



Oslo, 10-11 September 2014

Pareto Oil & Offshore Conference
Company Presentation



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

- **Recent developments**
- Projects
- Outlook
- Appendix



Recent developments

- Contract signed for provision of Safe Scandinavia as tender support vessel (TSV) for Statoil
- New build projects progressing well
 - First vessel – Safe Boreas – to start mobilisation to Norway in Q4 2014
- Positive long-term demand outlook, but more uncertain short-term picture due to slow-down in oil companies' E&P spending



Agenda

- Recent developments
- **Projects**
- Outlook
- Appendix



Safe Boreas

- Mechanical completion and commissioning ongoing
- Mobilisation to Norway to commence in Q4 14
- First contract for Lundin at the Edvard Grieg field in Norway
 - ❑ Contract commencement scheduled for late April/early May 2015

Financial status Q2 14	USDm
Book value o.b.	102
Book value c.b.	109
Capitalised in quarter	7
Estimated total cost	350



Safe Zephyrus

- Launch and docking took place in June
- Accommodation blocks lifted in place in August
- Ready for operations in 2015



Financial status Q2 14	USDm
Book value o.b.	72
Book value c.b.	79
Capitalised in quarter	7
Estimated total cost	350



Safe Notos and Safe Eurus

- Strong capabilities
 - The most advanced and flexible vessels for worldwide operations excluding Norway
- Number 3 and 4 in a series of Gusto MSC Ocean 500 units built by Cosco
- Ready for operations in 2016
- Keel laying Safe Notos in August

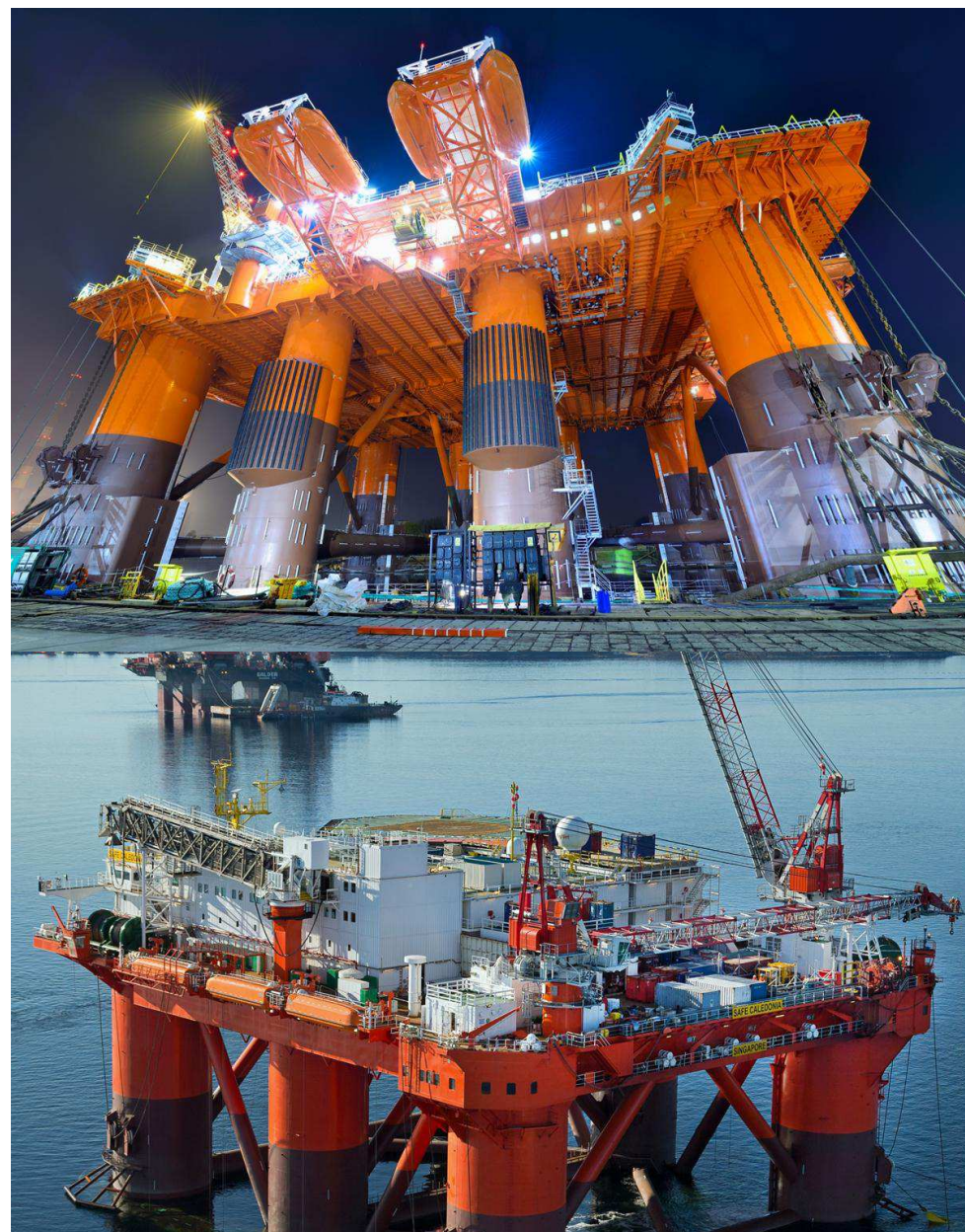


Source: Gusto MSC



State of the art North Sea fleet

- Safe Boreas – new build
- Safe Zephyrus – new build
- Safe Notos – new build
- Safe Eurys – new build
- Safe Scandinavia – life extension in 2014 (20 years)
- Safe Caledonia – life extension in 2013 (20 years)
- Regalia – life extension in 2009 (20 years)
- Safe Bristol – converted and refurbished in 2006



