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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE UK VERSION OF REGULATION (EU) NO. 596/2014 ON MARKET ABUSE, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

Petrofac enters Lock-Up Agreement and announces comprehensive financial restructuring

Petrofac Limited (“**Petrofac**” or the “**Company**” and together with its subsidiaries, the “**Group**”) today announces that it has entered into a binding agreement (the “**Lock-Up Agreement**”) with key financial creditors on the terms of a comprehensive restructuring (the “**Restructuring**”) to significantly strengthen the financial position of the Group and enable Petrofac to deliver its strategy.

The Lock-Up Agreement formalises the in-principle agreement announced by the Company on 27 September 2024 with certain key stakeholders including an ad hoc group of holders of senior secured notes (the “**Ad Hoc Group**”) and certain other senior secured noteholders, which together comprise approximately 57% of the senior secured notes. It is part of a comprehensive restructuring that also involves a new equity raise and certain agreements with core clients and other counterparties. In aggregate, the Restructuring will deliver at least US\$325m of new funding to the Group. After repayment of certain obligations, including payments required to extinguish certain historical claims and contingent liabilities, and payment of transaction costs, this will result in an immediate increase in Group liquidity of at least US\$195m.

Since announcing a review of the Company’s strategic and financial options in December 2023, the Directors have considered and evaluated several alternative options to improve the position of the Group’s balance sheet. The Directors are of the view that the Restructuring provides the best available outcome for the Group, its 8,000 strong workforce and its external stakeholders.

The components of the Restructuring are inter-conditional and certain elements will be implemented by way of restructuring plans launched by the Company and Petrofac International (UAE) LLC (“**PIUL**”) pursuant to Part 26A of the Companies Act 2006 which will require sanction by the English court (the “**Restructuring Plans**”). Shareholders will be asked to approve certain components of the Restructuring at a General Meeting of the Company, which is expected to take place in February 2025.

The proposed Restructuring includes the following:

- Committed new funding of US\$325m:
 - US\$131m of new debt, with US\$94m backstopped by the Ad Hoc Group and the Additional Noteholders and US\$38m committed by a new equity and debt investor (the “**New Investor**”); and
 - US\$194m new equity committed by the Ad Hoc Group, the New Investor and certain other new and existing shareholders.

- The Company may upsize the new equity issuance by up to US\$25m in aggregate prior to the Restructuring Effective Date, and it intends to undertake a retail offering of approximately US\$8m in 2025.
- Conversion of approximately US\$772m of existing debt into equity, which will significantly deleverage and strengthen the Group's balance sheet. Post-Restructuring total gross debt (including new funding) will be approximately US\$250m.
- Agreement with core clients in relation to alternative performance security for certain contracts awarded to Petrofac in 2023 and further contracts expected to be awarded following the Restructuring.
- Material dilution, while preserving some value, for existing shareholders.
- Extinguishing certain historical actual and contingent liabilities including, notably, in relation to the Thai Oil Clean Fuels contract.
- US\$72m of new performance guarantee facilities for which discussions are at an advanced stage, which will enable the release of US\$56m of cash collateral to the Group.
- A transformation plan to formalise the construct of the Group's E&C, ETP and Asset Solutions delivery units.
- Changes to the Board and enhanced corporate governance framework aligned with the aims of the Restructuring.

It is expected that, subject to receipt of all requisite approvals and satisfaction of conditions, the Restructuring will be completed during Q1 of 2025 (the "**Restructuring Effective Date**").

René Médori, Chairman, said:

"We are pleased to have announced today a deal with creditors and other stakeholders which will materially strengthen Petrofac's financial position. We recognise the demands that this process has placed on the Group's stakeholders, each of whom is playing a vital role in delivering this critical step for the business. I would once again like to thank our shareholders, clients, creditors and employees – we will continue to depend on your support over the coming weeks as we implement the agreement and deliver Petrofac's future growth potential.

"The financial restructuring will mark a new beginning for Petrofac. I look forward to overseeing the conclusion of this process with a view to transitioning my Board duties to a new Chairperson in 2025."

Tareq Kawash, Group Chief Executive, said:

"The agreement announced today will provide a sustainable financial structure that will support our business plan and allow the Group to move forward with confidence. Bolstered by our current backlog and pipeline of opportunities, the business is well positioned as a leading provider of critical energy infrastructure. We have made good progress in closing out our legacy portfolio of contracts, our new projects are progressing well, we have a refreshed strategy focused on our strengths, with enhanced bidding discipline and project governance.

"I am grateful to our stakeholders for coming together as part of the Lock-Up Agreement to deliver these stronger foundations for the future and look forward to leading our exceptional team in pursuit of future successes."

Remaining Steps to the Restructuring

The entry into the Lock-Up Agreement and associated agreements represents the culmination of many months of work. A number of steps are now required to complete the Restructuring, which is critical for the Company to continue as a going concern. Each of these steps is inter-conditional, and so all need to be completed in order for the Restructuring (including the new funding set out above) to proceed.

The equity raise is being conducted by way of a non-pre-emptive placing, which in the view of the Directors was critical for the purposes of announcing a fully committed transaction. The Company values its retail investor base and is keen to ensure that a broader range of investors have an opportunity to participate in the Group's future growth. The Company therefore intends to announce an offer of ordinary shares to retail investors to raise approximately US\$8m, at the same issue price as the new equity raise announced today, following the publication of the Company's audited financial statements for the year ended 31 December 2024. The Company also intends to give preferential allocation to those retail investors who are shareholders on the date of this announcement to the extent reasonably practicable.

Implementation of the Restructuring requires (among other things) (i) shareholder approval for components of the Restructuring at a General Meeting of the Company, which is expected to take place in February 2025; (ii) the requisite creditor support (in particular from the Group's senior secured funded creditors), and sanctioning by the Court of the Group's proposed restructuring plans under Part 26A of the Companies Act 2006; (iii) agreement to secure performance guarantees for certain key EPC contracts or agreeing to alternative solutions with the clients; (iv) full and final settlement with HMRC in relation to certain historical claims against the Group on terms acceptable to creditors who have entered the Lock-Up Agreement; (v) obtaining non-compromised Thai Oil guarantor support for the Restructuring; (vi) consent from the Jersey Financial Services Commission for certain issuances in connection with the Restructuring; (vii) agreement with guarantee providers to waive defaults resulting from the Restructuring; and (viii) receipt of proceeds from the issuance of new ordinary shares and new notes. Further detail on the conditions to the Restructuring is set out in Section 5(a) below.

Certain shareholders, including each of the Directors, who together hold in aggregate approximately 37% of the Company's outstanding share capital have undertaken to vote their shareholdings in favour of the resolutions proposed at the General Meeting. The Directors are confident in the Group's prospects and, in connection with the New Equity, René Médori (Chairman), Tareq Kawash (Chief Executive Officer), Afonso Reis e Sousa (Chief Financial Officer) and David Davies (Non-Executive Director) have agreed to subscribe for new ordinary shares at the same price as other New Equity investors for aggregate consideration of US\$1.08m.

The lenders under the Group's existing revolving credit facility and term loans (together, the "**Bank Lenders**") have not yet signed the Lock-Up Agreement. The Group is progressing discussions with the Bank Lenders to seek their support for the final terms of the Restructuring. The Group is aiming to conclude the discussions in the coming weeks. The support of certain of the Bank Lenders will be necessary in order for the Restructuring to take place.

