



25 May 2011



Q1 2011 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.

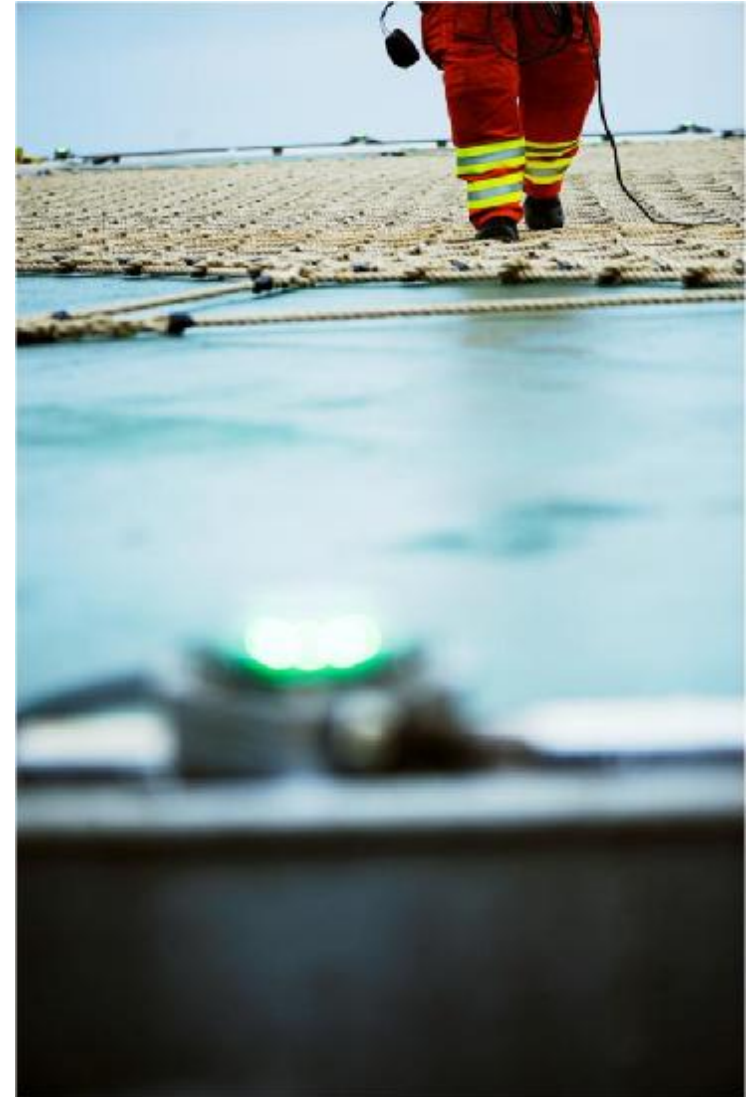
# Agenda

- ⇒ n Intro and the quarter in brief
- n Financial results
- n Operations
- n Outlook
- n Attachments



# Prosafe – the leading accommodation rig company

- n Global leader
  - q The world's leading owner and operator of accommodation semi-submersible rigs in harsh environments
  - q Strategically focused on high-end accommodation segment
- n Long track record with versatile operations for national and major oil companies
- n High cash flow generation, return of capital to shareholders, strong balance sheet and low cost of funding





## The first quarter in brief

- n Rig utilisation rate of 61 per cent
- n New contract awards for Safe Scandinavia, MSV Regalia, Safe Bristolia and extensions for Safe Hibernia and Jasminia
- n Safe Concordia mobilised to Brazil
- n SPS undertaken for Safe Bristolia



# Agenda

- n Intro and the quarter in brief
- ⇒ n Financial results
- n Operations
- n Outlook
- n Attachments



# Income statement

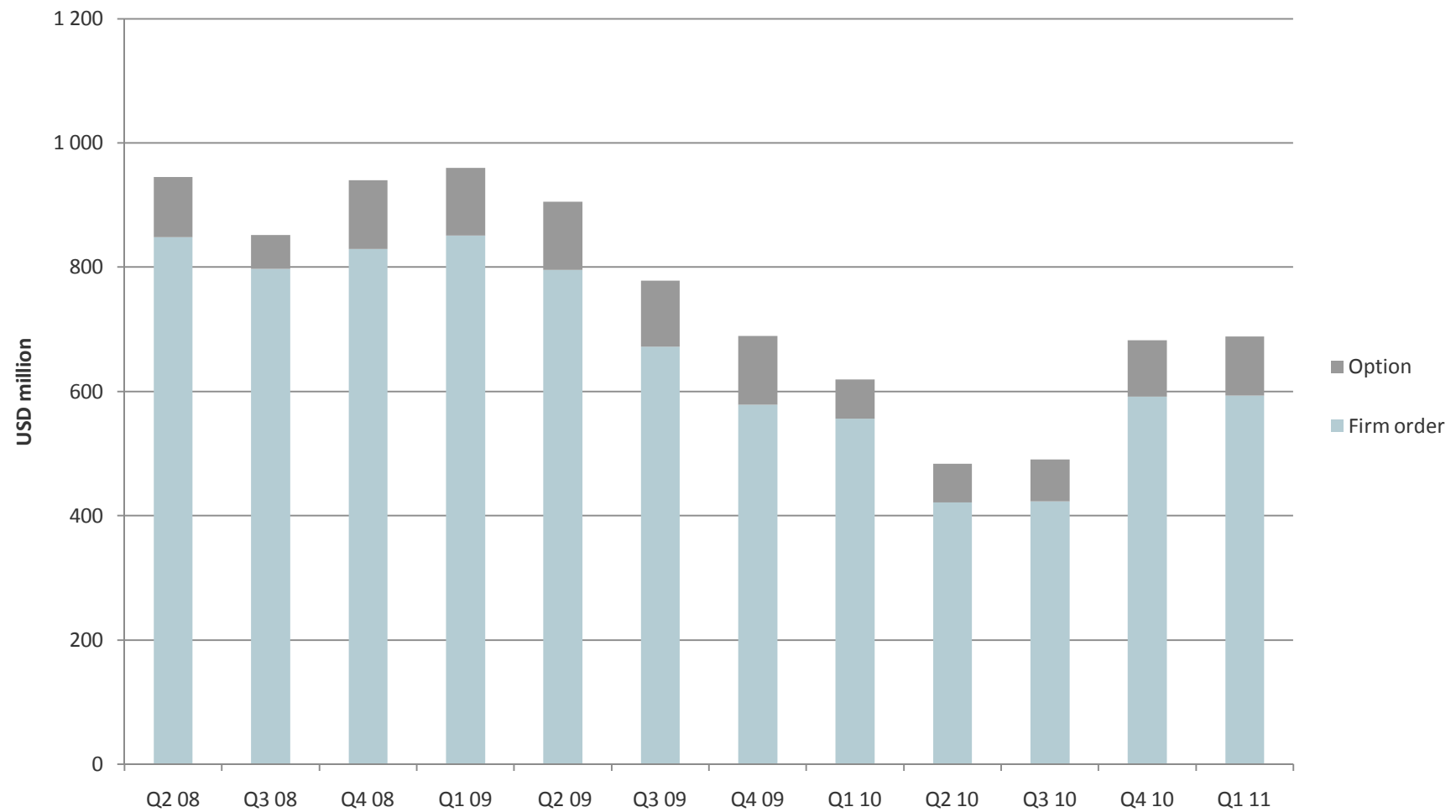
(Unaudited figures in USD million)	Q1 11	Q4 10	Q1 10	2010
Operating revenues	71.1	75.3	87.4	442.4
Operating expenses	(41.3)	(41.4)	(32.0)	(159.3)
<b>EBITDA</b>	<b>29.8</b>	<b>33.9</b>	<b>55.4</b>	<b>283.1</b>
Depreciation	(15.7)	(15.5)	(15.4)	(62.0)
<b>Operating profit</b>	<b>14.1</b>	<b>18.4</b>	<b>40.0</b>	<b>221.1</b>
Interest income	0.1	0.1	0.1	0.3
Interest expenses	(10.1)	(10.5)	(10.9)	(42.9)
Other financial items	2.1	22.2	(1.6)	23.7
<b>Net financial items</b>	<b>(7.9)</b>	<b>11.8</b>	<b>(12.4)</b>	<b>(18.9)</b>
<b>Profit before taxes</b>	<b>6.2</b>	<b>30.2</b>	<b>27.6</b>	<b>202.2</b>
Taxes	0.6	(0.2)	(0.8)	(3.7)
<b>Net profit</b>	<b>6.8</b>	<b>30.0</b>	<b>26.8</b>	<b>198.5</b>
<b>EPS</b>	<b>0.03</b>	<b>0.13</b>	<b>0.12</b>	<b>0.89</b>
<b>Diluted EPS</b>	<b>0.03</b>	<b>0.13</b>	<b>0.12</b>	<b>0.89</b>

