



2 November 2011



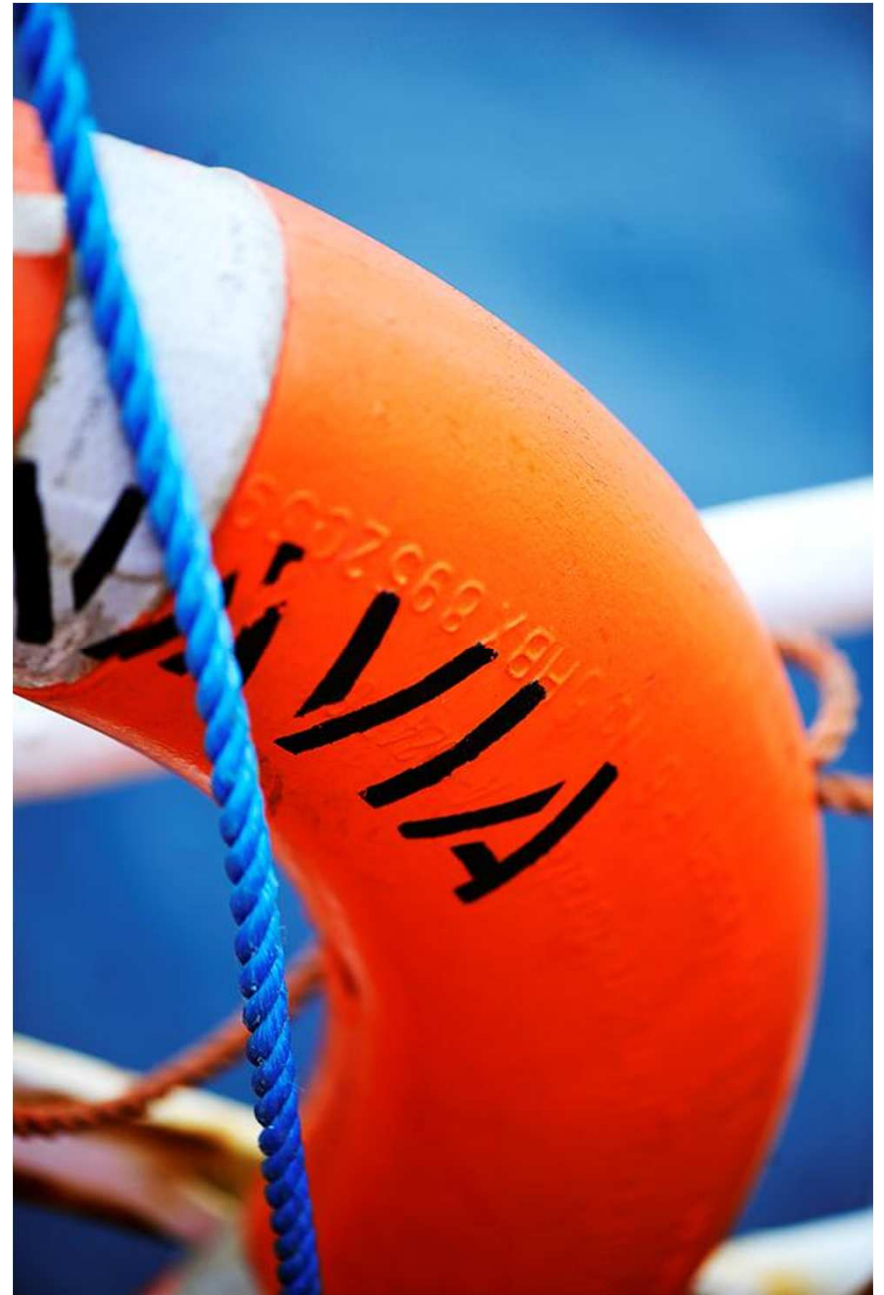
Q3 2011 results

# 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

- ➞ ■ Introduction
- Financial results
- Operations
- Outlook
- Attachments



# Prosafe – the leading accommodation rig company

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



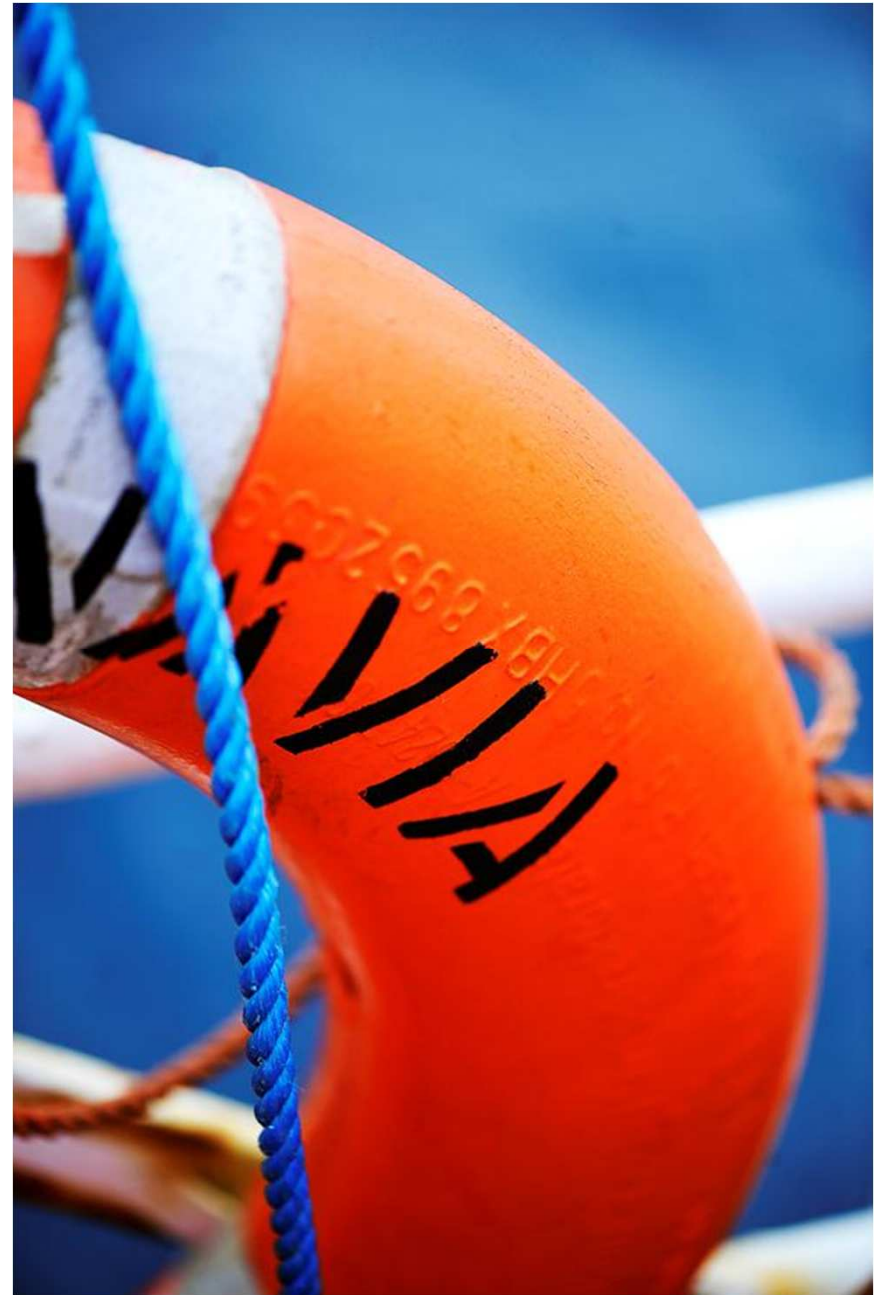
## Recent developments

- Rig utilisation rate of 91 per cent in Q3
- Recent contract awards:
  - Safe Scandinavia: BP exercised option for work on Valhall on the NCS, winter 2012
  - Safe Astoria: contract with Woodside for North Rankin Redevelopment Project, offshore western Australia. Contract 150 days, to commence between April-May 2012
  - Safe Caledonia: contract with Nexen in the UK for Golden Eagle. Contract 240 days, to commence between May-July 2014
- Refinancing completed
- New dividend policy implemented
- Shareholding in Floatel International divested



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# Income statement

(Unaudited figures in USD million)	Q3 11	Q2 11	Q3 10	9M 11	9M 10	2010
Operating revenues	131.8	125.0	140.4	327.9	367.1	442.4
Operating expenses	(45.8)	(51.7)	(41.7)	(138.8)	(117.9)	(159.3)
<b>EBITDA</b>	<b>86.0</b>	<b>73.3</b>	<b>98.7</b>	<b>189.1</b>	<b>249.2</b>	<b>283.1</b>
Depreciation	(17.0)	(15.9)	(15.7)	(48.6)	(46.5)	(62.0)
<b>Operating profit</b>	<b>69.0</b>	<b>57.4</b>	<b>83.0</b>	<b>140.5</b>	<b>202.7</b>	<b>221.1</b>
Interest income	0.1	0.0	0.1	0.2	0.2	0.3
Interest expenses	(10.4)	(10.0)	(10.8)	(30.5)	(32.4)	(42.9)
Other financial items	3.9	3.9	4.3	9.9	1.5	23.7
<b>Net financial items</b>	<b>(6.4)</b>	<b>(6.1)</b>	<b>(6.4)</b>	<b>(20.4)</b>	<b>(30.7)</b>	<b>(18.9)</b>
<b>Profit before taxes</b>	<b>62.6</b>	<b>51.3</b>	<b>76.6</b>	<b>120.1</b>	<b>172.0</b>	<b>202.2</b>
Taxes	0.2	0.6	(4.6)	1.4	(3.5)	(3.7)
<b>Net profit</b>	<b>62.8</b>	<b>51.9</b>	<b>72.0</b>	<b>121.5</b>	<b>168.5</b>	<b>198.5</b>
<b>EPS</b>	<b>0.28</b>	<b>0.23</b>	<b>0.32</b>	<b>0.54</b>	<b>0.76</b>	<b>0.89</b>
<b>Diluted EPS</b>	<b>0.28</b>	<b>0.23</b>	<b>0.32</b>	<b>0.54</b>	<b>0.76</b>	<b>0.89</b>

