

Subsea 7 confirms USD 7.00 per share proposal to acquire McDermott

Subsea 7 has the ability to quickly execute a definitive agreement

Subsea 7 made premium proposal providing substantial growth prospects, highly visible synergies and investment grade financial profile

Luxembourg – April 23, 2018 - Subsea 7 S.A. (Oslo Børs: SUBC, ADR: SUBCY) confirms that it made a proposal⁽¹⁾ to the Board of Directors of McDermott International, Inc. ("McDermott," NYSE: MDR) on April 17, 2018 to acquire the entire issued share capital of McDermott.

Subsea 7 proposed to acquire McDermott common stock for USD 7.00 per share, payable entirely in cash or up to 50% in Subsea 7 stock and the balance in cash. This proposal represents a premium of 16% to the latest closing share price of McDermott on April 20, 2018 and a premium of 15% over the volume weighted average share price of McDermott over the previous 20 trading days.

Subsea 7 has an investment grade financial profile, a strong balance sheet underpinned by a significant net cash position and the ability to execute a transaction quickly. The letter states that Subsea 7 will consider increasing its proposed price upon further assessment of McDermott's business through discussions with McDermott management. Additionally, for any stock consideration, Subsea 7 is open to discussing listing options for the shares of the combined company. The proposal is subject to the termination of McDermott's pending transaction with CB&I (NYSE: CBI).

On April 20, 2018, the Board of Directors of McDermott rejected Subsea 7's proposal.

Jean Cahuzac, Subsea 7's Chief Executive Officer, stated, "Given the attributes of the proposed transaction and our stated ability to further enhance our proposed terms, we encourage the McDermott Board of Directors to reconsider this compelling opportunity to combine two complementary businesses. Our proposal provides equity upside in a company with a robust financial position, as well as a meaningful premium. We see significant merit in such a transaction for all shareholders, and with our financial and legal advisors continue to be open to discussions."

Subsea 7 believes there would be significant benefits to all pro forma shareholders from a combination of the businesses:

- **Strengthened capabilities:** The combined company would be better positioned to execute offshore EPCI projects with market leading conventional and deepwater expertise, experience and assets.
- **Growth prospects:** The combined company would have greater opportunity to grow the companies' positions in markets with strong long-term growth prospects such as life of field services, renewables and decommissioning.
- **Synergies:** Subsea 7 believes the transaction offers highly visible economies of scale and cost synergies, which would support improvements in profitability and competitive positioning.
- **Financial flexibility:** The combination would maintain a strong balance sheet with an investment grade profile, significant liquidity and a robust order backlog.

Subsea 7's proposed transaction would not be subject to any financing conditions or Subsea 7 shareholder approval. It would be subject to regulatory and other customary closing conditions.

The letter sent to the McDermott Board of Directors is attached to this press release.

A conference call and simultaneous webcast for the investment community will be held on April 23, 2018 at 09:00 ET / 14:00 UK time.

Dial in detail: US (toll free) 1-877-883-0383 / international +1-412-902-6506

Entry pin code: 4420892

A presentation and webcast details will be made available on the Subsea 7 website, before the call commences: <http://www.subsea7.com>.

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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. Subsea 7 is listed on the Oslo Bors (SUBC), ISIN LU0075646355.

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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 2017. 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.