# Operating revenues

(USD million)	Q1 11	Q4 10	Q1 10	2010
Charter income	64.2	65.5	81.3	397.1
Mob/demob income	1.4	1.9	0.2	6.5
Other income	5.5	7.9	5.9	38.8
<b>Total</b>	<b>71.1</b>	<b>75.3</b>	<b>87.4</b>	<b>442.4</b>



# Order backlog



# Balance sheet

(Unaudited figures in USD million)	31.03.11	31.12.10	31.03.10
Goodwill	226.7	226.7	226.7
Rigs	911.2	898.8	908.4
Other non-current assets	4.5	4.5	4.6
<b>Total non-current assets</b>	<b>1 142.4</b>	<b>1 130.0</b>	<b>1 139.7</b>
Cash and deposits	78.7	98.3	99.5
Assets held for sale	0.0	0.0	62.6
Other current assets	72.9	38.1	50.8
<b>Total current assets</b>	<b>151.6</b>	<b>136.4</b>	<b>212.9</b>
<b>Total assets</b>	<b>1 294.0</b>	<b>1 266.4</b>	<b>1 352.6</b>
Share capital	63.9	63.9	63.9
Other equity	356.9	346.4	236.1
<b>Total equity</b>	<b>420.8</b>	<b>410.3</b>	<b>300.0</b>
Interest-free long-term liabilities	74.1	77.5	100.9
Interest-bearing long-term debt	711.4	705.4	873.6
<b>Total long-term liabilities</b>	<b>785.5</b>	<b>782.9</b>	<b>974.5</b>
Other interest-free current liabilities	84.1	73.2	78.1
Current portion of long-term debt	3.6	0.0	0.0
<b>Total current liabilities</b>	<b>87.7</b>	<b>73.2</b>	<b>78.1</b>
<b>Total equity and liabilities</b>	<b>1 294.0</b>	<b>1 266.4</b>	<b>1 352.6</b>

# Key figures

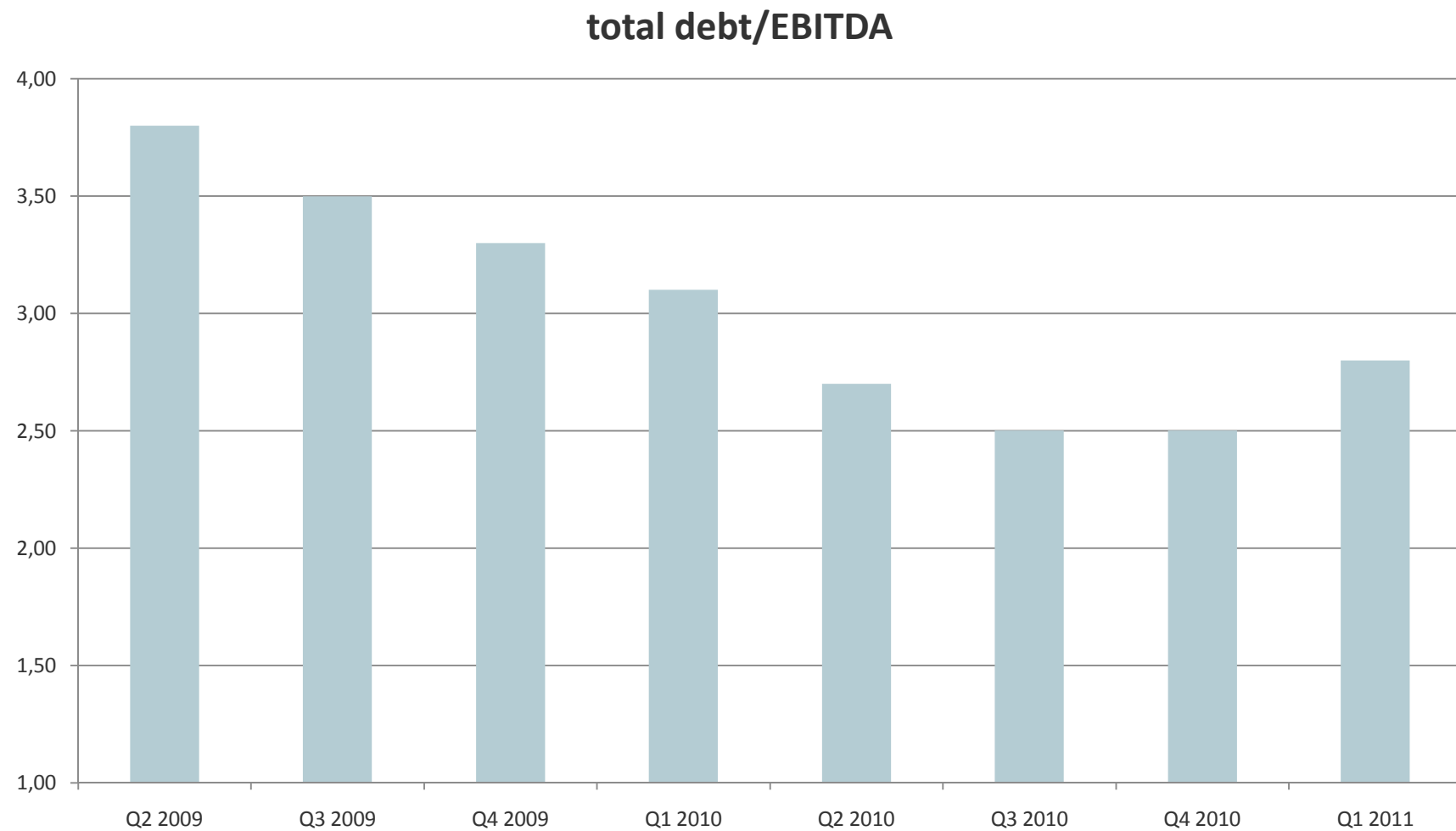
	<b>Q1 11</b>	<b>Q4 10</b>	<b>Q1 10</b>	<b>2010</b>
Operating margin	19.8 %	24.4 %	45.8 %	50.0 %
Equity ratio	32.5 %	32.4 %	22.2 %	32.4 %
Return on equity	6.5 %	35.6 %	38.0 %	58.9 %
Net interest bearing debt (USD million)	636.3	607.1	774.1	607.1
Number of shares (1 000)	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	222 949	222 942	222 942	222 942
USD/NOK exchange rate at end of period	5.51	5.86	5.98	5.86
Share price (NOK)	41.97	46.40	31.19	46.40
Share price (USD)	7.62	7.92	5.22	7.92
Market capitalisation (NOK million)	9 650	10 669	7 172	10 669
Market capitalisation (USD million)	1 751	1 821	1 199	1 821

