



Prosafe



Prosafe Q1 2008 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

- Timetable split process
- Prosafe SE Q1 2008 results
- Prosafe SE status and outlook
- Prosafe Production Q1 2008 results
- Prosafe Production status and outlook



Overview of Prosafe Production separation process

Timetable

- Wed 14-May-2008 - Annual General Meeting of Shareholders
- Thu 15-May-2008 - Last day inclusive for trading of Prosafe shares
- Fri 16-May-2008 - Ex-date for Prosafe
- Tue 20-May-2008 - Record date for Prosafe
- Tue 27-May-2008 - Distribution of Prosafe Production shares
- Fri 30-May-2008 - Publication of prospectus for Prosafe Production
- Mon 02-Jun-2008 - First day of trading of Prosafe Production

Structure

- Prosafe will distribute approximately 90.1% of Prosafe Production shares to Prosafe shareholders through a dividend in-kind
- Prosafe will own approximately 9.9% of Prosafe Production subsequent to the distribution of shares
- Prosafe views its ownership in Prosafe Production as a financial investment

Prosafe SE - Q1 in brief

- Renewed contracts in Gulf of Mexico at 103% higher weighted average dayrate
- Safe Bristolia contract at record dayrate of USD 325 000
- Safe Bristolia mobilised to the North Sea
- MSV Regalia starts first decommissioning contract



Safe Bristolia

Income statement

(Unaudited figures in USD million)

	Q1 08	Q4 07	Q1 07	2007
Operating revenues	105.0	106.4	66.5	376.7
Operating expenses	(51.0)	(47.9)	(31.4)	(167.3)
Operating profit before depreciation	54.0	58.5	35.1	209.4
Depreciation	(12.0)	(11.9)	(11.4)	(46.4)
Operating profit	42.0	46.6	23.7	163.0
Interest income	1.1	1.5	1.5	5.6
Interest expenses	(18.3)	(17.3)	(12.3)	(58.8)
Other financial items	2.4	(15.1)	(2.1)	(13.9)
Net financial items	(14.8)	(30.9)	(12.9)	(67.1)
Profit before taxes	27.2	15.7	10.8	95.9
Taxes	(3.1)	0.2	(3.5)	(5.1)
Net profit from continuing operations	24.1	15.9	7.3	90.8
Net profit from discontinued operations	28.1	19.5	8.8	52.9
Net profit	52.2	35.4	16.1	143.7
Earnings per share (USD)	0.23	0.15	0.07	0.63
EPS from continuing operations (USD)	0.10	0.07	0.03	0.40

Offshore Support Services

(Unaudited figures in USD million)	Q1 08	Q4 07	Q1 07	2007
Operating revenues	97.9	106.0	66.4	376.1
Operating expenses	(48.6)	(43.6)	(28.7)	(154.3)
EBITDA	49.3	62.4	37.7	221.8
Depreciation	(11.9)	(11.7)	(11.3)	(46.0)
Operating profit	37.4	50.7	26.4	175.8

Floating Production (discontinued operations)

(Unaudited figures in USD million)	Q1 08	Q4 07	Q1 07	2007
Operating revenues	56.6	64.1	21.7	150.4
Operating expenses	(20.3)	(27.5)	(8.5)	(57.6)
EBITDA	36.3	36.6	13.2	92.8
Depreciation	(14.2)	(13.2)	(3.9)	(33.6)
Operating profit	22.1	23.4	9.3	59.2

Balance sheet

(Unaudited figures in USD million)	31.03.08	31.03.07	31.12.07
Goodwill	226.7	355.0	355.0
Rigs	753.6	753.8	749.6
Ships	0.0	631.0	926.5
Other non-current assets	1.5	271.5	304.6
Total non-current assets	981.8	2 011.3	2 335.7
Cash and deposits	74.9	141.4	162.0
Other current assets	106.6	64.8	126.3
Total current assets	181.5	206.2	288.3
Assets discontinued operations	1 689.0	0.0	0.0
Total assets	2 852.3	2 217.5	2 624.0
Share capital	63.9	63.9	63.9
Other equity	1 005.7	1 045.5	974.7
Total equity	1 069.6	1 109.4	1 038.6
Interest-free long-term liabilities	138.0	104.0	97.0
Interest-bearing long-term debt	1 153.7	813.8	1 184.1
Total long-term liabilities	1 291.7	917.8	1 281.1
Other interest-free current liabilities	106.2	158.1	137.3
Current portion of long-term debt	182.9	32.2	167.0
Total current liabilities	289.1	190.3	304.3
Liabilities discontinued operations	201.9	0.0	0.0
Total equity and liabilities	2 852.3	2 217.5	2 624.0

Pro forma balance sheet 31 March 2008

(Unaudited figures in USD million)	As reported	Adjustments	Pro forma
Non-current assets	981.8	0.0	981.8
Cash and deposits	74.9	0.0	74.9
Shares in Prosafe Production	0.0	107.3	107.3
Other current assets	106.6	0.0	106.6
Assets discontinued operations	1 689.0	(1 689.0)	0.0
Total assets	2 852.3	(1 581.7)	1 270.6
Equity	1 069.6	(980.3)	89.3
Interest-bearing liabilities	1 336.6	(399.5)	937.1
Other liabilities	244.2	0.0	244.2
Liabilities discontinued operations	201.9	(201.9)	0.0
Total equity and liabilities	2 852.3	(1 581.7)	1 270.6
Net interest-bearing debt	1 261.7	(399.5)	862.2

