

## SBM Offshore Q3 Trading Update

15 November 2012

### Continued revenue growth driven by turnkey systems

Turnover in US\$ million	YTD Q3-2012	YTD Q3-2011	Change
Turnkey Systems	1,623.2	1,372.9	18.2%
Turnkey Services	201.2	179.5	12.1%
Lease and Operate	661.6	648.6	2.0%
Total Turnover	2,486.0	2,201.0	12.9%

SBM Offshore announces consolidated revenues up almost 13% for the nine months to 30 September 2012. Since the start of the third quarter, the Company secured financing for two large scale FPSOs for a total of over US\$ 1.5 billion.

The Company is also pleased to announce the sale of GustoMSC, a non-core design and engineering subsidiary, as well as its support vessel the Dynamic Installer for a total consideration of some US\$ 200 million; important first steps in its US\$ 400 million non-core asset divestment programme.

Following record orders during 2011, the order intake during the first nine months of 2012 has been lower than expected, which in combination with slower than planned progress on a number of key projects implies that the Company will not achieve its expected total revenue of US\$ 4 billion for 2012. As to the Yme project, reference is made to the Company's announcement of 26 October 2012 that Talisman and the Company presented a plan for repair of the grouting of the platform legs to the Norwegian Safety Authority.

Bruno Chabas CEO of SBM Offshore said: *"In Q3, we made a swift start to our divestment programme and continued to drive forward the transformation of the Group. Despite the Group not expecting to achieve its 2012 revenue target, revenues continue to grow and, although they may fluctuate in the short term, the oil & gas industry has a critical need for increasingly large and sophisticated FPSOs. This is an outstanding opportunity for SBM Offshore, the world's leading specialist provider of these facilities."*

### Highlights

For the first nine months of 2012, consolidated turnover totalled US\$ 2,486 million (12.9% above prior year of US\$ 2,201 million). The Lease and Operate segment showed results in line with 2011, while the Turnkey Systems segment showed strong growth in excess of 18%, mostly driven by large scale FPSO projects such as OSX2, N'Goma, Cidade de Paraty and Cidade de Ilhabela.

Third quarter order intake continued to reflect the Company's strategic FPSO focus with the cumulative order intake for the first nine months amounting to US\$ 1,681 million and an order portfolio at 30 September 2012 totalling US\$ 16.1 billion. Period highlights included the 8.5 years lease, operate and maintain contract on FPSO Kikeh for a tie-back of the Siakap North-Petai fields offshore Malaysia and the BC-10 Rigless Intervention Module with Shell, both showing the continued demand for tie-in and subsea support projects.

Since the start of the second half year, the Group achieved a number of successful financing agreements totaling US\$ 1.55 billion. The Company secured a loan facility for US\$ 1.05 billion with its Joint Venture partners, QGOG Constellation and Mitsubishi Corporation for the construction of the FPSO Cidade de Ilhabela for Petrobras, followed by an inaugural US\$ 500 million US Private Placement project bond with 16 Institutional Investors to fund the refurbishment of the FPSO Cidade de Anchieta, which started its service for Petrobras on 10 September this year under an 18 year lease and operate contract. This facility was fully paid up by the bond investors as of 1 November 2012.

As part of previously announced plans to dispose of approximately US\$ 400 million of non-core assets, SBM Offshore has agreed to the sale of GustoMSC, to Parcom Capital, a private equity group, for a consideration of approximately US\$ 185 million. The purchase is subject to financing and will be paid in cash at intended closing of the transaction by 30 November 2012. The Company also signed an agreement with Dulam for the sale of the DSV Dynamic Installer at US\$ 14.8 million, with delivery scheduled for end November 2012.

Net debt at 30 September 2012 amounted to US\$ 2,107 million (30 June 2012: US\$ 1,964 million), with cash and cash equivalent balances of US\$ 318.1 million (30 June 2012: US\$ 214.0 million) and committed, undrawn bank facilities of US\$ 1.4 billion (30 June 2012: US\$ 1.0 billion).

Net debt to total equity ratio is stable at 130% at 30 September 2012 compared to 132% at 30 June 2012. The solvency ratio at 30 September 2012 stands at 30.4% compared to 31.5% at mid-year 2012. The sale of GustoMSC will improve solvency by 2.5 percentage points.

Capital expenditure and investments on finance lease contracts in the first nine months of 2012 amounted to a combined total of US\$ 970.3 million.

## Operational Update

### *Rigless Intervention System for Shell on FPSO Espirito Santo*

SBM Offshore was awarded a contract from Shell for the engineering, procurement, construction, installation and operation of a Rigless Intervention System (RIS) module on FPSO Espirito Santo, which is owned and operated on joint venture basis with MISC Berhad, servicing the BC-10 field, offshore Brazil. Rigless Intervention is being developed to service subsea equipment on the FPSO as a permanent part of the system. The system is planned to be operational for a first intervention in the second quarter of 2014.