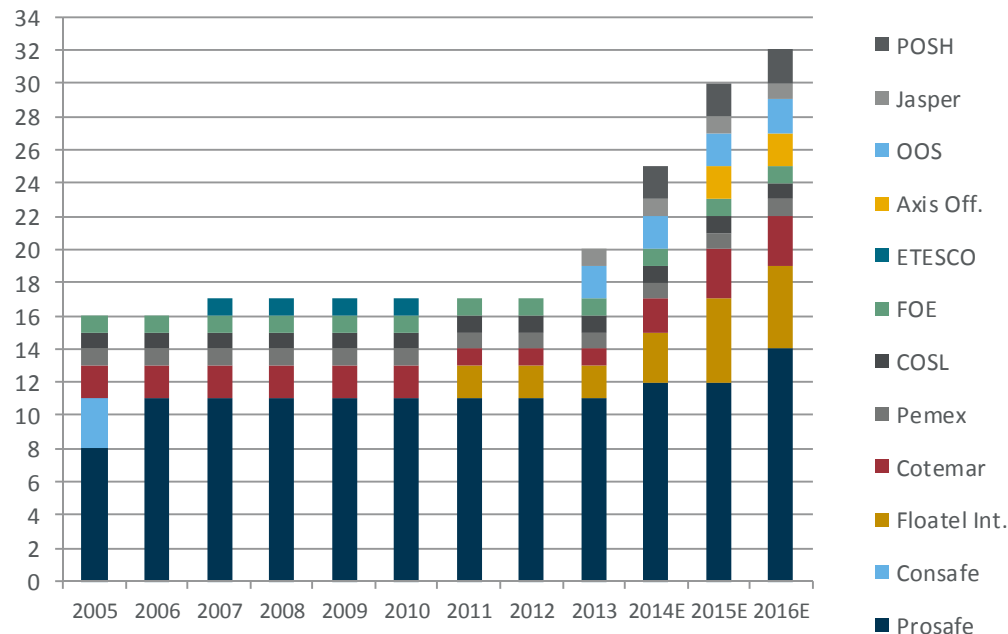
Agenda

- Recent developments
- Projects
- **Outlook**
- Appendix

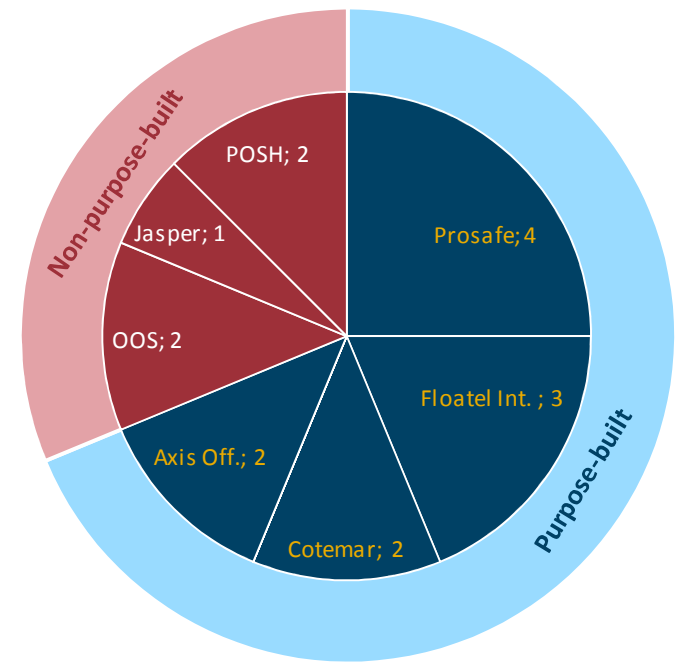


Clear market leader in the high-end segment

No. of accommodation semis by owner

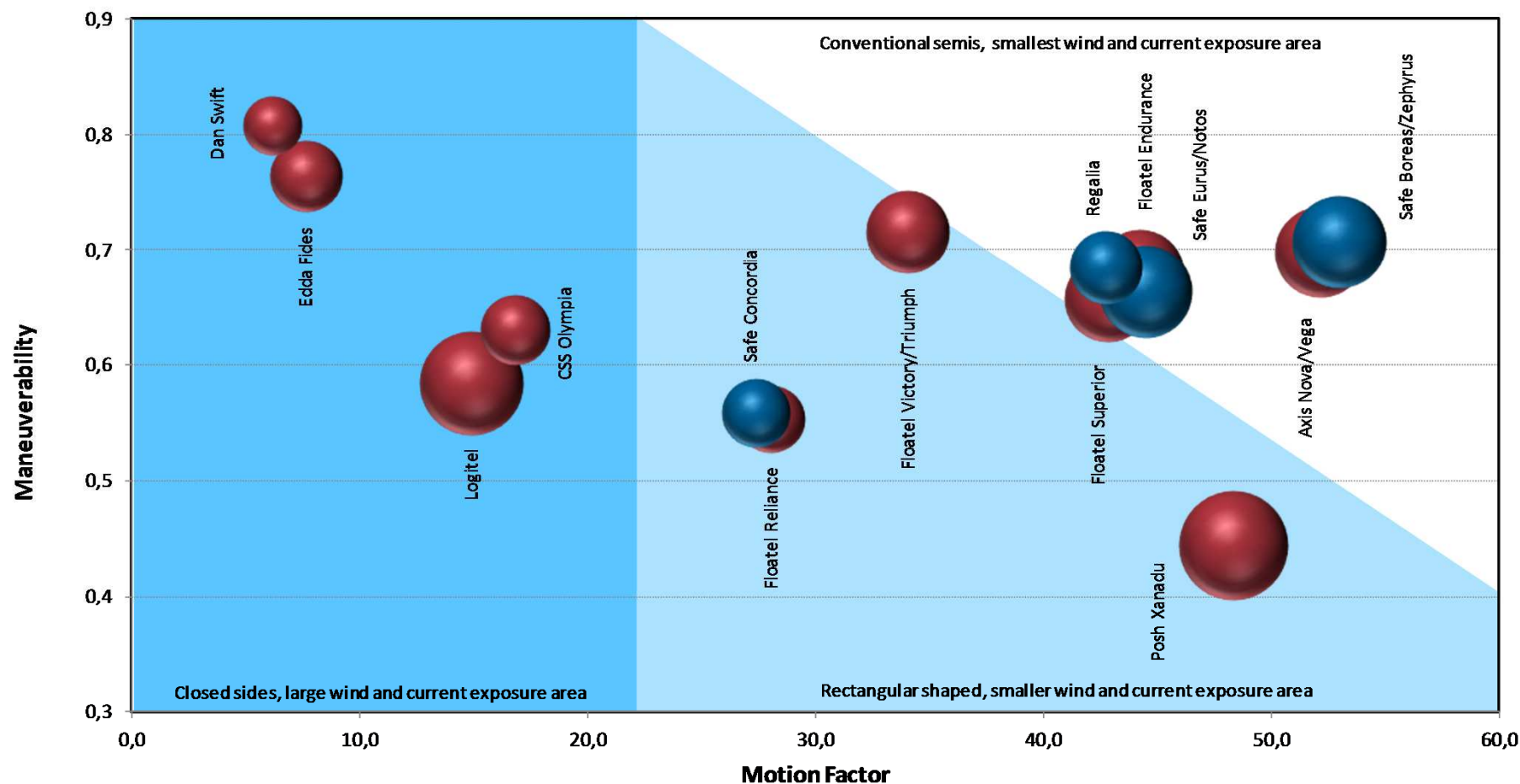


Overview of incoming vessels 2012-2016



- Substantial growth in semi accommodation vessel fleet
 - ❑ Possible under-supply situation historically
 - ❑ Positive underlying demand development seen over the past years
 - ❑ Substantial share of incoming vessels not originally designed for accommodation purposes
 - ❑ Safe Scandinavia going into TSV market for a minimum of three years from 2015

Vessel motion characteristics DP vessels



Maneuverability = Thruster Power / Displacement in operation (kW/t)

Motion Factor = Displacement in operation / Waterplane Area (t/m²)

