Petrofac

2011 Final Results

5 March 2012

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Petrofac

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Headlines

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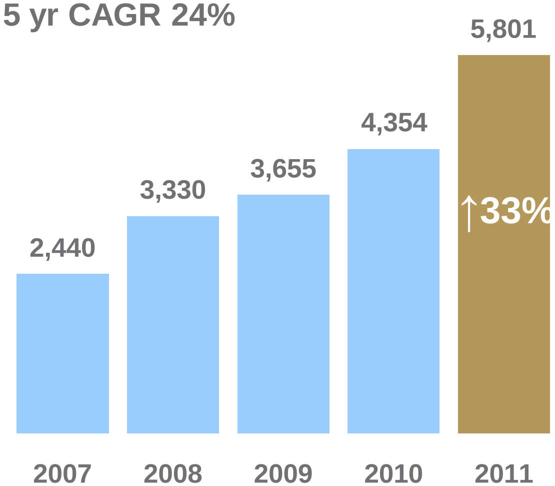
- Strong financial performance in 2011: net profit growth of 25%
- Year-end backlog of US$10.8bn, gives excellent revenue visibility for 2012
- Strong bidding pipeline for 2012 and beyond
- 2012 net profit growth expected to be at least 15%: further progress towards target of more than doubling 2010 group earnings by 2015

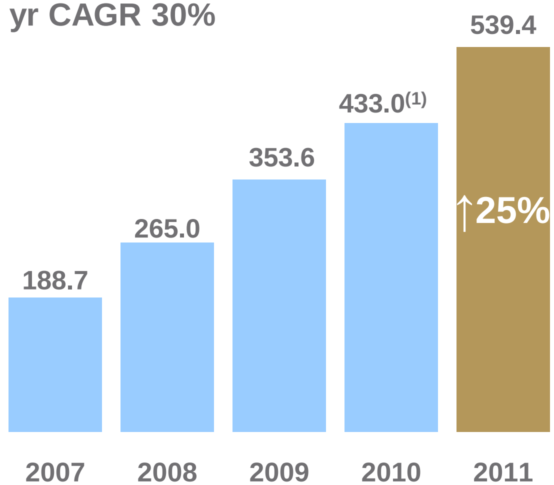
Revenue

5 yr CAGR 24%



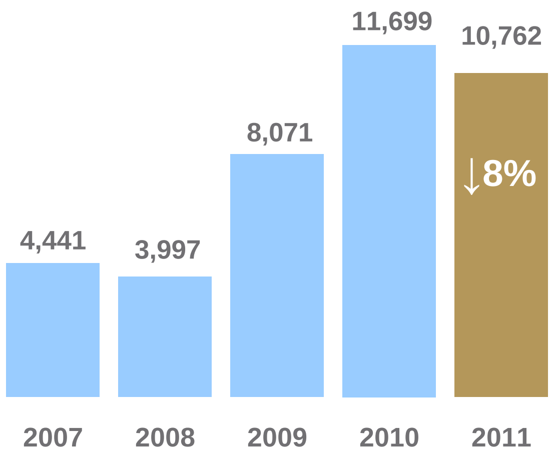
Net profit

5 yr CAGR 30%



Backlog

CAGR 25%



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

(1) Excluding the gain on the EnQuest demerger

Group reorganisation

Petrofac

- Following good progress in implementing our group reorganisation, our 2011 results are presented on this basis:

New	Divisions	Engineering, Construction, Operations & Maintenance (ECOM) *Chief Executive, Marwan Chedid*			Integrated Energy Services (IES) *Chief Executive, Andy Inglis*		
New	Reporting segments	Onshore Engineering & Construction (OEC)	Offshore Projects & Operations (OPO)	Engineering & Consulting Services (ECS)	Integrated Energy Services		
New	Service lines	Onshore Engineering & Construction	Offshore Projects & Operations	Engineering & Consulting Services	Training	Production Solutions	Developments
Previous	Reporting segments	Engineering & Construction	Offshore Engineering & Operations	Engineering, Training Services and Production Solutions			Energy Developments

Strategy – drivers of growth

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		UPDATE
Geographical expansion	• Expand existing business into new geographies	• Opening engineering office in Nigeria • Expanded Asia Pacific hub to 1,250 people
Offshore	• Develop our EPC business offshore	• Successful delivery of SEPAT and substantial progress on FPSO Berantai • To be followed up with FPF1 and Ocean Legend upgrades
Integrated Energy Services	• Implement our integrated services strategy	• Awarded two 25 year Mexico PECs • Agreement to deploy FPF1 on Greater Stella Area development • Approval to develop West Desaru

ECOM – Key contract awards

Onshore Engineering & Construction

2011

- **In Salah development, Algeria** US$1.2bn contract to develop southern fields
- **Majnoon field, Iraq** US$240m EPCM contract for field development

2012 to date

- **Badra oilfield development, Iraq** US$330m EPC contract

Offshore Projects & Operations

2011

- **FPF1, UKCS** US$540m EPC modification/upgrade and Duty Holder contracts
- **FPSO Berantai, Malaysia** c. US$300m EPC modification and upgrade work
- **Rumaila field, Iraq** US$63m one-year inspection, maintenance, repair contract

2012 to date

- **FPF5, Malaysia** > US$100m EPC modification and upgrade contract

ECOM – Update on major projects

Petrofac

Onshore Engineering & Construction

- **South Yoloten gas field development, Turkmenistan** reached percentage of completion threshold required to recognise profit in December 2011
- **Asab onshore oil field development, Abu Dhabi** all static equipment delivered and erected, hydro-testing in progress
- **El Merk gas processing facility, Algeria** civil and structural works essentially complete; focus on piping, electrical and instrumentation works

South Yoloten gas field development, Turkmenistan

Asab field development, Abu Dhabi

El Merk gas processing facility, Algeria

ECOM – Update on major projects

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Offshore Projects & Operations

