



Petrofac 

2012 Final Results

27 February 2013

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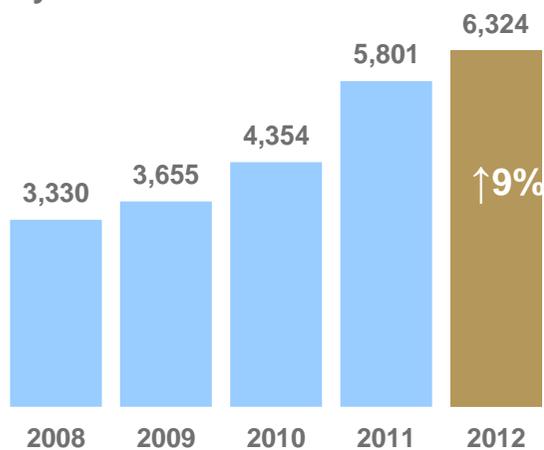
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Headlines

- Strong financial performance in 2012: net profit growth of 17%
- Year-end backlog of US\$11.8 billion, gives good revenue visibility for 2013
- Strong bidding pipeline for 2013 and beyond
- Expect to deliver good growth in net profit in 2013

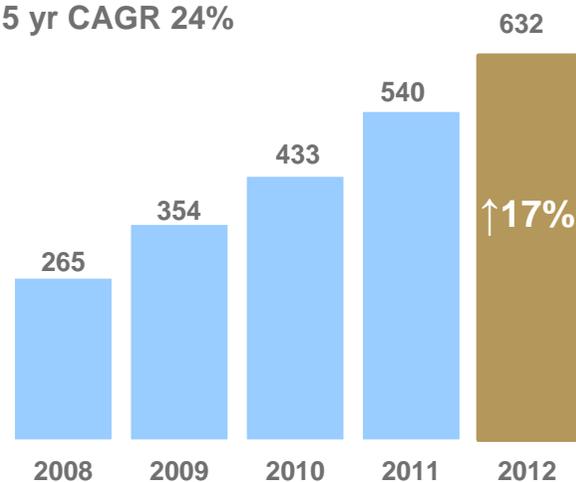
Revenue

5 yr CAGR 17%



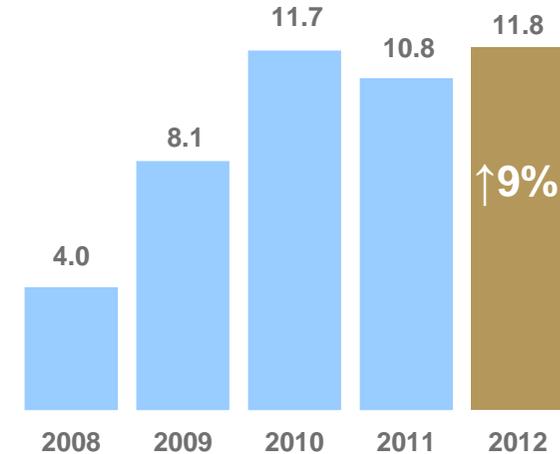
Net profit

5 yr CAGR 24%



Backlog (US\$ billion)

5 yr CAGR 31%



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

Strategy – drivers of growth

UPDATE

Geographical expansion

- Expand existing business in different geographies

- Strengthened our position in Saudi Arabia, Malaysia and West Africa
- Developed our scope of operations in Mexico

Offshore

- Develop our EPC business offshore

- New wins in Malaysia, Iraq and Gulf of Mexico
- Clear plan mapped out to build upon our existing capability

Integrated Energy Services

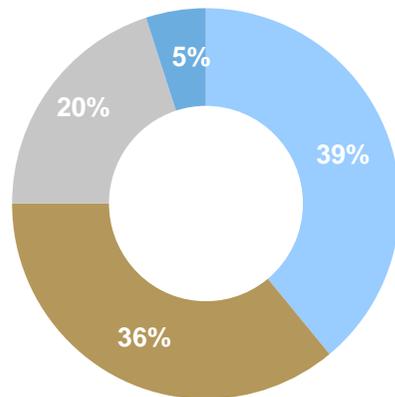
- Progress our integrated services strategy

- Awarded two additional 30 year Mexico PECs
- Strategic Alliance formed with Bowleven to develop Etinde permit

Geographical expansion

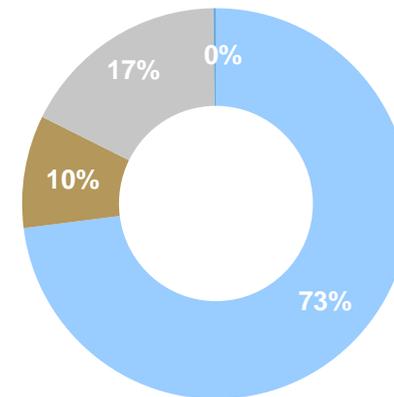
- Strengthened our position in Saudi Arabia and Malaysia
- Successfully expanded into new markets, such as Mexico, where we now have four long-term contracts that will see us operate in the country for at least the next 30 years
- Building a position in West Africa, where we are seeing many opportunities
- Geographic expansion has resulted in a more diverse revenue stream

