Press release - SBM Offshore N.V. **10 November 2009**

Q3 2009 TRADING UPDATE AND EQUITY OFFERING ANNOUNCEMENT

Highlights

- Turnover for the first nine months of 2009 US$ 2,128 million, 4.5% below prior year;
- Total order backlog at 30 September 2009 at US$ 9.0 billion (US$ 9.7 billion at 30 September 2008);
- One major new FPSO lease contract from Noble Energy with a value of US$ 1.2 billion;
- Framework agreement with Shell for supply of turrets for Shell's FLNG;
- Talisman MOPUstor™ project first oil is now targeted for mid 2010;
- Equity offering of up to 9.2% of the currently issued share capital;
- The net proceeds of the equity offering will increase financial flexibility and be used to fund future growth of the lease fleet.

Tony Mace, CEO of SBM Offshore: "Following a long period without orders we are very pleased to have signed two important new contracts with Noble Energy and Shell. Furthermore we are reasonably confident in securing a further major contract in the near term. We believe the level of activity will gradually pick-up and in the mid to long term, business will be robust returning to levels seen prior to the oil price drop. In this respect the proceeds of the equity offering will fund the future growth that SBM Offshore sees in its main focus areas."

Outlook Full Year 2009

- Management expects net profit to be in the range of the 2008 level, as previously reported;
- Turnover is expected to be around US$ 2.9 billion;
- EBIT from Lease & Operate segment is expected to be well below 2008 level;
- EBIT margin for combined Turnkey segments is expected to be in the lower half of the 5 – 10% range excluding the Turkmenistan transaction.

1. The equity offering

- SBM Offshore today announces the launch of a private placement (the "Offering") of up to 13.9 million newly issued Shares (the "Shares"), representing up to 9.2% of the currently issued share capital;
- The Shares will be offered to national and international institutional and other professional investors, on a non pre-emptive basis;
- The net proceeds of the equity offering will increase financial flexibility and be used to fund future growth of the lease fleet.

ING is acting as Sole Global Co-ordinator for the Offering. ING and Fortis Bank Nederland/MeesPierson CFCM are acting as Joint Bookrunners for the Offering. The placing price and number of Shares placed in the Offering will be determined on the outcome of an accelerated bookbuild process and will be announced in a subsequent press release. The book will open with immediate effect and the closing of the book is expected tomorrow in the course of the day. Application will be made for listing and admission to trading of the Shares on Euronext Amsterdam by NYSE Euronext. It is currently expected that settlement of the Offering will take place three business days after allocation.

The net proceeds of the equity offering will increase financial flexibility and be used to fund future growth of the lease fleet. SBM Offshore is bidding for a number of new major contracts including leased FPSOs. The financial strength of the bidder is an important factor in the ability to obtain such new lease contracts. Management believes SBM Offshore is well positioned to win one or more new contracts in the near term, which would lead to significant capital expenditure going forward.

Kempen & Co is acting as financial advisor to SBM Offshore in the context of the Offering.

2. Results

For the third quarter, consolidated turnover totalled US$ 692 million (5% below prior year). Segmental split was for Turnkey Systems US$ 449 million (65% of total Q3 turnover), Turnkey Services US$ 42 million (6%) and Lease and Operate US$ 202 million (29%).

Consolidated turnover for the first nine months of 2009 totals US$ 2,128 million compared to US$ 2,227 million from prior year. Turnkey Systems represents 63%, Turnkey Services 8% and Lease and Operate 29% of total turnover.

Cumulative order intake for the first nine months amounted to US$ 1,891 million, including the FPSO for Noble Energy. Backlog at 30 September 2009 totals US$ 9.0 billion of which approximately US$ 2.2 billion will be recognised as turnover in 2010.

Net debt at 30 September 2009 amounted to US$ 1,944 million (30 June 2009: US$ 1,743 million), with cash and cash equivalent balances of US$ 171 million and committed, undrawn bank facilities of US$ 270 million. Net gearing was 135%, which is above the mid-year 2009 ratio (126%). Due to the receipt in Q4 of very large milestone payments on major turnkey contracts, net gearing is expected to decrease to between 115% - 120% at year-end, excluding the expected proceeds from the Offering.

SBM Offshore has syndicated a new project loan facility of US$ 200 million in respect of the upgrade of the FPSO Capixaba for relocation to the Cachalote field. Loan documentation is under process. The loan is structured as a top-up facility to the existing project loan, with largely the same syndicate of banks.

Capital expenditure in the first nine months of 2009 amounted to US$ 481 million (US$ 766 million for the first nine months of 2008).

3. Portfolio development

A framework arrangement has been signed with Shell Global Solutions International B.V. for the supply of turrets for Shell's FLNG projects for a period of up to 15 years.

