



Wood Group PSN – Production Services

Capital Markets Day
9th October 2014

Safety &
Assurance

Relationships

Social
Responsibility

People

Innovation

Financial
Responsibility

Integrity



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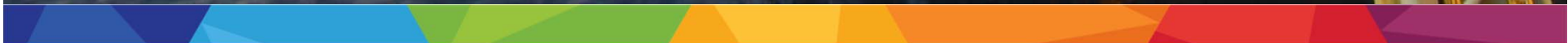
Agenda

Introductions

IMS Update

Wood Group PSN –
Production Services

Q & A



Summary IMS

- Year to date trading supports a full year outlook for the Group consistent with that referred to in our interim statement of 19 August 2014
- We continue to anticipate performance in line with expectations and up on 2013, led by growth in Wood Group - PSN Production Services.
- Wood Group Engineering - lower contribution from Upstream continues to be partially offset by good performance in Subsea & Pipelines and Downstream.
- Wood Group PSN - Production Services - continues to deliver strong growth driven by performance in the Americas led by higher margin US shale work
- Turbine Activities – expect significant improvement in H2



Our objectives for the day

- Provide greater insight into our business
- Identify our leading position in strong long term growth markets
- Demonstrate our breadth and depth of services
- Outline our competitive advantage and differentiation
- Highlight our growth potential and future focus



WOOD GROUP



Safety is our number one priority

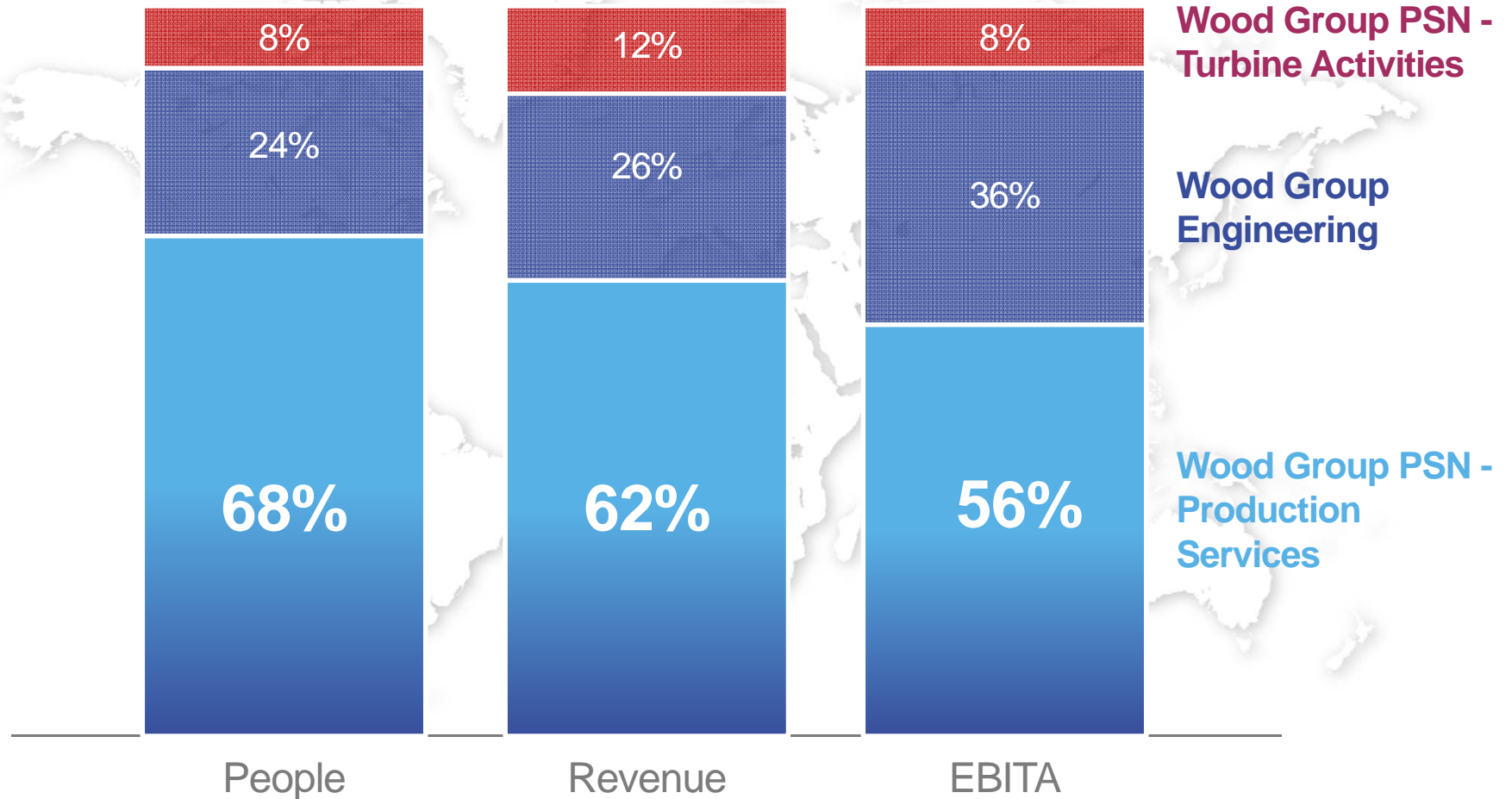


Wood Group PSN – Production Services

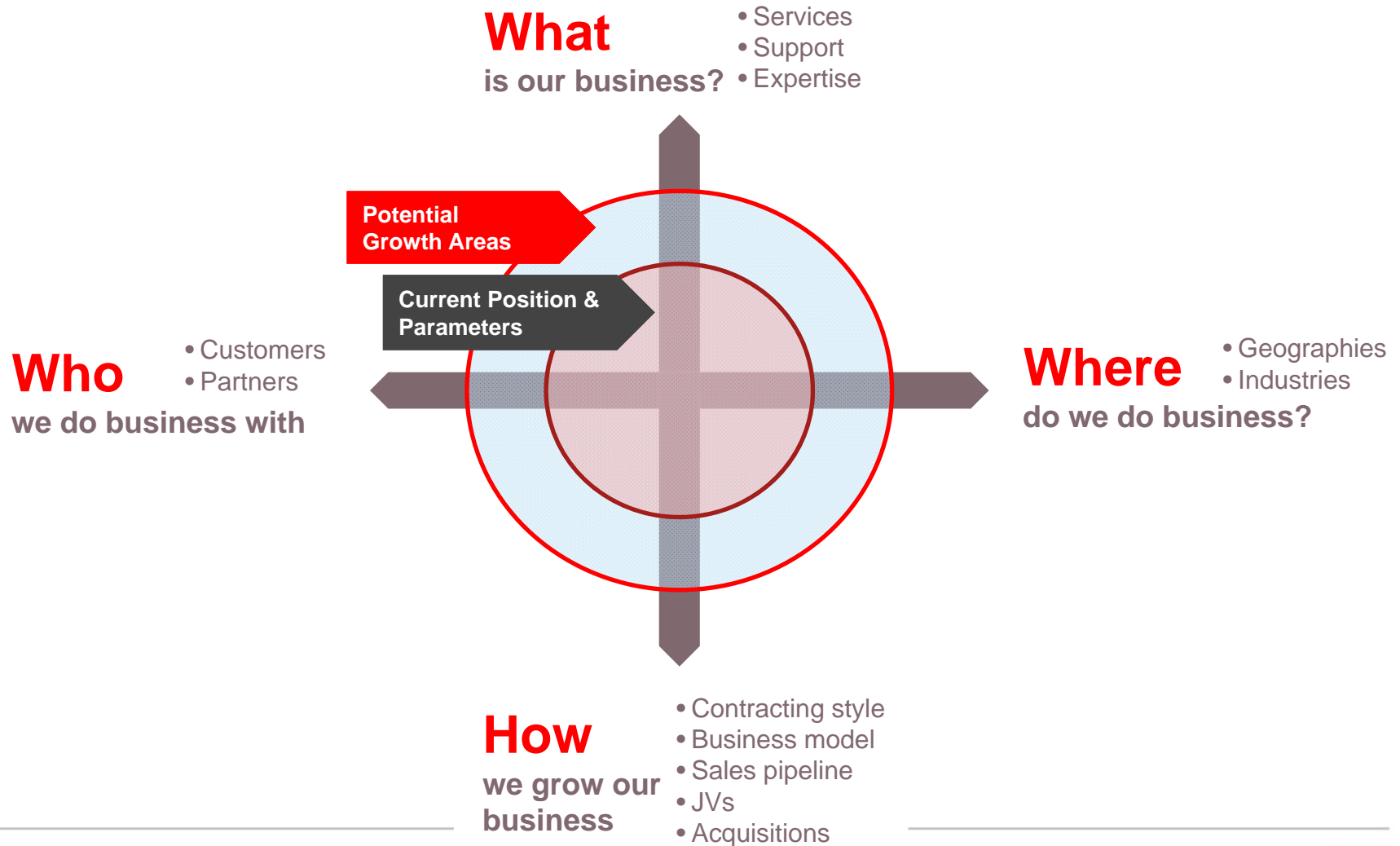
- A market leader in production facilities support
- Lifecycle services capability from concept to decommissioning
- Delivering improved customer asset performance and lowering cost
- Reimbursable opex focused business
- Long-term relationships with customers in key growth regions
- Significant future opportunities