2012 Revenue



■ Middle East & Africa ■ CIS & Asia ■ Europe ■ Other

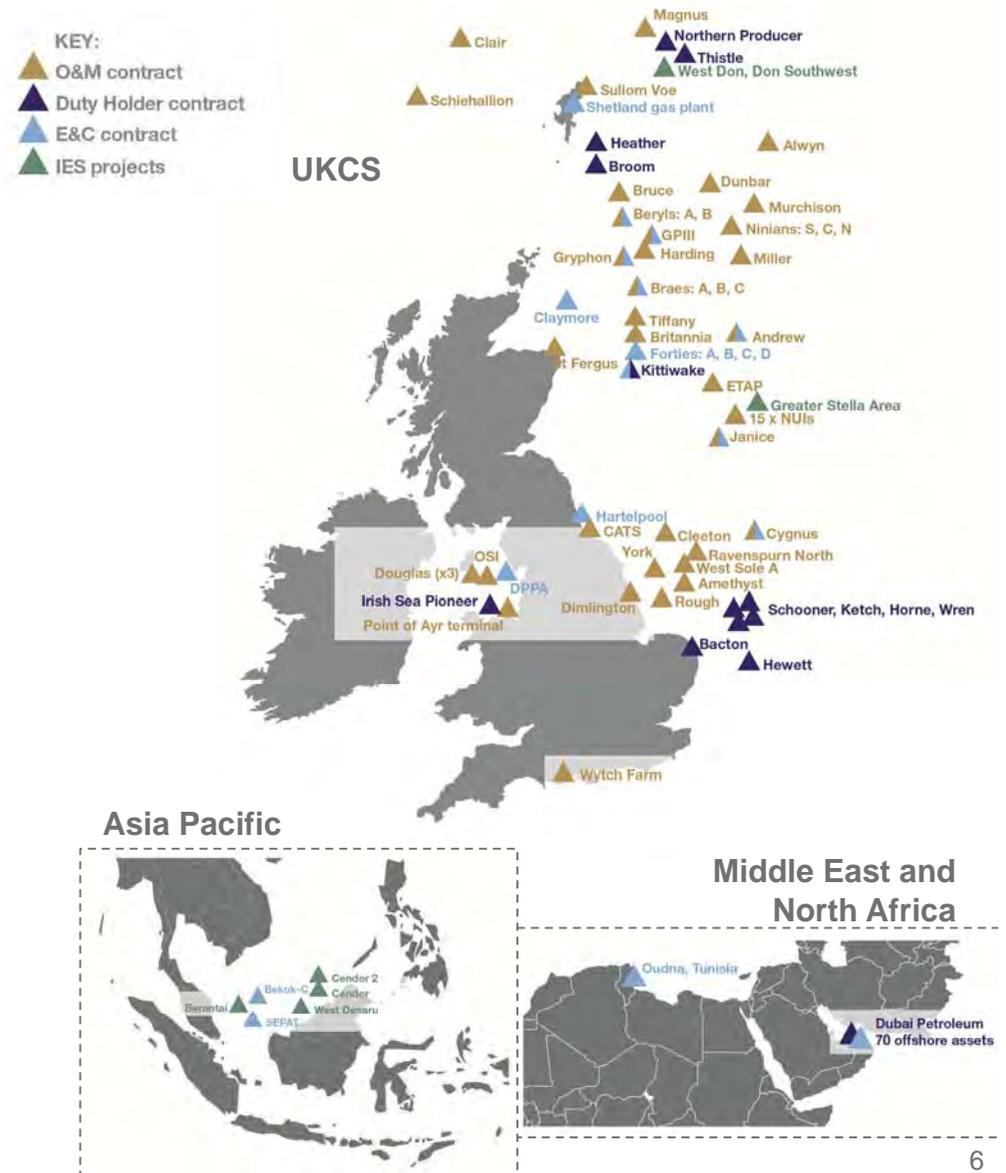
2010 Revenue



■ Middle East & Africa ■ CIS & Asia ■ Europe ■ Other

Offshore: building upon our track record

- Track record includes more than 30 years' experience working offshore
- Strong track record in operations, maintenance and brownfield engineering
- Delivered a number of offshore developments in IES (Dons, Cendor, Berantai)
- Increasingly working on capital projects for IES and external customers (SEPAT, Cendor phase 2, West Desaru)
- Deepwater/SURF sectors offer attractive economics and recent consolidation creates market opportunity



Offshore: building our offshore EPIC capability

- Aim is to build a differentiated 1st tier offshore EPIC business
- Building upon our strong onshore EPC project management and engineering capability, we aim to:
 - expand our access to offshore facilities work
 - access deepwater and SURF markets
 - selectively address floating production and pipelines work
- To access top tier EPIC opportunities we intend to build our own installation capability, which de-risks project execution and will support IES projects
 - expected capital outlay of around US\$1 billion over the next 5 years
- Strong commercial networks in many regions will help to deliver our offshore strategy
- Proven leadership team in place which we will continue to build upon

ECOM – Key contract awards

ECOM order intake for 2012 totalled US\$5.5 billion

Onshore Engineering & Construction

- **Jazan Refinery, Saudi Arabia** US\$1.4bn contract of two EPC packages
- **Petro Rabigh Phase II, Saudi Arabia** petrochemical expansion project
- **Kuwait Oil Company, N. Kuwait** US\$200m EPC contract for power distribution network
- **Badra, Iraq** US\$330m EPC contract for first phase of oilfield development

Offshore Projects & Operations

- **Bekok-C, Malaysia** US\$220m platform refurbishment contract
- **Rumaila oil field, Iraq** US\$229m contract to inspect, maintain and repair facilities
- **SOC, Iraq** US\$100m offshore operations and maintenance services
- **Apache North Sea Assets** US\$100m onshore engineering and onshore and offshore construction services contract

- **South Yoloten (aka Galkynysh) gas field development, Turkmenistan**, continues to make progress and completion remains scheduled for later in 2013
- **Asab onshore oil field development, Abu Dhabi**, introduction of hydrocarbons achieved
- **El Merk gas processing facility, Algeria**, ready for commencement of initial production



South Yoloten gas field development, Turkmenistan



Asab field development, Abu Dhabi



El Merk gas processing facility, Algeria



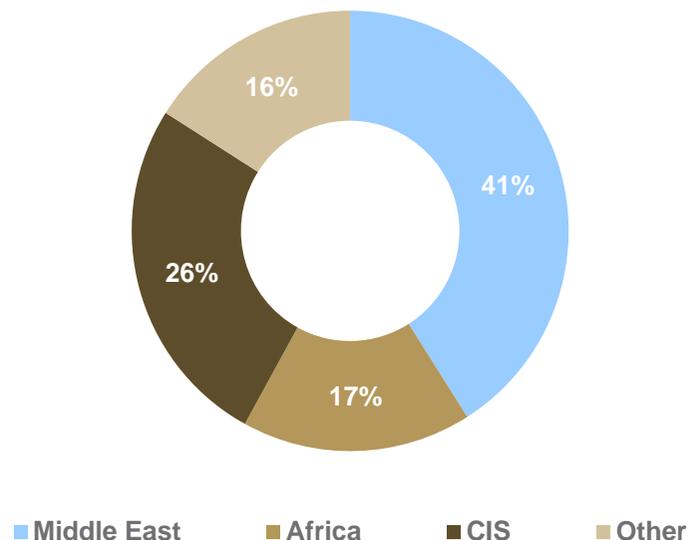
FPSO Berantai , Malaysia

- **West Desaru fault block, Malaysia** completed modification and upgrade of the FPF5 (Ocean Legend) prior to deployment
- **FPSO Berantai, Malaysia** completed and deployed on the Berantai field during 2012
- **Laggan-Tormore gas processing plant, UKCS** achieved sufficient progress to commence profit recognition

ECOM – New business prospects

- Strong pipeline of bidding opportunities for onshore engineering and construction projects in our core markets for 2013
- Anticipate growing our Onshore Engineering & Construction backlog during 2013
- Enter 2013 with a record backlog in Offshore Projects & Operations and we continue to see high levels of bidding activity

2013 ECOM prospects list
by geography



IES – Key contract awards

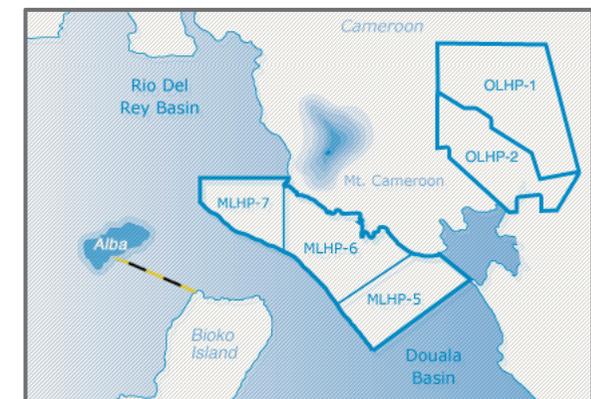
Production Enhancement Contracts

- Awarded Arenque offshore PEC in August 2012
- Panuco contract area PEC awarded in June 2012 (in conjunction with Schlumberger)
- Expect to commence field operations during the first half of 2013



Risk Service Contracts

- Formed a strategic alliance with Bowleven
- Allows opportunity to provide project management, engineering, procurement and construction services whilst investing up to US\$500 million of capital
- Builds on interests in West Africa with potential to unlock value of Etinde permit



IES – Update on major projects

Equity Upstream Investments

- Block PM304, West Desaru - MOPU sailed from construction yard and conductor support under construction
- Cendor phase 2 – installation of all in-field facilities and progress made on FPSO vessel

Risk Service Contracts

- Berantai – Key milestone with commencement of processing and export of gas in October 2012
- Full field development, including FPSO topsides, achieved in less than 21 months