Size of bubble = Displacement in operation

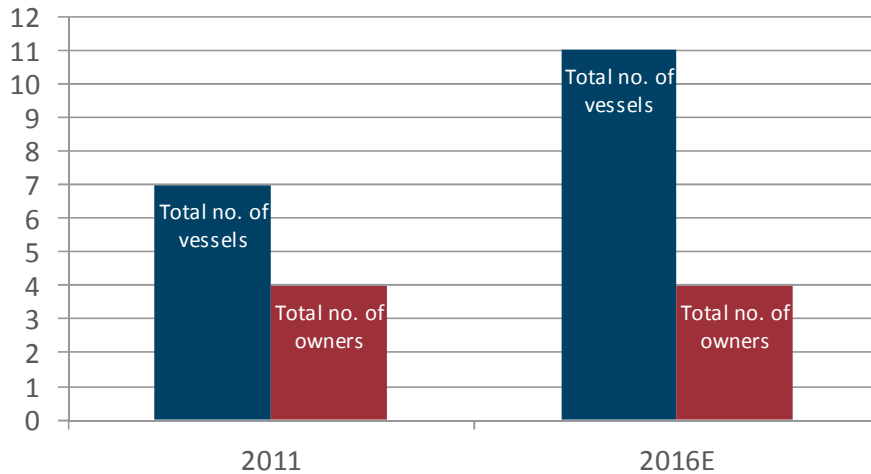
Blue = Prosafe vessel, Red = competitor vessel

See appendix and latest issue of the "Prosafes Now" magazine (can be found at www.prosafe.com) for more details

Source: Prosafe estimates based on available technical specifications

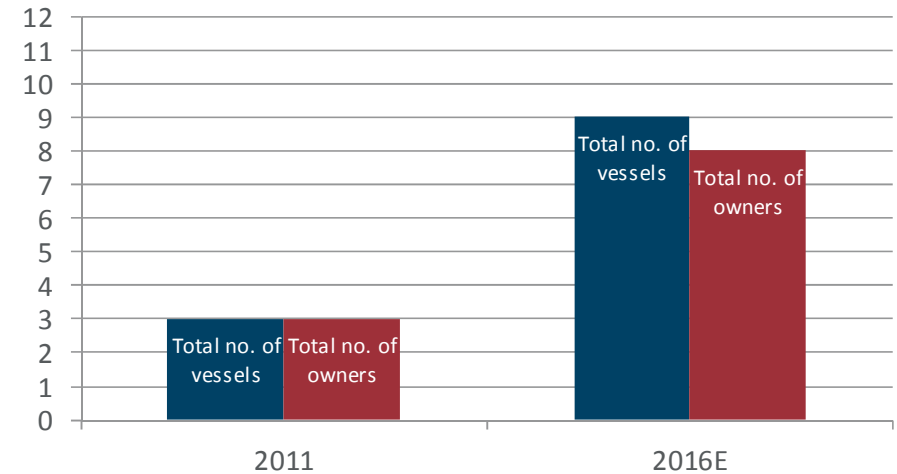
Fragmented Brazilian market

North Sea



- High entry barriers
 - Strict regulations (particularly in Norway)
 - Rough weather conditions
 - Clients put high value on track-record and organisational depth
 - High capital cost – mostly large semis
 - Mostly short-term contracts
- Reasonably consolidated supply side

Brazil



- Medium entry barriers
 - Moderate weather conditions, with challenging currents
 - Lower capital cost – smaller and less capable vessels accepted
 - Positive demand growth outlook
- Fragmented supply side

North Sea – increased short-term uncertainty

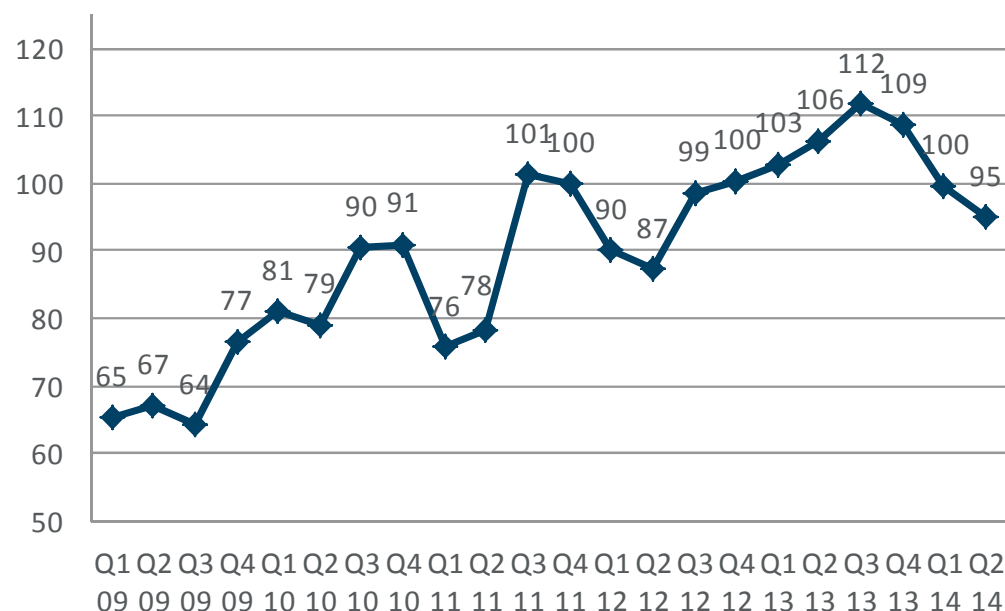
■ Short-to-medium term

- ❑ More uncertain demand situation due to reduced spending by oil companies
- ❑ Fewer tenders and market enquiries than one to two years back

■ Long term

- ❑ Aging infrastructure combined with increasing recovery rates bodes well for demand related to maintenance, modification and upgrade work
- ❑ Several potential development projects in the pipeline
- ❑ High interest in recent licensing rounds
- ❑ Significant potential for work related to decommissioning in due course

