FINAL RESULTS 2015

24 February 2016

Petrofac

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Financial headlines

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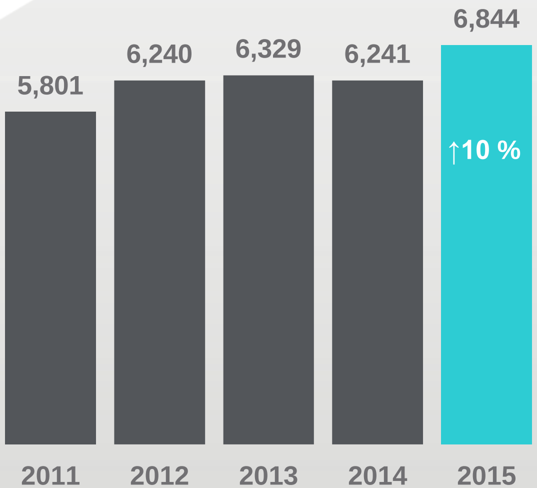
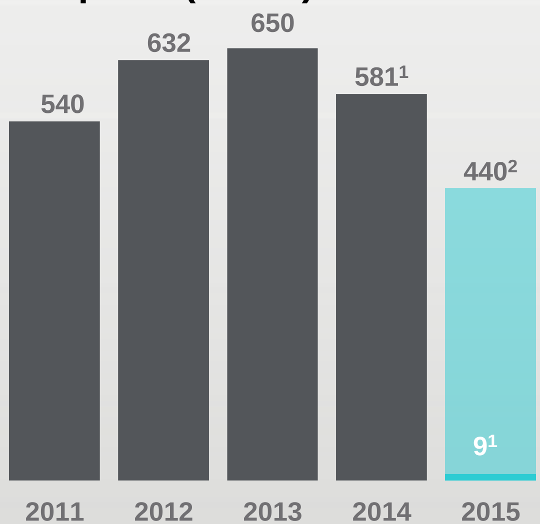
- Net profit[1] of US$440m before Laggan-Tormore loss, in line with market expectations; net profit of US$9m after Laggan-Tormore loss
- Exceptional items and certain re-measurements of US$358m, primarily due to lower oil and gas prices; IES portfolio carrying value now US$1.7bn
- Record year-end backlog of US$20.7bn, giving excellent revenue visibility
- Net debt decreased in 2H 2015 to US$686m, following strong cash collection in Q4 2015
- Dividend maintained, reflecting confidence in Group's prospects for the future
- Expect to deliver net profit in 2016 consistent with our previous guidance

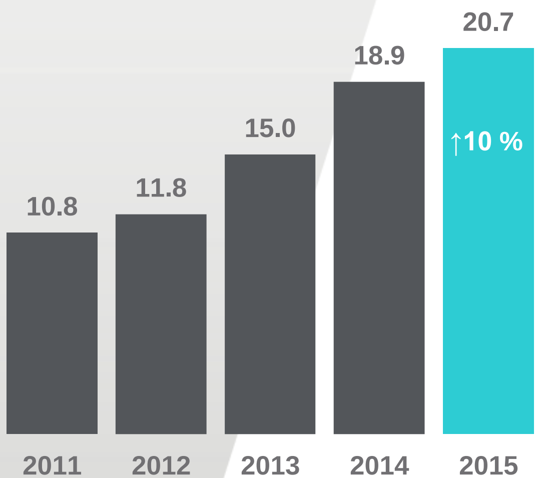
Revenue (US$m)



Net profit (US$m)



Backlog (US$bn)



1 Before exceptional items and certain re-measurements.
2 Before recognition of the year to date loss on Laggan-Tormore and before exceptional items and certain re-measurements.

Group reorganisation

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- Group reorganisation aims to improve our efficiency through de-layering and centralising back office services, while maintaining our focus on delivery and our responsiveness

2016 reporting segments	Engineering & Construction (E&C)		Engineering & Production Services (EPS)			Integrated Energy Services (IES)	
2015 service lines	Onshore Engineering & Construction (OEC)	Offshore Capital Projects (OCP)	Offshore Projects & Operations (OPO)	Engineering & Consulting Services (ECS)	Training Services	Production Solutions	Developments
2015 reporting segments	Onshore Engineering & Construction	Offshore Projects & Operations		Engineering & Consulting Services	Integrated Energy Services		

Laggan-Tormore project update

- Achieved major milestones with completion of construction activities and transfer of care and custody of the plant in December 2015
- Pipeline gas introduced before end of 2015 and commercial production has now commenced
- Recorded additional post-tax loss of US$168m in 2H 2015 (taking post-tax loss on project in 2015 to US$431m)
- We do not expect to recognise any further material losses on the project
- As previously noted, we will not undertake major lump-sum construction risk in UK again