Production Enhancement Contracts

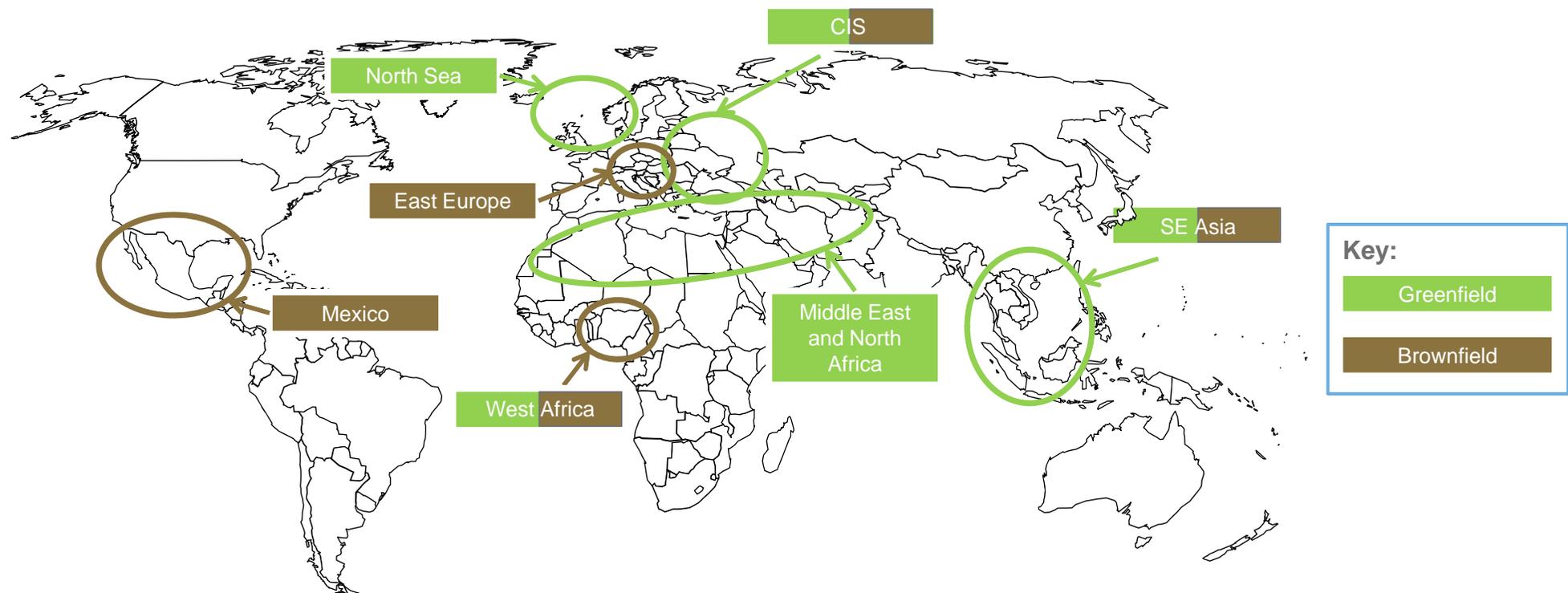
- Magallanes and Santuario - Commenced drilling in Feb 2012 and now have three drilling wells and two workover rigs active
- Ticleni – One rig operational with additional activity focusing on sidetracks and well workovers



Production facilities, Mexico

IES – New business prospects

- Focus on delivering value from existing projects, and building geographical hubs e.g. Mexico, Asia Pacific, West Africa
- Strong industry demand for commercially innovative, integrated oilfield services



Income Statement

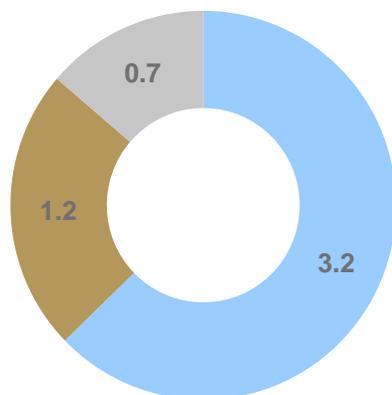
US\$m	2012	2011	Variance
Revenue	6,324	5,801	↑ 9%
Operating profit *	758	680	↑ 11%
Profit before tax	765	681	↑ 12%
Income tax expense	(135)	(141)	
Profit for the year	630	540	↑ 17%
Profit attributable to Petrofac Limited shareholders	632	540	↑ 17%
EBITDA	888	760	↑ 17%
ROCE	46%	62%	
EPS, diluted (cents per share)	183.88	157.13	↑ 17%
Full year dividend (cents)	64.00	54.60	↑ 17%

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

2012 year-end backlog

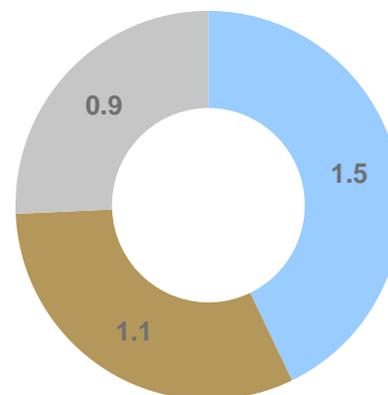
- Backlog of US\$11.8 billion gives very good revenue visibility for 2013
- Onshore Engineering & Construction backlog lower at US\$5.1bn (Dec 2011: US\$6.4bn) following period of consolidation and focus on project execution
- Offshore Projects & Operations backlog totalling US\$3.5bn (Dec 2011: US\$2.7bn) with new wins secured in Iraq, UK North Sea and Malaysia
- Integrated Energy Services backlog grew strongly to US\$3.0bn (Dec 2011: US\$1.6bn) after securing two additional PECs in Mexico

OEC backlog by year (US\$bn)



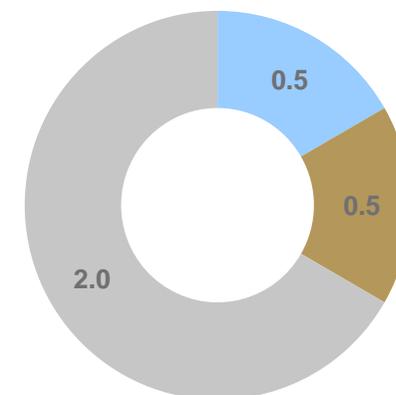
■ 2013 ■ 2014 ■ > 2014

OPO backlog by year (US\$bn)



■ 2013 ■ 2014 ■ > 2014

IES backlog by year (US\$bn)

