



**HALF-YEAR RESULTS 2006
PRESENTATIONS AMSTERDAM & LONDON
AUGUST 29, 2006**



**Technology
Creating
Value**

**D. Keller: Managing Director & CEO
M. Miles: CFO
H. Peereboom: V.P. Investor Relations**



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COMPANY STRUCTURE

SBM Offshore NV



THE NETHERLANDS

Gusto BV

Marine Structure Consultants (MSC)

NKI Group
(Divestment Intended)



MONACO

Single Buoy Moorings



HOUSTON

SBM-Imodco

Atlantia Offshore

GustoMSC Inc

KUALA LUMPUR

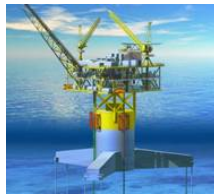
SBM Malaysia Sdn Bhd

SBM OFFSHORE ACTIVITIES

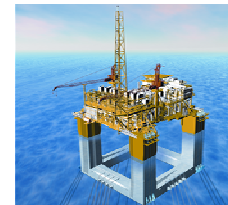
Turnkey Supply & Installation



**Floating (Production) Storage and Offloading Systems
F(P)SOs**



**Floating Production Units
TLPs / Semi-Submersibles**



**Deepwater and Conventional
Tanker Loading Systems**



**Drilling Units
Turnkey or Design & Components**



**Offshore Contracting
Overhauls / Spare Parts**



SBM OFFSHORE ACTIVITIES

Lease & Operation



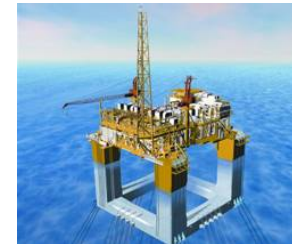
FPSOs



FSOs



Semi-Submersible
Production Units



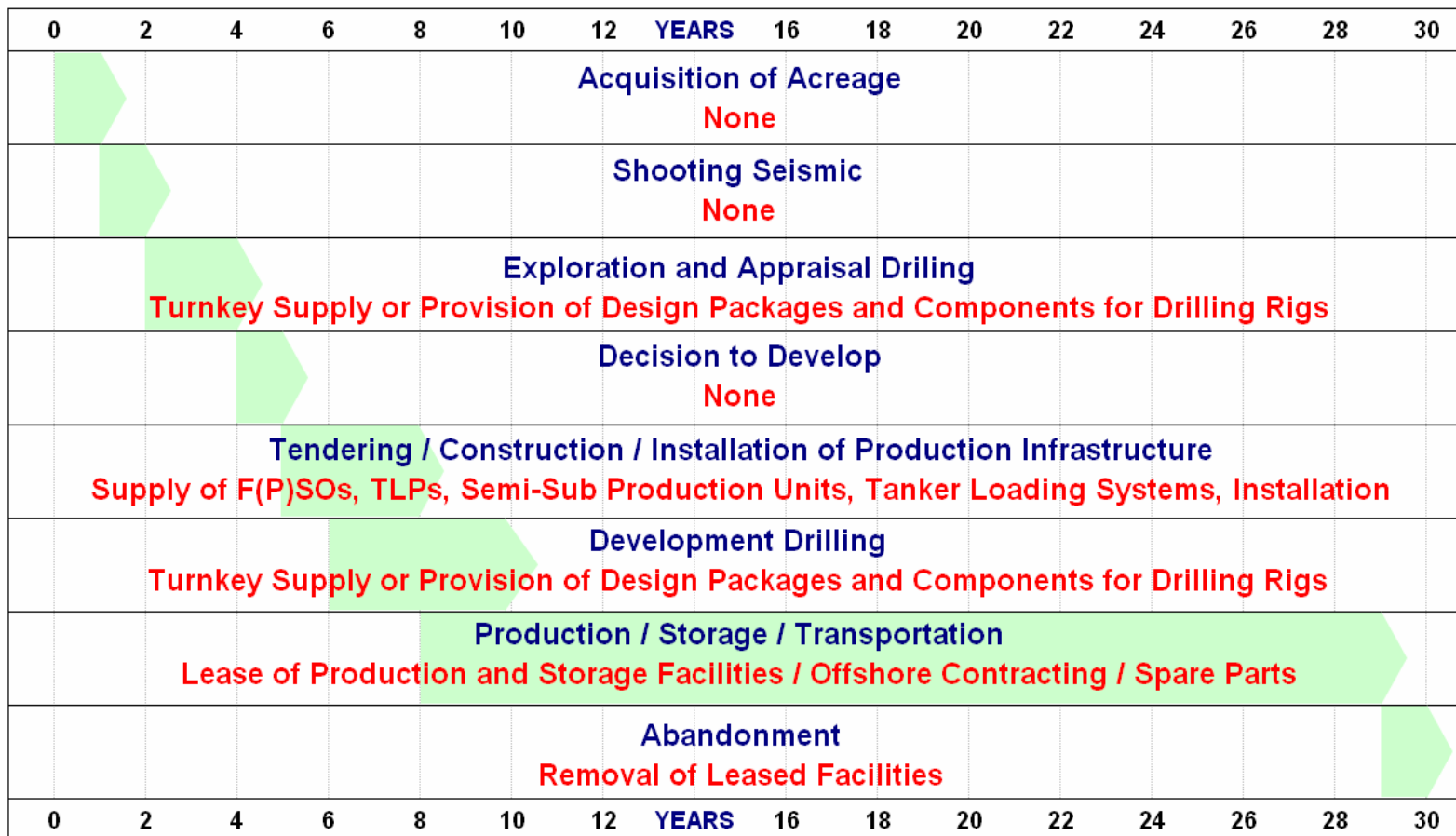
Mobile Offshore Production Units
& Storage





OFFSHORE FIELD LIFE CYCLE

SBM OFFSHORE INVOLVEMENT





HIGHLIGHTS FIRST HALF 2006

- **Half-year results: net profit US\$ 98 million;
Full-year outlook: net profit around US\$ 200 million**
- **Start of two new leases : MOPU & FSO for Petronas / Turkmenistan
and FPSO Capixaba for Petrobras / Brazil**
- **Orders from ExxonMobil for long term leases of two FPSOs for the
Kizomba “C” development, Angola**
- **Order from Chevron for the turnkey supply and installation of an
FPSO for Frade, Brazil**
- **Start of operation of the new Deepwater Installation Vessel
“Normand Installer”**
- **Well-filled order book, more to come**

MAJOR EVENTS FIRST HALF 2006

Start of Production March 2006

Extended Well Test System - Petronas - Turkmenistan

**Mobile Offshore
Production Unit
Saparmirat Türkmenbaşy**



**Floating Storage &
Offloading Vessel
Oguzhan**

MAJOR EVENTS FIRST HALF 2006

Start of Production May 2006

FPSO Capixaba - Golfinho - Petrobras - Brazil



MAJOR EVENTS FIRST HALF 2006

Offshore Hook-Up of Disconnectable Turret for Woodside Enfield FPSO



MAJOR EVENTS FIRST HALF 2006

Start of Operations of New-Generation Deepwater Installation Vessel “Normand Installer”



