Final Results 2013

26 February 2014

Petrofac

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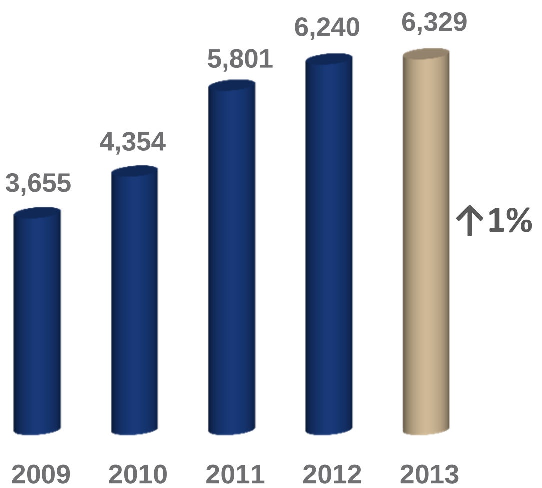
Headlines

- Modest net profit growth of 3%; strong growth in EBITDA of 17%
- Record year-end backlog of US$15.0 billion
- US$3.0bn of new awards in the year to date, which, together with our opening backlog, gives good revenue visibility for 2014 and beyond
- Strong pipeline of bidding opportunities for 2014
- Expect to deliver flat to modest growth in net profit in 2014 before returning to strong earnings growth in 2015

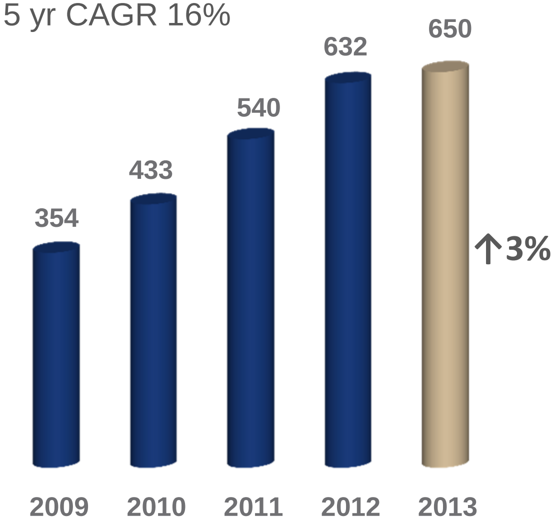
Revenue

5 yr CAGR 15%



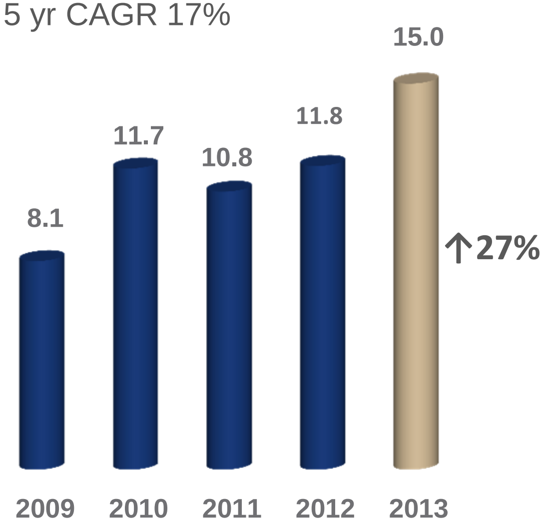
Net profit

5 yr CAGR 16%



Backlog (US$ billion)

5 yr CAGR 17%



Note: all figures presented above are for financial years ended 31 December (US$ millions unless otherwise stated)

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ECOM – Key contract awards

ECOM order intake for 2013 totalled US$7.8 billion

Onshore Engineering & Construction

- **Upper Zakum, Abu Dhabi** US$2.9bn EPC contract awarded to Petrofac Emirates
- **Bab Gas Compression and Bab Habshan Projects, Abu Dhabi** EPC contracts awarded to Petrofac Emirates totalling approximately US$700m
- **Alrar, Algeria** US$650m EPC contract in partnership with Bonatti to extend the life of the Alrar gas field in southeast Algeria
- **Sohar Refinery Improvement Project, Oman** US$2.1bn EPC contract in 50/50 JV, which includes improvements at the existing facility and new refining units

Offshore Projects & Operations

- **SARB3, Abu Dhabi** our largest offshore EPCI project to date, worth US$500m
- **Operations and maintenance services, Oman** US$50m contract delivering services at two new production facilities
- **HelWin1 and Borwin2, Germany** €40m award providing support during the commissioning phase of two offshore wind converter station platforms
- **Operations and maintenance services, Iraq** awarded a US$100 million extension to our contract with South Oil Company and a new award worth US$95 million with Gazprom on the Badra oil field

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ECOM – Update on major projects

Onshore Engineering & Construction

- We have successfully handed over **4 multi-billion dollar projects** during 2013 with a gross value of approximately US$10 billion
- **In Salah, Algeria** commenced full remobilisation on the In Salah southern fields development
- **Upper Zakum, Abu Dhabi** we continue to progress the Upper Zakum project and have agreed capacity enhancements with the client

Galkynysh gas field development, Turkmenistan

Upper Zakum, Abu Dhabi

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ECOM – Update on major projects

Offshore Projects & Operations

Petrofac JSD 6000

Laggan-Tormore, Shetland

- **SARB3, Abu Dhabi** good progress continues on our largest EPCI project to date
- **Bekok-C, Malaysia** completed the refurbishment of the platform
- **Laggan-Tormore gas plant, Shetland** increased activity levels as we have entered the construction phase
- **"Petrofac JSD6000"** placed all critical path lump-sum orders to build our new proprietary design for the offshore installation vessel

