



HALF-YEAR RESULTS 2008

Analysts Presentation

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- 2005 decision to grow the Company in buoyant conditions
- Several large contracts awarded 2005/2006 & delivered in 2008
- Coincidental overheating of suppliers & yards
- Budget & schedule overruns affect 2007/2008 results
- Tighter bidding controls implemented
- Subsequent projects under control with improved cost forecasting
- Market robust for Company's products

- **Equipment**
 - Long bid phase - escalating costs
 - Long delivery - capacity overbooked

- **Yard**
 - Growth in scope (late deliveries) - escalating costs
 - Manpower constrained
 - Schedule acceleration costs

- **SBM manhours**
 - Engineering - most complex FPSO (Frade)
 - Project team - extended schedule

- **Budgets exceeded up to 35%, delivery schedules extended.**

Bid Process:

- Quality of proposal - Technical definition / scope
- Back to back validity with suppliers / client
- Pass through of the costs / risks to client
- Confirmed yard capacity
- Contractual terms and conditions

Execution Phase:

- Budget control - Cost Engineers
 - Quantity Surveyors
- Schedule control - Material & Equipment
- Contract management - Subcontractors / clients



MAJOR PROJECT SCHEDULES

	2004	2005	2006	2007	2008	2009	2010
Lease							
Petrobras - Capixaba		◀────────────────▶					
Murphy - Kikeh		◀────────────────────────────────▶					
ExxonMobil - Mondo			◀────────────────────────────────▶				
ExxonMobil - Saxi Batuque			◀────────────────────────────────▶				
Shell - BC-10				◀────────────────────────────────▶			
Murphy - Thunder Hawk				◀────────────────────────────────▶			
Talisman - Yme				◀────────────────────────────────▶			
Encana - Deep Panuke					◀────────────────────────────────▶		
Petrobras - Cachalote					◀────────────────────────────────▶		
Turnkey							
Chevron - Frade			◀────────────────────────────────▶				
Rigs 1,2,3			◀────────────────────────────────▶			◀────────▶	
Woodside - CWLH					◀────────────────────────────────▶		
Petrobras - P-57					◀────────────────────────────────▶		
BP - Angola						◀────────────────────────────────▶	

Enhanced project controls
 Market overheating

CURRENT ORDER PORTFOLIO

Lease



Shell – BC10

FPSO on lease for Shell in BC-10 field offshore Brazil

Contract award: Q3, 2006

Completion: Q4, 2008



Murphy – Thunder Hawk

Semi-Submersible oil & gas production facility in GOM

Contract award: Q4, 2006

Completion: Q4, 2008



Talisman – Yme

MOPUstor in Norwegian sector of the North Sea

Contract Award: Q1, 2007

Completion: Q2, 2009

CURRENT ORDER PORTFOLIO

Lease



Encana – Deep Panuke

Mopu offshore Nova Scotia, Canada

Contract Award: Q4, 2007

Completion: Q3, 2010



Petrobras – Cachalote

Upgrade and relocation of Capixaba FPSO to Cachalote field, Brazil

Contract award: Q2, 2008

Completion: Q4, 2009

CURRENT ORDER PORTFOLIO

Turnkey



Chevron – Frade
Supply of an FPSO
Contract award: Q2, 2006
Completion: Q4, 2008



Odebrecht - Delba – QGP
Supply of Drilling Rigs x 3
Contract award: Q4, 2006 - Q1, 2007
Completion: Q2, 2009 – Q3, 2009 – Q1, 2010



Woodside – CWLH redevelopment
Supply of an FPSO
Contract Award: Q2, 2008
Completion: Q3, 2010

CURRENT ORDER PORTFOLIO

Turnkey

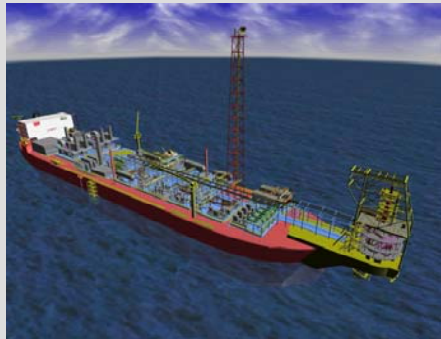


Petrobras – P57

Supply of an FPSO and three year operation.