Particulars:

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



NEW ORDERS FIRST HALF 2006

- **Contracts with ExxonMobil for the fifteen year lease and operation of FPSOs for Mondo and for Saxi-Batuque in the Kizomba “C” development area offshore Angola**
- **Contract with Chevron for the turnkey supply, installation and three years operation of an FPSO for the Frade field offshore Brazil**
- **Contract with Petrobras for the supply of two large and complex CALM terminals for tanker loading at Pra in the Campos Basin**
- **Orders for the supply of conventional tanker loading and discharge terminals for Escravos, Nigeria (Willbros/Chevron) and Jamnagar, India (Reliance)**
- **Several engineering and special components supply contracts for jack-up and semi-submersible drilling units**
- **Confirmation from Shell of the extension till end 2007 of the lease contract of the FSO Okha offshore Sakhalin, Russia**



NEW ORDERS SINCE MID-YEAR 2006

- **Contract with Technip Consortium for the supply of a CALM type tanker discharge terminal for Petrovietnam's Dung Quat Refinery project**
- **Letters of Intent from Brazilian drilling contractors for the supply of dynamically positioned semi-submersible drilling units; formal contracts under negotiation**



KEY FINANCIAL POINTS FIRST HALF 2006

- **Net profit US\$ 97.8 million versus US\$ 73.5 million in 2005**
- **Stable EBIT from lease fleet despite sale of FPSO Serpentina end 2005**
 - **First contributions from FPSO Capixaba & EWT in Turkmenistan**
 - **FPSO Operating bonuses (Marlim Sul, Espadarte, Falcon, Xikomba)**
- **Sale of 49% of shares in FPSO Brasil to MISC (Turnover US\$ 103 million; Net profit over US\$ 10 million)**
- **Increasing turnkey supply activity – impact of Mondo / Saxi Batuque and Frade contracts accelerates from H2 2006**
- **EBITDA increases to US\$ 219 million (US\$ 205 million in 2005)**
- **Capital expenditure US\$ 225 million**
- **Net debt reduced to US\$ 685 million (69% net debt : equity)**
- **Lower net financing costs**
- **Return on Capital Employed 13.4%; Return On Equity 20.8%**



RESULTS & BACKLOG MID 2006

Total Group

In millions of US Dollars	30/6/2006	30/6/2005	Change	Comment
Turnover	823	607	36%	Turnkey sales up; FPSO Brasil 49% sale
Gross Margin (%)	173 <i>(21.0%)</i>	146 <i>(24.0%)</i>	18%	Higher turnkey share reduces average margin
EBITDA (% Margin)	219 <i>(26.5%)</i>	205 <i>(33.8%)</i>	7%	Turnkey sales & FPSO Brasil; Product development costs
EBIT (% Margin)	116 <i>(14.1%)</i>	102 <i>(16.9%)</i>	13%	Turnkey sales & FPSO Brasil; Product development costs
Net Profit (% Margin)	98 <i>(11.9%)</i>	73 <i>(12.1%)</i>	33%	Higher EBIT and lower net financing costs
New orders	2,318	902	x 2.6	Mainly Mondo / Saxi FPSOs & Frade FPSO
Order Portfolio	5,635	4,364	29%	Record level



RESULTS & BACKLOG MID 2006

Lease and Operate

In millions of US Dollars	30/6/2006	30/6/2005	Change	Comment
Turnover	282	283	--	FPSO Serpentina sold H2 2005; Turkmenistan & Capixaba startup H1 2006
Gross Margin (%)	91 (32.3%)	91 (32.2%)	--	Good operating bonuses; FPSO Serpentina sold H2 2005
*EBITDA (% Margin)	173 (61.4%)	174 (61.6%)	--	Good operating bonuses; FPSO Serpentina sold H2 2005
*EBIT (% Margin)	76 (27.0%)	76 (26.8%)	--	Good operating bonuses; FPSO Serpentina sold H2 2005
New orders	741	426	74%	Mainly Mondo / Saxi FPSOs
Order Portfolio	3,690	3,717	(1%)	FPSO Serpentina sale compensated by Mondo / Saxi FPSOs

* Approximately one-third of S, G & A costs are allocated to the Lease & Operate segment



RESULTS & BACKLOG MID 2006

Turnkey Systems & Services

In millions of US Dollars	30/6/2006	30/6/2005	Change	Comment
Turnover	541	325	66%	FPSO Brasil 49% sale; Growing supply activity
Gross Margin (%)	82 (15.1%)	55 (16.9%)	49%	FPSO Brasil book gain; Growing supply activity
*EBITDA (% Margin)	46 (8.5%)	31 (9.5%)	48%	Increased product development expenditure reduces impact of gross margin rise
*EBIT (% Margin)	40 (7.4%)	26 (8.0%)	54%	Increased product development expenditure reduces impact of gross margin rise
New orders	1,577	476	x 3.3	Mainly Frade FPSO & Mondo / Saxi FPSO lumpsums
Order Portfolio	1,945	648	x 3	High value and quality

* Approximately two-thirds of S, G & A costs are allocated to the Turnkey System & Services segment



FINANCIAL OVERVIEW MID 2006

Total Group

In millions of US Dollars	30/6/2006	30/6/2005	Change	Comment
Capital Expenditure	225	207	9%	Vessel investments up
Long-Term Debt (including short-term portion)	911	1,184	(23%)	FPSO Serpentina sale H2 2005
Net Liquidities	227	110	x 2.1	Turnkey lump sum payments
Net Debt	685	1,074	(36%)	
Share Price €	20.84	14.18	47%	Order intake / high oil price
Share Price US\$	26.49	17.12	55%	Euro stronger
Market Capitalisation US\$	3,718	2,344	59%	Higher share price
Enterprise Value	4,393	3,418	29%	Market cap up; Net debt down
Net debt: Equity	0.69	1.52	(55%)	Financing capacity for growth
ROACE	13.4%	11.1%	21%	Higher EBIT, lower capital employed
Return on Equity	20.8%	20.7%	-	Higher net profit offset by growing equity



EXPECTATIONS FULL YEAR 2006

- **Net profit around US\$ 200 mln (original expectation US\$ 165 mln)**
 - **Sale of 49% interest in FPSO Brasil**
 - **High order intake in turnkey**
 - **Lower financing costs**
 - **Good FPSO operating bonuses**
- **Increasing share of results from turnkey (at least one third of EBIT)**
- **EBITDA around US\$ 470 mln (US\$ 402 mln in 2005 before FPSO Serpentina sale)**
- **Cash flow around US\$ 420 mln (US\$ 352 mln in 2005 before FPSO Serpentina sale)**
- **Capex around US\$ 500 mln (US\$ 399 mln in 2005) subject to accounting treatment of Mondo / Saxi FPSO contracts (operating lease vs financial lease)**

