The attached is an extract from the group's interim condensed consolidated financial statements for the six months ended 30 June 2011.

Results

We are pleased to report that the group has had a successful first half of 2011, with an order intake of US$2.2 billion, including new awards in Algeria, Malaysia and Iraq. We continue to deliver good operational performance across our portfolio of projects and we expect to deliver like-for-like[1] net profit growth in 2011 of at least 15% and in-line with current market expectations[2].

In the six months ended 30 June 2011, revenue increased by 25.2% to US$2,711.1 million (2010 restated[3]: US$2,165.8 million) due to high activity levels following recent awards, particularly in the Engineering & Construction and Offshore Engineering & Operations reporting segments.

Net profit attributable to Petrofac Limited shareholders, excluding the gain on the EnQuest demerger in the corresponding period in 2010, increased 6.6% to US$246.3 million (2010 restated[3]: US$231.0 million). The increase in net profit was lower than the increase in revenue predominantly as a result of the timing of profit recognition. We have recognised revenue on a number of early stage projects, particularly in Engineering & Construction, where we have not yet reached the progress threshold for recognising profit. In addition, the net margin in the first half of 2010 benefited from the first-time recognition of profit on a number of Engineering & Construction contracts awarded in 2009.

EBITDA, excluding the gain on the EnQuest demerger, was lower at US$332.0 million (2010 restated: US$349.7 million) following the demerger of the high EBITDA margin Don assets in April 2010.

The group's net cash increased to US$1,768.0 million over the six months to 30 June 2011 (31 December 2010: US$975.3 million) as the net result of:

- operating profits before working capital and other non-current changes of US$361 million
- net working capital inflows of US$906 million, including an increase in advances received from customers of US$976 million (including receipt of an advance payment in January 2011 in relation to the South Yoloten project in Turkmenistan) and a reduction in work in progress of US$247 million
- investing activities of US$218 million, including investment of a further US$50 million (of an agreed US$75 million) in Seven Energy (see note 11 for details), US$99 million for the purchase and upgrade of three floating production, storage and offloading (FPSO) vessels (see note 9 for details: note 9 includes an accrual for US$37 million in addition to the cash outflow) and US$16 million for deferred consideration in relation to an acquisition
- financing activities, in particular, payment of the 2010 final dividend of US$101 million and financing the purchase of treasury shares for US$47 million for the purpose of making awards under the group's share schemes
- taxes paid of US$98 million

Net cash (US$ million)	*30 June 2011*	*31 December 2010*	*30 June 2010*
Cash and short term deposits	1,848.2	1,063.0	1,074.8
Interest-bearing loans and borrowings	(80.2)	(87.7)	(114.2)
Net cash	1,768.0	975.3	960.6

1 Like-for-like net profit growth excludes the gain of US$124.9 million on the EnQuest demerger and the trading net profit from Energy Developments' demerged assets of US$2.1 million for the year ended 31 December 2010.

2 The current market expectations for Petrofac's net profit for the year ending 31 December 2011 are based on forecasts provided to Petrofac by 21 equity analysts since publication of the group's 2010 Final Results in March 2011. The average of those forecasts is US$514 million.

3 See note 2 to the financial statements for details of the restatement. Prior to restatement, revenue and net profit for the six months ended 30 June 2010 (on the same basis as above) were US$2,130.6 million and US$206.3 million, respectively.

Net finance income for the period was US$1.8 million (2010: US$0.5 million) due to higher average net cash balances being held over the first half of the year.

The tax charge for the six months ended 30 June 2011 of US$53.1 million (2010 restated: US$61.2 million) represents an effective tax rate, excluding the gain from the EnQuest demerger, of 17.7% (six months ended 30 June 2010 restated: 21.0%; year ended 31 December 2010: 20.3%). The reduction in the group's effective tax rate is largely as a result of differences in the timing of profit recognition on Engineering & Construction contracts between the first and second half of 2011. The effective tax rate for the group for the year to 31 December 2011 is expected to be 21.7%.

Diluted earnings per share, excluding the gain on the EnQuest demerger, for the six months ended 30 June 2011 increased by 6.7% to 71.84 cents per share (2010 restated: 67.31 cents per share) in line with the growth in net profit.

The group's combined backlog was US$11.4 billion at 30 June 2011 (31 December 2010: US$11.7 billion), maintaining our outstanding revenue visibility for the remainder of 2011 and beyond.

At 30 June 2011, the group had more than 14,600 employees (including long-term contractors), compared to around 13,900 at 31 December 2010. An increase in headcount in Engineering & Construction and Engineering Services to support high levels of activity more than offset a net reduction in Offshore Engineering & Operations following completion of a long-term maintenance services contract.

Dividend

The Board has declared an interim dividend of 17.40 cents per share (2010: 13.80 cents), an increase of 26.1%, which will be paid on 21 October 2011 to eligible shareholders on the register at 23 September 2011. Shareholders who have not elected to receive dividends in US dollars will receive a Sterling equivalent of 10.54 pence per share. The Board will set the total dividends payable for the year to 31 December 2011 according to the group's earnings and expects to distribute approximately 35% of full year post tax profits by way of dividend, in accordance with the group's dividend policy.

Segmental review

The group reports the financial results of its seven business units under four reporting segments:

Business unit		Reporting segment
Engineering & Construction Engineering & Construction Ventures	>	Engineering & Construction
Offshore Engineering & Operations	>	Offshore Engineering & Operations
Engineering Services Training Services Production Solutions	>	Engineering, Training Services and Production Solutions
Energy Developments	>	Energy Developments

We present below an update on each of the group's reporting segments:

US$ million	*Revenue*		*Operating profit*[1,3]		*Net profit*[2,3]		*EBITDA*[3]	
For the six months ended 30 June	***2011***	*2010*[4]	***2011***	*2010*[4]	***2011***	*2010*[4]	***2011***	*2010*[4]
Engineering & Construction	**1,903.7**	1,622.7	**235.8**	242.7	**205.9**	206.5	**248.5**	259.8
Offshore Engineering & Operations	**581.0**	327.2	**39.2**	5.8	**31.8**	4.0	**41.3**	7.0
Engineering, Training Services and Production Solutions	**193.5**	161.5	**14.2**	13.6	**13.1**	13.0	**18.1**	21.5
Energy Developments	**159.7**	106.3	**23.2**	37.1	**7.7**	17.5	**38.2**	69.8
Corporate, consolidation & elimination	**(126.8)**	(51.9)	**(13.9)**	(8.3)	**(12.2)**	(10.0)	**(14.1)**	(8.4)
Group	**2,711.1**	2,165.8	**298.5**	290.9	**246.3**	231.0	**332.0**	349.7

Growth/margin analysis %	*Revenue growth*		*Operating margin*		*Net margin*		*EBITDA margin*	
For the six months ended 30 June	***2011***	*2010*[4]	***2011***	*2010*[4]	***2011***	*2010*[4]	***2011***	*2010*[4]
Engineering & Construction	***17.3***	*53.0*	***12.4***	*15.0*	***10.8***	*12.7*	***13.1***	*16.0*
Offshore Engineering & Operations	***77.6***	*10.9*	***6.8***	*1.8*	***5.5***	*1.2*	***7.1***	*2.1*
Engineering, Training Services and Production Solutions	***19.8***	*(12.2)*	***7.4***	*8.4*	***6.8***	*8.1*	***9.4***	*13.3*
Energy Developments	***50.3***	*29.3*	***14.5***	*34.9*	***4.8***	*16.5*	***23.9***	*65.7*
Group	***25.2***	*36.5*	***11.0***	*13.4*	***9.1***	*10.7*	***12.2***	*16.1*

1 Profit from operations before tax and finance costs.
2 Profit for the year attributable to Petrofac Limited shareholders.
3 Excludes gain on the EnQuest demerger.
4 As restated. See note 2 to the financial statements for details of the restatements.

Engineering & Construction

The Engineering & Construction reporting segment includes the group's Engineering & Construction business unit and Engineering & Construction Ventures, which was established to replicate the success of the Engineering & Construction business in new markets, such as Abu Dhabi, Saudi Arabia and Turkmenistan. Engineering & Construction undertakes engineering, procurement and construction (EPC) projects predominantly on a lump-sum basis, with a typical duration of two to four years, and is focused on markets in the Middle East and Africa and the Commonwealth of Independent States, particularly the Caspian region.

We have continued our good operational performance across our portfolio of projects over the first half of the year, including the completion of the Jihar gas plant in Syria and the In Salah Gas compression facilities and power generation in Algeria. We have made substantial progress on the Asab field development and the GASCO natural gas liquids train in Abu Dhabi, the El Merk central processing facility in Algeria, the gas sweetening facilities for Qatar Petroleum and the fuel gas and gas oil pipelines project in Kuwait. In Malaysia, we remain on course to deliver first oil around the end of the year on the SEPAT development for PETRONAS. We are making good progress on the South Yoloten development, in Turkmenistan, having substantially completed construction of the temporary facilities and early works and placed the majority of orders for procurement items.

