



21 January 2016



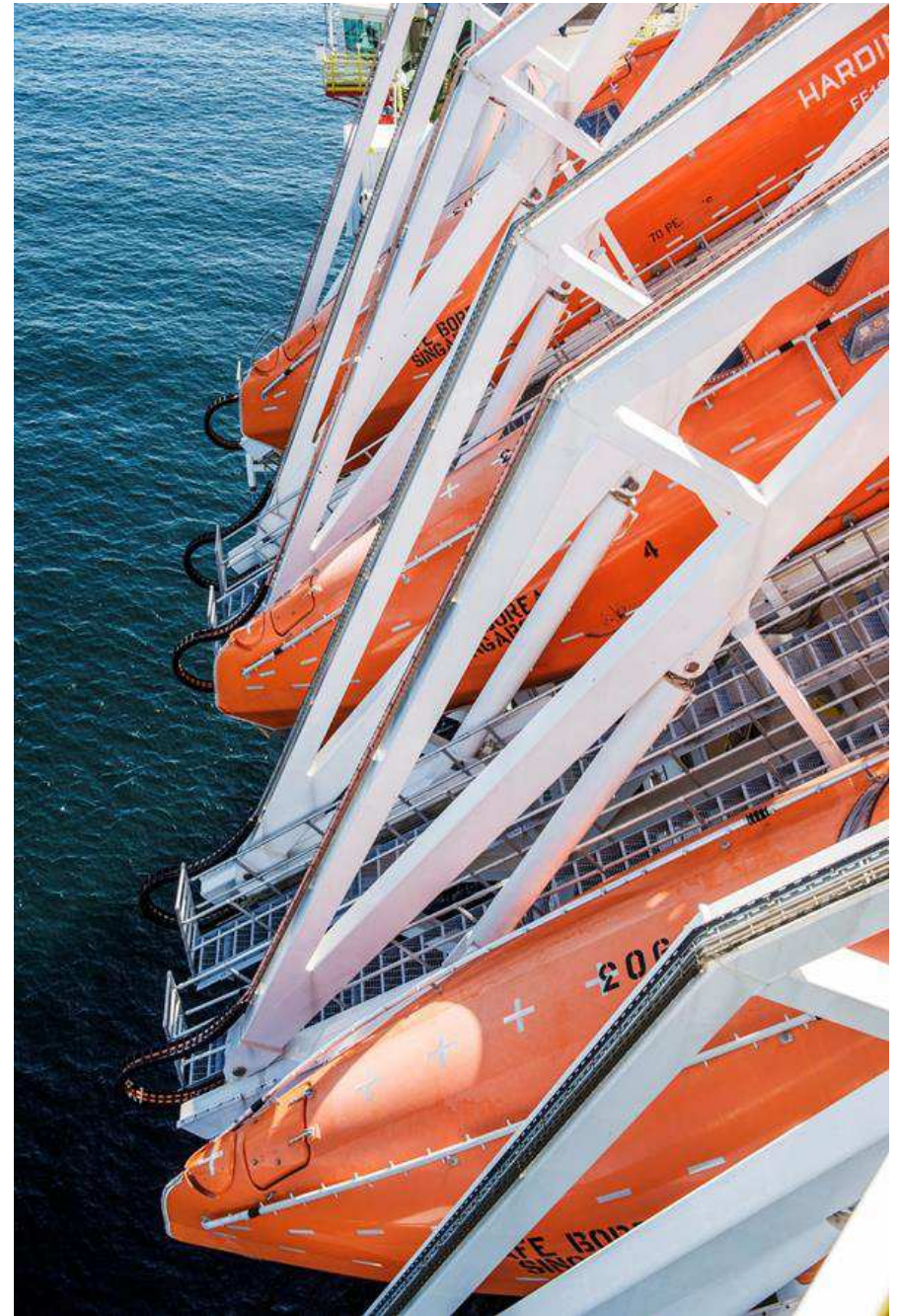
Pareto Securities Nordic Corporate Bond Conference

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Agenda

- **Introduction**
- Status & outlook in brief
 - Industry & company
- Summary
- Appendix

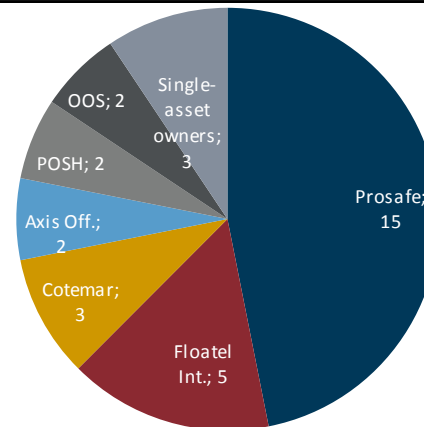


The leading high-end accommodation company globally

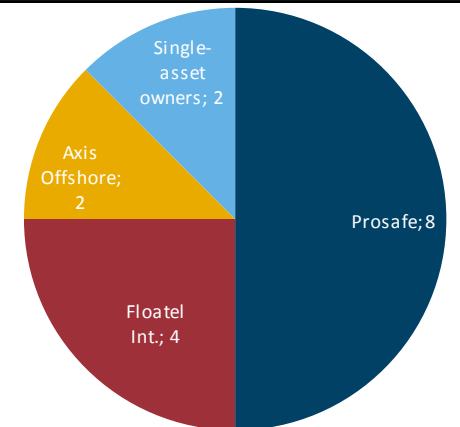
- Prosafe's strategy is to be the preferred supplier of semi-submersible accommodation vessels and to pursue profitable growth within the high end of the offshore accommodation industry
- Currently owns 12 vessels + three new builds in progress
- Three times as large as the second-largest player: 45-50% market share



