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Prosafe

FIRST QUARTER 06

First quarter 2006

Main figures
(Figures in brackets refer to the corresponding period of 2005)

Operating profit for the first quarter came to USD 31.6 million (USD 18.9 million). This strong result reflects increased dayrates and high rig utilisation in Offshore Support Services.

Net profit for the first quarter amounted to USD 30.7 million (USD 14.7 million), and diluted earnings per share equalled USD 0.90 (USD 0.43).

Cash flow from operating activities came to USD 111.2 million (USD 31.8 million). The company invested USD 157.2 million during the period, primarily in the two on-going FPSO conversion projects and the acquisition of M/T *Europe*.

Total assets at 31 March amounted to USD 1 123.2 million (USD 986.2 million), while the equity ratio declined to 41.4 per cent (47.1 per cent) owing to the deferred tax liability related to the company's exit from the Norwegian tonnage tax system. This was charged to the accounts for the fourth quarter of 2005.

Offshore Support Services
Operating profit in the first quarter came to USD 23.4 million (USD 10.6 million). Utilisation of the rig fleet was 100 per cent (86 per cent). This reflects increased utilisation of and higher dayrates for *Safe Scandinavia* and MSV *Regalia*.

All five of the rigs working in the Gulf of Mexico were in regular operation throughout the first quarter. *Safe Scandinavia* was under contract for Shell in the US Gulf of Mexico, and MSV *Regalia* operated for Total off Angola.

Floating Production
Operating profit for the first quarter amounted to USD 9.5 million (USD 9.2 million). This improvement is attributable to reduced depreciation for FSO *Madura Jaya* and FPSO *Petróleo Nautipa*, owing to a revised estimate of scrap value and a contract extension respectively. Operating profit before depreciation declined by USD 0.8 million, reflecting higher staffing in connection with a strengthening of the company's engineering capacity and expertise.

Outlook
Offshore Support Services secured a one-year contract during the first quarter for *Safe Caledonia*, and one contract and two extensions for *Safe Scandinavia*. The total value of new contracts and extensions is in the order of USD 115-118 million.

The contract for *Safe Caledonia* is with Total and Elf on the Dunbar and Elgin/Franklin fields in the UK, and has a firm value of USD 52.1 million. Expected commencement is 1 February 2007. The contract for *Safe Scandinavia* is with Statoil on Snorre A and Sleipner B, with commencement in the second quarter of 2007 and at the end of the first quarter 2008 respectively. The Statoil contract is worth about USD 52 million. S*afe Scandinavia*'s extensions relate to the contracts with Shell in the USA and ConocoPhillips in the UK respectively. The contract with Shell has been extended to five months in all, and the extension represents a value of USD 7.2 million. For ConocoPhillips, the extension applies to the Britannia field off the UK and is worth USD 4.1-6.7 million depending on the commencement date. The extensions ensure high utilisation for the rig in 2006 and until the start of the contract with BG International in the first quarter of 2007.

These contracts provide further confirmation that dayrates for advanced accommodation/service rigs have settled on a high level.

The outlook for the 2006-08 period is very positive. Offshore Support Services has secured a record 93 per cent contract coverage for 2006, but still has vessel availability in 2007 and 2008. It can thereby take advantage of the tight market with steadily rising dayrates. Containing a large number of units with dynamic positioning systems and vessels suitable for operation in harsh environments, the company's fleet is well adapted to market demand.

Activity in the market for **Floating Production** is greater than ever. A total of 10 projects were awarded in 2005, and the same number of new awards is expected for 2006. The high level of activity in the drilling market is a strong indicator of substantial field developments in 2007 and 2008. FPSOs are a unique field development concept for deep water and for regions where existing infrastructure is limited.

In January, the company was awarded a five-year contract extension by Gemsa Petroleum Company for operation and maintenance of FPSO *Al Zaafarana* in the Gulf of Suez in Egypt. The estimated value is USD 18.8 million.The initial contract for operating FPSO *Al Zaafarana* was five years, and began in October 1994. Including the latest extension, this field has an estimated production life of at least 16 years – more than double the original estimate. That represents further confirmation of the trend for FPSO contracts to be extended significantly beyond their first firm period.

