

Subsea 7 announces cost reduction measures

Luxembourg – 28 May 2020 - Subsea 7 S.A. (Oslo Børs: SUBC, ADR: SUBCY) issued further details of the cost reduction programme, following initial guidance provided on 30 April.

It is envisaged that the overall reduction in headcount would be approximately 3,000 from the global workforce of 12,000, by the end of the second quarter 2021. It is anticipated that two-thirds of the reduction would affect the non-permanent workforce and one-third of the reduction would affect permanent employees. Discussions with employee representatives will take place on a local basis and consultation will start soon.

The active fleet of 32 vessels will be reduced by up to 10 vessels through the non-renewal of chartered tonnage and the stacking of owned assets. It is intended that the reshaping of the fleet would take place over the next 12 months commensurate with the evolution of the Group's workload.

As previously indicated, these cost reduction measures are expected to deliver approximately \$400 million in annualised cash cost savings from the second quarter 2021. In addition, capital expenditures will be reduced to minimal levels in 2021 and 2022.

John Evans, Chief Executive Officer said: "Faced with a significant deterioration in the oil and gas market, we are taking swift and decisive action to address the elements under our control. These measures to reduce our cost base will help preserve cash and protect our balance sheet strength, while maintaining our strong competitive position in core markets."

Subsea 7 is a global leader in the delivery of offshore projects and services for the evolving energy industry, creating sustainable value by being the industry's partner and employer of choice in delivering the efficient offshore solutions the world needs.

Subsea 7 is listed on the Oslo Børs (SUBC), ISIN LU0075646355, LEI 222100AIFOCBCY80AH62.

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Forward-Looking Statements: This announcement may contain 'forward-looking statements' (within the meaning of the safe harbour provisions of the U.S. Private Securities Litigation Reform Act of 1995). These statements relate to our current expectations, beliefs, intentions, assumptions or strategies regarding the future and are subject to known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements may be identified by the use of words such as 'anticipate', 'believe', 'estimate', 'expect', 'future', 'goal', 'intend', 'likely', 'may', 'plan', 'project', 'seek', 'should', 'strategy', 'will', and similar expressions. The principal risks which could affect future operations of the Group are described in the 'Risk Management' section of the Group's Annual Report and Consolidated Financial Statements for the year ended 31 December 2019. Factors that may cause actual and future results and trends to differ materially from our forward-looking statements include (but are not limited to): (i) our ability to deliver fixed price projects in accordance with client expectations and within the parameters of our bids, and to avoid cost overruns; (ii) our ability to collect receivables, negotiate variation orders and collect the related revenue; (iii) our ability to recover costs on significant projects; (iv) capital expenditure by oil and gas companies, which is affected by fluctuations in the price of, and demand for, crude oil and natural gas; (v) unanticipated delays or cancellation of projects included in our backlog; (vi) competition and price fluctuations in the markets and businesses in which we operate; (vii) the loss of, or deterioration in our relationship with, any significant clients; (viii) the outcome of legal proceedings or governmental inquiries; (ix) uncertainties inherent in operating internationally, including economic, political and social instability, boycotts or embargoes, labour unrest, changes in foreign governmental regulations, corruption and currency fluctuations; (x) the effects of a pandemic or epidemic or a natural disaster; (xi) liability to third parties for the failure of our joint venture partners to fulfil their obligations; (xii) changes in, or our failure to comply with, applicable laws and regulations (including regulatory measures addressing climate change); (xiii) operating hazards, including spills, environmental damage, personal or property damage and business interruptions caused by adverse weather; (xiv) equipment or mechanical failures, which could increase costs, impair revenue and result in penalties for failure to meet project completion requirements; (xv) the timely delivery of vessels on order and the timely completion of ship conversion programmes; (xvi) our ability to keep pace with technological changes and the impact of potential information technology, cyber security or data security breaches; and (xvii) the effectiveness of our disclosure controls and procedures and internal control over financial reporting. Many of these factors are beyond our ability to control or predict. Given these uncertainties, you should not place undue reliance on the forward-looking statements. Each forward-looking statement speaks only as of the date of this announcement. We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.