



10 November 2016



Executing on strategic consolidation, fleet renewal and plan to retire older assets

- Letter of intent to acquire Axis Nova and Axis Vega

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.

Prosafe to further rightsize its fleet

Letter of intent (“LOI”) to acquire Axis Nova and Axis Vega

- Subject to definitive agreements being reached the transaction is furthermore expected to be conditional *inter alia* on consent from the Company’s majority bank lenders, approval and issuance of consideration shares/bonds by an extraordinary general meeting in Prosafe in compliance with Cyprus law and regulations, approvals of changes to Dan Swift financing, merger clearance pursuant to applicable competition regulations (if any), as well as other customary closing conditions
- In anticipation of a definitive agreement Prosafe SE will call for an extraordinary general meeting approving the authorization of the transaction and issuance of the convertible bond consideration

Prosafe is taking the lead



Growth and Consolidation:

1. Acq. of Discoverer ASA
2. Acq. of Safe Scandinavia
3. Acq. of MSV Regalia
4. Acq. of Polyconcord/SH
5. Acq. of Consafe Offsh.

Fleet renewal and rightsizing:

1. Renewal
2. Conversion to TSV
3. Scrapping

Engaging in M&A:

1. Acq. of Nova/Vega

Creation:

Merger between Procon Offshore and Safe Offshore

1997

1998-2006

2011-2016

2016/17 ->

Prosafe executes on strategy to rightsize and renew its fleet

Step 1

- Prosafe acquires newbuilding contracts and right to take delivery of Axis Nova and Axis Vega
 - High specification, harsh environment
 - Accommodation 490 crew and guests
 - DP3 and 10-point mooring system
 - Operational air-gap of 11.5 meters
 - GM 500A design built at proven and market leading Cosco Shipyard (the “Yard”)

Step 2

- Prosafe will enter into negotiations with the Yard and related parties for a workable delivery and financing (on SPV basis) of the two accommodation units, in addition to Safe Euris at the same Yard
- If no agreement is made with the Yard and related parties Prosafe has the right to claim cancellation on the newbuilding contracts due to late delivery and claim deposit of USD 60m fully secured by Bank of China

Step 3

- If step 2 is successful then further units will be scrapped

Transaction details

For USD 70m Prosafe acquires 100% of Axis Nova and Axis Vega and 25% of Dan Swift

HITECVISION
Fund VII

M&G
INVESTMENTS

AXIS
OFFSHORE

Other
shareholders

17.6%

14.3%

21.9%

46.1%



Prosafe

100%

100%

25%

Axis Nova
Singapore Pte.
Ltd.

Axis Vega
Singapore Pte.
Ltd

Dan Swift
(Singapore) Pte.
Ltd

Transaction details

1. Prosafe acquires Axis Offshore's assets by issuance of USD 70m in Prosafe shares and new convertible bonds⁽¹⁾
2. Prosafe assumes 100% ownership of Axis Nova and Axis Vega newbuilding contracts, and 25% ownership in the Dan Swift unit
3. Prosafe take over commercial, operational and technical management of Dan Swift for a fixed monthly fee of USD 20,000 + 2,50% of the vessel's generated revenue

Note: Ownership split on a fully diluted basis, including Prosafe's outstanding Convertible Bonds 16/21 of NOK 78.8m.

(1) Consideration settled by Prosafe through issuance of 585.8m shares priced at NOK 0.30 / share, and subordinated zero coupon convertible bond of NOK 403.4m, convertible into 1,344.7m shares at a conversion price of NOK 0.30 / share. Fully dilutive effect will be 1,930.5m shares, or 21.9%. Applied USDNOK = 8.2737.



Pro-forma balance sheet and detailed ownership split

	Pre-transaction		Post-transaction
Prosafe pro-forma Balance Sheet (USDm)	Sep-16	Adj.	Sep-16
Goodwill	226,7		226,7
Vessel	1 887,3		1 887,3
New Builds	318,8	60,0	378,8
Financial investments	0,0	10,0	10,0
Other non-current assets	4,1		4,1
Total non-current assets	2 436,9	70,0	2 506,9
Cash and deposits	183,4		183,4
Other current assets	90,9		90,9
Total current assets	274,3		274,3
Total Assets	2 711,2	70,0	2 781,2
Share capital	6,7		6,7
Other equity	1 070,3	70,0	1 140,3
Total equity	1 077,0	70,0	1 147,0
Interest-free long-term liabilities	102,1		102,1
Interest-bearing long-term debt	1 373,3		1 373,3
Total long-term liabilities	1 475,4		1 475,4
Other interest-free current liabilities	105,8		105,8
Current portion of long-term debt	53,0		53,0
Total current liabilities	158,8		158,8
Total equity and liabilities	2 711,2	70,0	2 781,2