Contract Award: Q1, 2008

Completion: Q4, 2010



BP Angola

Frame agreement for supply of FPSOs on a call off basis

First Project Sanction: H2, 2009

Completion: 36 months after project sanction

MILESTONES FIRST HALF 2008

- FPSO Mondo started operation offshore Angola
- Contract with Petrobras for supply of the P-57 FPSO for Brazil
- Letter of Intent with Woodside for supply of an FPSO to replace the existing Cossack Pioneer, offshore Australia
- Contract for the upgrade and relocation of the FPSO Capixaba for Petrobras with a lease extension on the Cachalote field
- FPSO Mystras sale to AGIP

Since end of June:

- FPSO Saxi Batuque started operation offshore Angola
- Call off frame contract with BP Angola for the supply of FPSOs

FINANCIAL OVERVIEW FIRST HALF 2008

P&L Total Group

In millions of US Dollars	30/06/08	30/06/07	Change	Comment
Turnover	1,497	1,388	8%	73% Turnkey, 27% Lease & Operate
Gross Margin (%)	176 (11.8%)	220 (15.8%)	(20%)	Cost overruns on Turnkey; Mystras sale; Increasing Lease & Operate contribution
EBITDA (% Margin)	246 (16.4%)	269 (19.4%)	(9%)	Lower decrease due to higher depreciation charge and land sale
EBIT (% Margin)	114 (7.6%)	151 (10.9%)	(25%)	Includes land sale gain (US\$ 10 mln pre-tax)
Net Profit (% Margin)	85 (5.7%)	139 (10.0%)	(39%)	Net interest charge tripled – less interest income, new units on charter, Capixaba share sale in 2007
New Orders	2,986	1,807	65%	60% Turnkey, 40% Lease & Operate
Order Portfolio	9,466	7,408	28%	32% Turnkey, 68% Lease & Operate. Record level in both segments



FINANCIAL OVERVIEW FIRST HALF 2008

Turnkey Systems & Services

In millions of US Dollars	30/06/08	30/06/07	Change	Comment
Turnover	1,088	1,055	3%	Includes Mystras sale US\$ 60 mln. Growing Services
Gross Margin (%)	41 (3.8%)	120 (11.4%)	(66%)	Cost overruns – mainly Frade & Saxi Batuque FPSOs; Includes Mystras sale US\$ 16 mln
EBITDA (% Margin)	9 (0.8%)	77 (7.3%)	(88%)	Cost overruns
EBIT (% Margin)	0 (0%)	71 (6.8%)	(100%)	Cost overruns
New Orders	1,791	1,105	62%	P-57 FPSO, Cossack FPSO, Cranes
Order Portfolio	3,029	2,619	16%	Record level; High quality contracts

Approximately two-thirds of total S, G & A and other income and operating expenses are considered as “Turnkey” costs



FINANCIAL OVERVIEW FIRST HALF 2008

FPSO Lease and Operate

In millions of US Dollars	30/06/08	30/06/07	Change	Comment
Turnover	409	334	22%	Kikeh and Mondo FPSOs full six months; V.O.s Turkmenistan and OKHA; Trading Fleet
Gross Margin (%)	134 (32.8%)	100 (30.0%)	34%	As above; High bonus levels; Low operating costs; Release provision Mystras
EBITDA (% Margin)	237 (58.0%)	192 (57.5%)	23%	Depreciation up by 10%
EBIT (% Margin)	114 (27.9%)	80 (24.0%)	43%	
New Orders	1,195	702	70%	Cachalote 12 year charter; Extension for Falcon FPSO
Order Portfolio	6,437	4,788	34%	A record level

Approximately one-third of total S, G & A and other income and operating expenses are considered as “Lease & Operate” costs



