



**2005 ANNUAL ACCOUNTS  
ANALYSTS PRESENTATION  
AMSTERDAM / LONDON  
March 30, 2006**



**Technology  
Creating  
Value**

**D. Keller, Managing Director & CEO / M. Miles, CFO**



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# COMPANY STRUCTURE



## MONACO

Single Buoy Moorings



## KUALA LUMPUR

Single Buoy Moorings  
Asia



## THE NETHERLANDS

Gusto BV 

Marine Structure  
Consultants (MSC) 

NKI Group  
(Divestment Intended) 

## HOUSTON

SBM-Imodco



Atlantia Offshore



 GustoMSC Inc.



# MANAGEMENT STRUCTURE

## BOARD OF MANAGEMENT



**Didier Keller**  
Managing Director  
& CEO



**Mark Miles**  
Director  
CFO



**Dick van der Zee**  
Director  
COO



**Francis Blanchelande**  
Director  
FPSO Operations

## INVESTOR RELATIONS



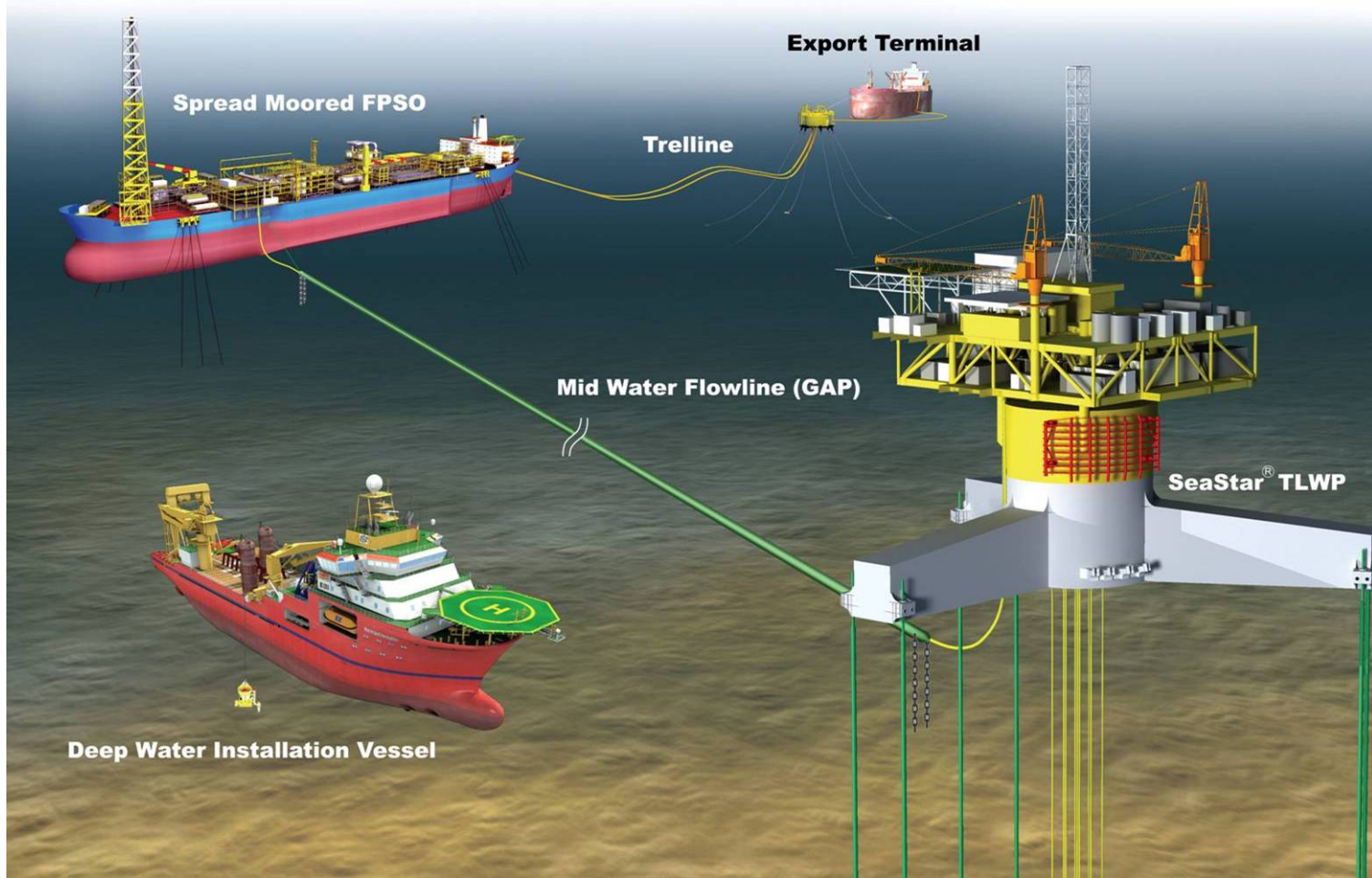
**Hans Peereboom**  
V.P. Investor Relations



## HIGHLIGHTS 2005

- **Net profit for 2005 of US\$ 226 million, versus US\$ 92 million in 2004**
- **Proposed dividend US\$ 3.30 per share**
- **Shipyard sale concluded, name change to SBM Offshore implemented**
- **Exclusive focus on Oil and Gas activities has resulted in more transparency and predictability**
- **Sanha LPG FPSO taken into operation**
- **Order for eight year lease of Kikeh FPSO**
- **Well filled order book in all segments of the Company's activities**

# TOTAL DEEPWATER FIELD DEVELOPMENT CAPABILITY





## **SUMMARY OF ACTIVITIES**

- **Design, build and install either on “sale” or on “own and operate” basis Floating Production and / or Storage and Offloading Systems (FPSOs / FSOs), Tension Leg Platforms (TLPs) and Semi-Submersible platforms for oil and gas production**
- **Supply mooring systems for FPSOs / FSOs**
- **Supply deepwater export systems and conventional CALM systems for loading / offloading terminals**
- **Provide design and engineering services for drillships, jack-up rigs, semi-submersible rigs, specialised vessels and topsides for oil and gas production facilities**
- **Design and supply offshore berthing terminals for LNG export and import**
- **Design, build, own and operate Floating Regasification import facilities for the LNG industry**
- **Offshore Contracting and After-Sales Services**