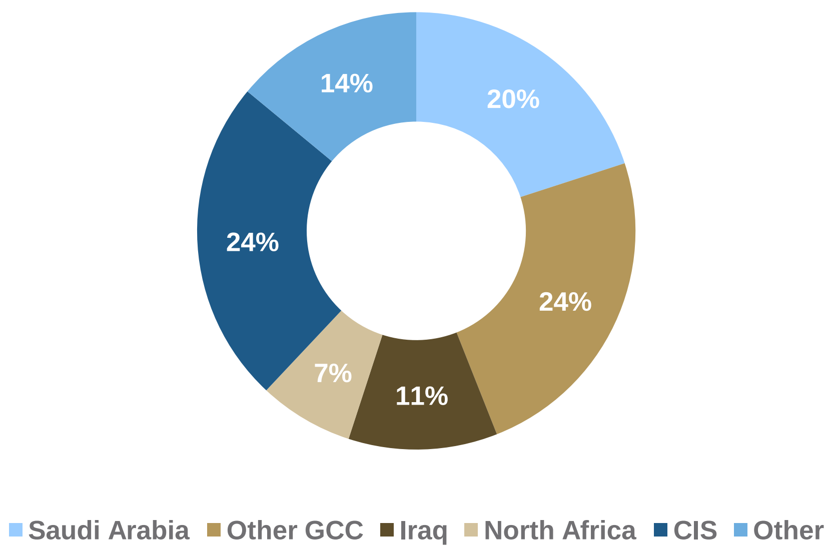
SEPAT offshore early production system, Malaysia

- **SEPAT offshore early production system, Malaysia** first oil achieved ahead of schedule in December 2011
- **FPSO Berantai, Malaysia** upgrade and topside modifications progressing well with sailaway expected Q2 2012
- **Laggan-Tormore gas processing plant, UKCS** major ordering completed and engineering substantially advanced, accommodation camp established at site

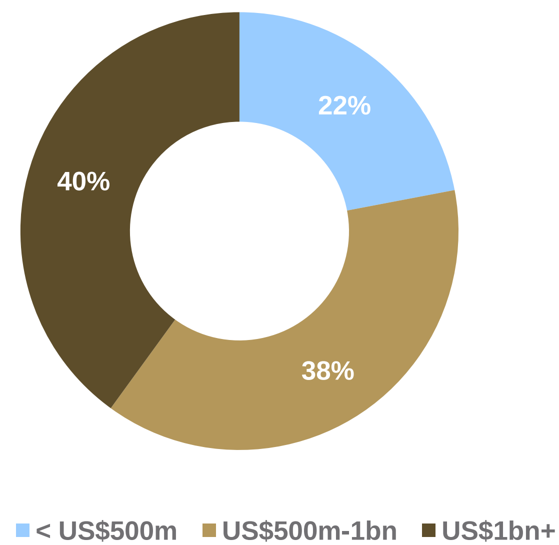
ECOM – New business prospects

- Strong pipeline of bidding opportunities in our core markets for 2012 and beyond
- Market underpins double-digit average revenue growth in ECOM over medium-term
- Expect to maintain Onshore Engineering & Construction net margins at around 11% while incrementally growing margins in Offshore Projects & Operations

2012 ECOM prospects list
Value by geography



2012 ECOM prospects list
Value by contract size



IES – Key contract awards

Production Enhancement Contract

- Awarded Magallanes and Santuario blocks in 1st round of bidding process in Mexico
- Commenced operations on target (1 February 2012) after 3 month transition
- Minimum work obligation of c. US$200m gross in first 2 years (US$50m net)

Risk Service Contract

- Secured first Risk Service Contract (RSC) in Malaysia for the Berantai field
- Leading US$1bn+ development and will then operate for 7 years
- RSC aligns our interests with PETRONAS – rewarding us for project delivery and operational performance

Production Sharing Contract

- Agreed to deploy FPF1 to be production hub on Greater Stella Area development
- Offshore Projects & Operations awarded upgrade and Duty Holder contracts worth US$540m
- Agreed to secure 20% interest in Stella and Harrier, Hurricane and Helios fields

IES – Update on major projects

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PM304
PSC, Malaysia

- Cendor phase 1 – gas lift compression system is operational
- Cendor phase 2 – detailed engineering for wellhead platform and pipelines complete; first oil expected Q2 2013
- West Desaru – FDP approved by PETRONAS, agreement to use FPF5 as MOPU

Berantai
RSC, Malaysia

- Wellhead platform installed Q4 2011
- First part of Angsi tie-in successfully completed
- FPSO Berantai sailaway due Q2 2012

FPSO Berantai

Ticleni
PEC, Romania

- 2011 production exceeded 2010, reversing decline for first time in 6 years
- Going forward, focus on well reactivation, new well drilling programme and waterflood implementation

IES – Schlumberger Co-operation Agreement

- Agreement between Petrofac Integrated Energy Services and Schlumberger Production Management (SPM)
- Focused on delivering projects in the production enhancement market
- Working together allows both companies to bid for larger projects and develop at a faster pace
- IES and SPM have complementary skill sets and capabilities

IES – New business prospects

- Ongoing discussions with a number of resource holders (both IOCs and NOCs) with regard to Production Enhancement Contracts and Risk Service Contracts
- Number of opportunities through structured bidding processes:
  - Mexico – 2^{nd} round of PECs in progress for 6 fields (4 onshore, 2 offshore)
  - Romania – further fields to be tendered on PEC basis
  - Malaysia – 21 fields for potential RSCs
- Shortlisted opportunities to pursue with Schlumberger under co-operation agreement
- On track to reach target of US$300 million net income from IES by 2015

Income Statement

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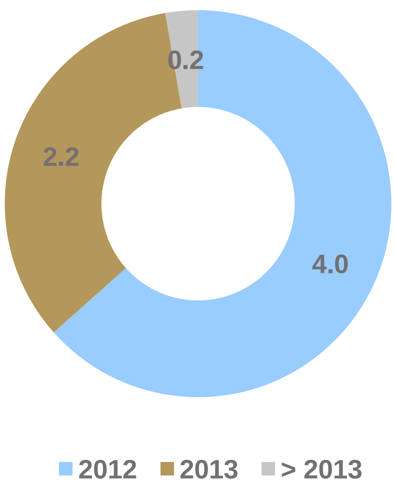
US$m	2011	2010	Variance
Revenue	5,800.7	4,354.2	↑ 33%
Operating profit	679.3	538.5	↑ 26%
Profit before tax	680.6	543.5	↑ 25%
Income tax expense	(141.0)	(110.5)	
Profit for the year	539.6	433.0	↑ 25%
Profit attributable to Petrofac Limited shareholders	539.4	433.0	↑ 25%
EBITDA	759.4	634.4	↑ 20%
ROCE	62.1%	53.0%	
EPS, diluted (cents per share)	157.1	126.1	↑ 25%
Full year dividend (cents)	54.6	43.8	↑ 25%

