



4 November 2010

Q3 2010 results

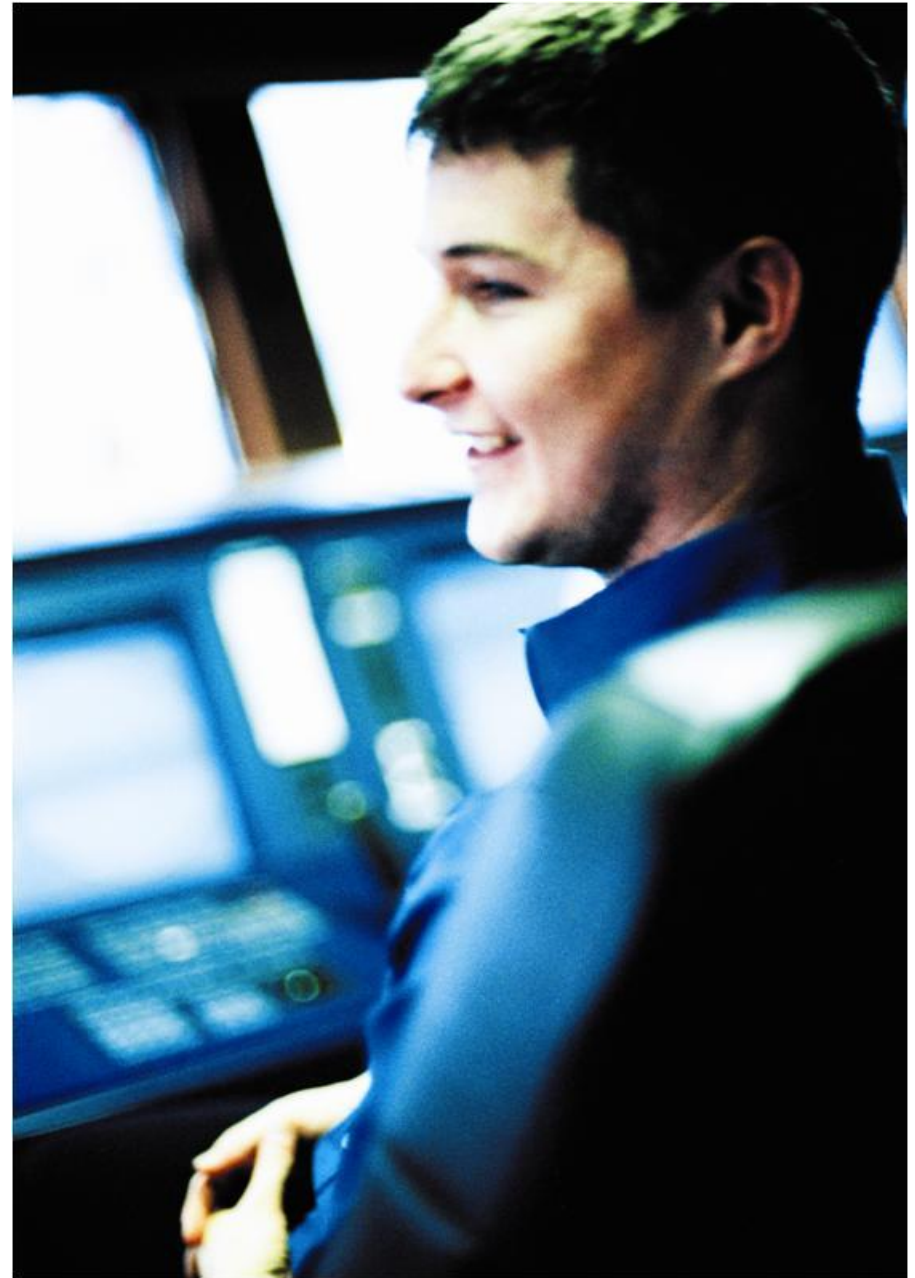


# Disclaimer

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# Agenda

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



## The quarter in brief

- n Rig utilisation rate of 80 per cent
- n EBITDA of USD 98.7 million
- n Several contract awards
- n Sale of PROD/BWO shares

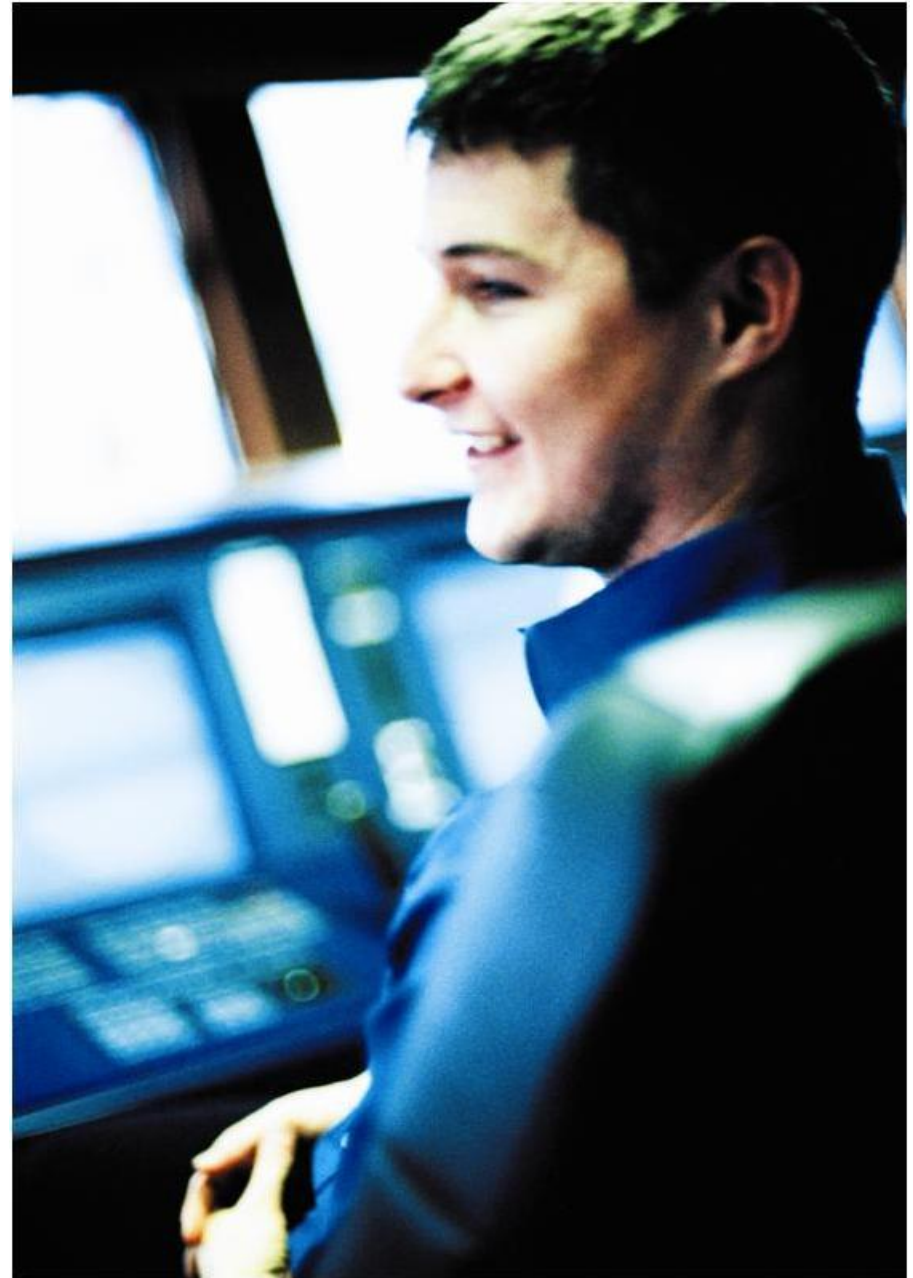


**Leading position in a good accommodation market**



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# Income statement

(Unaudited figures in USD million)	Q3 10	Q2 10	Q3 09	YTD 10	YTD 09	2009
Operating revenues	140.4	139.3	123.7	367.1	291.2	397.9
Operating expenses	(41.7)	(44.2)	(31.5)	(117.9)	(89.0)	(123.6)
<b>EBITDA</b>	<b>98.7</b>	<b>95.1</b>	<b>92.2</b>	<b>249.2</b>	<b>202.2</b>	<b>274.3</b>
Depreciation	(15.7)	(15.4)	(15.1)	(46.5)	(40.8)	(55.7)
<b>Operating profit</b>	<b>83.0</b>	<b>79.7</b>	<b>77.1</b>	<b>202.7</b>	<b>161.4</b>	<b>218.6</b>
Interest income	0.1	0.0	0.0	0.2	0.3	0.4
Interest expenses	(10.8)	(10.7)	(10.7)	(32.4)	(33.2)	(44.8)
Other financial items	4.3	(1.2)	2.3	1.5	20.2	(33.3)
<b>Net financial items</b>	<b>(6.4)</b>	<b>(11.9)</b>	<b>(8.4)</b>	<b>(30.7)</b>	<b>(12.7)</b>	<b>(77.7)</b>
<b>Profit before taxes</b>	<b>76.6</b>	<b>67.8</b>	<b>68.7</b>	<b>172.0</b>	<b>148.7</b>	<b>140.9</b>
Taxes	(4.6)	1.9	(2.4)	(3.5)	(13.0)	(13.7)
<b>Net profit</b>	<b>72.0</b>	<b>69.7</b>	<b>66.3</b>	<b>168.5</b>	<b>135.7</b>	<b>127.2</b>
<b>EPS</b>	<b>0.32</b>	<b>0.31</b>	<b>0.30</b>	<b>0.76</b>	<b>0.61</b>	<b>0.57</b>
<b>Diluted EPS</b>	<b>0.32</b>	<b>0.31</b>	<b>0.30</b>	<b>0.76</b>	<b>0.61</b>	<b>0.57</b>