In the second half of 2005, Prosafe was awarded contracts for converting and operating two FPSOs for Devon Energy off Brazil and for New Zealand Overseas Petroleum off New Zealand respectively. These vessels are due to be completed in the first quarter of 2007, with production planned to start in the second quarter of 2007.

Prosafe has built up long experience in converting and operating FPSOs, and now has an organisation able to handle several conversion projects in parallel. Activity in the FPSO market is very high, and the company is sticking to its target of winning a large new project during 2006.

Oslo, 27 April 2006
The board of directors of Prosafe ASA

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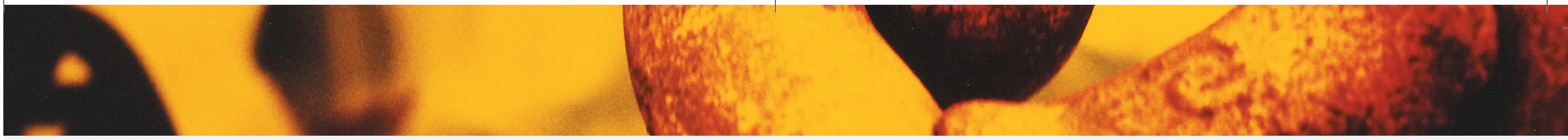


Main figures

PROFIT AND LOSS ACCOUNT

(Unaudited figures in USD million)	Q1 06	Q4 05	Q1 05	2005
Operating revenues	75.1	75.4	64.9	295.3
Operating expenses	(31.7)	(41.3)	(33.7)	(144.4)
Operating profit before depreciation	**43.4**	**34.1**	**31.2**	**150.9**
Depreciation	(11.8)	(11.7)	(12.3)	(47.3)
Operating profit	**31.6**	**22.4**	**18.9**	**103.6**
Interest income	1.4	1.2	0.7	4.3
Interest expenses	(5.1)	(4.9)	(3.8)	(17.6)
Other financial items	4.2	(2.2)	2.2	(2.6)
Net financial items	**0.5**	**(5.9)**	**(0.9)**	**(15.9)**
Profit before taxes	**32.1**	**16.5**	**18.0**	**87.7**
Taxes	(1.4)	(114.8)	(3.7)	(122.8)
Net profit from continuing operations	**30.7**	**(98.3)**	**14.3**	**(35.1)**
Net profit from discontinued operations	**0.0**	**0.0**	**0.4**	**81.5**
Net profit	**30.7**	**(98.3)**	**14.7**	**46.4**
EPS (USD)	**0.90**	**(2.89)**	**0.43**	**1.36**
EPS diluted (USD)	**0.90**	**(2.88)**	**0.43**	**1.36**

BALANCE SHEET

(Unaudited figures in USD million)	**31.03.06**	**31.12.05**	**31.03.05**	
Goodwill	128.3	128.3	128.3	
Rigs	355.4	360.9	373.0	
Ships	354.6	203.8	183.3	
Other fixed assets	8.3	8.2	10.2	
Total fixed assets	**846.6**	**701.2**	**694.8**	
Cash and deposits	218.8	303.6	146.1	
Other current assets	57.8	55.9	44.9	
Total current assets	**276.6**	**359.5**	**191.0**	
Assets discontinued operations	**0.0**	**0.0**	**100.4**	
Total assets	**1 123.2**	**1 060.7**	**986.2**	
Share capital	44.8	44.8	44.7	
Other equity	420.5	390.2	419.7	
Total equity	**465.3**	**435.0**	**464.4**	
Interest-free long-term liabilities	120.9	117.6	4.8	
Interest-bearing long-term debt	347.3	363.0	385.9	
Total long-term liabilities	**468.2**	**480.6**	**390.7**	
Dividends payable	0.0	30.2	0.0	
Other interest-free current liabilities	152.9	87.0	54.6	
Current portion of long-term debt	36.8	27.9	19.6	
Total current liabilities	**189.7**	**145.1**	**74.2**	
Liabilities discontinued operations	**0.0**	**0.0**	**56.9**	
Total equity and liabilities	**1 123.2**	**1 060.7**	**986.2**	