PRS outstanding CB 16/21	
Amount (NOKm)	78,8
Conversion price (NOK)	0,25
Dilutive effect, no. shares (m)	315

Current ownership split	# shares	%
HitecVision Fund VII	1 548	23,6 %
M&G Investments	1 260	19,2 %
Remaining PRS shareholders	3 745	57,1 %
Shares outstanding	6 553	100,0 %

Pro-forma ownership split	# shares	%
HitecVision Fund VII	1 548	21,7 %
M&G Investments	1 260	17,7 %
Remaining PRS shareholders	3 745	52,5 %
Axis Offshore	586	8,2 %
Shares outstanding	7 139	100,0 %
New CB Axis Offshore	1 345	
Shares outstanding, incl. new CB	8 484	

Pro-forma ownership split, fully diluted	# shares	%
HitecVision Fund VII	1 548	17,6 %
M&G Investments	1 260	14,3 %
Remaining PRS shareholders	3 745	42,6 %
Axis Offshore	586	6,7 %
New CB Axis Offshore	1 345	15,3 %
PRS outstanding CB 16/21	315	3,6 %
Shares outstanding, fully diluted	8 799	100,0 %

- Prosafe acquires Axis Offshore's assets by issuance of USD 70m in Prosafe shares and new convertible bonds:
 - Issuance of 585.8m shares priced at NOK 0.30 / share
 - Subordinated zero coupon convertible bond of NOK 403.4m, convertible into 1,344.7m shares at a conversion price of NOK 0.30 / share
 - Fully dilutive effect will be 1,930.5m shares, or 21.9%⁽¹⁾
- Axis Offshore ownership split:
 - HitecVision Fund VI: 66%
 - LF Investment: 34%
- On a fully diluted basis, including Prosafe's outstanding convertible bonds 16/21, HitecVision Fund VII and HitecVision Fund VI will own 32.1%

(1) Applied USDNOK = 8.2737.