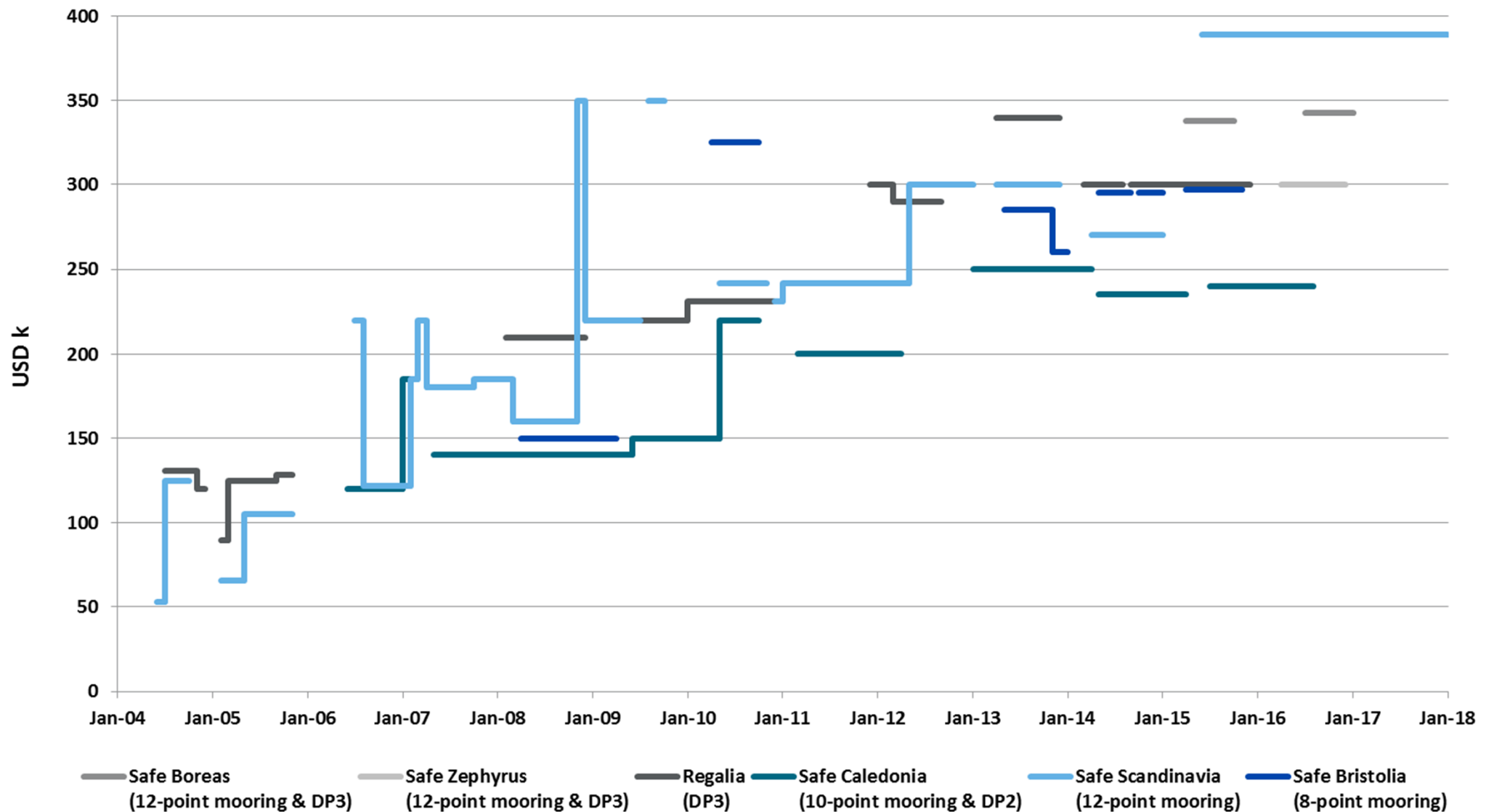
North Sea accommodation demand index



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 day rates (time charter)

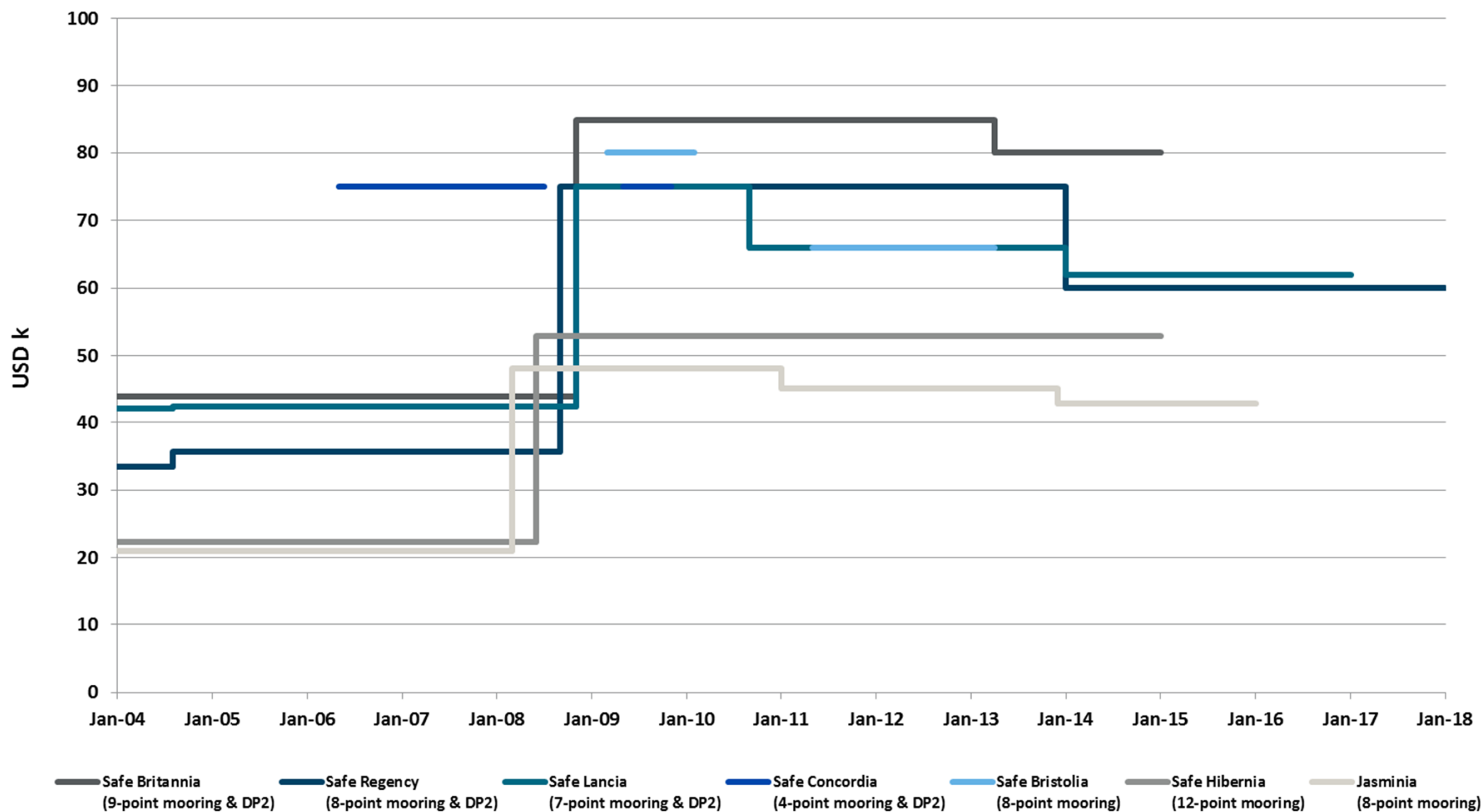


Mexico – high activity level

- High activity level in shallow waters evidenced by an increasing number of drilling jack-ups under contract
- Interesting potential also in other shallow water areas besides Cantarell
- Energy reform has been approved
 - ❑ Opening up for international oil companies
 - ❑ Should lead to increased exploration in deep waters
 - ❑ May develop into demand for accommodation vessels also in deep waters in the long term



Mexico day rates (bareboat)



Brazil – continued demand growth

- Positive demand outlook
 - High activity in the Campos basin
 - Primarily maintenance requirements
 - Santos basin opportunities
 - Operators other than Petrobras showing interest in accommodation vessels
- Competitive and fragmented supply side
- Day rates have increased, but still difficult to achieve the desired level of return
 - High cost level
 - Challenging operational and administrative situation



