

14 May 2013



Q1 2013 results

Disclaimer

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Agenda

- **Introduction**
- Financial results
- Operations
- Outlook
- Attachments



Recent Prosafe developments

- Rig utilisation rate of 74.4 per cent in Q1
- Share issue completed to fund value enhancing growth investments
- Safe Caledonia life extension project finalised in February and vessel now operates on long-term contract for BP in the UK
- Strong contract inflow experienced recently and order backlog at all-time-high



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Income statement

(Unaudited figures in USD million)	Q1 13	Q4 12	Q1 12	2012
Operating revenues	85.8	113.1	125.7	510.4
Operating expenses	(52.4)	(52.6)	(51.1)	(230.3)
EBITDA	33.4	60.5	74.6	280.1
Depreciation	(14.4)	(15.0)	(14.0)	(57.7)
Operating profit	19.0	45.5	60.6	222.4
Interest income	0.5	1.0	0.0	1.1
Interest expenses	(9.0)	(8.0)	(11.8)	(40.9)
Other financial items	(10.1)	2.1	(0.7)	(4.6)
Net financial items	(18.6)	(4.9)	(12.5)	(44.4)
Profit before taxes	0.4	40.6	48.1	178.0
Taxes	(1.1)	1.7	(0.6)	(0.5)
Net profit	(0.7)	42.3	47.5	177.5
 EPS	 0.00	 0.19	 0.21	 0.80
Diluted EPS	0.00	0.19	0.21	0.80

Operating revenues

(USD million)	Q1 13	Q4 12	Q1 12	2012
Charter income	75.3	94.0	115.1	423.9
Mob/demob income	1.7	0.0	0.0	2.0
Gain on sale of Safe Esbjerg	0.0	0.0	0.0	4.8
Other income	8.8	19.1	10.6	79.7
Total	85.8	113.1	125.7	510.4

Balance sheet

(Unaudited figures in USD million)

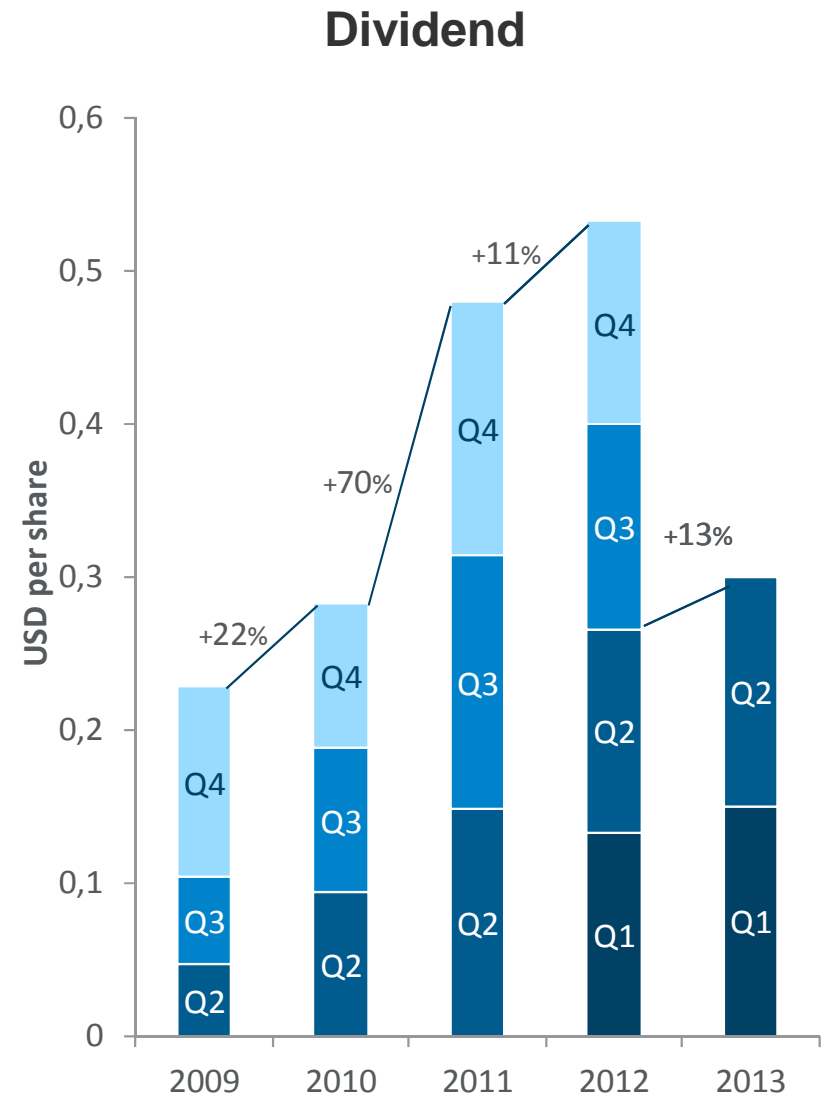
	31.03.13	31.12.12	31.03.12
Goodwill	226.7	226.7	226.7
Rigs	926.3	896.3	901.9
New builds	142.0	135.6	59.4
Other non-current assets	20.3	21.9	5.0
Total non-current assets	1 315.3	1 280.5	1 193.0
Cash and deposits	81.5	103.6	88.9
Other current assets	62.4	103.1	96.1
Total current assets	143.9	206.7	185.0
Total assets	1 459.2	1 487.2	1 378.0
Share capital	68.2	63.9	63.9
Other equity	544.6	452.4	419.2
Total equity	612.8	516.3	483.1
Interest-free long-term liabilities	64.3	66.8	65.8
Interest-bearing long-term debt	654.5	745.6	749.0
Total long-term liabilities	718.8	812.4	814.8
Other interest-free current liabilities	92.5	93.7	80.1
Current portion of long-term debt	35.1	64.8	0.0
Total current liabilities	127.6	158.5	80.1
Total equity and liabilities	1 459.2	1 487.2	1 378.0

