



Oslo, 27 August 2009



Q2 2009 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.

- ⇒ § The quarter in brief
- § Financial results
- § Operations
- § Outlook
- § Summary
- § Attachments



## The quarter in brief

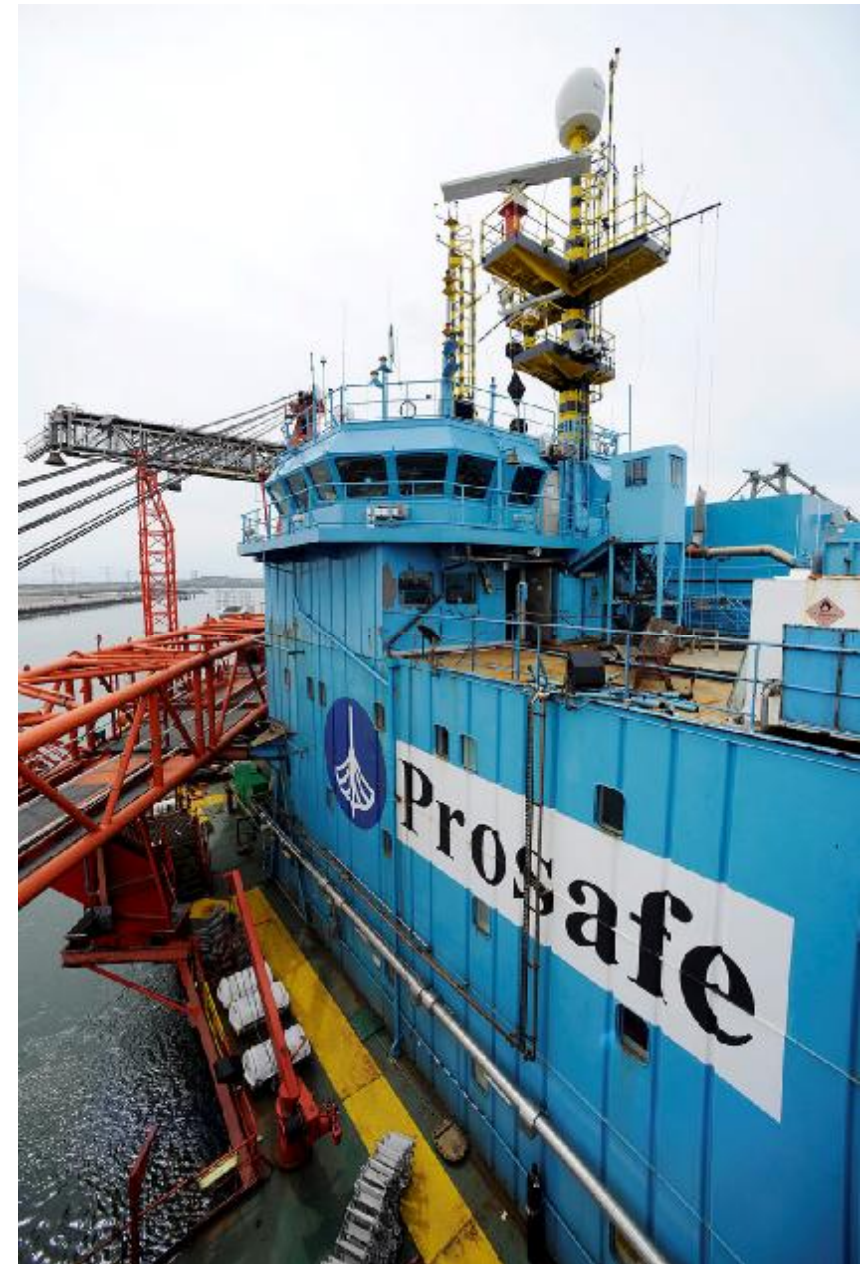
- § Strong operational performance
- § Rig utilisation rate of 86 per cent
- § Two contract awards
- § MSV Regalia refurbishment completed



**Leading position in a good accommodation market**



- § The quarter in brief
- ➔ § Financial results
- § Operations
- § Outlook
- § Summary
- § Attachments



# Income statement

(Unaudited figures in USD million)	Q2 09	Q1 09	Q2 08	1H 2009	1H 2008	2008
Operating revenues	85,9	81,6	125,9	167,5	230,9	491,1
Operating expenses	(26,2)	(31,3)	(50,6)	(57,5)	(101,6)	(210,1)
<b>EBITDA</b>	<b>59,7</b>	<b>50,3</b>	<b>75,3</b>	<b>110,0</b>	<b>129,3</b>	<b>281,0</b>
Depreciation	(12,9)	(12,8)	(11,9)	(25,7)	(23,9)	(48,8)
<b>Operating profit</b>	<b>46,8</b>	<b>37,5</b>	<b>63,4</b>	<b>84,3</b>	<b>105,4</b>	<b>232,2</b>
Interest income	0,1	0,2	1,3	0,3	2,4	4,0
Interest expenses	(11,8)	(10,7)	(13,4)	(22,5)	(31,7)	(57,1)
Other financial items	16,3	1,6	(2,6)	17,9	(0,2)	(23,7)
<b>Net financial items</b>	<b>4,6</b>	<b>(8,9)</b>	<b>(14,7)</b>	<b>(4,3)</b>	<b>(29,5)</b>	<b>(76,8)</b>
<b>Profit before taxes</b>	<b>51,4</b>	<b>28,6</b>	<b>48,7</b>	<b>80,0</b>	<b>75,9</b>	<b>155,4</b>
Taxes	(8,3)	(2,3)	(0,2)	(10,6)	(3,3)	9,4
<b>Net profit from continuing operations</b>	<b>43,1</b>	<b>26,3</b>	<b>48,5</b>	<b>69,4</b>	<b>72,6</b>	<b>164,8</b>
<b>Net profit from discontinued operations</b>	<b>0,0</b>	<b>0,0</b>	<b>9,9</b>	<b>0,0</b>	<b>38,0</b>	<b>38,0</b>
<b>Net profit</b>	<b>43,1</b>	<b>26,3</b>	<b>58,4</b>	<b>69,4</b>	<b>110,6</b>	<b>202,8</b>
<b>Earnings per share</b>	<b>0,19</b>	<b>0,12</b>	<b>0,25</b>	<b>0,31</b>	<b>0,48</b>	<b>0,88</b>
<b>EPS from continuing operations</b>	<b>0,19</b>	<b>0,12</b>	<b>0,21</b>	<b>0,31</b>	<b>0,32</b>	<b>0,72</b>

# Operating revenues – Offshore Support Services

(USD million)	Q2 09	Q1 09	Q2 08	1H 2009	1H 2008	2008
Charter income	83.0	76.0	98.6	159.0	172.4	388.0
Mobilisation/demobilisation income	0.0	1.1	0.7	1.1	13.4	17.2
Other income	2.8	4.6	27.2	7.4	38.6	79.5
<b>Total</b>	<b>85.8</b>	<b>81.7</b>	<b>126.5</b>	<b>167.5</b>	<b>224.4</b>	<b>484.7</b>

