



OFFSHORE

ENERGY. COMMITTED.



ANNUAL REPORT 2019



OFFSHORE

ENERGY. COMMITTED.

2019

IN BRIEF

JANUARY

- The steel cutting ceremony for SBM Offshore's second Fast4Ward® hull took place at the Shanghai Waigaoqiao Shipbuilding and Offshore Co. Ltd. (SWS) yard in China.
- SBM Offshore ordered a third Fast4Ward hull, further demonstrating the Company's confidence in the program and market demand. The construction yard chosen was China Merchant Heavy Industry (CMHI).

FEBRUARY

- Shareholder returns significantly increased, underpinned by the continued track record of delivery from both business segments, Turnkey and Lease and Operate.
- Share Repurchase Program was announced, with EUR175 million (c. US\$200 million) repurchased over the course of 2019.
- SBM Offshore launched its Vision for the future: 'We believe the oceans will provide the world with safe, sustainable and affordable energy for generations to come.'

APRIL

- Annual General Meeting (AGM). Philippe Barril and Erik Lagendijk were re-appointed MB members. Laurence Mulliez, Cheryl Richard and Sietze Hepkema, were re-appointed SB members.

MAY

- SBM Offshore was awarded contracts by ExxonMobil to construct, install and thereafter Lease and Operate for up to two years the FPSO *Liza Unity*. This followed completion of front-end engineering studies, receipt of requisite government approvals and the final investment decision on the project by ExxonMobil and block co-venturers. The FPSO *Liza Unity* design is based on SBM Offshore's Fast4Ward program.
- 2019 Share Repurchase Program was completed, with EUR175 million in shares repurchased, achieving the objective of reducing share capital and, in addition, to provide shares for regular management and employee share programs.

JUNE

- SBM Offshore was awarded a Letter of Intent by Petrobras for the 22.5 year Lease and Operate of FPSO *Sepetiba*, to be deployed at the Mero field, offshore Brazil. The FPSO design is based on the Company's Fast4Ward program.
- Work on the FPSO *Liza Unity* hull progressed - the hull left dry-dock and launched into the water at the SWS yard in China.

JULY

- SBM Offshore launched a new co-owned entity with Indian company, Nauvata, to create the SBM-Nauvata company and to provide SBM Offshore with additional engineering capability.
- After 20 months in construction, the FPSO *Liza Destiny* departed from Keppel yard in Singapore to offshore Guyana.
- Fabrication work on the Turret Mooring System for Equinor's Johann Castberg FPSO progressed, with completion of the first major milestone, the load-out of the Bogey Support Structure, which was delivered to hull site in Singapore.

AUGUST

- Order intake resulted in a 36% backlog increase. 2019 Directional Revenue guidance was increased to 'above US\$2 billion' due to Turnkey growth. 2019 Directional EBITDA guidance increased to 'above US\$750 million'.

SEPTEMBER

- SBM Offshore signed a long-term FPSO supply agreement with ExxonMobil. The non-exclusive agreement established the general legal framework and specific terms in relation to the engineering, procurement, construction and installation work regarding potential future contracts relating to leased FPSOs, which includes Build-Operate-Transfer projects.
- SBM Offshore confirmed its intention to bid for its partner's minority ownership in SBM Offshore operated companies, following the public sale notice by Serviços de Petróleo Constellation S.A. of its equity ownership in the lease and operating companies related to five Brazilian FPSOs.

OCTOBER

- SBM Offshore received notification that the Federal Court had formally closed the Improbability Lawsuit filed by the Brazilian Federal Prosecutors Office (MPF) in 2017. This approval made the Leniency Agreement between the MPF and SBM Offshore effective, which comprised a final settlement of BRL200 million to be paid to Petrobras.
- SBM Offshore completed US\$1.14 billion financing of FPSO *Liza Unity*.

NOVEMBER

- SBM Offshore was awarded contracts for ExxonMobil's Third FPSO in Guyana based on its Fast4Ward Program to perform a Front End Engineering and Design (FEED) for an FPSO, to be named Prosperity, for the Payara development project located offshore Guyana.
- Following confirmation that the Company was the successful bidder in the public auction for the equity ownership, the Company completed the transaction regarding the sale to SBM Offshore of Constellation's equity ownership in the lease and operating companies related to five Brazilian FPSOs.
- Announcement of sea trial in 2022 offshore Monaco for SBM Offshore's S3® Wave Energy Converter.

DECEMBER

- SBM Offshore divested minority interest (35.5%) in the special purpose companies related to the lease and operation of FPSO *Sepetiba* to its business partners Mitsubishi Corporation (MC) and Nippon Yusen Kaisha Kaisha (NYK).
- SBM Offshore signed contracts with Petrobras for the 22.5 years lease and operation of FPSO *Sepetiba*, following the signing of the LOI in June.
- Retirement of Chairman of the Supervisory Board Floris Deckers announced.
- N'Goma FPSO project loan was optimized.
- Two Fast4Ward hulls were ordered, bringing the construction program to a total of five hulls.
- The second module, the Lower Turret, for Equinor's Johann Castberg TMS, was completed and shipped to the yard in Singapore, where the client's FPSO hull is located.
- FPSO *Liza Destiny* produced first oil offshore Guyana.