# Operating revenues

(USD million)	Q3 10	Q2 10	Q3 09	YTD 10	YTD 09	2009
Charter income	125.4	124.9	116.7	331.6	275.7	368.5
Mob/demob income	1.9	2.5	2.3	4.6	3.4	4.0
Other income	13.1	11.9	4.7	30.9	12.1	25.4
<b>Total</b>	<b>140.4</b>	<b>139.3</b>	<b>123.7</b>	<b>367.1</b>	<b>291.2</b>	<b>397.9</b>

# Balance sheet

(Unaudited figures in USD million)	30.09.10	30.06.10	31.12.09	30.09.09
Goodwill	226.7	226.7	226.7	226.7
Rigs	891.4	902.9	913.5	929.2
Other non-current assets	4.4	4.5	4.9	5.2
<b>Total non-current assets</b>	<b>1 122.5</b>	<b>1 134.1</b>	<b>1 145.1</b>	<b>1 161.1</b>
Cash and deposits	108.8	89.6	88.5	107.8
Assets held for sale	64.8	51.8	54.7	60.2
Other current assets	93.6	88.6	67.2	91.2
<b>Total current assets</b>	<b>267.2</b>	<b>230.0</b>	<b>210.4</b>	<b>259.2</b>
<b>Total assets</b>	<b>1 389.7</b>	<b>1 364.1</b>	<b>1 355.5</b>	<b>1 420.3</b>
Share capital	63.9	63.9	63.9	63.9
Other equity	336.4	278.4	200.0	182.5
<b>Total equity</b>	<b>400.3</b>	<b>342.3</b>	<b>263.9</b>	<b>246.4</b>
Interest-free long-term liabilities	114.3	108.3	100.4	117.5
Interest-bearing long-term debt	815.6	807.0	876.6	870.0
<b>Total long-term liabilities</b>	<b>929.9</b>	<b>915.3</b>	<b>977.0</b>	<b>987.5</b>
Other interest-free current liabilities	59.5	56.5	76.1	75.3
Current portion of long-term debt	0.0	50.0	38.5	111.1
<b>Total current liabilities</b>	<b>59.5</b>	<b>106.5</b>	<b>114.6</b>	<b>186.4</b>
<b>Total equity and liabilities</b>	<b>1 389.7</b>	<b>1 364.1</b>	<b>1 355.5</b>	<b>1 420.3</b>



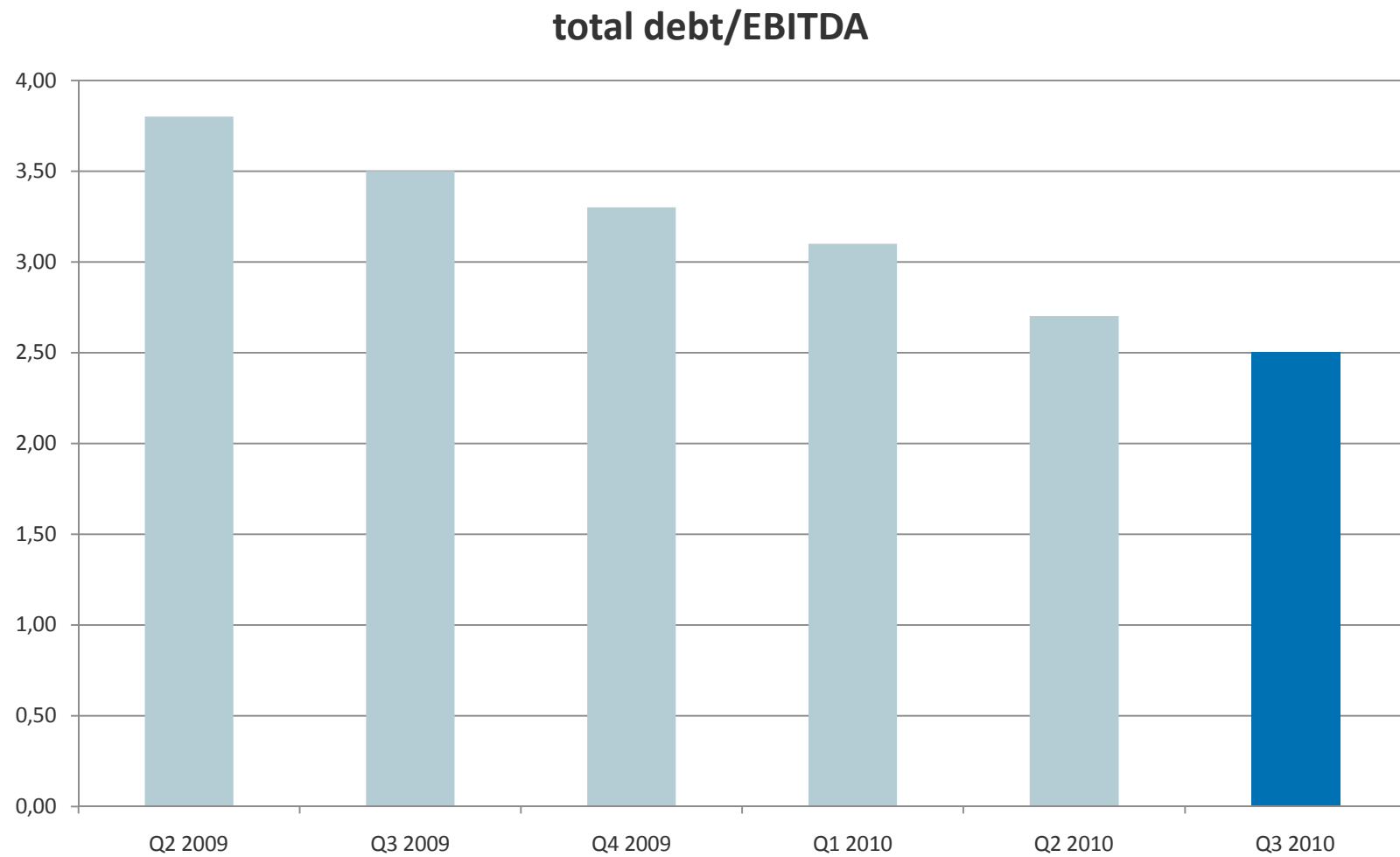
# Key figures

	Q3 10	Q2 10	Q3 09	YTD 10	YTD 09	2009
Operating margin	59.1 %	57.2 %	62.3 %	55.2 %	55.4 %	54.9 %
Equity ratio	28.8 %	25.1 %	17.3 %	28.8 %	17.3 %	19.5 %
Return on equity	86.7 %	92.0 %	121.4 %	67.7 %	97.5 %	87.3 %
Net interest bearing debt (USD million)	706.8	767.4	873.3	706.8	873.3	826.6
Number of shares (1 000)	229 937	229 937	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	222 942	222 942	222 935	222 942	222 935	222 935
USD/NOK exchange rate at end of period	5.84	6.50	5.78	5.84	5.78	5.78
Share price (NOK)	36.22	26.20	29.76	36.22	29.76	36.85
Share price (USD)	6.20	4.03	5.15	6.20	5.15	6.38
Market capitalisation (NOK million)	8 328	6 024	6 843	8 328	6 843	8 473
Market capitalisation (USD million)	1 427	927	1 184	1 427	1 184	1 466

