



Prosafe



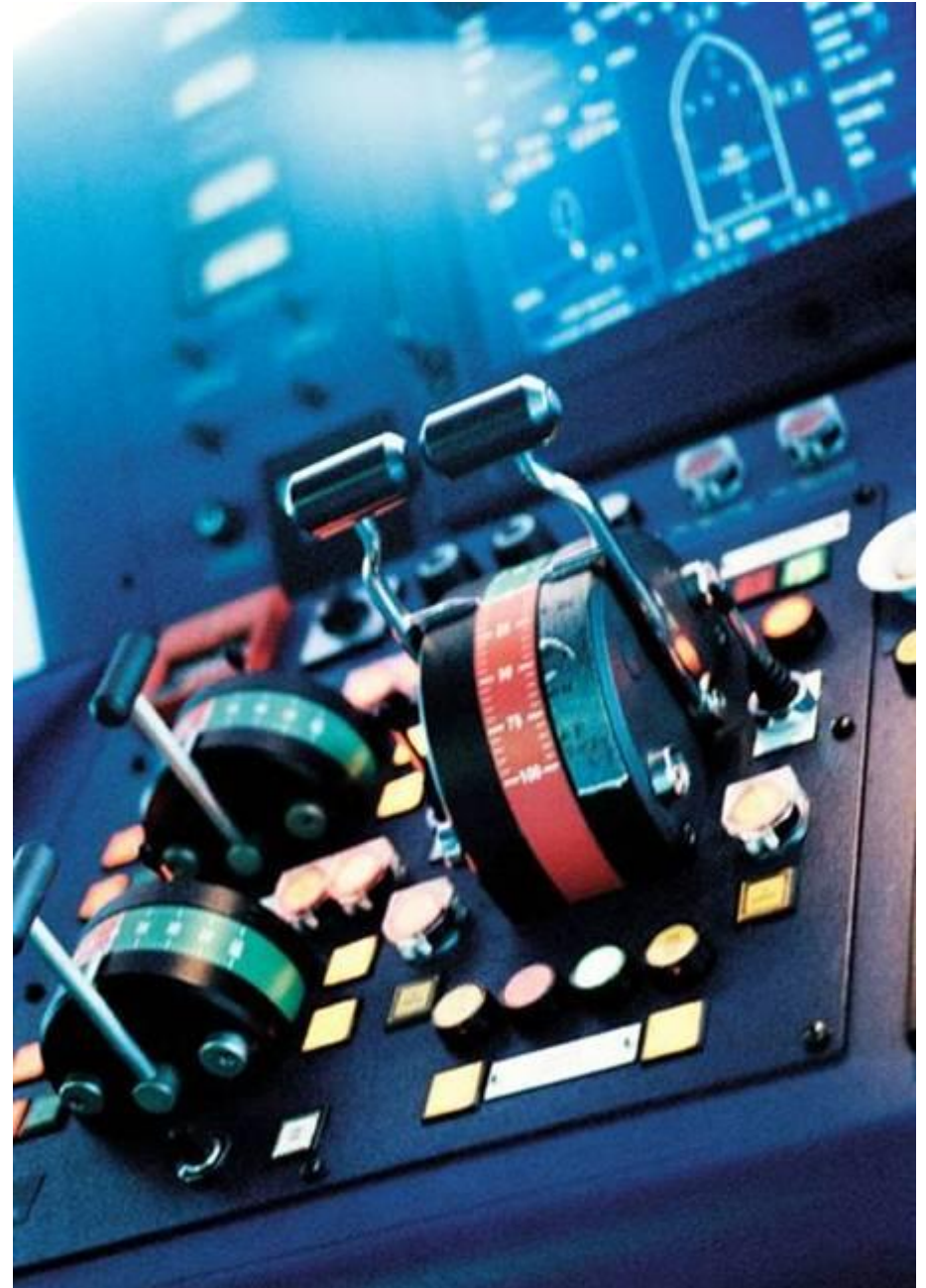
Oslo, 6 November 2008

Q3 2008 results

Disclaimer

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- ➔ ■ Highlights Q3 2008
- Financial results
 - Debt financing
 - Operations
 - Outlook
 - Summary
 - Attachments



The quarter in brief

- Good financial performance
- Strong financial position
- Slightly lower rig utilisation rate
- Several contract awards
- Continued high day rates
- Positive market outlook



Safe Esbjerg

Solid track record and robust financial position ensure further profitable growth

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Income statement

(Unaudited figures in USD million)	Q3 08	Q2 08	Q3 07	YTD 2008	YTD 2007	2007
Operating revenues	126.0	125.9	107.9	356.9	270.3	376.7
Operating expenses	(52.8)	(50.6)	(42.2)	(154.4)	(119.5)	(167.3)
EBITDA	73.2	75.3	65.7	202.5	150.8	209.4
Depreciation	(12.0)	(11.9)	(11.6)	(35.9)	(34.5)	(46.4)
EBIT	61.2	63.4	54.1	166.6	116.3	163.0
Interest income	0.8	1.3	1.3	3.2	4.1	5.6
Interest expenses	(11.8)	(13.4)	(15.5)	(43.5)	(41.5)	(58.8)
Other financial items	3.1	(2.6)	(4.2)	2.9	1.2	(13.9)
Net financial items	(7.9)	(14.7)	(18.4)	(37.4)	(36.2)	(67.1)
Profit before taxes	53.3	48.7	35.7	129.2	80.1	95.9
Taxes	6.1	(0.2)	(5.2)	2.8	(5.3)	(5.1)
Net profit continuing operations	59.4	48.5	30.5	132.0	74.8	90.8
Net profit discontinued operations	0.0	9.9	15.5	38.0	33.5	52.9
Net profit	59.4	58.4	46.0	170.0	108.3	143.7
Earnings per share	0.26	0.25	0.20	0.74	0.47	0.63
EPS from continuing operations	0.26	0.21	0.13	0.57	0.33	0.40

Offshore Support Services

(USD million)	Q3 08	Q2 08	Q3 07	YTD 2008	YTD 2007	2007
Operating revenues	126.0	126.5	95.8	350.4	162.2	376.1
Operating expenses	(50.7)	(49.4)	(43.0)	(148.7)	(71.7)	(154.3)
EBITDA	75.3	77.1	52.8	201.7	90.5	221.8
Depreciation	(11.9)	(11.9)	(11.4)	(35.7)	(22.7)	(46.0)
EBIT	63.4	65.2	41.4	166.0	67.8	175.8

