

21 August 2015

Q2 2015 results

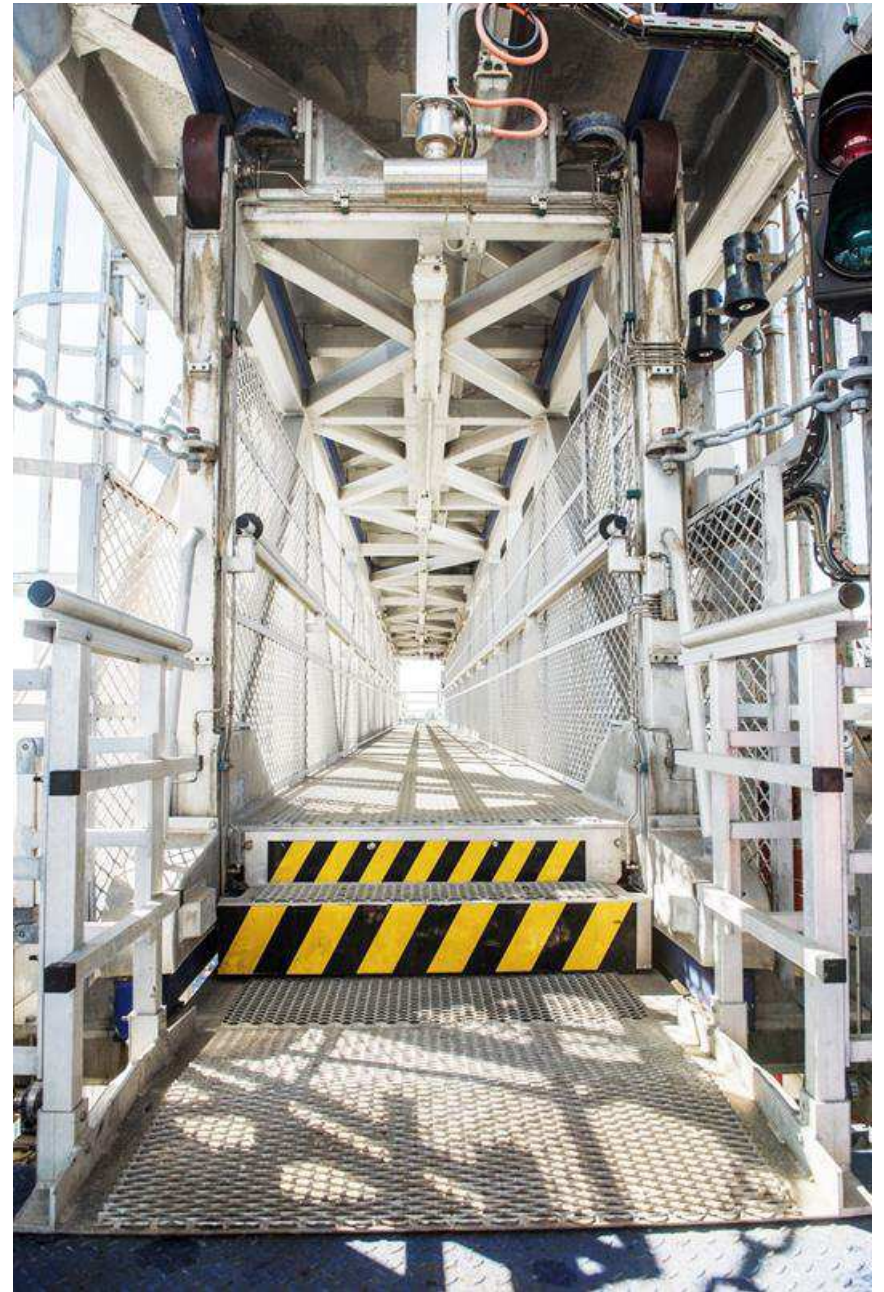


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Agenda

- **Recent developments**
- Financial results
- Operations/projects
- Outlook



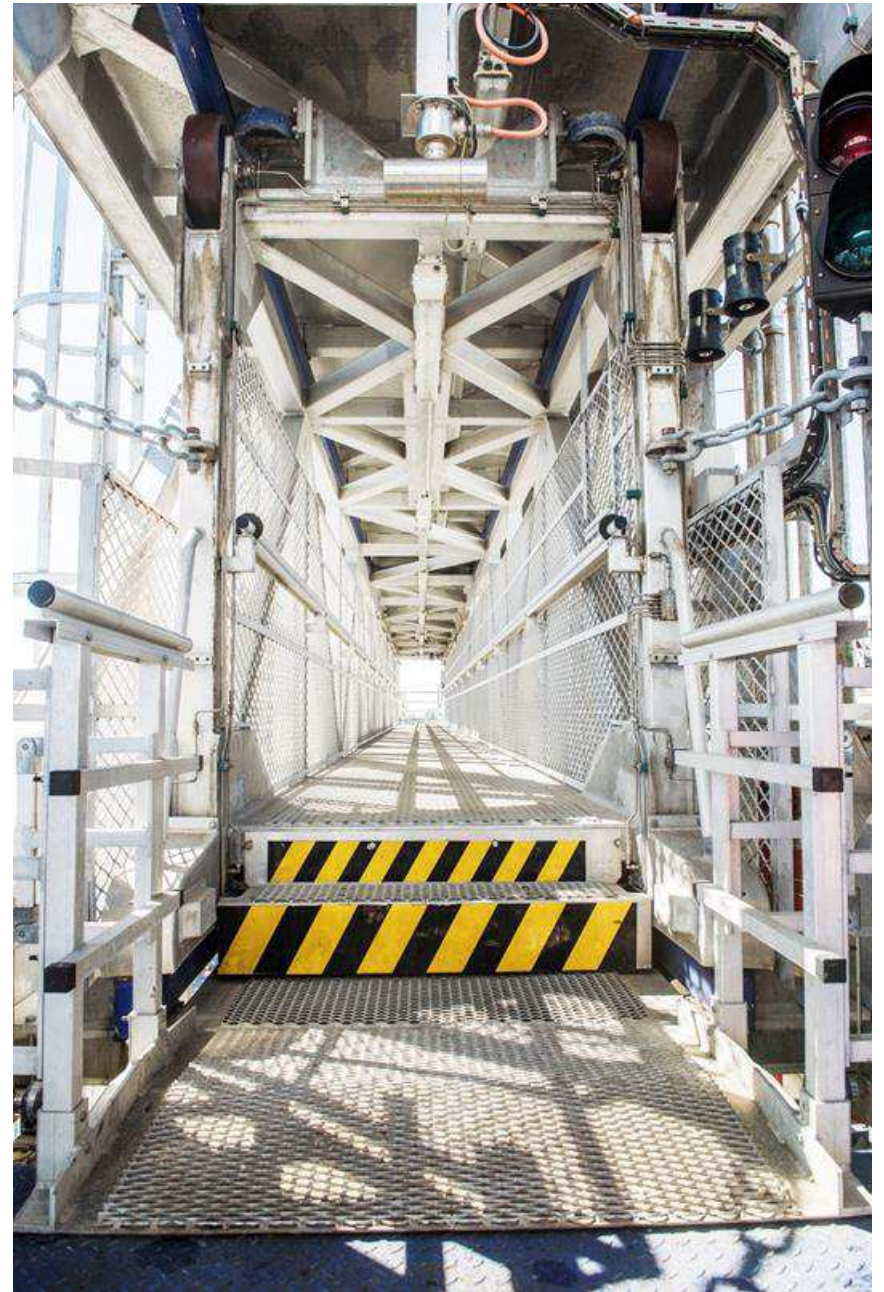
Recent developments

- Several contract awards recently
 - Improved revenue visibility
 - Contract inflow of approx. USD 240 million so far in Q3
- Q2 utilisation of 58 per cent
 - Several vessels on yard stays
- New build Safe Boreas successfully commenced operations in Norway