# Balance sheet

(Unaudited figures in USD million)	30.06.09	31.03.09	31.12.08	30.06.08
Goodwill	226.7	226.7	226.7	226.7
Rigs	916.3	884.1	828.4	760.7
Other non-current assets	5.0	4.3	3.8	3.2
<b>Total non-current assets</b>	<b>1 148.0</b>	<b>1 115.1</b>	<b>1 058.9</b>	<b>990.6</b>
Cash and deposits	127.3	122.7	115.6	118.6
Other current assets	112.6	105.6	139.4	253.5
<b>Total current assets</b>	<b>239.9</b>	<b>228.3</b>	<b>255.0</b>	<b>372.1</b>
<b>Total assets</b>	<b>1 387.9</b>	<b>1 343.4</b>	<b>1 313.9</b>	<b>1 362.7</b>
Share capital	63.9	63.9	63.9	63.9
Other equity	126.6	76.0	60.7	136.4
<b>Total equity</b>	<b>190.5</b>	<b>139.9</b>	<b>124.6</b>	<b>200.3</b>
Interest-free long-term liabilities	107.8	117.1	107.9	110.2
Interest-bearing long-term debt	870.0	920.0	958.7	820.9
<b>Total long-term liabilities</b>	<b>977.8</b>	<b>1 037.1</b>	<b>1 066.6</b>	<b>931.1</b>
Other interest-free current liabilities	85.2	104.9	122.7	91.3
Current portion of long-term debt	134.4	61.5	0.0	140.0
<b>Total current liabilities</b>	<b>219.6</b>	<b>166.4</b>	<b>122.7</b>	<b>231.3</b>
<b>Total equity and liabilities</b>	<b>1 387.9</b>	<b>1 343.4</b>	<b>1 313.9</b>	<b>1 362.7</b>



# Key figures

	Q2 09	Q1 09	Q2 08	1H 2009	1H 2008	2008
Operating margin	54.5 %	46.0 %	50.4 %	50.3 %	45.6 %	47.3 %
Equity ratio	13.7 %	10.4 %	14.7 %	13.7 %	14.7 %	9.5 %
Return on equity	104.4 %	79.5 %	36.8 %	88.1 %	35.7 %	46.5 %
Net interest bearing debt (USD million)	877.1	858.8	842.3	877.1	842.3	843.1
Number of shares (1 000)	229 937	229 937	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	222 935	222 935	229 827	222 935	229 827	227 667
USD/NOK exchange rate at end of period	6.38	6.68	5.08	6.38	5.08	7.00
Share price (NOK)	32.20	24.05	50.50	32.20	50.50	26.00
Share price (USD)	5.05	3.60	9.94	5.05	9.94	3.71
Market capitalisation (NOK million)	7 404	5 530	11 612	7 404	11 612	5 978
Market capitalisation (USD million)	1 160	828	2 286	1 160	2 286	854

# Shareholders

<b>AS AT 17.08.2009</b>	<b>No. of shares</b>	<b>Ownership</b>
Folketrygdfondet	28 396 735	12.3 %
Pareto	8 411 487	3.7 %
GMO	8 314 338	3.6 %
Brown Brothers Harriman	8 057 345	3.5 %
Clearstream Banking (nom.)	7 309 231	3.2 %
Prosafe SE	7 001 705	3.0 %
State Street Bank & Trust (nom.)	5 817 592	2.5 %
RBC Dexia (nom.)	5 793 575	2.5 %
BGL SA	4 933 807	2.1 %
State Street Bank & Trust (nom.)	4 573 418	2.0 %
<b>Total 10 largest</b>	<b>88 609 233</b>	<b>38.5 %</b>

