3Q'15 Supplemental Information

November 9, 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 earnings and other guidance for the full year of 2015 and expected timing of capex related to the DLV 2000. 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.

3Q 2015 Financial Highlights [1]

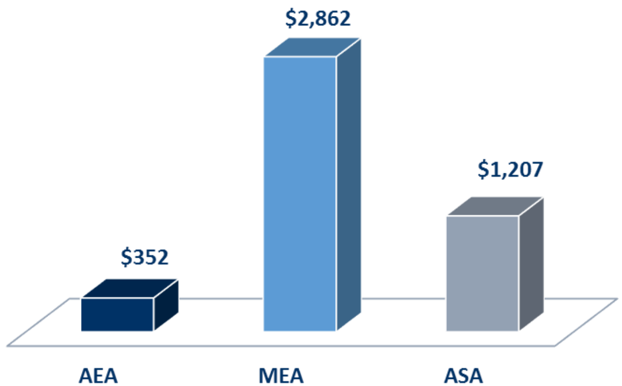
- Order intake during the quarter of $2.1 billion
  - Comprised of $2.0 billion of new orders and $0.1 billion of change orders
- Backlog of $4.4 billion, increasing $1.3 billion from 2Q 2015
  - The increase was driven primarily by new awards in Saudi Arabia and Qatar
- Revenues of $806 million for the quarter were driven by the INPEX Ichthys project, the Brunei Shell Petroleum project, PB Litoral sail-away and three projects in the Middle East
- Adjusted Gross Profit (GP) for the quarter was 12.6%, excluding charges associated with a legal settlement, up from 11.6% in 2Q 2015
- Adjusted Operating Income (OI), excluding restructuring charges and charges associated with a legal settlement, was $52.5 million compared to $57.0 million, excluding restructuring, in 2Q 2015
- Adjusted Net Income, excluding restructuring charges and charges associated with a legal settlement, was $26.7 million, or $0.09 per fully diluted share, compared to 2Q 2015 of $26.9 million, excluding restructuring charges, or $0.09 per fully diluted share

[1] The calculations of adjusted gross profit, total and per share adjusted net income and adjusted operating income are provided in the slide titled “Additional Disclosures – Reconciliation of US GAAP to Non-GAAP Financial Measures”