# Shareholders

<b>SHAREHOLDERS AS AT 12.05.2011</b>	<b>No. of shares</b>	<b>Ownership</b>
Folketrygdfondet	16 646 685	7.2 %
Pareto	14 600 672	6.3 %
Goldman Sachs (nom)	11 939 556	5.2 %
KAS Dep. Trust (nom)	10 510 563	4.6 %
Brown Brothers Harriman	8 178 627	3.6 %
State Street Bank & Trust (nom)	8 000 410	3.5 %
Clearstream Banking (nom)	7 287 760	3.2 %
Prosafe SE	6 988 031	3.0 %
JP Morgan Chase Bank (nom)	6 966 887	3.0 %
JP Morgan Chase Bank (nom)	6 048 497	2.6 %
<b>Total 10 largest</b>	<b>119 617 807</b>	<b>52.0 %</b>

Total no. of shares: 229 936 790

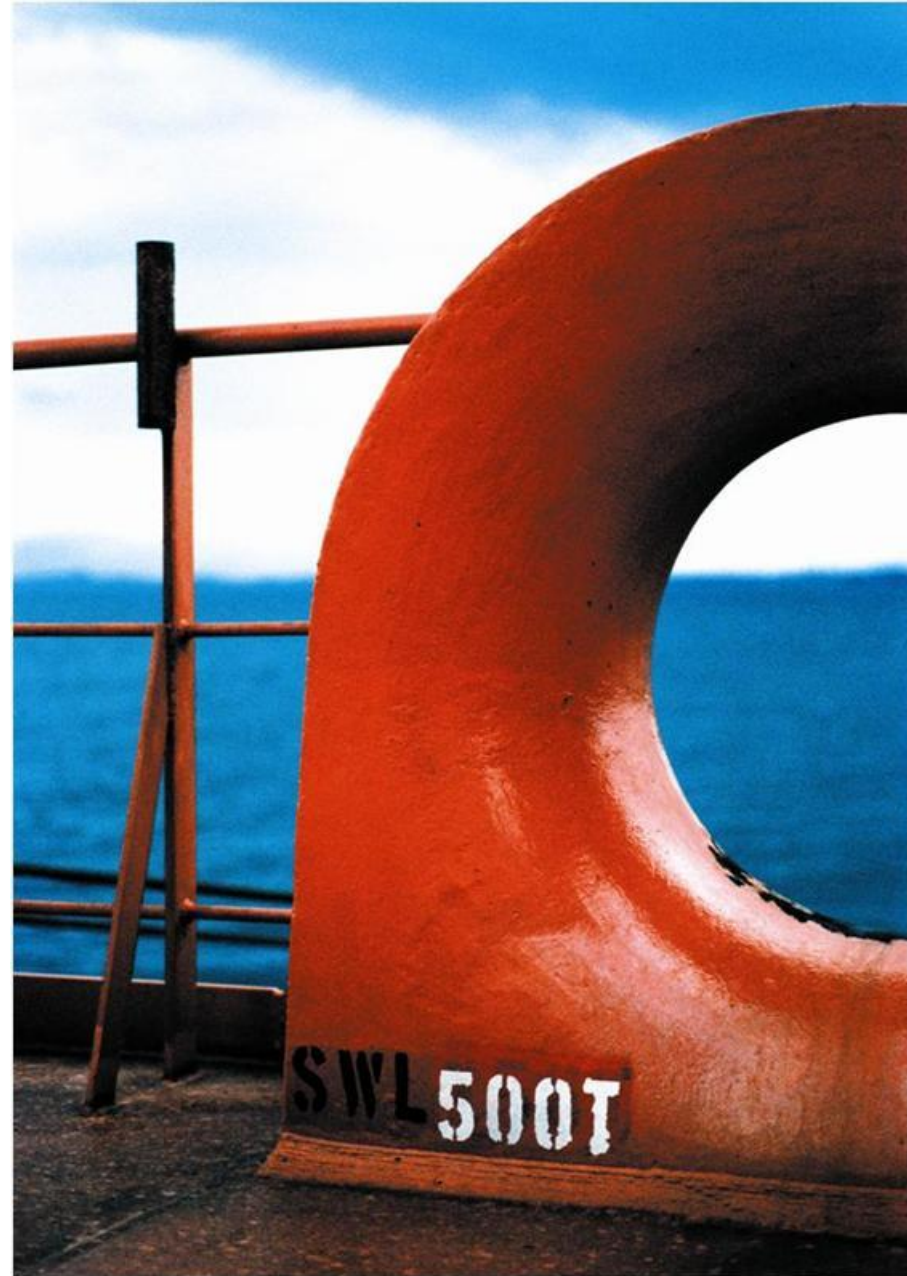
# Robust financial position





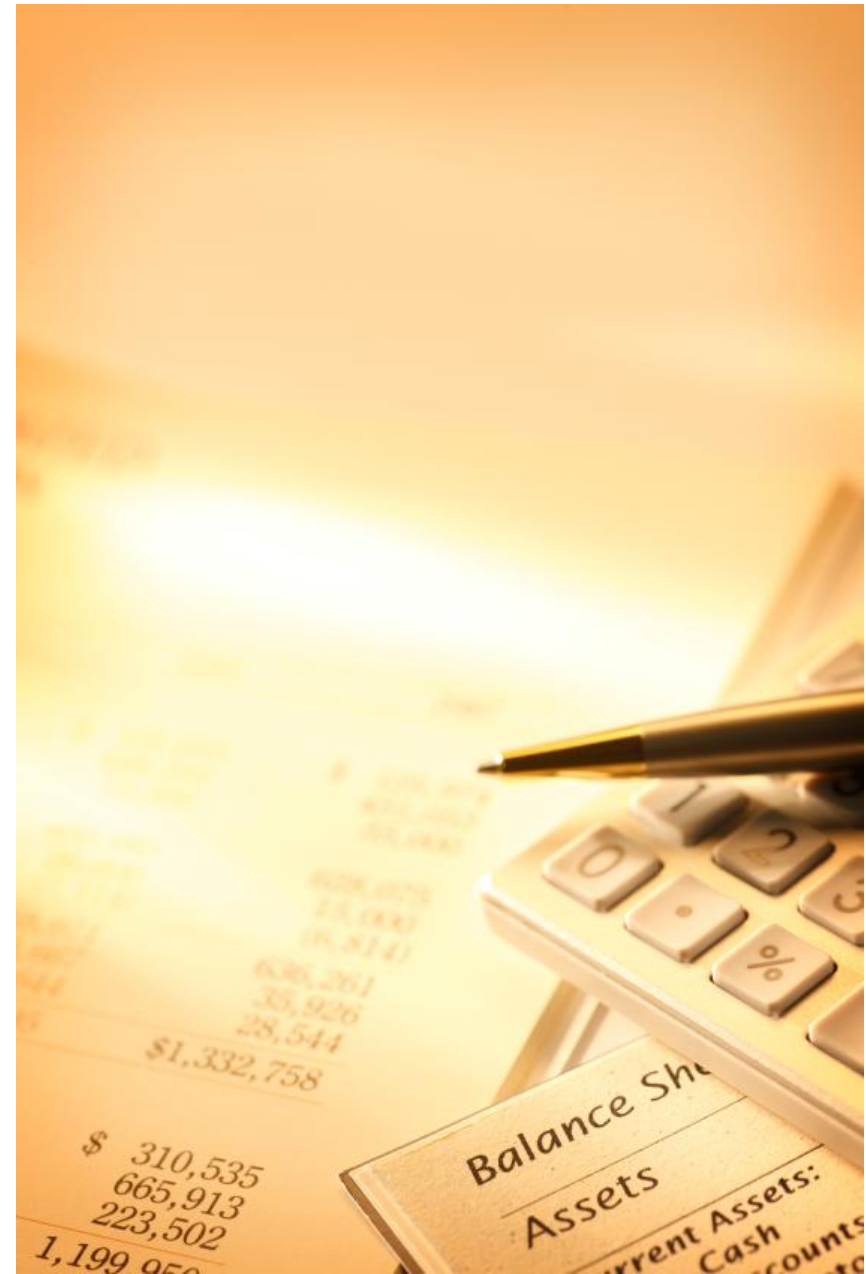
# Evaluating refinancing

- n Due to falling leverage and increasing free cash flow, the Board has resolved to initiate a process of exploring the possibilities of refinancing the company's bank debt
  - q Increase financial flexibility
  - q Flexibility to pay out higher portion of operating cash flow



