Petrofac

2005 FINAL RESULTS

March 2006

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Petrofac

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Headlines

Petrofac

- Strong financial performance
- Continuing demand for our services, underpinned by long term, secular trends
- Record backlog
- Well positioned for further growth during 2006 and beyond

	2005	2004	**Change**
	US$m	*US$m*	
Revenue	**1,485.5**	951.5	↑ 56.1%
EBITDA[(1)]	**115.6**	96.1	↑ 20.3%
Net profit[(2)]	**75.4**	46.1	↑ 63.6%
Backlog[(3)]	**3,244**	1,740	↑ 86.4%
EPS (diluted)	**22.4 cents**	11.9 cents	↑ 88.2%
DPS (final)[(4)]	**1.87 cents**		

Note: all figures presented above are for the group's continuing operations

Overview

Petrofac

- Petrofac provides services across the lifecycle for upstream, midstream and downstream facilities and infrastructure

Engineering & Construction

- Engineering, construction and procurement
- Engineering services
- Project management

Operations Services

- Facilities management
- Operations and maintenance
- Comprehensive training programmes

Resources

- Investment in upstream opportunities based on proved hydrocarbon reserves and in oil & gas infrastructure
- Synergy with other two divisions

By working in partnership with the owners of oil & gas reserves and infrastructure, providing innovative and cost-efficient services, we aim to create value across all aspects of an asset's development

Core strategic aims

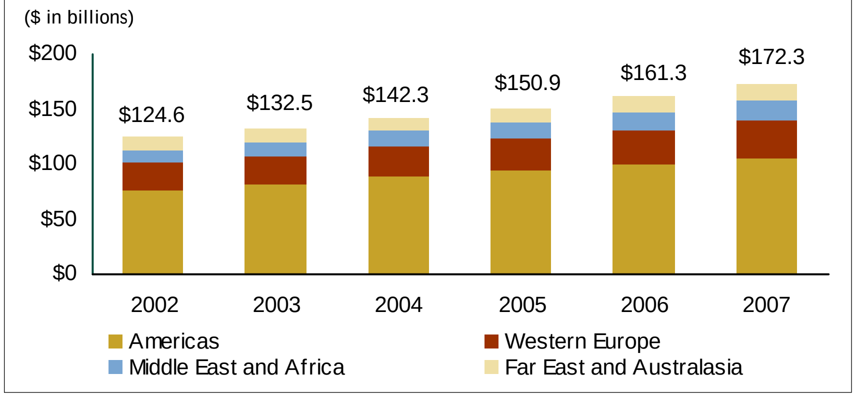
Petrofac

- Focus on regions with major hydrocarbon reserves where significant capital and operational expenditures are expected
- Leverage client relationships by providing a range of services across the life cycle of an asset
- Assist clients in achieving their local content goals by increasing the use of local resources and improving the competence and technical skills of national workforces
- Extending our breadth of competency and expanding our service offering into new regions
- Attract and retain recognised specialists and key personnel

Key drivers

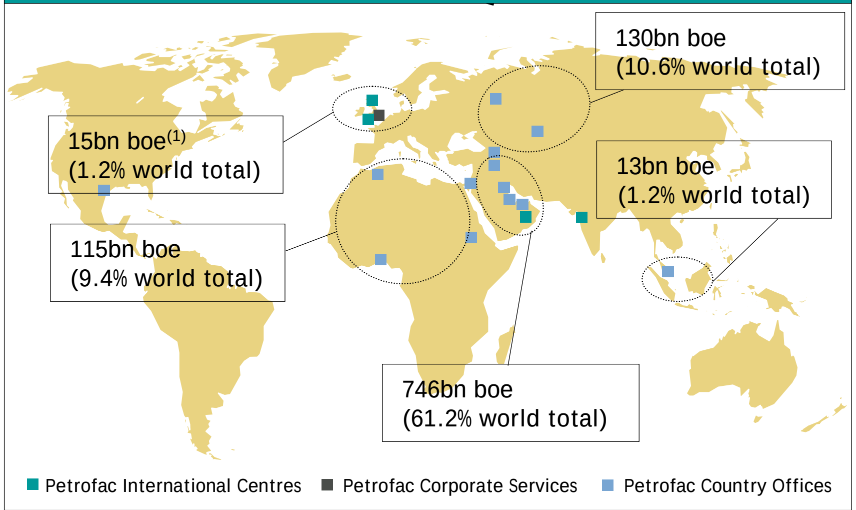
- Increasing capital spending by oil & gas companies
  - need to replace depleted reserves
  - reserves development shifting to non-OECD
  - infrastructure build-out requirement
- Growing level of outsourcing by oil & gas companies
  - overall trend of majors divesting mature fields to independents
  - National Oil Companies (NOCs) retaining reserves; require operating expertise
- Level of demand for trained personnel
  - focus on local content and labour
  - ageing workforce and increased HSE requirements