The renewed Prosafe fleet





















Prosafe

11x Semi-submersible rigs + 1x Tender Support Vessel

Under Management

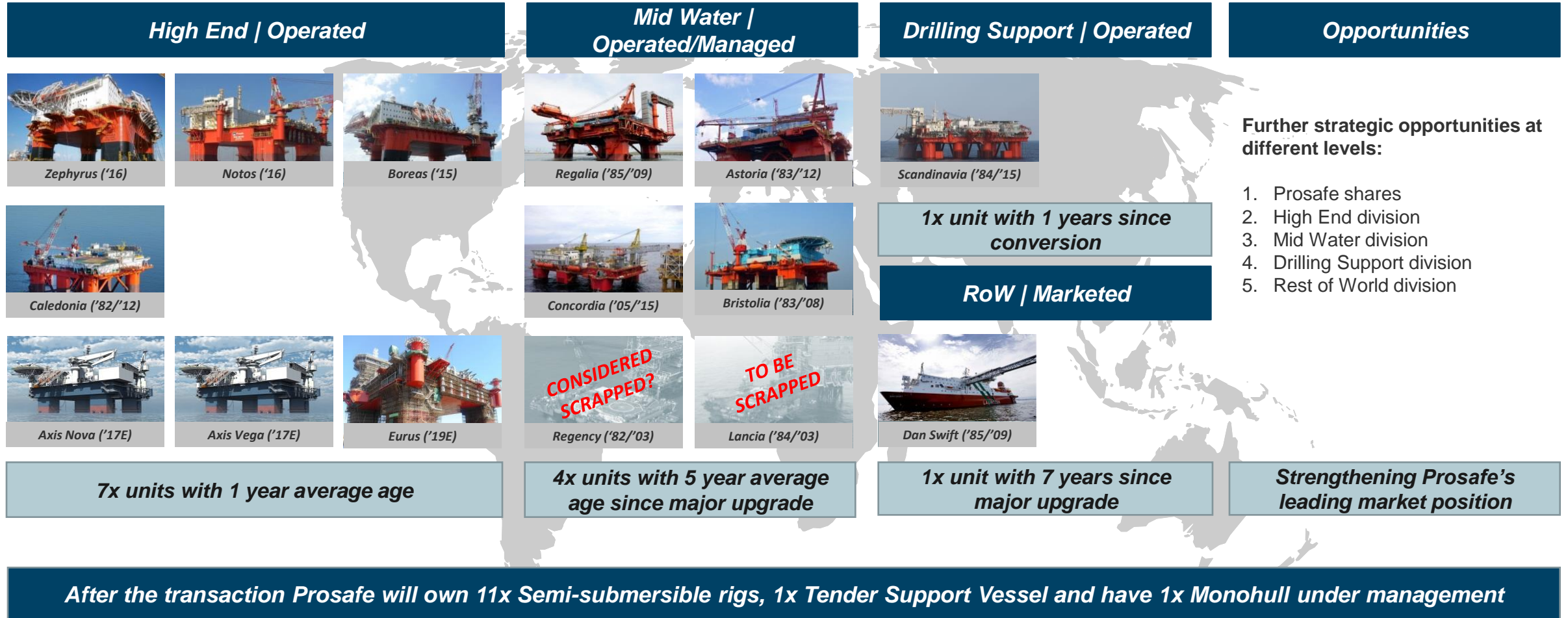
1x Monohull

New & Modern Fleet 7x rigs Avg. age 1 yr.	 Zephyrus ('16)	 Notos ('16)	 Boreas ('15)	 Concordia ('05/'15)	 Eurus ('19E)	 Axis Nova ('17E)	 Axis Vega ('17E)	
Seasoned Fleet 4x rigs Avg. 5 yrs. since major upgrade	 Regalia ('85/'09)	 Astoria ('83/'12)	 Bristol ('83/'08)	 Caledonia ('82/'12)				 Dan Swift ('85/'09)
Scrapping candidates 2x rigs Avg. age 35 yrs.	 Regency ('82/'03)	 Lancia ('84/'03)	 Hibernia ('77)	 Jasminia ('82)	 Britannia ('80)			
TSV 1x rigs 1 yr. since conversion	 Scandinavia ('84/'15)							

By acquiring Axis Nova and Axis Vega, 7 out of the 11 semi-submersible rigs will have an average age of 1 year