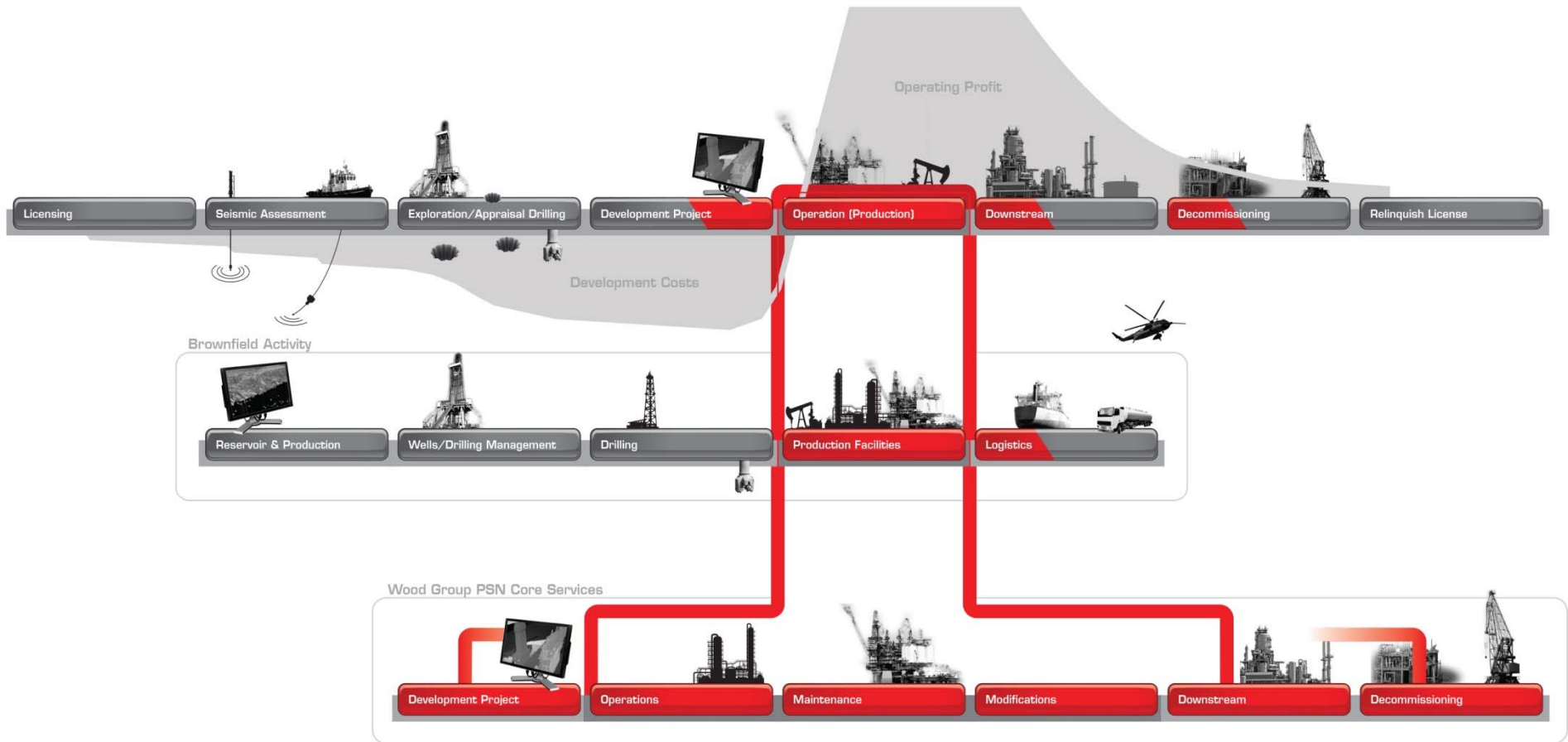
Our position in Wood Group



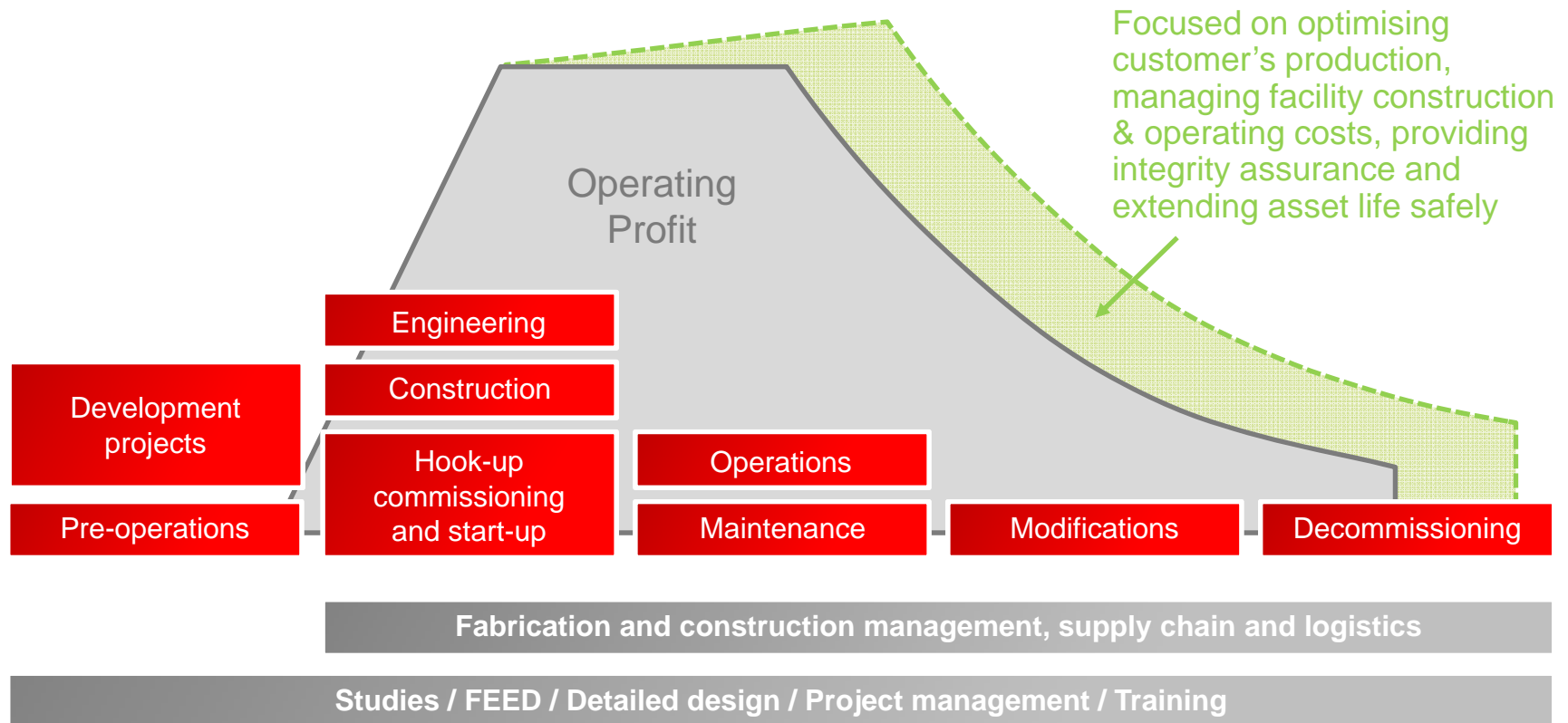
Strategy development



What we do



What we do



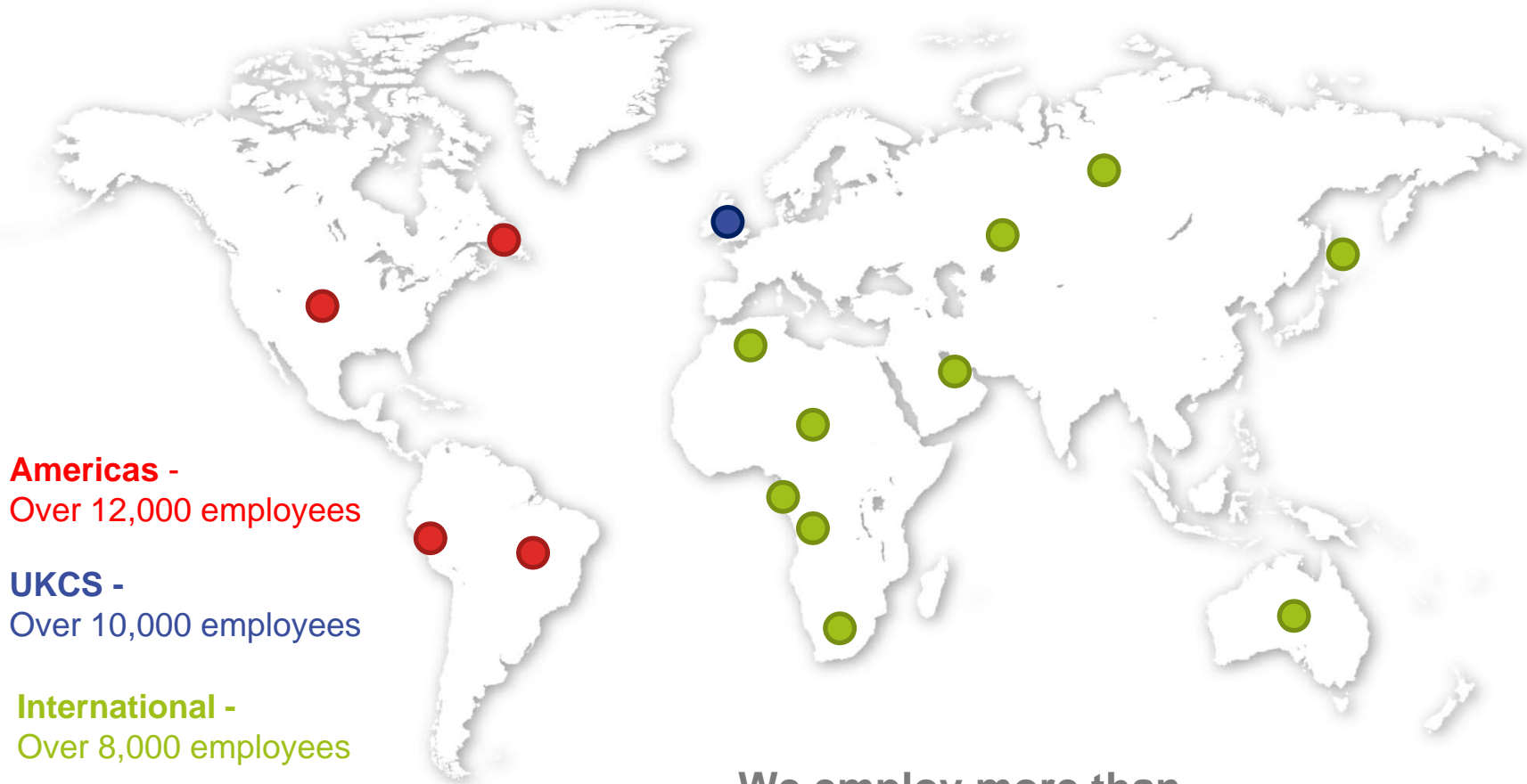
Organised for growth



1. De-centralised
2. De-layered
3. Localised



Headcount



**We employ more than
30,000 people in over 36 different countries**



Key metrics by region

	Share of revenues	EBITA margin range	Typical contract range	% of reimbursable revenue	Revenue opex/capex split	Principal Competitors