Cash flow

(Unaudited figures in USD million)	Q1 08	Q4 07	Q1 07	2007
Net cash flow from operating activities	130.5	37.3	42.9	162.1
Net cash flow from investing activities	(264.0)	(122.9)	(107.1)	(496.2)
Net cash flow from financing activities	100.0	105.0	58.4	348.9
Net cash flow	(33.5)	19.4	(5.8)	14.8
Cash and deposits at beginning of period	162.0	142.6	147.2	147.2
Cash and deposits at end of period	128.5	162.0	141.4	162.0

Key figures

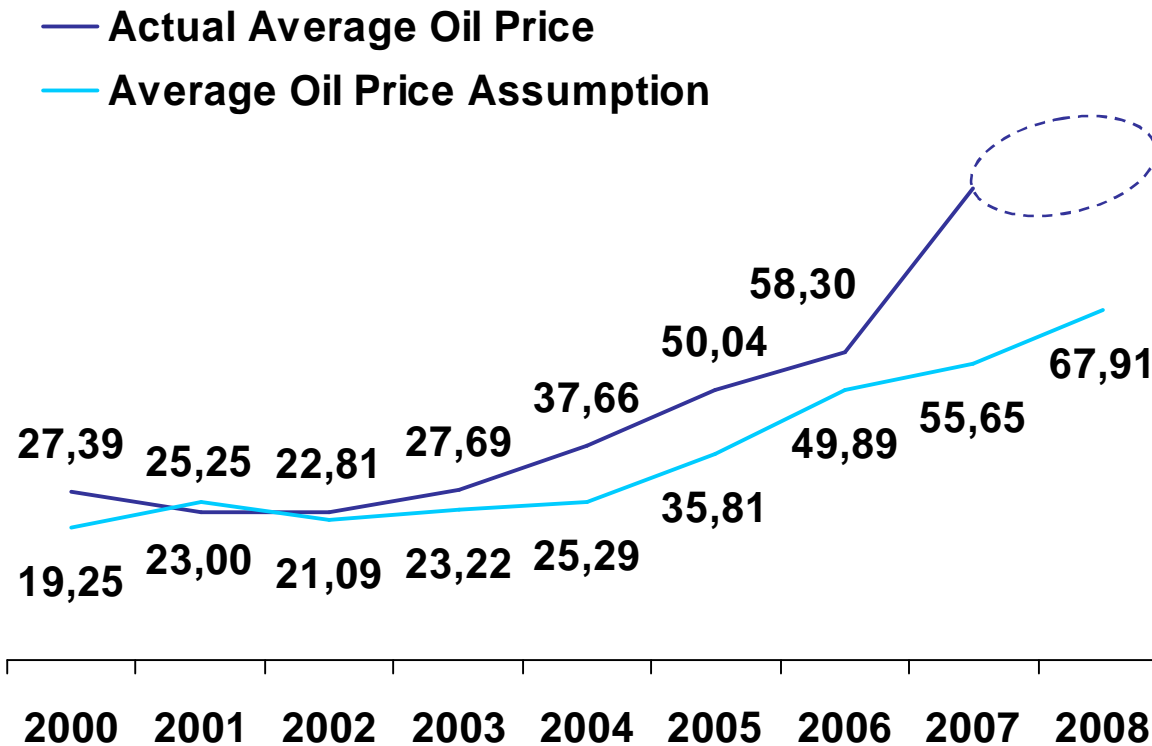
	Q1 08	Q4 07	Q1 07	2007
Operating margin	40.0 %	43.8 %	35.6 %	43.3 %
Equity ratio	37.5 %	39.6 %	50.0 %	39.6 %
Return on equity	19.2 %	12.9 %	8.2 %	13.5 %
Net interest bearing debt	1 327.3	1 189.1	704.6	1 189.1

Shareholders

AS AT 07.05.2008	No. of shares	Ownership
BW Group	60 932 990	26.5 %
Folketrygdfondet	15 375 735	6.7 %
GMO	10 134 373	4.4 %
Brown Brothers Harriman	9 331 166	4.1 %
UBS (nom.)	7 842 434	3.4 %
State Street Bank & Trust (nom.)	6 642 541	2.9 %
JP Morgan Chase Bank	5 693 131	2.5 %
Mellon Bank (nom.)	4 310 321	1.9 %
Pareto	4 140 350	1.8 %
Storebrand	3 676 912	1.6 %
Total 10 largest shareholders	128 079 953	55.7 %