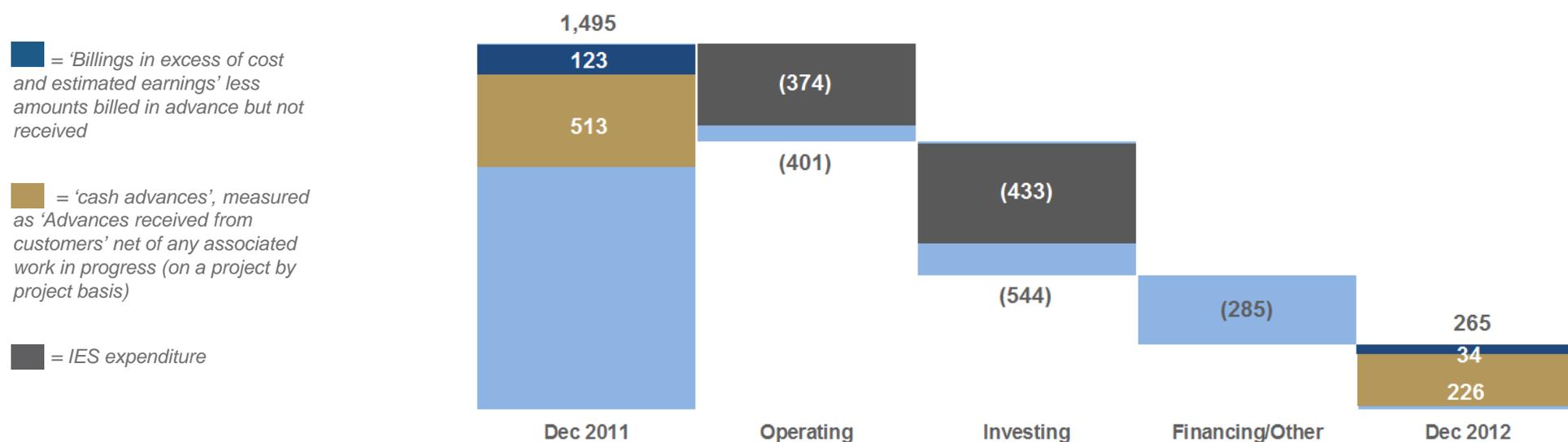


■ 2013 ■ 2014 ■ > 2014

Cash flow and gross cash balances

- Net cash balances lower at US\$265 million:
 - Working capital outflows due to unwinding of advances (US\$376m) as we progress our portfolio of Onshore Engineering & Construction projects
 - Approximately US\$800 million invested in IES (reported in Operating activities and Investing activities)
 - Financing activities include payment of dividends of US\$201 million
- Expect to invest approximately US\$600 to US\$700 million in IES projects in 2013 and up to a further US\$200 to US\$300 million in Offshore Capital Projects

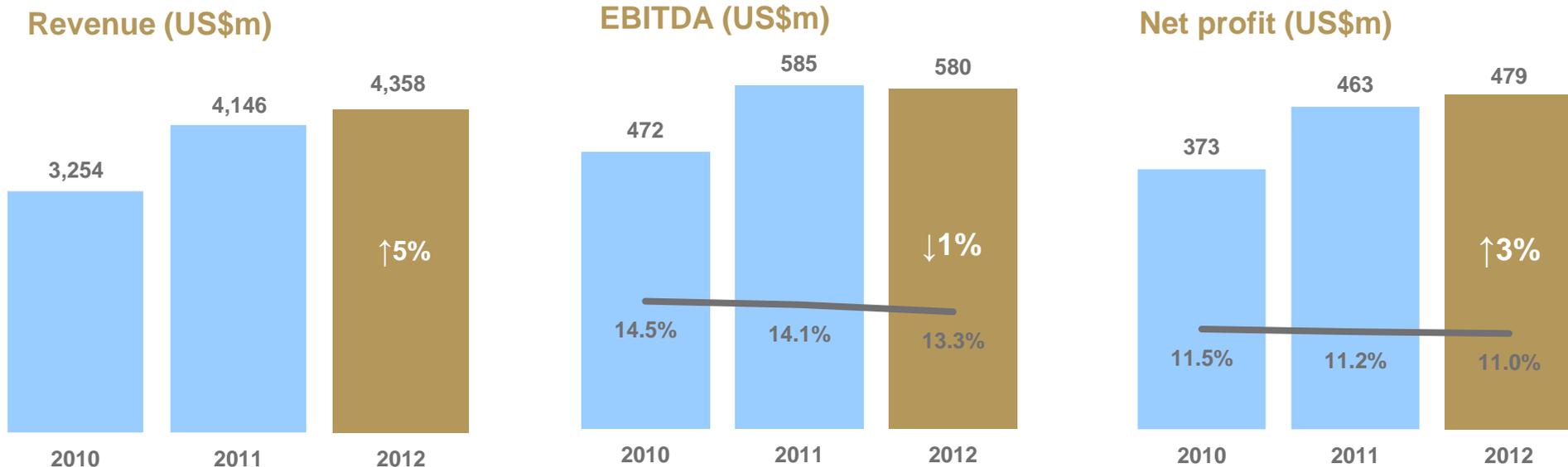
Net cash position and cash flow movements (US\$m)



Onshore Engineering & Construction

Continues to perform strongly:

- Revenue ↑5% – reflects an increase in activity levels
- EBITDA ↓1% - reflects high activity levels and significant margin delivery on certain contracts that are reaching completion offset by increased bid costs due to the step up in tendering activity in 2012
- Net profit ↑3% – reflects the above and a decrease in the effective tax rate

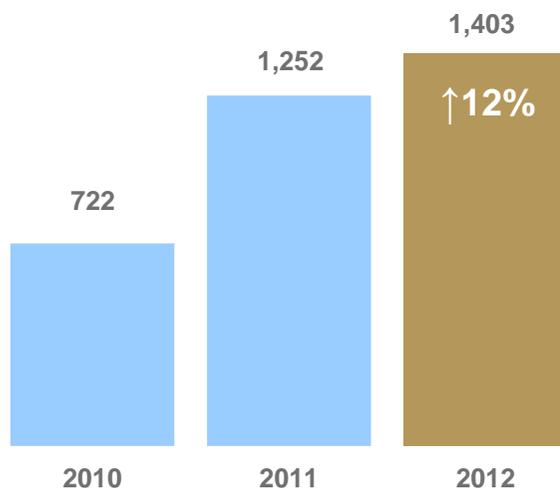


Offshore Projects & Operations

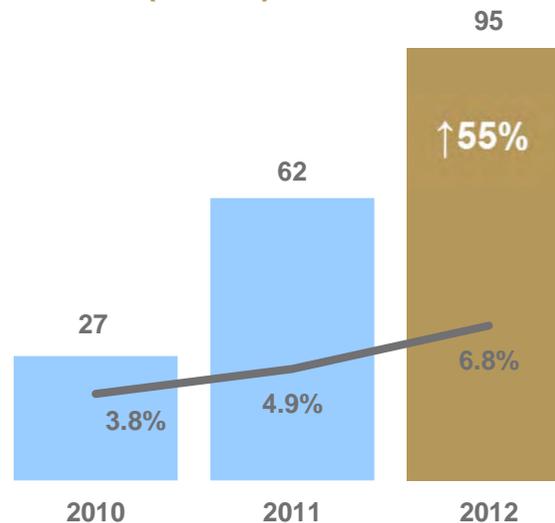
Strong growth in revenue and net profit:

- Revenue ↑12% – reflecting high activity levels on both long-term operations support contracts and offshore capital projects
- Net profit ↑40% – driven by high levels of activity and first time profit recognition on the Laggan-Tormore gas plant project
- Net margin rose to 4.3% reflecting an higher proportion of higher margin non-UK business and an increasing proportion of lump-sum offshore capital projects

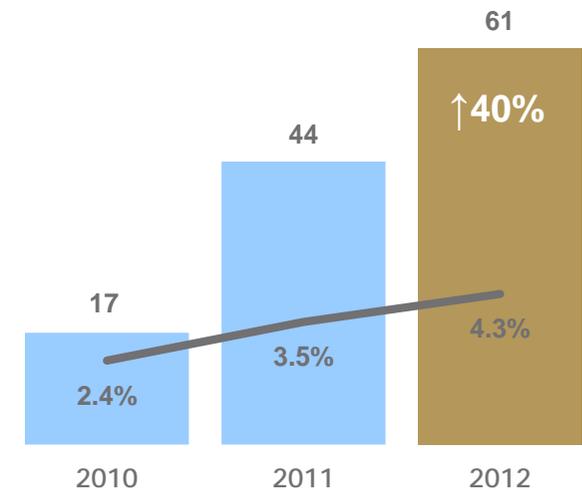
Revenue (US\$m)



EBITDA (US\$m)



Net profit (US\$m)

