Brazil
SBM Offshore

At SBM Offshore, our people have unrivalled experience and understanding of the needs of the global offshore energy industry. Our product development is driven by evolving market demand.

SBM Offshore is a leader in floating production and mooring systems, production operations as well as terminals and services. The Group maintains a significant Intellectual Property (IP) portfolio including patents, trademarks, and copyrights, ensuring we maintain our technological edge.

With over 8,500 employees worldwide, spread over five main execution centres, 11 operational shore bases, several construction yards and onboard our offshore fleet, we can confidently supply floating production solutions through the entire product lifecycle, from engineering to procurement, construction, installation, operation and relocation.

We ensure that Health Safety, Security and Environment are present from start to finish in the full product lifecycle.

The Group is committed to conducting business in a sustainable way over the long-term by developing close relationships with local people, communities and businesses in host countries, and by safeguarding the natural environment.

In Brazil, SBM Offshore is currently involved in ten major FPSO projects including, Cidade de Paraty onstream in 2013, the Cidade de Ilhabela in 2014, the Cidade de Maricá in 2015 and the Cidade de Saquarema in 2016.
What we believe in

**Sustainability**

SBM’s ultimate goal is to have a positive industrial and social impact. Working in compliance with local regulations and respecting the local environment, we aspire to deliver value for money, long-term partnerships and integration into the community. We offer an opportunity for local suppliers to grow and create jobs by means of transferring capability and know-how. We provide career development and self-improvement opportunities together with safety at work and local capital investment. SBM has a policy of decentralizing operational decision making, encouraging personal responsibility and increased localization with a combination of training and investment to create sustainable local businesses that are socially accountable and environmentally responsible.

**Innovation**

The offshore energy industry is constantly moving and seeking solutions to ever more difficult challenges. We respond by continuously innovating and updating our technology to keep ahead of market needs and remain a pioneer in our industry.

SBM Offshore continues to improve its technology through a substantial Product and Technology Development program. Recently, we have performed development work on high voltage swivels for future high power requirements. We have also tested very high pressure fluid swivels allowing FPSOs to exploit deeper high pressure / high temperature reservoirs. Our technical edge has led to SBM achieving some record breaking projects in Brazil.

The Espadarte FPSO was the industry’s largest internal turret in 2000, followed in 2008 by the world’s largest internal turret (with 75 risers) for the P-53 FPSO. In 2009 the first ever turret moored FPSO, using Steel Risers was installed - the FPSO Espirito Santo. In 2013 we received the contract for the world’s deepest disconnectable FPSO for Shell Stones in the Gulf of Mexico.
SBM Offshore in Brazil

SBM Offshore has had a presence in Brazil since 1968 when we supplied a shallow water CALM buoy to Petrobras. We began operating in Brazil in 1997 following the installation of FPSO II at which time the shorebase in Macaé was opened.

Offshore production operations grew further in 2000 with the arrival of FPSO Espadarte FPSO and Brasil in 2002. Since that time SBM’s Brazilian production units have been at the absolute forefront of global floating production technology.

SBM is proud to report an unmatched uptime performance record across our Brazilian fleet with an uptime record of over 99%. Consistent reliability has been recognized by our clients and their partners and gained SBM Offshore a proud reputation with the Brazilian offshore industry.

Production figures have continued to rise with additional units being added to the fleet including two FPSO refurbishments on Capixaba and Cidade de Anchieta (formerly Espadarte).

In 2013 the Cidade de Paraty was the first of SBM’s pre-salt FPSOs under lease to Petrobras and will be followed by three more: FPSOs Cidade de Ilhabela, Cidade de Maricá and Cidade de Saquarema in 2014, 2015 and 2016 respectively. All of which will ramp-up SBM’s contribution to oil production in Brazil.

For a complete list of our projects in Brazil see pages 6 to 7.

General Management & Project Execution

The head office of the SBM Offshore Group in Brazil is based in Rio de Janeiro.

In response to the increasing local content requirements in Brazil, SBM has developed the capability to execute Engineering, Procurement, Construction and Installation (EPCI) activities in Brazil.

The P-57 FPSO has provided a new benchmark to the Brazilian Offshore Industry; SBM’s project execution strategy and an optimal alignment with the Client (Petrobras) resulted in a high quality product, an outstanding HSSE performance record and the achievement of a first oil production date ahead of schedule. This was all achieved by optimizing local content (over 65%) to a degree never seen before in Brazil.

This strategy has been successfully applied to the FPSO Cidade de Paraty and is continuing for the FPSOs Cidade de Ilhabela, Cidade de Maricá and Cidade de Saquarema.

