
Notice of Annual General Meeting 2012

This document is important and requires your immediate attention

Please read it straight away. If you have any doubts about what action you should take, contact your independent financial adviser immediately.

If you have sold or transferred all of your shares in Petrofac Limited, you should pass this document and the associated Form of Proxy to the person through whom you made the sale or transfer for transmission to the purchaser or transferee.

Letter from the Chairman

21 March 2012

Ogier House
The Esplanade
St Helier
Jersey JE4 9WG

Dear Shareholder

2012 Annual General Meeting

I have pleasure in inviting you to the seventh Annual General Meeting (AGM) of Petrofac Limited to be held at the Sofitel St James Hotel, 6 Waterloo Place, London SW1Y 4AN at 10.30 am on Friday, 11 May 2012. Refreshments will be available from 10 am. The map on the back page of this document shows the location of the Sofitel St James Hotel.

You will find with this letter:

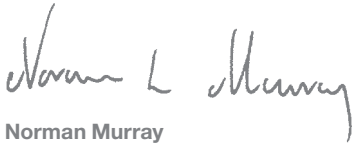
- the Notice of AGM setting out the resolutions to be proposed, together with an explanation for each resolution and guidance notes for those shareholders who wish to attend the meeting or vote by post or electronically
- a Form of Proxy
- a copy of the 2011 Annual Report and Accounts, which includes the Directors' remuneration report

I would like to take this opportunity to mention resolutions 4 to 14 which relate to the appointment and re-appointment of Directors. We have three new Directors who will be standing for appointment this year, Tim Weller and Marwan Chedid as Executive Directors and René Médori as a Non-executive Director. In accordance with the UK Corporate Governance Code, all other Directors will stand for re-appointment at the AGM. Biographical details of each of the Directors being proposed for appointment or re-appointment are set out on pages 5 to 7. Details of each Director, and their effectiveness, are set out in the corporate governance report of the 2011 Annual Report and Accounts.

In accordance with best practice for AGMs, all resolutions will be put to a vote on a poll rather than being decided on a show of hands. We believe that this will result in a more accurate reflection of the views of our shareholders as each shareholder will have one vote for every share held. Even if you are unable to attend the meeting in person, you should complete, sign and return the Form of Proxy so as to reach Capita Registrars by no later than 10.30 am on Wednesday, 9 May 2012. Shareholders resident in the UK should return the Form of Proxy exactly as it is (like a postcard) or, if preferred, in an envelope as described in note 9 on the Form of Proxy. Shareholders resident outside the UK should return the Form of Proxy in the envelope provided. Alternatively, you may also submit your proxy appointment and voting instructions electronically. Details of how to appoint a proxy, the deadlines for submission and how to vote electronically can be found at notes 2 to 4 on page 13 of this document.

Your Directors consider that all the proposed resolutions are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors unanimously recommend shareholders to vote in favour of each of the resolutions to be proposed at the meeting, as the Directors intend to do so in respect of their own beneficial holdings.

My fellow Directors and I look forward to seeing as many of you as possible at the meeting and we thank you for your continued support.



Norman Murray
Chairman

Notice of Annual General Meeting (Notice)

Notice is hereby given that the Annual General Meeting (AGM) of Petrofac Limited (the Company) will be held at the Sofitel St James Hotel, 6 Waterloo Place, London SW1Y 4AN on Friday, 11 May 2012 at 10.30 am for the purpose of considering and, if thought fit, passing the resolutions below. Resolutions 1 to 17 (inclusive) and resolution 21 will be proposed as ordinary resolutions and all other resolutions will be proposed as special resolutions.

Ordinary business

Report and Accounts

1. To receive the audited financial statements of the Company for the year ended 31 December 2011 and the related directors' report and auditors' report.

Declaration of dividend

2. To declare a final dividend of US\$0.372 per share recommended by the Directors in respect of the year ended 31 December 2011.

Directors' remuneration report

3. To approve the directors' remuneration report for the year ended 31 December 2011 prepared by the Remuneration Committee and approved by the Board of Directors of the Company (the Board).

Appointment of Directors

4. To appoint René Médori as a Non-executive Director pursuant to Articles 27 and 30 of the articles of association of the Company (the Articles).
5. To appoint Marwan Chedid as an Executive Director pursuant to Articles 27 and 30 of the Articles.
6. To appoint Tim Weller as an Executive Director pursuant to Articles 27 and 30 of the Articles.

Re-appointment of Directors

7. To re-appoint Norman Murray, who offers himself for re-appointment as Non-executive Chairman.
8. To re-appoint Thomas Thune Andersen, who offers himself for re-appointment as a Non-executive Director.
9. To re-appoint Stefano Cao, who offers himself for re-appointment as a Non-executive Director.
10. To re-appoint Roxanne Decyk, who offers herself for re-appointment as a Non-executive Director.
11. To re-appoint Rijnhard van Tets, who offers himself for re-appointment as a Non-executive Director.
12. To re-appoint Ayman Asfari, who offers himself for re-appointment as an Executive Director.
13. To re-appoint Maroun Semaan, who offers himself for re-appointment as an Executive Director.
14. To re-appoint Andy Inglis, who offers himself for re-appointment as an Executive Director.

Auditors' appointment and remuneration

15. To re-appoint Ernst & Young LLP as auditors of the Company, to hold office until the conclusion of the AGM of the Company to be held in 2013.
16. To authorise the Directors to fix the remuneration of the auditors.

