

Full Year 2016 Earnings Update

February 9, 2017

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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
1.6 MM bopd throughput capacity/day

Lease & Operate Fleet

14 FPSOs
2 FSOs
1 Semi-sub
1 MOPU

Financials FY 2016 (US\$ billion)

Directional ⁽¹⁾ Revenue 2016	2.0
Directional Backlog (31 Dec. 2016)	17.1
Market Capitalization (31 Dec. 2016)	3.4
Total Shareholder Returns	0.21
<i>(c. US\$ 1/share return)</i>	

(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.



Key Messages

Shareholder
Returns

Industry
Outlook

3 Major
Projects
Delivered

Strategic
Positioning

Performance
in line with
Guidance

Client
Engagement





FY 2016 Review

Macro View

Company Positioning

FY 2016 Financials

Outlook





Complex projects, delivered on time.

FPSO *Cidade de Maricá*



- On hire as of February 7, 2016
 - Initial charter contract of 20 years
-

FPSO *Cidade de Saquarema*



- On hire as of July 8, 2016
 - Initial charter contract of 20 years
-

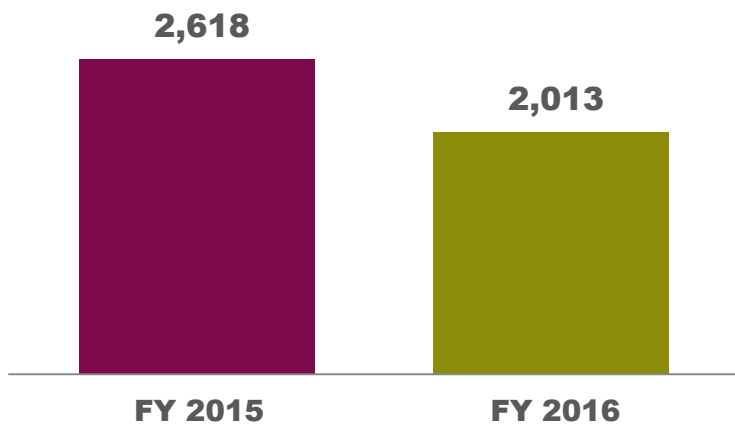
FPSO *Turritella*



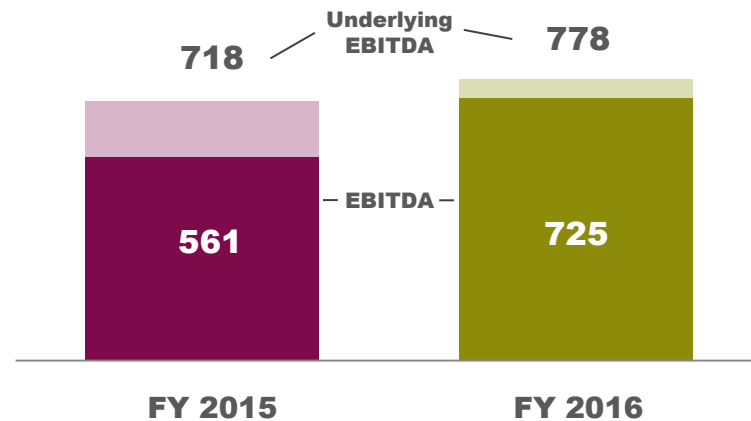
- On hire as of September 2, 2016
- Initial charter contract of 10 years, with extension options up to a total of 20 years



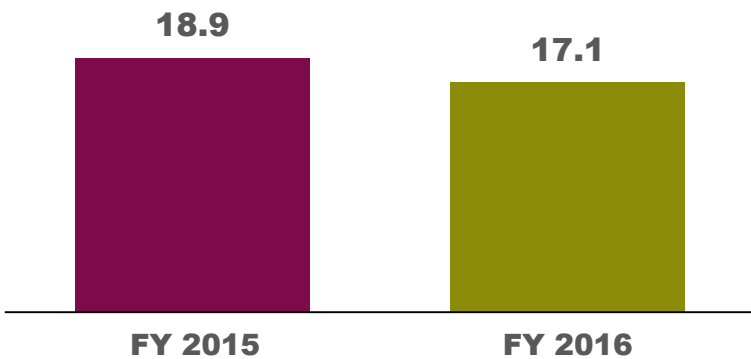
Revenue (US\$ millions)



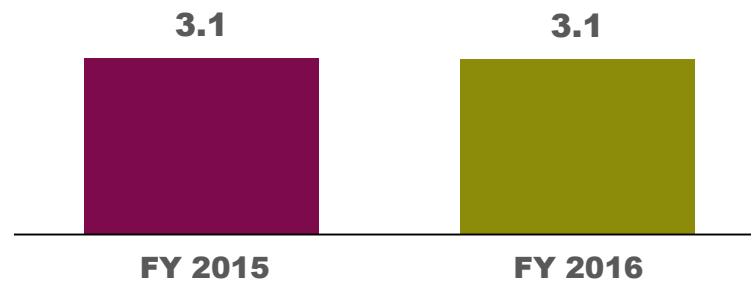
EBITDA (US\$ millions)



Backlog (US\$ billions)

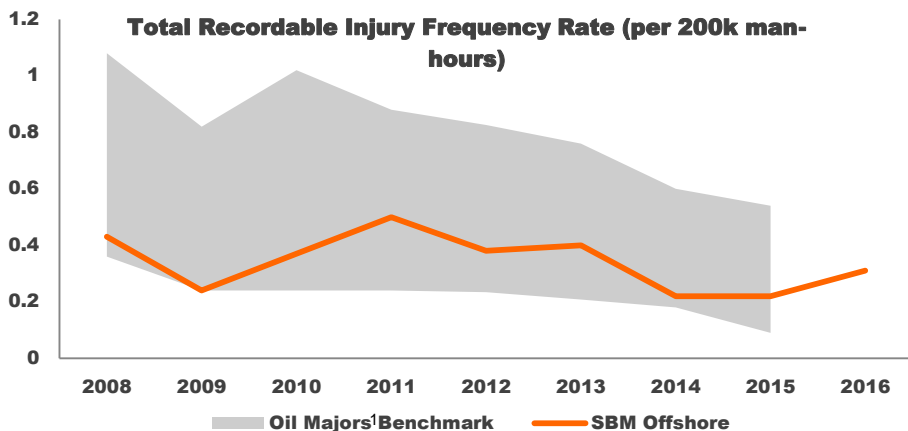


Net Debt (US\$ billions)





Health & Safety



Environment

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Environmental performance per production 2016 vs. 2015:

- GHG emissions **-13%**
- Gas flared **-23%**
- Energy consumption **+3%**
- Oil in produced water **+5%**

Committed to HSSE

Strengthening safety culture



Lowering emissions



HSSE priority

(1) Includes Shell, BP, Total, Chevron, Woodside, ExxonMobil, ENI, Statoil



SBM Offshore remains committed to engage with all relevant authorities

2012 2013 2014 2015 2016 2017

Early 2012

Start internal investigation and immediate remedial measures

November 2014

SBM Offshore reaches US \$ 240 million out-of-court settlement with Dutch Prosecutor's office, US DoJ⁽¹⁾ closes its inquiry

March 17, 2015

SBM Offshore signs MoU with two Brazilian authorities (CGU⁽²⁾ and AGU⁽³⁾) for discussions on a potential mutually acceptable settlement

December 17, 2015

Brazilian Prosecutor's office makes allegations regarding several people in Brazil and abroad, including number of current and former employees, of whom one is a US citizen

February, 2016

SBM Offshore announced the US DoJ had re-opened its past inquiry of the Company

September 2, 2016

Brazilian Fifth Chamber does not approve Leniency Agreement

December 14, 2016

Brazilian Higher Council upholds decision of the Fifth Chamber to refer case back to Fifth Chamber and prosecutor

January 24, 2016

Settlement with Brazilian Prosecutor's office regarding accusations against CEO and former CGCO on a non- admission guilt basis

July 15, 2016

After two years of negotiations, the Leniency Agreement is signed between Brazilian Authorities, Petrobras and SBM Offshore, subject to Fifth Chamber approval

October 6, 2016

Brazilian Fifth Chamber confirms decision to not approve Leniency Agreement and refer case back to prosecutor for further review

(1) DoJ = The United States Department of Justice
(2) CGU = Controladoria-Geral da União
(3) AGU = Advocacia-Geral da União



FY 2016 Review

Macro View

Company Positioning

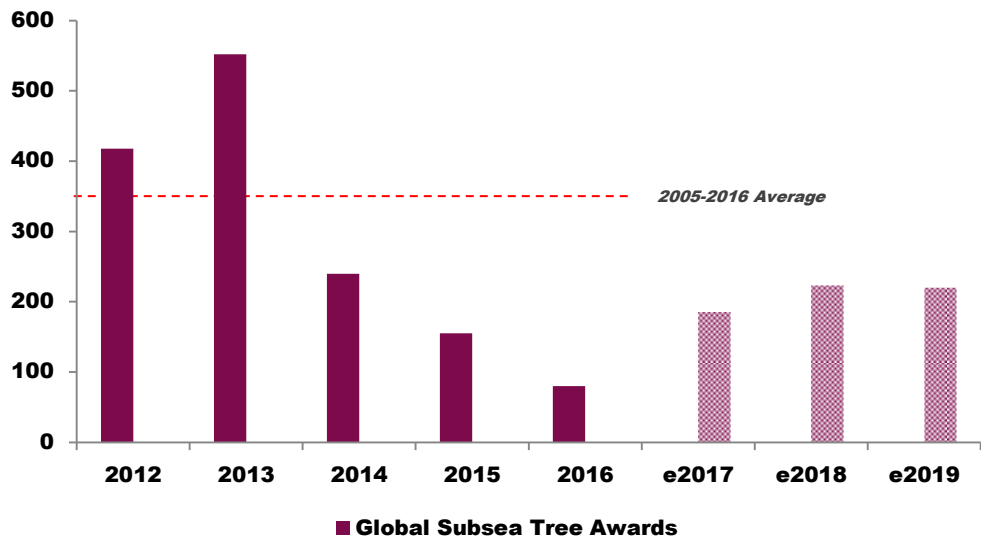
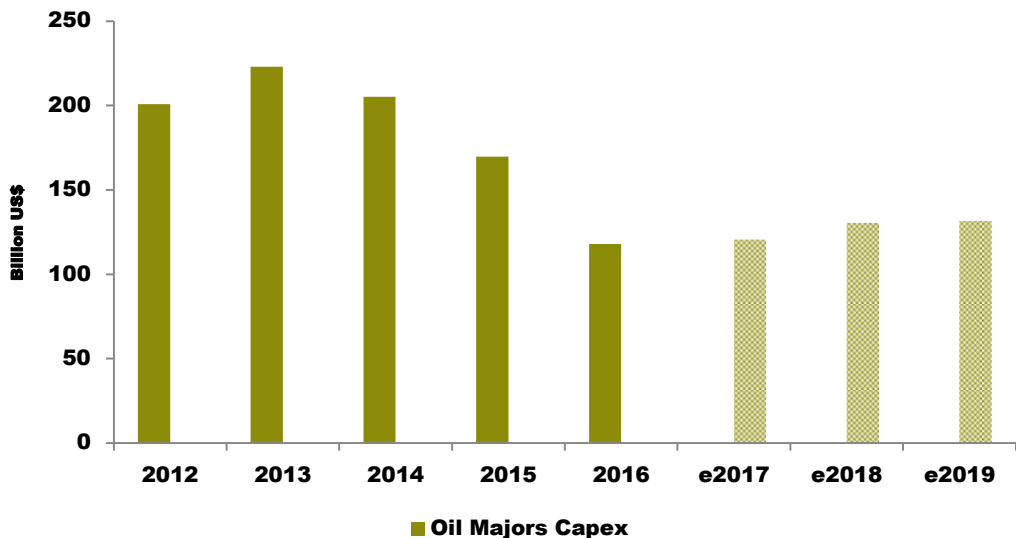
FY 2016 Financials