2016E: Semi owners globally



2016E: Semi owners North Sea

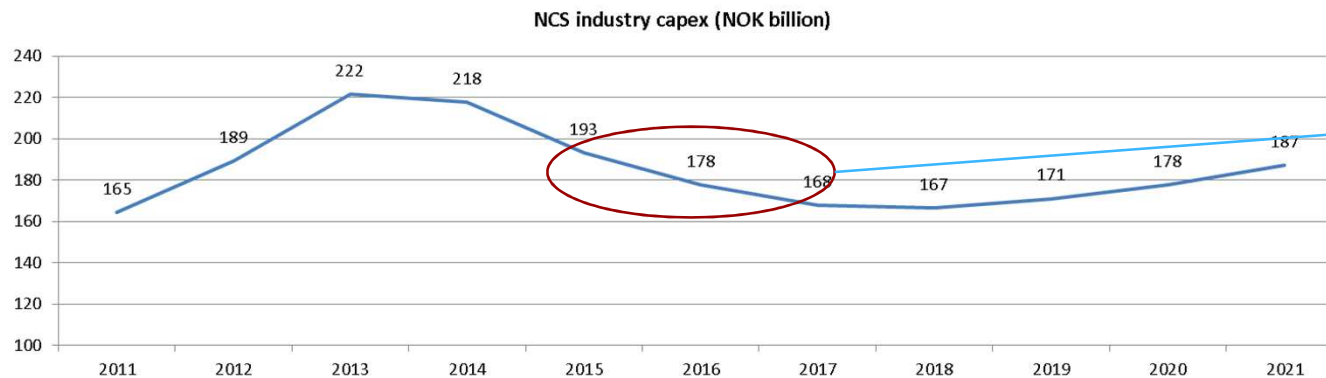


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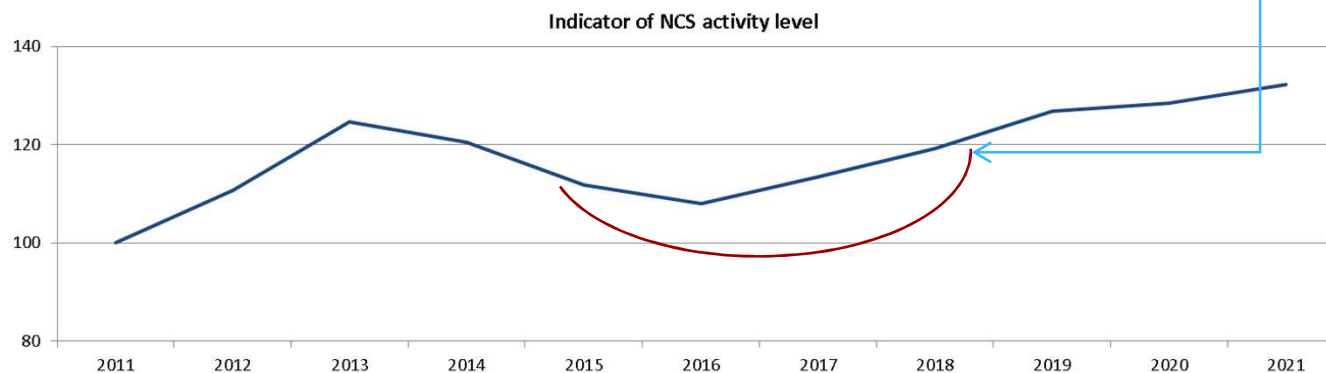
Activity level forecasted to rebound in 2018 when cost levels have been reduced



Some vessels
(i.e supply,
drilling)
contracted
not currently
being utilised

Is this
therefore a
more realistic
scenario?

Source: Norwegian Ministry of Finance (October 2015)



Index based on the industry total capex
and the cost level going forward

Lower cost – Higher activity
(given same capex)

Peak cost level assumed in 2014
25% cost reduction assumed by 2019

2011 = 100 (activity level)

Source: Norwegian Ministry of Finance / Prosafe

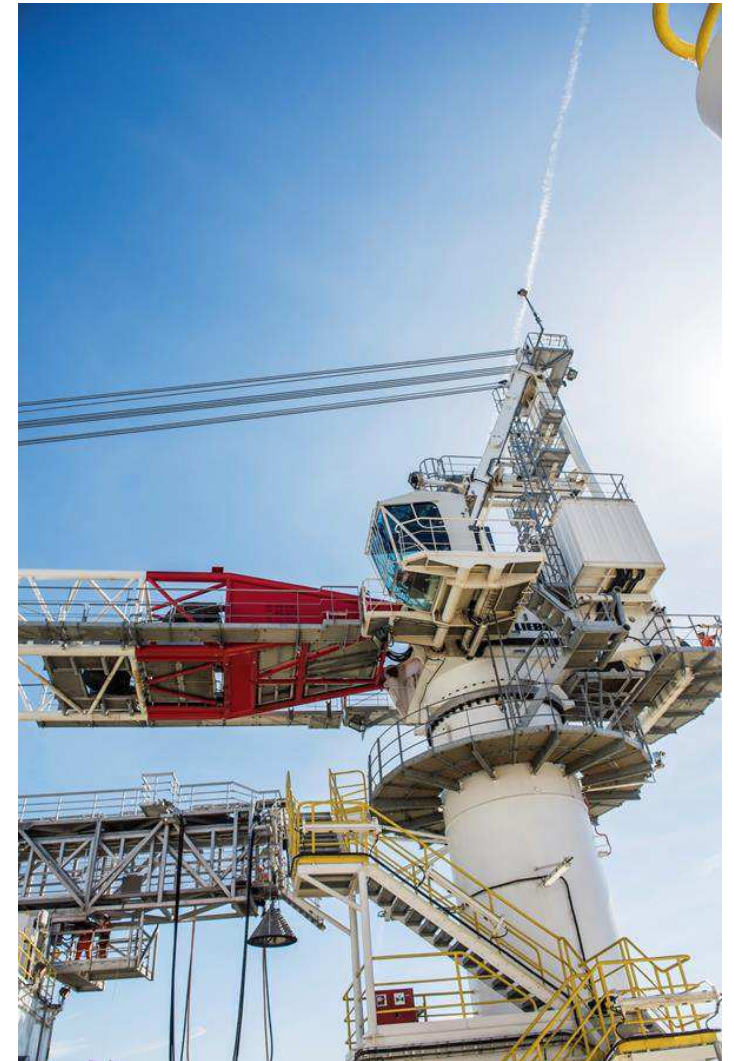
How is Prosafe placed to handle the down-turn?

- Vessels
 - ❑ Clear market leader
 - ❑ High quality vessels
 - ❑ Fleet renewal and new builds
- Operations and organisation
 - ❑ By far the largest operator in high-end offshore accommodation
 - ❑ Unmatched operational track-record from accommodation operations worldwide
 - ❑ Highly competent organisation
- Finance
 - ❑ Lower cost of capital than competitors
- Commercial
 - ❑ Robust order backlog



What is Prosafe doing to handle the down-turn?

- Vessels (capex)
 - Long-term planning of fleet investments to ensure optimal capital allocation both short and long term
- Operations and organisation (opex)
 - Substantial operating cost reduction as a consequence of activity level adjustments, natural currency hedges and cost efficiency measures
- Finance (finance cost)
 - Maintaining a good relationship with all funding sources
- Commercial (revenue)
 - Aiming for win-win agreements with clients



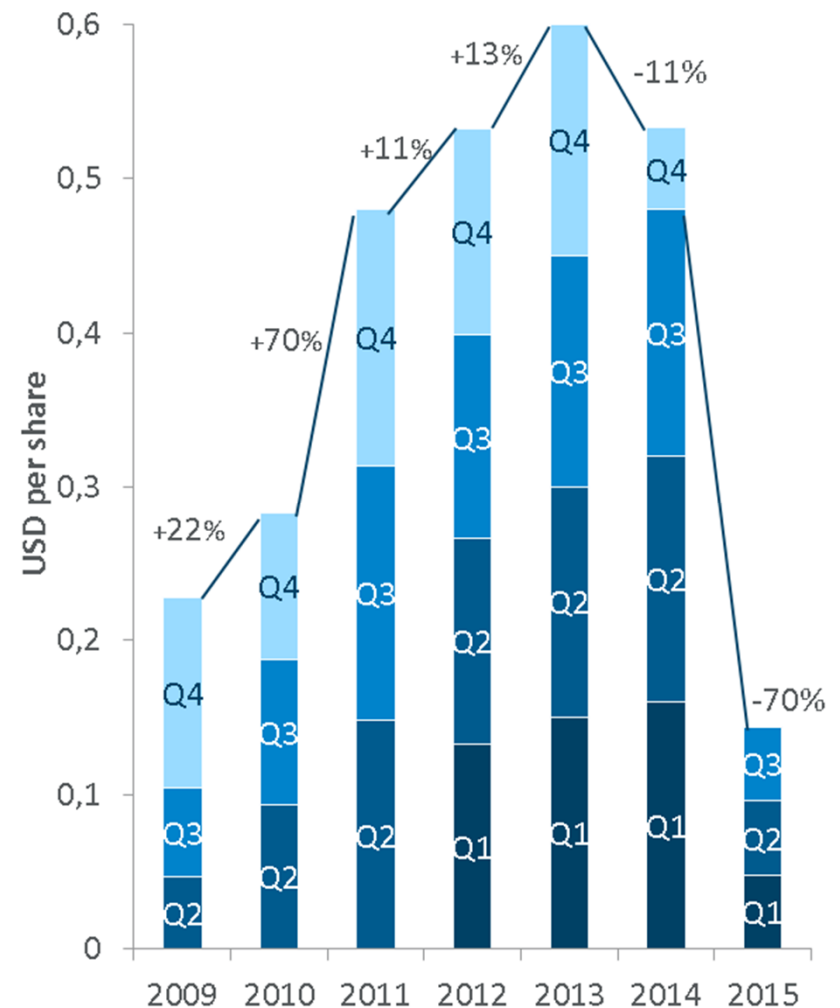
Cost efficiency measures

- Review of cost reduction potential has been ongoing and will continue in light of the industry downturn and market outlook
- The whole cost structure, both onshore and offshore, is under review
- Some measures already implemented, more to follow



