<u>M I N U T E S</u>

of the general meeting of shareholders of SBM Offshore N.V. (formerly IHC Caland N.V.), held on Friday 20 May 2005 in Rotterdam.

In the meeting 67 shareholders were present and/or represented, who could vote for 6.102.188 votes, which is 18,18% of the issued share capital. All members of the Supervisory Board and of the Board of Management were present, as was the secretary and the external auditor.

(Since most questions were raised and answered in the English language, these minutes have been drawn up in the English language.)

1. **Opening**

The chairman opens the meeting and welcomes those who are present.

He appoints Mr. R.A.F. van der Wal as secretary, who will make the minutes of this meeting. The minutes will be sent within three months after the meeting to those who have expressed their wish to receive them, after which these persons may during three more months make remarks known. After that they will be adopted and signed. In as far as necessary extracts of the decisions taken may be made before adoption of the minutes.

The advertisement to convene the meeting has been placed on 3 May 2005 in
- the Officieele Prijscourant of Euronext Amsterdam,
- Het Financieele Dagblad and
- NRC Handelsblad.

The meeting takes place in Rotterdam, which is one of the places designated for meetings of shareholders as mentioned in article 25.1 of the articles of association.

Because of this the meeting may take legally binding decisions.

2. **a. Report of the Managing Directors on the financial year 2004;**
b. Report of the Supervisory Board;
c. Adoption of the Financial Statements 2004.

Mr. Keller gives a presentation as an introduction to the subject. The text of this presentation is an annex to these minutes (or: has been placed on the website of the company after the meeting).

Mr. <u>Boissevain</u>, representing the VEB (association of investors in shares) and also representing 59 shareholders with in total 13.788 shares who have given a proxy to the VEB, asks if a comparison can be made of the results of the activities in 2004 and 2005 without the shipyards that have been sold.
He wants to know whether NKI has been sold together with the Dutch shipyards. If not, will this company be sold later and what is the timing?
According to the Annual Report all business units have contributed to the result with exception of Atlantia. He would like to know whether there is no more negative influence of the Matterhorn project and if Atlantia is going to contribute in the same way as the other business units.
It has been announced that in the coming five years double digit growth of results is expected. He would like to know what the starting point is as this will be growth without the Dutch shipyards.
He also would like a clarification of the targeted level of return on equity and return on capital employed. As far as he can see there still is a backlog when the years 2001 and 2002 are taken into consideration. Will this backlog be made up in 2005 and will the figures be better in coming years?
Can a further explanation of the (financial) consequences of IFRS be given?
The report states that results of the after sales are steady and predictable. Can an indication of these results be given?
In the report in some places heavy competition is mentioned, while in other places it is stated that the company is market leader. In another place it is mentioned that the company works in a niche market. He asks for an explanation.

He also would like a further explanation of the mentioning of a small home market and of the geographical spread.
Can be explained why bigger, recent tonnage is considered a threat.
Finally he would like to know why the company is not doing business with some major oil companies.

Mr. Keller answers that the net results of the offshore were in 2004 little above $ 100 mln. NKI is still part of the SBM Offshore Group but the intention to sell the company has been made public. The Board looks for an optimal moment to sell the company, which may be in 2006.
Atlantia is recovering as shown by the extraordinary order for a semi-submersible in mid 2004 which is a new and challenging project, as semi-submersibles were not part of Atlantia's product line, and could only be undertaken because of the confidence that the client had in Atlantia. The Matterhorn project is running to the satisfaction of the client and will not have any further impact on the company's results. Atlantia will contribute to the results in 2005. The start for the double digit growth will be the result before the impairment of the shipyards, which was $ 114 mln. in 2004.

Mr. Miles states that when ratio's are compared it has to be borne in mind that the capital employed has grown tremendously in the past years. For 2005 the company is targeting a return on equity of 15% and a return on capital employed much closer to 10% than in the past years.
The company is in the stage of completing a full IFRS reconciliation which will be published together with the half year results. The approximate impact on the 2005 results is $ 10 mln. negative.

