



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.	Angola operations	Angola	58	(2)	17	-	0	7
OPS-Serviços de Produção de Petróleos Ltd Branch			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	Angolan yard	Angola	252	220	0	415	415	0
PAENAL - Porto Amboim Estaleiros Navais Ltda			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.	Angola operations	Angola	-	4
OPS-Serviços de Produção de Petróleos Ltd Branch			-	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	Angolan yard	Angola	-	-
PAENAL - Porto Amboim Estaleiros Navais Ltda			-	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	FPSO Kikeh	Malaysia	468	396	(6)	30	33	22
Malaysia Deepwater Production Contractors Sdn Bhd			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	FPSO Kikeh	Malaysia	-	50
Malaysia Deepwater Production Contractors Sdn Bhd			-	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

				Net book value at 31 December 2016			Net book value at 31 December 2015		
Entity name	% Ownership	% Interest	Maturity	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 associates ²				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

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