

SBM Offshore

UBS Presentation Brazil

December 10, 2018

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Introduction

Macro environment

Fast4Ward

SBM Offshore Brazil





Leading Global FPSO Contractor

1st

FAST4WARD™ CONCEPT
TO PROJECT AWARD

> 50

FLOATING PRODUCTION
SYSTEMS DELIVERED

2

LARGE PROJECTS UNDER
CONSTRUCTION

10%

GLOBAL DEEPWATER OIL
PRODUCED BY SBM UNITS

99%

HISTORICAL OIL
PRODUCTION UPTIME

**Early and late
cycle player**



SBM
OFFSHORE

Why SBM Offshore, and why now..?

+25%

**Global energy demand
growth by 2040**

50%

**of Deepwater projects
more competitive than
Shale**



ENERGY. COMMITTED.





Introduction

Macro environment

Fast4Ward

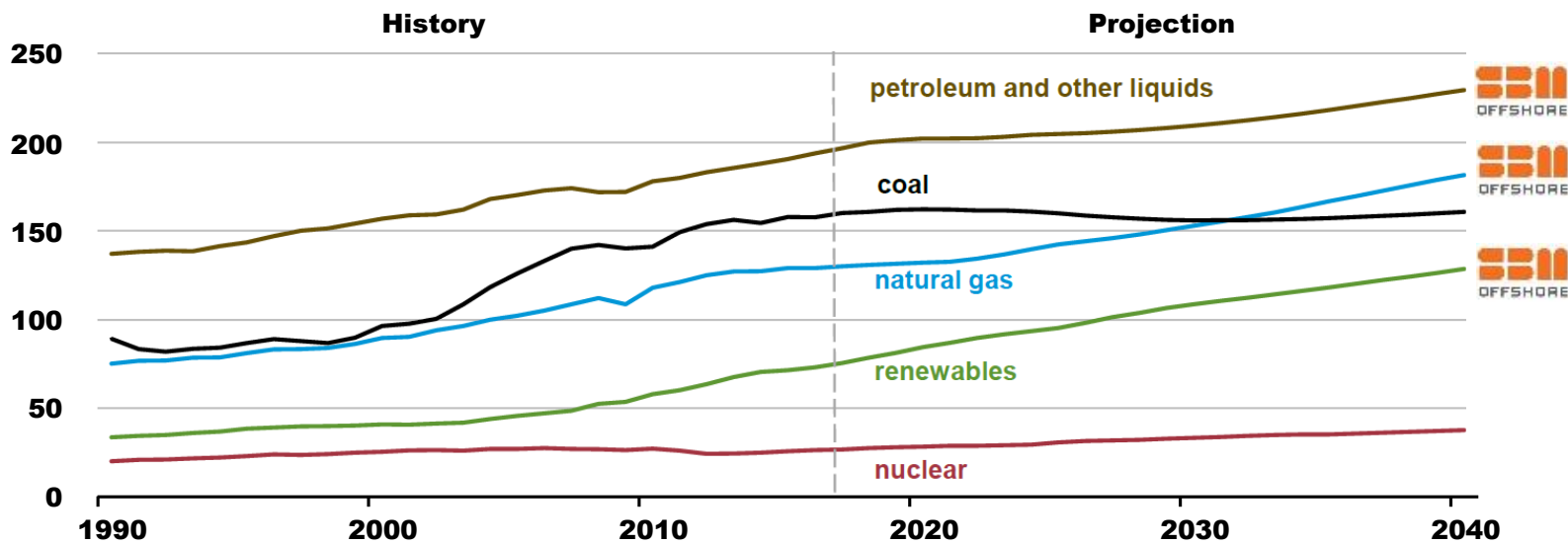
SBM Offshore Brazil





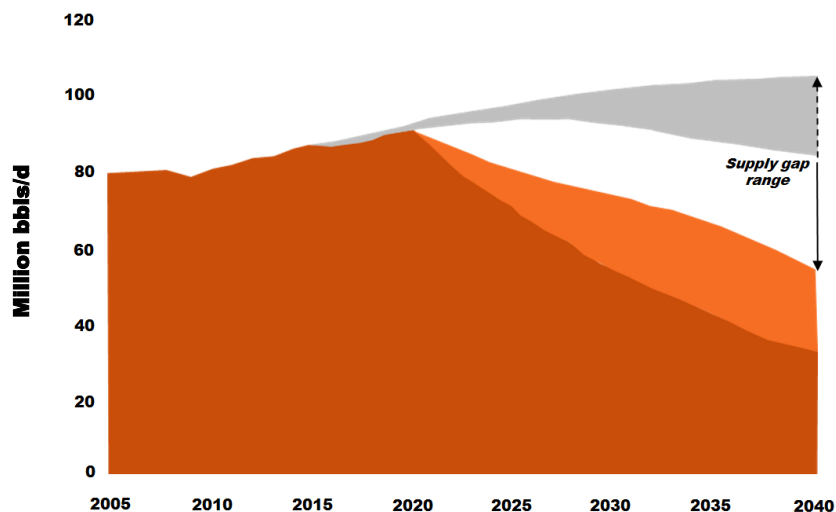
Oil Remains Primary Source

World Energy Consumption by Energy Source (quadrillion Btu)





World Oil Supply and Demand



■ Existing supply + planned fields ■ Extra recovery existing fields ■ Demand range

