Press Release

SBM OFFSHORE 2018 HALF-YEAR EARNINGS

August 9, 2018

Faster Forward

SBM Offshore continues to deliver solid results. Turnkey is ramping up on the back of recent order wins in a market where recovery is gaining momentum. Both major projects in Turnkey, the Castberg turret mooring system and FPSO *Liza 1,* are progressing according to client schedule. The Company was awarded the Front End Engineering and Design (FEED) study for FPSO *Liza 2.* The next phase for this major project will represent SBM Offshore's first Fast4Ward™ project, subject to final authorizations. FPSO *Liza 2* will be the largest capacity FPSO the Company has ever delivered, at the same time following an accelerated time schedule.

Post period, SBM Offshore signed a Leniency Agreement with authorities in Brazil and Petrobras, with payment amounts in line with its provision. The agreement marks a key milestone towards a closure of the Company's legacy issues in Brazil, allowing the pursuit of new Petrobras tenders.

The market outlook shows signs of a cycle turning following years-long under-investment in oil and gas production infrastructure. SBM Offshore has positioned itself over the last five years to benefit from this, retaining experience and investing in Fast4Ward™. This program enables the Company to deliver larger capacity FPSOs faster, on a de-risked schedule using a standard new-build hull with a number of standardized topsides' modules.

Bruno Chabas, CEO of SBM Offshore, commented:

"Building on our long history and experience, we are entering a new phase. Our Lease and Operate business has helped stabilize the Company through one of the longest and deepest oil and gas services crises in living memory and is continuing its record of strong operational performance and cash flow delivery. During the downturn, we invested in the industry-changing Fast4Ward™ concept, capitalizing on the Company's unique experience in project delivery and offshore operations. Our first Fast4Ward™ based contract and the level of client endorsement demonstrate that the concept is winning the confidence of the industry. We intend to apply the Fast4Ward™ philosophy to our overall offering of products and services leveraging also the investments we are making in digitalization. Today, with full access to all markets, SBM Offshore is looking forward with confidence on the basis of increased demand, its strong strategic position and its uniquely experienced work force."

Highlights

- Underlying[1] year-to-date Directional[2] revenue of US$808 million and Directional EBITDA of US$414 million in line with the same period last year, with strong operational performance compensating for the impact from FPSO *Turritella* leaving the fleet
- An additional US$233 million EBITDA realized from the sale of FPSO *Turritella* and the net impact of an additional settlement for the Yme insurance claim
- Underlying Directional profit attributable to shareholders[3] increased by 17% to US$81 million compared with first half of 2017, resulting in Underlying Directional EPS of US$0.40 per share
- Directional net debt[4] decreased by US$0.6 billion compared with year-end 2017 to a total of US$2.3 billion
- Confirmed award for FPSO *Liza* 2 contracts by ExxonMobil, representing SBM Offshore's largest and first Fast4Ward™ FPSO, next phase contracts (construction and installation) subject to authorizations
- Leniency Agreement signed with authorities in Brazil (CGU, AGU)[5] and Petrobras on July 26, 2018; enabling SBM Offshore to compete in new tenders for Petrobras in Brazil
- 2018 Directional revenue guidance adjusted to around US$1.7 billion with US$1.3 billion from Lease and Operate and around US$400 million from Turnkey due to a revised assumption of FPSO *Liza 1* remaining fully Company-owned
- Underlying 2018 Directional EBITDA guidance maintained at around US$750 million, excluding positive effects from the sale of FPSO *Turritella* and an additional Yme settlement but including the effect of early adoption of IFRS 16

The 2018 Half Year Results and Interim Financial Statements are published on the Company's website under https://www.sbmoffshore.com/investor-relations-centre/financial-information/financial-results/half-year-results/.