CASH FLOW STATEMENT

(Unaudited figures in USD million)	Q1 06	Q4 05	Q1 05	2005
Profit before taxes	32.1	16.5	18.0	87.7
Unrealised currency (gain)/loss on long-term liabilities	2.1	(2.6)	(3.8)	(8.9)
Depreciation	11.8	11.7	12.3	47.3
Change in working capital	64.0	10.4	7.2	28.6
Other items from operating activities	1.2	(2.8)	(1.9)	(8.0)
Net cash flow from operating activities	**111.2**	**33.2**	**31.8**	**146.7**
Proceeds from sale of tangible fixed assets	0.0	0.4	2.6	3.0
Acquisition of tangible fixed assets	(157.2)	(14.4)	(7.8)	(48.6)
Net cash flow from investing activities	**(157.2)**	**(14.0)**	**(5.2)**	**(45.6)**
New interest-bearing long-term debt	0.8	0.3	50.0	50.3
Repayment of interest-bearing long-term debt	(9.8)	0.0	(50.9)	(60.7)
Dividends paid	(30.2)	(0.0)	0.0	(26.4)
Paid-in capital	0.4	0.5	0.6	1.1
Net cash flow from financing activities	**(38.8)**	**0.8**	**(0.3)**	**(35.7)**
Net cash flow from continuing operations	**(84.8)**	**20.0**	**26.3**	**65.4**
Net cash flow from discontinued operations	**0.0**	**0.0**	**(1.8)**	**116.6**
Cash and deposits at beginning of period	303.6	283.6	121.6	121.6
Cash and deposits at end of period	**218.8**	**303.6**	**146.1**	**303.6**

EQUITY MOVEMENT

	Q1 06	Q4 05	Q1 05	2005
Equity at end of prior period	435.0	565.4	448.6	448.6
Change accounting principle for financial instruments	0.0	0.0	1.9	1.9
Equity at beginning of period	**435.0**	**565.4**	**450.5**	**450.5**
Net profit	30.7	(98.3)	14.7	46.4
Dividends	0.0	(30.2)	0.0	(56.6)
New equity	0.4	0.5	0.6	1.1
Change translation differences	(0.8)	(2.4)	(1.4)	(6.4)
Equity at end of period	**465.3**	**435.0**	**464.4**	**435.0**

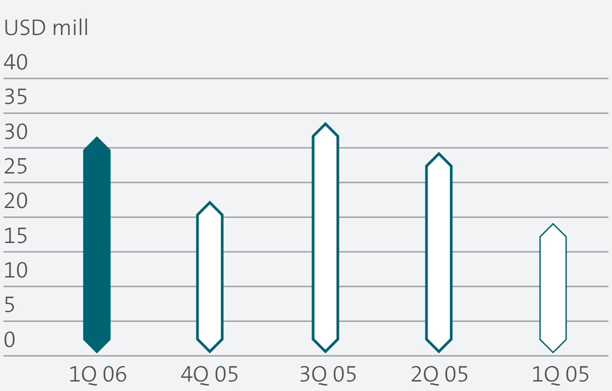
The financial statements have been prepared in accordance with the IFRS and IAS 34 on interim financial reporting, and in accordance with the accounting principles applied in the annual accounts for 2005.

KEY FIGURES

	Note	Q1 06	Q4 05	Q1 05	2005
Operating margin	1	42.1%	29.7%	29.1%	35.1%
Equity ratio	2	41.4%	41.0%	47.1%	41.0%
Return on equity	3	27.3%	(78.6%)	12.9%	10.5%
Return on capital employed	4	15.5%	12.2%	9.8 %	13.1%
Net interest bearing debt (USD million)	5	165.3	87.3	259.4	87.3
Cash flow (USD million)	6	111.2	33.2	31.8	146.7
Cash flow per share (USD)	7	3.26	0.97	0.93	4.31
Number of shares (1 000 shares)		34 117	34 098	34 072	34 098
Average no. of outstanding shares (1 000 shares)		34 081	34 057	34 043	34 053
Average no. of outst. and potential shares (1 000 shares)		34 093	34 074	34 065	34 068
USD/NOK exchange rate at end of period		6.58	6.77	6.33	6.77
Share price (NOK)		342.50	286.50	199.00	286.50
Share price (USD)		52.05	42.32	31.44	42.32
Market capitalisation (NOK million)		11 685	9 769	6 780	9 769
Market capitalisation (USD million)		1 775.8	1 443.0	1 071.1	1 443.0
Number of employees		602	614	598	614