Global Oil & Gas Capital Expenditures



Source: Worldwide Petroleum Industry Report.

Global Reserves & Petrofac Locations



(1) Remaining proved reserves - Total Oil Equivalents (mmboe).
Source: BP 2005 Statistical Review.

Engineering & Construction

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- Substantial growth in revenue and profit
- Successful project execution
- Record order intake
- Focus on human resources
- Well positioned for sustained growth

Operations Services

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- Successful year, aided by a buoyant UKCS, driven by sustained high oil prices
- Strong UKCS business development with a number of important contract renewals and extensions and significant contract awards
- Excellent progress with execution of new projects, both UKCS and internationally
- Focus on supporting National Oil Companies in Iran, Sudan and Kuwait
- Expansion of Training, servicing the NOCs, major oil companies and independents, and extension into new areas

Resources

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- Existing investments continued to perform well
- Good progress made with investments under development
- Cendor on track for commencement of production in 2H 2006
- Increase in business development capability leading to greater opportunities

Group Overview

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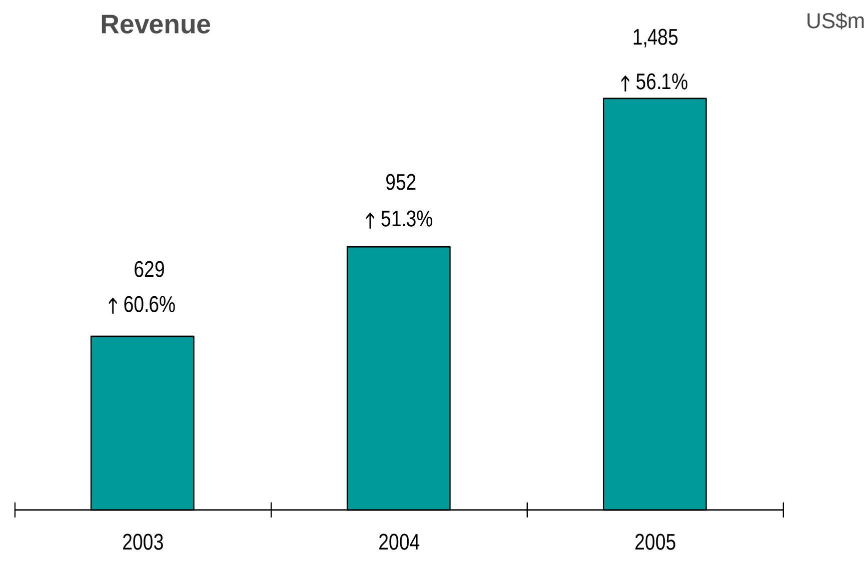
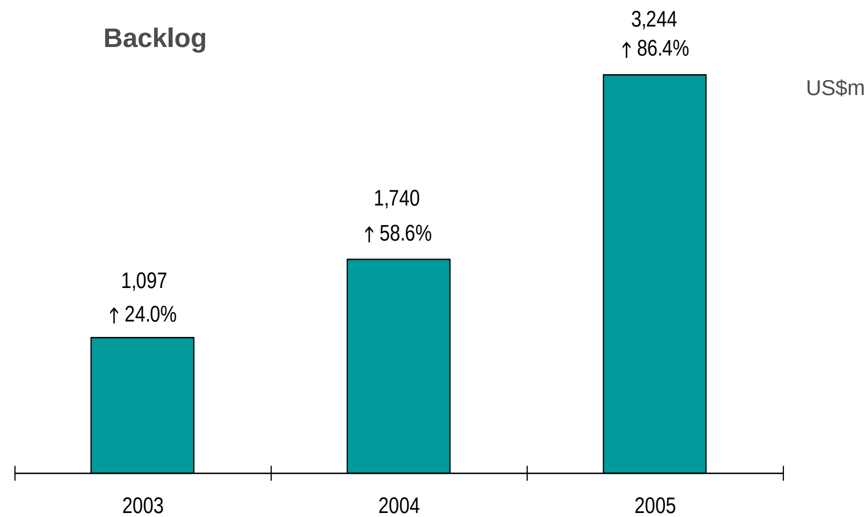
- Revenue increase of 56.1%, driven by E&C and OS
- Geographic split
  - Former Soviet Union & Asia 41%
  - Europe 35%
  - Middle East & Africa 24%



