Prosafe


March 2011


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## Agenda

- Accommodation rig market
- Supply/demand outlook
- Contracts status
- Dayrate development
- Operations
- Financial position and dividend
- Summary
- Attachments



## Offshore accommodation



- Hook-up/commissioning of new installations
- Maintenance, modifications, IOR projects and tie-ins of satellite fields to existing installations
- Main part of Prosafe's contracts are related to fields that are in production
- 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 water depths
- Fixed installations
- Some floaters, e.g. TLPs

■ Prosafe

- Fred Olsen

COSL
■ ETESCO

## 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 demand

## Mexico

- Drivers:
- Construction support
- Maintenance support
- Hotel/catering/ logistical support
- Currently five of our rigs are operating in Mexico
- The demand for accommodation rigs in Mexico appears to be stable going forward



## Market demand

## Brazil



Fixed installation


Semi-submersible


FPSO

## Market demand

## Emerging markets



Fleet size and utilisation


Utilisation rate and charter revenue


Contract status


North Sea dayrates (time charter)


## Gulf of Mexico dayrates (bareboat)



## Rest of World dayrates (time charter)



## Safe Caledonia refurbishment

- Hull maintenance and topside refurbishment
- Safe Caledonia will be refurbished with 450 beds, 1 \& 2 bed cabins ( 417 beds in new blocks)

- 20 years life extension
- Shipyard stay planned for $1^{\text {st }}$ half of 2012



## Operations in Brazil

- Three-year contract for Safe Concordia to perform safety and maintenance support services
- New office in Rio de Janeiro (marketing)
- New office in Macae (operations)



## Operations in Brazil

- The units to be attended by Safe Concordia are primarily turret moored FPSOs in the Campos basin
- The first project is planned to be a turret moored FPSO and will be the first time a DP vessel has been gangway connected to a turret moored FPSO



## Robust financial position

total debt/EBITDA


## New bond issue

- NOK 500 million unsecured bond
- Maturity 25 February 2016
- Credit margin 3.5\%
- Refinancing of PRS03 (USD 50 million bond with maturity March 2012)
- Bought back USD 46.4 million in PRS03



## Dividend

- Long-term dividend policy targeting 40-50\% of net profit paid tri-annually the following year
- Total dividend paid in 2010 was 0.285 USD per share (50\% payout)
- Anticipate dividend announcements in connection with the releases of Q1, Q2 and Q3 results

(2) Prosafe


## Summary

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


Attachments


## Income statement

| (Unaudited figures in USD million) | Q4 10 | Q3 10 | Q4 09 | 2010 | 2009 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Operating revenues | 75.3 | 140.4 | 106.7 | 442.4 | 397.9 |
| Operating expenses | (41.4) | (41.7) | (34.6) | (159.3) | (123.6) |
| EBITDA | 33.9 | 98.7 | 72.1 | 283.1 | 274.3 |
| Depreciation | (15.5) | (15.7) | (14.9) | (62.0) | (55.7) |
| Operating profit | 18.4 | 83.0 | 57.2 | 221.1 | 218.6 |
| Interest income | 0.1 | 0.1 | 0.1 | 0.3 | 0.4 |
| Interest expenses | (10.5) | (10.8) | (11.6) | (42.9) | (44.8) |
| Other financial items | 22.2 | 4.3 | (53.5) | 23.7 | (33.3) |
| Net financial items | 11.8 | (6.4) | (65.0) | (18.9) | (77.7) |
| Profit before taxes | 30.2 | 76.6 | (7.8) | 202.2 | 140.9 |
| Taxes | (0.2) | (4.6) | (0.7) | (3.7) | (13.7) |
| Net profit | 30.0 | 72.0 | (8.5) | 198.5 | 127.2 |
| Earnings per share | 0.13 | 0.32 | (0.04) | 0.89 | 0.57 |
| Diluted earnings per share | 0.13 | 0.32 | (0.04) | 0.89 | 0.57 |