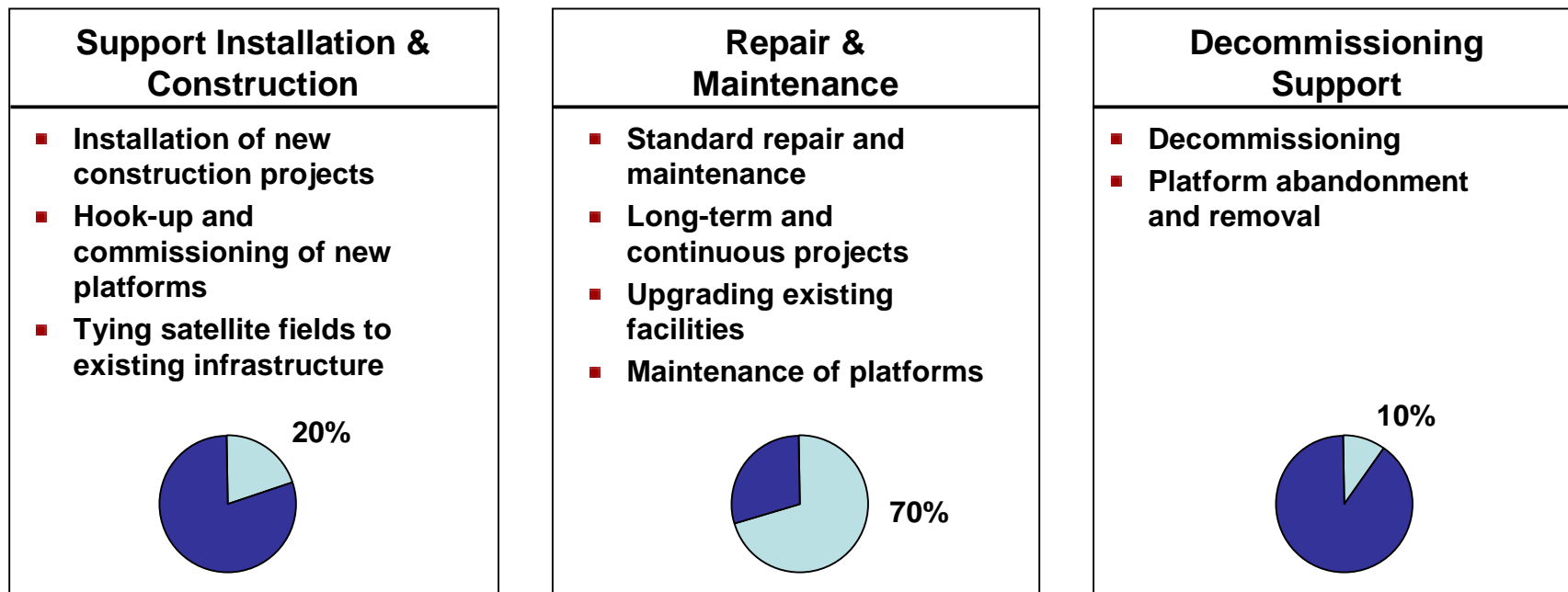
Increasing number of viable projects

Projected oil prices vs. actual oil price (\$/BBL)



Most projects sanctioned at significantly lower prices

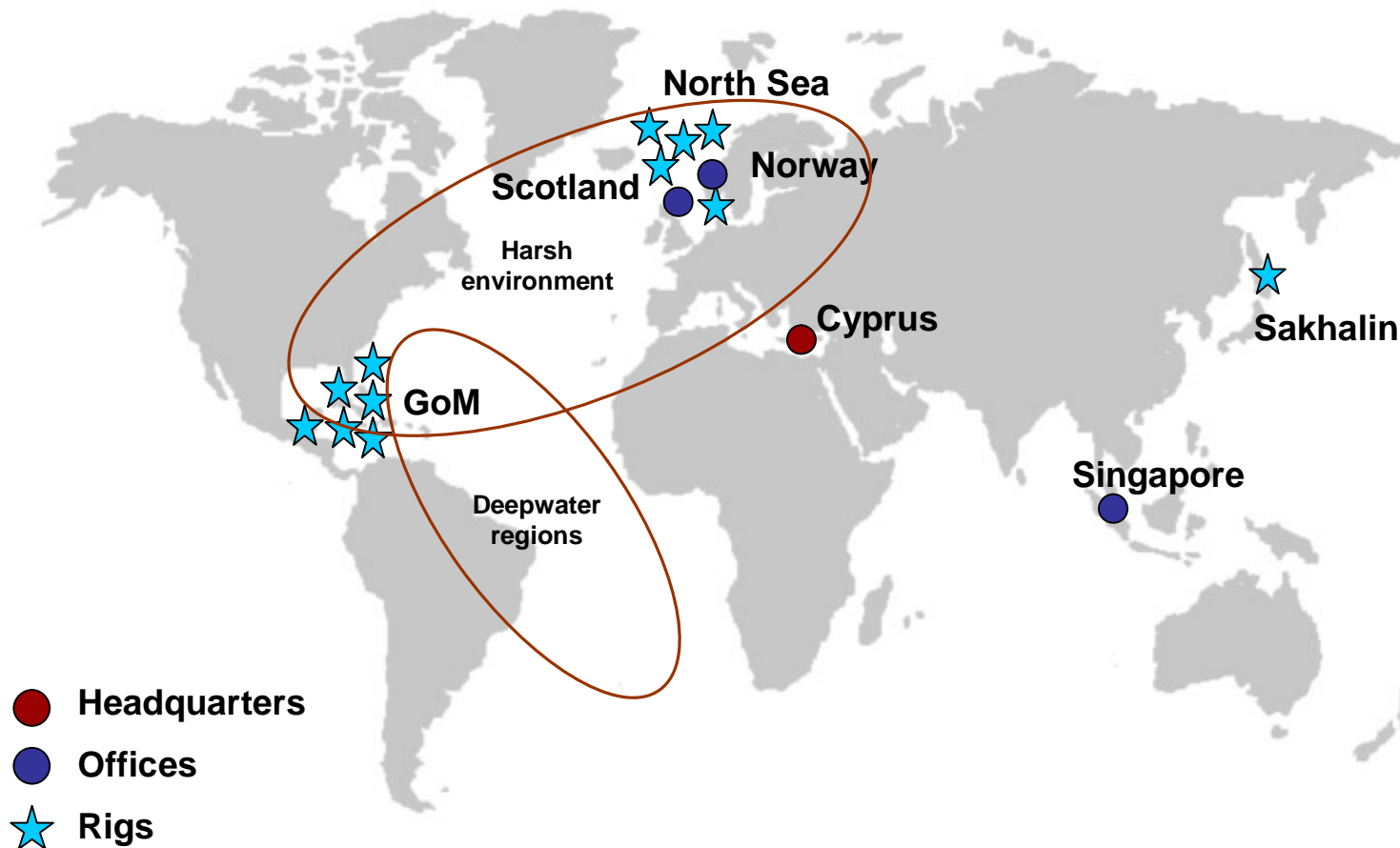
Prosafe offers services throughout the life cycle of an offshore oil and gas field



