Petrofac Limited

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2016

CONTENTS

GROUP FINANCIAL HIGHLIGHTS

US$3,888 million

Revenue
Six months ended 30 June 2015: US$3,180 million

US$17.4 billion

Backlog[2]
As at 31 December 2015: US$20.7 billion

US$332 million

EBITDA[1,3]
Six months ended 30 June 2015: US$9 million

39.36 cents

Earnings/(loss) per share (diluted)[1]
Six months ended 30 June 2015: (39.33) cents

US$135 million

Net profit/(loss)[1,4]
Six months ended 30 June 2015: US$(133) million

US$12 million

Net profit/(loss)[4]
Six months ended 30 June 2015: US$(182) million

12%

Return on capital employed[1,5]
Year ended 30 June 2015: 10%

22.00 cents

Interim dividend per share
Six months ended 30 June 2015: 22.00 cents

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1 Before exceptional items and certain re-measurements.

2 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, operations, maintenance and Integrated Energy Services contracts, the estimated revenue attributable to the lesser of the remaining term of the contract and five years. Backlog will not be booked on Integrated Energy Services contracts where the Group has entitlement to reserves. Integrated Energy Services' backlog of US$2.8 billion relates to four Production Enhancement Contracts in Mexico. We will stop recognising backlog in respect of these contracts upon completion of their migration to Production Sharing Contracts. The Group uses this key performance indicator as a measure of the visibility of future revenue. Backlog is not an audited measure.

3 EBITDA means earnings before interest, tax, depreciation and amortisation and is calculated as profit before tax and net finance costs, but after our share of results of associates (as per the consolidated income statement) adjusted to add back charges for depreciation and amortisation (as per note 3 to the interim condensed consolidated financial statements).

4 Profit/(loss) for the period attributable to Petrofac Limited shareholders.

5 Return on capital employed is calculated as EBITA (earnings before interest, tax and amortisation) for the year ended 30 June 2016 divided by average capital employed (being total assets less total current liabilities per the interim condensed consolidated statement of financial position adjusted for gross up of finance lease creditors).

BUSINESS REVIEW

Results

The Group had a strong start to the year, with revenue up 22% to US$3.9 billion (2015: US$3.2 billion) and net profit of US$135 million (2015: US$133 million net loss). Profit for the period attributable to Petrofac Limited shareholders (after exceptional items and certain re-measurements) was US$12 million (2015: US$182 million loss). Backlog remains at high levels at US$17.4 billion (31 December 2015: US$20.7 billion), giving excellent revenue visibility for the second half of 2016 and full year 2017.

We have delivered good progress on our portfolio of lump-sum projects in the Engineering & Construction reporting segment. We have commenced production from the central processing facility for the In Salah southern fields development in Algeria, achieved mechanical completion on the third processing train on the Badra project in Iraq and reached around 90% completion on the SARB3 project, offshore Abu Dhabi. We are now fully demobilised from the Laggan-Tormore project site on Shetland and we have received the provisional acceptance certificate from our client, confirming completion of the project. We continue to perform well on our reimbursable projects in Engineering & Production Services and we have demonstrated good progress towards reducing the capital intensity of the Integrated Energy Services' portfolio.

Revenue
Revenue for the first six months of the year increased 22% to US$3,888 million (2015: US$3,180 million), predominantly as a result of strong revenue growth in the Engineering & Construction reporting segment. This reflects record levels of activity as we deliver progress on our existing portfolio of projects, having closed 2015 with a record level of year-end backlog.

Net profit and EBITDA
Net profit for the first half of the year was US$135 million (2015: US$133 million net loss) and EBITDA was US$332 million (2015: US$9 million). We recognised exceptional items and certain re-measurements in the first half of the year of US$123 million after tax (2015: US$49 million after tax), primarily in respect of non-cash charges for impairment and fair value re-measurements in Integrated Energy Services (see note 6 to the financial statements).

Net profit attributable to Petrofac Limited shareholders for the six months ended 30 June 2016 before recognising losses on the Laggan-Tormore project and before exceptional items and certain re-measurements increased 82% to US$236 million (2015: US$130 million). On the same basis, EBITDA for the first six months of the year increased 42% to US$433 million (2015: US$305 million). Net profit and EBITDA for 2015 were significantly weighted to the second half of the year, reflecting the phasing of project delivery.

Operating cash flow
The Group's net debt stood at US$877 million at 30 June 2016 (31 December 2015: net debt US$686 million) as the net result of:

- operating profits before working capital and other non-current changes of US$434 million
- net working capital outflows of US$124 million, including:
    - an outflow of US$602 million from an increase in work in progress due to an Engineering & Construction project achieving its initial physical progress-based revenue and margin recognition threshold and short-term timing differences between physical contract progress and milestone based billing on another Engineering & Construction project
    - an inflow of US$260 million from an increase in accrued contract expenses due largely to an Engineering & Construction project achieving its initial physical progress-based revenue and margin recognition threshold (see note 22 to the financial statements)
    - a cash inflow of US$102 million from an increase in trade and other payables, where a reduction in cash advances from customers of US$142 million was more than offset by an increase in trade payables
- investing activities of US$188 million, including capital expenditure of approximately US$87 million on Integrated Energy Services projects and US$70 million on the Petrofac JSD6000 installation vessel
- financing activities, in particular, payment of the 2015 final dividend of US$149 million and financing the purchase of treasury shares for US$36 million for the purpose of making awards under the Group's share schemes
- net taxes paid of US$18 million and interest paid of US$51 million

Net debt (US$ millions)	*30 June 2016*	*31 December 2015*
Cash and short-term deposits	**1,328**	1,104
Interest-bearing loans and borrowings	**(2,205)**	(1,790)
Net debt	**(877)**	(686)

Finance costs and income
Finance costs for the first half of the year were unchanged at US$53 million (2015: US$53 million). Finance income was lower at US$1 million (2015: US$3 million).

Taxation
The Group's effective tax rate charge for the six months before exceptional items is 23.5% (six months ended 30 June 2015: 0.0%) and post exceptional items is 65.5% (six months ended 30 June 2015: 0.5% credit). The Group's effective tax rate is dependent upon a number of factors including the timing of profit recognition between the first and second halves of the year on contracts held as well as the mix of jurisdictions in which contract income is generated within the Engineering & Construction and the Integrated Energy Services segments. The higher effective tax rate results from the impact of current period losses not recognised for tax purposes.

Earnings per share
Diluted earnings per share before exceptional items and certain re-measurements for the six months ended 30 June 2016 was 39.36 cents per share (2015: loss of 39.33 cents per share) in line with the change in net profit.

Total equity
Total equity at 30 June 2016 was US$1,152 million (31 December 2015: US$1,232 million). The main elements of the movement during the first half of the year were: profit for the period of US$20 million, other comprehensive income of US$61 million and share-based payment credits of US$26 million, less dividends paid in the period of US$150 million, less financing the purchase of treasury shares for US$36 million for the purpose of making awards under the Group's share schemes.

Employees
At 30 June 2016, the Group had approximately 18,200 employees (including long-term contractors) (31 December 2015: 19,000).

Dividends
The Board has declared an interim dividend of 22.00 cents per share (2015: 22.00 cents), in line with the 2015 interim dividend, which will be paid on 21 October 2016 to eligible shareholders on the register at 23 September 2016 (the 'record date'). Shareholders who have not elected to receive dividends in US dollars will receive a sterling equivalent. Shareholders have the opportunity to elect by close of business on the record date to change their dividend currency election.

BUSINESS REVIEW

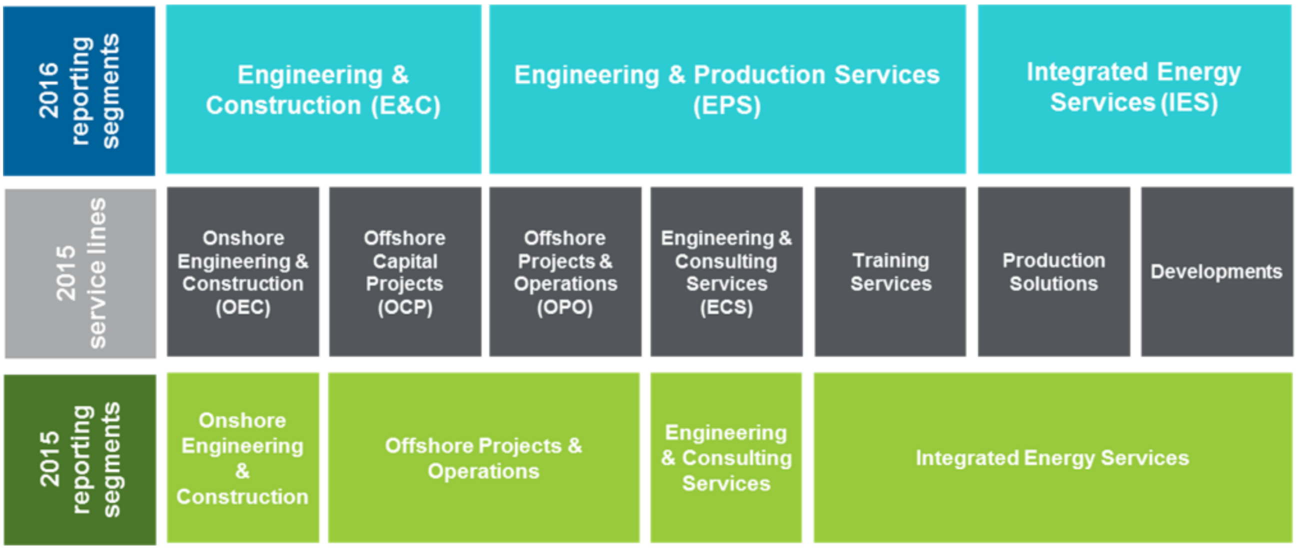
Segmental analysis

We implemented a Group reorganisation with effect from January 2016. The reorganisation aims to improve our efficiency through de-layering and centralising back office services, while maintaining our focus on delivery, and our responsiveness, both to market conditions and our clients' needs.