Special business

Directors' authority to allot shares

17. THAT the general authority conferred on the Directors by Article 2.2 of the Articles to allot ordinary shares be and is hereby restricted to an aggregate nominal amount of US\$2,305,802 comprising ordinary shares of US\$0.02 each, together with any shares required to satisfy awards under any Employee Share Scheme (as defined in the Articles), provided that this restriction shall expire on 11 August 2013 or, if earlier, at the conclusion of the AGM of the Company to be held in 2013, and the restriction imposed on the Directors by way of an ordinary resolution at the AGM held on 13 May 2011 be and is hereby revoked.

Renewal of Directors' authority to allot shares without rights of pre-emption

18. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with Article 2.16 of the Articles to allot, without rights of pre-emption applying, up to a nominal amount of US\$345,870 comprising ordinary shares of US\$0.02 each, to which Article 2.8 of the Articles would otherwise apply, as they in their absolute discretion see fit in any number of tranches, such authority to expire on 11 August 2013 or, if earlier, at the conclusion of the AGM of the Company to be held in 2013, except that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted after the expiry of such power and the Directors of the Company may allot ordinary shares in pursuance of such an offer or agreement as if such power had not expired, and the power granted by way of a special resolution passed under Article 2.16 of the Articles at the AGM held on 13 May 2011 be and is hereby revoked.
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Notice of Annual General Meeting

continued

Directors' authority for the purchase by the Company of its own shares

19. THAT the Company be generally and unconditionally authorised to make purchases on a stock exchange (within the meaning of article 57(4) of the Companies (Jersey) Law 1991) of ordinary shares in the capital of the Company, provided that:
- (a) the maximum number of ordinary shares hereby authorised to be purchased is 34,587,023 ordinary shares of US\$0.02 each;
 - (b) the minimum price (exclusive of any expenses) which may be paid for any such share is US\$0.02 per share;
 - (c) the maximum price (exclusive of any expenses) which may be paid for any such share is the higher of: (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System ('SETS');
 - (d) the authority hereby conferred shall expire on 11 August 2013 or, if earlier, at the conclusion of the AGM of the Company to be held in 2013; and
 - (e) the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority, which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract as if this authority had not expired, and

THAT the Company be and is hereby authorised to hold the ordinary shares so purchased as treasury shares of the Company.

Short notice period for general meetings

20. THAT, pursuant to Article 15.1 of the Articles, prior to the AGM of the Company to be held in 2013, a general meeting of the Company, other than an AGM, may be called on not less than 14 clear days' notice.

Adoption of Value Creation Plan

21. THAT the Value Creation Plan (the Plan), the principal terms of which are set out in the explanatory notes on pages 9 to 12 (inclusive) of this Notice and the rules of which are produced in draft to the AGM and initialled by the Chairman of the AGM for the purposes of identification, be and is hereby approved and the Directors be and are hereby authorised to adopt the Plan and to do all such other acts and things as they may consider appropriate to implement the Plan (including making such minor amendments as the Directors consider to be necessary or expedient).

By order of the Board
Ogier Corporate Services (Jersey) Limited
Company Secretary

21 March 2012

Petrofac Limited
Registered Number: 81792
Ogier House, The Esplanade, St Helier, Jersey JE4 9WG

Biographies

Norman Murray

Non-executive Chairman

Appointment

Appointed to the Board on 1 March 2011 and became Chairman on 13 May 2011.

Experience

Prior to his portfolio career, Norman spent 25 years in the venture capital industry. He co-founded Morgan Grenfell Private Equity Limited and was also a director of Morgan Grenfell Asset Management Limited. Until June 2011, he was chairman of Cairn Energy plc, having served on that board for 12 years. He is a former chairman of the British Venture Capital Association, a past president of the Institute of Chartered Accountants of Scotland and was a non-executive director of Robert Wiseman Dairies plc until February 2012. Norman is 64.

Key strengths

Wide-reaching board, financial and commercial experience having served on various company boards, as both director and chairman; deep understanding of governance and regulatory matters gained in entrepreneurial environments and in energy markets.

Committee membership

Chairman of Nominations Committee.

External appointments

He is a non-executive director of Greene King plc.

Thomas Thune Andersen

Non-executive Director

Appointment

Appointed to the Board on 13 May 2010.

Experience

Thomas spent 32 years at the AP Møller-Mærsk group with an international career ending as CEO and president of Mærsk's oil & gas company. He also served on Mærsk's main board and its executive committee from 2005 to 2009. Thomas is 57.

Key Strengths

Wide-ranging international experience; broad knowledge of energy, transportation, infrastructure and marine industries; proven track record executing growth strategies and mobilising and developing organisations; HSE experience and extensive knowledge from both an executive and non-executive standpoint.

Committee membership

Chairman of the Remuneration Committee and member of the Audit and Nominations Committees.

External appointments

He is a non-executive director of SSE plc, chairman of the Lloyds' Register Group board of trustees, chairman of DeepOcean, chairman of the Danish-UK Chamber of Commerce and vice-chairman of VKR Holding.

Stefano Cao

Non-executive Director

Appointment

Appointed to the Board on 13 May 2010.

Experience

Stefano has 33 years' experience in the oil & gas industry. Since February 2009, he has been CEO of Sintonia SA, a holding company owning infrastructure assets, including toll roads, airports and telecoms. From 2000 to 2008, Stefano was chief operating officer of Eni's exploration & production division, before which he spent 24 years at Saipem SpA, the international oil & gas services group, holding such senior roles as chief executive officer, chairman and chief operating officer. He is a former independent director of Telecom Italia SpA. Stefano is 60.

