	:	Right to subscribe for a new Share in our Company upon acceptance of an offer made under the ESOS
PanOcean	:	PanOcean Management Limited
Participating Financial Institution	:	Participating financial institution for the Electronic Share Application
PAT	:	Profit after taxation

PBT	:	Profit before taxation
Petrofac	:	Petrofac E&C Sdn Bhd
PETRONAS	:	Petroliam Nasional Berhad
PETRONAS Carigali	:	PETRONAS Carigali (Turkmenistan) Sdn Bhd
Petrovietnam	:	Vietnam Oil and Gas Group
Price Determination Date	:	Date on which the Institutional Price and the Final Retail Price will be determined
Promoters	:	Collectively, OBSB and ODSB
Prospectus Guidelines	:	Prospectus Guidelines – Equity and Debt issued by the SC
PSIL	:	Pacific States Investment Limited
PTSB	:	Pilihan Tegas Sdn Bhd
Public Issue	:	Public issue of up to 644,261,600 Issue Shares comprising: (i) the Institutional Offering of up to 564,400,200 Issue Shares; and (ii) the Retail Offering
Retail Offering	:	Offering of 79,861,400 Issue Shares, subject to clawback and reallocation, to the Malaysian public, our Directors, and eligible employees and persons who have contributed to the success of our Group at the Retail Price, payable in full upon application and subject to a refund of the difference between the Retail Price and the Final Retail Price, in the event that the Final Retail Price is less than the Retail Price
Retail Price	:	Initial price of RM3.15 per Issue Share to be fully paid by applicants pursuant to the Retail Offering subject to the adjustment as detailed in Section 4.5 of this Prospectus
Retail Underwriting Agreement	:	Retail underwriting agreement entered into between our Company and the Joint Managing Underwriters on 22 June 2011 in relation to the Retail Offering
RHB	:	RHB Investment Bank Berhad
SAC	:	The Shariah Advisory Council of the SC
SASB	:	Saluran Abadi Sdn Bhd
SC	:	Securities Commission Malaysia
Selling Shareholders	:	Collectively, ODSB, WSSB, KMSB and WBSB
Shares	:	Ordinary shares of RM0.20 each in our Company
SICDA	:	Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
TAK	:	Ananda Krishnan Tatparanandam
UBS	:	UBS AG, Hong Kong Branch
US Securities Act	:	United States Securities Act of 1993, as amended from time to time and any re-enactment thereof
UTSB	:	Usaha Tegas Sdn Bhd
UTSB Group	:	Collectively, UTSB and its subsidiaries and associated companies
UTSBM	:	UTSB Management Sdn Bhd

Vietsovpetro	:	Vietsovpetro Joint Venture, a 50:50 joint venture between Petrovietnam and OAO Zarubezhneft of Russia
WBSB	:	Wijaya Baiduri Sdn Bhd
WSSB	:	Wijaya Sinar Sdn Bhd

COUNTRY

BVI	:	The British Virgin Islands
Marshall Islands	:	The Republic of the Marshall Islands
Singapore	:	The Republic of Singapore
UAE	:	United Arab Emirates
UK	:	United Kingdom
US or United States	:	United States of America

CURRENCY

AED	:	Arab Emirates Dirham, the lawful currency of the UAE
BND	:	Brunei Dollar, the lawful currency of Brunei Darussalam
INR	:	Indian Rupee, the lawful currency of India
NGN	:	Nigerian Naira, the lawful currency of Nigeria
RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
SGD or Singapore Dollar	:	Singapore Dollar, the lawful currency of Singapore
USD or US Dollar	:	United States Dollar, the lawful currency of the US

SUBSIDIARIES

AASB	:	Armada Alpha Sdn Bhd
ABPL	:	Armada Balnaves Pte Ltd
AFSL	:	Armada Floating Solutions Limited
AISB	:	Armada Indah Sdn Bhd
AMCC	:	Armada Marine Contractors Caspian Ltd
AMCCPL	:	Armada Marine Contractors Caspian Pte Ltd
AML	:	Armada Mahakam Limited
AOD	:	Armada Offshore DMCEST
AOL	:	Armada Oyo Ltd
APPL	:	Armada Project Pte Ltd *(formerly known as Armada Forbes D1 India Pte Ltd)*
ATGT	:	Armada TGT Ltd
ATSB	:	Armada Tankers Sdn Bhd
BAAI	:	Bumi Armada Automation International Sdn Bhd
BAASL	:	Bumi Armada Angola Servicos Limited
BAE	:	Bumi Armada Engineering Sdn Bhd

SUBSIDIARIES *(cont'd)*

BALL	:	Bumi Armada (Labuan) Ltd
BAN	:	Bumi Armada Navigation Sdn Bhd
BANL	:	Bumi Armada Nigeria Limited
BAOCL	:	Bumi Armada Offshore Contractor Limited
BAOHL	:	Bumi Armada Offshore Holdings Limited *(formerly known as Armada D1 India Limited)*
BASM	:	Bumi Armada Ship Management Sdn Bhd
BASPL	:	Bumi Armada (Singapore) Pte Ltd
BCOP	:	Bumi Care Offshore Production Sdn Bhd
HAISPL	:	Haven Automation Industries (S) Pte Ltd
TSL	:	Tera Sea Limited

ASSOCIATED COMPANIES

BMD	:	Barmada McDermott Sdn Bhd
BMDL	:	Barmada McDermott (L) Limited

JOINTLY-CONTROLLED ENTITIES

ACL	:	Armada Century Ltd
ADPL	:	Armada D1 Pte Ltd
CBJV	:	Century Bumi JV Limited
FBAL	:	Forbes Bumi Armada Limited
FBAOL	:	Forbes Bumi Armada Offshore Limited
OMV	:	Offshore Marine Ventures Sdn Bhd

GLOSSARY OF TECHNICAL TERMS

ABS	:	American Bureau of Shipping, a United States classification society which has established rules and regulations for the classification of seagoing vessels or equipment
accommodation workboat/workbarge	:	Vessel used generally in offshore construction support to provide accommodation and catering services for the construction crews as well as work and maintenance space on the vessel deck. Often referred to as "floatels" in the offshore O&G segment
AHT	:	Anchor handling tug, used to support offshore barges in laying out their anchors and retrieving their anchors from location to location, serve as standby duty for the barges and able to tow them away in case of emergency. A prime mover for the barges
AHTS	:	Anchor handling towing support, used to provide logistic support to offshore oil rigs, production platforms and other offshore installations, to tow rigs, barges and mobile structures from location to location as well as making sure their anchors are well placed in suited position
API	:	American Petroleum Institute, a United States trade association, whose members comprise corporations involved in the O&G industry. Its programs include producing standards, recommended practice, specification codes and technical publications that cover each segment of the O&G industry
appraisal drilling	:	A procedure where well drilling is used to establish the physical extent, the amount of reserves and the likely production rate of a newly discovered field
bareboat charter	:	A charter where the charterer is provided a vessel without a crew for a period of time, during which the charterer bears the operating costs of and responsibility for the vessel
basin	:	A large-scale sedimentary structural formation which has undergone subsidence and infilling by sedimentation
BASS	:	Barber Ship Management System, the information technology system used in fleet management
bbl	:	Barrel, a unit of measure for oil and petroleum products. One barrel is equivalent to about 158.987 litres
bhp	:	Brake horse power, a measure of an engine's horsepower before the loss in power caused by amongst others, gearbox and other auxiliary components
boe	:	Barrels of oil equivalent, a unit of energy based on the approximate energy release by burning 1 barrel of crude oil
boepd	:	Barrels of oil equivalent per day, a measure of O&G production volume
bpd	:	Barrels per day, a measure of oil output, represented by the number of barrels of oil produced in a single day
brownfield	:	An area that has been affected by previous projects and is likely to need redevelopment
Bureau Veritas	:	Bureau Veritas SA, a French classification society
cabotage	:	In admiralty law, refers to restrictions on carriage of cargo between two points within a country by a vessel registered in another country. Permission to engage in cabotage is, in general, strictly restricted in every country

carbon footprint	:	Total set of greenhouse gases emissions caused by an asset, event, product or organisation
Clean-Design	:	A ship class notation that stipulates requirements that reduce a ship's environmental impact by controlling and limiting operational emissions and discharges
condensate	:	Natural gas reserve that contains liquid hydrocarbons. The presence of the liquefied hydrocarbons will be the result of extreme temperature and pressure conditions in the reservoir
construction vessel	:	A vessel that has multiple roles designed for supporting offshore construction in varying water depths. Primarily used for offshore construction and lifting, this vessel may also have the capability to undertake pipe-lay operations, accommodation and other related activities
crude oil	:	A mixture of naturally occurring hydrocarbons that has yet to be refined
DCR or day-rates	:	Daily charter rates or the amount of money it costs to hire an asset for a day
deadweight tonne	:	A measure of how much weight a vessel is engineered and designed to carry. It is the sum of the weights of cargo, fuel, fresh water, ballast water, provisions and crew
deepwater	:	Water depths of 300 metres and more
DGPS	:	Digital global positioning systems, a system that provides reliable location and time information where there is an unobstructed line of sight to 4 or more global positioning system satellites
DLB	:	Derrick lay barge, a vessel (commonly a barge or ship) which has been installed with a crane for the lifting of heavy structures in the marine environment, as well as having flexible and/or rigid pipeline installation capabilities
DNV	:	Det Norske Veritas, a Norwegian classification society
downstream	:	Aspects of the O&G industry that relate to refining and distribution
DP	:	Dynamic positioning, a computer-controlled system to automatically maintain a vessel's position and heading by using its propellers and thrusters. The dynamic positioning level (e.g. DP2, DP3) indicates the degree and redundant systems built into the safety system to remove redundancy or failure of the system
drilling rig	:	A structure that has the capability to drill wells
E&P	:	Exploration and production
EOR	:	Enhanced oil recovery is a generic term for techniques used for increasing the amount of crude oil that can be extracted from an oil field. It is sometimes refered to as "improved oil recovery" or "tertiary recovery"
EPC	:	Engineering, procurement and construction, a form of contracting arrangement whereby the contractor will design the product, procure the necessary materials and construct it, either in-house or by subcontracting part of the work
EPIC	:	Engineering, procurement, installation and construction. Similar to EPC, but in addition, the contractor is also expected to install the product in its planned location

EPICC	:	Engineering, procurement, installation, construction and commissioning, as per EPIC, but the contractor is also contracted to commission (involving preparatory activities to commence operations) the product
exploration drilling	:	A procedure where exploration wells are drilled to evaluate the presence of hydrocarbon
FDPSO	:	Floating drilling production storage and offloading vessel, a vessel that is able to drill into the seabed in the offshore environment, produce hydrocarbons from the reserve, process the hydrocarbons and store the oil and offload the stored products as and when required
feedstock	:	Raw material that is needed for an industrial process
first oil	:	The initial processed oil that is pumped into the storage tanks of the FPSO after initial start-up of the production
flaring	:	The process in which excess gas is burnt at the platform
flow-lines	:	The surface pipes through which oil travels from the well to the processing centre
FMS	:	Fleet management services
fossil fuel	:	Hydrocarbon deposits that formed in the earth from living matter and are used for fuel
FPSO	:	Floating production, storage and offloading system, an offshore system comprising a large tanker or similar vessel equipped with a high-capacity production facility. FPSOs are normally moored at the bow to the seabed to maintain a geo-stationary position, and serve as a fixed point for risers to connect subsea wellheads to on-board processing/production, storage and offloading systems. Produced oil is periodically offloaded to smaller shuttle tankers, which transports the oil to onshore facilities for further processing
FSO	:	Floating storage and offloading vessel, is similar to an FPSO, but the FSO is not designed and installed with the topsides to process hydrocarbons, but is only designed to store processed products in the offshore environment
gas field	:	A deposit which is rich in gas
greenfield	:	An area that has not been affected by prior projects
harsh environment	:	Refers to the extreme sea and climatic conditions, such as 4 to 6 metre wave heights, as normally experienced in deepwater locations
heavy lift vessel	:	Refers to a vessel with a crane or other lifting device designed to lift and move loads in excess of 200 metric tonnes that cannot be handled by normally equipped ships. These vessels are primarily used in the offshore environment for construction or abandonment activities or at ports or yards for lifting or installing large pieces of equipment
heavy oil	:	A dense and viscous oil which is difficult to extract and contains a high proportion of bitumen
HSE	:	Health, safety and environmental
hull	:	The frame or body of a ship or boat exclusive of masts, yards, sails, and rigging

hydrocarbon	:	Any organic compound that contains only carbon and hydrogen. Examples include benzene and methane
Independent	:	Independent oil company, refers to small private or public oil companies that are not controlled by a government
intervention	:	The process of performing major maintenance or remedial treatments on an oil or gas well
IOC	:	International oil company, refers to large private or public oil companies that have upstream, midstream and downstream capabilities, such as Royal Dutch Shell plc and The Exxon Mobil Corporation
IRM	:	Inspection, repair and maintenance, refers to the function of carrying out maintenance activities of underwater infrastructure in the offshore environment
ISM	:	International Safety Management is a code set out to provide an international standard for the safe management and operation of ships and for pollution prevention
ISO	:	International Organization for Standardization
J-Lay	:	A method for installing subsea pipelines in deepwater where pipe stalks, with a length of up to 6 joints, are upended and welded to the seagoing pipe in a near vertical ramp
LNG	:	Liquefied natural gas; naturally occurring gas that has been cooled to a temperature of -160°C at normal atmospheric pressure in order to condense the gas into liquid, which can be more easily stored, handled and transported. One metric tonne of LNG is equivalent to 1,400 cubic metres of natural gas at normal temperature and pressure
local content	:	Describes the requirement for a certain proportion of the workload of a project to be undertaken within the country where such project is located, rather than being provided from the global market
LPG	:	Liquefied petroleum gas, propane and butanes liquefied under low pressure. LPG is a gaseous fuel stored under pressures at refineries and sold in pressurised cylinders for domestic and industrial uses
LTI	:	Lost time injury, a work-related injury or illness that renders the injured person unable to return to work on the next working day after the day of the injury and illness
lump-sum	:	A form of contract or project pricing, where assets, services, operational and other costs are "lumped" together in a total contract value or rate
Major	:	A term given to the larger IOCs, i.e. BP plc, Royal Dutch Shell plc, Total S.A., Chevron Corporation, The Exxon Mobil Corporation and ConocoPhillips Company
manifold	:	Seabed structure which gathers hydrocarbon products from other seabed structures, primarily satellite wells, which are then transferred to the tieback host through flowlines
marginal field	:	An oil field that may not be economically viable due to relatively low hydrocarbon reserves, but could be commercially viable as a result of technical or economic developments or changes

maritime law	:	A distinct body of both domestic law which governs maritime activities, and private international law which governs the relationships between private entities which operate vessels on the oceans
midstream	:	Aspects of the O&G industry relating to transport and trading
mooring system	:	A system to secure a vessel in a particular place by cables, anchors or lines
multibeam survey	:	A seismic survey method using a tightly packed array of narrow individual beams that provide floor mapping with high angular resolution and accuracy
NOC	:	National oil company, O&G company owned or controlled by a national government, typically having special rights or access to its local market
O&G	:	Oil and gas
O&M	:	Operation and maintenance
OFS	:	Oilfield services, refers to services required to maximise the extraction of hydrocarbons in the marginal field and EOR business
oil field	:	A deposit which is rich in oil
OSV	:	Offshore support vessel, refers to any vessel, boat or ship whose main function is to support the offshore O&G operations, which includes movement of equipment or structures, as well as transportation of materials and personnel
petrochemicals	:	Chemical products derived from petroleum
piled platform	:	A type of offshore platform used for production, which is fixed in location by foundations which have been oiled into the seabed
pipelay vessel	:	A vessel whose primary function is listed as laying pipelines throughout the world. Includes barges and ship shaped vessels with differing capabilities and laying methods that include S-Lay, J-Lay and the deployment of reels and towers
production platform	:	A large structure with the capability to drill wells and subsequently extract and process hydrocarbons
production rate	:	The amount of oil or gas that a well is producing per unit time
PSV	:	Platform support vessel, designed to supply offshore oil platforms and used for transportation of goods and personnel to and from offshore oil platforms and other offshore structures
R&D	:	Research and development
RBC	:	Risk-based service contract, an incentive based service contract, typically used for marginal fields and EOR schemes, whereby the oil company owns the oilfield, the reserves and any resulting production, and the contractor using its own resources and finances undertakes the capital and operating expenditures associated with developing the field and extracting the maximum hydrocarbons
reserves	:	Total estimated amount of producible oil and/or gas in an oil reservoir that can be brought to the surface
reservoir	:	A porous and permeable subsurface rock formation that has accumulated produceable hydrocarbons which are being trapped by overlaying rock formations that have lower permeability and porosity

riser	:	A pipe or assembly of pipes used to transfer produced fluids from the seabed to the surface facilities or to transfer injection fluids, control fluids or lift gas from the surface facilities and the seabed
S-Lay	:	A method for installing subsea pipelines in shallow and intermediate waters where onboard welded pipe joints leave the vessel horizontally and are guided by a 'stinger' (a structure on the back of the ship that supports the seagoing pipe string to control its bend radius)
satellite well	:	Also called a 'tie-back well', is usually a single well drilled offshore to produce hydrocarbons from the outer fringes of a reservoir that cannot be produced via the primary development wells. Sometimes, several satellite wells may be drilled to maximise the extraction rates from marginal reservoirs
seismic survey	:	A subsurface mapping method using sound waves to determine subsurface rock structures that may contain hydrocarbons
shallow water	:	Water depths of less than 300 metres
shore base	:	An operational base located onshore, from which location the vessels and offshore services are supported. The shore base will, among other things, organise the provision of crew and supplies for the vessel, as well as organise spare parts or equipment
spread mooring	:	A mooring system which is made by a symmetrical arrangement of anchors at the bow and at the stern that allow the ship to stay on a fixed location with a fixed heading
SSV	:	Straight support vessel, a vessel that is primarily used in shallow water to transport equipment in support of offshore production and activities
subsea template	:	A subsea template is a large steel structure which is used as a base for various subsea structures such as wells and subsea trees and manifolds
subsea trees	:	A subsea tree is a piping manifold fixed to a wellhead of a completed well and controls the production of the well
SURF	:	Subsea umbilicals, risers and flowlines, refers to the infrastructure required for oil and/or gas production in the offshore environment and found between the sea bed and the waterline
T&I	:	Transport and installation, refers to services provided in the combined activities of transporting and installing equipment offshore
template	:	A structure which is used as a base for other subsea facilities to be fitted to
time charter	:	A charter where the charterer is provided a vessel with a crew at its disposal for a period of time
TLP	:	Tension leg platform, a floating production structure which is tethered to the sea bed by steel tendons
topsides	:	Oil and/or gas production and processing related modules that are installed onto a floating structure (vessel, barge, etc)
turnkey contract	:	A business arrangement where the scope is defined and the project is delivered in a complete status
turret mooring	:	A mooring system comprising a geostatic part attached to the seabed and a rotating part integrated in the hull, which are connected and allow the ship to weathervane around the turret

ultra-deepwater	:	Water depths of generally 1,500 metres and more
umbilical	:	A control line with electric, hydraulic and/or chemical injection functions
unconventional gas	:	Gas that has been extracted using unconventional techniques
water depth	:	Units, given in metres, refers to the distance between the sea floor and the water surface
well preparation	:	The procedure of preparing the seabed area and the well-casing at the sea-floor prior to initial drilling of a well
work-over	:	The repair or stimulation of an existing production well for the purpose of restoring, prolonging or enhancing the production of hydrocarbons

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1. CORPORATE DIRECTORY

DIRECTORS

Name	Address	Nationality	Profession
Dato' Sri Mahamad Fathil bin Dato' Mahmood *(Non-Independent Non-Executive Chairman)*	3, Kampung Sungai Serai Kuang 48050 Rawang Selangor Darul Ehsan	Malaysian	Company Director
Dato' Ahmad Fuad bin Md Ali *(Non-Independent Non-Executive Deputy Chairman)*	51, Jalan San Ah Wing Off Lorong Gurney 54100 Kuala Lumpur	Malaysian	Company Director
Saiful Aznir bin Shahabudin *(Independent Non-Executive Director)*	4, Jalan Kempas 3/2 40000 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Alexandra Elisabeth Johanna Maria Schaapveld *(Independent Non-Executive Director)*	Bernard Zweerskade 10 1077 TX Amsterdam The Netherlands	Dutch	Non-Executive Director
Andrew Philip Whittle *(Independent Non-Executive Director)*	27, Howitt Street South Yarra 3141 Melbourne Australia	Australian	Petroleum Geologist
Chan Chee Beng *(Non-Independent Non-Executive Director)*	3, Jalan TR 6/1 Tropicana Golf & Country Club 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Farah Suhanah binti Ahmad Sarji *(Non-Independent Non-Executive Director)*	Unit 11, Beringin Residence No. 1, Jalan Beringin Damansara Heights 50490 Kuala Lumpur	Malaysian	Company Director
Lim Ghee Keong *(Non-Independent Non-Executive Director)*	31, Jalan PJU 1A/54 Damansara Idaman 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian	Group Treasurer of UTSB Group
Hassan Assad Basma *(Executive Director/Chief Executive Officer)*	82A, Persiaran Nusantara Duta Nusantara Jalan Sri Hartamas 1 50480 Kuala Lumpur	Dutch	Executive Director
Shaharul Rezza bin Hassan *(Executive Director/Chief Financial Officer)*	2, Jalan Puncak Kiara 3 Kiara View Desa Sri Hartamas 50480 Kuala Lumpur	Malaysian	Executive Director

1. CORPORATE DIRECTORY (*cont'd*)

AUDIT COMMITTEE

Name	Designation	Directorship
Saiful Aznir bin Shahabudin	Chairman	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld	Member	Independent Non-Executive Director
Chan Chee Beng	Member	Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Alexandra Elisabeth Johanna Maria Schaapveld	Chairman	Independent Non-Executive Director
Andrew Philip Whittle	Member	Independent Non-Executive Director
Lim Ghee Keong	Member	Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Andrew Philip Whittle	Chairman	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld	Member	Independent Non-Executive Director
Chan Chee Beng	Member	Non-Independent Non-Executive Director

1. CORPORATE DIRECTORY (*cont'd*)

COMPANY SECRETARIES	:	Noor Hamiza binti Abd Hamid (MAICSA 7051227) Level 21, Menara Perak 24, Jalan Perak 50450 Kuala Lumpur Malaysia Mazita binti Mokty (LS0009356) Level 7, Menara Maxis Kuala Lumpur City Centre 50088 Kuala Lumpur Malaysia
REGISTERED OFFICE	:	Bumi Armada Berhad Level 21, Menara Perak 24, Jalan Perak 50450 Kuala Lumpur Malaysia Telephone no.: +603 2171 5799 Fax. no.: +603 2163 5799
HEAD/MANAGEMENT OFFICE	:	Level 21, Menara Perak 24, Jalan Perak 50450 Kuala Lumpur Malaysia Telephone no.: +603 2171 5799 Fax. no.: +603 2163 5799 Website: www.bumiarmada.com E-mail address: bumiarmada@bumiarmada.com
PRINCIPAL BANKERS	:	AmBank Group Berhad Level 24, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Telephone no.: +603 2036 2633 CIMB Bank Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Telephone no.: +603 2084 8888 Malayan Banking Berhad Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2070 8833

1. CORPORATE DIRECTORY *(cont'd)*

PRINCIPAL BANKERS *(cont'd)*		RHB Bank Berhad Level 7, Tower 3 RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Telephone no.: +603 9280 6437
AUDITORS AND REPORTING ACCOUNTANTS	:	PricewaterhouseCoopers Level 10, 1 Sentral, Jalan Travers Kuala Lumpur Sentral 50740 Kuala Lumpur Malaysia Telephone no.: +603 2173 1188
LEGAL ADVISERS	:	*To the Company as to Malaysian law* Kadir Andri & Partners 8th Floor, Menara Safuan 80, Jalan Ampang 50450 Kuala Lumpur Malaysia Telephone no.: +603 2078 2888 *To the Company as to United States and English law* Clifford Chance Pte Ltd One George Street 19th Floor Singapore 049145 Telephone no.: +65 6410 2200 *To the Joint Global Co-ordinators, Joint Managing Underwriters and Joint Bookrunners as to Malaysian law* Zul Rafique & Partners D3-3-8, Solaris Dutamas No. 1, Jalan Dutamas 1 50450 Kuala Lumpur Malaysia Telephone no.: +603 6209 8228 *To the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers as to English law* Linklaters Allen & Gledhill Pte Ltd One Marina Boulevard #28-00 Singapore 018989 Telephone no.: +65 6890 7300

1. CORPORATE DIRECTORY (*cont'd*)

JOINT PRINCIPAL ADVISERS	:	CIMB Investment Bank Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Telephone no.: +603 2084 8888 Maybank Investment Bank Berhad 33rd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2059 1888 RHB Investment Bank Berhad Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Telephone no.: +603 9287 3888
JOINT GLOBAL CO-ORDINATORS	:	CIMB Investment Bank Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Telephone no.: +603 2084 8888 Credit Suisse (Singapore) Limited 1, Raffles Link #03/#04-01 South Lobby Singapore 039393 Telephone no.: +65 6212 2000 Maybank Investment Bank Berhad 33rd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2059 1888

1. CORPORATE DIRECTORY *(cont'd)*

JOINT BOOKRUNNERS :

CIMB Investment Bank Berhad
10th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia

Telephone no.: +603 2084 8888

CLSA Singapore Pte Ltd
80, Raffles Place
#18-01, UOB Plaza 1
Singapore 048624

Telephone no.: +65 6416 7888

Credit Suisse (Singapore) Limited
1, Raffles Link
#03/#04-01
South Lobby
Singapore 039393

Telephone no.: +65 6212 2000

Maybank Investment Bank Berhad
33rd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Telephone no.: +603 2059 1888

RHB Investment Bank Berhad
Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Telephone no.: +603 9287 3888

UBS AG, Hong Kong Branch
52/F, Two International Finance Centre
8, Finance Street
Central, Hong Kong

Telephone no.: +852 2971 8888

1. CORPORATE DIRECTORY *(cont'd)*

JOINT MANAGING UNDERWRITERS	: CIMB Investment Bank Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Telephone no.: +603 2084 8888 Maybank Investment Bank Berhad 33rd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2059 1888 RHB Investment Bank Berhad Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Telephone no.: +603 9287 3888 AmInvestment Bank Berhad Level 24, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Telephone no.: +603 2036 2633
LEAD MANAGERS	: Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1, Austin Road West Kowloon, Hong Kong Telephone no.: +852 2203 8888 Oversea-Chinese Banking Corporation Limited 65, Chulia Street #09-00, OCBC Centre Singapore 049513 Telephone no.: +65 6318 7222
SHARE REGISTRAR	: Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone no.: +603 7841 8000

1. CORPORATE DIRECTORY (*cont'd*)

INDEPENDENT MARKET RESEARCHER	:	Infield Systems Limited Suite 502 1, Alie Street London E1 8DE United Kingdom Telephone no.: +44 207 423 5000
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone no.: +603 7841 8000
LISTING SOUGHT	:	Main Market
SHARIAH STATUS	:	Approved by the SAC

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2. INTRODUCTION

This Prospectus is dated 30 June 2011.

Save as disclosed in this Prospectus, no securities will be allotted or issued or offered on the basis of this Prospectus later than 12 months after the date of this Prospectus.

We have registered this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Form, with the Registrar of Companies of Malaysia, who takes no responsibility for its contents.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a "prescribed security". Consequently, the Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealing in these Shares will be carried out in accordance with the SICDA and the rules of Bursa Depository.

On 20 June 2011, approval was obtained from the SC in respect of the IPO. On 18 May 2011, the SAC, for the purpose of the IPO and the Listing, classified our Company's securities as Shariah-compliant based on the audited consolidated financial statements of our Company for the year ended 31 December 2010. This classification remains valid until the next Shariah compliance review is undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities on the last Friday of May and November of each year. The approval of the SC shall not be taken to indicate that the SC recommends the IPO or assumes responsibility for the correctness of any statement made or opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of our Shares being offered for investment. The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. **You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of the IPO and an investment in our Company. In considering the investment, if you are in any doubt as to the action to be taken, you should immediately consult your stockbrokers, bank managers, solicitors, accountants, or other professional advisers.**

We have obtained the approval of Bursa Securities on 28 June 2011 for the listing of and quotation for our Shares, including the IPO Shares which are the subject of this Prospectus, on the Main Market. Official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants. Admission to the Official List is not to be taken as an indication of the merits of the IPO, our Company or our Shares.

The completion of the Retail Offering and the Institutional Offering are inter-conditional and are subject to the minimum subscription as set out in Section 4.3.5 of this Prospectus.

Pursuant to the Listing Requirements, our Company is required to comply with the public spread requirements as determined by Bursa Securities, pursuant to which our Company is required to have a minimum of 25% of our Shares for which Listing is sought to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of the IPO and at the time of Listing. Our Company is expected to achieve this at the time of Listing. In the event that the above requirement is not met, our Company may not be permitted to proceed with the Listing. In such event, monies paid in respect of all applications will be returned in full without interest and if such monies are not returned in full within 14 days after our Company and the Selling Shareholders become liable to do so, the provisions of sub-sections 243(2) and 243(6) of the CMSA shall apply accordingly.

3. SUMMARY

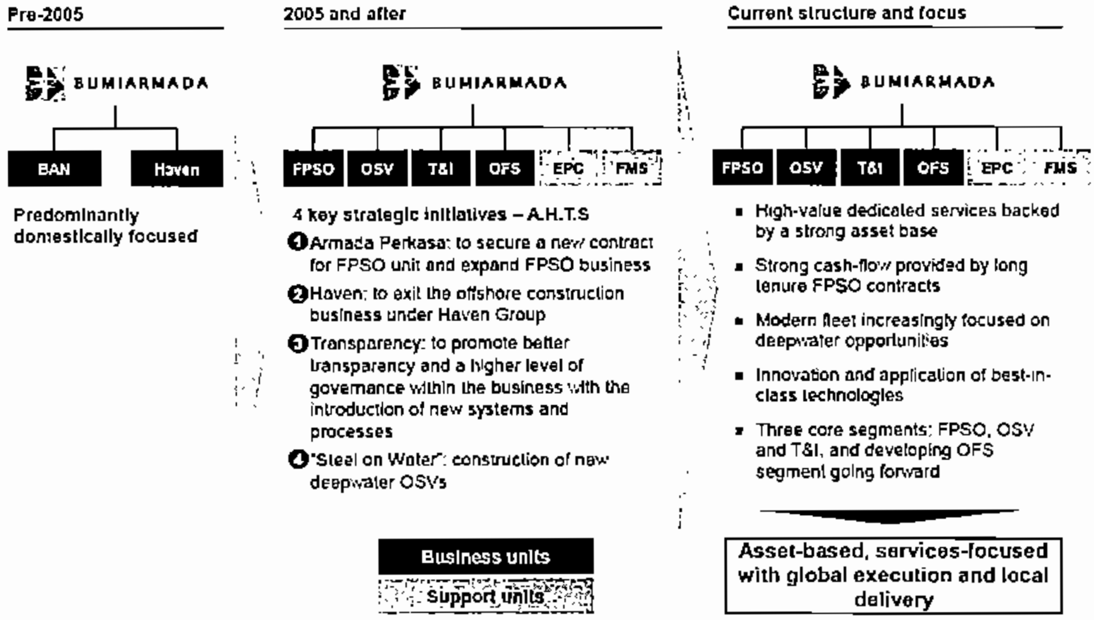
This summary highlights selected information from this Prospectus and may not contain all of the information about us which may be important to you. You should read and understand the whole Prospectus before deciding whether to invest in our Shares. You are advised to read the risk factors described in Section 5 of this Prospectus for an understanding of the risks associated with the investment in our Company.

3.1 Overview

We are a Malaysia-based international offshore services provider to the O&G industry in Malaysia and over 10 other countries in Asia, Africa and Latin America. We provide our services through owning and operating marine assets across the O&G value chain from exploration through field development and construction, production and operations and eventually, decommissioning. Having worked extensively in shallow water, we are increasing focus on deepwater and harsh environments and work with customers ranging from NOCs and IOCs to Independents.

Our Company was formed in 1995. We were previously listed on 25 June 1997 on the then Main Board of the Kuala Lumpur Stock Exchange (now the Main Market) and were subsequently delisted on 18 April 2003. Prior to our restructuring in 2005, our businesses were organised under 2 main business units, namely BAN and Haven.

Our subsequent corporate transformation and strategic focus are illustrated as follows:



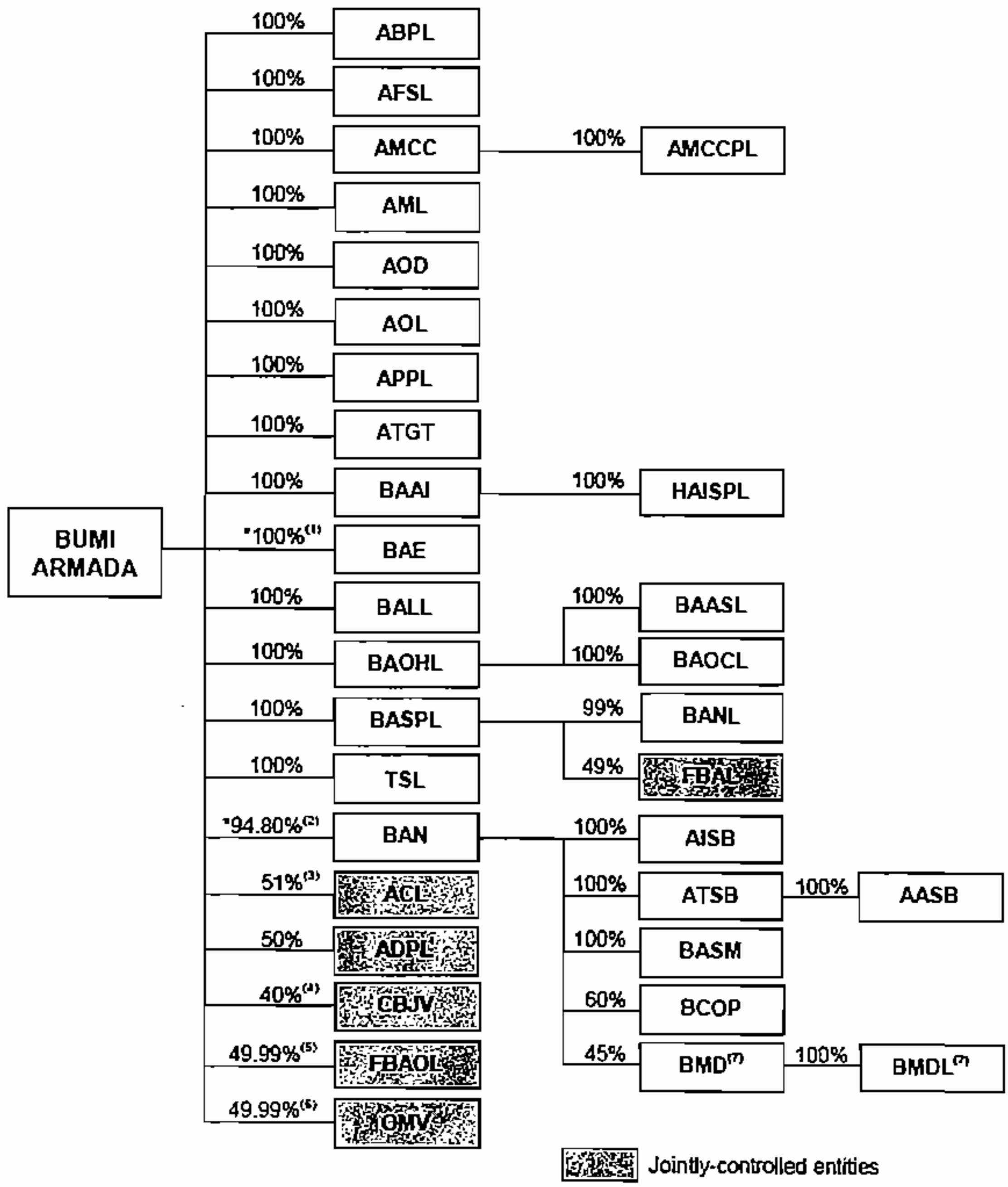
We provide offshore services via 4 business units, namely FPSO, OSV, T&I and OFS, and 2 support units, namely FMS and EPC. We have offices and shore bases set up in various locations in Asia, Africa and Latin America, which allow us to provide support services for our vessel operations in Malaysian and international markets.

We are the first company to own and operate an FPSO in Malaysia with the launch of the Armada Perkasa in 1997. We have successfully redeployed the Armada Perkasa to 3 different fields on 2 different continents, and we believe we are the only FPSO operator to have redeployed the same FPSO 3 times *(source: Bumi Armada Independent Market Research Report by ISL)*. We are the largest owner and operator of OSVs in Malaysia and one of the largest in South East Asia *(source: Bumi Armada Independent Market Research Report by ISL)* with over 40 vessels of various types and have operated in over 10 countries including Malaysia, Brunei, Vietnam, Congo, Nigeria, Brazil, Venezuela and Mexico.

3. SUMMARY *(cont'd)*

For the year ended 31 December 2010 and the 3 months ended 31 March 2011, we achieved PAT of RM351 million and RM82 million, respectively and EBITDA of RM714 million and RM185 million, respectively. Revenue for the year ended 31 December 2010 was recorded at RM1,241 million of which our FPSO, OSV and T&I businesses contributed approximately 44.6%, 33.8% and 21.6%, respectively, whilst revenue for the 3 months ended 31 March 2011 was recorded at RM376 million of which our FPSO, OSV, T&I and OFS businesses contributed approximately 33.3%, 26.0%, 19.6% and 21.1%, respectively. Approximately 84.8% and 67.7% of our revenue for the year ended 31 December 2010 and the 3 months ended 31 March 2011, respectively, was derived from outside of Malaysia.

Our current Group structure, including our associated companies and jointly-controlled entities, is set forth below:



Notes:

* *Based on our Group's effective interest.*

(1) Our Company has a deemed interest in the entire issued and paid-up share capital of BAE by virtue of (i) a loan agreement and a call option agreement both dated 8 June 2006 between our Company and Mohd Rafael bin Mohd Shamsudin; and (ii) our interest, through BAAI, in the shares held by Beherin bin Chik in BAE.

(2) We hold 48.92% of the ordinary share capital of BAN. However, BAN is treated as our subsidiary in our financial statements as we control the financial and operating policies of BAN pursuant to a shareholders' agreement entered between BAN, the shareholders of BAN and us on 25 March 2011, details of which are set out in Section 6.3.2.1 of this Prospectus.

(3) ACL is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and CESL effected on 14 April 2010, where we jointly control ACL's financial and operating policies with CESL.

(4) CBJV is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and CESL effected on 14 April 2010, where we jointly control CBJV's financial and operating policies with CESL.

(5) FBAOL is treated as our jointly-controlled entity in our financial statements pursuant to the agreement between us and Forbes & Company Limited effected on 18 January 2011, where we jointly control FBAOL's financial and operating policies with Forbes & Company Limited.

(6) OMV is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and FVSB effected on 7 July 2005, where we jointly control OMV's financial and operating policies with FVSB.

(7) J. Ray McDermott S.A. ("JRM") had on 25 January 2011 issued a notice of termination of the shareholders' agreement dated 22 June 2001 between BAN, JRM and Schematic Principle (M) Sdn Bhd in respect of BMD. BAN is disputing such termination. For further details, please refer to Section 15.7 of this Prospectus.

Please refer to Section 7.2 of this Prospectus for further information on our business.

3.2 Competitive strengths

We believe that our position as an established offshore services provider in the O&G industry is due to our following strengths:

(i) A Malaysia-based international offshore services provider with an expanding reach;

(ii) Established and expanding FPSO operator;

(iii) A large and modern OSV fleet with cross-border operability;

(iv) Proven execution track record, with in-house expertise throughout our value chain;

(v) Experienced and culturally diverse senior management team with proven track record, who are leading an agile organisation;

(vi) Our established partnerships with our customers and suppliers as well as with the key players throughout the offshore O&G value chain; and

(vii) Strong orderbook in place.

Please refer to Section 7.6 of this Prospectus for further information on our competitive strengths.

3.3 Strategies and future plans

Our strategies and future plans are as set out below:

(i) Further market penetration in existing markets and expansion into selected new markets

(ii) Strategies and future plans for the business units:

FPSO
- Target to be the fourth largest FPSO player in the world by fleet size by end-2013
- Develop our own key technologies in moorings and risers
- Focus on long-term charters in the key markets of Africa, Asia and Latin America
- Form strategic alliances with key technology providers to develop new FPSO solutions

OSV
- Increase focus on deepwater and harsh environments
- Expand into high-end, efficient, Clean-Design vessels
- Maintain a balanced portfolio of higher value charters
- On-going investment in the fleet

T&I
- Pull-through business via FPSO and OFS units
- Expand our services in existing markets
- Acquire cost-effective assets to expand in Brazil, West Africa and India and also in the conventional installation services
- Establish and expand into the SURF market and provide IRM services

OFS
- Develop EOR and engineered production solutions
- Develop RBC business
- Develop marginal field solutions

(iii) Strategies and future plans for the support units:

FMS
- Operate and maintain own fleet
- Train and develop frontline resources
- Secure new talent to support growth plans
- Secure high level of local content
- Invest in strategic shore bases in selected areas

EPC
- In-house EPC unit to support business units
- Develop customised solutions for specific projects
- Control engineering, design, construction and conversion phases
- Engineering solutions developed with key software systems

Please refer to Section 7.7 of this Prospectus for further information on our strategies and future plans.

3.4 Risk factors

Before investing in our Shares, you should pay particular attention to the fact that our Company, and to a large extent our activities, are governed by the legal, regulatory and business environment in Malaysia and other countries in which we operate whether presently or in the future. Our business is subject to a number of factors, many of which are outside our control. Prior to making an investment decision, you should carefully consider, along with the other matters set forth in this Prospectus, the risks and investment considerations below. You should note that the following list is not an exhaustive list of all the risks that we face or risks that may develop in the future.

3.4.1 Risks relating to the industry in which we operate

(i) We are dependent on the offshore O&G industry

(ii) The offshore O&G industry is subject to government regulations

3.4.2 Risks relating to our business and our operations

(i) Our business is subject to compliance with and changes in regulations and local and international laws

(ii) We may be subject to environmental risks and liabilities

(iii) We are subject to weather and natural hazards

(iv) We are affected by timely access to resources, yard space and price escalations and as such, may face delay in the completion and delivery of projects including conversion of FPSOs

(v) We are subject to a number of contractual and project execution risks

(vi) Our charter contracts may be terminated upon the occurrence of certain events

(vii) Our FPSO business is subject to significant operating risks

(viii) A small number of vessels and customers contribute a significant proportion of our revenue

(ix) We have significant indebtedness and expect to continue to require additional capital in the future and are exposed to the risks inherent in capital funding

(x) Maintenance and repair for our vessels and equipment may require substantial expenditure

(xi) We face competition from existing offshore support service providers and new entrants in the markets in which we operate

(xii) We are subject to political risks inherent in conducting our business internationally

(xiii) We are exposed to acts of piracy

(xiv) We are exposed to technological risk

(xv) We are dependent on our key management and key technical personnel as well as our ability to hire and retain skilled and specialised employees

(xvi) We are exposed to risks relating to growth and expansion

(xvii) We may have inadequate insurance coverage

(xviii) Our cash flow may be adversely affected by delays in collection or non-recoverability of trade receivables

(xix) We may be adversely affected by any change in the current taxation regulations in the jurisdictions in which we operate

(xx) We are exposed to risks arising from foreign exchange fluctuations

(xxi) There may be conflicts of interest between our Company and our related parties

(xxii) Control by a substantial shareholder

(xxiii) An adverse judgment or settlement in respect of any future claims against us could have an adverse effect on our financial condition and the results of our operations

3.4.3 Risks relating to our Shares

(i) There has been no public market for our Shares

(ii) There may be a potential delay or failure of the Listing

(iii) Our Share price and trading volume may be volatile

(iv) We may not be able to pay dividends or realise dividends from our subsidiaries

(v) The sale or the possible sale of a substantial number of our Shares in the public market following our IPO could adversely affect the price of our Shares

3.4.4 Other risks

(i) We may be materially and adversely affected by possible outbreaks of infectious diseases

(ii) Forward-looking statements are subject to uncertainties and contingencies

Please refer to Section 5 of this Prospectus for further details of our risk factors.

3.5 Summary of historical consolidated financial information

The following selected historical audited consolidated financial information as at or for the years ended 31 December 2008, 2009 and 2010, and as at or for the 3 months ended 31 March 2011 and historical unaudited consolidated financial information as at or for the 3 months ended 31 March 2010 have been derived from the Accountants' Report in Section 13 of this Prospectus. The selected historical audited and unaudited consolidated financial information should be read in conjunction with the Accountants' Report in Section 13 of this Prospectus and with Section 12.2 of this Prospectus. The financial information included in this Prospectus does not reflect our Group's results of operations, financial position and cash flows in the future, and our Group's past operating results are not indicative of our Group's future operating performance.

The audited consolidated financial statements of our Company were not subject to any audit qualification for the years ended 31 December 2008, 2009 and 2010, and for the 3 months ended 31 March 2011.

	Audited			Unaudited	Audited
	Year ended 31 December			3 months ended 31 March	
	2008	2009	2010	2010	2011
	(RM 000, except percentages and per share data)				
Statements of income:					
Revenue	519,839	732,090	1,241,383	262,461	376,159
Cost of sales	(272,674)	(399,026)	(636,272)	(141,890)	(223,058)
Gross profit	247,165	333,064	605,111	120,571	153,101
Other operating income	47,114	84,412	40,167	7,148	4,620
Selling and distribution costs	(62,375)	(59,223)	(81,839)	(21,541)	(26,739)
Administrative expenses	(36,405)	(83,861)	(96,303)	(13,247)	(17,535)
Profit from operations	195,499	294,392	467,136	92,931	113,447
Finance cost	(34,583)	(50,781)	(82,425)	(19,751)	(17,141)
Share of results of an associate	245	38,632	(1,428)	(357)	-
Share of results of jointly-controlled entities	727	1,885	(17)	(4)	(833)
PBT	181,888	283,928	383,286	72,819	95,473
Taxation	(11,865)	(6,486)	(32,511)	(6,177)	(13,399)
PAT	150,023	277,442	350,755	66,642	82,074
PAT attributable to:					
Owners of our Company	150,023	277,442	350,755	66,642	82,074
Non-controlling interests	-	-	-	-	-
	150,023	277,442	350,755	66,642	82,074
Profit from operations includes:					
Depreciation of vessels	101,573	180,295	239,874	58,444	69,402
Depreciation of other property, plant and equipment	4,764	5,659	8,544	1,883	2,742
Total depreciation	106,337	185,954	248,418	60,327	72,144
Total depreciation included in:					
Cost of sales	101,573	180,295	239,874	58,444	69,402
Administrative expenses	4,764	5,659	8,544	1,883	2,742
Other selected financial data:					
EBITDA[1]	302,808	520,663	714,109	152,897	164,758
Dividends declared	-	-	-	-	-
Gross profit margin (%)[2]	47.5	45.5	48.7	45.9	40.7
EBITDA margin (%)[3]	58.3	71.1	57.5	58.3	49.1
PBT margin (%)[4]	31.1	38.8	30.9	27.7	25.4
PAT margin (%)[5]	28.9	37.9	28.3	25.4	21.8
Basic earnings per ordinary share (sen)[6]	7.54	13.94	17.62	3.35	3.64
Diluted earnings per ordinary share (sen)[7]	7.44	12.71	16.02	3.08	3.64

3. SUMMARY *(cont'd)*

Notes:

(1) *EBITDA represents earnings before finance cost, taxation and depreciation. The table below sets forth a reconciliation of our PAT to EBITDA:*

	Year ended 31 December			3 months ended 31 March	
	2008	2009	2010	2010	2011
			RM 000		
EBITDA:					
PAT	150,023	277,442	350,755	66,642	82,074
Taxation	11,865	6,486	32,511	6,177	13,399
PBT	161,888	283,928	383,266	72,819	95,473
Finance cost	34,583	50,781	82,425	19,751	17,141
Depreciation	106,337	185,954	248,418	60,327	72,144
	302,808	520,663	714,109	152,897	184,758

EBITDA, as well as the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity and are not required by, or represented in accordance with FRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under FRS and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with FRS or as an alternative to cash flow from operating activities or as a measura of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term mey not be possibla. Other companies may calculate EBITDA differently to our Company, limiting its usefulness as a comparative measure.

(2) *Computed based on the gross profit over total revenue of our Group.*

(3) *Computed based on the EBITOA over total revenue of our Group.*

(4) *Computed based on the PBT over total revenue of our Group.*

(5) *Computed based on the PAT over total revanue of our Group.*

(6) *Computed based on the PAT of our Group divided by the number of Shares set out in the table below. Such number of Shares was arrived at efter adjusting for certain events which were completed between February 2011 and March 2011 as follows:*

	As at 31 December			As at 31 March	
	2008	2009	2010	2010	2011
			000		
Ordinary shares of RM1.00 each in Bumi Armada:					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341^	3,341^	3,341^	3,341^	3,341
Weighted average number of shares under the rights issue	-	-	-	-	501
Bonus issue of 5 shares for every 1 share held	331,705^	331,705^	331,705^	331,705^	380,700
Weighted average number of shares under the call option exercised by OBSB	-	-	-	-	3,417
	398,046	398,046	398,046	398,046	450,959
Ordinary shares of RM0.20 each in Bumi Armada:					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	1,990,230^	1,990,230^	1,990,230^	1,990,230^	2,254,795
Shares as at 31 December/31 March	1,990,230	1,990,230	1,990,230	1,990,230	2,254,795

* *Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary shares.*

^ *Adjusted retrospectively.*

3. SUMMARY *(cont'd)*

Notes (cont'd):

(7) Computed based on the adjusted PAT of our Group divided by the number of Shares set out in the table below. The adjusted PAT and number of Shares were arrived at after adjusting for certain events which were completed between February 2011 and March 2011 as follows:

	31 December			31 March	
	2008	2009	2010	2010	2011
Profit for the year ended 31 December/3 months ended 31 March (RM 000)	150,023	277,442	350,755	66,642	82,074
Potential interest income earned (net of tax) pursuant to the exercise of call option by OBSB (RM 000)	346	4,208	4,208	1,052	-
Adjusted profit for the year ended 31 December/3 months ended 31 March (RM 000)	150,369	281,650	354,963	67,694	82,074
Ordinary shares of RM1.00 each in Bumi Armada (000):					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Weighted average number of shares under the call option exercised by OBSB	1,021^#	7,500^#	7,500^#	7,500^#	3,417
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341^	3,341^	3,341^	3,341^	3,341
Weighted average number of shares under the rights issue	-	-	-	-	501
Bonus issue of 5 shares for every 1 share held	336,810^	369,205^	369,205^	369,205^	380,700
	404,172	443,046	443,046	443,046	450,959
Ordinary shares of RM0.20 each in Bumi Armada (000):					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	2,020,860^	2,215,230^	2,215,230^	2,215,230^	2,254,795
Shares as at 31 December/31 March (000)	2,020,860	2,215,230	2,215,230	2,215,230	2,254,795

^ *Adjusted retrospectively.*

Assume full exercise of the call option by OBSB.

* *Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary shares.*

Please refer to Sections 12 and 13 of this Prospectus for further financial information relating to our Company.

3.6 Summary of proforma consolidated statement of financial position of our Company

We have prepared the proforma consolidated statement of financial position below for illustrative purposes only, to show the effects of the IPO and utilisation of proceeds on the assumption that the events had been effected on 31 March 2011. The proforma consolidated statement of financial position have been prepared on the basis set out in the notes in Section 12.5 of this Prospectus, using financial statements prepared in accordance with FRS and in a manner consistent with both the format of the financial statements and the accounting policies of our Group.

The proforma consolidated statement of financial position should be read in conjunction with the Reporting Accountants' letter and the proforma consolidated statement of financial position as at 31 March 2011 and the notes thereon as set out in Section 12.5 of this Prospectus.

	As at 31 March 2011	Proforma
	(Audited)	After IPO
	RM 000	
ASSETS		
Property, plant and equipment	3,856,053	4,448,053
Goodwill	1,411	1,411
Jointly controlled entities	9,323	9,323
Other investments	5,506	5,506
Accrued lease rentals	323,682	323,682
Deferred tax assets	3,249	3,249
Total non-current assets	4,199,224	4,791,224
Inventories	1,366	1,366
Non-current assets held for sale	4,471	4,471
Trade receivables	265,904	265,904
Accrued lease rentals	241,464	241,464
Other receivables, deposits and prepayments	39,450	39,450
Tax recoverable	7,557	7,557
Amounts due from jointly controlled entities	27,587	27,587
Derivative financial instruments	17,405	17,405
Deposits, cash and bank balances	451,222	1,013,646
Total current assets	1,056,426	1,618,850
TOTAL ASSETS	5,255,650	6,410,074
EQUITY AND LIABILITIES		
Share capital	456,840	585,692
Reserves	807,386	2,607,958
Equity attributable to owners of our Company	1,264,226	3,193,650
Non-controlling interest	9,744	9,744
TOTAL EQUITY	1,273,970	3,203,394
Hire purchase creditors	761	761
Borrowings	2,343,221	1,968,221
Deferred tax liabilities	3,523	3,523
Total non-current liabilities	2,347,505	1,972,505
Amount due to customers on contracts	70,116	70,116
Trade payables	160,682	160,682
Other payables and accruals	242,094	242,094
Amounts due to an associate	44	44
Amounts due to jointly controlled entities	3,874	3,874
Hire purchase creditors	335	335
Borrowings	1,134,967	734,967
Derivative financial liabilities	6,577	6,577
Taxation	15,486	15,486
Total current liabilities	1,634,175	1,234,175
TOTAL LIABILITIES	3,981,680	3,206,680
TOTAL EQUITY AND LIABILITIES	5,255,650	6,410,074

	As at 31 March 2011 (Audited)	Proforma After IPO
	RM 000	
Number of Shares (000)	2,284,200	2,928,462
NA per Share attributable to owners of our Company (RM)[1]	0.55	1.09
Net tangible assets per Share attributable to owners of our Company (RM)[2]	0.55	1.09

Notes:

(1) Computed based on NA per Share attributable to owners of our Company over number of Shares.

(2) Computed based on net tangible assets per Share attributable to owners of our Company over number of Shares.

Please refer to Sections 12.4 and 12.5 of this Prospectus for further information on the proforma consolidated statement of financial position of our Company and for the Reporting Accountants' letter on the proforma consolidated statement of financial position.

3.7 Capitalisation and indebtedness

The following information should be read in conjunction with the Reporting Accountants' letter and the proforma consolidated statement of financial position as at 31 March 2011 and the notes thereon, and the Accountants' Report set out in Sections 12.5, 12.4 and 13 of this Prospectus, respectively.

The table below sets out the cash and cash equivalents as well as capitalisation and indebtedness of our Group based on the audited consolidated financial statements of our Company and based on the proforma consolidated statement of financial position as at 31 March 2011 set out in Section 12.4 of this Prospectus, on the assumption that the IPO and utilisation of proceeds had occurred on 31 March 2011. The proforma financial information below does not represent our Group's actual capitalisation and indebtedness as at 31 March 2011 and is provided for information purposes only. The total indebtedness of our Group is not guaranteed by any third party.

	As at 31 March 2011 (Audited)	Proforma After IPO
	RM 000	
Cash and cash equivalents[1]	443,857	1,008,281
Indebtedness		
Short term debt		
Secured		
- Term loans	210,623	210,623
- Hire purchase creditors	335	335
Unsecured		
- Term loans	120,828	120,828
- Revolving credits	201,236	51,236
- Bridging loans	602,280	352,280
	1,135,302	735,302

	As at 31 March 2011 (Audited)	Proforma After IPO
	RM 000	
Long term debt		
Secured		
- Term loans	918,221	918,221
- Hire purchase creditors	761	761
Unsecured		
- Term loans	1,050,000	1,050,000
- Bridging loans	375,000	-
	2,343,982	1,968,982
Total indebtedness[2]	3,479,284	2,704,284
Total shareholders' equity	1,284,226	3,193,650
Non-controlling interest	9,744	9,744
Total capitalisation	1,273,970	3,203,394
Total capitalisation and indebtedness	4,753,254	5,907,678
Gearing ratio (times)[3]	2.75	0.65

Notes:

(1) *Cash and cash equivalents include deposits, cash and bank balances less bank overdrafts and designated deposits.*

(2) *Total indebtedness includes short-term debts and long-term debts.*

(3) *Computed based on total debt (interest bearing) over total shareholders' equity of our Group.*

Please refer to Section 12.3 of this Prospectus for information on our capitalisation and indebtedness.

3.8 Principal statistics of the IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allocated in the manner described below, subject to clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus.

3.8.1 Institutional Offering

Institutional Offering at the Institutional Price payable in full upon allocation and determined by way of bookbuilding.

Our Company and the Selling Shareholders are offering up to 798,677,200 IPO Shares, representing up to 27.27% of the enlarged issued and paid-up share capital of our Company, to be allocated in the following manner:

(i) firstly, up to 336,773,000 IPO Shares, representing up to 11.50% of the enlarged issued and paid-up share capital of our Company are offered to Bumiputera investors approved by MITI; and

(ii) thereafter, up to 461,904,200 Issue Shares, representing up to 15.77% of the enlarged issued and paid-up share capital of our Company, are offered to other Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act.

With respect to the IPO Shares offered to Bumiputera investors approved by MITI as referred to in Section 3.8.1(i), up to 234,277,000 Offer Shares, representing up to 8.00% of the enlarged issued and paid-up share capital of our Company will be offered first, and thereafter, if such Offer Shares are fully taken up, up to 102,496,000 Issue Shares, representing up to 3.50% of the enlarged issued and paid-up share capital of our Company will be offered, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus.

On 20 June 2011, we entered into the master cornerstone placing agreement with the Cornerstone Investors whereby the Cornerstone Investors have agreed to purchase, at the Institutional Price, an aggregate of 300,000,000 Shares, representing approximately 10.24% of the enlarged issued and paid-up share capital of our Company. None of the Cornerstone Investors will individually acquire 5% or more of the enlarged issued and paid-up share capital of our Company under the respective cornerstone placing agreements. However, a Cornerstone Investor may acquire additional Shares in the IPO such that its aggregate holding of our Shares at the date of Listing may exceed 5% of the enlarged issued and paid-up capital of our Company.

The cornerstone placing agreements are conditional upon the SC having approved the IPO and Bursa Securities having approved the Listing and such approvals continuing to be valid and the Retail Underwriting Agreement, International Placement Agreement and Malaysian Placement Agreement being entered into, having become unconditional and not having been terminated pursuant to their respective terms.

3.8.2 Retail Offering

Retail Offering at the Retail Price of RM3.15 per Issue Share, payable in full upon application and subject to refund of the difference between the Retail Price and the Final Retail Price in the event the Final Retail Price is less than the Retail Price.

Our Company is offering 79,861,400 Issue Shares, representing 2.73% of the enlarged issued and paid-up share capital of our Company, to be allocated in the following manner:

(i) 58,569,400 Issue Shares, representing 2.00% of the enlarged issued and paid-up share capital of our Company, are available for application by Malaysian citizens, companies, co-operatives, societies and institutions, of which 29,284,700 Issue Shares, representing 1.00% of the enlarged issued and paid-up share capital of our Company, are set aside for Bumiputera individuals, companies, co-operatives, societies and institutions. Any Issue Shares not subscribed by such Bumiputera investors will be made available for application by other Malaysian investors under the Retail Offering; and

(ii) 21,292,000 Issue Shares, representing 0.73% of the enlarged issued and paid-up share capital of our Company, have been reserved for our Directors (executive and non-executive), and eligible employees and persons who have contributed to the success of our Group in the following manner:

    (a) 9,700,000 Issue Shares, representing 0.34% of the enlarged issued and paid-up share capital of our Company, have been reserved for our Directors;

(b) 10,092,000 Issue Shares, representing 0.34% of the enlarged issued and paid-up share capital of our Company, have been reserved for 406 eligible employees of our Group, who have been confirmed employees of our Group for at least 6 months as at the LPD and who have not submitted their resignation as at the date of this Prospectus; and

(c) 1,500,000 Issue Shares, representing 0.05% of the enlarged issued and paid-up share capital of our Company, have been reserved for 2 persons who have contributed to the success of our Group.

Any Issue Shares not taken up by investors under Section 3.8.2(ii) will be made available for application by investors under Section 3.8.2(i), with any remaining Issue Shares thereafter underwritten by the Joint Managing Underwriters, subject to the clawback and reallocation provisions set out in Section 4.3.3 of this Prospectus.

Applicants who apply for the Issue Shares under Section 3.8.2(ii) may also apply for the Issue Shares available under Section 3.8.2(i).

The completion of the Institutional Offering and the Retail Offering are inter-conditional and subject to the minimum subscription as set out in Section 4.3.5 of this Prospectus.

Please refer to Section 4 of this Prospectus for further information on the details of the IPO.

3.9 Utilisation of proceeds

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of up to RM738 million will accrue entirely to the Selling Shareholders.

The gross proceeds from the Public Issue of up to RM2,029 million are expected to be utilised in the manner as set out below:

Details of utilisation	Estimated timeframe for utilisation upon Listing	RM million
Repayment of bank borrowings	Within 6 months	775
Capital expenditures	Within 24 months	592
Working capital	Within 24 months	562
Estimated listing expenses	Within 3 months	100
Total		2,029

Please refer to Section 4.8 of this Prospectus for further details on the utilisation of proceeds from the Public Issue.

3.10 Dividend policy

As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends that we receive from our subsidiaries.

The payment of dividends by our subsidiaries will depend upon their operating results, financial condition, capital expenditure plans and other relevant factors. The actual dividend that our Board may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, our Company intends to take into account various factors including:

(i) the level of our cash, gearing, debt profile and retained earnings;

(ii) our expected financial performance; and

(iii) our projected levels of capital expenditure and other investment plans.

Considering the current financial position of our Company, our Board intends to adopt a progressive dividend policy, subject to the factors stated above and in the absence of any circumstances which may affect or restrict our ability to pay dividends.

Please refer to Section 5.3.4 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

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4.1 Opening and closing of applications

Application for the Issue Shares under the Retail Offering will open at 10.00 a.m. on 30 June 2011 and will remain open until 5.00 p.m. on 7 July 2011, or such other date or dates as our Directors and the Majority Joint Managing Underwriters in their absolute discretion may decide.

4.2 Indicative timetable

The following events are intended to take place on the following tentative dates:

Events	Date
Opening of the Institutional Offering	28 June 2011
Opening of the Retail Offering	10.00 a.m., 30 June 2011
Closing of the Retail Offering	5.00 p.m., 7 July 2011
Closing of the Institutional Offering	8 July 2011
Price Determination Date	11 July 2011
Balloting of applications for the Issue Shares offered under the Retail Offering	11 July 2011
Allotment/Transfer of the Issue Shares/Offer Shares to successful applicants	19 July 2011
Listing	21 July 2011

Applications for the Issue Shares offered under the Retail Offering will close at the time and date stated above or such other date or dates as our Directors and the Majority Joint Managing Underwriters in their absolute discretion may decide. The Institutional Offering commenced on 28 June 2011 and will close on the date stated above or such other date or dates as our Directors, the Selling Shareholders and Joint Global Co-ordinators in their absolute discretion may decide.

In the event that the closing date and/or time of either the Institutional Offering or the Retail Offering is extended, the Price Determination Date and dates for the balloting and allotment of the Issue Shares, transfer of the Offer Shares and the Listing may be extended accordingly. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

4.3 Particulars of the IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allocated in the manner described below, subject to clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus.

4.3.1 Institutional Offering

Institutional Offering at the Institutional Price payable in full upon allocation and determined by way of bookbuilding.

Our Company and the Selling Shareholders are offering up to 798,677,200 IPO Shares, representing up to 27.27% of the enlarged issued and paid-up share capital of our Company, to be allocated in the following manner:

(i) firstly, up to 336,773,000 IPO Shares, representing up to 11.50% of the enlarged issued and paid-up share capital of our Company are offered to Bumiputera investors approved by MITI; and

(ii) thereafter, up to 461,904,200 Issue Shares, representing up to 15.77% of the enlarged issued and paid-up share capital of our Company, are offered to other Malaysian institutional and selected investors and foreign institutional and selected investors outside the United States in reliance on Regulation S under the US Securities Act.

With respect to the IPO Shares offered to Bumiputera investors approved by MITI as referred to in Section 4.3.1(i), up to 234,277,000 Offer Shares, representing up to 8.00% of the enlarged issued and paid-up share capital of our Company will be offered first, and thereafter, if such Offer Shares are fully taken up, up to 102,496,000 Issue Shares, representing up to 3.50% of the enlarged issued and paid-up share capital of our Company will be offered, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus.

On 20 June 2011, we entered into the master cornerstone placing agreement with the Cornerstone Investors whereby the Cornerstone Investors have agreed to purchase, at the Institutional Price, an aggregate of 300,000,000 Shares, representing approximately 10.24% of the enlarged issued and paid-up share capital of our Company. None of the Cornerstone Investors will individually acquire 5% or more of the enlarged issued and paid-up share capital of our Company under the respective cornerstone placing agreements. However, a Cornerstone Investor may acquire additional Shares in the IPO such that its aggregate holding of our Shares at the date of Listing may exceed 5% of the enlarged issued and paid-up capital of our Company.

The cornerstone placing agreements are conditional upon the SC having approved the IPO and Bursa Securities having approved the Listing and such approvals continuing to be valid and the Retail Underwriting Agreement, International Placement Agreement and Malaysian Placement Agreement being entered into, having become unconditional and not having been terminated pursuant to their respective terms.

4.3.2 Retail Offering

Retail Offering at the Retail Price of RM3.15 per Issue Share, payable in full upon application and subject to refund of the difference between the Retail Price and the Final Retail Price in the event the Final Retail Price is less than the Retail Price.

Our Company is offering 79,861,400 Issue Shares, representing 2.73% of the enlarged issued and paid-up share capital of our Company, to be allocated in the following manner:

(i) 58,569,400 Issue Shares, representing 2.00% of the enlarged issued and paid-up share capital of our Company, are available for application by Malaysian citizens, companies, co-operatives, societies and institutions, of which 29,284,700 Issue Shares, representing 1.00% of the enlarged issued and paid-up share capital of our Company, are set aside for Bumiputera individuals, companies, co-operatives, societies and institutions. Any Issue Shares not subscribed by such Bumiputera investors will be made available for application by other Malaysian investors under the Retail Offering; and

(ii) 21,292,000 Issue Shares, representing 0.73% of the enlarged issued and paid-up share capital of our Company have been reserved for our Directors (executive and non-executive), and eligible employees and persons who have contributed to the success of our Group in the following manner:

   (a) 9,700,000 Issue Shares, representing 0.34% of the enlarged issued and paid-up share capital of our Company, have been reserved for our Directors;

   (b) 10,092,000 Issue Shares, representing 0.34% of the enlarged issued and paid-up share capital of our Company, have been reserved for 406 eligible employees of our Group, who have been confirmed employees of our Group for at least 6 months as at the LPD and who have not submitted their resignation as at the date of this Prospectus; and

   (c) 1,500,000 Issue Shares, representing 0.05% of the enlarged issued and paid-up share capital of our Company, have been reserved for 2 persons who have contributed to the success of our Group.

Any Issue Shares not taken up by investors under Section 4.3.2(ii) will be made available for application by investors under Section 4.3.2(i), with any remaining Issue Shares thereafter underwritten by our Joint Managing Underwriters, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus.

Applicants who apply for the Issue Shares under Section 4.3.2(ii) may also apply for the Issue Shares available under Section 4.3.2(i).

A summary of allocation of the 21,292,000 Issue Shares to our Directors, and eligible employees and persons who have contributed to the success of our Group is set out below:

Eligibility	**Number of persons**	**Aggregate number of Issue Shares allocated**
		000
Directors of our Company[(1)]	10	9,700
Eligible employees of our Group[(2)]	406	10,092
Persons who have contributed to the success of our Group[(3)]	2	1,500
Total	418	21,292

Notes:

(1) The criteria for allocation to our Executive Directors is based on, among others, their respective roles, responsibilities and contribution in our Group. All our non-Executive Directors have been allocated the same number of Issue Shares each.

The number of Issue Shares to be allocated to our Directors is as follows:

Name	***Designation***	***No. of Issue Shares to be allocated***
Dato' Sri Mahamad Fathil bin Dato' Mahmood	*Non-Independent Non-Executive Chairman*	*750,000*
Dato' Ahmad Fuad bin Md Ali	*Non-Independent Non-Executive Deputy Chairman*	*750,000*
Saiful Aznir bin Shahabudin	*Independent Non-Executive Director*	*750,000*
Alexandra Elisabeth Johanna Maria Schaapveld	*Independent Non-Executive Director*	*750,000*
Andrew Philip Whittle	*Independent Non-Executive Director*	*750,000*
Chan Chee Beng	*Non-Independent Non-Executive Director*	*750,000*
Farah Suhanah binti Ahmad Sarji	*Non-Independent Non-Executive Director*	*750,000*
Lim Ghee Keong	*Non-Independent Non-Executive Director*	*750,000*
Hassan Assad Basma	*Executive Director/ Chief Executive Officer*	*2,500,000*
Shaharul Rezza bin Hassan	*Executive Director/ Chief Financial Officer*	*1,200,000*

(2) Subject to the discretion of our Board, the criteria for allocation to the eligible employees of our Group is based on, among others, their staff grade, length of service and performance in our Group subject to a completed minimum service of 6 months as at the LPD.

(3) The criteria for allocation to persons who have contributed to the success of our Group is based on, among others, the nature, terms and duration of their respective business relationships with our Group.

In summary, the IPO Shares will be allocated and allotted in the following manner:

Categories	Offer Shares No. of Shares	Offer Shares % of enlarged share capital	Issue Shares No. of Shares	Issue Shares % of enlarged share capital	Total No. of Shares	Total % of enlarged share capital
	000	%	000	%	000	%
Retail Offering						
Malaysian public (via balloting):						
- Bumiputera	-	-	29,285	1.00	29,285	1.00
- Non-Bumiputera	-	-	29,285	1.00	29,285	1.00
Our Directors, eligible employees and persons who have contributed to the success of our Group	-	-	21,292	0.73	21,292	0.73
	-	-	79,862	2.73	79,862	2.73
Institutional Offering^						
Bumiputera investors approved by MITI*	234,277	8.00	102,496	3.50	336,773	11.50
Other Malaysian and foreign institutional and selected investors	-	-	461,904	15.77	461,904	15.77
	234,277	8.00	564,400	19.27	798,677	27.27
Total	234,277	8.00	644,262	22.00	878,539	30.00

Note:

^ *This includes the 300,000,000 Shares, representing approximately 10.24% of the enlarged issued and paid-up share capital of our Company, to be acquired by the Cornerstone Investors.*

* *This is a voluntary allocation to Bumiputera investors approved by MITI in view that Bumi Armada, being a company with predominantly foreign-based operations, is exempted from having to comply with the Bumiputera equity requirement in relation to the IPO.*

The completion of the Retail Offering and the Institutional Offering are inter-conditional and subject to the minimum subscription as set out in Section 4.3.5 of this Prospectus.

4.3.3 Clawback and reallocation

The Retail Offering and Institutional Offering shall be subject to the following clawback and reallocation provisions:

(i) if the Issue Shares allocated to the Bumiputera investors approved by MITI are not fully taken up by such Bumiputera investors, the Issue Shares which are not taken up may be allocated to other Malaysian and foreign institutional and selected investors under the Institutional Offering (excluding the Bumiputera investors approved by MITI);

(ii) if the Offer Shares allocated to the Bumiputera investors approved by MITI are not fully taken up by such Bumiputera investors, the Offer Shares which are not taken up may be allocated to other Malaysian and foreign institutional and selected investors under the Institutional Offering (excluding the Bumiputera investors approved by MITI);

(iii) subject to Sections 4.3.3(i) and (ii) above, if there is an under-application in the Institutional Offering and a corresponding over-application in the Retail Offering, the IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and

(iv) if there is an under-application in the Retail Offering and a corresponding over-application in the Institutional Offering, the Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

Subject to the clawback and reallocation provisions above, the clawback and reallocation provisions as set out in Sections 4.3.3(iii) and (iv) shall not apply in the event of over-application in both the Retail Offering and the Institutional Offering.

4.3.4 Classes of shares and ranking

As at the LPD, our Company has 1 class of shares, namely ordinary shares of RM0.20 each.

The Issue Shares will, upon allotment and issue, rank equally in all respects with our other existing issued and paid-up Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable rules of Bursa Depository.

The Offer Shares rank equally in all respects with our existing issued and paid-up Shares including voting rights and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable rules of Bursa Depository.

Subject to any special rights attaching to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid up on the Shares held by them, be entitled to share in the profits paid out by us in the form of dividends or other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus, in accordance with our Articles of Association.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. On a show of hands, each shareholder present either in person, by proxy, by attorney or other duly authorised representative shall have 1 vote. On a poll, each shareholder present either in person, by proxy, by attorney or other duly authorised representative shall have 1 vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.3.5 Minimum subscription

There is no minimum subscription in terms of the proceeds to be raised by our Company and the Selling Shareholders. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of shares to be acquired will be the number of Shares required to be held by public shareholders for our Company to comply with public spread requirements as per the Listing Requirements or as approved by Bursa Securities.

4.4 Selling Shareholders

Our shareholders who are offering the Offer Shares and their respective relationships with our Company within the past 3 years are as follows:

Shareholders	Material relationship with our Group	Address	Before the IPO		Shares offered pursuant to the Offer for Sale			After the IPO[3]	
			No. of Shares	%[1]	No. of Shares	%[1]	%[2]	No. of Shares	%[2]
ODSB	Substantial shareholder of our Company	Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur	439,740,000	19.25	98,962,300	4.33	3.38	340,777,700	11.64
WSSB	Substantial shareholder of our Company	Level 39, Menara Maxis Kuala Lumpur City Centre 50088 Kuala Lumpur	274,680,000	12.03	61,816,000	2.71	2.11	212,864,000	7.27
KMSB	Substantial shareholder of our Company	Level 39, Menara Maxis Kuala Lumpur City Centre 50088 Kuala Lumpur	204,120,000	8.94	45,936,700	2.01	1.57	158,183,300	5.40
WBSB	Substantial shareholder of our Company	Level 39, Menara Maxis Kuala Lumpur City Centre 50088 Kuala Lumpur	122,472,000	5.36	27,562,000	1.21	0.94	94,910,000	3.24

Notes:

(1) *Based on the existing issued and paid-up share capital of 2,284,200,000 Shares, i.e. before the Public Issue.*

(2) *Based on the enlarged issued and paid-up share capital of 2,928,461,600 Shares, i.e. after the Public Issue.*

(3) *Excludes the effects of the exercise of the call option granted to Hassan Assad Basma of 7,500,000 Shares and the initial grant of Options under the ESOS set out in Sections 15.1(iv)(c) and 15.4 of this Prospectus, respectively.*

4.5 Basis of arriving at the price of the IPO Shares

4.5.1 Retail Price

The Retail Price of RM3.15 per Issue Share was determined and agreed upon between our Directors, the Joint Principal Advisers, Joint Global Co-ordinators, Joint Bookrunners and Joint Managing Underwriters, after taking into consideration the following factors:

(i) Our financial performance and operating history as described in Sections 12 and 13 of this Prospectus;

(ii) The proforma consolidated NA attributable to owners of our Company of RM1.09 per Share based on our enlarged issued and paid-up share capital pursuant to the Listing of 2,928,461,600 Shares;

(iii) Our competitive strengths, strategies and future plans as outlined in Sections 7.6 and 7.7 of this Prospectus;

(iv) The future outlook of the industry in which we operate, as described in Section 8 of this Prospectus; and

(v) The prevailing market conditions which include, among others, current market trends and investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be the lower of:

(i) the Retail Price of RM3.15 per IPO Share; and

(ii) the Institutional Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants, without any interest thereon. Further details on the refund mechanism are set out in Section 4.5.3 of this Prospectus.

Prospective retail investors should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price of RM3.15 per IPO Share nor lower than the nominal value of our Shares.

The Final Retail Price and the Institutional Price are expected to be announced within 2 Market Days from the Price Determination Date in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment.

Applicants should also note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the price of our Shares.

4.5.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional investors will be invited to bid for portions of the Institutional Offering by specifying the number of IPO Shares that they would be prepared to acquire and the price that they would be prepared to pay for such IPO Shares. This bookbuilding process commenced on 28 June 2011 and will end on 8 July 2011, or such other date or dates as our Directors, the Selling Shareholders and Joint Global Co-ordinators in their absolute discretion may decide. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by us and the Selling Shareholders in consultation with the Joint Global Co-ordinators and Joint Bookrunners on the Price Determination Date.

4.5.3 Refund mechanism

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address stated in the Application Form or to the address as stated in Bursa Depository's records for applications made via the Electronic Share Application and Internet Share Application, of the successful applicants, within 10 Market Days from the date of the final ballot of applications, at the successful applicants' own risk.

4.5.4 Expected market capitalisation

Based on the Retail Price of RM3.15 per IPO Share, the total market capitalisation of our Company upon the Listing shall be approximately RM9.2 billion.

4.6 Objectives of the IPO

The objectives of the IPO are as follows:

(i) to obtain listing of and quotation for our entire enlarged issued and paid-up share capital of 2,928,461,600 Shares on the Main Market;

(ii) to enable us to access the equity capital market for cost effective capital raising and to provide us the financial flexibility to pursue growth opportunities;

(iii) to enhance the stature of our Company to market our services and expand our market position;

(iv) to establish liquidity of our Shares;

(v) to provide an opportunity for the investing community including eligible employees of our Group to become our shareholders and participate in the future performance of our Company by way of equity participation; and

(vi) to raise funds for the purposes as set out in Section 4.8 of this Prospectus.

4.7 Dilution

Dilution is the amount by which the price paid by retail and institutional investors for our Shares exceeds our consolidated NA per Share after the IPO. Our audited consolidated NA as at 31 March 2011 was RM1,264 million or RM0.55 per Share.

After giving effect to the issue of 644,261,600 new Shares under the Public Issue, and after further adjusting for the estimated listing expenses, our proforma consolidated NA per Share as at 31 March 2011 (based on an enlarged issued and paid-up share capital of 2,928,461,600 Shares) would have been RM1.09 per Share. This represents an immediate increase in NA per Share of RM0.54 to our existing shareholders and an immediate dilution in NA per Share of RM2.06, representing 65% of the Retail Price and the Institutional Price (assuming the Institutional Price and the Final Retail Price will be the Retail Price), to our retail and institutional investors. Further details on our NA per Share are set out in Section 12.4 of this Prospectus.

The following table illustrates such dilution on a per Share basis assuming the Final Retail Price and Institutional Price is equal to the Retail Price:

	RM
Retail Price/Institutional Price	3.15
Audited consolidated NA per Share as at 31 March 2011, before adjusting for the IPO	0.55
Proforma consolidated NA per Share as at 31 March 2011, after giving effect to the IPO	1.09
Increase in NA per Share to existing shareholders	0.54
Dilution in NA per Share to retail/institutional investors	2.06
Dilution in NA per Share to retail/institutional investors as a percentage to the Retail Price/Institutional Price	65%

Save as disclosed below, none of our substantial shareholders, Directors or key management, or persons connected to them have acquired and/or subscribed for our Shares in the past 3 years up to the LPD:

	No. of Shares	Consideration	Average price per Share
		RM	RM
OBSB	225,000,000	150,000,000	0.67
	92,088,000	108,851,086	1.18
ODSB	30,240,000	35,744,688	1.18
	31,500,000	37,000,000	1.17
WSSB	22,680,000	26,808,516	1.18
KMSB	15,120,000	17,872,344	1.18
WBSB	9,072,000	10,723,406	1.18

Note:

The number of Shares, consideration and average price per Share disclosed above has been adjusted to take into account the bonus issue and the share split implemented in March 2011.

4.8 Utilisation of proceeds

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of up to RM738 million* will accrue entirely to the Selling Shareholders.

The gross proceeds from the Public Issue of up to RM2,029 million* are expected to be utilised in the manner as set out below by our Group:

Details of utilisation	Estimated timeframe for utilisation upon Listing	RM million
Repayment of bank borrowings[(1)]	Within 6 months	775
Capital expenditures[(2)]	Within 24 months	592
Working capital[(3)]	Within 24 months	562
Estimated listing expenses[(4)]	Within 3 months	100
Total		2,029

Notes:

* *We have assumed that the Final Retail Price and Institutional Price are equel to the Retail Price in arriving at this figure.*

(1) *The proposed repayment of bank borrowings is as follows:*

Facility (RM million)	*Amount outstanding as at the LPD (RM million)*	*Proposed repayment (RM million)*	*Interest rate (% per annum)/ Maturity date*	*Purpose of borrowing*
500	*250*	*250*	*4.95/January 2012*	*Project bridging finance for FPSO projects and working capital*
525	*525*	*375*	*4.71/April 2012*	*Project bridging finance for FPSO projects and working capital*
150	*150*	*150*	*0.72/October 2011*	*Working capital*

(2) *Our capital expenditures requiremants are principally associated with the expansion of our businesses primarily in the FPSO, OSV and T&I business units as set out in Section 7.7.2 of this Prospectus, details of which are set out below:*

Business unit	*Proposed utilisation*	*RM million*
FPSO	• *Capital expenditure relating to our target of securing up to 2 FPSO projects annually and development of moorings and risers technology via critical hiring and investment in an alliance with partners with technical capability*	*355*
OSV	• *To expand our deepwater capability and offering with new vessels which are aligned to the latest customer and regulatory requiremants*	*147*
T&I	• *We plan to expand our T&I business into the SURF installation markets in the regions in which we currently operata, namely Asia, Africa and Latin America. The acquisition of the Acergy Hawk formed the initial platform for this expansion and we intend to acquire other suitable vessels and assets to expand our offering in this segment*	*90*

If tha actual utilisation of any one of the above business units is higher than estimated, the shortfall will be funded out of the proceeds allocated to the remaining business units. However, if the actual utilisation of any one of tha above business units is lower than estimated, the excess will be utilised by any of the remaining business units.

Notes (cont'd):

(3) *Proceeds in excess of the amounts allocated for repayment of bank borrowings, capital expenditures and listing expenses (which may be in excess of or less than the estimated amount) will be utilised for general working capital requirements of our Group, including financing our daily operations and operating expenses, which include administration and other operating expenses. Conversely, any shortfall in proceeds raised will be adjusted accordingly to the working capital requirements.*

(4) *The expenses of the Public Issue to be borne by us are estimated to be RM100 million and will comprise the following:*

	RM million
Estimated professional fees	*30*
Brokerage, underwriting and placement fees	*55*
Other fees and expenses such as printing, advertising, travel and roadshow expenses incurred in connection with the IPO	*5*
Miscellaneous expenses and contingencies	*10*
Total estimated listing expenses	*100*

If the actual expenses are higher than estimated, the deficit will be funded out of working capital. However, if the actual expenses are lower than estimated, the excess will be utilised for general working capital requirements of our Group.

We intend to place the proceeds raised from the Public Issue (including accrued interest, if any) or the balance thereof as deposits with banks or licensed financial institutions or short-term money market instruments prior to the eventual utilisation of the proceeds from the IPO for the above intended purposes.

Our utilisation of the proceeds from the Public Issue is expected to have the following financial impact on our Group:

(i) Interest savings

As we will be using RM775 million to repay bank borrowings, based on the respective interest rates of our borrowings, we expect to achieve interest savings of about RM24 million.

(ii) Increase in efficiency and productivity

Our Group will use the proceeds to enhance our current capabilities through the further expansion of our fleet in the FPSO, OSV and T&I business units to enhance our services and support to our existing customer base as well as enable us to bid for new projects, domestically and internationally. We expect the expansion of our fleet in the FPSO, OSV and T&I units to result in an increase in revenues and profits over the next few years. We expect such new business opportunities to facilitate business growth and provide our Group with added flexibility in terms of utilisation of assets and resources.

(iii) Enhancement of capital structure

Through the IPO, we will increase our shareholders' funds and repay part of our bank borrowings, thereby resulting in a reduction to our gearing. We expect this to provide greater financial flexibility for us to fund our expansion both domestically and internationally as and when opportunities arise.

We have illustrated the financial impact of the utilisation of proceeds from the Public Issue on our proforma consolidated statement of financial position as at 31 March 2011 in Section 12.4 of this Prospectus.

4.9 Brokerage, underwriting commission and placement fee

We will pay brokerage in respect of the sale of the Issue Shares under the Retail Offering, at the rate of 1.0% of the Final Retail Price in respect of all successful applications which bear the stamp of the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Global Co-ordinators, Joint Bookrunners and Lead Managers are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For avoidance of doubt, brokerage commission under the Institutional Offering will not be payable by us nor the Selling Shareholders.

As stipulated in the Retail Underwriting Agreement, we will pay the Joint Managing Underwriters an underwriting commission of 1.75% of the amount equal to the Retail Price multiplied by the Issue Shares underwritten pursuant to the Retail Offering.

The Selling Shareholders in respect of the Offer Shares and we in respect of the Issue Shares, will pay the relevant placement managers a placement fee and selling commission of 1.75% and a discretionary fee of up to 0.5% of the amount equal to the Institutional Price multiplied by the IPO Shares sold pursuant to the Institutional Offering to Malaysian and foreign institutional and selected investors, including Bumiputera investors approved by MITI.

4.10 Underwriting and lock-up arrangements

4.10.1 Underwriting

Pursuant to the Retail Underwriting Agreement, the Joint Managing Underwriters have agreed to severally but not jointly underwrite 79,861,400 Issue Shares under the Retail Offering ("**Underwritten Shares**") subject to the clawback and reallocation provisions set out in Section 4.3.3 of this Prospectus, for the underwriting commission set out in Section 4.9 of this Prospectus.

Subject to certain conditions precedent in the Retail Underwriting Agreement, each of the Joint Managing Underwriters has agreed to underwrite 19,965,350 Issue Shares.

The Majority Joint Managing Underwriters may elect to treat the following as releasing and discharging all the Joint Managing Underwriters of their obligations under the Retail Underwriting Agreement:

(i) any breach by our Company of any of the representations, warranties or undertakings contained in or in connection with the Retail Underwriting Agreement, which is not capable of remedy or if capable of remedy, is not remedied within 15 days from receipt of the notice of such breach being given by CIMB (as the co-ordinator of the Joint Managing Underwriters) to our Company, or by the closing of the Retail Offering, whichever is the earlier; or

(ii) there is failure on the part of our Company to perform any of our obligations contained in the Retail Underwriting Agreement and such obligations have not been complied with within 2 business days of default and in any event before the closing of the Retail Offering; or

(iii) there is withholding of information of material nature from the Joint Managing Underwriters which is required to be disclosed pursuant to the Retail Underwriting Agreement which, in the opinion of the Joint Managing Underwriters, would have a material adverse effect on our Group's business or operation or on the success of the IPO; or

(iv) there is any material and adverse change in the business or financial condition of our Group as a whole; or

(v) the closing of the Retail Offering does not occur within 60 days from the date of this Prospectus, subject to such extension which may be agreed between our Company and the Majority Joint Managing Underwriters; or

(vi) the occurrence of any of the following events:

(a) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the reasonable opinion of the Majority Joint Managing Underwriters would reasonably be expected to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of the IPO Shares or a material adverse effect on the Listing or the IPO. For the avoidance of doubt, and without prejudice to the foregoing, if the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any business day:

(aa) on or after the date of the Retail Underwriting Agreement; and

(bb) prior to the closing of the Retail Offering,

lower than 85% of the level of the Index at the last close of normal trading on the relevant exchange on the business day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least 3 business days or any other adverse change in the market conditions which our Company and the Joint Managing Underwriters mutually agree to be sufficiently material and adverse to render it to be a terminating event, it shall be deemed a material adverse change in the stock market condition; or

(b) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities which has or is likely to have material adverse effect on our Group, as a whole; or

(c) any *force majeure* event which is any event or series of events beyond the reasonable control of CIMB in its capacity as co-ordinator of the Joint Managing Underwriters, or any of the Joint Managing Underwriters which has or is likely to have the effect of making any material part of the Retail Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the IPO or pursuant to the underwriting of the Underwritten Shares; or

(d) any imposition of moratorium, suspension or material restriction on trading of securities on Bursa Securities for more than 3 consecutive business days due to exceptional financial circumstances or otherwise; or

(e) any government requisition or occurrence of any other nature which is likely to have a material and adverse effect on the business and/or financial position of our Group, taken as a whole or the success of the IPO; or

(vii) in the event that the Listing is withdrawn, not procured or procured but subject to conditions not acceptable to CIMB (as the co-ordinator of the Joint Managing Underwriters) acting reasonably; or

(viii) the SC or any other relevant regulatory authority issues an order pursuant to Malaysian laws such as to make it, in the reasonable opinion of the Joint Managing Underwriters, impracticable to market the IPO or to enforce contracts to sell the Issue Shares; or

(ix) either of the Malaysian Placement Agreement or the International Placement Agreement having been terminated or rescinded in accordance with the terms thereof.

The IPO Shares under the Institutional Offering are expected to be underwritten by the placement managers as set out in the Malaysian Placement Agreement and the International Placement Agreement in respect of settlement risk.

4.10.2 Lock-up arrangements

(i) In connection with the International Placement Agreement and the Malaysian Placement Agreement, our Company has entered into a lock-up agreement with the Joint Global Co-ordinators and the Joint Malaysian Co-ordinators (being CIMB, Credit Suisse (Malaysia) Sdn Bhd and Maybank IB), respectively. Under this agreement, our Company agreed that, for a period beginning on the date of the Listing and ending on, and including, the date that is 180 days after the date of the Listing, our Company will not, without the prior written consent of the Joint Global Co-ordinators and the Joint Malaysian Coordinators, (i) issue, allot, sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant any option to purchase or security over, or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any other securities of our Company that are substantially similar to the Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing; (ii) enter into any swap, transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company that are substantially similar to the Shares, or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any transaction specified in (i) or (ii), except, in all cases, pursuant to the IPO; or for the grant of any Option (or allotment and/or issue of any Shares thereunder) to the executive Directors of our Company and the eligible employees of our Group under and pursuant to the terms of the ESOS;

(ii) In connection with the Malaysian Placement Agreement, each of the Selling Shareholders has entered into a lock-up agreement under which it has agreed with the Joint Malaysian Co-ordinators that, for a period beginning on the date of the Listing and ending on, and including, the date that is 180 days after the date of the Listing it will not, without the prior written consent of the Joint Malaysian Co-ordinators, (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant any option to purchase or security over, or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any other securities of our Company that are substantially similar to the Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing; (ii) enter into any swap, transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company that are substantially similar to the Shares, or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any transaction specified in (i) or (ii), except, in all cases, pursuant to the IPO. The foregoing restrictions on each of the Selling Shareholders shall not apply to the transfer of an aggregate of 1,152,000 Shares from the Selling Shareholders to Hassan Assad Basma in the event of the exercise by him, prior to the date of the Listing, of the call option described in Section 15.1(iv)(c) of this Prospectus.

(iii) The Cornerstone Investors are subject to lock-up arrangements pursuant to which they have agreed not to dispose our Shares acquired pursuant to their respective cornerstone placing agreements (as well as any other Shares or other securities of our Company which are derived from such Shares), for a period of 6 months following the date of the Listing, except with the prior consent of (aa) our Company and the Joint Malaysian Co-ordinators (in the case of the Malaysian incorporated Cornerstone Investors); or (bb) our Company and the Joint Global Co-ordinators (in the case of the foreign incorporated Cornerstone Investors).

4.11 Trading and settlement in secondary market

Upon our Listing, the IPO Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS (which is operated by Bursa Depository), which will be effected in accordance with the rules of Bursa Depository and the provisions of the SICDA. Accordingly, our Company will not deliver share certificates to the purchasers of the IPO Shares.

Beneficial owners of our Shares are required under the rules of Bursa Depository to maintain the Shares in CDS accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as the shareholders of our Company in respect of the number of Shares credited to the respective securities accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

All Shares held in CDS accounts shall not be withdrawn from the CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

(iv) where a body corporate is removed from the Official List;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares shall trade under the odd lot market. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that the Shares will not commence trading on Bursa Securities until about 9 Market Days after the close of the Retail Offering. Holders of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfers to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that our Company, and to a large extent our activities, are governed by the legal, regulatory and business environment in Malaysia and other countries in which we operate whether presently or in the future. Our business is subject to a number of factors, many of which are outside our control. Prior to making an investment decision, you should carefully consider, along with the other matters set forth in this Prospectus, the risks and investment considerations below. You should note that the following list is not an exhaustive list of all the risks that we face or risks that may develop in the future.

5.1 Risks relating to the industry in which we operate

5.1.1 We are dependent on the offshore O&G industry

As our customers operate mainly in the offshore O&G industry, our operations are dependent on the level of activity in the exploration, development and production of oil and natural gas, including the level of capital spending in the offshore O&G industry. Such activities are affected by factors such as volatility in demand for and supply of oil, fluctuations in current and future oil prices, the number, size and locations of oil fields, the demand for and supply of alternative fuels or energy supply, the prices of alternative fuels or energy supply, changes in capital expenditure by customers in the offshore O&G industry, and general economic, social and political conditions. These activities are also affected by laws, regulations, policies and directives relating to energy, investment and taxation and other laws and regulations promulgated by the various governments from which we must obtain licences and permits in order to continue to operate.

In the event that there is deterioration in the offshore O&G industry and offshore support services industry, or in global or regional economic conditions, O&G companies may defer or reduce their planned E&P expenditure which may reduce the demand for our vessels and services. This may result in a decrease in our business activities, and consequently our results of operations and financial condition may be materially and adversely affected.

5.1.2 The offshore O&G industry is subject to government regulations

The extraction and transport of O&G at sea is subject to inherent risks, such as blow-outs, equipment defects, discharge of pollutants and oil spills, malfunctions, failures and misuses that could cause significant environmental damage, personal injury or loss of life and commercial damage. The offshore O&G industry is subject to regulations which aim to limit and control these risks, and to govern the removal and cleanup of pollutants that may harm the environment.

The laws and regulations applicable to the offshore O&G industry, including us, have generally become more stringent, and penalties and potential liability have increased and may increase further in the future. Any additional regulations could increase the cost of our operations or those of our customers and reduce the area of operations for the offshore O&G industry, which could, in turn, materially and adversely affect our business, financial condition, results of operation and prospects by reducing demand for our services.

5.2 Risks relating to our business and our operations

5.2.1 Our business is subject to compliance with and changes in regulations and local and international laws

Our operations are subject to local and international regulations in jurisdictions where our vessels operate, as well as in the countries in which our vessels are registered.

We are required by our customers as well as by governments and regulatory agencies, to maintain HSE standards in the course of providing our services. These regulations govern, among other things, workers' health and safety, manning, construction, and the operations of our vessels. In the event of any change in these standards, we may have to incur additional expenses to comply with such changes. Any failure to maintain standards may result in the cancellation of our present contracts, failure to win new contracts or regulatory authorities imposing fines, penalties or sanctions on us, revocation of our licences and permits or prohibition from continuing our operations, each of which could have a material and adverse effect on our business. Failure to maintain HSE standards could also result in injuries, death, damage to property and to the environment, and potential liability arising from such events, as well as damage to our reputation.

In addition, our vessels require certain licences, permits and certifications to operate. If we fail to comply with the requirements of any such laws, rules or regulations, we could be subject to substantial administrative, civil and criminal penalties, the imposition of remedial obligations, the issuance of injunctive relief or the non-renewal or revocation of our Group's business and operational licences, permits, registration and certification. Further, certain of our licences, permits and certifications are subject to annual renewal. There can be no assurance that our existing licences, permits and certifications will be renewed in the future, despite the submission of relevant documentation. For example, in Nigeria, notwithstanding that the Nigerian Maritime Administration and Safety Agency ("**NIMASA**") is cognisant that 6 of our OSVs, namely the Armada Tugas 4, Armada 6 and Armada Tuah 101 (which have been operating in Nigeria since end-2009) and Armada Tugas 1, Armada Tuah 81 and Armada Firman 2 (which have been operating in Nigeria since 2010) are involved in the provision of O&G-related services in Nigerian waters, we have yet to formally obtain cabotage permits in respect of the same. These OSVs contributed 7.3% and 5.7% of our total revenue for the years ended 31 December 2009 and 31 December 2010, respectively. The application for the cabotage permits, which is managed by our joint-venture partner, was made in 2009 and subsequently, in 2010 and 2011. We are unable to ascertain the expected date of issuance of the cabotage permits by NIMASA as it is subject to the internal procedures of NIMASA. Notwithstanding that NIMASA has yet to formally issue the cabotage permits to us, we have paid the required cabotage fees upon request by NIMASA and such payments have been duly acknowledged by NIMASA. Under the Nigerian Coastal and Inland Shipping (Cabotage) Act 2003, participation in Nigerian domestic coastal trade without the necessary permits and approvals could result in fines of up to NGN15,000,000 (approximately RM290,000) per OSV and/or a forfeiture of the OSV, or such higher sums as the Nigerian court may deem fit. There can be no assurance that, despite the cognisance by NIMASA that we have been operating without these permits, these penalties will not be imposed in part or in full in the future. The imposition of any such fines in respect of any or all of our OSVs operating in Nigeria and/or the forfeiture of any or all of our OSVs operating in Nigeria could have a material adverse effect on our business, financial condition, results of operations and prospects. Further, in the event of failure to secure the abovementioned permits, we would not be able to fulfil our existing contractual obligations and would suffer loss in revenue. As these OSVs are currently on short-term charters, in the event of termination, the estimated loss of future income in 2011 from these OSVs is comparable to about 1.2% of our total revenue for the year ended 31 December 2010.

Changes to current laws and regulations or the introduction of new laws or regulations by local or international bodies or the imposition of additional conditions to our licences, permits and certifications could cause our Group to incur significant additional compliance costs. Furthermore, if we are unable to comply with the new laws and regulations or additional conditions imposed on our licences, permits and certifications, or should any of our licences, permits or certifications be suspended, revoked or not renewed, our vessels may not be allowed to operate and consequently, our results of operations and financial position may be materially and adversely affected.

5.2.2 We may be subject to environmental risks and liabilities

We are subject to environmental regulations pursuant to a variety of international conventions and state and municipal laws and regulations. Compliance with such regulations can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental laws may result in a material increase in our costs of operating our fleet or otherwise materially and adversely affect our financial condition, results of operations and prospects.

The discharge of pollutants into the air or water may give rise to liabilities to governmental authorities and third parties and may require us to incur costs to remedy such discharge. Changes in environmental laws may also expose us to liability for the conduct of or conditions caused by others, or for acts which were in compliance with all applicable laws at the time such actions were taken. Furthermore, some environmental laws provide for joint and several strict liabilities for environmental remediation of releases of hazardous substances, which could result in liability for environmental damage without regard to negligence or fault.

In April 2010, the Deepwater Horizon, a deepwater drilling rig in the Gulf of Mexico, sank after an apparent blowout and fire. Among the possible future consequences of this event are additional regulatory oversight and control with respect to offshore drilling, a potential ban or restriction on O&G exploration in certain offshore areas, particularly deepwater drilling, and an increase in insurance premiums for casualty insurance that may be more difficult to obtain. Any such development could reduce demand for offshore support services both in the Gulf of Mexico and internationally, which may have an adverse effect on our operations and prospects.

5.2.3 We are subject to weather and natural hazards

Our vessels and our equipment are also subject to weather and natural hazards. Adverse changes in weather and natural hazards such as the occurrence of typhoons, tsunamis and earthquakes in the areas where we operate may cause damage to our vessels and delays or suspensions in our operations. Our operations may experience disruption if any of our vessels and/or our equipment suffer significant downtime. This may have a material adverse impact on our revenue and profits and our financial position.

5.2.4 We are affected by timely access to resources, yard space and price escalations and as such, may face delay in the completion and delivery of projects including conversion of FPSOs

In many cases, our projects involve significant procurement of equipment and supplies and extensive construction management and other activities conducted over extended time periods. Any procurement difficulties, equipment performance failures or other factors may result in actual revenues or costs being significantly different from our original estimation. Some of these risks include:

- We may encounter difficulties related to the procurement of materials, or due to schedule disruptions, equipment performance failures or other factors that may result in additional costs to us, reductions in revenue, claims or disputes;

- We may not get access to labour and human resources required to continue to successfully execute our business strategy and operations;

- We may not get access to yard space in order to implement our conversion or construction projects;

- We may face difficulties in engaging third-party subcontractors, equipment manufacturers or materials suppliers or failures by third-party subcontractors, equipment manufacturers or materials suppliers could result in project delays and cause us to incur additional costs; and

- We are exposed to increase in labour costs and escalation in prices of key materials (such as steel and fabrication materials) from the time we execute these types of contracts to the time we place our order for the relevant materials.

As a result of the above factors, we may face delays in the completion and delivery of our projects. A significant delay in the completion and delivery of projects or a significant performance deficiency could have a material adverse effect on our Group's business, results of operations and financial condition. Furthermore, the consequent damage to our reputation resulting from significant delays in the delivery of projects or any significant performance deficiency may affect our ability to secure future contracts. These events and the losses associated therewith, to the extent that they are not adequately covered by contractual remedies or insurance, could materially and adversely affect our results of operations and financial condition.

In addition, from time to time we agree with our customers to convert and supply an FPSO to service a specific project. In the event of any material delay in the conversion of such vessels, although we may seek to impose penalties on yards or suppliers, there can be no assurance that we will recover amounts sufficient to cover any related losses or at all, which may have a material and adverse effect on our results of operations and financial condition.

5.2.5 We are subject to a number of contractual and project execution risks

We are engaged in a highly competitive industry, and we have contracted for a number of projects on a fixed-price basis, subject to specific terms and conditions. In addition, some of our contracts specify minimum performance requirements. These risks are generally inherent in the industry in which we operate and may result in reduced profitability or losses on projects, which in turn may materially and adversely affect our financial condition and results of operations.

Some of these risks include:

- Construction and project management associated with execution of our projects and maintenance of our operations;

- Cost overruns associated with our fixed-price contracts with limited price escalation provisions, where we bear all, or at least a portion of, increases in costs;

- Inability to meet delivery performance requirements of our contracts which may result in potential penalties or liquidated damages. For example, if we are unable to achieve our contractual availability and/or uptime, the related contracts generally provide for a reduction or suspension in payment of the daily charter rate; and

- Inability to obtain compensation for additional work we perform or expenses we incur as a result of customer change orders or faulty equipment or materials.

5.2.6 Our charter contracts may be terminated upon the occurrence of certain events

Our charter contracts are for varying periods of time. In line with industry practice, our customer contracts ordinarily contain clauses which could, amongst others, give the customer a right of early termination. Some of our charter contracts may be terminated for convenience under specified conditions, with related compensation and in certain cases, for cause upon the occurrence of certain events, such as non-performance, events of *force majeure*, loss or seizure of vessels or unavailability of the vessel due to various reasons such as confiscation or requisition by the government of the jurisdiction under which the vessels are registered and/or operate.

The termination of existing charter contracts and the inability to secure a replacement contract within a reasonable timeframe will reduce our revenue and may have a material adverse impact on the results of our operations. Our revenue and profitability will also be materially and adversely affected if we are not able to re-deploy our vessels for a period of time upon termination of existing contracts, if there are lengthy negotiations over the terms of any charter contracts, or the charter contracts are renewed on less favourable terms.

As such, there can be no assurance that the contracts in our orderbook will be performed and will generate revenue. The contracts that make up our orderbook as at the LPD amounted to RM5.8 billion as set out in Section 12.2.11 of this Prospectus. Given the forward-looking nature of our orderbook, the amount stated therein is not necessarily indicative of our future earnings. For example, we may not achieve our expected margin or we may suffer losses on one or more of these contracts, in which case our income would be reduced. Any operational issues with the performance of our contracts, cancellation or delays could materially and adversely affect our business, financial condition and results of operation.

5.2.7 Our FPSO business is subject to significant operating risks

Our FPSO vessels are designed and equipped according to specifications from our customers. Our contracts are usually structured to secure an acceptable return on the investment within the contract period, with a fixed period of contract and a further option period. There can be no assurance that our vessels will achieve the returns expected from them due to technical risks, unforeseen operational problems, unexpectedly high operating costs, additional capital expenditure and penalty payments, accidents such as human errors, weather conditions, faulty constructions, among other risks.

The probability of FPSO contract extension options being exercised, existing contracts being extended or new contracts being obtained, as well as the terms of new contracts, may be negatively impacted by factors such as reductions in oil reservoir reserves, changes in vessel specifications, and lower oil prices generally. When our contracts expire, or are terminated early, we may encounter difficulties redeploying our FPSO vessels at existing rate levels, or even redeploying our FPSO vessels at all. Furthermore such redeployment, if achieved, may require us to incur additional capital expenditure that may not be recoverable from our customers. In the event that we do not achieve adequate financial returns during our contract periods, our contracts are not extended, or our FPSO vessels cannot be re-deployed, our operations and financial condition may be materially and adversely affected.

5.2.8 A small number of vessels and customers contribute a significant proportion of our revenue

We are dependent on a small number of vessels of high value to provide our FPSO and installation services to the offshore O&G industry. These vessels operate in a hazardous marine environment, often in jurisdictions with complex legal and regulatory requirements. In the event of a service disruption or damage to our vessels, we may incur losses which in turn, may materially and adversely affect our financial condition and results of operations. Further, there can be no assurance that changes in the regulatory environment in the offshore O&G industry may not require us to undertake modifications to our existing vessels, which could result in disruption to our services.

In addition, historically, a limited number of customers have contributed to a substantial portion of our revenues. The loss of a key customer, if not replaced, could materially and adversely affect our financial condition and results of operations, as could factors that could have the effect of slowing our customers' sales. In particular, a reduction in any of our customers' sales prices or overall sales volumes may lead to decreased production by such customers, resulting in lower demand for our services. For the years ended 31 December 2008, 31 December 2009 and 31 December 2010, our largest customer represented 22%, 23% and 25% of our total revenue, whilst our 3 largest customers represented 53% of our total revenue for the year ended 31 December 2008, and our 4 largest customers for the years ended 31 December 2009 and 31 December 2010 represented 54% and 72% of our total revenue, respectively. Any cancellation or other termination in the future by any major customers could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

5.2.9 We have significant indebtedness and expect to continue to require additional capital in the future and are exposed to the risks inherent in capital funding

We have and will continue to have a significant amount of borrowings. As at 31 March 2011, our total borrowings stood at RM3,479.3 million (including RM1.1 million of hire purchase). Our gearing ratio as at 31 March 2011 is about 2.75 times, which is higher than the average gearing ratio of the industry players of 1.03 times (*Source: Bloomberg as at 8 June 2011*). Nevertheless, our gearing ratio is expected to decrease to about 0.85 times post-IPO, details of which are set out in Section 12.3 of this Prospectus. Our ability to service our debts and other contractual obligations will depend on our future operations and cash flow generation, which in turn will be affected by various factors, many of which are beyond our control.

As we operate in a capital-intensive industry, we have historically required capital to acquire or carry out improvement work on vessels and may require additional capital in the future to fund the acquisition or construction of additional vessels. Generally, expenditures necessary for maintaining a vessel in good operating condition increases with the age of the vessel, but are difficult to predict with precision. In addition, unanticipated changes in governmental regulations and safety or other equipment standards may require unanticipated expenditures for alterations or the addition of new equipment to older vessels. As a consequence, we may need to take our vessels out of service for longer periods of time or more often than planned in order to perform necessary repairs or modify the vessels in order to meet such regulations. There can be no assurance that our vessels will not require extensive repairs which would result in significant expenses and extended periods of time during which these vessels would be out of service. Such an occurrence could have a material adverse effect on our business, results of operations and financial condition.

Our access to debt financing for new projects and acquisitions and to refinance maturing debt is subject to many factors, some of which are outside of our control. Failure to raise the required capital in the future on acceptable terms, or at all, may limit our Group's expansion and growth, which in turn may affect our Group's ability to execute our growth strategies and compete in the offshore support services industry. In addition, if we have difficulty servicing our debt or providing for other contractual obligations in the future, we may be forced to take actions such as reduce or delay capital expenditures, reduce costs, sell off assets, refinance or reorganise our debt or other obligations and seek additional equity capital, or any combination of the above. We may not be able to take or may be restricted from taking any of these actions on satisfactory terms, or at all due to, among other things, restrictive covenants within our financing agreements which prohibit or hamper our ability to dispose of or invest in any assets, change our scope of business and/or change our ownership structure. Alternatively, we may resort to further equity financing to raise the required capital for future expansion. Financing through the issuance of new equity or equity-linked securities may result in the dilution of the interests of our shareholders and such new equity securities may have rights, preferences or privileges senior to those of the existing shareholders.

As a result of our indebtedness, we are exposed to interest rate risk, primarily from borrowings bearing variable interest rates to the extent that our exposure to floating interest rates remains unhedged by interest rate swaps. As at 31 March 2011, RM3,377.4 million of our total indebtedness bear a variable rate of interest out of which we have entered into interest rate swap agreements in respect of RM601.3 million of indebtedness. As result, as at 31 March 2011, 82.2% of our total indebtedness was exposed to interest rate risk without the protection of interest rate swaps. Our financial expenses (including amounts expensed and capitalised) arising from such borrowings amounted to RM33.1 million for the 3 months ended 31 March 2011. Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and reducing our profitability and funds available to meet capital and operational expenditure or other purposes.

Our Group's ability to meet our payment obligations and to fund planned capital expenditure will depend on the success of our business strategy and our ability to generate sufficient revenues to satisfy the debt obligations, which are subject to many uncertainties and contingencies beyond our control, including those set out in this Prospectus.

5.2.10 Maintenance and repair for our vessels and equipment may require substantial expenditure

We are required to maintain our vessels and/or our equipment to certain standards and to maintain the certification of such vessels and/or certain equipment. Such maintenance may involve substantial costs, which may materially and adversely affect our results of operations.

Our operations are dependent on the operating efficiency and reliability of our vessels and/or our equipment in terms of operational worthiness and the safety environment. Any unexpected breakdown or non-performance of vessels and/or equipment is difficult to predict and in the event of downtime, additional costs and losses may be incurred by our customers arising from the disruption of their workflow and scheduled activities and some of these costs may be passed down to us. Rectification of the breakdown or non-performance, depending on its severity, may also require replacement or repair of key components and there may be long lead times required in the procurement of these components. Such rectification on the affected vessels and/or equipment may require us to incur significant costs and may result in such vessels and/or equipment being out of service and being unable to generate revenue for us over extended periods of time. In such an event, we may be unable to meet our contractual obligations with our customers, which in turn may materially and adversely affect our reputation as well as our results of operations and financial condition.

5.2.11 We face competition from existing offshore support service providers and new entrants in the markets in which we operate

The offshore support services industry is a competitive industry comprising a diversified group of players ranging from large multinational companies to small and medium-sized enterprises. As such, we face competition from existing and new domestic and international offshore support service providers in the markets in which we operate. We also face competition from foreign vessel suppliers which have joint-venture arrangements with local licensed vessel suppliers that provide various maritime services to oil field operators.

The principal competitive factors in the markets that we serve include price, quality of service, safety track record, reputation of vessel operators and crews, and the quality and availability of the type of vessels required by the customers. Our competitors may have longer operating histories and greater financial, technical, marketing and other resources than we do.

Should our existing or new competitors offer services at a lower cost or engage in aggressive pricing in order to increase their market share, our turnover may decline if we are not able to match their costs or aggressive pricing. We may have to provide more competitive pricing in order to attract new customers and retain our existing customers. A reduction in our pricing without any corresponding cost reduction could materially and adversely affect our profitability and financial condition. As a result, there can be no assurance that we will be able to compete successfully against our competitors as well as new market entrants in the future. Our failure to remain competitive may adversely affect our business and growth and could have a material adverse impact on our results of operations and financial condition.

5.2.12 We are subject to political risks inherent in conducting our business internationally

We are active in a number of regions with some of these regions being subject to political instability. A substantial portion of our vessels operate in international waters and we are therefore subject to a number of risks inherent in any business operating in foreign countries, especially in developing nations. These risks include, among others, political instability, expropriation, nationalisation or detention of vessels, import and export quotas and other forms of public and governmental regulation, foreign currency fluctuations, problems arising from collections from customers, repatriation of funds and terrorist attacks.

In addition, as we expand internationally, most of our operations will be subject to international regulations, including foreign laws. We may be required to procure a local partner or otherwise restructure our operations to comply with such regulations, or may be required to cease operations in these areas.

Furthermore, a government could seize one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes her owner. Requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency.

For example, new legislation is being proposed to reform the O&G industry in Nigeria and this may or may not have a material adverse effect on our business and operations. Further details on such new legislation are set out in Section 8 of this Prospectus.

Although our business and operations have so far not been materially and adversely affected by any such events, we are unable to predict that our Company can remain unaffected by the consequences of any such events in the future. If any of these events or other similar events occur in the future, it may have a material impact on our operations and consequently, materially and adversely affect our financial condition and results of operations.

5.2.13 We are exposed to acts of piracy

Acts of piracy have historically occurred in areas where we have operated, such as the west coast of Africa and there is a risk that acts of piracy will continue to occur in these areas, as well as in other regions. Although our risk could be mitigated through security arrangements (such as armed security escorts and naval support) and insurance, such arrangements may be unavailable, may only be available at increased costs or may prove to be insufficient. In addition, crew costs could also increase if piracy continues to be a risk. Detention hijacking as a result of an act of piracy against our vessels, or an increase in cost or unavailability of insurance for our vessels could have a material adverse impact on our business, financial condition and results of operations. Although our business and operations have not been materially and adversely affected by acts of piracy, there can be no assurance that we will not be affected by such acts in the future.

5.2.14 We are exposed to technological risk

The offshore O&G industry is a highly technical and technology-based industry. As our customers move their offshore operations into deeper waters, they may demand more powerful vessels equipped with greater technological capabilities and larger capacities to support their operations. In addition, we may also need to improve our technical know-how and technological understanding associated with large and complex projects. If we are unable to meet their requirements, this may affect our customers' confidence in us, and hence our revenue and profitability could be materially and adversely affected.

We continually seek to stay on top of new technologies and to implement new technologies into our major projects in a safe and cost competitive way. There is a risk that such new technologies may not function as expected and thus resulting in modifications or delays, which could have a material adverse impact on our business, financial condition, results of operations and prospects.

There can be no assurance that we will be successful in coping with any future technological change and innovation to avoid any material adverse effect on our operations.

5.2.15 We are dependent on our key management and key technical personnel as well as our ability to hire and retain skilled and specialised employees

We believe that our continued success and future performance depends to a large extent upon the skills, abilities, experience, competency and continuous efforts of our key management, and on our Group's ability to hire and retain qualified and competent personnel. The experience, knowledge and expertise of our key management are pivotal to our Group's success. While we have made efforts to nurture and maintain good relationships with our key management, there can be no assurance that the loss of any of our key management personnel can be avoided and would not materially and adversely affect our Group's business, operating results and financial condition.

Our business units are dependent on the application of highly advanced technology and knowledge. The number of people with the required expertise and experience is small whilst competition to acquire their services is usually intense in the offshore O&G industry.

As such, we could experience difficulties in attracting, recruiting and retaining the appropriate number of specialists for our business needs. We may be required to increase our remuneration package to attract and retain such personnel. As our future performance will depend on the continued services of these specialists, a sudden loss of key personnel or the inability to manage the attrition rate in different employee categories could adversely affect the quality of our services, the growth of our business and result in increased costs.

5.2.16 We are exposed to risks relating to growth and expansion

Our future operating results will depend on our management's ability to manage our growth, which includes recruiting and retaining qualified employees, controlling costs and expanding our fleet of vessels and facilities and their capacity utilisation. As part of our future plans, we intend to expand our business, both geographically and operationally. Any such expansion carries with it inherent risks and uncertainties and requires significant management attention and company resources and may not yield the results we expect.

The expansion of our international operations will expose us to risks relating to investments in certain foreign countries. Any future international expansion may also fail due to other difficulties inherent in foreign operations, including:

- unexpected changes in international and foreign regulatory requirements and tariffs;
- difficulties in staffing and managing foreign operations;
- potential adverse tax consequences;
- cultural differences;
- price controls or other restrictions on foreign currency; and
- difficulties in obtaining export and import licences.

There is no assurance that our business expansion will be successful or lead to an increase in our profits. Our expansion could also result in an increase in the fixed costs of our operations. Our ability to maintain or increase our profitability will continue to depend, in part, on our ability to increase revenues and to maintain or increase the utilisation rates of our facilities and vessels. In addition, the growth of our operations will place additional demands on our management team, our in-house design and technical production teams, and our procurement, financial reporting and information technology teams and systems. The expansion of our operations will also require significant attention from our management and other personnel and may divert such resources from other aspects of our business. We may also not be able to find qualified high-level management to oversee our expansion into new markets or to find managers who will understand and be able to integrate into our corporate culture.

In addition, we will have to integrate all of our reporting, logistics, accounting, financial and fulfilment systems or functions across our locations. If we do not manage such integration effectively, our business, financial condition and results of operations could be materially and adversely affected.

5.2.17 We may have inadequate insurance coverage

The operation of our vessels involves inherent risks such as oil spills, damage to and loss of vessels and cargo sustained in collisions, property loss and interruptions to operations caused by adverse weather and environmental conditions, mechanical failures, crew negligence and navigation errors.

The occurrence of any of these events may result in damage to or loss of our vessels and our vessels' cargo or other property and injury to passengers and personnel on board. Such occurrences may also result in a significant increase in operating costs or liability to third parties. In addition, concerns about other factors (including hijacks or attacks), have caused significant increases in the cost of insurance coverage and may result in higher insurance charges and in turn, higher operating costs in the future.

In the event of an oil spill or damaged or lost cargo, we may incur liability for containment, clean-up, salvage costs and other damage that may arise as a result. We may also be liable for damage sustained in collisions and wreck removal charges arising from the operation of our vessels. Moreover, our customers may become subject to penalties, fines or insurance claims and attempt to pass on part or all of these costs to us. In addition, we may be liable for substantial fines and penalties imposed by the authorities of the relevant jurisdictions. Any of such events will disrupt our business and lead to a reduction in revenue and profits and increase our cost of operations.

Currently, we believe that our vessels are sufficiently covered by, amongst others, hull and machinery insurance, loss of hire insurance and protection and indemnity insurance, in line with industry practice. Further, we have not made any material insurance claims in the past. However, there can be no assurance that all risks can be adequately insured at all times against all potential liabilities and losses or that any insured sum will be paid. In the event of damage or losses in excess of the insurance coverage taken up, we may be required to make material compensation payments. As such, our financial condition may be materially and adversely affected.

Furthermore, events such as wars, piracy or terrorist attacks may result in substantial increases in our insurance premiums, thereby affecting our financial performance.

5.2.18 Our cash flow may be adversely affected by delays in collection or non-recoverability of trade receivables

Cash flow constraints may arise due to delays in collection or non-recoverability of trade receivables. This may affect our ability to pay our suppliers, potentially delaying our project implementation and consequently materially and adversely affecting our financial condition.

We generally grant credit terms of between 30 and 45 days to our customers, and are therefore exposed to potential payment delays and default by such customers. There is no assurance that we will be able to collect such debts on time, or at all. If our customers experience cash flow difficulties or a decline in their business performance, they may default in their payments to us. Further, during economic downturns, our customers may be materially and adversely affected financially and the possibility of defaults in payment to us may be greater. As a result, we may experience payment delays or in more severe cases, non-recovery of debts from our customers. We would then have to make provisions for doubtful debts, or incur debt write-offs, which may have a material adverse impact on our financial results.

5.2.19 We may be adversely affected by any change in the current taxation regulations in the jurisdictions in which we operate

Any changes in the current tax regime and/or laws, rules and regulations pertaining to the taxation of companies, or the interpretation thereof, whether in Malaysia or in any other jurisdictions in which we operate, which have a retrospective, current and/or prospective effect, will affect the tax paid or payable by us arising from a tax reassessment on our financial results. For example, there was a tax reassessment for BAN for the years of assessment from 2002 to 2007, for which voluntary payments were made.

Currently, under Section 54A of the Malaysian Income Tax Act, 1967, income arising from the business of transporting passengers or cargo by sea on a Malaysian ship or from letting out on charter a Malaysian ship on a voyage or time charter basis of our Group is exempt from tax. A Malaysian ship is defined under the Malaysian Income Tax Act, 1967 as a sea-going ship registered as such under the Malaysian Merchant Shipping Ordinance, 1952 and excludes ferries, barges, tug boats, supply vessels, crew boats, lighters, dredgers, fishing boats or other similar vessels. Business income from our non-Malaysian ships is taxed at the relevant statutory rates for the year. Any changes in the current tax regulations in Malaysia or tax positions taken by the Malaysian tax authorities in respect of shipping income may adversely affect the amount of income tax payable by our Group and may have a material adverse impact on our financial results.

5.2.20 We are exposed to risks arising from foreign exchange fluctuations

Our customer contracts, capital expenditure and operating costs are generally denominated in USD, with a small portion denominated in RM and other foreign currencies. However, we report our financial results in RM. As a result, our financial results are impacted by foreign currency fluctuations, and in particular fluctuations of the USD, against the RM, which may affect our Group's financial position.

We are also exposed to foreign exchange fluctuations in the event of mismatches between the amounts and timing of receipts and payments in foreign currencies. To the extent there are any such mismatches, a significant fluctuation in the applicable foreign currencies against the RM arising from such timing differences, for example in respect of credit terms given to our customers and by our suppliers, we may incur foreign exchange losses.

5.2.21 There may be conflicts of interest between our Company and our related parties

We have entered into various transactions with companies directly or indirectly controlled by or connected to our related parties. The Listing Requirements define a related party as a director, a major shareholder or a person connected with such director or major shareholder (including a person that was a director or major shareholder within the preceding 6 months before the terms of the transaction were agreed upon). A "major shareholder" means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company. In addition, we expect that we will in the future enter into other transactions with related parties. These transactions may involve conflicts of interest which may be detrimental to us. Further, some of our substantial shareholders, Directors or key management have engaged and may in the future engage in businesses carrying on a similar trade as ours or businesses which are the customers or suppliers of ours, from which potential conflicts of interest may arise.

There can be no assurance that competition between our businesses and the businesses of our substantial shareholders and companies associated with our substantial shareholders or with our Directors or key management will not arise or that there will not be any other direct or indirect competition and conflicts of interest between our Company and our substantial shareholders and companies associated with our substantial shareholders, Directors or key management. Also, there can be no assurance that direct or indirect competition will not arise in the future between our Company and our substantial shareholders and companies associated with our substantial shareholders, Directors and key management.

5.2.22 Control by a substantial shareholder

As disclosed in Section 9.4 of this Prospectus, upon completion of our IPO, OBSB will own about 42% of our enlarged issued and paid-up share capital and thus will be able to exercise control over more than 33% of our Company. The direct and indirect substantial shareholders of OBSB are as set out in Section 9.4 of this Prospectus. As the controlling shareholder of our Company, other than in respect of certain votes regarding matters in which it is an interested party and must abstain from voting under the Listing Requirements, OBSB will be able to influence the election of our Directors, and the approval of any corporate proposals or transactions requiring the approval of our shareholders.

Although we will be required to comply with the conflict of interests rule under the Listing Requirements, the interests of OBSB may differ from or conflict with the interests of other shareholders of our Company.

5.2.23 An adverse judgment or settlement in respect of any future claims against us could have an adverse effect on our financial condition and the results of our operations

The operation of our vessels involves the risk of accidents and other incidents that may lead to claims against our Group. An adverse judgment or settlement in respect of any future claims against our Group may lead to negative publicity about us and adversely affect our reputation and customers' perception of our safety record as well as have a material and adverse effect on our cash flow, financial condition and results of operations.

5.3 Risks relating to our Shares

5.3.1 There has been no public market for our Shares

There has been no public market for our Shares since our delisting on 18 April 2003. There can be no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell their Shares or the prices at which holders would be able to sell their Shares.

Our Shares could trade at prices that may be lower than the Institutional Price or the Final Retail Price depending on many factors, including prevailing economic and financial conditions in Malaysia, our operating results and the markets for similar securities. In addition, the market for securities in emerging markets has been subject to disruptions that have caused intense volatility in the prices of securities similar to our Shares. There can be no assurance that the market for our Shares, if any, will not be subject to similar disruptions. Any disruption in such markets may have a material and adverse effect on the holders of our Shares.

5.3.2 There may be a potential delay or failure of the Listing

The Listing may be potentially delayed or aborted upon the occurrence of certain events, including the following:

(i) we are unable to meet the public spread requirements as determined by Bursa Securities of having at least 25% of our enlarged issued and paid-up Shares being held by a minimum of 1,000 public shareholders holding not less than 100 Shares each at the point of Listing; or

(ii) revocation of the approval of Bursa Securities for the Listing and/or admission to the Official List for whatever reason.

If the Listing is aborted, investors will not receive any IPO Shares and we and the Selling Shareholders will return in full, without interest, all monies paid in respect of any application for the IPO Shares. If any such monies are not repaid within 14 days after we and the Selling Shareholders become liable to repay it, the provisions of sub-sections 243(2) and 243(6) of the CMSA shall apply accordingly.

5.3.3 Our Share price and trading volume may be volatile

The market price of our Shares may fluctuate as a result of variations in the liquidity of the market for our Shares, differences between our actual financial operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations. The market price of our Shares is also susceptible to developments in the offshore O&G industry, including new developments or technology advancements within the offshore O&G industry, corporate exercises, acquisitions or strategic alliances by our competitors or customers.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of our Shares. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Institutional Price or the Final Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that have affected the share price of many companies. Share prices of many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. There can be no assurance that the price and trading of our Shares will not be subject to such fluctuation in the future.

5.3.4 We may not be able to pay dividends or realise dividends from our subsidiaries

Dividend payments are not guaranteed and our Board may decide, at its sole absolute discretion, at any time and for any reason, not to pay dividends. If we do not pay dividends, or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of any investment in our Shares may be reduced.

Any payment of dividends may adversely affect our ability to fund unexpected capital expenditures as well as our ability to make interest and principal repayments on our debt. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be possible or may not be on favourable terms or at all. Further, in the event we incur new borrowings subsequent to the Listing, we may be subject to covenants restricting our ability to pay dividends.

We are an investment holding company and conduct substantially all of our operations through our subsidiaries. Accordingly, an important source of our income, and consequently an important factor in our ability to pay dividends on our Shares, is dividends and other distributions received from our subsidiaries. Our subsidiaries' ability to pay dividends or make other distributions to us in the future is subject to them having sufficient funds and distributable profits after setting aside funds required for their operations, other obligations or business plans. Our subsidiaries' ability to make and obtain dividends may also be restricted by the terms contained in the shareholders' agreements governing those subsidiaries and financing agreements entered into by them. Terms of the financing agreements typically only allow for dividends to be declared provided that financial covenants in these agreements continue to be complied with and no event of default and/or material and adverse effect to the business of these subsidiaries would result from such dividend declaration and/or payment. Further, as our Company is a shareholder of our operating companies, our claims as such will generally rank junior to all other creditors and claimants against our operating companies. In the event of an operating company's liquidation, there may not be sufficient assets for our Company to recoup our investment. For a description of our dividend policy, please refer to Section 12.6 of this Prospectus.