Corporate and eliminations

(USD million)	Q3 08	Q2 08	Q3 07	YTD 2008	YTD 2007	2007
Operating revenues	0.0	(0.6)	0.1	6.5	0.2	0.6
Operating expenses	(2.1)	(1.2)	(2.9)	(5.7)	(5.6)	(13.0)
EBITDA	(2.1)	(1.8)	(2.8)	0.8	(5.4)	(12.4)
Depreciation	(0.1)	0.0	(0.1)	(0.2)	(0.2)	(0.4)
EBIT	(2.2)	(1.8)	(2.9)	0.6	(5.6)	(12.8)

Balance sheet

(Unaudited figures in USD million)	30.09.08	30.06.08	31.12.07
Goodwill	226.7	226.7	355.0
Rigs	800.0	760.7	749.6
Ships	0.0	0.0	926.5
Other non-current assets	3.4	3.2	304.6
Total non-current assets	1 030.1	990.6	2 335.7
Cash and deposits	116.3	118.6	162.0
Other current assets	157.9	253.5	126.3
Total current assets	274.2	372.1	288.3
Total assets	1 304.3	1 362.7	2 624.0
Share capital	63.9	63.9	63.9
Other equity	70.3	136.4	974.7
Total equity	134.2	200.3	1 038.6
Interest-free long-term liabilities	103.4	110.2	97.0
Interest-bearing long-term debt	970.6	820.9	1 184.1
Total long-term liabilities	1 074.0	931.1	1 281.1
Other interest-free current liabilities	96.1	91.3	137.3
Current portion of long-term debt	0.0	140.0	167.0
Total current liabilities	96.1	231.3	304.3
Total equity and liabilities	1 304.3	1 362.7	2 624.0

Key figures

	Q3 08	Q2 08	Q3 07	YTD 2008	YTD 2007	2007
Operating margin	48.6 %	50.4 %	47.0 %	46.7 %	42.7 %	43.3 %
Equity ratio	10.3 %	14.7 %	46.4 %	10.3 %	46.4 %	39.6 %
Return on equity	142.1 %	36.8 %	16.2 %	38.7 %	12.9 %	13.5 %
Net interest bearing debt	854.3	842.3	943.5	854.3	943.5	1 189.1

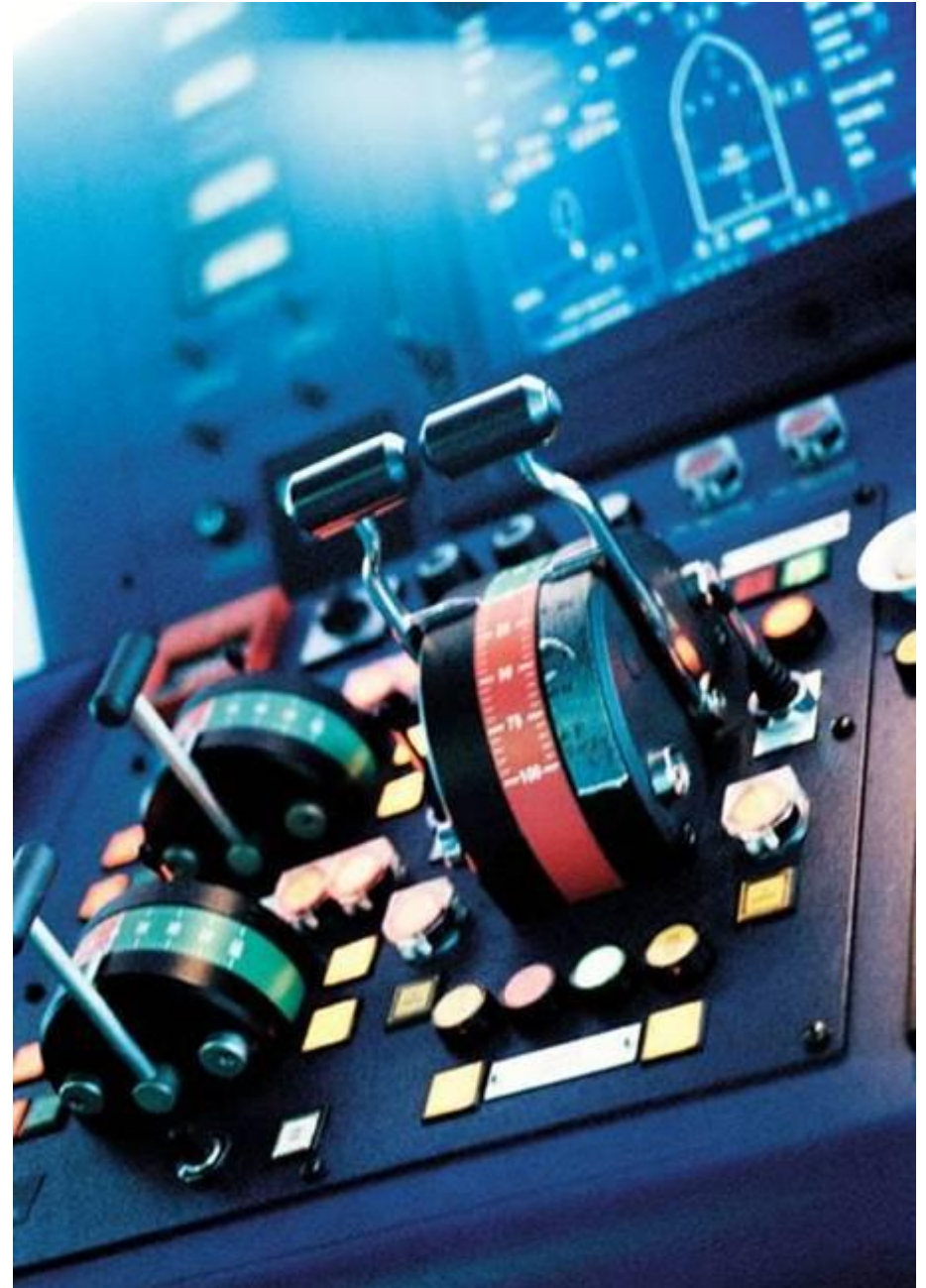
Shareholders

AS AT 27.10.2008	No. of shares	Ownership
Folketrygdfondet	19 628 935	8.5 %
GMO	11 428 773	5.0 %
Pareto	8 960 000	3.9 %
Brown Brothers Harriman	8 220 556	3.6 %
Prosafe SE	7 012 560	3.0 %
State Street Bank & Trust (nom.)	5 965 624	2.6 %
Clearstream Banking (nom.)	5 851 573	2.5 %
JP Morgan Chase Bank (nom.)	4 687 572	2.0 %
Storebrand	4 304 085	1.9 %
Mellon Bank (nom.)	4 234 704	1.8 %
Total 10 largest shareholders	80 294 382	34.9 %

