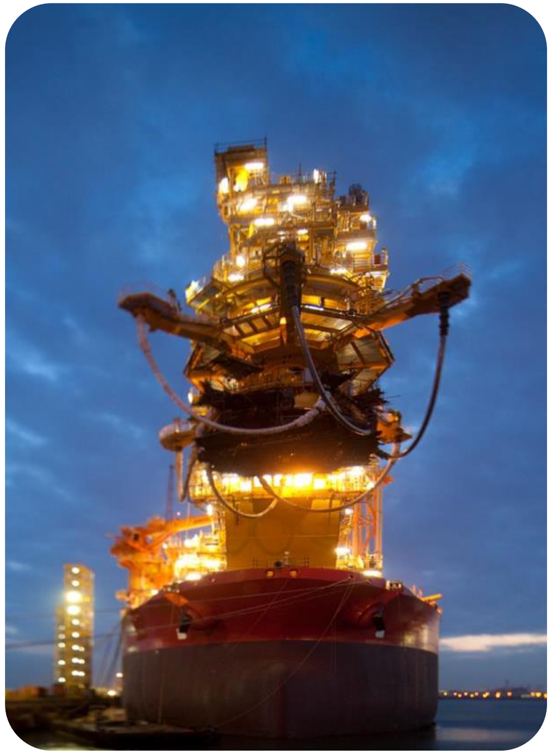
Challenges and Opportunities for Conversion LNG FPSO



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Industry Leading Floating System Provider

The Company

- 5 Regional Centers
- 13 Shore Bases / Operations Offices
- 4 Site Offices
- ~9,000 Employees

Lease Fleet

- 11 FPSOs; 2 under construction
- 2 FSOs
- 1 Semi-sub
- 1 MOPU

Financials in US$ billion, 2015

2015 Directional[(1)] Guidance	2.6
Directional[(1)] Backlog	18.9
Market Cap	2.6

Performance 2015

- 264 years of operational experience
- 99% Uptime
- 1.21 MM bbls throughput capacity/day
- 7,477 Tanker Offloads

(1) 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.

Our Business

TECHNOLOGY | PROJECT EXECUTION | OPERATIONS | FINANCE & LEASE

FPSO / FSO

FLNG

Semi / TLP

Turret Mooring Systems

Brownfield Services

3rd Party O&M

Offshore Installation

Terminals (Imodco)

Our sources of Resilience to the current storm

Backlog	Contractually secured, near record US$19.0 billion Not price or production volume sensitive
Capacity Adaptations	Released 1,500 positions to optimise cost base As the market further develops, SBM Offshore will adapt accordingly
Transformation Initiatives	Odyssey24, fleet maintenance, R&D activities, and reorganisation Increase operational efficiency, reduce costs
Economical Production	US$6.90 average Lease & Operate unit cost/bbl Production economical far below current oil price FPSO oil production uptime more than 99%

Life Cycle Business Model

Full lifecycle enabling continuous improvement based on feedback from Projects and Operations

Brownfield Services
Life Extension, Upgrades, Modifications,
Relocation and Decommissioning

Engineering
50 years of industry firsts
Leading edge technology

Operations
260+ years of experience
99%+ production uptime
Largest international FPSO fleet

Procurement
Integrated supply chain
Global efficiencies
Local sourcing

Installation
Dedicated fleet
Unparalleled experience
Extensive project capability

Construction
Strategic partnerships Unrivalled
project experience

LNG FPSO Track Record

Generic - Niche

Petrobras - DMR

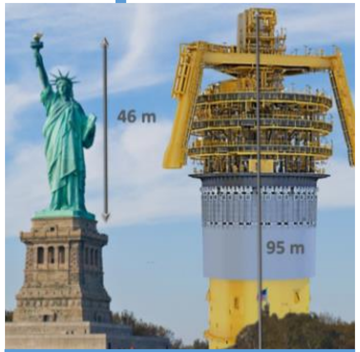
Twin-Hull - Dual N_2

New Build - Dual N_2

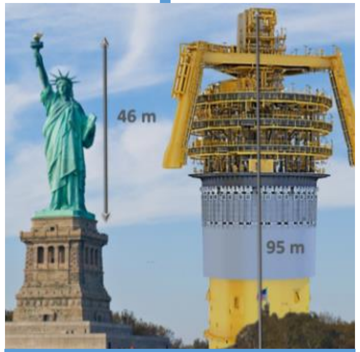
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016