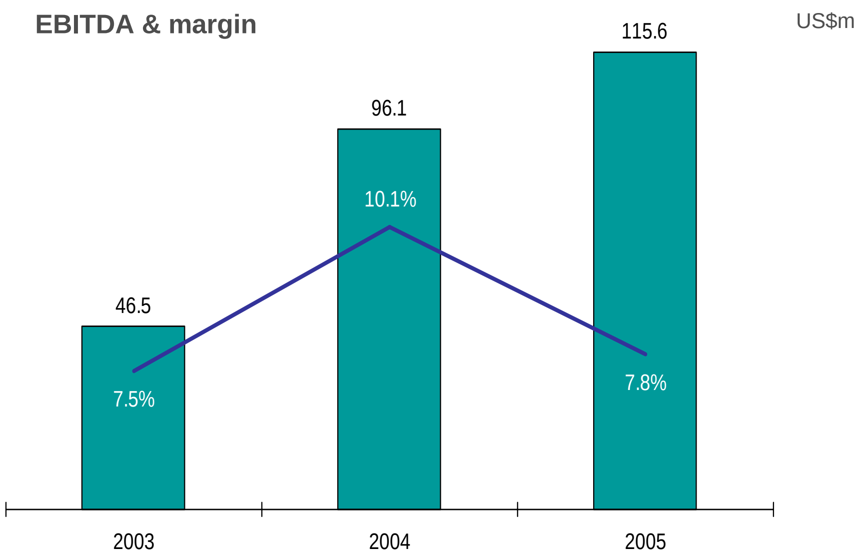
- Record backlog of US$3,244 million at 31 December 2005, up 86.4%
- Represents approximately 2.2 times 2005 revenue (2004: 1.8 times)



Group Overview

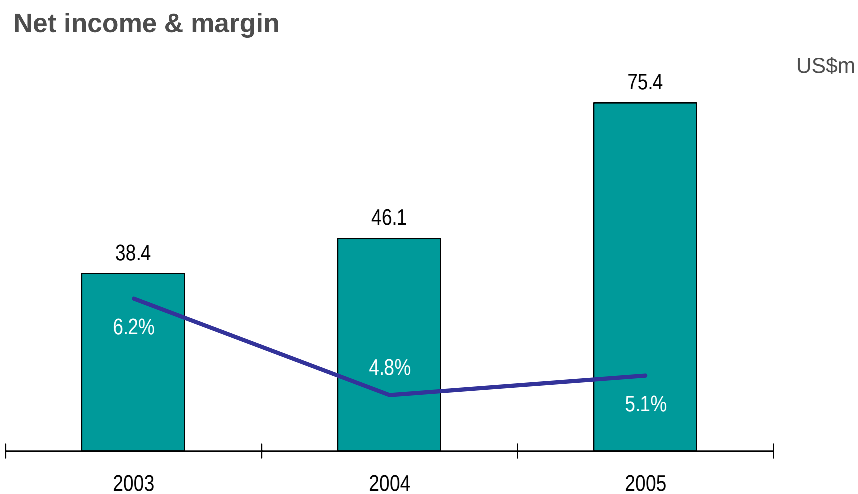
- EBITDA increase of 20.3%

- Margin decreased from 10.1% to 7.8% due to lower E&C margins and impact of IPO costs



- Net income increase of 63.6%

- Margin increased from 4.8% to 5.1% due to lower effective tax rate, decrease in depreciation as a % of revenue, cessation of goodwill amortisation and lower finance costs