From January 2016, our three reporting segments are:

- ***Engineering & Construction*** - made up of our lump-sum businesses: Onshore Engineering & Construction, Offshore Capital Projects and the technical services element of our Engineering & Consulting Services unit
- ***Engineering & Production Services*** – includes our reimbursable businesses: Offshore Projects & Operations and Engineering & Consulting Services, as well as Petrofac Training, and consultancy businesses such as SPD and Caltec, which have been transferred from Integrated Energy Services
- ***Integrated Energy Services*** – unchanged, other than the transfers referred to above

The diagram below shows our 2015 service lines, 2015 reporting segments and our new reporting segments for January 2016 onwards.



We present below an update on each of the Group's reporting segments[1]:

US$ million	***Revenue***		***Net profit***		***EBITDA***	
For the six months ended 30 June	***2016***	*2015*	***2016***	*2015*	***2016***	*2015*
Engineering & Construction	**2,981**	2,304	**132**	(112)	**213**	(98)
Engineering & Production Services	**784**	763	**50**	9	**64**	35
Integrated Energy Services	**155**	180	**(18)**	(4)	**59**	72
Corporate, others, consolidation adjustments & eliminations	**(32)**	(67)	**(29)**	(26)	**(4)**	-
Group	**3,888**	3,180	**135**	(133)	**332**	9

Growth/margin analysis %	***Revenue growth***		***Net margin***		***EBITDA margin***	
For the six months ended 30 June						
Engineering & Construction	***29.4***	*104.3*	***4.4***	*(4.9)*	***7.1***	*(4.3)*
Engineering & Production Services	***2.8***	*(34.1)*	***6.4***	*1.2*	***8.2***	*4.6*
Integrated Energy Services	***(13.9)***	*(50.5)*	***(11.6)***	*(2.2)*	***38.1***	*40.0*
Group	***22.3***	*25.4*	***3.5***	*(4.2)*	***8.5***	*0.3*

[1] 2015 restated to reflect the Group reorganisation.

BUSINESS REVIEW

Engineering & Construction

Engineering & Construction delivers onshore and offshore engineering, procurement, construction, installation and commissioning services on a lump-sum basis. We have 35 years of expertise in this area and our services encompass both greenfield and brownfield developments.

We have delivered good progress on our portfolio of lump-sum projects in the Engineering & Construction reporting segment. We have commenced production from the central processing facility for the In Salah southern fields development in Algeria, achieved mechanical completion on the third processing train on the Badra project in Iraq and reached around 90% completion on the SARB3 project, offshore Abu Dhabi. We are now fully demobilised from the Laggan-Tormore project site on Shetland and we have received the provisional acceptance certificate from our client, confirming completion of the project.

Results

We delivered strong revenue growth in the first half of the year, with revenue up 29% to US$2,981 million (2015: US$2,304 million). This reflects record levels of activity as we deliver progress on our portfolio of projects, having closed 2015 with a record level of year-end backlog.

Net profit was US$132 million, compared with a loss of US$112 million in the first half of 2015 when losses on the Laggan-Tormore project were larger (see note 3 to the financial statements). The final charge on the Laggan-Tormore project in the first half of 2016 principally comprises a provision for the partial application of liquidated damages as part of the final commercial settlement with our client in respect of the project.

Net profit for the six months ended 30 June 2016 before recognising losses on the Laggan-Tormore project increased 54% to US$233 million (2015: US$151 million). This reflects strong growth in activity levels, but also an improvement in the first half net margin to 7.8% (2015: 6.6%) as a result of the phasing of profit recognition.

Engineering & Construction headcount stood at 11,300 at 30 June 2016 (31 December 2015: 12,000), with the reduction predominantly in offices in India and the United Arab Emirates as we focus on delivering cost efficiencies.

Engineering & Construction backlog was lower at US$10.7 billion at 30 June 2016 (31 December 2015: US$13.3 billion), reflecting progress delivered on the existing project portfolio.

BUSINESS REVIEW

Engineering & Production Services

Engineering & Production Services brings together the capabilities of our reimbursable businesses and global service lines. Through Engineering & Production Services we:

- support our clients across the asset life cycle from conceptual greenfield developments to brownfield modifications, operations, maintenance, decommissioning and abandonment
- conceptualise, design, construct and commission assets onshore and offshore
- provide differentiated outsourced asset operations management including Duty Holder and Service Operator models and integrated specialist services such as asset integrity, well engineering, well project management and subsea capability
- provide training and competence management solutions

We have made a good start to the year in Engineering & Production Services, securing a number of new contracts and extensions. We continue to deliver good progress across the portfolio, including on our engineering, procurement and construction management (EPCm) projects in Oman and Abu Dhabi.

We secured new awards and extensions totalling approximately US$0.5 billion in the first half of 2016, including:

- a new five-year Service Operator contract in the North Sea for Anasuria Operating Company Limited, a UK joint venture formed between Hibiscus Petroleum Berhad and Ping Petroleum Limited
- a Duty Holder contract from BP to support the late life management of the Miller platform, located in the Central North Sea, in preparation for the next phase of its planned decommissioning programme
- a well decommissioning contract from Tullow Oil to provide plug and abandonment project management on the Horn and Wren platform where Petrofac is also Duty Holder
- an enhanced three-year contract extension on the Alwyn and Dunbar platforms in the Northern North Sea for Total E&P UK

Since 1 July 2016, we have also secured two major contracts with Repsol Sinopec Resources UK for the provision of engineering support services and onshore and offshore personnel for three years. In addition we have been appointed as the Well Operator for Hurricane Energy in a three-year deal to support its assets West of Shetland.

Results

Revenue for the first half of the year increased 3% to US$784 million (2015: US$763 million), reflecting an increase in revenues from EPCm projects, which more than offset a reduction in activity and cost deflation on operations and engineering services contracts, particularly in the UK.

Net profit before exceptional items and certain re-measurements for the first half of the year increased to US$50 million (2015: US$9 million), with net margin increasing to 6.4% (2015: 1.2%). The increase in net profit reflects improved performance on our reimbursable and EPCm projects, supplemented by reductions in overheads from de-layering and centralising back office services as part of the Group reorganisation.

Headcount stood at 5,000 at 30 June 2016 (31 December 2015: 5,000).

Engineering & Productions Services backlog stood at US$3.9 billion at 30 June 2016 (31 December 2015: US$4.4 billion). Approximately US$0.2 billion of the reduction in backlog was due to the lower sterling exchange rate against the US dollar at 30 June 2016.

BUSINESS REVIEW

Integrated Energy Services

Integrated Energy Services provides an integrated service for clients under flexible commercial models that are aligned with their requirements. Our projects cover upstream developments - both greenfield and brownfield, related energy infrastructure projects, and can include investment.

IES deploys the Group's capabilities to meet the individual needs of our clients, using a range of commercial frameworks, including:

- Production Enhancement Contracts (PECs)
- Risk Service Contracts (RSCs)
- traditional Equity Upstream Investment models including both Production Sharing Contracts (PSCs) and concession agreements

Production Enhancement Contracts
As part of the ongoing energy reforms in Mexico, we continue to work towards migration of our PECs to PSCs. We formally exited the Ticleni PEC in August 2016.

We earn a tariff per barrel on PECs for an agreed level of baseline production and an enhanced tariff per barrel on incremental production. During the first half of the year, we earned tariff income on a total of 3.4 million barrels of oil equivalent (mboe) (2015: 3.7 mboe), reflecting lower investment as we prepare for migration of the PECs into PSCs in Mexico.

Risk Service Contracts
On the Berantai RSC, production was ahead of target with high uptime during the first half of the year. As recently announced, we have reached mutual agreement with PETRONAS for the cessation of the Berantai RSC. With the cessation of the RSC, which will be effective on 30 September 2016, PETRONAS will reimburse the balance of outstanding capital and operational expenditures to Petrofac and its partners over the period to June 2017. As part of this arrangement the Berantai FPSO, which is held as an asset under finance lease, is expected to be transferred to PETRONAS by 30 September 2016. The mechanism for transfer of title of the Berantai FPSO from its current owner to Petronas is subject to final agreement between the respective parties.