The Cidade de Ilhabela FPSO will be the first to benefit from the Brasa yard (owned 50% by SBM) with its prime location in Niterói where the majority of the module fabrication and installation activities will take place. More details about Brasa can be found on page 10.
Offshore Fleet Operations

All production operations offshore Brazil are directed out of the Macaé office.

The SBM office in Macaé is dedicated to the operation of SBM’s FPSOs located offshore Brazil. SBM has been operating FPSOs in Brazil for more than 16 years during which time the company has evolved into a well developed and fully autonomous offshore operator and technical manager of Brazilian offshore production units.

Fully dedicated to the offshore production operations, the office in Macaé (and its satellite shorebases) perform the various administration, personnel and logistics functions related to the operations and management of the FPSOs located in the Campos Basin in Rio de Janeiro State. To support the production operations offshore Espírito Santo and São Paulo, SBM has additional shorebases in Vitória and Santos respectively.

SBM representatives also work closely with our client Shell in their Rio de Janeiro office for the management of the FPSO Espírito Santo.

SBM is committed to further developing as a truly Brazilian company with a long term strategy of investment and development in the country. We actively participate in initiatives with local universities and other governmental institutions aimed at developing local talent to fill roles at all levels of our organization, including senior management.

SBM believes that this long term strategy will be key to our continued success which shall ensure that we maintain our position as the market leader in offshore production solutions in Brazil.
## CALM Buoys

<table>
<thead>
<tr>
<th>Client</th>
<th>Petrobras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Depth</td>
<td>22-400m</td>
</tr>
</tbody>
</table>

Since 1968 SBM has supplied 15 CALM buoys to Petrobras for the Tramandaí, Sao Francisco do Sul, Enchova, Garoupa (x2), Tedut & Tefran, Pampo (x2), RJ-S-28A, Badejo, Corvino, Marlim (x2) and Pra (x2) Fields.

## Large Mooring Systems

<table>
<thead>
<tr>
<th>Client</th>
<th>Petrobras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Depth</td>
<td>120-1,080m</td>
</tr>
</tbody>
</table>

SBM Offshore supplied 5 large mooring systems between 1982 and 1996 for the P.P. de Moraes FPSO (x2), the Petrobras XXXIII FPSO, Petrobras XXXV FPSO and P-53 FPSO.

## FPSO II

<table>
<thead>
<tr>
<th>Client</th>
<th>Petrobras Marlim South</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>Marlim South</td>
</tr>
<tr>
<td>Capacity</td>
<td>828,300 bbls</td>
</tr>
<tr>
<td>Water Depth</td>
<td>1,260m</td>
</tr>
<tr>
<td>First Oil</td>
<td>13 August 1997</td>
</tr>
</tbody>
</table>

The FPSO II was converted to suit Petrobras’s requirements and was under a three and a half year lease to Petrobras inclusive of maintenance, operation and shore base facilities. The unit was scrapped in 2002.

## FPSO Brasil

<table>
<thead>
<tr>
<th>Client</th>
<th>Petrobras Roncador</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>Roncador</td>
</tr>
<tr>
<td>Capacity</td>
<td>1,708,000 bbls</td>
</tr>
<tr>
<td>Water Depth</td>
<td>1,360 m</td>
</tr>
<tr>
<td>First Oil</td>
<td>7 December 2002</td>
</tr>
</tbody>
</table>

The FPSO is owned by a joint venture between SBM Offshore and MISC. The unit is under long term lease to Petrobras inclusive of maintenance, operation and shore-base facilities. Lease duration is nine and a half years including extension options.

## FPSO Marlim Sul

<table>
<thead>
<tr>
<th>Client</th>
<th>Petrobras Marlim Sul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>Marlim Sul</td>
</tr>
<tr>
<td>Capacity</td>
<td>2,026,000 bbls</td>
</tr>
<tr>
<td>Water Depth</td>
<td>1,015 m</td>
</tr>
<tr>
<td>First Oil</td>
<td>7 June 2004</td>
</tr>
</tbody>
</table>

The FPSO is under an eight year lease to Petrobras inclusive of maintenance, operation and shore base facilities.

## Frade FPSO

<table>
<thead>
<tr>
<th>Client</th>
<th>Chevron Frade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>BC-10</td>
</tr>
<tr>
<td>Capacity</td>
<td>1,550,000 bbls</td>
</tr>
<tr>
<td>Water Depth</td>
<td>1,861 m</td>
</tr>
<tr>
<td>First Oil</td>
<td>20 June 2009</td>
</tr>
</tbody>
</table>

The FPSO was supplied to Chevron Frade LLC. SBM Offshore operated the unit until June 2013.

