

THIRD QUARTER 2007

Main figures

(Figures in brackets refer to the corresponding period of 2006)

Operating profit for the third quarter came to USD 70.3 million (USD 50.7 million), which is the highest quarterly operating profit ever for Prosafe. Operating profit in Offshore Support Services increased by USD 14.5 million to USD 57.3 million, and in Floating Production by USD 6.6 million to USD 16.2 million. Both business units have thus posted record profits this quarter. Corporate costs increased by USD 1.5 million due to costs relating to the company's share option plan and the set-up of the office in Cyprus.

Net profit for the third quarter amounted to USD 46.0 million (USD 34.9 million), and diluted earnings per share equalled USD 0.20 (USD 0.16). Interest expenses have increased by USD 5.1 million, which reflects the strong growth within Floating Production. Taxes for the period increased to USD 8.0 million (USD 3.7 million), of which USD 3 million relates to a provision for deferred tax on unrealised currency gains in Norway.

Operating profit year-to-date came to USD 152.2 million (USD 105.3 million). Net profit year-to-date equalled USD 108.3 million (USD 95.7 million), and diluted earnings per share were USD 0.47 (USD 0.50).

Total assets at 30 September amounted to USD 2 492.6 million (USD 2 178.8 million), while the equity ratio declined to 46.4 per cent (54.9 per cent) due to the dividend payments made last autumn and in May this year.

Offshore Support Services

Operating profit in the third quarter came to USD 57.3 million (USD 42.8 million). This improvement reflects significantly higher dayrates. Utilisation of the rig fleet was 92 per cent (91 per cent).

In the third quarter, *Safe Caledonia* continued on the two-year contract with Total on Elgin/Franklin which commenced in May. *Safe Scandinavia* was engaged on Snorre throughout the quarter. Off Sakhalin, *Safe Bristolia* has been in regular

operation for the entire quarter. All six rigs working in the Gulf of Mexico, as well as MSV *Regalia* which is on contract for Total offshore Angola, have been in regular operation throughout the third quarter.

Floating Production

Operating profit for the third quarter amounted to USD 16.2 million (USD 9.6 million). This improvement reflects the commencement of the contracts for FPSO *Polvo* and FPSO *Umuroa*, which started to generate revenue in July and August, respectively.

For the FPSO *Umuroa*, there is an additional compensation of USD 2 million relating to the waiting period prior to first oil. This element will be shown as additional income spread over the firm period of the contract.

Outlook

The board of directors has initiated a process of evaluating a potential split of the company. The evaluation process is expected to be completed by December 2007.

Offshore Support Services

During the third quarter 11 of the 12 rigs were in full operation throughout the period. The only exception was *Safe Astoria*, which was laid up. In the fourth quarter, *Safe Astoria* will start mobilising in preparation for the letter of intent for Sakhalin Energy. The contract has a two-year duration commencing with a standby phase from December 2007.

Safe Concordia was scheduled to operate in the US Gulf in the fourth quarter of 2007. The contract has now been rescheduled to start at better terms in the third quarter of 2008. The vessel is currently employed for Pemex in Mexico.

MSV *Regalia* is working for Total in Angola, and is expected to complete the operation at the end of October. The vessel will then be mobilised to the North Sea and is expected to start its decommissioning assignment towards the end of January.

Safe Scandinavia started its assignment in the UK in the first half of October. The contract is expected to be completed around the middle of the first quarter of 2008.

Safe Bristolía is employed at the Sakhalin field in eastern Russia. Upon completion of the contract in November the vessel will be mobilised to the North Sea, and will be ready for the next assignment starting March 2008.

Safe Caledonia and *Safe Esbjerg* are employed on longer term charters in the North Sea the coming quarters. The vessels which are on long-term contracts in Mexico are expected to remain in full operation in the coming period. The current charters for the five units in Mexico are ending in 2008. Prosafe are optimistic with regards to the prospects of extending the employment of the units in Mexico. The likely timing of new contract awards is late 2007 or early 2008.

The recent contract awards will ensure a high utilisation of the fleet in the coming year. The continued high industry activity supports a very positive market outlook for semi-submersibles also for the period 2009-2011.