Equity Upstream Investments
Upgrade and modification works on the FPF1 floating production facility were completed during the first half of the year. Following onshore commissioning and testing, the facility was towed to the Stella field in early August and is now on location. The anticipated period from sail-away to first Stella hydrocarbons is expected to be approximately three months.

On Block PM304 in Malaysia, the uptime of the facilities remains high and production levels are in line with expectations. The Chergui gas plant in Tunisia has been shut-in for most of the year to date as a result of civil unrest in the country.

In the first half of the year, our net entitlement from production from Block PM304 and the Chergui gas plant was lower at 1.0 mboe (2015: 1.1 mboe), reflecting the extended shut-ins of the Chergui gas plant.

Results
Revenue decreased to US$155 million (2015: US$180 million), primarily reflecting lower levels of production from the Chergui gas concession due to the extended shut-ins.

IES made a net loss before exceptional items and certain re-measurements of US$18 million (2015: US$4 million loss). The impact of lower production from the Chergui gas concession was partially offset through ongoing operational and overhead cost savings, while the prior period benefited from the receipt of a US$9 million break fee in respect of our exit from the Etinde project in Cameroon.

Exceptional items and certain re-measurements of US$115 million post-tax (2015: US$44 million) were recognised in IES in the first half of the year. These are primarily in relation to the non-cash fair value re-measurement of the carrying value of the Group's available-for-sale investment in Seven Energy and the receivable in respect of the Berantai RSC, following the agreement for cessation of the RSC, and a non-cash impairment charge in respect of the FPSO Opportunity (see note 6 to the financial statements).

Headcount stood at 1,800 at 30 June 2016 (31 December 2015: 1,900).

IES backlog decreased to US$2.8 billion at 30 June 2016 (31 December 2015: US$3.1 billion), reflecting the cessation of the Berantai RSC. IES' remaining backlog of US$2.8 billion relates to four Production Enhancement Contracts in Mexico. We will stop recognising backlog in respect of these contracts upon completion of their migration to Production Sharing Contracts.

Principal risks and uncertainties

Principal risks are a risk or combination of risks that, given the Group's current position, could seriously affect the performance, future prospects or reputation of the Group. They include those risks that could materially threaten our business model, performance, solvency or liquidity, or prevent us from meeting our strategic objectives.

In terms of identifying and managing the principal risks and uncertainties, our systems of risk management and internal control are founded upon deployment of our Enterprise Risk Management Framework (based upon ISO 31000:2009); and our Internal Control Framework, details of which are included in the 2015 Annual Report and Accounts (pages 26 to 29).

The Board has oversight of enterprise risk management. The Board identifies and conducts a robust assessment of principal risks facing the company and their connection to viability. Responsibility for monitoring and reviewing the integrity and effectiveness of the Group's overall systems of risk management and internal controls is delegated to the Audit Committee.

A summary of the principal risks and uncertainties facing the Group is set out below, full details of which are included in the 2015 Annual Report and Accounts (pages 30 to 33).

- Market conditions
- Worsening political risks in key geographies
- Failure to meet future order targets
- Operational and project performance
- Application of the commercial strategy
- IT resilience
- Counterparty risk
- Loss of financial capacity
- Dilution of company culture and/or capability
- Effectiveness of the internal control framework

The Audit Committee and the Board have continued to review these principal risks and uncertainties throughout the first half of 2016 and consider that they remain largely unchanged, other than the risk relating to operational and project performance. This risk has reduced following the completion of the Laggan-Tormore project and the final commercial settlement reached with our client. Whilst we are capable of exercising direct control over most of the principal risks, some are not directly within our control, such as market conditions and worsening political risks in key geographies.

No new risks have been identified for the remainder of 2016. We have considered the potential impact of the EU referendum result and believe that as an international Group, we have little exposure to the European Continent and do not expect that the United Kingdom leaving the EU would have any significant impact on our business.

Outlook

In what is a challenging period for the industry, we are well-positioned. We remain focused on our core proposition: strong project execution, clear geographic focus, a disciplined approach to bidding and a sustainable, cost-effective structure.

Our backlog stands at high levels, giving us excellent revenue visibility for the second half of 2016 and full year 2017 and our overall portfolio is in good shape. We have a strong pipeline of bidding opportunities and we are actively bidding on a large number of projects in our core markets.

We continue to drive cost optimisation and operational excellence to improve upon our already very cost-effective structure. We have one of the most cost-competitive delivery capabilities in our industry, enabling us to maintain our bidding discipline while delivering value for our clients.

We have made good progress towards reducing the capital intensity of the business and we remain committed to delivering value from the IES portfolio. We continue to manage the balance sheet to support the dividend and deliver shareholder value.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2016

	Notes	***Business performance US$m**	***Exceptional items and certain re-measurements US$m***	***Six months ended 30 June 2016 Unaudited US$m***	**Business performance US$m*	*Exceptional items and certain re-measurements US$m*	*Six months ended 30 June 2015 Unaudited US$m*
Revenue	4	**3,888**	**–**	**3,888**	3,180	–	3,180
Cost of sales		**(3,528)**	**–**	**(3,528)**	(3,098)	–	(3,098)
Gross profit		**360**	**–**	**360**	82	–	82
Selling, general and administration expenses	5	**(129)**	**–**	**(129)**	(183)	–	(183)
Exceptional items and certain re-measurements	6	**–**	**(129)**	**(129)**	–	(50)	(50)
Other operating income		**13**	**–**	**13**	14	–	14
Other operating expenses	7	**(9)**	**–**	**(9)**	(1)	–	(1)
Profit/(loss) from operations before tax and finance (costs)/income		**235**	**(129)**	**106**	(88)	(50)	(138)
Finance costs		**(53)**	**–**	**(53)**	(53)	–	(53)
Finance income		**1**	**–**	**1**	3	–	3
Share of profits of associates/joint ventures	13	**4**	**–**	**4**	5	–	5
Profit/(loss) before tax		**187**	**(129)**	**58**	(133)	(50)	(183)
Income tax (expense)/credit	8	**(44)**	**6**	**(38)**	–	1	1
Profit/(loss) for the period		**143**	**(123)**	**20**	(133)	(49)	(182)
Attributable to:							
Petrofac Limited shareholders		**135**	**(123)**	**12**	(133)	(49)	(182)
Non-controlling interests		**8**	**–**	**8**	–	–	–
		143	**(123)**	**20**	(133)	(49)	(182)
Earnings per share (US cents) on profit/(loss) attributable to Petrofac Limited shareholders	9						
- Basic		**39.71**	**(36.18)**	**3.53**	(39.33)	(14.19)	(53.52)
- Diluted		**39.36**	**(35.86)**	**3.50**	(39.33)	(14.19)	(53.52)

* This measurement is shown by Petrofac as it is used as a means of measuring the underlying performance of the business see note 2.

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2016

	Notes	***Six months ended 30 June 2016 Unaudited US$m***	*Six months ended 30 June 2015 Unaudited US$m*
Profit/(loss) for the period		**20**	(182)
Other comprehensive income			
Foreign currency translation gains/(losses)	19	**21**	(7)
Unrealised loss on the fair value of available-for-sale investment reclassified to consolidated income statement	19	**16**	–
Net gains on cash flow hedges recycled in the period	19	**(1)**	(30)
Net changes in fair value of derivatives and financial assets designated as cash flow hedges	19	**25**	(5)
Other comprehensive income/(loss) to be reclassified to consolidated income statement in subsequent periods		**61**	(42)
Total comprehensive income/(loss) for the period		**81**	(224)
Attributable to:			
Petrofac Limited shareholders		**64**	(219)
Non-controlling interests		**17**	(5)
		81	(224)

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2016

	Notes	***30 June 2016 Unaudited US$m***	*31 December 2015 Audited US$m*
ASSETS			
Non-current assets			
Property, plant and equipment	11	**1,667**	1,775
Goodwill	12	**75**	80
Intangible assets		**103**	107
Investments in associates/joint ventures	13	**75**	74
Available-for-sale investment	14	**130**	169
Other financial assets	15	**359**	752
Income tax receivable		**3**	8
Deferred tax assets		**65**	80
		2,477	3,045
Current assets			
Inventories		**15**	13
Work in progress	16	**2,396**	1,794
Trade and other receivables		**2,124**	2,124
Due from related parties		**2**	2
Other financial assets	15	**732**	455
Income tax receivable		**5**	10
Cash and short-term deposits	17	**1,328**	1,104
		6,602	5,502
TOTAL ASSETS		**9,079**	8,547
EQUITY AND LIABILITIES			
Equity			
Share capital		**7**	7
Share premium		**4**	4
Capital redemption reserve		**11**	11
Treasury shares	18	**(109)**	(111)
Other reserves	19	**26**	(16)
Retained earnings		**1,195**	1,335
Equity attributable to Petrofac Limited shareholders		**1,134**	1,230
Non-controlling interests		**18**	2
TOTAL EQUITY		**1,152**	1,232
Non-current liabilities			
Interest-bearing loans and borrowings	20	**1,644**	1,270
Provisions	21	**245**	331
Other financial liabilities	15	**583**	659
Deferred tax liabilities		**73**	141
		2,545	2,401
Current liabilities			
Trade and other payables		**2,522**	2,510
Due to related parties		**–**	1
Interest-bearing loans and borrowings	20	**561**	520
Other financial liabilities	15	**343**	336
Income tax payable		**183**	113
Billings in excess of cost and estimated earnings		**188**	201
Accrued contract expenses	22	**1,585**	1,233
		5,382	4,914
TOTAL LIABILITIES		**7,927**	7,315
TOTAL EQUITY AND LIABILITIES		**9,079**	8,547