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Income statement

(Unaudited figures in USD million)	Q2 15	Q1 15	Q2 14	6M 15	6M 14	2014
Operating revenues	92.5	124.2	133.4	216.7	225.1	548.7
Operating expenses	(51.0)	(51.8)	(62.4)	(102.8)	(116.0)	(236.1)
EBITDA	41.5	72.4	71.0	113.9	109.1	312.6
Depreciation	(18.7)	(17.0)	(16.0)	(35.7)	(31.2)	(64.3)
Operating profit	22.8	55.4	55.0	78.2	77.9	248.3
Interest income	0.1	0.0	0.0	0.1	0.1	0.3
Interest expenses	(12.8)	(10.2)	(8.8)	(23.0)	(17.1)	(37.3)
Other financial items	5.7	(15.9)	(1.2)	(10.2)	3.0	(20.0)
Net financial items	(7.0)	(26.1)	(10.0)	(33.1)	(14.0)	(57.0)
Profit before taxes	15.8	29.3	45.0	45.1	63.9	191.3
Taxes	(3.6)	(2.3)	(2.9)	(5.9)	(3.5)	(12.5)
Net profit	12.2	27.0	42.1	39.2	60.4	178.8
 EPS	 0.05	 0.11	 0.18	 0.17	 0.26	 0.76
Diluted EPS	0.05	0.11	0.18	0.17	0.26	0.76

Operating revenues

(USD million)	Q2 15	Q1 15	Q2 14	6M 15	6M 14	2014
Charter income	80.0	111.8	114.7	191.8	195.2	481.2
Mob/demob income	0.8	1.0	3.7	1.8	4.8	8.8
Other income	11.7	11.4	15.0	23.1	25.1	58.7
Total	92.5	124.2	133.4	216.7	225.1	548.7

Balance sheet

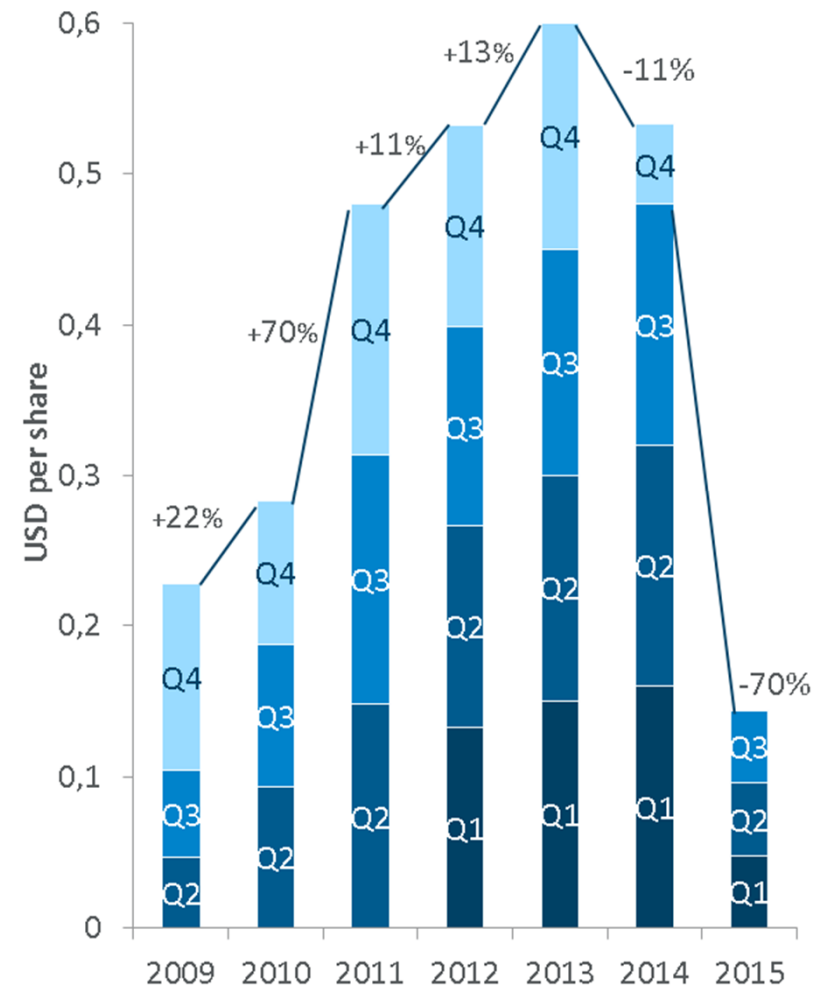
(Unaudited figures in USD million)	30.06.15	31.03.15	30.06.14	31.12.14
Goodwill	226.7	226.7	226.7	226.7
Vessels	1 611.5	1 096.1	995.8	1 027.3
New builds	211.1	567.6	275.6	311.8
Other non-current assets	6.0	6.0	5.1	5.7
Total non-current assets	2 055.3	1 896.4	1 503.2	1 571.5
Cash and deposits	94.9	151.4	77.4	122.4
Other current assets	91.5	109.7	109.3	122.9
Total current assets	186.4	261.1	186.7	245.3
Total assets	2 241.7	2 157.5	1 689.9	1 816.8
Share capital	65.9	65.9	65.9	65.9
Other equity	694.7	679.2	624.7	682.6
Total equity	760.6	745.1	690.6	748.5
Interest-free long-term liabilities	59.4	71.6	53.1	55.9
Interest-bearing long-term debt	1 185.6	1 096.7	876.6	830.1
Total long-term liabilities	1 245.0	1 168.3	929.7	886.0
Other interest-free current liabilities	203.1	212.0	69.6	182.3
Current portion of long-term debt	33.0	32.1	0.0	0.0
Total current liabilities	236.1	244.1	69.6	182.3
Total equity and liabilities	2 241.7	2 157.5	1 689.9	1 816.8

Key figures

KEY FIGURES	Q2 15	Q1 15	Q2 14	6M 15	6M 14	2014
Operating margin	24.6 %	44.6 %	41.2 %	36.1 %	34.6 %	45.3 %
Equity ratio	33.9 %	34.5 %	40.9 %	33.9 %	40.9 %	41.2 %
Return on equity	6.7 %	14.5 %	24.2 %	10.4 %	16.9 %	23.9 %
Net interest bearing debt (USD million)	1 123.7	977.4	799.2	1 123.7	799.2	707.7
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	235 973	235 973
USD/NOK exchange rate at end of period	7.86	8.09	6.15	7.86	6.15	7.43
Share price (NOK)	27.20	22.20	50.60	27.20	50.60	23.00
Share price (USD)	3.46	2.74	8.23	3.46	8.23	3.10
Market capitalisation (NOK million)	6 418	5 239	11 940	6 418	11 940	5 427
Market capitalisation (USD million)	817	648	1 942	817	1 942	730