Key figures

KEY FIGURES	Q1 13	Q4 12	Q1 12	2012
Operating margin	22.1 %	40.2 %	48.2 %	43.6 %
Equity ratio	42.0 %	34.7 %	35.1 %	34.7 %
Return on equity	-0.5 %	34.6 %	40.2 %	48.4 %
Net interest bearing debt (USD million)	608.1	706.8	660.1	706.8
Number of shares (1 000)	242 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	224 362	222 963	222 961	222 961
USD/NOK exchange rate at end of period	5.83	5.57	5.69	5.57
Share price (NOK)	56.50	47.32	45.28	47.32
Share price (USD)	9.69	8.50	7.96	8.50
Market capitalisation (NOK million)	13 726	10 881	10 412	10 881
Market capitalisation (USD million)	2 354	1 953	1 830	1 953

Steady growth in dividend

- An interim dividend equivalent to USD 0.15 per share declared
- The shares will trade ex-dividend on 23 May
- The dividend will be paid in the form of NOK 0.87 per share on 7 June



Robust position - financing for new builds in place

1. USD 420 million term loan

- ❑ Closing took place in mid-December 2012
- ❑ To be drawn in connection with delivery of each rig
- ❑ Key terms:
 - Tenor of five years
 - Repayment profile 12 years
 - Interest rate of 3-month USD LIBOR plus 2.95 per cent

2. Bond financing

- ❑ Four loans currently outstanding
- ❑ NOK 500 million 7-year loan issued in early January (NIBOR plus 3.75 per cent)

3. Retained earnings

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Safe Boreas progress

- Semi-submersible to be built as NCS compliant/harsh environment
- Keel laying ceremony on 15 April
- Scheduled delivery from yard summer 2014
- Awarded a six-month firm contract (+ options) by Lundin for hook-up of Edvard Grieg in Norway in 2015



Financial status Q1 13	USDm
Book value o.b.	73
Book value c.b.	79
Capitalised in quarter	6
Estimated total cost	350

Safe Zephyrus progress

- Similar design as Safe Boreas
 - ❑ NCS compliant
 - ❑ DP3 and 12-point mooring
- Strike steel ceremony on 15 April
- Ready for operations in the North Sea for the summer season of 2015
- Three options
 - ❑ Vessels for either North Sea or world-wide operations outside of North Sea



Financial status Q1 13	USDm
Book value o.b.	63
Book value c.b.	63
Capitalised in quarter	0
Estimated total cost	350

Capital expenditure 2013

- 2013: USD 130-150 million with major items being:
 - ❑ Safe Caledonia completion
 - ❑ Safe Boreas new build project
 - ❑ Safe Zephyrus new build project
 - ❑ Regalia SPS and cranes/thrusters
 - ❑ Safe Scandinavia SPS and mooring winches

- USD 50 million capitalised in Q1 with major items being:
 - ❑ Safe Caledonia completion
 - ❑ Regalia forward crane/thrusters



