

## SBM OFFSHORE FIRST QUARTER TRADING UPDATE

May 10, 2017

### REVENUE ON TRACK; REITERATING GUIDANCE

#### Highlights

- Year-to-date 2017 Directional<sup>1</sup> revenue in line with Management expectations at US\$420 million
- New 5-year Operating and Maintenance contract signed for FPSO *Serpentina*
- Increased dividend of US\$ 0.23 per share as compared to US\$0.21 last year (up c.17% in Euros), to be paid on May 12, 2017
- Reiterating 2017 Directional revenue and EBITDA guidance of around US\$1.7 billion and around US\$750 million, respectively

Bruno Chabas, CEO of SBM Offshore commented:

“Today we report revenues which are in-line with full year guidance. The results underline the importance of the Lease and Operate segment, the revenues of which are not oil price dependent and are contractually secured for many years to come. This segment’s quarterly revenues have grown c. 30% compared to Q1 2016 driven by the new FPSO deliveries during the course of last year. The decrease in Turnkey compared to the same period last year was expected based on the low order intake since the oil price downturn. Based on our engagement with clients, we see signs of recovery for the deepwater market in the medium term, albeit, as previously stated, we see that structurally the market is unlikely to return to historical levels. In this environment, the strength of our Lease and Operate business leaves us well positioned and enables us to maintain a commercially disciplined approach. On the basis of the solid performance of our lease fleet, I am pleased to reiterate full-year guidance, which includes overall EBITDA at a similar level to last year.”

#### Financial Highlights

in US\$ million	YTD Directional			YTD IFRS		
	1Q 2017	1Q 2016	% Change	1Q 2017	1Q 2016	% Change
Revenue	420	442	-5%	435	507	-14%
Turnkey	42	148	-72%	42	225	-81%
Lease and Operate	378	293	29%	393	282	39%

  

in US\$ billion	YTD Directional			YTD IFRS		
	Mar-31-17	Dec-31-16	% Change	Mar-31-17	Dec-31-16	% Change
Net Debt (proportional)	3.1	3.1	-2%	5.1	5.2	-3%

Backlog calculation will be provided in 1H17 Earnings Update

Year-to-date 2017 Directional revenue came in at US\$420 million versus US\$442 million in the year-ago period. This decrease was driven by the low Turnkey activity level as the last major projects were delivered in 2016. Revenues from the Lease and Operate segment increased due to the additions to the fleet during 2016, which largely offset the Turnkey decrease.

Directional Turnkey segment revenue decreased by 72% to US\$42 million, while Lease and Operate segment revenue increased 29% from the year-ago period to US\$378 million. The growth in Lease and Operate revenue is mostly attributable to the fact that the 2016 delivered FPSOs *Cidade de Maricá*, *Cidade de Saquarema* and *Turritella* contributed to the result during the first quarter in 2017.

<sup>1</sup> 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.

Compared to end December 2016, proportional net debt as of March 31, 2017 decreased slightly to just below US\$3.1 billion. Cash flow from Lease and Operate was mainly allocated to interest and loan redemption, acquisition of a vessel, structural expenses and the planned decrease in trade payables associated with the 2016 FPSO deliveries.

### Lease fleet

#### *FPSO Serpentina (Equatorial Guinea)*

On March 3, 2017, GEPsing – a joint venture company between SBM Offshore (60%) and the National Oil Company of Equatorial Guinea, GEPetrol (40%) – was awarded a new 5-year contract by MEGI (Mobil Equatorial Guinea Inc.) to operate and maintain the FPSO *Serpentina* with effective date April 1, 2017. FPSO *Serpentina* is located on the Zafiro field offshore Equatorial Guinea and is owned by MEGI. Constructed by SBM Offshore, the FPSO achieved first oil in July 2003 and operates at a water depth of c. 500 meters with a maximum throughput capacity of 110,000 bopd. GEPsing also operates FPSO *Aseng*.

