

# Annual General Meeting

23<sup>rd</sup> May 2016



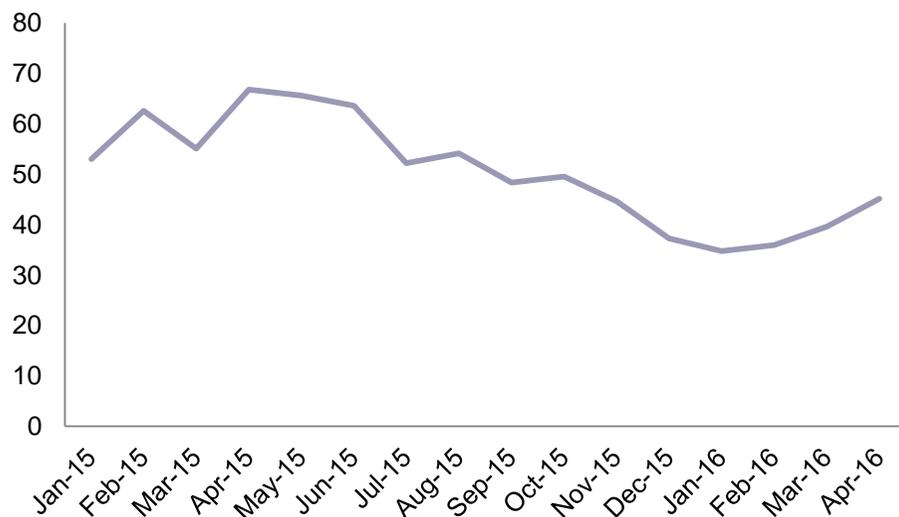
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"Knots Ahead of the Rest"

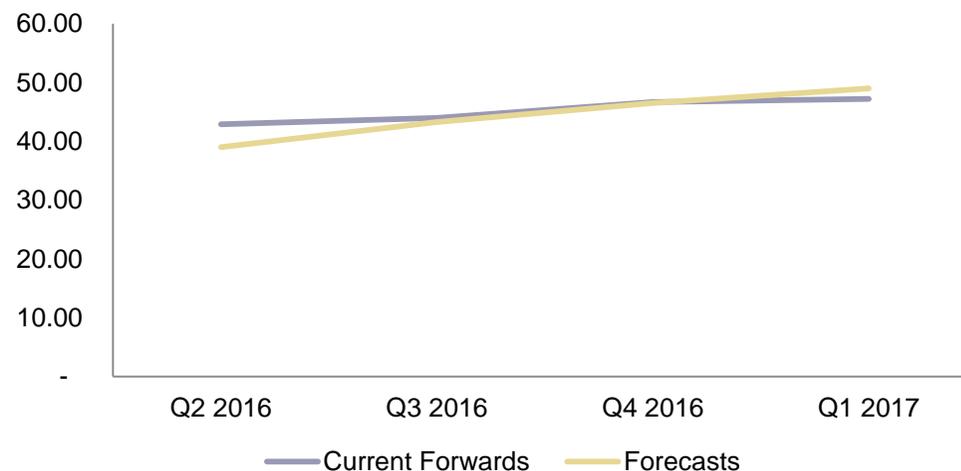
# Macro Background

- Oil price resumed the downtrend in 3<sup>rd</sup> Quarter 2015 and bottomed out at USD27 in 1<sup>st</sup> Quarter 2016.
- In 2015, Global E&P capital spending declined by 23% (USD165b) to USD545b in 2015 (2014 : USD710b) and is expected to decline a further 10-15% in 2016.
- Globally, a total of 350,000 jobs have been shed since the oil price decline in 2014, of which the services sector saw 150,000 jobs shed. Many projects were scrapped and CAPEX deferred.
- The forecast is for a recovery in oil prices, but in the range of USD45-55 per barrel in 2016 and 2017.

