



Prosafe



Oslo, 9 February 2007

Fourth quarter 2006 results

Disclaimer

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Agenda

- The quarter in brief
- Financial result for 4th quarter 2006
- Business divisions – status, strategy and outlook
- Summary



FPSO Polvo

Q4 2006 in brief

- Best-ever annual result
- New FPSO contract for Petrobras in Brazil
- FPSO conversion projects according to plan
- Engineering capacity for two more projects in 2007
- Disconnectable turret under development
- Rig dayrates continued to increase
- The board of directors proposes to distribute a dividend of NOK 1.25 per share for the year 2006
- A successful year where goals have been achieved

Growth continues at higher pace

Profit and loss account

(Unaudited figures in USD million)

	Q4 06	Q3 06	Q4 05	2006	2005
Operating revenues	103.2	112.0	75.4	365.6	295.3
Operating expenses	(41.2)	(45.2)	(41.3)	(157.9)	(144.4)
Operating profit before depreciation	62.0	66.8	34.1	207.7	150.9
Depreciation	(17.3)	(16.1)	(11.7)	(57.7)	(47.3)
Operating profit	44.7	50.7	22.4	150.0	103.6
Interest income	3.6	2.2	1.2	8.5	4.3
Interest expenses	(11.1)	(10.5)	(4.9)	(32.1)	(17.6)
Other financial items	2.4	(3.8)	(2.2)	16.6	(2.6)
Net financial items	(5.1)	(12.1)	(5.9)	(7.0)	(15.9)
Profit before taxes	39.6	38.6	16.5	143.0	87.7
Taxes	(7.2)	(3.7)	(114.8)	(14.9)	(122.8)
Net profit from continuing operations	32.4	34.9	(98.3)	128.1	(35.1)
Net profit from discontinued operations	0.0	0.0	0.0	0.0	81.5
Net profit	32.4	34.9	(98.3)	128.1	46.4
EPS, basic and diluted (USD) ¹⁾	0.14	0.16	(0.58)	0.64	0.27

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

Balance sheet

(Unaudited figures in USD million)	31.12.06	30.09.06	31.12.05
Goodwill	355.0	352.9	128.3
Rigs	763.4	772.0	360.9
Ships	538.7	448.8	203.8
Other fixed assets	262.4	248.6	8.2
Total fixed assets	1 919.5	1 822.3	701.2
Cash and deposits	147.2	283.3	303.6
Other current assets	79.2	73.2	55.9
Total current assets	226.4	356.5	359.5
Total assets	2 145.9	2 178.8	1 060.7
Share capital	63.9	63.9	44.8
Other equity	1 025.8	1 132.2	390.2
Total equity	1 089.7	1 196.1	435.0
Interest-free long-term liabilities	101.7	127.1	117.6
Interest-bearing long-term debt	622.0	655.2	363.0
Total long-term liabilities	723.7	782.3	480.6
Dividends payable	147.0	0.0	30.2
Other interest-free current liabilities	168.6	170.5	87.0
Current portion of long-term debt	16.9	29.9	27.9
Total current liabilities	332.5	200.4	145.1
Total equity and liabilities	2 145.9	2 178.8	1 060.7

Offshore Support Services

(Unaudited figures in USD million)	Q4 06	Q3 06	Q4 05	2006	2005
Operating revenues	77.3	90.8	49.5	272.6	186.7
Operating expenses	(27.9)	(36.0)	(28.2)	(113.6)	(86.5)
EBITDA	49.4	54.8	21.3	159.0	100.2
Depreciation	(13.0)	(12.0)	(7.7)	(41.7)	(30.6)
Operating profit	36.4	42.8	13.6	117.3	69.6
Total assets	1 591.6	1 483.1	458.3	1 591.6	458.3

