2Q'15 Supplemental Information

August 10, 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, McDermott's 2015 priorities and earnings and other guidance for the full year of 2015. 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 terms, scope or timing of contracts, contract cancellations, change orders and other modifications and actions by our customers and business partners and changes in industry norms and adverse outcomes in legal or other dispute resolution proceedings. 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 $3.1 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**

2Q 2015 Financial Highlights

- Order intake during the quarter of $428.5 million
  - Comprised of $294.7 million of new orders and $133.8 million of change orders
- Backlog of $3.1 billion, down slightly from 1Q 2015
  - Driven by strong revenue recognition on existing projects during the quarter, offset by new awards in the MEA and AEA areas
- Revenues of $1.05 billion, an increase of $496.0 million from 1Q 2015
  - 2Q 2015 revenues were driven by strong revenue recognition on the INPEX Ichthys project, the Brunei Shell Petroleum project and three projects in the Middle East
- Gross Profits(GP) as a percent of revenue was 11.6%, down from 13.6% in 1Q 2015
  - GP was lower quarter-over-quarter as a greater amount of Ichthys revenues were recognized during the current period
- Operating Income (OI) was up year-over-year $10.1 million and $35.0 million quarter-over-quarter
  - 2Q 2014 recorded $45.7 million of gains from the disposal of assets and impairments. Without that benefit, the year-over-year OI improvement would have been $55.8 million
- Net Income, adjusted for restructuring charges and one-time losses on the impairment or disposal of assets, would have increased by $24.1 million, or $0.08 per fully diluted share

2015 Revised Guidance

	March '15 Guidance	Revised Guidance
Revenues	$3.3 - $3.6 billion	$3.0 - $3.3 billion
Operating Income	$25 - $50 million	$50 - $70 million
Capex (excluding capitalized interest)	$275 - $295 million	$130 - $140 million
Capitalized Interest	$25 million	$23 million
Year-end Cash	$600 - $650 million	$700 - $750 million
Restructuring Costs	$25 - $35 million	$40 - $50 million
Asset Impairments/Losses on Sales	- -	$8.7 million
Income Taxes	$35 - $45 million	$45 - $55 million
Gross Interest Expense	$72 million	$72 million
Cash Interest/Amortization[1]	$60/$12 million	$64/$12 million
Year-end Gross Debt[2]	$865 million	$865 million

- Revenues for the year are anticipated to be lower than original 2015 guidance, as a result of the delays at Ichthys during the first quarter and customer initiated project changes
- Full-year operating income, including restructuring costs, is expected to be higher as a result of improved execution and focus on cost management. Operating income guidance does not include amounts for unplanned and unreserved contingencies
- Capex, excluding capitalized interest, decreased substantially for the year, as the key spend for the delivery of the DLV 2000 shifted into 1Q 2016, due to slight delays on the construction of the vessel. Maintenance and project capital expenditures are expected to be in the range of $30 - $40 million for 2015
- As a result of the delay in the final DLV 2000 payments, year-end cash is anticipated to be higher than originally forecasted. Costs associated with the Company's restructuring have increased due to severance costs, external consulting support and the costs related to the decommissioning of the DB 101
- Income taxes for the year have increased in-line with improved operating income

[1] Cash interest expense of $64 million includes $3.3 million cash paid pertaining to FY 2014 interest expense
[2] Year-end gross debt is exclusive of $20 million of debt issuance costs

Key Project Awards - YTD

Timeline - Award Date to Expected Completion

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												
PEMEX	Ayatsil Field	AEA	BF	EPCI	Large												
LLOG Exploration	Otis Field	AEA	BF	EPCI	Sizeable												
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												
Saudi Aramco	12 Jackets	MEA	BF	EPCI	Large												

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

Revenue Pipeline Project Size – 2Q'15

Estimated total contract value

As of June 30, 2015, contract value in millions

Description	Range	Backlog [1]	Bids Outstanding [2,3]	Target Projects [2,4]
Sizeable	<$50	19	22	32
Large	$50-250	18	9	32
Significant	$250-750	3	4	18
Major	$750-1,500	2	3	2
Mega	>$1,500	1	1	-

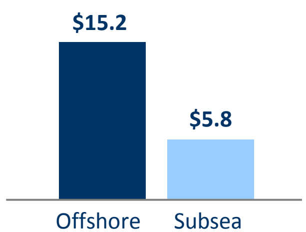
[1] Excludes projects with total contract value less than $1 million. The size of the contracts in backlog reflects the total contract value comprised of revenue previously recognized and anticipated future revenues
[2] There is no assurance that bids outstanding or target projects will be awarded to 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 market in the next five quarters

Bids Outstanding and Target Projects [1]