 Approximate fraction of time that accommodation rigs in general are used for the above phase



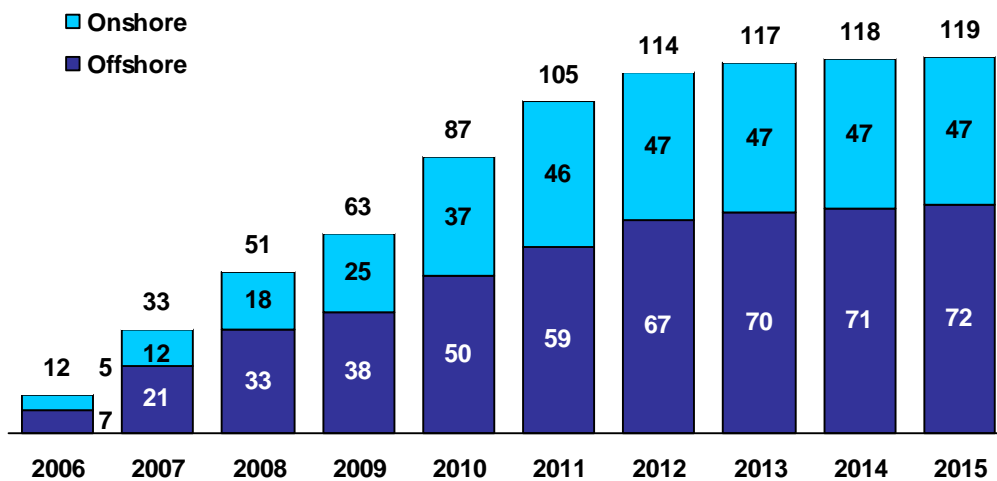
Dominant position in harsh environments



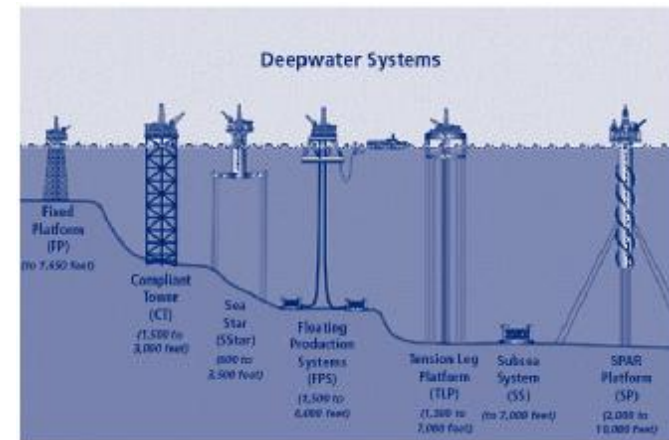
Operations as per March 2008 [offices for offshore support services to be confirmed]

More deepwater developments

Over 50% of the 100 Mega Projects on the Horizon are Offshore



Technology is Pushing E&P Potential Deeper Than Ever Before



Increasing demand for advanced accommodation rigs

Sources: Top 170 Projects to Change the World - Goldman Sachs Research (Jan-2007), The World Floating Production Report – Douglas Westwood (2007)

Fleet renewal and life extension

- Two main upgrades expected within the next five years
 - MSV Regalia and Safe Caledonia refit and life extension to target 20 year extended life in the North-Sea
 - MSV Regalia to be upgraded in 2008/2009.
 - Planned upgrade for Safe Caledonia is 2010/2011.
- Upgrades will generally be completed alongside five-year classification to reduce downtime and annual maintenance needs



Safe Caledonia

Upgrade and life extension of MSV Regalia

- Upgrade to achieve 20 year further life in Norway
- New accommodation modules with 330 single man cabins
- Hull and structure
- Machinery
- General systems and equipment
- Project to be completed in 2009



MSV Regalia

Summary

- Positive market outlook
- Leading position
- Versatile rig fleet
- Solid track record
- Strong financial platform



A photograph of an offshore oil rig, showing a complex network of yellow and white metal structures, pipes, and platforms against a clear sky and the ocean.