Floating Production

(Unaudited figures in USD million)	Q4 06	Q3 06	Q4 05	2006	2005
Operating revenues	25.8	21.2	25.7	92.6	108.3
Operating expenses	(12.0)	(7.5)	(11.8)	(39.1)	(54.0)
EBITDA	13.8	13.7	13.9	53.5	54.3
Depreciation	(4.2)	(4.1)	(4.0)	(15.7)	(16.4)
Operating profit	9.6	9.6	9.9	37.8	37.9
Total assets	774.0	676.9	418.2	774.0	418.2

Cash flow

(Unaudited figures in USD million)	Q4 06	Q3 06	Q4 05	2006	2005
Net cash flow from operating activities	19.1	46.1	33.2	232.8	146.7
Net cash flow from investing activities	(105.9)	(227.2)	(14.0)	(1 207.4)	(45.6)
Net cash flow from financing activities	(49.3)	253.5	0.8	818.2	(35.7)
Net cash flow from continuing operations	(136.1)	72.4	20.0	(156.4)	65.4
Net cash flow from discontinued operations	0.0	0.0	0.0	0.0	116.6
Cash and deposits at beginning of period	283.3	210.9	283.6	303.6	121.6
Cash and deposits at end of period	147.2	283.3	303.6	147.2	303.6

Key figures

	Q4 06	Q3 06	Q4 05	2006	2005
Operating margin	43.3 %	45.3 %	29.7 %	41.0 %	35.1 %
Equity ratio	50.8 %	54.9 %	41.0 %	50.8 %	41.0 %
Return on equity	11.3 %	16.8 %	-78.6 %	16.8 %	10.5 %
Return on capital employed	10.3 %	15.5 %	12.2 %	11.6 %	13.1 %
Net interest bearing debt (USD million)	491.7	401.8	87.3	491.7	87.3

Shareholders

AS AT 02.02.2007	No. of shares	Ownership
BW Group	51 932 990	22.6 %
Folketrygdfondet	14 192 035	6.2 %
Brown Brothers Harriman	12 028 305	5.2 %
ING Bank	10 973 000	4.8 %
State Street Bank & Trust (nom.)	10 859 032	4.7 %
Skandinaviska Enskildabanken	8 211 615	3.6 %
Credit Suisse	6 984 216	3.0 %
JP Morgan Chase Bank (nom.)	5 589 406	2.4 %
JP Morgan Chase Bank	4 802 238	2.1 %
RBC Dexia Investor Services Trust (nom.)	3 970 453	1.7 %
Total 10 largest shareholders	129 543 290	56.3 %
Total no. of shares:	229 936 790	Foreign holding: 75.3 %

Financial capacity

- The board of directors proposes to distribute a dividend of NOK 1.25 per share for the year 2006
- High and sustainable growth in earnings and free cash flow
- Balance sheet which supports future increased leverage
- Investments towards long-term contacts are ideal for debt financing

Unique opportunity for continued systematic and sustainable growth



Transformation to an SE company

- Prosafe was in 2006 transformed from a Norwegian Joint Stock Public Company (ASA) to a European Joint Stock Public Company (Societas Europea, or “SE company”)
- The board of directors has resolved to propose to the annual general meeting to relocate Prosafe’s headquarter from Norway to Cyprus

