



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

5.3.32 INFORMATION ON NON-CONTROLLING INTERESTS

The Company has several jointly owned subsidiaries:

Entity name	Partners	% of ownership	Country registration	2016 main reporting segment	Project name
Aseng Production Company Ltd	GE Petrol	60.00	Cayman island	Lease & operate	FPSO Aseng
Gepsing Ltd	GE Petrol	60.00	Cayman island	Lease & operate	FPSO Aseng
Gepsing Ltd - Equatorial Guinea Branch	GE Petrol	60.00	Equatorial Guinea	Lease & operate	FPSO Aseng
Brazilian Deepwater Floating Terminals Ltd	Malaysia International Shipping Corporation Behard	51.00	Bermuda	Lease & operate	FPSO Espirito Santo
Brazilian Deepwater Production Ltd	Malaysia International Shipping Corporation Behard	51.00	Bermuda	Lease & operate	FPSO Espirito Santo
Brazilian Deepwater Production Contractors Ltd	Malaysia International Shipping Corporation Behard	51.00	Bermuda	Lease & operate	FPSO Espirito Santo
Operações Marítimas em Mar Profundo Brasileiro Ltda	owned by Brazilian Deepwater Production Contractors (see information above)	51.00	Brazil	Lease & operate	FPSO Espirito Santo
SBM Stones S.à r.l.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	Luxembourg	Turnkey	FPSO Turritella
SBM Turritella LLC	owned by SBM Stones S.a r.l. (see information above)	55.00	The United States of America	Turnkey	FPSO Turritella
SBM Stones Holding Operations B.V.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	The Netherlands	Lease & operate	FPSO Turritella
SBM Stones Operations LLC	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	The Netherlands	Lease & operate	FPSO Turritella
Alfa Lula Alto S.à.r.l.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A.	56.00	Luxembourg	Turnkey	FPSO Cidade de Marica
Alfa Lula Alto Holding Ltd	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A.	56.00	Bermuda	Lease & operate	FPSO Cidade de Marica
Alfa Lula Alto Operações Marítimas Ltda	owned by Alfa Lula Alto Holding Ltd. (see information above)	56.00	Brazil	Lease & operate	FPSO Cidade de Marica
Beta Lula Central S.à.r.l.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A.	56.00	Luxembourg	Turnkey	FPSO Cidade de Saquarema
Beta Lula Central Holding Ltd	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A.	56.00	Bermuda	Lease & operate	FPSO Cidade de Saquarema
Beta Lula Central Operações Marítimas Ltda	Owned by Betal Lula Central Holding Ltd. (see information above)	56.00	Brazil	Lease & operate	FPSO Cidade de Saquarema
Tupi Nordeste S.à.r.l.	Nippon Yusen Kabushiki Kaisha; Itochu Corporation; Queiroz Galvao Oleo e Gas, S.A.	50.50	Luxembourg	Lease & operate	FPSO Cidade de Paraty
Tupi Nordeste Operações Marítimas Ltda	Owned by Tupi Nordeste Holding (see information below)	50.50	Brazil	Lease & operate	FPSO Cidade de Paraty
Tupi Nordeste Holding Ltd	Nippon Yusen Kabushiki Kaisha; Itochu Corporation; Queiroz Galvao Oleo e Gas, S.A.	50.50	Bermuda	Lease & operate	FPSO Cidade de Paraty

Entity name	Partners	% of ownership	Country registration	2016 main reporting segment	Project name
Guara Norte S.à.r.l.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A.	62.25	Luxembourg	Lease & operate	FPSO Cidade de Ilhabela
Guara Norte Holding Ltd	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A.	62.25	Bermuda	Lease & operate	FPSO Cidade de Ilhabela
Guara Norte Operações Marítimas Ltda	Owned by Guara Norte Holding Ltd. (see information above)	62.25	Brazil	Lease & operate	FPSO Cidade de Ilhabela
SBM Capixaba Operações Marítimas Ltda	Owned by FPSO Capixaba Venture S.A. (see information below)	80.00	Brazil	Lease & operate	FPSO Capixaba
SBM Espirito Do Mar Inc	Queiroz Galvao Oleo e Gas, S.A.	80.00	Switzerland	Lease & operate	FPSO Capixaba
FPSO Capixaba Venture S.A.	Queiroz Galvao Oleo e Gas, S.A.	80.00	Switzerland	Lease & operate	FPSO Capixaba
FPSO Brasil Venture SA	MISC Berhad	51.00	Switzerland	Lease & operate	FPSO Brazil
SBM Operações Ltda	MISC Berhad	51.00	Brazil	Lease & operate	FPSO Brazil
SBM Systems Inc.	MISC Berhad	51.00	Switzerland	Lease & operate	FPSO Brazil
South East Shipping Co. Ltd	Mitsubishi Corporation	75.00	Bermuda	Lease & operate	Yetagun