# Dividend

- n Long-term dividend policy targeting 40-50% of net profit paid tri-annually the following year
- n Resolution on 25 May to declare an interim dividend equivalent to USD 0.148 per share to shareholders of record as of 8 June
- n The shares will trade ex-dividend on 6 June. The dividend will be paid in the form of NOK 0.82 per share on 22 June



# Agenda

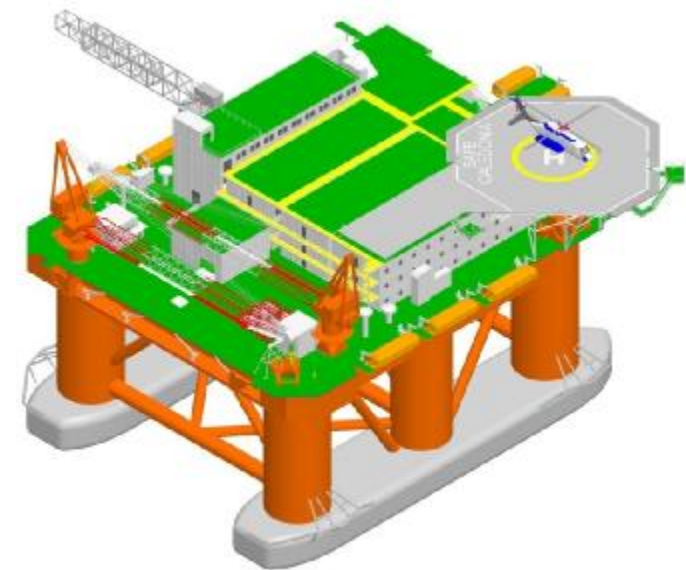
- n Intro and the quarter in brief
- n Financial results
- ➔ n Operations
- n Outlook
- n Attachments





# Safe Caledonia life extension

- § Hull maintenance and topside refurbishment
- § 20 years life extension
- § Safe Caledonia will be refurbished with 450 beds, 1 & 2 bed cabins (417 beds in new blocks)
- § Safe Caledonia will go to yard after completion of BG contract



# Safe Astoria upgrade

- § Bed capacity to be increased by 102 beds, total bed capacity after upgrade of 347 beds
- § A new recreation module
- § A new aluminium helideck
- § The SPS which is due mid next year will be done as part of the upgrade work
- § The work is planned to be complete by end of 3<sup>rd</sup> quarter 2011



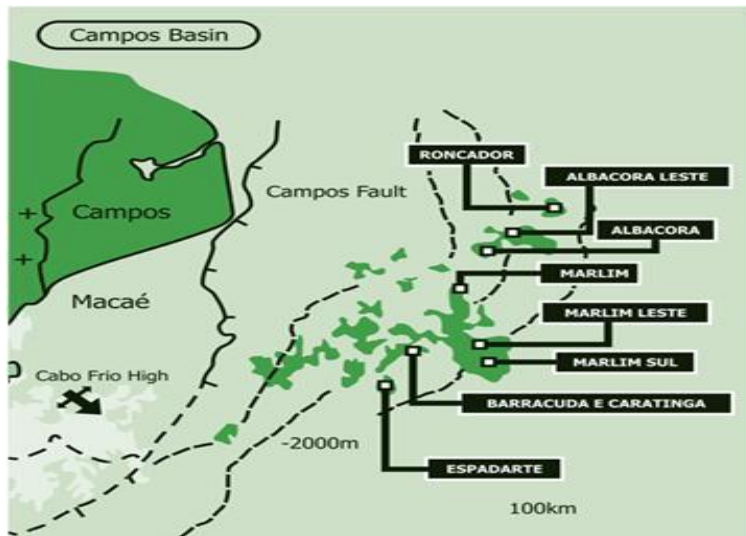


## Total capex expectation for 2011

- n Capex excl. Safe Caledonia upgrade of USD 60-70m
  - q Approximately USD 20m on Safe Concordia for preparations for Brazil contract (including SPS and spare thruster)
  - q Approximately USD 10-15m on rigs operating in Mexico
  - q Approximately USD 30-35m on rest of the fleet (including Safe Astoria upgrade and SPS and Safe Bristolia SPS)
  
- n Safe Caledonia refurbishment approximately USD 100m divided between 2011 and 2012

# Operations in Brazil

- n Three-year contract for Safe Concordia to perform safety and maintenance support services
- n Office in Rio de Janeiro (marketing) and in Macaé (operations)
- n Safe Concordia arrived Rio de Janeiro on the 11th April for the preliminary inspections
- n Preliminary Acceptance issued on the 18th April (standby rate)



# Operations in Brazil

- n Safe Concordia is currently in operation alongside Petrobras' FPSO P-37
- n Gangway connected on 22 May
- n This operation represents a new milestone, since it is the first time a DP vessel is gangway connected to a turret moored FPSO
- n The units to be attended by Safe Concordia during the three-year contract are primarily turret moored FPSOs in the Campos basin