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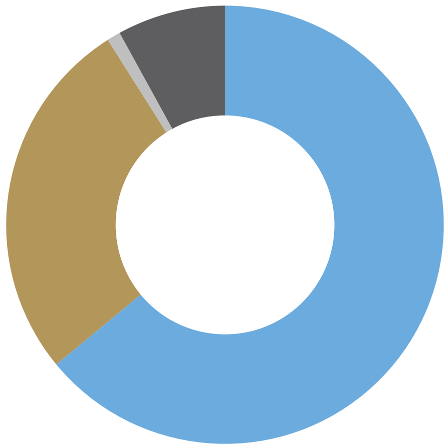
ECOM – New business prospects

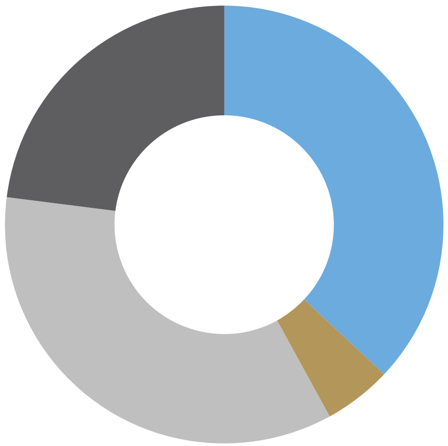
- Predominantly exposed to NOC capex and IOC opex
- US$3bn of new awards in the year to date; together with our opening backlog, gives good revenue visibility for 2014 and beyond

- Strong OEC bidding pipeline in 2014 with prospects totalling c. US$50bn
- Strong OPO bidding pipeline in 2014 with prospects totalling c. US$10bn
- We anticipate growth in backlog for ECOM, and in particular Onshore Engineering & Construction, across 2014

Onshore Engineering & Construction 2014 prospects



Offshore Project & Operations 2014 prospects



■ MENA ■ CIS ■ UK ■ Other: Asia Pacific, sub-Saharan Africa

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IES – Key contract awards and developments

Integrated Energy Services

- Together with Taleveras, signed a 5-year **MOU with NPDC** to explore opportunities in Nigeria and a 20-year agreement to develop further NPDC's offshore block OML119
- **FPF3 lease on Jasmine field in the Gulf of Thailand** extended for four years with Mubadala Petroleum Thailand; OPO will continue to provide operations and maintenance services
- Recently established a **service company with Grupo Alfa** in Mexico which allows us to bring more of the supply chain in-house

Drilling rig, Mexico

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IES – Update on major projects

Equity Upstream Investments

- **Block PM304** – commenced production on West Desaru 18 months from approval of Field Development Programme (FDP)
- **FPF1** - completed dry dock marine system refurbishment and hull life extension works and the vessel has now been successfully refloated

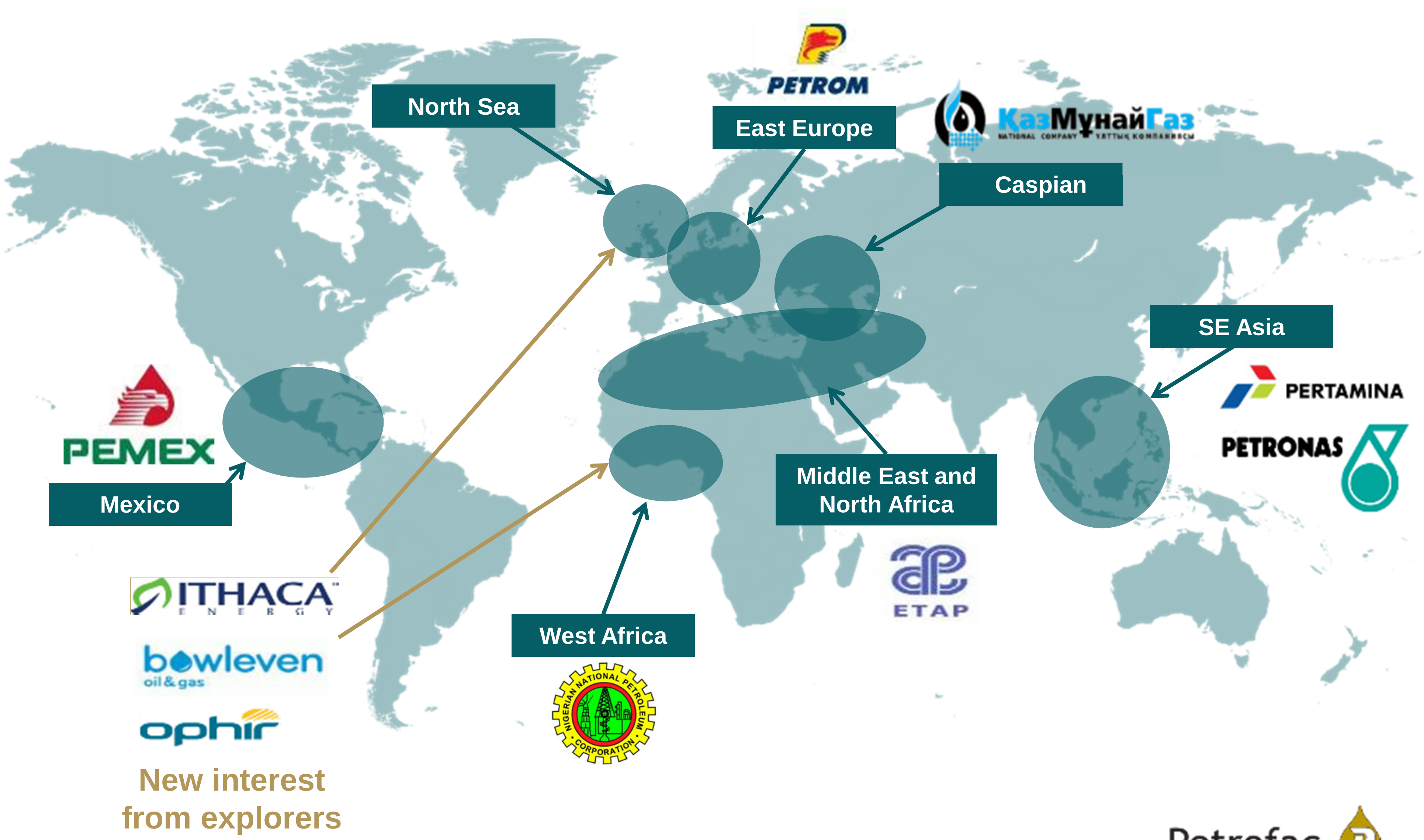
Risk Service Contracts

- **Berantai** – all thirteen wells from the first phase of the development brought online
- **Etinde Permit** – continue to support Bowleven as we progress towards the final investment decision

