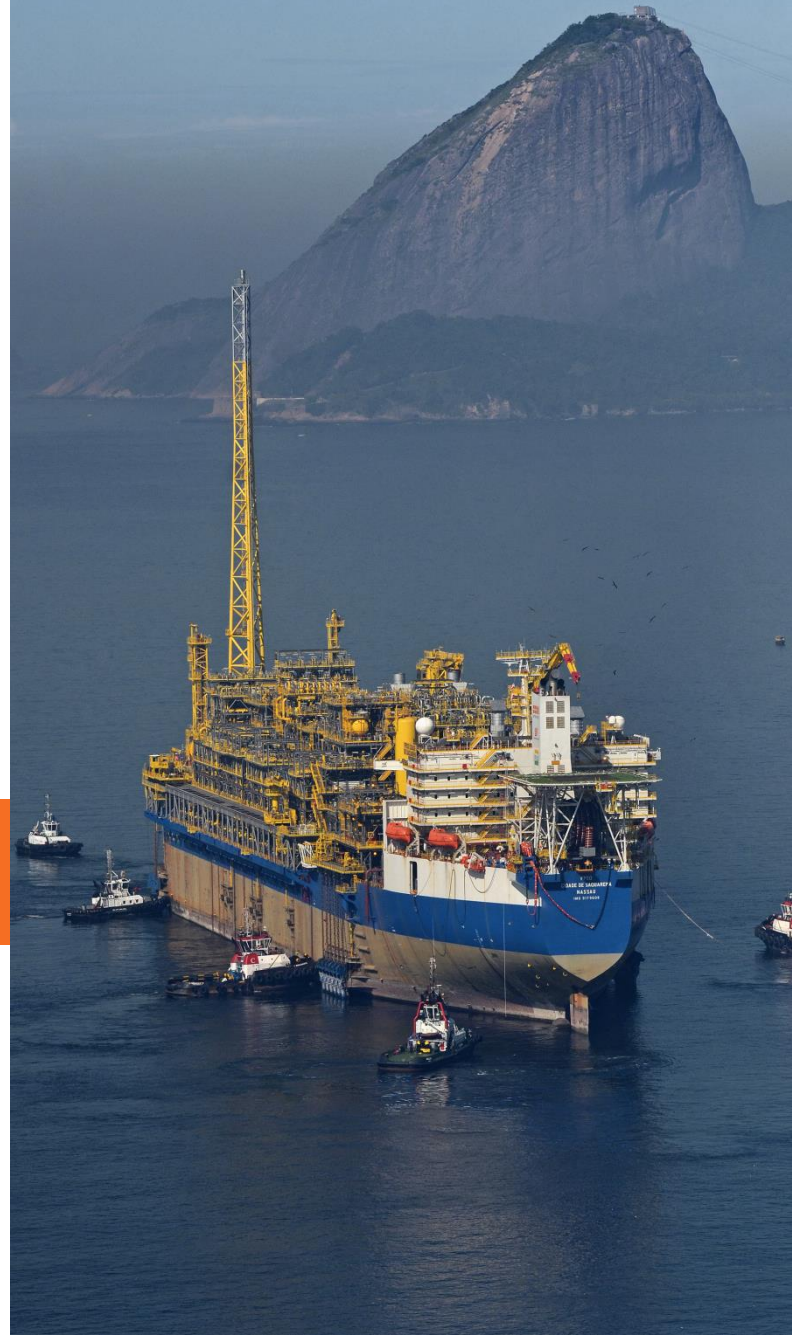


SBM Offshore

Barclays CEO Energy-Power Conference

September 5, 2017

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Company overview

Macro view

Why is Deepwater a dirty word?