Temporary suspension of dividend payments

- The company believes that this will be beneficial for the company, both from a commercial, financial and strategic perspective, and it will improve financial robustness and optionality
- The company reaffirms the long-term dividend policy as described in the Q3 2014 report



Raised NOK 590 million in private placement

- The private placement, which represents approximately 9.99% of the previous outstanding shares, was over-subscribed at the subscription price and supported by existing and new institutional investors
 - Price was NOK 25 per share, representing a premium of 4.6% to the closing price 3 December 2015
- The proceeds will be used to strengthen the company's balance sheet and liquidity position as well as for general corporate purposes
- The proceeds will further strengthen the company's ability to work proactively with all stakeholders, and allow the company to be in a better position to execute on preferred initiatives in the near term challenging market

Bank package – amended terms & conditions

- Leverage ratio (Net Debt to EBITDA, excluding debt related to new builds under construction, and with annualization of contribution from new vessels that have not been in operation for a full year):
 - ❑ From 31 March 2016 to 31 December 2018: <6.0x
 - ❑ From January 2019 and thereafter: <5.0x

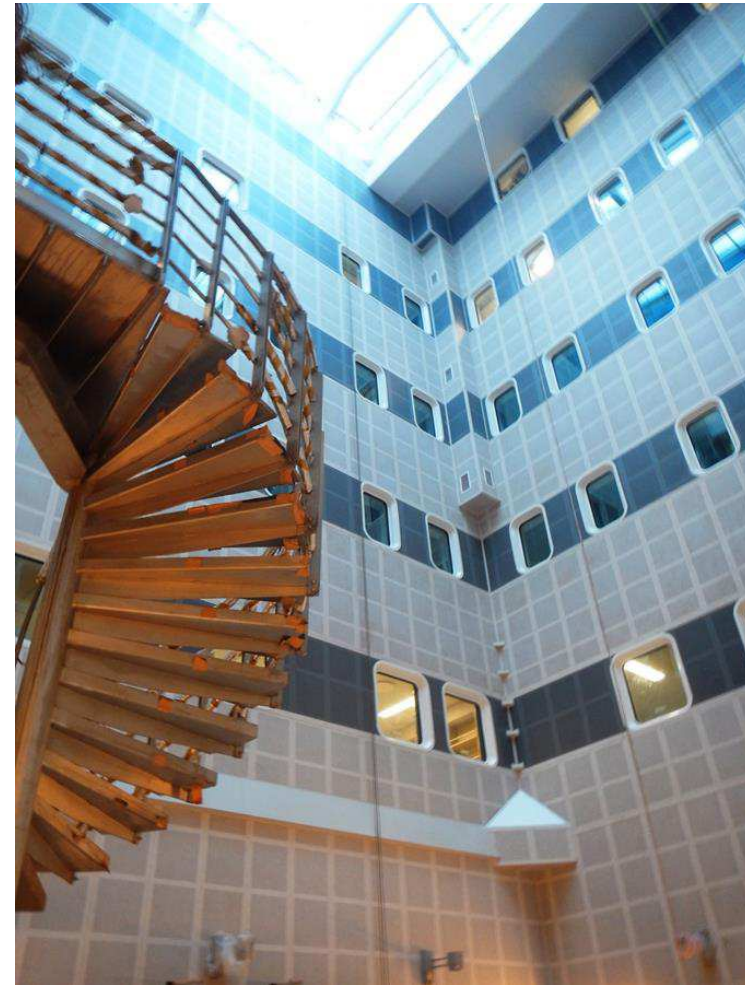
- Equity ratio now means the ratio of the book equity to total assets.
 - ❑ Equity ratio to be minimum 25 per cent from 31 December 2015 until 31 December 2017
 - ❑ From January 2018 and thereafter: 30 per cent thereafter

Bank package – increased liquidity buffer

- Option to voluntary skip scheduled amortizations amounting to USD 130 million in total
 - ❑ No dividends until all skipped amortizations have been repaid and a 12 month financial forecast confirms compliance with original financial covenants (equity ratio to be min. 35% of book equity)
- New pricing
 - ❑ USD 1,300m credit facility: From 1.95% p.a. to leverage based grid pricing of 2.00-2.75%
 - ❑ USD 288m credit facility: From 2.25% p.a. to leverage based grid pricing of 2.25-2.75%

Sellers credit for Safe Zephyrus – increased liquidity

- In connection with delivery of the Safe Zephyrus, currently scheduled for the end of January 2016, the final delivery instalment of the Safe Zephyrus will be reduced by USD 30 million
- This represents a seller's credit from Jurong Shipyard Pte Ltd., to be repaid in a single payment on or before 15 June 2017
- Increased liquidity for the company until mid-2017