All lenders (that is, all holders of the Group's outstanding senior secured notes and Bank Lenders (together the "Funded Creditors")) are encouraged to accede to the Lock-Up Agreement and participate in the Restructuring. Section 5 "Participation by Funded Creditors in the Lock-Up Agreement and the New Money" sets out next steps on how to do this.

1 Reasons for, and purpose of the Restructuring

Reasons for the Restructuring

Under the current management team, Petrofac has made significant progress having refreshed its strategy to focus on its strengths and enhance bidding discipline and project governance.

Despite significant progress in rebuilding the backlog in 2023, challenges with the Group's legacy portfolio impacted Petrofac's financial performance. In particular, the Group's activities were exposed to adverse and significantly delayed contractual outcomes and settlements and were negatively affected by the impacts of the COVID-19 pandemic, leading to losses on a number of contracts.

This included significant cost overruns on the Thai Oil Clean Fuels joint venture contract, which have been driving losses at the Engineering & Construction division ("**E&C**") and Group level in recent years. Here, the impact of the pandemic, together with the scale and unique complexity of the project and its location, meant that significant additional work and costs were necessary to recover lost time and complete the project. In this context, the Group, alongside its joint venture partners, has been in protracted discussions since 2022 to recover costs incurred.

As part of the Restructuring, the Group continues to seek agreed terms to continue its participation on the project on a defined and limited basis. Absent this, the Group will exit the Thai Oil Clean Fuels contract with associated potential claims and contingent liabilities expected to be compromised as part of the Restructuring Plans. In this regard, Petrofac is aware of the announcement made on 20 December 2024 by Thai Oil that its board of directors has convened an extraordinary general meeting of its shareholders to consider and approve an increase of the investment cost in the Thai Oil Clean Fuels Project. Due to the timing of this announcement, its impact (if any) on the Restructuring remains subject to ongoing review by the Company

In conjunction with the challenges noted above, a reduced appetite for the provision of performance bonds and/or advance payment guarantees ("**guarantees**") across the sector, impaired the Company's ability to secure guarantees for its engineering, procurement, and construction ("**EPC**") contracts — a standard industry requirement — without the posting of cash collateral.

These restrictions strained the liquidity of the Group, preventing it from being able to execute its contract backlog without support from its stakeholders to resolve both the guarantee requirements and liquidity needs.

Purpose of the Restructuring

The Directors believe that the Restructuring is critical to deleverage and strengthen the Group's balance sheet and liquidity position, as well as to deliver a sustainable capital structure that will allow the Group to meet future guarantee requirements and deliver its strategy.

The Restructuring provides a comprehensive solution that involves support from the Group's various stakeholders and aims to: (i) protect existing backlog contracts; (ii) protect the Group from future exposure on the Thai Oil Clean Fuels contract and certain other historical claims and contingent liabilities; (iii) support access to future guarantees; (iv) reduce the Group's gross indebtedness; (v) restore the Group to a positive net equity position; (vi) allow for the normalisation of the Group's working capital; (vii) improve the Group's liquidity; (viii) reduce the Group's interest costs and (ix) rationalise the Group along operational lines. The Group expects the Restructuring to provide a foundation for significant growth in the coming years, as summarised in Section 3 "Financial Outlook".

The Directors believe that the Group's ability to continue as a going concern is contingent on the implementation of the Restructuring. If the Restructuring is not implemented, the Company would likely enter into liquidation proceedings. The Board has carefully considered the terms of the Restructuring (including the resulting equity dilution of existing shareholders) and believes that the Restructuring is in the best interests of stakeholders as a whole.

See Section 4 "Other considerations" for an overview of key outstanding steps to implementation.

2 Overview of the key terms agreed for the Restructuring

The equity allocation following implementation of the Restructuring is summarised in the table below.¹

Stakeholder	Equity allocation
Funded Creditors (New Money providers)	50.0%
Funded Creditors (debt-for-equity)	17.3%
New equity and debt investor	12.5%
Other New Equity investors	17.8%
Current Shareholders	2.5%

The key terms of the Restructuring steps are summarised below. Each component of the Restructuring is inter-conditional with the other components.

(a) New Money

The Group has secured new equity and debt commitments as set out below (the "**New Money**").

New Equity

US\$194m of commitments to subscribe for ordinary shares in the Company (the "**new ordinary shares**"):

- US\$94m backstopped by the Ad Hoc Group and certain other senior secured noteholders (the "**Additional Noteholders**"), in exchange for 26.7% of the post-Restructuring share capital of the Company (before accounting for any fees paid as new ordinary shares);
- US\$38m committed by the New Investor, in exchange for 10.7% of the post-Restructuring share capital of the Company; and
- at least US\$62m to be subscribed for by certain existing shareholders, including Directors of the Company, and new investors in exchange for 17.8% of the post-Restructuring share capital of the Company (together, the "**New Equity**").

¹ Note: Figures set out above and elsewhere in this announcement do not reflect the dilutive effect of the following share issuances related to the Restructuring and referenced in this announcement, certain of which may occur as early as the Restructuring Effective Date: (i) any ordinary shares issued in connection with the compromise of historical claims and contingent liabilities; (ii) the potential New Equity commitment upside of up to US\$25m; (iii) the intention to undertake a retail share offer of approximately US\$8m (including any shareholder decision not to participate); (iv) any ordinary shares issued in connection with the new management incentivisation programme following completion of the Restructuring; (v) any shares issued in connection with non-compromised Thai Oil guarantor claims and (vi) any ordinary shares issued following any exercise of warrants issued as part of the Restructuring.

- The Company may upsize the New Equity issuance by up to a further US\$25m.

In aggregate, taken together with the new ordinary shares to be issued (i) in connection with the debt-for-equity swap (see Section 2(b) below), (ii) to Funded Creditors that subscribe for the New Money Notes (see “New Money Notes” in this Section 2(a)) and (iii) in respect of the backstop fees (see Section 2(i) below), 20,550m new ordinary shares are expected to be issued on completion of the Restructuring representing 97.5% of the Company’s share capital. This will result in a significant increase in the issued ordinary share capital of the Company and consequently existing holders of the ordinary shares will experience material dilution.

As consideration for backstopping their portion of the New Equity, the Ad Hoc Group and the Additional Noteholders will receive a backstop fee, paid in part by the issuance of new ordinary shares, as described further below in section 2(i).

All Funded Creditors will be entitled to participate in the backstopped New Equity, *provided* they also participate in the New Money Notes on a fixed ratio of 50/50 (the “**Funding Ratio**”) between New Money Notes and New Equity (see “*New Money Notes*” in this Section 2(a), Section 2(i) and Section 5 below).

In addition, the Company has agreed to issue two classes of warrants over ordinary shares to existing shareholders who have committed to subscribe for ordinary shares as part of the New Equity, but excluding Directors, (the “**Existing Shareholder Investors**”) for nil consideration. The key terms of the warrants are summarised below.

	Tranche 1	Tranche 2
Allocation	48 warrants for every 100 new ordinary shares subscribed for	28 warrants for every 100 new ordinary shares subscribed for
Duration	5 years from the Restructuring Effective Date	5 years from the Restructuring Effective Date
Subscription price	Nil	Nil
Subscription right	Each warrant will give the holder the right to subscribe for 1 ordinary share	
Exercise	Upon the Company reaching the applicable Threshold Market Capitalisation (based on a 30-day GBP volume-weighted average share price), prior to the end of the applicable warrant term	
Threshold Market Capitalisation	US\$1.30bn	US\$1.95bn

New Money Notes

US\$131m (before original issue discount (“**OID**”) and backstop fees) (the “**New Money Notes**”) of debt funding in the form of new super senior secured notes, with US\$94m backstopped by the Ad Hoc Group and the Additional Noteholders and US\$38m committed by the New Investor.