Greater Stella Area development update

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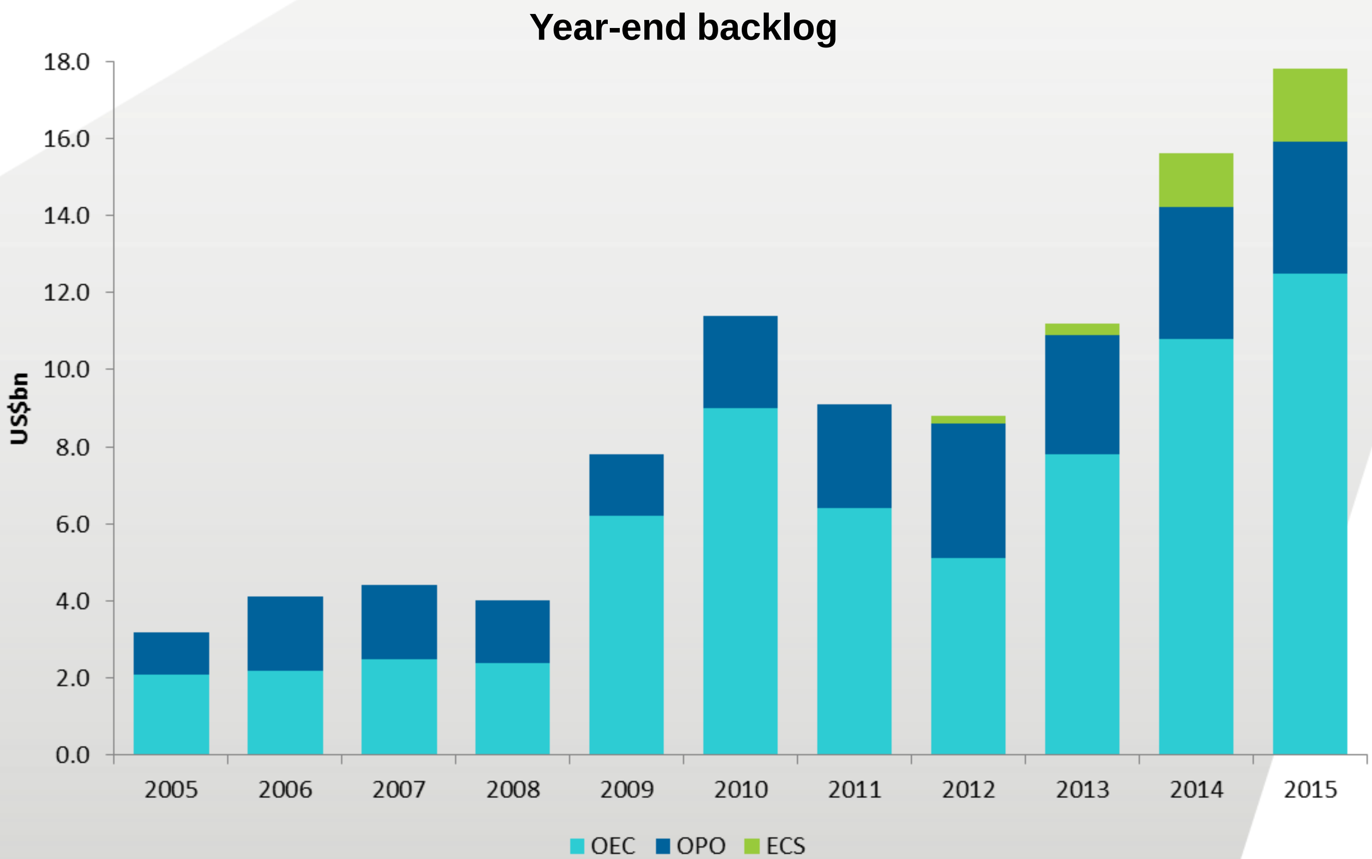
- Making good progress with topside systems on FPF1 floating production facility
- Onshore topsides commissioning expected to be completed before end of Q1 2016
- Marine work expected to be completed to enable sailaway during Q2 2016
- First production from Greater Stella Area development expected in summer 2016
- Impairment recognised of US$214m (after-tax) primarily due to lower oil and gas price assumptions

Our backlog stands at record year-end levels

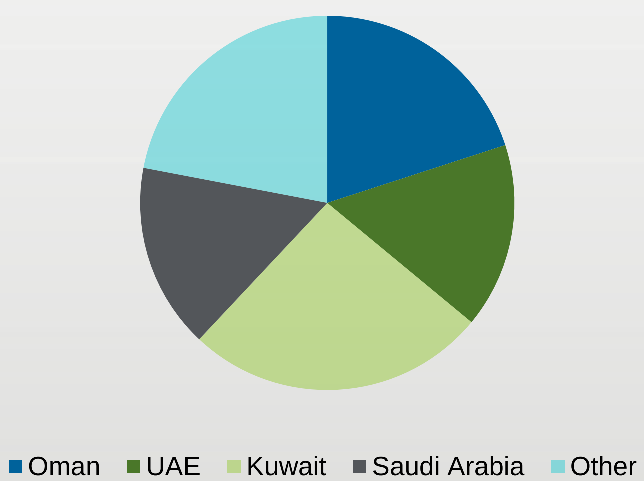
- Our backlog is secure and stands at record year-end levels at 31 December 2015 of US$20.7bn (OEC US$12.5bn; OPO US$3.2bn; ECS US$1.9bn; IES US$3.1bn)
- Driving for best in class operations and project delivery
- Maintaining our relentless focus on risk management across the portfolio



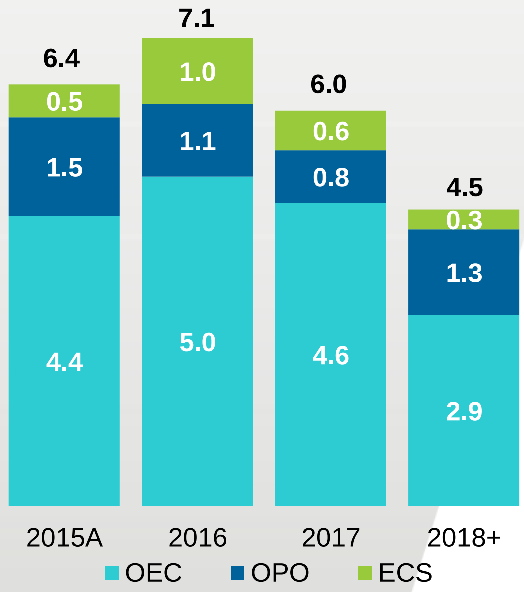
Our backlog is focused in our core markets

- Our ECOM backlog is predominantly with National Oil Companies, who are continuing to invest in large strategic projects in our core markets despite the lower oil price environment
- Our existing backlog gives us excellent revenue visibility for 2016 and beyond

31 December 2015 ECOM backlog by geography



31 December 2015 backlog ageing (US$bn)



Our pipeline of bidding prospects remains robust

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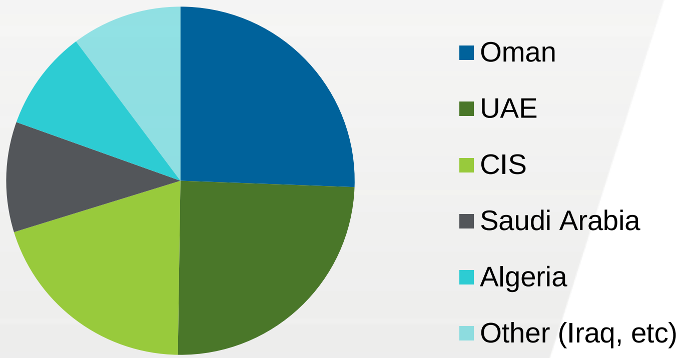
- Onshore Engineering & Construction (OEC) bidding pipeline remains robust
- Majority of opportunities are in our core markets, particularly in the Middle East and North Africa:
  - with NOCs, who are committed to ongoing investment in large strategic projects
  - where we have an excellent track record and a very cost-competitive delivery capability
- OPO operations and maintenance activities are resilient
- Continue to pursue further EPCm opportunities in ECS

OEC 2016 prospects by geography



We continue to drive operational efficiencies

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- Continue to drive operational efficiencies to maintain our cost-competitiveness
- Maintained focus on operational excellence and cost efficiencies with annual savings of US$80 million delivered in 2015
- Targeting further annualised efficiency savings of up to US$90 million by the end of 2016
    - includes US$25 million from de-layering and centralising back office services as part of our recently implemented Group reorganisation
- Savings passed onto our clients to maintain our strong competitive position and help protect margins