Mr. Keller points out that the after sale services, which include delivering spare parts and offshore construction work, contributed approximately 15% to the 2004 results, which is approximately $ 15 mln. It is a steady business and not cyclical like the other main activities of the company.
As to the competition he explains that with the niche market it is meant a niche in the vast oil and gas market. Our niche is the product line related to floating technology (FPSO's, terminals, TLP's or semi-submersibles). In this niche the main business of SBM Offshore is the lease of floating production facilities. The main competitor here is Modec. There are a few other competitors with a modest profile. Also Saipem, a much larger player in oil and gas industry, is entering the business of leasing floating facilities But generally the competition is rather limited in this business and the entrance barrier is high.
The way the company operates brings about that existing carriers are being remodelled. In the vessel portfolio at this time there are three large size crude carriers that may be converted with prospect of acquiring a fourth one. This will enable the company to use its 'old' operating mode for a couple of years. After that time the company will have to revert to recent tonnage. The strategy is to be able to resort to existing vessels or vessels under construction on a short time basis so that the short cycle time of the projects may be met. This is essentially being done via partnerships (with large tanker owners). Geographic distribution is a difficult subject. When looked into parts of the world where the company is operating, the South Atlantic is at the time the main market, both on the west coast of Africa and in Brazil and hopefully in the future also in the Gulf of Mexico. Here there are at this time the largest prospects for deep and ultra deep water development.
As to 'absent' clients: BP (with the recent exception of a deep water buoy in Angola) and Total are missing. The company is focussing on these companies. The main reason for their absence is not that they like competitors better but the way they develop deep water fields.

Mr. De Wit asks about the foreign exchange hedging and whether his calculations are correct that a big gain with this hedging has resulted in 2004.
He also asks for a break down of charter revenues in vessel operating costs, depreciation and interest and tax.

Mr. Miles replies that the hedging policy has not been changed. This policy is to hedge the foreign exchange rate (non dollar) as soon as the company is awarded a contract. For lease contracts the interest rates are also locked in through interest rate swaps. Although the policy has not been changed in 2003, the reporting currency was switched from euro's to dollars, and there are still many old dollar sale/euro purchase hedge contracts running. There was therefore no big hedging result in the P&L in 2004.

As to charter revenues the only split that that is provided is that approximately 75% is depreciation, interest and profit and 25% operating costs.

Mr. Van Seventer states that next to the listing in Amsterdam SBM shares are apparently traded on four markets in Germany, in the U.S. and in London.
He asks for the reason to sell the Dutch shipyards rather than have them listed separately.
Was Dutch ownership of the shipyards always the intention?
Will the pension age within the company become 65?
Is there an operating mode between the present and sold companies of IHC Caland to cooperate were possible?
Will the price of second hand tankers become so high that it will be cheaper to have new ships built?
Is it considered to give NKI a separate listing in stead of selling the company?

Mr. Keller states that the only listing of the shares is on Euronext in Amsterdam. The Euronext network provides the service that these shares may be bought and sold on other stock exchanges.
When it was decided that the Dutch shipyards should no longer be part of the IHC Caland Group first a split-off with a separate listing was considered. The outlook for this possibility was not very favourable and, as some buyers manifested their interest, consequently it was decided to sell these companies. The companies themselves heavily resisted a sale to buyers from the Far East.
Although the costs of second hand vessels go up with the price of scrap steel, it would cost approximately three to four times more to build a new vessel of the same tonnage than the present working method of converting existing ships.
NKI is too small to be listed.
The company likes to cooperate with its former daughter companies but on both sides there is no obligation to do so if it would be on competitive economic terms.

The chairman states that the company has no policy to raise the pension age but follows what the government decrees or society would demand. It should also be borne in mind that most employees of the company work outside The Netherlands.

Mr. Lauwers would like to know whether the company subcontracts all construction work. Are there still innovations that the group itself brings about, other than converting old ships?

Mr. Keller replies that the company does not have its own yards to execute the projects and it subcontracts all construction work.
The company does many things apart from converting hulls to production facilities that can be employed by its clients. The company provides all kinds of floating facilities to produce oil and gas from the sea. The company concentrates on facilities that require some complexity because that gives room for better margins. Products are developed to specific needs in the area of processing or that can be used on sites with specific conditions (rough weather, ice, ultra deep water). In order to be able to maintain the proper knowledge for this type of activity, research and development is an essential and important part of the business.

