



August 4, 2014

2Q 2014

SUPPLEMENTAL INFORMATION

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 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, 2013 and subsequent quarterly reports on Form 10-Q. 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.



Asset Utilization

Definitions

- **Standard Days or Man-Hours** is the assumed activity level of vessels and fabrication yards to allocate all direct operating expenses across projects
- **Percent Utilization** is expressed as number of days or man-hours utilized as a percentage of our standard days or man-hours
- **Offshore vessels** include DB27, DB101, DB32, DB30, DB50 and Thebaud Sea
- **Subsea vessels** include Agile, North Ocean 102, Lay Vessel 105 and Emerald Sea

Asset Utilization



	<u>2Q 2014</u>	<u>2Q 2013</u>	<u>YTD 2014</u>	<u>YTD 2013</u>
<u>Fabrication Utilization</u>				
Man-Hours (000s)	3,258	3,210	6,409	6,001
% of Standards	78%	76%	76%	71%
<u>Offshore Vessel Utilization</u>				
Vessel Days	328	213	665	466
% of Standards	89%	53%	90%	58%
<u>Subsea Vessel Utilization</u>				
Vessel Days	144	152	408	381
% of Standards	51%	54%	73%	68%

Revenue Pipeline Project Size



Estimated total contract value

As of June 30, 2014, in millions

	<u>Backlog²</u>	<u>Bids Outstanding^{1,3}</u>	<u>Target Projects^{1,4}</u>
<\$50	14	11	35
\$50-250	15	3	23
\$250-750	3	5	10
\$750-1,500	2	2	2
>\$1,500	1	1	0

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

² Excludes projects with total contract value less than \$1 million

³ Does not include change orders on existing projects

⁴ Target projects are projects that we believe are well-suited for McDermott and are anticipated to be awarded in the next five quarters