Our solutions

Why we're positioned best





Leading FPSO player worldwide

99.0%

TOTAL HISTORICAL
OIL PRODUCTION
UPTIME

**> 1 million
barrels**

DAILY OIL PRODUCTION

c. **300 years**
CUMULATIVE OPERATING
EXPERIENCE

US\$ 17 billion
BACKLOG

34

FPSOs BUILT

us\$ 3.3 billion
MARKET CAP



Company overview

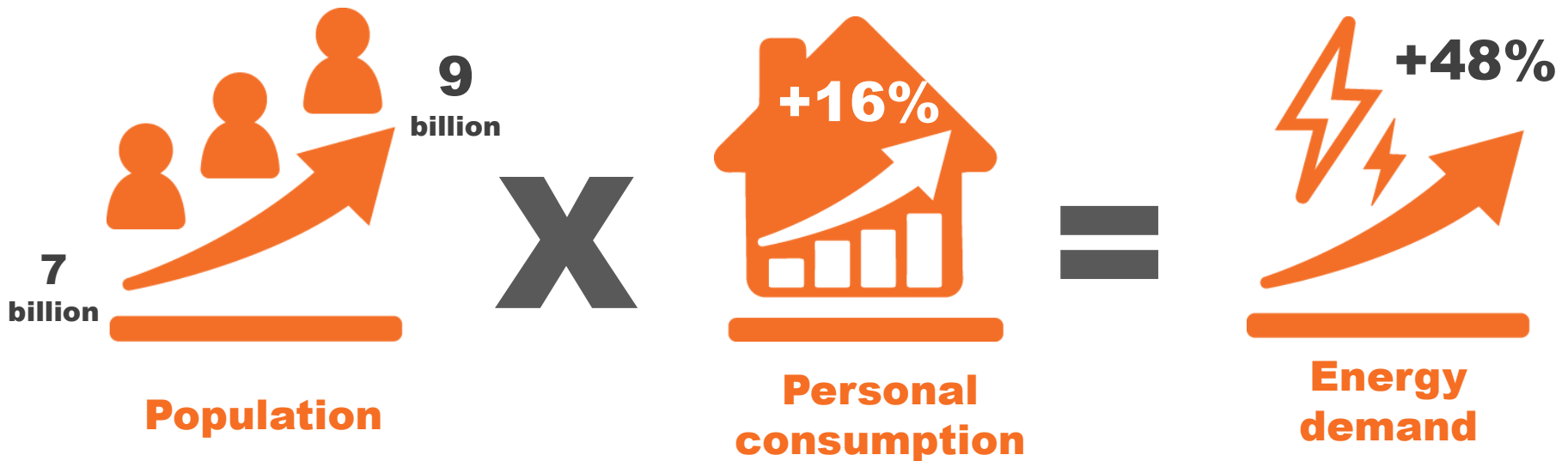
Macro view

Why is Deepwater a dirty word?