Production Enhancement Contracts

- **Magallanes and Santuario** improved production by 45% since we took over in early 2012
- **Pánuco and Arenque** – took over field operations in late March 2013 and July 2013 respectively
- **Ticleni** – achieved increase in production year on year with further seismic studies carried out

IES – New business prospects



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Income Statement

US$m	2013	2012	Variance
Revenue	6,329	6,240	↑ 1%
Operating profit *	793	758	↑ 5%
Profit before tax	789	765	↑ 3%
Income tax expense	(142)	(135)	↑ 5%
Profit for the year	647	630	↑ 3%
Profit attributable to Petrofac Limited shareholders	650	632	↑ 3%
EBITDA	1,031	883	↑ 17%
ROCE	28%	46%	
EPS, diluted (cents per share)	189.10	183.88	↑ 3%
Full year dividend (cents)	65.80	64.00	↑ 3%

Note: all figures presented above are for the full year ended 31 December (US$ millions unless otherwise stated)
* including share of results of associates

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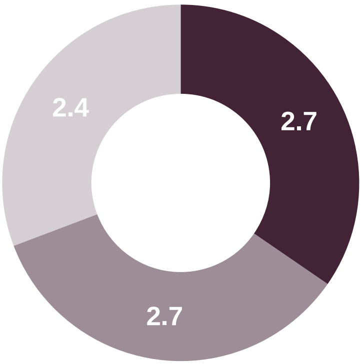
2013 year-end backlog

- Backlog increased 27% to end the year at the record level of US$15.0bn
- OEC backlog increased > 50% over the year to US$7.8bn (Dec 2012: US$5.1bn) reflecting awards in Abu Dhabi, Algeria and Oman – further US$2.9bn of awards secured in 2014 to date
- OPO backlog stood at US$3.1bn (Dec 2012: US$3.5bn) as progress on the existing portfolio of projects more than offset new awards and extensions
- IES backlog increased by 29% to stand at US$3.9bn (Dec 2012: US$3.0bn) following award of OML119 in Nigeria and an increase in backlog for the PECs in Mexico

OEC backlog by year (US$bn)



OPO backlog by year (US$bn)

IES backlog by year (US$bn)

■ 2014 ■ 2015 ■ > 2015

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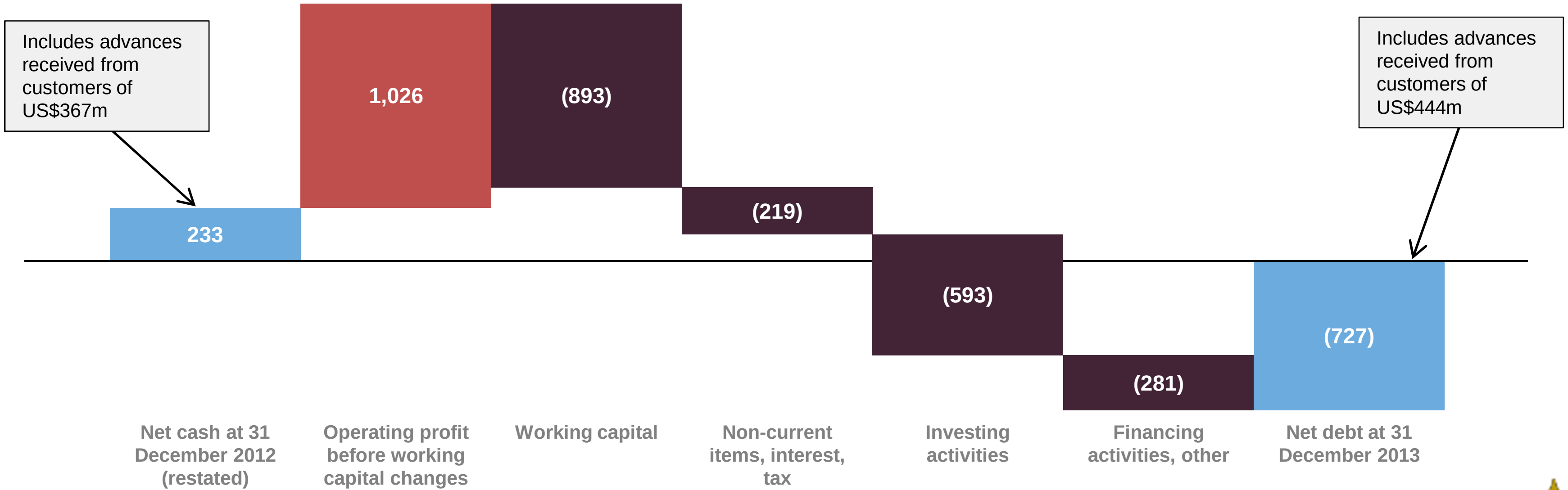
Cash flow and gross cash balances

Net debt stood at US$727m at 31 December 2013 reflecting:

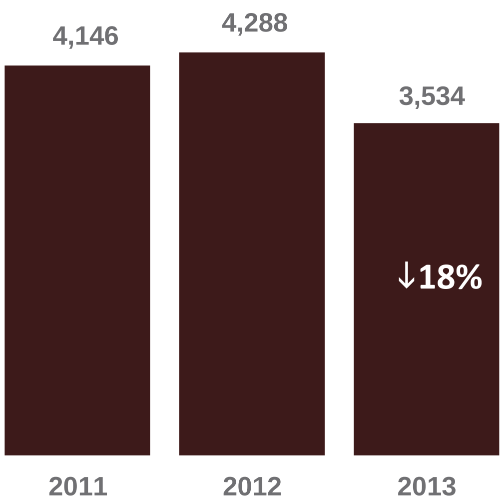
- working capital outflows of US$893m predominantly due to an increase in WIP of US$817m
- an increase in long-term receivable from a customer of US$134m in non-current items in relation to the Berantai Risk Service Contract
- capital expenditure on IES projects of US$519m included in investing activities
- financing activities, including payment of the 2012 final dividend and 2013 interim dividend, of US$271m



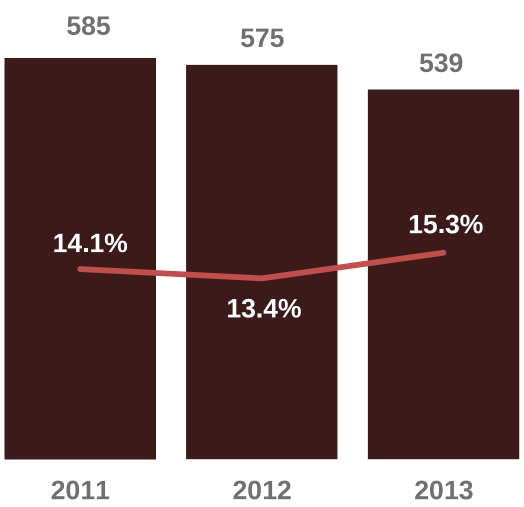
Onshore Engineering & Construction

- Revenue ↓18% – reflecting overall activity levels, including the rephasing of the In Salah southern fields development in Algeria and the Upper Zakum project in Abu Dhabi
- Net profit ↓7% – representing a net margin of 12.6%; increase in net margin reflects a contribution from projects in their late stages and contractual settlements on completed projects

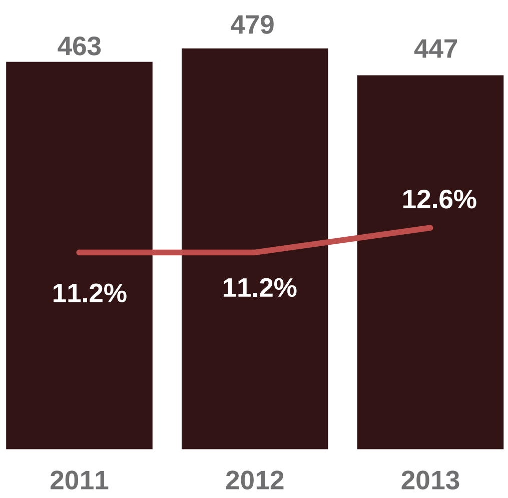
Revenue (US$m)



EBITDA (US$m)



Net profit (US$m)



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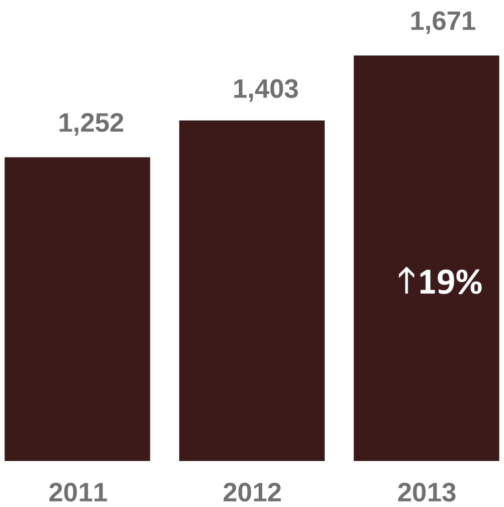
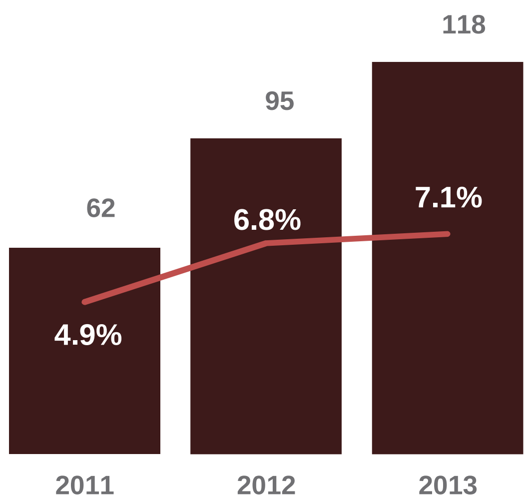
Offshore Projects & Operations

- Revenue ↑19% – strong growth reflecting higher levels of activity, including on Laggan-Tormore and operations support contracts, particularly in Iraq
- Net profit ↑13% – reflecting increased levels of activity
- Net margins were marginally lower at 4.1%

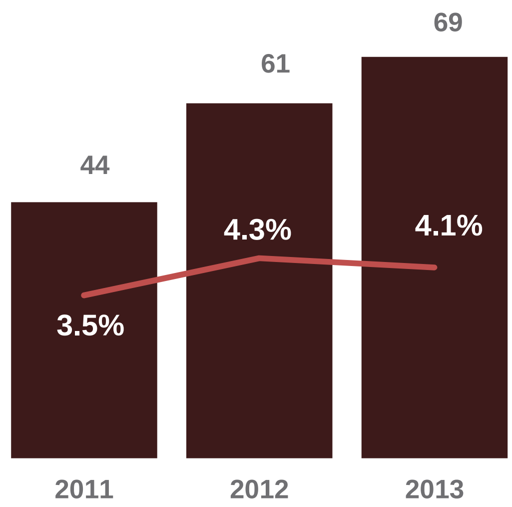
Revenue (US$m)



EBITDA (US$m)



Net profit (US$m)



