



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

5.3.31 INTEREST IN JOINT VENTURES AND ASSOCIATES

The Company has several joint ventures and associates:

| Entity name | Partners | Joint venture/ Associate | % of ownership | Country registration | 2016 main reporting segment | Project name |
|---|--|-----------------------------|-------------------|-------------------------|-----------------------------------|-------------------|
| Sonasing Xikomba Ltd | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada | Joint venture | 50.00 | Bermuda | Lease & operate | FPSO N'Goma |
| OPS-Serviços de Produção de Petróleos Ltd. | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P. | Joint venture | 50.00 | Bermuda | Lease & operate | Angola operations |
| OPS-Serviços de Produção de Petróleos Ltd Branch | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P. | Joint venture | 50.00 | Angola | Lease & operate | Angola operations |
| OPS Production Ltd | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P. | Joint venture | 50.00 | Bermuda | Lease & operate | Angola operations |
| Malaysia Deepwater Floating Terminal (Kikeh) Ltd | Malaysia International Shipping Corporation Behard | Joint venture | 49.00 | Malaysia | Lease & operate | FPSO Kikeh |
| Malaysia Deepwater Production Contractors Sdn Bhd | Malaysia International Shipping Corporation Behard | Joint venture | 49.00 | Malaysia | Lease & operate | FPSO Kikeh |
| Anchor Storage Ltd | Maersk group | Joint venture | 49.00 | Bermuda | Lease & operate | Nkossa II FSO |
| Gas Management (Congo) Ltd | Maersk group | Joint venture | 49.00 | Bahamas | Lease & operate | Nkossa II FSO |
| Solgaz S.A. | Deepwater Enterprises A/S (an entity of Maersk group) | Joint venture | 49.00 | France | Lease & operate | Nkossa II FSO |
| Sonasing Sanha Ltd | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada | Joint venture | 50.00 | Bermuda | Lease & operate | FPSO Sanha |
| Sonasing Kuito Ltd | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada | Joint venture | 50.00 | Bermuda | Lease & operate | FPSO Kuito |
| Sonasing Saxi Batuque Ltd | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Vernon Angolan Services Limitada | Joint venture | 50.00 | Bermuda | Lease & operate | FPSO Saxi-Batuque |
| Sonasing Mondo Ltd | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Vernon Angolan Services Limitada | Joint venture | 50.00 | Bermuda | Lease & operate | FPSO Mondo |
| SNV Offshore Ltd | Naval Ventures Corp (an entity of Synergy Group) | Joint venture | 50.00 | Bermuda | Turnkey | Brazilian yard |
| Pelican Assets S.à.r.l. | SNV Offshore Limited (see information above) | Joint venture | 50.00 | Luxembourg | Turnkey | Brazilian yard |
| Estaleiro Brasa Ltda | SNV Offshore Limited (see information above) | Joint venture | 50.00 | Brazil | Turnkey | Brazilian yard |

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| Entity name | Partners | Joint venture/ Associate | % of ownership | Country registration | 2016 main reporting segment | Project name |
|---|---|-----------------------------|-------------------|-------------------------|-----------------------------------|----------------------|
| Brasil Superlift Serviços Içamento Ltda | SNV Offshore Limited (see information above) | Joint venture | 50.00 | Brazil | Turnkey | Brazilian yard |
| Normand Installer S.A. | The Solstad Group | Joint venture | 49.90 | Switzerland | Turnkey | Normand Installer |
| OS Installer AS | Ocean Yield AS | Associate | 25.00 | Norway | Turnkey | SBM Installer |
| SBM Ship Yard Ltd | Sociedad Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Daewoo Shipbuilding & Marine Engineering Co. Ltd. | Associate | 33.33 | Bermuda | Turnkey | Angolan yard |
| PAENAL - Porto Amboim Estaleiros Navais Ltda | Sociedad Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; SBM Shipyard | Associate | 30.00 | Angola | Turnkey | Angolan yard |

The Brazilian market has faced a recent downturn related to economic and political crisis. The adverse changes in the economic environment in the market to which the Brazilian yard is dedicated is considered as a triggering event and thus an impairment test of Company's net investment in the Joint ventures owning the Brazilian yard has been carried out.

As the value in use determined is higher than the carrying amount, no impairment charge has to be recognized at the end of December 2016.

The Company has no joint operation as per definition provided by IFRS 11 'Joint arrangements'.

The following tables present the figures at 100%.