Notes to key figures
1 (Operating profit / Operating revenues) * 100
2 (Equity / Total assets) * 100
3 Annualised [Net profit / Average book equity]
4 Annualised [(EBIT + Interest income) / (Average total assets continuing operations - Average interest-free debt continuing operations)]
5 Interest-bearing debt - Cash and deposits
6 Cash flow from operating activities
7 Cash flow / Average no of outstanding and potential shares

OPERATING PROFIT



SHAREHOLDERS

as at 20.04.06	No of shares	Ownership
State Street Bank & Trust (nom)	3 964 237	11.6%
Morgan Stanley & Co (nom)	2 560 839	7.5%
Folketrygdfondet	2 167 127	6.4%
Brown Brothers Harriman	1 570 746	4.6%
JP Morgan Chase Bank	1 528 062	4.5%
Morgan Stanley & Co	1 111 595	3.3%
Société Générale Bank & Trust	800 000	2.3%
RBC Dexia (nom)	780 670	2.3%
Odin	734 290	2.2%
JP Morgan Chase Bank (nom)	707 393	2.1%
Total 10 largest shareholders	15 924 959	46.7%

No of shares: 34 116 885
Foreign ownership: 73.7%

Segments

OFFSHORE SUPPORT SERVICES

(Unaudited figures in USD million)	**Q1 06**	**Q4 05**	**Q1 05**	**2005**
Operating revenues	51.5	49.5	38.5	186.7
Operating expenses	(19.7)	(28.2)	(20.1)	(86.5)
Operating profit before depreciation	**31.8**	**21.3**	**18.4**	**100.2**
Depreciation	(8.4)	(7.7)	(7.8)	(30.6)
Operating profit	**23.4**	**13.6**	**10.6**	**69.6**
Total assets	743.6	458.3	431.9	458.3
Employees	102	118	121	118

FLOATING PRODUCTION

(Unaudited figures in USD million)	**Q1 06**	**Q4 05**	**Q1 05**	**2005**
Operating revenues	23.4	25.7	26.7	108.3
Operating expenses	(10.6)	(11.8)	(13.1)	(54.0)
Operating profit before depreciation	**12.8**	**13.9**	**13.6**	**54.3**
Depreciation	(3.3)	(4.0)	(4.4)	(16.4)
Operating profit	**9.5**	**9.9**	**9.2**	**37.9**
Total assets	566.3	418.2	381.9	418.2
Employees	490	487	469	487

CORPORATE COSTS AND ELIMINATIONS

(Unaudited figures in USD million)	**Q1 06**	**Q4 05**	**Q1 05**	**2005**
Operating revenues	0.2	0.2	(0.3)	0.3
Operating expenses	(1.4)	(1.3)	(0.5)	(3.9)
Operating profit before depreciation	**(1.2)**	**(1.1)**	**(0.7)**	**(3.6)**
Depreciation	(0.1)	0.0	(0.1)	(0.3)
Operating profit	**(1.3)**	**(1.1)**	**(0.9)**	**(3.9)**
Total assets	(186.7)	184.2	51.1	184.2
Employees	10	9	8	9

PROSAFE GROUP

(Unaudited figures in USD million)	**Q1 06**	**Q4 05**	**Q1 05**	**2005**
Operating revenues	75.1	75.4	64.9	295.3
Operating expenses	(31.7)	(41.3)	(33.7)	(144.4)
Operating profit before depreciation	**43.4**	**34.1**	**31.2**	**150.9**
Depreciation	(11.8)	(11.7)	(12.3)	(47.3)
Operating profit	**31.6**	**22.4**	**18.9**	**103.6**
Total assets	1 123.2	1 060.7	986.2	1 060.7
Employees	602	614	598	614