Mr. Van der Zee adds that a lot of innovation and development engineering is being done through actual projects (approximately 1 mln. man hours a year). Also new products, for instance for deep water, are constantly being developed. Approximately $ 10 mln. per year is being spent on research.

Mr. Dekker asks some more information on the OKHA FSO in Sakhalin, of which time the charter is to continue until year-end 2006. What are the further expectations?
He remarks that according to the annual accounts ships are amortised over the remaining use of their lifecycle. How is this done, taking the present fluctuations of floating scrap value into account.
He asks for more information on the contracts with Petrobras and on the future expectations.
Are there any developments with Exxon Mobil after the Generic?

Mr. Keller replies that the future of the OKHA depends on the progress with the oil pipeline by Shell. Because of the uncertainty Shell has asked for an extension with one year, possibly another one. The system will not be idle if the contract would be terminated. It could either be used as an FSO or be converted to an FPSO.

The depreciation policy is not changed due to changes in scrap value.

Mr. Blanchelande states that there are three FPSO's operating for Petrobras, each with a different time charter. Since the fields are very large, the company expects extensions of the contracts in the future. A fourth one will be ready mid next year.

Mr. Keller adds that offshore Brazil is the most active deep water area in the world. An order of Petrobras for an FPSO will be soon given to a competing company. SBM has stayed out of the bidding upon request of Petrobras. There is a bid going for yet another one, which will be a severe fight with Saipem who is determined to enter this market. There are also other oil companies that will be operating in this country, which will mean opportunities for SBM. ExxonMobil is a very serious customer for more "Generics".

Mr. Wagenaar Hummelinck wonders if SBM Offshore can keep up with the increasing complexity of technology, the higher safety standards and deep water developments while at the same time the developments for production of gas have to be given ample attention.

Mr. Keller replies that he is not concerned about the capacity of SBM Offshore to keep up with all the developments. Next to Monaco there is also ample and expandable capacity in Schiedam and Houston. The company is preparing new ideas and solutions for the gas industry. LNG projects will come gradually and the company has enough resources to keep up with the development.

As there are no more questions the chairman proposes to accept the report of the managing directors on the financial year 2004 and the report of the Supervisory Board, which are non-voting items.

He further proposes to adopt the financial statements 2004. There are 238.710 abstentions and no votes against this proposal, upon which the chairman concludes that the proposal has been adopted.

The Supervisory Board thanks both the Board of Management and the other employees of the company for the work that has been done in 2004.

3. **Appropriation of profit 2004 (including determination of dividend) and authorisation of the Managing Directors to determine the ratio with regard to the stock dividend.**

The proposal has been specified in the notes to the agenda.

Mr. Boissevain states that according to the corporate governance code the dividend policy should be adopted by the general meeting of shareholders before the appropriation of profit 2004 can be decided.
He also asks why a choice between a dividend in cash or in shares is being offered, since in the past the majority of the non-Dutch shareholders have chosen for cash and a dividend in shares is no longer fiscally interesting for Dutch shareholders.

The chairman replies that the dividend policy has been discussed and adopted in the general meeting of shareholders in 2004. It will be considered to print this dividend policy in the next annual report.
The present proposal follows the policy as it has been adopted. The offering of a possibility to choose has been continued upon request of the shareholders, of whom a certain amount prefer a dividend in shares.

The chairman puts the proposal to the vote. There are no abstentions and no votes against the proposal upon which the chairman concludes that the proposal has been adopted.

4. **Discharge of**
   a. Managing Directors for their conduct of the business in 2004;
   b. members of the Supervisory Board for their supervision in 2004.

The chairman points out that these are two separate proposals. If discharge is being given, this is done on basis of what has been stated in the financial statements, the report of the

Managing Directors, the report of the Supervisory Board and the explanation that has been given in this meeting.

He puts first 4.a to the vote. There are 13.860 abstentions and no votes against, upon which the chairman concludes that this proposal has been adopted.