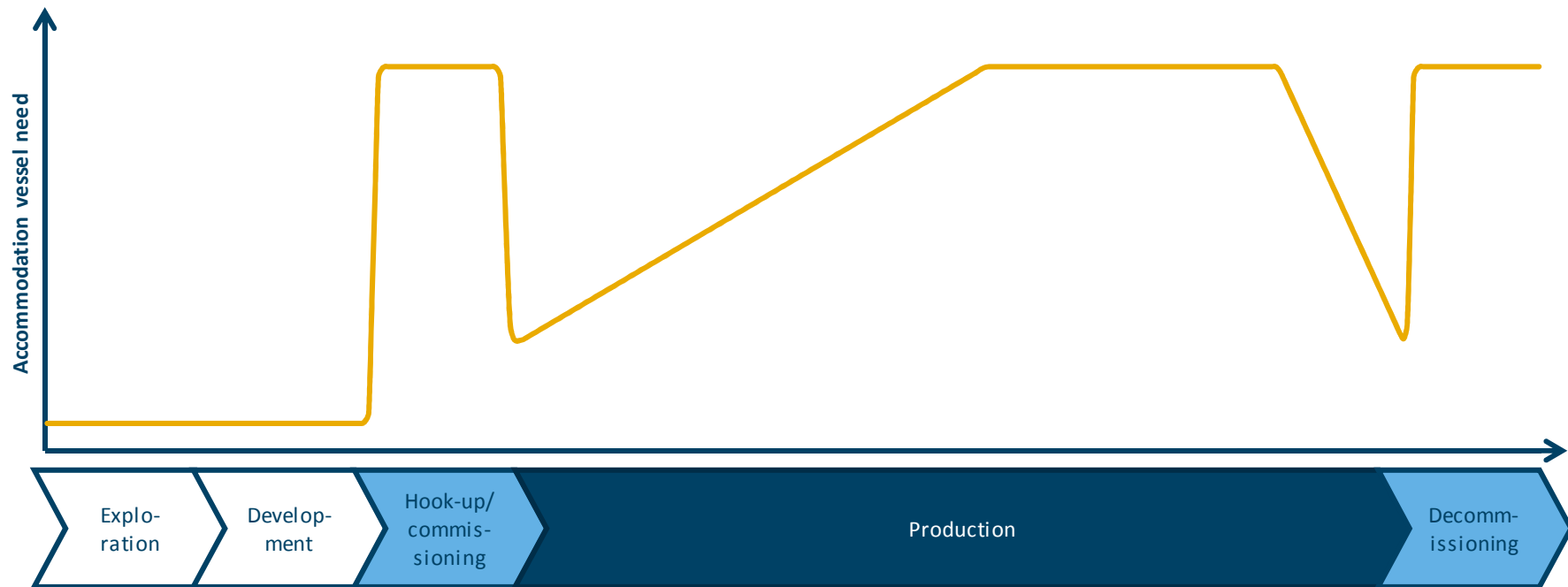
Recent commercial developments

- Statoil – Mariner: A win-win agreement
 - ❑ Moved from start in 2016 to start in 2017
 - ❑ Total value up with USD 55 million and duration up with 5 months
- Mexico:
 - ❑ Safe Hibernia extended until end Q1 2016
 - ❑ Safe Britannia contract ended year-end. Vessel remains in operational readiness mode in Mexico.
 - ❑ Longer term prospects remain positive
- TSV completed and commissioned. Client acceptance testing in progress with contract commencement in the very near future.



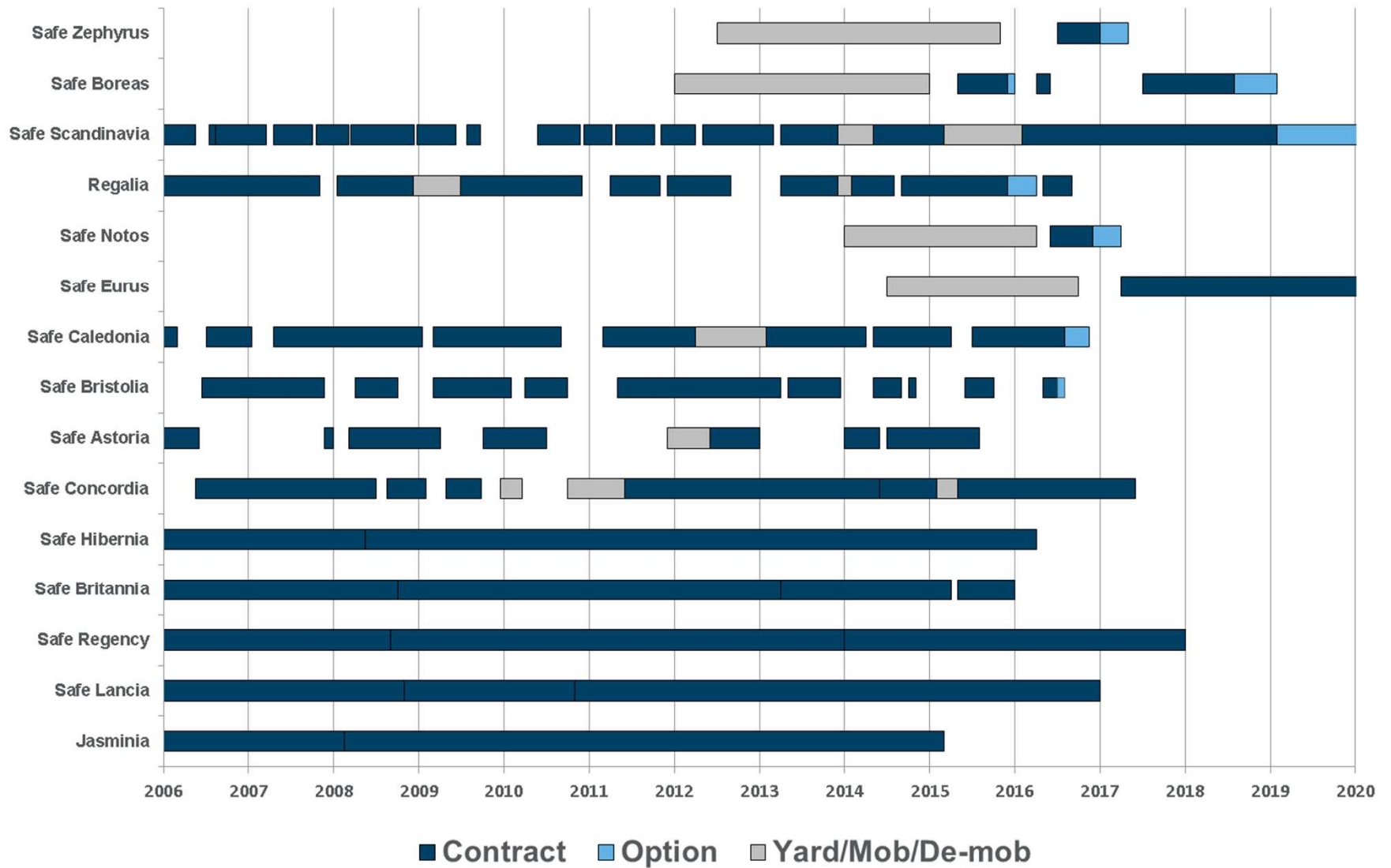
Offshore accommodation

«Back to normal»