solutions

Why we're positioned best



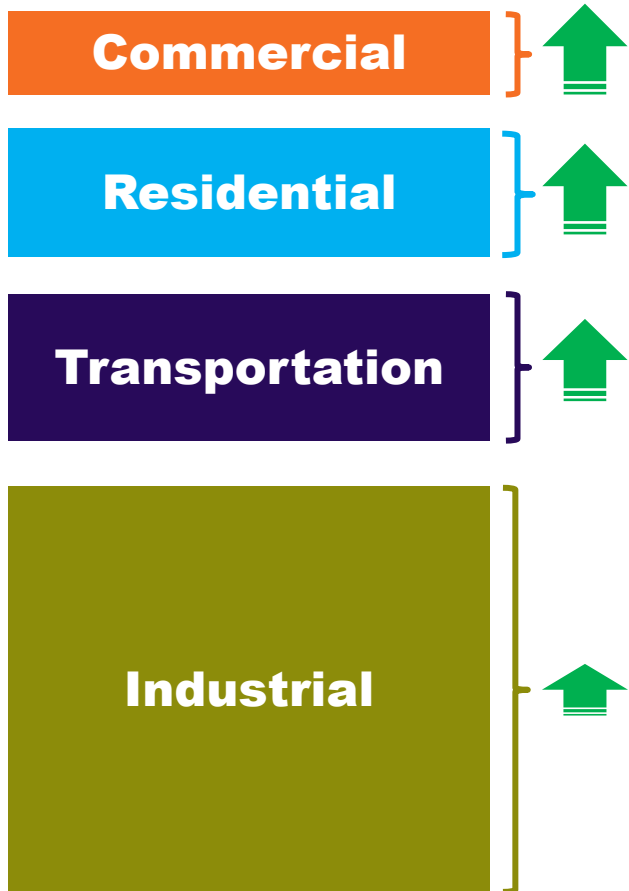


**Rising energy demand
next decades**

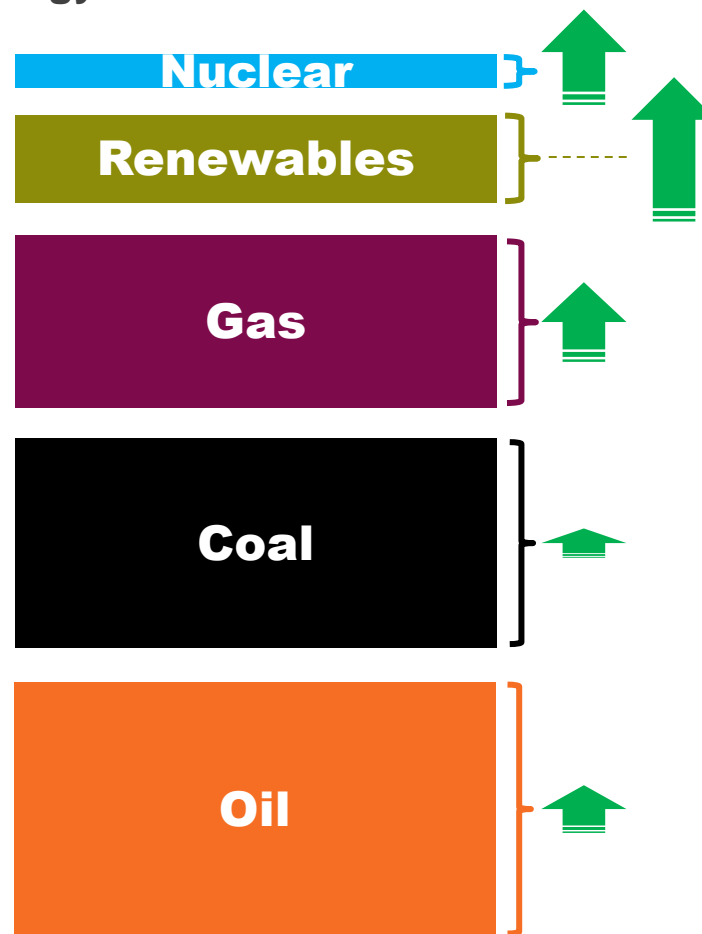


Energy usage and sources

What energy is used for:



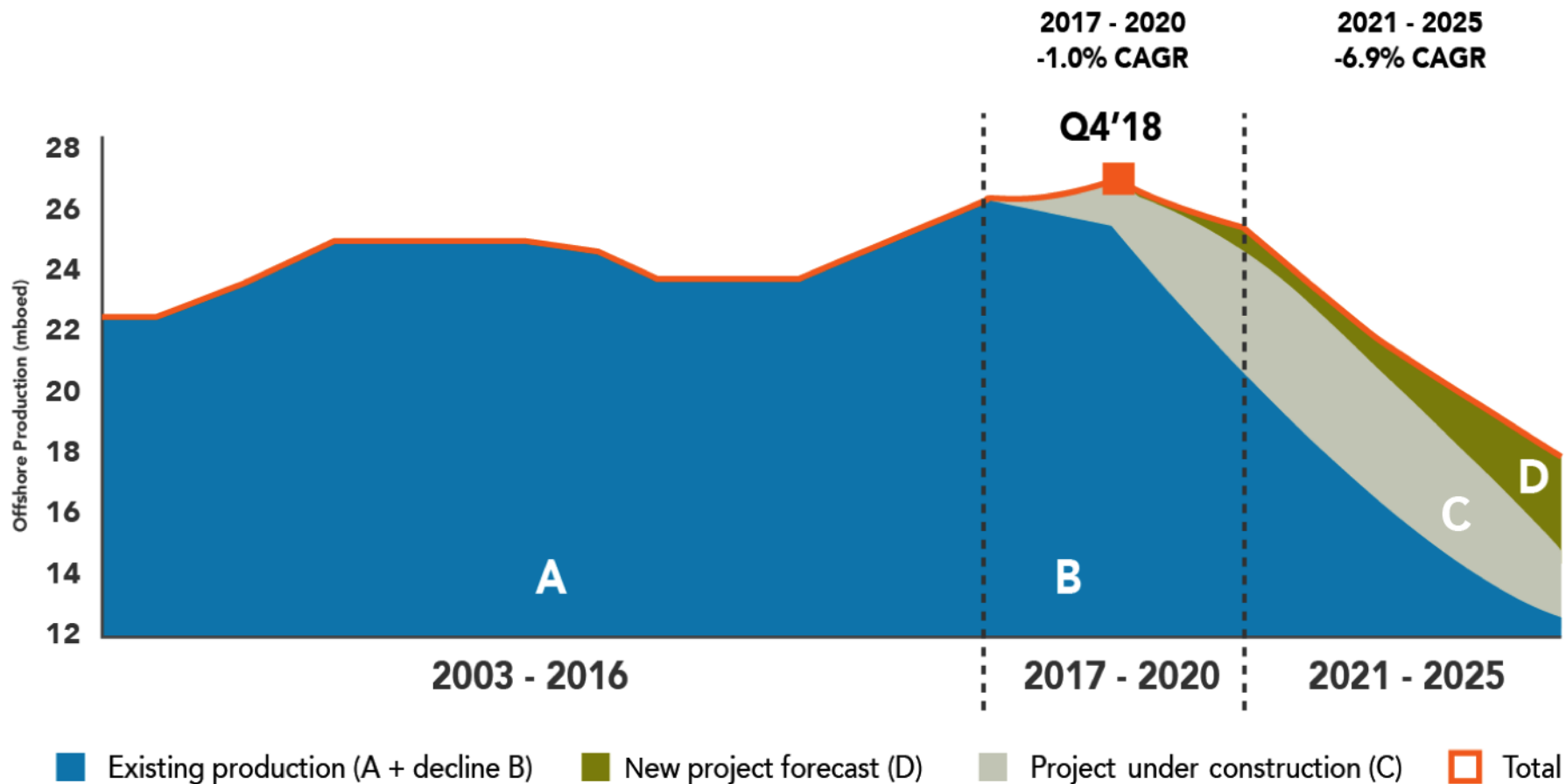
Energy sources:



 Total expected percentage growth to 2040



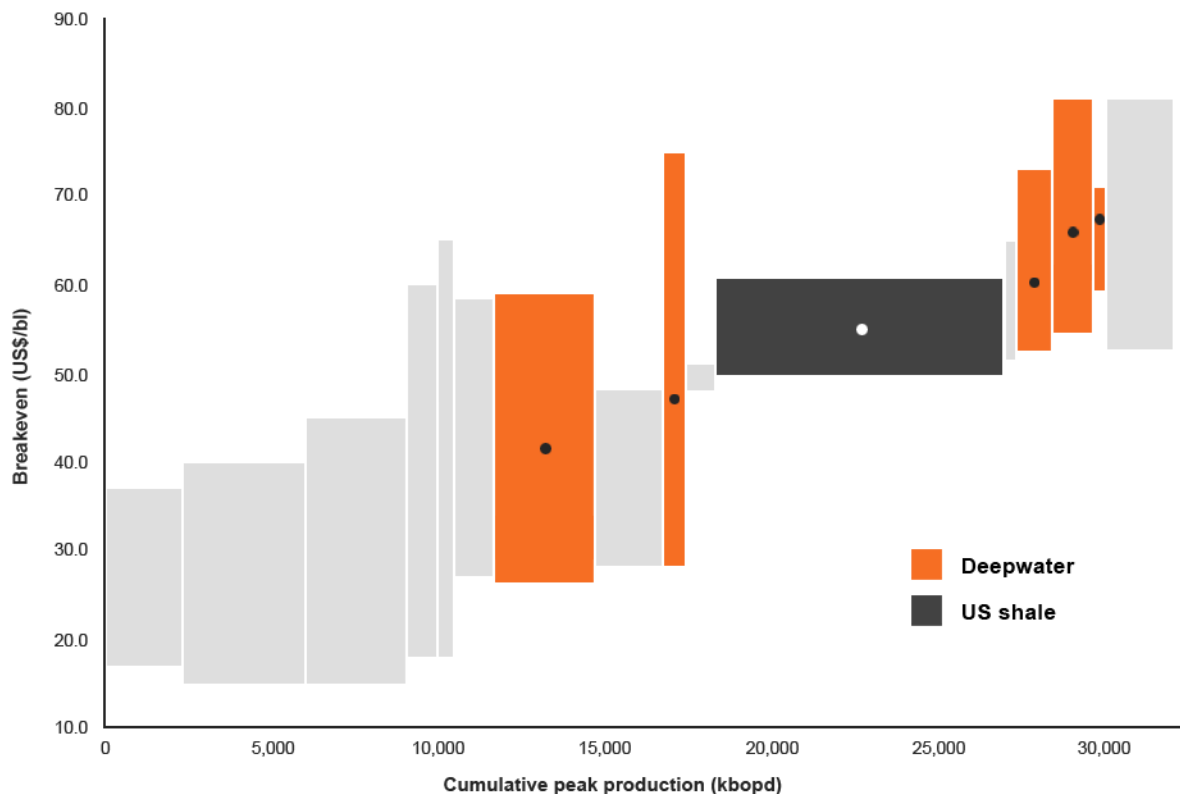
Lack of investments will impact future offshore production