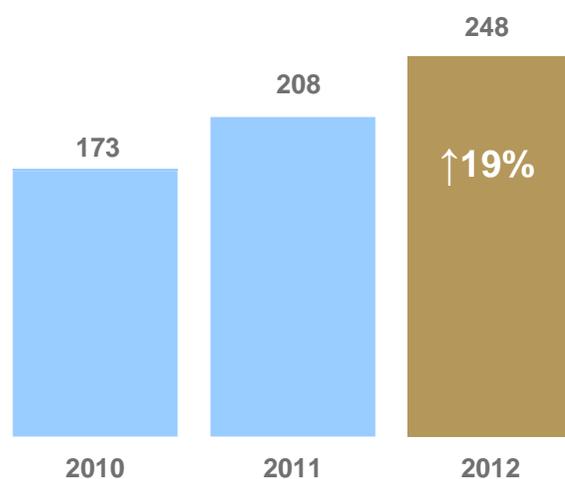


Engineering & Consulting Services

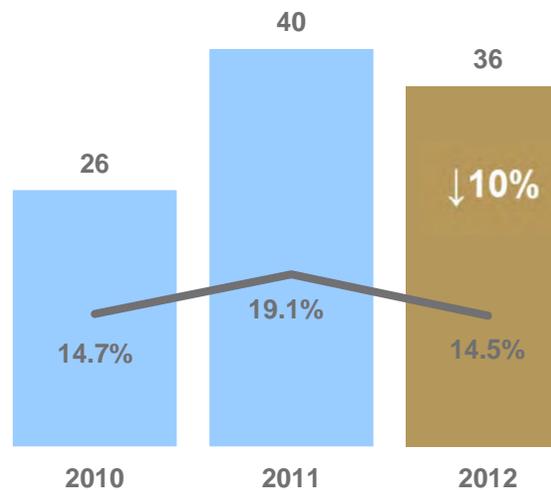
Strong growth in revenue and net profit:

- Revenues \uparrow 19% – due to an increase in activity levels
- Net profit \downarrow 6% – marginally lower due to fair value adjustments on Seven Energy warrants

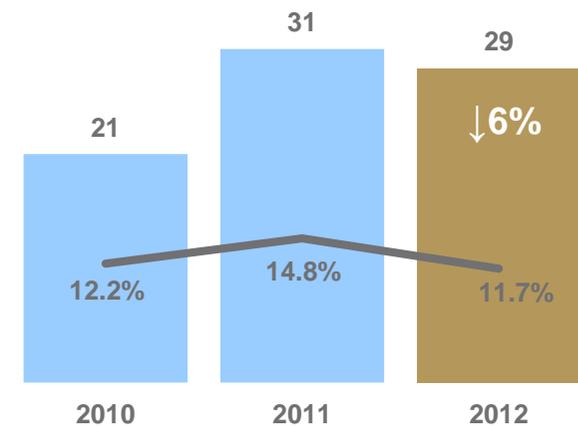
Revenue (US\$m)



EBITDA (US\$m)



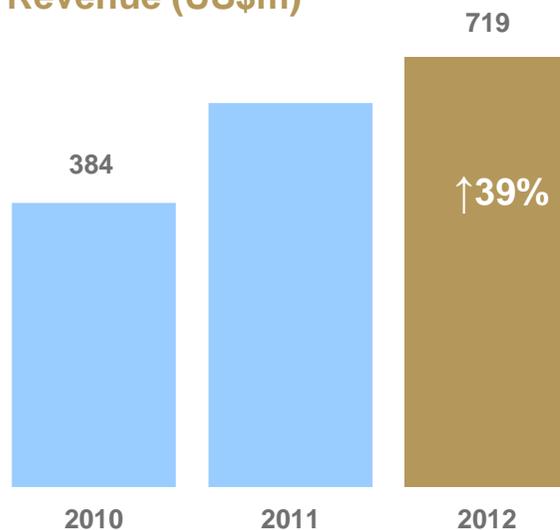
Net profit (US\$m)



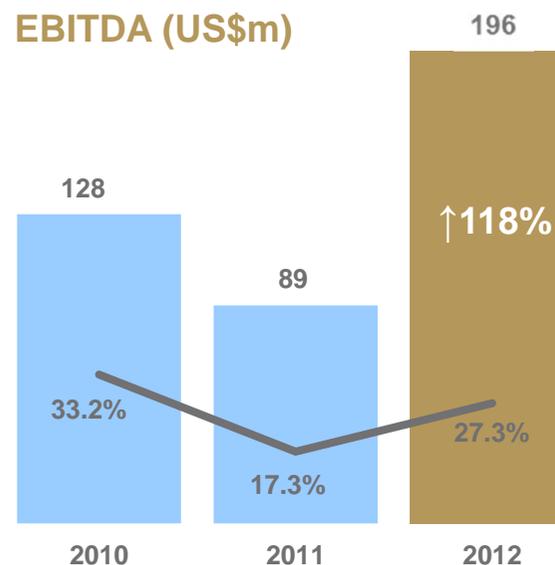
Increase in net profit as many projects come on stream:

- Revenue ↑39% – substantial progress on the Berantai RSC and commencement of the Magallanes and Santuario PECs
- Net profit ↑293% – first time profit recognition on the Berantai RSC, profit received from the sale of 75% of the share capital in the company holding the FPF1 and the commencement of the Magallanes and Santuario PECs

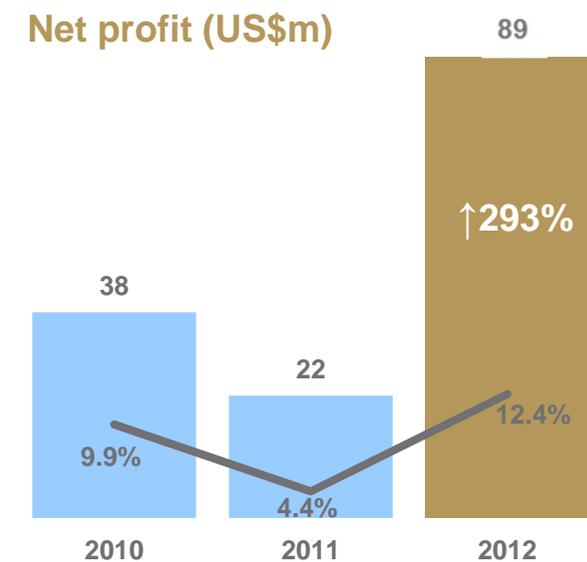
Revenue (US\$m)



EBITDA (US\$m)



Net profit (US\$m)



- Strong financial performance, with 2012 net profit growth of 17%
- Year-end backlog of US\$11.8 billion, gives very good revenue visibility for 2013
- Our portfolio of existing projects is in excellent shape, which will help us to maintain our sector-leading onshore margins, and we see many new and attractive opportunities across our business
- We have a clear strategy for long-term sustainable growth based on three key drivers:
 - expanding our existing business into new geographies
 - developing our leading EPC offering offshore
 - delivering on our plans for Integrated Energy Services
- We expect to deliver good growth in net profit in 2013 and our strategy underpins long-term earnings growth, including our 2015 earnings target*

