

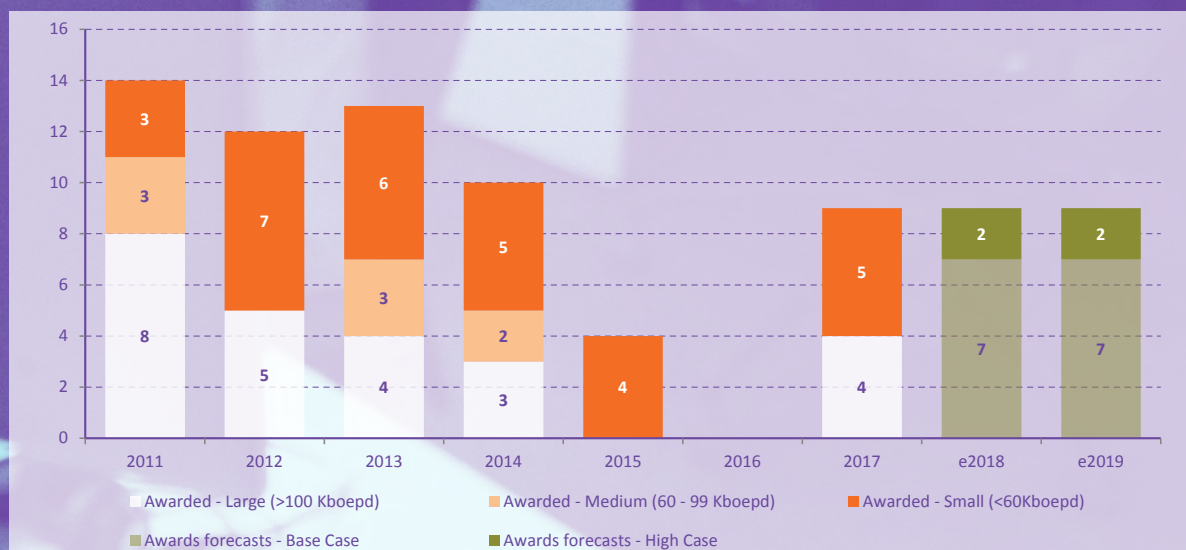
2017

ANNUAL REPORT



EXPERIENCE MATTERS

HISTORICAL AND ESTIMATED TOTAL MARKET AWARDS



2018-2023 Market recovery

SBM Offshore firmly believes that once the market picks up – a cautious prediction for 2018 – the Company will be well-placed to be the contractor of choice for future projects. The Company is accordingly preparing for a base scenario (pick-up in demand) as well as for alternative scenarios (lower costs and renewable energy). Going forward, the Company is gearing for growth – getting ready in the next years to set the base for long-term growth.

1.5 COMPETITIVE LANDSCAPE AND MARKET POSITIONING

SBM Offshore is active in multiple energy markets – oil, gas and renewables. Oil markets mainly supply transportation and industry sectors, while gas and renewables mainly feed into power generation and industry sectors. Currently, most of SBM Offshore's revenues are derived from the deep water oil and gas markets – with a focus on its FPSO Product Line.