# Shareholders

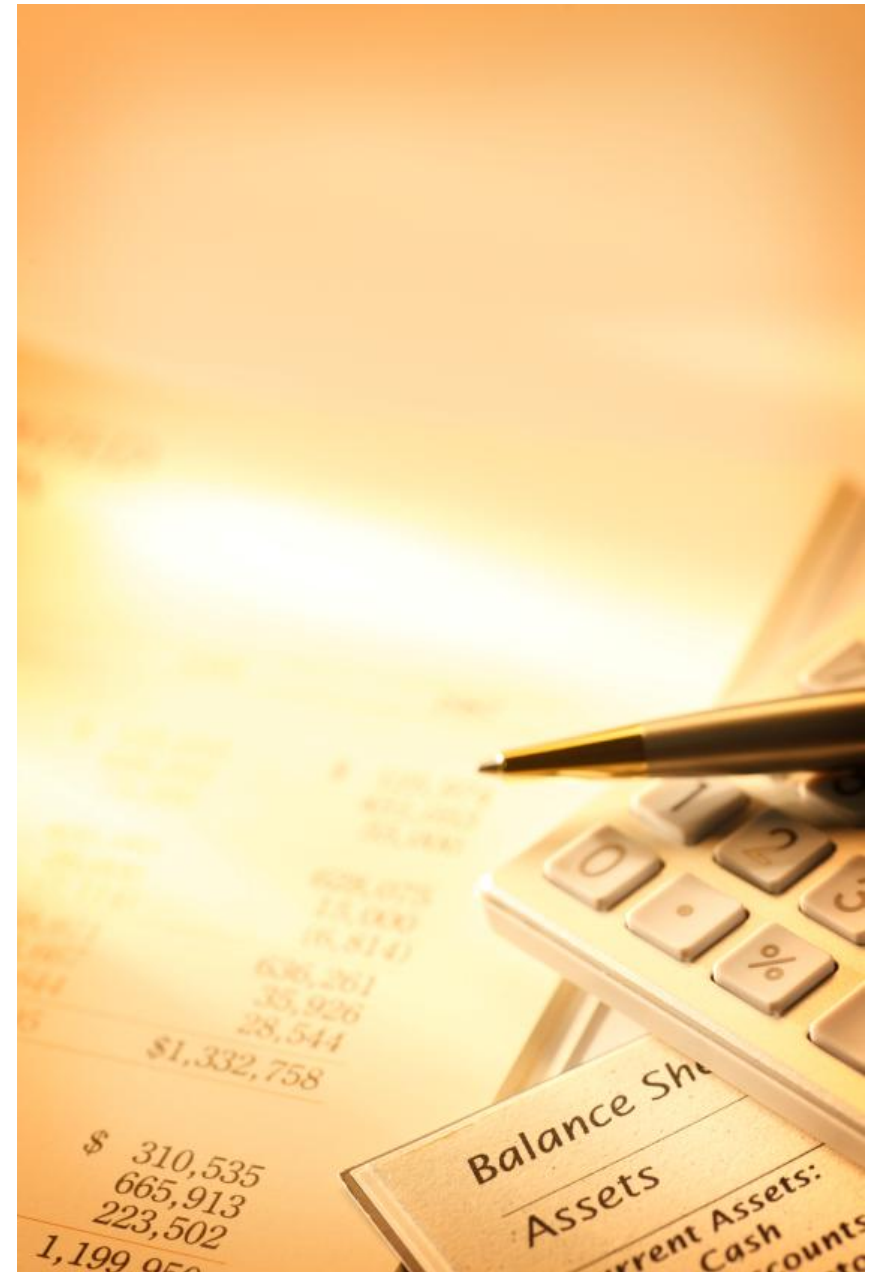
<b>AS AT 25.10.2010</b>	<b>No. of shares</b>
Folketrygdfondet	16 995 735
Pareto	14 232 530
KAS Depository Trust (nom.)	10 621 390
State Street Bank & Trust (nom.)	10 463 706
Brown Brothers Harriman	8 149 653
Prosafe SE	6 994 355
Clearstream Banking (nom.)	6 768 622
JP Morgan Chase Bank (nom.)	6 356 000
Goldman Sachs	5 857 473
Odin	5 379 800
<b>Total 10 largest</b>	<b>91 819 264</b>
 Total no. of shares:	 229 936 790

# Improved financial position



# Dividend

- n Long-term dividend policy targeting 40-50% of net profit paid tri-annually the following year
- n The Board resolved on 3 November 2010 to pay 0.095 USD per share in dividend. The dividend will be paid in the form of NOK 0.55
- n The shares will trade ex-dividend on 11 November
- n Total dividend paid in 2010 is 0.285 USD per share (50% payout)

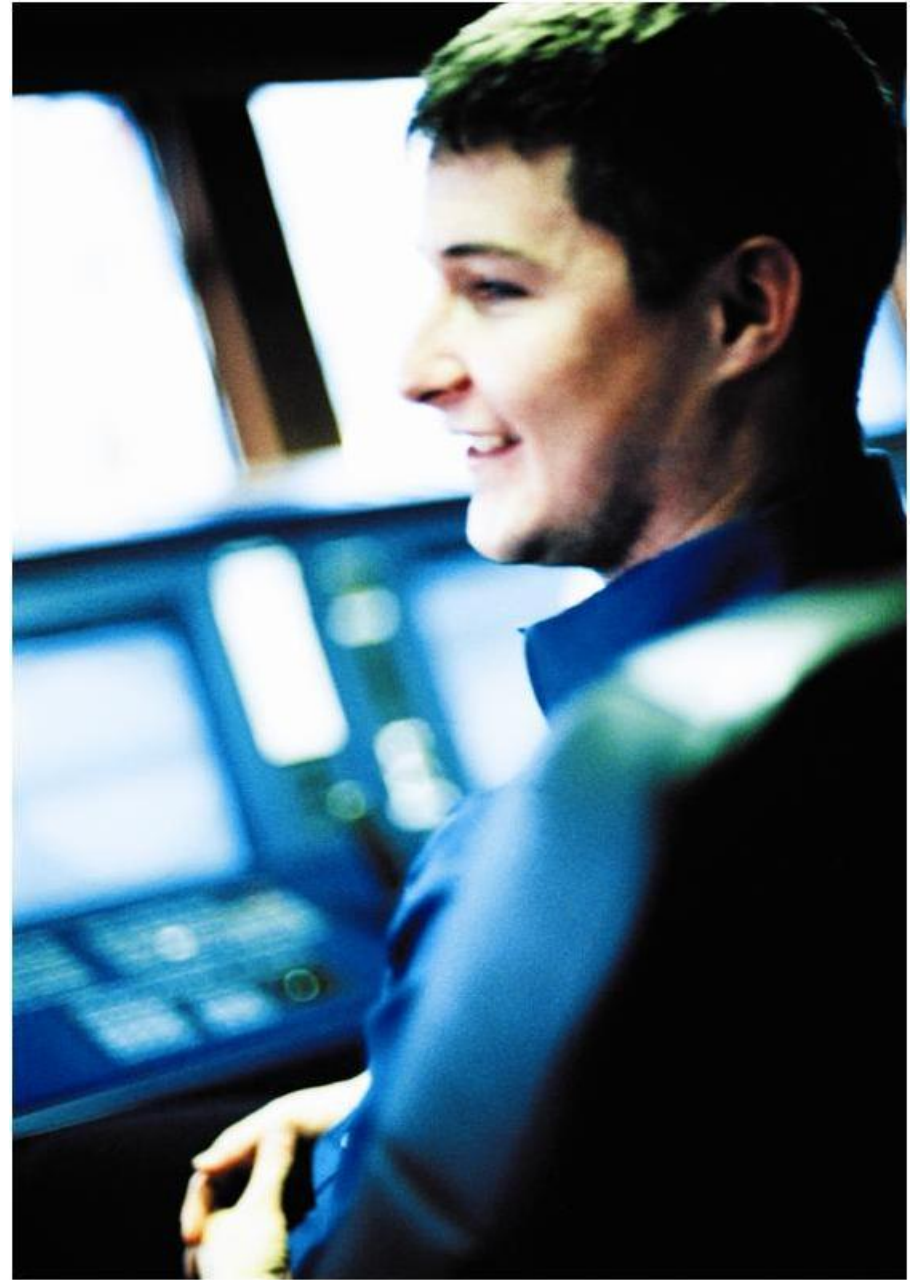






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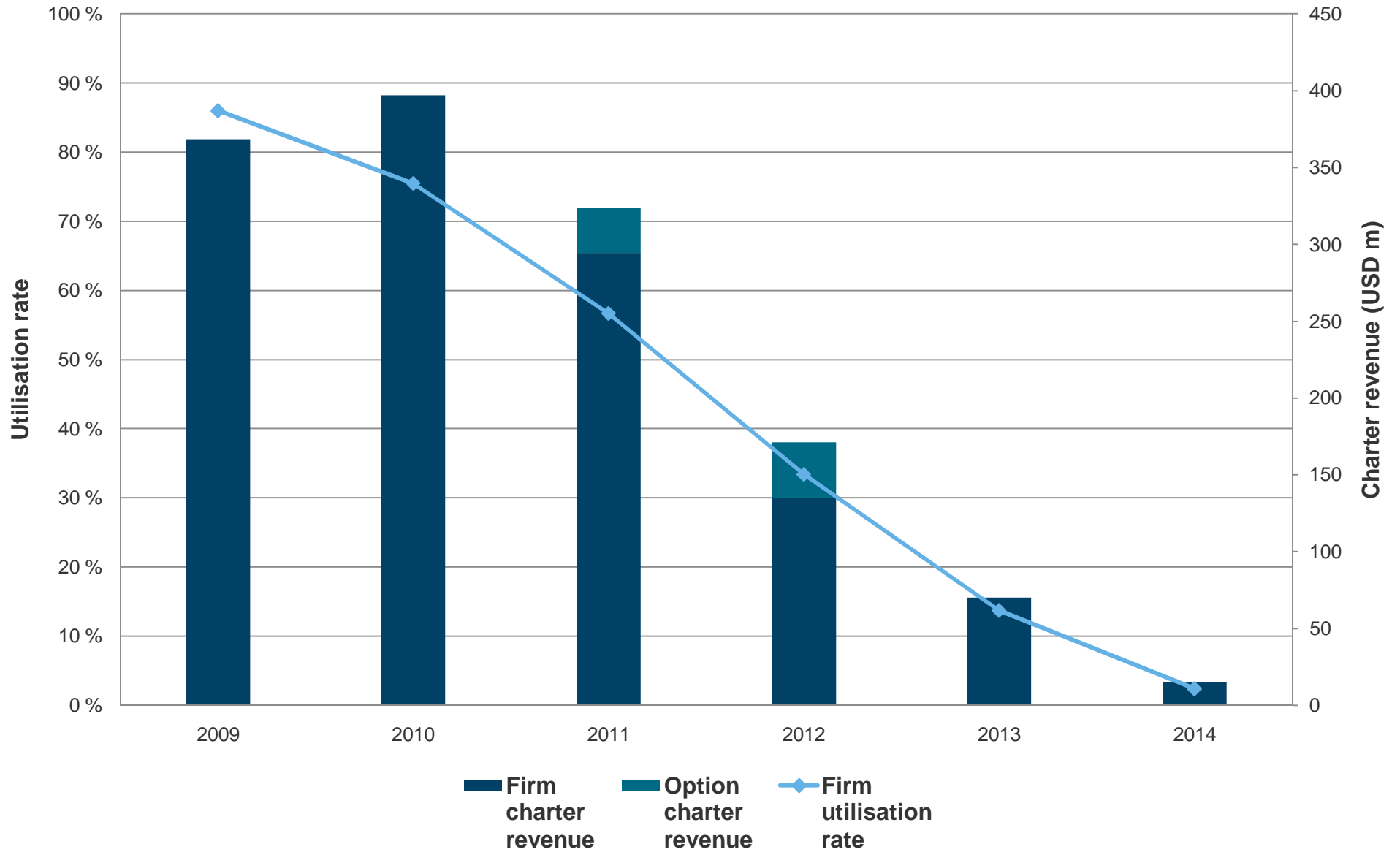


