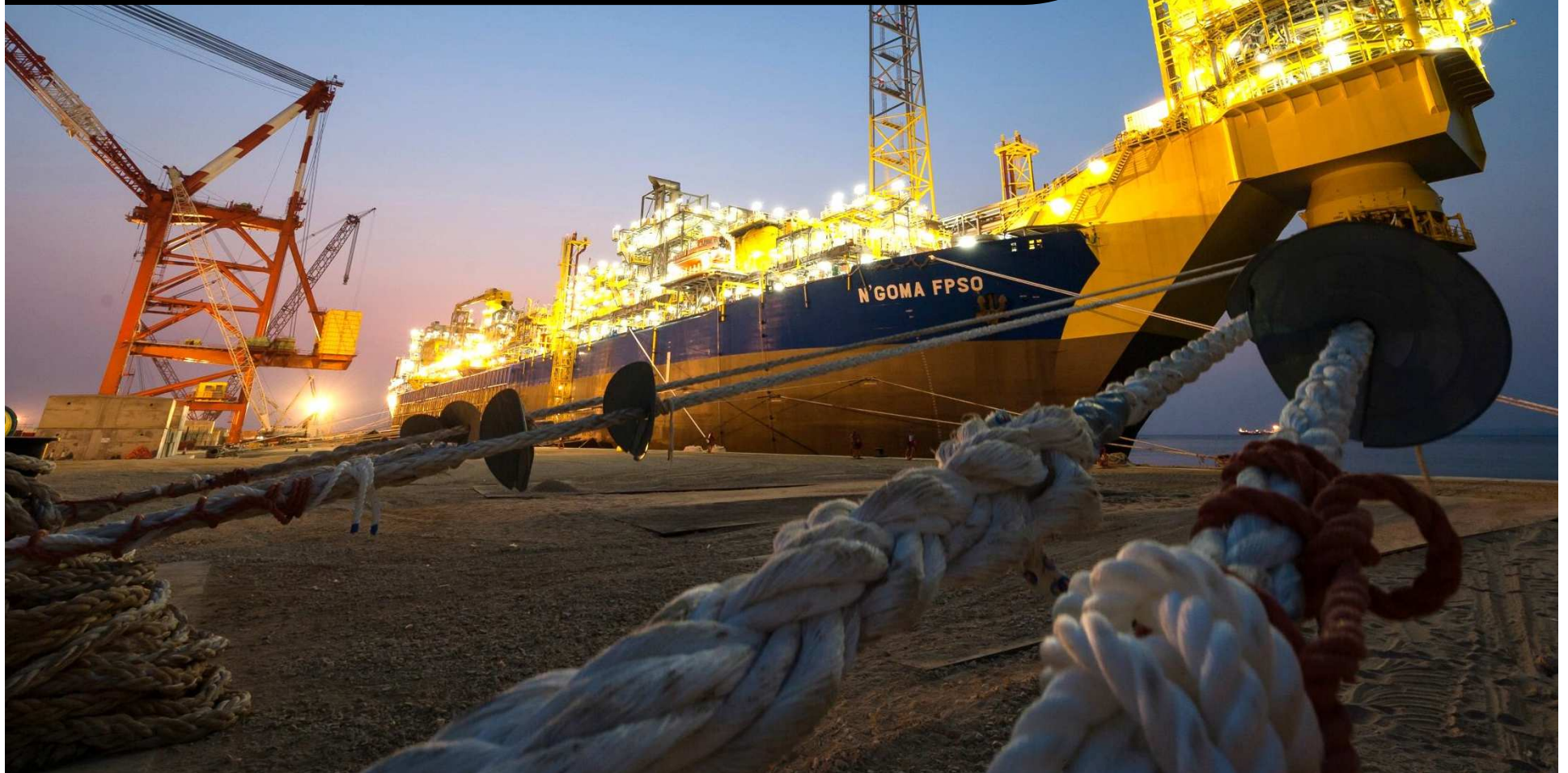


Introductory Remarks

Bruno Chabas

Chief Executive Officer

September 19, 2014





Some of the statements contained in this presentation that are not historical facts are statements of future expectations and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. Such forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of the Company's business to differ materially and adversely from the forward-looking statements.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation as anticipated, believed, or expected. SBM Offshore NV does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this presentation to reflect subsequent events or circumstances.