5.3.5 The sale or the possible sale of a substantial number of our Shares in the public market following our IPO could adversely affect the price of our Shares

Following the Listing, approximately 70% of our enlarged issued and paid-up share capital will be held by the Promoters and Selling Shareholders, and approximately 30% of our enlarged issued and paid-up share capital will be held by investors participating in our IPO. The IPO Shares will be tradable on the Main Market without restriction following the Listing. While we and the Selling Shareholders have entered into the lock-up arrangements as set out in Section 4.10.2 of this Prospectus, and in addition, the Shares held by the Promoters are subject to a moratorium as described in Section 10.2 of this Prospectus, it is possible that we may issue additional Shares after the end of the lock-up period in connection with financing activities or otherwise in the future, and it is possible that the Promoters as well as the Selling Shareholders may dispose of some or all of their Shares pursuant to their own investment objectives. If the Promoters and/or the Selling Shareholders sell or are perceived as intending to sell a substantial amount of our Shares, the market price for our Shares could be materially and adversely affected.

The Promoters and Selling Shareholders will own the balance of the remaining Shares not offered under the IPO, of which the Shares held by the Promoters will be subject to a moratorium in accordance with the SC's requirements and the lock-up arrangements. For a description of the moratorium and lock-up arrangements, please refer to Sections 10.2 and 4.10.2 of this Prospectus, respectively.

5.4 Other risks

5.4.1 We may be materially and adversely affected by possible outbreaks of infectious diseases

We, as well as our customers and suppliers, operate in countries which may be affected by the outbreak or re-emergence of severe acute respiratory syndrome ("SARS"), avian influenza, Influenza A (H1N1) or other infectious diseases. In 2003, certain countries in Asia experienced an outbreak of SARS, a highly contagious form of atypical pneumonia, which seriously disrupted economic activities in the region and caused demand for goods and services to plummet throughout the area. In late 2003 and early 2004, outbreaks of avian influenza occurred in several countries in Asia and spread to other parts of the world including Europe in 2005, and the Middle East and Africa in 2006. In June 2007, new cases of human infection of avian influenza in China and Indonesia were reported. In early 2009, outbreaks of Influenza A (H1N1) occurred in Mexico. In May 2009, the first cases were detected in Asia, and in June 2009, the World Health Organisation ("WHO") declared a global flu pandemic. The WHO and other agencies continue to issue warnings of a potential avian influenza pandemic if there are sustained human-to-human transmissions.

An outbreak of SARS, avian influenza, Influenza A (H1N1) or other contagious disease, or the perception that such an outbreak may occur, or the measures taken by the governments of affected countries against such potential outbreaks could seriously disrupt our operations or those of our suppliers and customers and negatively impact economic conditions globally, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

5.4.2 Forward-looking statements are subject to uncertainties and contingencies

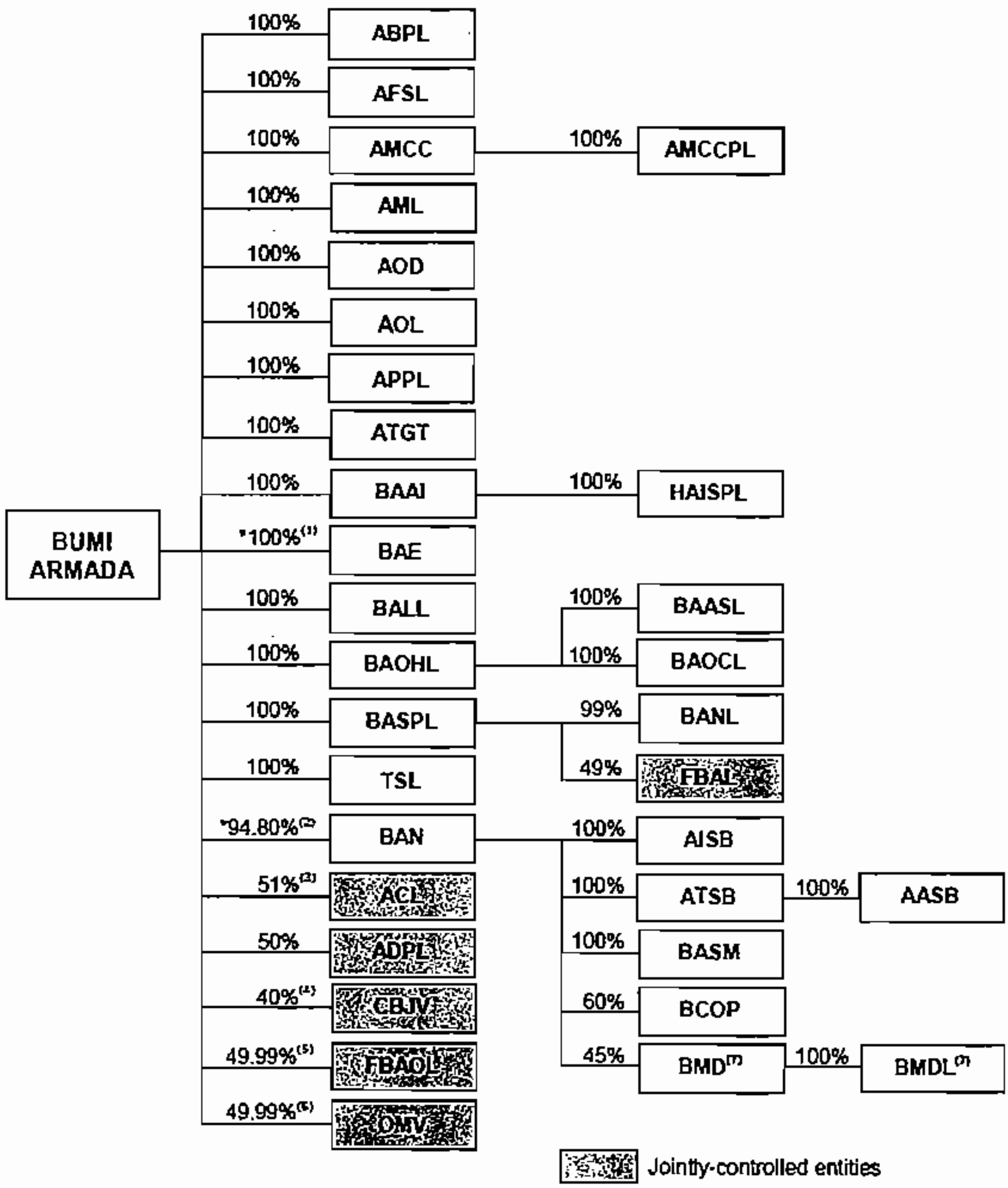
Certain statements in this Prospectus are based on historical data, which may not be reflective of the future results. Other statements, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Company for future operations, which are forward-looking in nature, are subject to uncertainties and contingencies. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will subsequently materialise. Their inclusion in this Prospectus should not be regarded as a representation or warranty by our Company, the Promoters, Selling Shareholders, Joint Principal Advisers or any other advisers that the plans and objectives of our Group will be achieved.

6.1 Our Company

Our Company was incorporated in Malaysia under the Act as a public company limited by shares on 12 December 1995 under its present name and commenced its business on 28 March 1997. We were previously listed on 25 June 1997 on the then Main Board of the Kuala Lumpur Stock Exchange (now the Main Market) and were subsequently delisted on 18 April 2003.

We are principally an investment holding company whilst our subsidiaries are principally involved in the provision of marine transportation, FPSO operations, vessel construction, and engineering and maintenance services to the offshore O&G companies.

Our current Group structure, including our associated companies and jointly-controlled entities, is set forth below:



Notes:

* *Based on our Group's effective interest.*

(1) *Our Company has a deemed interest in the entire issued and paid-up share capital of BAE by virtue of (i) a loan agreement and a call option agreement both dated 8 June 2006 between our Company and Mohd Rafael bin Mohd Shamsudin; and (ii) our interest, through BAAI, in the shares held by Baharin bin Chik in BAE.*

(2) *We hold 48.92% of the ordinary share capital of BAN. However, BAN is treated as our subsidiary in our financial statements as we control the financial and operating policies of BAN pursuant to a shareholders' agreement entered between BAN, the shareholders of BAN and us on 25 March 2011, details of which are set out in Section 6.3.2.1 of this Prospectus.*

(3) *ACL is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and CESL effected on 14 April 2010, where we jointly control ACL's financial and operating policies with CESL.*

(4) *CBJV is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and CESL effected on 14 April 2010, where we jointly control CBJV's financial and operating policies with CESL.*

(5) *FBAOL is treated as our jointly-controlled entity in our financial statements pursuant to the agreement between us and Forbes & Company Limited effected on 18 January 2011, where we jointly control FBAOL's financial and operating policies with Forbes & Company Limited.*

(6) *OMV is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and FVSB effected on 7 July 2005, where we jointly control OMV's financial and operating policies with FVSB.*

(7) *J. Rey McDermott S.A. ("JRM") had on 25 January 2011 issued a notice of termination of the shareholders' agreement dated 22 June 2001 between BAN, JRM and Schematic Principle (M) Sdn Bhd in respect of BMD. BAN is disputing such termination. For further details, please refer to Section 15.7 of this Prospectus.*

6.2 Share capital

Our authorised share capital as at the LPD is RM456,840,000 comprising 2,284,200,000 Shares whilst our issued and paid-up ordinary share capital as at the LPD is RM456,840,000 comprising 2,284,200,000 Shares.

As at the LPD, save for the uncalled capital set out in Sections 6.3.3.3(ii) and 6.3.10.1(ii) of this Prospectus and the outstanding options set out in Sections 15.1(iv)(a) and 15.1(iv)(b) of this Prospectus, neither our Company nor our subsidiaries, associated companies and jointly-controlled entities has any outstanding warrant, options, convertible security or uncalled capital.

Details of the changes to our issued and paid-up share capital for the past 3 years preceding the LPD are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
Ordinary shares				
21.02.2011	7,500,000	1.00	Cash	70,500,000
23.03.2011	5,640,000	1.00	Cash	76,140,000
30.03.2011	380,700,000	1.00	Bonus issue	456,840,000
31.03.2011	2,284,200,000	0.20	Subdivision of shares	456,840,000

6.3 Subsidiaries, associated companies and jointly-controlled entities

As at the LPD, our subsidiaries, associated companies and jointly-controlled entities are as follows:

Name	Date and country of incorporation	Issued and paid-up share capital	Group's effective interest %	Principal activities
Direct wholly-owned subsidiaries of Bumi Armada				
ABPL	18.02.2011 Singapore	SGD2	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies (It has not commenced its business)
AFSL	10.05.2007 BVI	USD10,000	100.00	Bareboat charter of an FPSO unit
AMCC	25.09.2008 BVI	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies
AML	03.05.2005 BVI	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies
AOD	26.02.2008 UAE	AED1,000,000	100.00	Dormant
AOL	04.03.2008 BVI	USD10,000	100.00	Bareboat charter of an FPSO unit
APPL	01.12.2010 Singapore	SGD2	100.00	Dormant
ATGT	28.10.2009 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies
BAAI	05.11.1987 Malaysia	RM1,600,000 ordinary shares; RM160,000 7% redeemable cumulative preference shares	100.00	Investment holding
BAE	03.05.1993 Malaysia	RM100,000	100.00[(1)]	Provision of engineering consultancy services
BALL	10.08.2007 Federal Territory of Labuan, Malaysia	USD1	100.00	Dormant
BAOHL	17.06.2010 Marshall Islands	USD10,000	100.00	Dormant

Name	Date and country of incorporation	Issued and paid-up share capital	Group's effective interest %	Principal activities
BASPL	21.12.2004 Singapore	SGD50,000	100.00	Ship management, and chartering O&M of FPSO unit
TSL	18.08.2010 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies
Direct partly-owned subsidiary of Bumi Armada				
BAN	24.06.1977 Malaysia	RM10,220,000 ordinary shares; RM900,000 redeemable preference shares	94.80[2]	Provision of marine transportation, and support services to the offshore O&G companies and vessel construction
Jointly-controlled entities of Bumi Armada				
ACL	15.10.2009 BVI	USD100,000	51.00[3]	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies
ADPL	24.02.2011 Singapore	SGD128,436	50.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies
CBJV	08.02.2008 Nigeria	-[4]	40.00[5]	O&G exploration, and production and marine services
FBAOL	29.10.2010 India	INR1,000,000	49.99[6]	Ship owners, charterers and managers of ships and vessels, marine support and other services to O&G companies
OMV	22.07.2005 Malaysia	RM7,500,001	49.99[7]	Provision of integrated service solutions for the supply, O&M of support vessels and logistics and maritime transportation services to the O&G industry
Subsidiary of AMCC				
AMCCPL	13.03.1996 Singapore	SGD2,000,000	100.00	Chartering of ships, barges and boats with crew (freight)
Subsidiary of BAAI				
HAISPL	13.02.1993 Singapore	SGD2,000,000	100.00	Repair of ships, tankers and other ocean-going vessels and the manufacture and repair of marine engine and ship parts

6. INFORMATION ON OUR GROUP *(cont'd)*

Name	Date and country of incorporation	Issued and paid-up share capital	Group's effective interest	Principal activities
			%	
Subsidiaries of BAOHL				
BAASL	25.04.2011 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies
BAOCL	10.05.2011 Marshall Islands	USD10,000	100.00	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies
Subsidiary of BASPL				
BANL	09.06.2009 Nigeria	NGN10,000,000	99.00	Dormant
Subsidiaries of BAN				
AISB	26.12.1992 Malaysia	RM500,000	94.80	Sea charter transportation
ATSB	03.12.1994 Malaysia	RM1,500,000	94.80	Dormant
BASM	07.02.1998 Malaysia	RM2	94.80	Dormant
BCOP	19.11.1996 Malaysia	RM1,000,000	56.88	Dormant
Associated company of BAN				
BMD*	28.04.2000 Malaysia	RM5,000,000 ordinary shares; RM100,000 redeemable cumulative participating preference shares	42.66	Provision of construction and installation of offshore pipelines and structures
Jointly-controlled entity of BASPL				
FBAL	23.02.2006 India	INR12,500,000[8]	49.00	Ship owners, charterers and managers of ships and vessels, marine support and other services to O&G companies
Subsidiary of ATSB				
AASB	03.12.1994 Malaysia	RM2	94.80	Dormant

6. INFORMATION ON OUR GROUP *(cont'd)*

Name	Date and country of incorporation	Issued and paid-up share capital	Group's effective interest	Principal activities
			%	
Subsidiary of BMD				
BMDL*	08.05.2002 Federal Territory of Labuan, Malaysia	USD125,000 ordinary shares; USD250,000 redeemable cumulative participating preference shares	42.66	Leasing

Notes:

* *JRM had on 25 January 2011 issued a notice of termination of tha shareholders' agreement dated 22 June 2001 between BAN, JRM and Schematic Principle (M) Sdn Bhd in respect of BMD. BAN is disputing such termination. For further deteils, please refer to Section 15.7 of this Prospectus.*

(1) *Our Company has a deemed interest in the entire issued and paid-up share capital of BAE by virtue of (i) a loan agreement and a call option agreement both dated 8 June 2006 between our Company and Mohd Rafael bin Mohd Shemsudin; and (ii) our interest, through BAAI, in the shares held by Baharin bin Chik in BAE.*

(2) *We hold 46.92% of the ordinary share capital of BAN. However, BAN is treated as our subsidiary in our financial statements as we control the financial and operating policies of BAN pursuent to a shareholders' agreement entered between BAN, the shareholders of BAN and us on 25 March 2011, details of which ere set out in Section 6.3.2.1 of this Prospectus.*

(3) *ACL is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and CESL effected on 14 April 2010, where we jointly control ACL's financial and operating policies with CESL.*

(4) *The issued share capital of CBJV is NGN25,000,000, none of which has been paid-up, details of which are set out in Section 6.3.3.3(ii) of this Prospectus.*

(5) *CBJV is treated as our jointly-controlled entity in our financial stetements pursuant to the shareholders' agreement between us and CESL effected on 14 April 2010, where we jointly control CBJV's financial and operating policies with CESL.*

(6) *FBAOL is treated as our jointly-controlled entity in our financial statements pursuant to the agreement between us and Forbes & Company Limited effected on 18 January 2011, where we jointly control FBAOL's financial and oparating policies with Forbes & Company Limited.*

(7) *OMV is treated as our jointly-controlled entity in our financial statements pursuant to the sharaholders' agreement between us and FVSB effected on 7 July 2005, where we jointly control OMV's financial and operating policies with FVSB.*

(8) *The issued share capital of FBAL is INR55,000,000 but the allotment of the shares in FBAL on 27 April 2009 was only partly paid-up, details of which are set out in Section 6.3.10.1(ii) of this Prospectus.*

The details of our subsidiaries, associated companies and jointly-controlled entities as at the LPD are set out below:

6.3.1 Direct wholly-owned subsidiaries of Bumi Armada

6.3.1.1 ABPL (Company No. 201104072D)

(i) History and business

ABPL was incorporated in Singapore under the Singapore Companies Act (Cap. 50) as a private limited company on 18 February 2011 under its present name. It has not commenced its business as at the LPD.

The principal activities of ABPL are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) Share capital*

As at the LPD, the issued and paid-up share capital of ABPL is SGD2 comprising 2 ordinary shares.

There has been no change to the issued and paid-up share capital of ABPL since its incorporation on 18 February 2011 up to the LPD.

Note:

* *There is no requirement for authorised share capital and par value for shares under the Singapore Companies Act (Cap. 50).*

(iii) Shareholder

As at the LPD, ABPL is our wholly-owned subsidiary.

(iv) Subsidiary and associated company

As at the LPD, ABPL does not have any subsidiary or associated company.

6.3.1.2 AFSL (Company No. 1403728)

(i) History and business

AFSL was incorporated in BVI under the BVI Business Companies Act, 2004 as a BVI Business Company on 10 May 2007 under its present name and commenced its business on 10 May 2007.

The principal activity of AFSL is the bareboat charter of an FPSO unit.

(ii) Share capital

As at the LPD, the authorised share capital of AFSL is USD50,000 comprising 50,000 ordinary shares of USD1.00 each. The issued and paid-up share capital of AFSL as at the LPD is USD10,000 comprising 10,000 ordinary shares of USD1.00 each.

There has been no change to the issued and paid-up share capital of AFSL for the past 3 years preceding the LPD.

(iii) Shareholder

As at the LPD, AFSL is our wholly-owned subsidiary.

(iv) Subsidiary and associated company

As at the LPD, AFSL does not have any subsidiary or associated company.

6.3.1.3 AMCC (Company No. 1504710)

(i) History and business

AMCC was incorporated in BVI under the BVI Business Companies Act, 2004 as a BVI Business Company on 25 September 2008 under its present name and commenced its business on 25 September 2008.

The principal activities of AMCC are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) Share capital

As at the LPD, the authorised share capital of AMCC is USD50,000 comprising 50,000 shares of a single class of USD1.00 each. The issued and paid-up share capital of AMCC as at the LPD is USD10,000 comprising 10,000 shares of a single class of USD1.00 each.

There has been no change to the issued and paid-up share capital of AMCC since its incorporation on 25 September 2008 up to the LPD.

(iii) **Shareholder**

As at the LPD, AMCC is our wholly-owned subsidiary.

(iv) **Subsidiary and associated company**

The subsidiary of AMCC as at the LPD is AMCCPL, details of which are set out in Section 6.3.4.1 of this Prospectus. AMCC does not have any associated company as at the LPD.

6.3.1.4 AML (Company No. 654871)

(i) **History and business**

AML was incorporated in BVI under the BVI International Business Companies Act, Cap. 291 as an International Business Company on 3 May 2005 under the name of Alpha Legend Investments Limited. AML was re-registered under the BVI Business Companies Act on 1 January 2007. It commenced its business on 3 May 2005 and assumed its present name on 16 June 2005.

The principal activities of AML are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) **Share capital**

As at the LPD, the authorised share capital of AML is USD50,000 comprising 50,000 registered shares of USD1.00 each. The issued and paid-up share capital of AML as at the LPD is USD10,000 comprising 10,000 registered shares of USD1.00 each.

There has been no change to the issued and paid-up share capital for the past 3 years preceding the LPD.

(iii) **Shareholder**

As at the LPD, AML is our wholly-owned subsidiary.

(iv) **Subsidiary and associated company**

As at the LPD, AML does not have any subsidiary or associated company.

6.3.1.5 **AOD (Company No. 80058)**

(i) **History and business**

AOD was registered as an Establishment on 26 February 2008 pursuant to the Implementing Regulations Regarding Dubai Maritime City Establishments issued by the Dubai Maritime City Authority under the name of Armada Offshore FZE. It assumed its present name on 26 February 2008.

AOD is currently dormant.

(ii) **Share capital***

As at the LPD, the issued and paid-up share capital of AOD is AED1,000,000 comprising 1 share of AED1,000,000.

There has been no change to the issued and paid-up share capital of AOD for the past 3 years preceding the LPD.

Note:

* *There is no requirement for authorised share capital under the Implementing Regulations Regarding Dubai Maritime City Establishments issued by the Dubai Maritime City Authority.*

(iii) **Shareholder**

As at the LPD, AOD is our wholly-owned subsidiary.

(iv) **Subsidiary and associated company**

As at the LPD, AOD does not have any subsidiary or associated company.

6.3.1.6 **AOL (Company No. 1467708)**

(i) **History and business**

AOL was incorporated in BVI under the BVI Business Companies Act, 2004 as an International Business Company on 4 March 2008 under its present name and commenced its business on 4 March 2008.

The principal activity of AOL is the bareboat charter of an FPSO unit.

(ii) **Share capital**

As at the LPD, the authorised share capital of AOL is USD50,000 comprising 50,000 shares of a single class of USD1.00 each. The issued and paid-up share capital of AOL as at the LPD is USD10,000 comprising 10,000 shares of a single class of USD1.00 each.

There has been no change to the issued and paid-up share capital of AOL for the past 3 years preceding the LPD.

(iii) **Shareholder**

As at the LPD, AOL is our wholly-owned subsidiary.

(iv) **Subsidiary and associated company**

As at the LPD, AOL does not have any subsidiary or associated company.

6.3.1.7 **APPL (Company No. 201025412N)**

(i) **History and business**

APPL was incorporated in Singapore under the Singapore Companies Act (Cap. 50) as a private limited company on 1 December 2010 under the name of Armada Forbes D1 India Pte Ltd and assumed its present name on 23 March 2011.

APPL is currently dormant.

(ii) **Share capital***

As at the LPD, the issued and paid-up share capital of APPL is SGD2 comprising 2 ordinary shares.

There has been no change to the issued and paid-up share capital of APPL since its incorporation on 1 December 2010 up to the LPD.

Note:

* *There is no requirement for authorised share capital and par value for shares under the Singapore Companies Act (Cap. 50).*

(iii) **Shareholder**

As at the LPD, APPL is our wholly-owned subsidiary.

(iv) **Subsidiary or associated company**

As at the LPD, APPL does not have any subsidiary or associated company.

6.3.1.8 ATGT (Company No. 37748)

(i) History and business

ATGT was incorporated in Marshall Islands under the Marshall Islands Business Corporations Act as a Marshall Islands Corporation on 28 October 2009 under its present name and commenced its business on 28 October 2009.

The principal activities of ATGT are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) Share capital

As at the LPD, the authorised share capital of ATGT is USD50,000 comprising 50,000 registered shares of USD1.00 each. The issued and paid-up share capital of ATGT as at the LPD is USD10,000 comprising 10,000 registered shares of USD1.00 each.

There has been no change to the issued and paid-up share capital of ATGT since its incorporation on 28 October 2009 up to the LPD.

(iii) Shareholder

As at the LPD, ATGT is our wholly-owned subsidiary.

(iv) Subsidiary and associated company

As at the LPD, ATGT does not have any subsidiary or associated company.

6.3.1.9 BAAI (Company No. 165839-T)

(i) History and business

BAAI was incorporated in Malaysia under the Act as a private limited company on 5 November 1987 under the name of Ikrar Emas Sdn Bhd and commenced its business on 5 November 1987. It changed its name to Usahasama Bahagia-Haven (M) Sdn Bhd on 6 July 1988. It subsequently changed its name to Haven Automation Industries Sdn Bhd on 6 July 1993 and assumed its present name on 29 July 2008.

BAAI is an investment holding company.

(ii) Share capital

As at the LPD, the authorised share capital of BAAI is RM10,000,000 comprising 7,000,000 ordinary shares of RM1.00 each and 3,000,000 redeemable preference shares of RM1.00 each. The issued and paid-up share capital of BAAI as at the LPD is RM1,760,000 comprising 1,600,000 ordinary shares of RM1.00 each and 160,000 7% redeemable cumulative preference shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of BAAI for the past 3 years preceding the LPD.

(iii) Shareholder

As at the LPD, BAAI is our wholly-owned subsidiary.

(iv) Subsidiary and associated company

The subsidiary of BAAI as at the LPD is HAISPL, details of which are set out in Section 6.4.5.1 of this Prospectus. BAAI does not have any associated company as at the LPD.

6.3.1.10 BAE (Company No. 263230-V)

(i) History and business

BAE was incorporated in Malaysia under the Act as a private limited company on 3 May 1993 under the name of Dinaz Engineering Sdn Bhd and commenced its business on 3 May 1993. It assumed its present name on 1 August 2006.

The principal activity of BAE is the provision of engineering consultancy services.

(ii) Share capital

As at the LPD, the authorised share capital of BAE is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of BAE as at the LPD is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of BAE for the past 3 years preceding the LPD.

(iii) Shareholders

As at the LPD, Mohd Rafael bin Mohd Shamsudin owns 99.9% of BAE whilst Baharin bin Chik owns the remaining 0.1% of BAE.

Our Company has a deemed interest in the entire issued and paid-up share capital of BAE by virtue of (i) a loan agreement and a call option agreement both dated 8 June 2006 between our Company and Mohd Rafael bin Mohd Shamsudin; and (ii) our interest, through BAAI, in the shares held by Baharin bin Chik in BAE.

(iv) Subsidiary and associated company

As at the LPD, BAE does not have any subsidiary or associated company.

6.3.1.11 **BALL (Company No. LL06041)**

(i) **History and business**

BALL was incorporated in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act, 1990 as a company limited by shares on 10 August 2007 under its present name.

BALL is currently dormant.

(ii) **Share capital***

As at the LPD, the issued and paid-up share capital of BALL as at the LPD is USD1 comprising 1 ordinary share.

There has been no change to the issued and paid-up share capital of BALL for the past 3 years preceding the LPD.

Note:

* *Under the Labuan Companies Act 1990, there is no requirement for a Labuan company to have an authorised share capital and par value for its shares.*

(iii) **Shareholder**

As at the LPD, BALL is our wholly-owned subsidiary.

(iv) **Subsidiary and associated company**

As at the LPD, BALL does not have any subsidiary or associated company.

6.3.1.12 **BAOHL (Company No. 41800)**

(i) **History and business**

BAOHL was incorporated in Marshall Islands under the Marshall Islands Business Corporations Act as a Marshall Islands Corporation on 17 June 2010 under the name of Tetra Navigation Limited and changed its name to Armada D1 India Limited on 16 November 2010. It assumed its present name on 25 April 2011.

BAOHL is currently dormant.

(ii) **Share capital**

As at the LPD, the authorised share capital of BAOHL is USD50,000 comprising 50,000 registered shares of USD1.00 each. The issued and paid-up share capital of BAOHL as at the LPD is USD10,000 comprising 10,000 registered shares of USD1.00 each.

Details of the changes to the issued and paid-up share capital of BAOHL since its incorporation on 17 June 2010 up to the LPD are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up share capital
		USD		USD
Registered shares				
26.10.2010	10,000	1.00	Subscriber shares	10,000

(iii) Shareholder

As at the LPD, BAOHL is our wholly-owned subsidiary.

(iv) Subsidiary and associated company

The subsidiaries of BAOHL as at the LPD are BAASL and BAOCL, details of which are set out in Section 6.3.7 of this Prospectus. BAOHL does not have any associated company as at the LPD.

6.3.1.13 BASPL (Company No. 200416430E)

(i) History and business

BASPL was incorporated in Singapore under the Singapore Companies Act (Cap. 50) as a private limited company on 21 December 2004 under its present name and commenced its business on 21 December 2004.

The principal activities of BASPL are ship management, and chartering O&M of FPSO unit.

(ii) Share capital*

As at the LPD, the issued and paid-up share capital of BASPL is SGD50,000 comprising 50,000 ordinary shares.

There has been no change to the issued and paid-up share capital of BASPL for the past 3 years preceding the LPD.

Note:

* *There is no requirement for authorised share capital and par value for shares under the Singapore Companies Act (Cap. 50).*

(iii) Shareholder

As at the LPD, BASPL is our wholly-owned subsidiary.

(iv) **Subsidiary and associated company**

The subsidiary of BASPL as at the LPD is BANL, details of which are set out in Section 6.3.7.1 of this Prospectus, whilst BASPL's jointly-controlled entity is FBAL, details of which are set out in Section 6.3.10.1 of this Prospectus. BASPL does not have any associated company as at the LPD.

6.3.1.14 TSL (Company No. 42769)

(i) **History and business**

TSL was incorporated in Marshall Islands under the Marshall Islands Business Corporations Act as a Marshall Islands Corporation on 18 August 2010 under its present name and commenced its business on 18 August 2010.

The principal activities of TSL are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) **Share capital**

As at the LPD, the authorised share capital of TSL is USD50,000 comprising 50,000 registered shares of USD1.00 each. The issued and paid-up share capital of TSL as at the LPD is USD10,000 comprising 10,000 registered shares of USD1.00 each.

Details of the changes to the issued and paid-up share capital of TSL since its incorporation on 18 August 2010 up to the LPD are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up share capital
		USD		USD
Registered shares				
08.09.2010	10,000	1.00	Subscriber shares	10,000

(iii) **Shareholder**

As at the LPD, TSL is our wholly-owned subsidiary.

(iv) **Subsidiary and associated company**

As at the LPD, TSL does not have any subsidiary or associated company.

6.3.2 Direct partly-owned subsidiary of Bumi Armada

6.3.2.1 BAN (Company No. 33546-P)

(i) History and business

BAN was incorporated in Malaysia under the Act as a private limited company on 24 June 1977 under its present name and commenced its business on 24 June 1977.

The principal activities of BAN are the provision of marine transportation and support services to the offshore O&G companies and vessel construction.

(ii) Share capital

As at the LPD, the authorised share capital of BAN is RM16,900,000 comprising 16,000,000 ordinary shares of RM1.00 each and 90,000,000 redeemable preference shares of RM0.01 each. The issued and paid-up share capital of BAN as at the LPD is RM11,120,000 comprising 10,220,000 ordinary shares of RM1.00 each and 90,000,000 redeemable preference shares of RM0.01 each.

Details of the changes to the issued and paid-up share capital of BAN for the past 3 years preceding the LPD are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
Redeemable preference shares				
23.03.2011	90,000,000	0.01	Bonus issue	5,900,000
Ordinary shares				
25.03.2011	300	1.00	Cash	5,900,300
25.03.2011	5,219,700	1.00	Cash	11,120,000

(iii) Shareholders

As at the LPD, BAN is our 48.92%-owned subsidiary* whilst WBSB, WSSB and KMSB each owns 17.03% of BAN.

BAN is treated as our subsidiary* in our financial statements as we control the financial and operating policies of BAN pursuant to a shareholders' agreement between BAN, the shareholders of BAN and us on 25 March 2011. As the holder of the redeemable preference shares issued by BAN, we maintain the right to participate in the economic interests of BAN in accordance to the capital contributed. Hence, we consolidate BAN based on the economic interests accorded to it by the redeemable preference shares and ordinary shares held by us in BAN.

Note:

* *Our direct equity interest in BAN is 48.92%. We regard BAN as our subsidiary as our Company controls the financial and operating policies of BAN pursuant to a shareholders agreement entered between BAN, our Company and the shareholders of BAN on 25 March 2011. In addition, as holder of redeemable preference shares ("RPS") issued by BAN, our Company maintains the right to participate in the economic interests of BAN in accordance with the capital contributed. Hence, our effective interest in BAN is 94.80% based on the economic interests accorded to us by the RPS and the ordinary shares we hold in BAN.*

(iv) Subsidiaries and associated company

The subsidiaries of BAN as at the LPD are AISB, ATSB, BASM and BCOP whilst the associated company of BAN as at the LPD is BMD, details of which are set out in Sections 6.3.7 and 6.3.8.1 of this Prospectus, respectively.

6.3.3 Jointly-controlled entities of Bumi Armada

6.3.3.1 ACL (Company No. 1552071)

(i) History and business

ACL was incorporated in BVI under the BVI Business Companies Act, 2004 as a BVI Business Company on 15 October 2009 under its present name and commenced its business on 15 October 2009.

The principal activities of ACL are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) Share capital

As at the LPD, the authorised share capital of ACL is USD100,000 comprising 100,000 shares of a single class of USD1.00 each. The issued and paid-up share capital of ACL as at the LPD is USD100,000 comprising 100,000 shares of a single class of USD1.00 each.

Details of the changes to the issued and paid-up share capital of ACL since its incorporation on 15 October 2009 up to the LPD are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up share capital
		USD		USD
Shares of a single class				
14.04.2010	90,000	1.00	Cash	100,000

(iii) Shareholder

As at the LPD, ACL is our 51%-owned jointly-controlled entity whilst CESL owns the remaining 49% of ACL.

ACL is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and CESL effected on 14 April 2010, where we jointly control ACL's financial and operating policies with CESL.

(iv) Subsidiary and associated company

As at the LPD, ACL does not have any subsidiary or associated company.

6.3.3.2 ADPL (Company No. 201104521C)

(i) History and business

ADPL was incorporated in Singapore under the Singapore Companies Act (Cap. 50) as a private limited company on 24 February 2011 under its present name and commenced its business on 24 February 2011.

The principal activities of ADPL are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) Share capital*

As at the LPD, the issued and paid-up share capital of ADPL is SGD128,436 comprising 128,436 ordinary shares.

There has been no change to the issued and paid-up share capital of ADPL since its incorporation on 24 February 2011 up to the LPD.

Note:

* *There is no requirement for authorised share capital and par value for sheres under the Singapore Companies Act (Cap. 50).*

(iii) Shareholders

As at the LPD, ADPL is our 50%-owned jointly-controlled entity whilst Shapoorji Pallonji & Company Limited and Clean Environment Investments Company Limited own the remaining 49% and 1% of ADPL, respectively.

(iv) Subsidiary and associated company

As at the LPD, ADPL does not have any subsidiary or associated company.

6.3.3.3 CBJV (Company No. RC 729827)

(i) History and business

CBJV was incorporated in Nigeria under the Nigerian Companies and Allied Matters Act, 1990 on 8 February 2008 as a private limited company under its present name and commenced its business on 8 February 2008.

The principal activities of CBJV are O&G exploration, and production and marine services.

(ii) Share capital

As at the LPD, the authorised share capital of CBJV is NGN25,000,000 comprising 25,000,000 ordinary shares of NGN1.00 each. The issued share capital of CBJV as at the LPD is NGN25,000,000 comprising 25,000,000 ordinary shares of NGN1.00 each, none of which has been paid-up.

Details of the changes to the issued share capital of CBJV for the past 3 years preceding the LPD are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued share capital*
		NGN		NGN
Ordinary shares				
03.02.2011	15,000,000	1.00	Cash	25,000,000

Note:

* *None of the issued share capital has been paid-up as at the LPD.*

(iii) Shareholders

As at the LPD, CBJV is our 40%-owned jointly-controlled entity whilst CESL owns the remaining 60% of CBJV.

CBJV is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and CESL effected on 14 April 2010, where we jointly control CBJV's financial and operating policies with CESL.

(iv) Subsidiary and associated company

As at the LPD, CBJV does not have any subsidiary or associated company.

6.3.3.4 FBAOL (Company No. U11102MH2010PLC209600)

(i) History and business

FBAOL was incorporated in India under the India Companies Act, 1956 as a limited company on 29 October 2010 under its present name and commenced its business on 30 November 2010.

The principal activities of FBAOL are ship owners, charterers and managers of ships and vessels, marine support and other services to O&G companies.

(ii) Share capital

As at the LPD, the authorised share capital of FBAOL is INR1,000,000 comprising 100,000 ordinary shares of INR10.00 each. The issued and paid-up share capital of FBAOL as at the LPD is INR1,000,000 comprising 100,000 ordinary shares of INR10.00 each.

Details of the changes to the issued and paid-up share capital of FBAOL since its incorporation on 29 October 2010 up to the LPD are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up share capital
		INR		INR
Ordinary shares				
28.01.2011	50,000	10.00	Cash	1,000,000

(iii) Shareholders

As at the LPD, FBAOL is our 49.99%-owned jointly-controlled entity whilst Forbes & Company Limited owns the remaining 50.01% of FBAOL.

FBAOL is treated as our jointly-controlled entity in our financial statements pursuant to the agreement between us and Forbes & Company Limited effected on 18 January 2011, where we jointly control FBAOL's financial and operating policies with Forbes & Company Limited.

(iv) Subsidiary and associated company

As at the LPD, FBAOL does not have any subsidiary or associated company.

6.3.3.5 OMV (Company No. 703842-M)

(i) History and business

OMV was incorporated in Malaysia under the Act as a private limited company on 22 July 2005 under its present name and commenced its business on 22 July 2005.

The principal activities of OMV are the provision of integrated service solutions for the supply, O&M of support vessels and logistics and maritime transportation services.

(ii) Share capital

As at the LPD, the authorised share capital of OMV is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of OMV as at the LPD is RM7,500,001 comprising 7,500,001 ordinary shares of RM1.00 each.

Details of the changes to the issued and paid-up share capital of OMV for the past 3 years preceding the LPD are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
Ordinary shares				
11.08.2008	7,000,000	1.00	Cash	7,500,001

(iii) Shareholders

As at the LPD, OMV is our 49.99%-owned jointly-controlled entity whilst FVSB owns the remaining 50% plus 1 share of OMV.

OMV is treated as our jointly-controlled entity in our financial statements pursuant to the shareholders' agreement between us and FVSB effected on 7 July 2005, where we jointly control OMV's financial and operating policies with FVSB.

(iv) Subsidiary and associated company

As at the LPD, OMV does not have any subsidiary or associated company.

6.3.4 Subsidiary of AMCC

6.3.4.1 AMCCPL (Company No. 199601745H)

(i) History and business

AMCCPL was incorporated in Singapore under the Singapore Companies Act (Cap. 50) on 13 March 1996 as a limited liability company under the name of ICS-Haven (Singapore) Pte Ltd and commenced its business on 13 March 1996. It changed its name to Haven System Integration Pte Ltd on 1 October 1998 and assumed its present name on 23 April 2010.

The principal activity of AMCCPL is the chartering of ships, barges and boats with crew (freight).

(ii) Share capital*

As at the LPD, the issued and paid-up share capital is SGD2,000,000 comprising 2,000,000 ordinary shares.

There has been no change to the issued and paid-up share capital of AMCCPL for the past 3 years preceding the LPD.

Note:

* *There is no requirement for authorised share capital and par value for shares under the Singapore Companies Act (Cap. 50).*

(iii) Shareholder

As at the LPD, AMCCPL is a wholly-owned subsidiary of AMCC.

(iv) Subsidiary and associated company

As at the LPD, AMCCPL does not have any subsidiary or associated company.

6.3.5 Subsidiary of BAAI

6.3.5.1 HAISPL (Company No. 199300833C)

(i) History and business

HAISPL was incorporated in Singapore under the Singapore Companies Act (Cap. 50) as a limited liability company on 13 February 1993 under its present name and commenced its business on 13 February 1993.

The principal activities of HAISPL are the repair of ships, tankers and other ocean-going vessels and the manufacture and repair of marine engine and ship parts.

(ii) Share capital*

As at the LPD, the issued and paid-up share capital is SGD2,000,000 comprising 2,000,000 ordinary shares.

There has been no change to the issued and paid-up share capital of HAISPL for the past 3 years preceding the LPD.

Note:

* *There is no requirement for authorised share capital and par value for shares under the Singapore Companies Act (Cap. 50).*

(iii) Shareholder

As at the LPD, HAISPL is a wholly-owned subsidiary of BAAI.

(iv) Subsidiary and associated company

As at the LPD, HAISPL does not have any subsidiary or associated company.

6.3.6 Subsidiaries of BAOHL

6.3.6.1 BAASL (Company No. 47185)

(i) History and business

BAASL was incorporated in Marshall Islands under the Marshall Islands Business Corporations Act as a Marshall Islands Corporation on 25 April 2011 under its present name.

The principal activities of BAASL are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) Share capital

As at the LPD, the authorised share capital of BAASL is USD50,000 comprising 50,000 registered shares of USD1.00 each. The issued and paid-up share capital of BAASL as at the LPD is USD10,000 comprising 10,000 registered shares of USD1.00 each.

There has been no change to the issued and paid-up share capital of BAASL since its incorporation on 25 April 2011 up to the LPD.

(iii) Shareholder

As at the LPD, BAASL is a wholly-owned subsidiary of BAOHL.

(iv) Subsidiary and associated company

As at the LPD, BAASL does not have any subsidiary or associated company.

6.3.6.2 BAOCL (Company No. 47503)

(i) History and business

BAOCL was incorporated in Marshall Islands under the Marshall Islands Business Corporations Act as a Marshall Islands Corporation on 10 May 2011 under its present name.

The principal activities of BAOCL are ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore O&G companies.

(ii) Share capital

As at the LPD, the authorised share capital of BAOCL is USD50,000 comprising 50,000 registered shares of USD1.00 each. The issued and paid-up share capital of BAOCL as at the LPD is USD10,000 comprising 10,000 registered shares of USD1.00 each.

There has been no change to the issued and paid-up share capital of BAOCL since its incorporation on 10 May 2011 up to the LPD.

(iii) **Shareholder**

As at the LPD, BAOCL is a wholly-owned subsidiary of BAOHL.

(iv) **Subsidiary and associated company**

As at the LPD, BAOCL does not have any subsidiary or associated company.

6.3.7 Subsidiary of BASPL

6.3.7.1 BANL (Company No. RC822942)

(i) **History and business**

BANL was incorporated in Nigeria under the Nigerian Companies and Allied Matters Act, 1990 as a private limited company on 9 June 2009 under its present name.

BANL is currently dormant.

(ii) **Share capital**

As at the LPD, the authorised share capital of BANL is NGN10,000,000 comprising 10,000,000 ordinary shares of NGN1.00 each. The issued and paid-up share capital of BANL as at the LPD is NGN10,000,000 comprising 10,000,000 ordinary shares of NGN1.00 each.

There has been no change to the issued and paid-up share capital since its incorporation on 9 June 2009 up to the LPD.

(iii) **Shareholders**

As at the LPD, BANL is a 99%-owned subsidiary of BASPL whilst CBJV owns tne remaining 1% of BANL.

(iv) **Subsidiary and associated company**

As at the LPD, BANL does not have any subsidiary or associated company.

6.3.8 Subsidiaries of BAN

6.3.8.1 AISB (Company No. 254483-P)

(i) History and business

AISB was incorporated in Malaysia under the Act as a private limited company on 26 December 1992 under its present name and commenced its business on 26 December 1992.

The principal activity of AISB is sea charter transportation.

(ii) Share capital

As at the LPD, the authorised share capital of AISB is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of AISB as at the LPD is RM500,000 comprising 500,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of AISB for the past 3 years preceding the LPD.

(iii) Shareholder

As at the LPD, AISB is a wholly-owned subsidiary of BAN.

(iv) Subsidiary and associated company

As at the LPD, AISB does not have any subsidiary or associated company.

6.3.8.2 ATSB (Company No. 325713-D)

(i) History and business

ATSB was incorporated in Malaysia under the Act as a private limited company on 3 December 1994 under the name of Aspirasi Bakti Sdn Bhd. It assumed its present name on 20 January 1995.

ATSB is currently dormant.

(ii) Share capital

As at the LPD, the authorised share capital of ATSB is RM25,000,000 comprising 24,000,000 ordinary shares of RM1.00 each and 1,000,000 redeemable preference shares of RM1.00 each. The issued and paid-up share capital of ATSB as at the LPD is RM1,500,000 comprising 1,500,000 ordinary shares of RM1.00 each. There were 11,000 redeemable preference shares of RM1.00 each allotted on 7 July 1995, of which 5,390 were redeemed on 14 February 2001 and the remaining 5,610 were fully redeemed on 29 October 2004.

There has been no change to the issued and paid-up share capital of ATSB for the past 3 years preceding the LPD.

(iii) **Shareholder**

As at the LPD, ATSB is a wholly-owned subsidiary of BAN.

(iv) **Subsidiary and associated company**

The subsidiary of ATSB as at the LPD is AASB, details of which are set out in Section 6.3.11.1 of this Prospectus. ATSB does not have any associated company as at the LPD.

6.3.8.3 BASM (Company No. 457467-A)

(i) **History and business**

BASM was incorporated in Malaysia under the Act as a private limited company on 7 February 1998 under the name of Cita Pedoman Sdn Bhd and commenced its business on 7 February 1998. It assumed its present name on 15 May 1998.

BASM is currently dormant.

(ii) **Share capital**

As at the LPD, the authorised share capital of BASM is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of BASM as at the LPD is RM2 comprising 2 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of BASM for the past 3 years preceding the LPD.

(iii) **Shareholder**

As at the LPD, BASM is a wholly-owned subsidiary of BAN.

(iv) **Subsidiary and associated company**

As at the LPD, BASM does not have any subsidiary or associated company.

6.3.8.4 BCOP (Company No. 410506-P)

(i) **History and business**

BCOP was incorporated in Malaysia under the Act as a private limited company on 19 November 1996 under its present name.

BCOP is currently dormant.

(ii) **Share capital**

As at the LPD, the authorised share capital of BCOP is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of BCOP as at the LPD is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital of BCOP for the past 3 years preceding the LPD.

(iii) **Shareholders**

As at the LPD, BCOP is a 60%-owned subsidiary of BAN whilst Care Production Inc owns the remaining 40% of BCOP.

(iv) **Subsidiary and associated company**

As at the LPD, BCOP does not have any subsidiary or associated company.

6.3.9 Associated company of BAN

6.3.9.1 BMD* (Company No.512907-M)

(i) **History and business**

BMD was incorporated in Malaysia under the Act as a private limited company on 28 April 2000 under the name of Mutual Faith Unity Sdn Bhd. It assumed its present name on 13 February 2001.

The principal activities of BMD are the provision of construction and installation of offshore pipelines and structures.

(ii) **Share capital**

As at the LPD, the authorised share capital of BMD is RM5,100,000 comprising 5,000,000 ordinary shares of RM1.00 each and 100,000 redeemable cumulative participating preference shares of RM1.00 each. The issued and paid-up capital of BMD as at the LPD is RM5,100,000 comprising 5,000,000 ordinary shares of RM1.00 each and 100,000 redeemable cumulative participating preference shares of RM1.00 each.

The changes in the issued and paid-up share capital of BMD for the past 3 years preceding 26 March 2010 are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
Ordinary shares				
24.03.2009	150,000	1.00	Cash subscription	1,283,300
14.05.2009	3,716,700	1.00	Cash subscription	5,000,000

(iii) **Shareholders**

As at the LPD, BMD is a 45%-owned associated company of BAN whilst J. Ray McDermott, S.A. and Schematic Principle (M) Sdn Bhd own the remaining 25% and 30% of BMD, respectively.

(iv) **Subsidiary and associated company**

The subsidiary of BMD as at 29 March 2010 is BMDL, details of which are set out in Section 6.3.12.1 of this Prospectus.

Note:

* *JRM had on 25 January 2011 issued a notice of termination of the shareholders' agreement dated 22 June 2001 between BAN, JRM and Schematic Principle (M) Sdn Bhd in respect of BMD. BAN is disputing such termination. For further details, please refer to Section 15.7 of this Prospectus. As such, the above information is based on latest available information, which may or may not be available, and if available, may not be as at the LPD.*

6.3.10 Jointly-controlled entity of BASPL

6.3.10.1 FBAL (Company No. U35100MH2006PLC159958)

(i) **History and business**

FBAL was incorporated in India under the Indian Companies Act, 1956 as a public limited company on 23 February 2006 under its present name and commenced its business on 14 August 2006.

The principal activities of FBAL are ship owners, charterers and managers of ships and vessels, marine support and other services to O&G companies.

(ii) **Share capital**

The authorised share capital of FBAL is INR100,000,000 comprising 10,000,000 ordinary shares of INR10.00 each. As at the LPD, the issued share capital of FBAL is INR55,000,000 comprising 5,500,000 ordinary shares of INR10.00 each whilst the paid-up share capital of FBAL is INR12,500,000. The difference between the issued share capital and the paid-up share capital of FBAL, being an amount of INR42,500,000, arises from the fact that pursuant to the allotment of 5,000,000 ordinary shares of INR10.00 each on 27 April 2009, only INR1.50 per share (out of the issue price of INR10.00 per share) was called-up by FBAL and paid by the allottee. Accordingly, FBAL has an uncalled share capital of INR42,500,000.

Details of the changes to the issued and paid-up share capital of FBAL for the past 3 years preceding the LPD are as follows:

Date of allotment	No. of ordinary shares	Par value	Consideration	Cumulative issued and paid-up share capital
		INR		INR
Ordinary shares				
27.04.2009	5,000,000	10.00	Cash subscription, only INR1.50 per share was called-up	12,500,000

(iii) Shareholders

As at the LPD, FBAL is a 49%-owned jointly-controlled entity of BASPL whilst Forbes Campbell Finance Ltd owns the remaining 51% of FBAL.

(iv) Subsidiary and associated company

As at the LPD, FBAL does not have any subsidiary or associated company.

6.3.11 Subsidiary of ATSB

6.3.11.1 AASB (Company No. 325716-M)

(i) History and business

AASB was incorporated in Malaysia under the Act as a private limited company on 3 December 1994 under the name of Motif Megah Sdn Bhd. It assumed its present name on 20 January 1995.

AASB is currently dormant.

(ii) Share capital

As at the LPD, the authorised share capital of AASB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of AASB as at the LPD is RM2 comprising 2 ordinary shares of RM1.00 each.

There has been no change to the issued and paid-up share capital for the past 3 years preceding the LPD.

(iii) Shareholder

As at the LPD, AASB is a wholly-owned subsidiary of ATSB.

(iv) Subsidiary and associated company

As at the LPD, AASB does not have any subsidiary or associated company.

6.3.12 Subsidiary of BMD

6.3.12.1 BMDL*

(i) History and business

BMDL was incorporated in The Federal Territory of Labuan, Malaysia under the Labuan Companies Act, 1990 on 8 May 2002 as a company limited by shares under its present name.

The principal activity of BMDL is leasing.

(ii) Share capital*

The issued and paid-up share capital of BMDL as at 29 March 2010 is USD375,000 comprising 125,000 ordinary shares of USD1.00 each and 250,000 redeemable cumulative participating preference shares of USD1.00 each.

There has been no change in the issued and paid-up share capital of BMDL for the past 3 years preceding 29 March 2010.

Note:

* *Under the Lebuan Companies Act 1990, there is no requirement for a Labuan company to have an authorised share capital and par valua for its shares.*

(iii) Shareholder

As at 29 March 2010, BMDL is a wholly-owned subsidiary of BMD.

Note:

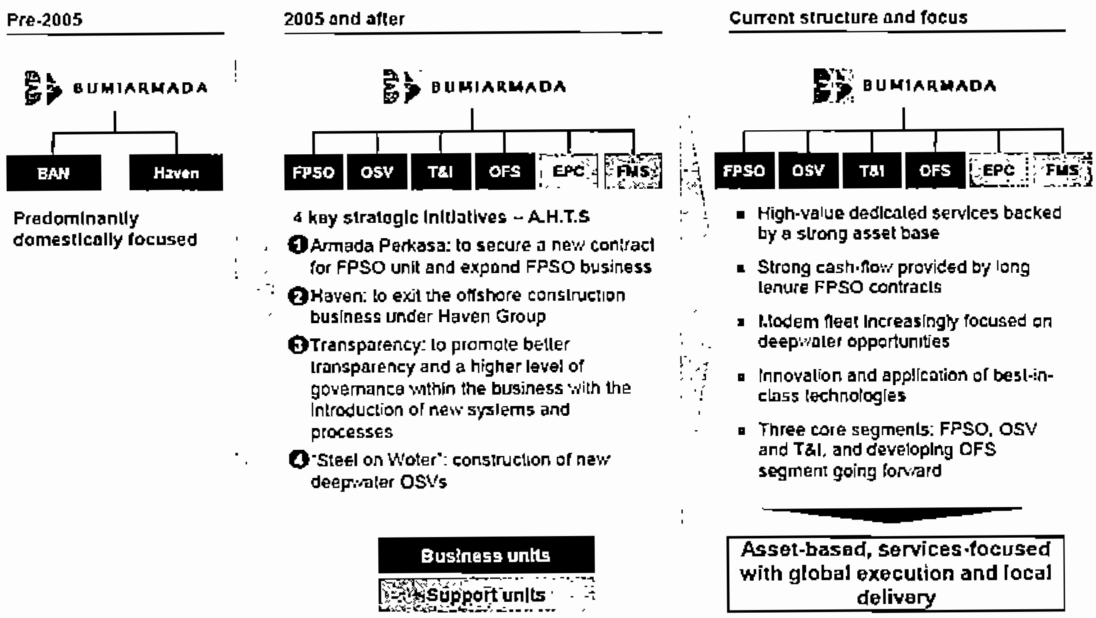
* *JRM had on 25 January 2011 issued a notice of termination of the shareholders' agreement dated 22 June 2001 between BAN, JRM and Schematic Principle (M) Sdn Bhd in respect of BMD. BAN is disputing such termination. For further details, please refer to Section 15.7 of this Prospectus. As such, the above information is besed on latest available information, which may or may not be evailable, and if available, may not be as at the LPD.*

7. BUSINESS OVERVIEW

7.1 Background and history

We were incorporated under the Act as a public company limited by shares on 12 December 1995 and are principally an investment holding company whilst our subsidiaries are principally involved in the provision of marine transportation, FPSO operations, vessel construction, and engineering and maintenance services to the offshore O&G companies. We were previously listed on 25 June 1997 on the then Main Board of the Kuala Lumpur Stock Exchange (now the Main Market) and were subsequently delisted on 18 April 2003 following a mandatory take-over offer by OBSB under Section 6 of the Malaysian Code of Take-overs and Mergers, 1998 as at that time, OBSB did not intend to maintain our listing status. OBSB and its concert parties had, in September 2002, acquired about 61% of our issued and paid-up share capital at that time, which triggered a mandatory take-over offer for the remaining shares in our Company not already held by OBSB and its concert parties. OBSB had undertaken the aforesaid acquisition to upgrade and increase our fleet of vessels over the long-term (which would have required significant capital expenditure) to strengthen our position in the offshore marine support services industry in Malaysia.

Our subsequent corporate transformation and strategic focus are illustrated as follows:



Prior to the restructuring in 2005, our businesses were organised under 2 main business units, namely BAN and Haven, with a predominantly domestic focus. BAN was established in 1977 to provide vessel chartering services whilst Haven was established in 1987 to provide offshore construction, installation and maintenance services.

In 2005, as part of our restructuring plan, we developed 4 key strategic initiatives under the acronym A.H.T.S.:

(i) **Armada Perkasa**: to secure a new contract for our FPSO unit and expand our FPSO business;

(ii) **Haven**: to exit the offshore construction business under Haven Group;

(iii) **Transparency**: to promote better transparency and a higher level of governance within our business with the introduction of new systems and processes; and

(iv) **"Steel on Water"**: construction of new deepwater OSVs.

The offshore construction business unit was deemed as a non-core segment in which we did not have a competitive advantage. As such, we decided to exit this business unit under our restructuring plan. The disposal of Haven Group's offshore construction operations was completed in 2008. We have also put in place new systems and processes to promote a higher level of compliance within our organisation, as a foundation for our continued growth in the industry.

In 2006, we launched our OSV fleet expansion programme, which is referred to as "Steel on Water". This programme entailed the construction of 20 new deepwater OSVs with a total value of RM1 billion. The majority of these new vessels have an output of 8,000 bhp or more and are equipped with DP capability, which enables them to operate in deepwater and harsh environments. We are the first Malaysian owner and operator of a Malaysia-built DP AHTS (Armada Tuah 100) for Kikeh Field, off Sabah, the first deepwater project in Malaysia. We have taken delivery of all 20 OSVs under this programme. We believe these newer, modem and more powerful OSVs will enable us to gain a larger share of the higher margin deepwater segment. In addition to adding new vessels, we continue to monitor the vessel mix and efficiency levels of our overall fleet to ensure we have the right balance between vessel age and customer requirements. In 2010, we disposed 6 OSVs with an average age of 19 years.

The FPSO business has also been a key focus area as FPSO contracts provide a stable and recurring cashflow for our offshore business. In 2007, we secured a new contract for our first FPSO, the Armada Perkasa, which commenced operations for Afren in the Okoro-Setu Field, Nigeria in May 2008. This was our first major step towards establishing our presence in the African market. Since then, the Armada Perkasa and our second FPSO, the Armada Perdana, which has been operational since December 2009, have met all their contractual uptime performance requirements. In 2009, we commenced the charter for our third FPSO, the Armada Perwira (which has since been renamed the Armada TGT 1), which is currently undergoing conversion and is expected to be operational in the third quarter of 2011. In December 2010, we acquired the Griffin Venture (which has since been renamed the Armada Prima) as a conversion candidate for our next FPSO project with Apache Julimar Pty Ltd for the Balnaves development in Australia, for which we secured a conditional letter of award on 30 March 2011.

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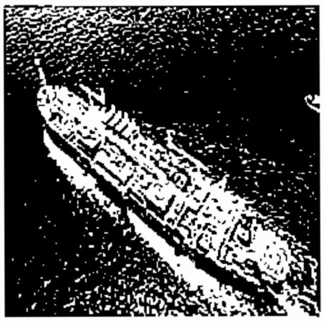
7.2 Overview

We are a Malaysia-based international offshore services provider to the O&G industry in Malaysia and over 10 other countries in Asia, Africa and Latin America. We provide our services through owning and operating marine assets across the O&G value chain from exploration through field development and construction, production and operations and eventually, decommissioning. Having worked extensively in shallow water, we are increasing focus on deepwater and harsh environments and work with customers ranging from NOCs and IOCs to Independents. We are the largest owner and operator of OSVs in Malaysia and one of the largest in South East Asia *(source: Bumi Armada Independent Market Research Report by ISL)*. We have more than 40 OSVs, 4 FPSOs and under the T&I business, we have a DLB in the Caspian Sea and we are also acquiring the Acergy Hawk, a DP2 subsea installation vessel.

We provide offshore services via 4 business units and 2 support units:

(i) Business units

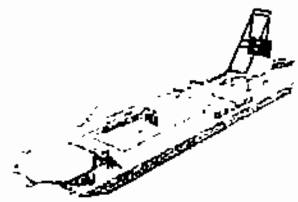


FPSO

Our 2 operational FPSOs, the Armada Perkasa and Armada Perdana, are operating in Nigeria. We have secured a contract with Vietnam's HLJOC for our third FPSO, the Armada Perwira (which has since been renamed as the Armada TGT 1), which is expected to commence operations in the third quarter of 2011. In December 2010, we acquired the Griffin Venture (which has since been renamed the Armada Prima) as a conversion candidate for our next FPSO project with Apache Julimar Pty Ltd for the Balnaves development in Australia, for which we secured a conditional letter of award on 30 March 2011.

OSV

We own and operate a modern fleet of over 40 vessels comprising AHTS/AHT vessels, SSVs, utility vessels and accommodation workboats/workbarges to support the offshore O&G industry.



T&I

We provide pipelay, heavy lift, subsea installation, floater and mooring installation and marine spread support services. Previous work includes installation of the pre-set moorings for the FPSO Armada Perdana and the mooring hook-up using an adapted in-house 12,000 bhp vessel. We own and operate a DLB under contract to PETRONAS Carigali in the Caspian Sea, off Turkmenistan. We are also acquiring the Acergy Hawk, a DP2 subsea installation vessel.

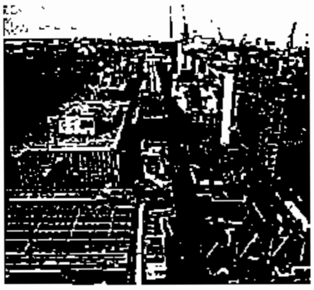
OFS

We plan to provide a range of services required to cover all aspects of an oil field life cycle, from exploration through development, production and abandonment. We have initiated our exposure to this segment with the conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia.

(ii) Support units

FMS

We conduct in-house management and operations of our vessel fleet in all aspects of O&M. We have access to over 1,300 crew members, and have offices and shore bases in Malaysia, Singapore, India, Brazil, Congo, Mexico, Nigeria and Turkmenistan.



EPC

We provide in-house EPICC services which entail engineering, design, procurement and project management services for our FPSOs, FSOs, modules, turret mooring systems, riser systems and pipelay and crane vessels. We have extensive experience in EPICC services from conceptual design through to commissioning and start-up. We have completed the conversion of both our current operating FPSOs, and the construction and integration of the DLB Armada Installer.

The diagram below shows the lifecycle of an offshore O&G project and illustrates how our customers may utilise our offshore support services in various stages throughout the lifecycle:

OFFSHORE FIELD LIFECYCLE

		Surveying and exploration Seismic surveying and drilling	**Development/ Construction** Installation of platforms, subsea structures and pipelines	**Production** Oil extraction, supply/storage and maintenance of production units	**De-commissioning** Removal of installations
Business units	FPSO			✓	
	OSV	✓	✓	✓	✓
	T&I		✓	✓	✓
	OFS	✓	✓	✓	
Support units	FMS	✓	✓	✓	✓
	EPC		✓	✓	✓

We have offices and shore bases set up in various locations in Asia, Africa and Latin America, which allow us to provide support services for our vessel operations in Malaysian and international markets. The table below sets forth the locations and functions of our offices and shore bases:

Location		Function
Malaysia	:	Headquarters in Kuala Lumpur and 3 shore bases located in Miri, Labuan and Kemaman to provide support and FMS for customers in South East Asia
Singapore	:	Office to support the EPICC unit
India	:	Office in Mumbai, India for our joint-venture with India's Forbes & Company Limited offering services for the Indian offshore O&G market
UAE	:	Marketing office in Dubai for our activities in this region
Africa	:	Shore bases in Congo and Nigeria to support our operations in West Africa and an office in Lagos, Nigeria for our joint-venture with Nigeria-based CESL for projects in Africa
Turkmenistan	:	Shore base in Turkmenbashy and an office in Ashgabat to support our operations in the Caspian Sea
Mexico	:	Shore base to support our operations in Mexico
Brazil	:	Marketing office in Rio de Janerio, Brazil to support our expansion into this market

As at the LPD, we offer our offshore support services in various countries in Asia, Africa and Latin America as set out below:

Countries	FPSO	OSV	T&I	OFS
Asia				
Brunei Darussalam		✓		
Malaysia		✓		✓
Turkmenistan			✓	
Africa				
Congo		✓		
Nigeria	✓	✓		
Latin America				
Brazil		✓		
Mexico		✓		
Venezuela		✓		

As we operate in various countries in Asia, Africa and Latin America, we are subject to risks inherent in conducting our business internationally, as set out in Section 5.2 of this Prospectus. We attempt, to the extent possible, to minimise our exposure to these risks through contract terms and conditions as well as procuring additional insurance such as political risk insurance and kidnap and ransom insurance. Further, we believe we have taken necessary measures to ensure that our critical business, operations, equipment, assets and personnel have adequate insurance coverage, which also meets any applicable regulatory requirements in the countries in which we operate.

For the year ended 31 December 2010 and the 3 months ended 31 March 2011, we achieved PAT of RM351 million and RM82 million, respectively and EBITDA of RM714 million and RM185 million, respectively. Revenue for the year ended 31 December 2010 was recorded at RM1,241 million of which our FPSO, OSV and T&I businesses contributed approximately 44.6%, 33.8% and 21.6%, respectively, whilst revenue for the 3 months ended 31 March 2011 was recorded at RM376 million of which our FPSO, OSV, T&I and OFS businesses contributed approximately 33.3%, 26.0%, 19.6% and 21.1%, respectively. Approximately 84.8% and 67.7% of our revenue for the year ended 31 December 2010 and the 3 months ended 31 March 2011, respectively, was derived from outside of Malaysia.

7.3 Milestones and key achievements

Some of our recent business milestones and key achievements are as follows:

Year	Achievements/Milestones
2006	• Awarded the Grand Award for Safety Excellence by EMEPMI • Exited the construction services business under Haven Group and established strategy to focus on offshore marine business • Launch of our "Steel On Water" programme for our fleet expansion of 20 new OSVs • First Malaysian owner and operator of a Malaysia-built DP AHTS (Armada Tuah 100) for Kikeh Field, off Sabah, the first deepwater project in Malaysia
2007	• Third contract secured for the Armada Perkasa, Malaysia's first FPSO, for Afren's operations in the Okoro-Setu Field, Nigeria • Signed joint-venture with Forbes & Company Limited, India and established FBAL • Awarded the Star Gold Award, an award that recognises Safety Excellence for 2007 by EMEPMI • Initiated the first DP training programme in Malaysia together with the Malaysian Maritime Academy ("ALAM")
2008	• Secured contract for the FPSO Armada Perdana, for operations of ENI's subsidiary, NAE's in the Oyo Field, in Nigeria • Secured our first DLB contract for the Armada Installer, for PETRONAS Carigali's operations in the Caspian Sea, Turkmenistan • The Armada Perkasa achieved first oil for Afren • The EP Asia Pacific Shell Safety Recognition Award 2008 was awarded for our outstanding contribution to building a culture of compliance and intervention towards "Living Goal Zero" • Our Company and BAE awarded the ISO 9001:2008 for the full range of our services, from vessel procurement through to vessel operations
2009	• Secured contract for our third FPSO, the Armada Perwira (which has since been renamed the Armada TGT 1), for a 7-year HLJOC contract in the Te Giac Trang Field, Vietnam • Marine Money International Asia's Bank Debt Deal of the Year 2008/2009 Award for our success in securing the project financing for the FPSO Armada Perdana • Award from Sarawak Shell Berhad and Sabah Shell Petroleum Co. Ltd. for achieving a "Four-Year Goal Zero Days", which signifies 4 years of incident-free operations • Awarded the Merit Award in recognition of HSE performance by PETRONAS Carigali Sdn Bhd • The FPSO Armada Perdana achieved first oil for NAE • First DP Master graduated under the DP training programme initiated with ALAM

Year	Achievements/Milestones
2010	• Frost & Sullivan's 2010 Malaysia Excellence Award – Oil & Gas Services Provider of the Year • The Armada Tuah 9 and the Armada Tuah 20 receive Safety Recognition for "Hurt-Free Operation <100,000 manhours" from EMEPMI • Recognition of HSE performance by our vessels contracted to the Drilling Department Development Division of PETRONAS Carigali Sdn Bhd for their "250 days free of Total Recordable Case" • Award from Shell Malaysia Upstream International, Sarawak Shell Berhad and Sabah Shell Petroleum Company Limited celebrating "1900 Goal Zero Days" for safe operations, which signifies 1,900 days of incident-free operations • The FPSOs, the Armada Perkasa and the Armada Perdana achieved 365 days without LTI • Successfully delivered and commissioned the DLB Armada Installer in the Caspian Sea and completed the first campaign for PETRONAS Carigali • Awarded the first deepwater PSV contract for the Gumusut deepwater project, off Sabah, Malaysia, by Shell Sarawak Berhad • Our Company and BAE were awarded the OHSAS 18001:2007 for HSE Management System procedures to identify, reduce and control health and safety concerns • Our Company and BAE were awarded the ISO 14001:2004 for Environmental Management Certification • Acquired the Griffin Venture (which has since been renamed the Armada Prima) as a conversion candidate for our next FPSO project
2011	• The Armada Tuah 10 received HSE Award for "1-year Operation without LTI and Downtime" from Petrovietnam Technical Services Corporation • The Brand Laureate Master Awards 2010-2011 for best brands in Logistics - Offshore and Marine Support Vessels by The Asia Pacific Brands Foundation • Award from EMEPMI for Marine Contractor Of The Quarter Award 4Q 2010 in Recognition of Outstanding Contribution to Safety • Award from EMEPMI for Marine Contractor Of The Year Award 2010 in Recognition of Outstanding Contribution to Safety • Conditional Letter of Award from Apache Julimar Pty Ltd for the development of an FPSO for the Balnaves development in Australia • Awarded the EPC and installation contracts by Petrofac for the FSO for the Sepat Field, off Terengganu, Malaysia, the first under the marginal fields initiative of the Malaysian Economic Transformation Programme • Awarded our first contract in Brazil, with a firm 4-year charter of the Armada Tuah 104 by Petróleo Brasileiro S.A. (Petrobras) • Acquiring the Acergy Hawk as part of our T&I business expansion to offer subsea and IRM services • Secured a purchase option on the Aframax tanker, Monte Umbe, as a conversion candidate for our next FPSO project in Asia and in respect of which FBAOL has secured a letter of award from Oil and Natural Gas Corporation Limited on 25 June 2011, which will be located at D1 Field, Western Offshore Areas, India

7.4 Business units

7.4.1 FPSO

We provide FPSO units, which are vessels (either a converted oil tanker or newbuild) that are used for receiving hydrocarbons sourced from remote oil fields. The hydrocarbons received are processed into crude oil and stored on-board the vessel, to be later offloaded into an oil tanker or pipeline. The gas that is extracted and processed on board the FPSO can either be used or handled in the following manner:

(i) for powering the compressors, power generators or other equipment on the FPSO;

(ii) re-injected into the wells to increase pressure in the reservoir to improve the extraction of more hydrocarbons;

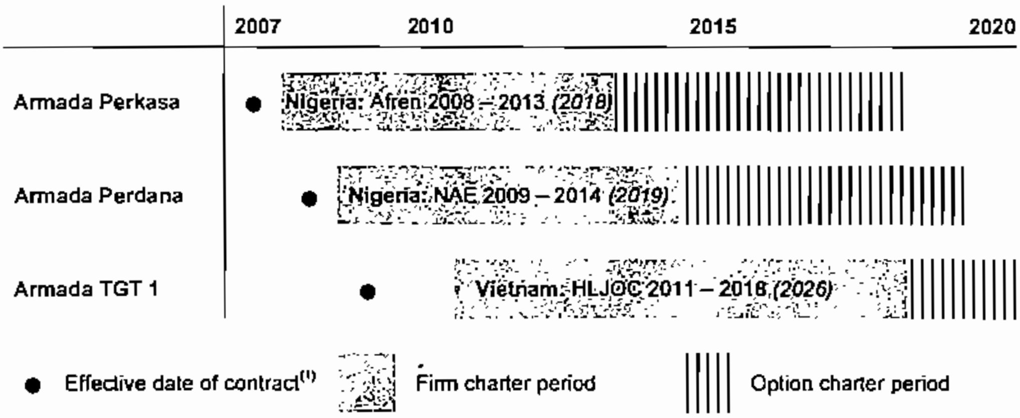
(iii) exported to the shore via a pipeline if there is excess amounts of produced gas; or

(iv) where necessitated by safety and in limited offset conditions, the gas is routed to flare.

The FPSO is a technical and cost-effective solution for application in locations which are remote or do not have the required processing and production infrastructure. It eliminates the need to install large fixed oil production platforms or to lay expensive long-distance seabed pipelines from oil fields to a receiving terminal. In a more benign ocean environment, the FPSO will be spread moored. In areas where natural hazards such as typhoons, cyclones or icebergs are prevalent, an FPSO may have systems in place to release their mooring and riser system and move away to safety during an emergency.

We are the first company to own and operate an FPSO in Malaysia with the launch of the Armada Perkasa in 1997. We have successfully redeployed the Armada Perkasa to 3 different fields on 2 different continents, and we believe we are the only FPSO operator to have redeployed the same FPSO 3 times *(source: Bumi Armada Independent Market Research Report by ISL).*

The contract structure for our FPSOs (save for Armada Prima for which we have secured a conditional letter of award on 30 March 2011 and our next FPSO project for which FBAOL has secured a letter of award on 25 June 2011) is illustrated as follows:



Note:

(1) Indicates commencement of lease period.

The total NBV of our FPSOs as at 31 March 2011 is RM1,752 million.

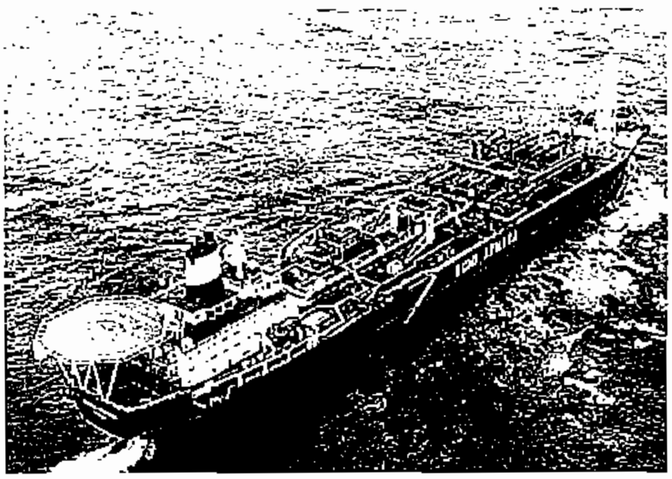
We intend to grow our FPSO business by leveraging on the combined industry experiences of our FPSO and EPC teams. All FPSO-related design, engineering, procurement, project management and other capabilities are available in-house under the ambit of our EPC team. Please refer to Section 7.5.2 for further details on our in-house EPC unit.

Further details of our FPSOs are as follows:

(i) Armada Perkasa

The Armada Perkasa was initially a 1975 Panamax sized tanker with storage capacity for 360,000 barrels of crude oil which was converted and commissioned as an FPSO in 1997 for IPC Malaysia Ltd at the Bunga Kekwa Field, located off the coast of Malaysia and Vietnam under the Malaysia-Vietnam Commercial Arrangement Area. We believe it is one of the few FPSOs in the world to have serviced more than 2 contracts and is currently moored at a significantly shallow water depth of 13 metres, which required a complex mooring solution. Following its first 7-year charter at the Bunga Kekwa Field, it went on to service the Baram Field, offshore Miri, for PETRONAS Carigali Sdn Bhd in 2005/2006. Currently, the Armada Perkasa is in operation for its third FPSO project with Afren in the Okoro-Setu Field, Nigeria. The bareboat charter with Afren is for an initial firm 5-year period, which may be extended for additional 1 year periods over a further 5-year period.

The total net production of the Armada Perkasa for its current contract up to the LPD is 16.1 million bbls.



Specifications:

First oil	May 2008
Oil production capacity	30,000 bpd
Storage capacity	298,357 bbls
Length	211.2 metres
Breadth	32.2 metres
Depth	17.5 metres
Deadweight tonne	58,557 tonnes
Mooring type	10 point spread mooring
Hull type	Single hull
Accommodation	67 persons
Year built	1975
Year converted to an FPSO	1997
Conversion shipyard	Keppel Shipyard, Singapore
Class	ABS
Flag	Panama

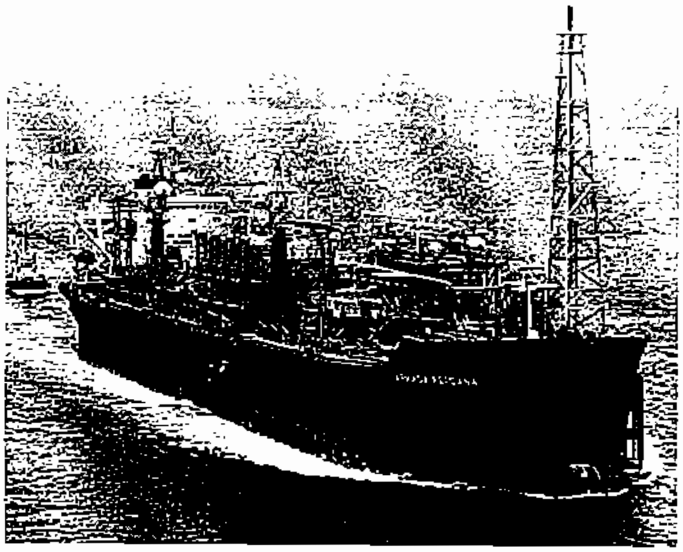
(ii) Armada Perdana

We secured the contract for our second FPSO, the Armada Perdana, from ENI's subsidiary, NAE in the Oyo Field, Nigeria in April 2008 with first oil produced in December 2009. The conversion of the Armada Perdana was engineered and project-managed in-house. In connection with this, our subsidiaries, AOL and BASPL, had entered into with NAE, a bareboat charter party contract (**"Perdana Bareboat Charter"**) and an O&M contract (**"Perdana O&M Contract"**).

The Perdana Bareboat Charter is for a firm 5-year contract period, of which the contract period may be extended by NAE for 5 additional periods of 12 months each. Similarly, the Perdana O&M Contract is for a firm 5-year contract period and NAE may extend the contract period for 5 additional periods of 12 months each.

We are currently in the midst of formalising an amendment contract with NAE to revise the respective contract periods for the Perdana Bareboat Charter and the Perdana O&M Contract from a firm 5-year term to a firm 10-year term.

The total net production for the Armada Perdana up to the LPD is 4.3 million bbls.

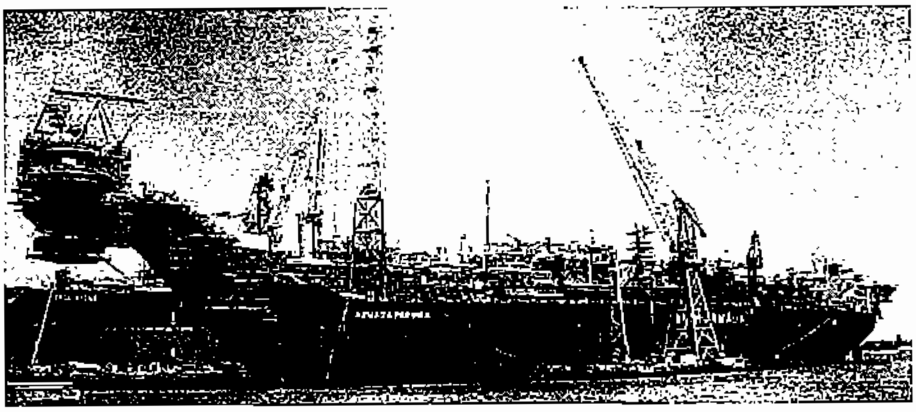


Specifications:

First oil	December 2009
Production capacity	40,000 bpd
Storage capacity	1.1 million bbls
Length	308.7 metres
Breadth	46.0 metres
Depth	22.6 metres
Deadweight tonne	156,483 tonnes
Mooring type	12 point spread mooring
Hull type	Single hull with side impact protection
Accommodation	87 persons
Year built	1984
Year converted to an FPSO	2009
Conversion shipyard	Keppel Shipyard, Singapore
Class	ABS
Flag	Panama

(iii) Armada TGT 1 (formerly known as Armada Perwira)

We secured the contract for our third FPSO, the Armada Perwira (which has since been renamed Armada TGT 1), in late-2009. It is expected to start production in the third quarter of 2011 for HLJOC in Vietnam. The bareboat charter and the O&M agreement in respect of the HLJOC contract is for an initial firm 7-year period, which may be extended for additional 1 year periods over a further 8-year period.

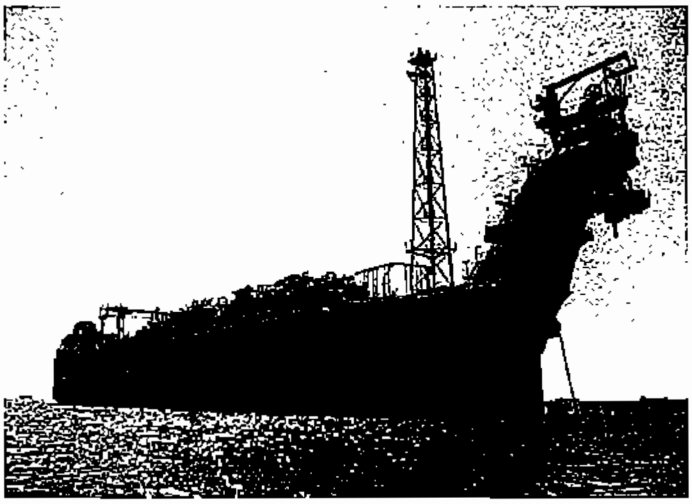


Specifications:

Production capacity	55,000 bpd
Storage capacity	620,000 bbls
Length	274.0 metres
Breadth	47.8 metres
Depth	22.8 metres
Deadweight tonne	147,000 tonnes
Mooring type	External turret
Hull type	Double hull
Accommodation	100 persons
Year built	1996
Year converted to an FPSO	2011
Conversion shipyard	Keppel Shipyard, Singapore
Class	ABS
Flag	Marshall Island

(iv) Armada Prima (formerly known as the Griffin Venture)

In December 2010, we acquired the Griffin Venture (which has since been renamed the Armada Prima) as a conversion candidate for our next FPSO project with Apache Julimar Pty Ltd for the Balnaves development in Australia, for which we secured a conditional letter of award on 30 March 2011.



Specifications:

Storage capacity	805,035 bbls
Length	240.7 metres
Breadth	41.8 metres
Depth	22.9 metres
Deadweight tonne	102,123 tonnes
Mooring type	External turret
Hull type	Double hull
Flag	Australia

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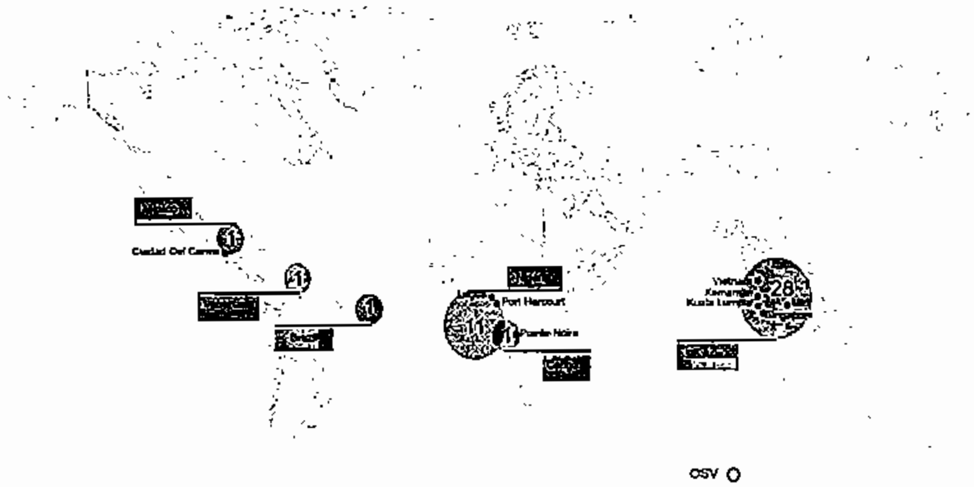
7.4.2 OSVs

We own, operate and charter vessels to provide support for exploration, development and production activities in the offshore O&G industry. Equipped with in-house expertise, we are also able to project-manage the construction of our vessels.

We are one of the largest OSV owners and operators in South East Asia *(source: Bumi Armada Independent Market Research Report by ISL)* with over 40 vessels of various types and have operated in over 10 countries including Malaysia, Brunei, Vietnam, Congo, Nigeria, Venezuela and Mexico.



We charter our vessels on a time charter or bareboat basis, either on a long charter or short charter. The following are the various types of OSV in our fleet and their respective functions:

Vessel type	No. of vessels	Examples of usage
AHTS/AHT	25	Used to support offshore oil rigs, platforms and other offshore installations, tow mobile structures to location and position their mooring anchors, making sure anchors are placed in a well-suited position.
Accommodation workbarge/workboats	8	Used to support offshore construction activity. The main factors related to these vessels are the number of people that can be accommodated on-board (number of beds), the clear deck space (for carrying out maintenance or construction of equipment) and the capacity of the crane fitted on the vessel.
Mooring launch	3	Used to assist mooring and unmooring of larger vessels, to a single-point mooring or multi-buoy mooring system offshore.
Standby vessel	1	Used as a safety vessel which remains in an offshore location when any offshore operations are underway on the offshore rig, platform or installation. In the event that there is an emergency, these vessels provide rescue activities, fire-fighting or other safety intervention operations.

Vessel type	No. of vessels	Examples of usage
SSV	2	Used as a "transport truck" for the offshore O&G industry, for the provision and transportation of equipment, cargo pipe, cement, fuel oil and freshwater between supply bases and offshore platforms and facilities. SSVs tend to comprise smaller vessels that operate in shallow waters.
Utility vessels	2	This multipurpose vessel is commonly used to ferry offshore construction personnel, production materials, machineries and equipment between supply bases, offshore platforms, drilling vessels and construction barge.
Others	2	Comprises an oil recovery vessel and a survey support vessel. Oil recovery vessels are used to recover oil spills and survey support vessels are used to support seismic surveys.
Total	43	

We replaced older, lower-end and lower tonnage vessels with our "Steel on Water" OSV fleet expansion programme which was launched in 2006 and was completed in 2010. The programme outlined the construction of 20 new OSVs with a total value of RM1 billion. This programme was initiated in anticipation of shifting trends in E&P, away from continental shelf shallow waters into deeper waters and harsher environments which require more sophisticated and higher horsepower OSVs. These newer vessels, with output in excess of 8,000 bhp, are equipped with DP capability and digital global positioning systems that allow the vessels to stay at a programmed position using computer-aided thrusters and propulsion systems. The total installed bhp of our OSVs is 220,000 bhp.

We believe that the introduction of these new OSVs has enabled us to strengthen our position in the international offshore sector and our early commitment to a newbuild programme in 2006 was an opportune move, enabling us to secure shipyard slots and procure major equipment and machinery at competitive rates ahead of our competitors. We believe our timely investment in fleet expansion and fleet renewal gave us a cost advantage over our competitors.

In addition to adding new OSVs, we continue to monitor the vessel mix and efficiency levels of our overall fleet to ensure we have the right balance between vessel age and customer requirements. Currently, we do not have a formal vessel replacement policy with regards to OSVs.

7. BUSINESS OVERVIEW *(cont'd)*

As at the LPD, over 50% of our fleet is aged 5 years or less and the entire OSV fleet has an average age of about 7 years. Over 90% of our OSV fleet is on time charter to our customers. Details of our vessels are as follows:

No.	Vessel[#(1)]	Type	Year built	Age	bhp	Bed	DP	Current location	Status*	NBV as at 31 March 2011 RM
1.	Armada Tuah 6	AHT	1997	14	4,000	n/a	n/a	Labuan	Short charter	8,088,618
2.	Armada Tuah 8	AHT	2002	9	4,840	n/a	n/a	Kemaman	Long charter	12,549,876
3.	Armada Tuah 9	AHT	2002	9	5,040	n/a	n/a	Kemaman	Long charter	13,257,444
4.	Armada Tuah 10	AHT	2003	8	5,040	n/a	n/a	Kemaman	Long charter	15,521,145
5.	Armada Tugas 4	AHT	2005	6	4,000	n/a	n/a	Nigeria	Long charter	12,696,710
6.	Armada Tuah 20	AHTS	2004	7	5,040	n/a	n/a	Nigeria	Unemployed	20,483,941
7.	Armada Tuah 21	AHTS	2005	6	5,040	n/a	n/a	Labuan	Long charter	21,504,584
8.	Armada Tuah 22	AHTS	2005	6	5,040	n/a	n/a	Nigeria	Long charter	22,054,183
9.	Armada Tuah 23	AHTS	2006	5	5,040	n/a	n/a	Kemaman	Long charter	22,491,590
10.	Armada Tuah 24	AHTS	2006	5	5,040	n/a	n/a	Labuan	Unemployed	22,523,245
11.	Ventures Tuah Satu**	AHTS	2007	4	6,000	n/a	n/a	Kemaman	Long charter	Not available
12.	Ventures Tuah Dua**	AHTS	2007	4	5,000	n/a	n/a	Kemaman	Long charter	Not available
13.	Armada Tuah 25	AHTS	2007	4	5,040	n/a	DP1	Kemaman	Long charter	30,621,200
14.	Armada Tuah 26	AHTS	2007	4	5,040	n/a	DP1	Labuan	Long charter	30,527,570
15.	Armada Tuah 80	AHTS	2008	3	8,000	n/a	DP1	Labuan	Short charter	58,503,201
16.	Armada Tuah 82	AHTS	2009	2	8,000	n/a	DP1	Vietnam	Long charter	59,754,596
17.	Armada Tuah 81	AHTS	2010	1	8,000	n/a	DP1	Nigeria	Long charter	74,306,039
18.	Armada Tuah 83	AHTS	2010	1	8,000	n/a	DP1	Nigeria	Unemployed	69,196,989
19.	Armada Tuah 84	AHTS	2010	1	8,000	n/a	DP1	Kemaman	Long charter	61,706,478
20.	Armada Tuah 85	AHTS	2010	1	8,000	n/a	DP1	Kemaman	Short charter	67,464,124
21.	Armada Tuah 100	AHTS	2006	5	9,000	n/a	DP2	Labuan	Long charter	53,145,758
22.	Armada Tuah 101	AHTS	2007	4	9,000	n/a	DP2	Nigeria	Short charter	49,706,113
23.	Armada Tuah 102	AHTS	2008	3	12,000	n/a	DP2	Kemaman	Long charter	73,908,689
24.	Armada Tuah 104^	AHTS	2009	2	12,000	n/a	DP2	Brazil	Short charter	101,726,831

7. BUSINESS OVERVIEW *(cont'd)*

No.	Vessel# (1)	Type	Year built	Age	bhp	Bed	DP	Current location	Status*	NBV as at 31 March 2011 RM
25.	Armada Tuah 105	AHTS	2009	2	12,000	n/a	DP2	Venezuela	Long charter	95,006,003
26.	Armada Goodman	Accommodation workboat	1991	20	3,000	95	n/a	Labuan	Short charter	7,198,095
27.	Armada Topman	Accommodation workboat	1991	20	3,000	95	n/a	Labuan	Short charter	6,402,763
28.	Armada Iman	Accommodation workboat	1998	13	4,000	140	n/a	Labuan	Long charter	19,750,441
29.	Armada Salman	Accommodation workboat	2002	9	3,600	132	n/a	Brunei	Long charter	22,497,063
30.	Armada Firman	Accommodation workboat	2004	7	4,000	200	n/a	Kemaman	Long charter	30,207,554
31.	Armada Firman 2	Accommodation workboat	2008	3	6,000	200	DP2	Nigeria	Short charter	69,013,255
32.	Armada Firman 3	Accommodation workboat	2008	3	6,000	200	DP2	Mexico	Long charter	66,964,344
33.	Mahakam	Accommodation workbarge	2004	7	n/a	300	n/a	Congo	Long charter	34,305,065
34.	Armada Mutiara 2	Mooring launch	2008	3	750	n/a	n/a	Labuan	Long charter	3,527,405
35.	Armada Mutiara 3	Mooring launch	2009	2	750	n/a	n/a	Miri	Long charter	3,499,255
36.	Armada Mutiara 4	Mooring launch	2009	2	2 x 400	n/a	n/a	Miri	Long charter	3,474,825
37.	Armada Aman	Standby vessel	1996	15	3,600	n/a	n/a	Kemaman	Long charter	5,037,364
38.	Armada 5***	SSV	1984	27	2,600	n/a	n/a	Nigeria	Unemployed	Not available
39.	Armada 6***	SSV	1984	27	2,600	n/a	n/a	Nigeria	Long charter	Not available
40.	Armada Tugas 1***	Utility vessel	2003	8	2,500	n/a	n/a	Nigeria	Unemployed	Not available
41.	Armada Tugas 3	Utility vessel	2005	6	3,200	n/a	n/a	Kemaman	Unemployed	8,626,763
42.	Armada Tugas 2	Oil recovery vessel	2003	8	3,000	n/a	n/a	Brunei	Long charter	10,343,666
43.	Armada Hydro***	Survey support vessel	1988	23	1,060	n/a	n/a	Nigeria	Unemployed	Not available
	Average age			7						

7. BUSINESS OVERVIEW *(cont'd)*

Notes:

n/a	*Not applicable.*
*	*Long charter refers to tenures of more than 18 months whilst short charter refers to tenures of less than 18 months.*
**	*Owned by our jointly-controlled entity, OMV.*
***	*Owned by our jointly-controlled entity, ACL.*
#	*All our vessels are registered under BAN, save for Armada 5 and Mahakam, of which AFSL and AML are the registered owners, respectively.*
^	*Capable of being converted to a mooring and subsea installation vessel for use in our T&I business unit.*
(1)	*Excludes the PSV which is currently under construction pursuant to the PSV contract awarded by Shell Sarawak Berhad for the Gumusut deepwater project, off Sabah, Malaysia.*

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The charter rates of each type of vessel for the 3 months ended 31 March 2011 are as follows:

		3 months ended 31 March 2011		
Vessel type	**Basis**	**Low rate**	**High rate**	**Utilisation rate[(2)]**
AHTS/AHT	USD/bhp per day	1.40	2.62	65.8%
Accommodation workboat/ barge	USD/bed per day	83.35	257.50	63.9%
Other OSVs[(1)]	USD/unit per day	1,269	5,500	53.7%

Notes:

(1) Including mooring launches, SSVs, utility vessels and other vessels.

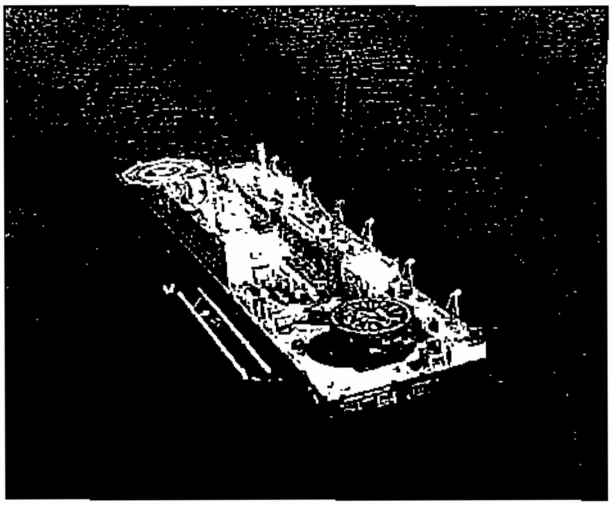
(2) Please refer to Section 12.2.7 of this Prospectus for the computation formule of utilisation rate.

For historical charter rates for the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2011, please refer to Section 12.2.7 of this Prospectus.

7.4.3 T&I

Our T&I services currently cover 2 main areas: pipeline and platform installation and floater installation (including riser hook up).

The Armada Installer, a key marine asset for our T&I business unit, is a purpose-built DLB constructed at Keppel Shipyard in Singapore and integrated in the Caspian Sea. This vessel, which can operate in water depths of between 8 metres and 300 metres, has been commissioned and in operation since the second quarter of 2010 in the Caspian Sea, off Turkmenistan for an 8-year contract awarded by PETRONAS Carigali.



Specifications:

Pipe-laying capability	4-inch – 48-inch diameter pipe
Lifting capability	800 tonnes
Deadweight tonne	11,896 tonnes (gross), 3,569 tonnes (net)
Mooring type	10 point mooring system, electric drive winches
Accommodation	240 beds
Year built	2009
Construction shipyard	Keppel Shipyard, Singapore
Class	DNV
Flag	Panama

The Armada Installer has completed her first year of pipelaying operations and achieved the following:

(i) Completed laying of 2 lengths of 12-inch diameter pipe of 7 kilometres each;

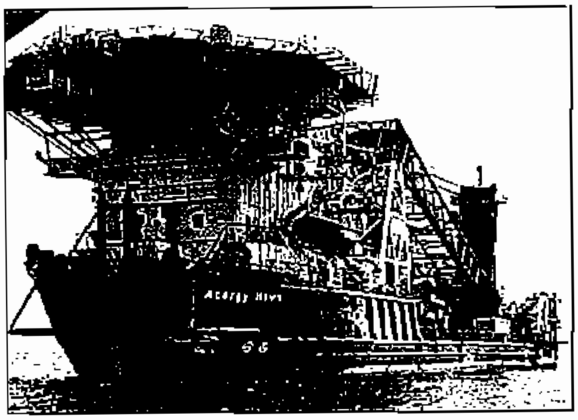
(ii) Completed laying of 72 kilometres of 12-inch diameter pipe and 4-inch diameter piggy back pipe; and

(iii) Completed laying of 72 kilometres of 26-inch diameter pipe.

In 2011, the Armada Installer will have an 800 metric tonne crane installed. The installation of the crane is expected to commence in July 2011 and will take between 4 and 5 months. This will allow the Armada Installer to undertake heavy-lift operations, which is part of the scope required under the contract with PETRONAS Carigali.

Our floater installation expertise complements our FPSO business. Our T&I business unit managed the installation of the FPSO Armada Perkasa in the Okoro-Setu Field, Nigeria, and installed all the pre-set moorings for the FPSO Armada Perdana in the Oyo Field, Nigeria. In addition to this project, we will be supporting the installation of the FPSO Armada TGT 1 (formerly known as Armada Perwira) in Vietnam and installing the FSO in the Sepat Field, off Terengganu, Malaysia. Mooring systems are installed on vessels to secure them in position at sea for production, storage and offloading. We also own and operate the Armada Tuah 104, a 12,000 bhp DP2 deepwater AHTS which can be quickly converted to be used as a mooring and subsea installation vessel for installing pre-set mooring and subsea equipment in medium to deepwater fields. Further details on the Armada Tuah 104 are set out in Section 7.4.2 above.

We will also be expanding our T&I services with SURF installation capabilities. We are acquiring the Acergy Hawk, a DP2 subsea installation vessel, which will give us the platform to offer SURF installation as both a complementary service to our FPSO business when bidding for new projects, as well as the ability to bid directly on SURF installation packages. In addition to SURF installation, this vessel will also allow us to bid for IRM projects.



Specifications:

Lifting capability	240 tonnes
Deck space	792 square metres
Length	94.1 metres
Breadth	18.8 metres
Mooring type	DP2
Accommodation	140 beds
Others	Helideck Sikorski S61N, moon-pool (3 metres x 3 metres)
Year built	1978
Class	DNV
Flag	Panama

The NBV of our T&I assets as at 31 March 2011 is RM774 million.

Our expansion in the T&I market will depend on having the right vessel as a platform to offer additional services. Our T&I business is regularly evaluating both existing and newbuild vessels and we have identified assets that we feel are of the right specification for the markets that we are both currently in and plan to enter in the near future.

7.4.4 OFS

We have initiated our venture into the OFS segment with the conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia. In this segment, we plan to offer a range of services required to cover all aspects of the oil field life-cycle, from exploration, through development, production and abandonment. Customers are likely to require a single or a combination of services in order to maximise returns from their investment in the relevant project.

OFS entails the provision of various specialised services required in the offshore mature/brownfield markets. These include, amongst others, marginal field production solutions such as EOR, process modules to enhance the extraction of hydrocarbons from the reservoir as well as specific services and assets offered on a RBC basis for working in the marginal and mature/brownfield environment.

We currently offer services, either directly or through our partnerships or alliances, in the exploration (survey), development (facilities and installation), production (FPSO) and abandonment (T&I) phases of the marginal oil field/brownfield projects under our OFS business. We can also provide support vessels via our OSV business throughout the field life to the customer.

7.5 Support units

7.5.1 FMS

The focus of our in-house FMS support unit is primarily the manning of and maintenance services for our vessel fleet and crew. Other items such as scheduled maintenance and repairs of vessels are also coordinated under our FMS unit. Our OSVs and FPSOs are managed centrally from Malaysia via operational shore bases. All our vessels are connected to the internet via satellite. This allows full ship-to-shore connectivity and communication for both our offshore crew as well as our shore bases.

Safety is a vital factor in the offshore O&G industry and taking this into consideration, we maintain our operations in-house, taking a hands-on approach to the day-to-day activities on our vessels. We also view the management of our assets as a major factor in maintaining the integrity and operational capacity of our vessels.

The information technology back-bone to our FMS unit is BASS. This system is a critical operational component as it coordinates our entire fleet and over 1,100 crew members in over 10 countries around the world. BASS also facilitates the following:

(i) controls the fleet, improves management of maintenance and repairs, work practices and condition monitoring of equipment;

(ii) ensures all aspects of the fleet management are in compliance with mandatory rules and regulations as well as charterers' requirements; and

(iii) ensures that the right materials are available and scheduled maintenance takes place on time.

7.5.2 EPC

The key focus of our EPC unit is to create an in-house capability to drive growth and to provide value-added services which are complementary to our overall growth plans.

Currently, our focus is on EPICC services for all our own assets and major projects and on a turnkey basis as part of our RBC business. We have successfully established our in-house expertise to design, procure and build on all major projects, such as the FPSOs, Armada Perkasa, Armada Perdana and Armada TGT 1 (formerly known as Armada Perwira) as well as the DLB Armada Installer. Over the years, we have built a good working relationship with our key partners and suppliers such as Keppel Shipyard Limited, Solar Turbines International, Rolls Royce Singapore Pte Ltd, Nam Cheong Dockyard Sdn Bhd, Drydocks World-Singapore Pte Ltd, Converteam Group SAS, Dyna-Mac Engineering Services, Oiltech Engineering and Siemens.

Our in-house EPICC competencies allow us to manage our FPSO projects better and serve as an internal project risk mitigation and cost control measure. We are able to mitigate the risks involved in outsourcing detailed engineering scope to external contractors, whilst developing cost efficient solutions. All our EPICC services are in-line with the latest ISO guidelines and requirements.

7.6 Competitive strengths

We believe that our position as an established offshore services provider in the O&G industry is due to our following strengths:

(i) A Malaysia-based international offshore services provider with an expanding reach

We are a Malaysia-based international offshore services provider to the O&G industry in Malaysia and over 10 other countries in Asia, Africa and Latin America. We are increasing focus on deepwater and harsh environments and work with customers ranging from NOCs and IOCs to Independents. For the year ended 31 December 2010, about 84.8% of our revenue was derived from outside of Malaysia. We believe that the diversity of our geographical markets reduces our dependence and risk exposure to any single market and/or single customer.

We are the first Malaysian offshore asset owner and operator in Africa and in the Caspian Sea *(source: Bumi Armada Independent Market Research Report by ISL)*. Through the establishment of shore bases in Congo, Mexico, Nigeria and Turkmenistan, we have been able to expand our operations internationally and into new markets. We have also established a marketing office in Brazil. We believe we have established a significant presence in West Africa, and a 50% market share of the DLB pipe-laying market in the Caspian Sea as we own and operate one of only 2 DLBs currently operating in the Caspian Sea.

In addition, as more countries enforce local content requirements, we believe that our ability to develop local capability is a key advantage in penetrating and increasing our market share in new regions. For example, we believe we can maintain a competitive advantage in local markets through our Local Content Development Programme, which we have established in Malaysia, Nigeria and Turkmenistan, and which aims to provide comprehensive training for skilled local personnel. In addition, we have forged alliances with local business partners in various countries in which we operate. For instance, we have entered into joint-ventures with Nigeria-based CESL, India-based Forbes & Company Limited and Vietnam-based Vietsovpetro for local projects. We believe these programmes and alliances have facilitated our local understanding, helped reduce our risk exposure and enabled us to operate successfully in markets that may appear challenging to others.

Finally, we believe that our initiative to develop local content in our markets has helped us integrate with the local communities and reduce security risks in the respective countries in which we operate, thereby helping us maintain our strong safety track record.

(ii) Established and expanding FPSO operator

We are currently the eighth ranked FPSO operator by fleet size globally (*source: Bumi Armada Independent Market Research Report by ISL*) and have a proven track record of consistent execution in the FPSO business, delivering vessels on time, fully funded and within budget, even during difficult financial market conditions. All of our operating FPSOs have met their contractual uptime performance requirements since the commencement of operations, such as:

(a) availability of the FPSOs in the field as required; and

(b) operational availability of the units.

Over the past 4 years, we have:

(a) refurbished the Armada Perkasa, for its third contract in Nigeria's Okoro-Setu Field with Afren. We believe our technical capability has been demonstrated by our ability to relocate this FPSO 3 times i.e. to 3 different fields on 2 different continents, including currently being moored at a significantly shallow water depth of 13 metres requiring a complex mooring solution;

(b) delivered our second FPSO, the Armada Perdana, which has been operating in Nigeria's Oyo Field with ENI's subsidiary, NAE since December 2009;

(c) secured a contract for our third FPSO, the Armada Perwira (which has since been renamed the Armada TGT 1), which is scheduled to commence operations in the third quarter of 2011 in Vietnam's Te Giac Trang Field with HLJOC;

(d) acquired the Griffin Venture (which has since been renamed the Armada Prima) in December 2010, as a conversion candidate for our next FPSO project with Apache Julimar Pty Ltd for the Balnaves development in Australia, for which we secured a conditional letter of award on 30 March 2011; and

(e) secured a purchase option on the 1997-built, double hull, 107,222 deadweight tonne Aframax tanker, Monte Umbe, as a conversion candidate for our next FPSO project in Asia.

We believe that the successful expansion of our FPSO business has resulted in large part from our lower cost base compared to that of our European competitors, allowing us to realise higher margins while offering competitive pricing to our customers. In addition, we believe we have a strong industry reputation for reliability and technical excellence, in particular with respect to engineering and project execution. We expect our continued focus on securing long-term FPSO contracts to provide stable and recurring cashflows for our offshore business.

(iii) A large and modern OSV fleet with cross-border operability

We have one of the largest and most modern fleets of OSVs owned and operated out of Asia (*source: Bumi Armada Independent Market Research Report by ISL*). We commenced our OSV business with the establishment of BAN in 1977 and have steadily built up our expertise and credentials in the offshore support services business. We launched our fleet expansion programme, "Steel on Water", in 2006, and as a result have increased our fleet size by 20 OSVs in slightly over 4 years to over 40 OSVs, making us one of the largest players in the OSV market in South East Asia.

We have expanded our vessel deployment footprint from our origins in Malaysia to over 10 countries in Asia, Africa and Latin America. Internationally, our OSVs operate in new and established O&G markets, such as Mexico, Vietnam, Venezuela, Nigeria, Angola and Brazil.

The majority of our AHTS fleet is installed with DP systems to meet both the requirements of the traditional offshore market and harsher deepwater offshore environments. We believe that our technical advantages provide us with the ability to operate across boundaries and to capitalise on the demand for deeper-water offshore services. As a result of our focused fleet renewal strategy, as at the LPD, the average age of our fleet was about 7 years and over 50% of our fleet was 5 years old or less.

(iv) Proven execution track record, with in-house expertise throughout our value chain

We have structured our business to be flexible and scalable, which we believe is an important factor in building a strong platform for long-term business growth in the offshore services industry. As a result, we are able to provide our customers with a range of integrated and value-added services across our value chain. These services range from discovery and extraction to field preparation, from production to processing and full field operations and support. Furthermore, we believe that these in-house competencies provide benefits across our various services, allowing us to realise synergies through the application of these competencies to our OSV and T&I businesses as well.

We have developed an in-house EPC competency which, when applied towards our FPSO contracts, we believe provides us with a competitive advantage over other FPSO operators without similar in-house expertise. This expertise has allowed us to design, engineer, procure and project-manage all our major construction activities. We are currently developing our own turret mooring systems, which we believe will be an important future competitive advantage and will allow us to expand our offerings in the FPSO market.

We also focus on our fleet management capability, which we believe directly benefits our operations. By operating our own vessels, we are able to establish and access a database of critical offshore and marine personnel whilst developing a pool of younger talent which we will be able to benefit from in the future. In addition, we have also invested in database and maintenance systems to support our fleet, actively tracking and coordinating both routine and planned maintenance.

Having the ability to control all essential aspects of a project, as well as having an experienced and well-trained workforce that is headquartered and operating out of a fiscal-friendly, cost-effective base in Malaysia, are important risk and cost control tools. Partially as a result of these measures, we have been able to achieve an average EBITDA margin of 62.3% for the past 3 years ended 31 December 2010. Although we may be subject to foreign taxation on income generated from our vessels operating outside of Malaysia, under Section 54A of the Income Tax Act, 1967, we currently benefit from the tax-exempt status for most of our vessels which are on time charters and which are registered under the Malaysian Merchant Shipping Ordinance, 1952. This benefit will continue until and unless there is a change in the said legislation.

(v) Experienced and culturally diverse senior management team with proven track record, who are leading an agile organisation

We have an experienced, multinational senior management team with in-depth knowledge of the offshore and marine services industry. Our Company is led by our Chief Executive Officer, Hassan Assad Basma, who has over 30 years of experience in the O&G industry, of which the last 17 years were spent in Asia. Our senior management team consists of members with an average of more than 13 years of experience each in the offshore O&G industry in Asia, Africa, Australia and the Americas.

Furthermore, our multicultural organisation is capable of attracting and pooling talents worldwide to operate across multiple countries. Our FPSO and OSV business units are headed by Andrew Day Lamshed (who has over 15 years of relevant industry experience) and Wee Yam Khoon (who has over 30 years of relevant industry experience), respectively. Our T&I business unit is headed by Massimiliano Bellotti (who has over 12 years of relevant industry experience) while Adriaan Petrus Van De Korput (who has over 25 years of relevant industry experience) is managing our EPC business unit. Please refer to Section 9.2 for their respective profiles. We are also regularly adding management capability and building talent throughout the organisation. We have a diverse talent pool which consists of members of over 20 nationalities working in over 10 countries.

We have a flat organisational structure which we believe gives us the ability to react efficiently and quickly to business threats and opportunities both domestically and internationally. We believe that the combined experience and depth of knowledge of our senior management team enables us to manage our existing business in an efficient, safe and cost-effective manner, while also providing strategic direction to help ensure the successful implementation of our expansion plans.

(vi) Our established partnerships with our customers and suppliers as well as with the key players throughout the offshore O&G value chain

We have established relationships with NOCs, such as PETRONAS, Oil and Natural Gas Corporation Limited, Petrovietnam, CNOOC and ENI, IOCs such as Royal Dutch Shell plc and The Exxon Mobil Corporation as well as Independents such as Afren. Given our proven track record, we believe we can offer Asian NOCs services with a familiar and trusted brand name as they venture into new markets. We view the NOCs' familiarity with us outside of Asia, as well as the close working relationship that we have established, as an advantage over our competitors.

As the developing regions in Africa, Asia and Latin America continue to grow, and as NOCs and Independents with limited or no prior capabilities in the deployment of FPSOs or experience in these regions continue to emerge as significant players among the major oil companies, we believe that there are distinct advantages for companies, such as ourselves, which can provide a broader range of relevant offshore services.

Furthermore, we believe we benefit from our long-term relationships with our key suppliers of equipment and services as well as our strategic location in South East Asia, which is in close proximity to shipyards and fabrication yards, where the majority of fabrication for oil field vessels, including FPSOs, is currently taking place. We believe that our established relationships with such suppliers and yards allow us to obtain favourable pricing and access to yard space even during periods of high demand.

Further details of our major customers and suppliers are set out in Sections 7.19 and 7.20 of this Prospectus.

(vii) Strong orderbook in place

As at the LPD, we had in place an orderbook of firm contracts of RM5.8 billion across our FPSO, OSV and T&I business units. All our 3 existing FPSO units and our DLB have firm contracts in place which account for all our large assets and provide clear revenue and earnings visibility for the businesses going forward. This orderbook is generated in various markets with different customers, reducing our dependency on any particular market or customer. In addition to these firm contracts, there are extension options, callable at the customers' discretion, on a majority of these firm contracts with a potential total value of RM2.5 billion. In total, as at the LPD, we had a potential total contracted orderbook of over RM8.3 billion (including total potential contract sum of RM2.5 billion over the entire option periods) in place. Further details of our orderbook are set out in Section 12.2.11 of this Prospectus.

We expect to be able to grow our firm orderbook further as and when we secure new FPSO contracts, which are generally long-term (for a duration of 5 years or more) in nature.

7.7 Strategies and future plans

Our strategies and future plans are as set out below:

7.7.1 Further market penetration in existing markets and expansion into selected new markets

Over the next 2 to 3 years, we intend to increase our business presence in existing markets as well as to selectively seek opportunities to expand our business geographically and enter new markets in Latin America, Africa and Asia, either on a strategic or opportunistic basis.

We believe our key competitive advantages for entering and growing in new markets are as follows:

(i) we have an experienced and culturally diverse management team that brings together a range of on-the-ground knowledge and lessons learnt from a variety of markets and business segments;

(ii) when entering new markets, we leverage on our global execution capability to drive a clear Local Content Development Programme that we believe is consistent with local aspirations and is key to developing local capability as well as controlling the long-term costs of our operations;

(iii) where required or where we believe it is advantageous, we will team up with an established local partner to create added value either through a combined service offering or access to a local market, and

(iv) we approach our investments in each existing and new market with a long-term view.

We have entered new markets with a single asset, and used that foothold to offer our other assets or services. For example, we initially entered Nigeria with a contract for our FPSO Armada Perkasa, and have since expanded our presence through the deployment of our FPSO Armada Perdana in the Oyo Field, an enlarged shore base with additional personnel, which is able to support the FPSO Armada Perdana, the deployment of 8 OSVs and the provision of our T&I services. We are currently employing this strategy in Turkmenistan, where we have initially deployed our DLB, and intend to continue to employ this strategy as we expand into other new markets.

7.7.2 Business units

Strategies and future plans for the business units

FPSO	• Target to be the fourth largest FPSO player in the world by fleet size by end-2013 • Develop our own key technologies in moorings and risers • Focus on long-term charters in the key markets of Africa, Asia and Latin America • Form strategic alliances with key technology providers to develop new FPSO solutions
OSV	• Increase focus on deepwater and harsh environments • Expand into high-end, efficient, Clean-Design vessels • Maintain a balanced portfolio of higher value charters • On-going investment in the fleet
T&I	• Pull-through business via FPSO and OFS units • Expand our services in existing markets • Acquire cost-effective assets to expand in Brazil, West Africa and India and also in the conventional installation services • Establish and expand into the SURF market and provide IRM services
OFS	• Develop EOR and engineered production solutions • Develop RBC business • Develop marginal field solutions

(i) FPSO

We intend to capitalise on our existing FPSO operating presence in Africa and Asia, as well as expand into new markets in these regions and in Latin America, to grow our FPSO business. We aim to be the fourth largest FPSO player in the world by fleet size by the end of 2013. According to ISL, 103 FPSO installations are expected to be made between 2011 and 2015, equating to a forecast of approximately USD66 billion in capital expenditures, of which demand is predominantly expected to be driven by West African, Asian and Latin American markets (*source: Bumi Armada Independent Market Research Report by ISL*). Accordingly, our expansion plans entail a continued focus on opportunities in Africa and Asia. In order to facilitate expansion, we intend to leverage on our branding and reputation, which we believe we have successfully established in the last few years. As a longer term target, we may also explore suitable opportunities to expand into Latin America.

We do not engage in speculative construction or conversion of FPSO, but instead commence FPSO conversions only upon securing contracts for them. We are targeting to secure another FPSO project in the next 12 months. Our medium-term target is to secure at least one new FPSO contract annually over the next few years in order to gain a greater market share and presence. In addition, we may seek inorganic growth opportunities in this segment, including opportunistic acquisitions of FPSO operators or owners, which would provide us with suitable assets for our target markets.

Moving forward, we believe FPSO O&M services may be a significant value-added service as some contracts will be based on a lump-sum rate basis. Therefore, we believe it is critical to have an efficient operational solution based on a high degree of local content and capability development, which will be both commercially competitive and socially responsible to our customers. We believe we are able to offer this solution via collaboration with local partners in the countries in which we operate.

Over the next 2 to 3 years, we also intend to improve our technological offerings and aim to develop in-house capabilities in mooring and riser systems. We have to-date applied to register 2 patents for the designs of our proprietary shallow water mooring systems in the patent registries of various jurisdictions as set out in Section 7.13 of this Prospectus. We are also developing our capabilities in turret technology and solutions in partnership with a third-party company and we plan to implement our own turrets and mooring solutions in the near future. We believe these capabilities are critical to ensure success in the evolving FPSO market.

Over the longer term, we believe there will be new solutions required in the FPSO market, particularly in respect of new processing systems, applications and regulations. While some solutions to these new developments may be engineered in-house, there will be others that we expect to be unable to completely provide, such as a gas FPSO solution. In order to be able to meet these demands successfully and with a commercially competitive solution, we expect that strategic alliances, collaborations and partnerships with key specialist technology providers will be a critical future step for our FPSO business.

In meeting our customers' needs and assisting them to overcome operational obstacles, we intend to continue to expand our capabilities in order to provide a wide range of services to our customers.

(ii) OSV

The OSV segment has historically been the principal contributor to our profitability, and we expect it to remain one of our core businesses for the foreseeable future.

Over the next 1 to 2 years, we will be increasing our focus on the deepwater market and intend to expand our vessel fleet to include large high-end DP2 and DP3 vessels, enabling us to move up the OSV value chain. In addition, we believe there is a need to provide advanced, safer and cleaner (meaning lower carbon emissions and more fuel-efficient systems) vessels and therefore we intend to continue to build new vessels that meet these criteria. We believe that these new vessels will offer the best solutions and technology to our customers.

As part of our future plans over the next 2 to 3 years, we intend to focus on assets that generate higher margins for the company by offering added services and capabilities to our customers. This includes adapting a single type of OSV with the ability to carry out various support roles (e.g. a modified PSV), so that we are able to maximise the utilisation of the vessels, while adding short-term value-added services.

Furthermore, as we continue to expand our business into Africa, Asia and Latin America, we plan to construct new vessels, including large multi-purpose PSVs and accommodation workboats to service the increasing needs of these markets. These new vessels are intended to be Clean-Design and compliant with the latest regulations.

(iii) T&I

The T&I business is asset-intensive, and we generally expect to continue to seek to acquire or build appropriate vessels for potential projects in our target markets over the next 1 to 2 years. Through the expansion of our fleet, we believe that we will be able to leverage increased market share to achieve improved margins on our projects.

Our DLB, Armada Installer, operational since 2010 on an 8-year contract with PETRONAS Carigali, opened a new market for us in the Caspian Sea and we will be looking to explore new T&I opportunities and introduce more T&I services into this market where possible.

Furthermore, as more offshore installations move into deepwater, we believe demand for subsea installations will continue to grow. We have acquired the Acergy Hawk, a cost-effective DP2 subsea installation vessel, which will also allow us to offer SURF capabilities and services as an expansion of our synergistic service to FPSO installation as well as to third parties. We also intend to acquire a pipelay vessel to expand the geographical offering of our T&I capabilities in Brazil, West Africa and India. We also expect that our T&I business will benefit from our future FPSO projects, such as the potential to package the installation of moorings, risers and flow-lines for a new FPSO in our proposal to customers.

Finally, we intend to offer IRM services to complete our subsea offering over the next 2 to 3 years. IRM services will allow our T&I business to benefit from "repeat customers" as the services are recurring over a longer period of time. These types of contract could also allow us to balance asset and service utilisation against any seasonal or campaign factors in the T&I business portfolio.

(iv) OFS

Our OFS business entails the provision of various specialised services required in the offshore mature/brownfield markets. These include, amongst others, marginal field production solutions such as EOR, process modules to enhance the extraction of hydrocarbons from the reservoir as well as specific services and assets offered on a RBC basis for working in the marginal and mature/brownfield environment. As part of our EOR offering over the medium to longer-term, we intend to leverage on our existing engineering and EPC capabilities to offer customised floating production solutions and the other supporting services, including installation, support, demobilisation and transportation.

We see huge potential in the OFS segment and this will be a key part of our strategic focus in Malaysia and of our future growth plans in providing specialised services in conjunction with our marine assets. There is a global drive towards extracting the "last-drop of oil" and we intend to provide services to support that goal. Specifically in Malaysia, as part of the Economic Transformation Programme ("**ETP**"), the Government of Malaysia has identified, amongst others, the following as Entry Point Projects in the Oil, Gas and Energy section of the ETP:

- Rejuvenating existing fields through enhanced oil recovery; and
- Developing small fields through innovative solutions.

The overall investment envisaged by the Government of Malaysia for these 2 segments amounts to approximately RM81.9 billion. We achieved a first success in relation to the ETP by having been awarded the EPC and installation contracts to provide an FSO for the Sepat Field, off Terengganu, Malaysia by Petrofac.

7.7.3 Support units

Strategies and future plans for the support units

FMS	• Operate and maintain own fleet • Train and develop frontline resources • Secure new talent to support growth plans • Secure high level of local content • Invest in strategic shore bases in selected areas
EPC	• In-house EPC unit to support business units • Develop customised solutions for specific projects • Control engineering, design, construction and conversion phases • Engineering solutions developed with key software systems

(i) FMS

We believe that our in-house FMS enhance our operational and execution capabilities. Under this unit, we operate and maintain our own fleet, which is critical to ensuring vessel integrity and operational uptime. This capability is further strengthened by our operational procedures and systems, such as the BASS fleet management system. We are committed to training and developing our frontline resources, as well as securing a strong "pipeline" of new talent to support our growth plans. We also incorporate a high level of local content for operations in overseas markets such as West Africa and the Caspian Sea, led by a multinational senior management team that is experienced in those markets. We believe the development of local content and capability is a key competitive edge in driving sustainable growth. We will continue to invest with a long-term view by, amongst other, establishing shore bases in strategic markets that we enter.

(ii) EPC

We utilise our in-house EPC capabilities to support our business units, providing us with a proven track record in managing tight delivery schedules and budgets. We have concurrently managed 3 large projects valued at over USD800 million across our OSV, FPSO and T&I businesses through the recent economic crisis.

We believe our in-house engineering capability is a key strength as it allows us to proactively control our costs as well as manage and mitigate execution risks, which is not possible when this function is outsourced to a third-party. In addition, the engineering function also works to develop existing designs to generate new solutions.

Our capabilities in this segment are supported by various systems and procedures including ISO certification, as well as engineering software and document control systems to improve efficiency and execution such as Electronic Document Management System, Plant Design and Maintenance System and Computerised Maintenance Management System.

We believe that our support function under FMS and EPC are a competitive advantage as they allow us to mitigate execution and operational risks as well as to control our costs while remaining flexible in providing commercially viable solutions and services to our customers. We intend to continue leveraging off these support units to maintain and expand our customer base and appeal.

7.8 Sales and marketing

Our sales and marketing function comprises the following:

(i) **Maintaining close relationships with customers**

We have an experienced management team which is actively involved in assessing customers' requirements and our business development units have in-depth knowledge of the industry and are able to assess and capitalise on industry trends and opportunities. We believe that our FPSO, OSV and T&I teams are always up-to-date with the development plans of our customers. This allows us to anticipate their future needs, enabling our marketing efforts to be focused in the right direction.

We are in regular communication with our existing and potential customers to look into various areas which require our services. Customer retention is an integral part of our marketing strategy. Over the years, we believe that our ability to deliver quality services has enabled us to build on our reputation in the marketplace. The business development team capitalises on our reputation, strengths and capabilities to secure various new O&G support projects and contracts on a regular basis.

(ii) **Active corporate branding through participation in industry seminars, conferences and trade fairs**

We participate in various regional conferences, seminars, briefings and trade fairs related to both the O&G and maritime industries as part of our public relations and branding efforts. Printed materials such as catalogues and brochures are distributed at such events to create greater visibility and awareness of our products and services.

For example, we participated in the following events:

Year	Location	Event
2007	India	India Oil and Gas Summit
2008	Malaysia	6th PetroMin Deepwater, Subsea and Underwater Technology Conference, Malaysia
	Azerbaijan	Caspian Oil and Gas Conference
2009	Singapore	10th Annual FPSO Congress 2009
2010	Malaysia	Oil and Gas Asia Pacific Summit
	Nigeria	Nigeria Oil and Gas Conference 2010
	Malaysia	Sabah O&G Conference and Exhibition 2010
	Nigeria	D-8 Trade Exhibition
	South Africa	Africa Oil Week 2010
2011	Nigeria	Nigeria Oil and Gas Conference 2011
	Singapore	Turkmenistan Oil & Gas Road Show 2011

(iii) Market awareness via media

Upon achieving major milestones such as the delivery of new vessels, we seek to ensure there is sufficient media coverage, articles and other write-ups describing these latest achievements in the industry. These include local and industry-specific media as well as our own dedicated website. We believe that the media plays an important role in helping us gain greater visibility in both the local and international markets, and creates positive enquiries and referrals from the O&G industry and overall business community.

7.9 Major licences and permits

Save as disclosed in Section 5.2.1 of this Prospectus, as at the LPD, we have obtained various licences and permits for our operations in Malaysia and other jurisdictions in which we operate.

For further details of our major licences and permits, please refer to Annexure B of this Prospectus.

7.10 Competition

Our businesses operate in a highly competitive offshore marine industry. For example, while there are numerous players competing for projects in the FPSO segment, the competition is defined by technical and financial capabilities and the pricing of the proposed solution. Currently, there are 3 sub-segments in the FPSO segment: the large players (with more than 10 units each), the medium-sized players, such as our Company (with 3 to 6 units) and the small-sized FPSO players (1 to 2 units). These sub-segments can also be used to reflect the size of the project that the players generally will pursue, with the large players bidding for projects of USD750 million and above, medium-sized players (such as our Company) bidding for projects of USD300 million to USD750 million and the smaller players active on smaller projects of USD150 million to USD300 million. Most of our competitors in the FPSO segment are from Northern Europe, and unlike us, are not in close proximity to the fabrication yards in Asia, where most FPSO conversions are currently taking place.

By contrast, in the OSV market, barriers to entry are relatively low and there is currently high competition and oversupply in this segment. For this reason, we have focused our OSV business on larger, advanced and Clean-Design vessels for deepwater and harsh environments where barriers to entry are higher. These barriers include investment cost for the vessels, technical knowledge of their O&M as well as the markets and operability of the vessels.

The T&I business is also very competitive and is usually tendered on a lump-sum basis, where technical capability and competitive pricing are key to being selected for projects. Competition is wide-ranging from those companies that focus only on deepwater and harsh environment projects to the niche market/location/shallow-water specific players.

In the OFS segment, there is competition at each level of the oil field life-cycle, from players in the individual segments to specific services.

7.11 R&D

Currently, we do not have any formal R&D facilities and systems in place, and for the past 3 financial years, we have not incurred any R&D expenditure.

Our R&D policy centres on our objective of providing the right technological solutions in meeting our customers' needs and specification requirements for each project tendered. Our team of engineers and industry experts will collaborate in formulating the appropriate technological solution, design and specifications for the tender or study.

In our FPSO development unit, we focus on 4 key areas: mooring and risers, hull, gas processing and field production. Mooring and riser development involves the analysis of a complex interaction of sea-states, vessel motion and riser configurations, which is often a key consideration in providing the most competitive solution. We are currently developing our own turret mooring systems, which we believe will be an important future competitive advantage and will allow us to expand our offerings in the FPSO market. The turret mooring design capability is a critical component for deepwater and harsh environment FPSOs, as it gives the FPSO the ability to rotate around the turret mooring in locations where directional currents are changing and the FPSO can be easily disconnected if required, during extreme weather conditions. Hull selection involves the study of tanker types and new purpose built hull designs, which will have substantial cost implications. We are also conducting studies of various gas technologies including LNG, LPG, gas-to-liquids and gas-to-wire as we believe this is the future direction for FPSO projects. Finally, early field production facilities and FDPSO offer customers future technologies which will accelerate their oil reservoir understanding and assist in early cash flow for their O&G field.