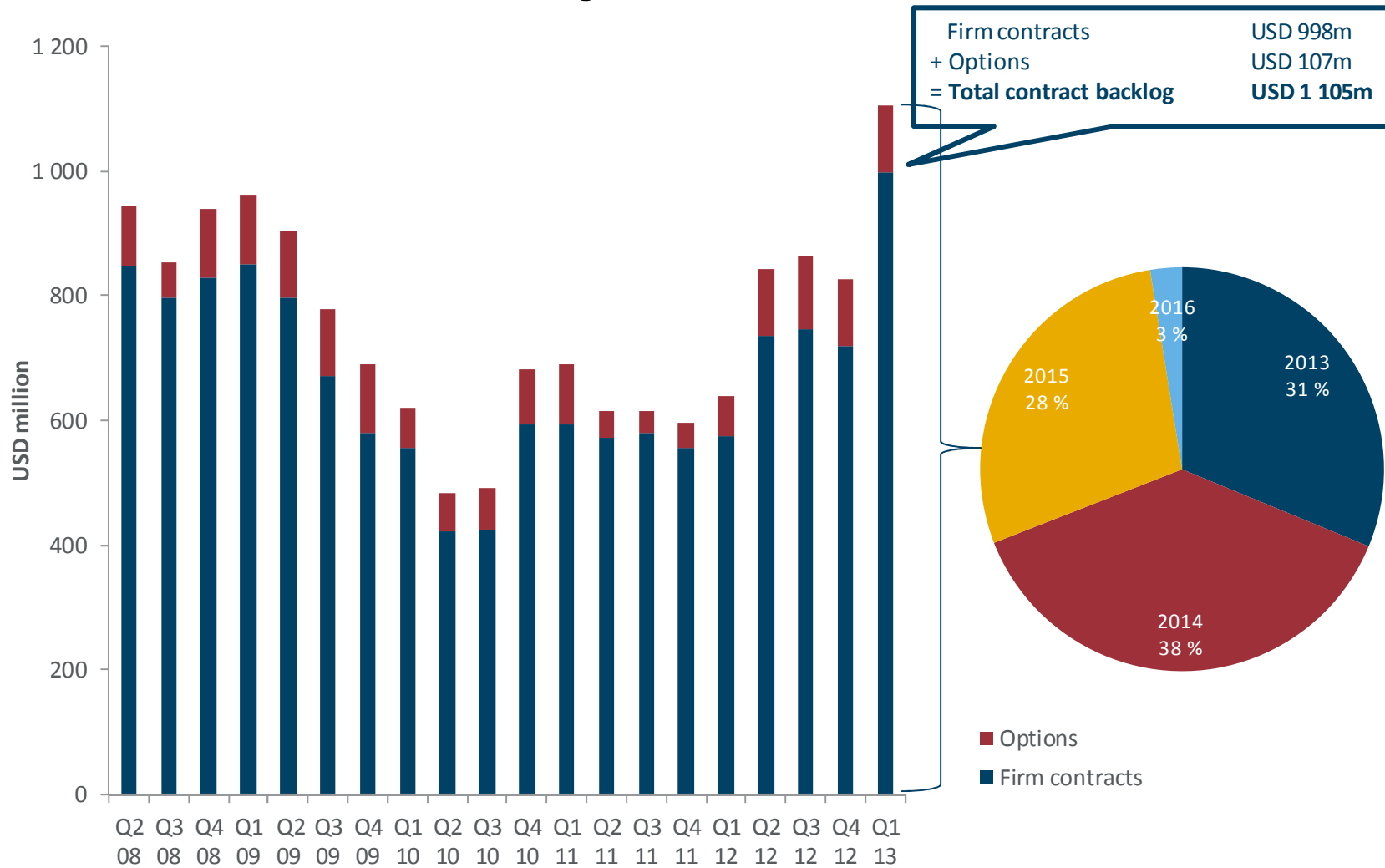
Strong contract inflow recently

Rig	Client	Country	Contract year	Duration	Dayrate (USD)
Safe Scandinavia	Det Norske	Norway	2016	182 days	343,000
Safe Britannia	Cotemar Group	Pemex	2013-14	640 days	80,000*
Jasminia	Cotemar Group	Pemex	2013	155 days	45,000*
Regalia	Talisman	UK	2014-15	450 days	300,000
Safe Bristolia	BG International	UK	2014	197 days	295,000
Safe Bristolia	BG International	UK	2015	197 days	297,000
Safe Bristolia	Elf Exploration (Total)	UK	2013	173 days	285,000
Safe Scandinavia	ConocoPhillips	UK	2013	187 days	300,000

