Press Release

SBM Offshore Third Quarter Trading Update

November 15, 2018

FINANCIALS ON TRACK, FAST4WARD™ GAINING MOMENTUM

Highlights

- Year-to-date Directional[1] revenue of US$1,247 million on track
- 2018 Directional revenue guidance remains around US$1.7 billion
- Underlying 2018 Directional EBITDA guidance updated from “around” to “above” US$750 million
- Second Fast4Ward™ hull committed
- Agreement signed with the Brazilian public prosecutor, pending approval by the Fifth Chamber
- Final settlement reached with insurers on Yme insurance case
- Directional net debt[2] decreased year-to-date by c. US$0.6 billion to US$2.3 billion

Bruno Chabas, CEO of SBM Offshore, commented:

“SBM Offshore’s results for the year-to-date reflect our continuing track-record of performance and potential. Encouragingly, activity levels in Turnkey are growing, which bodes well for the pipeline of future opportunities. Reliable Lease and Operate performance continues to generate strong cash flow from our substantial backlog, with visibility nearly 20 years ahead.

The market recovery is accelerating on the back of industry fundamentals. Investment is required to secure future production and deep water projects rank favorably in client project portfolios. SBM Offshore is uniquely positioned to benefit from the current upturn. The most economically attractive deep water developments require high production capacities, which can benefit most from shorter cycle time to first oil, combined with larger and more complex processing capacities. Fast4Ward™ facilitates this goal, lowering costs and providing a reliable execution plan.

Fast4Ward™, as a product offering, is maturing in the market. It forms the design basis for the second ExxonMobil Liza FPSO project, which is moving from concept to reality and predicated on our first Fast4Ward™ hull. On the basis of increased client interest and better demand visibility, SBM Offshore is pleased to confirm the commitment to build its second Fast4Ward™ hull with the SWS yard.

In light of forecast market growth, SBM Offshore will take a selective approach and remain disciplined with respect to market opportunities.”

Financial Highlights

	YTD Directional		
in US$ million	**3Q 2018**	**3Q 2017**	**% Change**
Revenue	1,247	1,254	*-1%*
Lease and Operate	*984*	*1,127*	*-13%*
Turnkey	*262*	*127*	*106%*
in US$ billion	**Sep-30-18**	**Dec-31-17**	***% Change***
Net Debt[2]	2.3	2.9	*-21%*

Backlog calculation will be provided in FY18 Earnings Update

[1] Directional view, presented under IFRS 8 Segment reporting, represents a pro-forma accounting policy, which assumes all lease contracts are classified as operating leases and all vessel joint ventures are proportionally consolidated. This note relates to any reference made to Directional in this document.
[2] Directional net debt as of December 2017 restated for adoption of IFRS 16. Impact of IFRS 16 adoption is a Directional net debt increase of c. US$200 million for both December 2017 and 3Q 2018 positions.

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Year-to-date, the Company generated revenues of US$1,247 million, which is stable compared with the same period last year. Lease and Operate revenues of US$984 million represented a decrease of US$143 million, or 13% compared with the same period last year. This decrease is driven by the sale of FPSO *Turritella*, which left the fleet in January 2018. Turnkey revenues increased by US$135 million to a total of US$262 million, due to increased activity levels. Although the Liza Destiny project is under construction in Turnkey, under Directional accounting as a 100%-owned project, it will not contribute revenues or margin before completion: these will be booked instead during the Lease and Operating phase, in line with the operating cash flow generation.

Compared with year-end 2017, net debt decreased by US$0.6 billion to US$2.3 billion at the end of September. This is mainly driven by strong operating cash flow from Lease and Operate combined with the Turritella sale and final proceeds from the closure of the Yme insurance case. This positive cash flow more than offset interest payment and investments in the FPSO *Liza Destiny* and the first Fast4Ward™ hull, which is currently under construction. The net debt ending balance includes a total of c. US$390 million cash received by the Company in 2017 and 2018 under its Yme insurance settlement, which was finalized during the quarter. After reimbursement of the significant claim related expenses and legal fees, the remaining amount of the insurance recoveries will be shared equally between SBM Offshore and Repsol (on behalf of the Yme license).

Regarding capital allocation, with the requisite liquidity in place to support anticipated growth, SBM Offshore's policy remains to give priority to the dividend and overall consideration of shareholder returns.

Impairment Review

The following non-cash adjustments to the accounts are the result of SBM Offshore's regular review, as part of its planning process.