FINANCIAL OVERVIEW FIRST HALF 2008

Ratios Total Group

In millions of US Dollars	30/06/08	31/12/07	Change	Comment
Capital Expenditure	516	551 (12 m) 219 (6 m)	x 2.4	Yme MOPUstor, Thunder Hawk semi, BC-10 FPSO
Long-Term Debt	1,526	1,149	33%	Accelerating capex. New loans arranged for Saxi Batuque and BC-10 FPSOs
Net Liquidities	292	274	7%	Stable
Net Debt	1,234	875	41%	Well within bank covenants
Shareholders' Equity	1,394	1,333	5%	Net of cash dividend
Net Debt : Equity	88%	65%	35%	Financing capacity strong
ROACE	9.3%	15.1%	(38%)	Turnkey results and growing capex
Return on Equity	12.3%	21.7%	(43%)	Turnkey results

FINANCIAL

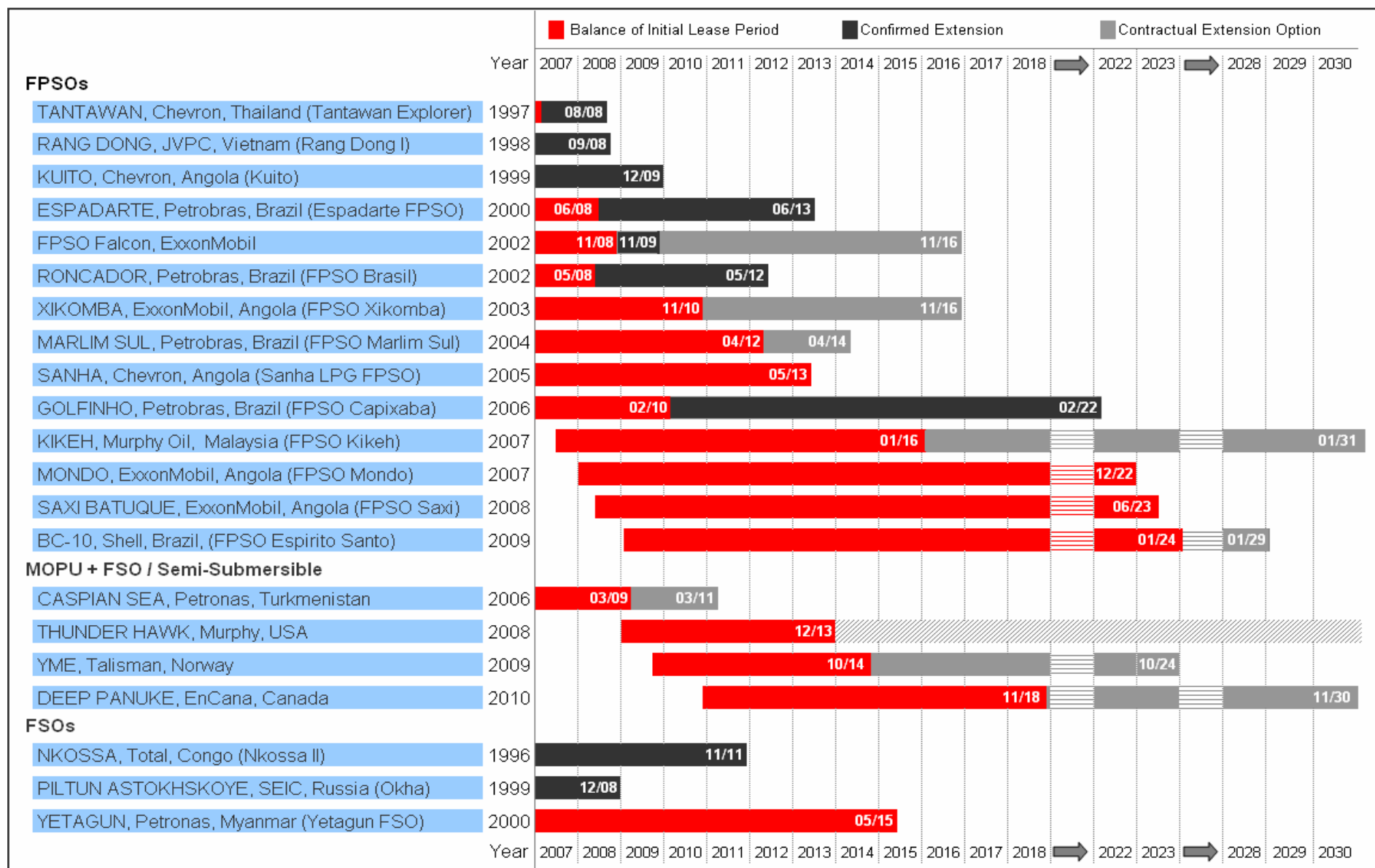
- Full year 2008 forecast profit below original target by up to 20% (i.e US\$ 225 million)
- Capital expenditure of US\$ 1 billion
- Intention to maintain dividend at 2007 level (US\$ 0.93 per share)