Outlook





Oil Industry Investment



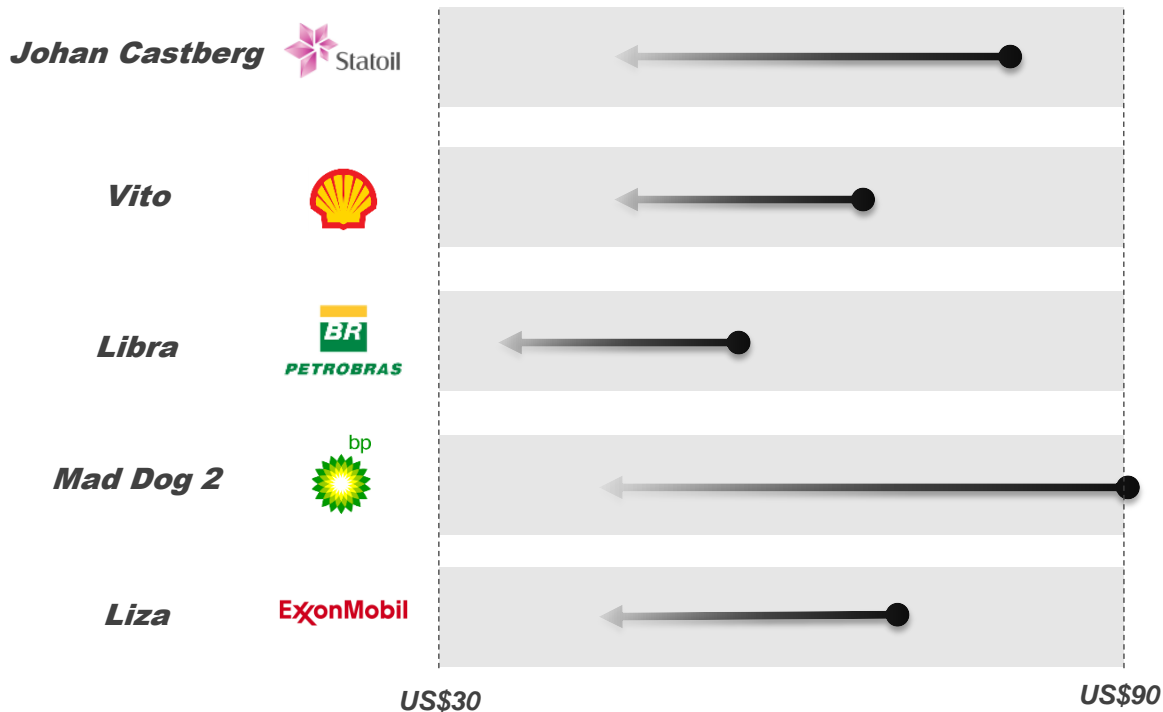
Capex bottoming out in 2016

But slow ramp-up expected

**Gradual
recovery**



Break-even price per barrel of oil

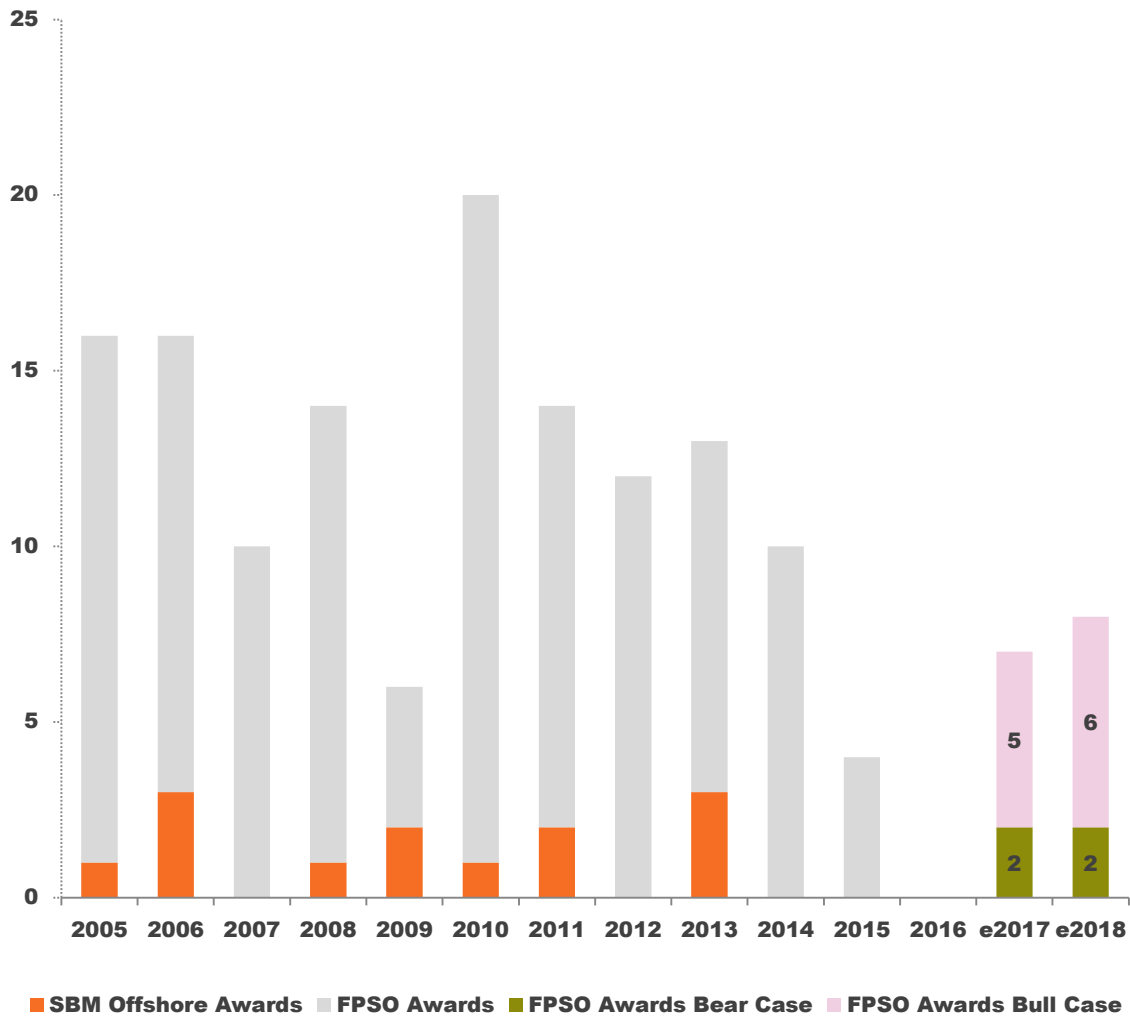


Lowered project costs

Cost savings, smaller outlay

Break-even prices decreased by ~30 to ~60 %

**Improving
economics**



Rock bottom in 2016

Gradual recovery from 2017

**Cautiously
optimistic outlook**

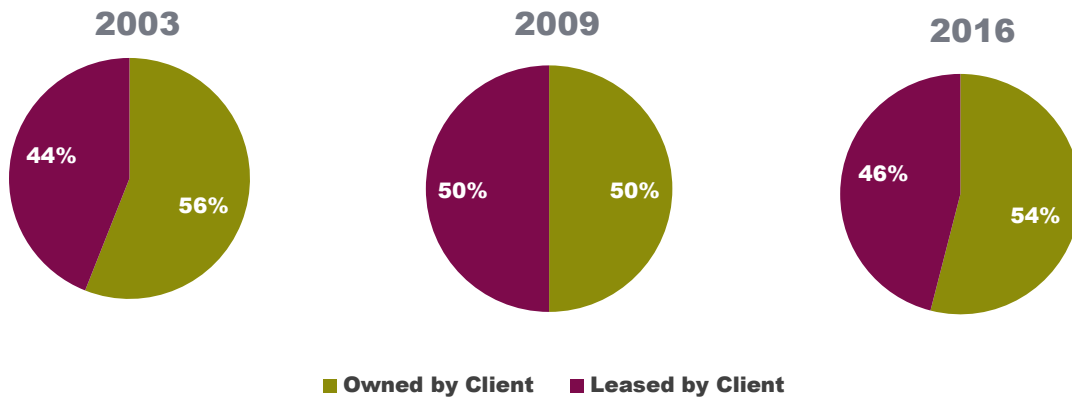


Changing FPSO Landscape



**joint ventures included*

Proportion of FPSOs Lease vs Turnkey



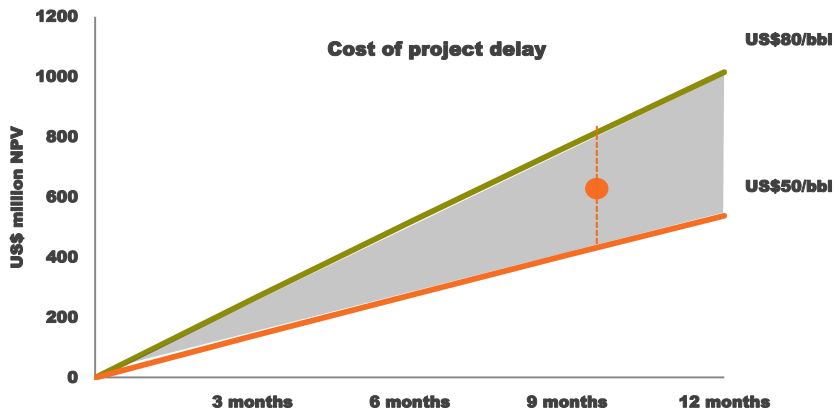
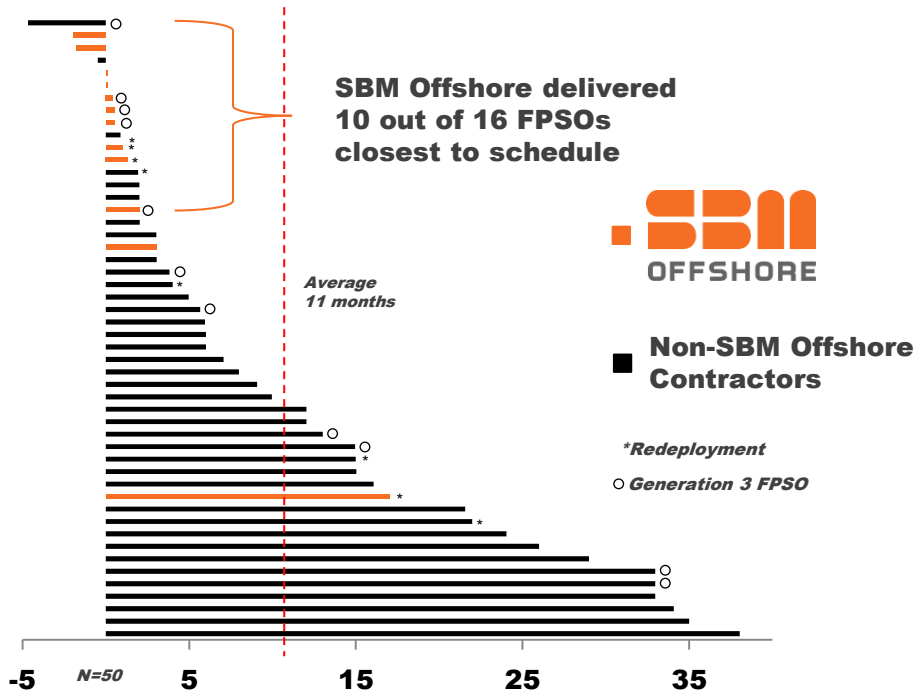
Number of FPSO contractors decreased since 2009

Stable Lease market share

Number of active players decreasing



Project Delivery



On-time delivery a rarity

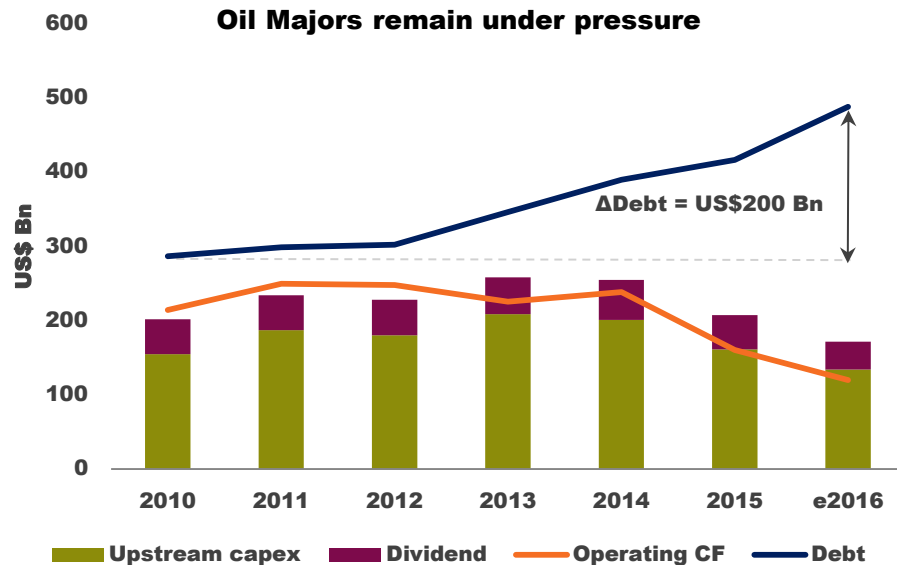
..but key in Upstream economics

11 month delay results in ~US\$600 million lower project NPV

Experience matters



Non-delivery in Context



Upstream project economics remain close to break-even

Project overruns have major financial consequences

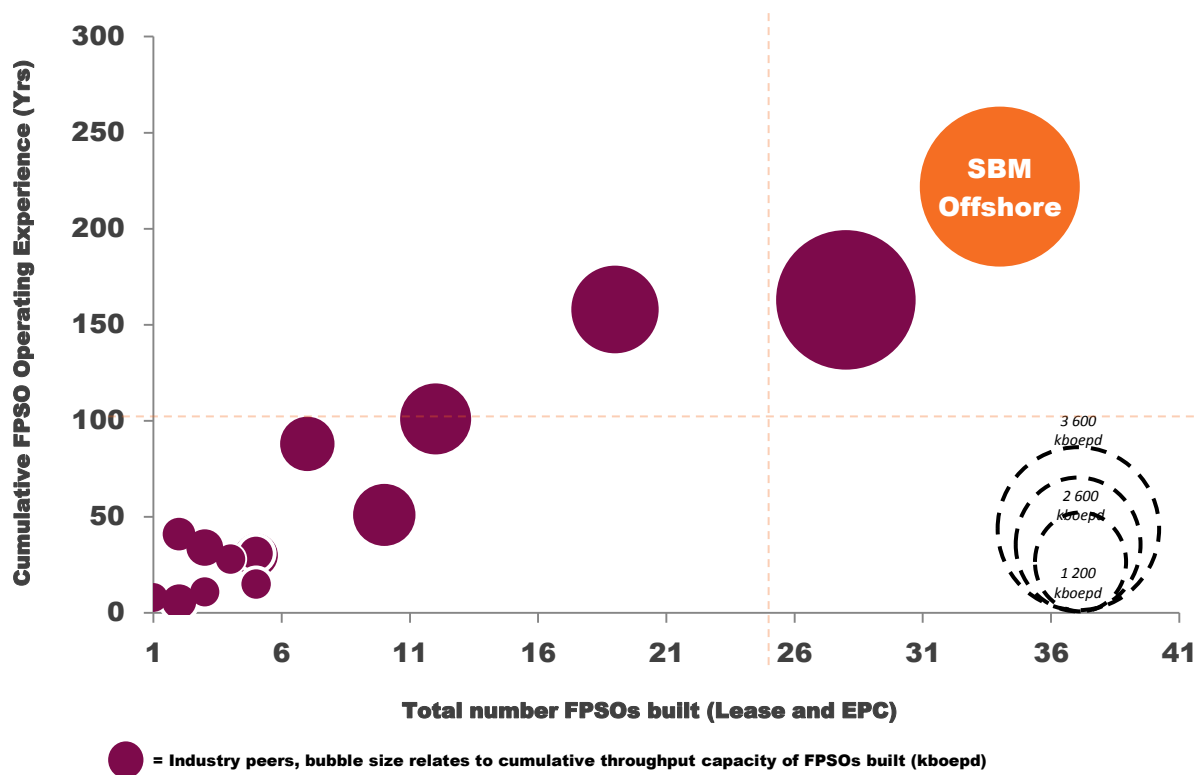
context

Estimated cash loss due to FPSO project non-delivery c. US\$25 Bn, or 12% of total debt increase of Oil Majors¹ during same period

Industry needs experienced contractors



Concentrated Industry Experience



Unique track record in EPC, FPSO delivery and operations

**SBM Offshore's
unique experience**



FY 2016 Review

Macro View

Company Positioning

FY 2016 Financials

Outlook





Floating Solution Strategy

Optimize

Our Current Business

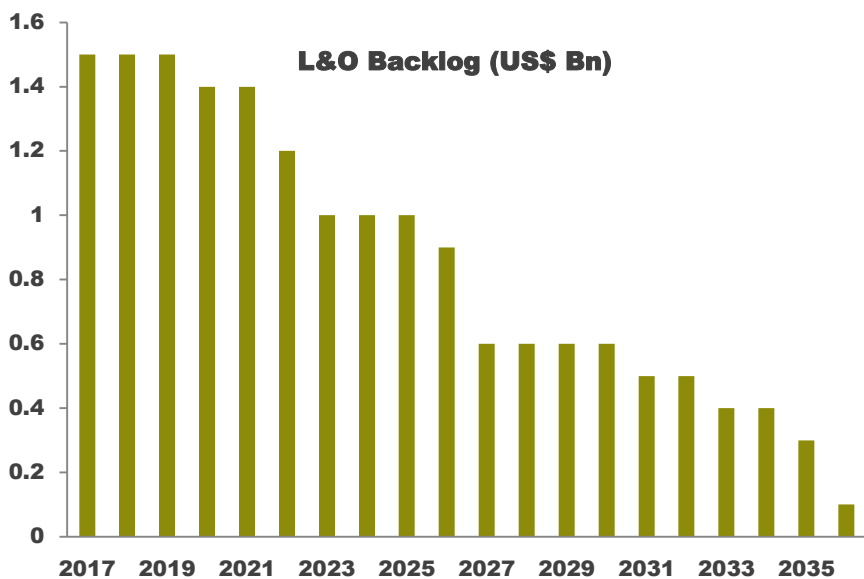
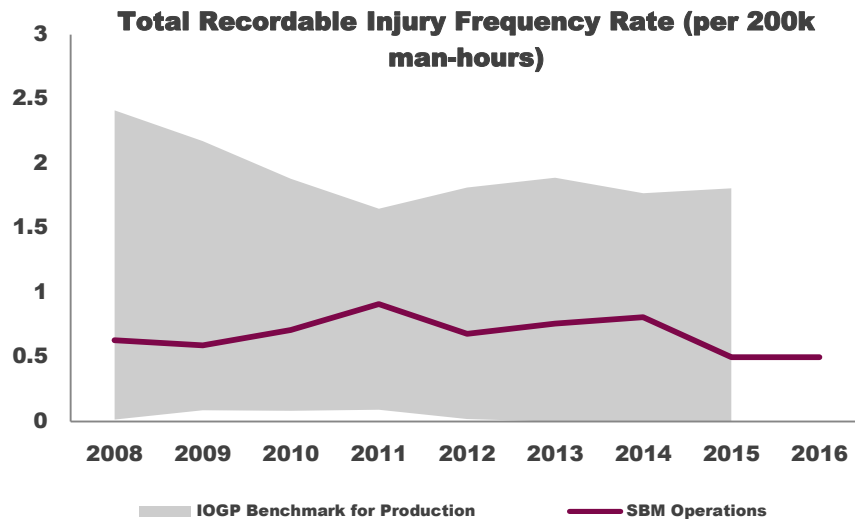
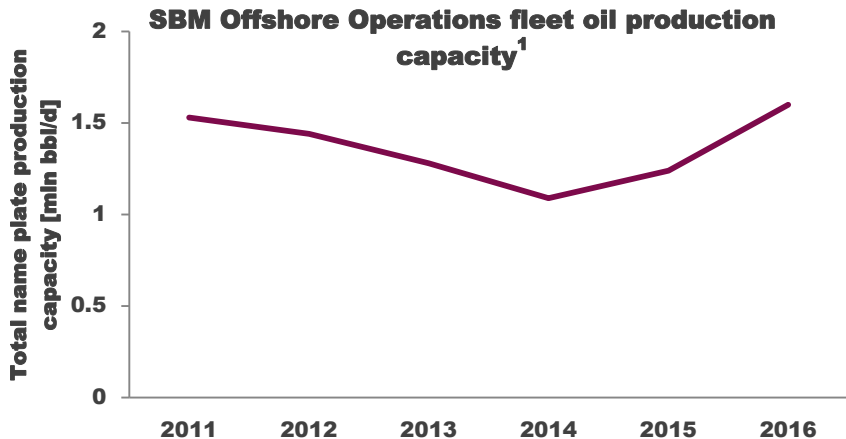
Transform

Deepwater Projects



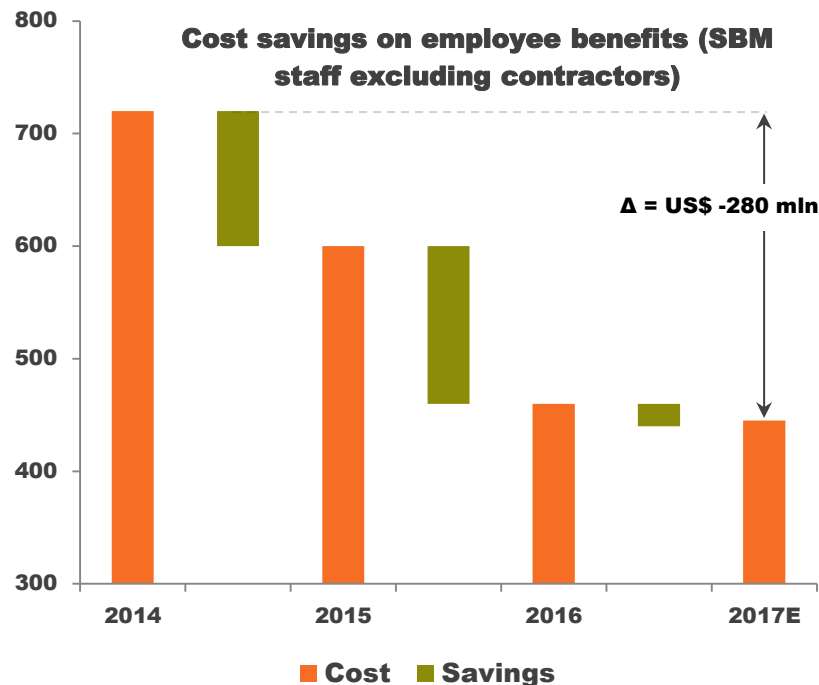
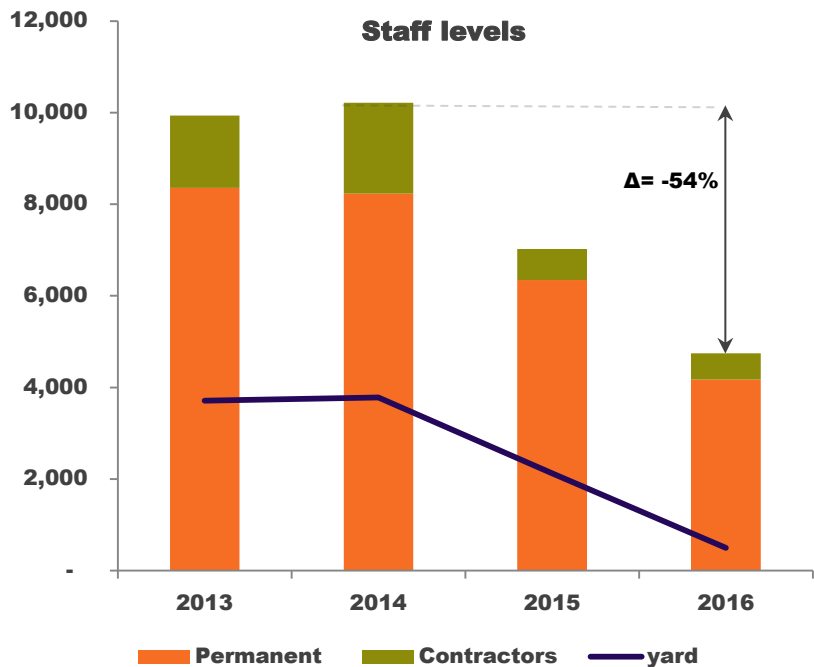
Innovate

Floating at Large



- Strong safety and operations record
- Strong backlog supports shareholder returns and growth

(1) Thunderhawk oil production included, PFC Deep Panuke gas production excluded



SBM Offshore delivered its cost savings ahead of initial target while retaining core capability and experience



Product range (proxy for level of complexity)

Calm Buoy



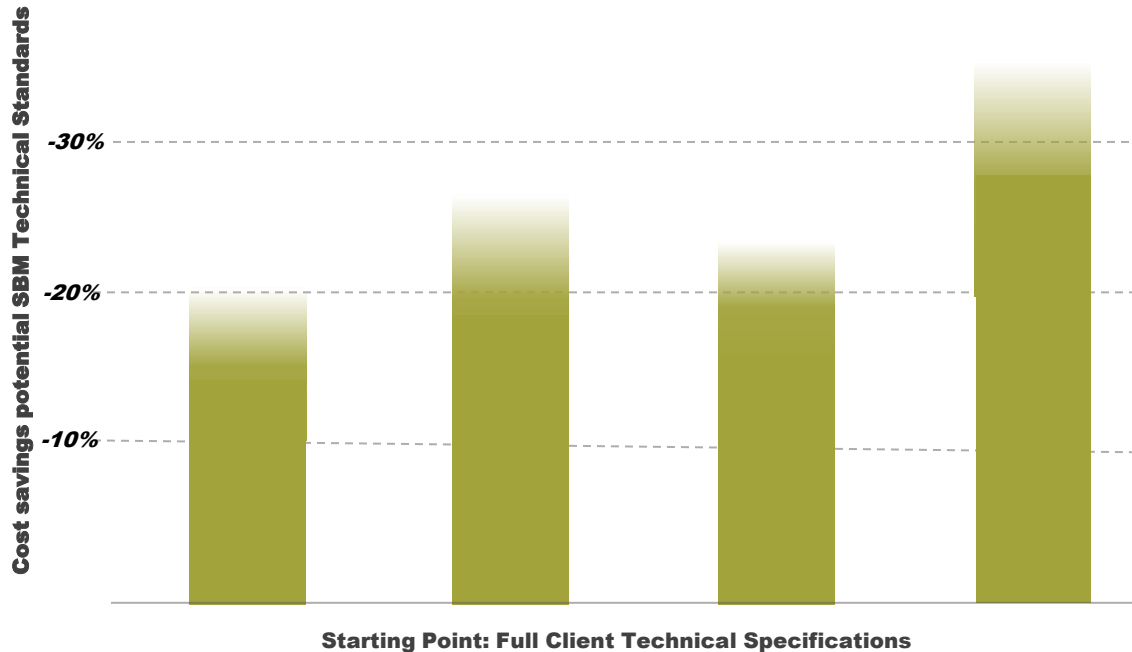
Deepwater Calm Buoy



Turret



FPSO



Graph not to scale

Cost savings of ~20 to ~35% using SBM Offshore specifications

Cost savings based on experience



Hull design approval

Ready for award

Advanced negotiations with top tier Asian yards

Hull & Accommodation



Topsides catalogue

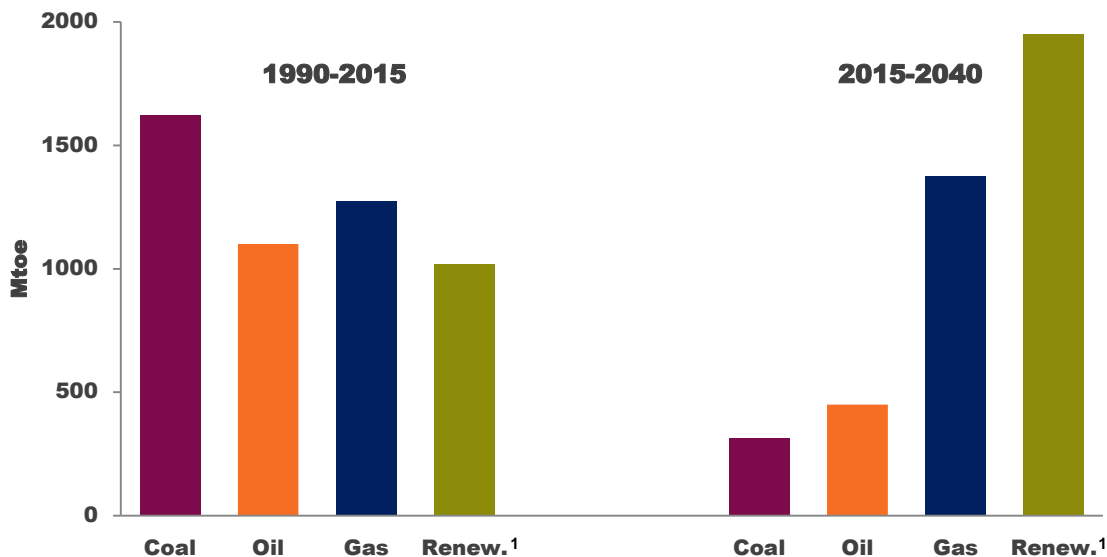


Today

Game-changing program



Change in total primary energy demand



Oil remains leading

Gas gains market share

Renewables strong growth

Oil share in energy mix



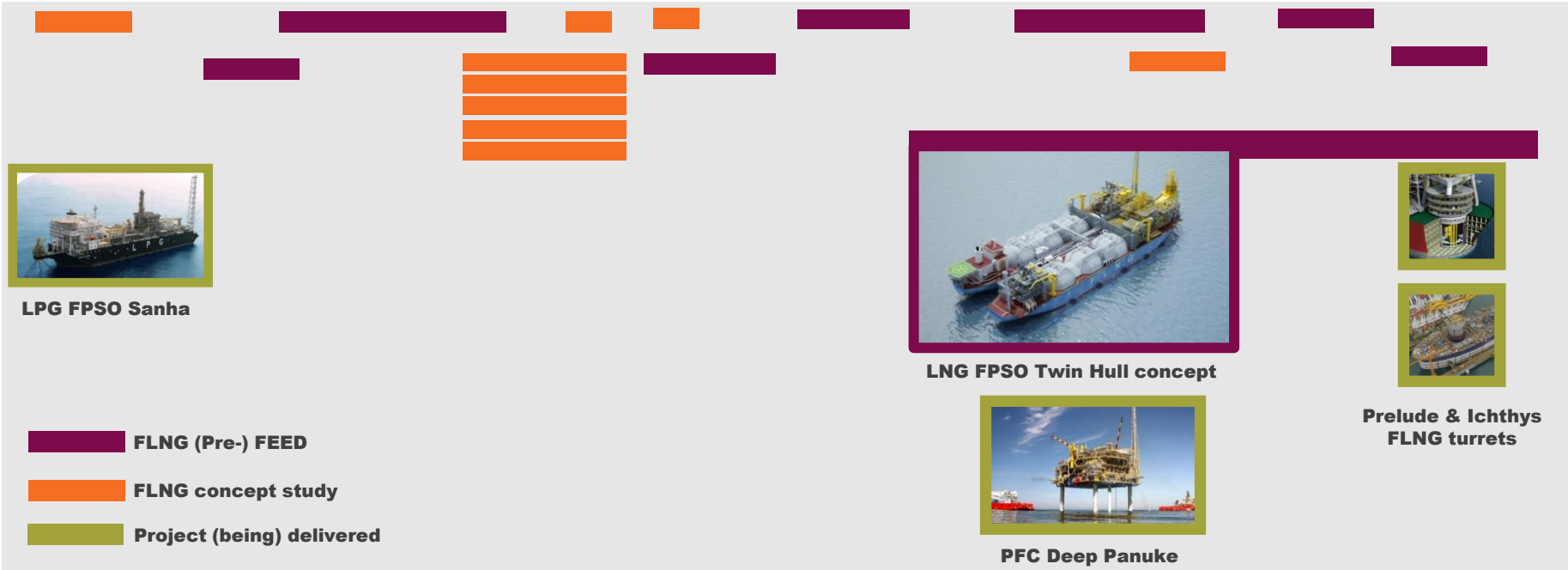
Gas main transition fuel

¹ Includes nuclear energy
Source: IEA World Energy Outlook 2016, BP Energy Outlook 2017



Product Development

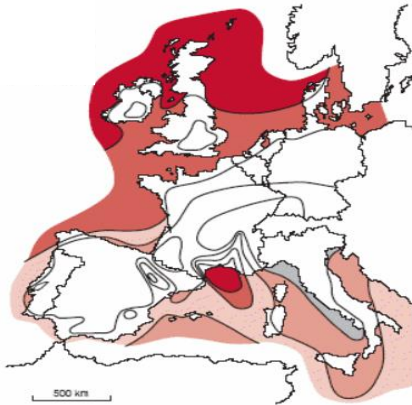
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016