Note: all figures presented above are for the full year period ended 31 December (US$ millions unless otherwise stated); 2010 comparatives exclude the EnQuest demerger gain

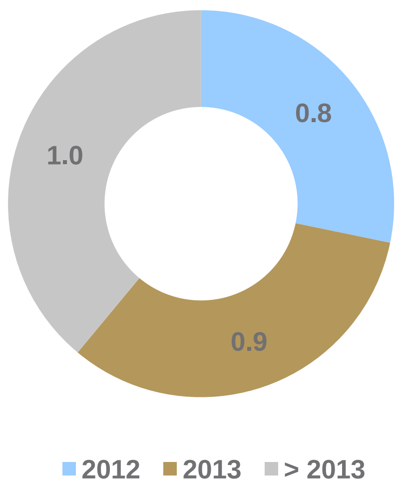
2011 year-end backlog

- Backlog of US$10.8 billion gives excellent revenue visibility for 2012
- Onshore Engineering & Construction backlog lower at US$6.4bn (Dec 2010: US$9.0bn) following period of consolidation and focus on project execution
- Offshore Projects & Operations backlog ↑14% due to upgrade work and Duty Holder contract for FPF1 on Greater Stella Area
- Integrated Energy Services backlog grew strongly to US$1.6bn (Dec 2010: US$0.3bn) after securing Berantai RSC and Mexico PECs

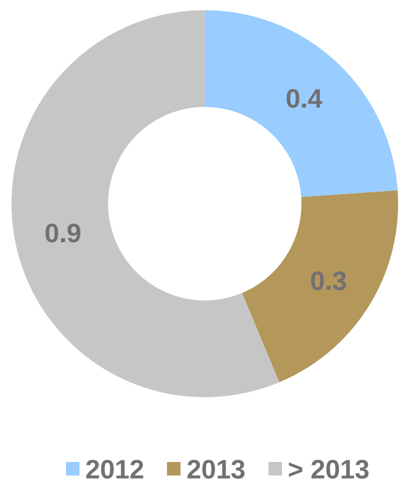
OEC backlog by year (US$bn)



OPO backlog by year (US$bn)



IES backlog by year (US$bn)



Cash flow and gross cash balances

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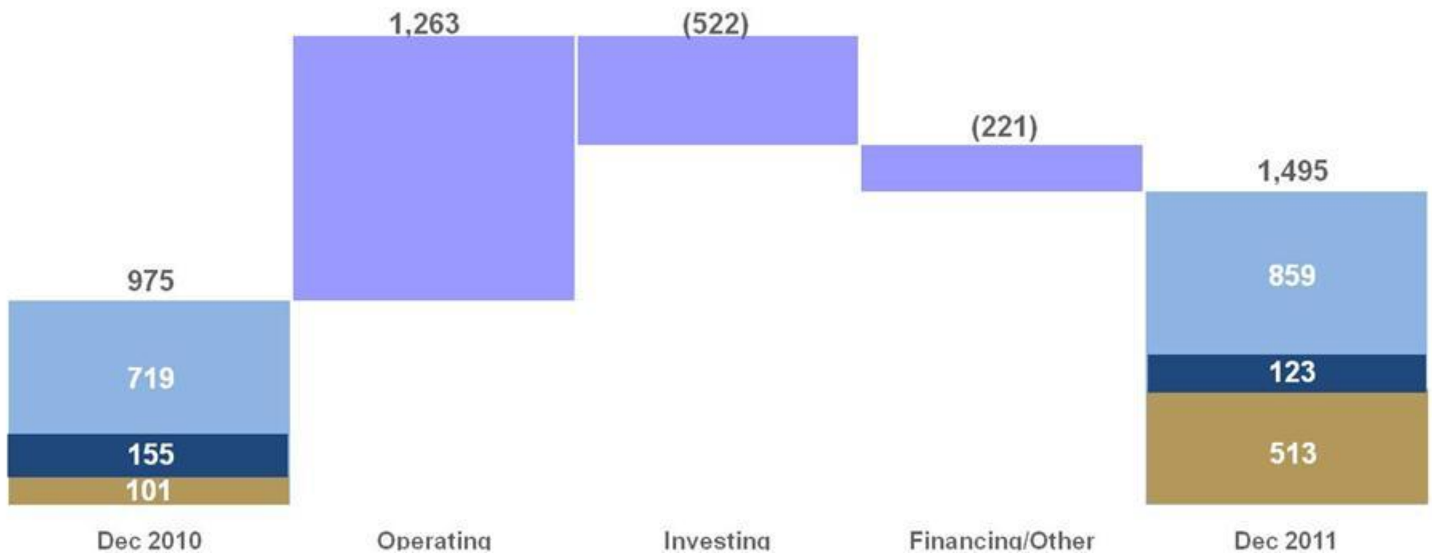
Net cash balances increased to US$1.5 billion:

- Significant working capital inflows due to an increase in advance payments and a decrease in WIP in Onshore Engineering & Construction
- Investing activities include approximately US$350m of development expenditure on IES projects and US$50m on Seven Energy investment
- Financing activities include payment of dividends of US$159m

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

= 'Billings in excess of cost and estimated earnings' less amounts billed in advance but not received

= 'cash advances', measured as 'Advances received from customers' net of any associated work in progress (on a project by project basis)



