Press release - SBM Offshore N.V. **29 August 2005**

HALF YEAR RESULTS 2005

INCREASED PROFITS FOR THE NEW, PURE PLAY, SBM OFFSHORE

Highlights

- Half-year profit of US$ 73.5 million, 46% ahead of prior year (US$ 50.3 million) in spite of no contribution from shipbuilding (US$ 4.5 million H1 2004).
- New orders US$ 902 million in the first six months and additional awards since 30 June 2005 of over US$ 275 million.
- Revised 2005 year-end forecast increases from US$ 125 million to US$ 140 million.
- Strong market ahead, particularly in the demand for floating facilities.

1. Half-year results 2005

Financial information in this document has been prepared based on the IFRS standards, including re-statement of 2004 information previously disclosed under Dutch GAAP. Mid-year comparative data also includes the former shipbuilding division for which the decision to divest was taken in August 2004. In the 2005 figures, there is no impact from the (now sold) shipbuilding activities.

The net profit after tax for SBM Offshore N.V. (the Company, formerly IHC Caland N.V.) for the first six months of 2005 was US$ 73.5 million (US$ 2.17 per share) compared with US$ 50.3 million (US$ 1.54 per share) at mid-year 2004, and US$ 100.4 million (US$ 3.04 per share) before exceptional shipbuilding-related charges for the whole of 2004.

Turnover for the 6 months was US$ 607.1 million compared with US$ 655.4 million for mid year 2004, which included US$ 196.9 million for the former shipbuilding division.

EBITDA for the half-year was US$ 205.2 million (US$ 6.07 per share) compared with US$ 181.2 million (US$ 5.56 per share) at mid-year 2004, and US$ 386.4 million (US$ 11.69 per share) before exceptional shipbuilding-related charges for the whole of 2004.

2. Expectations for the full year 2005

Based upon the result of the first six months and potential developments over the remainder of the year, the Company expects that 2005 will generate:

- Net income of around US$ 140 million (US$ 4.11 per share), of which roughly 75% will be derived from the lease fleet operations.

- EBITDA of around US$ 420 million (US$ 12.35 per share).

- Capital expenditure of around US$ 450 million compared with US$ 235 million in 2004.

3. IFRS

The attached Notes to the condensed consolidated interim financial statements include a statement of compliance with the newly applied IFRS accounting standards, and refer to the separate IFRS Conversion Document which provides details of the impact of IFRS on previously reported results and equity. The principal impacts are:

- Net income for the 6 months to 30 June 2004 is reduced by US$ 4.3 million.
- Net income for the full year 2004 is reduced by US$ 18.0 million.
- Shareholders' equity as at 1 January 2005 is reduced by US$ 35.8 million.

These adjustments result principally from:

- Depreciation method of tangible fixed assets (straight line method replaces interest equalisation).
- Stricter capitalisation criteria for overheads.
- Using the percentage of completion method for contract work in progress recognition instead of the completed contract method.
- Valuation at market value of financial instruments.

For the first two items above, the impact on net profit during construction and the early years of an FPSO lease is negative, with a corresponding positive impact as the lease duration advances.

The IFRS Conversion Document is published on the Company's website: www.sbmoffshore.com (Investor Relations / Financial Reports).

4. New booked orders

New booked orders for the first half-year of 2005 totalled US$ 902 million, compared with US$ 415 million for the first half of 2004, and US$ 1,890 million for the whole year 2004 (including shipbuilding). Order portfolio at 30 June stood at US$ 4,364 million (year-end 2004 - US$ 4,070 million excluding shipbuilding).

The major new orders include:

- An eight-year lease contract for an FPSO for the development of the Kikeh field offshore Malaysia, operated by Murphy Sabah Oil Co Ltd, executed in Joint Venture with Malaysia International Shipping Corporation Berhad (MISC).

- A contract from Stolt Offshore for a deepwater oil export system for BP's Greater Plutonio field offshore Angola.

- A contract with Daewoo for the supply and installation of the spread mooring system for Chevron's FPSO for the Agbami field offshore Nigeria.

- A contract for the basic design package and the supply of special components for four jack-up and two semi-submersible drilling units to be built by Keppel FELS in Singapore for Maersk Contractors.

- The confirmation by Enterprise Products of the full scope for the design and supply of the deep-draft Semi-Submersible platform for Independence Hub in the Gulf of Mexico.

- A Purchase Order from BP Trinidad and Tobago LLC for the supply of an SBM-Imodco built "stock buoy" to replace one of BP's terminals at the Galeota Point refinery, supplied by the SBM group in the seventies.

- A contract from Soilmare S.r.L., for the design and supply of a complete CALM terminal for the Mellitah Upgrading Project of Agip Oil Co. Ltd Libya.

- A contract from Waha Oil Company for the supply of a CALM buoy for the terminal in Ras El Sider, Libya.

- Through Delcom Services Sdn Bhd a contract from Murphy Sabah Oil Co Ltd for the engineering, procurement, construction and installation of a Gravity Actuated Pipe (GAP™) system for the transfer of multiple live produced fluids between a Dry Tree Unit and the FPSO on the Kikeh Field offshore Malaysia.

