

SBM OFFSHORE THIRD QUARTER TRADING UPDATE

November 9, 2016

PERFORMANCE IN LINE WITH GUIDANCE

Highlights

- Year-to-date 2016 Directional¹ revenue on track at US\$1.6 billion.
- US\$193 million order intake year to date.
- Third Quarter 2016 uptime at 99.2%.
- FPSO *Cidade de Saquarema* on hire as of July 8, 2016.
- FPSO *Turritella* on hire as of September 2, 2016.
- Brazilian Fifth Chamber referred settlement agreement to the Higher Council of the Ministério Público Federal (“MPF”), for further consideration and decision.
- Reiterating 2016 Directional¹ revenue and EBITDA guidance of at least US\$2.0 billion and around US\$750 million, respectively.
- EUR150 million share repurchase program well underway.

Bruno Chabas, CEO of SBM Offshore commented:

“This quarter saw the successful delivery of two complex FPSOs to our clients. The scale and technological challenges of delivering these projects in line with client schedule and to budget were very significant. I am very proud to see that dedicated SBM Offshore staff demonstrated once again that experience matters, by exceeding expectations.

Business across the offshore industry remains slow, with low order intake. Visibility on new awards continues to be limited, even though interest is picking up with the realization that the turning point in oil supply/demand is close and that structural undersupply is likely only to be a matter of time. Client feedback on our game changing Fast4Ward™ product is very positive. This innovation combined with our ongoing restructuring and optimization program give us confidence we have a credible solution to work profitably in a low oil price environment.”

Financial Highlights

	YTD Directional ¹			YTD IFRS		
<i>in US\$ million</i>	3Q 2016	3Q 2015	% Change	3Q 2016	3Q 2015	% Change
Revenue	1,574	2,059	-24%	1,822	2,055	-11%
<i>Turnkey</i>	622	1,252	-50%	921	1,320	-30%
<i>Lease and Operate</i>	952	807	18%	901	735	23%
<i>in US\$ billion</i>	Sep-30-16	Dec-31-15	% Change	Sep-30-16	Dec-31-15	% Change
Backlog	17.5	18.9	-7%	-	-	NM
Net Debt	3.0	3.1	-4%	5.1	5.2	-1%

¹ Directional view is a non-IFRS disclosure, which assumes all lease contracts are classified as operating leases and all vessel joint ventures are proportionally consolidated.

Year-to-date 2016 Directional¹ revenue came in at US\$1,574 million versus US\$2,059 million in the year-ago period. For the Turnkey segment, revenue decreased 50% year-on-year to US\$622 million, reflecting the slow-down in activity due to continued difficult oil and gas market conditions, as well as the sale to JV partners of a 45% stake in FPSO *Turritella* in the first half of 2015. The Lease and Operate revenue increased 18% versus the same period last year to US\$952 million, due to the commencement of production of FPSO *Cidade de Maricá* which was on hire commencing February 7, 2016, FPSO *Cidade de Saquarema* which was on hire on July 8, 2016, FPSO *Turritella* which was on hire commencing September 2, 2016 and the contribution of the Production Handling Agreement signed in September 2015 with Noble to connect the Big Bend and Dantzler fields to the Thunder Hawk Deepdraft™ Semi in the U.S. Gulf of Mexico.

Directional¹ Backlog as of September 30, 2016 stood at US\$17.5 billion. The Company added US\$ 193 million in new orders related to FEED, terminals and offshore installation contracts and contract close-outs. Although SBM Offshore is actively involved in several tenders for FEED studies and final awards, it remains cautious on order intake in view of the continuing downturn in the oil and gas industry.

Proportional net debt as of September 30, 2016 amounted to US\$3.0 billion, a decrease of 4% compared to the end of December 2015. This predominantly reflects an increase in cash flow generated by the Lease and Operating segment and upfront payments received from clients, more than offsetting the decreasing capital expenditure in the Turnkey segment and the Company's share repurchase program.

Directional¹ capital expenditure for the year to date amounted to US\$35 million. Full year 2016 Directional¹ capital expenditure, net of upfront client payments, has been revised from US\$70 million to US\$50 million. The year to date and reduced full year forecast reflect good project progress and release of contingencies in closing out Turnkey projects.

Project Review

FPSO Cidade de Saquarema (Brazil)

FPSO *Cidade de Saquarema* achieved first oil and completed a 72-hour continuous production test leading to final acceptance. The vessel was formally on hire on July 8, 2016. The FPSO achieved its operational milestone "flare out" on September 20. The charter contract for the vessel includes an initial period of 20 years.

FPSO Turritella (US Gulf of Mexico)

FPSO *Turritella* was formally on hire as of September 2, 2016 after achieving Commencement of Commercial Production (CoCP). The CoCP certificate was issued on September 8, 2016. The lease and operate contract includes an initial period of 10 years with future extension options up to a total of 20 years.

Turrets and Mooring systems

Commissioning continues in accordance with client's schedules and contractual planning for the two large, complex turrets for *Prelude* FLNG and FPSO *Ichthys*. The *Prelude* turret finalization date, previously foreseen for 2016, will be aligned with client execution schedule.

Operational Uptime

The Company's fleet recorded 99.2% uptime for the third quarter, which brings the year-to-date uptime to 96.4%.

FSO *Serpentina* Extension

The operating and maintenance contract on FSO *Serpentina* was extended on August 1, 2016 for a period of 6 months from the previous termination date of August 14, 2016 to February 14, 2017.