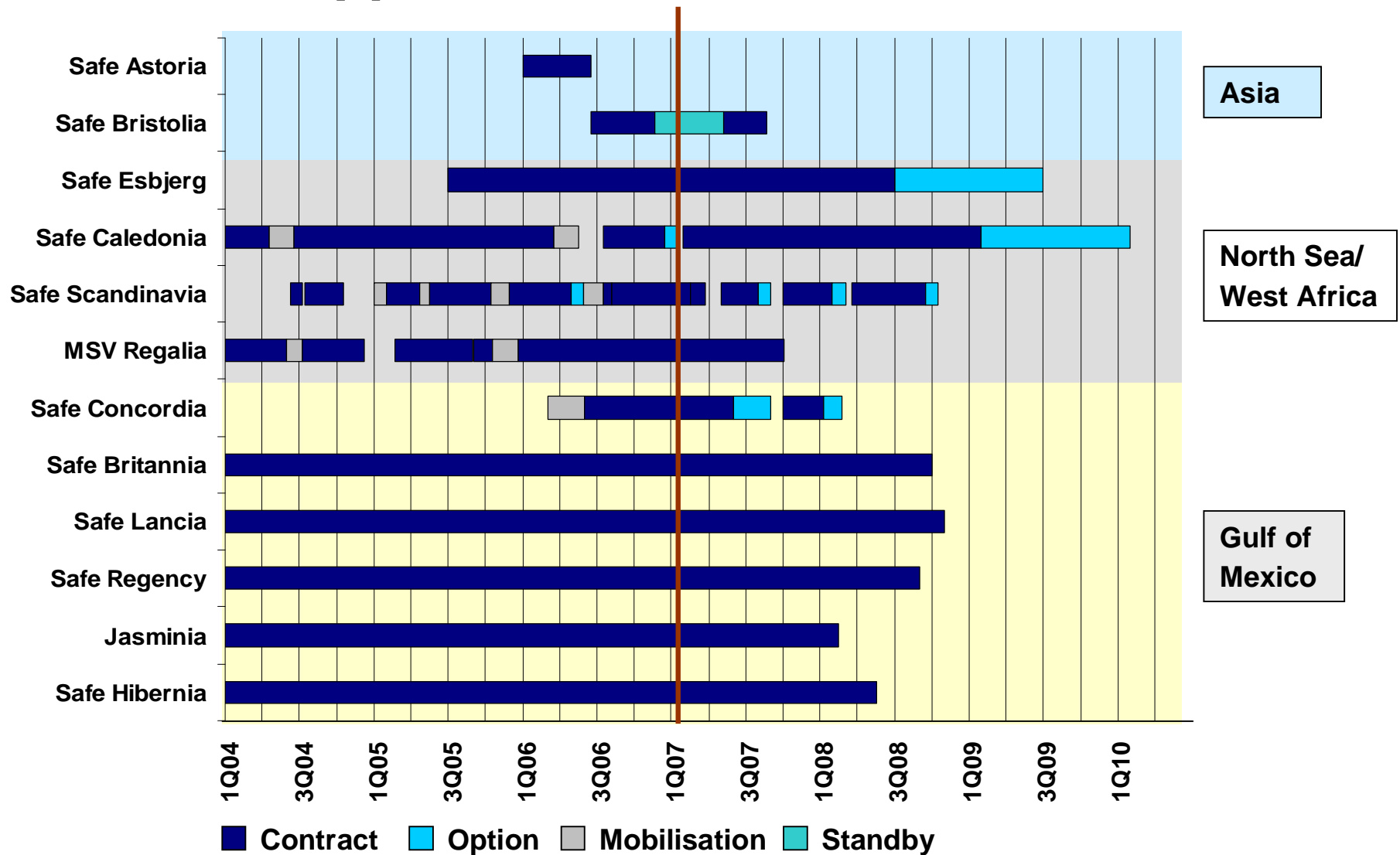
Offshore Support Services – status

- Flexible fleet that can be deployed in a large number of geographical areas
- Strong operational performance
- Dayrates continue to climb
- Number of new prospects continues to increase



Safe Scandinavia

Offshore Support Services – contract status



Offshore Support Services – strategy and outlook

Strategic focus:

- Maintain position as the world's largest owner and operator of high-end accommodation and service rigs

Outlook

- Strong demand for available units
- Steadily increasing dayrates



Safe Concordia

Strong growth in earnings for 2007

Floating Production – status

- Conversion projects are progressing as planned
- Significant increase in earnings as from Q2 2007
- Contract for gas FPSO for Petrobras in Brazil won in December 06
- Bidding activity continues at high level



Floating Production – status (cont)

- Business segment is characterised by strong segmentation
- Strong competitive edge based on in-house technology and project experience
- Drilling experience enables Prosafe to design, construct and operate FPSOs with drilling capability
- Capacity to conduct three conversion projects in 2007, plus one additional project as from autumn 2007