North Sea	c. 40%	Around 5%	3 to 5 years	95% +	90%/10%	Amec, Petrofac
Americas	c. 40%	Around 10%	Evergreen / MSA	90%+	55%/45%	Independent contractors
International	c. 20%	5-10%	3 to 5 years	95% +	70%/30%	Amec, Petrofac, Worley Parsons

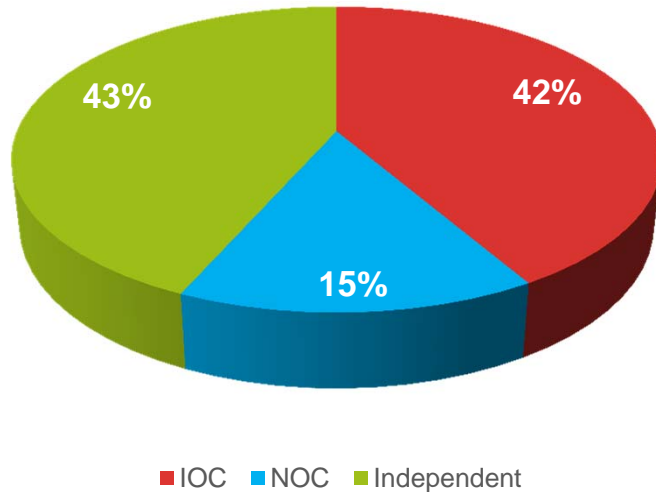
Source: Wood Group management estimates



Strong relationships

Selected customers

Revenue by customer type



IOCs



Independents



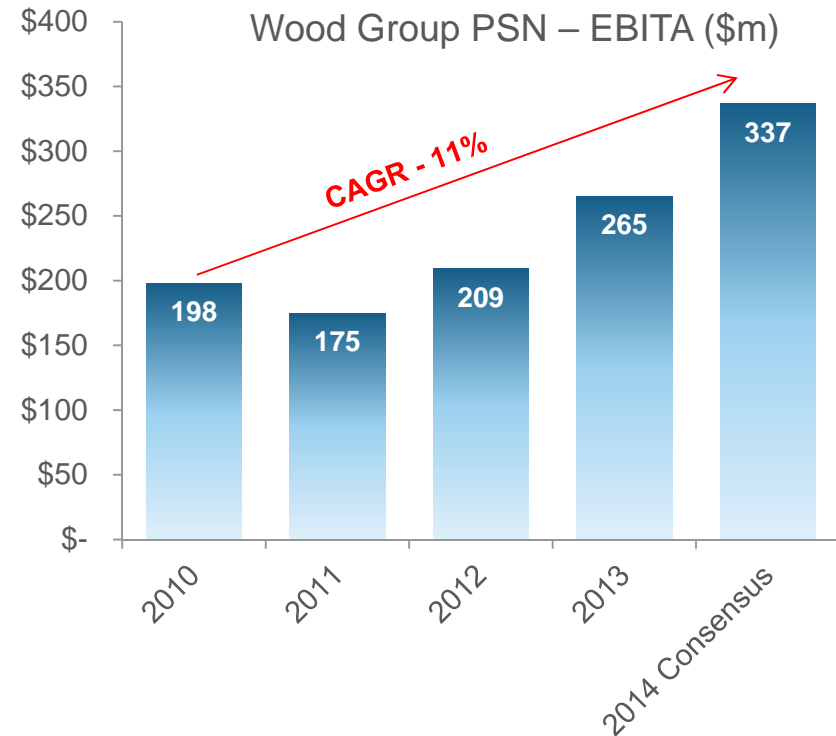
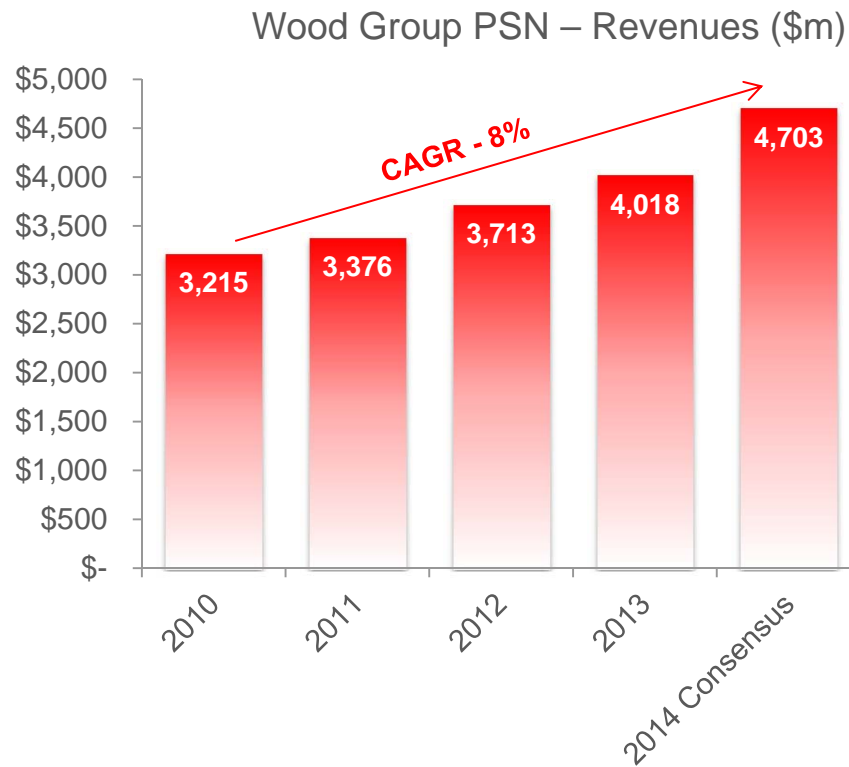
NOCs



