

SBM Offshore

**Barclays
CEO Energy-Power Conference**

September 4, 2018

© SBM Offshore 2018. All rights reserved. www.sbmoffshore.com





Disclaimer

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

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of SBM. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of SBM to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this presentation. Neither SBM Offshore N.V. nor any of its subsidiaries undertakes any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation.

© 2018. This presentation is the property of SBM Offshore N.V. or any of its subsidiaries (together referred as “SBM”) and contains material protected by intellectual property rights, including copyrights, owned by SBM. The trademark "SBM Offshore", the SBM logomark and the SBM trademark “Fast4ward” which covers a proprietary and patented SBM technology, are registered marks owned by SBM. All copyright and other intellectual property rights in this material are either owned by SBM or have been licensed to SBM by the rightful owner(s) allowing SBM to use this material as part of this presentation. Publication or other use, explicitly including but without limitation to the copying, disclosing, trading, reproducing, or otherwise appropriating of information, illustrations etc., for any other purposes, as well as creating derivative products of this presentation, is prohibited without the prior express written consent of SBM.



Setting the scene

Long term macro trends

Why SBM Offshore?





Why SBM Offshore, and why now..?

High growth energy demand

+25%
Global energy demand
growth by 2040

**Oceans provide resources for
generations to come**

50%
of Deepwater projects
more competitive than
Shale

SBM
OFFSHORE

**Perfectly
Positioned**



Leading Global FPSO Contractor

1st

FAST4WARD™ CONCEPT
TO PROJECT AWARD

> 50

FLOATING PRODUCTION
SYSTEMS DELIVERED

2

LARGE PROJECTS UNDER
CONSTRUCTION

10%

GLOBAL DEEPWATER OIL
PRODUCED BY SBM UNITS

99%

HISTORICAL OIL
PRODUCTION UPTIME

**Early and late
cycle player**



Setting the scene

Long term macro trends

Why SBM Offshore?





Long Term Macro Trends



Population growing to 8.5 billion in 2040



Electricity from **Solar** and **Wind** +400% by 2040



+25%

Global energy demand +25% by 2040



Natural gas volume to increase more than any other energy source



Electricity demand **doubles** in non-OECD countries, **four times faster** than other fuels