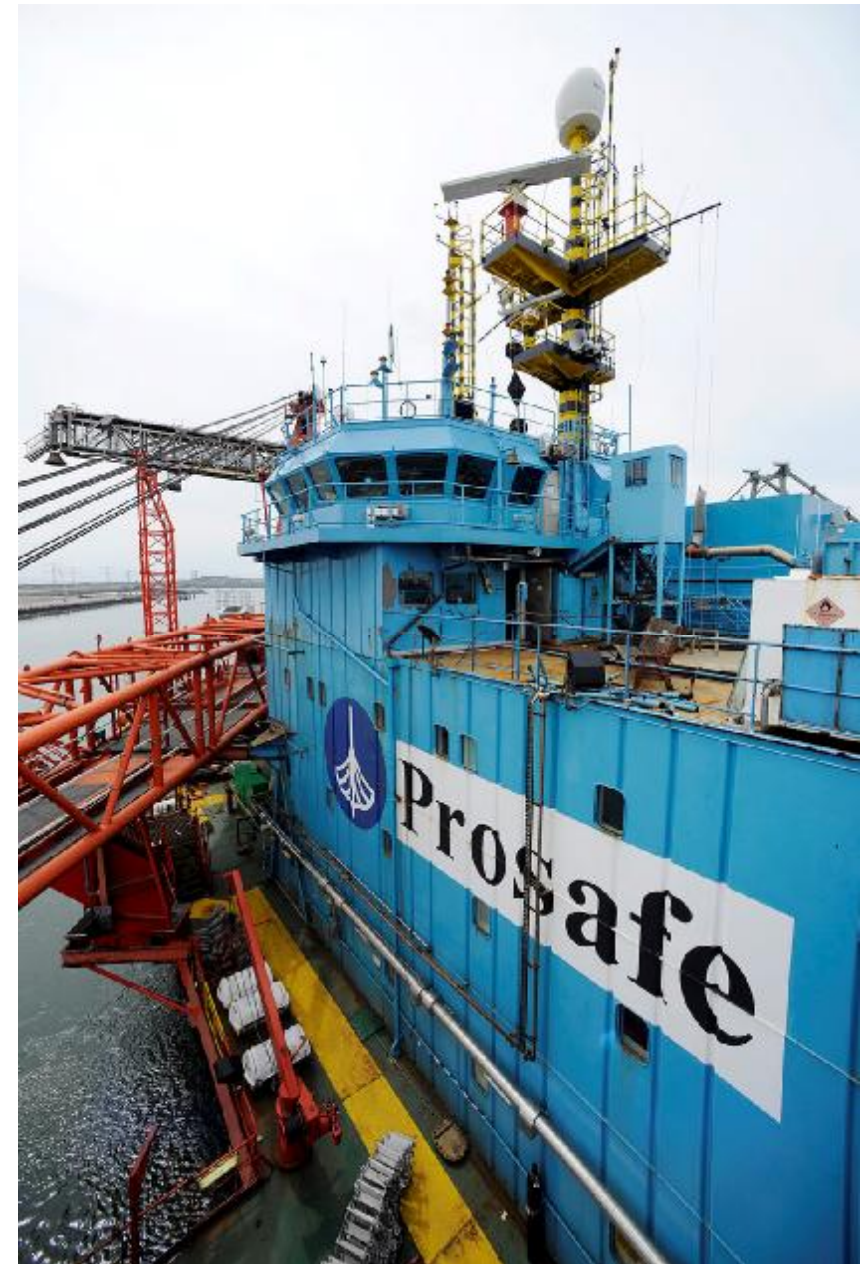
Total no. of shares: 229 936 790

## Interim dividend approved

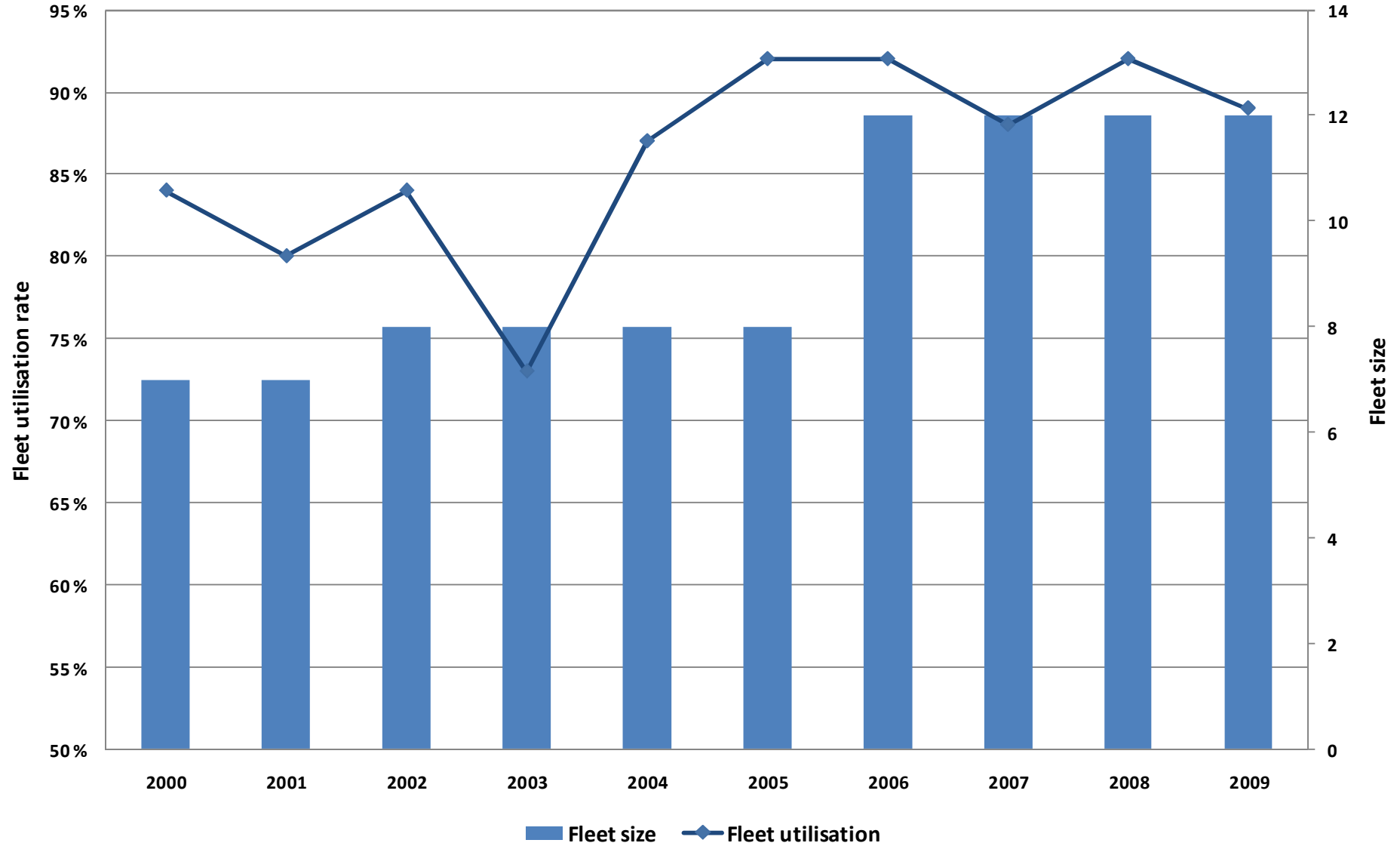
- § The Board resolved on 26 August 2009 to pay NOK 0.35 per share in dividend
- § Ex-dividend date 7 September, to be paid 23 September
- § In June 2009 NOK 0.30 was paid in dividend
- § Long-term dividend policy targeting 40-50% of net profit paid tri-annually the following year



- § The quarter in brief
- § Financial results
- § Operations
- § Outlook
- § Summary
- § Attachments