New awards

In Salah Gas southern fields, Algeria

In January 2011, we were awarded a US$1.2 billion lump-sum EPC contract by In Salah Gas, an association between Sonatrach, BP and Statoil, to develop southern fields in the In Salah development. The 50-month project, to be completed in phases, will support the maintenance of plateau gas production rates of 9 billion cubic metres per annum beyond 2013. As noted above, we recently completed the compression facilities and power generation project for the same customer with success, and believe this new award reflects our dedication to this strategically important market where we maintain excellent relationships with both our customers and local construction partners.

Majnoon early production facility, Iraq

In March 2011, we announced the award of our first contract in Iraq, a US$240 million engineering, procurement and construction management project with Shell. The Majnoon field in southern Iraq is one of Iraq's largest developments and we are delighted to be working with Shell to assist them with unlocking the field's potential. We are providing engineering, procurement, fabrication and construction management services for the development of a new early production system comprising two trains each with capacity for 50,000 barrels of oil per day, along with upgrading of existing brownfield facilities. Work on the project began in mid-2010 and is expected to complete during the fourth quarter of 2012.

Results

Revenue for the first half of the year increased by 17.3% to US$1,903.7 million (2010 restated: US$1,622.7 million), reflecting a substantial increase in activity levels, particularly on the Asab field development in Abu Dhabi and the second phase of the South Yoloten project in Turkmenistan.

Net profit was US$205.9 million (2010 restated: US$206.5 million), representing a net margin of 10.8% (2010 restated: 12.7%). The lower net margin reflects the dilutive effects of the recognition of revenue on some early stage contracts, particularly the South Yoloten project, where we have not yet reached the progress threshold for recognising profit. In addition, the net margin in the first half of 2010 benefited from the first-time recognition of profit on a number of contracts awarded in 2009.

During the first half, Engineering & Construction headcount increased from 5,400 to 6,200, reflecting the increase in activity levels. In addition, our engineering offices in Mumbai, Chennai and Delhi are reported within our Engineering, Training Services and Productions Solutions reporting segment, but principally support our Engineering & Construction activities. Including these offices, our Engineering & Construction headcount stood at 7,800 at 30 June 2011 (December 2010: 7,000).

At 30 June 2011, the Engineering & Construction backlog stood at US$8.7 billion (31 December 2010: US$9.0 billion), maintaining our outstanding revenue visibility for the remainder of 2011 and beyond.

Offshore Engineering & Operations

Offshore Engineering & Operations provides engineering and construction services at all stages of greenfield and brownfield offshore projects. In addition, through the provision of operations management services, we deliver production and maintenance support and extend field life. Offshore Engineering & Operations' activities are primarily in the UK Continental Shelf (UKCS) and are predominantly provided on a reimbursable basis, but often with incentive income linked to the successful delivery of performance targets. Many of our production and maintenance contracts are long-term (typically three to five years) and in the case of the provision of Duty Holder services[1] are generally open-ended. Increasingly, we are looking to deliver our engineering and construction services on a lump-sum basis, with the Laggan Tormore gas plant on Shetland, which was awarded in October last year, being the first major predominantly lump-sum project undertaken by Offshore Engineering & Operations.

We have secured a number of contract extensions and new awards in recent months, including, more recently, a contract to provide maintenance services on the Rumaila oilfield in Iraq and an operations contract for the FPF3 FPSO (formerly the Jasmine Venture) in Thailand (see Energy Developments section below). We are experiencing high activity levels across the business, including significant activity on the SEPAT development and upgrade and life extension works on the FPSO Berantai (formerly the East Fortune) in Malaysia (both projects are being undertaken jointly with Engineering & Construction). We have made good progress on the awards secured in the second half of 2010, including the Duty Holder contract for the Sajaa gas plant in the UAE and the Laggan Tormore gas plant on Shetland.

Results

Reported revenue for the period increased by 77.6% to US$581.0 million (2010: US$327.2 million) and revenue excluding 'pass-through' revenue[2] increased by 98.3% to US$483.4 million (2010: US$243.8 million), reflecting high activity levels across the business, particularly on the SEPAT development and the FPSO Berantai in Malaysia, the Sajaa gas plant Duty Holder contract in Sharjah, the Laggan Tormore gas plant on Shetland and the Apache engineering and construction contract in the UKCS. Around two-thirds of Offshore Engineering & Operations' revenue was generated in the UKCS and those revenues are generally denominated in Sterling. The average US dollar to Sterling exchange rate for the first half of 2011 was around 7% higher than the corresponding period in 2010, which made a marginal contribution to the reported revenue growth.

Financial reporting exchange rates **US$/Sterling**	**6 months ended 30 June 2011**	**Year ended 31 December 2010**	**6 months ended 30 June 2010**
Average rate for period	1.62	1.54	1.52
Period-end rate	1.60	1.56	1.50

Net profit increased by 703.5% to US$31.8 million (2010: US$4.0 million), reflecting the significant increase in activity levels, particularly on the SEPAT development and the FPSO Berantai, and a provision release following completion of a long-term services maintenance contract.

At 30 June 2011, headcount stood at 4,200 (December 2010: 4,400) as the increase in headcount due to new projects was more than offset by the completion of the long-term maintenance services contract.

Offshore Engineering & Operations backlog remained steady over the period at US$2.4 billion (31 December 2010: US$2.4 billion).

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[1] Contracts where the group takes full responsibility for managing a customer's asset and is responsible for the safety case of the asset, reporting to the Department of Energy and Climate Change.

[2] Pass-through revenue refers to the revenue recognised from low or zero margin third-party procurement services provided to customers.

Engineering, Training Services and Production Solutions
The Engineering Services, Training Services and Production Solutions business units are reported together within this segment. Engineering Services and Training Services provide services predominantly on a reimbursable basis. Production Solutions offers customers access to a wide range of services to help them improve production, profitability, operational efficiency, asset integrity and the recovery of marginal reserves. In addition to providing these specialist services on a stand-alone basis, we provide integrated solutions for resource holders, such as on the Ticleni Production Enhancement Contract (PEC) for Petrom in Romania.

Engineering Services continues to support front end engineering and design (FEED) work and early engineering on projects across the group, predominantly in Engineering & Construction and Energy Developments. We have recently opened a third Indian office, in Delhi, to help support the growth in activity levels across the group. We expect the Delhi office to grow to around 100 by the end of the year, which would take the total complement of our Indian engineering offices to around 1,800.

In Training Services, year to date delegate numbers have grown strongly compared to the same period in 2010. The first half of the year saw the first graduates from our recently opened training facility at Hassi Messaoud in Algeria. Supporting the development of local workforces remains a core part of our strategy and we are actively considering establishing training centres in other important markets for the group, including Iraq and Turkmenistan, and aim to develop strategic partnerships with resource holders in our key markets. In July, we signed a memorandum of understanding (MOU) with PETRONAS to collaborate in the area of competency development, capability building and education activities. This will involve a technical training partnership with Institut Teknologi Petroleum PETRONAS (INSTEP) to develop competency-based training for operations and maintenance personnel, as well as lecture and seminar programmes with the Universiti Teknologi PETRONAS.

In Production Solutions, we have made good progress to date on the Ticleni PEC, not only arresting the decline, but improving production through optimising pump settings, working over wells and, more recently, bringing back on-stream the first five of many shut-in wells. We have recently commenced a pilot water flood programme, the results of which are expected around the end of the year. In Nigeria, we continue to assist Seven Energy with development of their oil & gas assets and at 30 June 2011, 70% of our warrants had vested after reaching agreed milestones. We recently agreed to increase our interest in the company up to 24.5%[1] and, consequently, we are now accounting for Seven Energy as an associate (see note 11 to the financial statements for more detail). In August, we were declared selected bidder for two PECs in Mexico for the Magallanes and Santuario blocks. We expect to sign the contracts, which will run for 25 years, on 18 October 2011 and we will take responsibility for field operations after an initial three month transition period.

Results
Reported revenue for the period increased 19.8% to US$193.5 million (2010: US$161.5 million) and revenue excluding 'pass-through' revenue increased 20.1% to US$179.9 million (2010: US$149.8 million), due to an increase in activity in Engineering Services in support of Engineering & Construction and Energy Developments projects, particularly Berantai in Malaysia, and strong growth in the number of delegates in Training Services.

Net profit was broadly unchanged at US$13.1 million (2010: US$13.0 million), with an increase in net profit in Engineering Services and Training Services due to higher activity levels, largely offset by a reduction in profit in Production Solutions, where profit in relation to the vesting of Seven Energy warrants was more than offset by the change in scope of the Dubai Petroleum contract which took effect in October 2010 and early mobilisation and set-up costs on the Ticleni PEC in Romania.

At 30 June 2011, headcount had increased to 3,600 (31 December 2010: 3,400), predominantly due to growth in our Engineering Services offices in the UK and India.

Backlog for the Engineering, Training Services and Production Solutions reporting segment remained approximately US$0.3 billion at 30 June 2011 (31 December 2010: US$0.3 billion).

[1] On a fully diluted basis assuming the full conversion of all convertible securities and exercise of all outstanding warrants and options.

Energy Developments

Energy Developments provides a fully integrated service for resource holders under flexible commercial models that are aligned to their requirements. Projects cover upstream developments, both greenfield and brownfield, and related energy infrastructure projects, and can include the provision of capital.