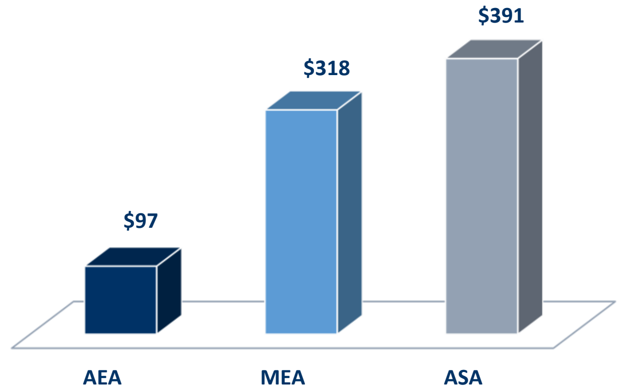
3Q 2015 Area Segment Reporting

$ in millions

Backlog



Revenues

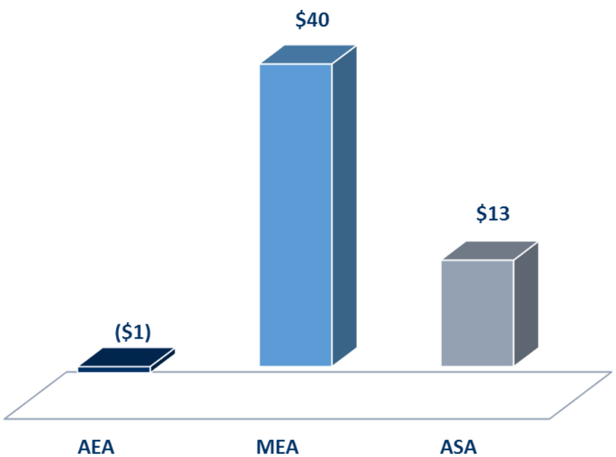


AEA

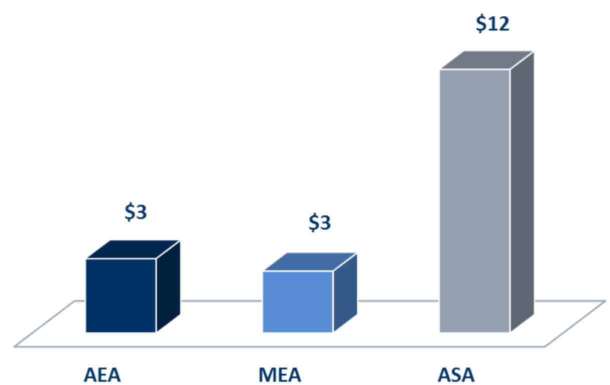
MEA

ASA

Adjusted Operating Income[1]



Capex[2]



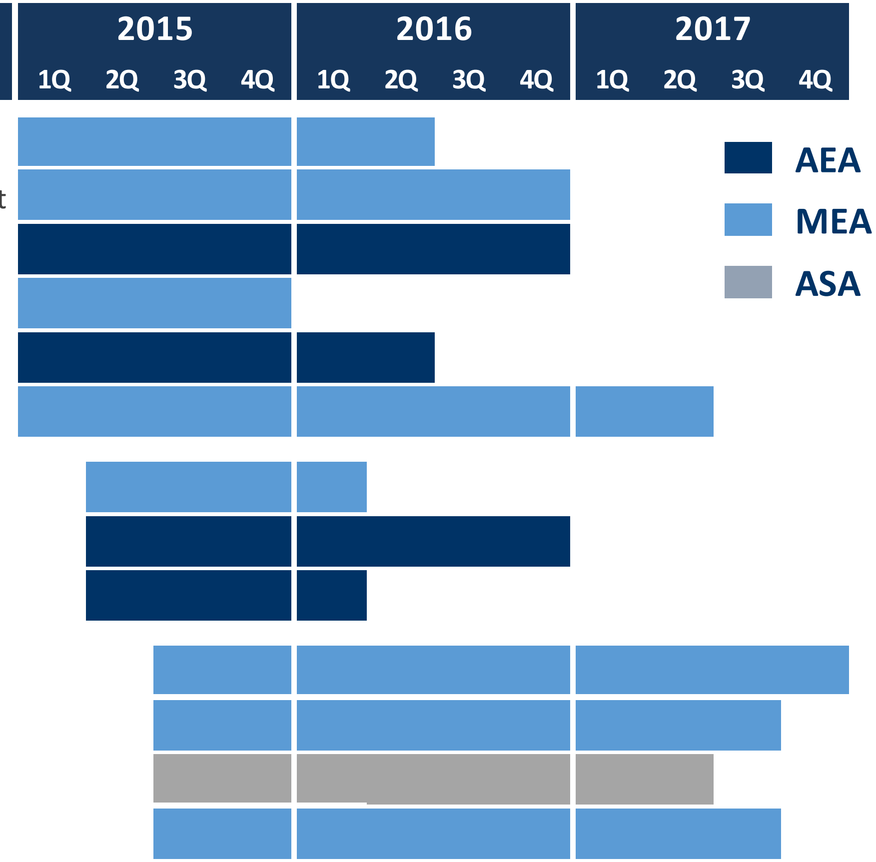
[1] Excluding restructuring charges and charges associated with an AEA legal settlement

[2] The ASA includes the capex for the DLV2000

Key Project Awards - YTD

	Client	Field or Project	Work Type	Work Scope	Project Size
1Q	Qatar Petroleum	N. Field Alpha	BF	EPCI	Large
	Saudi Aramco	Marjan Field	BF	EPCI	Significant
	Chevron USA	Jack & St. Malo	BF	T&I	Sizeable
	RasGas	Ras Laffan Field	BF	EPCI	Sizeable
	QGEP	Santos Basin	GF	EPCI	Large
	Al-Khafji Joint Ops	Hout Field	BF	EPCI	Large
2Q	Saudi Aramco	12 Jackets	BF	EPCI	Large
	PEMEX	Ayatsil Field	BF	EPCI	Large
	LLOG Exploration	Otis Field	BF	EPCI	Sizeable
3Q	Saudi Aramco	Lump Sum	BF	EPCI	Mega
	Qatar Petroleum	Bul-Hanine	BF	EPCI	Sizeable
	Yamal	LNG Modules	BF	C	Large
	RasGas	North Field	BF	EPCI	Large

