

SBM OFFSHORE 2016 YEAR END UPDATE

December 7, 2016

As the Company nears its year end, and ahead of the scheduled FY2016 earnings announcement, the Management Board announces the following non-cash adjustments to its accounts, which are the result of its regular year-end review taking into account uncertainties in outlook for certain areas of its operations reflected in its updated business planning assumptions¹:

Summary

- Impairment of net investment in construction yard Paenal in Angola of approximately US\$60 million
- Recognition of DSCV *SBM Installer* long term charter as onerous contract at a cost of approximately US\$30 million

Investment in JV holding Construction Yard Paenal

The activity outlook for SBM Offshore's investment (30% ownership) in the Joint Venture owning the Paenal construction yard operating in Angola has deteriorated. As a result, the Company's carrying amount for the net investment in this entity is to be impaired by approximately US\$60 million. Because this investment is consolidated using the equity method, this non-cash impairment is recognized in the Company's Consolidated Income Statement on the line item share of profit of equity-accounted investees.

DSCV *SBM Installer* Charter Contract

SBM Offshore has a long-term charter contract with the Diving Support and Construction Vessel (DSCV) *SBM Installer*. Due to the ongoing industry downturn, which has created significant over-supply in offshore markets, the vessel's projected utilisation has decreased. As a result, the contract is classified as onerous and a non-cash provision of approximately US\$30 million is to be recognized in the Gross Margin of the Turnkey segment. SBM Offshore's investment (25% ownership) in the Joint Venture which owns the vessel is consolidated using equity accounting.

Outlook and Guidance

The Company confirms its FY2016 Directional² revenue guidance of at least US\$2.0 billion. Including the above charter contract provision of approximately US\$30 million Directional² FY2016 EBITDA guidance is around US\$720 mln, compared to the previous guidance of around US\$750 million. However on an underlying basis, adjusting for the aforementioned provision and the increase in compliance related settlement provision of US\$22 million reported in the 2016 Half Year Earnings, underlying Directional² FY2016 EBITDA guidance is around US\$ 770 million.

¹ Updates reflect recent events and insights acquired since the publication of the 1H16 results and 3Q16 Trading Update

² Directional view is a non-IFRS disclosure, which treats all leases as operating leases and consolidates the vessel joint ventures proportionally



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, December 7, 2016

Financial Calendar	Date	Year
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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