Rest of the world – interesting opportunities

■ Australia

- Some demand related to hook-up and commissioning
- As fields are getting older, there should be potential for more maintenance and modification related work

■ South East Asia

- Some demand for semis in mid and deep waters, mostly related to hook-up and commissioning

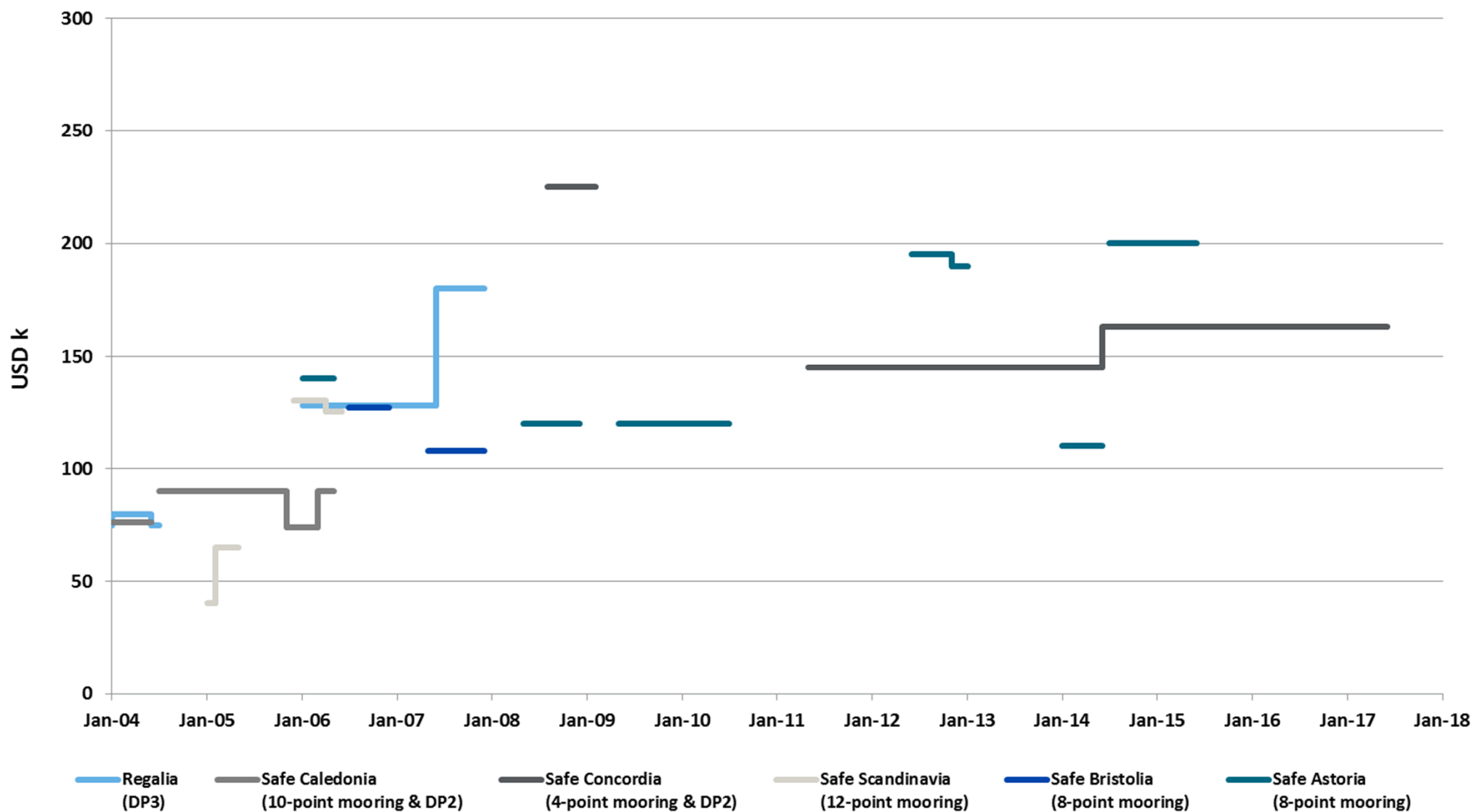
■ US GoM

- A number of prospects developing in the mid and deep water areas

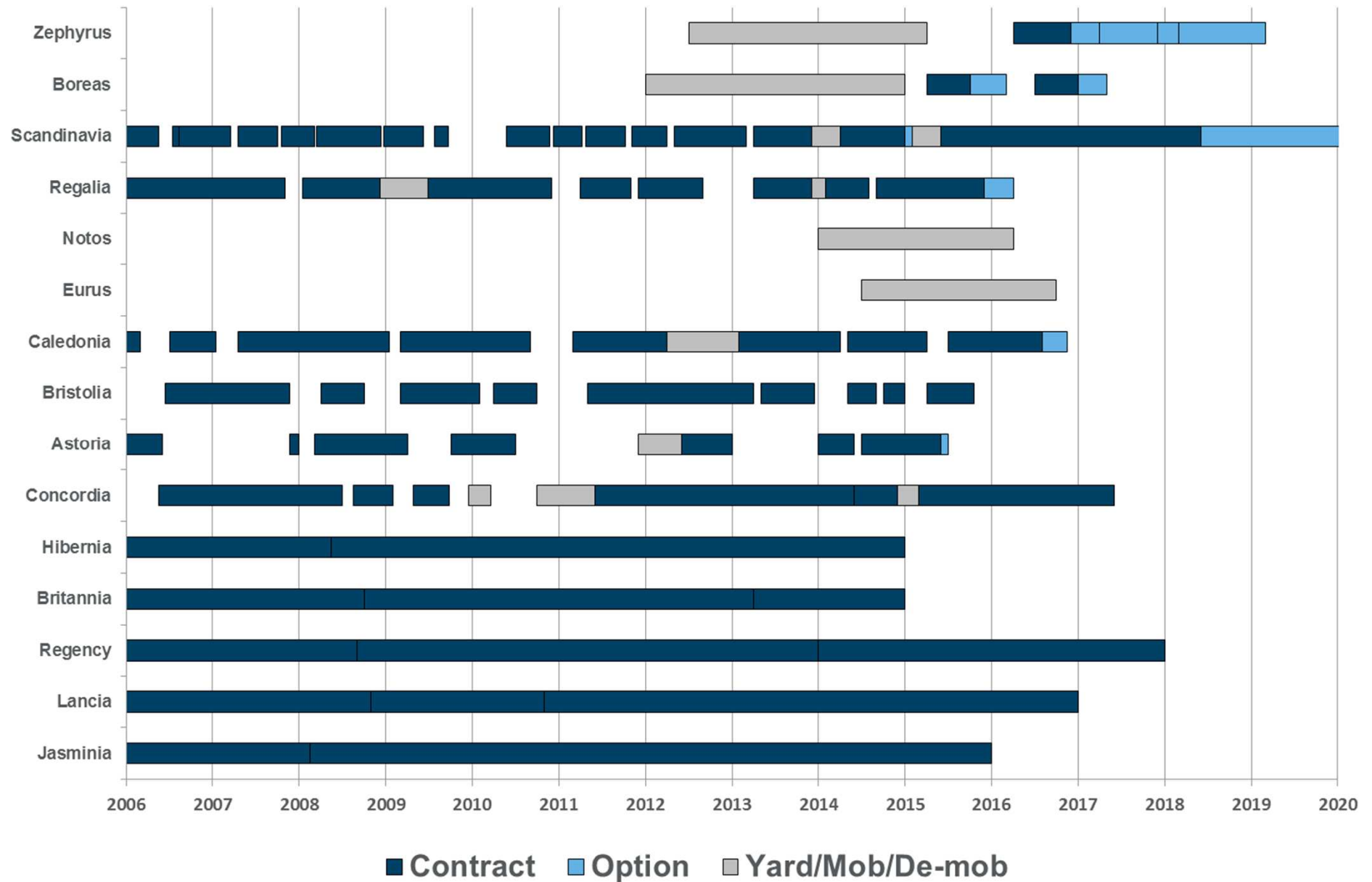
■ West Africa

- Opportunities as operators plan for major hook-up and commissioning projects

Rest of the World day rates (time charter)