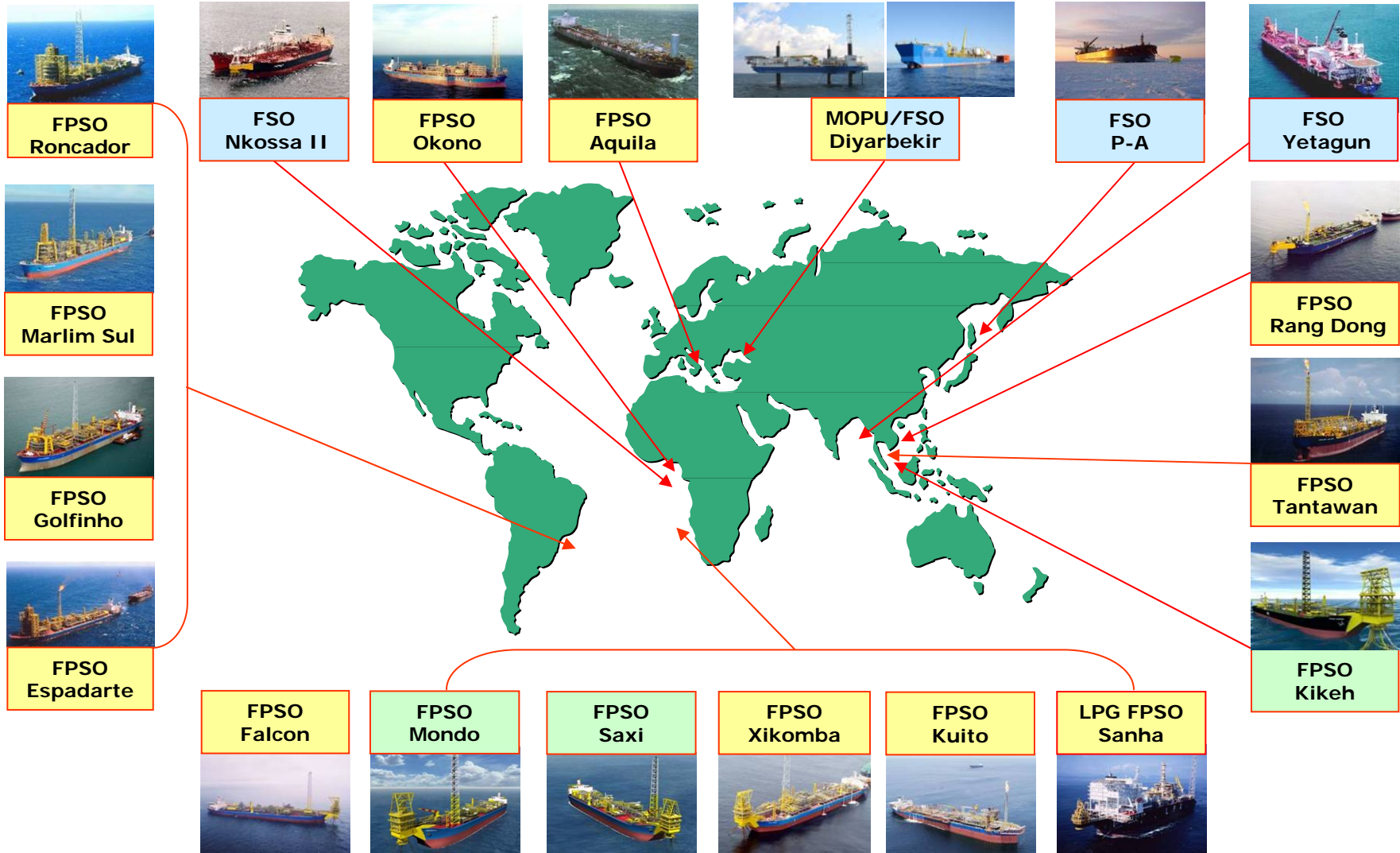





SBM's LEASE BUSINESS APPROACH

- **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 built late eighties and early nineties (high tensile steel, fatigue prone)**
- **Contract for firm lease periods ideally in excess of five years**
- **Bareboat revenues not exposed to oil price variations**
- **Bareboat revenues not, or only to a limited extent, linked to reservoir performance**
- **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**



