

FIRST QUARTER 2014

Financials

(Figures in brackets refer to the corresponding period of 2013)

Operating profit for the first quarter amounted to USD 22.9 million (USD 19 million). Utilisation of the fleet was 76 per cent (74 per cent).

Safe Caledonia, Safe Astoria, Safe Concordia, Safe Lancia, Jasminia, Safe Hibernia, Safe Britannia and Safe Regency were in full operation throughout the quarter.

Safe Concordia was on contract in Brazil with an average effective day rate in the quarter of approximately USD 136 000.

Safe Caledonia completed operations for BP on 31 March. The vessel is currently at Burntisland in the UK for preparatory work before mobilising for a contract with Nexen in the UK commencing early June 2014.

Regalia completed the planned yard work and a five-year special period survey (SPS) at Keppel Verolme and commenced operation for Statoil in Norway on 28 February.

Safe Scandinavia remained at the Remontowa yard in Poland undertaking a life extension refurbishment and a five-year SPS before it commenced a contract with Statoil in Norway late April 2014.

Safe Bristolia undertook maintenance work at Burntisland in the UK during the quarter, and commenced a contract with ConocoPhillips in May 2014.

Safe Astoria continued its operation for Swiber in Indonesia throughout the first quarter. In addition, Prosafe and Swiber have agreed an extension period of 43 days which commenced early April 2014.

Net financial expenses for the first quarter were USD 4 million (USD 18.6 million). The reduction is mainly related to favourable revaluation of forward exchange contracts.

Net profit amounted to USD 18.3 million (net loss of USD 0.7 million), and earnings per share were USD 0.08 (USD 0.00).

Total assets at 31 March amounted to USD 1 597.5 million (USD 1 459.2 million), while the book equity ratio rose to 43.9 per cent (42 per cent). Net interest-bearing debt stood at USD 728.9 million (USD 608.1 million).

Dividend

On 28 May 2014 the Board of Directors resolved to declare an interim dividend equivalent to USD 0.16 per share to shareholders of record as of 6 June 2014. The shares will trade ex-dividend on 4 June 2014. The dividend will be paid in the form of NOK 0.95 per share on 18 June 2014.

Financing

In May 2014, Prosafe closed a seven-year term loan facility of USD 288 million for the post-delivery financing of Safe Notos and Safe Eurus, which are under construction

at COSCO (Qidong) Shipyard in China. The facility has an interest rate of 3-month USD LIBOR plus 2.25 per cent and a repayment profile of 12 years.

Outlook

The global accommodation vessel market remains busy. Although the number of outstanding tenders is lower than at the same point in time last year, Prosafe is set to continue to grow contract backlog in 2014. As at 31 March 2014, the firm contract backlog amounted to USD 1,192 million, USD 2,509 million including clients' extension options, compared to USD 936 million, USD 1,098 million including clients' extension options, at 31 March 2013.

Over the past few years there has been a strong growth in demand related to hook-up and commissioning of new production installations in the North Sea. The activity level in this area is set to remain high for the next couple of years, but based on the oil companies' announced plans and schedules, the pace of new developments seems to be slowing down beyond 2016. However, with an aging infrastructure combined with a continuous drive for higher recovery rates, demand for accommodation vessels in the North Sea should remain at a robust level in the foreseeable future.

As a result of increased activity in shallow

waters in Mexico, the market has developed positively over the past few years. This development is expected to continue based on the number of drilling jack-ups scheduled to enter the market. Recently introduced reforms are expected to open up for international oil companies in Mexican waters and as such are supportive for the long-term outlook in deep water areas.

Demand in the Brazilian market continues to require accommodation vessels with Petrobras having increased its requirements from zero accommodation vessels under contract in 2010, to nine vessels currently under contract. So far, all the vessels are deployed in the Campos basin, but it is anticipated that demand will also emerge from other areas in the future.

The strong demand growth in Brazil has attracted new suppliers. This has resulted in a competitive and fragmented market (the nine contracted vessels are owned by eight different companies). It is therefore difficult not only to realise economies of scale and establish efficient cost structures, but also to achieve the desired level of return in the Brazilian market despite the strong demand growth. Although there are signs of increasing day rates, it is likely that returns in the Brazilian market remain below the returns in other core markets over the next few years.

Larnaca, 28 May 2014

The Board of Directors of Prosafe SE

CONSOLIDATED INCOME STATEMENT

(Unaudited figures in USD million)	Q1 14	Q4 13	Q1 13	2013
Operating revenues	91.7	134.8	85.8	523.5
Operating expenses	(53.6)	(53.4)	(52.4)	(216.9)
Operating profit before depreciation	38.1	81.4	33.4	306.6
Depreciation	(15.2)	(14.4)	(14.4)	(61.5)
Operating profit	22.9	67.0	19.0	245.1
Interest income	0.1	0.1	0.5	1.3
Interest expenses	(8.3)	(8.4)	(9.0)	(34.2)
Other financial items	4.2	1.4	(10.1)	(8.5)
Net financial items	(4.0)	(6.9)	(18.6)	(41.4)
Profit before taxes	18.9	60.1	0.4	203.7
Taxes	(0.6)	(0.4)	(1.1)	(4.6)
Net profit	18.3	59.7	(0.7)	199.1
EPS	0.08	0.25	0.00	0.85
Diluted EPS	0.08	0.25	0.00	0.85