Operating revenues Offshore Support Services

<u>(USD million)</u>	<u>YTD</u>	<u>Q3 08</u>	<u>Q2 08</u>	<u>Q1 08</u>
Charter income	274.8	102.4	98.6	73.8
Mob/demob income	15.9	2.5	0.7	12.7
Other income	59.7	21.1	27.2	11.4
Total	350.4	126.0	126.5	97.9

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Credit facility

- USD 1.1 billion facility in May 2008 (seven years maturity)
- Priced at LIBOR + 0.65 - 0.95% credit margin
- Facility will be reduced by USD 70 million semi-annually
 - First reduction November 2008
- Facility now USD 1.03 billion
- Drawn portion USD 860 million
- Undrawn portion USD 170 million



Bond loans

- NOK 411 million bond loan
 - Maturity March 2010
 - Nibor + 1.15% credit margin

- USD 50 million bond loan
 - Maturity March 2012
 - Libor + 1.40% credit margin



Financial covenants on credit facility

- Leverage ratio (Total debt / EBITDA) maximum 5 (4.5 after May 2010)
 - Q3 2008: 3.7
- Minimum cash of USD 65 million in the group
 - Q3 2008: USD 116.3 million
- Minimum value adjusted equity ratio 35%
 - Q3 2008: 58%
- Market value vessels/total commitments above 150%
 - Q3 2008: 225%
- Working capital (incl. unutilized credit lines with maturity in excess of 12 months) larger than zero
 - Q3 2008: USD 288.2 million

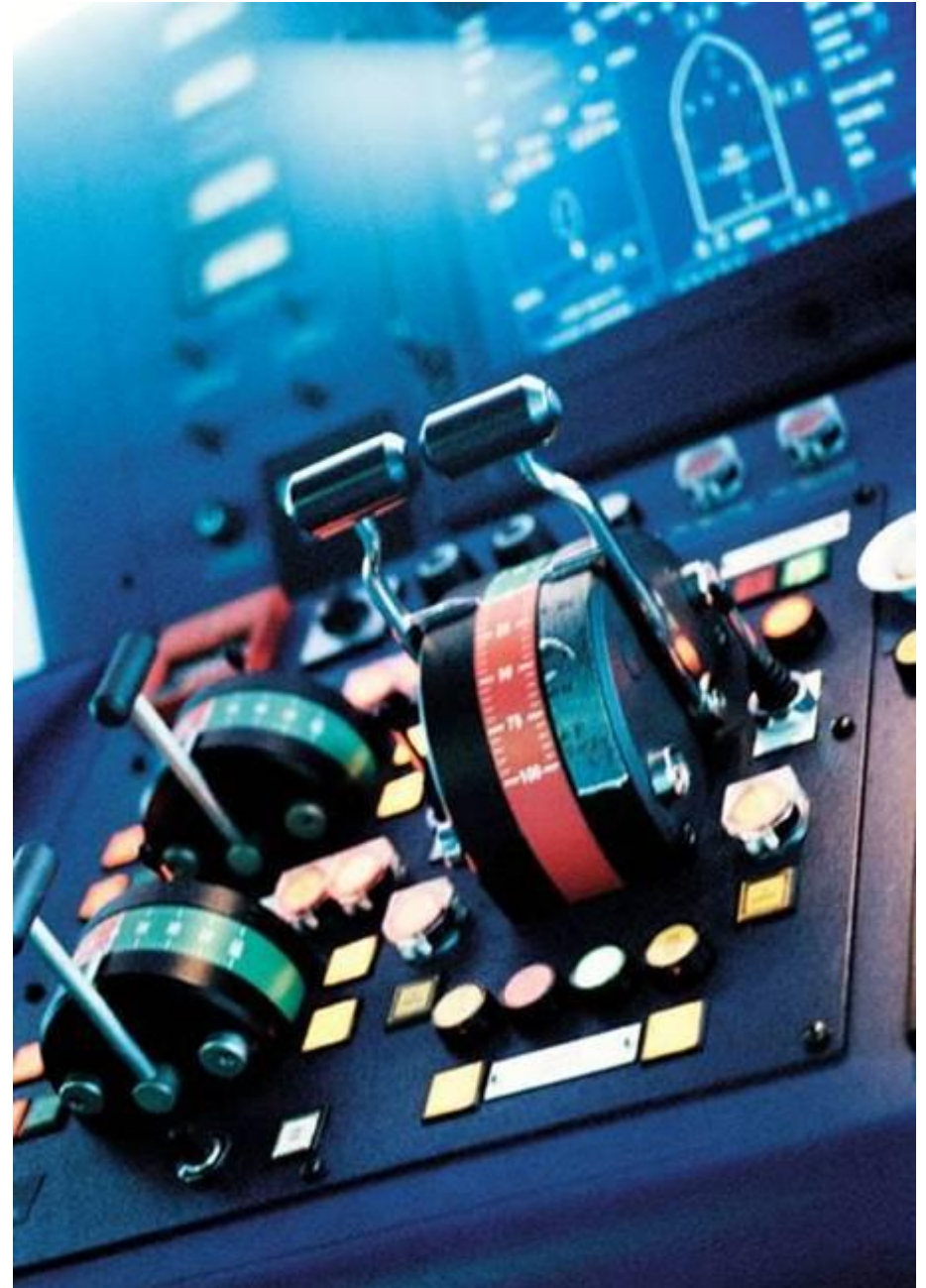
Robust financial position

Prosafe is in a position:

- To execute planned investments
- To continue to pay dividend
- To repay all loans as they fall due