Any new technologies and designs that are presented to the customer, if applicable, will then be patented prior to commercialisation. In most cases, in the event that our team collaborates with other technology partners to formulate solutions for our customers, the contractual agreement will be such that any new technologies or designs developed shall belong to us or become joint property.

We maintain a close working relationship with our customers and suppliers, and their feedback and preferences are communicated to our engineering and project management team to enable process improvements and expansion of our in-house capabilities. New designs developed to cater for such improvements as a result of the achievement of our engineering and project management team are generally patented, details of which are set out in Section 7.13 of this Prospectus.

Our engineering and project management team will continue to develop new technological solutions and design improvements to enable us to provide better services and improve the cost structures of our business.

7.12 Corporate social responsibility ("CSR")

We are committed to minimising or mitigating any negative impact on our business and the environment and to implementing sustainable practices progressively, where appropriate and practical. A Corporate Sustainability Report 2009, which disclosed and reported our sustainability practice was compiled in 2010 and was audited and accorded an "A(+)" by Global Reporting Initiative, one the world's leading sustainability reporting organisation.

An overview of our CSR efforts in 3 areas is as follows:

(i) Community engagement

We are committed to investing in and supporting the communities in which we operate, and we are constantly looking for ways to bring growth and development and help to improve the lives of the people in these communities.

We have assisted various charitable organisations such as orphanages, homes for the aged and schools with funds for basic necessities, educational material and school building improvements in Malaysia, Vietnam, Nigeria and Turkmenistan. We encourage voluntary work throughout our organisation.

(ii) Employment creation and skills training

We have a philosophy of incorporating and maximising local content wherever we operate through job creation, use of local resources and collaboration with local companies.

In Nigeria, we selected and trained Nigerians for jobs on board our 2 FPSOs. Training was conducted in Malaysia, Singapore and also at locations in Nigeria. At present, 60 Nigerians work on board the FPSO Armada Perkasa and another 60 on board the FPSO Armada Perdana.

The DLB Armada Installer is the only Turkmenistan-flagged DLB in the Caspian Sea. A total of 38 Turkmen are employed with 2 offices established; in Ashgabat and Turkmenbashy. Local sourcing is prioritised and we have also invested in community development initiatives including education and culture.

In Vietnam, together with our strategic partner, Vietsovpetro, we provided scholarships for 10 final year Vietnamese students of the PetroVietnam Manpower Training College in 2009.

In Malaysia, to offset the shortage of Malaysian trained crew members, we recently offered scholarships to 40 school graduates from Malaysia in 2010. This is in addition to the 5 students we sponsored in 2007, 17 in 2008 and 55 in 2009. Five of the cadets are studying at the Sarawak Maritime Academy ("**SMA**"), while the rest are studying at ALAM. The scholarships offered are for a Diploma in Nautical Studies ("**DNS**") and a Diploma in Marine Engineering ("**DME**"), which are particularly important for the development of nautical and engine officers. We expect that these cadets will be offered employment opportunities with our Group once they pass their examinations and obtain relevant certifications.

In addition to the global shortage of trained crew members, there has historically been a shortage of specially trained DP officers. Together with ALAM, we initiated a DP training programme in 2007 and provided funding and resources to establish the first DP training programme in Malaysia. DP training, which was previously conducted only in Singapore, was made available in Malaysia through this initiative which commenced in June 2007. The centre is now accredited by the Nautical Institute in UK as an international DP2 training centre.

(iii) Safe and efficient operations

For the operation of our vessels and FPSOs, we have in place corporate management systems that are implemented in line with internationally recognised standards including ISO 9001:2008, MARPOL Regulations 2002, and ISM/ISPS Codes (International Safety Management/International Ship and Port Facility Security).

We have attained ISO 9001:2000 Certification in September 2008 covering the full range of our services, from vessel procurement through to vessel operations. In October 2008, we were upgraded to ISO 9001:2008, the latest version of the standard. In 2010, we were certified by DNV for both ISO 14001 (for Environmental Management Certification) and OHSAS 18001 (for our HSE Management System procedures to identify, reduce and control health and safety concerns).

In addition, for the past 3 years ended 31 December 2010 and as at the LPD, we have achieved the following overall HSE record:

	Year ended 31 December			As at
Indicator	2008	2009	2010	the LPD
LTI frequency	0.065	0.051	0.043	0
Total recordable injury frequency	0.131	0.202	0.085	0
Total manhours worked (million)	3.056	3.956	4.703	2.157

Our overall HSE record over the past 3 years up to the LPD has been improving as we recorded a declining trend in the number of incidents despite an increase in the number of total manhours worked.

7.13 Intellectual property

Save as disclosed below, as at the LPD, we do not have any brand names, patents, trademarks, technical assistance agreements, franchises and other intellectual property rights:

(i) Patent applications in respect of a riser support system in the patent registries in the following jurisdictions:

(a) Patent Application No. 1-2009-01077 (Filing Date: 25 May 2009) for the Riser Support System (Invention) under International Patent Classification E21B17/01 by Bumi Armada at the National Office of Intellectual Property, Vietnam. Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian);

(b) Patent Application No. PI 20091250 (Filing Date: 27 March 2009) for the Riser Support System (Invention) by Bumi Armada at the Perbadanan Harta Intelek Malaysia. Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian);

(c) Patent Application No. 2009243413 (Filing Date: 27 November 2009) for the Riser Support System (Invention) by Bumi Armada at the Australian Government IP Australia. Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian);

(d) Patent Application No. 2455/DEL/2009 A (Filing Date: 27 November 2009) for the Riser Support System (Invention) by Bumi Armada to The Patent Office (India). Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian);

(e) Patent Application No. 091005337 (Filing Date: 27 November 2009) for the Riser Support System by Bumi Armada at the Department of Intellectual Property (Thailand). Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian);

(f) Patent Application No. 12/627,860 (Filing Date: 30 November 2009) for the Riser Support System (Invention) by Bumi Armada at the United States Patent and Trademark Office. Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian);

(g) Patent Application No. EP09177552.8 (Filing Date: 30 November 2009) for the Riser Support System (Invention) by Bumi Armada at the European Patent Office. Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian);

(h) Patent Application No. 200911000021.9 (Filing Date: 30 November 2009) for the Riser Support System (Invention) by Bumi Armada at the Intellectual Property Office of the People's Republic of China. Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian); and

(i) Patent Application No. TT/A/2009/00215 (Filing Date: 16 December 2009) for the Riser Support System (Invention) by Bumi Armada at the Intellectual Property Office (Republic of Trinidad and Tobago). Inventors: Tim Latham Withall (Australian) and Hayden Marcollo (Australian).

(ii) Patent applications in respect of an external turret with above water connection point in the patent registries in the following jurisdictions:

(a) Patent Application No. 2010227055 (Filing Date: 8 October 2010) for the External Turret with Above Water Connection Point by Bumi Armada at the Australian Government IP Australia. Inventor: Jacob de Baan (Netherlands);

(b) Patent Application No. 10251773.7 (Filing Date: 8 October 2010) for the External Turret with Above Water Connection Point by Bumi Armada at the European Patent Office. Inventor: Jacob de Baan (Netherlands);

(c) Patent Application No. 2800/MUM/2010 (Filing Date: 8 October 2010) for the External Turret with Above Water Connection Point by Bumi Armada at The Patent Office (India). Inventor: Jacob de Baan (Netherlands);

(d) Patent Application No. 1001001565 (Filing Date: 8 October 2010) for the External Turret with Above Water Connection Point by Bumi Armada at the Department of Intellectual Property (Thailand). Inventor: Jacob de Baan (Netherlands);

(e) Patent Application No. 1-2010-02703 (Filing Date: 8 October 2010) for the External Turret with Above Water Connection Point under International Patent Classification B63B 21/00; B63B 21/24; B63B 21/50, B63J 5/00 by Bumi Armada at the National Office of Intellectual Property, Vietnam. Inventor: Jacob de Baan (Netherlands);

(f) Patent Application No. 12901044 (Filing Date: 8 October 2010) for the External Turret with Above Water Connection Point by Bumi Armada at the United States Patent and Trademark Office. Inventor: Jacob de Baan (Netherlands);

(g) Patent Application No. Not yet assigned (Filing Date: 8 October 2010) for the External Turret with Above Water Connection Point by Bumi Armada at the Intellectual Property Office (Republic of Trinidad and Tobago). Inventor: Jacob de Baan (Netherlands);

(h) Patent Application No. PI 20094255 (Filing Date: 9 October 2009) for the External Turret with Above Water Connection Point by Bumi Armada at the Perbadanan Harta Intelek Malaysia. Inventor: Jacob de Baan (Netherlands); and

(i) Patent Application No. 201010549442.3 (Filing Date: 9 October 2010) for the External Turret with Above Water Connection Point by Bumi Armada at the Intellectual Property Office of the People's Republic of China. Inventor: Jacob de Baan (Netherlands).

7.14 Environmental compliance

Our business is guided by various environmental regulations in jurisdictions where our vessels operate or are registered. Please refer to Section 7.17 of this Prospectus for further details on the regulations governing our operations. As part of our commitment to ensure the sustainable use and protection of our oceans for future generations and to comply with these environmental regulations, we have in place a HSE protection policy, which amongst others, is aimed at the prevention of damage to the environment and property. We are committed to achieving the highest industry standards through continuous improvement and adoption of best practices.

Our strong HSE track record is evident from our numerous HSE achievement awards as well as various industry accreditations as set out in Section 7.3 of this Prospectus.

7.15 Employees

We are an international organisation serving our customers worldwide with a multicultural team across many nationalities. As at the LPD, we have 484 on-shore employees (comprising 277 permanent employees, 123 long-term contract staff and 84 short-term contract staff), of which about 70% are Malaysians.

Category	31 December 2008	31 December 2009	31 December 2010	As at the LPD
Senior Management	16	18	15	19
Management	73	90	92	98
Engineers	47	45	50	54
Executive	99	121	136	155
Technical	66	74	76	80
Clerical	57	56	55	57
General Worker	19	18	20	21
Total	377	422	444	484

As at the LPD, our on-shore employees were located in the following locations:

Location	Number of employees
Kuala Lumpur	240
Kemaman	36
East Malaysia (Miri and Labuan)	56
Singapore	125
West Africa, Turkmenistan and Mexico	27
Total	**484**

In addition, as at the LPD, we have an internal database of over 1,300 crew members who can be recruited on a permanent and/or contractual basis depending on our charter requirements. This database allows us to have flexibility for crew rotation as well as to meet charter crew criteria as required by the charterers.

The table below sets forth the number of offshore vessel crew available to us in the ranks below as at the LPD:

Rank	As at the LPD
DP Master/Chief Officer	25
Class 1 Master	43
Chief Officer – Unlimited Licence	66
Chief Officer – Domestic/Near coastal Licence	14
Chief Mate Domestic/2nd Officer	76
DP Watch Keeping Officer	7
Radio Officer/Deck Cadet	39
Chief Engineer – Class 1	71
Chief Engineer	16
2nd Engineer/Repairman	83
3rd Engineer/Electrician	104
Engine Cadet	31
Medic	9
Maintenance Supervisor	3
Crane Operator	13
Chief Steward	7
Bosun	70
Cook	81
Able Bodied Seaman	251
Greaser	146
Others: Oiler, Machinist, Janitor, etc.	147
Total	**1,302**

None of our employees are represented by any union and we have not experienced any disruptions due to labour disputes in the past. We believe that labour relations within our Group and our relationships with our employees are good.

Scholarships

As mentioned in Section 7.12(ii) of this Prospectus, we have since 2007 offered scholarships to 117 students for the DNS and DME courses in ALAM and SMA. These students (cadets) are expected to undergo 3 years of studies, where 2 academic years are spent at ALAM or SMA followed by 1 year training at sea. These cadets will later be recruited by us, where suitable.

DP Training Programme

We also run a joint DP Training Programme together with ALAM, which was set up at our request. The DP Training Programme is the first in Malaysia and has so far successfully graduated 8 Malaysian DP Officers which we have recruited into our organisation.

Graduate Development Programme

New graduates are an important source of strong and diverse future leaders for us. Under the Graduate Development Programme, students are generally hired after graduation to work in a full-time capacity. They are placed on a robust development plan to give them both functional and business skills. Their manager assumes a mentoring role to guide their success.

This 24-month programme provides accelerated development for individuals to build their management skills. It is a formalised rotational programme, which can include assignments within Malaysia or Singapore, or across operating companies. This programme has been designed to accelerate the development of a select group of university graduates who have been hired on a permanent basis within a function, for example, engineering, human resources, finance, information technology or health, safety, environment and quality.

Under this programme, we ensure employees receive formal feedback, typically every 6 months. However, ongoing informal feedback is provided by multiple sources, including among others, immediate supervisors, senior managers and human resources.

Our Graduate Development Programme started in 2009. To date, we have successfully hired 26 young graduates.

Training and development

We provide our employees with continuous training and development to enhance their skills and knowledge, with recommended courses, conferences, seminars and other training programmes. Some of the training programmes which were completed in 2010 are as follows:

	Training programmes	Organiser
(i)	Ships – Sale and Purchase, Financing and Registration	KL Bar Professional Development Committee
(ii)	Industrial Relations Act 1967 (amended 2008) & Industrial Relations Regulations (gazetted October 2009)	MEF Academy
(iii)	Internal Auditor (Quality and Environment Course)	DNV AS Sdn Bhd
(iv)	Advanced Environmental Management System Auditing	DNV AS Sdn Bhd
(v)	Advanced Knowledge on Anchor Handling for Offshore Fields	Uni Strategic Pte Ltd
(vi)	Combined Offshore Safety B.O.S.E.T-R Including Re-Breather	Construction and Industrial Safety Training Centre Sdn Bhd
(vii)	ISM & ISPS Internal Auditor Course	Sealestial Marine Services Kuala Lumpur
(viii)	2nd Annual Corporate Governance Summit 2010 "Truth, Lies & Corporate Governance"	Asian World Summit
(ix)	TBOSIET at Borneo Safety Training School (BSTS), Miri	Borneo Safety Training School (BSTS), Miri
(x)	Project Management Professional	iKompass

As part of our management succession plan to retain our key management, we have, among others, offered competitive remuneration packages and provided training and career development opportunities.

7.16 Interruptions to business for the past 12 months

There was no interruption to our business and operations which had a significant effect on operations in the 12 months preceding the LPD.

7.17 Regulation of the offshore O&G industry

Rights related to the exploration and extraction of petroleum in Malaysia are vested in PETRONAS under the Petroleum Development Act 1974. All organisations seeking to participate in activities relating to the exploration and extraction of petroleum in Malaysia must secure the necessary licences from PETRONAS before they are allowed to participate in these activities. Under the Petroleum Development Act 1974, organisations carrying out downstream activities and development relating to petroleum and its products, other than PETRONAS, are required to seek permission from MITI before carrying out such activities.

All vessels engaged in providing shipping services in the Malaysian domestic shipping sector must be licensed by the Domestic Shipping Licensing Board under the Ministry of Transport, Malaysia. Malaysia has adopted a legislative framework for the control of pollution and the protection of the environment in Malaysia. The environmental legislation applies to the offshore petroleum industry through the Environmental Quality Act 1974 and the Exclusive Economic Zone Act 1984.

The Malaysian Department of Environment ("DOE") enforces the environment legislation in respect of O&G activities carried out within Malaysian territorial waters. If the O&G activities are beyond Malaysian territorial waters and in the Economic Exclusive Zone, the regulatory control rests with the Petroleum Authorities (namely, PETRONAS and the Ministry of Domestic Trade Cooperatives and Consumerism, Malaysia) with input from the DOE.

The Federation of Malaysian Manufacturers, Malaysian Gas Association and Society of Petroleum Engineers are the major industry associations that outline and promote environmental performance of O&G activities.

The other relevant legislations are:

(i) Petroleum Mining Act 1966

(ii) Petroleum (Safety Measures) Act 1984

(iii) Continental Shelf Act 1966

(iv) Merchant Shipping Ordinance 1952

The following international conventions are applicable to our business operations:

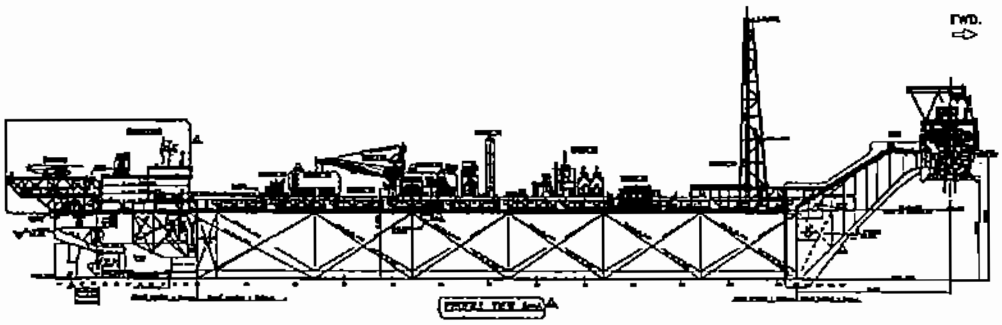
International conventions	Description
ISM	The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention: • To ensure safety at sea • To prevent injury or loss of life • To avoid damage to the environment and to the ship
Safety Management System (SMS)	A management system to manage all aspects of safety throughout an organisation. It provides a systematic way to identify hazards and control risks while maintaining assurance that these risk controls are effective
Intergovernmental Maritime Consultative Organisation (IMCO)	Codes which relate to international shipping, particularly regarding safety and marine pollution
International Convention for the Safety of Life at Sea (SOLAS)	An international treaty protecting the safety of merchant ships in the world
International Convention for the Prevention of Pollution From Ships, 1973 as modified by the Protocol of 1978 ("MARPOL")	MARPOL was designed to minimise pollution of the seas, including dumping, oil and exhaust pollution. Its stated object is: to preserve the marine environment through the complete elimination of pollution by oil and other harmful substances and the minimisation of accidental discharge of such substances
International Marine Contractors Association (IMCA)	The international trade association representing offshore, marine and underwater engineering companies promoting good practice, particularly in the areas of HSE standards, quality and efficiency and technical standards
Oil Companies International Marine Forum (OCIMF)	A voluntary association of marine companies with an interest in the safe shipment of petroleum, crude oil, liquefied gas and other associate products

In addition to these international conventions, we are governed by the regulations which are applicable to our business operations in the areas in which we operate.

Vessels operating in international waters are governed by the cabotage laws of the country owning the coast which gives priority to its local flagged vessels including Nigeria, Congo, Mexico, Venezuela and Turkmenistan. For example, in Nigeria, our largest market in Africa, the Coastal and Inland Shipping (Cabotage) Act 2003 ("**Nigeria Act**") regulates maritime cabotage and contains provisions restricting foreign participation in maritime cabotage within Nigerian coastal waters. However, the Nigeria Act empowers the Minister of Transport of Nigeria to grant waivers to foreign operators if he is satisfied that the Nigerian partner has at least 60% of the equity shares in the relevant joint venture. With respect to our local joint venture, CBJV, our local joint venture partner CESL owns 60% of the equity shares of CBJV.

7.18 Technology

(i) FPSO



An FPSO consists of 3 major components: (1) topsides; (2) marine/hull; and (3) mooring system.

Topsides

By utilising various processing systems, a typical processing plant on the deck (topside) of the FPSO treats the incoming well stream fluids. Well stream fluids are a mixture of oil, gas, produced water and other impurities. The fluids are put through a 3-stage separation process. The first 2 stages of separation are designed to separate the bulk of the oil from the gas and produced water, the final stage consists of a coalescer where the export oil specification (i.e. 0.5 BS&W) is achieved.

The produced water is then routed to a hydro-cyclone unit to remove entrained oil and then the oil-free water (which is cleaned to at least the minimum required level) is either released overboard or re-injected into the reservoir. The gas is routed to the compression systems, where it is also dried by a dehydration system. The "dry gas" may be exported to pipeline, re-injected into the reservoir, used for gas lift or used as fuel.

Gas FPSOs, which are used for the extraction of gas from an offshore field, have a gas processing topside, which removes the condensates or liquids from the gas and then processes the gas and the residual oil from the condensate. There is existing technology for LPG FPSOs, which have been built and are in use, but there has yet to be a successful development of an LNG FPSO. This is due to the technical complexities, scale and costs associated in developing a commercial LNG FPSO.

Marine/Hull

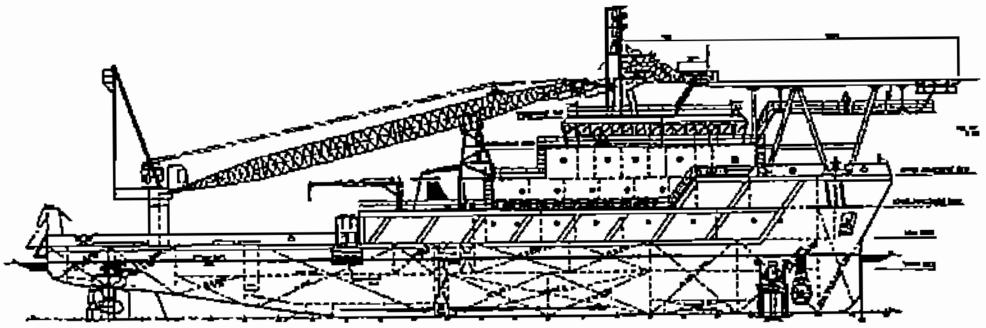
The oil produced by the FPSO topsides is stored in the cargo tanks of the FPSO. These cargo tanks are periodically emptied by offloading to a transport tanker. This oil is discharged from the FPSO tanks via a fiscal metering system through an offloading hose to the awaiting tanker. When the FPSO has completely discharged the oil, the tanker sails away to a suitable onshore refinery where the oil will be further treated.

There are 2 main types of FPSOs, a converted oil tanker option or a purpose built option. The choice of option to be used will depend on various criteria, which include, amongst other considerations, the size of the project, the leased contract period, environmental conditions, etc. For our past 3 FPSO projects, we have chosen to convert oil tankers which have had their marine systems repaired, hull strengthened, and then been equipped with the facilities described above (i.e. topsides).

Mooring system

The mooring systems will typically be either fixed directional (or spread) moored or single point rotating (or turret) moored, and in the latter case, disconnectable or permanently moored. This will depend on the sea-state and water depth at the location of the FPSO in the oil field. In relatively benign waters, such as that of our 2 FPSO in Nigeria, direction and location is fixed by a permanent spread mooring. In more hostile waters such as our third FPSO contract in Vietnam, the vessel is free to rotate according to prevailing wind and current, utilising a single point turret mooring.

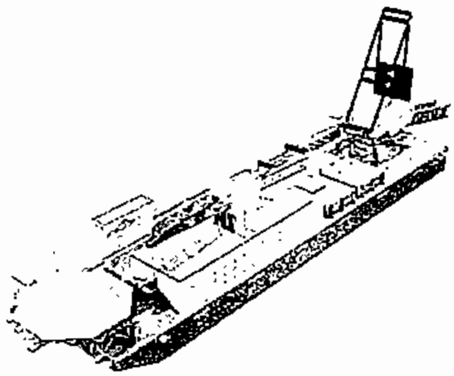
(ii) OSV



The majority of our new OSVs are equipped with DP technology with DGPS that allows the vessels to stay at a programmed position using computer-aided thrusters and propulsion systems built into the vessel's hull. The DP system is made up of a computer controlled system that automates the maintenance of a vessel's position and heading by using its own propellers, rudders and thrusters. Position reference sensors, combined with wind sensors, motion sensors and gyro compasses, provide information to the computer pertaining to the vessel's position and the magnitude and direction of environmental forces affecting its position. Vessels that are fitted with DP systems will have the DP acronym in their specifications, followed by the level of redundancy (DP, DP2 or DP3). The DP-level indicates the number of safety systems built into the system to remove redundancy or failure of the DP system. DP systems may be used to "lock" a vessel in a fixed position in the sea, or relative to a moving object like another ship or an underwater vehicle. One may also position the ship at a favourable angle towards wind, waves and current, called weathervaning, allowing the vessel to operate in adverse weather conditions, avoiding costly down time to offshore operations.

(iii) T&I

Pipe-laying



The technology for installing offshore pipelines in relatively shallow/medium water is commonly referred to as the S-lay method because of the profile of the pipe. As it moves in a horizontal plane from the welding and inspection stations across the stern of the pipe-lay barge and on to the ocean floor, it forms an elongated "S". As the pipeline moves across the stern of the lay barge and before it reaches the ocean floor, the pipe is supported by a truss-like circular structure equipped with rollers and known as a stinger. The purpose of the stinger in the S-lay configuration is to control the angle of the pipe between the barge and the ocean floor. The curvature radius of the stinger corresponds to at least the maximum bending stress. To avoid bending at the last roller, the pipe must lift off smoothly from the stinger well ahead of the lower end of the stinger.

Subsea installation by heave compensation

Heave compensation is a system for increasing control over an object when it is moved to and from the seabed by a ship at sea. It relies on eliminating the vessel movements, so that the movement of the object itself is much more controlled.

A typical offshore construction task uses heave compensation as follows:

(i) The crane lifts the module from the vessel deck;

(ii) The crane lowers the module into the water, and through the splash zone;

(iii) The crane engages heave compensation;

(iv) The crane docks the module onto the subsea template, and lands it on the seabed; and

(v) The crane disconnects, disengages heave compensation and recovers the hook up to the surface

Heave compensation makes it possible to carry out lifting work in more severe weather conditions, thereby increasing the operational "weather window". This can have a significant impact as customers normally pay for the time the vessel is actually working, and not when the vessel is on stand-by due to weather. Heave compensation can therefore reduce the financial impact due to bad weather.

Active heave compensation ("AHC")

AHC is a modern system that utilises motion sensors stationed on board the vessel, and based on their information, it lowers or raises the load. This is either done using gas driven cylinders (which raises or lowers the wire) or by wire winches.

7.19 Major customers

Our major customers that have contributed 10% or more of our revenue for each of the last 3 years ended 31 December 2010 and/or 3 months ended 31 March 2011 are as follows:

Customer	Nature/type of service	No. of years of relationship	Year ended 31 December 2008		2009		2010		3 months ended 31 March 2011	
		Years	RM million	%	RM million	%	RM million	%	RM million	%
NAE	FPSO and/or OSV	2	115.2	22	165.0	23	242.2	20	50.3	13
Afren	FPSO and/or OSV	3	85.8	17	96.3	13	124.7	10	24.3	6
PETRONAS	T&I and/or OSV	More than 15	72.9	14	57.4	8	215.0	17	75.7	20
HLJOC	FPSO	1.5	-	-	75.2	10	312.6	25	60.1	16
Petrofac Limited	OSV and/or OFS	9	13.8	3	17.1	2	14.2	1	82.4	22
TOTAL			287.7	56	411.0	56	908.7	73	292.8	77

The charter rates and operational costs of our FPSO business are much higher than those of our conventional OSV business. As such, FPSO customers such as HLJOC, NAE and Afren contribute a significant proportion of our revenue. We have entered into long-term contracts with these customers for the provision of FPSO services, which we view as significant contracts in terms of contribution to revenue and profitability, details of which are set out in Section 7.21 of this Prospectus. Whilst we are dependent on existing contracts with these customers, we expect to also participate in future tenders for projects involving other potential customers.

Revenue from Petrofac Limited for the 3 months ended 31 March 2011 was due to revenue from the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia under our new OFS segment.

We are not dependent on any one particular customer for the chartering services of OSVs as these are essentially commodity items which are not generally designed or built to specific requirements of the customer and/or oil field.

7.20 Major suppliers

Our major suppliers that have contributed 10% or more of our purchases for each of the last 3 years ended 31 December 2010 and/or 3 months ended 31 March 2011 are as follows:

			Year ended 31 December							
Vendor	Nature/type of service	No. of years of relationship	2008		2009		2010		3 months ended 31 March 2011	
		Years	RM million	%	RM million	%	RM million	%	RM million	%
Keppel Shipyard Limited	FPSO conversion	More than 10	166.3	23	433.5	37	155.5	11	41.5	12
Rolls-Royce Marine AS	Provision of engines for OSV	More than 10	75.8	10	77.2	7	-	-	1.6	1
Sofec Inc	Turret system	1	-	-	-	-	60.0	4	40.2	12
TOTAL			242.1	33	510.7	44	215.5	15	83.3	25

We are not dependent on any one particular major supplier as the various purchases from suppliers mainly relate to items utilised for the construction of new vessels. These comprise, among others, shipyard slots, spare parts and other equipment of which we have the option of sourcing from various shipyards and suppliers.

We have been in the business for many years and have established relationships with our suppliers such as Keppel Shipyard Limited, Kencana Bestwide Sdn Bhd, Solar Turbines International, Rolls-Royce Singapore Pte Ltd, Nam Cheong Dockyard Sdn Bhd, Drydocks World-Singapore Pte Ltd and Converteam Group SAS where we have been able to procure supplies from them at competitive prices.

Keppel Shipyard Limited has been a major supplier for the past 3 years. This was a result of the award of our FPSO refurbishment and/or conversion contracts based on, amongst others, its track record, capability and reliability. Purchases from Sofec Inc for the 3 months ended 31 March 2011 were for the turret system for FPSO Armada TGT 1 (formerly known as Armada Perwira).

7.21 Dependence on material contracts/agreements/other matters

As at the LPD, save as disclosed below and in Section 7.9 on "Major licences and permits", there are no material contracts, agreements, arrangements or other matters which had been entered into by us which we are highly dependent on:

(i) FPSO Armada Perkasa

On 3 April 2007, Afren entered into 2 contracts with our wholly-owned subsidiaries, comprising: (1) a bareboat charter with AFSL (the bareboat charter contractor) ("**Perkasa Bareboat Charter**"); and (2) a contract with BASPL (the O&M contractor) for the operational and maintenance services ("**Perkasa O&M Contract**") in respect of the FPSO Armada Perkasa.

The Perkasa Bareboat Charter and the Perkasa O&M Contract will operate for the primary term i.e. the period commencing from the commencement date (being the date of issuance of the First Provisional Acceptance Certificate which took place on 1 July 2008) and ending on the fifth anniversary from the said date ("**Primary Term**"). Afren has an option to extend the Primary Term for a period of at least 1 year but up to a maximum period of 5 years from the expiration of the Primary Term, on the same terms and conditions of the Perkasa Bareboat Charter and the Perkasa O&M Contract.

Additionally, Afren has an option to purchase the FPSO Armada Perkasa during the contract period at the price stipulated in the Perkasa Bareboat Charter.

(ii) FPSO Armada Perdana

Our subsidiaries, AOL and BASPL had, in relation to the FPSO Armada Perdana, entered into a bareboat charter party ("**Perdana Bareboat Charter**") and an O&M contract ("**Perdana O&M Contract**") with NAE (a subsidiary of ENI), respectively, both of which took effect on 15 April 2008.

The Perdana Bareboat Charter involves a bareboat charter of the FPSO Armada Perdana consisting of a spread moored FPSO facility, including mooring system, located in the offshore of Nigeria OML-120 (Oyo Field), in water depth of approximately 350 metres with an initial period of 5 years from the date on which NAE provides the notice of final acceptance. NAE may extend the said period for 5 additional periods of 12 months each. Any extension beyond the aforesaid periods shall be on mutually agreed terms which are not less favourable than those available in the market.

The Perdana O&M Contract covers the operations and logistics and maintenance of the FPSO Armada Perdana. Similar to the Perdana Bareboat Charter, the Perdana O&M Contract has an initial period of 5 years from the date on which NAE provides the notice of final acceptance to BASPL. NAE may extend the said period for 5 additional periods of 12 months each, subject to the Perdana Bareboat Charter being extended for an identical period. Any extension beyond the aforesaid periods shall be on mutually agreed terms which are not less favourable as compared to those available elsewhere.

The notice of final acceptance was issued by NAE on 11 April 2011, specifying the date of acceptance as effective from 7 June 2010.

Additionally, NAE has an option to purchase the FPSO Armada Perdana during the contract period at the price stipulated in the Perdana Bareboat Charter.

We are currently in the midst of formalising an amendment contract with NAE to revise the respective contract periods for the Perdana Bareboat Charter and the Perdana O&M Contract from a firm 5-year term to a firm 10-year term.

(iii) FPSO Armada TGT 1 (formerly known as Armada Perwira)

We had, on 1 September 2009, jointly with Vietsovpetro (collectively, "**Contractor**"), entered into a contract with HLJOC for the engineering, procurement, construction and installation contract for an FPSO facility for the construction of an FPSO and subsea system for the area known as Te Giac Trang Field located in offshore Vietnam, in the northern part of Block 16-1, in the Cuu Long Basin some 100 kilometres southeast of Vung Taw, 20 kilometres northwest of the Bach Ho Field and 35 kilometres west of the Rang Dong Field ("**EPCI Contract**"). Under the EPCI Contract, the Contractor shall commence work as soon as practicable after the date of the EPCI Contract and complete the same on or before the completion date (being 30 June 2011 or such other date mutually agreed by the parties).

On the same date, the Contractor entered into 2 further contracts with HLJOC. The first is a bareboat charter ("**Perwira Bareboat Charter**") which the Contractor has novated to ATGT on 13 September 2009. The second is a contract for the operational and maintenance services for the FPSO ("**Perwira O&M Contract**"). The charter period for both the Perwira Bareboat Charter and Perwira O&M Contract is for a period of 7 years, commencing from the charter commencement date (being the date indicated on the preliminary offshore completion certificate) ("**Initial Charter Period**") provided that HLJOC shall have the right to extend such Initial Charter Period (periodically) for additional 1 year periods up to the end of the design life of the FPSO (i.e. an additional 8 years), by giving 6 months written notice to the Contractor before expiration of the Initial Charter Period plus any notified extensions.

Additionally, HLJOC has an option to purchase the FPSO Armada TGT 1 (formerly known as Armada Perwira) during the contract period on terms to be mutually agreed between the parties to the Perwira Bareboat Charter.

(iv) DLB Armada Installer

On 20 July 2009, our wholly-owned subsidiary, AMCC, entered into a contract with PETRONAS Carigali for the provision of charter services of the DLB Armada Installer by AMCC to PETRONAS Carigali on a bareboat charter basis for 8 years ("**DLB Contract**"). The charter period under the DLB Contract is 8 years, which shall commence on the charter commencement date (being the date of the acceptance of the DLB Armada Installer which shall take place upon successful completion of the sea trial of the DLB Armada Installer by PETRONAS Carigali or any other mutually agreed date).

Additionally, PETRONAS Carigali has an option to purchase the DLB Armada Installer during the contract period in the event there is early termination without cause or a prolonged *force majeure* event. The price for the purchase is stipulated in the DLB Contract.

AMCC novated all its rights and obligations under the DLB Contract to AMCCPL on 15 March 2010.

7.22 Quality assurance

We were awarded Quality Management System ISO 9001:2000 certification in September 2008 and the ISO 9001:2008 certification in October 2008 by DNV Sdn Bhd. The ISO 9001 certification was awarded as recognition of our efforts and commitment in maintaining a quality management system, from which our customers can be assured that we have implemented the necessary internal processes to meet our obligations to them.

As for our vessels, we are subject to international safety and classification standards under the ISM code. We comply with the ISM code by fulfilling the ISM requirements such as the establishment of a safety management system setting out procedures by which safety and pollution aspects of a vessel are managed. Each ISM-compliant vessel is inspected regularly and undergoes an intermediate survey every 2.5 years as well as certification under drydock examination every 5 years by the relevant classification society. Marine vessels are considered sea-worthy only when they are certified by a classification society. The classification society which the majority of our fleet is registered with is the ABS.

7.23 Sources and availability of raw materials or input

We have limited exposure to raw material prices in relation, but not limited to, the following:

(i) Consumables such as some diesel and lubricants in relation to our FPSO and T&I operations, although the bulk of our OSV diesel is currently supplied by our customers; and

(ii) Steel and other fabrication materials, which we attempt as much as possible to mitigate our exposure to, by locking in prices as early as possible in our contracts.

7.24 Summary of landed properties

Details of the landed properties owned, leased or occupied by our Group are set out in Annexure A of this Prospectus.

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Infield Systems Ltd

THE ENERGY ANALYSTS

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www.infield.com

The Board of Directors
Bumi Armada Berhad
Level 21, Menara Perak,
24, Jalan Perak,
50450 Kuala Lumpur, Malaysia

13 JUN 2011

Dear Sirs,

Independent Market Research Report assessing the core markets in which Bumi Armada Berhad ("Bumi Armada") operates

We, Infield Systems Limited ("**ISL**"), have prepared the Independent Market Research Report ("**Report**") on the offshore support vessels ("**OSV**"), floating production, storage and offloading ("**FPSO**") and transportation and installation ("**T&I**") markets for inclusion in Bumi Armada's Prospectus dated 30 JUN 2011 in relation to the initial public offering and the listing of and quotation for the entire enlarged issued and paid-up share capital of Bumi Armada on the Main Market of Bursa Malaysia Securities Berhad.

We acknowledge that this Report will be included in the Prospectus and we further confirm that we are aware of our responsibilities under Section 214 of the Capital Markets and Services Act 2007.

This research is undertaken with the purpose of providing an overview of the OSV, FPSO and T&I markets in the offshore oil and gas ("**O&G**") industry.

We acknowledge that if we are aware of any significant changes to the accuracy of the information contained in this Report between the date of this Report and the issue date of the Prospectus, or after the issue of the Prospectus and before the issue of the securities, we have an on-going obligation to either cause this Report to be updated so as to correct any inaccuracies, and, where applicable, cause Bumi Armada to issue a supplementary prospectus, or, should they fail to do so, withdraw our consent to the inclusion of this Report in the Prospectus.

ISL has prepared this Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of this Report. We believe that this Report presents a true and fair view of the industry within the limitations of among others, secondary statistics and primary research. Our research has been conducted with an "overall industry perspective" and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/or actions of the readers of this Report. This Report should also not be considered as a recommendation to buy or not to buy the securities of any company or companies.

Yours sincerely,

Julian Callanan
Manager – Business Strategy and Analysis

1 INTRODUCTION

Recent high energy demand and associated high O&G prices have encouraged oil companies to look into developing and delivering as much hydrocarbon resources to the market as possible. The companies offering support services to oil companies have been some of the main beneficiaries of these recent developments, witnessing both an increase in business volumes, and also benefitting from a period of price escalation.

This dynamic was somewhat interrupted by the global economic recession that began in the latter months of 2008. At this time, oil prices became volatile, and energy demand diminished. This created uncertainty around the future levels of demand for hydrocarbon products, and oil companies reacted by delaying projects. Now, in 2011, the broader economic outlook is much more positive, and this has created a market conducive for investment. Two notable early examples of this include The General Electric Company's purchase of Wellstream Holdings plc, and the further acquisition of Converteam Inc in the first quarter of 2011.

With the price of oil rising steadily, and indicators suggesting that energy demand is sustainably increasing also; should these conditions continue, then the oilfield services market is likely to remain highly attractive for investment. Indeed, on the back of positive macro fundamentals, we are seeing, and can expect to see, many oil companies announcing substantially higher capital expenditure ("capex") budgets in 2011. This in turn, is likely to lead to higher activity levels in the offshore support services sector, and more opportunities for companies active in this sphere to generate revenue.

Although the signs of recovery and a return to increasing investment are positive signs for the offshore industry, there are deeper rooted developments which must also be considered. One of these is the developing influence and role of national oil companies ("**NOC**"), who are looking to increase the amount of national revenue derived from hydrocarbons, and retain more of this locally. Recent periods of high oil prices have allowed some of these **NOC**s to develop strong cash positions, and this has led to them expanding their influence, taking on more complex projects, and in some cases moving outside of their indigenous markets. This in turn has led to more competition for international acreage. This characteristic has placed strain on international oil companies ("**IOC**"), and in particular the super-majors which have business models geared around developing large fields. Increased competition with cash rich, often government backed competitors, or the necessity of partnering up with a NOC as often stipulated in local petroleum law, has incentivised IOCs to pursue technological advantages. The most important technological advantages have come in deeper, more operationally challenging waters, and in investment made into increasing the amount of oil recovered from existing fields.

Whilst the rise of NOCs is important in dictating the development of IOCs, we must also consider other key factors dictating the shape of the oil and gas industry today. In particular; national fears over energy security – note moves by the United Kingdom ("**UK**") energy utility companies to secure reserves in the North Sea; the rise of energy demand from the Brazil, Russia, India, China and South Africa ("**BRIC**") countries, and the increased strain there development places on global energy markets; the maturing of existing mature hydrocarbon basins; the rapid depletion of existing operational fields.

It is the combination of all the above factors, both short term oil price and energy demand trends, and the longer term deeper rooted contextual developments, that mean that we are currently undergoing an unprecedented search for all forms of hydrocarbon energy. This search is pushing the offshore oil and gas industry into ever deeper, more remote, and operationally challenging areas. Each drop of oil is important, and we need to increase the amount recovered from existing and future fields. Companies which in this respect are deepwater capable, offer solutions such as the FPSO - which allows for remote extraction and exportation of hydrocarbons, or provide services aimed at enhanced oil recovery ("**EOR**"), have business models which very closely match the likely future dynamics of the market.

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2 GLOBAL INDUSTRY OVERVIEW

2.1 Identifying core business drivers

The O&G industry provides a key source of energy for the global economy. The performance of the industry is therefore inextricably linked with the broader economic context. At present, a consensus has emerged around our current economic context. Firstly, although we have not fully emerged from a period of acute market recession, the outlook is now much more positive than it has been in recent times. Secondly, the emerging economies of the BRIC countries in tandem with other countries in Asia, are currently providing the engine for growth in the world economy.

This positive consensus around future energy demand provides the context from which companies providing support services to the offshore O&G industry can expect to grow. The prospect of rising energy demand, and potentially associated increasing O&G prices, encourages oil companies to look into developing and delivering more hydrocarbon resources. In order to do that, they require assistance from the offshore O&G support services industry. To understand then, how a company providing support services within the O&G industry is likely to perform, it is important to include a view on future energy demand and potential oil prices, as these in turn drive the level of capex which will be available to be turned into revenue.

2.2 World O&G Consumption

Data from the International Energy Agency ("**IEA**"), Energy Information Administration ("**EIA**") and Organization of the Petroleum Exporting Countries ("**OPEC**") shows that after weakness in 2008 and 2009, global oil consumption showed fairly strong growth in 2010. These agencies also forecast that this growth will continue in the next five years. The average estimate for oil demand growth is slightly less than 2 million barrels per day ("**bpd**") in 2010, slowing to an average forecast of growth of just over 1.33 million bpd. Thus, there is a consensus among these agencies that oil demand throughout 2010 to 2011 will be restored to the broad range of incremental growth seen in the years prior to the global economic recession which started during the latter part of 2008.

The IEA estimates that global oil demand grew by 2.4 million bpd in 2010 (or by 2.8%), with one-third of this coming from China alone (or 800,000 bpd). Latin America and the Middle East are regions that are also expected to have shown strong oil consumption growth. The outlook is similar for natural gas demand, with non-OECD countries including China, India and the Middle Eastern countries, forecast to be the key regions from 2010 onwards. Following a similar trend to oil consumption, the IEA forecasts that natural gas demand prospects in the mature OECD economies to be generally much weaker.

Whilst the forecasts for future global O&G consumption are largely positive, it is possible to argue that pricing for these commodities has moved away from its true fundamentals, and that we are now seeing a premium added on top of these prices. This premium is arguably derived from those willing to pay more to achieve security of supply, and those who use commodity classes for speculation. These premiums can distort the true strength or significance of a recovery trend, or equally mask the true depths of a recession. However the premiums and any associated price volatility should not detract from the fact that as the global economy continues to grow, we require more O&G to feed this growth. A point emphasised by the lack of any real alternative energy sources, and the likely negative impact which the Fukushima Daiichi nuclear incident will have on the development of nuclear energy as a hydrocarbon alternative.

2.3 O&G Infrastructure Spending

Increasing expectations of energy demand trigger higher levels of capex investment, as oil companies seek to develop hydrocarbon resources and bring them to the market. By way of quantifying this increase, "The Original E&P Spending Survey", published by Barclays Capital in December 2010, forecasts an 11% increase in capex from oil companies for 2011 relative to 2010.

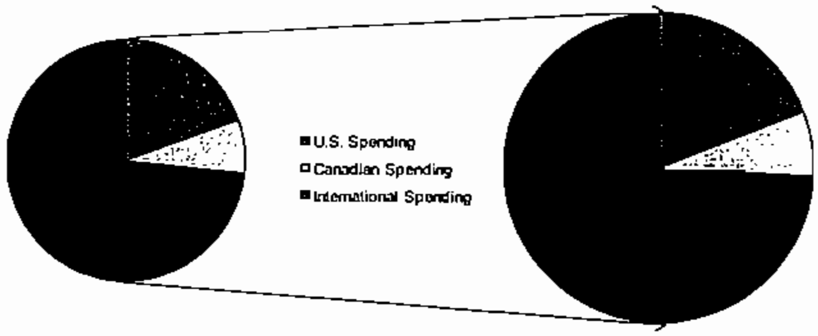

***Figure 2-1:Summary of O&G exploration and production expenditure 2010 & 2011 (USD millions)* [Source: Barclays Capital 'The Original E&P Spending Survey']**

We believe that in the future, more oil companies' capex will be focused on deeper waters, more remote fields, and in improving the amount of oil or gas recovered from existing fields. The trend towards deepwater production is illustrated in Figure 2-2, which shows the fields that are coming on-stream by water depth. The size of the bubble denotes the size of the reserves.

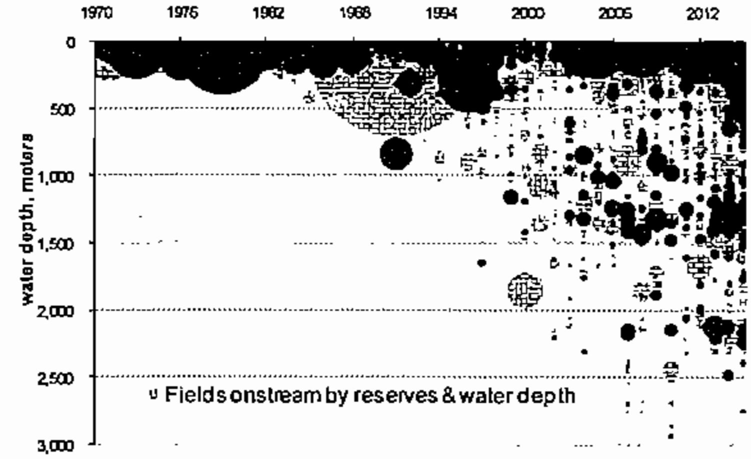

***Figure 2-2:Fields on-stream by reserves (barrels of oil equivalent ("BOE") and water depth (metres)* [Source: ISL]**

2.4 Oil Price outlook

Both the actual change in oil demand and supply dynamics, and/or expectations of changes in these dynamics can cause the price of oil to fluctuate. Oil price fluctuation and volatility can create uncertainty with operators on field development plans. Each field has a sanction price (a calculation of cost per barrel ("**bbl**") of any oil produced) and should the price of oil drop below a field's economic feasibility threshold, development plans may be deferred or delayed. This in turn has an impact on the offshore O&G support service sector, as oil companies withhold capex, and less field development contracts are awarded. Figure 2-3 gives estimate sanction price ranges for different field types. Typically, deepwater and EOR require higher oil prices than conventional offshore oil fields due to the complexity of operations and technical requirements of these projects.

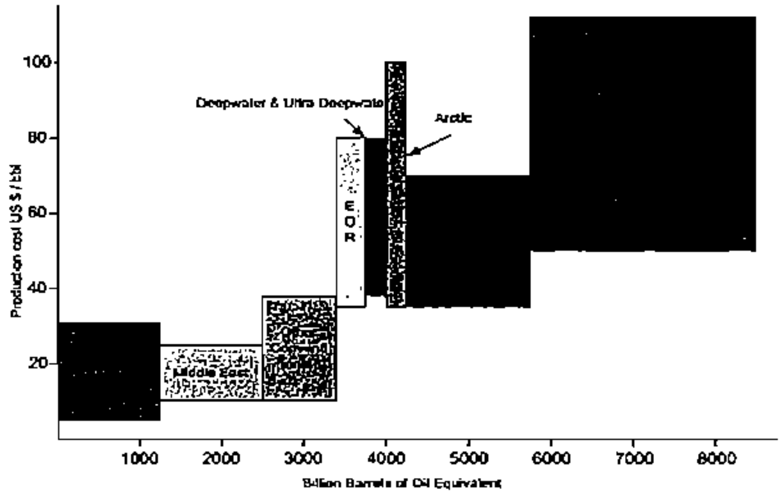

Figure 2-3: Economic sanction price range for fields **[Source: EIA World Energy Outlook 2008]**

Currently, we have three forward views on oil prices. In our short-term view, unrest in the Middle East and North Africa has significantly contributed to pushing up the price of Brent oil futures by nearly 20% since January 2011. The trajectory of the oil price increase which we are currently undergoing forms a parallel with the oil price bull run which led to oil hitting USD147 per bbl in July 2008. This process brought inflationary pressures, and is largely unsustainable. Our mid-term view is based on the rate of oil price escalation in line with the trend which we have seen develop following the oil price crash in 2008. This is reflective of the economic recovery and the continued development of non-OECD economies. Finally, our long-term view is based upon the longer term historical trend. It views the price bull run of 2008 and the following price crash as an anomaly on a broader upwards and sustainable trend. These views are illustrated in Figure 2-4.

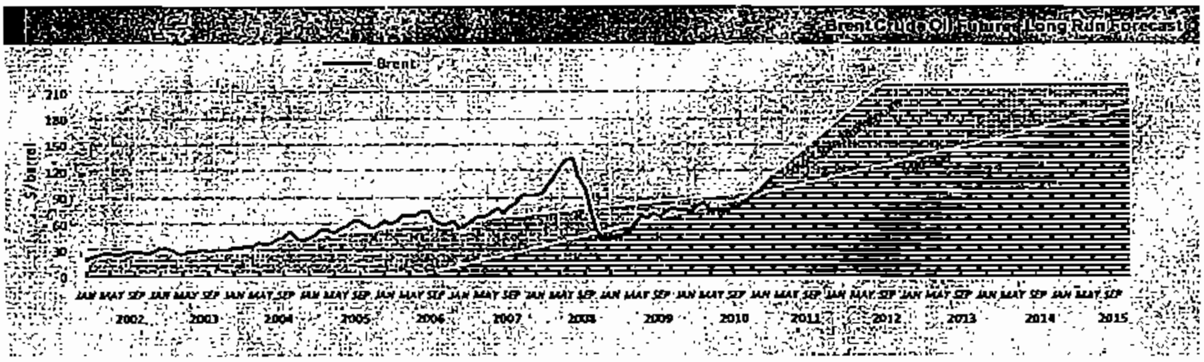

Figure 2-4: Brent crude oil futures long run forecast **[Source: ISL]**

Whilst all these forecasts are positive, in line with our expectations about the development of the global economy, it is necessary to state that should economic recovery falter, this is likely to undermine oil price stability and lead to more difficult market conditions for those companies providing support services to the offshore O&G industry.

2.5 Gas Outlook

Gas markets, and the price of a unit of gas, have historically moved broadly in line with oil markets and oil prices. This threatened to change in 2007, when over 4,000 shale gas wells were sunk in the United States of America ("US"). Shale gas refers to natural gas stored in organic rich rocks such as dark coloured shale, interbedded with layers of shaley siltstone and sandstone. The gas is contained in difficult-to-produce reservoirs that require special completion, stimulation and/or production techniques to achieve economic production. It is only very recently that the technology has been developed, allowing for the wide scale commercial development of shale gas prospects [Source: ISL].

With the realisation that shale gas could be profitably produced on a broad scale, gas markets slumped. LNG markets in particular were extremely hard hit. The US had, until the discovery of shale gas, been known as the 'LNG dustbin' of the world; an energy hungry market which would always take an LNG shipment. This changed completely with shale gas. Within the space of a year the US went from being a net gas importer, to being completely self-sufficient for gas. The impact on the global gas market was significant. Gas prices hit a glass ceiling, and several high profile projects were delayed. [Source: ISL]

Now, prompted by an improvement in broader macro-economic conditions, gas markets have recovered, and this is having a positive impact on project scheduling and capex allocation. Looking longer-term, gas looks likely to be increasingly important in the future global energy supply picture. In Europe, recent energy supply scares involving both Russia and Libya, have highlighted once more the dangers of having too much reliance on a limited number of sources for a significant part of a countries energy requirements. This is something which both countries and utility providers are seeking to change, by diversifying their energy supply basket, and in turn incentivising gas production and transportation from a more diverse geographic area. One example of this being UK gas giant Centrica plc, and the move by their upstream branch into Trinidad and Tobago to secure future UK energy supplies. [Source: ISL].

Environmental concerns and a shifting desire to reduce carbon emissions also favour gas based energy. Gas is cleaner burning than either oil or coal, and is likely to be increasingly used in energy generation. In Nigeria for example, the 'Gas Master' plan, calls for less gas to be burnt off when produced offshore, and instead for it to be delivered to the Nigerian market and turned into energy to help encourage economic growth.

2.6 Offshore O&G Support Services Overview

The O&G industry is a global industry. Hydrocarbon products are required in every country which has a competitive economy, and hydrocarbon reserves are found in nearly every country worldwide. The supply chain which has evolved to cater for this complex global industry is broadly split into three areas:

- Upstream – covering exploration and production
- Midstream – covering transport and trading
- Downstream – covering refining and distribution

This Report covers the offshore aspect of the upstream portion of the O&G industry. This aspect alone will include activities such as:

- Seismic survey activity
- Exploration drilling
- Appraisal drilling
- Engineering
- Procurement
- Project management
- Construction services
- Installation services
- Heavy transport services
- Maintenance and modifications
- Transportation
- Production platforms
- Drilling rigs
- Subsea trees
- Decommissioning and abandonment services

Within this area we see three key layers of market players; the oil company (or field operator) the primary contractor, and the sub-contractor. The oil company is at the head of the supply chain, and, as owner of the field, has responsibility for raising finance for its development. Oil companies include BP plc. ("**BP**"), Petroliam Nasional Berhad ("**PETRONAS**"), Royal Dutch Shell plc ("**Shell**") and ExxonMobil Corporation ("**ExxonMobil**"). Oil companies typically fall within four different brackets; super majors, mid-cap IOCs, NOC, and privately-held independent operators ("**Independent**").

Companies within each of these brackets have different operational capabilities and different organisational aims. A super major for example is typically publicly held, and has a duty to derive the best return on investment for its investors. They usually have a business model which covers upstream to downstream, and as such, super majors tend to be very large companies in terms of revenue and number of employees. The super majors use their financial strength and highly-trained workforces to target projects which are typically larger, in terms of reserves and production, than other brackets of oil companies. Super majors have been pivotal in pushing forward deepwater production. Due to their publically held nature, we tend to see super majors awarding contracts to companies with established track records in the areas within which they are bidding, and those which fulfil strict health and safety criteria [Source: ISL].

The IOCs are typically nimble companies that have a cost effective structure but are still commercially driven. These companies have typically witnessed fast growth in terms of company size, regions of operation, values, production and proven reserves. Examples of operators within this category are Addax Petroleum, Tullow Oil plc, Anadarko Petroleum Corporation, Apache Corporation, Murphy Oil Corporation and Talisman Energy Inc.

NOCs have become increasingly important as the offshore O&G industry has matured away from the traditional production zones found in the US and the UK, and moved towards developing countries. The NOCs primary role is to maximise the revenue generated for a country by its natural resources. A NOC may take into non commercial considerations when acting, and is likely to prioritise indigenous companies, or companies with operations in the NOC's country, when developing its resources. This procurement practice can be viewed both as a threat and as an opportunity. Companies established in countries which have a strong NOC presence, such as Malaysia, Brazil, Nigeria, Angola and Saudi Arabia, would be well placed to capitalise on any future opportunities which materialise in those countries, and continue expanding within the country. Conversely, for those companies not within the country, we believe that the entry costs can be prohibitive and a deterring factor [Source: ISL].

Independents are typically smaller oil companies. They may or may not be publicly listed. They may have no producing reserves and purchase acreage to sell later, or they may have a number of fields already in production. Generally an independent oil company is well placed to save costs when needed, as it will typically have little in-house capacity to project manage or execute projects, and will often rely on external investment for exploration or production activity. Within this category there are an increasing amount of companies that are purely financially driven and play a crucial role in EOR, local content and marginal fields.

Beneath the oil companies are those businesses providing support services, known in this Report as "contractors". A primary contractor will typically take a project, or a key part of the project, and manage this for an operator. Typically, primary contractors are experts in their field, and have a better understanding of the supply chain and delivery requirements around the products they supply or services they provide. For example, a company such as SBM Offshore N.V. ("**SBM**") or Mitsui Ocean Development & Engineering Inc. ("**Modec**") could be awarded a contract by an oil company to deliver an FPSO. SBM or Modec may undertake certain portions of this project themselves, for example the specialised engineering, however they would also play a key role in overseeing all project management, ensuring the construction process is executed properly, and being responsible for the timely procurement of specific equipment. The final layer would then be the sub-contractor, whose role is to provide specific equipment, or particular services or products [Source: ISL].

Two major trends are becoming apparent in the contracting sector of the offshore O&G industry. The first is a move towards 'local content'. Local content is the term used to describe the requirement for a certain proportion of the workload of a future project to be undertaken by entities or persons from the country in which the project is happening, rather than being provided from the global market. This relates directly back to the concept of NOCs becoming increasing influential as the offshore industry expands into new frontier areas. We believe companies which are able to comply with local content criteria, or which have demonstrated an ability to work in countries with NOCs are at a competitive advantage in comparison to those who cannot, and have not [Source: ISL].

The second trend is a move by IOCs and Independents towards larger engineering, procurement, installation and construction ("**EPIC**") or turnkey contracts. A turnkey contract is one where a product is ordered, such as an FPSO, and it is then delivered upon completion to the oil company who will operate it. Both forms of contract, and the myriad of different potential contracting options in between, lead to a similar result; oil companies would like their contractors to manage more of the project themselves, and to take on more risk for project delivery and execution. We have witnessed that companies which have internal project management and procurement capabilities are likely to be at an advantage compared to companies that do not have such capabilities [Source: ISL].

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3 REGIONAL MACRO OVERVIEW

3.1 South East Asia and Malaysia

Non-OECD economies have been cited earlier in this Report as being a pivotal driver of the current global economy. While this generally leads to a consideration of the economies of Brazil, Russia, India and China, we also need to contemplate the rapidly developing economies of South East Asia. This latter region includes the member states of the Association of South East Asian Nations (i.e. Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam). These countries are industrialising quickly, and require more energy to support them through this process.

Currently imports, typically from the Middle East, provide most of South East Asia's oil demand. Significant investment is underway to increase South East Asia's oil production capacity to decrease its dependence on imports. The gas outlook however, is slightly different. South East Asia is one of the major LNG exporting regions in the world and is well positioned to supply the broader Asian region's two largest economies, China and India, with natural gas. This is in addition to supplying the developed but resource poor economies of Japan, South Korea and Taiwan. The vast majority of natural gas that is liquefied for export from South East Asia to the broader Asian region is sourced from offshore reserves. [Source: LNG World News].

With regard to Malaysia, it is not only the largest O&G producer in South East Asia, but is also the second largest global exporter of LNG, behind only Qatar. In 2009, Malaysia exported 22.2 million tonnes of LNG, representing a 13% global market share. Currently, Japan is coming to terms with the aftermath of one the most powerful tsunamis ever recorded. The country is faced with a humanitarian disaster and coping with an increasingly dangerous atomic incident at Tokyo Electric's Fukushima Daiichi nuclear facility. The nuclear plant suffered catastrophic damage in the tsunami and it is highly likely that following containment, the facility will be decommissioned [Source: Reuters]. Consequently, LNG demand from Japan, which accounts for 60% of Malaysia's total LNG exports, could potentially surge as the country seeks to reconstruct and substitute the nuclear power output that was lost. The long term outlook for Japan's energy mix has also been cast into doubt following the incident as it has been suggested that the nation may scale back the amount of energy sourced from nuclear power [Source: Reuters]. We believe that this would lead to a large increase in oil and gas imports in the immediate term, which would primarily benefit those Asian countries which export them.

Other major LNG markets include South Korea and Taiwan. Unlike neighbouring O&G producer Indonesia (which recently became a net oil importer and which withdrew from the OPEC), Malaysia is a net exporter of crude oil in addition to also being a net exporter of LNG. Oil production in Malaysia has been gradually decreasing since its peak in 2004 and in 2009, total oil production amounted to 693,000 barrels ("**bbls**") of oil equivalent per day ("**boepd**"). Total domestic oil consumption in 2009 was 536,000 boepd, with the remaining 157,000 boepd to be exported. Natural gas production has been rising steadily over the last decade, reaching 2.1 trillion cubic feet ("**Tcf**") in 2009 whilst total consumption in the same year was 1.0 Tcf. [Source: EIA]

In an attempt to maintain production levels, Malaysia has been forced to move into increasingly deeper waters exploration. At present, it is forecast that Malaysia will shift from being a net exporter of oil, to being a net importer of oil in 2013. This has prompted the Malaysian government to offer a series of tax breaks which will encourage the further development of existing fields, and increase production from them utilising EOR techniques.

This is likely to give the Malaysian market a dual focus of greenfield deepwater investment, and brownfield shallow water life-extension investment, which is estimated at around USD4 billion. We believe that this translates to an increase in opportunities for the Malaysian oilfield services market, in particular those companies involved in OSVs, T&I and also engineering services [Source: ISL].

ISL forecast nine deepwater fields will come on-stream in India over the next five years, compared with seven in Malaysia and six in Indonesia. This represents a big increase over the period from 2006 to 2010, where a total of five deepwater fields came on-stream across the region. Of the five fields, three were in India whilst two were in Malaysia. Although there is no direct comparison over the same period, the deepwater growth in the US' side of the Gulf of Mexico prior to 2000 demonstrated how quickly deep and ultra-deepwater discoveries can move into large scale production over a short period of time.

PETRONAS is the main offshore player in Malaysia's O&G industry and produced over 1.75 million boepd of crude oil and natural gas in 2010. In Malaysia, PETRONAS' O&G reserves stood at 27.12 billion bbls of oil equivalent ("boe") at the end of 2010. On the same date, PETRONAS' disclosed O&G reserves outside Malaysia stood at 6.56 billion boe. Firms which are able to build a long standing and successful relationship with PETRONAS within Malaysia are likely to be well placed to win contracts and future work with the NOC outside of Malaysia. Furthermore, PETRONAS operates in 32 countries, and if offshore O&G support services companies have an existing relationship with the NOC within Malaysia they may be able to benefit and gain access to new regions [Source: PETRONAS].

3.2 West Africa and Nigeria

While South East Asia represents one of the fastest growing regions in terms of energy demand, the picture in West Africa is somewhat different, as local O&G demand is low due to the under-developed state of economies in the region. Angola is an exception as the country witnessed double digit economic growth through much of the 2000's. However, we maintain that West African O&G producers are primarily export-oriented and thus are playing an increasing role in supplying the global O&G market [Source: ISL].

Given a lack of domestic infrastructure and security concerns, much of the growth in West Africa's O&G production has been from offshore developments and more recently from deepwater projects. In 2009, West Africa exported 4.373 million boepd of crude oil, or 8.3% of the total amount of crude oil exported globally in that year (i.e. 52.930 million boepd). The US is West Africa's largest market, followed by Europe, China and India. In terms of production, the West African energy scene is heavily dominated by Nigeria and Angola, both of which are members of OPEC and which produced close to 2.1 million boepd and 1.6 million boepd, respectively, in February 2011. [Source: OPEC]

Based on ISL databases, Nigeria has the largest amount of crude oil reserves in West Africa, followed closely by Angola. Both countries are generally associated with having relatively difficult business environments. Companies that have the tools to be successful in this region are likely to have the resources to be successful in most other countries worldwide. Nigeria's onshore production potential for example has been eroded by separatist violence in the oil-rich Niger Delta region of the country. This violence has often involved attacks on energy infrastructure, such as pipelines, and kidnapping of oil industry employees.

Potential onshore security concerns, in tandem with a favourable tax scheme, have encouraged the IOCs active in Nigeria to focus on deeper water prospects. For these deeper water prospects, the FPSO is swiftly becoming the production platform of choice. We consider that the FPSO is a concept which is likely to be selected where any, or a combination of the following factors is found: [Source: ISL].

- Limited deep to shallow pipeline infrastructure
- Limited onshore refining capacity
- Low domestic energy consumption
- Potential political instability and threats to pipeline infrastructure

Nigeria's oil industry has arguably become largely inefficient, hampered by militancy, and growingly unattractive for external investment. At the time of writing (June 2011) a piece of legislation is currently being debated in the Nigeria government. This legislation is referred to as the Nigerian Petroleum Industry Bill ("PIB"). The PIB has broad aims to reform nearly all aspects of the hydrocarbon industry in Nigeria and its key outputs can be summarised as:

- Increasing government stake in deep-water production
- Treating oil and gas separately by establishing different tax structures and incentives
- Restructuring industry and creating separate regulatory and production bodies
- Allowing the Nigerian National Petroleum Corporation, Nigeria's NOC, to raise finance privately, become a limited company and an IOC
- Introducing an use it or lose it policy for 10 year old licenses

A further key area of change within Nigeria has been the codification of its local content laws, with the passing of the National Industry Content Bill ("NIC") in 2010. The NIC stipulates that a certain proportion of all work conducted for an offshore O&G field must be done in the country. We believe these laws greatly favour companies which are Nigerian, or companies which have operations in Nigeria, and should see less work available for companies which do not have a local footprint [Source: ISL].

Reform of the Nigerian O&G industry is crucial. Nigeria is blessed with an abundance of natural resources, and could be one of the largest O&G producers globally. Currently an estimated 50% of Nigerian oil production is shut-in, due to either militant actions destroying transportation infrastructure, or threat of militant action hindering operations. Nigeria's gas predicament is even worse. Nigeria has the largest proven gas reserves in West Africa and has the 7th largest reserves worldwide [Source: BP Statistical Review 2010]. However, most of its gas production is burnt off at source.

Yet within Nigeria there remains great potential. New legislation, as outlined above, is aimed at increasing the investment made into destroyed and off-line oil facilities. The current 'gas masterplan' places gas at the heart of Nigeria's future economic growth, and paves the way for more gas to be brought to the domestic market. In short, if these legislative proposals are passed and enforced, then Nigeria is likely to see significant growth within its O&G sector. Given the local content rules which are in place, it is probable that those companies which are already physically established in country, will be best placed to capitalise on this.

3.3 Latin America

Latin America is emerging as a major offshore O&G frontier, driven mainly by substantial Brazilian pre-salt O&G discoveries in the Santos basin, and Petróleo Brasileiro S.A. ("**Petrobras**")'s ambitious production growth targets. Mexico also reportedly has untapped deepwater reserves, while Venezuela is seeking to develop offshore shallow water gas deposits.

Venezuela's offshore natural gas sector is governed by separate laws to the oil sector. To produce oil, a non-Venezuelan oil company must partner with the NOC Petróleos de Venezuela S.A. ("**PDVSA**"). To produce gas on the other hand, the legislation is more relaxed. Capex on Venezuelan offshore gas projects is expected to be focused on developments at the Plataforma Deltana and Mariscal Sucre development blocks. The Venezuelan government views offshore gas as a potential source of feedstock for the development of an LNG export sector as well as a source of energy for the development of local industries such as petrochemicals, and to provide power for the proposed expansion of Venezuela's onshore heavy oil projects. PDVSA is understandably looking to promote the development of its gas resources and has highlighted this in its business plan through to 2015 [Source: PDVSA].

Venezuela's offshore industry is still youthful and under-explored. If anything can be inferred from recent successes in deepwater plays in neighbouring Mexico and Trinidad & Tobago, then Venezuela may hold significant future potential, and could emerge to be a deepwater market of tomorrow.

Meanwhile, Mexico's oil sector is currently facing tough challenges including declining production, falling exports to its largest market, the US, and rising domestic consumption. Compounding these problems is the constitutional limit placed on foreign investment in Mexico's O&G sector which prevents any direct operatorship of O&G fields by firms other than Mexico's NOC, Petróleos Mexicanos ("**PEMEX**"). Currently, PEMEX can only contract out services to assist it in field exploration and development. Given that the Mexican government is heavily reliant on oil revenue to finance its spending PEMEX is taxed heavily and this, combined with the limits on foreign participation in the oil and gas sector, hinders the ability of the Mexican oil sector to deal with the challenges highlighted above. For example, a range of industry sources have stated that PEMEX lacks the technical expertise and experience to explore and develop the estimated 30 billion bbls of deepwater oil reserves located in the Mexican side of the Gulf of Mexico [Source: OilOnline]

Despite these constraints PEMEX has devised a business plan to invest an average of approximately USD20 billion per year between 2010 and 2024, targeting a production level of 2.7 million bpd by 2012 and 3.3 million bpd by 2024. The majority of investment will be directed towards shallow water fields including Ayin, Akal (Cantarell) and Sihil. Should this business plan be adopted, we argue that this investment will be essential for PEMEX to realise its objective of reversing its production decline, which in the longer term threatens Mexico's oil export revenue [Source: ISL].

Brazil has become one of the leading countries in the offshore O&G industry. Brazil is currently the third-largest crude oil producer in Latin America behind Venezuela and Mexico. However, if Petrobras' expected production growth targets are realised then Brazil may become the leading oil producer in the region by the end of this decade [Source: ISL].

Brazil's NOC, Petrobras, is the centre piece for significant production growth plans. Petrobras is more commercially driven in comparison to some other NOCs, largely due to the Brazilian Petroleum Law introduced in 1997, which partially privatised Petrobras. These reforms also gave Petrobras a more corporate orientation and opened up competition for O&G exploration. However, the NOC still controls 95% of Brazilian crude production today. Just over a decade after the introduction of the Brazilian Petroleum Law, Petrobras adopted an ambitious investment plan which includes a five year USD224 billion spending target over 2010 to 2014. This five-year plan forms a major part of Brazil's strategy to become one of the major oil producers and exporters in the world by the end of this decade [Source: Petrobras].

With such a broad five year plan, and such a large capex commitment, Petrobras will require the support of a multitude of contractors providing different services. The majority of the yet to be produced reserves in Brazil are located in deeper waters in pre-salt geographical formations. We reason that these deeper water projects will tend to favour FPSOs, and will require contractors who are able to leverage on deepwater expertise, or show ingenuity in the face of technical challenges [Source: ISL].

3.4 Caspian

The Caspian region includes the former Soviet Union ("**FSU**") states of Azerbaijan, Kazakhstan, and Turkmenistan, as well as the Caspian Sea territory belonging to Russia and an area belonging to Iran. Prospects for the region are dominated by two major field developments: Azerbaijan's Shah Deniz gas field and Kazakhstan's Kashagan field. In addition to this, ISL forecast that a significant amount of investment will be driven by operators PETRONAS and Dragon Oil Plc, who have plans to enhance the recovery rates of older Soviet-era discoveries [Source: ISL].

Activity in the Caspian region is largely aimed at developing hydrocarbon resources for export to the large neighbouring economies of Europe, Russia or China. The Caspian is a predominantly landlocked region and hence, exporting hydrocarbons will require large export pipelines. In recent years, Europe, Russia, and China have initiated competing pipeline projects to get access to the reserves of the countries positioned around the Caspian. The key to these pipeline projects is to command enough reserves to justify their capex. This means that much of the focus on the Caspian is around larger fields. However, once these export pipelines are in place, the cost of developing fields will decrease, and smaller fields will become more attractive. This gives the market long-term appeal.

BP's Shah Deniz field was discovered in 1999 and began producing gas and condensate in 2006. The coming on-stream of this major field (Phase 1) has enabled Azerbaijan to become a net gas exporter in the last three years and more development is expected with further Phases expected to come on-stream in 2016 and 2017. Total reserves for the field's combined Phases are estimated to be in the vicinity of 34 Tcf. To put this into perspective, the UK's West of Shetland region, which has the potential to be one of the most productive frontier areas of the North Sea, holds only an estimated 5 – 8 Tcf of identified reserves [Source: ISL].

The Shah Deniz field has been seen as a viable supplier for the proposed Nabucco natural gas pipeline, a project stretching from Turkey into the heart of Europe which aims to ease Europe's dependence on gas supplies from Russia [Source: Nabucco-pipeline.com].

Other significant Caspian Sea developments include Kazakhstan's Kashagan oil field, one of the largest oil fields discovered in recent times. ISL estimates that Kashagan's total O&G reserves amount to 14.4 billion boe. The Caspian region remains largely unexplored since the Soviet era, and could potentially hold more discoveries yet.

PETRONAS has been active in the Caspian region for some time. In 1996, PETRONAS signed a 25-year production sharing contract with Turkmenistan for the exploration and development of the Magtymguly, Ovez and Diyarbekir fields found in block 1, giving the oil company a long-term presence in the Caspian region. Since then, PETRONAS has invested an estimated USD2 billion into developing these reserves and has actively sought to encourage Malaysian companies into the Caspian to support the development of its Caspian assets by providing the support services required to bring these fields into production [Source: PETRONAS].

3.5 Australia

Australia is likely to continue its emergence as a major player in the global O&G market over the next five years and beyond. The country has a unique combination of small to medium sized light crude oil accumulations underlying massive gas reservoirs. A domestic predisposition to coal based energy consumption, and close proximity to the rapidly growing and energy hungry, means that the vast majority of Australia's O&G is to be produced for export. This trend, and the cyclonic operational characteristics found in the country, strongly favours the FPSO as a development solution for oil, and the enticing prospect of FLNG solutions for gas. Such is the prospects of Australia's new resources boom that the country has, been dubbed as the potential "Saudi Arabia of natural gas" [Source: theage.com.au] to the rapidly growing gas-consuming economies of Asia, especially China.

Following recent discoveries, Australia's conventional natural gas reserves have more than doubled. According to the BP Statistical Review of World Energy, Australia's proven reserves of natural gas have grown from 32.7Tcf in 1990 to 77.7Tcf in 2000, and further still to 110Tcf in 2010. Such is the significance of this recent discoveries that Australia is now estimated to be the second-largest holder of proven reserves of natural gas in the Asia-Pacific region, behind Indonesia [Source: EIA and BP Statistical Review of World Energy 2010].

The vast majority of Australia's natural gas reserves are located offshore in the country's north-western and northern regions, in the Carnavon, Browse and Bonaparte basins. These three basins collectively contain more than 91% of Australia's natural gas reserves. According to the Australian Bureau of Agricultural and Resource Economics (**"ABARE"**) projections for the market share of total gross output from the north western and northern regions – most of which will be converted into LNG for export – will be maintained over the next two decades [Source: ABARE].

Australia is expected to rival leading LNG exporters in the medium term due to several LNG projects – either planned or proposed, which will provide export outlets for its abundant offshore and unconventional gas reserves such as Coal Seam Gas (CSG) – given that production is expected to exceed domestic consumption requirements. [Source: ABARE]. ABARE forecasted in 2010 that Australia's LNG exports will reach 41.4 million tonnes per year (**"tpy"**) by 2015/2016, reflecting an expectation of exceptionally strong growth in LNG export volumes given the fact that the ABARE also reported in 2010 that Australian exports of LNG totalled 15 million tpy in 2008/09 [Source: ABARE].

Should they proceed, we believe these projects will confirm Australia's growing role in the global LNG market, supported mainly by the expected rapid development of its offshore gas reserves. Furthermore, multi-billion dollar long-term supply deals have been signed between the operators of these proposed LNG projects and power and energy companies located in China, India and Japan – and in some cases, acquisitions of equity share in LNG-related projects have been made by Asian energy interests as well, most notably CNOOC Limited, China's offshore national oil company. [Source: ABARE]. The Asian region will be a fast-growing region in terms of natural gas demand, and Australia is well-placed to meet this region's growing need.

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4 FPSO MARKET

4.1 FPSO Market

A FPSO system is a crucial enabling technology of the modern offshore O&G industry, which allows oil to be produced from the sea floor, stored and then offloaded to a waiting shuttle tanker which will deliver it to the market.

FPSOs have become important in the offshore O&G industry as production has moved into more remote areas, deeper waters, further away from export pipelines and often in countries which have no domestic oil refining capacity.

Two business models exist for the provision of FPSOs. They are either rented from a 'leased FPSO provider' for a number of years, or they are purchased and owned directly by the oil company responsible for developing the field. This decision is usually driven by:

- The size of a fields' reserves – whether total potential revenue would cover total potential cost of the FPSO
- The length of time the field is likely to be in production for – a field with a 20-year lifetime is more attractive for a purchase solution versus a field with an 8-year life time
- The type of oil company developing the field – whether they have enough capital to be able to purchase their own FPSO, or whether they would have to lease and therefore avoid the initial capital requirement

Leased FPSO providers are targeted based on production uptime and an ability to maximise the production levels of a field. In terms of their business model, leased FPSO providers are able to retain tighter control over the procurement process and are also able to deliver on pre-agreed schedules and thus are more likely to generate greater revenue and incur less risk of activating penalty clauses in their contracts.

During the period of economic recession, the FPSO market as a whole suffered for the extended period without any new orders. This placed pressure on many of the leased FPSO providers, in particular some providers of speculative FPSO became bankrupt as they were unable to secure contracts for units under construction. During this time we also saw some market consolidation, most notably BW Offshore ASA's ("**BW Offshore**") acquisition of Prosafe Production Services Pte Ltd ("**Prosafe**"). We see good potential for future market consolidation between FPSO providers.

An FPSO can either be a 'newbuild' or a 'conversion' solution. A newbuild is typically favoured by IOCs who are developing large fields which are likely to be in production for a period of around 20 years. In these instances the projected life time of the field justifies the decision to build a specified unit to match the field's exact characteristics. A newbuild solution is almost always owned by the oil company developing the field. A converted solution takes an existing oil tanker hull, and converts it into an FPSO. Typically this conversion process will include the strengthening of the deck and the addition of oil separation and processing modules on the topsides. It is typically cheaper to convert an existing hull into an FPSO than choosing a newbuild option. Historically, companies which lease FPSOs tend to convert tanker hulls [Source: ISL].

Given the FPSOs drivers, it looks to be a technology which is set to be at the epicentre of the offshore O&G industry for many years to come. Nonetheless, the FPSO market, like many other offshore O&G markets, was acutely affected by the slowdown in the global economy.

This slowdown was attributable to the uncertainty surrounding the future price of oil, and the future energy requirements of the global economy. FPSOs tend to be long-term and high capex projects. They therefore need stable market conditions to be awarded contracts. Figure 4-1 illustrates how the number of large FPSO contracts being awarded increased in tandem with increasing oil prices, which includes Hyundai Heavy Industries Co., Ltd. being awarded the newbuild contract for the Usan FPSO, and Modec being awarded a contract to lease an FPSO to Tullow Oil plc for deployment offshore Ghana. However, when the price of oil crashed and market conditions became less stable, we saw a number of project cancellations and deferrals. More recently, market conditions have improved, and the number of contract awards has increased; SBM for example were awarded the contract for the Aseng FPSO in August 2009. Teekay Corporation signed a contract with Petrobras in 2010 for the provision of an FPSO for the Tiro and Sidon field in Brazil. In 2011, the Bonga SW FPSO project offshore Nigeria, which was shelved, has now been revived and is likely to be pushed ahead [Source: Shell].

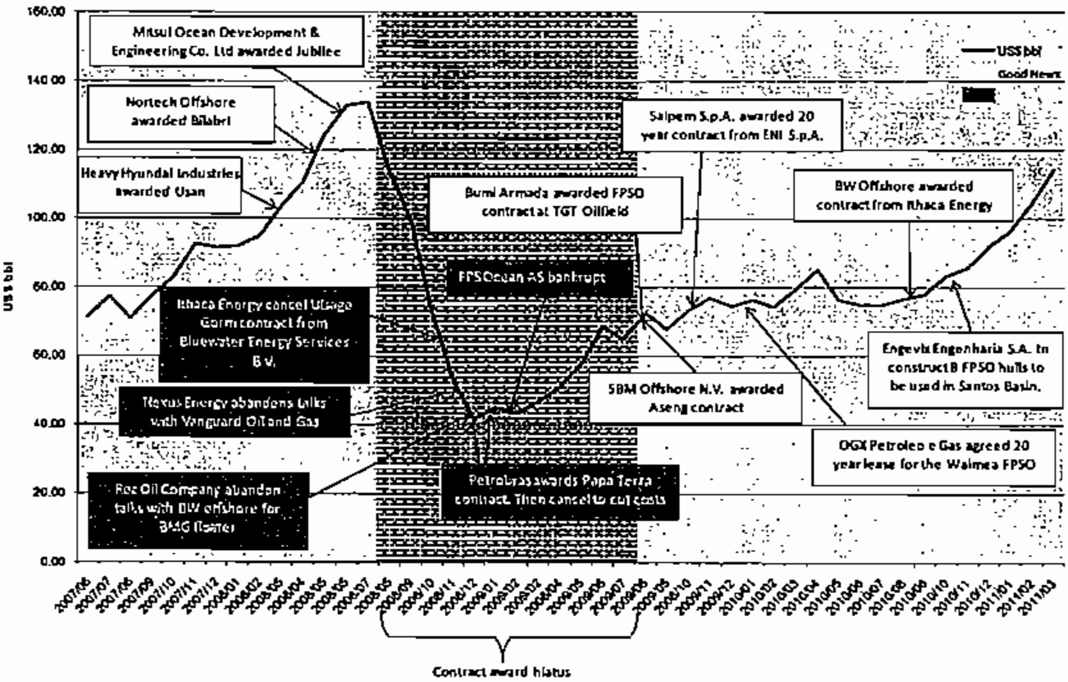

Figure 4-1: Select FPSO market events since 2007 to 2011 vs oil price [Source: ISL]

A further area which is increasingly important within the FPSO market is in relation to 'redeployments'. FPSO redeployment only applies to those companies who are providing leased FPSO solutions. It refers to the multiple use of one FPSO on several different fields during its life-time. FPSOs were originally conceived to be multi-field assets, moving continually from one oil field to the next. However, as the industry has improved production capacity from existing discoveries, FPSOs have moved far less than anticipated. As each field is unique and requires a tailored solution, redeployment options are more complex than originally thought. However, we are now coming to a stage where we have a significant amount of FPSOs working on fields which are coming to the end of their productive lives. For companies who lease FPSOs, being able to redeploy these on to a second contract will be an extremely valuable process. One example of this valuable redeployment is the Armada Perkasa, the first full-fledge FPSO to be relocated to three different fields on two different continents. Companies which have demonstrated a proven track record of redeploying FPSOs, of which there are few, we understand to be at a competitive advantage in understanding how this market works, and how value can be maximised from this process [Source: ISL].

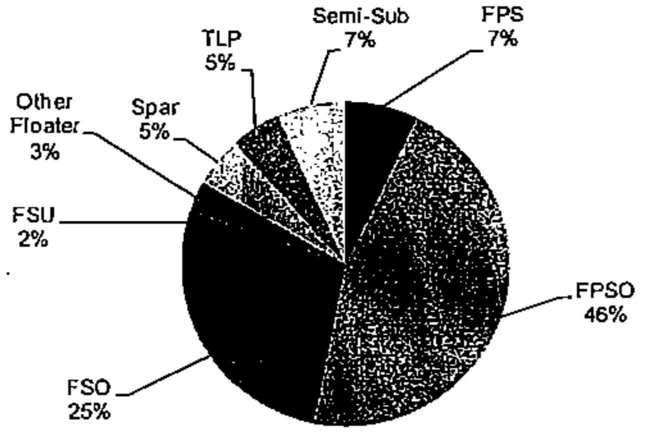

***Figure 4-2: Global floating platform installations (units) by floater type (2003-2010)* [Source: ISL]**

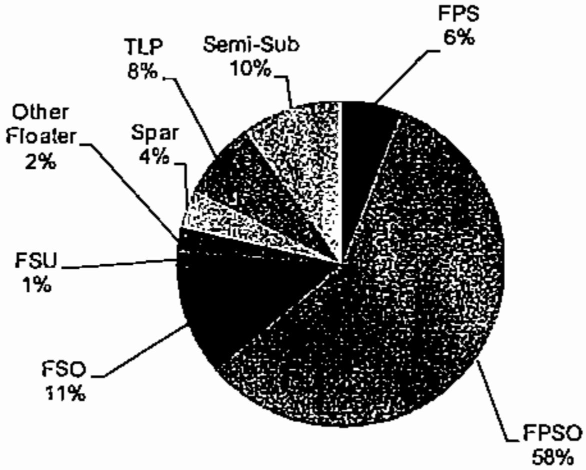

***Figure 4-3: Estimated global floating platform installations (units) by floater type (2011-2020)* [Source: ISL]**

Figures 4-2 and 4-3 show how the floating production market has been dominated by FPSOs during the period 2003 to 2010, and how we expect to see FPSOs become even more dominant from 2011 to 2020.

4.2 Forecasting FPSO Market Performance

With short-term factors becoming more suitable for investment and both medium and long-term drivers for the FPSO market remaining strong, the fundamentals for the market are positive as illustrated in Figures 4-4 and 4-5.

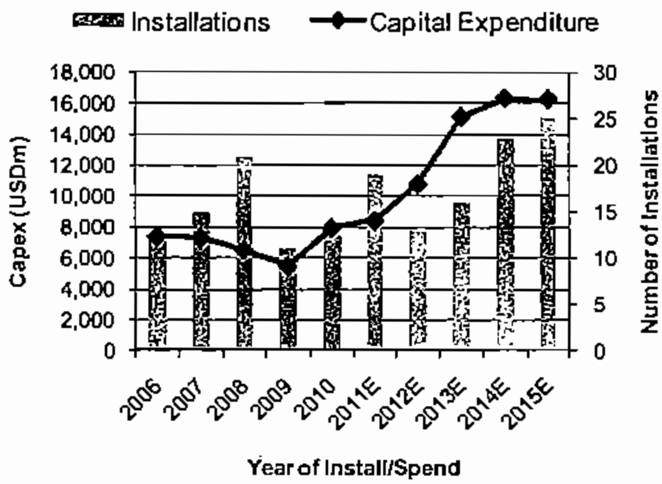

Figure 4-4: Global FPSO demand by capex (USD million) and number of installations (2006-2015) [Source: ISL]

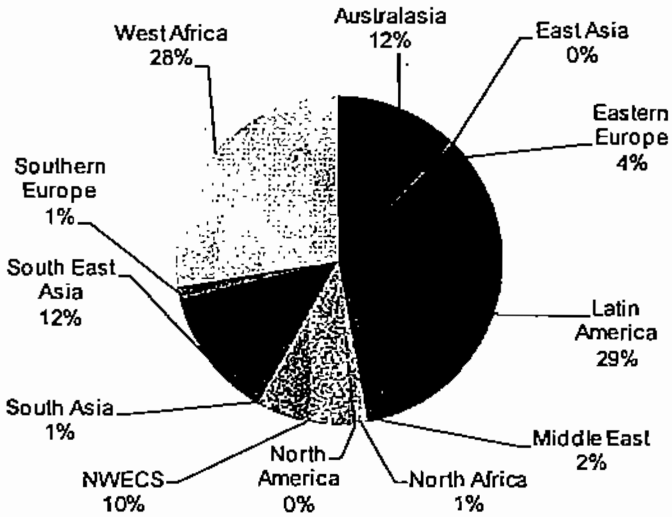

Figure 4-5: Global FPSO estimated capex demand by region (%) (2011-2015) [Source: ISL]

We expect growth in the market over the next five years with peak levels of investment as well as the number of FPSOs entering operations to peak towards 2014 and 2015. We believe the key regions for capex to be Latin America, West Africa, South East Asia and Australasia from 2011 to 2015 as illustrated in Figure 4-5, whilst deepwater locations such as offshore Brazil, Angola and Nigeria should require the largest amount of FPSO investment over the period.

Despite the expected demand for FPSOs from Latin America and West Africa, regions that have been well established within the market for a considerable time, the demand growth in the South East Asia and Australasia regions are far more recent additions to global FPSO demand dynamics.

We expect the Northwest of Australia to be a key area for new FPSO developments over the next five years, especially with the possibility of the new floating LNG ("FLNG") platforms to begin fabrication before 2015 [Source: ISL], as well as more marginal fields forecast to be brought on stream in the next five years.

However for South East Asia, the increase in investment and operator preference for FPSOs has been mainly attributable to the large growth in energy demand from the greater Asia area, the lack of existing offshore pipeline infrastructure, and the proximity of the world's largest FPSO fabrication facilities. We forecast Indonesia and Malaysia to account for more FPSO installations and capex over the next five years. Vietnam should witness similar levels of investment as it has done in recent years [Source: ISL].

South Asia (i.e. India) is not currently expected to be a major region for the FPSO market, however this could quickly change with a number of fields in the region have no announced development scheme yet have field characteristics not so dissimilar to fields proposed as FPSO developments offshore Australia. This coupled with the recent success of the D1 tender could lead the region to be a FPSO focus within the decade.

Driving the development of FPSO demand in Malaysia and Indonesia is the development of deepwater prospects, such as Kikeh in Malaysia, and Gendalo – Gehem in Indonesia. These projects utilise a 'hub and spoke' technology approach, whereby the FPSO stands at the centre, or hub of the development, and subsea wells are installed around the FPSO and tied-back into the FPSO. Oil is then processed and stored, until it is offloaded to a shuttle tanker, and taken to a refinery.

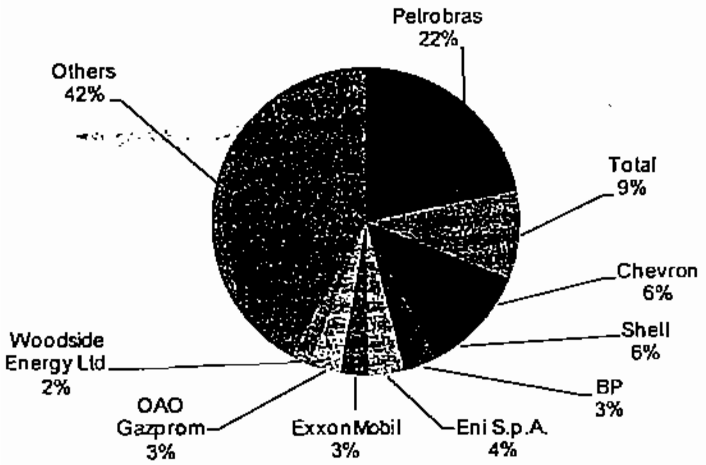

***Figure 4-6: Global FPSO estimated capex by operator (%) (2011-2015)* [Source: ISL]**

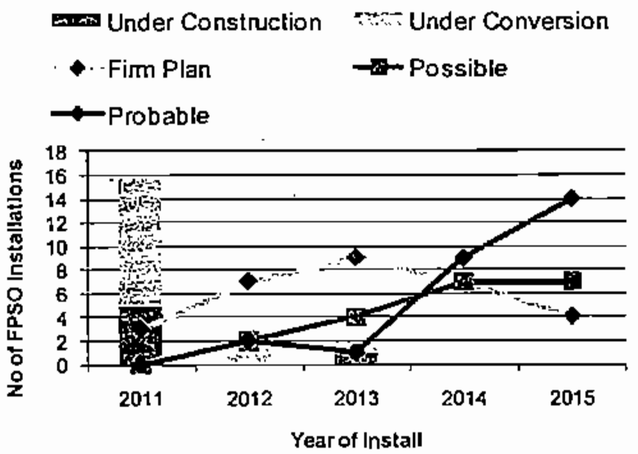

***Figure 4-7: Global FPSO estimated installations by ISL project status (2011-2015)* [Source: ISL]**

Figure 4-6 illustrates the oil companies with the largest amount of FPSO expenditure over the next five years. Petrobras is expected to be the main operator for FPSO capex over the next five years, with Total S.A. ("**Total**"), Shell and Chevron Corporation ("**Chevron**"), the next key players in terms of overall investment. In addition to the role of the Majors in this market, we are starting to notice an increase of Independents, such as Woodside Petroleum Limited. A greater mix of Independents in the FPSO market is deemed likely to create more opportunities for companies which lease FPSOs, as Independents typically do not have the funding required to build and own their own FPSOs.

Figure 4-7 sets out the forecast of FPSO installations. By tracking news and contract information regarding FPSO projects we assign a status on the likelihood of a project being installed in that year. A large part of installation is expected to occur in 2014 and 2015 with projects that have a firm plan, possible and probable status. It is a positive sign within the market that we believe that probable and firm plan projects will be installed in 2014 and 2015 despite the year of installation not being forecast until a later date as it shows the market has long term demand. FPSO projects that are currently at yard locations receiving work are categorised as 'under construction' or 'under conversion'.

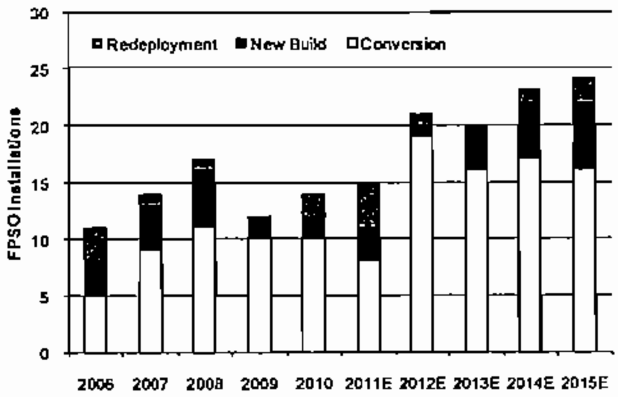

Figure 4-8: Global FPSO installations by deployment type (2006-2015) **[Source: ISL]**

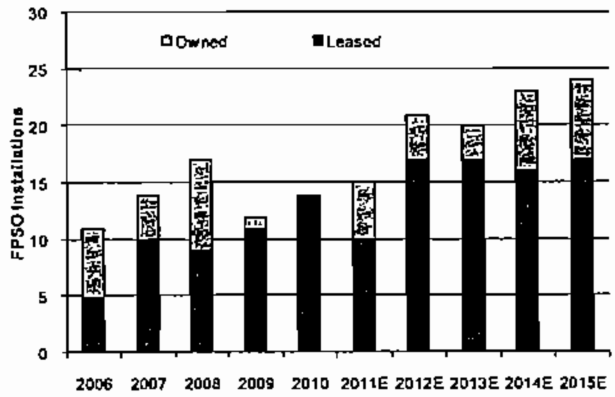

Figure 4-9: Global FPSO installations by lease type (2006 2015) **[Source: ISL]**

Figures 4-8 and 4-9 illustrate our projection that in the future more converted, rather than newbuild FPSOs will be required. Again, companies which are able to manage the FPSO conversion process are likely to be the beneficiaries of this dynamic.

4.3 Key Regional FPSO Markets

4.3.1 South East Asia

The FPSO market looks very robust within South East Asia, which is expected to be driven primarily by Malaysia, Vietnam and Indonesia as Majors, Independents and NOC oil companies are expected to look to develop reserves with FPSO platforms over the next ten years. There is a healthy outlook for the region in terms of both the number of installations and capex for FPSOs from 2011-2015 [Source: ISL].

We believe that Malaysia in particular is likely to increase its market share of FPSO installations from 2011-2015 compared to 2006-2010, as Petrofac Limited ("**Petrofac**"), Murphy Oil Corporation ("**Murphy**"), Hess Corporation, Shell and Talisman Energy Inc. ("**Talisman**"), as well as PETRONAS are anticipated to develop both deepwater and shallow water fields.

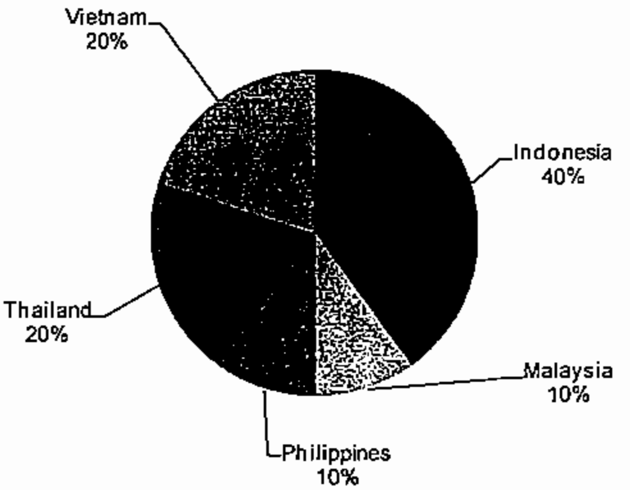

Figure 4-10: FPSO installations by country (2005-2010) **[Source: ISL]**

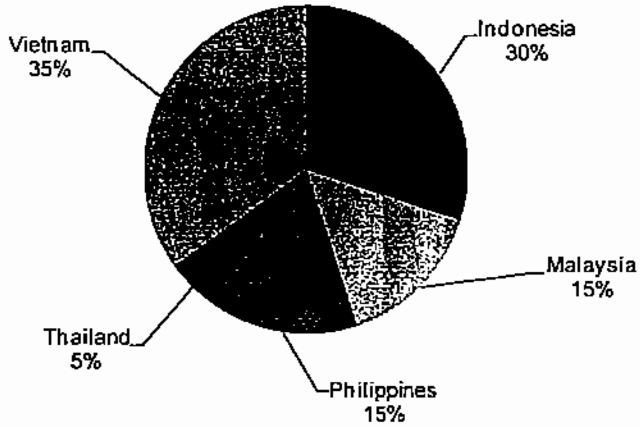

Figure 4-11: Estimated FPSO installations by country (2011-2015) **[Source: ISL]**

Table 4-1: Summary of South East Asian FPSO installations **[Source: ISL]**

Country	2006-2010	2011-2015 (estimated)	Grand Total
Indonesia	4	6	10
Malaysia	1	3	4
Philippines	1	3	4
Thailand	2	1	3
Vietnam	2	7	9
Grand Total	10	20	30

One demand dynamic within the South East Asian FPSO market that we believe will change over the next five years is within Thailand. Thailand's market share for FPSO installations and capex is anticipated to decline drastically as the country looks to more traditional fixed platforms to develop offshore fields whilst other countries opt for floating production platform solutions. With Thailand having a large amount of fractured reserves offshore, utilising small low cost piled platforms looks to be a more viable option for operators in the country instead of leasing or purchasing FPSOs which can have high lead times for delivery.

Historically, FPSO operations in the region have been primarily undertaken by Independent operators, however, we expect to see more Major and NOC operators enter the FPSO market within South East Asia over the next five years. This diversification of operators in the FPSO market is primarily attributable to Indonesian deepwater fields that are planned to be developed by FPSO solutions. Within Malaysia, there is a similar diversity but on a lower scale with Talisman, PETRONAS and Petrofac expected to use FPSO solutions over the next five years adding to the one current FPSO which has been operating for Murphy offshore Malaysia since 2007 [Source: ISL].

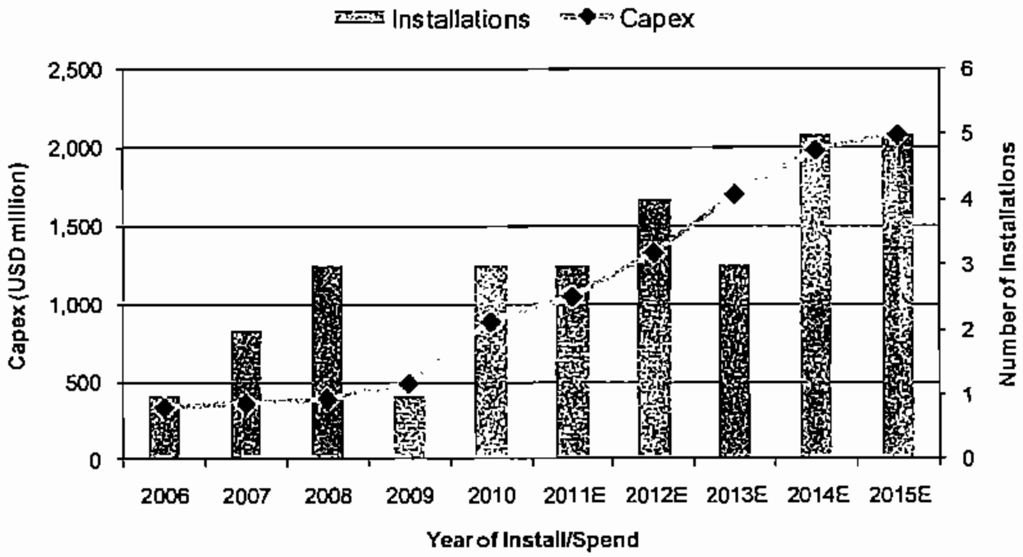

Figure 4-12: South East Asia FPSO installations and capex (USD million) (2006-2015) **[Source: ISL]**

4.3.2 West Africa

Deepwater projects located offshore West Africa, and primarily Angola and Nigeria have acted as catalysts for offshore oil and gas investment into the region over the last few years and the same can be said with the FPSO market in the region. Although the recession dampened overall capex, investment continued to flow into the FPSO market and we believe that this will continue over the next few years before increasing substantially as Majors as well as a growing number of Independent operators develop offshore fields with FPSOs.

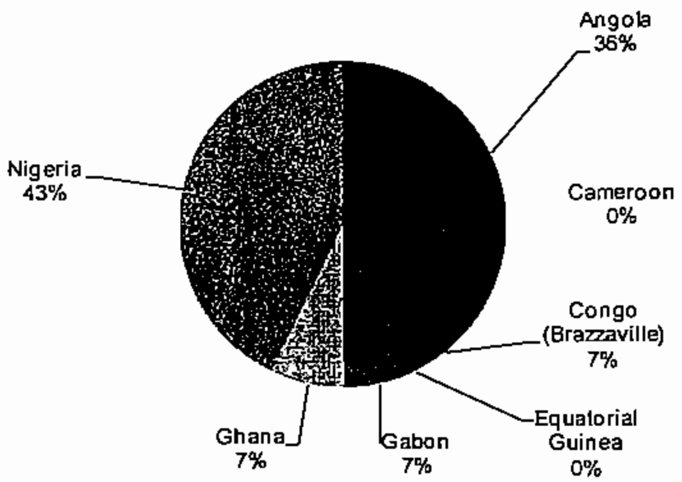

Figure 4-13: FPSO installations by country (2006-2010) **[Source: ISL]**

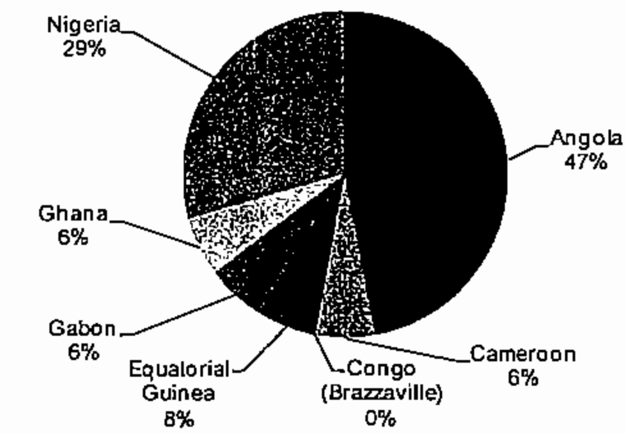

Figure 4-14: FPSO estimated installations by country (2011-2015) **[Source: ISL]**

Table 4-2: Summary of West African FPSO installations **[Source: ISL]**

Country	2006-2010	2011-2015 (estimated)	Grand Total
Angola	5	8	13
Cameroon	0	1	1
Congo (Brazzaville)	1	0	1
Equatorial Guinea	0	1	1
Gabon	1	1	2
Ghana	1	1	2
Nigeria	6	5	11
Grand Total	14	17	31

Over the last five years, we have seen increasing number of Independent operators enter the West African market whilst major operators also continue with operations showing that despite some concerns over security and stability in the region, the benefits for operators are there and worth the risk for these companies. We have also witnessed a similar trend with FPSO lease owners as whilst established players such as Modec, BW Offshore and SBM have been present in the region, there is an increasing diversification of lease owners, for example Fred Olsen Production ASA and Bumi Armada (who were the first Malaysian owner and operator of an FPSO in West Africa). Whilst the trend of Independent operators diversifying into markets is expected to continue moving forward, the diversification into regions is also expected to occur [Source: ISL]. We believe that emerging hydrocarbon nations such as Cameroon and Equatorial Guinea will see continued growth within the FPSO market through to 2015 compared to 2006-2010 as new operators in the region look to develop new acreage in West Africa, creating niche markets for the operators. Whilst these new emerging countries will bolster the FPSO market in West Africa, long standing nations Angola and Nigeria are expected to continue as the primary drivers for the FPSO market in the region.

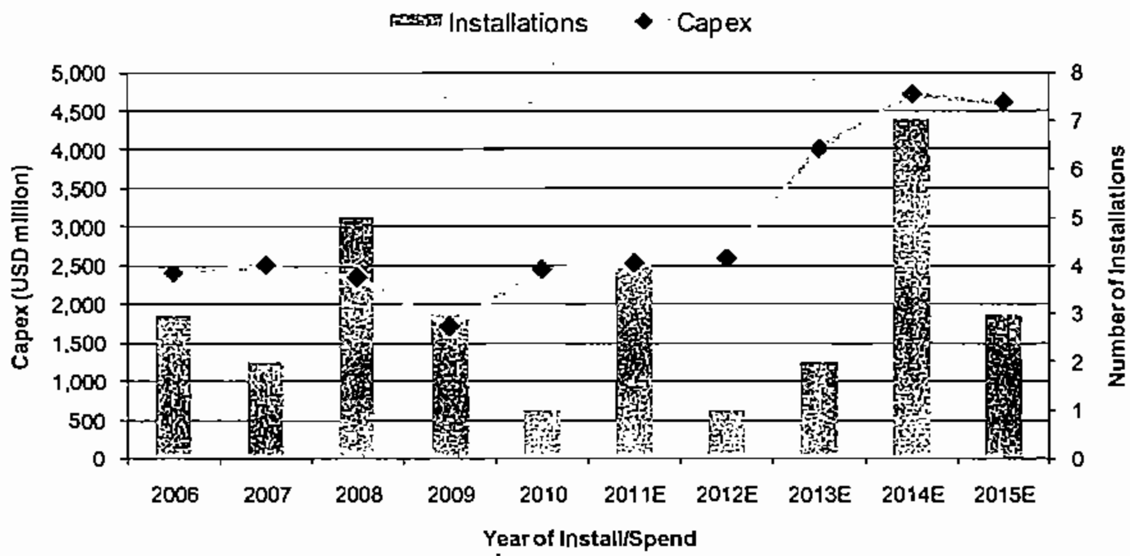

Figure 4-15: West Africa FPSO installations and capex (USD million) (2006-2015) **[Source: ISL]**

4.3.3 Latin America

Table 4-3 Summary of Latin American FPSO installations **[Source: ISL]**

Country	2006-2010	2011-2015 (estimated)	Grand Total
Brazil	23	28	51
Mexico	2	1	3
Peru	1	0	1
Grand Total	26	29	55

Table 4-3 illustrates the importance of Brazil in the FPSO market of Latin America. Brazil's high FPSO requirement is driven by a string of recent discoveries in its deep and ultra deepwater plays. Of these deep and ultra deepwater plays, the most prospective are Petrobras' pre-salt projects, which have attracted a great deal of media attention recently. According to ISL databases, deepwater Brazil now holds the world's largest accumulation of undeveloped deepwater reserves, making this region one of the most strategically important regions for companies providing services in the deepwater spectrum.

The term 'pre-salt' makes reference to an aggregation of rocks located offshore Brazil which were formed under a large and extensive layer of salt, which, in certain areas of the coast, can be as much as 2,000 metres thick. The 'pre' expression is used because, through time, these rocks were deposited before the salt layer. The total depth of these rocks, i.e. the distance between the surface of the sea and the oil reservoirs under the salt layer, can be as much as 7,000 metres [Source: Pre-Salt.com].

Pre-salt offers impressive hydrocarbon potential, but also poses some extremely difficult questions. At depths of up to 7,000 metres, oil is under extremely high pressure and high temperature. The technology which is required to deliver safely from its source rocks to market must therefore be very strong and immensely durable. Pre-salt deposits are also typically found quite some distance away from the shore. The combination of hot and highly pressurised oil, in tandem with it being located a long way from the shore, means that export pipelines are not the best solution for developing these reserves. Instead, FPSOs have been adopted as the favoured development solution of choice [Source: ISL].

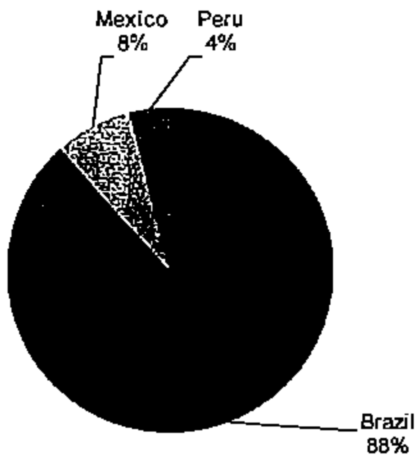

Figure 4-16: FPSO installations by country (2006-2010) **[Source: ISL]**

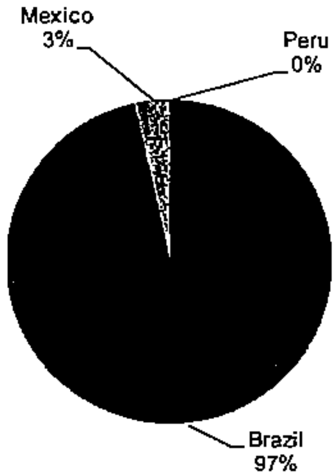

Figure 4-17: FPSO estimated installations by country (2011-2015 **[Source: ISL]**

With Petrobras expected to be the predominant player in the region with plans to increase production and proven reserves through to 2020 [Source: Petrobras], Brazil is expected to witness the largest amount of FPSO capex and installations over the next five years. Other countries offshore Latin America are more focussed on shallow water fixed platform developments as a solution for production than FPSOs which is why Brazil continues to have the largest market share within the region for FPSO installations. The number of installations during 2011 and 2012 is expected to be lower than 2013 through to 2015 as the investment for these projects took place during the economic recession [Source: ISL].

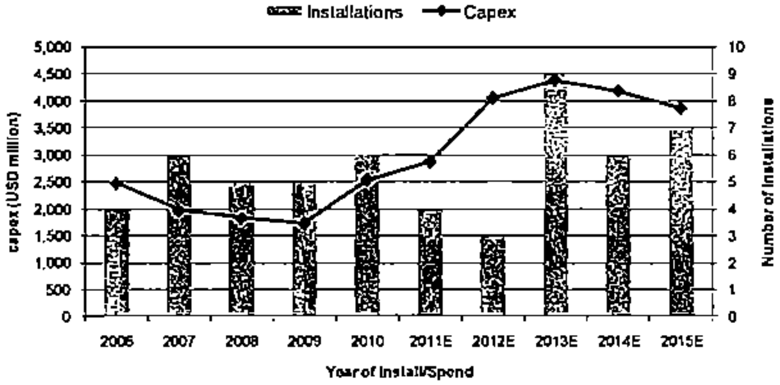

Figure 4-18: Latin America FPSO installations and capex (USD million) (2006-2015) **[Source: ISL]**

4.3.4 FPSO Market Place

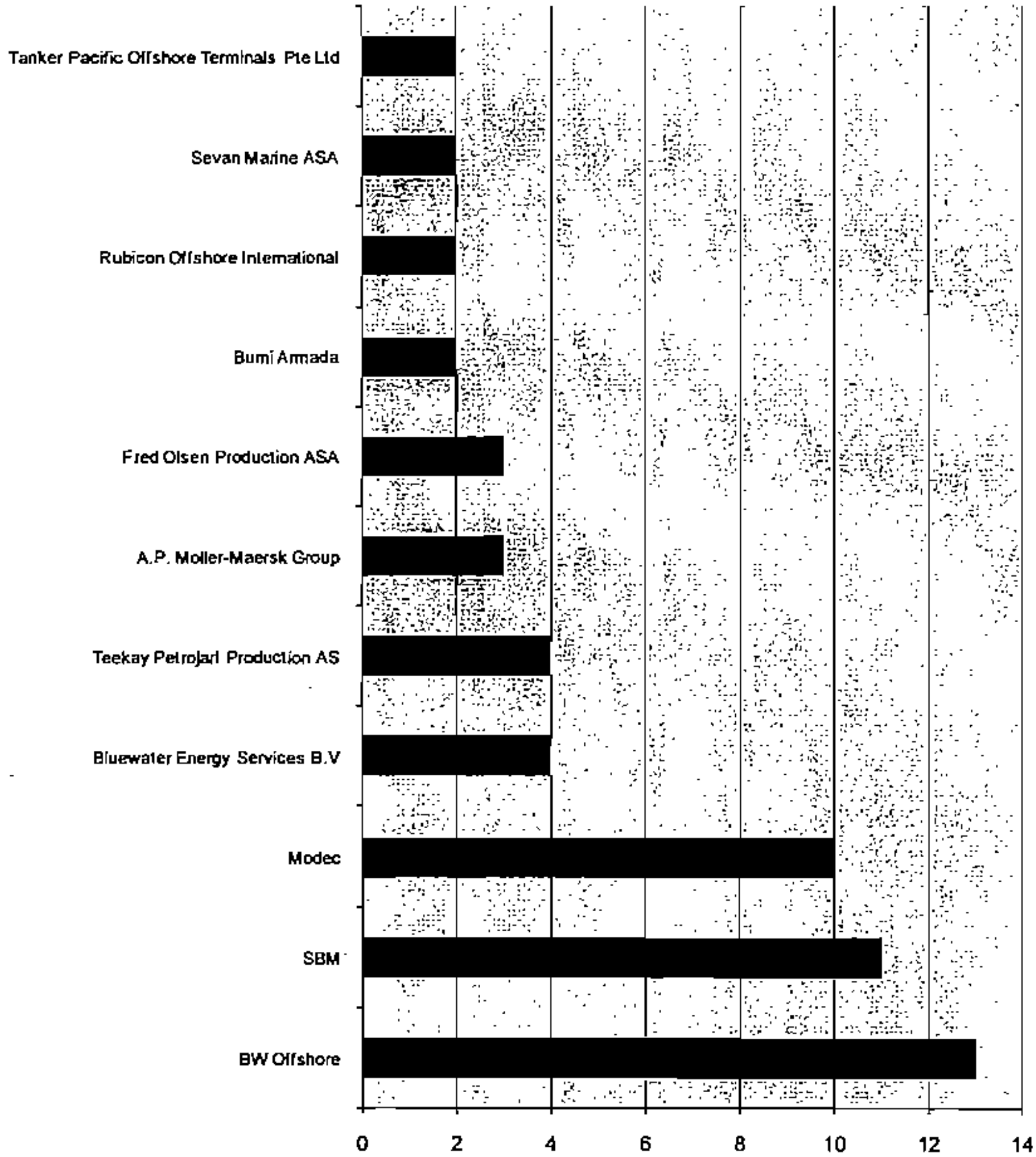

Figure 4-19: Number of operational FPSO by selected FPSO lease owners (as of 14/04/2011) **[Source: ISL]**

The FPSO market place is made up of both leased FPSO providers and oil companies which own their own FPSOs. The market is quite fractured, with a large number of smaller companies owning one or two assets. In Figure 4-19, we have listed some select FPSO lease owners that we believe represent a good cross section of the global providers.

Within the leased FPSO market we perceive there to be three layers of competition [Source: ISL]. The first layer would relate to companies such as Modec, BW Offshore and SBM. These companies have the largest fleets, and are able to leverage these revenue generating assets to take on the bigger projects which require larger FPSOs. Below these players is the second tier of leased FPSO providers who have two or more FPSOs, and have been able to win additional contracts due for installation in 2011 to 2015. These companies include Bluewater Energy Services B.V., Rubicon Offshore International, and Bumi Armada. For these companies, there is a good possibility for inorganic growth, targeting smaller companies with fewer assets, or companies with similar sized assets without any new contracts. This tier predominantly targets the medium to small projects for operations. The final layer of leased FPSO providers has typically one asset currently deployed with no recent contract success.

4.4 Market Threats and Concerns

Alternative Development Concepts

One of the recent emerging trends within the FPSO market is a move away from ship-shaped FPSOs towards cylindrical designs. Cylindrical designs, such as that recently chosen for use on Eni S.p.A.'s Goliat field in Norway by Sevan Marine ASA, as well as designs promoted by SSP Offshore, could impact the leased FPSO market, as providers of leased FPSOs tend to use converted tanker hulls as the basis of the FPSO. Although there has not been a large amount of demand for these new design types, there has been an increase in interest. These designs are however, largely viewed as niche concepts, applicable as development solutions only in certain market products. The supply chain around them is less established, and generally we would expect delivery schedules to be greater relative to a conversion design.

Accounting Change

The Financial Accounting Standards Board is currently reviewing its practices in relation to leasing. It has submitted a draft outline of proposed changes, and consulted with the industry until December 2010 [Source: FASB.org]. Whilst the board is still currently accumulating all comments and may change accounting practice for leased assets in the future, there are a number of leased FPSO providers that have pre-empted the board's decision and adopted these proposed changes. Although the changes are not yet a fully required practice, those leased FPSO providers which have moved early to adopt these new standards are likely to be well placed relative to competitors that have yet to take on these practices.

Local content

NOCs are becoming more influential and powerful in today's offshore O&G industry. They have a dual role of overseeing hydrocarbon production and maximising their countries return on its hydrocarbon resources. Recently in places such as Nigeria, we have seen stringent regulations being introduced which means that a significant part of any project must be undertaken in the country in which the project is due to be installed. Whilst this could be advantageous for any companies which already have operations in countries with increasing local content requirements, when procuring a large and complex asset such as an FPSO, there is some uncertainty as to whether countries which have local content requirements actually have the capacity to carry out this work [Source: ISL].

Environmental Legislation

The issue of reducing carbon emissions has impacted all types of business across the globe and the offshore industry is no exception to this. In recent years, major operators and large Independents have been very public in stating their intentions on carbon emission reductions throughout their entire supply chain but their focus remains on producing assets. Although operators have taken the first step towards lowering emissions such as reducing the amount of flaring, when gas which cannot be taken to market is burnt at the platform, there could be increased regulations from governments across the globe that would be forced upon the industry [Source: ISL].

Industry reliance and vulnerability to imports

According to ISL databases, over 90% of FPSOs are fabricated in Asia and exported to their country of operation. The supply chain for an FPSO is global. Engineering is often done in Houston, Aberdeen, London, Tokyo or Monaco, whilst fabrication is usually then done in Singapore or Korea. As such, the FPSO is deemed as not vulnerable to risks associated with imports.

Substitute Products/Services

Whilst there are no direct substitute products or services to the FPSO market there are alternative solutions for operators to choose from for floating platform production. Drivers for alternative floating platform solutions can vary and include legislation not allowing FPSO deployment, harsh metocean conditions that would usually support a semi-submersible platform over an FPSO and major gas production fields. However, evaluation of these field and regional characteristics would require a project-by-project approach in order for an operator to decide upon the right solution for them. FPSOs have the advantage of being capable of disconnection from a field in the event of bad weather conditions such as in the hurricane season as well as having a large storage capacity. There can also be less capex required as FPSOs can be converted from existing transport tankers; which is again dependent on a project-by-project basis [Source: ISL].

5 OSV MARKET

For this Report, the OSV market has been defined as vessels either associated with anchor handling duties ("**AHTs**"), which are used for towing rigs and platforms onto location, platform support vessels ("**PSVs**"), which are primarily used to supply existing platforms and assist with construction duties as well, and accommodation vessels, which offer offshore accommodations services during the construction and installation phase of offshore infrastructure and also during periods that require inspection, repair and maintenance ("**IRM**").

All three types of vessels have similar but slightly different market drivers. Demand for AHTs is driven by the number of rigs that are actively drilling, which is in turn driven by the need to drill wells, which is in turn driven by the price of oil and future expectations about the price of oil. PSV demand is driven by the number of operational platforms. More platform installations will occur if the price of oil is high, and if expectations over future energy demand are also high. Further, a high oil price context may also mean that existing platforms remain economically feasible and remain operational for a longer period of time. Demand for accommodation vessels is driven by offshore construction and installation, and also through IRM activities for shallow water infrastructure.

Although under the same umbrella as OSVs, AHTs, and PSVs, accommodation vessels have different capabilities and therefore there are some different dynamics when looking at the drivers between the two sectors.

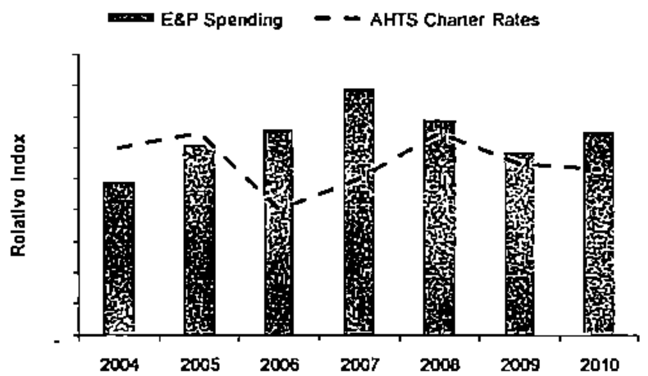

Figure 5-1: Exploration and production ("E&P") spending indexed with AHTS charter rates 2004 - 2010[1][Source: ISL]

An AHT is traditionally deployed to tow offshore rigs from one location to another and to deploy their anchors in order for them to maintain a specific position during the drilling process. AHTs are also utilised to support the asset during the drilling process in terms of supply runs and safety assurances. Given that the primary function of an AHT is to support offshore drilling, we note that the main driver for this market is activity in the drilling market. The drilling market is in turn driven by a number of factors:

- Global energy consumption patterns
- Seismic surveying activity
- Newly available license block acreage
- Compulsory drilling requirements on old license block acreage

[1] AHTS are an acceptable proxy for general OSV market in Asia

- Number of rigs in the market
- Depletion of existing fields
- Growth of subsea market and movement away from platform drilling
- Growth of subsea operational market and requirement for subsea intervention

A PSV is employed to transport supplies to offshore platforms and return any other cargoes to shore. PSVs typically have cargo tanks for a variety of goods, however fuel, water and chemicals are the primary supplies required by platforms. A PSV will typically have less horsepower than its AHT counterpart, as its role is more supply focussed, rather than having to move heavy anchors [Source: ISL].

As with AHTs, we do see quite some variation in design and capability; we also see a difference in performance characteristics between vessels built more than 25 years ago compared to those of today. With the trend of exploring and producing from more remote offshore locations continuing to characterise the offshore industry, more sophisticated and younger PSVs with greater drive capacity, load capabilities, and better fuel efficiency are well placed within the market to win charters.

Given that the PSV's primary role is to support offshore platforms, the main driver for this market is the size of the installed and operational platform market. Offshore platforms are a crucial part of offshore O&G production and as the global demand for oil and gas increases, more offshore platforms are proposed, awarded and installed. Whilst the number of new platforms increases as energy demand increases, existing platforms typically witness reinvestment in the asset or field in order to prolong production or tap into reserves that were once deemed not economically viable. The reverse is also true that with a market slowdown, new platform installations decrease and operators are less likely to reinvest in assets whilst global commodity prices are low [Source: ISL].

For accommodation vessels, the market is driven by new platform installations as well as the number of existing platforms. For new offshore installations, accommodation vessels will be required to provide accommodation for engineers, contractors and other personnel involved in the project as shuttles via helicopter and boats are typically less efficient than the chartering of a purpose built accommodation vessel on-site. The same is true for IRM, where long shutdowns or maintenance to offshore installations may require personnel to be on site for a length of time without staying on the platform itself for HSE reasons.

5.1 OSV Market Recent Performance

Given the strong relationship between OSVs and the offshore drilling and platform markets, which are in turn primarily driven by energy demand patterns, with the recent economic slowdown we have noticed a consequential cooling of activity in the OSV sector. However, this occurred after a period of almost frenetic activity, strong utilisation, and record charter rates. Figure 5-2 shows that up to late 2008 OSV utilisation was increasing and demand for OSV services was also increasing. Beyond the second half of 2008 a combination of plateauing OSV demand, and the influx of a number of new builds, caused utilisation and charter rates to fall.

Demand for OSVs grew strongly through the last business cycle (i.e. from 2005 to 2008), driven by rapidly increasing energy demand and lucrative commodity prices which encouraged oil companies to look into delivering more hydrocarbon energy to the market. As competition to develop offshore fields increased, so did the core support services required by field operators to bring fields into production, which experienced significant revenue inflation. Looking at AHTs, day-rates for drilling rigs sky rocketed, fuelled by utilisation, which in some markets was more than 90%. With increased utilisation and day-rates for rigs, utilisation and day-rates for AHTs increased in tandem, with global utilisation recording figures of 83% to 85% through 2008 and average day-rates peaking towards the end of 2008 at a level approximately three times greater than in 2000 [Source: ISL]. Through 2009 the market began to see newbuild OSVs, sanctioned during the boom years prior to the economic downturn, enter the global market. This addition to overall supply was witnessed predominately during the second and third quarters of 2009 and caused utilisation rates to fall even further as demand continued to remain flat until the second half of 2009 when demand began to decline incrementally leading to overall OSV utilisation rates for 2009 to sit at around 77% [Source: ISL]. 2010 began to show signs of recovery across the entire offshore industry, however oilfield services were the last sector within the overall supply chain to feel the benefits of recovery.

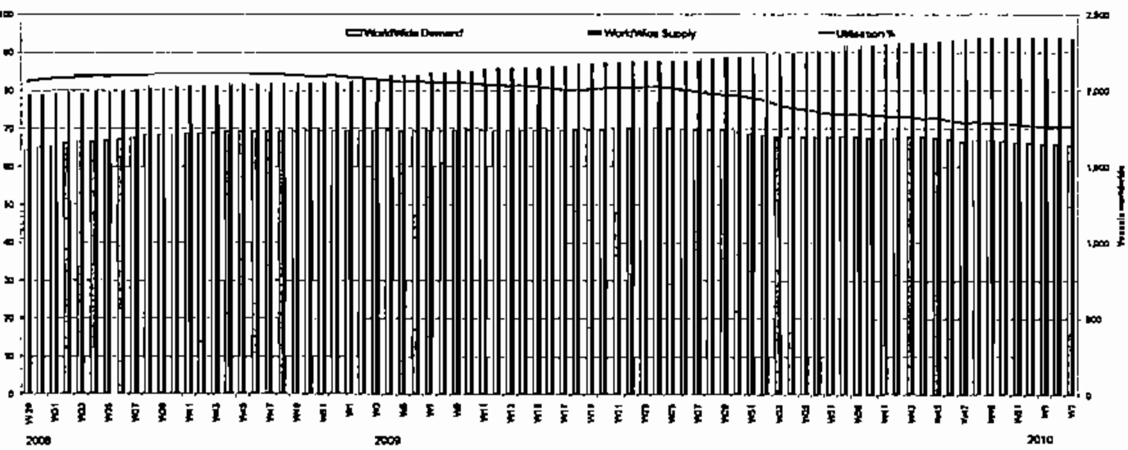

Figure 5-2: OSV demand, supply and utilisation from mid-2008 to early-2010 **[Source: ISL]**

Within the PSV market, a significant step forward in the number of installed platforms in tandem with a concerted effort to keep existing units in production, led to increasing demand for PSVs.