As consideration for backstopping their portion of the New Money Notes, the Ad Hoc Group and the Additional Noteholders will receive a backstop fee, paid in part by the issuance of additional New Money Notes, as described further below in section 2(i).

As noted above, all Funded Creditors (and certain other existing secured guarantee providers) will be entitled to participate in the backstopped New Money Notes (see Section 2(i) and Section 5 below).

The New Notes (being the New Money Notes together with the Reinstated Notes (as defined in Section 2(b) below) will be issued by a newly incorporated subsidiary that will become the holding company of the Group's Asset Solutions division and have the following key terms:

- total quantum of up to US\$250m, taking account of (i) 7.5% OID and 7.5% backstop fee on the US\$133m New Money Notes and (ii) the US\$96m Reinstated Notes (see Section 2(b) below);
- maturity date of 30 June 2030;
- 9.75% p.a. payment-in-kind ("PIK") interest and/or cash interest (or combination) at the Company's discretion in year one and 9.75% p.a. cash interest thereafter (payable on a semi-annual basis (commencing 6 months from the Restructuring Effective Date));
- super-senior priority over an enhanced common guarantee and security package, which will include a share pledge over a new intermediate holding company of the Group;
- proceeds from the New Money Notes will be paid into a segregated account and must be used in accordance with a pre-agreed proceeds usage plan, subject to compliance with agreed liquidity tests and certain key milestones agreed as part of the development of the delivery unit separation plan (see Section 2(g) below);
- semi-annual sweep of Assets Solutions cash balances over US\$50m, with 80% to be applied towards redeeming the New Notes, to apply from completion of the delivery unit separation;
- Group minimum liquidity test, set at US\$40m 2025, US\$55m H1 2026 and US\$75m thereafter;
- total funded debt post-Restructuring will be capped at US\$279m, excluding interest and debt incurred pursuant to agreed baskets (note: if the non-compromised Thai Oil guarantee is called and the guarantor's claim is reinstated on a senior basis before 31 December 2025, up to c. US\$19m of New Notes will be released in exchange for new ordinary shares in the Company);
- Asset Solutions net debt / EBITDA covenant (applying post separation only) of 4.6x in 2026, 4.2x in 2027 and 4x in 2028, to apply from completion of the delivery unit separation;
- From the Restructuring Effective Date, a restriction on the transfer of assets from Asset Solutions to non-Asset Solutions Group entities, which, with effect from completion of the delivery unit separation, shall also apply to cash; and
- restrictions on the payment of cash dividends (including the use of Asset Solutions cash, following completion of the delivery unit separation) until the New Notes are fully repaid.

Funded Creditors that subscribe for the New Money Notes will also receive new ordinary shares constituting 17.9% of the post-Restructuring share capital of the Company as additional consideration for their New Money investment.

(b) Debt Restructuring

Debt-for-equity swap

Approximately US\$772m of outstanding debt under the Company's revolving credit and term loan facilities and its senior secured notes (the "**Funded Debt**") will be converted into new ordinary shares constituting 17.3% of the post-Restructuring share capital of the Company.

Reinstated Notes

Funded Creditors who participate in the New Money Notes will receive, for every US\$1 of participation, reinstatement of US\$0.81 of their Funded Debt as super senior secured notes (the "**Reinstated Notes**" and, together with the New Money Notes, the "**New Notes**"), subject to any adjustment to the reinstatement ratio in connection with the provision of New Guarantee Facilities, the Thai Oil non-compromised guarantor claims and the Thai Oil Guarantee Claims.

Reinstated Notes will also be issued to Funded Creditors (and certain other existing creditors) that participate in New Guarantee Facilities (see Section 2(c) below).

(c) New Guarantee Facilities

As of the date of this announcement, the Company is in advanced discussions with an existing Funded Creditor to provide US\$72m of New Guarantee Facilities for a major E&C project. In consideration, the Funded Creditor will receive, in respect of their Funded Debt, a partial cash repayment (c.US\$19.6m) and partial reinstatement as Reinstated Notes (c.US\$19.6m).

Funded Creditors and certain other creditors of the Group will also be invited to participate in providing New Guarantee Facilities for a second EPC contract in amount of €50m. For every US\$1 of such New Guarantee Facilities commitments, participants will receive:

- in the case of Funded Creditors, cash repayment of US\$0.26 and reinstatement of US\$0.26 of their Funded Debt (as described above);
- in the case of the Thai Oil guarantee providers, (i) US\$0.26 cash repayment and (ii) US\$0.26 reinstatement as Reinstated Notes of their contingent claims in connection with the Thai Oil Clean Fuels Project (if and when they crystallise) net of any cash collateral applied by the relevant creditor; and
- in the case of Unsecured Guarantee Creditors, the elevation of US\$1 of their existing unsecured guarantees to senior secured ranking ("**Elevated Existing Unsecured Guarantees**").

The New Guarantee Facilities will be issued on terms customary for facilities of this nature, and will be subordinated to the New Money Notes, but rank *pari passu* with all other senior secured debt over the common guarantee and security package. The New Guarantee Facilities in respect of the first major E&C project will benefit from the ring-fencing arrangements noted below (see Section 2(d) below).

(d) Key Client Arrangements

As part of the Restructuring, the Group has revised the terms of the US\$14bn multi-year framework agreement with TenneT in relation to the Group's work alongside Hitachi Energy on a series of offshore wind projects (the "**TenneT Framework Agreement**"). The revised arrangements include a more gradual build-up of the performance security requirement over the life of the TenneT Framework Agreement and the ability to meet at least part of that security through retentions rather than performance guarantees. These arrangements will apply until 31 December 2026, following which performance security will be required in the form of guarantees.

In exchange, future payments made by TenneT will be ring-fenced and used exclusively for costs associated with the TenneT contracts (including services provided by other Group entities), and

transfers outside of the ring-fence will only be permitted for transfers of certain profits and overhead to the Group, alongside limited additional amounts of excess liquidity.

In addition, the Group has agreed revisions to its agreements with ADNOC in relation to the provision of guarantees. The revised arrangements include an extension, for 18 months from the date that the Restructuring becomes effective, of the period to provide guarantees for one contract. In exchange, future payments made by ADNOC to the Group on the two contracts awarded in 2023 will be paid into ring-fenced bank accounts and used exclusively for costs associated with those contracts, including services provided by other Group entities, and for transfers of overhead to the Group.

(e) Settlements and arrangements regarding certain claims and contingent liabilities

As part of the Restructuring, the Group has agreed settlements and/or will seek to settle and/or compromise certain historical claims and contingent liabilities required under the terms of the Lock-Up Agreement and as summarised below:

Consensual settlements

- **HMRC:** In October 2020, HMRC issued a decision pursuant to section 8(1)(c) of the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (the “**Decision**”) in respect of Petrofac Facilities Management Limited (“**PFM**”), a subsidiary of the Company. Under that Decision, PFM was liable to pay secondary Class 1 national insurance contributions for the period 6 October 1999 to 5 April 2014. PFM has appealed that Decision and disputed the liability. Since October 2024, PFM has been engaged in positive discussions with HMRC with a view to a possible settlement of the Decision and PFM’s appeal (the “**NIC Dispute**”). The final terms of any settlement of the NIC Dispute remain the subject of on-going discussions between HMRC and PFM. It is a condition of the Lock-Up Agreement, that a full and final settlement of the NIC Dispute is concluded before the Restructuring Effective Date and that such settlement is on terms acceptable to the creditors who have signed the Lock-Up Agreement. If, as the Company hopes, PFM is able to reach a settlement with HMRC which is acceptable to the creditors who have signed the Lock-Up Agreement, the Company expects that the settlement will shortly be concluded.
- **Thai Oil non-compromised guarantor claims:** The Group is in the process of concluding negotiations with a non-compromised guarantor regarding discharge of any claims it may have against the Group as a result of a demand by Thai Oil Public Company on the performance bonds issued by the guarantor in support of the Group’s obligations in respect of the Clean Fuel Project. To the extent that such claims were to crystallise, the claims will be reinstated (net of cash collateral applied in partial satisfaction of such claims) as senior secured debt of up to US\$49m, maturing after the maturity of the New Notes.