**Brent Prices (Monthly Closing)**

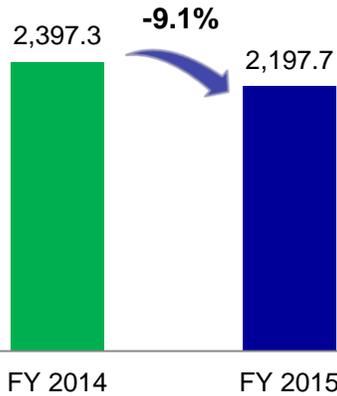


**Bloomberg Current Forward and Forecasts of Brent Pricing**

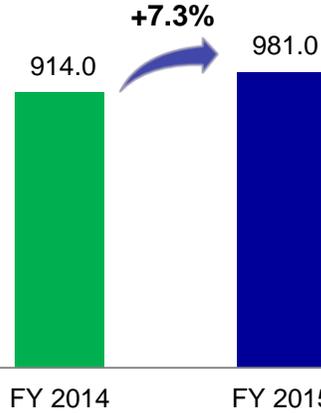


# Results Overview – FY 2015 vs. FY 2014 (RM'mil)

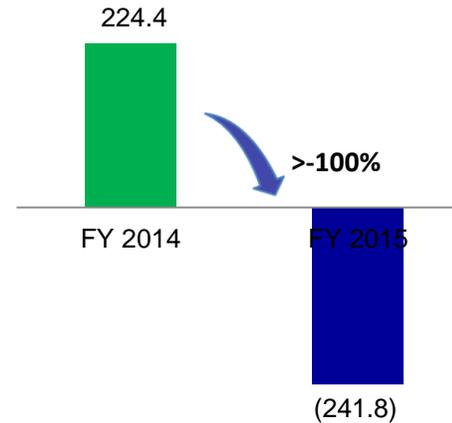
## Revenue



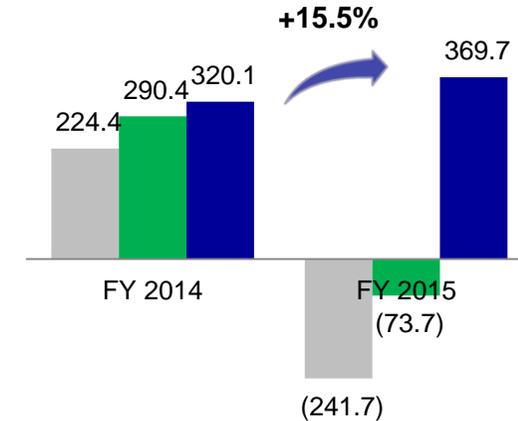
## EBITDA



## Net Profit / (Loss)



## Core net profit / (loss)



- Net profit / (loss)
- Excl. Allowance for doubtful debts
- Excl. Impairment

### Lower revenue:

- Reduced activity from the LukOil and lower utilisation of the subsea vessels
- Lower OSV utilisation  
Partly offset by:
- Increase due mainly to higher conversion activity from the ENI 1506 FPSO and Malta FSU projects

### Increase of EBITDA due to:

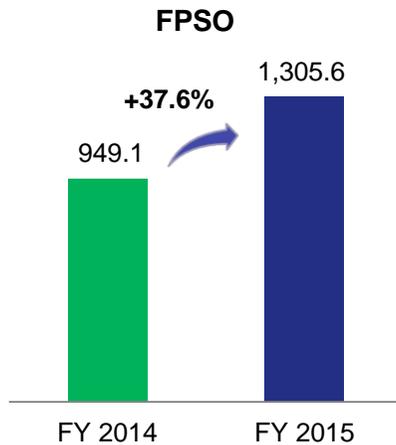
- Higher contribution from FPSO and FGS projects
  - Higher share of joint ventures mainly from Madura FPSO conversion
- Slightly offset by:
  - Lower OSV utilisation
  - Retrenchment costs
  - Allowance for doubtful debts

- Included in the LAT is the following exceptional items:
  - Impairment of property, plant and equipment and non-current assets held for sale of RM395.1 mil
  - Share of impairment of non-core asset at a joint venture of RM20.5 mil
  - Impairment of available for sale of RM25.2 mil
  - Allowance for doubtful debts of RM168.0 mil

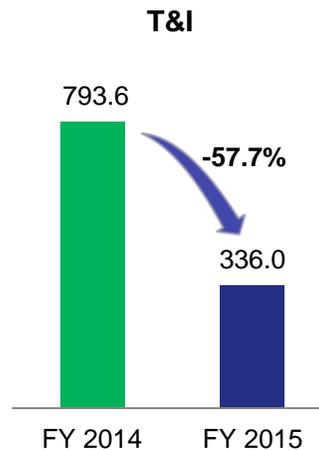
- Excluding exceptional items, the Group posted a profit of RM369.7 mil