## **MAJOR COMPLETIONS 2005**

- **Start-up of Sanha LPG FPSO for Chevron, Angola under an eight year lease and operate contract**
- **Delivery of the disconnectable internal Turret Mooring system for the White Rose FPSO of Husky Oil, Newfoundland**
- **Delivery of the disconnectable external Turret Mooring system for Woodside's Enfield FPSO, Australia**
- **Completion of Deepwater Export Systems for ExxonMobil's Erha and Kizomba 'B' Fields**



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## **HIGHLIGHTS 2005**

### **Start-up of Sanha LPG FPSO for Chevron, Angola**

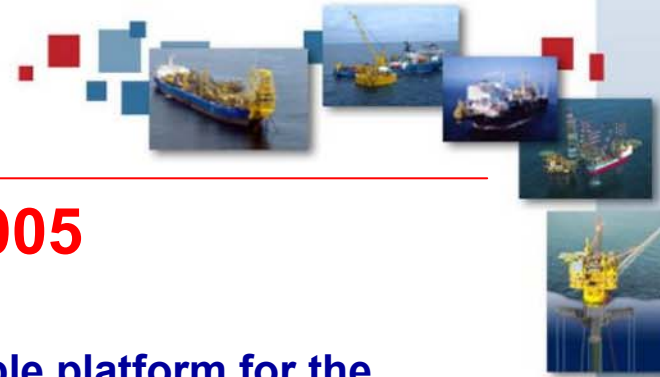


**On lease since May 8, 2005**

## HIGHLIGHTS 2005

### Delivery of the Disconnectable Turret for the Woodside Enfield FPSO



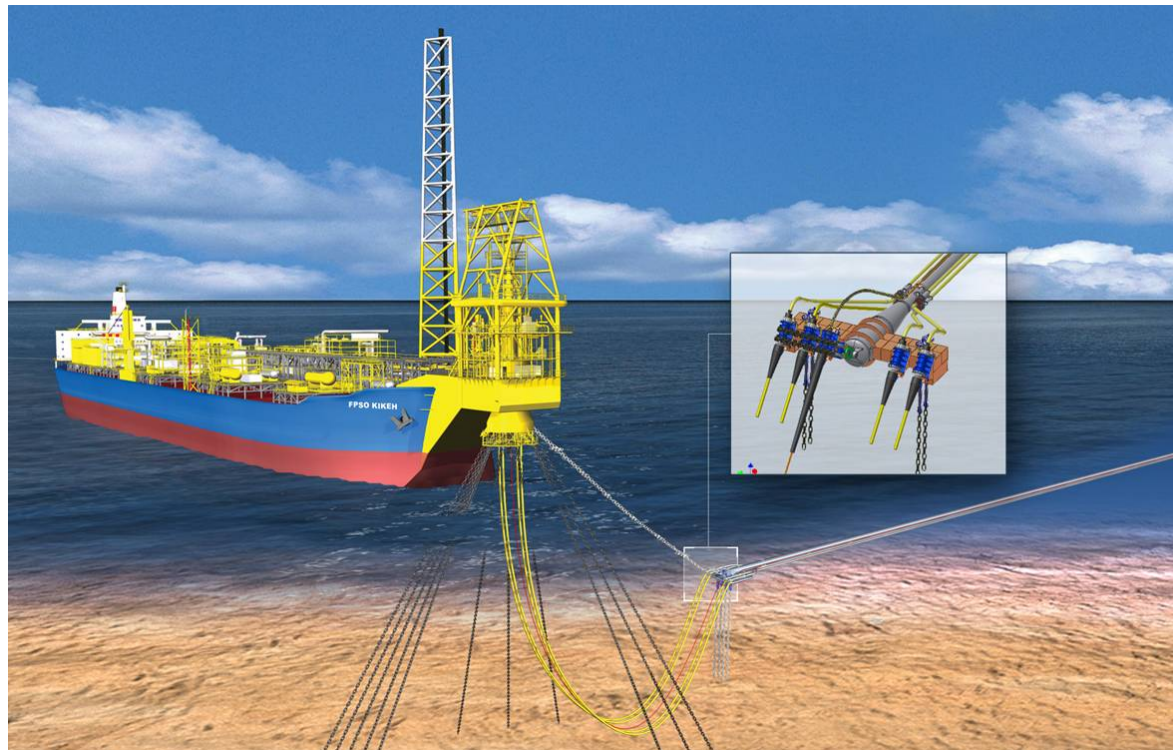


## MAJOR ORDERS 2005

- Design and supply of a deep draft Semi-Submersible platform for the Independence Hub, Enterprise Products, Gulf of Mexico.
- Eight year lease of an FPSO for the Kikeh Field, Murphy, Malaysia, in Joint Venture with MISC.
- Deepwater Export Systems for BP's Greater Plutonio field (Angola), Chevron's Agbami field (Nigeria) and Total's Akpo field (Nigeria).
- Internal Turret Mooring system for the P-53 Floating Production Unit of Petrobras.
- Design, supply and installation of a Gravity Actuated Pipe (GAP™) fluid transfer system for the Kikeh Field, Murphy, Malaysia.
- Turnkey supply of a SeaStar® TLP for the Neptune Field, BHP Billiton, Gulf of Mexico.
- Supply and installation of a "Trelline™" flexible export line between the spread moored FPSO and the Deepwater CALM at the Bonga field, Shell Nigeria