In late January 2011, we secured our first Risk Service Contract (RSC) in Malaysia, for the development of the Berantai field. We have a 50% interest in the RSC, alongside local partners Kencana and Sapura, each of whom hold a 25% interest (together the 'Berantai partners'). The Berantai partners will develop the field and will subsequently operate the field for a period of seven years after first gas production. As part of the fast-track development, a wellhead platform will be installed to support the drilling of eighteen wells, with a second wellhead platform expected to be installed in a subsequent phase. Both platforms will be connected to the FPSO Berantai, which is being upgraded in Singapore, with support from Engineering & Construction and Offshore Engineering & Operations. Produced gas will be exported by subsea pipeline via the Angsi Field, while oil will be offloaded via shuttle tanker. The FPSO Berantai is expected to mobilise to the field in early 2012, with first gas from the field expected shortly thereafter.

Pre-investing in field infrastructure in readiness for future developments is part of our strategy to deliver fast-track development solutions for resource holders. In June, we acquired a high specification FPSO from Chevron, following its recent release from the Woodside-operated Cossack Wanaea fields in Australia. This unit, renamed the FPF4 (formerly the Cossack Pioneer), has substantial oil & gas processing capability and we are reviewing deployment opportunities with resource holders that require a combination of fast-track field development and floating production capability. Also in June, we acquired the FPF3 (formerly the Jasmine Venture) from field operator Pearl Energy. The FPF3 is currently deployed on the Jasmine field in the Gulf of Thailand, and is leased to Pearl Energy, a subsidiary of Mubadala Energy, for a minimum term of three years, with options to extend for a further three years. The transaction reflects our strong ongoing relationship with Mubadala, our partner in Petrofac Emirates. We are also providing operations and maintenance services for the FPF3 through Offshore Engineering & Operations. As both owner of the FPSO and its service provider, we can support Pearl's current requirements, while working with them to identify potential areas for further support on this and future projects in the Gulf of Thailand. The combined cost of these two vessels was approximately US$70 million.

As anticipated, oil production from the first phase of Cendor, offshore Peninsular Malaysia, was lower in the first half of the year at 10,300 barrels per day (bpd) (2010: 14,300 bpd) due to natural field decline. We intend to install gas lift facilities during the second half to stabilise production levels. In July, we announced that we had signed an MOU with PETRONAS to accelerate the development of the West Desaru fault block by introducing an early production system which will involve both utilising current export facilities and also upgrading and deploying a Mobile Offshore Production Unit (MOPU). This approach is expected to bring forward first oil from West Desaru into the fourth quarter of 2012. The second phase development of the Cendor fault block, also in Block PM304, is expected to start up in the second quarter of 2013, bringing the overall production capacity of Block PM304 to around 60,000 bpd.

Normal production from the Chergui gas plant has been strong during the first half, offsetting the impact of several short shut-ins following the political changes in Tunisia earlier in the year. Production averaged 25.8 million standard cubic feet per day (mmscfd) of gas during the period (2010: 27.0 mmscfd).

The Ohanet RSC in Algeria, which is due to finish in October this year, and the 10,000 bpd capacity KPC refinery in Kyrgyzstan continue to perform in line with expectations.

Results

Revenue for the period increased 50.3% to US$159.7 million (2010: US$106.3 million) due to the commencement of the Berantai RSC, partially offset by the demerger of the Don assets in April 2010. Excluding the current period revenue contribution from Berantai and the prior period contribution from the Don assets, revenue was 12.5% lower than in the corresponding period in 2010 due to lower production levels on Cendor, partially offset by higher average oil prices[1].

No profit was recognised on the Berantai RSC during the first half of the year, as the project is in its early stages. Notwithstanding higher average oil prices, net profit was lower at US$7.7 million (2010: US$17.5 million), due to a lower contribution from Cendor due to lower production and the demerger of the Don assets.

Headcount was broadly flat over the first six months of the year at 600 (31 December 2010: 600).

[1] Brent, a benchmark crude, averaged US$111 per barrel for the six months ended 30 June 2011, compared to US$77 per barrel for the corresponding period in 2010. Energy Developments' policy is to hedge 75% of forecast production on a rolling 12-month basis for those assets that have achieved steady-state production. At 30 June 2011, a series of commodity price collars and swaps were outstanding in relation to the Cendor and Chergui assets.

Summary of Energy Developments' current projects

Project/asset	Country	Type of Asset	Customer	Date of first investment	Partners	Interest	Licence Operator
Risk Service Contracts / Infrastructure							
Berantai RSC Supporting infrastructure: **FPSO Berantai (formerly East Fortune)**	Malaysia	Oil & gas field	PETRONAS	January 2011 March 2011	Petrofac Kencana Sapura Petrofac * Proceeding with participation of partners in proportion to RSC interest	50% 25% 25% 100%*	Petrofac Kencana Sapura n/a
Ohanet RSC	Algeria	Gas field	Sonatrach	July 2000	BHP Billiton Japan Ohanet Oil & Gas Woodside Energy Petrofac	45% 30% 15% 10%	BHP Billiton
FPF1	Undeployed	Floating production facility	n/a - undeployed	July 2009	None	100%	n/a
FPF3 (previously Jasmine Venture)	Thailand	FPSO	Pearl Energy	June 2011	None	100%	n/a
FPF4 (previously Cossack Pioneer)	Undeployed	FPSO	n/a - undeployed	June 2011	None	100%	n/a
KPC refinery	Kyrgyzstan	Refinery	Kyrgyzneftgaz	January 2004	Petrofac Kyrgyzneftgaz	50% 50%	Petrofac
Goldeneye	United Kingdom	CO2 storage facility	n/a - development stage	October 2010	Petrofac Shell	50% 50%	Shell
Gateway	United Kingdom	Gas storage facility	n/a - development stage	December 2010	Petrofac Various	20% 80%	Petrofac
Production Sharing Contracts / Concessions							
Block PM304: **Cendor phase 1&2** **West Desaru** Supporting infrastructure on West Desaru: **MOPU to be confirmed**	Malaysia	Oil field	PETRONAS	May 2004 Not yet finalised	Petrofac PETRONAS KUFPEC PetroVietnam Petrofac	30% 30% 25% 15% 100% (tbc)	Petrofac n/a
Chergui	Tunisia	Gas field	ETAP	February 2007	ETAP Petrofac	55% 45%	ETAP

Key risks and uncertainties

Those key risks and uncertainties that could lead to a significant loss of reputation or that could prevent us from executing our strategy and creating shareholder value are summarised below. Our approach to managing and mitigating these risks is as described on pages 30 to 35 of the group's Annual report and accounts 2010, as is an explanation of our risk management systems and procedures:

Industry risk	Description
Level of demand for the group's services	The demand for our services is linked to the level of capital and operational expenditure by the oil & gas industry.
Oil & gas commodity prices	Long-term expectations of the price of oil & gas may have an impact on the level of new investment in the industry and may therefore affect demand for our services. The financial performance of Energy Developments is more leveraged to the price of oil & gas through its co-investment in upstream oil & gas assets, and its financial result may be impacted.
Availability of essential executive or project staff	The availability of skilled personnel remains one of the most significant challenges facing the oil & gas industry.
Country risk	**Description**
Security	We operate in a number of countries where the security risk is high.
Business continuity	We are potentially exposed to, inter alia, natural hazards, acts of terrorism, war and civil unrest that could impact our infrastructure, either through the unavailability of physical assets or access to systems and data.
Exchange rates	Significant movements in exchange rates could impact our financial performance.
Sovereign change of law and contract enforcement	We operate in a number of countries where our ability to rely upon our contracts for protection is potentially reduced by the opaqueness of the legal system.
Breach of legal or regulatory code	We recognise the potential financial and reputational risk that could result from a breach of local or international laws, particularly in respect of behaviour relating to bribery and corruption.
Political Risk	We are exposed to potential regime change and civil unrest that could affect our operations.
Project Risk	**Description**
Contract performance	Our financial performance could be materially affected by the performance of a relatively small number of large contracts, particularly those which are lump-sum. Furthermore, our operational performance is important in maintaining our reputation for successful project delivery.
Counterparty	There is a risk of commercial counterparties defaulting on payment terms or financial counterparties defaulting on deposits that we hold with them.
Cost inflation	Unexpected inflation in costs could adversely impact the financial performance of our contracts.
Health, safety and environmental performance	A serious health, safety or environmental incident on any of our projects has the potential to cause significant commercial and reputational damage.

The list above does not purport to be exhaustive. There may be other risks and uncertainties, not presently known to us or that we currently deem to be immaterial, that could affect the performance of the business.

Going concern

The financial position of the Company, its cash flows, liquidity position and borrowing facilities, and its business activities, together with the factors likely to affect its future development, performance and position are set out in this Business Review and in the group's Annual report and accounts 2010 on pages 16 to 55. In addition, note 33 to the group's Annual report and accounts 2010 includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Outlook

We are confident that we can continue the good progress that we have achieved in Engineering & Construction in the year to date, and we expect to deliver full year net margins in line with our medium-term guidance at around 11%.