## Recent contracts

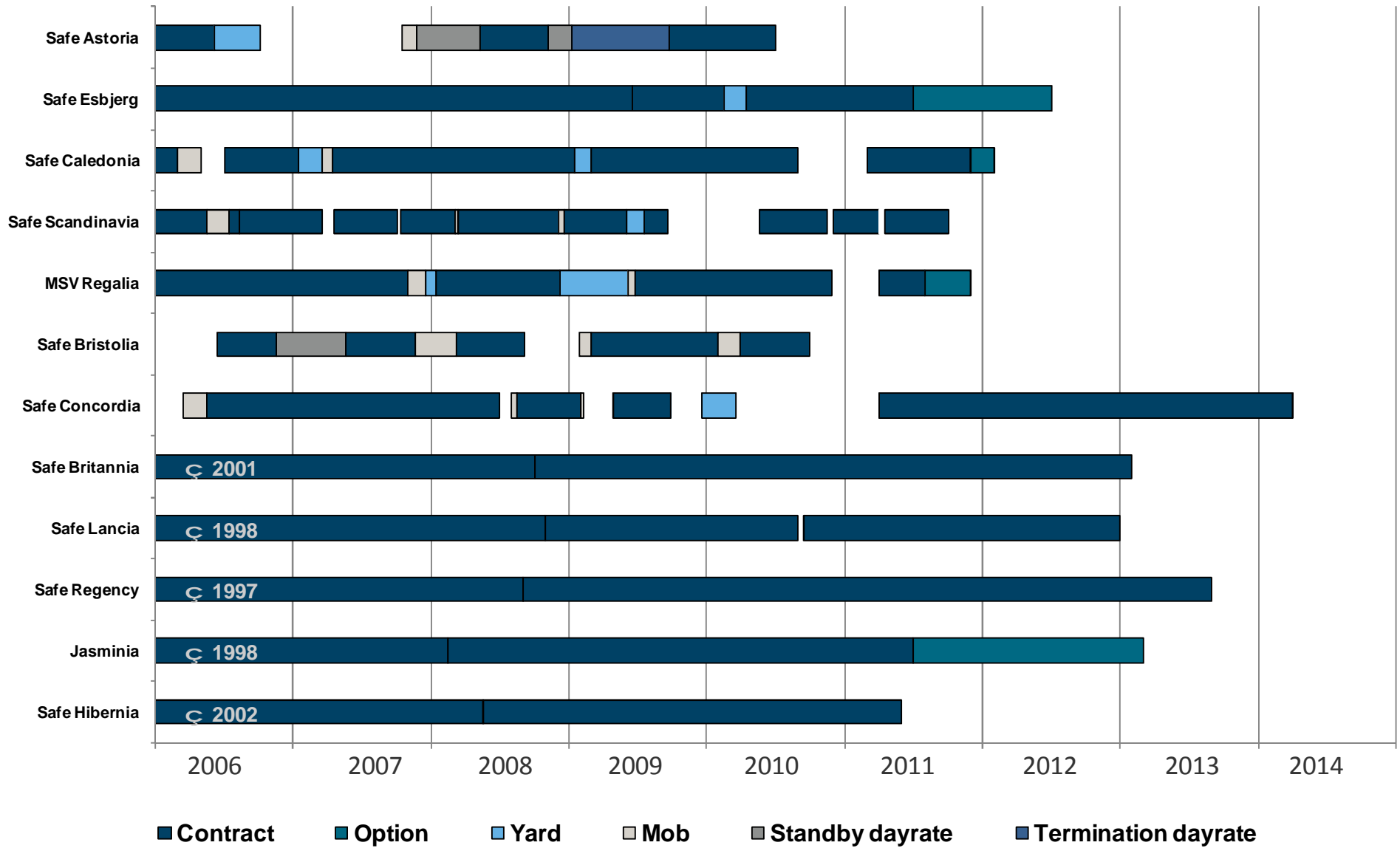
- n 3-year Lol for Petrobras, planned to commence early in Q2 2011
- n Contract extension (159 days) for Jasminia in Mexico
- n Safe Caledonia awarded a 9-month contract by BG in the UK North Sea



## Utilisation rate and charter revenue

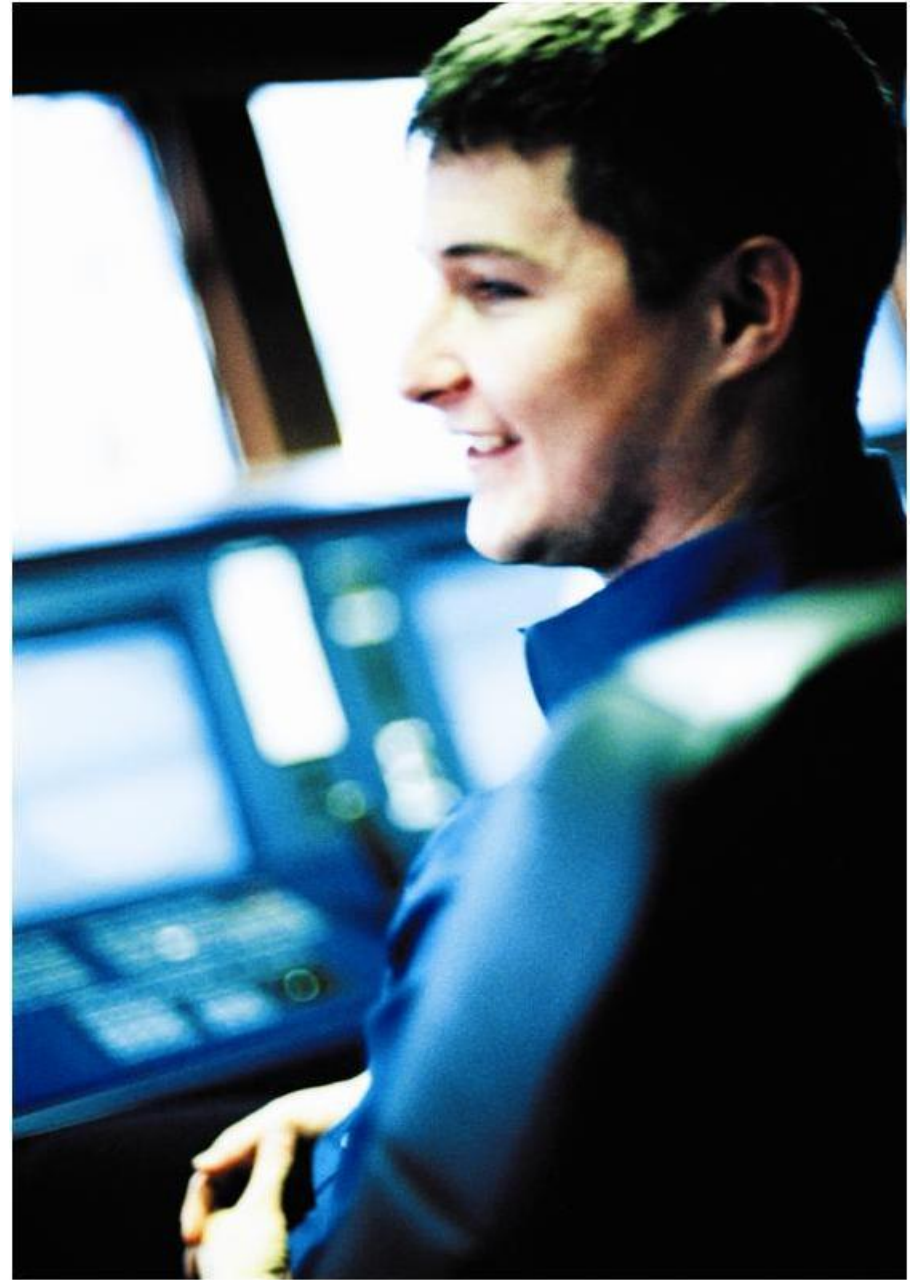


## Contract status



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- n Financial results
- n Operations
- ➔ n Outlook
- n Summary
- n Attachments

