

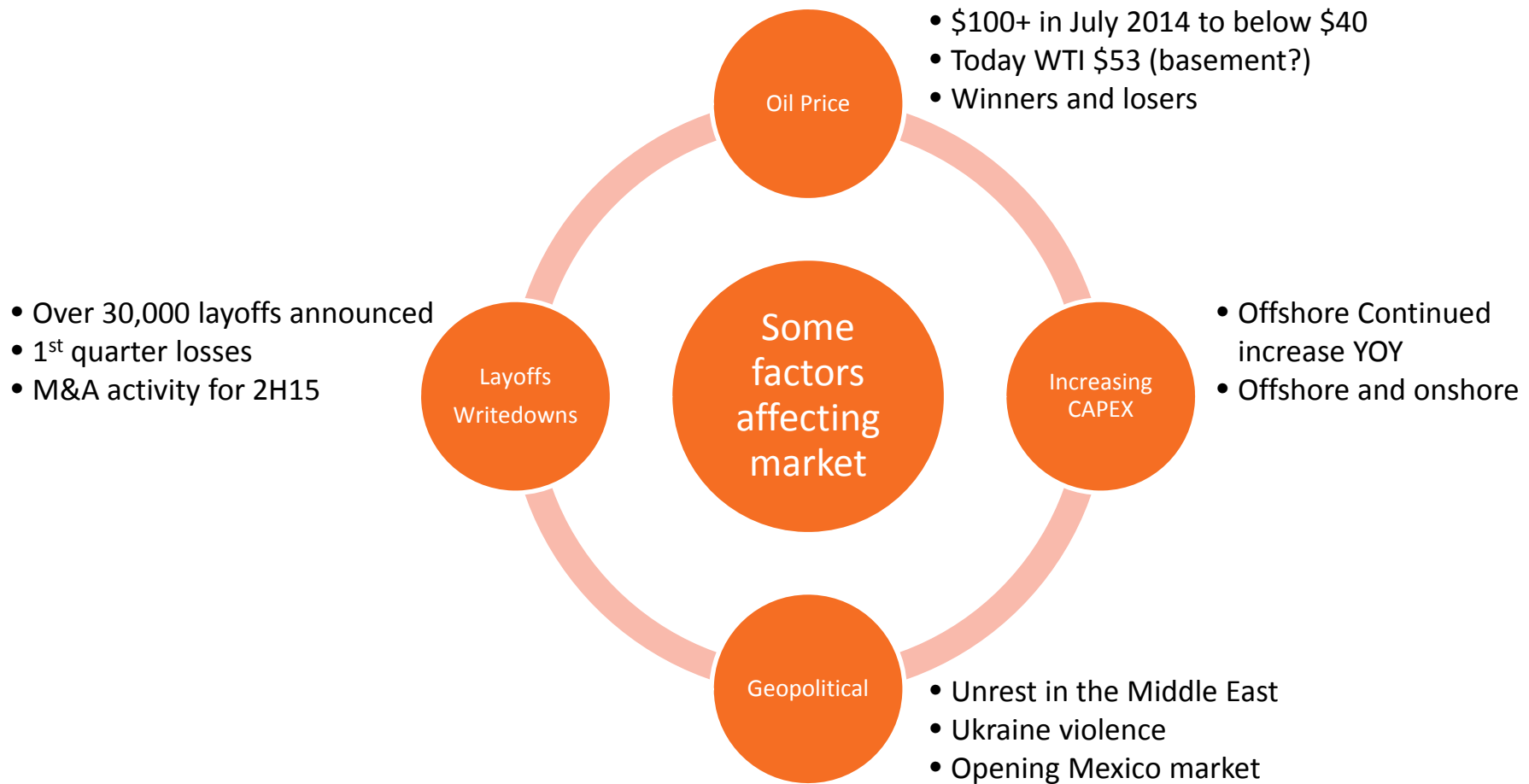
Floating Production Systems Market Outlook 2015 – 2019

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February 2015



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Offshore vs. Onshore Shallow water vs. Deepwater

- Oil discoveries peaked in the 1960s
- Declining onshore and shallow water reserves has caused a long-term growth in offshore production
- Environmental impacts
- Mobility allows FPSs to be used for various applications in deepwater
- NA tight oil plays resurgence pulling capital onshore