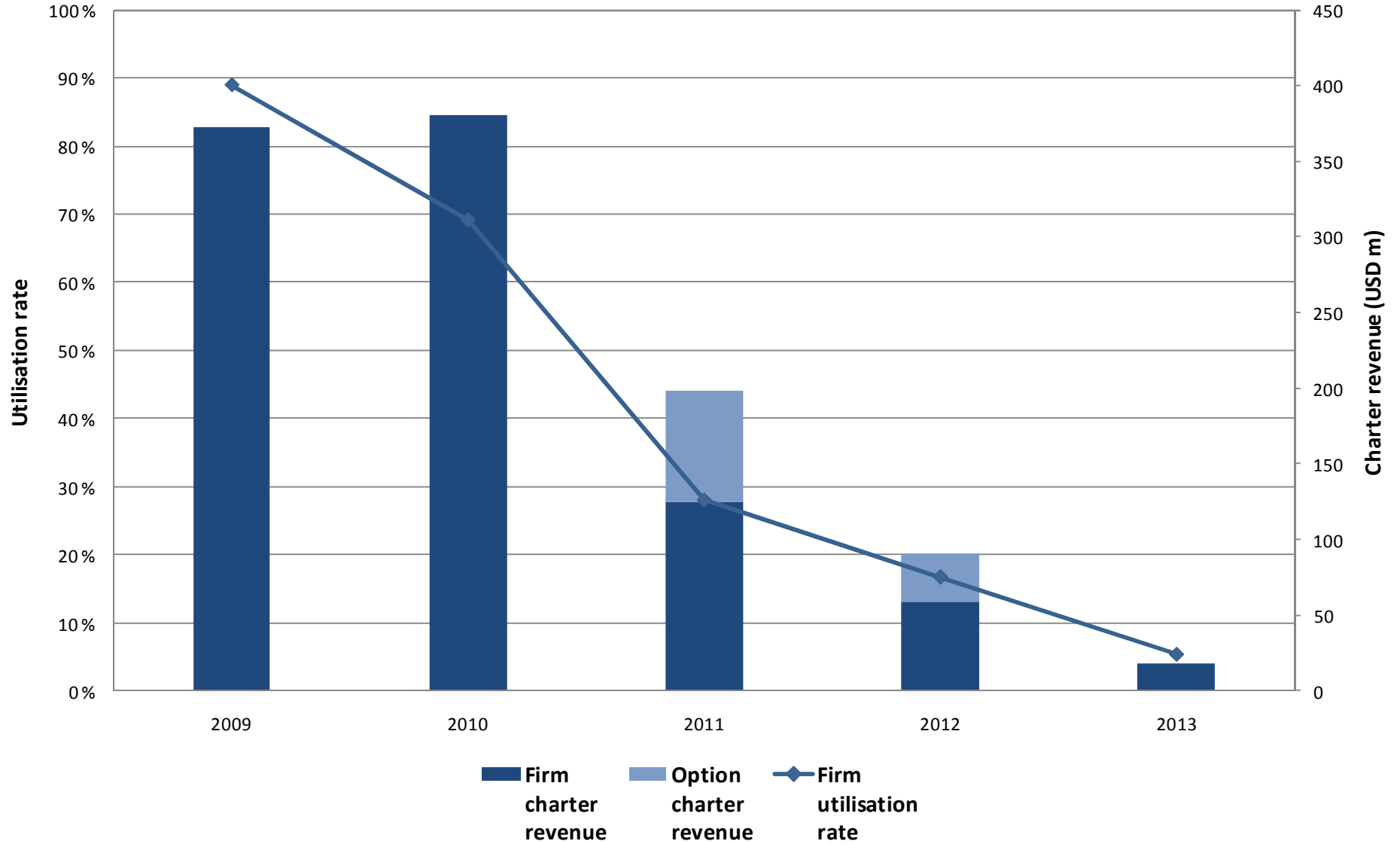


### Fleet size and utilisation (at end Q2 2009)





### Utilisation rate and charter revenue (at end Q2 2009)

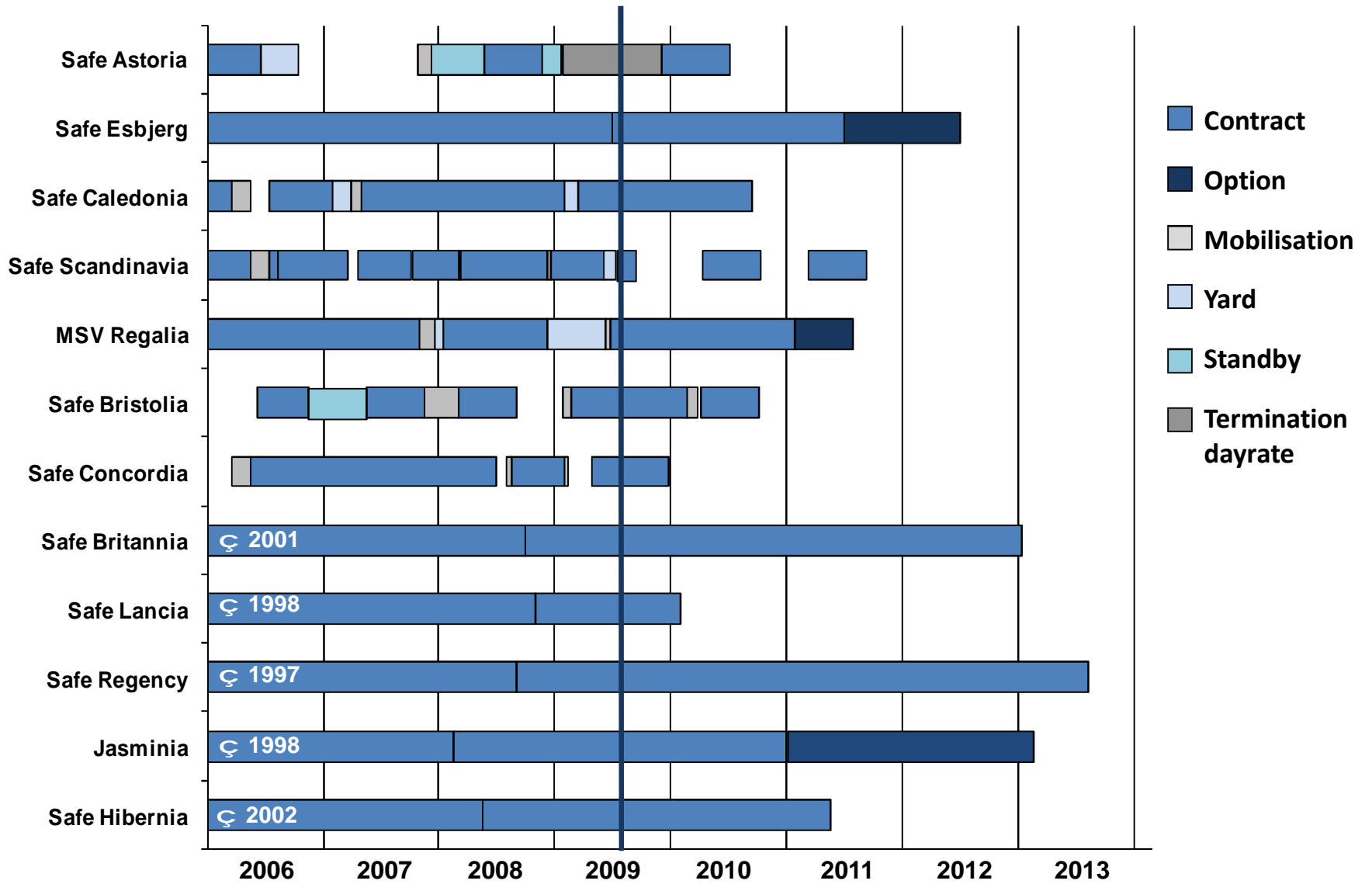


## New contracts in the quarter

- § Eight-month bareboat contract for Safe Concordia in the GoM
- § Contract for Safe Astoria in the Philippines
  - § Recently the contract was extended to a 243-day contract with start-up early October



# Contract status

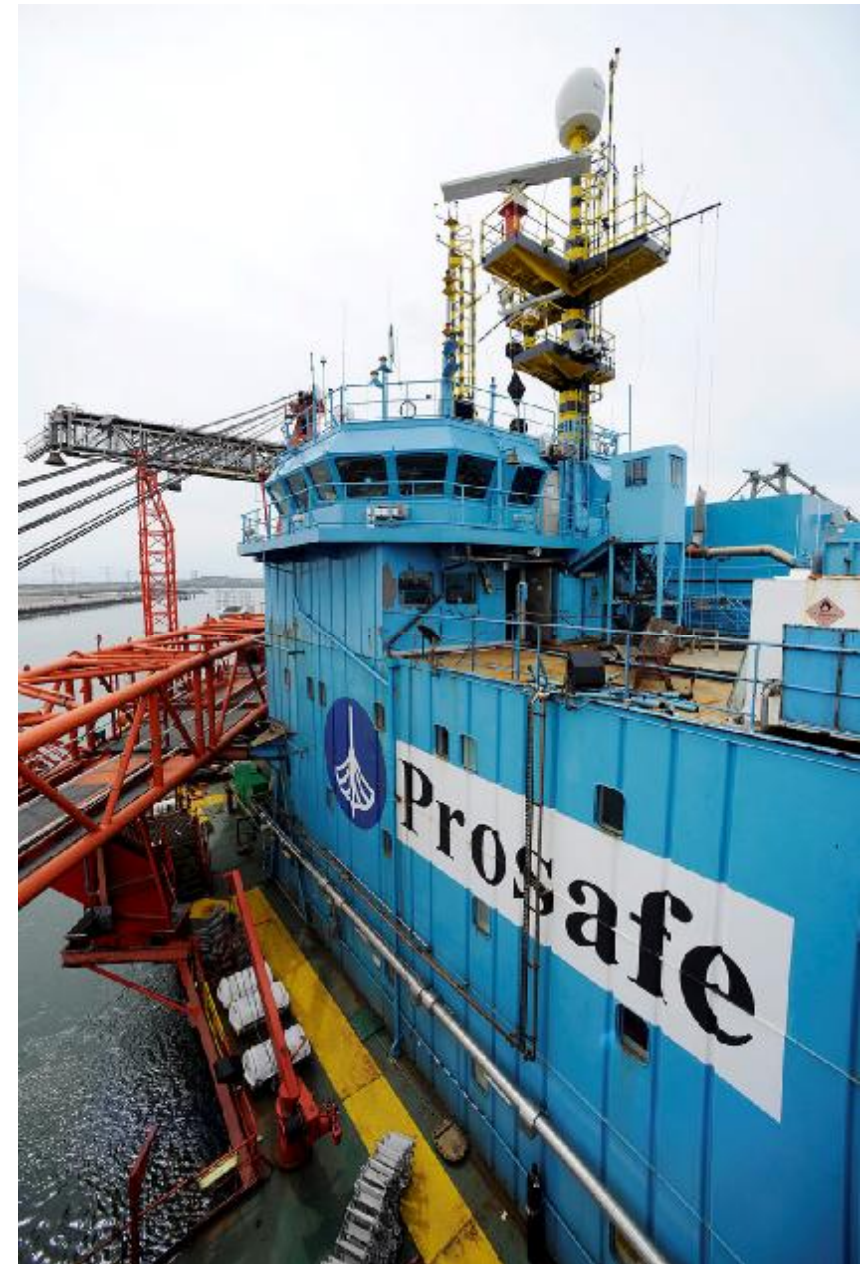


# MSV Regalia refurbishment completed

- Refurbishment completed - modifications & life extension
- New and upgraded accommodation
- Received Acknowledgement of Compliance (AoC) for working offshore Norway
- 5 year SPS approved
- Improved fuel efficiency and 40 per cent reduction in NOx emissions through engine re-building
- Started operation for BP at the Valhall field 12 July. Firm contract until January 2011