Profit & Loss

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Continuing Operations	2005	2004	Change
	US$m	*US$m*	
Revenue	**1,485.5**	951.5	↑ 56.1%
Operating profit[6]	**88.6**	68.3	↑ 29.8%
Interest cost	**(5.2)**	(5.5)	
Profit before tax	**83.3**	62.7	
Income tax expense	**(8.0)**	(16.7)	
Net profit	**75.4**	46.1	↑ 63.6%
Loss from discontinued operations	**(0.8)**	(13.2)	
Profit for the year	**74.6**	32.9	
EPS (diluted)	**22.4 cents**	11.9 cents	
EBITDA	**115.6**	96.1	↑ 20.3%
ROCE[5]	**32.5%**	31.4%	

Normalised Net Profit

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2005 Continuing Operations	1H	2H	TOTAL
	US$m	*US$m*	*US$m*
Net profit, as reported	36.4	39.0	75.4
Provision for BTC/SCP project losses	(7.5)	10.0	2.5
Recognition of Cendor tax losses	7.6	1.3	8.9
IPO costs	(2.3)	(4.0)	(6.3)
3i loan note/share costs	(1.3)	(0.6)	(1.9)
Non-recurring items	**(3.5)**	**6.7**	**3.2**
Additional provision taken for BTC/SCP project losses as at 30 June			(7.5)

* As compared to the mean of analysts' current normalised net income forecasts

Effective Tax Rate, 2005 vs 2004

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Continuing Operations	**2005** *US$m*	**%**	2004 *US$m*	%
Reported tax charge	**8.0**	**9.5%**	16.7	26.6%
Recognition of Cendor tax losses	**8.9**	**10.7%**	-	-
Net project losses utilised / (unrecognised)	**1.5**	**1.9%**	(3.1)	(4.9%)
Expenditure not allowable for tax purposes	**(2.3)**	**(2.8%)**	(0.2)	(0.3%)
Adjusted tax charge	**16.1**	**19.3%**	13.4	21.4%

Tax charge by division	**Reported**		**Adjusted**	
	2005	2004	**2005**	2004
Engineering & Construction	**2.5%**	6.4%	**5.4%**	6.4%
Operations Services	**33.1%**	40.9%	**31.6%**	35.7%
Resources	**(3.9%)**	54.6%	**42.5%**	12.7%

Effective Tax Rate, estimated for 2006

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Tax charge by division	2006 estimated	2005 adjusted
Engineering & Construction	23%	5.4%
Operations Services	33%	31.6%
Resources	40%	42.5%

- E&C effective tax rate (ETR) driven by majority of projects for 2006 being situated in taxable jurisdictions
- Resources ETR will be sensitive to changes in the start-up date for Cendor, where material delays could impact ability to recognise/utilise deferred tax assets in respect of pre-trading losses
- Any adverse impact in 2006 would positively impact the tax rate in future periods

Cash Flow

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	2005	2004	Change
	US$m	*US$m*	
Continuing operations			
Net cash flows from operating activities	**108.9**	89.8	↑ 21.3%
Net cash flows used in investing activities	**(18.6)**	(29.3)	
Net cash flows used in financing activities	**(16.5)**	(19.2)	
Net cash flows from discontinued operations	**1.2**	(8.9)	
Net increase in cash and cash equivalents	**75.0**	32.4	↑ 131.5%
Cash and cash equivalents at 31 December	**202.8**	127.8	↑ 58.7%

Balance Sheet

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	2005	2004	Change
	US$m	*US$m*	
Non-current assets	**181.3**	195.9	
Current assets	**803.7**	529.8	↑ 51.7%
Assets of discontinued operation	**1.7**	3.7	
Total assets	**986.7**	729.4	↑ 35.3%
Total equity	**195.2**	138.6	↑ 40.8%
Non-current liabilities	**88.8**	125.1	
Current liabilities	**702.7**	465.7	
Total liabilities	**791.5**	590.8	
Total equity and liabilities	**986.7**	729.4	↑ 35.3%
Gross gearing ratio	**54.8%**	116.5%	
Net gearing ratio	**Net cash**	13.0%	