- Long history of delivering products and equipment in Upstream Gas
- Optimization to SBM Offshore Twin Hull FLNG concept
- Looking at overall gas value chain

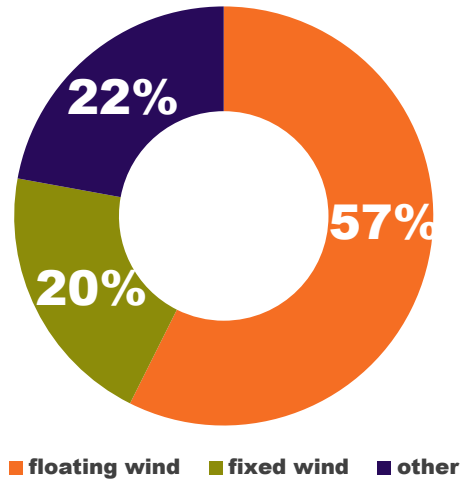


Strongest winds are further offshore (example offshore Europe)



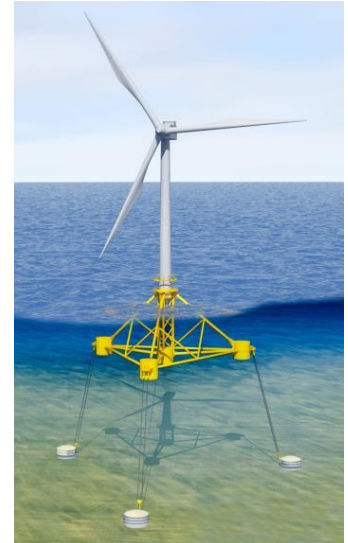
Source: World Wind Energy Association

Offshore renewable energy generation potential



Source: Indicta

SBM Offshore floating and mooring solution



60 years SBM Offshore experience applied to renewables



FY 2016 Review

Macro View

Company Positioning

FY 2016 Financials

Outlook





Underlying Directional Performance

(US\$ millions)

Directional Revenue

Directional EBITDA

Directional EBIT

FY 2016

2,013

725

53

778

290

53

344

Reported

Exceptional Items

Underlying

Reported

Exceptional Items

Underlying

Directional Revenue

Directional EBITDA

Directional EBIT

FY 2015

2,618

561

157

718

191

157

348

Reported

Exceptional Items

Underlying

Reported

Exceptional Items

Underlying



Lease and Operate P&L

(US\$ millions)

	Directional		Variance
	FY 2015	FY 2016	
Revenue	1,105	1,310	205
Gross Margin	342	423	81
EBIT	315	398	83
Underlying EBIT	279	398	119
Depreciation, amortization and impairment	352	425	(73)
EBITDA	667	823	156
Underlying EBITDA	631	823	192

Directional Comments

Vessels In	<i>Cidade de Marica, Cidade de Saquarema and Turritlella</i>
Vessels Out	-
EBITDA	FY15: Net contribution of vessels joining/leaving the fleet and \$37 million release of agency fees, partially offset by US\$(9) million of restructuring costs FY16: Net contribution of vessels joining the fleet
EBITDA Margin	FY15: 60.4% / Underlying 57.1% FY16: 62.8% / Underlying 62.8%



Turnkey P&L

(US\$ millions)

	Directional		Variance
	FY 2015	FY 2016	
Revenue	1,512	702	(811)
Gross Margin	447	142	(305)
EBIT	231	(22)	(253)
Underlying EBIT	178	9	(169)
Depreciation, amortization and impairment	8	8	-
EBITDA	239	(14)	(253)
Underlying EBITDA	186	18	(168)

Directional Comments

Projects In	<i>No significant project (total order intake of US\$110 million)</i>
Projects Completed	<i>Cidade de Marica, Cidade de Saquarema, Turritella, Ichthys Turret and Prelude near to completion</i>
EBITDA	FY15: Includes impact of Turritella partial divestment in JV owning the FPSO, US\$(37) million engineering hour under recovery, US\$(31) million of restructuring costs and \$52 million release of agency fees FY16: non-cash provision for SBM Installer US\$(31) million, US\$(22) million engineering hour under recovery and US\$(40) million of restructuring costs including provision for onerous rental contract



Group P&L

(US\$ millions)

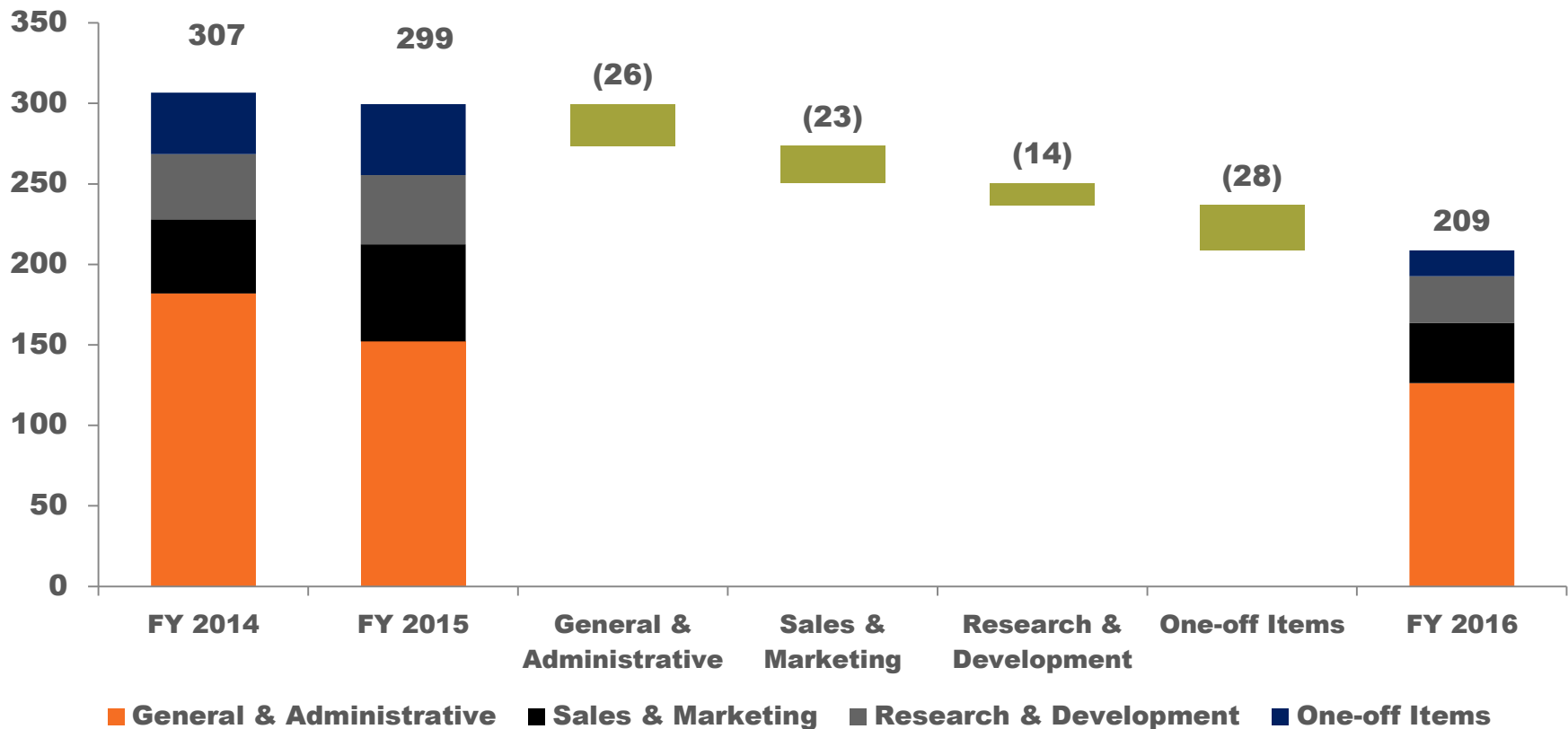
	Directional		Variance
	FY 2015	FY 2016	
Revenue	2,618	2,013	(605)
Gross Margin	789	565	(224)
Overheads	(299)	(209)	90
Other operating income / (expense)	(298)	(66)	232
EBIT	191	290	99
Underlying EBIT	348	344	(4)
Depreciation, amortization and impairment	(370)	(435)	(65)
EBITDA	561	725	164
Underlying EBITDA	718	778	60
Net financing costs	(137)	(196)	(59)
Share of profit in associates	(8)	(61)	(53)
Income tax expense	(22)	(9)	13
Net Income attributable to shareholders	24	24	-

Directional Comments

Overheads	See slide 'Overheads'
Other operating expense	FY15: Provision for Brazil settlement US\$(245) million and US\$(55) million of restructuring charges FY16: Update to provision for Brazil settlement US\$(22) million and US\$(48) million of restructuring charges including provision for onerous rental contract
Net financing cost	<i>Cidade de Marica</i> , <i>Cidade de Saquarema</i> and <i>Turritella</i> on hire; 4.65% avg. cost of debt. Additional US\$(14) million provision regarding NPV increase of future payments related to contemplated Brazil leniency agreement
Share of profit in associates	FY16: US\$ (59) million impairment of net investment in Joint Venture owning Paenal construction yard
Tax	9.6% effective tax rate