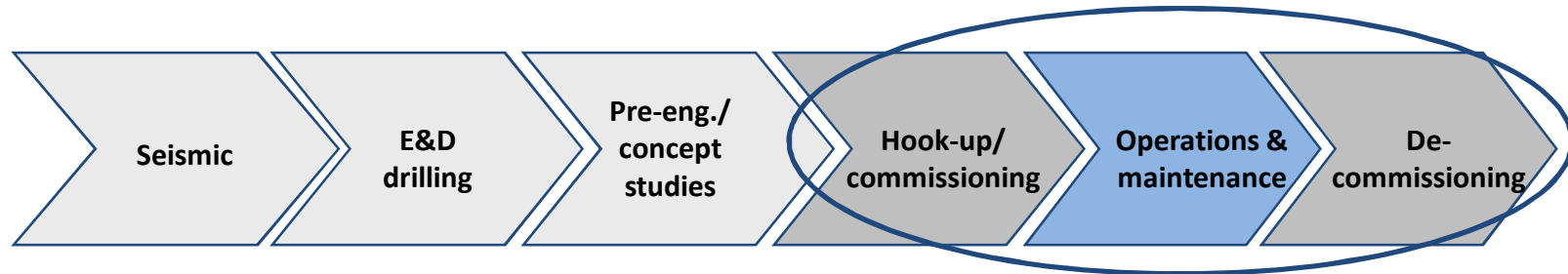


- § The quarter in brief
- § Financial results
- § Operations
- § Outlook
- § Summary
- § Attachments





# Robust to oil price fluctuations



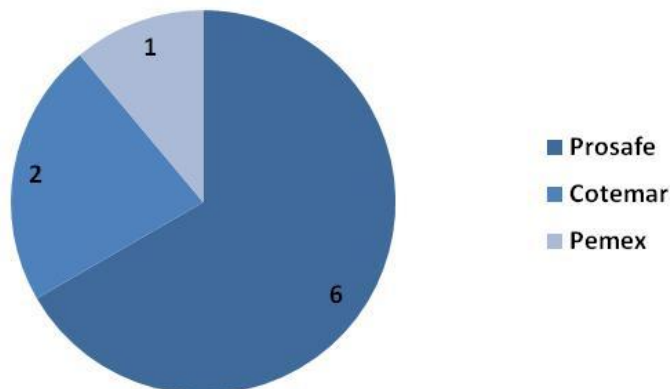
- § Hook-up and commissioning of new installations
- § Tie-in of satellite fields to existing installations
- § Maintenance, upgrade and repair of existing installations (70-80% of our activities)
- § Decommissioning
- § Disaster recovery



# Market outlook – Supply

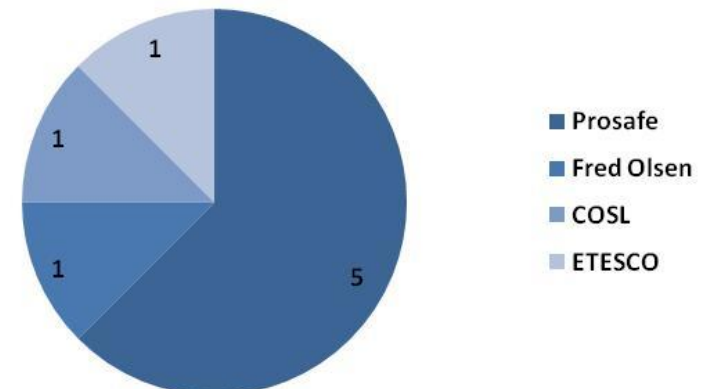
## Dynamically positioned semi rigs

- 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

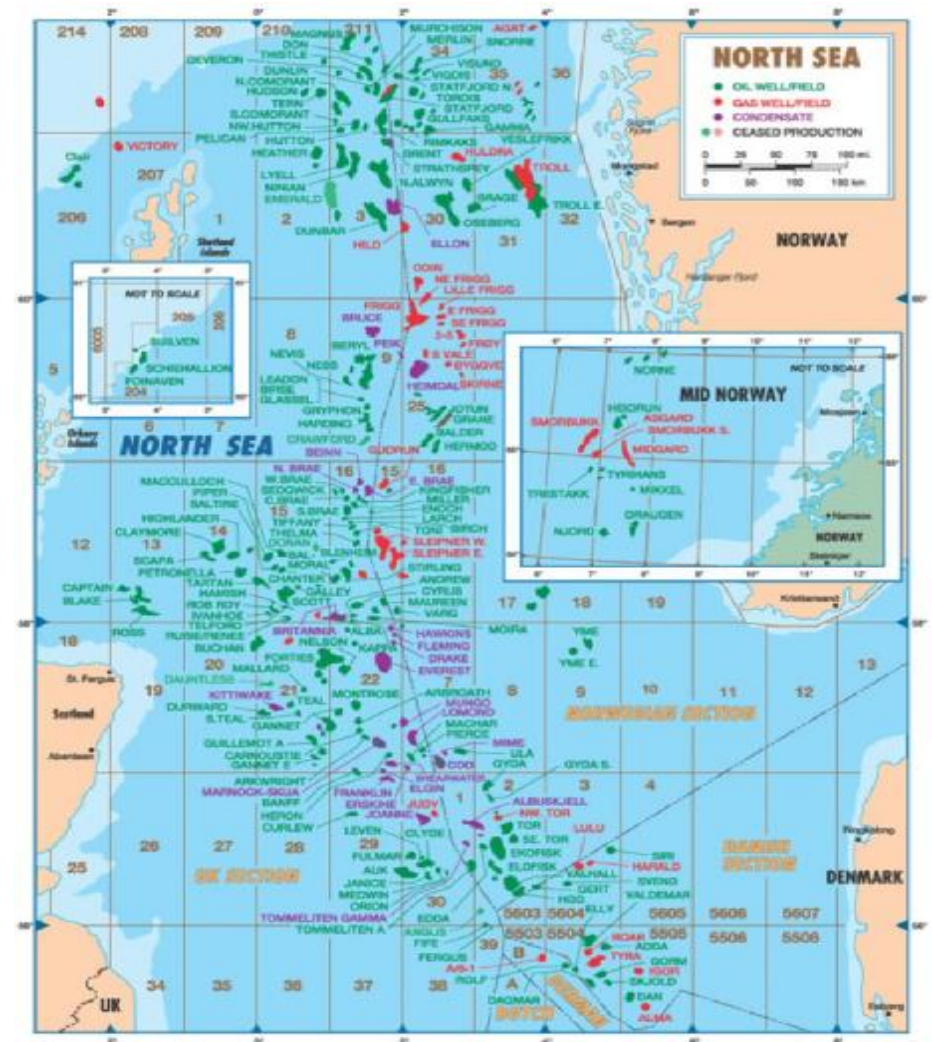
- Primary strengths:
  - Shallow to medium waterdepths
  - Fixed installations
  - Some floaters, e.g. TLPs