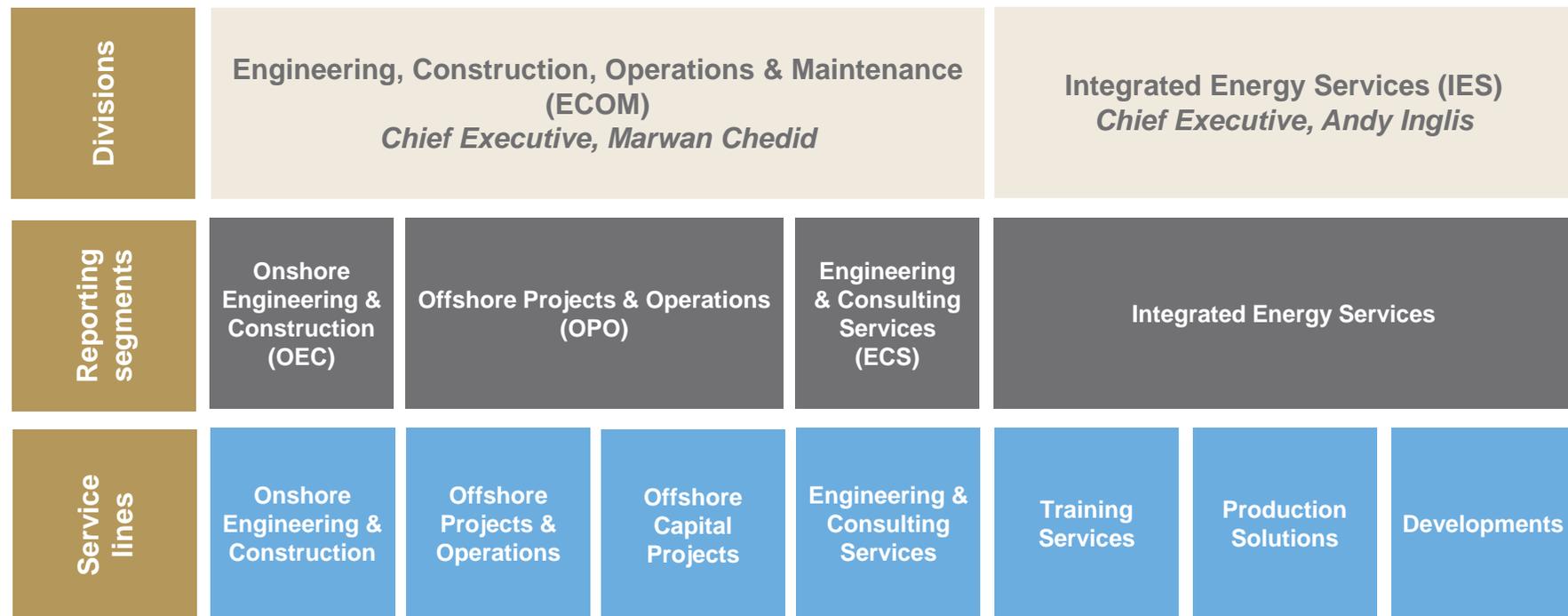
* Our Group earnings target is net profit after tax of more than US\$862 million by 2015



Petrofac 

Appendices

Appendix 1: Group organisation structure

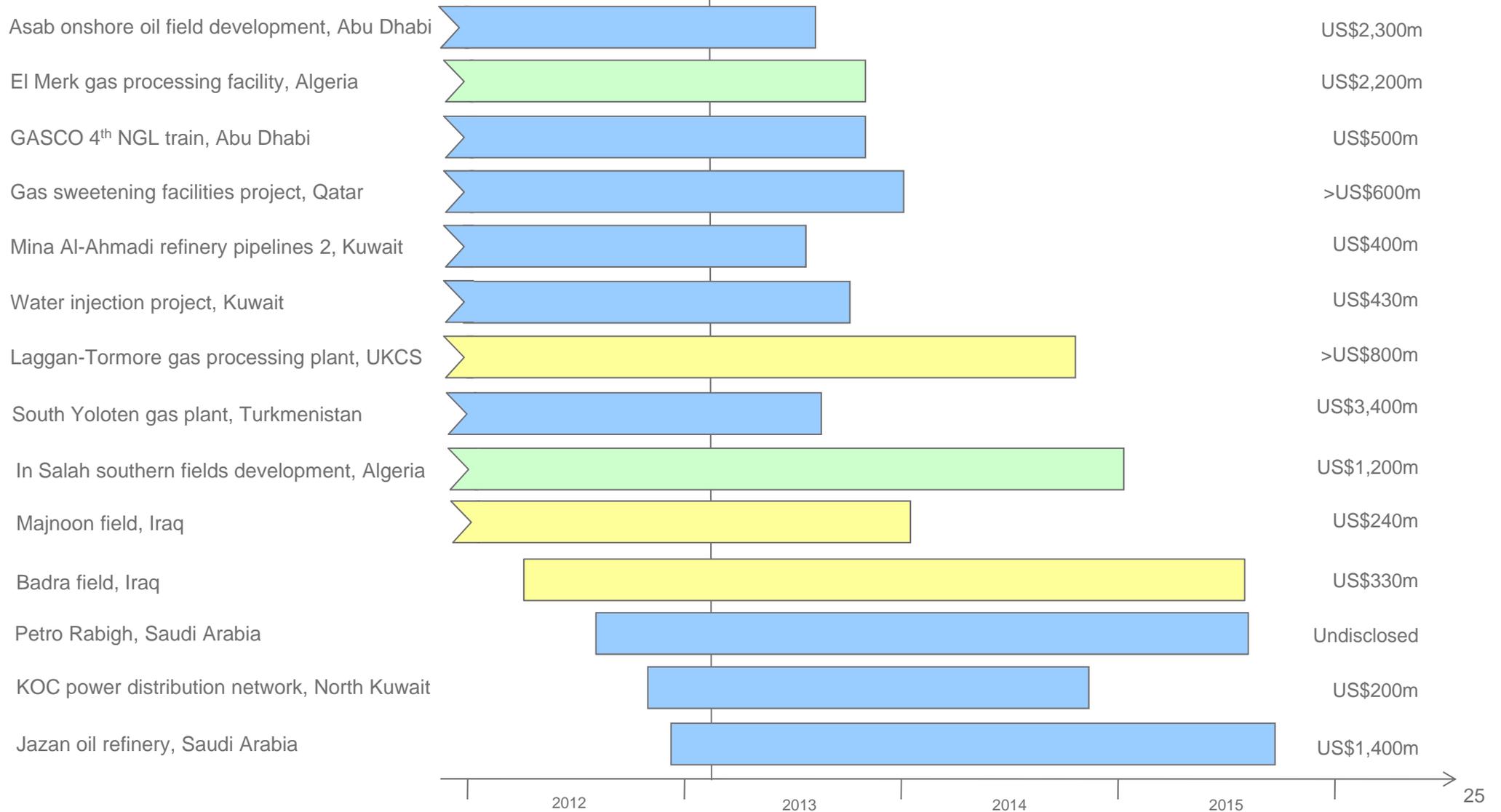


Appendix 2: Key ECOM projects

Customer key:

■ NOC/NOC led company/consortium
 ■ Joint NOC/IOC company/consortium
 ■ IOC/IOC led company/consortium