Whilst the period commencing from 2005 to 2008 was undoubtedly a very positive one for the OSV industry, the economic downturn and a corresponding decrease in offshore activity adversely affected the OSV market. This was compounded by the large number of higher specification vessels which were ordered pre-downturn, but not delivered until post-downturn.

Prior to the global recession, the OSV market was generally oversupplied on a global scale, especially in regions such as the North Sea and South East Asia. This oversupply could still affect day-rates and impact the service sector recovery witnessed over the last year. Although there is oversupply in West Africa, the region has witnessed a more robust recovery compared to other regions due to the Major operators that are currently in operation there [Source: ISL].

Looking to the future, the OSV market has gone through a modernisation process to equip them for an offshore O&G industry which is moving into deeper waters and into more remote locations. To meet this challenge, leading OSV providers have sought to modernise their fleets and deliver vessels which are capable of supplying missions over longer-ranges, and which have greater torque for positioning anchors and chains into deeper waters. Companies which have made these kinds of investments are likely to be able to generate higher day-rates for their assets than their shallow water competitors [Source: ISL].

5.2 Forecasting OSV Market Performance

We believe that the global OSV market will witness growth over the next five years as key performance indicators such as offshore capex, the number of wells to be drilled, and the number of new platform installations scheduled, are all set to increase incrementally through to 2013 before peaking in 2014 as illustrated in Figure 5-3. Towards 2015, we expect an increasing amount of subsea wells to be installed which will drive demand for drilling rigs and subsequent AHTs to support them. Likewise, the increase of platform installations will encourage demand for PSVs to supply the cumulative base.

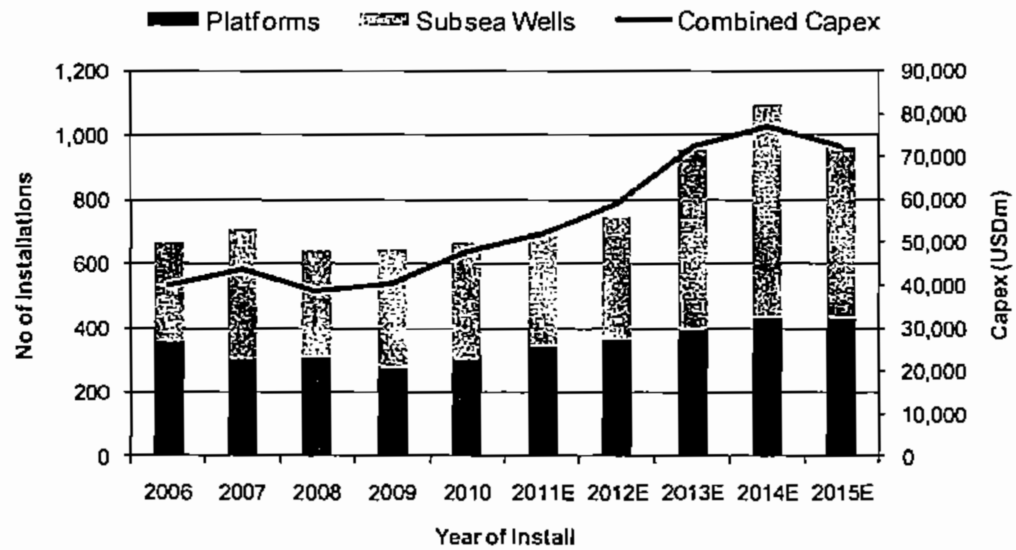

Figure 5-3: Global installations by platforms/subsea wells and global combined platform and subsea capex (USD million) (2006-2015) **[Source: ISL]**

Figures 5-4 to 5-7 show key regions for platform capex and subsea well capex. West Africa, South East Asia, and Latin America are key contributors to platform capex. From a subsea perspective, South East Asia is less sizeable than other regions; however it is growing at an extremely quick rate. Meanwhile, although the platform capex global market share within South East Asia is expected to be less over the next five years, there is still growth expected in the region in the next two to five years.

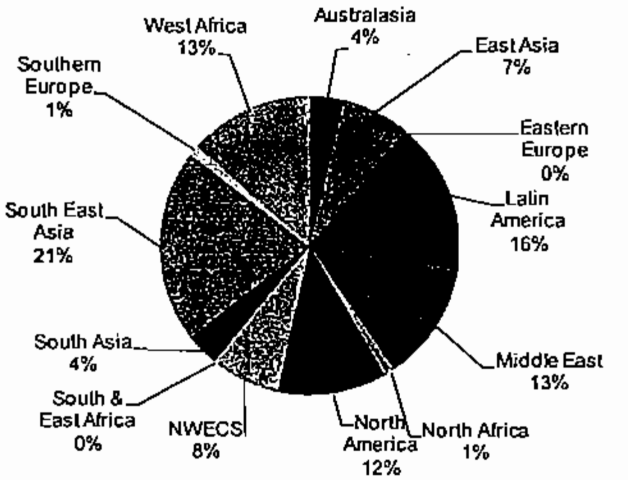

Figure 5-4: Global platform capex by region (2006-2010) **[Source: ISL]**

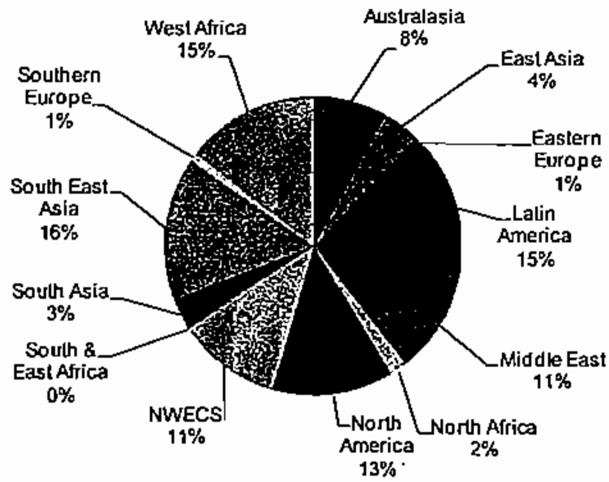

Figure 5-5: Global platform estimated capex by region (2011-2015) **[Source: ISL]**

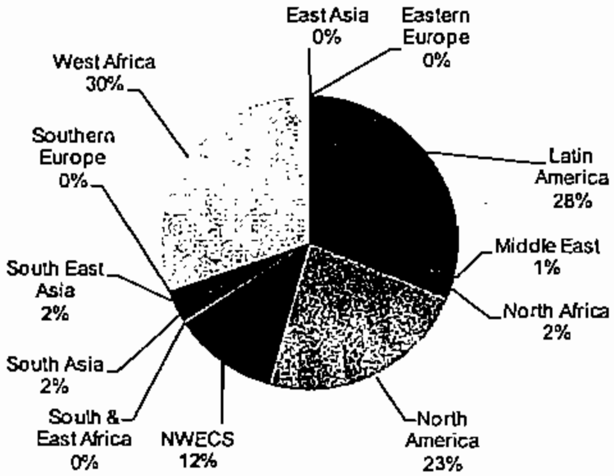

Figure 5-6: Global subsea well capex by region (2006-2010) **[Source: ISL]**

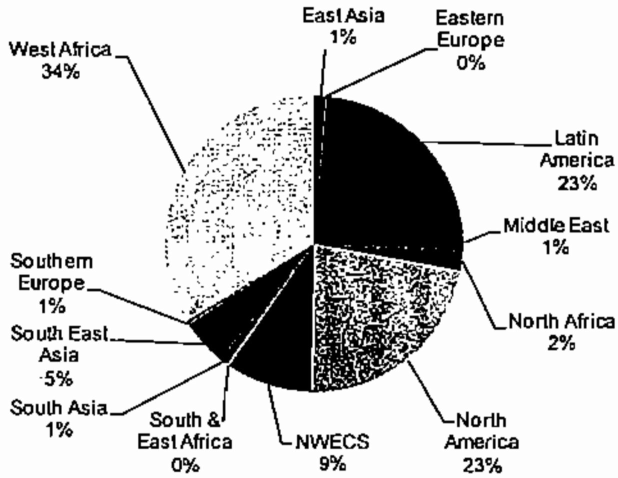

Figure 5-7: Global subsea well estimated capex by region (2011-2015) **[Source: ISL]**

Figure 5-8 shows that the cumulative volume of operational platforms is expected to increase significantly over the next five years. Whilst South East Asia, Latin America and West Africa only represent a small amount of global cumulative installations, this is skewed by the large number of very small wellhead only platform installations found in shallow waters in the Gulf of Mexico. Nevertheless, in terms of platform installations over the next five years, South East Asia is on par with North America which highlights the growth in E&P spending within the South East Asia region, in particular offshore Malaysia and Indonesia.

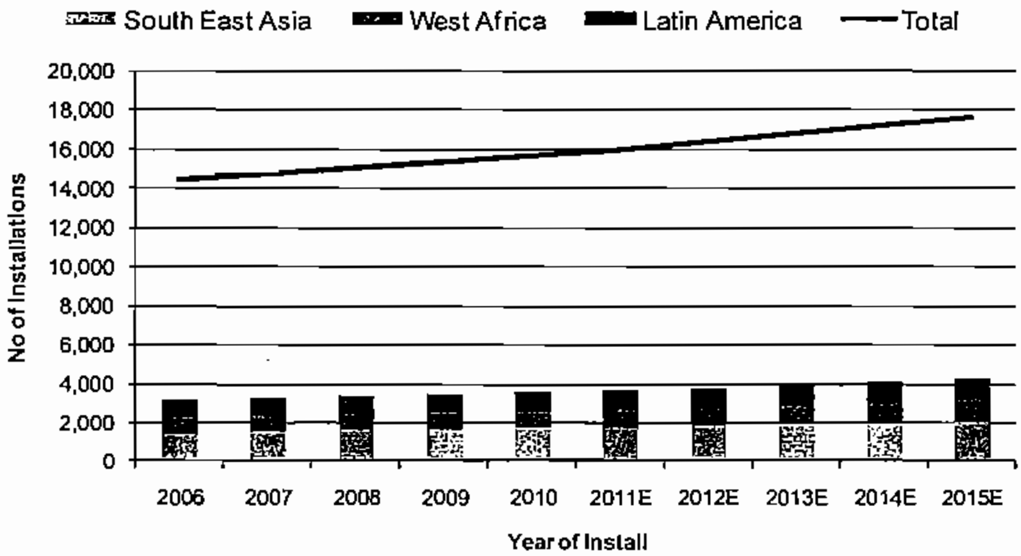

Figure 5-8: Cumulative platform installations by selected region (2006-2015) **[Source: ISL]**

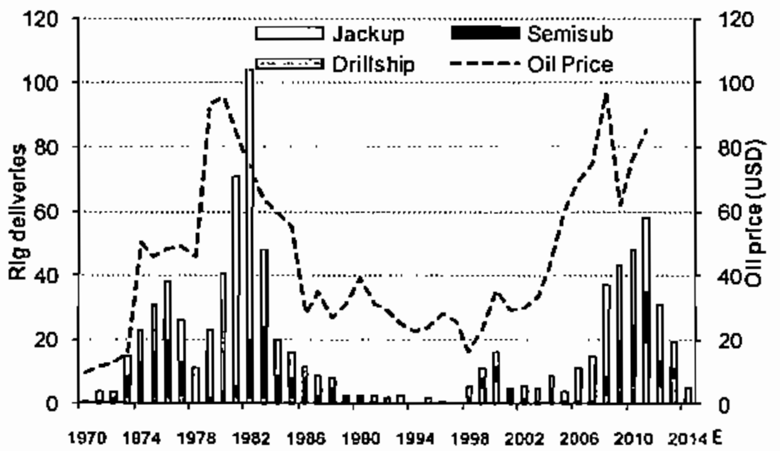

Figure 5-9: Global rig deliveries by rig type vs oil price (USD) (1970-2014) **[Source: ISL]**

The global rig market is also expected to improve its performance in 2011 as more exploration programmes go forward. Figure 5-9 shows historic rig building activity versus oil price. In the past, when we have seen a period of high oil prices this has been followed by a period of high rig building activity. The current oil price scenario is likely to trigger such a building cycle. This in turn will drive a requirement for more AHTs. Furthering the requirement for more AHTs is the low level of scrapping in the rig market [Source: ISL].

5.2.1 Malaysian OSV Market

Due to cabotage laws prioritising local OSV service providers and the presence of financially strong Majors and NOCs in Malaysia, the OSV market has witnessed a stable period over the last few years. Whilst charter rates became depressed in other global regions, the rates in the Malaysian market remained comparatively buoyant [Source: ISL].

One of the key drivers for the Malaysian OSV market continues to be PETRONAS, and its plans to develop hydrocarbons offshore Malaysia. During 2010, 69% of PETRONAS' E&P spending was within the domestic market (Source: PETRONAS Annual Report 2010). This is expected to increase in 2011 as the operator moves away from its international focus and looks to address declining production from its shallow water fields. PETRONAS' expenditure plans at this stage are two pronged; the development of deep water reserves, which will require deep water capable PSVs, and also the re-development of fields which are experiencing declining production. This will require additional drilling, which will in turn require greater support from AHTs. We believe that the O&G industry in the country will continue to provide opportunities within the OSV market [Source: ISL].

5.3 Key Regional Overview

5.3.1 South East Asia

Within South East Asia, the two countries with the greatest forecast investment in their offshore O&G industry, in terms of platforms and subsea, are expected to be Malaysia and Indonesia. These two countries are developing both their shallow water plays, whilst also moving towards the deeper waters. The process of moving into deeper waters creates demand for more modem, deepwater capable vessels.

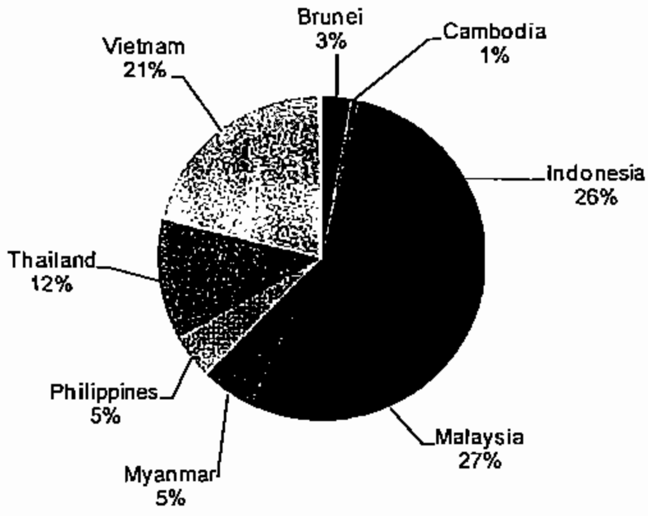

Figure 5-10: South East Asian platform estimated capex by region (2011-2015) **[Source: ISL]**

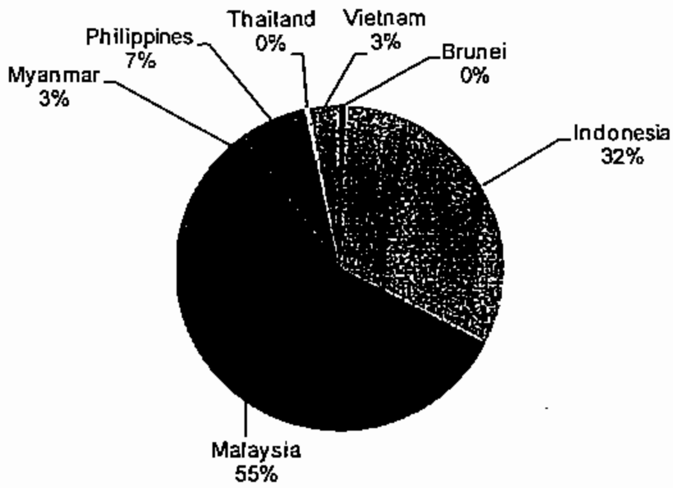

Figure 5-11: South East Asian subsea well estimated capex by region (2011-2015) **[Source: ISL]**

Apart from Indonesia and Malaysia, we believe other countries such as Vietnam and Thailand will complement platform investment in the region and provide opportunities for PSVs as well as AHTs over the next five years. However, these platform projects are expected to be primarily shallow water projects.

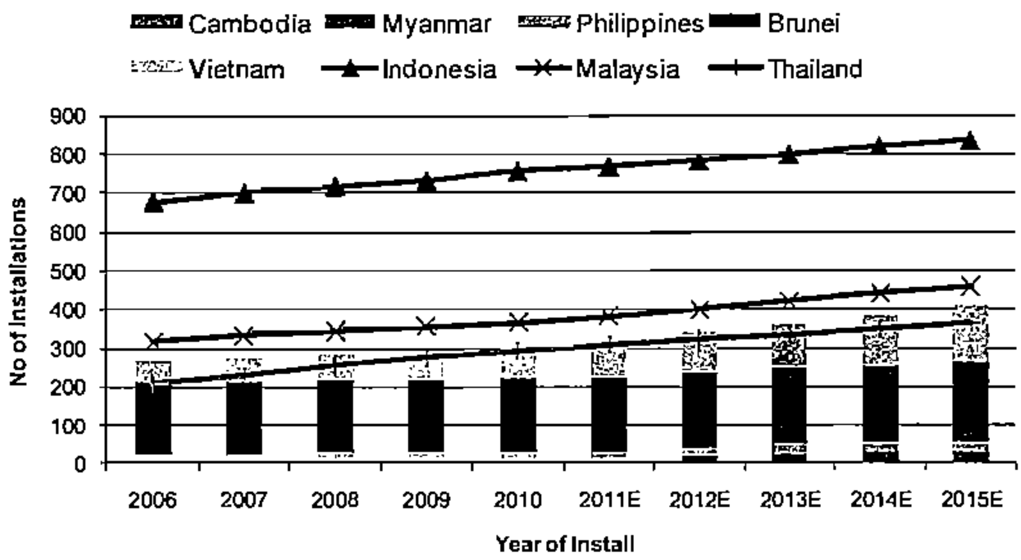

Figure 5-12: Cumulative platforms (2006-2015) **[Source: ISL]**

The amount of operational platform installations in the region is expected to increase incrementally over the next five years with Malaysia, Indonesia and Thailand likely to provide the most opportunities for PSVs in the region. Indeed Malaysia and Indonesia should witness the greatest growth in platform installations in South East Asia. It should also be noted that although the majority of installations are currently in shallow water locations offshore these countries, the region is reflective of the global offshore industry in that it is moving increasingly towards deep and ultra-deepwater fields, in particular offshore Malaysia. OSV owners that are aware of this trend and have invested in a fleet capable of supporting these deepwater projects should be best placed in the market looking forwards.

Table 5-1 summarises the key demand metrics for OSVs in South East Asia.

Table 5-1: South East Asia key demand metrics **[Source: ISL]**

S.E. Asia	2011E	2012E	2013E	2014E	2015E	CAGR
Operational Rigs	125	136	142	142	142	3%
Operational Floaters	129	138	146	156	164	6%
Operational Fixed	1,646	1,709	1,771	1,836	1,902	4%
Operational Construction Vessels	78	80	80	81	82	1%

Notes:

E — *estimate*
CAGR — *compound annual growth rate*

Whilst we have good visibility over the factors which contribute demand for OSVs, it is harder to gauge future supply conditions, as vessels can be brought into the region, or ordered and built with short timelines. We currently believe that there are somewhere in the region of 500 OSVs in South East Asia, which are active in a sphere similar to Bumi Armada. What is harder to forecast is how many we will find in the market in the future.

5.3.2 West Africa

The offshore oil and gas market in West Africa is expected to represent good growth over the next five years as deep and ultra-deepwater developments continue to drive the platform and subsea investment.

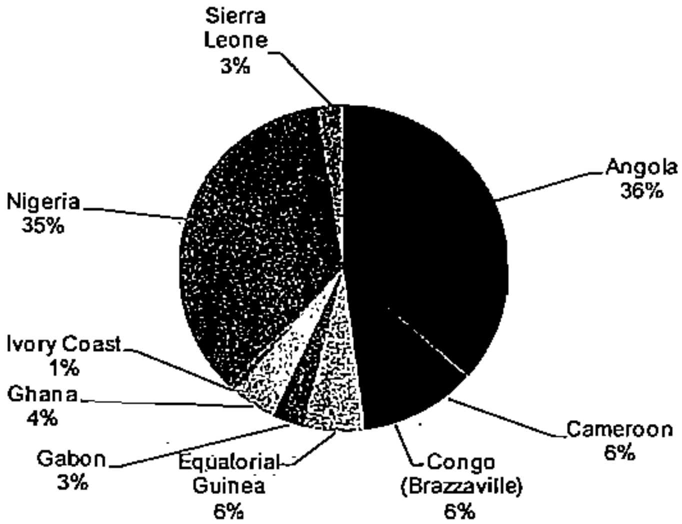

Figure 5-13: West African platform estimated capex by region (2011-2015) **[Source: ISL]**

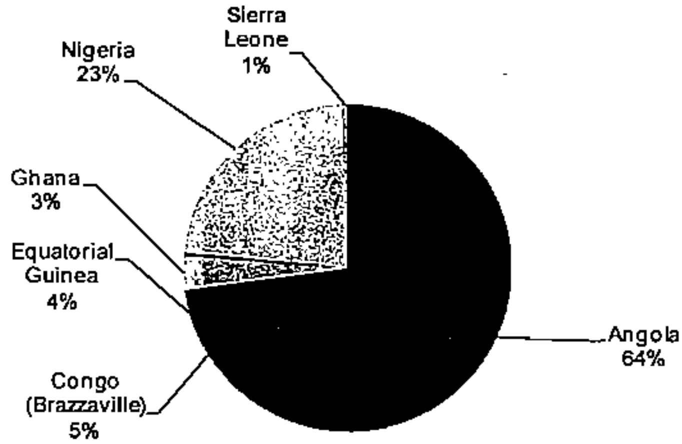

Figure 5-14: West African subsea well estimated capex by region (2011-2015) **[Source: ISL]**

With continued investment in both platforms and subsea wells, we believe that West Africa will provide increased opportunities to the OSV market. Cumulative operational platform numbers in the region should increase from 922 to 1,088 over the next five years, many of these will be in Nigeria, as illustrated in Figure 5-15.

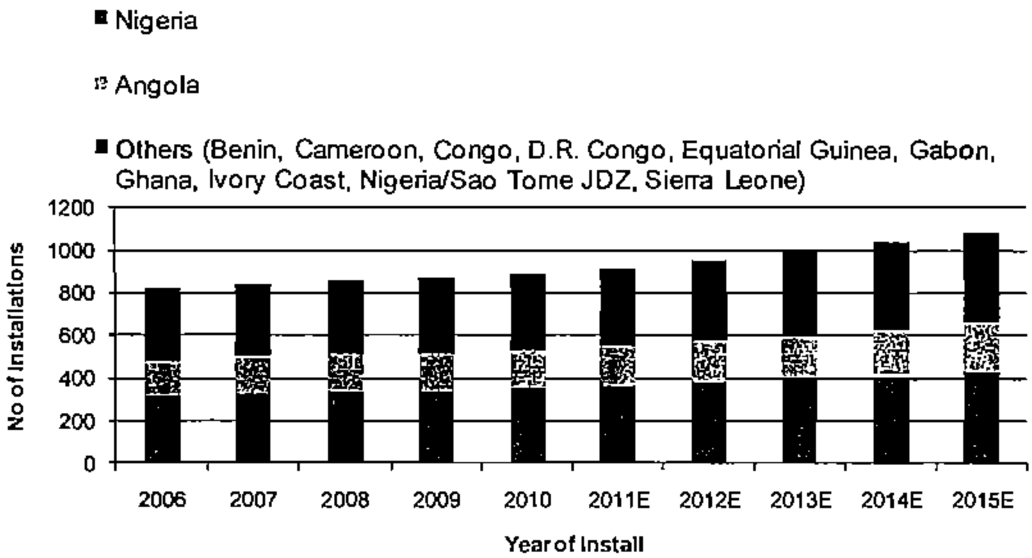

Figure 5-15: West African cumulative platforms (2006-2015) **[Source: ISL]**

We currently believe that there are around 64 rigs within the West African market, of which 37 are operational. Although there are rigs in the region which are 'cold stacked' (meaning rigs without a contract, with no workforce, but theoretically ready for a quick turnaround if a contract was awarded), there is still a good proportion of non-operational rigs 'ready stacked', available for contracts, which can be deployed very quickly should they be required. This excess drilling capacity is likely to be utilised if market conditions continue to improve.

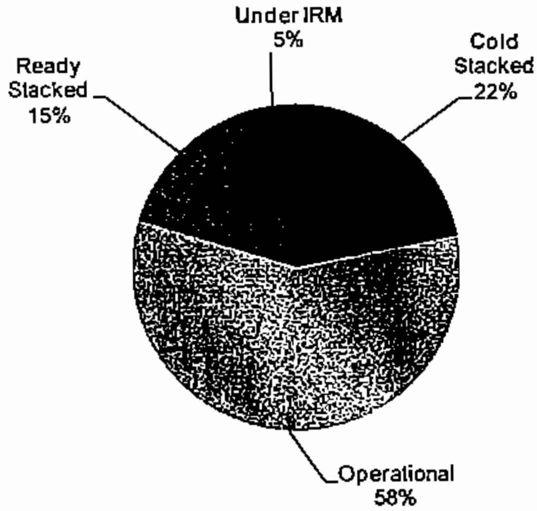

Figure 5-16: West African rigs by status (as at 29/03/2011) **[Source: ISL]**

With cumulative platforms increasing over the next five years through new platform installations, primarily offshore major countries such as Angola and Nigeria as well as emerging countries such as Gabon and Ghana, coupled with good utilisation rates of rigs and an increase in capex anticipated for both platforms and subsea wells, we believe the West African market will hold a great deal of positive news for OSV players in the market, in particular companies with high class AHTs. High class AHTs refers to AHTs with large drive capability as well as being more fuel efficient, younger and a more sophisticated vessel within the market. These high class vessels are expected to witness the higher dayrates and utilisation throughout the market.

5.3.3 Latin America

Similar to the West African market, there is expected growth in O&G investment for platforms and subsea assets in Latin America over the next five years. We believe that Brazil, in particular, will be the key country for platform and subsea platform capex and installations, especially within the FPSO market that was addressed in the previous section.

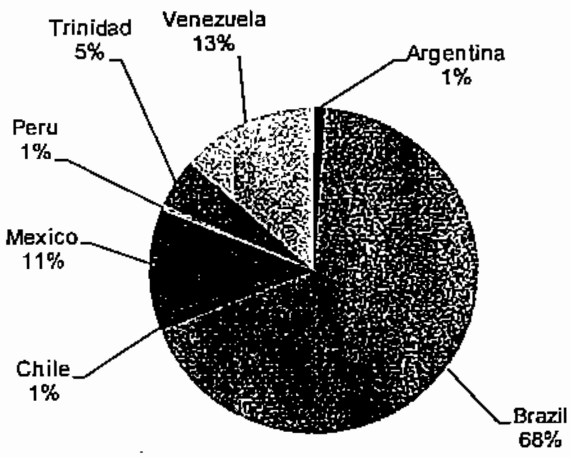

Figure 5-17: Latin America platform estimated capex by region (2011-2015) **[Source: ISL]**

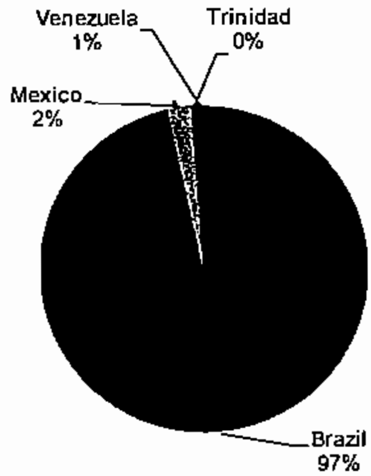

Figure 5-18: Latin America subsea well estimated capex by region (2011-2015) **[Source: ISL]**

Other than Brazil, Mexico and Venezuela should contribute towards the PSV market with new platform installations as well as the increase in the cumulative base of existing operational platforms as PDVSA and PEMEX increase shallow water platform investment over the next five years in order to replenish falling production rates.

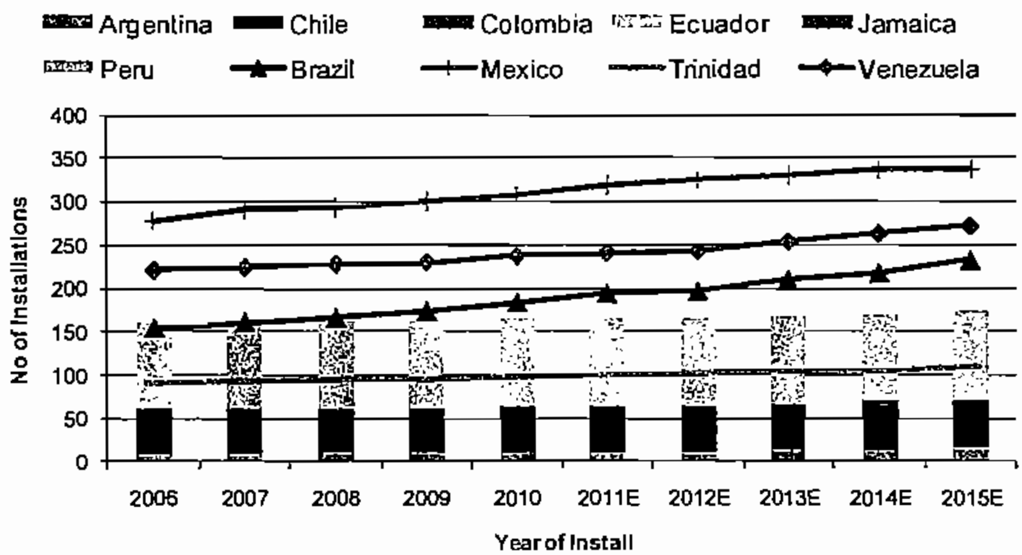

Figure 5-19: Latin America cumulative platforms by region (2006-2015) **[Source: ISL]**

In relation to the AHT market, the rig market in Latin America should provide strong utilisation levels in the years ahead, as 99 rigs in the region are currently operational, with only 3 rigs currently cold stacked. A strong commitment to drill pre-salt reserves in Brazil looks likely to underpin drilling, and therefore AHT activity in this region for some time.

5.3.4 Offshore Accommodation Market

It should be noted that whilst the above forecast has looked at the overall performance of the OSV market, this section will go into more detail regarding the accommodation vessel market and the supply/demand dynamics within it. Since 2005, accommodation vessel supply has witnessed significant expansion, as new market entrants alongside existing players took advantage of the significant demand, rising day-rates, and good utilisation within this specialist market. This expansion has seen 107 accommodation vessels in 2005, grow to 162 vessels in 2010, the bulk of which have been focussed primarily on more multifunctional assets in direct response to operator requirements for a more rounded service provision

Barge accommodation vessels are expected to continue to dominate the market in terms of number of vessels, and although there has been a swathe of dynamically positioned deepwater newbuild barges that have entered the market in the last five years, the majority of barges are relatively old and competitive only really in shallow and benign waters. Semi-submersible hull designs are generally preferred by many operators in the North Sea and US Gulf of Mexico, due to the high safety performance of these types of assets. However, these vessels typically require large investment, have a lengthy construction timeframe, and also command high day-rates. In some regional markets they would not be appropriate.

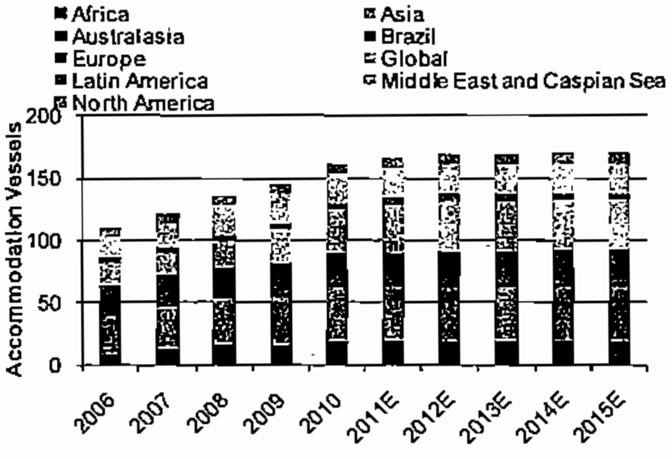

Figure 5-20: Cumulative global accommodation fleet by region (2006-2015) **[Source: ISL]**

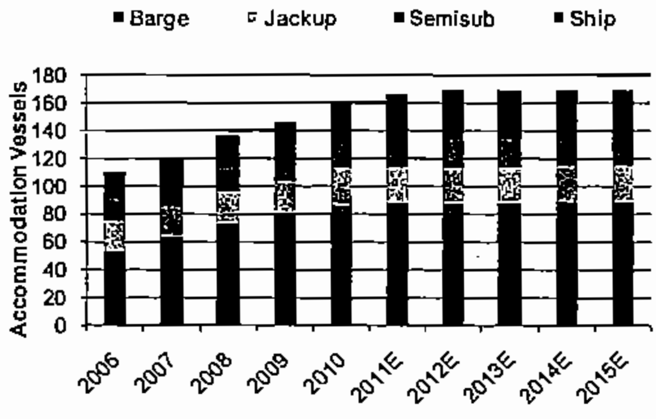

Figure 5-21: Cumulative global accommodation fleet by vessel type (2006-2015) **[Source: ISL]**

Accommodation vessels are capable of working across a number of different operational markets. Movements between regions are rare for barge type accommodation vessels; however the higher-end semi-submersible design may be relocated to serve high value contracts. In terms of vessels operating in specific regions, currently Asia has the most accommodation vessels operating in the region. These tend to be of barge type design.

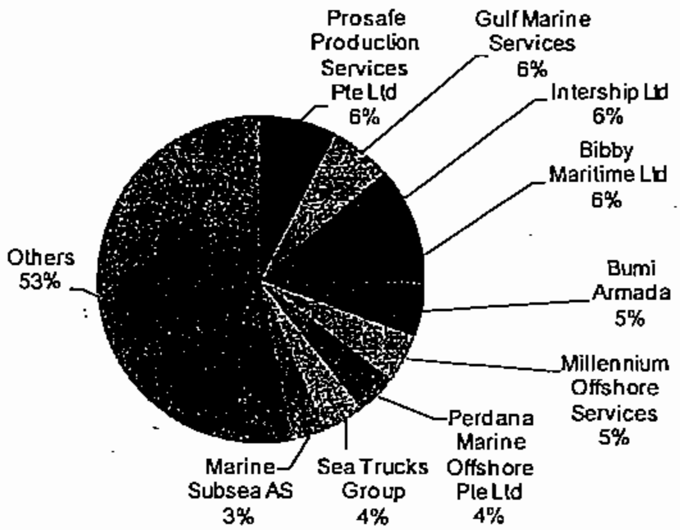

***Figure 5-22: Global accommodation fleet % by vessel owner (2010)* [Source: ISL]**

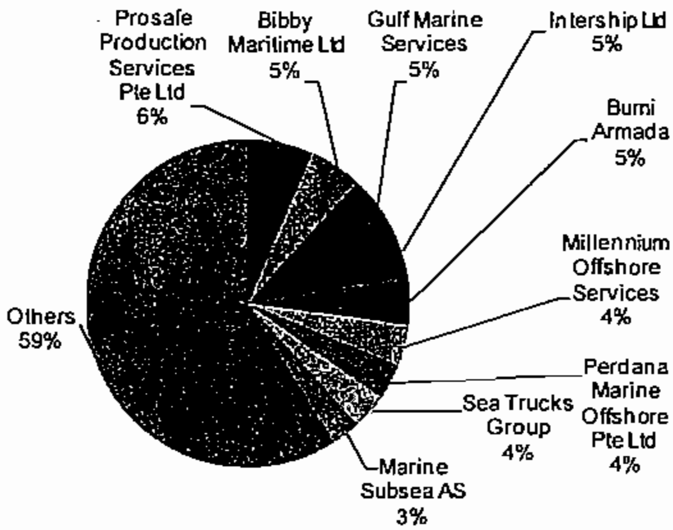

***Figure 5-23: Estimated global accommodation fleet % by vessel owner (2015)* [Source: ISL]**

The age of the global fleet is varied with a great number of vessels built over 25 years ago; however there have been recent additions to the fleet over the last ten years. In line with other OSV markets, we have witnessed a move towards more sophisticated and environmentally friendly accommodation vessels in the market over the last four years, driven by new legislation as well as operator preferences. The majority of accommodation newbuild barges are expected to come into the market in Asia where a number of small firms are converting barges into accommodation vessels.

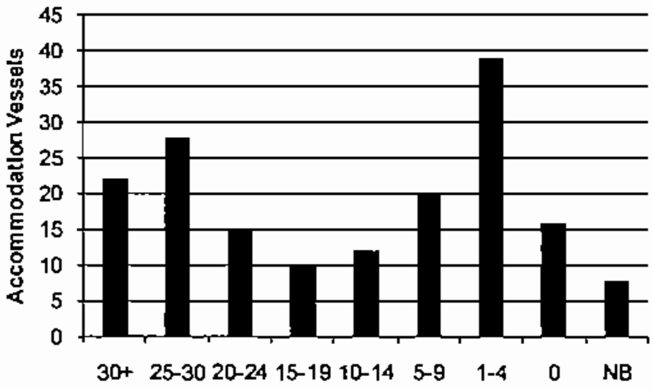

***Figure 5-24: Global accommodation vessel fleet by current vessel age (2006-2015)* [Source: ISL]**

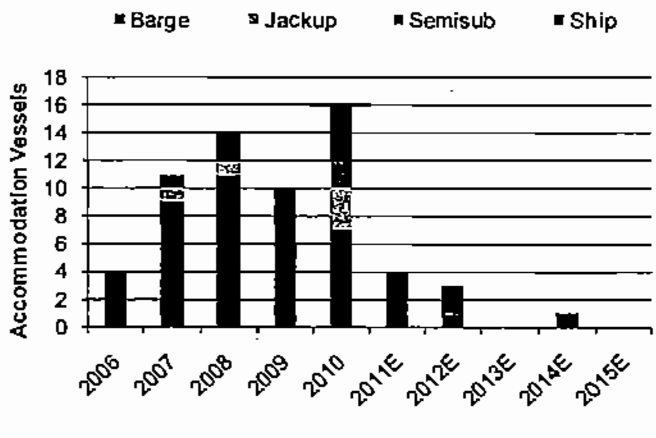

***Figure 5-25: Global accommodation newbuilds by vessel type (2006-2015))* [Source: ISL]**

In terms of expected demand, North America is forecasted to be the main regional driver behind global demand, with IRM work projected to be carried out on ageing existing infrastructure in the Gulf of Mexico a major factor behind the region's demand. There are also the deep and ultra-deepwater projects in the lower third tertiary trend that we expect will require an additional accommodation support during the installation of the various Spars, tension leg platforms and other floating platforms which are currently planned. There is also potential upside for accommodation vessel owners from new HSE legislations that are expected to be implemented as part of the learning from the Deepwater Horizon disaster.

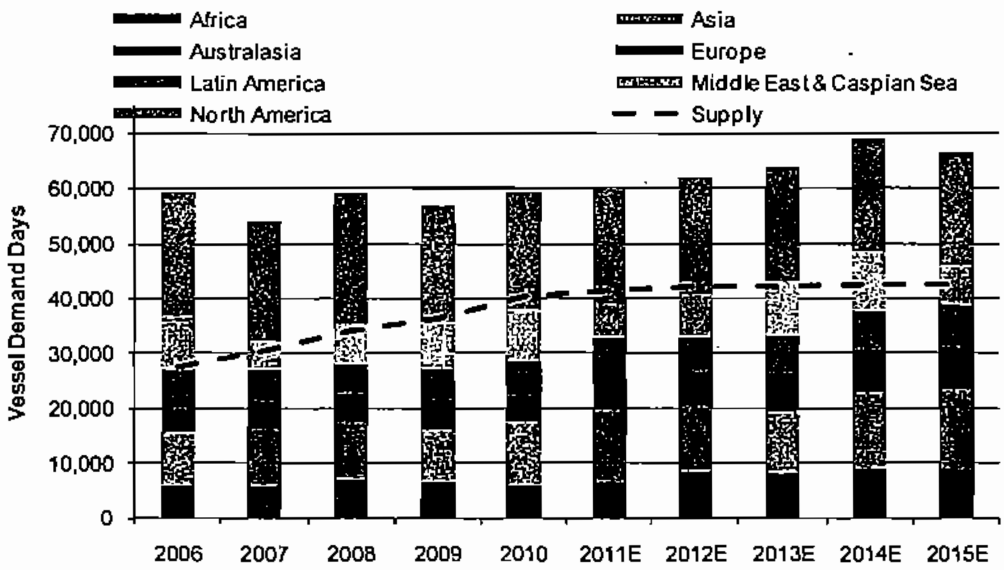

Figure 5-26: Global accommodation demand days by environmental condition (2006-2015) [Source: ISL

Longer term, we expect to see growth for the accommodation market within offshore Brazil, where ultra-deepwater work should require high end accommodation vessels. One region expected to remain buoyant in the medium term is Asia, where the development of the South China Sea and Bohai Bay, by Chinese NOCs and their international partners, is likely to underpin activity levels. Also within Asia, South East Asia in particular is expected to be one of the key emerging markets not only within Asia but throughout the globe. The key countries that should require the services of accommodation vessels are expected to continue to be Indonesia, Malaysia and India. The majority of forecast demand is likely to be attributable to IRM services, however platform installations are still expected to boom in the region, especially in South East Asia due to increased demand for domestic hydrocarbon production, which should drive vessel demand towards the end of the forecast period. Demand for platform removal accommodation services is also anticipated to increase towards the latter years as decommissioning gathers steam in the region

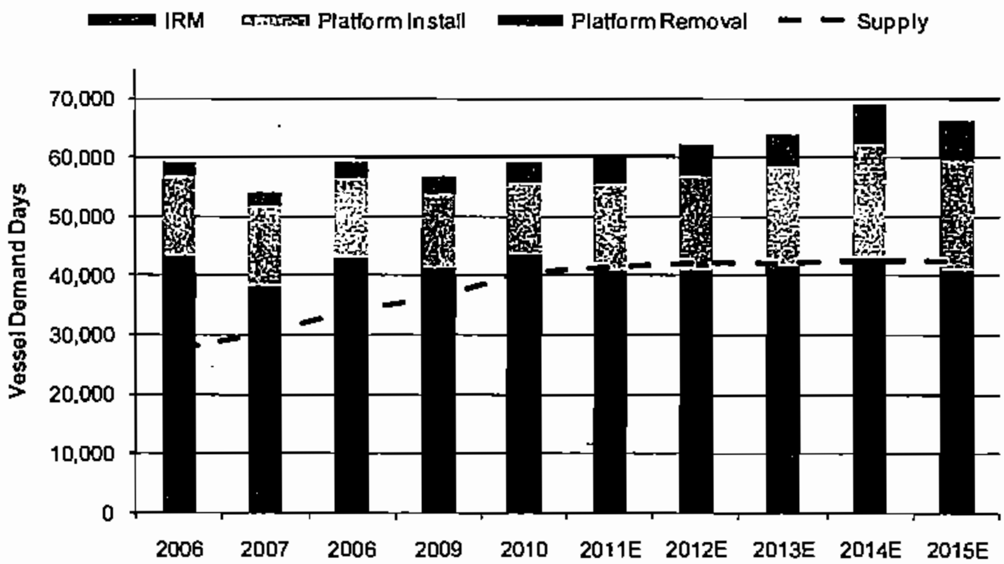

Figure 5-27: Global accommodation demand days by environmental condition (2006-2015) [Source: ISL]

Although the snapshot in Figure 5-27 suggests under-supply in the market there are alternative accommodation solutions such as helicopters, boats and other types of vessels (discussed in section 5.4 in greater detail) that are expected to impact upon this dynamic. Within the industry there is also the trend of IRM work being subject to delays and deferrals due to weather, costing or other variables such as asset divestment that can push the work if not deemed operationally mandatory. This was witnessed in some regions during the economic recession in late 2008 and early 2009 and this could again impact the supply/demand dynamic looking forward. Nevertheless, the outlook for accommodation vessel owners is positive as demand is expected to increase whilst supply is forecast to plateau, in particular the next five years.

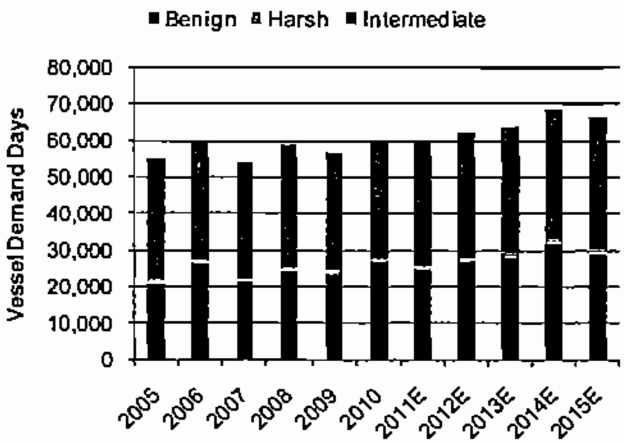

Figure 5-28: Global accommodation demand days by environmental condition (2005-2015) **[Source: ISL]**

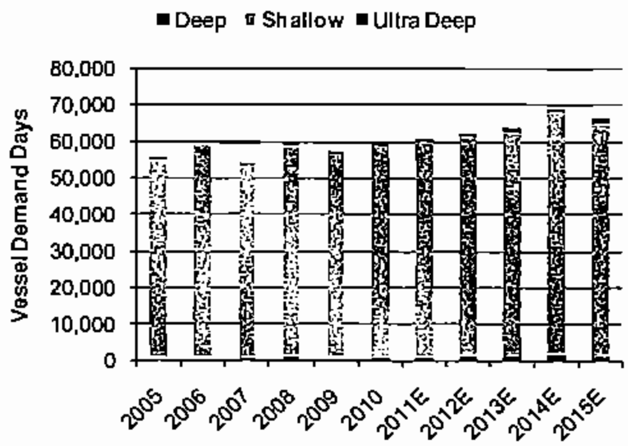

Figure 5-29: Global accommodation demand days by water depth group (2005-2015) **[Source: ISL]**

We expect the majority of accommodation service demand to be required in shallow waters and in benign to intermediate environmental conditions driven by aging infrastructure requiring IRM services. High end vessels capable of working in intermediate and harsh environments should see some growth in demand in the latter years, however we believe that as more and more DP2 and DP3 high end vessels enter the market looking to capture this niche market the more competition will arise. In the harsher waters accommodation semi-submersibles are more likely to be used as alternatives solutions (such as crew-shuttling) which are ill-equipped to undertake the work. The accommodation vessel market is anticipated to be driven by shallow water projects, in particular the large amount of IRM required for existing infrastructure. This is deemed to be a favourable market dynamic for companies which provide accommodation barges.

5.3.5 Competitive Market Place

ISL estimates that there are about 500 vessels (including future newbuilds) in South East Asia in the competitive sphere. Due to increasingly strict cabotage laws, these vessels are becoming more segmented within their national markets. However, the South East Asian market can still be considered as relatively open, with many OSV providers based out of Singapore, which itself has limited OSV demand [Source: ISL].

We believe the South East Asian competitive market place looks as such:

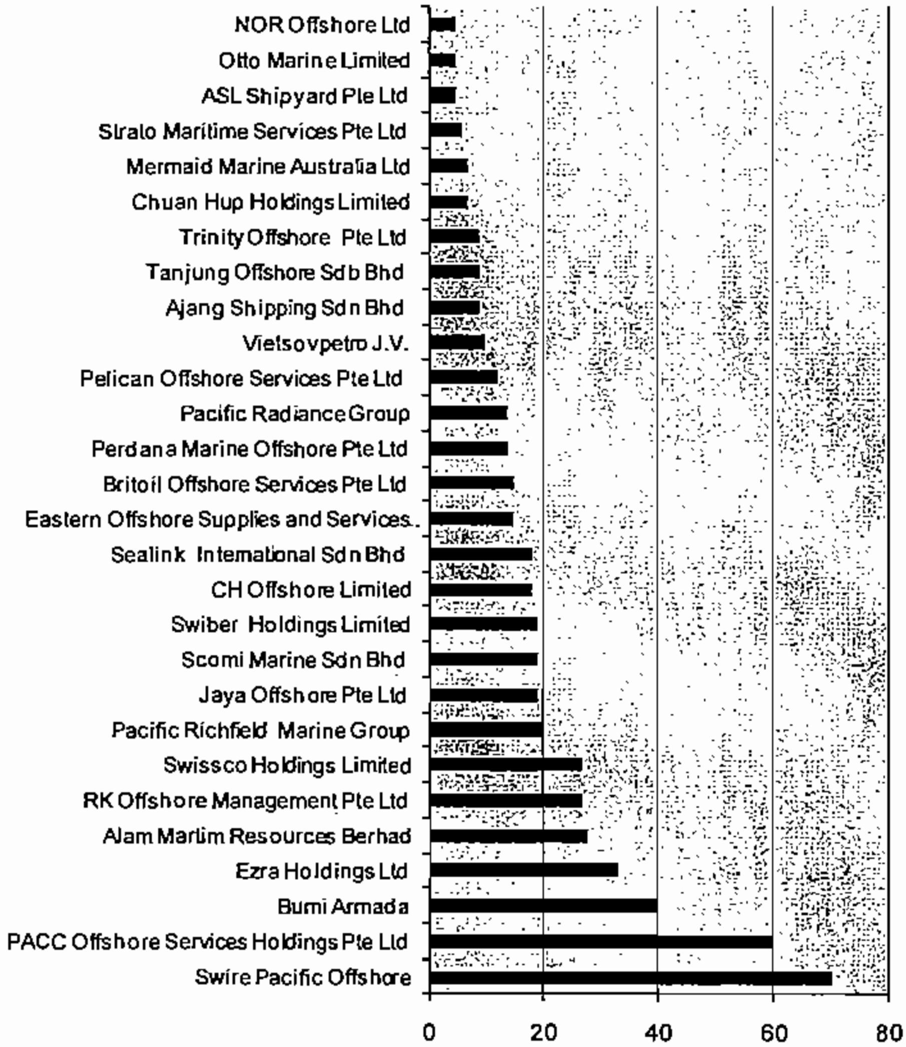

***Figure 5-30: Current and future newbuild OSVs from 1970 to 2015 in South East Asia* [Source: ISL]**

Each of the companies providing OSV services to the offshore O&G industry around South East Asia has a different fleet makeup. Some companies have invested in fleet modernisation and prepared themselves for the developing deepwater market. Others have not made this investment and have comparatively older fleets. With the industry moving into deeper waters, those companies which have invested in vessels with deepwater capabilities are likely to be at a long-term advantage. They are also likely to be able to command higher charter rates.

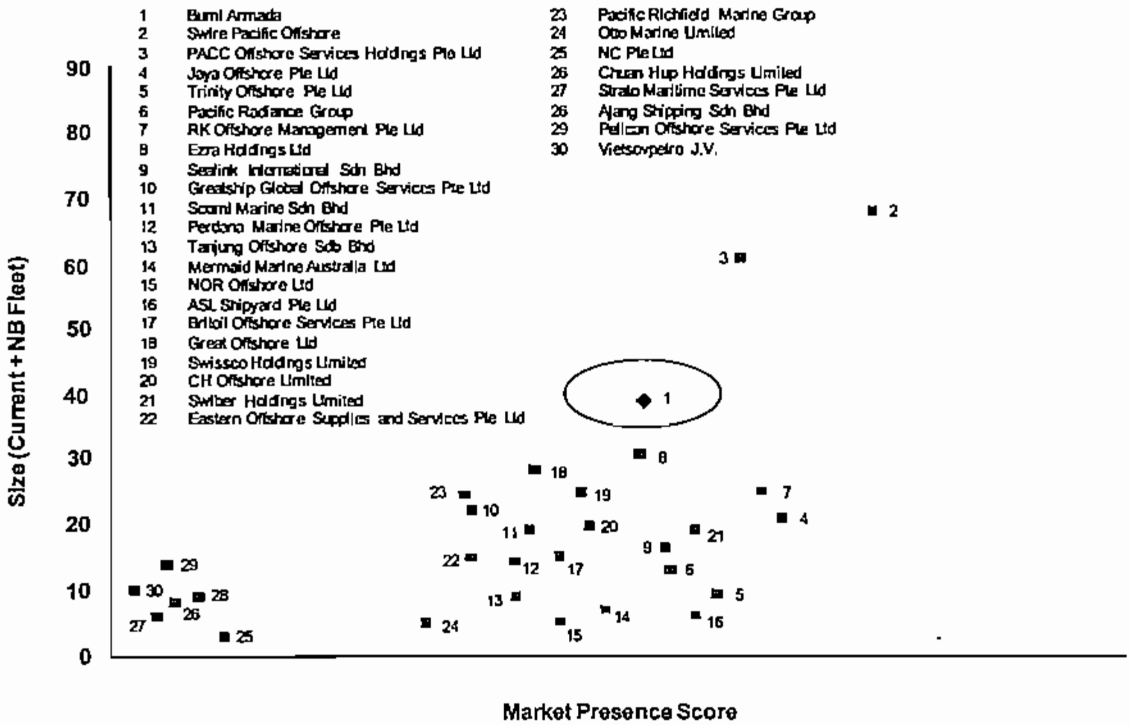

***Figure 5-31: Competitive landscape of South East Asia based OSV operators* [Source: Adapted from Pareto research]**

Figure 5-31 illustrates a qualitative assessment of the South East Asian OSV market. Jaya Holdings Limited ("**Jaya**"), Swire Pacific Limited ("**Swire**"), PACC Offshore Services Holdings Pte Ltd ("**PACC**"), Bumi Armada and Ezra Holdings ("**Ezra**") are the five largest OSV providers in terms of both size of fleet and market presence. Defining actual fleet sizes is quite difficult, as different companies define their assets in different ways, and where possible, we have sought to exclude any tug boats or barges.

We feel that within South East Asia there are three tiers for the OSV market. The first tier includes the larger OSV companies that have large fleets and are capable of targeting larger operators and projects. These companies include Jaya, Swire, PACC, Ezra and Bumi Armada. This tier has been reinvesting in its OSV fleet over recent years in order to create a younger and more sophisticated fleet. The second tier within the OSV market comprises companies with competitive fleets, although slightly smaller than the top tier. These companies have a track record of medium size projects and have had success in charters in the region over the last few years. The third tier are companies who own very small fleets and have not witnessed charter success recently.

5.4 Market Threats and Potential Regulation Concerns

Growing Cabotage Legislation

The past 10 years has witnessed a growth in the 'nationalisation' of energy producing countries' O&G reserves. If this trend continues, it is highly likely we will continue to see growing cabotage legislation in emerging markets. If OSV providers are able to meet legislative requirements, and have a geographically wide distribution of vessels, ISL perceive good opportunities will arise in these increasingly protected markets. Conversely, this could constrain growth and competitiveness by restricting market entry, with fewer opportunities to work across international borders.

New Environmental Legislation

Whilst the challenges of an industry moving into deeper, harsher and more remote waters is fuelling increasing demand for more modern and operationally capable OSVs, we are also starting to see a movement, driven primarily by the oil majors, towards a preference for 'greener' OSVs. This preference comes as a result of public pressure on the large oil companies to present a greener image, however it is starting to impact on procurement preferences as well [Source: ISL].

Whilst operational capabilities, availability and price are the core considerations for oil companies when looking to recruit OSV services, it is likely that in the future, especially for the Majors, we will see more contracts being awarded to OSV owners who have invested in greener technology.

Industry reliance and vulnerability to imports

Given the fluid nature of the OSV market, especially around Asia, we have no overt concerns over this industry's reliance or vulnerability to imports. In fact, one of the perceived strengths of this market is the ability to work in new regions and countries.

Substitute Products/Services

Although not a direct substitute, the drillship market could be an alternative to the AHT market. Drillships typically do not require vessel support in order to move and thus would not require an AHT or its services. Whilst this should be noted, the majority of drilling rigs are semi-submersibles or jack-ups and drillships only represent a small proportion of the global market and in South East Asia; ISL currently track nine drillships operational in South East Asia.

Offshore Accommodation Substitutes

Alternative solutions to purpose built accommodation vessels currently include the contracting of helicopters, dive support vessels and in some instances drilling rigs. While these alternative solutions usually require far less investment than securing the services of an accommodation vessel they can carry the opportunity cost of lost efficiency provided by an onsite asset. One market trend that has become apparent is the increased utilisation of drilling rigs for accommodation services, due to the reduced activity in the drilling market. We have witnessed jack-up drilling rigs such as the Noble Gene House, Saipem 10000 and Alaskan Star awarded contracts in 2010 for accommodation services. Although alternatives are an essential part of the offshore accommodation market the majority of alternative solutions can only be implemented very benign regions as solutions for harsh environments such as crane vessels can become very expensive.

6 T&I MARKET

The T&I market has evolved to transport infrastructure which has been constructed to its location in the ocean, and then mount it safely in the correct place. The core aspect of this market is pipelay and heavy lift vessels. A pipelay vessel is used to transport and install pipeline offshore, whilst a heavy lift vessel has a crane which is capable of lifting and installing on the sea bed a variety of offshore equipment. The main focus for this section will be the derrick lay barge (**"DLB"**) market, which comprises vessels that are versatile enough to be involved with both pipelay and installation work.

6.1 DLB market

A DLB is used to support offshore construction and installation. DLBs are typically able to perform heavy lifts, install pipelines, various subsea equipment, umbilicals, risers, and flowlines. A DLB is a multi-functional vessel, able to support oil companies with a wide variety of tasks. Bumi Armada's 'Armada Installer' is an example of a DLB which specifically has pipelay capabilities, but which also has some crane capacity. Given its broad capabilities, competition in the DLB market comes both from other DLBs, and also from more specialised heavy lift and pipelay capable vessels.

The DLB market is clearly delineated between the higher and lower vessel specifications, which are characterised by water depth and technical specifications (for example crane size). We perceive that vessels at the high end of technical configuration and ability are able to work in deepwater, lift equipment in excess of 4,000 tonnes, and install trunk-lines. The lower end vessels comprise assets designed for shallow-water, with short-line installation devices [Source: ISL].

6.1.1 Expected DLB Day Rates

The DLB market can be simplified into two classifications, high end vessels (**"Class A"**) and low end vessels (**"Class B"**). The high end vessels are dynamically positioned deepwater vessels capable of performing large lifts and large pipelay, whilst the low end vessels are usually barge vessels with lower specifications and capable of only operating in shallow and conventional waters.

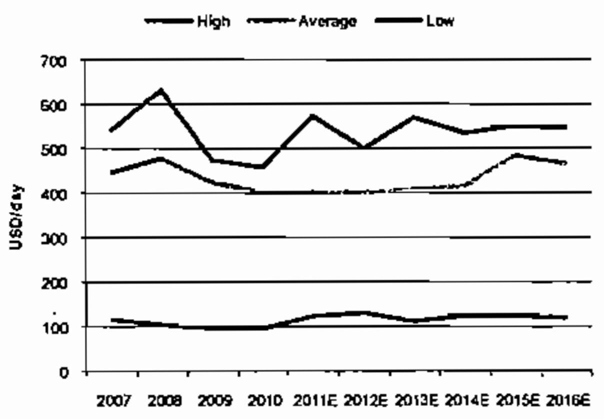

***Figure 6-1: Class A DLB vessel dayrates by range (2007-2016)* [Source: ISL]**

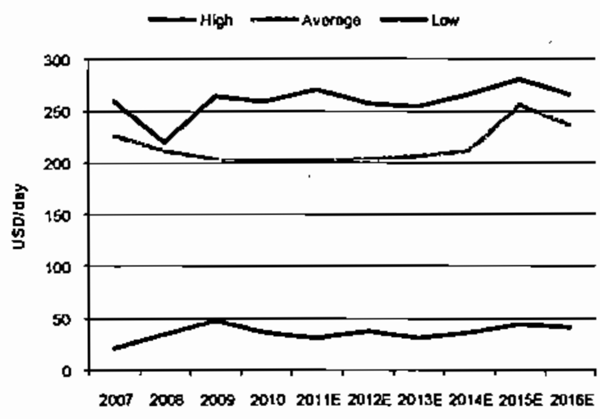

***Figure 6-2: Class B DLB vessel dayrates by range (2007-2016)* [Source: ISL]**

Day-rates for the high end vessels witnessed a small decline during the recession. However, since average day-rates are relatively flat, as demand returns to the market, this should increase the average day-rates from 2014 onwards. The low end vessels have also witnessed a flat period of average day-rates and is expected to increase from 2014.

6.2 Forecast DLB Market Performance

There are several metrics used to ascertain both heavy lift and pipelay demand. For the purposes of this Report, demand is supplied as vessels days and as such can be directly compared to vessel supply. The amount of days in demand is driven by the characteristics of the items of infrastructure being installed. Heavy lift and pipelay demand originates from the installation of pipelines, platforms, subsea equipment, single point moorings and the removal of platforms. The largest and most valuable of these markets is the installation of pipelines used to export recovered hydrocarbons. The pipelay market continues to attract the highest dayrates for vessels operating around the world. It should be noted that in terms of market demand, pipeline installation is expected to require the most vessels compared to heavy lift.

Demand for heavy lift and pipelay witnessed a decline in recent years primarily due to the global recession but the recovery in 2010 marked a return to growth in the market and we believe this will increase substantially during 2011 through to 2013 before demand plateaus towards 2015.

The largest regions within the DLB market for demand are expected to be the mature regions of North America and Europe where large pipelines are projected to be installed before 2015, in particular in the North Western Europe Continental Shelf where pipelines such as Nord Stream are driving demand. West Africa, South East Asia and Brazil are also expected to contribute towards demand over the next five years.

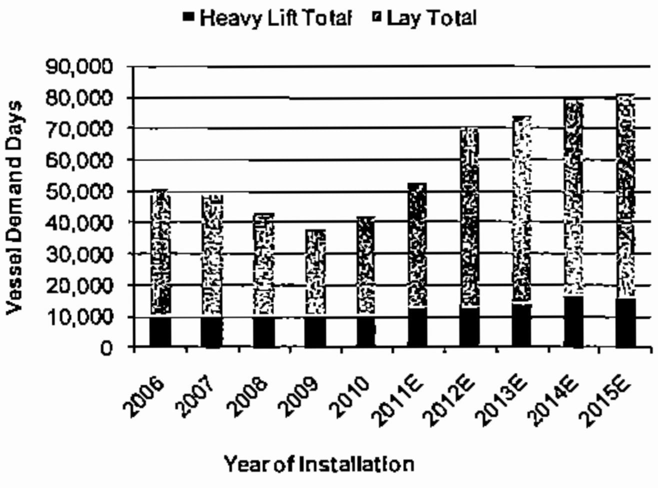

Figure 6-3: Global DLB vessel demand by region (2006-2015) **[Source: ISL]**

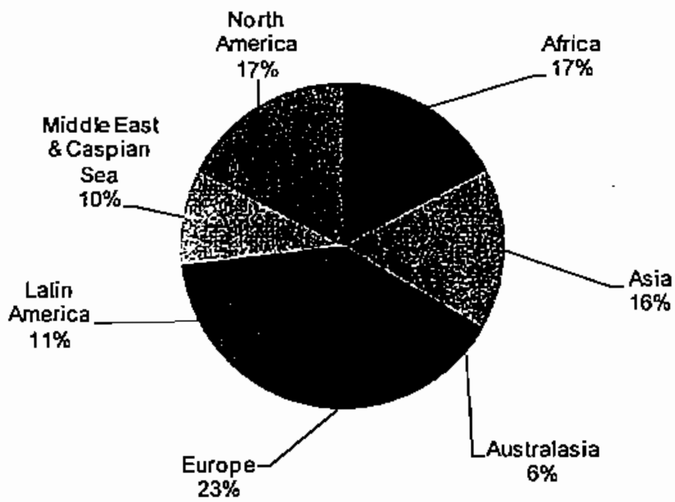

Figure 6-4: Global DLB vessel estimated demand by region (2011-2015) **[Source: ISL]**

6.2.1 South East Asia Demand

Developments within shallow waters are expected to continue to drive demand for the T&I market over the next five years within South East Asia despite the emergence of deepwater projects in recent years as we believe NOCs will prioritise shallow water plays for the next five years. The operations of PETRONAS and PTT Public Company Limited are the key examples of this and Figures 6-5 and 6-6 show the forecast demand share that these NOCs will require through to 2015. Although majors such as Chevron and Shell are also expected to have a large share of the demand for construction vessels, the emergence of Independents such as Murphy is also expected to continue in the region.

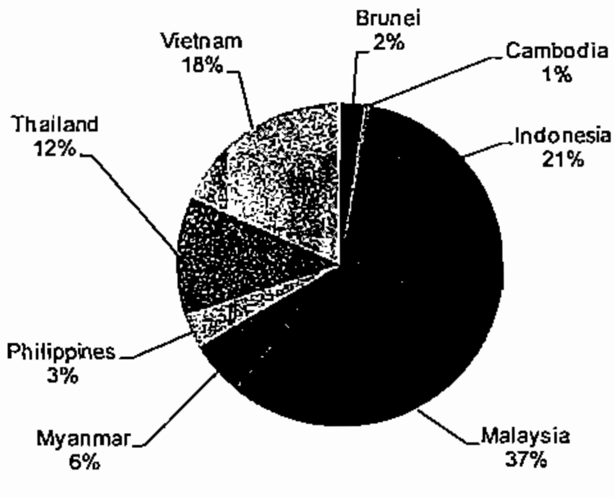

***Figure 6-5: Estimated DLB vessel demand by country (2011-2015)* [Source: ISL]**

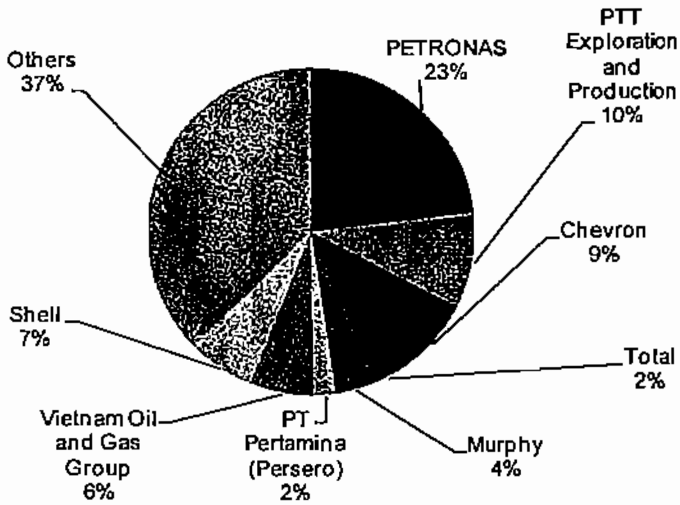

***Figure 6-6: Estimated DLB vessel demand by operator (2011-2015)* [Source: ISL]**

Despite the historic performance of Indonesia in terms of installations and capex, we believe Malaysia will require the largest amount of construction vessels which is attributable to the growing subsea market as well as the continuation of platform installations. Given the anticipated demand from PETRONAS, companies that create strong links with the NOC would be well positioned for winning contracts over the next five years.

6.2.2 West Africa Demand

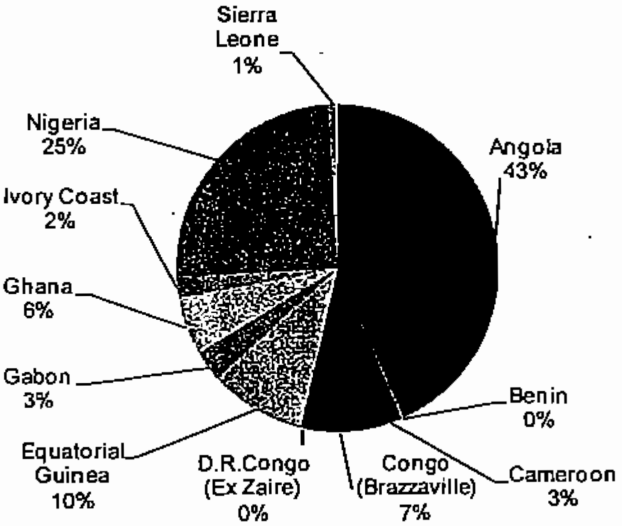

***Figure 6-7: Estimated DLB vessel demand by country (2011-2015)* [Source: ISL]**

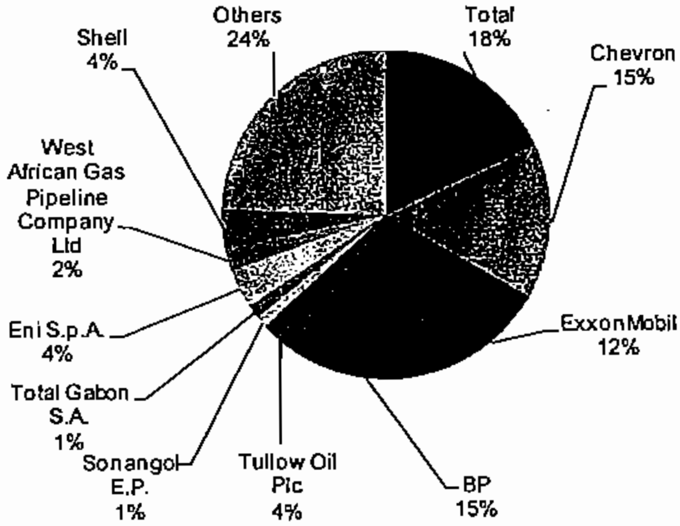

***Figure 6-8: Estimated DLB vessel demand by operator (2011-2015)* [Source: ISL]**

Although West African demand for construction vessels is primarily attributable to key countries such as Nigeria and Angola, there is an emerging diversity throughout the region in terms of countries and, more importantly, operators. Long-standing Major operators such as Total and Chevron are expected to require the most vessels for construction and pipelay over the next five years although the increase in projects operated by independents and NOCs are starting to change this picture [Source: ISL].

6.2.3 Caspian Sea Demand

Although there is a heavy lift market in the region, the majority of demand is expected to be for pipelay vessels, in particular the interlinking cluster developments in Kazakhstan and Azerbaijan, more specifically those associated with the Kashagan and Azeri projects respectively. [Source: ISL].

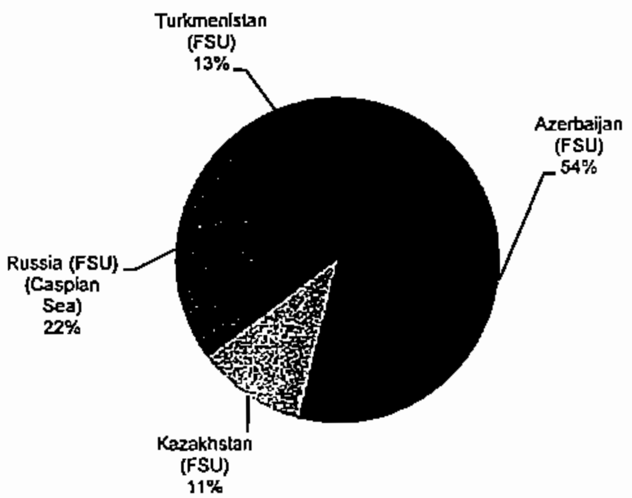

***Figure 6-9: Estimated DLB vessel demand by country (2011-2015)* [Source: ISL]**

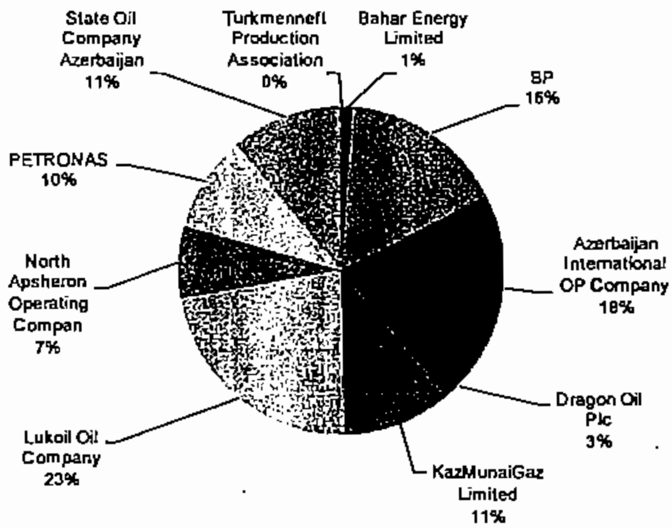

***Figure 6-10: Estimated DLB vessel demand by operator (2011-2015)* [Source: ISL]**

Given that the Caspian Sea is almost a closed off market with harsh winters essentially making the region landlocked for much of the year, having a vessel within the market is a key competitive advantage for ship owners and operators. Long-term contracts in this region are also considered important as we believe demand to be long-term in this region and that pipelay vessels are likely to command large day-rates and utilisation over the next five years.

6.2.4 Latin America

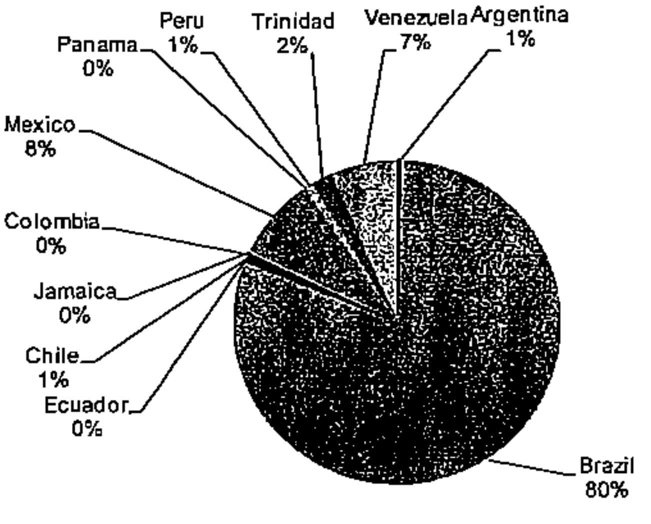

Figure 6-11: Estimated DLB vessel demand by country (2011-2015) **[Source: ISL]**

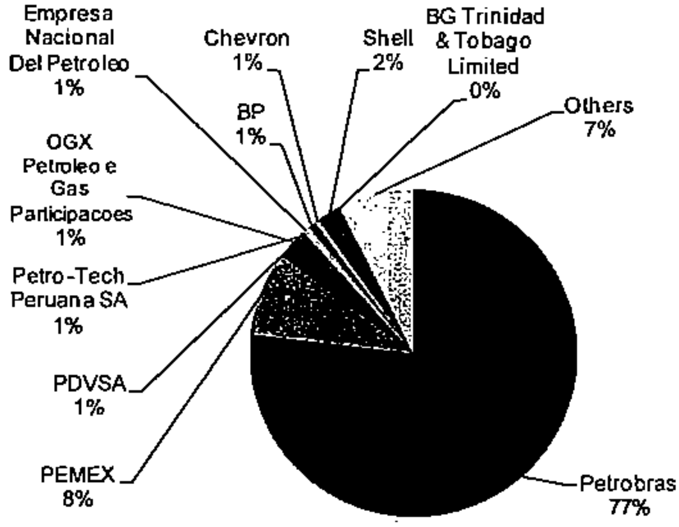

Figure 6-12: Estimated DLB vessel demand by operator (2011-2015) **[Source: ISL]**

Construction and pipelay demand in Latin America should be primarily within Brazil over the next five years with Petrobras' deep and ultra deepwater projects in the pre and post-salt fields. The flexible pipelines as well as the subsea infrastructure that will be required to develop these lucrative projects will likely attract a lot of DLB vessels and command large day-rates and utilisation in the region. Other than Brazil, we believe there will be demand from Venezuela and Mexico as the two NOCs, PDVSA and Pemex, respectively, look to reinvigorate the falling production rates the countries have witnessed over the last five years.

6.2.5 Supply Market Overview

Although ISL currently view the heavy lift fleet as 359 vessels, rising to 375 vessels by 2015, a large amount of this fleet are vessels with light lift capabilities that are mainly operational within the Gulf of Mexico and are not major threats in the global competitive market or the South East Asian region.

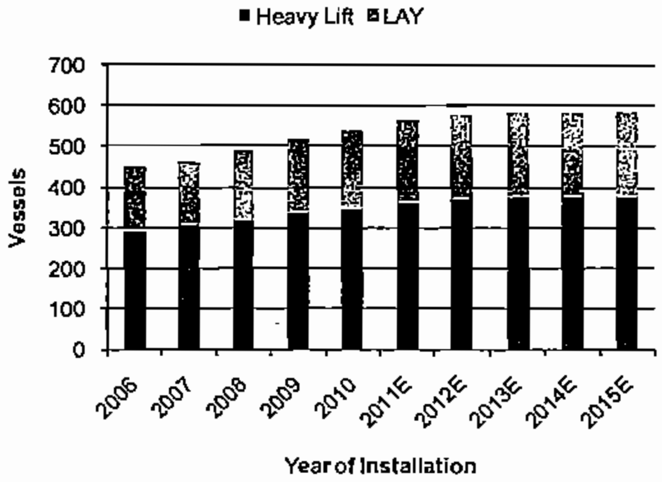

***Figure 6-13: Global heavy lift and pipelay fleet by vessel function (2006-2015)* [Source: ISL]**

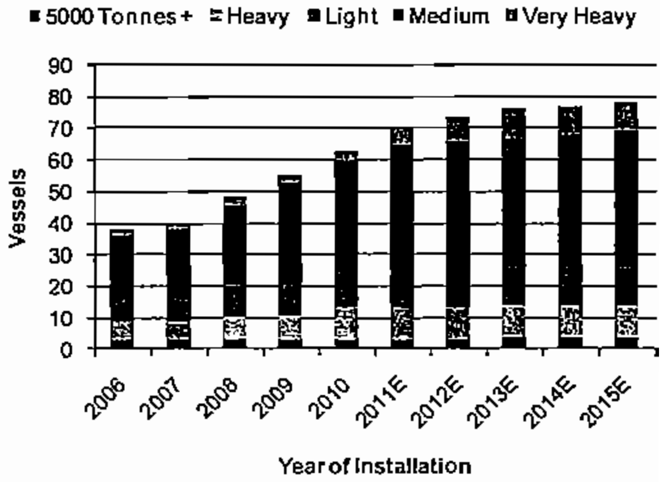

***Figure 6-14: Global heavy lift and pipelay fleet by lift capability (2006-2015)* [Source: ISL]**

Although the global fleet of heavy lift and pipelay vessels is large there is a relatively small amount of dual function vessels capable of both heavy lift and pipelay. The last five years witnessed a period of growth within dual function vessels as these high end sophisticated vessels are expected to command higher day rates and utilisation, thus with the boom in the offshore industry before the recession there was a large intake of orders for these dual function vessels. Given market conditions over the last two years, new orders have slowed down, yet we do expect eight vessels to enter the market post-2011 [Source: ISL].

6.2.6 Heavy Lift & Pipelay New build Dynamics

Similar to the dual function vessels, there has been growth within the individual sectors for the heavy lift and pipelay fleets over the last five years. However, with the economic climate, new orders in this market for single function vessels have been very low and unless market conditions improve dramatically, there are unlikely to be new vessels entering the market during the latter years of the forecast period.

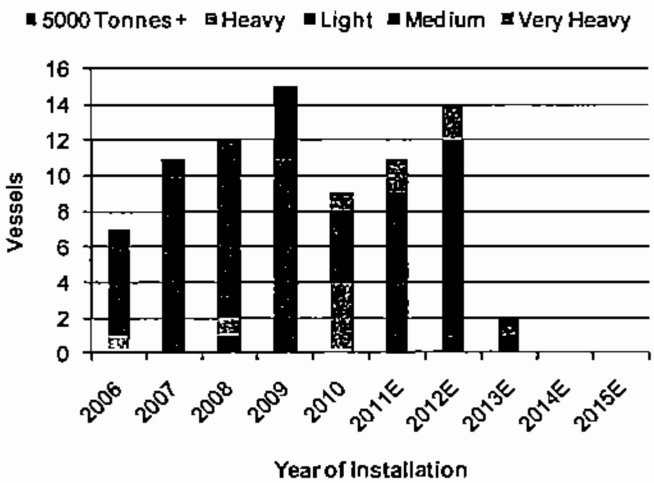

Figure 6-15: Heavy lift newbuilds by lift group (2006-2015) [Source: ISL]

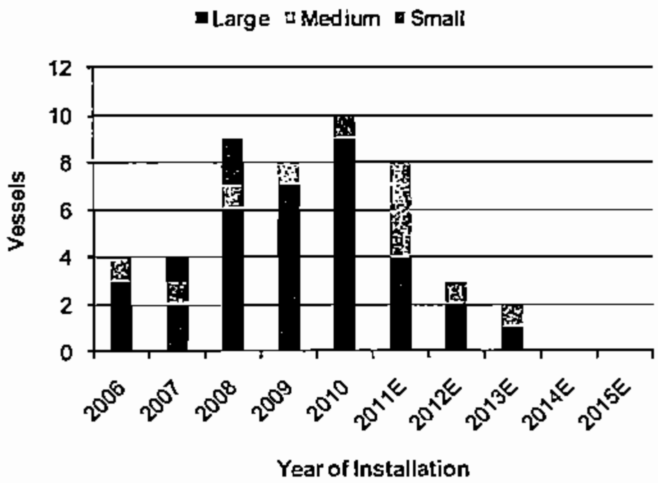

Figure 6-16: Pipelay newbuilds by lay diameter group (2006-2015) [Source: ISL]

For the pipelay market there have been 35 newbuilds entering the market from 2006-2010, 27 of which have been large diameter pipelay vessels. For the heavy lift market, the majority of vessels that have entered the market have light lift capabilities as owners looked to exploit booming conditions with smaller vessels in an attempt to take advantage of high dayrates. However, due to the global recession, the newbuild vessels expected to enter the market over the next five years are predominantly above 5,000 mT lift vessels, which highlights the industry caution and that only high end vessels have been worth the investment over recent years. Due to concerns over the current market conditions and expectations within supply, no heavy lift and pipelay newbuilds have been announced for 2014 and 2015.

6.2.7 Global Demand vs. Supply

Overall, both markets on a combined scale have witnessed a period of oversupply as demand over the last few years has been a great deal lower than prior to the recession. However, this oversupply will be mitigated by the predisposition of the heavy lift vessels capable of lifting greater than 5,000 tonnes working in a higher value specialist market. Further skewing the forecast is a high number of heavy lift vessels in the US side of the Gulf of Mexico which are old and have very limited crane capacity [Source: ISL].

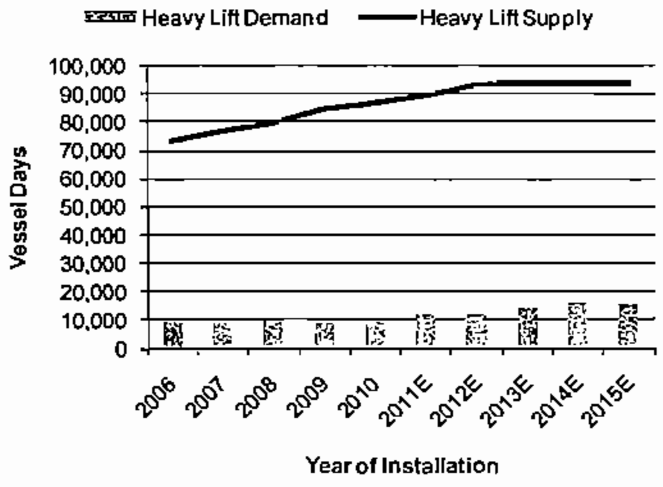

Figure 6-17 Global heavy lift demand vs. supply (2006-2015) [Source: ISL]

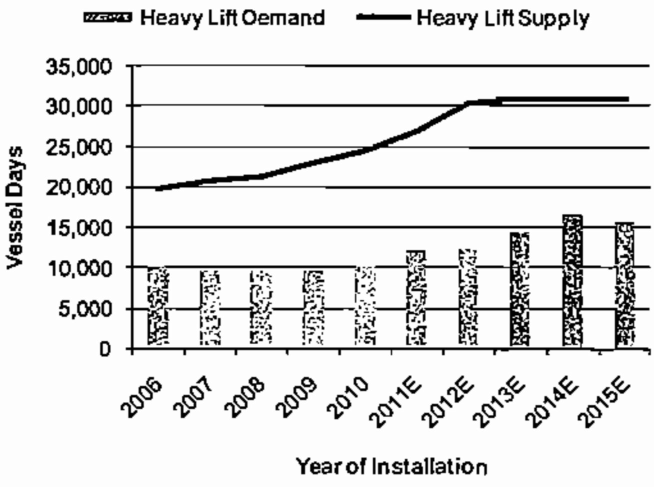

Figure 6-18: Global heavy lift demand vs. supply (light lift vessels excluded from supply) [Source: ISL]

Whilst figure 6-17 shows the overall global supply and demand dynamics in the heavy lift market, figure 6-18 shows the global market with vessels capable of only light lifts removed from supply. The reason behind doing so is to achieve a more focussed picture of the overall market given that a great deal of these light lift vessels only operate within specific regions and do not typically move to other regions for work. Whilst we have excluded light lift vessels from supply the figure includes demand that would require lift lifts as we expect the other vessels in the global fleet to be capable of performing these lifts.

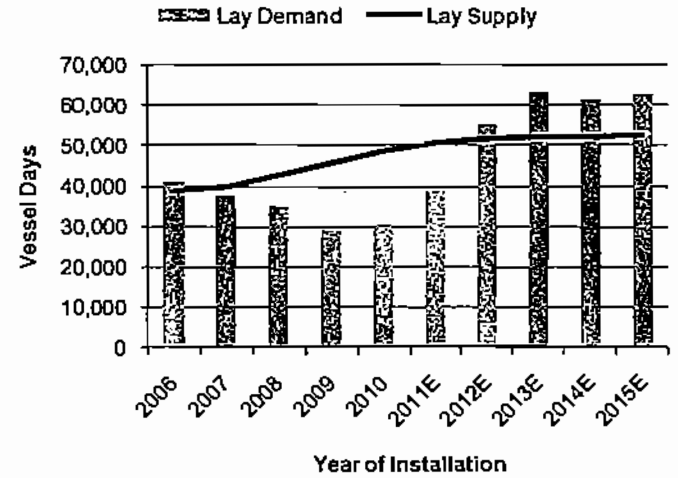

Figure 6-19: Global pipelay demand vs. supply (2006-2015) **[Source: ISL]**

The pipelay demand and supply outlook is more robust than its heavy lift counterpart. Due to the global recession there has been a dip in demand over the last three years which has caused a period of oversupply in the market. However, looking forward, we believe this will change and the pipelay market will witness undersupply towards the latter years of the forecast. This would likely increase day-rates and utilisation as well as the migration of vessels looking to the larger markets in order to gain contracts, such as South East Asia, West Africa and offshore Brazil.

6.2.8 Regional Supply vs Demand

The following section aims to highlight the demand and supply dynamics between the heavy lift and pipelay markets in key regions such as Asia, Africa, Latin America and the Caspian Sea. Although given the fluid nature of the vessels, market supply is a current snapshot only and is likely to change in the future as vessels migrate due to supply issues or greater opportunities available to owners.

Asia

The heavy lift market in Asia is expected to be in a state of general oversupply; however the supply snapshot includes Class B vessels which are not as competitive as the high end vessels. Indeed, we believe that the Class A vessels will witness good day-rates and utilisation in Asia despite the overall oversupply in the market.

The pipelay market in Asia is expected to follow similar global trends in which a period of large oversupply until the latter years of the forecast where the gap is anticipated to narrow creating opportunities for pipelay vessels in the region, in particular 2012 and 2014. Similar to the heavy lift market, we believe that the high end vessels will continue to see better opportunities despite the oversupply currently forecast in 2011.

Regional demand has been described in greater depth earlier in this Report. However, we believe that South East Asia and in particular Malaysia and Indonesia will be the key drivers behind heavy lift and pipelay demand in the region as the Majors and NOCs continue to develop fields ahead of ambitious strategic plans.

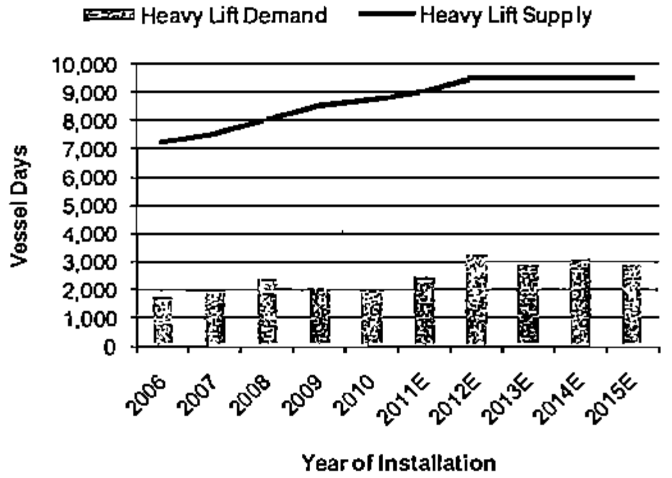

Figure 6-20: Asian heavy lift demand vs. supply (2006-2015) **[Source: ISL]**

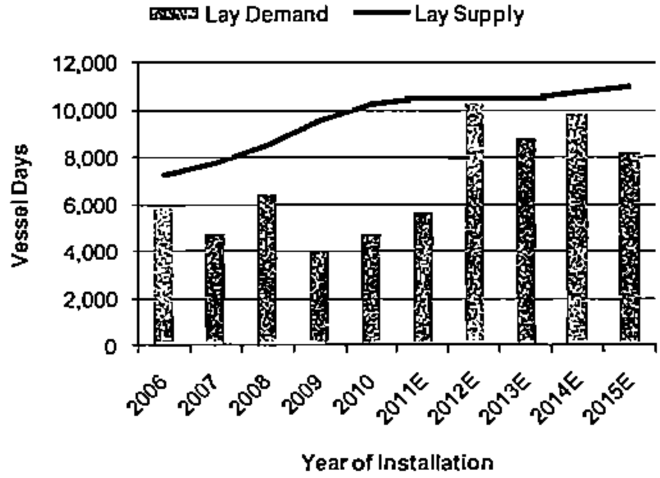

Figure 6-21: Asian pipelay demand vs. supply (2006-2015) **[Source: ISL]**

The Asian market is deemed to be heavily dependent on client relationships. However, unlike other regions, competition (especially in the predominant shallow water areas) will likely be strong, particularly from those contractors already well established in the installation market.

Africa

The heavy lift market is expected to be oversupplied throughout the next 5 years following historic trends. Overall, there has been only an incremental increase of supply in the region where investment was made during the boom years before the recession. The positive sign for DLBs in this region is that there is a forecast increase in demand which should create opportunities for vessel owners operating in the region. Further good news in the region is that the deep and ultra-deepwater projects offshore West Africa will require sophisticated and large vessels towards the high end of the vessel spectrum in order to install platforms and subsea infrastructure. These opportunities will favour the Class A vessels working in the region, whilst also attracting some of the global vessels capable of working in these waters.

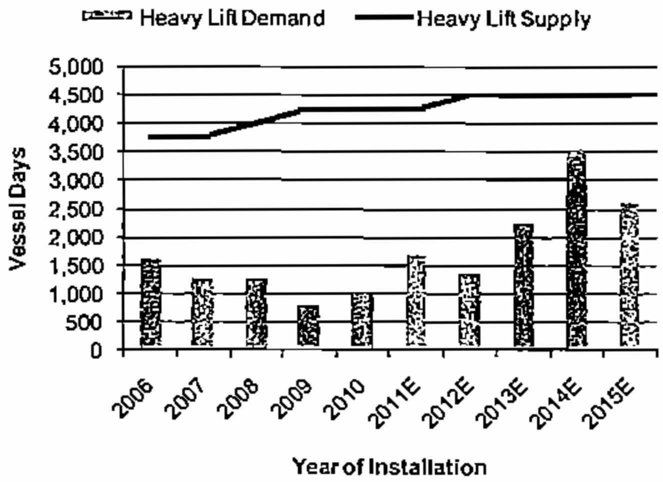

Figure 6-22: African heavy lift demand vs. supply (2006-2015) **[Source: ISL]**

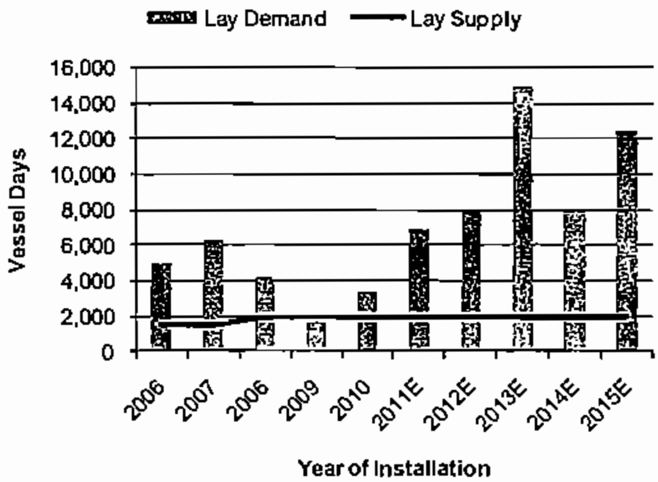

Figure 6-23: African pipelay demand vs. supply (2006-2015) **[Source: ISL]**

Supply within the African pipelay market is in a large state of undersupply with substantial increase in demand expected to be witnessed from 2011 onwards in the region as more pipeline infrastructure is required to bring some of these large production fields, in particular offshore West Africa, on-stream. However, we do believe that some of the high end vessels that can operate across regions within the global sphere will be attracted to the region due to the large amount of demand, especially towards 2013 to 2015, which will make the market slightly tighter than the current forecast.

Demand continues to be driven by West African nations primarily, however, there are large projects offshore North Africa for long and complex pipeline installations as well as large fixed platforms that we believe will complement West Africa's demand and bolster conditions within Africa moving forward [Source: ISL].

Latin America

With the ambitious plans that Petrobras and Brazil have for field development over the next ten years, offshore Brazil is expected to be a key growth region for heavy lift and pipelay services. Both markets are expected to witness undersupply over the next five years, in particular in the pipelay market as flexible pipelines are likely to feature prominently at Petrobras developments.

With both markets expected to witness undersupply for offshore construction, we believe that high class vessels and owners will look to Brazil as an opportunity to strengthen either existing operations or gain a foothold in the region. There is also a high likelihood that new vessels with large flexible pipelay capabilities will be attracted to Brazil given the pipeline characteristics where Petrobras has a track record of using FPSO and subsea developments [Source: ISL].

On a more cautious note, the Brazilian government are pushing towards a large amount of local content requirement for offshore projects, especially the more lucrative pre-salt plays, and thus there could be a drive towards Brazilian built vessels being contracted for offshore construction rather than look to international vessels.

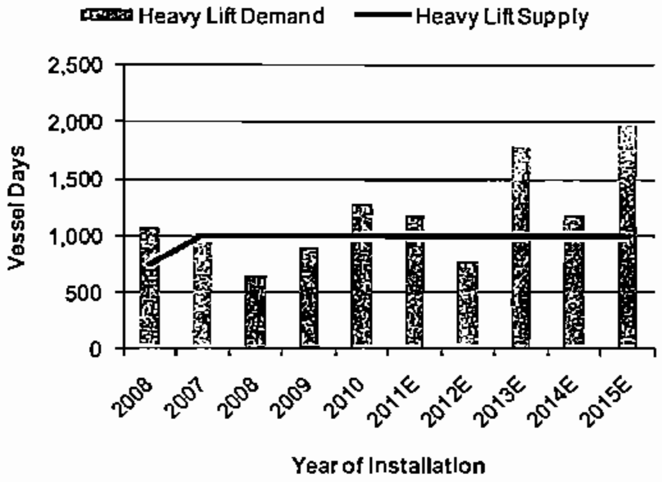

Figure 6-24: Latin American heavy lift demand vs. supply (2006-2015) **[Source: ISL]**

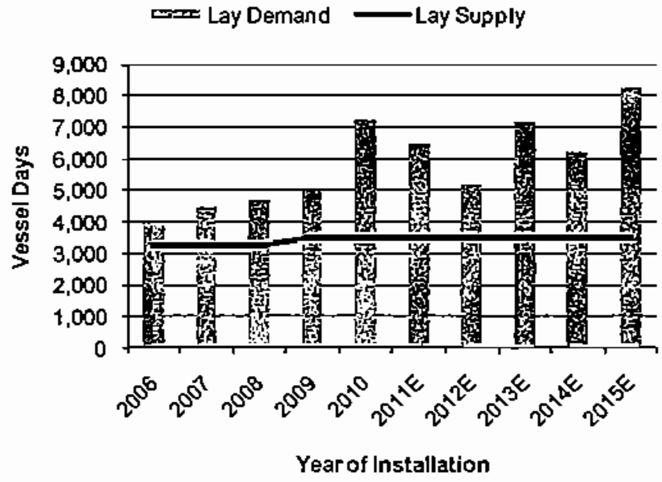

Figure 6-25: Latin American pipelay demand vs. supply (2006-2015) **[Source: ISL]**

Caspian Sea

The Caspian region has very different supply and demand dynamics than the three other regions analysed in this section such as Asia, Africa and Latin America, and is much more insular given its geographic location.

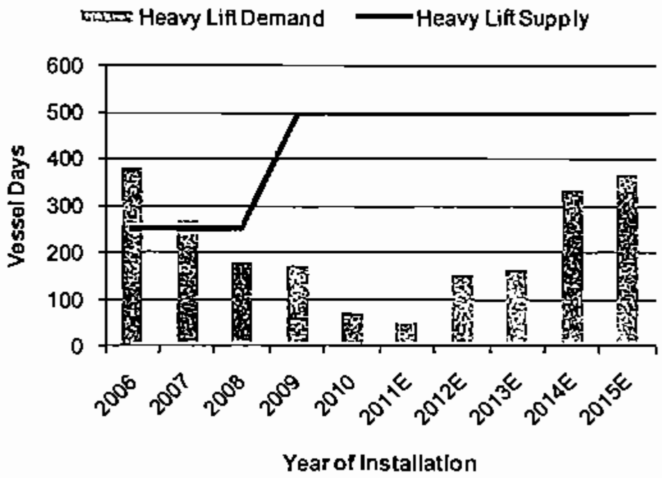

Figure 6-26: Caspian heavy lift demand vs. supply (2006-2015) **[Source: ISL]**

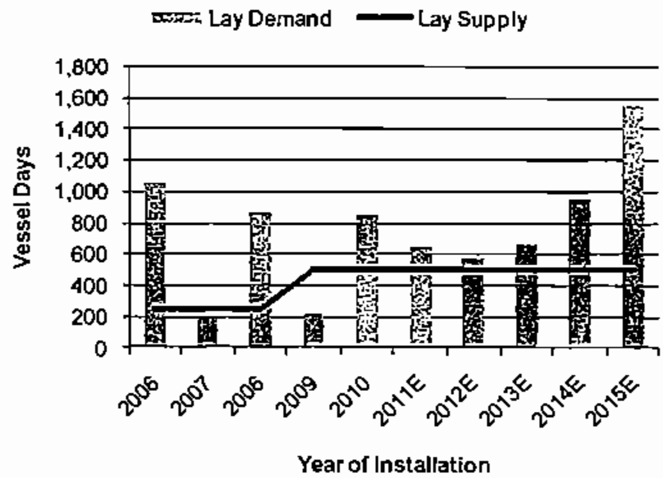

Figure 6-27: Caspian pipelay demand vs. supply (2006-2015) **[Source: ISL]**

The DLBs and crane vessels of the Caspian region are mostly flat bottomed shaped barges with water depth limitations but good manoeuvrability and stability to operate through the harsh weather conditions of the Caspian Sea [Source: ISL].

Longer term prospects in the region (e.g. beyond 2014) are driven by a number of large developments, including Kashagan, Kurmangazy, Akote and Kairan [Source: ISL].

The current snapshot suggests only two vessels on current contracts in the region, however due to the insular nature of the region; this could change rapidly as there are vessels in the Caspian without any contracts. Furthermore, there are vessels in the Middle East with good track records which can be mobilised to the Caspian if demand increases rapidly. The vessels currently under contract in the region are operated by Saipem S.p.A. and Bumi Armada, the latter being the first Malaysian asset owner and operator in the Caspian region. Saipem S.p.A. owns and operate a large heavy lift and pipelay fleet and is considered one of the largest players in the global market, along with J Ray McDermott. In the Caspian Sea, the Armada Installer is Bumi Armada's only asset operating in this market. Nevertheless, Bumi Armada look well positioned in this region due to a long charter for the DLB with Petronas

6.2.9 Global SURF and IRM Market

Although demand for SURF heavy lift and lay installation has been included in the overall DLB market forecast above, the SURF market is an increasingly growing sector that we feel should be highlighted. IRM has also been included in this section as although the focus for the majority of these vessels are large installation contracts, there is potential upside for the DLB market from the IRM operations that can utilise idle vessels in between installation contracts.

SURF Market

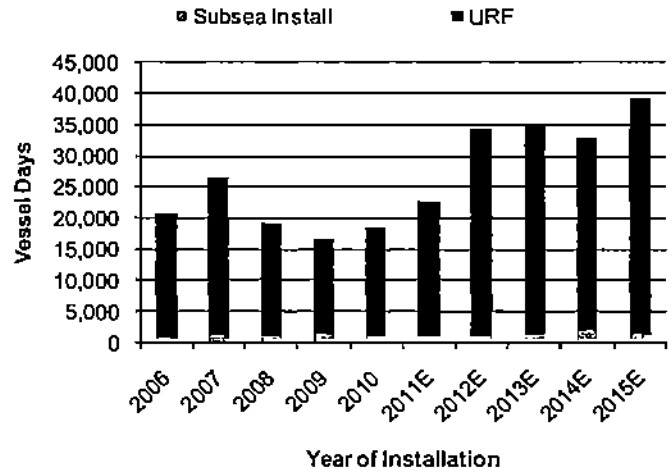

Figure 6-28: Global SURF demand by sector (2006-2015) **[Source: ISL]**

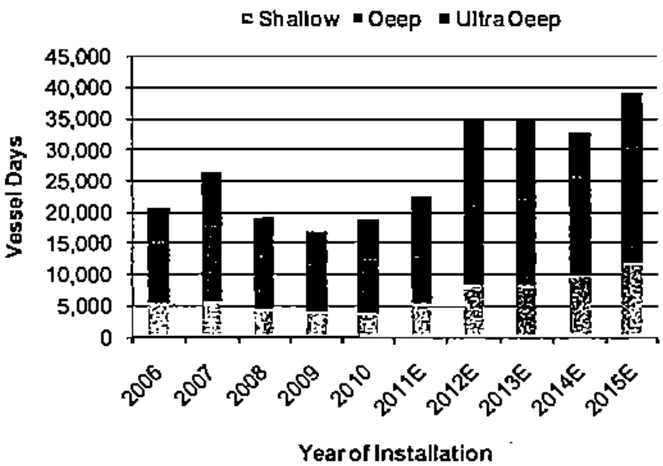

Figure 6-29: Global SURF demand by water depth group (2006-2015) **[Source: ISL]**

The SURF market includes Subsea installations (S), Umbilicals, Risers and Flowlines (URF) and has been separated in this Report as Subsea installations and URF to differentiate the requirements of heavy lift and lay vessels respectively. Overall, demand for SURF infrastructure is driven by floating production solutions such as FPSOs and the associated infrastructure. As Figure 6-28 shows, demand within the SURF market is heavily driven by the URF sector, which will require DLB vessels with lay capabilities. We expect the SURF market to grow over the next five years with a greater focus on deep and ultra-deepwater operations, indicative of the industry looking towards more remote locations for hydrocarbon production.

SURF installation demand has historically taken place in intermediate environmental conditions, and whilst this trend is expected to continue, we believe that more benign and harsh environments will require SURF installation over the next five years. For benign waters, this is driven by secondary brownfield developments, as well as at greenfields offshore South East and East Asia. Whereas the increase in demand within harsh environments is driven primarily from Norway, and the anticipated large power lines and umbilicals expected to be installed over the next five years in the North and Barents Seas.

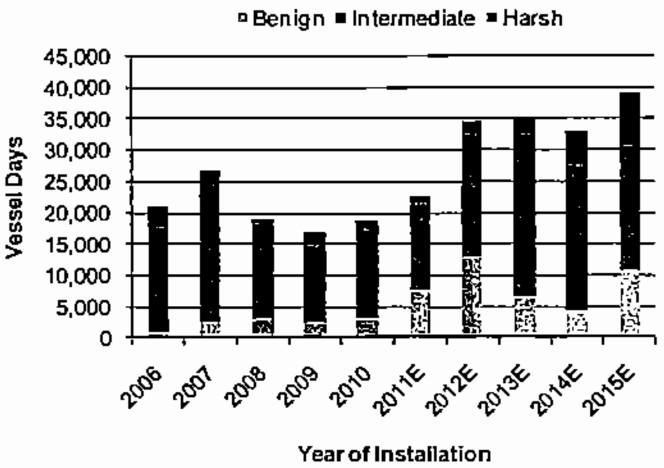

Figure 6-30: Global SURF demand by environment condition (2006-2015) **[Source: ISL]**

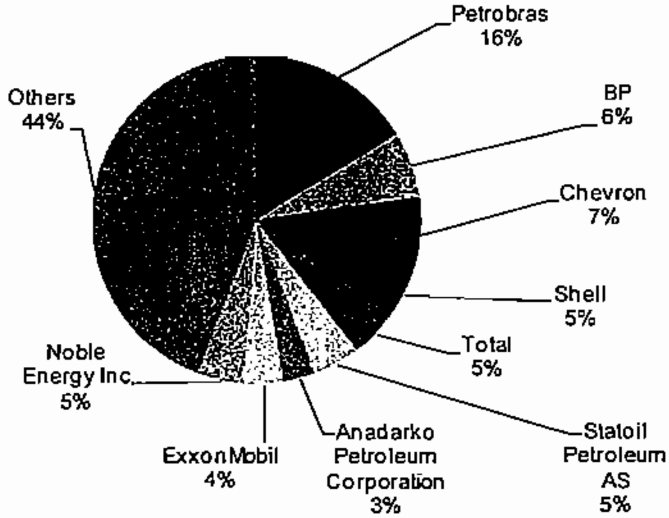

Figure 6-31: Global SURF estimated demand by operator (2011-2015) **[Source: ISL]**

Within the SURF market, Brazilian NOC Petrobras is expected to require the largest operator share of demand over the next five years reflecting the company's drive towards developing the lucrative pre-salt fields with FPSOs and associated subsea solutions that we believe require large amounts of SURF infrastructure. Other large operator share is anticipated to come from the Super majors such as Chevron, Total and Shell, with some of the larger IOCs also expected to require a large amount of SURF installations through to 2015.

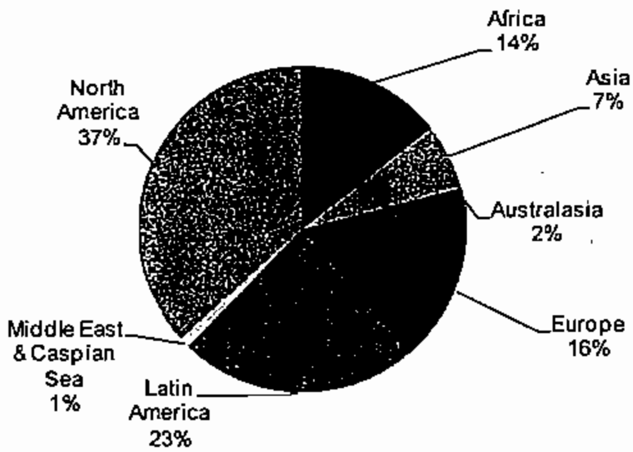

Figure 6-32: Global SURF demand by region (2006-2010) **[Source: ISL]**

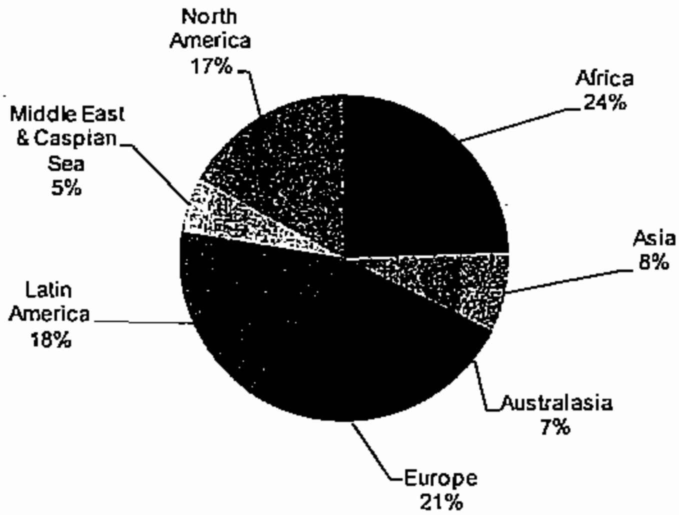

Figure 6-33: Global SURF estimated demand by region (2011-2015) **[Source: ISL]**

Given the drive towards deep and ultra-deepwater floating solutions in the lower tertiary trend in the Gulf of Mexico in the last decade, it is not surprising that North America was the main regional driver for SURF demand in the last five years. Whilst the Deepwater Horizon disaster is one of the factors for the region losing market share for SURF demand over the next five years, the growth of the SURF market in regions such as Europe, Africa and Australasia is also a large factor. Indeed, the growth of the floating production market offshore West Africa and Australasia is one of the key drivers for this change.

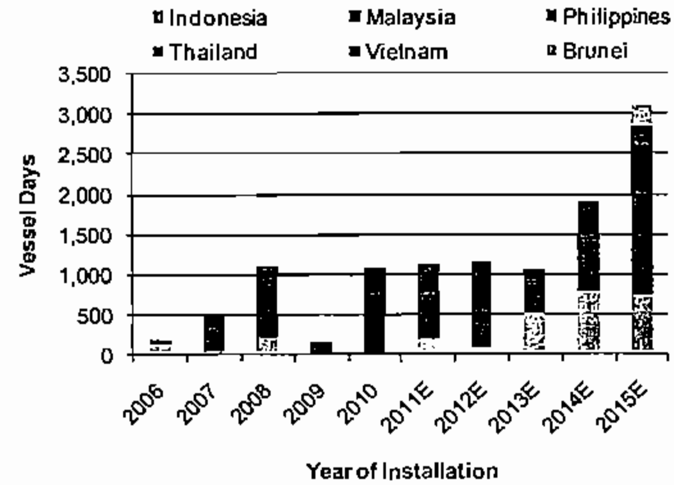

Figure 6-34: South East Asia SURF demand by country (2006-2015) [Source: ISL]

Although not historically a large region for SURF demand, the South East Asian market is expected to grow over the next five years, especially in the latter years as a swathe of floating production solutions are expected to be installed offshore Indonesia and Malaysia. Indeed we believe Malaysia to be the predominant country for SURF demand over the next five years within South East Asia.

IRM market

It should be noted that within this section the figures presented show the total demand market for IRM, some of which will be supplied by multi service vessels (MSVs) as well as some OSVs. Nevertheless, the IRM market should provide upside to DLBs that are not contracted to perform heavy lift or lay operations.

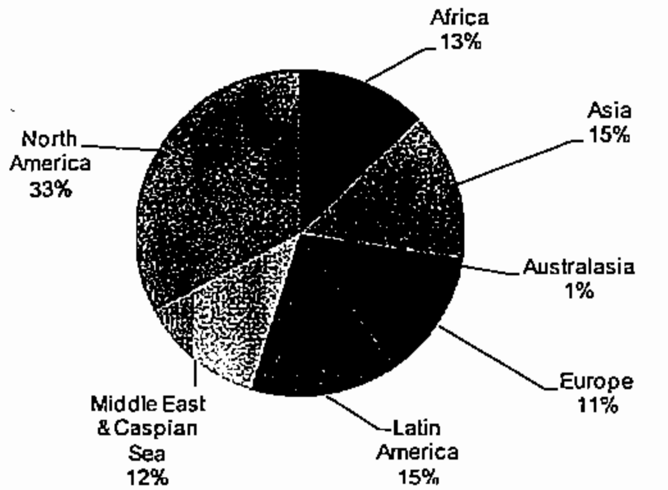

Figure 6-35: Global IRM demand by Region (2006-2010) **[Source: ISL]**

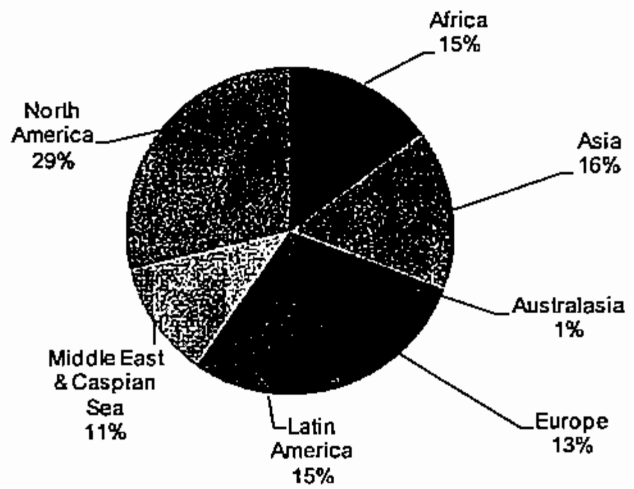

Figure 6-36: Global IRM estimated demand by Region (2011-2015) **[Source: ISL]**

We believe that the key regions for IRM demand over the next five years will continue to be North America, Asia, Africa and Latin America. For the Americas, the Gulf of Mexico (both Mexico and US) is expected to be the major location for IRM demand, especially in the shallow and benign waters.

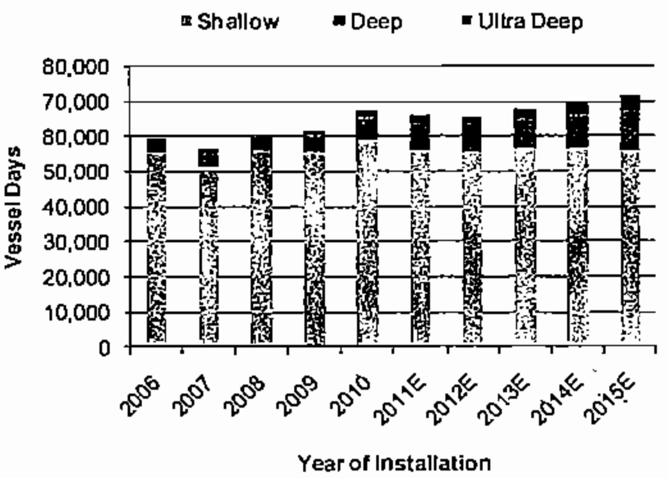

Figure 6-37: Global IRM demand by water depth group (2006-2015) **[Source: ISL]**

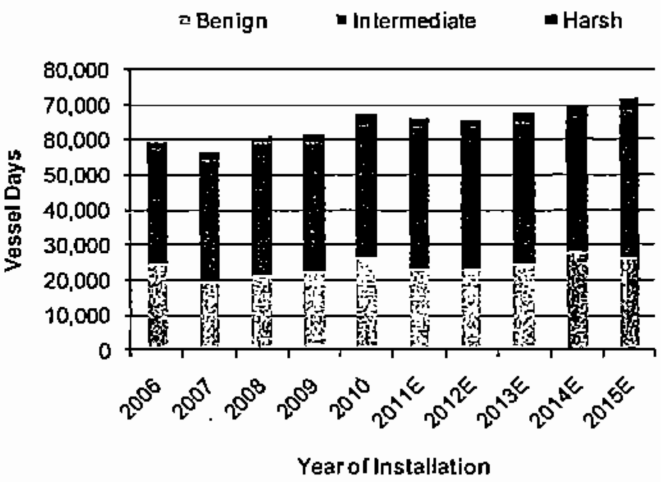

Figure 6-38: Global IRM demand by environment condition (2006-2015) **[Source: ISL]**

Shallow water operations are expected to contribute the most towards IRM demand globally, as the majority of existing offshore infrastructure installed is located in these shallow waters; for example in the Persian Gulf, Gulf of Mexico, and in shallow waters offshore Asia. Over time, as more and more deep and ultra-deepwater fields are brought on stream, demand for IRM related services is also likely to move deeper. Looking forward this should provide more upside for sophisticated and operationally capable vessels, much of this however is expected to be realised beyond 2015.

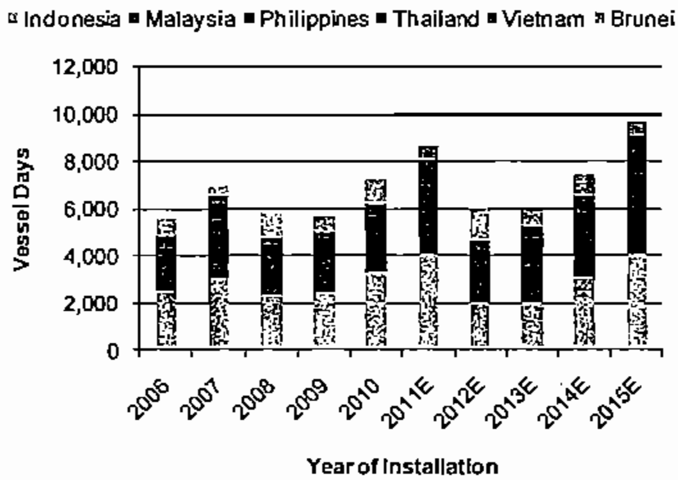

Figure 6-39: South East Asia IRM demand by country (2006-2015) [Source: ISL]

Within Asia, South East Asia is expected to contribute a large amount towards IRM demand over the next five years, driven predominantly by infrastructure offshore Indonesia and Malaysia. Overall the region should see more demand for IRM over the next five years as countries such as Vietnam and Thailand are forecast to install a large amount of shallow water fixed platforms. This is in addition to the large amount of developments planned offshore the key countries of Malaysia and Indonesia.

6.2.10 Competitive Market Place

The DLB marketplace is an extremely competitive one, across all regions, however it should present opportunities to high end vessels during the next five years. Although we believe that the high specification, more sophisticated construction vessels are more capable of winning high day-rates and witnessing good utilisation, there is still stiff competition within the high end vessels for these contracts. One trend that has been witnessed is a move from these high end operators offering only transportation and installation services to repackaging this within larger contracts with scope for engineering, procurement, construction and installation, which command greater contract values and allow the operator to have only one contractor to work with for a project rather than working with multiple companies which in some instances can cause delays and cost overruns.

Whilst there is competition for the larger projects and contracts values within the high end vessels, there is still competition between vessels at the lower end of the spectrum. Towards the lower end of the DLB market, predominantly low lift capable barges that operate mainly in shallow waters, vessel owners are more attracted to utilisation rates rather than high contract values and as such compete for contracts by lowering rates, a trend that has occurred in South East Asia.

Overall, the highest amount of competition for DLB contracts are expected to be witnessed in the deep and ultra deepwater plays where more lucrative contracts can be won, for example offshore Brazil and West Africa, where high end vessels are likely to migrate to these areas in order to address the undersupply for the large projects in particular, the pipelay market. South East Asia and other regions that have traditionally shallow water and benign met ocean conditions should witness both high and low end vessels competing for contracts for DLBs as countries such as Malaysia and Indonesia look to developments that will require a variety of large and medium size construction vessels over the next five years.

7 CONCLUSION

The global economy is now starting to show signs of recovery after a period of recession. Non-OECD economies look set to continue as the engine of economic growth, and their rapid industrialisation and rising energy demand is placing a strain on energy resources. The pace of this growth is likely to drive the price of oil and gas upwards; this in turn will encourage oil companies to invest on finding and developing new reserves, and then delivering them to the market. Higher energy demand and associated high oil and gas prices also provides the incentives for the offshore O&G industry to move into deeper waters, more remote operational locations, and harsher environments. This is an important development as we are starting to see more maturing shallow water exploration and production regions and depletion of shallow water fields as they age.

The theme of maturing oil provinces plays through to the regional distribution of activity in the offshore oil and gas industry. Historically the industry has had a large exposure to shallow water areas in the US side of the Gulf of Mexico, and in the North Sea. In the future we expect Asia, Latin America, and West Africa to be at the heart of the offshore industry. These are the regions which are showing some of the best growth potential; Latin America and West Africa in particular are notable for the sheer volume of their deepwater reserves, whilst Asia is only beginning to explore and unlock its deepwater potential.

FPSO solutions play an essential role within the offshore O&G industry's move into new exploration and production frontiers. The FPSO also enables production from deepwater areas. The FPSO allows oil to be produced from the sea floor, then stored and offloaded to a waiting shuttle tanker to be delivered to any international market. This system means that oil companies no longer have to invest in costly pipelines to transport oil from a field to shore, and it also means that any potential security concerns associated with bringing the oil onshore are mitigated. We see the FPSO as a field development solution which is of integral importance to the future offshore oil and gas industry, and note considerable demand for FPSOs in West Africa, Latin America and Asia.

The global OSV market is set to benefit from a period of sustained growth and increased activity if energy demand and oil prices remain strong. Within the OSV market, two types of vessel are found, the AHT and the PSV. Each has slightly different drivers. AHTs support drilling activity; when the price of oil is high we tend to see a lot of drilling activity, conversely, when the price of oil drops and there is uncertainty surrounding the future energy demand, drilling activity decreases. Accordingly, during the period of global economic recession, we witness lower AHT charter rates and utilisation. Looking forward, if we continue to see rising oil prices then we can expect to see higher AHT charter rates. Whilst AHTs support drilling activity, PSVs provide services primarily to production platforms. Production platforms tend to be less prone to short-term volatility and as such have not been as severely impacted by the global economic recession. The longer-term drivers for both AHTs and PSVs, and OSVs in general appear to be strong. Again, this is an industry which is moving towards deeper waters, and in this sense, companies which are able to provide OSV services with deepwater capable assets are likely to be at an advantage.

Finally, looking towards the global DLB market, this is a market which was also impacted by a slowdown in general activity caused by the global economic recession. With the prospects of economic recovery, the DLB market also has strong drivers for growth. We would note however that this is a market which is in a state of global oversupply. This oversupply though is complex given that there are three tiers of vessels within this market. Firstly, high end vessels capable of lifting greater than 5,000 tonnes; these are likely to be used within specific specialised markets. Secondly, general DLB vessels which compete for the core range of installation business. Thirdly, a large number of older vessels exist with very limited crane capacity which are still theoretically active in the market, yet which are not really in competition with the previous two categories of DLB. So whilst the supply versus demand outlook does not appear to be promising, this is caveated by the requirement to consider how competitive all of the vessels in the market actually are. Newer, higher specification vessels are likely to be in high demand by oil companies, and are expected to achieve higher day rates and utilisation.

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9.1 Directors

9.1.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

(i) reviewing and adopting a strategic plan for our Group;

(ii) overseeing the conduct of our Group's businesses to evaluate whether our businesses are being properly managed;

(iii) identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;

(iv) succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management;

(v) developing and implementing an investor relations programme or shareholders' communications policy for our Group; and

(vi) reviewing the adequacy and the integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines.

As at the date of this Prospectus, our Board consists of 10 Directors. Under our Articles of Association, at the first annual general meeting of our Company, all our Directors shall retire from office, and at the annual general meeting in every subsequent year, one third of our Directors must retire at each annual general meeting of shareholders but are eligible for re-election. Our Directors must submit themselves for re-election at least once in 3 years.

Our Board comprises the following Directors:

Name	Age	Date of appointment as Director	Designation
Dato' Sri Mahamad Fathil bin Dato' Mahmood	62	19 September 2006	Non-Independent Non-Executive Chairman
Dato' Ahmad Fuad bin Md Ali	58	6 June 2007	Non-Independent Non-Executive Deputy Chairman
Saiful Aznir bin Shahabudin	51	1 December 2006	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld*	52	8 June 2011	Independent Non-Executive Director
Andrew Philip Whittle*	65	8 June 2011	Independent Non-Executive Director
Chan Chee Beng	55	2 June 2003	Non-Independent Non-Executive Director
Farah Suhanah binti Ahmad Sarji	46	2 June 2003	Non-Independent Non-Executive Director
Lim Ghee Keong	43	22 April 2011	Non-Independent Non-Executive Director
Hassan Assad Basma	54	1 September 2005	Executive Director/Chief Executive Officer
Shaharul Rezza bin Hassan	39	2 June 2003	Executive Director/Chief Financial Officer

Note:

* *Appointed after the LPD.*

The date of expiration of the current term of office for each of our Directors and the period that each of them has served in that office is as follows:

Name	Date of appointment as Director	Date of expiration of the current term of office	Approximate no. of years in office
Dato' Sri Mahamad Fathil bin Dato' Mahmood	19 September 2006	June 2012	5
Dato' Ahmad Fuad bin Md Ali	6 June 2007	June 2012	4
Saiful Aznir bin Shahabudin	1 December 2006	June 2013	4
Alexandra Elisabeth Johanna Maria Schaapveld*	8 June 2011	June 2011	<1
Andrew Philip Whittle*	8 June 2011	June 2011	<1
Chan Chee Beng	2 June 2003	June 2011	8
Farah Suhanah binti Ahmad Sarji	2 June 2003	June 2012	8
Lim Ghee Keong	22 April 2011	June 2011	<1
Hassan Assad Basma	1 September 2005	June 2011	6
Shaharul Rezza bin Hassan	2 June 2003	June 2013	8

Note:

* *Appointed after the LPD.*

Save as disclosed below, none of our other Directors represent any corporate shareholders:

Corporate shareholder(s)	Director
OBSB	Chan Chee Beng and Lim Ghee Keong
ODSB	Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali
KMSB, WBSB and WSSB	Farah Suhanah binti Ahmad Sarji

9.1.2 Biographies of Directors

Dato' Sri Mahamad Fathil bin Dato' Mahmood is a Non-Independent Non-Executive Chairman of our Company. He is an entrepreneur with extensive interest and experience in trading, agriculture, telecommunication, information technology and management solutions and services. He is also the chairman and director of Lembaga Totalisator Malaysia. He founded several companies namely MFDM Holdings Sdn Bhd, MTU Services (Malaysia) Sdn Bhd, Pelasari Sdn Bhd, Central Management Catalogue Agency Sdn Bhd, Motor Teknologi & Industri Sdn Bhd, Pelasari Agriculture Sdn Bhd and Unisrialfa Sdn Bhd. His other principal directorships are in Bukit Kiara Resort Berhad and FVSB. He holds a diploma from the Institute of Management Specialists in the UK and is a fellow of the British Institute of Management in the UK.