Compromise of certain historical claims and contingent liabilities

Certain historical liabilities of the Company and PIUL will be compromised, subject to implementation of the Restructuring Plans (see Section 4(a) below) (unless settlements are subsequently agreed). These include:

- claims of existing and former shareholders (against the Company) seeking damages under s90A of FSMA 2000, which concerns the making of allegedly false, misleading or delayed statements and/or material omissions in public disclosures. Claims will be released in exchange for a share of a shareholder claims fund. Further detail will be provided as part of the Restructuring Plans;

- actual or potential claims (against the Company and PIUL) in connection with the Thai Oil Clean Fuels contract by Thai Oil Public Company, Saipem or Samsung entities (and PSS Netherlands BV as a joint venture entity) that are party to the project contracts. Claims will be released in exchange for (in respect of Company claims) a share of a non-shareholder claims fund and (in respect of PIUL claims) cash payment or (at their election) new ordinary shares benchmarked against expected recoveries in an insolvency (with the equity entitlement capped at a further 1% of the post-Restructuring share capital, being issued following completion of the Restructuring, and any excess paid in cash);
- any claims that the Thai Oil guarantee providers, other than by the non-compromised Thai Oil guarantor, may have against the Group pursuant to guarantee arrangements to fund the Group project-related obligations (the “**Thai Oil Guarantee Claims**”), which would be discharged (net of cash collateral deemed applied in partial satisfaction of such claims) in exchange for new ordinary shares (capped at a further 1.21% of the post-Restructuring share capital, being issued following completion of the Restructuring), subject to an election to participate in the New Guarantee Facilities (per Section 2(c) above) or (if applicable as part of the Restructuring Plan) the New Money;
- any claims of the Group’s insurers against the Company for the return of all insurance proceeds received under certain historic D&O insurance policies allegedly based on policy avoidance grounds. Claims will be released in exchange for a share of the non-shareholder claims fund; and
- claims that may be brought by former directors or managers of the Group against the Company arising out of or in connection with the shareholder claims (above) or the SFO Investigation, including certain potential contribution or indemnity claims. Claims will be released in exchange for a share of the non-shareholder claims fund.

The Company expects that the aggregate initial outflows required to settle and/or compromise these historical claims and contingent liabilities will not exceed US\$25m from the proceeds of the Restructuring, with certain other payments to be made in the future. Further details on the terms of these compromises will be provided as part of the Restructuring Plans process.

(f) Other Stakeholders

Current Shareholders

As a result of the Restructuring, including the conversion of the Group’s debt to equity, current Shareholders will be diluted through the resultant issuance of new equity in the Company, such that existing Company Shareholders will hold approximately 2.5% of the post-Restructuring share capital of the Company.

Other Guarantee Facilities / Sureties

Other guarantee facilities, surety facilities or similar instruments that are not currently subject to the intercreditor agreement (but which may have their own security / guarantees) will not be amended or compromised by the Restructuring, but may become Elevated Existing Unsecured Guarantees if the relevant creditors agree to provide New Guarantee Facilities (see Section 2(c) above). In addition, the Group will be required to procure waivers from guarantee providers for defaults arising as a result of the Restructuring.

(g) Alignment of Delivery Units

Prior to the Restructuring Effective Date, the Company will finalise its plan to formalise the legal and operational separation of its delivery units (E&C, Energy Transition Projects (“**ETP**”) and Asset

Solutions). This separation will help the relevant delivery units of the Group that require access to guarantees to be able to access and procure them more easily in future. On or before closing of the Restructuring, the Company will establish a Transformation Committee and appoint a Chief Transformation Officer (“CTO”) to oversee implementation with the aim of completing this work as soon as possible after the Restructuring Effective Date in accordance with determined milestones.

Upon completion (and subject to certain agreed terms), the New Notes will continue to be secured on the Asset Solutions sub-group and will benefit from a cash sweep and other covenants from that sub-group, but will release security and guarantees granted by entities within the E&C and ETP delivery units.

(h) Governance and Management Incentives

The Ad Hoc Group (in consultation with the New Investor) will have the right to approve the composition of the Board to be established on the Restructuring Effective Date. The Board is expected to comprise:

- at least 2 executive directors (being the Chief Executive Officer and Chief Financial Officer); and
- at least 4 independent non-executive directors, including the Chairperson.

The Company’s current Chairman, René Médori, will continue in his role during the implementation of the Restructuring in order to guide the Group through the process, and will lead a transition to a new Chairperson in the course of 2025, with a period of overlap to ensure the Group’s stability as it emerges into its new capital structure.

Given the changes to the Group’s capital structure through the Restructuring, the Board and Group governance and executive function will adapt to the post-Restructuring business plan, including the establishment of the Transformation Committee and the appointment of the CTO.

Following the Restructuring, the Company intends to put in place a management incentivisation programme, which could result in awards not exceeding 10% of the share capital of the Company.

(i) Lock-up Agreement and other commitment agreements

Lock-up Agreement

The Group’s Bank Lenders have not yet signed the Lock-Up Agreement. The Group is progressing discussions with these Bank Lenders to seek their support for the final terms of the Restructuring. The Group is aiming to conclude the discussions in the coming weeks. The support of certain of the Bank Lenders will be necessary in order for the Restructuring to take place.

Each Funded Creditor that accedes to the Lock-Up Agreement by 10 January 2025 (or acquires funded debt that was locked up as of 10 January 2025) will be entitled to an early bird fee constituting 0.25% of its funded debt that was locked up as of 10 January 2025. The early bird fee will be payable in cash at completion of the Restructuring.

All Funded Creditors will be invited to participate in the new funding backstopped by the Ad Hoc Group by providing commitment letters no later than one business day after the date of the creditor’s meetings that are expected to be held in the second half of February 2025 to vote on the Restructuring Plans.

Pursuant to the terms of the Lock-Up Agreement, all creditors party thereto undertake to support the implementation of the Restructuring, including but not limited to voting in favour of the Restructuring Plans, subject to the meeting of key milestones as set out in the Lock-Up Agreement and certain customary termination rights.

In addition, the Lock-Up Agreement provides for waivers of any defaults under the Group’s revolving credit facility, term loan facilities and senior secured notes triggered by the Restructuring, as well as

the temporary forbearance from enforcing their debt claims in connection with non-payment of interest, principal and other fees under these instruments.

Backstop Agreement

The Company has entered into a backstop agreement with certain members of the Ad Hoc Group and the Additional Noteholders (the “**Initial Backstop Providers**”), pursuant to which the Initial Backstop Providers will backstop US\$187.5m of Funded Creditor participation in the New Money Notes and New Equity. In consideration for their service, the Initial Backstop Providers will be paid a pro rata share of a backstop fee of (i) 3.75% of the aggregate amount of debt funding backstopped, which will be satisfied by the issuance of New Money Notes, and (ii) 3.75% of the aggregate amount of equity funding backstopped, which will be satisfied by the issuance of additional new ordinary shares (constituting 1.67% of the Company’s share capital post-Restructuring). Backstop fees will be paid at completion of the Restructuring.

