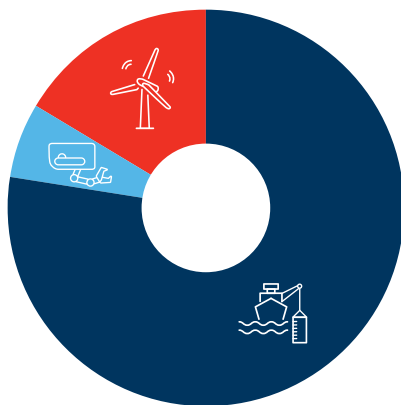


Delivering across our segments

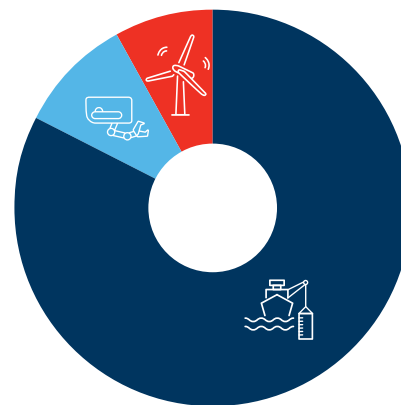
Subsea 7 structures itself around its diversified strengths, reporting across three operational business units: SURF and Conventional, Life of Field, and Renewables and Heavy Lifting. Through these business units we are able to provide full energy lifecycle services.

Group revenue **\$4,074m**
(2017: \$3,986m)



■ SURF and Conventional	\$3,164m
■ Life of Field	\$245m
■ Renewables and Heavy Lifting	\$664m

Backlog **\$4,907m**
(2017: \$5,208m)



■ SURF and Conventional	\$4,059m
■ Life of Field	\$461m
■ Renewables and Heavy Lifting	\$388m

OUR STRATEGY

In an evolving energy sector, we create sustainable value by being the industry's partner and employer of choice in delivering the efficient offshore solutions the world needs.

Subsea 7 has invested throughout the cycle in strategic opportunities, helping accomplish its vision to lead the way in the delivery of offshore projects and services for the energy industry.

Across our three operational business units we are able to provide our clients with the best solutions at every stage of the lifecycle.

In 2018 we deployed proprietary SURF technology to lower the cost of developments such as Electrically Heat Traced Flowlines and Pipeline Bundles. In Renewables and Heavy Lifting, our strategy to expand into other geographies was successful with contract awards in Asia and the US. In Life of Field, our digitalisation programme progressed well with the development of key partnerships and relationships.

SURF AND CONVENTIONAL

Our SURF and Conventional business unit is a global leader in offshore energy services delivering Design, Engineering, Procurement, and Construction and Installation (EPCI) and Decommissioning projects in all water depths, operating under the Subsea 7 brand.

Subsea 7 delivers activities related to the design, engineering, procurement, construction, installation and decommissioning of highly complex oil and gas infrastructure offshore in deep water and challenging environments. Conventional services include the fabrication, installation, extension and refurbishment of energy infrastructure in shallow water locations.

We aim to deliver the right solution for clients at an optimised cost. This is achieved through three different operational models: fully integrated projects, long-term partnership agreements, and standalone SURF solutions.

Subsea Integration Alliance, an alliance between OneSubsea and Subsea 7, delivers a fully integrated subsea solution. This encompasses a single service delivery for project and risk management, engineering, manufacturing and offshore installation. This is a collaborative model, allowing for optimised schedules and aligned risks, which ultimately lowers the cost of the development for clients.

Our long-term partnership arrangements with our clients are an efficient and effective model to deliver enhanced value that we pioneered over ten years ago in the North Sea. In 2018 Subsea 7 expanded this model with clients in other geographies. Enabled by the deeper relationships with Subsea 7, these partnership clients can achieve superior results and operate with reduced internal resources.

A standalone SURF solution is still the main model chosen by our clients. This model champions client-led solutions whilst still promoting close collaboration, with our clients and their chosen Subsea Production Systems (SPS) provider, in the delivery of the project.

Early engagement is fundamental in optimising the cost of a development across its lifecycle. By engaging its expertise and experience at the concept stage, Subsea 7 is able to evaluate

and promote the right technology to reach an optimised solution. This gives confidence to clients that their field development investment is built upon the right solutions, with minimal change and reduced risk as the development moves through its lifecycle stages. With over 50 years' experience in offshore projects, Subsea 7's feedback loop of learning from execution back into the concept stage creates sustainable value for our clients.

Innovation is a Subsea 7 Value; developing and owning the right technology differentiates us and is key to reducing the cost of offshore developments. Our pioneering commercially led technologies are unlocking new field development opportunities due to enhanced project economics and increased production from existing fields.

