



FIRST HALF REPORT 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.

First half 2009

Operating profit for the first half of 2009 came to USD 84.3 million (USD 105.4 million). MSV *Regalia* has undergone a major refurbishment throughout the period, and this reduced the utilisation of the rig fleet down to 82 per cent (93 per cent). The impact of the lower utilisation was partly offset by higher day rates for the rigs on hire.

The contract for *Safe Astoria* was terminated for convenience by the client in February. The client had originally contracted the rig for a period of around two years from December 2007. Prosafe receives 85 per cent of the day rate until the new contract with Shell starts in October.

Safe Concordia completed the contract in the US Gulf of Mexico in early February,

and commenced operation for Pemex in the Gulf of Mexico on 8 May. *Safe Bristolia* commenced on a bareboat contract in the Gulf of Mexico in mid-March.

Safe Caledonia has operated for Total in the UK North Sea throughout the period, interrupted by a period of 40 days due to a planned yard stay.

Safe Scandinavia completed the contract with BP in the Norwegian sector of the North Sea in early June.

All other vessels have been fully utilised in the first half year of 2009.

Net financial costs amounted to USD 4.3 million (USD 29.5 million). This improvement reflects lower interest costs and increased market value of currency forwards as at 30 June 2009.

Tax costs expensed in the first half equalled USD 10.6 million (USD 3.3 million). The increased level is due to a provision relating to an unrealised currency gain in a Norwegian subsidiary.

Net profit amounted to USD 69.4 million (USD 72.6 million excl. discontinued operations), corresponding to diluted earnings per share of USD 0.31 (USD 0.32 excl. discontinued operations).

Total assets at 30 June amounted to USD 1 387.9 million (USD 1 362.7 million), while the book equity ratio declined to 13.7 per cent (14.7 per cent).

Second quarter

Utilisation of the rig fleet was 86 per cent (99 per cent) in the second quarter.

Operating profit amounted to USD 46.8 million (USD 63.4 million), which reflects the lower rig utilisation mainly due to the yard stay of MSV *Regalia* throughout the second quarter this year. USD 1 million relating to a settlement of a previous operation has been charged to the accounts for the second quarter.

Safe Astoria was on 85 per cent of contracted standby day rate in April and on 85 per cent of full operating day rate from 1 May 2009.

Safe Concordia commenced operation for Pemex in the Gulf of Mexico on 8 May, and *Safe Scandinavia* completed the contract with BP in the Norwegian sector of the North Sea in early June.

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

Net financial items amounted to USD 4.6 million (net costs of USD 14.7 million). The main reason for this change is increased market value of currency forwards as at 30 June 2009.

Tax costs expensed in the second quarter amounted to USD 8.3 million (USD 0.2 million). This increase is due to a provision relating to an unrealised currency gain in a Norwegian subsidiary.

Net profit amounted to USD 43.1 million (USD 48.5 million excl. discontinued operations), corresponding to diluted earnings per share of USD 0.19 (USD 0.21 excl. discontinued operations).

Dividend

The board of directors resolved on 26 August 2009 to declare an interim dividend of NOK 0.35 per share to shareholders of record as of 9 September 2009.

The shares will trade ex-dividend as from 7 September 2009. The dividend will be paid on 23 September 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. *Safe Concordia* started a 240-day contract 8 May. 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.

At the end of July 2009, *Safe Scandinavia* commenced a 65-day contract for Shell in the UK North Sea, after completing a five-year special periodic survey (SPS) at a yard in Invergordon, Scotland.

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

MSV *Regalia* started operation for BP at the Valhall field on 12 July. This contract has a firm duration until January 2011 with an option period of six months.

Safe Astoria will start a 243-day contract, including mobilisation and demobilisation, for Shell in the Philippines early October 2009. *Safe Astoria* is now in layup at the Kemaman yard in Malaysia, after SEIC in the beginning of February terminated the contract for convenience. Prosafe receives 85 per cent of the day rate from SEIC until the new contract with Shell starts in early October.

Within the harsh and semi-harsh offshore environments where most of Prosafe's accommodation rigs operate, there is a good supply-demand balance and the

number of new-builds to be delivered over the next few years is limited.

In the North Sea, the majority of the fixed installations are mature and require greater maintenance and modifications to uphold production and safe operation. Increased recovery and tie-ins of satellite fields to existing installations have extended the lifetime for many fields in the North Sea with ten to 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 strong 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 Mexico and the North Sea, with growth potential in other deepwater regions.

Risk

Prosafe's main operational risks are the day rate level and the utilisation rate of the accommodation fleet. The company's results also depend on operating costs, interest expenses and exchange rates. These risks are described in detail in the chapter 'Risk management and sensitivities' and in the Directors' report in the Annual Report 2008.

