



BUMI ARMADA

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BUMI ARMADA ANNOUNCES Q1 2015 NET PROFIT OF RM72.0 MILLION, A YEAR-ON-YEAR INCREASE OF 11.2%

- Revenue in Q1 2015 increased by 22.0% to RM572.2 million as compared to the RM468.9 million registered in the corresponding period in 2014.
- Net profit¹ increased to RM72.0 million in Q1 2015, representing an 11.2% increase over the RM64.8 million reported in Q1 2014. Q1 2015 net profit was a significant improvement over the loss of RM52.6 million in the preceding quarter.
- Current quarter results include a charge related to staff retrenchment of RM20.6 million.
- Cash flows from operations for the quarter increased to RM148.7 million in Q1 2015 from RM73.5 million in Q1 2014.
- The Company's total order book as at 31 March 2015 was RM38.9 billion (RM25.6 billion of firm contracts and RM13.3 billion of optional extensions). The order book excludes the Malta LNG FSU contracts of USD300 million (RM1.1 billion) which were signed and announced in April 2015.

Kuala Lumpur, 26 May 2015 - Malaysia-based international offshore oilfield services provider, Bumi Armada Berhad, today announced its financial results for the 1st quarter 2015 (Q1 2015) which saw net profit for the period increase to RM72.0 million, an 11.2% increase over the corresponding 1st quarter 2014 (Q1 2014) net profit of RM64.8 million, and an improvement against a loss of RM52.6 million in the preceding quarter, Q4 2014. The Q4 2014 profit was affected by charges related to allowance and impairment for certain trade receivables and available-for-sale financial assets. Net profit for Q1 2015 includes a charge relating to the staff retrenchment exercise in the quarter, of RM20.6 million.

Q1 2015 saw a 22.0% increase in revenue, year-on-year, to RM572.2 million from RM468.9 million, due to additional contributions from the Eni 15/06 FPSO conversion project which were not present in Q1 2014, as well as, higher conversion activities from the Kraken FPSO project and improved utilisation of tankers held as FPSO conversion candidates. The quarter-on-quarter (Q1 2015 vs Q4 2014) reduction in revenue from RM701.8 million, a decrease of 18.5%, was attributable to lower activity recorded in the Transport and Installation (T&I) Business Unit, in particular for the LukOil project in the Caspian Sea, as well as, lower utilisation of Bumi Armada's Offshore Support Vessel (OSV) fleet.

¹ Net profit refers to profit attributable to the owners of the Company

EBITDA increased to RM284.8 million, which is an improvement on quarter-on-quarter and year-on-year basis of 117.3% (RM131.1 million) and 27.6% (RM223.1 million) respectively. EBITDA margins improved to 50% in Q1 2015 against 48% in the corresponding period in 2014. Q1 2015 EBITDA benefited from strong contributions from the FPSO Business Unit and ongoing contribution from the Armada Installer, but was adversely affected by lower contributions from the OSV business segment and reduced activity in the LukOil project.

Cash flow from operations for the quarter increased to RM148.7 million in Q1 2015 from RM73.5 million in Q1 2014. Bumi Armada remains adequately capitalised, with a cash balance of RM2.4 billion as at 31 March 2015.

Commenting on the financial results, Mr. Chan Chee Beng, Executive Director and Acting Chief Executive Officer of Bumi Armada said, “Despite the ongoing weakness in the global oil and gas sector, we are encouraged by the financial results Bumi Armada has posted in the Q1 2015. Recognising that the industry as a whole is going through challenging times, we continue our efforts to reduce cost, seek further ways to enhance efficiency and execute well on our existing projects. Our order book of RM38.9 billion (RM25.6 billion on firm contract periods and RM13.3 billion on optional extensions), is amongst the largest order books in Malaysia and provides us with a solid foundation to grow the Company.

“We have already taken significant actions to reduce cost and improve efficiency by reorganising our organisation structure to streamline our business, including the closure of our Oilfield Services Business Unit and downsizing of our T&I Business Unit, via a right-sizing exercise which was carried out across the organisation during Q1 2015 through to April that is expected to yield an annual cost saving of up to RM 65.0 million going forward.” Mr Chan added.

Work on all three of the FPSOs currently undergoing conversion, the Armada Kraken (for the Kraken Field in the North Sea, for Enquest), the Armada Olombendo (for the Block 15/06 Field off the coast of Angola, for Eni Angola S.p.A) and the Rainbow 1 (yet to be renamed vessel, for the Madura BD Field in Indonesia, for Husky-CNOOC), are progressing well. Bumi Armada continues to selectively participate in new FPSO tenders.

The Floating Gas Solutions (FGS, previously known as Gas Development and Technology) Business Unit, recently secured its first contracts for the conversion, supply, operations and maintenance, of an LNG floating storage unit (“FSU”) in relation to the construction and operation of an LNG receiving terminal located at Delimara, Malta. The contracts are for a firm period of 18 years and 2 months with an expected aggregate value of approximately USD300 million (approximately RM1.1 billion) and were signed on 13 April 2015.

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About Bumi Armada

Bumi Armada Berhad is a Malaysia-based international offshore oilfield services provider with a presence in over 15 countries spread across five continents, underpinned by its personnel comprising over 2,000 people from over 38 nationalities.

Bumi Armada provides these offshore services via four strategic business units - Floating Production, Storage and Offloading Operations ("FPSO"), Floating Gas Solutions ("FGS"), Offshore Support Vessels ("OSV") and Transport and Installation ("T&I"). These are complemented by three support units which are FPSO Sales, Technology and Development ("T&D") and Projects.

Bumi Armada is the fifth largest FPSO player in the world and an established OSV owner and operator across Asia, Africa and Latin America. For more information, please refer to www.bumiarmada.com

For further information, please contact:

Mr Song Eu Jin
General Manager
Corporate Affairs
Tel: +603 2171 5740
Email: ejin.song@bumiarmada.com

Ms. Norein Mustafa
Manager, Corporate Affairs
Tel: +603 2171 5754
Email: norein.m@bumiarmada.com