### *Yme*

Jointly with operator Talisman, a repair plan for the grouting of the platform legs was presented to the Petroleum Safety Authority in Norway, on October 26. The repairs follow the decision of last July by the operator of the platform, Talisman, to de-man the platform and its assessment that grouting in the legs needs repair. The repairs are scheduled before the end of this year. After completion of repairs, personnel will be allowed to return to the platform to assess any consequences of the facility having been unattended for an extended period. Subsequently, Talisman and SBM Offshore will be able to agree the way forward.

### *Deep Panuke*

Finalisation and commissioning of this platform is progressing more slowly than planned and the platform is now expected to be on hire during the first half of 2013. This delay is the result of recent test findings related to process equipment with root causes dating back to the time in the yard and during transit.

### *FPSO Cidade de Anchieta*

Production on FPSO Cidade de Anchieta has commenced according to plan and the unit was officially on hire as of 10 September 2012 under the 18 years lease and operate contract with Petrobras.

### *Compact GTL*

The Company also signed a commercial development agreement with Compact GTL Ltd, combining expertise for the marketing and execution of FPSO projects involving associated gas challenges for oil fields offshore.

### Compliance

The investigation into potentially improper sales practices is still ongoing. Consequently, at this point it is not possible to provide further information or an estimate of the financial effects, if any.

### *DJSI world*

The company received confirmation of its inclusion in the DJSI world for the second year in a row. This is a strong sign that its corporate social and sustainable objectives are among the best in class.

## Outlook and Guidance 2012

Irrespective of global economic volatility, strong momentum in the oil & gas upstream market continues to drive demand for FPSOs and related products. In the short term, the challenges of complexity and scale, together with associated costs and risks for project developers are slowing certain contract awards or attenuating the start up phase of major projects. As a result, SBM Offshore is reducing turnover expectations for 2012 with other guidance remaining unchanged. This guidance is premised on no material change in the performance, or delivery, of the Group's projects.

## Conference Call

Management of SBM Offshore will be available to discuss the contents of this press release in a conference call at 11:00 hrs (CET) on Thursday 15 November 2012.

Dial-in number: (+65) 6723 9388  
Conference ID Code: 64797494

Replay number: (+61) 2 8199 0299 (available for 48 hours)  
Replay Conference ID Code: 64797494

The call will also be webcast via the SBM Offshore website: [www.sbmoffshore.com](http://www.sbmoffshore.com)

The call will be hosted by Bruno Chabas, CEO and Peter van Rossum, CFO.

## Financial Calendar

	Date	Year
Full-year Results 2012 – Press Release (07:30 CET)	7 March	2013
Full-year Results 2012 – Analysts Presentation (Amsterdam)	7 March	2013
Trading Update Q1 2013 - Press Release (07.30 CET)	23 May	2013
Annual General Meeting of Shareholders (Rotterdam 14.30 CET)	23 May	2013
Half-year Results 2013 - Press Release (07.30 CET)	8 August	2013
Half-year Results 2013 - Analysts Presentation (Amsterdam)	8 August	2013
Trading Update Q3 2013 - Press Release (07.30 CET)	14 November	2013

## Corporate Profile

SBM Offshore N.V. provides floating production solutions to the offshore energy industry, over the full product life-cycle. The Company is market leading in leased floating production systems with multiple units currently in operation, and has unrivalled operational experience in this field.

The Company's main activity is the design, supply, installation and operation of Floating Production, Storage and Offloading (FPSO) vessels. These are either owned and operated by the Company and leased to our clients or supplied on a turnkey sale basis.



The Company has built over several years a large in-house engineering, procurement and project management capability, to ensure consistency from project to project, and so enable a continuous improvement process for enhancement of product quality.

Headquartered in Schiedam, the Company employs over 6,900 people worldwide, who are spread over seven execution centres, eight operational shore bases, several construction yards and the offshore fleet of vessels.

The Board of Management  
Schiedam, 15 November 2012

For further information, please contact:

#### **Investor Relations**

Sebastiaan de Ronde Bresser  
Investor Relations Officer

Telephone: (+377) 92 05 85 15  
Mobile: (+33) 643 919 312  
E-mail: [sebastiaan.derondebresser@sbmoffshore.com](mailto:sebastiaan.derondebresser@sbmoffshore.com)  
Website: [www.sbmoffshore.com](http://www.sbmoffshore.com)

#### **Media Relations**

Anne Guerin-Moens  
Group Communications Director

Telephone: (+377) 92 05 30 83  
Mobile: (+377) 680 863 691  
E-mail: [anne.guerin-moens@sbmoffshore.com](mailto:anne.guerin-moens@sbmoffshore.com)  
Website: [www.sbmoffshore.com](http://www.sbmoffshore.com)

#### **Disclaimer**

Some of the statements contained in this release that are not historical facts are statements of future expectations and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. Such forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of the Company's business to differ materially and adversely from the forward-looking statements. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "may", "will", "should", "would be", "expects" or "anticipates" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans, or intentions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed, or expected. SBM Offshore NV does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances.