March 2016

Company presentation

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Agenda

- **Recent developments**
- Status on operations and projects
- Outlook & Summary
- Appendix

Recent developments

- **February 2016:** Bond amendments in place
  - Covenants aligned with bank
- **January 2016:** Bank amendments in place
  - Covenant amendments and skipped payment options up to USD 130 mill

- **December 2015:** Private Placement NOK 590 mill
- **Fleet renewal:**
  - Safe Zephyrus (delivered January 2016)
  - Safe Notos (delivered February 2016)

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Fleet renewal strategy nearing completion

- 20-year life extension for Regalia and, Safe Caledonia and Safe Scandinavia completed
- Safe Boreas, new build delivered 2015
- Safe Zephyrus, new build delivered 2016
- Safe Notos, new build delivered 2016
- Safe Eurus, new build to be delivered 2016

Safe Boreas delivered 2015

- Completed its first contract for Lundin at Edward Grieg in 2015
- Scheduled to work for Talisman in the UK from April 2016
- Scheduled to do the Statoil Mariner contract from late Summer 2017

Safe Zephyrus delivered

- The final delivery instalment of the Safe Zephyrus was 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
- Prosafe has drawn USD 200 million on the USD 1,300 mill credit facility in connection with delivery
- Safe Zephyrus is scheduled to commence a contract in Norway early Q3 2016

Safe Notos delivered

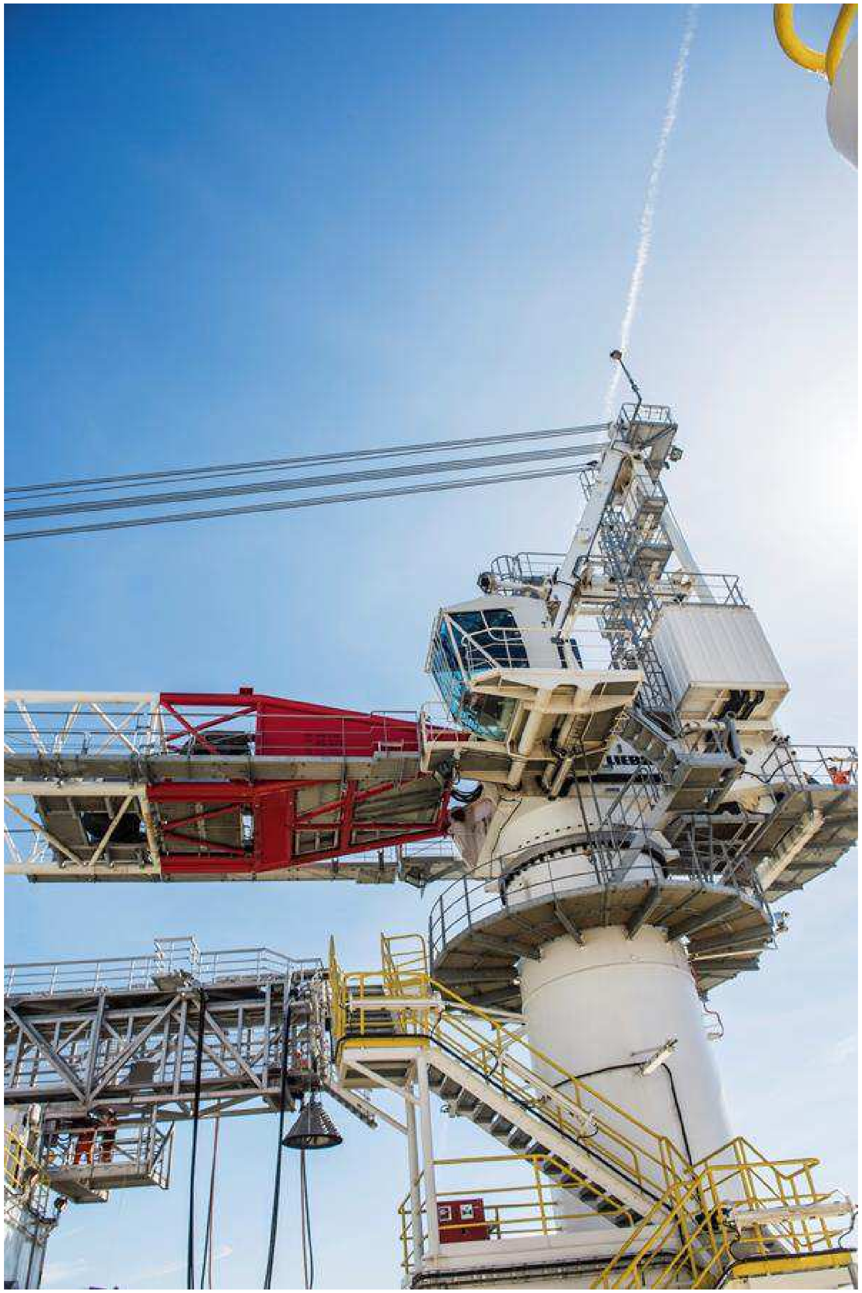
- The final delivery instalment of the Safe Notos was reduced by USD 29 million
  - This represents a seller's credit from Cosco to be repaid in a single payment end of 2016
- Prosafe has drawn USD 144 million on the USD 288 million credit facility in connection with delivery