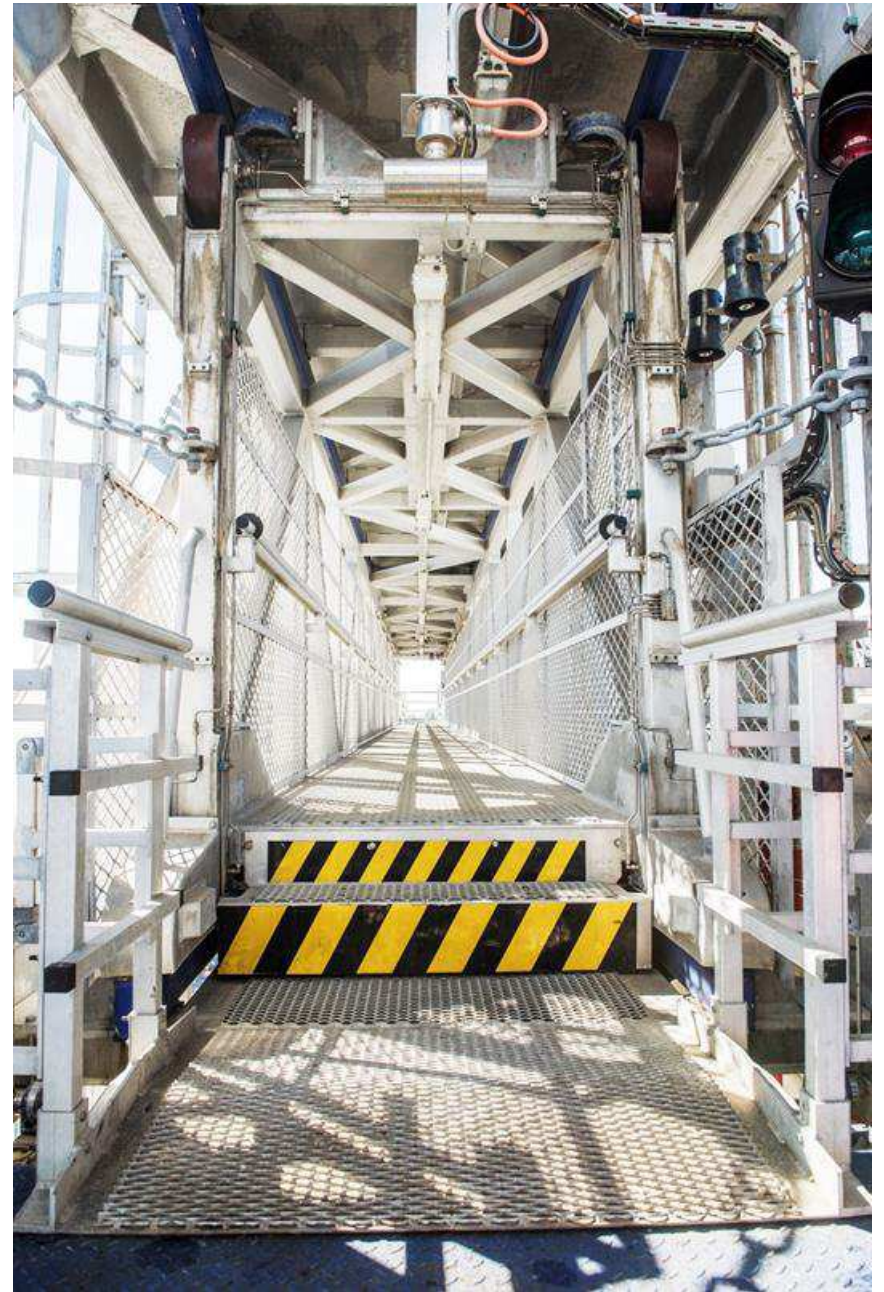
Dividend

- Board of Directors has declared an interim dividend equivalent to USD 0.048 per share
- The shares will trade ex-dividend on 27 August
- The dividend will be paid in the form of NOK 0.40 per share on 10 September



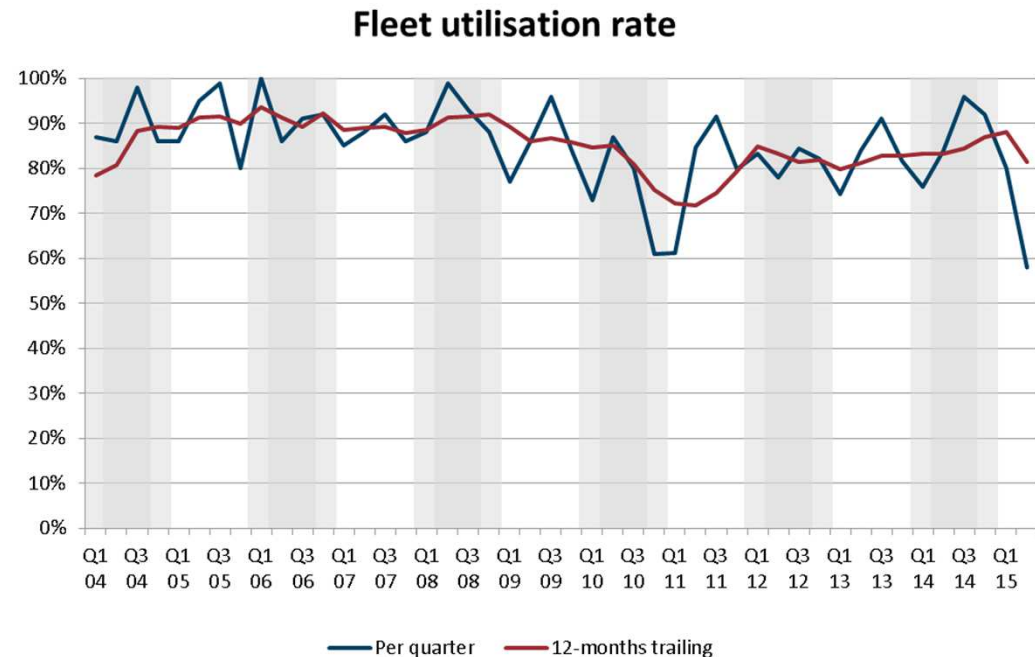
Agenda

- Recent developments
- Financial results
- **Operations/projects**
- Outlook



Fleet utilisation

- Utilisation rate of 58 per cent in Q2
- Safe Bristolia, Safe Britannia, Safe Scandinavia and Safe Concordia had yard stays in the quarter



- Regalia, Safe Astoria, Safe Regency, Safe Lancia and Safe Hibernia were fully contracted during the quarter

Safe Boreas in operation

- Safe Boreas received the Acknowledgement of Compliance from PSA in May
- Safe Boreas commenced contract with Lundin Norway in mid-May
- Lundin Norway has exercised an option to extend the contract by one month to mid-December 2015
 - Lundin still has the option to extend by another month



Safe Zephyrus nearing completion

- Vessel construction and mechanical completion 99 per cent complete
- Received the SHARP award for 2015 by Singapore's "Workplace Safety & Health Council", in recognition of 8 million man-hours without LTI
- Contracts in place
 - ❑ Covering initial short period for Safe Notos in the UK in Q2 16
 - ❑ Contract for Det Norske at Ivar Aasen scheduled from June 2016



First contracts in place for Safe Notos and Safe Eurus

- Projects developing as planned
- Strong capabilities
 - The most advanced and flexible vessels for worldwide operations excluding Norway
- First contract in place for Safe Eurus
 - Three year contract in Brazil, expected start-up Q1 17
- First contract in place for Safe Notos
 - Eight month contract in UK from Q2 16
 - Initial short period to be covered by Safe Zephyrus



Safe Scandinavia TSV project

- 3 years firm (+4 years of options) contract with Statoil as a Tender Support Vessel (TSV) at Oseberg Øst in Norway
- Arrived at Westcon yard in Norway for TSV conversion in March
- Project completion delayed – operations expected to commence in Q4 2015