# Market outlook – Demand

## UK and Norwegian North Sea

- Mature basin
- Increased recovery
- Extended lifetime for fields
- Maintenance, modification and upgrade work required in years to come
- Currently, two of our rigs operating offshore UK and one rig operating offshore Norway



Source: [www.acorn-ps.com](http://www.acorn-ps.com)

# Market outlook – Demand

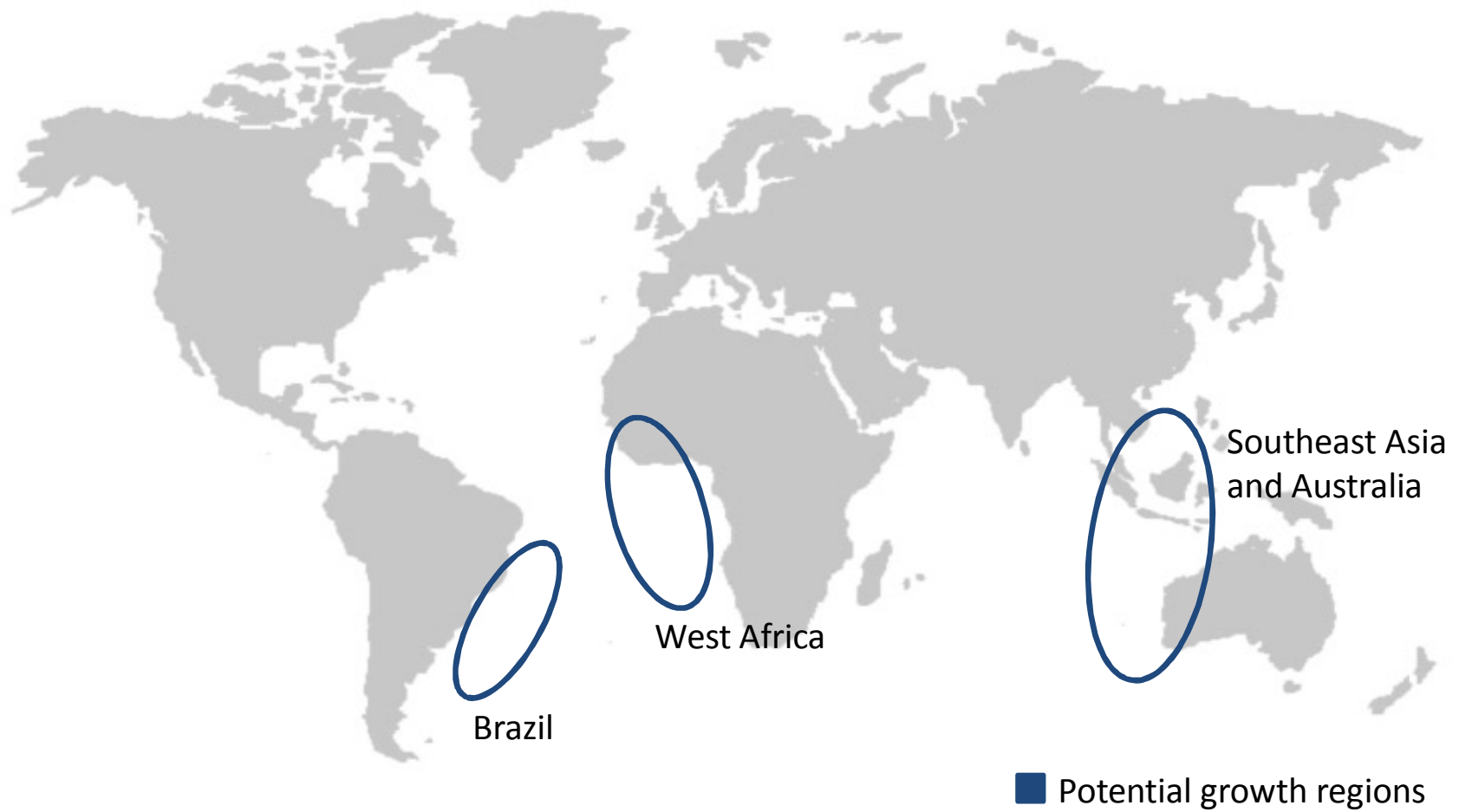
## Mexico

- High construction and maintenance activity offshore
  - Pemex maintain spending in order to keep up production at Cantarell
- Future new developments & exploration in deep waters
- Currently seven of our rigs operating in Mexico