ACTIVITIES

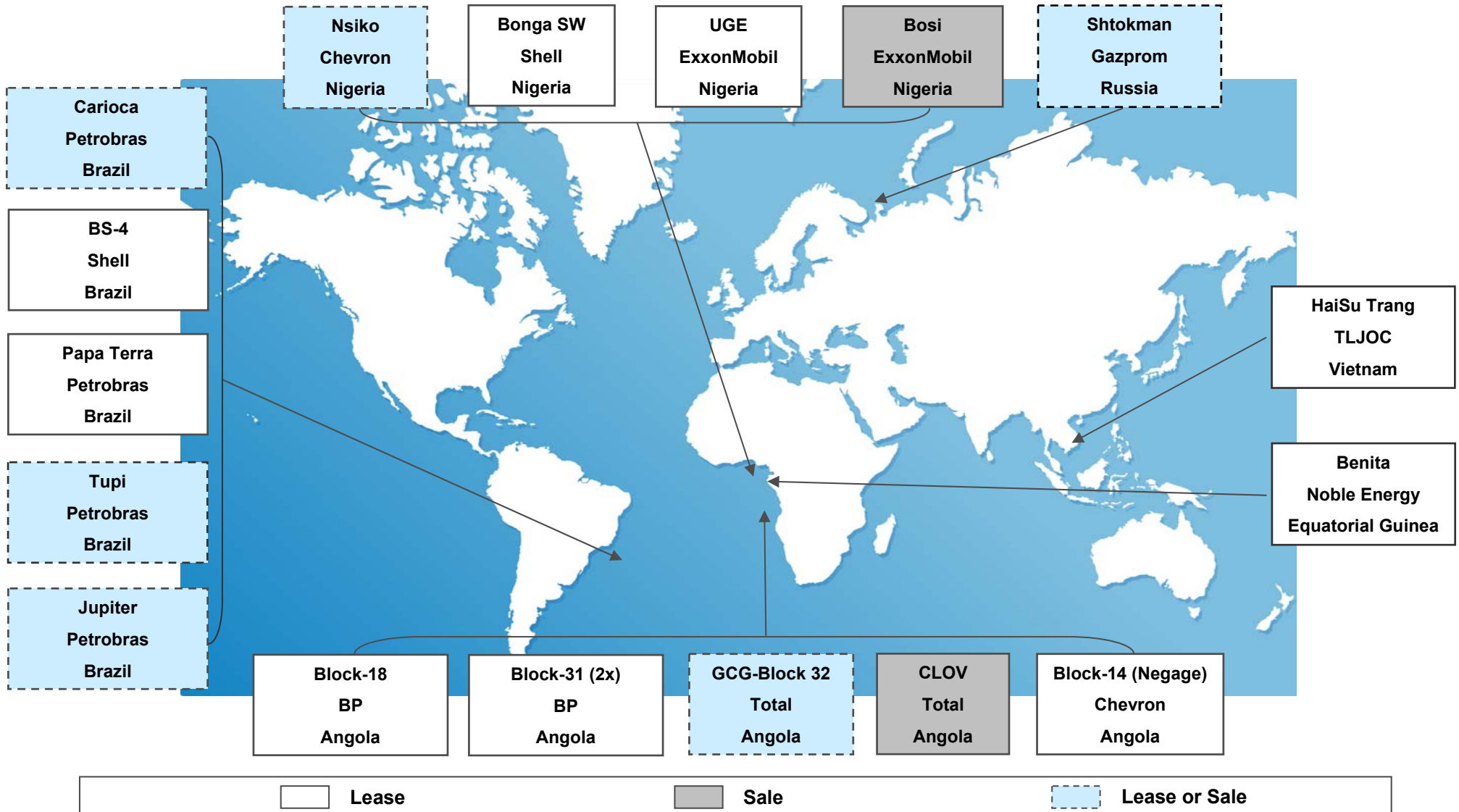
- Delivery of Frade, BC-10 and Thunder Hawk
- End of charters for Tantawan FPSO, Rang Dong I FPSO and Okha FSO



