



SBM OFFSHORE Q1 2009 TRADING UPDATE

Highlights

- Turnover Q1 2009 up 10% from prior year to US\$ 681 million;
- No major new orders in first quarter; total order backlog at 31 March 2009 at US\$ 8.6 billion same as prior year;
- Level of sales and bidding activity remains high; targeting 2 major contract awards this year;
- Project finance loan for Deep Panuke MOPU - club deal successfully arranged;
- Tanker inventory operating loss of US\$ 10 million in first quarter due to collapse of trading market;
- Recent projects progressing well; continued cost and schedule challenges on drilling rigs and Talisman MOPUstor™ projects;
- Exercise of purchase option on Turkmenistan MOPU/FSO expected, resulting in non-recurring turnover of US\$ 51.5 million and a post-tax profit of US\$ 30 million in June 2009.

Tony Mace, CEO of SBM Offshore: "The Company is in a strong position in its market sector and we are well placed to respond to the expected upturn in business in the mid term. The current business environment and uncertain market conditions in respect of new orders as well as continuing difficulties on delivery of some of our current projects make a firm full year forecast difficult at this time".

Outlook Full Year 2009

- Net profit is expected to be in the range of the 2008 level;
- Turnover is expected to be around US\$ 2.8 – 3.0 billion;
- Confirmation of expected EBIT margin in Turnkey segment between 5 – 10% for full year, however the mid-year EBIT margin in Turnkey segment is expected to be below this range taking into account provisions on the drilling rig projects;
- EBIT from Lease & Operate segment is expected to be below 2008 level.

1. Results

Consolidated turnover for the first 3 months of 2009 totals US\$ 681 million, up 10% from prior year. Turnkey Supply and Services represents 70% and Lease and Operate represents 30% of total turnover.

No major new orders were received during the first quarter. Order intake amounted to US\$ 75 million. Backlog at 31 March 2009 totals US\$ 8.6 billion. Bidding activity remains high and the Company is targeting two major contract awards in 2009.

Since 31 March 2009, a Letter of Intent was received from Saipem S.A. for a deepwater CALM buoy for Total's Usan development in Nigeria, with a contract value of approximately US\$ 50 million.



Petronas Carigali has informed the Company of its intention to exercise its purchase option over the MOPU and FSO facilities (MOPU/FSO Oguzhan) currently operating in Turkmenistan. The expected transaction date is 18 June 2009 and the purchase option should generate non-recurring turnover of US\$ 51.5 million, and a post-tax profit of US\$ 30 million. A short contract extension from expiry of the current lease contract on 23 May 2009 to the purchase date will also be executed.

The Company's inventory of four tankers, available for conversion into FPSOs, and one existing FPSO, have incurred an operating loss of close to US\$ 10 million in the first quarter of 2009 being either laid up or idle, following the collapse of the trading market in recent months. Measures are being taken to reduce costs for the remainder of the year or until a new FPSO project is obtained, by placing all units on lay-up.

Net debt at 31 March 2009 amounted to US\$ 1,625 million (31 December 2008 US\$ 1,464 million), with cash and cash equivalent balances of US\$ 190 million and committed, undrawn bank facilities of US\$ 210 million. Net gearing amounts to 129%, higher than year end 2008 due to the timing of turnkey project milestone payments. This increase is temporary and gearing is expected to decrease to around 110% in the second half of 2009.

Since the quarter-end, a project loan of US\$ 350 million for the EnCana MOPU investment has been successfully arranged on a club basis despite the difficult financing market conditions. The loan documentation is under preparation and closing is expected at the end of this month.

Capital expenditure in the first 3 months of 2009 amounted to US\$ 158 million (US\$ 275 million for Q1 2008).

2. Market Update

There have been no new major FPSO project awards in the whole sector over the last 5 months which is a distinct slow down in activity compared to the recent past. The last major FPSO contract awarded in the sector was the Okha FPSO for Woodside Energy Ltd and the Cossack Wanaea Lambert Hermes (CWLH) joint venture that the Company signed in December 2008. Since then, BP Angola has advised the postponement of the first FPSO award under the Company's call off frame contract signed with BP Angola in August 2008. Despite this slow down in new contract awards, the level of sales and bidding activity for prospects remains high, with the Company's main areas of focus being Brazil and West Africa.