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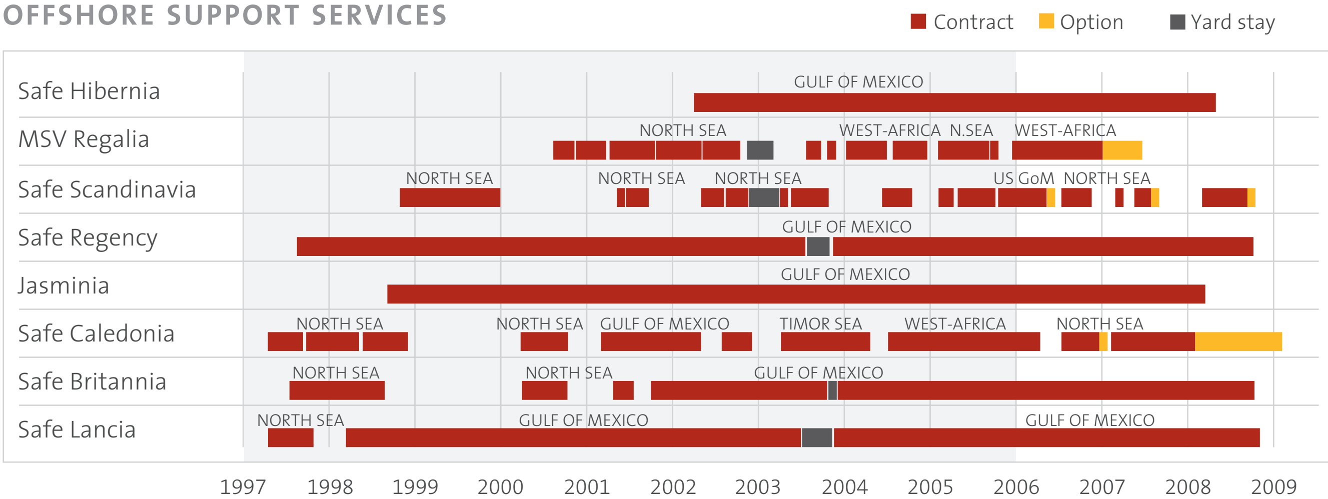
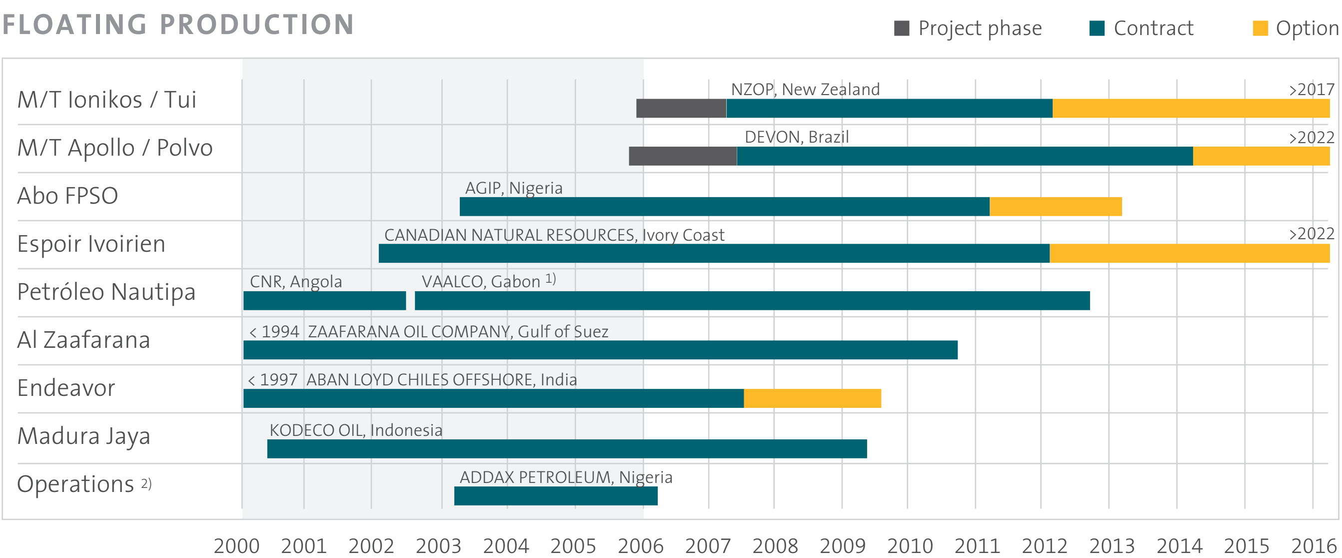
Contracts

OFFSHORE SUPPORT SERVICES



FLOATING PRODUCTION



1) The contract runs until September 2012, with an option for the customer to cancel in September 2011

2) Operation and maintenance of the fixed installations on the OML-123 field

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