Key strengths

Strong international business experience; broad knowledge of energy industry; significant knowledge of technical and commercial activities, both as operator and contractor.

Committee membership

Chairman of the Board Risk Committee and Member of the Nominations and Remuneration Committees.

External appointments

He is CEO of Sintonia SA and a director of Atlantia SpA, Gemina SpA, Aeroporti di Roma SpA and Sagat SpA.

Roxanne Decyk

Non-executive Director

Appointment

Appointed to the Board on 1 March 2011.

Experience

Roxanne retired from The Royal Dutch Shell Group in early 2011 having held a number of roles including head of global government affairs and corporate affairs director over a period of 11 years. She was a member of Shell's executive committee from 2005 to 2009. Prior to joining Shell, Roxanne had various roles at Amoco Corporation and Navistar International Corporation. Roxanne is 59.

Key strengths

Strong track record in global and international government relations; extensive experience in the energy industry; communications, sales and marketing knowledge; reputation and brand strategy expertise; sustainable development knowledge; broad international human resources knowledge.

Committee membership

Member of the Audit, Board Risk, Nominations and Remuneration Committees.

External appointments

She is an independent director of Snap-on Incorporated and Alliant Techsystems Inc.

Biographies

continued

René Médori

Non-executive Director

Appointment

Appointed to the Board on 19 January 2012.

Experience

René is finance director of Anglo American plc, a position he has held since September 2005. He was group finance director of The BOC Group plc between June 2000 to May 2005, having held several finance appointments, including finance director of BOC's gases business in the Americas, from 1997. René is 54.

Key strengths

Extensive and current international financial experience; well-established knowledge of governance and regulatory matters; good understanding of operational and strategic management; experience of balance sheet strengthening opportunities and the whole range of financing arrangements.

Committee membership

Member of the Audit, Board Risk and Nominations Committees.

External appointments

He is an executive director of Anglo American plc and non-executive director of Anglo Platinum Limited and SSE plc. He will step down from the SSE plc board on 25 June 2012.

Rijnhard van Tets

Non-executive Director

Appointment

Appointed to the Board on 11 May 2007.

Experience

Senior Independent Director, Rijnhard is general partner of Laaken Asset Management NV. He advised the managing board of ABN AMRO between 2002 and 2007, having previously served as a managing board member for 12 years. At ABN AMRO, his roles included that of chairman of the wholesale clients and investment banking group. Rijnhard is 64.

Key strengths

Extensive financial background, with solid international board and senior management experience achieved from serving on various company boards and advisory trusts; excellent experience of governance and audit committees.

Committee membership

Chairman of the Audit Committee and a member of the Board Risk and Nominations Committees.

External appointments

He is non-executive chairman of Arcadis NV, Euronext Amsterdam NV and Euronext NV, and a non-executive director of IFF Europe, NYSE Euronext Inc, BNP Paribas OBAM N.V. as well as various charities.

Ayman Asfari

Group Chief Executive

Appointment

Appointed to the Board on 11 January 2002.

Experience

Ayman joined the Group in 1991 to establish Petrofac International, of which he was CEO. He has more than 30 years' experience in the oil & gas industry, having formerly worked as managing director of a major civil and mechanical construction business in Oman. Ayman is 53.

Key strengths

Distinguished record with strong operational leadership skills; clear strategic vision; entrepreneurial track record; international focus; wealth of oil industry knowledge.

Committee membership

Member of Nominations Committee.

External appointments

Member of the board of trustees of the American University of Beirut.

Maroun Semaan

President

Appointment

Appointed to the Board on 11 January 2002.

Experience

Maroun joined the Group in 1991 to establish Petrofac International. He was Group Chief Operating Officer from January 2009 before becoming President on 1 January 2012. Prior to joining Petrofac, he managed oil & gas pipeline, process facilities and civil works construction contracts in Oman and Bahrain, with the Consolidated Contractors International Company. Maroun is 56.

Key strengths

Wide-ranging business development skills; consistent execution of lump-sum engineering, procurement and construction (EPC) contracts; deep knowledge of the Middle East and North Africa (MENA) region; appreciation of enterprise risks and comprehensive management of subsidiaries and joint ventures.

Committee membership

None

External appointments

Member of the board of trustees of the American University of Sharjah and a founding member of the board of trustees of the Arab Forum for Environment and Development.

Biographies

continued

Andy Inglis

Chief Executive, Integrated Energy Services

Appointment

Appointed to the Board on 1 March 2011.

Experience

Andy joined Petrofac in January 2011 having spent 30 years with BP, latterly as CEO of its exploration and production business. He was an executive director on the BP plc board between 2007 and 2010. He started his BP career as a project engineer on various North Sea projects, followed by commercial and operating roles in BP's upstream business. He became executive vice president and deputy chief executive of BP exploration & production in 2004. He is a former non-executive director of BAE Systems plc. Andy is 52.

Key strengths

Broad strategic understanding and deep technical knowledge of the oil & gas industry; proven global and operational leadership; considerable board and executive management experience.

Committee membership

None

External appointments

None

Marwan Chedid

Chief Executive, Engineering, Construction, Operations and Maintenance

Appointment

Appointed to the Board on 19 January 2012.

