Field Trip Singapore

April 2019
Positioned for growth

Turned the page in 2018

Increasing dividend; launch of share repurchase

Investing for growth
~ 40 prospects

> 30 potential awards

~ 12 projects within target market

Disciplined in bidding and execution: 2+ FPSO project wins per year
Prospective award areas 2019-2021

Prospective FPSO award area

Prospective Turret award area
Ability to finance growth

Experienced team complicated large scale project finance

Established tier-1 banking and ECA network

Experience from portfolio with different types of project financing

Financing secured for growth

Efficient financing model including non-recourse finance

World class clients allowing for optimal leverage
Our Strategy

OPTIMIZE

Best in class

TRANSFORM

Making Fast4Ward™
the industry reference

INNOVATE

New products in gas
and renewables market

ENERGY. COMMITTED.
Optimize | Best in class, current ongoing projects

**FPSO Liza Destiny - Guyana**

- ExxonMobil
- Fast-tracking client projects: < 30 months
- Project sanctioning: June 2017
- Arrival Guyana: 3Q 2019
- Work as one with client to optimize project costs:
  - 30% less costs due to technical standards and simplification of scope

**Turret Johan Castberg – Barents Sea**

- Equinor
- 30% less costs due to technical standards and simplification of scope
Transform | FPSO evolution to date

1997 – FPSO G1
- Conversion
- Typically 100,000 bopd
- Up to 10,000t topsides weight
- Conventional gas processing
- Water injection

2006 – FPSO G2
- Conversion
- 30 - 80,000 bopd
- < 1000t topsides weight
- No compression
- No water injection

2014 – FPSO G3
- Conversion
- 120 - 150,000 bopd
- Up to 23,000t topsides weight
- Advanced gas compression and injection
- Water injection

2019
- New build standard hull
- Up to 250,000 bopd
- Up to 50,000t topsides weight
- Topsides modules catalogue
Transform | Principles based approach: Fast4Ward™

Client first
- Fast-tracking client projects

Standardization
- 3 standardized hulls under construction

Flawless execution
- Delivering on time, within budget

Integrated supply chain
- c. 40 frame agreements in place end 2018

Digital solutions
- 570,000 barrels per day production capacity digitized to date

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Clients’ demand has changed

- More predictability
- Faster delivery
- Better performance

Requires industrialized approach
Innovate
Over half a century of innovation

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1959</td>
<td>CALM BUOY, DRILLING JACK-UP</td>
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<td>1960</td>
<td>DP DRILLSHIP, SBS MOORING SYSTEM</td>
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<td>LEASED FPSO, JACKET, EXTERNAL TURRET</td>
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<td>DISCONNECTABLE TURRET</td>
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<td>TURNKEY NORTH SEA FPSO</td>
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<td>1999</td>
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<td>2002</td>
<td>DELIVERY OF THE LARGEST SEA STAR™ TLP, NEW BUILD LNG FPSO</td>
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<tr>
<td>2003</td>
<td>COOL™ LNG TRANSFER SYSTEM</td>
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<tr>
<td>2005</td>
<td>VHP FLUID SWIVEL RATED AT OVER 800 BAR</td>
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<tr>
<td>2006</td>
<td>1ST GENERATION 3 FPSO (PARATY)</td>
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<tr>
<td>2006</td>
<td>ARCA™ MOORING SYSTEM</td>
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<td>2007</td>
<td>GAP™ MID WATER FLUID TRANSFER SYSTEM</td>
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<td>2009</td>
<td>LARGEST INTERNAL TURRET WITH 75 RISERS</td>
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<tr>
<td>2011</td>
<td>FISRT TURRET-MOORED FPSO USING STEEL RISERS</td>
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<tr>
<td>2012</td>
<td>HV-AC ELECTRIC SWIVEL RATED AT 65KV AND 150 MW</td>
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<tr>
<td>2013</td>
<td>VHP FLUID SWIVEL RATED AT OVER 800 BAR</td>
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<tr>
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<tr>
<td>2016</td>
<td>ARCA™ MOORING SYSTEM</td>
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<tr>
<td>2019</td>
<td>FAST4WARD™</td>
</tr>
</tbody>
</table>

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Energy transition requires new innovation

