

12 May 2016



Q1 2016 results

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.

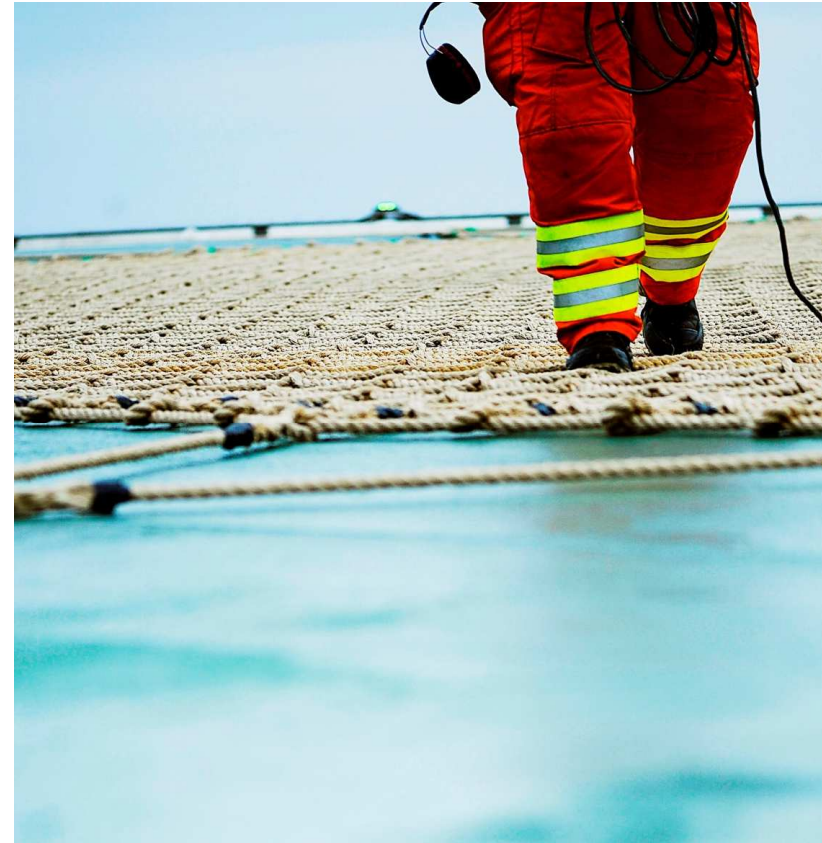
Agenda

- Recent developments
- Financial results
- Financial plan
- Operations/projects
- Outlook
- Summary



Recent developments

- Suspension of Mexico contracts
- Suspension of 4.5 year Lol values at USD 145 million for the Safe Notos. Vessel currently in international anchorage offshore Singapore
- Q1 utilisation of 37 per cent
- Safe Scandinavia TSV commenced contract mid-March
- Safe Boreas commenced contract mid-March
- High activity for Prosafe's vessels in the North Sea in Q2/Q3
- Working with all key stakeholders and advisors to improve the financial situation for the company
 - The dialogue is constructive and Prosafe intends to communicate its updated financial plan during the second quarter of 2016
- Decommissioning of three older vessels – reinforcing fleet renewal and improving the market balance



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Income statement

(Unaudited figures in USD million)	Q1 16	Q4 15	Q1 15	2015
Operating revenues	103.0	103.9	124.2	474.7
Operating expenses	(57.7)	(52.5)	(51.8)	(211.8)
EBITDA	45.3	51.4	72.4	262.9
Depreciation	(23.4)	(24.5)	(17.0)	(86.5)
Impairment	0.0	(145.6)	0.0	(145.6)
Operating profit/(loss)	21.9	(118.7)	55.4	30.8
Interest income	0.0	0.1	0.0	0.2
Interest expenses	(19.9)	(10.4)	(10.2)	(41.6)
Other financial items	(0.4)	(11.9)	(15.9)	(29.5)
Net financial items	(20.3)	(22.2)	(26.1)	(70.9)
Profit/(Loss) before taxes	1.6	(140.9)	29.3	(40.1)
Taxes	(3.4)	(2.1)	(2.3)	(10.5)
Net (loss)/profit	(1.8)	(143.0)	27.0	(50.6)
EPS	(0.01)	(0.59)	0.11	(0.21)
Diluted EPS	(0.01)	(0.59)	0.11	(0.21)