# Operating revenues

(USD million)	<b>Q3 11</b>	<b>Q2 11</b>	<b>Q3 10</b>	<b>9M 11</b>	<b>9M 10</b>	<b>2010</b>
Charter income	119.6	110.3	125.4	294.1	331.6	397.1
Mob/demob income	0.7	0.0	1.9	2.1	4.6	6.5
Other income	11.5	14.7	13.1	31.7	30.9	38.8
<b>Total</b>	<b>131.8</b>	<b>125.0</b>	<b>140.4</b>	<b>327.9</b>	<b>367.1</b>	<b>442.4</b>



# Balance sheet

(Unaudited figures in USD million)	30.09.11	30.06.11	31.12.10	30.09.10
Goodwill	226.7	226.7	226.7	226.7
Rigs	910.4	924.2	898.8	891.4
Other non-current assets	4.9	4.7	4.5	4.4
<b>Total non-current assets</b>	<b>1 142.0</b>	<b>1 155.6</b>	<b>1 130.0</b>	<b>1 122.5</b>
Cash and deposits	83.6	87.2	98.3	108.8
Assets held for sale	0.0	0.0	0.0	64.8
Other current assets	98.9	133.6	38.1	93.6
<b>Total current assets</b>	<b>182.5</b>	<b>220.8</b>	<b>136.4</b>	<b>267.2</b>
<b>Total assets</b>	<b>1 324.5</b>	<b>1 376.4</b>	<b>1 266.4</b>	<b>1 389.7</b>
Share capital	63.9	63.9	63.9	63.9
Other equity	389.7	366.4	346.4	336.4
<b>Total equity</b>	<b>453.6</b>	<b>430.3</b>	<b>410.3</b>	<b>400.3</b>
Interest-free long-term liabilities	81.4	79.0	77.5	114.3
Interest-bearing long-term debt	691.2	725.6	705.4	815.6
<b>Total long-term liabilities</b>	<b>772.6</b>	<b>804.6</b>	<b>782.9</b>	<b>929.9</b>
Other interest-free current liabilities	94.7	107.9	73.2	59.5
Current portion of long-term debt	3.6	33.6	0.0	0.0
<b>Total current liabilities</b>	<b>98.3</b>	<b>141.5</b>	<b>73.2</b>	<b>59.5</b>
<b>Total equity and liabilities</b>	<b>1 324.5</b>	<b>1 376.4</b>	<b>1 266.4</b>	<b>1 389.7</b>

# Key figures

	Q3 11	Q2 11	Q3 10	9M 11	9M 10	2010
Operating margin	52.4 %	45.9 %	59.1 %	42.8 %	55.2 %	50.0 %
Equity ratio	34.2 %	31.3 %	28.8 %	34.2 %	28.8 %	32.4 %
Return on equity	58.2 %	49.4 %	86.7 %	37.5 %	67.7 %	58.9 %
Net interest bearing debt (USD million)	611.2	672.0	706.8	611.2	706.8	607.1
Number of shares (1 000)	229 937	229 937	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	222 949	222 949	222 942	222 949	222 942	222 942
USD/NOK exchange rate at end of period	5.84	5.39	5.84	5.84	5.84	5.86
Share price (NOK)	38.39	40.54	36.22	38.39	36.22	46.40
Share price (USD)	6.57	7.52	6.20	6.57	6.20	7.92
Market capitalisation (NOK million)	8 827	9 322	8 328	8 827	8 328	10 669
Market capitalisation (USD million)	1 512	1 729	1 427	1 512	1 427	1 821

# Shareholders

## **SHAREHOLDERS AS AT 24.10.2011**

	<b>No. of shares</b>	<b>Ownership</b>
Folketrygdfondet	15 015 519	6.5 %
Pareto	12 656 241	5.5 %
State Street Bank & Trust (nom)	12 288 920	5.3 %
KAS Dep. Trust (nom)	10 446 900	4.6 %
State Street Bank & Trust (nom)	8 477 486	3.7 %
Brown Brothers Harriman	8 190 615	3.6 %
Goldman Sachs (nom)	7 931 886	3.4 %
Northern Trust (nom)	7 533 315	3.3 %
Clearstream Banking (nom)	7 446 916	3.2 %
JP Morgan Chase Bank (nom)	7 084 947	3.1 %
<b>Total 10 largest</b>	<b>119 522 864</b>	<b>52.0 %</b>

Total no. of shares: 229 936 790

# Growth achieved with a robust financial position



## Growth achieved by:

- Good operating performance
- At all times, a robust financial position
- An efficient financing and tax structure (low cost of funding)
- Returning capital to shareholders (high dividend payouts)

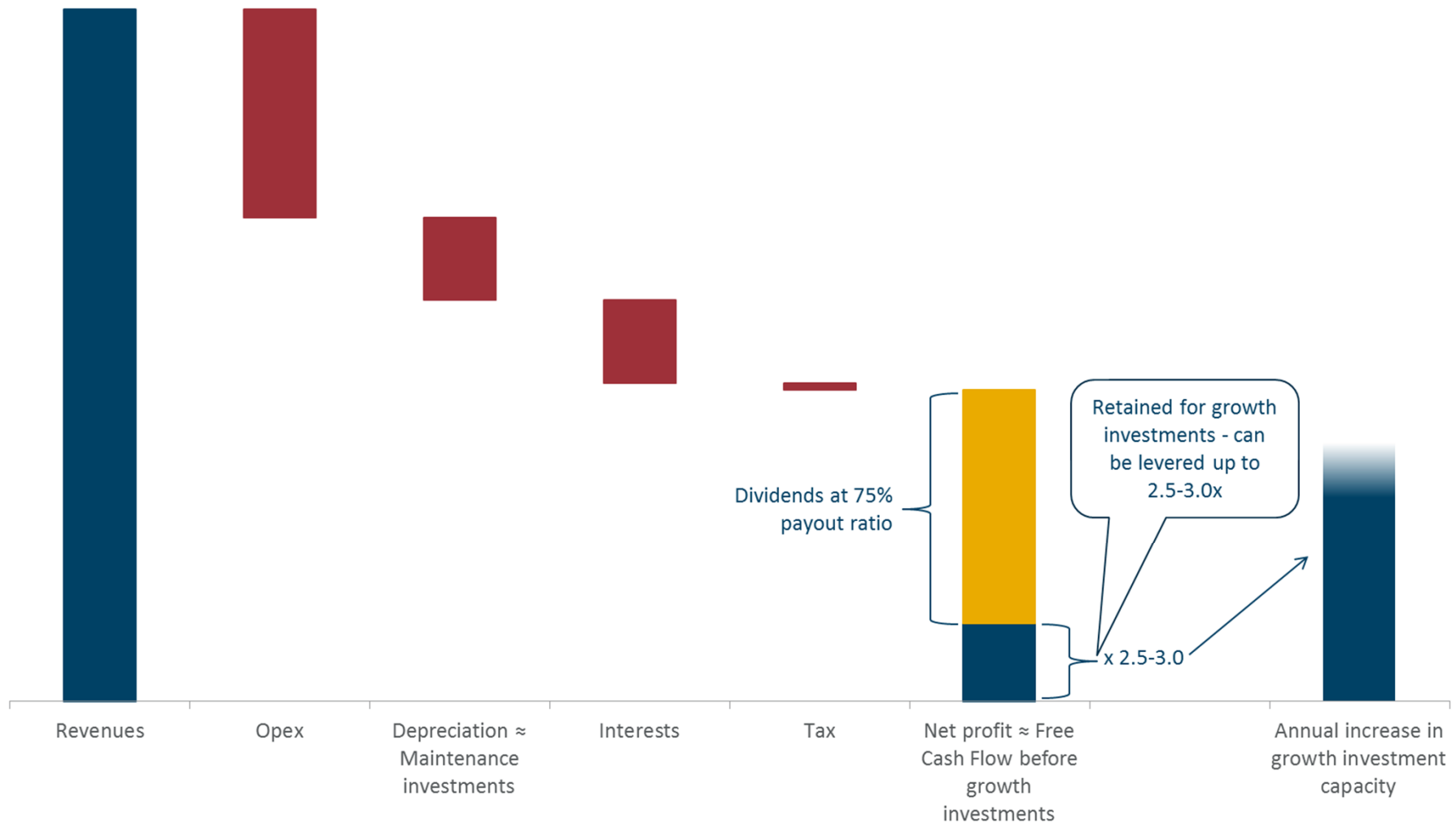
Securities	Total return	Annual equivalent
Prosafe SE (dividends re-inv)	830%	16.6%
OSEBX Index (dividend re-inv)	160%	6.8%
OSX Index (dividend re-inv)	140%	6.2%

## Dividend policy

- Prosafe's objective is to provide shareholders with a competitive, risk-adjusted yield on their shares through a combination of share price appreciation and direct return in the form of dividend
- The level of dividend will reflect the underlying financial development of the company, while taking account of opportunities for further value creation through profitable investments
- The long-term dividend policy is a distribution of up to 75 per cent of the consolidated net profit paid the following year. The dividend will normally be distributed on a quarterly basis.

