

## **Bumi Armada secures RM2.47 bil loan**

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**By G. Sharmila**

International offshore oilfield services provider Bumi Armada Bhd has secured a US\$750 million (RM2.47 billion) term loan for its Armada Kraken FPSO (floating production, storage and offloading vessel) project, said the company today.

In a statement to Bursa Malaysia today, Bumi Armada said its wholly-owned subsidiary Armada Kraken Pte Ltd (Armada Kraken) secured the syndicated bridge loan facility from Oversea-Chinese Banking Corporation Limited, Maybank International Labuan Branch, Sumitomo Mitsui Banking Corporation, Singapore Branch, United Overseas Bank Limited, Export-Import Bank of Malaysia Bhd and Korea Development Bank, Singapore Branch.

Among others, Armada Kraken will use the funds to part-finance and reimburse all costs and expenses in relation to the acquisition, conversion, refurbishment, mobilisation, transport, hook-up and mooring and installation of the FPSO together with all ancillary and related works required under the Bareboat Charter.

Bumi Armada said that it has guaranteed Armada Kraken's payment obligations under the loan and that the loan is intended to be refinanced by long-term project financing in due course.

The financing comes about three months after Bumi entered into two eight-year contracts worth RM4.6 billion on Dec 20, 2013.

One of these was a bareboat charter contract between Armada Kraken and a consortium comprising EnQuest Heather Limited, EnQuest Limited, First Oil and Gas Limited, Nautical Petroleum Limited, and Nautical Petroleum AG. The contract, which is for an FPSO at the Kraken field in the UK sector of the North Sea, carries an extension option for another 17 years.

"The Kraken FPSO in the North Sea marks the start of Bumi Armada's entrance into the top-tier of FPSO players. With a project of such magnitude, it is important to secure the capital required to enable us to see through the project," said Bumi Armada chief executive officer Hassan Basma.

"We are honored that we are able to count on partners like Oversea-Chinese Banking Corporation, Maybank, Sumitomo Mitsui Banking Corporation, United Overseas Bank Limited, Export-Import Bank of Malaysia Berhad and Korea Development Bank, together with EnQuest, First Oil and Nautical Petroleum, the field owners, who have placed their trust firmly with Bumi Armada," said Hassan further.

At 12.30pm, Bumi Armada was traded unchanged at RM3.91 per share.

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