Balance sheet

(Unaudited figures in USD million)	31.03.16	31.12.15	31.03.15
Goodwill	226.7	226.7	226.7
Vessels	1 581.6	1 578.6	1 096.1
New builds	635.3	228.5	567.6
Other non-current assets	4.7	4.9	6.0
Total non-current assets	2 448.3	2 038.7	1 896.4
Cash and deposits	71.0	57.1	151.4
Other current assets	111.5	91.4	109.7
Total current assets	182.5	148.5	261.1
Total assets	2 630.8	2 187.2	2 157.5
Share capital	72.1	72.1	65.9
Other equity	610.4	643.1	679.2
Total equity	682.5	715.2	745.1
Interest-free long-term liabilities	90.8	58.9	71.6
Interest-bearing long-term debt	1 554.9	1 107.5	1 096.7
Total long-term liabilities	1 645.7	1 166.4	1 168.3
Other interest-free current liabilities	135.8	166.1	212.0
Current portion of long-term debt	166.8	139.5	32.1
Total current liabilities	302.6	305.6	244.1
Total equity and liabilities	2 630.8	2 187.2	2 157.5

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Financial plan

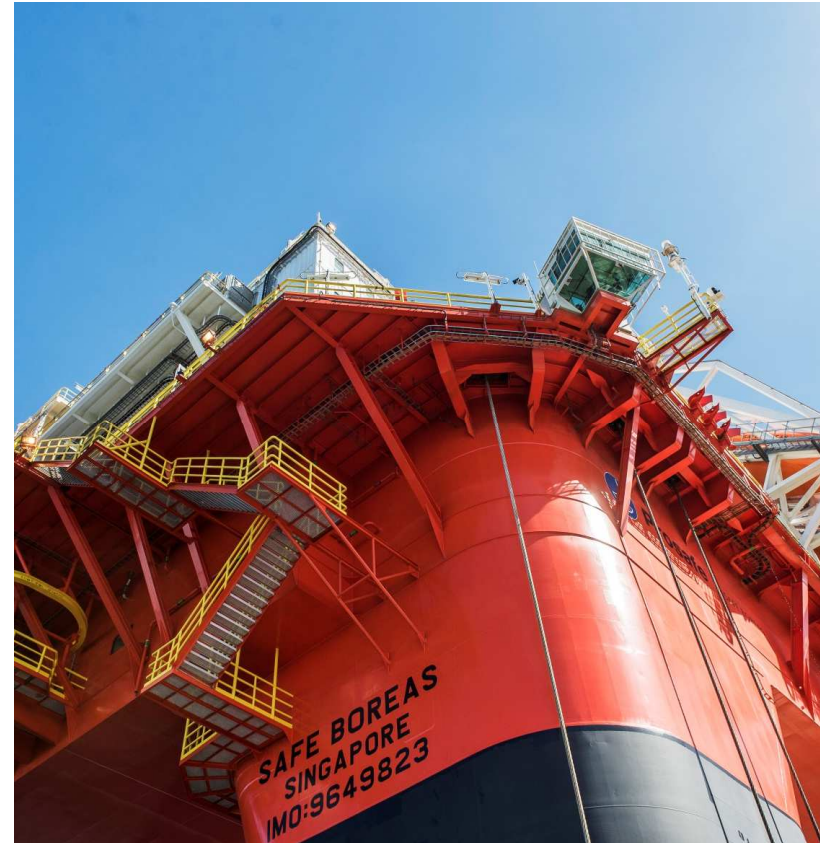
- Dialogue with key stakeholders, including main shareholders, bondholders, bank lenders and yards to evaluate alternatives to improve the financial situation
- Utilised 1st skipped payment option in February and will utilise the 2nd skipped payment option in August
- Further amendments to the bank and bond agreements will be required to secure a robust financial foundation and to safeguard and further strengthen the company's leading position
- The dialogue is constructive and Prosafe intends to communicate its updated financial plan during the second quarter of 2016