Timeline - Award Date to Expected Completion



- Middle East area was awarded the largest contract in the region's history
- Continued success in building 2016 and 2017 backlog

- Areas include the Americas, Europe and Africa ("AEA"), Middle East ("MEA") and Asia ("ASA"). Work Type is Brownfield ("BF") or Greenfield ("GF") and Work Scope is Engineering, Procurement, Construction and Installation ("EPCI"), Transportation and Installation ("T&I") or Construction ("C")

2015 Guidance [1]

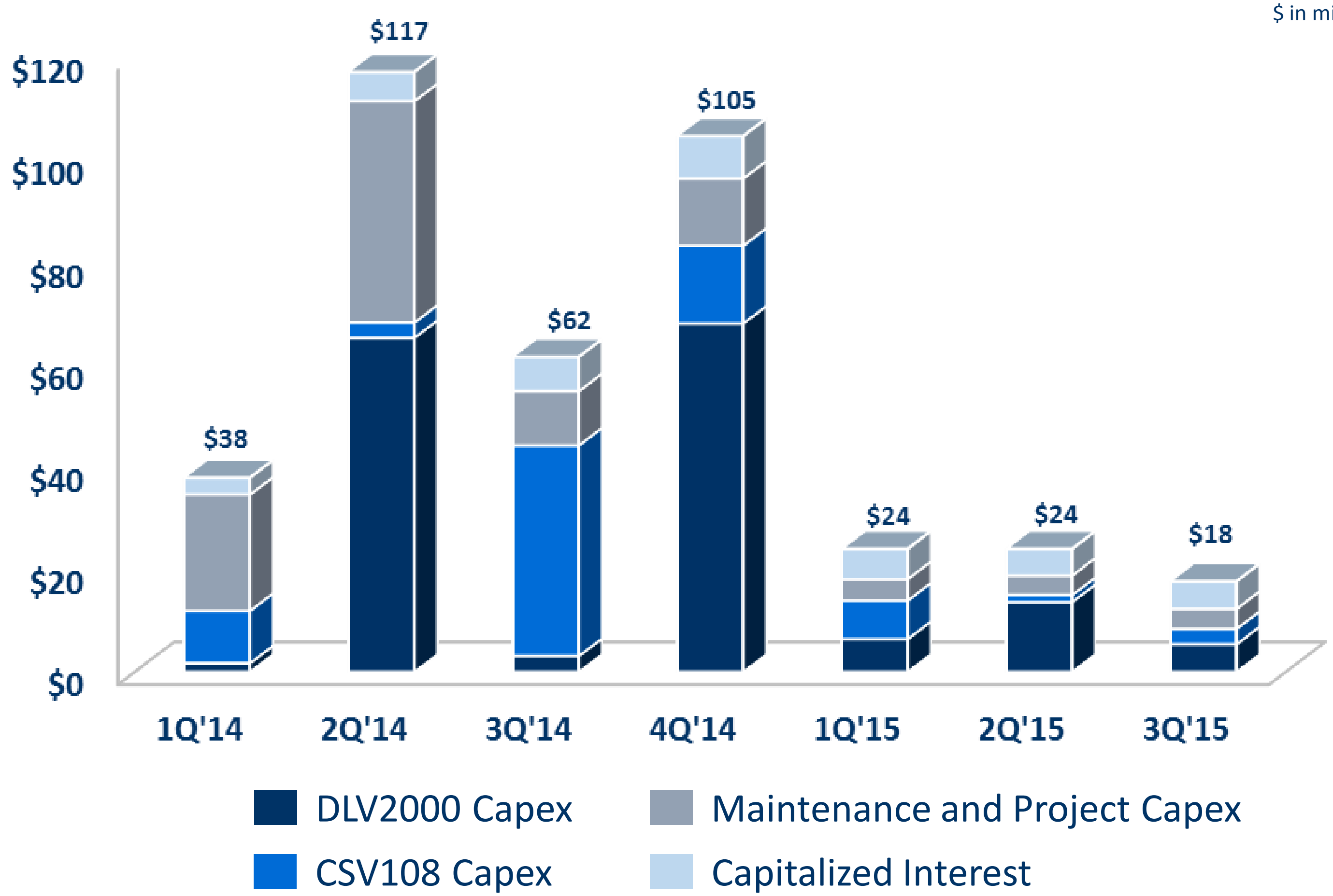
	2Q 2015 Guidance	3Q 2015 Updates
Revenues	\$3.0 - \$3.3 billion	-
Operating Income	\$50 - \$70 million	-
Capex (excluding capitalized interest)	\$130 - \$140 million	\$90 - \$100 million
Capitalized Interest	\$23 million	-
Year-end Cash	\$700 - \$750 million	\$760 - \$780 million
Restructuring Costs	\$40 - \$50 million	-
Asset Impairments/Losses on Sales	\$8.7 million	-
Income Taxes	\$45 - \$55 million	-
Gross Interest Expense	\$72 million	-
Cash Interest/Amortization [2]	\$64/\$12 million	-
Year-end Gross Debt [3]	\$865 million	-