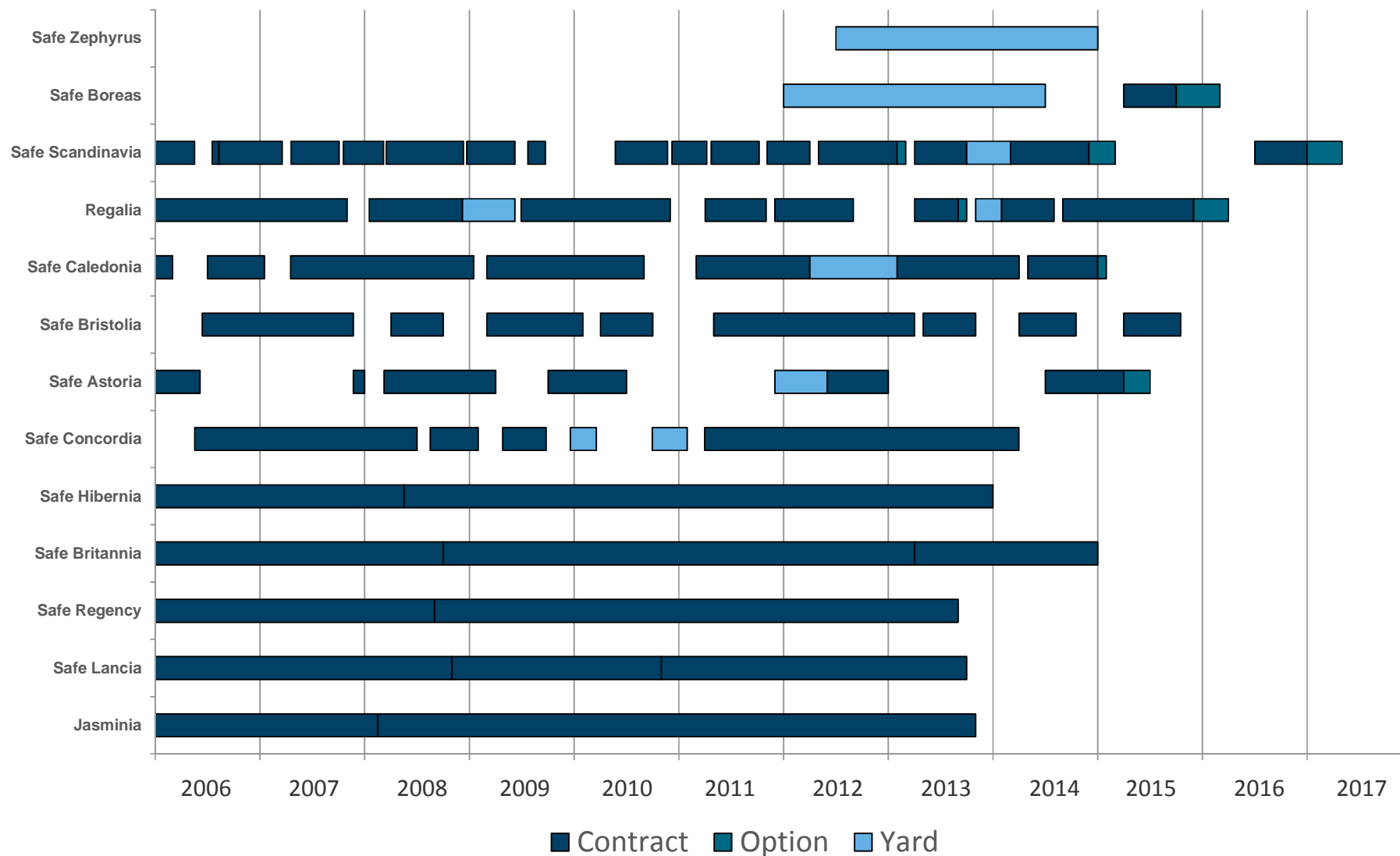
* Bareboat contracts

Order backlog at all-time-high

Order backlog



High North Sea contract coverage for 2013-15

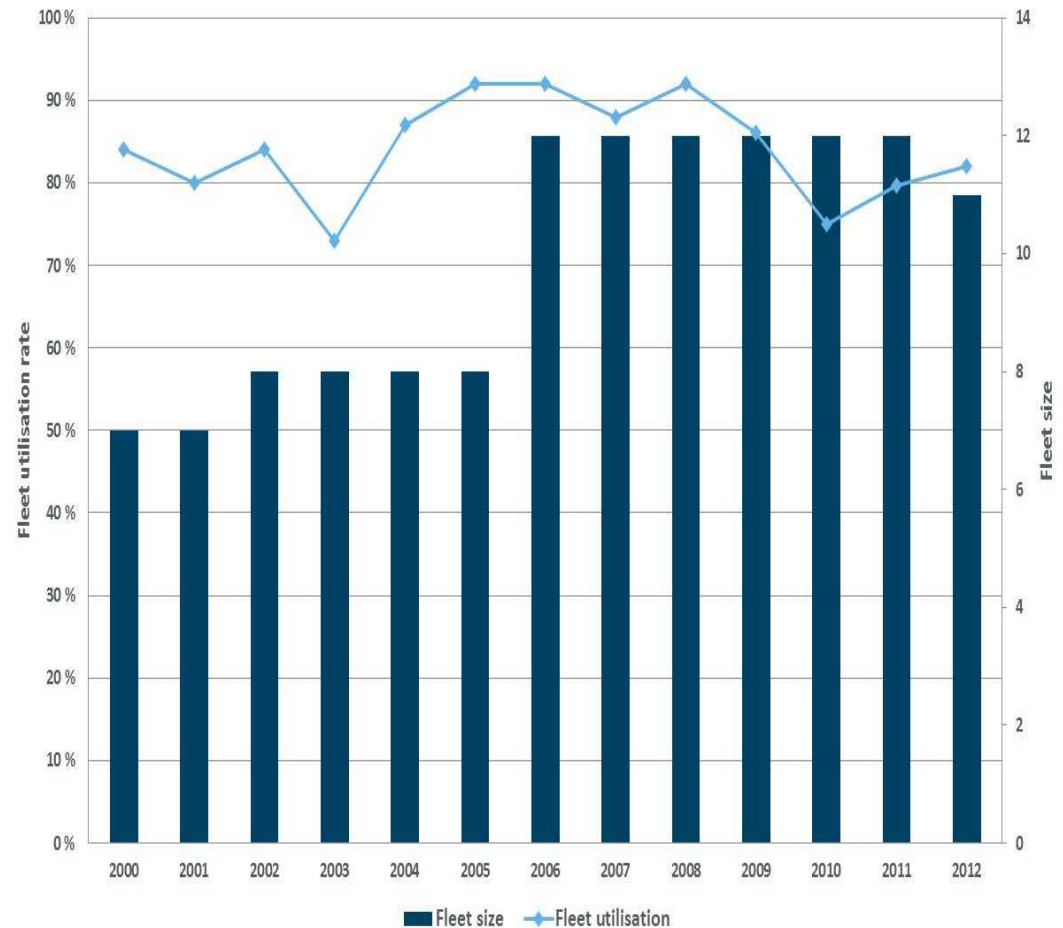


Consistent high yearly fleet utilisation

- Considerable fleet size means lower risk
- Fleet utilisation has consistently been at high levels
- Low counter-party risk
 - Clients are typically national oil companies, super majors and larger independents:



Fleet size and utilisation



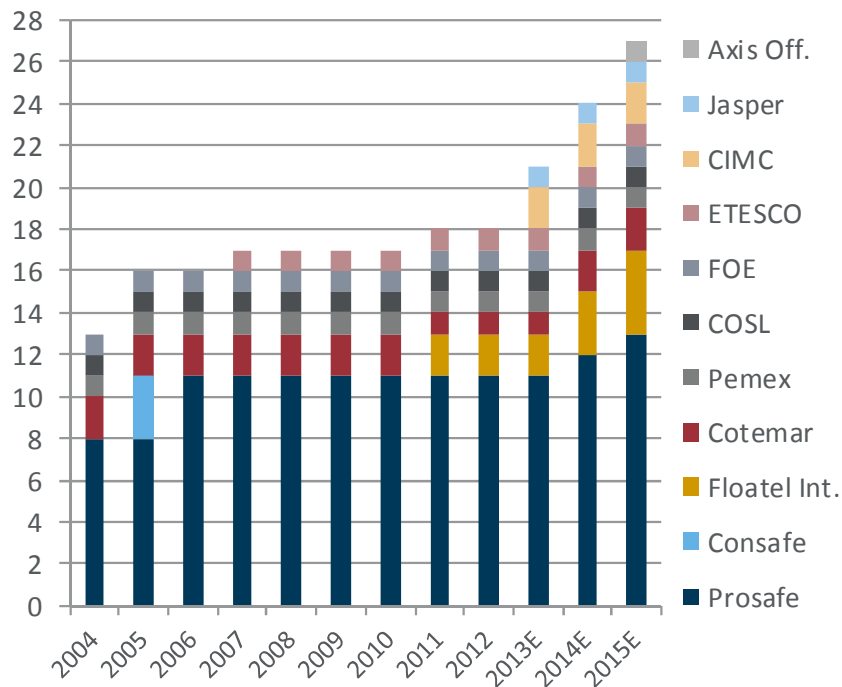
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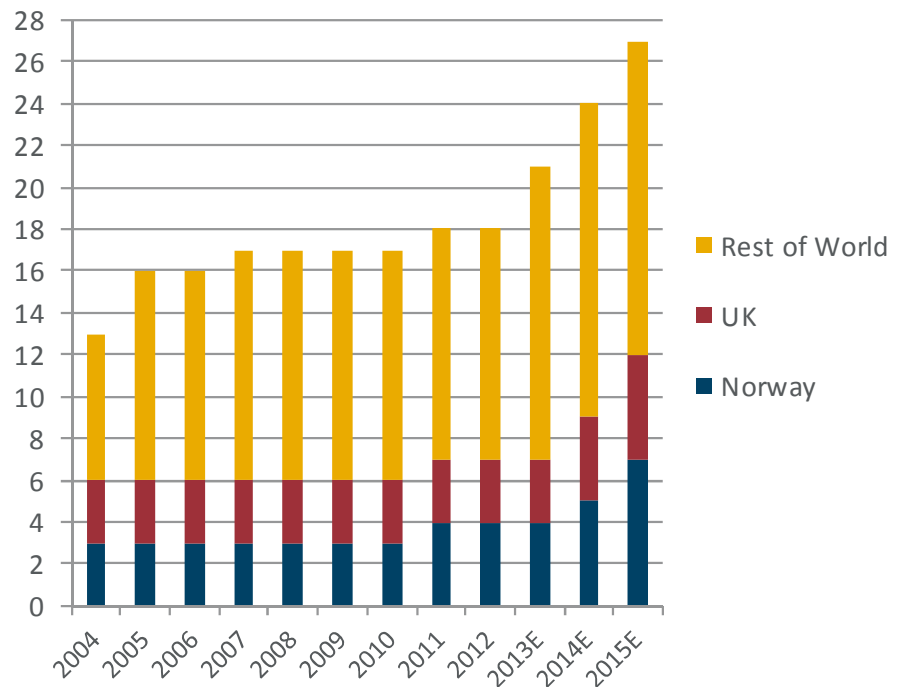


Clear market leader in the high-end segment

No. of accommodation semis by owner



No. of accommodation semis by regional capabilities



Share issue to fund growth completed

- 13 million new shares issued through private placing in March
 - ❑ Proceeds of ~USD 130 million (share price of NOK 58)
 - ❑ Proceeds to fund value creative growth investments
- On 14 May 2013 the AGM resolved to cancel 6,963,731 treasury shares



Share issue to fund growth completed

- Fund value enhancing growth investments
- Long-term demand for accommodation vessels is being supported by high offshore activity
- Given the positive market outlook it is likely that opportunities for value creative growth investments
 - beyond what is allowed for in the dividend policy and balance sheet
 - will appear in the short-to-medium term



Norway – strong hook-up and upgrade demand

- Strong demand related to hook-up and commissioning projects in the coming years
 - ❑ Contract in place for Edvard Grieg hook-up (2015) and Ivar Aasen hook-up (2016)
- Tie-ins and IOR projects resulting in increased field life expectancy
 - ❑ Upgrade and redevelopment of existing facilities
 - ❑ Solid activity within MMO