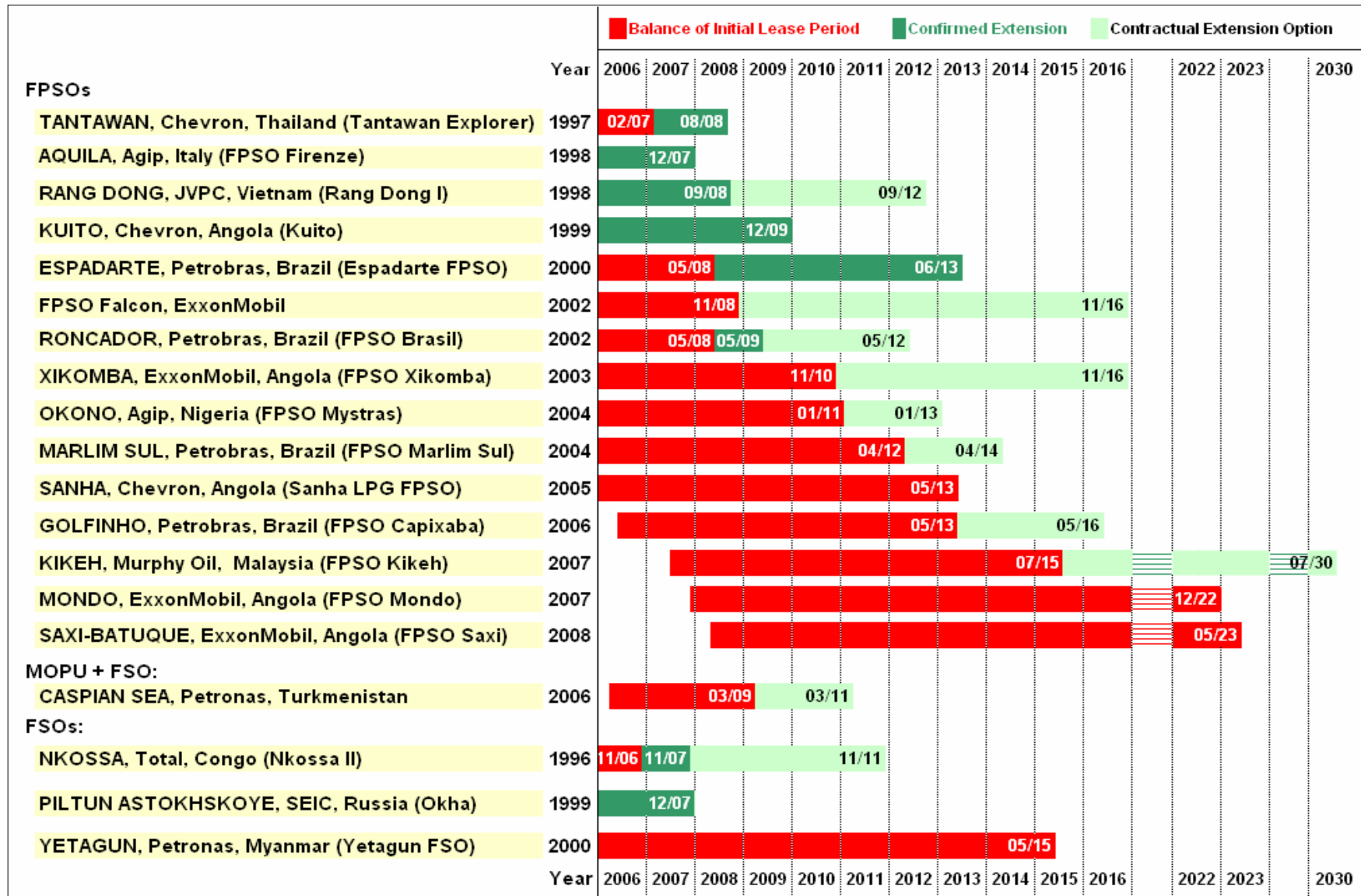
SBM's LEASE FLEET



 FPSOs on lease  FPSOs on lease  FPSOs under construction



REMAINING DURATIONS OF LEASE CONTRACTS



FPSO CONSTRUCTION IN PROGRESS

Murphy - FPSO Kikeh



FPSO MARKET

“FPSO” covers a large variety of units

