Prosafe

THIRD QUARTER 2013

Financials

(Figures in brackets refer to the corresponding period of 2012)

Operating profit for the third quarter amounted to USD 90.4 million (USD 66.5 million). This quarterly result is the highest ever in Prosafe's history. Utilisation of the vessels was 91 per cent (85 per cent). In addition to the increased utilisation, higher day rates have contributed to the improved results.

Depreciation is somewhat higher than normal due to the planned replacement of the cranes on Regalia. The residual value of USD 3.4 million of the existing cranes has been written down to the estimated scrap value.

Safe Scandinavia, Regalia, Safe Caledonia and Safe Bristolia were in full operation in the North Sea during the quarter.

Safe Lancia, Jasminia, Safe Hibernia, Safe Britannia and Safe Regency were in full operation in Mexico during the quarter.

Safe Concordia was on contract in Brazil throughout the quarter. The average effective day rate for the quarter was approximately USD 140 000.

Safe Astoria remained at the yard in Batam, Indonesia during the quarter.

Net financial costs amounted to USD 3.4 million (USD 13.7 million). This improvement is due to lower interest expenses and favourable revaluation of forward exchange contracts.

Net profit equalled USD 85.2 million (USD 51.8 million), corresponding to diluted earnings per share of USD 0.36 (USD 0.23).

Total assets at 30 September amounted to USD 1 543 million (USD 1 449 million). Net interest-bearing debt equalled USD 613.7 million (USD 661.5 million), while the book equity ratio increased to 45.7 per cent (34.5 per cent).

Dividend

On 6 November 2013 the Board of Directors resolved to declare an interim dividend equivalent to USD 0.15 per share to shareholders of record as of 15 November 2013. The shares will trade ex-dividend on 13 November 2013. The dividend will be paid in the form of NOK 0.89 per share on 27 November 2013.

New builds

Prosafe has agreed a Letter of Intent (LoI) with COSCO (Qidong) Offshore Co., Ltd. for the Engineering, Procurement and Construction of two semi-submersible accommodation vessels, with options for four further units. The vessels will be the most advanced and flexible units for worldwide operations excluding Norway, and will be ready for operations in 2016.

The vessels will be of Gusto MSC's Ocean 500 design, and will be equipped with 500 beds, DP3 station keeping systems, 10-point chain mooring and 300 tonne cranes.

The LoI covers two potential contracts, each in excess of USD 200 million. The vessels will be financed through cash flow from operations, existing debt facilities and new debt commitments.

In 2011 and 2012, Prosafe ordered two Norway compliant, semi-submersible accommodation vessels, Safe Boreas and Safe Zephyrus, from Jurong Shipyard Pte Ltd. in Singapore. The construction process is going well, and when delivered, the vessels will be the most sophisticated and well-equipped accommodation vessels in the market.

Both vessels have already secured contracts. Safe Boreas will work for Lundin Petroleum in Norway for a minimum six-month period from Q2 2015. Safe Zephyrus is scheduled to work for Statoil in UK for eight months commencing in the spring of 2016. Statoil also has an option to extend the contract to a total of up to three years.

In order to facilitate obtaining the acknowledgement of compliance from the Norwegian Petroleum Safety Authority and to reduce the risk of carry over work, the delivery of Safe Boreas will be postponed until late Q3 2014. The delivery date will still be more than six months ahead of the first contract start-up, allowing ample time for vessel familiarisation and mobilisation.

Outlook

Five of Prosafe's vessels are on bareboat charters in Mexico for ultimate use by Pemex. The five vessels have contracts as follows; Safe Lancia until mid-December 2013, Jasminia until end-November 2013, Safe Hibernia until end-December 2013, Safe Regency until end-March 2014 and Safe Britannia until the end of 2014.

The contract with Norske Shell for the use of Regalia at the Draugen facility in Norway has been extended by another 14 days to 24 November 2013. After completion of the contract, the vessel will undergo upgrade and a five-year special periodic survey (SPS), before commencing a contract with Statoil in Norway in February 2014.

Safe Bristolia is scheduled to operate for Elf Exploration in the UK until mid December. The client has the option to extend the contract by an additional 14 days. The vessel is scheduled to commence the next contract for BG in the UK in April next year.

Safe Scandinavia will operate for ConocoPhillips in the UK until mid-November. After completion of the contract, the vessel will undergo the five-year SPS as well as a life extension project, before commencing on a contract with Statoil in Norway in April 2014.

Safe Caledonia is operating for BP in the UK until end-March 2014. Thereafter, the vessel will operate for Nexen in the UK, starting between May and July 2014.

