



4Q 2014 Supplemental Information

March 2, 2015

Forward-Looking Statements

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, McDermott cautions that statements in this presentation which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties that may impact McDermott's actual results of operations. These forward-looking statements include, but are not limited to, statements about backlog, bids outstanding and target projects and the anticipated breakdown and timing of award of such, to the extent these may be viewed as indicators of future revenues or profitability. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: adverse changes in the markets in which we operate or credit markets, our inability to successfully execute on contracts in backlog, changes in project design or schedules, the availability of qualified personnel, changes in the scope or timing of contracts, and contract cancellations, change orders and other modifications. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. You should not place undue reliance on forward-looking statements. For a more complete discussion of these and other risk factors, please see McDermott's annual and quarterly filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2014. This presentation reflects management's views as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.



Revenue Pipeline Project Size

Estimated total contract value

As of December 31, 2014, contract value in millions

Description	Range (\$ in millions)	Backlog ¹	Bids Outstanding ^{2,3}	Target Projects ^{2,4}
Sizable	<\$50	17	12	33
Large	\$50-250	15	15	27
Significant	\$250-750	2	6	16
Major	\$750-1,500	2	3	1
Mega	>\$1,500	1	0	3

¹ Excludes projects with total contract value less than \$1 million. The size of the contracts in backlog reflects the total contract value comprised of revenue previously recognized and anticipated future revenues

² There is no assurance that bids outstanding or target projects will be awarded to McDermott

³ Does not include change orders on existing projects

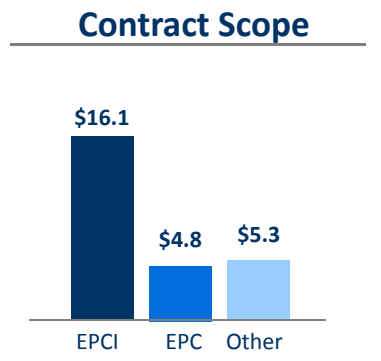
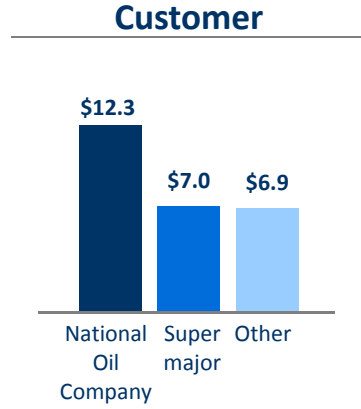
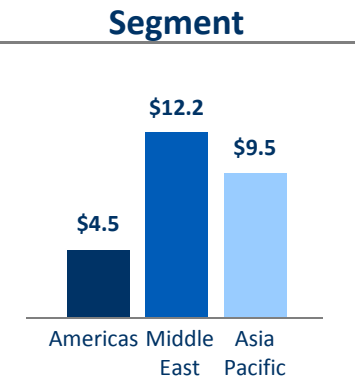
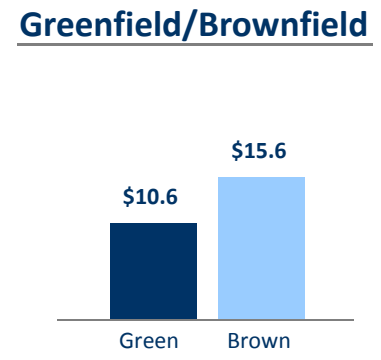
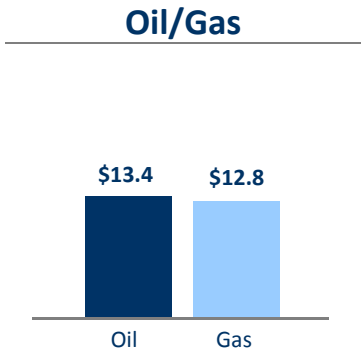
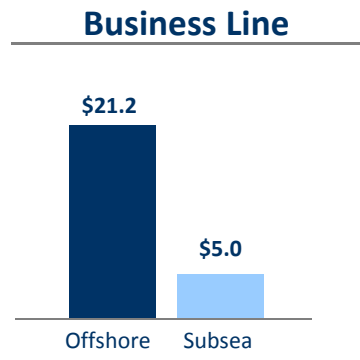
⁴ Target projects are those that we believe fit McDermott's capabilities and are anticipated to be awarded in the next five quarters