Generic - SMR

Cash Maple - SMR



Prelude Turret



Browse Turret

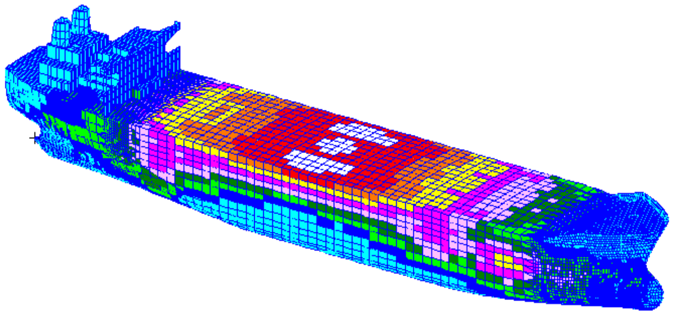
Conversion and New Build solutions – Mid Scale LNG FPSO

or

Challenges

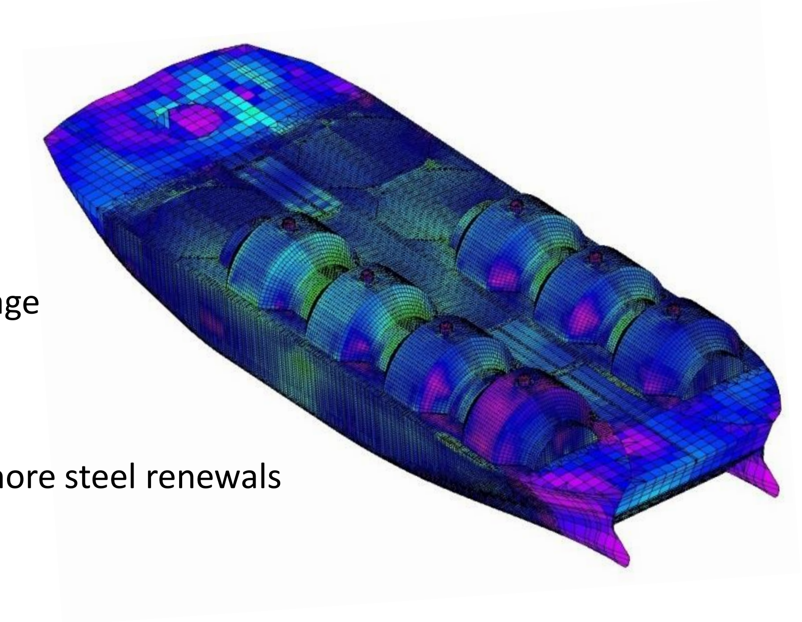
- Why put new equipment on an old lady?
- Is the unit as safe as a new built?
- Can it be designed for 20+ years life?
- Are conversion candidates available?
- It is much more complex than an FPSO
- Is it large enough for storage and deck space requirements?
- Can it operate in harsh environmental conditions?

Hull conversion and Moorings - similarity to Oil FPSO



Hull System

- Robust tanker design
- Maintenance and repair history
- Trading history
- Accurate forecast of future corrosion and fatigue damage
  - Corrosion rates
  - FEA Modelling
- Suitable for full design life without dry docking or offshore steel renewals