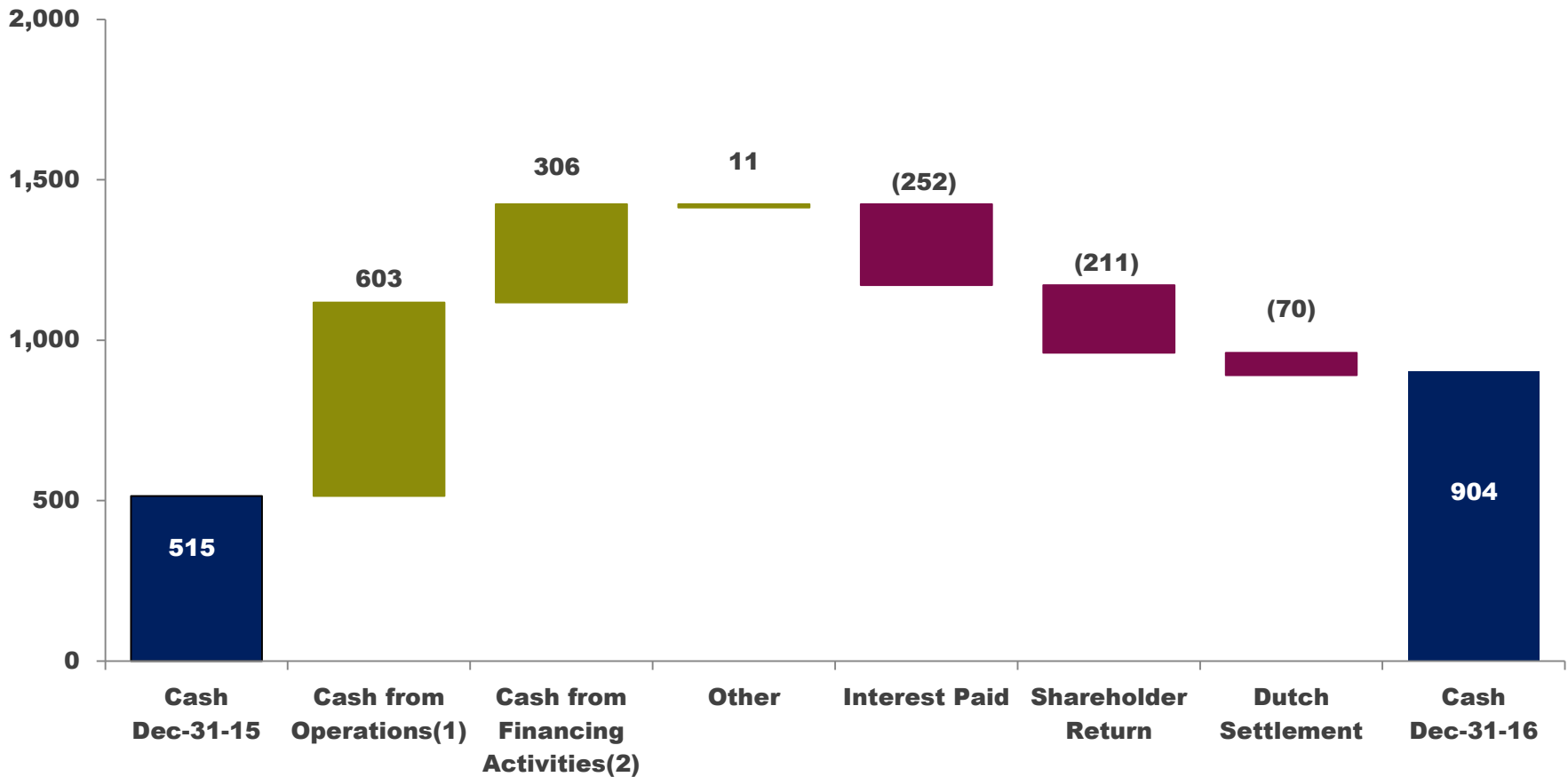
Directional Expense Bridge



Reduction of overhead expenses



IFRS Cash Flow



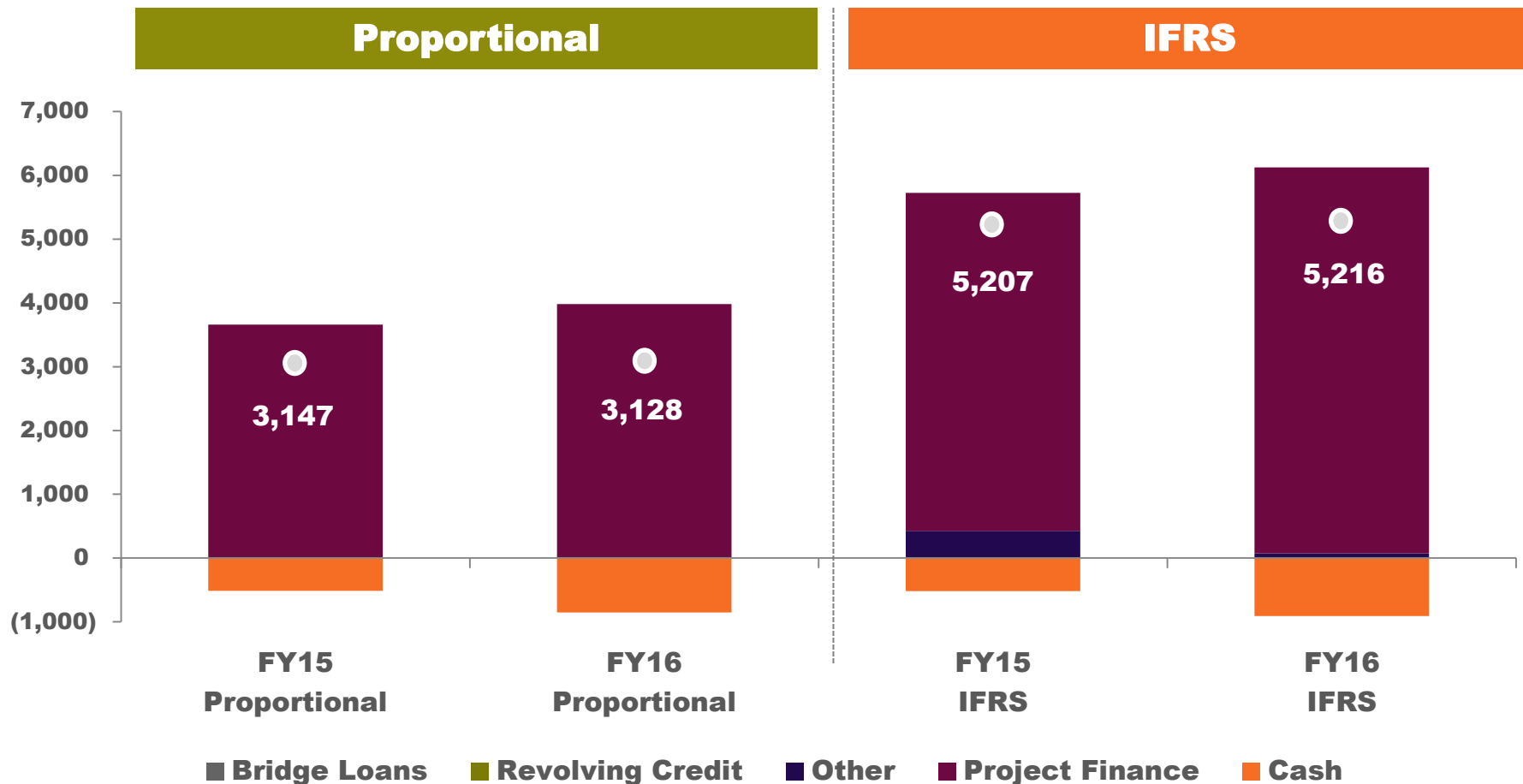
(1) Includes dividends received from JV's

(2) Net additions to borrowings and loans, net funding loans and NCI net drawdown



Group Net Debt

(US\$ millions)





- US\$211 million cash returned to shareholders over 2016
 - Repurchase of 11.44 million shares for US\$166 million
 - Dividend paid US\$0.21/share; 25% of 2015 Underlying Directional Net Profit

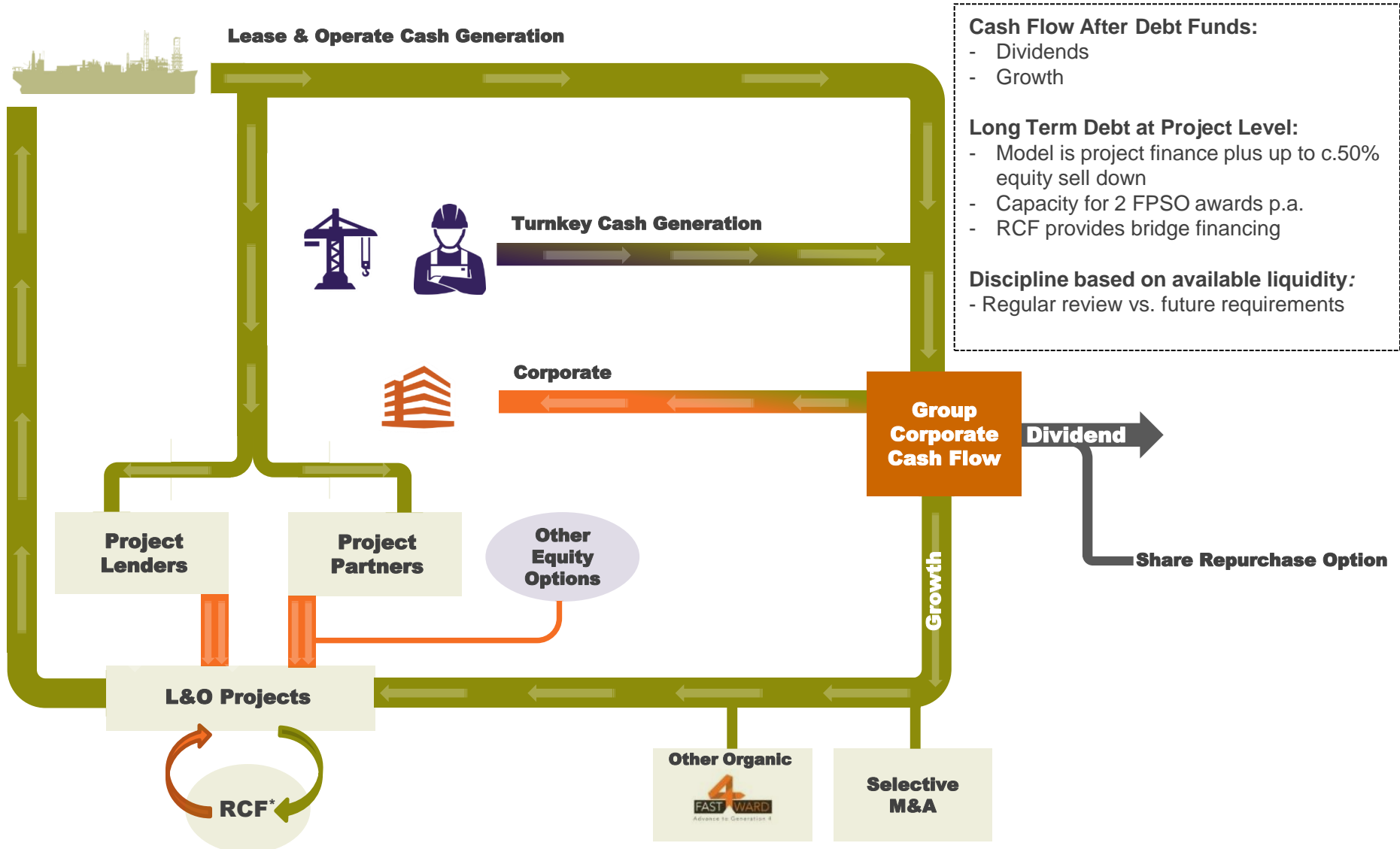
- Proposed cash dividend of US\$0.23/share
 - Growth year-on-year of +10%
 - Representing circa 30% of 2016 Underlying Directional Net Profit

- Dividend policy

Maintain a stable dividend which grows over time. Determination of the dividend is based on the Company's assessment of the underlying cash flow position and of 'Directional net income', where a target payout ratio of between 25% and 35% of 'Directional net income' will also be considered.



