



**Prosafe**



Oslo, 8 August 2007

## Second quarter 2007 results

## Disclaimer

All statements in this presentation other than statements of historical fact are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as “believe”, “may”, “will”, “should”, “would be”, “expect” or “anticipate” or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans or intentions. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation as anticipated, believed or expected. Prosafe does not intend, and does not assume any obligation to update any industry information or forward-looking statements set forth in this presentation to reflect subsequent events or circumstances.

## Agenda

- The quarter in brief
- Financial result for 2nd quarter 2007
- Business divisions: status, strategy and outlook
- Summary



## Q2 2007 in brief

- New contract awards
- Excellent operational results
- FPSO deliveries and conversion projects on schedule
- Solid financial results

**Strongly positioned for delivering  
shareholder value and further  
growing the company**



# Income statement

(Unaudited figures in USD million)	Q2 07	Q1 07	Q2 06	H1 07	H1 06	2006
Operating revenues	118.8	88.2	75.3	207.0	150.4	365.6
Operating expenses	(54.0)	(39.9)	(39.8)	(93.9)	(71.5)	(157.9)
<b>EBITDA</b>	<b>64.8</b>	<b>48.3</b>	<b>35.5</b>	<b>113.1</b>	<b>78.9</b>	<b>207.7</b>
Depreciation	(15.9)	(15.3)	(12.5)	(31.2)	(24.3)	(57.7)
<b>EBIT</b>	<b>48.9</b>	<b>33.0</b>	<b>23.0</b>	<b>81.9</b>	<b>54.6</b>	<b>150.0</b>
Interest income	1.6	1.9	1.3	3.5	2.7	8.5
Interest expenses	(13.8)	(12.3)	(5.4)	(26.1)	(10.5)	(32.1)
Other financial items	7.1	(1.9)	13.8	5.2	18.0	16.6
<b>Net financial items</b>	<b>(5.1)</b>	<b>(12.3)</b>	<b>9.7</b>	<b>(17.4)</b>	<b>10.2</b>	<b>(7.0)</b>
<b>Profit before taxes</b>	<b>43.8</b>	<b>20.7</b>	<b>32.7</b>	<b>64.5</b>	<b>64.8</b>	<b>143.0</b>
Taxes	2.4	(4.6)	(2.6)	(2.2)	(4.0)	(14.9)
<b>Net profit</b>	<b>46.2</b>	<b>16.1</b>	<b>30.1</b>	<b>62.3</b>	<b>60.8</b>	<b>128.1</b>
<b>EPS, basic and diluted (USD) <sup>1)</sup></b>	<b>0.20</b>	<b>0.07</b>	<b>0.21</b>	<b>0.27</b>	<b>0.35</b>	<b>0.64</b>

## Balance sheet

(Unaudited figures in USD million)	30.06.07	31.03.07	31.12.06	30.06.06
Goodwill	355.0	355.0	355.0	348.7
Rigs	760.3	753.8	763.4	780.3
Ships	701.2	631.0	538.7	413.2
Other non-current assets	281.3	271.5	262.4	9.0
<b>Total non-current assets</b>	<b>2 097.8</b>	<b>2 011.3</b>	<b>1 919.5</b>	<b>1 551.2</b>
Cash and deposits	117.6	141.4	147.2	210.9
Other current assets	121.0	64.8	79.2	84.7
<b>Total current assets</b>	<b>238.6</b>	<b>206.2</b>	<b>226.4</b>	<b>295.6</b>
<b>Total assets</b>	<b>2 336.4</b>	<b>2 217.5</b>	<b>2 145.9</b>	<b>1 846.8</b>
Share capital	63.9	63.9	63.9	60.6
Other equity	1 045.9	1 045.5	1 025.8	923.5
<b>Total equity</b>	<b>1 109.8</b>	<b>1 109.4</b>	<b>1 089.7</b>	<b>984.1</b>
Interest-free long-term liabilities	91.6	104.0	101.7	132.2
Interest-bearing long-term debt	862.8	813.8	622.0	495.6
<b>Total long-term liabilities</b>	<b>954.4</b>	<b>917.8</b>	<b>723.7</b>	<b>627.8</b>
Dividends payable	0.0	0.0	147.0	0.0
Other interest-free current liabilities	166.4	158.1	168.6	184.9
Current interest-bearing debt	105.8	32.2	16.9	50.0
<b>Total current liabilities</b>	<b>272.2</b>	<b>190.3</b>	<b>332.5</b>	<b>234.9</b>
<b>Total equity and liabilities</b>	<b>2 336.4</b>	<b>2 217.5</b>	<b>2 145.9</b>	<b>1 846.8</b>