Dato' Ahmad Fuad bin Md Ali is a Non-Independent Non-Executive Deputy Chairman of our Company. He has more than 20 years of extensive experience in the fields of finance, accounting, auditing and consultancy. He was a consultant in 1978 with Hanafiah Raslan & Mohamad (which merged with Arthur Andersen & Co. in 1990). He was made a Principal of the branch office in Penang in 1982. 2 years later, he was made a Partner in charge of the management consulting division. In 1991, he headed the Audit and Business Advisory unit and in 1993, he was appointed as the Office Managing Partner. He retired from Arthur Andersen & Co. in August 1995. In September 1995, he was appointed as the Executive Chairman of Malaysian Plantations Berhad. During his 3-year tenure, he was involved in and managed various projects including construction and property development, stock broking and finance related businesses. In early 2000, he ventured into O&G industry-related support services, especially those relating to the complete operations and management side of various O&G installations. He sits on the boards of directors of various other private companies. He is a Fellow Member of the Association of Chartered Certified Accountants (UK) and a Member of the Malaysian Institute of Certified Public Accountants ("**MICPA**"). He is also a Public Accountant of the Malaysian Institute of Accountants ("**MIA**").

Saiful Aznir bin Shahabudin is an Independent Non-Executive Director of our Company. He has wide management experience in general management having served as the Chief Executive Officer of 2 companies for an aggregate of more than 10 years. Currently, he is the Chief Executive Officer of the Sharikat Permodalan Kebangsaan Berhad Group. In addition, he also specialises in corporate finance and privatisation matters. He qualified as a member of the American Institute of Certified Public Accountants and is a member of the MICPA. He holds a Master of Business Administration degree from the University of Chicago in the US and a Bachelor of Business Administration degree from Western Michigan University in the US.

Alexandra Elisabeth Johanna Maria Schaapveld is an Independent Non-Executive Director of our Company. She spent all her career at ABNAMRO Bank, which she joined in 1984, where the first 8 years were spent within Corporate Banking and the subsequent 8 years in Investment Banking: Equity Capital Markets and Mergers and Acquisitions. She has always been a strong advocate of client relations at the Bank. In 2001, she was made Senior Executive Vice President responsible for Sector Expertise and in 2004, she became the Head of the Business Unit Global Clients and Investment Banking. After the acquisition of ABNAMRO Bank by a consortium of banks, she was the head of Europe for Royal Bank of Scotland during 2008. She is presently the Non-Executive Director for Vallourec S.A. in France, a member of the Supervisory Board of Holland Casino, member of the Board of the Amsterdam University and the University Medical Center and member of the Advisory Board of Plan Nederland (a not for profit organisation). She was educated at the Lycee Francais in many countries, graduated with a Degree in Politics, Philosophy and Economics from Oxford University in the UK and subsequently a Master in Development Economics degree from Erasmus University in the Netherlands.

Andrew Philip Whittle is an Independent Non-Executive Director of our Company. He has over 40 years of technical and managerial experience in the petroleum exploration and production industry worldwide with a focus on South East Asia/Australia. His experience includes over 21 years with several affiliates of Exxon Corporation in Australia, Singapore, Malaysia, Canada and the US, finally in the position of Geological Manager of Esso Australia. Thereafter, he was Exploration Manager for five years with GFE Resources Ltd, Australia. He has over 15 years experience through PetroVal (Australasia) Pty Ltd, of which he is a founding Director, and his private consulting company Sheristowe Pty Ltd, in preparing independent technical reports and in evaluating E&P assets for a range of clients. He was closely involved in early discoveries in the Bass Strait and offshore Peninsular Malaysia for Exxon and in the exploration that led to the identification and discovery of the Thylacine gas field offshore Tasmania. He is a member of the American Association of Petroleum Geologists, the Society of Professional Well Log Analysts and the Petroleum Exploration Society of Australia. He holds a Bachelor of Science degree with First Class Honours in Geology from University of Adelaide, South Australia.

Chan Chee Beng is a Non-Independent Non-Executive Director of our Company. He has more than 30 years of experience in investment banking, financial management and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd. He joined the UTSB Group in 1992 as the head of corporate finance. He is presently an executive director of UTSB and serves on the boards of directors of several other companies in which UTSB has significant interests such as Maxis (listed on the Main Market), Maxis Communications Berhad and Binariang GSM Sdn Bhd, having an operational base in Malaysia, Sri Lanka Telecom PLC (listed on the Colombo Stock Exchange) and Mobitel (Pvt) Ltd, having an operational base in Sri Lanka, and Aircel Limited, having an operational base in India. He is also a director in a non-independent non-executive capacity and a member of the Audit Committee of MEASAT Global Berhad and a member of the Audit and Nomination Committees of Maxis. He holds a Degree in Economics and Accounting from the University of Newcastle-upon-Tyne in the UK and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Farah Suhanah binti Ahmad Sarji is a Non-Independent Non-Executive Director of our Company. She is an Advocate and Solicitor of the High Court of Malaya and began her professional legal career with the Attorney-General's Chambers as a Deputy Public Prosecutor and was later appointed as a Federal Counsel. She also served as a Magistrate at the Kuala Lumpur Magistrate Courts (Civil). She left Government service in 1996 to pursue her legal practice as a partner in the law firm of Messrs Zaid Ibrahim & Co, where she gained considerable experience in corporate/commercial and governmental transactions. As a result of her tenure with the Government, she has extensive experience in regulatory matters. At present, she is the Managing Partner of her own law firm, Chambers of Farah Suhanah, which was established in January 2003. She holds a Bachelor of Arts degree (Honours) in Law from the University of Kent in Canterbury, UK and is a Barrister at Law of the Middle Temple in London. She has also attended and participated in the Program of Instruction for Lawyers at Harvard Law School in Cambridge, US.

Lim Ghee Keong is a Non-Independent Non-Executive Director of our Company. He has more than 20 years of experience in treasury and credit management. He is currently the Group Treasurer of UTSB. His other directorships include Paxys Inc., a business process outsourcing company listed on the Philippines Stock Exchange. He is also a director and chairman of the Audit Committee of Bond Pricing Agency Malaysia Sdn Bhd, a bond pricing agency registered with the SC. Prior to joining UTSB, he was attached to General Electric Capital Corporation in the US and the former Ban Hin Lee Bank in Malaysia. He holds a Bachelor of Business Administration degree, majoring in Finance, from the University of Hawaii at Manoa, US.

Hassan Assad Basma is an Executive Director and Chief Executive Officer of our Company and is currently responsible for developing and implementing the strategic vision for the growth and expansion of our Group and to provide leadership and direction to our Group and our business. He has 30 years of experience in the O&G industry, of which the last 17 years were spent in Asia. Prior to joining our Company in September 2005, he was the President of Far East Single Buoy Mooring and the Managing Director of Kvaerner E & C Singapore and has held senior management positions since 1993. His work experience has spanned 4 continents, covering Europe, Africa, Middle East, India, South East Asia and Australia, which involved several disciplines from subsea and pipelines, jackets and topsides through to floaters and floating solutions. He was involved in several "firsts" throughout his career, including the first deepwater FPSO for the Kikeh Field in Malaysia, the first Gravity Actuated Pipe application in the world, the first co-generation power plant in Singapore, the first petrochemical plant in Kuantan, Malaysia for BASF (Malaysia) Sdn Bhd as well as the front-end engineering and design for the first on-shore gas field in China, for Shell Changbai. He holds a Bachelor of Science degree (Honours) in Engineering from the University of Manchester Institute of Science and Technology in the UK.

Shaharul Rezza bin Hassan is an Executive Director and Chief Financial Officer of our Company and is currently responsible for overseeing finance related matters of our Group including financial reporting, corporate finance, treasury and cash management. He has over 15 years of experience in corporate finance/fund raising and financial management. Prior to joining our Company in September 2005, he worked in the corporate finance department of UTSB for 10 years. During his tenure with UTSB, he was involved in various corporate exercises such as mergers and acquisitions, structuring, fund raising and equity public offerings, including the reverse take-over of Malaysian Tobacco Company Bhd (now known as MEASAT Global Berhad) and the acquisition and subsequent privatisation of Bumi Armada. He holds a Bachelor of Science degree in Economics from the University of Bristol in the UK.

9.1.3 Principal business activities outside of our Group and principal directorships

The following table sets out the principal directorships of our Directors as at the LPD and that which were held within the past 5 years up to the LPD, and the principal business activities performed outside of our Group by our Directors as at the LPD:

Name	Directorships	Involvement in business activities other than as a director
Dato' Sri Mahamad Fathil bin Dato' Mahmood	*Present directorships:* • Awan Inspirasi Global (Labuan) Bhd • Awan Inspirasi Holdings Sdn Bhd • Awan Inspirasi Sdn Bhd • Bukit Kiara Resort Berhad • Central Management Catalogue Agency Sdn Bhd • FVSB[(1)] • Lembaga Totalisator Malaysia • Majlis Ekuin Malaysia • MFDM Holdings Sdn Bhd • MTU Services (Malaysia) Sdn Bhd • ODSB • Ombak Sepakat Sdn Bhd • Ombak Simfoni Sdn Bhd • Pelasari Sdn Bhd • Rentak Satria Sdn Bhd • ThyssenKrupp Xervon Corp Sdn Bhd *Previous directorships:* • 3Q Equestrian & Village Resort Sdn Bhd *(resigned 15 May 2011)* • Equestrian Promotion Sdn Bhd *(resigned 15 May 2011)* • Kaslynet Sdn Bhd *(resigned on 20 July 2009)* • Pandan Village Sdn Bhd *(resigned 15 May 2011)* • Pelasari Agriculture Sdn Bhd *(resigned 15 May 2011)* • Tenaga Kimia Sdn Bhd *(resigned on 3 March 2009)* • Unisrialfa Sdn Bhd *(resigned on 15 May 2011)*	• Indirect shareholder of Awan Inspirasi Global (Labuan) Bhd • Indirect shareholder of Awan Inspirasi Holdings Sdn Bhd • Indirect shareholder of Awan Inspirasi Sdn Bhd • Indirect shareholder of Central Management Catalogue Agency Sdn Bhd • Shareholder of Equestrian Promotion Sdn Bhd • Indirect shareholder of FVSB • Indirect shareholder of iPerintis Sdn Bhd • Shareholder of Kaslynet Sdn Bhd • Chairman of Lembaga Totalisator Malaysia • Chairman of Majlis Ekuin Malaysia • Shareholder of MFDM Holdings Sdn Bhd • Indirect shareholder of Motor Teknologi & Industri Sdn Bhd • Deputy Chairman and shareholder of MTU Services (Malaysia) Sdn Bhd • Shareholder of ODSB • Shareholder of Ombak Sepakat Sdn Bhd • Shareholder of Ombak Simfoni Sdn Bhd • Indirect shareholder of OMV • Indirect shareholder of Pelasari Agriculture Sdn Bhd • Shareholder of Pelasari Sdn Bhd • Shareholder of Rentak Satria Sdn Bhd • Shareholder of Unisrialfa Sdn Bhd
Dato' Ahmad Fuad bin Md Ali	*Present directorships:* • A.F.A. Sdn Bhd • Daywide Holdings Sdn Bhd • FVSB • iPerintis Sdn Bhd • Magna Murni Sdn Bhd • Malaysian Deepwater Floating Terminal (Kikeh) Limited • Malaysian Deepwater Production Contractors Sdn Bhd • MTU Services (Malaysia) Sdn Bhd • ODSB • Ombak Simfoni Sdn Bhd • OMV • Rentak Nakhoda Sdn Bhd • Rentak Satria Sdn Bhd *Previous directorships:* • Great Wall Plastic Industries Berhad *(resigned on 28 February 2007)*	• Shareholder of A.F.A. Sdn Bhd • Shareholder of Daywide Holdings Sdn Bhd • Non-Independent Executive Deputy Chairman and indirect shareholder of FVSB • Indirect shareholder of iPerintis Sdn Bhd • Shareholder of Magna Mumi Sdn Bhd • Indirect shareholder of MTU Services (Malaysia) Sdn Bhd • Shareholder of ODSB • Shareholder of Ombak Simfoni Sdn Bhd • Indirect shareholder of OMV • Shareholder of Rentak Nakhoda Sdn Bhd • Shareholder of Rentak Satria Sdn Bhd

Name	Directorships	Involvement in business activities other than as a director
Dato' Ahmad Fuad bin Md Ali *(cont'd)*	*Previous directorships (cont'd):* • KCK Pharmaceutical Industries Sdn Bhd *(resigned on 22 January 2009)* • Haad Sai Ngen Co Ltd *(resigned on 15 April 2009)* • Silver Beach Co Ltd *(resigned on 15 April 2009)* • South Shore Co Ltd *(resigned on 15 April 2009)* • Yayasan Bumiputra Pulau Pinang Berhad *(resigned on 18 April 2007)*	
Saiful Aznir bin Shahabudin	*Present directorships:* • Awan Inspirasi Holdings Sdn Bhd • CF Consulting Sdn Bhd • Demi Produktif Sdn Bhd • Gerak Jaguh Sdn Bhd • IASB Construction Sdn Bhd • Ideal Appraisal Sdn Bhd • iPerintis Sdn Bhd *(as alternate director)* • Komunikasi SPK Sdn Bhd • Langkareka Sdn Bhd • Optimum Production Sdn Bhd • Pembinaan SPK Sdn Bhd • Rentak Satria Sdn Bhd • Simfoni Temasek Sdn Bhd • Sunshine Bonus Sdn Bhd • Sunway SPK Homes Sdn Bhd • ThyssenKrupp Xervon Corp Sdn Bhd • Visi Alaf Pesona Sdn Bhd • Wood Group Production Facilities (Malaysia) Sdn Bhd *Previous directorships:* • Intermoco Limited *(resigned on 13 July 2006)* • Jana Java Sdn Bhd *(resigned on 27 June 2007)* • Merimen Holding Sdn Bhd *(resigned on 24 October 2006)* • Rekayasa Industri Sdn Bhd *(resigned on 25 May 2009)* • SAS Consultancy Sdn Bhd *(company struck off on 19 October 2006)* • SAS Ventures Sdn Bhd *(company struck off on 25 November 2006)* • Sawira Sdn Bhd *(resigned on 11 February 2009)* • Sharikat Permodalan Kebangsaan Berhad *(resigned on 10 August 2010)* • SPK-Sentosa Corporation Berhad *(resigned on 10 August 2010)* • SPK Engineering Services Sdn Bhd *(resigned on 8 August 2007)* • SPK Middle East Sdn Bhd *(company struck off on 15 April 2010)*	• Indirect shareholder of Awan Inspirasi Holdings Sdn Bhd • Shareholder of CF Consulting Sdn Bhd • Indirect shareholder of Demi Produktif Sdn Bhd • Shareholder of Gerak Jaguh Sdn Bhd • Indirect shareholder of IASB Construction Sdn Bhd • Indirect shareholder of Ideal Appraisal Sdn Bhd • Indirect shareholder of Komunikasi SPK Sdn Bhd • Indirect shareholder of Optimum Production Sdn Bhd • Indirect shareholder of Pembinaan SPK Sdn Bhd • Indirect shareholder of Rekayasa Industri Sdn Bhd • Shareholder of Rentak Satria Sdn Bhd • Chief Executive Officer and indirect shareholder of the Sharikat Permodalan Kebangsaan Berhad Group • Indirect shareholder of Simfoni Temasek Sdn Bhd • Chief Executive Officer and indirect shareholder of SPK-Sentosa Corporation Berhad • Indirect shareholder of Sunshine Bonus Sdn Bhd • Indirect shareholder of Sunway SPK Homes Sdn Bhd • Indirect shareholder of Thyssenkrupp Xervon Corp Sdn Bhd • Indirect shareholder of Wood Group Production Facilities (Malaysia) Sdn Bhd
Alexandra Elisabeth Johanna Maria Schaapveld	*Present directorships*:* • Vallourec S.A. • Holland Casino • Amsterdam University and University Medical Center	• Member of the Advisory Board of Plan Nederland* • Shareholder of Vallourec S.A.*

Name	Directorships	Involvement in business activities other than as a director
Andrew Philip Whittle	*Present directorships**: • Sheristowe Pty Ltd • Petroval (Australasia) Pty Ltd • Usafe Pty Ltd	• Shareholder of Sheristowe Pty Ltd* • Shareholder of Petroval (Australasia) Pty Ltd*
Chan Chee Beng	*Present directorships:* • Aircel Cellular Limited • Aircel Limited • All Asia Media Equities Ltd • Allhem B.V. • Barinal N.V. • BGSM Capital Sdn Bhd • Binariang GSM Sdn Bhd • Dishnet Wireless Limited • East Asia Communications Holdings N.V. • East Asia Communications N.V. • First Asia Pacific Investment N.V. • Global Communications Investments Holdings N.V. • Global Communications Services Holdings Ltd • Global Investments (BVI) Ltd • Global Telecommunications Holdings N.V. • Gromwell Limited • International Hotel Investments Ltd • Maxis • Maxis Broadband Sdn Bhd • Maxis Communications Berhad • Maxis International Sdn Bhd • Maxis Mobile Sdn Bhd • Maxis Mobile Services Sdn Bhd • MEASAT Global Berhad • MEASAT Satellite Systems Sdn Bhd • Mezzanine Equities N.V. • Mobitel (Private) Limited • OBSB • Pacific Investments Holdings N.V. • Pan Malaysian Sweeps Sdn Bhd • PT Maxis Communications • PT Natrindo Telepon Selular • Satco Holdings (BVI) Ltd • Shield Estate N.V. • Shield Investments N.V. • Societe Anonyme de l'Hotel Richemond • South Asia Communications Private Limited • Sri Lanka Telecom Plc • Tanjong Capital Sdn Bhd • Tanjong Energy Holdings Sdn Bhd • Towanda B.V. • UTAM Investments N.V. • UT Asset Management (S) Pte Ltd • UT Investments (S) Pte Ltd • UTSB • UTSBM • UT Treasury (L) Ltd • Worldwide Hotel Investments N.V.	Nil

Name	Directorships	Involvement in business activities other than as a director
Chan Chee Beng *(cont'd)*	*Previous directorships:* • Advanced Wireless Technologies Sdn Bhd *(resigned on 22 November 2008)* • Charisma Investments Limited *(resigned on 7 September 2009)* • Choice Century Investments Limited (resigned on 7 September 2009) • International Motor Industry Events Limited *(resigned on 30 January 2009)* • London EventCo Limited *(resigned on 30 January 2009)* • London International Exhibition Centre Holdings plc *(resigned on 2 May 2008)* • London International Exhibition Centre plc *(resigned on 2 May 2008)* • Multi Global Venture Sdn Bhd *(resigned on 28 September 2010)* • MSSB *(resigned on 22 November 2008)* • Nusa Pasifik Sdn Bhd *(resigned on 22 November 2008)* • OUE Realty Pte Ltd *(resigned on 9 March 2010)* • Overseas Union Enterprise Ltd *(resigned on 26 October 2006)* • Powertek Berhad *(resigned on 22 November 2008)* • Teleglobal Investments B.V. *(resigned on 11 September 2007)* • UMTS (Malaysia) Sdn Bhd *(resigned on 22 November 2008)* • UT Capital Sdn Bhd *(resigned on 22 November 2008)* • UT Energy Services Sdn Bhd *(resigned on 22 November 2008)* • UT Land Sdn Bhd *(resigned on 22 November 2006)*	

Name	Directorships	Involvement in business activities other than as a director
Farah Suhanah binti Ahmad Sarji	*Present directorships:* • Gedung Makmur Sdn Bhd[(2)] • KMSB • Konsep Mahir Sdn Bhd[(2)] • Pelangi Serunding Sdn Bhd[(2)] • SASB • Tekun Emas Sdn Bhd[(2)] • WBSB • WSSB *Previous directorships:* • ABX Logistics (M) Sdn Bhd *(resigned on 30 March 2009)* • BMD *(ceased from 25 January 2011)* • Cherating Utara Sdn Bhd *(resigned on 31 March 2011)* • Gagah Permata Sdn Bhd *(resigned on 20 November 2009)* • HAIntl *(resigned on 22 July 2008)* • HAM *(resigned on 22 July 2008)* • Harta Bayumas Sdn Bhd *(resigned on 20 November 2009)* • HCE *(resigned on 22 July 2008)* • HEM *(resigned on 22 July 2008)* • Kitaran Samudra Sdn Bhd *(resigned on 31 March 2011)* • Mahanusantara Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Axis Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Bahagia Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Bay Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Dinamik Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Parade Sdn Bhd *(resigned on 31 March 2011)* • Simbol Kencana Sdn Bhd *(resigned on 31 March 2011)* • Usaha Kukuh Sdn Bhd *(resigned on 31 March 2011)*	• Managing Partner of Chambers of Farah Suhanah
Lim Ghee Keong	*Present directorships:* • Amat Kreatif Sdn Bhd[(2)] • Astro Holdings Sdn Bhd • Astro Malaysia Holdings Sdn Bhd *(as alternate director)* • Astro Overseas Limited *(as alternate director)* • Australian Equities Pty Ltd • Bond Pricing Agency Malaysia Sdn Bhd • Dalton Capital (Asia) Ltd *(as alternate director)* • Dalton Capital (Guernsey) Ltd *(as alternate director)* • Daya Merdu Sdn Bhd[(2)] • Excorp • Fanuc Resources Sdn Bhd[(2)] • Ikatan Gemilang Sdn Bhd[(2)] • Kelana Makmur Sdn Bhd[(2)] • Kelana Sakti Sdn Bhd[(2)] • Kuala Terusan Sdn Bhd[(2)] • Kuasa Gemilang Sdn Bhd[(2)] • Kuda Wijaya Sdn Bhd[(2)]	

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong *(cont'd)*	*Present directorships (cont'd):* • Maxis Holdings Sdn Bhd • MEASAT Global Network Systems Sdn Bhd • Mezzanine Equities N.V. • OBSB • One Asia (HK) Ltd • One Asia Inc • Pacific Investments Holdings N.V. • Pan Malaysian Sweeps Sdn Bhd • PanOcean • Pacific Basin Community Foundation Limited • Pacific Basin Community Foundation Pty Ltd • Paxys Inc. • Perahu Emas Sdn Bhd[(2)] • Permata Tegap Sdn Bhd[(2)] • Pilihan Cermat Sdn Bhd[(2)] • Pilihan Ikhlas Sdn Bhd[(2)] • Pilihan Teguh Sdn Bhd[(2)] • Powertek Berhad • PSIL • Riang Sari Sdn Bhd[(2)] • Serba Jadi Sdn Bhd[(2)] • SRG Asia Pacific Sdn Bhd • Tanjong Capital (L) Ltd • Tanjong Capital Sdn Bhd • Teguh Sari Sdn Bhd[(2)] • Towanda B.V. • UTAM Investments N.V. • UT Investments (S) Pte Ltd • UTSBM • UT Treasury (L) Ltd *Previous directorships:* • Abad Bistari Sdn Bhd *(resigned on 31 March 2011)* • Active Precious Sdn Bhd *(resigned on 30 March 2011)* • Alam Nakhoda Sdn Bhd *(resigned on 31 March 2011)* • Aliran Klasik Sdn Bhd *(resigned on 31 March 2011)* • All Asia Radio Technologies Sdn Bhd *(resigned on 31 March 2011)* • Anak Samudra Sdn Bhd *(resigned on 31 March 2011)* • Angkatan Abadi Sdn Bhd *(resigned on 31 March 2011)* • Angsana Dinamik Sdn Bhd *(resigned on 31 March 2011)* • Angsana Kukuh Sdn Bhd *(resigned on 31 March 2011)* • Arnhold Holdings Ltd *(resigned on 25 March 2011)* • Badai Jaya Sdn Bhd *(resigned on 31 March 2011)* • Badai Maju Sdn Bhd *(resigned on 31 March 2011)* • Bagan Budiman Sdn Bhd *(resigned on 31 March 2011)* • Bayu Hasrat Sdn Bhd *(resigned on 31 March 2011)* • Bayu Nusantara Sdn Bhd *(resigned on 31 March 2011)*	Nil

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong *(cont'd)*	*Previous directorships (cont'd):* • Beduk Selatan Sdn Bhd *(resigned on 31 March 2011)* • Benteng Purnama Sdn Bhd *(company dissolved on 7 April 2011)* • Berkat Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Berkat Perkasa Sdn Bhd *(resigned on 31 March 2011)* • Besitang (M) Sdn Bhd *(resigned on 31 March 2011)* • Besitang Barat Sdn Bhd *(resigned on 31 March 2011)* • Besitang Selatan Sdn Bhd *(resigned on 31 March 2011)* • Besitang Utara Sdn Bhd *(resigned on 31 March 2011)* • Bimbingan Cemerlang Sdn Bhd *(resigned on 31 March 2011)* • Budiman Muda Sdn Bhd *(company dissolved on 7 April 2011)* • Cabaran Mujur Sdn Bhd *(resigned on 31 March 2011)* • Cahaya Temurun Sdn Bhd *(resigned on 31 March 2011)* • Cermat Delima Sdn Bhd *(resigned on 31 March 2011)* • Cermat Deras Sdn Bhd *(resigned on 31 March 2011)* • Citra Cekal Sdn Bhd *(resigned on 31 March 2011)* • Darul Citra Sdn Bhd *(resignad on 27 August 2010)* • Daya Impian Sdn Bhd *(resigned on 31 March 2011)* • Daya Mahsuri Sdn Bhd *(resignad on 31 March 2011)* • Desa Bidara Sdn Bhd *(resignad on 31 March 2011)* • Dian Tiara Sdn Bhd *(resigned on 31 March 2011)* • Dimensi Timur Sdn Bhd *(resigned on 31 March 2011)* • Dumai Maju Sdn Bhd *(resigned on 31 March 2011)* • Era Cekal Sdn Bhd *(resigned on 31 March 2011)* • Far Eastern Strategy Sdn Bhd *(resigned on 31 March 2011)* • Gabungan Penting Sdn Bhd *(resigned on 31 March 2011)* • Gagasan Panglima Sdn Bhd *(resigned on 31 March 2011)* • Gagasan Wira Sdn Bhd *(resigned on 31 March 2011)* • Gelora Delima Sdn Bhd *(resigned on 31 March 2011)* • Gerak Naga Sdn Bhd *(resigned on 31 March 2011)* • Gerak Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Harapan Tegas Sdn Bhd *(resigned on 31 March 2011)* • Hasral Jaguh Sdn Bhd *(resigned on 31 March 2011)* • Ilham Mesra Sdn Bhd *(resigned on 31 March 2011)*	

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT *(cont'd)*

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong *(cont'd)*	*Previous directorships (cont'd):* • Impian Delima Sdn Bhd *(resigned on 31 March 2011)* • Impian Mutiara Sdn Bhd *(resigned on 31 March 2011)* • Impian Sari Sdn Bhd *(resigned on 31 March 2011)* • Impian Tegap Sdn Bhd *(resigned on 31 March 2011)* • Impian Wira Sdn Bhd *(company dissolved on 7 April 2011)* • Indomurni Sdn Bhd *(resigned on 31 March 2011)* • Inno-Search Sdn Bhd *(resigned on 31 March 2011)* • Intan Naga Sdn Bhd *(resigned on 31 March 2011)* • Iras Perkasa Sdn Bhd *(resigned on 31 March 2011)* • Iras Setia Sdn Bhd *(resigned on 31 March 2011)* • Iras Utama Sdn Bhd *(resigned on 31 March 2011)* • Karisma Belian Sdn Bhd *(resigned on 31 March 2011)* • Kundasang Selatan Sdn Bhd *(company dissolved on 7 April 2011)* • Langkawi Paradise Cruises Sdn Bhd *(resigned on 27 August 2010)* • Macroniaga Sdn Bhd *(resigned on 31 March 2011)* • Matang Murni Sdn Bhd *(company dissolved on 7 April 2011)* • Media Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Metro Ujud Sdn Bhd *(resigned on 31 March 2011)* • Mezzanine Equities Sdn Bhd *(resigned on 31 March 2011)* • Mincing Lane Commodities Sdn Bhd *(resigned on 31 March 2011)* • MSSB *(resigned on 31 March 2011)* • Mujur Anggun Sdn Bhd *(resigned on 31 March 2011)* • Mujur Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Mujur Sanjung Sdn Bhd *(resigned on 31 March 2011)* • Mujur Sejahtera Sdn Bhd *(resigned on 31 March 2011)* • Mujur Teguh Sdn Bhd *(resigned on 31 March 2011)* • Multi Global Venture Sdn Bhd *(resigned on 31 March 2011)* • Nada Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Nilai Rezeki (M) Sdn Bhd *(resigned on 31 March 2011)* • Nusa Pasifik Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Barat Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Cempaka Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Delima Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Kembang Sdn Bhd *(resigned on 31 March 2011)*	

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong *(cont'd)*	*Previous directorships (cont'd):* • Nusantara Makmur Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Saga Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Tegas Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Teras Sdn Bhd *(resigned on 31 March 2011)* • Overseas Union Enterprise Ltd *(resigned on 9 March 2010)* • Paduan Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Pan Asia Power Services Sdn Bhd *(resigned on 31 March 2011)* • Pancar Seloka Sdn Bhd *(resigned on 31 March 2011)* • Panglimawira Sdn Bhd *(resigned on 31 March 2011)* • Pengkalan Teras Sdn Bhd *(company dissolved on 7 April 2011)* • Peninsular Asset Management Sdn Bhd *(resigned on 31 March 2011)* • Petrolog (Malaysia) Sdn Bhd *(resigned on 31 March 2011)* • Prisma Gergasi Sdn Bhd *(resigned on 31 March 2011)* • Prisma Mutiara Sdn Bhd *(resigned on 31 March 2011)* • Riang Kukuh Sdn Bhd *(company dissolved on 7 April 2011)* • Ria Utama Sdn Bhd *(resigned on 31 March 2011)* • Saga Mestika Sdn Bhd *(resigned on 31 March 2011)* • Samudra Capital Sdn Bhd *(resigned on 31 March 2011)* • Samudra Melati Sdn Bhd *(resigned on 31 March 2011)* • Sanjung Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Sanjungan Nusa Sdn Bhd *(resigned on 31 March 2011)* • Simbol Tenggara Sdn Bhd *(resigned on 31 March 2011)* • Sistem Tegap Sdn Bhd *(company dissolved on 7 April 2011)* • Tanding Megah Sdn Bhd *(resigned on 31 March 2011)* • Tanjong Equities Sdn Bhd *(resigned on 31 March 2011)* • Tegas Mahsuri Sdn Bhd *(resigned on 31 March 2011)* • Tegas Puri Sdn Bhd *(resigned on 31 March 2011)* • Tegas Sari Sdn Bhd *(resigned on 31 March 2011)* • Tenaga Tegap Sdn Bhd *(resigned on 31 March 2011)* • Tenteram Usaha Sdn Bhd *(resigned on 31 March 2011)* • Tetap Emas Sdn Bhd *(resigned on 31 March 2011)* • Tiara Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Tunas Sempurna Sdn Bhd *(resigned on 31 March 2011)*	

Name	Directorships	Involvement in business activities other than as a director
Lim Ghee Keong *(cont'd)*	*Previous directorships (cont'd):* • Ujud Cergas Sdn Bhd *(resigned on 31 March 2011)* • Ujud Murni Sdn Bhd *(resigned on 31 March 2011)* • Ujung Sempurna Sdn Bhd *(resigned on 31 March 2011)* • Ujung Tegas Sdn Bhd *(company dissolved on 7 April 2011)* • Usaha Kenanga Sdn Bhd *(resigned on 31 March 2011)* • Usaha Kukuh Sdn Bhd *(resigned on 31 March 2011)* • Usaha Mutu Sdn Bhd *(resigned on 31 March 2011)* • Usaha Tegas Equity Sdn Bhd *(resigned on 31 March 2011)* • Usaha Tegas Resources Sdn Bhd *(resigned on 31 March 2011)* • Usaha Tunggal Sdn Bhd *(resigned on 31 March 2011)* • UT Capital Sdn Bhd *(resigned on 31 March 2011)* • UT Land Sdn Bhd *(resigned on 31 March 2011)* • UT Projects Sdn Bhd *(resigned on 31 March 2011)* • UT Real Estate (Holdings) Sdn Bhd *(resigned on 31 March 2011)* • Utix Sdn Bhd *(resigned on 31 March 2011)* • Wilayah Bintang Sdn Bhd *(resigned on 31 March 2011)* • Wilayah Resources Sdn Bhd *(resigned on 31 March 2011)* • Wilayah Tegas Sdn Bhd *(company dissolved on 7 April 2011)* • Wira Ribuan Sdn Bhd *(resigned on 31 March 2011)*	
Hassan Assad Basma	*Previous directorships:* • BMD *(ceased from 25 January 2011)* • BMDL *(ceased from 25 January 2011)* • HAIntl *(resigned on 22 July 2008)* • HAM *(resigned on 22 July 2008)* • HCE *(resigned on 22 July 2008)* • HEM *(resigned on 22 July 2008)*	• Shareholder of Black Platinum BV

Name	Directorships	Involvement in business activities other than as a director
Shaharul Rezza bin Hassan	*Present directorships:* • Amat Kreatif Sdn Bhd[(2)] • Daya Merdu Sdn Bhd[(2)] • Fanuc Resources Sdn Bhd[(2)] • Ikatan Gemilang Sdn Bhd[(2)] • Kelana Makmur Sdn Bhd[(2)] • Kelana Sakti Sdn Bhd[(2)] • Kuala Terusan Sdn Bhd[(2)] • Kuasa Gemilang Sdn Bhd[(2)] • Kuda Wijaya Sdn Bhd[(2)] • Perahu Emas Sdn Bhd[(2)] • Pilihan Cermat Sdn Bhd[(2)] • Pilihan Ikhlas Sdn Bhd[(2)] • Pilihan Teguh Sdn Bhd[(2)] • Riang Sari Sdn Bhd[(2)] • Serba Jadi Sdn Bhd[(2)] • Teguh Sari Sdn Bhd[(2)] *Previous directorships:* • Abad Lintang Sdn Bhd *(resigned on 31 March 2011)* • Alam Nakhoda Sdn Bhd *(resigned on 31 March 2011)* • Anak Samudra Sdn Bhd *(resigned on 31 March 2011)* • Angsana Kukuh Sdn Bhd *(resigned on 31 March 2011)* • Badai Jaya Sdn Bhd *(resigned on 31 March 2011)* • Badai Maju Sdn Bhd *(resigned on 31 March 2011)* • Bagan Budiman Sdn Bhd *(resigned on 31 March 2011)* • Bayu Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Beduk Selatan Sdn Bhd *(resigned on 31 March 2011)* • Berkat Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Bimbingan Cemerlang Sdn Bhd *(resigned on 31 March 2011)* • Bintang Angsi Sdn Bhd *(resigned on 31 March 2011)* • BMD *(ceased from 25 January 2011)* • BMDL *(ceased from 25 January 2011)* • Cabaran Mujur Sdn Bhd *(resigned on 31 March 2011)* • Cabaran Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Cergas Meranti Sdn Bhd *(resigned on 31 March 2011)* • Cermat Delima Sdn Bhd *(resigned on 31 March 2011)* • Cermat Deras Sdn Bhd *(resigned on 31 March 2011)* • Citra Cekal Sdn Bhd *(resigned on 31 March 2011)*	Nil

Name	Directorships	Involvement in business activities other than as a director
Shaharul Rezza bin Hassan *(cont'd)*	*Previous directorships (cont'd):* • Desa Bidara Sdn Bhd *(resigned on 31 March 2011)* • Dian Tiara Sdn Bhd *(resigned on 31 March 2011)* • Dimensi Timur Sdn Bhd *(resigned on 31 March 2011)* • Dumai Maju Sdn Bhd *(resigned on 31 March 2011)* • East Asia Refining Sdn Bhd *(resigned on 31 March 2011)* • Garuda Satria Sdn Bhd (resigned on 31 March 2011) • Gerak Nusantara Sdn Bhd *(resigned on 31 March 2011)* • HAIntl *(resigned on 22 July 2008)* • HAM *(resigned on 22 July 2008)* • HCE *(resigned on 22 July 2008)* • HEM *(resigned on 22 July 2008)* • Indomurni Sdn Bhd *(resigned on 31 March 2011)* • Inno-Search Sdn Bhd *(resigned on 31 March 2011)* • Irama Tulus Sdn Bhd *(resigned on 31 March 2011)* • Jaguh Abadi Sdn Bhd *(resigned on 31 March 2011)* • Karisma Berlian Sdn Bhd *(resigned on 31 March 2011)* • Kitaran Samudra Sdn Bhd *(resigned on 31 March 2011)* • KMSB *(resigned on 31 March 2011)* • Kuala Budi Sdn Bhd *(resigned on 31 March 2011)* • Mujur Anggun Sdn Bhd *(resigned on 31 March 2011)* • Mujur Nusantara Sdn Bhd *(resigned on 31 March 2011)* • MSSB *(resigned on 31 March 2011)* • Nada Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Barat Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Cempaka Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Delima Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Kembang Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Makmur Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Saga Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Tegas Sdn Bhd *(resigned on 31 March 2011)* • Nusantara Teras Sdn Bhd *(resigned on 31 March 2011)* • OBSB *(resignad on 14 March 2011)* • Pacific Fortune Sdn Bhd *(resigned on 31 March 2011)* • Pancar Seloka Sdn Bhd *(resigned on 31 March 2011)* • Pangkal Masyhur Sdn Bhd *(resigned on 31 March 2011)* • Pasifik Unggul Sdn Bhd *(resignad on 31 March 2011)* • Peninsular Asset Management Sdn Bhd *(resigned on 31 March 2011)*	Nil

Name	Directorships	Involvement in business activities other than as a director
Shaharul Rezza bin Hassan *(cont'd)*	*Previous directorships (cont'd):* • Prisma Mutiara Sdn Bhd *(resigned on 31 March 2011)* • Rampai Kasturi Sdn Bhd *(resigned on 31 March 2011)* • Ratna Pelangi Sdn Bhd *(resigned on 31 March 2011)* • Ria Utama Sdn Bhd *(resigned on 31 March 2011)* • SASB *(resigned on 31 March 2011)* • Saluran Masyhur Sdn Bhd *(resigned on 31 March 2011)* • Samudra Capital Sdn Bhd *(resigned on 31 March 2011)* • Samudra Melati Sdn Bhd *(resigned on 31 March 2011)* • Sanjung Nusantara Sdn Bhd *(resigned on 31 March 2011)* • Simbol Tenggara Sdn Bhd *(resigned on 31 March 2011)* • Sikap Cerah Sdn Bhd *(resignad on 31 March 2011)* • Tegas Sari Sdn Bhd *(resigned on 31 March 2011)* • Tenaga Tegap Sdn Bhd *(resigned on 31 March 2011)* • Tetap Emas Sdn Bhd *(resigned on 31 March 2011)* • Tujuan Bidari Sdn Bhd *(resigned on 31 March 2011)* • Usaha Kenanga Sdn Bhd *(resigned on 31 March 2011)* • Usaha Kukuh Sdn Bhd *(resigned on 31 March 2011)* • WBSB *(resigned on 31 March 2011)* • WSSB *(resigned on 31 March 2011)*	

Notes:

* *Information as at 8 June 2011.*

(1) This company is a joint-venture partner with our Company in OMV.

(2) Under members' voluntary winding-up.

9.1.4 Involvement in other businesses or corporations (other than our associated companies and jointly-controlled entities) which carry on a similar trade as our Group, associated companies and jointly-controlled entities or which are our customers and/or suppliers

Save as disclosed below, as at the LPD, none of our Directors has any interest, direct or indirect, in other businesses or corporations (other than our associated companies and jointly-controlled entities) which are (i) carrying on a similar trade as that of our Group, associated companies and jointly-controlled entities; or (ii) our customers and/or suppliers:

Name	Businesses/Corporations	Nature of Interest	Direct interest %	Indirect interest %
Dato' Sri Mahamad Fathil bin Dato' Mahmood	*Similar trade as that of our Group:*			
	• FVSB[1]	• Director	-	49
	• OMV[2]	• Indirect shareholder	-	100
	Our customer:			
	• OMV[2]	• Indirect shareholder	-	100
Dato' Ahmad Fuad bin Md Ali	*Similar trade as that of our Group:*			
	• FVSB[1]	• Director	-	49
	• Malaysian Deepwater Floating Terminal (Kikeh) Limited	• Independent Director	-	-
	• Malaysian Deepwater Production Contractors Sdn Bhd	• Independent Director	-	-
	• OMV[2]	• Director	-	100
	Our customer:			
	• OMV[2]	• Director	-	100
Saiful Aznir bin Shahabudin	*Similar trade as that of our Group:*			
	• Rekayasa Industri Sdn Bhd[3]	• Indirect shareholder	-	70
Chan Chee Beng	*Our suppliers:*			
	• Maxis Mobile Services Sdn Bhd	• Non-executive director	-	-
	• UTSBM	• Executive Director	-	-
Lim Ghee Keong	*Our supplier:*			
	• UTSBM	• Director	-	-

Notes:

(1) This company is a joint-venture partner with our Company in OMV. FVSB is a 51%-owned subsidiary of MISC.

(2) This company is our jointly-controlled entity.

(3) This company is a 70%-owned subsidiary of SPK-Sentosa Corporation Berhad.

The interests of Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali in FVSB are mitigated by the fact that although our Group also provides similar services, FVSB does not compete directly with our businesses as our 2 FPSOs are currently operating in Nigeria whilst FVSB currently operates 2 FPSOs and 3 FSOs at offshore Terengganu in Peninsular Malaysia and offshore East Malaysia. Further, FVSB only performs O&M services for FPSOs/FSOs which are owned by MISC or MISC and its partners. Any decision to relocate the FPSOs/FSOs will be determined by MISC or MISC and its partners and not FVSB.

The interests of Dato' Ahmad Fuad bin Md Ali in Malaysian Deepwater Floating Terminal (Kikeh) Limited and Malaysian Deepwater Production Contractors Sdn Bhd are mitigated by the fact that he is an independent non-executive director with no shareholding interest and the 2 companies which are also subsidiaries of MISC, are the owner and O&M provider for a specific FPSO.

The interests of Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali in OMV are mitigated by the fact that OMV is our jointly-controlled entity and their respective interests in OMV are aligned with that of our Company.

The interest of Saiful Aznir bin Shahabudin in Rekayasa Industri Sdn Bhd, which is involved in engineering and construction works similar to those carried out by our subsidiary, BAE, is mitigated by the fact that he is not actively involved in the management and day-to-day operations of our Group.

Our Directors are of the view that the interests held by them in other businesses and corporations which carry out similar trade as that of our Group or which are our customers and/or suppliers do not compete directly with our businesses. Transactions between our Group and our Directors in their personal capacity or the abovementioned companies and businesses in which they have interests as directors or substantial shareholders are carried out on an arm's length basis and on usual business terms.

The interests held by our Directors in the businesses and corporations mentioned in this Section 9.1.4 of this Prospectus may give rise to a conflict of interests situation with our businesses. On matters or transactions requiring the approval of our Board, Directors who are deemed interested or conflicted in such matters or transactions shall be required to declare their interests and abstain from deliberations and voting on the resolutions relating to such matters or transactions.

9.1.5 Audit Committee

The Audit Committee of our Company comprises 3 Directors, 2 of whom are Independent Non-Executive Directors. The Audit Committee, reconstituted on 18 June 2011, was established by our Board with the function of assisting our Board in fulfilling its oversight responsibilities. Our Audit Committee has full access to both internal and external auditors who in turn have access at all times to the Chairman of our Audit Committee. Our Audit Committee performs, among others, the following functions:

- *Internal controls* – to review the adequacy and integrity of the internal controls of our Company, which include policies and compliance procedures with respect to business practices, applicable laws and regulations and to review arrangements by which our employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other business and commercial related matters;

- *Financial results* – to review and report to our Board, the quarterly financial results and annual audited financial statements, before recommending to our Board for its approval. The review focuses particularly on changes in or implementation of major accounting policy changes, significant or unusual events, compliance with applicable approved accounting standards and other legal requirements and significant adjustments arising from the audit;

- *External auditors* – to review with our external auditors and report to our Board, their terms of engagement, independence, objectivity, remuneration and cost-effectiveness, their audit plan for the financial year to ensure their scope of work adequately addresses our activities, their audit report, their evaluation of our systems of internal controls, and their recommendations. To review the assistance given by our employees to our external auditors, and any letter of resignation from our external auditors and whether there is reason to believe that our external auditors are not suitable for re-appointment. To recommend the nomination of persons as our external auditors;

- *Internal auditors* – to review with our internal auditors their audit plan for the financial year ensuring the principal risk areas and key processes are adequately identified and addressed in the plan. Additionally, to review and report to our Board, the adequacy of the scope, functions, competency and resources of our internal audit functions and that it has the necessary authority to carry out its work, and whether appropriate actions are taken on the recommendations by the internal auditors, the performance of their staff, the effectiveness of the internal audit function and the adequacy of its terms of reference;

- *Related party transactions* – to review and report to our Board, related party transactions and conflicts of interest situations that may arise within our Group, as well as considering the appropriateness of such transactions before recommending them to our Board for its approval; and

- *Employee share option scheme* – to verify the allocation of Options under the ESOS pursuant to the criteria disclosed to eligible employees of our Group and our executive Directors.

Under its terms of reference, our Audit Committee must consist of at least 3 Non-Executive Directors, the majority of whom shall be Independent Non-Executive Directors. At least 1 Audit Committee member must be a member of the MIA, or if he is not a member of the MIA, he must have at least 3 years' working experience and must have passed certain examinations under the Accountants Act, 1967 or be a member of an association of accountants specified in the Accountants Act, 1967. The Chairman of our Audit Committee must be an Independent Non-Executive Director and is selected by the members of our Audit Committee. Our Board will review the composition, term of office, performance and effectiveness of our Audit Committee annually.

The current members our Audit Committee are set forth below:

Name	Position	Date of appointment	Directorship
Saiful Aznir bin Shahabudin	Chairman	13 February 2007	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld	Member	8 June 2011	Independent Non-Executive Director
Chan Chee Beng	Member	13 February 2007	Non-Independent Non-Executive Director

9.1.6 Remuneration Committee

Our Remuneration Committee was re-constituted by our Board on 18 June 2011 and comprises 3 members, the majority of whom are Independent Non-Executive Directors. Our Remuneration Committee is charged with the following primary responsibilities:

(i) recommending to our Board the policy and framework for our Directors' remuneration as well as the remuneration and terms of service of our executive Directors; and

(ii) evaluating performance of and reward for our executive Directors.

The current members of our Remuneration Committee are set forth below:

Name	Position	Date of appointment	Directorship
Alexandra Elisabeth Johanna Maria Schaapveld	Chairman	8 June 2011	Independent Non-Executive Director
Andrew Philip Whittle	Member	8 June 2011	Independent Non-Executive Director
Lim Ghee Keong	Member	8 June 2011	Non-Independent Non-Executive Director

9.1.7 Nomination Committee

Our Nomination Committee, re-constituted on 18 June 2011, was established by our Board and comprises 3 members, the majority of whom are Independent Non-Executive Directors. Our Nomination Committee is responsible for, amongst others, the following:

(i) formulating the nomination, selection and succession policies for members of our Board and Board committees;

(ii) recommending to our Board the optimum size of our Board, and formalising a transparent procedure for proposing new nominees to our Board and committees of our Board;

(iii) assisting our Board in reviewing on an annual basis the required mix of skills and experience of Non-Executive Directors;

(iv) assessing the effectiveness of our Board as a whole and each individual director and member of each committee of the Board; and

(v) ensuring that the investments of our minority shareholders are fairly reflected in our Board.

The recommendations of our Nomination Committee are subject to the approval of our Board.

The current members of our Nomination Committee are set forth below:

Name	Position	Date of appointment	Directorship
Andrew Philip Whittle	Chairman	8 June 2011	Independent Non-Executive Director
Alexandra Elisabeth Johanna Maria Schaapveld	Member	8 June 2011	Independent Non-Executive Director
Chan Chee Beng	Member	13 February 2007	Non-Independent Non-Executive Director

9.1.8 Shareholding of Directors in our Company

The following table sets forth the direct and indirect shareholdings of each of our Directors before and after the IPO (assuming full subscription of the Issue Shares reserved for our Directors under the preferential share allocation scheme under the IPO):

	Before IPO				After IPO*			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares 000	%	No. of Shares 000	%	No. of Shares 000	%	No. of Shares 000	%
Dato' Sri Mahamad Fathil bin Dato' Mahmood	-	-	439,740[(1)]	19.25	750	0.03	340,778[(1)]	11.64
Dato' Ahmad Fuad bin Md Ali	-	-	439,740[(1)]	19.25	750	0.03	340,778[(1)]	11.64
Saiful Aznir bin Shahabudin	-	-	-	-	750	0.03	-	-
Alexandra Elisabeth Johanna Maria Schaapveld	-	-	-	-	750	0.03	-	-
Andrew Philip Whittle	-	-	-	-	750	0.03	-	-
Chan Chee Beng	-	-	-	-	750	0.03	-	-
Farah Suhanah binti Ahmad Sarji	-	-	601,272[(2)]	26.32	750	0.03	465,957[(2)]	15.91
Lim Ghee Keong	-	-	-	-	750	0.03	-	-
Hassan Assad Basma	-	-	-	-	2,500	0.09	-	-
Shaharul Rezza bin Hassan	-	-	-	-	1,200	0.04	-	-

Notes:

* *Excludes the effects of the exercise of the call option granted to Hassan Assad Basma of 7,500,000 Shares and the initial grant of Options under the ESOS set out in Sections 15.1(iv)(c) and 15.4 of this Prospectus, respectively.*

(1) *Deemed interest by virtue of their respective shareholdings in ODSB pursuant to Section 6A of the Act.*

(2) *Deemed interest by virtue of her shareholding in SASB pursuant to Section 6A of the Act. However, she does not have any economic interest in the Shares held via SASB's shareholdings in WSSB, KMSB and WBSB (collectively, "SASB Subsidiaries"), as such interest is held subject to the terms of discretionary trusts for Bumiputera objects. See note (3) in Section 9.4 of this Prospectus for SASB's deemed interest in the Shares.*

Notwithstanding the subscription for the Issue Shares reserved under the preferential share allocation scheme under the IPO for our Directors, our Directors may subscribe for the Issue Shares under the Retail Offering. Subject to the terms of the ESOS, our executive Directors are eligible to be offered and granted Options over new Shares, the number of which will be determined in accordance with the By-Laws and subject to the approval of our shareholders in accordance with the Listing Requirements. Prior to the Listing, our Board proposes to grant Options over an aggregate of up to 21,500,000 Shares to our Executive Directors, pursuant to the ESOS. Please refer to Section 15.4 of this Prospectus for further details on the aforesaid grant. The By-Laws are set out in Annexure D of this Prospectus.

In addition, Hassan Assad Basma has been granted a call option over an aggregate of 7,500,000 Shares by OBSB, ODSB, KMSB, WBSB and WSSB. Please refer to Section 15.1(iv)(c) of this Prospectus for further details on this call option.

9.1.9 Remuneration and material benefits-in-kind of Directors and Chief Executive Officer

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the year ended 31 December 2010 and estimated for the year ending 31 December 2011 are as follows:

	Remuneration band of our Directors	
Directors	**Year ended 31 December 2010 (Actual)**	**Year ending 31 December 2011 (Estimate)**
	RM	
Dato' Sri Mahamad Fathil bin Dato' Mahmood	200,001 – 250,000	250,001 – 300,000
Dato' Ahmad Fuad bin Md Ali	400,001 – 450,000	500,001 – 550,000
Saiful Aznir bin Shahabudin	100,001 – 150,000	200,001 – 250,000
Alexandra Elisabeth Johanna Maria Schaapveld	-	150,001 – 200,000
Andrew Philip Whittle	-	150,001 – 200,000
Chan Chee Beng	50,001 – 100,000	300,001 – 350,000
Farah Suhanah binti Ahmad Sarji	Below 50,000	50,001 – 100,000
Lim Ghee Keong	-	50,001 – 100,000
Hassan Assad Basma	3,500,001 – 3,550,000	4,150,001 – 4,200,000
Shaharul Rezza bin Hassan	800,001 – 850,000	1,150,001 – 1,200,000

The remuneration of our Directors which includes salaries, bonuses, fees and allowances as well as other benefits, is approved by our Board, following recommendations made by our Remuneration Committee and subject to our Articles of Association. Any change in Directors' fees as set out in our Articles of Association must be approved by shareholders of our Company pursuant to an ordinary resolution passed at a general meeting where appropriate notice of any increase proposed should be given. Please refer to Section 15.2.2 of this Prospectus for further details.

9.2 Key management

9.2.1 Key management

Our key management is set out below:

Name	Age	Designation/Function
Hassan Assad Basma	54	Chief Executive Officer
Shaharul Rezza bin Hassan	39	Chief Financial Officer
Andrew Day Lamshed	49	Senior Vice President, Floating Production Systems
Wee Yam Khoon	56	Senior Vice President, OSV
Massimiliano Bellotti	42	Senior Vice President, T&I
Adriaan Petrus Van De Korput	53	Senior Vice President, Projects
Madhusudanan Madasery Balan	46	Chief Talent Officer
Jonathan Edward Duckett	41	Senior Vice President, Corporate Planning
Noor Azmi bin Abdul Malek	46	Vice President, BAE
Noval D'avila Paredes	48	Vice President, Corporate Health Safety Environment Quality ("HSEQ")
Choong Guan Huat	58	Vice President, Strategic Procurement

9.2.2 Biographies of key management

Hassan Assad Basma. Please refer to Section 9.1.2 of this Prospectus.

Shaharul Rezza bin Hassan. Please refer to Section 9.1.2 of this Prospectus.

Andrew Day Lamshed is our Senior Vice President, Floating Production Systems and is currently responsible for the sales and marketing, technology contract structuring and financing aspects of the Floating Production Systems division. He joined us in October 2006. He has over 25 years of experience, predominantly in the O&G industry.. He started his career in capital equipment manufacturing, with roles in engineering and sales of large rotating equipment to the major oil companies. He then progressed through various project engineering, asset consulting, project management and project development roles with Fluor Corporation, Melbourne, Australia and Clough Engineering Ltd, Perth, Australia. He was appointed as the Project Director of the OMV Maari project with Clough Engineering Ltd prior to joining us. He holds a Bachelor of Engineering degree (Mechanical) from Ballarat College of Advanced Education in Australia and a Master of Business Administration degree from Monash University in Australia.

Wee Yam Khoon is our Senior Vice President, OSV and is currently responsible for chartering and overall management of our OSV fleet. He joined BAN in 1978 as one of its founders and is the longest serving member of our staff with over 30 years of experience in our Group. He is one of Malaysia's most experienced players in the OSV segment and is mainly responsible for BAN's performance. He is also one of the pioneers of our "Steel on Water" OSV fleet expansion programme and has worked to open up new areas of operations in Congo, Mexico and Venezuela. He holds a Diploma in Accounting from the London Chamber of Commerce and Industry in the UK.

Massimiliano Bellotti is our Senior Vice President, T&I and is currently responsible for overall management and development of the T&I unit. He joined us in July 2008. He has more than 14 years of professional experience in management, engineering and construction within the offshore O&G industry involved in ultra-deepwater and shallow water developments, including subsea pipeline/flowlines/platforms engineering, construction and installation, and barge/vessel upgrading. He was a Project Director of the Blacktip project and Sakhalin II Offshore project working for Saipem S.p.A. in Indonesia, Russia, Singapore and Australia. He holds a Master of Science degree in Aircraft Preliminary Design from Delft University of Technology in the Netherlands and a Degree in Aircraft Engineering from University of Pisa in Italy.

Adriaan Petrus Van De Korput is our Senior Vice President, Projects and is currently responsible for the management of our various projects as well as, amongst others, engineering, construction and commissioning units. He joined us in August 2009. He first started as a management trainee with SGS Technische Inspecties B.V. in the Netherlands and was promoted to become a Manager of Special Examinations. He was later appointed by Fluor Corporation, the Netherlands as a Contracts Engineer. He held various roles and positions in Bluewater Offshore Production Systems B.V. in the Netherlands prior to joining us. He holds a Bachelor of Science degree in Mechanics from Technische Hogeschool Rijswijk in the Netherlands and a Master of Science degree in Management from University of Brussels in Belgium.

Madhusudanan Madasery Balan is our Chief Talent Officer and is currently responsible for the full spectrum of human resource management, administration and security processes for all operations within our Group. He joined us in March 2009. He has over 22 years of human resource experience in O&G, telecommunication, automotive and fast moving consumer goods industries. He spent his last 6 years with Saipem S.p.A., India and served as the Head of Human Resources and Information and Communication Technologies in the Asia Pacific Region for the last 4 years there. He holds a Bachelor of Science degree in Chemistry and a Master of Arts degree in Public Administration from the University of Madras in India, a Bachelor of General Laws degree from Madurai Kamaraj University in India, a Post Graduate Diploma in Human Resource Management from Indira Gandhi National Open University in India and a Post Graduate Diploma in Personnel Management from Annamalai University in India.

Jonathan Edward Duckett is our Senior Vice President, Corporate Planning and is currently responsible for our overall strategy, corporate performance, growth planning, investor relations as well as business and competitor analysis. He joined us in May 2006. He started his career as an equity research analyst with Asia Equity in Malaysia in 1993 and after the take-over by Banque Paribas, he was Paribas Asia-Equity's Malaysian Equity Sales/Research Representative. In 2000, he joined Renong Berhad as Group General Manager, Investor Relations, before transferring to Plus Expressways Berhad and UEM Group Berhad in the same capacity prior to joining us. He holds a Bachelor of Applied Arts degree in Business Administration Management from The American College in London (now known as The American Intercontinental University).

Noor Azmi bin Abdul Malek is our Vice President, BAE and is currently responsible for the management of the resources and facilities of BAE as well as technical direction and support. He joined us in July 2006. He was a Research and Development Engineer with Innovest Industries Sdn Bhd from 1989 to 1990. From 1990 to 1991, he was a Sales Engineer in Sun Metal Works Sdn Bhd before leaving as a Project Engineer at the same company in 1994. Between 1994 and 2006, he assumed the roles of Project Manager, Projects Department Manager, Regional Business Department Manager, Business Development Manager and HSE Manager/After Sales Manager for Kvaerner Process Systems Asia Pacific Sdn Bhd prior to joining us. He holds a Bachelor of Science degree in Mechanical Engineering from Colorado State University in the US.

Noval D'avila Paredes is our Vice President, Corporate HSEQ and is currently responsible for planning, direction, control and management of the functions and activities for the division. He joined us in January 2011. He started his career with Ideal Standard, Brazil in 1985 before moving to ABC Cristais Microeletronica, Brazil and left as Production Manager in 1995. Between 1995 and 2000, he was an HSEQ consultant with Grifo Enterprises, Brazil where his key performance areas include health and safety system, environmental management system and quality management system. In 2000, he moved to ACERGY, Brazil where he was responsible for, among others, HSE, quality and Total Acergy Quality Leadership Program ("TAQL"). His last position at ACERGY, Brazil was HSEQ Director & TAQL Co-ordinator before joining us in 2011. He holds a Master of Business Administration degree in Finances from Ibmec in Brazil, as well as a Post-graduation Degree in Safety Engineering and a Master in Production Engineering degree (Emphasis in Enterprise Strategy) from the Federal University of Rio de Janeiro in Brazil.

Choong Guan Huat is our Vice President, Strategic Procurement and is currently responsible for our procurement and contract management functions. He joined us in August 2006. He has over 30 years of procurement and project management experience, working with large multi-national corporations in international and domestic projects which included O&G facilities, power, petrochemical, industrial, pharmaceuticals, pipelines, LNG terminals, fixed production platforms and FPSO. His experience encompasses project procurement, materials and logistics management for projects in the Middle East, Africa, Europe and Asia Pacific. He has held senior procurement management positions which included responsibility for regional and global procurement. He holds an Advanced Diploma in Business Administration from The Association of Business Executives (ABE) in London, UK and also completed a course of study as a Certified Purchasing Manager from the National Association of Purchasing Management in the US.

9.2.3 Shareholding of key management in our Company

The following table sets forth the direct and indirect shareholdings of each member of the key management before and after the IPO (assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme under the Retail Offering):

	Before IPO				After IPO*			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Hassan Assad Basma	-	-	-	-	2,500,000	0.09	-	-
Shaharul Rezza bin Hassan	-	-	-	-	1,200,000	0.04	-	-
Andrew Day Lamshed	-	-	-	-	250,000	0.01	-	-
Wee Yam Khoon	-	-	-	-	250,000	0.01	-	-
Massimiliano Bellotti	-	-	-	-	200,000	0.01	-	-
Adriaan Petrus Van De Korput	-	-	-	-	150,000	0.01	-	-
Madhusudanan Madasery Balan	-	-	-	-	200,000	0.01	-	-
Jonathan Edward Duckett	-	-	-	-	250,000	0.01	-	-
Noor Azmi bin Abdul Malek	-	-	-	-	250,000	0.01	-	-
Noval D'avila Paredes	-	-	-	-	22,000	~	-	-
Choong Guan Huat	-	-	-	-	250,000	0.01	-	-

Notes:

~ *Negligible.*

* *Excludes the effects of the exercise of the call option granted to Hassan Assad Basma of 7,500,000 Shares and the initial grant of Options under the ESOS set out in Sections 15.1(iv)(c) and 15.4 of this Prospectus, respectively.*

Notwithstanding the preferential share allocation scheme under the IPO, our key management may subscribe for the Issue Shares under the Retail Offering. Subject to the terms of the ESOS, our key management is eligible to be offered and granted Options over new Shares, the number of which will be determined in accordance with the By-Laws. Prior to the Listing, our Board proposes to grant Options over an aggregate of up to 33,000,000 Shares to our executive Directors and eligible employees of our Group, of which Options over up to 17,500,000 Shares and up to 4,000,000 Shares are to be granted to Hassan Assad Basma and Shaharul Rezza bin Hassan, respectively. Please refer to Section 15.4 of this Prospectus for further details of the aforesaid grant. The By-Laws are set out in Annexure D of this Prospectus.

In addition, Hassan Assad Basma has been granted a call option over an aggregate of 7,500,000 Shares by OBSB, ODSB, KMSB, WBSB and WSSB. Please refer to Section 15.1(iv)(c) of this Prospectus for further details on this call option.

9.2.4 Involvement of executive Directors and key management in other principal business activities

Save as disclosed in Section 9.1.3, none of our executive Directors or our key management is involved in other principal business activities outside of our Group as at the LPD.

Our executive Directors believe that their involvement in other principal business activities outside of our Group as set out in Section 9.1.3 will not affect their contribution to our Group.

9.3 Promoters

OBSB and ODSB are the Promoters of the IPO.

9.3.1 OBSB

OBSB is one of the Promoters for the IPO and has been involved in the affairs and business of our Company since becoming a substantial shareholder on 30 August 2002 pursuant to a conditional sale and purchase agreement entered into between OBSB and Wan Ariff bin Wan Hamzah, Wan Ariff & Co. Sdn Bhd, Nik Mohd Kamal Nik Yusof and Tengku Fauziah binti Tengku Zainal Abidin to acquire in aggregate about 30.8% of the then issued and paid-up share capital of our Company. On 19 September 2002, RHB Sakura Merchant Bankers Berhad (now known as RHB Investment Bank Berhad), on behalf of OBSB, served a Notice of Take-over on the then Board of Directors of our Company to acquire all the remaining shares of our Company not already owned by OBSB and the parties acting in concert. Subsequently, our Company was removed from the Official List of the then Main Board of the Kuala Lumpur Stock Exchange (now the Main Market) on 18 April 2003.

OBSB was incorporated as a private company limited by shares in Malaysia under the Act on 5 July 2002. The principal activity of OBSB is investment holding. As at the LPD, the authorised share capital of OBSB is RM200,001,000 comprising 200,000,000 ordinary shares of RM1.00 each and 100,000 non-cumulative redeemable convertible preference shares ("**NCRCPS**") of RM0.01 each. The issued and paid-up share capital of OBSB as at the LPD is RM200,000,304.43 comprising 200,000,000 ordinary shares of RM1.00 each and 30,443 NCRCPS of RM0.01 each.

Chan Chee Beng and Lim Ghee Keong, who are directors of OBSB, have been our Company's Directors since 2 June 2003 and 22 April 2011, respectively. For details on their relevant knowledge and experience, please refer to their respective profiles as set out in Section 9.1.2 of this Prospectus.

9.3.2 ODSB

ODSB was incorporated as a private company limited by shares in Malaysia under the Act on 15 December 2005. The principal activity of ODSB is investment holding. ODSB's only investment is the Shares held by ODSB in our Company and it has no other business activity or investment.

As at the LPD, the authorised share capital of ODSB is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ODSB as at the LPD is RM11,250,000 comprising 11,250,000 ordinary shares of RM1.00 each.

As at the LPD, ODSB is held by Dato' Ahmad Fuad bin Md Ali, Dato' Sri Mahamad Fathil bin Dato' Mahmood and Datuk Abdul Farish bin Abd Rashid. Both Dato' Ahmad Fuad bin Md Ali and Dato' Sri Mahamad Fathil bin Dato' Mahmood have been our Company's Directors since 6 June 2007 and 19 September 2006, respectively. For details on their relevant knowledge and experience, please refer to their respective profiles as set out in Section 9.1.2 of this Prospectus.

In addition to the lock-up arrangements referred to in Section 4.10.2 of this Prospectus applicable to ODSB, in accordance with the Equity Guidelines, OBSB and ODSB, in their capacity as the Promoters, have given separate undertakings to the SC that they will not sell, transfer or assign their shareholdings in our Company as at the date of Listing, for 6 months from the date of Listing, details of which are set out in Section 10.2 of this Prospectus. Further, MSSB and ISSB, the direct shareholders of OBSB, have also given an undertaking to the SC that they will not sell, transfer or assign their shareholdings in OBSB as at the date of Listing, for 6 months from the date of Listing. UTSB, in its capacity as the indirect shareholder of OBSB, has also given an undertaking to the SC that it will not sell, transfer or assign its shareholdings in MSSB and ISSB as at the date of Listing, for 6 months from the date of Listing. PSIL, Excorp and PanOcean, indirect shareholders of OBSB, have also given an undertaking to the SC that they will not sell, transfer or assign their shareholdings in UTSB, PSIL and Excorp, respectively, as at the date of Listing, for 6 months from the date of Listing. Dato' Ahmad Fuad bin Md Ali, Dato' Sri Mahamad Fathil bin Dato' Mahmood and Datuk Abdul Farish bin Abd Rashid in their capacity as shareholders of ODSB, have also given separate undertakings to the SC that they will not sell, transfer or assign their shareholdings in ODSB as at the date of Listing, for 6 months from the date of Listing.

9.4 Substantial shareholders

The following table sets forth the shareholding of substantial shareholders, being a person who holds not less than 5% of the Shares, before and after the IPO:

Name of substantial shareholder	Nationality/ Country of incorporation	Before IPO				After IPO*			
		Direct		Indirect		Direct		Indirect	
		No. of Shares held 000	%	No. of Shares held 000	%	No. of Shares held 000	%	No. of Shares held 000	%
OBSB	Malaysia	1,243,188	54.43	-	-	1,243,188	42.45	-	-
ODSB	Malaysia	439,740	19.25	-	-	340,778	11.64	-	-
WSSB	Malaysia	274,680	12.03	-	-	212,864	7.27	-	-
KMSB	Malaysia	204,120	8.94	-	-	158,183	5.40	-	-
WBSB	Malaysia	122,472	5.36	-	-	94,910	3.24	-	-
Dato' Ahmad Fuad bin Md Ali	Malaysian	-	-	439,740[1]	19.25	750[9]	0.03	340,778[1]	11.64
Dato' Sri Mahamad Fathil bin Dato' Mahmood	Malaysian	-	-	439,740[1]	19.25	750[9]	0.03	340,778[1]	11.64
Datuk Abdul Farish bin Abd Rashid	Malaysian	-	-	439,740[1]	19.25	750[9]	0.03	340,778[1]	11.64
SASB	Malaysia	-	-	601,272[2]	26.32	-	-	465,957[2]	15.91
Farah Suhanah binti Ahmad Sarji	Malaysian	-	-	601,272[3]	26.32	750[9]	0.03	465,957[3]	15.91
MSSB	Malaysia	-	-	1,243,188[4]	54.43	-	-	1,243,188[4]	42.45
UTSB	Malaysia	-	-	1,243,188[5]	54.43	-	-	1,243,188[5]	42.45
PSIL	Jersey, Channel Islands	-	-	1,243,186[6]	54.43	-	-	1,243,168[6]	42.45
Excorp	Curacao	-	-	1,243,188[7]	54.43	-	-	1,243,188[7]	42.45
PanOcean	Jersey, Channel Islands	-	-	1,243,188[7]	54.43	-	-	1,243,188[7]	42.45
TAK	Malaysian	-	-	1,243,188[8]	54.43	-	-	1,243,186[8]	42.45

Notes:

* *Excludes the effects of the exercise of the call option granted to Hassan Assad Basma of 7,500,000 Shares and the initial grant of Options under the ESOS set out in Sections 15.1(iv)(c) and 15.4 of this Prospectus, respectively.*

(1) *Deemed interest by virtue of their respective shareholdings in ODSB pursuant to Section 6A of the Act.*

(2) *Deemed interest by virtue of its shareholdings in the SASB Subsidiaries pursuant to Section 6A of the Act. Each of the SASB Subsidiaries is a trustee of a discretionary trust for Bumiputera objects. As such, SASB does not have any economic interest in the Shares held by the SASB Subsidiaries, as such interest is held subject to the terms of discretionary trusts for Bumiputera objects.*

(3) *Deemed interest by virtue of her shareholding in SASB. However, she does not have any economic interest in the Shares held via the SASB Subsidiaries as such interest is held subject to the terms of discretionary trusts for Bumiputera objects. See note (2) above for SASB's deemed interest in the Shares.*

Notes (cont'd):

(4) Deemed interest by virtue of its shareholding in OBSB pursuant to Section 6A of the Act.

(5) UTSB is deemed to have an interest in all of the Shares in which MSSB has an interest, by virtue of UTSB being entitled to exercise 100% of the votes attached to the voting shares of MSSB. See note (4) above for MSSB's deemed interest in the Shares.

(6) PSIL is deemed to have an interest in all of the Shares in which UTSB has an interest, by virtue of PSIL being entitled to exercise 99.999% of the votes attached to the voting shares of UTSB. See note (5) above for UTSB's deemed interest in the Shares.

(7) The shares in PSIL are held by Excorp which is in turn held 100% by PanOcean. See note (6) above for PSIL's deemed interest in the Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOceen is deemed to have an interest in the Shares, it does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of the discretionary trust.

(8) TAK is deemed to have an interest in the Shares, by virtue of his deemed interest in PanOcean. See note (7) above for PanOcean's deemed interest in the Shares. Although TAK is deemed to have an interest in the Shares, he does net heve any economic or beneficial interest over such Shares, as such interest is held subject to the terms of the discretionary trust referred to in note (7) above.

(9) Assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme under the Retail Offering.

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9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT *(cont'd)*

The table below sets forth our substantial shareholders' and/or our Promoters' direct and indirect interests in our Company for the past 3 years up to the LPD:

	31 March 2009				31 March 2010				31 March 2011				As at the LPD			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of Shares 000	%	No. of Shares 000	%	No. of Shares 000	%	No. of Shares 000	%
OBSB	30,870	49.00	-	-	30,870	49.00	-	-	1,243,188	54.43	-	-	1,243,188	54.43	-	-
ODSB	12,600	20.00	-	-	12,600	20.00	-	-	408,240	17.87	-	-	439,740	19.25	-	-
WSSB	9,450	15.00	-	-	9,450	15.00	-	-	306,180	13.40	-	-	274,680	12.03	-	-
KMSB	6,300	10.00	-	-	6,300	10.00	-	-	204,120	8.94	-	-	204,120	8.94	-	-
WBSB	3,780	6.00	-	-	3,780	6.00	-	-	122,472	5.36	-	-	122,472	5.36	-	-
Dato' Ahmad Fuad bin Md Ali	-	-	12,600[(1)]	20.00	-	-	12,600[(1)]	20.00	-	-	408,240[(1)]	17.87	-	-	439,740[(1)]	19.25
Dato' Sri Mahamad Fathil bin Dato' Mahmood	-	-	12,800[(1)]	20.00	-	-	12,600[(1)]	20.00	-	-	408,240[(1)]	17.87	-	-	439,740[(1)]	19.25
Datuk Abdul Farish bin Abd Rashid	-	-	12,600[(1)]	20.00	-	-	12,600[(1)]	20.00	-	-	408,240[(1)]	17.87	-	-	439,740[(1)]	19.25
SASB	-	-	19,530[(2)]	31.00	-	-	19,530[(2)]	31.00	-	-	632,772[(2)]	27.70	-	-	601,272[(2)]	26.32
Farah Suhanah binti Ahmad Sarji	-	-	19,530[(3)]	31.00	-	-	19,530[(3)]	31.00	-	-	832,772[(3)]	27.70	-	-	601,272[(3)]	26.32
MSSB	-	-	30,870[(4)]	49.00	-	-	30,870[(4)]	49.00	-	-	1,243,188[(4)]	54.43	-	-	1,243,188[(4)]	54.43
UTSB	-	-	30,870[(5)]	49.00	-	-	30,870[(5)]	49.00	-	-	1,243,188[(5)]	54.43	-	-	1,243,188[(5)]	54.43
PSIL	-	-	30,870[(6)]	49.00	-	-	30,870[(6)]	49.00	-	-	1,243,188[(6)]	54.43	-	-	1,243,188[(6)]	54.43

9. INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT *(cont'd)*

	31 March 2009				31 March 2010				31 March 2011				As at the LPD			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of ordinary shares of RM1.00 000	%	No. of Shares 000	%	No. of Shares 000	%	No. of Shares 000	%	No. of Shares 000	%
Excorp	-	-	30,870[7]	49.00	-	-	30,870[7]	49.00	-	-	1,243,188[7]	54.43	-	-	1,243,188[7]	54.43
PanOcean	-	-	30,870[7]	49.00	-	-	30,870[7]	49.00	-	-	1,243,188[7]	54.43	-	-	1,243,188[7]	54.43
TAK	-	-	30,870[8]	49.00	-	-	30,870[8]	49.00	-	-	1,243,188[8]	54.43	-	-	1,243,188[8]	54.43

Notes:

(1) Deemed interest by virtue of their respective shareholdings in ODSB pursuant to Section 6A of the Act.

(2) Deemed interest by virtue of its shareholding in the SASB Subsidiaries pursuant to Section 6A of the Act. Each of the SASB Subsidiaries is a trustee of a discretionary trust for Bumiputera objects. As such, SASB does not have any economic interest in the Shares held by the SASB Subsidiaries, as such interest is held subject to the terms of discretionary trusts for Bumiputera objects.

(3) Deemed interest by virtue of her shareholding in SASB. However, she does not have any economic interest in the Shares held via the SASB Subsidiaries as such interest is held subject to the terms of discretionary trusts for Bumiputera objects. See note (2) above for SASB's deemed interest in the Shares.

(4) Deemed interest by virtue of its shareholding in OBSB pursuant to Section 6A of the Act.

(5) UTSB is deemed to have an interest in all of the Shares in which MSSB has an interest, by virtue of UTSB being entitled to exercise 100% of the votes attached to the voting shares of MSSB. See note (4) above for MSSB's deemed interest in the Shares.

(6) PSIL is deemed to have an interest in all of the Shares in which UTSB has an interest, by virtue of PSIL being entitled to exercise 99.999% of the votes attached to the voting shares of UTSB. See note (5) above for UTSB's deemed interest in the Shares.

(7) The shares in PSIL are held by Excorp which is in turn held 100% by PanOcean. See note (6) above for PSIL's deemed interest in the Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the Shares, it does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of the discretionary trust.

(8) TAK is deemed to have an interest in the Shares, by virtue of his deemed interest in PanOcean. See note (7) above for PanOcean's deemed interest in the Shares. Although TAK is deemed to have an interest in the Shares, he does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of the discretionary trust referred to in note (7) above.

The principal activity of each of WSSB, KMSB and WBSB is trust and investment holding. The principal activity of each of SASB, MSSB, UTSB, PSIL and Excorp is investment holding. The principal activity of PanOcean is that of a trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes.

Datuk Abdul Farish bin Abd Rashid, one of our substantial shareholders, has been a substantial shareholder of ODSB since 2005. He was also appointed as an advisor to our Board in 2007. He is an entrepreneur with extensive experience in the O&G and power generation industries since 1989. He is presently the Executive Director of FVSB, a subsidiary of MISC which is involved in O&M of FPSOs and FSOs. In addition, he is a shareholder and director of Ombak Simfoni Sdn Bhd which holds shares in FVSB. He holds directorships in various private companies and is the Chairman of Makhostia Sdn Bhd, an O&M service provider for gas district cooling. Previously, he was a director and shareholder in Stratavest Sdn Bhd and Serve Vest Sdn Bhd which were involved in the O&G industry and owns an independent power producer in Sabah.

TAK is a director of UTSB, PSIL, Excorp and PanOcean. TAK is also a substantial shareholder of OBSB, MSSB, UTSB, PSIL, Excorp and PanOcean by virtue of his deemed interest in PanOcean. Please refer to note (8) of Section 9.4 of this Prospectus.

Save as disclosed below and in Section 9.1.4 of this Prospectus, none of our substantial shareholders has any direct or indirect interests in other businesses and corporations (other than our associated companies and jointly-controlled entities) carrying on a similar trade as that of our Group, associated companies and jointly-controlled entities or in other businesses and corporations (other than our associated companies and jointly-controlled entities) which are our customers and/or suppliers:

Substantial shareholder	Businesses/Corporations	Nature of interest	Direct interest %	Indirect interest %
Datuk Abdul Farish bin Abd Rashid	*Similar trade as that of our Group:*			
	• FVSB[1]	• Director	-	49
	• OMV[2]	• Alternate Director	-	100
	Our customer:			
	• OMV[2]	• Alternate Director	-	100
UTSB	*Our suppliers:*			
	• Maxis Group	• Deemed interest in Maxis held through UTSB Group	-	70
	• MEASAT Broadcast Network Systems Sdn Bhd ("MBNS")	• Deemed interest in MBNS held through UTSB Group	-	100
	• UTSB Group	• Direct equity interests held by UTSB in its subsidiaries	100	-
PSIL	*Our suppliers:*			
	• Maxis Group	• Deemed interest in Maxis held through UTSB Group	-	70
	• MBNS	• Deemed interest in MBNS held through UTSB Group	-	100
	• UTSB Group	• Deemed interest held in UTSB Group	-	100
Excorp	*Our suppliers:*			
	• Maxis Group	• Deemed interest in Maxis held through UTSB Group	-	70
	• MBNS	• Deemed interest in MBNS held through UTSB Group	-	100
	• UTSB Group	• Deemed interest held in UTSB Group	-	100

Substantial shareholder	Businesses/Corporations	Nature of interest	Direct interest %	Indirect interest %
PanOcean	*Our suppliers:*			
	• Maxis Group	• Deemed interest in Maxis held through UTSB Group	-	70
	• MBNS	• Deemed interest in MBNS held through UTSB Group	-	100
	• UTSB Group	• Deemed interest held in UTSB Group	-	100
	• MLP	• Deemed interest in MLP	-	100
TAK	*Our suppliers:*			
	• Maxis Group	• Deemed interest in Maxis held through UTSB Group and companies in which he has controlling interests	-	70
	• MBNS	• Deemed interest in MBNS held through UTSB Group and companies in which he has controlling interest	-	100
	• UTSB Group	• Director and deemed interest held in UTSB Group	-	100
	• MLP	• Deemed interest in MLP	-	100

Notes:

(1) This company is a joint-venture partner with our Company in OMV.

(2) This company is our jointly-controlled entity.

Our substantial shareholders are of the view that the interests held by our substantial shareholders in other businesses and corporations which carry out similar trade as that of our Group or which are our customers and/or suppliers do not compete directly with our businesses. Transactions between our Group and our substantial shareholders in their personal capacity or the abovementioned companies and businesses in which they have interests as directors or substantial shareholders are carried out on an arm's length basis and on usual business terms.

Although such interests may give rise to a conflict of interest situation, such substantial shareholders and persons connected to them shall abstain from deliberations and voting on the resolutions relating to these matters or transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions are carried out on an arm's length basis and on usual business terms.

Our substantial shareholders, in their personal capacity or the companies and businesses in which they have interests as directors or substantial shareholders, may be our suppliers for telecommunications, management and other services provided to our Company. Such transactions are carried out on an arm's length basis and on usual business terms.

Save as disclosed above, our Company is not aware of any person who, directly or indirectly, jointly or severally, has control over our Company.

9.5 Relationships and associations between our Directors, key management, substantial shareholders and Promoters

Save as disclosed below and the relationships and associations between our Company's substantial shareholders as described in Section 9.4 of this Prospectus, there is no family relationship and/or association between any of our Directors, key management, substantial shareholders and Promoters as at 8 June 2011:

(i) Association amongst our substantial shareholders

(a) TAK is a director of UTSB, PSIL, Excorp and PanOcean. TAK is also a substantial shareholder of OBSB, MSSB, UTSB, PSIL, Excorp and PanOcean.

(b) Dato' Sri Mahamad Fathil bin Dato' Mahmood, Dato' Ahmad Fuad bin Md Ali and Datuk Abdul Farish bin Abd Rashid are directors and substantial shareholders of ODSB.

(c) Farah Suhanah binti Ahmad Sarji is a director and substantial shareholder of each of SASB, WSSB, KMSB and WBSB.

(ii) Association between our Directors and substantial shareholders

(a) Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali are directors and substantial shareholders of ODSB.

(b) Chan Chee Beng is a director of OBSB and an executive director of UTSB. He is also a director of several subsidiaries of UTSB and other companies in which UTSB, PSIL, Excorp, PanOcean and TAK have interests in and are substantial shareholders of, viz. Maxis Communications Berhad (**"MCB"**), Maxis and several subsidiaries of MCB and Maxis.

(c) Farah Suhanah binti Ahmad Sarji is a director and substantial shareholder of each of SASB, WSSB, KMSB and WBSB.

(d) Lim Ghee Keong is a director of OBSB. He is also a director of PSIL, Excorp, PanOcean and several subsidiaries of UTSB and other companies in which UTSB, PSIL, Excorp, PanOcean and TAK have interests in.

(iii) Association between our Directors and Promoters

(a) Dato' Sri Mahamad Fathil bin Dato' Mahmood and Dato' Ahmad Fuad bin Md Ali are directors and substantial shareholders of ODSB.

(b) Chan Chee Beng and Lim Ghee Keong are directors of OBSB.

9.6 Declaration by our Directors, Promoters and key management

Each of our Directors, Promoters, and key management has confirmed to us that, as at the LPD (save for Alexandra Elisabeth Johanna Maria Schaapveld and Andrew Philip Whittle, whose declarations are as at 8 June 2011), he or it is not and has not been involved in any of the following events (whether in or outside Malaysia):

(i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person is or was a partner or any corporation of which such person was a director or key personnel;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) any judgment entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or

(v) the subject of any order, judgement or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity.

9.7 Service agreements

Save as disclosed below, as at the LPD, there is no existing or proposed service agreement entered into or to be entered into between our Directors or any member of our key management and our Group:

(i) Hassan Assad Basma was appointed as the executive Director of OBSB and seconded to our Company as the executive Director of Strategy, Commercial and Business Development. Upon this secondment, all obligations relating to his appointment were assumed by our Company. His secondment was for a fixed term of 5 years which commenced on 1 September 2005 and has since expired. On 7 December 2009, he entered into a service agreement with our Company for his appointment as our Chief Executive Officer. This appointment, which took effect on 1 September 2010, is for a term of 2 years and may be extended for a further 1 year subject to mutual agreement. His employment as our Chief Executive Officer is subject to mutual early termination provisions by giving 6 months prior written notice. Further, if our Company terminates his employment without cause prior to the expiry of the term, he will be entitled to receive an agreed compensation.

(ii) Shaharul Rezza bin Hassan was appointed executive Director and Chief Financial Officer on 18 September 2006. His designation as executive Director and Chief Financial Officer was deemed effective from 1 July 2006 and is not for a fixed term. His employment is subject to mutual termination provisions by giving 6 months prior written notice. Shaharul Rezza bin Hassan was also appointed Managing Director of BAN effective from 1 November 2007. His employment is not for a fixed term and is subject to mutual termination provisions by giving 3 months prior written notice.

(iii) Madhusudanan Madasery Balan and Massimiliano Belloti each has a service agreement with our Company. These service agreements have tenures for a fixed term of 5 years and include mutual termination clauses. Madhusudanan Madasery Balan and Massimiliano Belloti are entitled to receive an agreed compensation if our Company terminates their respective service agreements without cause prior to the expiry of their respective terms.

(iv) Andrew Day Lamshed, Adriaan Petrus Van De Korput, Noval D'avila Paredes and Jonathan Edward Duckett each has a service agreement with our Company. These service agreements have tenures for a fixed term of between 2 and 3 years (except for Jonathan Edward Duckett whose employment is not for a fixed term) and include mutual termination clauses.

(v) Noor Azmi bin Abdul Malek entered into a service agreement with our Company on 2 May 2006 and was subsequently transferred to BAE with effect from 1 October 2006. His employment is not for a fixed term and is subject to mutual termination provisions.

(vi) Wee Yam Khoon entered into a service agreement with BAN on 15 June 2009 and was subsequently transferred to our Company with effect from 24 June 2009. His employment is for a fixed term of 3 years and is subject to mutual termination provisions.

(vii) Choong Guan Huat has a service agreement with HAISPL. His employment is for a fixed term of 3 years and is subject to mutual termination provisions.

9.8 Other matters

No amount has been paid or benefit given within the 2 years preceding the LPD, nor is it intended to be so paid or given, to our Promoters, substantial shareholders and Directors except for the following:

(i) historical and future payments to our substantial shareholders in the ordinary course of business as set out in Section 11 of this Prospectus;

(ii) Options which may be granted to our executive Directors under the ESOS as set out in Section 9.1.8 of this Prospectus; and

(iii) salaries and benefits-in-kind paid and payable to our Directors as set out in Sections 9.1.9 and 11 of this Prospectus.

10. APPROVALS AND CONDITIONS

10.1 Approvals and conditions

The SC has, via its letters dated 20 June 2011 and 24 June 2011, approved the IPO and the ESOS, respectively, under the Section 212(5) of the CMSA and equity requirement for public companies, subject to the compliance with the following condition:

Condition	Status of compliance
(i) CIMB, Maybank IB and RHB, as the Joint Principal Advisers, and Bumi Armada to fully comply with the relevant requirements under the Equity Guidelines and the Prospectus Guidelines pertaining to the implementation of the IPO and the Listing	Noted

The SAC has, via its letter dated 18 May 2011, classified our Shares as Shariah-compliant.

The SC has, via its letter dated 20 June 2011, approved the waivers sought in relation to compliance with certain requirements under the Equity Guidelines and the Prospectus Guidelines. The details of the waivers sought and accompanying conditions imposed by the SC are as follows:

Reference	Details of the waivers sought	Conditions imposed	Status of compliance, where applicable
Equity Guidelines			
Section 1, Appendix 1	Exemption from having to appoint 2 of the Independent Non-Executive Directors to our Board at the point of submission to the SC. The 2 Independent Non-Executive Directors will be appointed at a later stage, prior to the decision from the SC for the Listing	The updated prospectus (containing information on the Independent Non-Executive Directors and the names of the members of the audit, remuneration and nomination committees) to be re-exposed for another 5 working days for public comments	Complied
Section 2(e), Appendix 1	Modified compliance such that our Company is only required to disclose information on proposals submitted to the SC by our Group after the date of de-listing of our Company on 18 April 2003	Nil	Not applicable
Section 2(f), Appendix 1	Modified compliance such that the disclosures on non-compliance with the relevant laws, regulations, rules and requirements governing the conduct of the businesses of our Group are made only with respect to any breach of any relevant laws, regulations, rules and requirements which may have a material adverse impact on the business operations and/or financial position of our Group	Nil	Not applicable

10. APPROVALS AND CONDITIONS *(cont'd)*

Reference	Details of the waivers sought	Conditions imposed	Status of compliance, where applicable
Prospectus Guidelines			
Paragraphs 8.02(m) and 18.01(c)	(i) Exemption from disclosing certain confidential provisions in the contracts that our Group are highly dependent on ("Dependent Contracts") in this Prospectus; and (ii) Redaction of certain confidential provisions in the Dependent Contracts which are made available for public inspection	Nil	Not applicable
Paragraph 8.03(d)	Exemption from disclosing the NBV of each of the FPSO and T&I vessels in this Prospectus	To disclose the NBV of the FPSO and T&I vessels on a collective basis for each segment	Complied. The disclosure has been included in Sections 7.4.1 and 7.4.3 of this Prospectus
Paragraphs 9.12 and 18.01(d)	(i) Exemption from disclosing certain confidential provisions in the service contract of Hassan Assad Basma, our Executive Director and Chief Executive Officer ("CEO Service Contract"); and (ii) Redaction of certain confidential provisions in the CEO Service Contract which is made available for public inspection	Nil	Not applicable
Paragraph 18.01(i)	Exemption from making available for public inspection the audited financial statements of each of our subsidiaries for the 3-month financial period ended 31 March 2011	Nil	Not applicable
Prospectus Guidelines – Procedures for Registration			
Paragraph 1.10(j)	Exemption from submitting as part of the documents for registration, the audited financial statements of each of our subsidiaries for the 3-month financial period ended 31 March 2011	Nil	Not applicable

The SC has noted the notification dated 25 May 2011 from the Joint Principal Advisers, on behalf of our Company, that Bumi Armada is a company with predominantly foreign-based operations pursuant to the equity requirement for public companies. As such, the SC has, via its letter dated 27 May 2011, informed that Bumi Armada is exempted from having to comply with the Bumiputera equity requirement pursuant to the Listing. The Joint Principal Advisers are required to notify the SC in the event that Bumi Armada does not derive more than 50% of its after-tax profits from its foreign-based operations at the time of listing, whereby in such a case, the Bumiputera equity requirement will be imposed on Bumi Armada.

10.2 Moratorium on our Shares

In accordance with the Equity Guidelines, OBSB, being one of our Promoters, will not be allowed, and has undertaken not to sell, transfer or assign its entire shareholding of 1,243,188,000 Shares, which represent approximately 42.45% of the enlarged issued and paid-up ordinary share capital of our Company, as at the date of Listing, for a period of 6 months from the date of Listing. However, in the event that Hassan Assad Basma exercises the call option granted to him by OBSB over the first tranche of 1,348,000 Shares, the aforesaid undertaking by OBSB shall apply to the entire remaining shareholding of OBSB in our Company of 1,241,840,000 Shares which represent approximately 42.41% of the enlarged issued and paid-up share capital of our Company as at the date of Listing.

In accordance with the Equity Guidelines, ODSB, being one of our Promoters, will not be allowed, and has undertaken not to sell, transfer or assign its entire shareholding of 340,777,700 Shares, which represent approximately 11.64% of the enlarged issued and paid-up ordinary share capital of our Company, as at the date of Listing, for a period of 6 months from the date of Listing. However, in the event that Hassan Assad Basma exercises the call option granted to him by ODSB over the first tranche of 500,000 Shares, the aforesaid undertaking by ODSB shall apply to the entire remaining shareholding of ODSB in our Company of 340,277,700 Shares which represent approximately 11.62% of the enlarged issued and paid-up share capital of our Company as at the date of Listing.

For further details on the call option granted by OBSB and ODSB respectively to Hassan Assad Basma, please refer to Section 15.1(iv)(c) of this Prospectus.

In accordance with the Equity Guidelines, the direct shareholders of OBSB, namely MSSB and ISSB have undertaken not to sell, transfer or assign their entire respective shareholdings in OBSB as at the date of Listing, for a period of 6 months from the date of Listing.

In accordance with the Equity Guidelines, the indirect shareholder of OBSB, namely UTSB, has undertaken not to sell, transfer or assign its entire respective shareholdings in MSSB and ISSB as at the date of Listing, for a period of 6 months from the date of Listing.

In accordance with the Equity Guidelines, the indirect shareholders of OBSB, namely PSIL, Excorp and PanOcean have undertaken not to sell, transfer or assign their entire shareholdings in UTSB, PSIL and Excorp, respectively, as at the date of Listing, for a period of 6 months from the date of Listing.

In accordance with the Equity Guidelines, the shareholders of ODSB, namely Dato' Ahmad Fuad bin Md Ali, Dato' Sri Mahamad Fathil bin Dato' Mahmood and Datuk Abdul Farish bin Abd Rashid have undertaken not to sell, transfer or assign their entire respective shareholdings in ODSB as at the date of Listing, for a period of 6 months from the date of Listing.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

11.1 Related party transactions

Under the Listing Requirements that are applicable to companies listed on the Main Market, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party. A "related party" of a listed issuer (not being a special purpose acquisition company) is:

(i) a director having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or

(ii) a major shareholder, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the nominal amount of that share or the aggregate of the nominal amounts of those shares is:

   (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or

   (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation,

   or

(iii) a person connected with such director or major shareholder.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

11.1.1 Non-recurrent related party transactions

Save as disclosed below, there are no existing and/or proposed non-recurrent related party transactions which have been entered into or expected to be entered into by our Group with related parties for the past 3 years ended 31 December 2010, 3 months ended 31 March 2011 and the year ending 31 December 2011:

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual: Year ended 31 December 2008	Actual: Year ended 31 December 2009	Actual: Year ended 31 December 2010	Actual: 3 months ended 31 March 2011	Estimate: Year ending 31 December 2011
				RM 000	RM 000	RM 000	RM 000	RM 000
(i)	Our Company and PTSB[1]	**Interested major shareholders** UTSB, PSIL, Excorp, PanOcean and TAK	• Provision of loan by PTSB to our Company ("Loan")	150,000[2]	-[2]	-[2]	-[2]	-[2]
		Interested Directors Chan Chee Beng ("CCB") and Lim Ghee Keong ("LGK") PTSB is a wholly-owned subsidiary of UTSB. UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of PTSB and our Company. CCB is a director of our Company and UTSB but he does not have any equity interest in UTSB. LGK is a director of our Company, PSIL, Excorp and PanOcean but he does not have any equity interest in PSIL, Excorp or PanOcean	• Interest expense on the Loan	468	5,610	5,610	701	701

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual Year ended 31 December 2008	 2009	 2010	 3 months ended 31 March 2011	Estimate Year ending 31 December 2011
						RM 000		
(ii)	AMCCPL and UTSBM	**Interested major shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Interested Directors** CCB and LGK UTSBM is a wholly-owned subsidiary of UTSB. UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of UTSBM and our Company. AMCCPL is our indirect wholly-owned subsidiary. CCB is a director of our Company, UTSB and UTSBM but he does not have any equity interest in UTSB or UTSBM. LGK is a director of our Company, PSIL, Excorp, PanOcean and UTSBM but he does not have any equity interest in PSIL, Excorp, PanOcean or UTSBM.	• Provision of project-related advisory services by UTSBM to AMCCPL	-	-	1,910	-	-

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual: Year ended 31 December 2008	2009	2010	3 months ended 31 March 2011	Estimate: Year ending 31 December 2011
					RM 000			
(iii)	AOL and UTSBM	**Interested major shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Interested Directors** CCB and LGK UTSBM is a wholly-owned subsidiary of UTSB. UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of UTSBM and our Company. AOL is our wholly-owned subsidiary. CCB is a director of our Company, UTSB and UTSBM but he does not have any equity interest in UTSB or UTSBM. LGK is a director of our Company, PSIL, Excorp, PanOcean and UTSBM but he does not have any equity interest in PSIL, Excorp, PanOcean or UTSBM.	• Provision of project-related advisory services by UTSBM to AOL	-	-	1,520	-	-
(iv)	Our Group and UTSBM	**Interested major shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Interested Directors** CCB and LGK UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of UTSBM and our Company. CCB is a director of our Company, UTSB and UTSBM but he does not have any equity interest in UTSB or UTSBM. LGK is a director of our Company, PSIL, Excorp, PanOcean and UTSBM but he does not have any equity interest in PSIL, Excorp, PanOcean or UTSBM.	• Provision of corporate and project-related advisory services by UTSBM to our Group	-	-	-	-	24,000

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

				Actual				Estimate
				Year ended 31 December			3 months ended 31 March	Year ending 31 December
No.	Transacting parties	Nature of relationship	Nature of transaction	2008	2009	2010	2011	2011
						RM 000		
(v)	Our Company and BAN, WSSB, KMSB and WBSB	**Interested major shareholders** WSSB, KMSB, WBSB, SASB and Farah Suhanah binti Ahmad Sarji ("Farah") **Interested Directors** Hassan Assad Basma ("Hassan"), Shaherul Rezza bin Hassan ("Rezza"), Farah and CCB SASB, WSSB, KMSB and WBSB are major shareholders of BAN and our Company. Hassan, Rezza and CCB are directors of our Company and BAN but they do not have any equity interest in BAN. Farah was a director of BAN (within the preceding 6 months) and our Company, WSSB, KMSB, WBSB and SASB. She is also a major shareholder of BAN, our Company, WSSB, KMSB, WBSB and SASB.	• Shareholders' agreement in respect of BAN	-	-	-	-[3]	-[3]

Notes:

(1) PTSB is a licensed moneylender and related corporation of OBSB.

(2) In consideration of OBSB procuring PTSB to provide the Loan to our Company, we granted OBSB a call option to subscribe for 7,500,000 new ordinary shares of RM1.00 each in our Company. The Loan interest was payable at the rate of the lower of 12-month Kuala Lumpur Interbank Overnight Rate of 3.74% per annum or 18% per annum. The Loan was settled in full on 18 February 2011.

(3) No consideration involved. Details of the terms of the shareholders' agreement are as set out in Section 15.14(v) of this Prospectus.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

11.1.2 Recurrent related party transactions

Save as disclosed below, our Group does not have any other existing and/or proposed recurrent related party transactions which have been entered into or are to be entered into by our Group with related parties for the past 3 years ended 31 December 2010, 3 months ended 31 March 2011 and the year ending 31 December 2011:

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual: Year ended 31 December 2008	2009	2010	3 months ended 31 March 2011	Estimate: Year ending 31 December 2011
						RM 000		
(i)	Our Company and MLP	**Interested major shareholders** PanOcean and TAK **Interested Director** LGK MLP is a subsidiary of PanOcean. PanOcean and TAK are major shareholders of MLP and our Company. LGK is a director of our Company and PanOcean but he does not have any equity interest in PanOcean.	• Tenancy lease agreement between our Company and MLP whereby MLP has leased levels 7 and 19 to 22 of Menara Perak, Kuala Lumpur to our Company (inclusive of utilities)	999	3,776	3,950	1,037	5,300
(ii)	Our Group and Maxis Group	**Interested major shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Interested Directors** CCB and LGK UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of Maxis and our Company. CCB is a director of UTSB, Maxis and several subsidiaries of Maxis and our Company and has 0.01% equity interest in Maxis. LGK is a director of our Company, PSIL, Excorp and PanOcean but he does not have any equity interest in PSIL, Excorp or PanOcean.	• Purchases of Blackberry handphones by our Group from Maxis group • Provision of training by Maxis group to our Group	221	95	65	6	200

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual: Year ended 31 December 2008	Actual: Year ended 31 December 2009	Actual: Year ended 31 December 2010	Actual: 3 months ended 31 March 2011	Estimate: Year ending 31 December 2011
				RM 000				
(iii)	Our Company and Astro Holdings Sdn Bhd ("AHSB") and its subsidiaries (collectively, "Astro")	**Interested major shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Interested Directors** CCB and LGK UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of Astro and our Company. CCB is a director of our Company and UTSB but he does not have any equity interest in UTSB. LGK is a director of our Company, PSIL, Excorp, PanOcean and AHSB but he does not have any equity interest in PSIL, Excorp, PanOcean or AHSB.	• Provision of subscription services by Astro to our Company	42	28	18	5	150
(iv)	Our Company and UTSBM	**Interested major shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Interested Directors** CCB and LGK UTSBM is a wholly-owned subsidiary of UTSB. UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of UTSBM and our Company. CCB is a director of our Company, UTSB and UTSBM but he does not have any equity interest in UTSB or UTSBM. LGK is a director of our Company, PSIL, Excorp, PanOcean and UTSBM but he does not have any equity interest in PSIL, Excorp, PanOcean or UTSBM.	• Reimbursement costs incurred in respect of Hassan Assad Basma, our Executive Director/Chief Executive Officer	2,830	3,281	3,453	610	3,650
			• Provision of management and strategic consultancy services by UTSBM to our Company	1,762	1,762	1,762	1,198	5,200

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual Year ended 31 December 2008	 2009	 2010	 3 months ended 31 March 2011	Estimate Year ending 31 December 2011
						RM 000		
(v)	Our Group and BAN[1]	**Interested major shareholders** WBSB, KMSB, WSSB, SASB and Farah **Interested Directors** Hassan, Rezza, Farah and CCB SASB, WSSB, KMSB and WBSB are major shareholders of BAN and our Company. Hassan, Rezza and CCB are directors of our Company and BAN but they do not have any equity interests in BAN. Farah was a director of BAN (within the preceding 6 months), our Company, WSSB, KMSB, WBSB and SASB. She is also a major shareholder of BAN, our Company, WSSB, KMSB, WBSB and SASB.	• Provision of ship management services by BAN to other subsidiaries of our Group	-	-	-	-	50,000
			• Advances from BAN to other subsidiaries of our Group	-	-	-	-	500,000
			• Provision of management services by our Company to BAN	-	-	-	-	50,000

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Actual: Year ended 31 December 2008	Actual: Year ended 31 December 2009	Actual: Year ended 31 December 2010	Actual: 3 months ended 31 March 2011	Estimate: Year ending 31 December 2011
						RM 000		
(vi)	BAN and OMV	**Interested major shareholders** ODSB, Dato' Sri Mahamad Fathil bin Dato' Mahmood ("Dato' Sri Fathil"), Dato' Ahmad Fuad bin Md Ali ("Dato' Ahmad Fuad") and Datuk Abdul Farish bin Abd Rashid ("Datuk Abdul Farish") **Interested Directors** Dato' Sri Fathil and Dato' Ahmad Fuad OMV is our 49.99%-owned jointly-controlled entity whilst the remaining 50.01% in OMV is held by FVSB. FVSB is jointly held by Ombak Simfoni Sdn Bhd and MISC. Dato' Ahmad Fuad, Dato' Sri Fathil and Datuk Abdul Farish are major shareholders of FVSB via Ombak Simfoni Sdn Bhd, and, our Company and BAN, via ODSB. Dato' Sri Fathil and Dato' Ahmad Fuad are directors of our Company and FVSB.	• Provision of ship management services by BAN to OMV	197	213	108	33	500
			• Advances from BAN to OMV	2,457	4,746	8,796	1,179	5,200

Note:

(1) For the 3 years ended 31 December 2010, BAN was our wholly-owned subsidiary. Pursuant to the shareholders' agreement dated 25 March 2011, BAN is no longer our wholly-owned subsidiary and as such, transactions between BAN and our Group will be deemed as related party transactions under the Listing Requirements.

Our Directors are of the view that all the above non-recurrent and recurrent related party transactions were conducted on an arm's length basis and on terms not more favourable to the related parties than those generally available to the public.

11.1.3 Transactions entered into that are unusual in their nature or conditions

There were no transactions entered into that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we or any of our parent or subsidiaries were a party in respect of the past 3 years ended 31 December 2010 and the 3 months ended 31 March 2011.

11.1.4 Loans made to or for the benefit of related parties

Save as disclosed in Sections 11.1.1 and 11.1.2 of this Prospectus, there were no outstanding loans (including guarantees of any kind) made by any of our Group or any of our parent to or for the benefit of any related party, for the past 3 years ended 31 December 2010 and the 3 months ended 31 March 2011.

11.2 Conflicts of interest

Save as disclosed in Section 9.1.4 of this Prospectus, none of our Directors and substantial shareholders has any interest, direct or indirect, in other businesses or corporations (other than our associated companies and jointly-controlled entities) which are (i) carrying on a similar trade as that of our Group, associated companies and jointly-controlled entities; or (ii) our customers and/or suppliers.

11.3 Monitoring and oversight of related party transactions and conflicts of interest

11.3.1 Audit Committee review

The Audit Committee reviews related party transactions and conflicts of interests that may arise within our Group. The Audit Committee periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length and are not to the detriment of our Company's minority shareholders. All reviews by the Audit Committee are reported to our Board for its further action.

11.3.2 Conflicts of interest

The related party transactions disclosed above, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of or who have interest in the shares of the related parties of our Group, as disclosed herein and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out in the best interest of our Group on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders.

11.4 Declarations by advisers on conflicts of interest

11.4.1 Declaration by CIMB

CIMB, its subsidiaries and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group or any other entity or person, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of our Company and our affiliates. This is a result of the businesses of CIMB Group generally acting independent of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Company.

As at the LPD, the CIMB Group has extended credit facilities of RM457.3 million to our Group. The credit facilities comprise term loans, trade and hedging facilities. As at the LPD, the total amounts owing by our Group to the CIMB Group are about RM399.5 million.

We have no intention of utilising the proceeds to be raised from the Public Issue to repay the above facilities granted by the CIMB Group.

CIMB is of the view that the abovementioned extension of credit facilities do not result in conflict of interests situation in respect of its capacities as set out in this Prospectus as the total credit facilities are not material when compared to the audited total assets of the CIMB Group as at 31 December 2010. Furthermore, the extension of credit facilities arose in the ordinary course of business of the CIMB Group in view of the CIMB Group's extensive participation in the Malaysian capital market and banking industry.

11.4.2 Declaration by Maybank IB

Maybank IB is of the view that there is no conflict of interest in relation to its capacities as set out in this Prospectus.

Maybank IB, its subsidiaries and associated companies, as well as its holding company, Malayan Banking Berhad and the subsidiaries and associated companies of its holding company ("**Maybank Group**") are, in the ordinary course of business, engaged in investment banking, commercial banking, securities trading, asset and funds management, insurance and offshore banking services. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group or any other entity or person or hold long or short positions and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity instruments or senior loans of our Company and our affiliates.

As at the LPD, the Maybank Group has extended credit facilities comprising term loans, bridging loans, foreign exchange contracts and trade facilities to our Group amounting to RM1,551 million, of which RM1,202 million has been drawndown. Part of the proceeds to be raised from the Public Issue will be used to partially repay the bridging loans extended by the Maybank Group, subject to the terms of the bridging loans.

Nonetheless, Maybank IB is of the opinion that the extension of credit facilities does not result in a conflict of interest situation in respect of its capacities as set out in this Prospectus as the total credit facilities are not material when compared to the audited total assets of the Maybank Group as at 30 June 2010 and is in the ordinary course of the Maybank Group's business.

11.4.3 Declaration by RHB

RHB is not aware of any circumstances that exist or are likely to give rise to a possible conflict of interest situation in relation to its capacities as set out in this Prospectus.

RHB Bank Berhad, a company related to RHB has extended credit facilities to our Company amounting to RM783.86 million as at the LPD. Nevertheless, RHB as part of RHB Banking Group is of the view that there is no conflict of interest in its capacities as set out in this Prospectus in relation to the IPO in view that the credit facilities are not material when compared to RHB Bank Berhad's total loan, advances and financing as at 31 December 2010. In the ordinary course of business, RHB and/or its related companies ("**RHB Group**") do or may engage in transactions with and perform services for our Company and our affiliates. RHB Group may extend credit facilities or may engage in private banking, commercial banking and investment banking transaction including, *inter-alia* brokerage, securities trading, asset and funds management and credit transaction service businesses in their ordinary course of business with our Company and/or our affiliates. Further, any member of the RHB Group may at any time offer or provide their services to or engage in any transactions (on their own account or otherwise) with our Company and/or our affiliates, hold long or short positions, and may trade or otherwise effect transactions for their own account or the account of their other customers in debt or equity securities or senior loans of our Company and/or our affiliates. The related companies of RHB may bid for the IPO Shares to be offered under the Institutional Offering.

We have no intention of utilising the proceeds to be raised from the Public Issue to repay the above facilities granted by RHB Bank Berhad.

11.4.4 Declaration by Credit Suisse

Credit Suisse is of the view that it has no conflict of interest in its capacity as the Joint Global Co-ordinator and Joint Bookrunner in our Listing in view of the fact that Credit Suisse has not made any loan to us or the Selling Shareholders and, in its capacity as the Joint Global Co-ordinator and Joint Bookrunner, Credit Suisse will not receive any proceeds from the IPO, except with respect to the fees and expenses of Credit Suisse in connection with the IPO.

11.4.5 Declaration by CLSA

CLSA is of the view that there is no conflict of interest in relation to its capacities as set out in this Prospectus.

In the ordinary course of business, CLSA and/or its affiliated companies (collectively, the "**CLSA Group**") do or may engage in transactions with and perform services for our Company and/or our affiliates. Members of the CLSA Group may extend credit facilities or may engage in private banking, commercial banking and investment banking transactions including, inter alia, brokerage, securities trading, asset and funds management and credit transaction services in their ordinary course of business with our Company and/or our affiliates. Further, any member of the CLSA Group may at any time offer or provide its services to, or engage in any transactions (on its own account or otherwise), with our Company and/or our affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates.

11.4.6 Declaration by UBS

UBS and/or its subsidiaries, branches, affiliates and associates (the "**UBS Group**"), in its capacity as principal or agent, is and may be in the future, involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities issuance, trading (customer and proprietary) and brokerage) from which conflicting interests or duties may arise. The UBS Group has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for our Company and/or our affiliates, in addition to the role set out in this Prospectus. In addition, in the ordinary course of its global investment banking and commercial banking activities, UBS and other members of the UBS Group may at any time offer or provide services to or engage in any transaction (on its own account or otherwise) with our Company, our affiliates and/or any other persons, or hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of its customers, in debt or equity securities (or related derivative instruments) or senior loans of our Company or any of our affiliates. UBS is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as a Joint Bookrunner for the Institutional Offering.

11.4.7 Declaration by AmInvestment Bank Berhad

AmInvestment Bank Berhad has confirmed that there is no existing or potential conflict of interest in its capacity as the Joint Managing Underwriter for the IPO.

11.4.8 Declaration by Deutsche Bank

Deutsche Bank has confirmed that there is no existing or potential conflict of interest in its capacity as the Joint Lead Manager for the IPO.

11.4.9 Declaration by OCBC

OCBC and/or its subsidiaries and associated companies (collectively, the "**OCBC Group**"), in the ordinary course of business, may extend credit facilities or may engage in commercial banking, investment banking, private banking, securities trading, asset and funds management, research, and insurance with our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the OCBC Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group or any other entity or person, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity (or related derivative instruments) of our Group. This is a result of the businesses of OCBC Group generally acting independent of each other, and accordingly there may be situations where parts of the OCBC Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Company.

As at the LPD, the OCBC Group has extended credit facilities amounting to RM670.98 million to our Group. The credit facilities comprise term loans, bridging loans, trade and hedging facilities. As at the LPD, the total amounts owing by our Group to the OCBC Group are about RM600.0 million.

We have no intention of utilising the proceeds to be raised from the Public Issue to repay the above facilities granted by the OCBC Group.

OCBC is of the view that the abovementioned extension of credit facilities do not result in a conflict of interest situation in respect of its capacities as set out in this Prospectus as the total credit facilities are not material when compared to the audited total assets of the OCBC Group as at 31 December 2010 and the extension of credit facilities is in the ordinary course of the OCBC Group's business.

11.4.10 Declaration by PricewaterhouseCoopers

PricewaterhouseCoopers has confirmed that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants of our Company.

11.4.11 Declaration by Kadir, Andri & Partners

Kadir, Andri & Partners has confirmed that there is no existing or potential conflict of interest in its capacity as the Legal Adviser to our Company as to Malaysian law and for the IPO.

11.4.12 Declaration by Clifford Chance Pte Ltd

Clifford Chance Pte Ltd is of the view that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to United States and English law.

11.4.13 Declaration by Linklaters Allen & Gledhill Pte Ltd

Linklaters Allen & Gledhill Pte Ltd acting as the international legal counsel to the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers as to English law in relation to the IPO, confirm that they have no conflict of interest acting in such capacity.

11.4.14 Declaration by Zul Rafique & Partners

Zul Rafique & Partners is of the view that there is no conflict of interests in its capacity as the Legal Adviser to the Joint Managing Underwriters, Joint Global Co-ordinators and Joint Bookrunners as to Malaysian law in relation to the IPO.

11.4.15 Declaration by ISL

ISL has confirmed that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher.

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12.1 Historical consolidated financial information

The following selected historical audited consolidated financial information as at or for the years ended 31 December 2008, 2009 and 2010, and as at or for the 3 months ended 31 March 2011 and historical unaudited consolidated financial information as at or for the 3 months ended 31 March 2010 have been derived from the Accountants' Report in Section 13 of this Prospectus. The selected historical audited and unaudited consolidated financial information should be read in conjunction with the Accountants' Report in Section 13 of this Prospectus and with Section 12.2 of this Prospectus. The financial information included in this Prospectus does not reflect our Group's results of operations, financial position and cash flows in the future, and our Group's past operating results are not indicative of our Group's future operating performance.

The audited consolidated financial statements of our Company were not subject to any audit qualification for the years ended 31 December 2008, 2009 and 2010, and for the 3 months ended 31 March 2011.

	Audited			Unaudited	Audited
	Year ended 31 December			3 months ended 31 March	
	2008	2009	2010	2010	2011
	(RM 000, except percentages and per share data)				
Statements of income:					
Revenue	519,839	732,090	1,241,383	262,461	376,159
Cost of sales	(272,674)	(399,026)	(636,272)	(141,890)	(223,058)
Gross profit	247,165	333,064	605,111	120,571	153,101
Other operating income	47,114	64,412	40,167	7,148	4,620
Selling and distribution costs	(62,375)	(59,223)	(81,839)	(21,541)	(26,739)
Administrative expenses	(36,405)	(63,861)	(96,303)	(13,247)	(17,535)
Profit from operations	195,499	294,392	467,136	92,931	113,447
Finance cost	(34,583)	(50,781)	(82,425)	(19,751)	(17,141)
Share of results of an associate	245	38,632	(1,428)	(357)	-
Share of results of jointly-controlled entities	727	1,685	(17)	(4)	(833)
PBT	161,888	283,928	383,266	72,819	95,473
Taxation	(11,865)	(6,486)	(32,511)	(6,177)	(13,399)
PAT	150,023	277,442	350,755	66,642	82,074
PAT attributable to:					
Owners of our Company	150,023	277,442	350,755	66,642	82,074
Non-controlling interests	-	-	-	-	-
	150,023	277,442	350,755	66,642	82,074
Profit from operations includes:					
Depreciation of vessels	101,573	180,295	239,874	58,444	69,402
Depreciation of other property, plant and equipment	4,764	5,659	8,544	1,883	2,742
Total depreciation	106,337	185,954	248,418	60,327	72,144
Total depreciation included in:					
Cost of sales	101,573	180,295	239,874	58,444	69,402
Administrative expenses	4,764	5,659	8,544	1,883	2,742
Other selected financial data:					
EBITDA[1]	302,808	520,663	714,109	152,897	184,758
Dividends declared	-	-	-	-	-
Gross profit margin (%)[2]	47.5	45.5	48.7	45.9	40.7
EBITDA margin (%)[3]	58.3	71.1	57.5	58.3	49.1
PBT margin (%)[4]	31.1	38.6	30.9	27.7	25.4
PAT margin (%)[5]	28.9	37.9	28.3	25.4	21.8
Basic earnings per ordinary share (sen)[6]	7.54	13.94	17.62	3.35	3.64
Diluted earnings per ordinary share (sen)[7]	7.44	12.71	16.02	3.06	3.64

Notes:

(1) *EBITDA represents earnings before finance cost, taxation and depreciation. The table below sets forth a reconciliation of our PAT to EBITDA:*

	Year ended 31 December			3 months ended 31 March	
	2008	2009	2010	2010	2011
			RM 000		
EBITDA:					
PAT	150,023	277,442	350,755	66,642	82,074
Taxation	11,865	6,486	32,511	6,177	13,399
PBT	161,888	283,928	383,266	72,819	95,473
Finance cost	34,583	50,781	82,425	19,751	17,141
Depreciation	106,337	185,954	248,418	60,327	72,144
	302,808	520,663	714,109	152,897	184,758

EBITDA, as well as the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity and are not required by, or represented in accordance with FRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under FRS and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with FRS or as en alternative to cash flow from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible. Other companies mey calculate EBITDA differently to our Company, limiting its usefulness es a comparative measure.

(2) *Computed based on the gross profit over total revenue of our Group.*

(3) *Computed based on the EBITDA over total revenue of our Group.*

(4) *Computed based on the PBT over total revenue of our Group.*

(5) *Computed based on the PAT over total revenue of our Group.*

(6) *Computed based on the PAT of our Group divided by tho number of Shares set out in the table below. Such number of Shares was arrived at after edjusting for certain events which wera completed between February 2011 and March 2011 as follows:*

	As at 31 December			As at 31 March	
	2008	2009	2010	2010	2011
			000		
Ordinary shares of RM1.00 each in Bumi Armada:					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341^	3,341^	3,341^	3,341^	3,341
Weighted average number of shares under the rights issue	-	-	-	-	501
Bonus issue of 5 shares for every 1 share held	331,705^	331,705^	331,705^	331,705^	380,700
Weighted average number of shares under the call option exercised by OBSB	-	-	-	-	3,417
	398,046	398,046	398,046	398,046	450,959
Ordinary shares of RM0.20 each in Bumi Armada:					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	1,990,230^	1,990,230^	1,990,230^	1,990,230^	2,254,795
Shares as at 31 December/31 March	1,990,230	1,990,230	1,990,230	1,990,230	2,254,795

* *Bonus element calculated besed on the difference between the feir value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary shares.*

^ *Adjusted retrospectively.*

Notes (cont'd):

(7) *Computed based on the adjusted PAT of our Group divided by the number of Shares set out in the table below. The adjusted PAT and number of Shares were arrived at after adjusting for certain events which were completed between February 2011 and March 2011 as follows:*

	31 December			31 March	
	2008	2009	2010	2010	2011
Profit for the year ended 31 December/3 months ended 31 March (RM 000)	150,023	277,442	350,755	66,642	82,074
Potential interest income earned (net of tax) pursuant to the exercise of call option by OBSB (RM 000)	346	4,208	4,208	1,052	-
Adjusted profit for the year ended 31 December/3 months ended 31 March (RM 000)	150,369	281,650	354,963	67,694	82,074
Ordinary shares of RM1.00 each in Bumi Armada (000):					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Weighted average number of shares under the call option exercised by OBSB	1,021^#	7,500^#	7,500^#	7,500^#	3,417
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341^	3,341^	3,341^	3,341^	3,341
Weighted average number of shares under the rights issue	-	-	-	-	501
Bonus issue of 5 shares for every 1 share held	336,810^	369,205^	369,205^	369,205^	380,700
	404,172	443,046	443,046	443,048	450,959
Ordinary shares of RM0.20 each in Bumi Armada (000):					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	2,020,860^	2,215,230^	2,215,230^	2,215,230^	2,254,795
Shares as at 31 December/31 March (000)	2,020,860	2,215,230	2,215,230	2,215,230	2,254,795

^ *Adjusted retrospectively.*

Assume full exercise of the call option by OBSB.

* *Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary shares.*

12.2 Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis with respect to the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2010 and 2011 are based on, and should be read in conjunction with, the Accountants' Report as set out in Section 13 of this Prospectus.

Certain information in this section, where as indicated, is extracted or derived from the report prepared by ISL. The information therein has not been independently verified by us or any other person.

Our consolidated financial statements as at and for the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2011 have been prepared and presented on a consolidated basis in accordance with FRS.

12.2.1 Introduction

We are a Malaysian-based international offshore services provider to the O&G industry in Malaysia and over 10 other countries in Asia, Africa and Latin America. We are principally involved in the provision of offshore services, mainly chartering of FPSOs, OSVs and T&I, to support O&G exploration activities. We are increasing focus on deepwater and harsh environments and work with customers ranging from NOCs and IOCs to Independents. We are the largest owner and operator of OSVs in Malaysia and one of the largest in South East Asia *(source: Bumi Armada Independent Market Research Report by ISL)*. As at 31 March 2011, we have 40 OSVs, as well as 4 FPSOs and under the T&I business, we have a DLB in the Caspian Sea, Turkmenistan. Our Group's revenue is mainly derived from income from vessel charter and support services from the FPSO and OSV segments.

Prior to 2006, our Group was principally engaged in 2 main business divisions, namely the offshore support services business (including the charter of our first FPSO, Armada Perkasa) and offshore construction business. In 2006, we decided to focus on the offshore support services business, which led to the disposal of the offshore construction business. The disposal of the offshore construction business was completed in 2008.

The OSV segment has been a significant contributor to our earnings for the years ended 31 December 2008, 2009 and 2010 whilst the contribution from the FPSO segment has been increasing since the redeployment of our first FPSO, Armada Perkasa, to the Okoro-Setu Field, Nigeria which contract commenced in April 2007 and first oil produced in May 2008. Further, we commenced the contract of our second FPSO, Armada Perdana, to ENI's subsidiary, NAE in Oyo Field, Nigeria in April 2008 with first oil produced in December 2009. We commenced the contract of our third FPSO, Armada Perwira (which has since been renamed the Armada TGT 1) in September 2009, which will start production in the third quarter of 2011 for HLJOC in Vietnam. In December 2010, we acquired the Griffin Venture (which has since been renamed the Armada Prima) as a conversion candidate for our next FPSO project with Apache Julimar Pty Ltd for the Balnaves development in Australia, for which we secured a conditional letter of award on 30 March 2011.

Under the T&I segment, the DLB Armada .Installer has been operating since the second quarter of 2010 in the Caspian Sea, Turkmenistan pursuant to an 8 year contract awarded by PETRONAS Carigali.

In 2011, we have initiated our venture into the OFS segment with the conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia.

Moving forward, we plan to enhance our capabilities as an integrated offshore service provider to the O&G industry by growing our existing main business segments of FPSO, OSV, T&I and our new OFS business segment. For further details on our strategies and future plans, please refer to Section 7.7 of this Prospectus.

12.2.2 Factors affecting our Group's financial condition and results of operations

Our financial condition, results of operations and prospects have been and, we expect, will continue to be, affected by the following primary factors:

(i) Level of activity in the offshore O&G industry

As we provide offshore support services to the offshore O&G industry, our financial condition and results of operations are dependent on the level of activity in the offshore O&G industry. Generally, the prospect of rising energy demand and concerns relating to security of supply, and potentially associated increasing O&G prices, may encourage oil companies to look into developing and delivering more hydrocarbon resources, which require the assistance of the offshore O&G support service industry.

Our various business segments have historically benefited from periods of increased spending budgets in exploration, development and production activities as more oilfields become commercially viable. Conversely, sustained periods of low oil prices generally have a negative impact on the level of exploration, development and production activities, and in turn have had a negative impact on our associated business segments.

For example, the size of the FPSO market is generally dependent on oil prices. At levels of oil prices where more oilfields become commercially viable, we expect there will be an increase in demand for production installations, of which the FPSO segment is a significant component. In addition, the level of exploration, development and production activities has a direct influence on the demand for OSVs, as more OSVs are needed to support offshore O&G fields during periods of high demand. These factors have historically directly affected our utilisation rates and our DCRs.

(ii) Our FPSO contracts

Revenue generated from our FPSO business is primarily dependent on the following:

(a) ***number of FPSO contracts*** - The number of active FPSO contracts that we have in any given year, whether our FPSOs are operating on location or being converted in the yard. However, the number of FPSO contracts that we target may be limited due to certain factors such as financing, resource or supplier constraints;

(b) ***terms and tenure of the related contracts that we enter into*** - The terms and tenure of respective FPSO contracts include, amongst others, bareboat charter fees and O&M fees related to crew and consumables of the respective FPSO contracts. The tenure of the contract is likely to be split between a firm period and extension options, which are callable by our customers;

(c) ***daily bareboat fee and daily operating fee*** - The amount of day rates that our FPSOs earn under the respective contracts for an agreed period of time; and

(d) ***availability and uptime of our FPSOs*** – The number of days of which our FPSOs are in operation and earning day rates which may be linked to a minimum performance as stipulated in the respective contracts.

Each of our operating FPSOs has met their required contractual uptime and availability and we have incurred no penalty or reduction in rates. However, there can be no assurance that we will be able to achieve the required contractual availability and/or uptime in the future. In the event that contractual availability and/or uptime are not achieved, the related contracts generally provide for a reduction in or suspension of the daily bareboat charter fee or in extreme cases, may lead to termination of the contract, which we expect would negatively affect our financial results.

(iii) Expansion of our FPSO business

The FPSO business is capital intensive in nature, and as we have expanded our FPSO business, we have incurred significant capital expenditures. Ultimately, we expect the amounts that we incur in respect of our FPSO construction and conversion projects will be driven by a number of factors, such as our ability to reduce upfront costs, prevent cost overruns and win contracts at competitive price levels.

During the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2010 and 2011, we incurred capital expenditure in respect of our FPSO business of RM453.6 million, RM652.6 million, RM769.9 million, RM74.4 million and RM241.1 million, respectively. The capital expenditures were generally funded through internally generated cash flows and debt.

(iv) Size and composition of our OSV fleet

Revenue generated from our OSV business is dependent on, amongst other things, the number of OSVs in our fleet and the composition of our fleet. Our total OSV revenues are effectively limited by the number of charter hire contracts we can enter into, with a larger fleet enabling us to enter into more charter hire contracts, thereby increasing our revenue. We generally manage our fleet size through fleet renewal strategies. Since 2006, through our "Steel on Water" OSV fleet expansion programme, we constructed 20 new vessels, with the last 4 vessels delivered in 2010. In addition, we have disposed more than 10 older, lower-end and lower tonnage vessels. Currently, we do not have any formal vessel renewal policy with regards to OSVs. As at 31 March 2011, our fleet comprised a total of 40 OSVs, excluding 6 OSVs owned by our jointly-controlled entities.

In addition, charter hire revenue is directly affected by the DCRs at which we can contract our OSVs. DCRs are negotiated on a charter-by-charter basis and determined by the type of OSV (which is based on the services required by the charterer) and length of the contract period. Long-term charters refer to charters of more than 18 months while short-term charters refer to charters of less than 18 months. Generally, a long-term charter will be priced at a relative discount to the then prevailing shorter-term market rate.

In addition, our DCRs have been driven by the design and capability of our individual vessels. Over the past several years, through our "Steel on Water" OSV fleet expansion programme, we have been upgrading our OSV fleet to better service offshore O&G production, in deeper waters and harsher environments which require more sophisticated and higher bhp OSVs.

Our operating costs associated with our OSV business primarily comprise depreciation cost, crew costs and maintenance cost and principally vary depending on the design and capability of the OSV. For instance, our newer vessels which generally have higher capacities and are able to service offshore O&G production in deeper waters and harsher environments tend to have higher associated costs than lower-end vessels. However, the increased costs of these vessels may be offset through higher revenue and less frequent maintenance as compared to older, lower-end vessels.

The following table sets forth the type, number and total capacity of OSVs in our fleet as at the dates indicated:

	As at 31 December						As at 31 March			
	2008		2009		2010		2010		2011	
Type of OSVs	No. of OSVs	Total capacity	No. of OSVs	Total capacity	No. of OSVs	Total capacity	No. of OSVs	Total capacity	No. of OSVs	Total capacity
AHTS	14	76,200 bhp	18	120,200 bhp	23	160,200 bhp	20	136,200 bhp	23	160,200 bhp
Accommodation workboats/barges	6	962 beds	8	1,362 beds	8	1,362 beds	8	1,362 beds	8	1,362 beds
Others[(1)]	16	16 units	19	19 units	9	9 units	19	19 units	9	9 units
	36[(2)]		45[(3)]		40[(4)]		47[(5)]		40[(6)]	

Notes:

(1) Comprises mooring launch, hose handling vessels, SSVs, utility vessels end other vessels.