Source: Wood Group management estimates based on H1 2014 data



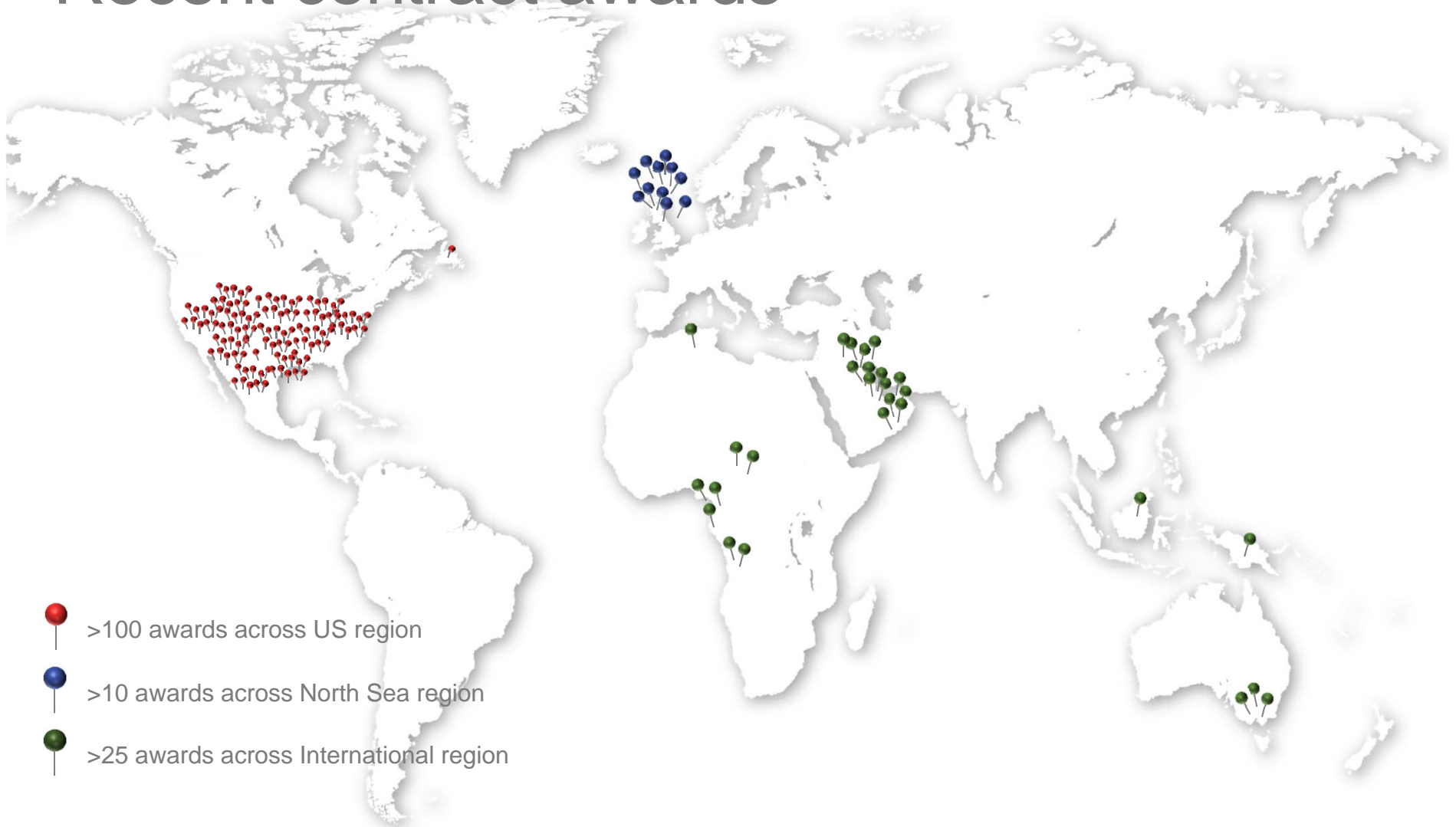
Delivering growth organically and through acquisition






Note: 2010 and 2011 are pro forma'd to include the combined PSN and Wood Group Production Facilities business.



Recent contract awards



-  >100 awards across US region
-  >10 awards across North Sea region
-  >25 awards across International region



M&A activity



Our business model



Wood Group PSN - Production Services

- A market leader in production facilities support
- Lifecycle services capability from concept to decommissioning
- Delivering improved customer asset performance and lowering cost
- Reimbursable opex focused business
- Long-term relationships with customers in key growth regions
- Significant future opportunities