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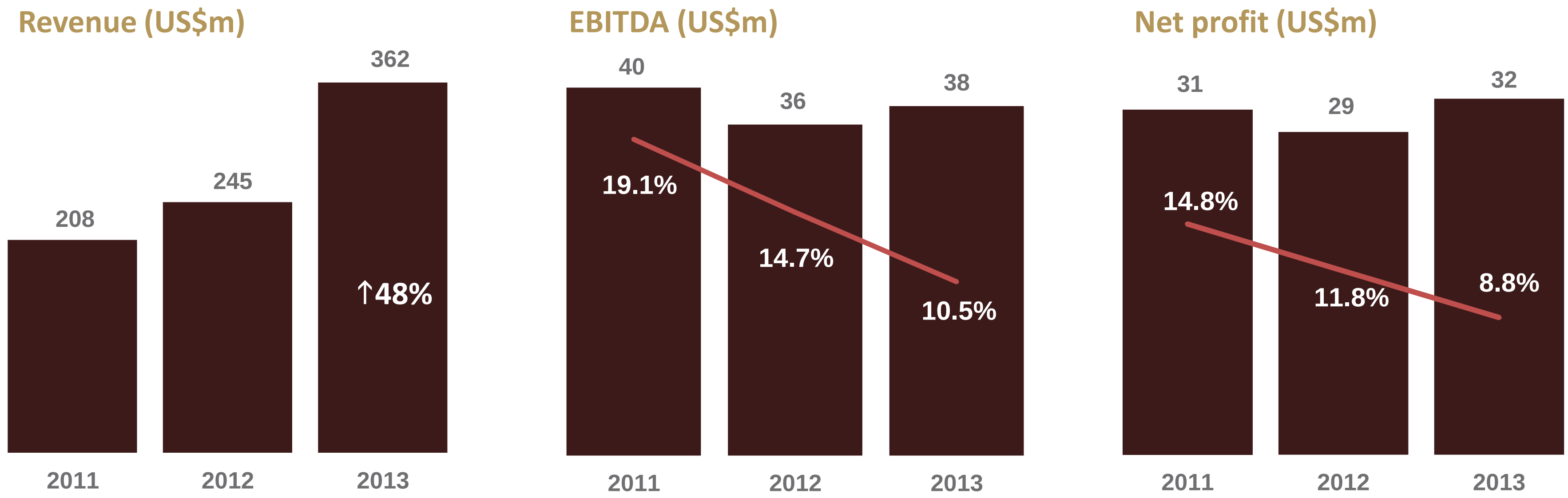
Engineering & Consulting Services

- Revenues ↑48% – strong growth reflecting substantial increase in activity levels, including significant activity on a project in Malaysia and the consolidation of RNZ from April 2013
- Net profit ↑10% – growth in net profit was more modest as the project in Malaysia was undertaken at lower than average margin



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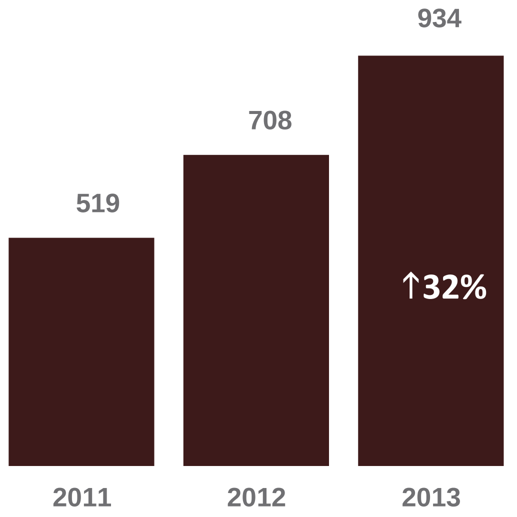
Integrated Energy Services

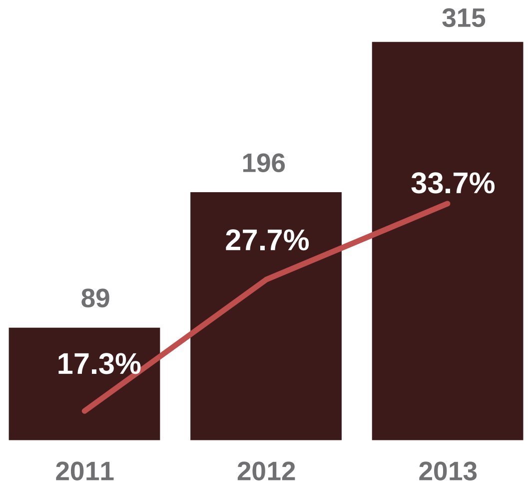
- Revenue ↑32% – strong revenue growth reflecting an increase in activity and production on the PECs in Mexico and an increase in production from Block PM304 in Malaysia, following commencement of production from West Desaru in August 2013

- Net profit ↑36% – strong growth in net profit reflects commencement of operations on West Desaru in Malaysia, a full year of income from the FPSO Berantai, a greater contribution from the PECs in Mexico and a contribution of US$17 million from our interest in Seven Energy

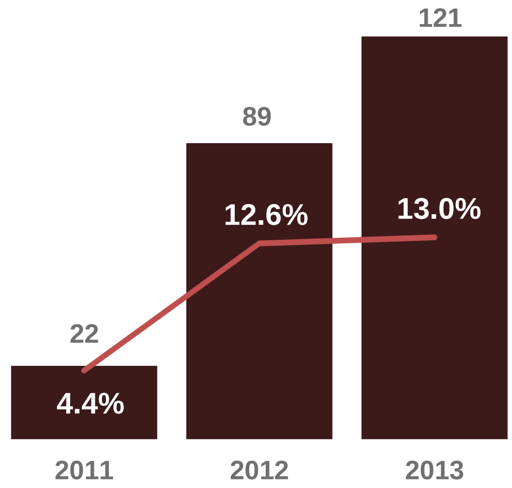
Revenue (US$m)



EBITDA (US$m)



Net profit (US$m)



