



# 2017

## ANNUAL REPORT



**EXPERIENCE MATTERS**



# 2017 IN BRIEF

## FEBRUARY

- 2016 Full Year Earnings published.
- The Company proposed a cash dividend and also announced it would update and reinforce its dividend policy.

## MARCH

- Implementation of pilot CO<sub>2</sub> Challenge project on one of the Company's FPSOs.

## APRIL

- GEPsing – a company jointly owned by SBM Offshore (60%) and the National Oil Company of Equatorial Guinea, GEPetrol (40%) – was awarded a 5-year contract by MEGI (Mobil Equatorial Guinea Inc.) to operate and maintain the FPSO Serpentina.
- Share cancellation following share buy back in 2016. Pursuant to a resolution by the AGM, SBM Offshore has started the formal process for cancellation of 7.8 million ordinary shares.
- At the AGM shareholders voted in favor of the proposed US\$ 0.23 per ordinary share dividend distribution – an increase of c. 10% year-on-year. Dividends were paid in euros using an exchange rate of 1.0655, which equates to EUR 0.2159 per ordinary share. The cash dividend was paid in May.

## MAY

- SBM Offshore wins OTC 'Spotlight on New Technology' award for the innovative *Turritella* (FPSO) Turret Mooring System (TMS).

## JUNE

- SBM Offshore Awarded Turnkey and Lease and Operate Contracts for the ExxonMobil *Liza* FPSO. The EPC phase began.
- Standardization program Fast4Ward™ progresses by signing a new-build hull contract with China Shipbuilding Trading Company, Ltd. 'CSTC' and the shipyard of Shanghai Waigaoqiao Shipbuilding and Offshore Co. Ltd. 'SWS'. SBM Offshore has now ordered its first standard new-build, multipurpose hull.

## JULY

- *Turritella* (FPSO) Purchase Option Exercized by Shell (Sale of *Turritella* (FPSO) with closing date in January 2018).
- FPSO *Marlim Sul* was sold and transferred off balance sheet for recycling, in line with SBM Offshore policies and in accordance with the Hong Kong convention. The vessel had been decommissioned in April 2016.
- SBM Offshore agreed heads of Terms for Settlement with a majority group of primary layer insurers on its Yme insurance Claim. SBM Offshore continues to pursue its claim against all remaining insurers, the trial of which is scheduled to commence October 2018.

## AUGUST

- Announced during Half-Year 2017 results that the major turret projects Prelude and Ichthys had entered the offshore commissioning phase, and continued to progress in accordance with clients' schedules and contractual planning.

## SEPTEMBER

- For the eighth consecutive year, SBM Offshore was included as an index component of the DJSI (Energy Equipment & Services industry).

## OCTOBER

- An agreement with Keppel Shipyard Ltd (Keppel Shipyard) was signed for the conversion of a Very Large Crude Carrier (VLCC) into an FPSO for the Liza project offshore Guyana.

## NOVEMBER

- Arrival of tanker at Singapore shipyard for conversion for Liza FPSO project. EPC phase began.
- SBM Offshore reached resolution with the U.S. Department of Justice with the signature of a Deferred Prosecution Agreement (DPA) with the U.S. Department of Justice (DoJ), resolving the reopened investigation into the Company's legacy issues and the investigation into the Company's relationship with Unaoil. As part of the overall resolution, SBM Offshore USA, Inc. a U.S. subsidiary of SBM Offshore, pleaded guilty to a single count of conspiracy to commit a violation of the U.S. Foreign Corrupt Practices Act.
- Discussions with various authorities in Brazil not yet resolved, complex process requiring coordination and agreement among the multiple parties involved.

## DECEMBER

- SBM Offshore awarded turnkey contract for Statoil's Johan Castberg Turret Mooring System.
- Project financing of FPSO *Liza* completed – secured by a consortium of twelve international banks.
- The Company learned that following a review of the leniency agreement, the Federal Court of Accounts (Tribunal de Contas da União – 'TCU') decided to allow the Ministry of Transparency, Oversight and Control (Ministério da Transparência, Fiscalização e Controle – 'MTFC'), the General Counsel for the Republic (Advocacia Geral da União – 'AGU') and Petrobras to move forward with the signing of the leniency agreement.
- The Federal Prosecutor's Office (Ministério Público Federal – 'MPF') has filed a damage claim with the Federal Court in Rio de Janeiro against a Brazilian subsidiary of the Company, an intermediate holding company in Switzerland and a number of individuals, including former employees of the SBM Offshore Group. The claim relates to the alleged improper sales practices before 2012 that are also the subject of the leniency agreements under discussion with the Brazilian authorities and Petrobras.

## 1 AT A GLANCE