## HIGHLIGHTS 2005

### Orders for Kikeh Field Development for Murphy, Malaysia

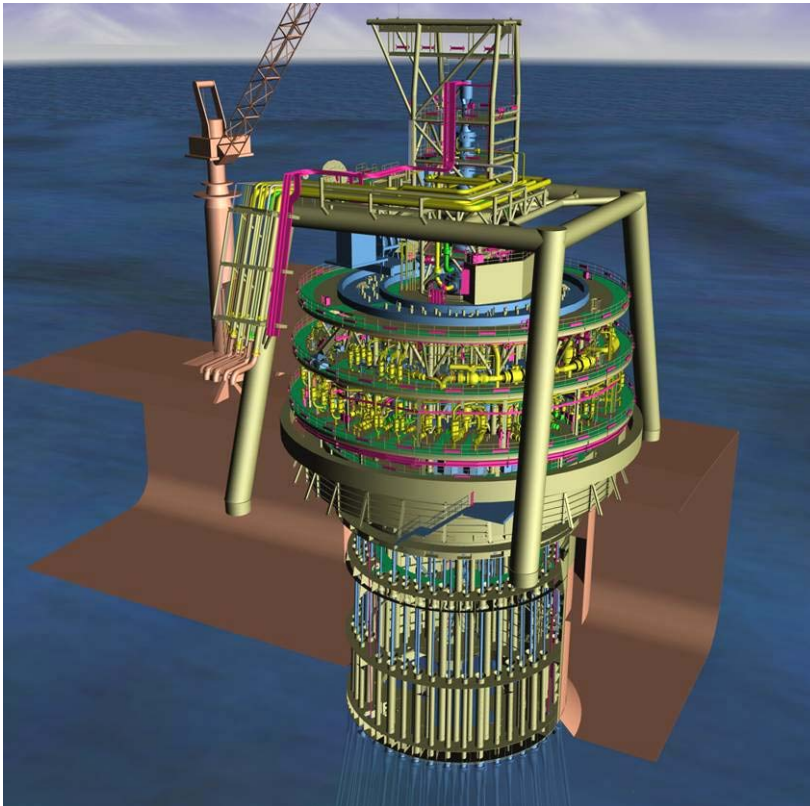


- Eight year lease of an FPSO in Joint Venture with MISC
- Supply and installation of the GAP fluid transfer system

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## HIGHLIGHTS 2005

### Order for Internal Turret for the Petrobras P-53 FPU

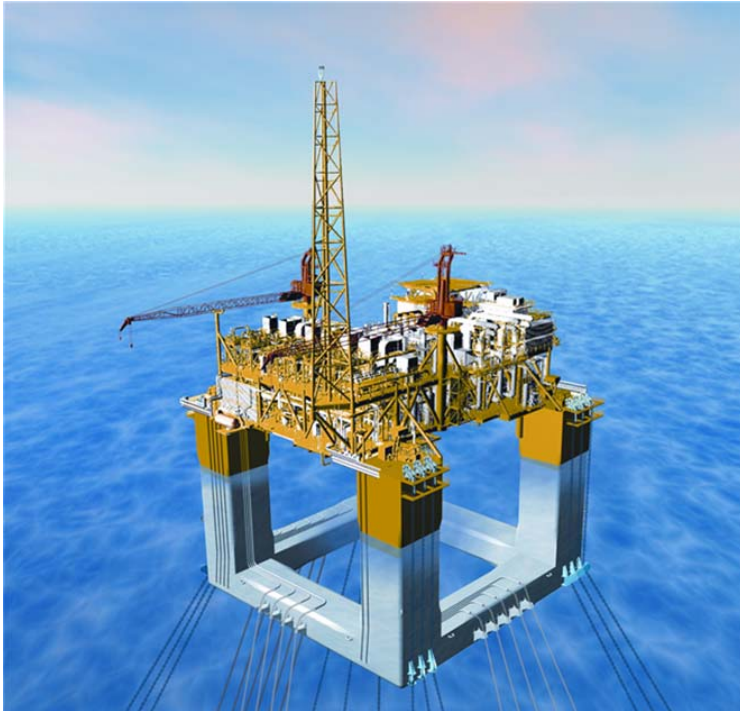


- **The largest and most complex turret ever designed and built**
- **Accommodates 75 flexible risers and the related piping, manifolding and swivel arrangements**

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## **HIGHLIGHTS 2005**

### **Two Major Orders for Atlantia**



**Semi-Submersible Hull  
Independence Hub  
Enterprise**

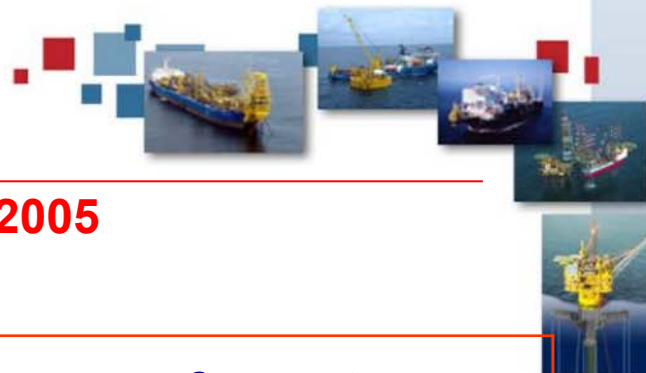


**SeaStar® TLP  
Neptune Field  
BHP Billiton**



## **KEY FINANCIAL POINTS 2005**

- **IFRS net profit US\$ 226 million – up 146% from restated 2004**
- **Includes profit from FPSO Serpentina sale US\$ 79.8 million**
- **Dividend proposed – US\$ 3.30 per share**
- **EBITDA US\$ 482 million; Cashflow US\$ 433 million**
- **Capital expenditure US\$ 399 million**
- **Net gearing down to 90%**
- **Portfolio at year-end US\$ 4.1 billion**
- **Return on average capital employed 14.6%**
- **Return on equity 28.1%**



## FINANCIAL OVERVIEW 2005

### TOTAL GROUP

In millions of US Dollars	31/12/2005	31/12/2004	% Movement	Comment
<b>Turnover</b>	<b>1,519</b>	<b>1,069</b>	<b>42</b>	FPSO Serpentina sale; All activities growing
<b>Gross Margin (%)</b>	<b>363 (23.9%)</b>	<b>243 (22.7%)</b>	<b>49</b>	FPSO Serpentina sale; All activities growing
<b>EBITDA (% Margin)</b>	<b>482 (31.7%)</b>	<b>371 (34.7%)</b>	<b>30</b>	FPSO Serpentina sale; Fleet and turnkey up
<b>EBIT (% Margin)</b>	<b>275 (18.1%)</b>	<b>161 (15.1%)</b>	<b>71</b>	FPSO Serpentina sale; Fleet and turnkey up
<b>Net Profit (% Margin)</b>	<b>226 (14.9%)</b>	<b>92 (8.6%)</b>	<b>146</b>	FPSO Serpentina sale; Fleet and turnkey up
<b>New Orders</b>	<b>1,510</b>	<b>1,436</b>	<b>5</b>	High turnkey intake; Lease awards delayed
<b>Order Portfolio</b>	<b>4,059</b>	<b>4,071</b>	<b>-</b>	Stable; Large increase early 2006