RESULTS

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Income statement

	2015[1] US$m	2014[1] US$m
Revenue	6,844	6,241
Operating profit[2]	112	691
Profit before tax	20	634
Income tax expense	(6)	(33)
Non-controlling interests	(5)	(20)
Profit for the year attributable to Petrofac Limited shareholders	9	581
Profit for the year before Laggan-Tormore losses	*440*	
EBITDA	312	935
ROCE	3%	18%
EPS, diluted (cents per share)	2.65	168.99
Full year dividend (cents per share)	65.80	65.80

1 Before exceptional items and certain re-measurements
2 Including share of results of associates/joint ventures
3 EBITA divided by average capital employed (total equity and non-current liabilities) adjusted for gross-up of finance lease creditors

Exceptional items and certain re-measurements

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Exceptional items and certain re-measurements predominantly relate to IES portfolio

- As part of our normal year-end process we reviewed carrying value of IES portfolio, primarily reflecting:
  - Significantly lower hydrocarbon commodity price expectations:
    - Brent forward curve for 2016 (US$41) and 2017 (US$48); price of US$65 (per barrel) for 2018, US$70 for 2019 and US$75 for 2020
    - UK gas forward curve for 2016 and 2017; price of US$9.5 (per million standard cubic feet) for 2018, US$10.2 for 2019 and US$11.0 for 2020
- Carrying value of IES projects in portfolio, excluding working capital, stands at US$1.7 billion (see appendix 3 for detail)

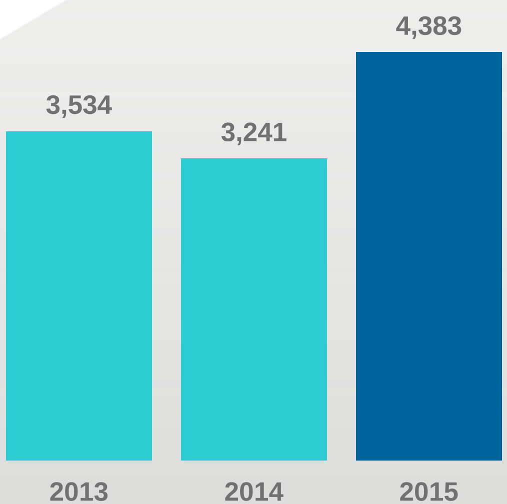
US$m	Pre-tax impairment	Tax	Post-tax impairment
GSA	214	-	214
PM304	53	(20)	33
Goodwill	33	-	33
Other IES	27	23	50
TOTAL IES	**327**	**3**	**330**

IES net book value (US$bn)	
Mexico PECs	0.5
PM304	0.3
Berantai Risk Service Contract	0.4
GSA	0.2
Seven Energy	0.2
Other	0.1
TOTAL	**1.7**

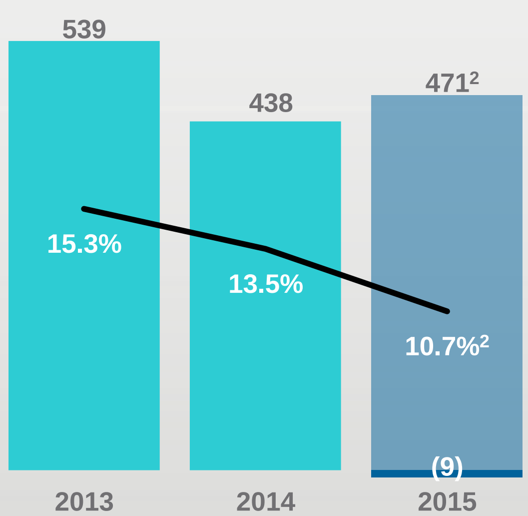
Onshore Engineering & Construction

- Revenue ↑35% – reflecting an increase in activity levels as we moved into the execution phase on a number of projects
- Net loss of US$59m after recognising a post-tax loss of US$431m on Laggan-Tormore
- Underlying net margin, before Laggan-Tormore loss, was 8.5%

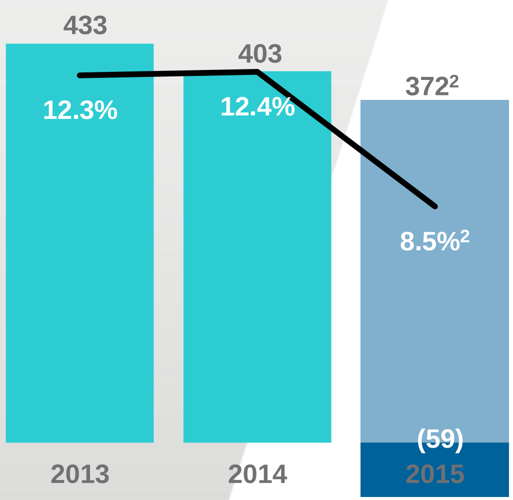
Revenue (US$m)



EBITDA (US$m)[1]



Net profit (US$m)[1]

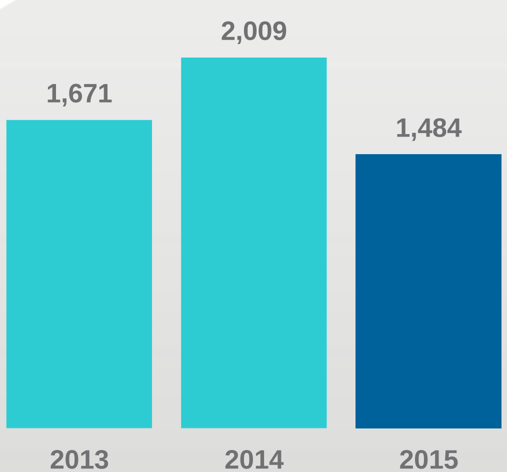


[1] Before exceptional items and certain re-measurements.
[2] Before recognition of the year to date loss on Laggan-Tormore and before exceptional items and certain re-measurements.