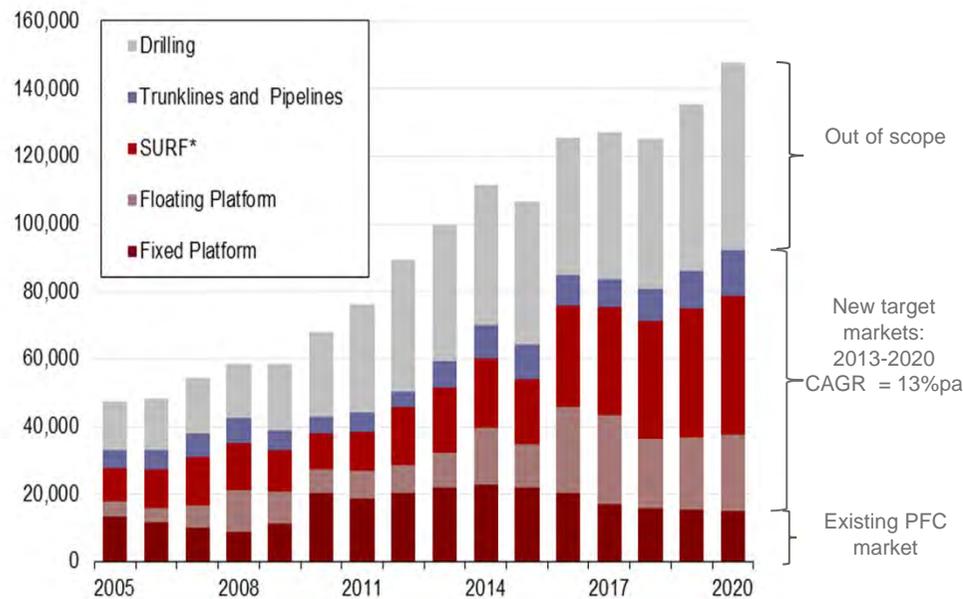
Original contract value to Petrofac



Appendix 3: offshore market dynamics

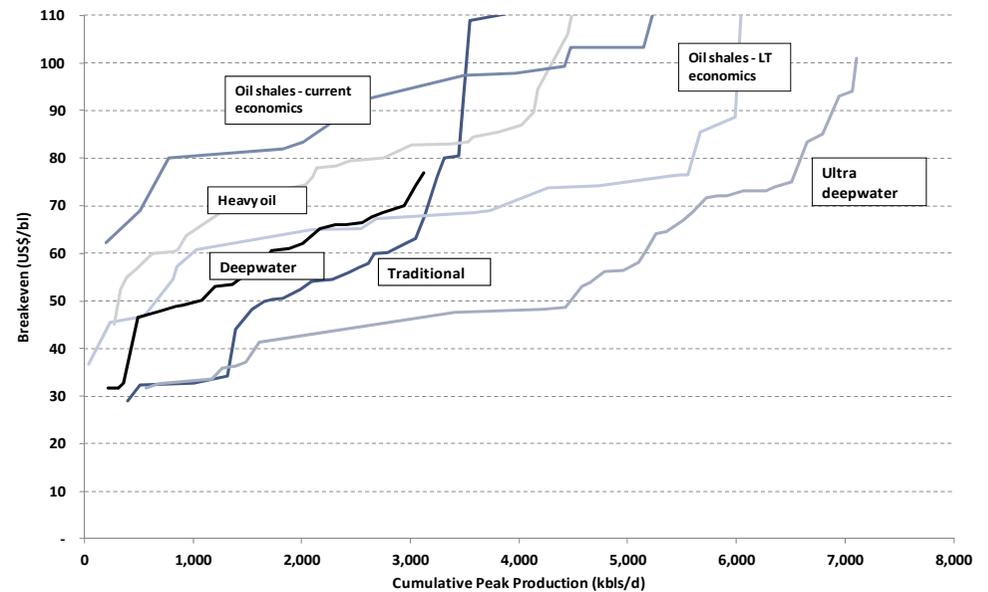
- Growth in offshore markets is set to continue

Historic and forecast offshore CAPEX (US\$m)



* Subsea umbilicals, risers and flowlines
 Source: Douglas Westwood, February 2013

Oil price required by new projects to breakeven (US\$/barrel)

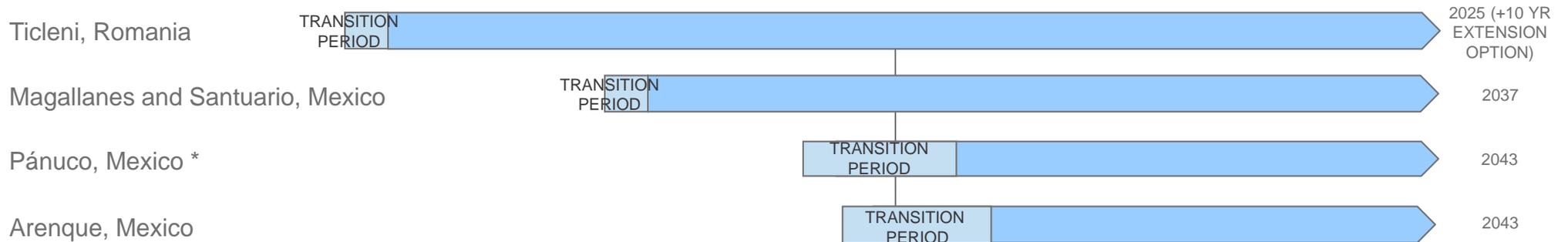


Source: Goldman Sachs, "Death and rebirth of an industry", September 2012

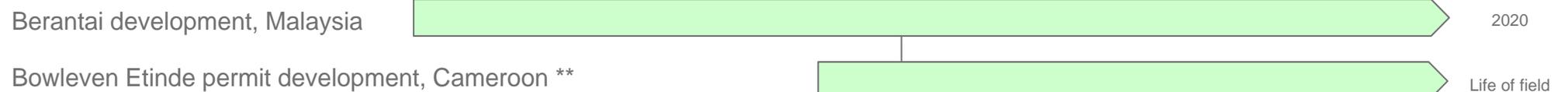
- Offshore projects have attractive economics
- Deepwater sector is less competitive following recent consolidation

Appendix 4: Key IES projects

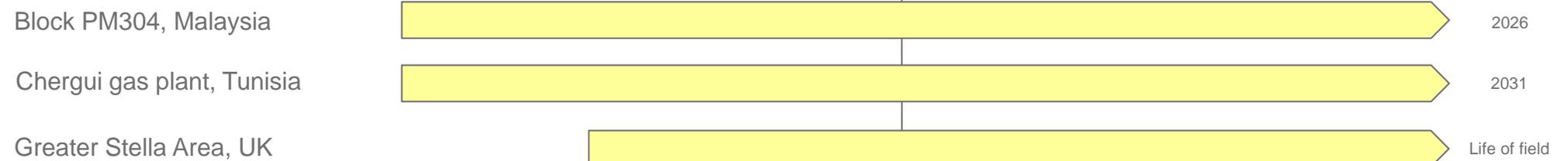
Production Enhancement Contracts (PEC)



Risk Service Contracts (RSC)



Equity Upstream Investments



* In joint venture with Schlumberger

** Subject to Final Investment Decision (FID)



Appendix 5: Effective tax rate

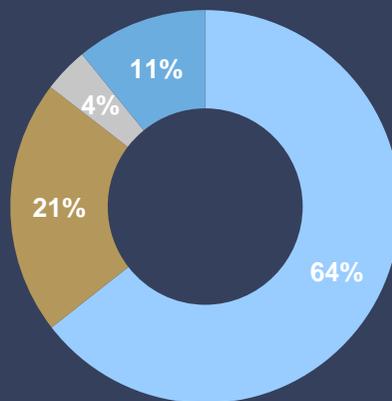
Tax charge by segment	2012	2011
Onshore Engineering & Construction	13%	18%
Offshore Projects & Operations	23%	21%
Engineering & Consulting Services	13%	6%
Integrated Energy Services	35%	56%
Group	18%	21%

- Income tax charge for the year as a percentage of profit before tax was lower at 17.7% (2011: 20.7%)
- Principally due to a net release of tax provisions held in respect of income taxes and the mix of profits in the jurisdictions in which profits are earned