## Operating revenues

|  | Q4 10 | Q3 10 | Q4 09 | $\mathbf{2 0 1 0}$ | 2009 |
| :--- | ---: | ---: | ---: | ---: | ---: |
|  |  |  |  |  |  |
| Charter income | 65.5 | 125.4 | 92.8 | 397.1 | 368.5 |
| Mob/demob income | 1.9 | 1.9 | 0.6 | 6.5 | 4.0 |
| Other income | 7.9 | 13.1 | 13.3 | 38.8 | 25.4 |
| Total | $\mathbf{7 5 . 3}$ | $\mathbf{1 4 0 . 4}$ | $\mathbf{1 0 6 . 7}$ | $\mathbf{4 4 2 . 4}$ | $\mathbf{3 9 7}$ |

## Balance sheet

| (Unaudited figures in USD million) | $\mathbf{3 1 . 1 2 . 1 0}$ | $\mathbf{3 0 . 0 9 . 1 0}$ | $\mathbf{3 1 . 1 2 . 0 9}$ |
| :--- | ---: | ---: | ---: |
|  |  |  |  |
| Goodwill | 226.7 | 226.7 | 226.7 |
| Rigs | 898.8 | 891.4 | 913.5 |
| Other non-current assets | 4.5 | 4.4 | 4.9 |
| Total non-current assets | $\mathbf{1 1 3 0 . 0}$ | $\mathbf{1} 122.5$ | $\mathbf{1 1 4 5 . 1}$ |
| Cash and deposits | 98.3 | 108.8 | 88.5 |
| Assets held for sale | 0.0 | 64.8 | 54.7 |
| Other current assets | 38.1 | 93.6 | 67.2 |
| Total current assets | $\mathbf{1 3 6 . 4}$ | $\mathbf{2 6 7 . 2}$ | $\mathbf{2 1 0 . 4}$ |
| Total assets | $\mathbf{1 2 6 6 . 4}$ | $\mathbf{1 3 8 9 . 7}$ | $\mathbf{1 3 5 5 . 5}$ |
|  |  |  |  |
| Share capital | 63.9 | 63.9 | 63.9 |
| Other equity | 346.4 | 336.4 | 200.0 |
| Total equity | $\mathbf{4 1 0 . 3}$ | $\mathbf{4 0 0 . 3}$ | $\mathbf{2 6 3 . 9}$ |
| Interest-free long-term liabilities | 77.5 | 114.3 | 100.4 |
| Interest-bearing long-term debt | 705.4 | 815.6 | 876.6 |
| Total long-term liabilities | $\mathbf{7 8 2 . 9}$ | 929.9 | 977.0 |
| Other interest-free current liabilities | 73.2 | 59.5 | 76.1 |
| Current portion of long-term debt | 0.0 | 0.0 | 38.5 |
| Total current liabilities | $\mathbf{7 3 . 2}$ | 59.5 | $\mathbf{1 1 4 . 6}$ |
| Total equity and liabilities | $\mathbf{1 2 6 6 . 4}$ | $\mathbf{1 3 8 9 . 7}$ | $\mathbf{1 3 5 5 . 5}$ |