Agenda

1H 2014 Review

Macro View

Outlook





**99%
Fleet
Uptime**

**IFRS
Revenue
Up 29%**

**0.06
LTIFR**

**Directional⁽¹⁾
Revenue
US\$1,729 mn**

***N'Goma*
lifting
completed**

**US\$1.85 bn
project
financing**

**Floating
Solutions**

**Kikeh
brownfield
extension
delivered**

**IFRS 10
& 11**

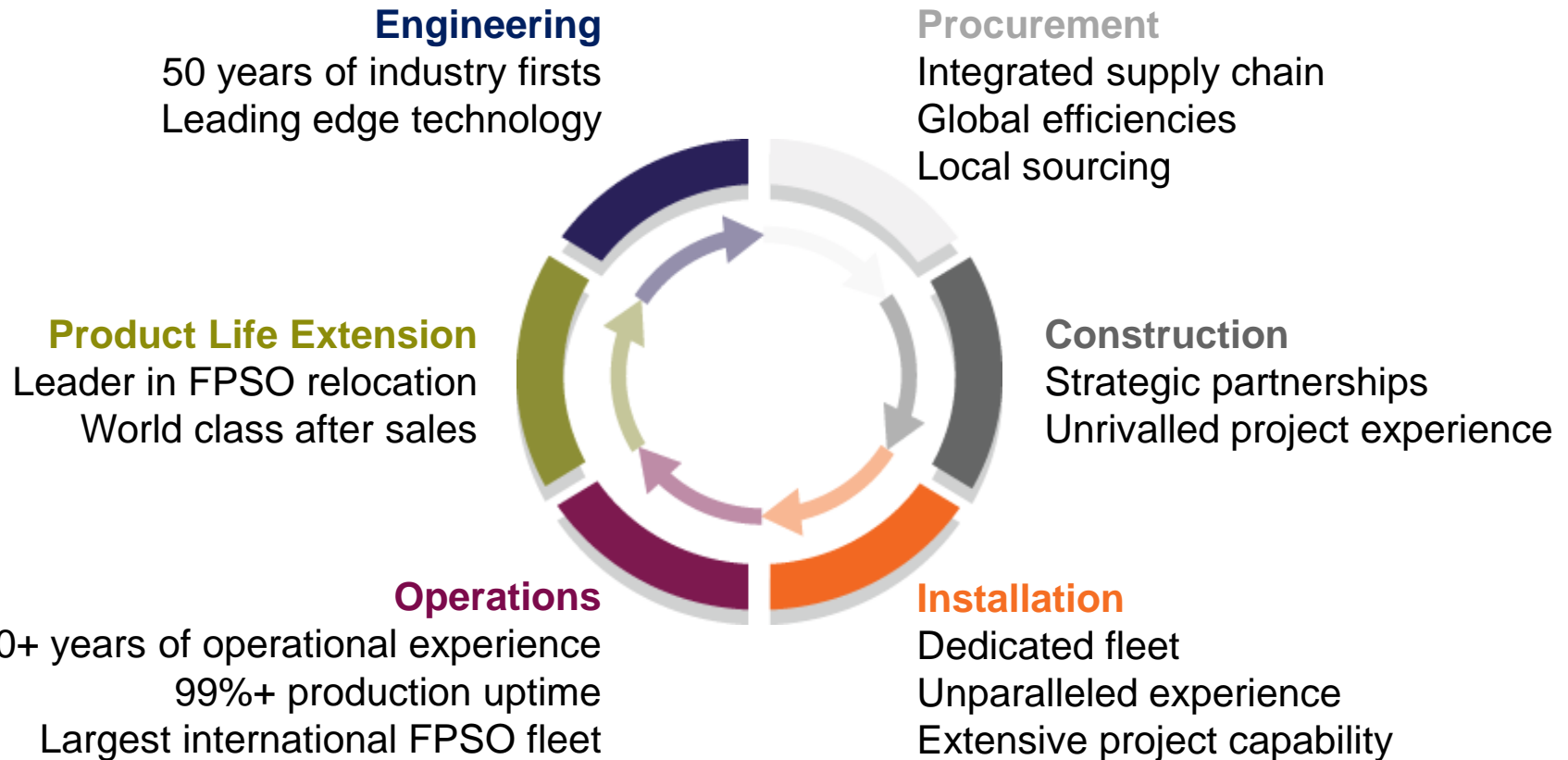
Brazil

**US\$21.5 bn
Directional⁽¹⁾
Backlog**

**US\$240 mn
settlement
provision**



Delivering the Full Product Lifecycle





The Company

5 Execution Centres
 10 Operational Shore Bases
 5 Representative Offices
 10,983 Employees

Lease Fleet

10 FPSOs; 4 FPSOs under construction
 2 FSOs
 1 Semi Sub
 1 MOPU



- Execution / Corporate Centres
- Representative Offices
- Site Office
- ▲ Shore Base
- Lease Unit
- ★ Future Lease Unit
- Operated Unit
- ◆ Laid-up
- ⊗ Construction Yard
- ⊠ Under Construction

Financials in US\$ billion

2014 Directional ⁽¹⁾ Guidance	3.3
Directional ⁽¹⁾ Backlog (30/6/2014)	21.5
Market Cap (as of 5/8/2014)	2.8

Performance 1H2014

251 years of operational experience
 99% Uptime
 1.16 MM bbls throughput capacity/day
 6,948 Tanker Offloads