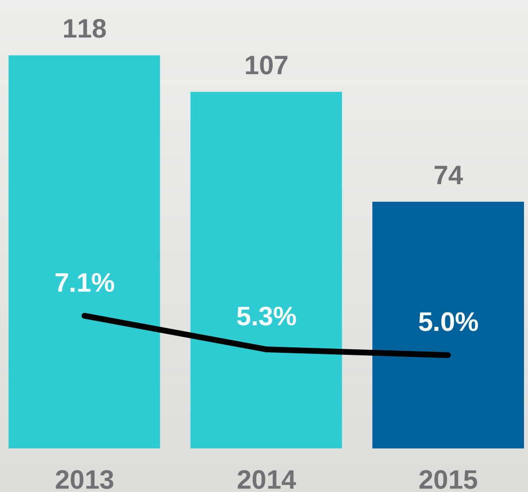
Offshore Projects & Operations

- Revenue ↓26% – predominantly reflecting lower levels of activity on capital projects and lower levels of brownfield engineering activity; cost savings enabled the delivery of services to clients at a lower cost
- Net profit increased to US$68m
- Net margin increased to 4.6% as 2014 net margin reflected recognition of a loss of US$27m in relation to OPO's scope of work on Laggan-Tormore project

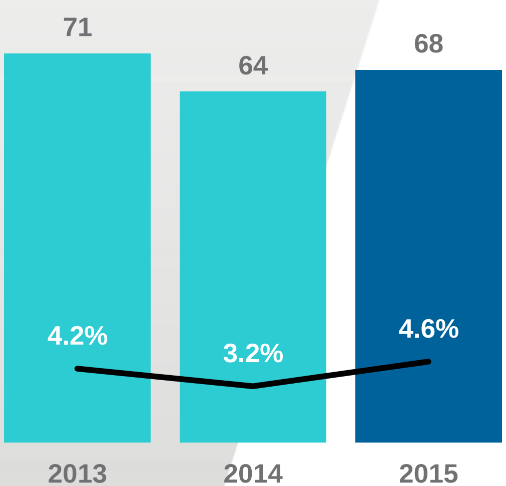
Revenue (US$m)



EBITDA (US$m)[1]



Net profit (US$m)[1]



[1] Before exceptional items and certain re-measurements.

Engineering & Consulting Services

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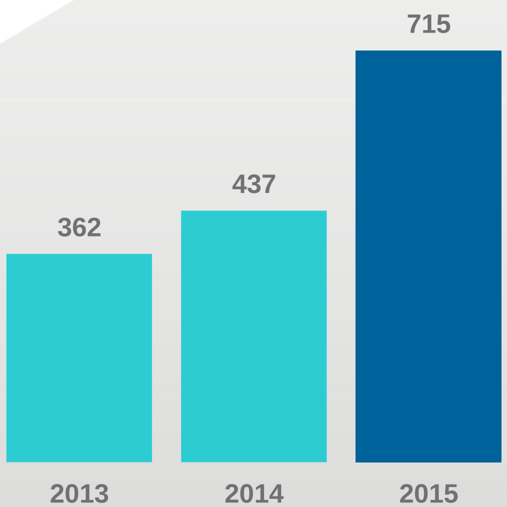
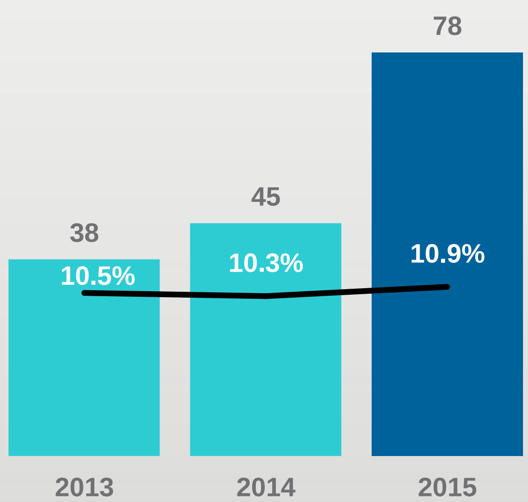
- Revenue ↑64% and net profit ↑52% – reflecting activity on the Rabab Harweel project in Oman and high utilisation across our Indian engineering offices
- Net margin marginally lower at 7.0%, reflecting higher levels of low margin procurement pass-through revenue on EPCm contracts

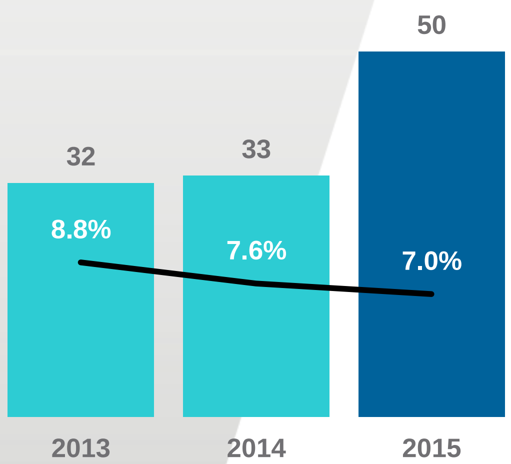
Revenue (US$m)



EBITDA (US$m)



Net profit (US$m)



Integrated Energy Services

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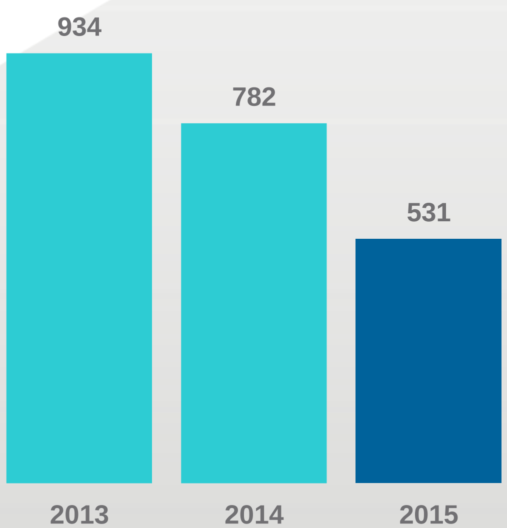
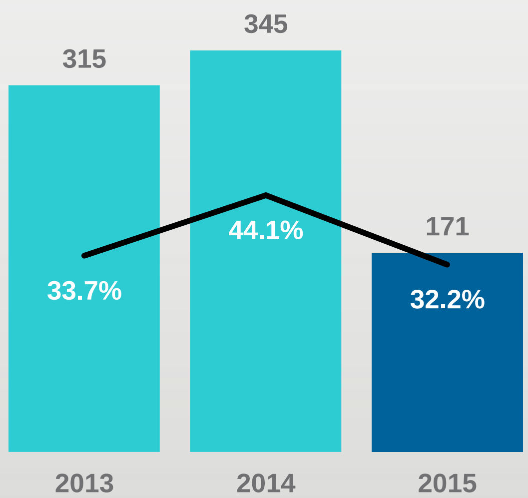
- Revenue ↓32% – predominantly reflecting the lower oil price environment and lower investment in our Production Enhancement Contracts (PECs) in Mexico as we work through the contract migration process
- Lower net profit reflects the lower oil price environment, lower investment in our PECs in Mexico and a gain in the prior year of US$56 million from the sale of floating production facilities to PetroFirst