MARKET SEGMENTATION

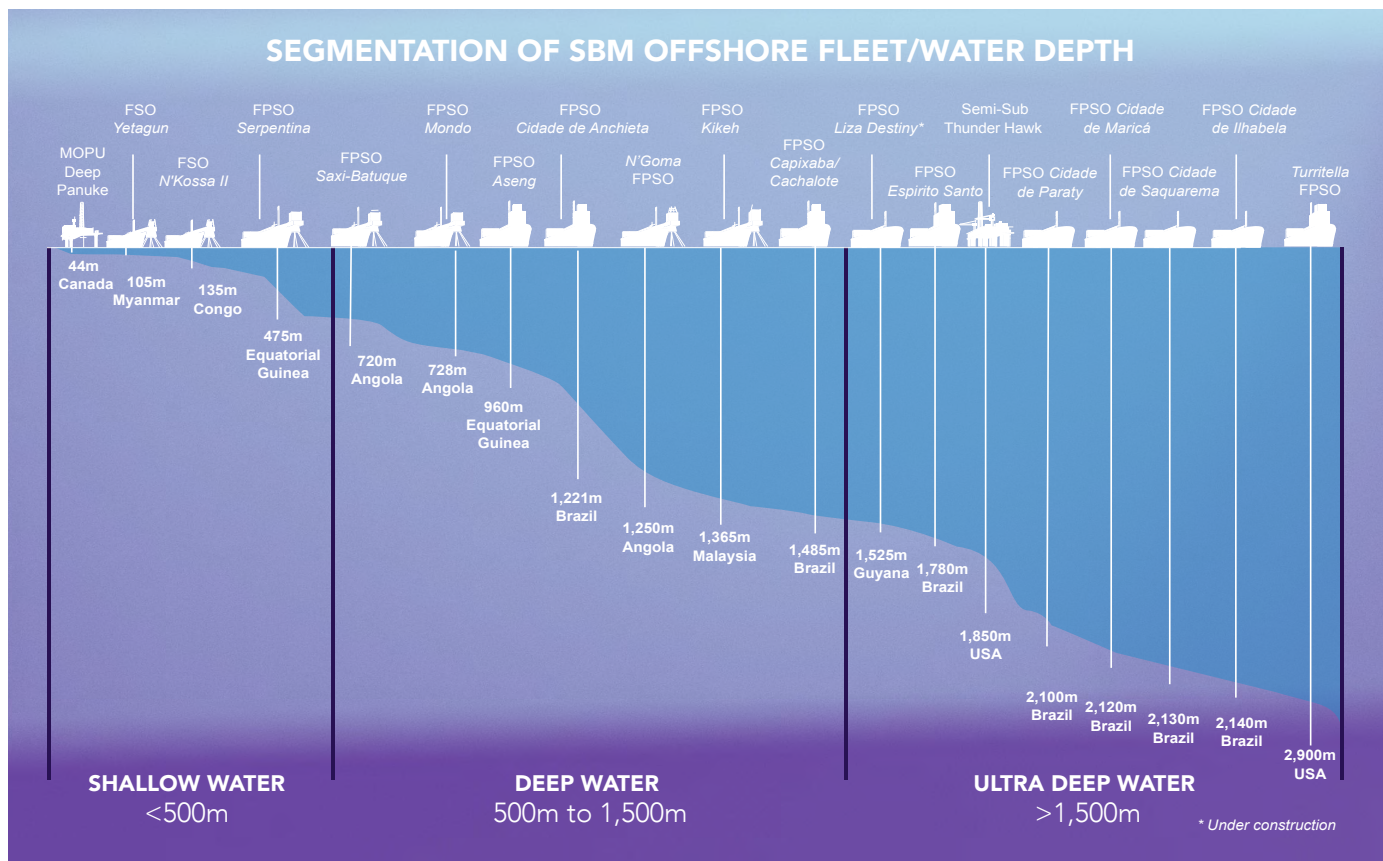
The global market for FPSOs can be roughly split into three segments:

1. Large conversion FPSOs: this is SBM Offshore's main market. They are usually converted oil tankers

known as Very Large Crude Carriers (VLCCs), with typical production capabilities of 60,000 to 150,000 barrels of oil per day.

2. Newbuild FPSOs: with production volumes of typically over 200,000 barrels of oil per day. To date, SBM Offshore has been involved in this segment mainly as a supplier of large Turret Mooring Systems (TMS). However, with its Fast4Ward™ FPSO design moving into the construction stage, the Company is now considered a player in the newbuild, large capacity FPSO business.
3. Small conversion FPSOs: based on smaller crude oil tankers, with production rates up to 60,000 barrels of oil per day. SBM Offshore most recently delivered *Turritella* (FPSO) in 2016, demonstrating technology to unlock value in tertiary fields in the US Gulf of Mexico.

Another market segmentation factor is water depth. Deeper water typically requires more complex solutions in terms of design and operations. The chart illustrates SBM Offshore's worldwide fleet expertise in ultra deep water.



SBM Offshore is the leader in its market in terms of total oil and gas production (kboepd), the number of

cumulative years of operating experience and the number of FPSO units delivered to date.