Capital expenditure 2015

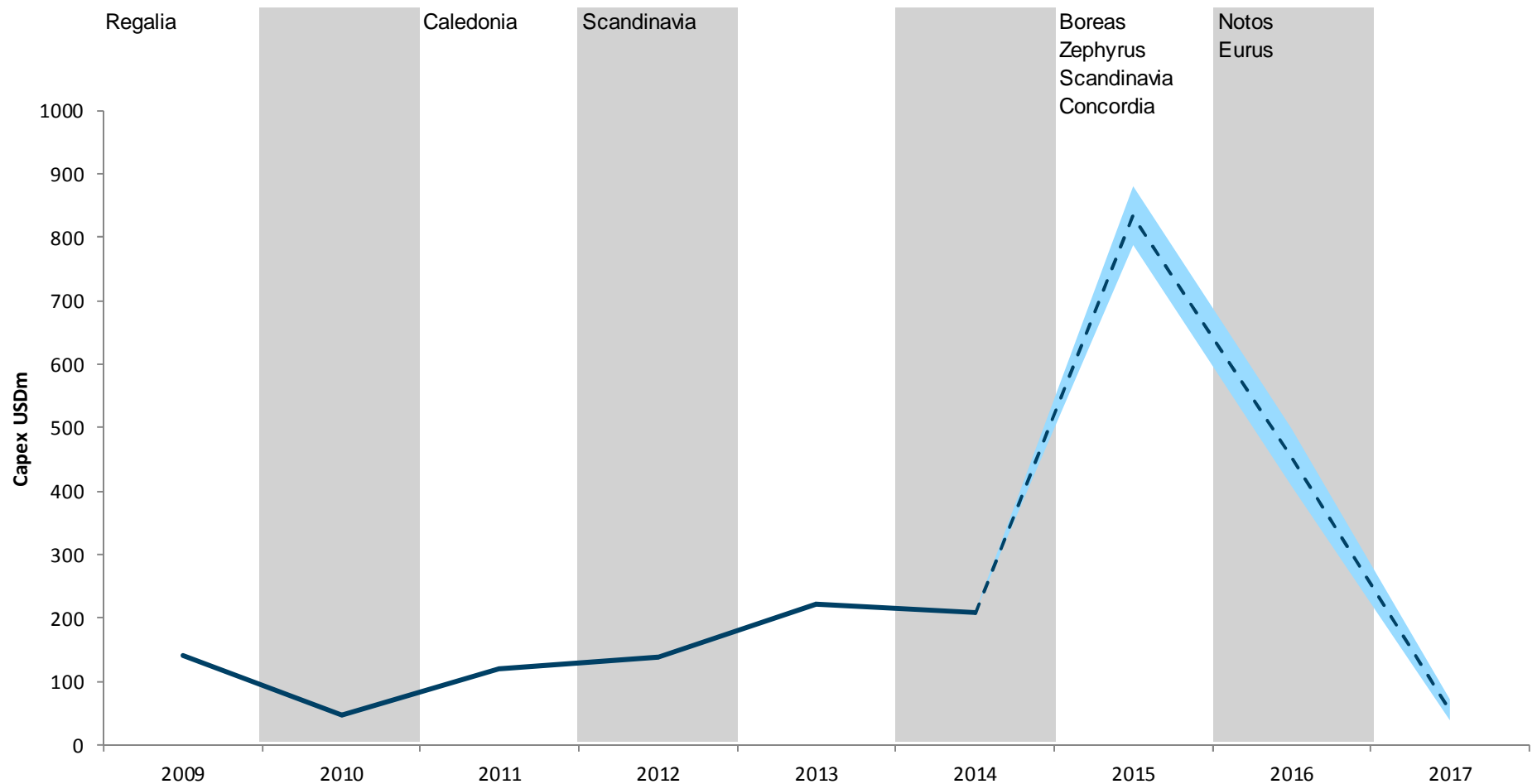
- Capital expenditure in 2015 is expected to increase by 5 to 10 per cent from USD 750-800 million, as stated in operational update on 29 July
- Increase due to:
 - ❑ Safe Scandinavia TSV conversion project
 - ❑ Safe Concordia SPS and upgrade
 - ❑ Safe Bristolia repair work
- Major capex items in 2015:
 - ❑ Final yard instalment for Safe Boreas and Safe Zephyrus
 - ❑ Safe Scandinavia TSV conversion
 - ❑ Safe Concordia SPS and upgrade
 - ❑ Safe Notos and Safe Eurys new build projects



Capex coming down after completion of projects

USD 50-60 million expected accross the fleet in 2017

Executed and planned capex projects



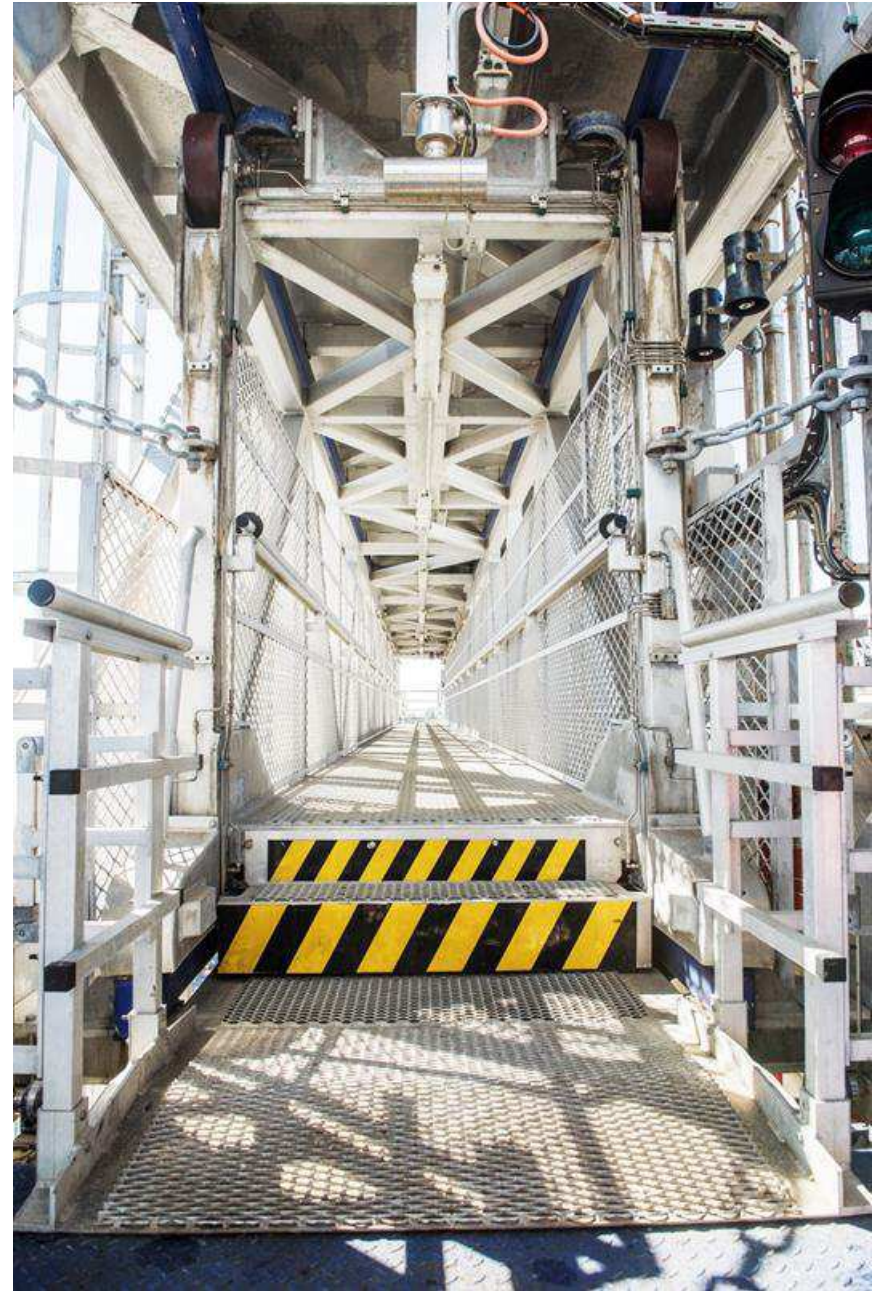
State of the art North Sea capable fleet

- Safe Boreas – new build
- Safe Zephyrus – new build
- Safe Notos – new build
- Safe Eurus – 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)



Agenda

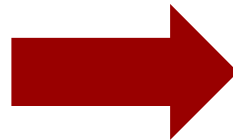
- Recent developments
- Financial results
- Operations/projects
- **Outlook**