# Dividend policy leaves room for growth

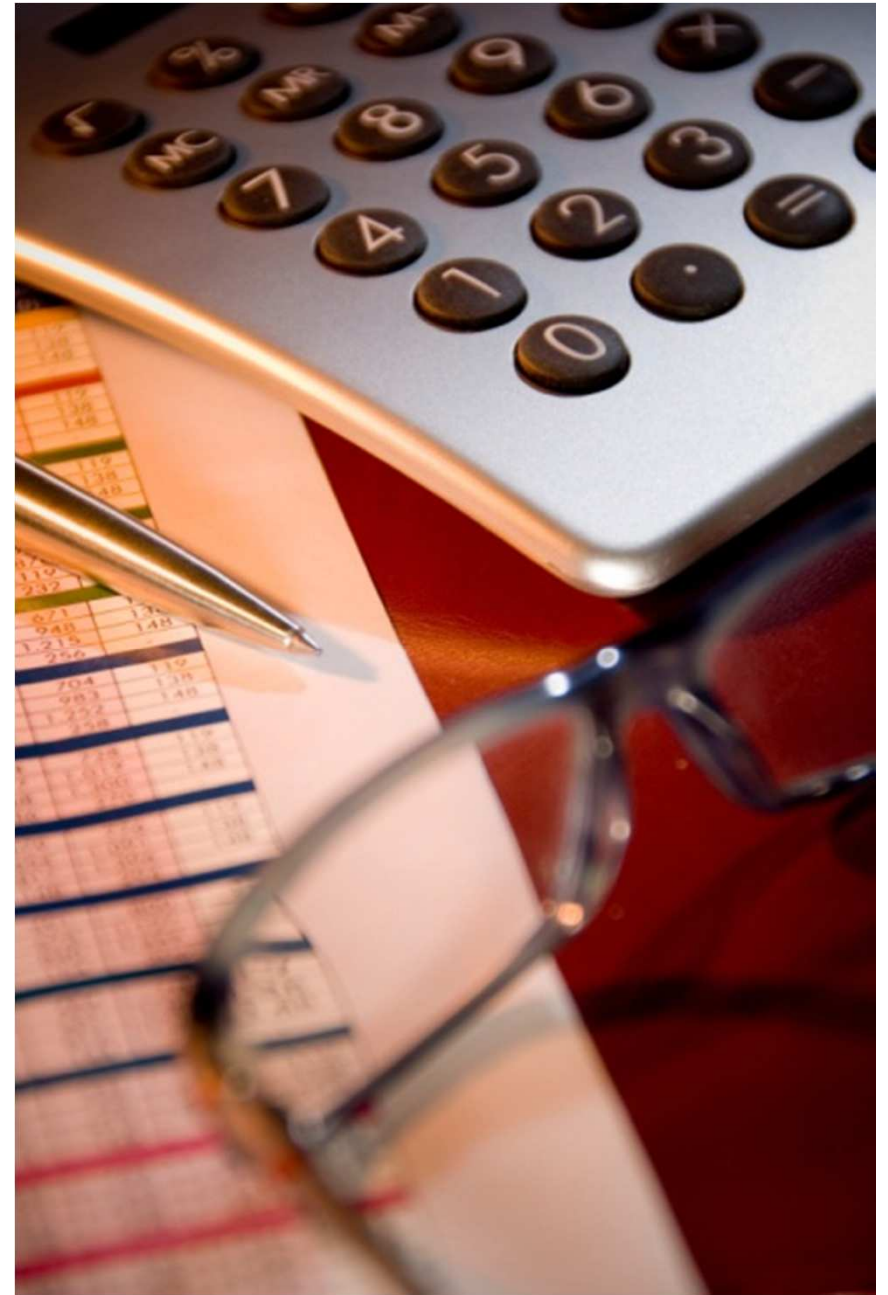
Generic illustration





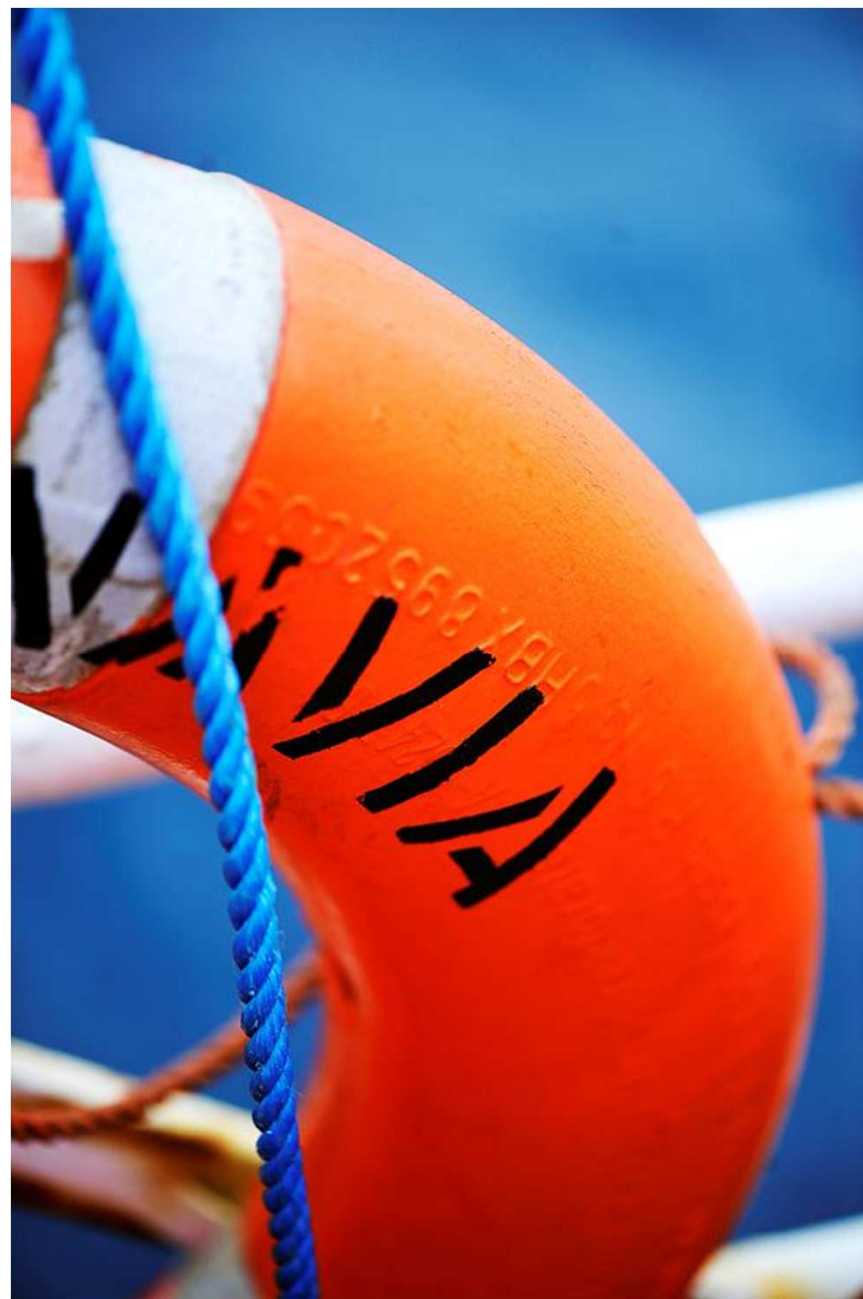
# Dividend

- Resolution on 2 November to declare an interim dividend equivalent to USD 0.166 per share
- The shares will trade ex-dividend on 9 November.
- The dividend will be paid in the form of NOK 0.94 per share on 23 November



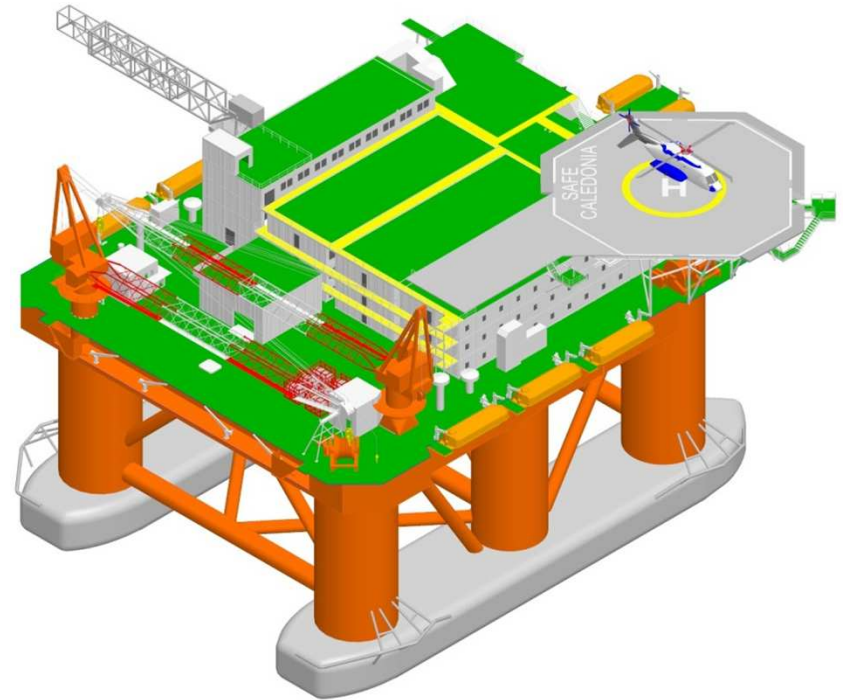
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# Safe Caledonia refurbishment