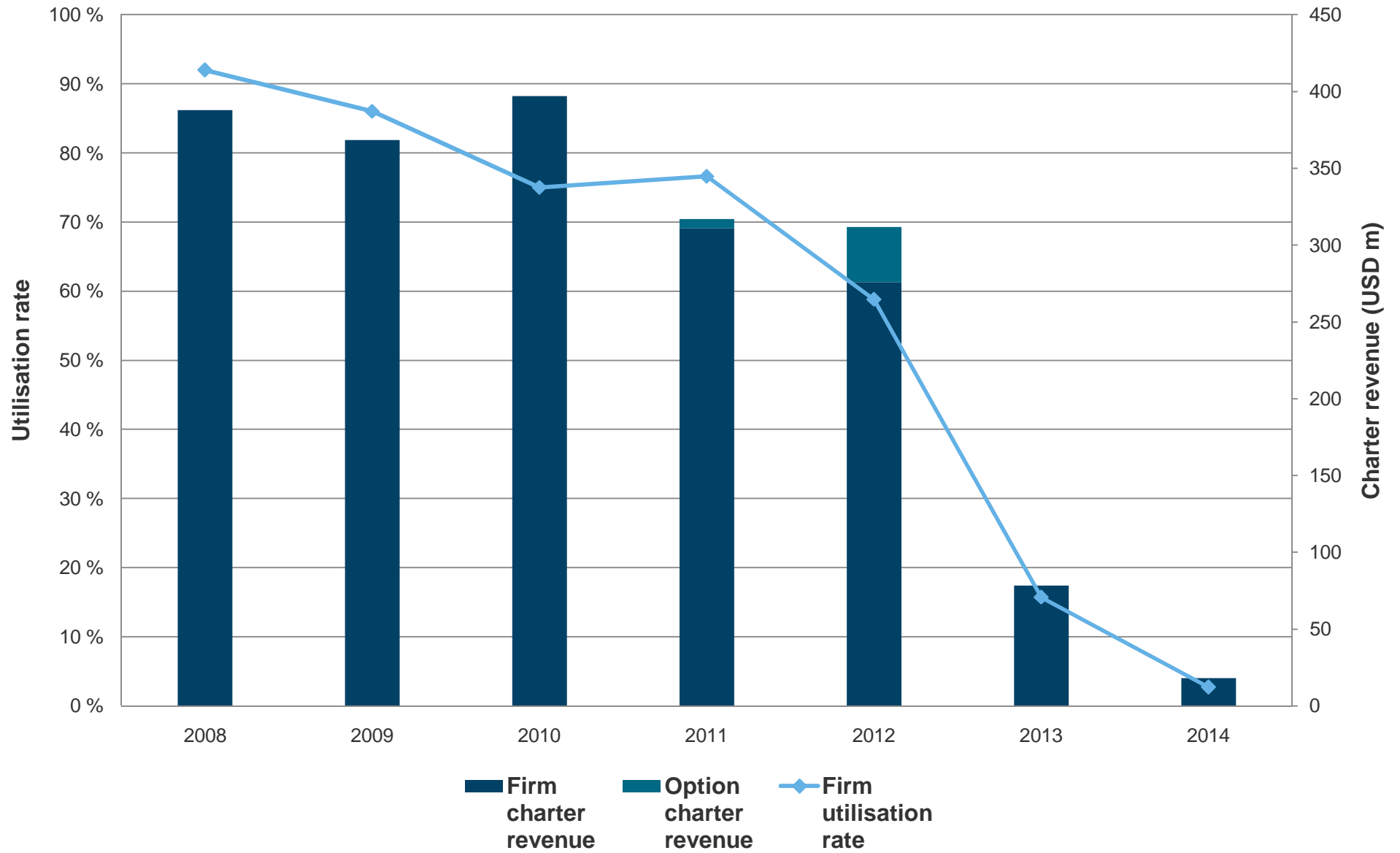


## Recent contract awards – order book increased

- n Contract for Safe Bristolia and contract extension for Jasminia and Safe Hibernia in Mexico
- n Contract for Safe Scandinavia for ConocoPhillips in the UK and the Norwegian North Sea in 2012
- n Contract for MSV Regalia for Talisman in the UK North Sea in 2012

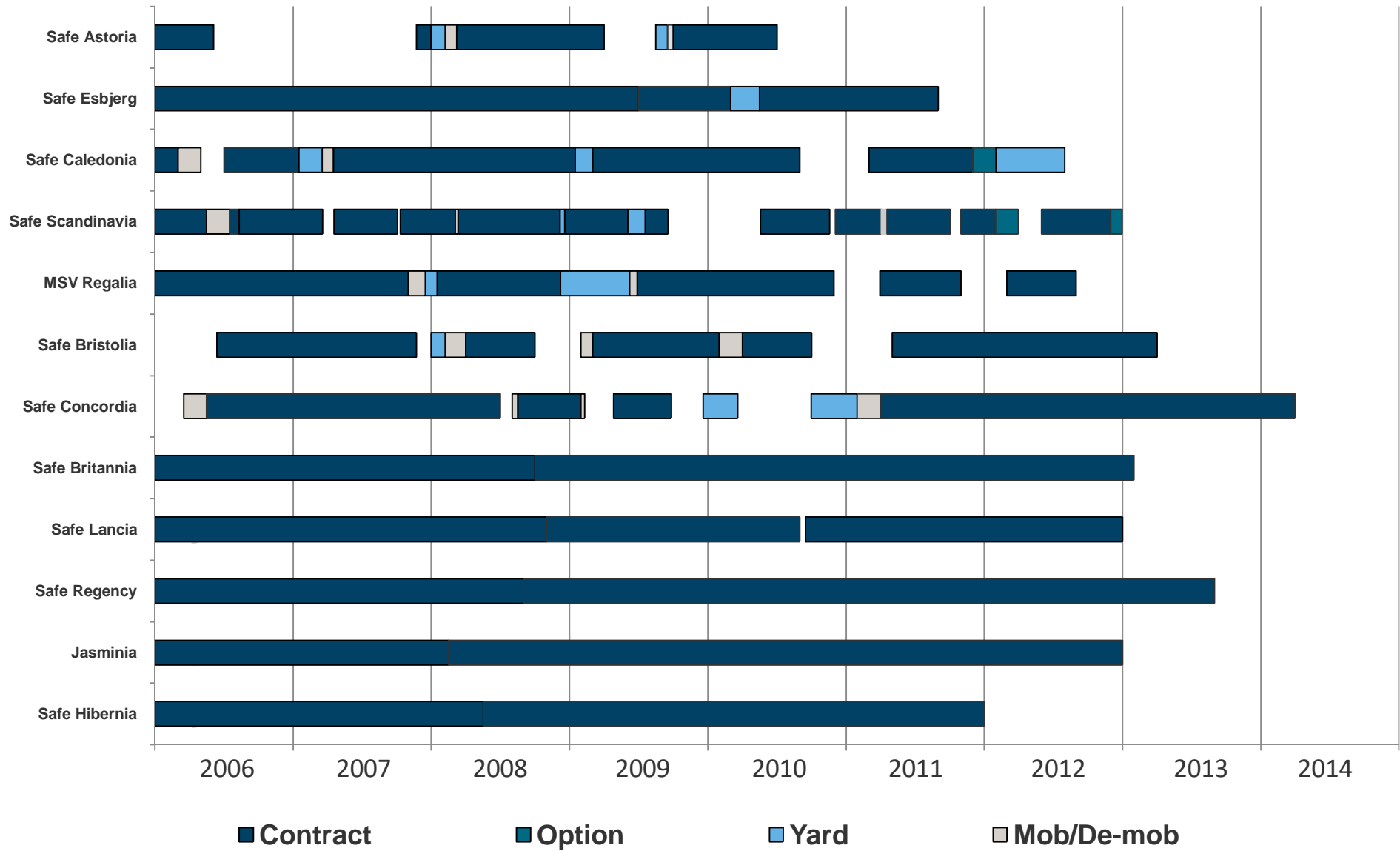


## Utilisation rate and charter revenue





## Contract status



# Agenda

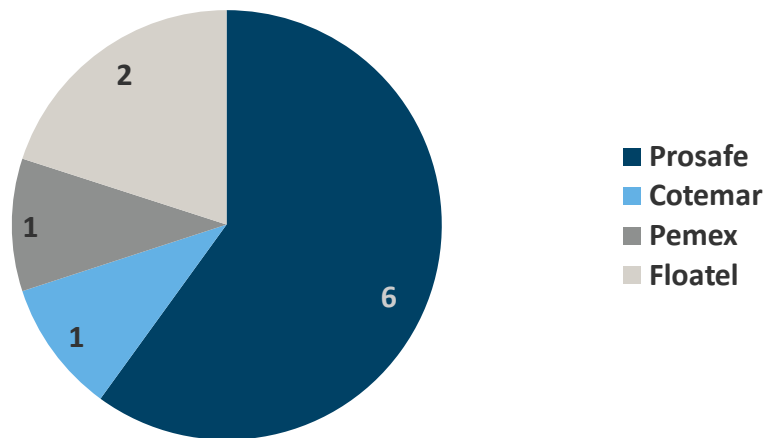
- n Intro and the quarter in brief
- n Financial results
- n Operations
- ➔ n Outlook
- n Attachments



# Market outlook – supply

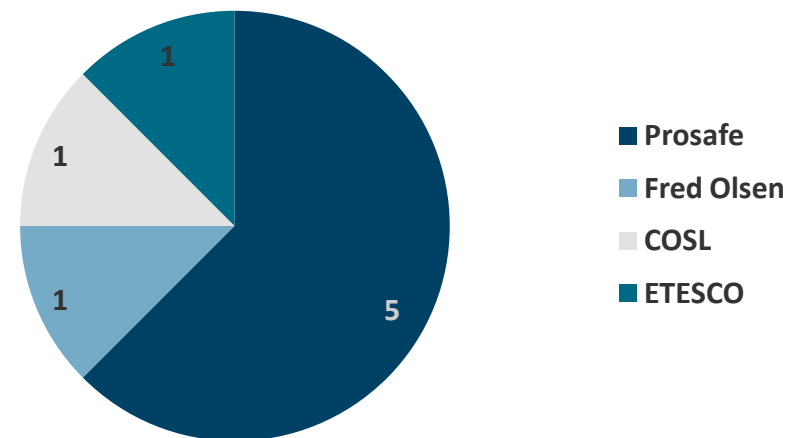
## Dynamically positioned semi rigs

- 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
- The demand outlook for accommodation rigs appears to be positive