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in USD million)	Q1 14	Q4 13	Q1 13	2013
Net profit for the period	18.3	59.7	(0.7)	199.1
Foreign currency translation	(6.5)	(1.2)	0.0	(0.4)
Revaluation hedging instruments	(12.2)	10.9	1.4	35.4
Other comprehensive income	(18.7)	9.7	1.4	35.0
Comprehensive income	(0.4)	69.4	0.7	234.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)	31.03.14	31.12.13	31.03.13
Goodwill	226.7	226.7	226.7
Vessels	981.3	946.9	926.3
New builds	260.3	248.9	142.0
Other non-current assets	5.1	4.9	20.3
Total non-current assets	1 473.4	1 427.4	1 315.3
Cash and deposits	57.6	113.4	81.5
Other current assets	66.4	79.1	62.4
Total current assets	124.0	192.5	143.9
Total assets	1 597.4	1 619.9	1 459.2
Share capital	65.9	65.9	68.2
Other equity	635.6	673.8	544.6
Total equity	701.5	739.7	612.8
Interest-free long-term liabilities	37.8	25.1	64.3
Interest-bearing long-term debt	786.5	779.6	654.5
Total long-term liabilities	824.3	804.7	718.8
Other interest-free current liabilities	71.6	75.5	92.5
Current portion of long-term debt	0.0	0.0	35.1
Total current liabilities	71.6	75.5	127.6
Total equity and liabilities	1 597.4	1 619.9	1 459.2

CONSOLIDATED CASH FLOW STATEMENT

(Unaudited figures in USD million)	Q1 14	Q4 13	Q1 13	2013
Profit before taxes	18.9	60.1	0.4	203.7
Unrealised currency (gain)/loss on debt	5.9	(4.4)	(13.8)	(27.1)
Loss on sale of non-current assets	0.0	2.4	0.0	2.4
Depreciation	15.2	14.4	14.4	61.5
Financial income	(0.1)	(0.1)	(0.5)	(1.3)
Financial costs	8.3	8.4	9.0	34.2
Change in working capital	8.8	34.4	39.5	5.8
Other items from operating activities	(6.6)	(6.1)	(2.2)	(11.3)
Net cash flow from operating activities	50.4	109.1	46.8	267.9
Acquisition of tangible assets	(61.2)	(135.5)	(50.6)	(227.2)
Proceeds from sale of tangible assets	0.0	13.2	1.4	16.4
Interests received	0.1	0.1	0.5	1.3
Net cash flow from investing activities	(61.1)	(122.2)	(48.7)	(209.5)
Proceeds from new interest-bearing debt	70.0	212.3	120.8	404.1
Repayment of interest-bearing debt	(69.0)	(160.0)	(227.8)	(407.8)
New share issue	0.0	0.0	129.2	128.9
Dividends paid	(37.8)	(35.4)	(33.4)	(139.6)
Interests paid	(8.3)	(8.4)	(9.0)	(34.2)
Net cash flow from financing activities	(45.1)	8.5	(20.2)	(48.6)
Net cash flow	(55.8)	(4.6)	(22.1)	9.8
Cash and deposits at beginning of period	113.4	118.0	103.6	103.6
Cash and deposits at end of period	57.6	113.4	81.5	113.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Q1 14	Q4 13	Q1 13	2013
Equity at beginning of period	739.7	705.7	516.3	516.3
New share issue	0.0	0.0	129.2	128.9
Comprehensive income for the period	(0.4)	69.4	0.7	234.1
Dividends	(37.8)	(35.4)	(33.4)	(139.6)
Equity at end of period	701.5	739.7	612.8	739.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2014 were authorised for issue in accordance with a resolution of the board of directors on 28 May 2014. 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: NEW BUILDS

In November 2013, Prosafe completed firm turnkey contracts with COSCO (Qidong) Offshore Co., Ltd. for the engineering, procurement and construction of two semi-submersible accommodation vessels, with options for four further units. The vessels will be the most advanced and flexible units for worldwide operations excluding Norway, and will be ready for operations in 2016. The units will be of Gusto MSC's Ocean 500 design, and will be equipped with 500 beds, DP3 station keeping systems, 10-point chain mooring and 300 tonne cranes. This will allow for operations in both DP and anchored mode, providing maximum cost efficiency and flexibility. The contracts are in excess of USD 200 million for each of the two vessels. The vessels will be financed through cash flow from operations, existing debt commitments and new debt facilities. In addition, Prosafe has currently two vessels under construction at Jurong Shipyard in Singapore.

KEY FIGURES	Q1 14	Q4 13	Q1 13	2013
Operating margin	25.0 %	49.7 %	22.1 %	46.8 %
Equity ratio	43.9 %	45.7 %	42.0 %	45.7 %
Return on equity	10.2 %	33.0 %	-0.5 %	31.7 %
Net interest bearing debt (USD million)	728.9	666.2	608.1	666.2
Number of shares (1 000)	235 973	235 973	242 937	235 973
Average no. of outstanding shares (1 000)	235 973	235 973	224 362	233 806
USD/NOK exchange rate at end of period	5.99	6.08	5.83	6.08
Share price (NOK)	47.98	46.80	56.50	46.80
Share price (USD)	8.01	7.70	9.69	7.70
Market capitalisation (NOK million)	11 322	11 044	13 726	11 044
Market capitalisation (USD million)	1 890	1 816	2 354	1 816

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