- All larger orders placed
- Yard contract awarded to Remontowa in Poland
- Yard work to commence end Q1 2012 after completion of BG contract
- Shipyard period scheduled for 7 months including sea trials
- Cost estimate unchanged at USD 100 million



Refurbishment – 20  
years life extension

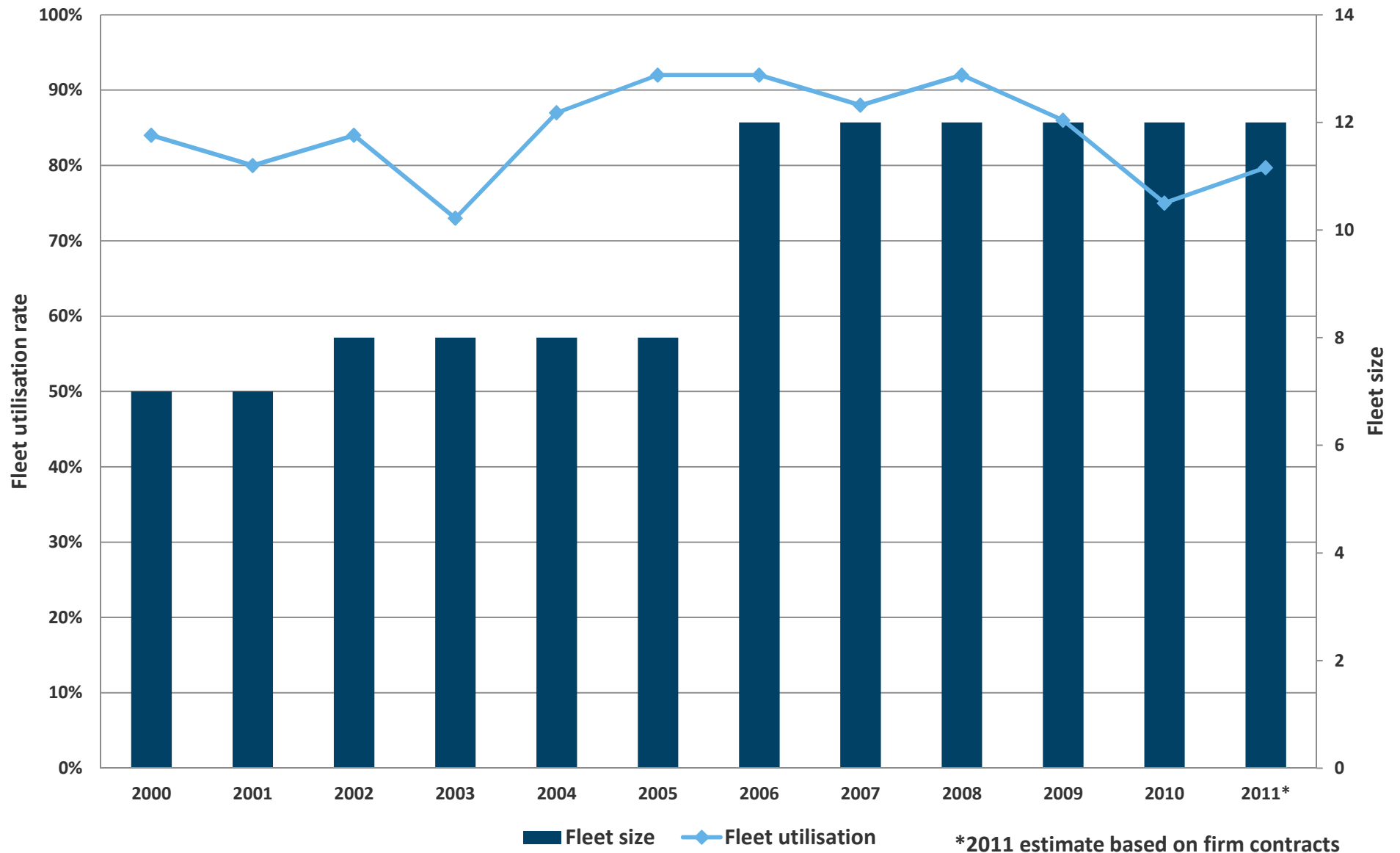
# Total capex expectation for 2011

- 2011 capex to be lower than the USD 60-70 million (ex. Safe Caledonia) previously indicated
- Mainly related to timing of maintenance and upgrade projects