Deepwater competitiveness

Cumulative peak oil production with range of breakeven for incremental projects



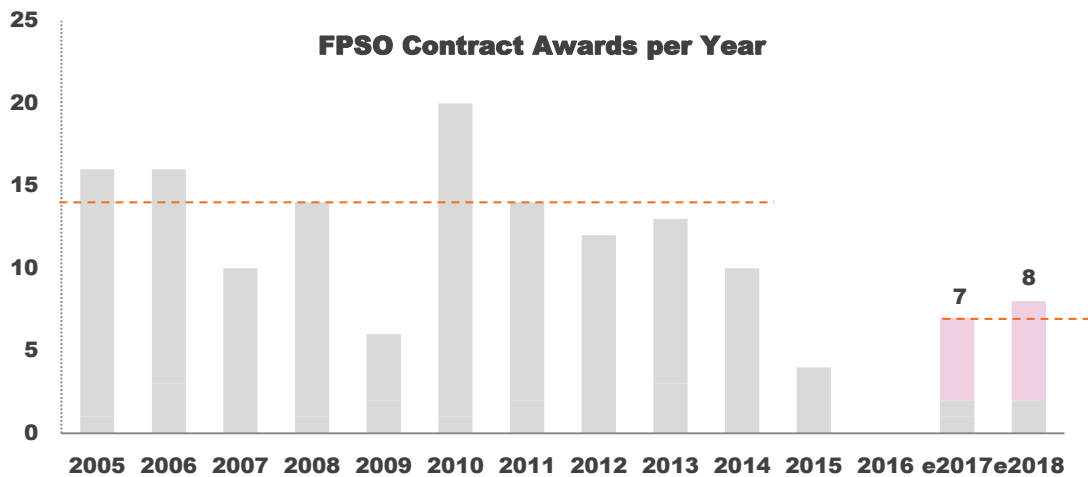
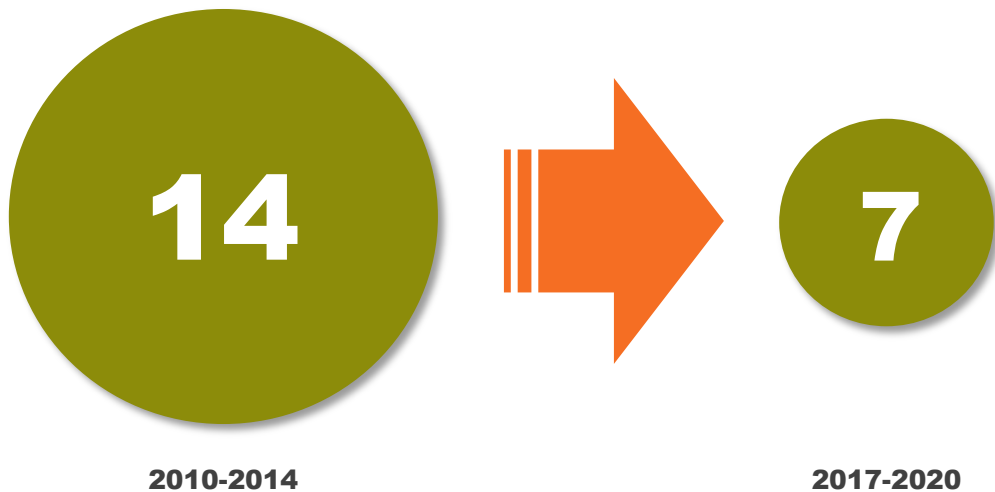
Large spread break-evens

High quality Deepwater reservoirs at or below \$45

Best Deepwater highly competitive



Average FPSO Contract Awards per Year



Gradual recovery

Structurally smaller market

1 Major award 1H17

**Cautiously
optimistic outlook**



Company overview

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Why is Deepwater a dirty word?

