Q1’15 Supplemental Information

May 11, 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, to the extent these may be viewed as indicators of future revenues or profitability, the timing of award of such and the anticipated range of values and breakdown by project type and McDermott's 2015 priorities. 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 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.

2015 Priorities

- **Focus on executing the current $3.75 billion backlog safely and efficiently**

- **Prioritize bidding on opportunities where the Company has a local presence and competitive differentiators**

- **Actively manage costs and liquidity**

- **Collaborate with clients to provide more cost efficient and technically strong solutions, while leveraging McDermott's vertical integration, within the current macro environment**

1Q 2015 Financial Highlights

Financial Results

- Order intake during the quarter of $697.8 million
  - Comprised of $490.8 million of new orders and $207.0 million of change orders
  - Quarter-over-quarter, new order intake was up 63%
- Backlog of $3.75 billion, up modestly from 4Q 2014
- Revenues of $550.5 million, down 9%, from $603.8 million in 1Q 2014
  - 1Q 2015 revenues were affected by weather and third-party performance delays at the INPEX project, as well as customer schedule changes in the Middle East which impacted vessel mobilization
- Gross Profits as a Percent of Revenue 13.6%, up from 10.8% in 4Q 2014
  - GP higher as a result of a lower percentage of Ichthys revenues booked during the quarter as a result of weather and third-party delays and favorable changes in cost estimates and revenue recovery
- Operating Income was up year-over-year $44.8 million

Key Project Awards - YTD

Client	Field or Project	Region[1]	Work Type[2]	Work Scope[3]	Project Size	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Chevron USA	Jack & St. Malo	AEA	BF	T&I	Sizeable												
QGEP	Santos Basin	AEA	GF	EPCI	Large												
RasGas	Ras Laffan Field	MEA	BF	EPCI	Sizeable												
Qatar Petroleum	N. Field Alpha	MEA	BF	EPCI	Large												
Al-Khafji Joint Ops	Hout Field	MEA	BF	EPCI	Large												
Saudi Aramco	Marjan Field	MEA	BF	EPCI	Significant												

[1] Regions include the Americas, Europe, Africa (“AEA”), Middle East (“MEA”) and Asia (“ASA”)
[2] Work type is Brownfield (“BF”) or Greenfield (“GF”)
[3] Work scope is Engineering, Procurement, Construction, Installation (“EPCI”) or Transportation and Installation (“T&I”)

Revenue Pipeline Project Size - Q1’15

Estimated total contract value

As of March 31, 2015, contract value in millions

Description	Range ($ in millions)	Backlog [1]	Bids Outstanding [2,3]	Target Projects [2,4]
Sizable	<$50	16	16	37
Large	$50-250	16	11	18
Significant	$250-750	3	6	13
Major	$750-1,500	2	3	5
Mega	>$1,500	1	1	1

[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

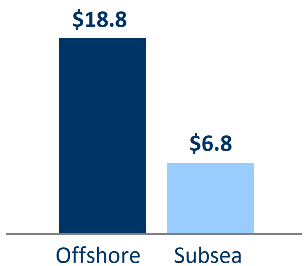
[4] Target projects are those that we believe fit McDermott’s capabilities and are anticipated to be awarded in the next five quarters

Bids Outstanding and Target Projects [1]

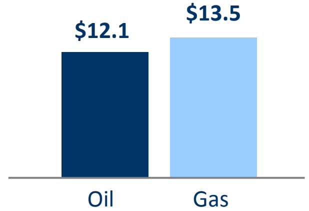
$ in billions

$25.6 billion as of March 31, 2015

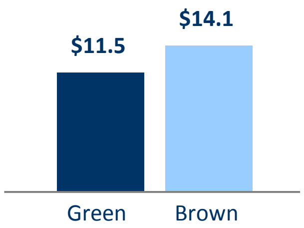
Business Line



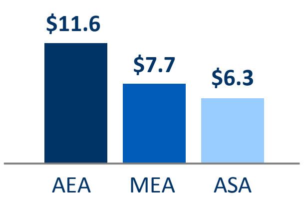
Oil/Gas



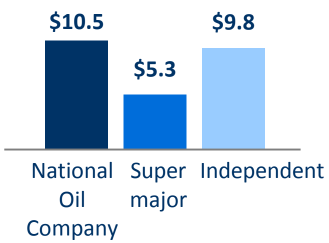
Greenfield/Brownfield



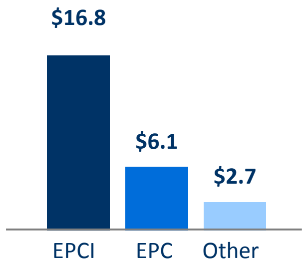
Segment



Customer



Contract Scope



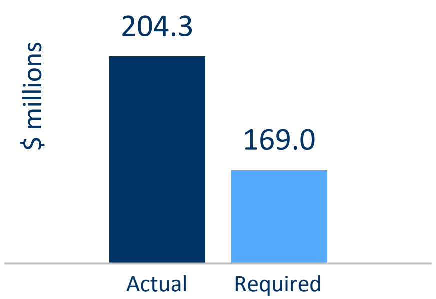
- Bids outstanding and target projects pipeline has increased 25% year-over-year
- Quarter-over-quarter, Bids Outstanding and Target projects was impacted by the segment reclassification of the North Sea and Africa segment from the Middle East to the AEA

[1] Includes change orders. There is no assurance that bids outstanding or target projects will be awarded to McDermott