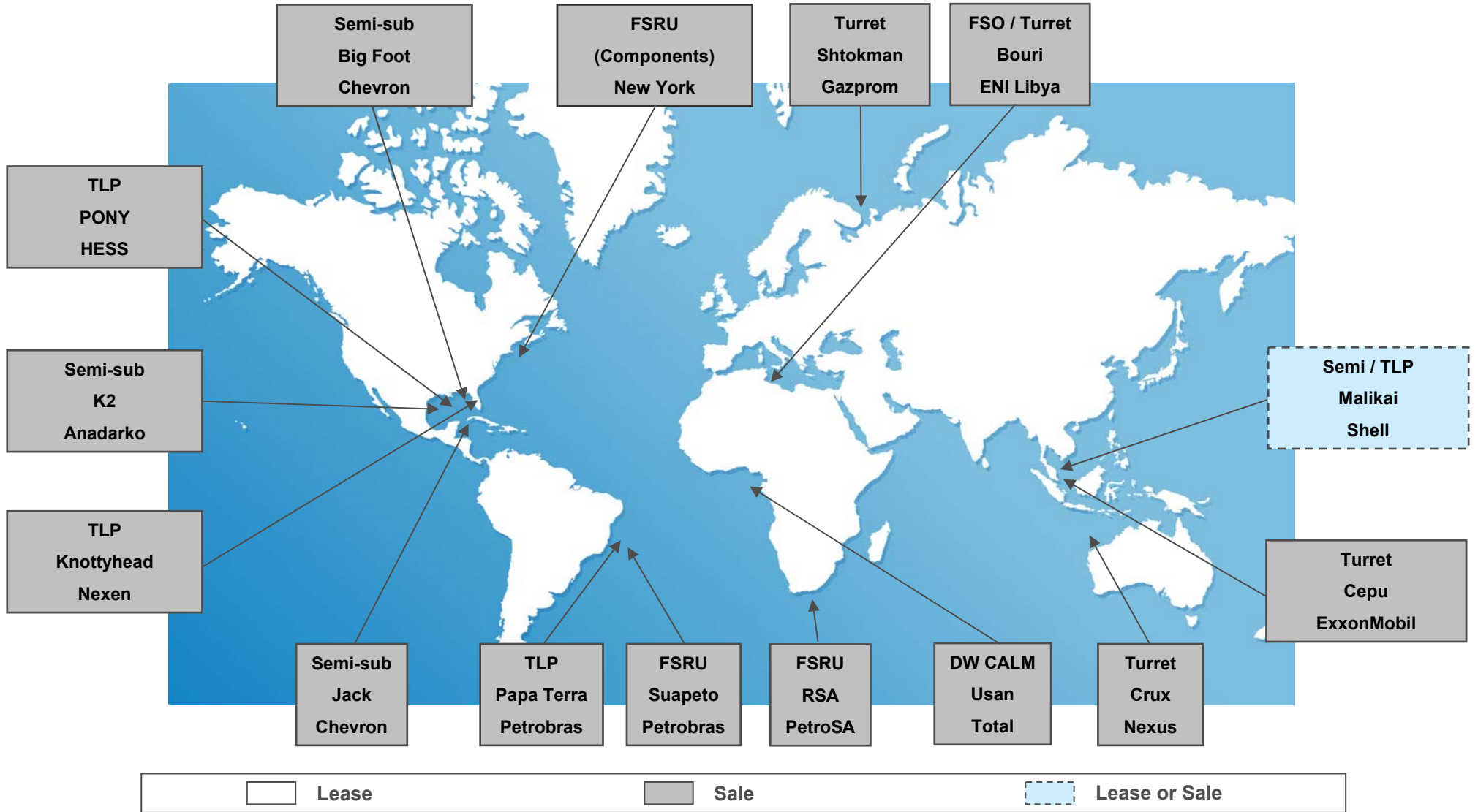
REMAINING DURATION OF LEASE CONTRACTS



FPSO PROSPECTS



NON-FPSO PROSPECTS



LEASE

- **Urugua/Tambau in Brazil for Petrobras** - **Modec (SBM no.3)**
- **Cachalote in Brazil for Petrobras** - **SBM Offshore**
- **Tupi in Brazil, Pilot for Petrobras** - **Modec (SBM no. 2)**
- **Jubilee in Ghana, for Tullow Oil** - **Modec (SBM no.3)**
- **Tupi in Brazil, EPS for Petrobras** - **BW Offshore**
- **Athena in United Kingdom for Ithaca** - **Bluewater**
- **Oyo in Nigeria for ENI** - **Bumi Armada**
- **Bilabri in Nigeria for Peak Petroleum** - **Nortechs**
- **Basker Manta Gummi in Australia for Anzon** - **BW Offshore**
- **Camago Malampaya in Philippines for BGEC** - **Nexus**