- The order for a very large internal Turret Mooring System for the Floating Production Unit (FPU) P-53 which will operate Petrobras' Marlim Leste Field in the Campos Basin, Brazil.

- A contract from Fred Olsen for the supply of a CALM system to be installed in the Addax operated Antan field offshore Nigeria.

The following major awards were received since 1 July 2005:

- A contract from BHP Billiton and its partners for Atlantia Offshore Limited for the turnkey design and supply of a SeaStar® Tension Leg Platform for the Neptune field, Gulf of Mexico.

- In consortium with Stolt a contract from Star Deep Water Petroleum Limited, Nigeria (a Chevron subsidiary) for the design, supply and offshore installation of a Deepwater Offloading Export System for the Agbami development offshore Nigeria.

The total value of these orders amounts to about US$ 275 million.

5. Market Developments

The increase in contracting activity in the offshore oil and gas industry, which resulted in a satisfactory order intake in the second half of 2004, continued in 2005. The Company has been successful in securing in the first half of the year the lease contract from Murphy Oil for an FPSO for the Kikeh Field offshore Malaysia and a series of medium size turnkey supply orders for a variety of systems out of the product range of the Company.

The order from Murphy for the Gravity Actuated Pipe (GAP™) fluid transfer system for the Kikeh field will be a first application of this long distance high pressure fluid transfer system, developed and patented by SBM. It is to be expected that the GAP™ will in future facilitate the tie-back of TLP wellhead platforms or other satellite facilities to a central processing FPSO, a trend in many deepwater field development scenarios.

The order from BHP Billiton for the design and supply of a SeaStar® TLP for the Neptune field in the Gulf of Mexico, received shortly after midyear, was a welcome addition to the order book of Atlantia. Other prospects have been identified in the Gulf of Mexico for possible further orders for Atlantia later in the year.

Most of the large contracts received during the year 2005 are for facilities producing in deep water and are based on technology recently developed in-house. This is a confirmation of the definite trend in the Oil and Gas Offshore industry and the important role that the Company will continue to play in this market.

The FPSO lease market has seen in the first half of 2005 the entry of new contenders but with the number of identified FPSO prospects on lease as well as sale basis the Company maintains its expectation of award of two FPSO contracts in the remainder of 2005 and a sustained demand for the following years.

6. Financial Agenda

Preliminary Results 2005	30 January	2006
Final Results 2005 - Press Release	29 March	2006
Final Results 2005 - Analysts Presentations (Amsterdam and London)	30 March	2006
Annual Report 2005	Early May	2006
Annual General Meeting of Shareholders 2006	19 May	2006
Half-year Results 2006 - Press Release	28 August	2006
Half-year Results 2006 - Analysts Presentations (Amsterdam and London)	29 August	2006

7. Corporate Profile

The Dutch public company SBM Offshore N.V. is the holding company of a group of international, marine technology orientated companies. Its business is to serve on a global basis the offshore oil and gas industry by supplying engineered products, vessels and systems, and offshore oil and gas production services.

The product line comprises:

- Offshore import/export terminals for crude oil, refined products, LPG and LNG, mostly based on the single point mooring principle, Floating Production and/or Storage and Offloading systems (FSOs and FPSOs) and other floating production facilities based on ship hulls, semi-submersibles and Tension Leg Platforms (TLPs).

- Offshore oil and gas production services through FSOs and FPSOs, owned and operated by the Company.

- Offshore construction and installation contracting services.

- Special designs and engineering services and delivery of specific hardware components for dynamically positioned drillships, semi-submersible drilling platforms, jack-up drilling platforms, jack-up platforms for civil construction, large capacity offshore cranes, elevating and lifting systems, crane vessels and other specialised work vessels.

The Board of Management — Schiedam, 29 August 2005

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Consolidated interim income statement

(In thousands of US dollars)

	6 months ended 30 June 2005	6 months ended 30 June 2004
Revenue	607,115	655,356
Cost of sales	(461,350)	(518,464)
Gross margin	**145,765**	**136,892**
Other operating income	784	1,592
Selling, general and administrative expenses	(37,572)	(49,052)
Other operating expenses	(6,535)	(7,453)
Operating profit before financing costs	**102,442**	**81,979**
Net financing costs	(27,791)	(28,829)
Share of profit of associates	0	244
Profit before tax	**74,651**	**53,394**
Income tax expenses	(1,178)	(3,131)
Net profit	**73,473**	**50,263**
Attributable to:		
Shareholders of the Company	73,414	49,482
Minority interests	59	781
	73,473	**50,263**
Earnings per share	2.17	1.52
Fully diluted earnings per share	2.17	1.52

Shares Information

	30 June 2005	31 December 2004
Number of shares outstanding	34,240,105	33,558,978
Share price (EUR)	56.70	46.74
Market capitalization (EUR million)	1,941.4	1,568.4
Market capitalization (US dollar million)	2,343.9	2,130.1

The interim financial statements have not been audited

Consolidated interim balance sheet

(In thousands of US dollars)

	30 June 2005	31 December 2004 *
Assets		
Non-current assets	1,934,078	1,790,483
Current assets	614,475	590,535
Total assets	**2,548,553**	**2,381,018**
Shareholders equity	708,785	665,127
Non-current liabilities	992,380	1,084,814
Current liabilities	847,388	631,077
Total equity and liabilities	**2,548,553**	**2,381,018**

* The shipbuilding activities have been deconsolidated as at 31 December 2004. The net amount due with respect to the sale of the shipbuilding division is included in assets held for sale as part of current assets.