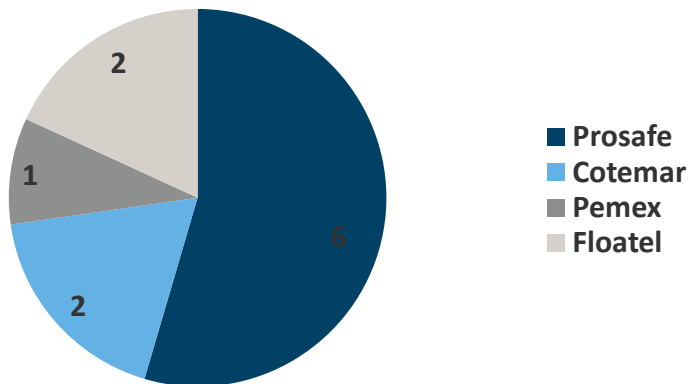




# Market outlook – supply

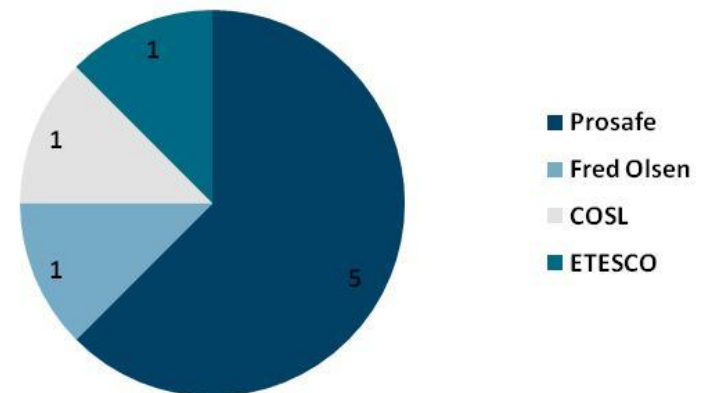
## Dynamically positioned semi rigs

- 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 water depths
  - Fixed installations
  - Some floaters, e.g. TLPs



# Market outlook – demand

## UK and Norwegian North Sea

- Drivers: Maintenance, modifications, IOR projects and tie-ins of satellite fields to existing installations
- Several contract awards in Q2 and Q3 2010
- Expect more projects requiring additional accommodation in 2011, 2012 and 2013



# Market outlook – demand

## Mexico

- Drivers:
  - Construction support
  - Maintenance support
  - Hotel, catering, logistical support
- Currently five of our rigs are operating in Mexico
- Expect stable demand going forward



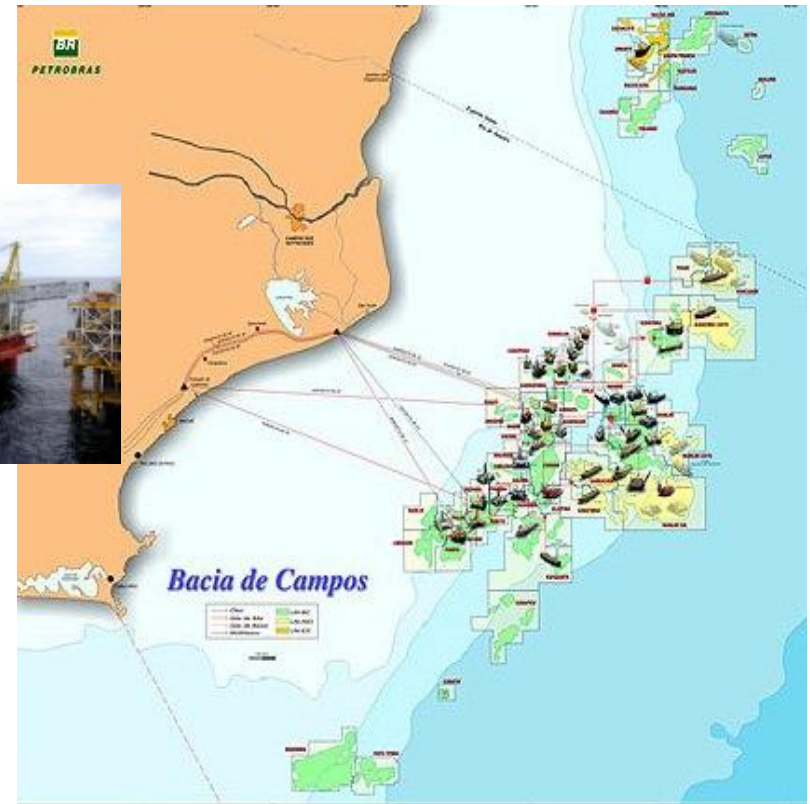
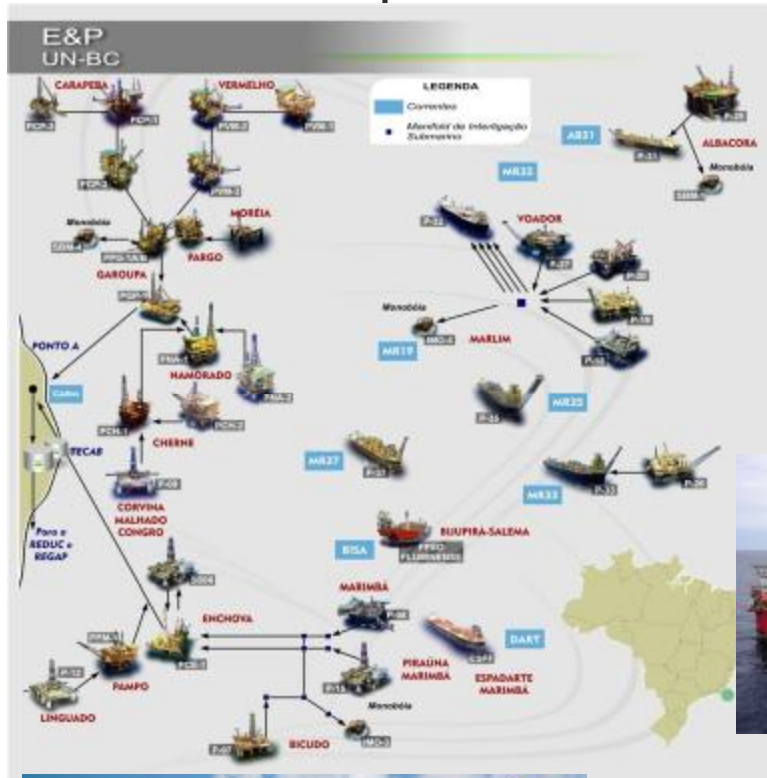