Lack of investment since 2014

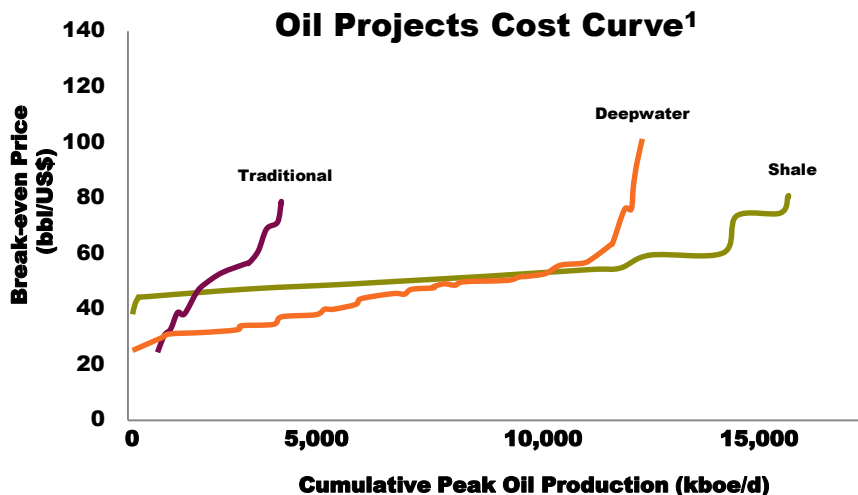
Supply gap projected

Investment required

**Not if,
but when**

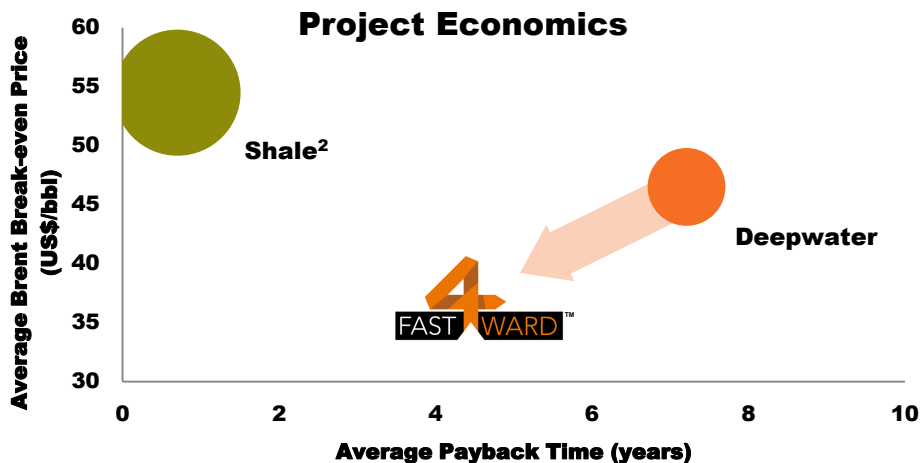


Deepwater is Competitive



Deepwater continues to gain competitiveness

>50% Deepwater projects more competitive than shale



Traditional Deepwater longer cycle

Deepwater cycle time is key

Source: Goldman Sachs, Rystad Energy, BofAML

(1) Goldman Sachs Top Projects 2018 cost curve by win zone (prospective projects)

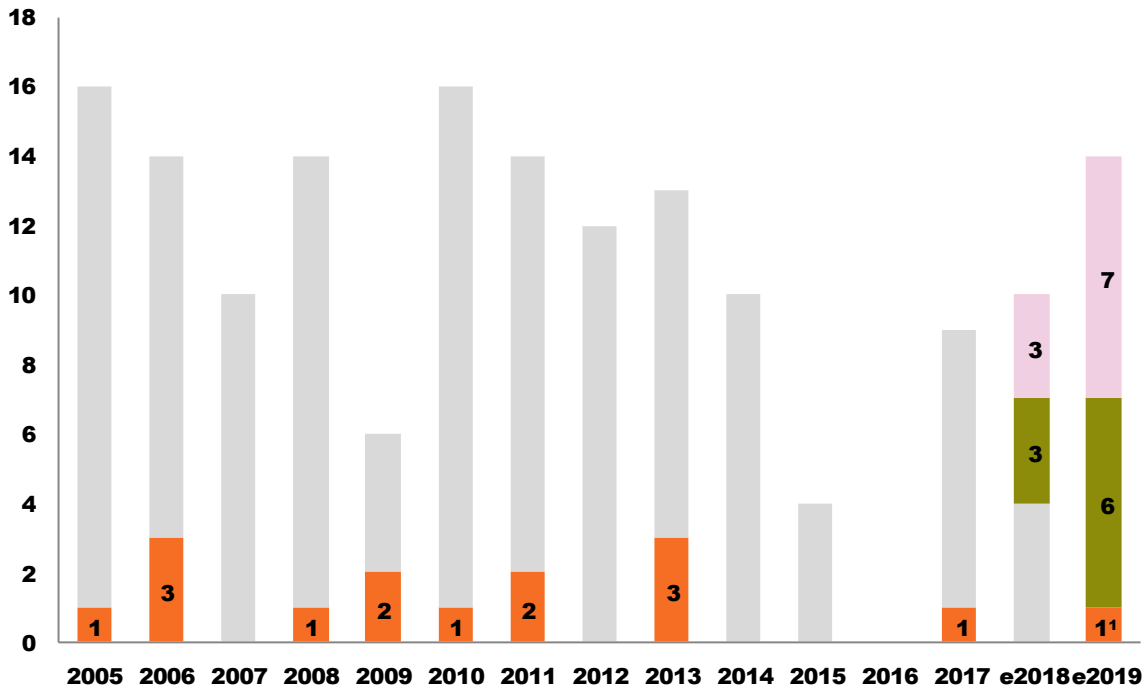
(2) Top five shale plays used as representative example

(3) Size of bubble corresponds to greenfield Capex expected to be sanctioned in 2018

US\$100 billion Greenfield cost³



Historical and Estimated Total FPSO Market Awards



■ SBM Offshore Awards ■ FPSO Awards ■ FPSO Awards Bear Case ■ FPSO Awards Bull Case

Up to 10 awards expected in 2018

2019 acceleration anticipated

Improving outlook

Source: SBM Offshore research, company presentations
(1) Award FPSO Liza 2 subject to authorizations



Introduction

Macro environment



Fast4Ward

SBM Offshore Brazil





Our ambition is to transform the business by reducing cycle time to energy delivery, de-risking projects, and improving quality & safety. This is what we refer to as