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Outlook

- US$3 billion of new awards in 2014 to date, which, together with our opening backlog (US$15 billion), gives good revenue visibility for 2014 and beyond

- Our pipeline of bidding opportunities remains strong and we anticipate growth in backlog for ECOM, and in particular Onshore Engineering & Construction, across 2014

- Our project portfolio remains in excellent shape and we are confident that we will maintain sector-leading net margins in Onshore Engineering & Construction – around 11% in 2014

- In IES, we remain focused on delivery of key milestones on existing projects and continue to see strong industry demand for commercially innovative integrated oilfield services

- In line with our previous guidance, we expect to deliver flat to modest growth in net profit in 2014

- We remain confident of the long-term growth trajectory for Petrofac and of returning to strong earnings growth in 2015

Appendices

Appendix 1: Group organisation structure

<table>
<tr><td>Divisions</td><td colspan="4">Engineering, Construction, Operations & Maintenance (ECOM)
Chief Executive, Marwan Chedid</td><td colspan="3">Integrated Energy Services (IES)
Chief Operating Officer, Rob Jewkes</td></tr>
<tr><td>Reporting segments</td><td>Onshore Engineering & Construction (OEC)</td><td colspan="2">Offshore Projects & Operations (OPO)</td><td>Engineering & Consulting Services (ECS)</td><td colspan="3">Integrated Energy Services</td></tr>
<tr><td>Service lines</td><td>Onshore Engineering & Construction</td><td>Offshore Projects & Operations</td><td>Offshore Capital Projects</td><td>Engineering & Consulting Services</td><td>Training Services</td><td>Production Solutions</td><td>Developments</td></tr>
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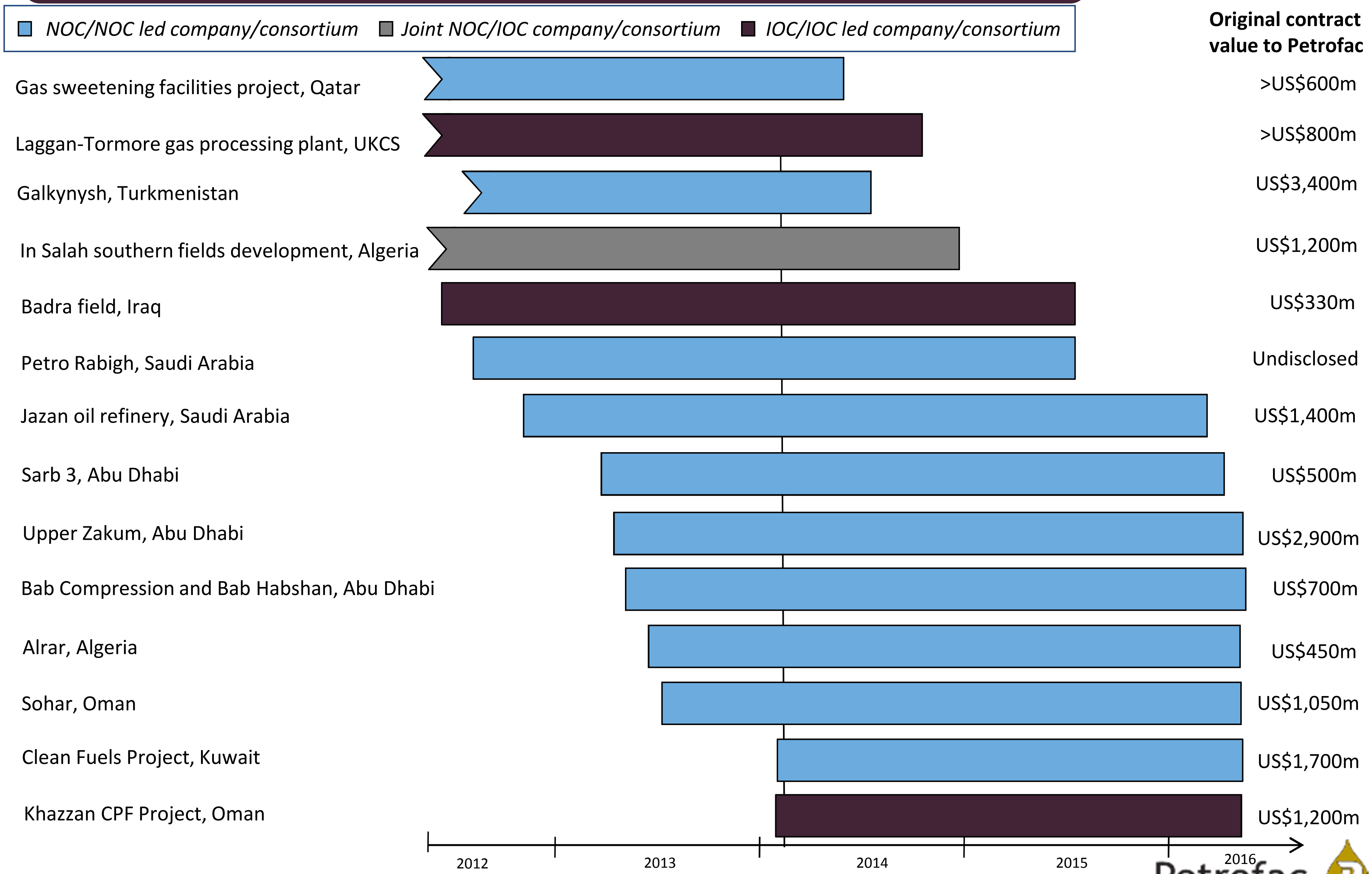
Appendix 2: Key ECOM projects



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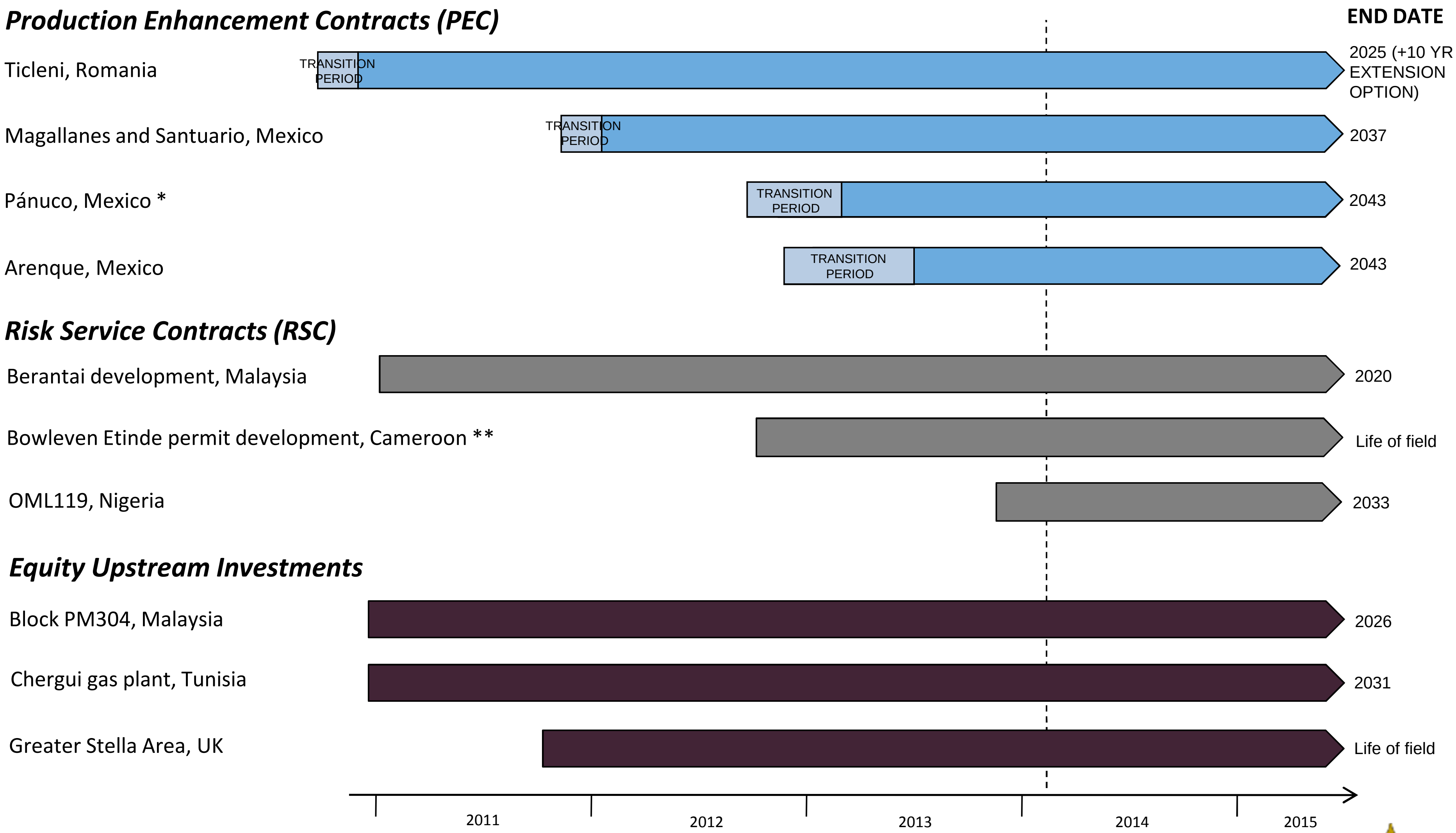
Appendix 3: Key IES projects



* In joint venture with Schlumberger

** Subject to Final Investment Decision (FID)

Appendix 4: Effective tax rate

Effective tax rate (ETR) by segment

	2013	2012
Onshore Engineering & Construction	10%	13%
Offshore Projects & Operations	29%	23%
Engineering & Consulting Services	12%	13%
Integrated Energy Services	32%	35%
Group	18%	18%

- Income tax charge for the year as a percentage of profit before tax was broadly unchanged at 18%
- Offshore Projects & Operations ETR higher due to geographic mix, with a higher ETR in Malaysia and Iraq

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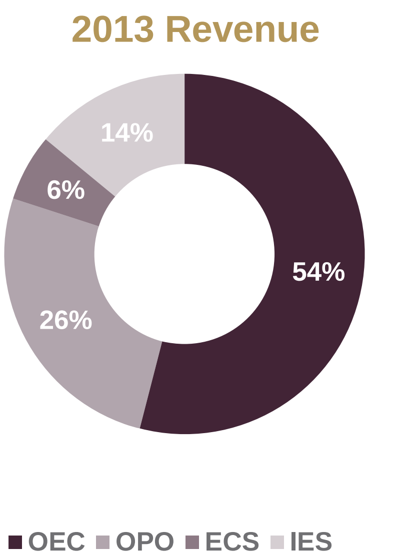
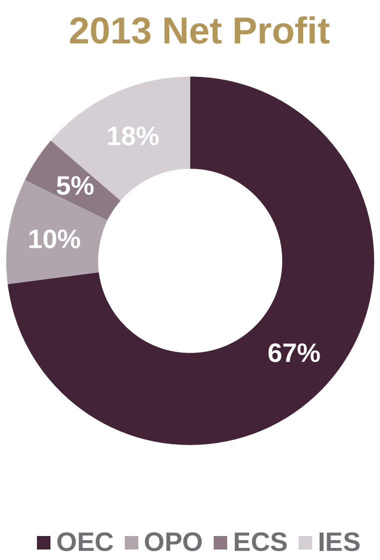
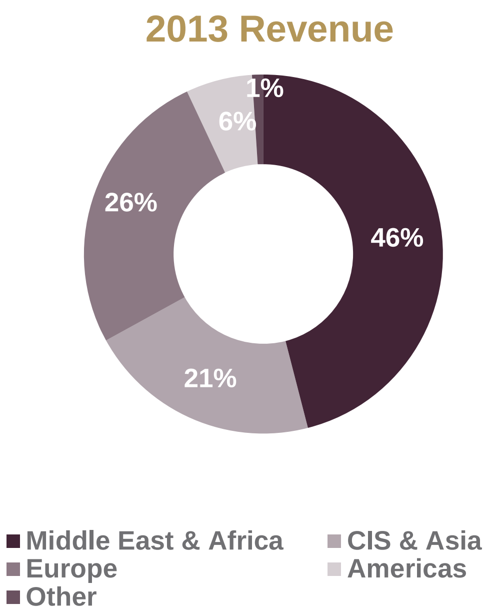
Appendix 5: Segmental performance