Experience

Marwan joined Petrofac in 1992 when the business was first established in Sharjah, having previously worked for CCC, a major consolidated contractor company based in the Gulf and the Middle East, for eight years. In 2007, he was appointed chief operating officer of the Engineering & Construction International business with day-to-day responsibility for the successful delivery of overall operations. In January 2009, he became managing director of Engineering & Construction Ventures before being appointed as Chief Executive, ECOM with effect from 1 January 2012. Marwan is 51.

Key strengths

Thorough knowledge of the oil & gas sector and contracting environments; solid commercial, operational and engineering experience; excellent understanding of growing a business.

Committee membership

None

External appointments

None

Tim Weller

Chief Financial Officer

Appointment

Appointed to the Board on 13 October 2011.

Experience

Tim joined Petrofac in September 2011 from Cable & Wireless Worldwide, where he had been chief financial officer between May 2010 and July 2011. A Fellow of the Institute of Chartered Accountants in England and Wales with a degree in Engineering Science, he started his career with KPMG in London, eventually becoming a partner in KPMG's Infrastructure Business Unit. He was previously chief financial officer at United Utilities Group PLC between July 2006 and May 2010 and held chief financial officer roles with RWE Thames Water Limited and Innogy Holdings PLC (now RWE npower Holdings PLC) from 2002 to 2006. Tim is 48.

Key strengths

Wide-ranging financial management experience; strategic and financial planning, cost control and capital efficiencies; external stakeholder communications and management; experience of major systems implementation.

Committee membership

None

External appointments

He is a non-executive director of the Carbon Trust and of BBC Worldwide.

Explanatory notes on resolutions

Resolutions 1 to 17 (inclusive) and Resolution 21 are proposed as Ordinary Resolutions, which means that for each of those Resolutions to be passed, more than half the votes cast must be cast in favour of the Resolution. Resolutions 18 to 20 (inclusive) are proposed as Special Resolutions, which means that for each of those Resolutions to be passed, at least two-thirds of the votes cast must be cast in favour of the Resolution.

Resolution 1 – Report and Accounts

The Directors are obliged to lay the audited financial statements and the directors' and auditors' reports for the financial year ended 31 December 2011 before shareholders in a general meeting.

Resolution 2 – Declaration of dividend

A final dividend can only be paid after it has been approved by the shareholders. A final dividend of US\$0.372 per share in respect of the year ended 31 December 2011 and is included from pages 91 to 105 of the 2011 Annual Report and Accounts sent with this Notice. This vote is advisory in nature in that 20 April 2012, and, if approved, the date of payment of the final dividend will be 18 May 2012.

For shareholders who have elected to receive their dividend payments in sterling, a final dividend of £0.2339 per share will be paid, being the sterling equivalent of the US dollar dividend using the midday Bank of England exchange rate on the business day before the Company announced its full year results for the year ended 31 December 2011.

Resolution 3 – Remuneration report

The Board seeks shareholders' approval of the directors' remuneration report 2011 which gives details of the Directors' remuneration for the year ended 31 December 2011 and is included from pages 91 to 105 of the 2011 Annual Report and Accounts sent with this Notice. This vote is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed.

Resolutions 4, 5 and 6 – Appointment of Directors

Since the last AGM, René Médori, Marwan Chedid and Tim Weller have each been appointed as Directors. Resolutions 4, 5 and 6 propose their respective re-appointments as required by the Articles. The Board considers that these individuals each make a valuable contribution to Board deliberations and that they each have sufficient time to devote to the Company's affairs. All three candidates were recommended to the Board by the Nominations Committee.

Resolutions 7 to 14 – Re-appointment of Directors

In recognition of the UK Corporate Governance Code, all Directors will stand for annual re-appointment. Accordingly, Norman Murray, Thomas Thune Andersen, Stefano Cao, Roxanne Decyk and Rijnhard van Tets will offer themselves for re-appointment as Non-executive Directors and each of Ayman Asfari, Maroun Semaan and Andy Inglis will offer himself for re-appointment as an Executive Director, proposed through separate resolutions numbered 7 to 14. Having reviewed the recommendations of the Nominations Committee concerning these re-appointments and following the Board performance evaluation, the Board concluded that each of the Directors continues to make an effective and valuable contribution and demonstrates commitment to his role as a Director.

The Board is satisfied that each Non-executive Director remains independent in character and judgement and that there are no relationships or circumstances likely to affect his or her character or judgement. It unanimously recommends the re-appointment of the above Directors.

Biographical details of each of the Directors standing for appointment and re-appointment are set on pages 5–7.

Resolutions 15 and 16 – Auditors' appointment and remuneration

The auditors of a company must be re-appointed at each general meeting at which accounts are presented. Resolution 15 proposes the re-appointment of the Company's existing auditors, Ernst & Young LLP, until the next AGM of the Company to be held in 2013. In accordance with current best practice, Resolution 16 is a separate resolution which gives authority to the Directors to determine the auditors' remuneration.

Resolution 17 – Directors' authority to allot shares

Article 2.2 of the Articles confers general authority on the Directors to allot shares in the Company. In accordance with guidelines issued by the Association of British Insurers, Resolution 17 is proposed in order to restrict this general authority to allot shares to an amount equal to one-third of the Company's issued ordinary share capital.

If passed, Resolution 17 will confer authority on the Directors to allot shares up to an aggregate nominal amount of US\$2,305,802 (this being approximately one-third of the Company's issued ordinary share capital as at 21 March 2012), together with shares required to satisfy awards under the Company's Employee Share Schemes.