## FPSO Espirito Santo

<table>
<thead>
<tr>
<th>Client</th>
<th>Shell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>BC-10</td>
</tr>
<tr>
<td>Capacity</td>
<td>2,000,000 bbls</td>
</tr>
<tr>
<td>Water Depth</td>
<td>1,780 m</td>
</tr>
<tr>
<td>First Oil</td>
<td>13 July 2009</td>
</tr>
</tbody>
</table>

The FPSO is owned and operated by a joint venture between SBM Offshore and MISC. The vessel is under long term lease to Shell inclusive of maintenance, operation and shore base facilities.
### FPSO Capixaba
- **Client:** Petrobras
- **Field:** Cachalote
- **Capacity:** 2,038,000 bbls
- **Water Depth:** 1,485 m
- **First Oil:** 29 May 2010

Since May 2006 the FPSO was on the Golfinho field under lease to Petrobras. The vessel was upgraded and is currently under 12 year lease to Petrobras. The vessel is owned by a joint venture between SBM and Queiroz Galvão Óleo e Gás.

### P-57
- **Client:** Petrobras
- **Field:** Jubarte
- **Capacity:** 1,600,000 bbls
- **Water Depth:** 1,300 m
- **First Oil:** 14 December 2010

SBM Offshore’s scope is for the supply of a complete FPSO to Petrobras. SBM Offshore will operate the unit during its first three years, including a six month transition period.

### FPSO Cidade de Anchieta
- **Client:** Petrobras
- **Field:** Baleia Azul
- **Capacity:** 1,900,000 bbls
- **Water Depth:** 1,221 m
- **First Oil:** 17 September 2012

Unit formerly called the Espadarte FPSO was under lease to Petrobras until April 2011. The unit was converted for the Baleia Azul Field and is currently on an 18 year lease contract for Petrobras.

### FPSO Cidade de Paraty
- **Client:** Petrobras & Partners
- **Field:** Lula Nordeste
- **Capacity:** 1,600,000 bbls
- **Water Depth:** 2,120m
- **First Oil:** 11 June 2013

The FPSO will be owned by a joint venture between SBM Offshore and Queiroz Galvão Óleo e Gás and will be on a 20 year lease to Petrobras.

### OSX - 2
- **Client:** OSX Brasil
- **Capacity:** 1,600,000 bbls

SBM Offshore’s supplied a complete FPSO to OSX Brasil in September 2013.

### FPSO Cidade de Ilhabela
- **Client:** Petrobras & Partners
- **Field:** Guará Norte
- **Capacity:** 1,600,000 bbls
- **Water Depth:** 2,140 m
- **First Oil:** 20 November 2014

The FPSO will be owned by a joint venture between SBM Offshore and Queiroz Galvão Óleo e Gás and will be on a 20 year lease to Petrobras and partners.

### FPSOs Cidade de Maricá & Saquarema
- **Client:** Petrobras & Partners
- **Field:** Lula Alto & Lula Central
- **Capacity:** 1,600,000 bbls
- **Water Depth:** 2,140 m
- **First Oil:** 2015 & 2016

The two FPSOs will each be on a 20 year lease contract to Petrobras & Partners. The FPSOs will be owned and operated by a Joint Venture owned by affiliated companies of SBM Offshore, Mitsubishi Corporation, Nippon Yusen Kabushiki Kaisha, and Queiroz Galvão Óleo e Gás S.A. in which SBM Offshore shareholding will be 56%.
HR Policy
SBM in Brazil currently employs more than 1000 people in various onshore and offshore positions, the great majority of whom are Brazilian nationals. SBM Offshore’s HR policy and crewing strategy are implemented at the various offices and work sites. The HR policy and associated procedures are designed to source the very best candidates and ensure that competency, skills and safety consciousness are continually developed.

Recruitment and Training
SBM in Brazil is dedicated to recruiting, training and developing the best offshore personnel in the industry which is a key element to achieving and maintaining our impressive uptime record. Our crewing strategy includes the following elements: effective onboard organization (line management philosophy and core crew principle), screening during hiring, annual appraisals, career development interviews and root cause analysis to identify lessons learned.

ICSS Simulator and CBTs
Since 2005, the Company has organised Competency Assurance training at its dedicated facility in Macaé, Brazil to compliment the training offshore. The training programme on simulated FPSO Control Room panels is implemented to help maximize FPSO uptime performance and enables the Company to achieve its nationalization targets of over 70% national employees. In addition to the ICSS Simulator, Computer Based Training (CBT) modules, available in both English and Portuguese, allow staff to be trained on several key process components of a complex FPSO such as turret, glycol dehydration, gas compression, water injection and separation.
Local Content and Project Execution

Wherever SBM operates in the world, the goal is to support the development of the local market: utilizing as much as possible in-country services and products, making use of local manpower and providing training to the local labor force.

Since the arrival of the Espadarte FPSO in Brazil, SBM has built up the number of Brazilian employees and put a complete, local management structure in place.