# Market outlook – demand

## Brazil - Campos



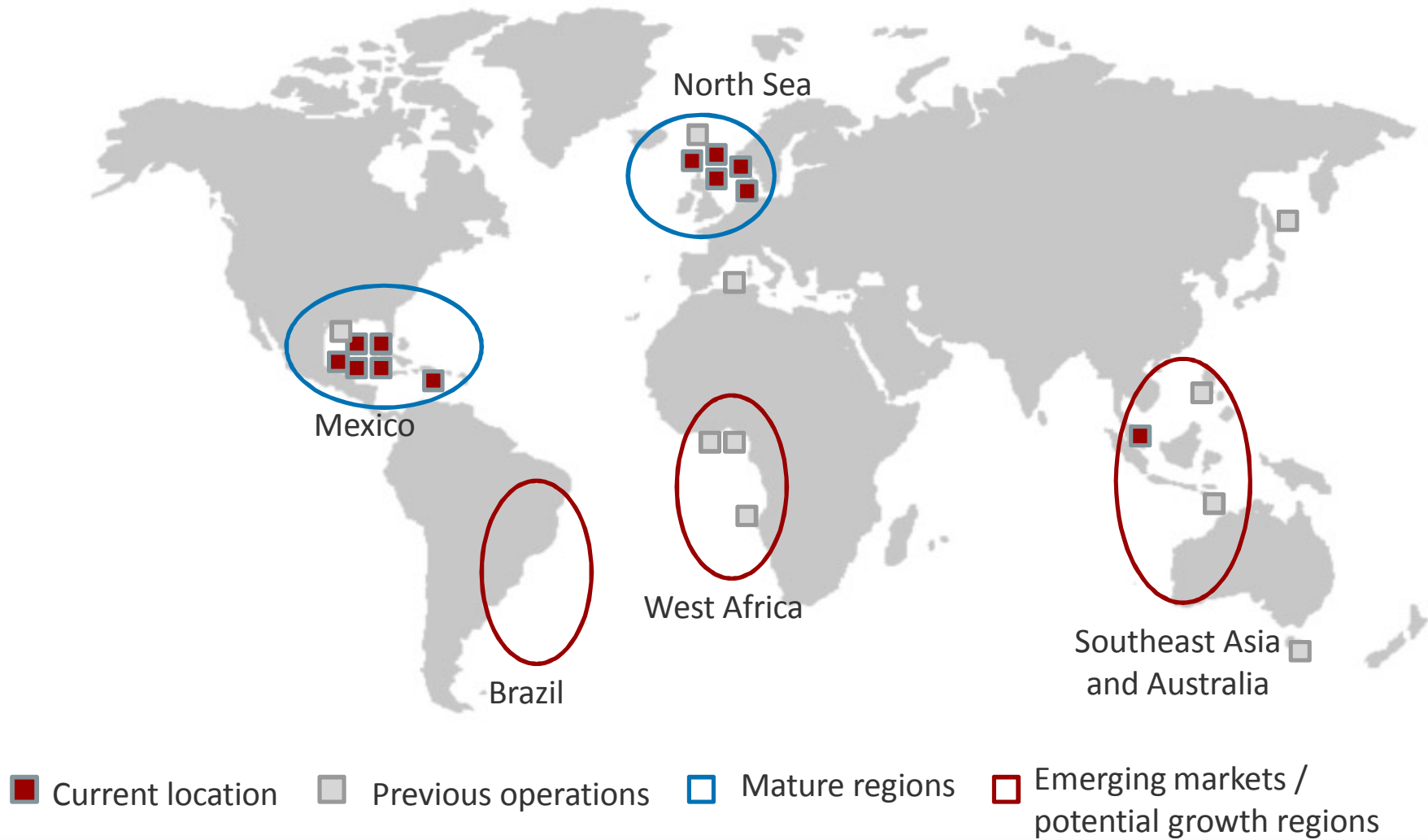
Fixed Platform  
Campos Basin



Petrobras P-52  
Campos Basin

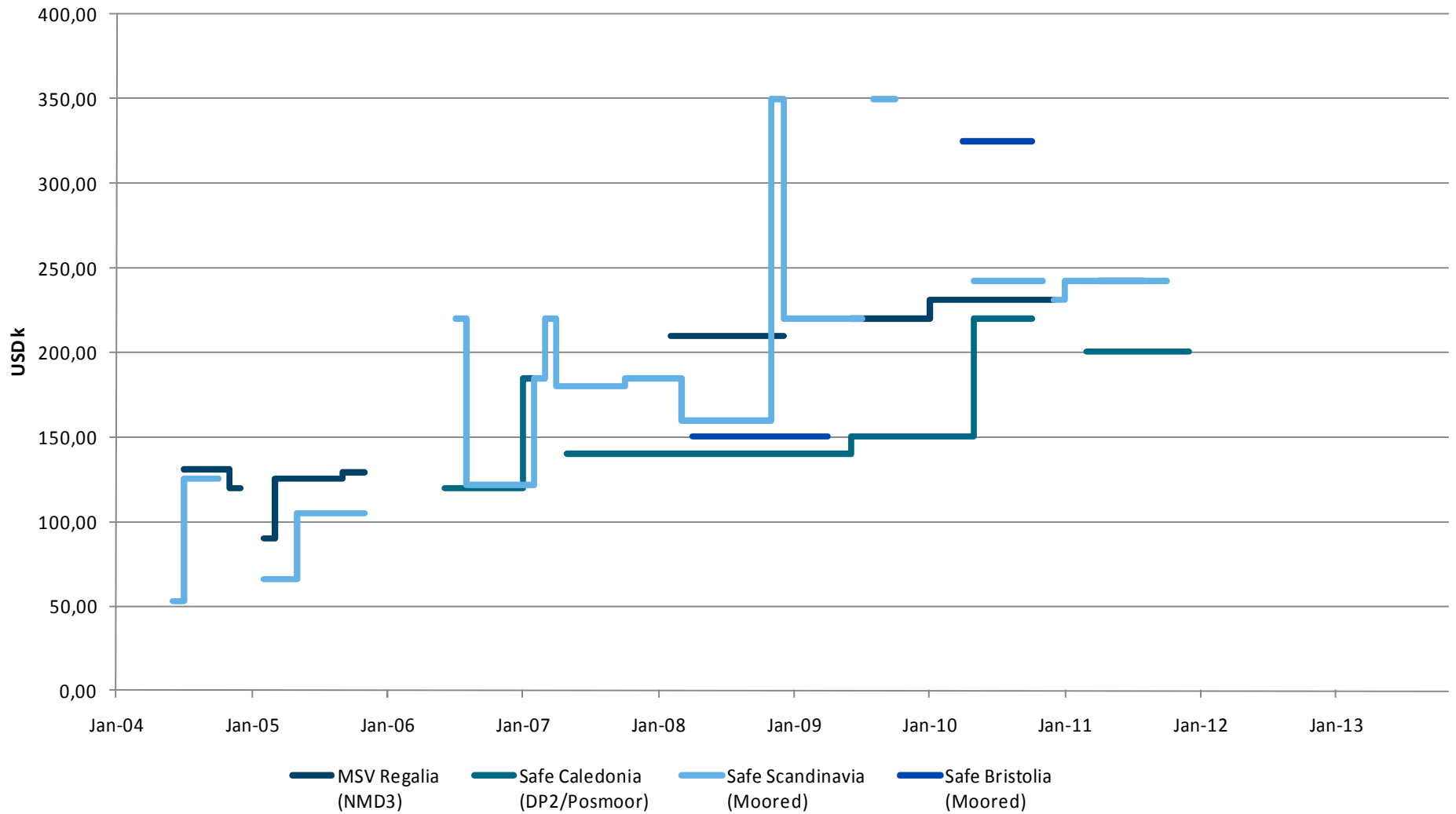
# Market outlook - demand

## Emerging markets

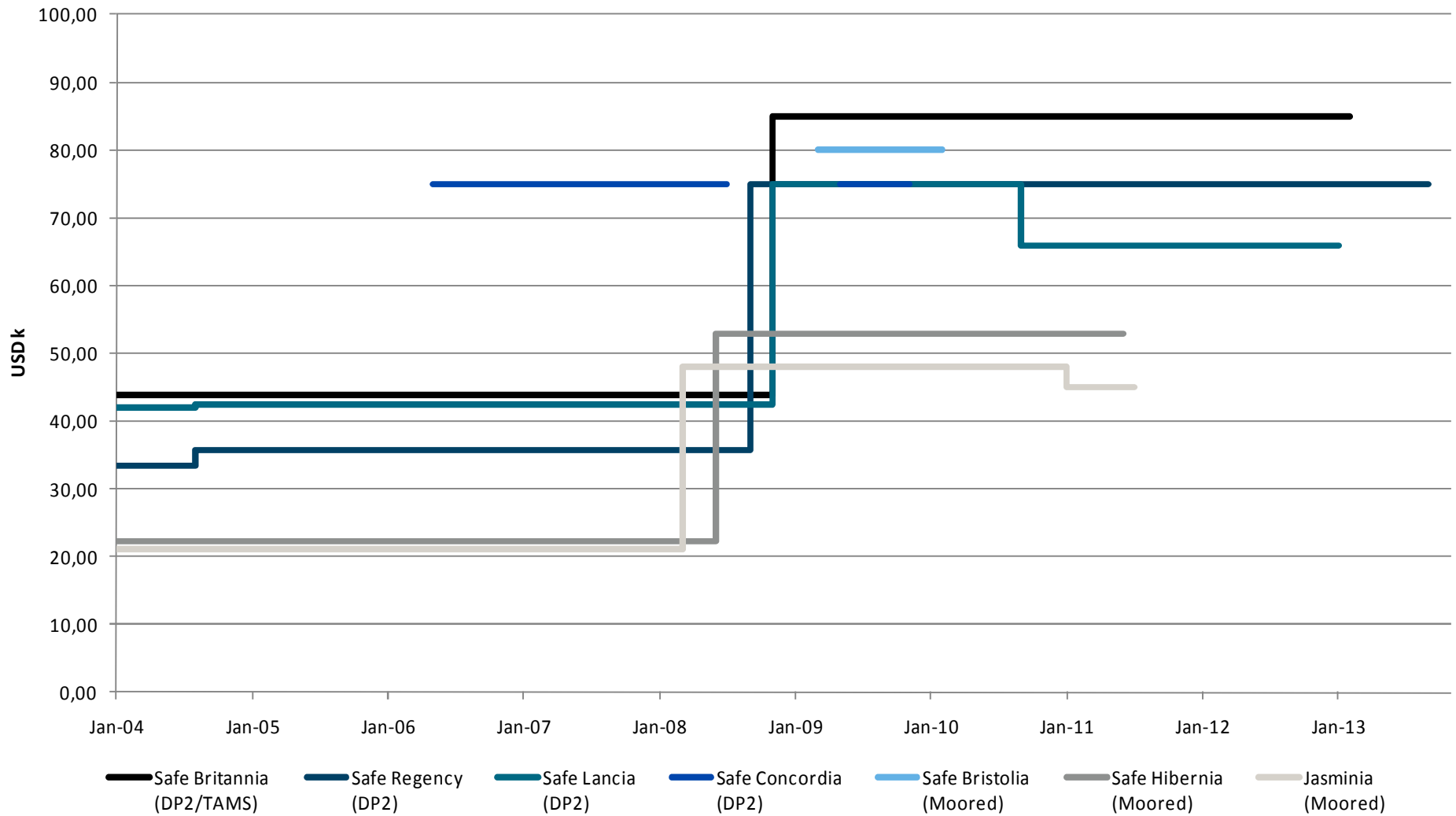




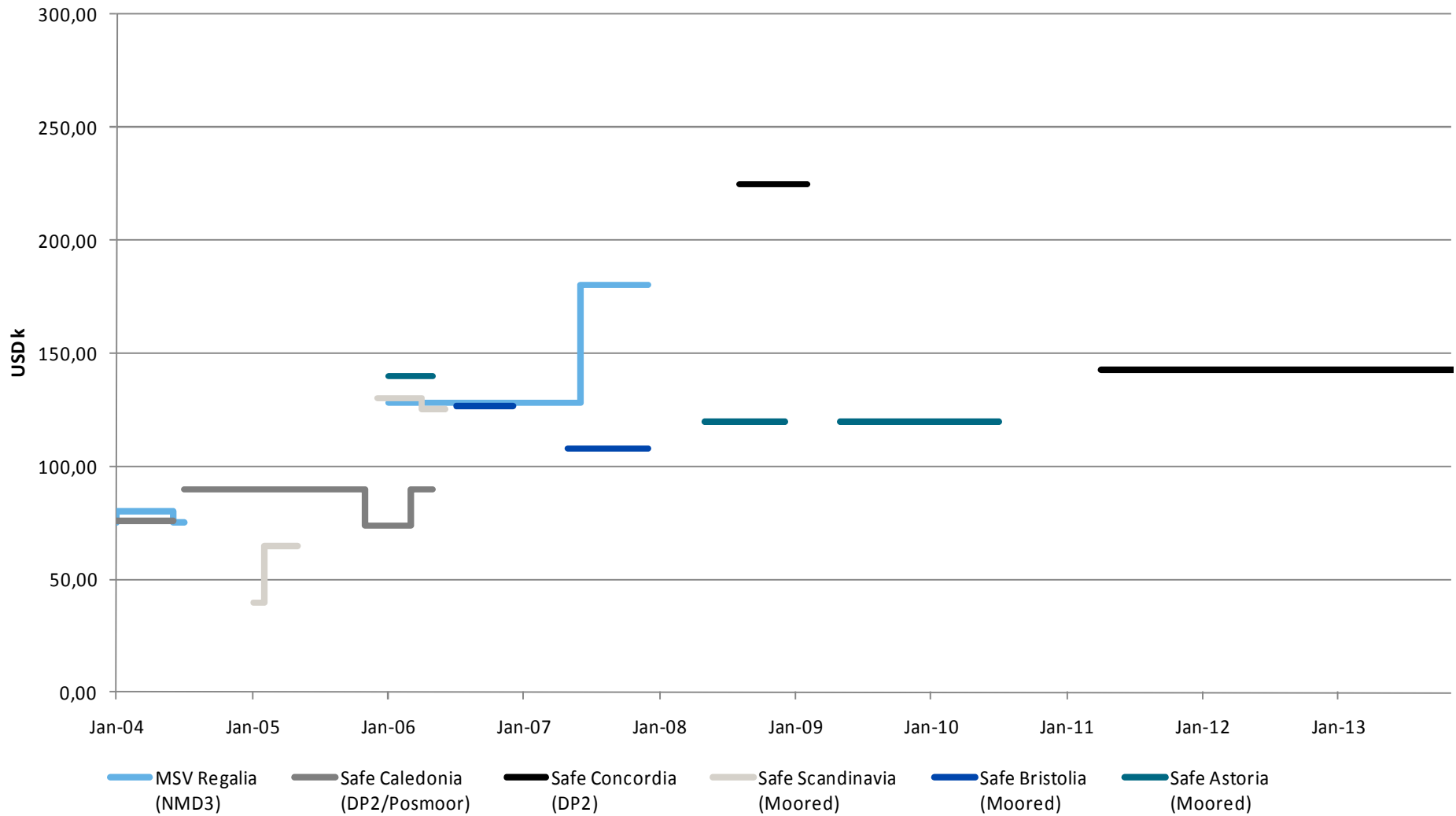