Agenda

1H 2014 Review

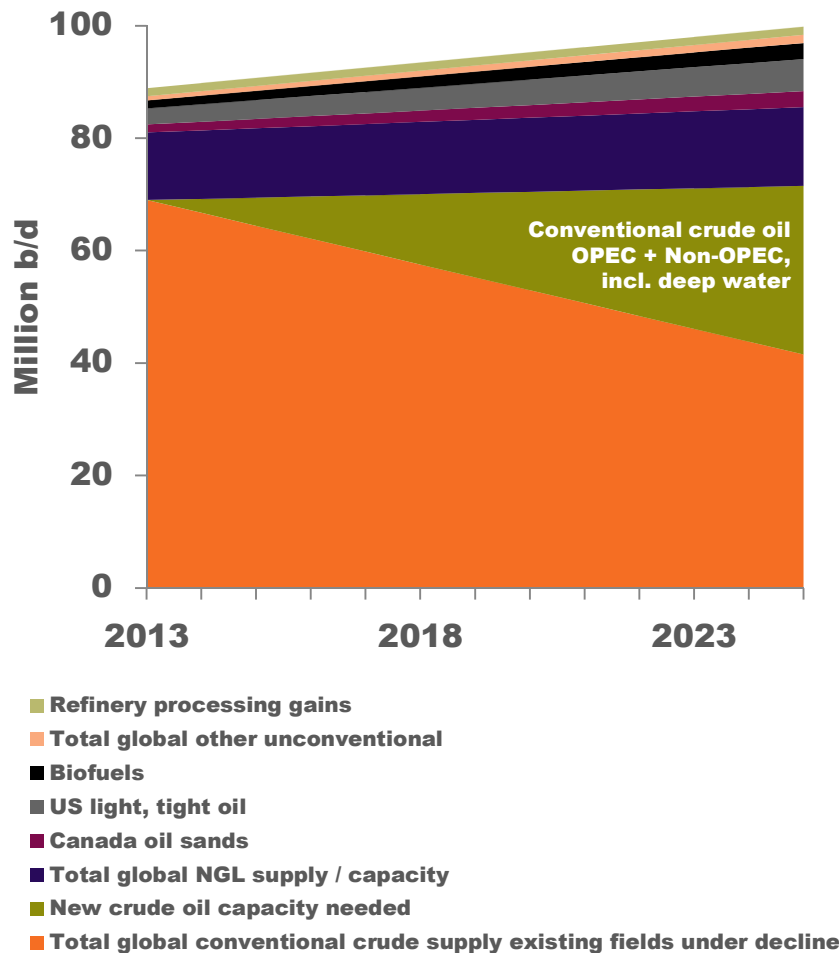
Macro View

Outlook





Supply Side Picture



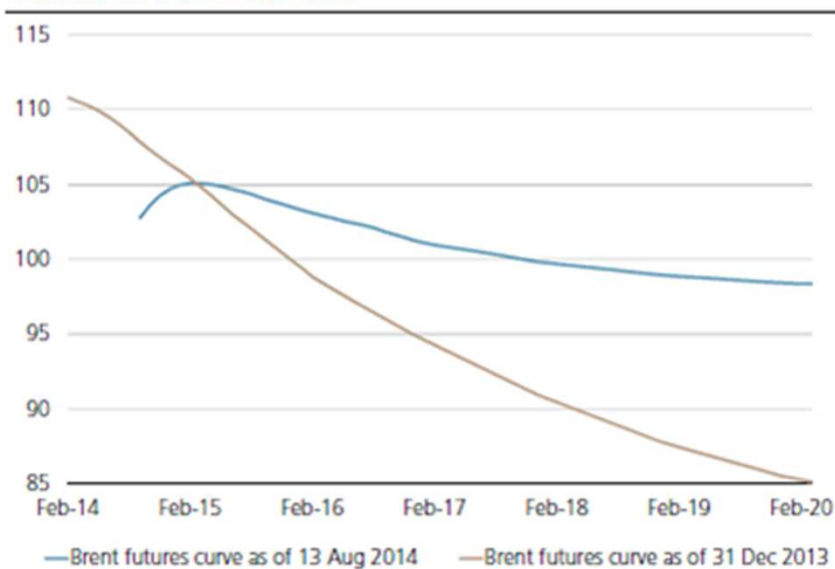
World Oil Supply & Demand

- From 2013 to 2025, world oil demand increases from 91.4 mn to 99.1 mn bbls/d
- Growth of unconventional oil supply just meets growth in global oil demand at best
- New reserves (of conventional oil) must be developed
 - Need to replace lost production of currently producing oil fields with declining output
 - ~30 mln b/d up to 2025 (green in chart to the left)
 - Two large potential contributors
 - Middle East (Iraq)
 - Deepwater (Brazil)



Long-run Oil Price Expectations

Values are in USD/bbl

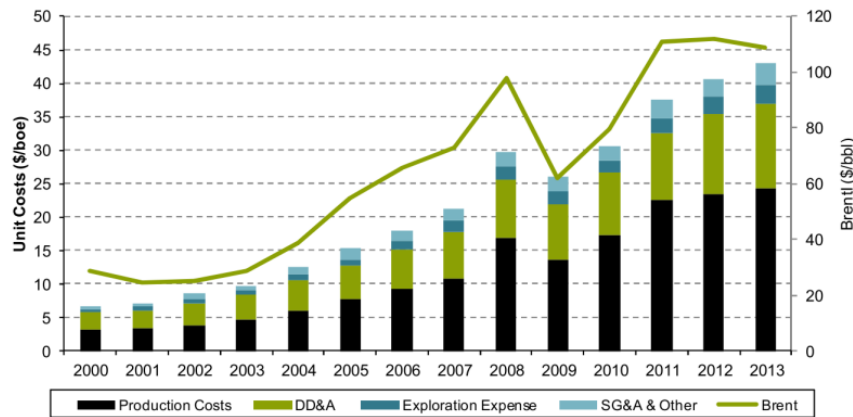


Is the Risk Priced in?

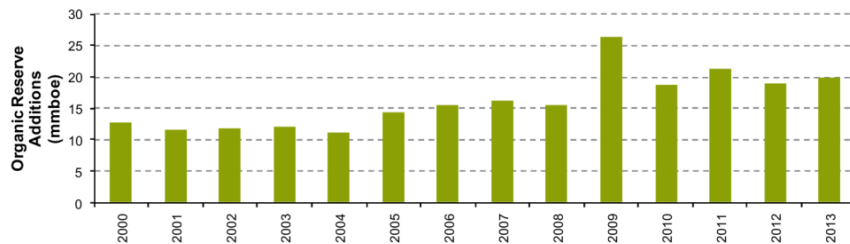
- The long-run price expectations have increased since the beginning of the year
 - Suggests incremental supply is not expected from the Middle East
- The short-term price has declined over the past two months
 - Suggests geopolitical risk is limited in the short-term
- The markets appear to have fatigued on Middle East political risks
 - Discounted the impact of incremental production in both the short and long-term