UK – aging infrastructure supports demand

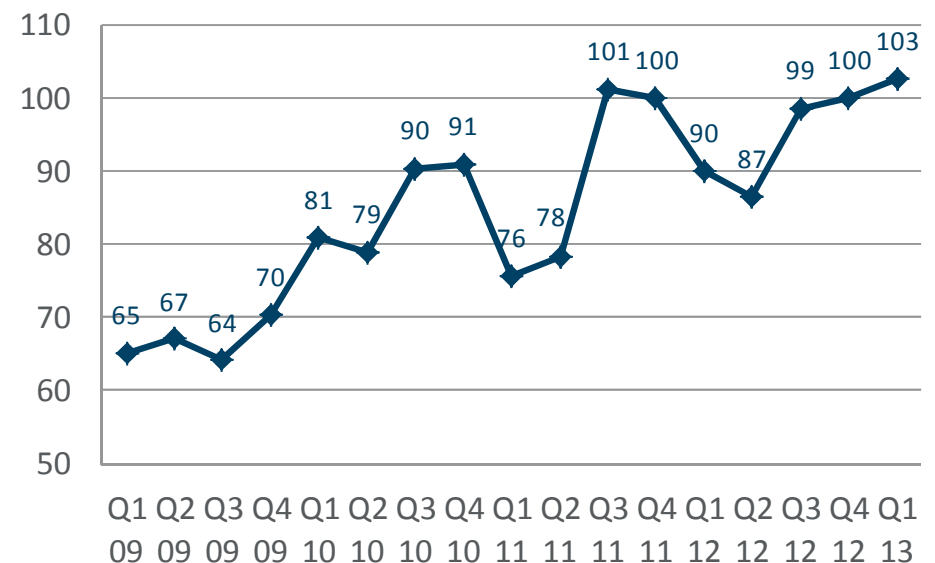
- A significant amount of infrastructure in the UKCS is over 30 years old
 - Focus on maintenance and renewal of existing facilities to sustain integrity and improve reliability
- More independents carrying out redevelopment projects



Positive development in North Sea demand index

- Growing underlying demand trend
- Several prospects for 2014-2016 have appeared
- Increasing amount of prospects related to hook-up and commissioning

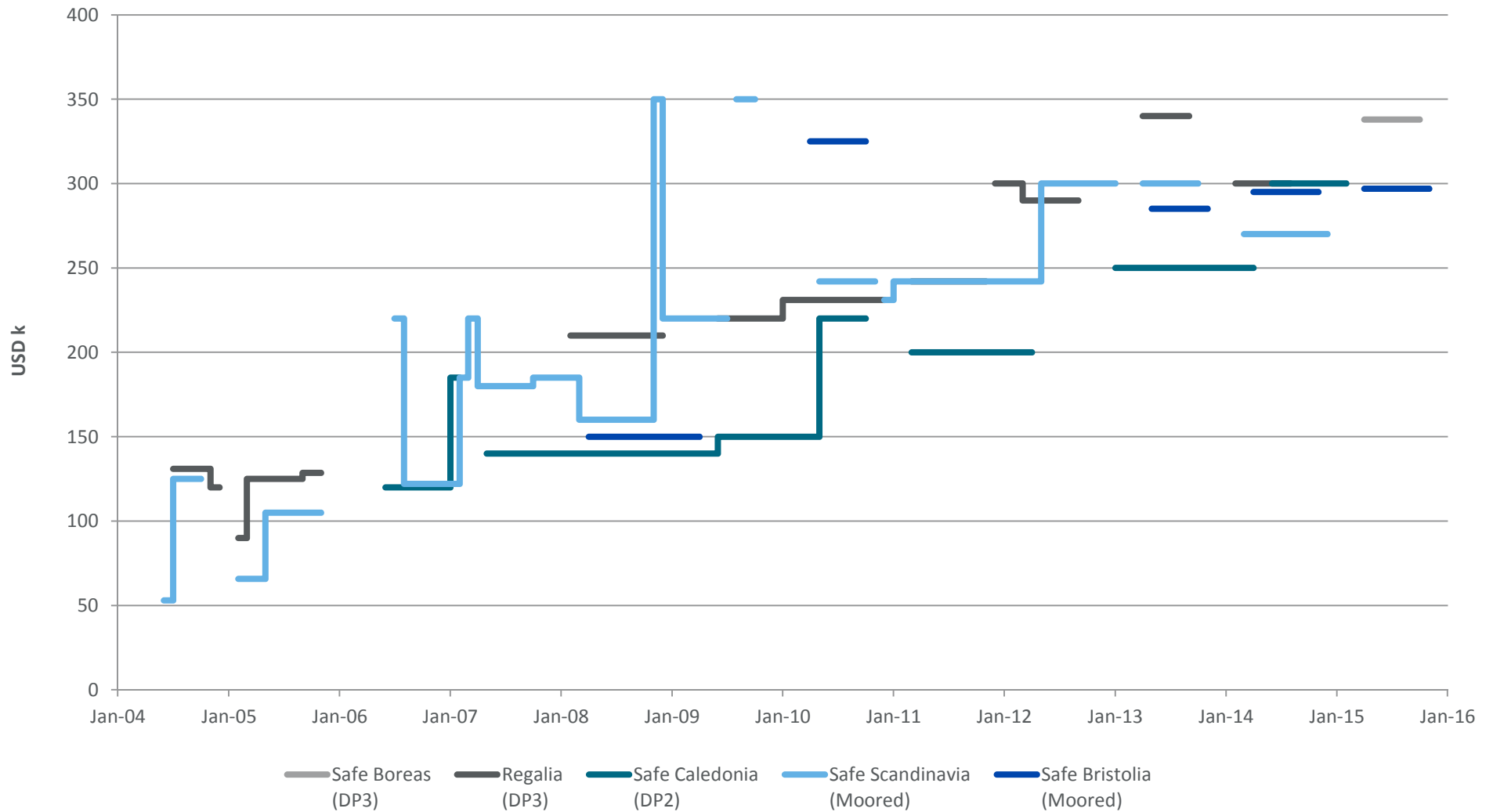
North Sea accommodation rig demand index