May 2008

Q1 08 presentation



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Agenda

Quarter in Brief

Financials

Projects

Operations

Market Outlook

Quarter in brief

- **Solid operating performance**
- **Conversion projects on schedule**
 - § **Delivery set for late 2008 for all three projects**
 - § **Certain cost increases experienced**
- **Significant increase in expression of interest from oil companies**



Profit & Loss

CONDENSED COMBINED INCOME STATEMENT

(unaudited figures in USD million)

	Q1 08	Q4 07	Q1 07	2007
Operating revenues	56.6	64.1	21.7	150.4
Operating expenses	(20.4)	(27.5)	(8.5)	(57.6)
Operating profit before depreciation	36.3	36.6	13.2	92.8
Depreciation	(14.2)	(13.2)	(3.9)	(33.6)
Operating profit	22.1	23.4	9.3	59.2
Interest income	0.3	0.3	0.4	1.3
Interest expenses	(1.5)	(1.5)	(0.0)	(1.7)
Other financial items	11.7	1.3	0.3	3.0
Net financial items	10.4	0.2	0.7	2.7
Profit before taxes	32.5	23.5	9.9	61.9
Taxes	(4.4)	(4.0)	(1.1)	(8.9)
Net profit	28.1	19.5	8.8	53.0

Balance Sheet

CONDENSED COMBINED BALANCE SHEET

(unaudited figures in USD million)

	31/03/2008	31/03/2007	31/12/2007
Goodwill	128.3	128.3	128.3
Ships	1,146.1	631.0	926.5
Other non-current assets	6.5	4.1	6.5
Total non-current assets	1,280.9	763.4	1,061.3
Cash and deposits	52.7	56.6	53.0
Other current assets	43.7	44.4	59.1
Total current assets	96.3	100.9	112.1
Total assets	1,377.2	864.3	1,173.4
Share capital	820.8	580.7	752.8
Other equity	265.1	227.0	237.3
Total equity	1,085.9	807.6	990.1
Interest-free long-term liabilities	0.9	1.0	1.1
Interest-bearing long-term debt	51.0	0.0	70.5
Total long-term liabilities	51.9	1.0	71.6
Dividends payable	0.0	0.0	0.0
Other interest-free current liabilities	185.4	0.2	62.2
Current interest-bearing debt	54.0	55.5	49.5
Total current liabilities	239.4	55.7	111.7
Total equity and liabilities	1,377.2	864.3	1,173.4

Subsequent transactions

Pro-forma adjustments Balance Sheet	Equity	Net debt
Combined statement as of March 31, 2008	1,086	52
Pro-forma changes	2	414
Pro-forma combined statement as of March 31, 2008	1,088	466

- **Reported Combined net debt of USD 52m as of March 31**
- **Several transactions have taken place between Prosafe SE and Prosafe Production after the closure of the quarter**
 - § Purchase of Teekay Petrojarl shares
 - § Purchase of Petróleo Nautipa
 - § Down-payment of inter-company debt
 - § Equity injection
- **If these transactions took place at March 31, the Q1 net debt would have been USD 466m**
- **Net debt-to-equity ratio of 0.43**
- **Book equity ratio of 64%**

Cash Flow

CONDENSED COMBINED CASH FLOW STATEMENT

(unaudited figures in USD million)

	Q1 08	Q4 07	Q1 07	2007
Profit before taxes	32.5	23.5	9.9	61.9
Unrealised currency loss on long-term debt	0.0	(1.4)	0.0	(1.4)
Depreciation	14.2	13.2	3.9	33.6
Taxes paid	(4.4)	0.0	0.0	(8.5)
Change in working capital	138.6	(25.0)	(31.5)	(39.0)
Other items from operating activities	(0.5)	0.0	0.0	(0.6)
Net cash flow from operating activities	180.4	10.4	(17.7)	46.0
Acquisition of tangible assets	(233.6)	(115.5)	(96.5)	(423.9)
Acquisition of financial assets	0.0	0.0	0.0	0.0
Dividends received	0.0	0.0	0.0	0.2
Net cash flow from investing activities	(233.6)	(115.5)	(96.5)	(423.8)
Proceeds from new interest-bearing debt	0.0	120.0	0.0	120.0
Repayment of interest-bearing debt	(15.2)	0.0	(0.4)	(0.6)
Paid-in capital	68.0	428.9	123.2	724.2
Dividends paid/Capital repayment	0.0	(433.9)	(3.6)	(464.4)
Net cash flow from financing activities	52.8	115.0	119.2	379.3
Net cash flow	(0.4)	9.9	5.1	1.5
Cash and deposits at beginning of period	53.0	43.1	51.5	51.5
Cash and deposits at end of period	52.6	53.0	56.5	53.0

Conversion projects – update on progress

- All three projects on schedule
 - § Delivery end 2008
- Markets for equipment and skilled people remains tight
- Certain cost increases experienced



Conversion projects – continuous improvement

- Follow-up of sub-suppliers intensified
- Organization substantially strengthened
- Revised bid system

Execution capabilities improved



FPSO Ningaloo Vision

Technological strength

- Capable and experienced engineering department
- Wide range of in-house developed turret and swivel designs
- FPSOs with drilling capabilities (FDPSO)