# Market outlook – demand

## Mexico

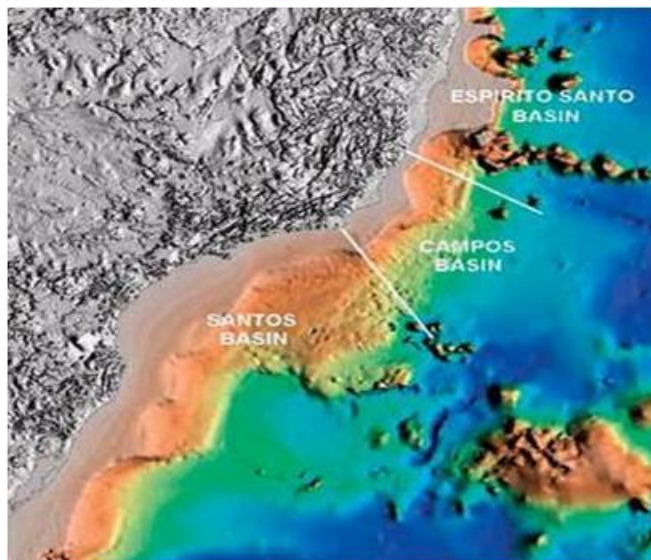
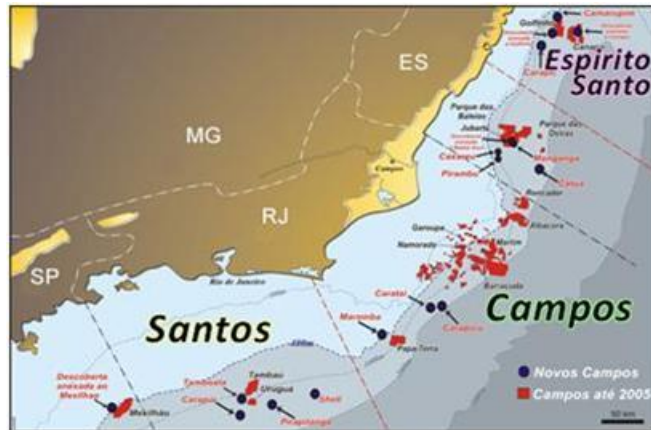
- Drivers:
  - q Construction support
  - q Maintenance support
  - q Hotel/catering/  
logistical support
- Six rigs on bareboat contract
- The demand for accommodation rigs in Mexico appears to be stable going forward