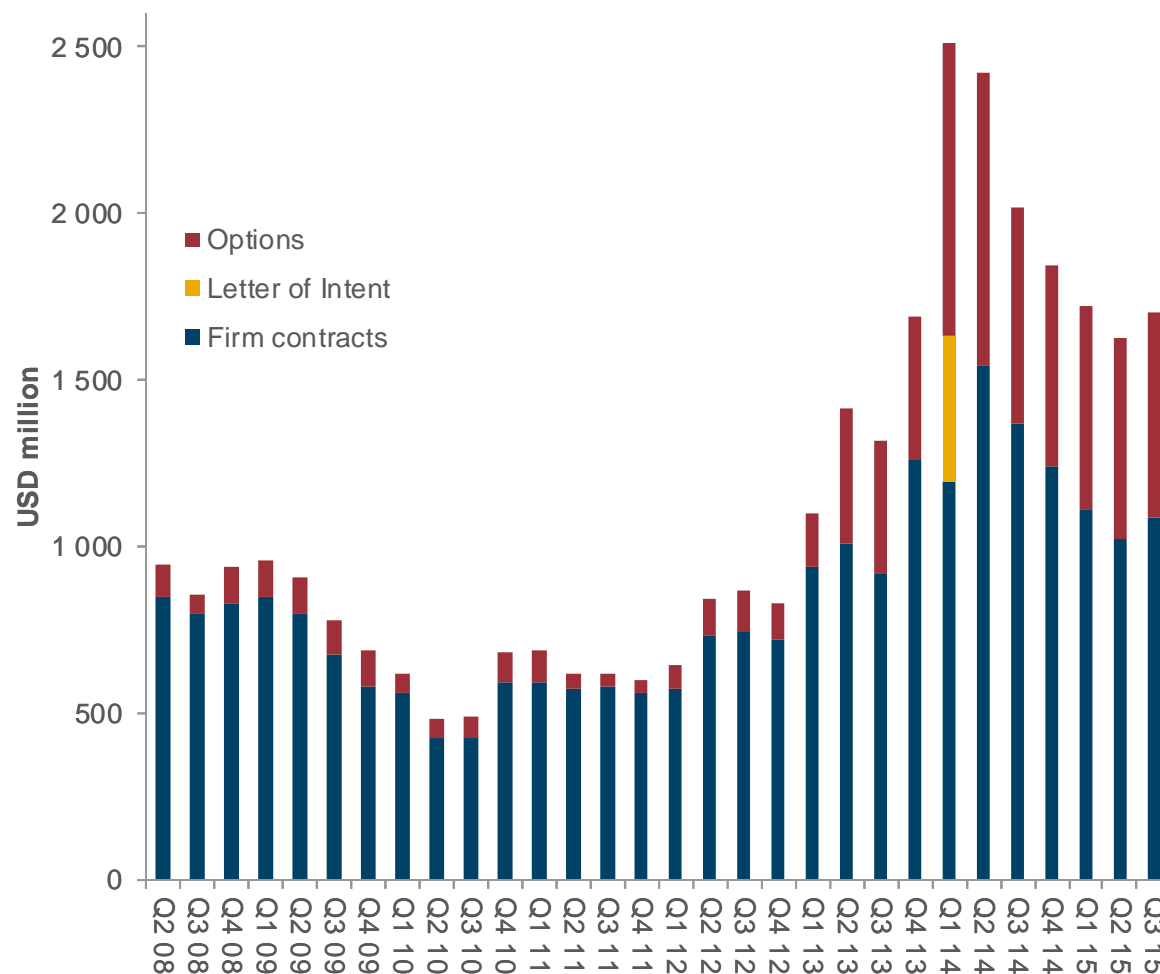
- «Back to normal»: Majority of prospects currently being «traditional demand» like maintenance and modification work
 - In general lead times are shorter for modification work compared to hook-up and commissioning projects