- Capex, excluding capitalized interest, decreased substantially for the year, as the key spend for the delivery of the DLV 2000 of \$180 million shifted into 1Q 2016, due to slight delays on the construction of the vessel and the timing of certain payments. Maintenance and project capital expenditures are expected to be in the range of \$30 - \$40 million for 2015
- Year-end cash is adjusted to reflect the additional shift of the DLV capex spend and cost savings

[1] In connection with the announcement of its 3Q 2015 results, McDermott has reiterated the guidance with respect to 2015 full-year financial results it previously provided in connection with the announcement of its 2Q 2015 results. Updated guidance information with respect to capex and year-end cash is set forth in the “3Q 2015 Updates” column.
[2] Cash interest expense of \$64 million includes \$3.3 million cash paid pertaining to FY 2014 interest expense
[3] Year-end gross debt is exclusive of \$20 million of debt issuance costs

Capex Summary

$ in millions



- The key spend of $180 million for the DLV2000 capex, excluding capitalized interest, has shifted from 2015 into 1Q 2016

3Q 2015 Revenue Pipeline by Project Size

Estimated total contract value

As of September 30, 2015, contract value in millions

3Q'15 Pipeline				
Description	Range	Backlog[1]	Bids Outstanding[2,3]	Target Projects[2,4]
Sizeable	**<$50**	18	8	44
Large	**$50-250**	16	8	28
Significant	**$250-750**	4	4	15
Major	**$750-1,500**	2	-	4
Mega	**>$1,500**	2	-	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

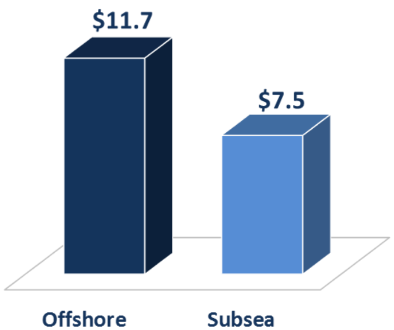
[4] Target projects are those that we believe fit McDermott's capabilities and are anticipated to be awarded in the market in the next five quarters

Bids Outstanding and Target Projects [1]