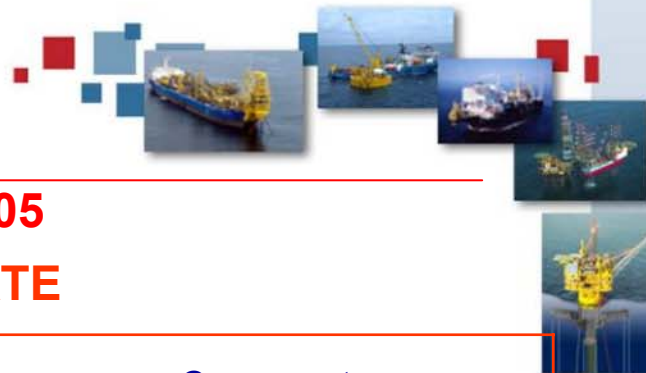


## FINANCIAL OVERVIEW 2005

### TURNKEY SYSTEMS & SERVICES

In millions of US Dollars	31/12/2005	31/12/2004	% Movement	Comment
Turnover	935	536	74	FPSO Serpentina sale; Higher general activity
Gross Margin (%)	183 (19.6%)	90 (16.9%)	102	FPSO Serpentina sale; Atlantia contribution; Services
EBITDA (% Margin)	135 (14.4%)	39 (7.3%)	x 3.5	FPSO Serpentina sale; Atlantia contribution; Services
EBIT (% Margin)	126 (13.5%)	31 (5.8%)	x 4	FPSO Serpentina sale; Atlantia contribution; Services
New Orders	1,044	634	65	P-53 Turret, I-Hub Semi, Neptune TLP, Kikeh GAP, DW CALMs (3)
Order Portfolio	839	498	68	Healthy order book

Approximately two-thirds of total S, G & A and Other operating expenses are considered as « Turnkey » costs (6% of segment turnover in 2005)



## FINANCIAL OVERVIEW 2005

### FPSO LEASE AND OPERATE

In millions of US Dollars	31/2/2005	31/12/2004	% Movement	Comment
<b>Turnover</b>	<b>585</b>	<b>533</b>	<b>10</b>	Marlim Sul, Sanha
<b>Gross Margin (%)</b>	<b>180 (30.8%)</b>	<b>153 (28.7%)</b>	<b>18</b>	Marlim Sul, Sanha; Bonuses; Operating cost savings
<b>EBITDA (% Margin)</b>	<b>347 (59.3%)</b>	<b>323 (60.6%)</b>	<b>7</b>	Marlim Sul, Sanha; FPSO Serpentina sale
<b>EBIT (% Margin)</b>	<b>148 (25.3%)</b>	<b>121 (22.7%)</b>	<b>22</b>	Marlim Sul, Sanha; Depreciation down
<b>New Orders</b>	<b>466</b>	<b>802</b>	<b>(42)</b>	Mainly Kikeh FPSO; Delayed ExxonMobil awards
<b>Order Portfolio</b>	<b>3,220</b>	<b>3,573</b>	<b>(10)</b>	FPSO Serpentina sale

Approximately one-third of total S, G & A and Other operating expenses are considered as Lease & Operate costs (5.5% of segment turnover in 2005)



## FINANCIAL OVERVIEW 2005 TOTAL GROUP

In millions of US Dollars	31/12/2005	31/12/2004	% Movement	Comment
Capital Expenditure	399	237	68	FPSO investments up
Long-Term Debt	949	1,285	(26)	Accelerating debt servicing; FPSO Serpentina sale
Net Liquidities	145	145	-	Still comfortable level
Net Debt	805	1,139	(29)	
Share Price €	68.25	46.74	46	High oil price; Focus on offshore
Share Price US\$	80.41	63.47	27	US\$ strengthened
Market Cap US\$	2,770	2,130	30	Higher share price
Enterprise Value	3,574	3,270	9	Higher market cap; Lower net debt
Net Debt : Equity	90	172	(48)	FPSO Serpentina sale; IFRS
ROACE	14.6%	8.9%	69	Higher net profit / lower capital employed; FPSO Serpentina sale
Return on Equity	28.1%	14.1%	99	Higher net profit; FPSO Serpentina sale; IFRS;



## OUTLOOK 2006

### FINANCIAL

- **Net Profit** US\$ 165 million
- **EBITDA** US\$ 460 million
- **Capital Expenditure** US\$ 525 million

### ACTIVITIES

- **Start of operation of the Extended Well Test system for Petronas, Caspian Sea, Turkmenistan (March 2006)**
- **Start of operation of the FPSO Capixaba for Petrobras at Golfinho, Brazil (May 2006)**
- **No units from the lease fleet expected to be taken out of service in 2006**
- **Delivery of the 'Normand Installer' (April 2006)**
- **Execution of large number of turnkey orders carried over from 2005**



## **NEW MAJOR ORDERS SINCE BEGINNING 2006**

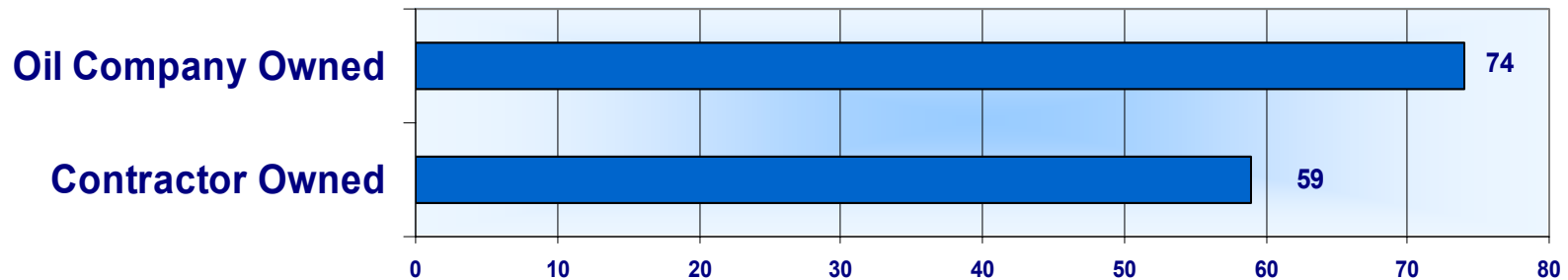
**Orders from ExxonMobil for the lease and operation of two FPSOs for the Mondo and Saxi-Batuque fields in the Kizomba 'C' area offshore Angola:**