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2016

	Notes	***Six months ended 30 June 2016 Unaudited US$m***	*Six months ended 30 June 2015 Unaudited US$m*
OPERATING ACTIVITIES			
Profit/(loss) before tax		**58**	(183)
Exceptional items and certain re-measurements		**129**	50
Profit/(loss) before tax, exceptional items and certain re-measurements		**187**	(133)
Adjustments to reconcile profit/(loss) before tax, exceptional items and certain re-measurements to net cash flows:			
Depreciation and amortisation		**93**	92
Share-based payments	18	**9**	10
Difference between other long-term employment benefits paid and amounts recognised in the income statement		**5**	12
Net finance expense		**52**	50
Gain on disposal of plant and equipment	11	**(28)**	–
Provision for costs in excess of revenues on a contract		**85**	54
Gain on disposal of subsidiary		**(2)**	–
Gain on senior notes redemption	20	**(1)**	–
Share of profits of associates/joint ventures	13	**(4)**	(5)
Non-cash movement in value of hedging instruments		**38**	(13)
Other non-cash items, net		**–**	3
		434	70
Working capital adjustments:			
Trade and other receivables		**34**	111
Work in progress		**(602)**	(151)
Due from related parties		**–**	(7)
Inventories		**(2)**	(5)
Other current financial assets		**98**	36
Trade and other payables		**102**	84
Billings in excess of cost and estimated earnings		**(13)**	(37)
Accrued contract expenses		**260**	149
Due to related parties		**(1)**	(1)
		310	249
Long-term receivables from customers		**(27)**	(29)
Other non-current items, net		**1**	3
Cash generated from operations		**284**	223
Interest paid		**(51)**	(41)
Income taxes paid, net		**(18)**	(30)
Restructuring, redundancy and migration costs paid		**(10)**	(2)
Net cash flows from operating activities		**205**	150
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	**(126)**	(125)
Payments for intangible oil and gas assets		**(27)**	(33)
Loan in respect of the development of the Greater Stella Area		**(31)**	(87)
Additional investment made in Seven Energy available-for-sale investment		**(12)**	–
Investment in a joint venture/loan extended to an associate		**–**	(1)
Dividend received from associate/joint venture		**2**	4
Proceeds from disposal of property, plant and equipment		**4**	–
Proceeds from disposal of subsidiary, net of cash disposed		**1**	–
Interest received		**1**	–
Net cash flows used in investing activities		**(188)**	(242)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2016 (continued)

	Notes	***Six months ended 30 June 2016 Unaudited US$m***	*Six months ended 30 June 2015 Unaudited US$m*
FINANCING ACTIVITIES			
Interest-bearing loans and borrowings obtained, net of debt acquisition cost		**968**	492
Repayment of interest-bearing loans and borrowings including repayment of finance lease creditors		**(615)**	(385)
Treasury shares purchased	18	**(36)**	(39)
Equity dividends paid		**(149)**	(149)
Net cash flows from/(used in) financing activities		**168**	(81)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**185**	(173)
Net foreign exchange difference		**(1)**	(1)
Cash and cash equivalents at 1 January		**1,101**	977
CASH AND CASH EQUIVALENTS AT PERIOD END	17	**1,285**	803

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2016

	Attributable to Petrofac Limited shareholders								
For the six months ended 30 June 2016	*Issued share capital US$m*	*Share premium US$m*	*Capital redemption reserve US$m*	**Treasury shares US$m (note 18)*	*Other reserves US$m (note 19)*	*Retained earnings US$m*	*Total US$m*	*Non-controlling interests US$m*	*Total equity US$m*
Balance at 1 January 2016	7	4	11	(111)	(16)	1,335	1,230	2	1,232
Profit for the period	–	–	–	–	–	12	12	8	20
Other comprehensive income	–	–	–	–	52	–	52	9	61
Total comprehensive income for the period	–	–	–	–	52	12	64	17	81
Treasury shares purchased (note 18)	–	–	–	(36)	–	–	(36)	–	(36)
Share-based payments charge (note 18)	–	–	–	–	9	–	9	–	9
Transfer to reserve for share-based payments (note 18)	–	–	–	–	17	–	17	–	17
Shares vested during the period (note 19)	–	–	–	38	(35)	(3)	–	–	–
Deferred tax on share-based payments reserve	–	–	–	–	(1)	–	(1)	–	(1)
Dividends (note 10)	–	–	–	–	–	(149)	(149)	(1)	(150)
Balance at 30 June 2016 (unaudited)	**7**	**4**	**11**	**(109)**	**26**	**1,195**	**1,134**	**18**	**1,152**

*Shares held by Petrofac Employee Benefit Trust and Petrofac Joint Venture Companies Employee Benefit Trust

	Attributable to Petrofac Limited shareholders								
For the six months ended 30 June 2015	*Issued share capital US$m*	*Share premium US$m*	*Capital redemption reserve US$m*	**Treasury shares US$m (note 18)*	*Other reserves US$m (note 19)*	*Retained earnings US$m*	*Total US$m*	*Non-controlling interests US$m*	*Total equity US$m*
Balance at 1 January 2015	7	4	11	(101)	31	1,909	1,861	10	1,871
Loss for the period	–	–	–	–	–	(182)	(182)	–	(182)
Other comprehensive loss	–	–	–	–	(37)	–	(37)	(5)	(42)
Total comprehensive loss for the period	–	–	–	–	(37)	(182)	(219)	(5)	(224)
Treasury shares purchased (note 18)	–	–	–	(39)	–	–	(39)	–	(39)
Share-based payments charge (note 18)	–	–	–	–	10	–	10	–	10
Transfer to reserve for share-based payments (note 18)	–	–	–	–	23	–	23	–	23
Shares vested during the period (note 19)	–	–	–	27	(26)	(1)	–	–	–
Dividends (note 10)	–	–	–	–	–	(149)	(149)	–	(149)
Balance at 30 June 2015 (unaudited)	7	4	11	(113)	1	1,577	1,487	5	1,492

* Shares held by Petrofac Employee Benefit Trust and Petrofac Joint Venture Companies Employee Benefit Trust

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Petrofac Limited is a limited liability company registered and domiciled in Jersey under the Companies (Jersey) Law 1991 and is the holding company for the international group of Petrofac subsidiaries (together "the Group"). The Group's principal activity is the provision of services to the oil and gas production and processing industry. The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 26 August 2016.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and applicable requirements of Jersey law. The interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015.

The presentation currency of the interim condensed consolidated financial statements is United States dollars (US$) and all values in the interim condensed consolidated financial statements are rounded to the nearest million (US$m), except where otherwise stated.

Presentation of results

Petrofac presents its results in the income statement to identify separately the contribution of impairments, certain fair value re-measurements, restructuring and redundancy costs and material deferred tax movements arising from foreign exchange differences in jurisdictions where tax is computed based on the functional currency of the country in order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2016.

No new standards or amendments that apply for the first time in 2016 have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

Going concern

The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Group's Annual report and accounts for the year ended 31 December 2015 on pages 14 to 23. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 46 to 49. In addition, note 31 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the interim financial statements.

3 SEGMENT INFORMATION

As described on page 21 of the 2015 Annual Report and Accounts, the Group was reorganised with effect from 1 January 2016 to deliver its services through three reporting segments: Engineering & Construction, Engineering & Production Services and Integrated Energy Services. As a result the segment information has been realigned to fit the new Group organisational structure which now comprises the following three reporting segments:

- Engineering & Construction (E&C) which provides lump-sum engineering, procurement and construction project execution services to the onshore and offshore oil and gas industry
- Engineering & Production Services (EPS) which includes all reimbursable engineering and production services activities to the oil and gas industry
- Integrated Energy Services (IES) business focussed on delivering value from the existing asset portfolio

Management separately monitors the trading results of its three reporting segments for the purpose of making an assessment of their performance and for making decisions about how resources are allocated. Interest costs and income arising from borrowings and cash balances which are not directly attributable to individual operating segments are allocated to Corporate rather than allocated to individual segments. In addition, certain shareholder services related overheads, intra-group financing and consolidation adjustments are managed at a corporate level and are not allocated to reporting segments.

The presentation of the Group results below also separately identifies the effect of the Laggan-Tormore loss, asset impairments, certain fair value re-measurements, restructuring and redundancy costs and material deferred tax movements arising due to foreign exchange differences in jurisdictions where tax is computed based on the functional currency of the country. Results excluding these non-recurring items are used by management and presented in order to provide readers with a clear and consistent presentation of the underlying operating performance of the business.

