

BUMI ARMADA BERHAD
(Company No: 370398-X)
(“Bumi Armada” or “Company”)

SUMMARY OF KEY MATTERS DISCUSSED

Twentieth Annual General Meeting of Bumi Armada Berhad held at 10.00 a.m. Kuala Lumpur time on Monday, 23 May 2016 at Ballrooms 1 & 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia

1.0 Chairman

Tunku Ali Redhaudin Ibni Tuanku Muhriz, the Chairman of the Board, presided over the Twentieth Annual General Meeting of the Company (“Meeting” or “20th AGM” or “AGM”).

The Chairman welcomed all present to the Meeting. He informed the members that the total number of valid proxy forms received within the stipulated time was 764 appointing 1,341 proxies representing a total of 2,297,003,751 shares out of which 232 holders of 1,109,562,847 shares had appointed the Chairman of the Meeting to be their proxy.

The Chairman declared that the required quorum was present. He then introduced the Board Members, the Senior Management of Bumi Armada and the representative of the Company’s external legal counsel.

At the request of the Chairman, Mr. Leon Harland (“Mr. Harland”), the newly appointed Chief Executive Officer (“CEO”), introduced himself to the members and thanked the Board for their confidence in him. He looked forward to the continuing support of the Board and the members. Mr. Harland then briefly explained his reasons for joining Bumi Armada and expressed that he looked forward to working together with the Board and Management in leading the Company.

At the invitation of the Chairman, Mr. Chan Chee Beng, the former Acting CEO, presented an overview of the operational and financial highlights of the Company for the financial year ended 31 December 2015 (“FY 2015”), which included, among others, the following:

- (i) Macro background on the Brent Crude Oil Prices from 2015 to April 2016 and the forecast in 2016 and 2017;
- (ii) Results Overview for FY 2015 vs 2014, focusing on revenue, EBITDA, net profit/(loss) and core profit/(loss);
- (iii) Revenue composition by segments namely, Floating Production, Storage & Offloading (“FPSO”), Transport & Installation (“T&I”) (renamed Subsea Construction) and Offshore Support Vessels (“OSV”);
- (iv) Business in 2015 comprising of Bumi Armada’s global presence, increasing project and technical complexities, updates on FPSO, Floating Gas Solutions (“FGS”) and Offshore Marine Services (“OMS”) as at first quarter of 2016
- (v) Updates on Health, Safety, Security, Environment and Quality (“HSSEQ”) and safety milestones achieved for key projects and operating vessels;
- (vi) Order book as at 31 December 2015 where the Group’s firm order book stood at RM27.5 billion;

- (vii) Leverage and capitalisation focusing on net debt/EBITDA ratio and gearing ratio; and
- (viii) On-going actions including:
 - 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.
 - Laying strong foundation for future growth.
 - Exploring alternative funding models to grow the FPSO business.
 - Resuming profit growth for Bumi Armada in 2017.

This was followed by a short video presentation on Bumi Armada's FY 2015 highlights.

2.0 Notice of 20th AGM

The Notice of the Meeting was taken as read.

The Chairman explained to the members the manner in which the Ordinary Resolutions tabled before for the Meeting, would be determined.

3.0 Consideration of the Audited Financial Statements for the FY 2015 and the Reports of the Directors and Auditors thereon

The Audited Financial Statements for the FY 2015 and the Reports of the Directors and Auditors thereon were taken as read.

Questions received by the Company from the Minority Shareholder Watchdog Group ("MSWG") and the Company's responses thereto were displayed on the screens in the Meeting Hall and were also read out for the benefit of those present.

The key questions posed by the members and proxies present and the responses to each such question are set out below:

(i) Termination of contract in relation to Armada Claire FPSO

The Company believed that Woodside Energy Julimar Pty Ltd ("Woodside"), by the issuance of the Notice of Termination, has repudiated the Contract. The Company has filed a writ of summons and statement of claim in the Supreme Court of Western Australia to claim damages from Woodside for its repudiation of the contract.

Since the termination of the contract, Armada Claire has been mobilised and is currently on Warm Lay Up status in Batam, Indonesia. The Company is actively looking for potential redeployment opportunities for this vessel.

(ii) Prospect of T&I and Offshore Support Vessels ("OSV") business units

The utilisation rate for OSV vessels has improved and the OSV business unit is currently EBITDA positive. The Group continues to actively study the future market requirements.

(iii) Impairment and net allowance for doubtful debts

The impairment and net allowance for doubtful debts comprised the following:

- Impairment of OMS vessels (previously known as OSV and T&I) of RM353.8 million and impairment of surplus equipment within FPSO of RM41.3 million;
- Impairment of the Company's investment in available-for-sale financial assets of RM25.2 million;
- Impairment of investment in a joint venture of RM2.7 million; and
- Net allowance for doubtful debts of RM168.0 million.

The Company's core results would have recorded RM369.7 million in profit if the said allowances and impairments were excluded.

The Group is required by the accounting standards to review the need for provision when there are impairment indicators. It is important for the Group to make reasonable and prudent assessments.