(2) Our jointly-controlled entities did not own any OSV as at 31 December 2008.

(3) Excludes 2 OSVs owned by our jointly-controlled entities as at 31 December 2009.

(4) Excludes 6 OSVs owned by our jointly-controlled entities as at 31 December 2010.

(5) Excludes 2 OSVs owned by our jointly-controlled entities as at 31 March 2010.

(6) Excludes 6 OSVs owned by our jointly-controlled entities as at 31 March 2011.

(v) **Utilisation rate of our OSVs**

Revenue generated from our OSV business is dependent on the overall availability or uptime as well as the utilisation rates of our OSVs. The uptime of our vessels are based on the availability of the vessel for charter (i.e. not in dry-dock, maintenance or being relocated) and the utilisation rate of OSVs refers to the number of operating days for our vessels, which may be affected by the length of the charter period and our ability to renew or replace charter contracts upon expiry of existing charter contracts. Our current charter hire contracts primarily comprise a combination of long-term and short-term charter hire contracts. Prior to the expiry of our existing time charter contracts, we generally seek new charter hire contracts for the associated OSV, the terms of which would be dependent upon the then prevailing level of activity in the offshore O&G industry, amongst other market factors. The utilisation rates of our OSVs are reduced during periods when our OSVs are idle, which consequently reduces our revenue.

In addition, the utilisation rates for our OSVs may also be negatively impacted by unscheduled drydocking, such as if any major unforeseen repair is required. Generally under our time charter contracts, whenever an OSV is unavailable for service for periods exceeding an allowable maintenance period, the charterer is not required to pay us the charter hire fee and we are responsible for all vessel operating costs, unless the non-availability of the vessel is attributable to the charterer. To mitigate these potential costs, we generally manage our time charter contract portfolio to include a number of short-term contracts in order to help ensure the availability of replacement vessels in the event of such unscheduled drydocking. Keeping selected vessels on short-term charters is also critical in order to have spare capacity to benefit from short-term opportunities or a change in market conditions. If all our vessels are committed to long-term contracts, we will not have vessels available to benefit from any increase in DCRs.

(vi) **Operations in our T&I business**

In the year ended 31 December 2010, we expanded our T&I operations to include our DLB business, in addition to installation activities in respect of our FPSOs. Our revenue and costs in respect of our DLB business are considerably greater than those in respect of our FPSO installation activities, and therefore our results of operations from our T&I business since 2010 have been, and we expect will continue to primarily comprise our DLB operations and be principally driven by factors which affect our DLB business.

Our DLB has a contract that guarantees a minimum number of charter days per year at an agreed DCR. Our DLB revenue, therefore, is principally affected to the extent our DLB is unable to operate due to mechanical or operational failures. In the event our DLB is not available for the minimum number of guaranteed days, there may be a reduction in or suspension of payment of the bareboat charter fees during the period that the DLB is unavailable. Further, if any drydocking is required for reasons attributable to us and the DLB is unable to meet its contractual obligations for availability, we may not be entitled to the DCR for such period.

Going forward, we may enter into more lump-sum contracts compared to contracts based on daily rates, in accordance with the prevailing market for our installation activities. This may cause fluctuations in our T&I profit margin as this will be driven by the operating efficiency of our T&I business unit in the execution of such projects against the contractual pricing agreed with the customers.

(vii) Foreign exchange fluctuations

Revenue from our customer contracts, our capital expenditure and our operating costs are generally denominated in USD, with a smaller portion denominated in RM and other foreign currencies. As we report our financial results in RM, our financial results are impacted by foreign currency translation fluctuations, and in particular fluctuations of the USD, against the RM, which may affect our Group's financial position and results of operations.

We are also exposed to foreign exchange fluctuations in the event of mismatches between the amount and timing of receipts and payments in foreign currencies. To the extent there are any such mismatches, a significant fluctuation in the applicable foreign currency against the RM arising from such timing differences, for example in respect of credit terms given to our customers and by our suppliers, we may incur foreign exchange losses.

We may use hedging instruments such as foreign currency forward contracts and swaps to manage foreign exchange exposures arising from all known significant foreign currency denominated commitments where there is no corresponding match between assets and liabilities as and when they arise. Further, where we have investments in foreign operations whose NA are exposed to foreign currency translation risks, such exposures are mainly mitigated by borrowings in similar currencies.

(viii) Level of borrowings and finance costs

We have and will continue to have a significant amount of borrowings. As at 31 March 2011, our total borrowings stood at RM3,479.3 million (including RM1.1 million of hire purchase). Our ability to service our debts and other contractual obligations will depend on our future performance and cash flow generation, which in turn will be affected by various factors, many of which are beyond our control.

As a result of our indebtedness, we are exposed to interest rate risk, primarily from borrowings bearing variable interest rates to the extent that our exposure to floating interest rates remains unhedged by interest rate swaps. As at 31 March 2011, RM3,377.4 million of our total indebtedness bear a variable rate of interest out of which we had entered into interest rate swap agreements in respect of RM601.3 million of indebtedness. As a result, as at 31 March 2011, 82.2% of our total indebtedness which bear a variable rate of interest was exposed to interest rate risk without the protection of interest rate swaps. Our financial expenses (including amounts expensed and capitalised) arising from such borrowings amounted to RM33.1 million for the 3 months ended 31 March 2011. Please refer to Section 12.2.18(iii) of this Prospectus on our financial risk management policies in respect of interest rate risk. Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and reducing our profitability and funds available for operations or other purposes.

Please refer to Section 5 of this Prospectus for other factors which may affect the financial condition and results of operations of our Group.

12.2.3 Significant accounting policies and critical accounting estimates and judgments

The following is an extract of our Group's significant accounting policies, critical estimates and judgments and the explanations thereof

Significant accounting policies

Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by our Group with another party where the strategic financial and operating decisions, relating to the entity require unanimous consent of the parties sharing control. Our interest in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising our Group's share of the post acquisition results of jointly controlled entities in the profit or loss and its share of post acquisition changes of the investee's reserve in other comprehensive income. The cumulative post acquisition changes are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

We recognise the portion of gains or losses on the sale of assets by our Group to the joint venture that is attributable to the other venturers. We do not recognise our share of profits or losses from our joint venture resulting from the purchase of assets by our Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if a loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments are made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of our Group.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Drydocking expenditure represents major inspection and overhaul cost and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally performed. Our Group has included these drydocking costs as a component within vessel costs in accordance with FRS 116 "Property, plant and equipment".

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year/period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Property, plant and equipment are depreciated on a straight-line basis to write off the costs of the assets over the estimated useful lives summarised as follows:

Leasehold land and building	50 years
Drydocking expenditure	5 years
Vessels	12 to 25 years
Equipment, furniture, fittings and office equipment	2 to 10 years
Motor vehicles	5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period.

At the end of the reporting period, our Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life (e.g. goodwill) are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

Borrowings

(i) Classification

Borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently stated at amortised cost: any difference between the initial recognised amount and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method except for borrowing cost incurred for the construction of any qualifying asset.

Interest, dividends, losses and gains relating to a financial instrument classified as a liability is reported within the finance cost in the profit or loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn-down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless our Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(ii) Capitalisation of borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed off to the profit or loss.

Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Contract costs are recognised as expenses in the period in which they are incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

Our Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year/period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

Our Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention sum are included within 'trade and other receivables'. Our Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of our Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within our Group.

Our Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of our Group's activities as described below. Our Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised on the following bases:

(i) Vessel charter fees and support services

Charter hire income from vessels is recognised upon rendering of services to customers, using a straight line basis over the term of the charter hire contract. Revenue derived from FPSO leasing contracts classified as operating leases are recognised on a straight line basis over the lease period for which the customer has contractual right over the FPSO vessel.

Commission and agency income are recognised when services are rendered to the principals and recognised on an accrual basis.

(ii) Interest, rental and dividend income

Our Group earns interest income from deposits placed with licensed banks. Our Group also earns rental income from the rental of premises to third parties.

Interest and rental income are recognised on an accrual basis.

Dividend income is recognised when our Group's right to receive payment is established.

(iii) Construction and engineering services

Revenue from construction contracts are accounted for under the percentage of completion method.

(iv) Sale of goods

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales taxes and discounts, and after eliminating sales within our Group.

Accounting by lessor

(i) Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

(ii) Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Lease income (net of any incentives given) is recognised on a straight line basis over the lease term and is recorded as accrued lease rental on the statements of financial position.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the financial year/period attributable to our owners by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue will be adjusted to account for any bonus and share splits which were undertaken subsequent to date of the statements of financial position.

Diluted earnings per share is determined by adjusting the profit or loss for the financial year/period attributable to our owners and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise of convertible notes, and any share options granted to our employees and/or Directors.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions.

Change in accounting policy

Our Group has adopted FRS 8 "Operating segments" from 1 January 2010. FRS 8 replaces FRS 114 "Segment reporting" and is applied retrospectively. The adoption of FRS 8 has resulted in an increase in the number of reportable segments presented. Comparatives have been reclassified to facilitate comparison. This has not resulted in any new impairment of goodwill. There has been no other impact on the measurement of our Group's asset and liabilities.

Segment revenues and expenses are those directly attributable to the segments and include any expenses where a reasonable basis of allocation exists.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by our Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Our Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to our Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year/period are outlined below.

Revenue

Chartering of FPSO and vessels to customers are recognised as revenue based on whether the charter contract arrangement are considered to be an operating lease or finance lease in accordance with FRS 117. Classification of these contracts as operating leases or finance leases are assessed at the inception of the lease. The estimated useful lives of the vessel and lease payment pattern are relevant in relation to evaluating lease contracts. This assessment requires significant judgements in the following areas:

(i) Lease term

At lease inception, a lease contract is classified as either an operating or a finance lease. The lease term is the 'non-cancellable period' for which our Group has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, when at lease inception it is reasonably certain that the lessee will exercise the option.

(ii) Purchase option

At lease inception, if it is not reasonably certain that the option will be exercised, the option will not be a part of the basis for classification. If the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than fair value at the date the option becomes exercisable, the exercise of the option is regarded reasonably certain. The evaluation of the term "reasonably certain" involves judgment. The lessee's purchase option is considered in classifying the lease contract.

Contracts for leasing and operation of vessels are usually negotiated together. Leasing of vessels is accounted for under FRS 117 and operation of vessels is accounted for under FRS 118. As the consideration for the leasing component and operation component of vessels are contracted together they may not represent the fair value of the individual component separately. The total consideration paid is allocated between each component based on fair value of each component. This requires estimation based on market rates, comparable transactions and other market related information to be determined at lease inception.

If the terms and conditions of the lease contract change subsequently, management is required to assess whether the new arrangements would be classified as a new lease based on the prevailing market conditions.

Impairment of non-financial assets

Our Group reviews periodically whether property, plant, equipment and vessels under construction have suffered any impairment in accordance with the accounting policy stated above under Significant accounting policies - Impairment of non-financial assets. The recoverable amounts of each vessel, being defined as a cash generating unit, have been determined based on the higher of fair value less cost to sell and value in-use calculations. The value in-use calculations are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel, including scrap values discounted by an appropriate discount rate.

The impairment testing for cash-generating units requires estimates and judgement to determine the net present value of future cash flows such as revenue growth, cost escalation and discount rate amongst others. Our Directors have evaluated the carrying amounts of property, plant and equipment and is satisfied that no impairment charge is required.

Vessel useful life and residual value

Depreciation depends on the estimated useful lives of the vessels and residual values at the end of their useful lives. The estimated useful lives are based on previous experience and knowledge of the vessels owned by our Group and is normally equal to the design lives of the vessel. Assumptions about residual value are based on 10% of original vessel costs. Where appropriate, our Group will adjust the residual value and useful life of the individual vessel based on the particular conditions of the vessel. These adjustments require judgements to be exercised by management to assess the residual value and useful life for the individual vessels.

Taxation

Our Group is subject to income and withholding taxes in a number of jurisdictions in which our Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Our Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision where relevant in the period in which such determination is made.

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12.2.4 Information on legal entities

The following table sets forth the external revenue of entities, that has been consolidated, within our Group for the periods indicated:

	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
Revenue										
BAN	240,286	46.2%	378,408	51.7%	376,113	30.3%	99,687	38.0%	174,763	46.5%
ATGT	-	-	75,158	10.3%	312,590	25.2%	55,479	21.1%	60,095	16.0%
AMCCPL	-	-	-	-	186,543	15.0%	-	-	73,850	19.6%
AOL	115,213	22.2%	162,941	22.2%	166,954	13.4%	39,041	14.9%	38,252	10.2%
BASPL	25,898	5.0%	34,948	4.8%	130,087	10.5%	48,859	18.6%	15,215	4.0%
AFSL	59,882	11.6%	54,807	7.5%	49,801	4.0%	11,592	4.4%	11,734	3.1%
HAISPL	12,604	2.4%	144	-*	-	-	-	-	30	-*
AML	20,427	3.9%	24,765	3.4%	19,295	1.6%	7,803	3.0%	2,220	0.6%
BASM	21,384	4.1%	-	-	-	-	-	-	-	-
AOD	13,113	2.5%	211	-*	-	-	-	-	-	-
Others[(1)]	11,052	2.1%	708	0.1%	-	-	-	-	-	-
	519,839	100.0%	732,090	100.0%	1,241,383	100.0%	262,461	100.0%	376,159	100.0%

Notes:

(1) *Comprises remaining subsidiaries.*

* *Negligible.*

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The following table sets forth the PBT/(loss before taxation) of entities, that has been consolidated, within our Group for the periods indicated:

	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
PBT/(Loss before taxation)										
BAN	53,285	32.9%	71,779	25.3%	30,779	8.0%	10,377	14.2%	779	0.8%
ATGT	-	-	47,382	16.7%	185,858	48.5%	35,526	48.8%	31,049	32.5%
AMCCPL	382	0.3%	(10,354)	(3.6)%	129,854	33.9%	(638)	(0.9)%	51,009	53.4%
AOL	69,921	43.2%	88,149	31.0%	49,016	12.8%	19,357	26.6%	10,356	10.9%
BASPL	(10,545)	(6.5)%	7,931	2.8%	(2,885)	(0.8)%	6,703	9.2%	(9,805)	(10.3)%
AFSL	37,445	23.1%	30,776	10.8%	16,512	4.3%	3,616	5.0%	3,557	3.7%
HAISPL	(4,233)	(2.6)%	4,232	1.5%	1,048	0.3%	(3,509)	(4.8)%	4,707	5.0%
AML	11,152	6.9%	14,488	5.1%	6,780	1.8%	3,495	4.8%	791	0.8%
BASM	1,645	1.0%	(76)	-*	(8)	-*	-	-	-	-
AOD	9	-*	(586)	(0.2)%	(301)	-*	(144)	(0.2)%	(45)	-*
Others[1]	1,855	1.1%	(10,110)[2]	(3.6)%	(31,942)[3]	(8.4)%	(1,603)	(2.2)%	3,908	4.1%
	160,916	99.4%	243,611	85.8%	364,711	100.4%	73,180	100.5%	96,306	100.9%
Share of profit/(loss) of BMD	245	0.2%	38,632	13.6%	(1,428)	(0.4)%	(357)	(0.5)%	-	-
Share of profit/(loss) of jointly-controlled entities	727	0.4%	1,685	0.6%	(17)	-*	(4)	-*	(833)	(0.9)%
	161,888	100.0%	283,928	100.0%	383,266	100.0%	72,819	100.0%	95,473	100.0%

Notes:

(1) *Comprises Bumi Armada and remaining subsidiaries.*

(2) *Mainly comprises loss before taxation by our Company of RM7.8 million mainly due to certain operating expanses incurred by us which were not charged out to our subsidiaries.*

(3) *Mainly comprises loss before taxation by our Company of RM29.5 million mainly due to certain operating expenses incurred by us which were not charged out to our subsidiaries.*

* *Negligible.*

12.2.5 Segment Information

The following tables sets forth our Group's external revenue and results by principal segments for the periods indicated:

	Audited						Unaudited		Audited	
	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
Segment revenue										
FPSOs	197,570	38.0%	327,853	44.8%	553,411	44.6%	154,971	59.0%	125,296	33.3%
OSVs	322,269	62.0%	404,093	55.2%	419,709	33.8%	107,490	41.0%	97,876	26.0%
T&I	-	-	-	-	288,263	21.6%	-	-	73,850	19.6%
OFS	-	-	-	-	-	-	-	-	79,137	21.1%
Others	-	-	144	-*	-	-	-	-	-	-
	519,839	100.0%	732,090	100.0%	1,241,383	100.0%	262,461	100.0%	376,159	100.0%

Note:

* *Negligible.*

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12. FINANCIAL INFORMATION (*cont'd*)

	Audited						Unaudited		Audited	
	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
Segment results[1]										
FPSOs	53,564	36.2%	92,797	44.2%	179,215	42.0%	54,153	63.1%	36,466	33.5%
OSVs	89,364	60.2%	99,580	47.4%	88,941	20.8%	25,751	30.0%	11,630	10.7%
T&I	-	-	-	-	148,472	34.8%	-	-	50,617	46.7%
OFS	-	-	-	-	-	-	-	-	5,149	4.7%
Others[2]	942	0.6%	11,273	5.4%	22,707	5.3%	4,872	5.7%	4,295	4.0%
Corporate and eliminations	4,515	3.0%	6,330	3.0%	(12,366)	(2.9)%	1,007	1.2%	470	0.4%
	148,385	100.0%	209,980	100.0%	426,969	100.0%	85,783	100.0%	106,627	100.0%

Notes:

(1) *Segment results before other operating income, finance cost, share of results of our jointly-controlled entities and associate and taxation.*

(2) *Mainly comprises results from engineering contracts, vessel construction and other services.*

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12.2.6 Results by geographical segment

The following tables sets forth our Group's revenue and gross profit by geographical segments for the periods indicated:

	Audited						Unaudited		Audited	
	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
Revenue										
International										
- Asia*	87,987	16.9%	124,741	17.0%	526,938[(1)]	42.5%	60,320	23.0%	138,278[(2)]	38.8%
- Africa	221,401	42.6%	345,101	47.1%	438,661	35.3%	131,251	50.0%	94,739	25.1%
- Latin America	-	-	42,338	5.9%	87,218	7.0%	25,660	9.8%	21,804	5.8%
	309,388	59.5%	512,180	70.0%	1,052,817	84.8%	217,231	82.8%	254,821	67.7%
Malaysia	210,451	40.5%	219,910	30.0%	188,566	15.2%	45,230	17.2%	121,338[(3)]	32.3%
	519,839	100.0%	732,090	100.0%	1,241,383	100.0%	262,461	100.0%	376,159	100.0%

Notes:

* *Includes eraas between Australia end Central Asia except Malaysie.*

(1) *The increase in revenue for the yeer ended 31 December 2010 es compared with the previous year in the Asie region wes mainly due to revenue from the DLB Armada Installer which has been operating since second querter of 2010 in the Caspien See, Turkmenistan and full year contribution from our third FPSO, Armade TGT 1 (formerly known es Armede Perwire) for HLJOC in Vietnam, whose contract commenced in September 2009.*

(2) *The increese in ravenue for the 3-month period ended 31 Merch 2011 es comperad with the 3-month period ended 31 March 2010 in the Asia region was mainly due to revenue from the DLB Armada Installer which has been operating since second quarter of 2010 in the Cespian See, Turkmenistan.*

(3) *The increase in revenue for the 3-month period ended 31 March 2011 as compared with the 3-month period ended 31 March 2010 in Malaysie wes mainly due to revenue from the ongoing conversion and sele of en FSO to Petrofac, for the Sepat Field, off Terenggenu, Malaysia under our new DFS segment.*

12. FINANCIAL INFORMATION (*cont'd*)

	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
Gross profit										
International										
- Asia*	28,894	11.7%	81,639	24.5%	348,626	57.6%	36,305	30.1%	100,569	65.7%
- Africa	111,506	45.1%	145,732	43.8%	145,384	24.0%	58,758	48.7%	24,649	16.1%
- Latin America	-	-	27,399	8.2%	57,484	9.5%	17,837	14.8%	15,908	10.4%
	140,400	56.8%	254,770	76.5%	551,494	91.1%	112,900	93.6%	141,126	92.2%
Malaysia	106,765	43.2%	78,294	23.5%	53,617	8.9%	7,671	6.4%	11,975	7.8%
	247,165	100.0%	333,064	100.0%	605,111	100.0%	120,571	100.0%	153,101	100.0%

Note:

* *Includes areas between Australia and Central Asia except Malaysia.*

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12.2.7 Components of revenue

For the years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2010 and 2011, our revenue was mainly derived from the vessel charter and offshore support services from FPSOs and OSVs. Additionally, our T&I segment which commenced operations in 2010 contributed to our Group's revenue for the year ended 31 December 2010 and the 3 months ended 31 March 2011. For the 3 months ended 31 March 2011, we have also recognised initial revenue under our OFS segment.

The principal components of our Group's revenue for the years ended 31 December 2008, 2009 and 2010 and 3 months ended 31 March 2011 are discussed below.

Vessel charter and support services

FPSOs

We generate revenue by chartering our vessels and providing related O&M services for our FPSOs. Generally, revenue from our FPSOs comprises bareboat charter fees, operating fees, and amongst others, mobilisation charges, and demobilisation charges which are reimbursable. Currently, we have 2 FPSOs operating in Nigeria, namely Armada Perkasa and Armada Perdana. In 2009, we also secured a third FPSO contract in Vietnam which contributed to our increase in revenue.

Our FPSOs are chartered for an initial firm contract period of between 5 and 10 years. At the end of the initial firm contract period, our customers have the option to extend the contract periods for additional 1-year periods up to a maximum of 5 to 8 years in accordance with the provisions in the FPSO contracts.

Our revenue from the FPSO segment increased from RM197.6 million in 2008 to RM327.9 million in 2009 and RM553.4 million in 2010. As a percentage of total revenue, contributions from the FPSO segment increased from 38.0% in 2008 to 44.8% in 2009 and marginally decreased to 44.6% in 2010. For the 3 months ended 31 March 2011, our revenue from the FPSO segment was RM125.3 million in comparison to RM155.0 million for the 3 months ended 31 March 2010.

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The following table sets forth the components of our revenue from FPSOs for the periods indicated:

	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
Revenue	(RM 000, except percentages)									
Bareboat charter	175,075	88.6%	292,905	89.3%	447,625	80.9%	106,112	68.5%	110,080	87.9%
O&M services	22,495	11.4%	34,948	10.7%	105,786	19.1%	46,859	31.5%	15,216	12.1%
	197,570	100.0%	327,853	100.0%	553,411	100.0%	154,971	100.0%	125,296	100.0%

Revenue from our bareboat charter increased by 155.6% or RM272.5 million from RM175.1 million in 2008 to RM447.6 million in 2010. This was mainly due to the commencement of the contract of our second FPSO, Armada Perdana and our third FPSO, Armada TGT 1 (formerly known as Armada Perwira) in April 2008 and September 2009, respectively.

Revenue from our O&M services increased by 370.2% or RM83.3 million from RM22.5 million in 2008 to RM105.8 million in 2010. This was mainly due to the contribution from our first FPSO, Armada Perkasa and our second FPSO, Armada Perdana wherein first oil was produced in May 2008 and December 2009, respectively.

OSVs

We generate revenue from our OSV charters and offshore support services. A major portion of our OSV charter fees are from time charters consisting of vessel charter with supporting crew and provision of offshore support services. The offshore support services rendered include the provision of catering, accommodation and other services. Revenue also includes mobilisation and demobilisation charges for the vessels of certain contracts.

The following table sets forth the components of our revenue from OSVs for the periods indicated:

	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
Revenue	(RM 000, except percentages)									
AHTS	149,996	46.5%	192,799	47.7%	217,554	51.8%	52,541	48.9%	53,530	54.7%
Accommodation workboats/barges	79,255	24.6%	183,487	45.4%	166,821	39.8%	46,421	43.2%	38,864	39.7%
Others[(1)]	93,018	28.9%	27,807	6.9%	35,334	8.4%	8,528	7.9%	5,462	5.6%
	322,269	100.0%	404,093	100.0%	419,709	100.0%	107,490	100.0%	97,876	100.0%

Note:

(1) Comprises mooring launch, hose handling vessels, SSVs, utility vessels and other vessels.

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The following table sets forth the type, number and total capacity of OSVs in our fleet as at the dates indicated:

	As at 31 December						As at 31 March			
	2008		2009		2010		2010		2011	
Type of OSVs	No. of OSV	Total capacity	No. of OSV	Total capacity	No. of OSV	Total capacity	No. of OSV	Total capacity	No. of OSV	Total capacity
AHTS	14	76,200 bhp	18	120,200 bhp	23	160,200 bhp	20	136,200 bhp	23	160,200 bhp
Accommodation workboats/barges	6	962 beds	8	1,362 beds	8	1,362 beds	8	1,362 beds	8	1,362 beds
Others[1]	16	16 units	19	19 units	9	9 units	19	19 units	9	9 units
	38[2]		45[3]		40[4]		47[5]		40[6]	

Notes:

(1) Comprises mooring launch, hose handling vessels, SSVs, utility vessels and other vessels.

(2) Our jointly-controlled entities did not own any OSV as at 31 December 2008.

(3) Excludes 2 OSVs owned by our jointly-controlled entities as at 31 December 2009.

(4) Excludes 6 OSVs owned by our jointly-controlled entities as at 31 December 2010.

(5) Excludes 2 OSVs owned by our jointly-controlled entities as at 31 March 2010.

(6) Excludes 6 OSVs owned by our jointly-controlled entities as at 31 March 2011.

12. FINANCIAL INFORMATION (*cont'd*)

The following table sets forth the selected operating data of our OSVs for the periods indicated:

	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
Category	Low DCR / High DCR	Utilisation rate[1]	Low DCR / High DCR	Utilisation rate[1]	Low DCR / High DCR	Utilisation rate[1]	Low DCR / High DCR	Utilisation rate[1]	Low DCR / High DCR	Utilisation rate[1]
AHTS	USD1.15 per bhp/ USD3.57 per bhp	95.1%	USD1.22 per bhp/ USD2.82 per bhp	86.9%	USD1.32 per bhp/ USD3.85 per bhp	65.7%	USD1.28 per bhp/ USD3.67 per bhp	68.6%	USD1.40 per bhp/ USD2.62 per bhp	65.8%
Accommodation workboats/barges	USD58.43 per bed/ USD174.59 per bed	91.1%	USD63.92 per bed/ USD257.50 per bed	91.2%	USD63.92 per bed/ USD257.50 per bed	80.0%	USD63.92 per bed/ USD257.50 per bed	72.4%	USD83.35 per bed/ USD257.50 per bed	63.9%
Other OSVs[2]	USD569 per vessel/ USD6,902 per vessel	85.2%	USD534 per vessel/ USD5,628 per vessel	61.9%	USD1,076 per vessel/ USD5,000 per vessel	73.4%	USD561 per vessel/ USD7,000 per vessel	54.0%	USD1,269 per vessel/ USD5,500 per vessel	53.7%

Notes:

(1) Simple average of the utilisation rates for the vessels under each category. The utilisation rate of each vessel is computed as follows:

$$\text{Utilisation rate} = \frac{\text{Aggregate number of operating days and allowable maintenance days}^{\wedge}}{\text{Number of days in the period}^{*}}$$

^ Allowable maintenance days refer to the number of days, as specified under the terms of the charter hire contracts, that the vessel can be taken out of service for maintenance purposes, for which we are still entitled to the DCR.

** For newbuild vessels, the number of days in the period is computed from the delivery date of the vessel. For vessels disposed during the period, the number of days in the period is computed up to the date of the disposal. For existing vessels, the number of days in the period is based on the number of days the vessel is available for charter.*

(2) Comprises mooring launch, hose handling vessels, SSVs, utility vessels and other vessels.

Our revenue from the OSV segment increased from RM322.3 million in 2008 to RM404.1 million in 2009 and RM419.7 million in 2010. As a percentage of total revenue, contributions from the OSV segment decreased from 62.0% in 2008 to 55.2% in 2009 and 33.8% in 2010. For the 3 months ended 31 March 2011, our revenue from the OSV segment was RM97.9 million in comparison to RM107.5 million for the 3 months ended 31 March 2010.

The increase in revenue in 2009 was mainly due to the increase in the total capacity of our OSV fleet through fleet renewal and expansion. We took delivery of 11 newbuild deepwater OSVs with higher bhp and sold 2 OSVs in 2009. The fleet renewal continued in 2010 with the delivery of 5 newbuild deepwater OSVs with higher bhp and the sale of 10 OSVs, which were on average more than 10 years in age. There was a marginal increase in revenue for the year ended 31 December 2010 due to an increase in total capacity of our OSVs which was partially offset by generally lower utilisation rates as compared to 2009.

Revenue from our AHTS increased by 45.1% or RM67.6 million from RM150.0 million in 2008 to RM217.6 million in 2010. This was mainly due to contributions from newbuild deepwater AHTS with higher capacity added under our "Steel on Water" fleet expansion programme and deployment of 7 AHTSs to Nigeria with generally higher DCR as compared to the DCR of our other AHTSs.

Revenue from our accommodation workboats and workbarges increased by 110.3% or RM87.5 million from RM79.3 million in 2008 to RM166.8 million in 2010. This was mainly due to the commencement of the charters of our newbuild accommodation workboats, Armada Firman 2 and Armada Firman 3, in early 2009 which were deployed to Angola and Mexico, respectively. These accommodation workboats were able to obtain higher DCR than other accommodation workboats and workbarges in our fleet. Additionally, higher mobilisation fees relating to the distant deployments of Armada Firman 2 and Armada Firman 3 resulted in increased revenue.

Revenue from our other OSVs decreased by 62.0% or RM57.7 million from RM93.0 million in 2008 to RM35.3 million in 2010 mainly due to the sale of 17 other OSVs from 2008 to 2010 which were on average more than 10 years in age.

T&I

We principally generate revenue from our T&I business by chartering and operating our DLB, namely the DLB Armada Installer. Revenue from our DLB comprises bareboat charter fees and O&M fees which includes, amongst others, mobilisation and demobilisation charges which are reimbursable.

We secured our first DLB contract for PETRONAS Carigali's operations in the Caspian Sea, Turkmenistan in 2009. The DLB Armada Installer, which can operate in water depths of between 8 metres and 300 metres, has been commissioned and is in operation since the second quarter of 2010 in the Caspian Sea, Turkmenistan for the 8-year contract awarded by PETRONAS Carigali. The current long-term charter contract provides us with a minimum guarantee on the number of days that the DLB will be chartered annually, during the tenure of this contract. In 2010, revenue from our T&I segment of RM268.3 million (which includes revenue generated from our FPSO installation activities amounting to RM81.7 million) contributed 21.6% of our total revenue. For the 3 months ended 31 March 2011, our revenue from the T&I segment was RM73.9 million.

OFS

Our OFS business entails the provision of various specialised services required in the offshore mature/brownfield markets. These include, amongst others marginal field production solutions such as EOR, process modules to enhance the extraction of hydrocarbons from the reservoir as well as specific services and assets offered on a RBC basis for working in the marginal and mature/brownfield environment.

We commenced recognition of revenue in first quarter 2011 from our new OFS segment on a percentage-of-completion method in respect of the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia which is expected to be delivered in August 2011.

For the 3 months ended 31 March 2011, our revenue from the OFS segment was RM79.1 million which contributed 21.1% of our total revenue.

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12.2.8 Components of other operating income

Our Group's other operating income increased from RM47.1 million in 2008, to RM84.4 million in 2009 and decreased to RM40.2 million in 2010. For the 3 months ended 31 March 2011, our Group's other operating income was RM4.6 million in comparison to RM7.1 million for the 3 months ended 31 March 2010.

The following table sets forth the principal components of our Group's other operating income and such income expressed as a percentage of total other operating income, for the periods indicated:

	Audited						Unaudited		Audited	
	Year ended 31 December						3 months ended 31 March			
	2008		2009		2010		2010		2011	
	(RM 000, except percentages)									
Other operating income										
Gain on disposal of property, plant and equipment	28,920	57.1%	80,141	71.2%	7,478	18.6%	73	1.0%	2	-*
Agency and handling fees	11,244	23.9%	19,808	23.6%	9,664	24.1%	-	-	-	-
Insurance income	-	-	2,483	2.9%	10,000	24.9%	74	1.0%	216	4.7%
Gain on disposal of subsidiaries	3,005	6.4%	-	-	4,093	10.2%	-	-	-	-
Others[(1)]	5,945	12.6%	1,980	2.3%	8,932	22.2%	7,001	98.0%	4,402	95.3%
	47,114	100.0%	84,412	100.0%	40,167	100.0%	7,148	100.0%	4,620	100.0%

Notes:

(1) *Includes interest income, gain on disposal of scrap materials, technical fees, rental income, commission and management fees, as the case may be.*

* *Negligible.*

12.2.9 Components of operating costs

Our Group's operating costs increased from RM371.5 million in 2008, to RM522.1 million in 2009 and RM814.4 million in 2010. For the 3 months ended 31 March 2011, our Group's operating costs was RM267.3 million in comparison to RM176.7 million for the 3 months ended 31 March 2010.

The following table sets forth the principal components of our Group's operating costs and such costs expressed as a percentage of total operating costs and total revenue, for the periods indicated:

	Year ended 31 December									3 months ended 31 March					
	2008			2009			2010			2010			2011		
	RM 000	% of total operating costs	% of total revenue	RM 000	% of total operating costs	% of total revenue	RM 000	% of total operating costs	% of total revenue	RM 000	% of total operating costs	% of total revenue	RM 000	% of total operating costs	% of total revenue
Operating costs															
Vessel depreciation	101,573	27.4	19.6	180,295	34.8	24.6	239,874	29.5	19.3	58,444	33.1	22.3	69,402	26.0	18.5
Crew costs	58,334	15.7	11.2	89,306	17.1	12.2	144,806	17.8	11.6	34,257	19.4	13.1	34,141	12.8	9.1
Maintenance costs	34,184	9.2	6.6	43,436	8.3	5.9	106,116	13.0	8.5	8,333	4.7	3.2	9,981	3.7	2.7
Management fees	20,962	5.6	4.0	28,376	5.4	3.9	65,878	8.1	5.3	24,554	13.9	9.4	20,462	7.7	5.4
Other cost of sales	57,621	15.5	11.1	57,613	11.1	7.9	79,798	9.8	6.4	16,302	9.2	6.2	89,072[1]	33.2	23.7
Cost of sales	272,674	73.4	52.5	399,028	76.5	54.5	636,272	78.2	51.1	141,890	80.3	54.2	223,058	83.4	59.4
Selling and distribution costs	62,375	16.8	12.0	59,223	11.3	8.1	81,839	10.0	6.8	21,541	12.2	8.2	26,739	10.0	7.1
Administrative expenses	38,405	9.8	7.0	63,861	12.2	8.7	96,303	11.8	7.8	13,247	7.5	5.0	17,535	6.6	4.7
	371,454	100.0	71.5	522,110	100.0	71.3	814,414	100.0	65.5	176,678	100.0	67.4	267,332	100.0	71.2

Note:

(1) *Includes cost for the ongoing conversion of an FSO for Petrofac, for the Sapat Field, off Terengganu, Malaysia of RM71.2 million.*

The principal components of our Group's operating costs are discussed below.

Vessel depreciation

Vessel depreciation is the single largest component of our Group's operating costs. Depreciation depends on the estimated useful lives of our vessels and residual values at the end of their useful lives. The estimated useful lives are based on previous experience and knowledge of the vessels owned by our Group and is normally equal to the design lives of the vessel. Assumptions about residual values are based on 10% of original vessel costs. Where appropriate, our Group will adjust the residual value and useful life of the individual vessel based on the particular conditions of the vessel. Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

In addition, we also incur drydocking expenditures which represent major inspection and overhaul costs of the vessel every 5 years and are depreciated over the subsequent 5-year period.

Crew costs

Crew costs comprise, amongst others, crew wages, statutory contributions, allowances, bonus, overtime costs and related taxes and travel and accommodation costs, where applicable for the crew of our vessels.

Maintenance costs

Maintenance costs comprise costs for FPSO, OSV and T&I vessels.

OSV maintenance costs mainly comprise intermediate docking expenditures. Intermediate docking is a scheduled vessel refurbishment exercise conducted every 2 to 3 years after special drydocking in compliance with requirements of the relevant classification society. The remaining vessel maintenance costs relates to other ad-hoc repairs of FPSOs, OSVs, and T&I vessels and vessel equipment.

Management fees

Management fees are fees paid to third parties for the provision of O&M services related to our FPSO operations and are charged based on daily rates. These services include crewing, repair and maintenance and general logistics of our FPSOs.

Other cost of sales

Other cost of sales includes insurance for our vessels and vessel equipment, fuel and lubricants, commission paid to ship brokers as well as engineering related costs, custom and port charges and communication expenses.

Selling and distribution costs

Selling and distribution costs mainly comprise staff-related cost such as wages, statutory contributions, bonus and other staff benefits, marketing cost, travelling cost and cost for shore-based facilities, which are directly related to the procurement and conduct of our business segments.

Administrative expenses

Administrative expenses mainly comprise corporate overheads and shared services personnel costs such as wages, statutory contributions, bonus and other staff benefits as well as costs incurred for office rental and facilities.

12.2.10 Results of operations

(i) 3 months ended 31 March 2011 compared to 3 months ended 31 March 2010

Revenue

Our revenue increased by 43.3% or RM113.7 million from RM262.5 million for the 3 months ended 31 March 2010 to RM376.2 million for the 3 months ended 31 March 2011.

FPSOs

Revenue from our FPSOs decreased by 19.2% or RM29.7 million from RM155.0 million for the 3 months ended 31 March 2010 to RM125.3 million for the 3 months ended 31 March 2011 mainly due to higher revenue recorded in the 3 months ended 31 March 2010 resulting from the reimbursement of additional costs incurred by us on behalf of our customer, Afren amounting to RM15.2 million in respect of work done for FPSO Armada Perkasa in 2008 and 2009 which was confirmed by Afren. In addition, the decrease in revenue was also due to the reduction in our daily operating fees for FPSO Armada Perdana as a result of renegotiation of our FPSO Armada Perdana contract effective June 2010.

OSVs

Revenue from vessel charter and offshore support services provided by our OSVs decreased by 8.9% or RM9.6 million from RM107.5 million for the 3 months ended 31 March 2010 to RM97.9 million for the 3 months ended 31 March 2011. The decrease was due to generally lower utilisation rates as compared to the 3-month period ended 31 March 2010 due to the time lag between vessel charters as vessels coming off contracts during this period were unable to immediately secure new charter hire contracts mainly due to market conditions.

T&I

T&I revenues were RM73.9 million for the 3 months ended 31 March 2011 primarily as a result of contribution from our DLB Armada Installer which commenced operations in May 2010 in the Caspian Sea, Turkmenistan for an 8-year contract awarded by PETRONAS Carigali.

OFS

We commenced recognition of revenue of RM79.1 million for the 3 months ended 31 March 2011 from our new OFS segment on a percentage-of-completion method in respect of the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia which is expected to be delivered in August 2011.

Cost of sales

Our cost of sales increased by 57.2% or RM81.2 million from RM141.9 million for the 3 months ended 31 March 2010 to RM223.1 million for the 3 months ended 31 March 2011 in line with the increase in revenue. Our cost of sales increased mainly as a result of cost incurred for the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia.

Our vessels depreciation costs increased by 18.8% or RM11.0 million from RM58.4 million for the 3 months ended 31 March 2010 to RM69.4 million for the 3 months ended 31 March 2011 mainly due to depreciation of DLB Armada Installer whose contract commenced in May 2010 and depreciation of 3 new OSVs which were delivered in the second half of 2010.

Our crew costs decreased marginally by 0.6% or RM0.2 million from RM34.3 million for the 3 months ended 31 March 2010 to RM34.1 million for the 3 months ended 31 March 2011. The decrease in our crew costs was mainly due to the sale of 10 lower capacity OSVs, which was partially offset by the delivery of 3 new higher capacity OSVs.

Our maintenance costs increased by 20.5% or RM1.7 million from RM8.3 million for the 3 months ended 31 March 2010 to RM10.0 million for the 3 months ended 31 March 2011. The increase in our maintenance costs was mainly due to the commencement of pipeline installation services in respect of DLB Armada Installer in May 2010 and additional diesel cost incurred for our FPSO Armada Perdana.

Management fees paid to third parties for the provision of O&M services related to our FPSO operations decreased by 16.7% or RM4.1 million from RM24.6 million for the 3 months ended 31 March 2010 to RM20.5 million for the 3 months ended 31 March 2011 due to a reduction in the daily rates as a result of renegotiation of contracts for management fees paid for O&M services for our FPSOs Armada Perdana and Armada Perkasa.

Our other cost of sales increased by 446.6% or RM72.8 million from RM16.3 million for the 3 months ended 31 March 2010 to RM89.1 million for the 3 months ended 31 March 2011 mainly due to the cost incurred for the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia of RM71.2 million under our OFS segment.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit increased by 26.9% or RM32.5 million from RM120.6 million for the 3 months ended 31 March 2010 to RM153.1 million for the 3 months ended 31 March 2011. Gross profit margin decreased to 40.7% for the 3 months ended 31 March 2011 from 45.9% for the 3 months ended 31 March 2010 mainly due to lower gross profit margin from our new OFS segment which commenced in 2011.

Other operating income

Our other operating income was RM4.6 million for the 3-month period ended 31 March 2011 as compared to RM7.1 million for the 3-month period ended 31 March 2010.

Selling and distribution costs

Selling and distribution costs increased by 24.2% or RM5.2 million from RM21.5 million for the 3 months ended 31 March 2010 to RM26.7 million for the 3 months ended 31 March 2011. The increase was in line with the increase in sales and operational support required for the continued expansion of our Group's activities in terms of fleet size and geographical spread.

Administrative expenses

Administrative expenses increased by 32.6% or RM4.3 million from RM13.2 million for the 3 months ended 31 March 2010 to RM17.5 million for the 3 months ended 31 March 2011 mainly due to cost related to additional personnel and related office facilities to support business growth and geographic expansion.

Profit from operations

As a result of the foregoing factors, our profit from operations increased by 22.1% or RM20.5 million from RM92.9 million for the 3 months ended 31 March 2010 to RM113.4 million for the 3 months ended 31 March 2011.

EBITDA and EBITDA margin

Our EBITDA increased by 20.9% or RM31.9 million from RM152.9 million for the 3 months ended 31 March 2010 to RM184.8 million for the 3 months ended 31 March 2011. EBITDA margin decreased from 58.3% for the 3 months ended 31 March 2010 to 49.1% for the 3 months ended 31 March 2011 mainly due to lower EBITDA margin from our new OFS segment which commenced in 2011.

Finance costs

Finance costs decreased by 13.6% or RM2.7 million from RM19.8 million for the 3 months ended 31 March 2010 to RM17.1 million for the 3 months ended 31 March 2011 mainly due to a gain of RM7.6 million arising from fair value changes of derivative assets and liabilities for the 3 months ended 31 March 2011 as compared to a loss of RM2.9 million for the 3 months ended 31 March 2010 mainly due to movements in interest rates and foreign exchange rates. This was partially offset by an increase in interest expense of RM7.9 million from RM16.8 million for the 3 months ended 31 March 2010 to RM24.7 million for the 3 months ended 31 March 2011. The increase in interest expense was mainly due to interest charged to the statements of income upon the completion of our vessels subsequent to 31 March 2010, including our FPSO Armada Perdana, DLB Armada Installer and 3 new OSVs. Prior to the completion of the construction of these vessels, the interest was capitalised as cost of vessel on the statements of financial position.

Share of results of an associate

We did not share any result in our associated company, BMD, for the 3 months ended 31 March 2011 as compared to the share of loss of RM0.4 million for the 3 months ended 31 March 2010 as we have made full impairment of our investment in BMD. Please refer to Section 15.7 for further details.

PBT and PBT margin

As a result of the foregoing factors, PBT increased by 31.2% or RM22.7 million from RM72.8 million for the 3 months ended 31 March 2010 to RM95.5 million for the 3 months ended 31 March 2011. PBT margin decreased from 27.7% for the 3 months ended 31 March 2010 to 25.4% for the 3 months ended 31 March 2011 mainly due to lower PBT margin from our new OFS segment which commenced in 2011.

Taxation

Our taxation increased by 116.1% or RM7.2 million from RM6.2 million for the 3 months ended 31 March 2010 to RM13.4 million for the 3 months ended 31 March 2011 mainly due to foreign taxation imposed on income generated by DLB Armada Installer which was deployed to Turkmenistan in May 2010.

PAT

As a result of the foregoing factors, PAT increased by 23.3% or RM15.5 million from RM66.6 million for the 3 months ended 31 March 2010 to RM82.1 million for the 3 months ended 31 March 2011.

(ii) **Year ended 31 December 2010 compared to year ended 31 December 2009**

Revenue

Our revenue increased by 69.6% or RM509.3 million from RM732.1 million for the year ended 31 December 2009 to RM1,241.4 million for the year ended 31 December 2010.

FPSOs

Revenue from the vessel charter fee and daily operating fee of our FPSOs increased by 68.8% or RM225.5 million from RM327.9 million for the year ended 31 December 2009 to RM553.4 million for the year ended 31 December 2010. This was mainly due to the full year contribution from our third FPSO, Armada TGT 1 (formerly known as Armada Perwira), whose contract commenced in September 2009. Additionally, revenue also increased due to an increase in the scope of work for FPSO Armada TGT 1 (formerly known as Armada Perwira) mainly from a variation order issued by HLJOC, effective in June 2010.

OSVs

Revenue from vessel charter and offshore support services provided by our OSVs increased marginally by 3.9% or RM15.6 million from RM404.1 million for the year ended 31 December 2009 to RM419.7 million for the year ended 31 December 2010. This increase was primarily due to an increase in the total capacity of our OSVs in 2010 as compared to 2009 resulting from the full year contribution of OSVs acquired in 2009, OSVs acquired in 2010 and the availability of certain OSVs in 2010 which had been redeployed to Nigeria during 2009. The increase in revenue was partially offset by generally lower utilisation rates as compared to 2009 due to time taken to deploy new vessels and the time lag between vessel charters as vessels coming off contract during this period were unable to immediately secure new charter hire contracts.

T&I

T&I revenues were RM268.3 million for the year ended 31 December 2010 primarily as a result of the initiation of our DLB operations. DLB Armada Installer commenced operations in May 2010 in the Caspian Sea, Turkmenistan for an 8-year contract awarded by PETRONAS Carigali. Our T&I revenue also included installation work performed for Armada TGT 1 (formerly known as Armada Perwira) amounting to RM81.7 million as a result of the increase in scope of work during the year 2010.

Cost of sales

Our cost of sales increased by 59.5% or RM237.3 million from RM399.0 million for the year ended 31 December 2009 to RM636.3 million for the year ended 31 December 2010 in line with the increase in revenue primarily as a result of increased vessel depreciation costs, crew and maintenance costs, as well as increased management fees in respect of our FPSO operations.

Our vessels depreciation costs increased by 33.1% or RM59.6 million from RM180.3 million for the year ended 31 December 2009 to RM239.9 million for the year ended 31 December 2010 due to the full year depreciation of FPSO Armada TGT 1 (formerly known as Armada Perwira) in 2010 whose contract commenced in September 2009, depreciation of DLB Armada Installer whose contract commenced in May 2010 and depreciation of 5 new OSVs delivered in 2010.

Our crew costs and maintenance costs increased by 61.9% or RM55.3 million from RM89.3 million for the year ended 31 December 2009 to RM144.6 million for the year ended 31 December 2010 and by 144.5% or RM62.7 million from RM43.4 million for the year ended 31 December 2009 to RM106.1 million for the year ended 31 December 2010, respectively. The increase in our crew costs and maintenance costs was mainly due to:

(a) full year costs incurred by FPSO Armada Perdana which commenced operations in December 2009 and 5 newbuild OSVs which began commissioning and chartering in 2009;

(b) commencement of pipeline installation services by DLB Armada Installer in May 2010; and

(c) 5 new OSVs delivered in 2010.

Management fees paid to third parties for the provision of O&M services related to our FPSO operations increased by 132.0% or RM37.5 million from RM28.4 million for the year ended 31 December 2009 to RM65.9 million for the year ended 31 December 2010 due to the full year operations by FPSO Armada Perdana which commenced operations in December 2009.

Our other cost of sales increased by 38.5% or RM22.2 million from RM57.6 million for the year ended 31 December 2009 to RM79.8 million for the year ended 31 December 2010 due to higher fleet insurance, ship management fees, communication expenses and miscellaneous supplies as compared to 2009, in line with the increase in revenue.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit increased by 81.7% or RM272.0 million from RM333.1 million for the year ended 31 December 2009 to RM605.1 million for the year ended 31 December 2010. Gross profit margin increased to 48.7% for the year ended 31 December 2010 from 45.5% for the year ended 31 December 2009 mainly due to the gross profit contribution from our new T&I segment which commenced in 2010.

Other operating income

Our other operating income decreased by 52.4% or RM44.2 million from RM84.4 million for the year ended 31 December 2009 to RM40.2 million for the year ended 31 December 2010. The decrease was mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and decrease of agency and handling fees from RM19.8 million for the year ended 31 December 2009 to RM9.7 million for the year ended 31 December 2010. However, the decrease was partially offset mainly by insurance income of RM10.0 million for the year ended 31 December 2010.

Selling and distribution costs

Selling and distribution costs increased by 38.2% or RM22.6 million from RM59.2 million for the year ended 31 December 2009 to RM81.8 million for the year ended 31 December 2010. The increase was in line with the increase in sales and operational support required for the continued expansion of our Group's activities in terms of fleet size and geographical spread.

Administrative expenses

Administrative expenses increased by 50.7% or RM32.4 million from RM63.9 million for the year ended 31 December 2009 to RM96.3 million for the year ended 31 December 2010. The increase was mainly due to cost related to additional personnel and related office facilities to support business growth and geographic expansion and a one-off impairment of our investment in our associated company, BMD, of RM13.3 million. Please refer to Section 15.7 for further details.

Profit from operations

As a result of the foregoing factors, our profit from operations increased by 58.7% or RM172.7 million from RM294.4 million for the year ended 31 December 2009 to RM467.1 million for the year ended 31 December 2010.

EBITDA and EBITDA margin

Our EBITDA increased by 37.1% or RM193.4 million from RM520.7 million for the year ended 31 December 2009 to RM714.1 million for the year ended 31 December 2010. EBITDA margin decreased from 71.1% for the year ended 31 December 2009 to 57.5% for the year ended 31 December 2010 mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and share of result in our associate of a loss of RM1.4 million for the year ended 31 December 2010 as compared to a profit of RM38.6 million for the year ended 31 December 2009.

Finance costs

Finance costs increased by 62.2% or RM31.6 million from RM50.8 million for the year ended 31 December 2009 to RM82.4 million for the year ended 31 December 2010 mainly due to the full year interest charged to the statements of income in 2010 upon completion of the construction of FPSO Armada Perdana in December 2009 and interest charged to the statements of income upon the completion of the construction of DLB Armada Installer in May 2010. Prior to the completion of construction of these vessels, interest was capitalised as cost of vessels on the statements of financial position.

Share of results of an associate

Our share of results in our associated company, BMD, was a profit of RM38.6 million for the year ended 31 December 2009 and a loss of RM1.4 million for the year ended 31 December 2010 mainly due to the reduction in BMD's construction and installation activities in 2010 as a result of the completion of a major construction and installation project in 2009 together with no major project being undertaken in 2010.

PBT and PBT margin

As a result of the foregoing factors, PBT increased by 35.0% or RM99.4 million from RM283.9 million for the year ended 31 December 2009 to RM383.3 million for the year ended 31 December 2010. PBT margin decreased from 38.8% for the year ended 31 December 2009 to 30.9% for the year ended 31 December 2010 mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and share of result in our associate of a loss of RM1.4 million for the year ended 31 December 2010 as compared to a profit of RM38.6 million for the year ended 31 December 2009.

Taxation

Our taxation increased by 400.0% or RM26.0 million from RM6.5 million for the year ended 31 December 2009 to RM32.5 million for the year ended 31 December 2010 mainly due to foreign taxation imposed on income generated by FPSO Armada Perdana and DLB Armada Installer which were deployed to Nigeria in December 2009 and Turkmenistan in May 2010, respectively.

PAT

As a result of the foregoing factors, PAT increased by 26.5% or RM73.4 million from RM277.4 million for the year ended 31 December 2009 to RM350.8 million for the year ended 31 December 2010.

(iii) Year ended 31 December 2009 compared to year ended 31 December 2008

Revenue

Our revenue increased by 40.8% or RM212.3 million from RM519.8 million for the year ended 31 December 2008 to RM732.1 million for the year ended 31 December 2009.

FPSOs

Revenue from the vessel charter fee and daily operating fee of our FPSOs increased by 65.9% or RM130.3 million from RM197.6 million for the year ended 31 December 2008 to RM327.9 million for the year ended 31 December 2009. This was mainly due to the commencement of the contract for our third FPSO, Armada TGT 1 (formerly known as Armada Perwira) in September 2009. Additionally, revenue also increased due to the full year contribution from our second FPSO, Armada Perdana, whose contract had commenced in April 2008.

OSVs

Revenue from vessel charter and offshore support services provided by our OSVs increased by 25.4% or RM81.8 million from RM322.3 million for the year ended 31 December 2008 to RM404.1 million for the year ended 31 December 2009. This increase was primarily due to the commencement of charters of 5 newbuild OSVs, as well as full year contributions from 2 additional OSVs which were both commissioned and chartered in the first quarter of 2008. This increase was partially offset by the sale of 7 other OSVs during 2008 and lower overall utilisation of our other OSVs in 2009 as a result of the redeployment of 7 other OSVs to Nigeria during 2009.

Cost of sales

Our cost of sales increased by 46.3% or RM126.3 million from RM272.7 million for the year ended 31 December 2008 to RM399.0 million for the year ended 31 December 2009 primarily as a result of increased vessel depreciation costs, crew and maintenance costs, as well as increased management fees in respect of our FPSO operations.

Our vessel depreciation cost increased by 77.5% or RM78.7 million from RM101.6 million for the year ended 31 December 2008 to RM180.3 million for the year ended 31 December 2009 due to the depreciation of FPSO Armada TGT 1 (formerly known as Armada Perwira) whose contract commenced in September 2009, full year depreciation of FPSO Armada Perdana whose contract commenced in April 2008, and depreciation of 5 newbuild OSVs which were delivered in 2009.

Our crew costs and maintenance costs increased by 53.2% or RM31.0 million from RM58.3 million for the year ended 31 December 2008 to RM89.3 million for the year ended 31 December 2009 and 26.9% or RM9.2 million from RM34.2 million for the year ended 31 December 2008 to RM43.4 million for the year ended 31 December 2009, respectively. The increase in our crew costs and maintenance costs was mainly due to:

(a) FPSO Armada Perdana which commenced operations in December 2009 and full year operations by FPSO Armada Perkasa which commenced in May 2008;

(b) 5 newbuild OSVs delivered in 2009; and

(c) full year costs incurred by 2 OSVs which began commissioning and chartering in 2008.

Management fees paid to third parties for the provision of O&M services related to our FPSO operations increased by 35.2% or RM7.4 million from RM21.0 million for the year ended 31 December 2008 to RM28.4 million for the year ended 31 December 2009 due to FPSO Armada Perdana which commenced operations in 2009 and full year operations by FPSO Armada Perkasa which commenced in 2008.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit increased by 34.7% or RM85.9 million from RM247.2 million for the year ended 31 December 2008 to RM333.1 million for the year ended 31 December 2009. Gross profit margin decreased marginally to 45.5% for the year ended 31 December 2009 from 47.5% for the year ended 31 December 2008 mainly due to higher depreciation and crew costs from new vessels in 2009.

Other operating income

Our other operating income increased by 79.2% or RM37.3 million from RM47.1 million for the year ended 31 December 2008 to RM84.4 million for the year ended 31 December 2009. The increase was mainly due to the gain on disposal of 2 AHTSs amounting to RM60.1 million in 2009 as compared to gain on disposal of 7 harbour tugs amounting to RM26.9 million in 2008.

Selling and distribution costs

Selling and distribution costs decreased by 5.1% or RM3.2 million from RM62.4 million for the year ended 31 December 2008 to RM59.2 million for the year ended 31 December 2009. This was mainly due to the reduction in shore-based personnel and the centralisation of certain fleet support functions in 2009 as compared to 2008.

Administrative expenses

Administrative expenses increased by 75.5% or RM27.5 million from RM36.4 million for the year ended 31 December 2008 to RM63.9 million for the year ended 31 December 2009. The increase was mainly due to costs related to additional personnel and related office facilities to support business growth and geographic expansion.

Profit from operations

As a result of the foregoing factors, our profit from operations increased by 50.6% or RM98.9 million from RM195.5 million for the year ended 31 December 2008 to RM294.4 million for the year ended 31 December 2009.

EBITDA and EBITDA margin

Our EBITDA increased by 72.0% or RM217.9 million from RM302.8 million for the year ended 31 December 2008 to RM520.7 million for the year ended 31 December 2009. EBITDA margin increased to 71.1% for the year ended 31 December 2009 from 58.3% for the year ended 31 December 2008 mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and an increase in share of profits of our associate of RM38.4 million for the year ended 31 December 2009 as compared to a profit of RM0.2 million for the year ended 31 December 2008.

Finance costs

The increase in finance cost of 46.8% or RM16.2 million from RM34.6 million for the year ended 31 December 2008 to RM50.8 million for the year ended 31 December 2009 was mainly due to the increase in interest incurred on borrowings to fund our fleet expansion with delivery of 11 OSVs in 2009.

Share of results of an associate

Share of profits of our associated company, BMD, increased substantially by RM38.4 million from RM0.2 million for the year ended 31 December 2008 to RM38.6 million for the year ended 31 December 2009. This was due to additional revenue from changes in the scope of a contract as a result of variation of orders requested by the customer and the progress of the construction and installation activities in respect of the contract which was completed in 2009.

PBT and PBT margin

As a result of the foregoing factors, PBT increased by 75.4% or RM122.0 million from RM161.9 million for the year ended 31 December 2008 to RM283.9 million for the year ended 31 December 2009. PBT margin increased from 31.1% for the year ended 31 December 2008 to 38.8% for the year ended 31 December 2009 mainly due to a one time gain on disposal amounting to RM60.1 million for the year ended 31 December 2009 from the sale of 2 AHTSs during that year and an increase in share of profits of our associate of RM38.4 million for the year ended 31 December 2009 as compared to a profit of RM0.2 million for the year ended 31 December 2008.

Taxation

Our taxation decreased by 45.4% or RM5.4 million from RM11.9 million for the year ended 31 December 2008 to RM6.5 million for the year ended 31 December 2009. This was mainly due to taxation of RM12.5 million on the RM26.9 million gain on the disposal of 7 harbour tugs recorded in 2008 and foreign withholding taxes of RM6.4 million on FPSO Armada Perkasa in Nigeria in 2009.

PAT

As a result of the foregoing factors, PAT increased by 84.9% or RM127.4 million from RM150.0 million for the year ended 31 December 2008 to RM277.4 million for the year ended 31 December 2009.

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12.2.11 Orderbook

As at the LPD, the orderbook of our Group stood at RM5.8 billion. Upon expiration of the contract period, certain contracts contain extension options which are renewable on an annual basis with a total potential contract sum of RM2.5 billion over the entire option periods. The details of our Group's orderbook as at the LPD are set out below:

	Firm contract period							Optional extension period			
			Remaining contract sum denomination			Total		Potential contract sum denomination		Total
	Contract period	Contract expiry	USD million	BND million	RM million	RM million[(1)]	Option period	USD million	RM million	RM million[(1)(2)]
FPSOs	5 to 7 years	2013 to 2018	1,170.1[(3)]	-	-	3,514.3	1 to 8 years[(4)]	533.3	-	1,601.7
T&I	8 years	2018	452.4	-	-	1,358.7	-	-	-	-
OSVs	-[(5)]	-[(5)]	107.0	3.6	550.9	880.9	-[(5)]	148.4	473.4	919.1[(6)]
			1,729.5	3.8	550.9	5,753.9		681.7	473.4	2,520.8

Notes:

(1) *Converted at RM3.0034 / USD and RM2.4010 / BND, being the closing rates as at the LPD based on Oanda's website at www.oanda.com.*

(2) *Total potential contract sum over the entire option periods.*

(3) *Includes the remaining contract sum for a firm 10-year term for FPSO Armada Perdana as we are currently in the midst of formalising an amendment contract with NAE to revise the FPSO Armada Perdana contract period from a firm 5-year term to a firm 10-year term. Does not include the contract sum for Armada Prima for which we have secured a conditional letter of award on 30 March 2011 and our next FPSO project for Oil and Natural Gas Corporation Limited in India which FBAOL has secured a letter of award on 25 June 2011.*

(4) *The charter for FPSO Armada Perkasa may be extended for additional one year periods over a 5-year period while FPSO Armada TGT 1 (formerly known as FPSO Armada Perwira) may be extended for additional one year periods over an 8-year period. The extension options are exercisable at the discretion of our customers (at a pre-determined rate). Contract periods are not disclosed as contract expiry dates and option periods for the OSVs vary significantly.*

(5) *The total value of the OSV extension options may vary going forward, as the charter rate during the optional extension period may be negotiated at the time of extension.*

12.2.12 Liquidity and capital resources

Our principal sources of liquidity are internal cash generated from operations and borrowings, as well as capital contributions from our shareholders. For the 3-month period ended 31 March 2011, these funds were utilised mainly to fund our operations and capital expenditures. As at 31 March 2011, we have unused sources of liquidity of RM932.4 million, comprising cash and cash equivalents of RM443.9 million and available lines of credit of RM488.5 million.

(i) Working capital

Our working capital is funded through cash generated from operations and credit lines. After taking into consideration our existing level of cash and cash equivalents, the available credit lines, the expected cash flow from operations and the proceeds from the Public Issue allocated for working capital purposes, our Board is of the opinion that our Group will have adequate working capital for a period of 12 months from the date of this Prospectus.

(ii) Cash flows

The following table sets forth the consolidated cash flow statements of our Group for the periods indicated:

	Audited			Unaudited	Audited
	Year ended 31 December			3 months ended 31 March	
	2008	2009	2010	2010	2011
			RM 000		
Net cash flow generated from operating activities	365,878	39,677	255,367	40,621	103,423
Net cash flow used in investing activities	(1,011,271)	(1,054,945)	(988,384)	(216,874)	(361,295)
Net cash flow generated from financing activities	702,014	1,179,037	734,834	43,822	460,677
Net increase/(decrease) in cash and cash equivalents	56,621	163,769	1,817	(132,431)	202,805
Currency translation differences	5,284	(6,755)	(23,970)	(11,084)	(3,846)
Cash and cash equivalents at the beginning of the year/period	48,132	110,037	267,051	267,051	244,898
Cash and cash equivalents at the end of the year/period	110,037	267,051	244,898	123,536	443,857

There is no legal, financial or economic restriction on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet the cash obligations of our Company.

Net cash flow generated from operating activities

Net cash generated from operating activities for the 3-month period ended 31 March 2011 was RM103.4 million mainly due to net profit of RM82.1 million, adjustments for non-cash items of RM106.7 million, RM41.8 million increase in working capital and RM39.1 million interest paid. The adjustments for non-cash items for the 3-month period ended 31 March 2011 mainly comprise depreciation of property, plant and equipment of RM72.1 million, fair value gain on financial instruments of RM7.6 million, allowance for doubtful debt of RM3.5 million, interest expense of RM24.7 million and taxation of RM13.4 million. The increase in working capital for the 3-month period ended 31 March 2011 consisted primarily of an increase in trade and other receivables of RM152.6 million and an increase in trade and other payables of RM111.1 million. The increase in trade and other receivables was mainly related to receivables for the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia and accrued lease rental for the FPSO Armada TGT 1 (formerly known as Armada Perwira). The increase in trade and other payables was mainly due to increase in payables for the ongoing conversion and sale of an FSO to Petrofac, for the Sepat Field, off Terengganu, Malaysia and ongoing conversion of the FPSO Armada TGT 1 (formerly known as Armada Perwira).

Net cash generated from operating activities for the year ended 31 December 2010 was RM255.4 million mainly due to net profit of RM350.8 million, adjustments for non-cash items of RM371.0 million, RM330.8 million increase in working capital and RM106.4 million interest paid. The adjustments for non-cash items for the year ended 31 December 2010 mainly comprise depreciation of property, plant and equipment of RM248.4 million and interest expense of RM89.6 million. The increase in working capital for the year ended 31 December 2010 consisted primarily of an increase in trade and other receivables of RM238.0 million and a decrease in trade and other payables of RM92.5 million. The increase in trade and other receivables was mainly related to accrued lease rental for the FPSO Armada TGT 1 (formerly known as Armada Perwira). The decrease in trade and other payables was mainly due to settlement of amounts owing to our trade and other creditors for the year ended 31 December 2010.

Net cash generated from operating activities for the year ended 31 December 2009 was RM39.7 million mainly due to net profit of RM277.4 million, adjustments for non-cash items of RM149.5 million, RM298.2 million increase in working capital and RM72.5 million interest paid. The adjustments for non-cash items for the year ended 31 December 2009 mainly comprise depreciation of property, plant and equipment of RM186.0 million, gain on disposal of property, plant and equipment of RM60.1 million and interest expense of RM50.8 million. The increase in working capital for the year ended 31 December 2009 consisted primarily of an increase in trade and other receivables of RM238.1 million and a decrease in trade and other payables of RM60.7 million. The increase in trade and other receivables was mainly related to accrued lease rental for the FPSOs Armada Perdana and Armada TGT 1 (formerly known as Armada Perwira). The decrease in trade and other payables was mainly due to settlement of amounts owing to our trade and other creditors for the year ended 31 December 2009.

Net cash generated from operating activities for the year ended 31 December 2008 was RM365.9 million mainly due to net profit of RM150.0 million, adjustments for non-cash items of RM123.4 million and RM163.3 million decrease in working capital which were partially offset by RM51.3 million interest paid. The adjustments for non-cash items for the year ended 31 December 2008 mainly comprise depreciation of property, plant and equipment of RM106.3 million, gain on disposal of property, plant and equipment of RM26.9 million and interest expense of RM34.6 million. The decrease in working capital for the year ended 31 December 2008 consisted primarily of an increase in trade and other receivables of RM109.4 million and an increase in trade and other payables of RM272.8 million. The increase in trade and other receivables was mainly related to accrued lease rental for the FPSOs Armada Perkasa and Armada Perdana. The increase in trade and other payables was mainly due to the significant increase in credit purchase of property, plant and equipment for the year ended 31 December 2008.

Net cash flow used in investing activities

The net cash used in investing activities are mainly for the purchase of property, plant and equipment, offset by the proceeds from the disposal of property, plant and equipment. This resulted in net cash flow used in investing activities of RM1,011.3 million in 2008, RM1,054.9 million in 2009, RM988.4 million in 2010 and RM361.3 million in the 3 months ended 31 March 2011.

Purchases of property, plant and equipment were RM1,075.8 million, RM1,300.4 million, RM1,008.2 million and RM359.3 million in 2008, 2009, 2010 and 3 months ended 31 March 2011, respectively. Such additions to property, plant and equipment include interest costs on borrowings to finance the construction of property, plant and equipment that are capitalised, which amounted to RM18.3 million, RM26.9 million, RM34.7 million and RM8.4 million in 2008, 2009, 2010 and 3 months ended 31 March 2011, respectively.

Proceeds from disposal of property, plant and equipment were RM52.2 million, RM244.7 million, RM8.0 million and negligible in 2008, 2009, 2010, and 3 months ended 31 March 2011, respectively.

Net cash flow generated from financing activities

The net cash flows generated from financing activities primarily comprised funds from the drawdown of new bank borrowings and repayment of bank borrowings. This resulted in net cash flows from financing activities of RM702.0 million in 2008, RM1,179.0 million in 2009, RM734.8 million in 2010 and RM460.7 million in the 3 months ended 31 March 2011.

The drawdown of new bank borrowings in the 3 months ended 31 March 2011 was RM349.4 million mainly to fund the expansion of our fleet. In addition, RM150.0 million was raised pursuant to the exercise of a call option by OBSB. The repayment of bank borrowings and loan to a related party in the 3 months ended 31 March 2011 was RM85.1 million and RM150.0 million, respectively.

The drawdown of new bank borrowings in 2010 was RM1,688.2 million to fund the expansion of our FPSO, OSV and T&I fleet. The repayment of bank borrowings in 2010 was RM954.2 million.

The drawdown of new bank borrowings in 2009 was RM1,492.0 million to fund the expansion of our FPSO, OSV and T&I fleet. The repayment of maturing term loans in 2009 was RM312.5 million.

The drawdown of new bank borrowings in 2008 was RM1,862.2 million to fund the expansion of our FPSO, OSV and T&I fleet. The repayment of maturing borrowings, including term loans and revolving credits in 2008 was RM1,309.8 million. In addition, PTSB, a related corporation of OBSB, extended a loan of RM150.0 million to us to facilitate our fleet expansion programme.

(iii) Borrowings

Our Group's total outstanding borrowings, all of which are interest-bearing, as at 31 March 2011 are as follows:

		Currency			Total
Statement of total outstanding borrowings	**Interest rate terms**	**SGD 000**	**USD 000**	**RM 000**	**RM 000[1]**
Short-term borrowings:					
- Term loans - secured	Variable floating rate based on London Interbank Offered Rate ("LIBOR")	-	61,925	-	187,188
- Term loans - secured	Variable floating rate based on cost of funds	-	-	23,435	23,435
- Term loans - unsecured	Fixed rate ranging from 3.74% to 6.30% per annum	-	-	50,828	50,828
- Term loans - unsecured	Variable floating rate based on cost of funds	-	-	70,000	70,000
- Revolving credits - unsecured	Variable floating rate based on LIBOR	-	50,000	-	151,140
- Revolving credits - unsecured	Variable floating rate based on cost of funds	-	-	50,096	50,096
- Bridging loans - unsecured	Variable floating rate based on LIBOR	-	100,000	-	302,280
- Bridging loans - unsecured	Variable floating rate based on cost of funds	-	-	300,000	300,000
- Hire purchase liabilities - secured	Fixed rate ranging from 4.42% to 5.70% per annum	12	-	306	335
Long-term borrowings:					
- Term loans - secured	Variable floating rate based on LIBOR	-	238,572	-	721,156
- Term loans - secured	Variable floating rate based on cost of funds	-	-	197,065	197,065
- Term loans - unsecured	Fixed rate at 6.05% per annum	-	-	50,000	50,000
- Term loans - unsecured	Variable floating rate based on cost of funds	-	-	1,000,000	1,000,000
- Bridging loans - unsecured	Variable floating rate based on cost of funds	-	-	375,000	375,000
- Hire purchase liabilities - secured	Fixed rate ranging from 4.42% to 5.70% per annum	31	-	687	761
Total borrowings		43	450,497	2,117,417	3,479,284

Note:

(1) Converted at RM3.0228 / USD and RM2.3947 / SGD, being the closing rates as at 31 March 2011 based on Oanda's website at www.oande.com.

For information on our Group's indebtedness, refer to Section 12.3 of this Prospectus.

We obtain our borrowings from various Malaysian and international financial institutions. Our borrowings are mainly arranged to finance the construction of our vessels.

Some of our term loans are secured in the following manner (either single security or combination of securities):

Term loans

(a) Fixed charges over certain vessels in our subsidiaries.
(b) Assignment of insurance policies for the vessels charged in (a) above.
(c) Assignment of charter proceeds for the vessels charged in (a) above.
(d) Assignment of ship building contracts for the vessels charged in (a) above.
(e) Corporate guarantee from our Company.
(f) Shares of a subsidiary are held as security against borrowings.

Our Group has not defaulted on payments of interest or principal sums on any of our borrowings throughout the year ended 31 December 2010 and up to the LPD.

Our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or borrowings which can materially affect our Group's financial position and results or business operations, or the investment by holders of securities in our Group.

12.2.13 Capital expenditure

In line with our fleet expansion plan, we invested a total of RM1,173.5 million, RM1,371.3 million and RM1,081.6 million in capital expenditure for the years ended 31 December 2008, 2009 and 2010 respectively, and RM239.7 million and RM266.3 million for the 3 months ended 31 March 2010 and 2011, respectively, mainly to expand our fleet of FPSOs and OSVs and to construct our DLB. Our Group funded the capital expenditure mainly through new borrowings and cash flows from operations.

The following table sets out the composition of our Group's total capital expenditure for the periods indicated:

	Year ended 31 December			3 months ended 31 March	
	2008	2009	2010	2010	2011
			RM 000		
FPSOs	453,573	652,579	769,851	74,351	241,102
OSVs	465,702	302,250	114,520	40,275	19,093
T&I	240,569	411,699	193,982	122,932	5,201
	1,159,844	1,366,526	1,078,353	237,558	265,396
Others	13,618	4,781	3,221	2,177	936
Total capital expenditure	1,173,462	1,371,309	1,081,574	239,735	266,332

The capital expenditure in 2008 was mainly incurred for the construction of OSVs. In the same year, our Group also incurred capital expenditure for the refurbishment of our first FPSO, Armada Perkasa and acquisition and conversion of a tanker into our second FPSO, Armada Perdana. Capital expenditure was also incurred for the construction of our first DLB, Armada Installer.

Capital expenditure in 2009 was mainly incurred for the acquisition and conversion of our third FPSO, Armada TGT 1 (formerly known as Armada Perwira), the ongoing conversion of FPSO Armada Perdana and the construction of DLB Armada Installer. Capital expenditure on OSVs declined as compared to 2008 due to lower construction of OSVs in 2009.

Capital expenditure in 2010 was mainly incurred for the ongoing conversion of FPSO Armada TGT 1 (formerly known as Armada Perwira), and the ongoing construction of DLB Armada Installer. Capital expenditure on OSVs declined as compared to 2009 as OSV construction under our "Steel on Water" fleet expansion programme was completed in 2010.

Capital expenditure for the 3 months ended 31 March 2011 was mainly incurred for the ongoing conversion of FPSO Armada TGT 1 (formerly known as Armada Perwira). Capital expenditure on OSVs declined as compared to the 3 months ended 31 March 2010 as OSV construction under our "Steel on Water" fleet expansion programme was completed in 2010. Capital expenditure on T&I declined as compared to the 3 months ended 31 March 2010 as the construction of DLB Armada Installer was completed in May 2010.

Our Group's general policy with respect to investments in vessels is driven primarily by the ability to secure new FPSO contracts and anticipation of market demand and charter rates for deepwater vessels. We expect future capital expenditure in the coming years to be largely dependent on these factors.

12.2.14 Capital commitments

Our future capital expenditure with respect to property, plant and equipment relates mainly to planned capital expenditure for the conversion of FPSOs and purchase and construction of vessels for OSV and T&I fleet expansion.

Our Group's capital commitments are as follows:

Capital commitments	As at 31 March 2011 Audited RM 000	As at the LPD Unaudited RM 000
Property, plant and equipment:		
- Authorised and contracted	257,880	301,230
- Authorised but not contracted	429,921	309,545
Operating leases for rental of premises	39,043	54,262
Total capital commitments	726,844	665,037

The capital commitments for property, plant and equipment mainly comprise the remaining conversion cost for the FPSO Armada TGT 1 (formerly known as Armada Perwira) whilst operating leases for rental of premises is for office buildings.

The contracted capital commitments for property, plant and equipment are expected to be incurred over the next 12 months from 31 March 2011. The capital commitments for the operating leases for rental of premises as at the LPD are as follows:

	RM 000
Payable within 1 year	5,387
Payable later than 1 year and not later than 5 years	22,640
Payable later than 5 years	26,235
	54,262

We expect to fund capital commitments primarily through proceeds from the Public Issue, cash flows from operations and bank borrowings.

12.2.15 Contingent liabilities

As at the LPD, our Directors are not aware of any contingent liabilities which upon becoming enforceable, may have a material impact on our Group's results of operations or financial condition.

12.2.16 Material divestitures

There have not been any material divestitures undertaken by our Group for the years ended 31 December 2008, 2009 and 2010 and the 3 months ended 31 March 2011 save as disclosed below:

(i) ***the sale of 7 harbour tugs for RM52.2 million in 2008***, on which we realised a gain of RM26.9 million. The sale was consistent with our fleet renewal strategy to focus on the deepwater segment; and

(ii) ***the sale of 2 AHTSs for USD35.9 million each (or equivalent to an aggregate amount of RM244.7 million) in 2009*** - These 2 AHTSs formed part of the "Steel on Water" fleet expansion programme. Our decision to dispose these vessels was made after receiving an attractive offer from a third party. As a result of the sale, we realised a gain on disposal of RM60.1 million in 2009.

As at the LPD, we do not have any uncompleted material divestiture.

12.2.17 Key financial ratios

The following table sets forth certain key financial ratios of our Group based on the consolidated financial statements of our Company for the years indicated:

	Year ended 31 December		
	2008	2009	2010
Average trade receivables turnover days[(1)]	72	70	55
Average payables turnover days[(2)]	86	102	99
Current ratio (times)[(3)]	0.43	0.54	0.41
Gearing ratio (times)[(4)]	3.43	3.98	3.91

Notes:

(1) $$\frac{\text{Average trade receivables – Allowance for doubtful debts*}}{\text{Revenue}} \times \text{Number of days in the year}$$

* *Average opening end closing trade receivables less allowance for doubtful debts for the year.*

(2) $$\frac{\text{Average trade end other payables\^{}}}{\text{Cost of sales + capital expenditure}} \times \text{Number of deys in the year}$$

^ *Average opening and closing trade and other payables for the year. Trade and other payables include amounts owing to creditors for capital expenditures which were incurred mainly for our fleet expansion.*

(3) *Current assets over current liabilities.*

(4) *Total interest bearing borrowings over shareholders' equity.*

Trade receivables turnover days

Trade receivables turnover days decreased marginally from 72 days for the year ended 31 December 2008 to 70 days for the year ended 31 December 2009. For the year ended 31 December 2010, this had decreased to 55 days due to improved credit collection as a result of closer monitoring of our receivables.

Payables turnover days

Payables turnover days increased from 86 days for the year ended 31 December 2008 to 102 days for the year ended 31 December 2009 mainly due to 3 major projects running concurrently in 2009, namely FPSO Armada Perdana, DLB Armada Installer and FPSO Armada TGT 1 (formerly known as Armada Perwira) which resulted in higher payables. The payables turnover days decreased marginally by 3 days from 102 days for the year ended 31 December 2009 to 99 days for the year ended 31 December 2010.

Current ratio

Current ratio increased to 0.54 times as at 31 December 2009 from 0.43 times as at 31 December 2008 mainly due to the increase in trade receivables and cash and cash equivalents, which was proportionately higher than the increase in current liabilities.

Current ratio decreased to 0.41 times as at 31 December 2010 from 0.54 times as at 31 December 2009 due to the increase in short-term borrowings which was proportionately higher than the increase in current assets.

Gearing ratio

Gearing ratio increased from 3.43 times as at 31 December 2008 to 3.98 times as at 31 December 2009 and was 3.91 times as at 31 December 2010 due to the additional borrowings to finance the expansion of our fleet of FPSOs, OSVs and DLB.

Aging analysis

The aging analysis for trade receivables and payables as at 31 March 2011 are as follows:

		Past due					
	Current (Not due)	1 - 30 days	31 - 60 days	61 - 90 days	91 - 360 days	Over 360 days	Total
				RM 000			
Trade receivables[1]	111,452	100,177	22,405	23,716	2,594	5,560	265,904
Trade payables[2]	30,883	13,051	8,345	7,836	3,038	10,642	71,775

Notes:

(1) After allowances for doubtful debts of RM10.9 million as at 31 March 2011.

(2) Excludes accrued trade payables of RM88.9 million as at 31 March 2011 owing to our suppliers in relation to our operating expenditures.

The credit period we extend to our customers ranges between 30 and 45 days. As at 31 March 2011, 41.9% of our trade receivables were within the credit period. Of the balance, a portion of our trade receivables were collected subsequent to the 3-month period ended 31 March 2011. We have made adequate allowances for doubtful debts in arriving at these outstanding amounts. As at the LPD, we have received RM100.6 million out of the RM154.5 million trade receivables overdue as at 31 March 2011. We expect to receive the majority of the remaining outstanding trade receivables of RM48.2 million by 31 December 2011 and RM5.6 million owing by a particular customer by 31 March 2012 as agreed with the said customer.

The credit period extended by our suppliers ranges between 30 and 45 days. As at 31 March 2011, 43.0% of our trade payables were within the credit period. The remaining RM40.9 million trade payables overdue as at 31 March 2011 includes amounts payable to suppliers of RM15.6 million where we are agents for their services and the payment to such suppliers are made back-to-back upon receipt of payment from the end customers. Accordingly, the delay in payment to these suppliers is mainly due to delay in payment by such end customers. The remaining trade payables also include amounts owing to our suppliers for capital expenditures of RM11.6 million. The delay in payment to these suppliers was mainly due to the longer time required for verification and approval of invoices for capital expenditures. As at the LPD, we have paid RM21.6 million out of the RM40.9 million trade payables overdue as at 31 March 2011.

12.2.18 Financial risk management objectives and policies

Our Group's activities expose us to a variety of financial risks, market risk including currency risk and interest rate risk, credit risk and liquidity risk. Our Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our financial performance. Our Board identifies and evaluates financial risks in close co-operation with our management.

We do not use financial instruments, including financial derivatives, for trading purposes.

(i) Foreign currency exchange risk

We are exposed to various currencies, primarily the USD. Our foreign currency exchange risk arose from the purchases of material, spares and services for maintenance of our vessels.

We have investments in foreign operations whose NA, which are denominated in USD, are exposed to foreign currency translation risk. These exposures are largely mitigated by borrowings in currencies of the underlying cash flows.

(ii) Credit risk

Credit risk arises when sales are made on credit terms. We employ a credit policy that ensures our customers are subjected to credit checks and outstanding accounts are followed up on a timely basis. We manage our credit risk concentration by constantly monitoring the performance of these specific customers.

Several of our contracts are long-term. There can be no guarantees that the financial position of our major customers will not materially change during the contracted period. Given the limited number of major customers of our Group and the significant portion they represent of our income, the inability of one or more of them to make full payment on any of our contracts may have a significant adverse impact on the financial position of our Group. We believe that the credit risk related to these counterparties is at an acceptable level. We assess the credit quality of the customer, taking into account its financial position, past experience and other factors. As such, we do not expect any counterparty to fail to meet its obligations. The carrying amount of trade receivables including accrued lease rentals represent our maximum exposure to credit risk.

Our management has also reviewed the credit risk with respect to amounts due from jointly-controlled entities and does not expect any amount to be irrecoverable.

(iii) Interest rate risk

Our Group's exposure to changes in interest rates relates primarily to our deposits with licensed banks and borrowings with a floating interest rate. In respect of managing interest rate risk, the floating interest rates of certain long-term loans are hedged by fixed rate swaps for the entire maturity period. Short term facilities which bear interest at floating rates are used for working capital and bridge financing requirements. The interest rate profile of our Group's borrowings is regularly reviewed against prevailing and anticipated market rates to determine hedging requirements.

As at 31 March 2011, the interest rate profile of our Company's interest-bearing financial instruments was:

	RM 000
Fixed rate instruments	
Financial assets, comprising deposits with licensed banks	7,384
Financial liabilities, comprising term loans, bridging loans and revolving credits	101,924

	RM 000
Variable rate instruments	
Financial liabilities, comprising term loans, bridging loans and revolving credits	3,377,360
Less: Interest rate swap contracts	(380,804)
Cross currency interest rate swap contract	(220,500)
	2,776,056

(iv) Liquidity risk

We adopt liquidity risk management by maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities from financial institutions to support daily operations. Whenever we undertake additional financing, the repayment and maturity profile of the underlying loans are structured after taking into consideration the cash inflows expected to be generated from the related assets or operations and economic life of the assets or operations being financed.

Our non-derivative financial liabilities and gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period as at 31 March 2011 to the contractual maturity date are as follows:

	As at 31 March 2011					
	Maturity profile					
	< 3 months	3 months - 1 year	1 - 2 years	2 - 5 years	> 5 years	Total
	RM 000					
Borrowings	193,170	1,054,422	790,627	1,088,044	701,041	3,827,304
Hire purchase creditors	87	262	636	259	-	1,244
Gross-settled derivative financial instruments						
- Interest rate swaps	40,527	75,117	132,815	300,203	104,610	653,272
- Forward foreign currency contract	15,978	7,457	33,022	87,348	76,695	220,500
Trade payables	180,682	-	-	-	-	160,682
Other payables	242,094	-	.	-	-	242,094
Amount due to jointly-controlled entities	3,874	-	-	-	-	3,874

12.2.19 Inflation

Our Group is of the view that the current inflation rate does not have a material impact on our business, financial condition or results of our operation. However, any increase in future inflation rate may adversely affect our Group's operations and performance insofar we are unable to pass on the higher cost to our customers through higher charter rates for our FPSOs and OSVs or other fees charged to our customers for services provided by our Group.

12.2.20 Seasonality

We may experience significant fluctuations in operations due to seasonal factors. Certain vessels, depending on the location are susceptible to seasonal weather conditions. When seasonal weather conditions are not conducive for our vessels to continue operations, our utilisation rates may be reduced and such reduction may consequently affect our results.

12.2.21 Government/Economic/Fiscal/Monetary policies

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our Group's operations, are set out in Section 5 of this Prospectus.

12.2.22 Prospects

The results of our Group's operations for the year ending 31 December 2011 have so far been and/or are expected to be mainly influenced by the following factors:

- size of our orderbook;
- level of activity in the O&G industry;
- our ability to secure new contracts in the FPSO, OSV and T&I segments and grow our new business segments comprising the OFS businesses;
- competition in offshore support services industry which will affect the DCR and utilisation rate of our vessels;
- our operational efficiency;
- foreign exchange fluctuations;
- changes in inflation;
- seasonal weather conditions;
- control of capital expenditures and project delivery schedules;
- availability of financing for new contracts;
- changes in interest rates; and
- capacity and ability to execute our EPICC contracts.

Except as disclosed in Section 12.2.2, "Industry Overview" as set out in Section 8 of this Prospectus and "Risk Factors" as set out in Section 5 of this Prospectus and to the best of our Directors' knowledge and belief, there are no other known trends, factors, demands, commitments, events or uncertainties that are reasonably likely to have a material effect on the financial condition and results of operations of our Group. However, the factors and trends affecting our Group's financial position and operations as set out above and in "Risk Factors" as set out in Section 5 of this Prospectus are not exhaustive.

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12.3 Capitalisation and indebtedness

The following information should be read in conjunction with the Reporting Accountants' letter and the proforma consolidated statement of financial position as at 31 March 2011 and the notes thereon, and the Accountants' Report set out in Sections 12.5 and 13 of this Prospectus, respectively.

The table below sets out the cash and cash equivalents as well as capitalisation and indebtedness of our Group based on the audited consolidated financial statements of our Company and based on the proforma consolidated statement of financial position as at 31 March 2011 set out in Section 12.4 of this Prospectus, on the assumption that the IPO and utilisation of proceeds had occurred on 31 March 2011. The proforma financial information below does not represent our Group's actual capitalisation and indebtedness as at 31 March 2011 and is provided for information purposes only. The total indebtedness of our Group is not guaranteed by any third party.

	As at 31 March 2011 (Audited)	Proforma After IPO
	RM 000	
Cash and cash equivalents[1]	443,857	1,006,281
Indebtedness		
Short term debt		
Secured		
- Term loans	210,623	210,623
- Hire purchase creditors	335	335
Unsecured		
- Term loans	120,828	120,828
- Revolving credits	201,236	51,236
- Bridging loans	602,280	352,280
	1,135,302	735,302
Long term debt		
Secured		
- Term loans	918,221	918,221
- Hire purchase creditors	761	761
Unsecured		
- Term loans	1,050,000	1,050,000
- Bridging loans	375,000	-
	2,343,982	1,968,982
Total indebtedness[2]	3,479,284	2,704,284
Total shareholders' equity	1,264,226	3,193,650
Non-controlling interest	9,744	9,744
Total capitalisation	1,273,970	3,203,394
Total capitalisation and indebtedness	4,753,254	5,907,678
Gearing ratio (times)[3]	2.75	0.85

Notes:

(1) *Cash and cash equivalants include deposits, cash and benk balances less bank overdrafts and designated deposits.*

(2) *Total indebtedness includes short-term debts and long-term debts.*

(3) *Computed based on total debt (interest bearing) over total shareholders' equity of our Group.*

12.4 Proforma consolidated statement of financial position of our Company

We have prepared the proforma consolidated statement of financial position below for illustrative purposes only, to show the effects of the IPO and utilisation of proceeds on the assumption that the events had been effected on 31 March 2011. The proforma consolidated statement of financial position have been prepared on the basis set out in the notes in Section 12.5 of this Prospectus, using financial statements prepared in accordance with FRS and in a manner consistent with both the format of the financial statements and the accounting policies of our Group.

The proforma consolidated statement of financial position should be read in conjunction with the Reporting Accountants' letter and the proforma consolidated statement of financial position as at 31 March 2011 and the notes thereon as set out in Section 12.5 of this Prospectus.

	As at 31 March 2011	Proforma
	(Audited)	After IPO
	RM 000	
ASSETS		
Property, plant and equipment	3,856,053	4,448,053
Goodwill	1,411	1,411
Jointly controlled entities	9,323	9,323
Other investments	5,506	5,506
Accrued lease rentals	323,682	323,682
Deferred tax assets	3,249	3,249
Total non-current assets	**4,199,224**	**4,791,224**
Inventories	1,366	1,366
Non-current assets held for sale	4,471	4,471
Trade receivables	265,904	265,904
Accrued lease rentals	241,464	241,464
Other receivables, deposits and prepayments	39,450	39,450
Tax recoverable	7,557	7,557
Amounts due from jointly controlled entities	27,587	27,587
Derivative financial instruments	17,405	17,405
Deposits, cash and bank balances	451,222	1,013,646
Total current assets	**1,056,426**	**1,618,850**
TOTAL ASSETS	6,255,650	6,410,074
EQUITY AND LIABILITIES		
Share capital	456,840	585,692
Reserves	807,386	2,607,958
Equity attributable to owners of our Company	**1,264,226**	**3,193,650**
Non-controlling interest	**9,744**	**9,744**
TOTAL EQUITY	1,273,970	3,203,394
Hire purchase creditors	761	761
Borrowings	2,343,221	1,968,221
Deferred tax liabilities	3,523	3,523
Total non-current liabilities	2,347,505	**1,972,505**
Amount due to customers on contracts	70,116	70,116
Trade payables	160,682	160,682
Other payables and accruals	242,094	242,094
Amounts due to an associate	44	44
Amounts due to jointly controlled entities	3,874	3,874
Hire purchase creditors	335	335
Borrowings	1,134,967	734,967
Derivative financial liabilities	6,577	6,577
Taxation	15,486	15,486
Total current liabilities	**1,634,175**	**1,234,175**
TOTAL LIABILITIES	3,981,680	3,206,680
TOTAL EQUITY AND LIABILITIES	5,255,650	6,410,074

12. FINANCIAL INFORMATION (*cont'd*)

	As at 31 March 2011 (Audited)	Proforma After IPO
	RM 000	
Number of Shares (000)	2,284,200	2,928,462
NA per Share attributable to owners of our Company (RM)[1]	0.55	1.09
Net tangible assets per Share attributable to owners of our Company (RM)[2]	0.55	1.09

Notes:

(1) *Computed based on NA per Share attributable to owners of our Company over number of Shares.*

(2) *Computed based on net tangible assets per Share attributable to owners of our Company over number of Shares.*

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12.5 Reporting Accountants' letter on the proforma consolidated statement of financial position

The Board of Directors
Bumi Armada Berhad
Level 21 Menara Perak
24 Jalan Perak
50450 Kuala Lumpur

22 June 2011

PwC/SL/1972J

Dear Sirs

BUMI ARMADA BERHAD ("Bumi Armada" or the "Company")
Report on Pro Forma Consolidated Statement of Financial Position as at 31 March 2011 ("Report")

1 We report on the Pro Forma Consolidated Statement of Financial Position of Bumi Armada and its subsidiaries ("the Group") as at 31 March 2011 together with the Notes thereon (collectively known as "Pro Forma Consolidated Statement of Financial Position"), as set out in Appendix I, which has been prepared for inclusion in the Prospectus in connection with the initial public offering of up to 878,538,600 ordinary shares of RM0.20 each in Bumi Armada ("IPO") and the listing of the Company on the Main Market of Bursa Malaysia Securities Berbad for which the Directors of the Company are solely responsible.

2 The Pro Forma Consolidated Statement of Financial Position has been prepared, for illustrative purposes only, to show the effects of the IPO as set out in Note 3 of Appendix I, on the audited consolidated statement of financial position of the Company as at 31 March 2011, had the IPO been effected at the date stated.

Responsibilities

3 It is the sole responsibility of the Board of Directors of the Company to prepare the Pro Forma Consolidated Statement of Financial Position on the basis set out in the notes thereon in accordance with the requirements of Chapter 12 of the Prospectus Guidelines – Equity and Debt ("Prospectus Guidelines") issued by the Securities Commission.

4 It is our responsibility to form an opinion, as required by the Prospectus Guidelines on the Pro Forma Consolidated Statement of Financial Position.

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
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The Board of Directors
Bumi Armada Berhad
PwC/SL/1972J
22 June 2011

Responsibilities (continued)

5 In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the preparation of the Pro Forma Consolidated Statement of Financial Position nor do we accept responsibility for such reports or opinions beyond that owed to those whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

6 We conducted our work in accordance with the approved standard for assurance engagements in Malaysia, ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". Our work, which involved no independent examination of any of the underlying financial information, consisted of comparing unadjusted information with the audited consolidated financial statements of the Company, considering the evidence supporting the adjustments and discussing the Pro Forma Consolidated Statement of Financial Position with the Directors of the Company.

7 We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Consolidated Statement of Financial Position has been properly prepared on the basis stated, using financial statements prepared in accordance with Financial Reporting Standards ("FRS") in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of the Group.

8 As the Pro Forma Consolidated Statement of Financial Position is prepared for illustrative purposes only, such information, because of their nature, does not give a true picture of the effects of the IPO on the financial position presented had the IPO occurred as at 31 March 2011. Further, such information does not purport to predict the Group's future results and financial position.

Our Opinion

9 In our opinion:

(a) the Pro Forma Consolidated Statement of Financial Position as at 31 March 2011 has been properly prepared on the basis set out in the notes, using financial statements prepared in accordance with FRS, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities, and in a manner consistent with both the format of the financial statements and the accounting policies of the Group; and

(b) each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Statement of Financial Position is appropriate for the purposes of preparing the Pro Forma Consolidated Statement of Financial Position.

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The Board of Directors
Bumi Armada Berhad
PwC/SL/1972J
22 June 2011

Other matters

10 This report is issued for inclusion in the Prospectus in conneetion with the IPO and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report iu connection with any transaction other than the IPO.

Yours faithfully,

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

TIANG WOON MENG
(No. 2927/05/12 (J))
Chartered Accountant

3

APPENDIX I
Page 1 of 7

BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

The Pro Forma Consolidated Statement of Financial Position below has been prepared for illustrative purposes only to show the effects on the audited consolidated financial position of Bumi Armada Berhad ("Bumi Armada" or the "Company") as at 31 March 2011 on the assumption that the effects of the IPO, as set out in Note 3, had been effected on 31 March 2011 and should be read in conjunction with the notes thereon.

		Pro Forma: IPO	
	Audited as at 31 March 2011	Adjustment for the IPO (Note 3)	After the IPO
	RM'000	RM'000	RM'000
ASSETS			
Property, plant and equipment	3,856,053	592,000	4,448,053
Goodwill	1,411		1,411
Jointly controlled entities	9,323		9,323
Other investments	5,506		5,506
Accrued lease rentals	323,682		323,682
Deferred tax assets	3,249		3,249
Total non-current assets	**4,199,224**		**4,791,224**
Inventories	1,366		1,366
Non-current assets held for sale	4,471		4,471
Trade receivables	265,904		265,904
Accrued lease rentals	241,464		241,464
Other receivables, deposits and prepayments	39,450		39,450
Tax recoverable	7,557		7,557
Amounts due from jointly controlled entities	27,587		27,587
Derivative financial instruments	17,405		17,405
Deposits, cash and bank balances	451,222	562,424	1,013,646
Total current assets	**1,056,426**		**1,618,850**
TOTAL ASSETS	**5,255,650**		**6,410,074**

PRICEWATERHOUSECOOPERS KUALA LUMPUR for identification only Chartered Accountants

APPENDIX I
Page 2 of 7

BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

		Pro Forma: IPO	
	Audited as at 31 March 2011	Adjustment for the IPO (Note 3)	**After the IPO**
	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES			
Share capital	456,840	128,852	585,692
Reserves	807,386	1,800,572	2,607,958
Equity attributable to owners of the Parent	**1,264,226**		**3,193,650**
Non-controlling interests	**9,744**		**9,744**
TOTAL EQUITY	**1,273,970**		**3,203,394**
Hire purchase creditors	761		761
Borrowings	2,343,221	(375,000)	1,968,221
Deferred tax liabilities	3,523		3,523
Total non-current liabilities	**2,347,505**		**1,972,505**
Amounts due to customers on contracts	70,116		70,116
Trade payables	160,682		160,682
Other payables and accruals	242,094		242,094
Amounts due to an associate	44		44
Amounts due to jointly controlled Entities	3,874		3,874
Hire purchase creditors	335		335
Borrowings	1,134,967	(400,000)	734,967
Derivative financial liabilities	6,577		6,577
Taxation	15,486		15,486
Total current liabilities	**1,634,175**		**1,234,175**
TOTAL LIABILITIES	**3,981,680**		**3,206,680**
TOTAL EQUITY AND LIABILITIES	**5,255,650**		**6,410,074**

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BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

		Pro Forma: IPO	
	Audited as at 31 March 2011	Adjustment for the IPO (Note 3)	**After the IPO**
Number of ordinary shares of RM0.20 each in Bumi Armada ('000)	2,284,200	644,262	2,928,462
Net assets per ordinary share of RM0.20 each in Bumi Armada attributable to owners of the Parent (RM)	0.55		1.09
Net tangible assets per ordinary share of RM0.20 in Bumi Armada each attributable to owners of the Parent (RM)	0.55		1.09

Note:

For illustrative purposes only, it is assumed that the price payable by the institutional investors to be determined by way of bookbuilding ("Institutional Price") and the final price payable by the retail investors ("Final Retail Price") is equal to the initial price payable by the retail investors ("Retail Price") of RM3.15 for each ordinary share of RM0.20 each in Bumi Armada ("Bumi Armada Share").

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BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

1 INTRODUCTION

1.1 The Pro Forma Consolidated Statement of Financial Position of Bumi Armada and its subsidiaries ("the Group") as at 31 March 2011 together with the Notes thereon (collectively known as "Pro Forma Consolidated Statement of Financial Position"), has been prepared for illustrative purposes only, for inclusion in the Prospectus in connection with the initial public offering of up to 878,538,600 ordinary shares of RM0.20 each in Bumi Armada ("IPO") and the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad ("the Listing") for which the Directors of the Company are solely responsible.

2 BASIS OF PREPARATION

2.1 The Pro Forma Consolidated Statement of Financial Position, for which the Directors of Bumi Armada are solely responsible, has been prepared based on the audited consolidated financial statements of the Company as at 31 March 2011 prepared in accordance with Financial Reporting Standards ("FRS") in Malaysia, and in the manner consistent with both the format of the financial statements and accounting policies of Bumi Armada.

2.2 For the purpose of preparing the Pro Forma Consolidated Statement of Financial Position, it is assumed that the Institutional Price and Final Retail Price is equal to the Retail Price of RM3.15 for each Bumi Armada Share.

2.3 The Employee Share Option Scheme ("ESOS") is not illustrated in the Pro Forma Consolidated Statement of Financial Position as the share options under the ESOS have yet to be granted as at the date of this report.

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BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

3 IPO

3.1 Bumi Armada undertakes an IPO of up to 878,538,600 Bumi Armada Shares comprising:

(a) Offer for sale of up to 234,277,000 existing Bumi Armada Shares ("Offer Shares") ("Offer for Sale") comprising:

- the institutional offering of up to 234,277,000 Offer Shares to Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI") at the Institutional Price; and

(b) Public issue of up to 644,261,600 new Bumi Armada Shares ("Issue Shares") ("Public Issue") comprising:

- the institutional offering of up to 564,400,200 Issue Shares to Malaysian and foreign institutional and selected investors, including Bumiputera investors approved by MITI at the Institutional Price; and

- the retail offering of 79,861,400 Issue Shares to the Malaysian public, the Directors of Bumi Armada, and eligible employees and persons who have contributed to the success of the Group at the Retail Price of RM3.15 per Bumi Armada Share payable in full upon application and subject to a refund of the difference in the event that the Final Retail Price is less than the Retail Price.

3.2 The estimated IPO expenses totalling RM100,000,000 to be borne by Bumi Armada comprised underwriting fees, professional fees and miscellaneous expenses. The selling shareholders will be bearing their own professional fees and miscellaneous expenses in respect of the Offer for Sale. A total of RM74,180,000 of the estimated IPO expenses is assumed to be directly attributable to the Public Issue and as such will be debited against the share premium whereas the remaining IPO expenses of RM25,820,000 are assumed to be attributable to the Listing and as such, will be charged to profit or loss.

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APPENDIX I
Page 6 of 7

BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

4 ESOS

4.1 As stated in Note 2.3, the ESOS is not illustrated in the Pro Forma Consolidated Statement of Financial Position as the share options under the ESOS ("Options") have yet to be granted as of the date of this report.

4.2 The total fair value of the Options will be charged to profit or loss over the vesting period with a corresponding increase to the ESOS reserve. The eventual cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of Options that will ultimately vest. Upon exercising the Options, there will be an increase in share capital, share premium and reversal of ESOS reserve.

5 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.1 The Pro Forma Consolidated Statement of Financial Position has been prepared for illustrative purposes only to show the effects of the IPO as at 31 March 2011 had the IPO been effected on that date.

Pro Forma: IPO

The Pro Forma includes the effects of the IPO as described in Note 3. The effects of the IPO on the share premium and retained profits of the Group are as follows:

	Share premium	Retained profits	Other reserves	Total reserves
	RM'000	RM'000	RM'000	RM'000
Per audited consolidated statement of financial position as at 31 March 2011	0	1,010,623	(203,237)	807,386
Public Issue	1,900,572	0	0	1,900,572
Estimated IPO Expenses	(74,180)	(25,820)	0	(100,000)
Per Pro Forma	1,826,392	984,803	(203,237)	2,607,958

5.2 The estimated IPO expenses totalling RM100,000,000 to be borne by Bumi Armada comprised underwriting fees, professional fees and miscellaneous expenses. The selling shareholders will be bearing their own professional fees and miscellaneous expenses in respect of the Offer for Sale. A total of RM74,180,000 of the estimated IPO expenses are assumed to be directly attributable to the Public Issue and as such will be debited against the share premium whereas the remaining IPO expenses of RM25,820,000 are assumed to be attributable to the Listing and as such, will be charged to profit and loss.

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APPENDIX I
Page 7 of 7

BUMI ARMADA BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

5 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

5.3 The gross proceeds from the Public Issue of RM2,029,424,000 is expected to be utilised as follows:

	RM'000
Repayment of bank borrowings	775,000
Capital expenditure	592,000
Working capital	562,424
Estimated listing expenses	100,000
	2,029,424

Approval by Board of Directors

Approved and adopted by the Board of Directors of Bumi Armada Berhad in accordance with a resolution dated 22 June 2011.

Shaharul Rezza Bin Hassan
Chief Financial Officer
Bumi Armada Berhad

12.6 Dividend policy

As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends that we receive from our subsidiaries.

The payment of dividends by our subsidiaries will depend upon their operating results, financial condition, capital expenditure plans and any other relevant factors. The actual dividend that our Board may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, our Company intends to take into account various factors including:

(i) the level of our cash, gearing, debt profile and retained earnings;

(ii) our expected financial performance; and

(iii) our projected levels of capital expenditure and other investment plans.

Considering the current financial position of our Company, our Board intends to adopt a progressive dividend policy, subject to the factors stated above and in the absence of any circumstances which may affect or restrict our ability to pay dividends.

Please refer to Section 5.3.4 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

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The Board of Directors
Bumi Armada Berhad
Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur

22 June 2011

Dear Sirs,

Bumi Armada Berhad
Accountants' Report

Introduction

This Accountants' Report ("the Report") on Bumi Armada Berhad ("Bumi Armada" or "the Company") and its subsidiaries (collectively known as "the Group") has been prepared by PricewaterhouseCoopers, an approved company auditor for the purpose of inclusion iu the Prospectus of Bumi Armada iu connection with the listing of and quotation for the sbares of Bumi Armada on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied upon for any other purposes.

The audited consolidated financial statements do not incorporate the effects of the initial public offering of up to 878,538,600 ordinary shares of RM0.20 each in the Company ("IPO"), listing of our Company ou the Main Market of Bursa Malaysia Seeurities Berhad ("Listing") and the Employee Share Option Scheme ("ESOS"). Therefore, they are not indicative of the financial results, financial position and cash flows that would have occurred if the IPO, Listing and ESOS have been effected on 31 March 2011 or of the future financial position, results and cash flows of the Group.

This Accountants' Report includes the following sections:

I Bumi Armada Berhad
II Bumi Armada Group
III Historical Financial Information of the Group

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
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SECTION I – BUMI ARMADA BERHAD

The Board of Directors
Bumi Armada Berhad
22 June 2011

I BUMI ARMADA BERHAD

1 Background information and principal activities

Bumi Armada Berhad was incorporated in Malaysia on 12 December 1995 under the Companies Aet, 1965 as a publie company limited by shares under its present name and commenced its business on 28 March 1997.

The address of the registered office of Bumi Armada is at Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur.

2 Share capital

Details of the issued and paid-up share capital of Bumi Armada since its incorporation on 12 December 1995 are as follows:

Date of allotment/ (redemption)	Number of ordinary shares/RPS issued/(RPS redeemed)	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
Ordinary shares				
12.12.1995	2	1.00	Cash subscription	2
10.04.1997	43,835,338	1.00	Share swap of the acquisition of the entire equity interest in Bumi Armada Navigation Sdn Bhd and Bumi Armada Automation Industries Sdn Bhd	43,835,340
14.04.1997	4,664,660	1.00	Cash subseription with premium of RM1.00 per share	48,500,000
10.06.1997	14,500,000	1.00	Cash subscription with premium of RM2.70 per share	63,000,000
21.02.2011	7,500,000	1.00	Cash subscription with premium of RM19.00 per share	70,500,000
23.03.2011	5,640,000	1.00	Cash subscription with premium of RM34.46 per share	76,140,000

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The Board of Directors
Bumi Armada Berhad
22 June 2011

I BUMI ARMADA BERHAD (CONTINUED)

2 Share capital (continued)

Date of allotment/ (redemption)	Number of ordinary shares/RPS issued/(RPS redeemed)	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
Ordinary shares (continued)				
30.03.2011	380,700,000	1.00	Bonus issue at par on the basis of 5 new shares for every 1 existing share	456,840,000
31.03.2011	2,284,200,000	0.20	Share split of every existing 1 share of RM1.00 each to 5 shares of RM0.20 each	456,840,000
Redeemable Preference Shares ("RPS")				
29.10.2004	300,000	1.00	Bonus issue with RM99.00 premium per share	300,000
31.01.2005	(300,000)	1.00	Redemption	0

SECTION II –BUMI ARMADA GROUP

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP

1 Background information

(a) Group's principal activities and information

The principal aetivity of the Company is investment holding. The principal activities of the Group consist of provision of marine transportation, Floating Production Storage and Offloading ("FPSO") operations, vessel construction, engineering and maintenance services to the offshore oil and gas companies. The principal activities of the subsidiaries are disclosed in Note 20 to the financial statements.

Tbe Company is a public company, limited hy shares, incorporated and domiciled in Malaysia.

The addrcss of the registered office aud principal place of business of the Company is as follows:

Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur
Malaysia.

(b) Auditors

We are the group auditors for Bumi Armada Berhad and its subsidiaries for the three finaneial ycars ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011. We are not the statutory auditors for the following eutities:

Entity's name	**Auditors**
Haven Automation Industries (S) Pte Ltd	Rohan Mah & Partners Certified Public Accountants, Singapore 78, Sbenton Way #26-02 Singapore 079120
Bumi Armada (Singapore) Pte Ltd	Rohan Mah & Partners Certified Public Aecountants, Singapore 78, Shenton Way #26-02 Singapore 079120
Armada Marine Contractors Caspian Pte Ltd	Rohan Mah & Partners Certified Publie Aceountants, Singapore 78, Shenton Way #26-02 Singapore 079120
Armada Project Pte. Ltd. (formerly known as Armada Forbes D1 India Pte Ltd)	Rohan Mah & Partners Certified Public Accountants, Singapore 78, Shenton Way #26-02 Singapore 079120

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

1 Background information (continued)

(b) Auditors (continued)

Entity's name	**Auditors**
Offshore Marine Ventures Sdn Bhd	Ernst & Young Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia
Armada Offshore DMCEST	Horwath MAK 21st Floor, The Prism Tower, Business Bay, Dubai, UAE
Forbes Bumi Armada Limited	U.V. Shah & Co #403, Prashanth Cbambers Samuel Street, Masjid West Mandvi Mumbai -400003

2 Basis of preparation of financial information in this Report

The audited consolidated financial statements of the Group for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011 which bave been reported on by us without qualification to the shareholders in Malaysia.

The interim financial statements of the Group should be read in conjunction with the annual financial statements for the financial year ended 31 December 2010, wbich have been prepared in accordance with Financial Reporting Standards in Malaysia.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during tbe reported financial period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Director's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are signifieant to the Group's finaneial statements are disclosed in Note 4 to the financial statements.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

2 Basis of preparation of financial information in this Report (eontinued)

(a) Standards, amendments and interpretations that are effective

The new aeeounting standards, amendments and improvements to published standards and interpretations that are effeetive and applieable for the Group's finaneial period beginning on or after 1 January 2011 are as follows:

- FRS 3 (revised) "Business Combinations"
- FRS 127 (revised) "Consolidated and Separate Finaneial Statements"
- Amendments to FRS 2 "Share-based Payment"
- Amendments to FRS 7 "Improving Disclosures abont Finaneial Instruments"
- Amendment to FRS 132 "Financial instruments: Presentation"
- IC Interpretation 4 "Determining whether an Arrangement Contains a Lease"
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"
- IC Interpretation 18 "Transfers of Assets from Cnstomers"
- Improvements to FRS
    - FRS 2 "Group Cash-settled Share-based Payment Transactions"
    - FRS 3 "Business Combinations"
    - FRS 5 "Non-current assets held for sale and discontinued operations"
    - FRS 138 "Intangible Assets"
    - FRS 101 "Presentation of financial statements"
    - IC Interpretation 9 "Reassessment of Embedded Derivatives"

The above new standards and IC Interpretations are not expected to have a material impact on the Group's financial statements.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and revised Financial Reporting Standards in Malaysia as fully described in Note 2(a) and unless otherwise described below.

3.1 Group accounting

Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and these are de-consolidated from the date that control ceases.

Subsidiaries are consolidated using the purchase method of accounting except for certain subsidiaries as disclosed in Note 20, which were consolidated prior to 1 April 2002 using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2 "Accounting for Acquisition and Mergers" the generally accepted accounting principles prevailing at that time.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial periods. On consolidation, the difference between the carrying value of the investment in these subsidiaries over the cost of the shares acquired is charged or credited to retained earnings.

The Group has the exemption provided by FRS 122_{2004} and FRS 3 to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these Standards.

Under the purchase method of accounting, the cost of an acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See Note 3.22 for the accounting policy on goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Non-controlling interests represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the non-controlling interests' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interests' share of changes in the subsidiaries' equity since that date.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 **Summary of significant accounting policies (continued)**

3.1 Group accounting (continued)

Where a business combination involves more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

All inter-company transactions, balances and unrealised gains/losses on transactions between companies in the Group are eliminated. Where necessary, adjustments are made to the financial statements of the subsidiaries to ensure consistency of acconnting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary. This is recognised in profit or loss attributable to the parent.

3.2 Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

3.3 Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with another party where the strategic financial and operating decisions, relating to the entity require unanimous consent of the parties sharing control. The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising the Group's share of the post acquisition results of jointly controlled entities in the profit or loss and its share of post acquisition changes of the investee's reserve in other comprehensive income. The cumulative post acquisition changes are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture resulting from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if a loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments are made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.4 Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associate includes goodwill identified on acquisition (see Note 3.22 for accounting policy on Goodwill), net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

Dilution gains and losses in associates are recognised in the profit or loss.

3.5 Changes in ownership interests

When the Group ceases to have control, joint control or significant influence over an entity, the carrying amount of the investment, at the date control, joint control or significant influence ceases, becomes its cost on initial measurement as a financial asset in accordance with FRS 139 "Financial Instruments: Recognition and Measurement".

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.6 Investments in subsidiaries, joint ventures and associates

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses (see Note 3.12 for accounting policy on the impairment of non-financial assets). On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

3.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 3.13 for accounting policy on borrowing costs).

Drydocking expenditure represents major inspection and overhaul cost and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally performed. The Group has included these drydocking costs as a component within vessel costs in accordance with FRS 116 "Property, plant and equipment".

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year/period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of the assets over their estimated useful lives summarised as follows:

Leasehold land and building	50 years
Drydocking expenditure	5 years
Vessels	12 to 25 years
Equipment, furniture, fittings and office equipment	2 to 10 years
Motor vehicles	5 years

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.7 Property, plant and equipment (continued)

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 3.12 for accouuting policy ou impairment of non-financial assets).

3.8 Financial assets

The Group has changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 January 2010.

Previously, investments in non-current investments are shown at cost and trade receivables are carried at invoice amount. The Group has applied the new policy according to the transitional provision of FRS 139 by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of the current financial year/period. Comparative for financial instruments have not been adjusted and therefore the corresponding balances are not comparable. Refer to Note 41 for the impact of this change in accounting policy.

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II **BUMI ARMADA GROUP (CONTINUED)**

3 **Summary of signifieant accounting policies (continued)**

3.8 Financial assets (continued)

(i) Classification (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an aetive market. They are ineluded in current assets, except for maturities greater than 12 months after the end of the reporting period. These arc classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statements of financial position.

(ii) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transactiou costs for all financial assets not carried at fair value through profit or loss. Financial assets earried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement – gains and losses

Financial assets at fair value through profit or loss are subsequcntly carried at fair valuc. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of eurreney translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.8 Financial assets (continued)

(iv) Subsequent measurement - Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation; and
- Disappearance of an active market for that financial asset because of financial difficulties.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.8 Financial assets (continued)

(iv) Subsequent measurement - Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

<u>Change in accounting policy</u>

The Group has changed its accounting policy for impairment of investments upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 January 2010.

Previously, for investments in non-current investments, allowance for diminution in value was made where, in the opinion of the Directors, there was a decline other than temporary in the value of such investments. Where there had been a decline other than temporary in the value of an investment, such a decline was recognised in profit or loss in the period in which the decline was identified.

The Group has applied the new policy according to the transitional provisions by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of the current financial year/period. There is no impact of this change in accounting policies.

(v) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Change in accouuting policy

The Group has changed its accounting policy for derivatives upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 January 2010. Previously, derivative gains and losses were not recognised in the financial statements on inception. Instead, they were recognised when settled, at which time they were ineluded in the measurement of the transaction hedged.

The Group has applied the new policy according to the transitional provisions by recognising and measuring derivatives, as appropriate, and recording any adjustments to the previous carrying amounts to the opening retained earnings or, if appropriate, another category of equity, of the current financial year/period. Comparative for these financial instruments have not been adjusted and therefore the corresponding balances are not comparable. Refer to Note 41 for the impact of this change in accounting policy.

3.11 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.11 Financial guarantee contracts (continued)

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

3.12 Impairment of non-financial assets

Non financial assets that have an indefinite useful life (e.g goodwill) are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.13 Borrowings

(i) Classification

Borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently stated at amortised cost; any difference between the initial recognised amount and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method except for borrowing cost incurred for the construction of any qualifying asset.

Interest, dividends, losses and gains relating to a financial instrument classified as a liability is reported within the finance cost in the profit or loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(ii) Capitalisation of borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed off to the profit or loss.

3.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents material and attributable cost of acquisition and is determined using the first-in, first-out method.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.15 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Contract costs are recognised as expenses in the period in which they are incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year/period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention sum such are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.16 Revenue recognition

Revenue comprises the fair value of the eonsideration received or reeeivable for the sale of goods and services in the ordinary course of the Group's aetivities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for eaeh of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifies of each arrangement. Revenue is recognised on the following bases:

(i) Vessel charter fees and support services

Charter hire income from vessels is recognised upon rendering of services to eustomers, using a straight line hasis over the term of the charter hire contract. Revenue derived from Floating Production Storage and Offloading (FPSO) leasing contracts classified as operating leases are recognised on a straight line basis over the lease period for which the customer has contractual right over the FPSO vessel.

Commission and agency income are recognised when services are rendered to the principals and recoguised on an accrual basis.

(ii) Interest, rental and dividend income

The Group earns interest income from deposits placed with licensed hanks. The Group also earns rental income from the rental of premises to third parties.

Interest and rental income are recognised on an accrual basis.

Dividend income is recognised when the Group's right to receive payment is established.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.16 Revenue recognition (continued)

(iii) Construction and engineering services

Revenue from construction contracts are accounted for under the percentage of completion method - see Note 3.15 for accounting policy on construction contracts.

(iv) Sale of goods

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales taxes and discounts, and after eliminating sales within the Group.

3.17 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group are presented in Ringgit Malaysia, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within other operating income/expenses.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.17 Foreign currencies (continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statements of financial position presented are translated at the closing rate at the date of that statements of financial position;
- income and expenses for each statements of comprehensive income or separate profit or loss presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisitions of foreign entities on or after 1 January 2006 are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has applied the transitional provision for acquisitions prior to 1 January 2006 which allows the goodwill and fair value adjustments arising from acquisitions to be treated as assets and liabilities of the parent rather than that of the foreign entities. Therefore, those goodwill and fair value adjustments either are already expressed in the parent's functional currency or are non-monetary foreign currency items, which are reported using the exchange rates at the date of the acquisitions.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.18 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(i) Accounting by lessee

Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Assets held under hire purchase and finance lease agreements are capitalised in the statements of financial position and are depreciated in accordance with the policy set out in Note 3.7. Outstanding obligations due under the hire purchase agreements after deducting finance expenses not due are included as liabilities in the financial statements. The finance expenses of the lease rentals are charged to the profit or loss over the period of the lease.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.18 Leases (continued)

(i) Accounting by lessee (continued)

Change in accounting policy

Following the adoption of the improvement to FRS 117 "Leases", leasehold land in which the Group has substantially all the risks and rewards incidental to ownership has been reclassified retrospectively from operating lease to finance lease. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Refer to Note 41 for the impact of this change in accounting policy.

(ii) Accounting by lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Lease income (net of any incentives given) is recognised on a straight line basis over the lease term and is recorded as accrued lease rental on the statements of financial position.

pwc

The Board of Dircctors
Bumi Armada Bcrhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.19 Current and deferred income taxes

The tax expense for the period eomprises eurrent, withholding and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodieally evaluates positions taken in tax returns witb respeet to situations in which applicable tax regulation is subjeet to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of most likely outcome.

Dcferred income tax is reeognised, usiug the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply wben the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differenees cau be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against eurrent tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.20 Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plan

The Group's contributions to the national Employees Provident Fund, a defined contribution plan are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further financial obligations.

(iii) Employee share option schemes

The employees of the Group receive share options as part of their remuneration in consideration for services rendered. The fair value of these share options is measured at their grant date and is recognised in profit or loss as staff costs, with a corresponding increase in the employee share option reserve over the vesting period, when the employees become unconditionally entitled to the share options. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of the share options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for share options that do not ultimately vest, except where vesting is dependent on a market or non-vesting condition. These would be treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. If the share options expired without being exercised, the employee share option reserve will be transferred to retained earnings. If the share options are exercised whereby new shares are issued, the employee share option reserve together with the exercise proceeds of the share options will be transferred to share capital and share premium accordingly.

3.21 Trade receivables

Trade receivables are carried at invoice amount, where this approximates fair value less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of signifieant accounting policies (continued)

3.22 Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose (see Note 3.12 for accounting policy on impairment of non-financial assets).

Goodwill on acquisition of jointly controlled entities and associates are included in investments in jointly controlled entities and associates respectively. Such goodwill is tested for impairment as part of the overall balance.

3.23 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.24 Provisious

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

3.25 Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.25 Contingent assets and liabilities (continued)

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrenee or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amouut that would be recognised in accordance with FRS 137 "Provisions, contingent liabilities and contingeut assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 "Revenue".

3.26 Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash eqnivalents consist of cash on hand, deposits held at call with banks, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.27 Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

(iii) Dividends

Distributions to holders of an equity instrument are debited directly to equity, net of any related income tax benefit aud the corresponding liability is recognised in the period in which the dividends are approved.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

3 Summary of significant accounting policies (continued)

3.28 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss for the financial year/period attributable to the owners of the Parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue will be adjusted to account for any bonus and share splits which were undertaken subsequent to date of the statements of financial position.

Diluted EPS is determined by adjusting the profit or loss for the financial year/period attributable to the owners of the Parent and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise of convertible notes, and any share options granted to employees of the Group and/or Directors of the Group.

3.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions.

Change in accounting policy

The Group has adopted FRS 8 "Operating segments" from 1 January 2010. FRS 8 replaces FRS 114 "Segment reporting" and is applied retrospectively. The adoption of FRS 8 has resulted in an increase in the number of reportable segments presented. Comparatives have been reclassified to facilitate comparison. This has not resulted in any new impairment of goodwill. There has been no other impact on the measurement of the Group's assets and liabilities.

Segment revenues and expenses are those directly attributable to the segments and include any expenses where a reasonable basis of allocation exists.

3.30 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year/period are outlined below.

4.1 Revenue

Chartering of FPSO and vessels to customers are recognised as revenue based on whether the charter contract arrangement is considered to be an operating lease or finance lease in accordance with FRS 117. Classification of these contracts as operating leases or finance leases are assessed at the inception of the lease. The estimated useful lives of the vessel and lease payment pattern are relevant in relation to evaluating lease contracts. This assessment requires significant judgements in the following areas:

(i) Lease term

At lease inception, a lease contract is classified as either an operating or a finance lease. The lease term is the 'non-cancellable period' for which the Group has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, when at lease inception it is reasonably certain that the lessee will exercise the option.

(ii) Purchase option

At lease inception, if it is not reasonably certain that the option will be exercised, the option will not be a part of the basis for classification. If the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than fair value at the date the option becomes exercisable, the exercise of the option is regarded reasonably certain. The evaluation of the term "reasonably certain" involves judgement. The lessee's purchase option is considered in classifying the lease contract.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

4 Critical accounting estimates and judgements (continued)

4.1 Revenue (continued)

Contraets for leasing and operation of vessels are usually negotiated together. Leasing of vessels is accounted for under FRS 117 and operation of vessels is accounted for under FRS 118. As the consideration for the leasing component and operation component of vessels are contracted together they may not represent the fair value of the individual component separately. The total consideration paid is allocated between eaeh component based on fair value of each component. This requires estimation based on market rates, comparable transaetions and other market related information to be determined at lease inception.

If the terms and eonditions of the lease contract change subsequently, management is required to assess whether the new arrangements would be elassified as a new lease based on the prevailing market eonditions.

4.2 Impairment of non-financial assets

The Group reviews periodieally whether property, plant, equipment aud vessels under eonstruction have suffered any impairment in accordanee with the accounting policy stated in Note 3.12. The recoverable amounts of each vessel, being defined as a cash generating unit, have been determined based on the higher of fair value less cost to sell and value in-use calcnlations. The value in-use calculations are based on contracted cash flows and estimates of uncontracted eash flows for the useful lives of eaeh vesscl, including scrap values discounted by an appropriate discount rate.

The impairment testing for cash-generating units requires estimates and judgement to determine the net present value of future cash flows such as revenue growth, cost escalation and discount rate amongst others. The Directors have evaluated the carrying amounts of property, plant and equipment and is satisfied that no impairment eharge is required.

4.3 Vessel useful life and residual valne

Depreeiation depcnds on the estimated useful lives of thc vessels and residual values at the end of thcir useful lives. The estimated useful lives are based on previous experience and knowledge of the vessels owncd by the Gronp and is uormally equal to the design lives of the vessel. Assumptions about residual value are based on 10% of original vessel eosts. Where appropriate, the Group will adjust the residual value and useful life of the individual vessel based on the particular eonditions of the vessel. These adjustments require judgements to he exereised by management to assess the residual value and useful life for the individual vessels.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

4 Critical accounting estimates and judgements (continued)

4.4 Taxation

The Group is subject to income and withholding taxes in a number of jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision where relevant in the period in which such determination is made.

5 Financial risk management objectives and policies

This note presents information about the Group's exposure to risk resulting from its use of financial instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further qualitative disclosures are included throughout these consolidated financial statements.

The Group's activities expose it to a variety of financial risks, market risk including currency risk and interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors identifies and evaluates financial risks in close co-operation with the Group's management.

The Group does not use financial instruments, including financial derivatives, for trading purposes.

Foreign currency exchange risk

The Group is exposed to various currencies, primarily the United States Dollar (USD). The Group's foreign currency exchange risk arose from the purchases of material, spares and services for maintenance of its vessels.

The Group has investments in foreign operations whose net assets, which are denominated in USD, are exposed to foreign currency translation risk. These exposures are largely mitigated by borrowing in the currencies of the underlying cashflows.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

5 Financial risk management objectives and policies (continued)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's deposits with licensed banks and borrowings with a floating interest rate. The average interest rates on financial instruments are disclosed on Note 33. In respect of managing interest rate risk, the floating interest rates of certain long-term loans are hedged by fixed rate swaps for the entire maturity period. Short term facilities which bear interest at floating rates are used for working capital and bridge financing requirements. The interest rate profile of the Group's borrowings is regularly reviewed against prevailing and anticipated market rates to determine hedging requirements.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	31.12.2009 RM'000	31.12.2010 RM'000	31.3.2011 RM'000
Fixed rate instruments			
Financial assets, comprising deposits with licensed banks	110,815	24,384	7,384
Financial liabilities comprising term loans and hire purchase	307,787	253,285	101,924
Variable rate instruments			
Financial liabilities, comprising term loans, bridging loans and revolving credits	2,365,083	3,165,572	3,377,360
Less: Interest Rate Swap ("IRS") contracts	(493,274)	(452,808)	(380,804)
Cross currency interest rate swap contract ("CCIRS")	0	(220,500)	(220,500)
	1,871,809	2,492,264	2,776,056

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

5 Financial risk management objectives and policies (continued)

Credit risk

Credit risk arises when sales are made on credit terms. The Group employs a credit policy that ensures clients are subjected to credit checks and outstanding accounts are followed up on a timely basis. The Group manages its credit risk concentration by constantly monitoring the performance of these specific customers.

