Press release - SBM Offshore N.V. **10 November 2010**

SBM OFFSHORE Q3 2010 TRADING UPDATE
FULL YEAR OUTLOOK CONFIRMED

Highlights

- Turnover for the first nine months of 2010 at US$ 2,180 million, 2.5% above prior year;
- Total order backlog at 30 September 2010 at US$ 10.3 billion (US$ 9.0 billion at 30 September 2009);
- A letter of agreement signed for a lease contract for a DeepDraft® semi-sub production facility for the Tubular Bells field in the Gulf of Mexico;
- Delivery of FPSO P-57 and semi submersible drilling rig "Lone Star";
- New Joint Venture Partner, DSME, in the Paenal yard development in Angola;
- Membership of the Dow Jones Sustainability Europe Index.

Tony Mace, CEO of SBM Offshore: "We were pleased to complete two major projects in recent weeks with the delivery of the first semi submersible drilling rig and the large FPSO P-57, a major part of which was executed in Brazil. There is continued high bidding activity and the outlook for our products is buoyant although timing for sanction of some projects is uncertain".

Outlook Full Year 2010

- Turnover in the same range as 2009; fully secured by current backlog;
- EBIT margin from Turnkey Systems solidly within 5%-10% range;
- EBIT margin from Turnkey Services within 15%-20% range;
- Lease and Operate EBIT contribution below 2009 level.

1. Results

For the first nine months of 2010, consolidated turnover totalled US$ 2,180 million (2.5% above prior year of US$ 2,128 million). Segmental split was for Turnkey Systems US$ 1,403 million (64.3% of total), Turnkey Services US$ 188 million (8.6%) and Lease and Operate US$ 589 million (27.1%). Operating margins in all three segments in the third quarter are in line with expectations.

Cumulative order intake for the first nine months amounted to US$ 2,490 million including variation orders and other portfolio adjustments concerning lease contract turnover recognition. Backlog at 30 September 2010 totals US$ 10.3 billion of which approximately US$ 0.9 billion will be recognised as turnover in 2010.

Net debt at 30 September 2010 amounted to US$ 1,839 million (30 June 2010: US$ 1,763 million), with cash and cash equivalent balances of US$ 135 million and committed, undrawn bank facilities of US$ 390 million. Net gearing was 95%.

Capital expenditure in the first nine months of 2010 amounted to US$ 389 million (US$ 481 million for the first nine months of 2009).

2. Market Outlook

The general market outlook continues to be buoyant with high bidding activity and increasing order intake in the whole sector and the Company remains positive on continued demand for its products worldwide with E&P companies expected to increase their capital spend in 2011. The size and complexity of some of the prospects however leads to some uncertainty as to when the projects will be sanctioned.

The Brazilian market continues to show strong demand for FPSOs. The successful completion of the FPSO P-57 demonstrates the Company's technical and execution capability for such projects. The Company also anticipates good prospects for the relocation of two of its existing FPSOs that are currently under lease with Petrobras and approaching the end of their contract period. Two of the Company's other existing FPSOs in Brazil have already obtained relocation contracts for the Cachalote and Baleia Azul fields.

In Angola the current focus is on a relocation prospect for the Xikomba FPSO with upgrade works to be performed at the Paenal yard to include local content. The recent success of the Paenal yard in obtaining major construction works for the CLOV FPSO and the agreement with DSME under which DSME acquires a 30% interest in the yard, will enable Paenal to be fully outfitted and completed as an FPSO fabrication and integration facility. This puts the yard in a good position to obtain further work for new FPSO projects in the region.

Other prospects include TLPs in Malaysia and Australia, large complex turret mooring systems as well as FSO projects. The FLNG market continues to develop with the Company working on several opportunities on pre-projects work. Next year should see the industry's first FLNG being sanctioned and the Company believes it is well positioned to play a significant role in this sector.

3. Order Portfolio development

3.1 Lease and Operate

The portfolio developed over the first nine months of 2010 as follows:

- An extension of one year for the lease and operate contract of the FPSO Xikomba from ExxonMobil in Angola, subject to a three months notice cancellation provision;
- An extension of one year for the lease and operate contract of the FPSO Kuito from Chevron in Angola;
- An extension of one year for the operating contract of the FPSO Serpentina from ExxonMobil in Equatorial Guinea;
- An extension of five years with options for a further five years for the lease and operate contract of the LPG FSO NKOSSA II from Total E&P in Congo;
- An extension of one year for the operating contract of the FSO Unity from Total in Nigeria.
- A letter of agreement has been signed for the provision, lease and operation of a DeepDraft® semi-submersible production facility for the Tubular Bells field in the Gulf of Mexico. The agreement allows SBM Offshore to start engineering and commit substantial hardware investment in the facility until final sanction which has been scheduled for the second quarter of 2011. The final lease and operate contract will be based on a production handling agreement for the facility for an initial 5 years period.