The following tables represent revenue and profit/(loss) information relating to the Group's reporting segments for the six months ended 30 June 2016 and the comparative segmental information has been restated to reflect the revised Group organisational structure:

	Engineering & Construction US\$m	*Engineering & Production Services US\$m*	*Integrated Energy Services US\$m*	*Corporate & others US\$m*	*Consolidation adjustments & eliminations US\$m*	*Business performance US\$m*	*Exceptional items and certain re-measurements US\$m* ***(note6)***	*Total US\$m*
Six months ended 30 June 2016 (unaudited)								
Revenue								
External sales	2,964	769	155	–	–	3,888	–	3,888
Inter-segment sales	17	15	–	–	(32)	–	–	–
Total revenue	**2,981**	**784**	**155**	**–**	**(32)**	**3,888**	**–**	**3,888**
Segment results	291	59	(5)	(1)	–	344	(129)	215
Laggan-Tormore loss[1]	(101)	–	–	–	–	(101)	–	(101)
Unallocated corporate costs	–	–	–	(8)	–	(8)	–	(8)
Profit/(loss) before tax and finance income/(costs)	**190**	**59**	(5)	**(9)**	–	**235**	(129)	**106**
Share of profits of associates/joint ventures	–	1	3	–	–	4	–	4
Finance costs	–	–	(28)	(25)	–	(53)	–	(53)
Finance income	–	–	–	1	–	1	–	1
Profit/(loss) before income tax	190	60	(30)	(33)	–	187	(129)	58
Income tax (expense)/benefit	(50)	(10)	12	4	–	(44)	6	(38)
Non-controlling interests	(8)	–	–	–	–	(8)	–	(8)
Profit/(loss) for the period attributable to Petrofac Limited shareholders	**132**	**50**	**(18)**	**(29)**	**–**	**135**	**(123)**	**12**

	Engineering & Construction US\$m	*Engineering & Production Services US\$m*	*Integrated Energy Services US\$m*	*Corporate & others US\$m*	*Consolidation adjustments & eliminations US\$m*	*Total US\$m*
Other segment information						
Depreciation and amortisation	23	4	61	5	–	93
Exceptional items and certain re-measurements (note 6)	–	3	121	5	–	129
Other long-term employment benefits	14	1	–	–	–	15
Share-based payments	7	1	–	1	–	9

[1] The Laggan Tormore loss for the period principally comprises a provision for the partial application of liquidated damages agreed as part of the final commercial settlement with our client in respect of the project.

3 SEGMENT INFORMATION (continued)

	Engineering & Construction US$m	*Engineering & Production Services US$m*	*Integrated Energy Services US$m*	*Corporate & others US$m*	*Consolidation adjustments & eliminations US$m*	*Business performance US$m*	*Exceptional items and certain re-measurements US$m **(note6)***	*Total US$m*
Six months ended 30 June 2015 (unaudited) (Restated)								
Revenue								
External sales	2,292	710	178	–	–	3,180	–	3,180
Inter-segment sales	12	53	2	–	(67)	–	–	–
Total revenue	**2,304**	**763**	**180**	**–**	**(67)**	**3,180**	**–**	**3,180**
Segment results	177	20	16	–	–	213	(50)	163
Laggan-Tormore loss	(296)	–	–	–	–	(296)	–	(296)
Unallocated corporate costs	–	–	–	(5)	–	(5)	–	(5)
(Loss)/profit before tax and finance income/(costs)	**(119)**	**20**	**16**	**(5)**	–	**(88)**	(50)	**(138)**
Share of profits of associates/joint ventures	–	1	4	–	–	5	–	5
Finance costs	–	–	(29)	(24)	–	(53)	–	(53)
Finance income	–	–	3	–	–	3	–	3
(Loss)/profit before income tax	(119)	21	(6)	(29)	–	(133)	(50)	(183)
Income tax (expense)/benefit	(25)	(13)	2	3	–	(33)	1	(32)
Laggan-Tormore tax relief	33	–	–	–	–	33	–	33
Non-controlling interests	(1)	1	–	–	–	–	–	–
(Loss)/profit for the period attributable to Petrofac Limited shareholders	**(112)**	**9**	**(4)**	**(26)**	**–**	**(133)**	**(49)**	**(182)**

	Engineering & Construction US$m	*Engineering & Production Services US$m*	*Integrated Energy Services US$m*	*Corporate & others US$m*	*Consolidation adjustments & eliminations US$m*	*Total US$m*
Other segment information						
Depreciation and amortisation	21	14	52	5	–	92
Exceptional items and certain re-measurements (note 6)	–	5	45	–	–	50
Other long-term employment benefits	15	1	–	–	–	16
Share-based payments	7	2	–	1	–	10

4 REVENUES

	Six months ended 30 June 2016 Unaudited US$m	*Six months ended 30 June 2015 Unaudited US$m*
Rendering of services	**3,834**	3,109
Sale of crude oil and gas	**54**	71
	3,888	3,180

Included in revenues from rendering of services are Engineering & Production Services revenues of a “pass-through” nature with zero or low margins amounting to US$191m (six months ended 30 June 2015: US$116m).

5 SELLING GENERAL AND ADMINISTRATION EXPENSES

The decrease of US$54m in selling, general and administration costs compared with the equivalent prior year period is principally due to a reduction in staff costs of US$31m as a result of redundancies and lower other overheads of US$18m arising from the Group re-organisation and centralisation of back office functions.

6 EXCEPTIONAL ITEMS AND CERTAIN RE-MEASUREMENTS

	Six months ended 30 June 2016 Unaudited US$m	*Six months ended 30 June 2015 Unaudited US$m*
Impairment of assets including goodwill	**15**	33
Fair value re-measurements	**95**	6
Onerous contract and leasehold property provisions	**7**	5
Other exceptional items	**12**	6
	129	50
Foreign exchange translation gains on deferred tax balances	**(4)**	–
Tax relief on exceptional items and certain re-measurements	**(2)**	(1)
Income statement charge for the period	**123**	49

Impairment of assets including goodwill

During the period the Group reviewed the carrying value of its assets and as a result of this review a further impairment charge of US$15m (post-tax US$15m) has been recognised in the IES segment on the FPSO Opportunity reflecting the estimated realisable value of the vessel (six months ended 30 June 2015: the Group recognised an impairment charge of US$33m (post-tax US$33m) in respect of IES goodwill).

In relation to impairment testing performed for the Mexican PEC assets which have a combined carrying value of US$662m at 30 June 2016 (31 December 2015: US$642m), assumptions were made in determining the expected outcome of ongoing contractual negotiations in respect of the planned migration to PSC type arrangements. These include the expected working interest in the PSC and financial and fiscal terms achieved. The situation remains uncertain and the assets are exposed to impairment if the assumptions are not realised. No impairment was recorded at 30 June 2016 (six months ended 30 June 2015: US$nil).

Fair value re-measurements

As announced on 11 July 2016, IES has reached mutual agreement with Petronas for the cessation of the Berantai Risk Service Contract (RSC) with effect from 30 September 2016. Under the terms of the Mutual Settlement and Handover Agreement the project remuneration fees were reduced by US$27m (post-tax US$26m) net of the unwinding of discount on the long-term receivable from Petronas. Under the terms of the Agreement, the outstanding amount due from Petronas will be recovered by 30 June 2017, and is subject to final agreement being reached on the mechanism for transfer of the ownership of the Berantai FPSO to Petronas.

As a result of a reassessment of oil and gas forward prices, capital expenditure changes and commercial settlement adjustments, the Group revalued its loan receivable from Ithaca Energy in respect of the Greater Stella Area in the UK. The revaluation exercise was carried out on a fair value basis using risk adjusted cash flow projections (a level 3 measurement) discounted at a post-tax rate of 9% which resulted in a US$1m pre-tax impairment charge (post-tax US$1m) in the IES segment (six months ended 30 June 2015: pre-tax US$6m, post-tax US$6m). Management has used forward curve oil prices of US$52 per barrel for the period July 2016 to June 2017, US$55 per barrel for the period July 2017 to June 2018, US$65 per barrel for the period July 2018 to Dec 2018, US$70 per barrel for 2019 and US$75 per barrel for 2020 and beyond.

During the period the Group reviewed the carrying value of its available-for-sale investment in Seven Energy and as a result of this review management considers the significant decline in its fair value to be an indicator for impairment and has recognised US$51m as an exceptional item to reflect the pricing of a recent equity fund raising by Seven Energy. Any future equity raise may not be at a similar price and the Group will continue to monitor its investment. Also management has reclassified the cumulative unrealised losses that had been recognised previously through the reserve for unrealised gains/(losses) on available-for-sale investment of US$16m to the consolidated income statement as an exceptional item in the IES segment.

6 EXCEPTIONAL ITEMS AND CERTAIN RE-MEASUREMENTS (continued)

Fair value less costs of disposal are determined by discounting the post-tax cash flows expected to be generated from oil and gas production net of selling costs taking into account assumptions that market participants would typically use in estimating fair values. Post-tax cash flows are derived from projected production profiles for each asset taking into account forward market commodity prices over the relevant period and, where external forward prices are not available, the Group's Board-approved five year business planning assumptions are used. As each field has different reservoir characteristics and contractual terms the post-tax cash flows for each asset are calculated using individual economic models which include assumptions around the amount of recoverable reserves, production costs, life of the field/licence period and the selling price of the commodities produced.