Our solutions

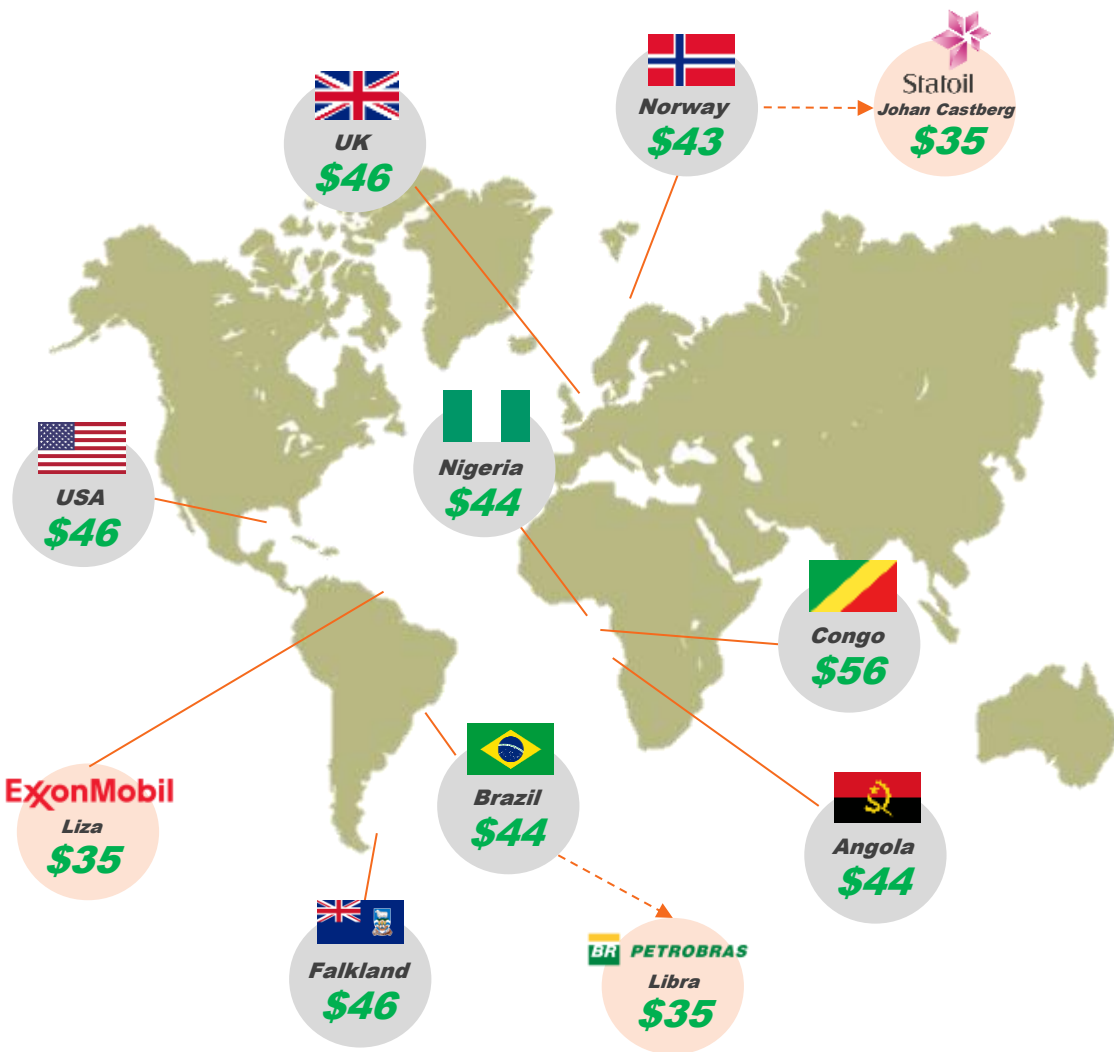
Why we're positioned best





Offshore break-evens

Average Deepwater Break-Even Prices (In US\$ per barrel)