Information on significant joint arrangements and associates - 2016

| Entity name | Project name | Place of the business | Total assets | Non-current assets | Cash | Loans | Non-current liabilities | Current liabilities |
|---|-------------------|-----------------------|--------------|--------------------|------------|--------------|-------------------------|---------------------|
| Sonasing Xikomba Ltd | FPSO N'Goma | Angola | 1,215 | 1,061 | 25 | 564 | 554 | 269 |
| OPS-Serviços de Produção de Petróleos Ltd. | | | 58 | (2) | 17 | - | 0 | 7 |
| OPS-Serviços de Produção de Petróleos Ltd Branch | Angola operations | Angola | 91 | 4 | 11 | - | - | 98 |
| OPS Production Ltd | | | 81 | 0 | 9 | - | - | 63 |
| Malaysia Deepwater Floating Terminal (Kikeh) Ltd | FPSO Kikeh | Malaysia | 400 | 328 | (7) | 0 | 20 | 3 |
| Malaysia Deepwater Production Contractors Sdn Bhd | | | 26 | - | 4 | - | 0 | 20 |
| SNV Offshore Ltd ¹ | Brazilian yard | Brazil | 76 | 49 | 3 | - | - | 9 |
| SBM Ship Yard Ltd | | | 252 | 220 | 0 | 415 | 415 | 0 |
| PAENAL - Porto Amboim Estaleiros Navais Ltda | Angolan yard | Angola | 237 | 104 | 67 | 224 | 224 | 102 |
| Non material joint ventures/associates | | | 304 | 226 | 40 | 271 | 209 | 96 |
| Total at 100% | | | 2,740 | 1,989 | 169 | 1,474 | 1,422 | 668 |

¹ consolidated figures including the entities Estaleiro Brasa Ltda, Brasil Superlift Serviços Icamento Ltda and Pelican Assets S.à.r.l. which are owned at 100% by SNV Offshore Ltd

Information on significant joint arrangements and associates - 2016

| Entity name | Project name | Place of the business | Dividends paid | Revenue |
|---|-------------------|-----------------------|----------------|------------|
| Sonasing Xikomba Ltd | FPSO N'Goma | Angola | - | 105 |
| OPS-Serviços de Produção de Petróleos Ltd. | | | - | 4 |
| OPS-Serviços de Produção de Petróleos Ltd Branch | Angola operations | Angola | - | 91 |
| OPS Production Ltd | | | - | 80 |
| Malaysia Deepwater Floating Terminal (Kikeh) Ltd | FPSO Kikeh | Malaysia | 88 | 50 |
| Malaysia Deepwater Production Contractors Sdn Bhd | | | 2 | 58 |
| SNV Offshore Ltd ¹ | Brazilian yard | Brazil | - | 78 |
| SBM Ship Yard Ltd | | | - | - |
| PAENAL - Porto Amboim Estaleiros Navais Ltda | Angolan yard | Angola | - | 40 |
| Non material joint ventures/associates | | | 4 | 36 |
| Total at 100% | | | 94 | 543 |

¹ consolidated figures including the entities Estaleiro Brasa Ltda, Brasil Superlift Serviços Icamento Ltda and Pelican Assets S.à.r.l. which are owned at 100% by SNV Offshore Ltd

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Information on significant joint arrangements and associates - 2015

| Entity name | Project name | Place of the business | Total assets | Non-current assets | Cash | Loans | Non-current liabilities | Current liabilities |
|---|-------------------|-----------------------|--------------|--------------------|------------|--------------|-------------------------|---------------------|
| Sonasing Xikomba Ltd | FPSO N'Goma | Angola | 1,280 | 1,132 | 13 | 616 | 629 | 293 |
| OPS-Serviços de Produção de Petróleos Ltd. | | | 56 | (2) | 22 | - | 0 | 5 |
| OPS-Serviços de Produção de Petróleos Ltd Branch | Angola operations | Angola | 74 | 5 | (3) | - | - | 75 |
| OPS Production Ltd | | | 89 | 0 | 36 | - | - | 68 |
| Malaysia Deepwater Floating Terminal (Kikeh) Ltd | | | 468 | 396 | (6) | 30 | 33 | 22 |
| Malaysia Deepwater Production Contractors Sdn Bhd | FPSO Kikeh | Malaysia | 34 | - | 8 | - | 0 | 27 |
| SNV Offshore Ltd ¹ | Brazilian yard | Brazil | 68 | 48 | 5 | 25 | 25 | 15 |
| SBM Ship Yard Ltd | | | 265 | 225 | 0 | 395 | 395 | 0 |
| PAENAL - Porto Amboim Estaleiros Navais Ltda | Angolan yard | Angola | 365 | 208 | 52 | 232 | 230 | 150 |
| Non material joint ventures/associates | | | 323 | 246 | 47 | 296 | 286 | 57 |
| Total at 100% | | | 3,021 | 2,258 | 176 | 1,593 | 1,599 | 712 |