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



**“Simple”
FPSO VI, 1986**

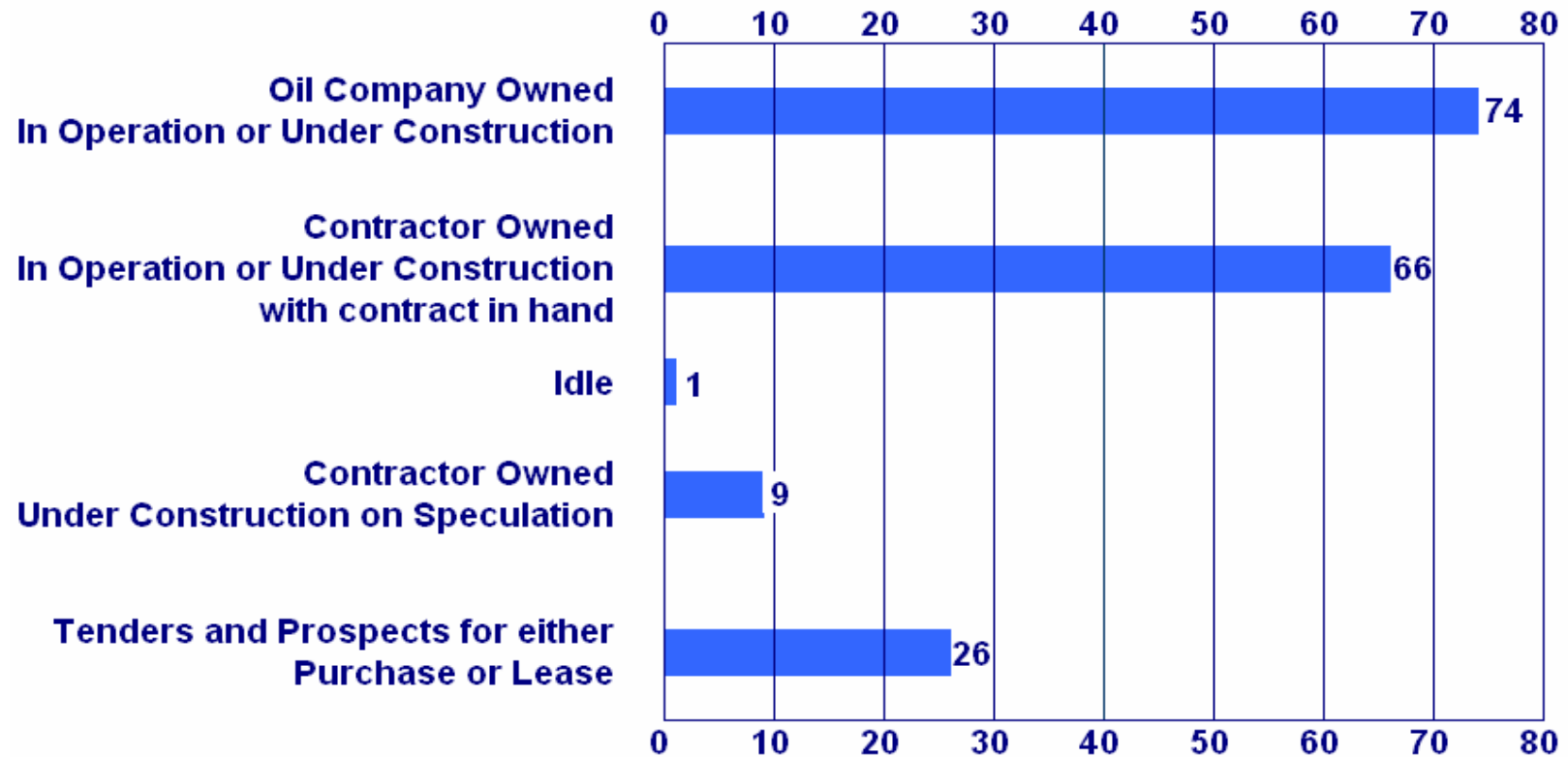


**“Complex”
Espadarte FPSO, 2000**



FPSO MARKET

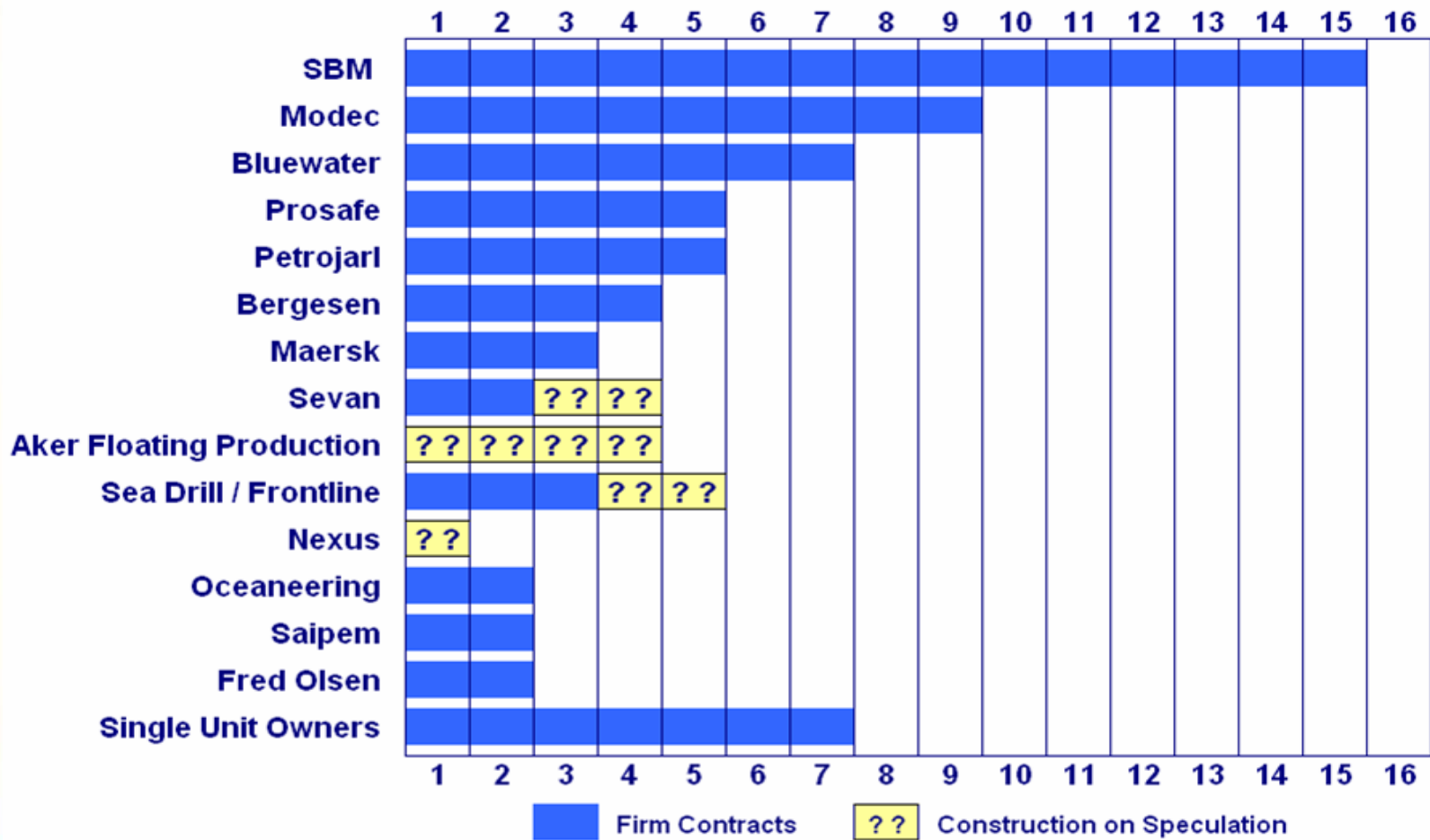
Number of Units in Operation, Under Construction & Prospects