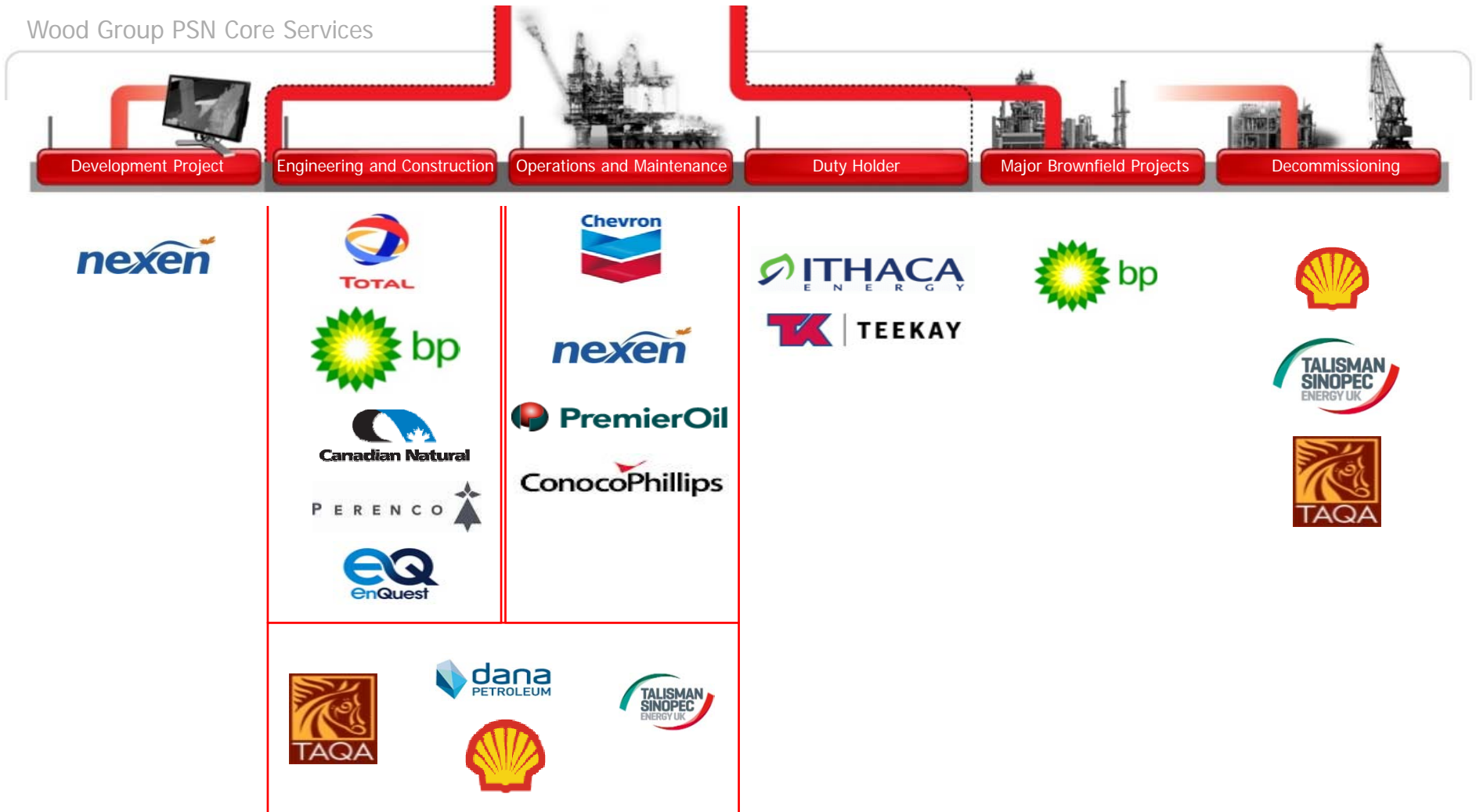
North Sea

- Leading position in mature market challenged by higher operating costs & falling production rates
- Our services are focused on safely reducing customers operating cost, increasing production and extending asset lives
- Continued client focus on efficiency and cost optimisation
- Strong customer relationships and significant contract renewals



North Sea – key customers

Wood Group PSN Core Services



North Sea – look forward



- Late life asset management
- Stranded production management
- Service expansion through M&A
- Working with customers to achieve cost optimisation:
 - Contractor rate reduction
 - Work share initiatives
 - Extending our service offering

Broadening services in a mature market

North Sea case study - Pyeroy



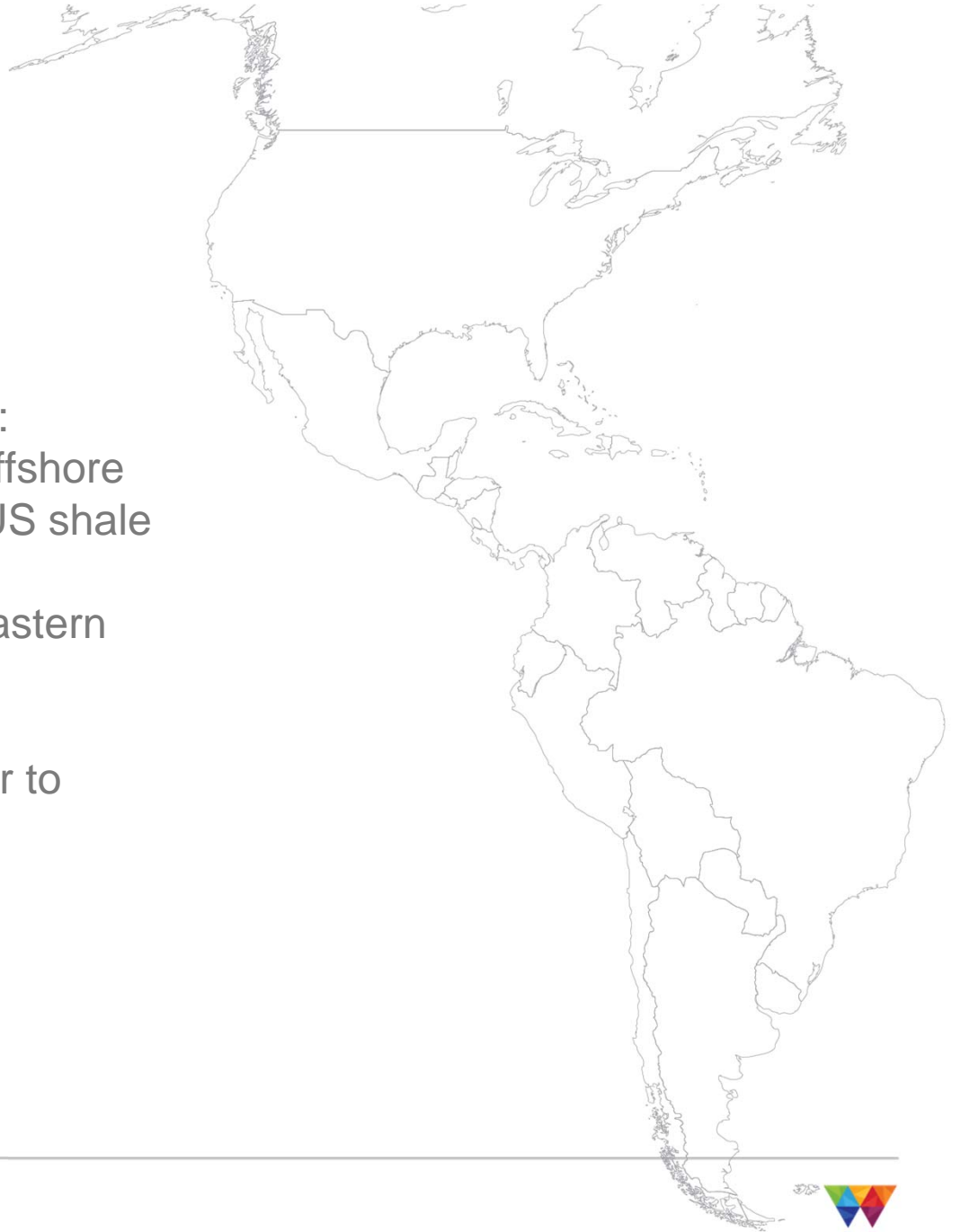
- Acquired July 2013
- Fabric maintenance business primarily in marine / industrial segments with growing Oil & Gas presence
- Moves core service from outsourced to integrated
- Asset integrity is a growing market
- Delivering strong EBITA growth since acquisition

North Sea case study – Beatrice late asset life



Americas

- US, Canada and Latin America
- US > 80% of Americas revenue:
 - Leading position in GoM Offshore
 - Fast growing exposure in US shale
- Significant contract awards in Eastern Canada
- Americas now largest contributor to WGPSN EBITA



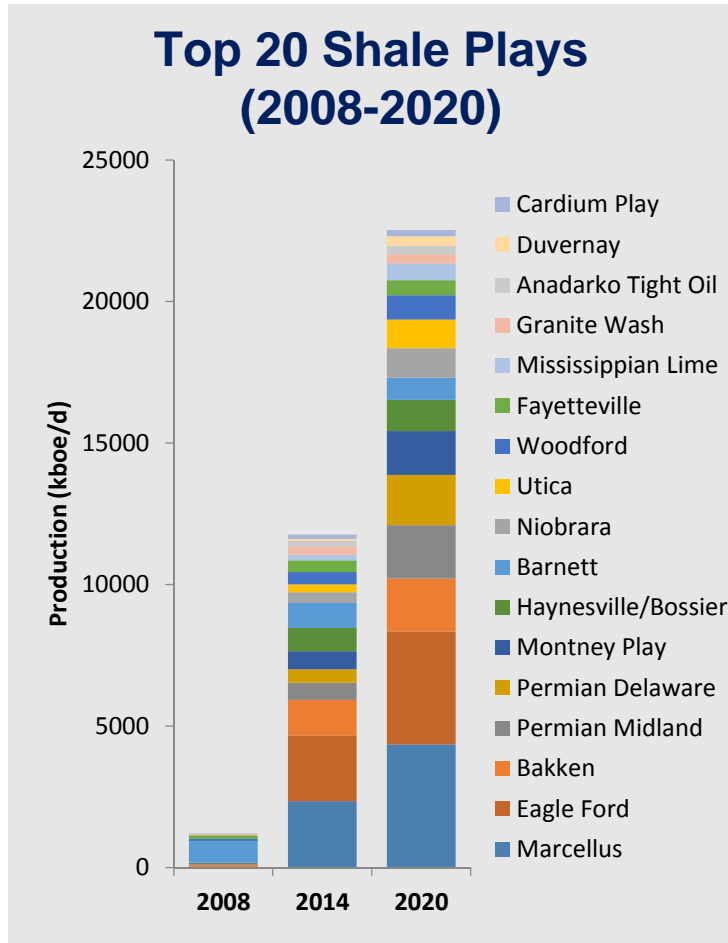
US offshore

Key customers

- Energy XXI
- Fieldwood Energy
- LLOG Exploration Co
- W & T Offshore
- Energy Resource Technology