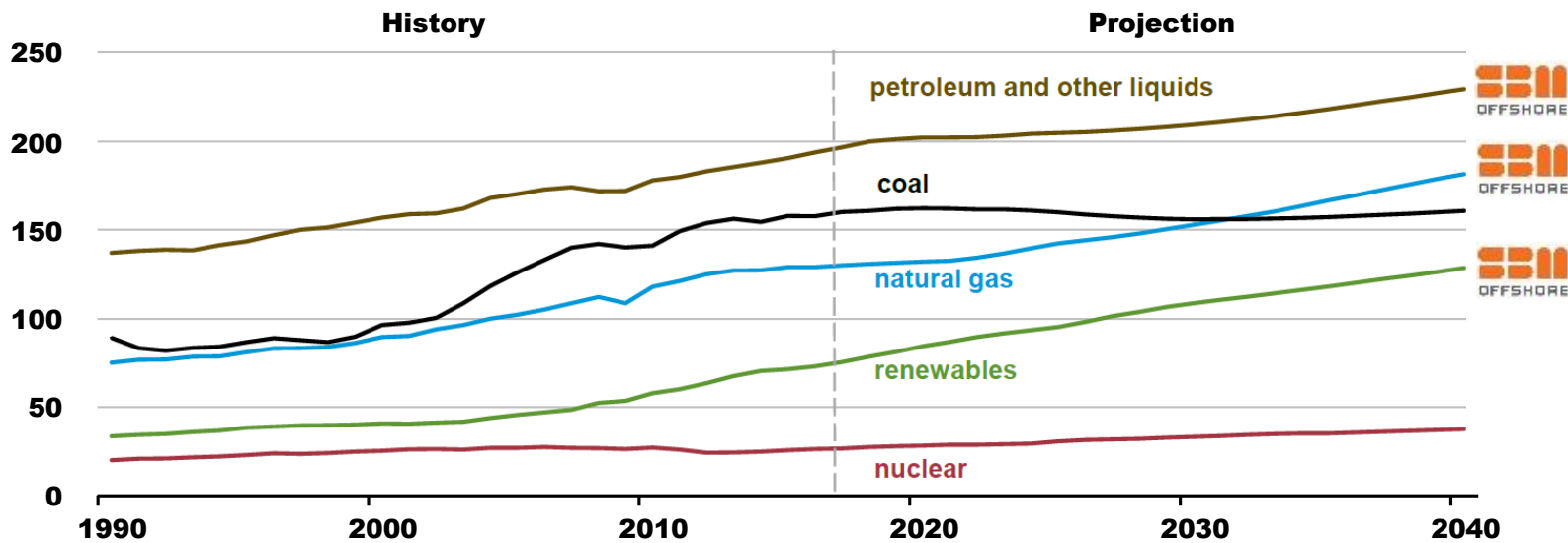


Oil continues to play a **leading role** in the world's energy mix until 2040



Oil Remains Primary Source

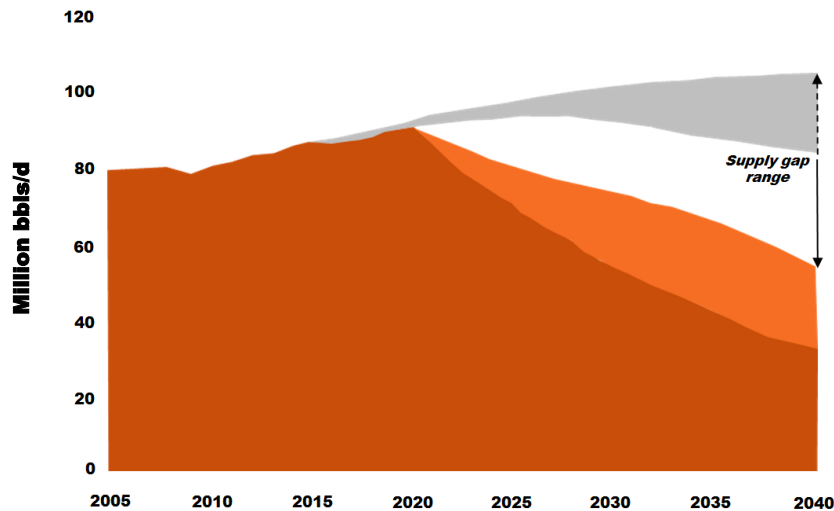
World Energy Consumption by Energy Source (quadrillion Btu)



Source: EIA International Energy Outlook 2018



World Oil Supply and Demand



Existing supply + planned fields Extra recovery existing fields Demand range

Lack of investment since 2014

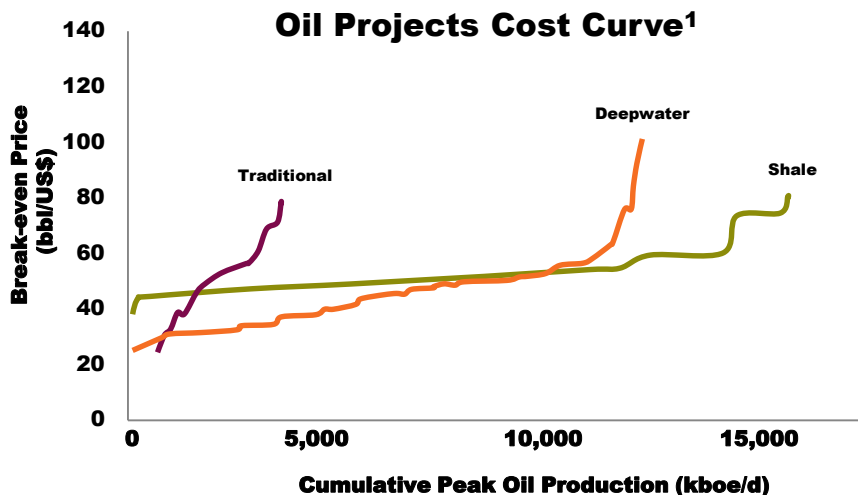
Supply gap projected

Investment required

**Not if,
but when**

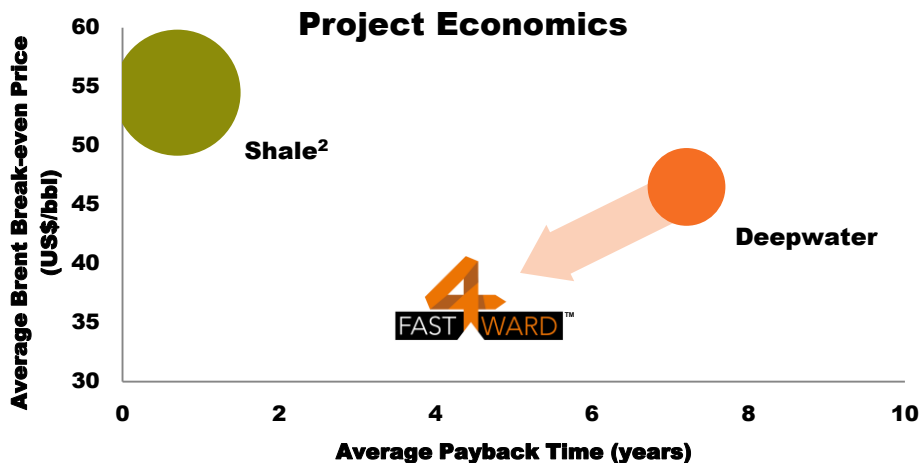


Deepwater is Competitive



Deepwater continues to gain competitiveness

>50% Deepwater projects more competitive than shale



Traditional Deepwater longer cycle

Deepwater cycle time is key

US\$100 billion Greenfield cost³

Source: Goldman Sachs, Rystad Energy, BofAML

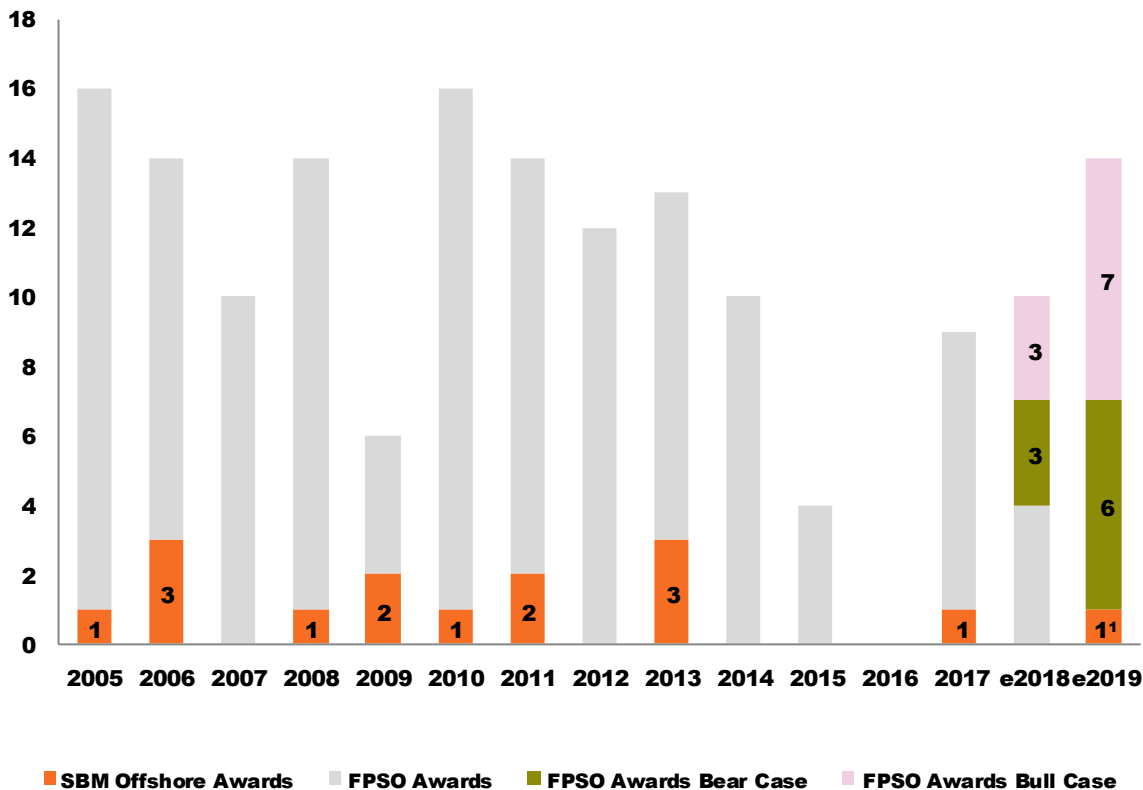
(1) Goldman Sachs Top Projects 2018 cost curve by win zone (prospective projects)