FPSO LEASE CONTRACTORS

Units in Operation or Under Construction

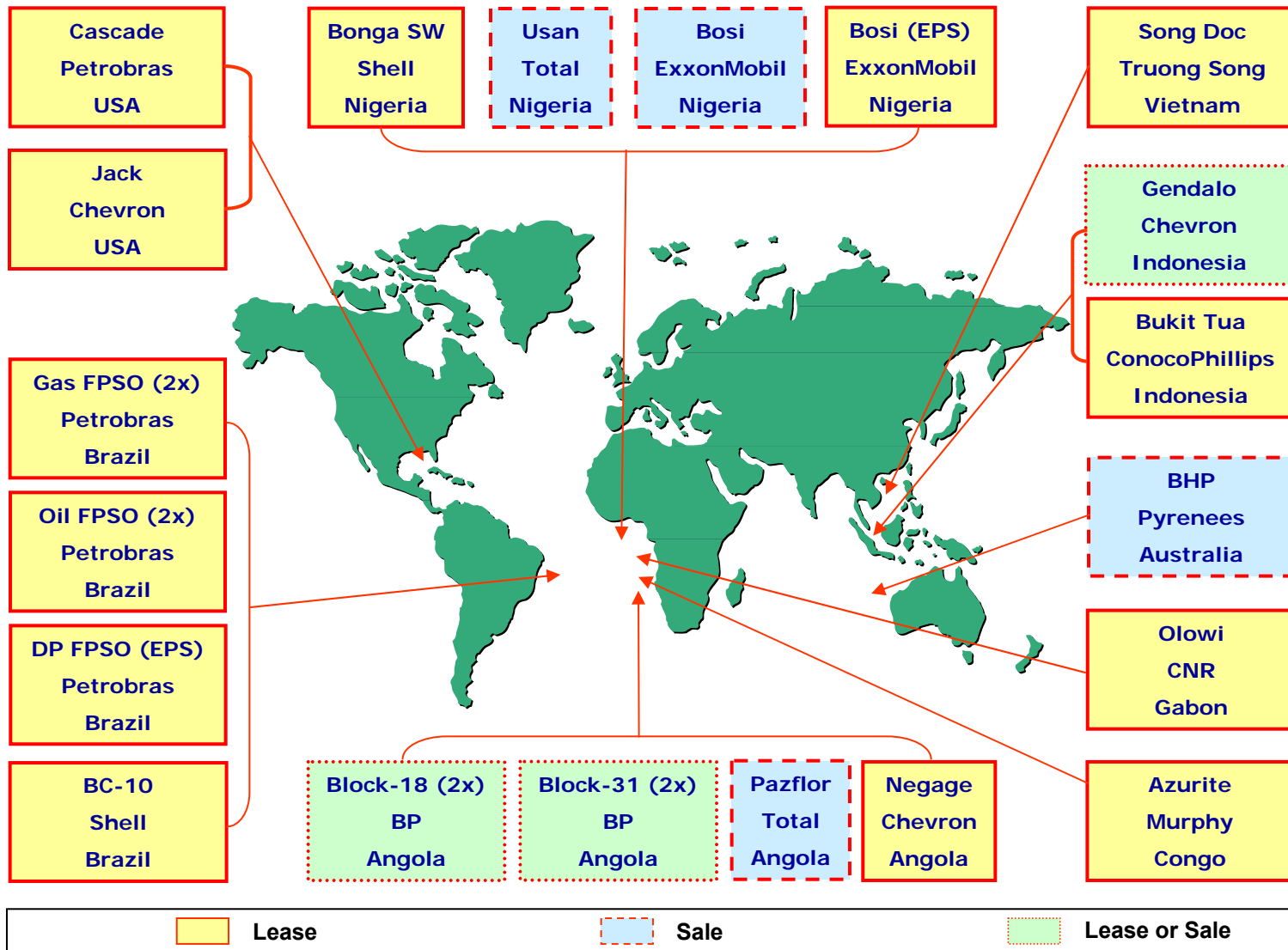




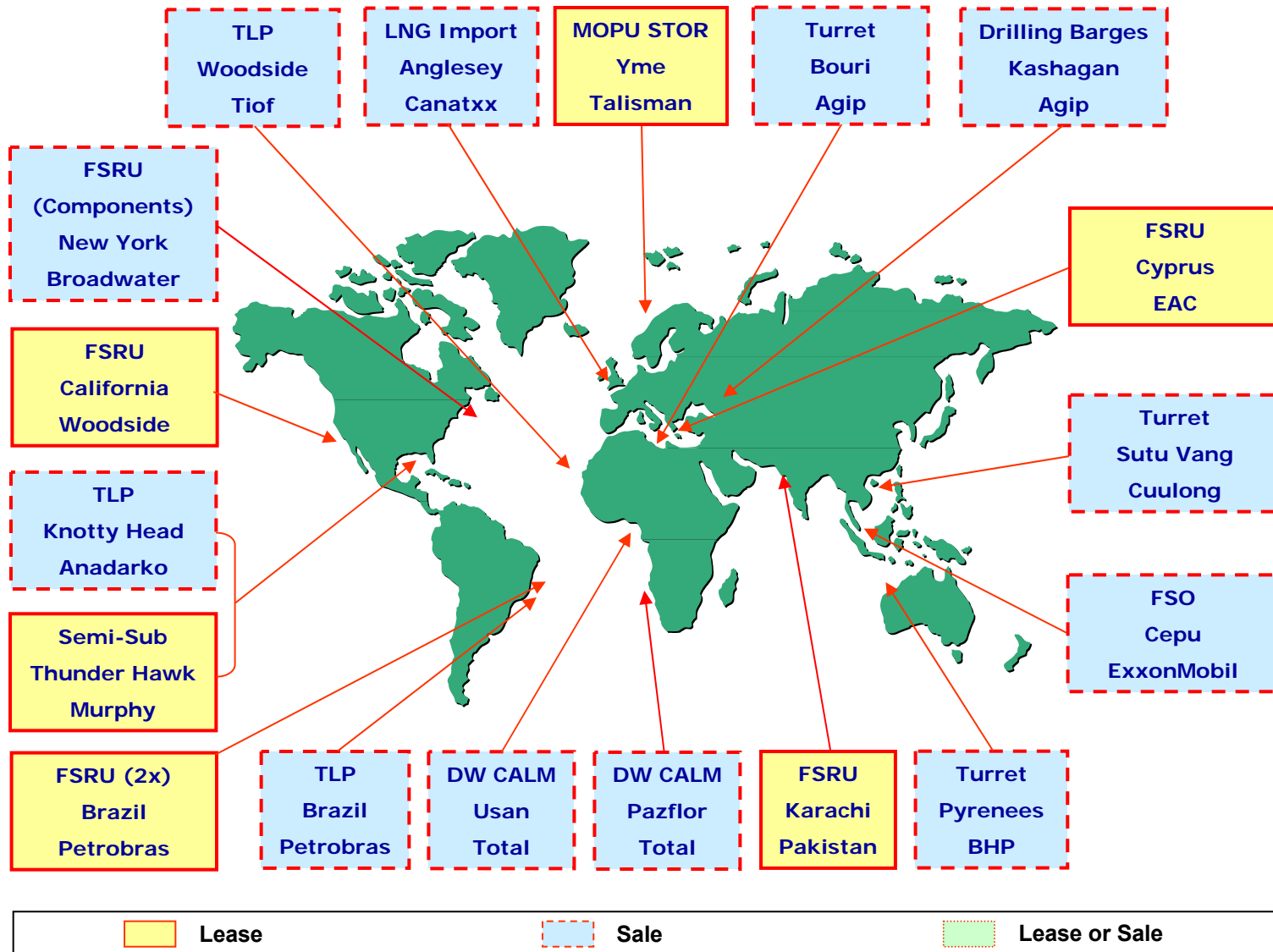
SBM's COMPETITIVE EDGE

- **Cumulative experience of over 125 years of FPSO/FSO operation**
- **All required engineering disciplines available within the Company**
- **Large pool of experienced project managers**
- **Flexibility with four execution centres**
- **Construction outsourced**
- **Own ultra-deepwater installation vessel**
- **Strategic partnerships (Sonangol, Petronas)**