Compliance

The Brazilian Fifth Chamber upheld its decision of September 1, 2016 in which the Leniency Agreement, as per the current terms, was not approved, and referred the matter, including review of the appeals filed by the General Counsel for the Republic (Advocacia Geral da União – “AGU”) and the Public Prosecutor’s Office (Ministério Público Federal – “MPF”), to the Higher Council of the MPF (Conselho Institucional) for further consideration and decision.

The Company remains committed to engage with all relevant authorities until the Leniency Agreement is approved by the Fifth Chamber. Until it is binding upon all parties, the Company is not under any obligation to make payments under the Leniency Agreement.

The Leniency Agreement further remains subject to review by the Federal Court of Accounts (Tribunal de Contas da União – “TCU”), which is not a condition precedent to the Leniency Agreement.

It is currently not possible to predict the timing or final outcome of these developments, and the Company will update the market accordingly.

YME Decommissioning

The Yme platform was decommissioned, taken off station and handed over to SBM Offshore on August 22, 2016. The platform was subsequently transported and placed onshore at a yard in Norway on September 12, where the platform will be disassembled.

New Research and Development Laboratory

On October 12, 2016, SBM Offshore has officially inaugurated its new R&D facilities at Carros – Le Broc, near Nice in France. The laboratory covers 2,300 m², and will cater to a variety of testing and research requirements across the Company’s product lines in new technological developments.

Dow Jones Sustainability Index (“DJSI”)

On September 19, 2016, SBM Offshore was reconfirmed in the DJSI, for the seventh consecutive year. The 2016 entry score of 81 out of 100 demonstrates that the Company is recognized as an “Industry Leader” in the Energy Equipment and Services sector.

Share Repurchase Program

On August 11, the Company initiated a EUR 150 million share repurchase program. As of November 4, the Company had repurchased 6,971,000 shares at an average share price of EUR 12.73, equal to 59% of the total repurchase program.

Release of Pre-Completion Corporate Guarantees

The release of pre-completion corporate guarantees associated with project financings with respect to the three FPSOs *Cidade de Maricá*, *Cidade de Saquarema* and *Turritella* is ongoing. Reflagging of FPSOs *Cidade de Maricá* and *Cidade de Saquarema* to Panama, as a condition prior to release of the guarantees, has been completed in September 2016. Release of the pre-completion corporate guarantees is expected to be completed in the fourth quarter of 2016.



Floating Wind Pilot Project

Having supplied more than 100 floating production and more than 450 offshore mooring systems over almost 60 years, SBM Offshore is the technology leader for floating and mooring solutions for the energy industry. SBM Offshore is looking at deploying its technology in floating wind projects as these require strong offshore experience and expertise.

On November 4, 2016 the French Government announced that it has selected the EDF Energies Nouvelles (EDF EN) proposal to construct a pilot floating wind farm for its Provence Grand Large project, offshore France. SBM Offshore's proprietary floating systems solution for offshore wind turbines will be deployed on this EDF EN project. The pilot project remains subject to the client's final investment decision.

The scope for SBM Offshore would involve engineering, procurement, construction and installation services of the floating and mooring components for three floating wind systems. The execution planning remains subject to discussions with EDF EN, authorities and other project stakeholders. The Company would supply the floaters' components on a turn-key basis.

Outlook and Guidance

The Company is reiterating its 2016 Directional¹ revenue guidance of at least US\$2.0 billion, of which US\$0.6-0.7 billion is expected in the Turnkey segment and US\$1.3-1.4 billion in the Lease and Operate segment. The Company also reconfirms the 2016 Directional¹ EBITDA guidance of around US\$750 million.



Conference Call

SBM Offshore has scheduled a conference call followed by a Q&A session at 18:30 Central European Summer Time on Wednesday, November 9, 2016.

The call will be hosted by Bruno Chabas (CEO), Peter van Rossum (CFO) and Erik Lagendijk (CGCO). Interested parties are invited to listen to the call by dialing +31 (0) 20 531 5851 in the Netherlands, +44 (0) 20 3365 3210 in the UK or +1 866 349 6093 in the US.

A replay will be available shortly after the end of the conference call. Interested parties can listen to the replay by dialing +31 (0) 20 530 0220 and using access code 327425# until December 9, 2016.

Corporate Profile

SBM Offshore N.V. is a listed holding company that is headquartered in Amsterdam. It holds direct and indirect interests in other companies that collectively with SBM Offshore N.V. form the SBM Offshore group ("the Company").

SBM Offshore 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 activities are the design, supply, installation, operation and the life extension of Floating Production, Storage and Offloading (FPSO) vessels. These are either owned and operated by SBM Offshore and leased to its clients or supplied on a turnkey sale basis.

As of December 31, 2015, Group companies employ approximately 7,000 people worldwide. Full time company employees totaling 4,900 are spread over five regional centres, eleven operational shore bases and the offshore fleet of vessels. A further 2,100 are working for the joint ventures with several construction yards. Please visit our website at www.sbmoffshore.com.

The companies in which SBM Offshore N.V. directly and indirectly owns investments are separate entities. In this communication "SBM Offshore" is sometimes used for convenience where references are made to SBM Offshore N.V. and its subsidiaries in general, or where no useful purpose is served by identifying the particular company or companies.

The Management Board
Amsterdam, the Netherlands, November 9, 2016

Financial Calendar	Date	Year
Extraordinary General Meeting of Shareholders	November 30	2016
Full-Year 2016 Earnings – Press Release	February 8	2017
Annual General Meeting of Shareholders	April 13	2017
Trading Update 1Q 2017 – Press Release	May 10	2017
Half-Year 2017 Earnings – Press Release	August 8	2017
Trading Update 3Q 2017 – Press Release	November 7	2017



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