(2) Top five shale plays used as representative example

(3) Size of bubble corresponds to greenfield Capex expected to be sanctioned in 2018



Historical and Estimated Total FPSO Market Awards



Four awards to date in 2018

Up to 10 awards expected in 2018

2019 acceleration anticipated

Improving outlook

Source: SBM Offshore research, company presentations
(1) Award FPSO Liza 2 subject to authorizations



Setting the scene

Long term macro trends

 **Why SBM Offshore?**

SBM
OFFSHORE

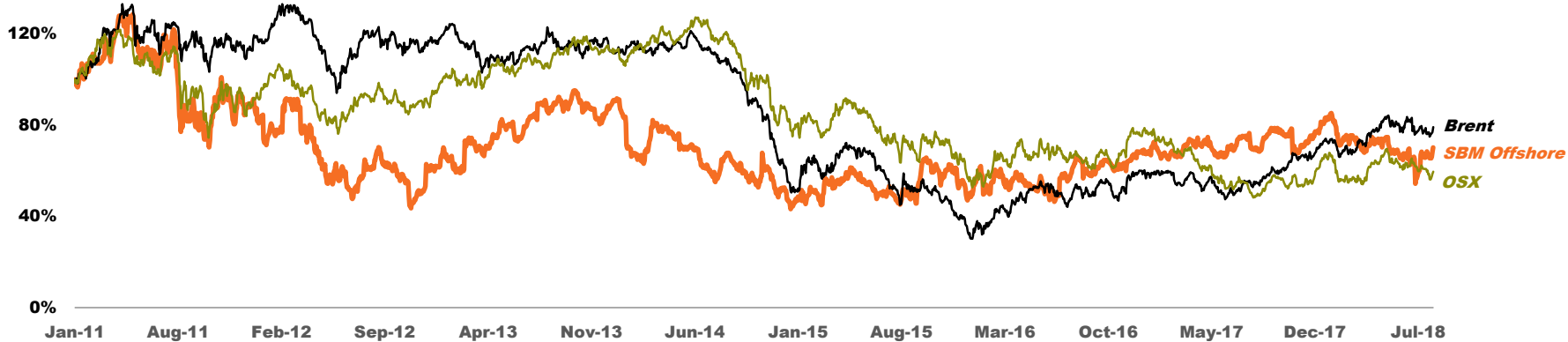


Dealt with the past...