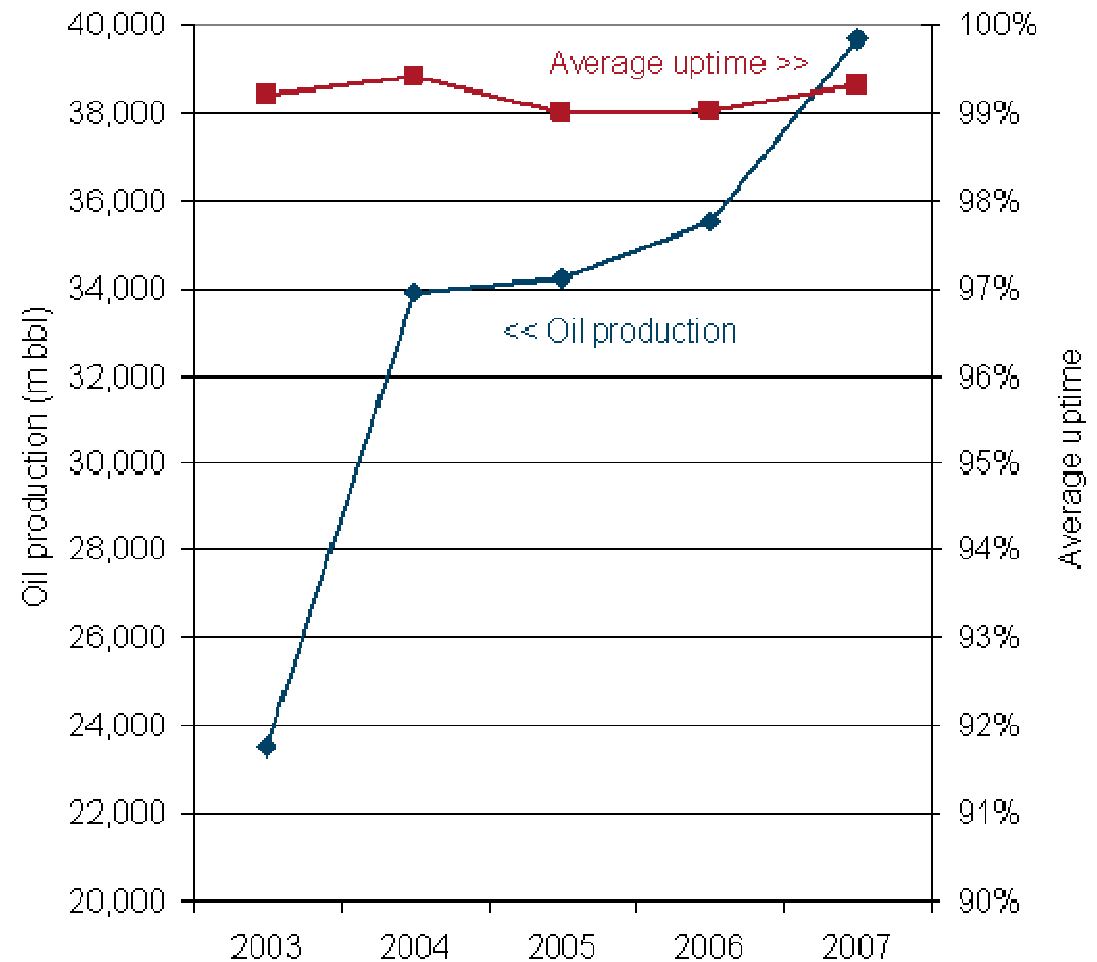
High operational uptime confirms quality of designs



Excellent operating performance

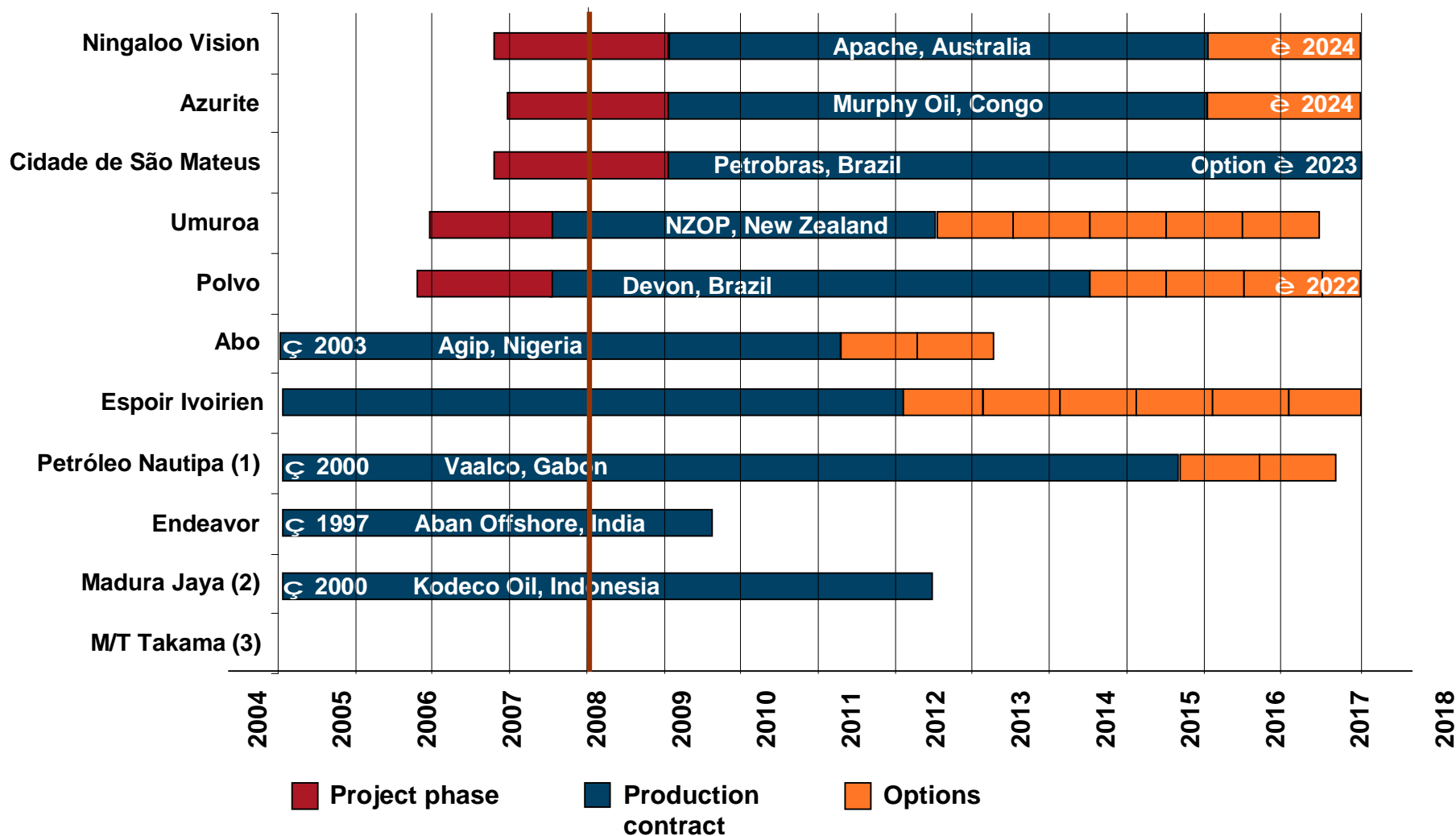
- Average uptime of 99.3% in 2007 and 99.8% in Q1 08
- Implies high regularity and stable production for our clients
- High uptime is a result of:
 - § Excellent operations
 - § High quality of designs and technical solutions