Difficult market conditions – Prosafe well prepared

Market outlook in brief

- Near term improved
- Challenging market medium term
- Long-term demand drivers intact – signs of improvement from 2018
- Tendering activity at decent level

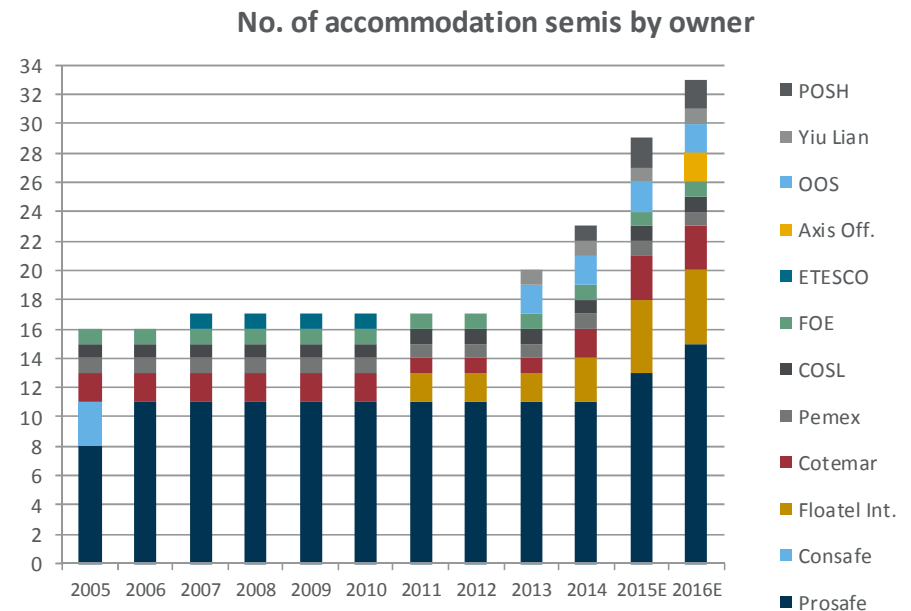


Prosafe's response

- State of the art fleet
 - Upgrades and life extensions
 - New builds
- Organisation and ways of working
 - Efficient ways of working
 - Reduce costs, but maintain competence
- Work with clients to find good solutions for both parties

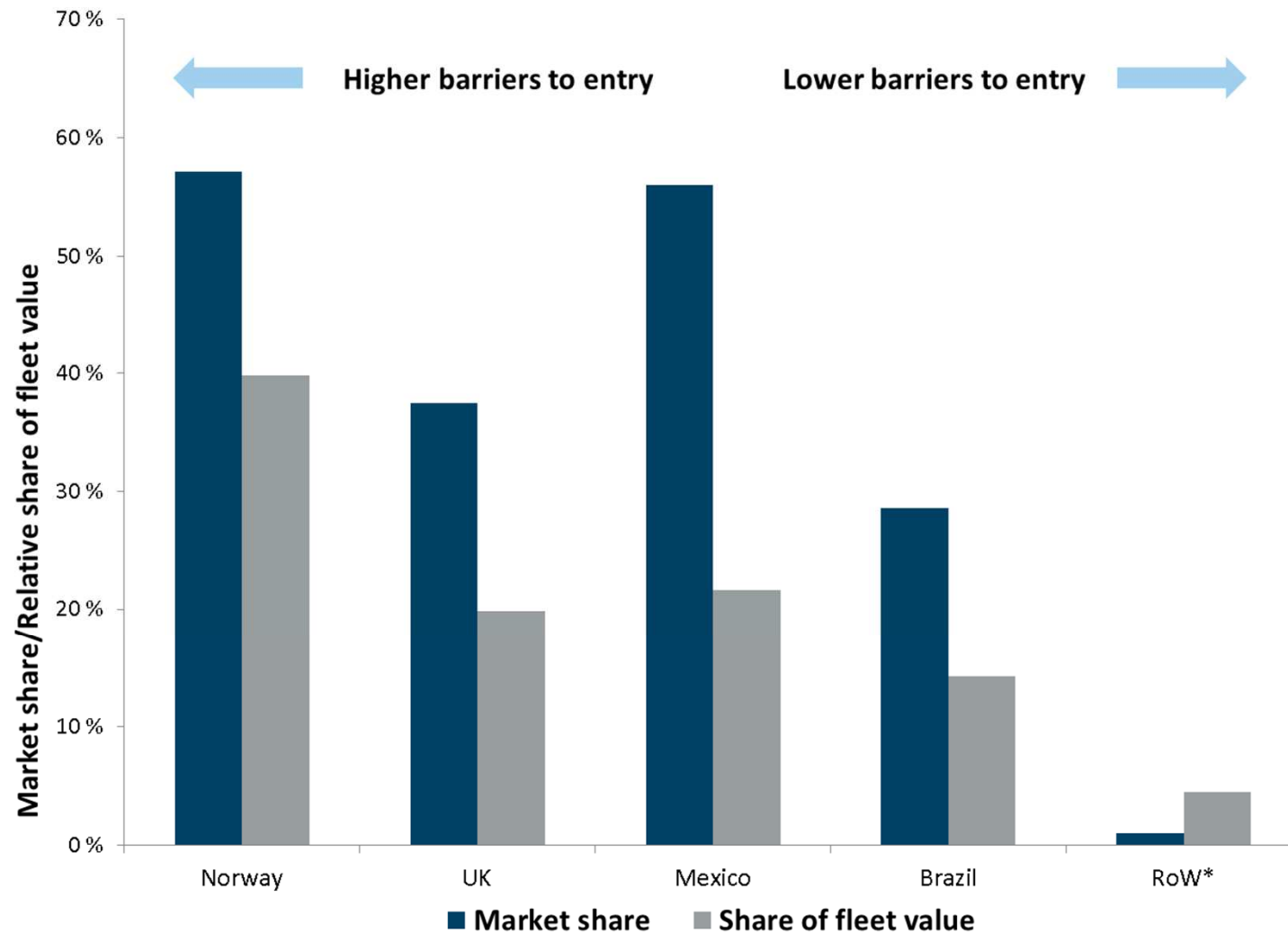
Leading provider of offshore accommodation vessels

- Prosafe is the leading owner and operator of accommodation semis
 - High quality and versatile fleet
 - Clients looking for operationally experienced and financially sound partners
- High growth combined with somewhat softer market might lead to consolidation opportunities
- All four Prosafe new builds have contracts in place



Prosafe's relative competitive position improving

Prosafe has high market share in key markets



*RoW includes semis, JU, monohulls and barges

North Sea – near term improved for Prosafe

- Near term improved for Prosafe
 - ❑ Recent contract awards
- Medium term remains uncertain
 - ❑ Pressure on clients to cut spending resulting in reduced work scopes
 - ❑ Client project sanctions being deferred
- Long-term demand drivers intact
 - ❑ Demand outlook seems to be improving from 2018
 - ❑ Increased field life and aging infrastructure
 - ❑ New fields coming on stream over the next years

Three year demand index drop confirming previously expected deferrals and descopeing