3.2 Turnkey Systems and Turnkey Services

The most significant awards during the first nine months of 2010 included:

- A Letter of Intent from Petrobras Netherlands B.V. and Petroleo Brasileiro S.A. – Petrobras as Operator of the Consortium BM-S-11 for a twenty year charter and operation of the FPSO Cidade de Paraty for the Tupi Nordeste development in the Santos pre-salt area, offshore Brazil;

  This project is reported financially as a Turnkey Systems sale of the FPSO to the joint venture which will own the unit.

- A contract for the design of two windmill installation jack-up vessels including the supply of the continuous jacking systems and large 800 ton offshore cranes that will be fitted on these vessels;

- Material variation orders on several contracts as a result of modifications requested by our clients;

- Several FEED studies for production facilities and turrets, some of which are expected to lead to hardware orders;

- In Turnkey Services the order portfolio is developing better than expected with orders for ten CALM buoys, swivel stacks, offshore contracting and other services related orders.

4. Operations

Brazil

The Petrobras P-57 FPSO has been completed at BrasFELS shipyard in Brazil and has left the shipyard for offshore installation and start up of the facility. The FPSO was completed two months ahead of schedule securing an early delivery bonus. The project has exceeded the stringent local content requirement with substantial construction works performed in Brazil to the full satisfaction of our client. Following start up and final handover to the client, the Company will continue to operate the facility for three years under a separate contract.

Engineering and procurement work is progressing on the FPSO Espadarte relocation project to the Baleia Azul field. It is expected that the FPSO will be disconnected from its current location in 2011 and will be towed to Singapore for the conversion and upgrade work, with first oil at Baleia Azul in 2012.

Singapore

Commissioning activities on FPSO Okha are progressing well at Keppel shipyard with completion now scheduled for early 2011 in agreement with our client Woodside.

The FPSO Aseng project is proceeding in accordance with the Company's plans with the vessel refurbishment ongoing at the Keppel shipyard. Procurement of main equipment has been completed and module fabrication work is under way.

The FPSO Cidade de Paraty project for Tupi Nordeste is in progress with engineering activities and procurement of main equipment as per schedule. Vessel refurbishment and conversion works have commenced at Keppel shipyard.

Abu Dhabi

The first semi submersible drilling rig “Lone Star” has been delivered and handed over to our client Queiroz Galvão Perfuraçoes S.A. offshore Abu Dhabi on 13 October 2010.

Progress on the second and third rigs is in line with previous announcements, i.e. the second rig (which is currently on sea trials) is expected to be delivered later this year and the third rig in 2011.

The construction of the Deep Panuke platform for EnCana is in the assembly stage in the dry dock with completion and load out scheduled around the end of the year. The Company is currently in discussion with the client to reach an agreement on change orders related to modifications requested by our client, which have impacted schedule and cost.

Norway

The MOPUstor™ for Talisman’s Yme field has arrived in Norway and with the planned inshore works close to completion, the unit will soon be ready for offshore installation. The actual timing of installation and consequent start up of the unit and lease depends on an adequate weather window to allow this operation to be carried out in a safe manner. Uncertainty as regards suitable weather conditions in the North Sea at this time of the year means that there is a potential risk of delay in first oil, which could increase financing and other costs related to the construction period.

5. Outlook 2010

The Company confirms the following elements of its 2010 outlook:

- Turnover to be in the same range as 2009; fully secured by current backlog;
- Average EBIT margin in the Turnkey Systems segment is expected to be solidly within the 5% - 10% range;
- Turnkey Services average EBIT margin is expected to be within the 15% - 20% range;
- The EBIT contribution from the Lease and Operate segment is expected to be below the level achieved in 2009 due to certain lease contracts having come to an end in 2009, lower expected operating bonuses and no new addition to the operating fleet in 2010.

The following elements are updated:

- Excluding the mark to market loss of US$ 21 million recognised at 30 June 2010, net financing costs will be similar to the 2009 level;
- Capital expenditure is expected to amount to US$ 0.5 to 0.6 billion;
- Net gearing at year-end 2010 is expected to decrease from the 30 September 2010 level of 95% with all financial ratios well within banking covenants.

6. Conference Call

Management of SBM Offshore will be available to discuss the contents of this press release in a conference call at 10:00 hrs (CET) on Wednesday 10 November 2010. 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 15 52 #.

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

7. Financial Agenda

Full-year Results 2010 - Press Release (07.30 CET)	4 March	2011
Full-year Results 2010 - Analysts Presentation (Amsterdam)	4 March	2011
Publication Annual Report and agenda Annual General Meeting of Shareholders	25 March	2011
Annual General Meeting of Shareholders (Rotterdam)	05 May	2011
Trading Update Q1 2011 - Press Release (07.30 CET)	05 May	2011
Half-year Results 2011 - Press Release (07.30 CET)	18 August	2011
Half-year Results 2011 - Analysts Presentation (Amsterdam)	18 August	2011
Trading Update Q3 2011 - Press Release (07.30 CET)	17 November	2011

8. Corporate Profile

The Dutch public 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 the Company;
- 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 2010

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