## Key figures

|  | Q4 10 | Q3 10 | Q4 09 | $\mathbf{2 0 1 0}$ | $\mathbf{2 0 0 9}$ |
| :--- | ---: | ---: | ---: | ---: | ---: |
|  |  |  |  |  |  |
| Operating margin | $24.4 \%$ | $59.1 \%$ | $53.6 \%$ | $50.0 \%$ | $54.9 \%$ |
| Equity ratio | $32.4 \%$ | $28.8 \%$ | $19.5 \%$ | $32.4 \%$ | $19.5 \%$ |
| Return on equity | $35.6 \%$ | $86.7 \%$ | $-15.0 \%$ | $58.9 \%$ | $87.3 \%$ |
| Net interest bearing debt (USD million) | 607.1 | 706.8 | 826.6 | 607.1 | 826.6 |
| Number of shares (1 000) | 229937 | 229937 | 229937 | 229937 | 229937 |
| Average no. of outstanding shares (1 000) | 222942 | 222942 | 222942 | 222942 | 222935 |
| USD/NOK exchange rate at end of period | 5.86 | 5.84 | 5.78 | 5.86 | 5.78 |
| Share price (NOK) | 46.40 | 36.22 | 36.85 | 46.40 | 36.85 |
| Share price (USD) | 7.92 | 6.20 | 6.38 | 7.92 | 6.38 |
| Market capitalisation (NOK million) | 10669 | 8328 | 8473 | 10669 | 8473 |
| Market capitalisation (USD million) | 1821 | 1427 | 1466 | 1821 | 1466 |

## Shareholders

## SHAREHOLDERS AS AT 03.02.2011

|  |  | \% share |
| :--- | ---: | ---: |
| Folketrygdfondet | 17095735 | $7,43 \%$ |
| Pareto | 14333458 | $6,23 \%$ |
| Goldman Sachs (nom.) | 11163157 | $4,85 \%$ |
| State Street Bank \& Trust (nom.) | 10384570 | $4,52 \%$ |
| KAS Depositary Trust (nom.) | 10096948 | $4,39 \%$ |
| Brown Brothers Harriman | 8155179 | $3,55 \%$ |
| Clearstream Banking (nom.) | 7234513 | $3,15 \%$ |
| JP Morgan Chase Bank (nom.) | 7119243 | $3,10 \%$ |
| Prosafe SE | 6988031 | $3,04 \%$ |
| JP Morgan Chase Bank (nom.) | 5929043 | $2,58 \%$ |
| Total 10 largest | $\mathbf{9 8 4 9 9 8 7 7}$ | $\mathbf{4 2 , 8 4} \%$ |

Total no. of shares: 229936790

## Debt as of end Q4 2010

- 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
- Current credit margin $0.75 \%$ above USD 3 m LIBOR
- 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
- 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
- USD 50 million bond loan - maturing March 2012
- NOK 500 million bond loan - maturing October 2013


## Debt as of end Q4 2010

■ Total interest-bearing debt USD 705.4million:

- Credit facility: USD 570 million (long-term)
- Bond loan: USD 50 million (long-term)
- Bond loan: NOK 500 million (USD 85.4 mill) (long-term)


## Financial covenants as of end Q4 2010

- Financial covenants in the credit facility:
- Minimum cash of USD 65 million in the group
- Maximum leverage ratio of 4.5
- Minimum value adjusted equity ratio of 35 per cent
- Market value vessels/total commitments above 150 per cent
- 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
- Maximum $50 \%$ of net profit paid in dividend the following year
- Prosafe has during Q4 2010 been in compliance with all financial covenants