Gas
- Newbuild FLNG
- Gas FPSO
- Gas Turret

Renewables
- Floating Wind
- Wave Energy

> 60% of 2019 R&D investment in Digital + Energy Transition
Sustainability

Erik Lagendijk

April 2019, Singapore
Sustainability – meeting growing expectations and being a future-resilient business

For clients
Growing number of clients using sustainability in bids assessments

For investors
Focusing on high ESG-rated companies which are judged more competitive

For bankers
Linking sustainability rating to RCF

For employees
Attracting and maintaining talents

For legislation
Increasing CSR requirements

Remaining competitive
Anticipating megatrends
Creating a positive impact
Maintaining our license to operate
Aligned with our Values
Our Sustainability journey

- 2007: 1st Corporate Social Responsibility Report (GRI C+)
- 2009: 1st inclusion in Dow Jones Sustainability Index (DJSI)
- 2012: 1st disclosure to Carbon Disclosure Project (CDP)
- 2013: Creation of Sustainability Department
- 2014: 1st Materiality Matrix & disclosure to GRI G4
- 2016: 1st Integrated Annual Report (in accordance with IIRC)
- 2017: DJSI industry leader
- 2018: Winner of Sijthoff Prijs
- 2019: Integration of Sustainability into Strategy Department

- 2019: Setting targets that drive focus
- 2019: Linked an RCF loan to Sustainalytics score
- 2019: Set short term targets based on 3 SDGS

- 2016: SBM Sustainability Framework
- 2013: SBM Sustainability Department
- 2014: 1st Materiality Matrix & disclosure to GRI G4
- 2014: 1st Integrated Annual Report (in accordance with IIRC)
- 2016: DJSI industry leader
- 2016: Adoption of Sustainable Development Goals (SDG)
- 2017: Winner of Sijthoff Prijs
- 2017: Adoption of GRI Standards
- 2018: Integration of Sustainability into Strategy Department
- 2018: Connecting Sustainability with our business
- 2019: Setting targets that drive focus

Sustainability: Creating value through responsible business practices.
Sustainability performance

DJSI Europe: 85th percentile

2018 score: B

Latest score (2017): 79/100

Rating: A

Committed to transparent reporting in accordance with the GRI standards
2018 key achievements

Ensuring the health and safety of our human capital consisting of motivated, diverse and expert colleagues:

- Headcount 4,740
- 142,065 training hours in 2018

Caring for our colleagues to minimize incidents:

- Total Recordable Injury Frequency Rate: 0.18 (per 200,000 exposure hours)
- 5.26% decrease in TRIFR

Utilizing our social capital in all facets of business and collaborations:

- Member of Building Responsibly

License to operate and grow responsibly in all levels of the Company:

- 99.40% of vendors that have gone through the revised qualification process signed the Supply Chain charter of co-development projects

Natural capital needed for operations:

- 58,033,795 GJ of energy to run our operations

More efficient and cleaner energy usage enables long-term value for the Company:

- 97.79 tonnes of Greenhouse gas per 1,000 tonnes of hydrocarbons produced (35% lower than the industry benchmark).
- Oil spills: 0 m³ (>1 barrel (159L))
- 10% decrease in gas flared per production
Within our strategy

- **Optimize**
  - Fleet operations
  - Turrets and Mooring Systems
  - FPSO conversion

- **Transform**
  - Fast4Ward™
  - Digital transformation

- **Innovate**
  - Renewables
  - Gas
  - Technology development

**Core growth**  **Growth potential**  **Energy transition**
Using the sustainable development goals as a framework for the overall sustainability strategy

2018: selected 7 of the 17 SDGs most material to the company and set out a timeline for implementation

2019: set specific short term targets for 3 SDGs
Sustainable Development Goals: new 2019 targets

20% reduction in gas flared under SBM Offshore account

25% of energy in SBM Offshore offices from green providers

Total recordable injury frequency rate < 0.29

100% of ‘qualified’ vendors¹ sign Supply Chain Charter

Volume of oil spills: 0 m³

40% reduction in offshore plastic waste

Recycling program in SBM Offshore offices
Embedding sustainability in governance and connecting with the business

Our seven SDGs, each with one or more sub-targets.