Engineering & Construction

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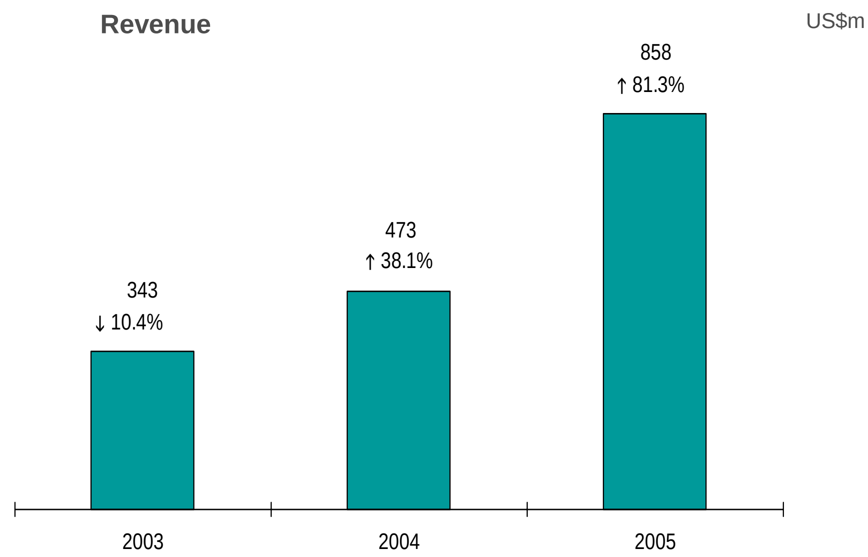
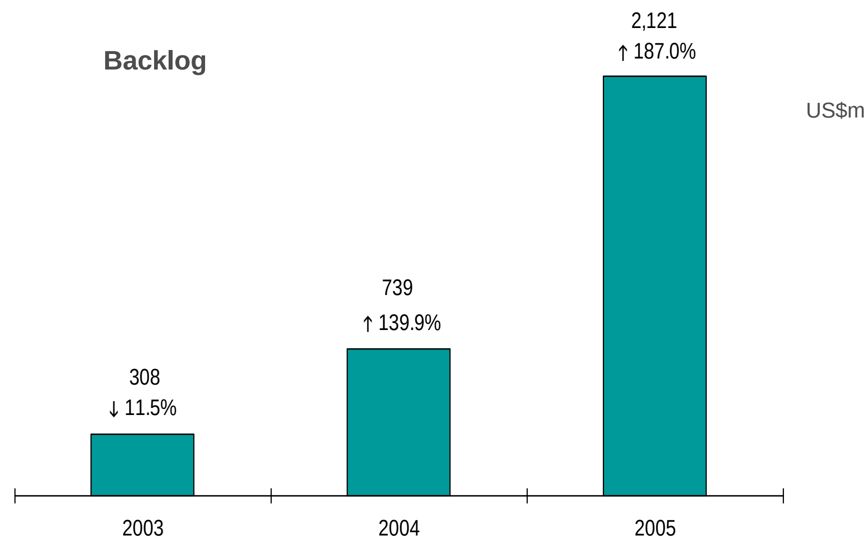
- Revenue increase of 81.3%
- Significant contribution from Kashagan engineering and procurement contract



- Record order intake took backlog to US$2,121 million, up 187.0%
- Key awards include Harweel (Oman), Kauther (Oman), Facilities Upgrade (Kuwait), Kashagan construction management (Kazakhstan) and Kovykta (Russia)