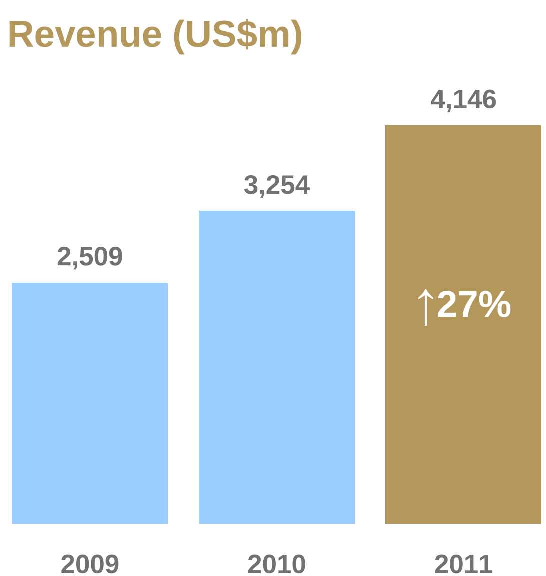
IES development expenditure

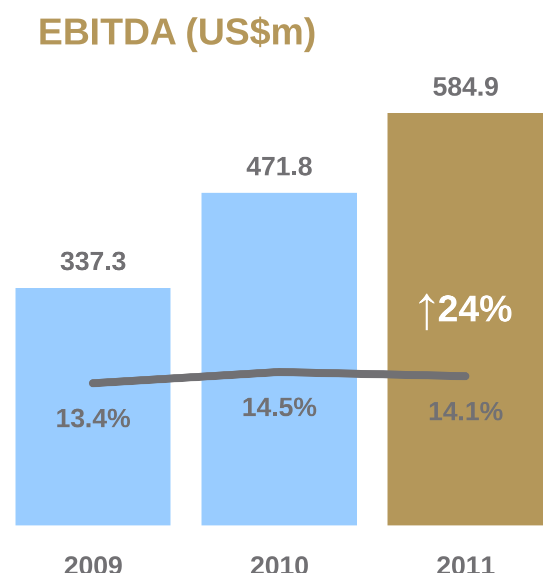
- Approximately US$0.5 billion deployed on IES projects in 2011
    - c. US$350 million capital expenditure – predominantly on acquisition and upgrade of supporting infrastructure
    - US$130 million in operating cash outflows from the Berantai RSC
- Expect to deploy c. US$0.8 billion in IES projects in 2012
    - Predominantly on existing projects, with significant spend on our projects in Malaysia
- Continue to envisage gross investment of up to US$1 billion per year to 2015
- Projects are typically either fast-track developments (time frame of 1 – 3 years) or already producing (PEC contracts) so net investment is considerably less

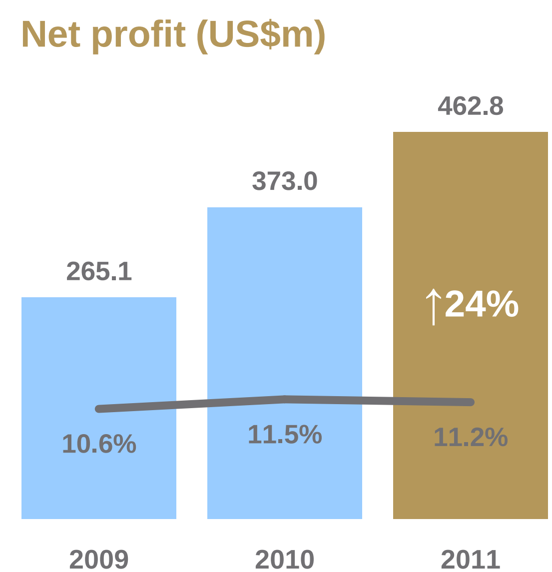
Onshore Engineering & Construction

Continues to perform strongly:

- Revenue ↑27% – high activity levels due to progress on projects won in 2009 and 2010
- Net profit ↑24% – continued strong operational performance
- Net profit margin in line with guidance at 11.2%



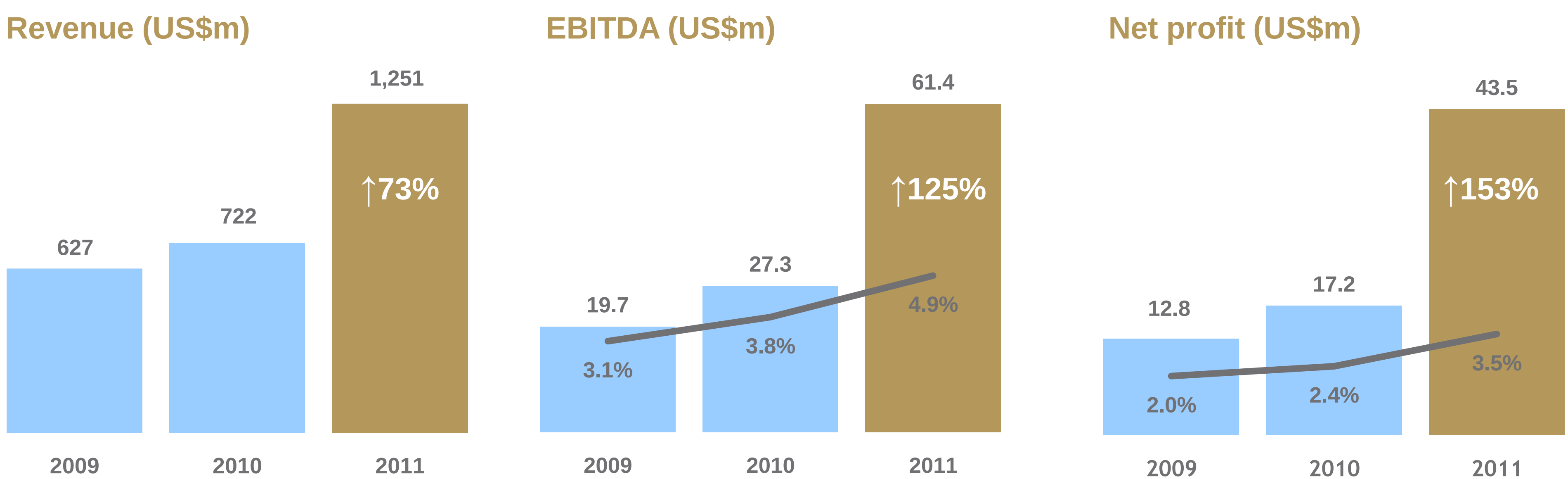




Offshore Projects & Operations

Strong growth in revenue and net profit:

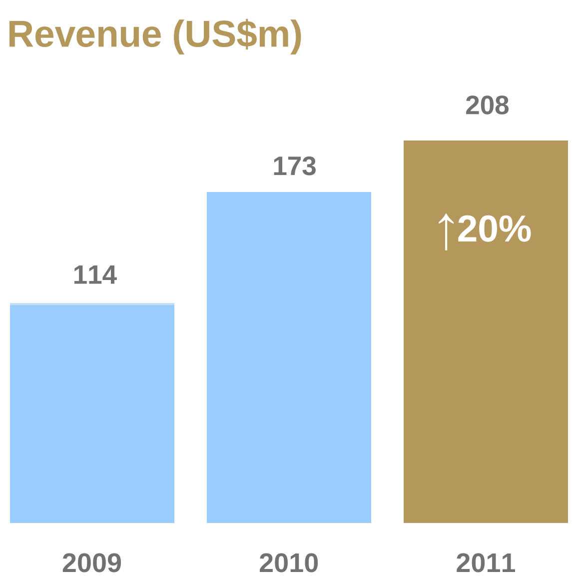
- Revenue ↑73% – record activity levels, particularly from capital projects
- Net profit ↑153% – due to record activity levels and a provision release following completion of a long-term maintenance services contract
- Net margin increased to 3.5%, driven by provision release and a significant contribution from capital projects

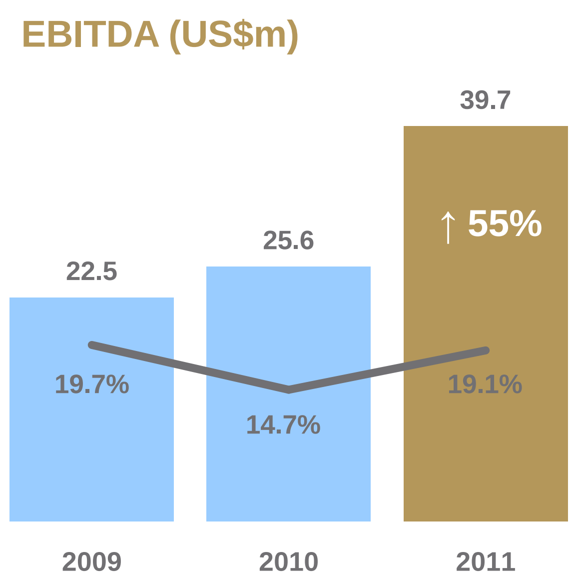


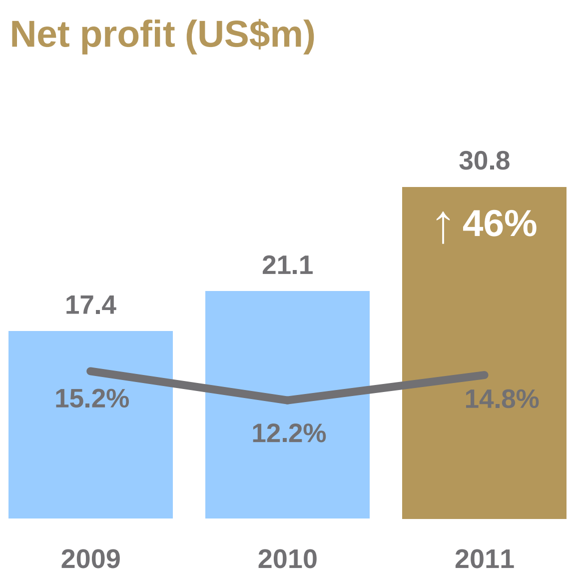
Engineering & Consulting Services

Strong growth in revenue and net profit:

- Revenues ↑20% – higher activity levels in Indian offices to support Onshore Engineering & Construction
- Net profit ↑46% – higher activity levels in Indian offices and improved profitability in Woking office







Integrated Energy Services

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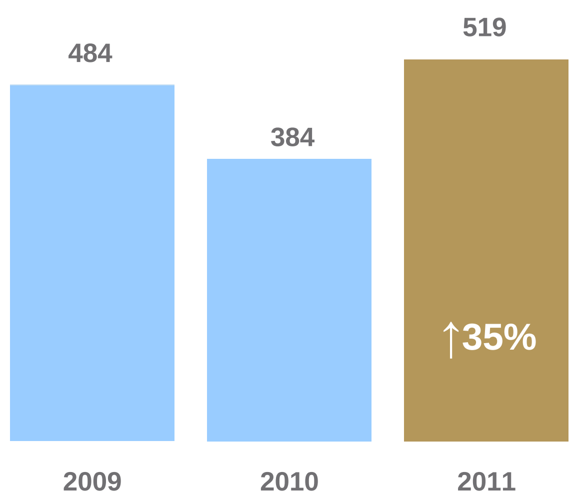
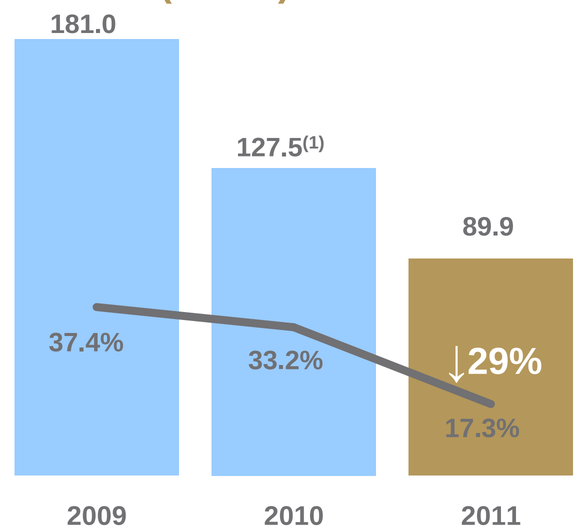
Lower EBITDA and net profit as many projects in development phase:

- Revenue ↑35% – commencement of Berantai RSC
- Net profit ↓40% – cessation of the Dubai Petroleum service operator contract in 2010, lower production on Cendor phase 1, demerger of the Don assets, partly offset by higher oil prices, profit from Seven Energy warrants earned and lease of FPF3

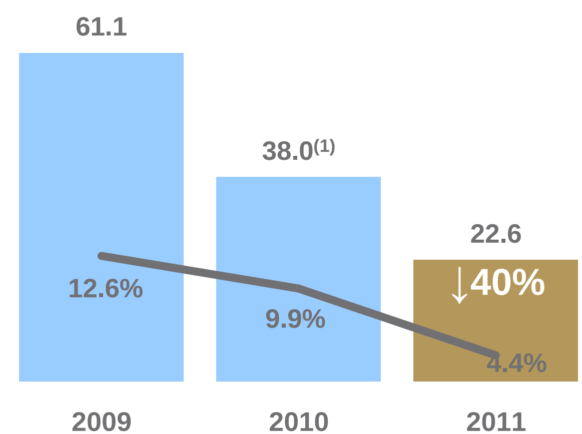
Revenue (US$m)



EBITDA (US$m)



Net profit (US$m)



(1) Excluding the gain on the EnQuest demerger

Summary and outlook

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- Strong financial performance, with 2011 net profit growth of 25%
- Year-end backlog of US$10.8 billion, gives excellent revenue visibility for 2012
- Competitive position in our core markets, which have strong growth prospects
- Sector-leading Onshore Engineering & Construction net margins at ~ 11%
- Increasing opportunities to provide Integrated Energy Services directly for resource holders, under flexible commercial models
- Medium-term target of more than doubling our recurring 2010 group earnings by 2015

We are confident that we will deliver net profit growth in 2012 of at least 15%

Appendices

Appendix 1: Key ECOM projects

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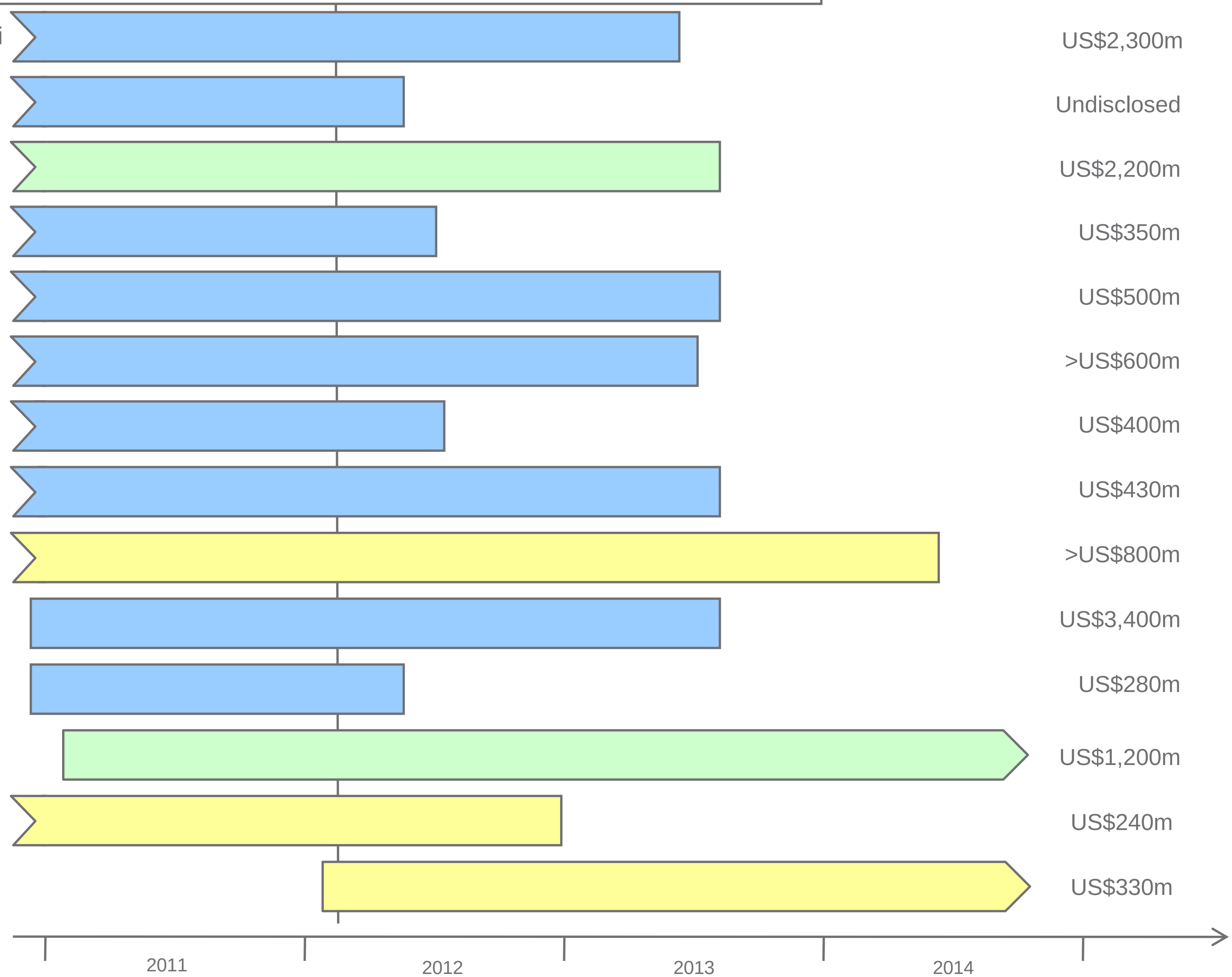
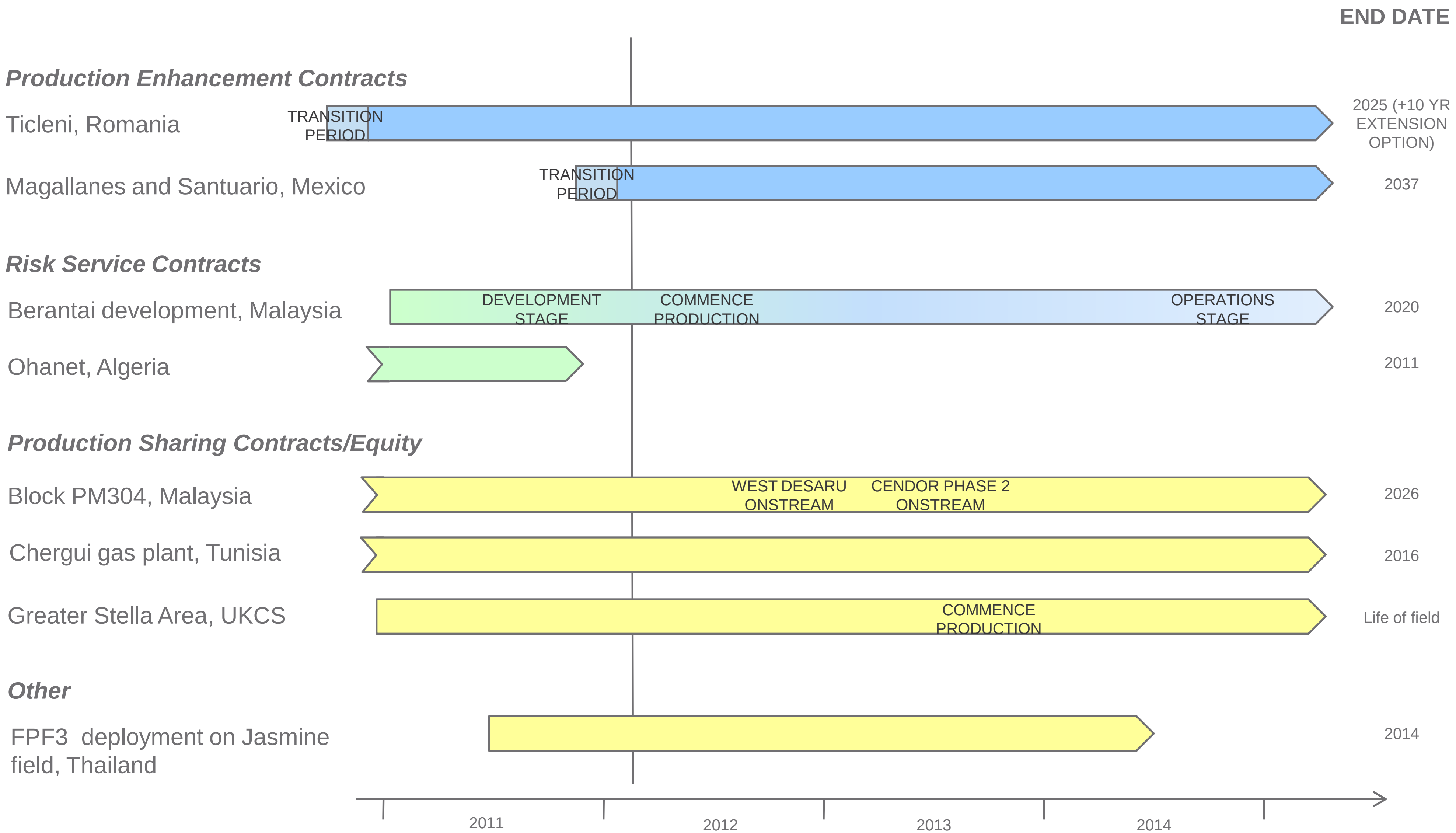
Customer key:
NOC/NOC led company/consortium · *Joint NOC/IOC company/consortium* · *IOC/IOC led company/consortium*