Covenants Q1 2016

- Liquidity minimum MUSD 65*
 - Cash Q1: MUSD 71
- Book equity minimum 25 percent
 - Book equity Q1: 26 per cent
- Leverage ratio maximum 6.0
 - Net debt/adjusted EBITDA Q1: 3.2

* In April, Prosafe obtained a reduced minimum liquidity covenant of USD 20 million until the end of the third quarter 2016



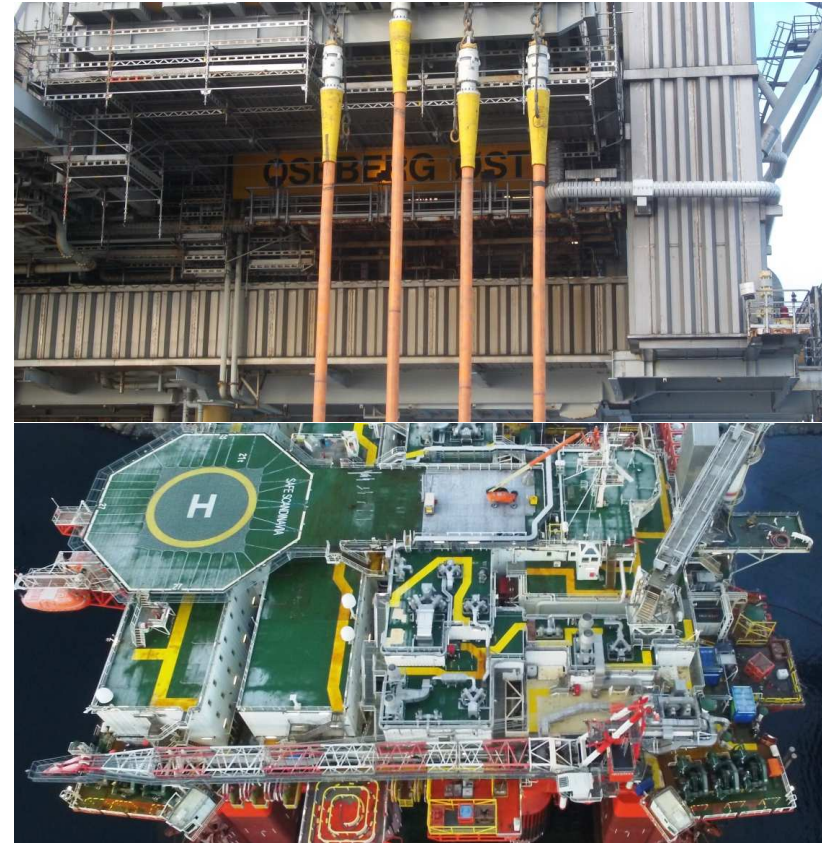
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Safe Scandinavia TSV operation

- Contract commenced mid-March with the firm period through until July 2018
- Four 1-year options
- Drilling support operations successfully commenced in the beginning of April
- Final capex related to the TSV conversion was a total cost in excess of USD 300 million compared to the USD 140 million initially budgeted
- Prosafe likely to contest parts of the additional costs incurred on the TSV conversion project



North Sea operations

- Safe Caledonia continuous operations in the UK (BP)
- Safe Boreas commenced contract mid-March in the UK (Talisman)
- Regalia is scheduled to commence contract within May in the UK (Shell)
- Safe Bristolia is scheduled to commence contract within May in the UK (BG)
- Safe Zephyrus is scheduled to commence contract within July in Norway (Det norske)



Capital expenditure 2016

- Aggregate capital expenditure for 2016 remains in line with previous indications of USD 700 million
- Major items:
 - Final delivery instalments on Safe Notos and Safe Zephyrus delivered in Q1
 - Final delivery instalment on Safe Eurus
- Given recent shifts in the contract portfolio, Prosafe is working with the yard to find an amicable solution regarding the delivery of Safe Eurus and thereby reducing capex in 2016



Decommissioning of three older vessels

- Based on a strategic fleet review and weaker market outlook, it has been decided to decommission three vessels; Jasminia, Safe Hibernia and Safe Britannia
 - Reinforcing Prosafe's market leading position
 - Addresses supply/demand balance
 - Increased value of the remaining Prosafe vessels
 - Reduced lay-up cost
- Contract agreements for decommissioning almost finalised