Included in the consolidated financial statements are the following items that represent the Company's interest in the revenues, assets and loans of the partially owned subsidiaries.

Figures are presented at 100% before elimination of intercompany transactions.

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Information on non-controlling interests (NCI) – 2016

Entity name	Project name	Place of business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities
Aseng Production Company Ltd	FPSO Aseng	Equatorial Guinea	328	215	10	180	148	40
Gepsing Ltd			3	-	3	-	-	13
Gepsing Ltd - Equatorial Guinea Branch			34	-	2	-	-	24
Brazilian Deepwater Floating Terminals Ltd	FPSO Espirito Santo	Brazil	-	-	-	-	-	0
Brazilian Deepwater Production Ltd			368	321	21	-	258	22
Brazilian Deepwater Production Contractors Ltd			37	0	18	-	-	27
Operações Marítimas em Mar Profundo Brasileiro Ltda			4	0	0	7	7	3
SBM Stones S.à r.l. ¹	FPSO Turrítella	The United States of America	1,156	1,038	30	791	718	76
SBM Stones Holding Operations B.V.			0	-	-	-	-	-
SBM Stones Operations LLC			13	-	7	-	-	8
Alfa Lula Alto S.à r.l.	FPSO Cidade de Marica	Brazil	1,791	1,683	48	1,394	1,363	117
Alfa Lula Alto Holding Ltd			5	0	4	-	-	9
Alfa Lula Alto Operações Marítimas Ltda			8	1	0	0	0	14
Beta Lula Central S.à r.l.	FPSO Cidade de Saquarema	Brazil	1,741	1,668	16	1,426	1,372	90
Beta Lula Central Holding Ltd			7	0	0	-	-	8
Beta Lula Central Operações Marítimas Ltda			7	-	2	-	-	6
Tupi Nordeste S.à r.l.	FPSO Cidade de Paraty	Brazil	1,259	1,164	38	714	645	108
Tupi Nordeste Operações Marítimas Ltda			2	0	0	20	20	13
Tupi Nordeste Holding Ltd			3	3	0	-	-	14
Guara Norte S.à r.l.	FPSO Cidade de Ilhabela	Brazil	1,595	1,465	75	1,005	904	129
Guara Norte Holding Ltd			7	0	3	-	-	18
Guara Norte Operações Marítimas Ltda			7	0	0	5	5	15
SBM Capixaba Operações Marítimas Ltda	FPSO Capixaba	Brazil	5	0	0	23	23	11
SBM Espirito Do Mar Inc			272	217	25	5	41	32
FPSO Capixaba Venture S.A.			7	0	0	17	17	62
Non material NCI			79	4	7	3	11	11
Total 100%			8,738	7,781	310	5,590	5,532	871

¹ consolidated figures including the entity SBM Turrítella LLC which is owned at 100% by SBM Stones S.à r.l.

