Half Year 2017 Earnings Update

August 9, 2017

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Leading FPSO Player Worldwide

The Company

Headquartered in The Netherlands

5 Regional Centers

10 Operational Shore Bases

Performance

c. 300 years of cumulative operational experience

99.0% total historical uptime

>1.0 MM bopd actual production

Lease & Operate Fleet

13 FPSOs

2 FSOs

1 Semi-sub

1 MOPU

Financials 1H17 *(US$ billion, unaudited)*

Directional[1] Revenue 1H17	0.8
Pro-Forma Directional Backlog [2]	17.0
Market Capitalization (30 Jun. 2017)	3.3

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(1) Directional view is a non-IFRS disclosure, which assumes all lease contracts are classified as operating leases and all vessel joint ventures are proportionally consolidated.
(2) Backlog is the undiscounted revenue over the confirmed portion of the contract. Does not include revenues related to FPSO *Turritella* after 2017

Experience Matters

Performance in line with Guidance

Liza Award,
Yme Settlement,
Sale Turritella

Industry Outlook

>1 million barrels daily production

Strategic Positioning

Directional Reporting

Client Engagement

1H 2017 Review

Macro View

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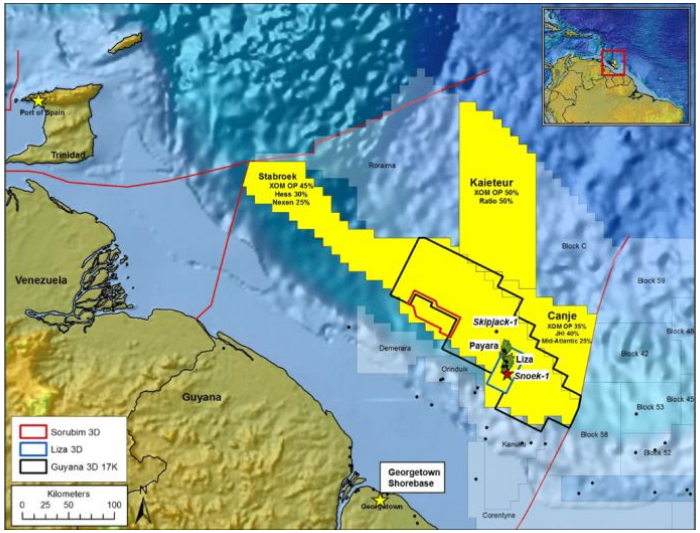
1H 2017 Financials

Outlook

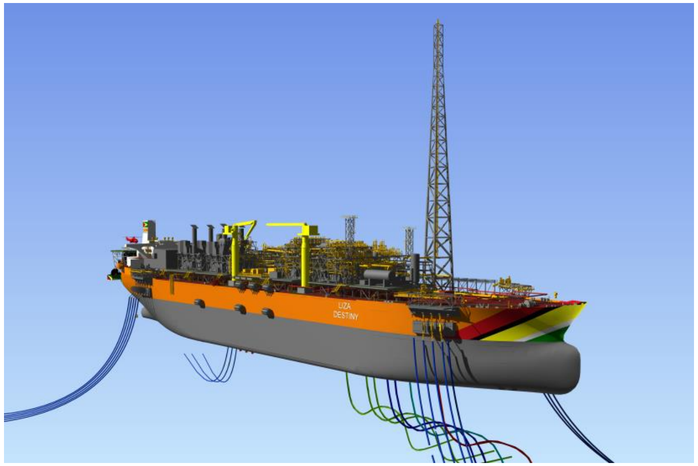
Award FPSO Liza

- ExxonMobil FPSO lease contract award for next phase Liza project in Guyana confirmed on June 22nd, 2017
- First major FPSO award in the industry over last 18 months
- Contract duration of 10 years with future extension options up to total of 20 years
- Expected start-up by 2020

Early cycle



source: ExxonMobil website

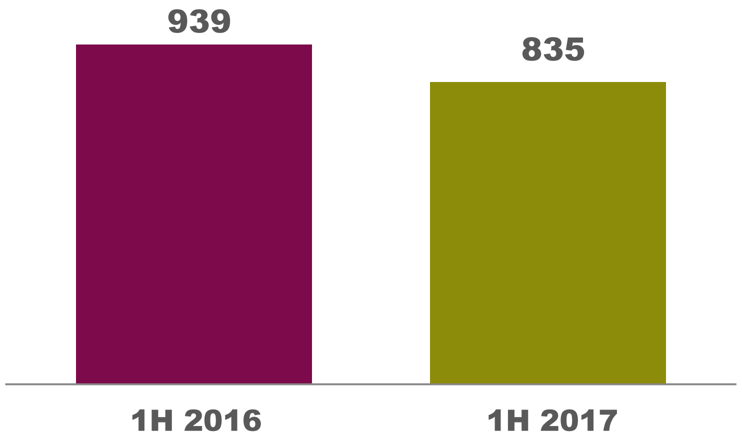


source: SBM Offshore

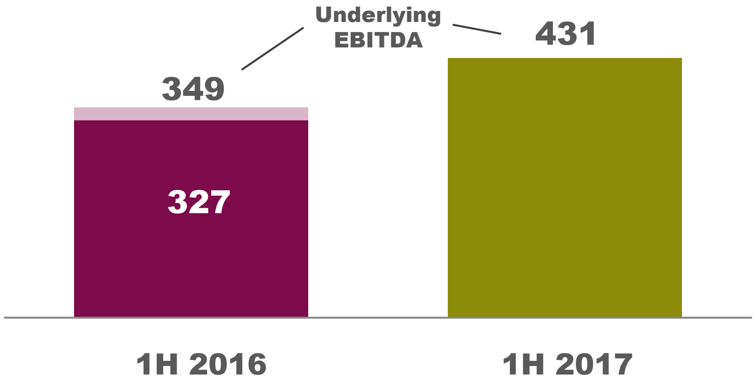
Total Overview

Directional (Unaudited)