Every sub-target has an owner directly responsible for the associated KPI.

Sustainability Ambassadors:
Representatives of sustainability in each location from diverse disciplines including HR, Construction, Supply Chain, HSSE, Business Development, Operations.
Sustainability performance integrated in remuneration of all employees

- Sustainability is included in the Group balanced Scorecard. This year, the metric for sustainability is the completion of the short-term targets set on SDGs #7, 8 and 14.

- Therefore, the completion of these targets will have a direct impact on the STI calculation of the entire company.
Innovative US$1bn Revolving Credit Facility linked to sustainability performance

- First time in the oil and gas services industry
- Signed on February 13th, 2019
- To finance Engineering, Procurement and Construction (EPC) activities, working capital, bridge any long-term financing needs, and/or general corporate purposes

The sustainability performance adjustment allows for the RCF’s margin to increase or decrease depending on the Company’s environmental, social and governance performance as measured by Sustainalytics.
Liza Destiny project

Jan Engelberts

April 2019, Singapore
Overview Liza Destiny project

1) based on period 2016-2018

Operator – 45%

ExxonMobil

Hess

CNOOC

30%

25%
Project overview

- 120kbd FPSO producing capacity, 160 mcfd gas injection, 190 kbd water injection, 1.6 million barrels of storage
- 17 subsea wells in 1800m water depth
Project overview

- Project FID June 2017
- Significant progress by key contractors to date
- Development drilling commenced in Q2 2018
Project overview

- Sail away from Singapore to arrive offshore Guyana in 3Q 2019
- On track to start-up by 1Q 2020
• **320 meters** is the length of the FPSO

• **1525 meters** water depth offshore Guyana

• **14,000 tons** of topsides

• **20 year** design life

• **16 million man-hours** spent so far

• **>3000 people** working on the project at peak
Project overview

Vessel Tina arrival Singapore November 2017

Vessel 1st drydock April 2018

Main deck preparation December 2017

Module lifts Q4 2018
SBM Offshore execution centers

Houston
- SBM Operations Management – Operations readiness

Guyana
- Offshore commissioning, start-up and first oil.
- Production operations readiness

Monaco
- Moorings and riser balcony engineering and procurement
- Installation PMT

Schiedam
- Project management home office
- Vessel and topsides engineering and procurement

Kuala Lumpur
- Detailed design engineering
- Local procurement support

Singapore
- Tanker vessel refurbishment and conversion
- Topsides fabrication
- FPSO integration and onshore commissioning
Liza Destiny FPSO overall layout
Liza Destiny Topsides modules

- Metering Skid
- Seawater Treatment
- Water Injection
- Oil Separation
- Injection Compression
- 4x Power Generation
- LER
- Flash Gas Compression & Dehydration
- Main Gas Compression
- Flare System
- Compression & Dehydration
- Seawater Treatment
- Main Gas Compression
- Flare System
Liza Destiny progress Singapore

Vessel leaving drydock

Topsides module blasting and painting

Celebrating SBM Life Day in Singapore
Liza Destiny photos Singapore

Vessel tank work

Vessel main deck

Vessel boilers

Accommodation extensions

Topsides modules
Georgetown, Guyana
Operations

Øivind Tangen

April 2019, Singapore
Operations performance

Production:
- **5.6** billion barrels cumulated to date
- **9,286** oil offloads cumulated to date
- **319** cumulative years of operational experience

Uptime all fleet 2018: **98.0%**
Uptime Gen III fleet 2018 (Santos): **99.4%**

HSSE: Continued strong TRIFR performance of **0.32**

Prevention of major incidents:
Development and implementation of in house PSM Fundamentals through strong partnering with IOCs.