Engineering & Construction

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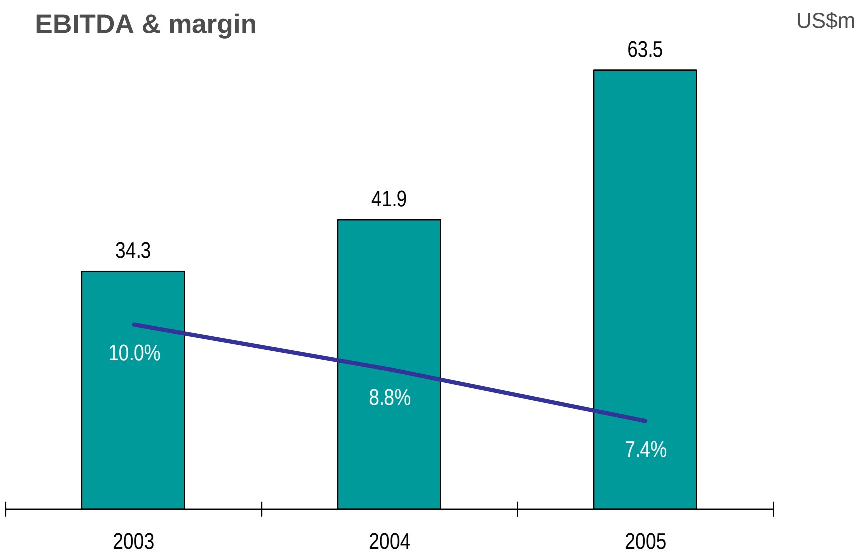
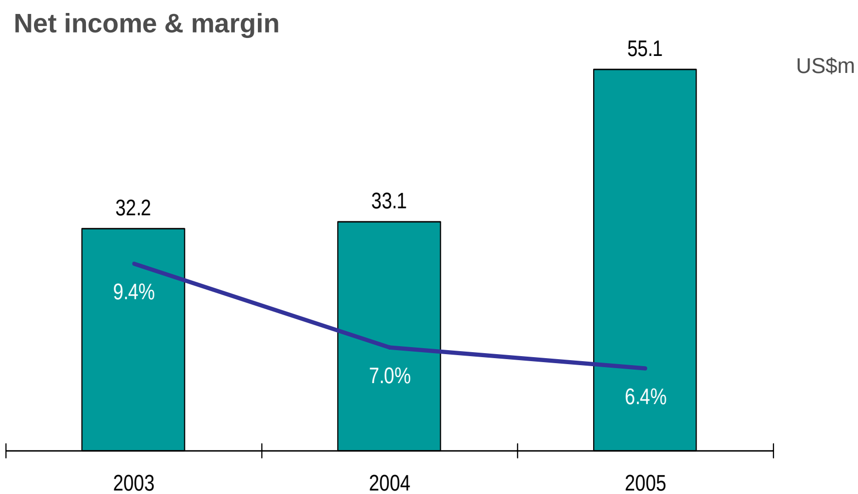
- EBITDA increase of 51.6% in 2005 due to revenue growth partially offset by margin decrease
- Margin decrease from 8.8% to 7.4% reflects timing of profit recognition, contract risk profile and reassessment of BTC/SCP project losses

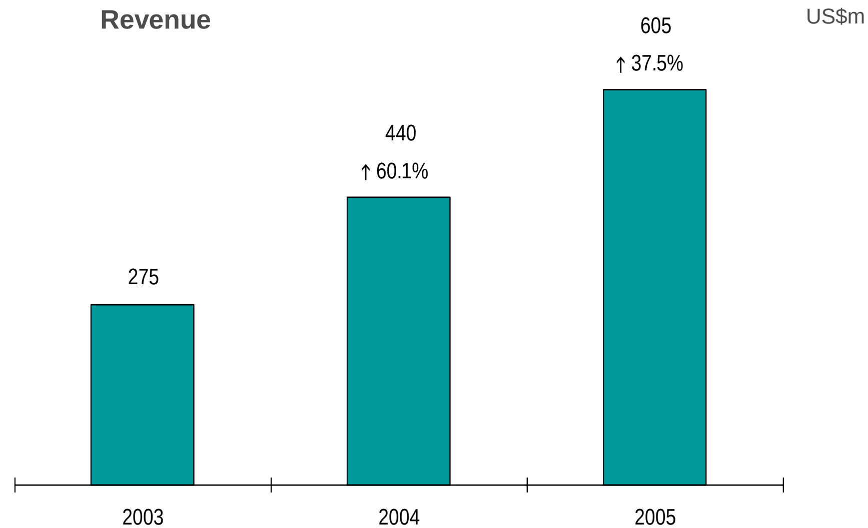


- Net income increase of 66.4%
- Margin decrease from 7.0% to 6.4% reflects impact of lower EBITDA margins partially offset by decrease in depreciation as % of revenue, lower effective tax rate and higher finance income