- Operations & maintenance manpower, managed services, training and commissioning services
- Leading position in GoM – over 3,000 employees supporting >1,200 facilities
- Shelf - mature market, primarily independent operators
- Deepwater – longer term growth opportunities with IOCs
- Safety, quality & professionalism of service offering are differentiators in a highly regulated market

Significant US shale market



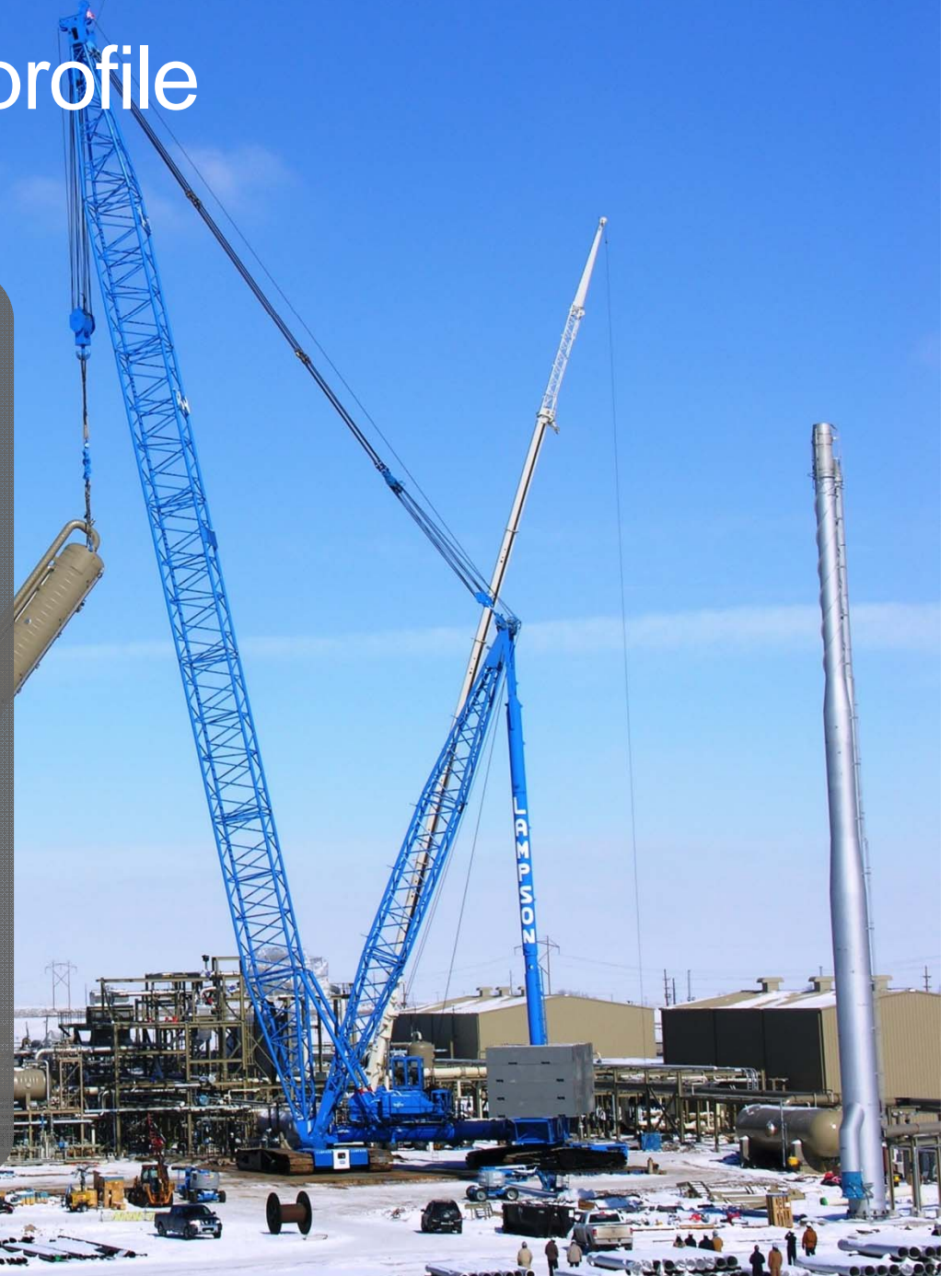
Source: Rystad Energy UCube (September 2014)

- Very strong production growth forecast to 2020 (c.80% +)
- Horizontal rigs up 15%+ in 2014
- 2014 daily production in Eagle Ford region comparable to UKCS
- Most active shale basins are in geographically remote areas
- Fragmented competition and immature supply chain

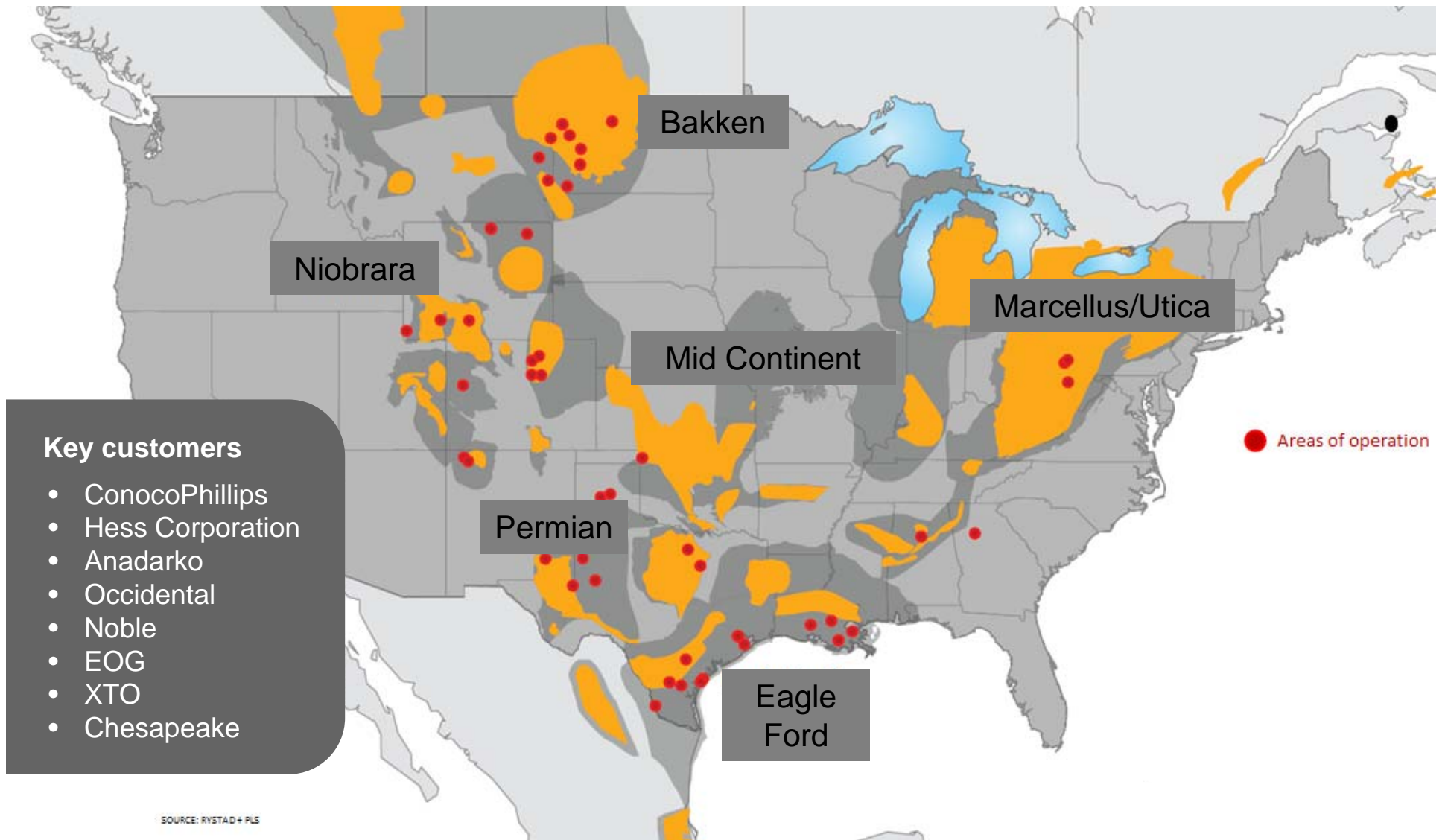


US shale business profile

- Organic & acquisition growth >\$1bn in revenue & c.6,000 employees
- Strategic acquisitions broadened service lines & footprint
- Significant WG capital investment in organic and acquired businesses
- Delivering higher margins than in other WGPSN markets
- Complex packaging of services, including site preparation, fabrication, construction and commissioning
- Safety culture, Core Values and breadth & depth of services provide value to customers



