

Leniency Agreement Signed Between SBM Offshore, Brazilian Authorities and Petrobras

July 26, 2018

- Leniency Agreement signed between SBM Offshore, CGU, AGU and Petrobras on July 26, 2018 taking immediate effect.
- SBM Offshore and Petrobras will normalize business relations in respect of tenders, with SBM Offshore now able to effectively compete for new business opportunities.
- MPF is not a party to the Leniency Agreement. The lawsuit brought by the MPF under the Brazilian Improbability Law ("Improbability Law") against various SBM Group companies, and the requested associated provisional measure, are still pending.
- CGU, AGU and Petrobras confirm that the amount SBM Offshore commits to pay under the Leniency Agreement is considered to be an adequate compensation given the facts covered in the Leniency Agreement.
- The payment amounts agreed upon in the Leniency Agreement are in line with the provision maintained by the Company.

On July 26, 2018 SBM Offshore N.V. and SBM Holding Inc. S.A. signed a leniency agreement with the Brazilian Ministry of Transparency and Comptroller's General Office (Ministério da Transparência e Controladoria-Geral da União – "CGU"), the General Counsel for the Republic (Advocacia Geral da União – "AGU") and Petróleo Brasileiro S.A. ("Petrobras") (the "Leniency Agreement"). The current agreement follows previous resolutions reached by the Company with the Dutch Public Prosecutor (Openbaar Ministerie - "OM") as reported in November 2014, and with the United States Department of Justice ("DOJ") as reported in November 2017. The agreement is to a large extent comparable to the agreement which was reached in July 2016 with CGU, AGU and Petrobras and which also included the Brazilian Federal Prosecutor's Office (Ministério Público Federal - "MPF") as reported on July 16, 2016. This agreement was however ultimately not approved by the Fifth Chamber of the MPF, as reported on September 2, 2016. The payment amounts agreed upon in the Leniency Agreement are in line with the provision maintained by the Company corresponding to this initial agreement.

Bruno Chabas, CEO of SBM Offshore, commented:

"The Leniency Agreement with CGU, AGU and Petrobras marks a key milestone towards a closure of the Company's legacy issues in Brazil. This agreement supports the continuation of our long-lasting relationship with Petrobras and will allow SBM Offshore to successfully pursue new business opportunities in Brazil."

Main Terms

The Leniency Agreement provides for:

- A cash payment by SBM Offshore to Petrobras totalling BRL549 million (Brazilian Reais) (approximately US\$148 million), of which BRL264 million (approximately US\$71 million) is a civil fine and BRL285 million (approximately US\$77 million) is compensation for alleged damages. The total amount is to be paid within 90 days; and
- A reduction of 95% in future performance bonus payments related to FPSOs *Cidade de Anchieta* and *Capixaba* lease and operate contracts, representing an agreed nominal value of approximately US\$180 million over the period 2016 to 2030, of which an amount of US\$41 million relating to historical bonus payments (2016 to signature date) is to be paid within 90 days of the signing of the Leniency Agreement. The future bonus payments (from signature date to 2030) represent a net present value of approximately US\$110 million, as further compensation for alleged damages.
- The aggregate of the cash payments to be made (approximately US\$189 million) and the net present value of future bonus payments (approximately US\$110 million) is in line with the provision maintained by the Company of US\$299 million as at December 31, 2017.

- Under the terms of the Leniency Agreement, CGU, AGU and Petrobras commit to terminate all of their investigations against the Company and refrain from initiating new legal proceedings under the Improbability Law, Anti-Corruption Law and Public-Procurement Law in relation to the legacy issues in Brazil.
- The Company is invited back to participate in Petrobras' tenders under equal conditions as other bidders. In the Leniency Agreement, Petrobras represents that in relation to the conduct covered by the Leniency Agreement, it will not adopt any measures that may jeopardise the ability of SBM Offshore to conduct business in Brazil.
- In the Leniency Agreement, CGU, AGU and Petrobras confirm that the amount SBM Offshore commits to pay under the Leniency Agreement is considered to be an adequate compensation given the facts covered in the Leniency Agreement.

Cooperation and Compliance

- SBM Offshore also continues to co-operate with investigations conducted by CGU and AGU into third parties in relation to the conduct covered by the Leniency Agreement.
- For a period of three years following the signing of the Leniency Agreement, SBM Offshore will periodically report to CGU on its compliance program.

Immediate Effect and TCU Review

The Leniency Agreement is immediately effective and legally binding as of the signature date. As reported on December 22, 2017, the Federal Court of Accounts (Tribunal de Contas da União – "TCU") has allowed CGU, AGU and Petrobras to proceed with the signing of the Leniency Agreement. CGU and AGU have informed SBM Offshore that no further TCU approval of the Leniency Agreement is required.

Pursuant to its general oversight over state-related entities, the TCU can conduct reviews regarding the market conformity of such entities' contracts. The Company believes that the Leniency Agreement and other SBM Offshore contracts have been fairly and legally agreed.

The Leniency Agreement is not subject to approval by the Fifth Chamber of the MPF.

Improbability Lawsuit by the Public Prosecutor's Office

As announced by the Company on December 22, 2017 and July 5, 2018, the MPF has filed a claim based on the Improbability Law with the Federal Court in Rio de Janeiro against the Company. The claim relates to the alleged improper sales practices before 2012 that are also the subject of the Leniency Agreement. In the context of this lawsuit, MPF asked the court to impose a provisional measure as a means to secure payment of damages potentially awarded. On July 4, 2018 the Company became aware of an interim decision by the judge handling the case. The judge has partially granted the request for a provisional measure. The provisional measure aims to order Petrobras to start withholding a percentage of monthly payments due to SBM Offshore companies under certain charter contracts in escrow as collateral in respect of the Improbability Lawsuit. The decision references the fact that SBM Offshore is headquartered overseas and that recovery from the Company of any damages may depend on international legal cooperation and (un)availability of assets in the future. Before taking a decision on the amounts to be withheld, the judge requested more information from Petrobras and the Company. SBM Offshore's Brazilian subsidiary subsequently filed a Motion for Clarification, since certain elements of the interim decision are unclear. The Company strongly disagrees with the interim decision, and is taking all appropriate measures to defend its interests.

In the Leniency Agreement now signed, CGU, AGU and Petrobras confirm that the amount SBM Offshore commits to pay under the Leniency Agreement is considered to be an adequate compensation given the facts covered in the Leniency Agreement. The parties to the Leniency Agreement shall defend the existence, terms and validity of this Leniency Agreement towards any third parties, including authorities, and in court. Following signing of the Leniency Agreement, Petrobras will file its views on the impact of any withholding, as requested by the judge. Petrobras stated that it will not become a plaintiff in the Improbability lawsuit.



Accounting Treatment

As stated above, the payment amounts agreed upon in the Leniency Agreement are in line with the provision maintained by the Company as of December 31, 2017 (US\$299 million). Further details on the accounting impacts will be provided on August 9, when the Company will disclose its half-year 2018 earnings press release.

Conference Call

SBM Offshore has scheduled a conference call followed by a Q&A session at 08:00am Central European Time (Amsterdam, The Netherlands) on July 27, 2018.

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) 20 709 5189 in the Netherlands, +44 (0) 3333 000 804 in the UK or +1 631 913 1422 in the US, access code 25748477#.

A replay will be available shortly after the end of the conference call. Interested parties can listen to the replay by dialing +31 (0) 207 219 022 and using access code 301238706# until 30 days after the call.

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, July 26, 2018

Financial Calendar	Date	Year
Half-Year 2018 Earnings – Press Release	August 9	2018
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



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