Cost efficiency and reduction measures

- Cost efficiency measures have been implemented and further actions will be taken in light of the industry downturn and outlook
- Stacking of rigs in progress
- Phase 1: About USD 15 million in permanent annual savings achieved. Salary freeze, reduced travel and training, contractor and vendor cost reduced
- Phase 2: Salary reduction, organisational review in light of activity level and market outlook
- The target is to at least double the savings and efficiency gains to USD 30-40 million/annum



High quality modern fleet

- High quality and versatile fleet
- 20-year life extensions for Regalia, Safe Caledonia and Safe Scandinavia completed
- Safe Boreas, new build 2015
- Safe Zephyrus, new build 2016
- Safe Notos, new build 2016
- Safe Eurys, new build



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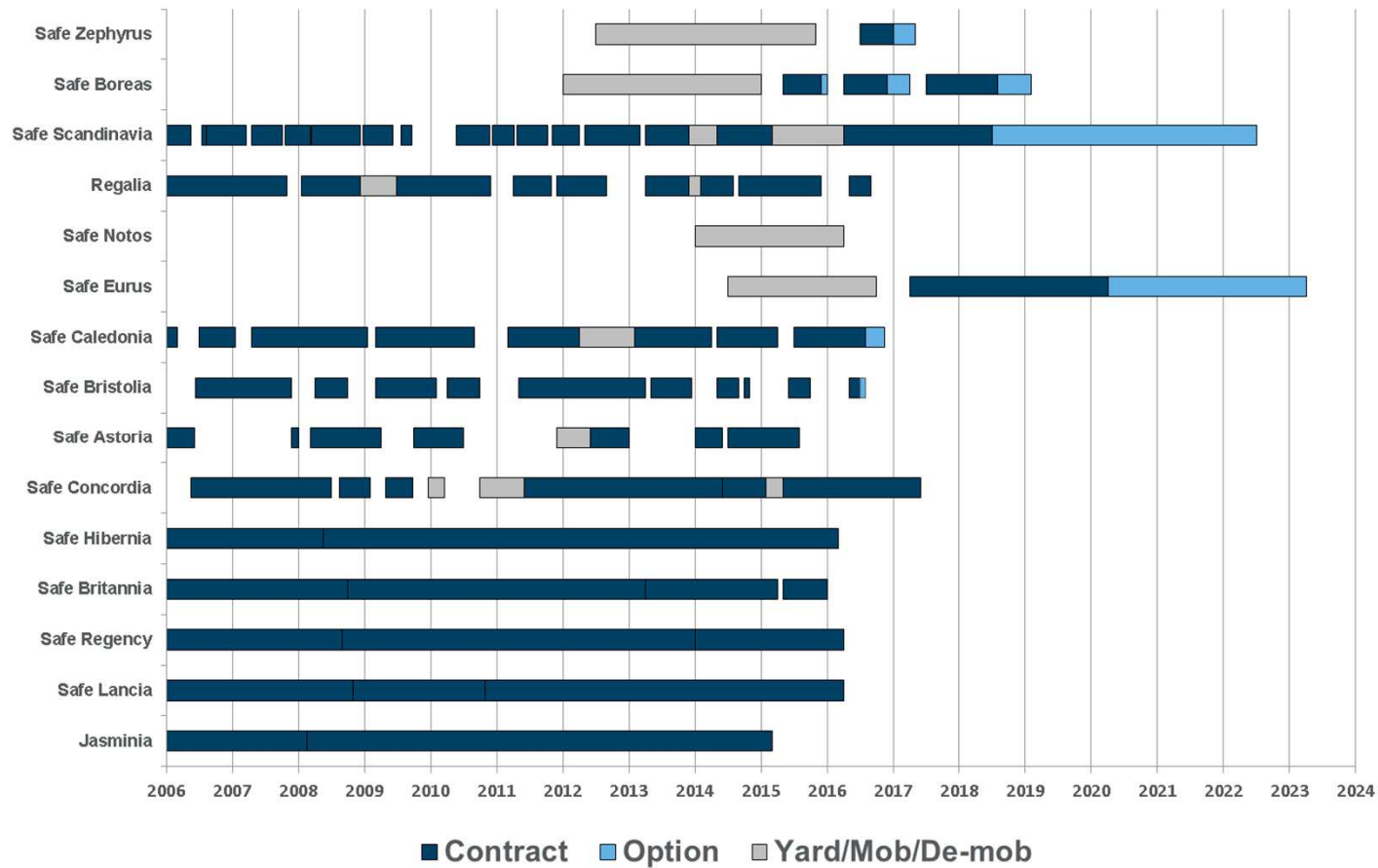