Funded Creditors will also be invited to accede to the Backstop Agreement and provide backstop commitments up to their pro rata share calculated by reference to the Funded Debt held by such Funded Creditors (with the corresponding reduction of the backstop commitments of the Initial Backstop Providers). Funded Creditors that accede to the Backstop Agreement by 10 January 2025 and the Initial Backstop Providers will be paid a *pro rata* share of an additional backstop fee of 3.75% on the amount of debt funding and equity funding backstopped by such Funded Creditors and the Initial Backstop Providers, satisfied by the issuance of new ordinary shares (constituting 1.67% of the Company’s share capital post-Restructuring) and the issuance of additional New Money Notes on the Restructuring Effective Date.

3 Financial Outlook

The Board firmly believes that the Restructuring will significantly improve the Group’s financial stability, strengthen its balance sheet and increase access to guarantees to support the delivery of the Group’s strategy. This stronger platform, taken together with a more selective approach to bidding and comprehensive efforts to extend and embed assurance procedures and cash flow discipline, will support the Group’s efforts to achieve consistent project execution for predictable deliveries as well as appropriate commercial settlements on legacy contracts. The Group anticipates that, along with its strong backlog and pipeline of opportunities, its established operating capabilities and renewed focus on core jurisdictions and project types where the Group has a strong track record will support significant improvements in financial performance in the medium term, reversing the financial and operational challenges experienced by the Group in recent years.

On this basis, the Group expects to achieve its medium-term ambitions of US\$4 billion to US\$5 billion of revenue, and build to sector-leading EBIT margins in the medium term. This would see annual Group revenue more than double over the period to 31 December 2027 (the “**period**”), supported by year-on-year revenue growth across the Group and within each of its E&C and Asset Solutions operating divisions. By leveraging the opportunities in its pipeline, the Group projects backlog to grow to over US\$15 billion by 2027 and is expected to deliver improved performance year-on-year:

- The Group’s E&C operating division is expected to observe a higher rate of revenue growth over this period, with approximately 50% CAGR from 2024 levels (based on annualised H1 2024). This is expected to be driven through selective bidding and disciplined execution. This includes a strategic refocus on core MENA jurisdictions and clients on traditional hydrocarbon projects within the Group’s core competency areas—oil and gas gathering and processing facilities, now also including petrochemical projects—and offshore wind for

energy transition projects, with win-rates expected to revert to historical levels (i.e., excluding the pandemic and periods during which it has been restricted from bidding in certain jurisdictions). Revenues are expected to be split broadly evenly between traditional hydrocarbon and energy transition projects.

The E&C division is expected to return to profitability early in the period, as increased activity levels on new contracts (secured in 2023) outweigh overhead costs and the reducing impact of legacy contracts. In the medium term, profitability is expected to increase to mid-to-high single-digit EBIT margins, as the higher quality backlog contracts, particularly in offshore wind, which are also lower risk due to their partially reimbursable pricing structure, have an increasing impact, whilst activity levels take the division to optimal operating scale.

This strategy is underpinned by a strong backlog and pipeline of opportunities in its core regions and target markets. The pipeline includes a further four HVDC offshore wind projects expected to be awarded in the period under the TenneT Framework Agreement.

- The Group's Asset Solutions operating division is expected to increase annual revenue, achieving a low-double digit CAGR over the period from 2023 levels, leveraging its existing backlog and from continued success in delivering new order intake from a healthy pipeline of opportunities. The division is seeking to improve the bottom-line profitability, with EBIT expected to return to slightly higher than 2021/22 levels (in US\$ value terms) in the earlier part of the period, resulting from the targeting of further higher-margin contracts in less mature basins.

The Group's target performance for Asset Solutions reflects the multi-year impact of recent contract wins and extensions, which includes notable wins delivering geographical expansion in Turkmenistan, West Africa and the Gulf of Mexico, also resulting from the strategic focus on integrated activities and late life asset management and decommissioning.

- The Group's Integrated Energy Services division ("**IES**") revenue is expected to deliver low single digit percentage of E&C and Asset Solutions combined revenue during the remaining life of the asset, with anticipated natural declines in crude production at the field, until the end of its contract period in 2026. EBITDA is expected to be less than 2% of total Group revenue early in the period, and decreasing for the asset's remaining lease, with depreciation and amortisation expected to be in a similar range.

The Group's ability to grow revenue in its E&C division through new order intake from EPC contracts, into the medium term, and realising its potential, will be significantly dependent on its ability to source adequate guarantees on commercially acceptable terms or, potentially, agree alternative arrangements with clients. The Group expects that the Restructuring will permit it to gradually re-enter the market for these guarantees from the second half of 2025.

The Group expects to generate a small positive net cash flow for the year ending 31 December 2025, at a Group level, improving its liquidity, largely reflecting inflows from the Restructuring, partly offset by working capital normalisation across the business. Beyond this, net cash flows are expected to be materially above EBITDA, driven by the improvement in activity levels in the E&C division, as described above, with profitable contracts; benefitting from positive working capital on EPC contracts, even without assuming the receipt of advance payments on new contracts.

The Restructuring is expected to provide a sustainable platform to meet these ambitions. However, the outlook set out above may prove to be incorrect, including for the reasons set out in Section 4(d) "Risks to implementation of the Restructuring and Financial Outlook" and under the heading

“Cautionary statement regarding forward-looking statements”. If these risks materialise or the Group otherwise fails to achieve its anticipated financial performance, this could negatively impact the Group’s profitability or liquidity position, including in the short term.

The Board recognises the importance of dividends to shareholders and expects to reinstate them in due course, once the Company’s performance has improved.

4 Other considerations

(a) Implementation of the Restructuring

The Company intends to complete the Restructuring in Q1 2025 and implement this through two concurrent Restructuring Plans pursuant to Part 26A of the Companies Act 2006 to be proposed by the Company and PIUL. Pursuant to the Restructuring Plans, certain historical liabilities and contingent liabilities of the Group will be compromised or settled, and claimants will be entitled to submit claims for admission and adjudication which, if successful, will entitle them to a share of settlement funds that will be set up by the Group, as further described in Section 2(e) above and in the restructuring documentation to be shortly published.

The current expected timetable of the Restructuring Plans and Restructuring as a whole is:

- Convening Hearing: 28 January 2025
- Publication of the Prospectus and General Meeting Shareholder Circular: January 2025
- Creditor Meetings: week commencing 17 February 2025
- General Meeting: prior to 25 February 2025
- Sanction Hearing: 25 February 2025
- Restructuring Effective Date: on or around 28 February 2025

The shareholder circular and notice of general meeting (the “**Circular**”) for the General Meeting of the Company, which is expected to take place in February 2025, will be distributed at least 14 clear days prior to the date of the meeting. Certain shareholders, including each of the Directors, who together hold in aggregate approximately 37% of the Company’s outstanding share capital have undertaken to vote their shareholdings in favour of the resolutions proposed at the General Meeting.

The Company will also be required to publish a prospectus in connection with the admission of the new ordinary shares to be issued in connection with the Restructuring to the equity shares (commercial companies) segment of the Official List (the “**Prospectus**”). The Company anticipates publishing the prospectus around the same time as the Circular subject to it being approved by the Financial Conduct Authority (the “**FCA**”).

