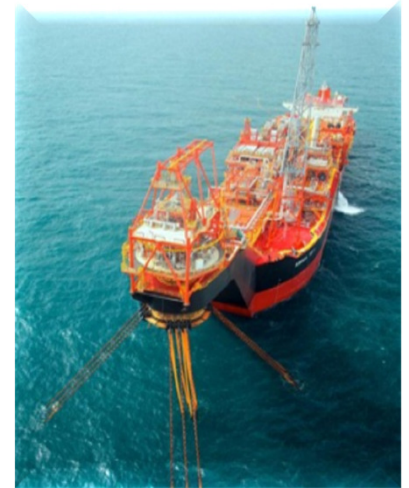


# Welcome to Bumi Armada's 18<sup>th</sup> Annual General Meeting

10 June 2014



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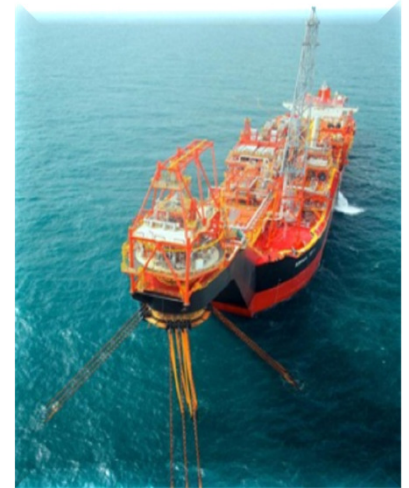
"Knots Ahead of the Rest"

# 2013 Score Card & Beyond

**Mr. Hassan Basma**

Executive Director/CEO

10 June 2014

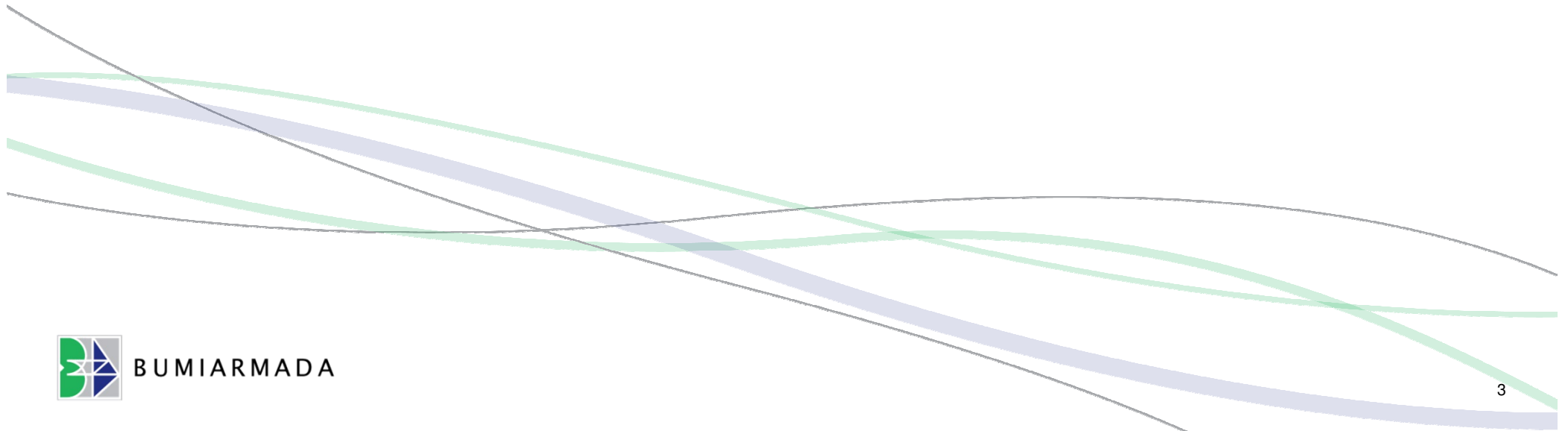


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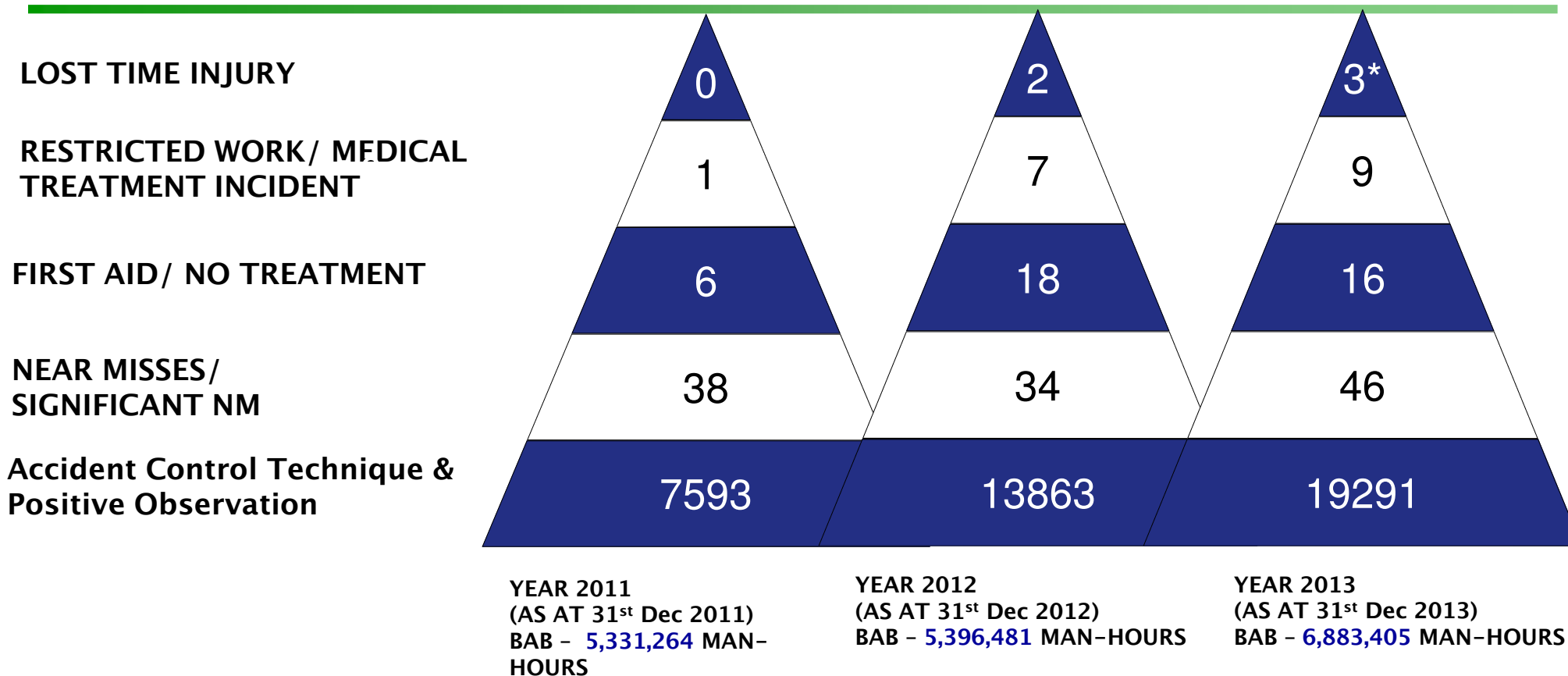
"Knots Ahead of the Rest"

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# 2013 HSSEQ SCORE CARD



# 2013 INCIDENT PYRAMID



\* LTI

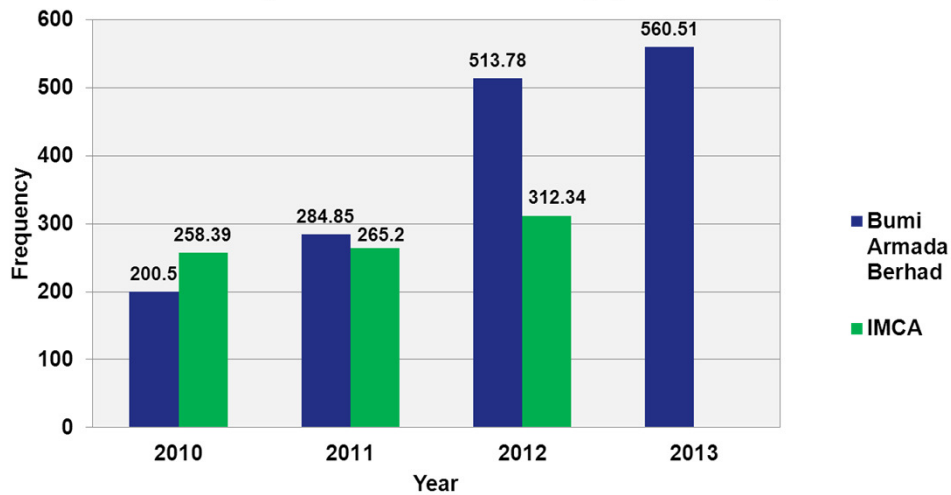
(20th Jan 2013) Armada Installer – A Crew fell onto pipe.

(6th May 2013) Armada Perdana – Hose fell on a crew.

(5th November 2013) Venture Tuah 2 – A crew injured fingers.