Contract coverage



Contract backlog robust per Q315

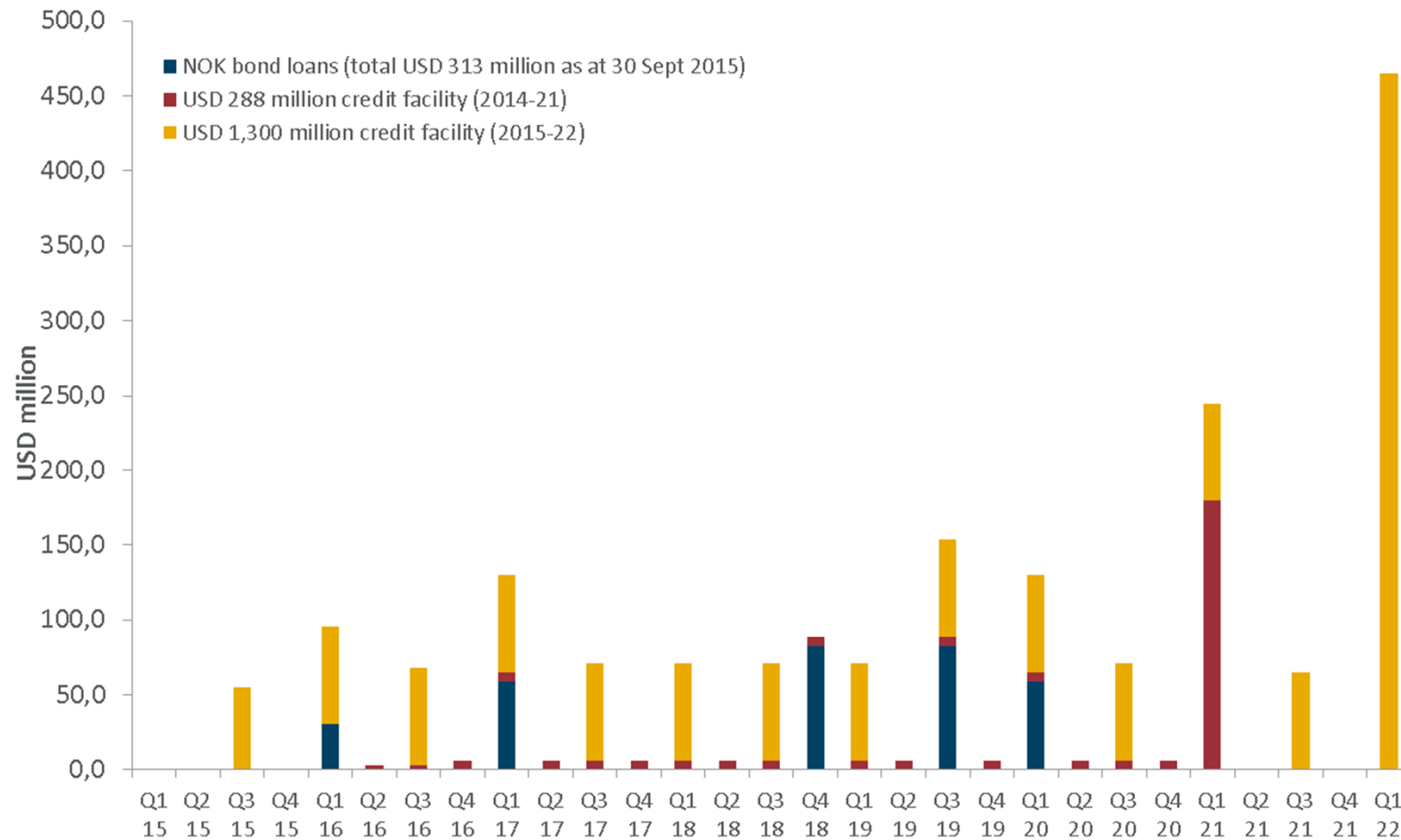
Gross value of charter contracts



Status end Q3 15

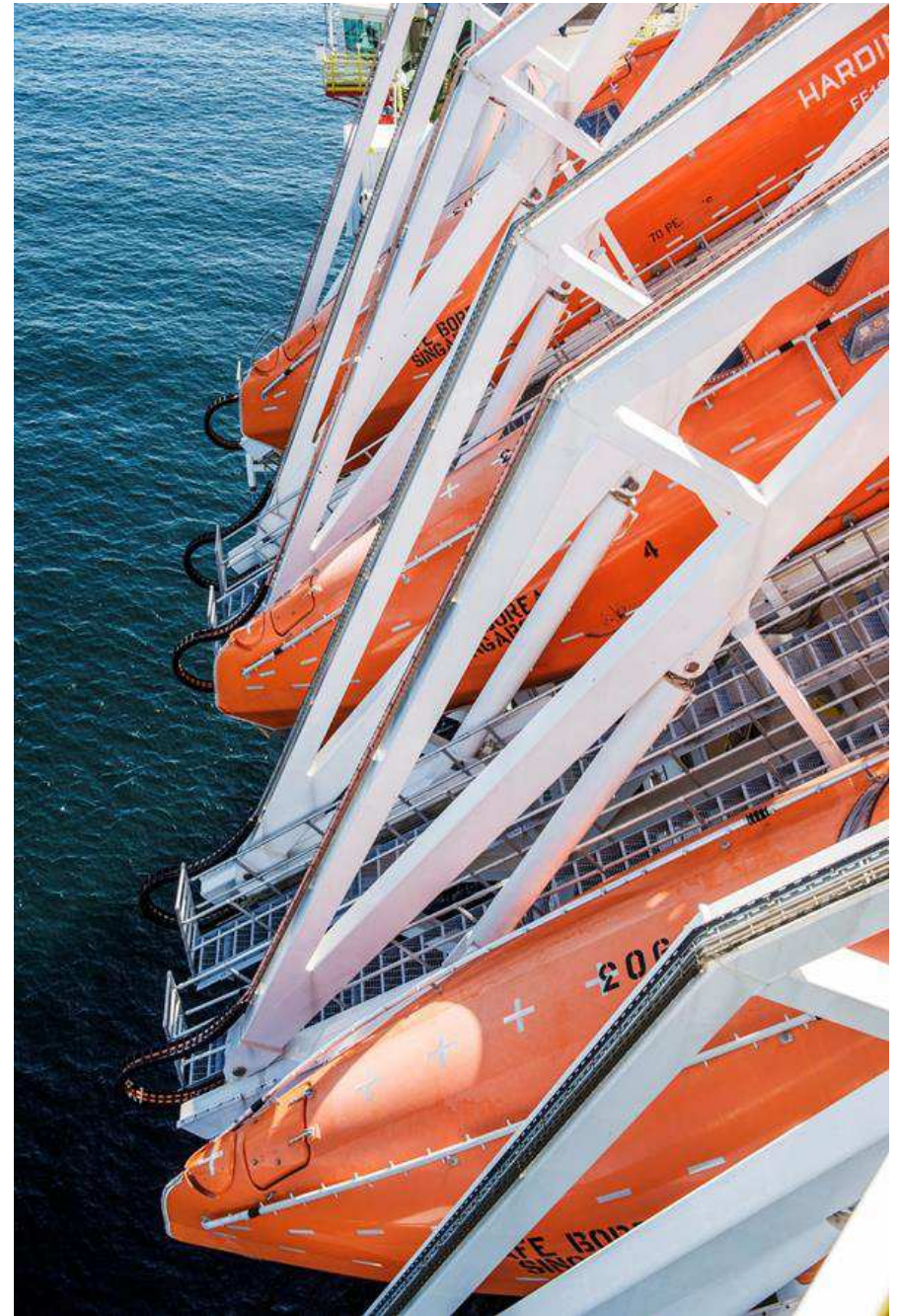
Firm contracts	USD	1084
+ Options	USD	621
= Total	USD	1705

Debt profile



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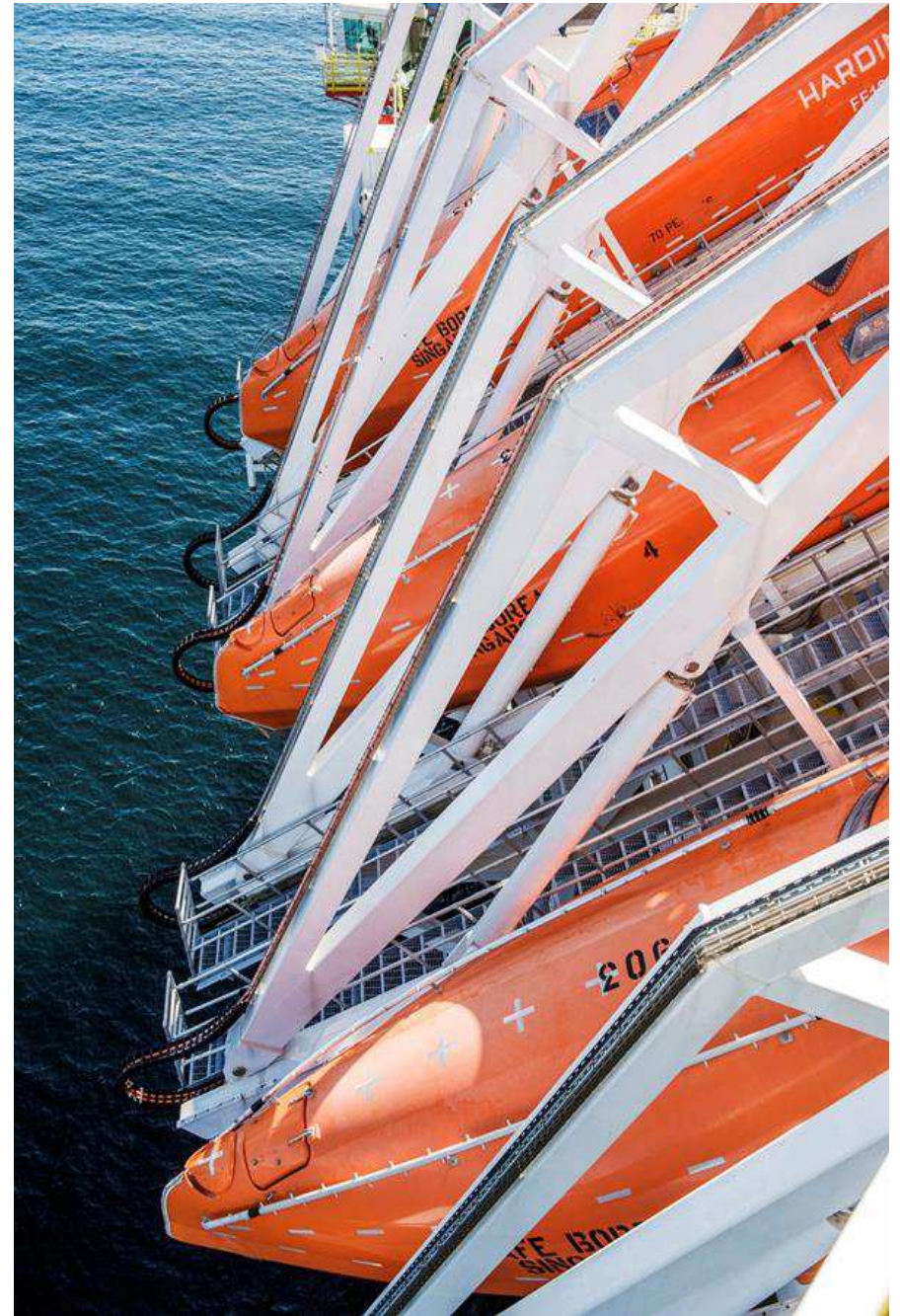
Summary

- Challenging industry conditions
- However, Prosafe is generally well positioned
- Good order backlog through 2016 and into 2017
- The clear market leader globally
- All new builds contracted
- Recent equity issue and bank package further strengthens the company's ability to work proactively with all stakeholders



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- **Appendix**



Debt facilities

Facility	Commitment	Maturity	Margin
NOK 500 million bond (2011-16)	NOK 500 million (Bought back NOK 240 million)	Q1 2016	350 bps
NOK 500 million bond (2012-17)	NOK 500 million	Q1 2017	375 bps
NOK 700 million bond (2013-18)	NOK 700 million	Q4 2018	295 bps
NOK 700 million bond (2014-19)	NOK 700 million	Q3 2019	310 bps
NOK 500 million bond (2013-20)	NOK 500 million	Q1 2020	375 bps
USD 288 million credit facility (2014-21)	USD 288 million	Q1 2021	225-275 bps
USD 1,300 million credit facility (2015-22)	USD 1,300 million	Q1 2022	190 (200-275)bps