Indicative Operating Model

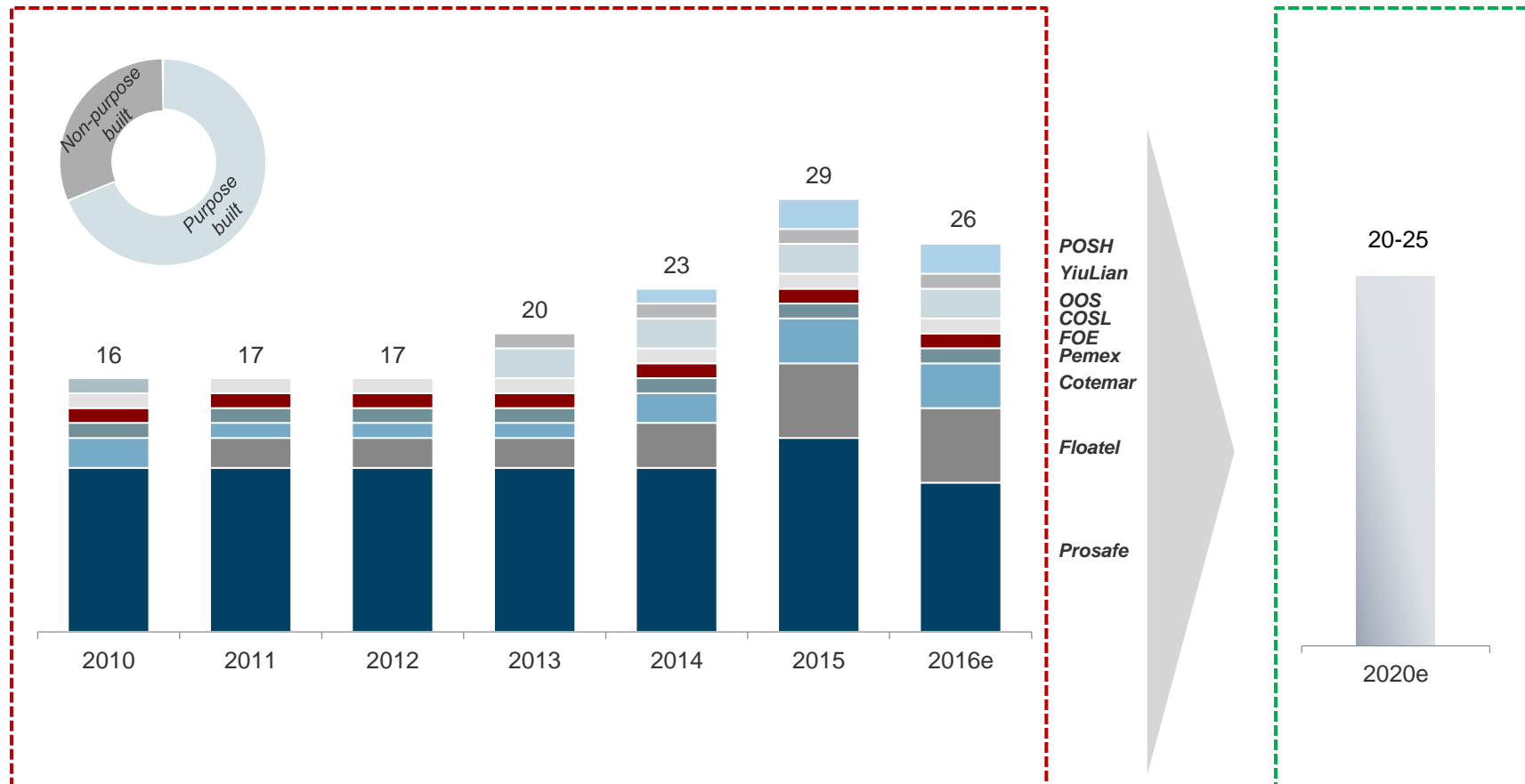
– Four segments



Semi accommodation market expected to rebalance by 2020

Scrapping, non-delivery and consolidation likely to positively impact market balance

- Safe Scandinavia is a Tender Support Vessel (TSV) and has been taken out of accommodation supply in 2016
- Prosafe has scrapped 3 vessels in 2016
- More scrapping anticipated
- Some new vessels scheduled for delivery in 2019 (Prosafe, Axis, OOS)
- Certain assets not assumed entering the market at all – or before market is strong



Dayrate averages and indications

- Bottoming out of market softness – with anticipated recovery from 2018 onwards

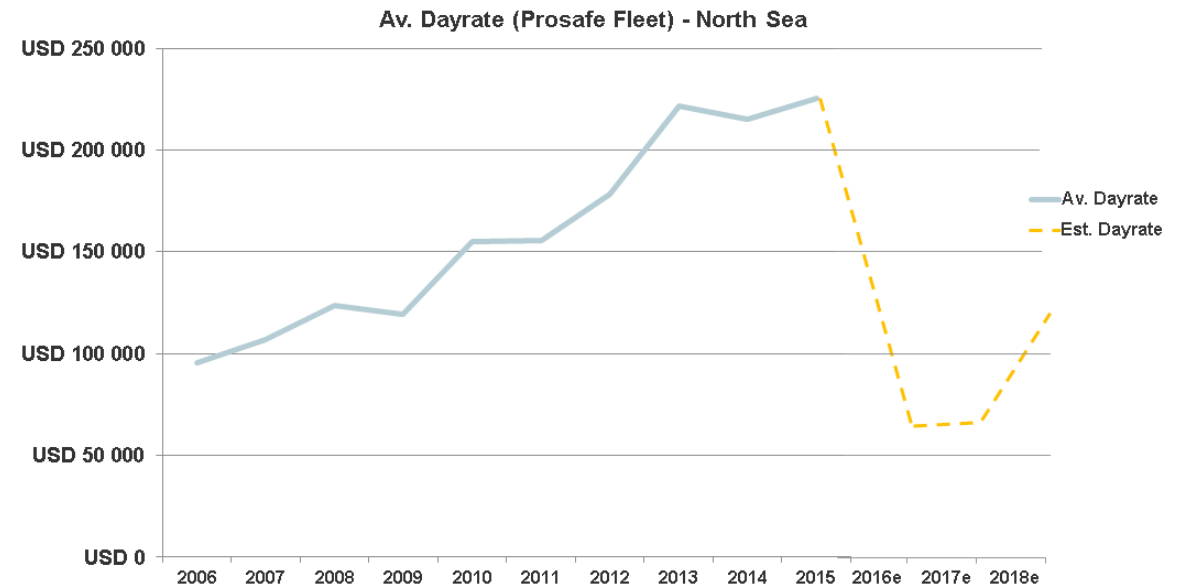
- North Sea recent awards indicate a significant dayrate reduction through 2016 and 2017
- Other regions less affected
- Recovery indicators from 2018 onwards
- Leading broker present dayrate indications;