# HSSEQ Leading Indicators

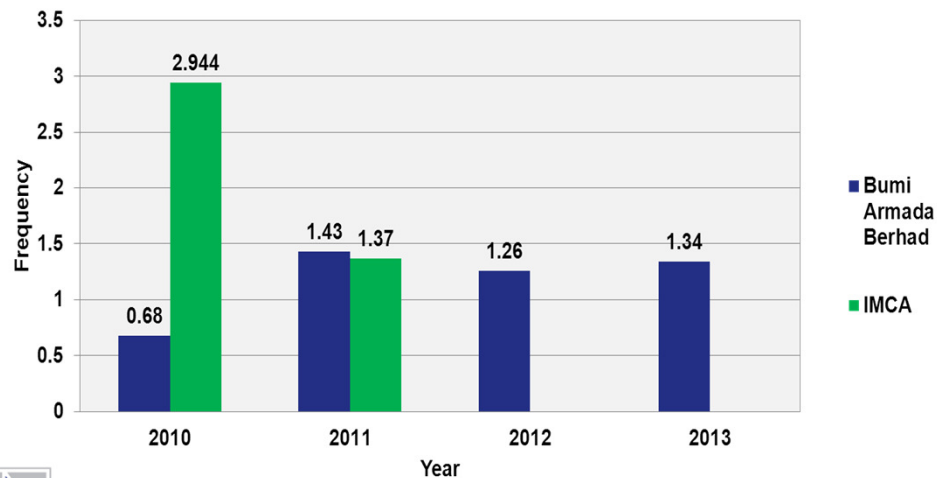
Safety Observation Card Freq. (2010 - 2013)



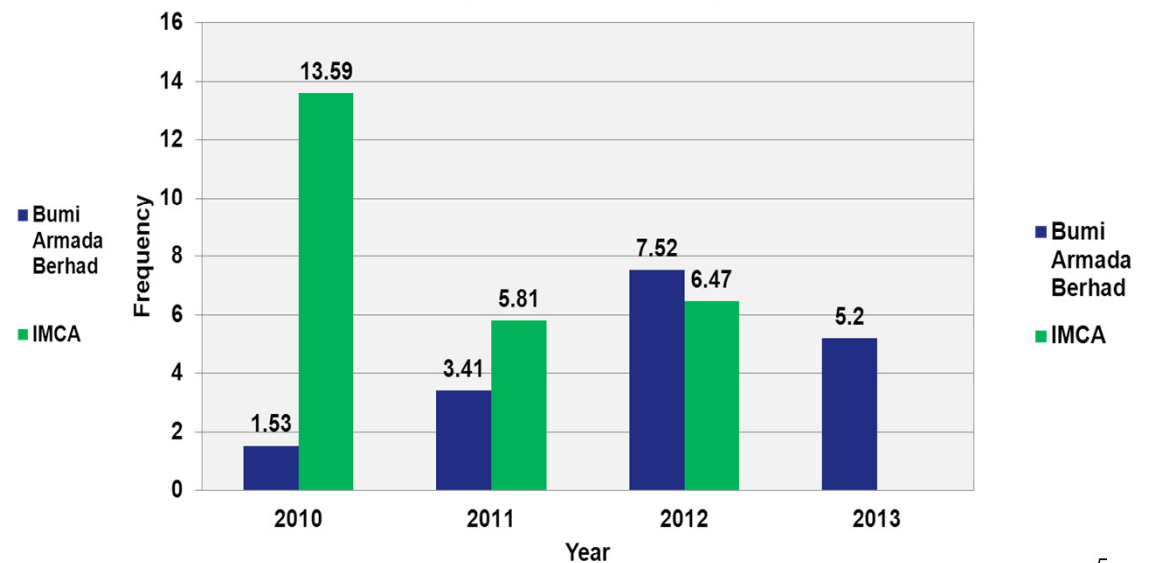
## Note:

- IMCA Safety Statistics Report for 2013 will be published in June 2014
- IMCA Near Miss Report Frequency is not available
- Based on 200,000 Man-Hours

Near Miss Report Freq. (2010 - 2013)



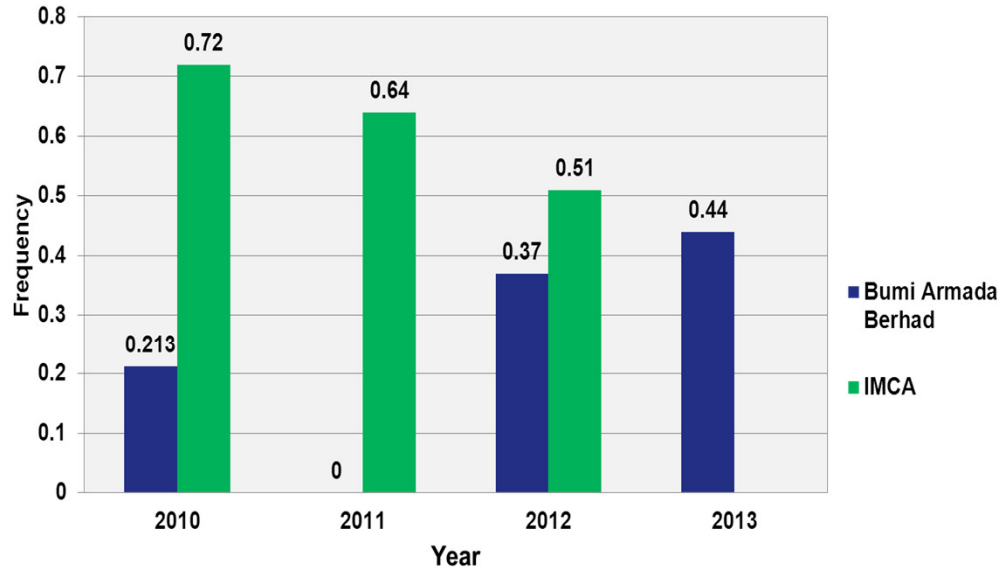
Management Visit Ratio (2010 - 2013)



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# HSSEQ Lagging Indicators

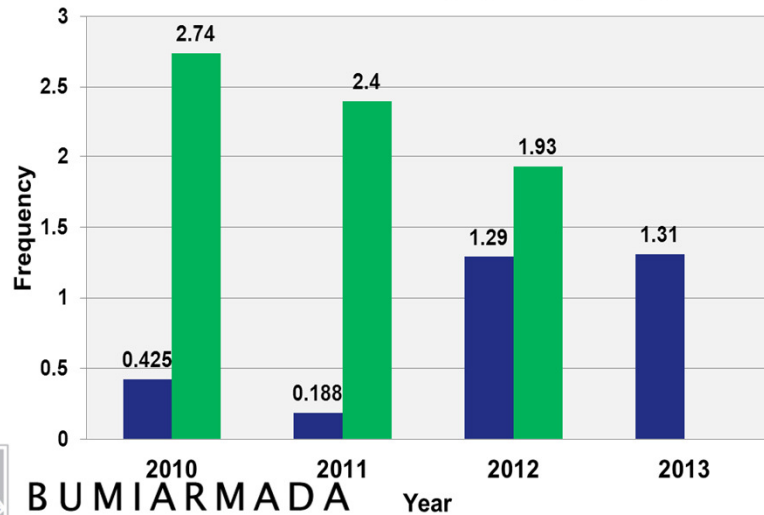
Lost Time Injury Frequency (LTIF) (2010 - 2013)



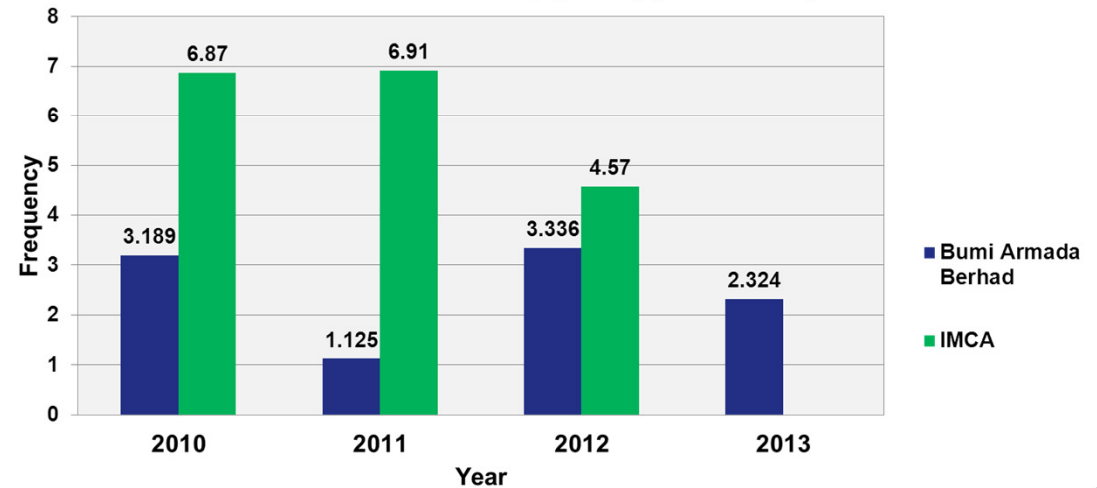
## Note:

- IMCA Safety Statistics Report for 2013 will be published in June 2014
- LTIF, TRIF and FACH is based on 1,000,000 Man-Hours

Total Recordable Injury Freq. (TRIF) (2010 - 2013)



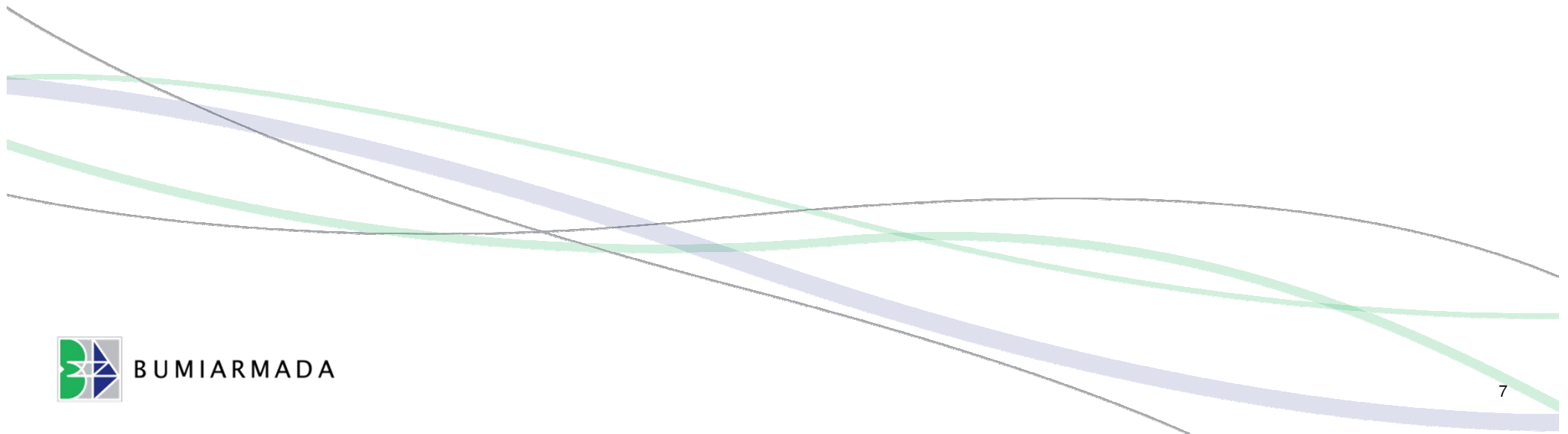
First Aid Case Freq. (FACH) (2010 - 2013)