The development of long-distance tie-backs has been a focus for Subsea 7's technology strategy, transforming the economics of subsea developments of marginal fields. We have a range of solutions that correlate to the tie-back length, including Pipeline Bundles, Electrically Heat Traced Flowlines and Cold Flow technologies. Subsea Integration Alliance is developing integrated technology and innovating new ways of designing subsea infrastructure to help boost production.

In addition to the fixed-price lump-sum SURF contracts, Subsea 7 has four 550 tonne top tension Pipe Lay Support Vessels (PLSV) on long-term day rate contracts with Petrobras. Subsea 7 has a long history of operating in the deepwaters offshore Brazil and our current contracts extend to 2022.

Our Conventional activities are executed in shallower water depths, mainly offshore Nigeria in West Africa, and Saudi Arabia in the Middle East. Following a period of low activity, Conventional work in West Africa began to recover in 2018 and Subsea 7 was awarded, and commenced work on, the PUPP project offshore Nigeria. Our long track record of successful shallow water activities in West Africa has been applied to the Middle East, where activity has increased with the integration of EMAS Chiyoda Subsea (ECS) which was acquired by Subsea 7 in 2017.

SURF and Conventional revenue in 2018

\$3,164m

(2017: \$2,725m)

Number of active projects (SURF and Conventional)

70

BUSINESS UNIT STRATEGY

Market opportunities

- Deep water projects viable at lower breakeven oil and gas prices in various geographies.
- Applications of new technology and innovative solutions enabling lower-cost brownfield developments.
- Middle East growth continues to offer opportunities to the Conventional market with high volumes of activity.
- Once-in-a-cycle opportunities for investment in distressed assets as market conditions remain challenging.
- Clients' balance sheets and liquidity positions are strengthening, providing capacity to increase capital and operational expenditure.

Strategic objectives

- Continue to offer our clients the right operational model either through integrated SPS and SURF, client partnerships or standalone SURF.
- Enhance our early engagement expertise.
- Continue to deploy business led technology into live developments.
- Move into the execute phase of our digitalisation programme.
- Maintain the market leading capabilities of our fleet of vessels.

LIFE OF FIELD

Our Life of Field business unit is a leading expert in inspection, repair and maintenance (IRM), integrity management, drill rig support, production enhancement and decommissioning support services, operating under the i-Tech 7 brand.

i-Tech 7 provides fully-integrated solutions, engineering services and enabling technologies that protects the integrity and optimises the performance of subsea energy infrastructure, throughout the life of a field. Our portfolio of solutions is underpinned by one of the largest fleets in the industry, comprising 165 Remotely Operated Vehicles (ROVs), over 3,500 tooling products and five chartered life of field vessels. These are managed, crewed and operated by some of the most experienced personnel in the industry.

i-Tech 7 has strategically focused on key markets and clients to expand its global reach. In 2018 our relationship with BP was extended with the award of a multi-year IRM contract in a re-established market for Subsea 7, Azerbaijan in the Caspian Sea. IRM activities are essential in ensuring that our clients' production targets are achieved by minimising unplanned downtime, which can have a significant impact on operational performance and subsequent profitability.

We provide full energy lifecycle services to our clients, from early engineering to decommissioning. Engaging earlier with our clients lowers the total cost of the field, including the operating expense related to activities provided by i-Tech 7. By incorporating life of field solutions into the concept of the field design, Subsea 7 is able to enhance the monitoring, maintenance, intervention and reliability of the subsea system through the field's production life.

Our technical experts work with our clients, partners and suppliers to steer the direction of research and help develop industry leading technologies. Most recently, Subsea 7 enhanced its value proposition by adding digitalisation as a transformational tool for the optimisation of its services. Digitalisation is present throughout Subsea 7, but has been particularly championed within our Life of Field business unit where benefits are achieved in the near term. Digitalisation can extract additional value from the data collected by i-Tech 7. Our teams of experts are continually identifying and

developing solutions that can do things quicker, better and more economically than before. In April, i-Tech 7 signed an exclusive partnership with Leidos, a multi-sector expert in digitalisation, to explore and develop further benefits that digitalisation may have for the life of an oil or gas field.

The ultimate aim for i-Tech 7's technology strategy is to reduce the total cost of energy production for our clients. The application of onshore command centres to pilot ROVs is fast becoming a reality, with Operational Control Centres due to be opened in Aberdeen in the UK, and Stavanger in Norway, in early 2019. This is a step towards a reduction in vessel dependency for IRM activities, reducing costs for clients, and delivering a lower carbon solution.