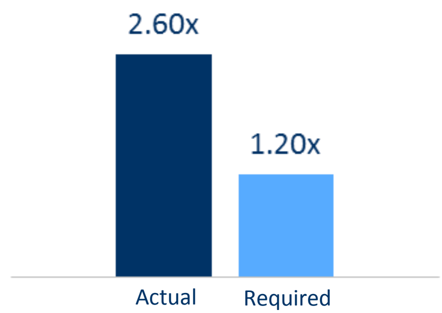
EBITDA and Collateral Covenant Compliance

Compliance calculations as of March 31, 2015

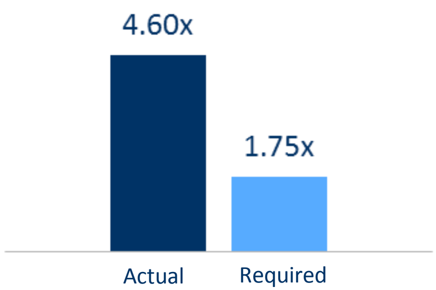
LC Facility
Covenant EBITDA[1,2,3]



LC Facility
Collateral Coverage Ratio[1]



Term Loan
Collateral Coverage Ratio[1]



LC Facility Covenant EBITDA	LC Facility Collateral Coverage Ratio	Term Loan Collateral Coverage Ratio
Tested Quarterly	Tested Quarterly Appraised Annually	Tested Quarterly Appraised Annually
May be amended by Requisite LC Lenders	May be amended by Requisite LC Lenders	May be amended by Requisite Term Loan Lenders

[1] Actual amounts are calculated per the definitions of the applicable covenants in the New Credit Agreement
[2] See slide titled "Additional Disclosures" for reconciliation of Covenant EBITDA to net income
[3] Includes $5.5 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 Disclosures[1]

US GAAP Reconciliation to Covenant EBITDA

	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended June 30, 2014
		(In millions)		
Net Income (loss)	$(14.5)	$8.2	$(30.3)	$(7.4)
Adjustments:				
Interest Expense (including interest capitalized)	18.7	18.9	18.7	44.5
Tax expense (benefit)	4.9	10.3	1.5	4.8
Depreciation, drydock and amortization (excluding attributable to Nonguarantors)	31.1	26.1	25.4	21.9
Other items:				
Equity (income) loss	6.7	2.2	3.4	3.3
(Gain) loss on assets disposal	(0.4)	0.1	(4.8)	(35.1)
Restructuring expense	10.4	6.0	4.7	1.3
Others	4.5	1.1	5.9	6.7
Total adjustments	**$75.9**	**$64.7**	**$54.8**	**47.4**
Covenant EBITDA - Period	**$61.4**	**$72.9**	**$24.5**	**$40.0**
Covenant EBITDA - Cumulative/TTM	**$198.8**	**$130.9**	**$58.0**	**$33.5**
Provision utilized (TTM)	$5.5	$12.0	$12.0	$6.5
Covenant EBITDA with Provision [2]	**$204.3**	**$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 Current Report on Form 8-K filed with SEC on May 11, 2015 and subsequent quarterly reports
[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 Summary

	Q1'15	Q4'14	Q1'14
Fabrication (Mhrs 000s)			
Actual	2,985	3,209	3,251
Standard	4,387	4,200	4,200
% of Standard	**68%**	**76%**	**77%**
Offshore Vessels (Days)			
Actual	208	344	337
Standard	310	370	370
% of Standard	**67%**	**93%**	**91%**
Subsea Vessels (Days)			
Actual	293	275	264
Standard	361	280	280
% of Standard	**81%**	**98%**	**94%**

- Offshore vessel utilization lower than the prior quarter as a result of weather seasonality in the Middle East
- Subsea vessel utilization was lower than prior quarter due to the inclusion of the CSV 108 which was delivered late Q4 and starts work in Q2 2015
- Fabrication utilization is being driven by lower hours at the Company's Batam yard due to the completion of certain Ichthys deliverables

8K - Recast Segment Information

Background

- The North Sea and Africa operations were previously aggregated into the Middle East reporting segment,
- The responsibility for business decisions relating to the North Sea and Africa was moved to our Americas operating segment in the first quarter of 2015,
- North Sea and Africa businesses are now reflected in our AEA segment, and
- Effective January 1, 2015, our three reporting segments are:
    1. Americas, Europe and Africa ("AEA"),
    2. Middle East ("MEA") , and
    3. Asia ("ASA")

Disclosure

Million of U.S. dollars	2014		2013		Change	
	10K as filed	8K recasted	10K as filed	8K recasted	2014	2013
Revenues:						
AEA	564	567	534	537	3	3
MEA	799	796	1,171	1,168	(3)	(3)
ASA	938	938	954	954	-	-
	2,301	**2,301**	**2,659**	**2,659**	-	-
Operating income (loss):						
AEA	(30)	(49)	(176)	(216)	(19)	(40)
MEA	(7)	12	(209)	(169)	19	40
ASA	55	55	(72)	(72)	-	-
Corporate	(9)	(9)	-	-	-	-
	9	**9**	**(457)**	**(457)**	-	-
Capital expenditures:						
AEA	52	53	22	22	1	-
MEA	101	100	128	128	(1)	-
ASA	155	155	117	117	-	-
Corporate and other	13	13	17	17	-	-
	321	**321**	**284**	**284**	-	-
Segment assets:						
AEA	973	979	523	535	6	12
MEA	997	991	1,129	1,117	(6)	(12)
ASA	601	601	1,031	1,031	-	-
Corporate and other	873	873	124	124	-	-
	3,444	**3,444**	**2,807**	**2,807**	-	-

[1] Drydock amortization–No effect for all periods presented
D&A–impact for 2014 and 2013 under $0.2 million between segments
2012–Realignment had no financial information impact on any Segment