- 2011**
Provisions on Yme and Deep Panuke platforms
- 2012**
Start internal investigation and rights issue
- 2014**
Settlement Dutch Prosecutor's office
- 2017**
Resolution US DoJ
- 2018**
Signed Brazilian Leniency Agreement

Legacy costs approaching
SBM Market Cap

SBM Offshore Relative Share Price Development





2019

2020

2021

2022

2023

Promising outlook thanks to
company positioning



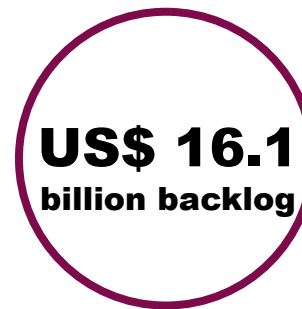
**Industry leading
experience**



**Game changing
program**



**Regained all
markets access**



**Strong cash flows
for dividend & growth**

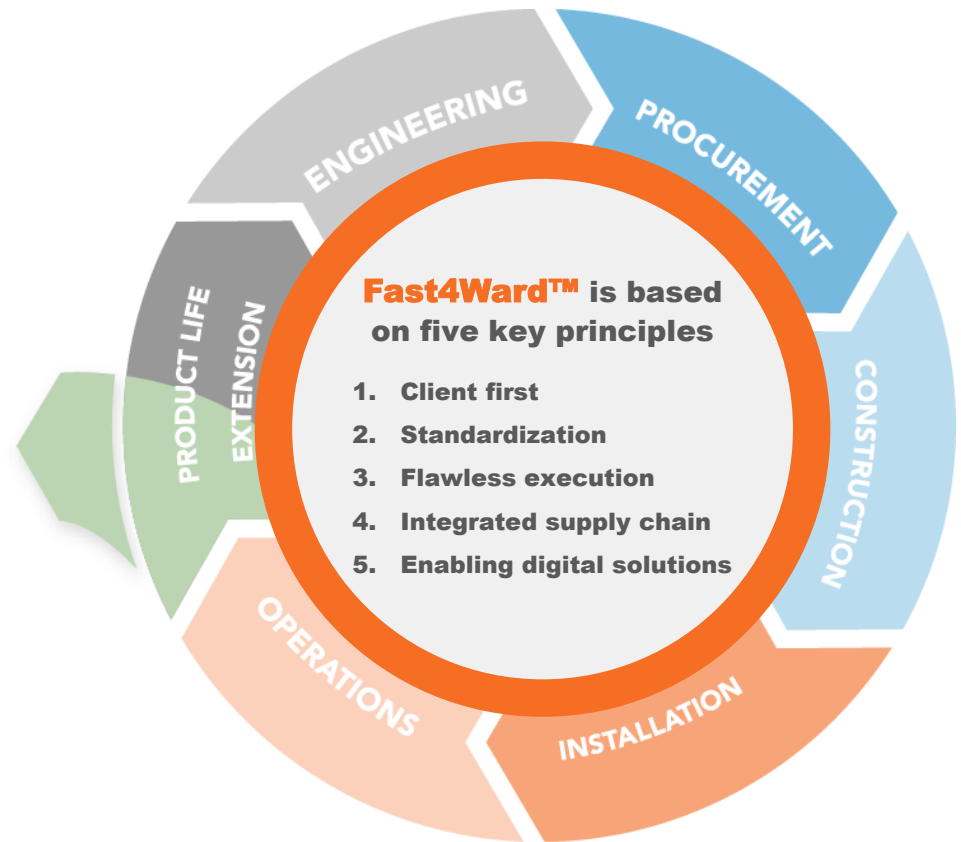


**Robust balance
sheet**



Our ambition is to transform the business by reducing cycle time to energy delivery, de-risking projects, and improving quality & safety. This is what we refer to as