Safe Scandinavia TSV project

- The rig is in yard in Ølensvåg
- Initial 3 year contract plus options with Statoil as a Tender Support Vessel (TSV) at Oseberg Øst in Norway
- As stated earlier the acceptance testing has showed a need for adjustments to the mud mix system, and this is currently ongoing
- Once the system is ready and accepted the plan is to mobilize to Oseberg and commence drilling support operations

Capital expenditure

- Capex 2015 of USD 700 million
- Guidance of capital expenditure in 2016 of about USD 700 million
- Major capex items in 2016
  - New builds delivery instalments
  - Fixed price contracts
- Capex coming down to an estimated USD 50-60 million total for the fleet from 2017 onwards



Cost efficiency measures

- Cost efficiency measures have been implemented and further actions will be taken in light of the industry downturn and outlook
- The whole cost structure is under review. About USD 15 million in permanent annual savings already achieved. These savings will be in addition to the greater effects from natural currency hedges and ordinary activity level adjustments
- The target is to at least double the savings and efficiency gains to USD 30-40 mill / annum

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Mexico

- Jasminia off-hire since early 2015
- Safe Britannia completed her contract assignment end-2015. Remains off-hire
- Safe Hibernia off contract from 15th February 2016
- Pemex continues focus on spend and cost reductions in the current low oil price environment

- A by-product of the cost cutting is a decrease in offshore workforce in a region dependent on high levels of platform maintenance
- Further uncertainty remains, however longer term outlook anticipated to also provide opportunities