Details of the Restructuring Plans, including the convening hearing and creditor meetings, and details of the shareholder meeting of Petrofac, and any further announcements required under applicable law or regulation, will be published in due course.

The issue of the new ordinary shares and the New Notes is expected to occur on or around the Restructuring Effective Date.

Implementation of the Restructuring is also subject to the satisfaction of certain conditions precedent, including (among others):

- the resolutions to be proposed to shareholders at the General Meeting for the purposes of implementing the Restructuring having been passed by the requisite majorities;

- the Restructuring Plans having been sanctioned by the Court and a copy of the sanction orders having been published in the London Gazette;
- the Restructuring documentation summarised in Section 2 having become unconditional in all respects;
- the settlement agreement with HMRC in relation to the historical claims described in Section 2(e) above having been entered into and remaining in full force and effect;
- the supplemental agreements entered into between the Group and each of ADNOC and TenneT remaining in effect and having not been terminated;
- securing a performance guarantee for a key EPC project or agreeing to an alternative solution with the client;
- obtaining sufficient Bank Lender and non-compromised Thai Oil guarantor support for the Restructuring;
- the FCA and the London Stock Exchange having approved the applications for the new ordinary shares to be issued in connection with the Restructuring to the equity shares (commercial companies) segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively; and
- obtaining the consent of the Jersey Financial Services Commission to the issue of any securities by a Jersey company (other than the new ordinary shares) as part of the Restructuring.

(b) Trading update

Financial performance for 2024 is expected to reflect similar levels of operating activity compared to 2023, with the ramp up of the new E&C contract portfolio replacing legacy contracts and a robust business in Asset Solutions.

E&C is expected benefit from a reduced impact from legacy contracts, as they reach the latter stages of completion, and with the initial margin recognition on new contracts partially reducing the adverse operating leverage. ETP has contributed to an increasing proportion of E&C performance. In Asset Solutions, the Group expects to achieve low-single digit margin improvement in H2 2024.

Free cash flow in the second half of the year is expected to be broadly neutral, as the Group has continued to manage its payment obligations in line with its operational collections pending the financial restructuring. As a result, net debt is expected to be broadly in line with the first half of the year, before adjusting for accrued and unpaid interest costs. Readily available liquidity is also expected to be broadly in line with the Group's half-year position.

(c) Further detail on the Financial Outlook

In addition to the outlook provided in Section 3 "Financial Outlook", additional outlook on the Group's targeted financial performance is summarised below:

- In addition to the ambitions described in Section 3 "Financial Outlook", central overhead cash outflows are expected to be between US\$40m-US\$50m annually during the period, excluding interest costs on the New Debt.
- Depreciation and amortisation in the E&C operating division is expected to approximately double during the period from 2024 levels (based on annualised H1 2024), predominantly as a result of the expected increases in activity levels at project sites for new contracts. In

the Asset Solutions operating division, it is expected to be lower than 2024 (based on annualised H1 2024) levels over the period.

- Capital expenditure in the E&C operating division is expected to be less than 1% of revenue during the period. Asset Solutions, as a traditional asset light business, will have minimal capital expenditure during the period.
- Levered cash flows in the operating divisions are expected to be as follows:
 - E&C: in the early part of the period, cash flows are expected to be negative, as working capital normalisation for the E&C operating division is expected to be US\$250m-US\$300m during 2025, funded through increased liquidity from the Restructuring proceeds and ongoing operational cash collections from existing and new projects. During the period, total cash flows are expected to be approximately low single digit multiples of the EBITDA generation of the operating division as a result of the accelerated collection profiles of new contracts, with the exception of 2026 and 2027 where a low-to-mid-single digit multiple is expected.
 - Asset Solutions: cash flows are initially expected to be a mid-to-low teens percentage of the EBITDA generation of the operating division (before working capital normalisation from Restructuring proceeds of US\$50m), rising to approximately 50% during the period.
 - IES: cash flows are expected to be at a low single digit percentage of Group revenue during the remaining life of the asset.
- Cash outflows in relation to tax payments in E&C are expected to be US\$20m-US\$40m annually during the period. In Asset Solutions, cash outflows in relation to tax payments are expected to be US\$20m-US\$25m annually during the period.
- In the period to 2026, remaining net cash collections from substantially complete legacy projects are expected to be in the range of US\$50m-US\$100m annually.

(d) Risks to implementation of the Restructuring and Financial Outlook

- *Risks to implementation of the Restructuring*

There is no guarantee that the Restructuring will be implemented on the anticipated timeframe or at all.

- It is the Directors' view that the Company's ability to continue as a going concern is contingent on the implementation of the Restructuring. If the Restructuring is not implemented, the Directors expect that the Lock-Up Agreement will be terminated and, as a result, the waivers and forbearance from the Funded Creditors would cease, following which the Company would likely enter into administration or liquidation proceedings.
- The components of the Restructuring are inter-conditional, and as a result the implementation of the Restructuring depends, among other things, on the passing of the resolutions proposed at the General Meeting and the court sanctioning the Restructuring Plans. Risks to sanctioning of the Restructuring Plans include not garnering the requisite support from creditors or failing to achieve approval by the court at the sanction hearing. The court has a wide discretion whether to sanction a restructuring plan and will take into account a number of factors, including the level of creditor support, the fairness of the plan and any challenges raised by stakeholders.

- The terms of certain components of the Restructuring are still subject to agreement. These include arranging performance guarantees for certain key contracts (or agreeing to alternative solutions); full and final settlement with HMRC; obtaining non-compromised Thai Oil guarantor support for the Restructuring; and agreement with guarantee providers to waive defaults resulting from the Restructuring. If the Group cannot agree resolutions on these matters, which are conditions to effectiveness of the Restructuring, the Restructuring will not be implemented.
- The implementation of the Restructuring also relies upon the Group's ability to maintain sufficient liquidity prior to the implementation of the Restructuring, including maintaining the support of trade and other creditors without acceleration of their debt or enforcement of their security rights.

- *Risks to the Financial Outlook*

The Group's strategic and financial ambitions following implementation of the Restructuring, as summarised in Section 3 "Financial Outlook" and Section 5(b), are subject to a number of assumptions regarding its operational and financial performance, certain of which are outside of the Group's control. As a result, there are significant risks to the Group's ability to achieve these ambitions, including (but not limited to) the matters set out below and under the heading "Cautionary statement regarding forward-looking statements".

- The Group's operating environment may become increasingly challenging, beyond the Group's current expectations. In the coming months and following completion of the Restructuring, the Group may continue to face risks to its liquidity, including for reasons beyond the Group's control, which may result in failure to achieve the operational and financial performance targeted by the Group.
- An inability to secure guarantees in the future may have a material adverse impact on the Group. If the Group is unable to secure new guarantees (which are expected to be required gradually from H2 2025) as anticipated, or to agree alternative arrangements with its clients, this could limit its ability to take on new E&C contracts or require material collateral postings, either of which would negatively affect the Group's liquidity.
- The Group's success in achieving its financial ambitions will depend on its ability to win new contracts and renewals and extensions of existing contracts, in particular given the material concentration among the Group's clients. Client expenditure and bidding opportunities will be dependent on their strategy and outlook, as well as macroeconomic conditions (including commodity prices), all of which are outside the Group's control. New order intake represents a significant proportion of targeted revenue in the coming years, and the Group may not achieve its anticipated win rates.
- Failure to successfully execute contracts, including as a result of delays or cost overruns, may result in substantial penalties or losses. One of the Group's contracts is currently suspended. Although the Group expects operations on this project to recommence following implementation of the Restructuring, there can be no assurance this will occur on the timing expected, that re-start costs will not be material, or that the Group will not incur any related liabilities.
- The Group has a number of material outstanding disputes. Material deviations from projected contract settlements and AVO expectations could negatively affect the Group's financial performance or liquidity or its ability to meet its financial ambitions.