Onerous contract and leasehold property provisions
A further onerous contract provision of US$7m was recognised in the IES segment principally to reflect the final commercial settlement in respect of the exit from the Ticleni Production Enhancement Contract in Romania (six months ended 30 June 2015: US$5m of onerous leasehold property provision relating to the vacant leasehold office building at Quattro House in Aberdeen, UK for which the lease expires in 2024 in the EPS segment).

Other exceptional items
Others includes US$5m of legal and professional costs incurred on the independent investigation into the historical provision of services by Unaoil (six months ended 30 June 2015: US$nil) with the balance of US$7m pre-tax (US$6m post-tax) consisting of Group restructuring costs and Mexican migration costs (six months ended 30 June 2015: pre-tax US$6m, post-tax US$6m).

Taxation
US$4m of foreign exchange gains on the retranslation of deferred tax balances denominated in Malaysia Ringgits have been recorded during the period in respect of IES's oil and gas activities in Malaysia due to an approximate 8% strengthening in the Malaysian local currency versus the US dollar.

7 OTHER OPERATING EXPENSES

Other operating expenses have increased by US$8m compared with the equivalent prior period largely due to foreign exchange losses of US$6m (six months ended 30 June 2015: US$nil) and a US$2m expense relating to early settlement of hedges in the E&C segment (six months ended 30 June 2015: US$nil).

8 INCOME TAX

Income tax expense/(credit) is recognised based on management's best estimate of the income tax rate applicable to the pre-tax income of the interim period.

The major components of the income tax expense/(credit) are as follows:

	***Business performance US$m**	***Exceptional items and certain re-measurements US$m***	***Six months ended 30 June 2016 Unaudited US$m***	**Business performance US$m*	*Exceptional items and certain re-measurements US$m*	*Six months ended 30 June 2015 Unaudited US$m*
Current income tax						
Current income tax charge	**101**	**(1)**	**100**	43	(1)	42
Adjustments in respect of current income tax of previous periods	–	–	–	2	–	2
Deferred tax						
Relating to origination and reversal of temporary differences	**(61)**	**(5)**	**(66)**	(46)	–	(46)
Adjustments in respect of deferred tax of previous periods	**4**	**–**	**4**	1	–	1
	44	**(6)**	**38**	–	(1)	(1)

The Group's effective tax rate for the six months before exceptional items and certain re-measurements is 23.5% (six months ended 30 June 2015: 0.0%) and post exceptional items and certain re-measurements is 65.5% (six months ended 30 June 2015: 0.5% credit).

The Group's effective tax rate is dependent upon a number of factors including the timing of profit recognition between the first and second halves of the year on contracts held as well as the mix of jurisdictions in which contract income is generated within the Engineering & Construction and the Integrated Energy Services segments.

The higher effective tax rate in the current period is largely driven by the impact of losses which have not been recognised for tax purposes.

9 EARNINGS PER SHARE

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

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

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

	Six months ended 30 June 2016 Unaudited US$m	*Six months ended 30 June 2015 Unaudited US$m*
Profit/(loss) attributable to ordinary shareholders for basic and diluted earnings per share excluding impairments and certain re-measurements	**135**	**(133)**
Profit/(loss) attributable to ordinary shareholders for basic and diluted earnings per share including impairments and certain re-measurements	**12**	**(182)**

	At 30 June 2016 Unaudited Number'm	*At 30 June 2015 Unaudited Number'm*
Weighted average number of ordinary shares for basic earnings per share	**340**	340
Effect of dilutive potential ordinary shares granted under share-based payment schemes	**3**	–
Adjusted weighted average number of ordinary shares for diluted earnings per share	**343**	340

10 DIVIDENDS PAID AND PROPOSED

	Six months ended 30 June 2016 Unaudited US$m	*Six months ended 30 June 2015 Unaudited US$m*
Declared and paid during the period		
Equity dividends on ordinary shares:		
Final dividend for 2014: 43.80 cents per share	**–**	149
Final dividend for 2015: 43.80 cents per share	**149**	–
	149	149

The Company proposes an interim dividend of 22.00 cents per share which was approved by the Board on 26 August 2016 for payment on 21 October 2016.

11 PROPERTY, PLANT AND EQUIPMENT

The decrease in property, plant and equipment during the period mainly comprises a revision to decommissioning cost estimates on the Production Enhancement contracts in Mexico of US$97m (note 21), depreciation charged during the period of US$93m and an impairment charge relating to oil and gas facilities of US$15m (note 6). This decrease is partly offset by capital expenditure of US$54m incurred on the construction of the Petrofac JSD6000 installation vessel, expenditure of US$10m in respect of oil and gas assets on the Mexico Production Enhancement Contracts, additions to project camps, temporary facilities and vehicles in Engineering & Construction of US$33m and a transfer from intangible oil and gas assets of US$3m of field development costs on Block PM304 in Malaysia. Property, plant and equipment having a net book value of US$2m relating to camps and temporary facilities on an Engineering & Construction project was disposed of during the period and a gain of US$28m was recognised through cost of sales in the consolidated income statement.

12 GOODWILL

A summary of the movement in goodwill is presented below:

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
Opening balance	**80**	115
Impairment (note 6)	**–**	(33)
Exchange difference	**(5)**	(2)
	75	80

Goodwill of US$33m relating to the Integrated Energy Services cash-generating unit was impaired during 2015.

The carrying amount of goodwill allocated to each group of cash-generating units post the 1 January 2016 Group re-organisation is shown below:

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m (Restated)*
Engineering & Construction unit	**32**	33
Engineering & Production Services unit	**43**	47
	75	80

13 INVESTMENTS IN ASSOCIATES / JOINT VENTURES

	Associates US$m	*Joint ventures US$m*	*Total US$m*
As at 1 January 2015 (audited)	66	5	71
Additions	–	1	1
Loan made to Petrofac FPF1 Limited	1	–	1
Share of profits	7	2	9
Fair valuation gain on initial recognition of investment in associate	1	–	1
Dividends received	(6)	(3)	(9)
As at 1 January 2016 (audited)	69	5	74
Share of profits	3	1	4
Dividends received	(2)	(1)	(3)
Balance at 30 June 2016 (unaudited)	**70**	**5**	**75**

14 AVAILABLE-FOR-SALE INVESTMENT

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
Opening balance	**169**	185
Additions	**12**	–
Changes in fair value (note 6)	**(51)**	(16)
	130	169

During the period an additional investment of US$12m was made in Seven Energy to meet its funding requirements, which also included contributions from new and existing shareholders. Additional funding raised by Seven Energy diluted the Group's shareholding in the Company from 15.0% at 31 December 2015 to 14.7% at 30 June 2016.

During the period the fair value of the investment in Seven Energy has been reduced by US$51m to reflect the pricing of a recent Seven Energy equity fund raising which together with the US$16m reduction previously recognised through the reserve for unrealised gains/(losses) on available-for-sale investment which has been reclassified to the consolidated income statement, amounts to a total exceptional charge of US$67m (note 6).

15 FINANCIAL INSTRUMENTS

	Classification	***30 June 2016 Unaudited US$m***	*31 December 2015 Audited US$m*
OTHER FINANCIAL ASSETS			
Non-Current			
Receivable under the Berantai RSC	Fair value through profit and loss	**–**	303
Receivable from joint venture partners	Loans and receivables	**283**	330
Forward currency contracts designated as hedges	Designated as cash flow hedges	**35**	78
Restricted cash	Loans and receivables	**41**	41
		359	752
Current			
Receivable in respect of the development of the Greater Stella Area	Fair value through profit and loss	**190**	160
Receivable from joint venture partners	Loans and receivables	**168**	155
Receivable under the Berantai RSC	Fair value through profit and loss	**331**	54
Forward currency contracts designated as hedges	Designated as cash flow hedges	**4**	26
Forward currency contracts undesignated	Fair value through profit and loss	**31**	12
Oil derivative	Designated as cash flow hedges	**1**	12
Restricted cash	Loans and receivables	**7**	36
		732	455
OTHER FINANCIAL LIABILITIES			
Non-Current			
Finance lease creditors	Loans and borrowings	**557**	631
Forward currency contracts designated as hedges	Designated as cash flow hedges	**26**	28
		583	659
Current			
Finance lease creditors	Loans and borrowings	**258**	239
Forward currency contracts designated as hedges	Designated as cash flow hedges	**68**	66
Forward currency contracts undesignated	Fair value through profit and loss	**2**	1
Interest payable	Loans and borrowings	**15**	30
		343	336

Due to the cessation of the Berantai RSC agreed with Petronas, the entire Berantai RSC receivable is classified as a short-term receivable at 30 June 2016. The short-term receivable under the Berantai RSC now represents the amounts agreed to be recovered over a period of one year from the reporting date in line with the Mutual Settlement and Handover Agreement with the customer (note 6). As part of this arrangement the Berantai FPSO, which is held as an asset under finance lease, is expected to be transferred to Petronas by 30 September 2016. The mechanism for transfer of title of the Berantai FPSO from its current owner to Petronas is subject to final agreement between the respective parties.