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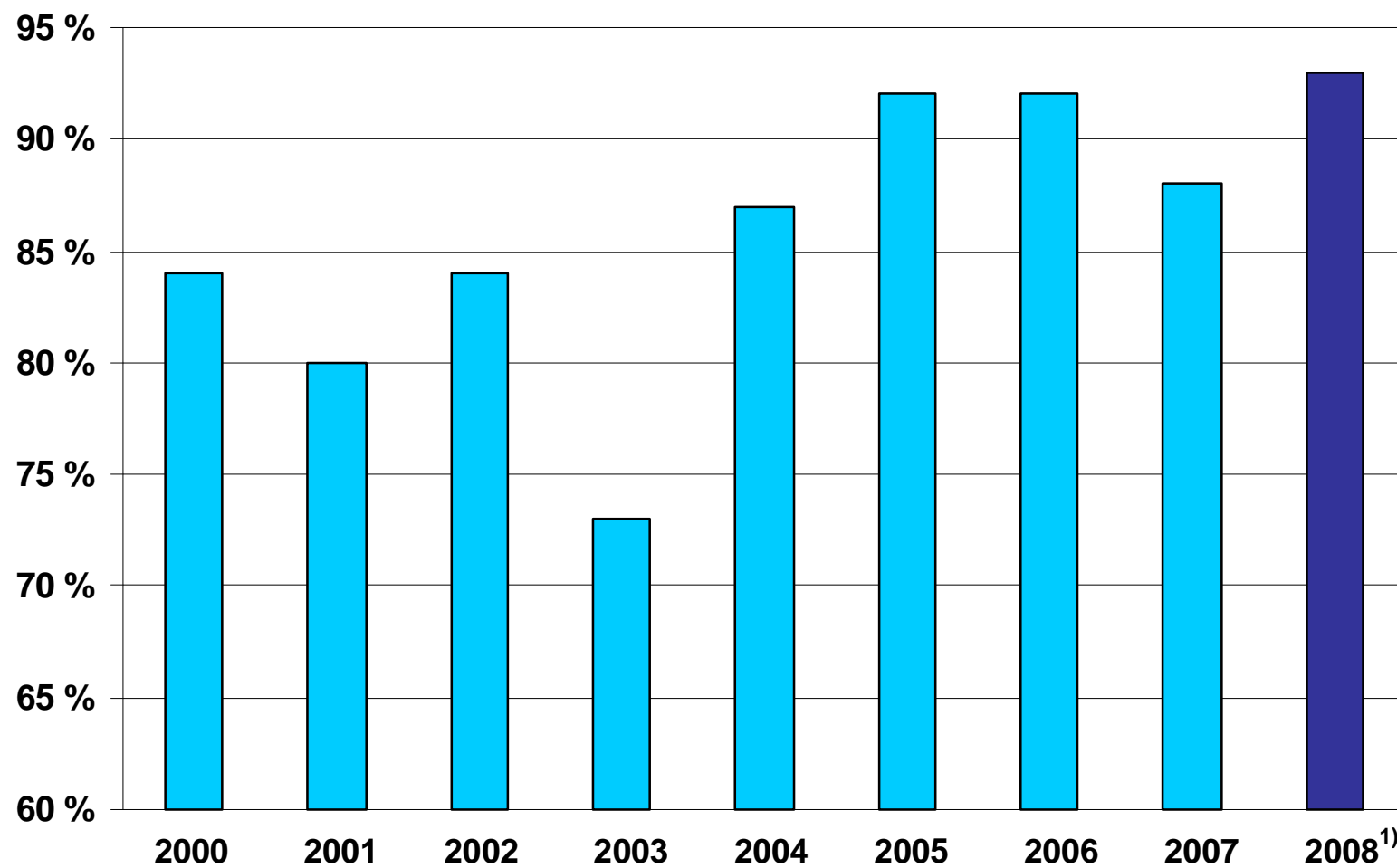


Status operations

- Rig utilisation rate of 93%
- Operational downtime on MSV Regalia in July
- Non-recurring costs of USD 4 million in the quarter
- Safe Regency DP 2 upgrade carried out with no loss in days on hire