Outlook

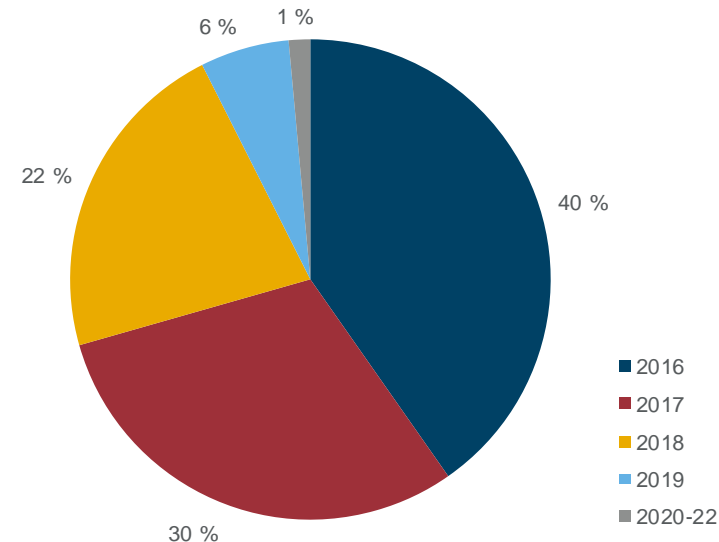
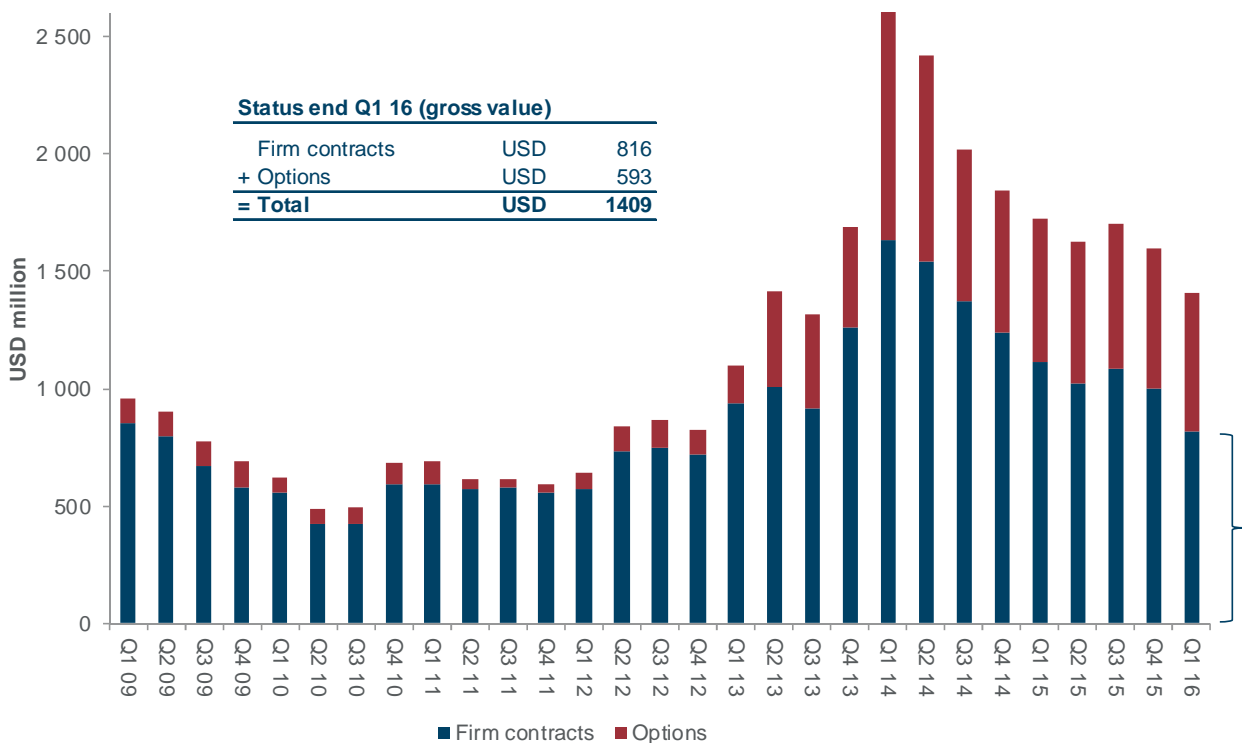
- Despite the recent increase in oil price, general uncertainty prevails short and medium term
- Industry remain focused on cost reduction and cash preservation
- General bidding activity remains low
 - Competition expected to be high on bids coming to market
- Prosafe maintains a cautious view in the near and medium term and anticipates a possible upturn from 2018
- High focus on financial plan, cost reductions and efficiency measures