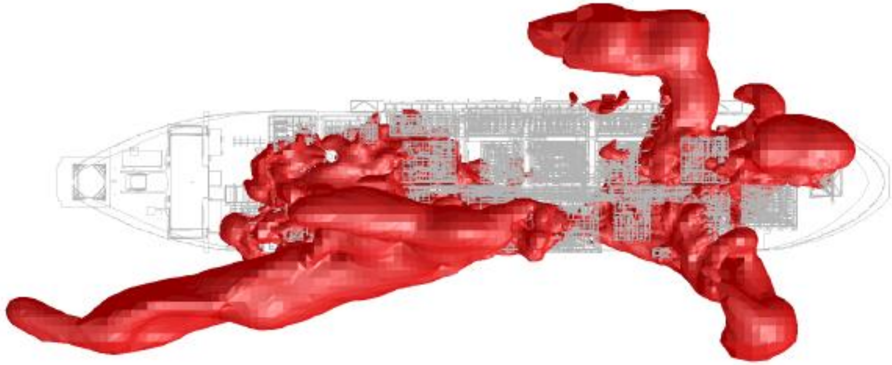


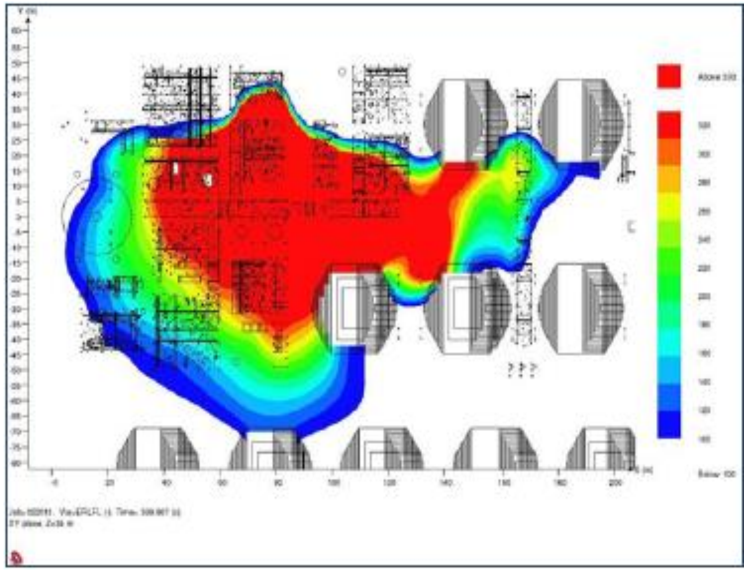
Turret Mooring System

- Accurate and comprehensive metocean data for site
- Calibrated and robust hydrodynamic models
- Reliability, Operability and Maintainability
- Simple hull integration
- Safe and fast offshore installation
- Minimum need for divers

Methods are Equally applicable to a LNG FPSO

FPSO topsides design and integration – Similarity to Oil FPSO





- Safe and robust design using full QRA approach
- Ability to handle full operating envelope of well fluids
- Marine and Topsides integration
- Full Life Cycle Cost approach to design and machinery selection
- Optimised balance between;
  - Efficiency and Simplicity
  - Performance and Uptime
  - Complexity and Robustness

Methods are Equally applicable to a LNG FPSO

3rd Generation FPSOs - CDS and CDM

- Generation 3 FPSO
- Topside: 23,000 T
- Conversion in China completed
- Topsides module fabrication in BRASA
- 20 year lease

First Oil 2016

Opportunities for Conversion – Mid Scale LNG FPSO

- Lower cost: acquisition + refurbishment + hull conversion
- Faster schedule; experienced contractor required
- Flexibility in local content options
- Flexibility in contracting strategy

Conversion complexity and topsides weight is same order to 3rd generation FPSO conversion

Conclusions

- Conversion and new build can be competitive solutions in the mid-scale LNG FPSO segment
- Harsh environmental conditions, large storage capacity or deck space requirements will favor new-builds
- Lower CAPEX, execution flexibility (local content) and schedule advantages will favor conversion solutions
- SBM Offshore flexible to engage with both models

Thank You..!

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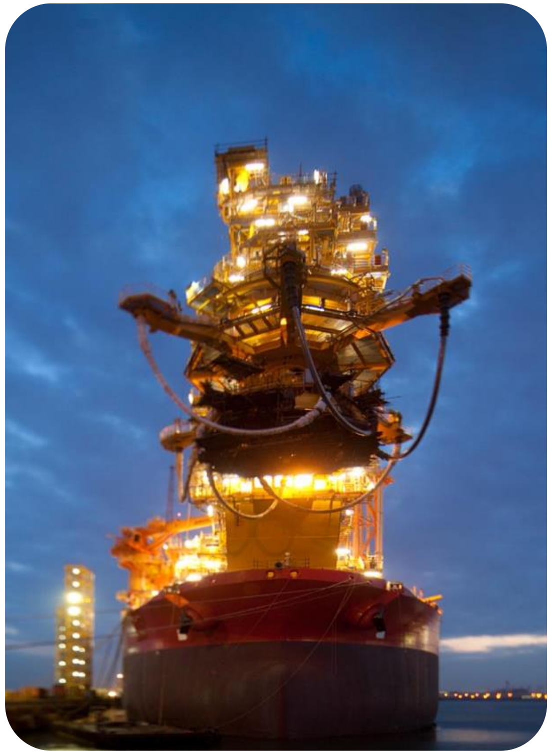

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