- The Group has not released audited consolidated financial statements since May 2024 (as at and for the year ended 31 December 2023), and the Group's independent auditor did not express an opinion on these financial statements, as described therein. The Group's 30 June 2024 interim consolidated financial statements were not audited and or subject to independent auditor review.
- The Group's relationships with its clients, suppliers and sub-contractors have at times been materially strained and its liquidity position in recent years has required renegotiation of contractual terms. Although the Group will take steps, following implementation of the Restructuring, to unwind these balances, it may experience reputational damage as a result of historical liquidity measures and steps taken to implement the Restructuring and it may have limited ability to achieve similar arrangements in the future. If the Group is unable to maintain positive and supportive relationships with contractual counterparties, it could create risks to completion of projects in a timely manner, at the cost levels anticipated or at all.

(e) Structure of the New Equity capital raise

The New Equity capital raise is being conducted by way of a non-pre-emptive placing and, together with the issuance of ordinary shares in the debt restructuring, it will result in material dilution for existing Shareholders. In aggregate, 20,550m ordinary shares will be issued, representing 97.5% of the Company.

The Board has carefully considered, including following consultation with a number of the Company's largest shareholders and creditors, whose support and/or participation is critical for the completion of the Restructuring, the best way to structure the proposed transactions. In deciding to structure the New Equity capital raise by way of a non-pre-emptive placing, the Board sought to balance the dilution to shareholders with the benefits of announcing a fully committed transaction, which the Board considered was vital to the stability of the Company and the success of the wider Restructuring.

As referenced above, the Company values its retail investor base and is keen to ensure that retail investors have an opportunity to participate in the equity capital raise. The Company therefore intends to announce an offer of new ordinary shares to retail investors to raise approximately US\$8m at the same issue price as the New Equity issued as part of the Restructuring, following the publication of the Company's audited financial statements for the year ended 31 December 2024. The Company also intends to give preferential allocation to those retail investors who are shareholders on the date of this announcement to the extent reasonably practicable.

(f) Restructuring alternative

The Company has worked with its advisors and experts over the past 12 months to identify the likely alternative to a restructuring and the impact of such an alternative on shareholders and creditors. In this regard, the Company believes the likely alternative to the restructuring is a Group-wide insolvency, in which there would be no recoveries for shareholders and creditor recoveries would be uncertain. Work remains ongoing in this regard, is not finalised and is subject to change. Further detail will be provided as part of the Restructuring Plans process. However, at present the Company expects the outcome for its secured creditors in respect of outcomes across the Group to be in the range of 10 pence to 45 pence in the pound.

(g) Related-party New Equity subscription

In connection with the New Equity, (i) Ayman Asfari (in his own capacity), (ii) HARK PTC Limited (as trustees of the Lam Trust) and (iii) HARK PTC Limited (as trustees of the Lamia Trust) (together, the

“**Related Parties**”) have agreed to subscribe for new ordinary shares representing 2.85% of the post-Restructuring share capital of the Company, together with warrants as described above, for consideration of US\$10m (the “**Related Party Subscription**”). Ayman Asfari, is a related party of the Company under UK Listing Rule 8.1.11R(4) and the subscription by the Related Parties constitutes a related party transaction under UK Listing Rule 8.2.1R. Pursuant to UK Listing Rule 8.2.2R, the Board of the Company confirms its view that the Related Party Subscription is fair and reasonable as far as the shareholders of the Company are concerned and that the Board has been so advised by J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove), as sponsor to the Company.

Each Director is a related party of the Company for the purposes of the UK Listing Rules. In connection with the New Equity, René Médori (Chairman), Tareq Kawash (Chief Executive Officer), Afonso Reis e Sousa (Chief Financial Officer) and David Davies (Non-Executive Director) have agreed to subscribe for new ordinary shares representing in aggregate 0.31% of the post-Restructuring share capital of the Company, for consideration of US\$1.08m (the “**Director Subscriptions**”). The Director Subscriptions fall within the scope of the UK Listing Rules, however, due to the size of each individual subscription relative to the Company’s market capitalisation, the Director Subscriptions are exempt from the rules regarding related party transactions under UK Listing Rule 8.

5 Participation by Funded Creditors in the Lock-Up Agreement and the New Money

All Funded Creditors will be invited to accede to the Lock-Up Agreement, by signing an accession agreement substantially in the form set out in Schedule 4 of the Lock-Up Agreement, and to the Backstop Agreement by 10 January 2025.

Each Funded Creditor that accedes to the Lock-Up Agreement by 10 January 2025 (or acquires funded debt that was locked up as of 10 January 2025) will be entitled to an early bird fee constituting 0.25% of its funded debt that was locked up as of 10 January 2025. The early bird fee will be payable in cash at completion of the Restructuring.

All Funded Creditors are also invited to accede to the Backstop Agreement and provide backstop commitments up to their *pro rata* share calculated by reference to the Funded Debt held by such Funded Creditors by signing an accession agreement substantially in the form set out in Schedule 2 of the Backstop Agreement by 10 January 2025.

Each Funded Creditor that accedes to Backstop Agreement by 10 January 2024 will receive a backstop fee of 3.75% on the amount of debt funding and equity funding backstopped by such Funded Creditors and the Initial Backstop Providers, satisfied by the issuance of new ordinary shares and the issuance of additional New Money Notes on the Restructuring Effective Date.

In addition, all Funded Creditors will also be invited to participate in the New Money opportunity, *pro rata* to their Funded Debt (with the corresponding scale back of the original backstop commitments).

Funded Creditors who wish to participate are advised that, pursuant to the terms of the Lock-Up Agreement, eligibility for participation is contingent on subscription for both New Equity and the New Notes in the Funding Ratio.

Details of the terms on which Funded Creditors will be invited to participate are set out in Sections 2(a), (b) and (c) of this announcement.

22 December 2024

The Company has engaged Kroll Issuer Services Limited to act as lock-up agent for the Lock-Up Agreement (the “**Lock-Up Agent**”). Questions about how to accede to the Lock-Up Agreement and the Backstop Agreement and participate in the New Money should be directed to the Lock-Up Agent at the contact details provided below.

All documentation relating to the Lock-Up Agreement and the Backstop Agreement, together with any updates, will be available on the dedicated website: <https://deals.is.kroll.com/Petrofac>.

For additional information and questions about the Restructuring, holders of the Group’s senior secured notes are encouraged to contact the Ad Hoc Group via its financial advisor, Houlihan Lokey UK Limited (projectplutohl@hl.com).

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under Regulation (EU) No. 596/2014 on market abuse (which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018) and was authorised for release by Scott Brooker, Company Secretary.

For further investor relation queries, please email: financialrestructure@petrofac.com

Contact details of the Lock-Up Agent and the Company’s financial advisors are as follows:

Lock-Up Agent

Kroll Issuer Services Limited

The Shard
32 London Bridge Street
London SE1 9SG

Email: petrofac@is.kroll.com

Website: <https://deals.is.kroll.com/petrofac>

Attention: Petrofac team

Company financial advisor

Moelis & Company

Telephone: +44 207 634 3660

Email: project_peru_wt_ext@moelis.com

Attention: Rohan Choudhary

IMPORTANT NOTICES

This announcement has been issued by and is the sole responsibility of the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purpose whatsoever on the information contained in this announcement or on its accuracy or completeness. The information in this announcement is subject to change.