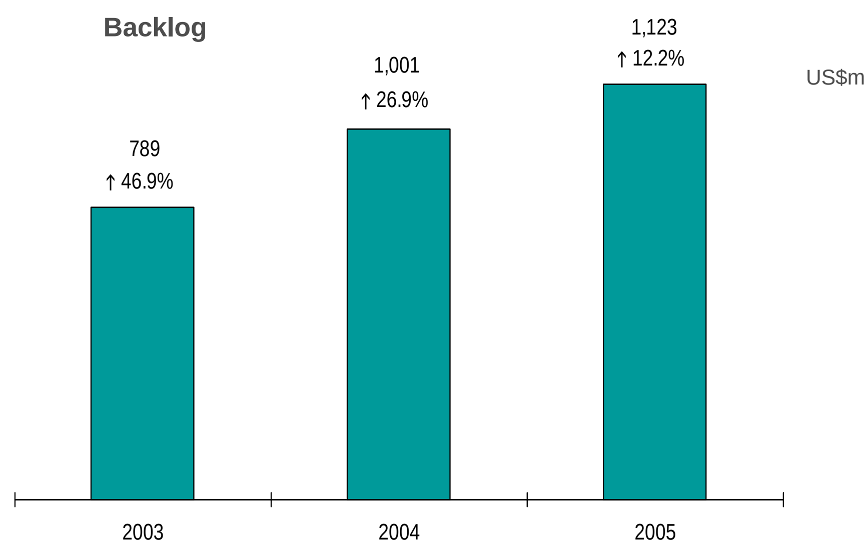


Operations Services

- Revenue increase of 37.5%
- Significant contribution from new UKCS service operator contract, introduction of brownfield engineering and new international maintenance management contract



- Backlog increase of 12.2% to US$1,123m (up 24.6% on constant currency basis)
- Key renewals and awards include ExxonMobil, Maersk Oil, Lundin Petroleum service operator, KOC maintenance management contracts
- Further US$0.3bn provided under letters of award (contracts now signed)



Operations Services

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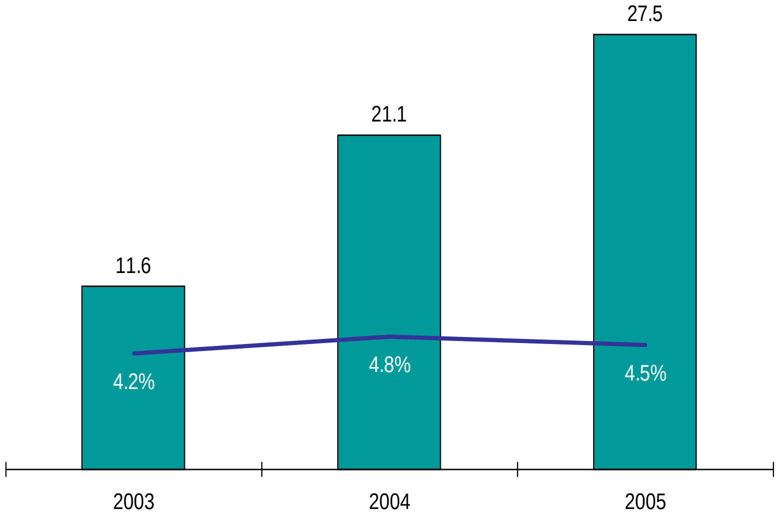
- EBITDA increase of 30.3% reflects strong revenue growth partially offset by decrease in margins
- Margin decrease from 4.8% to 4.5% reflects increased pass-through revenues

EBITDA & margin

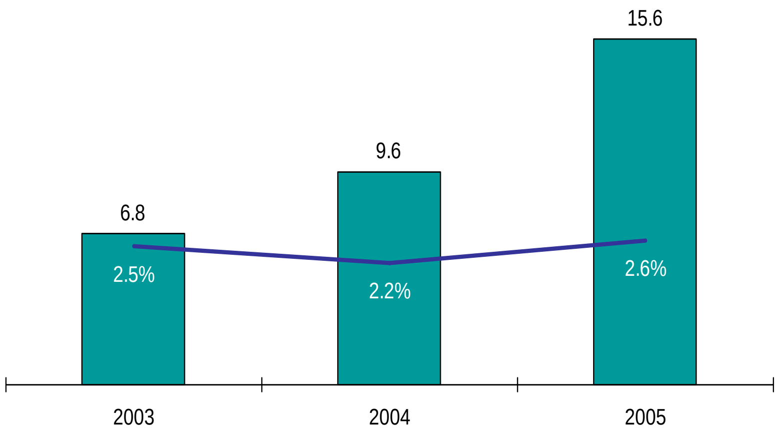
US$m



- Net income increase of 61.5%
- Margin increase from 2.2% to 2.6% reflects cessation of goodwill amortisation and lower effective tax rate