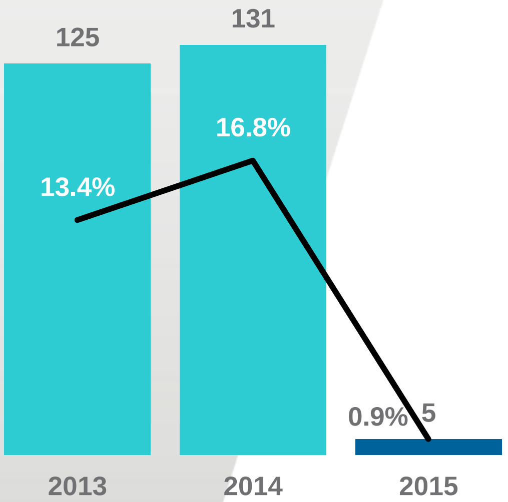
Revenue (US$m)



EBITDA (US$m)[1]



Net profit (US$m)[1]

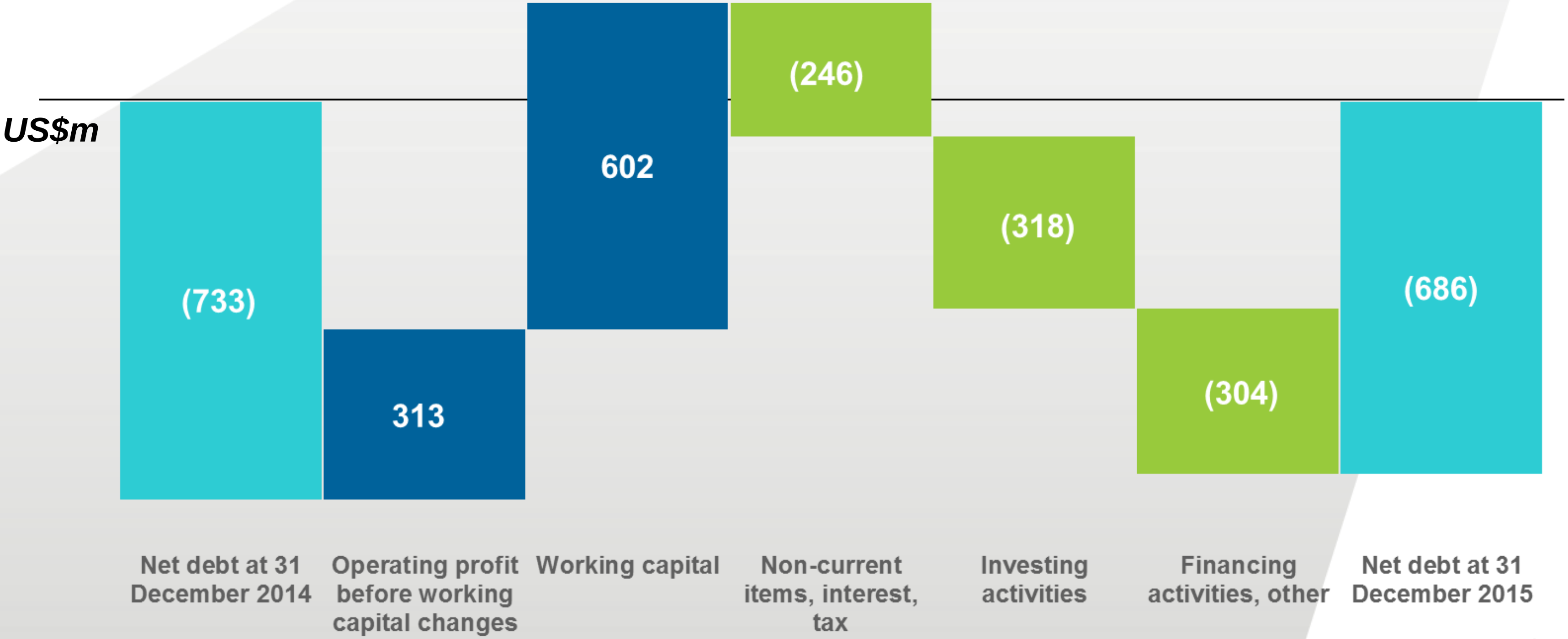


[1] Before exceptional items and certain re-measurements.

Movement in net debt

Net debt decreased in 2H 2015 to US$0.7bn, following strong cash collection in Q4 2015

- Cash generated from operations and net working capital inflows of US$0.9 billion (2014: US$0.9 billion)
- Net investing activities of US$0.3 billion (2014: US$0.5 billion)
- Financing activities, including payment of the 2014 final dividend and 2015 interim dividend of US$0.3 billion (2014: US$0.3 billion)