Based on firm contracts, extension options, projects in the tendering phase and prospects for the next 36 months. Index based on number of days in demand. Q4 11 = 100

Source: Prosafe

North Sea dayrates (time charter)

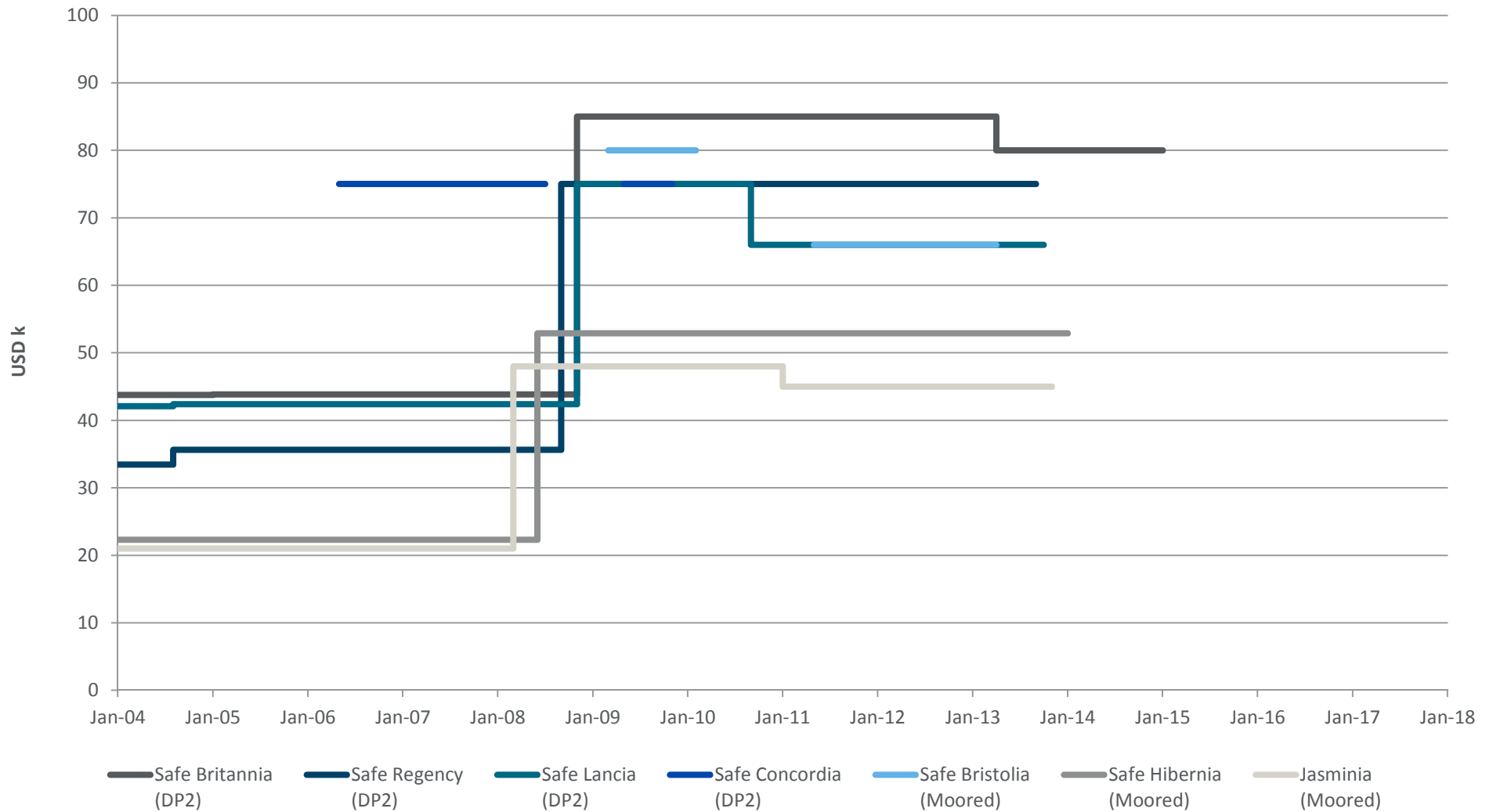


Mexico – stable offshore activity

- E&P spending level expected to increase in coming years
- Strong focus on extending life of current fields
- Long-term growth potential in deep water areas



Gulf of Mexico dayrates (bareboat)