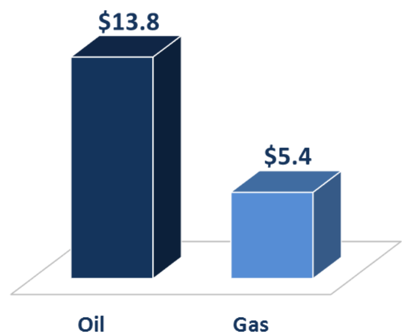
$ in billions

$19.2 billion as of September 30, 2015

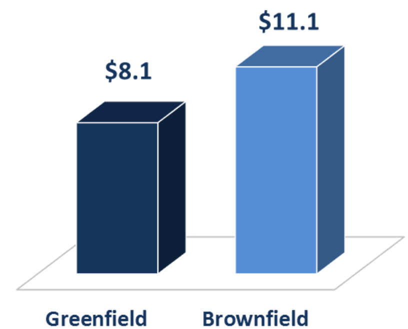
Business Line



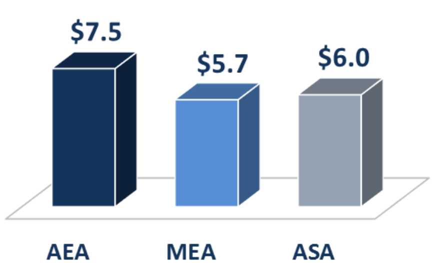
Oil/Gas



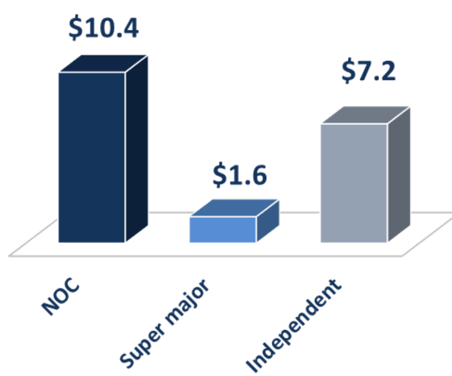
Greenfield/Brownfield



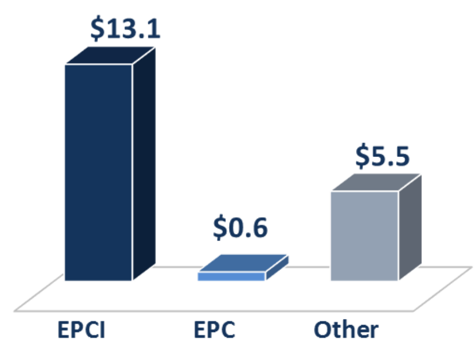
Segment



Customer



Contract Scope

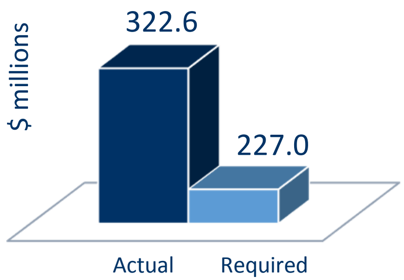


[1] Includes change orders. There is no assurance that bids outstanding or target projects will be awarded to McDermott

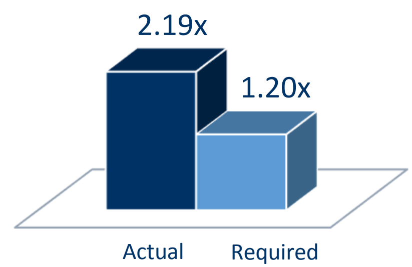
EBITDA and Collateral Covenant Compliance

Compliance calculations as of Sep 30, 2015

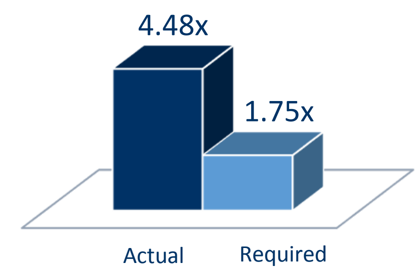
LC Facility
Covenant EBITDA[1,2,3]



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 Credit Agreement
[2] See slide titled "Additional Disclosures" for reconciliation of Covenant EBITDA to Net Income
[3] Covenant EBITDA provision available for use in future periods is $28 million

Additional Disclosures[1]

US GAAP Reconciliation of Covenant EBITDA to Net Income

$ in millions	Quarter ended Sep 30, 2015	Quarter ended Jun 30, 2015	Quarter ended Mar 31, 2015	Quarter ended Dec 31, 2014	Quarter ended Sep 30, 2014
Net Income (loss) attributable to McDermott International, Inc.	$ 3.7	$ 11.5	$ (14.5)	$ 8.2	$ (30.3)
Adjustments:					
Interest Expense (including interest capitalized)	18.6	18.4	18.7	18.9	18.7
Tax expense (benefit)	9.1	16.5	4.9	10.3	1.5
Depreciation, drydock and amortization (excluding attributable to Nonguarantors)	27.8	27.7	31.1	26.1	25.4
Other items:					
Equity (income) loss	4.5	7.5	6.7	2.2	3.4
(Gain) loss on assets disposal	(0.1)	1.9	(0.4)	0.1	(4.8)
Impairment loss	-	6.8	-	-	-
Restructuring - asset impairment and disposal	-	3.3	4.2	-	-
Restructuring - other expense	6.3	12.1	6.2	6.0	4.7
Others	4.4	8.3	4.5	1.1	5.9
Total adjustments	**$ 70.6**	**$ 102.5**	**$ 75.9**	**$ 64.7**	**$ 54.8**
Calculated EBITDA attributable to McDermott International, Inc.	**74.3**	**114.0**	**61.4**	**72.9**	**24.5**
Calculated EBITDA attributable to McDermott International, Inc. - Cumulative/TTM	**322.6**	**272.8**	**198.8**	**130.9**	**58.0**
Provision utilized (TTM)	-	5.5	5.5	12.0	12.0
Actual Covenant EBITDA attributable to McDermott International, Inc. (TTM) [2]	**$ 322.6**	**$ 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 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 November 9, 2015 and subsequent quarterly reports