Another i-Tech 7 initiative is our autonomous vehicle programme that reached the field testing phase in 2018. Subsea 7's Autonomous Inspection Vehicle (AIV) is one of the most advanced, fully autonomous, hovering vehicles in the subsea market. The AIV is capable of unmanned inspection of pipelines, umbilicals, risers and subsea structures. Being able to monitor and predict the health of subsea assets through these technologies not only delivers major reductions in inspection costs, but also gives superior support to our clients' decision-making when addressing perceived risks and making life-extension assessments.

i-Tech 7

Life of Field revenue

\$245m

(2017: \$302m)

Number of ROVs owned

165

BUSINESS UNIT STRATEGY

Market opportunities

- Fully integrated projects across the full energy lifecycle allows optimisation of clients' operating expenditures by being involved in the concept design of the development.
- New technologies unlocking efficiencies in life of field services such as equipment electrification and digitalisation.
- Expansion in key energy hubs such as South East Asia, Australia and the Caspian Sea.
- Increase in operating expenditure by clients to minimise unplanned downtime on existing subsea infrastructure.

Strategic objectives

- Continue to invest in enhancing our ROVs through electrification technologies, making them faster, more efficient and more environmentally friendly.
- Drive our digitalisation programme to commercialisation.
- Continue to develop technologies with OneSubsea to offer more efficient IRM services.

RENEWABLES AND HEAVY LIFTING

Our Renewables and Heavy Lifting business unit is an experienced partner for the delivery of offshore wind farm projects and specialist heavy lifting and cable-lay services, operating under the Seaway 7 brand.

Seaway 7 delivers an array of services including Engineering, Procurement, Construction and Installation (EPCI), Transportation and Installation (T&I) and Decommissioning across two markets: offshore wind farms, and heavy lifting and cable-lay services for offshore oil and gas developments.

The dominant market at present is the installation of offshore fixed wind farms, delivering the balance of plant package on new fixed foundation wind farm developments. The balance of plant package includes the wind turbine foundations and inner array cables. Seaway 7 also has the expertise and assets to install offshore substations and export cables.

Subsea 7 has been involved in the renewables industry for nearly 10 years. The offshore wind industry is currently dependant on government subsidy, however in mature areas the level of subsidy is decreasing significantly. It is expected in the long term this industry will transition to being subsidy free as the levelised cost of electricity generation continues to reduce with new technologies, and it becomes an economically attractive source of renewable energy. Growth in this market is supported by social and political pressure to move to lower carbon sources of energy supply, particularly in Europe and Asia.

Subsea 7 has over 50 years' experience in the oil and gas construction industry. Experience and assets developed and refined for oil and gas markets are transferable and applicable to the developing renewables industry. In particular Subsea 7's expertise in executing large EPCI projects differentiates it amongst its peers.

In 2018, two major milestones were reached: the substantial completion of the large EPCI Beatrice wind farm project offshore UK, and the first wind farm projects awarded outside Europe in Taiwan and the US. The Beatrice project was the largest to be

executed by Subsea 7 in the North Sea, with a revenue of approximately \$1.4 billion earned over three years. The safe and on time delivery and installation of 84 turbine foundations and associated substations and array cables will enable the operator to provide 588 megawatts of sustainable power to its customers.

Technology developments in the industry are supporting a lower levelised cost of energy, with BloombergNEF predicting the industry will generate power for under 50\$/MWh by 2025, compared to 150\$/MWh in 2015, in some geographies. Smaller megawatt wind turbine generators are being superseded by larger turbines, with still larger turbines under development. Larger turbine sizes require stronger foundations, and with a top lifting capacity of 5,000 tonnes, Subsea 7's fleet is well positioned to take advantage of the enlarged scale of these foundations.

Our renewables fleet was enhanced in 2018 with the acquisition of Seaway Offshore Cables (formerly called Siem Offshore Contractors) and two specialist vessels, *Seaway Moxie*, a walk-to-work vessel, and *Seaway Aimery*, a cable-lay vessel. These vessels, although predominantly intended for the Renewables market, have the versatility to support oil and gas projects. The adaptability of Subsea 7's vessels is also evident for the wider fleet, with the pipelay vessel, *Seven Borealis*, having recently completed turbine foundation installation on the Borkum West field offshore Germany, working alongside the dedicated heavy lifting vessel, *Seaway Yudin*.



Renewables and Heavy Lifting revenue

\$664m

(2017: \$959m)

Number of turbine foundations installed

83

(2017: 33)

BUSINESS UNIT STRATEGY

Market opportunities

- Expansion of the offshore renewables industry into emerging markets such as Taiwan, France and the east coast of the US.
- Technological developments in floating wind energy making it commercially viable.
- Increasing interest shown by clients for EPCI services instead of T&I.

Strategic objectives

- Re-deploy experiences from north-west European projects to new geographies such as Taiwan and the east coast of the US.
- Offer our clients flexibility in contracting models, from full EPCI to segmented T&I services.
- Support our clients as the evolving offshore wind market begins a transition towards a lower subsidy environment.