While Offshore Engineering & Operations activity levels and revenues are expected to continue at record levels, net profit is expected to be lower in the second half of the year, as the first half benefited from significant progress on the SEPAT development and a provision release following completion of a long-term maintenance services contract. Net margins for the full year are expected to be substantially higher than in the prior year.

The second half performance of the Engineering, Training Services and Production Solutions reporting segment is expected to be broadly in line with the first half of the year, albeit with a greater contribution from Production Solutions, as we expect a general improvement in our consultancy and technology businesses and a positive contribution from the Ticleni PEC.

In Energy Developments, our operational assets are expected to continue to perform broadly in line with the first half, with the exception of the Ohanet RSC, which ends, as expected, in October. On the Berantai field development, we expect the FPSO Berantai to mobilise to the field in early 2012, with first gas from the field expected shortly thereafter.

With a strong financial position, a differentiated and competitive offering and a proven track record in project execution, we are confident that we will continue to deliver superior value for our customers and sector-leading returns for our shareholders. We expect to deliver like-for-like[1] net profit growth in 2011 of at least 15% and in-line with current market expectations[2].

Norman Murray	Ayman Asfari
Chairman	Group Chief Executive

[1] Like-for-like net profit growth excludes the gain of US$124.9 million on the EnQuest demerger and the trading net profit from Energy Developments' demerged assets of US$2.1 million for the year ended 31 December 2010.

[2] The current market expectations for Petrofac's net profit for the year ending 31 December 2011 are based on forecasts provided to Petrofac by 21 equity analysts since publication of the group's 2010 Final Results in March 2011. The average of those forecasts is US$514 million.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2011

	Notes	***6 months ended 30 June 2011 Unaudited US$'000***	*6 months ended 30 June 2010 Unaudited US$'000 Restated*	*Year ended 31 December 2010 Audited US$'000*
Revenue	4	**2,711,081**	2,165,828	4,354,217
Cost of sales	5	**(2,288,831)**	(1,762,349)	(3,595,142)
Gross profit		**422,250**	403,479	759,075
Selling, general and administration expenses		**(118,199)**	(115,405)	(221,449)
Gain on EnQuest demerger		**-**	125,569	124,864
Other income		**3,069**	7,185	5,013
Other expenses		**(8,660)**	(4,319)	(4,053)
Profit from operations before tax and finance income/(costs)		**298,460**	416,509	663,450
Finance costs		**(3,422)**	(4,580)	(5,131)
Finance income		**5,243**	5,049	10,209
Share of losses of associates	11	**(687)**	-	(131)
Profit before tax		**299,594**	416,978	668,397
Income tax expense	6	**(53,140)**	(61,245)	(110,545)
Profit for the period		**246,454**	355,733	557,852
Attributable to:				
Petrofac Limited shareholders		**246,286**	356,535	557,817
Non-controlling interests		**168**	(802)	35
		246,454	355,733	557,852
Earnings per share (US cents)	7			
- Basic (excluding gain on EnQuest demerger)		**72.71**	68.17	127.76
- Diluted (excluding gain on EnQuest demerger)		**71.84**	67.31	126.09
- Basic (including gain on EnQuest demerger)		**72.71**	105.23	164.61
- Diluted (including gain on EnQuest demerger)		**71.84**	103.91	162.46

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2011

	Notes	***6 months ended 30 June 2011 Unaudited US$'000***	*6 months ended 30 June 2010 Unaudited US$'000 Restated*	*Year ended 31 December 2010 Audited US$'000*
Profit for the period		**246,454**	355,733	557,852
Foreign currency translation	15	**9,934**	(10,247)	(908)
Foreign currency translation recycled to income statement in the period on EnQuest demerger	15	**-**	45,818	45,818
Net losses / (gains) on cash flow hedges recycled in the period	15	**5,980**	(14,409)	(16,612)
Net changes in fair value of derivatives and financial assets designated as cash flow hedges	15	**14,055**	(35,470)	(18,958)
Net changes in the fair value of available-for-sale financial assets	15	**-**	-	70
Disposal of available-for-sale financial assets	15	**(70)**	(74)	(74)
Other comprehensive income / (loss)		**29,899**	(14,382)	9,336
Total comprehensive income for the period		**276,353**	341,351	567,188
Attributable to:				
Petrofac Limited shareholders		**276,185**	342,153	567,153
Non-controlling interests		**168**	(802)	35
		276,353	341,351	567,188

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2011

	Notes	***30 June 2011 Unaudited US$'000***	*30 June 2010 Unaudited US$'000 Restated*	*31 December 2010 Audited US$'000*
ASSETS				
Non-current assets				
Property, plant and equipment	9	**443,767**	286,631	287,158
Goodwill	10	**109,198**	105,189	105,832
Intangible assets		**91,452**	75,793	85,837
Investment in associates	11	**167,272**	716	16,349
Available-for-sale financial assets	11	**-**	-	101,494
Long term trade receivable		**79,745**	-	-
Other financial assets		**260**	5,101	2,223
Deferred income tax assets		**29,128**	28,932	26,301
		920,822	502,362	625,194
Current assets				
Inventories		**9,562**	6,007	7,202
Work in progress		**520,344**	903,494	803,986
Trade and other receivables		**1,252,445**	819,559	1,056,759
Due from related parties	17	**330**	292	327
Other financial assets		**51,982**	27,760	42,350
Income tax receivable		**-**	-	2,525
Cash and short-term deposits	13	**1,848,249**	1,074,853	1,063,005
		3,682,912	2,831,965	2,976,154
TOTAL ASSETS		**4,603,734**	3,334,327	3,601,348
EQUITY AND LIABILITIES				
Equity attributable to Petrofac Limited shareholders				
Share capital		**6,915**	6,912	6,914
Share premium		**1,402**	-	992
Capital redemption reserve		**10,881**	10,881	10,881
Shares to be issued		**994**	1,988	994
Treasury shares	14	**(81,691)**	(67,039)	(65,317)
Other reserves	15	**60,533**	3,327	34,728
Retained earnings		**928,005**	632,662	787,270
		927,039	588,731	776,462
Non-controlling interests		**3,004**	2,097	2,592
TOTAL EQUITY		**930,043**	590,828	779,054
Non-current liabilities				
Interest-bearing loans and borrowings		**30,129**	51,074	40,226
Provisions		**52,214**	42,008	45,441
Other financial liabilities		**10,027**	31,546	11,453
Deferred income tax liabilities		**50,247**	53,789	48,086
		142,617	178,417	145,206
Current liabilities				
Trade and other payables		**1,606,204**	879,207	1,021,436
Due to related parties	17	**18,205**	1,077	11,710
Interest-bearing loans and borrowings		**50,091**	63,157	47,435
Other financial liabilities		**21,734**	47,565	37,054
Income tax payable		**62,964**	105,006	105,559
Billings in excess of cost and estimated earnings		**387,750**	424,719	178,429
Accrued contract expenses		**1,384,126**	1,044,351	1,275,465
		3,531,074	2,565,082	2,677,088
TOTAL LIABILITIES		**3,673,691**	2,743,499	2,822,294
TOTAL EQUITY AND LIABILITIES		**4,603,734**	3,334,327	3,601,348

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2011

	Notes	***6 months ended 30 June 2011 Unaudited US$'000***	*6 months ended 30 June 2010 Unaudited US$'000 Restated*	*Year ended 31 December 2010 Audited US$'000*
OPERATING ACTIVITIES				
Profit before tax including gain on EnQuest demerger		**299,594**	416,978	668,397
Gain on EnQuest demerger		**-**	(125,569)	(124,864)
		299,594	291,409	543,533
Adjustments for:				
Depreciation, amortisation and impairment		**34,194**	58,731	95,903
Share-based payments	14	**9,910**	6,538	14,784
Difference between other long-term employment benefits paid and amounts recognised in the income statement		**5,987**	5,282	6,074
Net finance income		**(1,821)**	(469)	(5,078)
Gain / (loss) on disposal of property, plant and equipment		**-**	(192)	315
Gain on disposal of intangible assets		**-**	-	(2,338)
Other non-cash items, net		**13,543**	11,586	13,319
Operating profit before working capital changes		**361,407**	372,885	666,512
Trade and other receivables		**(196,033)**	(24,936)	(266,757)
Work in progress		**246,810**	(569,796)	(470,288)
Due from related parties		**(3)**	17,968	17,933
Inventories		**(2,360)**	(1,787)	(2,982)
Other current financial assets		**(6,060)**	4,843	(12,661)
Trade and other payables		**609,598**	43,035	167,707
Billings in excess of cost and estimated earnings		**209,321**	(36,425)	(282,715)
Accrued contract expenses		**108,661**	207,695	438,809
Due to related parties		**6,495**	(56,249)	(45,616)
Other current financial liabilities		**(368)**	7,089	6,045
		1,337,468	(35,678)	215,987
Other non-current items, net		**(69,827)**	(9,786)	(8,720)
Cash generated from / (used in) operations		**1,267,641**	(45,464)	207,267
Interest paid		**(1,943)**	(941)	(1,948)
Income taxes paid, net		**(97,903)**	(47,167)	(99,030)
Net cash flows from / (used in) operating activities		**1,167,795**	(93,572)	106,289
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	9	**(144,849)**	(78,177)	(115,345)
Acquisition of subsidiaries, net of cash acquired		**-**	(15,290)	(15,110)
Payment of deferred consideration on acquisition		**(15,804)**	-	-
Purchase of other intangible assets		**(1,088)**	-	(153)
Purchase of intangible oil & gas assets		**(11,492)**	(4,778)	(15,644)
Cash outflow on EnQuest demerger (including transaction costs)		**-**	(17,783)	(17,783)
Investment in associates	11	**(50,359)**	-	(8,459)
Purchase of available-for-sale financial assets		**-**	-	(101,494)
Proceeds from disposal of property, plant and equipment		**829**	987	3,219
Proceeds from disposal of available-for-sale financial assets		**374**	534	539
Proceeds from disposal of intangible assets		**-**	-	6,018
Interest received		**4,484**	3,914	10,257
Net cash flows used in investing activities		**(217,905)**	(110,593)	(253,955)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2011 (continued)