### North Sea dayrates (time charter)



### Gulf of Mexico dayrates (bareboat)

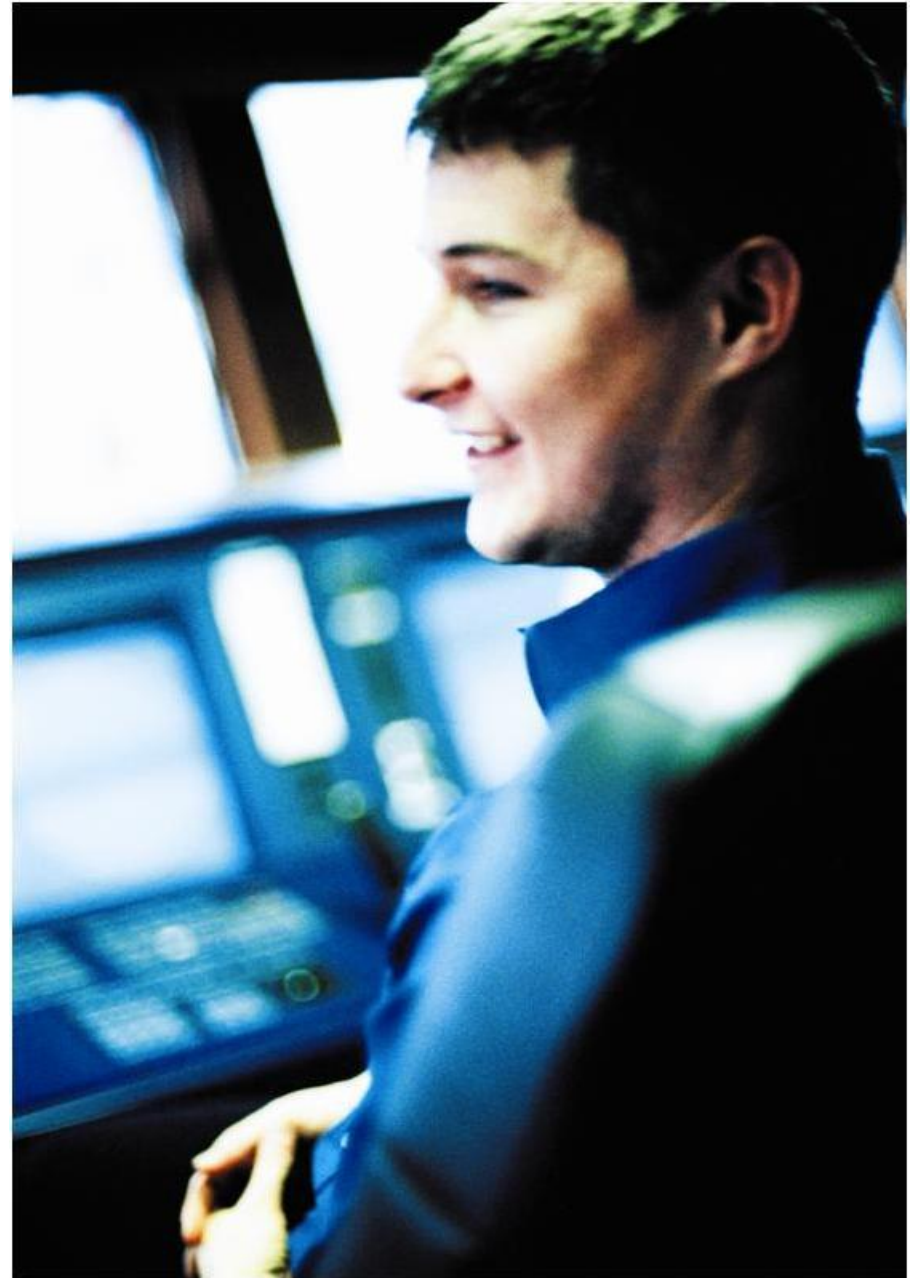


### Rest of World dayrates (time charter)



# Agenda

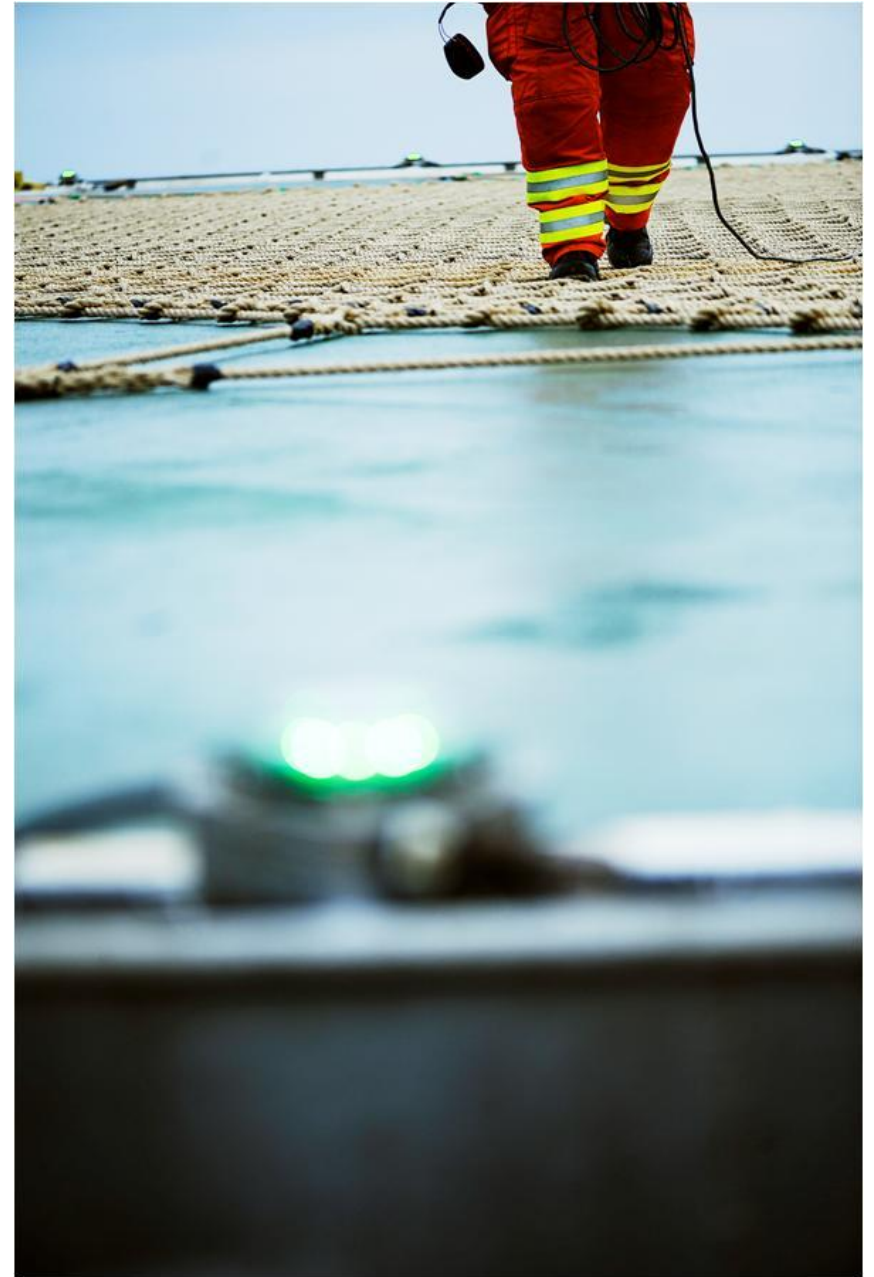
- n The quarter in brief
- n Financial results
- n Operations
- n Outlook
- ⇒ n Summary
- n Attachments