Floating Production

The FPSOs *Polvo* and *Umuroa* commenced production in the third quarter this year. The projects marked the entry into two new offshore

regions for Prosafe, namely Brazil and New Zealand. The charter contracts have firm periods of seven and five years and thereby provide a robust and long-term increase in revenues and profitability for the business unit.

The three other conversion projects are scheduled to be completed and installed by the end of 2008.

During the third quarter the management contract for FPSO *Al Zaafarana* was completed. The contract for FPSO *Petroleo Nautipa* was recently renegotiated with a new firm period extending to 2015.

The contract for FSO *Endeavor* was renegotiated in the third quarter with a new firm period of two years. The vessel will undergo a five-year classification and some minor upgrades in the coming quarters, but no significant impact on operations is expected.

In the third quarter, Prosafe was awarded a contract for the upgrade of FPSO *Espoir Ivoirien*. The upgrade project will enhance the value of the vessel and improve the returns on the initial investment. The project is scheduled to be completed in 2009.

The activity relating to new tenders remains high. Following the completion of the *Umuroa* and *Polvo* conversion projects, more resources will be available for pursuing and executing new contracts. Prosafe is targeting one project award around year-end 2007 and another in 2008.

Larnaca, 1 November 2007

The board of directors of Prosafe SE

INCOME STATEMENT

(Unaudited figures in USD million)	Q3 07	Q2 07	Q3 06	30.09.07	30.09.06	2006
Operating revenues	149.6	118.8	112.0	356.6	262.4	365.6
Operating expenses	(55.6)	(54.0)	(45.2)	(149.5)	(116.7)	(157.9)
EBITDA	94.0	64.8	66.8	207.1	145.7	207.7
Depreciation	(23.7)	(15.9)	(16.1)	(54.9)	(40.4)	(57.7)
EBIT	70.3	48.9	50.7	152.2	105.3	150.0
Interest income	1.6	1.6	2.2	5.1	4.9	8.5
Interest expenses	(15.6)	(13.8)	(10.5)	(41.7)	(21.0)	(32.1)
Other financial items	(2.3)	7.1	(3.8)	2.9	14.2	16.6
Net financial items	(16.3)	(5.1)	(12.1)	(33.7)	(1.9)	(7.0)
Profit before taxes	54.0	43.8	38.6	118.5	103.4	143.0
Taxes	(8.0)	2.4	(3.7)	(10.2)	(7.7)	(14.9)
Net profit	46.0	46.2	34.9	108.3	95.7	128.1
EPS, basic and diluted (USD)	0.20	0.20	0.16	0.47	0.50	0.64

¹⁾ Previously reported earnings per share have been adjusted to reflect the 5-for-1 share split effective 27 December 2006.

BALANCE SHEET

(Unaudited figures in USD million)	30.09.07	30.06.07	31.12.06	30.09.06
Goodwill	355.0	355.0	355.0	352.9
Rigs	748.4	760.3	763.4	772.0
Ships	824.8	701.2	538.7	448.8
Other non-current assets	309.7	281.3	262.4	248.6
Total non-current assets	2 237.9	2 097.8	1 919.5	1 822.3
Cash and deposits	142.6	117.6	147.2	283.3
Other current assets	112.1	121.0	79.2	73.2
Total current assets	254.7	238.6	226.4	356.5
Total assets	2 492.6	2 336.4	2 145.9	2 178.8
Share capital	63.9	63.9	63.9	63.9
Other equity	1 093.7	1 045.9	1 025.8	1 132.2
Total equity	1 157.6	1 109.8	1 089.7	1 196.1
Interest-free long-term liabilities	103.4	91.6	101.7	127.1
Interest-bearing long-term debt	937.5	862.8	622.0	655.2
Total long-term liabilities	1 040.9	954.4	723.7	782.3
Dividends payable	0.0	0.0	147.0	0.0
Other interest-free current liabilities	145.5	166.4	168.6	170.5
Current interest-bearing debt	148.6	105.8	16.9	29.9
Total current liabilities	294.1	272.2	332.5	200.4
Total equity and liabilities	2 492.6	2 336.4	2 145.9	2 178.8