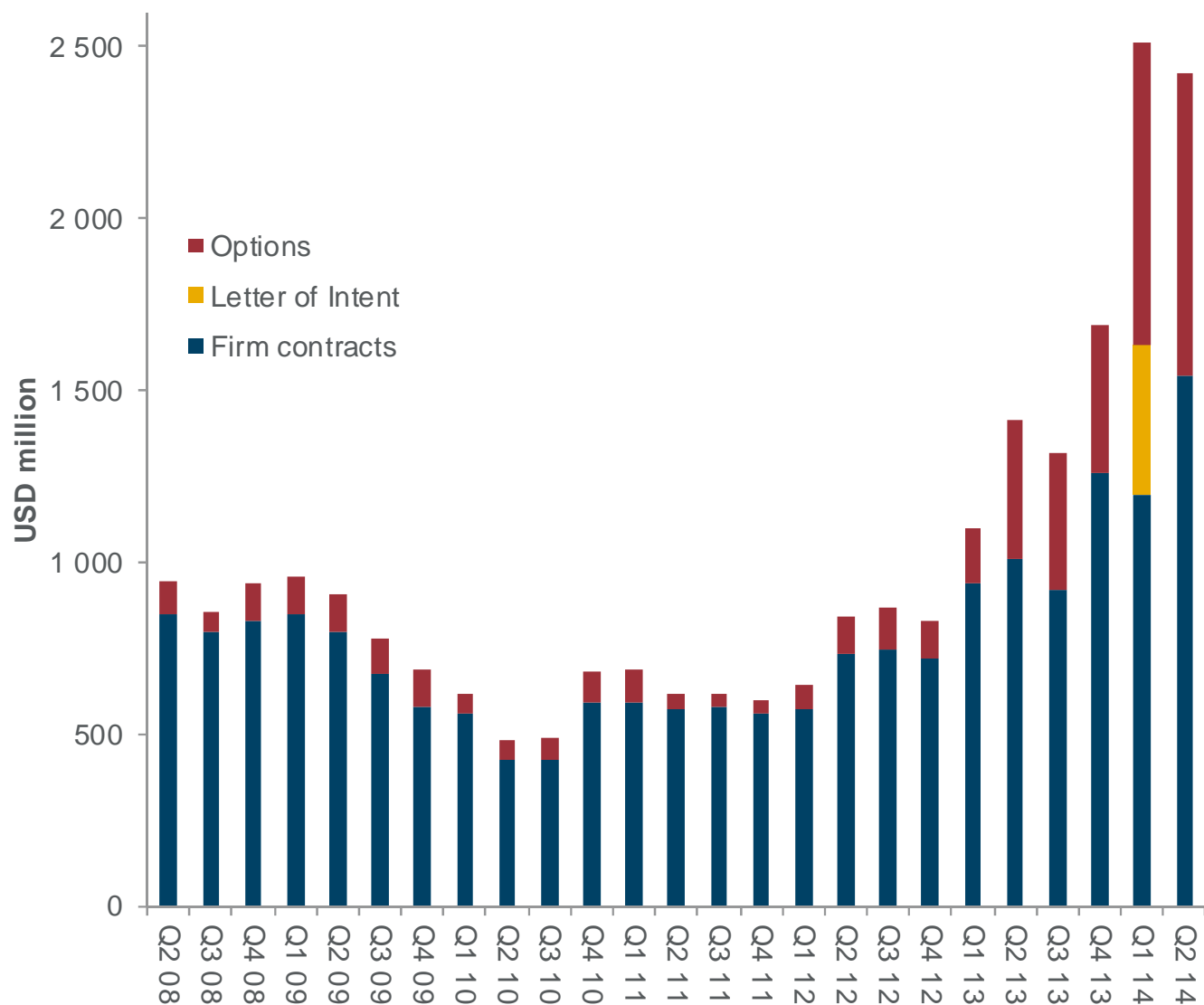


High contract visibility



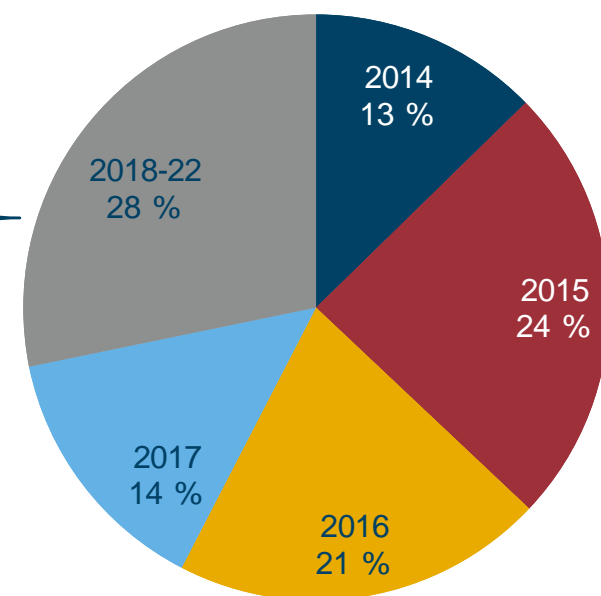
Robust contract backlog

Contract backlog



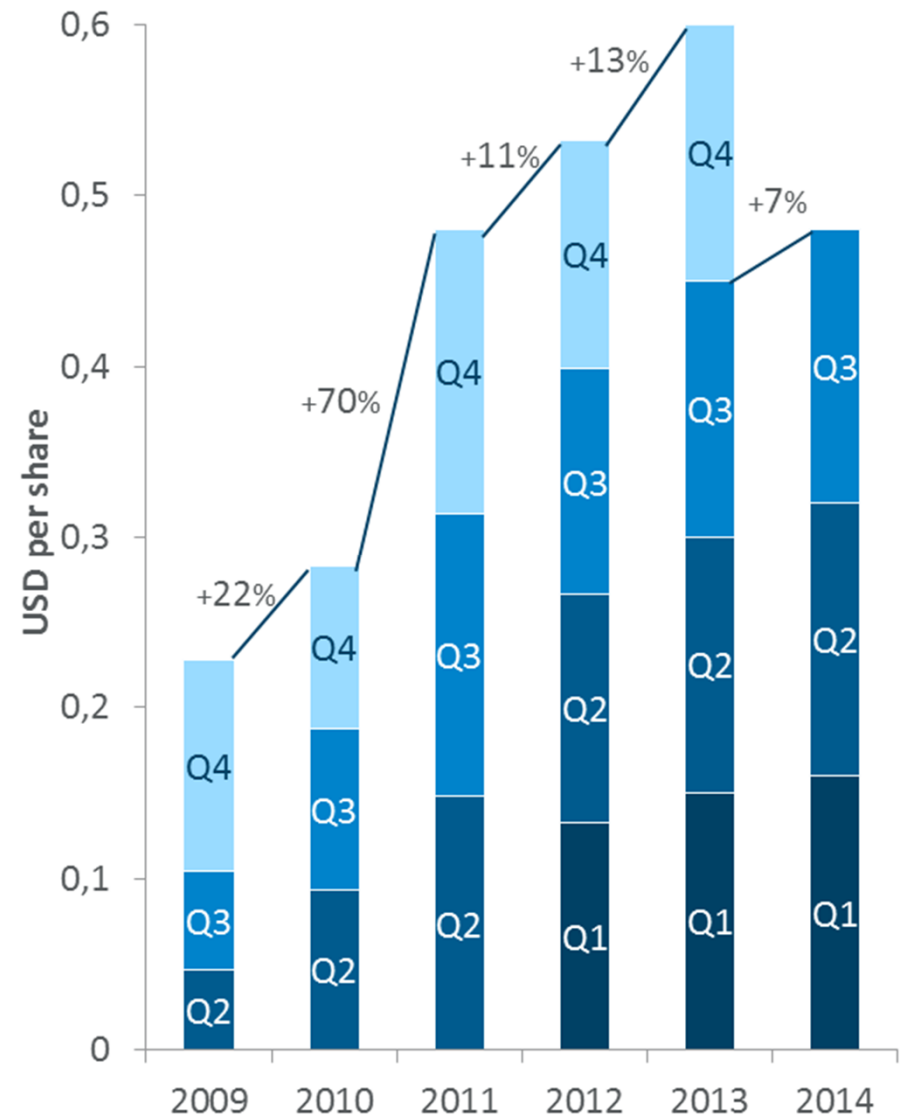
Status end Q2 14

Firm contracts	USD 1,541m
+ Options	USD 878m
= Total	USD 2,206m



Dividend

- Declared an interim dividend equivalent to USD 0.16 per share
- The shares will trade ex-dividend on 27 August
- The dividend will be paid in the form of NOK 0.98 per share on 10 September
- Based on a more uncertain short-term demand outlook, the Board of Directors will consider temporarily reducing dividend payments for a period of time



Summary

- Record high order backlog
- New build projects progressing well
- Increased uncertainty related to demand in the short term
- Long-term demand drivers remain intact
- Prosafe well placed to enhance the leading position further



Agenda

- Recent developments
- Projects
- Outlook
- **Appendix**



Income statement

(Unaudited figures in USD million)	Q2 14	Q1 14	Q2 13	6M 14	6M 13	2013
Operating revenues	133.4	91.7	143.5	225.1	229.3	523.5
Operating expenses	(62.4)	(53.6)	(60.3)	(116.0)	(112.7)	(216.9)
EBITDA	71.0	38.1	83.2	109.1	116.6	306.6
Depreciation	(16.0)	(15.2)	(14.5)	(31.2)	(28.9)	(61.5)
Operating profit	55.0	22.9	68.7	77.9	87.7	245.1
Interest income	0.0	0.1	0.3	0.1	0.8	1.3
Interest expenses	(8.8)	(8.3)	(8.4)	(17.1)	(17.4)	(34.2)
Other financial items	(1.2)	4.2	(4.4)	3.0	(14.5)	(8.5)
