

FOURTH QUARTER 2008

Financials

(Figures in brackets refer to the corresponding period of 2007)

After the spin-off of Prosafe Production (the floating production division) in May 2008, only one division remains in Prosafe; the Offshore Support Services. Consequently, no segment information is presented in the notes to the accounts.

In accordance with IFRS, the figures relating to floating production are presented net on a separate line in the income statement of Prosafe SE. Thus, when references are made to prior periods, these figures are exclusive of the discontinued operations.

Operating profit for 2008 increased to USD 232.2 million (USD 163.0 million), which is by far the best result ever for Prosafe. This improvement reflects higher day rates and that the utilisation ratio for the rig fleet rose to 92 per cent (88 per cent).

Net financial expenses for 2008 increased to USD 76.8 million (USD 67.1 million) mainly due to a decline in market value of currency forwards. Taxes for 2008 amounted to USD 9.4 million positive (USD 5.1 million negative), which reflects tax deductions in a subsidiary on unrealised currency losses. Excluding net profit from discontinued operations, net profit for 2008 equalled USD 164.8 million (USD 90.8 million) and diluted earnings per share were USD 0.72 (USD 0.40).

Operating profit for the fourth quarter came to USD 65.6 million (USD 46.7 million), which is the best quarterly result ever for Prosafe. This improvement reflects higher day rates and that the utilisation of the rigs increased to 88 per cent (86 per cent).

MSV *Regalia* operated for Aker Solutions in the UK North Sea until the first week of December, after which the rig was mobilised to undertake a major refurbishment. *Safe Scandinavia* operated for StatoilHydro on the Norwegian Continental Shelf until late November. After a short yard stay and mobilisation, *Safe Scandinavia* commenced operation at the Valhall field for BP in mid-December. *Safe Astoria* was operating for Sakhalin Energy Investment Company in Russia until mid November, and for the rest of the quarter the rig was on standby-rate in Malaysia. *Safe Bristolia* was idle throughout the quarter.

All other vessels have been fully utilised in the fourth quarter.

Net financial expenses for the fourth quarter were USD 39.4 million (USD 30.9 million), reflecting a decline in market value of currency forwards. Net profit for the fourth quarter, excluding discontinued operations amounted to USD 32.8 million (USD 16.0 million), and earnings per share equalled USD 0.15 (USD 0.07).

Total assets at 31 December amounted to USD 1 313.9 million (USD 2 624 million), while the book equity ratio declined to 9.5 per cent (39.6 per cent) as a consequence of the distribution of the shares in Prosafe Production in May 2008. As at 31 December, the market value of interest rate swaps equalled USD 51.2 million negative, and are included in interest-free long-term liabilities in the balance sheet.

Outlook

Five of the company's rigs are bareboat chartered, operating for Pemex offshore Mexico. These rigs have firm contracts as follows: *Jasminia* until December 2010, *Safe Hibernia* until May 2011, *Safe Lancia* until January 2010, *Safe Regency* until August 2013 and *Safe Britannia* until January 2013.

Safe Bristolia is being mobilised to Mexico to start a one-year bareboat contract in late February. Thereafter, she will return to the UK North Sea to commence a contract for Nexen in April 2010.

Safe Concordia commenced operation for Chevron in the US Gulf in mid-August, and will continue operation throughout January 2009, and will thereafter be available for new employment. Prosafe is optimistic as to securing a new contract for the rig in the near future.

Safe Esbjerg is in operation for Mærsk Oil & Gas in the Danish North Sea until June 2011.

Safe Scandinavia will continue its operation at the Valhall field for BP Norge until June 2009. She will then have a five to six-week yard stay before commencing a 65-day contract for Shell in the UK North Sea in July 2009.

Safe Caledonia is on a long-term contract for Total in the UK North Sea until September 2010. The contract will be interrupted by a six-week yard stay in the first quarter of 2009, during which the rig will be off-hire.

MSV *Regalia* is at the Keppel Verolme yard in Rotterdam to undertake a major refurbishment. In June she will take over *Safe Scandinavia*'s contract for BP Norge at the Valhall field. This contract has a firm duration until December 2010 with an option period of six months.

The contract for *Safe Astoria* was recently terminated for convenience by the client. Prosafe is entitled to a termination fee of 85% of the outstanding contract value, and together with reduced operating cost this ensures that Prosafe sees little financial impact of the termination in 2009. The vessel is now marketed for new employment.

Within the offshore environments where Prosafe's accommodation rigs operate, there is a tight supply-demand balance and the number of newbuilds to be delivered over the next few years is limited. In the North Sea, the fixed installations are mature and

require greater maintenance and modifications to uphold production and safe operation. The market for semi-submersible accommodation rigs continues to be strong in Mexico, where Pemex has considerable maintenance and modification requirements offshore. There is also expected demand for accommodation units in other regions like Brazil and West Africa, in connection with maintenance and modification projects, tie-in of satellite fields to existing infrastructure and commissioning of new installations.