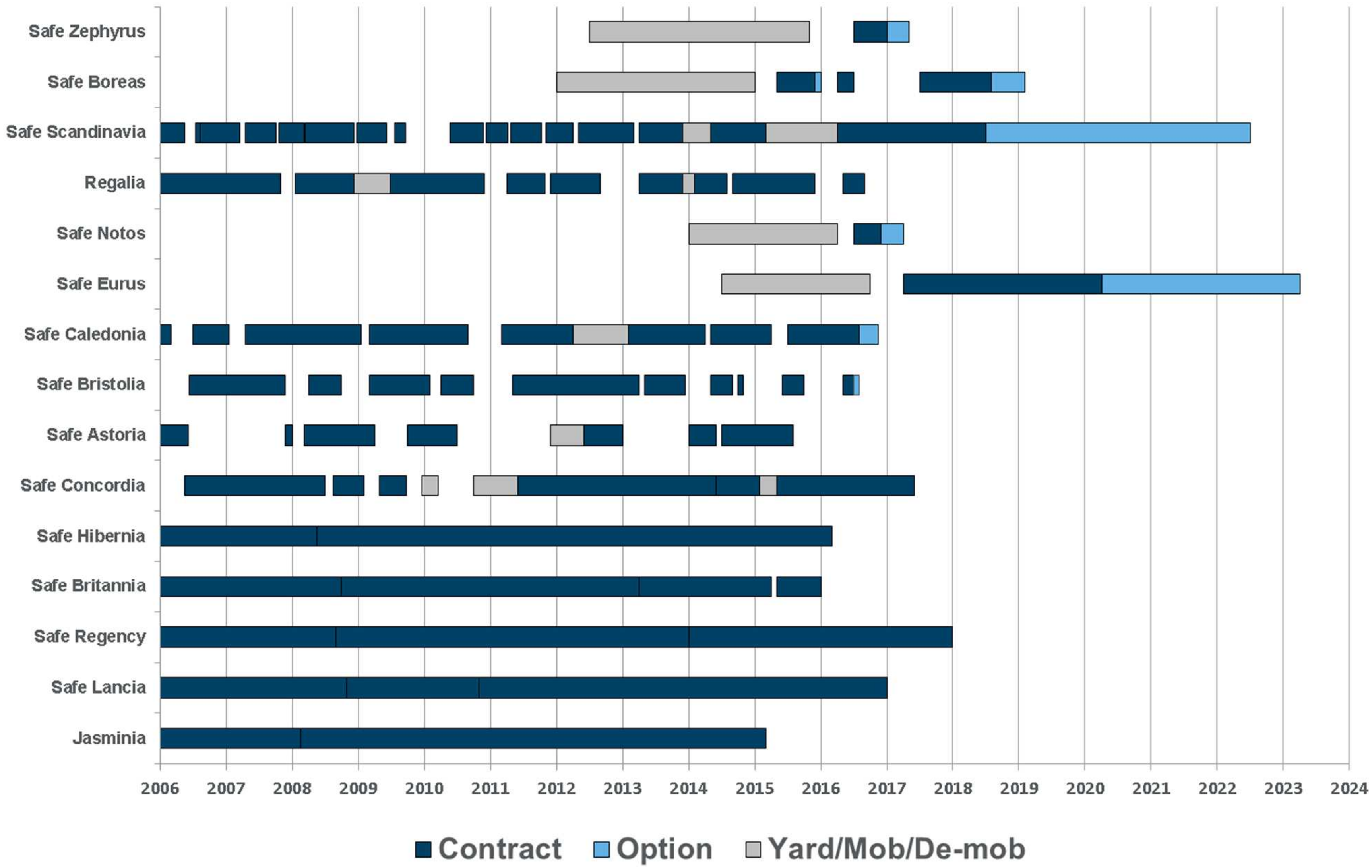
Brazil

- Safe Concordia contracted through to mid-2017
- Safe Eurus to commence contract from end Q1 2017 on a three-year contract
- Pressure on Petrobras to lower costs – flowing through to contractors with commercial discussions ongoing
- Anticipate high-end equipment to be prioritised in the longer term