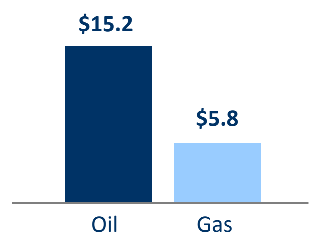
$ in billions

$21 billion as of June 30, 2015

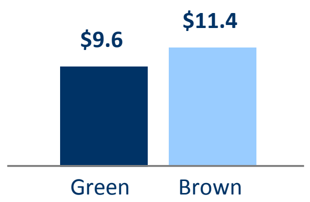
Business Line



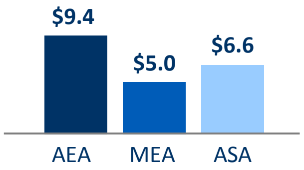
Oil/Gas



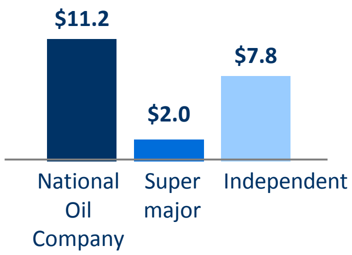
Greenfield/Brownfield



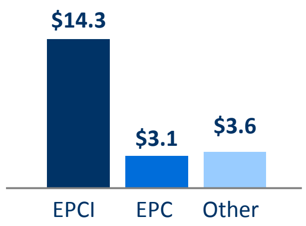
Segment



Customer



Contract Scope

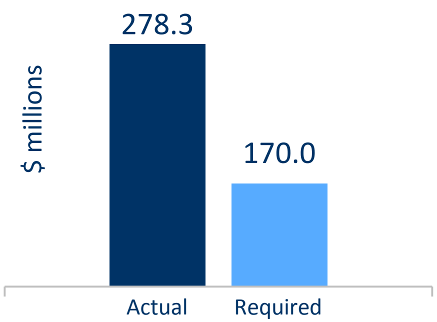


[1] Includes change orders. There is no assurance that bids outstanding or target projects will be awarded to McDermott

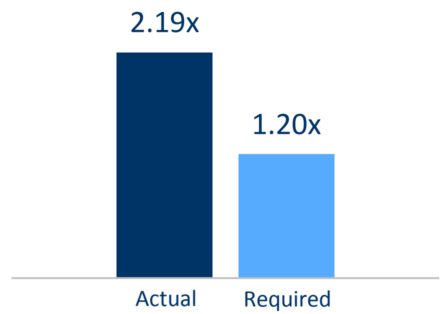
EBITDA and Collateral Covenant Compliance

Compliance calculations as of June 30, 2015

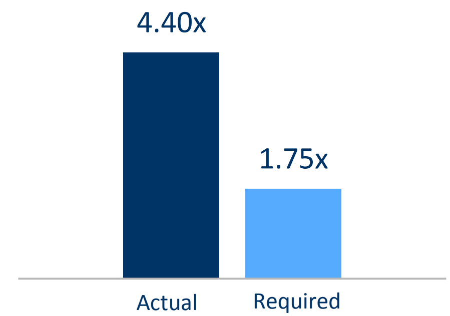
LC Facility
Covenant EBITDA[1,2,3]



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 12 month period. Covenant EBITDA provision available for use in future periods is $28 million

Additional Disclosures[1]

US GAAP Reconciliation of Covenant EBITDA to Net Income

	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014
	(In millions)			
Net Income (loss)	$ 11.5	$ (14.5)	$ 8.2	$ (30.3)
Adjustments:				
Interest Expense (including interest capitalized)	18.4	18.7	18.9	18.7
Tax expense (benefit)	16.5	4.9	10.3	1.5
Depreciation, drydock and amortization (excluding attributable to Nonguarantors)	27.7	31.1	26.1	25.4
Other items:				
Equity (income) loss	7.5	6.7	2.2	3.4
(Gain) loss on assets disposal	1.9	(0.4)	0.1	(4.8)
Impairment loss	6.8			
Restructuring - asset impairment and disposal	3.3	4.2	-	-
Restructuring - other expense	12.1	6.2	6.0	4.7
Others	8.3	4.5	1.1	5.9
Total adjustments	**$ 102.5**	**$ 75.9**	**$ 64.7**	**$ 54.8**
Calculated EBITDA	**$ 114.0**	**$ 61.4**	**$ 72.9**	**$ 24.5**
Calculated EBITDA - Cumulative/TTM	**$ 272.8**	**$ 198.8**	**$ 130.9**	**$ 58.0**
Provisions utilized (TTM)	$5.5	$5.5	$12.0	$12.0
Covenant EBITDA with Provision [2]	**$ 278.3**	**$ 204.3**	**$ 142.9**	**$ 70.0**

[1] Covenant EBITDA is presented for the purpose of disclosing our compliance with the covenants in our New 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 quarterly report on Form 10-Q filed with SEC on August 10, 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

	Q2'15	Q1'15	Q2'14
Fabrication (Mhrs 000s)			
Actual	2,312	2,985	3,258
Standard	4,388	4,387	4,200
% of Standard	**53%**	**68%**	**78%**
Offshore Vessels (Days)			
Actual	392	207	328
Standard	315	310	370
% of Standard	**124%**	**67%**	**89%**
Subsea Vessels (Days)			
Actual	274	293	144
Standard	357	361	280
% of Standard	**77%**	**81%**	**51%**

- Offshore vessel utilization was strong for the quarter, as a majority of the vessels were working above standard activity levels
- Subsea vessel utilization was lower than prior quarter, due to the inclusion of the CSV 108 which started work in June of Q2 2015 at Ichthys and the NO 105 coming off charter in Brazil
- Fabrication utilization is being driven by lower hours at McDermott's Batam yard due to the completion of certain Ichthys deliverables and the completion of the Mafumeira project at Altamira