(iv) Market outlook for Oil and Gas Sector

When oil price started to decline in the second half of 2014, companies in the oil and gas industry took steps to cut costs in order to sustain their businesses.

In the long term, there are significant prospects as the Company's clients need to replace their production. The projects can only go forward when clients have confidence in the economics and the overall supply chain of which, the Company is part of. Once the oil price beginning to stabilise, the Company is confident that new projects will be announced.

(v) Fund raising initiatives

In view of the opportunities and prospects in the industry, the Group has to consider more efficient fund raising. Among the options being considered are internally generated funds, partnerships with joint venture partners, trust structures, bond financing and other bank financing. Various equity and debt options will be considered.

(vi) Publication of key summary discussions on the Company's website

The Board of Directors would consider and discuss the proposal by MSWG for the Company to publish the summary of the key matters discussed at this AGM on the Company's website in line with best practices on corporate governance. The Company is committed to maintaining a high standard of corporate governance and full compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

4.0 Ordinary Resolution 1 - Declaration of a Final Dividend

It was resolved:

That a tax exempt final cash dividend of 0.82 sen per share for the financial year ended 31st December 2015 be declared.

5.0 Ordinary Resolutions 2 and 3 - Re-election of Directors retiring by rotation

It was resolved:

That Chan Chee Beng, a Director who retires by rotation in accordance with Article 113 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company.

It was further resolved:

That Tunku Ali Redhauddin ibni Tuanku Muhriz, a Director who retires by rotation in accordance with Article 113 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company.

6.0 Ordinary Resolution 4 - Election of Steven Leon Newman and Ordinary Resolution 5 - Election of Leon Andre Harland

It was resolved:

That Steven Leon Newman, a Director who retires in accordance with Article 120 of the Company's Articles of Association, be and is hereby elected a Director of the Company.

It was further resolved:

That Leon Andre Harland, a Director who retires in accordance with Article 120 of the Company's Articles of Association, be and is hereby elected a Director of the Company.

7.0 Ordinary Resolution 6 - Re-appointment of Auditors

It was resolved:

That Messrs. PricewaterhouseCoopers be re-appointed as Auditors of the Company for the financial year ending 31st December 2016 and the Directors be authorised to fix their remuneration.

Special Business

8.0 Ordinary Resolution 7 - Retention of Mr. Saiful Aznir bin Shahabudin as an Independent Non-Executive Director

At the request of MSWG, Mr. Saiful declared that he remains committed as an Independent Director and would continue to be independent and objective in all deliberations and decisions.

It was resolved:

That Saiful Aznir Bin Shahabudin, who would on 1 December 2016 have served as an Independent Non-Executive Director for a cumulative term of 10 years, be and is hereby re-appointed as an Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting of the Company.

9.0 Ordinary Resolution 8

- Authority to Issue Ordinary Shares pursuant to Section 132D of the Companies Act, 1965

In response to the question raised by MSWG, the Chairman informed that the resolution is needed to provide the Directors the flexibility to raise funds when necessary.

It was resolved:

That subject to the Act, the Articles of Association of the Company, and the approvals of any relevant governmental/regulatory authorities where required, the Directors be and are hereby authorised and empowered to issue and allot new ordinary shares in the Company:

- (i) at any time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit; and/or*
- (ii) in pursuance of any offer, agreement, option, or any other instruments (collectively the “Instruments”) to be made, granted, or issued by them (as the case may be), while the approval under this resolution remains in force, AND THAT the Directors be and are hereby further authorised to make, grant or issue such Instruments which would or might require new ordinary shares in the Company to be issued after the expiration of the approval hereof;*

provided that:

- (i) the number of shares or Instruments to be issued pursuant to the authority granted under this resolution, when aggregated with all shares issued in the preceding 12 months and/or shares that are capable of being issued from the Instruments issued in the preceding 12 months (calculated in accordance with the MMLR), does not exceed 10% of the issued and paid-up share capital (excluding treasury shares) of the Company at the time of issuance of the shares or issuance, making or granting of the Instruments except where the shares and/or the Instruments are issued with the prior shareholder approval in a general meeting in accordance with the precise terms and conditions of the issue; and*
- (ii) for the purpose of determining the number of shares which are capable of being issued from the Instruments, each Instrument is treated as giving rise to the maximum number of shares into which it can be converted or exercised,*

and such authority under this resolution shall continue to be in force until the conclusion of the next annual general meeting of the Company or when it is required by law to be held, whichever is earlier, and that:

- (a) approval and authority be and are given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and in connection therewith to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) in connection therewith; and*
- (b) the Directors of the Company be and are also empowered to obtain, if required, the approval for the listing of and quotation on Bursa Securities for the additional shares to be or so issued.*

10.0 Closure

It was noted that all resolutions tabled at the Meeting were passed on a show of hands.

There being no other questions from the floor or other business to be dealt with at the Meeting, the Meeting ended at 11.45 a.m. with a vote of thanks to the members.