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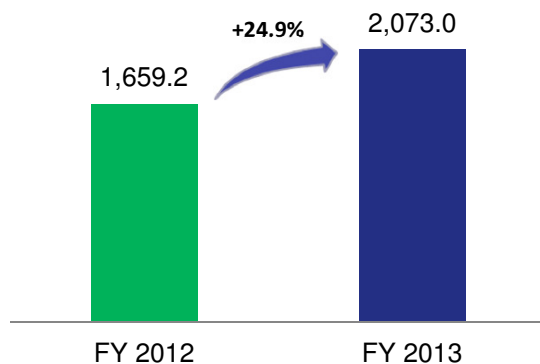
# 2013 KEY FINANCIALS



# Results Overview – FY 2013 vs. FY 2012 (in RM'mil)

Operations on track and growth across all business segments

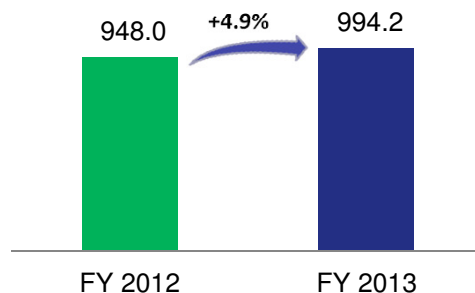
## Revenue



### Higher revenue from:

- FPSO client VOs & start up Kraken contract
- New OSV vessels and improved uptime on larger vessels
- T&I LukOil project, Hawk D1 installation and charter in Vietnam

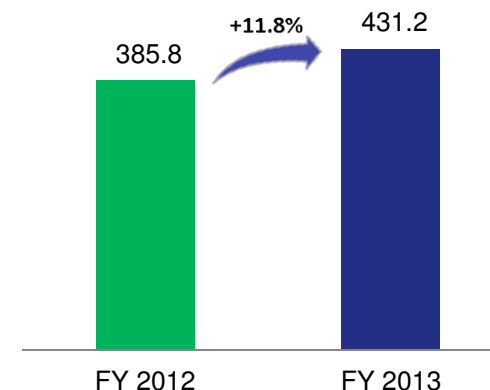
## EBITDA



### Higher EBITDA in line with:

- Higher revenue from business segments
- Share of profit from C7 FPSO contract

## Net Profit\*



### In line with EBITDA increase with benefit from:

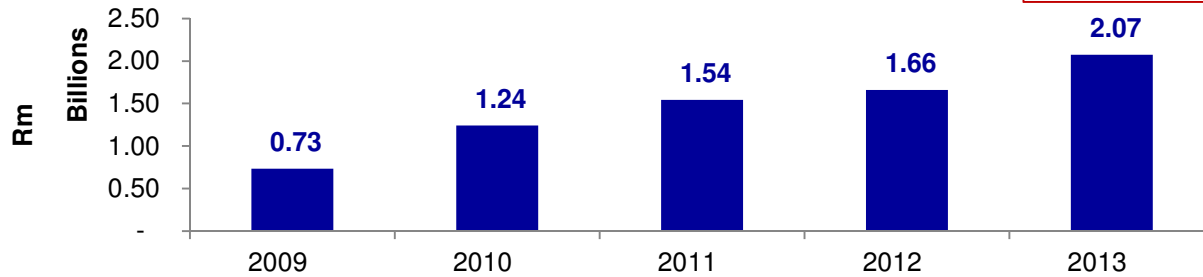
- Lower finance costs as due to project debt repayment
- Lower deferred tax estimates

\*Attributable to Bumi Armada shareholders



# Continuous Growth (FY 2009 – FY 2013)

## Revenue

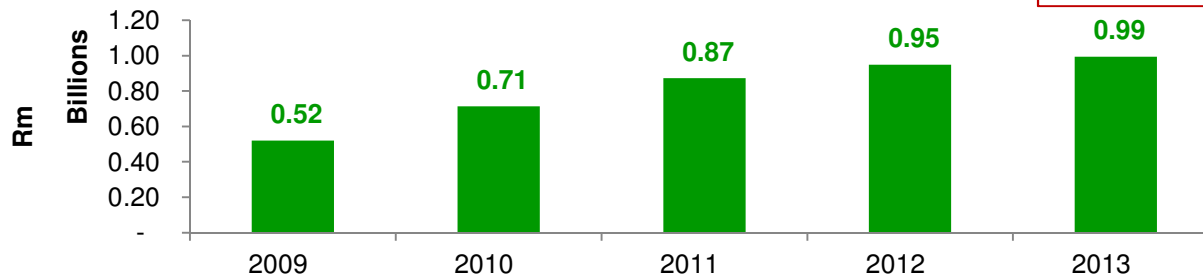


5 Year CAGR 32%

### Ratios:

- EPS 14.71
- ROCE 15%
- Return on assets 6%
- Return on equity 11%

## EBITDA



5 Year CAGR 27%

## Net Profit



5 Year CAGR 24%



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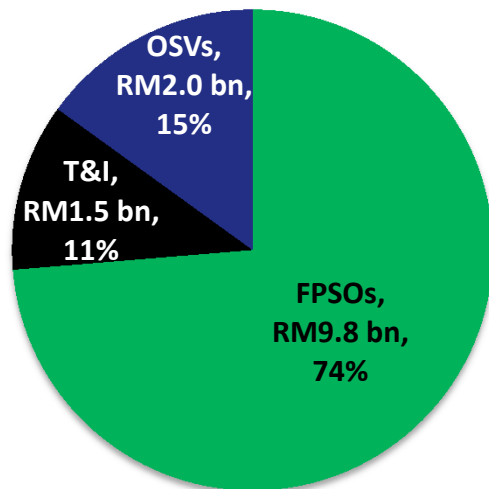
# Quality Order Book

## Quality firm backlog of RM13.3 bn

As at 31 March 2014, the Group's order book stood at RM13.3 billion. Upon expiration of the firm contract period, certain contracts contain extension options which are renewable on annual basis with a total potential contract sum of RM8.9 billion over the entire option periods.

### Firm contract period

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

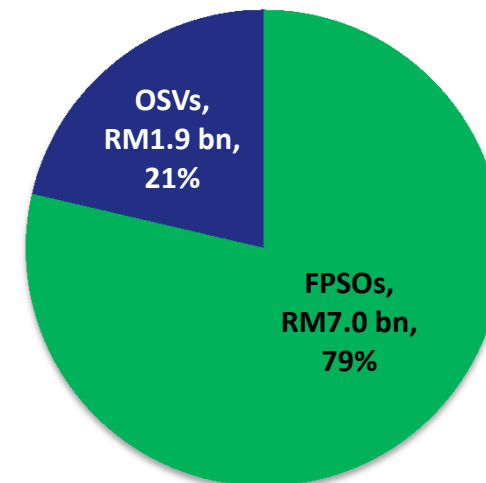


**Firm contract period order book: RM13.3bn\***



### Optional extension period

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



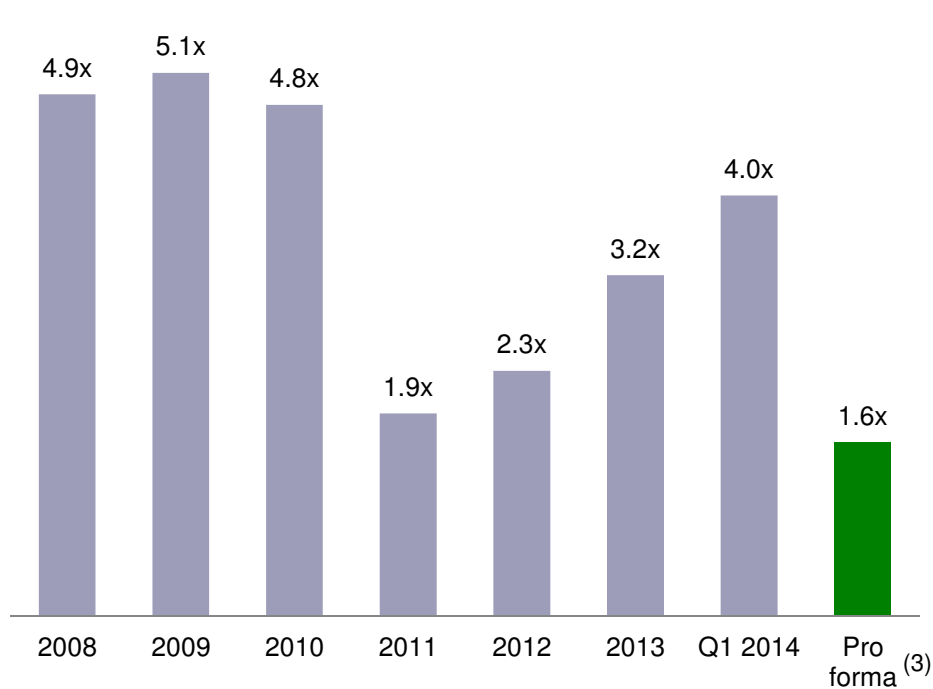
**Optional extension period order book: RM8.9bn**

*\*Excludes ENI 1506 contract award which has yet to be signed.*

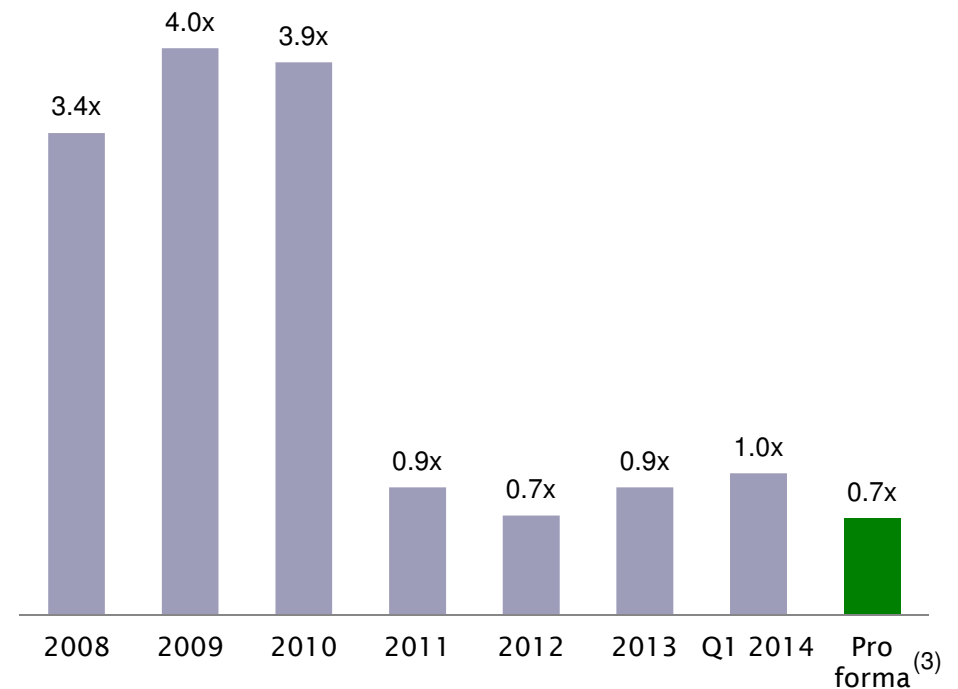
# Leverage and capitalization

## Financial capacity intact to undertake more projects

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



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



<sup>(1)</sup> Calculated based on LTM as of 1Q 2014 EBITDA

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

Note: <sup>(3)</sup> Q1 2014 pro forma for the proposed RM2,200 million Rights issue.