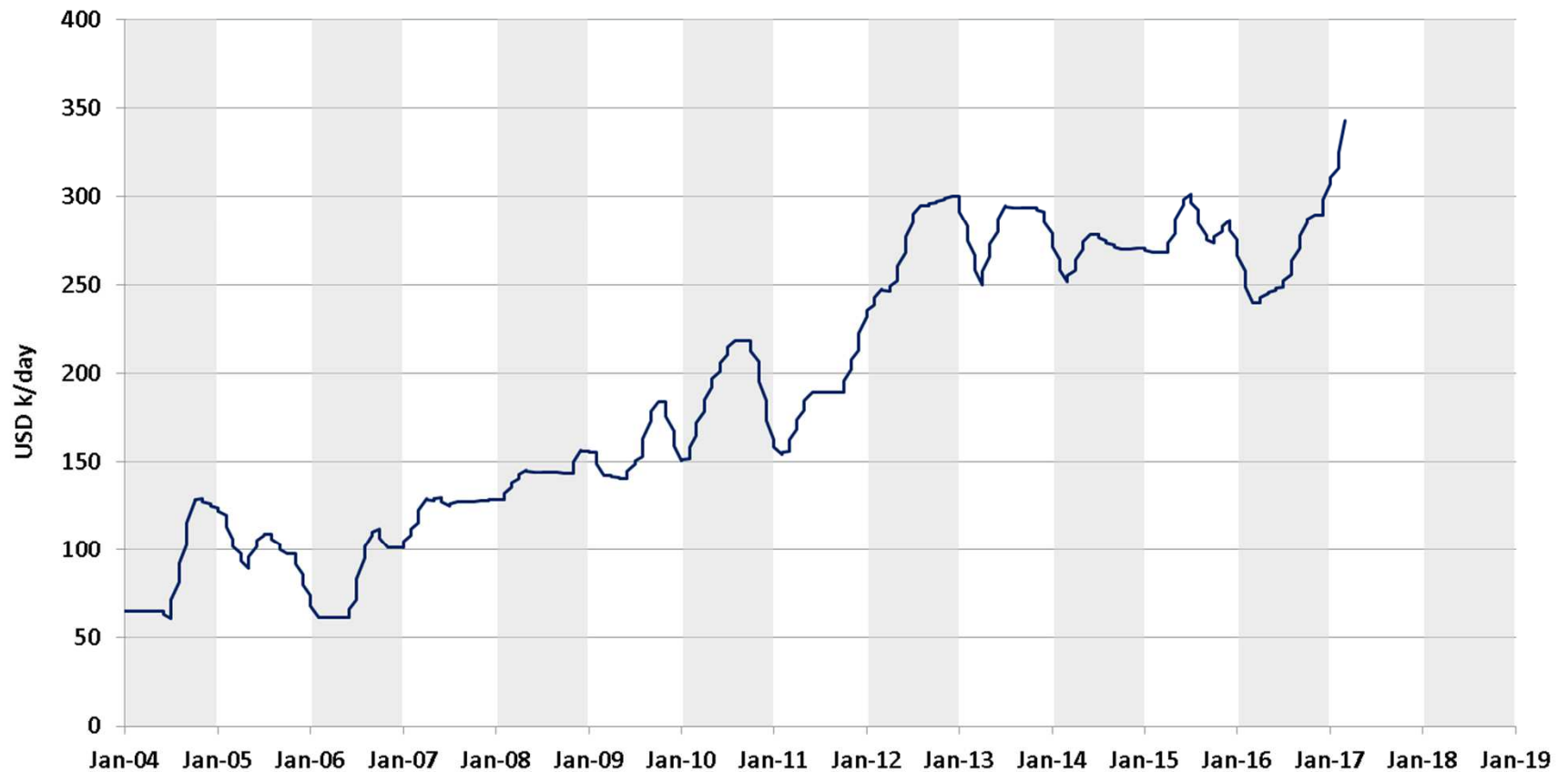


Based on firm contracts, extension options, projects in the tendering phase and prospects for the next 36 months. Index based on number of days in demand. Q4 11 = 100

Source: Prosafe

North Sea - dayrates

TC dayrate for Prosafe's North Sea vessels (3m moving average)



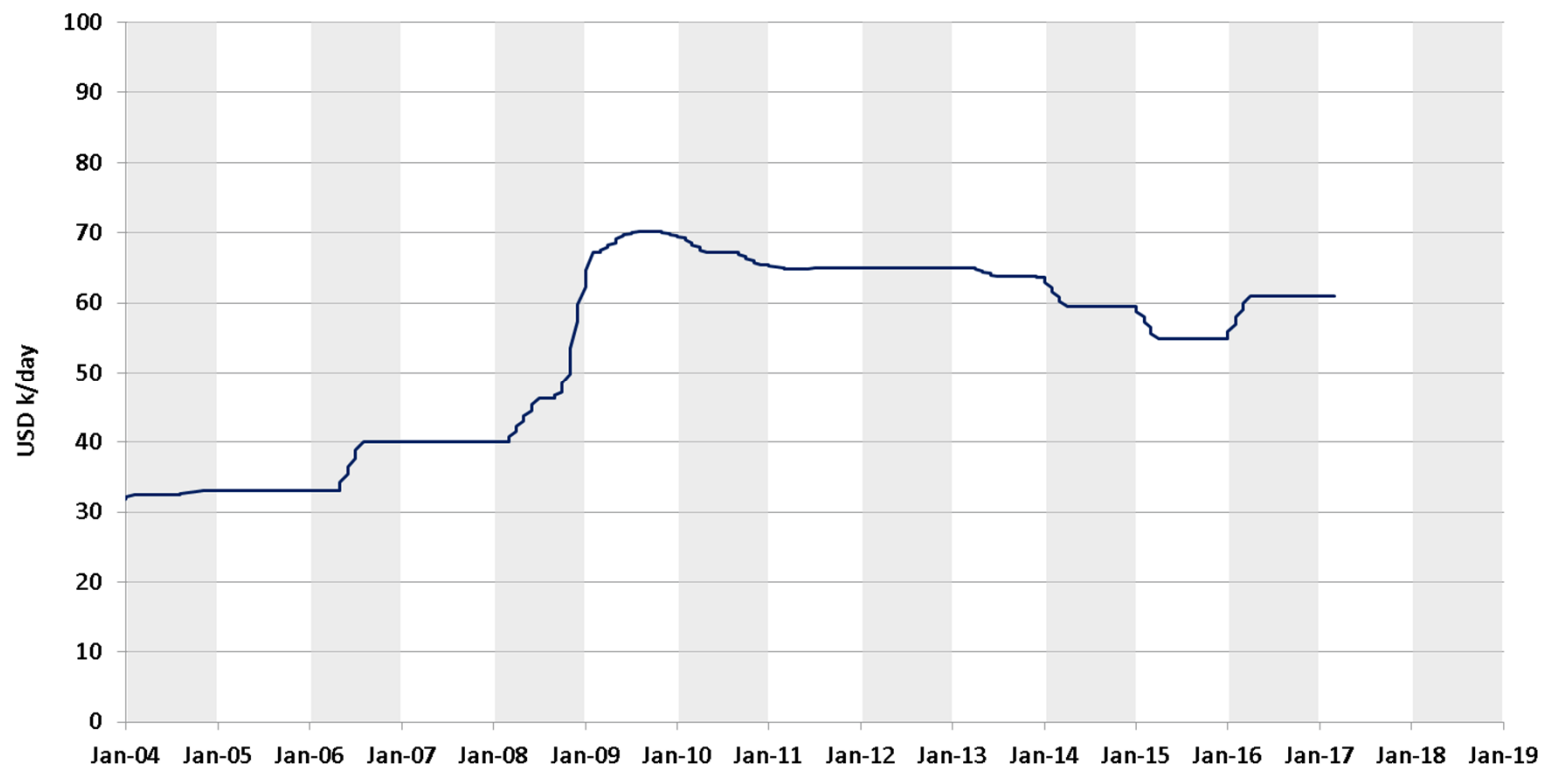
Mexico – short-term uncertainty

- Pemex continues to focus on cost-reduction programs as a result of lower oil price
 - ❑ A number of drilling programmes have been terminated
 - ❑ Reduction of offshore workforce supporting operations and maintenance
- Short /medium term uncertainty
 - ❑ Safe Hibernia continues to be deployed on the Jasminia contract since end February
 - ❑ Jasminia remains off-hire
- Long-term outlook positive, but pressure on rates
 - ❑ Substantial amount of maintenance, refurbishment and re-fitting work in the pipeline for the coming years