# Summary

- n Good market outlook
- n Leading market position
- n High quality and versatile rig fleet
- n Improved financial position

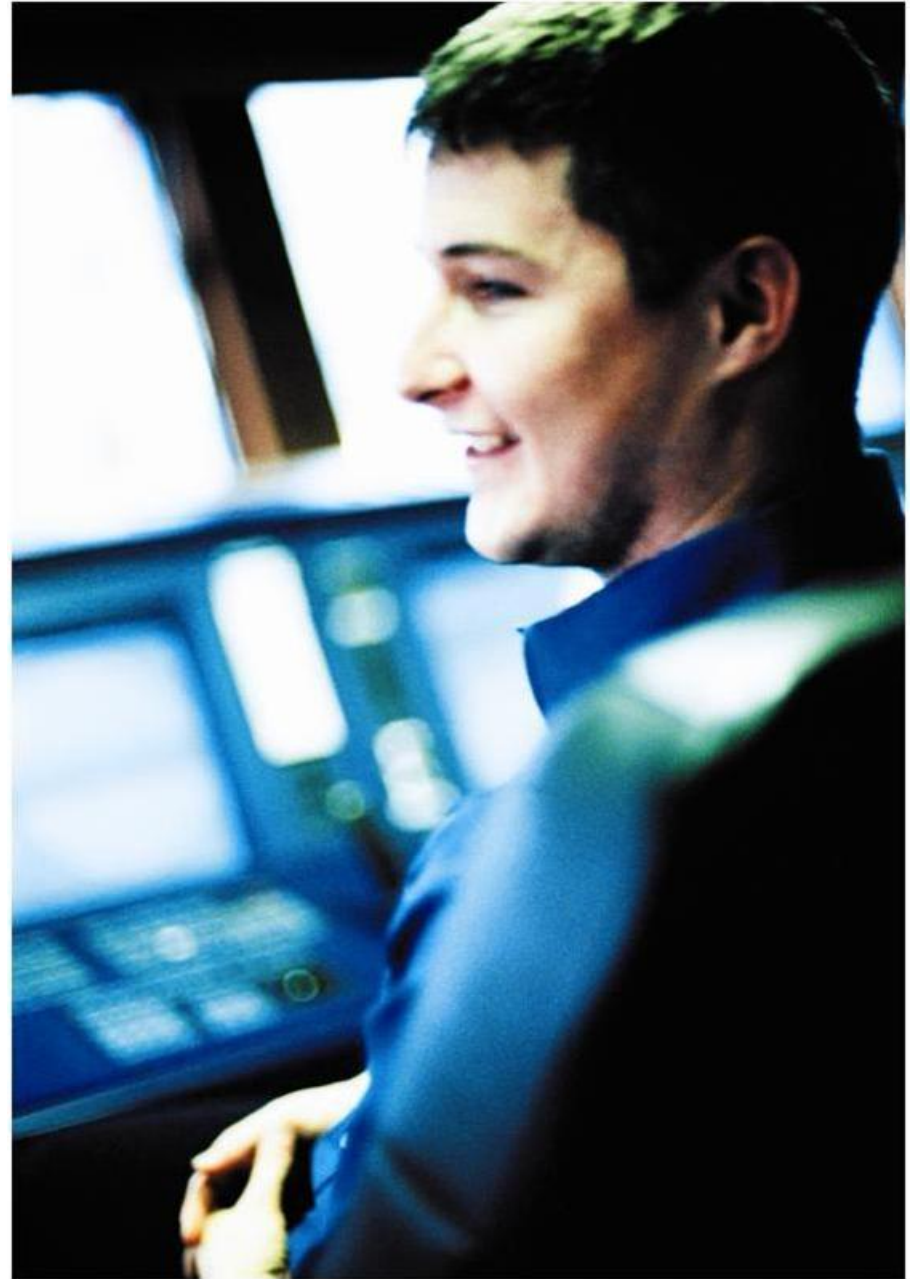
Leading position in a good  
accommodation market





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# Debt as of end Q3 2010

- n Credit facility
  - q Credit facility was initially drawn in May 2008 at USD 1.1 billion
  - q Maturity of seven years
  - q 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
  - q Current credit margin 0.75% above USD 3m LIBOR
  - q The availability under the credit facility will be reduced semi-annually with USD 70 million. In May 2010 the credit facility was reduced to USD 820 million
  - q As of end of September 2010, USD 680 million was drawn on the credit facility, meaning that USD 140 million was available as undrawn facilities
  
- n USD 50 million bond loan – maturing March 2012
- n NOK 500 million bond loan – maturing October 2013

# Debt as of end Q3 2010

- n Total interest-bearing debt USD 815.6 million:
  - q Credit facility: USD 680 million (long-term)
  - q Bond loan: USD 50 million (long-term)
  - q Bond loan: NOK 500 million (USD 85.6 mill) (long-term)

# Financial covenants as of end Q3 2010

- n Financial covenants in the credit facility:
  - q Minimum cash of USD 65 million in the group
  - q Maximum leverage ratio of 4.5
  - q Minimum value adjusted equity ratio of 35 per cent
  - q Market value vessels/total commitments above 150 per cent
  - q Working capital (incl. unutilised credit lines with maturity in excess of 12 months and excluding short-term portion of long-term debt) larger than zero
  - q Maximum 50% of net profit paid in dividend the following year
  
- n Prosafe has during Q3 2010 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	March 11 - Jul 11	Nov 11	USD 242 000
	Norwegian North Sea, Valhall	BP	Time charter	Jan 10 - Nov 10		USD 231 000
				Jul 09 - Jan 10		USD 220 000
	Yard/mobilisation			Dec 08 - Jul 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 - Jun 10		USD 120 000
	Kemaman yard, Malaysia			Sept 09		SEIC contract convenience terminated 9 Feb 09, 85% of day rate
	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 - Jan 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, Valhall	BP	Time charter	Nov 10- March 11		USD 231 000/242 000
	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	BG	Time charter	March 11 - Nov 11	Jan 12	USD 200 000
	UK North Sea, Dunbar Elgin	Total	Time charter	Jun 10 - Sep 10		USD 220 000
				Apr 09 - Jun 10		USD 150 000
				May 07 - Apr 09		USD 140 000
	Yard/mobilisation					1.5 mth yard stay in Q1 09
<b>Safe Concordia</b>						
	Brazil	Petrobras Lol	Time charter	Early Q2 11 - early Q2 14		USD 143 300 (average daily income, consisting of dayrate and other income over the contract period)
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	May 09 - Oct 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



Jasminia						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Jan 11 - Jun 11	41306,00	USD 45 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Feb 09 - Dec 10		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
Safe Hibernia						
	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
Safe Lancia						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Aug 10 - Dec 12		USD 66 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Oct 08 - Aug 10		USD 75 000
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	Apr 03 - Oct 08		USD 42 000
Safe Regency						
	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
Safe Britannia						
	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
Safe Esbjerg						
	Denmark	Maersk	Time charter	Apr 10 - Jun 11	Jun 12	Euro 53 500
	Yard/mobilisation			Feb 10 - Apr 10		
	Denmark	Maersk	Time charter	Jun 09 - Feb 10		Euro 63 000
	Denmark	Maersk	Time charter	Jun 05 - Jun 09		Euro 45 000
<b>OPEX per day</b>		<b>Norwegian North Sea</b>		<b>UK North Sea</b>		<b>Other regions</b>
	Dynamically positioned semi-subm. rigs					
		70 000 - 80 000		45 000 - 60 000		40 000 - 70 000
	Anchored semi-submersible rigs	55 000 - 60 000		35 000 - 50 000		25 000 - 45 000

# Fleet overview



<b>Name</b>	<b>MSV Regalia</b>	<b>Safe Scandinavia</b>	<b>Safe Caledonia</b>
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	282	583	387
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	Statoil	Total
Field	Valhall, NCS	Snorre A	Dunbar Elgin/Franklin, UK NS
Water depth	70m	310m	93m
Type of installation	Steel platform	Tension Leg Platform	Jack-up

# Fleet overview



<b>Name</b>	<b>Safe Astoria</b>	<b>Safe Bristolia</b>	<b>Safe Esbjerg</b>
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 (UK: 316)	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			Maersk
Field			Gorm, Denmark
Water depth			40-50m
Type of installation			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

Petrobras, from early Q2 11

Brazil, Campos basin

Interpetroleum Services

Cantarell, GoM

40-50m

Jacket structure platform

# Financial calendar and IR contacts

## Financial calendar

**n 16 February 2011**

Publication, presentation and web cast of Q4 2010 result

## IR contact

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