Contract coverage



Contract backlog



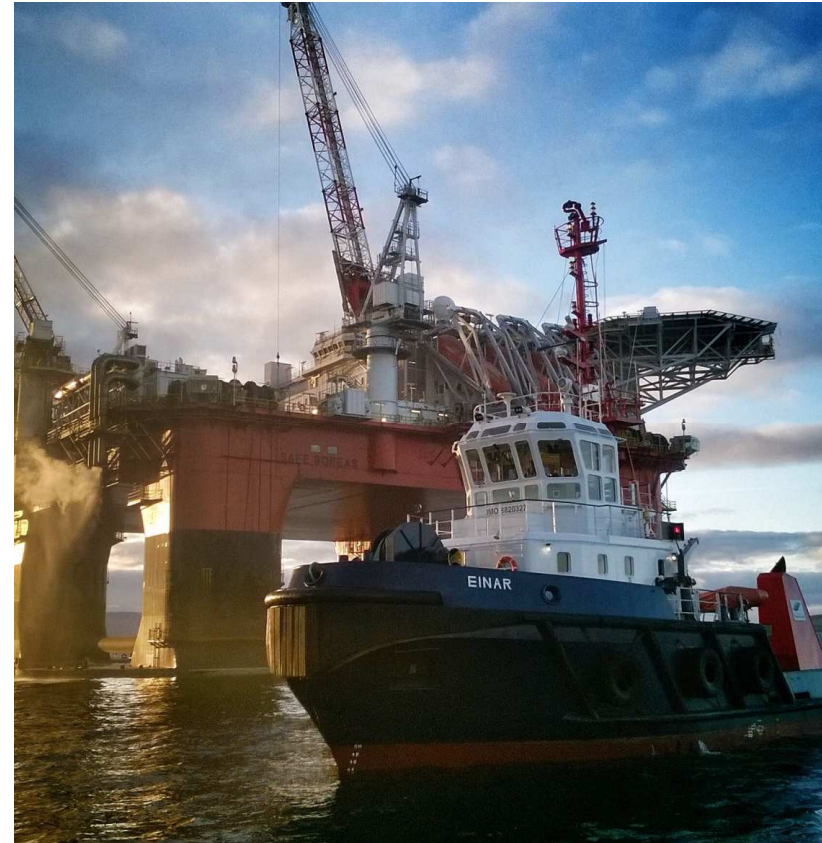
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Summary

- Weak market outlook, although some prospects and tenders, and possible upturn expected from 2018
- Decommissioning of three older vessels – improving the market balance
- Fleet renewal coming to an end – capex to significantly come down in maintenance mode
- Ongoing dialogue with all key stakeholders to improve the financial situation
 - Amendments to loan agreements will be required
 - The dialogue is constructive and Prosafe intends to communicate its updated financial plan during the second quarter of 2016



Appendix

Operating revenues

(USD million)	Q1 16	Q4 15	Q1 15	2015
Charter income	56.2	93.7	111.8	425.4
Mob/demob income	13.9	1.5	1.0	5.4
Other income	32.9	8.7	11.4	43.9
Total	103.0	103.9	124.2	474.7