Net financial items	(10.0)	(4.0)	(12.5)	(14.0)	(31.1)	(41.4)
Profit before taxes	45.0	18.9	56.2	63.9	56.6	203.7
Taxes	(2.9)	(0.6)	(1.3)	(3.5)	(2.4)	(4.6)
Net profit	42.1	18.3	54.9	60.4	54.2	199.1
 EPS	 0.18	 0.08	 0.24	 0.26	 0.24	 0.85
Diluted EPS	0.18	0.08	0.24	0.26	0.24	0.85

Operating revenues

(USD million)	Q2 14	Q1 14	Q2 13	6M 14	6M 13	2013
Charter income	114.7	80.5	127.5	195.2	202.8	469.2
Mob/demob income	3.7	1.1	3.7	4.8	5.4	9.1
Other income	15.0	10.1	12.3	25.1	21.1	45.2
Total	133.4	91.7	143.5	225.1	229.3	523.5

Balance sheet

(Unaudited figures in USD million)	30.06.14	31.03.14	31.12.13	30.06.13
Goodwill	226.7	226.7	226.7	226.7
Vessels	995.8	981.3	946.9	926.6
New builds	275.6	260.3	248.9	148.6
Other non-current assets	5.1	5.1	4.9	18.3
Total non-current assets	1 503.2	1 473.4	1 427.4	1 320.2
Cash and deposits	77.4	57.6	113.4	78.5
Other current assets	109.3	66.4	79.1	104.2
Total current assets	186.7	124.0	192.5	182.7
Total assets	1 689.9	1 597.4	1 619.9	1 502.9
Share capital	65.9	65.9	65.9	65.9
Other equity	624.7	635.6	673.8	594.7
Total equity	690.6	701.5	739.7	660.6
Interest-free long-term liabilities	53.1	37.8	25.1	36.0
Interest-bearing long-term debt	876.6	786.5	779.6	695.9
Total long-term liabilities	929.7	824.3	804.7	731.9
Other interest-free current liabilities	69.6	71.6	75.5	76.5
Current portion of long-term debt	0.0	0.0	0.0	33.9
Total current liabilities	69.6	71.6	75.5	110.4
Total equity and liabilities	1 689.9	1 597.4	1 619.9	1 502.9

