Press Release

SBM Offshore Update on Legacy Issues

November 6, 2017

- Provision of US$238 million based on advanced discussions with the U.S. Department of Justice ("DoJ") in relation to their reopened investigation into legacy issues and Unaoil
- Discussions with various authorities in Brazil: not yet resolved, complex process requiring coordination and agreement among the multiple parties involved

History

In 2012, the Company became aware of potential improper sales practices. In response, the Company launched an internal investigation and self-reported the matter to the Dutch public prosecutor and the DoJ. In 2014, the Company entered into a settlement agreement with the Dutch public prosecutor regarding its legacy issues in Equatorial Guinea, Angola and Brazil. At that time, the DoJ informed the Company that it had closed its inquiry into the matter based upon a lack of US jurisdiction, but reserved the right to reopen the investigation if new facts came to light. Subsequently, the Company has been in discussions with the Brazilian authorities. At the end of 2015, various individuals were charged by the Brazilian public prosecutor. This included one of the Company's former employees who worked on projects in relation to Brazil from the United States and is a U.S. citizen. Following the release of these charges, the DoJ reopened its investigation. The DoJ also initiated an investigation into the Company's relationship with Unaoil.

United States

The Company is in advanced discussions with the DoJ concerning a potential resolution of the DoJ's investigations. Based on these investigations and the applicable U.S. statutory rules, the DoJ has now concluded that the evidence not only supports jurisdiction in the United States but also requires a further penalty in the United States. Confronted with the DoJ's conclusions and in anticipation of a final resolution, the Company is making a provision of US$238 million.

The proposed terms under discussion reflect confidence in the quality of the Company’s compliance program and efforts by current management.

Final resolution with the DoJ remains subject to, amongst other matters, agreement on the terms and conditions of the resolution, including subsequent approval thereof by the Company's Supervisory Board.

Brazil

2016 Leniency agreement

In July 2016, the Company signed a leniency agreement with the Federal Prosecutor's Office (Ministério Público Federal – "MPF"), the Brazilian Ministry of Transparency, Oversight and Control (Ministério da Transparência, Fiscalização e Controle – "MTFC"), the General Counsel for the Republic (Advocacia Geral da União – "AGU") and Petrobras.

Pursuant to Brazilian law and regulations, leniency agreements entered into by the MPF are subject to review and approval by the Fifth Chamber for Coordination and Review and Anti-corruption ("Fifth Chamber"). Leniency agreements entered into by the MTFC, the AGU and Petrobras are subject to review and approval by the Federal Court of Accounts (Tribunal de Contas da União – "TCU").

The 2016 leniency agreement was to have become effective and binding following approval by the Fifth Chamber. The review by the TCU was to have followed after signing and was not a condition precedent for the effectiveness of the leniency agreement.

In December 2016, the Higher Council of the Fifth Chamber confirmed the decision of the Fifth Chamber of October 2016 not to approve the 2016 leniency agreement. Since the decision of the Higher Council, the Company, the Brazilian authorities and Petrobras have continued discussions in order to address the concerns raised by the Fifth Chamber.

Current situation

In light of the various competences and approvals of the respective authorities, the Brazilian authorities presented the Company with two separate leniency agreements: one leniency agreement with the MPF only (the "MPF Agreement") and another leniency agreement with the other authorities (the MTFC and the AGU) and Petrobras (the "MTFC Agreement").
The Company has been exploring the potential terms and conditions of these leniency agreements with the Brazilian authorities and Petrobras. The most important elements for the Company in the 2016 leniency agreement were that it provided for finality regarding the Company's legacy issues in Brazil and allowed the Company to contract new projects with Petrobras.

The leniency agreements under discussion with the Brazilian authorities and Petrobras would allow the Company to secure future business with Petrobras. However, the proposed agreements do not provide the same level of finality, both regarding the amount of compensation payable for damages and regarding the responsibility for the acts of the Company's agents in Brazil. The proposed leniency agreements reference and require payment of a civil fine and compensation for damages. The aggregate amount does not differ materially from the amounts agreed in the 2016 leniency agreement.

During a preliminary review of the MTFC Agreement by the TCU, the TCU indicated that it has concerns with some of the provisions of the MTFC Agreement. These concerns relate to *inter alia* the scope and the sufficiency of the amounts payable by the Company as compensation for damages to Petrobras. The TCU issued an injunction order suspending the signing of the MTFC Agreement until the end of November 2017 and stated that it would need to approve the terms and conditions of the MTFC Agreement prior to signing. This may trigger further discussions with the other parties involved. The Company cannot guarantee that these parties will await the finalization of the TCU's review and any subsequent discussions that may be required as a result.

Pursuant to its general oversight over state-owned companies, the TCU conducts reviews regarding the market conformity of Petrobras' contracts, including contracts with the Company. The Company believes that its contracts were fairly and legally agreed.

The Company confirms its commitment to close out its legacy issues in Brazil and its willingness in principle to pay the agreed substantial amounts. However, to enter into the leniency agreements, the Company would need to be in a position to reach satisfactorily closure with all Brazilian authorities and Petrobras on all outstanding leniency issues at the same time. In view of the current situation, the Company cannot guarantee that a satisfactory resolution will be reached. The Company will await resolution before participating in Petrobras-operated tenders.

Individuals

The relevant authorities in various jurisdictions, including the DoJ, may take action against individuals, including former executives, who have been involved in the Company's legacy issues in the past.

Management Board comment

Chief Governance and Compliance Officer and member of the Management Board Erik Lagendijk commented:

"The Company self-reported the issues in 2012 and has completely changed its business model and ways of working since, as recognized by the Company's stakeholders. Although it appears that the Company can likely reach a resolution with the DoJ and thus make an important step towards closure of the past, it is unfortunate that despite all efforts made, no global solution to bring finality is currently available. We will continue to actively seek to bring the legacy issue in Brazil to an acceptable closure."

Conference Call

SBM Offshore has scheduled a conference call followed by a Q&A session at 8:30 am Central European Time on Monday, November 6, 2017.

The call will be hosted by Bruno Chabas (CEO), Philippe Barril (COO), Erik Lagendijk (CGCO) and Douglas Wood (CFO). Interested parties are invited to listen to the call by dialing +31 (0) 20 531 5851 in the Netherlands, +44 (0) 20 3365 3210 in the UK or +1 866 349 6093 in the US.

A replay will be available shortly after the end of the conference call. Interested parties can listen to the replay by dialing +31 (0) 20 530 0220 and using access code 322938# until December 6, 2017.

Corporate Profile

SBM Offshore N.V. is a listed holding company that is headquartered in Amsterdam. It holds direct and indirect interests in other companies that collectively with SBM Offshore N.V. form the SBM Offshore group ("the Company").

SBM Offshore provides floating production solutions to the offshore energy industry, over the full product life-cycle. The Company is market leading in leased floating production systems with multiple units currently in operation and has unrivalled operational experience in this field. The Company's main activities are the design, supply, installation, operation and the life extension of Floating Production, Storage and Offloading (FPSO) vessels. These are either owned and operated by SBM Offshore and leased to its clients or supplied on a turnkey sale basis.

As of December 31, 2016, Group companies employ approximately 4,750 people worldwide. Full time company employees totaling c. 4,250 are spread over five regional centers, ten operational shore bases and the offshore fleet of vessels. A further 500 are working for the joint ventures with several construction yards. For further information, please visit our website at www.sbmoffshore.com.

The companies in which SBM Offshore N.V. directly and indirectly owns investments are separate entities. In this communication "SBM Offshore" is sometimes used for convenience where references are made to SBM Offshore N.V. and its subsidiaries in general, or where no useful purpose is served by identifying the particular company or companies.

The Management Board
Amsterdam, the Netherlands, November 6, 2017

Financial Calendar	Date	Year
Trading Update 3Q 2017 – Press Release	November 8	2017
Full-Year 2017 Earnings – Press Release	February 8	2018
Annual General Meeting of Shareholders	April 11	2018
Trading Update 1Q 2018 – Press Release	May 10	2018
Half-Year 2018 Earnings – Press Release	August 9	2018
Trading Update 3Q 2018 – Press Release	November 15	2018

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