In Brazil, Safe Concordia is operating for Petrobras on a contract that expires in June 2014.

Following its yard stay in Batam, Indonesia, Safe Astoria has a contract of a minimum 11-month period for Shell Philippines, commencing June/July 2014.

The general outlook for the global accommodation market remains positive, driven by a combination of new fields coming on stream and maintenance/life extension/upgrades of fields already in production.

In the North Sea, there are a substantial number of potential future projects, both related to hook-up and commissioning of new production installations and maintenance and upgrades of existing ones. There are currently eight accommodation vessels with North Sea capabilities on order, but it is unlikely that all of them will actually end up in this market. So far, four of these vessels have been awarded contracts to operate in the North Sea, all at reasonable day rates.

In Mexico, Pemex appears to still require a substantial amount of beds offshore. All the accommodation vessels currently in Mexico are working at the Cantarell field or in adjacent areas. In the longer-term it is anticipated that there should also be substantial demand from other shallow and deep water fields.

The competitive situation in Brazil remains challenging with a fragmented market and significantly varying quality of vessels available. There are, however, signs that day rates are climbing, but in the short-to-medium term, returns are likely to remain below adequate levels.

However, there has been a considerable growth in demand for accommodation vessels in Brazil over the past few years arising from demand in the Campos basin with potentially continued demand growth from this area. In the longer term, demand may also develop in other oil producing areas, such as Santos and Espirito Santo.

In other markets, demand tends to be more volatile as they are less mature and as weather conditions in many cases allow for the requirements to be met by lower-value vessels such as barges and monohulls.

There are signs that Australia may develop into a more favourable market for semi-submersible accommodation vessels in the longer term and a few contracts have already been awarded. Moreover, interesting projects have been identified both in Southeast Asia and West Africa. As in the Brazilian market, the supply is fairly fragmented and entry barriers tend to be lower than in Mexico and the North Sea.

In summary, demand outlook in the global accommodation vessel market remains positive. There is a substantial capacity growth scheduled for the coming years, but Prosafe is well positioned to withstand increased competition through extensive operating experience, and the best, largest and most versatile fleet.

Larnaca, 6 November 2013

The Board of Directors of Prosafe SE

CONSOLIDATED INCOME STATEMENT

(Unaudited figures in USD million)	Q3 13	Q2 13	Q3 12	9M 2013	9M 2012	2012
Operating revenues	159.4	143.5	142.3	388.7	397.3	510.4
Operating expenses	(50.8)	(60.3)	(61.4)	(163.5)	(177.7)	(230.3)
Operating profit before depreciation	**108.6**	**83.2**	**80.9**	**225.2**	**219.6**	**280.1**
Depreciation	(18.2)	(14.5)	(14.4)	(47.1)	(42.7)	(57.7)
Operating profit	**90.4**	**68.7**	**66.5**	**178.1**	**176.9**	**222.4**
Interest income	0.4	0.3	0.0	1.2	0.1	1.1
Interest expenses	(8.4)	(8.4)	(10.6)	(25.8)	(32.9)	(40.9)
Other financial items	4.6	(4.4)	(3.1)	(9.9)	(6.7)	(4.6)
Net financial items	**(3.4)**	**(12.5)**	**(13.7)**	**(34.5)**	**(39.5)**	**(44.4)**
Profit before taxes	**87.0**	**56.2**	**52.8**	**143.6**	**137.4**	**178.0**
Taxes	(1.8)	(1.3)	(1.0)	(4.2)	(2.2)	(0.5)
Net profit	**85.2**	**54.9**	**51.8**	**139.4**	**135.2**	**177.5**
EPS	**0.36**	**0.23**	**0.23**	**0.60**	**0.61**	**0.80**
Diluted EPS	**0.36**	**0.23**	**0.23**	**0.60**	**0.61**	**0.80**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in USD million)	Q3 13	Q2 13	Q3 12	9M 2013	9M 2012	2012
Net profit for the period	**85.2**	**54.9**	**51.8**	**139.4**	**135.2**	**177.5**
Foreign currency translation	0.0	0.8	(1.1)	0.8	(0.6)	(0.9)
Revaluation hedging instruments	(4.4)	27.5	(3.6)	24.5	(7.1)	(3.7)
Other comprehensive income	**(4.4)**	**28.3**	**(4.7)**	**25.3**	**(7.7)**	**(4.6)**
Comprehensive income	**80.8**	**83.2**	**47.1**	**164.7**	**127.5**	**172.9**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)	30.09.13	30.06.13	31.12.12	30.09.12
Goodwill	226.7	226.7	226.7	226.7
Rigs	926.2	926.6	896.3	876.9
New builds	152.5	148.6	135.6	71.1
Other non-current assets	16.5	18.3	21.9	22.2
Total non-current assets	**1 321.9**	**1 320.2**	**1 280.5**	**1 196.9**
Cash and deposits	118.0	78.5	103.6	103.2
Other current assets	102.8	104.2	103.1	149.3
Total current assets	**220.8**	**182.7**	**206.7**	**252.5**
Total assets	**1 542.7**	**1 502.9**	**1 487.2**	**1 449.4**
Share capital	65.9	65.9	63.9	63.9
Other equity	639.8	594.7	452.4	436.5
Total equity	**705.7**	**660.6**	**516.3**	**500.4**
Interest-free long-term liabilities	40.5	36.0	66.8	76.5
Interest-bearing long-term debt	697.7	695.9	745.6	764.7
Total long-term liabilities	**738.2**	**731.9**	**812.4**	**841.2**
Other interest-free current liabilities	64.8	76.5	93.7	107.8
Current portion of long-term debt	34.0	33.9	64.8	0.0
Total current liabilities	**98.8**	**110.4**	**158.5**	**107.8**
Total equity and liabilities	**1 542.7**	**1 502.9**	**1 487.2**	**1 449.4**