FPSO PROSPECTS

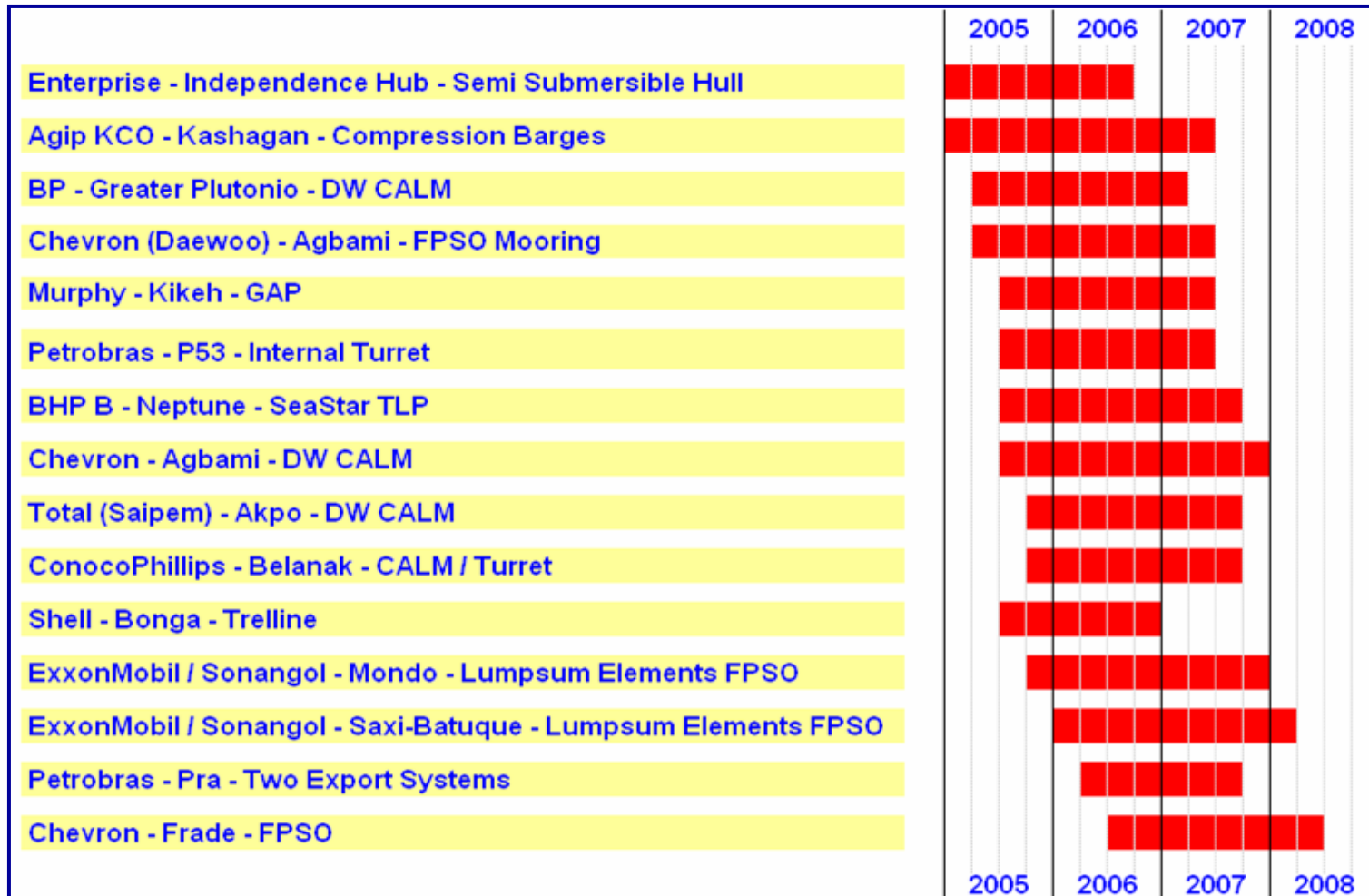


NON-FPSO PROSPECTS



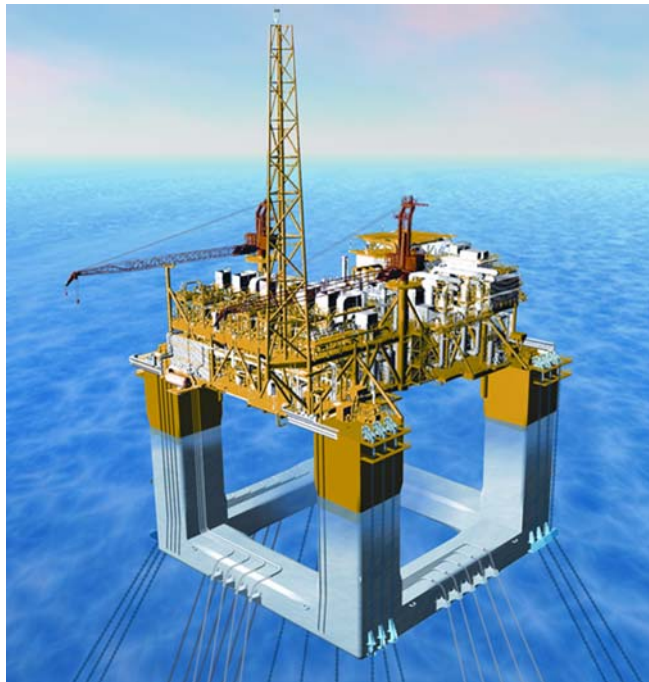


TURNKEY SUPPLY Backlog Major Orders



MAJOR ORDERS IN PROGRESS

Enterprise - Independence Hub
Semi-Submersible Hull





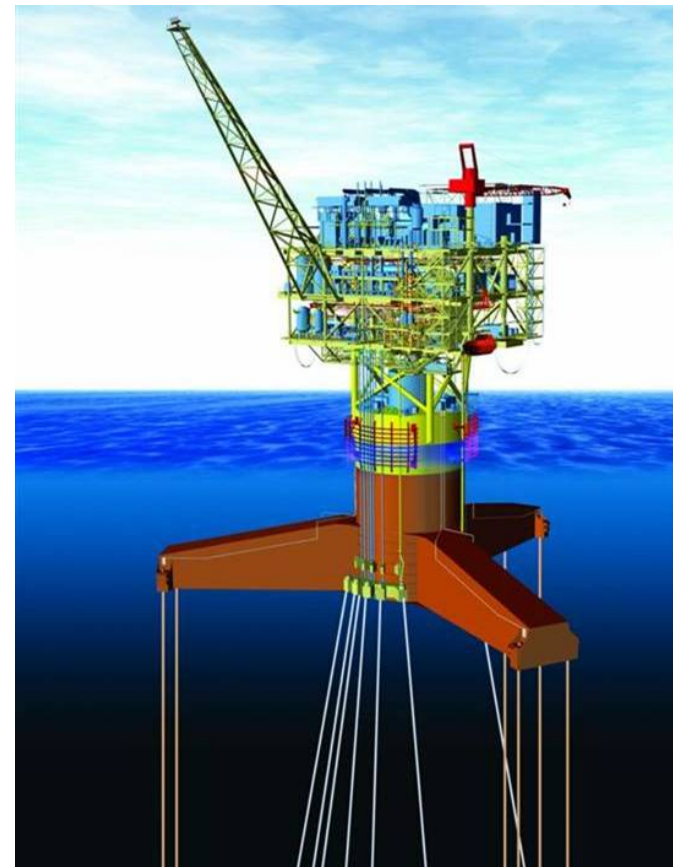
MAJOR ORDERS IN PROGRESS

AGIP KCO - Kashagan
Compression Barges



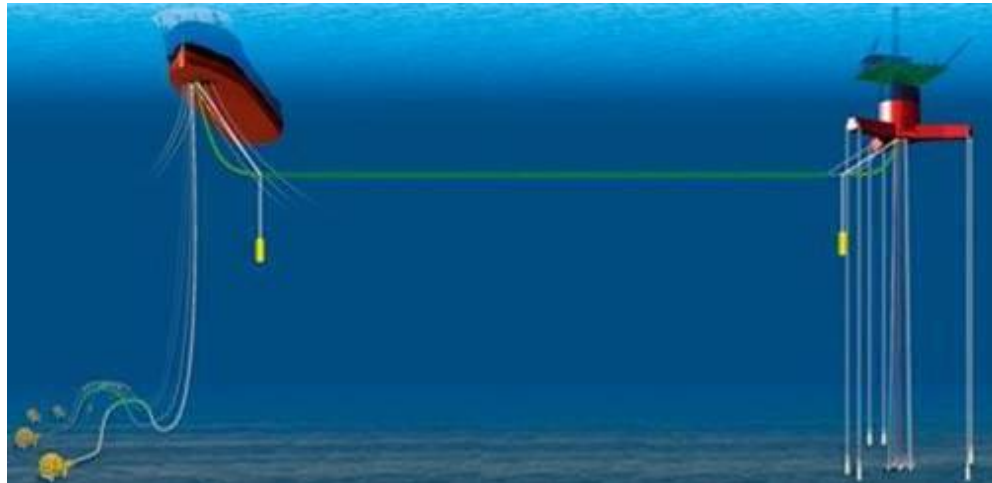
MAJOR ORDERS IN PROGRESS

BHP - SeaStar® TLP - Neptune



MAJOR ORDERS IN PROGRESS

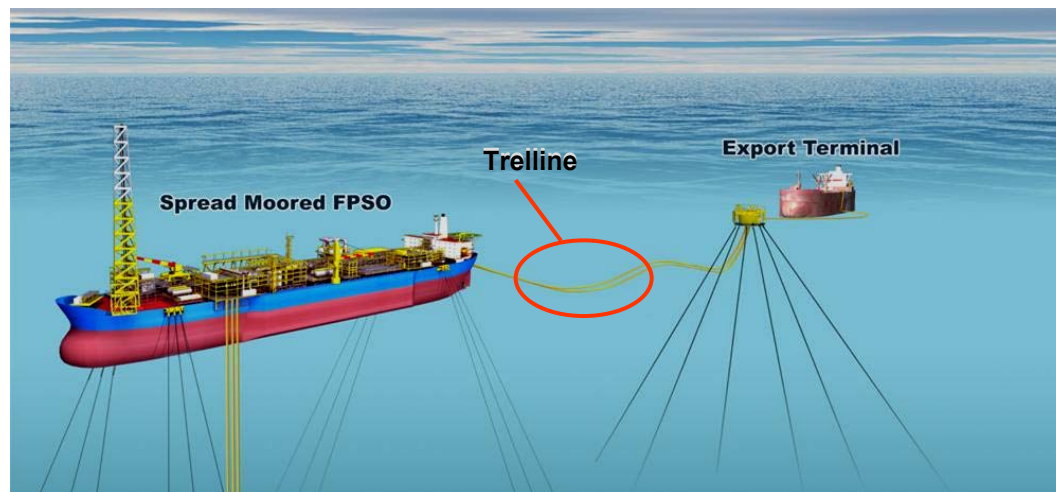
Murphy - Gravity Actuated Pipe (GAP) - Kikeh





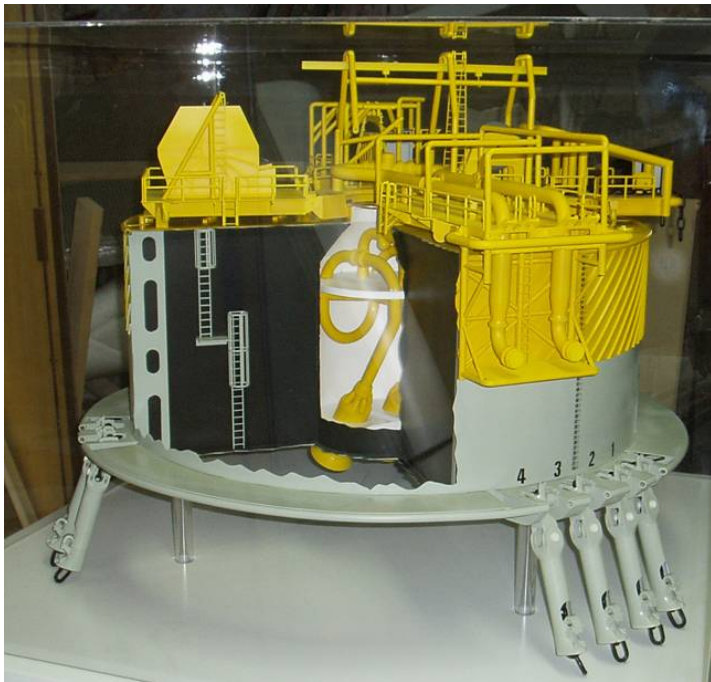
MAJOR ORDERS IN PROGRESS

Shell - Trelline - Bonga



MAJOR ORDERS IN PROGRESS

BP / Greater Plutonio - Chevron / Agbami - Total / Akpo
Deepwater Export Buoys





SBM GAS & POWER

The LNG Chain / Role for SBM

LNG PRODUCTION

- Onshore: **▶ export via port or jetties**
▶ export via offshore terminal
- Offshore: **Floating LNG Production, Storage and Offloading**