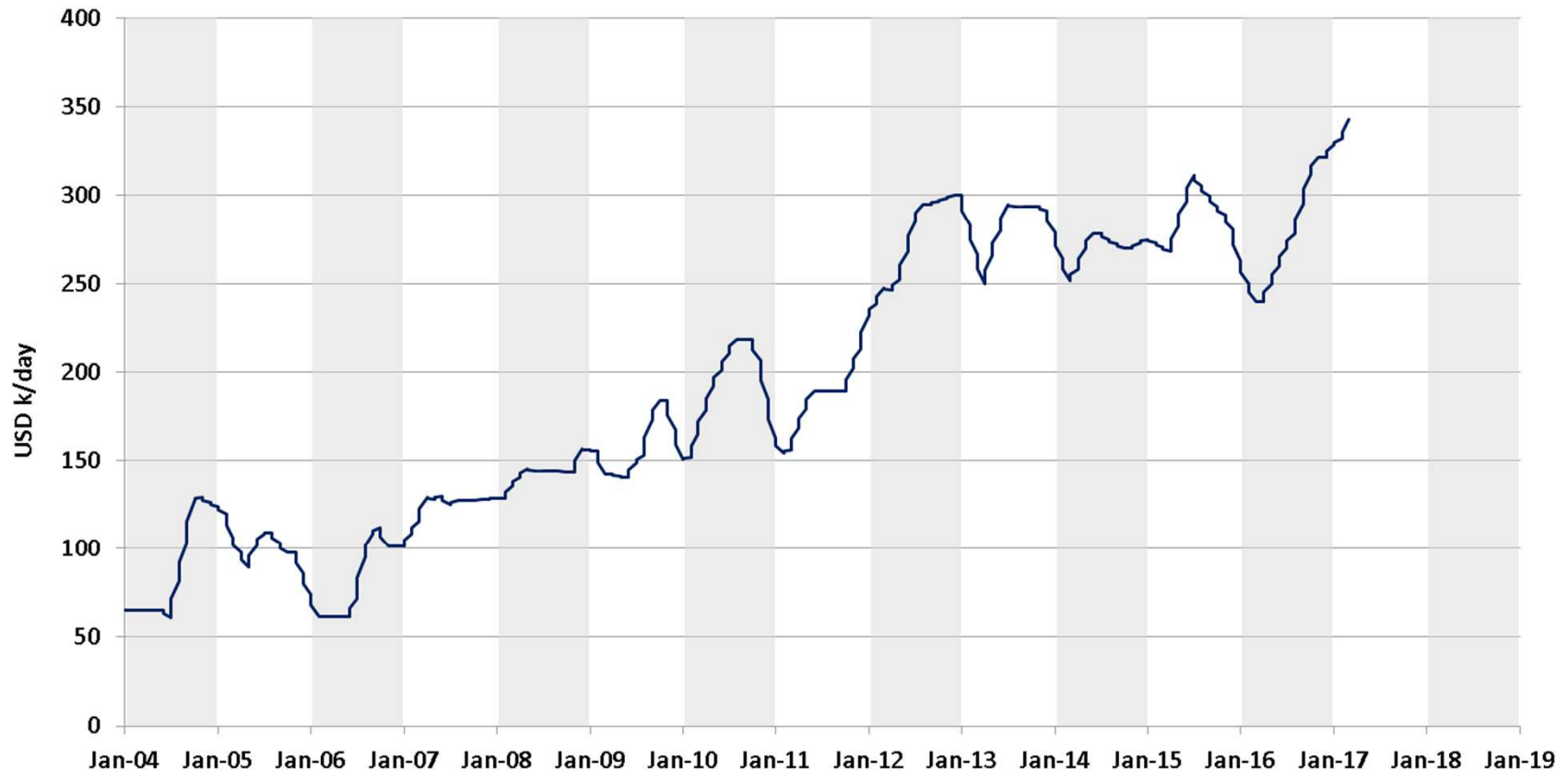
Adjustment mechanism in bank covenant leverage ratio

- Leverage ratio is reported with certain adjustments
 - EBITDA contribution from new builds or acquired vessels that have not been in operation for a full year is annualised and debt related to new builds under construction is excluded
- Reported leverage ratio in Q3 2015: 2.8
 - Without any adjustments as referred to above: 4.0
- Leverage ratio in bank facilities
 - 2015-2017: Adj. Net Debt/ Adj. EBITDA < 5.0
 - 2018-2022: Adj. Net Debt/Adj. EBITDA < 4.5