CASH FLOW STATEMENT

(Unaudited figures in USD million)	Q3 07	Q2 07	Q3 06	30.09.07	30.09.06	2006
Profit before taxes	54.0	48.4	38.6	118.5	103.4	143.0
Unrealised currency (gain)/loss on long-term debt	4.5	2.2	(3.2)	8.4	3.0	6.1
Depreciation	23.7	15.9	16.1	54.9	40.4	57.7
Change in working capital	(12.0)	(47.9)	(2.9)	(56.0)	66.2	58.3
Other items from operating activities	5.6	(12.5)	(2.5)	(1.0)	0.7	(32.3)
Net cash flow from operating activities	75.8	6.1	46.1	124.8	213.7	232.8
Acquisition of tangible assets	(163.8)	(102.4)	(47.5)	(373.3)	(921.8)	(1 023.2)
Acquisition of financial assets	0.0	0.0	(179.7)	0.0	(179.7)	(184.2)
Net cash flow from investing activities	(163.8)	(102.4)	(227.2)	(373.3)	(1 101.5)	(1 207.4)
Proceeds from new interest-bearing debt	113.0	120.4	449.6	453.4	607.9	749.9
Repayment of interest-bearing debt	0.0	0.0	(306.9)	(14.6)	(316.7)	(508.0)
Dividends paid	0.0	(47.9)	0.0	(194.9)	(60.9)	(60.9)
Paid-in capital	0.0	0.0	110.8	0.0	637.2	637.2
Net cash flow from financing activities	113.0	72.5	253.5	243.9	867.5	818.2
Net cash flow	25.0	(23.8)	72.4	(4.6)	(20.3)	(156.4)
Cash and deposits at beginning of period	117.6	141.4	210.9	147.2	303.6	303.6
Cash and deposits at end of period	142.6	117.6	283.3	142.6	283.3	147.2

STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Q3 07	Q2 07	Q3 06	30.09.07	30.09.06	2006
Equity at beginning of period	1 109.8	1 109.4	984.1	1 089.7	435.0	435.0
Net profit	46.0	46.2	34.9	108.3	95.7	128.1
Dividends	0.0	(47.9)	0.0	(47.9)	(30.7)	(177.7)
Issue of share capital	0.0	0.0	110.8	0.0	637.2	637.2
Unrealised gain on financial assets	0.0	0.0	60.0	0.0	60.0	68.6
Foreign currency translation	1.8	2.1	6.3	7.5	(1.1)	(1.5)
Equity at end of period	1 157.6	1 109.8	1 196.1	1 157.6	1 196.1	1 089.7

NOTES TO THE INTERIM ACCOUNTS

NOTE 1: ACCOUNTING PRINCIPLES

The accounts are 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 2: SEGMENTS