Several of the Group's contracts are long-term. There can be no guarantees that the financial position of the Group's major customers will not materially change during the contracted period. Given the limited number of major customers of the Group and the significant portion they represent of the Group's income, the inability of one or more of them to make full payment on any of the Group's customers may have a significant adverse impact on the financial position of the Group. The Group believes that the credit risk related to these counterparties is at an acceptable level. The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. As such, management does not expect any counterparty to fail to meet their obligations. The carrying amount of trade receivables including accrued lease rentals represents the Group's maximum exposure to credit risk.

Management has also reviewed the credit risk with respect to amounts due from jointly controlled entities and does not expect any amount to be irrecoverable.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

II BUMI ARMADA GROUP (CONTINUED)

5 Financial risk management objectives and policies (continued)

Liquidity risk

The Group adopts liquidity risk management by maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities from financial institutions to support its daily operations. Whenever the Gronp nndertakes additional financing, the repayment and maturity profile of the underlying loans are struetured after taking into consideration the eash inflows expected to be generated from the related assets or operations and eeonomic life of the assets or operations being financed.

The table below analyses the Group's non-derivative finaneial liabilities and gross-settled derivative financial liabilities into rclevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Less than 3 months RM'000	Between 3 months and 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2010						
Borrowings	154,795	1,345,067	416,035	1,145,470	716,435	3,777,802
Hire purchase ereditors	111	334	676	259	0	1,380
Gross settled derivative financial instruments						
- interest rate swaps	19,283	96,444	130,753	326,184	111,106	683,770
- forward foreign currency contract	0	23,435	33,022	87,348	76,695	220,500
Trade payables	227,376	0	0	0	0	227,376
Other payahles	222,445	0	0	0	0	222,445
At 31 March 2011						
Borrowings	193,170	1,054,422	790,627	1,088,044	701,041	3,827,304
Hire purchase creditors	87	262	636	259	0	1,244
Gross settled derivative finaucial instruments						
- interest rate swaps	40,527	75,117	132,815	300,203	104,610	653,272
- forward foreign currency contract	15,978	7,457	33,022	87,348	76,695	220,500
Trade payables	160,682	0	0	0	0	160,682
Other payables	242,094	0	0	0	0	242,094
Amount due to jointly controlled entities	3,874	0	0	0	0	3,874

SECTION III – HISTORICAL FINANCIAL INFORMATION OF THE GROUP

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP

(a) Consolidated Financial Statements

Consolidated Statements of Income

The following consolidated statements of income are based on the audited consolidated financial statements of the Company for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011 except for certain figures which have been reclassified as explained in Note 44 to this report.

	Note	Financial years ended			3 month financial periods ended	
		31.12.2008 Audited RM'000 Restated	31.12.2009 Audited RM'000 Restated	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Revenue	7	519,839	732,090	1,241,383	262,461	376,159
Cost of sales	8	(272,674)	(399,026)	(636,272)	(141,890)	(223,058)
Gross profit		247,165	333,064	605,111	120,571	153,101
Other operating income	9	47,114	84,412	40,167	7,148	4,620
Selling and distribution costs		(62,375)	(59,223)	(81,839)	(21,541)	(26,739)
Administrative expenses		(36,405)	(63,861)	(96,303)	(13,247)	(17,535)
Operating profit		195,499	294,392	467,136	92,931	113,447
Finance cost	10	(34,583)	(50,781)	(82,425)	(19,751)	(17,141)
Share of results of an associate	21	245	38,632	(1,428)	(357)	0
Share of results of jointly controlled entities	22	727	1,685	(17)	(4)	(833)
Profit before taxation	11	161,888	283,928	383,266	72,819	95,473
Taxation	14	(11,865)	(6,486)	(32,511)	(6,177)	(13,399)
Profit for the financial year/period		150,023	277,442	350,755	66,642	82,074
Attributable to:						
Owners of the Parent		150,023	277,442	350,755	66,642	82,074
Non-controlling interests		0	0	0	0	0
		150,023	277,442	350,755	66,642	82,074
Earnings per share (sen)						
- basic	15	7.54	13.94	17.62	3.35	3.64
- diluted	15	7.44	12.71	16.02	3.06	3.64

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Comprehensive Income

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Profit for the financial year/period	150,023	277,442	350,755	66,642	82,074
Other comprehensive income:					
Currency translation differences	10,386	(37,412)	(143,536)	(57,538)	(32,684)
Other comprehensive income for the year/period, net of tax	10,386	(37,412)	(143,536)	(57,538)	(32,684)
Total comprehensive income for the year/period	160,409	240,030	207,219	9,104	49,390
Total comprehensive income attributable to:					
- Owners of the Parent	160,409	240,030	207,219	9,104	49,390
- Non-controlling interests	0	0	0	0	0
	160,409	240,030	207,219	9,104	49,390

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Financial Position

The following consolidated statements of financial position are based on the audited consolidated financial statements of the Company for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 March 2011 except for certain figures which have been reclassified to reflect the effects of FRS 117, FRS 139 and due to realignment of business segments in the financial year 2010 as explained in Note 41 and Note 44 to this report.

		Financial years ended			3 month financial period ended
	Note	31.12.2008 Audited RM'000 Restated	31.12.2009 Audited RM'000 Restated	31.12.2010 Audited RM'000	31.3.2011 Audited RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	17	2,032,218	3,008,375	3,714,989	3,856,053
Goodwill	19	1,411	1,411	1,411	1,411
Investment in an associate	21	10,275	33,382	0	0
Jointly controlled entities	22	5,496	5,566	9,799	9,323
Other investments	23	0	0	3,778	5,506
Accrued lease rentals	26	96,505	122,826	292,256	323,682
Deferred tax assets	34	1,485	1,660	4,190	3,249
		2,147,390	3,173,220	4,026,423	4,199,224
CURRENT ASSETS					
Inventories	24	1,477	825	1,123	1,366
Non-current assets held for sale	18	0	0	0	4,471
Trade receivables	25	96,785	184,827	189,643	265,904
Accrued lease rentals	26	0	146,512	218,017	241,464
Other receivables, deposits and prepayments	27	55,135	43,068	36,193	39,450
Tax recoverable		309	8,345	9,135	7,557
Amounts due from an associate		16,984	172	0	0
Amounts due from jointly controlled entities	28	1,819	7,600	25,123	27,587
Derivative financial instruments	29	0	0	12,126	17,405
Deposits, cash and bank balances	36	114,787	297,687	277,684	451,222
		287,296	689,036	769,044	1,056,426

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Financial Position (continued)

	Note	Financial years ended 31.12.2008 Audited RM'000 Restated	31.12.2009 Audited RM'000 Restated	31.12.2010 Audited RM'000	3 month financial period ended 31.3.2011 Audited RM'000
LESS: CURRENT LIABILITIES					
Amounts due to customers on contracts	30	3,951	34,378	30,377	70,116
Trade payables		217,228	236,240	227,376	160,682
Other payables and accruals	31	298,459	241,429	222,445	242,094
Amounts due to an associate		0	0	0	44
Amounts due to jointly controlled entities	28	0	0	0	3,874
Hire purchase creditors	32	360	595	402	335
Borrowings	33	142,906	770,611	1,397,746	1,134,967
Derivative financial liabilities	29	0	0	8,699	6,577
Taxation		1,934	1,809	10,825	15,486
		664,838	1,285,062	1,897,870	1,634,175
NET CURRENT LIABILITIES		(377,542)	(596,026)	(1,128,826)	(577,749)
LESS: NON-CURRENT LIABILITIES					
Hire purchase creditors	32	778	184	819	761
Borrowings	33	1,331,794	1,901,480	2,019,890	2,343,221
Deferred tax liabilities	34	5,960	4,184	1,786	3,523
		1,338,532	1,905,848	2,022,495	2,347,505
		431,316	671,346	875,102	1,273,970
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	35	63,000	63,000	63,000	456,840
Reserves		367,749	607,779	811,535	807,386
		430,749	670,779	874,535	1,264,226
NON-CONTROLLING INTERESTS		567	567	567	9,744
TOTAL EQUITY		431,316	671,346	875,102	1,273,970

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity

The eonsolidated statement of changes in equity based on its audited consolidated financial statements for tbe financial years ended 31 December 2008, 31 December 2009, 31 Deeember 2010 and 3 month financial period ended 31 Mareh 2011 are as follows:

		Attributable to owners of the Parent								
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
31.12.2008										
At 1 January 2008										
- As restated	63,000	63,000	10,898	390	(692)	311	196,433	270,340	567	270,907
Income and expense recognised directly to equity										
- currency translation differenees	0	0	0	0	10,386	0	0	10,386	0	10,386
Profit for the financial year	0	0	0	0	0	0	150,023	150,023	0	150,023
Total reeognised ineome and expense for the financial year	0	0	0	0	10,386	0	150,023	160,409	0	160,409
At 31 December 2008	63,000	63,000	10,898	390	9,694	311	346,456	430,749	567	431,316

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity (continued)

	Attributable to owners of the Parent									
	Number of shares	Nominal value	Share premium	Revaluation reserve	Foreign exchange reserve	Capital redemption reserve	Retained earnings	Total	Non-controlling interests	Total equity
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31.12.2009										
At 1 January 2009	63,000	63,000	10,898	390	9,694	311	346,456	430,749	567	431,316
Profit for the financial year	0	0	0	0	0	0	277,442	277,442	0	277,442
Other comprehensive income for the financial year, net of tax	0	0	0	0	(37,412)	0	0	(37,412)	0	(37,412)
Total comprehensive income for the financial year	0	0	0	0	(37,412)	0	277,442	240,030	0	240,030
At 31 December 2009	63,000	63,000	10,898	390	(27,718)	311	623,898	670,779	567	671,346

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity (continued)

31.12.2010	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Parent									
At 1 January 2010											
- As previously stated		63,000	63,000	10,898	390	(27,718)	311	623,898	670,779	567	671,346
- Adjustment on application of FRS 139	41	0	0	0	0	0	0	(3,463)	(3,463)	0	(3,463)
At 1 January 2010, as restated		63,000	63,000	10,898	390	(27,718)	311	620,435	667,316	567	667,883
Profit for the financial year		0	0	0	0	0	0	350,755	350,755	0	350,755
Other comprehensive income for the financial year, net of tax		0	0	0	0	(143,536)	0	0	(143,536)	0	(143,536)
Total comprehensive income for the financial year		0	0	0	0	(143,536)	0	350,755	207,219	0	207,219
At 31 December 2010		63,000	63,000	10,898	390	(171,254)	311	971,190	874,535	567	875,102

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity (continued)

		Attributable to owners of the Parent									
31.3.2010 (Unaudited)	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2010											
- As previously stated		63,000	63,000	10,898	390	(27,718)	311	623,898	670,779	567	671,346
- Adjustment on application of FRS 139	41	0	0	0	0	0	0	(3,463)	(3,463)	0	(3,463)
At 1 January 2010, as restated		63,000	63,000	10,898	390	(27,718)	311	620,435	667,316	567	667,883
Profit for the financial period		0	0	0	0	0	0	66,642	66,642	0	66,642
Other comprehensive income for the financial period, net of tax		0	0	0	0	(57,538)	0	0	(57,538)	0	(57,538)
Total comprehensive income for the financial period		0	0	0	0	(57,538)	0	66,642	9,104	0	9,104
At 31 March 2010		63,000	63,000	10,898	390	(85,256)	311	687,077	676,420	567	676,987

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Statements of Changes in Equity (continued)

31.3.2011	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
			Attributable to owners of the Parent								
At 1 January 2011		63,000	63,000	10,898	390	(171,254)	311	971,190	874,535	567	875,102
Profit for the financial period		0	0	0	0	0	0	82,074	82,074	0	82,074
Other comprehensive income for the financial period, net of tax		0	0	0	0	(32,684)	0	0	(32,684)	0	(32,684)
Total comprehensive income for the financial period		0	0	0	0	(32,684)	0	82,074	49,390	0	49,390
Transactions with owners:											
Issue of ordinary shares from call option	35(a)	7,500	7,500	142,500	0	0	0	0	150,000	0	150,000
Rights issue	35(b)	5,640	5,640	194,360	0	0	0	0	200,000	0	200,000
Bonus issue	35(c)	380,700	380,700	(347,758)	0	0	0	(32,942)	0	0	0
Share split	35(d)	1,827,360	0	0	0	0	0	0	0	0	0
Additional shares in a subsidiary subscribed by non-controlling interests		0	0	0	0	0	0	0	0	5,220	5,220
Dilution of interest in a subsidiary	20(c)	0	0	0	0	0	0	(9,699)	(9,699)	9,699	0
Dividend paid by a subsidiary to non-controlling interests		0	0	0	0	0	0	0	0	(5,742)	(5,742)
At 31 March 2011		2,284,200	456,840	0	390	(203,938)	311	1,010,623	1,264,226	9,744	1,273,970

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Cash Flow Statements

The following consolidated cash flow statements are based on the audited consolidated financial statements of the Company for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and 3 month financial period ended 31 Mareb 2011.

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
OPERATING ACTIVITIES					
Profit for the financial year/period	150,023	277,442	350,755	66,642	82,074
Adjustments for non cash items:					
Share of results of an associate and jointly controlled entity	(972)	(40,317)	1,445	361	833
Depreciation of property, plant and equipment	106,337	185,954	248,418	60,327	72,144
Impairment of property, plant and equipment	0	7,355	0	0	0
Impairment of investments in associate	0	0	13,300	0	0
Gain on deemed disposal of subsidiaries	(3,005)	0	(4,093)	0	0
Fair value through profit or loss on financial instruments	0	0	(7,144)	2,942	(7,582)
Gain on disposal of property, plant and equipment	(26,920)	(60,141)	(7,478)	(73)	(2)
Property, plant and equipment written off	693	561	0	0	0
Allowance for doubtful debts	1,065	420	6,984	11,836	3,513
Allowance for doubtful debts written back	(2,552)	(76)	(766)	0	(10)
Allowance for inventories obsolescence	0	71	0	0	0
Unrealised foreign exchange loss/(gain)	2,873	(1,301)	(1,463)	2,174	(201)
Interest income	(528)	(253)	(253)	(39)	(77)
Interest expense	34,583	50,781	89,569	16,809	24,723
Taxation	11,865	6,486	32,511	6,177	13,399
	273,462	426,982	721,785	167,156	188,814
Inventories	(52)	581	(298)	(279)	(243)
Trade and other receivables	(109,440)	(238,121)	(237,964)	(138,666)	(152,598)
Trade and other payables	272,832	(60,655)	(92,529)	47,385	111,078
Cash from operations	436,802	128,787	390,994	75,596	147,051
Interest paid	(51,263)	(72,512)	(106,414)	(24,869)	(39,146)
Tax paid	(19,661)	(16,598)	(29,213)	(10,106)	(4,482)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	365,878	39,677	255,367	40,621	103,423

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Cash Flow Statements (continued)

	Note	Financial years ended			3 month financial periods ended	
		31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
INVESTING ACTIVITIES						
Additional investments in jointly controlled entities		0	0	0	0	(358)
Purchase of property, plant and equipment	A	(1,075,827)	(1,300,385)	(1,008,239)	(228,400)	(359,290)
Proceed from disposal of property, plant and equipment		52,237	244,709	8,010	143	4
Interest received		528	731	253	39	77
Proceeds from disposal of subsidiaries		2,800	0	0	0	0
Investment in jointly controlled entity		0	0	(157)	0	0
Purchase of other investment		0	0	(3,778)	0	(1,728)
Dividends received		8,991	0	15,527	11,344	0
NET CASH FLOW USED IN INVESTING ACTIVITIES		(1,011,271)	(1,054,945)	(988,384)	(216,874)	(361,295)
FINANCING ACTIVITIES						
Proceeds from loan from a substantial shareholders		150,000	0	0	0	0
Proceeds from bank borrowings		1,862,248	1,491,958	1,688,238	155,017	349,398
Repayment of bank borrowings		(1,309,810)	(312,471)	(954,242)	(112,930)	(85,074)
Repayment of loan to a related party	38(h)	0	0	0	0	(150,000)
Repayment of hire purchase creditors		(424)	(450)	(513)	(146)	(125)
Decrease/(Increase) in deposit pledged as security		0	0	396	1,881	(3,000)
Exercise of rights issue	35(b)	0	0	0	0	200,000
Exercise of call option by a shareholder	35(a)	0	0	0	0	150,000
Issuance of subsidiary's shares to non-controlling interests		0	0	0	0	5,220
Dividends paid to non-controlling interests		0	0	0	0	(5,742)
Drawdown from hire purchase creditors		0	0	955	0	0
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES		702,014	1,179,037	734,834	43,822	460,677

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Cash Flow Statements (continued)

	Note	Financial years ended			3 month financial periods ended	
		31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
		Audited	Audited	Audited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000	RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		56,621	163,769	1,817	(132,431)	202,805
CURRENCY TRANSLATION DIFFERENCES		5,284	(6,755)	(23,970)	(11,084)	(3,846)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR/PERIOD		48,132	110,037	267,051	267,051	244,898
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR/PERIOD	B	110,037	267,051	244,898	123,536	443,857

A Additions to property, plant and equipment (Note 17) during the financial year/period were acquired as follows:

	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash	1,075,827	1,300,385	1,008,239	228,400	359,290
Hire purchase and finance lease arrangements	163	23	955	0	0
Movement in property, plant and equipment creditors	79,158	44,030	37,672	4,138	(101,355)
Interest capitalised for construction of vessels	18,314	26,871	34,708	7,197	8,397
	1,173,462	1,371,309	1,081,574	239,735	266,332

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(a) Consolidated Financial Statements (continued)

Consolidated Cash Flow Statements (continued)

		Financial years ended			3 month financial periods ended	
		31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
		Audited	Audited	Audited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000	RM'000
B	Cash and cash equivalents consist of:					
	Deposits with licensed banks	246	110,815	24,384	2,899	7,384
	Cash and bank balances	114,541	186,872	253,300	155,143	443,838
		114,787	297,687	277,684	158,042	451,222
	Bank overdrafts	(4,750)	(25,875)	(28,421)	(31,626)	0
	Designated deposits placed with licensed banks	0	(4,761)	(4,365)	(2,880)	(7,365)
		110,037	267,051	244,898	123,536	443,857

(b) Notes to the Consolidated Financial Statements

6 Segment information

The Group is organised into 4 main business segments based on the type of operations earried out by its vessels and barges:

- Offshore Support Vessels (OSV)
- Floating Produetion Storage Offloading system (FPSO)
- Transport and Installation (T&I)
- Oilfield Services (OFS)

Inter segment revenue comprises mostly of engineering provision to the marine charter hire companies within the Group. These transactions are conducted based on terms and conditions negotiated with related parties.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

The remaining Group's operations comprise engineering services, which is not of a sufficient size to be reported separately. Management and other corporate support services provided to group entities are considered incidental to the Group's operating business. These are reported separately under Corporate and eliminations.

Financial year ended 31 December 2008

	OSV	FPSO	T&I	Others	Corporate and eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	322,269	197,570	0	0	0	519,839
Inter-segment revenue	3,403	0	0	23,368	(26,771)	0
Total Revenue	325,672	197,570	0	23,368	(26,771)	519,839
Results						
Segment results	89,364	53,564	0	942	4,515	148,385
Other operating income						47,114
Finance cost						(34,583)
Share of results of jointly controlled entity and an associate						972
Taxation						(11,865)
Profit for the financial year						150,023

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

Financial year ended 31 December 2009

	OSV	FPSO	T&I	Others	Corporate and eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	404,093	327,853	0	144	0	732,090
Inter-segment revenue	11,120	0	0	73,277	(84,397)	0
Total Revenue	415,213	327,853	0	73,421	(84,397)	732,090
Results						
Segment results	99,580	92,797	0	11,273	6,330	209,980
Other operating income						84,412
Finance cost						(50,781)
Share of results of jointly controlled entities and an associate						40,317
Taxation						(6,486)
Profit for the financial year						277,442

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

Financial year ended 31 December 2010

	OSV	FPSO	T&I	Others	Corporate and eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	419,709	553,411	268,263	0	0	1,241,383
Inter-segment revenue	0	0	0	78,499	(78,499)	0
Total Revenue	419,709	553,411	268,263	78,499	(78,499)	1,241,383
Results						
Segment results	88,941	179,215	148,472	22,707	(12,366)	426,969
Other operating income						40,167
Finance cost						(82,425)
Share of results of jointly controlled entities and an associate						(1,445)
Taxation						(32,511)
Profit for the financial year						350,755

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

Financial period ended 31 March 2010 (Unaudited)

	OSV RM'000	FPSO RM'000	T&I RM'000	OFS RM'000	Others RM'000	Corporate and eliminations RM'000	Group RM'000
External Revenue	107,490	154,971	0	0	0	0	262,461
Inter-segment revenue	0	0	0	0	6,093	(6,093)	0
Total Revenue	107,490	154,971	0	0	6,093	(6,093)	262,461
Results							
Segment results	25,751	54,153	0	0	4,872	1,007	85,783
Other operating income							7,148
Finance cost							(19,751)
Share of results of jointly controlled entities and an associate							(361)
Taxation							(6,177)
Profit for the financial period							66,642

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

Financial period ended 31 March 2011

	OSV RM'000	FPSO RM'000	T&I RM'000	OFS RM'000	Others RM'000	Corporate and eliminations RM'000	Group RM'000
External Revenue	97,876	125,296	73,850	79,137	0	0	376,159
Inter-segment revenue	0	0	0	0	25,121	(25,121)	0
Total Revenue	97,876	125,296	73,850	79,137	25,121	(25,121)	376,159
Results							
Segment results	11,630	36,466	50,817	5,149	4,295	470	108,827
Other operating income							4,620
Finance cost							(17,141)
Share of results of jointly controlled entities and an associate							(833)
Taxation							(13,399)
Profit for the financial period							82,074

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

6 Segment information (continued)

The revenue to the third parties reported to the Chief Operating Decision Maker is measured in a manner consistent with that in the profit or loss, according to the services provided to the customers. The cost of sales and allocation of expenses attributable to each segment is based on management's internal allocation basis and may not individually be consistent with the profit or loss.

Although the Group's business segments are managed in Malaysia, they operate in the following main geographical areas:

- Malaysia - mainly charter hire of vessel, marine engineering and consultancy services
- Asia (excluding Malaysia), Africa and Latin America - charter hire of vessel

	Revenue				
	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	210,451	219,910	188,566	45,230	121,338
Asia (excluding Malaysia)	87,987	124,741	526,938	60,320	138,278
Africa	221,401	345,101	438,661	131,251	94,739
Latin America	0	42,338	87,218	25,660	21,804
	519,839	732,090	1,241,383	262,461	376,159

The major customers are in the FPSO and T&I segments. Total revenue from the top three major customers amount to RM218.17 million (31.12.2010: RM673.10 million, 31.3.2010: RM154.97 million, 31.12.2009: RM330.10 million and 31.12.2008: RM270.53 million).

7 Revenue

	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Vessel charter fees and support services rendered	479,880	731,946	1,162,884	262,461	297,022
Oilfield services	0	0	0	0	79,137
Vessel construction revenue	19,786	0	0	0	0
Engineering contracts and performance services	20,173	144	78,499	0	0
	519,839	732,090	1,241,383	262,461	376,159

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

8 Cost of sales

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Vessel charter fees and support services rendered	236,344	399,026	590,878	141,890	151,835
Oilfield services	0	0	0	0	71,223
Vessel construction	19,814	0	0	0	0
Engineering contracts and performance services	16,516	0	45,394	0	0
	272,674	399,026	636,272	141,890	223,058

9 Other operating income

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Gain on disposal of property, plant and equipment	26,920	60,141	7,478	73	2
Interest income	528	253	253	39	77
Rental income	120	41	41	10	10
Agency and handling fees	11,244	19,808	9,664	0	0
Insurance income	0	2,483	10,000	74	216
Commission	0	0	0	114	333
Management fees	0	0	0	49	49
Technical fees	0	0	0	1,769	1,593
Gain on disposal of scrap materials	0	922	1,544	0	0
Gain on disposal of subsidiaries	3,005	0	4,093	0	0
Others	5,297	764	7,094	5,020	2,340
	47,114	84,412	40,167	7,148	4,620

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

10 Finance cost

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Interest expenses	34,583	50,781	89,569	16,809	24,723
Fair value (gain)/loss on financial derivatives (Note 29)	0	0	(7,144)	2,942	(7,582)
	34,583	50,781	82,425	19,751	17,141

11 Profit before taxation

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Profit before taxation is arrived at after charging/(crediting):					
Allowance for doubtful debts written back	(2,552)	(76)	(766)	0	(10)
Allowance for doubtful debts	1,065	420	6,984	11,836	3,513
Auditors' remuneration					
- statutory audit	662	665	741	0	0
- audit related services	429	153	163	0	1,800
- non-audit services	89	423	675	0	0
Depreciation of property, plant and equipment	106,337	185,954	248,418	60,327	72,144
Property, plant and equipment written off	693	561	0	0	0
Gain on disposal of property, plant and equipment	(26,920)	(60,141)	(7,478)	(73)	(2)
Contract costs	19,814	0	0	0	0
Travelling and freight	11,004	14,141	17,595	1,618	2,645
Repairs and maintenance	17,803	28,742	25,336	922	463
Management fees and commission	29,496	4,280	1,850	315	1,196
Insurance	11,217	15,875	25,151	1,185	3,583
Fuel and oil	8,232	15,683	16,161	2,369	4,262
Advertisement and recruitment	0	0	1,842	158	221

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

11 Profit before taxation (continued)

	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Staff costs (Note 12)	99,750	170,997	259,230	51,640	60,317
Cost of contract workers	7,009	0	0	0	0
Other crew costs	3,089	6,004	5,884	3	558
Rental of buildings	3,182	4,938	4,138	774	817
Hiring of equipment	81	8,661	25,118	6,540	6,149
Interest income:					
- deposits with a licensed bank	(528)	(253)	(253)	(39)	(77)
Agency fee	(4,904)	4,147	9,854	1,693	3,484
Rental income	(120)	(41)	(41)	(10)	(10)
Allowance for inventories obsolescence	0	71	0	0	0
Impairment of property, plant and equipment	0	7,355	0	0	0
Impairment of investment in associate (net of amount due to a substantial corporate shareholder of an associate)	0	0	13,300	0	0
Net exchange (gain)/loss:					
- Realised	(13,928)	(13,996)	7,048	(341)	3,027
- Unrealised	2,873	(1,301)	(1,463)	2,174	(201)
Maintenance and services cost	0	29,344	66,704	24,518	13,761
Survey fee	0	2,704	2,957	83	306
Consultancy fee	0	589	3,114	3,659	549
Communication expense	0	5,337	6,070	854	1,150

12 Staff costs

	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonuses	87,715	153,949	239,260	47,216	54,488
Defined contribution plan	5,617	6,448	6,783	1,671	2,139
Other staff related cost	6,418	10,600	13,187	2,753	3,690
	99,750	170,997	259,230	51,640	60,317

The staff costs above include the Executive Directors' remuneration as disclosed in Note 13.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

13 Directors' remuneration

The aggregate amount of emoluments receivable by Directors of the Company during the financial year/period were as follows:

	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-executive Directors:					
- fees	931	1,215	1,179	295	343
Executive Directors:*					
- salaries and bonuses	4,466	4,009	4,308	1,077	1,141
- defined contribution plan	74	87	88	22	73
	5,471	5,311	5,575	1,394	1,557

* Includes remuneration paid to an Executive Director as disclosed in Note 38(g).

Benefits in kind received by the Director of the Company amounted to RM14,788 (31.12.2010: RM62,213, 31.3.2010: RM15,553, 31.12.2009: RM58,387 and 31.12.2008: RM60,243) from the Group.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

14 Taxation

	Financial years ended			3 month financial periods ended	
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
Income tax:					
- Malaysian tax	16,759	2,011	18,423	3,500	464
- foreign tax	3,361	6,426	19,016	3,613	10,257
Deferred tax (Note 34)	(8,255)	(1,951)	(4,928)	(936)	2,678
	11,865	6,486	32,511	6,177	13,399
Income tax:					
- current financial year/period	21,906	9,131	37,608	7,145	11,545
- over provision in respect of prior financial years/periods	(1,786)	(694)	(169)	(32)	(824)
	20,120	8,437	37,439	7,113	10,721
Deferred tax:					
- origination and reversal of temporary differences (Note 34)	(8,255)	(1,951)	(4,928)	(936)	2,678
	11,865	6,486	32,511	6,177	13,399

Domestic Malaysian income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%, 2009: 25%, 2008: 26%).

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

14 Taxation (continued)

The explanation of the relationship between Malaysian tax rate and average effective tax rate is as follows:

	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	%	%	%	%	%
Malaysian tax rate	26	25	25	25	25
Tax effects of:					
- exempt income	(22)	(26)	(26)	(26)	(18)
- withholding tax on foreign sourced income	0	2	5	5	12
- expenses not deductible for tax purposes	3	6	4	4	1
- different tax rate in other countries	(2)	(5)	0	0	(6)
Average effective tax rate	5	2	8	8	14

The increase in the 2010 Group's average effective tax rate was due to an over provision of income tax in prior years/periods.

The income arising from Malaysian sea-going ships of the Group are tax exempt under Section 54A of the Income Tax Aet, 1967, whilst business income from Non-Malaysian sea-going ships are taxed at the statutory tax rate of 25% (2010: 25%, 2009: 25% and 2008: 26%) for the finaneial period ended 31 March 2011.

Foreign sourced income are taxed based on their individual tax jurisdiction and rate vary between 17% to 30% (2009-2010: 17% to 30% and 2008: 18% to 30%).

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

15 Earnings per share

Basic

The basic earnings per share is calculated by dividing the profit for the financial period attributable to the owners of the Parent by the weighted average number of ordinary shares in issue during the financial period, adjusted for the rights issue, bonus shares and share split undertaken by the Company.

Diluted

The diluted earnings per share is calculated by dividing the profit for the financial period attributable to the owners of the Parent (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the call option) by the weighted average number of ordinary shares as adjusted for the basic earnings per share and includes all potential dilutive shares on the call option granted by the reporting dates as if the call option had been exercised on the first day of the financial period or the date of the grant, if later.

The basic and diluted weighted average number of shares have been represented for prior financial years/periods to reflect the rights issue, bonus issue and share split as required by FRS 133 "Earnings per Share".

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

15 Earnings per share (continued)

	Basic				
	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the financial year/period ended (RM'000):	150,023	277,442	350,755	66,642	82,074
Potential interest income earned (net of tax) pursuant to the exercise of call option by our shareholder (RM'000)	0	0	0	0	0
Adjusted profit for the financial year/period ended (RM'000)	150,023	277,442	350,755	66,642	82,074
Ordinary shares of RM1.00 each in Bumi Armada (000):					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Weighted average of shares under call option exercised by shareholder	0	0	0	0	3,417
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341	3,341	3,341	3,341	3,341
Weighted average of shares under the rights issue	0	0	0	0	501
Bonus issue of 5 shares for every 1 share held	331,705	331,705	331,705	331,705	380,700
	398,046	398,046	398,046	398,046	450,959
Ordinary shares of RM0.20 each in Bumi Armada (000):					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	1,990,230	1,990,230	1,990,230	1,990,230	2,254,795
Earnings per share (sen)	7.54	13.94	17.62	3.35	3.64

* Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary shares.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

15 Earnings per share (continued)

	Diluted				
	Financial years ended			3 month financial periods ended	
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the financial year/period ended (RM'000)	150,023	277,442	350,755	66,642	82,074
Potential interest income earned (net of tax) pursuant to the exercise of call option by our shareholder (RM'000)	346	4,208	4,208	1,052	0
Adjusted profit for the financial year/period ended (RM'000)	150,369	281,650	354,963	67,694	82,074
Ordinary shares of RM1.00 each in Bumi Armada (000):					
Existing shares issued as at 1 January	63,000	63,000	63,000	63,000	63,000
New shares issued pursuant to:					
Weighted average of shares under the call option exercised by shareholder	1,021	7,500	7,500	7,500	3,417
Bonus element on rights issue of 1 share for every 12.5 shares held*	3,341	3,341	3,341	3,341	3,341
Weighted average of shares under the rights issue	0	0	0	0	501
Bonus issue of 5 shares for every 1 share held	336,810	369,205	369,205	369,205	380,700
	404,172	443,046	443,046	443,046	450,959
Ordinary shares of RM0.20 each in Bumi Armada (000):					
Share split of 1 share of RM1.00 each into 5 shares of RM0.20 each	2,020,860	2,215,230	2,215,230	2,215,230	2,254,795
Earnings per share (sen)	7.44	12.71	16.02	3.06	3.64

* Bonus element calculated based on the difference between the fair value of the ordinary shares and the value of rights issue payable on the basis of 1 new ordinary share for every 12.5 existing ordinary share.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

16 Dividends in respect of ordinary shares

The Directors did not recommend any payment of dividends for the financial years ended 31 December 2008, 2009 and 2010 and 3 month financial period ended 31 March 2011.

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment

	As at 1.1.2008 RM'000	Effects of adoption of FRS 117 RM'000	As restated RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Re-classification RM'000	Currency translation differences RM'000	Disposal of subsidiaries RM'000	Depreciation charge RM'000	As at 31.12.2008 RM'000
As at 31 December 2008											
Leasehold land and buildiug	4,284	864	5,148	0	0	0	0	196	0	(239)	5,105
Vessels under construetion	296,534	0	296,534	459,320	0	0	(72,938)	0	0	0	682,916
Vessels	659,333	0	659,333	698,732	(22,466)	0	67,367	8,248	0	(97,509)	1,313,705
Speeial dry doeking costs	11,580	0	11,580	575	(2,777)	0	5,384	98	0	(4,064)	10,796
Total vessel cost	670,913	0	670,913	699,307	(25,243)	0	72,751	8,346	0	(101,573)	1,324,501
Plant and machinery	14	0	14	0	0	0	0	0	(8)	(6)	0
Motor vehieles[1]	1,608	0	1,608	523	0	0	0	0	(13)	(470)	1,648
Equipment, furniture and fittings and offiee equipment	8,380	0	8,380	14,312	(74)	(693)	187	80	(95)	(4,049)	18,048
Total	981,733	864	982,597	1,173,462	(25,317)	(693)	0	8,622	(116)	(106,337)	2,032,218

[1] The net book value of motor vehicles at 31 December 2008 under finance lease agreements is RM1,315,000.

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

	As at 1.1.2009 RM'000	Effects of adoption of FRS 117 RM'000	As restated RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Re-classification RM'000	Currency translation differences RM'000	Impairment charge RM'000	Depreciation charge RM'000	As at 31.12.2009 RM'000
As at 31 December 2009											
Leasehold land and building	4,259	846	5,105	0	0	0	0	27	0	(114)	5,018
Vessels under construction	682,916	0	682,916	582,654	0	0	(336,500)	(4,950)	0	0	924,120
Vessels	1,313,705	0	1,313,705	770,920	(184,538)	0	325,273	(11,460)	(7,355)	(176,422)	2,030,123
Drydocking	10,796	0	10,796	10,490	0	0	11,227	(315)	0	(3,873)	28,325
Total vessel cost	1,324,501	0	1,324,501	781,410	(184,538)	0	336,500	(11,775)	(7,355)	(180,295)	2,058,448
Motor vehicles[(1)]	1,648	0	1,648	0	0	0	0	1	0	(488)	1,161
Equipment, furniture and fittings and office equipment	18,048	0	18,048	7,245	(30)	(561)	0	(17)	0	(5,057)	19,628
Total	2,031,372	846	2,032,218	1,371,309	(184,568)	(561)	0	(16,714)	(7,355)	(185,954)	3,008,375

(1) The net book value of motor vehicles at 31 December 2009 under finance lease agreements is RM908,000.

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

	As at 1.1.2010	Effects of adoption to FRS 117	As restated	Additions	Disposals	Write off	Re-classification	Currency translation differences	Impairment charge	Depreciation charge	As at 31.12.2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2010											
Leasehold land and building	4,190	828	5,018	0	0	0	0	(74)	0	(124)	4,820
Vessels under construction	924,120	0	924,120	361,098	0	0	(1,118,246)	(45,737)	0	0	121,235
Vessels	2,030,123	0	2,030,123	694,419	(8,613)	0	1,113,376	(62,466)	0	(231,229)	3,535,610
Drydocking	28,325	0	28,325	16,342	(8,804)	0	0	(42)	0	(8,645)	27,176
Total vessel cost	2,058,448	0	2,058,448	710,761	(17,417)	0	1,113,376	(62,508)	0	(239,874)	3,562,786
Motor vehicles[1]	1,161	0	1,161	954	(116)	0	0	(3)	0	(519)	1,477
Equipment, furniture and fittings and office equipment	19,628	0	19,628	8,761	(682)	0	4,870	(5)	0	(7,901)	24,671
Total	3,007,547	828	3,008,375	1,081,574	(18,215)	0	0	(108,327)	0	(248,418)	3,714,989

[1] The net book value of motor vehicles at 31 December 2010 under finance lease agreements is RM1,299,000 .

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

	As at 1.1.2011 RM'000	Transfer to asset held for Sale (Note 18) RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Re-classification RM'000	Currency translation differences RM'000	Impairment charge RM'000	Depreciation charge RM'000	As at 31.3.2011 RM'000
As at 31 March 2011										
Leasehold land and building	4,820	0	0	0	0	0	75	0	(31)	4,864
Vessels under construction	121,235	0	13,518	0	0	(455)	(2,353)	0	0	131,945
Vessels	3,535,610	(3,015)	242,540	0	0	455	(46,264)	0	(67,631)	3,661,695
Drydocking	27,176	(1,333)	8,515	0	0	0	(107)	0	(1,771)	32,480
Total vessel cost	3,562,786	(4,348)	251,055	0	0	455	(46,371)	0	(69,402)	3,694,175
Motor vehicles[1]	1,477	0	48	0	0	0	0	0	(138)	1,387
Equipment, furniture and fittings and office equipment	24,671	(123)	1,711	(2)	0	0	(2)	0	(2,573)	23,682
Total	3,714,989	(4,471)	266,332	(2)	0	0	(48,651)	0	(72,144)	3,856,053

[1] The net book value of motor vehicles at 31 March 2011 under finance lease agreements is RM1,101,000.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

	31.12.2008 Restated RM'000	31.12.2009 Restated RM'000	As at 31.12.2010 Audited RM'000	As at 31.3.2011 Audited RM'000
Net book value				
Leasehold land and building	5,105	5,018	4,820	4,864
Vessels under construction	682,916	924,120	121,235	131,945
Vessels	1,324,501	2,058,448	3,562,786	3,694,175
Motor vehicles	1,648	1,161	1,477	1,387
Equipment, furniture and fittings and office equipment	18,048	19,628	24,671	23,682
	2,032,218	3,008,375	3,714,989	3,856,053

(a) In 1995, the Directors revalued the building under short lease of a subsidiary, Haven Automation Industries (S) Pte. Ltd., a company incorporated in the Republic of Singapore based on an independent valuation done by Jones Lang Wootton Property Consultants Pte Ltd (on an open market value for existing use basis). The surplus on revaluation was credited to revaluation reserve. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on adoption of FRS 116 "Property, Plant and Equipment", the valuation of leasehold building under short lease has not been updated and it continues to be stated at its existing carrying amount less depreciation as its deemed cost.

The net book value of this leasehold building, had it been carried at cost less accumulated depreciation amounted to RM2.31 million (31.12.2010: RM2.32 million, 31.12.2009: RM2.43 million and 31.12.2008: RM2.47 million) compared to carrying value of RM2.75 million (31.12.2010: RM2.77 million, 31.12.2009: RM2.92 million and 31.12.2008: RM2.96million).

(b) A fixed charge has been created over certain vessels of the Group with net book values amounting to approximately RM1.65 billion (31.12.2010: RM1.71 billion, 31.12.2009: RM1.71 billion and 31.12.2008: RM58.79 million) as security for term loans (Note 33).

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

17 Property, plant and equipment (continued)

(c) Included in vessels under constructions are borrowing costs directly attributable to the construction capitalised amounting to RM8.40 million (31.12.2010: RM34.71 million, 31.12.2009: RM26.87 million and 31.12.2008: RM18.31 million).

(d) The FPSO contracts include options for the charterer to purchase the respective FPSO vessels or to extend the charter period beyond the initial period. The purchase option values are based on declining agreed prices, which are in excess of the current net book values of the FPSO vessels as at reporting date.

18 Non-current assets held for sale

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Non-current assets held for sale previously classified under Property, Plant and Equipment:				
- Vessels	0	0	0	4,471

During the financial period ended 31 March 2011, three vessels which were part of the OSV segment were identified by management for disposal. On 23 March 2011, the Board of Directors approved management's plan to sell these vessels. Subsequent to the reporting date, a sale and purchase agreement is currently being negotiated to dispose one of the vessels for a purchase consideration of RM1.35 million.

Management anticipated that the sale of the remaining two vessels, with a combined carrying value of RM3.07 million at reporting date, will be completed by the current year end.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

19 Goodwill

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
As at 1 January/31 December/31 March	1,411	1,411	1,411	1,411

Goodwill has been allocated to the Bumi Armada Engineering Sdn Bhd, acquired on 8 June 2006. An impairment review of the carrying value of the goodwill at the reporting date was undertaken by comparing to the recoverable amount, which was based on value in use calculations. Key assumptions used by management are as follows:

- Revenue to increase by 5% for 2012, 10% for 2013 and thereafter 5% growth for 2014 to 2016;
- Expenses to increase by an average annual rate of 5%; and
- Pre-tax discount factor used is 12%, representing the risk of Bumi Armada Engineering Sdn Bhd's activities.

The Directors are of the opinion that the underlying key assumptions used in the estimation of the recoverable amount by the board of the subsidiary, are reasonable. Based on the above assumptions, there is no impairment to the goodwill.

If the estimated pre-tax discount rate applied to the discounted cash flows had been 13% instead of 12% as at 31 March 2011, there is no impact to the goodwill.

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest 31.12.2008 %	31.12.2009 %	31.12.2010 %	31.3.2011 %	Country of incorporation
Direct subsidiaries:						
Bumi Armada Navigation Sdn Bhd (BAN)#	Provision of marine transportation, and support services to the offshore oil and gas companies and vessel construction	100.00	100.00	100.00	94.80	Malaysia
Bumi Armada Automation International Sdn Bhd (BAAI)&	Investment holding	100.00	100.00	100.00	100.00	Malaysia
Bumi Armada (Singapore) Pte Ltd (BASPL)*	Ship management, and chartering operation and maintenance (O&M) of floating production storage and offloading unit (FPSO)	100.00	100.00	100.00	100.00	Singapore

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest 31.12.2008 %	31.12.2009 %	31.12.2010 %	31.3.2011 %	Country of incorporation
Armada Mahakam Limited (AML)@	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	100.00	100.00	100.00	100.00	British Virgin Islands
Bumi Armada Engineering Sdn Bhd (BAE)+	Provision of engineering consultancy services	100.00	100.00	100.00	100.00	Malaysia
Armada Floating Solutions Limited (AFSL)@	Bareboat charter of a floating production storage and offloading unit	100.00	100.00	100.00	100.00	British Virgin Islands
Bumi Armada (Labuan) Ltd (BALL)	Dormant	100.00	100.00	100.00	100.00	Malaysia
Armada Oyo Ltd (AOL)@	Bareboat charter of a floating production storage and offloading unit	100.00	100.00	100.00	100.00	British Virgin Islands

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities aud country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest				Country of incorporation
		31.12.2008	31.12.2009	31.12.2010	31.3.2011	
		%	%	%	%	
Armada Offshore DMCEST*	Dormant	100.00	100.00	100.00	100.00	Dubai, UAE
Armada Marine Contractors Caspian Ltd (AMCCL)@	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	100.00	100.00	100.00	100.00	British Virgin Islands
Armada TGT Ltd (ATGT)@	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	100.00	100.00	100.00	Republic of Marshall Islands
Armada Project Pte Ltd (formerly known as Armada Forbes D1 India Pte Ltd)*	Dormant	0	0	100.00	100.00	Singapore

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest				Country of incorporation
		31.12.2008 %	31.12.2009 %	31.12.2010 %	31.3.2011 %	
Bumi Armada Offshore Holdings Ltd (formerly known as Armada D1 India Limited)	Dormant	0	0	100.00	100.00	Republic of Marshall Islands
Tera Sea Limited@	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	0	100.00	100.00	Republic of Marshall Islands
Armada Balnaves Pte Ltd	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	0	0	100.00	Singapore

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (contiuued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest				Country of incorporation
		31.12.2008 %	31.12.2009 %	31.12.2010 %	31.3.2011 %	
Subsidiaries of BAN:						
Armada Indah Sdn Bhd	Sea charter transportation	100.00	100.00	100.00	94.80	Malaysia
Armada Tankers Sdn Bhd	Dormant	100.00	100.00	100.00	94.80	Malaysia
Armada Alpha Sdn Bhd	Dormant	100.00	100.00	100.00	94.80	Malaysia
Bumi Care Offshore Production Sdn Bhd	Dormant	60.00	60.00	60.00	56.88	Malaysia
Bumi Armada Ship Management Sdn Bhd	Dormant	100.00	100.00	100.00	94.80	Malaysia

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effeetive interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest 31.12.2008 %	31.12.2009 %	31.12.2010 %	31.3.2011 %	Country of incorporation
Subsidiary of BASPL:						
Bumi Armada Nigeria Limited**	Dormant	0	99.00	99.00	99.00	Federal Republic of Nigeria
Subsidiary of AMCCL:						
Armada Marine Contractors Caspian Pte Ltd* +	Chartering of ships, barges and boats with crews (freight)	100.00	100.00	100.00	100.00	Singapore

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

The Group's effective interest in the subsidiaries, their respective principal activities and country of incorporation are shown below:-

Name of company	Principal activities	Group's effective interest				Country of incorporation
		31.12.2008	31.12.2009	31.12.2010	31.3.2011	
		%	%	%	%	
Subsidiary of BAAI:						
Haven Automation Industries (S) Pte Ltd*	Repair of ships, tankers and other ocean-going vessels and the manufacture and repair of marine engine and ship parts	100.00	100.00	100.00	100.00	Singapore

* The financial statements of these companies are audited by firms other than the auditors of the Company.
** The financial statements of these companies are audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.
@ These companies are not required by their local laws to appoint statutory auditors.
\+ These shares are held by third parties on behalf of the Company.
\# The effective interest of the Company was reduced from 100% to 94.80% as disclosed in Note 20(c).
& Consolidated using merger method of accounting.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

(a) During the financial period, the Company set-up the following subsidiaries:

2008

(i) Armada Oyo Ltd, a newly incorporated subsidiary in British Virgin Islands at USD10,000.

(ii) Armada Offshore DMCEST, a newly incorporated subsidiary in Dubai at AED1,000,000. The company was initially formed as a Free Zone Establishment under Jebel Ali Free Zone with registered name, Armada Offshore FZE on 25 February 2008. The Company was subseqnently transferred under the Regnlations issned by Dubai Maritime City Anthority and registered in the Dubai Maritime City Register nnder the name, Armada Offshore DMCEST on 26 February 2008.

(iii) Armada Marine Contractors Caspian Limited, a newly incorporated subsidiary in British Virgin Islands at USD10,000.

2009

(i) Armada Century Ltd, a newly incorporated subsidiary in British Virgin Islands at USD10,000.

(ii) Armada TGT Ltd, a newly incorporated snbsidiary in The Republic of the Marshall Islands at USD10,000.

2010

(i) Armada Forbes D1 India Pte Ltd, a newly incorporated subsidiary in Singapore on 1 December 2010, with an issued and paid np capital of SGD2 comprising of 2 ordinary shares of SGD1.00 each. On 23 March 2011, the subsidiary changed its name to Armada Project Pte. Ltd.

(ii) Armada D1 India Limited (formerly known as Tetra Navigation Limited), a newly incorporated subsidiary in the Repnblic of the Marshall Islands on 17 June 2010, with an authorised share capital of USD50,000 of which USD10,000 comprising of 10,000 ordinary shares of USD1.00 each was issued and paid up.

(iii) Tera Sea Limited, a newly incorporated subsidiary in the Republic of the Marshall Islands on 18 August 2010, with an authorised share capital of USD50,000 of which USD10,000 comprising of 10,000 ordinary shares of USD1.00 each was issned and paid up.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

(a) During the financial period, the Company set-up the following subsidiaries: (continued)

2011

(i) Armada Balnaves Pte Ltd, a newly incorporated subsidiary in Siugapore on 18 February 2011, with an issued and paid up capital of SGD2 eomprising of 2 ordinary shares of SGD1.00 each.

(b) During the financial period, the Compauy disposed the following subsidiaries:

2008

During the financial year, the Group disposed of its 100% equity interest in Haven Automation (Malaysia) Sdn Bhd, Haven Engineering (Malaysia) Sdn Bhd, Haven Corrosion Engineering Sdn Bhd and Haven Automation Iuternational Sdn Bhd for a total cash consideration of RM2.8 million.

Details of the disposal are as below:	2008 RM'000
Net disposal proceeds	2,800
Add: Net liability disposed	205
Gain on disposal	3,005

The uet cash flow ou disposal was determiued as follows:

	2008 RM'000
Total proceeds from disposal – cash consideration	2,800
Cash and cash equivalents of subsidiary disposed of	0
Net cash inflow on disposal	2,800

2009

There were no disposals of subsidiaries for the financial year.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

(b) During the financial period, the Company disposed the following subsidiaries: (continned)

2010

During tbe financial year, Armada Century Ltd ("ACL"), a wholly owned subsidiary issned additional new ordinary shares, which was subscribed by a joint ventnre partner for a total consideration of RM8.6 million. As a resnlt, the Company reported a deemed disposal amounting to 49% equity interest of tbe enlarged share capital of ACL. Details of the deemed disposal are as below:

	2010
	RM'000
Subscription of new ordinary shares in ACL by the joint venture partner	8,610
Less: Share of net assets attributable to the joint venture partner	(4,517)
Gain on deemed disposal	4,093

The snbscription was completed through the settlement of acconnts with the joint venture partner.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

20 Investment in subsidiaries (continued)

(c) During the financial period, the Company diluted their shareholding in the following subsidiary:

2011

On 25 March 2011, the Company's ordinary shareholding in BAN was diluted following the participation of new shareholders in BAN. This was accounted as a transaction with non-controlling interests. The financial effect of this dilution resulted in a transfer of RM9.70 million from shareholders' equity to non-controlling interests.

The Company continues to regard BAN as its subsidiary as it controls the financial and operating policies of BAN pursuant to a shareholders' agreement entered between its shareholders and the Company. In addition as holder of the Redeemable Preference Shares ("RPS") issued by BAN, the RPS gave the holder the right to participate in the economic interests of BAN in accordance with the capital contributed. Hence, the Company has consolidated BAN based on the economic interests accorded to it by the RPS and ordinary shares held by it in BAN.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

21 Investment in an associate

The associate and principal activities together with the effective interest held by the Group are as follows:

Associate	Principal activities	31.12.2008 Audited %	31.12.2009 Audited %	Group's effective interest At at 31.12.2010 Audited %	As at 31.3.2011 Audited %
Barmada McDermott Sdn Bhd (BMD)	Provision of construction and installation of offshore pipelines and structures	45.00	45.00	45.00	42.66

	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	As at 31.12.2010 Audited RM'000	As at 31.3.2011 Audited RM'000
Share of the associate's net assets	10,275	33,382	16,978	16,978
Less: Accumulated impairment loss	0	0	(13,300)	(16,978)
Amount due to a substantial corporate shareholder of an associate	0	0	(2,250)	0
Share of loss	0	0	(1,428)	0
	10,275	33,382	0	0

On 25 January 2011, the Company received a Notice of Termination from J Ray McDermott ("JRM") on the shareholders' agreement between its subsidiary, Bumi Armada Navigation Sdn Bhd ("BAN") and JRM on its associate, Barmada McDermott Sdn Bhd ("BMD").

The Group has sought legal counsel to ascertain the extent of its rights. BAN takes the view that the termination is unlawful. BAN will take such legal steps as it deems necessary to protect its interest in BMD. Notwithstanding BAN's rights with respect to its partieipation in BMD, management assessed and fully provided for BAN's investment in associate, BMD of RM16.98 million (31.12.2010: RM13.30 million).

There is no change to this status as at 31 March 2011 and accordingly, no further share of this associate is taken up and the Group's share of net assets remaiued at the position taken up by the Group as at 31 December 2010.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

21 Investment in an associate (continued)

The Group's share of revenue, profit/loss, assets and liabilities of the associate is as follows:

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	256,435	223,051	63,784	0
Profit/(loss) after tax	245	38,632	(1,428)	0
Non-current assets	17,255	20,691	20,691	20,691
Current assets	98,726	122,377	118,553	118,553
Current liabilities	(73,017)	(78,946)	(91,528)	(91,528)
Non-current liabilities	(32,689)	(30,740)	(30,738)	(30,738)
Net assets	10,275	33,382	16,978	16,978
Less: Accumulated impairment loss	0	0	(13,300)	(16,978)
Amount due to substantial corporate shareholder of an associate	0	0	(2,250)	0
Share of loss	0	0	(1,428)	0
Group's share of net assets	10,275	33,382	0	0

22 Jointly controlled entities

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Share of net assets of jointly controlled entities	5,496	5,566	9,799	9,323

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

22 Jointly controlled entities (continued)

Details of the jointly controlled entities are as below:

Name of company	Principal activities	Group's effective interest As at 31.12.2008 Audited %	As at 31.12.2009 Audited %	As at 31.12.2010 Audited %	As at 31.3.2011 Audited %
Offshore Marine Ventures Sdn Bhd. (OMV)	Provision of integrated service solution for the supply, operation and maintenance of support vessels, logistics and maritime transportation services to the oil and gas industry	49.99	49.99	49.99	49.99
Forbes Bumi Armada Limited (FBAL)	Ship owners, charterers, managers of ships and vessels, marine support and other services to oil & gas companies	49.00	49.00	49.00	49.00
Century Bumi JV Limited*	Oil and Gas Exploration, and Production and Marine Services	0	0	40.00	40.00
Armada Century Ltd**	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	100.00	51.00	51.00
Forbes Bumi Armada Offshore Limited (FBAOL)	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	0	0	49.99
Armada D1 Pte Ltd	Ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil & gas companies	0	0	0	50.00

* In 2010, the Company entered into an agreement to set up a jointly controlled entity, Century Bumi JV Limited. The share of the jointly controlled entity was subsequently allotted on 3 February 2011.

** The Group's equity interest in Armada Century Ltd ("ACL") diluted from 100% to 51% as a result of the joint venture partner purchasing new ordinary shares issued by ACL. Based on the shareholders' agreement effected on 14 April 2010, the Company jointly controls ACL's financial and operating policies with its joint venture partner. Accordingly, ACL is a jointly controlled entity. The effects of the deemed disposal is disclosed in Note 20(b) to this report.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

22 Jointly controlled entities (continued)

The Group's share of revenue, profit/loss, assets and liabilities of the jointly controlled entities are:

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	6,262	10,715	5,647	8,469
Profit/(loss) after tax	727	1,685	(17)	(833)
Non-current assets	23,085	22,000	32,561	31,330
Current assets	3,144	3,676	9,115	13,090
Current liabilities	(1,585)	(7,657)	(21,897)	(24,615)
Non-current liabilities	(19,148)	(12,453)	(9,980)	(10,482)
	5,496	5,566	9,799	9,323

23 Other investments

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Loans and receivables				
Unquoted preference shares				
- Outside Malaysia				
1 January	0	0	0	3,778
Additional investment	0	0	3,778	1,728
	0	0	3,778	5,506

Investment in unquoted preference shares represents investment in 1,200,000 redeemable convertible preference shares ("RCPS"). The RCPS of USD1 each expires on the earlier of (i) early redemption date or (ii) 31 January 2012 subject to the holder of RCPS haviug the right at any time to extend the maturity date by a period of one (1) year to 31 January 2013. The RCPS are redeemable at the option of the holders of at any time between 1 January 2012 and 31 January 2012, subject to a conversion period. Hence, these RCPS are deemed to be debt.

The RCPS is entitled to Preferential Dividend, being the greater of (i) seventy-five per cent (75%) of the distributable reserves of the company or (ii) five per cent (5%) on the issue price of the RCPS. The fair value of the investment equal its carrying amount, as the impact of discounting is not signifieant as at 31 March 2011.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

24 Inventories

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Spares and raw materials	874	620	961	1,204
Fuel	603	205	162	162
	1,477	825	1,123	1,366

25 Trade receivables

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Trade receivables	97,508	185,970	197,004	276,768
Less: Allowance for doubtful debts	(723)	(1,143)	(7,361)	(10,864)
	96,785	184,827	189,643	265,904

Past due but not impaired

As at 31 March 2011, RM154.45 million (31.12.2010: RM69.05 million and 31.12.2009: RM97.83 million) of trade receivables were past due but not impaired. These relate to a number of external parties where there is no expectation of default. The ageing analysis of these receivables is as follows:

	As at	As at	As at
	31.12.2009	31.12.2010	31.3.2011
	RM'000	RM'000	RM'000
Less than 30 days past due	34,525	28,839	100,177
Between 31 and 60 days past due	9,296	11,792	22,405
Between 61 and 90 days past due	34,518	6,187	23,716
Between 91 days and 1 year past due	18,749	7,968	2,594
More than 1 year past due	740	14,267	5,560
	97,828	69,053	154,452

Not past due are those receivables for which the contractual payment date has not yet elapsed. Past due are those amounts for which either the contractual payment date has passed. Amounts that are past due but not impaired relate to a number of independent customers for whom there is no recent history of default and the Directors believe that no impairment is required.

pwc

The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

25 Trade receivables (continued)

Impaired and provided for

As at 31 March 2011, trade reeeivahles totalling RM3.51 million (31.12.2010: RM6.98 million, 31.12.2009: RM0.42 million and 31.12.2008: RM1.06 million) were impaired and charged to the profit or loss . The amount of the provision was RM10.86 million as of 31 March 2011 (31.12.2010: RM7.36 million, 31.12.2009: RM1.14 million and 31.12.2008: RM0.72 million). The individually impaired receivahles mainly relate to a uumber of external parties, which are in unexpectedly difficult economic situations

Movement of the Group's provision for impairment of trade receivables are as follows:

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
At 1 January	2,210	723	1,143	7,361
Amounts written back	(2,552)	0	(766)	(10)
Charged to statements of income	1,065	420	6,984	3,513
At 31 December/31 March	723	1,143	7,361	10,864

26 Accrued lease rentals

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Current	0	146,512	218,017	241,464
Non current	96,505	122,826	292,256	323,682
	96,505	269,338	510,273	565,146

The future minimum lease payments receivahle under non-cancellable operating leases are as follow:

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
No later than 1 year	201,532	678,504	417,428	279,705
Later than 1 year and no later than 5 years	899,527	3,102,966	1,935,787	1,598,650
Later than 5 years	0	470,200	774,085	1,374,391
	1,101,059	4,251,670	3,127,300	3,252,746

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

29 Derivative financial instruments

	As at 31.12.2010 RM'000	As at 31.3.2011 RM'000
At 1 January, as previously stated	0	3,427
Adjustment on applicatiou of FRS 139	(3,463)	0
At 1 January, as restated	(3,463)	3,427
Fair value gain (Notc 10)	7,144	7,582
Currency translation reserve	(254)	(181)
At 31 December/31 March	3,427	10,828

	Group 31.12.2010		
	Coutract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Current:			
- Interest rate swaps	452,808	0	(8,699)
- Cross curreney interest rate swaps	220,500	12,126	0
		12,126	(8,699)

	Group 31.03.2011		
	Contract/ Notioual amount RM'000	Assets RM'000	Liabilitics RM'000
Current:			
- Interest rate swaps	380,804	0	(6,577)
- Cross currency interest ratc swaps	220,500	17,405	0
		17,405	(6,577)

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

29 Derivative financial instruments (continued)

The Group classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss.

The Group uses forward foreign currency contracts, currency interest rate swaps and interest rate swaps to manage foreign currency and interest rate exposures.

Cross currency interest rate swaps are used to hedge the Group's borrowings denominated in RM, which were taken by a foreign subsidiary, whose functional currency is in USD.

Interest rate swap contracts are used to hedge the floating interest rate risk arising from a bank borrowing amounting to RM601.30 million (31.12.2010: RM673.31 million). These interest rate swap contracts pay fixed rate interest ranging from 2.01% to 4.69% have the same maturity terms as the bank loan.

During the financial period, the Group recognised a gain of RM7.58 million (31.03.2010: loss of RM2.94 million) arising from fair value changes of derivative assets and liabilities.

30 Amounts due to customers on contracts

	As at			As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Aggregate costs incurred	0	0	23,500	127,464
Recognised profit to-date	470	0	11,182	28,118
Cumulative contract revenue recognised	470	0	34,682	155,582
Less: Progress billings	(4,421)	(34,378)	(65,059)	(225,698)
	(3,951)	(34,378)	(30,377)	(70,116)
Represented by:				
Amounts due to customer	(3,951)	(34,378)	(30,377)	(70,116)

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

27 Other receivables, deposits and prepayments

	As at 31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	As at 31.3.2011 Audited RM'000
Other receivables	25,021	2,619	19,281	25,371
Deposits and prepayments	20,849	37,957	13,425	10,376
Staff loans and advances	9,265	2,492	3,487	3,703
	55,135	43,068	36,193	39,450

Past due but uot impaired

As at 31 March 2011, RM10.87 million (31.12.2010: RM12.77 million and 31.12.2009: RM2.62 million) of other receivables, deposits and prepayments were past due but not impaired. These relate to number of external parties where there is no expectation of defanlt. The ageing analysis of these receivables is as follows:

	As at 31.12.2009 RM'000	As at 31.12.2010 RM'000	As at 31.3.2011 RM'000
Less than 30 days past due	1,476	5,986	3,075
Between 30 and 60 days past due	491	0	0
Betwceu 61 and 90 days past due	226	6,615	0
Between 91 days and 1 year past due	307	20	7,773
More than 1 year past due	120	151	26
	2,620	12,772	10,874

As at 31 Mareh 2011, there is no impairment on other receivables, deposits and prepayments.

No ageing analysis is shown for the other receivables, deposits and prepayment as at 31 December 2008 as this is exempted by the transitional provision under FRS 7 "Financial Instruments: Disclosures".

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

28 Amounts due from/(to) jointly controlled entities

The amounts due from/(to) jointly controlled entities are unsecured, interest free and repayable on demand.

Past due but not impaired

As at 31 March 2011, RM26.67 million (31.12.2010: RM3.69 million) of amount due from jointly controlled entities were past due but not impaired. The ageing analysis of these receivables is as follows:

	31.12.2010 RM'000	31.3.2011 RM'000
Less than 30 days past due	393	1,977
Between 30 and 60 days past due	799	354
Between 61 and 90 days past due	462	21,196
Between 91 days and 1 year past due	1,128	3,141
More than 1 year due	912	0
	3,694	26,668

As at 31 March 2011, there is impairment of RM2.97 million (31.12.2010: NIL) on amount due from jointly controlled entities.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

31 Other payables and accruals

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Other payables	224,792	89,866	51,700	38,783
Amount due to a substantial corporate shareholder of an associate	510	2,183	0	0
Amount due to a related company	1,722	2,731	1,711	1,711
Accruals	71,435	146,649	169,034	201,600
	298,459	241,429	222,445	242,094

Included in other payables and accruals are amounts owing to creditors in respect of vessels under construction amounting to RM52.8 million in the current period (31.12.2010: RM65.9 million, 31.12.2009: RM14.8 million and 31.12.2008: RM178.9 million).

32 Hire purchase creditors

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Analysis of hire purchase commitments:				
Payable within one year	403	662	445	349
Payable between one and two years	615	163	676	636
Payable between two and five years	255	47	259	259
	1,273	872	1,380	1,244
Less: Interest in suspense	(135)	(93)	(159)	(148)
	1,138	779	1,221	1,096
Representing hire purchase liabilities:				
Due within 12 months	360	595	402	335
Due after 12 months	778	184	819	761
	1,138	779	1,221	1,096

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings

	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	As at 31.12.2010 Audited RM'000	As at 31.3.2011 Audited RM'000
Current				
Term loans - secured	27,897	124,630	213,335	210,623
Term loans - unsecured	78,259	510,106	274,869	120,828
	106,156	634,736	488,204	331,451
Revolving credits – unsecured	32,000	110,000	210,196	201,236
Bridging loans – unsecured	0	0	670,925	602,280
8ank overdrafts – unsecured	0	22,199	24,140	0
8ank overdrafts - secured	4,750	3,676	4,281	0
	142,906	770,611	1,397,746	1,134,967
Non current				
Term loans - secured	139,488	576,299	969,890	918,221
Term loans - unsecured	1,192,306	1,325,181	1,050,000	1,050,000
Bridging loans – unsecured	0	0	0	375,000
	1,331,794	1,901,480	2,019,890	2,343,221
Total borrowings	1,474,700	2,672,091	3,417,636	3,478,188

The annual weighted average interest rate of borrowings that were effective as at the reporting dates are as follows:

	31.12.2008 Audited %	31.12.2009 Audited %	As at 31.12.2010 Audited %	As at 31.3.2011 Audited %
Bank overdrafts	6.70	6.27	6.87	0
Revolving credits	4.93	4.25	3.62	3.72
Term loans	4.83	3.48	3.47	3.38

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 December 2008	Interest rate terms	Currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
Group							
Unsecured:							
Revolving credits	Floating rate varying based on cost of funds	RM	32,000	32,000	0	0	0
Term loans	Fixed rates by tranches	RM	210,000	60,000	50,000	50,000	50,000
	Floating rate varying based on cost of finance	RM	872,300	0	30,000	272,500	569,800
	Floating rate varying based on LIBOR	USD	10,462	6,975	3,487	0	0
	Floating rate varying based on SIBOR	USD	15,851	6,340	6,340	3,171	0
	Fixed rates	RM	161,952	4,944	4,944	152,064	0
Secured:							
Term loans	Floating rates varying based on LIBOR	RM	167,385	27,897	37,197	102,291	0
Bank overdrafts	Floating rate varying based on prime lending rate	SGD	4,750	4,750	0	0	0
			1,474,700	142,906	131,968	580,026	619,800

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 December 2009	Interest rate terms	Currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
Group							
Unsecured:							
Revolving credits	Floating rate varying based on cost of funds	RM	110,000	110,000	0	0	0
Term loans	Fixed rates by tranches	RM	150,000	50,000	50,000	50,000	0
	Floating rate varying based on cost of funds	RM	1,450,000	380,000	165,000	460,000	445,000
	Floating rate varying based on LIBOR	USD	68,927	68,927	0	0	0
	Floating rate varying based on SIBOR	USD	9,352	6,235	3,117	0	0
	Fixed rates	RM	157,008	4,944	152,064	0	0
Bank overdrafts	Floating rate varying based on base lending rate	RM	22,199	22,199	0	0	0
Secured:							
Term loans	Floating rates varying based on LIBOR	USD	700,929	124,630	323,943	252,356	0
Bank overdrafts	Floating rate varying based on prime lending rate	SGD	3,676	3,676	0	0	0
			2,672,091	770,611	694,124	762,356	445,000

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 December 2010	Interest rate terms	Currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
Group							
Unsecured:							
Revolving credits	Floating rate varying based on cost of funds	RM	55,941	55,941	0	0	0
	Floating rate varying based on London Interbank Offer Rate (LIBOR)	USD	154,255	154,255	0	0	0
Term loans	Fixed rates by tranches	RM	102,064	52,064	0	50,000	0
	Floating rate varying based on cost of funds	RM	1,070,000	70,000	95,000	460,000	445,000
	Floating rate varying based on Singapore Interbank Offer Rate (SIBOR)	USD	2,805	2,805	0	0	0
	Fixed rates	RM	150,000	150,000	0	0	0
Bridging Loans	Floating rate varying based on LIBOR	USD	145,925	145,925	0	0	0
	Floating rate varying based on cost of funds	RM	525,000	525,000	0	0	0

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 December 2010	Interest rate terms	Currency exposure	Total carrying amount RM'000	Maturity profile ≤ 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
Group							
Unsecured:							
Bank overdrafts	Floating rate varying based on base lending rate	RM	24,140	24,140	0	0	0
Secured:							
Term loans	Floating rates varying based on LIBOR	USD	962,725	189,900	215,283	403,019	154,523
	Floating rate based on cost of funds	RM	220,500	23,435	33,022	87,347	76,696
Bank overdrafts	Floating rate varying based on prime lending rate	SGD	4,281	4,281	0	0	0
			3,417,636	1,397,746	343,305	1,000,366	676,219

Note:

USD United States Dollar
SGD Singapore Dollar
RM Ringgit Malaysia

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (continued)

At 31 March 2011		Interest rate terms	Currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
Group								
Unsecured:								
	Revolving credits	Floating rate varying based on cost of funds	RM	50,096	50,096	0	0	0
		Floating rate varying based on London Interbank Offer Rate (LIBOR)	USD	151,140	151,140	0	0	0
	Term loans	Fixed rates by tranches	RM	100,828	50,828	0	50,000	0
		Floating rate varying based on cost of funds	RM	1,070,000	70,000	100,000	460,000	440,000
	Bridging Loans	Floating rate varying based on LIBOR	USD	302,280	302,280	0	0	0
		Floating rate varying based on cost of funds	RM	675,000	300,000	375,000	0	0
Secured:								
	Term loans	Floating rates varying based on LIBOR	USD	908,344	187,188	212,533	357,220	151,403
		Floating rate varying based on cost of funds	RM	220,500	23,435	33,022	87,348	76,695
				3,478,188	1,134,967	720,555	954,568	668,098

Note:
USD United States Dollar
SGD Singapore Dollar
RM Ringgit Malaysia

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

33 Borrowings (contiuued)

The borrowings are secured as follows (either single security or combination of securities):

Term loans

(i) Fixed charges over certain vessels in subsidiaries (Note 17).
(ii) Assignment of insurance policies for the vessels charged in (i) above.
(iii) Assignment of charter proceeds for the vessels charged in (i) above.
(iv) Assignment of ship building contracts for the vessels charged in (i) above.
(v) Corporate guarantee from the Company.
(vi) Shares of a subsidiary are held as securities against borrowings.

Bank overdrafts

(i) Fixed charge over the assets of a subsidiary.
(ii) Corporate guarantee from the Company.

The term loans facilities were arranged to finance the construction of vessels of the Group.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

34 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the Statements of Financial Position:

			As at	As at
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2011 Audited RM'000
Deferred tax assets				
- recoverable within next 12 months	1,485	1,660	4,175	0
- recoverable after more than 12 months	0	0	15	3,249
	1,485	1,660	4,190	3,249
Deferred tax liabilities				
- recoverable within next 12 months	(5,960)	(4,184)	0	0
- recoverable after more than 12 months	0	0	(1,786)	(3,523)
	(5,960)	(4,184)	(1,786)	(3,523)
	(4,475)	(2,524)	2,404	(274)

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

34 Deferred taxation (continued)

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Subject to income tax:				
Deferred tax assets				
- Receivables	335	512	0	0
- Payables	2,327	3,704	7,007	5,724
- Tax losses	9	1,207	2,686	1,304
- Property, plant and equipment	0	4	0	0
- Unabsorbed capital allowances	16	16	1,314	1,467
	2,687	5,443	11,007	8,495
Offsetting	(1,202)	(3,783)	(6,817)	(5,246)
Deferred tax assets (after offsetting)	1,485	1,660	4,190	3,249
Deferred tax liabilities				
- Property, plant and equipment	(7,162)	(7,967)	(8,603)	(8,769)
Offsetting	1,202	3,783	6,817	5,246
Deferred tax liabilities (after offsetting)	(5,960)	(4,184)	(1,786)	(3,523)

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

34 Deferred taxation (continued)

The movements dnring the finaucial year/period relating to deferred taxation are as follows:

	As at 31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	As at 31.3.2011 Audited RM'000
At 1 January	(12,730)	(4,475)	(2,524)	2,404
Credited/(charged) to profit or loss (Note 14)				
- Property, plant and equipment	6,996	(623)	(640)	(87)
- Tax losses	0	1,199	1,479	(1,382)
- Receivables	0	0	(512)	0
- Payables	784	1,443	3,303	(1,309)
- Unabsorbed capital allowances	0	0	1,298	9
- Others	475	(68)	0	91
	8,255	1,951	4,928	(2,678)
At 31 December/31 March	(4,475)	(2,524)	2,404	(274)

The amonnt of deductible temporary differences and unnsed tax losses (both of which have no expiry date) for whieh no deferred tax assets is recognised iu the Statements of Financial Position as it is not probable that taxable profit will be available against which these temporary differences can be utilised are as follows:

	As at 31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	As at 31.3.2011 Audited RM'000
Deductible temporary differences	160	0	0	0
Tax losses	2,200	845	0	6,348

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

35 Share capital

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Authorised:				
Ordinary shares at RM1.00 each:				
At 1 January	95,000	95,000	95,000	95,000
Reorganised from redeemable preference shares (Note 35(c))	0	0	0	5,000
Created in the financial year/period (Note 35(c))	0	0	0	356,840
	95,000	95,000	95,000	456,840
At 31 December/31 March				
Share split of 1 ordinary share of RM1.00 into 5 ordinary shares of RM0.20 each (Note 35(d))	63,000	63,000	63,000	456,840
Redeemable preference shares of RM1.00 each:				
At 1 January	5,000	5,000	5,000	5,000
Reorganised to ordinary shares (Note 35(c))	0	0	0	(5,000)
At 31 December/31 March	5,000	5,000	5,000	0
Issued and fully paid-up:				
At 1 January	63,000	63,000	63,000	63,000
Issuance of shares from call options (Note 35(a))	0	0	0	7,500
Rights issue (Note 35(b))	0	0	0	5,640
Bonus issue (Note 35(c))	0	0	0	380,700
	63,000	63,000	63,000	456,840
At 31 December/31 March				
Share split of 1 ordinary share of RM1.00 each into 5 ordinary shares of RM0.20 each (Note 35(d))	63,000	63,000	63,000	456,840

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

35 Share capital (continued)

(a) On 18 February 2011, the Company repaid the related company's term loan of RM150,000,000. Simultaneously, the eall option written by the Company to its shareholder was also exereised whereby 7,500,000 new ordinary shares of RM1.00 each was issued for a total consideration of RM150,000,000. These new ordinary shares of RM1.00 eaeh, werc paid in cash and allotted on 21 February 2011 rank parri passu with the existing ordinary shares of the Company.

(b) On 23 March 2011, the Company undertook a RM200,000,040 renounceable rights issue on the basis of 1 new ordinary share of RM1.00 eaeh for every 12.5 existing ordinary shares of RM1.00 each held in the share capital of the Company at the issuance price of RM35.461 per ordinary share. These new ordinary shares rank parri passu with the existing ordinary shares.

(c) On 30 March 2011, the Company reorganised its authorised ordinary share capital from RM100,000,000 comprising 95,000,000 ordinary shares of RM1.00 each and 5,000,000 redeemable preference shares of RM1.00 each to RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each. Subsequently, the Company increascd the authorised share capital of the Company to RM456,840,000 comprising 456,840,000 ordinary shares of RM1.00 each, by the crcation of 356,840,000 new ordinary shares of RM1.00 cach.

Simultancously, the Company issued 380,700,000 new ordinary shares of RM1.00 each on thc basis of 5 new ordinary shares of RM1.00 cach for every 1 existing ordinary share of RM1.00 in the Company. The bonus issue was effected by way of eapitalising RM347,758,040 from the Company's share premium account and RM32,941,960 from its retained earnings. These new ordinary shares rank parri passu with the existing ordinary sharcs.

(d) On 31 March 2011, the Company also rcorganised and reclassified its authorised and paid-up share capital of RM456,840,000 from 456,840,000 ordinary sharcs of RM1.00 each to 2,284,200,000 ordinary shares of RM0.20 each.

The rights and privilegcs of the Redeemable Preference Shares ("RPS") are as follows:

- the right to receive noticcs of, the right to attend and speak at general mcetings of the Company, but have no right to vote at such general meetings save for matters which deal with matters that affcct the rights and privileges of the holders of thc RPS as a class; and

- the right in the event of the winding up of the Company, to have the surplus assets applied first to in paying off the capital paid up on the RPS and secondly, in paying off the arrears, if auy, of the fixcd cumulative preferential dividend aforesaid whether earncd or declared or not down to the commcncement of the winding up.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

36 Deposits, cash and bank balances

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	114,541	186,872	253,300	443,838
Deposits with licensed banks	246	110,815	24,384	7,384
	114,787	297,687	277,684	451,222

The annual weighted average interest rates of deposits with licensed banks that was effective as at the reporting dates are as follows:

			As at	As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2011
	Audited	Audited	Audited	Audited
	%	%	%	%
Deposits with licensed banks	3.10	0.30	2.67	2.63

Bank balances are deposits held at call with banks and earn no interest.

Included in deposits with licensed banks are RM7.37 million (31.12.2010: RM4.37 million, 31.12.2009: RM4.76 million and 31.12.2008: NIL) which have been designated by the Company for specific purposes.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

37 Commitments

			As at	As at
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2011 Audited RM'000
(i) Capital expenditure for property, plant and equipment not provided for in the financial statements:				
- authorised and contracted	602,273	281,648	117,865	257,880
- authorised but not contracted	4,430	1,187,802	753,202	429,921
	606,703	1,469,450	871,067	687,801
(ii) Commitments for amounts payable under operating leases for rental of premises:				
Payable within one year	3,847	3,642	3,760	3,829
Payable later than one year and not later than five years	3,924	1,479	15,909	16,004
Payable later than five years	1,893	0	20,271	19,210
	9,664	5,121	39,940	39,043

The Group has entered into lease arrangements (classified as operating leases) for offices with durations varying from 1 to 12 years.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

38 Significant Related Party Disclosures

The shareholders of Bumi Armada Berhad are set out below:

(i) Objektif Bersatu Sdn Bhd ("OBSB")*
(ii) Ombak Damai Sdn Bhd ("ODSB")*
(iii) Wijaya Sinar Sdn Bhd ("WSSB")*
(iv) Karisma Mesra Sdn Bhd ("KMSB")*
(v) Wijaya Baiduri Sdn Bhd ("WBSB")*
(vi) Mutu Saluran Sdn Bhd ("MSSB") (1)@
(vii) Dato' Ahmad Fuad bin Md Ali (2)@
(viii) Dato' Sri Haji Mahamad Fathil bin Dato' Mahmood (2)@
(ix) Datuk Abdul Farish bin Abd Rashid (2)@
(x) Saluran Abadi Sdn Bhd ("SASB") (3)@
(xi) Farah Suhanah binti Ahmad Sarji (4)@
(xii) Usaha Tegas Sdn Bhd ("UTSB") (5)@
(xiii) Pacific States Investment Limited ("PSIL") (6)@
(xiv) Excorp Holdings N.V. ("Excorp") (7)@
(xv) PanOcean Management Limited ("PanOcean") (7)@
(xvi) Ananda Krishnan Tatparanandam ("TAK") (8)@

Notes:

* Direct shareholders of the Company.
@ Substantial shareholders with indirect interest in the Company's shares.

(1) Deemed interest pursuant to Section 6A of the Act by virtue of its direct shareholding in OBSB.

(2) Deemed interest pursuant to Section 6A of the Act by virtue of their direct shareholding in ODSB.

(3) Deemed interest pursuant to Section 6A of the Act by virtue of its shareholding in WSSB, KMSB and WBSB, collectively "SASB Subsidiaries". Each of the SASB Subsidiaries is a trustee of a discretionary trust for Bumiputera objects. As such, SASB does not have any economic interest in the ordinary shares in Bnmi Armada held by the SASB Subsidiaries, as sueh interest is held subject to the terms of the discretionary trust for Bumiputera objects.

(4) Deemed interest by virtue of her direct shareholding in SASB. However, she does not have any economic interest in the ordinary shares in Bnmi Armada held via the SASB Subsidiaries as such interest is held subject to the terms of the discretionary trust for Bumiputera objects. See note (3) above for SASB's interest in the ordinary shares in Bumi Armada.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

38 Significant Related Party Disclosures (continued)

(5) UTSB is deemed to have an interest in all of the ordinary shares in Bumi Armada in which MSSB has an interest, by virtue of UTSB being entitled to exercise 100% of the votes attached to the voting shares of MSSB. See note (1) above for MSSB's deemed interest in the ordinary shares in Bumi Armada.

(6) PSIL is deemed to have an interest in all of the ordinary shares in Bnmi Armada in which UTSB has an interest, by virtue of PSIL being entitled to exercise 99.999% of the votes attached to the voting shares of UTSB. See note (5) above for UTSB's deemed interest in the ordinary shares in Bumi Armada.

(7) The shares in PSIL are held by Excorp which is in turn held 100% by PanOcean. See note (6) above for PSIL's deemed interest in the ordinary shares in Bumi Armada. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable pnrposes. Although PanOccan is deemed to have an interest in the ordinary shares in Bumi Armada, it does not have any economic or beneficial interest over such shares, as such interest is held subject to the terms of the discretionary trust.

(8) TAK is deemed to have an interest in the ordinary shares in Bumi Armada, by the virtue of his deemed interest in PanOccan. See note (7) above for PanOcean's deemed interest in the ordinary sbares in Bumi Armada. Although TAK is deemed to have an interest in the ordinary shares in Bumi Armada, he does not have any economic or beneficial interest over such shares, as such interest is held subject to the terms of the discretionary trust referred to in note (7) above.

In addition to related party disclosures mentioned elsewhere in the consolidated financial statements, set out below are other significant transactions and balances. The related party transactions described below were carried out on terms and conditions agreed with related parties.

	As at				As at
	31.12.2008	31.12.2009	31.12.2010	31.3.2010	31.3.2011
	Audited	Audited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000	RM'000
Related party transactions					
(a) Transaction with UTSB Management Sdn Bhd (UTSBM), a subsidiary of Usaha Tegas Sdn Bhd, the holding company of OBSB and a substantial shareholder of Bumi Armada					
- Reimbursable costs incurred in respect of an executive director	2,830	3,281	3,453	536	610
- Management fees	1,762	1,762	5,192	463	1,198

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

38 Significant Related Party Disclosures (continued)

	As at 31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	As at 31.3.2010 Unaudited RM'000	31.3.2011 Audited RM'000
(b) Term loan from subsidiary of Usaha Tegas Sdn Bhd					
- Interest expense	468	5,610	5,610	1,403	701
(c) Transaction with Maxis Bhd, the associate of Usaha Tegas Sdn Bhd, the holding company of OBSB					
- Telecommunication expenses	595	1,863	1,865	204	297
(d) Rental expense paid to Malaysian Landed Property Sdn Bhd (MLP), a company controlled by PanOcean Management Limited, the ultimate holding company of Usaha Tegas Sdn Bhd	999	3,776	3,950	1,037	1,037
(e) Transactions with Offshore Marine Ventures Sdn Bhd, a jointly controlled entity					
- Ship management fees	195	197	108	49	49
(f) Transactions with Forbes Bumi Armada Ltd, a jointly controlled entity					
- Charter hire of vessel	0	20,699	0	0	0
(g) Transactions with key management: Key management personnel compensation:					
- salaries, bonus and allowances	4,466	6,993	12,669	2,231	3,015
- defined contribution plan	74	87	364	85	111

	As at 31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	As at 31.3.2011 Audited RM'000
<u>Related party balances</u>				
(h) Significant balances with related parties:				
- Term loan from subsidiary of Usaha Tegas Sdn Bhd	150,000	150,000	150,000	0
- MLP	0	381	80	436
- UTSBM	0	8,684	12,716	6,433
(i) Significant balances with key management:				
- accruals of bonus and allowances	552	3,000	6,594	8,000

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

39 Fair values

The carrying amounts of financial assets and financial liabilities of the Group at the reporting dates approximated their fair values except as set out below:

			As at	As at
	31.12.2008 Audited RM'000	31.12.2009 Audited RM'000	31.12.2010 Audited RM'000	31.3.2011 Audited RM'000
Carrying value				
Term loans (Note 33)	371,952	157,008	102,064	100,828
Fair value				
Term loans (Note 33)	243,796	152,467	88,854	87,444

The Group estimate the fair value of financial instruments by discounting futnre eontractual eash flows at the current market interest rate available to the Group for similar financial iustruments.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

40 Significant events after the reporting period

(a) The Company had made an application to the Seeurities Commission for the initial publie offering of up to 878,538,600 ordinary sbares of RM0.20 eaeh in the Company ("IPO") and listing of the Company on the Main Market of Bursa Malaysia Seeurities Berhad ("Bursa Malaysia") ("Listing"). The IPO and Listing were approved by the Securities Commission on 20 June 2011. The Listing is pending the approval of Bursa Malaysia.

(b) The Board of Direetors of the Company had on 18 June 2011, approved the ESOS to make available new shares, not exeeeding in aggregate 10% of the enlarged, issued and paid-up share capital of the Company during the subsistence of the ESOS, to be issued under the options granted under the ESOS to eligible employees of the Group and Executive Direetors of the Company.

(e) The shareholders had on 18 June 2011 grauted an Executive Director a call optiou to require the shareholders to transfer 7,500,000 shares in the Company ("Shares") held by the shareholders to him. The call option is exercisahle in 3 tranches as follows:

(i) With respect to the first tranebe of 2,500,000 Shares, the option period eommences from 30 June 2011 and expires on the date whieh is 5 business days thereafter;

(ii) With respect to the second tranche of 2,500,000 Shares, the option period commences on the first anniversary of the listing date of the Company on the Main Market of Bursa Malaysia and expires 30 days thereafter; and

(iii) With respect to the third and final trancbe of 2,500,000 Shares, the option period commences on the second anniversary of the listing date of the Company on the Main Market of Bursa Malaysia and expires 30 days thereafter.

The purchase price in respect of the Shares covered under the call option is RM2.25 per Share.

(d) Bumi Armada Angola Servicos Limited, a newly incorporated subsidiary in Republic of Marshall Islands on was established on 25 April 2011, with an authorised share capital of USD50,000 of whieh USD10,000 comprising of 10,000 ordinary shares of USD1.00 each was issued and paid up.

(e) Bumi Armada Offshore Contractor Limited, a newly incorporated subsidiary in Republic of Marshall Islands was established on 10 May 2011, with an authorised share capital of USD50,000 of which USD10,000 comprising of 10,000 ordinary shares of USD1.00 each was issued and paid up.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

41 Effects of the adoption of FRS 139 and amendments to FRS 117

In the financial year ended 31 December 2010, the Group changed the following accounting policy upon adoption of new accounting standards, amendments and improvements to published standards and interpretations:

- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 117 "Leases"
- FRS 139 "Financial Instruments: Recognition and Measurement"
- FRS 7 "Financial Instruments - Disclosures"

In addition, the Group has also adopted the following 2 accounting standards that introdnced new presentation and diselosures reqnirements:

- FRS 101 (revised) "Presentation of Financial Statements" prohibits the presentation of items of ineome and expenses (that is, 'non-owner ehanges in equity') in the statements of changes in equity, requiring 'non-owner ehanges in equity' to be presented separately from owner changes in equity in a statements of comprehensive income. As a result the Group presents in the consolidated statements of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statements of eomprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised staudard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

- FRS 7 "Financial instruments: Disclosures" introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group's financial instruments. FRS 7 does not require comparative disclosures when the standard is first applied.

In accordance with the transitional provisions for the first time adoption of FRS 139, the changes are applied prospeetively and the comparatives as at 31 December 2009 are not restated. Instead, the effects arising from the adoption of this standard bas been accounted for by adjusting the opening balances as follows:

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

41 Effects of the adoption of FRS 139 and amendments to FRS 117 (continued)

Impact on the Group's statements of financial position:

	Balances as at 31 December 2008		
	As previously reported RM'000	FRS 117 RM'000	As restated RM'000
Property, plant and equipment	2,031,372	846	2,032,218
Prepaid lease payments	846	(846)	0

	Balances as at 31 December 2009			Balances as at 1 January 2010	
	As previously reported RM'000	FRS 117 RM'000	As restated RM'000	FRS 139 RM'000	As adjusted RM'000
Property, plant and equipment	3,007,547	828	3,008,375	0	3,008,375
Prepaid lease payments	828	(828)	0	0	0
Derivative financial liabilities	0	0	0	3,463	3,463
Retained earnings	623,898	0	623,898	(3,463)	620,435

Increase/(decrease) to balances as at 31 December 2010

	FRS 117 RM'000	FRS 139 RM'000	Total RM'000
Property, plant and equipment	810	0	810
Prepaid lease payments	(810)	0	(810)
Derivative financial assets	0	12,126	12,126
Derivative financial liabilities	0	(5,236)	(5,236)
Retained earnings	0	7,144	7,144
Currency translation reserve	0	(254)	(254)

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

42 Financial instruments by category

At 31 December 2010	Loans and receivables	Assets at fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Assets as per Statements of Financial Position			
Other investments	3,778	0	3,778
Trade receivables	189,643	0	189,643
Other receivables excluding prepayments	26,803	0	26,803
Derivative financial assets	0	12,126	12,126
Deposits with licensed banks	24,384	0	24,384
Cash and bank balances	253,300	0	253,300
	497,908	12,126	510,034

	Liabilities at fair value through profit or loss	Other financial liabilities at amortised costs	Total
	RM'000	RM'000	RM'000
Liabilities as per Statements of Financial Position			
Trade payables	0	257,753	257,753
Other payables	0	222,445	222,445
Borrowings	0	3,417,636	3,417,636
Hire purchase creditors	0	1,221	1,221
Derivative financial liabilities	8,699	0	8,699
	8,699	3,899,055	3,907,754

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

42 Financial instruments by category (continued)

At 31 March 2011	Loans and receivables	Assets at fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Assets as per Statements of Financial Position			
Other investments	5,506	0	5,506
Trade receivables	265,904	0	265,904
Other receivables excluding prepayments	33,563	0	33,563
Derivative financial assets	0	17,405	17,405
Deposits with licensed banks	7,384	0	7,384
Cash and bank balances	443,838	0	443,838
	756,195	17,405	773,600

	Liabilities at fair value through profit or loss	Other financial liabilities at amortised costs	Total
	RM'000	RM'000	RM'000
Liabilities as per Statements of Financial Position			
Trade payables	0	230,798	230,798
Other payables	0	242,094	242,094
Borrowings	0	3,478,188	3,478,188
Hire purchase creditors	0	1,096	1,096
Derivative financial liabilities	6,577	0	6,577
	6,577	3,952,176	3,958,753

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

42 Financial instruments by category (continued)

Fair values estimation

The table below analyses fiuaneial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted priees (unadjusted) in aetive markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either direetly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2011.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Assets:				
Financial assets at fair valuc through profit or loss				
- Cross curreuey interest rate swaps	0	17,405	0	17,405
Liabilities:				
Finaneial liabilitics at fair value through profit or loss				
- Intcrest rate swaps	0	6,577	0	6,577

43 Corresponding figures

The corresponding figures for statements of income, comprehensive income, cash flow and ehanges in cquity and the relatcd notes thereto for thc 3 month financial period endcd 31 March 2010 were not auditcd.

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

44 Reclassification of prior year comparative

(a) Financial statements for the financial year ended 31 December 2008

Certain comparative figures have been reclassified due to realignment of business segment in 2009 and to disclose the effects of foreign revenue taxed at source. As a result, the following comparative figures and its respective notes to this report were reclassified to enhance comparability of results:

	As previously reported RM'000	Re-classification RM'000	As restated RM'000
Revenue	516,478	3,361	519,839
Selling and distribution cost	(26,317)	(36,058)	(62,375)
Administrative expenses	(72,463)	36,058	(36,405)
Taxation	(8,504)	(3,361)	(11,865)
Depreciation	106,319	18	106,337
Amortisation of prepaid lease rental	18	(18)	0
Allowance for doubtful debt written back	(2,641)	89	2,552
Doubtful debts written-off	89	(89)	0
Trade receivables	193,290	(96,505)	96,785
Accrued lease rental	0	96,505	96,505

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The Board of Directors
Bumi Armada Berhad
22 June 2011

III HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

(b) Notes to the Consolidated Financial Statements (continued)

44 Reclassification of prior year comparative (continued)

(b) Financial statements for the financial year ended 31 December 2009

Certain comparative figures have been reclassified due to realignment of business segments in the current financial year and to disclose the effects of foreign revenue taxed at source. Amounts due from customers on contracts were reclassified from trade payables to enhance comparability. As a result, the following comparative figures were reclassified to enhance comparability of results.

	As previously reported	Re-classification	As restated
	RM'000	RM'000	RM'000
Revenue	725,664	6,426	732,090
Selling and distribution costs	(22,179)	(37,044)	(59,223)
Administrative expenses	(100,905)	37,044	(63,861)
Taxation	(60)	(6,426)	(6,486)
Amounts due to customers on contracts	0	34,378	34,378
Trade payables	270,618	(34,378)	236,240

Yours faithfully,

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

TIANG WOON MENG
(No. 2927/05/12 (J))
Chartered Accountant

BUMIARMADA

2 2 JUN 2011

Registered office:

Level 21, Menara Perak
24, Jalan Perak
50450 Kuala Lumpur
Malaysia

The Shareholders
Bumi Armada Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Bumi Armada Berhad ("**Bumi Armada**"), I report after due inquiry that during the period from 31 March 2011 (being the date to which the last audited consolidated financial statements of Bumi Armada and its subsidiaries ("**Bumi Armada Group**") have been made up) to the date herein (being a date not earlier than 14 days before the issue of this Prospectus):

(a) the business of the Bumi Armada Group has, in the opinion of the Directors, been satisfactorily maintained;

(b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Bumi Armada Group which have adversely affected the trading or the value of the assets of Bumi Armada or its subsidiaries;

(c) the current assets of the Bumi Armada Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) save as disclosed in Section 12.2.15 of this Prospectus, there are no contingent liabilities by reason of any guarantee or indemnity given by Bumi Armada or its subsidiaries;

(e) there has been, since the last audited financial statements of the Bumi Armada Group, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in respect of any borrowings; and

(f) save as disclosed in Sections 12.4 and 12.5 of this Prospectus, there has been, since the last audited financial statements of the Bumi Armada Group, no material change in the published reserves or any unusual factor affecting the profits of the Bumi Armada Group.

Yours faithfully
For and on behalf of the Board of Directors of
BUMI ARMADA BERHAD

SHAHARUL REZZA BIN HASSAN   DATO' AHMAD FUAD BIN MD ALI

BUMI ARMADA BERHAD (Company No. 370398-X)
Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur, Malaysia.
Tel: +603 2171 5799 Fax: +603 2171 5677 www.bumiarmada.com

Knots ahead of the rest

15.1 Share capital

(i) Save as disclosed in this Prospectus, no securities will be allotted or issued or offered on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.

(ii) There is no founder, management or deferred share in our Company. As at the LPD, our Company has 1 class of shares, namely ordinary shares of RM0.20 each, all of which rank *pari passu* with one another.

(iii) Save as disclosed in this Prospectus, no shares, stocks or debentures of our Group have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the 2 years preceding the LPD.

(iv) Save as disclosed below, none of the share capital of our Company or any of our subsidiaries is under option, or agreed conditionally or unconditionally to be put under option:

(a) Mohd Rafael bin Mohd Shamsudin had on 8 June 2006 granted our Company a call option to require him to transfer 99,900 ordinary shares of RM1.00 each in BAE held by him to a person nominated by our Company. The call option shall subsist until exercised by our Company. Such exercise shall be over all of the shares under the call option, being the 99,900 ordinary shares of RM1.00 each of BAE. The purchase price in respect of the shares shall be set-off against the amount outstanding in respect of the RM1,998,000 loan granted by our Company to him. Our Company is the grantee of the option;

(b) Baharin bin Chik had on 19 January 2009 granted BAAI a call option to require him to transfer 100 ordinary shares of RM1.00 each in BAE held by him to a person nominated by BAAI in connection with a RM2,000 loan granted by BAAI to him. The call option shall subsist until exercised by BAAI. Such exercise shall be over all of the shares under the call option, being the 100 ordinary shares of RM1.00 each of BAE. The purchase price in respect of the shares shall be set-off against the amount outstanding on the RM2,000 loan granted by BAAI to him. BAAI is the grantee of the option; and

(c) OBSB, ODSB, WSSB, KMSB and WBSB (collectively, "**Grantors**") had on 18 June 2011 granted Hassan Assad Basma a call option to require the Grantors to transfer an aggregate of 7,500,000 Shares held by the Grantors to him. The call option is exercisable in 3 tranches as follows:

(aa) With respect to the first tranche of 2,500,000 Shares, the option period commences from the date of this Prospectus and expires on the date which is 5 business days thereafter;

(bb) With respect to the second tranche of 2,500,000 Shares, the option period commences on the first anniversary of the date of Listing and expires 30 days thereafter; and

(cc) With respect to the third and final tranche of 2,500,000 Shares, the option period commences on the second anniversary of the date of Listing and expires 30 days thereafter.

The purchase price in respect of the Shares covered under the call option is RM2.25 per Share. The call option has been granted to Hassan Assad Basma by the Grantors, our existing shareholders, in recognition of his services to our Group, since September 2005.

(v) We have in place the ESOS under which we may grant Options to eligible employees of our Group and our executive Directors. Further information on the ESOS is set out in Section 15.4 of this Prospectus and Annexure D.

(vi) Our Company does not have any outstanding convertible debt security as at the LPD.

15.2 Articles of Association

The following is extracted from our Company's Articles of Association and is qualified in its entirety by the remainder of the provisions of our Company's Articles of Association and by applicable law.

15.2.1 Variation of class rights

"24. Class rights may be modified

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 persons holding or representing by proxy not less than one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply."

"25. Rights on creation or issue of further shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects pari passu therewith."

15.2.2 Remuneration of Directors

"121. Remuneration of Directors

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the total fees of all of the Directors in any year shall be a fixed sum not exceeding in aggregate RM3,000,000.00 and (unless otherwise determined by an ordinary resolution of the Company in general meeting) such fee shall be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office provided always that –

(a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(b) remuneration payable to Director(s) holding executive position(s) under Article 150(1) may not include a commission on or percentage of turnover;
(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
(d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."

15.2.3 Transfer of securities

"50. Form of Transfer

Subject to the provisions of the Act, these Articles, the Central Depositories Act and the Rules with respect to transfer of Deposited Security, all transfers of securities which are shares:-

(a) to the Central Depository or its nominee company; or
(b) prior to the listing and quotation of such shares on the Exchange,

may be effected by transfer in writing in the usual common form conforming with the Act and/or approved by the Exchange, or such form as may from time to time, be prescribed under the Act or approved by the Exchange. Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law."

"51. Transfer of shares by book entry

The transfer of any Deposited Security shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Security."

"52. Transmission of securities from Foreign Register

(1) Where

(a) the securities of the Company are listed on another stock exchange; and

(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request by a Depositor, permit a transmission of securities held by such Depositor from the Foreign Register to the Malaysian Register and vice versa provided that there shall be no change in the ownership of such securities.

(2) For the avoidance of doubt, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register."

"53. Obligation to keep register not affected

Nothing in these Articles shall be construed as affecting the obligation of the Company to keep a Register under Section 158 of the Act and a register of option holders under Section 68A of the Act and to open them for inspection in accordance with the provisions of the Act except that the Company shall not be obliged to enter in such registers the names and particulars of Depositors who are deemed to be members or option holders."

"54. Instrument of Transfer

Subject to the Central Depositories Act and the Rules, the instrument of transfer of any Deposited Security lodged with the Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register."

"55. Restriction of Transfer

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind."

"56. Maintenance of Register of Transfers

Subject to Article 51, the Company shall maintain a book called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors. Subject to the provisions of the Central Depositories Act and the Rules and Article 51, particulars of the transfer or transmission of every share shall be entered into the Register of Transfers."

"57. Directors may refuse registration of transfer

(1) With the exception of transfer in favour of the Central Depository and subject to the provisions of the Central Depositories Act and the Rules, the Directors may subject to Article 57(4) decline to register the transfer of any share (not being a fully paid share) and may also decline to register the transfer of any share on which the Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia.

(2) The Directors may decline to recognise any instrument of transfer, unless:

(a) Such fee, not exceeding Ringgit Malaysia Three (RM3.00) per transfer or such other sum as may be permitted by the Exchange plus the amount of the proper duty with which each certificate is chargeable under the law relating to stamp duty as the Directors may from time to time require, is paid to the Company in respect thereof; and

(b) The instrument of transfer together with the certificate is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so.

(3) All instruments of transfers which are registered may be retained by the Company or its agents.

(4) Subject to the provisions of the Central Depositories Act and the Rules, if the Directors decline to register any transfer they shall within 10 Market Days (or such other period specified by the Exchange) after the date on which the transfer was lodged with the Company send to the transferor, lodging broker and to the transferee written notice of refusal and the precise reasons thereof. Any instrument of transfer which the Directors may decline to register shall be returned to the person who tendered the same for registration save and except in cases where the Directors suspect fraud."

"58. Suspension of registration of transfers

The registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year. At least 10 clear Market Days' (or such other period specified by the Exchange) notice of such closure shall be given to the Exchange stating the period and the purpose or purposes of such closure. In relation to such closure, the Company shall give notice, in accordance with the Central Depositories Act and the Rules, to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors."

15.2.4 Voting and borrowing powers of Directors

"140. Directors may elect and remove a Chairman

The Directors may from time to time elect and remove a Chairman and Deputy Chairman of the Board and determine the period for which they are respectively to hold the office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Directors but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within 15 minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as Chairman of such meeting."

"142. Director not to vote in contracts where he has an interest

No Director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that company or as a holder of shares or other securities in that other company."

"144. Voting right of Director

A Director may be or become or continue to be a director, managing director, manager or other officer or member of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer of or member of, or from his interest in, such corporation, whether as a nominee of the Company or otherwise, unless the Company otherwise directs at the time of his appointment. The Director may, provided that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles, exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by him as director of such other corporation in such manner and in all respects as he thinks fit but a Director may not vote in favour of the exercise of such voting rights in manner aforesaid, if he may be, or is about to be appointed, a director, managing director, manager or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid."

"126. Power of Directors to borrow money

(1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

(2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

(3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."

15.2.5 Voting rights

"100. Rights and votes of members

(1) Subject to Article 59 and any special rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.

(2) Subject to Article 59 and any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands every person present who is a member or a member's representative, or holder of preference shares or proxy or attorney shall have 1 vote and in the case of a poll every member present in person or by proxy or by attorney or other duly authorized representative shall have 1 vote for every share held by him upon which all calls due to the Company have been paid. A person entitled to more than 1 vote need not use all his votes or cast all the votes he uses on a poll in the same way. Subject to Article 59, the shares held or represented by a member present in person or by proxy or by attorney or other duly authorised representative shall, in relation to shares of a Depositor, be the number of shares entered against his name in the Record of Depositors.

(3) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable."

"101. Corporation as member

Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative either at a particular meeting of the Company, or at all meetings of the Company or any class of members and the person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company."

"102. Votes of joint holders

Subject to the Central Depositories Act and the Rules, when there are joint-holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy, the person whose name stands first on the Register or to the extent permissible under the Central Depositories Act and the Rules, on the Record of Depositors in respect of such share shall alone be entitled to vote in respect thereof."

15.2.6 Limitation on the right to hold securities and/or exercise voting rights

"103. Votes of lunatic, deceased or bankrupt member

(1) Any member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote by his committee, receiver curator bonis, or other legal guardian or such other person as properly has the management of his estate. Any one of such person may vote either personally or by proxy or by attorney Provided such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than 4 days before the time appointed for holding the meeting.

(2) The legal personal representative of a deceased member or the person entitled under the Articles 55 to 58 to any share in consequence of the death or bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that 48 hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof."

"104. Member in default

No member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a member nor be counted as one of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid."

"105. Time for objection

No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman at the meeting, whose decision shall be final and conclusive."

Save as disclosed above, there is no limitation on the right to own securities, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on such securities, which is imposed by Malaysian law or by the constituent documents of the Company.

15.2.7 Modification of rights

"23. Modification of rights

Notwithstanding Article 24 hereof, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting."

"24. Class rights may be modified

At at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 persons holding or representing by proxy not less than one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply."

"25. Rights on creation or issue of further shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects pari passu therewith."

15.2.8 Issue of Shares

"5. Issue of shares

(1) Subject to the Act, the Central Depositories Act, the Rules, the Listing Requirements and the conditions, restrictions and limitations expressed in these Articles, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they think proper, PROVIDED ALWAYS THAT –

(a) no shares shall be issued at a discount except in compliance with the provision of the Act;

(b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;

(c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;

(d) subject to Article 5(2) and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, no shares or convertible securities shall be issued if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue;

(e) every issue of shares or options to Employees and/or Directors shall be approved by the members in general meeting and in relation to a Director such approval shall specifically detail the amount of shares or options to be issued to such Director.

(2) Except in the case of an issue of securities on a pro rata basis to members, there shall be no issue of shares or other convertible securities to a Director, major shareholder, Chief Executive or person connected with any Director, major shareholder or Chief Executive (hereinafter referred to as "the interested Director", "interested major shareholder", "interested Chief Executive" or "interested person connected with a Director, major shareholder or Chief Executive" respectively) unless members in general meeting have approved of the specific allotment to be made to such aforesaid persons.

(3) In a meeting to obtain members' approval in respect of the allotment referred to under Article 5(2) above:

(a) the interested Director, interested major shareholder, interested Chief Executive or interested person connected with a Director, major shareholder or Chief Executive; and

(b) where the allotment is in favour of an interested person connected with a Director, major shareholder or Chief Executive, such Director, major shareholder or Chief Executive,

must not vote on the resolution approving the said allotment. An interested Director, interested major shareholder or interested Chief Executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.

(4) The notice of the meeting referred to in Article 5(2) shall state:-

(a) the number of securities to be allotted;

(b) the purpose of allotment;

(c) the precise terms and conditions of the allotment; and

(d) the identity and relationship of the persons connected with the Director, major shareholder or Chief Executive, where applicable.

(5) In this Article, "major shareholder", "Chief Executive" and "person connected with any Director, major shareholder or Chief Executive" shall have the meaning ascribed thereto in the Listing Requirements."

15.2.9 Dividends

"158. Payment of dividends

The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly."

"159. Amount of dividend

No dividend shall be paid otherwise than out of profits of the Company and no dividend shall be paid in excess of the amount recommended by the Directors."

"160. Apportionment of dividends

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividends are paid, but any amount paid up on a share in advance of calls shall not, whilst carrying interest pursuant to Article 33, be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividends are paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly."

"161. Interim dividends

The Directors may if they think fit from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be determined by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment."

15.2.10 Winding-up

"188. Distribution of assets in specie

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability."

"189. Proportionate distribution of assets

Save that this Article shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply :

(a) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and

(b) If in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively."

15.2.11 Calls

"26. Directors may make calls

The Directors may from time to time make such calls upon the members as the Directors may think fit in respect of the amounts unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium), and not by the conditions of allotment made payable at fixed times. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least 7 days' notice specifying the time or times and place of payment."

15.2.12 Acquisition of own Shares

"11. Purchase of own shares

(1) Subject to the provisions of the Act and any regulations made thereunder and to any rights previously conferred on the holders of any class of shares and to any requirements imposed by the Exchange in respect of securities admitted to listing, and any rules or guidelines ("Rules and Guidelines") of any relevant authorities (whether having the force of law or not) issued from time to time whether by way of amendment, modification or variation or in replacement thereof (other than any such of the Rules and Guidelines compliance with which by the Company is waived by the relevant authority), the Company may purchase or may enter into a contract under which it will or may purchase any of its shares of any class, including any redeemable shares.

(2) Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares."

15.3 Deposited securities and rights of Depositors

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our share registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

15.4 ESOS

As at the date of this Prospectus, save as disclosed below, there is no other scheme involving the employees of our Group in the share capital of our Company or our subsidiaries.

Pursuant to an ESOS which came into effect on 28 June 2011, we will make available new Shares, not exceeding in aggregate 10% of the enlarged issued and paid-up share capital of our Company during the subsistence of the ESOS, to be issued under the Options granted under the ESOS to eligible employees of our Group and our executive Directors.

The purpose of the ESOS is to promote ownership of Shares by eligible employees of our Group and our executive Directors, thereby reinforcing a mutual interest among our Group's employees and our executive Directors and the shareholders of our Company and to enable us to attract, retain, reward and motivate employees of our Group and our executive Directors by permitting them to participate in our Company's growth.

Prior to the Listing, our Board proposes to grant Options over up to 33,000,000 Shares to our 2 executive Directors and the eligible employees of our Group ("**Initial Grant**"), of which Options over up to 17,500,000 Shares and up to 4,000,000 Shares will be granted to Hassan Assad Basma and Shaharul Rezza bin Hassan, respectively. The actual number of Shares in the Options to be granted to Hassan Assad Basma, Shaharul Rezza bin Hassan and the eligible employees of our Group pursuant to the Initial Grant have yet to be determined at this juncture. The exercise price for the Options granted pursuant to the Initial Grant is the Final Retail Price.

In addition to the Initial Grant, our Board (or such other committee appointed by our Board to administer the ESOS) may, at its discretion, within the duration of the ESOS, make offers to grant Options to eligible employees of our Group and our executive Directors. An eligible employee or executive Director (as the case may be) who accepts an offer of Options shall pay a sum of RM1.00 as consideration for acceptance of that offer. An Option shall be exercisable at a price which is the weighted average of the market price quotation of the Shares for the 5 Market Days immediately preceding the date on which the Option is granted, rounded down to the nearest sen, or the par value of the Share, whichever is higher.

Unless otherwise determined by our Board (or such other committee appointed by our Board to administer the ESOS), each Option shall become exercisable, to the extent of one-third of the Shares covered thereby, on each of the first 3 anniversaries of the date of grant, if the holder of such Option shall have been in the continuous service of our Company and our subsidiaries that are not dormant throughout such period. No Option shall be exercisable if the exercise of such Option would violate any provision of applicable laws, nor shall any Option be exercisable more than 10 years from the date on which the ESOS becomes effective.

No Option shall be granted pursuant to the ESOS on or after the 10th anniversary of the date on which the ESOS becomes effective.

The new Shares issued upon the exercise of an Option will be subjected to all the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the then existing issued Shares, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions the entitlement date of which precedes the date of the issue of such new Shares.

15.5 General

(i) Save as disclosed in Sections 4.9 and 15.1(iv) of this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or is payable by our Group within the 2 years immediately preceding the LPD for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any share in or debenture of our Group and in connection with the issue or sale of any capital of our Group and no Director or promoter or expert is or are entitled to receive any such payment or any other benefits.

(ii) During the last financial year and the current financial period up to the LPD, there were no:

(a) public take-over offers by third parties in respect of our Company's securities; and

(b) public take-over offers by our Company in respect of any other company's securities.

(iii) The governmental laws, decrees, regulations or other requirements in the BVI, Marshall Islands, Singapore and India which may affect the repatriation of capital and the remittance of profit by or to our Company are as set out in the opinions from Conyers Dill & Pearman Pte. Ltd., Reeder & Simpson PC, Wong*Partnership* LLP and Amarchand & Mangaldas & Suresh A. Shroff & Co., respectively, in Annexure C of this Prospectus.

15.6 Material contracts

Save as disclosed below, our Company and our subsidiaries have not entered into any material contract with parties outside of our Group which is not in the ordinary course of our Group's business during the 2 years preceding the LPD:

(i) BAN had entered into a Memorandum of Agreement dated 20 October 2009 for the sale of Armada Tuah 106 to COOEC (HK) Ltd for a cash consideration of USD35,900,000. This sale was completed on 9 November 2009.

(ii) BAN had entered into a Memorandum of Agreement dated 25 November 2009 for the sale of Armada Tuah 103 to COOEC (HK) Ltd for a cash consideration of USD35,900,000. This sale was completed on 9 December 2009.

(iii) Our Company had entered into a shareholders' agreement with CESL on 14 April 2010 to regulate the conduct of the business and affairs of CBJV in relation to the provision by CBJV of offshore support vessels and multi-purpose support vessels and the O&M services to the offshore and marine industries in Nigeria. Pursuant to the terms of the shareholders' agreement, our Company had subscribed for 7,000,000 shares of NGN1 each in CBJV for a consideration of NGN7,000,000 whilst CESL had subscribed for 8,000,000 shares of NGN1 each in CBJV for a consideration of NGN8,000,000. No calls have been made by CBJV for payments in respect of these subscriptions and accordingly these shares remain unpaid. Further, pursuant to the terms of the shareholders' agreement, our Company had purchased 3,000,000 shares of NGN1 each in CBJV whilst CESL had purchased 7,000,000 shares of NGN1 each in CBJV. These shares were purchased at no consideration from Edward Keniwenimo Etete and Hassan Assad Basma who were shareholders of CBJV as at the date of the said agreement. These purchases resulted in the proportion of the shareholdings of our Company and CESL in CBJV becoming 40:60, respectively.

(iv) Our Company had entered into a shareholders' agreement with CESL on 14 April 2010 to regulate the conduct of the business and affairs of ACL in respect of the provision by ACL of offshore support vessels and multi-purpose support vessels for shallow water operations in Nigeria. Pursuant to the terms of the shareholders' agreement, our Company, being the sole shareholder of ACL as at the date of the said agreement holding 100,000 shares of USD1 each in ACL, had transferred 49,000 shares of USD1 each in ACL to CESL for a cash consideration of USD2,664,375 resulting in the proportion of the shareholding of our Company and CESL in ACL becoming 51:49, respectively, pursuant to the said transfer.

(v) Our Company had entered into a shareholders' agreement with BAN and the remaining shareholders of BAN, namely WBSB, WSSB and KMSB, on 25 March 2011 for purposes of regulating their relationship as shareholders of BAN and their respective responsibilities in the conduct of the business and affairs of BAN. Pursuant to the terms of the said shareholders' agreement, the parties had agreed that our Company shall determine and manage the operating and financial policy, and all of the operations and affairs of BAN.

(vi) Our Company has entered into the Retail Underwriting Agreement with the Joint Managing Underwriters on 22 June 2011 for the Joint Managing Underwriters to underwrite 79,861,400 Issue Shares under the Retail Offering at an underwriting commission of 1.75% of the amount equal to the Retail Price multiplied by the Issue Shares underwritten pursuant to the Retail Offering.

(vii) Our Company has entered a lock-up agreement with the Joint Global Co-ordinators and the Joint Malaysian Co-ordinators (being CIMB, Credit Suisse (Malaysia) Sdn Bhd and Maybank IB), respectively, on 21 June 2011. Under this agreement, our Company has agreed that, for a period beginning on the date of Listing and ending on, and including, the date that is 180 days after the date of Listing, our Company will not, without the prior written consent of the Joint Global Co-ordinators and the Joint Malaysian Co-ordinators, (i) issue, allot, sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant any option to purchase or security over, or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any other securities of our Company that are substantially similar to the Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing; (ii) enter into any swap, transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company that are substantially similar to Shares, or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any transaction specified in (i) or (ii), except, in all cases, pursuant to the IPO; or for the grant of any option (or allotment and/or issue of any Shares thereunder) to the executive Directors of our Company and the eligible employees of our Group under and pursuant to the terms of the ESOS.

(viii) Our Company has entered into a master cornerstone placing agreement with the Cornerstone Investors on 20 June 2011 whereby the Cornerstone Investors have agreed to purchase, at the Institutional Price, an aggregate of 300,000,000 Shares, representing approximately 10.24% of the enlarged issued and paid-up share capital of our Company.

15.7 Material litigation

Save as disclosed below, as at the LPD, neither our Company nor our subsidiaries is involved in any material litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of our Group, and our Directors are not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of our Group:

On 25 January 2011, our Company received a Notice of Termination from J. Ray McDermott S.A. ("JRM") on the shareholders' agreement dated 22 June 2001 between our wholly-owned subsidiary, BAN, JRM and Schematic Principle (M) Sdn Bhd on our associate, BMD dated 22 June 2001.

Our Group has sought legal counsel to ascertain the extent of our rights. BAN takes the view that the termination is unlawful and will take such legal steps as it deems necessary to protect its interests in BMD.

Notwithstanding BAN's rights with respect to its participation in BMD, the management of BAN has assessed and fully provided for BAN's investment in BMD of RM16,978,000.

15.8 Letters of consent

The written consents of our Joint Principal Advisers, Joint Global Co-ordinators, Joint Bookrunners, Joint Managing Underwriters, Lead Managers, Legal Advisers, Principal Bankers, Share Registrar and Issuing House as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, Accountants' Report, and Reporting Accountants' letter on our proforma consolidated statement of financial position as at 31 March 2011 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of ISL for the inclusion of its name, the Independent Market Research Report and all references in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consents of Conyers Dill & Pearman Pte. Ltd, Reeder & Simpson PC, Wong*Partnership* LLP and Amarchand & Mangaldas & Suresh A. Shroff & Co. for the inclusion of their respective legal opinions in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15.9 Documents available for inspection

Copies of the following documents may be inspected at our registered office at Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur, Malaysia, during normal working hours for a period of 12 months from the date of this Prospectus:

(i) Memorandum and Articles of Association of our Company;

(ii) Reporting Accountants' letter on the proforma consolidated statement of financial position as included in Section 12.5 of this Prospectus;

(iii) Accountants' Report referred to in Section 13 of this Prospectus;

(iv) Directors' Report referred to in Section 14 of this Prospectus;

(v) the letters of consent referred to in Section 15.8 of this Prospectus;

(vi) material contracts referred to in Section 15.6 of this Prospectus;

(vii) material agreements referred to in Section 7.21 of this Prospectus;

(viii) the service agreement of the Executive Director referred to in Section 9.7(i) of this Prospectus;

(ix) legal opinions from Conyers Dill & Pearman Pte. Ltd., Reeder & Simpson PC, Wong*Partnership* LLP and Amarchand & Mangaldas & Suresh A. Shroff & Co. on any governmental laws, decrees, regulations or other requirements which may affect the repatriation of capital and the remittance of profit by or to our Company under the laws of BVI, Marshall Islands, Singapore and India, respectively;

(x) audited consolidated financial statements of our Company for the 3 years ended 31 December 2008, 2009 and 2010, and the 3 months ended 31 March 2011;

(xi) audited consolidated financial statements and audited financial statements of our subsidiaries for the 3 years ended 31 December 2008, 2009 and 2010; and

(xii) Independent Market Researcher's Report as included in Section 8 of this Prospectus.

15.10 Responsibility statements

Our Directors, the Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB, Maybank IB and RHB as the Joint Principal Advisers, acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 Opening and closing of applications

OPENING OF THE RETAIL OFFERING: 10.00 A.M., 30 JUNE 2011

CLOSING OF THE RETAIL OFFERING: 5.00 P.M., 7 JULY 2011

Our Directors and the Majority Joint Managing Underwriters may decide in their absolute discretion to extend the closing time and date for applications under the Retail Offering to any later date or dates. If they decide to extend the closing date for the applications, the Price Determination Date and dates for the balloting and allotment of the Issue Shares, transfer of the Offer Shares and our Listing may be extended accordingly. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

Late applications will not be accepted.

16.2 Methods of application and category of investors

16.2.1 Application for Issue Shares under the Retail Offering

Applications for the Issue Shares pursuant to the Retail Offering may be made using either of the following:

Type of application	Category of investors
PINK Application Form	Our Directors, and eligible employees and persons who have contributed to the success of our Group
WHITE Application Form or Electronic Share Application[(1)] or Internet Share Application[(2)]	Malaysian public

Notes:

(1) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

(2) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:

(i) CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or RM5.00 for payment via Malayan Banking Berhad;

(ii) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;

(iii) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;

(iv) RHB Bank Berhad (www.rhb.com.my) – RM2.50;

(v) Affin Bank Berhad (www.affinOnline.com) – No fees will be charged for application by their account holders; and

(vi) Public Bank Berhad (www.pbebank.com) – RM2.00

An eligible employee and a person who has contributed to the success of our Group, and an eligible Director of our Company who has made an application using a PINK Application Form may still apply for the Issue Shares offered to the Malaysian public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

However, applicants using the PINK and WHITE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and Internet Share Applications, and vice versa.

16.2.2 Application by investors under the Institutional Offering

Investors under the Institutional Offering (other than the Bumiputera institutional and selected investors approved by MITI) will be contacted directly by the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers and should follow the instructions as communicated by the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers. Bumiputera institutional and selected investors approved by MITI who have been allocated Offer Shares or Issue Shares will be contacted directly by MITI and should follow the instructions as communicated through MITI.

16.3 Procedures for application and acceptance

16.3.1 Application by our Directors, and eligible employees and persons who have contributed to the success of our Group (PINK Application Forms)

Application procedures and instructions will be separately contained in a letter to be issued by our Company to our Directors, and eligible employees and persons who have contributed to the success of our Group.

16.3.2 Application by the Malaysian public under the Retail Offering (WHITE Application Forms, Electronic Share Applications or Internet Share Applications)

Eligibility

You may apply for the Issue Shares if you fulfill **all** the following:

(i) You must have a CDS account. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs listed in Section 17 of this Prospectus;

(ii) You must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address; or

(b) a corporation/institution incorporated in Malaysia where there is a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation or provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in (ii)(b) or (c) above or the trustees thereof; and

(iii) You must not be a director or employee of the Issuing House or their immediate family members.

16.4 Procedures for application by way of Application Forms

Each application for the Issue Shares under the Retail Offering must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with the notes and instructions printed therein. The Application Forms together with the notes and instructions shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or which are illegible may not be accepted at the absolute discretion of our Directors.

Full instructions for the application for the Issue Shares and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the notes and instructions therein carefully.

Step 1 : Obtain application documents

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and this Prospectus.

The **WHITE** Application Form can be obtained subject to availability from the following:

(i) CIMB;

(ii) Maybank IB;

(iii) RHB;

(iv) Participating organisations of Bursa Securities;

(v) Members of the Association of Banks in Malaysia;

(vi) Members of the Malaysian Investment Banking Association; and

(vii) the Issuing House.

Step 2 : Read the Prospectus

In accordance with Section 232(2) of the CMSA, this Prospectus is accompanied by the Application Form. You are advised to read and understand the Prospectus before making your application.

Step 3 : Complete the relevant Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in this Prospectus.

(i) **Personal particulars**

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, the name and national registration identity card ("**NRIC**") numbers must be the same as:

- your NRIC;
- any valid temporary identity document issued by the National Registration Department from time to time; or

- your "Resit Pengenalan Sementara (JPN KP09)" issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be exactly as that stated in your authority cards.

For corporations/institutions, the name and certificate of incorporation numbers must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

If you are a non-Malaysian (in the case of PINK Forms), your name and passport number must be exactly as that stated in your passport.

(ii) CDS account number

You must state your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will not be accepted.

(iii) Details of payment

You must state the details of your payment in the appropriate boxes provided in the Application Form.

(iv) Number of Issue Shares applied

Applications must be for at least 100 Issue Shares or multiples of 100 Issue Shares for applicants using the PINK and WHITE Application Forms.

Step 4 : Prepare appropriate form of payment

You must prepare the correct form of payment in RM for the FULL amount payable for the Issue Shares based on the Retail Price, which is RM3.15 per Issue Share.

Payment must be made out in favour of **"MIH SHARE ISSUE ACCOUNT NO. 520"** and crossed **"A/C PAYEE ONLY"** (excluding ATM statements) and endorsed on the reverse side with your name and address. Only the following forms of payment will be accepted:

(i) banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);

(ii) money order or postal order (for applicants from Sabah and Sarawak only);

(iii) Guaranteed Giro Order ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or

(iv) ATM statement obtained only from any of the following:

- Affin Bank Berhad;
- Alliance Bank Malaysia Berhad;
- AmBank (M) Berhad;
- CIMB Bank Berhad;
- EON Bank Berhad;
- Hong Leong Bank Berhad;
- Malayan Banking Berhad;
- Public Bank Berhad; or
- RHB Bank Berhad.

Applications with excess or insufficient remittances or inappropriate forms of payment will not be accepted.

Step 5 : Finalise application

The Application Form with payment and a legible photocopy of your identification document (NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) must be inserted into Official "A" envelope. You must write your name and address on the outside of the Official "A" and "B" envelopes.

The name and address written must be identical to your name and address as per your NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP09)"/authority card for armed forces or police personnel/certificate of incorporation or the certificate of change of name for corporate or institutional applicant or passport (where applicable).

Affix an 80 sen stamp on Official "A" envelope and insert Official "A" envelope into Official "B" envelope.

Step 6 : Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents, may be submitted using one of the following methods:

(i) despatched by ORDINARY POST in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
P.O. Box 8269
Pejabat Pos Kelana Jaya
46785 Petaling Jaya

(ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on 7 July 2011, or such later date or dates as our Directors and the Majority Joint Managing Underwriters in their absolute discretion may decide.

16.5 Procedures for application by way of Electronic Share Applications

Only Malaysian individuals may use the Electronic Share Application to apply for the Issue Shares made available to the Malaysian public.

16.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

(i) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Issue Shares at an ATM belonging to other Participating Financial Institutions;

(ii) You must have a CDS account;

(iii) You are advised to read and understand the Prospectus before making the application; and

(iv) You may apply for the Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 16.5.3 of this Prospectus relating to the terms and conditions for Electronic Share Application. Your are to submit the following information through the ATM, where the instructions on the ATM screen, require you to do so:

- Personal Identification Number (PIN);
- MIH Share Issue Account No. 520;
- CDS account number;
- Number of Issue Shares applied for and/or the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in Section 16.5.3 of this Prospectus.

16.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- AmBank (M) Berhad;
- Bank Muamalat Malaysia Berhad;
- CIMB Bank Berhad;
- EON Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- OCBC Bank (Malaysia) Berhad;
- Public Bank Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

16.5.3 Terms and Conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"), similar to the steps set out in Section 16.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application.

You must have a CDS account to be eligible to use the Electronic Share Application.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on 7 July 2011 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing their respective customers' applications for the Issue Shares to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

You will be allowed to make only 1 application and shall not make any other application for the Issue Shares under the Retail Offering to the Malaysian public, whether at the ATMs of any Participating Financial Institution or using the WHITE Application Forms.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below and in Section 16.7 of this Prospectus:

(i) The Electronic Share Application shall be made in relation to and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.

(ii) You are required to confirm the following statements (by pressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:

  (a) You have attained 18 years of age as at the Closing Date and Time;

  (b) You are a Malaysian citizen residing in Malaysia;

  (c) You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;

  (d) This is the only application that you are submitting; and

(e) You hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to the Issuing House, or any relevant regulatory bodies.

(iii) **You confirm that you are not applying for Issue Shares as a nominee of any other person and that the Electronic Share Application that you make is made by you as the beneficial owner. You shall only make 1 Electronic Share Application and shall not make any other application for the Issue Shares under the Retail Offering to Malaysian public, whether at the ATMs of any Participating Financial Institution or Internet Share Application or using the WHITE Application Forms.**

(iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.

