

## Update on Guar-Lula NE project offshore Brazil

**Luxembourg – June 26, 2013** - Subsea 7 S.A. (Oslo Brs: SUBC, the Company) today announced an increase in the estimated full-life project loss on the Guar-Lula NE project, offshore Brazil. As a result, the Company no longer expects full year Adjusted EBITDA to show progress compared to 2012.

The Guar-Lula NE project entered the offshore phase in the second quarter 2013. Delays have been experienced during the quarter as a result of on-going problems with the supply chain, the delayed commencement of pipeline fabrication due largely to customs clearance issues, and adverse weather conditions in the winter season.

Based on the experience to date, the estimated full-life project costs are expected to increase by between \$250 million and \$300 million as compared to our previous expectations, with the net operating income for Brazil expected to reflect the impact of these costs in the second quarter 2013. The post-tax effect on the Company’s results is expected to be in a similar range for the same period and the Company’s underlying effective tax rate for the full year is therefore expected to be higher than previously indicated.

Jean Cahuzac, CEO, said *“I’m disappointed that we are obliged to take another loss provision on the Guar-Lula project. Our current financial results in Brazil are unacceptable and we have put in place a plan to improve margins in this Territory. This plan includes the decision not to bid any further EPIC projects with similar risk profiles.*

*Guar-Lula represented 5% of our backlog at March 31, 2013. The remaining 95% of our contract portfolio is performing in line with expectations. Insofar as the global market is concerned, tendering activity remains high and we remain positive about the medium and long-term market prospects.”*

There will be a conference call at 7.30am UK time on Thursday 27 June hosted by Kristian Siem (Chairman), Jean Cahuzac (CEO), John Evans (COO) and Ricardo Rosa (CFO).

### Dial in details:

Conference ID 11819353  
International dial-in +44 1452 561 158  
UK dial-in 0844 871 9361  
Norway dial-in 2103 3982

A replay will be available four hours after the conference call has finished on +44 1452 550 000

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Subsea 7 S.A. is a seabed-to-surface engineering, construction and services contractor to the offshore energy industry worldwide.  
We provide integrated services, and we plan, design and deliver complex projects in harsh and challenging environments.  
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### Contact:

Paul Gooden  
Subsea 7 S.A.  
Tel +44 (0)20 8210 5568  
[Paul.Gooden@subsea7.com](mailto:Paul.Gooden@subsea7.com)  
[www.subsea7.com](http://www.subsea7.com)

If you no longer wish to receive our press releases please contact: [ir@subsea7.com](mailto:ir@subsea7.com)

**Forward-Looking Statements:** Certain statements made in this announcement may include “forward-looking statements”. These statements may be identified by the use of words like “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “forecast”, “project,” “will,” “should,” “seek,” and similar expressions. The forward-looking statements reflect our current views and assumptions and are subject to risks and uncertainties. The principal risks and uncertainties which could impact the Company and the factors

affecting the business results are on outlined in the "Risk factors" section in the Company's Annual Report and Consolidated Financial Statements for the year ended 31 December 2012. These factors, and others which are discussed in our public filings, are among those that may cause actual and future results and trends to differ materially from our forward-looking statements: actions by regulatory authorities or other third parties; our ability to recover costs on significant projects; the general economic conditions and competition in the markets and businesses in which we operate; our relationship with significant clients; the outcome of legal and administrative proceedings or governmental enquiries; uncertainties inherent in operating internationally; the timely delivery of ships on order and the timely completion of ship conversion programmes; the impact of laws and regulations; and operating hazards, including spills and environmental damage. Many of these factors are beyond our ability to control or predict. Given these factors, you should not place undue reliance on the forward-looking statements