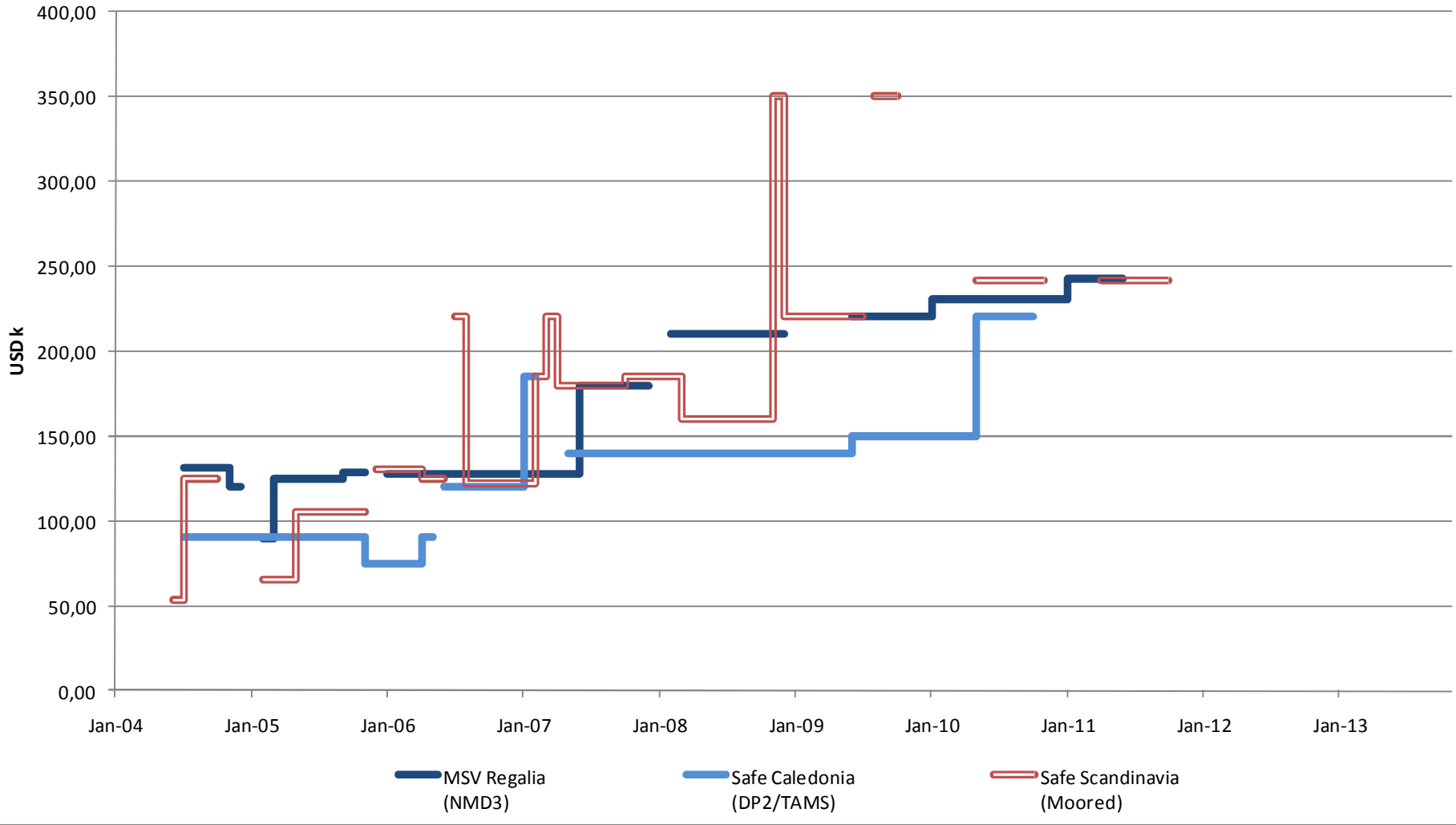
# Market outlook – Demand

Emerging markets/deepwater regions

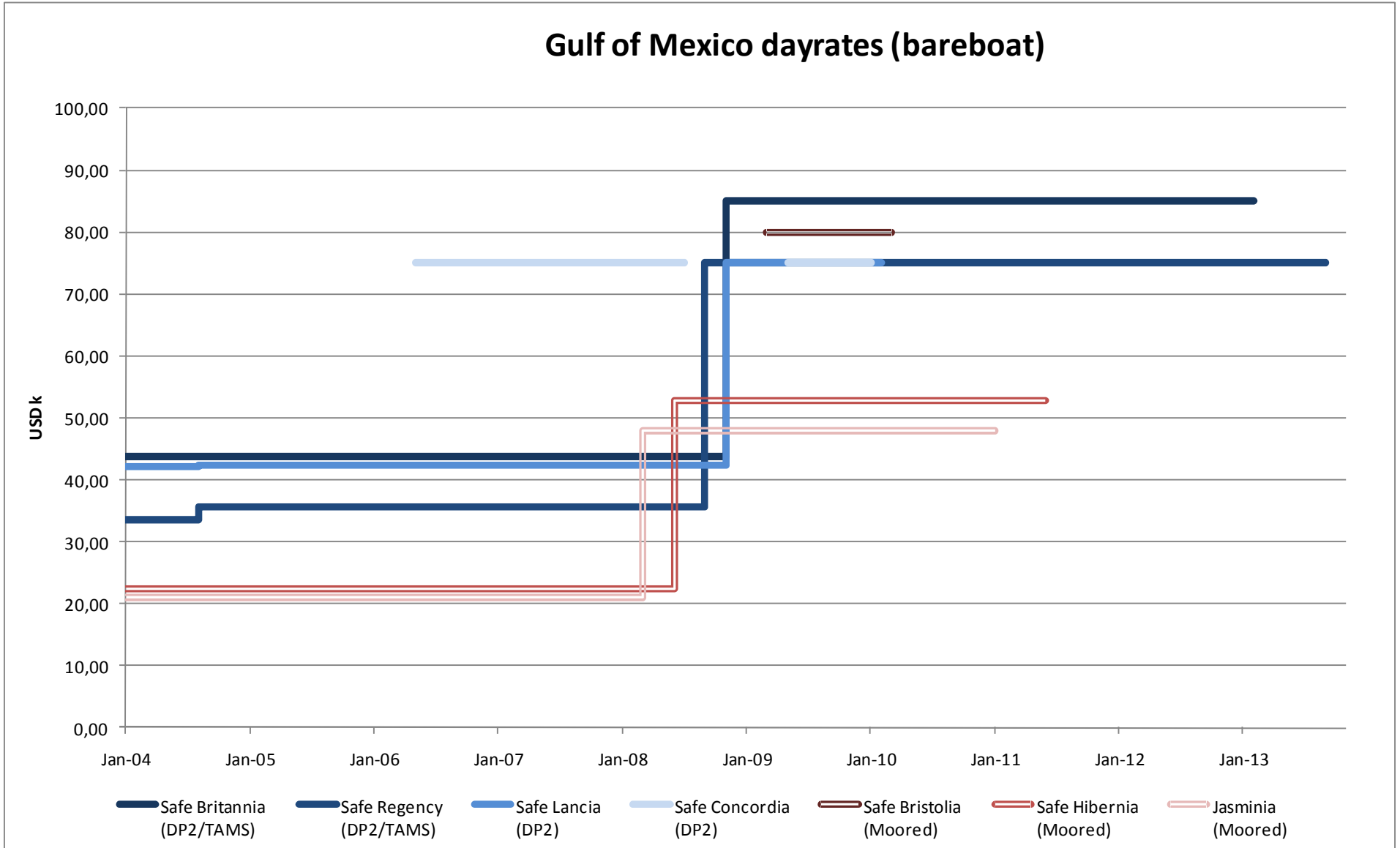




### North Sea dayrates (time charter)



### Gulf of Mexico dayrates (bareboat)



- § The quarter in brief
- § Financial results
- § Operations
- § Outlook
- ⇒ § Summary
- § Attachments



# Summary

- § Good market outlook
- § Leading market position
- § Unique, versatile rig fleet
- § Robust financial position
- § Solid order backlog



**Leading position in a good accommodation market**

- § The quarter in brief
- § Financial results
- § Operations
- § Outlook
- § Summary
- § Attachments





# Debt

## § Credit facility

§ Credit facility was initially drawn in May 2008 at USD 1.1 billion

§ Maturity of seven years

§ The applicable margin on the credit facility will vary in the range from 0.65% to 0.95% per annum depending on the leverage ratio. Currently credit margin 0.85% above USD LIBOR.

§ The availability under the credit facility will be reduced semi-annually with USD 70 million. In May 2009 the credit facility was reduced to USD 960 million.

§ As of end of June 2009, MUSD 890 is drawn on the credit facility, meaning that MUSD 70 was available as undrawn facilities as of end June.

§ NOK 411 mill bond loan – maturing March 2010

§ USD 50 mill bond loan – maturing March 2012

## Debt as of end Q2 2009

### § Total debt:

- § Credit facility: USD 890 mill (USD 820 mill. long-term, USD 70 mill. current)
- § Bond loan: USD 50 mill. (long-term)
- § Bond loan: NOK 411 mill. (current)

### § Long-term debt USD 870 mill.:

- § Drawn on credit facility: USD 820 mill.
- § Bond loan: USD 50 mill.

### § Current portion of long-term debt USD 134.4 mill.:

- § NOK 411 mill bond loan: USD 64.4 mill.
- § Drawn on credit facility: USD 70 mill.

# Financial covenants

- § Financial covenants on the credit facility:
  - § minimum cash of USD 65 million in the group
  - § maximum leverage ratio of 5 (4.5 starting from May 2010)
  - § minimum value adjusted equity ratio of 35%
  - § market value vessels/total commitments above 150%
  - § working capital (incl. unutilized credit lines with maturity in excess of 12 months) larger than zero
- § The only financial covenant on the bond loans is that adjusted shareholder equity on a consolidated basis in relation to the borrowers total consolidated liabilities shall be above 35%.
- § Prosafe has during Q2 2009 been in compliance with all financial covenants.