Statement from the board of directors and president & CEO

We confirm that, to the best of our knowledge, the financial statements for the first half year of 2009, which have been prepared in accordance with IAS 34 Interim Financial Statements, give a true and fair view of the company's assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Larnaca, 26 August 2009

Reidar Lund
Chairman

Christian Brinch

Ronny J Langeland

Elin Nicolaisen

Michael R Parker

Christakis Pavlou

Roger Cornish

Arne Austreid
President and CEO

INCOME STATEMENT

(Unaudited figures in USD million)	Q2 09	Q1 09	Q2 08	1H 2009	1H 2008	2008
Operating revenues	85.9	81.6	125.9	167.5	230.9	491.1
Operating expenses	(26.2)	(31.3)	(50.6)	(57.5)	(101.6)	(210.1)
Operating profit before depreciation	59.7	50.3	75.3	110.0	129.3	281.0
Depreciation	(12.9)	(12.8)	(11.9)	(25.7)	(23.9)	(48.8)
Operating profit	46.8	37.5	63.4	84.3	105.4	232.2
Interest income	0.1	0.2	1.3	0.3	2.4	4.0
Interest expenses	(11.8)	(10.7)	(13.4)	(22.5)	(31.7)	(57.1)
Other financial items	16.3	1.6	(2.6)	17.9	(0.2)	(23.7)
Net financial items	4.6	(8.9)	(14.7)	(4.3)	(29.5)	(76.8)
Profit before taxes	51.4	28.6	48.7	80.0	75.9	155.4
Taxes	(8.3)	(2.3)	(0.2)	(10.6)	(3.3)	9.4
Net profit from continuing operations	43.1	26.3	48.5	69.4	72.6	164.8
Net profit from discontinued operations	0.0	0.0	9.9	0.0	38.0	38.0
Net profit	43.1	26.3	58.4	69.4	110.6	202.8
Earnings per share	0.19	0.12	0.25	0.31	0.48	0.88
Diluted earnings per share	0.19	0.12	0.25	0.31	0.48	0.88
EPS from continuing operations	0.19	0.12	0.21	0.31	0.32	0.72
Diluted EPS from continuing operations	0.19	0.12	0.21	0.31	0.32	0.72

STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in USD million)	Q2 09	Q1 09	Q2 08	1H 2009	1H 2008	2008
Net profit for the period	43.1	26.3	58.4	69.4	110.6	202.8
Foreign currency translation	(2.1)	(5.0)	9.0	(7.1)	13.5	45.3
Revaluation hedging instruments	12.0	(6.0)	27.3	6.0	1.6	(41.5)
Revaluation shares	8.2	0.0	38.8	8.2	38.8	(68.5)
Other comprehensive income	18.1	(11.0)	75.1	7.1	53.9	(64.7)
Comprehensive income	61.2	15.3	133.5	76.5	164.5	138.1

BALANCE SHEET

(Unaudited figures in USD million)	30.06.09	31.03.09	31.12.08	30.06.08
Goodwill	226.7	226.7	226.7	226.7
Rigs	916.3	884.1	828.4	760.7
Other non-current assets	5.0	4.3	3.8	3.2
Total non-current assets	1 148.0	1 115.1	1 058.9	990.6
Cash and deposits	127.3	122.7	115.6	118.6
Other current assets	112.6	105.6	139.4	253.5
Total current assets	239.9	228.3	255.0	372.1
Total assets	1 387.9	1 343.4	1 313.9	1 362.7
Share capital	63.9	63.9	63.9	63.9
Other equity	126.6	76.0	60.7	136.4
Total equity	190.5	139.9	124.6	200.3
Interest-free long-term liabilities	107.8	117.1	107.9	110.2
Interest-bearing long-term debt	870.0	920.0	958.7	820.9
Total long-term liabilities	977.8	1 037.1	1 066.6	931.1
Other interest-free current liabilities	85.2	104.9	122.7	91.3
Current portion of long-term debt	134.4	61.5	0.0	140.0
Total current liabilities	219.6	166.4	122.7	231.3
Total equity and liabilities	1 387.9	1 343.4	1 313.9	1 362.7