Overview

	Directional			IFRS		
in US$ million	1H 2018	1H 2017	% Change	1H 2018	1H 2017	% Change
Revenue	808	835	-3%	1,023	862	19%
Lease and Operate	654	745	-12%	643	767	-16%
Turnkey	154	90	71%	380	95	300%
EBITDA	647	431	50%	433	453	-4%
Lease and Operate	427	482	-11%	385	477	-19%
Turnkey	250	(23)		77	4	
Other	(30)	(29)	3%	(30)	(29)	3%
Underlying EBITDA	414	431	-4%	417	453	-8%
Lease and Operate	427	482	-11%	385	477	-19%
Turnkey	17	(23)		62	4	
Other	(30)	(29)	3%	(30)	(29)	3%
Profit attributable to Shareholders[3]	314	59		147	92	
Underlying Profit attributable to Shareholders[3]	81	69	17%	131	102	28%
Earnings per share [US$ per share][3]	1.54	0.29		0.72	0.45	
Underlying Earnings per share [US$ per share][3]	0.40	0.34	18%	0.64	0.50	28%

in US$ billion	Jun-30-18	Dec-31-17	% Change	Jun-30-18	Dec-31-17	% Change
Pro-Forma Backlog	16.1	16.8	-4%	-	-	*NM*
Net Debt[4]	2.3	2.9	-21%	3.9	4.8	*-19%*

[1] Underlying 1H18 EBITDA excludes the one off positive effects from the sale of FPSO *Turritella* (US$217 million) and additional settlement relating to the Yme insurance case (US$16 million); Underlying net profit 1H18 is adjusted for the same items, 1H17 was adjusted by US$11 million related to the unwinding effect on the net present value of future payments (instalments and bonus reductions) related to the Leniency Agreement, in financing cost.

[2] Directional view, presented under IFRS8 Segment reporting, represents a pro-forma accounting policy, which assumes all lease contracts are classified as operating leases and all vessel investees are proportionally consolidated. This explanatory note relates to all Directional in this document.

[3] As previously announced,1H17 Directional earnings restated to reflect updated Directional tax computation methodology.

[4] Net debt as of June 30, 2018 includes a lease liability recognized for US$202 million following the early adoption of IFRS 16. For comparison purposes, an amount of US$218 million related to IFRS 16 was added to the net debt position as of December 2017.

[5] CGU (Ministério da Transparência e Controladoria-Geral da União), AGU (Advocacia Geral da União).

Directional revenue was stable, decreasing by 3% to US$808 million for the first half of 2018. This was due to lower Lease and Operate revenues, mainly as a result of FPSO *Turritella* leaving the fleet in January 2018 and planned maintenance. This decrease was partly offset by increased Turnkey activity which, compared to the same period last year, resulted in an increase in revenues by US$64 million to a total of US$154 million at mid-year 2018.

The Company's Underlying Directional EBITDA for the first half of 2018 decreased by 4% compared with the same period last year to a total of US$414 million. Lease and Operate EBITDA for the first half of 2018 was US$427 million, 11% lower than the first half of 2017, driven by the same factors as revenue. Turnkey saw a reduction in overheads compared with the same period last year and similarly benefited from successful project close-out with clients and suppliers, bringing the Underlying EBITDA to US$17 million for the first half of this year.

Underlying EBITDA excludes positive one-off effects from the realized gain on the sale of FPSO *Turritella* (US$217 million) and an additional settlement relating to the Yme insurance case (US$16 million, net of claim-related cost for the period). To ensure consistency with future reporting, Underlying EBITDA includes impacts from the early adoption of IFRS 16 where over the first half year of 2018 rental expenses amounting to US$15 million are replaced by US$13 million additional depreciation and financing cost.

For mid-year 2018 the Company reports Underlying Profit attributable to Shareholders of US$81 million, representing an increase of 17% compared with the same period in 2017.

Project Review

Project	Contract	SBM Share	Capacity, Size	POC	Expected Delivery	Notes
Liza 1, FPSO	10 year finance lease	100%	120,000 bpd	25%<50%	2020	On schedule, first dry dock session completed, topsides' module fabrication advancing
Castberg, Turret	Turnkey sale	100%	c. 190,000 bpd	<25%	2020	On schedule

Legend, Percentage of Completion (POC)

<25%	25%<50%	50%<75%	>75%	100%

Fast4Ward™

SBM Offshore's first standard, multi-purpose hull is progressing well and according to schedule. This hull is reserved and planned to be allocated to the FPSO *Liza 2* project, subject to authorizations.

FPSO *Liza 1*

The major project FPSO *Liza 1* is making good progress to the satisfaction of our client. After finishing the first dry dock session, the project has entered an important phase with concurrent activities in hull conversion, module fabrication and package delivery. In Guyana, work is underway with respect to operations readiness while reviewing ways to maximize local content.

Castberg Turret Mooring System

The complex turret mooring system is making good progress in Dubai, after passing the milestone of the first steel cut. The project is on track to meet delivery early 2020, in line with client schedule.