The authority contained in this resolution will expire at the conclusion of the AGM of the Company to be held in 2013 or, if later, on 11 August 2013.

The Directors currently have no intention of allotting shares pursuant to the authority conferred by Article 2.2 of the Articles.

Explanatory notes on resolutions

continued

Resolution 18 – Renewal of Directors' authority to allot shares without rights of pre-emption

Resolution 18 permits the Directors to allot shares for cash up to an amount representing approximately 5% of the Company's issued ordinary share capital as at 21 March 2012 as if Article 2.8 of the Articles, which requires the Company to offer shares first to shareholders in proportion to their respective shareholdings, did not apply. This amount complies with guidelines issued by investor bodies within the United Kingdom.

The maximum nominal amount of ordinary shares which may be allotted pursuant to the authority conferred by this resolution is US\$345,870 (this represents approximately 5% of the Company's issued ordinary share capital as at 21 March 2012).

This resolution facilitates the Company in making small acquisitions. The Directors currently have no intention of exercising this authority. In accordance with the Pre-Emption Group's Statement of Principles (available at www.pre-emptiongroup.org.uk) the Directors also confirm their intention that no more than 7.5% of the issued ordinary share capital of the Company (excluding any treasury shares held by the Company during such period) will be issued for cash on a non pre-emptive basis during any rolling three-year period.

The authority contained in this resolution will expire at the conclusion of the AGM of the Company to be held in 2013 or, if later, on 11 August 2013.

Resolution 19 – Directors' authority for the purchase by the Company of its own shares

Resolution 19 will authorise market purchases of up to 34,587,023 ordinary shares (this representing approximately 10% of the Company's issued ordinary shares as at 21 March 2012) of US\$0.02 each. The authority conferred by this resolution is subject to a maximum price (exclusive of expenses) which is the higher of (i) 105% of the average of the market value of the ordinary shares for the five business days preceding any purchase and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the SETS, and a minimum price (exclusive of expenses) of US\$0.02 per ordinary share.

The Directors will only exercise this authority when satisfied that it is in the best interests of shareholders, that any purchase will have a beneficial impact on earnings per share and that they have satisfied themselves as to the solvency of the Company as required under the Companies (Jersey) Law 1991. The Directors expect to ask shareholders to approve renewal of the authority each year.

If the Company was to purchase any of its own shares pursuant to the authority referred to above, it would consider holding them as treasury stock, provided that the number held as such does not at any time exceed 10% of the issued share capital of the Company. This would provide the Company with additional flexibility in the management of its capital base. As at 21 March 2012, the Company held no ordinary shares in treasury. The Directors consider that it is prudent to obtain the proposed authority, although they have no current intention to use the authority conferred under the resolution.

The Company has no warrants or options to subscribe for new shares in the Company outstanding.

The authority contained in this resolution will expire at the conclusion of the AGM of the Company to be held in 2013 or, if later, on 11 August 2013.

Resolution 20 – Short notice period for general meetings

This resolution is being proposed as a special resolution to seek shareholder approval to enable the Company to call general meetings (other than AGMs) on 14 clear days' notice. If this resolution is passed, the Company will have the ability to react quickly to time sensitive proposals and to other situations where it would otherwise be in the interests of shareholders as a whole to call a general meeting on 14 clear days' notice. However, it is not intended that the shorter notice period will be used as a matter of routine but only where the flexibility is merited by the business of the meeting. The Directors will assess in each situation whether the authority conferred by this resolution should be utilised or whether, in the circumstances, a notice period of 21 clear days would be more suitable.

This approval will be effective until the Company's AGM to be held in 2013, when it is intended that a similar resolution will be proposed to renew this authority.

Resolution 21 – Adoption of the Value Creation Plan (Plan)

After careful consideration and full consultation with major shareholders, the Board, following recommendation from the Remuneration Committee (Committee) is proposing the implementation of a new one-off incentive plan, with the objectives of:

- ensuring continued delivery of exceptional growth and shareholder value creation
- building sustained performance over the long term
- developing a new generation of leaders with an ownership mindset

It is proposed that one-off awards of options (Options) to acquire ordinary shares in the Company (Shares) will be granted in 2012 under the Plan to a limited group of 10–15 key individuals at senior executive level who are key to the Company's growth going forward. This will include Executive Directors, although the Group Chief Executive and President – who together own over 26% of the Company's issued share capital – will not participate.

Options will vest subject to the performance and service conditions set out overleaf. Any reference to an Option in this summary includes a reference to any part of such Option. The Plan will be administered by the Committee.

Explanatory notes on resolutions

continued

Eligibility

Any employee (including an Executive Director) of the Company or any of its subsidiaries (together, the Group) will be eligible to participate in the Plan at the discretion of the Committee. In practice, as outlined above, it is intended that only the 10–15 most senior executives in the Group (excluding the Group Chief Executive and President) will participate in the Plan.

Grant of Options

Participants in the Plan will be granted premium priced Options to acquire Shares, subject to the conditions outlined below.

Options may only be granted:

- within the six-week period following the adoption of the Plan by the Board or the announcement of the Company's results for any period; or
- on any other day on which the Committee determines that exceptional circumstances exist

The intention is to grant Options during 2012 following shareholders' approval of the Plan (2012 Options). However, Options may subsequently be granted until the second anniversary of adoption of the Plan to senior recruits or continuing executives who take on significantly increased responsibilities.

Exercise price

Options will normally have an exercise price of not less than 110% of the market price of a Share at the grant date.

Vesting of Options and performance conditions

The vesting of an Option will be subject to the achievement of:

- a stretching Group performance condition; and
- the participant continuing to be employed within the Group until the relevant vesting date

In addition, Options granted to executives with direct divisional or business unit responsibility will be subject to a multiplier linked to the earnings of their division or business unit. Subject to the achievement of the performance condition, one-third of each Option will normally vest on the fourth anniversary of the grant date and a further third on each of the fifth and sixth anniversaries.

Group performance condition

The performance measure for the 2012 Options will be Group profit after tax for the 2015 financial year ('FY 2015 PAT') in line with the following vesting schedule:

FY 2015 PAT	Percentage of award vesting
Below US\$862m	0%
US\$1,293m or more	100%
Between US\$862m and US\$1,293m	Straight-line vesting between 0% and 100%

Any subsequent Options, granted in the circumstances described above, will be subject to a similarly challenging condition set by the Committee.

Divisional or business unit performance multiplier

Given the importance of strong divisional and business unit performance to the achievement of the Company's growth aspirations, for roles with direct divisional or business unit responsibility it is proposed to include a multiplier to vary the number of Shares subject to Options by up to 50%, depending on divisional or business unit earnings for the 2015 financial year. The multiplier is intended to ensure that exceptional performance in individual divisions or business units is rewarded, while individuals who have not made a commensurate contribution to the overall performance of the Group do not benefit disproportionately.

Level of achievement against divisional or business unit performance targets	Multiplier factor
Threshold	Not less than 0.5x
Target	1.0x
Maximum	Not more than 1.5x

Whilst it is generally envisaged that Options will be subject to threshold and maximum performance multipliers of 0.5x and 1.5x respectively, the Committee will determine the appropriate multiplier factors for threshold and maximum performance on or prior to the grant date, provided that the multiplier factor for threshold performance may not be less than 0.5x and for maximum performance may not be more than 1.5x.

For performance between threshold and target or between target and maximum, the multiplier will be determined on a straight-line basis. There will be no multiplier applied to Options held by participants who have no direct divisional or business unit responsibility (i.e. Group roles).

Explanatory notes on resolutions

continued

In addition to the above performance features, the Committee will also evaluate performance taking full account of the following safeguards:

- health & safety, environmental and ethical performance;
- relative TSR performance against the 15 sectoral peers included within the Performance Share Plan comparator group (and in particular, whether TSR performance is above median);
- EPS growth consistent with PAT growth;
- positive economic profit performance (no vesting unless economic profit performance is positive);
- delivery of Board-approved business plan; and
- any other material factors impacting risk management.

Based on the performance evaluation against the above safeguards, the Committee may in its absolute discretion reduce or cancel any unvested part of an Option. The Committee may not increase vesting levels based on this performance evaluation.

In order to ensure that the Group and divisional or business unit targets remain sufficiently stretching, the Committee may make appropriate adjustments in the event of a significant acquisition or disposal.

Individual allocation limit

No participant may hold Options under the Plan over Shares with an expected value (at the grant date) in excess of 200% of basic annual salary. 2012 Options will be valued at 19.5% of face value using a recognised simulation model. This translates into a face value of award of roughly five times expected value. The maximum face value of Options for any participant under the Plan at the market price on the grant date, is 1025% of salary, prior to application of the multiplier, where relevant.

Terms of Options

Options may only be granted over Shares to be purchased in the market. It will not be possible to satisfy Options granted under the Plan using newly issued shares. Options are not transferable (other than on death). No payment will be required for the grant of an Option. Options will not form part of pensionable earnings. Participants will not be entitled to receive additional value in respect of any dividends paid on Shares subject to an Option prior to exercise of that Option.

Risk and malus

The Committee may, in its absolute discretion, determine at any time in respect of any unvested part of an Option to:

- cancel the Option; or
- reduce the number of Shares to which the Option relates; and/or
- impose further conditions on the Option,

in circumstances in which the Committee considers such action is appropriate.

Such circumstances include, but are not limited to:

- a material misstatement of the Company's audited financial results;
- a material failure of risk management by the Company, any member of the Group or a relevant business unit;
- a material breach of any applicable health and safety or environmental regulations by the Company, any member of the Group or a relevant business unit;
- serious reputational damage to the Company, any member of the Group or a relevant business unit as a result of the participant's misconduct; and
- the Company materially underperforming its peers over the performance period.

Exercise of Options

Options which vest will normally be exercisable until the eighth anniversary of the grant date. The exercise of an Option is subject to obtaining any necessary consents from the UK Listing Authority, and complying with the Company's share dealing policy and any other applicable laws or regulations.

Before an Option has been exercised, or after it has been exercised but before the relevant Shares have been acquired by the participant, the Committee may decide:

- to transfer to the participant a number of Shares equal in value to the amount by which the aggregate value of the Shares concerned exceeds the aggregate exercise price for those Shares; or
 - to pay the participant a cash amount equal in value to the amount by which the aggregate value of the Shares concerned exceeds the aggregate exercise price for those Shares.
-

Explanatory notes on resolutions

continued

Cessation of employment

If a participant dies, an unvested Option will, unless the Committee determines otherwise, vest as soon as reasonably practicable after death to the extent that the Committee determines, taking into account the satisfaction of any performance condition at that time and, unless the Committee determines otherwise, the period of time between the grant date and the date of death. Where Options vest in these circumstances they will normally be exercisable for 12 months following vesting. To the extent that Options have already vested at the date of death, they may be exercised in the 12 months following the date of death.

If a participant ceases to be employed by the Group by reason of ill-health, injury, disability, retirement with the agreement of his employing company, sale of the entity that employs him out of the Group or for any other reason at the Committee's discretion, the participant's unvested Option will usually vest on the normal vesting date(s) unless the Committee decides that the Option should vest as soon as reasonably practicable following the date of cessation.

The Committee will decide the extent to which unvested Options vest in these circumstances, taking account of the extent to which any performance condition is satisfied at the end of any performance period or, as appropriate, on the date of cessation. Unless the Committee in its discretion determines otherwise, the period of time between grant and cessation will also be taken into account. Where Options vest in these circumstances, they will normally be exercisable for six months after vesting. To the extent that Options have already vested at the date of cessation, they may be exercised in the six months following cessation.

If a participant ceases employment with the Group in any other circumstances then, unless the Committee determines otherwise, any unvested Option shall lapse on the date of cessation and, provided he has not been dismissed for gross misconduct, he will have six months in which to exercise any vested Option.

Corporate events

In the event of a change of control of the Company, Options will vest to the extent that any performance condition has been satisfied at the date of the change of control, and, unless the Committee determines otherwise, taking into account the period of time between the grant date and the change of control. Alternatively, the Committee may permit or, in the case of an internal reorganisation, require Options to be exchanged for equivalent options over shares in another company. If other corporate events occur such as a demerger, delisting, special dividend or other event which, in the opinion of the Committee, may affect the current or future value of Shares, the Committee may determine that Options shall vest conditional on the event occurring. Vesting will be subject to the satisfaction of the performance condition and, unless the Committee determines otherwise, taking account of the period from the grant date to the date of the relevant event.

Adjustments

In the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other similar event, which may, in the Committee's opinion, affect the current or future value of Shares, the number of Shares subject to an Option and the exercise price and/or any performance condition and/or multiplier, may be adjusted as the Committee thinks fair and reasonable.

Amendment and termination

The Committee may amend the Plan at any time, provided that prior shareholder approval will be required for amendments to the advantage of participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares comprised in an Option, the impact of any variation of capital and the amendment clause. However, any minor amendment to benefit administration of the Plan, take into account legislative changes, or to obtain or maintain favourable tax, exchange control or regulatory treatment may be made by the Committee without shareholder approval. The Committee also has the authority to adopt additional or modified schedules of the Plan which will modify certain rules governing the Plan to take account of overseas securities, exchange control or taxation laws. No amendment may be made to the material disadvantage of participants without the consent of a simple majority of the affected participants. The Plan will effectively terminate on the second anniversary of its adoption after which no further Options may be granted but the rights of existing participants will not be affected.

Governing law

The Plan will be governed in accordance with the laws of England and Wales and the parties submit to the exclusive jurisdiction of the courts of England and Wales.

General notes to the Notice

1. Entitlement to attend and vote

- 1.1 All resolutions at the AGM will be decided by a poll. The Company believes that this is a more transparent method of voting, as shareholder votes are counted according to the number of shares held, ensuring an exact and definitive result.
- 1.2 Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has specified that only those members registered in the register of members of the Company as at 6 pm on Wednesday, 9 May 2012 will be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6 pm on Wednesday, 9 May 2012 will be disregarded in determining the rights of any person to attend or vote at the AGM.

2. Appointment of proxies

- 2.1 A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and vote instead of him provided that, if more than one proxy is appointed, each proxy is appointed to exercise rights attaching to different shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company but must attend the AGM to represent the appointing member. Appointment of a proxy will not preclude a member from attending or voting at the AGM if he/she subsequently wishes to do so.
- 2.2 Details of how to appoint the Chairman of the AGM or another person as a proxy using the Form of Proxy are set out in the notes to the Form of Proxy. A member can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.
- 2.3 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a member's proxy will vote or abstain from voting at his or her discretion. A member's proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
- 2.4 To be effective, members resident in the UK should return the completed and signed Form of Proxy exactly as it is (like a postcard) or in an envelope as described in note 9 on the Form of Proxy, together with the authority (if any) under which it is signed or a notarially certified copy of such authority. Members resident outside the UK should return the completed and signed Form of Proxy, together with the authority (if any) under which it is signed or a notarially certified copy of such authority, in the envelope provided. In each case the Form of Proxy must be deposited at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, UK by no later than 10.30 am on Wednesday, 9 May 2012, or by no later than 48 hours prior to the time appointed for the holding of any adjourned AGM.
In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy. Where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the more senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the more senior).
- 2.5 To appoint more than one proxy, a member may either photocopy the Form of Proxy or contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute (including VAT) plus network extras, lines open 8.30 am – 5.30 pm Mon-Fri) or +44 (0)20 8639 3399 if calling from overseas (calls to the Capita Registrars +44 (0)20 8639 3399 number from outside the UK are charged at applicable international rates) to request additional Form(s) of Proxy. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. If more than one proxy appointment is returned in respect of the same shares, either by paper or electronic communication, the proxy received last by Capita Registrars before the latest time for the receipt of proxies will take precedence.

3. Electronic proxy appointment

As an alternative to returning the enclosed Form of Proxy, a member can submit his or her proxy electronically in one of two ways depending upon whether or not he or she has a share certificate. If a member holds shares in certificated form, he or she can submit a proxy over the internet at <https://www.petrofac-shares.com>.

A member will need to register first before using this internet voting facility and will be asked to agree to certain terms and conditions. A member will be issued with confirmation of his or her voting instructions once the voting process has been completed. Members must ensure that they have voted by no later than 10.30 am on Wednesday, 9 May 2012 or by no later than 48 hours prior to the time appointed for the holding of any adjourned AGM.

4. Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM or any adjournment(s) thereof by using the procedures in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by no later than 10.30 am on Wednesday, 9 May 2012 or by no later than 48 hours prior to the time appointed for the holding of any adjourned AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

General notes to the Notice

continued

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Part 4 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

5. Change or revocation of proxies

5.1 To change proxy instructions, a member should submit a new proxy appointment using the methods set out above. The cut-off times for receipt of proxy appointments also apply in relation to amended instructions. Any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where a member has appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars as set out in note 2.5.

5.2 In order to revoke a proxy instruction, a member will need to inform the Company by sending a notice in writing to the address set out at note 2.4 or, where the appointment of proxy was contained in an electronic communication, in accordance with note 3 or 4, as applicable, clearly stating the member's intention to revoke his or her proxy appointment. In the case of a member that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company, together with the authority (if any) under which it is signed or a notarially certified copy of such authority.

The revocation notice must be received by Capita Registrars or, where the appointment of proxy was contained in an electronic communication, in accordance with note 3 or 4, as applicable, no later than 10.30 am on Wednesday, 9 May 2012, or by no later than 48 hours prior to the time appointed for the holding of any adjourned AGM. If a member attempts to revoke a proxy appointment but the revocation is received after the time specified, then, unless the member attends the AGM in person (or in the case of a corporation that is a member by corporate representative) in respect of shares for which a proxy has been appointed, the proxy appointment will remain valid.

6. Questions

Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation of the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered. The Chairman may also nominate a Company representative to answer a specific question after the AGM or refer the response to the Company's website.

7. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares:

- if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way
- in other cases, the power is treated as not exercised, which means that the votes are treated as not cast

A corporation that wishes to allocate its votes to more than one person should use the proxy arrangements.

8. Voting rights

As at 21 March 2012 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 345,870,233 ordinary shares, carrying one vote each. Accordingly, the total voting rights in the Company as at 21 March 2012 are 345,870,233.

9. Addresses

Except as provided above, members who wish to communicate with the Company in relation to the AGM should do so by writing to Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. No other methods of communication will be accepted. In particular, a member may not use any electronic address provided either in this Notice of AGM or in any related documents (including in the Chairman's letter and the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

10. Website

A copy of this Notice of AGM, the total number of shares in issue and the total voting rights in the Company can be found at www.petrofac.com.

11. Documents available for inspection

The following documents will be available for inspection during normal business hours on any weekday (excluding public holidays) at the registered office of the Company and at the offices of Petrofac Services Limited on 4th Floor, 117 Jermyn Street, London SW1Y 6HH, UK, and will be available for inspection at the place of the AGM from half an hour before the time of the AGM until the conclusion of the AGM:

- (i) the register of directors' interests
- (ii) copies of all contracts of service of the Executive Directors
- (iii) copies of the terms and conditions of appointment of the Non-executive Directors
- (iv) a copy of the Memorandum and Articles of Association of the Company in force at any given time
- (v) a copy of the draft rules of the Value Creation Plan being proposed by Resolution 21

In addition, items (iv) and (v) above will also be available for inspection until the time of the AGM during normal business hours at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS.

AGM information

Time of the meeting

The AGM will start promptly at 10.30 am. If you are planning to attend the AGM in person, a map is printed at the end of this Notice.

Attending the meeting

Please bring your attendance card with you. It authenticates your right to attend, speak and vote at the AGM and will speed up your admission. You may also find it useful to bring this Notice and the 2011 Annual Report and Accounts in order that you may refer to them at the AGM. All joint shareholders may attend and speak at the AGM. However, where more than one joint shareholder tenders a vote, only the vote submitted by the most senior shareholder will be accepted. Seniority is determined by the order in which the names of the joint holders are listed on the Register of Members.

Not attending the meeting

Whoever you appoint as a proxy can vote or abstain from voting as he or she decides on any other business which may validly come before the AGM. This includes proxies appointed using the CREST service. Details of how to complete the appointment of a proxy either electronically or on paper are given in the notes to this Notice and in the accompanying Form of Proxy.

Enquiries

Capita Registrars maintain the Company's share register. If you have any enquiries about the AGM or about your Petrofac shareholding, you may contact Capita Registrars:

Registrar

Capita Registrars (Jersey) Limited
12 Castle Street
St Helier
Jersey
JE2 3RT

Transfer Agent

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

You may also contact Petrofac at the following address:

4th Floor, 117 Jermyn Street
London
SW1Y 6HH

Data Protection Statement

Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data are to be processed.

The Company and any third party to which it discloses the data (including the Company's Registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

How to get there



Sofitel

St James Hotel
6 Waterloo Place
London SW1Y 4AN

Friday 11 May 2012 at 10.30 am

By underground

The nearest tube station is Piccadilly Circus.

By car

The nearest car park is located in Spring Gardens SW1A 2BN.