Brazilian projects

For its projects executed in Brazil, SBM has developed a comprehensive execution approach for projects – delivering high local content. The SBM project execution plan for Brazil provides proven strategies for project management, planning, cost control, risk identification & mitigation, engineering design, supply chain management, interface coordination, construction site management & supervision, completions, offshore installation and facility start-up.

Brazilian vendors

SBM has performed extensive pre-qualifications and QA audits on Brazilian vendors. In order to increase the capacity as well as the competitiveness of the Brazilian supplier market, SBM Offshore is actively supporting cooperation between international technology providers and local manufacturers. Partnerships have also been established with local construction yards whereby the introduction of best practices and lessons learned workshops are delivering excellent results. As a result of its corporate and project execution strategies SBM was able to exceed the local content requirements defined for the P-57 FPSO project (69%).

Continuous efforts are made to identify new qualified suppliers and develop strategic partnerships with Brazilian companies.

As part of its strategy to develop high local content and to strengthen its position in the Brazilian FPSO market, SBM entered recently into two Joint Ventures: Brasa and BSL, thus offering a complete set of tools for FPSO turnkey projects comprising a modules yard, an integration quayside and a Heavy Lift Crane Barge.
Brazilian Yard - BRASA
Through a joint venture with Naval Ventures Corp (Synergy Group), SBM Offshore continues to expand Brazilian content in the oil and gas services market. In late 2011, the ESTALEIRO BRASA was born in the heart of Niterói, well-known offshore and shipping industry city.

Fabrication load-out, integration and commissioning
The yard allows for fabrication, load-out, integration and commissioning of an FPSO within a short delivery time. It will be able to handle in parallel the integration of one FPSO and the construction of modules for another.

Jobs for Brazil
In addition to increasing Brazilian autonomy in the oil and gas industry, this new yard is the only one fully dedicated to FPSOs. It has created new jobs, currently employing 2,200 people and provides training for employees - preparing a new generation of technicians and engineers to serve future Brazilian developments.

Yard in full swing
The yard currently comprises 65,000 m² of work space and is in full swing for the construction of the modules for the FPSO Cidade de Ilhabela. Once the Ilhabela FPSO arrives at BRASA the modules will be integrated onboard and the vessel will also be ready for commissioning. In 2014 the yard will then start fabrication of the modules for Cidade de Maricá and Cidade de Saquarema.

High quality and safety standards
At BRASA, SBM Offshore’s quality and safety standards are always met during the construction phase and delivery dates are achieved.
Brazilian Lifting Capabilities - BSL

BSL, a JV company between SBM Offshore and Naval Ventures Corp (Synergy Group), provides a Brazilian solution for heavy load lifting. Our mission is to add value and provide flexible lifting options for projects within Brazil.

Flexibility

We offer services related to module lifting for integration on FPSOs and rigs, as well as support for shipbuilding activities and cargo offloading operation projects. We operate in sheltered waters all along the Brazilian coast, and our Niterói location allows for quick and easy access while maintaining competitive pricing.

Lifting windows and notification mechanisms often cause difficulty throughout a project, we provide “Just in Time Service” to be where the project needs us at the right time. There is no need to carry over any work on board, reducing delays and/or additional time.

Local Content and Certification

We are a 100% Brazilian company, providing services in line with ISO and OHSAS international standards.

Recent contracts

Contracts have recently been signed with the consortium responsible for the conversion of four FPSOs for Cessão Onerosa (P74 to 77) at Inhaúma shipyard, for the installation of the accommodation modules with additional options still to be defined. BSL will perform the modules integration of FPSO Cidade de Ilhabela, at BRASA, SBM Offshore’s shipyard located in Niterói.

Partnership with Petrobras

Petrobras recognizes the potential of our lifting equipment and the importance of local content. The company’s senior management is closely monitoring the progress of our activities and has indicated a strong interest in using our services for ongoing projects.
Brazil

Monaco
24, avenue de Fontvieille
P.O. Box 199
MC 98007 Monaco CEDEX
Principality of Monaco
Telephone +377 92 05 15 00
Telefax +377 92 05 32 22

Rio
Avenida Rio Branco 108,
15o andar – Centro
Rio de Janeiro (RJ)
CEP 20040-001
Tel: +55 (21) 3506 5600
Fax: +55 (21) 3506-5610

Macaé
Rua José de Aguiar Franco 327,
Costa do Sol
Macaé (RJ) CEP27923-320 Brasil
Tel: +55 (22) 2773 94 00
Fax: +55 (22) 2772 34 99

Schiedam
Karel Doormanweg 66
3115 JD Schiedam
The Netherlands
Tel: +31 10 232 0900

www.sbmoffshore.com

October 2013