Fast4Ward™



Fast4Ward™ Better Performance, Delivered Faster



Fast4Ward™ Better Performance, Delivered Faster

Reducing cycle time

**Up to 12 months faster;
Up to \$1 bn NPV gain**

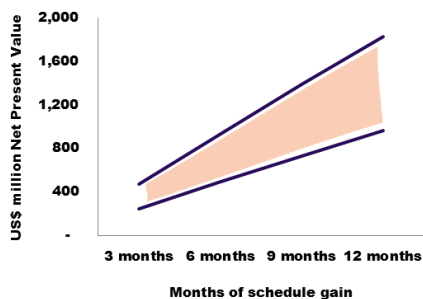
De-risking projects

Standardized hull and topsides

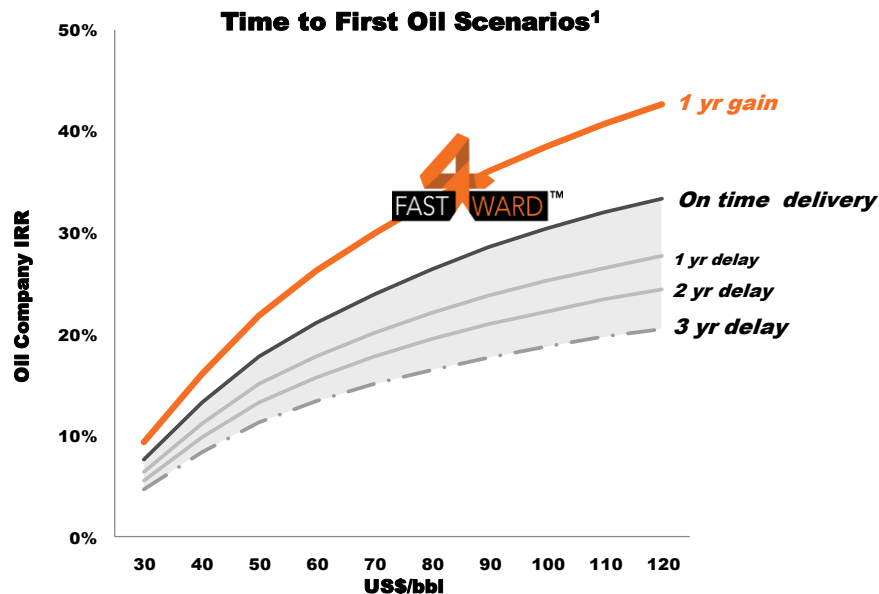
Enabling lower break-evens

Lower Capex and Opex

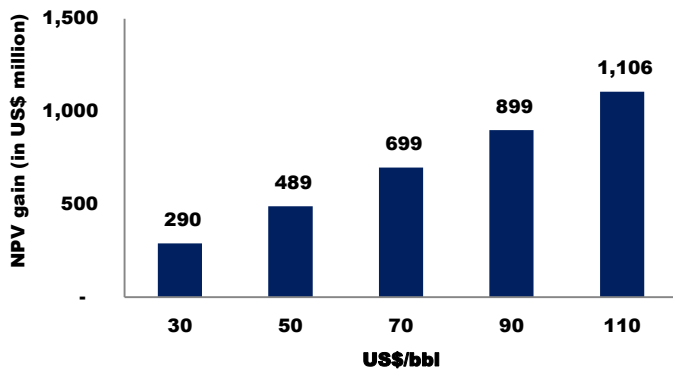
NPV impact accelerated delivery



- Less engineering hours
- Integrated supply chain
- Greater safety and reliability