A copy of the Prospectus and Circular, once published, will be available on the Company’s website at <https://www.petrofac.com>. Neither the content of the Company’s website nor any website accessible by hyperlinks on the Company’s website is incorporated in, or forms part of, this announcement. The Prospectus and Circular will provide further details of the Restructuring, including securities being issued pursuant to it.

This announcement does not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States. No securities referred to herein have been or will be registered under the US Securities Act of 1933 (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and such securities may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of securities is being made in the United States. No securities referred to herein, nor this announcement nor any other document connected with the proposed transactions referred to herein has been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, and none of the foregoing authorities or any securities commission has passed upon or endorsed the merits of the proposed transactions or the securities referred to herein or the adequacy of this announcement or any other document connected with the proposed transactions referred to herein. Any representation to the contrary is a criminal offence in the United States.

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This release is for informational purposes only and does not constitute or form part of any invitation or inducement to engage in investment activity, nor does it constitute an offer or invitation to buy any securities, in any jurisdiction including the United States, or a recommendation in respect of buying, holding or selling any securities.

This announcement is an advertisement for the purposes of the Prospectus Regulation Rules of the FCA and not a prospectus and not an offer to sell, or a solicitation of an offer to subscribe for or to acquire securities. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. This announcement is not a "prospectus" for the purposes of the Companies (Jersey) Law 1991.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan**"), is authorised in the United Kingdom by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the FCA and PRA. J.P. Morgan is acting exclusively as the sole sponsor to the Company and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of J.P. Morgan nor for providing advice in relation to the matters referred to in this announcement. Neither J.P. Morgan nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of J.P. Morgan in connection with this announcement, any statement contained herein or otherwise.

Moelis & Company UK LLP ("**Moelis & Company**"), which is authorised and regulated by the FCA in the UK, is acting as exclusive financial adviser to the Company and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Moelis & Company nor for providing advice in connection with the matters referred to herein. Neither Moelis & Company nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Moelis & Company in connection with this announcement, any statement contained herein or otherwise.

Cautionary statement regarding forward-looking statements

This document and the information incorporated by reference into this document include guidance regarding the Group's anticipated future performance. Such statements (including estimates and projections prepared by Petrofac's management with respect to its anticipated future performance) are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "projects", "continue", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors, the Company or the Group concerning, among other things, the operating activities, results, financial condition, prospects, growth, strategies and dividend policy of the Group and the sectors and markets in which it operates.

Such forward-looking statements involve elements of subjective judgement and analysis and reflect various assumptions made by the management concerning anticipated results (including the successful completion of the Restructuring, implementation of the Group's strategy commercial discussions (including variation orders and settlements) and development of the Group's operating environment), which may or may not prove to be correct. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Directors' or the Company's ability to control or predict. Forward-looking statements are not guarantees of future performance. The Group's actual operating activities, results, financial condition, dividend policy and the development of the sectors and markets in which it operates may differ materially from the impression created by the outlook and other forward-looking statements contained in this document and/or the information incorporated by reference into this document.

The outlook and other forward-looking information included in this document is illustrative and unaudited information. It has been prepared for internal scenario planning purposes and is based on a number of assumptions, many of which are outside of management control and have high levels of uncertainty attaching to them. The forward-looking financial information of the Group has been prepared by, and is responsibility of, management, and the Group's current independent auditors have not audited, reviewed, compiled, examined nor applied agreed-upon procedures with respect to such information. Such information is being included for information only and is not to be relied on as any indication of the future performance of Petrofac.

In addition, even if the operating activities, results, financial condition and dividend policy of the Group, and the development of the sectors and markets in which it operates, are consistent with the outlook and other forward-looking statements contained in this document, those results or developments may not be indicative of results or the development of such sectors and markets in subsequent periods.

Important factors that could cause these differences between the outlook set out herein and the Group's actual operational and financial performance include, but are not limited to, failure to implement the Restructuring on the targeted timeframe (or at all); risks and uncertainties relating to Petrofac's business (including order intake, bidding success and client retention), successful completion of contracted work and backlog delivery (in particular legacy backlog and paused projects), variation orders and client settlements, maintenance of supplier relationships and the ability to source new suppliers, ability to implement strategic bidding objectives and achieve targeted organisational efficiencies, and receipts of payments from third parties); general political, economic and business conditions; banking and surety market appetite to provide performance bonds and/or payment guarantees (in particular on targeted new contracts, on anticipated timing in H2 2025); the timing of receipts of payments from third parties; sector and market trends; changes in government; changes in law or regulation; stakeholder perception of the Group and/or the sectors or markets in which it operates; unforeseeable circumstances over the period; errors and uncertainties in the Group's systems utilised in preparing the outlook; and the risks described in the Group's Annual Report for 2023. The Group's ability to achieve the outlook set out herein is substantially dependent on its ability to achieve its strategic operational goals, objectives and targets over applicable periods. Financial restrictions arising as a result of the Restructuring, including cash-flow restrictions imposed by certain key client contracts and restrictive financing covenants, may limit the Group's ability to achieve these strategic objectives. In addition, Petrofac's financial condition and results of operations may be materially affected by factors largely or entirely outside of the control of management, including whether shareholders pass the resolutions required to implement the Restructuring and the Restructuring Plans are sanctioned by the court. This information also reflects assumptions as to certain business decisions of the Group that have been and will be subject to change.

The Directors are of the opinion that, if the steps comprising the Balance Sheet Restructuring are implemented, this will significantly deleverage the Group's balance sheet, alleviate pressure on the Group's liquidity and deliver a sustainable capital structure to support its ability to achieve its financial ambitions in the coming years. However, the Directors have reached this view based on a number of assumptions regarding the Group's operational and financial performance in the coming years, certain elements of which are beyond the Group's control or otherwise subject to material risks. These assumptions include the following: access to Guarantees for E&C contracts from June 2025, on expected commercial terms consistent with those historically procured by the Group; successful legal and operational separation of the Group's delivery units; delivery of the Group's E&C contracts in line with client agreed milestones and forecast margins, without liquidated damages arising on any contract and including the timely and full releases of applicable retentions; the Group's E&C and Asset Solutions operating segments being awarded future contracts, including renewals and new awards from existing clients, in line with its outlook and strategy, and the IES operating segment production and oil price assumptions; timely normalisation of the Group's working capital position, particularly creditor payments and the settlement of overdue creditors, and (if required in the future) successful negotiation of amendments to applicable payment terms; collection of a number of material forecast one-off receipts from clients in line with management's expected timing and quantum, including assessed variation orders and other settlements, certain of which are the subject of arbitration; no requirement for ringfenced payments for contracts other than those already committed at the date of this announcement; no significant settlements are required with respect to litigations, disputes and claims; and no significant unforeseen income taxes become payable under the new federal Corporate Income Tax Regime in the UAE (effective from 2024).

No statement in this announcement is intended as a profit forecast, and no statement in this announcement should be interpreted to mean that underlying operating profit for the current or future

financial years would necessarily be above a minimum level, or match or exceed the historical published operating profit or set a minimum level of operating profit.

Neither the Company nor any of its advisers is under any obligation to update or revise publicly any forward-looking statement contained within this announcement, whether as a result of new information, future events or otherwise, other than in accordance with their legal or regulatory obligations (including, for the avoidance of doubt, the Prospectus Regulation Rules, the Listing Rules and Disclosure Guidance and Transparency Rules).