Working capital

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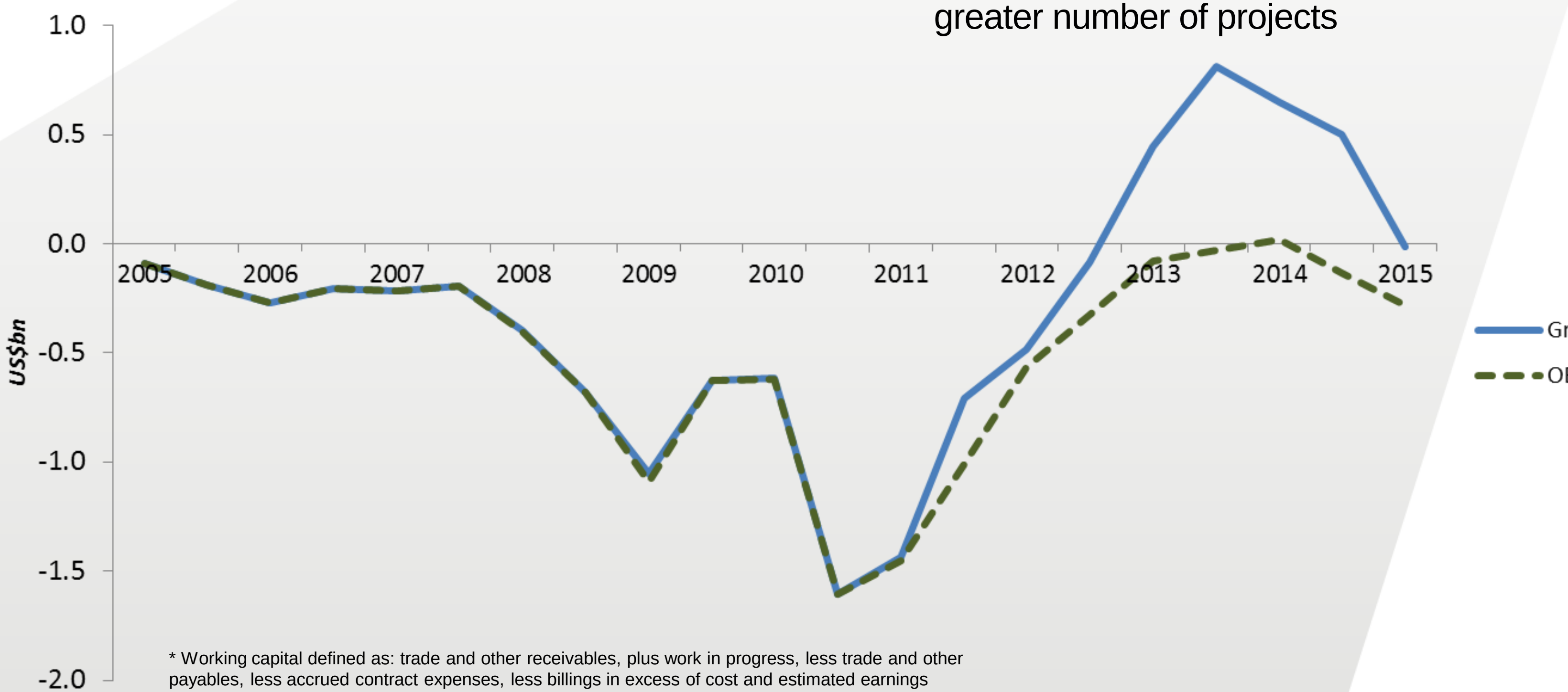
Working capital* has improved in each of the last three six-month periods (2H 2014, 1H 2015, 2H 2015)

- Working capital in OEC at 31 December 2015 is negative (favourable) and at broadly similar levels to 2005-2008

- Group working capital has grown over a 5-year view due to:
  - Unusually favourable position in OEC in 2009 to 2012 due to cash advances compared to WIP
  - Strong growth in OPO
  - Launch of IES in 2011 and subsequent growth
  - Larger commercial settlement balances and retentions as OEC has delivered larger and a greater number of projects



* Working capital defined as: trade and other receivables, plus work in progress, less trade and other payables, less accrued contract expenses, less billings in excess of cost and estimated earnings

Investing activities

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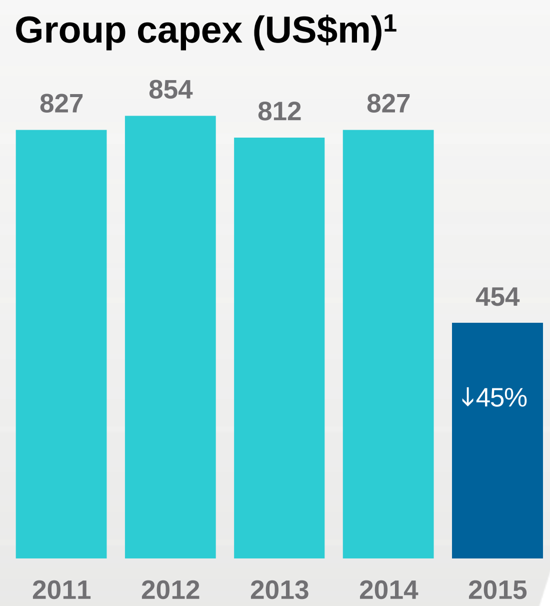
Priority to reduce our capital-intensity and deliver value from our IES portfolio

- IES capex in 2015 and 2016 predominantly on completion of Greater Stella Area development
- Invested around US$300m to end 2015 on JSD6000 project, where we are currently reviewing our options
- Group's other activities continue to be very capital light
- Capex expected to reduce further in 2016 and 2017



1 Capital expenditure as per note 3 to the financial statements, plus 'capital expenditure' on the Berantai Risk Service Contract and the Greater Stella Area development, accounted for through note 16 to the financial statements.

Financial position

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Balance sheet remains robust and prudently managed, reflected in investment grade credit ratings

- Internal gearing ratio target of net debt/EBITDA < 1X (excluding net finance leases)
- Covenants: net debt/EBITDA of < 3X and EBITDA/interest cover of > 3 (including net finance leases)
  - prior to 31 December 2015, term loan and revolving credit facility lenders granted a waiver of leverage covenant for year ending 31 December 2015
  - as a result, the Group was in compliance with its financial covenant obligations for that period
- Through EBITDA growth and reduction in net financial debt (including finance leases), expect to substantially de-lever through 2016/17
- Substantial liquidity available and project being implemented to reduce gross-up of debt and cash balances

Credit ratings	
Moodys	Baa3 (stable)
S&P	BBB (negative outlook)

Available liquidity* (US$m) and maturity		
Term-loan	500	2016
Bond	750	2018
Revolving credit facility	1,200	2020
Total	**2,450**	

* Excludes bank overdrafts and ECA facilities. See note 25 to the financial statements for more detail.

Outlook

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- Our backlog is secure and stands at record year-end levels of US$20.7 billion, giving excellent revenue visibility for 2016 and beyond
- Our backlog is focused in our core markets, where we have an unrivalled track record and a very cost-competitive delivery capability
- Our pipeline of bidding prospects remains robust and we will maintain our disciplined approach to securing new business
- We continue to drive operational efficiencies to maintain our cost competitiveness and protect our margins
- We remain committed to reducing the capital-intensity of the business and managing the IES portfolio to maximise value
- Maintaining a robust financial position to support the dividend and delivering shareholder value remains a high priority