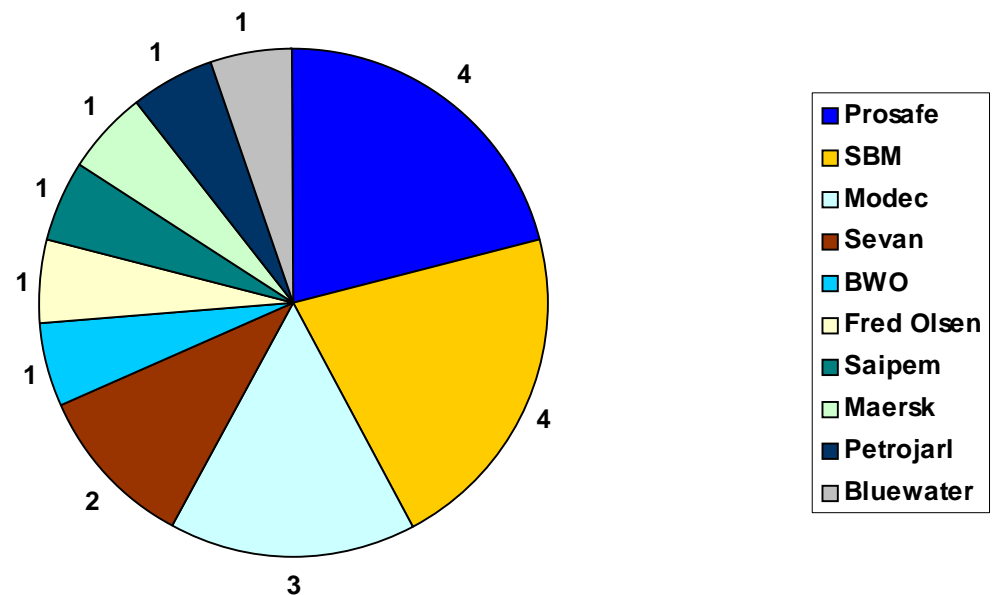


Capacity to support sustainable growth

Floating Production - a leading player

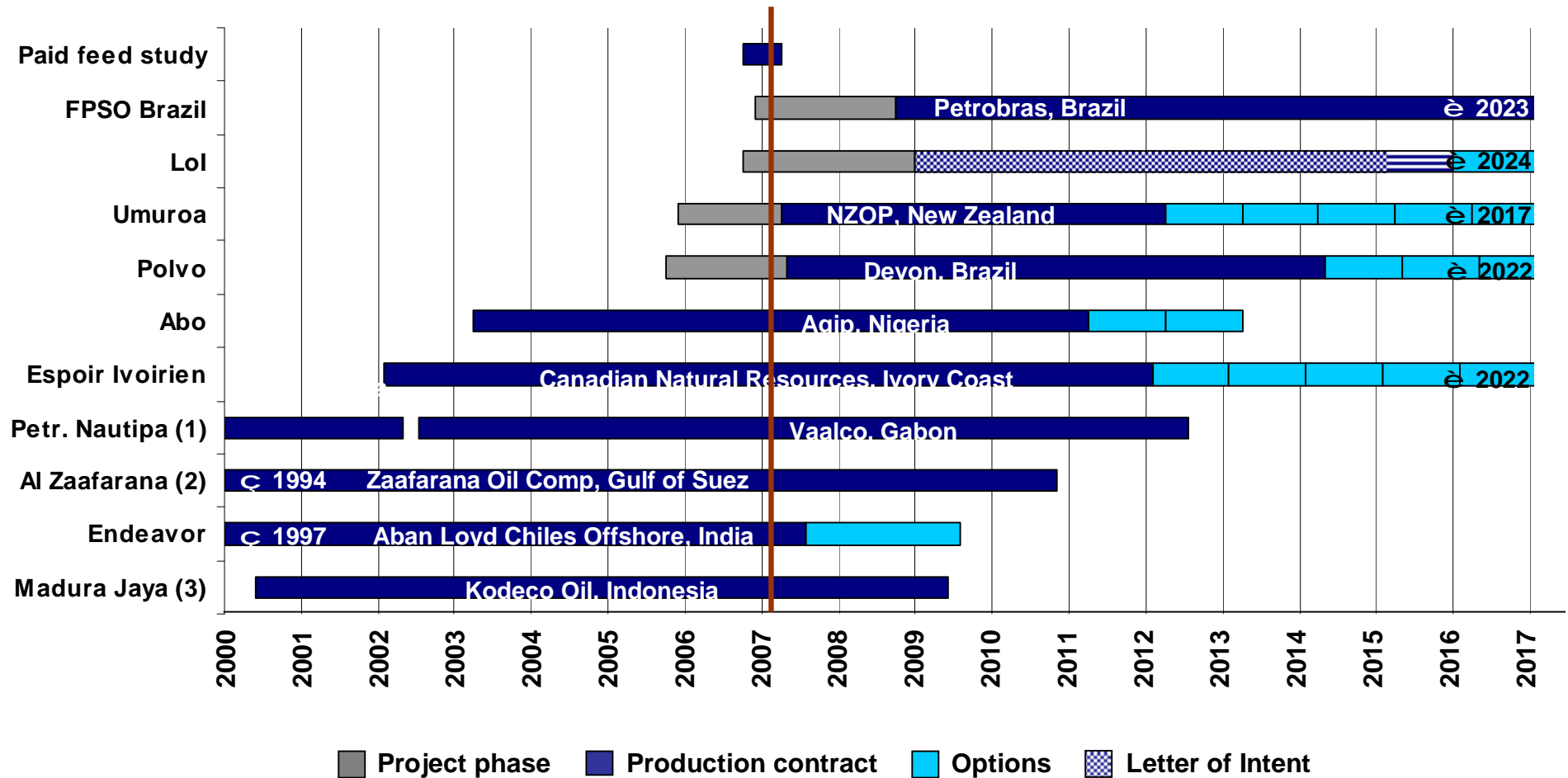
- Well positioned in high growth markets
- Proven delivery on local content
- Strong systems in place
- Technology support through own engineering organisation
- Strong proprietary technology provides competitive advantage

Number of FPSO contracts won last 18 months



Strong competitive edge based on in-house technology and solid track record

Floating Production - contract status



(1) 50% ownership: 5- year term, cancellable from September 2011; (2) Management contract; (3) 50% ownership

Status conversion projects FPSO Polvo and FPSO Umuroa

- Both projects are progressing according to plan
- Vessels shortly leaving the shipyard
- Estimated time of start-up: Q2 2007



FPSO Polvo – naming ceremony

Status FPSO Cidade de São Mateus for Petrobras

- Contract awarded 11 December 2006
- Project team in place
- Engineering in progress
- Long lead items being ordered
- Vessel in conversion yard end Q2-07
- Target arrival in field Q4-08
- VLCC M/T Navarin purchased for conversion



M/T Navarin

Status FPSO for undisclosed client (LOI)

- Project team in place
- Engineering underway
- Commitments made for long lead items (covered by LOI)
- Vessel in conversion yard early Q3-07
- Target arrival in field Q4-08
- VLCC M/T Europe purchased for conversion



M/T Europe

Floating Production – strategy and outlook

Strategic focus:

- Become the leading player in the segment for owning, converting and operating FPSO units worldwide
- Be the best FPSO player over time in terms of safe, efficient and profitable operations

Outlook

- Bidding activity continues at high level
- Strong competitive edge based on in-house technology and project experience
- Capacity to commence two new FPSO conversions in 2007

Summary and outlook

- Best-ever annual result
- Strongly positioned in the top segment of the FPSO market
- FPSO conversion projects progressing according to plan
- Project execution capacity increased
- Rig dayrates continue to climb
- Expect strong improvement in earnings in 2007, 2008 and 2009

Growth continues at higher pace