Mexico - dayrates

BB dayrate for Prosafe's Mexico vessels (3m moving average)



Brazil – new three year contract awarded

- Three year contract signed with Petrobras for Safe Eurus
- Long term outlook remains positive for high end vessels
- Demand for lower-end equipment diminishing
 - ❑ Many non-semi assets underperforming
 - ❑ Recent tender only allowed DP semi-submersibles



Rest of the world - in brief

■ Australia

- ❑ Prospects 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

- ❑ Prospects in mid and deep waters, mostly related to hook-up and commissioning

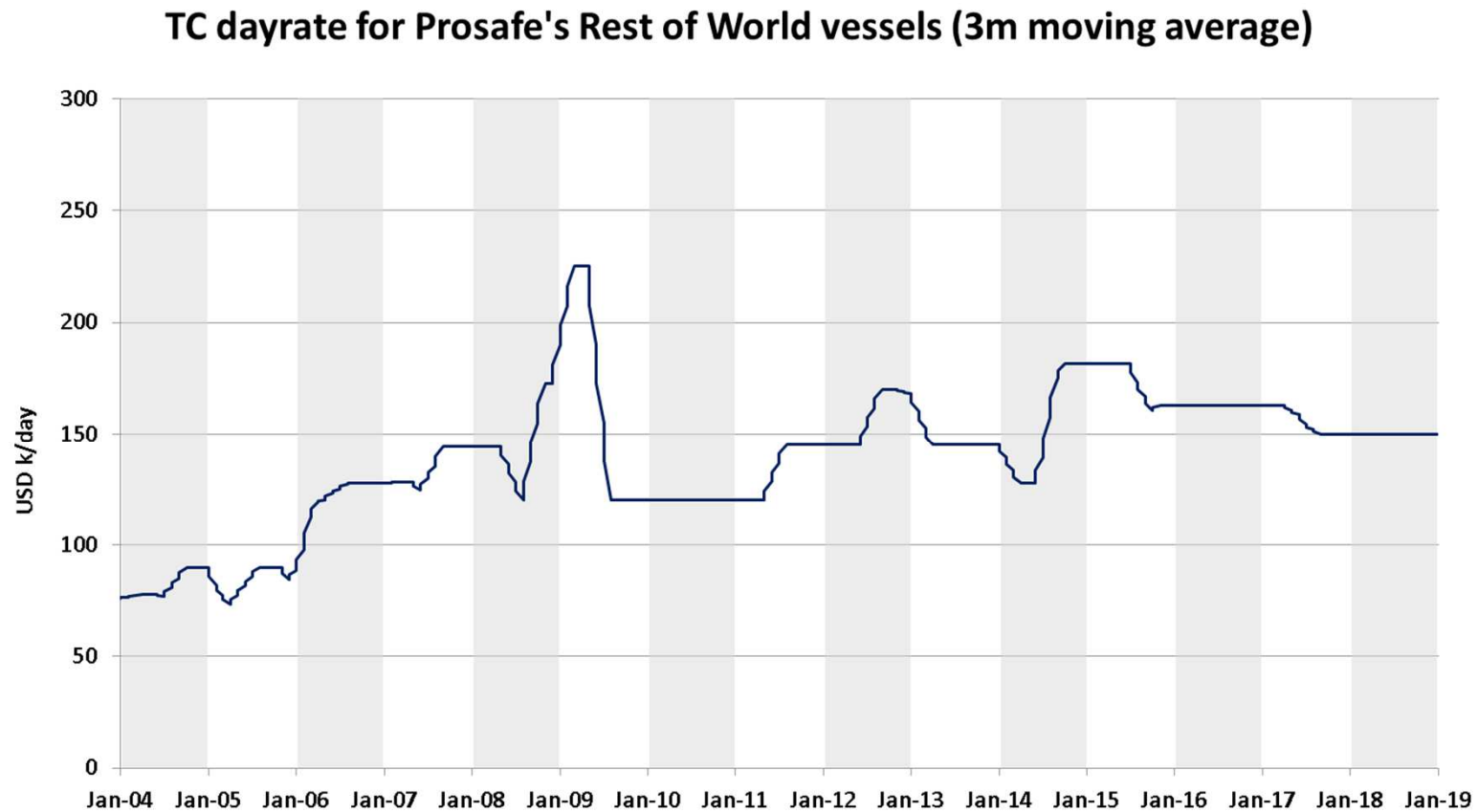
■ US GoM

- ❑ A number of prospects developing in the mid and deep water areas. Oil price heavily affecting decision making

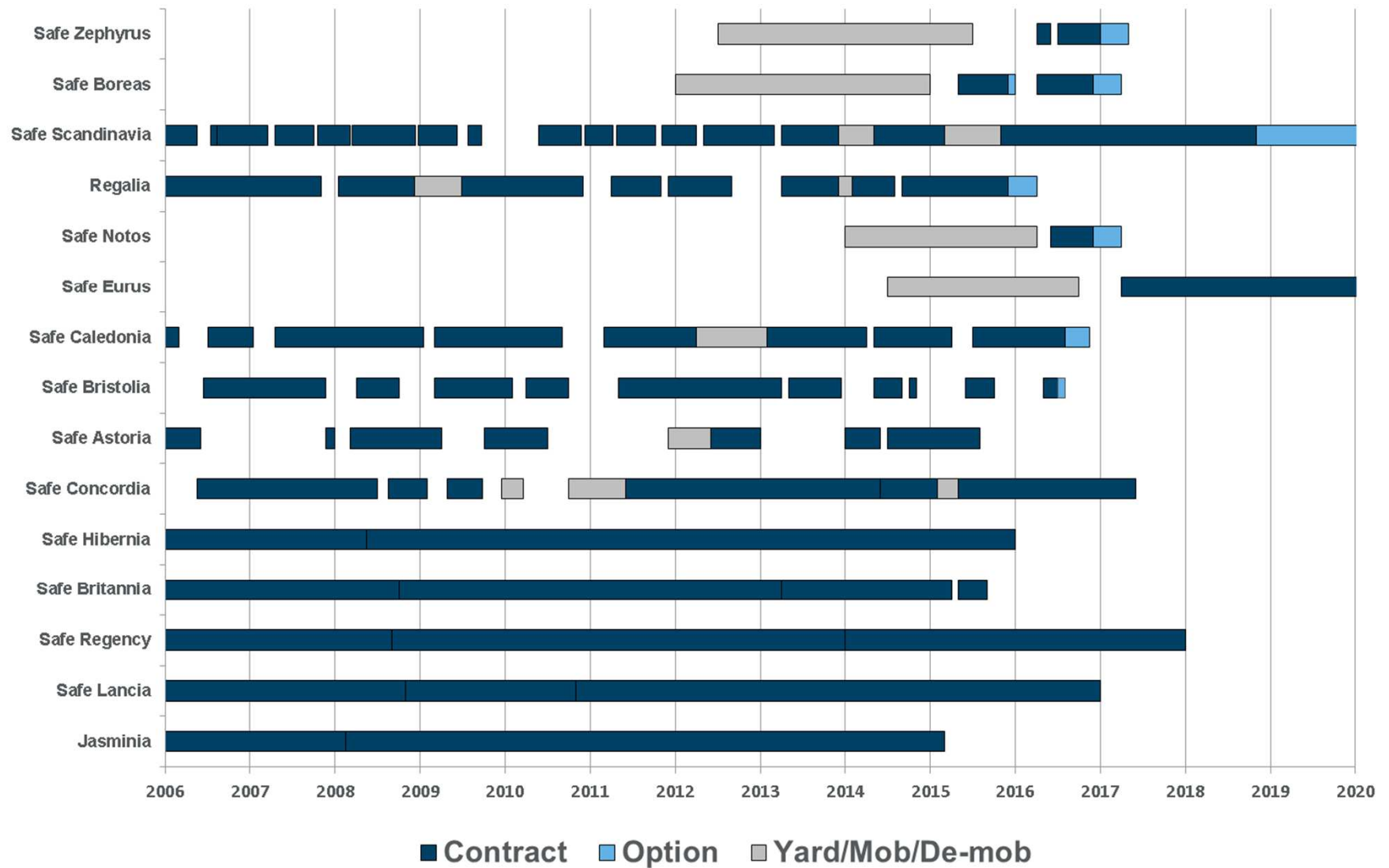
■ West Africa

- ❑ A number of long term opportunities for both hook-up and commissioning projects and fabric maintenance