¹ consolidated figures including the entities Estaleiro Brasa Ltda and Brasil Superlift Serviços Içamento Ltda which were owned at 100% by SNV Offshore Ltd at 31 December 2014

Information on significant joint arrangements and associates - 2015

| Entity name | Project name | Place of the business | Dividends paid | Revenue |
|---|-------------------|-----------------------|----------------|------------|
| Sonasing Xikomba Ltd | FPSO N'Goma | Angola | - | 187 |
| OPS-Serviços de Produção de Petróleos Ltd. | | | - | 0 |
| OPS-Serviços de Produção de Petróleos Ltd Branch | Angola operations | Angola | - | 106 |
| OPS Production Ltd | | | - | 85 |
| Malaysia Deepwater Floating Terminal (Kikeh) Ltd | | | - | 50 |
| Malaysia Deepwater Production Contractors Sdn Bhd | FPSO Kikeh | Malaysia | - | 47 |
| SNV Offshore Ltd ¹ | Brazilian yard | Brazil | - | 152 |
| SBM Ship Yard Ltd | | | - | - |
| PAENAL - Porto Amboim Estaleiros Navais Ltda | Angolan yard | Angola | - | 75 |
| Non material joint ventures/associates | | | 41 | 40 |
| Total at 100% | | | 41 | 742 |

¹ consolidated figures including the entities Estaleiro Brasa Ltda, Brasil Superlift Serviços Içamento Ltda and Pelican Assets S.à.r.l. which are owned at 100% by SNV Offshore Ltd

The movements in investments in associates and joint ventures are as follows:

| | 2016 | 2015 |
|---|------------|------------|
| Investments in associates and joint ventures at 1 January | 460 | 386 |
| Share of profit of equity-accounted investees | 45 | 73 |
| Dividends | (45) | (18) |
| Cash flow hedges | 3 | 2 |
| Capital increase/(decrease) | 12 | - |
| Foreign currency variations | (7) | (24) |
| Share in negative net equity reclassification to loans to joint ventures and associates | 17 | 42 |
| Investments in associates and joint ventures at 31 December | 484 | 460 |

The bank interest-bearing loans and other borrowings held by joint ventures and associates are as follows:

Informations on loans and borrowings of joint ventures and associates

| Entity name | % Ownership | % Interest | Maturity | Net book value at 31 December 2016 | | | Net book value at 31 December 2015 | | |
|---|-------------|------------|-----------|------------------------------------|------------|--------------|------------------------------------|------------|--------------|
| | | | | Non-current | Current | Total | Non-current | Current | Total |
| US\$ Project Finance facilities drawn: | | | | | | | | | |
| Sonasing Xikomba Ltd | 50.00 | 4.71% | 16-aug-21 | 342 | 81 | 423 | 423 | 77 | 501 |
| Normand Installer SA | 49.90 | 3.87% | 17-jul-17 | - | 50 | 50 | 50 | 6 | 56 |
| OS Installer AS | 25.00 | 3.83% | 16-dec-19 | 88 | 7 | 95 | 95 | 7 | 102 |
| Loans from subsidiaries of SBM Offshore N.V.¹ | | | | 416 | 20 | 437 | 380 | 61 | 441 |
| Loans from other shareholders of the joint ventures and associates² | | | | 246 | - | 246 | 247 | 15 | 262 |
| Loans from other joint ventures | | | | 250 | - | 250 | 232 | - | 232 |
| Net book value of loans and borrowings | | | | 1,343 | 158 | 1,501 | 1,427 | 167 | 1,593 |

1 Please refer to note 5.3.15 'Loans to joint-ventures and associates' for presentation of the carrying amount of these loans in Company's Consolidated Statement of Financial Position.

2 Loans from the Joint Ventures SBM Shipyard Ltd to the JV Paenal - Porto Amboim Estaleiros Navais Ltda.

Aggregated information on joint ventures and associates

| | 2016 | 2015 |
|---------------------|------|------|
| Net result at 100 % | 38 | 128 |

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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 |