- **Fifteen year lease contracts between Esso Angola Exploration and Sonasing (Sonangol / SBM Joint Venture)**
- **Upfront payment for 'intangible' elements of the Capex**
- **Fifteen year operating contracts between Esso Angola Exploration and OPS (Sonangol / SBM Joint Venture)**
- **Conversion of two VLCCs from inventory**
- **Production capacity of 100,000 barrels per day, large capacity water and gas treatment and injection facilities**
- **Delivery last quarter 2007 / second quarter 2008**
- **Portfolio value 1.4 billion US\$**



## **WORLDWIDE FPSO FLEET**

**Total in Operation or Under Construction : 133**  
**with SBM Offshore involvement (Turnkey or Mooring System) : 42**



### **COVERS A LARGE VARIETY OF UNITS**

- **Converted tankers / purpose built barges or cylinders**
- **Spread moored / weathervaning**
- **Oil production rates from 15,000 to 250,000 barrels / day**
- **Oil storage from 30,000 to 2,000,000 barrels**
- **From oil production only to comprehensive production with gas and water injection**

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## FROM SIMPLE TO COMPLEX



**“Simple”  
FPSO VI, 1986**

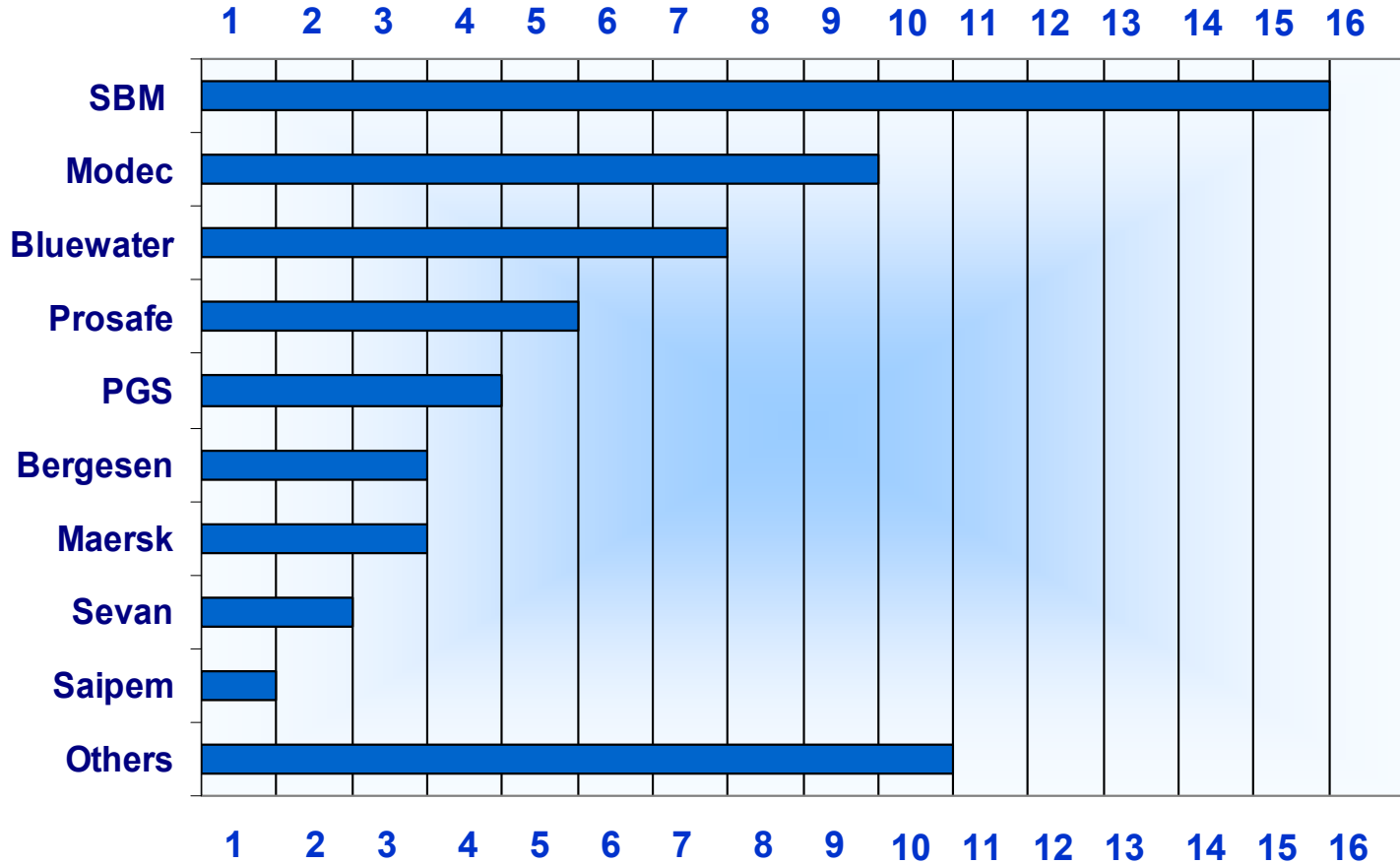


**“Complex”  
Espadarte FPSO, 2000**



# FPSO LEASE FLEET

In Operation or Under Construction : 59



Others include : Bumi Armada, Frontier Drilling, Fred Olsen, Tanker Pacific, Trenergy, Exmar, MISC, Vanguard Production, Vanguard Oil & Gas, Frontline