| Rig name | Location | Client name | Type of contract | Firm contract | Option | Dayrate |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Current con |  |  |  |  |  |  |
| MSV Regalia |  |  |  |  |  |  |
|  | Norwegian North Sea, Valhall | BP | Time charter | Jul 11- Oct 11 |  | USD 242500 |
|  | Norwegian North Sea, Valhall | BP | Time charter | March 11 - Jul 11 |  | USD 242000 |
|  | Norwegian North Sea, Valhall | BP | Time charter | Jan $10-$ Nov 10 |  | USD 231000 |
|  |  |  |  | Jul 09 - Jan 10 |  | USD 220000 |
|  | Yard/mobilisation |  |  | Dec 08-Jul 09 |  |  |
|  | UK North Sea, MCP-01 | Aker Kværner | Time charter | Feb 08 - Dec 08 |  | USD 210000 |
|  | 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 120000 |
|  | 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 60000 |
| Safe Bristolia |  |  |  |  |  |  |
|  | UK North Sea, Buzzard | Nexen | Time charter | Apr 10 - Sep 10 |  | USD 325000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Mar 09 - Jan 10 |  | USD 80000 |
|  | UK North Sea | ConocoPhillips | Time charter | Apr 08 - Sep 08 |  | USD 150000 |
|  |  |  |  |  |  | (+ mob and demob fee) |
| Safe Scandinavia |  |  |  |  |  |  |
|  | UK North Sea | Undisclosed client | Time charter | August $12-$ Nov 12 | Dec 12 | USD 270000 |
|  | Norwegian North Sea, Valhall | BP | Time charter | Oct 11-Jan 12 | Mar 12 | USD 242500 |
|  | Norwegian North Sea, Snorre A | StatoilHydro | Time charter | Apr 11 - Sep 11 |  | USD 242000 |
|  | Norwegian North Sea, Valhall | BP | Time charter | Nov 10-March 11 |  | USD 231 000/242000 |
|  | Norwegian North Sea, Snorre A | StatoilHydro | Time charter | May 10 - Oct 10 |  | USD 242000 |
|  | UK North Sea | Shell | Time charter | Jul 09 - Sep 09 (65 days) |  | USD 350000 |
|  | Yard/mobilisation |  |  | 6-7 weeks in June/July 09 |  |  |
|  | Norwegian North Sea, Valhall | BP | Time charter | Dec 08 - Jun 09 |  | USD 220000 |
|  | 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 |
|  | UK North Sea, Britannia | ConocoPhillips | Time charter | Oct 07 - Feb 08 |  | USD 185000 |
|  | Norwegian North Sea, Snorre A | StatoilHydro | Time charter | Apr 07 - Sep 07 |  | USD 180000 |


| Safe Caledonia |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | UK North Sea | BG | Time charter | March 11 - Nov 11 | Jan 12 | USD 200000 |
|  | UK North Sea, Dunbar Elgin | Total | Time charter | Jun 10 - Sep 10 |  | USD 220000 |
|  |  |  |  | Apr 09 - Jun 10 |  | USD 150000 |
|  |  |  |  | May 07 - Apr 09 |  | USD 140000 |
|  | Yard/mobilisation |  |  |  |  | 1.5 mth yard stay in Q1 09 |
| Safe Concordia |  |  |  |  |  |  |
|  | Brazil | Petrobras Lol | Time charter | Early Q2 11 - early Q2 14 |  | USD 143300 (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 75000 |
|  | US, Tahiti spar | ChevronTexaco | Time charter | Aug 08 - Jan 09 |  | USD 225000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | May 06 - Jun 08 |  | USD 75000 |
| Jasminia |  |  |  |  |  |  |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Jan 11 - Jun 11 | Feb 13 | USD 45000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Feb 09 - Dec 10 |  | USD 48000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Feb 08 - Feb 09 |  | USD 48000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Oct $03-\mathrm{Feb} 08$ |  | USD 21000 |
| Safe Hibernia |  |  |  |  |  |  |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | May 08 - May 11 |  | USD 53000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | May $03-$ May 08 |  | USD 22000 |
| Safe Lancia |  |  |  |  |  |  |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Aug 10 - Dec 12 |  | USD 66000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Oct 08 - Aug 10 |  | USD 75000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Apr $03-$ Oct 08 |  | USD 42000 |
| Safe Regency |  |  |  |  |  |  |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Sep 08-Aug 13 |  | USD 75000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Jul $03-$ Aug 08 |  | USD 36000 |
| Safe Britannia |  |  |  |  |  |  |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Oct 08 - Jan 13 |  | USD 85000 |
|  | GoM, Cantarell | Interpetroleum Services (for Pemex) | Bareboat | Oct $03-$ Oct 08 |  | USD 44000 |
| Safe Esbjerg |  |  |  |  |  |  |
|  | Denmark | Maersk | Time charter | Apr 10 - Jun 11 | Jun 12 | Euro 53500 |
|  | Yard/mobilisation |  |  | Feb 10 - Apr 10 |  |  |
|  | Denmark | Maersk | Time charter | Jun 09 - Feb 10 |  | Euro 63000 |
|  | Denmark | Maersk | Time charter | Jun 05 - Jun 09 |  | Euro 45000 |
| OPEX per day |  | Norwegian North Sea |  | UK North Sea |  | Other regions |
|  | Dynamically positioned semi-subm. rigs | 75000-85000 |  | 45-000-60 000 |  | 40-000-75000 |
|  | Anchored semi-submersible rigs | 55000-65000 |  | 35000-55000 |  | 25000-45000 |