Fast4Ward™



Fast4Ward™ Better Performance, Delivered Faster



Fast4Ward™ Better Performance, Delivered Faster

Reducing cycle time

**Up to 12 months faster;
Up to \$1 bn NPV gain**

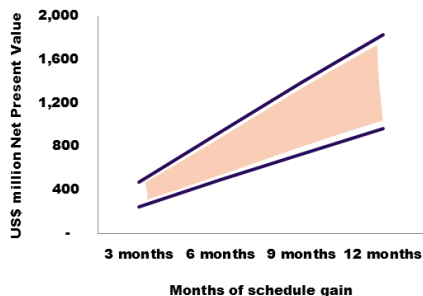
De-risking projects

Standardized hull and topsides

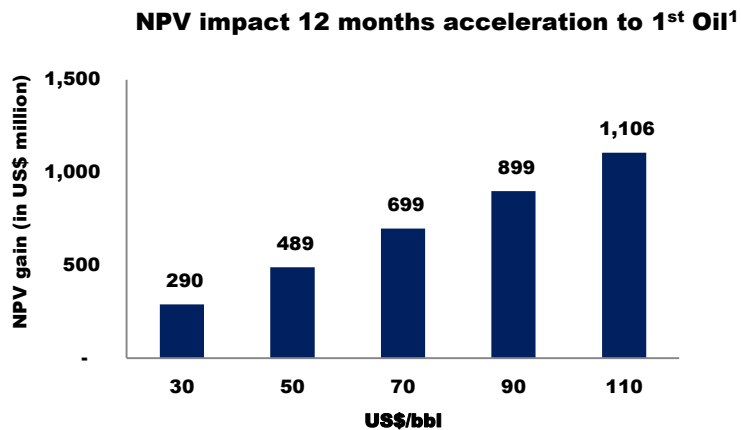
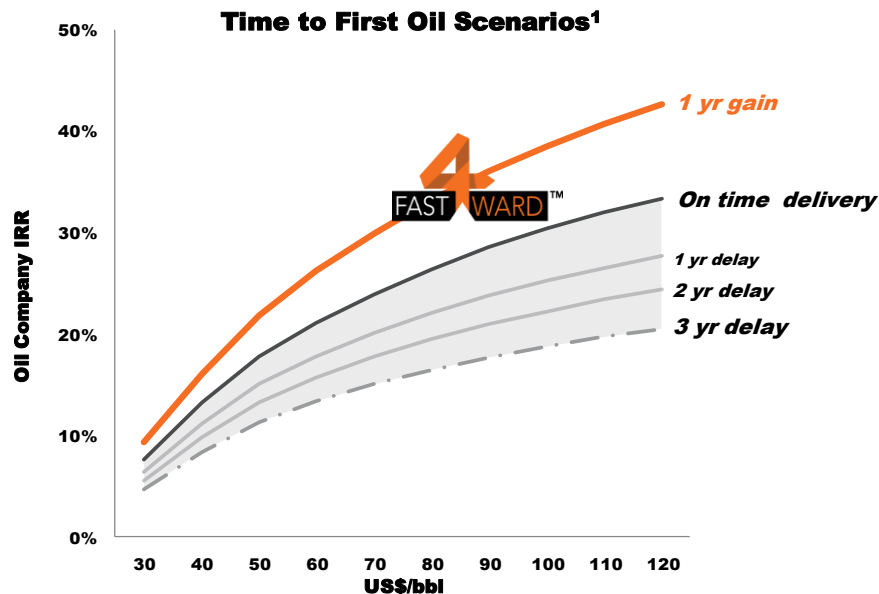
Enabling lower break-evens

Lower Capex and Opex

NPV impact accelerated delivery



- Less engineering hours
- Integrated supply chain
- Greater safety and reliability