### Compliance

Discussions with the Brazilian authorities and Petrobras regarding the Leniency Agreement signed on July 16, 2016, that was subsequently sent back by the Brazilian Fifth Chamber to the Public Prosecutor for adjustments, are ongoing. The Leniency Agreement is also under review by the Federal Court of Accounts (Tribunal de Contas da União).

Under the current interpretation of the tender rules in Brazil, the Company can participate in tenders, but it cannot be awarded a contract until the Leniency Agreement is final. The Company challenges this position as it considers this situation to be unsatisfactory in light of its ongoing efforts to reach a final resolution.

In the United States, the Company discussions with the Department of Justice (“DOJ”) are advancing. These regard the investigation the DOJ had closed in November 2014 and reopened early 2016 and its inquiry into Unaoil, a company that SBM Offshore had engaged as an agent prior to 2012 in relation to delivery of barges, offshore terminals and maintenance.

Pending the discussions with the Brazilian authorities and the DOJ, the Company cannot provide further clarity or assurance on the outcomes of these discussions, or on the timing thereof.

### Post-Period Events

#### *Dividend*

On April 13, 2017, the Annual General Meeting of Shareholders (AGM) voted in favor of the proposed US\$0.23 per ordinary share dividend distribution. Dividends are to be paid in Euros using an exchange rate of 1.0655, which equates to €0.2159 per ordinary share and represents an increase of 17% compared to the previous year. The cash dividend will be paid on May 12, 2017 to all shareholders of record as of April 20, 2017.

#### *Share cancellation*

Pursuant to a resolution by the AGM on April 13, 2017, SBM Offshore has started the formal process for cancellation of 7.8 million ordinary shares. These shares are currently held in treasury by the Company resulting from the share repurchase program which was completed in 2016. Remaining shares will be held in treasury as these will be allocated to employee share programs or may be cancelled at a later moment in time.



### Outlook and Guidance

As anticipated, the offshore oil and gas market continues to show early signs of recovery, with a gradual improvement expected over time. Management maintains its positive medium and long-term outlook as deep water development has significantly improved in competitiveness and as such is likely to remain an indispensable energy source for the foreseeable future.

The Company is reiterating its 2017 Directional revenue guidance of around US\$1.7 billion, of which around US\$1.5 billion is expected in the Lease and Operate segment and around US\$0.2 billion in the Turnkey segment. The Company also confirms the 2017 Directional EBITDA guidance of around US\$750 million.



### Conference Call

SBM Offshore has scheduled a conference call followed by a Q&A session at 10:00 am Central European Summer Time on Wednesday, May 10, 2017.

The call will be hosted by Bruno Chabas (CEO), Philippe Barril (COO), Erik Lagendijk (CGCO) and Douglas Wood (CFO). 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 658643# until June 10, 2017.

### 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, 2016, Group companies employ approximately 4,750 people worldwide. Full time company employees totaling c. 4,250 are spread over five regional centers, ten operational shore bases and the offshore fleet of vessels. A further 500 are working for the joint ventures with several construction yards. For further information, please visit our website at [www.sbmoffshore.com](http://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, May 10, 2017

<b>Financial Calendar</b>	<b>Date</b>	<b>Year</b>
Half-Year 2017 Earnings – Press Release	August 8	2017
Trading Update 3Q 2017 – Press Release	November 7	2017
Full-Year 2017 Earnings – Press Release	February 7	2018
Annual General Meeting of Shareholders	April 11	2018



For further information, please contact:

**Investor Relations**

Bert-Jaap Dijkstra  
Investor Relations Director

Mobile NL: +31 (0) 6 2114 1017  
Mobile MC: +33 (0) 6 4391 9302  
Telephone: +377 9205 1732  
E-mail: bertjaap.dijkstra@sbmoffshore.com  
Website: www.sbmoffshore.com

**Media Relations**

Vincent Kempkes  
Group Communications Director

Telephone: +31 (0) 20 2363 170  
Mobile: +31 (0) 6 25 68 71 67  
E-mail: vincent.kempkes@sbmoffshore.com  
Website: www.sbmoffshore.com

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