## Fleet overview

## Name

Geographical area Mooring system Station keeping No of beds Deck area Payload

## Current contract

Client
Field
Water depth
Type of installation


MSV Regalia
Harsh environment, NCS
DP
NMD3
282
3,250 m ${ }^{2}$
1,000-2,000 t

BP, from March 2011
Valhall, NCS
70 m
Steel platform


Safe Scandinavia
Harsh environment, NCS
12 point chain winches
Moored
583
$400 \mathrm{~m}^{2}$
1,000 t

BP
Valhall, NCS
70m
Steel platform


## Safe Caledonia

Harsh environment
10 point wire winches
DP2 / TAMS
387
$900 \mathrm{~m}^{2}$
700 t

BG, from March 2011
Armada, UK NS
97m
Steel jacket

## Fleet overview



Safe Astoria
Moderately harsh env.
8 point wire winches
Moored
245
$620 \mathrm{~m}^{2}$
1,800 t


Safe Bristolia
Moderately harsh env.
8 point wire winches
Moored
587 (UK: 316)
$400 \mathrm{~m}^{2}$
1,800 t


Safe Esbjerg
Harsh environment
4 point wire winches
Jack-up
139
$750 \mathrm{~m}^{2}$
variable, max 725 t

## Current contract

Client
Field
Water depth
Type of installation

Maersk
Gorm and Tyra, Denmark 40-50m
Jacket structure platform

## Fleet overview

| Name | Safe Britannia |
| :--- | :--- |
| Geographical area | Harsh env. |
| Mooring system | 9 point wire winches |
| Station keeping | DP2 / TAMS |
| No of beds | 812 |
| Deck area | $1,300 \mathrm{~m}^{2}$ |
| Payload | $1,245 \mathrm{t}$ (620 DP mode) |
|  |  |
| Current contract |  |
| Client | Interpetroleum Services |
| Field | Cantarell, GoM |
| Water depth | $40-50 \mathrm{~m}$ |
| Type of installation | Jacket structure platform |

## Fleet overview

## Name

Geographical area
Mooring system

Station keeping
No of beds
Deck area $\quad 800 \mathrm{~m}^{2}$

Payload

## Current contract

Client
Field
Water depth
Type of installation


## Safe Regency

Harsh environment
8 point wire winches
DP2
771
$800 \mathrm{~m}^{2}$
550 t

Interpetroleum Services<br>Cantarell, GoM<br>40-50m<br>Jacket structure platform



Safe Concordia
Benign environment
4 point wire winches
DP2
390
1,300 m ${ }^{2}$
$1,400 \mathrm{t}$

Petrobras, from early Q2 11
Campos basin,Brazil


## Jasminia

Benign environment
8 point wire winches
Moored
535
$690 \mathrm{~m}^{2}$
640 t

Interpetroleum Services
Cantarell, GoM
40-50m
Jacket structure platform

## Financial calendar and IR contacts

## Financial calendar

- 25 May 2011 - Publication of first quarter 2011 results
- 25 May 2011 - Annual General Meeting
- 25 August 2011 - Publication of second quarter 2011 results
- 2 November 2011 - Publication of third quarter 2011 results
- 16 February 2012 - Publication of fourth quarter 2011 / preliminary 2011 results


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