Offshore Support Services	Q3 07	Q2 07	Q3 06	30.09.07	30.09.06	2006
Operating revenues	107.9	95.8	90.8	270.1	195.3	272.6
Operating expenses	(39.0)	(43.0)	(36.0)	(110.7)	(85.7)	(113.6)
EBITDA	68.9	52.8	54.8	159.4	109.6	159.0
Depreciation	(11.6)	(11.4)	(12.0)	(34.3)	(28.7)	(41.7)
EBIT	57.3	41.4	42.8	125.1	80.9	117.3
Total assets	1 247.8	882.0	1 483.1	1 247.8	1 483.1	1 591.6
Floating Production	Q3 07	Q2 07	Q3 06	30.09.07	30.09.06	2006
Operating revenues	41.7	22.9	21.2	86.3	66.8	92.6
Operating expenses	(13.4)	(8.1)	(7.5)	(30.0)	(27.1)	(39.1)
EBITDA	28.3	14.8	13.7	56.3	39.7	53.5
Depreciation	(12.1)	(4.4)	(4.1)	(20.4)	(11.5)	(15.7)
EBIT	16.2	10.4	9.6	35.9	28.2	37.8
Total assets	1 029.9	908.3	676.9	1 029.9	676.9	774.0
Corporate and eliminations	Q3 07	Q2 07	Q3 06	30.09.07	30.09.06	2006
Operating revenues	0.0	0.1	0.0	0.2	0.3	0.4
Operating expenses	(3.2)	(2.9)	(1.7)	(8.8)	(3.9)	(5.2)
Operating profit before depreciation	(3.2)	(2.8)	(1.7)	(8.6)	(3.6)	(4.8)
Depreciation	0.0	(0.1)	0.0	(0.2)	(0.2)	(0.3)
Operating profit	(3.2)	(2.9)	(1.7)	(8.8)	(3.8)	(5.1)
Total assets	214.9	546.1	18.8	214.9	18.8	(219.7)
Prosafe Group	Q3 07	Q2 07	Q3 06	30.09.07	30.09.06	2006
Operating revenues	149.6	118.8	112.0	356.6	262.4	365.6
Operating expenses	(55.6)	(54.0)	(45.2)	(149.5)	(116.7)	(157.9)
Operating profit before depreciation	94.0	64.8	66.8	207.1	145.7	207.7
Depreciation	(23.7)	(15.9)	(16.1)	(54.9)	(40.4)	(57.7)
Operating profit	70.3	48.9	50.7	152.2	105.3	150.0
Total assets	2 492.6	2 336.4	2 178.8	2 492.6	2 178.8	2 145.9

KEY FIGURES	Note	Q3 07	Q2 07	Q3 06	30.09.07	30.09.06	2006
Operating margin	1	47.0 %	41.2 %	45.3 %	42.7 %	40.1 %	41.0 %
Equity ratio	2	46.4 %	47.5 %	54.9 %	46.4 %	54.9 %	50.8 %
Return on equity	3	16.2 %	16.7 %	16.8 %	12.9 %	15.6 %	16.8 %
Return on capital employed	4	13.3 %	10.0 %	15.5 %	10.2 %	10.7 %	11.6 %
Net interest bearing debt (USD million)	5	943.5	851.0	401.8	943.5	401.8	491.7
Cash flow (USD million)	6	75.8	6.1	46.1	124.8	213.7	232.8
Cash flow per share (USD)	7	0.33	0.03	0.21	0.54	1.12	1.16
Number of shares (1 000 shares)		229 937	229 937	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000 shares)		229 827	229 827	224 058	229 827	191 586	201 283
Av. no. of outst. and potential shares (1 000 shares)		229 827	229 827	224 058	229 827	191 596	201 295
USD/NOK exchange rate at end of period		5.44	5.90	6.50	5.44	6.50	6.26
Share price (NOK)		96.20	94.50	80.00	96.20	80.00	88.50
Share price (USD)		17.68	16.02	12.31	17.68	12.31	14.14
Market capitalisation (NOK million)		22 120	21 729	18 395	22 120	18 395	20 349
Market capitalisation (USD million)		4 066	3 683	2 830	4 066	2 830	3 251

NOTES TO KEY FIGURES

Previously reported number of outstanding shares have been adjusted to reflect the 5-for-1 share split effective 27 December 2006.

- 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 - Average interest-free debt)]
- 5 Interest-bearing debt - Cash and deposits
- 6 Cash flow from operating activities
- 7 Cash flow / Average no of outstanding and potential shares

SHAREHOLDERS AS AT 24.10.2007

	No. of shares	Ownership
BW Offshore	55 932 990	24.3 %
Folketrygdfondet	14 257 135	6.2 %
Brown Brothers Harriman	12 244 797	5.3 %
JP Morgan Chase Bank (nom.)	10 878 020	4.7 %
Bank of New York	5 939 663	2.6 %
GMO	5 513 785	2.4 %
DnB	5 376 464	2.3 %
State Street Bank & Trust (nom.)	5 056 813	2.2 %
UBS (nom.)	4 114 236	1.8 %
Pareto	3 841 050	1.7 %
Total 10 largest shareholders	123 154 953	53.6 %

Total no. of shares: 229 936 790