Global Unit Costs Increasing

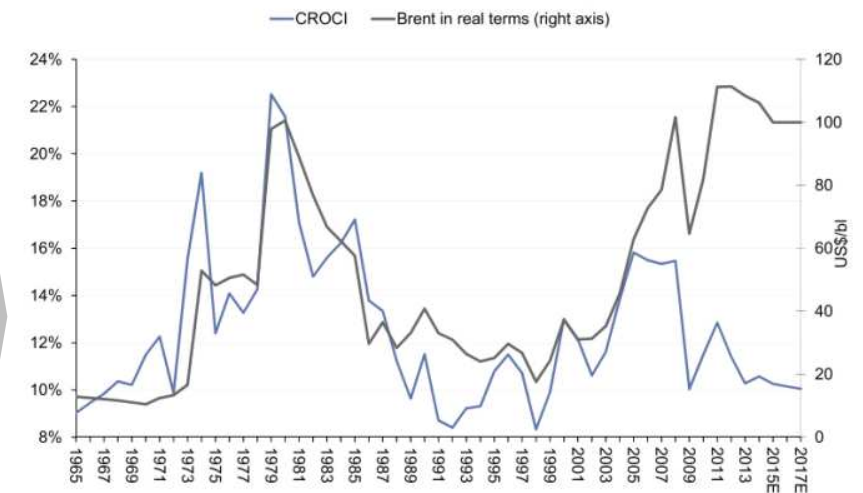


Reserve Additions Stayed Flat



Deterioration of Profitability

Cash returns for BP, Exxon and Shell vs. real oil price



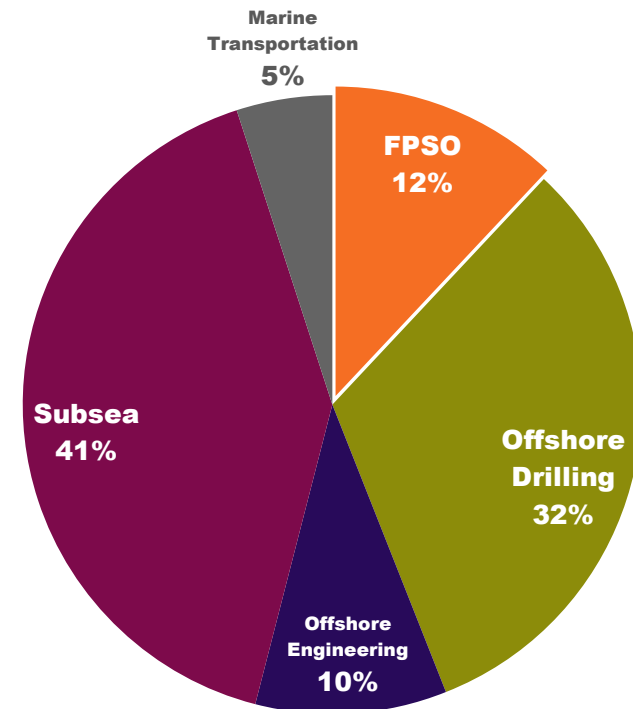
Global Oil faces the efficiency challenge



The Next Phase of the Cycle

- Three key supply growth buckets
 - ✓ U.S. Shale Oil → Plateau by 2020
 - ✓ Iraq → Outlook uncertain
 - ✓ Deepwater → Secular growth story
- Deepwater is the most important growth area
 - High volume of new field discoveries
 - Strong portfolio of not-yet-approved projects
 - Drilling dayrates off their peak
 - Robust project economics support production investment

Deepwater Project Costs



Project emphasis on profitability, cost-control and diligent portfolio development



2000-2012

Rapid growth in the Deepwater frontier



Technology & local capabilities stretched to the limit; poorly developed supply chain



Tight offshore marine contracting market



Playing catch-up

Overly optimistic on time, effort and budget

Lack of project maturation & development

2013 & Beyond

Experience from past (complex) projects



Improved upfront project scoping / more front-end engineering; avoid re-scoping



Better supply-chain capacity & management



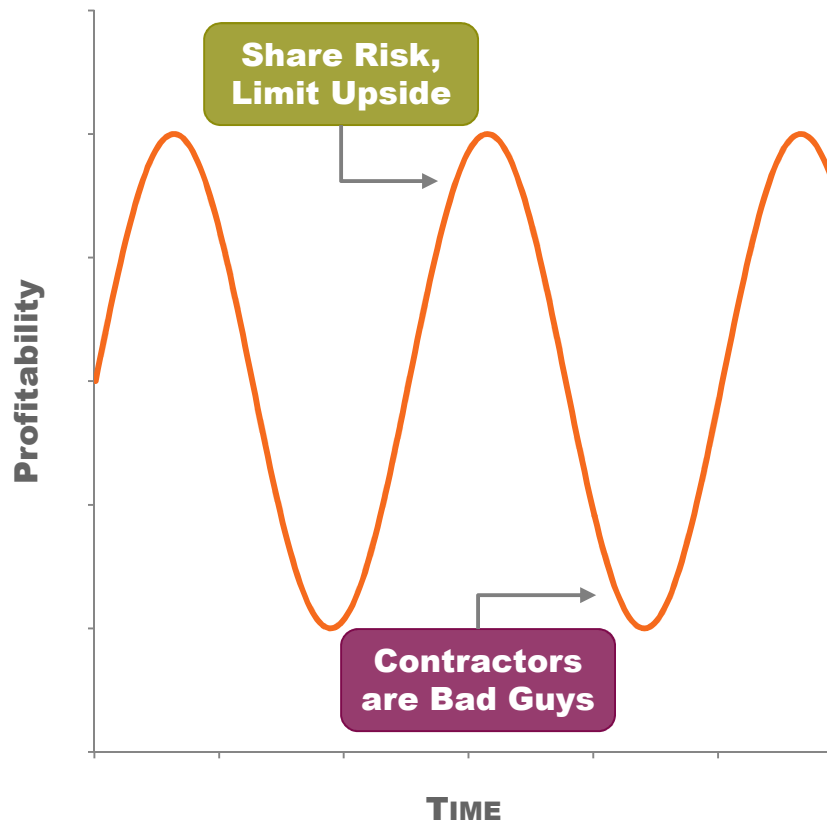
Downward trend in cost and timing overruns