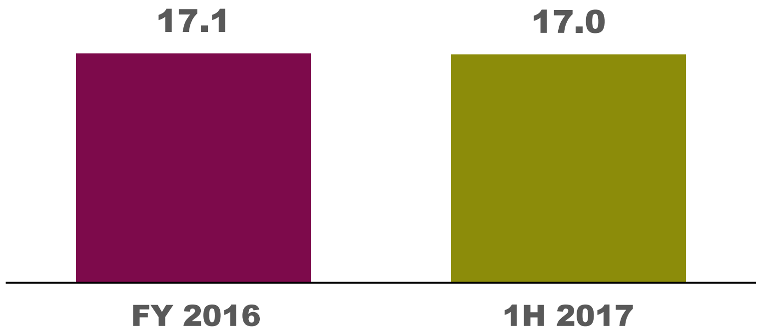
Revenue ***(US$ millions)***



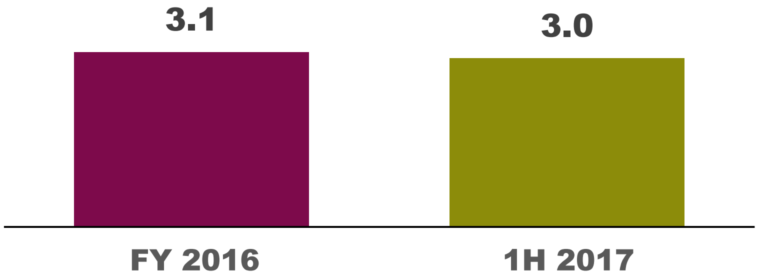
EBITDA ***(US$ millions)***



Pro-Forma Backlog ***(US$ billions)***

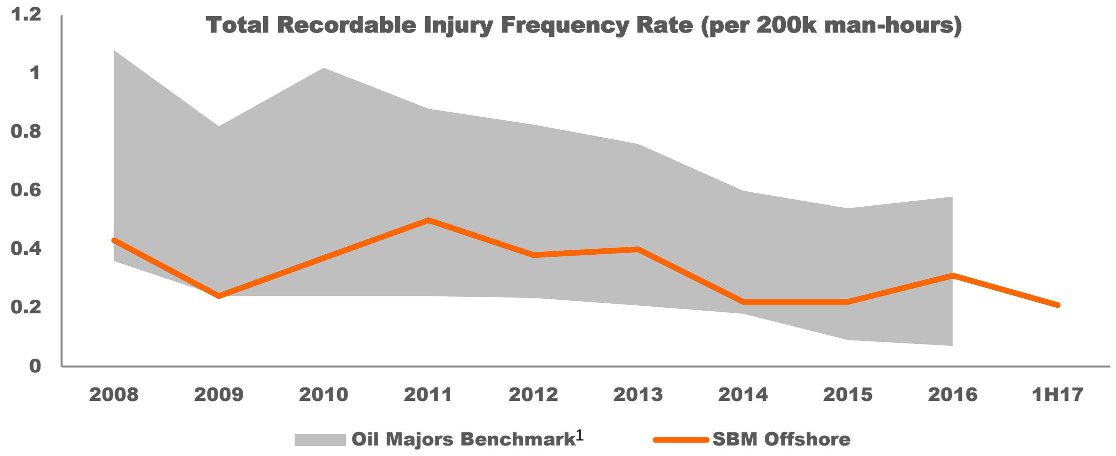


Net Debt ***(US$ billions)***

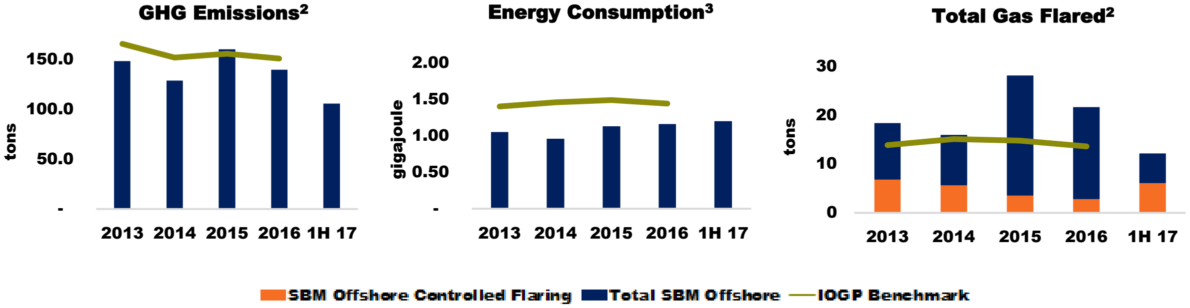


HSSE

Health & Safety

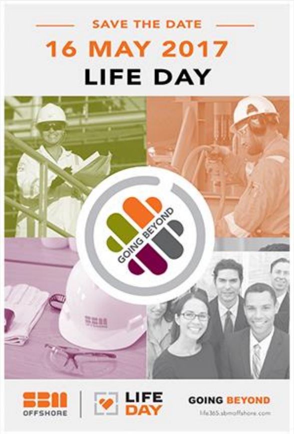


Fleet Environmental Impact



Record safety performance

SBM Offshore Life Day



HSSE priority

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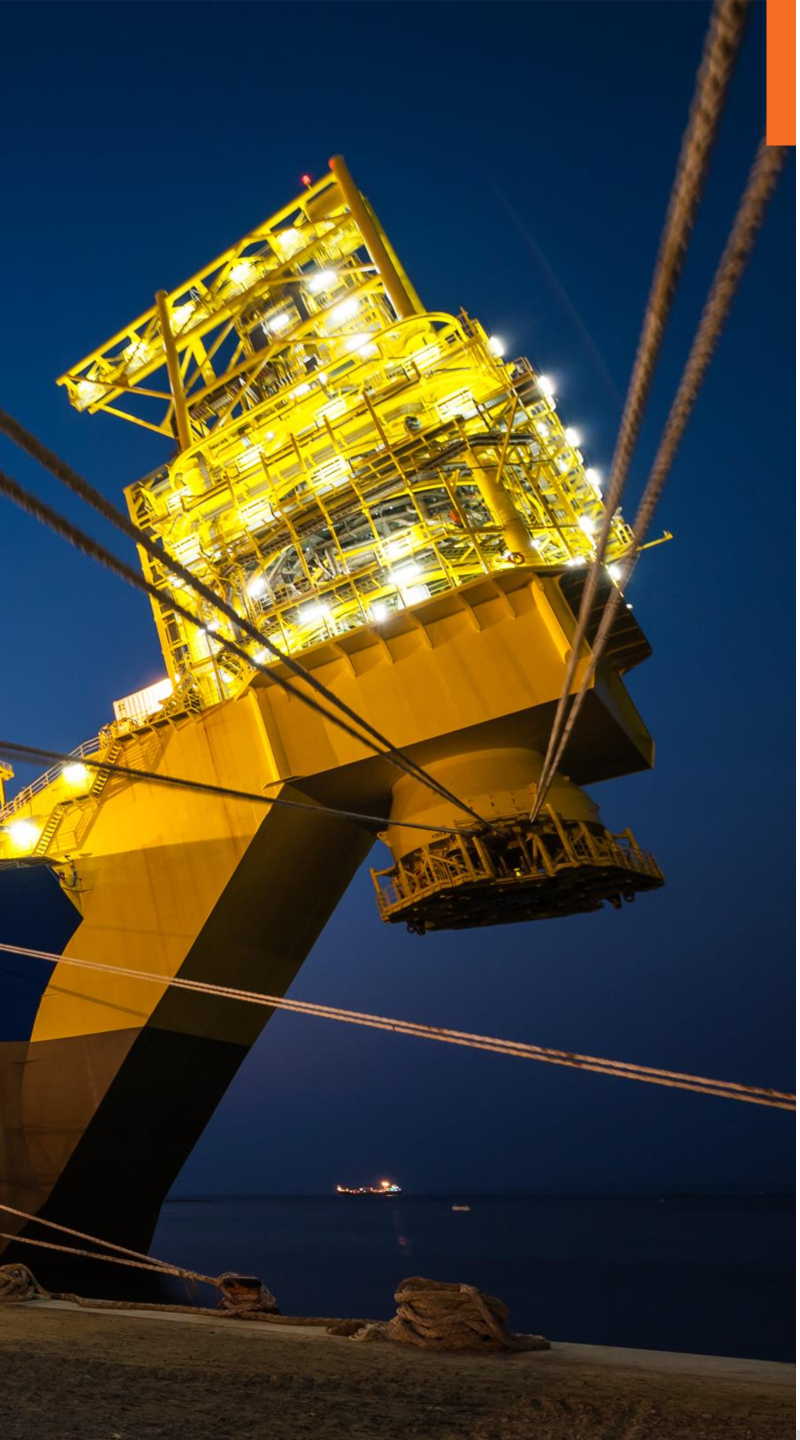
(1) Includes Shell, BP, Total, Chevron, Woodside, ExxonMobil, ENI, Statoil
(2) Per thousand tons of hydrocarbon production
(3) Per ton of hydrocarbon production

Compliance Update

- Discussions with parties in Brazil ongoing
- Discussions with DoJ advancing
- SBM Offshore remains committed to engage with all relevant authorities
- No certainty can be given on timing or outcomes



1H 2017 Review

Macro View

Company Positioning

1H 2017 Financials

Outlook

New Reality Deep Water

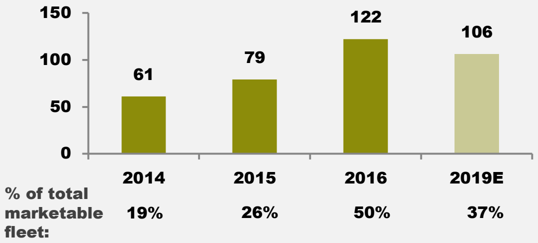
Average Deep Water Break-Even Decline Estimates
Percent Change of Price Level 2015 vs. 2017
(projects coming online 2017-2025)

Source: Upstream Online, McKinsey Energy Insights, Arctic Securities, SBM Offshore, various media quotes, company presentations

Deep water break-even prices reduced by up to 55%

Ultra-deep water rig rate -50% on average

Deep Water rigs oversupply



Decreasing break-even prices

Deep Water Competitiveness: Liza

	Liza Phase 1 Development	**Illustrative 50.000 Net Acre Delaware Basin Development**
Peak Production	120,000 BOED	120,000 BOED
Peak Production Oil	120,000 BOD	78,000 BOD
Initial Investment to Peak Production	3 Years	10+ Years
Total Production Well	8	1500
Avg. EUR / Production Well	56 MMBO	0.80 MMBOE 0.52 MMBO
Development CAPEX	$3.2 Billion	$10.5 Billion
Unit Development Costs	~$7/BO	~$9/BOE ~$13.5/BO
Cost Environment	**Deflating**	Inflating
Cost of Supply for 10% IRR	**~$35/bbl**	~$45/bbl

Faster production ramp up

Lower unit development costs

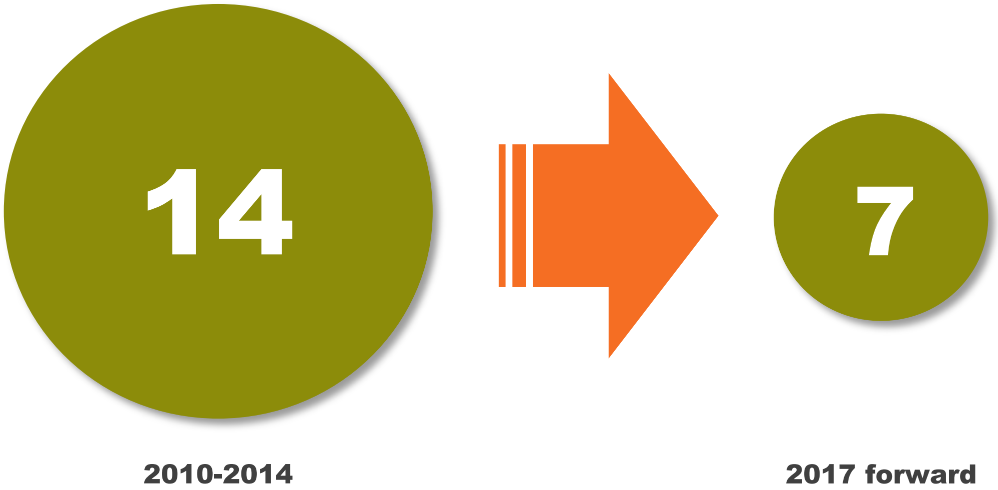
Lower break-evens

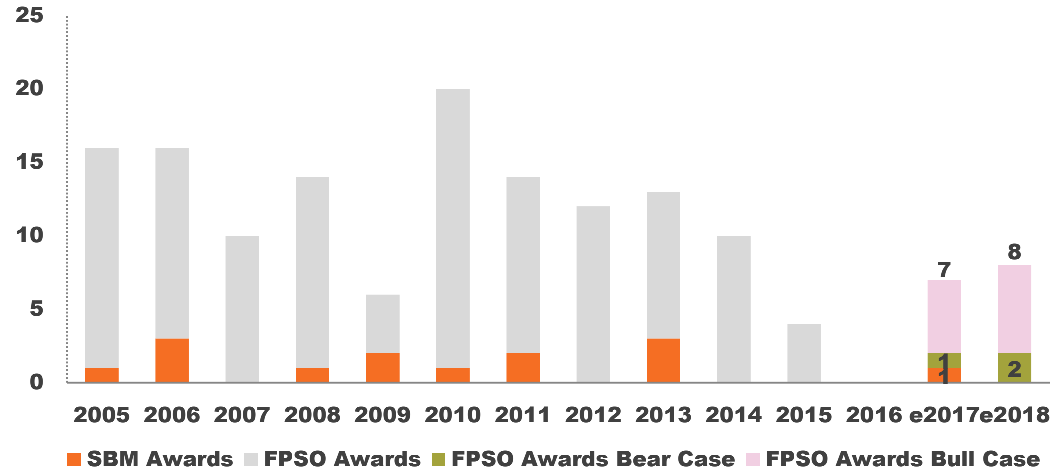
Deep water attractive and improving

Source: Bank of America Merrill Lynch, HESS Group

FPSO Market

Average FPSO Contract Awards per Year





Gradual recovery

Structurally smaller market

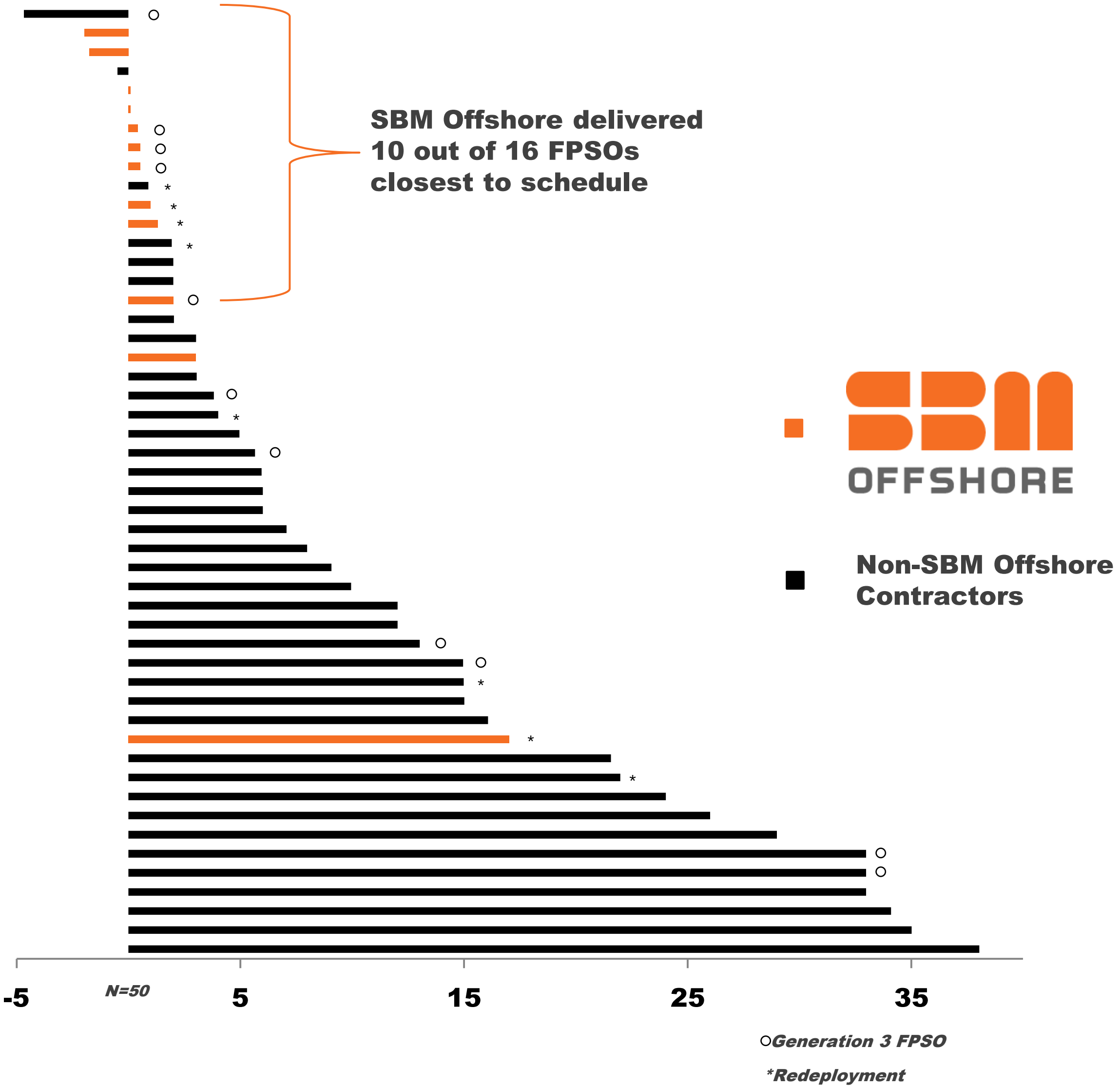
1 Major award 1H17

Cautiously optimistic outlook

Source: SBM Offshore

(1) Includes awards for FPSO's with a throughput capacity of > 60,000 bbls/day

Project Delivery



SBM Offshore delivered 10 out of 16 FPSOs closest to schedule

On-time delivery a rarity…

…but critical factor in upstream economics

Experience is key

11 month delay results in ~US$600 million lower project NPV[1]