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# OPERATIONAL HIGHLIGHTS

# Operational Highlights

## ■ FPSO

- 99% Uptime
- Extension Of Two-Year Contracts For Armada Perkasa
- Awarded Kraken Contract
- Submitted Bid FEED for ENI OCTP Ghana & Tullow Kudu
- 31.5 million barrels of oil and 24.2 MMscf of gas produced

## ■ OSV

- 81% Utilization 94% Uptime
- OSV secures 10-Year Contracts to Supply Three Ice-Class Vessels To LUKOIL contract value of USD262 million
- 4 PSV's delivered in 2013
- Fleet size expanded to 50



# Operational Highlights

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- T&I
  - First time installation of D1 risers & umbilicals'
  - First pipe-laying operation for LukOil Filanovsky phase 1
  - Awarded phase 2 of EPIC for LukOil Filanovsky valued at US\$ 190 Million
  - Armada Condor work in West Africa
  
- OFS
  - Signed JV on the Armada Synergy
  - Continued rapid build-up
  
- GDT
  - Submitted 2 FSRU bids
  - Qualified for FLNG FEED
  - Continued rapid build-up



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# CASE FOR SUSTAINABLE GROWTH CSR AGENDA



# CSR – Sustainability Index

MEMBER OF

# Dow Jones Sustainability Indices

In Collaboration with RobecoSAM 



- Bumi Armada was successfully included in the Dow Jones Sustainability Emerging Markets Index (DJSI Emerging Markets) for the second time in September 2013
- Companies included in the list include Petrobras, Thai Oil PCL, Nestle Malaysia and Maybank



# Towards Reducing Our Carbon Footprint

- Carbon Footprint (fuel + electricity) for 2013 was **0.07 tonnes of CO<sub>2</sub>e / man-hour**
- Reduction of 12.0% compared to 2012 Carbon Footprint data (fuel + electricity)

(t.CO2e/ man-hour)	2012	2013	% Results
Fuel (Vessel)	0.1153	0.1012	-12.3
Electricity (Office)	5.5473 x 10 <sup>-4</sup>	4.6637 x10 <sup>-4</sup>	-15.9
<b>Total Bumi Armada Berhad (Fuel + Electricity)</b>	<b>0.08491</b>	<b>0.0747</b>	<b>-12.0</b>
<b>Carbon footprint by Business Unit</b>			
	<b>2012</b>	<b>2013</b>	<b>% Results</b>
OSV	0.1154	0.1108	-4.0
FPSO	0.1575	0.1564	-0.7
T&I	0.0174	0.0167	-3.8

# Towards Reducing Our Carbon

- Ongoing implementation of fuel across the OSV fleet
- All new builds under SOW 2 are fuel efficient and Tier III certified
- SEEMP implemented for OSV and T&I vessels in accordance to MARPOL 73/78



- Second Year in partnership with FRIM for Carbon Conservation Programme
- Involves conservation of carbon stored at Field 11, a 5.6 hectare (ha) of rich, biologically diverse forest site at FRIM.

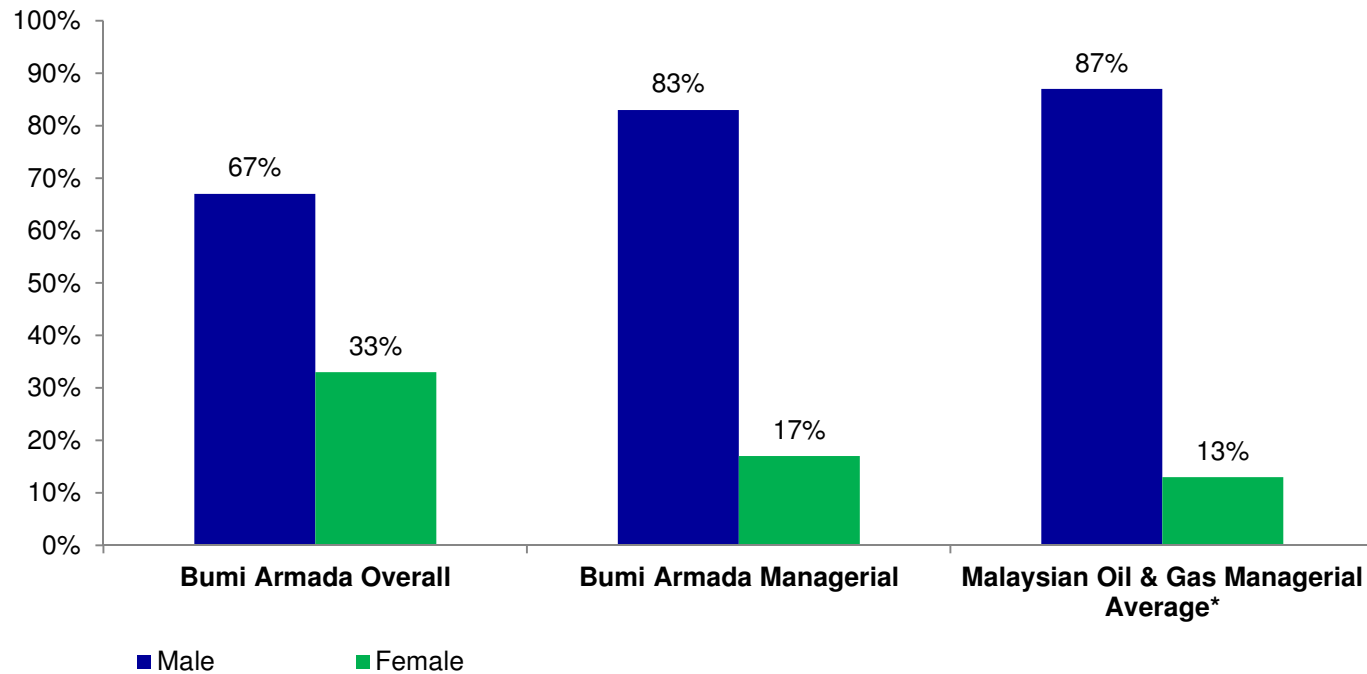


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# Diversity in the workplace

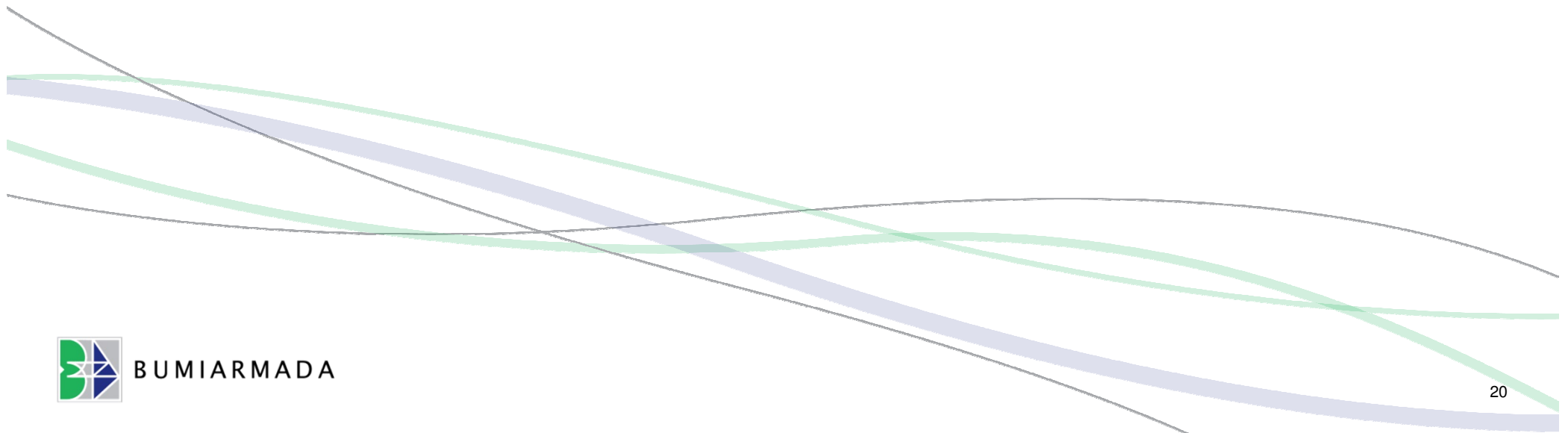
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- Leading the industry in gender diversity
- 2 female board members