NPV impact 12 months acceleration to 1st Oil¹



Fast4Ward™ accelerates first oil up to 12 months

Up to US\$1 billion NPV gain

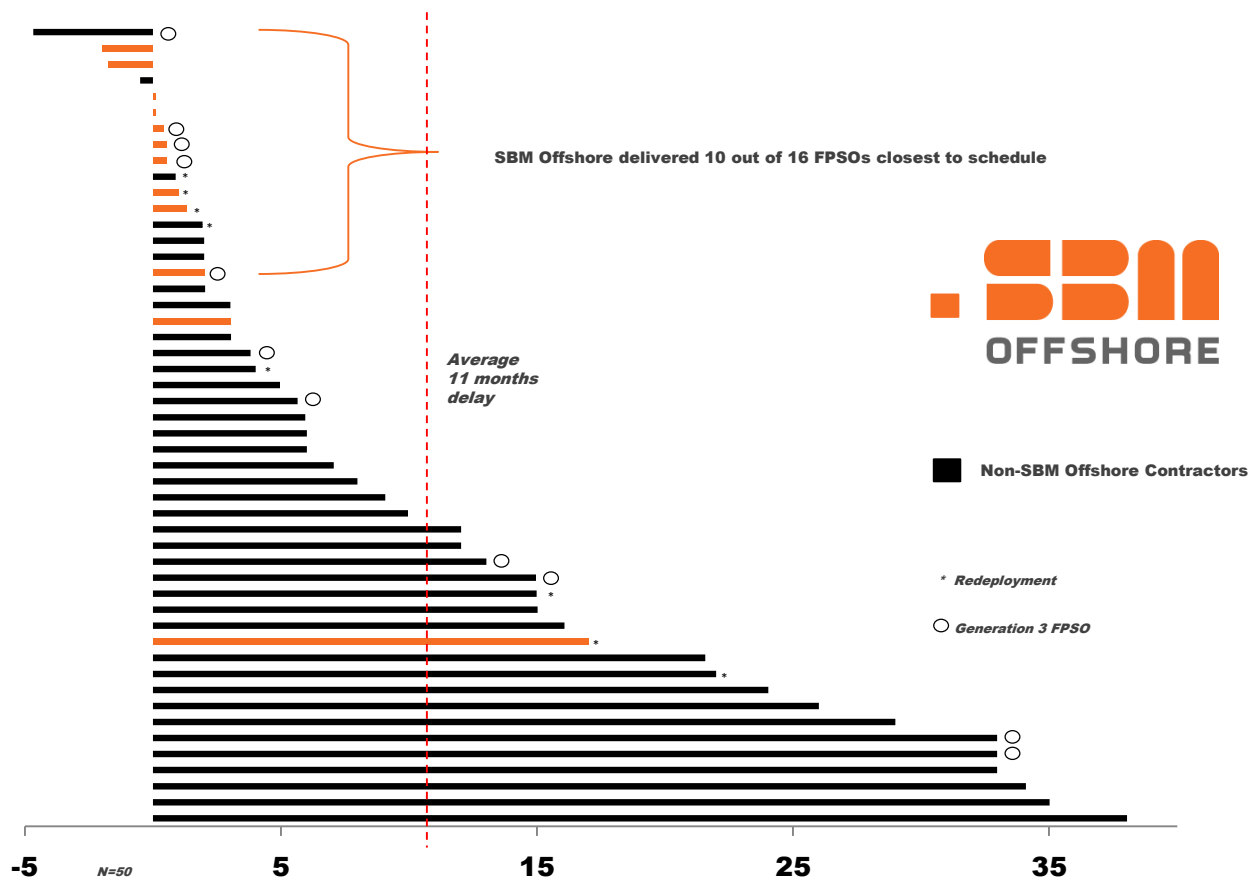
Every 1 year acceleration improves break-even up to US\$10 per barrel (IRR 15%)