North Sea older non DP semi-submersible
\$80,000 - \$140,000 pdpr
































North Sea DP semi-submersible
\$140,000 - \$200,000 pdpr

Global DP semi-submersible
\$70,000 - \$140,000 pdpr

Note: Dayrates are just an indication and will fluctuate depending on the prevailing conditions and specific requirements.



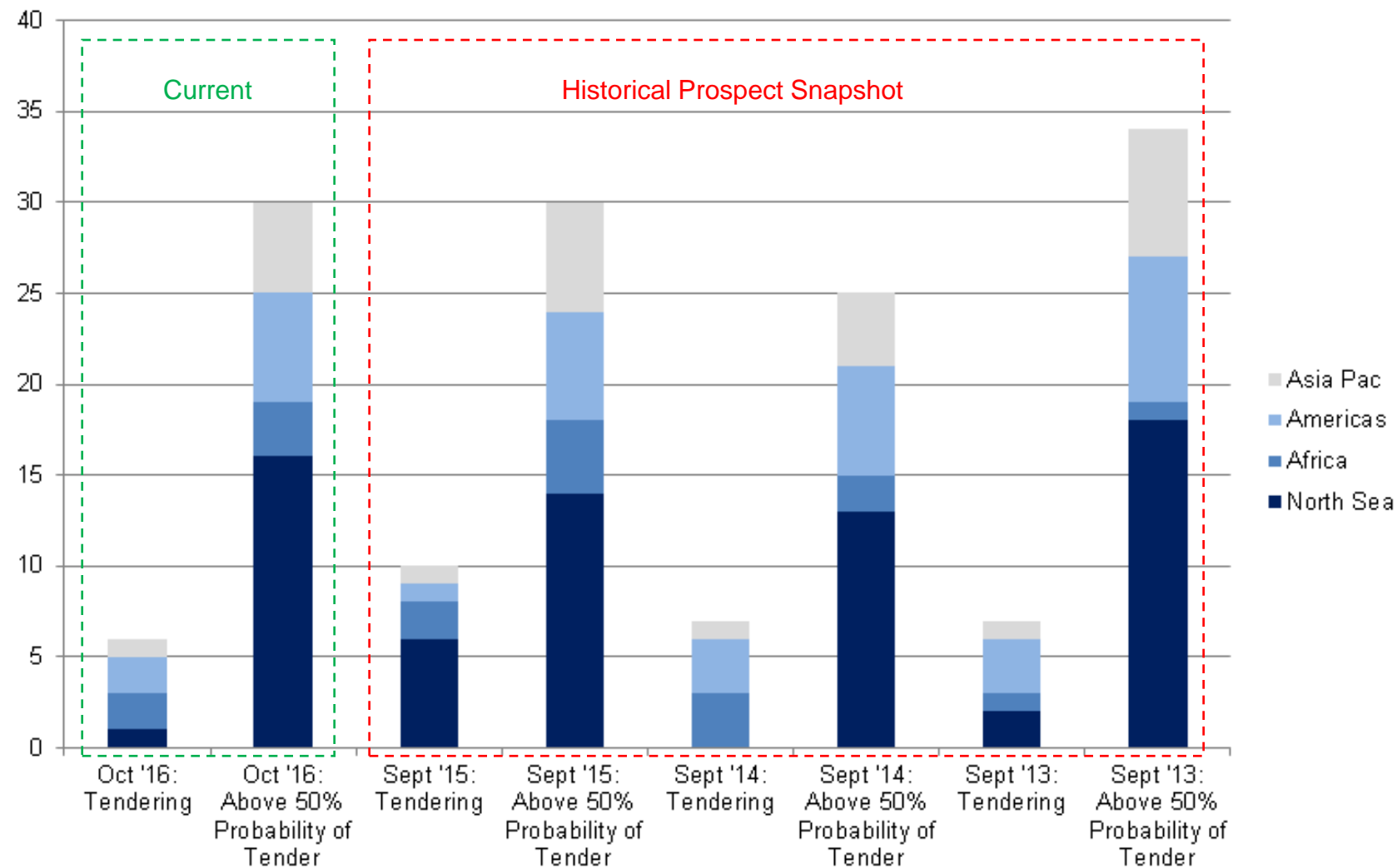
Longer Term Indicators of Market Recovery from 2018