LNG TRANSPORTATION

- Long-term charters for dedicated routes
- Very limited spot market

LNG REGASIFICATION

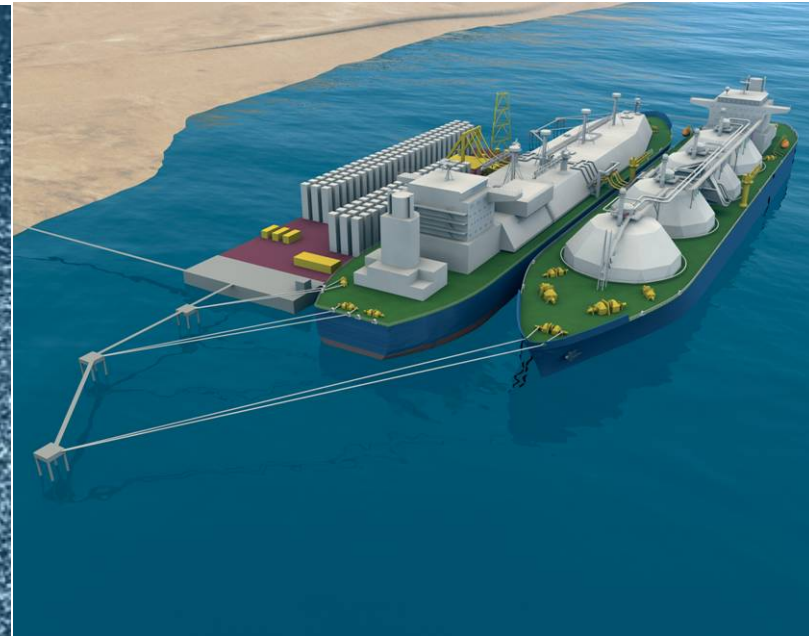
- Onshore: **▶ import via port or jetties**
▶ import via offshore terminal
- Offshore: **Floating Storage and Regasification Unit**

SBM GAS & POWER

Inshore LNG Terminals



“TWIN SOFT QUAY MOORING”



“GAS LINK™”

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 TURNKEY SUPPLY

	F(P)SO Supply	FPU Supply (TLP / SPAR / SEMI)	Terminals Turret Supply	Floating Gas Facilities
SBM Offshore				
Modec				
Saipem				
Technip				
Aker Kvaerner				
Floatec				
Korean Yards				
Chinese Yards				
Bluewater				
Sofec				
APL				
Golar				
Høegh				
Excelerate				



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 cover more products and geographical areas**
- **Maintain a position of leader in the Group's current markets, develop the same position in the gas sector**