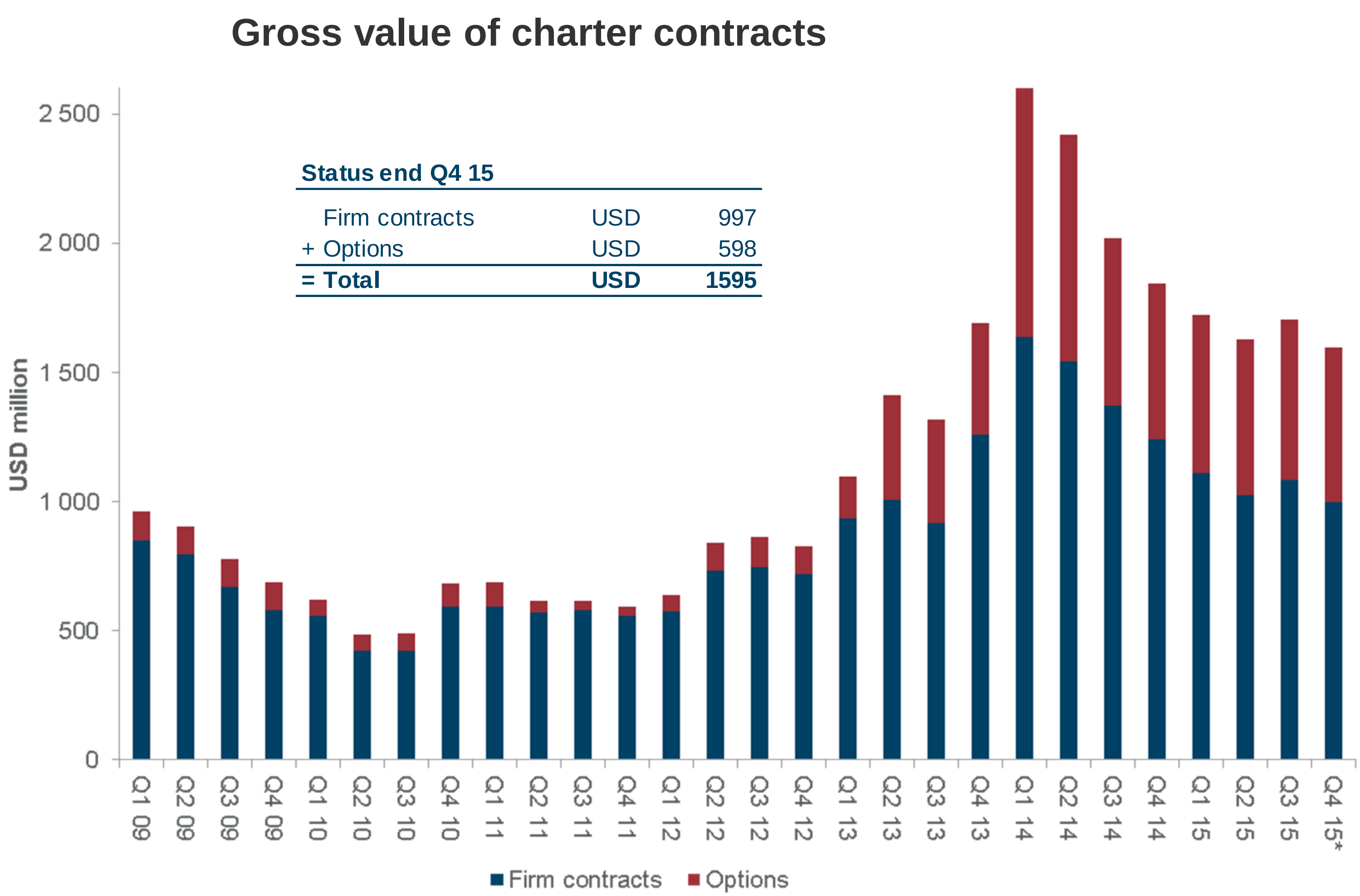
Other regions - opportunities

- A number of West African prospects have emerged with large operators
- Tendering ongoing for work in 2017 and 2018 including potential multi-year contracts