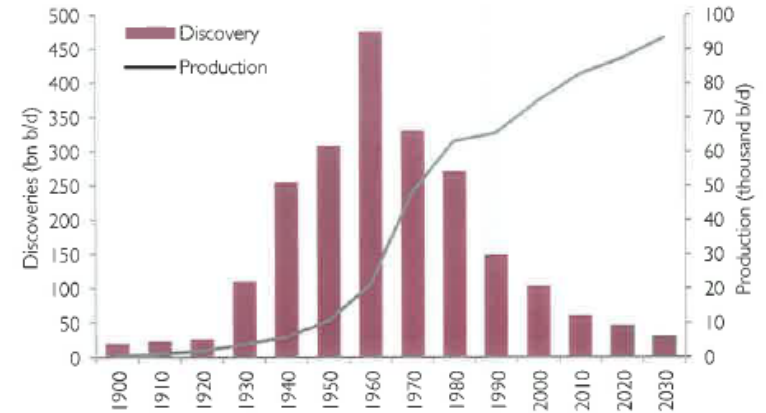


Figure 7: Oil Discoveries & Production

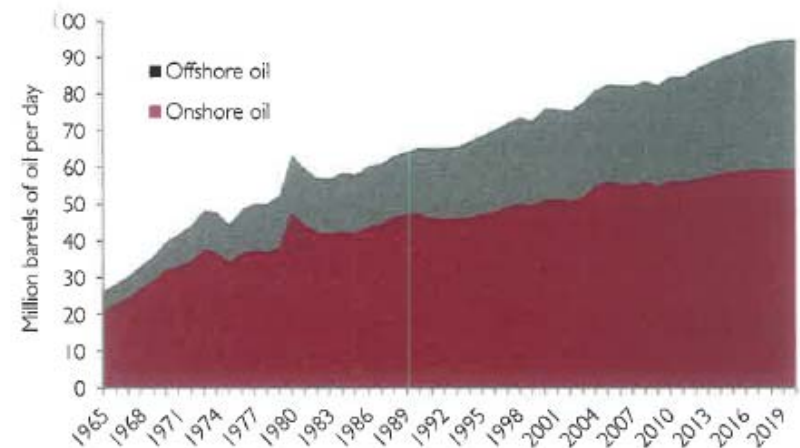
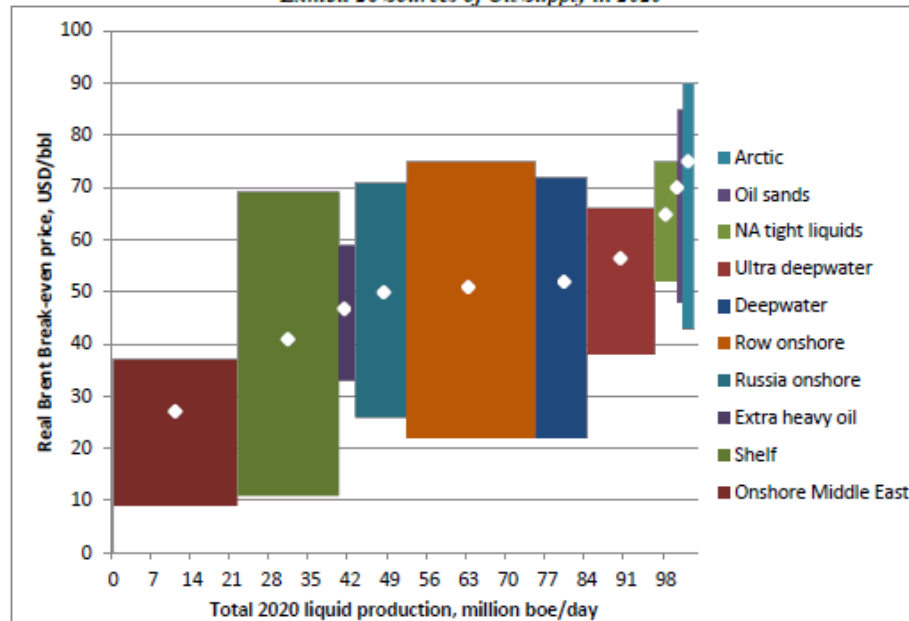