# Market outlook – demand

## Brazil



Fixed installation



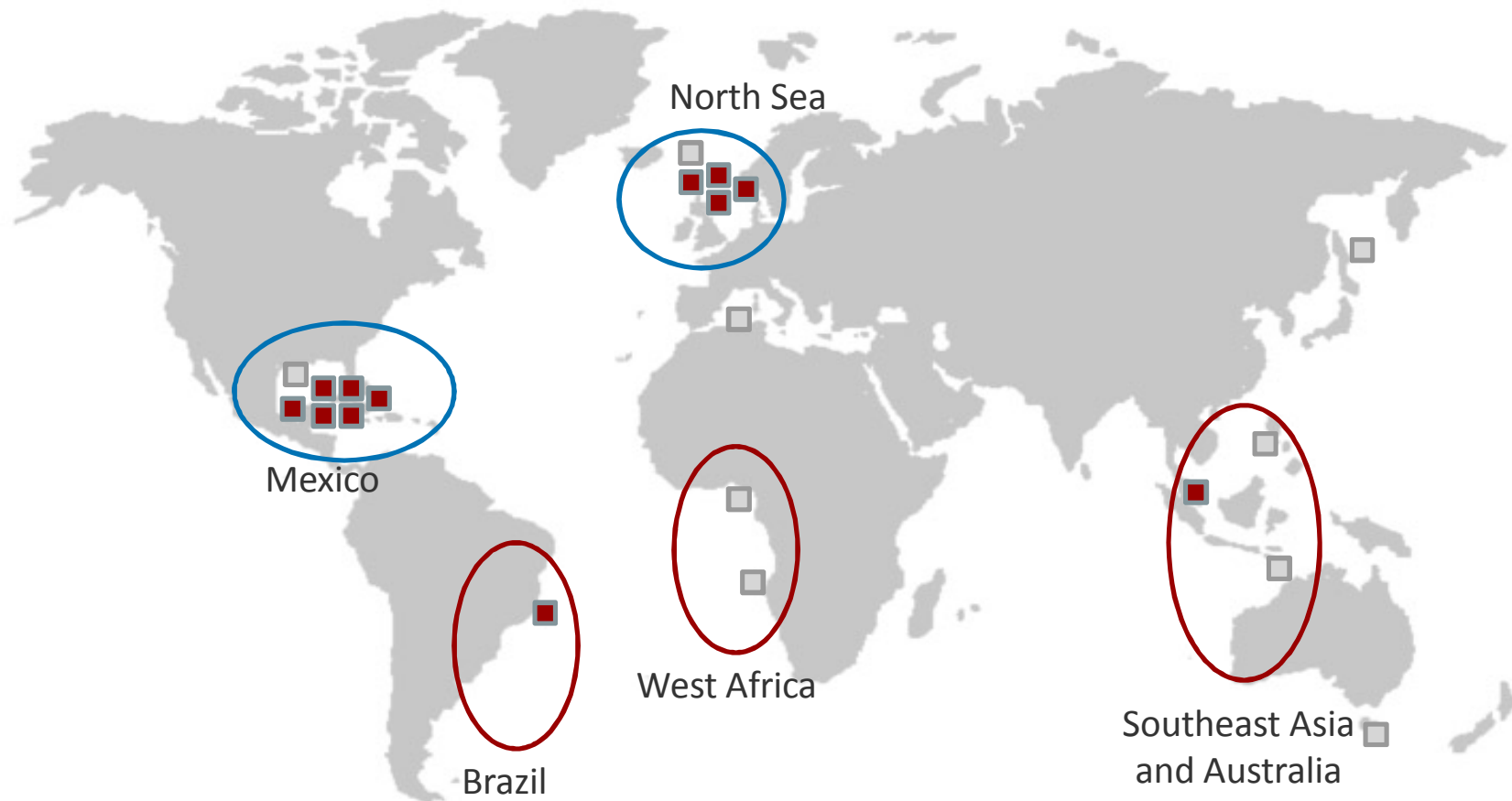
Semi-submersible



FPSO

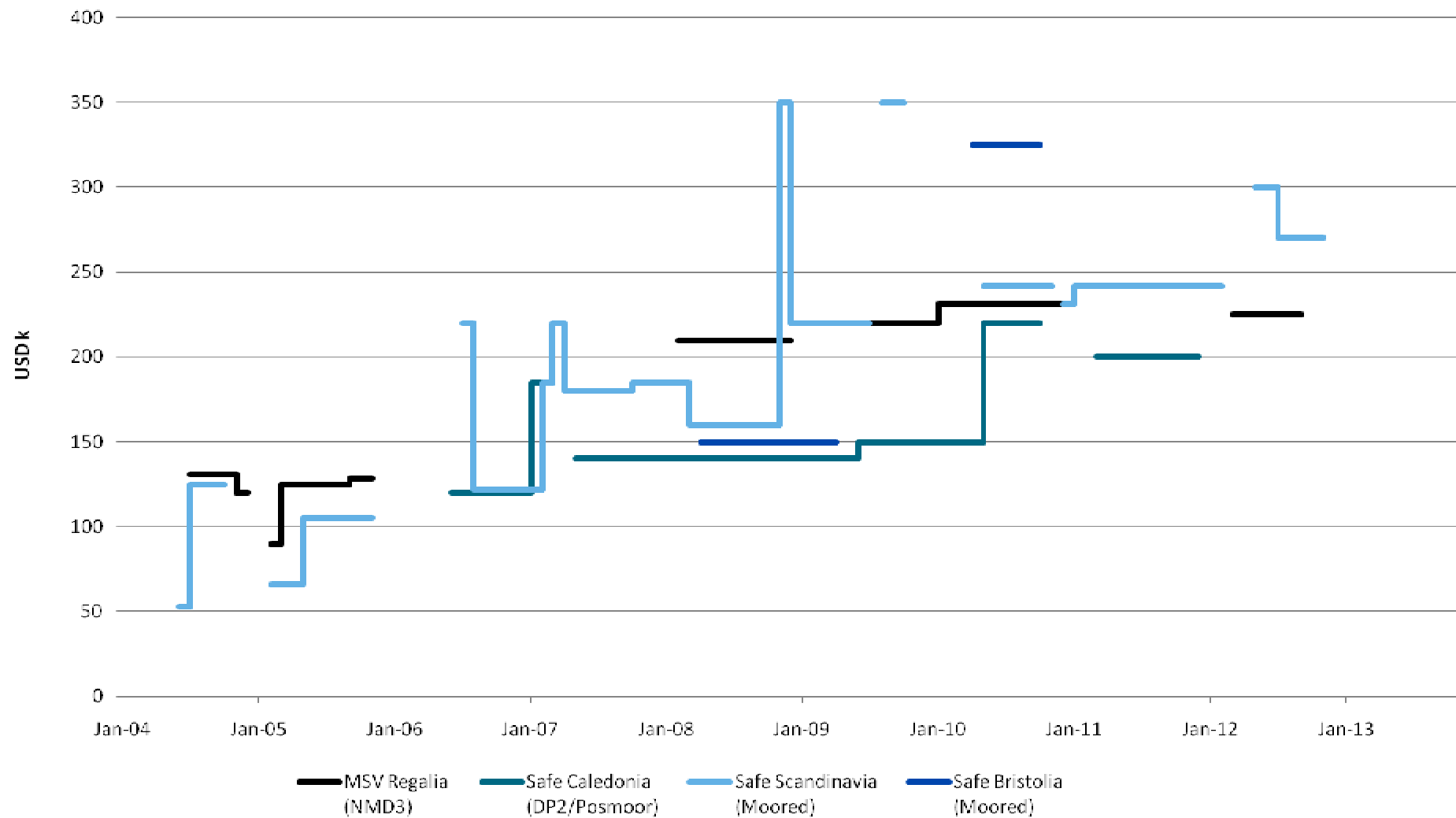
# Market demand

## Emerging markets

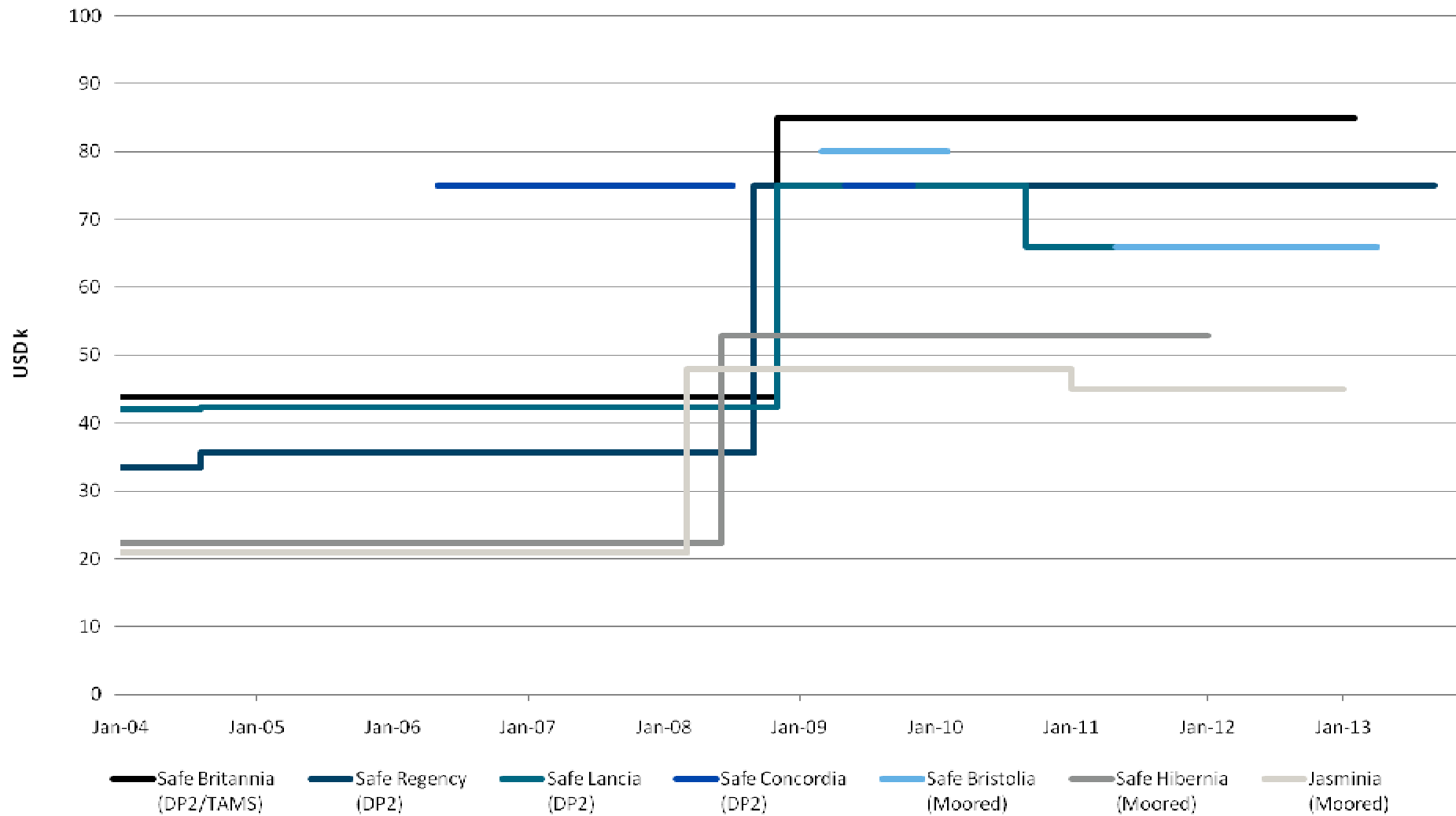


■ Current location    ■ Previous operations    □ Mature regions    □ Emerging markets / potential growth regions