Contract coverage



Contract backlog per Q4 2015

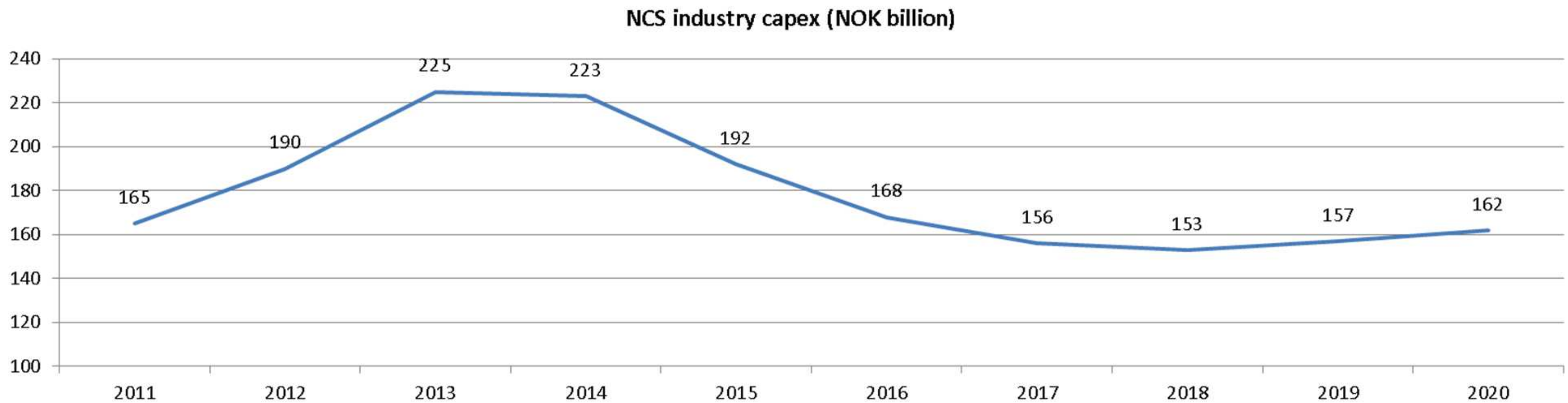


Status end Q4 15

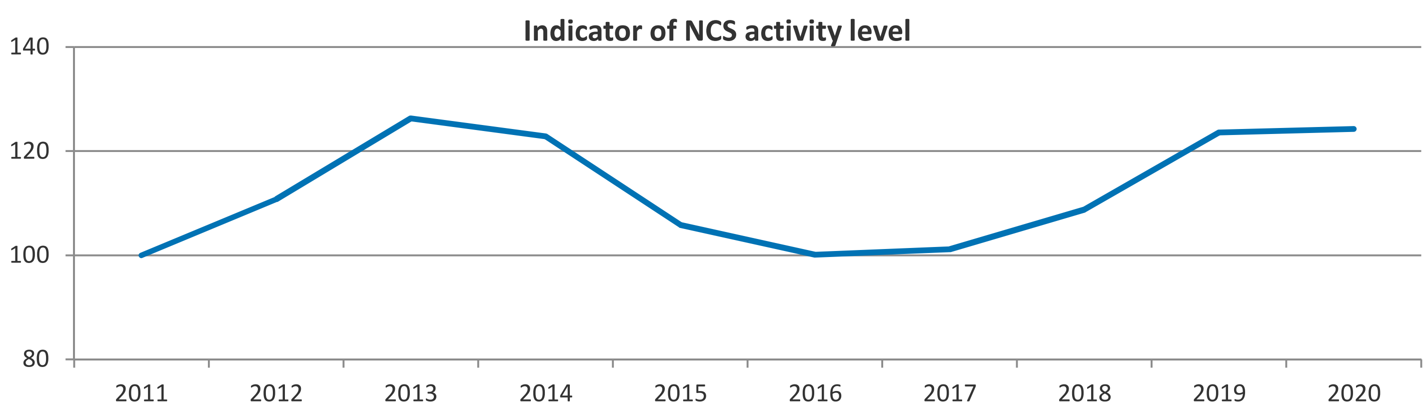
Firm contracts	USD	997
+ Options	USD	598
= Total	**USD**	**1595**