Information on non-controlling interests (NCI) – 2016

Entity name	Project name	Place of business	Dividends to NCI	Revenue
Aseng Production Company Ltd			-	24
Gepsing Ltd	FPSO Aseng	Equatorial Guinea	4	1
Gepsing Ltd - Equatorial Guinea Branch			-	49
Brazilian Deepwater Floating Terminals Ltd			-	-
Brazilian Deepwater Production Ltd	FPSO Espirito Santo	Brazil	15	118
Brazilian Deepwater Production Contractors Ltd			-	29
Operações Marítimas em Mar Profundo Brasileiro Ltda			-	13
SBM Stones S.à r.l. ¹		The United States of America	-	165
SBM Stones Holding Operations B.V.	FPSO Turritella		-	-
SBM Stones Operations LLC			-	35
Alfa Lula Alto S.à r.l.			-	332
Alfa Lula Alto Holding Ltd	FPSO Cidade de Marica	Brazil	-	21
Alfa Lula Alto Operações Marítimas Ltda			-	19
Beta Lula Central S.à r.l.			-	277
Beta Lula Central Holding Ltd	FPSO Cidade de Saquarema	Brazil	-	12
Beta Lula Central Operações Marítimas Ltda			-	11
Tupi Nordeste S.à r.l.			-	93
Tupi Nordeste Operações Marítimas Ltda	FPSO Cidade de Paraty	Brazil	-	13
Tupi Nordeste Holding Ltd			-	28
Guara Norte S.à r.l.			-	148
Guara Norte Holding Ltd	FPSO Cidade de Ilhabela	Brazil	-	29
Guara Norte Operações Marítimas Ltda			-	16
SBM Capixaba Operações Marítimas Ltda			-	11
SBM Espirito Do Mar Inc	FPSO Capixaba	Brazil	-	28
FPSO Capixaba Venture S.A.			-	45
Non material NCI			1	(8)
Total 100%			20	1,509

¹ consolidated figures including the entity SBM Turritella LLC which is owned at 100% by SBM Stones S.à r.l.

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Information on non-controlling interests (NCI) – 2015

Entity name	Project name	Place of business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities
Aseng Production Company Ltd	FPSO Aseng	Equatorial Guinea	416	308	11	272	235	45
Gepsing Ltd			14	-	14	-	-	6
Gepsing Ltd - Equatorial Guinea Branch			21	-	1	-	0	17
Brazilian Deepwater Floating Terminals Ltd	FPSO Espirito Santo	Brazil	0	-	-	-	-	0
Brazilian Deepwater Production Ltd			451	366	50	42	256	97
Brazilian Deepwater Production Contractors Ltd			29	0	6	9	6	16
Operações Marítimas em Mar Profundo Brasileiro Ltda			7	0	0	7	7	3
SBM Stones S.à r.l. ¹	FPSO Turrítella	The United States of America	2,186	1,085	-	685	377	1,499
SBM Stones Holding Operations B.V.			-	-	-	-	-	-
Alfa Lula Alto S.à r.l.	FPSO Cidade de Marica	Brazil	1,827	-	1	1,337	1,365	154
Alfa Lula Alto Holding Ltd			0	0	0	-	-	0
Alfa Lula Alto Operações Marítimas Ltda			1	-	0	-	-	0
Beta Lula Central S.à r.l.	FPSO Cidade de Saquarema	Brazil	1,538	-	2	1,178	1,184	19
Beta Lula Central Holding Ltd			0	0	0	-	-	0
Beta Lula Central Operações Marítimas Ltda			0	-	0	-	-	0
Tupi Nordeste S.à r.l.	FPSO Cidade de Paraty	Brazil	1,297	1,203	41	801	748	103
Tupi Nordeste Operações Marítimas Ltda			3	0	0	6	6	12
Tupi Nordeste Holding Ltd			16	2	9	-	-	17
Guara Norte S.à r.l.	FPSO Cidade de Ilhabela	Brazil	1,609	1,501	56	1,103	1,013	122
Guara Norte Holding Ltd			15	0	12	-	-	16
Guara Norte Operações Marítimas Ltda			5	0	0	1	1	9
SBM Capixaba Operações Marítimas Ltda	FPSO Capixaba	Brazil	4	0	0	11	11	4
SBM Espirito Do Mar Inc			278	251	11	37	41	35
FPSO Capixaba Venture S.A.			2	0	1	17	17	61
Non material NCI			100	9	7	3	10	13
Total 100%			9,821	4,726	222	5,509	5,276	2,249

¹ consolidated figures including the entity SBM Turrítella LLC which is owned at 100% by SBM Stones S.à r.l.