Figure 9: Global Oil Supply – Onshore/Offshore 1965-2020



Breakeven for Energy Supply Sources

Exhibit 26 Sources of Oil Supply in 2020



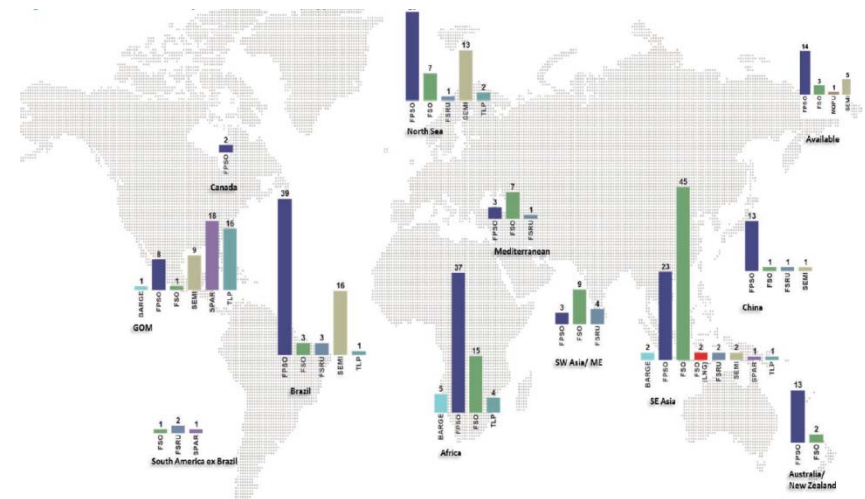
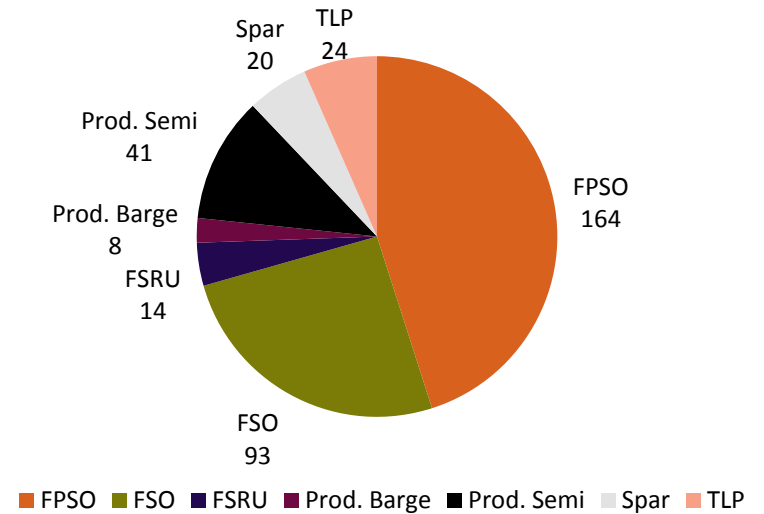
Supply Source	2020 Liquid Production million boe/d	Average BE \$/boe	Lower \$/boe	High \$/boe
Onshore Middle East	22	27.1	9	37
Shelf	18	40.9	11	69
Extra heavy oil	2	46.7	33	59
Russia onshore	9	49.9	26	71
Row onshore	23	50.9	22	75
Deepwater	10	51.9	22	72
Ultra deepwater	4	56.4	38	66
NA tight liquids	8	64.8	52	75
Oil sands	4	70.0	48	85
Arctic	1	75.0	43	90

Source: Rystad Energy



Installed To Date

- 271 Floating Systems in service
 - FPSOs in Brazil & Africa
 - Semis in North Sea & Brazil
 - TLP & Spar in GoM

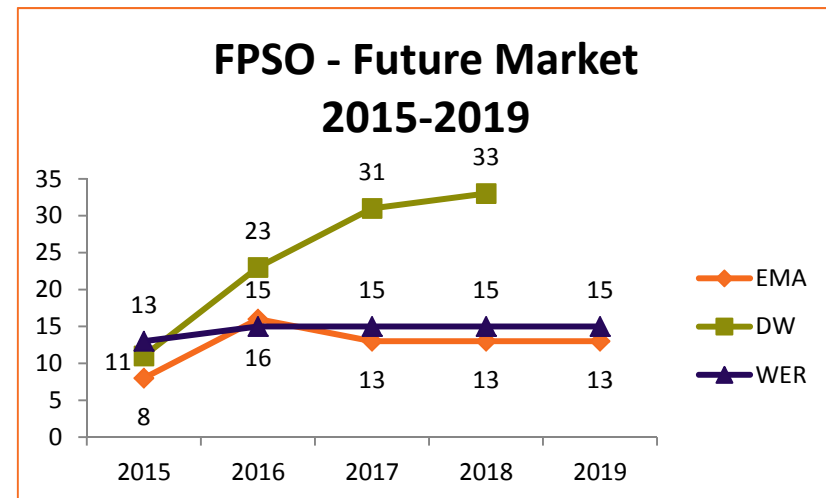
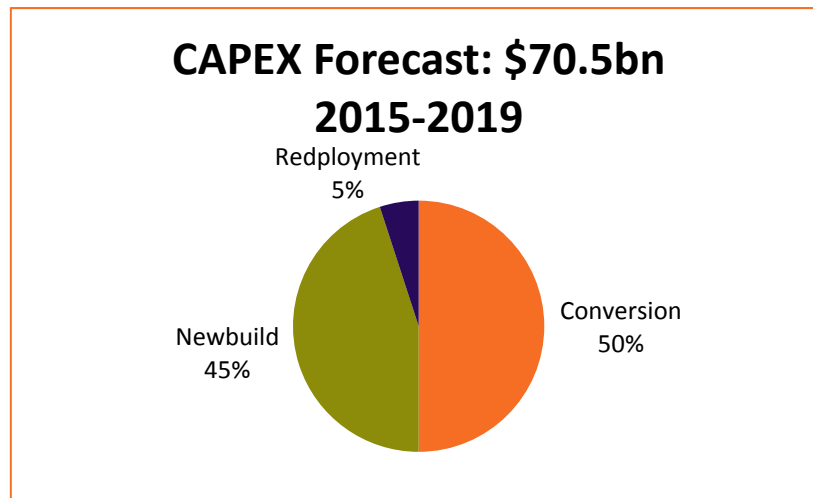