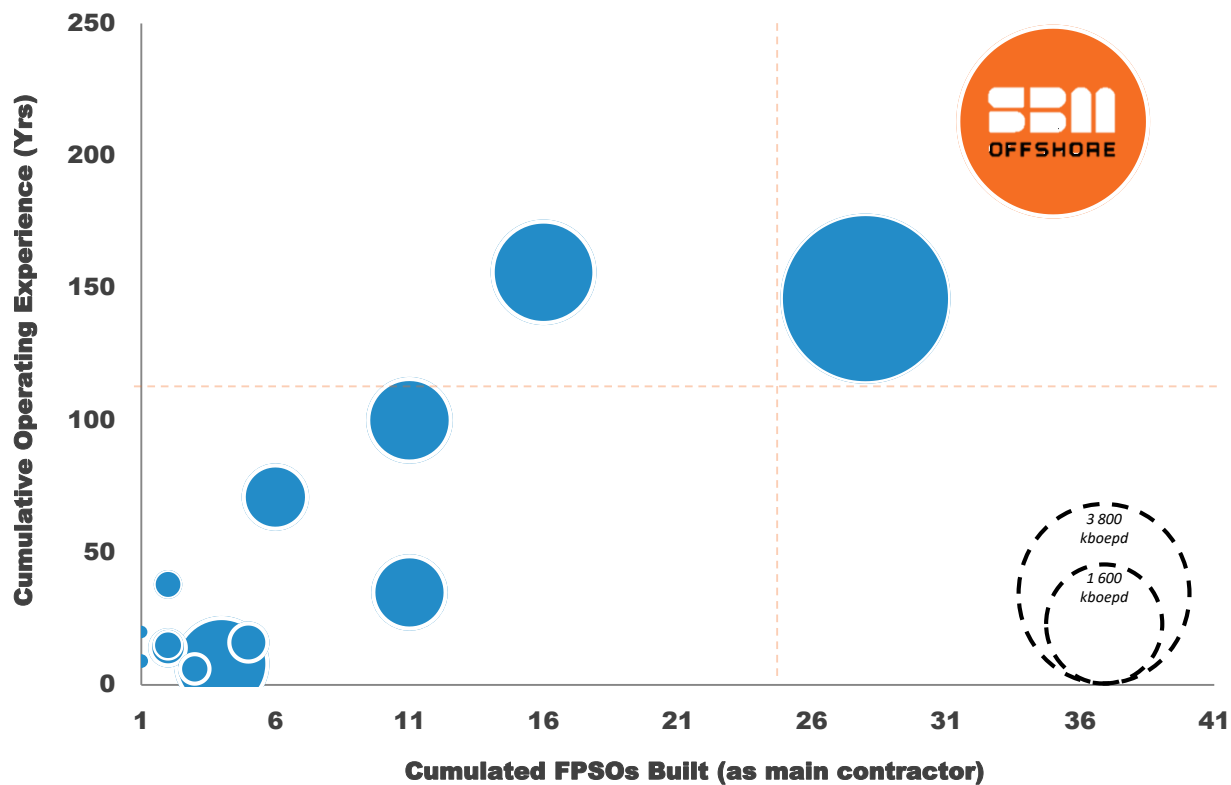
Major client gains

Source: Barclays
(1) Based on Barclays model, reflects major world-class greenfield development



Experience Matters





● = Industry peers, bubble size relates to cumulative throughput capacity of FPSOs built (kboepd)