Operational Update

The Lease and Operate fleet uptime performance year-to-date was 97.0% which takes into account planned maintenance and life-time extension activities on FPSO *Capixaba*, a vessel with more than eight years in operation. Excluding this unit, the fleet's year-to-date uptime is 99.2%. The multi-year historical uptime remains constant at 99%.

FSO *Yetagun* was decommissioned and will be sold and transferred off balance sheet in 3Q18 for recycling, in line with SBM Offshore policies and in accordance with the Hong Kong convention.

Corporate Social Responsibility

While ramping up on two major projects entering construction, SBM Offshore continued to build on its safety performance, operating at a level better than its 2018 Total Recordable Injury Frequency Rate (TRIFR) target of 0.26 as of mid-year 2018. On May 15, 2018, the Company organized its fifth Life Day across all the Company's vessels and locations, involving all SBM Offshore staff and other stakeholders, emphasizing process safety, human rights and wellbeing at work. The Company continued its focus on safety awareness through its company-wide monthly campaigns, which included sessions on the 12 lifesaving rules and a focus on process safety monitoring.

Regarding environmental impact, SBM Offshore maintained its year-to-date 2017 performance in the areas of air emissions and energy consumption. Oil released in produced water showed a 28% increase compared to the solid performance reported last year. Despite this increase, year-to-date 2018 performance remained better than target.

In the area of sustainability, the Company has selected seven sustainable development goals (SDG) for which there is an ongoing process for defining goals and creating action plans with associated performance monitoring and reporting. The Company continues to further embed sustainability in its processes and culture commensurate with HSSE and compliance.

Yme Insurance Claim

In addition to last year's announced binding settlement with a group of the primary insurers relating to the Company's insurance claim arising from the Yme project, the Company has settled with the remaining primary insurers, as well as some additional insurers. SBM Offshore's share in this additional settlement is for US$16 million, net of claim related expenses. Under the terms of the settlement agreement with Repsol, all insurance claim recoveries after expenses and legal costs are to be shared equally between the Company and Repsol. The gross total recovery to be shared currently stands at around US$340 million.

The Company continues to pursue its claim against the last remaining insurers. Unless settlement with these remaining insurers is reached, trial is scheduled to commence in October 2018.

Directional Backlog

SBM Offshore provides a pro-forma Directional backlog[6] overview, which provides a normalized outlook of the existing leases. The pro-forma Directional backlog at the end of June 2018 decreased by c. US$0.7 billion to a total of US$16.1 billion. This decrease was mostly caused by the US$0.8 billion turnover for the period mainly coming from Lease and Operate. Various new orders in Turnkey more than offset other adjustments and caused a net increase in the backlog by c. US$100 million.

With respect to FPSO *Liza 1*, as disclosed on July 3, 2018 discussions with the client are underway regarding a potential accelerated transfer of ownership using the purchase option in the 10 year lease contract. The outcomes of these discussions are expected to lead to a transfer of the FPSO ownership and operation after a period of up to 2 years after startup. This however is not final as such and will be reflected in the backlog if and when this has become final.

[6] Normally the backlog would not yet reflect the agreed FPSO *Liza 1* operating and maintenance scope, which is pending a final work order. However, for the purpose of the pro-forma backlog represented in the backlog table, the FPSO *Liza 1* operating and maintenance scope has been taken into account.

(in billion US$)	Turnkey	Lease & Operate	Total
2H 2018	0.2	0.7	0.9
2019	0.4	1.3	1.7
2020	0.1	1.5	1.6
Beyond 2020	0.1	11.9	11.9
Total Backlog	**0.7**	**15.4**	**16.1**

Funding and Directional Net Debt

At the end of June 2018, SBM Offshore had Directional cash and undrawn corporate committed credit facilities totaling US$1,842 million compared to US$1,878 million at year-end 2017. Strong Directional cash flow from operations driven by Lease and Operate, combined with the net proceeds from Turritella and Yme was broadly sufficient to fund investments in FPSO *Liza 1* and the Fast4Ward™ hull construction, pay interest and redeem project loans as well as pay dividend.

Directional net debt decreased by US$0.6 billion from US$2.9 billion at year-end 2017 to US$2.3 billion at the end of June 2018.