Deepwater break-even prices reduced by up to 55%

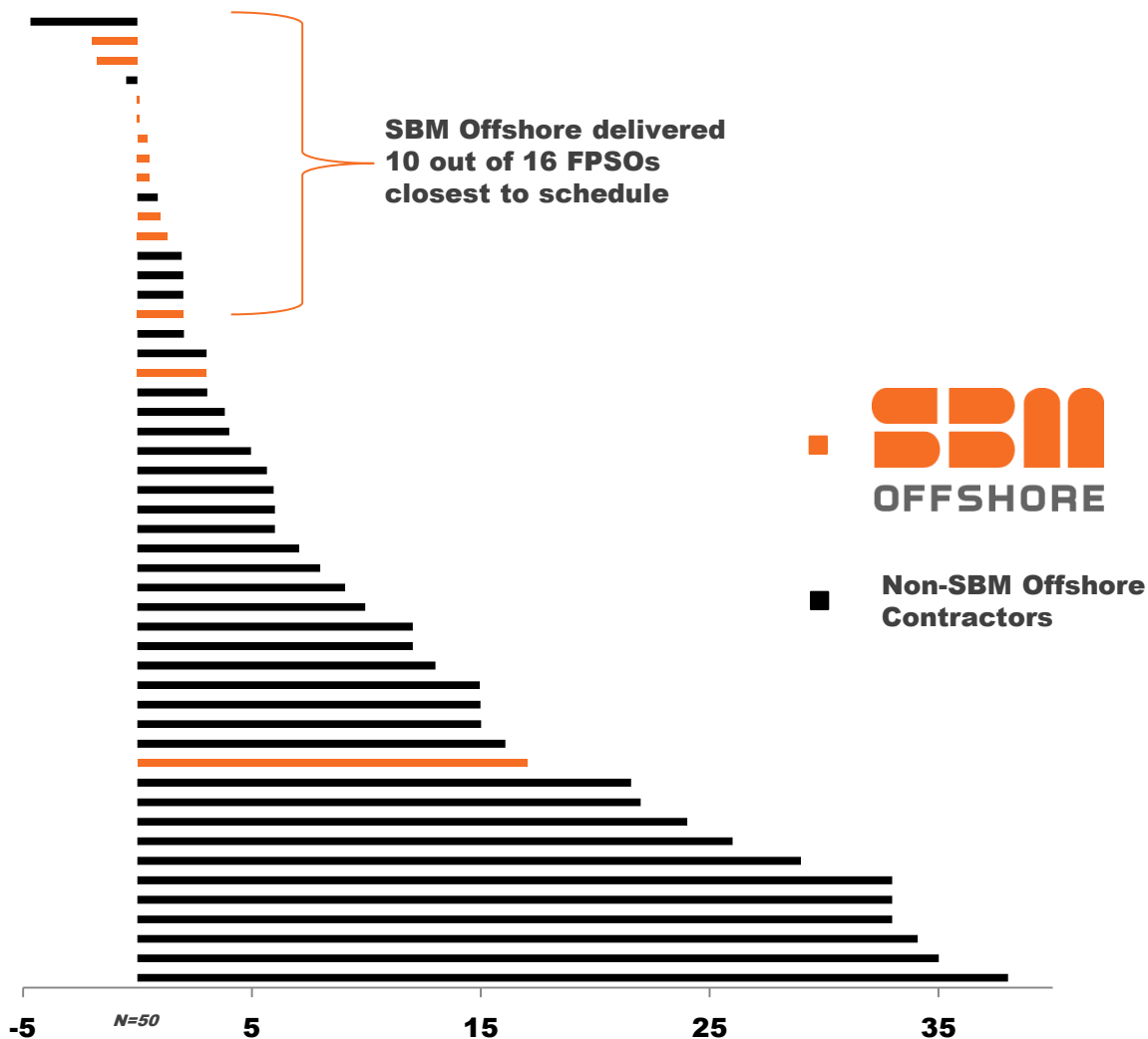
Ultra-deepwater rig rate -50% on average

Deepwater gaining attractiveness

Source: Upstream Online, McKinsey Energy Insights, Arctic Securities, SBM Offshore, various media quotes, company presentations
Includes projects expected to come on stream between 2017 and 2025, percent change of price level 2015 vs 2017



FPSO delivery track record



On-time delivery is a rarity...

...but critical factor in upstream economics

Experience is key

11 month delay ~US\$600 million lower project NPV¹

Delivery key for project returns

(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



Contrasting industry practices



US\$400 million price tag



US\$1.5 billion price tag

Similarities

- Complex industries
- Few experienced contractors
- Technologically highly advanced
- Safety and reliability is key
- Experience matters

Airlines rely on contractor standards and knowhow

Similar in the **FPSO industry** as best practice only

Different perceived price/value balance

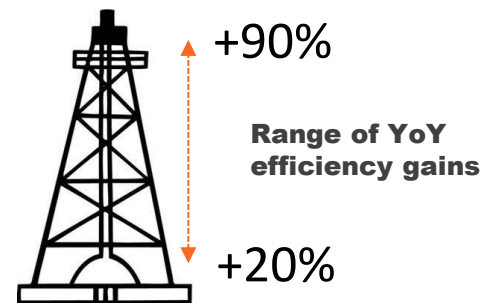


What if airlines adopted FPSO industry habits?