Rig utilisation rate



¹⁾ 2008 - YTD

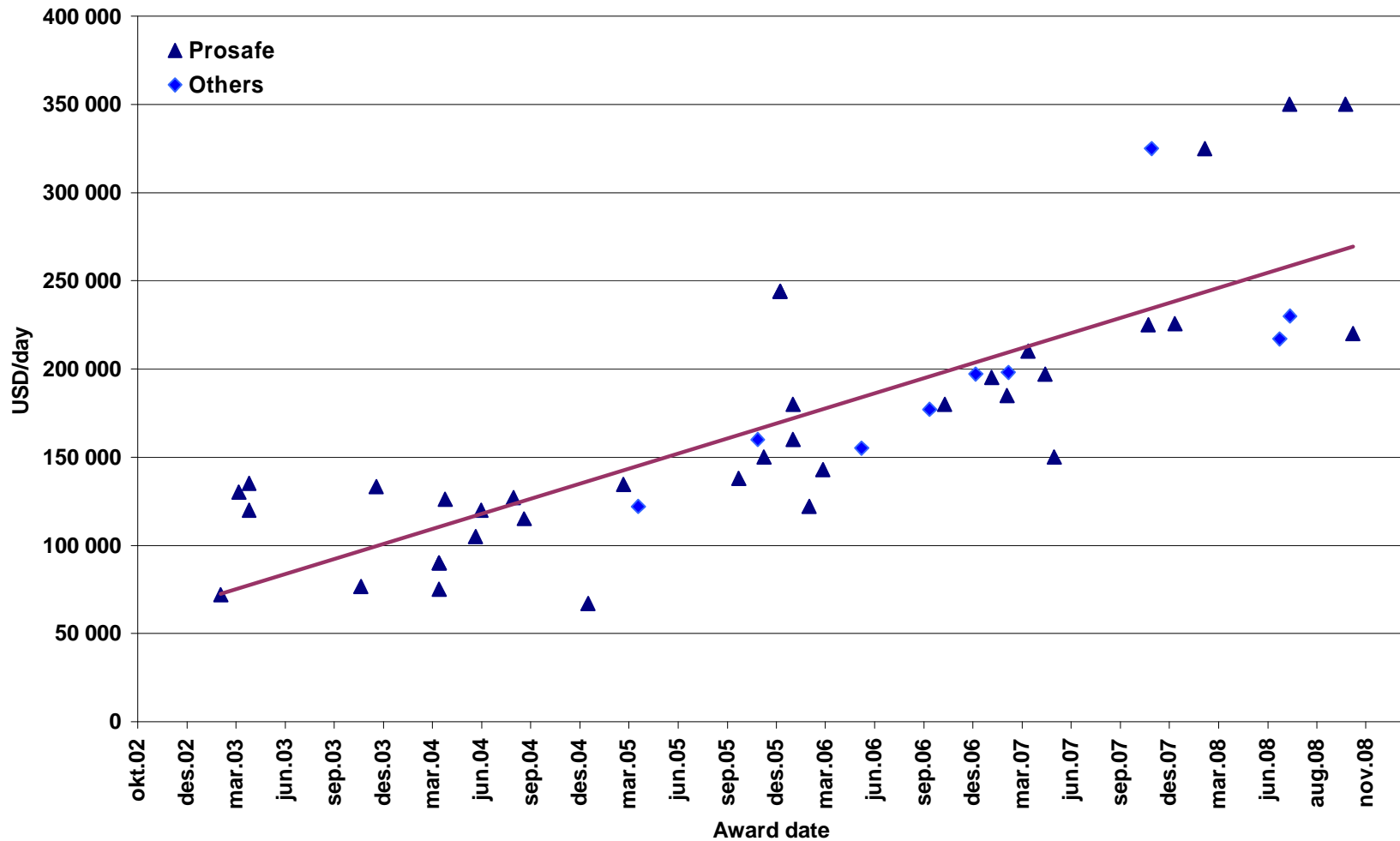
New contracts

- 26-day contract for Safe Scandinavia in the NCS
 - Day rate: USD 350 000
- Two-year contract + one-year option for Safe Esbjerg in Denmark
 - Day rate: Euro 63 000
- 3-month contract extension for Safe Caledonia in the UKCS
 - Day rate: USD 220 000



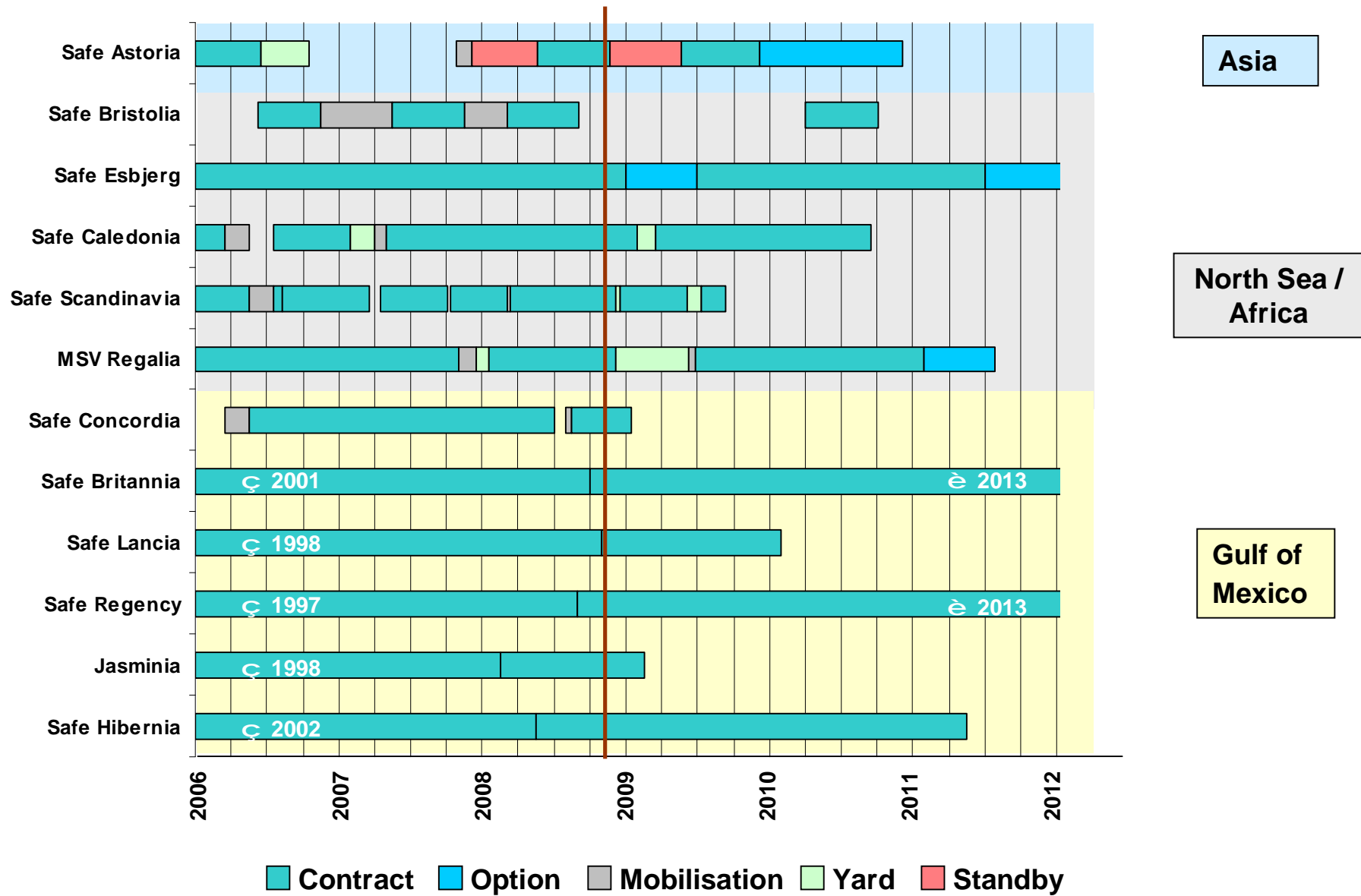
Safe Caledonia

Day rates for rigs with North Sea capabilities



Continued high day rates

Contract status



Refurbishment and life extension projects

- Two main refurbishments planned:
 - MSV Regalia from Dec. 2008 – May 2009
 - Safe Caledonia in 2011/2012
- Refurbishments ensure 20 year extended life in the North Sea



