

April 17, 2018

Board of Directors of  
McDermott International, Inc.  
4424 West Sam Houston Parkway North  
Houston, TX 77042

Attn: Gary Luquette, Non-Executive Chair of the Board  
David Dickson, President and Chief Executive Officer

Dear members of the Board of Directors,

On behalf of the Board of Directors of Subsea 7 S.A. (“Subsea7”), we are pleased to communicate to you our firm interest in and proposal to undertake a combination with, or acquire outright, McDermott International, Inc. (the “Company” or “McDermott”) at a proposed purchase price of \$7.00 per share in cash. We are also willing to be flexible with respect to considering a mix of cash and Subsea 7 shares, but with the proviso that the share-based element does not exceed 50% of the purchase price. Furthermore, we remain open to discuss the options for listing the shares of the combined company.

We believe that we are offering a superior proposal to your proposed combination with Chicago Bridge & Iron Company N.V. (“CB&I”) and the closing of our offer will be contingent upon the termination of that agreement.

Compared with the volume-weighted average share price of the Company of the last 20 days, our proposal provides your shareholders with an attractive premium as well as immediate and certain value. Furthermore, we are prepared to consider amending our offer price if you can demonstrate or we can discover additional value through discussions with your management team.

Our strong preference is to work collaboratively with your board and management to structure a compelling combination. As further detailed below, we believe that our proposed transaction better positions both companies for long-term growth and success and will deliver significant value to both Subsea 7’s and McDermott’s shareholders.

Subsea 7 has an investment grade financial profile, a strong balance sheet underpinned by a significant net cash position and we are able to consummate a transaction quickly and without a financing condition. Furthermore, we are confident that the proposed combination will result in a company with an investment grade profile and ready access to the capital markets, even if the transaction is consummated predominately or entirely with cash.

Our companies have each accomplished a great deal in challenging times and we see transformative financial and strategic benefits in combining.

These benefits include:

- *Creating a Key Global Player in Offshore EPCI.*  
Combining our entities would strengthen our respective positions in all the major offshore producing regions with broad capability to deliver solutions for clients in both shallow water and deep water markets. In particular, Subsea 7’s strengths in Brazil, the Gulf of Mexico and the North Sea are very complementary to McDermott’s strengths in the Middle East, India and Australia.

Seabed to Surface

Registered in Luxembourg  
Registered No. RC Lux B 43172  
Registered Office: 412F, Route  
d’Esch  
L-2086 Luxembourg

- *Strategic Growth Opportunities from Integrated Capabilities.*  
McDermott's expertise in offshore EPCI and fabrication would be combined with Subsea 7's expertise in offshore EPCI, SURF and heavy lifting (through our wholly-owned subsidiary Seaway Heavy Lifting) as well as the unique capabilities of Subsea 7's planned joint venture with OneSubsea (a Schlumberger company). These capabilities would provide the opportunity to increase our combined positions in a number of markets with strong long term growth prospects such as (i) life of field optimization services, (ii) decommissioning offshore infrastructure, and (iii) offshore renewable energy.
- *Compelling Value Creation from Highly Visible Synergies.*  
Based on our initial conservative estimates, we expect the combined company to achieve significant cost savings and other synergies. Given the similar industrial focus of our two companies, we believe these synergies are highly achievable within a short timeframe. We believe that through discussions with your management, there is the potential to discover and unlock even more value.
- *Strong Balance Sheet and Profitable Backlog.*  
As you may know, Subsea 7 has undertaken significant strategic initiatives that have resulted in growth coupled with financial discipline, as evidenced by a balance sheet that is free of leverage, and the development of a robust backlog of projects. We recognize that McDermott has achieved a meaningful financial improvement in recent years and is similarly positioned (on a stand-alone basis) with low leverage and profitable backlog. We believe that the combined balance sheet of our companies will enable us to manage the inherent risks and volatility of our industry and maximize the growth opportunities in front of us.

We, together with our financial and legal advisors, stand ready to further discuss the merits of our proposal with you and to move forward expeditiously. Given our familiarity with each other's business, we believe limited due diligence and negotiation of definitive documentation could be completed very quickly. Furthermore, we believe that the definitive documentation would not require approval of our shareholders and would require only ordinary course closing conditions, such as competition approval, which we do not expect to create issues.

Alongside our Board, we hope that the benefits of our proposed combination resonate as powerfully for you as they do for us. While we believe strongly in the merits of a combination, time is of the essence given the other alternatives facing the Company. We look forward to hearing from you soon.

Sincerely,

Kristian Siem  
Chairman of the Board

Jean Cahuzac  
Chief Executive Officer

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*This proposal is non-binding and shall be conditional upon, among other things, entry into a mutually satisfactory definitive agreement between Subsea 7 and the Company that makes reference to this letter and states that it is the definitive agreement contemplated hereby. For the avoidance of doubt, this letter shall not create a legal obligation on the part of any party.*