Bids Outstanding and Target Projects ¹

\$26.2 billion as of December 31, 2014

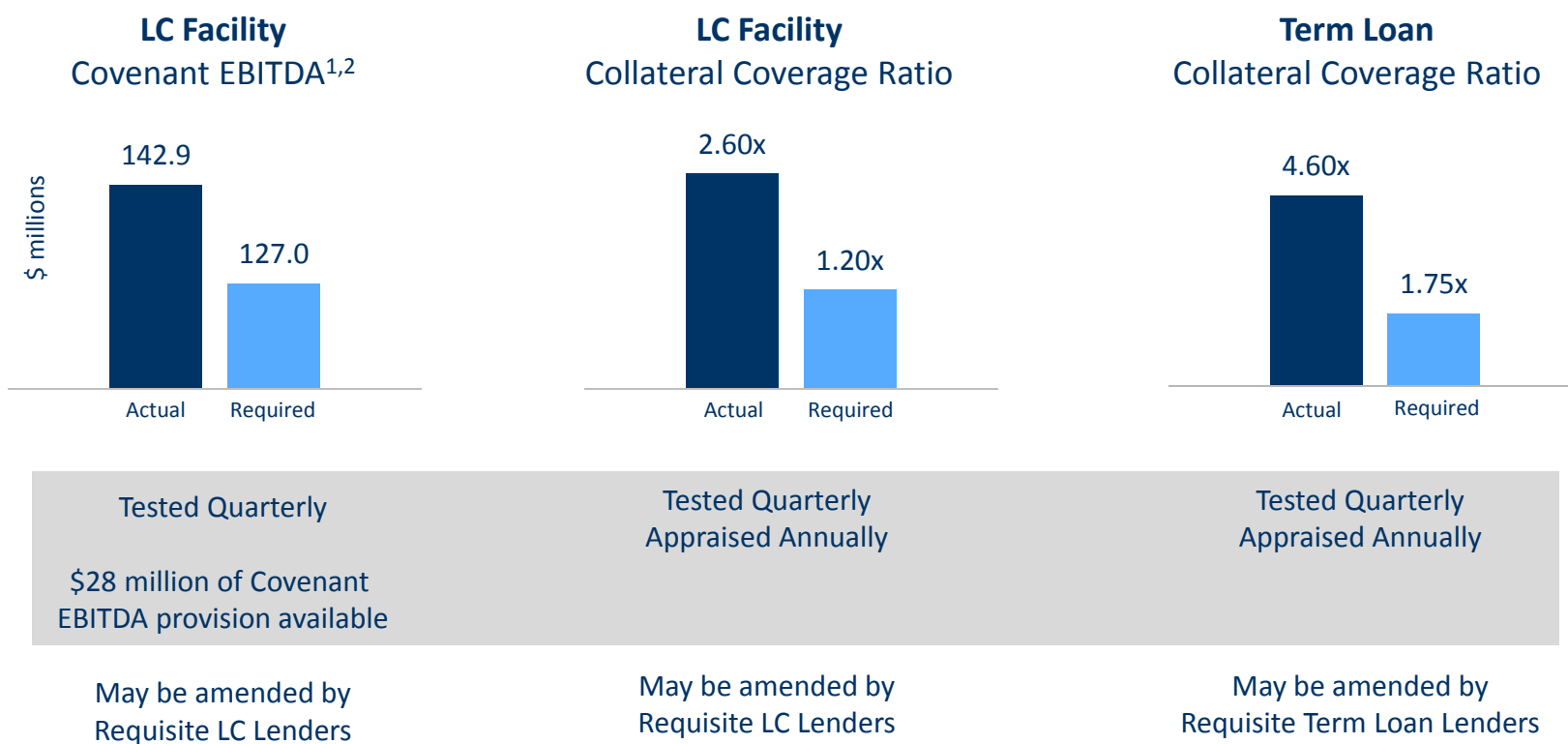
\$ in billions



¹ There is no assurance that bids outstanding or target projects will be awarded to McDermott