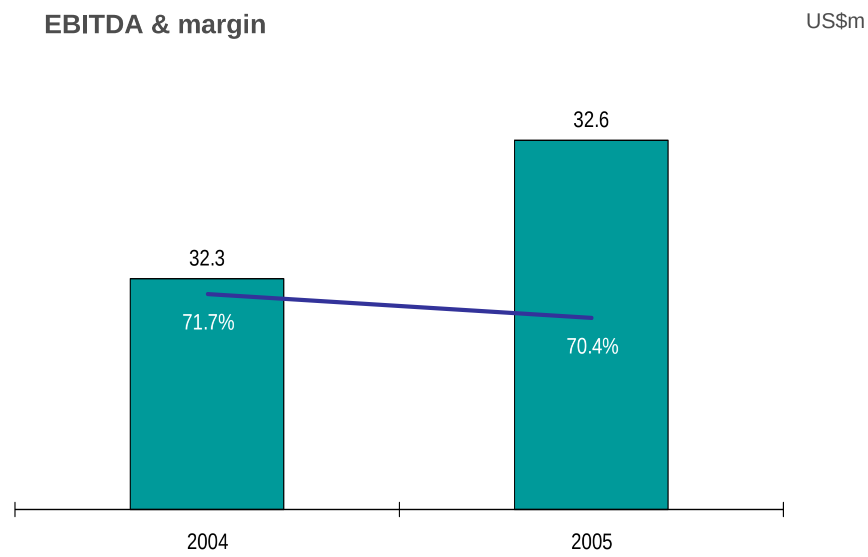
Net income & margin

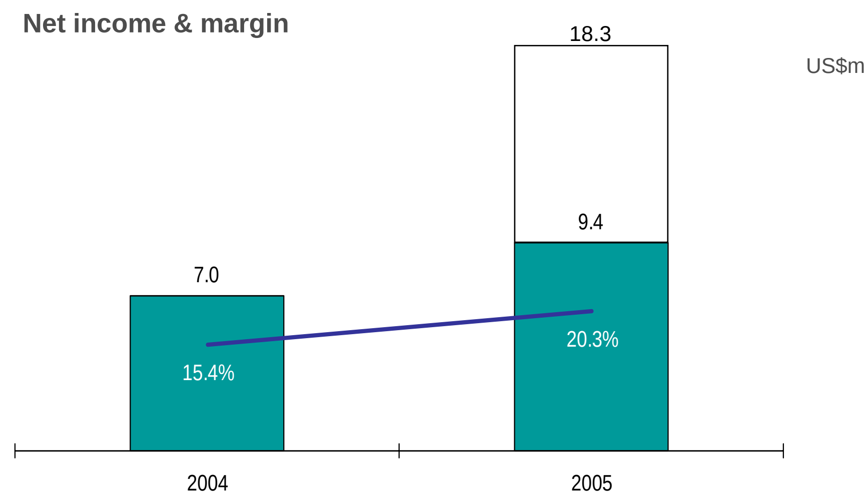
US$m



Resources

- No significant change to portfolio of producing assets
- EBITDA and margin broadly in line with 2004
- Net income increased due to Cendor tax credit and lower finance costs





Outlook

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Strong demand for our services, underpinned by long term, secular trends

Engineering & Construction
- Strong revenue visibility through backlog
- Progression in margin expected as early stage contracts progress
- New business focused on sustained growth

Operations Services
- Full year impact from new business secured in 2005
- Margins expected to be maintained

Resources
- No change expected to existing producing assets
- First production expected from Cendor in 2H 2006
- Ongoing review of suitable investment opportunities

Well positioned for continued growth during 2006 and beyond

Notes

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1. EBITDA means earnings before interest, tax, depreciation and amortisation and is calculated as profit from continuing operations before tax and finance costs adjusted to add back charges for depreciation, amortisation and impairment.
2. Net profit (for the group) means profit for the year from continuing operations attributable to Petrofac Limited shareholders.
3. 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. The group uses this key performance indicator as a measure of the visibility of future earnings. Backlog is not an audited measure. Other companies in the oil & gas industry may calculate this measure differently.
4. The group reports its financial results is 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 2005 final dividend from US dollars into Sterling is based upon an exchange rate of US$1.7457:£1, being the Bank of England Sterling spot rate as at midday, 15 March 2006.
5. Return on capital employed is defined as the ratio of earnings before interest, income tax and amortisation (i.e. operating profit plus goodwill and other amortisation and impairment losses) (EBITA) and average capital employed, being average total assets employed less average total current liabilities.
6. Operating profit means profit from continuing operations before tax and finance costs.