	Notes	***6 months ended 30 June 2011 Unaudited US$'000***	*6 months ended 30 June 2010 Unaudited US$'000 Restated*	*Year ended 31 December 2010 Audited US$'000*
FINANCING ACTIVITIES				
Repayment of interest-bearing loans and borrowings		**(9,646)**	(5,900)	(32,458)
Treasury shares purchased	14	**(47,387)**	(37,016)	(36,486)
Equity dividends paid		**(101,443)**	(84,548)	(132,244)
Net cash flows used in financing activities		**(158,476)**	(127,464)	(201,188)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**791,413**	(331,629)	(348,854)
Net foreign exchange difference on cash and cash equivalents		**(6,856)**	(13,480)	(7,793)
Cash and cash equivalents at 1 January		**1,034,097**	1,390,744	1,390,744
CASH AND CASH EQUIVALENTS AT PERIOD END	13	**1,818,654**	1,045,635	1,034,097

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2011

	Attributable to Petrofac Limited Shareholders									
For the six months ended 30 June 2011	*Issued share capital US$'000*	*Share premium US$'000*	*Capital redemption reserve US$'000*	*Shares to be issued US$'000*	**Treasury shares US$'000 (note 14)*	*Other reserves US$'000 (note 15)*	*Retained earnings US$'000*	*Total US$'000*	*Non-controlling interests US$'000*	*Total equity US$'000*
Balance at 1 January 2011	6,914	992	10,881	994	(65,317)	34,728	787,270	776,462	2,592	779,054
Profit for the period	-	-	-	-	-	-	246,286	246,286	168	246,454
Other comprehensive income	-	-	-	-	-	29,899	-	29, 899	-	29, 899
Total comprehensive income	-	-	-	-	-	29,899	246,286	276,185	168	276,353
Share-based payments charge (note 14)	-	-	-	-	-	9,910	-	9,910	-	9,910
Shares vested during the period (note 14)	-	-	-	-	31,013	(27,250)	(3,763)	-	-	-
Transfer to reserve for share-based payments (note 14)	-	-	-	-	-	16,906	-	16,906	-	16,906
Deferred tax on share-based payment reserve	-	-	-	-	-	(3,660)	-	(3,660)	-	(3,660)
Treasury shares purchased (note 14)	-	-	-	-	(47,387)	-	-	(47,387)	-	(47,387)
Shares issued on acquisition	1	410	-	-	-	-	-	411	-	411
Dividends (note 8)	-	-	-	-	-	-	(101,788)	(101,788)	-	(101,788)
Movement in non-controlling interests		-	-	-	-	-	-	-	244	244
Balance at 30 June 2011 (unaudited)	**6,915**	**1,402**	**10,881**	**994**	**(81,691)**	**60,533**	**928,005**	**927,039**	**3,004**	**930,043**

*Shares held by Petrofac Employee Benefit Trust.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2011 (continued)

	Attributable to Petrofac Limited Shareholders									
For the six months ended 30 June 2010 (restated)	*Issued share capital US$'000*	*Share premium US$'000*	*Capital redemption reserve US$'000*	*Shares to be issued US$'000*	**Treasury shares US$'000 (note 14)*	*Other reserves US$'000 (note 15)*	*Retained earnings US$'000*	*Total US$'000*	*Non-controlling interests US$'000*	*Total equity US$'000*
Balance at 1 January 2010	8,638	69,712	10,881	1,988	(56,285)	25,394	834,382	894,710	2,819	897,529
Profit for the period as reported	-	-	-	-	-	-	331,918	331,918	2,860	334,778
Other comprehensive loss as reported	-	-	-	-	-	(9,001)	-	(9,001)	(5,381)	(14,382)
Total comprehensive income as reported	-	-	-	-	-	(9,001)	331,918	322,917	(2,521)	320,396
Restatement	-	-	-	-	-	(5,381)	24,617	19,236	1,719	20,955
Total comprehensive income as restated	-	-	-	-	-	(14,382)	356,535	342,153	(802)	341,351
Share-based payments charge (note 14)	-	-	-	-	-	6,538	-	6,538	-	6,538
Shares vested during the period	-	-	-	-	26,262	(24,895)	(1,367)	-	-	-
Transfer to reserve for share-based payments (note 14)	-	-	-	-	-	12,750	-	12,750	-	12,750
Deferred tax on share-based payment reserve	-	-	-	-	-	(2,078)	-	(2,078)	-	(2,078)
Treasury shares purchased (note 14)	-	-	-	-	(37,016)	-	-	(37,016)	-	(37,016)
Shares issued on acquisition	2	1,460	-	-	-	-	-	1,462	-	1,462
EnQuest demerger share split and redemption	(1,728)	-	-	-	-	-	1,728	-	-	-
Distribution on Enquest demerger	-	(71,172)	-	-	-	-	(473,325)	(544,497)	-	(544,497)
Dividends (note 8)	-	-	-	-	-	-	(85,291)	(85,291)	-	(85,291)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	80	80
Balance at 30 June 2010 (unaudited)	6,912	-	10,881	1,988	(67,039)	3,327	632,662	588,731	2,097	590,828

*Shares held by Petrofac Employee Benefit Trust.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2011 (continued)

	Attributable to Petrofac Limited Shareholders									
For the year ended 31 December 2010	*Issued share capital US$'000*	*Share premium US$'000*	*Capital redemption reserve US$'000*	*Shares to be issued US$'000*	**Treasury shares US$'000 (note 14)*	*Other reserves US$'000 (note 15)*	*Retained earnings US$'000*	*Total US$'000*	*Non-controlling interests US$'000*	*Total equity US$'000*
Balance at 1 January 2010	8,638	69,712	10,881	1,988	(56,285)	25,394	834,382	894,710	2,819	897,529
Profit for the year	-	-	-	-	-	-	557,817	557,817	35	557,852
Other comprehensive income	-	-	-	-	-	9,336	-	9,336	-	9,336
Total comprehensive income	-	-	-	-	-	9,336	557,817	567,153	35	567,188
Shares issued as payment of deferred consideration on acquisition	4	2,452	-	(994)	-	-	-	1,462	-	1,462
Share-based payments charge (note 14)	-	-	-	-	-	14,784	-	14,784	-	14,784
Shares vested during the year	-	-	-	-	27,454	(26,170)	(1,284)	-	-	-
Transfer to reserve for share-based payments (note 14)	-	-	-	-	-	12,750	-	12,750	-	12,750
Treasury shares purchased (note 14)	-	-	-	-	(36,486)	-	-	(36,486)	-	(36,486)
Deferred tax on share-based payments reserve	-	-	-	-	-	(1,366)	-	(1,366)	-	(1,366)
EnQuest demerger share split and redemption	(1,728)	-	-	-	-	-	1,728	-	-	-
Distribution on Enquest de-merger	-	(71,172)	-	-	-	-	(473,325)	(544,497)	-	(544,497)
Dividends (note 8)	-	-	-	-	-	-	(132,048)	(132,048)	-	(132,048)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	(262)	(262)
Balance at 31 December 2010 (audited)	6,914	992	10,881	994	(65,317)	34,728	787,270	776,462	2,592	779,054

*Shares held by Petrofac Employee Benefit Trust.

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Petrofac Limited is a limited liability company registered in Jersey under the Companies (Jersey) Law 1991 and is the holding company for the international group of Petrofac subsidiaries (together "the group"). The group's principal activities are the provision of facilities solutions to the oil & gas production and processing industry and appraisal, development and operation of oil & gas production and refining projects. The interim condensed consolidated financial statements of the group for the six months ended 30 June 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 19 August 2011.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The presentation currency of the interim condensed consolidated financial statements is United States dollars (US$) and all values in the interim condensed consolidated financial statements are rounded to the nearest thousand dollars (US$'000) except where otherwise stated.

Statement of compliance

The interim condensed consolidated financial statements of Petrofac Limited and all its subsidiaries for the six months ended 30 June 2011 have been prepared in accordance with IAS 34 'Interim Financial Statements' and applicable requirements of Jersey law. They do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended 31 December 2010. Certain comparative information has been restated in the current period presentation as outlined below.

Restatements

The following restatements were made in the 2010 comparatives:

- The directors have re-considered the nature of the contractual commitments to a joint venture on a lump sum construction contract in the Engineering & Construction reporting segment and as a result, US$13,426,000 included in non-controlling interests in the statement of financial position at 1 January 2010 was reclassified to trade and other payables (US$9,226,000) and other reserves (US$4,200,000).