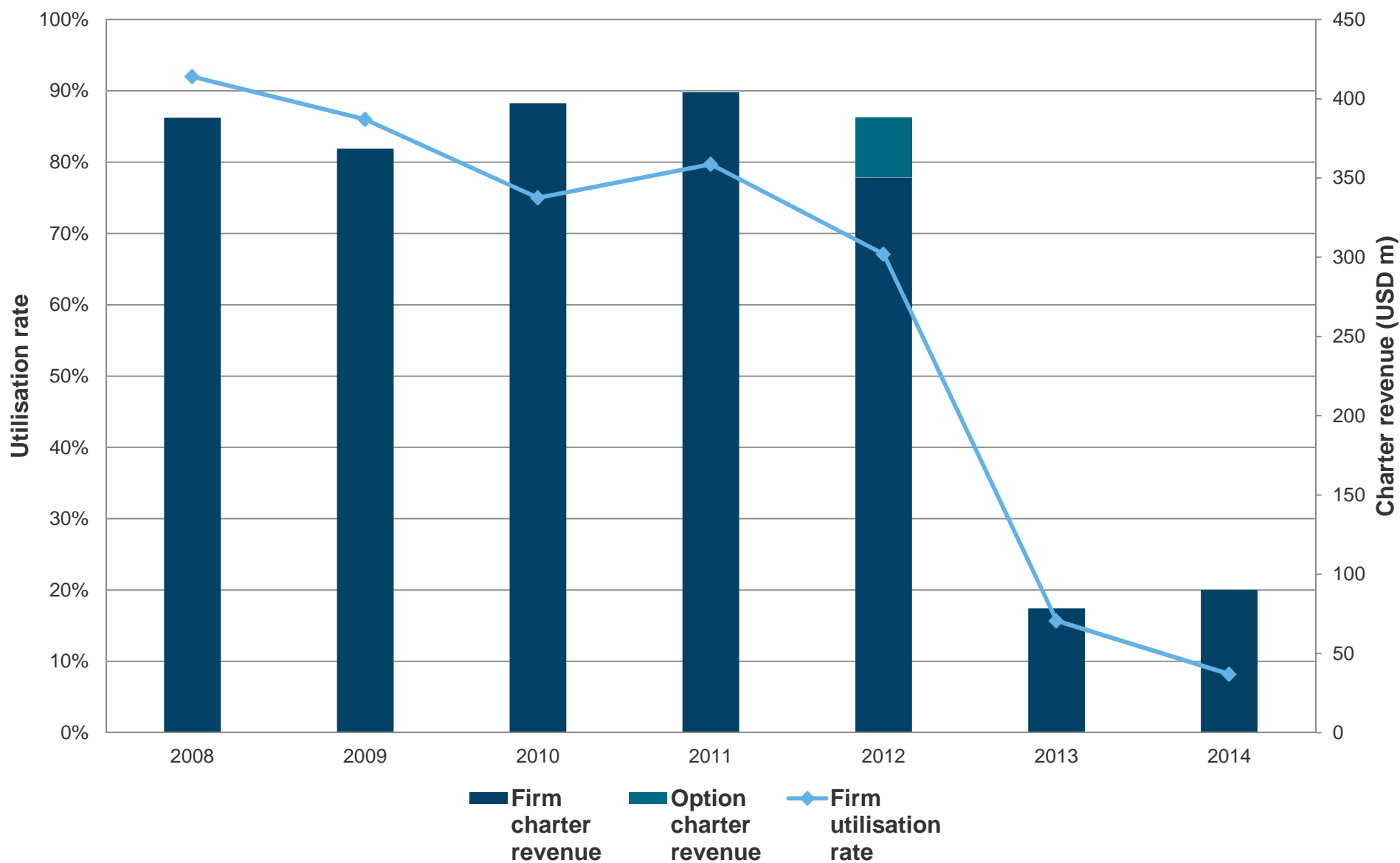




## Fleet size and utilisation

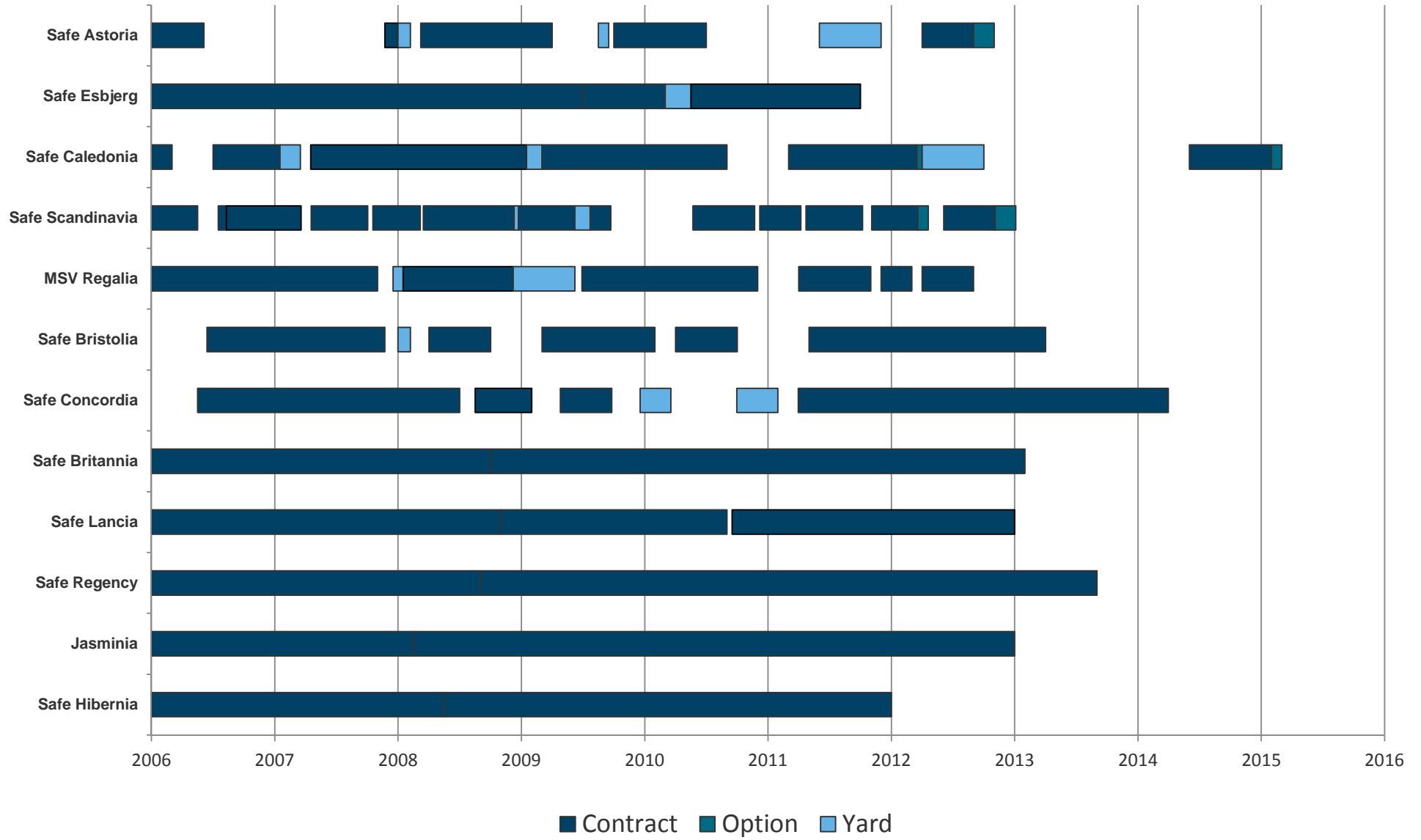


## Utilisation rate and charter revenue



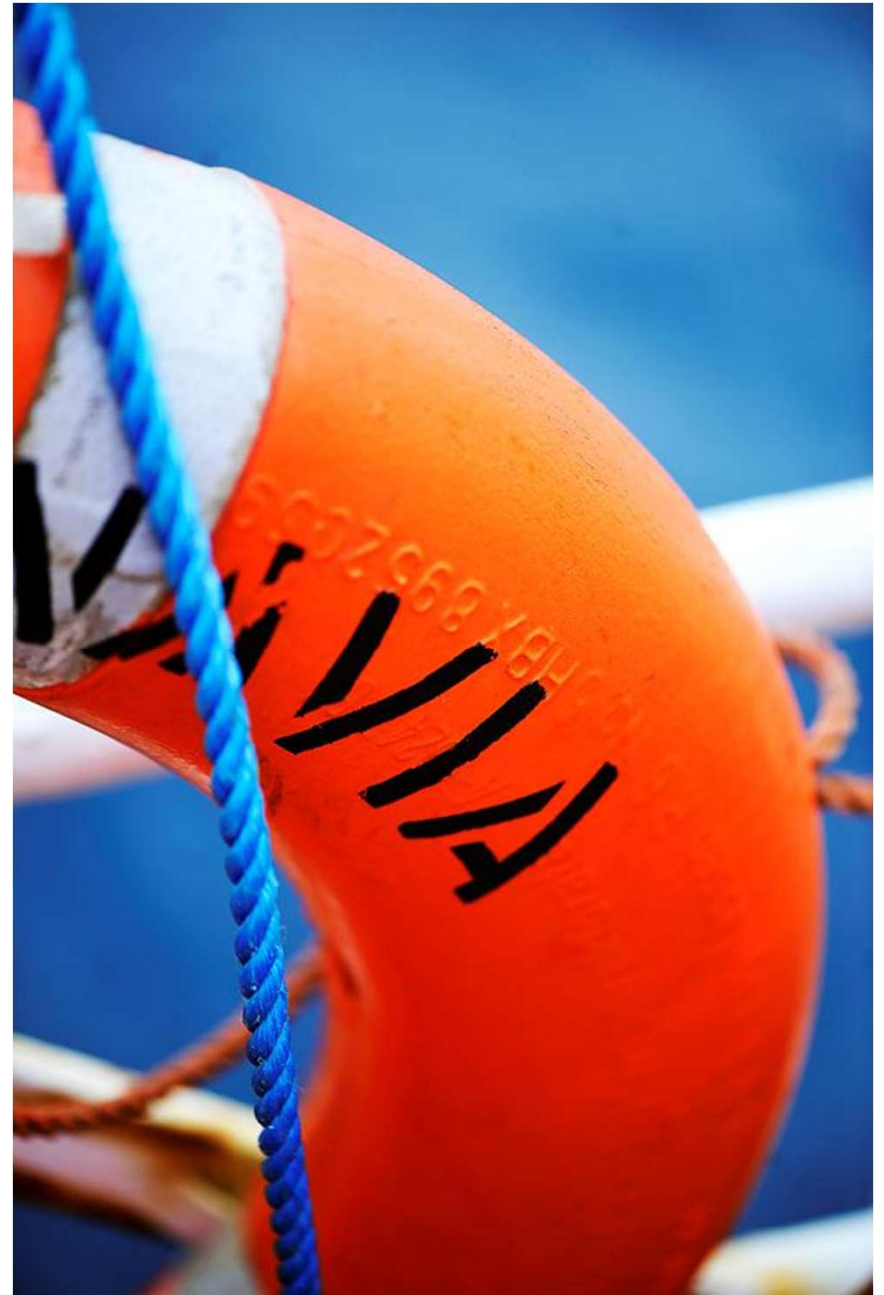


## Contract status



# Agenda

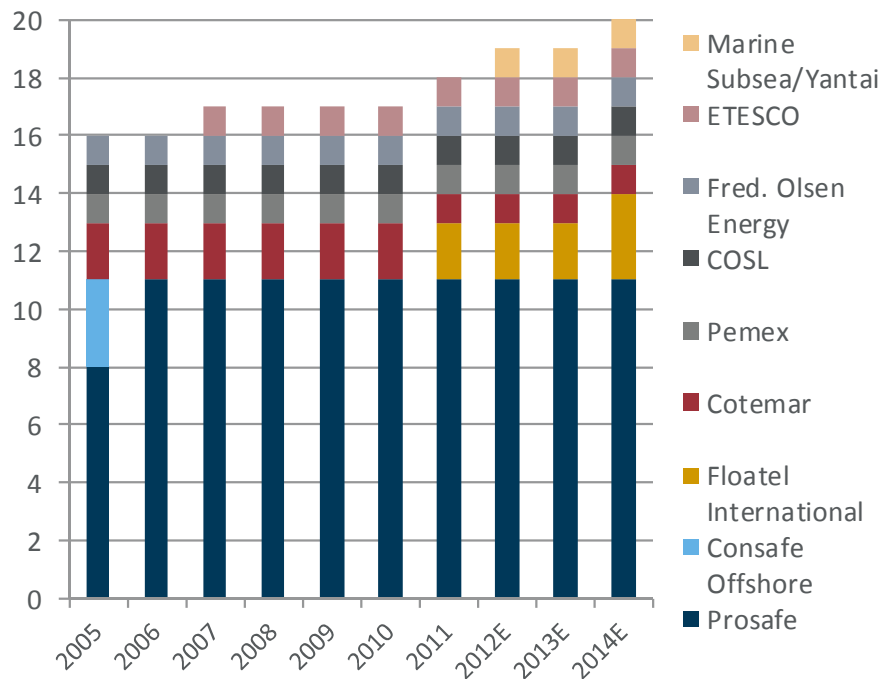
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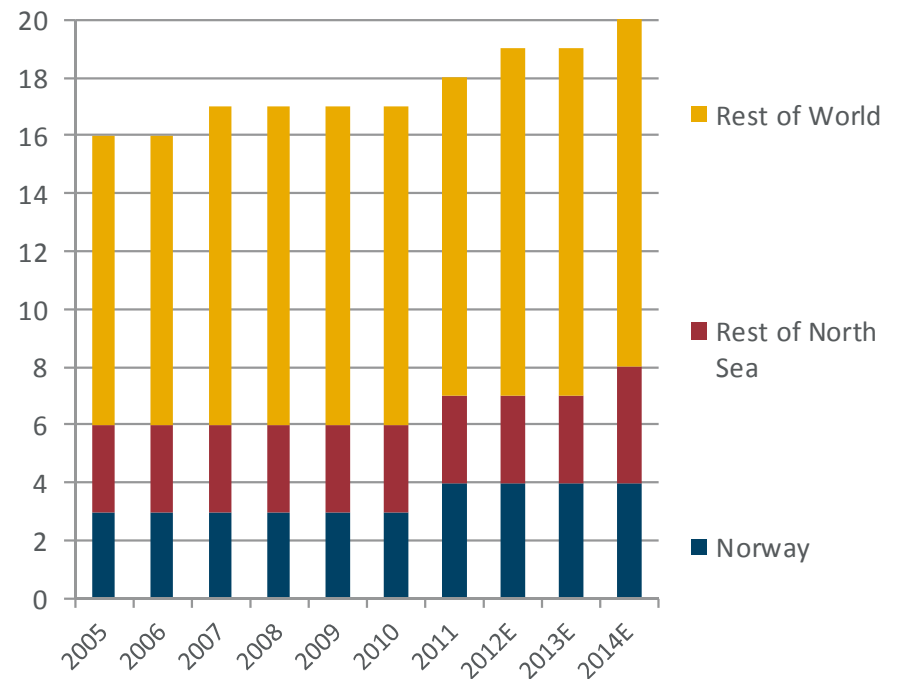
# Supply – Prosafe leading player

