

## FIRST QUARTER 2009

### Financials

(Figures in brackets refer to the corresponding period of 2008)

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 Prosafe Production Public Limited are presented net on a separate line in the income statement of Prosafe SE. Thus, when references are made to prior periods below, these figures are exclusive of the discontinued operations.

Operating profit for the first quarter came to USD 37.5 million (USD 42.0 million). This reduction reflects that the utilisation of the rigs declined to 77 per cent (88 per cent), partly due to MSV *Regalia* undergoing a major refurbishment throughout the first quarter this year. To some extent, the effect of the lower utilisation rate was offset by higher day rates for the rigs in operation.

The contract for *Safe Astoria* was terminated for convenience by the client in January. The client had originally contracted the rig for a period of around two years from December 2007. Following the notice of termination, Prosafe will receive 85 per cent of the remaining contract value, approximately USD 21 million. Consequently, effective from early March, 85 per cent of the contracted day rate has been taken to income.

*Safe Concordia* completed the contract in the US Gulf of Mexico in early February, whereas *Safe Bristolia* commenced on a bareboat contract in Gulf of Mexico in mid-March.

*Safe Caledonia* operated for Total in the UK North Sea in the first quarter, interrupted by a period of 40 days due to a planned yard stay. All other vessels have been fully utilised in the first quarter, apart from MSV *Regalia* being at the Keppel Verolme yard in Rotterdam for refurbishment.

Net financial expenses for the first quarter were USD 8.9 million (USD 14.8 million), reflecting lower interest expenses due to lower interest-bearing debt. Excluding discontinued operations, net profit

amounted to USD 26.3 million (USD 24.1 million), and earnings per share to USD 0.12 (USD 0.10).

Total assets at 31 March amounted to USD 1 343 million (USD 2 852 million), while the book equity ratio declined to 10.4 per cent (37.5 per cent) as a consequence of the distribution of the shares in Prosafe Production in May 2008.

### Dividend

The annual general meeting on 14 May 2009 resolved to amend the articles of association to allow for interim dividend payments.

The board of directors resolved on 14 May 2009 to declare an interim dividend of NOK 0.30 per share to shareholders of record as of 27 May 2009. The shares will trade ex. dividend as from 25 May 2009. The dividend will be paid on 10 June 2009.

### Outlook

Seven of the company's rigs are bareboat chartered to Interpetroleum Services, operating for Pemex offshore Mexico. *Safe Bristolia* started a one-year contract in Mexico in mid-March, and *Safe Concordia* started a 240-day contract in early May 2009. The other five 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 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 the beginning of June 2009. In June and July 2009, she will be out of operation for six to seven weeks to allow for mobilisation and a five-week yard stay before commencing a 65-day contract for Shell in the UK North Sea towards the end of July 2009.

*Safe Caledonia* is operating on a long-term contract for Total in the UK North Sea until September 2010.

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.

*Safe Astoria* is in layup at the Kemaman yard in Malaysia, after the client terminated the contract for convenience. Prosafe has recently received a letter of award from Shell for the use of *Safe Astoria* offshore the Philippines for 212 days, commencing early November 2009.

Within the harsh and semi-harsh offshore environments where Prosafe's accommodation rigs operate, there is a good supply-demand balance and the number of newbuilds to be delivered over the next few years is limited.

In the North Sea, the majority of the fixed installations are mature and require increased maintenance and modifications to uphold

production and safe operation. Enhanced recovery and tie-ins of satellite fields to existing installations have extended the lifetime for many fields in the North Sea with 10-20 years. Therefore, we foresee a good outlook for modification and maintenance projects over the next years, and we expect that some of these projects will require additional accommodation offshore in order to carry out the projects efficiently.

The market for semi-submersible accommodation rigs remains robust in Mexico, where Pemex has high activity offshore in order to keep up production of the Cantarell field.

In summary, we expect a good long-term demand for semi-submersible accommodation rigs, especially in mature regions, with growth potential in deepwater regions.