Further the puts 4.b. to the vote. There are 13.860 abstentions and no votes against, upon which the chairman concludes that this proposal has been adopted.

5. **Corporate Governance.**

The chairman refers to the annual report in which a separate section has been devoted to corporate governance. In this section the corporate governance structure have been explained and the viewpoint of the company on the principles and best practice provisions of the Dutch corporate governance code. The company complies with most best practice provisions and exceptions have been explained in this section.

Mr. Boissevain would have liked exceptions to have been explained more extensively. He refers to the fact that the present CEO has not been nominated for a four year period because his contract was concluded before the Dutch corporate governance code became effective. He points out that Mr. Keller has been appointed as CEO in the past year when the code was already effective. The contract could have been renegotiated. What is the objection against a four year period?
He also thinks that one of the main elements of the corporate governance code is an adequate management risk control system. He states this system could have been more elaborately described in the report.

The chairman points out that Mr. Keller was already a member of the Board and that his nomination as CEO did not bring about a change in his statutory position and was not a decision of the shareholders. The Supervisory Board is of the opinion that the existing contract should be adhered to. For new appointed member it will be a decision of the general meeting of shareholders to appoint a new member even if he would not be willing to be appointed for a limited period of four years.

Mr. Keller states that the risk control management system is a very important item in the business of the company. The essence has been explained in the annual report. The Board defines the risks and then mitigates them. The remaining risk after mitigation is controlled by closely defined principles, laid down in a heavy handbook called the SBM Management System. The company has a day to day management system to make sure that the Board is in control of the risks and not exposed to bad surprises.

The chairman closes the discussion, and as this is a non voting item, there is no vote.

6. **Remuneration of Managing Directors.**

The proposal regarding the remuneration of the Managing Directors has been laid down in the notes to the agenda. The policy is put before the meeting for adoption. The remuneration policy contains a fixed and a variable part. The variable part contains the possibility that options and shares may be awarded. This option and share plan is put before the meeting for approval.

Mr. Boissevain would like to know with what percentage the return on effective capital employed should exceed an assumed weighted average cost of capital in order for the bonus to be payable.
Reference is being made to a peer group but it is not disclosed. What companies are in this peer group?
He would also like to know how the value of the options is determined.

Mr. Jacobs, chairman of the remuneration committee of the Supervisory Board states that the percentage referred to is less than 1%. It will probably be mentioned next year in the remuneration report. The external auditor has been asked to audit that the remuneration committee rewards a remuneration that is in accordance with the remuneration policy.
There is no peer group mentioned in the proposal that is put before the meeting.

The remuneration committee has not yet decided on the way the value of the options is being determined. This will also be disclosed in next year's remuneration report.

After this discussion the chairman puts the proposal to the vote. There are 13.860 abstentions and 459.056 votes against the proposal after which the chairman concludes that the remuneration policy as proposed has been adopted by the meeting, which includes approval of the share and option plans.

7. **Authorisation to redeem own shares.**

Pursuant to Article 7 clause 1 of the Articles of Association, the Managing Directors may, if authorised by the General Meeting of Shareholders and the Supervisory Board, cause the Company to acquire up to a maximum of ten percent of fully paid shares in its own capital.

It is proposed to authorise the Managing Directors in this respect up to a maximum of ten percent of the fully paid ordinary shares. This authorisation applies to the maximum period of eighteen months as from today, provided that the price per share will not exceed 110% of the highest price on the stock exchange of Euronext Amsterdam on the trading day prior to the day on which the purchase is made and will not be less than € 0.01. For preferential shares the price will be equal to the nominal value.

Mr. Lauwers asks if it will be the policy to redeem as many shares as will be issued for the dividend in shares and as a consequence of the shares and option plan.

Mr. Schellevis, controller of the company, replies that it is not the policy to use the right to redeem own shares to neutralise the growth of the share capital as a consequence of new shares being issued for stock dividend or bonus shares and options.

After this discussion the chairman puts the proposal to the vote. There are 13.860 abstentions and no votes against the proposal after which the chairman concludes that the proposal has been adopted by the meeting.

8. **Authorisation**
   a. to issue new ordinary shares;
   b. to restrict or withdraw the preferential right of shareholders when new ordinary shares are issued.