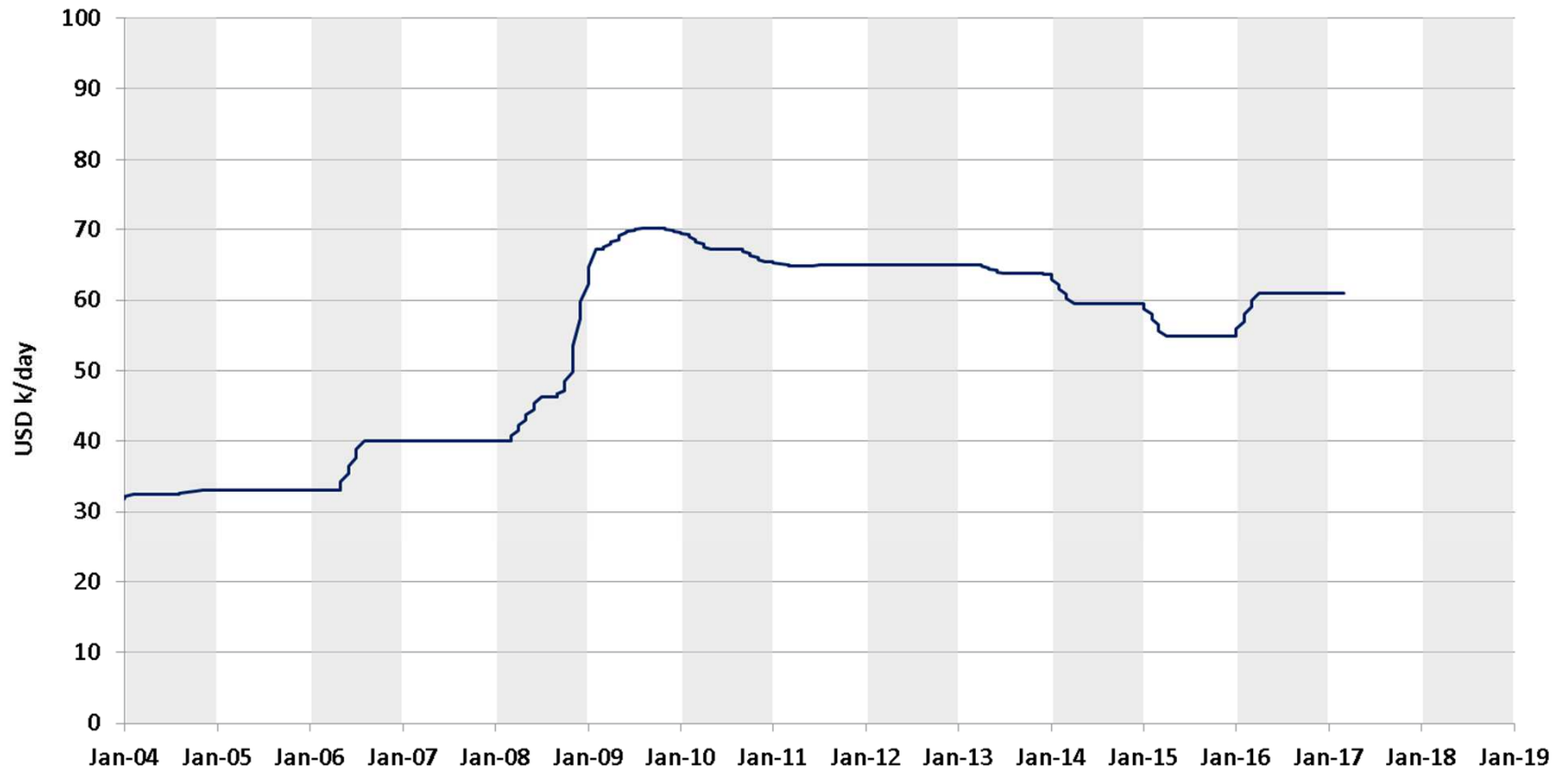
North Sea - dayrates

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



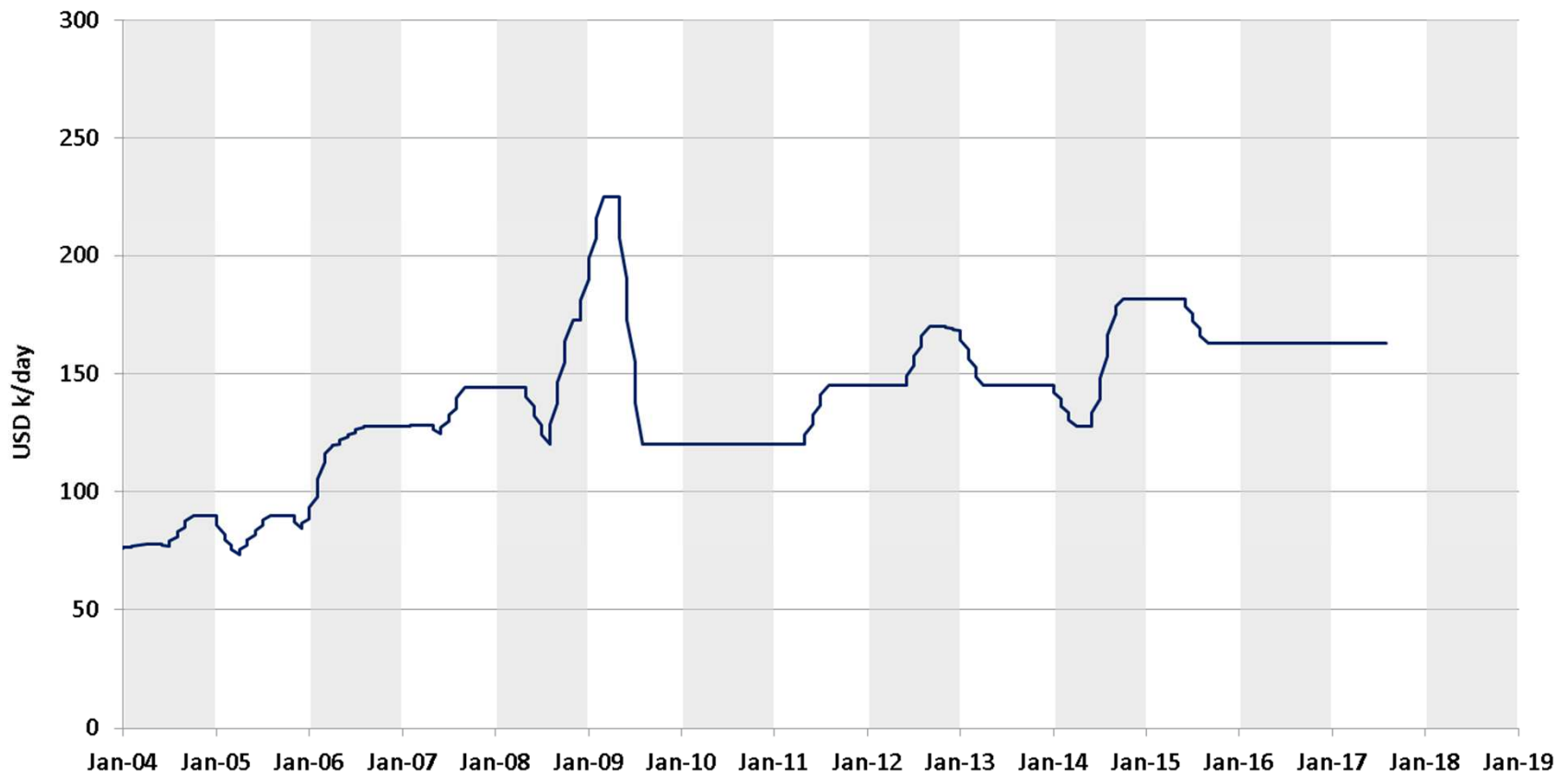
Mexico - dayrates

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



Rest of world, excl. NS - dayrates

TC dayrate for Prosafe's Rest of World vessels (3m moving average)



Income statement

(Unaudited figures in USD million)	Q3 15	Q2 15	Q3 14	9M 15	9M 14	2014
Operating revenues	154.1	92.5	169.5	370.8	394.6	548.7
Operating expenses	(56.5)	(51.0)	(59.9)	(159.3)	(175.9)	(236.1)
EBITDA	97.6	41.5	109.6	211.5	218.7	312.6
Depreciation	(26.3)	(18.7)	(16.6)	(62.0)	(47.8)	(64.3)
Operating profit	71.3	22.8	93.0	149.5	170.9	248.3
Interest income	0.0	0.1	0.2	0.1	0.3	0.3
Interest expenses	(8.2)	(12.8)	(10.0)	(31.2)	(27.1)	(37.3)
Other financial items	(7.4)	5.7	(7.9)	(17.6)	(4.9)	(20.0)
Net financial items	(15.6)	(7.0)	(17.7)	(48.7)	(31.7)	(57.0)
Profit before taxes	55.7	15.8	75.3	100.8	139.2	191.3
Taxes	(2.5)	(3.6)	(7.9)	(8.4)	(11.4)	(12.5)
Net profit	53.2	12.2	67.4	92.4	127.8	178.8
EPS	0.23	0.05	0.29	0.39	0.55	0.76
Diluted EPS	0.23	0.05	0.29	0.39	0.55	0.76

Balance sheet

(Unaudited figures in USD million)	30.09.15	30.06.15	30.09.14	31.12.14
Goodwill	226.7	226.7	226.7	226.7
Vessels	1 698.3	1 611.5	1 004.1	1 027.3
New builds	213.6	211.1	293.7	311.8
Other non-current assets	5.5	6.0	5.2	5.7
Total non-current assets	2 144.1	2 055.3	1 529.7	1 571.5
Cash and deposits	85.2	94.9	145.6	122.4
Other current assets	112.9	91.5	93.6	122.9
Total current assets	198.1	186.4	239.2	245.3
Total assets	2 342.2	2 241.7	1 768.9	1 816.8
Share capital	65.9	65.9	65.9	65.9
Other equity	711.2	694.7	660.7	682.6
Total equity	777.1	760.6	726.6	748.5
Interest-free long-term liabilities	81.9	59.4	45.2	55.9
Interest-bearing long-term debt	1 277.3	1 185.6	919.4	830.1
Total long-term liabilities	1 359.2	1 245.0	964.6	886.0
Other interest-free current liabilities	175.3	203.1	77.7	182.3
Current portion of long-term debt	30.6	33.0	0.0	0.0
Total current liabilities	205.9	236.1	77.7	182.3
Total equity and liabilities	2 342.2	2 241.7	1 768.9	1 816.8