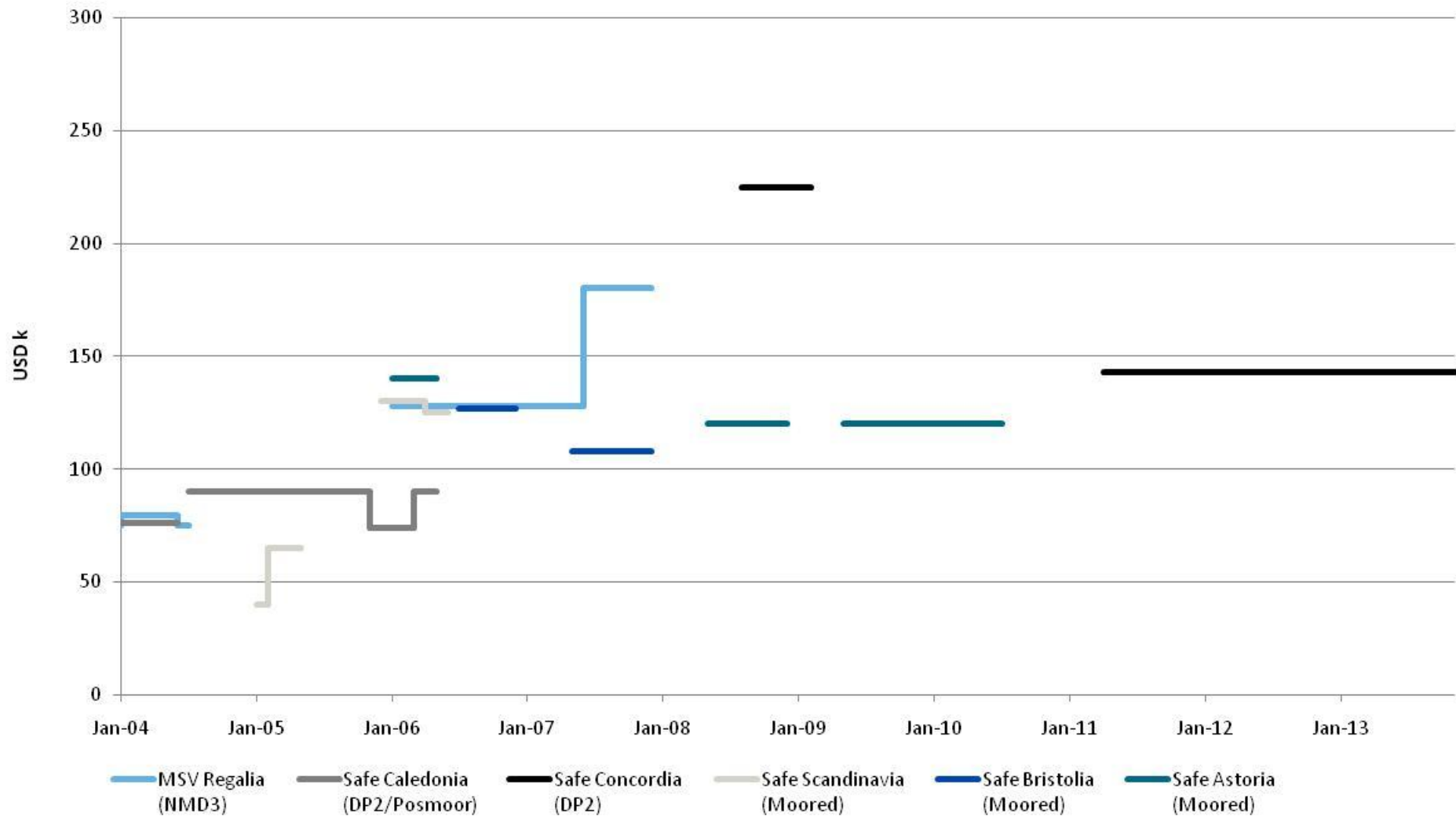
## North Sea dayrates (time charter)



## Gulf of Mexico dayrates (bareboat)



## Rest of World dayrates (time charter)



# Summary

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





# Agenda

- n Intro and the quarter in brief
- n Financial results
- n Operations
- n Outlook
- ➡ n Attachments



# Debt as of end Q1 2011

- 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 Nov 2010 the credit facility was reduced to USD 750 million
  - q As of end of December 2010, USD 570 million was drawn on the credit facility, meaning that USD 180 million was available as undrawn facilities
- n USD 50 million bond loan (Prosafes SE bought back USD 46.4 million and USD 3.6 million is outstanding) – maturing March 2012
- n NOK 500 million bond loan – maturing October 2013
- n NOK 500 million bond loan – maturing February 2016

# Debt as of end Q1 2011

- n Total interest-bearing debt USD 715 million:
  - q Credit facility: USD 530 million (long-term)
  - q Bond loan: USD 3.6 million (short-term)
  - q Bond loan: NOK 500 million (USD 90.7 million) (long-term)
  - q Bond loan : NOK 500 million (USD 90.7 million) (long-term)

# Financial covenants as of end Q1 2011

- 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 Q1 2011 been in compliance with all financial covenants

Rig name	Location	Client name	Type of contract	Firm contract	Option	Dayrate
Current contract						
MSV Regalia						
	UK North Sea, Auk South	Talisman	Time charter	March 12 - Aug 12		USD 225 000
	Norwegian North Sea, Valhall	BP	Time charter	Jul 11- Oct 11		USD 242 500
	Norwegian North Sea, Valhall	BP	Time charter	March 11 - Jul 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
Safe Astoria						
	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
Safe Bristolia						
	GoM, Cantarell	Interpetroleum Services (for Pemex)	Bareboat	May 11 - March 13		USD 66 000
	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)
Safe Scandinavia						
	UK North Sea	ConocoPhillips	Time charter	July 12 - end Oct 12	Dec 12	USD 270 000
	Norwegian North Sea	ConocoPhillips	Time charter	May 12- end June 12		USD 300 000
	Norwegian North Sea, Valhall	BP	Time charter	Oct 11-Jan 12	Mar 12	USD 242 500
	Norwegian North Sea, Snorre A	Statoil	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	Statoil	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



Safe Caledonia						
	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
Safe Concordia						
						USD 143 300 (average daily income, consisting of dayrate and other income over the contract period, a major part of the dayrate is adjusted for inflation and BRL exchange rate)
	Brazil	Petrobras Lol	Time charter	Early Q2 11 - early Q2 14		
	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 - Dec 12		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 - Dec 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 - Aug 11		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
OPEX per day*		Norwegian North Sea		UK North Sea		Other regions
	Dynamically positioned semi-subm. rigs	75 000 - 85 000		45 000 - 60 000		40 000 - 75 000
	Anchored semi-submersible rigs	60 000 - 65 000		35 000 - 55 000		25 000 - 45 000

\*Opex per day is average estimates on an annual basis, on a quarter by quarter basis these can vary

# 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	BG
Field	Valhall, NCS	Snorre, NCS	Armada, UK NS
Water depth	70m	310m	97m
Type of installation	Steel platform	Tension Leg Platform	Steel jacket

# 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	Yard: Upgrade/SPS	end user Pemex	Maersk
Field		Cantarell	Gorm and Tyra, Denmark
Water depth		40-50m	40-50m
Type of installation		Jacket structure platform	Jacket structure platform

# Fleet overview



<b>Name</b>	<b>Safe Britannia</b>	<b>Safe Lancia</b>	<b>Safe Hibernia</b>
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	end user Pemex	end user Pemex	end user Pemex
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



<b>Name</b>	<b>Safe Regency</b>	<b>Safe Concordia</b>	<b>Jasminia</b>
Geographical area	Harsh environment	Benign environment	Benign environment
Mooring system	8 point wire winches	4 point wire winches	8 point wire winches
Station keeping	DP2	DP2	Moored
No of beds	771	390	535
Deck area	800 m <sup>2</sup>	1,300 m <sup>2</sup>	690 m <sup>2</sup>
Payload	550 t	1,400 t	640 t
<b>Current contract</b>			
Client	end user Pemex	Petrobras	end user Pemex
Field	Cantarell, GoM	Campos basin, Brazil	Cantarell, GoM
Water depth	40-50m		40-50m
Type of installation	Jacket structure platform	FPSOs	Jacket structure platform



# Financial calendar and IR contacts

## Financial calendar

- n 25 August 2011** – Publication of second quarter 2011 results
- n 2 November 2011** – Publication of third quarter 2011 results
- n 16 February 2012** - Publication of fourth quarter 2011/preliminary 2011 results

## IR contact

### **Cecilie Ouff**

Finance and IR Manager  
cecilie.ouff(a)prosafe.com

Phone: +47 51 64 25 20

Cell phone: +47 99 10 94 67

## **Coordination of investor meetings**

### **Wenche R. Fjose**

Management Assistant  
wenche.fjose(a)prosafe.com

Phone: +47 51 64 25 70

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