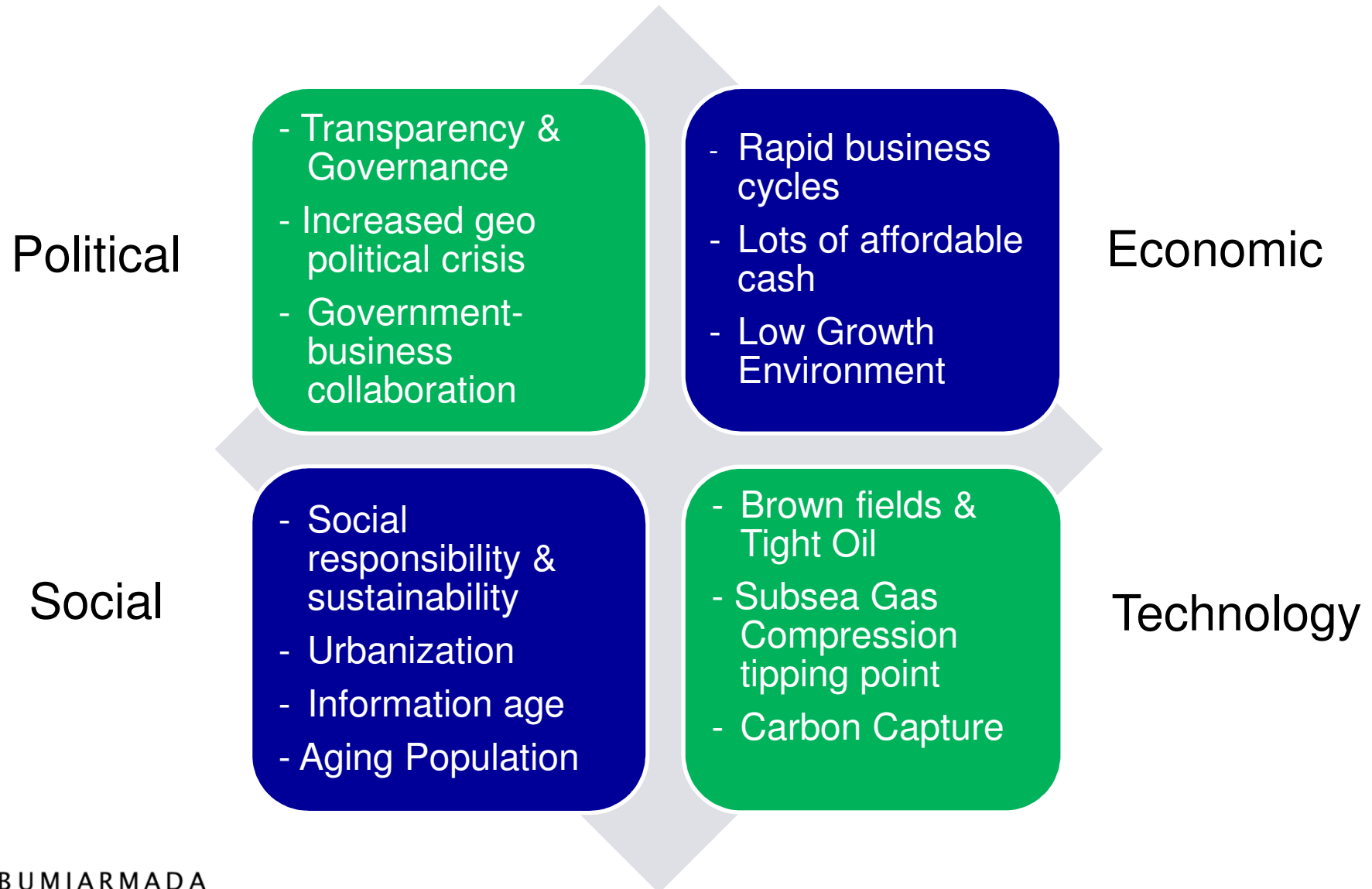
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# EXTERNAL MARKET & LEADING INDICATORS



# PEST Analysis

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# E&P Spending By Company Type

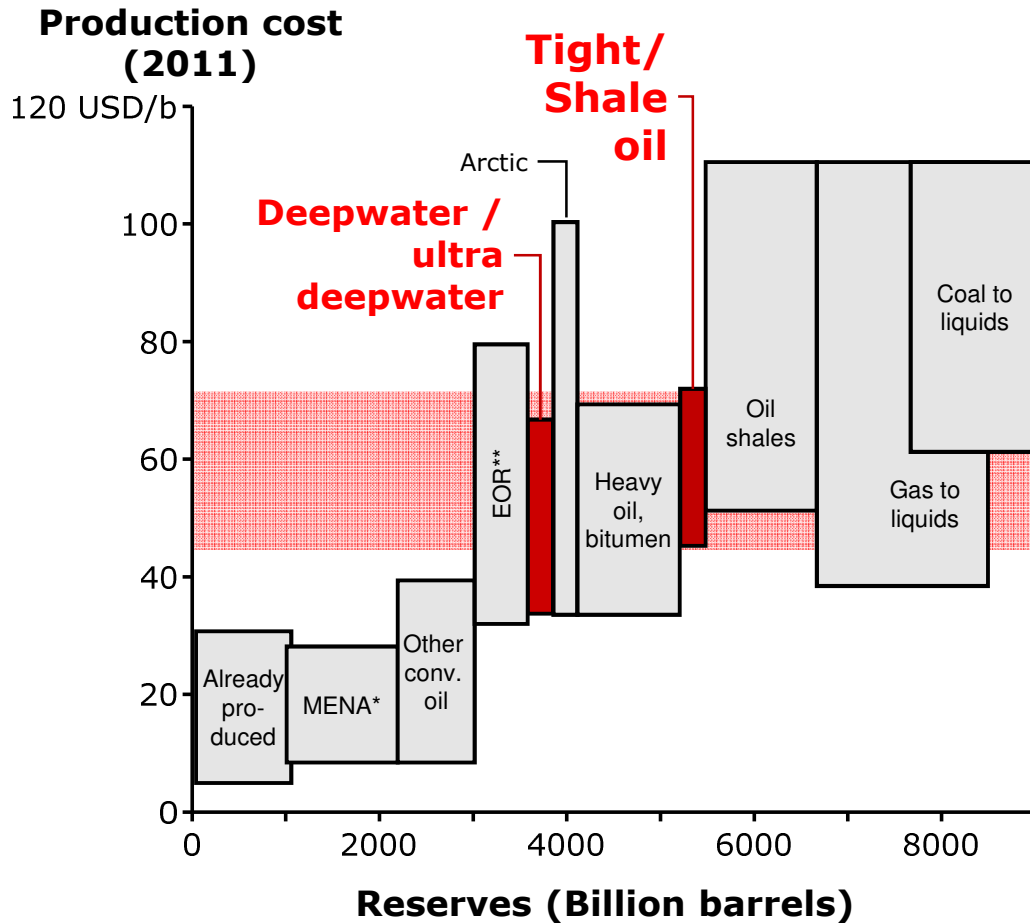
- Independents and NOC have the highest spending growth in 2013
- Over the last 5 years Independents have increased spending at the highest rate

E&P Spending, Pareto Sample														
USDbn	Size	08	09	10	11	12	13e	Δ09	Δ10	Δ11	Δ12	Δ13	13 vs '08	
NOCs	\$bn	29%	87	88	100	103	122	133	1%	14%	3%	19%	9%	54%
Majors	"	39%	126	122	126	146	164	175	-3%	3%	16%	13%	6%	38%
Independents	"	13%	40	32	40	53	65	69	-19%	25%	31%	23%	7%	74%
Onshore Focused	"	19%	73	46	57	73	87	86	-37%	23%	28%	19%	-1%	17%
<b>Total</b>	<b>\$bn</b>		<b>326</b>	<b>288</b>	<b>323</b>	<b>374</b>	<b>438</b>	<b>463</b>	<b>-11%</b>	<b>12%</b>	<b>16%</b>	<b>17%</b>	<b>6%</b>	<b>42%</b>

Source: Pareto; Based on announced budgets (56 E&P companies)

# The Impact Of Shale Oil & Gas

## SIMILAR PRODUCTION COSTS



\*MENA: Middle East and North Africa

\*\*EOR: Enhanced Oil Recovery (gas injection, thermal recovery or chemical injection)

Source: IEA (November 2011); Bain Analysis

## MIXED VIEW ON SHALE

Bullish view

“[There is a] **structural activity shift** from deep offshore to **deep land**”  
 The flow of capital from Big Oil and NOC names into the North American unconventional space has contributed to the **prolific increase in shale oil and gas output** ...”

JPMorgan, Jan 2014

Bearish view

“**Shale gas will not significantly impact the offshore market, since gas is a very local market** and is unlikely to have an impact beyond North America.”

Former Proj. Services Manager, Subsea 7

“Onshore shale **requires many rigs** to produce the same capacity as offshore. This **creates many infrastructure issues** for the oil companies”

Former Executive, Murphy Oil



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# Leading Indicators – Oil Price