# Revenue composition by segments – FY 2015 vs. FY 2014 (RM'mil)

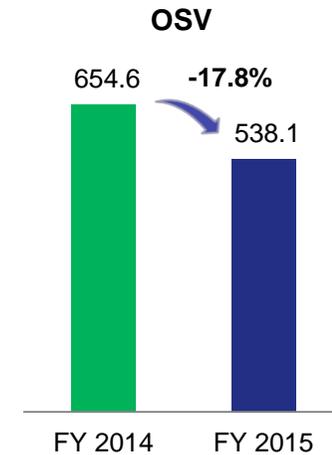
Performance in established segments driven by the underlying activities



Higher conversion activity from the ENI 1506 FPSO project and FGS revenue from conversion activity of a floating storage unit, the Armada LNG Mediterrana



Reduced activity from the LukOil project in the Caspian Sea and lower utilisation of the Armada Hawk and the Armada Condor



Decrease in OSV vessels utilisation

# Businesses in 2015



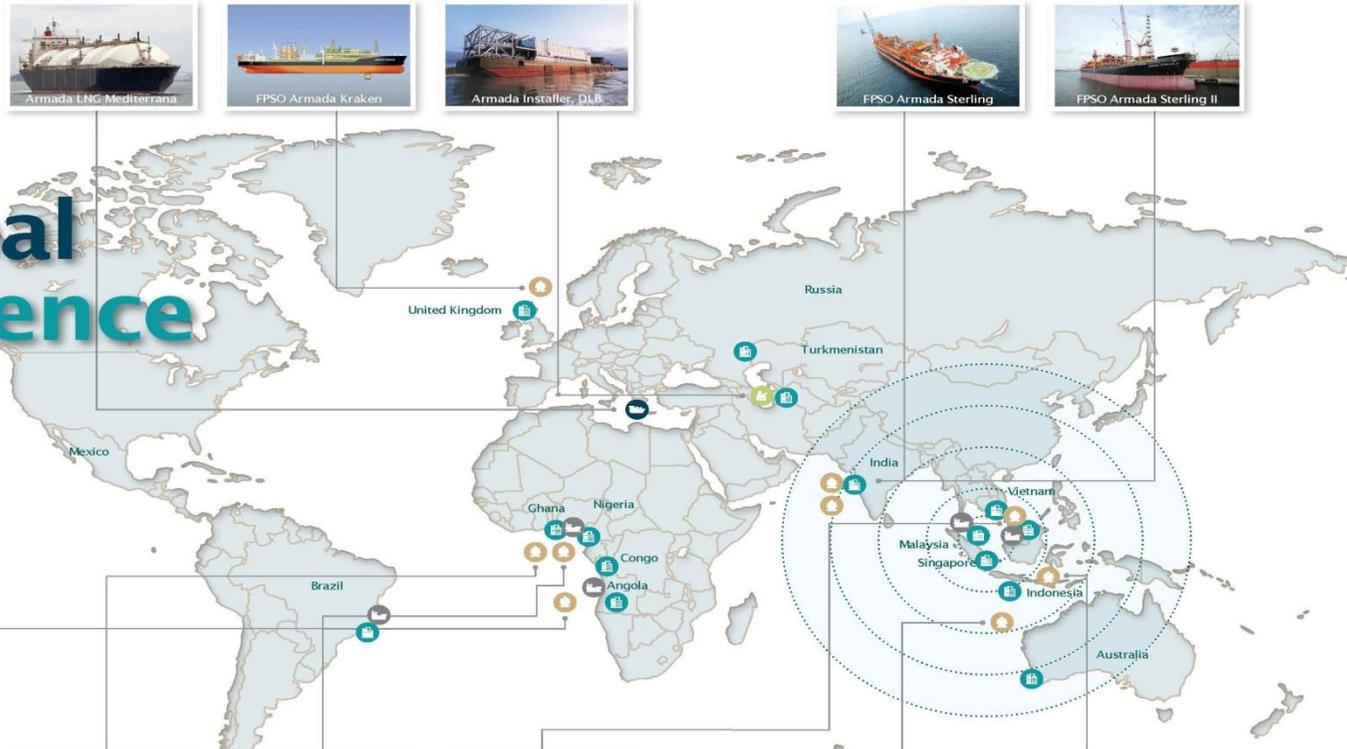
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# Global presence