Larnaca, 14 May 2009

Reidar Lund  
*Chairman*

Christian Brinch

Ronny Johan Langeland

Elin Nicolaisen

Michael Raymond Parker

Christakis Pavlou

Arne Austreid  
*President and CEO*

## INCOME STATEMENT

(Unaudited figures in USD million)	Q1 09	Q4 08	Q1 08	2008
Operating revenues	81.6	134.2	105.0	491.1
Operating expenses	(31.3)	(55.7)	(51.0)	(210.1)
<b>Operating profit before depreciation</b>	<b>50.3</b>	<b>78.5</b>	<b>54.0</b>	<b>281.0</b>
Depreciation	(12.8)	(12.9)	(12.0)	(48.8)
<b>Operating profit</b>	<b>37.5</b>	<b>65.6</b>	<b>42.0</b>	<b>232.2</b>
Interest income	0.2	0.8	1.1	4.0
Interest expenses	(10.7)	(13.6)	(18.3)	(57.1)
Other financial items	1.6	(26.6)	2.4	(23.7)
<b>Net financial items</b>	<b>(8.9)</b>	<b>(39.4)</b>	<b>(14.8)</b>	<b>(76.8)</b>
<b>Profit before taxes</b>	<b>28.6</b>	<b>26.2</b>	<b>27.2</b>	<b>155.4</b>
Taxes	(2.3)	6.6	(3.1)	9.4
<b>Net profit from continuing operations</b>	<b>26.3</b>	<b>32.8</b>	<b>24.1</b>	<b>164.8</b>
<b>Net profit from discontinued operations</b>	<b>0.0</b>	<b>0.0</b>	<b>28.1</b>	<b>38.0</b>
<b>Net profit</b>	<b>26.3</b>	<b>32.8</b>	<b>52.2</b>	<b>202.8</b>
<b>Earnings per share</b>	<b>0.12</b>	<b>0.15</b>	<b>0.23</b>	<b>0.88</b>
<b>Diluted earnings per share</b>	<b>0.12</b>	<b>0.15</b>	<b>0.23</b>	<b>0.88</b>
<b>EPS from continuing operations</b>	<b>0.12</b>	<b>0.15</b>	<b>0.10</b>	<b>0.72</b>
<b>Diluted EPS from continuing operations</b>	<b>0.12</b>	<b>0.15</b>	<b>0.10</b>	<b>0.72</b>

## STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in USD million)	Q1 09	Q4 08	Q1 08	2008
<b>Net profit for the period</b>	<b>26.3</b>	<b>32.8</b>	<b>52.2</b>	<b>202.8</b>
Foreign currency translation	(5.0)	14.4	4.5	45.3
Revaluation hedging instruments	(6.0)	(36.3)	(25.7)	(41.5)
Revaluation shares	0.0	(21.1)	0.0	(68.5)
<b>Other comprehensive income</b>	<b>(11.0)</b>	<b>(43.0)</b>	<b>(21.2)</b>	<b>(64.7)</b>
<b>Comprehensive income</b>	<b>15.3</b>	<b>(10.2)</b>	<b>31.0</b>	<b>138.1</b>

## BALANCE SHEET

(Unaudited figures in USD million)	31.03.09	31.12.08	31.03.08
Goodwill	226.7	226.7	355.0
Rigs	884.1	828.4	753.6
Ships	0.0	0.0	1 146.1
Other non-current assets	4.3	3.8	318.8
<b>Total non-current assets</b>	<b>1 115.1</b>	<b>1 058.9</b>	<b>2 573.5</b>
Cash and deposits	122.7	115.6	128.5
Other current assets	105.6	139.4	150.3
<b>Total current assets</b>	<b>228.3</b>	<b>255.0</b>	<b>278.8</b>
<b>Total assets</b>	<b>1 343.4</b>	<b>1 313.9</b>	<b>2 852.3</b>
Share capital	63.9	63.9	63.9
Other equity	76.0	60.7	1 005.7
<b>Total equity</b>	<b>139.9</b>	<b>124.6</b>	<b>1 069.6</b>
Interest-free long-term liabilities	117.1	107.9	138.9
Interest-bearing long-term debt	920.0	958.7	1 216.8
<b>Total long-term liabilities</b>	<b>1 037.1</b>	<b>1 066.6</b>	<b>1 355.7</b>
Other interest-free current liabilities	104.9	122.7	188.0
Current portion of long-term debt	61.5	0.0	239.0
<b>Total current liabilities</b>	<b>166.4</b>	<b>122.7</b>	<b>427.0</b>
<b>Total equity and liabilities</b>	<b>1 343.4</b>	<b>1 313.9</b>	<b>2 852.3</b>