The board of directors of Prosafe SE has decided to propose to the annual general meeting in May an amendment to the articles of association. A tri-annual distribution of dividend will allow a better correlation between the operating cash flow and dividend payments. This will improve corporate risk management and provide an attractive basis for dividend distribution. The level of dividend will reflect the underlying financial development of the company, while taking account of opportunities for further value creation through profitable investments. The target is a distribution of dividend 40- 50% of the company's net profit paid tri-annually the following year.

Larnaca, 11 February 2009

Reidar Lund
Chairman

Christian Brinch

Ronny Johan Langeland

Elin Nicolaisen

Michael Raymond Parker

Christakis Pavlou

Andreas Sohmen-Pao

Arne Austreid
President & CEO

INCOME STATEMENT

(Unaudited figures in USD million)	Q4 08	Q3 08	Q4 07	2008	2007
Operating revenues	134.2	126.0	106.4	491.1	376.7
Operating expenses	(55.7)	(52.8)	(47.8)	(210.1)	(167.3)
Operating profit before depreciation	78.5	73.2	58.6	281.0	209.4
Depreciation	(12.9)	(12.0)	(11.9)	(48.8)	(46.4)
Operating profit	65.6	61.2	46.7	232.2	163.0
Interest income	0.8	0.8	1.5	4.0	5.6
Interest expenses	(13.6)	(11.8)	(17.3)	(57.1)	(58.8)
Other financial items	(26.6)	3.1	(15.1)	(23.7)	(13.9)
Net financial items	(39.4)	(7.9)	(30.9)	(76.8)	(67.1)
Profit before taxes	26.2	53.3	15.8	155.4	95.9
Taxes	6.6	6.1	0.2	9.4	(5.1)
Net profit from continuing operations	32.8	59.4	16.0	164.8	90.8
Net profit from discontinued operations	0.0	0.0	19.4	38.0	52.9
Net profit	32.8	59.4	35.4	202.8	143.7
Earnings per share	0.15	0.26	0.15	0.88	0.63
Diluted earnings per share	0.15	0.26	0.15	0.88	0.63
EPS from continuing operations	0.15	0.26	0.07	0.72	0.40
Diluted EPS from continuing operations	0.15	0.26	0.07	0.72	0.40

BALANCE SHEET

(Unaudited figures in USD million)	31.12.08	30.09.08	31.12.07
Goodwill	226.7	226.7	355.0
Rigs	828.4	800.0	749.6
Ships	0.0	0.0	926.5
Other non-current assets	3.8	3.4	304.6
Total non-current assets	1 058.9	1 030.1	2 335.7
Cash and deposits	115.6	116.3	162.0
Other current assets	139.4	157.9	126.3
Total current assets	255.0	274.2	288.3
Total assets	1 313.9	1 304.3	2 624.0
Share capital	63.9	63.9	63.9
Other equity	60.7	70.3	974.7
Total equity	124.6	134.2	1 038.6
Interest-free long-term liabilities	107.9	103.4	97.0
Interest-bearing long-term debt	958.7	970.6	1 184.1
Total long-term liabilities	1 066.6	1 074.0	1 281.1
Other interest-free current liabilities	122.7	96.1	137.3
Current portion of long-term debt	0.0	0.0	167.0
Total current liabilities	122.7	96.1	304.3
Total equity and liabilities	1 313.9	1 304.3	2 624.0

CASH FLOW STATEMENT

(Unaudited figures in USD million)	2008	2007
Profit before taxes continuing operations	155.4	95.8
Profit before taxes discontinued operations	46.1	61.9
Unrealised currency (gain)/loss on debt	(17.3)	10.2
Depreciation	72.6	80.0
Change in working capital	(27.7)	(78.4)
Other items from operating activities	(45.8)	(7.4)
Net cash flow from operating activities	183.3	162.1
Acquisition of tangible assets	(374.4)	(456.6)
Proceeds from sale of tangible assets	9.5	0.0
Net effect of spin-off of subsidiary	562.5	0.0
Buy-back of own shares	(49.2)	0.0
Translation difference financial assets	(18.4)	(39.6)
Net cash flow from investing activities	130.0	(496.2)
Proceeds from new interest-bearing debt	1 166.5	717.7
Repayment of interest-bearing debt	(1 526.2)	(15.7)
Dividends paid	0.0	(353.1)
Net cash flow from financing activities	(359.7)	348.9
Net cash flow	(46.4)	14.8
Cash and deposits at beginning of period	162.0	147.2
Cash and deposits at end of period	115.6	162.0
Cash and deposits continuing operations	115.6	109.0
Cash and deposits discontinued operations	0.0	53.0
Cash and deposits at end of period	115.6	162.0

STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	2008	2007
Equity at beginning of period	1 038.6	1 089.7
Net profit	202.8	143.7
Dividends	(993.2)	(206.1)
Costs related to split	(9.7)	0.0
Revaluation hedging instruments	(41.5)	0.0
Revaluation shares	(68.5)	0.0
Buy-back of own shares	(49.2)	0.0
Foreign currency translation	45.3	11.3
Equity at end of period	124.6	1 038.6

NOTES TO THE INTERIM ACCOUNTS

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 fourth quarter of 2008 were authorised for issue in accordance with a resolution of the board of directors on 11 February 2009. 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. The company has previously not applied hedge accounting on any of its financial instruments. In the first quarter 2008, the company entered into some new interest rate swap agreements, and as from the first quarter 2008, the company applies hedge accounting on certain interest rate swap agreements. Any change in value of these agreements are taken directly to equity. For those financial instruments which do not qualify for hedge accounting, any change in value are taken through the income statement.

NOTE 3: SHARES IN PROSAFE PRODUCTION PUBLIC LIMITED

The annual general meeting adopted on 14 May 2008 to distribute 90.1 per cent of the shares in Prosafe Production Public Limited to the shareholders of Prosafe SE. Distribution of these shares took place on 27 May. In accordance with IFRS, no gain was recognised from this distribution. As at 31 December the company owned 25 375 142 shares in Prosafe Production Public Limited corresponding to 9.94 per cent of the shares. The shares were initially recorded at the proportion of the carrying value of the discontinued operations. At 31 December the shares are valued at the share price prevailing on this date, NOK 11, and the unrealised loss has been taken directly to equity. The shares in Prosafe Production Public Limited are included under 'other current assets' in the balance sheet.

NOTE 4: REFINANCING

In the second quarter 2008, Prosafe SE entered into a new senior secured revolving credit facility in the aggregate principal amount of USD 1 100 million with Nordea Bank Norge ASA as facility agent on behalf of a number of lenders. The facility was used to repay the previous Prosafe SE bank facility and to provide financing for future investments and general working capital purposes.

NOTE 5: DISCONTINUED OPERATIONS

Income statement

(Unaudited figures in USD million)	2008	2007
Operating revenues	100.7	150.4
Operating expenses	(40.9)	(57.6)
Operating profit before depreciation	59.8	92.8
Depreciation	(23.8)	(33.6)
Operating profit	36.0	59.2
Interest income	0.7	1.3
Interest expenses	(4.4)	(1.7)
Other financial items	13.8	3.0
Net financial items	10.1	2.6
Profit before taxes	46.1	61.8
Taxes	(8.1)	(8.9)
Net profit	38.0	52.9
EPS from discontinued operations	0.17	0.23
Diluted EPS from discontinued operations	0.17	0.23

KEY FIGURES	Q4 08	Q3 08	Q4 07	2008	2007
Operating margin	48.9 %	48.6 %	43.9 %	47.3 %	43.3 %
Equity ratio	9.5 %	10.3 %	39.6 %	9.5 %	39.6 %
Return on equity	101.4 %	142.1 %	12.9 %	46.5 %	13.5 %
Net interest bearing debt (USD million)	843.1	854.3	1 189.1	843.1	1 189.1
Number of shares (1 000)	229 937	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	222 928	229 013	229 827	227 667	229 827
USD/NOK exchange rate at end of period	7.00	5.83	5.41	7.00	5.41
Share price (NOK)	26.00	31.60	94.50	26.00	94.50
Share price (USD)	3.71	5.42	17.47	3.71	17.47
Market capitalisation (NOK million)	5 978	7 266	21 729	5 978	21 729
Market capitalisation (USD million)	854	1 246	4 016	854	4 016

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

SHAREHOLDERS AS AT 02.02.2009

	No. of shares	Ownership
Folketrygdfondet	25 603 335	11.1 %
GMO	9 647 438	4.2 %
Brown Brothers Harriman	8 158 944	3.5 %
Pareto	7 834 650	3.4 %
Rasmussengruppen AS	7 023 500	3.1 %
Prosafe SE	7 001 705	3.0 %
Clearstream Banking (nom.)	6 261 554	2.7 %
State Street Bank & Trust (nom.)	5 602 242	2.4 %
RBC Dexia (nom.)	5 265 055	2.3 %
Bank of New York (nom.)	5 025 297	2.2 %
Total 10 largest shareholders	87 423 720	38.0 %

Total no. of shares: 229 936 790