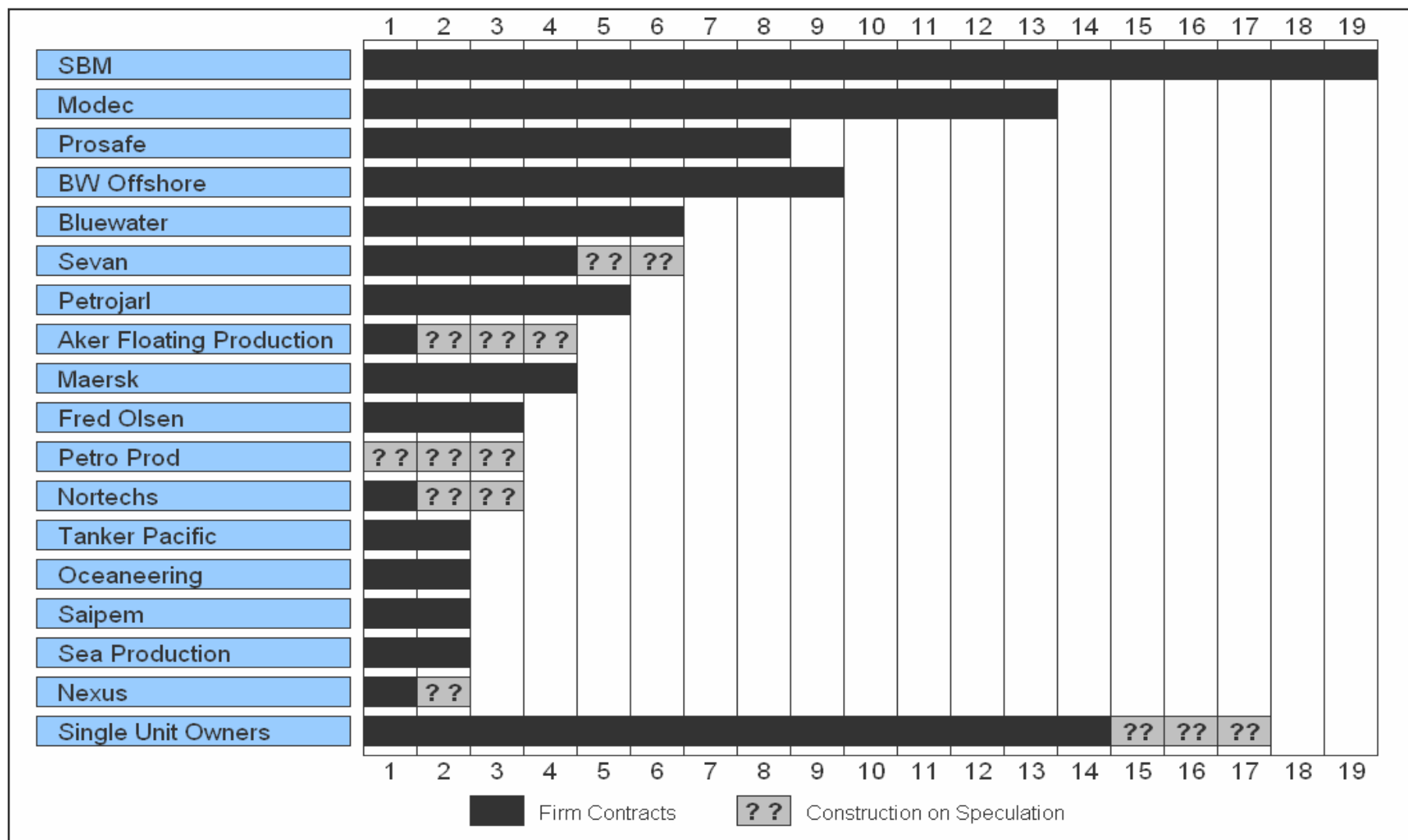
TURNKEY

- **Jubarte P57 in Brazil for Petrobras** - **SBM Offshore**
- **Cossack (CWLH) in Australia for Woodside** - **SBM Offshore**
- **Block 31 in Angola, FPSOs for BP** - **SBM Offshore / Modec**
- **Pazflor in Angola for Total** - **Daewoo (DSEM)**
- **Usan in Nigeria for Total** - **Hyundai (HHI)**



LEASE CONTRACTORS

Units in Operation or Under Construction



SBM/Linde LNG FPSO

Floating Production, Liquefaction, Storage and Offloading Unit

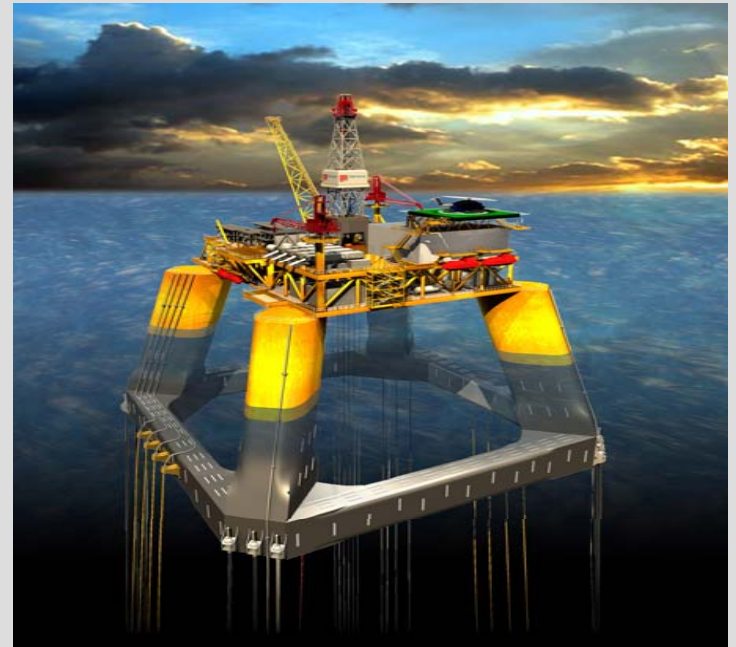


- Generic design completed
- Yard slot under negotiation
- Pursuing prospects
- Competition:
 - Hoegh / CBI
 - Golar / LNGL
 - JGC / Modec
 - BW Offshore / Mustang
 - Flex LNG
 - Shell

Moorspar™ Riser Buoy



FourStar™ TLP



LNG Hose



Wave energy conversion systems

- **Expand the lease business model to cover more products and geographical areas**
- **Develop a pole position in the gas sector and particularly offshore LNG**
- **Maintain a position of leader in the Group's current markets**
- **Develop innovative technical solutions, in particular for deepwater technology and in the gas sector**
- **Grow the Group organically with average yearly double-digit EPS increase**



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QUESTIONS AND ANSWERS