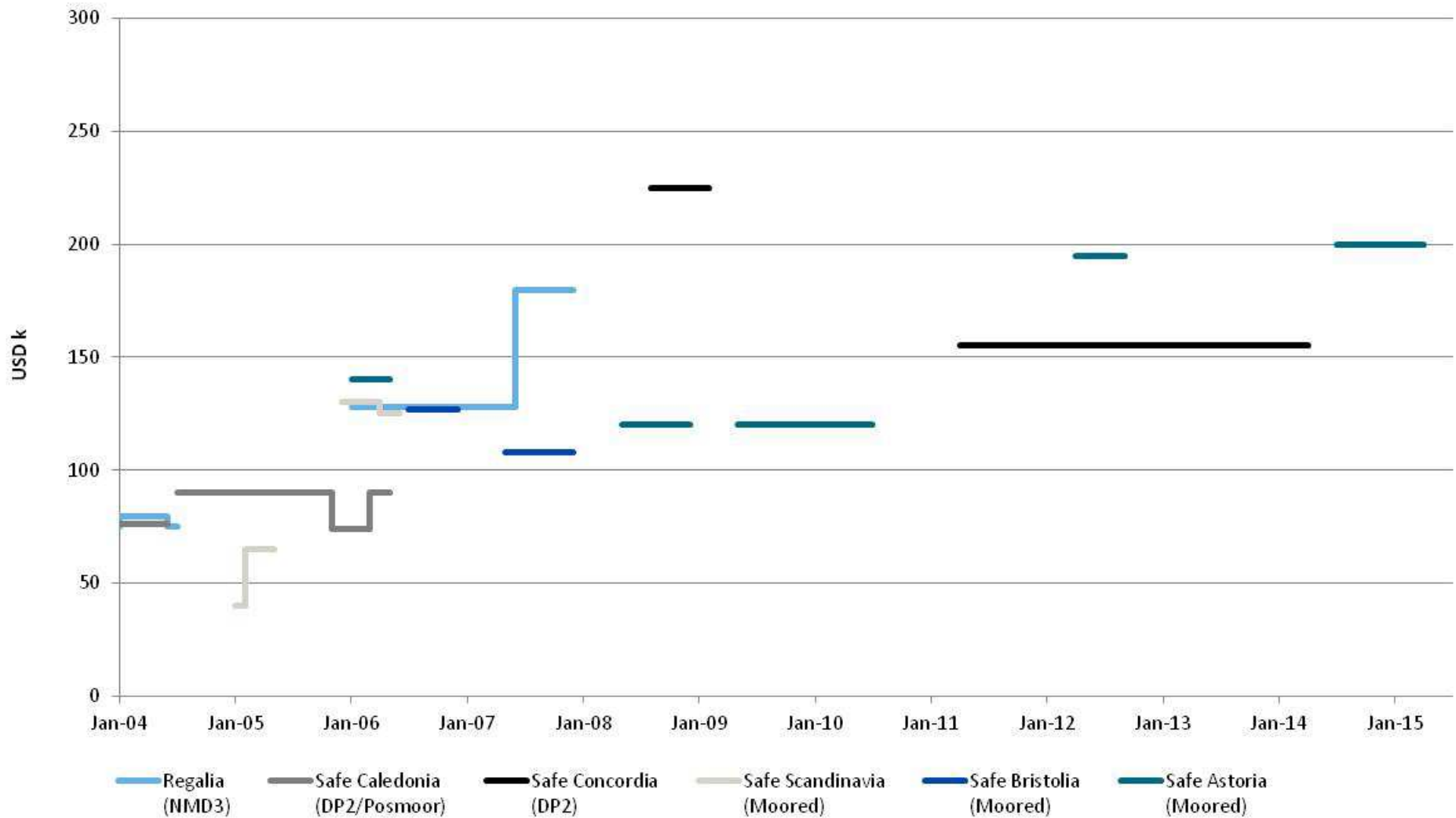


Brazil – more accommodation needed

- Currently three vessels working in the Campos basin
 - Two semi-submersibles and one monohull
- Three contracts with start-up in 2013/14 recently awarded
- Further contract awards expected in the coming year
- Interesting long-term demand potential



Rest of World dayrates (time charter)



Summary

- Strong contract inflow recently
- Order backlog at all-time-high
- Positive market outlook
- Prosafe is well positioned
 - ❑ Clear market leader
 - ❑ High-quality, diversified fleet
 - ❑ Strong cash flow
 - ❑ Robust financial position
 - ❑ High dividend combined with fleet growth



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Credit facility

- Total commitments end of Q4 2012: USD 927 million
- Maturity: August 2017
- The current applicable credit margin on the credit facility is 1.875%
- The availability under the credit facility is reduced semi-annually with USD 68 million. Balloon of USD 247 million.

- Financial covenants:
 - Maximum leverage ratio of 5.0 and 4.5 after August 2013
 - 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

Current bond loan portfolio

Bond loans	Outstanding	Maturity	Margin
NOK 500 million bond (2009-13)	NOK 204.5 million	Q4 2013	400 bps
NOK 500 million bond (2011-16)	NOK 500 million	Q1 2016	350 bps
NOK 500 million bond (2012-17)	NOK 500 million	Q1 2017	375 bps
NOK 500 million bond (2013-20)	NOK 500 million	Q1 2020	375 bps

Shareholders

SHAREHOLDERS AS AT 30.04.2013	No. of shares	Ownership
State Street Bank & Trust (nom)	30 200 310	12.4 %
Folketrygdfondet	18 901 685	7.8 %
State Street Bank & Trust (nom)	14 000 695	5.8 %
Pareto	9 397 277	3.9 %
Clearstream Banking (nom)	8 311 649	3.4 %
FLPS	7 900 000	3.3 %
Prosafe SE	6 963 731	2.9 %
JP Morgan Chase Bank (nom)	6 768 984	2.8 %
Goldman Sachs (nom)	6 141 404	2.5 %
KAS Depository Trust (nom)	4 460 265	1.8 %
Total 10 largest	113 046 000	46.5 %

Total no. of shares: 242 936 790