Improved profitability for client & contractor

Slow Down to Speed Up!



Industry Cyclicity



Contractor & Client Relationship

A New Way Forward

- Seek opportunities for collaboration
 - Foster long-term relationships
- Maximize efficiencies
 - Integrate the supply chain
 - Leverage strengths of contractor and client to benefit all

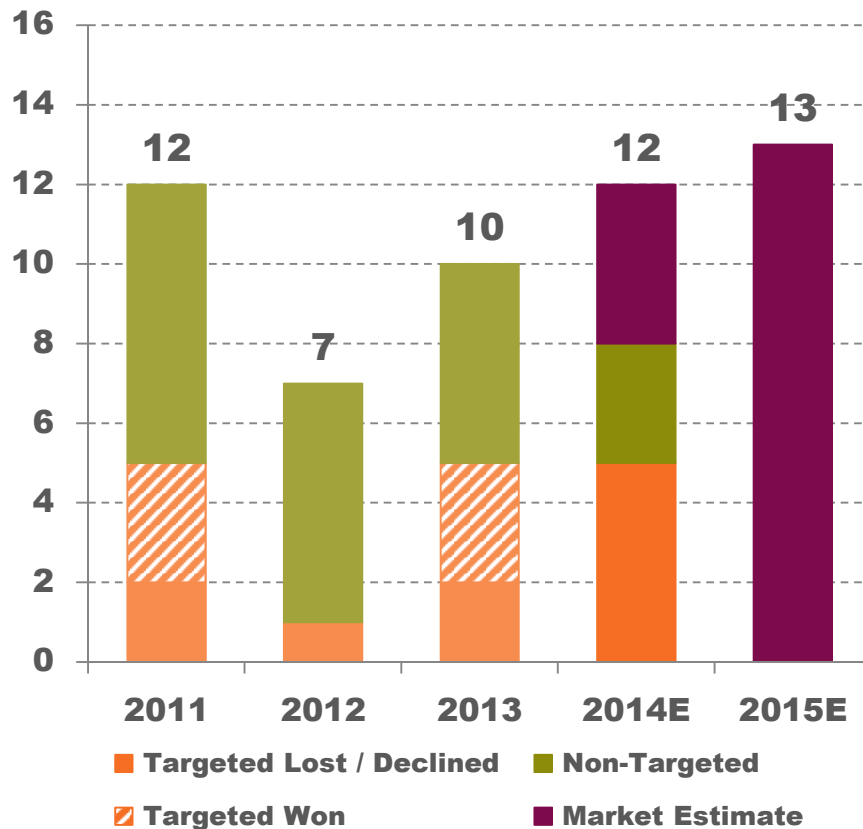
Lease & Operate Model

- Creates a long-term partnership
 - Long contract duration with emphasis on reliability/uptime
 - Goal to realize maximum cash flow
 - Requires give and take
- Shouldn't make short-term decisions in a long-term business environment

Groundhog Day – Behavior hasn't changed over the cycles!



Historical and Estimated Awards



2014-2015 Commentary

Market Estimates

- 10-14 awards per year

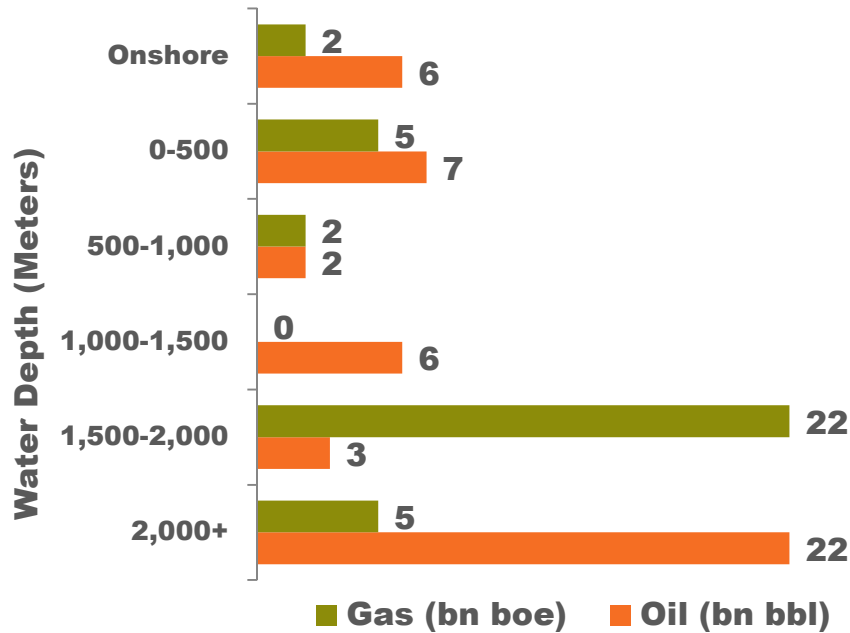
SBM's View

- 12 awards in 2014 and 13 awards in 2015
 - 8 awarded through 15/09/2014
- 17 awards remaining through the end of 2015,
 - 11 have begun the tender phase
 - SBM currently tendering 3 projects
 - 6 projects in pre-tender phase
 - 5 are targeted by SBM
 - Includes 4 Petrobras projects
- SBM maintains its view on award delays