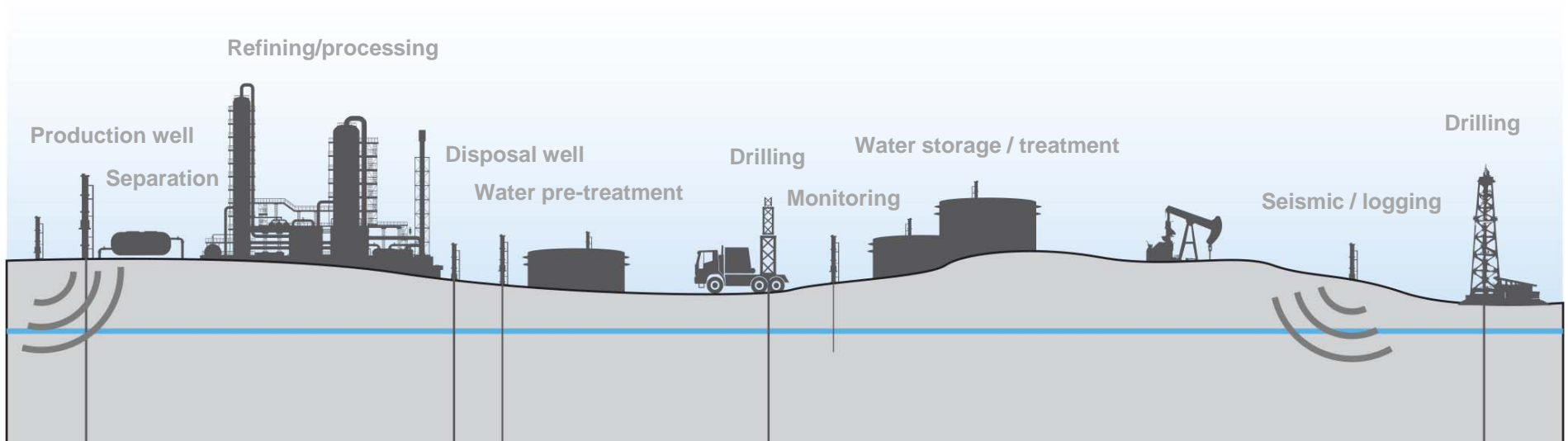
US shale markets



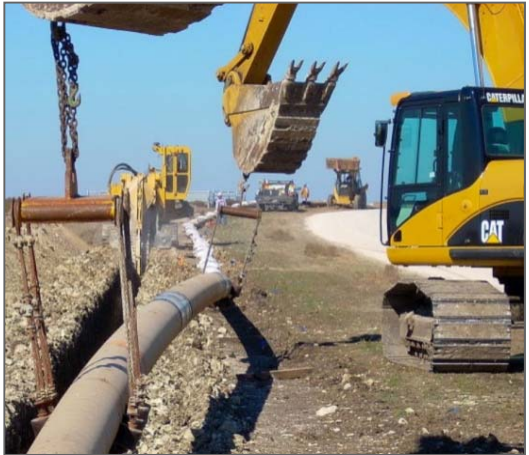
US shale – what we do

Key service lines:

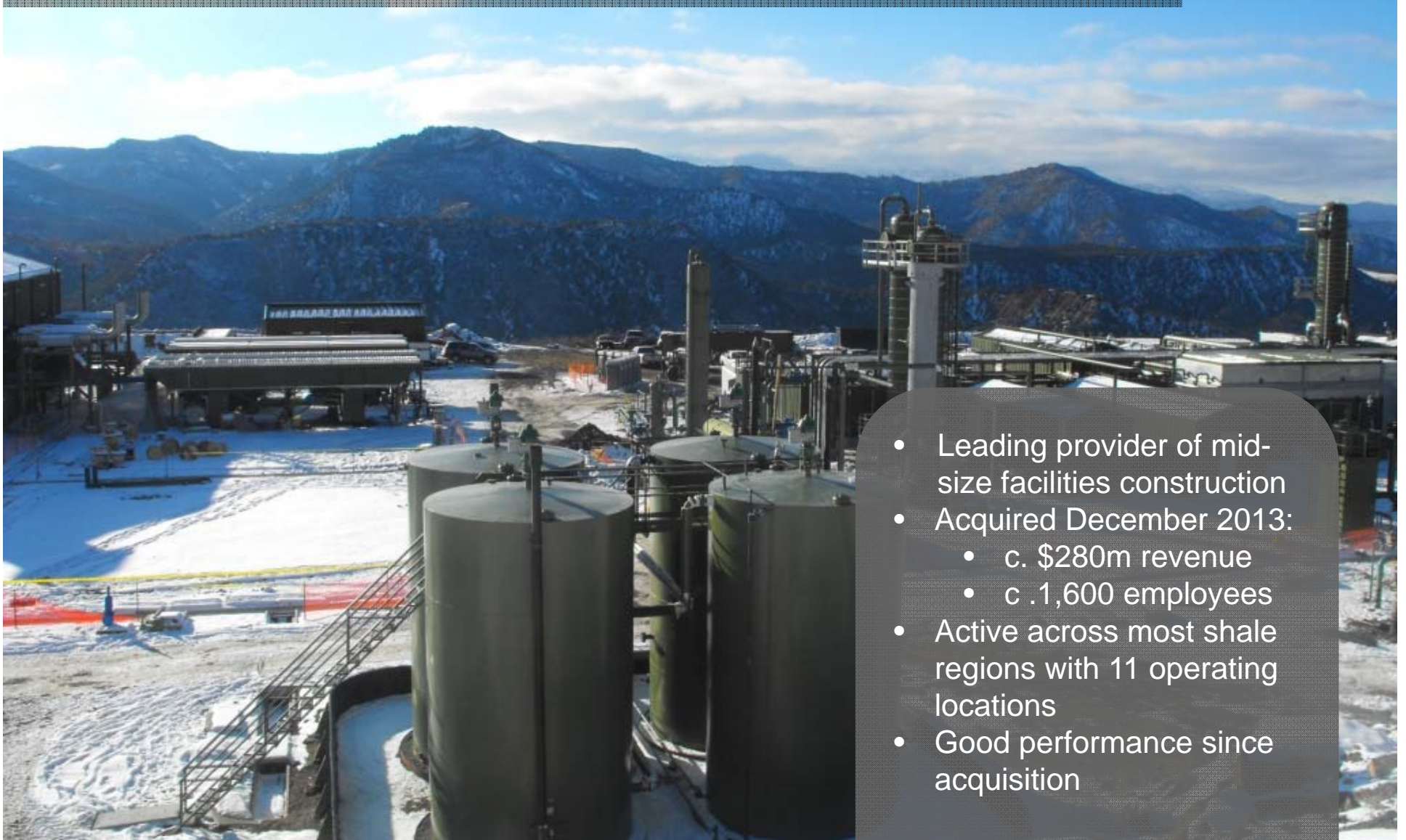
- Design, procurement and construction
- Lease maintenance and construction
- O&M services / consulting
- Specialty services
- Commissioning



Increasing infrastructure complexity



Americas case study – Elkhorn



- Leading provider of mid-size facilities construction
- Acquired December 2013:
 - c. \$280m revenue
 - c. 1,600 employees
- Active across most shale regions with 11 operating locations
- Good performance since acquisition