- Prosafe largest player by far
- Two units under construction – delivery scheduled for 2012 (African Challenger) and 2014 (Floatel Victory)

No. of accommodation semis by owner



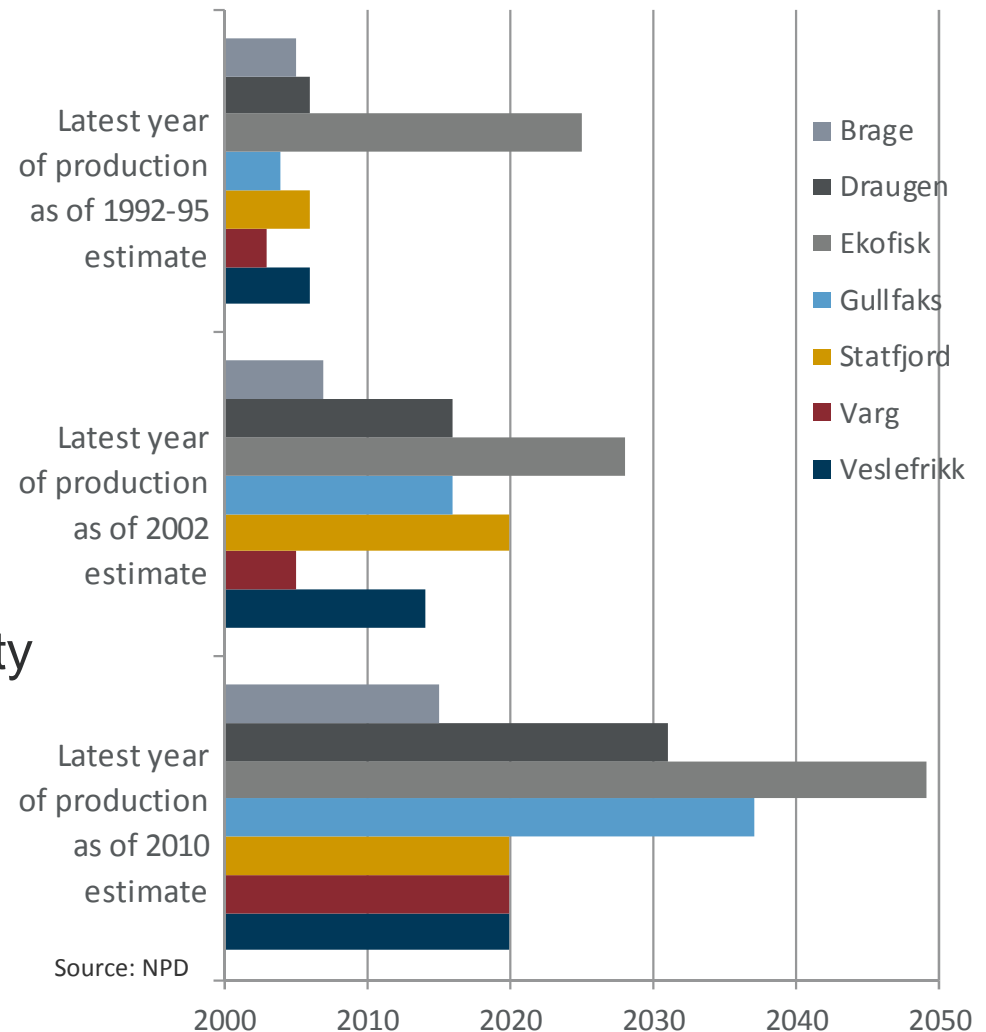
No. of accommodation semis by regional capabilities



# Demand – North Sea

- Maintenance & modifications
  - Field life expectancy increasing – many installations approaching original design life
  - Large redevelopments
  - Maintenance, IOR projects and tie-ins
- Hook-ups and commissioning
  - Significant exploration activity
  - Recent large discoveries (Aldous, Avaldnes, Skrugaard)
- Decommissioning

Examples of changes in field life expectancy Norway



## Demand – Mexico

- Pemex has indicated increasing E&P spending in the years to come
- Current demand mainly driven by maintenance of installations in shallow waters
- Longer-term potential for demand from developments in deeper waters





## Demand – Brazil

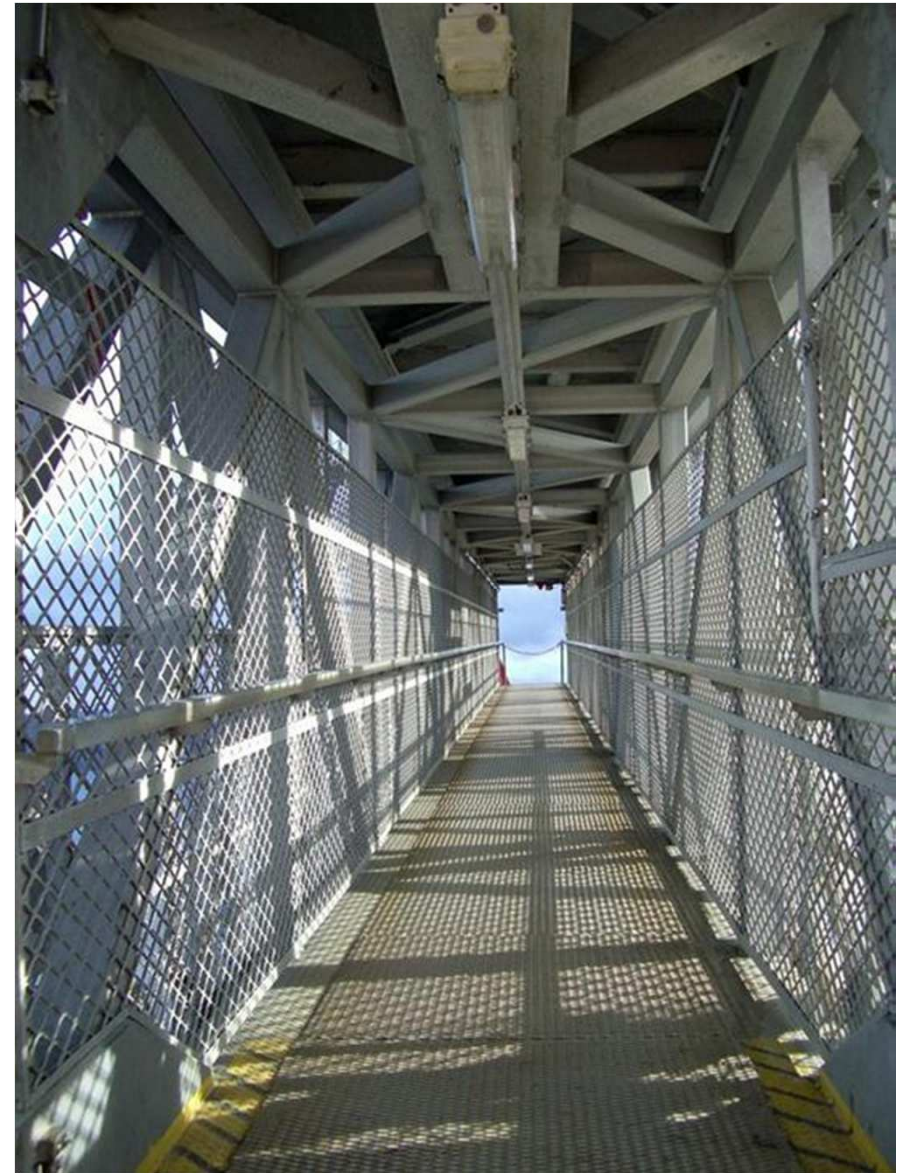
- High E&P activity
- Four safety and maintenance units in operations in the Campos basin
- Demand potential also in other basins
- Deep waters drive demand for DP units