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

Additional Disclosures[1]

Reconciliation of US GAAP to Non-GAAP Financial Measures

(In millions, except share and per share amounts)	Three Months Ended September 30, 2015 Net Income	Three Months Ended September 30, 2015 Diluted Earnings Per Share	Three Months Ended June 30, 2015 Net Income	Three Months Ended June 30, 2015 Diluted Earnings Per Share
GAAP Net Income Attributable to the Company	**$ 3.7**	**$ 0.01**	**$ 11.5**	**$ 0.04**
Less: Adjustments				
Restructuring charges[2]	6.3	0.02	15.4	0.05
Legal settlement[3]	16.7	0.06	-	-
Total Non-GAAP Adjustments	23.0	0.08	15.4	0.05
Non-GAAP Adjusted Net Income Attributable to the Company	**$ 26.7**	**$ 0.09**	**$ 26.9**	**$ 0.09**
GAAP Operating Income	**$ 29.5**		**$ 41.6**	
Non-GAAP Adjustments	23.0		15.4	
Non-GAAP Adjusted Operating Income	**$ 52.5**		**$ 57.0**	

	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015
GAAP Revenue	**$ 805.9**	**$ 1,046.5**
GAAP Cost of Operations	**721.0**	**925.5**
Less: Adjustment for Legal Settlement[3]	16.7	-
Non-GAAP Adjusted Cost of Operations	**$ 704.3**	**$ 925.5**
Non-GAAP Adjusted Gross Profit	**12.6%**	**11.6%**

[1]Non-GAAP measures are comprised of adjusted gross profit, the total and diluted per share amounts of adjusted net income (loss) attributable to the Company, adjusted operating income (loss), and adjusted cost of operations in each case excluding the impact of certain identified items. The Company believes that these measures are useful for investors to review because they provide a consistent way to evaluate the underlying results of the ongoing business. Furthermore, management uses these measures as a gauge of the performance of the Company's operations. However, Non-GAAP measures should not be considered as substitutes for operating income, net income or other data prepared and reported in accordance with GAAP and should be viewed in addition to the Company's reported results prepared in accordance with GAAP.

[2]Restructuring charges of $6.3 million and $15.4 million primarily associated with workforce reductions, facility closures, consultant fee, contract terminations and asset impairments were recorded during the third and second quarters of 2015, respectively.

[3]Charges associated with a legal settlement of $16.7 million were recorded during the third quarter of 2015.

Asset Utilization Summary

	3Q'15	2Q'15	3Q'14	YTD'15	YTD'14
Fabrication (Mhrs 000s)					
Actual	2,013	2,312	3,739	7,310	10,248
Standard	4,387	4,388	4,200	13,162	12,600
% of Standard	**46%**	**53%**	**89%**	**56%**	**81%**
Offshore Vessel (Days)					
Actual	369	392	260	968	665
Standard	313	315	370	938	740
% of Standard	**118%**	**124%**	**70%**	**103%**	**90%**
Subsea Vessel (Days)					
Actual	276	274	158	843	408
Standard	361	357	280	1,079	560
% of Standard	**76%**	**77%**	**56%**	**78%**	**73%**

- Offshore vessel utilization was strong for the quarter, as a majority of the vessels were working above standard activity levels
- Fabrication utilization is being driven by the completion of the PB Litoral project at Altamira

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- **"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