Compliance

The Company entered into a Leniency Agreement with the CGU, the AGU and Petrobras, as reported on July 26, 2018. The agreement marks a key milestone towards a closure of the Company's legacy issues in Brazil, supporting the continuation of a long-lasting relationship with Petrobras and allowing the pursuit of new Petrobras tenders.

The payment amounts agreed upon in the Leniency Agreement are in line with the provision maintained by the Company (for further details see Note 7 of the Interim Financial Statements).

The MPF[7] is not a party to the Leniency Agreement. The lawsuit brought by the MPF under the Brazilian Improbity Law against various SBM Group companies, and the requested associated provisional measure, are still pending, as reported on July 5, 2018. The Company has subsequently re-engaged with the MPF to discuss the impact of the Leniency Agreement on this lawsuit and the request for provisional measures.

Outlook and Guidance

The recovery in the oil and gas sector continues to progress. Increasingly, deep water developments demonstrate competitive break-even pricing on the basis of supply-chain efficiency gains. Industry sources are predicting an increased risk of a significant energy supply gap occurring in the mid-2020s, exacerbated by many years of under-investment in new projects. For clients who are moving forward with investments in major deep water projects, this trend has the potential to bring substantial upside to already attractive original project economics.

The oil and gas services industry has structurally lost significant capacity which, combined with continued demand growth should create opportunity for selected players. SBM Offshore's strategic position combined with its Fast4Ward™ philosophy places the Company "in the right place, at the right time, with the right product offering". The Company will remain disciplined around tendering activities, evaluating risk and reward when selecting its opportunities. For the long term, considering a diverse range of third-party scenarios, the Company maintains its optimism about the role of deep water oil and gas in the energy mix of the future and continues to position itself to benefit from the anticipated energy transition towards more gas developments and renewable energy sources.

[7] MPF (Ministério Público Federal).

Subject to final outcome of the discussion with the client relating to the potential acquisition of the FPSO *Liza 1,* the Company has determined that it is optimal from an operational and financial perspective to retain full ownership as opposed to partnering and is changing its assumptions for 2018 guidance accordingly. As a consequence, under the Company's Directional accounting policy, the Company will not book revenue and margin deriving from partner contributions during the Turnkey phase of the project. The Company will instead book increased amounts related to the full 100% share in the Lease and Operate phase in line with the cash flow. The Company is therefore adjusting the guidance for Turnkey revenues for 2018 to around US$0.4 billion. The guidance for Lease and Operate revenues is maintained at around US$ 1.3 billion, meaning that the overall guidance for revenues now becomes around US$1.7 billion in aggregate.

2018 Underlying EBITDA guidance is maintained at around US$750 million. To ensure consistency for future reporting, this now includes the positive effect from early adoption of IFRS 16 in relation to which a total of c. US$30 million has moved from rental cost in EBITDA to depreciation and financing costs. This effect partially offsets the change in the assumption of partnering for Liza 1. One-off effects from the sale of Turritella (US$217 million) and the additional Yme insurance case settlement (US$16 million) are reported over and above the Underlying guidance.

Analyst Presentation & Conference Call

SBM Offshore has scheduled a conference call and webcast of its presentation to the financial community followed by a Q&A session at 10.00 Central European Time on Thursday, August 9, 2018.

The webcast 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 20 531 5851 in the Netherlands, +44 203 365 3210 in the UK or +1 (866) 349 6093 in the US. Interested parties may also listen to the presentation via webcast through the link below, also posted on the Investor Relations section of the Company's website.

The live webcast and replay, which should be available shortly after the call, will be available at:

https://ssl.webinar.nl/webcast/sbmoffshoreinvestors/20180809_1/

Financial Calendar	**Date**	**Year**
Trading Update 3Q 2018 – Press Release	November 15	2018
Full-Year 2018 Earnings – Press Release	February 14	2019
Annual General Meeting of Shareholders	April 10	2019
Trading Update 1Q 2019 – Press Release	May 16	2019
Half-Year 2019 Earnings – Press Release	August 8	2019
Trading Update 3Q 2019 – Press Release	November 14	2019

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 lifecycle. The Company is market leading in leased floating production systems delivered to date, 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 solutions for the offshore energy industry.

As of December 31, 2017, Group companies employ approximately 4,800 people worldwide. Full time company employees totaling c. 4,300 are spread over offices in key markets, operational shore bases and the offshore fleet of vessels. A further 500 are working for the joint ventures with two construction yards. For further information, 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, August 9, 2018

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