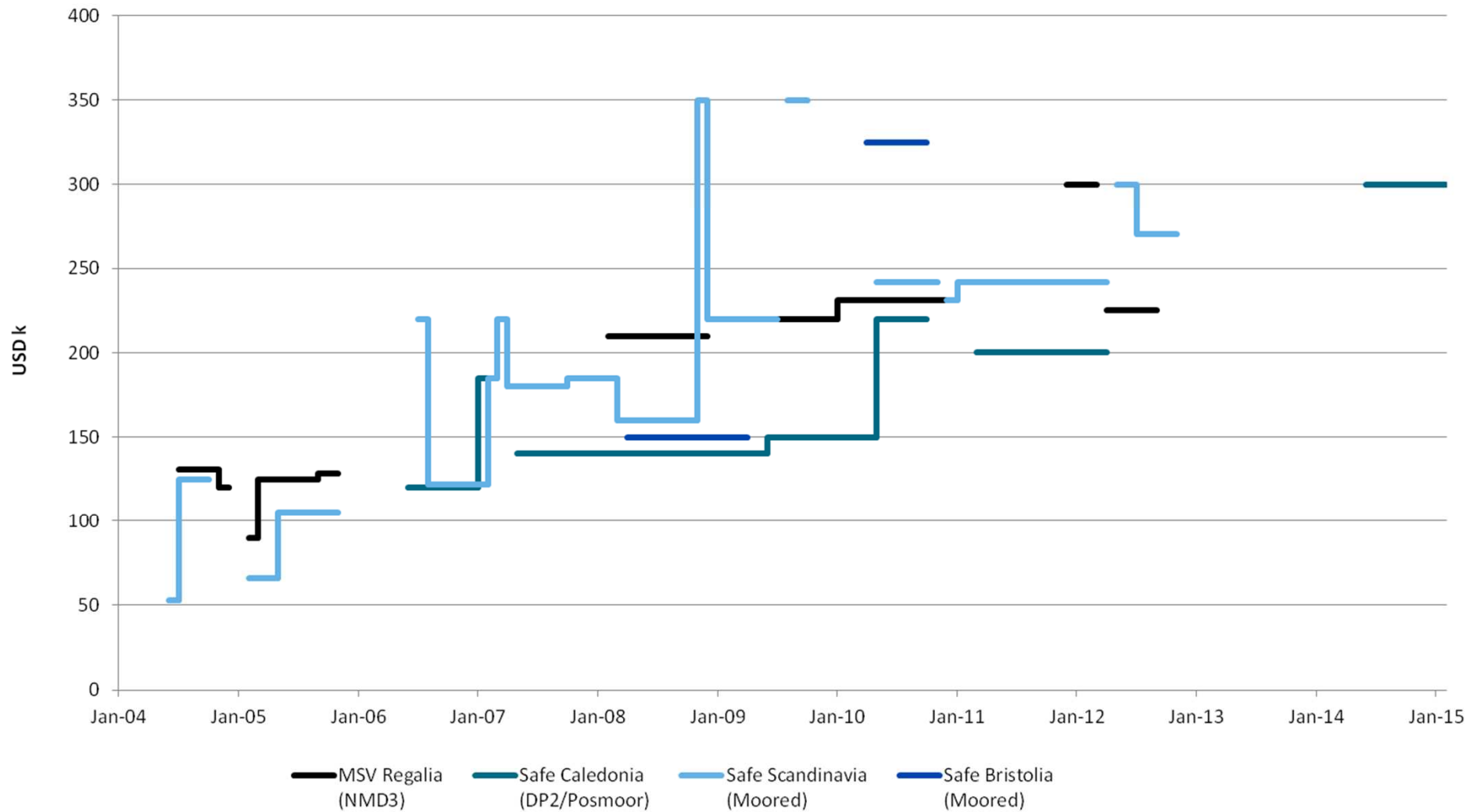


# Demand – Rest of world

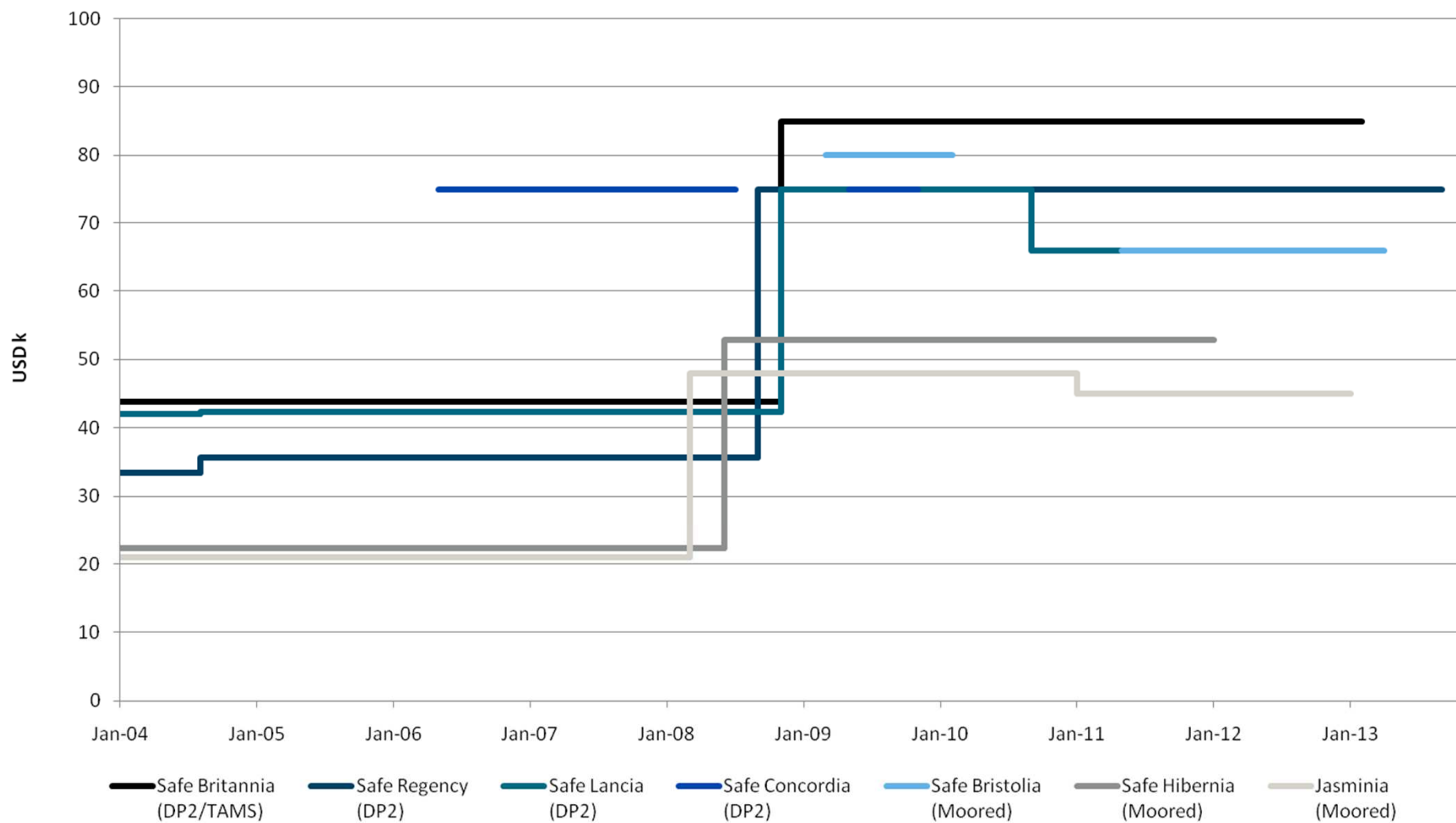
- Australia – interesting potential
  - ❑ Seasonally harsh weather conditions
  - ❑ Strict regulations
  - ❑ Prosafe has recently secured a contract offshore western Australia
- Asia – increasing amount of prospects
  - ❑ Variable weather conditions and water depths
  - ❑ Prospects mainly related to redevelopments, installation and commissioning
- West Africa – ad hoc projects
  - ❑ Demand mostly covered with accommodation barges
  - ❑ Potential for semi rigs related to large hook-up and commissioning jobs