## Offshore Support Services

(Unaudited figures in USD million)	Q2 07	Q1 07	Q2 06	H1 07	H1 06	2006
Operating revenues	95.8	66.4	53.0	162.2	104.5	272.6
Operating expenses	(43.0)	(28.7)	(30.0)	(71.7)	(49.7)	(113.6)
<b>EBITDA</b>	<b>52.8</b>	<b>37.7</b>	<b>23.0</b>	<b>90.5</b>	<b>54.8</b>	<b>159.0</b>
Depreciation	(11.4)	(11.3)	(8.3)	(22.7)	(16.7)	(41.7)
<b>EBIT</b>	<b>41.4</b>	<b>26.4</b>	<b>14.7</b>	<b>67.8</b>	<b>38.1</b>	<b>117.3</b>

# Floating Production

(Unaudited figures in USD million)	Q2 07	Q1 07	Q2 06	H1 07	H1 06	2006
Operating revenues	22.9	21.7	22.2	44.6	45.6	92.6
Operating expenses	(8.1)	(8.5)	(9.0)	(16.6)	(19.6)	(39.1)
<b>EBITDA</b>	<b>14.8</b>	<b>13.2</b>	<b>13.2</b>	<b>28.0</b>	<b>26.0</b>	<b>53.5</b>
Depreciation	(4.4)	(3.9)	(4.1)	(8.3)	(7.4)	(15.7)
<b>EBIT</b>	<b>10.4</b>	<b>9.3</b>	<b>9.1</b>	<b>19.7</b>	<b>18.6</b>	<b>37.8</b>



# Cash flow

(Unaudited figures in USD million)	Q2 07	Q1 07	Q2 06	H1 07	H1 06	2006
Operating activities	6.1	42.9	56.4	49.0	167.6	232.8
Investing activities	(102.4)	(107.1)	(717.1)	(209.5)	(874.3)	(1 207.4)
Financing activities	72.5	58.4	652.8	130.9	614.0	818.2
<b>Net cash flow</b>	<b>(23.8)</b>	<b>(5.8)</b>	<b>(7.9)</b>	<b>(29.6)</b>	<b>(92.7)</b>	<b>(156.4)</b>
Cash at beginning of period	141.4	147.2	218.8	147.2	303.6	303.6
<b>Cash at end of period</b>	<b>117.6</b>	<b>141.4</b>	<b>210.9</b>	<b>117.6</b>	<b>210.9</b>	<b>147.2</b>

## Key figures

	Q2 07	Q1 07	Q2 06	H1 07	H1 06	2006
Operating margin	41.2 %	37.4 %	30.5 %	39.6 %	36.3 %	41.0 %
Equity ratio	47.5 %	50.0 %	53.3 %	47.5 %	53.3 %	50.8 %
Return on equity	16.7 %	8.2 %	16.6 %	11.3 %	17.1 %	16.8 %
Return on capital employed	10.0 %	10.0 %	8.2 %	8.6 %	9.6 %	11.6 %
Net interest bearing debt	851.0	704.6	334.7	851.0	334.7	491.7

# Shareholders

<b>AS AT 23.07.2007</b>	<b>No. of shares</b>	<b>Ownership</b>
BW Group	55 932 990	24.3 %
UBS (nom.)	17 742 555	7.7 %
Folketrygdfondet	14 252 435	6.2 %
Brown Brothers Harriman	12 224 268	5.3 %
State Street Bank & Trust (nom.)	7 423 566	3.2 %
GMO	5 183 785	2.3 %
JP Morgan Chase Bank (nom.)	4 971 059	2.2 %
Pareto	3 783 250	1.6 %
Vital	3 311 171	1.4 %
Goldman Sachs (nom.)	3 257 245	1.4 %
<b>Total 10 largest shareholders</b>	<b>128 082 324</b>	<b>55.7 %</b>
Total no. of shares:	229 936 790	Foreign holding: 78.8 %

## Offshore Support Services – status

- Six-month contract for Safe Bristolia on the UKCS
- Excellent operational performance and high uptime
- Number of new prospects continues to increase due to:
  - Increasing number of fields
  - Increased offshore maintenance requirements
  - Emerging decommissioning market





## Offshore Support Services – outlook

- Rig market looks increasingly strong in a long term perspective
- Increasing dayrates going forward
  - Available rigs will benefit from the increasing dayrates
- Renewal of the current Mexico contracts
  - High likelihood of higher dayrates and increased earnings in 2008



Safe Scandinavia

**Strong market position and good assets provide attractive basis for future contracts**

## Floating Production – status

- Strong underlying performance and high uptime
- Two-year contract extension of FSO Endeavor
- 7 + 8 yr FPSO contract for Apache in Australia
- FPSO Polvo and FPSO Umuroa arrived in field according to schedule
- Ongoing three conversion projects are progressing according to plan
- Project management system developed over the last two years has been implemented