APPENDICES

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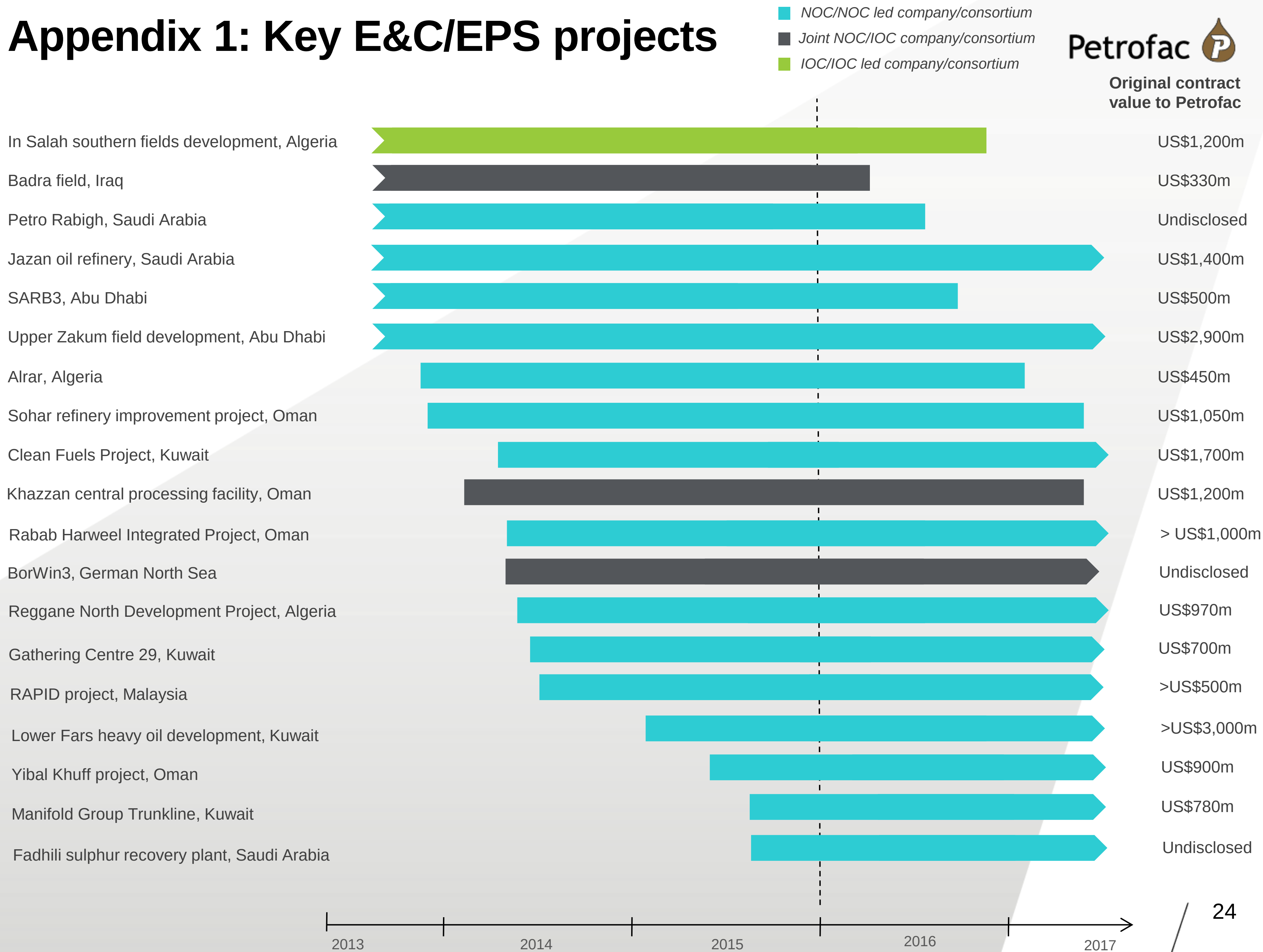
Appendix 1: Key E&C/EPS projects



Appendix 2: Key IES projects

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*Production Enhancement Contracts (PEC)**

Project	END DATE
Magallanes and Santuario, Mexico	2037
Pánuco, Mexico**	2043
Arenque, Mexico	2043

*Risk Service Contracts (RSC)****

Project	END DATE
Berantai development, Malaysia	2020

Equity Upstream Investments

Project	END DATE
Block PM304, Malaysia	2026
Chergui gas plant, Tunisia	2031
Greater Stella Area, UK	Life of field

2014 2015 2016 2017 2018

* Ticleni PEC in Romania excluded following agreement to exit

** In joint venture with Schlumberger

*** OML119 not included, as Field Development Plan not yet defined

Appendix 3: IES book value

	Oil and gas assets per note 10 (Block PM304, Chergui and PECs) US$m	Oil and gas facilities per note 10 (Ohanet, OML119 (both fully depreciated) and floating production facilities) US$m	Intangible oil and gas assets per note 13 (Block PM304, OML119 and other pre-development costs) US$m	Greater Stella Area development loan per note 16 US$m	Total US$m
Cost					
At 1 January 2015	1,256	625	161	399	2,441
Additions	97	(4)	10	182	285
Transfers	73	–	(73)	–	–
At 31 December 2015	**1,426**	**621**	**98**	**581**	**2,726**
Depreciation and impairment / revaluation					
At 1 January 2015	(415)	(197)	(5)	(207)	(824)
Charge for the year	(78)	(42)	–	–	(120)
Impairment/revaluation	(32)	(15)	(7)	(214)	(268)
At 31 December 2015	**(525)**	**(254)**	**(12)**	**(421)**	**(1,212)**
Net carrying amount: At 31 December 2015	**901**	**367**	**86**	**160**	**1,514**
At 31 December 2014	841	428	156	192	1,617

Less floating production facilities held under finance leases within 'oil and gas facilities'	(346)
Add Berantai long-term receivable (see note 16)	357
Add investment in Seven Energy International Limited (see note 15)	169
Total IES investment before working capital at 31 December 2015	**1,694**

Appendix 4: Effective tax rate

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Effective tax rate (ETR) by segment[1]

	2015	**2014**
Onshore Engineering & Construction	(2)%	(7)%
Offshore Projects & Operations	(1)%	28%
Engineering & Consulting Services	28%	15%
Integrated Energy Services	(350)%	22%
Group	**30%**	**5%**

- Group's effective tax rate (ETR) is dependent upon a number of factors including the net release of tax provisions held in respect of income taxes which is partially offset by the impact of tax losses created in the year for which the realisation against future taxable profits is not probable
- In line with prior years, the effective tax rate is also driven by the mix of profits in the jurisdictions in which profits are earned