## CASH FLOW STATEMENT

(Unaudited figures in USD million)	Q1 09	Q4 08	Q1 08	2008
Profit before taxes continuing operations	28.6	26.2	27.2	155.4
Profit before taxes discontinued operations	0.0	(0.3)	32.5	46.4
Unrealised currency (gain)/loss on debt	2.8	(11.8)	4.7	(17.3)
Depreciation	12.8	12.9	26.2	72.6
Financial income	(0.2)	(0.8)	(1.1)	(4.0)
Financial costs	10.7	13.6	18.3	57.1
Change in working capital	16.0	45.1	26.7	(33.1)
Other items from operating activities	(4.1)	(31.5)	13.2	(46.1)
<b>Net cash flow from operating activities</b>	<b>66.6</b>	<b>53.4</b>	<b>147.7</b>	<b>231.0</b>
Acquisition of tangible assets	(69.0)	(41.3)	(255.7)	(374.4)
Proceeds from sale of tangible assets	0.0	0.0	10.1	9.5
Net effect of spin-off of subsidiary	0.0	0.0	0.0	562.5
Buy-back of own shares	0.0	0.0	0.0	(49.2)
Translation difference financial assets	0.0	0.0	(18.4)	(18.4)
Interests received	0.2	0.8	1.1	4.0
<b>Net cash flow from investing activities</b>	<b>(68.8)</b>	<b>(40.5)</b>	<b>(262.9)</b>	<b>134.0</b>
Proceeds from new interest-bearing debt	20.0	10.0	226.1	1 166.5
Repayment of interest-bearing debt	0.0	(10.0)	(126.1)	(1 526.2)
Interests paid	(10.7)	(13.6)	(18.3)	(51.7)
<b>Net cash flow from financing activities</b>	<b>9.3</b>	<b>(13.6)</b>	<b>81.7</b>	<b>(411.4)</b>
<b>Net cash flow</b>	<b>7.1</b>	<b>(0.7)</b>	<b>(33.5)</b>	<b>(46.4)</b>
Cash and deposits at beginning of period	115.6	116.3	162.0	162.0
<b>Cash and deposits at end of period</b>	<b>122.7</b>	<b>115.6</b>	<b>128.5</b>	<b>115.6</b>
Cash and deposits continuing operations	122.7	115.6	74.9	115.6
Cash and deposits discontinued operations	0.0	0.0	53.6	0.0
<b>Cash and deposits at end of period</b>	<b>122.7</b>	<b>115.6</b>	<b>128.5</b>	<b>115.6</b>

## STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Q1 09	Q4 08	Q1 08	2008
Equity at beginning of period	124.6	134.2	1 038.6	1 038.6
Comprehensive income for the period	15.3	(10.2)	31.0	138.1
Dividends	0.0	0.0	0.0	(993.2)
Costs related to split	0.0	0.6	0.0	(9.7)
Buy-back of own shares	0.0	0.0	0.0	(49.2)
<b>Equity at end of period</b>	<b>139.9</b>	<b>124.6</b>	<b>1 069.6</b>	<b>124.6</b>

## **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 first quarter of 2009 were authorised for issue in accordance with a resolution of the board of directors on 14 May 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.

### **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 2008. In accordance with IFRS, no gain was recognised from this distribution. As at 31 March 2009 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 March 2009 the shares are valued at the share price prevailing on this date, NOK 10.50, 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.

<b>KEY FIGURES</b>	<b>Q1 09</b>	<b>Q4 08</b>	<b>Q1 08</b>	<b>2008</b>
Operating margin	46.0 %	48.9 %	40.0 %	47.3 %
Equity ratio	10.4 %	9.5 %	37.5 %	9.5 %
Return on equity	79.5 %	101.4 %	19.2 %	46.5 %
Net interest bearing debt (USD million)	858.8	843.1	1 327.3	843.1
Number of shares (1 000)	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	222 928	222 928	229 827	227 667
USD/NOK exchange rate at end of period	6.68	7.00	5.09	7.00
Share price (NOK)	24.05	26.00	80.00	26.00
Share price (USD)	3.60	3.71	15.72	3.71
Market capitalisation (NOK million)	5 530	5 978	18 395	5 978
Market capitalisation (USD million)	828	854	3 614	854

#### **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

<b>SHAREHOLDERS AS AT 06.05.2009</b>	<b>No. of shares</b>	<b>Ownership</b>
Folketrygdfondet	28 555 535	12.4 %
GMO	9 801 438	4.3 %
Brown Brothers Harriman	8 094 295	3.5 %
Pareto	7 884 750	3.4 %
Prosafe SE	7 001 705	3.0 %
Clearstream Banking (nom.)	6 180 930	2.7 %
RBC Dexia (nom.)	5 468 304	2.4 %
Storebrand	5 155 585	2.2 %
BGL SA	4 933 807	2.1 %
State Street Bank & Trust (nom.)	4 882 217	2.1 %
<b>Total 10 largest shareholders</b>	<b>87 423 720</b>	<b>38.0 %</b>

Total no. of shares: 229 936 790