Pursuant to Article 4 clause 1 and Article 6 clause 6 of the Articles of Association, the General Meeting of Shareholders can confer on the Managing Directors the authority to issue ordinary shares or preference shares, to extend the right to acquire shares and to restrict or withdraw preferential rights of the shareholders in respect of ordinary shares, for a period up to five years, and subject to the approval of the Supervisory Board.

It is proposed

a. to confer the authority on the Managing Directors for a period of eighteen months as from today, and subject to the approval of the Supervisory Board to issue ordinary shares and to extend the right to acquire ordinary shares, up to ten percent of the total of outstanding ordinary shares at that time;
b. to confer the authority on the Managing Directors for a period of eighteen months as from today, and subject to the approval of the Supervisory Board to restrict or withdraw preferential rights of the shareholders in respect of ordinary shares when new ordinary shares are issued.

The chairman puts both proposals to the vote.
On 8a. there are 13.860 abstentions and 1.203.376 votes against the proposal after which the chairman concludes that the proposal has been adopted by the meeting.

On 8b. there are 13.860 abstentions and 1.203.376 votes against the proposal after which the chairman concludes that the proposal has been adopted by the meeting.

9. **Composition of the Supervisory Board.**

As already advised last year, Mr A.P.H. van Baardewijk has now completed three four-year terms on the Company's Supervisory Board, of which the last 2 years as Chairman. In accordance with the Company's Articles of Association he is not available for re-appointment and Mr H.C. Rothermund will replace Mr van Baardewijk as Chairman for the remainder of his current term of office.

In respect of the vacancy that exists as a result of the departure of Mr van Baardewijk, the Labour Councils of Gusto BV, Marine Structure Consultants BV and NKI Group BV have -as has been explained earlier to the shareholders- the right to recommend candidates for appointment as a member of the Supervisory Board. The above mentioned labour councils have indicated that they will not use their right of recommendation on this occasion.

The Supervisory Board has been looking for a candidate who has knowledge of the contracting business but who has no conflicting interest with the company. After the Dutch shipyards have been sold, Mr. Van Gelder, who is chairman of the management board of Koninklijke Boskalis Westminster N.V., no longer has such a conflict of interest. Further information about Mr. Van Gelder has been given in the notes to the agenda.

The Supervisory Board proposes to the General Meeting of Shareholders to appoint Mr R. van Gelder as a member of the Supervisory Board.

The chairman put the proposal to the vote. There are 124.723 abstentions and no votes against the proposal after which he concludes that the proposal has been adopted and Mr. Van Gelder has been appointed as a member of the Supervisory Board.

Mr. Rothermund addresses the chairman. He states that it is an honour for him to become chairman of the Supervisory Board of the company, especially now that the Dutch shipyards have been sold and the company can concentrate on the offshore business which, as has been indicated by Mr. Keller, has a promising future. It is also a period of transition, given the new corporate governance code and IFRS rules. He thanks Mr. Van Baardewijk for the work he has done as a member and later chairman of the Supervisory Board.

Mr. Van Baardewijk thanks his colleagues and more in particular the shareholders for the trust in him. He is grateful that the general meeting of shareholders was always well attended and a good platform for lively discussions.

10. **Any other business.**

Mr. Niemeijer asks why contrary to previous years no parking tickets have been made available.

The chairman replies that the system has been changed and it is now technically difficult to provide these tickets. Possibly these difficulties can be overcome next year.

Mr. Van Seventer states that the minutes of the last extraordinary meeting of shareholders have not been placed on the website of the company.
He also states that contrary to previous years the annual report was not sent automatically to him.

The chairman replies that in accordance with the Tabaksblat code the minutes of the meeting, after they have been drawn up, have been sent to the shareholders who have requested to receive them. The shareholders then have a period of three months to react. This period ends on 25 May 2005.
The company will look into the way the annual reports are being distributed.

11. **Closure.**
There being no other business, the chairman thanks those present for coming to the meeting and for their contribution and closes the meeting.

A.P.H. van Baardewijk chairman	R.A.F. van der Wal secretary