US shale capabilities and presence

	Bakken	Eagle Ford	Permian	Midcontinent	Niobrara	Marcellus/ Utica
Civils & Construction			✓		✓	
Fabrication	✓	✓			✓	
Lease Maintenance and Construction	✓	✓	✓	✓	✓	
Electrical & Instrumentation	✓	✓			✓	✓
Pipeline			✓		✓	✓
Operations & Maintenance	✓	✓		✓	✓	✓
Mechanical	✓	✓				
Measurement		✓				
Consulting	✓	✓	✓			✓
Training		✓				



Larger scale plant developments

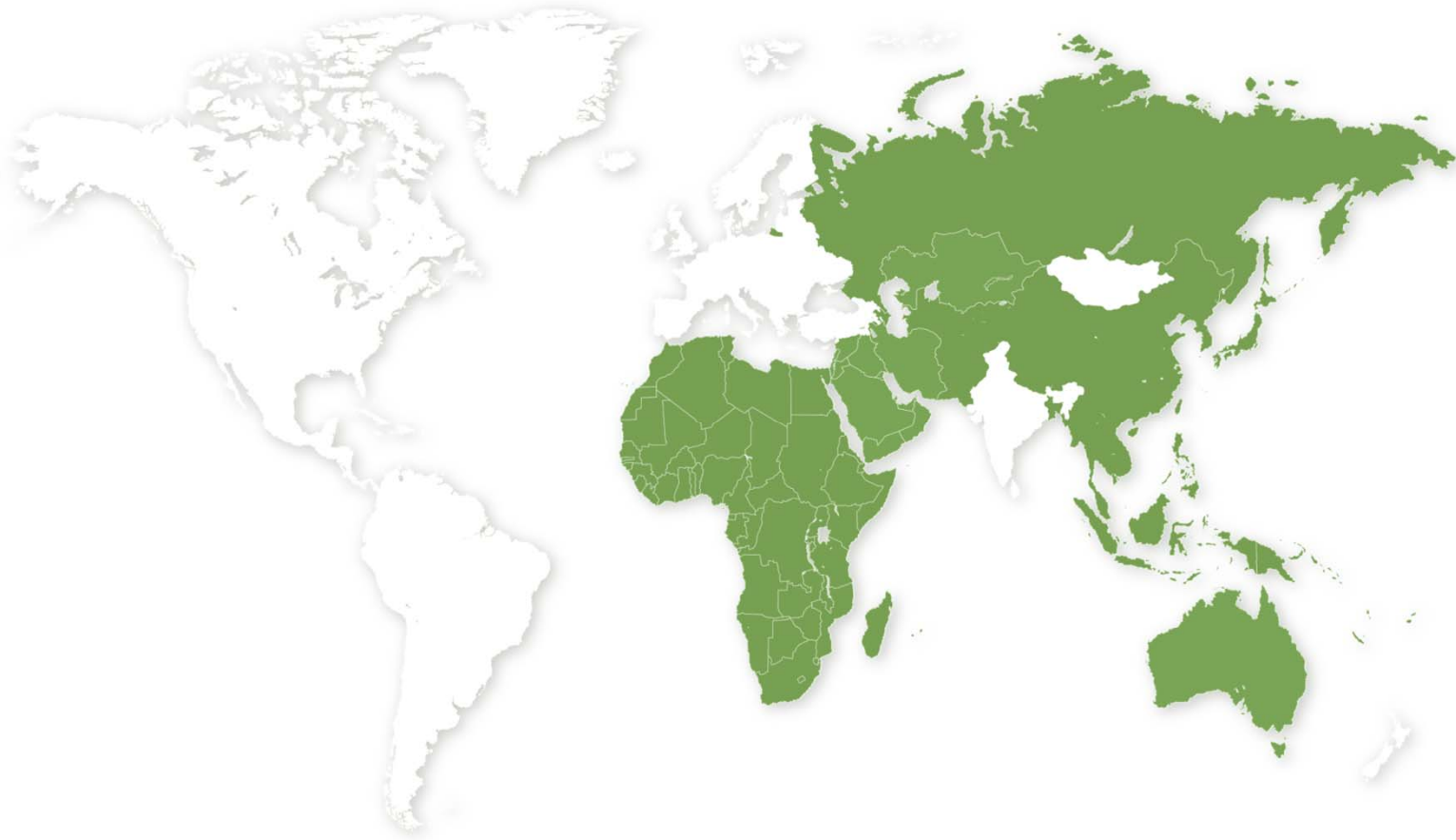


US shale - look forward

- Well positioned in US shale plays
- Strategic acquisitions to broaden & enhance our service offerings
- Deliver “one stop” integrated solution for production and process facilities
- Continued commitment to the training & development of qualified personnel



International



Africa

An aerial photograph of a large industrial facility, likely an oil or gas processing plant, in a dry, arid region. The facility features several large, cylindrical storage tanks, a complex network of pipes and walkways, and a large, white, arched structure. The ground is reddish-brown, and there are some smaller buildings and vehicles scattered throughout the site.

Africa

- Operations include:
 - Chad, Cameroon, South Africa, Algeria, Angola, Equatorial Guinea, Nigeria
- Infrastructure investment period
- Maintenance is core service
- Localisation requirement
- Growing engineering requirement

Middle East & ERC



Middle East / ERC

- Operations include:
 - Kazakhstan, UAE, Bahrain, Russia, Oman & Iraq
- NOCs influence
- Increasing demand for efficiency gains
- Follow our customers
- JV partnerships is key focus

Australia & Asia Pacific

A photograph of a worker in an orange high-visibility shirt and white hard hat working on a large industrial machine. The worker is wearing safety glasses and gloves, and is focused on the task. The machine is a large, cylindrical vessel with a perforated interior. Another worker is visible in the background, also wearing a white hard hat and orange shirt. The scene is set in an industrial environment with various pipes and structures.

Australia & Asia Pacific

- Operations include:
 - Australia, Malaysia, Papua New Guinea
- Transition to brownfield following major capital investment
- Long track record with IOCs
- Collaboration aiding major wins in Papua New Guinea, Malaysia, Perth
- Expanding Western Australia presence

International case study

- ExxonMobil Malaysia EPCM



- EPCM contract jointly secured by Wood Group PSN and Wood Group Mustang
- Covers 35 offshore assets with PETRONAS
- Development produces c. 20% of the nations oil production
- 5 years initial term + 1 x 1 year extension
- 300k – 400k hours per year
- Deepens relationship with XOM building on recent wins - PNG (Aug-13), Retrofit (Apr-14), Hibernia (Jul-14)
- Strategically positions Wood Group in Malaysia



Summary

An aerial photograph of an industrial facility, likely a refinery or chemical plant. The facility features several large buildings, including a prominent one with a green roof on the left. A complex network of pipes and walkways connects different parts of the site. In the background, there is a large, circular green pond. The surrounding area is a mix of open fields and dense green trees. The overall scene is captured from a high angle, providing a comprehensive view of the industrial complex.

- A market leader in production services support
- Clear strategy
- Significant presence in North Sea; look to expansion of service offering
- Large focus on increasingly complex US shale operations; future expansion organically and through acquisition
- Good presence in key international growth markets
- Well positioned for long term growth

Biographies



**Alan Semple,
CFO, Wood Group**

Alan Semple became CFO of Wood Group in 2000. Prior to this role, he served as finance director for the Well Support business (sold in 2011) from 1997 to 2000.

Alan has more than 30 years experience in senior financial management positions of which over 25 has been in the oil and gas industry.



**Robin Watson,
CEO, WGPSN**

Robin Watson became chief executive of Wood Group PSN in 2012, and was appointed to the board of John Wood Group PLC on January 1, 2013. Prior to this he was UK managing director of Wood Group PSN.

Robin has more than 30 years of engineering and industry experience, with the past 24 years spent in a variety of senior leadership, management, business development, project management and operations management roles, within both the operator and the service sectors of the oil and gas industry.



**Mitch Fralick,
Co-President, WGPSN,
Americas**

Mitch Fralick became co-president of WGPSN Americas, in 2013, along with John Glithero, following the retirement of Derek Blackwood.

Mitch has more than 30 years of experience in the oil & gas industry, all in onshore operations. He joined Wood Group in 2008 through the acquisition of Producers Assistance Corporation (PAC), a company he founded and led as president.

Mitch is responsible for WGPSN's regional strategy, operations and functional delivery, and all acquisitions and business integration.