Experience matters

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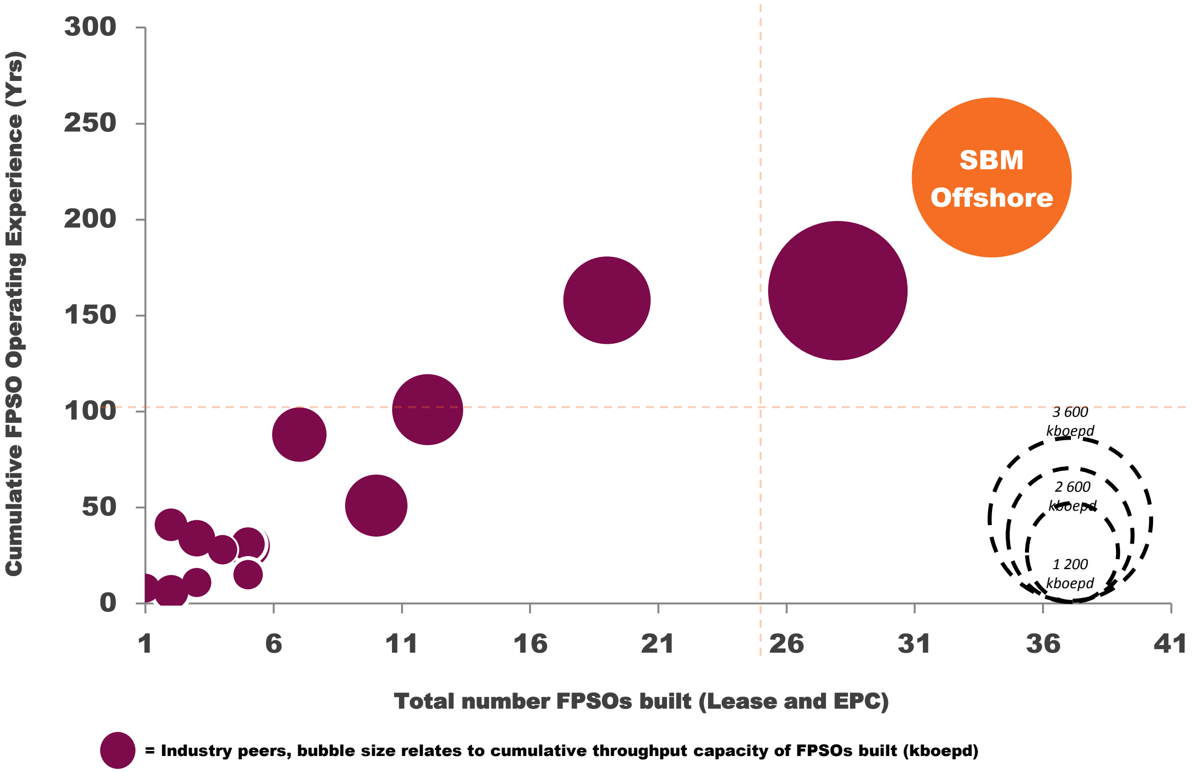
(1) Assumes four years to first oil, gradual ramp up to production to 120k bbls/day, natural production profile, 20-year field life and lease and an 7% discount rate

Source: SBM Offshore company research

Concentrated Industry Experience



FPSO delivery and operations track record

Learning from experience: standardization

SBM Offshore's unique experience

Source: SBM Offshore company research

Floating Solutions Strategy

Optimize

Our Current Business

Transform

Deep Water Projects

DIGITAL FPSO

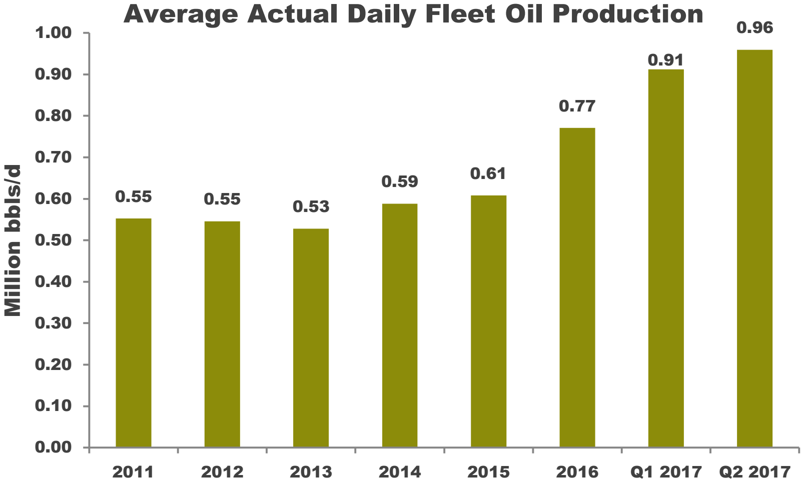
FAST4WARD™

Innovate

Gas and Renewables

Production and Delivery

- 14 days of **>1million bbls production** in 1H17
- >10% of total deep water oil production
- Uptime of 98.1% during 1H17



FPSO Firenze • Italy

FPSO Cidade de Anchieta • Brazil

FPSO Okha • Australia

FPSO Brasil • Brazil

FPSO Cidade de Paraty • Brazil

FPSO II • Philippines

FPSO II • Brazil

FPSO Cidade de Maricá • Brazil

FPSO Serpentina • Equatorial Guinea

FPSO Aseng • Equatorial Guinea

FPSO Capixaba • Brazil

N'goma FPSO • Angola

FPSO Mystras • Nigeria

Anasuria • UK

FPSO Falcon • Nigeria

FPSO Marlim Sul • Brazil

34 FPSOs Delivered

OSX 2 • Brazil

Rang Dong I • Vietnam

FPSO Cidade de Saquamera • Brazil

FSPO Turritella • USA

FPSO Mondo • Angola

P-57 • Brazil

Tantawan Explorer • Thailand

FPSO Saxi Batuque • Angola

FPSO VI • Nigeria

FPSO Kuito • Angola

FPSO Capixaba • Brazil

Espadarte FPSO • Brazil

FPSO Xikomba • Angola

FPSO Kikeh • Malaysia

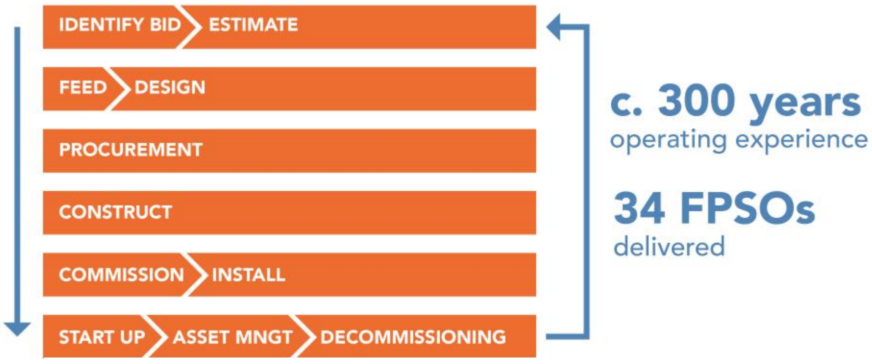
FPSO Cidade de Ilhabela • Brazil

Jamestown • Nigeria

FPSO Frade • Brazil

FPSO Espirito Santo • Brazil

Leveraging Experience



IDENTIFY BID › ESTIMATE

FEED › DESIGN

PROCUREMENT

CONSTRUCT

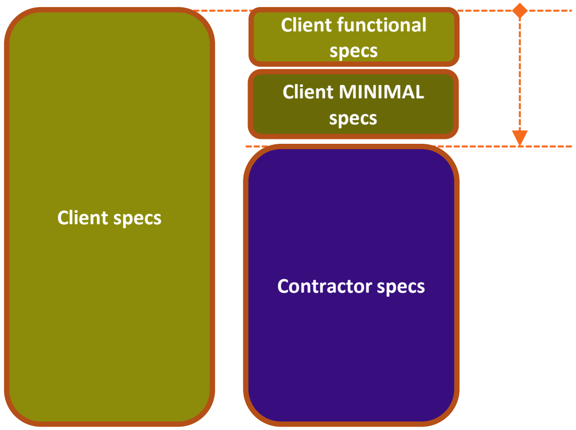
COMMISSION › INSTALL

START UP › ASSET MNGT › DECOMMISSIONING

c. 300 years
operating experience

34 FPSOs
delivered

Group Technical Standards (GTS)



Client specs

Client functional specs

Client MINIMAL specs

Contractor specs

Up to 30% cost saving potential

Lifecycle learning

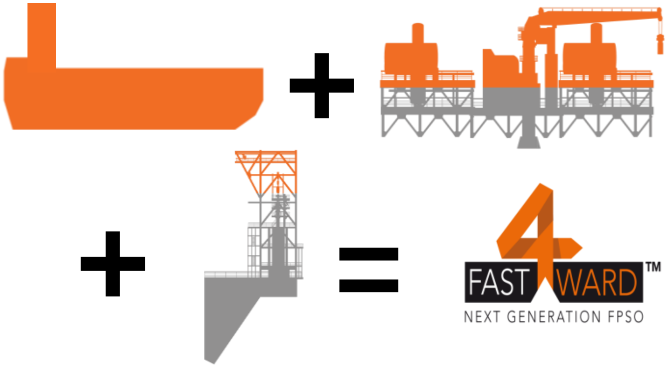
Optimal design and execution model

Efficient, de-risked solutions

Optimizing the model

Source: SBM Offshore company research

Capitalizing on Experience



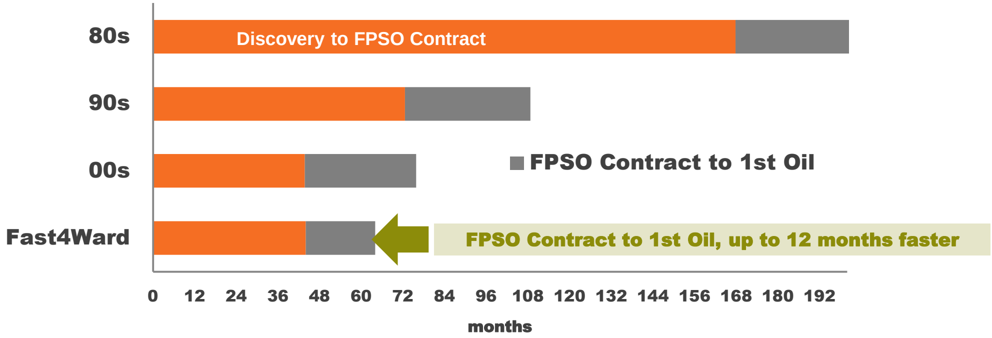
First FPSO hull on order

Contracted SWS[1]