  The amount of US$ 3,662,000 shown as attributable to non controlling interests in the 2010 income statement has been reclassified to cost of sales. US$5,381,000 shown within other comprehensive income has been shown as attributable to Petrofac. In the statement of financial position, the same amount was reclassified from non controlling interests to trade and other payables.

- A variation order on a contract in the Engineering & Construction reporting segment was agreed in the first half of 2010 but was not reflected in the interim results, leading to an understatement in revenue (US$35,200,000), cost of sales (US$3,170,000) and income tax expense (US$5,977,000). Furthermore, the group's income tax expense was adjusted by US$1,436,000 to reflect the impact of this adjustment on the interim group tax charge.

Accounting policies

The accounting policies and methods of computation adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's financial statements for the year ended 31 December 2010, except as noted below.

The group has adopted new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2011. The principal effects of the adoption of the relevant new and amended standards and interpretations are discussed below:

IAS 24 '*Related Party Transactions (Amendment)*' the definition of a related party has been clarified and the new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Further, the amendment exempts the entity from disclosing general related party disclosures for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact of the financial position or performance of the group.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Accounting policies (continued)

IAS 32 *'Financial Instruments (Amendment)'* the amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all existing owners of the same class of an entity's non derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the group.

3 SEGMENT INFORMATION

The following tables represent revenue and profit information relating to the group's primary business segments for the six months ended 30 June 2011.

Included within the Engineering, Training Services and Production Solutions segment are three diverse businesses none of which have ever met the quantitative thresholds set by IFRS 8 'Operating Segments' for determining reportable segments.

The consolidation adjustments and corporate columns include certain balances which due to their nature are not allocated to segments.

	Engineering & Construction US$'000	*Offshore Engineering & Operations US$'000*	*Engineering, Training Services & Production Solutions US$'000*	*Energy Developments US$'000*	*Corporate & others US$'000*	*Consolidation adjustments & eliminations US$'000*	*Total US$'000*
Six months ended 30 June 2011 (unaudited)							
Revenue							
External sales	**1,875,561**	**558,111**	**117,724**	**159,685**	**-**	**-**	**2,711,081**
Inter-segment sales	**28,167**	**22,931**	**75,812**	**-**	**-**	**(126,910)**	**-**
Total revenue	**1,903,728**	**581,042**	**193,536**	**159,685**	**-**	**(126,910)**	**2,711,081**
Segment results	**235,810**	**39,234**	**14,247**	**23,158**	**(210)**	**(8,353)**	**303,886**
Unallocated corporate costs	**-**	**-**	**-**	**-**	**(5,426)**	**-**	**(5,426)**
Profit / (loss) from operations before tax and finance income / (costs)	**235,810**	**39,234**	**14,247**	**23,158**	**(5,636)**	**(8,353)**	**298,460**
Share of losses of associates	**-**	**-**	**-**	**(687)**	**-**	**-**	**(687)**
Finance costs	**-**	**(28)**	**(311)**	**(1,526)**	**(1,763)**	**206**	**(3,422)**
Finance income	**4,891**	**209**	**199**	**16**	**438**	**(510)**	**5,243**
Profit / (loss) before tax	**240,701**	**39,415**	**14,135**	**20,961**	**(6,961)**	**(8,657)**	**299,594**
Income tax (expense) / benefit	**(34,584)**	**(7,646)**	**(1,018)**	**(13,247)**	**3,355**	**-**	**(53,140)**
Non-controlling interests	**(168)**	**-**	**-**	**-**	**-**	**-**	**(168)**
Profit / (loss) for the period attributable to Petrofac Limited shareholders	**205,949**	**31,769**	**13,117**	**7,714**	**(3,606)**	**(8,657)**	**246,286**
Other segment information							
Depreciation and amortisation	**12,642**	**2,027**	**3,899**	**15,711**	**245**	**(330)**	**34,194**
Other long-term employment benefits	**7,728**	**169**	**304**	**36**	**50**	**-**	**8,287**
Share-based payments	**5,356**	**1,037**	**765**	**1,086**	**1,666**	**-**	**9,910**

3 SEGMENT INFORMATION (continued)

	Engineering & Construction US$'000 **Restated**	*Offshore Engineering & Operations US$'000*	*Engineering, Training Services & Production Solutions US$'000*	*Energy Developments US$'000*	*Corporate & others US$'000* **Restated**	*Consolidation adjustments & eliminations US$'000*	*Total US$'000*
Six months ended 30 June 2010 (unaudited)							
Revenue							
External sales	1,622,694	325,537	111,339	106,258	-	-	2,165,828
Inter-segment sales	-	1,641	50,166	-	-	(51,807)	-
Total revenue	1,622,694	327,178	161,505	106,258	-	(51,807)	2,165,828
Segment results	242,722	5,774	13,582	37,104	(734)	204	298,652
Gain on EnQuest demerger	-	-	-	125,569	-	-	125,569
Unallocated corporate costs	-	-	-	-	(7,712)	-	(7,712)
Profit / (loss) from operations before tax and finance income / (costs)	242,722	5,774	13,582	162,673	(8,446)	204	416,509
Finance costs	-	(425)	(619)	(2,400)	(3,531)	2,395	(4,580)
Finance income	5,001	97	86	112	2,148	(2,395)	5,049
Profit / (loss) before tax	247,723	5,446	13,049	160,385	(9,829)	204	416,978
Income tax (expense) / income	(42,132)	(1,492)	91	(17,269)	(443)	-	(61,245)
Non-controlling interests	901	-	(99)	-	-	-	802
Profit / (loss) for the period attributable to Petrofac Limited shareholders	206,492	3,954	13,041	143,116	(10,272)	204	356,535
Other segment information							
Depreciation and amortisation	17,056	1,211	7,913	32,729	151	(329)	58,731
Other long-term employment benefits	6,005	1,109	134	30	51	-	7,329
Share-based payments	3,292	968	463	561	1,254	-	6,538

3 SEGMENT INFORMATION (continued)

Year ended 31 December 2010 (audited)	*Engineering & Construction US$'000*	*Offshore Engineering & Operations US$'000*	*Engineering, Training Services & Production Solutions US$'000*	*Energy Developments US$'000*	*Corporate & others US$'000*	*Consolidation adjustments & eliminations US$'000*	*Total US$'000*
Revenue							
External sales	3,232,174	710,080	223,748	188,215	-	-	4,354,217
Inter-segment sales	21,732	11,821	131,538	-	-	(165,091)	-
Total revenue	3,253,906	721,901	355,286	188,215	-	(165,091)	4,354,217
Segment results	438,867	24,506	26,590	66,290	(900)	(3,362)	551,991
Gain on EnQuest demerger	-	-	-	124,864	-	-	124,864
Unallocated corporate costs	-	-	-	-	(13,405)	-	(13,405)
Profit / (loss) from operations before tax and finance income / (costs)	438,867	24,506	26,590	191,154	(14,305)	(3,362)	663,450
Share of loss of associate	-	-	-	(131)	-	-	(131)
Finance costs	-	(968)	(696)	(3,121)	(3,659)	3,313	(5,131)
Finance income	9,741	209	525	348	2,699	(3,313)	10,209
Profit / (loss) before tax	448,608	23,747	26,419	188,250	(15,265)	(3,362)	668,397
Income tax (expense) / benefit	(75,550)	(6,519)	1,144	(31,895)	2,275	-	(110,545)
Non-controlling interests	(35)	-	-	-	-	-	(35)
Profit / (loss) for the year attributable to Petrofac Limited shareholders	373,023	17,228	27,563	156,355	(12,990)	(3,362)	557,817
Other segment information							
Depreciation and amortisation	35,384	2,835	8,076	49,816	367	(575)	95,903
Other long-term employment benefits	10,435	613	1,581	54	87	-	12,770
Share-based payments	7,693	1,167	1,896	1,121	2,907	-	14,784

The significant movements in total group assets as at 30 June 2011 compared to total assets as at 31 December 2010 are primarily in the following segments:

	Engineering & Construction US$'000	*Energy Developments US$'000*
Total assets as at 30 June 2011	**3,780,018**	**563,435**
Total assets as at 31 December 2010	3,008,719	322,437

- Increase in Engineering & Construction segment assets during the period is primarily due to increase in cash and cash equivalents of US$833,255,000 mainly as a result of advances received on EPC contracts.
- Increase in Energy Developments segment assets during the period is primarily due to additions to property, plant and equipment of US$138,961,000 mainly relating to the purchase of Floating Production Storage and Offloading Vessels (FPSO's) (see note 9) and recognition of a receivable on the Berantai RSC contract in Malaysia of US$79,745,000 and a receivable from joint venture partners for the purchase of the FPSO Berantai (formerly the East Fortune) of US$30,103,000.