- Traded between US\$ 90-120/bbl with 3 year average around US\$ 100/bbl





# Unconventional O&G Will Remain A Small Portion Of Global Production; Offshore Will Remain Strong

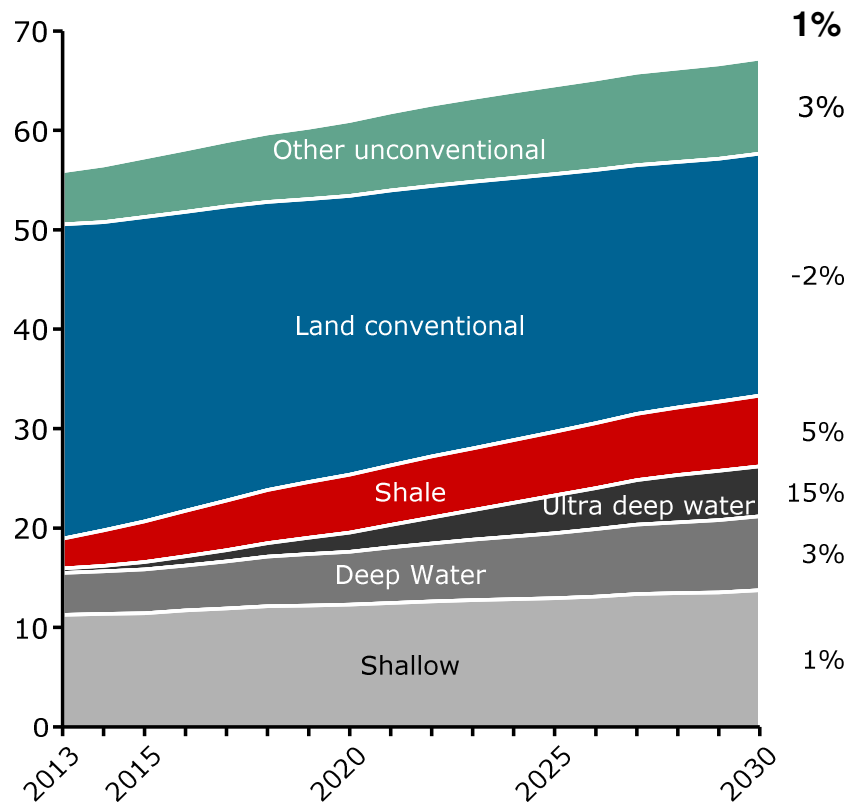


**2030: WORLDWIDE OIL & GAS PRODUCTION ~70B BOE**

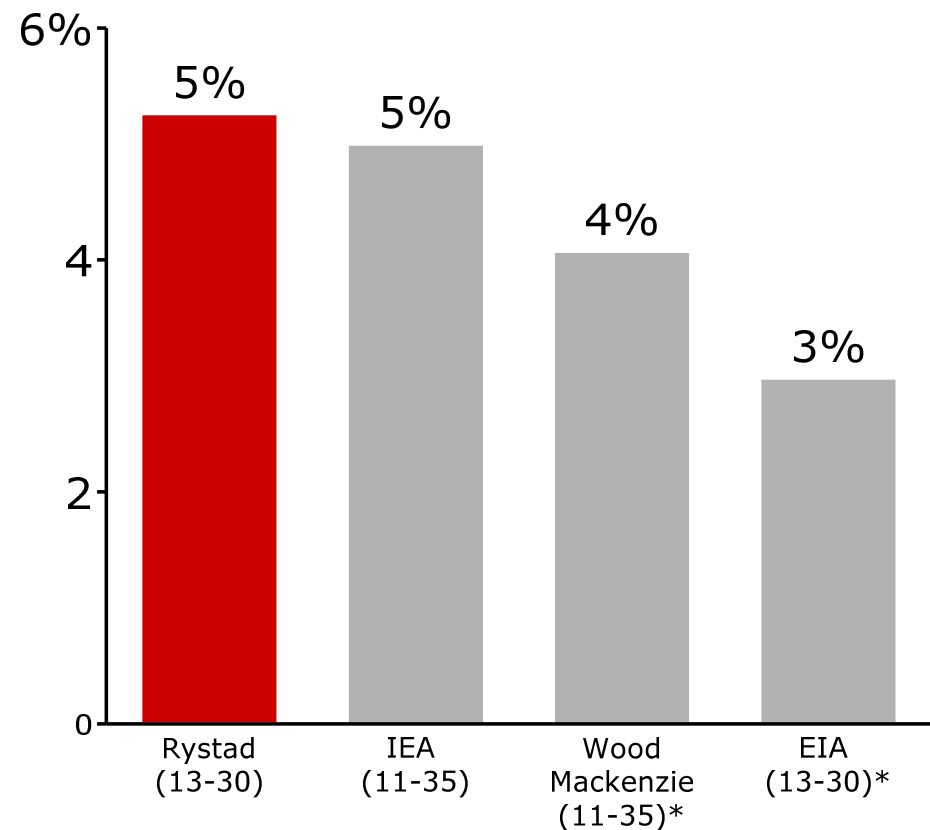
**CONSISTENT SHALE GAS PRODUCTION GROWTH ACROSS SOURCES**

**Oil & Gas Production (B boe)**

CAGR  
13-30



**Future shale gas production growth (%)**

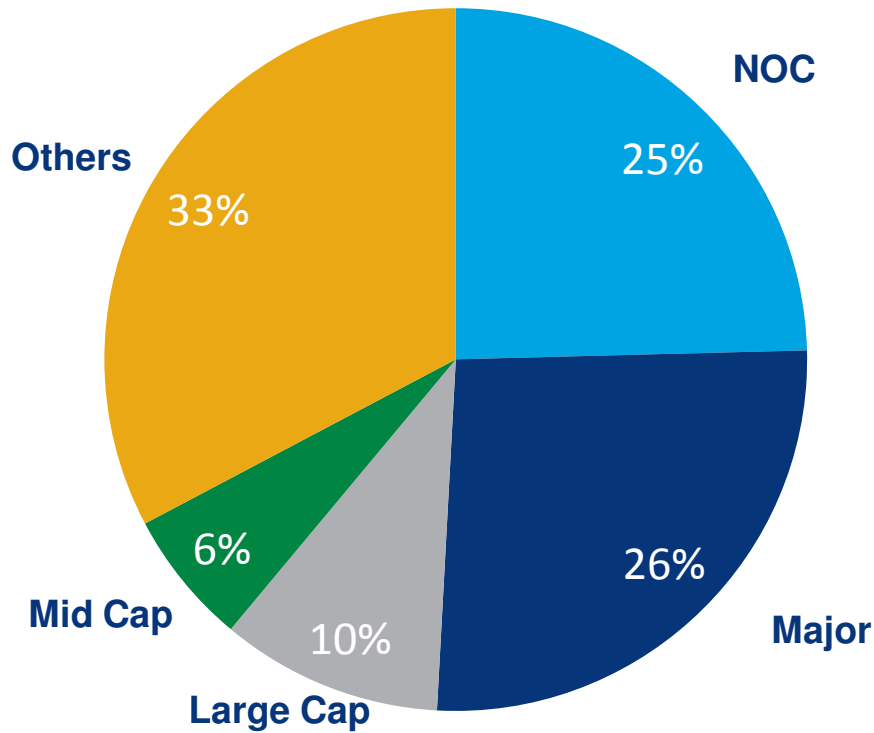


**BUMIARMADA**

(\*) US only  
Source: Rystad, IEA, Wood Mackenzie, EIA

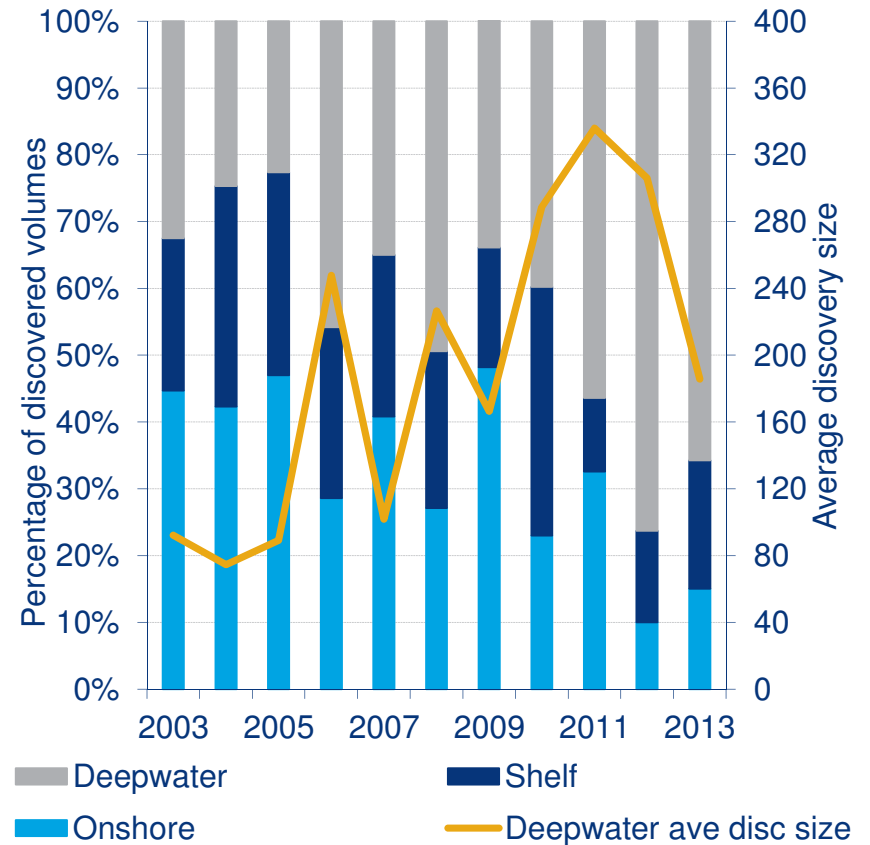
# Conventional Exploration by Company Type & Water Depth

2013 new field resources by company type



Source: Wood Mackenzie

Percentage of annual volumes by water depth and average deepwater discovery size



Source: Wood Mackenzie

# Leading Indicators – Steel price

- Prices have remained steady
- Conducive for conversion projects and new builds

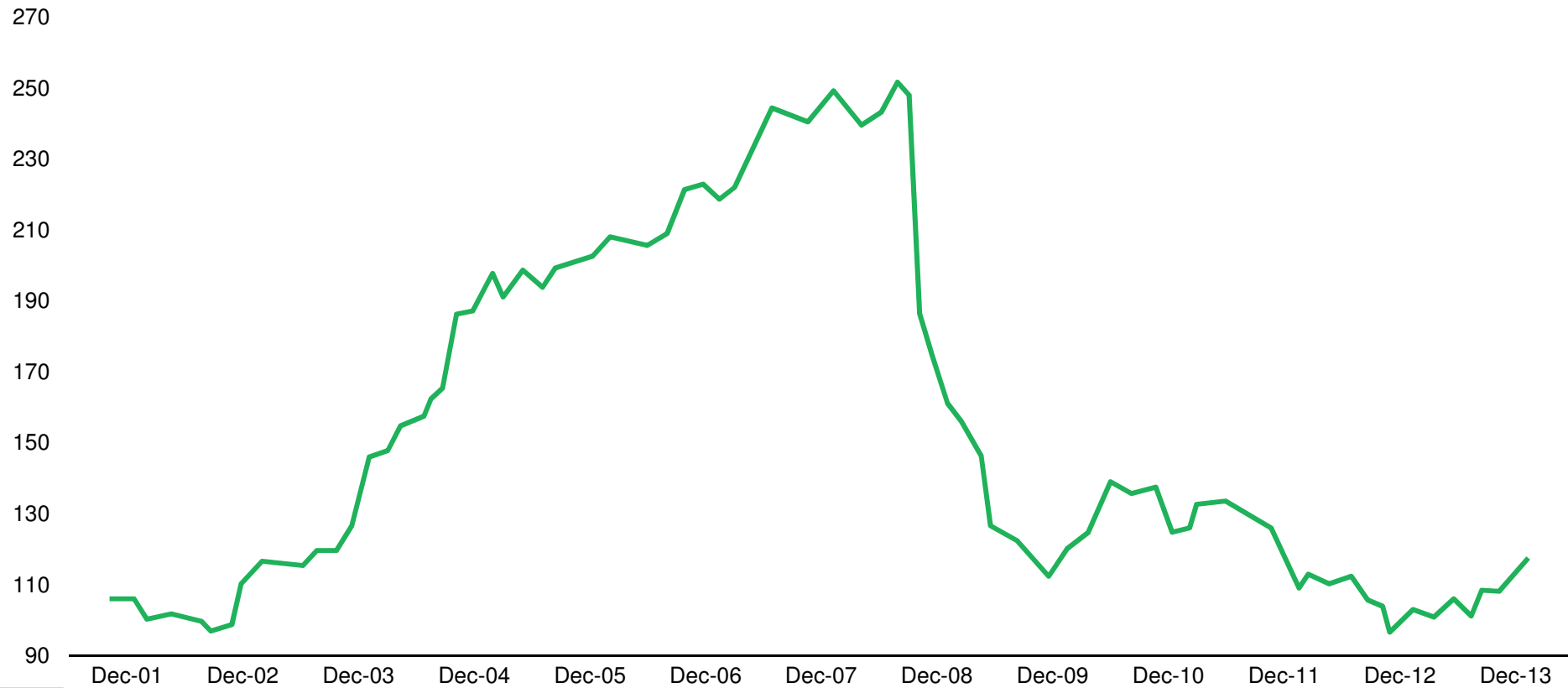


# Second-hand tanker prices

- Second-hand tanker prices have started to creep up
- Close monitoring needed to control capex and inflation

