



SBM OFFSHORE LNG FPSO DEVELOPMENTS

1. Update on the progress in the Offshore Natural Gas Technology Development

In January 2004, SBM Offshore created a "Gas and Power" division to develop technology for the offshore production of Liquefied Natural Gas (LNG) and the infrastructures to handle the liquid gases from the production sites to the delivery points, with the intention to start marketing the related products as soon as ready.

Several projects are ongoing. They include the development of products to transfer liquefied gases in open sea such as tandem and side-by-side berthing systems for gas carriers, cryogenic swivels, a LNG floating hose solution and a zero emission air vaporisation system to regasify LNG at the end delivery point.

The single most important project and the one which could significantly impact the future profile of SBM Offshore is the LNG FPSO; a means to develop, in a cost effective manner, gas reserves that were previously perceived as being either stranded (remotely offshore) or impractical or uneconomic for a development by means of traditional schemes (pipeline export or onshore liquefaction). The significance of providing a solution for floating liquefaction of natural gas is that the industry may re-look and rethink the way it values gas assets.

It is expected that many players in the industry, including national and international oil and gas companies, utility companies and others will be highly interested in the LNG FPSO.

Although most components are already in service in the industry, an LNG FPSO is technically quite complex and capital intensive. In order to shorten the design and delivery cycle time, it was decided to form a partnership with LINDE A.G. ("Linde"), a major German-based public listed company with a leading position in gas processing and liquefaction technology and having significant "build, own and operate" experience in cryogenic gas plants.

Linde is one of the global leaders in the process of hydrocarbon gases. In liquefaction technology, they hold the unique reference of having delivered the 35,000 ton barge mounted liquefaction unit for Statoil's LNG baseload project "Snøhvit" in the Norwegian Arctic Circle. Linde and SBM have complementary skills and relevant experience to produce a reliable LNG FPSO solution in the shortest possible time. Furthermore, both companies have strong financial capabilities for pursuing the market opportunities on a lease and operation basis as well as on a turnkey supply basis.

Together we have reached the stage where we consider the product ready for marketing and its definition sufficiently accurate to establish the cost and delivery time.



For the hull, which is a major critical component of the LNG FPSO, after evaluation of the technical options available, the SPB LNG tank technology has been retained for the storage of liquefied gas. The choice was driven by considerations such as accessibility for maintenance, robustness and therefore long-term offshore life availability and redeployability. This hull can be adapted to suit also the requirements for floating storage and regasification units (FSRU) for which demand is expected to grow with the LNG market.

An agreement has now been signed between SBM and IHI shipyard of Japan, for the detailed engineering and the further construction of LNG hulls. SBM has funded IHI to develop the basic design of a 230,000 m³ multifunction hull. The long-term agreement provides that IHI offers its construction capacity at the Aichi Works for an early project, and it binds the parties in an exclusive manner under certain conditions.

The global marketing efforts for the LNG FPSO will start as of today, on the basis of the proposed schedule to commence production of gas from the first unit in 2012.

The Linde Multi-stage Mixed Refrigerant (LiMuM) process has been selected for the liquefaction system based on its thermodynamic efficiency, robust design, compactness and proven performance. The FPSO facility will be able to treat, fractionate, liquefy, store and export the LNG as well as any by-products from the gas field production such as LPG and condensates. The nominal size of the developed facility provides an output of 2.5 MM tonnes per year of LNG which, therefore, is typically suitable for fields in excess of 1 tcf recoverable gas reserves. The comprehensive topside design will enable the process of almost any natural gas composition.

Linde and SBM are both confident that there is a strong upcoming demand for this type of facility and the best resources of both companies have been mobilised and are working on this project.

For SBM Offshore, the objective of this LNG FPSO initiative, complemented by the other products, is to serve the industry with a solution to monetise energy resources that otherwise would be untapped and by doing so, to place the Company as a pioneer in this market and to maintain a leading position in the long term, in the same way as it did in the crude oil FPSO lease and operate segment where it is still today the largest player.



2. Financial Agenda

Preliminary Results 2007 - Press Release & Conference Call	29 January	2008
Final Results 2007 - Press Release	11 March	2008
Final Results 2007 - Analysts Presentation (Amsterdam)	12 March	2008
Annual Report 2007	End April	2008
Annual General Meeting of Shareholders 2008	15 May	2008
Ex-dividend Date	19 May	2008
Half-year Results 2008 - Press Release	19 August	2008
Half-year Results 2008 - Analysts Presentation (Amsterdam)	20 August	2008

3. 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

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