- Work commenced July 2017
- Compatible with market prospects

Phased yard expenditure

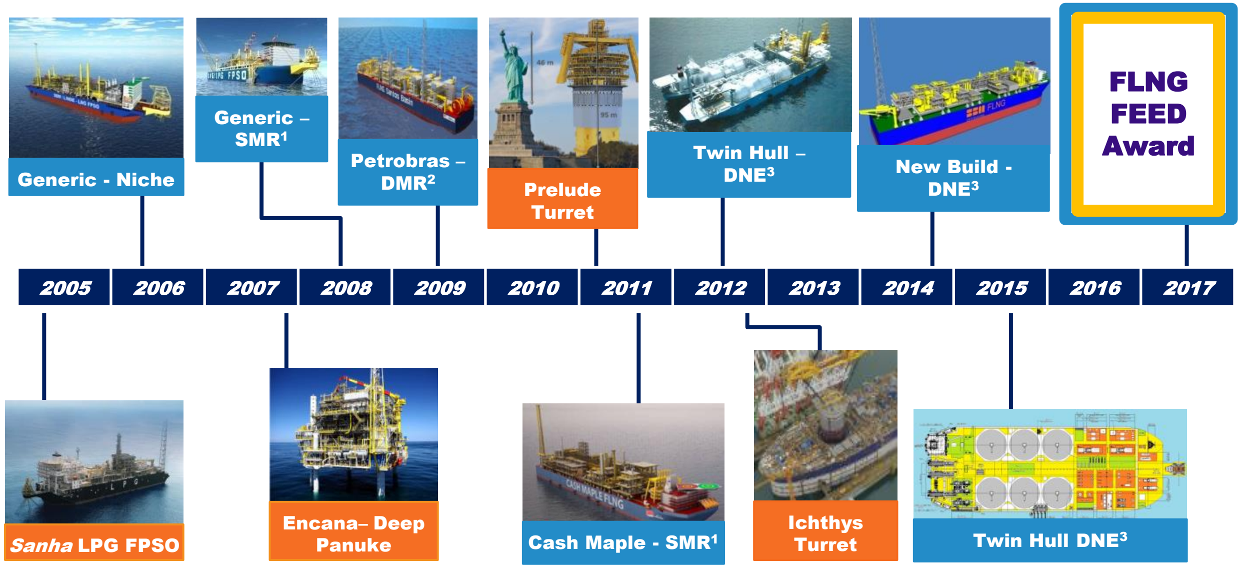
- 2017 c. US$20 million
- 2018 c. US$55 million



Transforming the model

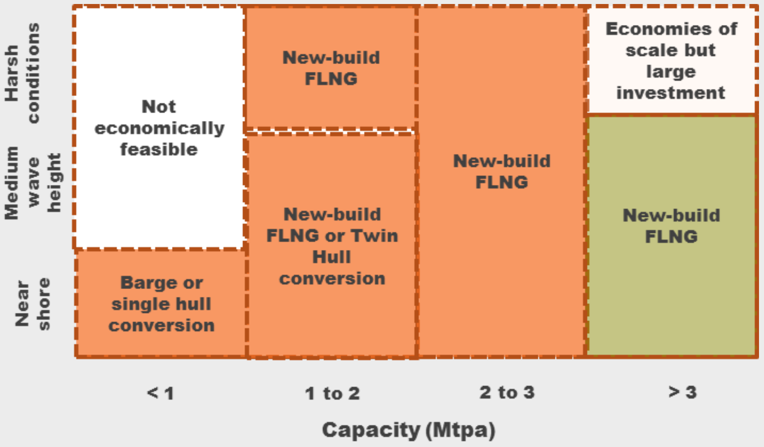
(1) Shanghai Waigaoqiao Shipbuilding

Leveraging Gas Experience



🟧 **EPC Project**
🟦 **FEED/Concept study**

FLNG Market Segments



	< 1	1 to 2	2 to 3	> 3
Harsh conditions	Not economically feasible	New-build FLNG	New-build FLNG	Economies of scale but large investment
Medium wave height		New-build FLNG or Twin Hull conversion		New-build FLNG
Near shore	Barge or single hull conversion			

Capacity (Mtpa)

FLNG FEED award

Concepts, designs and products

Gas innovation

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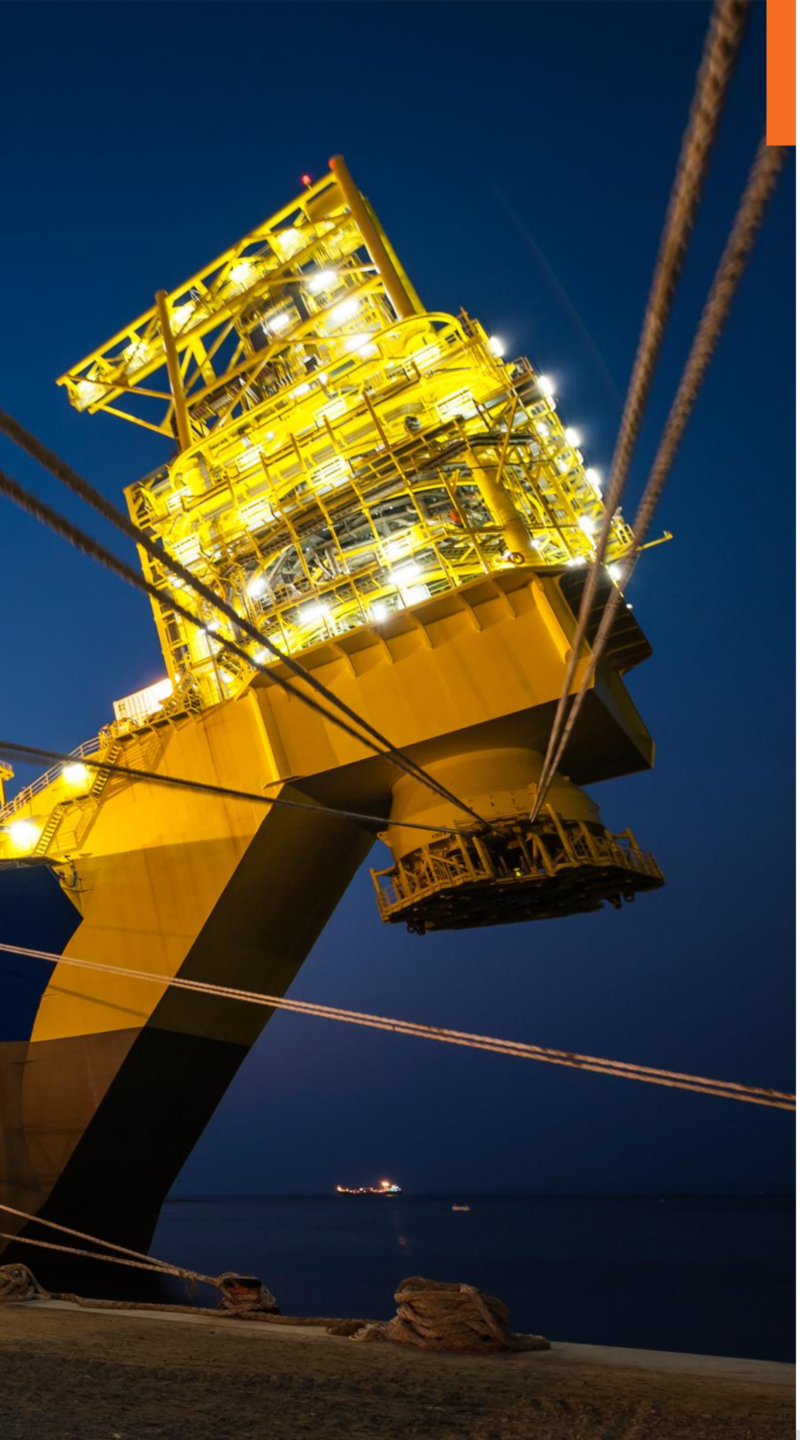
(1) Single Mixed Refrigerant
(2) Dual Mixed Refrigerant
(3) Dual Nitrogen Expansion



1H 2017 Review

Macro View

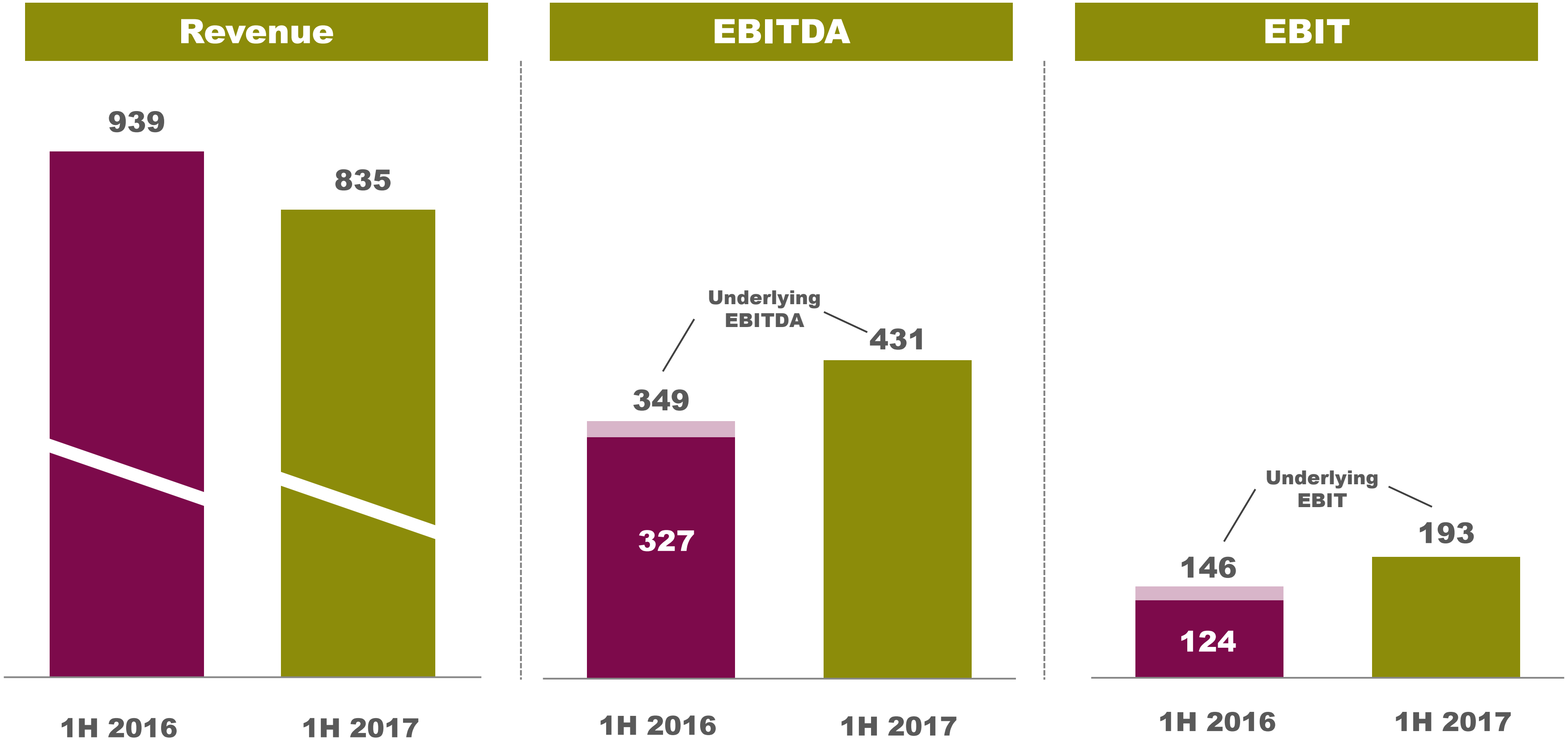
Company Positioning

1H 2017 Financials

Outlook

Total Overview

Directional (US$ millions, unaudited)



Lease and Operate P&L

(US$ millions, unaudited)

	Directional		
	1H 2016	1H 2017	Variance
Revenue	**600**	**745**	**145**
Gross Margin	183	262	**79**
EBIT	**170**	**250**	**80**
Depreciation, amortization and impairment	(198)	(233)	(35)
EBITDA	**368**	**482**	**114**

Directional Comments

Vessels In	FPSO *Cidade de Saquarema* and FPSO *Turritella*
EBITDA	1H16: Contribution of FPSO *Cidade de Marica* joining the fleet 1H17: Higher L&O Revenues thanks to full contribution over first half-year following delivery of three large FPSO's to the L&O fleet in 2016
EBITDA Margin	1H16: 61.3% 1H17: 64.8%

Turnkey P&L

(US$ millions, unaudited)