- Onshore Engineering & Construction earned 54% of Group revenue and 67% of net profit
- Middle East and Africa: due to geographic diversification, represents only 46% of revenues in 2013
- CIS and Asia: primarily relates to activity on Berantai and PM304 in Malaysia and Onshore Engineering & Construction activity on Galkynysh in Turkmenistan
- Europe: activity principally in UK North Sea, where significant proportion of Offshore Projects & Operations revenues are generated

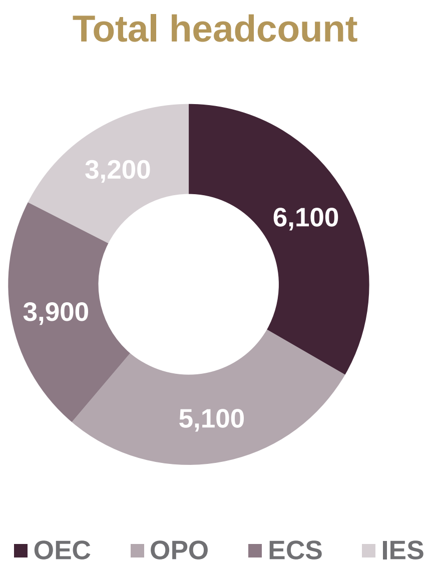


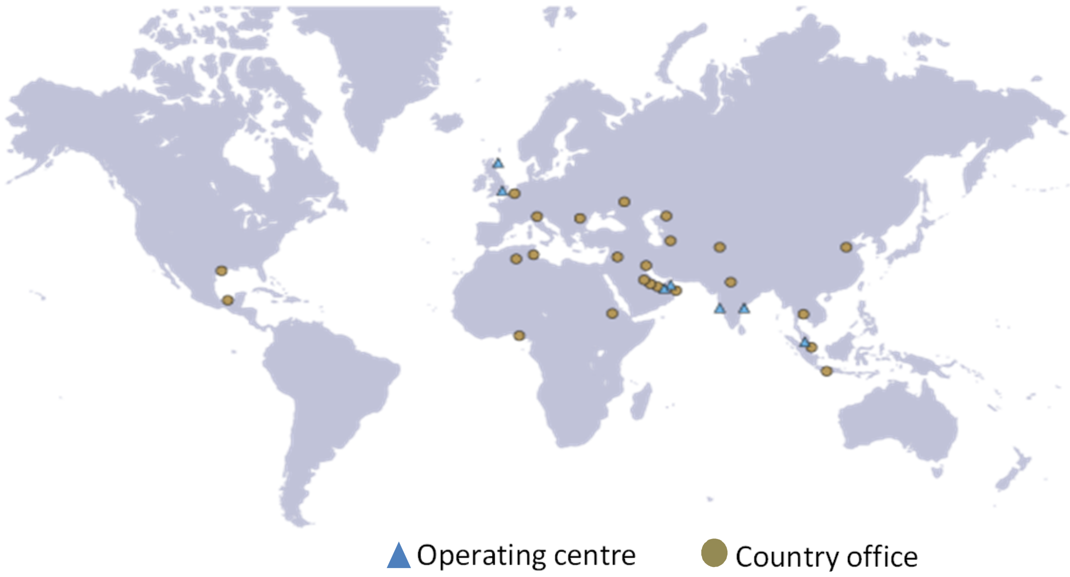




Appendix 6: Employees

- Approximately 18,300 people in 7 key operating centres and 24 offices
- Around 30% of our employees are shareholders/participants in employee share schemes





Notes

- EBITDA means earnings before interest, tax, depreciation and amortisation and is calculated as profit from operations before tax and finance costs adjusted to add back charges for depreciation and amortisation

- Net profit (for the Group) means profit for the period from operations attributable to Petrofac Limited shareholders

- Backlog consists of the estimated revenue attributable to the uncompleted portion of lump-sum engineering, procurement and construction contracts and variation orders plus, with regard to engineering services and facilities management contracts, the estimated revenue attributable to the lesser of the remaining term of the contract and, in the case of life of field facilities management contracts, five years. To the extent work advances on these contracts, revenue is recognised and removed from the backlog. Where contracts extend beyond five years, the backlog relating thereto is added to the backlog on a rolling monthly basis. Backlog includes only the revenue attributable to signed contracts for which all pre-conditions to entry have been met and only the proportionate share of joint venture contracts that is attributable to Petrofac. Backlog does not include any revenue expected to arise from contracts where the customer has no commitment to draw upon services from Petrofac. Backlog is not an audited measure. Other companies in the oil and gas industry may calculate these measures differently. Order intake comprises new contracts awarded, growth in scope of existing contracts and the rolling increment attributable to contracts which extend beyond five years.

- The Group reports its financial results in US dollars and, accordingly, will declare any dividends in US dollars together with a Sterling equivalent. Unless shareholders have made valid elections to the contrary, they will receive any dividends payable in Sterling. Conversion of the 2013 final dividend from US dollars into sterling is based upon an exchange rate of US$1.6688:£1, being the Bank of England sterling spot rate as at midday, 26 February 2014.

- Operating profit means profit from operations before tax and finance costs/(income) and our share of results of associates.

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