Unique track record in EPC, FPSO delivery and operations

**SBM Offshore's
unique experience**



Introduction

Macro environment

Fast4Ward



SBM Offshore Brazil





SBM
OFFSHORE

Over 20 Years Brazil Experience

7 UNITS

OPERATING IN BRAZIL

15 Units

DELIVERED IN BRAZIL

1,700

EMPLOYEES IN BRAZIL

630 kbopd

SBM DAILY BRAZILIAN
OIL PRODUCTION

25%

OF TOTAL BRAZILIAN
OFFSHORE OIL PRODUCTION

40%

OF THE DAILY PRE-SALT
PRODUCTION



7 Brazilian FPSOs in Operation

Cidade de Anchieta



Espirito Santo



Capixaba



Cidade de Paraty



Cidade de Maricá



Cidade de Saquarema

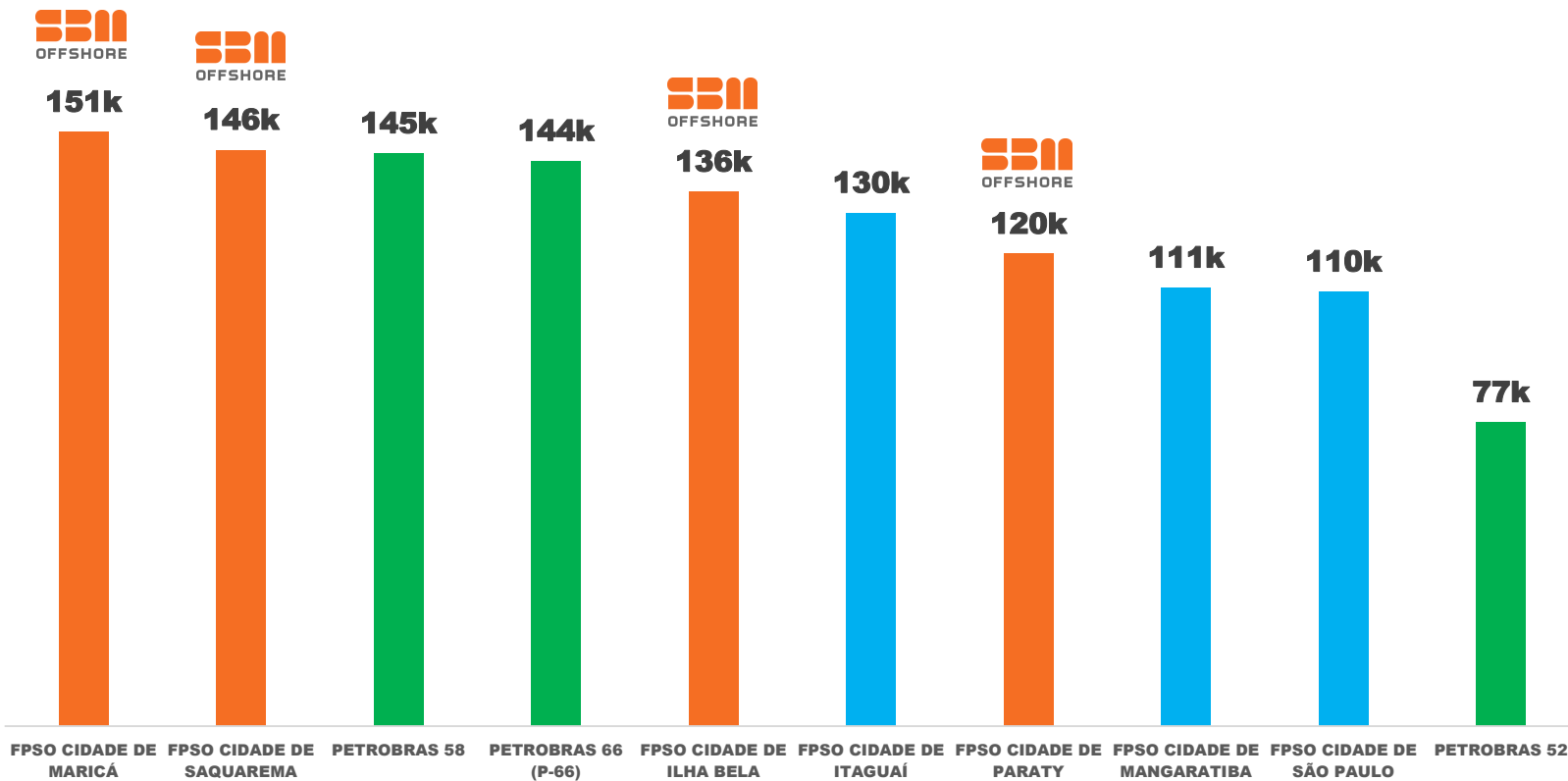
Cidade de Ilhabela





Top-10 Brazilian Producing Units

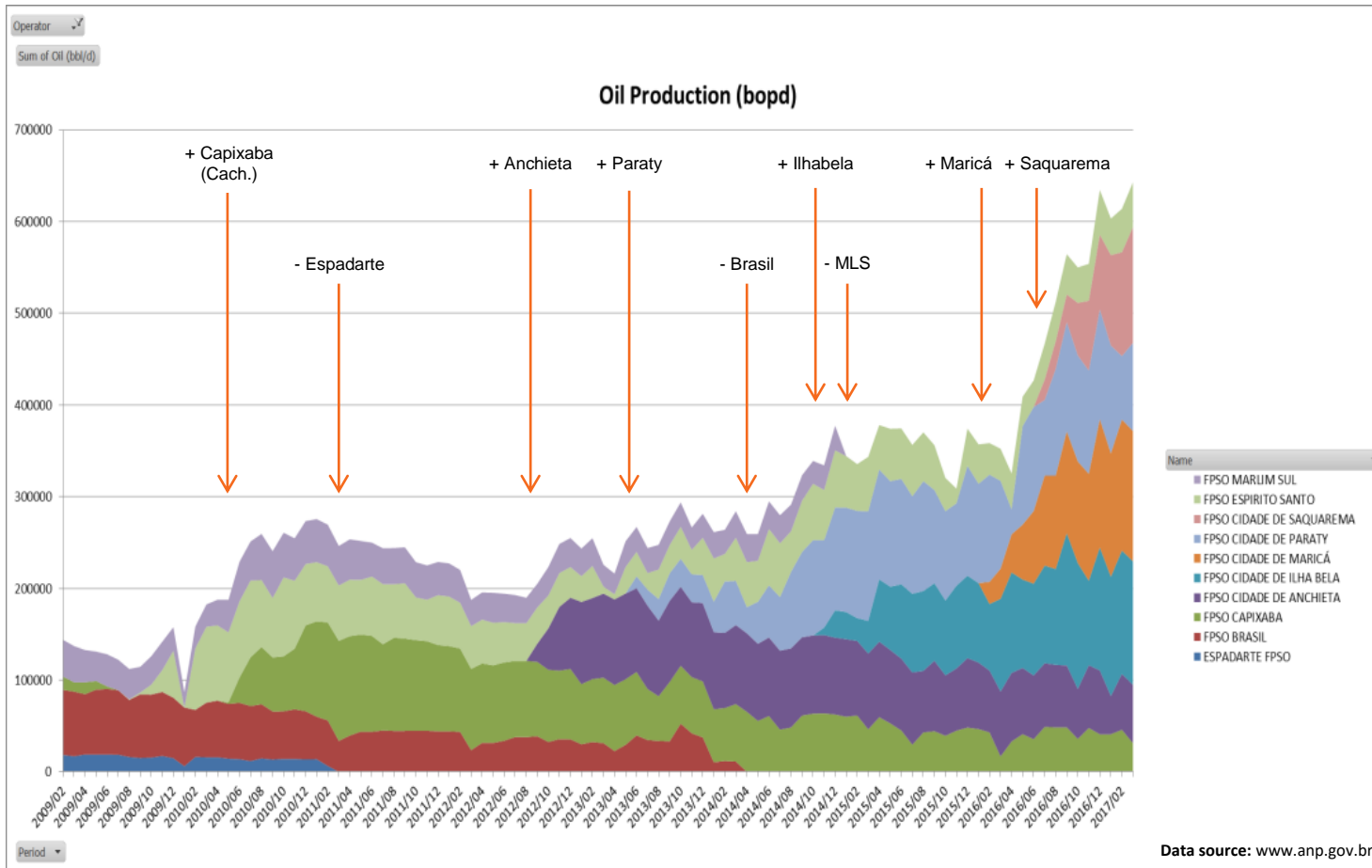
BOPD as per July 2018



Source: Data from ANP Public Reports



Production Evolution in Brazil



SBM is a key oil producer in Brazil

> 600,000 bopd
SBM DAILY OIL PRODUCTION IN BRAZIL

> 45%
OF THE DAILY PRE-SALT PRODUCTION

> 25%
OF THE DAILY BRAZIL PRODUCTION IN MAY

7
FPSOs IN BRAZIL



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