Rig name	Location	Client name	Type of contract	Firm contract	Option	Dayrate
<b>Current contract</b>						
<b>MSV Regalia</b>						
	Norwegian North Sea, Valhall	BP	Time charter	Jul 09 - Jan 11	Jul 11	USD 220 000 - 231 000, option USD 242 000
	Yard/mobilisation			Dec 08 - Jun 09		
	UK North Sea, MCP-01	Aker Kværner	Time charter	Feb 08 - Dec 08		USD 210 000
	West Africa, Girassol	Total	Time charter	Dec 05 - Oct 07		USD 128 000 - 180 000
<b>Safe Astoria</b>						
	Philippines, Malampaya	Shell	Time charter	Oct 09 - May 10		USD 120 000
	Kemaman yard, Malaysia			Sept 09		Convenience terminated 9 Feb 09, 85% of dayrate
	Sakhalin Island, Russia	SEIC	Time charter	Dec 07 - Mar 09		USD 120 000, standby during winter months USD 60 000
<b>Safe Bristolia</b>						
	UK North Sea, Buzzard	Nexen	Time charter	Apr 10 - Sep 10		USD 325 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Mar 09 - Mar 10		USD 80 000
	UK North Sea	ConocoPhillips	Time charter	Apr 08 - Sep 08		USD 150 000 (+ mob and demob fee)
<b>Safe Scandinavia</b>						
	Norwegian North Sea, Snorre A	StatoilHydro	Time charter	Apr 11 - Sep 11		USD 242 000
	Norwegian North Sea, Snorre A	StatoilHydro	Time charter	May 10 - Oct 10		USD 242 000
	UK North Sea	Shell	Time charter	Jul 09 - Sep 09 (65 days)		USD 350 000
	Yard/mobilisation			6 - 7 weeks in June/July 09		
	Norwegian North Sea, Valhall	BP	Time charter	Dec 08 - Jun 09		USD 220 000
	Yard			2 weeks in Dec 08		
	Norwegian North Sea, Sleipner	StatoilHydro	Time charter	Mar 08 - Nov 08		USD 160 000, from 1 - 26 Nov: USD 350 000
	UK North Sea, Britannia	ConocoPhillips	Time charter	Oct 07 - Feb 08		USD 185 000
	Norwegian North Sea, Snorre A	StatoilHydro	Time charter	Apr 07 - Sep 07		USD 180 000
<b>Safe Caledonia</b>						
	UK North Sea, Dunbar Elgin	Total	Time charter	May 07 - Sep 10		May 07 - Apr 09: USD 140 000
						May 09 - Jun 10: USD 150 000
						Jun 10 - Sep 10: USD 220 000
						1.5 mth yard stay in Q1 09
	UK North Sea, Buzzard	Nexen	Time charter	Jul 06 - Jan 07		

Rig name	Location	Client name	Type of contract	Firm contract	Option	Dayrate
<b>Safe Concordia</b>						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	May 09 - Dec 09		USD 75 000
	US, Tahiti spar	ChevronTexaco	Time charter	Aug 08 - Jan 09		USD 225 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	May 06 - Jun 08		USD 75 000
<b>Jasminia</b>						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Feb 09 - Dec 10	Feb 13	USD 48 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Feb 08 - Feb 09		USD 48 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Oct 03 - Feb 08		USD 21 000
<b>Safe Hibernia</b>						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	May 08 - May 11		USD 53 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	May 03 - May 08		USD 22 000
<b>Safe Lancia</b>						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Oct 08 - Jan 10		USD 75 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Apr 03 - Oct 08		USD 42 000
<b>Safe Regency</b>						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Sep 08 - Aug 13		USD 75 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Jul 03 - Aug 08		USD 36 000
<b>Safe Britannia</b>						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Oct 08 - Jan 13		USD 85 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Oct 03 - Oct 08		USD 44 000
<b>Safe Esbjerg</b>						
	Denmark	Maersk	Time charter	Jun 09 - Jun 11	Jun 12	Euro 63 000
	Denmark	Maersk	Time charter	Jun 05 - Jun 09		Euro 45 000
<b>Cost per day</b>		<b>Norwegian North Sea</b>		<b>UK North Sea</b>		<b>Other regions</b>
	Dynamically positioned rigs	65 000 - 75 000		45 000 - 60 000		40 000 - 60 000
	Anchored rigs	55 000 - 60 000		35 000 - 50 000		30 000 - 45 000



# Fleet overview



Name	MSV Regalia	Safe Scandinavia	Safe Caledonia
Geographical area	Harsh environment, NCS	Harsh environment, NCS	Harsh environment
Mooring system	DP	12 point chain winches	10 point wire winches
Station keeping	NMD3	Moored	DP2 / TAMS
No of beds	300	583	495
Deck area	3,250 m <sup>2</sup>	400 m <sup>2</sup>	900 m <sup>2</sup>
Payload	1,000 – 2,000 t	1,000 t	700 t
<b>Current contract</b>			
Client	BP	Shell	Total
Field	Valhall, NCS	Shearwater, UK NS	Dunbar Elgin/Franklin, UK NS
Water depth	70m	90m	93m
Type of installation	Steel platform	Steel 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	587	139
Deck area	620 m <sup>2</sup>	400 m <sup>2</sup>	750 m <sup>2</sup>
Payload	1,800 t	1,800 t	variable, max 725 t
<b>Current contract</b>			
Client	Kemaman yard	Interpetroleum Services	Maersk
Field		Cantarell, GoM	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 <sup>2</sup>	1,100 m <sup>2</sup>	750 m <sup>2</sup>
Payload	1,245 t (620 DP mode)	626 t	1,000 t
<b>Current contract</b>			
Client	Interpetroleum Services	Interpetroleum Services	Interpetroleum Services
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

DP2

771

800 m<sup>2</sup>

550 t

## Safe Concordia

Benign environment

4 point wire winches

DP2

390

1,300 m<sup>2</sup>

1,400 t

## Jasminia

Benign environment

8 point wire winches

Moored

535

690 m<sup>2</sup>

640 t

## Current contract

Client

Field

Water depth

Type of installation

Interpetroleum Services

Cantarell, GoM

40-50m

Jacket structure platform

Interpetroleum Services

Cantarell, GoM

40-50m

Jacket structure platform

Interpetroleum Services

Cantarell, GoM

40-50m

Jacket structure platform

# Financial calendar and IR contacts

## Financial calendar

### § 5 November 2009

Publication, presentation and web cast of Q3 2009 result

### § 18 February 2010

Publication, presentation and web cast of Q4 2009 result

## IR contacts

### **Karl Ronny Klungtvedt**

Exec. VP Strategy and Corporate planning  
[karl.ronny.klungtvedt@prosafe.com](mailto:karl.ronny.klungtvedt@prosafe.com)

Phone: +47 51 64 25 81

Cell phone: +47 90 88 16 57

### **Cecilie Ouff**

Finance Manager

[cecilie.ouff@prosafe.com](mailto:cecilie.ouff@prosafe.com)

Phone: +47 51 64 25 20

Cell phone: +47 99 10 94 67

For more information, please visit [www.prosafe.com](http://www.prosafe.com)