## Global Presence

-  Shore base/office
-  FPSO
-  FSU
-  OSV\*
-  SC unit\*



### Offices:

Angola

Congo

Indonesia

Nigeria

Singapore

United Kingdom

Australia

India

Malaysia

Russia

Turkmenistan

Vietnam

Brazil

\* Key markets

### Main Assets

13

Offices Globally

9

FPSOs

1

FSU

49

OSVs

5

SC units

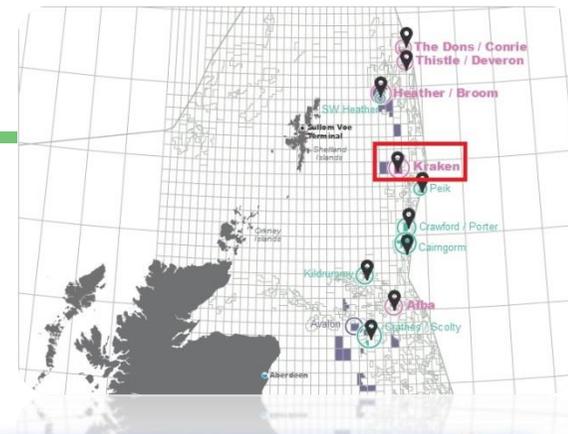
# Increasing project and technical complexity

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

# FPSO Project Updates as at Q1 2016

## FPSO KRAKEN PROJECT

- **Client/Operator:** EnQuest Plc.
- **Location:** UKCS Block 9/02b, 400 km North East of Aberdeen and 40 km west of the Frigg Field.
- **Contract:** Awarded 20<sup>th</sup> December 2013 worth USD2.2 billion. Fixed 8 years with options for 17 yearly extensions.
- **FPSO Specification:** 80,000bopd oil production and 600,000 barrels storage capacity.
- 13.0 mil man-hours completed.
- Project completion currently at 85%.
- Project is on schedule and sail away expected in Q3/Q4 2016.

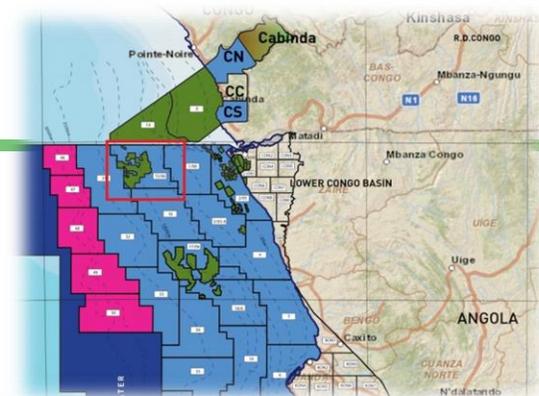


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# FPSO Project Updates as at Q1 2016

## FPSO 15-06 PROJECT

- **Client/Operator:** ENI.
- **Location:** Block 15/06, East Hub Field, Angola.
- **Contract:** Awarded 20<sup>th</sup> August 2014 worth USD3.9 billion. Fixed 12 years with options for 8 yearly extensions.
- **FPSO Specification:** 80,000bopd oil production and 1,800,000 barrels storage capacity.
- 12.9 mil man-hours completed.
- Project completion currently at 88%.
- Project is on schedule and sail away expected in Q3/Q4 2016.



# FPSO Project Updates as at Q1 2016

## FPSO MADURA PROJECT

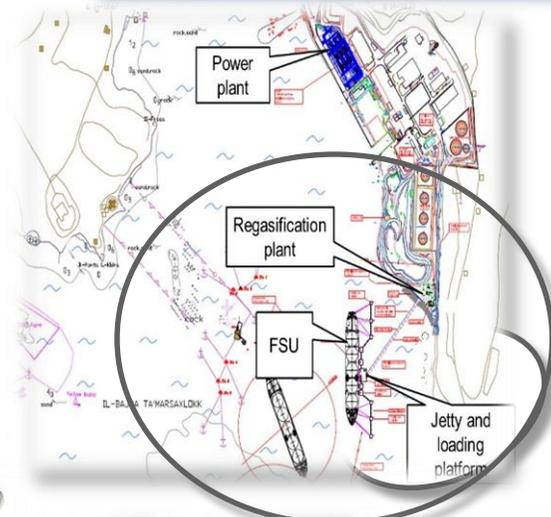
- **Client/Operator:** Husky-CNOOC Madura Limited (HCML).
- **Location:** Madura Strait East Java, about 65 km east of Surabaya and about 16km south of Madura Island, Indonesia.
- **Contract:** Awarded 11<sup>th</sup> December 2014 worth USD1.3 billion. Fixed 10 years with options for 5 yearly extensions.
- **FPSO Specification:** 7,500 bopd condensates, 110,000 mmscfd gas handling and 370,000 barrels storage capacity.
- 3.4 mil man-hours completed.
- Project completion currently at 71%.
- Project is on schedule and sail away expected in Q3/Q4 2016.