Environment: – **39%** GHG emission in 3 yrs, Plastic reduction next

Digital FPSO: Live monitoring and deep analytics of G3 FPSOs allowing quality in data gathering and advanced analytics

OIPOC: opened **Dec 2018**
Competitive operations through transformational thinking

Data quality and structuring along with our experience will unlock the potential to shift Operations Performance improvements from Optimize to Transform

Agile work towards implementation of new proven technologies

ENERGY. COMMITTED.
Unlocking transformed performance

Data, Expertise & Digital Environment

Operational Intelligence & Performance Optimization Center
Moving from static to dynamic strategic lifecycle management

OIPOC
Operational Intelligence & Performance Optimization Center

“Transforming data and experience into Value”
Operational Intelligence & Performance Optimization Tools & Support Services value proposition

### OIPOC Support Services

- Operational Intelligence & Performance Optimization Center staffed with industry experts
- Asset Lifecycle Optimization based on live data
- Production Optimization leveraging on Artificial Intelligence
- Strategic maintenance planning based on predictive maintenance approach and live data
- Predictive Inspection performance optimization
- Operation and Maintenance Consulting Advice at large

### Data Connection, Collection and Visualization

- Data Connection and Collection and ownership of Operations Data Bank and Operations Data Integration at large (Integrated Operations)

### Remote Monitoring and Advanced Data Analytics

- Remote Monitoring and Advanced Analytics based on SBM developed Monitoring Applications
- Abnormal behavior detection
- Maintenance and Continue Improvements to the Templates and Advanced Analytics

### Dynamic Asset Optimization

- Fleet dynamic optimization solution and continuous improvements leveraging of Data Science and Artificial Intelligence
- SBM developed Intelligent Agents over SBM fleet trained of field specific data
OIPOC principles

**NO**
- Not an Onshore Remote Control Room with engineers looking at screens
- What Happened? Why did it Happen?
  - Focus on the past

**YES**
- An intelligence center specialized in predictive analytics
- What will Happen? Which action is needed?
  - Learn from the past
  - Focus on the future
SBM Offshore fleet. Transformed.

- SBM Operated Fleet [West Africa]
- Future Assets
- SBM Operated Fleet 2019 [Brazil]
- Kikeh [Malaysia]

Operational Intelligence & Performance Optimization Center [Monaco]
Technology reducing exposure: Diverless UWILD
Tank entry replaced by laser scan and “No Man”
Organized to transfer operating lessons into new projects

Personnel are assigned from their Functions to each phase in the lifecycle.
Operations input provided as early as possible in the project lifecycle (preferably GTS updates)
Learning from our lessons

FPSO *Liza Destiny* – Operations readiness

- Operations fully integrated in project team from start of engineering
- Approaching sail away with complete alignment on readiness of asset
- Ramp-up in country kept in phase with project progress
Fast4Ward™

Séverine Baudic

April 2019, Singapore
Unrivaled experience and expertise in the design, construction and operation of FPSO’s throughout the world

The unquestioned expert to capitalize on standardization for FPSOs and offer a solution that maximizes time and cost-saving opportunities

- Over 300 years of operating experience
- Almost 50 FPSOs in portfolio
- Only set of FPSO specific standards in the industry
History of Delivering FPSOs

SHALLOW WATER
<500m

DEEP WATER
500m to 1,500m

ULTRA DEEP WATER
>1,500m

WATER DEPTH
PRODUCTION CAPACITY (in thousands of barrels - bopd)

* Under construction
<table>
<thead>
<tr>
<th>Fast4Ward™ Principles</th>
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<tr>
<td><strong>Client first</strong></td>
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<td><strong>Integrated supply chain</strong></td>
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<tr>
<td>Vendors and Yards Relationship</td>
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<tr>
<td><strong>Digital solutions</strong></td>
</tr>
<tr>
<td>570,000 barrels per day production capacity digitized to date</td>
</tr>
</tbody>
</table>

Our ambition is to transform the business by reducing cycle time to energy delivery, de-risking projects, and improving quality & safety. This is what we refer to as **Fast4Ward™**

**Fast4Ward™**

Better performance, delivered faster
Overall concept

A DESIGN THAT FITS A WIDE MARKET,
WITH THE **FLEXIBILITY** TO BE TAILORED TO
THE SPECIFIC NEEDS OF A PROJECT.