## **SBM's COMPETITIVE EDGE**

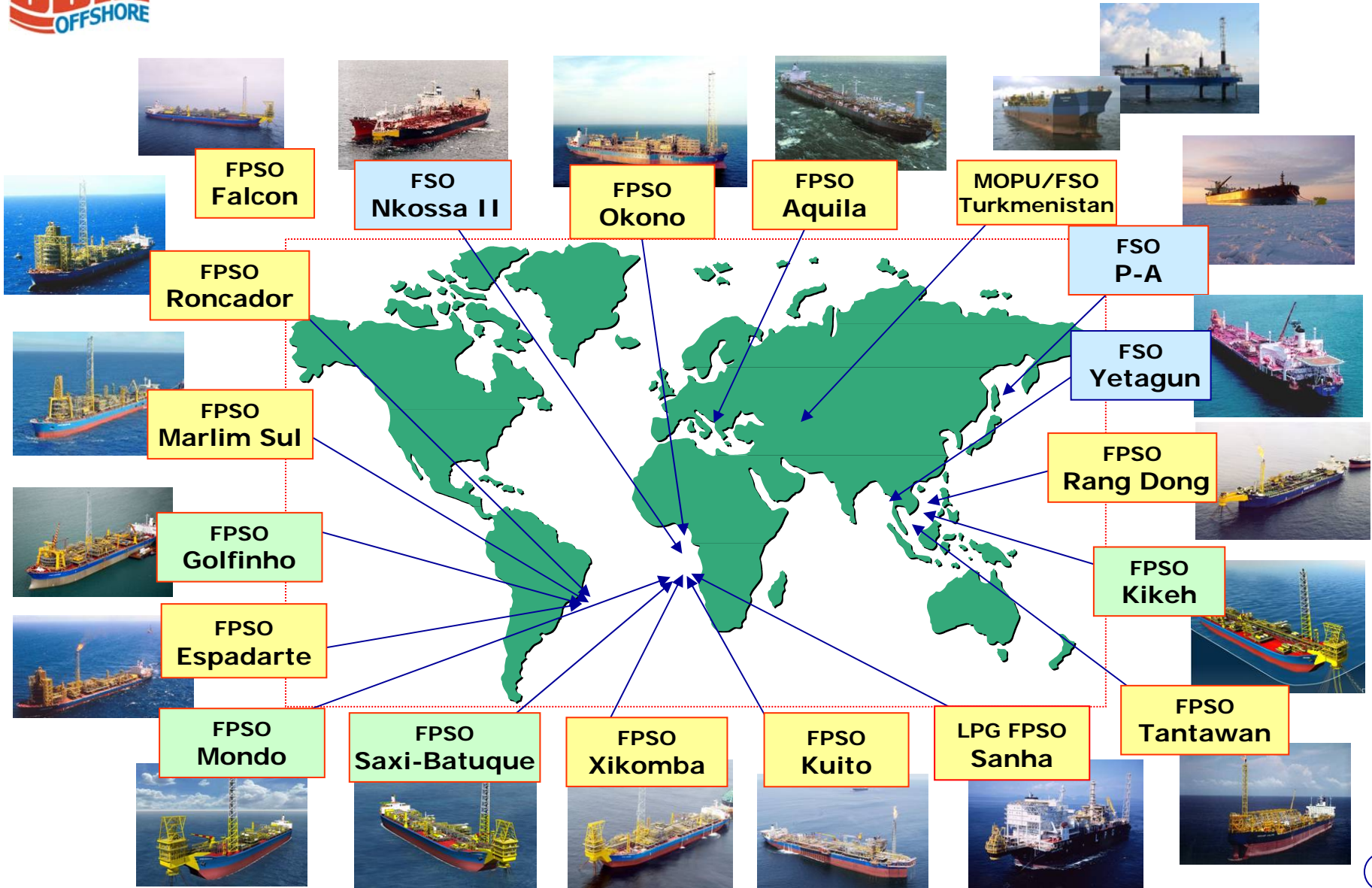
- **Cumulative experience of 120 years of FPSO/FSO operation**
- **All required engineering disciplines available within the Company**
- **Large pool of experienced project managers**
- **Flexibility with three (shortly four) execution centres**
- **Construction outsourced**
- **Own ultra deepwater installation vessel**
- **Strategic partnerships (Sonangol, Petronas)**



## **SBM's LEASE BUSINESS APPROACH**

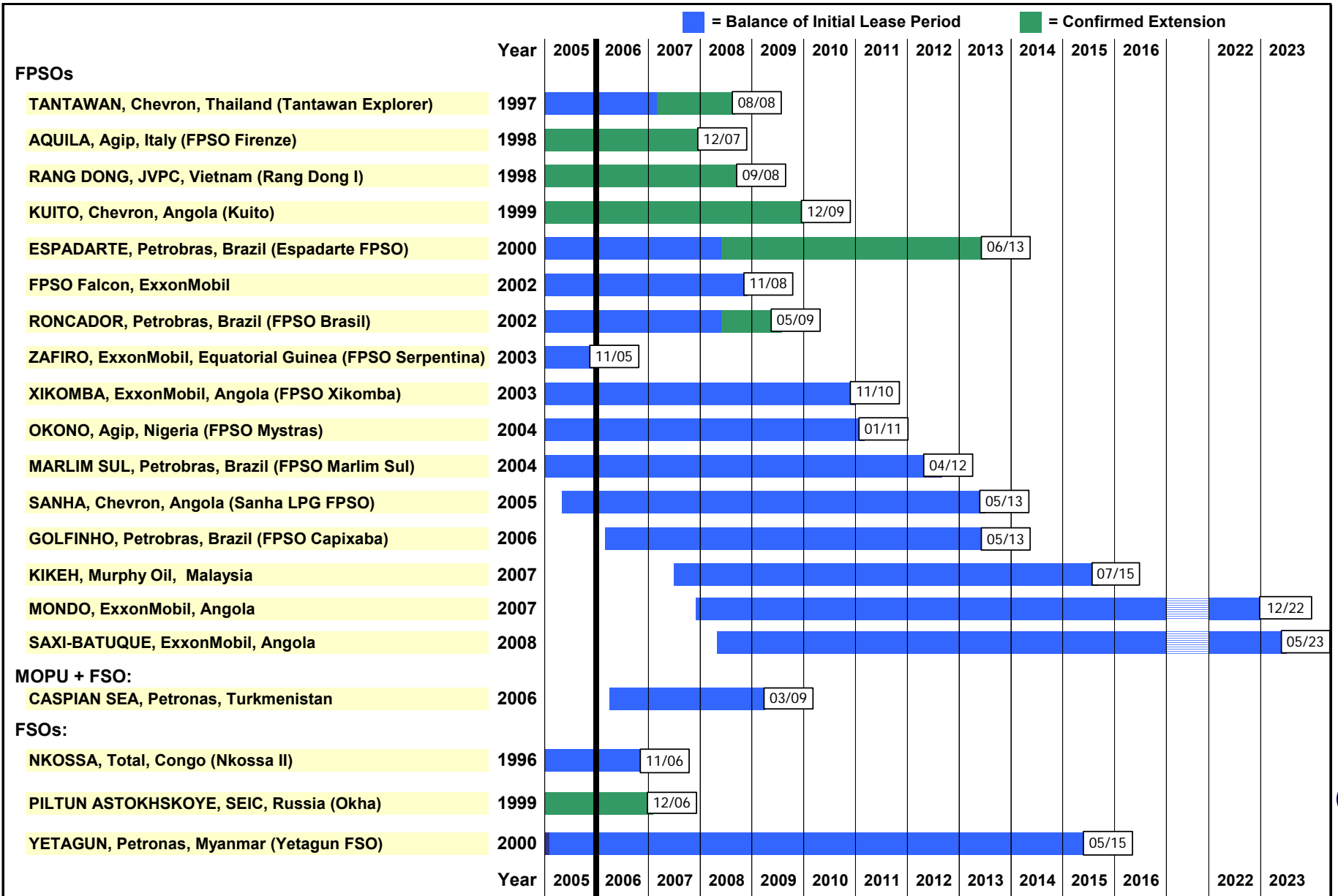
- Invest only on the basis of contracts in hand, except for acquisition of existing tankers for conversion into an FPSO
- Convert only quality tankers excluding “early” double hulls using high tensile steel (late eighties, early nineties)
- Obtain commitments for firm lease periods, ideally in excess of five years
- Bareboat revenues not exposed to oil price variations or reservoir risks
- Interest and currency exchange rate risks hedged upon contract award
- Project debt fully serviced by guaranteed lease income
- Apply conservative policy with respect to depreciation
- Manage fleet operations in-house and engage all senior staff for the fleet under direct employment