## Second-hand tanker price index

Index (Jan'00 = 100)



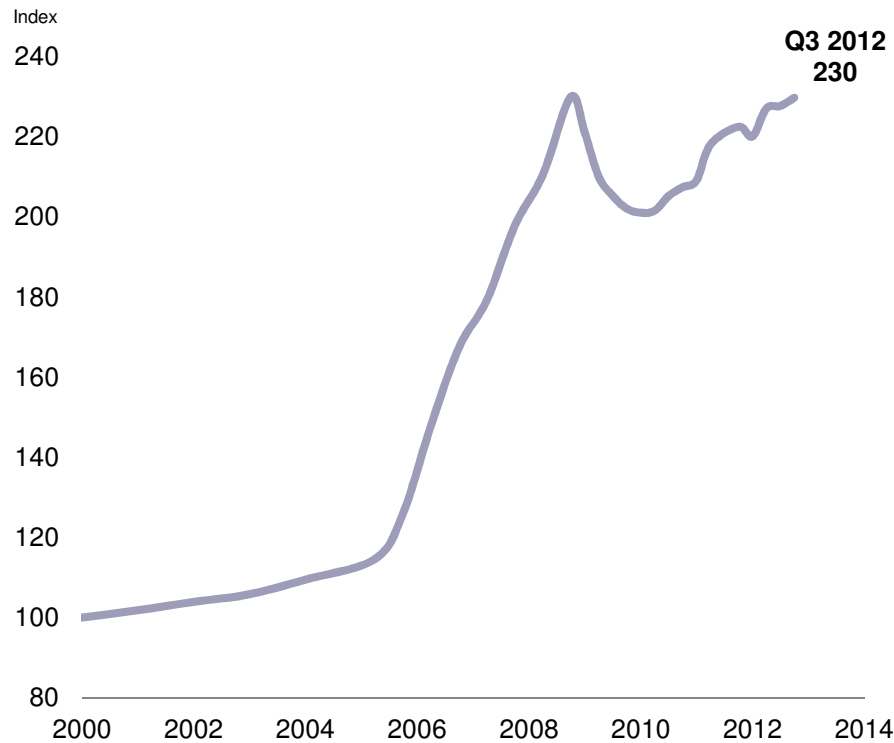
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Source: Clarkson

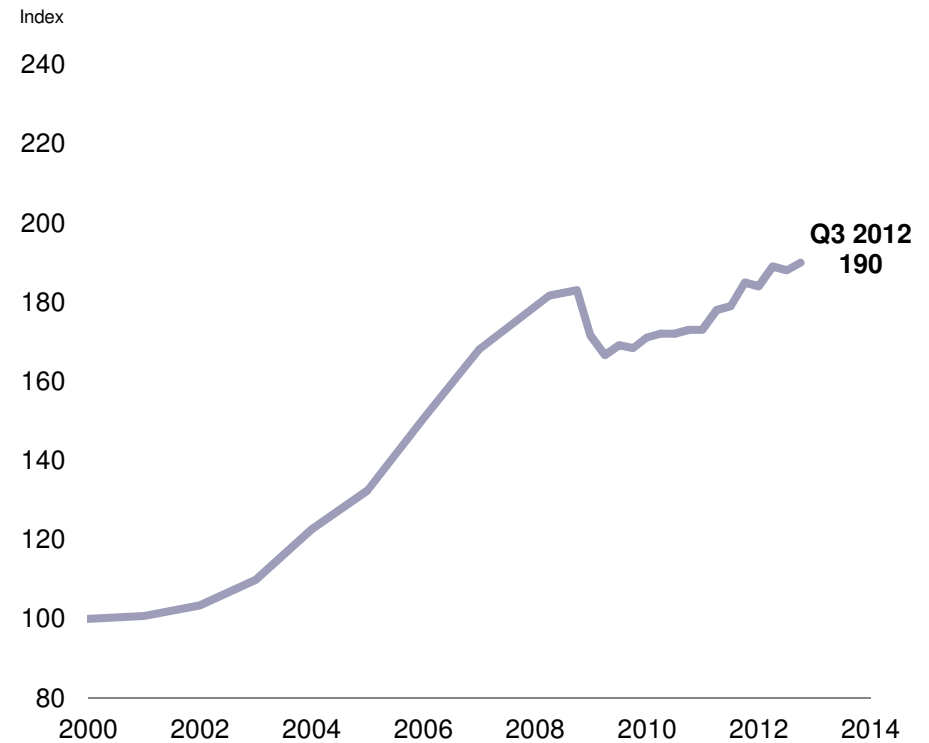
# Costs control will be critical

- Capex and opex costs have effectively more than doubled over the last 10 years
- Uptrend will continue

HIS CERA Upstream Capital Cost Index

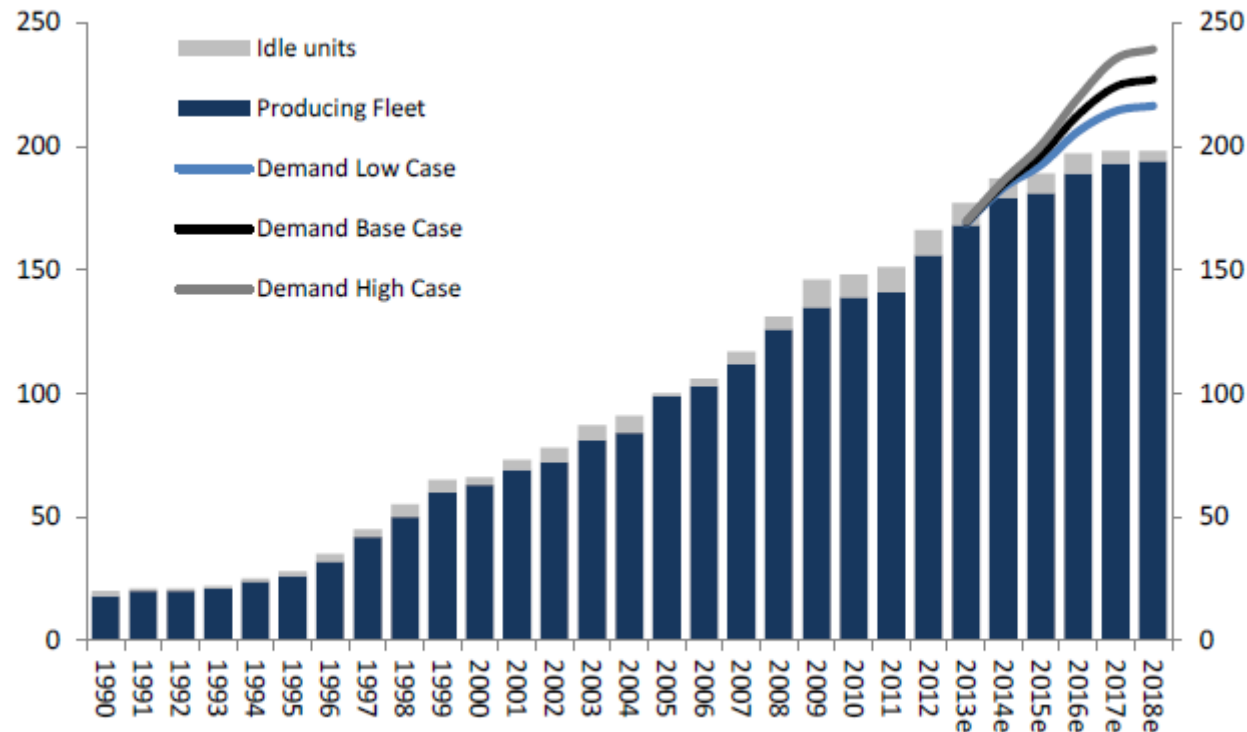


HIS CERA Upstream Operating Cost Index



# FPSO Demand

Fleet development FPSOs



Source: Pareto Research, ODS Petrodata

- High Fleet growth for the next 5 years
- Continues to be a favoured solution, with strong project pipeline

# Markets / Prospects

- IHS forecast,
- Increasing backlog
  - 2008 – 86 prospects
  - 2011 – 124 prospects
  - 2013 – 156 prospects
- Next 5 years
- FPSO – 76
  - FSRU – 20
  - FLNG – 8

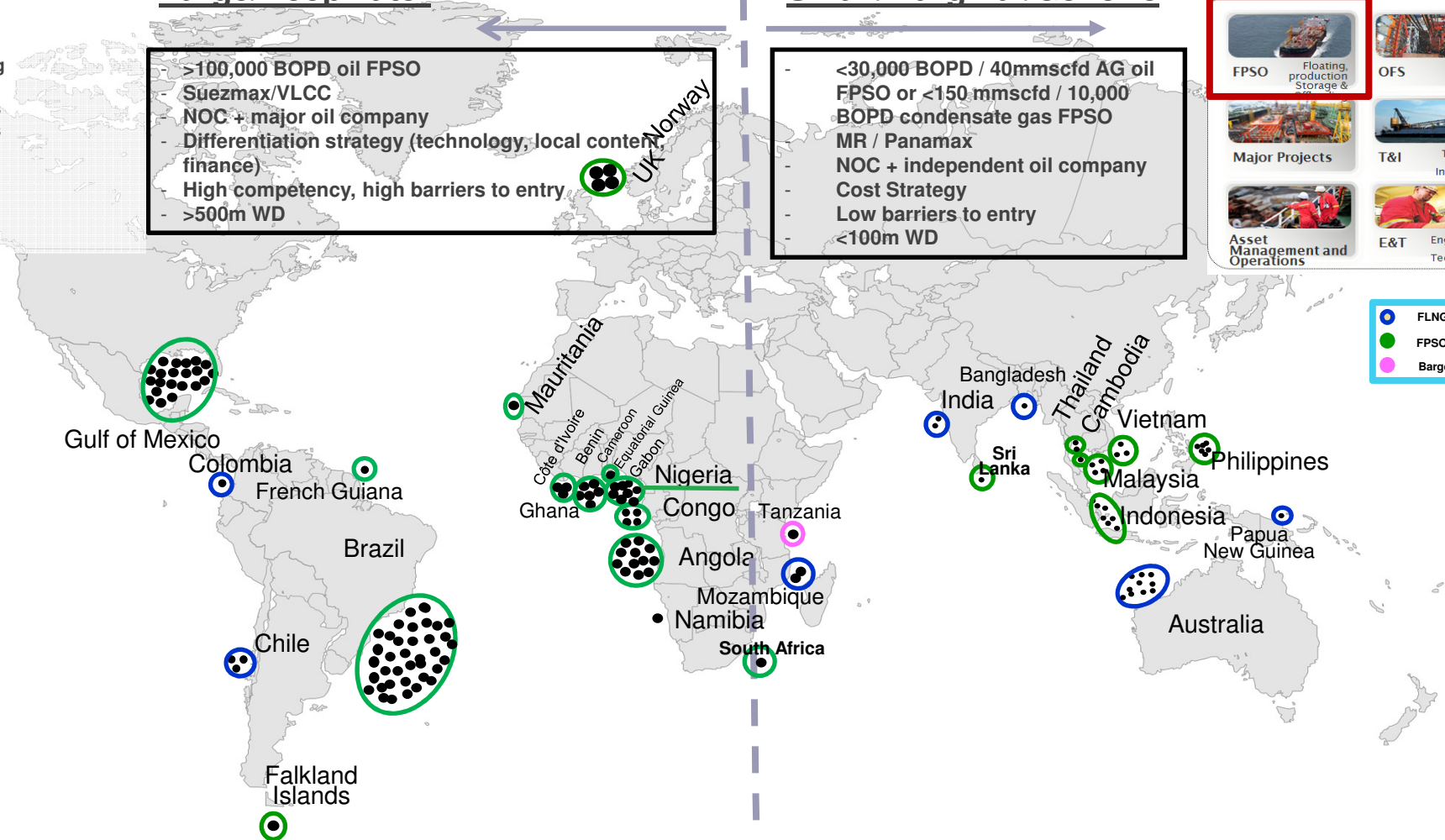
## Large/Deepwater

- >100,000 BOPD oil FPSO
- Suezmax/VLCC
- NOC + major oil company
- Differentiation strategy (technology, local content, finance)
- High competency, high barriers to entry
- >500m WD

## Small/Marginal/Generic

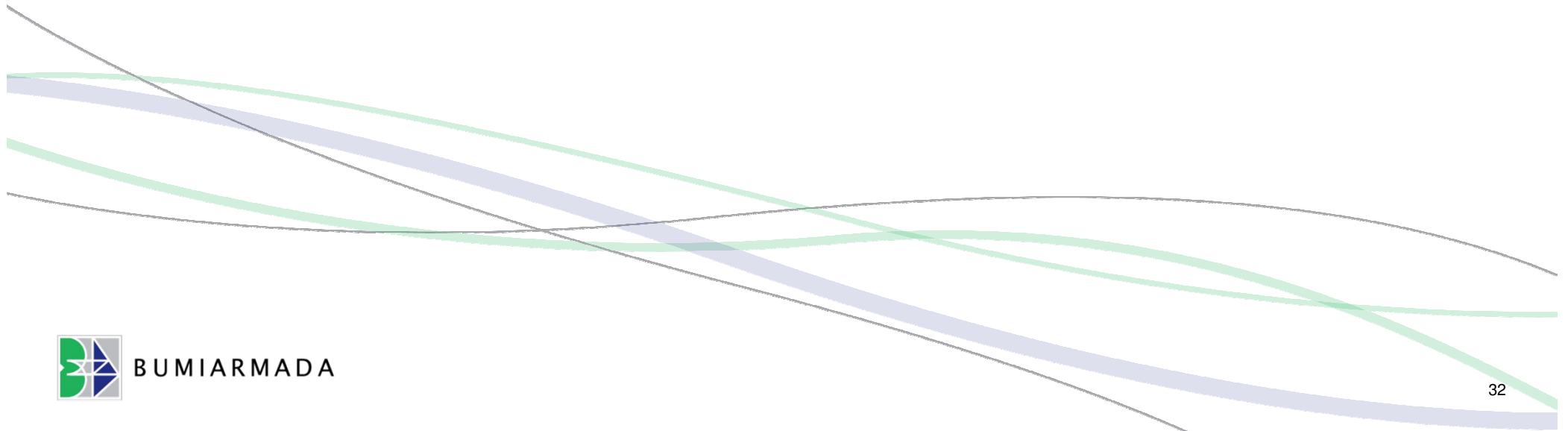
- <30,000 BOPD / 40mmscfd AG oil FPSO or <150 mmscfd / 10,000 BOPD condensate gas FPSO
- MR / Panamax
- NOC + independent oil company
- Cost Strategy
- Low barriers to entry
- <100m WD

- FLNG / FSRU
- FPSO / FSO
- Barge



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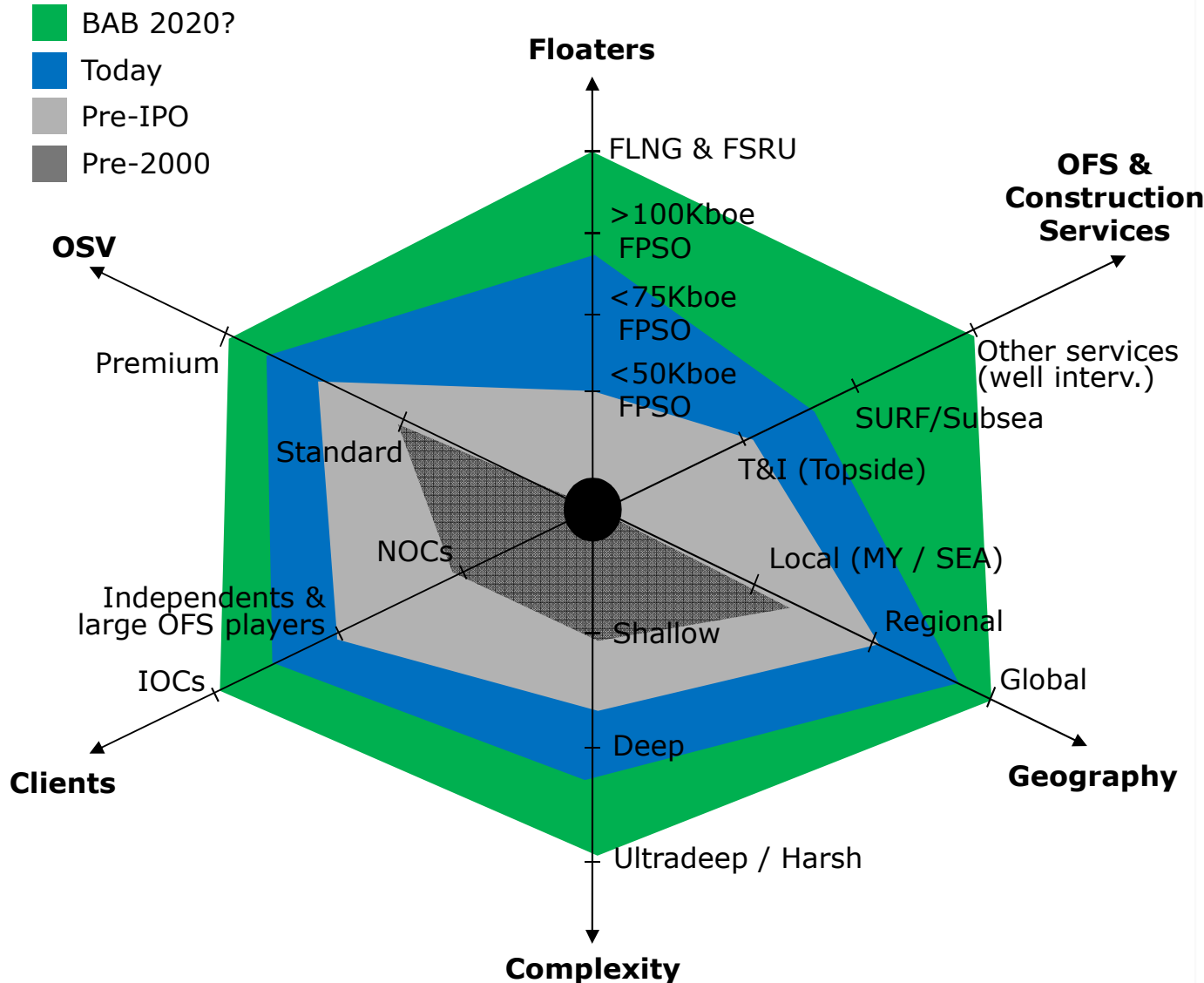
# BEYOND 2014





# Executing on this strategy will improve the overall positioning of Bumi Armada

## BA core business:



## Pre-2000:

- Local Malaysian OSV player
- ~10 light vessels
- No FPSOs

## Pre-IPO:

- Regional expansion in SEA and Africa
- ~30 OSV vessels, few heavy AHTS and PSVs
- 2 FPSOs

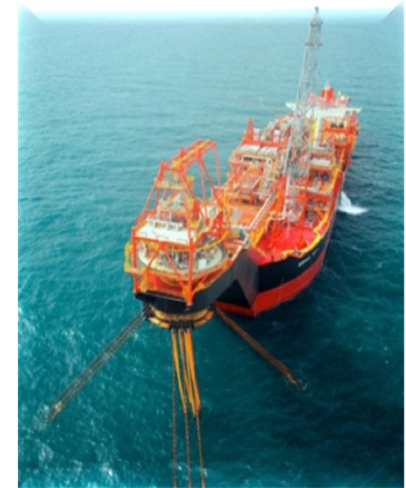
## Today:

- Global reach
- ~45 OSV vessels, with several premium AHTS and PSVs
  - 7 FPSOs & 1 Pending LOI
- T&I, GDT & OFS

## 2020:

- FLNG and FSRU contracts
- Several SURF and Subsea projects
- OFS premium services (well intervention)

Thank You



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"Knots Ahead of the Rest"