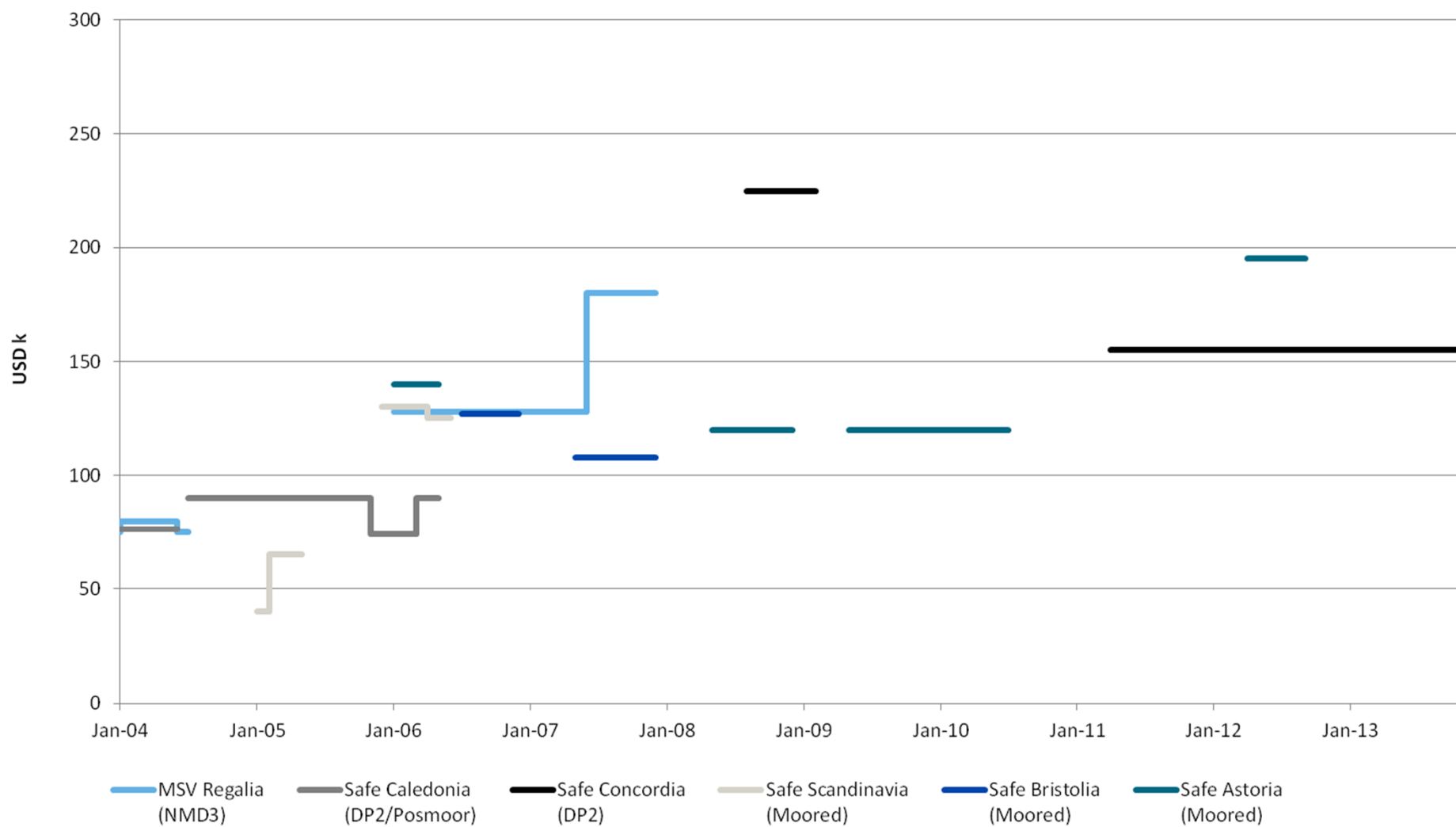
## North Sea dayrates (time charter)



## Gulf of Mexico dayrates (bareboat)



## Rest of World dayrates (time charter)



# Summary

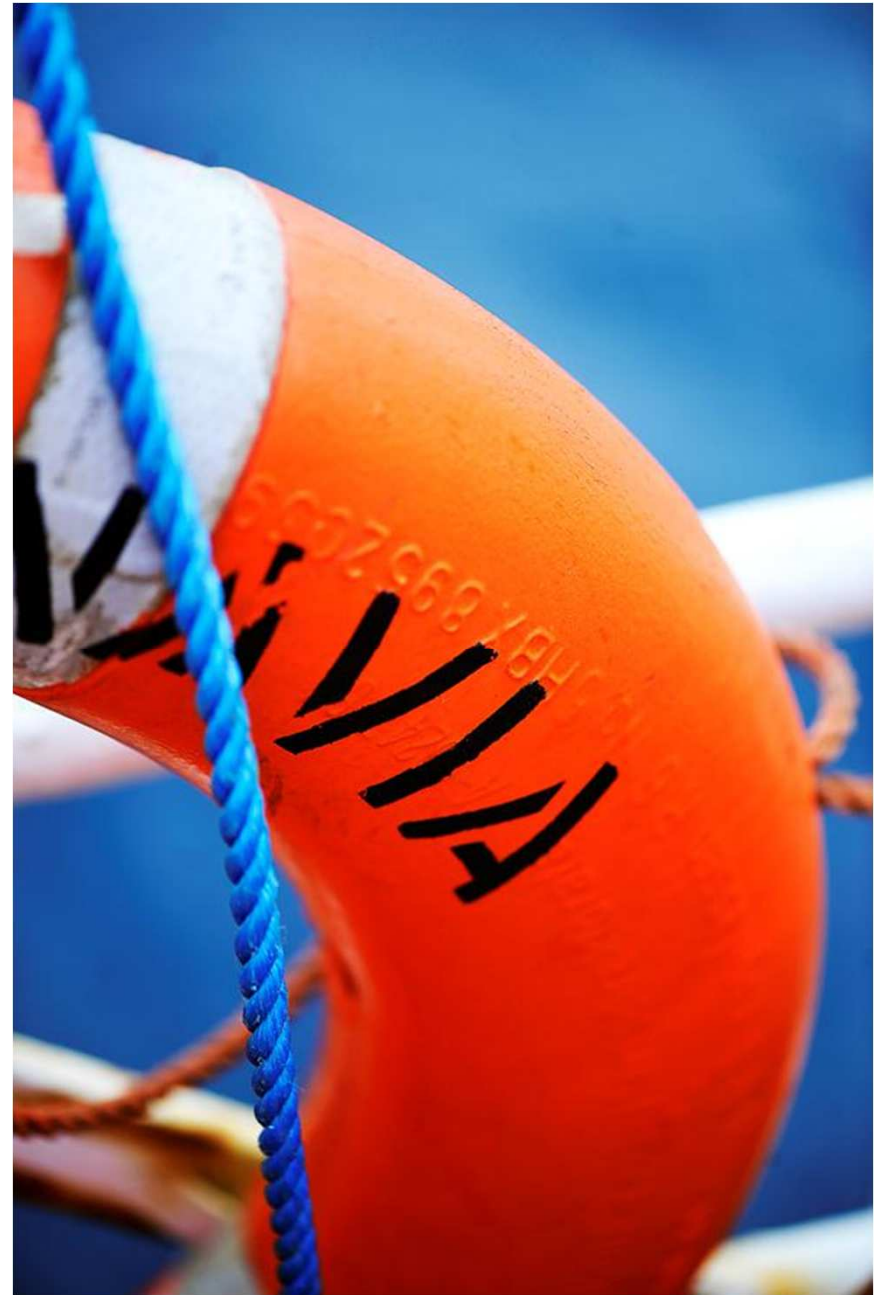
- Leading market position
- High quality and versatile rig fleet
- Good market outlook
- Robust financial position
- High dividend capacity





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# Debt as of end Q3 2011

- Credit facility
  - New credit facility of USD 1.1 billion in place in August 2011
  - Maturity of six years
  - The applicable margin on the credit facility is 1.875%. This will increase to 2.25% after the 4<sup>th</sup> year after closing
  - The availability under the credit facility is reduced semi-annually with USD 70 million. Balloon of USD 260 million. At end Q3 2011, there was USD 580 million in undrawn facilities.
- USD 50 million bond loan (Prosaf SE bought back USD 46.4 million and USD 3.6 million is outstanding) – maturing March 2012
- NOK 500 million bond loan – maturing October 2013
- NOK 500 million bond loan – maturing February 2016

## Debt as of end Q3 2011

- Total interest-bearing debt USD 694.8 million:
  - ▣ Credit facility: USD 520 million (long-term)
  - ▣ Bond loan: USD 3.6 million (short-term)
  - ▣ Bond loan: NOK 500 million (USD 85.6 million) (long-term)
  - ▣ Bond loan : NOK 500 million (USD 85.6 million) (long-term)

## Financial covenants on credit facility

- Maximum leverage ratio of 5.0 and 4.5 after second anniversary
- Minimum liquidity (including up to USD 25 million of undrawn amounts under the credit facility) of USD 65 million in the group
- Minimum value adjusted equity ratio of 35 per cent
- Market value vessels/total commitments above 150 per cent

# Fleet overview



<b>Name</b>	<b>MSV Regalia</b>
Geographical area	Harsh environment, NCS
Mooring system	DP
Station keeping	NMD3
No of beds	282
Deck area	3,250 m <sup>2</sup>
Payload	1,000 – 2,000 t

## Current contract

Client	BP
Field	Yme, NCS
Water depth	70m
Type of installation	Steel platform

<b>Safe Scandinavia</b>
Harsh environment, NCS
12 point chain winches
Moored
583
400 m <sup>2</sup>
1,000 t

<b>Safe Caledonia</b>
Harsh environment
10 point wire winches
DP2 / TAMS
387
900 m <sup>2</sup>
700 t

Statoil
Valhall, NCS
310m
Tension Leg Platform

BG
Armada& Everest, UK NS
97m
Steel jacket

# 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 (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

## Current contract

Client

Yard: Upgrade/SPS

end user Pemex

Field

Cantarell

Water depth

40-50m

Type of installation

Jacket structure platform

# Fleet overview



## Name

**Safe Britannia**

## Name

**Safe Lancia**

## Name

**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

## Current contract

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	FPSO	Jacket structure platform

# Financial calendar and IR contacts

## Financial calendar

- **16 February 2012** - Publication of fourth quarter 2011/preliminary 2011 results

## IR contact

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