	Original contract value to Petrofac
Asab onshore oil field development, Abu Dhabi	US$2,300m
Karan cogeneration and utilities, Saudi Arabia	Undisclosed
El Merk gas processing facility, Algeria	US$2,200m
Kauther gas compression project, Oman	US$350m
GASCO 4th NGL train, Abu Dhabi	US$500m
Gas sweetening facilities project, Qatar	>US$600m
Mina Al-Ahmadi refinery pipelines 2, Kuwait	US$400m
Water injection project, Kuwait	US$430m
Laggan-Tormore gas processing plant, UKCS	>US$800m
South Yoloten gas plant, Turkmenistan	US$3,400m
SEPAT early production system, Malaysia	US$280m
In Salah southern fields development, Algeria	US$1,200m
Majnoon field, Iraq	US$240m
Badra field, Iraq	US$330m

Appendix 2: Key IES projects and milestones



Appendix 3: Effective tax rate

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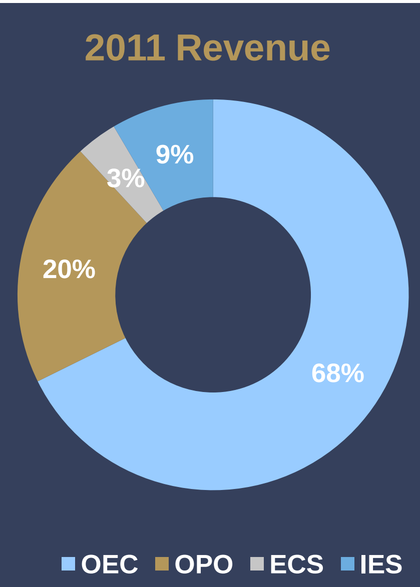
Tax charge by segment	2011	2010[1]
Onshore Engineering & Construction	17%	17%
Offshore Projects & Operations	22%	27%
Engineering & Consulting Services	7%	(6%)
Integrated Energy Services	55%	46%
Group	21%	20%

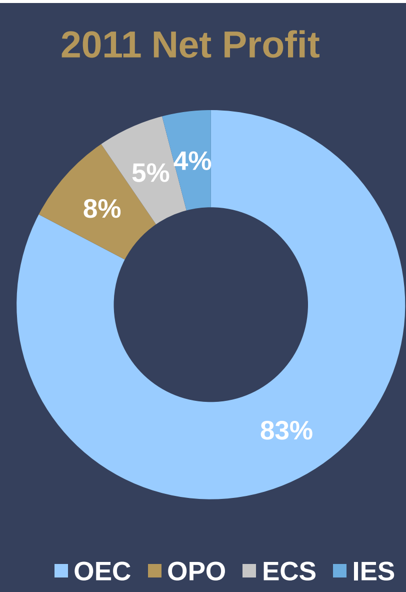
- Offshore Projects & Operations lower due to increasing proportion of earnings in lower tax rate jurisdictions
- Engineering & Consulting Services higher due to higher taxable profits earned in the UK
- Integrated Energy Services higher predominantly due to cessation of Dubai Petroleum service operator contract in 2010