# SBM LEASE FLEET





# REMAINING DURATION OF LEASE CONTRACTS



# PRODUCTION START FIRST QUARTER 2006

Extended Well Test System  
Petronas - Turkmenistan

Mobile Offshore  
Production Unit  
Saparmirat Türkmenbaşy



Floating Storage &  
Offloading Vessel  
Oguzhan

# PRODUCTION START SECOND QUARTER 2006

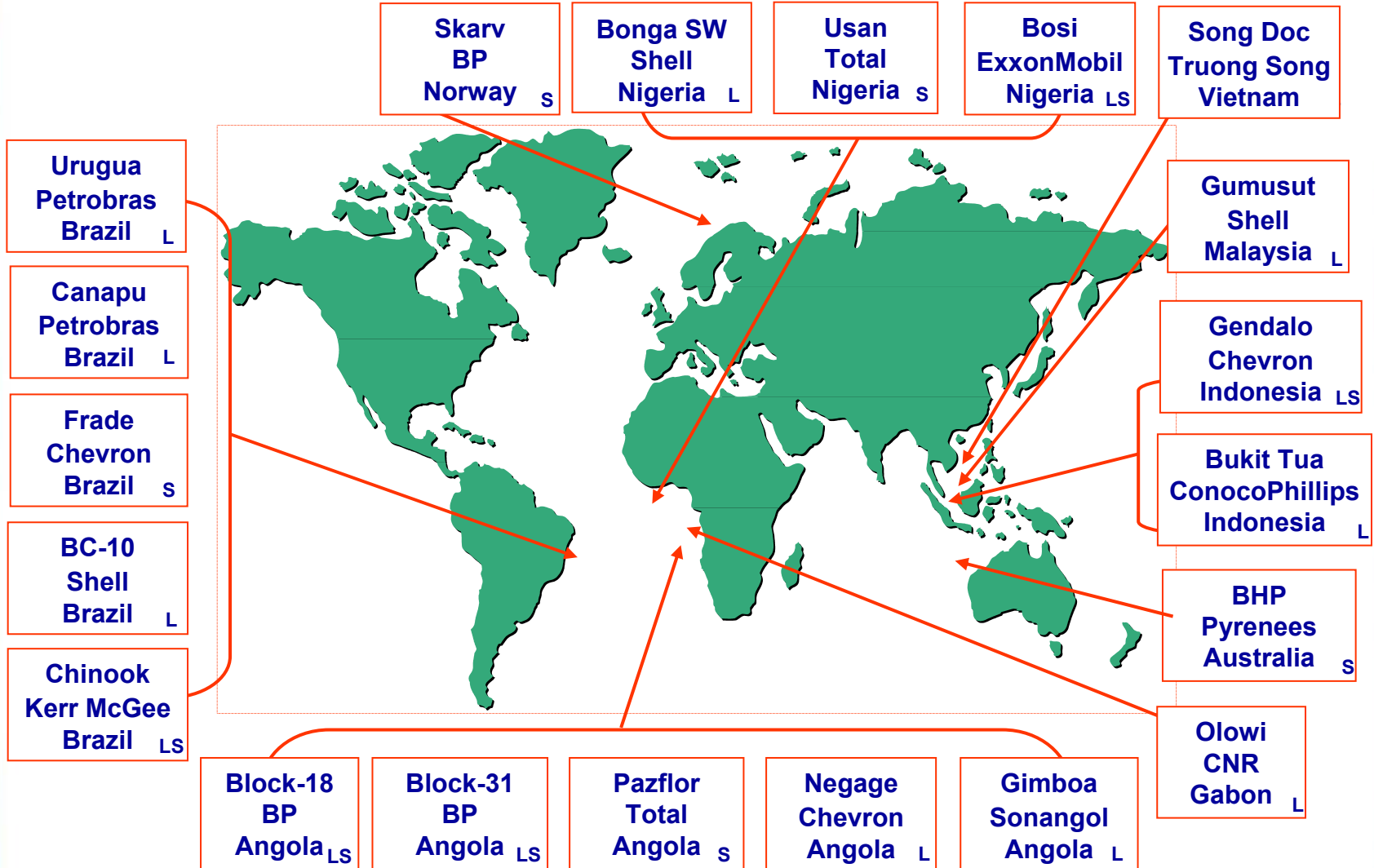
FPSO Capixaba - Golfinho Field

Petrobras - Brazil



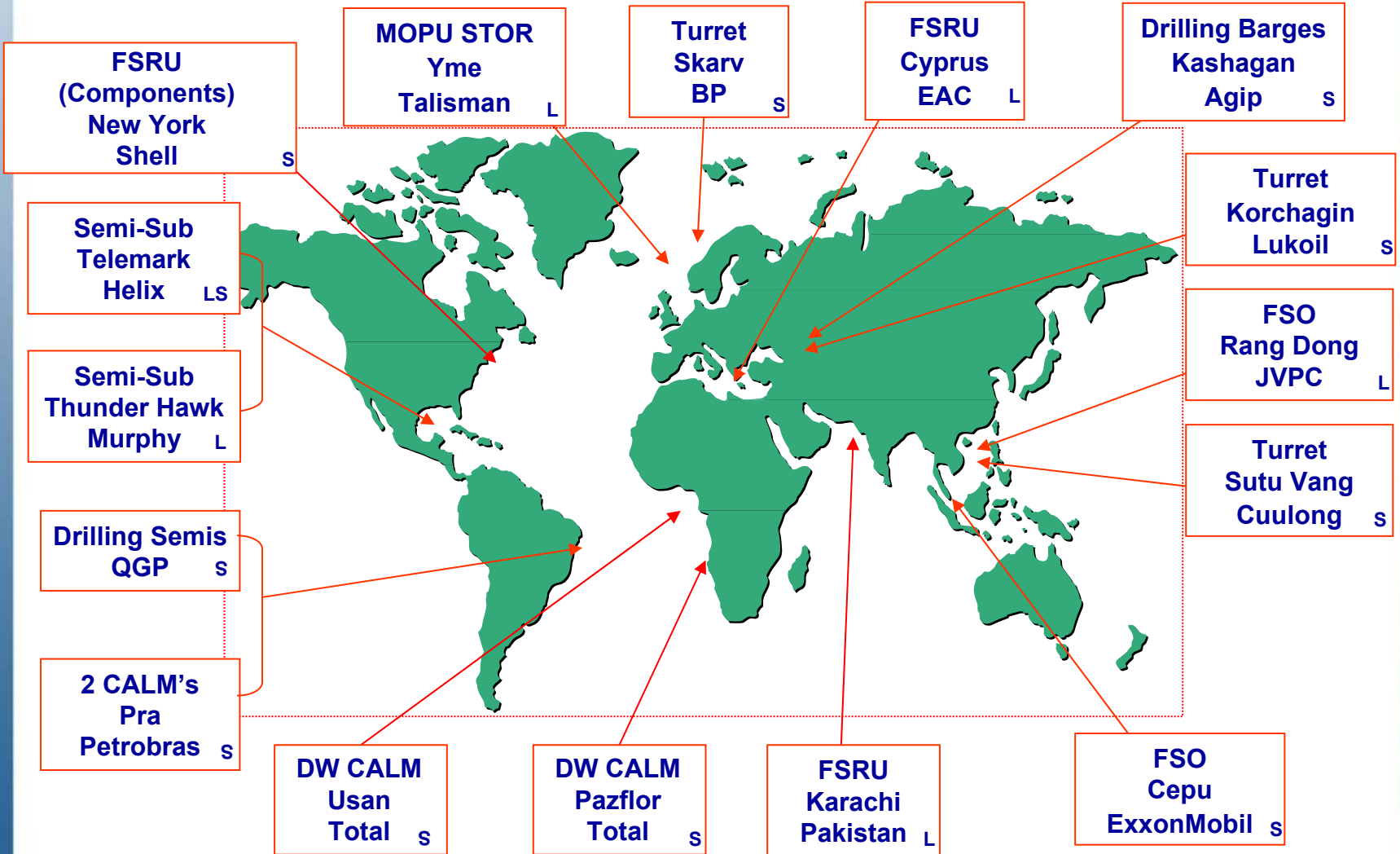
# FPSO PROSPECTS

L = Lease S = Sale LS = Lease or Sale



# NON-FPSO PROSPECTS

L = Lease S = Sale LS = Lease or Sale







# OFFSHORE CONTRACTING SERVICES

## New Generation Deepwater Installation Vessel

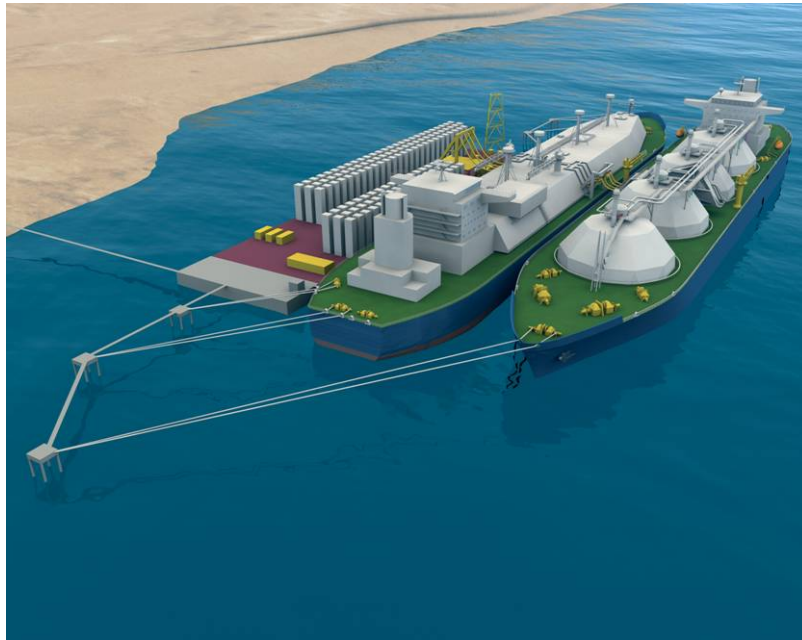
### “NORMAND INSTALLER”

LOA	123.65 m
Breadth	28 m
Min Draught	5.70 m
Speed	16.8 knots
Cargo Capacity	3,400 t
Total Generated Power	23 MW



# SBM GAS & POWER

## Inshore LNG Terminals



**“GAS LINK™”**



**“TWIN SOFT QUAY MOORING”**

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# SBM GAS & POWER

## Floating Storage and Regasification Unit (FSRU)



**“Small” capacity FSRU based on the conversion of an LNG carrier**

**“Large” capacity FSRU based on a new built barge**





# COMPETITION

	F(P)SO Lease	F(P)SO Supply	TLP Supply	Terminals Turret Supply	Floating Gas Facilities
SBM Offshore	✓	✓	✓	✓	✓
Modec	✓	✓	✓		
Saipem	✓	✓			✓
Technip		✓			
Bergesen	✓				✓
Tanker Pacific	✓				
Prosafe	✓				
Sevan	✓				
Korean Yards		✓			
Chinese Yards		✓			
Bluewater	✓			✓	
Sofec				✓	
APL				✓	



## STRATEGY

- **Grow the Group organically with yearly average double digit EPS increase**
- **Develop innovative technical solutions, in particular for deepwater technology and in the gas sector**
- **Expand the product line**
- **Expand the lease business model to other products and geographical areas**
- **Increase the execution capacity**
- **Maintain a position of leader in the Group's current markets, develop the same position in the gas sector**