	Directional		
	1H 2016	**1H 2017**	**Variance**
Revenue	**338**	**90**	**(248)**
Gross Margin	98	25	(73)
EBIT	**2**	**(28)**	**(30)**
Depreciation, amortization and impairment	(5)	(5)	-
EBITDA	**6**	**(23)**	**(29)**

Directional Comments

Projects Completed	*Ichthys* and *Prelude* Turret offshore commissioning phase
EBITDA	1H16: Segment break-even following restructuring; includes US$31 million of restructuring costs 1H17: Significant decrease of Turnkey revenue due to finalization of three large FPSO's and drop in Offshore Contracting activity

Group P&L

(US$ millions, unaudited)

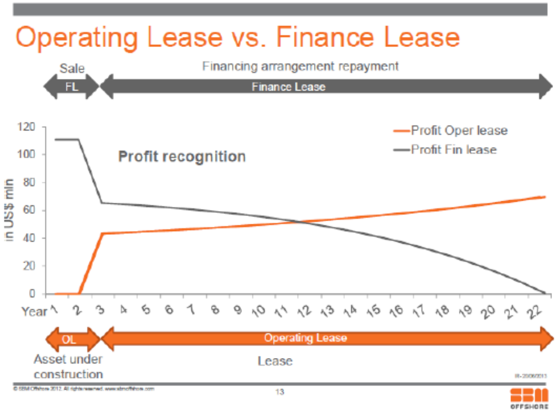
	Directional		Variance
	1H 2016	1H 2017	
Revenue	**939**	**835**	**(104)**
Gross Margin	281	288	6
Overhead	(106)	(96)	11
Other operating income / (expense)	(51)	1	52
EBIT	**124**	**193**	**69**
Underlying EBIT	**146**	**193**	**47**
Depreciation, amortization and impairment	(203)	(238)	(35)
EBITDA	**327**	**431**	**104**
Underlying EBITDA	**349**	**431**	**82**
Net financing costs	(86)	(112)	(25)
Share of profit in associates	3	(8)	(12)
Income tax expense	(3)	(5)	(3)
Net Income attributable to shareholders	**38**	**68**	**30**
Underlying income attributable to shareholders	**66**	**78**	**12**

Directional Comments

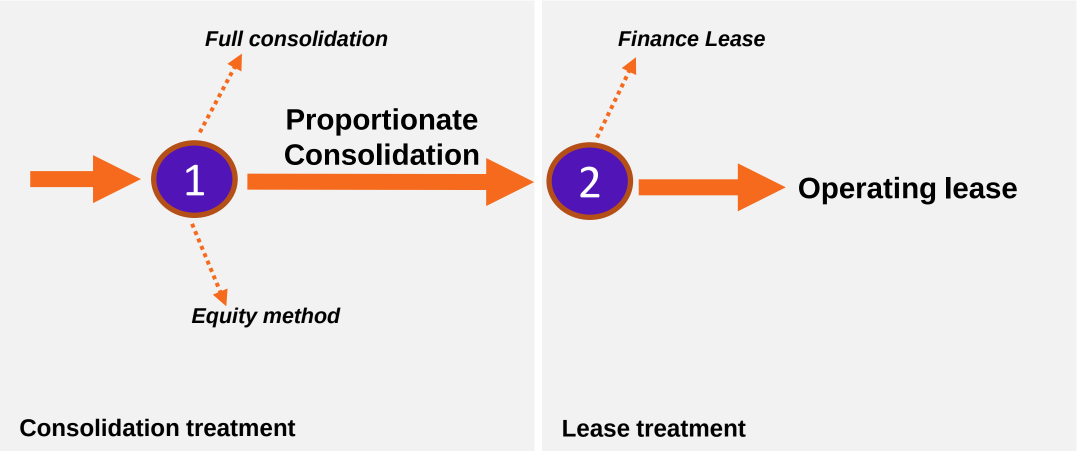
Overhead	Cost decrease of c. US$ 11 million compared to 1H16
Other operating expense	1H16: Restructuring charges and Brazil provision update
Net financing cost	Interest increase from additional project finance associated with the 3 FPSOs added to the fleet during 2016
Tax	6.5% effective tax rate

Directional Reporting

IFRS - Finance Lease recognizes result ahead of cash receipts



Directional - consistent accounting treatment with IFRS as core basis



Full consolidation

1

Proportionate Consolidation

Equity method

Consolidation treatment

Finance Lease

2

Operating lease

Lease treatment

Cash flow transparency

Closer to cash

IFRS based, audited

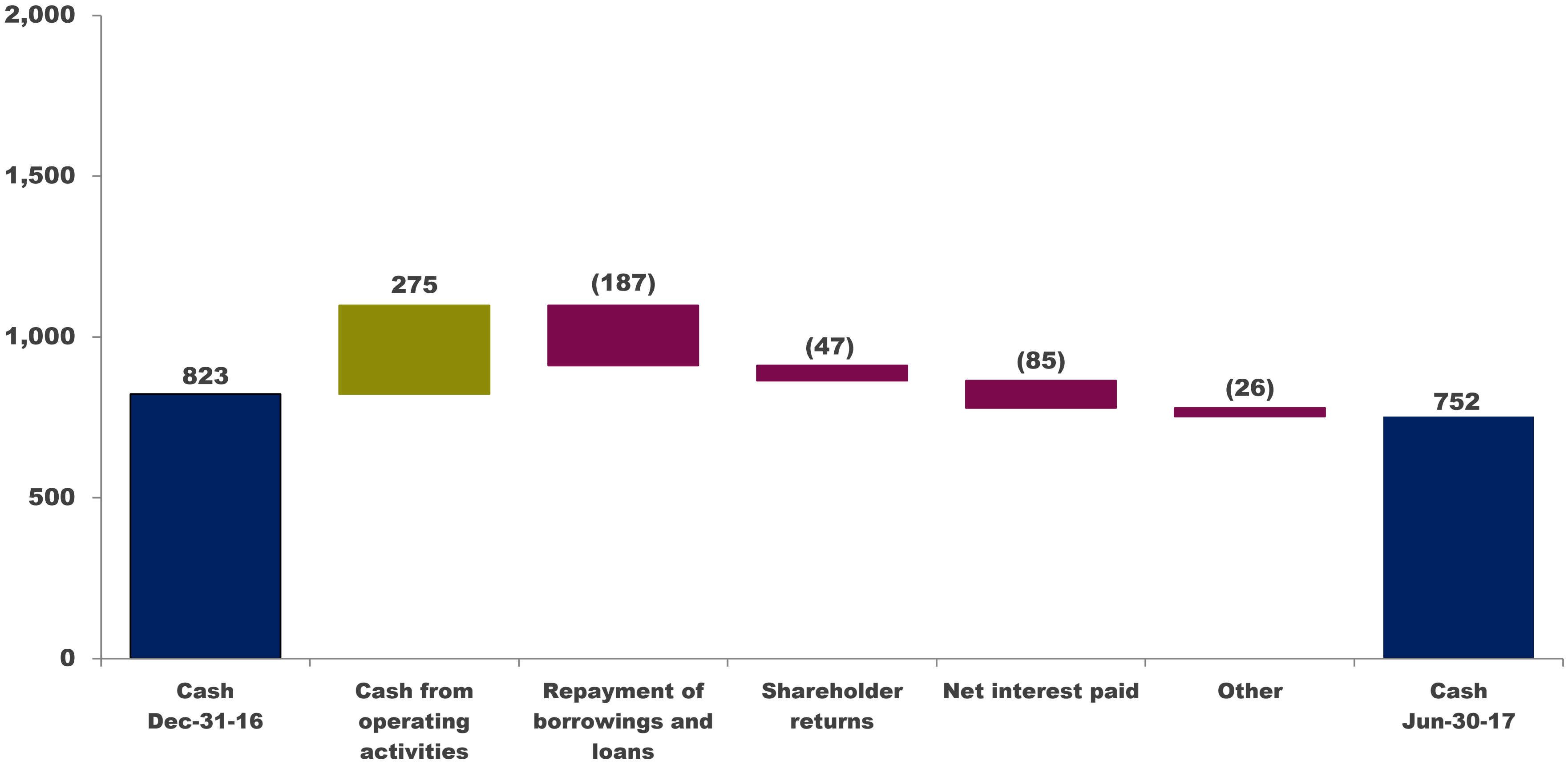
Increased transparency

More on Directional Reporting on the Company website (Presentations > > Directional reporting)

Group Cash Position

(US$ millions, unaudited)

Directional Cash Flow



Group Balance Sheet Directional

(US$ millions, unaudited)

	Dec-31-16	Jun-30-17	Variance	Comment
Property, plant & equipment and Intangibles	5,447	5,220	(227)	Depreciation
Investments in associates and other financial assets	328	313	(15)	Net loan repayment, JV net result
Construction contracts	15	23	8	Limited Turnkey activity
Trade and other assets	699	772	73	Various movements, increase marked to market value forex hedges
Cash and cash equivalents	823	752	(72)	See Cash Flow statement
Total Assets	7,311	7,081	(231)	
Total equity	1,188	1,290	102	Group results, dividends paid, marked to market hedging instruments
Loans and borrowings	3,930	3,750	(180)	Amortization of other project loans; no corporate debt exists
Provisions	701	710	9	Mainly unwinding effect of Brazil contemplated settlement
Trade payables, deferred income and derivatives liabilities	1,492	1,330	(162)	Decrease of payables related to Turnkey projects. Marked to market forex changes
Total Equity and Liabilities	7,311	7,081	(231)	

Post-Period Events

Sale of Turritella

Finance & accounting[1]

- Directional gain c. US$120 million
- IFRS loss c. US$130 million
- Same life-time project result Directional and IFRS

Includes impact of:

- Financing related costs
- JV partner settlement arrangements

- Accounting impact expected 2017/2018

Cash implications[1]

- Total of c. 1 billon cash proceeds
- SBM Offshore cash proceeds share c. US$540 million
- Net debt reduction c. US$450 million

Includes impact of:

- Financing related costs
- JV partner settlement arrangements

Yme Settlement

Finance & accounting

- Directional and IFRS impact on EBITDA and Cash exceeding US$100 million

- Accounting impact expected at FY17

Cash implications

- Settlement with 73.6% of primary layer (US$500 million)
- Total settlement cash payment of c. US$247 million
- Proceeds to be settled equally between SBM Offshore and Repsol after covering of claim related costs

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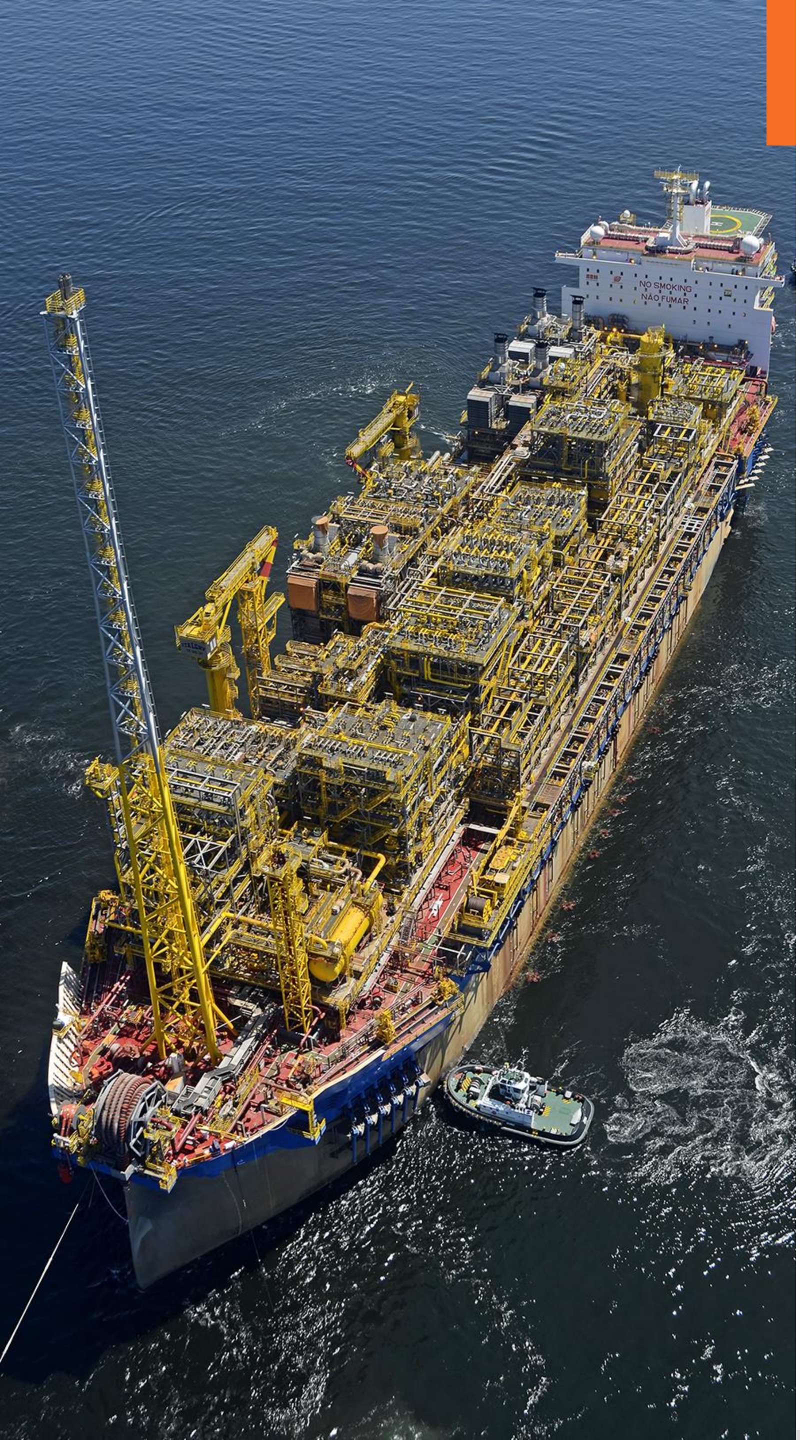
(1) Estimates only - assuming transaction date in January 2018



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Outlook

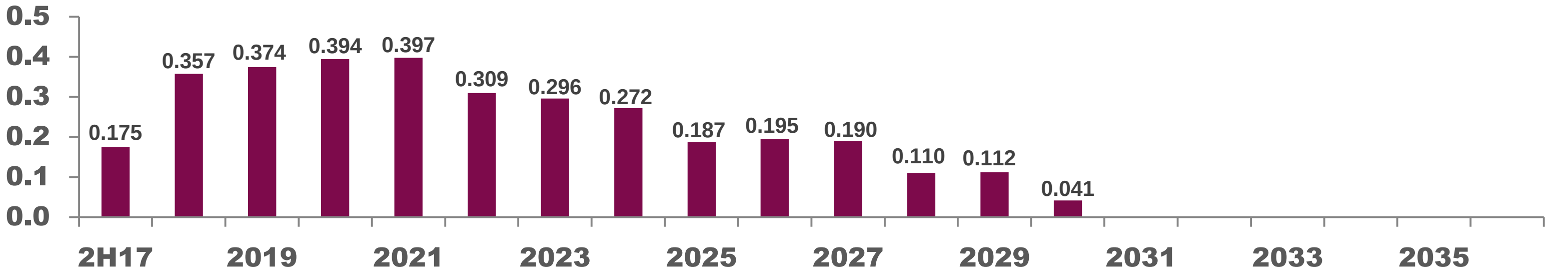
Pro-Forma Backlog and Debt Repayment

As of June 30, 2017 (US$ billions)

Pro-Forma Directional Backlog[1]


Average of 63% of L&O backlog represents operating cash flow
L&O Average Portfolio Duration: 12.1 years[2]

Pro-Forma Directional Debt Repayment Profile[3]



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(1) Backlog is the undiscounted revenue over the confirmed portion of the contract. Includes FPSO *Liza* contracts. Does not include revenues related to FPSO *Turritella* after 2017

(2) Does not reflect brownfield projects and FEED studies. Assumes the exercise of all lease extensions.

(3) The difference between current borrowings and the debt repayment profile are attributable to capitalized transaction costs. Does not include debt related to FPSO *Turritella*

2017 Guidance

- Reiterating 2017 Directional Revenue guidance around US$1.7 billion
  - Lease & Operate around US$1.5 billion
  - Turnkey around US$200 million
- 2017 Underlying Directional EBITDA guidance is updated from around to above US$750 million
  - Does not include:
    - the expected, non-recurring positive effect from the agreed Heads of Terms relating to SBM Offshore's Yme insurance case
    - any effects from the completion of the Turritella transaction planned for early 2018

Experience Matters

Performance in line with Guidance

Liza Award,
Yme Settlement,
Sale Turritella

Industry Outlook

>1 million barrels daily production

Strategic Positioning

Directional Reporting

Client Engagement

Appendix

IFRS 10 & 11

Joint Ventures	**Lease Contract Type**	**SBM Share %**	**Directional**	**IFRS**
FPSO *N'Goma FPSO*	FL	50%	Proportional	Equity
FPSO *Saxi Batuque*	FL	50%	Proportional	Equity
FPSO *Mondo*	FL	50%	Proportional	Equity
FPSO *Cdde de Ilhabela*	FL	62.25%	Proportional	Full consolidation
FPSO *Cdde de Maricá*	FL	56%	Proportional	Full consolidation
FPSO *Aseng*	FL	60%	Proportional	Full consolidation
FPSO *Cdde de Paraty*	FL	50.5%	Proportional	Full consolidation
FPSO *Cdde de Saquarema*	FL	56%	Proportional	Full consolidation
FPSO *Turritella*	FL	55%	Proportional	Full consolidation
FPSO *Kikeh*(1)	FL	49%	Proportional	Equity
FPSO *Capixaba*	OL	80%	Proportional	Full consolidation
FPSO *Espirito Santo*	OL	51%	Proportional	Full consolidation
Yetagun(2)	FL	75%	Proportional	Full consolidation
N'kossa II	OL	50%	Proportional	Equity
Deep Panuke	OL	100%	100%	Full consolidation
Thunder Hawk	OL	100%	100%	Full consolidation
FPSO *Cidade de Anchieta*	OL	100%	100%	Full consolidation
FPSO *Liza*	FL	100%	100%	Full consolidation
Brasa Yard	-	50%	Equity	Equity
PAENAL Yard	-	30%	Equity	Equity
Normand Installer	-	49.9%	Equity	Equity
OS Installer	-	25%	Equity	Equity

(1) *Kikeh* lease classification changed from OL to FL effective 1Q14.
(2) *Yetagun* lease classification changed from OL to FL effective 2Q15.

Group Loans & Borrowings

(US$ millions)

	Net Book Value as of June 30, 2017		
	Full Amount	**IFRS**	**Directional**
PROJECT FINANCE FACILITIES DRAWN			
FPSO *Cidade de Paraty*	$ 669	$ 669	$ 338
MOPU Deep Panuke	294	294	294
FPSO *Cidade de Anchieta*	383	383	383
FPSO *Cidade de Ilhabela*	955	955	594
FPSO *N'Goma FPSO*	383	0	192
Normand Installer	47	0	0
OS Installer	91	0	0
FPSO *Cidade de Maricá*	1,352	1,352	757
FPSO *Turritella*	755	755	415
FPSO *Cidade de Saquarema*	1,390	1,390	778
REVOLVING CREDIT FACILITY			
Revolving credit facility	(3)	(3)	(3)
OTHER			
Other long-term debt	308	54	0
Net book value of loans and borrowings	**$ 6,624**	**$ 5,849**	**$ 3,750**

Revolving Credit Facility

Key Characteristics

Amount	US$1.0 billion
Tenor	6 years + one-year extension Door-to-door maturity of 7 years
Accordion Option	SBM may request an increase of the Facility to US$1.25 billion
Opening Margin	70 bps vs. 125 bps applicable in late 2014 under the previous RCF
Financial Ratios	Previous definitions kept and slightly fine tuned, in line with previous IFRS standards excluding IFRS 10 & 11 Proportional reporting remains for the calculation of the covenant ratios
Permitted Guarantees	Completion Guarantees including debt repayment guarantees up to US$6.0 billion

Covenant Calculations

Solvency Ratio

- Tangible Net Worth divided by Total Tangible Assets

Min	FY16	1H17
25%	32.4%	34.2%

Leverage Ratio

- Consolidated Net Borrowings divided by Adjusted EBITDA

Max	FY16	1H17
4.5	2.8	3.1

Interest Cover Ratio

- Adjusted EBITDA divided by Net Interest Payable

Min	FY16	1H17
4.0	6.0	5.4

☑ All covenants are satisfied

Revised RCF Covenant Definitions

Key Financial Covenant	Definition
Solvency Ratio	Tangible Net Worth(1) divided by Total Tangible Assets(2) > 25%
Leverage Ratio	Consolidated Net Borrowings(3) divided by Adjusted EBITDA(4) – <4.50x at June 30, 2017 – <4.25x at December 31, 2017 – <3.75x thereafter
Interest Cover Ratio	Adjusted EBITDA(4) divided by Net Interest Payable(5) > 4.0

(1) *Total Equity (including non-controlling interests) of SBM Offshore N.V. in accordance with IFRS excluding the mark to market valuation of currency and interest derivatives undertaken for hedging purposes by SBM Offshore N.V. through Other Comprehensive Income.*

(2) *SBM Offshore N.V's total assets (excluding intangible assets) in accordance with IFRS Consolidated Statement of Financial position less the mark to market valuation of currency and interest derivatives undertaken for hedging purposes by SBM Offshore N.V. and included as consolidated total assets in the consolidated financial statements.*

(3) *Outstanding principal amount of any moneys borrowed or element of indebtedness (excluding money borrowed from partners in joint ventures) aggregated on a proportional basis for the Company's share of interest less the consolidated cash and cash equivalents available.*

(4) *Consolidated earnings before interest, tax and depreciation of assets and impairments of SBM Offshore N.V. in accordance with IFRS except for all lease and operate joint ventures being then proportionally consolidated, adjusted for any exceptional or extraordinary items, and by adding back the capital portion of any finance lease received by SBM Offshore N.V. during the period.*

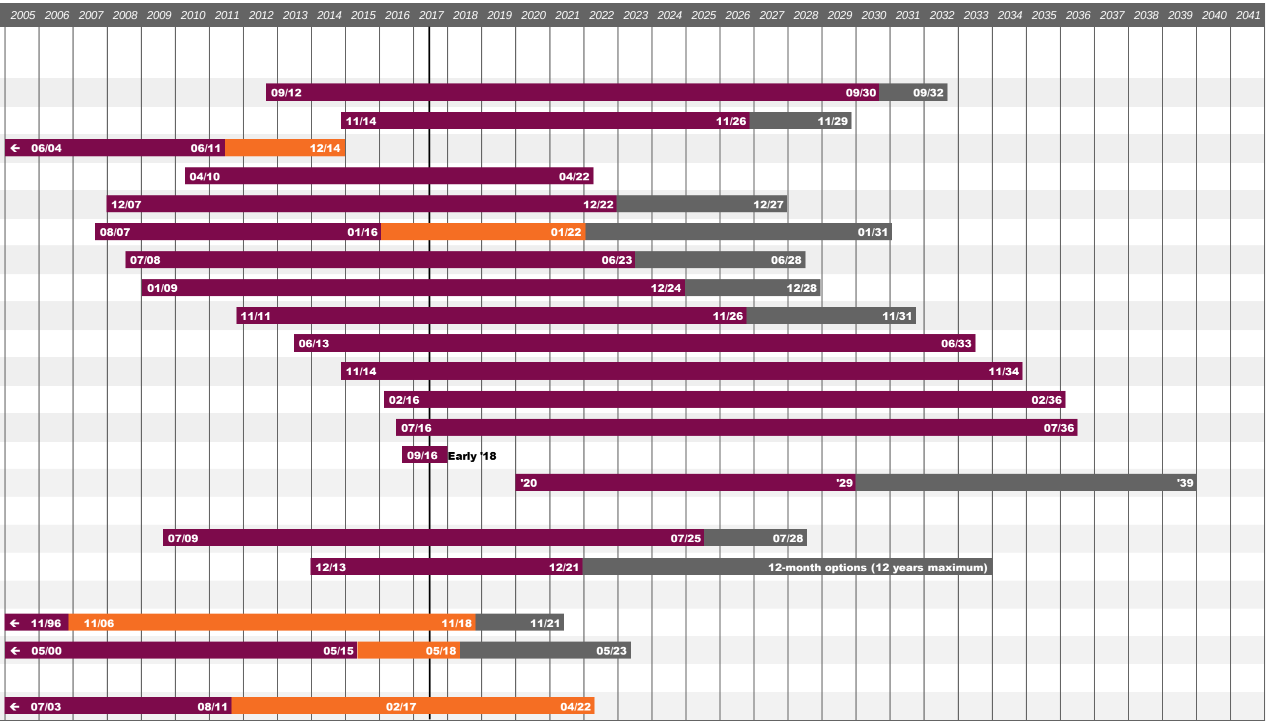
(5) *All interest and other financing charges paid up, payable (other than capitalized interest during a construction period and interest paid or payable between wholly owned members of SBM Offshore N.V.) by SBM Offshore N.V. less all interest and other financing charges received or receivable by SBM Offshore N.V., as per IFRS and on a proportional basis for the Company's share of interests in all lease and operate joint ventures.*

SBM OFFSHORE

Pro-Forma Lease and Operate Portfolio

L&O Portfolio Average Duration: 12.1 years(1)

	Vessel Name	Field Name	Client	Country
	LEASE AND OPERATE			
	FPSO			
1	FPSO *Cdde de Anchieta*	BALEIA AZUL	PETROBRAS	Brazil
2	FPSO *N'Goma FPSO*	BLOCK 15/06		Angola
3	FPSO *Marlim Sul*	MARLIM SUL	PETROBRAS	Brazil
4	FPSO *Capixaba*	CACHALOTE	PETROBRAS	Brazil
5	FPSO *Mondo*	MONDO	ExxonMobil	Angola
6	FPSO *Kikeh*	KIKEH	MURPHY	Malaysia
7	FPSO *Saxi Batuque*	SAXI BATUQUE	ExxonMobil	Angola
8	FPSO *Espirito Santo*	BC-10		Brazil
9	FPSO *Aseng*	ASENG	noble energy	Eq. Guinea
10	FPSO *Cdde de Paraty*	LULA NORDESTE	PETROBRAS	Brazil
11	FPSO *Cdde de Ilhabela*	GUARA NORTE	PETROBRAS	Brazil
12	FPSO *Cdde de Maricá*	LULA ALTO	PETROBRAS	Brazil
13	FPSO *Cdde de Saquarema*	LULA CENTRAL	PETROBRAS	Brazil
14	FPSO *Turritella*	STONES		USA
15	FPSO *Liza Destiny*	LIZA	ExxonMobil	Guyana
	MOPU/Semi-sub			
16	Thunder Hawk Semi-sub.	MISS. CANYON BLK.	MURPHY	USA
17	Deep Panuke PFC	DEEP PANUKE	encana	Canada
	FSO			
18	*N'kossa II*	NKOSSA	TOTAL	Congo
19	*Yetagun*	YETAGUN	PETRONAS	Myanmar
	OPERATE			
20	FPSO *Serpentina*	ZAFIRO	ExxonMobil	Eq. Guinea



■ **Initial Lease Period** ■ **Confirmed Extension** ■ **Contractual Extension Option**

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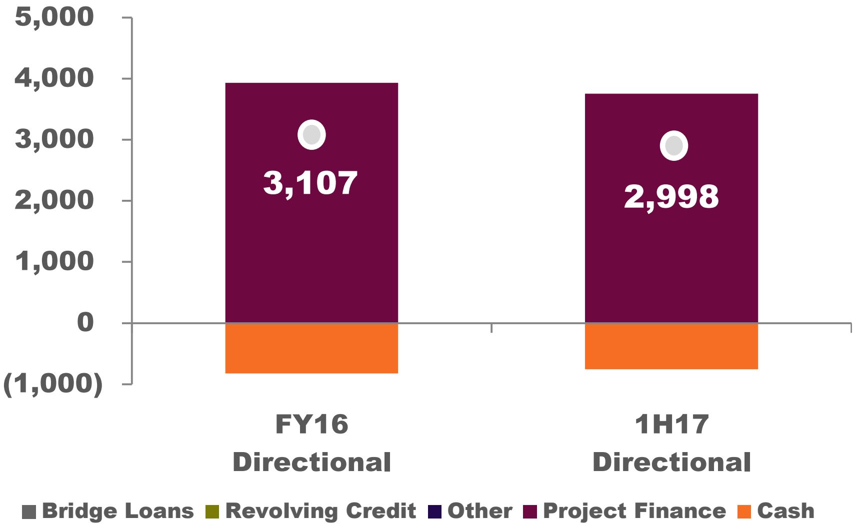
(1) Assumes the exercise of all lease extensions.

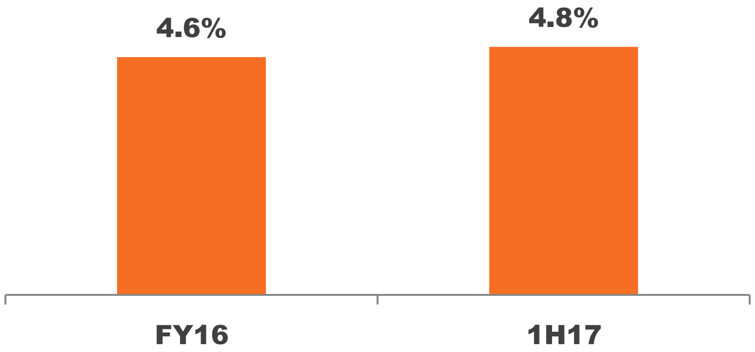
Directional Group Net Debt and Borrowings

(US$ millions)

Directional Net Debt



Average Cost of Debt



1H17 Borrowings[1]

1H17 Undrawn Facilities + Cash

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(1) The difference between current borrowings and the debt repayment profile are attributable to capitalized transaction costs.

Directional Balance Sheet

bridge - step 1 of 2: Proportional Consolidation (US$ millions, unaudited)

- In the first step, Vessel JVs are each consolidated at SBM Offshore's share of ownership

Impact on equity accounted JVs:

- The equity accounted JVs are listed under 5.3.31 INTEREST IN JOINT VENTURES AND ASSOCIATES of the 2016 Annual report
- For L&O Directional view assumes all lease contracts are classified as operating leases and all vessel JVs are proportionally consolidated. As a result, the relevant amounts summarized into the "Investment in associates" are reclassified in assets and liabilities at SBM Offshore's share, which increases the balances on those accounts
- The Yards and other non material JV/associates are still equity accounted under Directional, explaining the remaining Investments in associates position

Impact on JVs that are fully consolidated:

- For JVs consolidated at 100% in IFRS, the partner share is taken out which decreases assets, liabilities against the non-controlling interests in equity
- These JVs are listed under 5.3.32 INFORMATION ON NON-CONTROLLING INTERESTS of the 2016 Annual report

Unaudited, pro-forma

	BS IFRS 2017 Q2	Step 1 Proportional	BS Proportional 2017 Q2
PP&E	1,396	(158)	1,238
Intangible Assets	45	(0)	45
Investments in associates	463	(418)	45
Finance lease receivables	7,402	(2,480)	4,922
Other financial assets	233	(40)	193
Construction contracts	23	(0)	23
Receivables and other assets	774	(79)	695
Derivative financial instruments	79	(1)	77
Cash and cash equivalents	824	(72)	752
Total Assets	**11,238**	**(3,248)**	**7,990**
Equity attributable to parent company	2,641	38	2,679
Non Controlling Interests	1,026	(1,026)	0
Equity	**3,667**	**(988)**	**2,680**
Loans and borrowings	5,849	(2,099)	3,750
Provisions	605	1	606
Trade payables and other liabilities	651	6	657
Deferred income	271	(108)	163
Derivative financial instruments	195	(61)	134
Total Equity and liabilities	**11,238**	**(3,248)**	**7,990**

More information on Directional Reporting is to be found on the Company website (*Presentations >> Directional Reporting)*

Directional Balance Sheet

bridge - step 2 of 2: Finance to Operating Lease (US$ millions, unaudited)

- In the second step, the Finance leases (FL) are accounted for as Operating leases (OL)
  - A "property plant and equipment" value is recognized as an asset at the cost of construction for SBM Offshore, minus depreciation
  - The financial asset recognized during construction is cancelled
  - The main equity impact is the margin recognized under the FL method during construction which is only recognized during lease in OL
  - For the vessels with non-linear bareboat day rates, a deferred income provision is recognized to show linear revenues, in accordance with OL accounting principles

Unaudited, pro-forma

	BS Proportional 2017 Q2	Step 2 Fin to oper lease	BS Directional 2017 Q2
PP&E	1,238	3,937	5,175
Intangible Assets	45	0	45
Investments in associates	45	0	45
Finance lease receivables	4,922	(4,922)	0
Other financial assets	193	75	269
Construction contracts	23	0	23
Receivables and other assets	695	0	695
Derivative financial instruments	77	(0)	77
Cash and cash equivalents	752	0	752
Total Assets	**7,990**	**(909)**	**7,081**
Equity attributable to parent company	2,679	(1,389)	1,290
Non Controlling Interests	0	0	0
Equity	**2,680**	**(1,389)**	**1,290**
Loans and borrowings	3,750	0	3,750
Provisions	606	104	710
Trade payables and other liabilities	657	(61)	596
Deferred income	163	438	601
Derivative financial instruments	134	0	134
Total Equity and liabilities	**7,990**	**(909)**	**7,081**

More information on Directional Reporting is to be found on the Company website (*Presentations >> Directional Reporting)*

Directional Cash Flow Statement

bridge - step 1 of 2: Proportional Consolidation (US$ millions, unaudited)

- Similar to the step 1 with the balance sheet, in the first step, Vessel JVs are each consolidated at SBM Offshore's share of ownership
- This step is not cash neutral when the JVs have cash balances. Instead of being reported at 0% (equity) or 100% (non controlling interests), they are now reported at the SBM Offshore share of ownership
- The cash movements are also impacted by those two mechanisms

Unaudited, pro-forma

	CFS IFRS 2017 Q2	Step 1 Proportional	CFS Proportional 2017 Q2
EBITDA	453	(136)	316
Changes in Provisions	19	6	25
Share based payments	6	0	6
Other non cash transaction adjustments	(4)	0	(4)
Income taxes	(13)	(1)	(14)
Redemption of finance lease assets	158	(30)	128
Cashflows from operating activities	**619**	**(161)**	**458**
Changes in Working Capital	**(223)**	**34**	**(188)**
Capital Expenditures	(35)	(0)	(35)
Funding loans (net)	38	(29)	9
Interest received	11	1	13
Dividends from Equity investees	33	(33)	0
Net proceeds from Asset sales	5	(0)	5
Other	0	0	0
Cashflows from investing activities	**52**	**(60)**	**(9)**
Equity funding from partners	(27)	27	0
Additions to borrowings and loans	0	0	0
Repayment of borrowings and loans	(282)	95	(187)
Interest paid	(145)	47	(98)
Dividends paid to shareholders and NCI	(74)	27	(47)
Other	0	0	0
Cash flows from financing activities	**(528)**	**197**	**(332)**
Foreign currency variations	1	0	1
Net increase (decrease) in cash	**(80)**	**9**	**(71)**

More information on Directional Reporting is to be found on the Company website (*Presentations >> Directional Reporting)*

Directional Cash Flow Statement

bridge - step 2 of 2: Finance to Operating Lease (US$ millions, unaudited)