4 REVENUES

	6 months ended 30 June 2011 Unaudited US$'000	*6 months ended 30 June 2010 Unaudited US$'000 Restated*	*Year ended 31 December 2010 Audited US$'000*
Rendering of services	**2,651,110**	2,078,445	4,202,371
Sale of crude oil & gas	**55,827**	85,012	146,075
Sale of processed hydrocarbons	**4,144**	2,371	5,771
	2,711,081	2,165,828	4,354,217

Included in revenues from rendering of services are Offshore Engineering & Operations, Engineering Services, Training Services and Production Solutions revenues of a "pass-through" nature with zero or low margins amounting to US$111,274,000 (six months ended 30 June 2010: US$95,011,000; year ended 31 December 2010: US$227,974,000).

5 COST OF SALES

Also included in cost of sales are forward points and ineffective portions on derivatives designated as cash flow hedges and gains on undesignated derivatives of US$1,150,000 (six months ended 30 June 2010: US$3,175,000 gains; year ended 31 December 2010: US$3,409,000 losses).

6 INCOME TAX

Income tax expense is recognised based on management's best estimate of the annual income tax rate applied to the pre tax income of the interim period.

The major components of the income tax expense are as follows:

	6 months ended 30 June 2011 Unaudited US$'000	*6 months ended 30 June 2010 Unaudited US$'000 Restated*	*Year ended 31 December 2010 Audited US$'000*
Current income tax			
Current income tax charge	**65,485**	59,921	115,199
Adjustments in respect of current income tax of previous periods	**(158)**	(3,495)	(2,843)
Deferred income tax			
Relating to origination and reversal of temporary differences	**(11,789)**	5,484	907
Adjustments in respect of deferred income tax of previous periods	**(398)**	(665)	(2,718)
	53,140	61,245	110,545

The group's effective tax rate for the six months is 17.7% (excluding the 2010 gain from the demerger; six months ended 30 June 2010: 21.0%; year ended 31 December 2010: 20.3%).

Excluding the gain from the demerger, the effective tax rate has decreased from the comparable 2010 period and the year ended 31 December 2010. The effective tax rate for the group for the year to 31 December 2011 is expected to be 21.7%. However, due to the timing of profit recognition on Engineering & Construction contracts between the first half and second half of the year, a lower tax charge and effective tax rate is acknowledged in the first half of 2011.

If the consequences of the timing issues noted above are accounted for, the effective tax rate for 2011 for the group is expected to be greater than the effective tax rate in the comparable 2010 periods. This is a result of changes in the overall mix of taxable jurisdictions within which Engineering & Construction operate.

6 INCOME TAX (continued)

In March 2011, the UK Government announced its intention to reduce the UK corporation tax rate from 28% to 26% effective from 1st April 2011 and then to further reduce the UK corporation tax rate to 23% over the course of the next 3 years. As of 30 June 2011, the initial tax rate change to 26% was substantively enacted and the deferred tax asset and liabilities are disclosed at the new rate. The deferred tax assets and liabilities would have reduced by approximately US$1,142,000 and US$17,000 respectively, had the further changes to the corporation tax rate down to 23% been substantively enacted as of the said date.

7 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders, after adjusting for any dilutive effect, by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of ordinary shares granted under the employee share award schemes which are held in trust.

The following reflects the income and share data used in calculating basic and diluted earnings per share:

	6 months ended 30 June 2011 Unaudited US$'000	*6 months ended 30 June 2010 Unaudited US$'000 Restated*	*Year ended 31 December 2010 Audited US$'000*
Net profit attributable to ordinary shareholders for basic and diluted earnings per share excluding gain on EnQuest demerger	**246,286**	230,966	432,953
Net profit attributable to ordinary shareholders for basic and diluted earnings per share including gain on EnQuest demerger	**246,286**	356,535	557,817
Weighted average number of ordinary shares for basic earnings per share	**338,703**	338,817	338,867
Effect of diluted potential ordinary shares granted under share-based payment schemes	**4,134**	4,314	4,493
Adjusted weighted average number of ordinary shares for diluted earnings per share	**342,837**	343,131	343,360

8 DIVIDENDS PAID AND PROPOSED

	6 months ended 30 June 2011 Unaudited US$'000	*6 months ended 30 June 2010 Unaudited US$'000*	*Year ended 31 December 2010 Audited US$'000*
Declared and paid during the period			
Equity dividends on ordinary shares:			
Final dividend for 2009: 25.10 cents per share	-	85,291	85,291
Interim dividend 2010: 13.80 cents per share	-	-	46,757
Final dividend for 2010: 30.00 cents per share	**101,788**	-	-
	101,788	85,291	132,048

The Company proposes an interim dividend of 17.40 cents per share which was approved by the Board on 19 August 2011 for payment on 21 October 2011.

9 PROPERTY, PLANT AND EQUIPMENT

Increase in property, plant and equipment during the period mainly comprises of the purchases and upgrade of the FPSO Berantai , the Jasmine Venture FPSO (renamed FPF3) and the Cossack Pioneer FPSO (renamed FPF4) for a combined cost of US$135,465,000.

10 GOODWILL

The net increase in the goodwill balance in the current period mainly represents unrealised foreign exchange gains on translation of US$2,546,000 with the balance being the payment of additional deferred consideration in respect of the SPD Group Limited and Caltec Limited acquisitions.

11 INVESTMENT IN ASSOCIATES AND AVAILABLE-FOR-SALE FINANCIAL ASSETS

During the period an additional investment of US$50,000,000 was made in Seven Energy International Limited (Seven Energy) which increased the group's shareholding in the company from 15% to 20% which has resulted in the group exercising significant influence over the financial and operating policy decisions of Seven Energy. As a result the available-for-sale financial asset with a carrying value of US$101,251,000 at 31 December 2010 has been reclassified as an investment in associate from 10 June 2011. The movement in investment in associates during the period is as follows:

	US$'000
As at 1 January 2011	**16,349**
Transfer from available-for-sale financial assets	**101,251**
Additional investment in Seven Energy, including transaction costs	**50,359**
Share of loss in associates	**(687)**
	167,272

12 DERIVATIVE FINANCIAL INSTRUMENTS

The movement during the period is due to changes in the fair value of derivative financial instruments which the group uses to hedge its risk against foreign currency exposure on sales, purchases and borrowings that are entered into in a currency other than US dollars and exposure to oil price revenue fluctuations.

During the period the group entered into various fuel oil swaps for hedging gas production of 12,700MT with maturities ranging from January 2012 to May 2012. In addition, two crude oil swaps were also entered into for hedging oil production of 16,800 bbl with maturities from January 2012 to February 2012.

During the period the group entered into the following foreign exchange forward contracts designated as cash flow hedges:

Currencies	**Sales**		**Purchases**	
	Foreign currency amount ***'000***	**US$ equivalent** ***US$'000***	**Foreign currency amount** ***'000***	**US$ equivalent** ***US$'000***
Euro	153,925	218,639	311,400	425,422
Sterling	-	-	72,800	118,668
UAE Dirhams	3,307,095	900,000	1,652,850	450,000

13 CASH AND CASH EQUIVALENTS

For the purposes of the interim condensed consolidated cash flow statement, cash and cash equivalents comprise the following:

	30 June 2011 Unaudited US$'000	*30 June 2010 Unaudited US$'000*	*31 December 2010 Audited US$'000*
Cash at bank and in hand	**359,846**	215,356	244,018
Short-term deposits	**1,488,403**	859,497	818,987
Cash and short term deposits	**1,848,249**	1,074,853	1,063,005
Bank overdrafts	**(29,595)**	(29,218)	(28,908)
	1,818,654	1,045,635	1,034,097

14 TREASURY SHARES AND SHARE-BASED PAYMENTS

During the period, the Company acquired 1,950,000 (30 June 2010: 2,122,786; 31 December 2010: 2,122,960) of its own shares at a cost of US$47,387,000 (30 June 2010: US$37,016,000; 31 December 2010: US$36,486,000) for the purpose of making awards under the group's employee share schemes and these shares have been classified in the balance sheet as treasury shares within equity. In addition during the period 2,407,103 shares (including 288,408 accrued dividend shares) with a cost of US$31,013,000 were transferred out of the Employee Benefit Trust on vesting of various employee share scheme awards as shown below.

The following table shows the movements in the number of shares held under the three group employee share schemes excluding the 8% EnQuest demerger uplift adjustment and rolled up dividends:

	Deferred Bonus Share Plan Number*	*Performance Share Plan Number*	*Restricted Share Plan Number*
Outstanding at 1 January 2011	4,082,311	1,350,189	1,003,712
Granted during the period	1,491,820	482,379	134,394
Vested during the period	(1,648,147)	(419,379)	(21,007)
Forfeited during the period	(72,482)	-	-
Outstanding but not exercisable at 30 June 2011	**3,853,502**	**1,413,189**	**1,117,099**
Made up of following awards:			
2007	-	-	105,932
2008	-	-	644,535
2009	1,362,436	540,532	36,658
2010	1,008,528	390,278	195,580
2011	1,482,538	482,379	134,394
	3,853,502	**1,413,189**	**1,117,099**

* Includes invested and matching shares.

The fair value of the equity-settled awards granted during the period ended 30 June 2011 in respect of the Deferred Bonus Share Plan were estimated based on the quoted closing market price of 1,426 pence per Company share at the date of grant with an assumed vesting rate of 98.0% per annum over the vesting period of the plan.