Appendix 6: Segmental performance

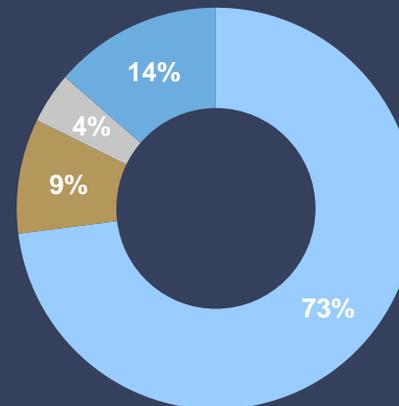
- Onshore Engineering & Construction earned 64% of revenue and 73% of net profit
- Middle East and Africa: due to geographic diversification, represents only 39% of revenues in 2012
- CIS and Asia: primarily relates to activity on Berantai in Malaysia and Onshore Engineering & Construction activity on South Yoloten in Turkmenistan
- Europe: activity principally in UK North Sea, where significant proportion of Offshore Projects & Operations revenues are generated

2012 Revenue



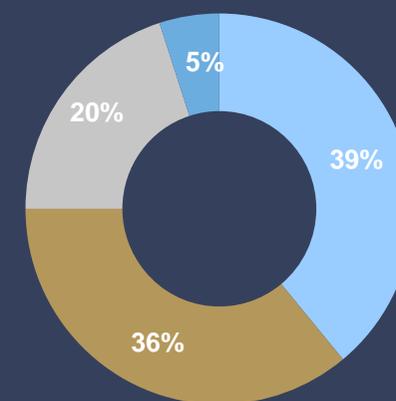
■ OEC ■ OPO ■ ECS ■ IES

2012 Net Profit



■ OEC ■ OPO ■ ECS ■ IES

2012 Revenue



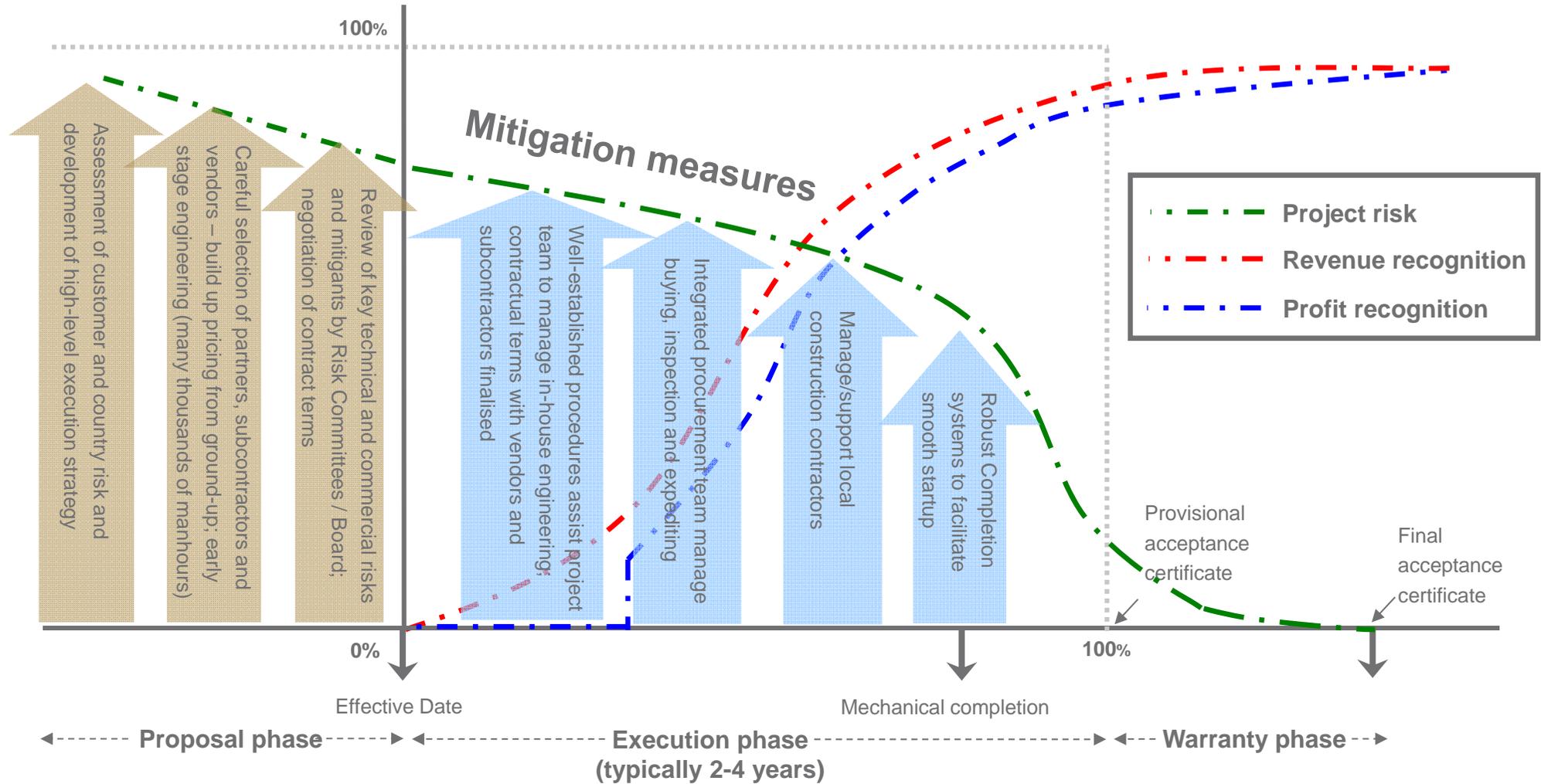
■ Middle East & Africa ■ CIS & Asia ■ Europe ■ Other

Appendix 7: Employees

- More than 18,000 people in 7 key operating centres and 24 offices
- EPC headcount includes the engineering offices in India, which although reported in Engineering & Consulting Services principally support Onshore Engineering & Construction activities
- Approximately 5,300 employee shareholders or participants in employee share schemes



Appendix 8: EPC risk management and accounting



- EBITDA means earnings before interest, tax, depreciation and amortisation and is calculated as profit from operations before tax and finance costs adjusted to add back charges for depreciation, amortisation and impairment.
- Net profit (for the Group) means profit for the period from operations attributable to Petrofac Limited shareholders
- Backlog consists of the estimated revenue attributable to the uncompleted portion of lump-sum engineering, procurement and construction contracts and variation orders plus, with regard to engineering services and facilities management contracts, the estimated revenue attributable to the lesser of the remaining term of the contract and, in the case of life of field facilities management contracts, five years. To the extent work advances on these contracts, revenue is recognised and removed from the backlog. Where contracts extend beyond five years, the backlog relating thereto is added to the backlog on a rolling monthly basis. Backlog includes only the revenue attributable to signed contracts for which all pre-conditions to entry have been met and only the proportionate share of joint venture contracts that is attributable to Petrofac. Backlog does not include any revenue expected to arise from contracts where the customer has no commitment to draw upon services from Petrofac. Backlog is not an audited measure. Other companies in the oil and gas industry may calculate these measures differently. Order intake comprises new contracts awarded, growth in scope of existing contracts and the rolling increment attributable to contracts which extend beyond five years.
- The Group reports its financial results in US dollars and, accordingly, will declare any dividends in US dollars together with a Sterling equivalent. Unless shareholders have made valid elections to the contrary, they will receive any dividends payable in Sterling. Conversion of the 2012 final dividend from US dollars into sterling is based upon an exchange rate of US\$1.5142:£1, being the Bank of England sterling spot rate as at midday, 26 February 2013.
- Operating profit means profit from operations including share of associate losses, before tax and finance costs.