Shale drilling efficiency improved by standardization



FPSO learning effect follows same principles



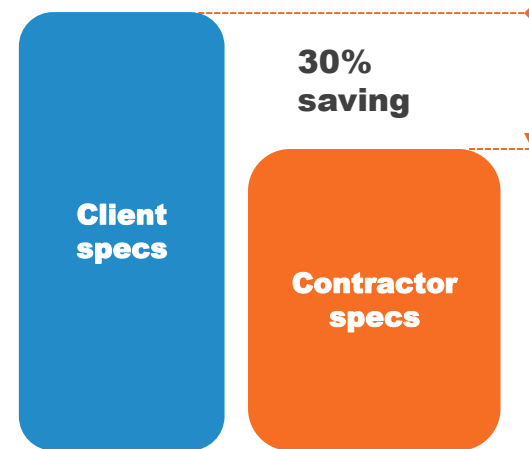
-12%



-25%



-25%





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SBM
OFFSHORE



We commit to optimize, transform, innovate

Optimize

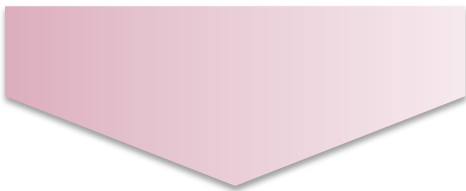
Best in Class

Transform

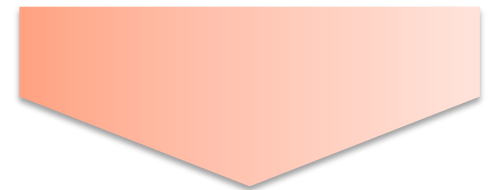
Standardization

Innovate

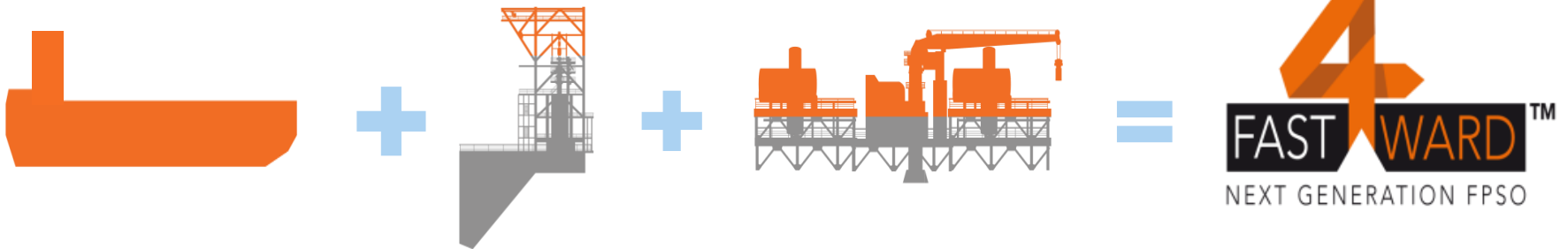
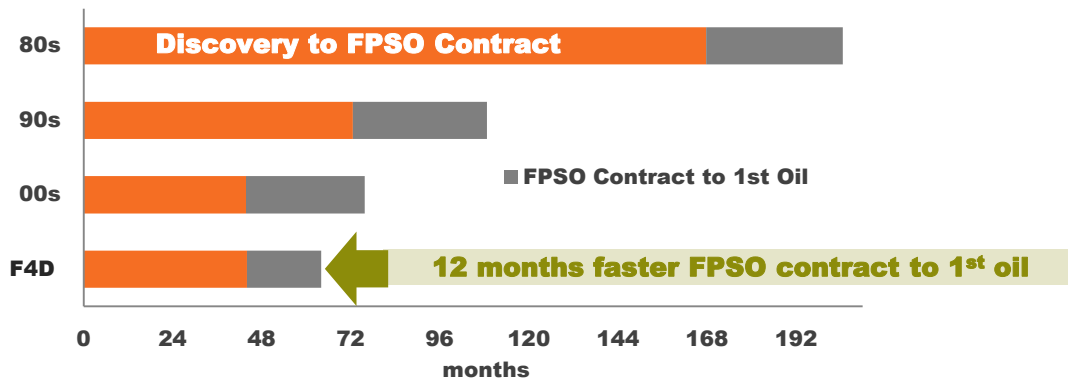
Gas & Renewables
floating solutions



HSSEQ performance
On time
Within budget



Future growth



PREDICTABILITY SAFETY & QUALITY FLEXIBILITY
 STANDARDIZATION NEW BUILD GENERIC HULL
 REDUCED CAPEX & OPEX MULTIPLE MOORING OPTIONS
 IMPROVED LIFECYCLE COSTS TOPSIDES CATALOG SOLUTIONS

**Standardization
 based on experience**



Company overview

Macro view

Why is Deepwater a dirty word?

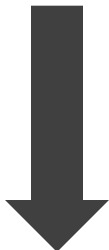
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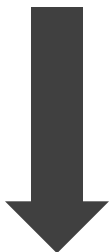




Opportunities exist in Deepwater



SBM Offshore has means to transform industry



As early and late cycle player, positioned to benefit from recovery first



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