Activity in the Offshore Services sector is still buoyant with both of the Company's vessels busy, and continuing good level of activity with small mooring systems, spare parts and contracting services.

In the mid to long-term, demand for the Company's products and services is expected to remain strong, driven by the anticipated growth of deepwater oil and gas field development projects.

With respect to input costs on our projects, it is noted that prices for major equipment (power generation, compressors etc) have in general not fallen although it seems that price levels have recently stabilised. Delivery times have improved slightly. Fabrication yards in the Far East are still busy with stable price levels, but some yards in the Middle East now have available capacity with the result that prices are starting to ease. Material prices have in general fallen compared to mid 2008.

In the LNG market, new project development has seen a slow down in the last few months as the recession has clearly created a fall in the demand for energy in the near term, particularly in the Far East. It is however anticipated that LNG demand will start to rise in 2014 and beyond. This in principle means that it is not expected that new LNG projects will be sanctioned until later in 2010. Despite this the Company is pursuing a number of possibilities for FEED studies for the LNG FPSO on specific gas fields.



3. Operations

The newer projects under execution in the Company's order backlog including the Petrobras P-57 FPSO, EnCana MOPU, BP Skarv turret, Woodside CWLH FPSO and Petrobras Cachalote FPSO, are proceeding according to plan.

It has been decided to keep the MOPUstor™ for Talisman Energy Norge AS for Yme field in the construction yard in Abu Dhabi until all work related to design modifications to meet Norwegian regulations is complete, in order to avoid carry over to Norway and hence minimise the associated cost impact. Production start-up is not now expected before year-end.

The delivery of the first two rigs is being rescheduled by 2 or 3 months following a recent fire in an electrical switchgear room on the first rig together with finalisation of the design work. Additional costs on the series of drilling rigs are expected to be incurred and provisions will be taken in H1 2009.

The Frade FPSO has been hooked-up offshore in Brazil, and the Thunder Hawk platform has been hooked-up offshore in the Gulf of Mexico with the expectation to commence production service operations in June 2009.

Negotiations are still underway for variation order claims and cost recoveries on various projects.

Phase I of the Sonangol/SBM JV FPSO integration yard investment in Angola will be completed by mid-year 2009. As a result of the postponement in the award of the first FPSO from BP Angola, the second phase will be delayed and will resume after the signature of an FPSO modules construction and integration contract. The yard will in the meantime be busy with construction work for third party projects.

4. Outlook Full Year 2009

- Management expects net profit for 2009 to be in the range of the 2008 level. Variations to this outlook would result from delays in award of new contracts as well as the outcome of negotiations concerning major claims and variation orders within the year.
- Turnover for the full year expected to be around US\$ 2.8 – 3.0 billion.
- EBIT margins for the Turnkey Systems and Services segment for the full year are expected to be within the range of 5% – 10% as previously stated (excluding the positive one-off impact of the Turkmenistan MOPU/FSO). The mid-year margin is expected to be below this range.
- Lease and Operate activities are performing strongly. EBIT is expected to be below the 2008 level due to exceptional operating losses on the Company's oil tanker inventory as a result of the current market conditions, as well as the termination of the Turkmenistan MOPU/FSO charter in June 2009, and the later than forecast commencement of the charters for the Thunder Hawk semi-submersible and Talisman MOPUstor™ platforms.
- Capital expenditure for 2009 is forecast to be between US\$ 500 – 600 million excluding any new operating lease investments obtained later this year.
- Net gearing is expected to decrease to around 110% in the second half of 2009.

5. Conference Call

Management of SBM Offshore will be available to discuss the contents of this press release in a conference call at 18.30 hrs (CET) on Wednesday 13 May 2009. The dial-in number for participants will be +31 (0)70 304 33 71 and the replay number, available for 48 hours, is +31 (0)70 315 43 00, replay code: 17 48 95 #.

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



6. Financial Agenda

Annual General Meeting of Shareholders 2009	14 May	2009
Ex-dividend Date	18 May	2009
Half-year Results 2009 - Press Release	19 August	2009
Half-year Results 2009 - Analysts Presentation (Amsterdam)	19 August	2009
Trading Update Q3 2009 - Press Release	11 November	2009

7. 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, 13 May 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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