# FGS Project Updates as at Q1 2016

## FGS MALTA FSU PROJECT

- **Client/Operator:** ElectroGas Malta Limited.
- **Location:** LNG Receiving Terminal, Delimara, Malta.
- **Contract:** Awarded 14<sup>th</sup> April 2014 worth USD300 million. Fixed 18 years and 2 months.
- **FSU specification:** 10-150m<sup>3</sup>/hr sendout . Boil Out Gas sent out to an onshore re-gasification plant feeding natural gas to the 400 MW base load power station.
- 0.7 mil man-hours completed.
- Project completion currently at 54%.
- Majority of major procurement packages have been placed.
- Project is on schedule.



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# OMS – a global player

- Completed the three ice-class vessels which have departed for the Caspian Sea.
- Secured a number of new short-term or spot charters.
- Challenging year ahead as utilisation remains weak (15 OSVs are currently stacked).
- Armada Installer continued to work under its contract in Turkmenistan as scheduled with a 100% uptime record. The Armada Installer also completed all work related to Phase 1 of its contract with LukOil and expects to complete Phase 2 over a series of campaigns in 2016-2018.
- Armada Hawk, Armada Condor and Armada KP1 have been stacked.



# Safe operations

## Corporate HSSEQ

- Two major industry workshops were conducted covering Environmental risk management, with the UK Institute of Marine Engineering, Science and Technology (IMAREST) and Maritime/shipping risks with the American Bureau of Shipping, ABS.

## Safety Milestones:

### Development Projects

- Bumi Armada UK was approved as Installation Contractor for the Armada Kraken FPSO by the UK authorities under the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015.

### Offshore Marine Services

- 1075 days without a Lost Work Day Case since last incident for all Subsea Installation activities.
- Winner of Shell's Marine Contractor Performance Award.

### FPSO Operations

- FPSO Armada Perdana - 2 years without a LTI
- FPSO Armada Sterling II - One year without a LTI
- FPSO Armada TGT-1 - 4 years without a LTI



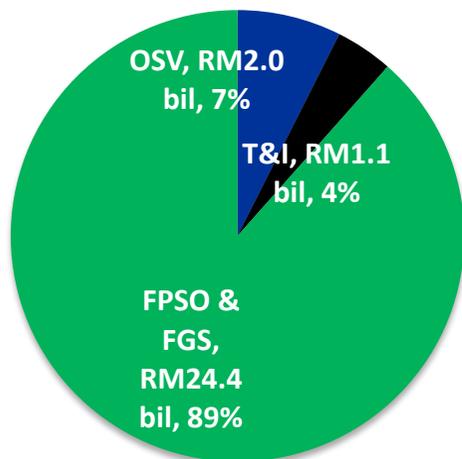
# Order book as at 31 December 2015

## Quality firm order book stands at RM27.5 bil

As at 31 December 2015, the Group's firm order book stood at RM27.5 bil. 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 RM15.3 bil over the entire option periods.

### Firm contract period

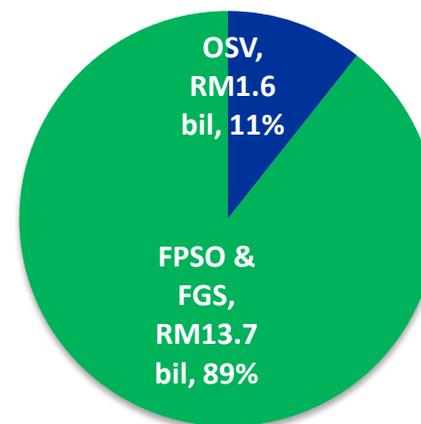
- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



**Firm contract period order book:  
RM27.5bil**

### Optional extension period

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



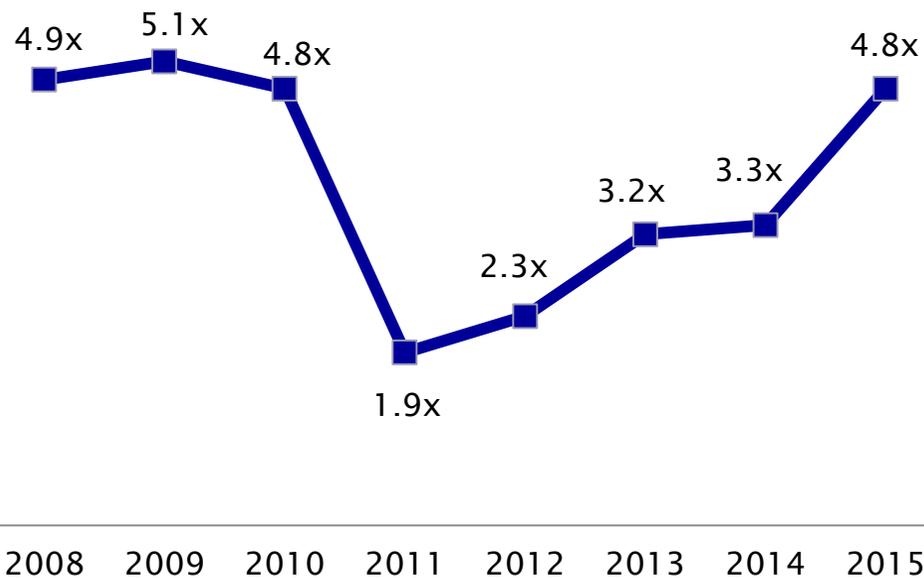
**Optional extension period order book:  
RM15.3bil**



# Leverage and capitalisation

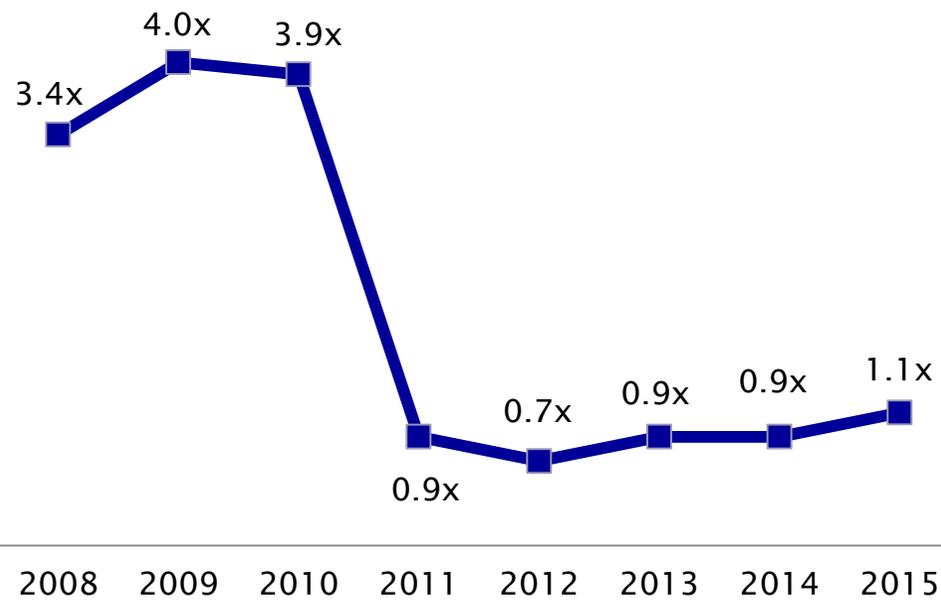
Financial capacity intact to execute existing projects

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



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

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



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

# On-going actions

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- Focus on the conversion of the four new projects.
- Continue to generate net positive cash flow from operations.
- Focus on cost efficiency and cost reductions.
- Strong foundation laid for future growth.
- Exploring alternative funding models to grow the FPSO business.
- 2017 will see the resumption of profit growth for BAB.

**Thank You**



**BUMIARMADA**

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