A contract has been signed with Noble Energy EG Ltd. for the provision, lease and operation of an FPSO for the development of the Aseng field, offshore Equatorial Guinea. The total undiscounted cumulative portfolio value to SBM Offshore of the above order is approximately US$ 1.2 billion. This 15-year, front-loaded lease contract is expected to be treated as a finance lease, which has a significant effect on profit recognition compared to an operating lease structure. To facilitate the comparison of the different accounting treatments between operating leases and finance leases, SBM Offshore will publish a general example on its website as a guideline. SBM Offshore has entered into a Joint Venture with Compania Nacional de Petroleo de Guinea Ecuatorial (GEPetrol), the state oil company of Equatorial Guinea, for the ownership and operation of the Aseng unit. Under this agreement, SBM Offshore will own a 60% share of the joint venture with GEPetrol holding the remaining 40%.

SBM Offshore has received a notice of termination from Esso Deepwater Limited, a subsidiary company of Exxon Mobil Development Corporation, for the lease and operate contract of the FPSO Falcon. The effective date of termination of the contract and redelivery of the FPSO Falcon to SBM Offshore has been confirmed as 3 December 2009. No further day rate income will be received after that date. The transaction does not result in any non-recurring gains or losses. SBM Offshore will actively market the FPSO Falcon for redeployment to its clients for offshore oil and gas field developments worldwide. Until a new contract has been obtained the FPSO Falcon will remain in lay up conditions in the Far East.

4. Operations

For the Talisman MOPUstor™ for Yme in Norway, in agreement with the client, the first oil target date is now set at July 2010. As such, the load out of the platform and transport to Norway from Abu Dhabi has been postponed by two months in order to fully complete the MOPU in accordance with Norwegian regulations. This postponement will also allow the offshore installation in the North Sea to be performed at a suitable spring time period in relation to weather and sea conditions. The additional costs related to this first oil target are the subject of negotiations with the client. Pending the outcome of such discussions, a provision for an additional impairment charge has been taken. As the provision is compensated by better than expected results on projects in the Turnkey Supply segment the outlook remains the same as previously reported.

Construction of the turret for BP Skarv is nearing completion at Keppel shipyard in Singapore with the first elements having already been delivered in accordance with schedule.

The construction of the MOPU for EnCana has proceeded to the assembly stage in the dry dock in Abu Dhabi and completion of the unit is scheduled for mid 2010.

Petrobras P-57 FPSO vessel refurbishment and conversion is nearing completion at Keppel shipyard in Singapore and the vessel will sail to Brazil around the end of this year. Thereafter topside integration will be undertaken at the BrasFELS yard before scheduled offshore installation in the 4th quarter of 2010.

The Woodside OKHA FPSO construction works are progressing according to plan at Keppel shipyard in Singapore.

The Capixaba FPSO has been disconnected from the Golfinho field in Brazil and the unit has subsequently arrived at Keppel shipyard in Singapore where module integration work is proceeding according to plan.

The drilling rigs construction is progressing in line with previous announcements with delivery of the three units scheduled in Q1, Q2 and Q3 of 2010 respectively.

One of SBM Offshore's tankers in inventory will be used for the Aseng development in Equatorial Guinea. The three remaining tankers are currently laid-up and being proposed for new FPSO projects. In the first 9 months of 2009 the tanker inventory incurred an operating loss of close to US$ 22 million.

The operational performance of the lease fleet continues to be very good and associated bonuses are at a high level.

5. Outlook Full Year 2009

- Management expects net profit for 2009 to be in the range of the 2008 level. Variations to this outlook could result from the outcome of negotiations concerning major claims and variation orders;
- Turnover for the full year expected to be around US$ 2.9 billion;
- EBIT margins for the combined Turnkey Systems and Services segments for the full year are expected to be in the lower half of the range of 5% – 10% (excluding the positive one-off impact of the Turkmenistan MOPU/FSO);
- Lease and Operate fleet is performing strongly. However, EBIT is expected to be well below the 2008 level due to the MOPUstor™ impairment and the tanker inventory operating costs as previously reported;
- Net interest charge is expected to be 50% higher than in 2008 due to new lease units brought into service in 2009;
- Capital expenditure for 2009 is forecast to be between US$ 600 - 650 million, including completion of phase I of the Paenal yard in Angola and capitalised development expenditure in respect of LNG FPSO, and related products;
- Net gearing is expected to decrease to around 115% – 120% by year-end, excluding the expected proceeds from the Offering.

- All banking covenants are projected to be comfortably met at year-end, also without taking into account the expected proceeds from the Offering.

6. Market Update

After more than a year without any FPSO project contract awards, there have been two major projects awarded in the sector so far in the latter part of 2009 with further awards planned before the end of the year. It is expected that there will be a gradual return of business in the near term and this will build up to the prior high level of activity again in the mid to long term.

The level of sales and bidding activity for prospects is still high, with SBM Offshore's main areas of focus being deepwater developments in Brazil, West Africa, Malaysia and the Gulf of Mexico. SBM Offshore still targets a further major contract award in the near term.