MSV Regalia

The rest of the fleet



Safe Astoria



Safe Bristolia



Safe Esbjerg



Safe Concordia



Safe Scandinavia



Safe Hibernia



Safe Regency



Safe Britannia



Jasmina

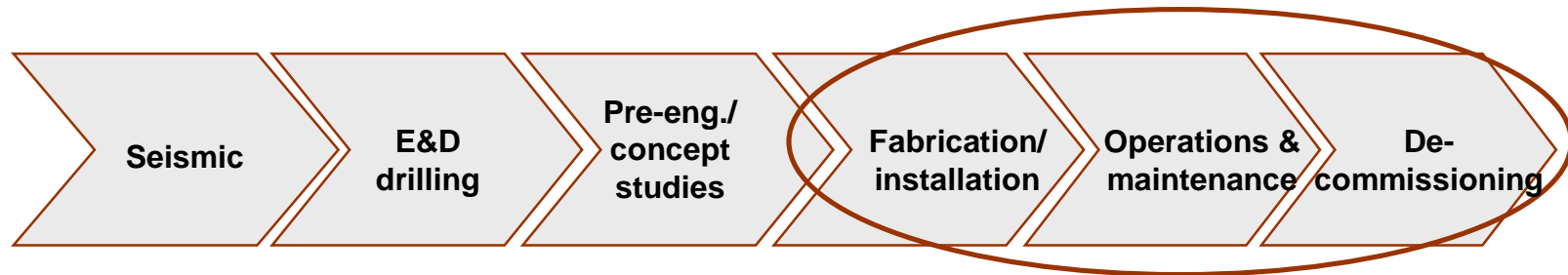


Safe Lancia

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Oilfield lifecycle – where we fit in



- Installation and commissioning of new installations
- Upgrade of fixed and floating installations
- Tie-in of satellite fields to existing installations
- Maintenance and repair
- Decommissioning/abandonment
- Disaster recovery

Demand is strong

- Repair and maintenance market remains strong, especially in the North Sea and GoM
- Recent high exploration drilling activity is expected to result in higher demand for offshore support services going forward
- Indications that already sanctioned projects will be carried through

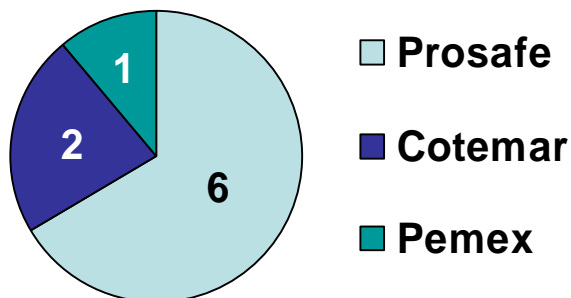
Positioned to benefit from strong market outlook



Competitor situation

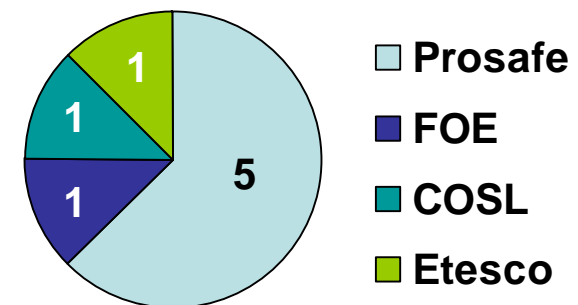
Dynamically positioned semi rigs

- Advanced units with high operational versatility:
 - All water depths
 - Any seabed infrastructure
 - Against fixed installations and most floaters like FPSOs, Semis and Spars



Anchored semi rigs

- Primary strengths:
 - Shallow to medium waterdepths
 - Fixed installations
 - Some floaters, e.g. TLPs