The short-term receivable in respect of the development of the Greater Stella Area represents a loan made to the consortium partners to fund Petrofac's share of the development costs of the field.

The short-term and long-term receivable from joint venture partners represents the 70% gross up on finance lease liabilities in respect of oil and gas facilities relating to Block PM304 in Malaysia that are included 100% in the Group's consolidated statement of financial position. The Group's 30% share of this finance lease liability is US$193m (31 December 2015: US$208m).

Restricted cash comprises deposits with financial institutions and clients securing various guarantees and performance bonds associated with the Group's trading activities. This cash will be released on the maturity of these guarantees and performance bonds.

15 FINANCIAL INSTRUMENTS (continued)

Fair value measurement

The following financial instruments are measured at fair value using the hierarchy below for determination and disclosure of their respective fair values:

Level 1: Unadjusted quoted prices in active markets for identical financial assets or liabilities
Level 2: Other valuation techniques where the inputs are based on significant observable factors
Level 3: Other valuation techniques where the inputs are based on significant unobservable market data

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at:

	Level	*Carrying amount*		*Fair value*	
		30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*	***30 June 2016 Unaudited US$m***	*31 December 2015 Audited US$m*
Financial assets					
Cash and short-term deposits	Level 2	**1,328**	1,104	**1,328**	1,104
Restricted cash	Level 2	**48**	77	**48**	77
Seven Energy available-for-sale investment	Level 3	**130**	169	**130**	169
Receivable under Berantai RSC	Level 3	**331**	357	**331**	357
Receivable in respect of the development of the Greater Stella Area	Level 3	**190**	160	**190**	160
Oil derivative	Level 2	**1**	12	**1**	12
Euro forward currency contracts – designated as cash flow hedge	Level 2	**32**	99	**32**	99
Japanese Yen forward currency contracts – designated as cash flow hedge	Level 2	**4**	–	**4**	–
Sterling forward currency contracts – designated as cash flow hedge	Level 2	**3**	2	**3**	2
Kuwaiti dinar forward currency contracts – designated as cash flow hedge	Level 2	–	3	–	3
Sterling forward currency contracts – undesignated	Level 2	**31**	12	**31**	12
Financial liabilities					
Interest-bearing loans and borrowings					
Senior notes	Level 2	**673**	745	**677**	750
Term loan	Level 2	**499**	499	**500**	500
Revolving credit facility	Level 2	**977**	530	**985**	540
Export credit agency funding	Level 2	**13**	13	**18**	17
Bank overdrafts	Level 2	**43**	3	**43**	3
Finance lease creditors	Level 2	**815**	870	**815**	870
Euro forward currency contracts – designated as cash flow hedge	Level 2	**38**	72	**38**	72
Malaysian ringgit forward currency contracts – designated as cash flow hedge	Level 2	**7**	18	**7**	18
Kuwaiti dinar forward currency contracts – designated as cash flow hedge	Level 2	**40**	1	**40**	1
Sterling forward currency contracts – designated as cash flow hedge	Level 2	**9**	3	**9**	3
Kuwaiti dinar forward currency contracts – undesignated	Level 2	**2**	–	**2**	–
Sterling forward currency contracts – undesignated	Level 2	–	1	–	1

The Group considers that the carrying amounts of trade and other receivables, work-in-progress, trade and other payables, other current and non-current financial assets and liabilities approximate their fair values and are therefore excluded from the above table.

15 FINANCIAL INSTRUMENTS (continued)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair values of financial assets and liabilities

The following methods and assumptions were used to estimate the fair values:

- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward contracts and oil derivatives. Externally provided sources of quoted market prices have been used to determine the fair values of forward currency contracts and oil derivatives.
- The fair values of long-term interest-bearing loans and borrowings and finance lease creditors are equivalent to their amortised costs determined as the present value of discounted future cash flows using the effective interest rate.
- The fair value of the receivable under the Berantai RSC (page 27) represents the amounts agreed to be recovered over a period of twelve months from the reporting date in line with the Mutual Settlement and Handover Agreement with the customer. The fair valuation of the receivable is based on unobservable inputs agreed with the customer:

	30 June 2016 Unaudited	*31 December 2015 Audited*
Internal rate of return	**9.7%**	11.5%

Since, a final contract cessation agreement with the customer has been reached in relation to the unobservable inputs, no sensitivity analysis for 30 June 2016 has been presented below (note 6):

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
100 basis points decrease in the internal rate of return	**–**	(19)
100 basis points decrease in the discount rate	**–**	2
100 basis points increase in the discount rate	**–**	(2)

Reconciliation of fair value measurement of the receivable under the Berantai RSC:

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
Opening balance	**357**	381
Billings during the year	**25**	55
Fair value (loss)/gain (note 6)	**(26)**	4
Receipts during the year	**(25)**	(83)
Closing balance	**331**	357

15 FINANCIAL INSTRUMENTS (continued)

- The fair value of the available-for-sale investment in Seven Energy (page 27) has been calculated using the share price at which the additional equity capital was raised by Seven Energy during 2016 (note 14). In 2015, the fair value was calculated using the income method based on a discounted cash flow analysis.

At 30 June 2016, the impact on the fair value of the available-for-sale investment as a result of changes to its share price has been presented below:

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
10% decrease in the oil price (per barrel)	**–**	(3)
10% increase in the oil price (per barrel)	**–**	5
100 basis points decrease in the discount rate	**–**	12
100 basis points increase in the discount rate	**–**	(9)
5% decrease in share price	**(7)**	–

- The fair value of the amounts receivable in respect of the development of the Greater Stella Area (page 27) has been calculated using a discounted cash flow model that represents the value which management expects would be converted to oil and gas assets upon transfer of legal title of the licence on achieving first oil. The oil price assumptions used are the same as disclosed in note 6 and the risk adjusted cash flow projections are discounted at a post-tax rate of 9.0%.

The table below explains the impact on the fair value of the amounts receivable in respect of the development of the Greater Stella Area as a result of changes to these inputs:

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
10% decrease in the oil price (per barrel)	**(24)**	(22)
10% increase in the oil price (per barrel)	**24**	22
10% decrease in the gas price (per mcf)	**(24)**	(26)
10% increase in the gas price (per mcf)	**24**	27
6 month delay in production	**(3)**	(45)
100 basis points decrease in the discount rate	**13**	16
100 basis points increase in the discount rate	**(13)**	(15)

Reconciliation of fair value measurement of the amounts receivable in respect of the development of the Greater Stella Area:

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
Opening balance	**160**	192
Advances during the period to the partners	**31**	182
Fair value loss (note 6)	**(1)**	(214)
Closing balance	**190**	160

16 WORK IN PROGRESS

The increase in work in progress during the period of US$602m is mainly due to an Engineering & Construction project achieving its initial physical progress based revenue and margin recognition threshold amounting to US$354m and short-term timing differences between physical contract progress and milestone based billing on another Engineering & Construction project amounting to US$269m.

17 CASH AND CASH EQUIVALENTS

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

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
Cash at bank and in hand	**1,153**	1,102
Short-term deposits	**175**	2
Cash and short-term deposits	**1,328**	1,104
Bank overdrafts (note 20)	**(43)**	(3)
	1,285	1,101

18 TREASURY SHARES AND SHARE-BASED PAYMENTS

During the period, the Company acquired 2,673,796 (31 December 2015: 2,800,000) of its own shares at a cost of US$36m (31 December 2015: US$39m) for the purpose of making awards under the Group's employee share schemes and these shares have been classified in the balance sheet as treasury shares within equity. In addition, during the period 2,532,415 shares (including 167,547 accrued dividend shares) with a cost of US$38m were transferred out of the Employee Benefit Trust on vesting of various employee share scheme awards.

The Group has recognised an expense in the income statement for the period to 30 June 2016 relating to employee share-based incentives of US$9m (six months ended 30 June 2015: US$10m; year ended 31 December 2015:US$23m) which has been transferred to the reserve for share-based payments. This charge covers shares granted in relation to the existing Deferred Bonus, Performance and Restricted Share Plans. In addition US$17m of the remaining bonus liability accrued for the year ended 31 December 2015 (2014 bonus of US$23m) which has been voluntarily elected or mandatorily obliged to be settled in shares granted during the period has been transferred to the reserve for share-based payments.