Fast4Ward™ accelerates first oil up to 12 months

Up to US\$1 billion gain

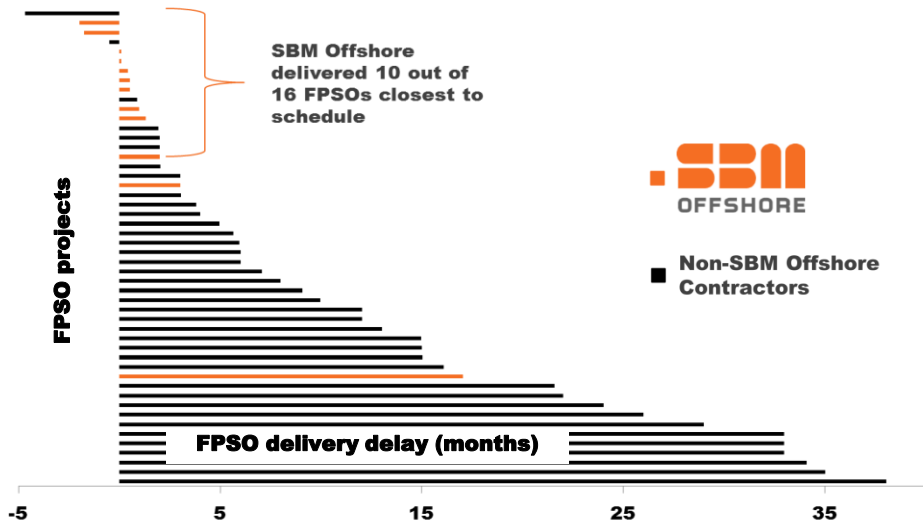
Every 1 year acceleration improves break-even up to US\$10 per barrel (IRR 15%)

Major client gains

Source: Barclays
(1) Based on Barclays model, reflects major world-class greenfield development



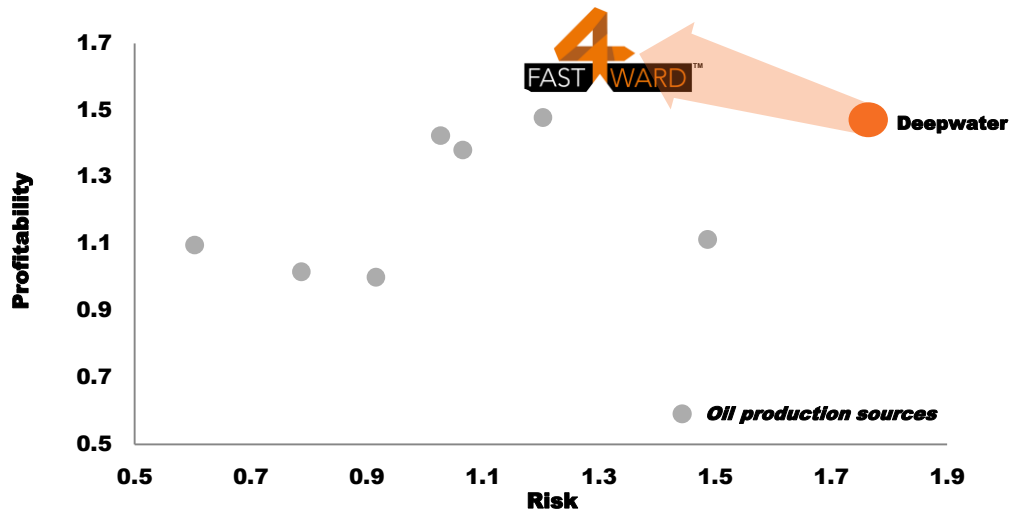
De-risking Delivery



Delivery is challenging

Fast4Ward™: lower risk and higher return

Standardization and supply chain integration



Experience matters

Source: Goldman Sachs, Rystad Energy, SBM Offshore company research

(1) Profitability Index = NPV/ Initial investment. Risk score is Goldman Sachs internal method based on technical and political risk



Why SBM Offshore, and why now..?

High growth energy demand

+25%
Global energy demand
growth by 2040

**Oceans provide resources for
generations to come**

50%
of Deepwater projects
more competitive than
Shale

SBM
OFFSHORE

**Perfectly
Positioned**



© SBM Offshore 2018. All rights reserved. www.sbmoffshore.com



Q & A