High quality fleet with versatile applications

Potential newcomers

Semi-submersibles

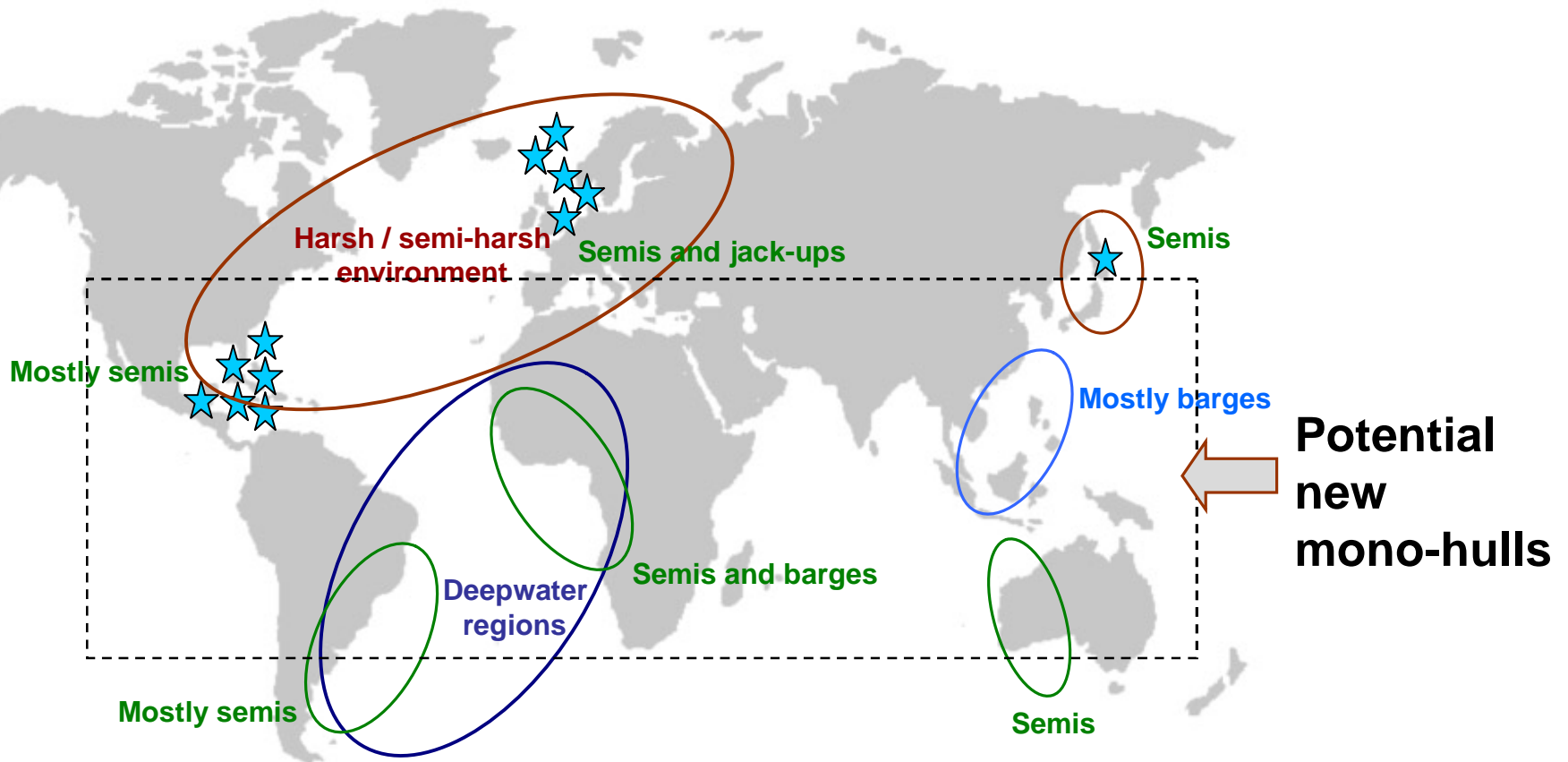


Mono-hulls



- Expected new entrants in the form of both mono-hulls and semi-submersibles
- Deliveries 2009 – 2011
- Uncertain funding situation and construction cost

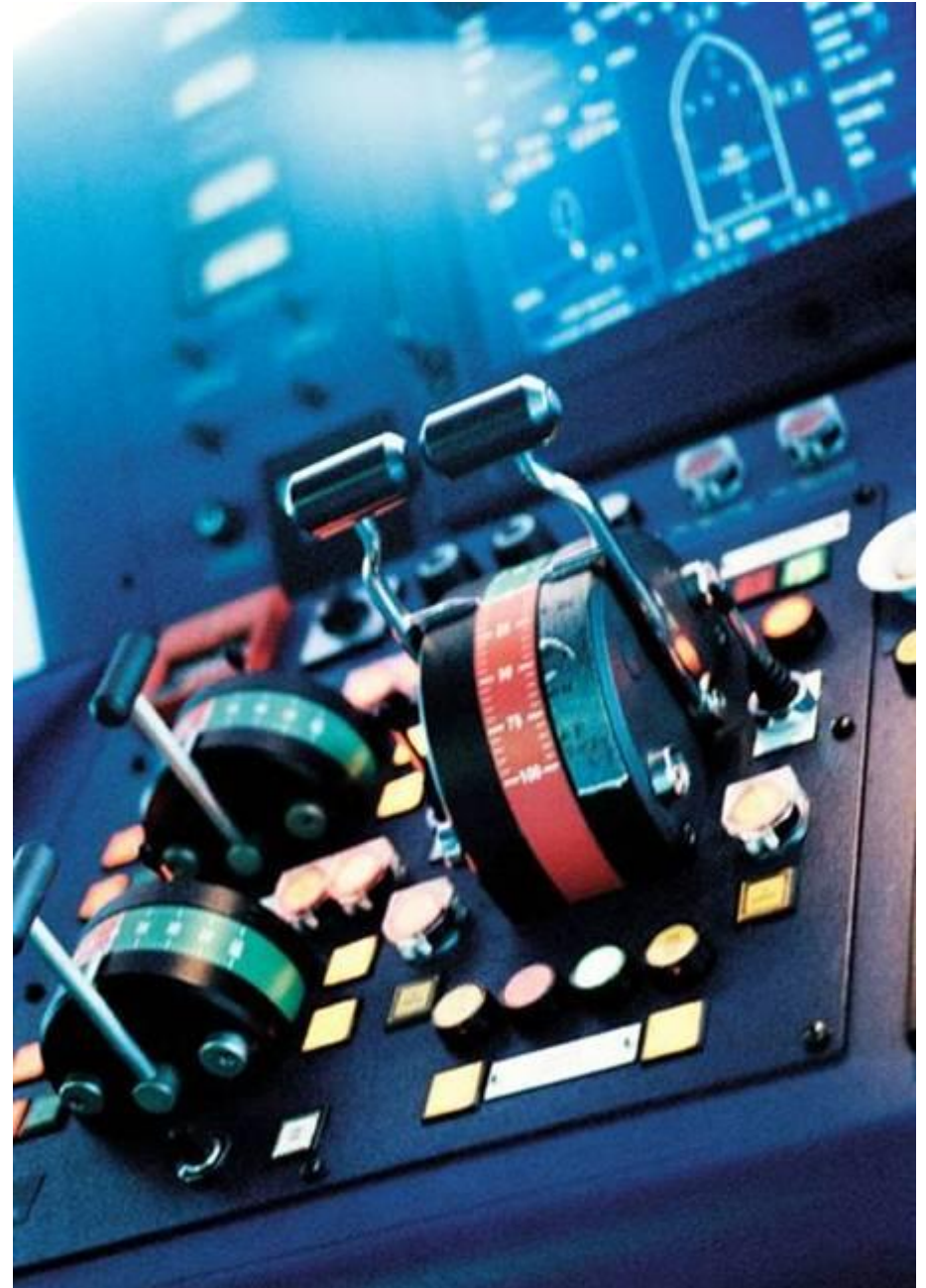
Prosafe - dominant in harsh environments



★ Prosafe rigs as per November 2008

- Prosafe core areas
- Possible areas for semis
- Deepwater regions
- Mostly barges

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Strategy going forward

- Maintain high rig utilisation and secure good contracts for available vessels
- Increase profitability from current fleet
- Manage financial position to facilitate industrial consolidation and capital return to shareholders