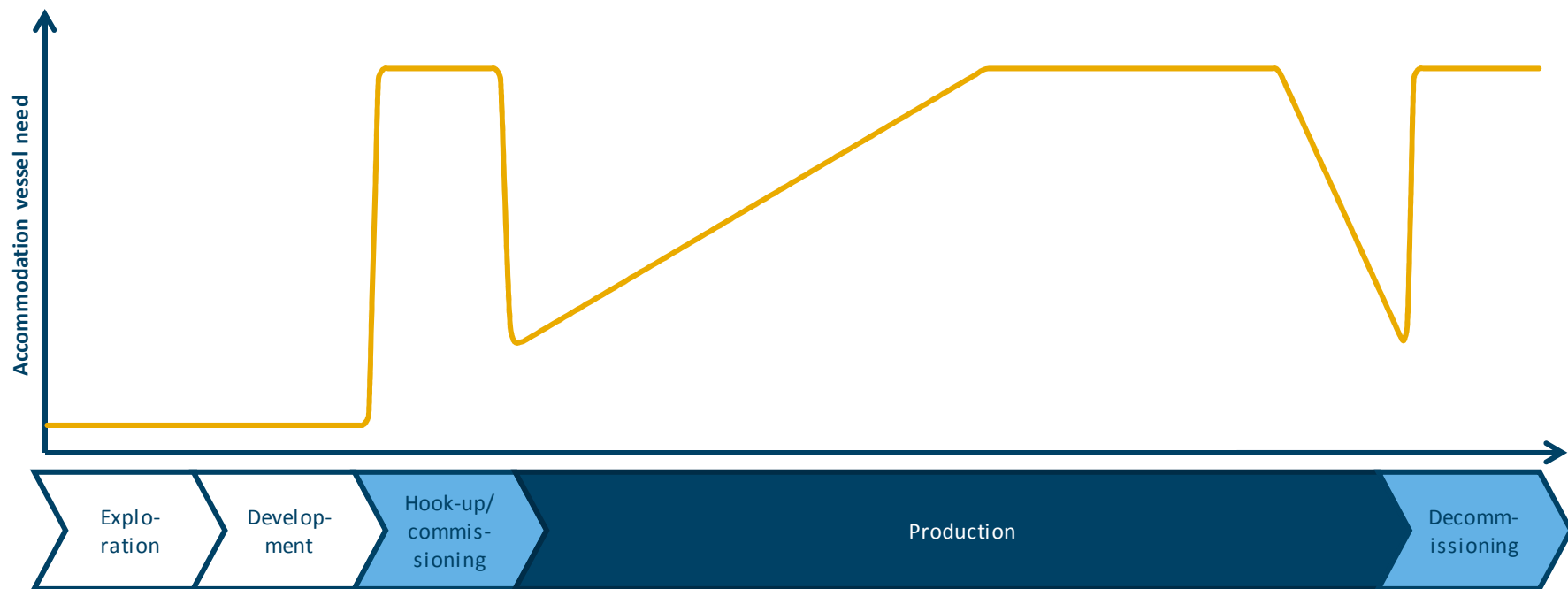
Rest of world, excl. NS - dayrates



Improved visibility



Offshore accommodation – a late cyclical market

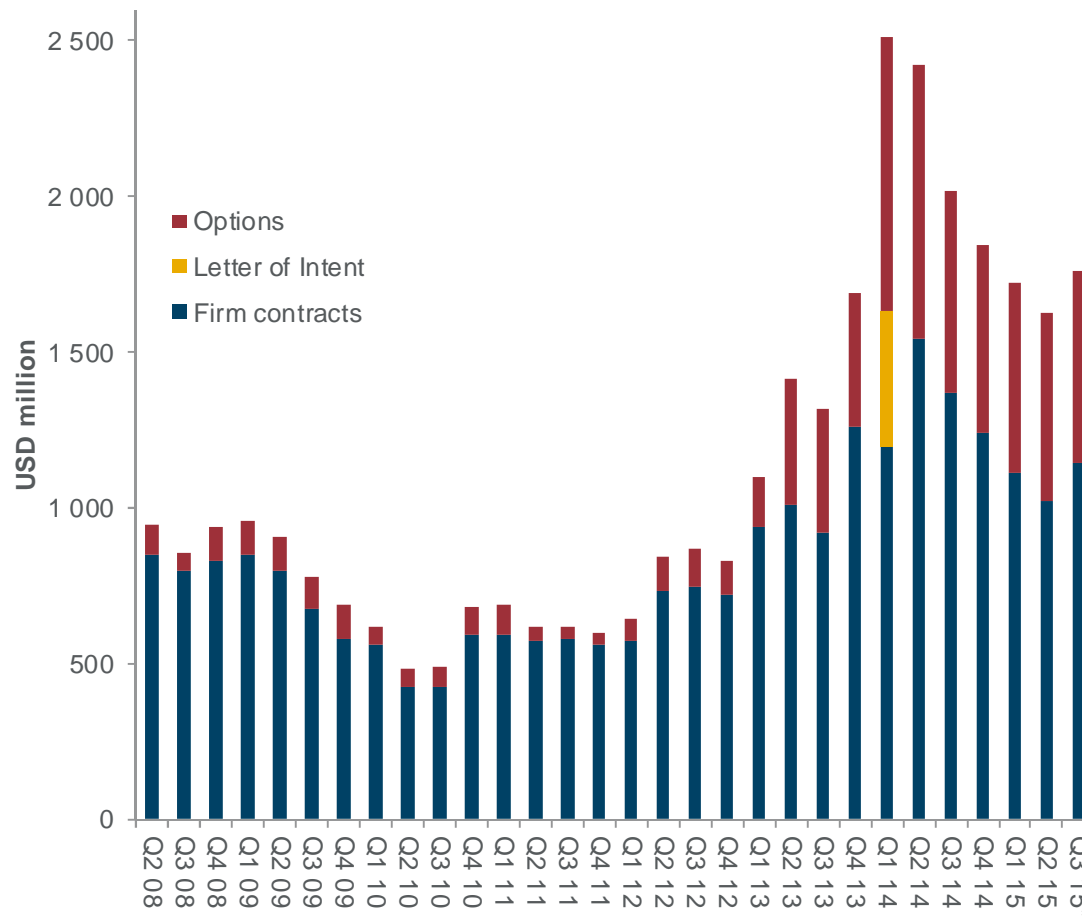


- Back to «normal»: majority of prospects currently being maintenance and modification work
 - In general lead times are shorter for modification work compared to hook-up and commissioning projects

Contract backlog robust

Added considerable contract backlog the last week

Gross value of charter contracts



Status end Q2 15

Firm contracts	USD 1,024m
+ Options	USD 604m
= Total	USD 1,628m

* So far in Q3 15

Summary

- Several contract awards recently and short term visibility improved
- The market remains challenging following further drop in oil price
 - Medium term uncertainty
- Long term demand drivers intact
 - Demand outlook seems to improve from 2018
- Tendering activity at decent level
- Prosafe's relative competitive position improving