Information on non-controlling interests (NCI) – 2015

Entity name	Project name	Place of business	Dividends to NCI	Revenue
Aseng Production Company Ltd			-	32
Gepsing Ltd	FPSO Aseng	Equatorial Guinea	-	2
Gepsing Ltd - Equatorial Guinea Branch			-	42
Brazilian Deepwater Floating Terminals Ltd			-	-
Brazilian Deepwater Production Ltd	FPSO Espirito Santo	Brazil	-	129
Brazilian Deepwater Production Contractors Ltd			-	0
Operações Marítimas em Mar Profundo Brasileiro Ltda			-	14
SBM Stones S.à r.l. ¹	FPSO Turrítella	The United States of America	-	199
SBM Stones Holding Operations B.V.			-	-
Alfa Lula Alto S.à r.l.			-	369
Alfa Lula Alto Holding Ltd	FPSO Cidade de Marica	Brazil	-	-
Alfa Lula Alto Operações Marítimas Ltda			-	-
Beta Lula Central S.à r.l.			-	360
Beta Lula Central Holding Ltd	FPSO Cidade de Saquarema	Brazil	-	-
Beta Lula Central Operações Marítimas Ltda			-	-
Tupi Nordeste S.à r.l.			-	121
Tupi Nordeste Operações Marítimas Ltda	FPSO Cidade de Paraty	Brazil	-	17
Tupi Nordeste Holding Ltd			-	28
Guara Norte S.à r.l.			-	160
Guara Norte Holding Ltd	FPSO Cidade de Ilhabela	Brazil	-	29
Guara Norte Operações Marítimas Ltda			-	16
SBM Capixaba Operações Marítimas Ltda			-	11
SBM Espirito Do Mar Inc	FPSO Capixaba	Brazil	-	68
FPSO Capixaba Venture S.A.			-	13
Non material NCI			3	25
Total 100%			3	1,635

¹ consolidated figures including the entity SBM Turrítella LLC which is owned at 100% by SBM Stones S.à r.l.

Reference is made to section 5.3.24 'Loans and Borrowings' for a description of the bank interest-bearing loans and other borrowings per entity.

Included in the consolidated financial statements are the following items that represent the aggregate contribution of the partially owned subsidiaries to the Company consolidated financial statements:

Interest in non-controlling interest (summary)

	2016	2015
Net result	65	81
Accumulated amount of NCI	996	970

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5.3.33 RELATED PARTY TRANSACTIONS

During 2016, no major related party transactions requiring additional disclosure in the financial statements took place.

For relations with Supervisory Board Members, Managing Directors and other key personnel reference is made to Note 5.3.6 'Employee benefit expenses'.

The Company has transactions with joint ventures and associates which are recognized as follows in the Company's consolidated financial statements:

Related party transactions

	Note	2016	2015
Revenue		10	56
Cost of sales		(106)	(222)
Loans to joint ventures and associates	5.3.15	215	299
Trade receivables		164	204
Trade payables		78	60

The Company has provided loans to joint ventures and associates such as shareholder loans and funding loans at rates comparable to the commercial rates of interest.

During the period, the Company entered into trading transactions with joint ventures and associates on terms equivalent to those that prevail in arm's length transactions. The decrease of revenue mainly relates to the finalisation of the construction of the FPSOs *Cidade de Marica*, *Cidade de Saquarema* and *Turitella*. The decrease of cost of sales is mainly driven by lower transactions with the Brasa yard.

Additional information regarding the joint ventures and associates is available in 5.3.31 'Interest in Joint Ventures and Associates'.

5.3.34 AUDITOR'S FEES AND SERVICES

Fees included in Other operating costs related to PwC, the 2016 and 2015 Company's external auditor, are summarized as follows:

in thousands of US\$	2016	2015
Audit fees	1,962	2,162
Out of which:		
- invoiced by PwC Accountants N.V.	1,344	1,469
- invoiced by PwC network firms	618	693
Tax fees	32	92
Other	533	555
Total	2,527	2,810

In 2016 and 2015, the other auditor's fees were mainly related to other auditing services carried out in the course of the development of a potential master limited partnership (MLP) project and review of Company Sustainability Report.