Safe Scandinavia

Maintain high rig utilisation and increase profitability

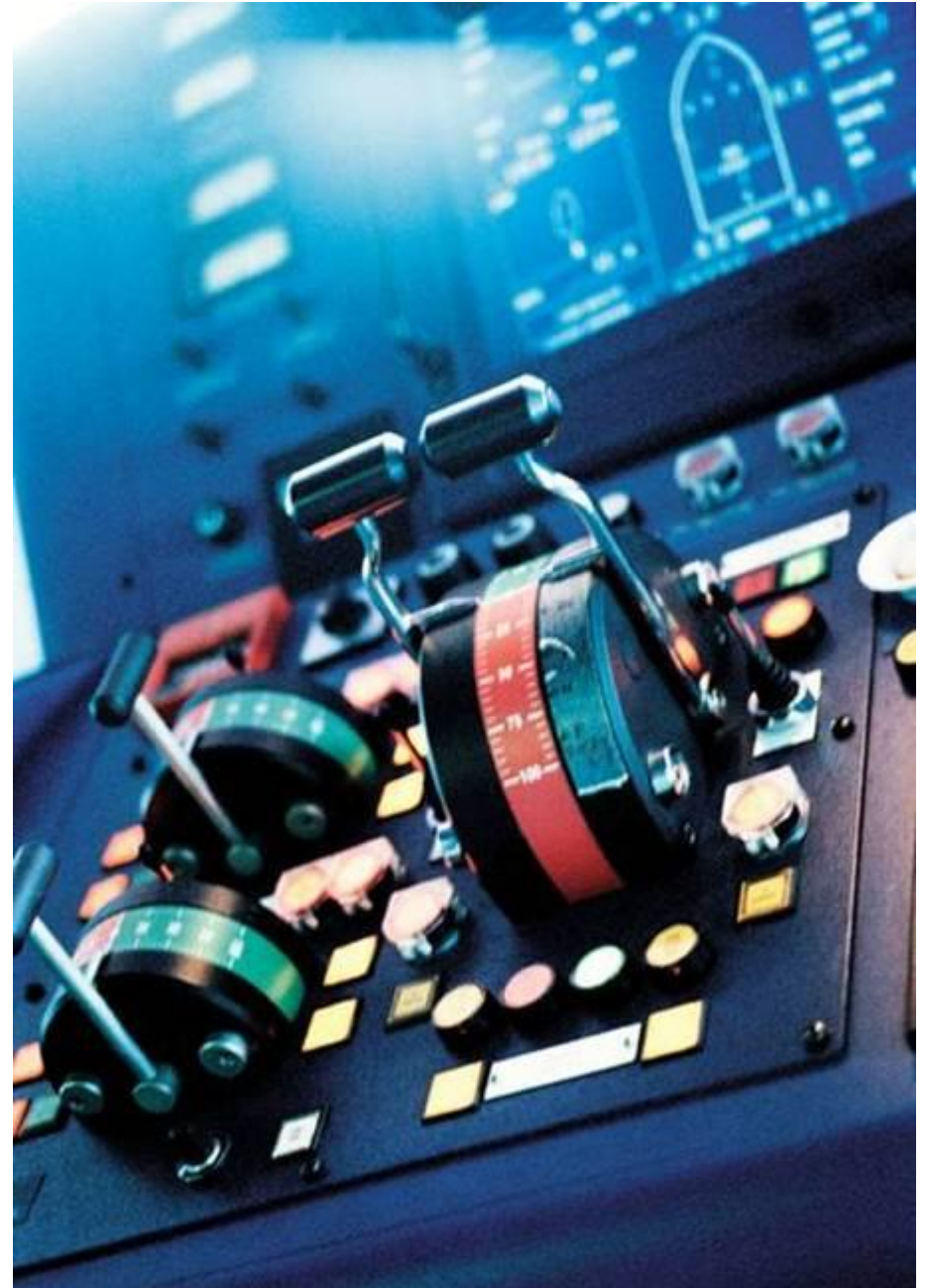
Summary

- Good market outlook
- Leading market position
- Unique, versatile rig fleet
- Solid track record
- Robust financial position
- Solid earnings visibility



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Fleet overview



Name	MSV Regalia	Safe Scandinavia	Safe Caledonia
Geographical area	Harsh environment, NCS	Harsh environment, NCS	Harsh environment
Mooring system	-	12 point chain winches	10 point wire winches
Station keeping	NMD3	Moored	DP2 / TAMS
No of beds	160/380	583	516
Deck area	3,250 m ²	400 m ²	900 m ²
Payload	1,000 – 2,000 t	1,000 t	700 t
Current contract			
Client	Aker Kværner	StatoilHydro	Total
Field	MCP-01, North Sea	Sleipner B, North Sea	Dunbar Elgin/Franklin, NS
Water depth	94m	110m	93m
Type of installation	Concrete platform	Unmanned wellhead platform	Jack-up

Fleet overview


Name
Safe Astoria
Safe Bristolia
Safe Esbjerg

Geographical area

Moderately harsh env.

Moderately harsh env.

Harsh environment

Mooring system

8 point wire winches

8 point wire winches

4 point wire winches

Station keeping

Moored

Moored

Jack-up

No of beds

245

612

139

Deck area

 620 m²

 400 m²

 750 m²

Payload

1,800 t

1,800 t

variable, max 725 t

Current contract

Client

Samsung

Maintenance at Firth of

Maersk

Field

Sakhalin, Russia

Forth yard

Gorm, Denmark

Water depth

40-50m

40-50m

Type of installation

Jacket structure platform

Jacket structure platform

Fleet overview



Name	Safe Britannia	Safe Lancia	Safe Hibernia
Geographical area	Harsh env.	Moderately harsh env.	Harsh environment
Mooring system	9 point wire winches	8 point chain winches	12 point wire winches
Station keeping	DP2 / TAMS	DP2	Moored
No of beds	812	600	500
Deck area	1,300 m ²	1,100 m ²	750 m ²
Payload	1,245 t (620 DP mode)	626 t	1,000 t
Current contract			
Client	Ocean Oil	Ocean Oil	Ocean Oil
Field	Cantarell, GoM	Cantarell, GoM	Cantarell, GoM
Water depth	40-50m	40-50m	40-50m
Type of installation	Jacket structure platform	Jacket structure platform	Jacket structure platform

Fleet overview


Name

Geographical area

Mooring system

Station keeping

No of beds

Deck area

Payload

Safe Regency

Harsh environment

8 point wire winches

DP1

771

 800 m²

550 t

Safe Concordia

Benign environment

4 point wire winches

DP2

390

 1,300 m²

1,400 t

Jasminia

Benign environment

8 point wire winches

Moored

535

 690 m²

640 t

Current contract

Client

Field

Water depth

Type of installation

Ocean Oil

Cantarell, GoM

40-50m

Jacket structure platform

Chevron

Tahiti, US Gulf

Deep water

SPAR

Ocean Oil

Cantarell, GoM

40-50m

Jacket structure platform

Financial calendar and IR contacts

Financial calendar

12 Feb 2009

Publication, presentation and web cast of Q4 2008 result

IR contacts

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