World-class operations



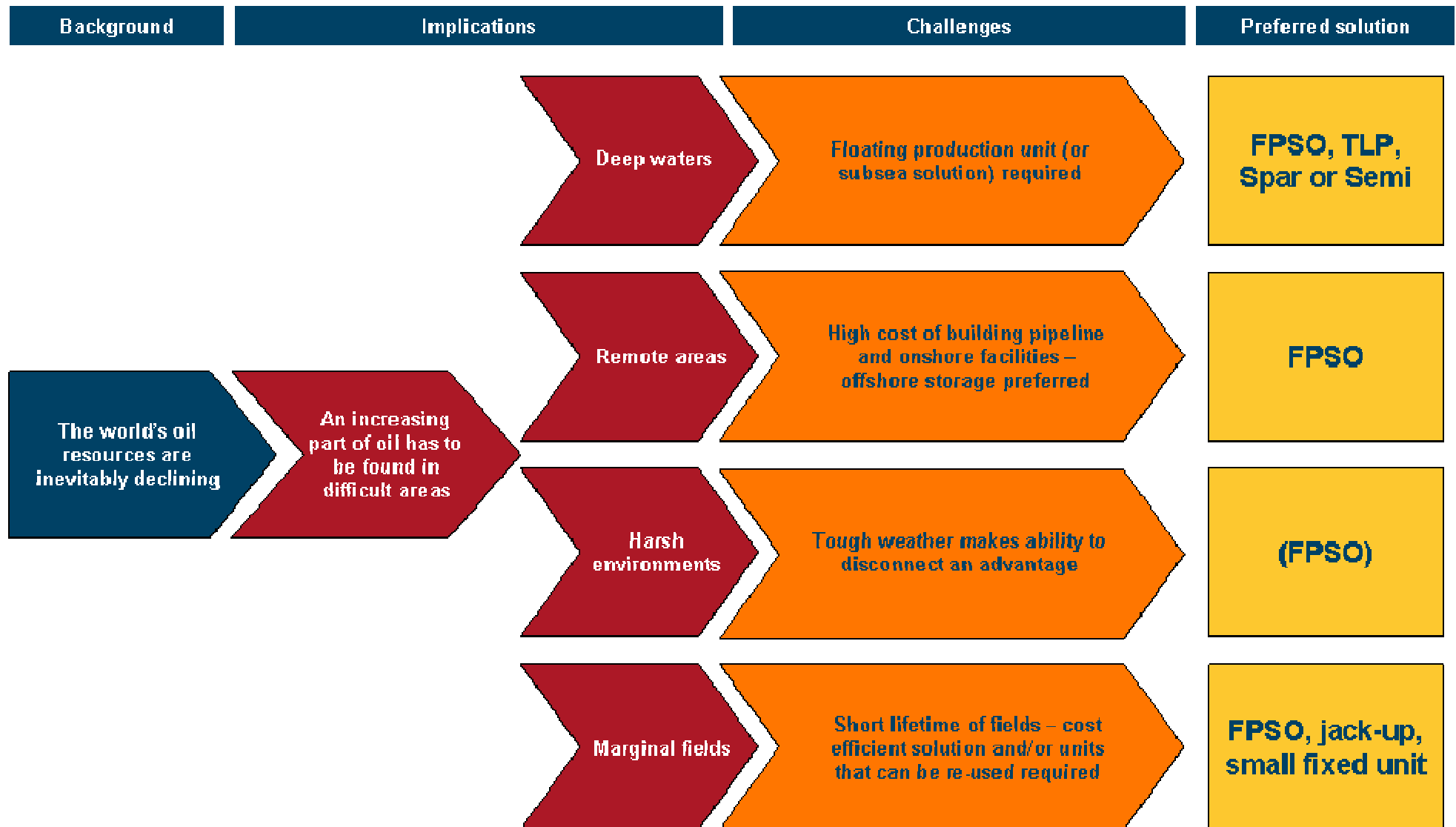
Solid contract portfolio

Order backlog of USD 4.4bn including options



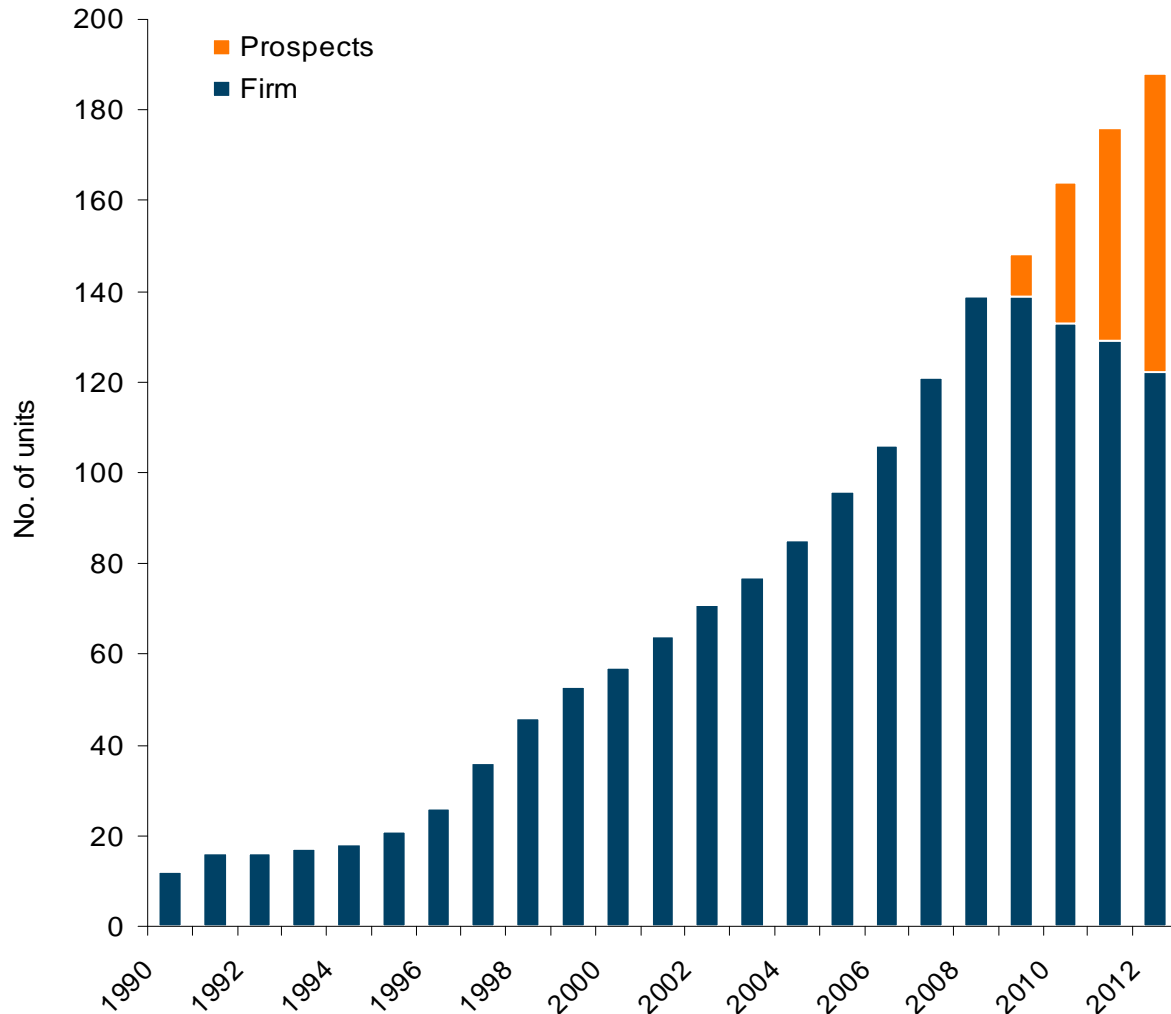
- (1) 50% ownership, can be terminated if the vessel requires drydocking in 2012;