Brazil is a key market for SBM Offshore, where a number of opportunities are being actively pursued. However, given the lead time for opportunities to mature in terms of construction activities, combined with the uncertainty regarding the evolution of local content regulations, SBM Offshore, together with its joint venture partner, has decided to take steps to further mothball the Brasa construction yard for at least the coming two years. This decision will necessitate the impairment of the investment in the Joint Venture owning yard (50% ownership) to a net book value of zero, resulting in an impairment charge of c. US$20 million.

Although the Company will continue to seek opportunities in the Floating Production Unit (FPU) market, the visibility of client activity in this segment remains subdued. As a result, goodwill related to the acquisition of Houston-based subsidiaries has been impaired in full, resulting in an impairment charge of c. US$25 million. The establishment of a global resource pool for engineering, announced in February, has facilitated the deployment of Houston-based resources towards other product lines, including FPSO.

These impairments impact the consolidated income statement below the level of EBITDA.

Project Review

FPSO Liza Destiny

Work on FPSO *Liza Destiny* is progressing in accordance with project schedule. The second (and last) dry-dock session was successfully completed and the vessel is now ready to receive its topside modules.

Turret Mooring System (TMS) Johan Castberg FPSO

Fabrication of the TMS for Equinor's *Johan Castberg* FPSO is advancing and on schedule to meet the planned delivery date in early 2020.

Operational Update

The Lease and Operate fleet uptime performance year-to-date was 97.3%, compared to 97.0% at mid-year 2018. The uptime performance takes into account planned maintenance and life-time extension activities on FPSO *Capixaba* which have progressed well, in line with planning. When excluding the maintenance period for FPSO *Capixaba*, the fleet's year-to-date uptime is 98.9%. The multi-year historical uptime remains constant at 99%.

Floating Wind

The classification society, ABS, has issued an Approval in Principle (AIP) to SBM Offshore for its proprietary wind floater design. The wind floater is a TLP concept and has been designed for the full life cycle, including in-place conditions, as well as wet tow with the wind turbine installed, and mooring hook-up phase. The AIP demonstrates the successful design of the floater, compliant with ABS' design standards.

Compliance

At the end of October, the Company received confirmation from Petrobras of receipt of the amounts the Company was due to pay under the Leniency Agreement, announced on July 26, 2018 (US$187 million), which allowed the Company to resume normal business activities with Petrobras.

The agreement the Company announced on September 1, 2018 with the Brazilian Federal Prosecutor's Office (Ministério Público Federal – "MPF") is subject to approval by the Fifth Chamber of the MPF. A provision was established in respect of this agreement, based on the nominal amount of BRL200 million (c. US$48 million). The Fifth Chamber has not yet communicated the date on which it will decide on the matter. However, it is expected that after the approval, the Improbity Lawsuit filed by the MPF in 2017, including the associated provisional measure, will be formally closed and the agreement with the MPF will become fully effective.

Dow Jones Sustainability Index

For the 9th consecutive year, SBM Offshore has been included in the Dow Jones Sustainability Europe Index, demonstrating the Company's continued commitment to sustainability. SBM Offshore ranked 3rd in the Oil Energy Equipment and Services section.

HSSE

Our overall safety performance has continued the positive trend witnessed over the last 18 months, with a year-to-date Total Recordable Injury Frequency Rate (TRIFR) below 0.20. However, nothing can be taken for granted in our operations and we still need to do more: regrettably one of our contractors was fatally injured in an incident at a construction yard in October.

Guidance

2018 Directional revenue guidance is maintained at around US$1.7 billion, with around US$1.3 billion from Lease and Operate and around US$400 million from Turnkey. 2018 Directional EBITDA guidance is updated from "around" to "above" US$750 million.

This EBITDA guidance continues to assume 100% SBM Offshore ownership of the Liza Destiny project. It excludes the gains made on the sale of FPSO *Turritella* (US$217 million) and the provision associated with the c. US$48 million payment for the MPF agreement. It also excludes the estimated net positive impact in 2018 from the Yme settlement for an amount of around US$40 million. To ensure consistency for future reporting, this includes the positive impact from implementation of IFRS 16 (c. US$30 million).

Conference Call

SBM Offshore has scheduled a conference call followed by a Q&A session on Thursday, November 15, 2018 at 10:00 (CET).

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 933679# until December 15, 2018.

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, November 15, 2018

Financial Calendar	Date	Year
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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