19 OTHER RESERVES

	Net unrealised gains/(losses) on derivatives US$m	*Net unrealised gains/(losses) on available-for-sale investment US$m*	*Foreign currency translation US$m*	*Reserve for share-based payments US$m*	*Total US$m*
Balance at 1 January 2015 (audited)	(7)	–	(51)	76	18
Net gains on maturity of cash flow hedges recycled in the year	(11)	–	–	–	(11)
Net changes in fair value of derivatives and financial assets designated as cash flow hedges	(47)	–	–	–	(47)
Changes in fair value of available-for-sale financial assets	–	(16)	–	–	(16)
Share-based payments charge (note 18)	–	–	–	23	23
Transfer during the year (note 18)	–	–	–	23	23
Shares vested during the year	–	–	–	(27)	(27)
Balance at 31 December 2015 (audited)	(65)	(16)	(51)	95	(37)
Attributable to:					
Petrofac Limited shareholders	(44)	(16)	(51)	95	(16)
Non-controlling interests	(21)	–	–	–	(21)
Balance at 31 December 2015 (audited)	(65)	(16)	(51)	95	(37)
Balance at 1 January 2016 (audited)	(65)	(16)	(51)	95	(37)
Foreign currency translation gains	–	–	21	–	21
Net gains on maturity of cash flow hedges recycled in the period	(1)	–	–	–	(1)
Net changes in fair value of derivatives and financial assets designated as cash flow hedges	25	–	–	–	25
Unrealised loss on the fair value of available-for-sale investment reclassified during the period (note 14)	–	16	–	–	16
Share-based payments charge (note 18)	–	–	–	9	9
Transfer during the period (note 18)	–	–	–	17	17
Shares vested during the period	–	–	–	(35)	(35)
Deferred tax on share-based payments reserve	–	–	–	(1)	(1)
Balance at 30 June 2016 (unaudited)	**(41)**	**–**	**(30)**	**85**	**14**
Attributable to:					
Petrofac Limited shareholders	(29)	–	(30)	85	26
Non-controlling interests	(12)	–	–	–	(12)
Balance at 30 June 2016 (unaudited)	**(41)**	**–**	**(30)**	**85**	**14**

20 INTEREST-BEARING LOANS AND BORROWINGS

The Group had the following interest-bearing loans and borrowings outstanding:

		30 June 2016 Actual interest rate %	31 December 2015 Actual interest rate %	Effective interest rate %	Maturity[1]	***30 June 2016 Unaudited US$m***	*31 December 2015 Audited US$m*
Current							
Bank overdrafts	(i)	US/UK LIBOR + 1.50%	US/UK LIBOR + 1.50%	US/UK LIBOR + 1.50%	on demand	**43**	3
Term loans	(iii)	US LIBOR + 0.85%	US LIBOR + 0.85%	US LIBOR + 0.85%	August 2016	**500**	500
Export Credit Agency Funding	(v)	US LIBOR + 1.50%	–	US LIBOR + 1.50%	Refer note (v) below	**18**	17
Total current interest-bearing loans and borrowings						**561**	520
Non-current							
Senior notes	(ii)	3.40%	3.40%	3.70%	2 years	**677**	750
Revolving credit facility	(iv)	US LIBOR + 1.00%	US LIBOR + 0.95%	US LIBOR + 1.00%	4 years	**985**	540
						1,662	1,290
Less: Debt acquisition costs net of accumulated amortisation and effective interest rate adjustments						**(18)**	(20)
Total non-current interest-bearing loans and borrowings						**1,644**	1,270
Total interest-bearing loans and borrowings						**2,205**	1,790

[1] As at 30 June 2016

Details of the Group's interest-bearing loans and borrowings are as follows:

(i) Bank overdrafts
Bank overdrafts are drawn down in US dollars and sterling denominations to meet the Group's working capital requirements. These are repayable on demand.

(ii) Senior notes
Petrofac has an outstanding aggregate principal amount of US$677m Senior Notes due in 2018 (Notes). During the period the Company redeemed US$73m of its Notes and recognised a gain thereon of US$1m (six months ended 30 June 2015: US$nil). The Group pays interest on the Notes at an annual rate equal to 3.40% of the outstanding principal amount. Interest on the Notes is payable semi-annually in arrears in April and October each year. The Notes are senior unsecured obligations of the Company and will rank equally in right of payment with the Company's other existing and future unsecured and unsubordinated indebtedness. Petrofac International Ltd and Petrofac International (UAE) LLC irrevocably and unconditionally guarantee, jointly and severally, the due and prompt payment of all amounts at any time becoming due and payable in respect of the Notes. The Guarantees are senior unsecured obligations of each Guarantor and will rank equally in right of payment with all existing and future senior unsecured and unsubordinated obligations of each Guarantor.

(iii) Term loan
On 31 August 2014, Petrofac entered into a US$500m 2 year term loan facility with a syndicate of 5 international banks. The facility, which matures on 31 August 2016, is unsecured and is subject to two financial covenants relating to leverage and interest cover. Petrofac was in compliance with these covenants for the period ending 30 June 2016. The loan was fully drawn as of 30 June 2016 (31 December 2015: US$500m).

Interest is payable on the facility at LIBOR + 0.85%.

The US$500m term loan due to mature on 31 August 2016 was repaid in full on 15 August 2016. The repayment was partly financed with the proceeds of two new term loans of US$200m and US$100m respectively. These two new facilities will mature in August 2017.

(iv) Revolving credit facility
Petrofac has a US$1,200m 5 year committed revolving credit facility with a syndicate of international banks, which is available for general corporate purposes. The facility, which was signed on 11 September 2012, was amended and extended in June 2015 and will now mature on 2 June 2020. The facility is unsecured and is subject to two financial covenants relating to leverage and interest cover. Petrofac was in compliance with these covenants for the period ending 30 June 2016. As at 30 June 2016, US$985m was drawn under this facility (31 December 2015: US$540m).

Interest is payable on the drawn balance of the facility at LIBOR + 1.00% and in addition utilisation fees are payable depending on the level of utilisation.

20 INTEREST-BEARING LOANS AND BORROWINGS (continued)

(v) Export credit agency funding
On 26 February 2015, Petrofac entered into a US$58m, 14 year term loan facility guaranteed by the Italian Export Credit Agency SACE. On 30 July 2015, Petrofac entered into a US$108m term loan facility guaranteed by the UK Export Credit Agency UKEF, on substantially the same terms as the SACE facility. The two facilities are linked to the procurement of certain goods and services from Italian and UK exporters, respectively, in connection with the construction of the Petrofac JSD6000 vessel. Repayment of the loans was intended to commence from the date of delivery of the vessel. Following the termination of the vessel construction contract, the facilities are not currently available for drawing and Petrofac is in discussions with the two Export Credit Agencies to amend the facilities and agree a revised date for the commencement of repayments. As at 30 June 2016, US$17m (31 December 2015: US$17m) was drawn under the SACE facility and interest of US$1m was capitalised during the period (31 December 2015: US$nil). No drawings have been made under the UKEF facility.

21 PROVISIONS

The decrease in provisions during the period is mainly due to a revision of decommissioning cost estimates on the Santuario, Magallanes and Arenque Production Enhancement Contracts in Mexico of US$97m (note 11).

22 ACCRUED CONTRACT EXPENSES

The increase in accrued contract expenses of US$352m during the period is due largely to an Engineering & Construction project achieving its initial physical progress based revenue and margin recognition threshold (US$308m).

23 CAPITAL COMMITMENTS

At 30 June 2016 the Group had capital commitments of US$295m (31 December 2015: US$500m).

Included in the US$295m of commitments are:

	30 June 2016 Unaudited US$m	*31 December 2015 Audited US$m*
Building of the Petrofac JSD6000 installation vessel	**60**	93
Production Enhancement Contracts in Mexico	**18**	3
Further appraisal and development of wells as part of Block PM304 in Malaysia	**39**	240
Costs in respect of Ithaca Greater Stella Field development in the UK North Sea	**178**	164

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that, to the best of their knowledge, the condensed set of financial statements on pages 11 to 33 has been prepared in accordance with IAS 34 'Interim Financial Reporting', and that the interim management report on pages 1 to 10 includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The Directors of Petrofac Limited are listed in the *Petrofac Annual Report and Accounts 2015*.

By the order of the Board

Ayman Asfari	Tim Weller
Chief Executive Officer	Chief Financial Officer
26 August 2016	26 August 2016

INDEPENDENT REVIEW REPORT TO PETROFAC LIMITED

Introduction

We have been engaged by Petrofac Limited ('the Company') to review the interim condensed consolidated financial statements in the interim report for the six months ended 30 June 2016 which comprises the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of cash flows, the interim condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim condensed consolidated financial statements.

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

Directors' Responsibilities

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

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRS. The interim condensed consolidated financial statements included in this interim report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Our Responsibility

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements in the interim report for the six months ended 30 June 2016 are not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
26 August 2016

SHAREHOLDER INFORMATION
At 30 June 2016

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

Registrar

Capita Registrars (Jersey) Limited
12 Castle Street
St Helier
Jersey JE23RT

Company Secretary and registered office

Elian Corporate Services (Jersey) Limited
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St Helier
Jersey JE4 9WG

UK Transfer Agent

Capita Registrars
The Registry
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Beckenham
Kent BR3 4TU

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Corporate Brokers

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Auditors

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Corporate and Financial PR

Tulchan Communications Group
85 Fleet Street
London EC4Y 1AE

Financial calendar

23 September 2016	Interim dividend record date
21 October 2016	Interim dividend payment
31 December 2016	2016 financial year end
22 February 2017	2016 full year results announcement

Dates are based on current expectations.

Copies of all announcements will be available on the Company's website at www.petrofac.com following their release.