EBITDA and Collateral Covenant Compliance

Compliance calculations as of December 31, 2014



¹ See slide titled "Additional Disclosures" for reconciliation of Covenant EBITDA to net income

² Includes \$12 million of Covenant EBITDA provision utilization during the trailing twelve month period. Covenant EBITDA provision available for use in future periods is \$28 million

Additional Disclosures¹

US GAAP Reconciliation to Covenant EBITDA

	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended June 30, 2014	Quarter ended March 31, 2014
	(In millions)			
Net Income (loss)	\$ 8.2	\$ (30.3)	\$ (7.4)	\$ (46.5)
Adjustments:				
Interest Expense (including interest capitalized)	18.9	18.7	44.5	3.3
Tax expense (benefit)	10.3	1.5	4.8	3.5
Depreciation, drydock and amortization (excluding attributable to Nonguarantors)	26.1	25.4	21.9	29.0
Other items:				
Equity (income) loss	2.2	3.4	3.3	(1.1)
(Gain) loss on assets disposal	0.1	(4.8)	(35.1)	(6.4)
Restructuring expense	6.0	4.7	1.3	6.1
Others	1.1	5.9	6.7	5.6
Total adjustments	\$ 64.7	\$ 54.8	\$ 47.4	\$ 40.0
Covenant EBITDA - Period	\$ 72.9	\$ 24.5	\$ 40.0	\$ (6.5)
Covenant EBITDA - Cumulative/TTM	\$ 130.9	\$ 58.0	\$ 33.5	\$ (6.5)
Provision utilized (TTM)	\$ 12.0	\$ 12.0	\$ 6.5	\$ 6.5
Covenant EBITDA with Provision ²	\$ 142.9	\$ 70.0	\$ 40.0	\$ -



¹ Covenant EBITDA is presented for the purpose of disclosing our compliance with the covenants in our Credit Agreement. Covenant EBITDA is not a substitute for or superior to other measures of financial performance prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). Covenant EBITDA may differ in the method of calculation from similarly titled measures used by other companies. For additional information, please refer to McDermott's Annual Report on Form 10-K for the period ending December 31, 2014 and related exhibits.

² Covenant EBITDA with Provision is calculated on a trailing 12 month basis

Asset Utilization

Definitions

Actual is the real activity level of vessels (denoted in days) and fabrication yards (denoted in man-hours) over a given period of time

Standard is the assumed activity level of vessels (denoted in days) and fabrication yards (denoted in man-hours) over a given period of time in which to allocate all direct operating expenses across projects

Percent of Standard is expressed as actual number of days or man-hours utilized as a percentage of our standard days or man-hours



Asset Utilization

	Q4 2014	Q3 2014	Q4 2013	YTD 2014	YTD 2013
Fabrication (Mhrs 000s)					
Actual	3,209	3,739	2,987	13,457	11,871
Standard	4,200	4,200	4,200	16,800	16,800
% of Standard	76%	89%	71%	80%	71%
Offshore Vessels (Days)					
Actual	344	260	363	1,269	1,121
Standard	370	370	404	1,480	1,610
% of Standard	93%	70%	90%	86%	70%
Subsea Vessels (Days)					
Actual	275	158	305	841	857
Standard	280	280	280	1,120	1,120
% of Standard	98%	56%	109%	75%	77%