CONSOLIDATED CASH FLOW STATEMENT

(Unaudited figures in USD million)	Q3 13	Q2 13	Q3 12	9M 2013	9M 2012	2012
Profit before taxes	87.0	56.2	52.8	143.6	137.4	178.0
Unrealised currency (gain)/loss on debt	0.9	(9.8)	11.3	(22.7)	9.3	15.0
Gain on sale of non-current assets	0.0	0.0	(4.8)	0.0	(4.8)	(4.8)
Depreciation	18.2	14.5	14.4	47.1	42.7	57.7
Financial income	(0.4)	(0.3)	0.0	(1.2)	(0.1)	(1.1)
Financial costs	8.4	8.4	10.6	25.8	32.9	40.9
Change in working capital	(10.3)	(57.8)	19.9	(28.6)	10.4	4.0
Other items from operating activities	(1.7)	(1.3)	(0.3)	(5.2)	(1.7)	(6.6)
Net cash flow from operating activities	**102.1**	**9.9**	**103.9**	**158.8**	**226.1**	**283.1**
Acquisition of tangible assets	(19.9)	(21.2)	(39.9)	(91.7)	(89.5)	(188.1)
Proceeds from sale of tangible assets	0.0	1.8	0.0	3.2	0.0	38.5
Interests received	0.4	0.3	0.0	1.2	0.1	1.1
Net cash flow from investing activities	**(19.5)**	**(19.1)**	**(39.9)**	**(87.3)**	**(89.4)**	**(148.5)**
Proceeds from new interest-bearing debt	21.0	50.0	80.0	191.8	217.1	317.1
Repayment of interest-bearing debt	(20.0)	0.0	(74.0)	(247.8)	(222.2)	(282.2)
New share issue	(0.3)	0.0	0.0	128.9	0.0	0.0
Dividends paid	(35.4)	(35.4)	(29.6)	(104.2)	(88.9)	(118.6)
Sale of own shares	0.0	0.0	0.0	0.0	0.0	0.2
Interests paid	(8.4)	(8.4)	(10.6)	(25.8)	(32.9)	(40.9)
Net cash flow from financing activities	**(43.1)**	**6.2**	**(34.2)**	**(57.1)**	**(126.9)**	**(124.4)**
Net cash flow	**39.5**	**(3.0)**	**29.8**	**14.4**	**9.8**	**10.2**
Cash and deposits at beginning of period	78.5	81.5	73.4	103.6	93.4	93.4
Cash and deposits at end of period	**118.0**	**78.5**	**103.2**	**118.0**	**103.2**	**103.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Q3 13	Q2 13	Q3 12	9M 2013	9M 2012	2012
Equity at beginning of period	660.6	612.8	482.9	516.3	461.8	461.8
New share issue	(0.3)	0.0	0.0	128.9	0.0	0.0
Comprehensive income for the period	80.8	83.2	47.1	164.7	127.5	172.9
Sale of own shares	0.0	0.0	0.0	0.0	0.0	0.2
Dividends	(35.4)	(35.4)	(29.6)	(104.2)	(88.9)	(118.6)
Equity at end of period	**705.7**	**660.6**	**500.4**	**705.7**	**500.4**	**516.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION

Prosafe SE is a public limited company domiciled in Larnaca, Cyprus. Prosafe SE is listed on the Oslo Stock Exchange with ticker code PRS. The consolidated financial statements for the third quarter of 2013 were authorised for issue in accordance with a resolution of the board of directors on 6 November 2013. The accounting figures are unaudited.