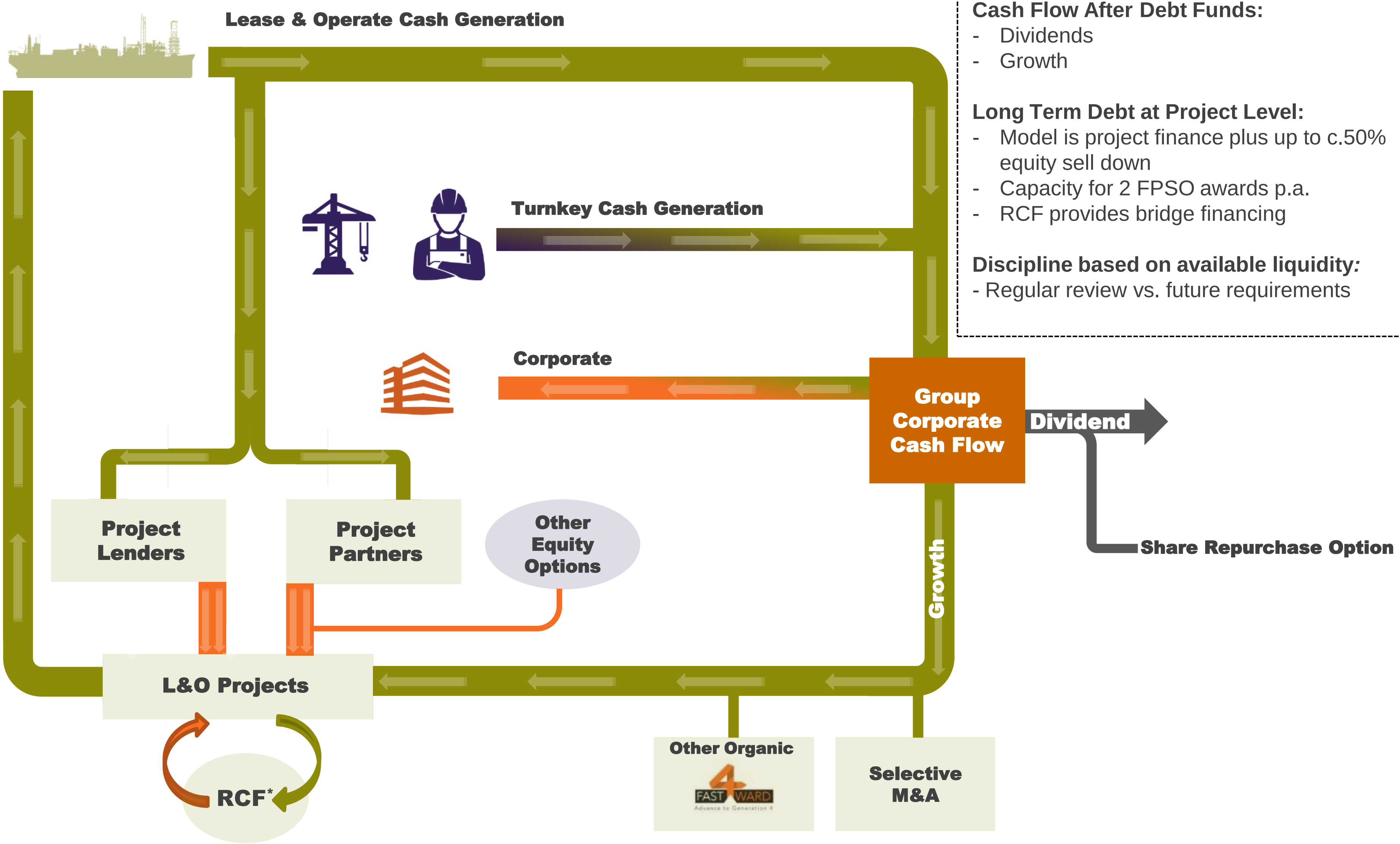
- In the second step, the Finance leases (FL) are accounted as Operating leases (OL)
- This is only a matter of reclassification and is thus cash neutral
- The EBITDA is impacted by, A. higher L&O revenues, B. lower construction revenues and C. lower costs of sales
  - A. The higher L&O revenues counterpart is mainly
    the redemption of finance lease assets
  - B. The lower construction revenues in the EBITDA counterpart is the decreased working capital needs
  - C. The costs of sales is reclassified as capital expenditures

Unaudited, pro-forma

	CFS Proportional 2017 Q2	Step 2 Fin to oper lease	CFS Directional 2017 Q2
EBITDA	316	115	431
Changes in Provisions	25	0	25
Share based payments	6	0	6
Other non cash transaction adjustments	(4)	0	(4)
Income taxes	(14)	0	(14)
Redemption of finance lease assets	128	(128)	(0)
Cashflows from operating activities	**458**	**(13)**	**444**
Changes in Working Capital	**(188)**	**19**	**(169)**
Capital Expenditures	(35)	(7)	(43)
Funding loans (net)	9	(0)	9
Interest received	13	0	13
Dividends from Equity investees	0	0	0
Net proceeds from Asset sales	5	0	5
Other	0	0	0
Cashflows from investing activities	**(9)**	**(7)**	**(16)**
Equity funding from partners	0	0	0
Additions to borrowings and loans	0	0	0
Repayment of borrowings and loans	(187)	0	(187)
Interest paid	(98)	0	(98)
Dividends paid to shareholders and NCI	(47)	(0)	(47)
Other	0	0	0
Cash flows from financing activities	**(332)**	**(0)**	**(332)**
Foreign currency variations	1	0	1
Net increase (decrease) in cash	**(71)**	**0**	**(71)**

More information on Directional Reporting is to be found on the Company website (*Presentations >> Directional Reporting)*

Cash Flow Model and Allocation



Lease & Operate Cash Generation

Turnkey Cash Generation

Corporate

Group Corporate Cash Flow

Dividend

Share Repurchase Option

Growth

Project Lenders

Project Partners

Other Equity Options

L&O Projects

RCF*

Other Organic

Selective M&A

Cash Flow After Debt Funds:
- Dividends
- Growth

Long Term Debt at Project Level:
- Model is project finance plus up to c.50% equity sell down
- Capacity for 2 FPSO awards p.a.
- RCF provides bridge financing

Discipline based on available liquidity*:*
- Regular review vs. future requirements

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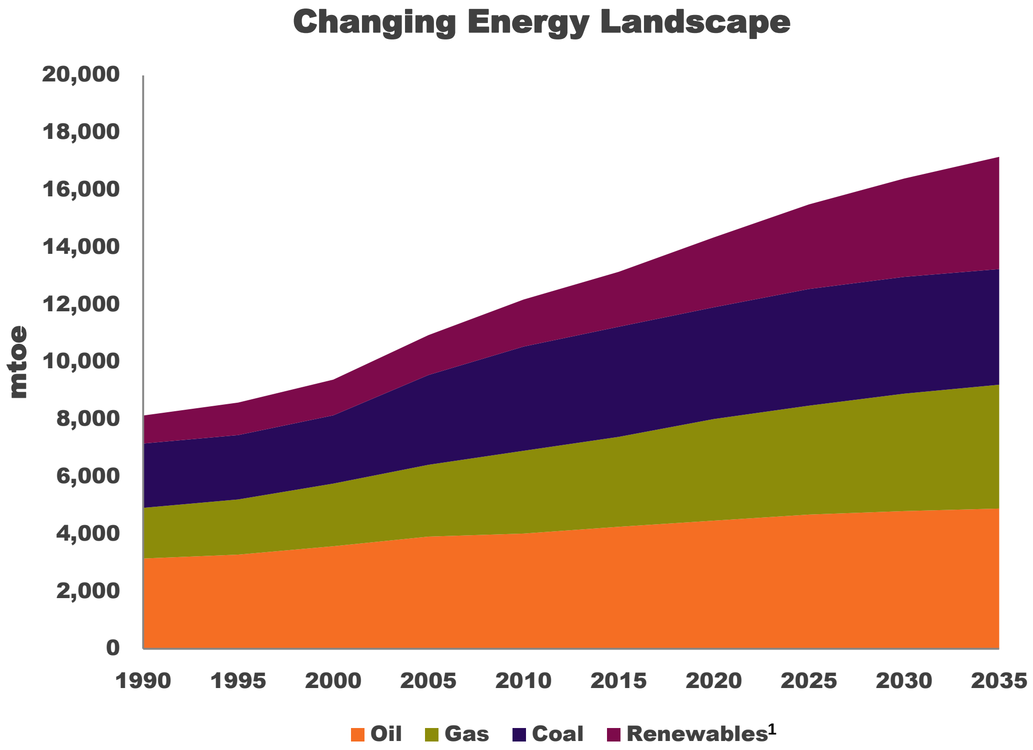
* RCF may also be used for M&A and general corporate purposes

Energy Mix Outlook



Oil remains leading

Gas gains market share

Renewables strong growth

Gas main transition fuel

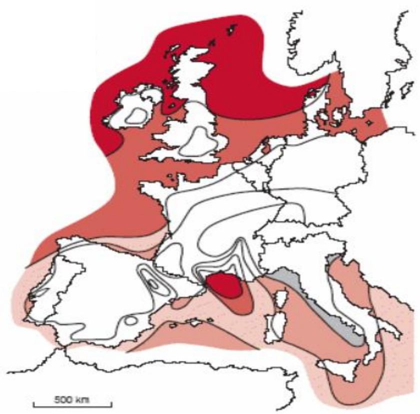
[1] Includes nuclear energy

Source: BP Energy Outlook 2017

Floating Wind

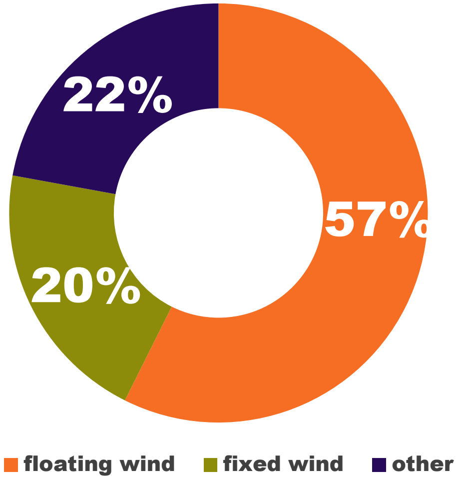
Innovate

Strongest winds are further offshore
(example offshore Europe)



Source: World Wind Energy Association

Offshore renewable energy generation potential

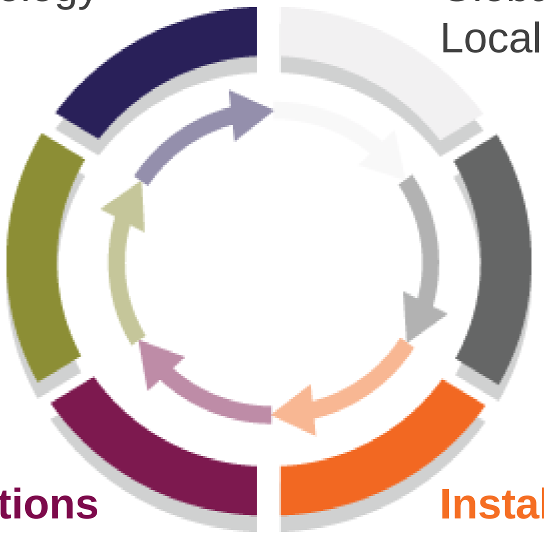


Source: Indicta

SBM Offshore floating and mooring solution

60 years SBM Offshore experience applied to renewables

Delivering the Full Product Lifecycle



Engineering
60 years of industry firsts
Leading edge technology

Procurement
Integrated supply chain
Global efficiencies
Local sourcing

Product Life Extension
Leader in FPSO relocation
World class after sales

Construction
Strategic partnerships
Unrivalled project experience

Operations
Circa 300 years of experience
99% historical production uptime
Largest production capacity FPSO fleet

Installation
Dedicated fleet
Unparalleled experience
Extensive project capability

SBM OFFSHORE