(v) You agree and undertake to purchase and to accept the number of Issue Shares applied for as stated on the Transaction Record or any lesser number of Issue Shares that may be allotted to you in respect of the Electronic Share Application. In the event that our Company decides to allot a lesser number of such Issue Shares or not to allot any share to you, you agree to accept any such decision as final. If the Electronic Share Application is successful, the confirmation (by your action of pressing the predesignated keys (or buttons) on the ATM keyboard) of the number of Issue Shares applied for shall signify, and shall be treated as, your acceptance of the number of Issue Shares that may be allotted to you and to be bound by the Memorandum and Articles of Association of our Company.

(vi) The Issuing House, on the authority of our Directors, reserves the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting the Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for the Issue Shares.

(vii) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful application. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within 2 Market Days after the balloting date. You may check your account on the fifth Market Day from the balloting date.

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into your account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to applicants by the Issuing House by way of cheques issued by the Issuing House. The cheques will be issued to the applicants not later than 10 Market Days from the day of the final ballot of the application list.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

(viii) You request and authorise us:

(a) to credit the Issue Shares allotted to you into your CDS account; and

(b) to issue share certificate(s) representing such shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

(ix) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, Issuing House, Bursa Depository or the Participating Financial Institution and irrevocably agree that if:

(a) our Company or the Issuing House does not receive your Electronic Share Application; or

(b) the data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or Issuing House,

you shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, Issuing House or the Participating Financial Institution for the Issue Shares applied for or for any compensation, loss or damage.

(x) All of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.

(xi) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered address last maintained with Bursa Depository.

(xii) By making and completing an Electronic Share Application, you agree that:

(a) in consideration of our Company agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;

(b) our Company, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;

(c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase the Issue Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said Issue Shares;

(d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Issue Shares allocated to you; and

(e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities of the parties to the Retail Offering shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(xiii) If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

(xiv) The Issuing House, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.

(xv) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

16.6 Procedures for application by way of Internet Share Applications

Only Malaysian individuals may use the Internet Share Application to apply for the Issue Shares made available to the Malaysian public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1 : Set up of account

Before making an application by way of Internet Share Application, you **must have all** of the following:

(i) an existing account with access to internet financial services with **CIMB** at www.eipocimb.com or **CIMB Bank Berhad** at www.cimbclicks.com.my or **Malayan Banking Berhad** at www.maybank2u.com.my or **RHB Bank Berhad** at www.rhb.com.my or **Affin Bank Berhad** at www.affinOnline.com or **Public Bank Berhad** at www.pbebank.com. You need to have your user identification and PIN/password for the internet financial services facility; and

(ii) an individual CDS account registered in your name (and not in a nominee's name) and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name.

Step 2 : Read the Prospectus

You are advised to read and understand the Prospectus before making your application.

Step 3 : Apply through internet

The following steps for an application of the Issue Shares via Internet Share Application have been set out for illustration purposes only.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION MAY DIFFER FROM THE STEPS OUTLINED BELOW.

(i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account;

(ii) Log in to the internet financial services facility by entering your user identification and PIN/password;

(iii) Navigate to the section of the website on applications in respect of IPO;

(iv) Select the counter in respect of the Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application;

(v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;

(vi) At the next screen, complete the online application form;

(vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form;

(viii) After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:

(a) You are at least 18 years of age as at the Closing Date and Time;

(b) You are a Malaysian citizen residing in Malaysia;

(c) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which you have read and understood;

(d) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;

(e) The Internet Share Application is the only application that you are submitting for the Issue Shares under the offering to the Malaysian public;

(f) You authorise the financial institution with which you have an account to deduct the full amount payable for the Issue Shares from your account with the said financial institution ("**Authorised Financial Institution**");

(g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;

(h) You are not applying for the Issue Shares as a nominee of any other person and the application is made in your own name, as beneficial owner and subject to the risks referred to in this Prospectus; and

(i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Retail Offering, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Retail Offering. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services;

(ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment for the Retail Offering;

(x) You must pay for the Issue Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Issue Shares applied for, which can be printed out by you for record purposes;

(xi) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Issue Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website; and

(xii) You are advised to print out the Confirmation Screen for reference and retention.

16.7 Terms and conditions

(i) You are required to pay the Retail Price of RM3.15 for each Issue Share applied for.

(ii) You can submit only 1 application for the Issue Shares offered to the Malaysian public. For example, if you submit an application using a WHITE Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

However, if you have made an application using the PINK Application Form, you may still apply for the Issue Shares offered to the Malaysian public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

The Issuing House, acting under the authority of our Directors has the discretion to reject applications that appear to be multiple applications under each category of applicants. You are hereby **cautioned that if you submit more than 1 application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA.**

(iii) Each application under the PINK and WHITE Application Forms, Electronic Share Application and Internet Share Application must be for at least 100 Issue Shares or multiples of 100 Issue Shares.

(iv) Each application must be made in connection with and subject to this Prospectus and the Memorandum and Articles of Association of our Company. You agree to be bound by the Memorandum and Articles of Association of our Company should you be allotted any Shares.

(v) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.

(vi) Our Company or the Issuing House will not issue any acknowledgement of the receipt of your application or application monies.

(vii) You must ensure that your personal particulars submitted in your application and/or your personal particulars as recorded by the Internet Participating Financial Institution are correct and accurate and identical with the records maintained by Bursa Depository. Otherwise, your application is liable to be rejected. You will have to promptly notify Bursa Depository of any change in your address failing which the notification letter of successful allocation will be sent to your registered/correspondence addresses last maintained with Bursa Depository.

(viii) No application shall be deemed to have been accepted by reason of the remittances having been presented for payment.

Our acceptance of your application to subscribe for or purchase the Issue Shares shall be constituted by the issue of notices of allotment for the Issue Shares to the applicants.

(ix) Submission of your CDS account number in your application includes your authority/consent in accordance with Malaysian laws of the right of Bursa Depository, the Participating Financial Institution and Internet Participating Financial Institution (as the case may be) to disclose information pertaining to your CDS account and other relevant information to us, the Issuing House and any relevant authorities (as the case may be).

(x) **You agree to accept our decision as final should we decide not to allot any Issue Share to you.**

(xi) Additional terms and conditions for Electronic Share Application are as follows:

(a) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated in the Transaction Record or any lesser amount that may be allotted to you.

(b) Your confirmation by pressing the key or button on the ATM shall be treated as your acceptance of the number of Issue Shares allotted to you.

(c) Should you be allotted any Issue Shares, you shall be bound by the Memorandum and Articles of Association of our Company.

(d) You confirm that you are not applying for Issue Shares as a nominee of other persons and that your Electronic Share Application is made on your own account as a beneficial owner.

(e) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to issue share certificate(s) representing those Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.

(f) You acknowledge that your application is subject to electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events which are not in the control of our Company, the Issuing House, the Participating Financial Institution or Bursa Depository. You irrevocably agree that you are deemed not to have made an application if we or the Issuing House do not receive your application or your application data is wholly or partially lost, corrupted or inaccessible to us or the Issuing House. You shall not make any claim whatsoever against us, the Issuing House, the Participating Financial Institution or Bursa Depository.

(g) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the transfer of our Issue Shares allotted to you.

(h) You agree that in the event of legal disputes arising from the use of Electronic Share Applications, the mutual rights, obligations and liabilities of the parties to the Retail Offering shall be determined under the laws of Malaysia and be bound by decisions of the Courts of Malaysia.

(xii) Additional terms and conditions for Internet Share Application are as follows:

(a) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen. You are required to complete the Internet Share Application by the close of the Retail Offering mentioned in Section 16.1 of this Prospectus.

(b) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted to you. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Issue Shares allotted to you.

(c) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to issue share certificate(s) representing those Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.

(d) You irrevocably agree and acknowledge that the Internet Share Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If, in any such event, our Company, the Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against our Company, the Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution.

(e) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the transfer of the Issue Shares allotted to you.

(f) You agree that in the event of legal disputes arising from the use of Internet Share Application, the mutual rights, obligations and liabilities of the parties to the Retail Offering shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.

(g) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by our Company, the Issuing House and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.

(h) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.

(i) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. Our Company, Promoters, Joint Principal Advisers, Joint Managing Underwriters and any other person involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.

(xiii) IN RESPECT OF INTERNET SHARE APPLICATION, THE TERMS AND CONDITIONS OUTLINED IN THIS SECTION 16.7 OF THIS PROSPECTUS SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. PLEASE REFER TO THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION FOR THE EXACT TERMS AND CONDITIONS AND INSTRUCTIONS.

16.8 Authority of our Directors and the Issuing House

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting our Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

The Issuing House, on the authority of our Directors, reserves the right to:

(i) reject applications which do not conform to the instructions in this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable) or are illegible, incomplete or inaccurate;

(ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without assigning any reason therefor; and

(iii) bank in all application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded (where applicable) without interest by registered post.

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain that your application is genuine and valid. Our Directors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.9 Over/Under-subscription

In the event of over-subscription in the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of distributing the Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing an adequate market in the trading of our Shares. Pursuant to the Listing Requirements, we need to have a minimum of 25% of the Shares for which Listing is sought to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of this IPO and at the time of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be returned in full without interest.

In the event of an under-subscription, subject to the clawback and reallocation as set out in Section 4.3.3 of this Prospectus, all the Issue Shares not applied for under the Retail Offering will be subscribed by the Joint Managing Underwriters pursuant to the Retail Underwriting Agreement.

16.10 Unsuccessful/Partially successful applicants

Application monies in respect of the unsuccessful/partially successful applicants will be returned without interest in the following manner.

16.10.1 For applications by way of Application Forms

(i) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot.

(ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to your address as stated in the NRIC or "Resit Pengenalan Sementara" (JPN KP09) or any valid temporary identity document issued by the National Registration Department from time to time at your own risk.

(iii) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded within 10 Market Days from the date of the final ballot by registered post to your last address maintained with Bursa Depository or as per item (ii) above (as the case may be).

16.10.2 For applications by way of Electronic Share Application

(i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within 2 Market Days after the balloting date. The application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the fifth Market Day from the balloting day.

(iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application money (or any part thereof) into your account without interest within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10.3 For applications by way of Internet Share Application

(i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within 2 Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to credit the application monies or the balance of it without interest into your account with the Authorised Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the fifth Market Day from the balloting day.

(iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post or ordinary post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will credit the application money (or any part thereof) into your account without interest within 2 Market Days after the receipt of confirmation from the Issuing House.

16.11 Successful applicants

If you are successful in your application:

(i) The Issue Shares allotted to you will be credited into your CDS account. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as the Shares are listed on Bursa Securities.

(ii) A notice of allotment will be despatched to you at the address last maintained with Bursa Depository, at your own risk, before the Listing. This is your only acknowledgement of acceptance of the application.

(iii) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address stated in the Application Form or to the address as stated in Bursa Depository's records for applications made via the Electronic Share Application and Internet Share Application, of the successful applicants, within 10 Market Days from the date of final ballot of application, at the successful applicants' own risk.

16.12 Enquiries

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Forms	Issuing House at telephone no. +603 7841 8000 or 7841 8289
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your application on the Issuing House's website at www.mih.com.my, or by calling your respective ADA at the telephone number as stated in Section 17 of this Prospectus or the Issuing House at telephone no. +603 7841 8000 or 7841 8289 between 5 and 10 Market Days (during office hours only) after the balloting date.

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17. LIST OF ADAs

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Telephone no.: +603 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no. : +603 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2078 2788	086-001
BIMB SECURITIES SDN BHD	32nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2178 1133	052-009
ECM LIBRA INVESTMENT BANK BERHAD	Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2089 1888	052-001

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
KUALA LUMPUR *(cont'd)*		
HONG LEONG INVESTMENT BANK BERHAD	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Telephone no.: +603 2168 1168	066-001
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Telephone no.: +603 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan KasKas, 5th Mile Cheras 56100 Kuala Lumpur Telephone no.: +603 9130 3399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Telephone no.: +603 2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Telephone no.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Telephone no.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Telephone no.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no.: +603 2168 8800	053-001

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
KUALA LUMPUR *(cont'd)*		
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2164 9080	073-001
MAYBANK INVESTMENT BANK BERHAD	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Telephone no.: +603 2297 8888	098-001
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone no.: +603 2282 1820	057-002
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Telephone no.: +603 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Telephone no.: +603 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Telephone no.: +603 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Telephone no.: +603 4280 4798	056-054

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
KUALA LUMPUR *(cont'd)*		
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Telephone no.: +603 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Telephone no.: +603 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Telephone no.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Telephone no.: +603 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Telephone no.: +603 2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 8016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7710 6613	086-003

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN *(cont'd)*		
ECM LIBRA INVESTMENT BANK BERHAD	35 (Ground & 1st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3348 8080	052-015
CIMB INVESTMENT BANK BERHAD	Ground Floor Tropicana City Office Tower 3, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7717 3319	065-009
HONG LEONG INVESTMENT BANK BERHAD	Level 10 1, First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 5635 6688	068-010
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7862 6200	073-005

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN *(cont'd)*		
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Telephone no.: +603 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Telephone no.: +603 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9180	056-048
OSK INVESTMENT BANK BERHAD	3rd Floor, 1 A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8023 6518	056-063

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN *(cont'd)*		
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40200 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	Damansara Utama Branch 2nd Floor, Wisma TA 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 5713	058-007
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : +606 2898 800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2881 720	052-008
ECM LIBRA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Telephone no.: +606 3372 550	052-016

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
MELAKA *(cont'd)*		
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P.O. Box 248 75250 Melaka Telephone no.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2921 898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Telephone no.: +606 2825 211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Telephone no.: +606 2866 008	064-006
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Telephone no.: +606 2833 622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : +605 6232 328	078-009
CIMB INVESTMENT BANK BERHAD	Ground, No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2082 688	065-010
ECM LIBRA INVESTMENT BANK BERHAD	No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2422 828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6222 828	052-006

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN *(cont'd)*		
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 25 & 25A, Jalan Jaya2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6939 828	052-014
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2559 988	068-015
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2530 888	066-003
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No.42, Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2453 400	098-002
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Telephone no.: +605 2419 800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2415 100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6236 498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6921 228	056-016

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN *(cont'd)*		
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8088 229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Telephone no.: +605 4651 261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Telephone no.: +605 7170 888	056-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Telephone no.: +605 2531 313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st, 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Telephone no.: +604 2299 318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5541 388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuh Light 10200 Penang Telephone no.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2261 818	086-004

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
PULAU PINANG *(cont'd)*		
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2385 900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Telephone no.: +604 2281 868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2283 355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Telephone no.: +604 2636 996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Penang Telephone no.: +604 2690 888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2106 666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Telephone no.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2, Lebuh Pantai 10300 Pulau Pinang Telephone no.: +604 2639 118	093-004

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
PULAU PINANG *(cont'd)*		
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Penang Telephone no.: +604 2634 222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Telephone no.: +604 3900 022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5402 888	056-015
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Telephone no.: +604 5831 888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Telephone no.: +604 6404 888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2273 000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9765 200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9793 888	056-061

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7322 111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Telephone no.: +604 7317 088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4256 666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4204 888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Telephone no.: +604 4964 888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7209 888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7655 998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7612 288	068-007

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
NEGERI SEMBILAN DARUL KHUSUS *(con'td)*		
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7641 641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Telephone no.: +606 4421 000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½ , Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Telephone no.: +606 6461 234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7623 131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3332 000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Telephone no.: +607 6637 398	078-005

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM *(cont'd)*		
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Telephone no.: +607 5121 633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Telephone no.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4342 282	086-002
AMINVESTMENT BANK BERHAD	18th & 31st Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3343 855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9532 222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Telephone no.: +607 4678 885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2222 692	068-004

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM *(cont'd)*		
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Telephone no.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Telephone no.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Telephone no.: +607 7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9782 292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3316 992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2227 388	061-002

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM *(cont'd)*		
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Telephone no.: +607 2788 821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4380 288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9538 262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Telephone no.: +607 5577 628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Telephone no.: +607 9321 543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Telephone no.: +607 7769 655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Telephone no.: +607 6626 288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9787 180	056-038

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM *(cont'd)*		
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Telephone no.: +607 9256 881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1st & 2nd Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3522 293	056-043
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4333 608	064-008
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Jalan Beserah Taman Sri Kuantan III 25300 Kuantan Pahang Darul Makmur Telephone no.: +609 5660 800	076-002
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd No. A-27 (Aras G, 1 & 2), Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Telephone no. : +609 5057 800	065-007
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2, Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5171 698	052-007

Name	Address and telephone number	Broker code
PAHANG DARUL MAKMUR *(cont'd)*		
OSK INVESTMENT BANK BERHAD	B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5171 698	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Telephone no.: +609 2234 943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Telephone no.: +605 4914 913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7430 077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7432 288	058-004
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground & Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6238 128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Telephone no.: +609 8583 109	056-027

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
TERENGGANU DARUL IMAN *(cont'd)*		
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6261 816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Telephone no.: +6082 358 606	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Telephone no.: +6084 367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Telephone no.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Telephone no.: +6082 338 000	073-003

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
SARAWAK *(cont'd)*		
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Telephone no.: +6084 313 855	073-012
OSK INVESTMENT BANK BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Telephone no.: +6082 422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Telephone no.: +6085 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Telephone no.: +6084 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Telephone no.: +6084 654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 221, Parkcity Commercial Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Telephone no.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Telephone no.: +6082 236 333	058-006

17. LIST OF ADAs *(cont'd)*

Name	Address and telephone number	Broker code
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Telephone no.: +6088 328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Telephone no.: +6088 236 188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Telephone no.: +6088 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Telephone no.: +6088 234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Telephone no.: +6088 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Telephone no.: +6089 229 286	056-057

ANNEXURE A: LIST OF PROPERTIES

The Board wishes to highlight that, to the best of their knowledge and belief, the properties stated below:

(i) have not breached any of the land-use conditions/permissible land use; and

(ii) comply with current statutory requirements, land rules or building requirements.

1. Properties owned or held under long-term lease

No.	Location	Registered owner/ Lessor/ Landlord	Description of property/ Existing use/ Tenure of land (years)	Land area/ Built-up area (square feet)	Age of building/ Date of issuance of Certificate of Fitness	Restriction in interest	Conditions and status of compliance	NBV as at 31 March 2011 RM (unless otherwise stated)
1.	Lot 704, Bintulu Industrial Estate Mile 2 ½, Bintulu – Miri Road 97008 Bintulu Sarawak	BAN	2-storey office building[1]/Office and showhouse use/ Leasehold (60 years) expiring 23.10.2043	12,809/12,809	27½ years/ 23.07.1984	(i) This land is to be used only for industrial purposes. (ii) The development or re-development of this land shall be in accordance with plans sections and elevations approved by the Superintendent of Lands and Surveys, Fourth Division. (iii) The erection of a building or buildings on this land shall be in accordance with detailed drawings and specifications approved by the Bintulu Development Authority and shall be completed within 2 years from the date of registration of this lease. (iv) No residential accommodation other than accommodation for a watchman with a maximum floor area of 37.2 square metres may be permitted on this land. (v) No subdivision or partition of this land may be effected without the consent in writing of the Director of Lands and Surveys. (vi) No dealing affecting this land may be effected without the consent in writing of the Director of Lands and Surveys.	Complied	232,927

[1] Rented to EON Berhad for a monthly rental of RM3,400.

ANNEXURE A: LIST OF PROPERTIES *(cont'd)*

No.	Location	Registered owner/ Lessor/ Landlord	Description of property/ Existing use/ Tenure of land (years)	Land area/ Built-up area (square feet)	Age of building/ Date of Issuance of Certificate of Fitness	Restriction In Interest	Conditions and status of compliance	NBV as at 31 March 2011 RM (unless otherwise stated)
2.	Lot 2395 Block 4 Miri Concession Land District Piasau 98000 Miri Sarawak	BAN	4-storey office building/Office use/ Leasehold (60 years) expiring 13.04.2059	11,755/11,755	5 years/ 18.11.2005	(i) This land is to be used only as a 4-storey detached building for commercial and office purposes in the manner following: (a) ground floor – commercial (b) first floor – office (c) second floor – office (d) third floor – office (ii) The development or redevelopment of this land shall be in accordance with plans, sections and elevations approved by the Superintendent of Lands and Surveys, Miri Divisions. (iii) The erection of a building shall be in accordance with detailed drawings and specifications approved by the Miri Municipal Council and shall be completed within 18 months from the date of registration of this lease. (iv) No transfer affecting this land may be effected without the consent in writing of the Director of Lands and Surveys.	Complied	1,809,841
3.	No. 84 Tuas Avenue 11 639098 Singapore	HAISPL	2-storey office building/Office use/ Leasehold (60 years) expiring 13.04.2059	15,110/15,110	5 years/ 18.11.2005	Used only for industrial purpose.	Complied	SGD1,178,027 (or equivalent to about RM2,821,021*)

Note:

* *Converted at RM2.3947 / SGD, being the closing rates as at 31 March 2011 based on Oanda's website at www.oanda.com.*

ANNEXURE A: LIST OF PROPERTIES (*cont'd*)

2. Tenancy

No.	Location	Registered owner/ Lessor/Landlord	Description of property/ Existing use/Tenure of land (years)	Tenanted area (square feet)	Monthly rental RM (unless otherwise stated)
1.	Level 7, 19, 20 & 21, Menara Perak, No. 24, Jalan Perak, 50450 Kuala Lumpur	MLP	4 levels within a 24-storey office building Office use 3-year tenancy commencing 01.06.2011 and expiring 31.05.2014	44,750	308,775.00
2.	Country Lease 205377644 situated at Kg. Sungai Keling, Labuan and also described as Lot 23 (formerly known as Lot A11), Manmohan's Warehouse, Jalan Patau-Patau, Federal Territory of Labuan	Manmohan's (Labuan) Sdn Bhd	2-storey warehouse Warehouse and office use 6-month tenancy commencing 01.05.2011 and expiring 31.10.2011	3,477	2,850.00
3.	Lot 2623, Block 2, Jalan Limau 2A, Taman Sevilla, Pujut 5, MCLD, 98000 Miri Sarawak	Mdm. Ho Hui Hong	Datached singla storay Residential purpose 1-year tenancy commencing 01.05.2011 and expiring 30.04.2012	Not available	1,000.00
4.	Lot No.CL 205001476 Kampung Sungai Keling, Jalan Rancha-Rancha, Fedetal Territory of Labuan	Maju Universal Engineering Sdn Bhd	Open yard Storage purpose 2-year tenancy commencing 01.12.2009 and expiring 30.11.2011	10,764	2,500.00
5.	Lot 806, Block 4, Piasau Industrial Estate, 98000 Miri, Sarawak	Sarawak Slipways Sdn Bhd	Industrial warehouse/storage Storage purposa 3-year tenancy commancing 01.09.2009 and expiring 31.08.2012	2,400	2,000.00
6.	Unit No. A-19-09, MARC Serviced Residence Jalan Pinang, 50450 Kuala Lumpur	Khadija Rahman	1 service apartment within a 35-storey serviced residenca Residential purpose 1-year tenancy commencing 25.05.2011 and expiring 24.05.2012	Not available	4,300.00
7.	Level 22, Menara Perak, No. 24, Jalan Perak 50450 Kuala Lumpur	MLP	1 level within a 24-storey office building Office usa 9-year tenancy commencing 01.03.2011 and expiring 28.02.2020	11,233	77,507.70

ANNEXURE A: LIST OF PROPERTIES (*cont'd*)

No.	Location	Registered owner/ Lessor/Landlord	Description of property/ Existing use/Tenure of land (years)	Tenanted area (square feet)	Monthly rental RM (unless otherwise stated)
8.	Warehouse No. 32 (Door No.03 & 14) Kemaman Supply Base	Pangkalan Bekalan Kemaman Sdn Bhd	2-storey warehouse Storage purpose 1-year tenancy commencing 01.05.2011 and expiring 30.04.2012	372	4,092.00
9.	Lot 13841, Jalan Penghiburan, Mukim Cukai, 24000 Kemaman, Terengganu	Wang Chee Han	3-storey terrace/office lot Office use 2-year tenancy commencing 01.08.2009 and expiring 31.07.2011	1,400	2,100.00
10.	Lot 13840, Jalan Penghiburan, Mukim Cukai, 24000 Kemaman, Terengganu Darul Iman	Too Cheok Foo and Cheah Thin Yin	3-storey terrace/office lot Office use 1-year tenancy commencing 01.05.2011 and expiring 30.04.2012	4,200	4,255.00
11.	Ashgabat, 15 1958 (Andalip Str.), office number 202 on the 2nd floor.	Diamond International SE	1 office unit within a 6-storey office building Office use 1-year tenancy commencing 01.01.2011 and expiring 01.01.2012	2,616	USD5,904.90 (or equivalent to about RM17,849*)

Note:

* *Converted at RM3.0228/ USD, being the closing rates as at 31 March 2011 based on Oanda's website at www.oanda.com.*

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD

The Board has declared that, as at the LPD, all the vessels of the Bumi Armada Group:

(i) are seaworthy, save for Armada Tuah 8, Armada Tuah 9, Armada Tuah 104, Armada Perwira and Armada Prima, all of which are currently under repair and/or refurbishment or are currently undergoing planned maintenance; and

(ii) possess the necessary licences and certificates required for the vessels to be operated commercially, save and except for those vessels participating in the cabotage trade in Nigeria.

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
1.	Armada Tuah 6	Domestic Shipping Licensing Board	0042/2011	Domestic Shipping Licence	18.01.2011	17.01.2012	Conditional[1]	Complied
2.	Armada Tuah 8	Domestic Shipping Licensing Board	0235/2011	Domestic Shipping Licence	20.03.2011	19.03.2012	Unconditional[2]	Complied
3.	Armada Tuah 9	Domestic Shipping Licensing Board	0237/2011	Domestic Shipping Licence	20.03.2011	19.03.2012	Unconditional[2]	Complied
4.	Armada Tuah 10	Domestic Shipping Licensing Board	2335/2009	Domestic Shipping Licence	22.07.2009	21.07.2011	Unconditional[2]	Complied
5.	Armada Tuah 20	Domestic Shipping Licensing Board	2334/2009	Domestic Shipping Licence	20.08.2009	20.08.2011	Unconditional[2]	Complied
6.	Armada Tuah 21	Domestic Shipping Licensing Board	0424/2010	Domestic Shipping Licence	16.03.2010	15.03.2012	Unconditional[2]	Complied
7.	Armada Tuah 23	Domestic Shipping Licensing Board	0197/2010	Domestic Shipping Licence	25.02.2010	24.02.2012	Unconditional[2]	Complied
8.	Armada Tuah 24	Domestic Shipping Licensing Board	0425/2010	Domestic Shipping Licence	04.05.2010	03.05.2012	Unconditional[2]	Complied
9.	Armada Tuah 25	Domestic Shipping Licensing Board	0118/2011	Domestic Shipping Licence	14.01.2011	13.01.2013	Unconditional[2]	Complied
10.	Armada Tuah 26	Domestic Shipping Licensing Board	2187/2010	Domestic Shipping Licence	28.06.2010	27.06.2012	Unconditional[2]	Complied
11.	Armada Tuah 80	Domestic Shipping Licensing Board	0800/2011	Domestic Shipping Licence	26.03.2011	25.03.2013	Unconditional[2]	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
12.	Armada Tuah 82	Domestic Shipping Licensing Board	0361/2010	Domestic Shipping Licence	24.02.2010	23.02.2012	Unconditional[2]	Complied
13.	Armada Tuah 100	Domestic Shipping Licensing Board	3691/2009	Domestic Shipping Licence	22.11.2009	21.11.2011	Unconditional[2]	Complied
14.	Armada Tuah 102	Domestic Shipping Licensing Board	0743/2011	Domestic Shipping Licence	14.04.2011	13.04.2012	Unconditional[2]	Complied
15.	Armada Aman	Domestic Shipping Licensing Board	1746/2011	Domestic Shipping Licence	07.06.2011	06.06.2012	Unconditional[3]	Complied
16.	Armada Mutiara 2	Domestic Shipping Licensing Board	1913/2009	Domestic Shipping Licence	30.06.2009	29.06.2011	Unconditional[2]	Complied
17.	Armada Mutiara 3	Domestic Shipping Licensing Board	2385/2009	Domestic Shipping Licence	24.08.2009	23.08.2011	Unconditional[2]	Complied
18.	Armada Mutiara 4	Domestic Shipping Licensing Board	3798/2009	Domestic Shipping Licence	01.12.2009	30.11.2011	Unconditional[2]	Complied
19.	Armada Topman	Domestic Shipping Licensing Board	2366/2010	Domestic Shipping Licence	17.07.2010	16.07.2011	Conditional[1]	Complied
20.	Armada Salman	Domestic Shipping Licensing Board	360/2011	Domestic Shipping Licence	26.02.2011	25.02.2012	Conditional[1]	Complied
21.	Armada Iman	Domestic Shipping Licensing Board	0335/2011	Domestic Shipping Licence	27.02.2011	26.02.2012	Unconditional[3]	Complied
22.	Armada Firman	Domestic Shipping Licensing Board	1401/2010	Domestic Shipping Licence	21.04.2010	20.04.2012	Unconditional[2]	Complied
23.	Armada Goodman	Domestic Shipping Licensing Board	2367/2010	Domestic Shipping Licence	15.07.2010	14.07.2011	Conditional[1]	Complied
24.	Ventures Tuah Satu	Domestic Shipping Licensing Board	1931/2010	Domestic Shipping Licence	27.06.2010	26.06.2012	Unconditional[2]	Complied
25.	Ventures Tuah Due	Domestic Shipping Licensing Board	3320/2009	Domestic Shipping Licence	06.10.2009	07.10.2011	Unconditional[2]	Complied
26.	Armada Tugas 2	Domestic Shipping Licensing Board	1292/2011	Domestic Shipping Licence	18.05.2010	17.05.2012	Conditional[1]	Complied
27.	Armada Tugas 3	Domestic Shipping Licensing Board	0041/2011	Domestic Shipping Licence	18.01.2011	17.02.2013	Unconditional[2]	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
28.	Armada Tuah 84	Domestic Shipping Licensing Board	0703/2011	Domestic Shipping Licence	04.03.2011	03.03.2012	Conditional[(1)]	Complied
29.	Armada Tuah 85	Domestic Shipping Licensing Board	0923/2011	Domestic Shipping Licence	30.03.2011	29.03.2012	Unconditional*	Complied
30.	Mahakam	General Department of Merchant Navy, Republic of Congo	048/Digemar	Authorisation to Embark on Maritime Waters	12.01.2011	31.12.2011	The General Department of Merchant Navy authorises the ship Mahakam flying the flag of Panama, with a gross tonnage of 6,972 to carry out in Congolese maritime waters, an activity of Offshore Assistance on behalf of Eni-Congo/Express Afrique.	Complied
31.	Armada Firman 3	Merchant Navy General Management, Mexico	7.2.201.491.-0607	Navigation Permit	09.02.2011	Valid up to 2 years	In accordance with article 40 of the Navigation and Maritime Trade Law of Mexico, it is stated that the said vessel will be able to remain in national waters of Mexico for a maximum of only 2 years under the temporary navigation permit system, with the right to 7 renewals. If within that period the said vessel is not flagged and registered Mexican, once it is expired, a new permit will not be granted. Grounds for revocation of this permit: (a) failure to comply with its objective; (b) not exercising the rights conferred within the period of this permit; (c) not covering compensation for the damages that arise in connection with the provision of services; (d) execute acts that impede or tend to impede action from other service providers or licensees; (e) release, tax, trust or transfer all or part of the rights granted under this permit without authorization from the Ministry of Communications and Transport through the Merchant Navy General Management; (f) provide service with a vessel other than that authorised; (g) operate service in a route other than that authorised (the authorised route comprises of national ports in Mexico); (h) failure to comply with any of the obligations imposed in this permit; (i) not keeping valid crew insurance policies and third-party liability insurance; (j) repeatedly breach any of the terms or conditions established in the laws and regulations of Mexico.	Complied

* *Armada Tuah 85 has been given a 1-year unconditional licence notwithstanding the fact that the ship is eligible for a 2-year licence because payment was only made for 1 year.*

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
32.	Armada Tuah 105	Ministry of Popular Power for Transport and Communications, Bolivarian Republic of Venezuela	0051	Special Permit	02.03.2011	28.08.2011	The approval is granted subject to compliance with the following requirements: (i) Documentary, physical and security verification of the vessel. (ii) In the case of missing requirements requested by other agencies or emergence of a national vessel providing the service, the permit may be revoked. (iii) Compliance with Article 5 No. 24 of Decree with Rank, Value and Force of the Aquatic Space Organic Law, in accordance with Article 9 of the General Law of Marine and Related Activities of the Bolivarian Republic of Venezuela, without prejudice to compliance with international law on this matter. (iv) Process the temporary admission to the National Integrated Customs and Tax Administration of the Bolivarian Republic of Venezuela,	Complied
33.	Armada 5	ABS[(4)]	8401771	✠A1[(5)], (E)[(6)], ✠AMS[(7)]	29.11.2008	29.11.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
34.	Armada 6	ABS[4]	8402464	✠A1[5], (E)[6], ✠AMS[7]	21.02.2009	30.12.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
35.	Armada Tuah 6	ABS[4]	9836799	✠A1[5], Towing Vessel, (E)[6], ✠AMS[7]	04.12.2008	26.09.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
36.	Armada Tuah 8	ABS[4]	0241521	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7]	01.06.2007	31.03.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
37.	Armada Tuah 9	ABS[4]	02113606	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7]	15.12.2007	04.12.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
38.	Armada Tuah 10	ABS[4]	03119276	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7]	30.10.2008	20.07.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
39.	Armada Tuah 20	ABS[4]	04142671	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7]	20.10.2009	10.09.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
40.	Armada Tuah 21	ABS[4]	05150162	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7]	27.03.2010	08.03.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
41.	Armada Tuah 22	ABS[4]	05150163	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7]	31.03.2011	06.07.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
42.	Armada Tuah 23	ABS[4]	06158170	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6],✠AMS[7]	30.03.2011	20.01.2016	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
43.	Armada Tuah 24	ABS[4]	06158171	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠AMS[7]	27.07.2006	01.05.2011	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Armada Tuah 24 is currently dry-docked undergoing the required periodical and other surveys for the continuance of its classification under the ABS.
44.	Armada Tuah 25	ABS[4]	08178507	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7]	15.04.2008	17.02.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which ere due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
45.	Armada Tuah 26	ABS[4]	08178508	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7], DPS-1	26.06.2008	17.03.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any pert of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
46.	Armada Tuah 80	ABS[4]	09191270	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7], DPS-1	25.06.2009	17.02.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
47.	Armada Tuah 81	ABS[4]	10186547	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠AMS[7], DPS1	22.07.2010	27.01.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
48.	Armada Tuah 82	ABS[4]	09191271	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠AMS[7], DPS1	24.06.2010	29.12.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordence with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect Immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
49.	Armada Tuah 100	ABS[4]	07175529	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel AH, (E)[6], ✠AMS[7], DP2	18.10.2007	29.07.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
50.	Armada Tuah 101	ABS[4]	07175528	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠AMS[7], DP2	27.03.2008	17.12.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
51.	Armada Tuah 102	ABS[4]	09181149	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠AMS[7], DP2	23.07.2009	19.02.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
52.	Armada Tuah 104	ABS[4]	09186608	✠A1[5], Towing Vessel, Firefighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠AMS[7], DP2	19.11.2009	06.06.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
53.	Armada Tuah 105	ABS[4]	09186609	✠A1[5], Towing Vessel AH, Fire Fighting Vessel Class 1, Offshore support Vessel, (E)[6], ✠AMS[7], DPS-2	27.05.2010	15.11.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
54.	Armada Hydro	ABS[4]	8801591	✠A1[5], ✠AMS[7]	17.08.2008	30.08.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
55.	Armada Aman	ABS[4]	9734367	✠A1[5], Towing Vessel, (E)[6], ✠AMS[7]	20.04.2007	31.03.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
56.	Armada Mutiara 2	Bureau Veritas	SGP0/JEC/2 0090429155 047	"I HULL MACH Sea-going Launch"	29.04.2009	06.02.2014	(i) It is incumbent upon the vessel owner to maintain the condition of the unit after surveys, to present the unit for surveys and to inform Bureau Veritas without delay of circumstances which may affect the given appraisement or cause to modify its scope. (ii) The vessel owner is required to inform Bureau Veritas without delay of circumstances which may cause the date or the extent of the surveys to be changed.	Complied
57.	Armada Mutiara 3	Bureau Veritas	SGP0/JEC/2 0090504134 927	"I HULL MACH Seagoing Launch"	04.05.2009	19.02.2014	(i) It is incumbent upon the vessel owner to maintain the condition of the unit after surveys, to present the unit for surveys and to inform Bureau Veritas without delay of circumstances which may affect the given appraisement or cause to modify its scope. (ii) The vessel owner is required to inform Bureau Veritas without delay of circumstances which may cause the date or the extent of the surveys to be changed.	Complied
58.	Armada Mutiara 4	Bureau Veritas	SGP0/JEC/2 0090624111 908	"I HULL MACH Seagoing Launch"	24.06.2009	16.04.2014	(i) It is incumbent upon the vessel owner to maintain the condition of the unit after surveys, to present the unit for surveys and to inform Bureau Veritas without delay of circumstances which may affect the given appraisement or cause to modify its scope. (ii) The vessel owner is required to inform Bureau Veritas without delay of circumstances which may cause the date or the extent of the surveys to be changed.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
59.	Armada Topman	ABS[4]	9200396	✠A1[5], ✠AMS[7]	15.01.2007	31.01.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
60.	Armada Salman	ABS[4]	02113222	✠A1[5], (E)[6], ✠AMS[7]	17.02.2009	28.02.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
61.	Armada Iman	ABS[4]	9937515	✠A1[5], ✠AMS[7]	17.02.2009	28.02.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
62.	Armada Firman	ABS[4]	04139020	✠A1[5], (E)[6], ✠AMS[7]	08.07.2009	20.04.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
63.	Armada Firman 2	ABS[4]	08187878	✠A1[5], Offshore Support Vessel, (E)[6], ✠AMS[7], DPS-2	28.04.2009	09.12.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
64.	Armada Firman 3	ABS[4]	09187879	✠A1[5], Offshore Support Vessel, (E)[6], ✠AMS[7], DP-2	23.07.2009	02.03.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
65.	Armada Goodman	ABS[4]	9200403	✠A1[5], ✠AMS[7]	15.04.2007	28.02.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immadiately or after a specified period of time.	Complied
66.	Mahakam	ABS[4]	03138181	✠A1[5], Barge	14.12.2010	02.08.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immadiately or after a specified period of time.	Complied
67.	Ventures Tuah Satu	ABS[4]	06170306	✠A1[5], Towing Vessel, (Firefighting Vessel Capability) , Offshore Support Vessel, (E)[6], ✠AMS[7]	29.03.2007	21.12.2011	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
68.	Ventures Tuah Dua	ABS[4]	07172285	✠A1[5], Towing Vessel, (Firefighting Vessel Capability) , Offshore Support Vessel, (E)[6], ✠AMS[7]	28.07.2007	20.03.2012	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
69.	Armada Tuges 1	ABS[4]	03119798	✠A1[5], Towing Vessel, (E)[6], ✠AMS[7]	24.08.2008	09.05.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Stetutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
70.	Armada Tugas 2	ABS[4]	03134522	✠A1[5], Offshore Support Vessel, Oil Recovery Vessel Class 1, (E)[6], ✠AMS[7]	22.12.2008	22.11.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
71.	Armada Tugas 3	ABS[4]	05144721	✠A1[5], Towing Vessel, (E)[6], ✠AMS[7]	25.01.2010	13.01.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
72.	Armada Tugas 4	Lloyd's Register Asia	LGS1000143	100✠A1[3] Tug, LMC	03.08.2010	21.03.2015	In accordance with the Rules and Regulations for the Classification of Special Service Craft, class will be automatically suspended and this certificate becomes invalid if not endorsed annually within three months of the due date of the Annual or Intermediate Surveys.	Complied
73.	Armada Perkasa	ABS[4]	7525431-1953944-003	✠A1[5], Floating Production Storage and Offloading System (FPSO), RFL (10) 2018, at Okoro Field, Nigeria	15.03.2011	28.03.2013	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
74.	Armada Perdana	ABS[4]	84201772-1750140-007	✠A1[5], Floating Production Storage and Offloading System (FPSO), RFL (10) 2019, at Oyo Field, Nigeria	17.03.2011	02.09.2014	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
75.	Armada Prima *(formerly known as Griffin Venture)*	Lloyd's Register	KLR 1100018	✠OI 100 AT (1) Floating Production & Storage Installation for Service at Griffin Field OIWS, ✠LMC, UMS, IGS	21.02.2011	Renewal of class is to be done before deployment	The vessel is laid up at Labuan and the Classification Committee has agreed that the class will remain undisturbed, but all classification surveys and conditions of class are to be dealt with before deployment for maintenance of class.	Renewal of class is to be done before deployment
76.	Armada Tuah 83	ABS[4]	10186548	✠A1[5], Towing vessel, AH, Fire Fighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠OPS-1	18.11.2010	13.07.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
77.	Armada Tuah 84	ABS[4]	10191272	✠A1[5], Towing vessel, AH, Fire Fighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠DPS-1	18.11.2010	13.07.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied
78.	Armada Tuah 85	ABS[4]	10186667	✠A1[5], Towing vessel, AH, Fire Fighting Vessel Class 1, Offshore Support Vessel, (E)[6], ✠DPS-1	27.01.2011	03.10.2015	The continuance of the classification of the vessel is conditional upon the requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider, withhold, suspend, or cancel the class of any vessel or any part of the machinery for noncompliance with the rules, for defects reported by the Surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of Classification, Statutory and Cargo Gear Surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
79.	Armada Installer	DNV	29684	✠1A1 R1 Pipe Laying Barge HELOK	13.08.2010	11.08.2011	Certificate of interim class This ship's class will be automatically suspended if the renewal survey is not empleted or under completion before the expiry date of the Classification Certificate, unless the survey has been accepted postponed prior to the Certificate's expiry date. Furthermore, the ship's class will also be automatically suspended if the annual/intermediate surveys, required for retention of this Certificate, are not carried out within 3 months after the anniversary date of the Classification Certificate.	Complied
80.	BAE	Board of Engineers Malaysia (Lembaga Jurutera Malaysia)	1104-0000-BC-791	Permit for body corporate to practise as consulting engineers under section 7A of the Registration of Engineers Act 1967 (Branch of engineering: Chemical)	26.11.2010	31.12.2011	(i) The licensee is required to adopt the standard memorandum and articles of association prescribed by the Board of Engineers Malaysia. (ii) The board of directors of the licensee must comprise of persons who are Professional Engineers as defined under the Registration of Engineers Act 1967. (iii) The licensee's shares must be held solely by members of the board of directors who are Professional Engineers as defined under the Registration of Engineers Act 1967 or with any other persons who are Professional Engineers. (iv) The licensee must have minimum paid-up capital which shall be of an amount as prescribed by the Board of Engineers Malaysia. (v) The licensee is required to furnish to the Board of Engineers Malaysia a report in writing giving full particulars of any change in the composition of its board of directors or shareholders within 30 days of the occurrence of such change. (vi) The licensee may only provide professional engineering services in the branch or branches of engineering in which a member of the board of directors of the licensee is qualified to practise and as is shown in the register maintained by the Board of Engineers Malaysia.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
81.	BAE	PETRONAS	L-263230-V	Licence for the supply of equipment or provision of services to exploration companies and oil/gas producers in Malaysia pursuant to Regulation 3, Petroleum Regulations 1974 for the following categories: (i) Engineering design, arch. and draughting services – Engineering Design - Engineering conceptual design (ii) Engineering design, arch. and draughting services – Engineering design - Engineering detailed design – Detailed design (Subsea structure) (iii) Engineering design, arch. and draughting services –. Engineering design – Engineering detailed design – Detailed design (Topsides and facilities) – Structural (Topsides and facilities) detailed design (iv) Engineering design, arch. and draughting services – Engineering design – Engineering detailed design – Detailed design (Topsides and facilities) - Pipeline detailed design	31.07.2009	05.09.2011	(i) The licensee must have a stable financial position, that is, its shareholders' funds must be at a positive level. (ii) The licensee is required to be registered with the Companies Commission of Malaysia as a private limited company or limited company. (iii) The licensee is required to have paid up capital in the form of ordinary shares of not less than RM100,000.00. (iv) The licensee is required to have a source of supply for each category of product supplied by the licensee. (v) For each service category applied by the licensee, the licensee must ensure that its management staff, skilled employees and equipment employed possess the requisite technical expertise. (vi) The licensee is required to have effective Bumiputera participation of at least 51% at its equity, board of directors, management and staff level. The top management functions, other significant management functions and the finance control of the licensee shall be executed by Bumiputera staff. (vii) The licensee is required to be registered with statutory bodies, professional bodies or government departments which are related to the categories set forth in the Standardised Work and Equipment Categories (SWEC) enclosure. (viii) The licensee is required to be registered with, or to obtain licence, permit or permission from, the relevant authorities for the operation of services or supply of equipment or materials which is required in connection with the operations or activities of the licensee. (ix) The licensee is required to comply with the Government's policy guidelines relating to the management, recruitment and use of local services and materials. (x) The licensee is required to inform PETRONAS of any change to its status such as equity ownership, board of directors and management staff within 14 days of the occurrence of such change.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
	BAE *(cont'd)*						(xi) The licensee is not permitted to engage other companies as principal, agent, sub-contractor or vice versa for the offer of any service or the provision of any facility, equipment or instrument on its behalf without the prior written permission of PETRONAS. (xii) The licensee is required to use the local workforce and the engagement of foreign workers is only permitted if it is demonstrable that no local workforce is available to perform the requisite tasks. (xiii) Unless otherwise agreed by PETRONAS, the licensee is required to carry out its business activities in Malaysia and to use local amenities such as banks, insurance and other professional services which are operated by Malaysian citizens or companies or firms incorporated in Malaysia. (xiv) The licensee is required to submit its annual audited financial report for the year ended 31 December 2009 before 1 July 2010. (xv) The licensee is required to submit a copy of the registration certificate from the Board of Engineers Malaysia which has been renewed before 31 December 2009.	
82.	BAN	Treasury Malaysia Sarawak (Perbendaharaan Malaysia Sarawak)	357-30001080	Certificate of registration as contractor for the following supply or service areas: (i) Heavy machinery/ Vehicles/ Machinery (ii) Tugboat/Ferry/ Boat/Pilot boat (iii) Vessel Owner (iv) Salvage Boat/Vessel	22.09.2008	21.09.2011	(i) The contractor is required to have a bank current account. (ii) The contractor is required to obtain valid licences for the requisite areas in accordance with the provisions of the relevant laws. (iii) As a vessel owner, the contractor is required to comply with the following special conditions: (a) to heve accumulated paid-up capital of RM50,000.00; (b) to possess a Certificate of Malaysian Registry; and (c) to obtain Bumiputera status recognition, that is, its shareholdings, board of directors, management and staff must be controlled by or comprise of at least 51% Bumiputera;	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
	BAN *(cont'd)*						(iv) The contractor is required to notify Treasury Malaysia Sarawak of any change in the information which it had previously submitted to Treasury Malaysia Sarawak within 21 days of the occurrence of such change. (v) The contractor must ensure that the area which has been registered in this certificate does not overlap with other areas which have been approved in respect of the following companies: (a) having the same owner or same member of the board of directors and management; or (b) operating in the same premises.	
83.	BAN	Sarawak State Government	33546-P	Licence to conduct business as contractor under the Businesses, Professions and Trading Licensing Ordinance of Sarawak	26.05.2011	30.05.2012	(i) Businesses operating in Sarawak require a trading licence. Businesses operating without a licence are subject to a fine. (ii) The Commissioner of Inland Revenue (the "Collector") shall, on application and upon payment of the licence by the proprietor/applicant, issue the appropriate trading licence. (iii) Failure to pay for the licence shall mean that the licence ceases to be in force and the respective business is operating without a licence.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
84.	BAN	Sarawak State Government	2214/77	Licence to conduct business as vessel owner under the Businesses, Professions and Trading Licensing Ordinance of Sarawak	08.07.2010	15.07.2011	(i) Businesses operating in Sarawak require a trading licence. Businesses operating without a licence are subject to a fine. (ii) The Collector shall, on application and upon payment of the licence by the proprietor/applicant, issue the appropriate trading licence. (iii) Failure to pay for the licence shall mean that the licence ceases to be in force and the respective business is operating without e licence. (iv) A separate licence is required for each place of business. (v) Whenever a separate licence is required in respect of any premises or in respect of any vessel, vehicle or other chattel, such licence shall be exhibited in a conspicuous place on such premises, vessel, vehicle or chattel. (vi) The Collector or any police officer may, for the purpose of inspecting the licence, demanding its production or determining its requirement enter upon any premises or board any vessel in respect of which a separate licence is required or is believed to be required. (vii) Any person who fails to exhibit his licence or refuses entry to the Collector or a police officer for inspection, production or determination is subject to a fine.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
85.	BAN	Sarawak State Government	2214/77	Licence to conduct the following businesses under the Businesses, Professions and Trading Licensing Ordinance of Sarawak: (i) Rental and management of boat, ship and ferry; and (ii) Ship, salvage boat and hydrograph ship services.	08.07.2010	15.07.2011	(i) Businesses operating in Sarawak require a trading licence. Businesses operating without a licence are subject to a fine. (ii) The Collector shall, on application and upon payment of the licence by the proprietor/applicant, issue the appropriate trading licence. (iii) Failure to pay for the licence shall mean that the licence ceases to be in force and the respective business is operating without a licence. (iv) A separate licence is required for each place of business. (v) Whenever a separate licence is required in respect of any premises or in respect of any vessel, vehicle or other chattel, such licence shall be exhibited in a conspicuous place on such premises, vessel, vehicle or chattel. (vi) The Collector or any police officer may, for the purpose of inspecting the licence, demanding its production or determining its requirement enter upon any premises or board any vessel in respect of which a separate licence is required or is believed to be required. (vii) Any person who fails to exhibit his licence or refuses entry to the Collector or a police officer for inspection, production or determination is subject to a fine.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
86.	BAN	Sarawak State Government	2214/77	Licence to conduct the businesses of rental and management of heavy machinery or vehicles under the Businesses, Professions and Trading Licensing Ordinance of Sarawak	08.07.2010	15.07.2011	(i) Businesses opereting in Sarawak require a trading licence. Businesses operating without a licence are subject to a fine. (ii) The Collector shall, on application and upon payment of the licence by the proprietor/applicant, issue the appropriate trading licence. (iii) Failure to pay for the licence shall mean that the licence ceases to be in force and the respective business is operating without a licence. (iv) A separate licence is required for each place of business. (v) Whenever a separate licence is required in respect of any premises or in respect of any vessel, vehicle or other chattel, such licence shall be exhibited in a conspicuous place on such premises, vessel, vehicle or chattel. (vi) The Collector or any police officer mey, for the purpose of inspecting the licence, demanding its production or determining its requirement enter upon any premises or board any vessel in respect of which a separate licence is required or is believed to be required. (vii) Any person who fails to exhibit his licence or refuses entry to the Collector or a police officer for inspection, production or determination is subject to a fine.	Complied
87.	BAN	Federal Territory of Labuan, Malaysia	PL 30752	Trade licence to conduct the businesses of shipping, delivery end packing under the Commercial License Ordinance 1948 ("Ordinance")	21.12.2010	31.12.2011	(i) Businesses operating in the Federal Territory of Labuan require a trading licence. Businesses operating without a licence are subject to a fine of 4 times the amount of the licence fee and to a further fine for each day or part of a day subsequent to a conviction during which contravention continues. (ii) A separate licence is required for each place of business. (iii) Trade licences in the Federal Territory of Labuan shall be issued by the Labuan Municipal Council.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
	BAN *(cont'd)*						(iv) Whenever a change is made or occurs in any of the particulars stated in any application every person whose name was disclosed on the original application shall be liable to file or cause to be filed within fourteen days of such change a statement in writing in a prescribed form specifying the nature and date of such change. (v) Every trading licence or certified copy thereof shall be exhibited in a conspicuous place on the premises in respect of which it is in force. (vi) Any administrative officer and any police officer may enter upon any premises required to be licensed under this Ordinance for the purpose of inspecting the licence relating to such premises or demanding its production. (vii) Any person who fails to exhibit his licence as required or refuses entry to any person authorised to enter for the purposes therein described or refuses to produce his licence to any such person, is guilty of an offence against this Ordinance. (viii) Any person who contravenes or fails to comply with any of the provisions of this Ordinance for which no penalty is specifically provided shall on conviction be liable to a fine. (ix) When any person is convicted of any offence under the provisions of this Ordinance or any offence in relation to the conduct of his business involving dishonesty or fraud or the use of false weights or measures, or in breach of any written law relating to price or food control the court may, in addition to any other penalty, cancel the trading licence of the person so convicted with effect from such date as the court may consider necessary to enable him to dispose of his existing stocks, and may debar him from obtaining another licence for such period as the court may determine.	

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
88.	BAN	PETRONAS	L-33546-P	Licence for the supply of equipment or provision of services to exploration companies and oil/gas producers in Malaysia pursuent to Regulation 3, Petroleum Regulations 1974 for the following categories: (i) Marine transportation and support services – Marine/Ship repairs and maintenance – General ship repairs – Mechanical (ii) Marine transportation and support services – Marine/Ship repairs and maintenance – General ship repairs – Electrical and electronic (iii) Marine transportation and support services – Marine vessels – Anchor handling vessel/tug boat/supply vessel (iv) Marine transportation and support services – Marine vessels – Accommodation barge/vessel (v) Marine transportation and support services – Marine vessels – Safety standby vessel (vi) Marine transportation and support services – Marine vessels – Straight supply vessel (vii) Marine transportation and support services – Marine vessels – Land craft/tank (viii) Marine transportation and support services – Marine vessels – Survey vessel (ix) Marine transportation and support services – Marine vessels – General purpose vessel (x) Marine transportation and support services – Marine vessels – Tug mooring vessel	05.10.2009	15.10.2011	(i) The licensee must have a stable financial position, that is, its shareholders' funds must be at a positive level. (ii) The licensee is required to be registered with the Companies Commission of Malaysia as a private limited company or limited company. (iii) The licensee is required to have paid up capital in the form of ordinary shares of not less than RM100,000.00. (iv) The licensee is required to have a source of supply for each category of product supplied by the licensee. (v) For each service category applied by the licensee, the licensee must ensure that its management staff, skilled employees and equipment employed possess the requisite technical expertise. (vi) The licensee is required to have effective Bumiputera participation of at least 51% at its equity, board of directors, management and staff level. The top management functions, other significant management functions and the finance control of the licensee shall be executed by Bumiputera staff. (vii) The licensee is required to be registered with statutory bodies, professional bodies or government departments which are related to the categories set forth in the Standardised Work and Equipment Categories (SWEC) enclosure. (viii) The licensee is required to be registered with, or to obtain licence, permit or permission from, the relevant authorities for the operation of services or supply of equipment or materials which is required in connection with the operations or activities of the licensee. (ix) The licensee is required to comply with the Government's policy guidelines relating to the management, recruitment and use of local services and materials. (x) The licensee is required to inform PETRONAS of any change to its status such as equity ownership, board of directors and management staff within 14 days of the occurrence of such change.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
	BAN *(cont'd)*			(xi) Marine transportation and support services – Marine vessels – Utility vessel (xii) Marine transportation and support services – Marine vessels – Floating storage system – Floating production storage offloading (FPSO) (xiii)Marine transportation and support services – Marine vessels – Floating storage system – Floating storage offloading (FSO) (xiv)Marine transportation and support services – Marine vessels – Ship – Container (xv) Marine transportation and support services – Marine vessels – Ship – Ro-Ro/Car carrier Registration for the supply of equipment or provision of services for the following categories: (i) Marine transportation and support services – Marine vessels – Ship – Chemical tankers (ii) Marine transportation and support services – Marine vessels – Ship – Crude oil tankers (iii) Marine transportation and support services – Marine vessels – Ship – LNG tankers (iv) Marine transportation and support services – Marine vessels – Ship – LPG tankers (v) Marine transportation and support services – Marine vessels – Ship – Product tankers (vi) Marine transportation and support services – Marine vessels – Ship – Dry bulk			(xi) The licensee is not permitted to engage other companies as principal, agent, sub-contractor or vice versa for the offer of any service or the provision of any facility, equipment or instrument on its behalf without the prior written permission of PETRONAS. (xii) The licensee is required to use the local workforce and the engagement of foreign workers is only permitted if it is demonstrable that no local workforce is available to perform the requisite tasks. (xiii) Unless otherwise agreed by PETRONAS, the licensee is required to carry out its business activities in Malaysia and to use local amenities such as banks, insurance and other professional services which are operated by Malaysian citizens or companies or firms incorporated in Malaysia. (xiv) The licensee is required to submit its annual audited financial report for the year ended 31 December 2009 before 1 July 2010.	

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD *(cont'd)*

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
89.	BMD	PETRONAS	L-512907-M	Licence for the supply of equipment or provision of services to exploration companies and oil/gas producers in Malaysia pursuant to Regulation 3, Petroleum Regulations 1974 for the following categories: (i) Offshore facilities construction – Offshore construction – Transportation and installation of offshore facilities (ii) Offshore facilities construction – Offshore construction – Maintenance and repairs of offshore facilities (iii) Pipeline and associated services – Pipeline construction (Fabrication and installation) – Offshore pipeline construction – Pipelaying construction – Pipelay barge (iv) Pipeline and associated services – Pipeline construction (Fabrication and installation) – Offshore pipeline construction – Pipelaying construction – Tow, reeling and/or other methods (v) Pipeline and associated services – Pipeline maintenance – Pipeline cleaning, inspection and repair – External inspection and repair – Offshore pipeline inspection and repair	31.10.2010	30.10.2011	(i) The licensee is required to be registered with, or to obtain licence, permit or permission from, the relevant authorities for the operation of services or supply of equipment or materials which is required in connection with the operations or activities of the licensee. (ii) The licensee is required to comply with the Government's policy guidelines relating to the management, recruitment and use of local services and materials. (iii) The licensee is required to inform PETRONAS of any change to its status such as equity ownership, board of directors and management staff within 14 days of the occurrence of such change. Failure to do so shall result in cancellation of the licence. (iv) The licensee is not permitted to engege other companies as principal, agent, sub-contractor or vice versa for the offer of any service or the provision of any facility, equipment or instrument on its behalf without the prior written permission of PETRONAS. (v) The licensee is required to use the local workforce and the engagement of foreign workers is only permitted if it is demonstrable that no local workforce is available to perform the requisite tasks. (vi) Unless otherwise agreed by PETRONAS, the licensee is required to carry out its business activities in Malaysia and to use local amenities such as banks, insurance and other professional services which are operated by Malaysian citizens or companies or firms incorporated in Malaysia. (vii) The licensee is required to submit its annual audited financial report for the year ended 31 December 2010 before 1 July 2011. (viii) The licensee must have a stable financial position, that is, its shareholders' funds must be at a positive level. (ix) The licensee is required to be registered with the Companies Commission of Malaysia as a private limited company or limited company. (x) The licensee is required to have paid up capital in the form of ordinary shares of not less than RM100,000.00.	J. Ray McDermott S.A. ("JRM") had on 25 January 2011 issued a notice of termination of the shareholders' agreement dated 22 June 2001 between BAN, JRM and Schematic Principle (M) Sdn Bhd in respect of BMD, details of which are set out in Section 15.7 of this Prospectus. As such, we are unable to ascertain the status of compliance as the statutory and licencing information of BMD is under the purview of BMD.

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES AS AT THE LPD (*cont'd*)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
	BMD *(cont'd)*						(xi) The licensee is required to have a source of supply for each category of product supplied by the licensee. (xii) For each service category applied by the licensee, the licensee must ensure that its management staff, skilled employees and equipment employed possess the requisite technical expertise. (xiii) The licensee is required to have effective Bumiputera participation of at least 51% at its equity, board of directors, management and staff level. The top management functions, other significant management functions and the finance control of the licensee shall be executed by Bumiputera staff. (xiv) The licensee is required to be registered with statutory bodies, professional bodies or government departments which are related to the categories set forth in the Standardised Work and Equipment Categories (SWEC) enclosure.	

Notes:

(1) *Conditional licences which are valid up to 1 year are issued to Malaysian ships which have not fulfilled any one of the conditions required for an unconditional licence or have fulfilled all those conditions but are nevertheless more than 20 years old.*

(2) *Unconditional licences which are valid up to 2 years are issued to Malaysian ships which have fulfilled all the following conditions: (1) Bumiputera participation of not less than 30% in terms of its equity, directors and employees; (2) at least 75% of the crew complement of the vessel must be Malaysian citizens; and (3) the age of the ship is less than 10 years.*

(3) *Unconditional licences which are valid up to 1 year are issued to Malaysian ships which have all the following conditions: (1) Bumiputera participation of not less than 30% in terms of its equity, directors and employees; (2) at least 75% of the crew complement of the vessel must be Malaysian citizens; and (3) the age of the ship is more than 10 years but less than 19 years.*

(4) *Classification is a representation by the ABS as to the structural and mechanical fitness for a particular use or service in accordance with its rules and standards.*

(5) *Hull and equipment.*

(6) *A classification symbol that signifies that the equipment of anchors and chain cables of the vessel is in compliance with the requirements of the Rules for Building and Classing Steel Vessels of ABS, or with the requirements corresponding to the service limitations noted in the vessel's classification which have been specifically approved for the particular service.*

(7) *Machinery, boiler and systems.*

ANNEXURE C: OPINION FROM CONYERS DILL & PEARMAN PTE. LTD., REEDER & SIMPSON PC, WONG*PARTNERSHIP* LLP AND AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO. ON ANY GOVERNMENT LAW, DECREE, REGULATION OR OTHER REQUIREMENT WHICH MAY AFFECT THE REPATRIATION OF CAPITAL AND THE REMITTANCE OF PROFIT BY OR TO OUR COMPANY UNDER THE LAWS OF BVI, MARSHALL ISLANDS, SINGAPORE AND INDIA

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BERMUDA
BRITISH VIRGIN ISLANDS
CAYMAN ISLANDS
CYPRUS
DUBAI
HONG KONG
LONDON
MAURITIUS
MOSCOW
SÃO PAULO
SINGAPORE

Conyers Dill & Pearman

13 June 2011

Matter No.:897839
Ref: GN/ojq/sindocs 65424

The Board of Directors
Bumi Armada Berhad
Level 21, Menara Perak,
24 Jalan Perak,
50450 Kuala Lumpur
Malaysia

Dear Sirs

Re: **British Virgin Islands - Policies governing stamp duty and exchange control in and repatriation of capital and profits from the British Virgin Islands**

We have acted as British Virgin Islands special legal counsel to Bumi Armada Berhad ("BAB"), a company incorporated in Malaysia, for the purpose of issuing this legal opinion in connection with an initial public offering of the shares in BAB and the listing and quotation of the entire issued and paid-up share capital of BAB on the Main Market of Bursa Malaysia Securities Berhad (the "Listing").

We have assumed that there is no provision of the law of any jurisdiction, other than the British Virgin Islands, which would have any implication in relation to the opinions expressed. We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than the British Virgin Islands. This opinion is to be governed by and construed in accordance with the laws of the British Virgin Islands and is limited to and is given on the basis of the current law and practice in the British Virgin Islands. This opinion is issued solely for your benefit (and the benefit of your advisers, namely, Kadir, Andri & Partners, CIMB Investment Bank Berhad, Maybank Investment Bank Berhad and RHB Investment Bank Berhad) and is not to be relied upon by any other person, firm or entity or in respect of any other matter, except that you may include a copy of this letter in the prospectus to be issued by BAB in connection with the Listing and provide a copy of this letter to Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia, if so required in connection with the Listing.

Company Registration Number: 200903993W

<u>Exchange Control</u>

There are no exchange control restrictions in the British Virgin Islands.

<u>Repatriation of Capital and Profits</u>

There are no exchange control restrictions or sanctions currently in effect in the British Virgin Islands that would, in the ordinary circumstances, prevent the repatriation of funds (regardless of whether they are profits or capital in nature) in a foreign currency from the British Virgin Islands to any country by a British Virgin Islands business company.

There are no British Virgin Islands regulatory or legal restrictions against repatriation of capital paid on shares of a British Virgin Islands business company in a foreign currency or remittance of profits by way of dividends in a foreign currency, to a British Virgin Islands business company or by a British Virgin Islands business company to Malaysia.

<u>Stamp duty</u>

No stamp duty is payable in the British Virgin Islands on all instruments relating to (i) transfers of property to or by a British Virgin Islands business company, (ii) transactions in respect of the shares, debt obligations or other securities of a British Virgin Islands business company, and (iii) other transactions relating to the business of a British Virgin Islands business company. However, the foregoing does not apply to instruments relating to the transfer to or by a business company of an interest in land situated in the British Virgin Islands, and to transactions in respect of the shares, debt obligations or other securities of a land owning company. A company is a land owning company if it, or any of its subsidiaries, has an interest in any land in the British Virgin Islands.

Yours faithfully

Conyers Dill & Pearman Pte. Ltd.

REEDER & SIMPSON PC
ATTORNEYS AT LAW

P.O. Box 601
RRE Commercial Center
Majuro, MH 96960

Telephone: 011-692-625-3602
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Email: dreeder@ntamar.net
r.simpson@simpson.gr

The Board of Directors
Bumi Armada Berhad
Level 21, Menara Perak,
24 Jalan Perak, 50450
Kuala Lumpur
Malaysia

June 13, 2011

Re : Repatriation of capital and the remittance of profits of Armada TGT Ltd. (the "***Company***")

Thank you for your instructions to advise on the transaction in connection with an initial public offering of the shares in Bumi Armada Berhad ("BAB") and the listing and quotation of the entire issued and paid-up share capital of BAB on the Main Market of Bursa Malaysia Securities Berhad (the "***Listing***"). We understand that this opinion will be used for inclusion in the prospectus to be issued by BAB in relation to the Listing and further that the said prospectus will be submitted to the Securities Commission of Malaysia for its approval.

You have requested certain legal advice regarding the laws of the Republic of the Marshall Islands (the "***RMI***"), with respect to the Company, which is a RMI corporation, relating to the repatriation of capital and the remittance of profits of the Company from the RMI to Malaysia. We are lawyers qualified to practice law in the RMI and are members in good standing of the Bar of the RMI and are fully qualified to give the opinions set forth herein.

We have not reviewed the prospectus or any other documents in connection with the Listing.

We have reviewed the following RMI statutes contained in the Marshall Islands Revised Code and Regulations:

1. Banking and Financial Institutions Act 17 MIRC Ch. 1.;
2. Securities and Investment Act 18 MIRC Ch. 1.;
3. Unfair Business Practises Act 20 MIRC Ch. 3.;
4. Real and Personal Property Act 24 MIRC Ch. 1.;
5. Business Corporations Act 52 MIRC Ch. 1 Part 1.;
6. RMI Banking Regulations; and
7. RMI Corporations Regulations.

Whenever we have stated that we have assumed any matter, it is intended that we assume such matter without making any factual, legal, or other inquiry or investigation and without expressing any opinion or conclusion of any kind concerning such matter.

We express no opinion as to matters governed by or the effect or applicability of any laws of any jurisdiction other than the laws of the RMI which are in effect as of the date hereof. This opinion speaks as of the date hereof, and it should be recognized that changes may occur in the RMI laws we rely upon for our opinions after the date of this letter which may affect the opinion set forth herein.

This opinion is furnished solely for your benefit in connection with the Listing.

This opinion may not be used for any other purpose or relied upon by, nor copies delivered to, any person other than the parties to the Listing, without our prior written consent in eaeh case, except that it may be provided to any Malaysian governmental authority including Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia.

Based upon and subject to the assumptions, qualifications and limitations herein above mentioned and after review of each of the statutes and regulations set forth above, we of the opinion of and can herehy confirm to you that:

1. There are no statutory restrictions or prohibitions in the RMI that would prevent the repatriation of the Company's capital from the RMI to another jurisdietion including Malaysia.

2. There are no regulatory restrietions or prohibitions in the RMI that would prevent the repatriation of the Company's capital from the RMI to another jurisdiction including Malaysia.

3. There are no statutory restrictions or prohibitions in the RMI that would prevent the remitting of the Company's profits from the RMI to another jurisdiction including Malaysia.

4. There are no regulatory restrictions or prohibitions in the RMI that would prevent the remitting of the Company's profits from the RMI to another jurisdiction including Malaysia.

Sincerely,

Dennis J. Reeder
Reeder & Simpson PC

WONG*PARTNERSHIP*
王律师事务所

Tel: +65 6416 8000 Main Line
Fax: +65 6532 5711 Financial Services / Corporate / Intellectual Property
(not for service of court documents)

WongPartnership LLP
One George Street #20-01
Singapore 049145

Email: contactus@wongpartnership.com
Website: www.wongpartnership.com
(A full partners' list is available upon request)

Date: 13 June 2011

Bumi Armada Berhad
Level 21, Menara Perak
24 Jalan Perak
50450 Kuala Lumpur
Malaysia

ATTENTION: <u>THE BOARD OF DIRECTORS</u>

Dear Sirs

MEMORANDUM ON THE REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT UNDER SINGAPORE LAWS

1. Introduction

1.1 You have requested for certain legal advice regarding the laws of Singapore, relating to the repatriation of capital and the remittance of profits of a company incorporated in Singapore to its parent company Bumi Armada Berhad ("BAB") which is incorporated in Malaysia.

1.2 We are issuing this memorandum in connection with an initial public offering of the shares in BAB and the listing and quotation of the entire issued and paid-up share capital of BAB on the Main Market of Bursa Malaysia Securities Berhad (the "Listing"). We understand that this memorandum will be used for inclusion in the prospectus to be issued by BAB in relation to the Listing and further that the said prospectus will be submitted to the Securities Commission of Malaysia for its approval.

1.3 Save for BAB and its advisers in relation to the Listing, namely Kadir Andri & Partners, CIMB Investment Bank Berhad, Maybank Investment Bank Berhad and RHB Investment Bank Berhad, Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia and for the purpose of inclusion into the prospectus to be issued by BAB pursuant to the Listing, this memorandum is not to be transmitted to any other person nor is it to be relied upon by any other person for any other purpose or quoted or referred to in any public document or filed with any governmental, regulatory or other authorities without our consent.

1.4 We have prepared this memorandum for the sole purpose of setting out our advice regarding the issues set out in paragraph 1.1 above under Singapore law. This memorandum is confined solely to the law of general application of Singapore as at the date hereof and as currently applied by the Singapore courts, and is given on the basis that it will be governed by, and construed in accordance with, the laws of Singapore. We have made no investigation of, and do not express or imply any views on, the laws of any jurisdiction other than Singapore.

2. Foreign exchange control

2.1 Although foreign exchange control legislation in the form of the Exchange Control Act (Chapter 99 of Singapore) exists in Singapore, the applicability of the said Act has been held in abeyance since 1 June 1978 pursuant to the Monetary Authority of Singapore's Notice 754 dated 25 May 1978. As a result, there effectively are no foreign exchange and currency exchange control restrictions in Singapore and therefore, there is no approval required in Singapore for any payment, remittance or capital transfer in any currency or to any country.

2.2 Notwithstanding the above, pursuant to Section 48C of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Chapter 65A of Singapore) persons who intend to move into or out of Singapore physical currency or bearer negotiable instruments the total value of which exceeds S$30,000 (or its equivalent in a foreign currency) are required to complete a prescribed form referred to as the "Physical Currency and Bearer Negotiable Instruments Report (Traveller) form" (also known as the "**NP727 form**") and submit the NP727 form to the immigration officer upon arrival in Singapore or on departure from Singapore. Personal details such as full name, date of birth, permanent address as well as information on the physical currency of bearer negotiable instruments are to be set out in the NP727 form.

3. Capital Maintenance Rules

Any repatriation of capital by a company incorporated in Singapore needs to be viewed in light of the capital maintenance rules in Singapore. As a general rule, a company is required to maintain its capital and not return any assets to its members while it is a going concern except in the form of dividends paid out of available profits. This is intended to protect creditors of the company, who in providing credit to the company for the running of the company's business should not be made to bear the risk that the company will return part of its capital to its members. Nevertheless, under the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), there are certain exceptions to the general rule against the return of capital and accordingly, in addition to the payment of dividends (which is further considered in paragraph 4 below), a distribution of the company's assets while it is a going concern can be effected through the prescribed manner permitted under the Companies Act via:

(a) a capital reduction;

(b) a share buyback; or

13 June 2011
Page 3

(c) any combination of the above.

These are considered further in paragraphs 5 and 6 below.

4. Dividends

4.1 A company may, in general meeting or by resolution of its members by written means, declare final dividends to its shareholders. The declaration of final dividends is subject to the following: (i) the specific provisions of the company's articles of association in relation to the same; (ii) the amount shall not exceed the amount recommended by the directors of the company; and (iii) under Section 403 of the Companies Act, no dividends shall be payable to the shareholders of a company except out of profits. Additional restrictions in relation to the declaration of dividends are set out in the following three (3) scenarios prescribed by the Companies Act:

(a) subject to paragraph 4.1(b) below, any profits of a company applied towards the purchase or acquisition of its own shares in accordance to Sections 76B to 76G of the Companies Act (i.e. provisions in respect of share buybacks) shall not be payable as dividends to the shareholders of the company;

(b) paragraph 4.1(a) shall not apply to any part of the proceeds received by the company as consideration for the sale or disposal of treasury shares which the company has applied towards the profits of the company; and

(c) any gains derived by the company from the sale or disposal of treasury shares shall not be payable as dividends to the shareholders of the company.

4.2 With respect to interim dividends, the directors may be given the power to pay such dividends by the Articles of Association of the company. However, an interim dividend is wholly provisional and anticipates the profits to be disclosed in the final accounts. Accordingly, if at the end of the accounting period, no profits are disclosed, the interim dividends cannot be paid.

4.3 If a dividend (including an interim dividend) is paid when there are no profits available, every director or manager of the company who willfully paid or permitted the payment of the dividend is guilty of an offence.

5. Capital Reduction

5.1 A company may, either with or without court sanction, reduce its share capital according to the provisions set out in Division 3A of the Companies Act. Section 78A(1) of the Companies Act provides that a company may, unless prohibited or restricted under its Memorandum or Articles of Association[1], reduce its share capital in any way and, in particular, do all or any of the following:

[1] Section 78A(3) of the Companies Act

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

(b) cancel any paid-up share capital which is lost or unrepresented by available assets; or

(c) return to shareholders any paid-up share capital which is more than it needs.

<u>Capital Reduction without court sanction</u>

5.2 In respect of a capital reduction without court sanction, in addition to passing a special resolution on capital reduction, the company has to, *inter alia*, meet the solvency requirements specified under the Companies Act.

5.3 Briefly, in order to meet the solvency requirements, all the directors of the company must make a solvency statement to the effect that they are of the opinion that[2]:

(a) at the date of the statement, there is no ground on which a company could then be found to be unable to pay its debts;

(b) the company will be able to pay its debts as they fall due during the 12 months immediately following the date of the statement[3]; and

(c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed capital reduction, become less than the value of its liabilities (including contingent liabilities).

<u>Capital Reduction by court sanction</u>

5.4 The Companies Act provides an alternative method for a company limited by shares to reduce share capital without the requirement for a solvency statement. In order for this to be carried out, the company has to make an application under Section 78G(1) of the Companies Act for share capital to be reduced by a special resolution that is approved by an order of the court.

6. <u>Share Buyback</u>

6.1 An unlisted Singapore-incorporated company may buy back its own shares:

(a) in accordance with an equal access scheme authorised in advance by general meeting of the company (Section 76C of the Companies Act);

[2] Section 7A(1) of the Companies Act
[3] Assuming that it is not intended to wind up the company within 12 months following the date of the statement.

WONGPARTNERSHIP LLP

13 June 2011
Page 5

(b) in accordance with an agreement for a selective off-market purchase authorised in advance by special resolution where persons whose shares are to be acquired have abstained from voting (Section 76D of the Companies Act); or

(c) under a contingent purchase contract authorised in advance by a special resolution of the company (Section 76DA of the Companies Act).

6.2 The share buy-baek is subject to various conditions pursuant to the relevant sections of the Companies Act, including:

(a) the eompany must expressly be permitted to do so under its Articles of Association;

(b) the total number of ordinary shares purehased or acquired by the company during the relevant period (as defined in the Companies Act) does not exceed ten (10) per cent. of the total number of ordinary shares of the company in that class; and

(c) payment may be made out of the company's eapital or profits so long as the company is solvent.

Yours faithfully

WongPartnership

WONGPARTNERSHIP LLP

amarchand mangaldas

Ref: 6556

June 13, 2011

To:

The Board of Directors
Bumi Armada Berhad
Level 21, Menara Perak,
24 Jalan Perak,
50450 Kuala Lumpur
Malaysia

Re: **Repatriation of capital and remittance of profits from an Indian company to its non-resident parent company**

Dear Sirs:

You have sought our opinion on the Indian laws and regulations relating to the repatriation of capital and remittance of profits from (i) Forbes Bumi Armada Limited (**"FBAL"**); and (ii) Forbes Bumi Armada Offshore Limited (**"FBAOL"**), companies incorporated in India, to their parent company, Bumi Armada Berhad (**"BAB"**), a company incorporated outside India.

We have acted as Indian legal counsel to BAB for the purpose of issuing this legal opinion in connection with an initial public offering of all the shares in BAB Berhad involving the listing and quotation of the same on the Main Market of Bursa Malaysia Securities Berhad (the "Listing"). We understand that an opinion on the terms set out herein but addressed solely to the Board of Directors of BAB will be used for inclusion in the prospectus to be issued by BAB in relation to the Listing and further that the said prospectus will be submitted to the Securities Commission of Malaysia for its approval.

1. FACTUAL BACKGROUND

We understand that:

1.1 BAB is a company incorporated under the laws of Malaysia having its registered office at Level 21, Menara Perak, 24 Jalan Perak, 50450 Kuala Lumpur, Malaysia. BAB is a 'person resident outside India', as defined in the Foreign Exchange Management Act, 1999 (**"FEMA"**), and is not registered as a foreign institutional investor with the Securities and Exchange Board of India.

1.2 FBAL is a company incorporated under the laws of India having its registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai – 400 001. FBAL is an unlisted company, and its principal activities are to act and engage as ship owners, charterers, managers of ships and vessels, marine support and other services to the offshore oil and gas companies. FBAL is not engaged in the business of financial services (as defined under the Foreign Exchange

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Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**Seeurity Regulations**")).

1.3 A wholly-owned subsidiary of BAB, incorporated in Singapore, namely Bumi Armada (Singapore) Pte. Ltd. ("**BASPL**"), holds 2,450,000 equity shares of Rs. 10 each of FBAL constituting 49% of the equity paid up share capital of FBAL, which were acquired by BASPL in accordance with Schedule I of the Security Regulations (Foreign Direct Investment Scheme).

1.4 FBAOL is a company incorporated under the laws of India having its registered office at Forbes Building, Charanjit Rai Marg, Fort Mumbai, Maharashtra, India 400001. FBAOL is an unlisted company, and its principal activities are to act and engage as ship owners, charterers and managers of ships and vessels, marine support and other services to the oil and gas industries. FBAOL is not engaged in the business of financial services (as defined under the Security Regulations).

1.5 BAB holds 49,999 equity shares of Rs. 10 each of FBAOL constituting 49.99% of the equity paid up share capital of FBAOL, which were acquired by BAB in accordance with Schedule I of the Security Regulations (Foreign Direct Invcstment Scheme).

2. OUR OPINION

2.1 The law relating to rcpatriation of capital and remittance of profits from a company incorporated in India to a company incorporated outside India is govemcd by and comprised in thc FEMA and the rules and regulations made thereunder.

2.2 ***Repatriation of capital and remittance of dividend from FBAL and FBAOL to their shareholders outside India***

2.2.1 Under Indian law, the capital of an Indian company held by an overseas shareholder of such company may be repatriated / remitted outside India in the following ways:

(a) Repatriation / remittancc of sale proceeds by such shareholder, upon a sale of shares of the Indian company held by such shareholder (whether to a person resident in India or outside India);

(b) Repatriation / remittance of amounts received by such shareholder upon a buyback of shares by the Indian company or a reduction of capital by the Indian company;

(c) Repatriation / remittance of amounts received by such shareholder upon a distribution of capital on wiuding up of such Indian company; and

In addition, an Indian company may repatriate / remit dividends declarcd by it, to its shareholders.

amarchand & mangaldas & suresh a. shroff & co.

advocates & solicitors

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2.2.2 For the purposes of this opinion, we have examined below the relevant rules and regulations applicable to each of the above methods of repatriation / remittance of capital outside India in paragraphs 2.2.3, 2.2.4 and 2.2.5 below. Further we have examined the relevant rules and regulations applicable to the repatriation / remittance of dividends declared by an Indian company, outside India in paragraph 2.2.6 below.

2.2.3 <u>Repatriation / remittance of sale proceeds upon a sale of shares of FBAL and FBAOL, by their shareholders outside India</u>

2.2.3.1 Under the provisions of FEMA, the Reserve Bank of India ("**RBI**") has been granted the power *inter alia* to prohibit, restrict or regulate transfer or issue of any security of an Indian Company to a person resident outside India. In exereise of this power, the RBI has issued the Security Regulations, which read with the Master Circular on Foreign Investment in India dated July 1, 2010 ("**Master Circular**"), issued by the RBI, governs the transfer of shares of an Indian eompany and repatriation / remittance of sale proeeeds therefrom outside India.

2.2.3.2 Regulation 10 B (2) of the Security Regulations provides as follows:

"*A person resident outside India, may transfer share or convertible debenture of an Indian Company, without prior permission of the Reserve Bank, by way of sale, to a person resident in India subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as may be specified by Reserve Bank from time to time.*"

In addition, the Master Circular provides as follows:

"*General permission is also available for the transfer of shares / convertible debentures, by way of sale under private arrangement by a person resident outside India to a person resident in India, subject to the guidelines given in Annex 3.*"

In light of the above, BASPL and BAB are permitted to sell the shares held by them in FBAL and FBAOL, respectively, to a person resident in India, by way of private arrangement, provided it complies with the pricing guidelines, doeumentation and reporting requirements specified by the RBI, specified in **<u>Annexure A</u>** hereto.

2.2.3.3 Regulation 9(2)(i) of the Security Regulations reads as follows:

Transfer of shares and convertible debentures of an Indian company by a person resident outside India.

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9. (2)(i) A person resident outside India, not being a non-resident Indian or an overseas corporate body, may transfer by way of sale or gift the shares or convertible debentures held by him or it to any person resident outside India."

In addition, the Master Circular provides as follows:

"*A person resident outside India (other than NRI and OCB) may transfer by way of sale or gift, the shares or convertible debentures to any person resident outside India (including NRIs).*"

In light of the above, BASPL and BAB are permitted to sell the shares held by them in FBAL and FBAOL, respectively, to a person resident outside India. Neither the Security Regulations nor the Master Circular prescribe any pricing guidelines or documentation and reporting requirements for a transfer of shares by a person resident outside India to another person resident outside India.

2.2.3.4 With regard to repatriation / remittance of sale proceeds of shares of an Indian company held by a person resident outside India, the Security Regulations and the Master Circular provide as under.

Regulation 11 of the Security Regulations provides as follows:

"*Remittance of sale proceeds.*

11. (1) No remittance of sale proceeds of an Indian security held by a person resident outside India shall be made otherwise than in accordance with these Regulations and the conditions specified in the relevant Schedule.

(2) An authorised dealer may allow the remittance of sale proceeds of a security (net of applicable taxes) to the seller of shares resident outside India:

Provided –

(a) the security was held by the seller on repatriation basis;

(b) either the security has been sold on a recognized stock exchange in India through a stock broker at the ruling market price as determined on the floor of the exchange, or the Reserve Bank's approval has been obtained in other cases for sale of the security and remittance of the sale proceeds thereof; and

(c) a no objection/tax clearance certificate from the income-tax authority has been produced."

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In addition, the Master Circular provides as follows:

"*AD Category – I bank can allow the remittance of sale proceeds of a security (net of applicable taxes) to the seller of shares resident outside India, provided the security has been held on repatriation basis, the sale of security has been made in accordance with the prescribed guidelines and NOC / tax clearance certificate from the Income Tax Department has been produced.*"

2.2.3.5 Upon a combined reading of the above, it can be stated that in the event BASPL or BAB sell their shares in FBAL or FBAOL, as the case may be, to a person resident in India, the sale proceeds of such sale are permitted to be remitted outside India by BASPL and / or BAB provided:

(i) the remittance is made through an authorized dealer bank;
(ii) the equity shares were held by BASPL and BAB, as the case may be, on repatriation basis;
(iii) the sale of equity shares by BASPL and BAB, as the case may be, was in accordance with the prescribed guidelines; and
(iv) a no-objection certificate or a tax clearance certificate has been obtained by BASPL and BAB, as the case may be, from the income tax authorities.

It is relevant to note that in the event BASPL and / or BAB sell the shares held by them in FBAL and FBAOL, as the case may be, to a person resident outside India, no repatriation / remittance of sale proceeds will need to be made from India, and therefore to that extent, the provisions of the FEMA, the Security Regulations and the Master Circular will not be applicable.

2.2.4 <u>Repatriation / remittance of amounts received by BASPL and / or BAB upon a buyback of shares by FBAL or FBAOL, as the case may be, or a reduction of capital by FBAL or FBAOL, as the case may be</u>

2.2.4.1 The law governing repatriation / remittance of capital upon a buyback of shares or a reduction of share capital by an Indian is contained in the Master Circular. The relevant provisions of the Master Circular are set out below:

"*General permission is also available for the transfer of shares / convertible debentures, by way of sale under private arrangement by a person resident outside India to a person resident in India, subject to the guidelines given in Annex 3*"

"*The above General Permission also covers transfer by a resident to a nonresident of shares / convertible debentures of an Indian company, engaged in an activity earlier covered under the Government Route but now falling under Automatic Route of RBI, <u>as well as transfer of shares by a non-resident to an Indian company under buyback and / or capital reduction scheme of the company</u>.*"

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2.2.4.2 In light of the above, BASPL and BAB are permitted to transfer their shares to FBAL and FBAOL, respectively, under a buyback or a capital reduction scheme of FBAL or FBAOL, as the case may be, provided that the pricing guidelines, documentation and reporting requirements specified by the RBI are complied with.

2.2.4.3 Neither the Security Regulations nor the Master Circular expressly deal with repatriation / remittance of proceeds received by a person resident outside India from an Indian company pursuant to a buyback of shares or a capital reduction scheme by such Indian company. However, given that a buyback of shares or capital reduction is treated akin to a transfer of shares by a person resident outside India to a person resident in India (in a buyback or a capital reduction, such person resident in India being the Indian company), the provisions in relation to repatriation / remittance of sale proceeds, detailed in paragraphs 2.2.3.4 and 2.2.3.5 will be applicable.

2.2.5 <u>Repatriation / remittance of amounts received by BASPL and BAB upon a distribution of capital on winding up of FBAL or FBAOL, as the case may be</u>

2.2.5.1 In relation to repatriation / remittance of capital upon a winding up of an Indian company, the provisions of the Foreign Exchange Management (Remittance of Assets) Regulations, 2000 ("**Remittance Regulatious**") would apply.

2.2.5.2 Regulation 4 (4) of the Remittance Regulations provide as follows:

"*An autharised dealer in India may, without approval from Reserve Bank, effect remittance of assets made by a person eligible under sub-regulation (2) or sub-regulation (3) as the case may be and <u>also allow remittance out of the assets of Indian companies under liquidation under the provisions of the Companies Act, 1956</u>, subject to the following conditions:*

(i) Authorised Dealer shall ensure that the remittance is in compliance with the order issued by a court in India/order issued by the Official Liquidator or the liquidator in the case of voluntary winding up; and

(ii) No remittance shall be allowed unless the applicant submits: -

(a) No objection or tax clearance certificate from Income-tax Authority for the remittance.
(b) Auditor's certificate confirming that all liabilities in India have been either fully paid or adequately provided for.
(c) Auditor's certificate to the effect that the winding up is in accordonce with the provisions of the Companies Act, 1956.
(d) *In case of winding up otherwise than by a court, an auditor's certificate to the effect that there is no legal proceedings pending in any court in India against the applicant*

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or the company under liquidation and there is no legal impediment in permitting the remittance."

2.2.5.3 The Master Circular contains a similar provision and reads as follows:

"*AD Category – I banks have been allowed to remit winding up proceeds of companies in India, which are under liquidation, subject to payment of applicable taxes. Liquidation may be subject to any order issued by the court winding up the company or the official liquidator in case of voluntary winding up under the provisions of the Companies Act, 1956. AD Category – I bonks sholl ollow the remittance provided the applicont submits:*

(i) No objection or Tax clearance certificate from Income Tax Deportment for the remittance.
(ii) Auditor's certificote confirming that all liabilities in India have been either fully paid or adequately provided for.
(iii) Auditor's certificate to the effect that the winding up is in occordonce with the provisions of the Companies Act, 1956.
(iv) In case of winding up otherwise than by a court, an auditor's certificate to the effect that there is no legal proceedings pending in any court in India against the applicant or the company under liquidotion and there is no legal impediment in permitting the remittance."

Based on the aforesaid, AD Category - I banks are permitted to remit winding up proceeds of an Indian company to a person resident outside India upon (i) payment of applicable taxes; (ii) ensuring that the remittance is in compliance with the order issued by a court in India / order issued by the Official Liquidator or the liquidator in the case of voluntary winding up; and (iii) submission of the following documents by the non-resident to the AD Category-I bank:

(a) a non-objection certificate or a tax clearance certificate from the department of Income Tax in India in respect of the remittance;
(b) a certificate from the auditor of the Indian company confirming that all liabilities in India have been either fully paid or have been discharged;
(c) a certificate of the auditor confirming that the winding up of the Indian company is in accordance with the provisions of the Companies Act, 1956; and
(d) In the event the winding up of the Indian company is other than by a court procedure, a certificate from the auditor confirming that there is no legal proceeding pending in any court in India against the non-resident or the Indian company under liquidation and there is no legal impediment in permitting remittance out of India.

2.2.6 <u>Remittance of profits / dividend from FBAL to BASPL or FBAOL to BAB, as the case may be</u>

2.2.6.1 Section 5 of the FEMA provides as follows:

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"*Any Person may sell or draw foreign exchonge to or from on outhorised person if such sole or drawol is o current occount transaction:*

Provided thot the Central Government may, in public interest ond in consultotion with the Reserve Bonk, impose such reasonable restrictions for current account transactions as may be prescribed."

2.2.6.2 The term "current account transaction" has been defined under Section 2(j) of FEMA as follows:

"*Current occount tronsoction" means o tronsaction other than a copitol account transaction and without prejudice to the generality of the foregoing such transoction includes –*

(i) Payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business,
(ii) Payments due as interest on loans and as net income from investments,
(iii) Remittances for living expenses of parents, spouse and children residing abroad, and
(iv) *Expenses in connection with foreign travel, education and medial care of parents, spouse and children.*"

Based on the above, declaration and payment of dividend by an Indian company would be considered as a current account transaction. Section 5 of the FEMA provides that unless specifically prohibited or restricted by the Central Government in consultation with the RBI, drawal of foreign exchange to or from an authorized dealer for a current account transaction is permitted without any prior approval of the RBI or the Government of India.

2.2.6.3 In exercise of the powers conferred by FEMA, the Central Government has issued the Foreign Exchange Management (Current Account Transaction) Rules, 2000 ("**Current Account Rules**") that provide a list of activities for which drawal of foreign exchange by an person is either prohibited or for which prior approval of the Government of India or the RBI is required. Payment of dividend by an Indian company to a non-resident entity is not one of the prohibited or restricted activities under the Current Aecount Rules. Therefore, on a combined reading of Seetion 5 of the FEMA and the Current Account Rules, it is clear that dividend can be freely repatriated / remitted by an Indian company without any approval of the RBI or the Government of India.

2.2.6.4 Provisions in relation to payment of dividend are also containcd in Circular 1 of 2011 issued on March 31, 2011 by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**Circular**"). The relevant provision of the Circular reads as follows:

"***Repatriation of Dividend:*** *Dividends are freely repatriable without any restrictions (net after Tax deduction at source or Dividend Distribution Tax, if any, as the case may be). The*

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repatriation is governed by the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time."

2.2.6.5 Based on a combined reading of the FEMA, Current Account Rules and the Circular, any dividend declared and paid by FBAL or FBAOL to BASPL or BAB, as the case may be, may be repatriated / remitted by BASPL or BAB, as the case may be, outside India, subject to payment of applicable taxes in India.

3. Qualifications

3.1 Our opinion is subject to the following qualifications:

(i) Our opinion has been rendered on the facts stated herein.

(ii) Our opinion is confined solely to the laws of the Union of India in force as on the date of this opinion, in relation to the foreign exchange regulations applicable to the repatriation of capital and remittance of profits from India to a person resident outside India. Our opinion does not address or cover any other laws and regulations (including without limitation, company law) in relation to the return of capital or declaration of dividend. Our opinion does not extend to the laws of any other jurisdiction. To the extent the queries raised for the purposes of this opinion are affected by the laws of any other jurisdiction, separate legal adviee should be sought in respect thereof.

(iii) A certificate, determination, notification, opinion or the like will not be binding on an Indian court or any other governmental or statutory authority which would have to be independently satisfied of the legal provisions and the interpretations thereof in question.

This opinion is strictly limited to the matters expressly addressed herein and is addressed to you solely for your benefit in connection with the Listing, and may not be relied upon by any other person without our express written consent, except that it may be provided to any Malaysian governmental authority including Bursa Malaysia Securities Berhad and the Securities Commission of Malaysia in connection with the Listing.

Regards,
For **Amarchand & Mangaldas & Suresh A. Sbroff &** Co.

Gunjan Shah

Partner

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ANNEXURE A

1. Pricing

As per the Master Circular, the price of the shares of an Indian company, proposed to be transferred from a person resident outside India to a person resident in India, by of sale under a private arrangement, where the shares of the Indian company are not listed on a stock exchange, is not permitted to be more than the minimum price at which the transfer of shares can be made from a person resident in India to a person resident outside India.

As per the Master Circular, the price at which the transfer of shares from a person resident in India to a person resident outside India, by of sale under a private arrangement, where the shares of the Indian company are not listed on a stock exchange, is not permitted to be less than the fair value to be determined by a category I merchant banker registered with the Seeurities and Exchange Board of India or a chartered accountant, as per the discounted free cash flow method.

2. Documentation

Besides obtaining a declaration in form FC-TRS (in quadruplicate), the branch of the authorised dealer is required to arrange to obtain and keep on record the following documents in relation to sale of shares by a person resident outside India:

(i) Consent letter duly signed by the seller and buyer or their duly appointed agent indicating the details of transfer i.e. number of shares to be transferred, the name of the investee company whose shares are being transferred and the price at which shares are being transferred.

(ii) Where the consent letter has been signed by their duly appointed agent, the Power of Attorney Document authorizing the agent to purchase/sell shares by the seller/buyer. In case there is no formal Sale Agreement, letters exchanged to this effect may be kept on record.

(iii) Certificate indieating fair value of shares from a chartered accountant.

(iv) No objection / tax clearance certificate from income tax authority / a ehartered account.

(v) Undertaking from the buyer to the effect that the pricing guidelines have been adhered to.

3. Reporting requirements

(i) Reporting of transfer of shares between residents and non-residents and vice versa is required to be done in Form FC-TRS. The form FC-TRS is required to be submitted to the authorised dealer Category – I bank, within 60 days from the date of receipt of the

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amount of consideration. The onus of submission of the form FC-TRS within the given timeframe is on the transferor / transferee, resident in India. The authorised dealer Category – I bank, is required to forward the same to its link offiee. The link offiee is required to consolidate the forms and submit a monthly report to the RBI.

(ii) When the transfer is on private arrangement basis, on settlement of the transactions, the transferee / his duly appointed agent should approach the investee company to record the transfer in their books along with the certificate in the form FC-TRS from the authorised dealer branch that the remittances have been received by the transferor / payment has been made by the transferee. On receipt of the certificate from the authorised dealer, the company may record the transfer in its books.

(iii) The actual inflows and outflows on account of such transfer of shares are required to be reported by the authorised dealer branch in the R-returns in the normal course.

(iv) In addition the authorised dealer branch is required to submit two copies of the Form FC-TRS received from their constituents / customers together with the statement of inflows/outflows on account of remittances received / made in connection with transfer of shares, by way of sale, to international banking division / foreign exchange division / or the nodal office designated for the purpose by the bank in the enclosed proforma (which is to be prepared in MS-Excel format). The international banking division / foreign exchange division or the nodal office of the bank is in turn required to submit a consolidated monthly statement in respect of all the transactions reported by their branches together with copies of the FC-TRS forms received from their branches to Foreign Exchange Department, Reserve Bank of India, Foreign Investment Division, Central Office, Mumbai in soft copy (in MS- Excel) by e-mail to fdidata@rbi.org.in.

(v) On receipt of statements from the authorised dealer, the RBI may call for such additional details or give such directions as required from the transferor / transferee or their agents, if need be.

BY-LAWS OF BUMI ARMADA BERHAD

2011 EMPLOYEE SHARE OPTION SCHEME

1. PURPOSE

The purpose of the Scheme is to promote ownership of Shares in Bumi Armada Berhad by employees of Bumi Armada Berhad and its Subsidiaries, thereby reinforcing a mutuality of interest among directors, employees and shareholders of Bumi Armada Berhad and to enable Bumi Armada Berhad and its Subsidiaries to attract, retain, reward and motivate employees by permitting them to share in its growth.

2. DEFINITIONS

As used in these By-Laws,

"Applicable Laws" means requirements relating to employee share option schemes under applicable Malaysian company and securities laws, the listing requirements, rules and regulations of Bursa Malaysia, any guidelines prescribed by any Malaysian regulatory authority having jurisdiction for the time being to regulate employee share option schemes and the applicable laws of any other country or jurisdiction where Options are granted under the Scheme, as such laws, rules, regulations, requirements and guidelines shall be in place from time to time.

"Authorised Nominee" has the meaning ascribed thereto in the Central Depositories Act.

"Board" means the board of directors of the Company and, to the extent of any delegation by the Board to a committee (or subcommittee thereof) pursuant to Clause 17 of these By-Laws, such committee (or subcommittee).

"Bursa Depository" means Bursa Malaysia Depository Sdn Bhd and its successors in title.

"Bursa Malaysia" means Bursa Malaysia Securities Berhad and its successors in title.

"Central Depositories Act" means the Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof.

"Change in Control" shall have the meaning assigned thereto by the Board from time to time.

"Closing Date" means the closing date for acceptance of Options as set out in the Acceptance Form described in Clause 6.5.

"Company" means Bumi Armada Berhad, a company incorporated in Malaysia, and any successor corporation.

"Depositor" means the holder of a Securities Account.

"Employee" means an employee of a Group Company who has a written employment contract and any executive director of the Company.

"Eligible Employee" means an Employee who meets the criteria of eligibility to participate in the Scheme with regard to Options.

"Fair Market Value" in relation to a Share means:

(a) in respect of a Share subscribed for upon the exercise of an Option which is an Initial Grant, the price at which a Share is purchased by a retail investor under the IPO; and

(b) in respect of a Share subscribed for upon the exercise of an Option which is not an Initial Grant, a price which is the weighted average of the market price quotation of Shares for the five (5) Market Days immediately preceding the date on which the Option is granted rounded down to the nearest sen or the par value of a Share whichever is higher.

"Group Company" means any one of the Company and the Subsidiaries and "Group Companies" means any two or more of them.

"Holding Company" means a holding company of the Company as defined in Section 5 of the Companies Act 1965.

"Initial Grant" means the initial Option granted prior to the consummation of the IPO, on terms that exercise thereof is conditional upon such consummation.

"IPO" means the initial public offering of the Shares via a public issue by the Company.

"Listing Requirements" means the Main Market Listing Requirements of Bursa Malaysia, as amended from time to time.

"Market Day" means any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Malaysia is open for trading of securities.

"Offer Date" means, in relation to an Option, the date of the written offer thereof to an Eligible Employee in accordance with the provisions of these By-Laws.

"Option" means a right to subscribe for a Share upon exercise of that Option granted pursuant to Clause 6 of these By-Laws.

"Option Commencement Date" means, in respect of an Option, the date fixed by the Board as the date from which that Option may be exercised by the Optionee in accordance with these By-Laws.

"Option Period" means, in relation to an Option, the period commencing from that Option's Option Commencement Date and expiring on that Option's Option Termination Date (both dates exclusive).

"Option Price" means the subscription price payable per Share upon the exercise of an Option.

"Optionee" means the holder of an outstanding Option granted under this Scheme.

"Option Termination Date" means, in relation to an Option, the date from which that Option terminates, expires, lapses and/or otherwise ceases to be of any force and effect in accordance with these By-Laws.

"Persons Connected" has the same meaning as that in paragraph 1.01 of the Listing Requirements.

"Record of Depositors" means the record provided by Bursa Depository to the Company under Chapter 24.0 of the Rules of Bursa Depository.

"RM" or "Riuggit Malaysia" means the lawful currency of Malaysia.

"Rules of Bursa Depository" means the rules of Bursa Depository and any appendiccs thereto, as amended from time to time.

"Secretary" means any person or persons appointed to perform the duties of the Secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

"Scheme" means thc 2011 Employee Share Option Scheme of the Company, as amended from time to time.

"Securities Account" means an account established by Bursa Depository for a Depositor for the recording of deposit of securitics and for dealings in securities by the Depositor as permitted under thc Central Depositorics Act and/or Rules of Bursa Depository.

"Shares" means ordinary shares of par value RM0.20 (or such other sum as may be adjusted in accordancc with Applicablc Laws and the constituent doeuments of the Company) each in the capital of the Company.

"Subsidiary" means a subsidiary of the Company as defined in Section 5 of the Companies Act 1965, not being a dormant eompany.

"Substantial Shareholder" has the meaning ascribed thereto in Section 69D of the Compauies Act 1965.

"Termination of Service" means the termination of service of an Optionee as an Employee for any reason (other than by reason of his death), with or without causc, which includes termination by resignation, removal or dismissal, failurc to be re-elected, or retirement.

"Twenty Percent Holder" means an Employee who either singly or collectively with his Persons Connected owns twenty per cent (20%) or more of the issued and paid-up capital of the Company.

3. SHARES AVAILABLE

3.1 The total number of Shares whieh may be issued under Options granted pursuant to this Seheme shall not exeeed in aggregate 10% of the Company's issued and paid-up share capital at any time during the existenee of the Seheme.

3.2 The total number of Shares whieh may be issued under Options granted under this Seheme to directors and members of senior management of the Company and its Subsidiaries shall not exceed in aggregate 50% of the total number of Shares to be issued under the Scheme.

3.3 The total number of Shares which may bc issued under Options granted undcr this Scheme to Twenty Percent Holders shall not exceed in aggregate 10% of the total number of Sharcs to be issued under the Seheme.

3.4 Notwithstanding the provisions of Clause 3.1, if by reason of a purchase by the Company of its own shares or the implementation by the Company of any corporate proposal (cach an "Event"), the total number of new Shares which may be issued on the exercise of Options granted pursuant to this Scheme shall exceed in the aggregate (10%) of the total issued and paid-up share capital of the Company, then all offers and Options granted prior to the relcvant Event shall remain valid and exercisable in aecordance with the provisions of this Scheme. However, no additional offers of Options shall be made nor shall any additional Options be granted unlcss the total number of Shares which may bc issued under the Seheme shall fall below (10%) of the total issued and paid-up share capital of the Company.

3.5 The Company shall at all times keep available sufficient unissued Shares to satisfy all outstanding Options.

4. ELIGIBILITY

Subject to the discretion of the Board, any Employee shall be eligible to participate in the Scheme if, as at the Offer Date, the Employee has attained the age of eighteen (18) years.

5. BASIS OF ALLOCATION OF OPTIONS

Subject to the provisions of Clauses 3.2 and 3.3, the number of new Shares that may be offered under the Options to any one of the Eligible Employees shall be at the discretion of the Board after taking into consideration the performance of the Company and the performance, seniority and number of years of service of the Eligible Employee as well as his actual or potential contribution to the Group. In determining the number of years of service of an Eligible Employee, the Board may take into eonsideration any service provided by such Eligible Employce as a secondee to the Company and/or any of its Subsidiaries.

6. OFFER AND ACCEPTANCE OF OPTIONS

6.1 Subject to and in accordance with the provisions of these By-Laws, the Board may, within the duration of the Scheme, make offers to grant Options to Eligible Employees whom the Board may in its discretion select.

6.2 Offers in respect of Options to be comprised in the Initial Grant shall be made prior to the consummation of the IPO and on terms that exercise of such Options are conditional upon such consummation.

6.3 Offers in relation to Options (other than those comprised in the Iuitial Grant) may thereafter be made from time to time as the Board may determine in its discretion.

6.4 Each offer to grant Options shall:

6.4.1 be substantially in the form set out in Appendix A (subject to modification by the Board from time to time);

6.4.2 specify the Option Price per sbare, which shall be the Fair Market Value thereof and the closing date for the acceptance of the offer (the "Closing Date");

6.4.3 specify the type or types of Option(s) which forms the subjcct matter of the offer.

6.5 An Eligible Employee who accepts an offer of Options must return, on or before the Closing Date, the duly eompleted Aeceptance Form (substantially in the form as set out in Appendix B, subject to modifieation by the Board from time to time) accompanied by a payment to the Company of the sum of RM1.00 as consideration for acceptance of that offer. If the offer is not accepted iu such manner, the offer shall automatically lapse upon the Closing Date and shall then be null and void.

6.6 Successive grants may be made to the same Optionee whether or not any Options previously granted to such Optionee remain unexercised.

7. EXERCISE OF OPTIONS

7.1 Unless otherwise determined by the Board, all Options shall become exereisable:

7.1.1 to the extent of one-third ($1/3^{rd}$) of the Shares covered thereby on each of the first three anniversaries of the date of grant, if the Optionee shall have been in the eontinuous service of the Company or any of its Subsidiaries throughout such period. For this purpose the serviee of an Employee shall not be considered to have been interrupted (and therefore ceasing to be continuous) by reason alone of any of the following:

(a) sick leave; or

(b) study leave for a period of not more than one (1) year; or

(c) any other leave of absence approved by the Company or Subsidiary to whom the Employee provides bis services, provided that such leave shall be for a period of not more than ninety (90) days; or

(d) in the case of transfers between the Company and any Subsidiary and vice versa or between one Subsidiary and another Subsidiary;

7.1.2 on such date or dates as may be determined by the Board following a Change in Control; or

7.1.3 at the discretion of the Board, on such date or dates as may be determined by the Board, in the event of the Termination of Service of the Optionee under any of the circumstanees described in Clause 9.2.

7.2 No Option shall be exercisable if the exercise thereof would violate any provision of Applicable Laws, nor shall any Option be exercisable more than 10 years from the date on whieh this Scbeme sball beeome effective.

7.3 During the period within which an Option may be exercised as provided in Clause 7.1, an Optionee may exercise Options in whole or in part in multiples of and no less than 100 Shares only at such time in accordance with any guidelines as may be preseribed by the Board from time to time. To exercise an Option, an Optionee shall give written notice to the Company in the form set out in Appendix C subject to modification by the Board from time to time, specifying the number of Shares to be subscribed for and provide payment of the Option Price and shall further specify the number of thc Securities Account of the Optionee or of the Optionee's Authorised Nomiuee and furnish any other documentation that may be required by the Company.

7.4 The Option Price shall be payable in cash which shall be remitted to the Company with the notice referred to in Clause 7.3 or, at the discretion of the Board, by sueh other form of eonsideration or in such other manner as may be acceptable to the Company, and pcrmitted under Applicable Laws and, without limitation to the generality of the foregoing, any grant may at the discretion of the Board provide (to the extent permitted by Applicable Laws) for deferred payment of the Optiou Price from the proceeds of sale through a broker on a date satisfactory to the Company of some or all of the Shares to which such exercise relates.

7.5 Except as otherwise determined by the Board, no Option shall be transferable by the Optionee except by will or the laws of descent and distribution and the Optionee shall not create any charge, pledge, lien or other encumbrance whatsoever in respect of an Option or auy part thereof. Exeept as otherwise determiued by the Board and save as otherwise provided under Clause 9.3, Options shall be exereisable during the Optionee's lifetime only by the Optionee or, in the event of the Optionee's legal incapacity to do so, the Optionee's guardian or legal represeutative acting on behalf of the Optionec iu a fiduciary capacity under Applicable Laws and any required court supervision.

7.6 Subject to and in accordance with the provisions of the Articles of Association of the Company, the Central Depositories Act and the Rules of Bursa Depository, the Company shall within eight (8) Market Days of the receipt by the Company of the aforesaid notice referred to in Clause 7.3 and remittance from the Optionee, allot and issue the relevant number of Shares, despatch a notice of allotment stating the number of Shares to be credited into the Securities Account of the Optionee or the Optionee's Authorised Nominee with a copy to the Optionee, as the case may be, and make an application for the quotation of the Shares. No physical share certificate(s) will be issued to the Optionee.

7.7 Notwithstanding anything to the contrary, in the event of any take-over offer being made for the issued Shares of the Company or any other corporate proposal (including but not limited to a capital reduction exercise), being undertaken whereby all of the issued Shares of the Company is to be acquired (or all of the issued Shares of the Company ends up in the hands of one or more sponsors of such proposal or their nominees), whether by way of a general offer or otherwise, the Board may in its sole discretion unilaterally decide:

(a) to alter any Option Period applicable in respect of an Option, whether by shortening or lengthening the same;

(b) to alter any Option Commencement Date and/or Option Termination Date;

(c) to fix any Option Commencement Date and/or Option Termination Date; and/or

(d) to alter the terms of any Option.

7.8 Subject to the discretion of the Board, in the event of any application being made to the court for approval of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and/or arrangement and reconstruction of the Company under Section 176 of the Companies Act 1965, or its amalgamation with any other company or companies under Section 178 of the Companies Act 1965, an Optionee may exercise all or any part of his Options that are exercisable but remain unexercised, at any time commencing from the date upon which the application is so made to the court and ending on the date immediately prior to the date on which the scheme is approved ("Approval Date") (or on any other date specified by the Board in its sole discretion). For the avoidance of doubt, any outstanding Options after the Approval Date (or on any other date specified by the Board in its sole discretion) shall automatically lapse and shall then be null and void.

8. RIGHTS IN SHARES

8.1 Shares issued upon the exercise of an Option will be subjected to all the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the then existing issued Shares save that they will not entitle the holders thereof to receive any rights or bonus issues or dividends or distributions the entitlement date of which precedes the date of the issue of the Shares.

8.2 No Optionee shall be entitled to exercise any voting rights in respect of any Shares nor to receive any notice of general meetings of the Company unless such Shares have been credited into the Securities Account of the Optionee pursuant to the exercise of Options prior to the relevant record date for the despatch of such notice of general meeting of the Company and to vote thereat.

9. TERMINATION OF OPTIONS

9.1 All unexercised Options held by an Optionee shall forthwith lapse and cease to be exercisable in relation to any Shares in respect of which such Options have not been exercised upon the occurrence of one or more of the following events:

9.1.1 the Optionee's Termination of Service; or

9.1.2 in the event of the liquidation of the Company; or

9.1.3 in the event of bankruptcy of the Optionee.

9.2 In the event of the Termination of Service of an Optionee prior to the exercise of an Option, the Board may approve in writing the exercise or partial exercise of such Option by the Optionee upon such terms and conditions as may be set out by the Board in its discretion, if such cessation occurs by reason of:

9.2.1 retirement on attaining the retirement age under the Company's retirement policy;

9.2.2 retirement before attaining the normal retirement age, but with the consent of the Board;

9.2.3 redundancy;

9.2.4 ill-health, injury, physical or mental disability; or

9.2.5 any other circumstances which are acceptable to the Board.

9.3 If an Optionee dies before the expiration of the Option Period, and, as at the date of his/her death, held an Option or Options which has become exercisable in accordance with this Scheme but remains unexercised or partially exercised as at the date of the Optionee's death, such Option or Options may be exercised or partially exercised by the legal or personal representative of the Optionee, at any time not more than one year after the Optionee's death.

9.4 If an Optionee dies before the expiration of the Option Period, and, as at the date of his/her death, held an Option or Options which has not otherwise become exercisable in accordance with this Scheme, the Board may at its discretion declare in writing that such Option or Options (or any part thereof) shall nevertheless be exercisable by the legal or personal representative of the Optionee, at any time not more than one year after the Optionee's death, whereupon such Option or Options shall become so exercisable by the legal or personal representative of the Optionee.

10. ADJUSTMENTS

10.1 The Board may make or provide for such adjustments in the Option Price and in the number of Shares covered by outstanding Options as the Board in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Optionees that would otherwise result from any (a) share dividend, share split, combination of shares, recapitalisation, rights issue, bonus issue, capital reduction or other change in the capital structure of the Company, (b) merger, consolidation, separation, reorganisation, partial or complete liquidation, issuance of rights or warrants to purchase or subscribe for shares or (c) other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event, the Board, in its discretion, may provide in substitution for any or all outstanding Options under this Scheme such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all Options so replaced. Any adjustments made, other than an adjustment resulting from a bonus issue, shall be confirmed in writing by the external auditor of the Company. Unless otherwise determined by the Board, the adjustments pursuant to this clause shall be effective on the day immediately following the book closure date for the event giving rise to that adjustment.

10.2 Any adjustment in the number of Shares covered by outstanding Options shall comply with the requirements of Applicable Laws and shall give each Optionee the same proportion of the issued Shares of the Company as that to which he was previously entitled save and except for any adjustment in respect of a rights issue. In the case of a rights issue, any adjustments made shall ensure that the capital outlay to be incurred by the Optionee in exercising his Options remain unaffected.

10.3 Notwithstanding anything to the contrary, the provisions of this clause 10 shall not apply where the alteration in the capital structure of the Company arises from:

(a) the issue of new Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business;

(b) a special issue of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;

(c) a private placement or restricted issue of new Shares or other securities by the Company;

(d) the implementation of a Share buy-baek arrangement by the Company under the Companies Aet 1965;

(e) any issue of warrants, eonvertible loan stocks or other instruments by the Company that gives a right of conversion into Shares or other securities, and any issue of new Shares or other securities arising from the exercise of any conversion rights attaehed to such convertible securities; or

(f) any issue of new Shares upon the exercise of Options granted under this Scheme.

11. SHARE OPTION AGREEMENT

The Board may require that any Option be cvidenced by a Share Option Agreement. The form of each Share Option Agreement shall be prescribed, and any Share Option Agreement evideneing an outstanding Option may with the eoncurrence of the affeeted Optionee be amended by the Board, provided that the terms and eonditions of eaeh Share Option Agreement and amendment are not inconsistent with this Scheme and that no amendment shall adversely affeet the rights of the Optionee with respeet to any outstanding Option without the Optionee's consent.

12. CANCELLATION OF OPTIONS

The Board may, (with the concurrence of the affeeted Optionee, if so required by Applieable Laws) caneel any Option granted under this Scheme. In the event of any such caneellation, the Board may authorisc the granting of new Options (which may or may not eover the same number of Shares that had been the subject of any prior Option) in sueh manner, at sueh Option Price and subject to similar terms, conditions and discretion as would have been applicable undcr this Scheme had the cancelled Options not been granted.

13. WITHHOLDING

No later than the date as of which any amount first becomes ineludible in the gross income of an Optionee for any applicable income tax purposes with respect to any Option under this Scheme, the Optionee shall pay to the Company, or make arrangements satisfaetory to the Board regarding the payment of, any national or local taxes of any kind required by law to be withheld with respect to such amount. If so determined by the Board, the minimum required withholding obligations may be settled with Shares, including Shares that are part of the award that gives rise to the withholding requirement. The obligations of the Company under this Scheme shall be conditional on such payment or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kiud otherwise due to thc Optionee.

14. GOVERNING LAW

These By-Laws, this Scheme and all Options granted and actions taken thereunder shall be governed by and construed in accordance with the laws of Malaysia.

15. FRACTIONAL SHARES

The Company shall not be required to issue any fractional Shares pursuant to this Scheme. The Board may provide for the elimination of fractions or for the settlement of fractions for cash.

16. MULTIPLE JURISDICTIONS

In order to facilitate the making of any grant under this Scheme, the Board may provide for such special terms for Options to Optionees who are employed by the Company or any Subsidiary in any particular jurisdiction, or who are nationals of any particular jurisdiction, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of this Scheme as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Scheme as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme as then in effect unless this Scheme could have been amended to eliminate such inconsistency.

17. ADMINISTRATION

This Scheme shall be administered by the Board, which may from time to time delegate all or any part of its authority under this Scheme to a committee of not less than three of its members appointed by the Board. To the extent of any such delegation, references in this Scheme to the Board shall also refer to the committee. A majority of the members of the committee shall constitute a quorum, and any action taken by a majority of the members of the committee who are present at any meeting of the committee at which a quorum is present, or any action of the committee that are unanimously approved by the members of the committee in writing, shall be the acts of the committee. The Board or committee shall have the authority to delegate responsibility and authority for the operation and administration of this Scheme, appoint employees and officers of the Company to act on its behalf, and employ persons to assist in fulfilling their responsibilities under this Scheme.

18. AMENDMENT

Subject to any approvals which may be required of Bursa Malaysia and any other relevant authorities, this Scheme may be amended from time to time by the Board; provided, however, that any amendment which must be approved by the shareholders of the Company in order to comply with Applicable Laws, shall not be effective unless and until such approval has been obtained. Presentation of this Scheme or any amendment hereof for shareholders' approval shall not be construed to limit the Company's authority to offer similar or dissimilar benefits under other plans or schemes or otherwise without shareholders' approval. Furthermore, no amendment or alteration of this Scheme shall be made which would impair the rights of an Optionee with respect to any outstanding Option under this Scheme without the Optionee's consent and no amendment or alteration of this Scheme shall be made, in relation to the definition of "Fair Market Value" in Clause 2 and Clauses 3, 4, 5, 6.4.2, 6.5, 7.1, 7.2, 7.3, 7.4, 8, 10.2 and 20 to the advantage of actual or prospective participants in the Scheme without the prior approval of the Company's shareholders in general meeting where such approval is required under Applicable Laws.

19. EFFECTIVE DATE

This Scheme shall be effective immediately upon its approval by the shareholders of the Company and its adoption by the Board; provided, however, that the Initial Grant shall be conditional on the consummation of the IPO and shall be void and of no further effect if the IPO is not consummated prior to March 31, 2012.

20. TERM

No Option shall be granted pursuant to this Scheme on or after the tenth anniversary of the date on which this Scheme shall become effective, and no awards granted prior to such tenth anniversary may extend beyond that.

21. AWARDS IN SUBSTITUTION FOR AWARDS GRANTED BY OTHER COMPANIES

21.1 To the extent not otherwise provided in this Scheme, Options may be granted under this Scheme in substitution for awards held by (i) employees of a company which is not a Group Company but which subsequently becomes a Group Company ("Previous Company") as a result of the acquisition, merger or consolidation of the Previous Company by or with the Company or a Subsidiary; or (ii) employees of any Substantial Shareholder of the Company who had provided services to the Company or any Subsidiary as secondees of such Substantial Shareholder and who subsequently become Employees.

21.2 The terms, provisions and benefits of the substitute awards so granted may vary from those set forth in or authorised by this Scheme to such extent as the Board at the time of the grant may deem appropriate to conform, in whole or in part, to the terms, provisions and benefits of awards in substitution for which they are granted.

22. DIVESTMENT OF SUBSIDIARIES

If an Optionee is in the employment of a company which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Group resulting in a subsequent holding of 50% or less of the equity of that company by another Group Company, then such Optionee:

(a) will remain entitled to exercise all exercisable but unexercised Options which were granted to him under this Scheme within such time period determined by the Board, failing which the right of such Optionee to subscribe for that number of the new Shares or any part thereof granted under snch exercisable but unexereised Options shall automatically lapse upon the expiration of the said time period and be null and void and of no further force and effect; and

(b) shall not be eligible to any grant of further Options under this Scheme.

23. ACQUISITION OF SUBSIDIARIES

Notwithstanding anything to the contrary, but subject to Clause 21, in the case of an employee of a Previous Company, such an employee ("Affeeted Employee"):

(a) will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company's employee share seheme or employee share option scheme in accordance with the by-laws of that Previous Company's employee share scheme or employee share option scheme, hut he shall not, upon that Previous Company becoming a Group Company, be eligible to participate for further rights or options under such Previous Company's employee share seheme or employee share option scheme unless permitted by the Board;

(b) (snbject to the approval of the Board) may be eligible to participate in this Seheme only for the remaining duration of this Scheme; and

(c) if the Affected Employee had participated in the Previous Company's employee share scheme or employee share option scheme, the nnmber of new Shares to be offered to such Affected Employee under this Scheme shall be determined by the Board.

24. LIQUIDATION

Upon the commencement of the winding-up proceedings of the Company, all unexercised or partially exercised Options shall lapse and be null and void and of no further force and effect, and this Scheme shall terminate.

25. EARLY TERMINATION

Notwithstanding the provisions of Clause 20, the Company may with the prior approval of:

25.1 the Company's members in general meeting wherein at least a majority of the members present shall vote in favour of snch approval; and

25.2 all Optionees who have yet to exereise their Options, either in part or in whole, and whose approval must be in writing

terminate this Scheme prior to the expiry of the term specified in Clause 20.

26. NOT A TERM OF EMPLOYMENT

26.1 This Scheme shall not be construed as conferring upon the Optionecs any right with respect to continuation of employment by the Company or any of its Subsidiaries, nor shall it interfere in any way with the right of the Company or any of its Subsidiaries to terminatc such employment at any time, with or without cause. The terms of employment of an Employee shall not be affected by the execution of this Scheme. The Options granted under this Scheme shall not form a part of the terms of employment of an Employee nor entitle him to take into account the Options grantcd under this Scheme in calculating any benefits or payment whatsoever or compensation or damages during the course of his cmployment or on the termination of his employment for any reason.

26.2 In no circumstanccs whatsoever shall any Employee ceasing to hold office or employment by virtue of which he is or may be eligible to participate in this Scheme be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever.

26.3 In the event an Optionee is subject to disciplinary proccedings (whether or not such disciplinary proceedings will give rise to a Termination of Scrviee) the Board may, in its discretion, suspend and/or cancel the right of the Optionee to exercise his/her Option pending the outcome of such diseiplinary proceedings. The Board may impose such terms and conditions as the Board shall deem appropriatc having regard to the nature of the charges made or brought against the Optionec and the outcome of such disciplinary proceedings.

27. INSPECTION OF ACCOUNTS

All Employees are entitled to inspect the latest audited accounts of the Company and its Subsidiaries at the offiee of the Scheme Administrator, as may be designated by the Board from time to time, at Level 21, Menara Perak, 24 Jalan Perak, 50450 Kuala Lumpur, Malaysia, during normal officc hours on Mondays to Fridays (publie holidays exeepted).

APPENDIX A
Letter of Offer

Date: PRIVATE AND CONFIDENTIAL

To : *Name*
Designation
Address

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Board of Bumi Armada Berhad ("Company") to participate in the Company's 2011 Employee Share Option Scheme ("Scheme").

Accordingly, an offer is hereby made to grant you options ("Options"), in consideration of the payment of a sum of RM1.00 as determined by the Board, to subscribe for and be allotted [ ] ordinary shares of par value [ ] per share in the capital of the Company, at a price of RM[ ] per ordinary share ("Share"). The Options shall be subject to the terms of this letter and the Scheme (as the same may from time to time be amended). You may refer to the following Scheme Administrator appointed by the Board for a copy of the By-Laws of the Scheme and any other relevant information and documents relating to the Scheme as may be determined from time to time by the Board:

<u>Scheme Administrator:</u>

Name:
Designation:
Company:
Address:
Tel No:

If you wish to accept this offer, please sign and return to the Scheme Administrator at the above address, the enclosed Acceptance Form with a sum of RM1.00 by 4.00 pm Malaysian time on [ ] being the closing date for acceptance of the Options, failing which this offer shall forthwith lapse. Upon your acceptance of this offer, the Options are deemed to have been granted to you as of the date of this letter.

Please note that the Options are personal to you and you shall not transfer or assign to any other person or create any charge, lien or other encumbrances whatsoever in respect of the Options or any part thereof or any rights thereunder.

Yours faithfully

APPENDIX B

Acceptance Form

The Company Secretary
Bumi Armada Berhad

C/o The Scheme Administrator
[Name and Address of Appointee]

Closing Date for acceptance of Options: (4.00 pm Malaysian time)

No. of Shares over which the Options are offered:

Option Price per Share:

I have read your letter of offer dated _________ ("Letter of Offer") and agree to be bound by the terms of the Bumi Armada Berhad 2011 Employee Share Option Scheme ("Scheme") and the Letter of Offer. I hereby accept the option to subscribe for the Shares specified above at the Option Price specified above and enclose a cheque for/cash* RM1.00, in payment for the Options.

I understand that I am not obliged to exercise the Options.

I confirm that as at the date hereof, I am not less than 18 years old or an undischarged bankrupt.

I acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to participate in the Scheme or accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

Please print in Block Letters
Name in Full :
Designation :
Address :

Nationality :
NRIC/Passport No :

Signature :
Date :

*Delete accordingly

APPENDIX C
Notice of Exercise of Options

The Company Secretary
Bumi Armada Berhad

C/o The Scheme Administrator
[Name and Address of Appointee]

Total No of ordinary shares ("Shares") over which the Options were offered under the 2011 Employee Share Option Scheme ("Scheme"), on ("Offer Date")	:	
Number of Shares previously allotted under the Seheme	:	
Outstanding balance of Shares which may be allotted under the Scheme	:	
Number of Shares now to be subscribed	:	
Option Price per Share	:	
Option Period	:	A period commeneing from the date, fixed by the Board, as the date that Options may be exereised and expiring on the date that Options terminate, lapse or cease to be in force in accordance with the By-Laws.

I. *[Please complete either (a)(i) or (a)(ii)]*

(a) Pursuant to the Company's letter of offer under the Scheme to me on the above Offer Date, I hereby exercise Options to subscribe for .... Shares ("Subscription Shares") in Bumi Armada Berhad at RM .... per Share.

I/We request the Company to allot and issue the said Subscription Shares and credit the Subscription Shares as follows :-

*(i) in my/our name and to my/our direct securities account number .... with [ ]; or

*(ii) in the name of ...., my/our nominee, and to my/our nominee's securities account number .... with [ ].

The particulars of the said nominee are as follows :-

aa. address :
bb. registration number :
cc. country of incorporation :

2. I/We enclose *cashier's order/bank draft no. .... for RM .... by way of subscription for the said Subscription Shares.

3. I agree that the subscription for the said Subscription Shares is subject to the terms of the grant of the Options, the Scheme (as amended from time to time) and the Memorandum and Articles of Association of the Company.

4. *(a) I declare that I am subscribing for the said Subscription Shares for myself and not as a nominee for any other person.

OR

*(b) I declare that the nominee named in paragraph 1(a)(ii) above (as the case may be) is subscribing for the said Subscription Shares as my nominee.

OR

*(c) I/We declare that I/we are subscribing for the Subscription Shares in my/our capacity as the legal personal representative(s) of the *[specify name of deceased employee]*.

*Delete accordingly

Please print in Block Letters

Name in Full :
Designation :
Address :

Nationality :
NRIC/Passport No :

Signature :
Date :

**NOTE In the case of an exercise of Options by legal representative(s), please provide information relating to such legal representative(s).