The fair value of the non-market based equity-settled awards granted during the period ended 30 June 2011 representing 50% of the total Performance Share Plan award were estimated based on the quoted closing market price of 1,426 pence per Company share at the date of grant with an assumed vesting rate of 95.0% per annum over the three year vesting period of the plan. The remaining 50% of these awards which are market performance based were fair valued by an independent valuer at 788 pence per share using a Monte Carlo simulation model taking into account the terms and conditions of the plan rules and using the following assumptions at the date of grant:

14 TREASURY SHARES AND SHARE-BASED PAYMENTS (continued)

Expected share price volatility (based on median of comparator group's three year volatilities)	51.0%
Share price correlation with comparator group	43.0%
Risk-free interest rate	1.7%
Expected life of share award	3 years

The fair value of the equity-settled awards granted at various dates during the period ended 30 June 2011 in respect of the Restricted Share Plan were based on an average market price of 1,398 pence with an assumed vesting rate of 95.0% per annum over the vesting period of the plan.

The group has recognised an expense in the income statement for the period to 30 June 2011 relating to employee share-based incentives of US$9,910,000 (six months ended 30 June 2010: US$6,538,000; year ended 31 December 2010: US$14,784,000) which has been transferred to the reserve for share-based payments along with US$16,906,000 of the remaining bonus liability accrued for the year ended 31 December 2010 (30 June 2010: US$12,750,000; 31 December 2010: US$12,750,000) which has been voluntarily elected or mandatorily obliged to be settled in shares granted during the period.

15 OTHER RESERVES

	Net unrealised gains/(losses) on available-for-sale financial assets US$'000	*Net unrealised (losses)/ gains on derivatives US$'000*	*Foreign currency translation US$'000*	*Reserve for share-based payments US$'000*	*Total US$'000*
Balance at 1 January 2011	70	(2,797)	(19,418)	56,873	34,728
Foreign currency translation	-	-	9,934	-	9,934
Disposal of available-for-sale financial assets	(70)	-	-	-	(70)
Net gains on cash flow hedges recycled in the period	-	5,980	-	-	5,980
Net changes in fair value of derivatives and financial assets designated as cash flow hedges	-	14,055	-	-	14,055
Share-based payments charge (note 14)	-	-	-	9,910	9,910
Transfer during the period (note 14)	-	-	-	16,906	16,906
Shares vested during the period (note 14)	-	-	-	(27,250)	(27,250)
Deferred tax on share based payments reserve	-	-	-	(3,660)	(3,660)
Balance at 30 June 2011 (unaudited)	**-**	**17,238**	**(9,484)**	**52,779**	**60,533**
Balance at 1 January 2010	74	32,773	(64,328)	56,875	25,394
Foreign currency translation	-	-	(10,247)	-	(10,247)
Foreign currency translation recycled to income statement in the period on EnQuest demerger	-	-	45,818	-	45,818
Disposal of available-for-sale financial assets	(74)	-	-	-	(74)
Net gains on cash flow hedges recycled in the period	-	(14,409)	-	-	(14,409)
Net changes in fair value of derivatives and financial assets designated as cash flow hedges	-	(35,470)	-	-	(35,470)
Share-based payments charge (note 14)	-	-	-	6,538	6,538
Transfer during the period (note 14)	-	-	-	12,750	12,750
Shares vested during the period	-	-		(24,895)	(24,895)
Deferred tax on share based payments reserve	-	-	-	(2,078)	(2,078)
Balance at 30 June 2010 (unaudited)	-	(17,106)	(28,757)	49,190	3,327
Balance at 1 January 2010	74	32,773	(64,328)	56,875	25,394
Foreign currency translation	-	-	(908)	-	(908)
Foreign currency translation recycled to income statement in the period on EnQuest demerger	-	-	45,818	-	45,818
Net changes in fair value of available-for-sale financial assets	70	-	-	-	70
Disposal of available-for-sale financial assets	(74)	-	-	-	(74)
Net gains on cash flow hedges recycled in the year	-	(16,612)	-	-	(16,612)
Net changes in fair value of derivatives and financial assets designated as cash flow hedges	-	(18,958)	-	-	(18,958)
Share-based payments charge (note 14)	-	-	-	14,784	14,784
Transfer during the year (note 14)	-	-	-	12,750	12,750
Shares vested during the year	-	-	-	(26,170)	(26,170)
Deferred tax on share based payments reserve	-	-	-	(1,366)	(1,366)
Balance at 31 December 2010 (audited)	70	(2,797)	(19,418)	56,873	34,728

16 CAPITAL COMMITMENTS

At 30 June 2011 the group had capital commitments of US$232,383,000 (31 December 2010: US$90,416,000; 30 June 2010: US$10,744,000).

Included in the above are commitments relating to expenditure on the FPSO Berantai in Malaysia of US$161,972,000 (31 December 2010: US$52,800,000; 30 June 2010: US$ nil), expenditure on the Ocean Legend MOPU of US$34,200,000 (31 December 2010: US$ nil; 30 June 2010: US$ nil), additional appraisal and development well costs on the Cendor project in Malaysia of US$6,844,000 (31 December 2010: US$7,269,000; 30 June 2010: US$ nil), additional expenditure on the Chergui gas field of US$4,683,000 (31 December 2010: US$ nil; 30 June 2010: US$ nil), commitments in respect of the Ticleni Production Enhancement contract in Romania US$16,906,000 (31 December 2010: US$21,046,000; 30 June 2010: US$ nil) and commitments in respect of IT projects of US$6,332,000 (31 December 2010: US$9,281,000; 30 June 2010: US$8,400,000).

17 RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions which have been entered into with related parties:

		Sales to related parties US$'000	*Purchases from related parties US$'000*	*Amounts owed by related parties US$'000*	*Amounts owed to related parties US$'000*
Joint ventures	**Six months ended 30 June 2011 (unaudited)**	**90,661**	**96,232**	**330**	**18,060**
	Six months ended 30 June 2010 (unaudited)	36,638	22,876	292	712
	Year ended 31 December 2010 (audited)	101,370	88,796	327	11,098
Key management personnel interests	**Six months ended 30 June 2011 (unaudited)**	**-**	**486**	**-**	**145**
	Six months ended 30 June 2010 (unaudited)	-	561	-	365
	Year ended 31 December 2010 (audited)	-	1,688	-	612

All sales to and purchases from joint ventures are made at normal market prices and the pricing policies and terms of these transactions are approved by the group's management.

All related party balances at 30 June 2011 will be settled in cash.

Purchases in respect of key management personnel interests of US$428,000 (six months ended 30 June 2010: US$561,000; year ended 31 December 2010: US$1,601,000) reflect the market rate based costs of chartering the services of an aeroplane used for the transport of senior management and Directors of the group on company business, which is owned by an offshore trust of which the Chief Executive of the Company is a beneficiary.

Also included in purchases in respect of key management personnel interests is US$58,000 (six months ended 30 June 2010: US$nil; year ended 31 December 2010: US$87,000) relating to client entertainment provided by a business owned by a member of the group's key management.

Compensation of key management personnel

	6 months ended 30 June 2011 Unaudited US$'000	*6 months ended 30 June 2010 Unaudited US$'000*	*Year ended 31 December 2010 Audited US$'000*
Short-term employee benefits	**3,539**	3,132	11,870
Other long-term employment benefits	**79**	71	142
Share-based payments	**2,426**	1,976	3,827
Fees paid to non-executive directors	**394**	276	581
	6,438	5,455	16,420

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that, to the best of their knowledge, the condensed set of financial statements on pages 13 to 30 has been prepared in accordance with IAS 34 'Interim Financial Reporting', and that the interim management report on pages _2_ to _12_ includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The directors of Petrofac Limited are listed in the *Petrofac Annual Report and Accounts 2010*.

By the order of the Board

Ayman Asfari
Chief Executive Officer
19 August 2011

Keith Roberts
Chief Financial Officer
19 August 2011

INDEPENDENT REVIEW REPORT TO PETROFAC LIMITED

Introduction

We have been engaged by Petrofac Limited ('the Company') to review the interim condensed consolidated financial statements in the interim report for the six months ended 30 June 2011 which comprises the interim condensed consolidated income statement, the Interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of financial position, the Interim condensed consolidated cash flow statement, the Interim condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual consolidated financial statements of Petrofac Limited are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The condensed consolidated financial statements included in this interim report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Our Responsibility

Our responsibility is to express to the Company a conclusion on the interim condensed consolidated financial statements in the interim report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim condensed consolidated financial statements in the interim report for the six months ended 30 June 2011 are not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London
19 August 2011

Petrofac shares are traded on the London Stock Exchange using code 'PFC.L'.

Registrar

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St Helier
Jersey JE2 3RT

Company Secretary and registered office

Ogier Corporate Services (Jersey) Limited
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UK Transfer Agent

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London SE1 2AF

Corporate and Financial PR

Tulchan Communications Group
85 Fleet Street
London EC4Y 1AE

Financial calendar

23 September 2011	Interim dividend record date
21 October 2011	Interim dividend payment
31 December 2011	2011 financial year end
5 March 2012	2011 full year results announcement

Dates correct at time of print, but subject to change.

The group's investor relations website can be found through www.petrofac.com.