Condensed consolidated interim statement of cash flows

(In thousands of US dollars)

	6 months ended 30 June 2005	6 months ended 30 June 2004
Cash flow from operating activities	319,527	(17,364)
Cash flow from investing activities	(187,105)	(107,180)
Cash flow from financing activities	(164,738)	142,907
Net increase / (decrease) in cash and bank overdrafts	**(32,316)**	**18,363**
Cash and bank overdrafts at beginning of period	146,631	167,255
Exchange gains/(losses) on cash and bank overdrafts	(1,500)	(2,994)
Cash and bank overdrafts at end of period	**112,815**	**182,624**

The interim financial statements have not been audited

Notes to the condensed consolidated interim financial statements

SBM Offshore N.V. is a company domiciled in the Netherlands. The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2005 comprise the Company and its subsidiaries (together referred to as the “Company”) and the Company’s interest in associates and jointly controlled entities.

The Company's’ former shipbuilding division was sold on 1 March 2005. All financial consequences of this sale were provided for in the 2004 financial statements and the 2005 shipbuilding activities were neither controlled by the Company, nor did the economic benefits accrue to the Company. The interim financial statements 2005 therefore exclude any transaction relating to the shipbuilding division.

Statement of compliance
The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial statements. These are the Company’s first IFRS condensed consolidated interim financial statements for part of the period covered by the first IFRS annual financial statements and IFRS 1 *First-time adoption of International Financial Reporting Standards* has been applied. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

The information in the interim financial statements has been prepared based on the IFRS-standards and interpretations expected to be applicable to the 2005 annual report. However, IFRS is subject to ongoing review and endorsement by the EU or possible amendment by interpretative guidance from the IASB. IFRS could therefore be subject to change.

As a consequence, the information included in the interim financial statements should be treated with appropriate caution, as data may need to be reversed in the light of such changes and interpretations.

With respect to implementing IAS 17, *Leases* there is an ongoing discussion on interpretation of the classification of one of the Company's lease contracts. In the interim financial statements, all lease contracts have been treated as operating leases and consequently the respective book values are included in Property, Plant and Equipment with charter revenues reported as turnover. A certain contract qualifies as a financial lease then the related book value should be transferred from Property, Plant and Equipment to financial fixed assets with corresponding recognition of interest income during the charter period. The aforementioned restatement would not materially affect either equity nor net results presented in the interim financial statements.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance, and accounting principles of the Company is provided in the separately issued Conversion Document. The aforementioned document includes reconciliations of equity and net profit following the transition of Dutch GAAP to IFRS. The Conversion Document also includes the reconciliations of equity and results for the comparative interim period ending June 30, 2004 and the effect of implementing IAS 32, *Financial Instruments: presentation and disclosure* and IAS 39, *Financial Instruments: recognition and measurement,* as per January 1, 2005.

Basis of preparation
The consolidated interim financial statements are presented in US dollars, rounded to the nearest thousand. The consolidated interim financial statements have been prepared in accordance with the IAS standards endorsed by the EU.

Statement of changes in total equity

(in thousands of US dollars)

	2005	2004
Total equity 31 December 2004 and 2003 respectively	665,127	636,522
Implementing IAS 32, IAS 39	49,599	-
Total equity at 1 January	714,726	636,522
Net profit	73,414	49,482
Dividend	(30,406)	(28,257)
Share options exercised	14,630	6,011
Share based incentives	1,201	911
Share issue	-	30,285
Translation differences	(5,514)	(2,317)
Movement IAS 32 / 39 reserves	(59,325)	-
Other movements	-	(648)
Change in minority interests	59	(735)
Total equity at 30 June	**708,785**	**691,254**

Segment information

(in thousands of US dollars)

	Lease	%	Turnkey	%	Ship-building	%	Con-solidated
6 months ended 30 June 2005							
Segment revenue	282,475	46.5	324,640	53.5	-		607,115
Gross margin	91,056	62.5	54,709	37.5	-		145,765
Other income and operating expenses							(43,323)
Operating profit							102,442
Net financing costs							(27,791)
Share of profit of associates							0
Income tax expense							(1,178)
Net profit							**73,473**
6 months ended 30 June 2004							
Segment revenue	252,492	38.5	205,920	31.4	196,944	30.1	655,356
Gross margin	77,099	56.3	35,816	26.1	23,977	17.6	136,892
Other income and operating expenses							(54,913)
Operating profit							81,979
Net financing costs							(28,829)
Share of profit of associates							244
Income tax expense							(3,131)
Net profit							**50,263**