**FPSO Polvo arriving in Rio**

## Floating Production – status (cont)

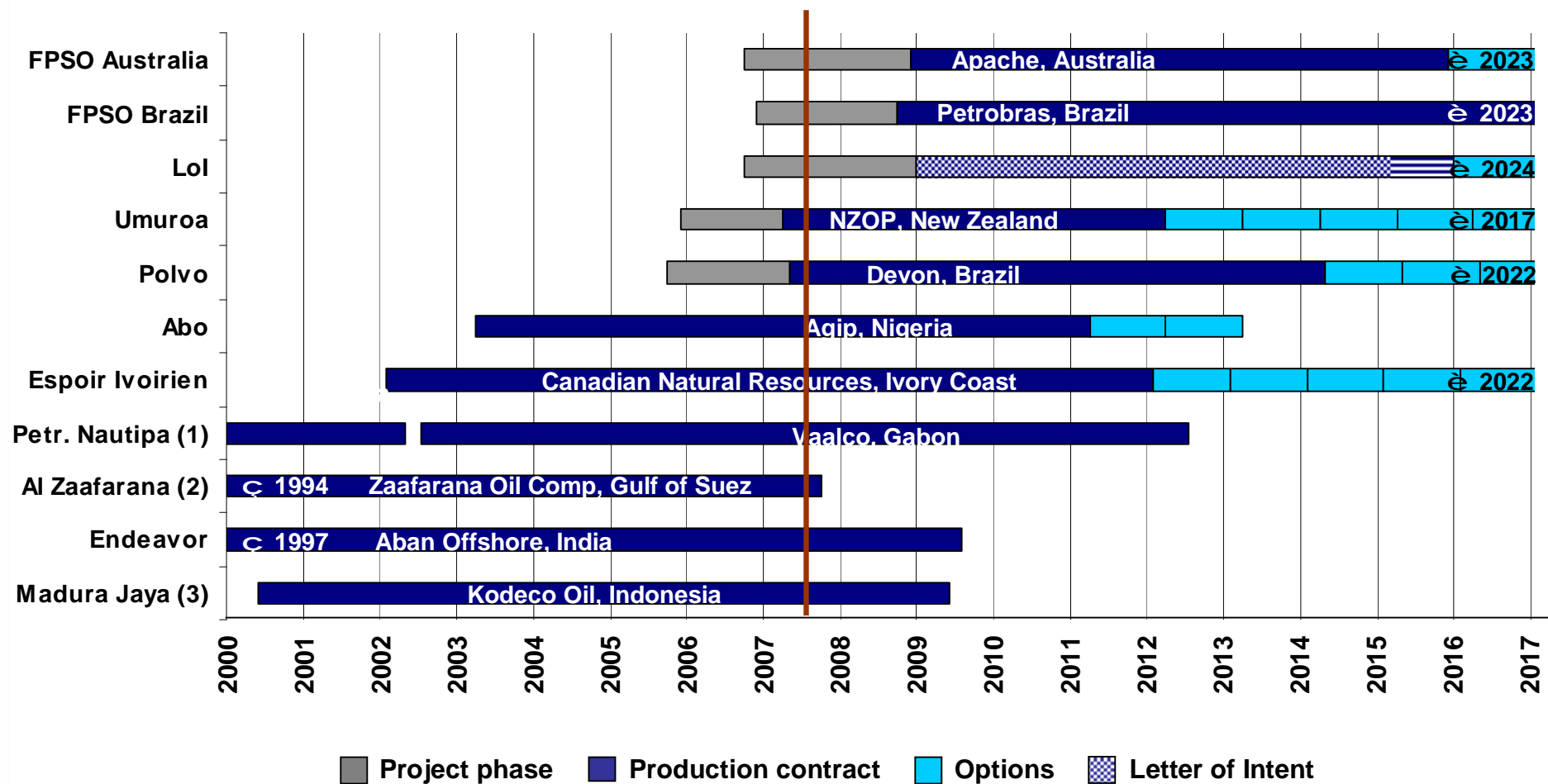
- Strong competitive edge based on
  - Unique patented in-house technology
  - Solid project management experience
  - Excellent operational track-record
- Engineering department expects a high number of variation orders
  - Increased earnings
  - Improved rate of return
  - Possibility for a longer life at the field

**Fortifying our position as one of  
the leading players in the FPSO  
business**





# Floating Production - contract status



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

## Status conversion projects:

FPSO Cidade de São Mateus for Petrobras, FPSO for undisclosed client (LOI), FPSO for Apache

- Engineering progressing according to plan
- Long lead items have been ordered
- Target arrival in field: Q4 2008
- Target first oil: early 2009

M/T Navarin



M/T Europe

M/T Kudam



## Floating Production – outlook

- Continued high level of bidding activity
- Well positioned in high growth markets
- Ambition and capacity to commence:
  - One additional FPSO conversion later this year
  - One additional project within 12 months



FPSO Umuroa

**Strong foundation for continued growth**

## Summary and outlook

- Strong market positions and international presence
- Rig market continues to improve and looks increasingly strong in a long term perspective
- FPSO growth continues at high pace in tight market.

**Strongly positioned for delivering shareholder value and further growing the company**