1 Before exceptional items and certain re-measurements.

Appendix 5: employee numbers

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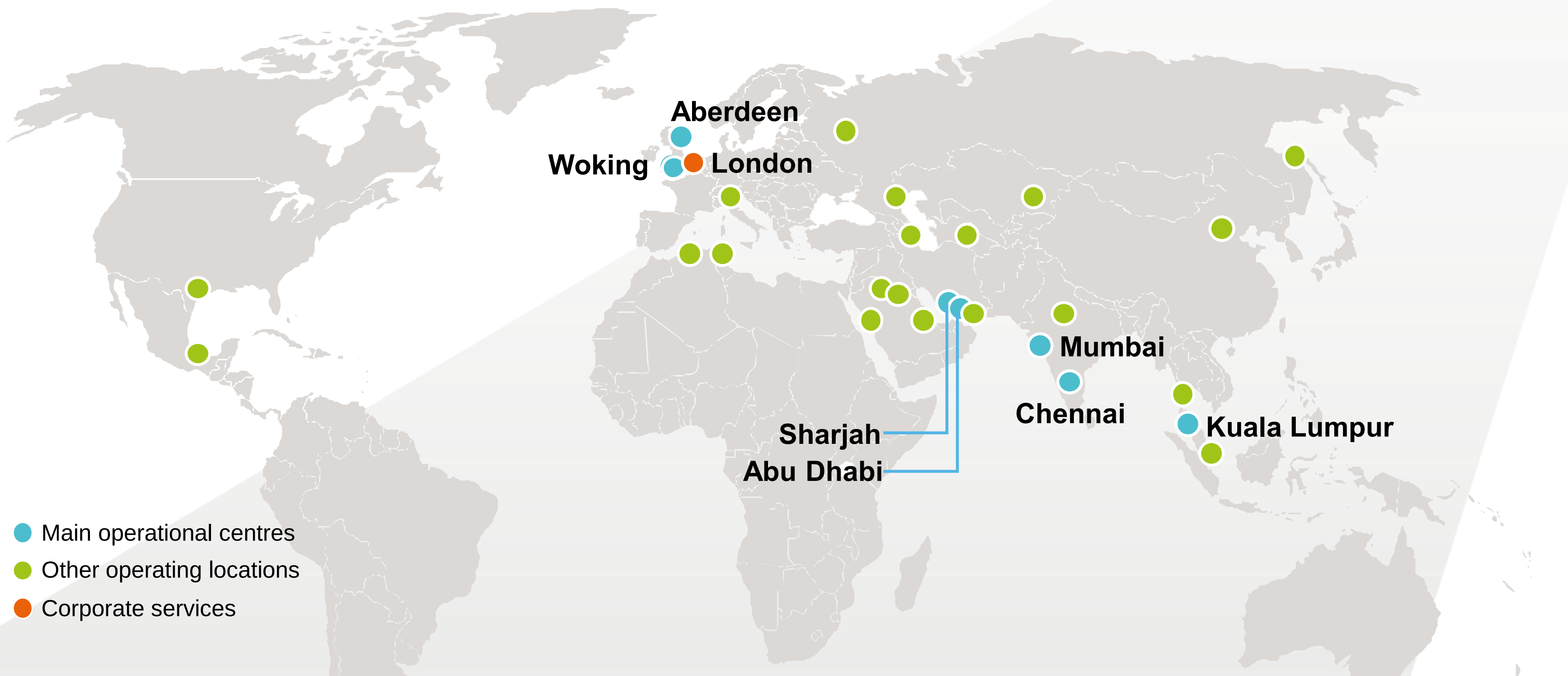
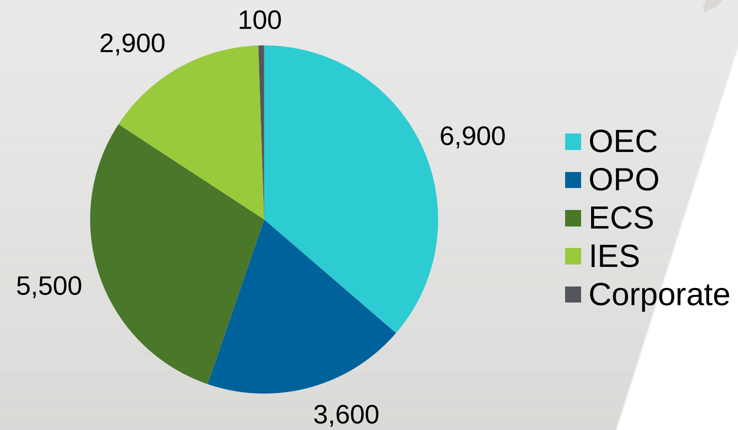


- Approximately 19,000 people in 7 key operating centres and 24 offices
- Around 30% of our employees are shareholders/participants in employee share schemes



Appendix 6: segmental performance

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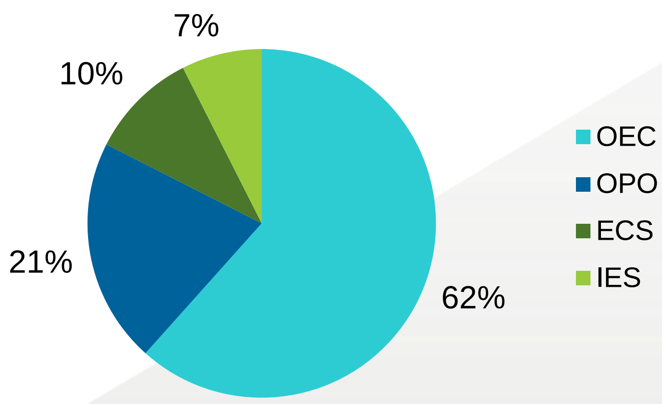
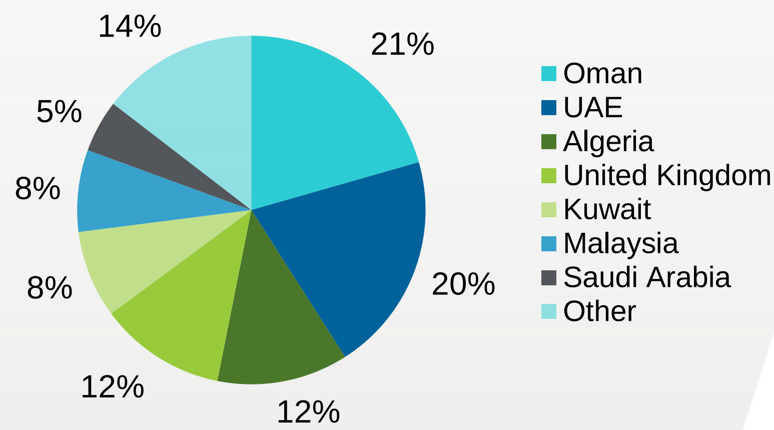
2015 revenue by reporting segment



2015 revenue by geography



- Onshore Engineering & Construction earned 62% of Group revenues in 2015
- Middle East and Africa accounted for 71% of Group revenues, reflecting geographic mix of recent project awards
- A significant proportion of Offshore Projects & Operations’ revenues are generated in the United Kingdom
- Malaysia: primarily relates to activity on Berantai and PM304 in Malaysia

For further details, please contact

Jonathan Low
Head of Investor Relations
jonathan.low@petrofac.com
+44 20 7811 4930

Jonathan Edwards
Investor Relations Officer
jonathan.edwards@petrofac.com
+44 20 7811 4936

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