

## Subsea 7 announces resizing and cost reduction measures

**Luxembourg – 22 June 2016** - Subsea 7 S.A. (Oslo Børs: SUBC, ADR: SUBCY) (the Group) announced that in view of continued difficult business and economic conditions in the oil and gas market, a second phase of global resizing and cost reduction measures will begin in 2016.

The Group plans to resize its global workforce to approximately 8,000 by early 2017, down from the current level of 9,200. Consultation with employees and employee representatives will take place on a local basis and consultation processes have begun in Norway and the UK.

Subsea 7's fleet of active vessels will be managed commensurate with the projected workload, while retaining capability and maintaining a global presence. Up to five vessels are scheduled to leave the current active fleet by early 2017, based on stacking owned vessels and returning chartered vessels when existing contracts expire.

These cost reduction and resizing measures, together with those already initiated since the start of the year, are expected to deliver approximately USD 350 million in annualised cost savings. The charge related to the resizing will be recognised in 2016 and is expected to be less than USD 100 million.

With effect from 1 July 2016, the Group will change the structure of its organisation. The new organisational and reporting segments will comprise:

- SURF and Conventional,
- i-Tech Services and
- Corporate (including Renewables and Heavy-lift).

This will replace the 'Southern Hemisphere and Global Projects' and 'Northern Hemisphere and Life of Field' Business Units and Corporate segment previously reported.

Under the new organisational structure John Evans, Chief Operating Officer, and Øyvind Mikaelson, appointed Executive Vice President – Commercial, will report to Jean Cahuzac, Chief Executive Officer. Steve Wisely will be appointed Senior Vice President i-Tech Services, reporting to John Evans.

Jean Cahuzac, Chief Executive Officer, said: "Our new organisational structure reflects our focus on commercial and long-term strategic priorities as we adapt to the present low levels of activity and drive more efficient ways of working with our clients. The reduction in the size of our workforce is a necessary step to maintain our competitiveness and protect our core offering through the oil price cycle.

"We remain confident in the long-term future for deepwater oil and gas production. We are committed to retaining our core capabilities and developing our leading market position through a strategy focused on differentiation delivered by our people, assets and technology."

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Subsea 7 S.A. is a leading global contractor in seabed-to-surface engineering, construction and services to the offshore energy industry. We provide technical solutions to enable the delivery of complex projects in all water depths and challenging environments.  
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**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', 'could', 'estimate', 'expect', 'forecast', 'intend', 'may', 'might', 'plan', 'predict', 'project', 'scheduled', 'seek', 'should', 'will', and similar expressions. The forward-looking statements reflect our current views and are subject to risks, uncertainties and assumptions. The principal risks and uncertainties which could impact the Group and the factors which could affect the actual results are described but not limited to those in the 'Risk Management' section in the Group's Annual Report and Consolidated Financial Statements 2015. These factors, and others which are discussed in our public announcements, 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 vessels on order; 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. Other unknown or unpredictable factors could also have material adverse effects on our future results. Given these factors, you should not place undue reliance on the forward-looking statements.