A generic design **optimized** for deployment in a wide area

From **300** to **3,000** meters
Hull: one fits all

- A generic hull ready to receive and integrate topsides modules and mooring system
- A new build vessel, 30 years design life
- 2 Million barrels storage or more
- Integration afloat – only one quay needed
- No conversion phase
- Additional deck space to accommodate the most complex topsides
- Lessons learnt and lifecycle experience built in the design

A SMOOTHER, FASTER, PREDICTABLE, SAFER AND CHEAPER PROJECT EXECUTION
60 Standard Modules Available

Topsides & Mooring – The Catalogue Solution
Topsides: a modular approach

- Two module categories available from the catalogue to cover all needs for topsides:

  1. **GENERIC MODULES**
     - highly standardized, they fit to all projects

  2. **BESPOKE MODULES**
     - conceptually standardized, then tailored to suit the specific crude oil characteristics and processing requirements

In some projects, up to 75% of modules can be taken from the catalogue, providing design maturity at early stage

**MAXIMUM INTERCHANGEABILITY, WITHOUT DISRUPTING OVERALL FUNCTIONALITY**
Catalogue evolution and governance

Governance in place to control catalogue evolution, lifecycle learnings and optimum implementation within project teams.
• Extra deck space helps lower modules and spread equipment across the deck for less verticality and better access for maintenance

Substantial complexity reduction
Fast4Ward is the next step in FPSO projects and saves 6 to 12 months on a typical FPSO schedule.

- **LOWER EPC CAPEX**
- **HIGHER NPV**
- **FASTER ROUTE TO FIRST OIL**

Source: Infield, 2015
Finance

Douglas Wood

April 2019, Singapore
Financial Framework
Key components

- Stable cash flow delivery
- Cash visibility from backlog to 2036
- ~25% average cash return on net assets

- Turnkey leveraged to growth
- Financing secured for growth
- Shareholder return focus

1) based on period 2016-2018
Lease & Operate
Cash flow visibility and returns

$250m net cash p.a

1) Outflow includes Opex, debt redemptions, interest and deferred income
2) Net of assets under construction as at end 2018

>25% return versus net asset
Turnkey Drives growth upside

Turnkey Growth facilitator

2-3 years Turnkey cash breakeven secured

Lease and Operate
Free cash flow generator

Existing Asset Portfolio – CF after debt av. $250m p.a

Current In hand

Castberg  Liza 1

Contribution new Turnkey projects

<table>
<thead>
<tr>
<th>L&amp;O FPSO</th>
<th>Capex</th>
<th>Turnkey Contribution</th>
<th>Backlog Contribution</th>
<th>NPV</th>
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</table>
Commercial models
Indicative cash flow profiles

Profiles are not to scale; pre completion cash flows have been averaged; post-completion L&O profile linearized to reflect a generic example.
Commercial models
Indicative net cash profiles

Option to manage level of upfront cash investment in all models

Profiles are not to scale; pre-completion cash flows have been averaged; post-completion L&O profile linearized to reflect a generic example.
Efficient financing
Model and process

FPSO value

Cost
Margin

Project debt 70-80%
Equity 20-30%

Pre-award

Construction phase

Operation phase

Award

1st oil

Testing bank appetite

Securing project loan with consortium

Draw downs (in line with project progress; fully drawn before 1st oil)

Release of pre-completion guarantee → loan to non-recourse

Redemption of loan

Project financing (recourse)

RCF (+ Partner bridge Financing)

Project financing (non-recourse)
Financing Track record

More than 11 billion debt raised in the past ten years

Collaboration with over 25 financial institutions

Figures in US$ millions
- US Private Placement Financing
- Bank Loan Financing
- ECA Financing
Upcoming financing opportunities 2019 - 2021

~ 40 prospects

~ 12 projects within target market

SBM FPSO capacity > 2 projects P.A

Average Capex $1.5B to $1.8B
Financing drives growth

Debt correlated to backlog

- Debt directly related to individual project cash flows in backlog
- Increase in debt = increase in backlog and value
- Healthy and historically stable net-debt to backlog ratio within 15 – 20% range
- Expect similar level of stability going forward
Capital allocation
Shareholder return focus as well as growth

Dividend track-record

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<thead>
<tr>
<th>Year</th>
<th>Dividend per share (US$)</th>
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<td>0.23</td>
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<tr>
<td>2018</td>
<td>0.25</td>
</tr>
<tr>
<td>2019</td>
<td>0.37</td>
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</tbody>
</table>

Historical relative total shareholder return 2016-2018

- SBM TSR: 18.0%
- OSX Median TSR: (32.0%)