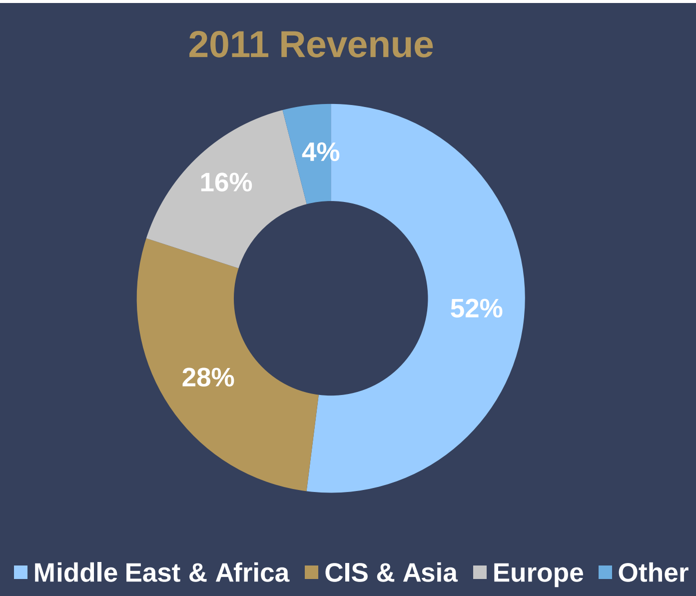
(1) Excluding the US$124.9m gain on the EnQuest demerger (non-chargeable gain for UK tax)

Appendix 4: Segmental performance

- Onshore Engineering & Construction earned 68% of revenue and 83% of net profit
- Middle East and Africa: remains a key geographic market for Onshore Engineering & Construction
- CIS & Asia: primarily relates to activity across the business 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

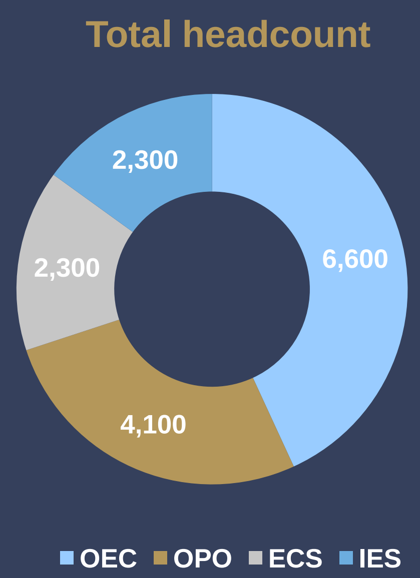


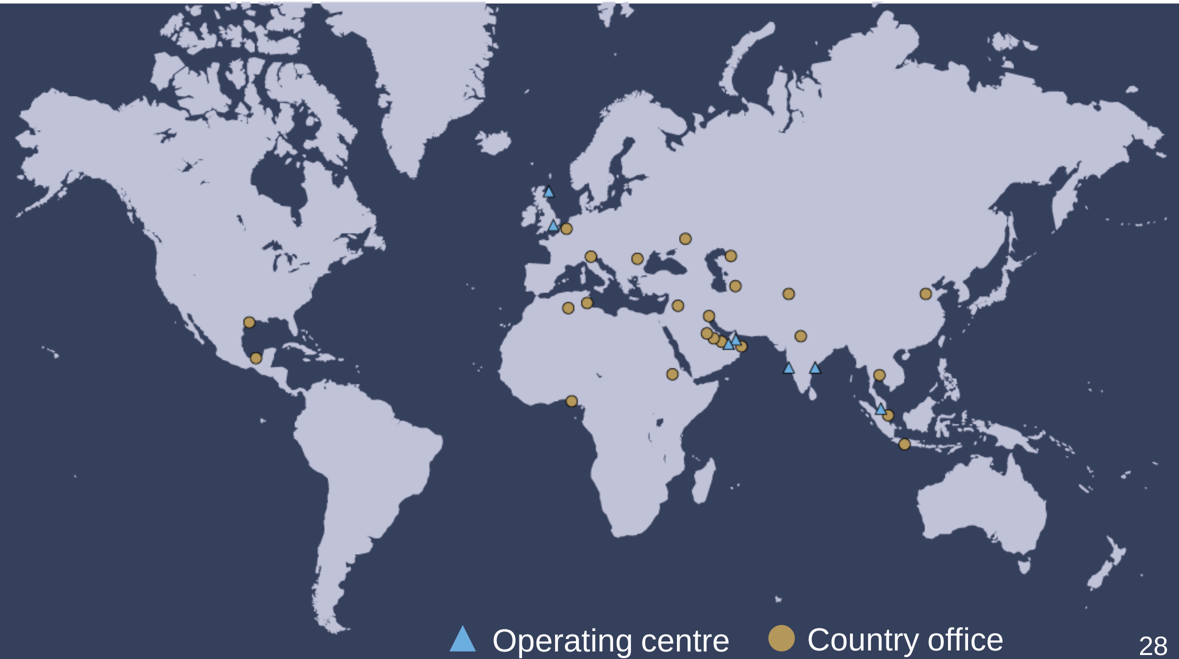




Appendix 5: Employee numbers

- 15,400 people in 7 key operating centres and 24 offices
- EPC headcount includes the engineering offices in India and Indonesia, which although reported in Engineering & Consulting Services principally support Onshore Engineering & Construction activities
- Approximately 5,000 employee shareholders or participants in employee share schemes





Notes

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- 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 2011 final dividend from US dollars into Sterling is based upon an exchange rate of US$1.5902:£1, being the Bank of England Sterling spot rate as at midday, 2 March 2012.
- Operating profit means profit from operations including share of associate losses, before tax and finance costs.