NOTE 2: ACCOUNTING PRINCIPLES

This interim financial report has been prepared in accordance with International Financial Reporting Standards (IFRS), including IAS 34 Interim Financial Reporting. The accounting principles adopted are consistent with those of the previous financial year.

NOTE 3: SHARE ISSUE AND CANCELLATION OF TREASURY SHARES

On 15 March 2013, the Company announced the successful completion of a private placement of 13 000 000 new shares directed towards Norwegian and international institutional investors after close of the Oslo Stock Exchange on 14 March 2013. The over-subscribed placement was made at a subscription price of NOK 58 per share, and the share capital increase represented approximately 5.7 per cent of the issued shares in the Company. Gross proceeds amounted to NOK 754 million, and will be used to fund value enhancing growth investments.

The issuance of the new shares was resolved by the Company's board of directors pursuant to an authorisation granted at the Company's annual general meeting on 23 May 2012. The shares allocated in the private placement were issued and registered in the Norwegian Central Securities Depository (VPS) on 18 March 2013, and thus tradable on the Oslo Stock Exchange from the same date. The new share capital of the Company was increased by EUR 3 250 000 to EUR 60 734 197.50, divided on 242 936 790 shares with a nominal value of EUR 0.25 per share.

On 14 May 2013, the annual general meeting approved the reduction of the issued share capital from EUR 60 734 197.50 divided into 242 936 790 ordinary shares of EUR 0.25 each, to EUR 58 993 264.75 divided into 235 973 059 ordinary shares of EUR 0.25 each by the cancellation of 6 963 731 ordinary shares held by the Company as treasury shares. On 18 May 2013, these treasury shares were cancelled in the Norwegian Central Securities Depository (VPS).

NOTE 4: INTEREST-BEARING DEBT

On 4 January 2013, Prosafe completed a NOK 500 million unsecured bond issue with maturity in January 2020. In connection with this bond issue, Prosafe bought back NOK 156 million in one of the existing bonds, PRS06 PRO, with maturity 14 October 2013 at 102.25. For details on the other facilities and the bond loans, please refer to the annual report for 2012.

NOTE 5: EVENTS AFTER THE BALANCE SHEET DATE

In October 2013, Prosafe completed a NOK 700 million unsecured bond issue maturing in October 2018. The bond carries an interest of 3-month NIBOR plus 2.95 per cent. Settlement date was 22 October 2013. The proceeds will be used for refinancing and for general corporate purposes.

Reference is made to the sale of Safe Esbjerg in 2012 and the related seller's credit agreement. On 7 October 2013, the remaining loan and interest balance of USD 11.8 million was repaid early by the buyer, and the amount is now fully settled.

KEY FIGURES	Q3 13	Q2 13	Q3 12	9M 2013	9M 2012	2012
Operating margin	56.7 %	47.9 %	46.7 %	45.8 %	44.5 %	43.6 %
Equity ratio	45.7 %	44.0 %	34.5 %	45.7 %	34.5 %	34.7 %
Return on equity	49.9 %	34.5 %	43.1 %	30.4 %	37.5 %	48.4 %
Net interest bearing debt (USD million)	613.7	651.3	661.5	613.7	661.5	706.8
Number of shares (1 000)	235 973	235 973	229 937	235 973	229 937	229 937
Average no. of outstanding shares (1 000)	235 973	235 973	222 961	233 075	222 961	222 961
USD/NOK exchange rate at end of period	6.01	5.90	5.70	6.01	5.70	5.57
Share price (NOK)	48.00	53.35	47.28	48.00	47.28	47.32
Share price (USD)	7.99	9.04	8.29	7.99	8.29	8.50
Market capitalisation (NOK million)	11 327	12 589	10 871	11 327	10 871	10 881
Market capitalisation (USD million)	1 885	2 134	1 907	1 885	1 907	1 953

NOTES TO KEY FIGURES

Operating margin = (Operating profit / Operating revenues) * 100

Equity ratio = (Equity / Total assets) * 100

Return on equity = Annualised [Net profit / Average book equity]

Net interest-bearing debt = Interest-bearing debt - Cash and deposits