From 2011-2013, SBM won 6 of the 11 targeted FPSO awards

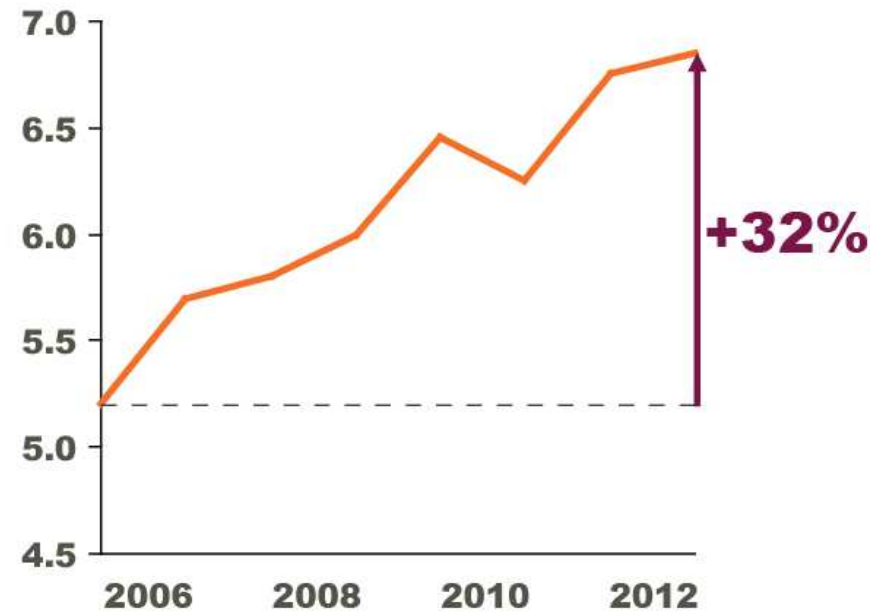


Discoveries Over Past 6 Years



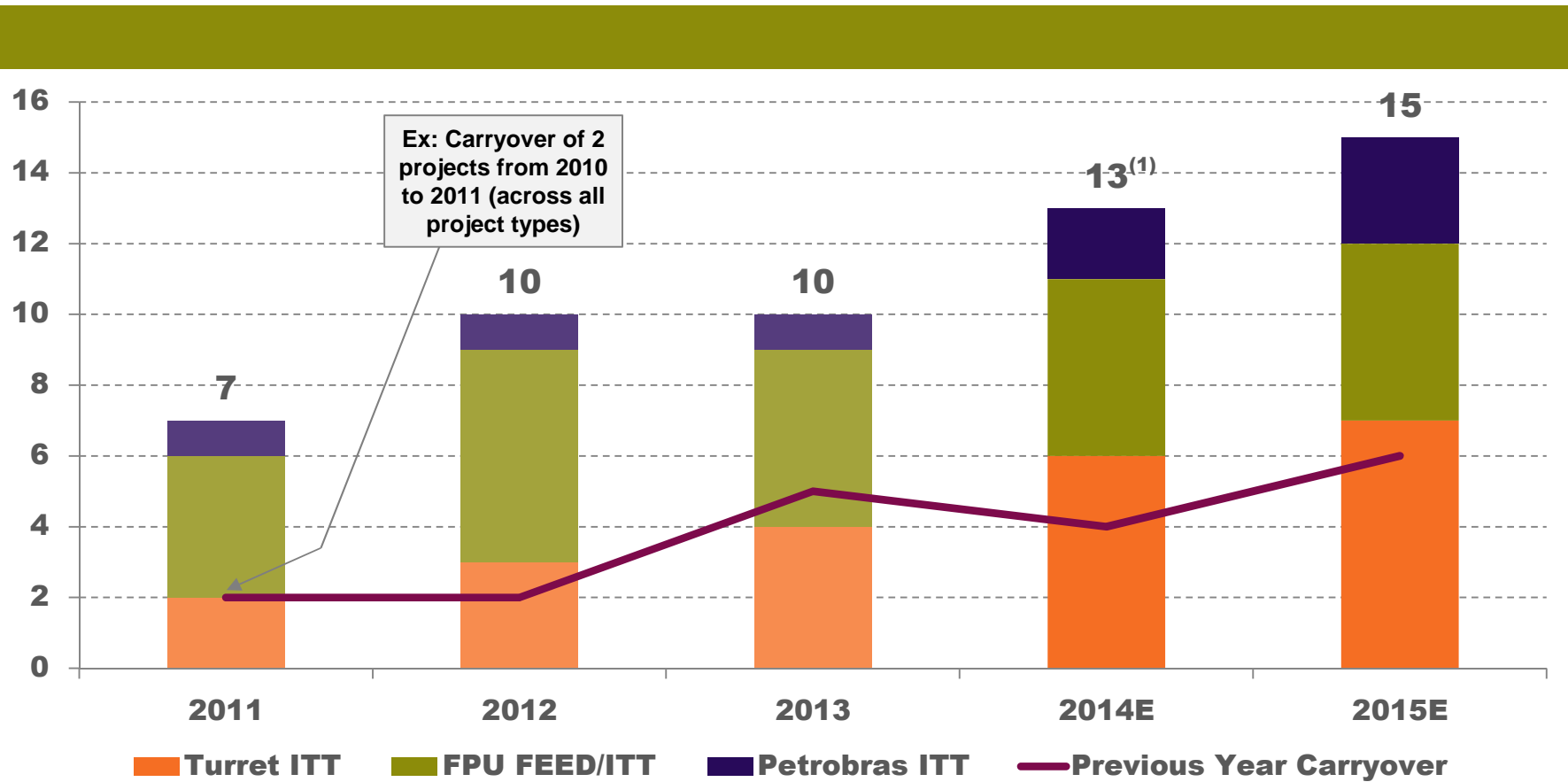
50% of elephant discoveries have been in deep/ultra deepwater...

Avg. Years: Discovery to Sanction



Project sanction delays increasing along with water depth/complexity

Recent deepwater elephant discoveries likely to experience increased lead time for project sanctioning

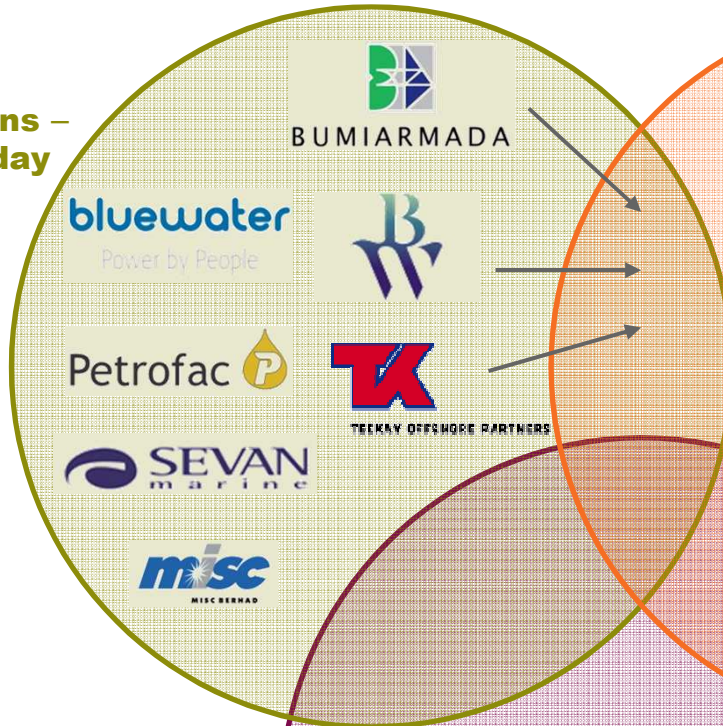


Apart from Petrobras tenders, generally all FEED/ITT work is (partially) compensated



Competitive Landscape

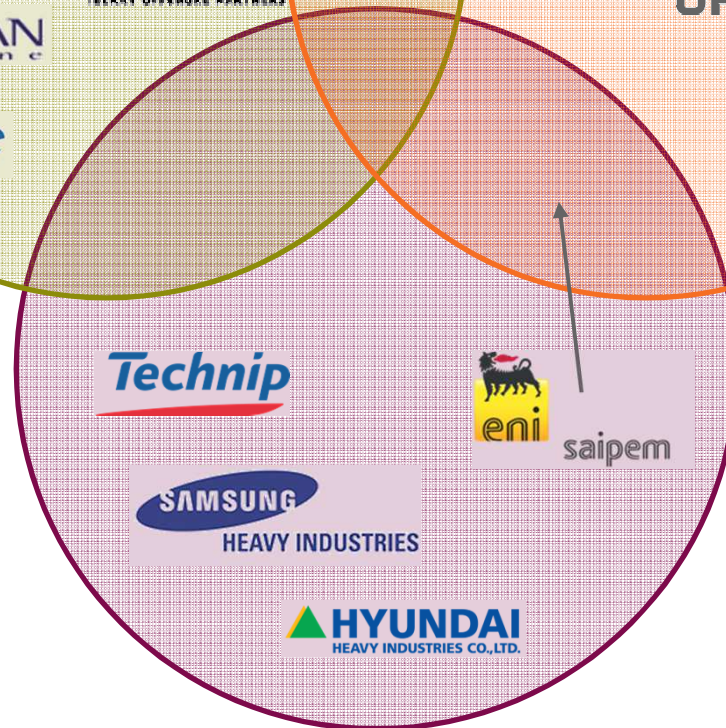
Small Conversions –
<60,000 bbls / day



Large Conversions –
80,000-150,000 bbls / day



Newbuilds –
>200,000 bbls / day





Suppliers View

✓ **Niche Player**

✓ **Customer Proximity**

✗ **Commodity**

Heavy R&D/unique technology



Limited number of players and awards



Highly tailored and expensive products



Very long-term L&O relationships



Anything but a commodity market

Client View

Cost pressure NOC/IOCs



Supplier overcapacity



Suppliers seeking market share



Commodity market pricing





Defining the Problem

- Longer project award lead times
- Increasing pricing pressure
 - ✘ FPSOs viewed as a commodity
 - ✘ More competition
 - Competitors seeking market share or defending engineering capacity
 - ✘ Contractors are the bad guy
- Long-term effects of short-term conditions
 - ✘ Looming brain drain
 - ✘ Meeting future demand
 - ✘ Maintaining relationships

SBM's Approach

1. *ENGAGE*
 - Acknowledge the issues and seek to address them
 - We understand their pain
 - Stress total cost of ownership
2. *COMMUNICATE*
 - FPSOs are not commodities
 - NPV benefits from quick and efficient delivery, not just cost
3. *ALIGN*
 - Seek long-term partnerships
 - Lease & operate model

Seek win-win solutions

Agenda

1H 2014 Review

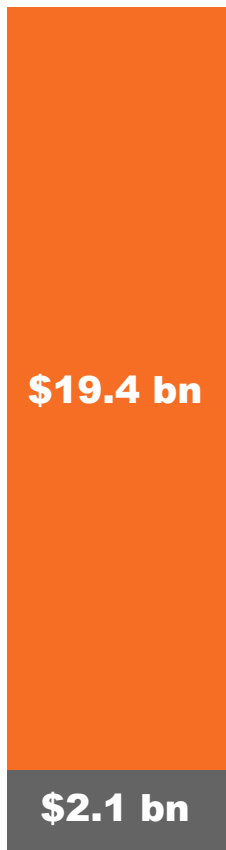
Macro View

Outlook



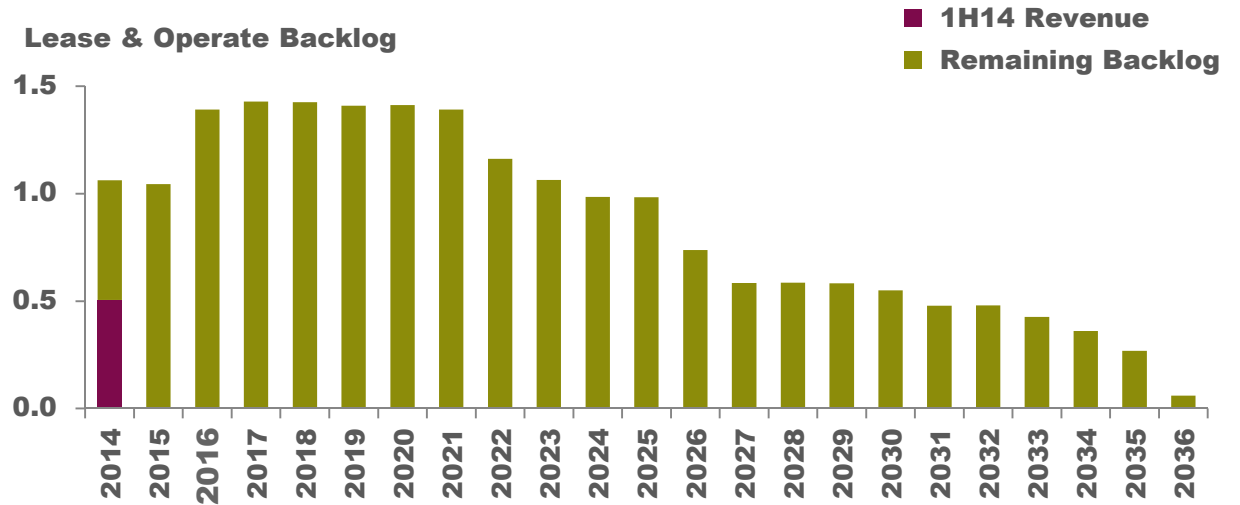


US\$ 21.5 bn
(as of June 30, 2014)

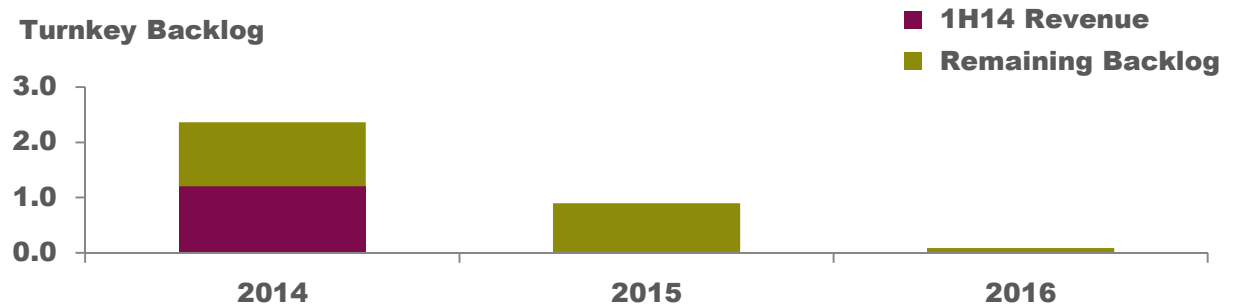


■ Lease & Operate
■ Turnkey

Lease & Operate Backlog



Turnkey Backlog



L&O Average Portfolio Duration: 14.7 years⁽²⁾



Scheduled for Delivery



FPSO N'Goma (12 year L&O contract)



Cidade de Ilhabela (20 year L&O contract)

- Vessel arrived at offshore site in Angola
 - Lifting campaign completed at Paenal
 - Delivery expected in 3Q14
-
- Topside integration completed at Brasa yard
 - Vessel has left the quayside
 - Delivery expected in 4Q14



Current: Focus on top-end segment

- FPSOs
- Turret Moorings
- Turnkey Sale or Lease & Operate



Future: Leverage core competencies

- Floating LNG (FLNG)
- Semisubmersible & TLP production units



- Directional⁽¹⁾ Revenue guidance confidently reiterated:
US\$3.3 billion
 - ✓ Turnkey: US\$2.3 billion
 - ✓ Lease & Operate: US\$1.0 billion
- As the market develops, the Company will adapt accordingly
 - ✓ Demand-driven management of fixed cost structure
 - ✓ Further develop core competencies to position SBM for the market upturn

Q&A



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