Cashflow Model and Allocation



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



FY 2016 Review

Macro View

Company Positioning

FY 2016 Financials

 **Outlook**

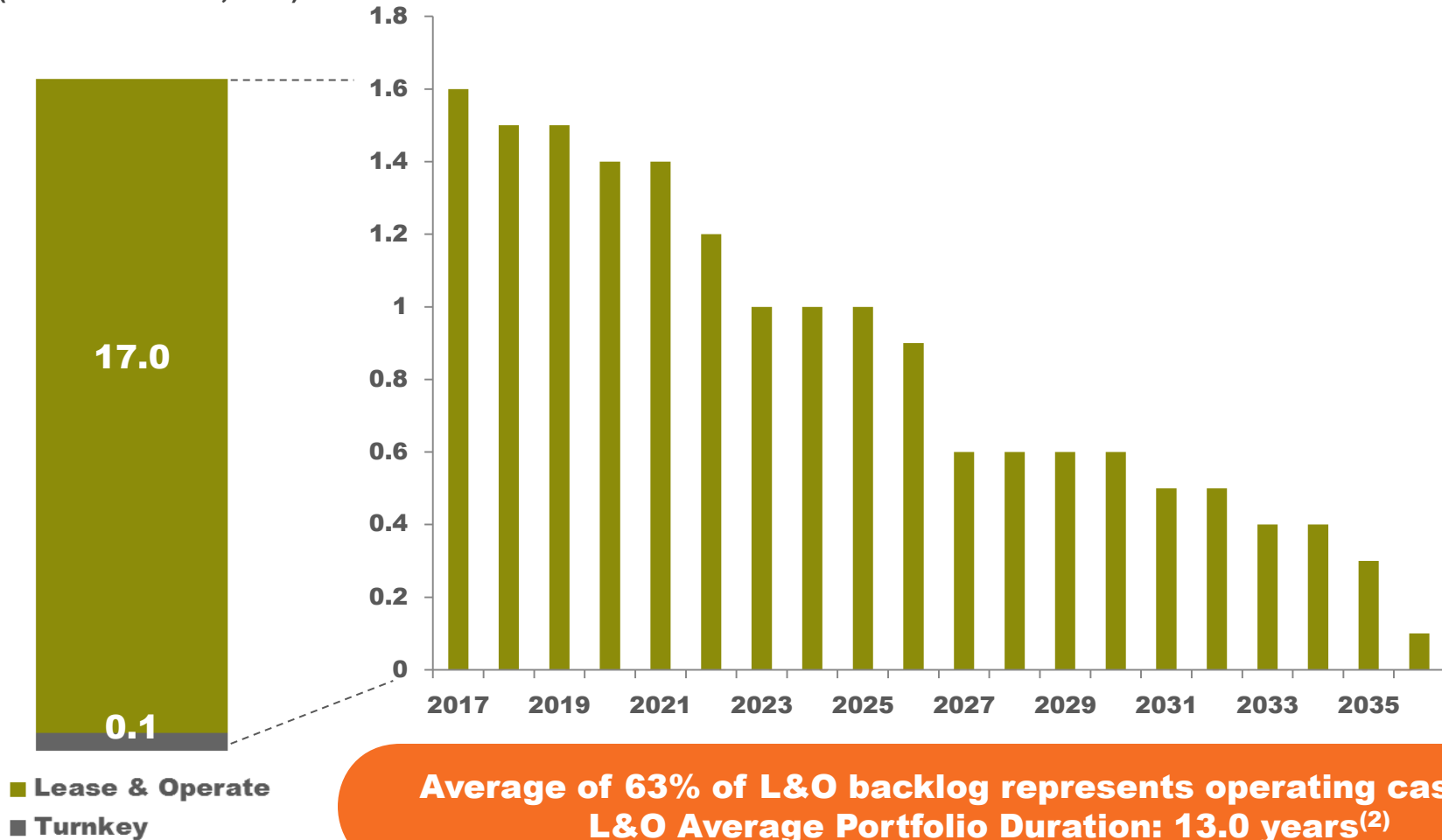

OFFSHORE



Directional Backlog⁽¹⁾

As of December 31, 2016 (US\$ billions)

US\$ 17.1 bn
(as of December 31, 2016)



Average of 63% of L&O backlog represents operating cash flow
L&O Average Portfolio Duration: 13.0 years⁽²⁾

(1) Backlog is the undiscounted revenue over the confirmed portion of the contract.

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



2017 Guidance and Dividend Proposal

- 2017 Directional Revenue guidance around US\$1.7 billion
 - Turnkey around US\$0.2 billion
 - Lease & Operate around US\$1.5 billion
- 2017 Directional EBITDA guidance around US\$750 million
- Proposed cash dividend of US\$0.23 per share over 2016, representing a c. 10% year-on-year increase



Key Messages





Appendix





Joint Ventures	Lease Contract Type	SBM Share %	Directional ⁽¹⁾	IFRS
FPSO <i>N'Goma FPSO</i>	FL	50%	Proportional	Equity
FPSO <i>Saxi Batuque</i>	FL	50%	Proportional	Equity
FPSO <i>Mondo</i>	FL	50%	Proportional	Equity
FPSO <i>Cdde de Ilhabela</i>	FL	62.25%	Proportional	Full consolidation
FPSO <i>Cdde de Maricá</i>	FL	56%	Proportional	Full consolidation
FPSO <i>Aseng</i>	FL	60%	Proportional	Full consolidation
FPSO <i>Cdde de Paraty</i>	FL	50.5%	Proportional	Full consolidation
FPSO <i>Cdde de Saquarema</i>	FL	56%	Proportional	Full consolidation
FPSO <i>Turritella</i>	FL	55%	Proportional	Full consolidation
FPSO <i>Kikeh</i> ⁽²⁾	FL	49%	Proportional	Equity
FPSO <i>Capixaba</i>	OL	80%	Proportional	Full consolidation
FPSO <i>Espirito Santo</i>	OL	51%	Proportional	Full consolidation
<i>Yetagun</i> ⁽³⁾	FL	75%	Proportional	Full consolidation
<i>N'kossa II</i>	OL	50%	Proportional	Equity

Note: Deep Panuke, Thunder Hawk and FPSOs *Cidade de Anchieta*, and *Marlim Sul* are fully owned by SBM and are therefore fully consolidated

(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 December 31, 2016		
	Full Amount	IFRS	Proportional (Business Ownership)
PROJECT FINANCE FACILITIES DRAWN			
FPSO <i>Cidade de Paraty</i>	\$ 714	\$ 714	\$ 360
MOPU Deep Panuke	324	324	324
FPSO <i>Cidade de Anchieta</i>	396	396	396
FPSO <i>Cidade de Ilhabela</i>	1,005	1,005	626
FPSO <i>N'Goma FPSO</i>	423	0	212
Normand Installer	50	0	25
OS Installer	95	0	24
FPSO <i>Cidade de Maricá</i>	1,394	1,394	781
FPSO <i>Turritella</i>	791	791	435
US\$ GUARANTEED PROJECT FINANCE FACILITIES DRAWN			
FPSO <i>Cidade de Saquarema</i>	1,426	1,426	799
REVOLVING CREDIT FACILITY			
Revolving credit facility	(3)	(3)	(3)
OTHER			
Other long-term debt	319	73	0
Net book value of loans and borrowings	\$ 6,934	\$ 6,120	\$ 3,978



Key Characteristics

Amount	<ul style="list-style-type: none"> US\$1.0 billion
Tenor	<ul style="list-style-type: none"> 6 years + one-year extension Door-to-door maturity of 7 years
Accordion Option	<ul style="list-style-type: none"> SBM may request an increase of the Facility to US\$1.25 billion
Opening Margin	<ul style="list-style-type: none"> 70 bps vs. 125 bps applicable in late 2014 under the previous RCF
Financial Ratios	<ul style="list-style-type: none"> 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 ratios Holiday Covenant to accommodate lower EBITDA and the leverage peak in 2015 and 1H 2016 (not used to-date)
Permitted Guarantees	<ul style="list-style-type: none"> Completion Guarantees including debt repayment guarantees up to US\$6.0 billion

Covenant Calculations

Solvency Ratio	<ul style="list-style-type: none"> Tangible Net Worth divided by Total Tangible Assets 	Min	1H16	FY16
		25%	32.7%	32.4%
Leverage Ratio	<ul style="list-style-type: none"> Consolidated Net Borrowings divided by Adjusted EBITDA 	Max	1H16	FY16
		4.25	3.6	2.8
Interest Cover Ratio	<ul style="list-style-type: none"> Adjusted EBITDA divided by Net Interest Payable 	Min	1H16	FY16
		4.0	6.9	6.0

All covenants are satisfied



Revised RCF Covenant Definitions

Key Financial Covenant	Definition
Solvency Ratio	<ul style="list-style-type: none"> ■ Tangible Net Worth⁽¹⁾ divided by Total Tangible Assets⁽²⁾ > 25%
Leverage Ratio	<ul style="list-style-type: none"> ■ Consolidated Net Borrowings⁽³⁾ divided by Adjusted EBITDA⁽⁴⁾ <ul style="list-style-type: none"> – <3.75x at June 30, 2016 – <4.25x at December 31, 2016 – <4.50x at June 30, 2017 – <4.25x at December 31, 2017 – <3.75x thereafter ■ <i>At the request of the Company, the leverage ratio may be replaced by the Operating Net Leverage Ratio which is defined as Consolidated Net Operating Borrowings⁽⁵⁾ divided by Adjusted EBITDA⁽⁴⁾ < 2.75</i> <ul style="list-style-type: none"> – <i>This only applies to the period starting from June 30, 2015 to June 30, 2016</i>
Interest Cover Ratio	<ul style="list-style-type: none"> ■ Adjusted EBITDA⁽⁴⁾ divided by Net Interest Payable⁽⁶⁾ > 5.0 at June 30, 2016 and > 4.0 thereafter

(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) Consolidated Net Borrowings adjusted by deducting the moneys borrowed or any element of indebtedness allocated to any project during its construction on a proportional basis for the Company's share of interest.

(6) All interest and other financing charges paid up, payable (other than capitalised 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.



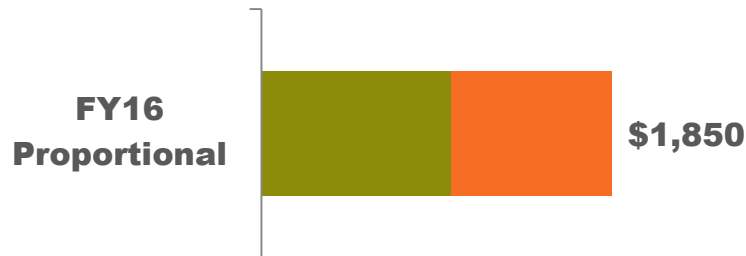
Group Proportional Borrowings Overview

(US\$ millions)

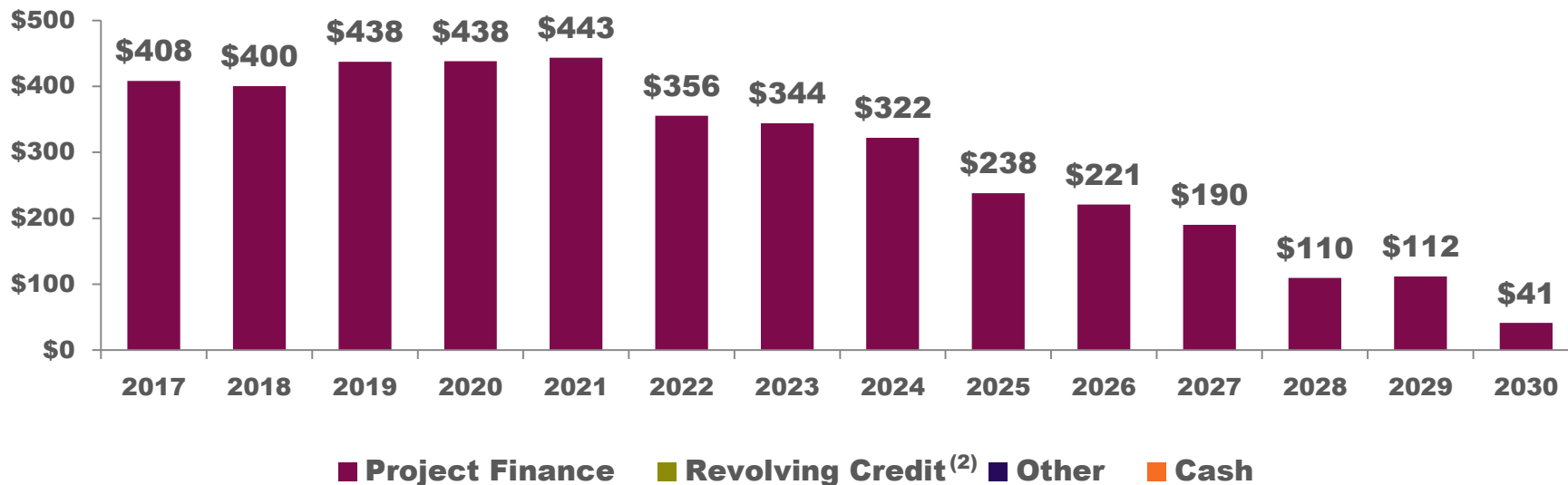
FY16 Borrowings⁽¹⁾



FY16 Undrawn Facilities + Cash



Proportional Debt Repayment Profile⁽¹⁾



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

(2) The revolving credit facility expires in 2022, but may be repaid any time prior with no penalty. As of December 31, 2016, there is nothing drawn on the facility.