Key figures

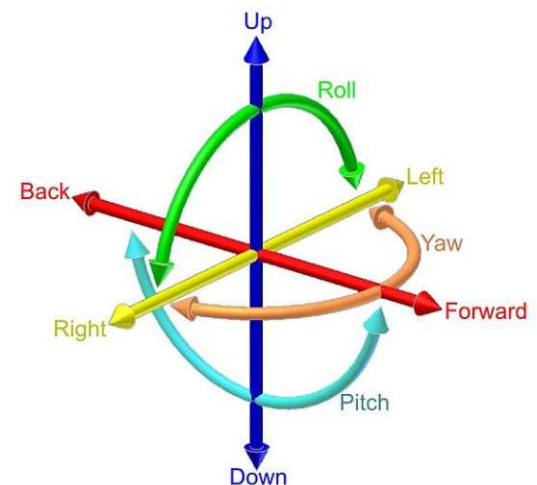
KEY FIGURES	Q2 14	Q1 14	Q2 13	6M 14	6M 13	2013
Operating margin	41.2 %	25.0 %	47.9 %	34.6 %	38.2 %	46.8 %
Equity ratio	40.9 %	43.9 %	44.0 %	40.9 %	44.0 %	45.7 %
Return on equity	24.2 %	10.2 %	34.5 %	16.9 %	18.4 %	31.7 %
Net interest bearing debt (USD million)	799.2	728.9	651.3	799.2	651.3	666.2
Number of shares (1 000)	235 973	235 973	235 973	235 973	235 973	235 973
Average no. of outstanding shares (1 000)	235 973	235 973	235 973	235 973	230 371	233 806
USD/NOK exchange rate at end of period	6.15	5.99	5.90	6.15	5.90	6.08
Share price (NOK)	50.60	47.98	53.35	50.60	53.35	46.80
Share price (USD)	8.23	8.01	9.04	8.23	9.04	7.70
Market capitalisation (NOK million)	11 940	11 322	12 589	11 940	12 589	11 044
Market capitalisation (USD million)	1 942	1 890	2 134	1 942	2 134	1 816

Interest-bearing debt portfolio

Loan	Commitment	Maturity	Margin
USD 1100 million credit facility (2011-17)	USD 723 million	Q3 2017	187.5 bps
USD 420 million credit facility (2012-17)	USD 420 million	Q4 2017	295 bps
USD 288 million credit facility (2014-2021)	USD 288 million	Q2 2021	225 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
NOK 700 million bond (2013-18)	NOK 700 million	Q4 2018	295 bps

Vessel motion characteristics

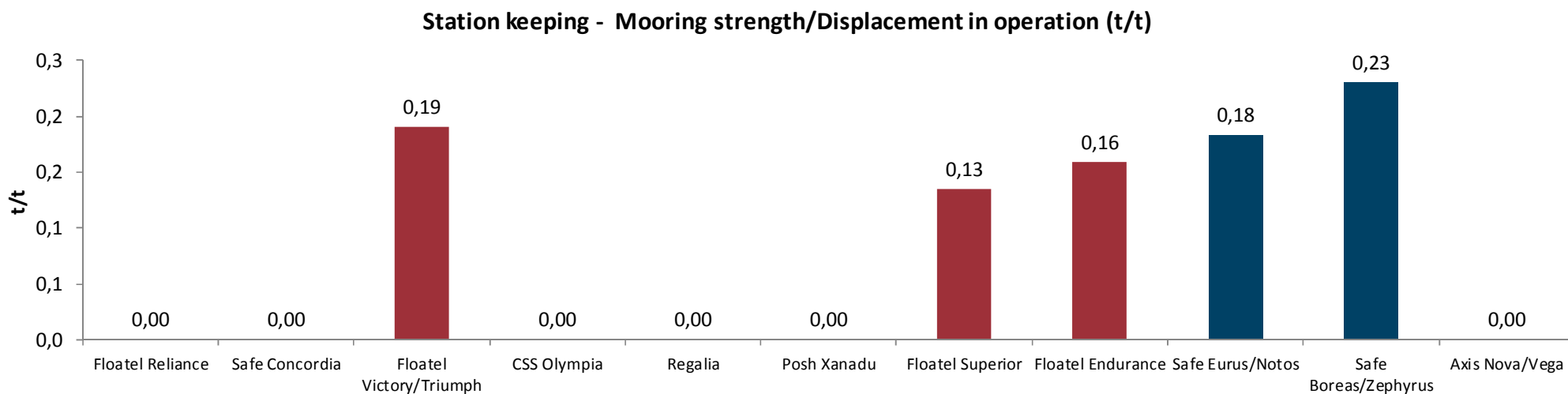
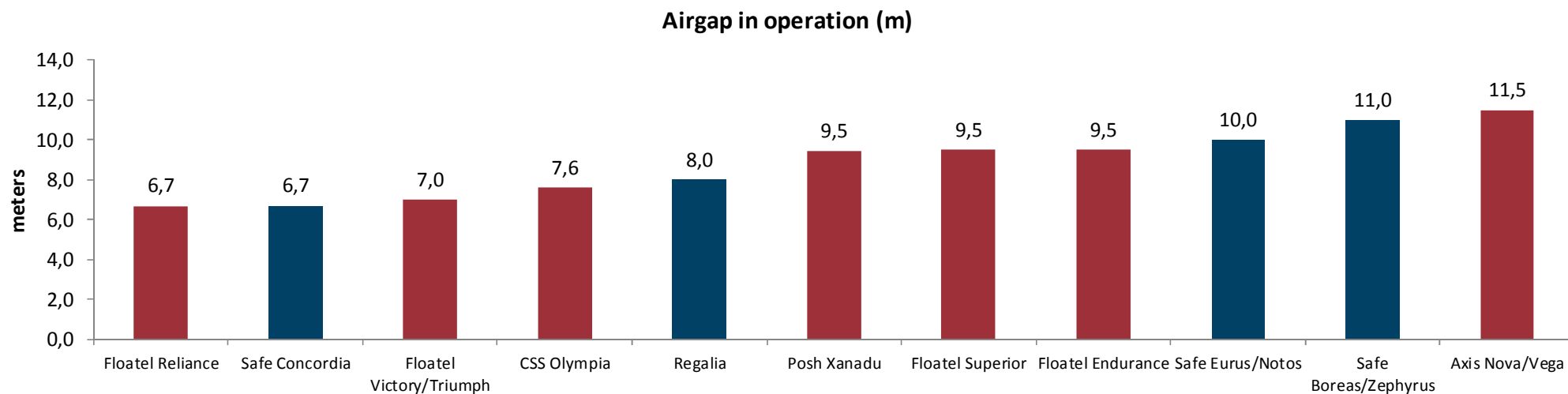
- Six degrees of freedom refers to the freedom of movement of a rigid body in a three-dimensional space
- The body is free to move (translation) along three axes
 - ❑ Surge (forward/backward or forward/astern)
 - ❑ Sway (left/right or port/starboard)
 - ❑ Heave (up/down)
- The body is free to rotate (rotation) about three axes
 - ❑ Pitch (about surge axis)
 - ❑ Roll (about sway axis)
 - ❑ Yaw (about heave axis)



Vessel motion characteristics

- Gangway connecting to a fixed target
 - ❑ Connect the gangway – Maintain position
 - ❑ Accommodation vessel should move as little as possible
- Gangway connecting to a moving target
 - ❑ Connect the gangway – Follow target
 - ❑ Accommodation vessel should move as required
- Key variables for offshore accommodation vessels
 - ❑ Thruster power / Displacement in operation (kW/t) (maneuverability)
 - ❑ Displacement in operation / Waterplane area (t/m²) (motion)
 - ❑ Air gap in operation (m)

Harsh environment capabilities DP vessels



Source: Prosafe estimates based on available technical specifications