

Principle 7	Businesses should support a precautionary approach to environmental challenges
Principle 8	Undertake initiatives to promote greater environmental responsibility
Principle 9	Encourage the development and diffusion of environmentally friendly technologies
Our commitment or policy	

PETROFAC LIMITED
 ENVIRONMENTAL POLICY
 (as published on the corporate web site)

Vision

Petrofac will be acknowledged by our industry as a standard setter in environmental management. We will be regarded as an expert in delivering high level environmental performance across our diverse workforce in all our operational locations.

Commitment

- The Petrofac Board of Directors has ultimate responsibility for environmental performance. This responsibility and the Board's commitment to the achievement of environmental excellence are part of the foundation of our business management system. Petrofac and its business units are therefore committed to:
- promoting a culture in which all employees share this commitment _ a target of zero environmental incidents
- assessing the existing environmental consequences of our activities on the local environment in order to limit disturbance
- operating in a safe manner to avoid spills, leaks and accidental discharges of polluting materials
- using energy resources and materials efficiently when providing products and services
- limiting the quantities of wastes and other discharges and handling/disposing of them in a reasonable manner
- maintaining pollution contingency plans and the capability to respond in an emergency
- transparency in the reporting of the Company's environmental performance

Objectives

To meet this commitment each Petrofac business unit will:

- develop and implement a systematic approach to environmental management within the regulatory and other requirements of the countries in which we operate and in accordance with the appropriate national and international standards
- ensure that our environmental goals and standards are understood and followed all levels in the Company in accordance with national and international standards
- set targets and objectives for continuous environmental performance improvement
- measure, appraise and report on environmental performance
- provide appropriate training to all staff to enable them to carry out their work with due respect and care for the environment in accordance with national and international standards
- hold appropriately empowered line management accountable for environmental performance
- empower all our employees to refrain from actions that they consider a threat to the environment
- engage with sub-contract companies and suppliers who endeavour to ensure that their environmental standards match our own
- periodically review the suitability and effectiveness of this policy, our management systems, targets and objectives

Responsibility and Implementation

Responsibility for compliance with this policy lies with the Group Chief Executive, the Group Chief Operating Officer, the Chief Executive of Energy Developments and their respective business unit Managing Directors. It is also the responsibility of individuals to endeavor to be aware of possible environmental risks and to take measures to reduce these risks at their work locations. Petrofac's business units will implement this policy

Petrofac employees can have on the environment. Each year endeavors to include a larger section of the Petrofac operation and increase employee involvement over previous years. The Environment Month campaign has included activities that included

Petrofac has been involved in the following activities as part of the annual Environment Month campaign:

- Planting of rare native trees in protected area
- Employee lead beach cleanups of public beaches
- Educational forums and expert lead presentations to Petrofac employees
- Environmental themed art competitions for children of Petrofac employees
- Educational nature excursions for Petrofac employees and their families
- Support and cooperation with local environmental NGOs
- Financial support to local universities for sustainable development programs
- Implementation and promotion of office recycling campaigns

Guidance notes

Required information

- *Translation of the environment commitment into actions*

Desired information

- *Communications and actions taken to encourage business partners to implement environment commitments*
- *Participation in voluntary environmental initiatives*

Measurable results or outcomes

Petrofac has not had any legal or regulatory action taken against their operations due to environmental non-compliance or actions.

Each of the Petrofac ISO 14001 EMS is audited by an independent agency. The Environmental Management Systems have received external certification from LRQA, (Lloyd's Register Quality Assurance)

Carbon intensity, as measured against gas and oil production rates, has declined from 2008. This information is reported in the Annual Report.

Petrofac Limited

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Below is our Communication on Progress for the tenth principle – Anti-Corruption

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (For more

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment).

Description

of policies, public commitments and company goals on anti-corruption.

(See below)

Ethical and Regulatory Risk Policy of the Petrofac Limited Board

To manage this risk and limit our exposure Petrofac will in each of its businesses individually and collectively:

1. Approach, ethical and regulatory risk management as an essential obligation to protect the financial and reputational health of the company;
2. Ensure that management understands the nature and extent of relevant ethical and regulatory risks before entering into any obligation;
3. Maintain effective and transparent processes for periodically reviewing ethical and regulatory risks across all aspects of operations;
4. Ensure that the company understands and adheres to applicable international laws and regulations and the local laws and regulations of the countries in which we operate;
5. Ensure that all business conducted by Petrofac or under our direction abides by our standards for the prevention of bribery and corruption;

A new risk management standard will be fully implemented across all operations in 2011. Each of our businesses already has a nominated senior manager responsible for this standard within their business unit. This standard covers:

- Third Party risks and due diligence
- Charities, political contributions and CSR
- Facilitation payments
- Gifts and Entertainment
- Monitoring and review of the process

Training will be provided to senior management and high risk groups. There will also be an e-learning follow up to the training that will test employee knowledge.

Petrofac will also continue to strengthen relationships with TI and with PACI.

Petrofac already has a whistleblowing line for raising and investigating concerns.

Examples

- Suggestion box, call center or grievance mechanisms
- Awareness raising or training of employees about company's policies regarding anti-corruption and extortion (e.g. mailings, internet, internal communication, etc.)
- Allocation of responsibilities for anti-corruption within your company
- Participation in industry initiative or other collective action on anti-corruption

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

Internal audit will audit compliance with the standards in Q4 2011.

We monitor the whistleblowing line and investigate in confidence any issues that are raised.

In 2011 we will review the findings of the audits and respond with additional measures as necessary to ensure that the risk management system is fully implemented.

TI review of our risk management system will be fully addressed.

The e-learning will reveal the extent of our senior management awareness and understanding of the issues and of our risk management system. Any shortfalls in knowledge will be addressed.

Examples

- Information about how your company deals with incidents of corruption
- Internal audits to ensure consistency with anti-corruption commitment, including periodic review by senior management
- Investigations, legal cases, rulings, fines and other relevant events related to corruption and bribery
- Specific progress made in the area of anti-corruption during the last reporting period
- External audits of anti-corruption programmes