SBM Lease and Operate Portfolio

L&O Portfolio Average Duration: 13.0 years⁽¹⁾

Vessel Name	Field Name	Client	Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036			
LEASE AND OPERATE																																						
FPSO																																						
1	FPSO <i>Cdde de Anchieta</i>	BALEIA AZUL	Brazil											09/12																						09/30	09/32	
2	FPSO <i>N'Goma FPSO</i>	BLOCK 15/06	Angola												11/14																						11/26	11/29
3	FPSO <i>Marlim Sul</i>	MARLIM SUL	Brazil	←	06/04					06/11			12/14																									
4	FPSO <i>Capixaba</i>	CACHALOTE	Brazil										04/10									04/22																
5	FPSO <i>Mondo</i>	MONDO	Angola																																		12/27	
6	FPSO <i>Kikeh</i>	KIKEH	Malaysia																																		01/31	
7	FPSO <i>Saxi Batuque</i>	SAXI BATUQUE	Angola																																		06/28	
8	FPSO <i>Espirito Santo</i>	BC-10	Brazil																																		12/28	
9	FPSO <i>Aseng</i>	ASENG	Eq. Guinea																																		11/31	
10	FPSO <i>Cdde de Paraty</i>	LULA NORDESTE	Brazil																																		06/33	
11	FPSO <i>Cdde de Ilhabela</i>	GUARA NORTE	Brazil																																		11/34	
12	FPSO <i>Cdde de Maricá</i>	LULA ALTO	Brazil																																		02/36	
13	FPSO <i>Cdde de Saquarema</i>	LULA CENTRAL	Brazil																																		07/36	
14	FPSO <i>Turritella</i>	STONES	USA																																		08/36	
MOPU/Semi-sub																																						
15	Thunder Hawk Semi-sub.	MISS. CANYON BLK.	USA																																		07/28	
16	Deep Panuke PFC	DEEP PANUKE	Canada																																		12-month options (12 years maximum)	
FSO																																						
17	<i>N'kossa II</i>	NKOSSA	Congo	←	11/96																																11/21	
18	<i>Yetagun</i>	YETAGUN	Myanmar	←	05/00																																	05/23
OPERATE																																						
19	FPSO <i>Serpentina</i>	ZAFIRO	Eq. Guinea	←	07/03																																02/17	

■ Initial Lease Period ■ Confirmed Extension ■ Contractual Extension Option

(1) Assumes the exercise of all lease extensions.



Group Balance Sheet

(US\$ millions)

	Dec-31-15	Dec-31-16	Variance	Comment
Property, plant and equipment	1,686	1,474	(212)	Depreciation of assets
Investments in associates and other financial assets	3,943	8,306	4,363	CDM/S and Stones 1 st Oil in 2016 and net results of JVs and redemption of finance lease financial assets
Construction contracts	4,336	15	(4,321)	CDM/S Stones 1 st Oil in 2016
Trade receivables and other assets	860	789	(71)	Decrease of receivables with slowdown in Turnkey activity
Cash and cash equivalents	515	904	389	Separate slide
Total Assets	11,340	11,488	148	
Total equity ⁽¹⁾	3,465	3,513	48	Group & NCI results; SBB and dividends; equity funding from partners in JVs (NCI)
Loans and borrowings	5,722	6,120	398	New loans for Stones and drawdowns on CDM/S; SHL repayment and amortization other loans
Provisions	541	604	63	Onerous contracts and Brazil update
Trade payables and other liabilities	1,612	1,251	(361)	Decrease of accruals and payables related to FPSOs under construction, US\$70 million second instalment for Dutch settlement
Total Equity and Liabilities	11,340	11,488	148	

(1) Total equity includes amount attributable to non-controlling interests.



▮ Undrawn Credit Facilities + Cash = US\$1.85 bn

▮ Average cost of debt: FY16 4.6% vs. FY15 4.1 %





Delivering the Full Product Lifecycle

Engineering

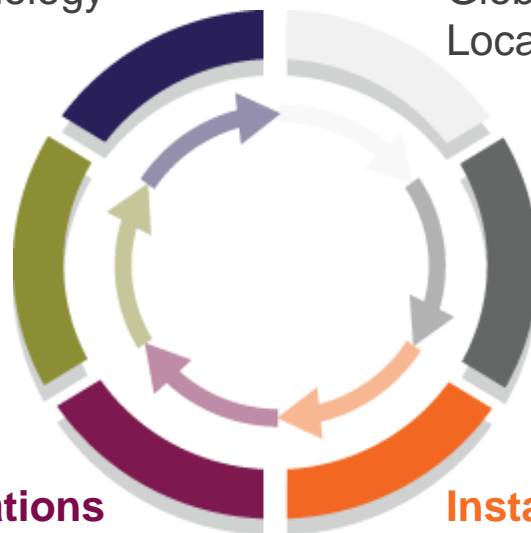
60 years of industry firsts
Leading edge technology

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



Oil price stabilization?

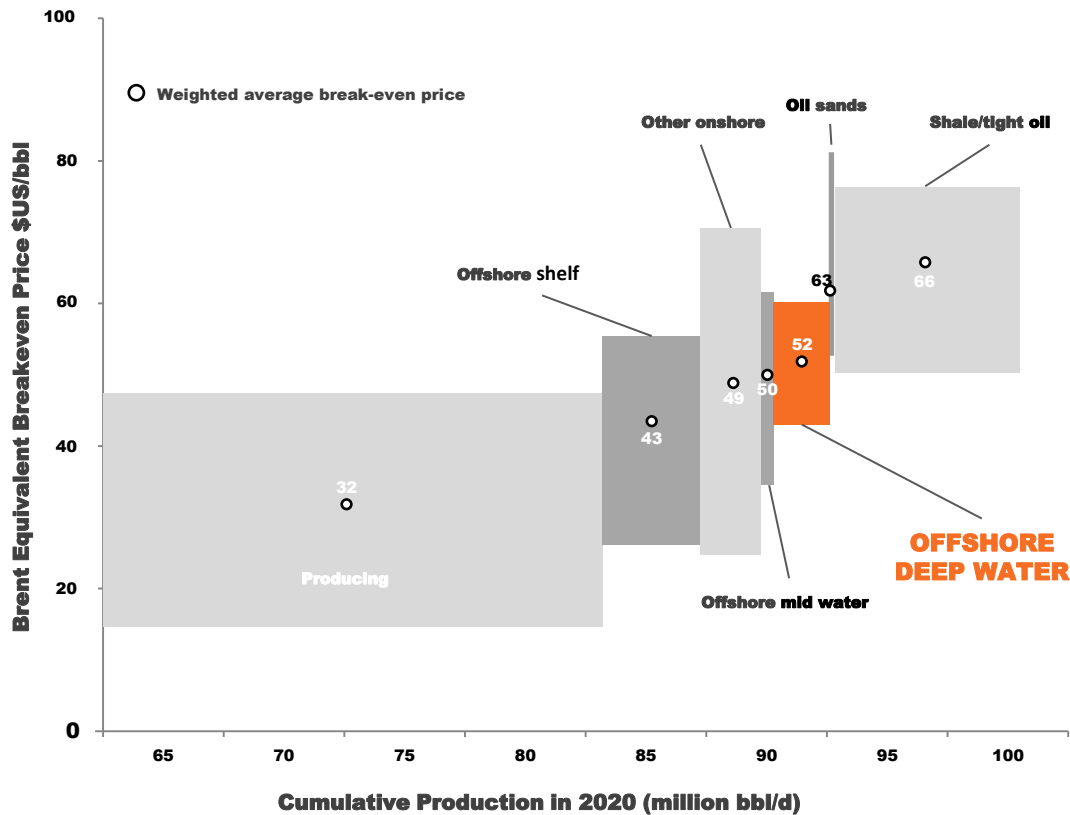
Market balancing but outlook uncertain

Supply/demand re-balancing

Source: EIA, MOR December 2106 – World Energy Outlook 2016



Liquids Cost Curve



Deep water competitive

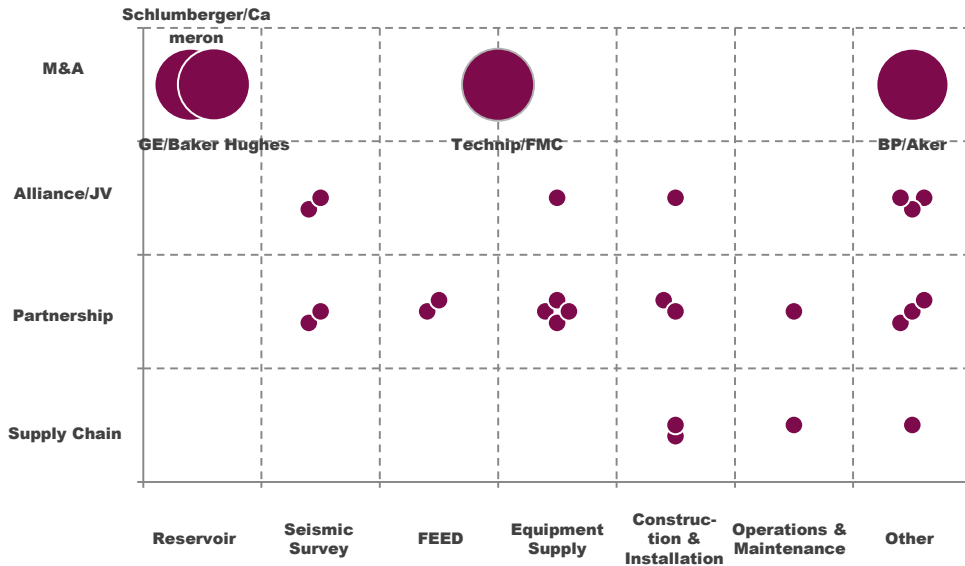
Development costs decreased across the board

Deep water competitive



Industry Consolidation

2016 announced business combinations/alliances



SBM leverages financial strength, market scope and backlog in niche position

Disciplined review asset deals and selective alliancing

- Transformational consolidations target synergies between reservoir and sub-sea scope
- Other combinations mostly relatively narrow scope driven by business and product development

**SBM optimal model
'stand-alone'**



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