		Hook-up and commissioning	Brownfield – maintenance and modification	Decommissioning	Outlook for accommodation market drivers from 2016 level towards 2020*
		 Market share: 10-30% Market visibility: High	 Market share: 60-80% Market visibility: Low	 Market share: 0-10% Market visibility: Medium	
 Norway		 Weak outlook with only two unsanctioned and highly uncertain projects pre-2020. Possible extra unit on Johan Sverdrup	 Growth in installed base, with increased share of 30+ year units, combined with strong future tieback portfolio	 Several projects with earlier than expected shutdown (e.g. Gyda, Veslefrikk, Varg, Jotun), but limited decom volume	 Modification market expected to have comeback potential with increase in oil prices. Limited HUC and decommissioning activity towards 2020.
 UK		 Most contracts awarded short term, but potential new HUC towards 2020 hinging on sanctioning of discoveries	 Decline in installed base of platforms, combined with challenging cash flow situation for the average field	 Large wave of production shutdown and following decom expected towards 2020, with varying scope, e.g. single/multiple lift	 Installed base of platforms in structural decline, reducing future modification opportunities. The most active decom market towards 2020.
 Brazil		 High development activity, but primarily FPSO-developments with low likelihood of flotel demand	 Strong growth in installed base of platforms combined with improved financial situation with production increase	 Few shutdown plans have been communicated by the operators/Petrobras	 Maintenance and modification market expected to grow with installed base of ageing platforms.
 Mexico		 Few identified new projects triggering flotel demand	 Limited growth in installed base, but large share of units 30+ years. Declining production limits potential for financial comeback.	 Few shutdown plans have been communicated by the operators/Pemex	 Although the installed base of production units are both large in numbers and old of age, the overall outlook is not positive towards 2020 with a production in steep decline
RoW**		 New developments are driven by an increase in West Africa	 Steady growth in installed base of platforms 18+ years and robust portfolio of tieback candidates	NOT ASSESSED	 Market growth driven by a growing installed base of platforms, with ad-hoc demand for hook-up, commissioning and decom.

**RoW includes Canada, US GoM, Australia and West Africa.

Source: Rystad Energy research and analysis

Shorter Term Market Update



Q&A

APPENDIX

Comparison of harsh environment accommodation rigs



	Boreas Zephyrus	Regalia	Notos Eurus	Vega Nova	Superior Endurance	Victory Triumph	COSL Rival
Design:	GVA 3000E	GVA 3000	Gusto MSC Ocean 500	GM500A	MSC/KFELS DSS20/NS	SSAU 4000NG SSAU 5000NG	Aker H3
Yard:	Jurong Shipyard	GVA Sweden	Cosco Quidong	Cosco Quidong	Keppel FELS	Keppel FELS	Mitsui
Delivery:	2015 2016	1985 - 20yr life ext. 2009	2016 2019e	2017e	2010 2015	2013 2016	1976 upgrade 2004
Region:	North Sea	North Sea	Brasil China	China	North Sea	North Sea Australia	North Sea
Length overall (LOA)	103.9m	95.4m	95.0m	104.5m	94.0m 105.0m	119.6m	108.2m
Breadth moulded	88.7m	91.6m	67.0m	65m	91.0m 103.0m	78.0m	67.4m
Displacements	33,930t	21,030t	33,400t	37,708t	29,179t 33,594t	26,800t	22,334t
Airgap (operational / survival)	11.0m / 14.5m	8.0m / 11.5m	10.0m / 14.0m	11.5m / 13.5m	9.5m / 14.5m	7.0m / 12.2m	N/A / N/A
Beds (total / NCS):	450 / 450	306 / 282	500 / NA	490	440 / 440	560 / NA 500 / NA	400 / 302
Power capacity:	31.2 MW	21.7 MW	28.8 MW	28.5 MW	22.1 MW 28. 2 MW	23.4 MW	6 MW
Thruster:	6 x 4.0 MW	6 x 2.6 MW	6 x 3.7 MW	6 x 3.8 MW	6 x 3.2 MW 6 x 3.5 MW	6 x 3.2 MW	2 x 2.4 MW
Mooring:	12 point	4 point	10 point	10 point	8 point 10 point	10 point	12 point
Station keeping:	DP3	DP2	DP3	DP3	DP3	DP3	N/A
Deck area (m²):	2,100	380	1,500	2,100	1,700 1,050	1,300	431
Gangway:	38.0m ± 7.5m	38.0m ± 7.5m	38.0m ± 7.5m	38.0m ± 7.5m	38.0m ± 7.5m	38.0m ± 7.5m	36.5m ± 6.0m
Deck crane:	2x 50t @ 40m	2x 50t @ 14m	50t @ 16m 300t @ 12m	70t @ 35m 40t @ 20m	50t @ 30m 100Mt @ 16m 15t @ 60m 15t @ 60m	120t @ NA 64t @ NA	31t @ 25m 20t @ 7m