CASH FLOW STATEMENT

(Unaudited figures in USD million)	Q2 09	Q1 09	Q2 08	1H 2009	1H 2008	2008
Profit before taxes continuing operations	51.4	28.6	48.7	80.0	75.9	155.4
Profit before taxes discontinued operations	0.0	0.0	13.9	0.0	46.4	46.4
Unrealised currency (gain)/loss on debt	2.9	2.8	0.2	5.7	4.9	(17.3)
Depreciation	12.9	12.8	21.5	25.7	47.7	72.6
Financial income	(0.1)	(0.2)	(1.3)	(0.3)	(2.4)	(4.0)
Financial costs	11.8	10.7	13.4	22.5	31.7	57.1
Change in working capital	(26.7)	16.0	(199.9)	(10.7)	(173.2)	(33.1)
Other items from operating activities	0.5	(4.1)	48.8	(3.6)	62.0	(46.1)
Net cash flow from operating activities	52.7	66.6	(54.7)	119.3	93.0	231.0
Acquisition of tangible assets	(45.8)	(69.0)	(10.1)	(114.8)	(265.8)	(374.4)
Proceeds from sale of tangible assets	0.0	0.0	(0.6)	0.0	9.5	9.5
Net effect of spin-off of subsidiary	0.0	0.0	562.7	0.0	562.7	562.5
Buy-back of own shares	0.0	0.0	0.0	0.0	0.0	(49.2)
Translation difference financial assets	0.0	0.0	0.0	0.0	(18.4)	(18.4)
Interests received	0.1	0.2	1.3	0.3	2.4	4.0
Net cash flow from investing activities	(45.7)	(68.8)	553.3	(114.5)	290.4	134.0
Proceeds from new interest-bearing debt	20.0	20.0	895.0	40.0	1 121.1	1 166.5
Repayment of interest-bearing debt	0.0	0.0	(1 390.1)	0.0	(1 516.2)	(1 526.2)
Dividends paid	(10.6)	0.0	0.0	(10.6)	0.0	0.0
Interests paid	(11.8)	(10.7)	(13.4)	(22.5)	(31.7)	(51.7)
Net cash flow from financing activities	(2.4)	9.3	(508.5)	6.9	(426.8)	(411.4)
Net cash flow	4.6	7.1	(9.9)	11.7	(43.4)	(46.4)
Cash and deposits at beginning of period	122.7	115.6	128.5	115.6	162.0	162.0
Cash and deposits at end of period	127.3	122.7	118.6	127.3	118.6	115.6
Cash and deposits continuing operations	127.3	122.7	118.6	127.3	118.6	115.6
Cash and deposits discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Cash and deposits at end of period	127.3	122.7	118.6	127.3	118.6	115.6

STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Q2 09	Q1 09	Q2 08	1H 2009	1H 2008	2008
Equity at beginning of period	139.9	124.6	1 069.6	124.6	1 038.6	1 038.6
Comprehensive income for the period	61.2	15.3	133.5	76.5	164.5	138.1
Dividends	(10.6)	0.0	(994.0)	(10.6)	(994.0)	(993.2)
Costs related to split	0.0	0.0	(8.8)	0.0	(8.8)	(9.7)
Buy-back of own shares	0.0	0.0	0.0	0.0	0.0	(49.2)
Equity at end of period	190.5	139.9	200.3	190.5	200.3	124.6

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 first half of 2009 were authorised for issue in accordance with a resolution of the board of directors on 26 August 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 30 June 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 30 June 2009 the shares are valued at the share price prevailing on this date, NOK 12.10, 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.

KEY FIGURES	Q2 09	Q1 09	Q2 08	1H 2009	1H 2008	2008
Operating margin	54.5 %	46.0 %	50.4 %	50.3 %	45.6 %	47.3 %
Equity ratio	13.7 %	10.4 %	14.7 %	13.7 %	14.7 %	9.5 %
Return on equity	104.4 %	79.5 %	36.8 %	88.1 %	35.7 %	46.5 %
Net interest bearing debt (USD million)	877.1	858.8	842.3	877.1	842.3	843.1
Number of shares (1 000)	229 937	229 937	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	222 935	222 935	229 827	222 935	229 827	227 667
USD/NOK exchange rate at end of period	6.38	6.68	5.08	6.38	5.08	7.00
Share price (NOK)	32.20	24.05	50.50	32.20	50.50	26.00
Share price (USD)	5.05	3.60	9.94	5.05	9.94	3.71
Market capitalisation (NOK million)	7 404	5 530	11 612	7 404	11 612	5 978
Market capitalisation (USD million)	1 160	828	2 286	1 160	2 286	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

SHAREHOLDERS AS AT 17.08.2009 No. of shares Ownership

Folketrygdfondet	28 396 735	12.3 %
Pareto	8 411 487	3.7 %
GMO	8 314 338	3.6 %
Brown Brothers Harriman	8 057 345	3.5 %
Clearstream Banking (nom.)	7 309 231	3.2 %
Prosafe SE	7 001 705	3.0 %
State Street Bank & Trust (nom.)	5 817 592	2.5 %
RBC Dexia (nom.)	5 793 575	2.5 %
BGL SA	4 933 807	2.1 %
State Street Bank & Trust (nom.)	4 573 418	2.0 %
Total 10 largest	88 609 233	38.5 %

Total no. of shares: 229 936 790