The offshore LNG sector is showing signs of further development with Shell's FLNG initiative and with Petrobras' tender for the Front End Engineering Design (FEED) study on floating LNG for the TUPI development offshore Brazil. SBM Offshore believes that it is well placed to obtain such a FEED study.

As previously mentioned, order intake remains low for the supply of specialised equipment for drilling rigs, such as jack up systems, as well as design licenses for new drilling rigs, as several projects have been cancelled worldwide.

In the offshore services market, activity in general has reduced but SBM Offshore's Turnkey Services segment is maintaining a good level of activity with orders for small mooring systems, spare parts and contracting services.

7. Conference Call

Management has decided to add an additional conference call within 45 minutes of this release and also maintain the scheduled conference call for tomorrow 11 November 2009 at 10:00 hours (CET).

I. Conference call will be held **today** with Management at 18:45 hours (CET).

The dial-in number for participants will be + 31 (0) 10 29 44 224 and the replay number, available for 48 hours, is +31 (0) 10 29 44 210, replay code: 18 03 11 #.

There will be a live Audio Webcast of the Conference Call on SBM Offshore's website: www.sbmoffshore.com

The call will be hosted by Tony Mace, CEO and Mark Miles, CFO.

II. Conference call will be held **tomorrow** with Management on Wednesday 11 November 2009 at 10:00 hours (CET).

The dial-in number for participants will be +31 (0) 10 29 44 271 and the replay number, available for 48 hours, is +31 (0) 10 29 44 210, replay code: 18 00 81 #.

There will be a live Audio Webcast of the Conference Call on SBM Offshore's website: www.sbmoffshore.com

The call will be hosted by Tony Mace, CEO and Mark Miles, CFO.

8. Financial Agenda

Final Results 2009 - Press Release	26 February	2010
Final Results 2009 - Analysts Presentation (Amsterdam)	26 February	2010
Annual Report 2009	End March	2010
Annual General Meeting of Shareholders 2010	14 April	2010
Trading Update Q1 2010 - Press Release	11 May	2010
Half-year Results 2010 - Press Release	18 August	2010
Half-year Results 2010 - Analysts Presentation (Amsterdam)	18 August	2010

9. Corporate Profile

Dutch limited liability company SBM Offshore N.V. is the holding company of a group of international, marine technology orientated companies. Its business is to serve on a global basis the offshore oil and gas industry by supplying engineered products, vessels and systems, and offshore oil and gas production services.

The product line comprises:

- Offshore import/export terminals for crude oil, refined products, LPG and LNG, mostly based on the single point mooring principle, Floating Production and/or Storage and Offloading systems (FSOs and FPSOs) and other floating production facilities based on ship hulls, semi-submersibles and Tension Leg Platforms (TLPs);
- Offshore oil and gas production services through the leasing of integrated production and storage facilities owned and operated by SBM Offshore;
- Design, construction and supply of semi-submersible drilling platforms;
- Special designs and engineering services and delivery of specific hardware components for dynamically positioned drillships, semi-submersible drilling platforms, jack-up drilling platforms, jack-up platforms for civil construction, large capacity offshore cranes, elevating and lifting systems, crane vessels and other specialised work vessels;
- Offshore construction and installation contracting services.

The Board of Management — Schiedam, 10 November 2009

For further information:
SBM Offshore N.V.
Karel Doormanweg 66
3115 JD Schiedam

Post address:
P.O. Box 31
3100 AA Schiedam
The Netherlands

Contact person: Mr. Sebastiaan de Ronde Bresser

Telephone:	(+377) 92 05 85 15
Mobile:	(+33) 643 919 312
Fax:	(+377) 92 05 89 40
E-mail:	sebastiaan.derondebresser@sbmoffshore.com
Website:	www.sbmoffshore.com

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The Joint Bookrunners are acting exclusively for SBM Offshore and for no one else in connection with the Offering and will not be responsible to anyone other than SBM Offshore for providing the protections afforded to the customers of the Joint Bookrunners or for providing advice in relation to the Offering or any transaction or arrangement referred to herein.

This press release is for information purposes only and is not intended to constitute, and should not be construed as, an offer to sell or a solicitation of any offer to buy ordinary shares in the share capital of SBM Offshore in the United States, Australia, Canada, Japan or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction, and the distribution of this communication in jurisdictions may be similarly restricted. This press release should not be regarded as an opinion or recommendation concerning the purchase or sale of shares or other securities issued by SBM Offshore. Persons into whose possession this communication comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") and may not be offered or sold in the United States absent registration or an exemption from registration. SBM Offshore does not intend to register any portion of the Offering in the United States or to conduct a public offering of securities in the United States. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), the Offering will not be made to the public in that Relevant Member State, except, with effect from and including the Relevant Implementation Date:

(i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(iii) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(iv) in any other circumstances which do not require the publication by SBM Offshore of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision and when used elsewhere in this announcement, the expression an "**offer of Shares to the public**" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" when used in this announcement means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

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