Prosafe

Axis

Floatel

COSL

Source: Clarksons Platou Securities, Company web pages

Current status Axis Nova and Axis Vega



Axis Nova

- Delivery: Option to require Yard to deliver vessel following 80 days notice
- Completion: 97.5% per June 2016
- Standstill agreement with Yard
 - Expiry: 4 August 2017
 - Refund: Deposit with interest, secured by Bank of China



Axis Vega

- Delivery: Option to require Yard to deliver vessel following 80 days notice
- Completion: 90% per June 2016
- Standstill agreement with Yard
 - Expiry: 4 August 2017
 - Refund: Deposit with interest, secured by Bank of China

Dan Swift

Dan Swift



Specifications

- Monohull, DP2, 2x telescopic gangways, 250 pax accommodation

History

- Converted at Blohm & Voss in 2009
- Completed 5yr charter with Petrobras in 2Q16 – charter rate of USD 125.5k/day

Current status

- Completed planned dry-docking in Falmouth, UK September 2016
- Last SPS in December 2014
- In lay-up in Aalborg, Denmark

Dan Swift (Singapore) Pte. Ltd (USDm)	30 Nov-16E
Dan Swift	119,0
Total non-current assets	119,0
Cash and cash equivalents	10,0
Trade and other receivables	0,1
Total current assets	10,1
Total assets	129,1
New preference shares	32,5
Retained earnings & other	9,1
Share capital	31,0
Total equity	72,7
Interest-bearing long term debt	56,4
Total long-term liabilities	56,4
Trade and other payables	0,0
Total short-term liabilities	0,0
Total equity and liabilities	129,1

Key financials

Ownership

- Axis Offshore 75%, Prosafe: 25% (of voting shares)

Financing (estimated opening balance)

- Cash balance: USD 10.0m
- Bank Loan (L+2.45%): USD 56.4m
 - Bank Loan guaranteed by Lauritzen A/S
 - Zero amortization until May-2020
 - Maturity 2021
- Preference shares: (L+7.25% cumulative): USD 32.5m

Runway

- Estimated financial runway into 1Q19

Prosafe management agreement

- 2.50% of revenue plus fixed monthly fee of USD 20,000

Main terms of new convertible bonds

	PROSAFE SE NEW SUBORDINATED ZERO COUPON CONVERTIBLE BONDS
Issuer:	Prosafe SE
Issue Amount:	NOK 403.4m
Nominal Value:	The bonds will have a nominal value of NOK 1.0 each
Coupon Rate:	Zero coupon
Settlement Date:	[X November] 2016 (the date of closing of the Transaction).
Maturity Date:	[X November] 2021 (five years after issue resolution date)
Issue Price:	100 % of par
Amortization:	At the Maturity Date, the Convertible Bonds shall be converted to Shares at the prevailing Conversion Price, if not previously converted into Shares
Status:	Subordinated unsecured obligations of the Issuer. The Convertible Bonds shall be subordinated to the senior debt of the Issuer.
Use of Proceeds:	The Convertible Bonds will be used as part consideration for shares acquired as part of the Transaction.
Conversion Price:	NOK 0.30 per share
Bond Agreement	The bond agreement governing the convertible bond will be based on the bond agreement for Prosafe's existing convertible (adjusted for transaction specifics), including with respect to conversion rights and share settlement option.
Governing Law and Jurisdiction:	Norwegian law and Norwegian courts.
Trustee:	Nordic Trustee ASA