- (2) 50% ownership;
- (3) conversion candidate

A long-term growth trend

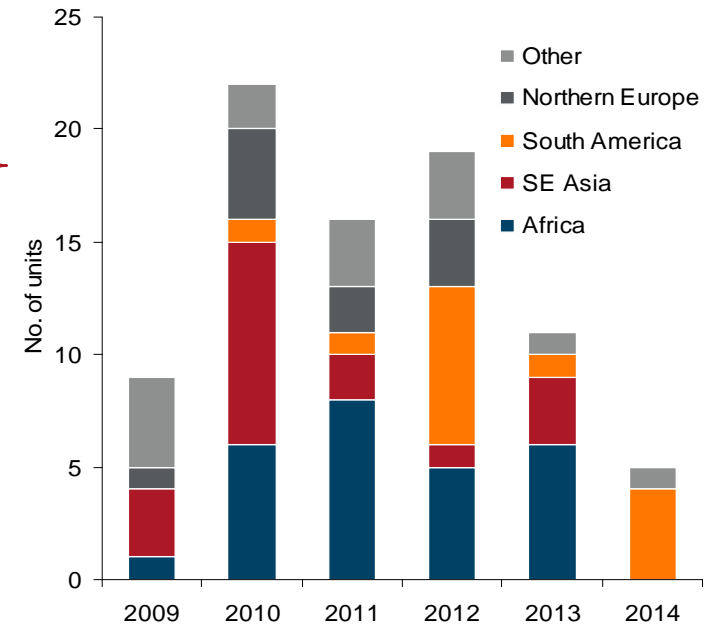


Strong demand for FPSOs over the coming years

FPSO demand



Geographical distribution of new projects



Source: IMA, ODS-Petrodata, Prosafe Production

Summary