A sharp rebound has been seen in the past two down cycles

Year	Orders in down year	Orders in rebound year
2004-2005	9 orders	20 orders
2009-2010	7 orders	26 orders
2017-2019	Average of 13 awards per year expected	

Africa is the only region with an increase in future awards based on previous years



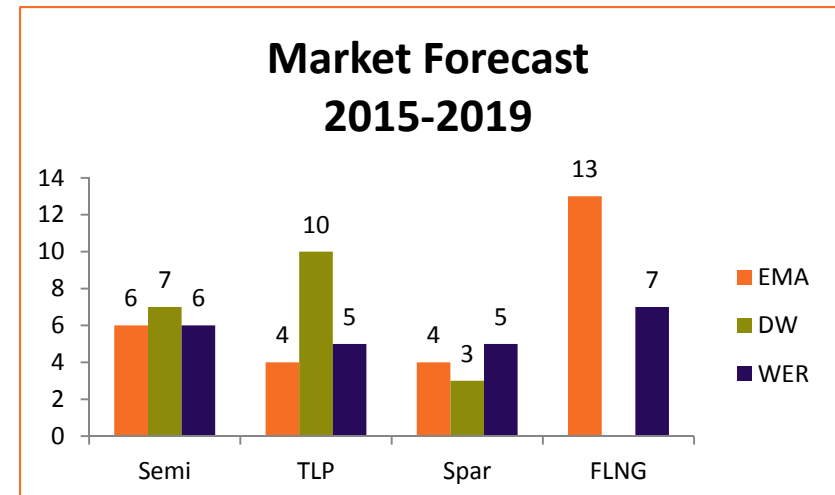
Sources: EMA – Floating Production Systems Outlook Report 2015-2019 Forecast; Douglas Westwood World Floating Production Market Forecast 2014-2018; World Energy Reports Floating Production Systems 2015-2019; Industry Presentations; Upstream; Wood Mackenzie; Rystad Energy; BP Energy Outlook 2035.



- 3 Semis ordered in past 5 years
 - 1 in 2011, 2 in 2012
- 5 TLPs ordered in past 5 years
 - 2 in 2011, 2 in 2013
- 6 Spars ordered in past 5 years
 - 3 in 2011
- No FLNGs are currently in operation; 7 units on order
 1. Exmar Caribbean FLNG
 2. Petronas Kanowit
 3. Shell Prelude
 4. Golar FLNG1
 5. Exmar's Speculative
 6. Petronas Rotan
 7. Golar FLNG2

Type	CAPEX Forecast
Semi	\$6.7bn
TLP	\$1.9bn
Spar	\$3.8bn
FLNG	\$64.4bn*

*Forecast is 2014-2020



Assumptions for Market Forecasts :No major oil spill event No reoccurrence of a global financial crisis similar to 08/09 or a crisis largely limited to Brazil



- Project pace slowed due to oil price but longer term new projects are required to replace depleting fields

Oil price expectations for the next 5 to 15 years are in the \$60-\$105

Provider	Oil Price
EMA	\$60-\$80 range
DW	\$95-\$105 range
WER	\$80-\$100 range

- Activity in 2015 and early 2016 will be conceptual and FEED studies
- Offshore production will continue to expand
- NA tight oil impacted significantly by oil price
- Offshore projects are moving right but not being cancelled
- FPSO's will continue to dominate FPS market
- Potential for FLNG market growth



Continuous change is the norm for energy markets

Spencer Dale – Group Chief Economist, BP

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The image features a background of a blurred architectural drawing or technical blueprint. Overlaid on this is the SBM Offshore logo, which consists of the letters 'SBM' in a large, white, stylized font. Below the logo, the word 'OFFSHORE' is written in a smaller, white, sans-serif font.

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