* Including Statoil-Mariner amendment which was announced 4 January 2016

Activity level forecasted to recover from 2018



Source: NPD Sokkelåret Q4 2015



Source: NDP Sokkelåret 2015 / Prosafe

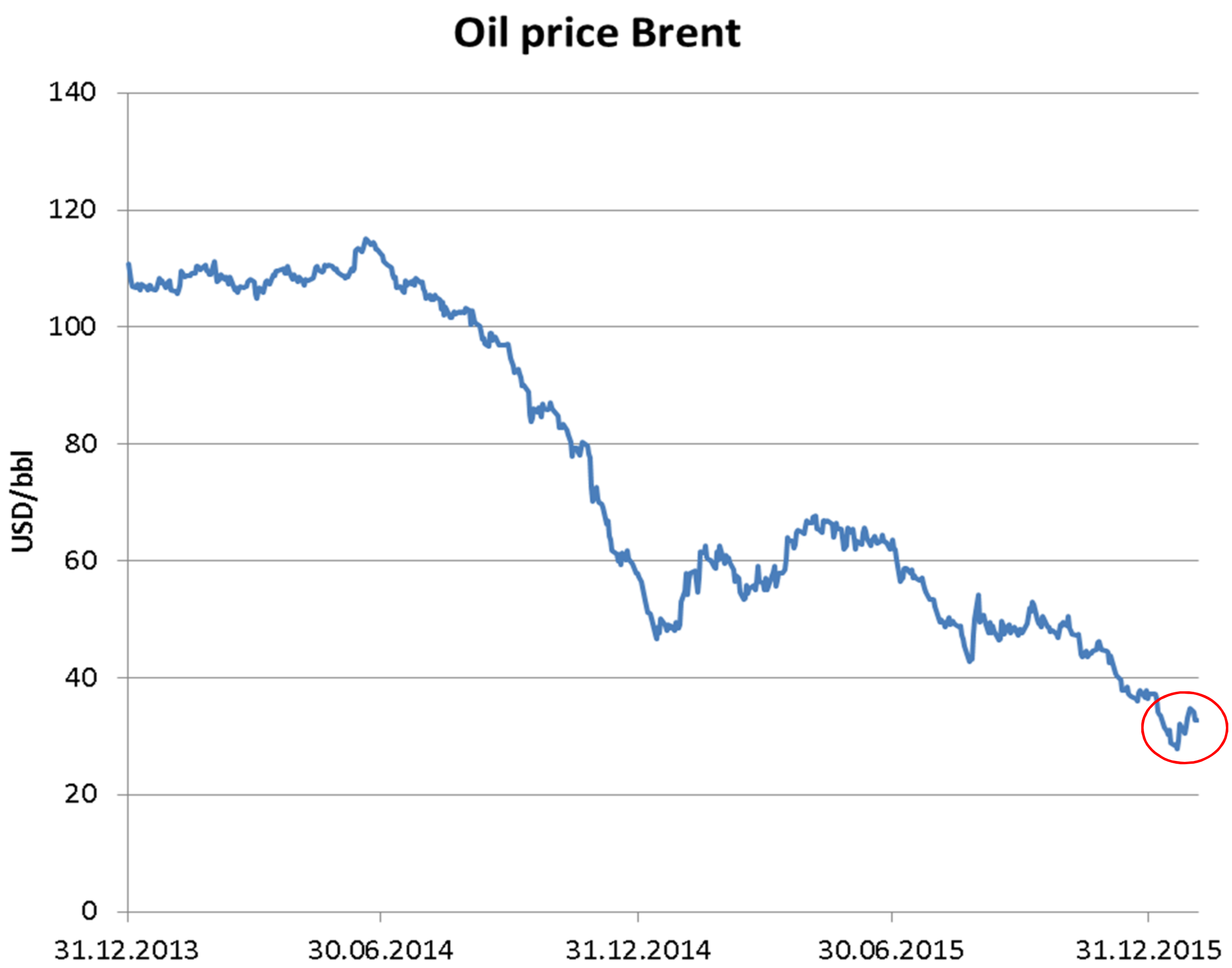
Indicative result of cost effectiveness:
- Index based on the industry total capex and cost level going forward
- Pending a.o. oil price

Lower cost = Higher activity (given same capex)

Example: Peak cost level assumed in 2014 with 30% cost reduction assumed by 2019

2011 = 100 (activity level)

However, oil price below USD 40 – a game changer in the near term?



Summary

- Industry conditions remain challenging
    - Oil price below USD 40 – a game changer in the near term?
- Prosafe is relatively well positioned as the market leader globally
- Indicators point towards demand improvement from 2018 onwards
- Continue to work proactively in a challenging market

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Status covenants Q415

- Leverage ratio is reported with certain adjustments
  - EBITDA contribution from new builds/conversions/acquired vessels that have not been in operation for a full year is annualised and debt related to new builds under construction is excluded until delivery
- Reported leverage ratio in Q4 2015: 2.5
  - Credit margin therefore in the lowest grid: 2% and 2.25% on the USD 1.3 billion and USD 288 million facilities respectively
- Book equity: 36.6% at Q4 2015

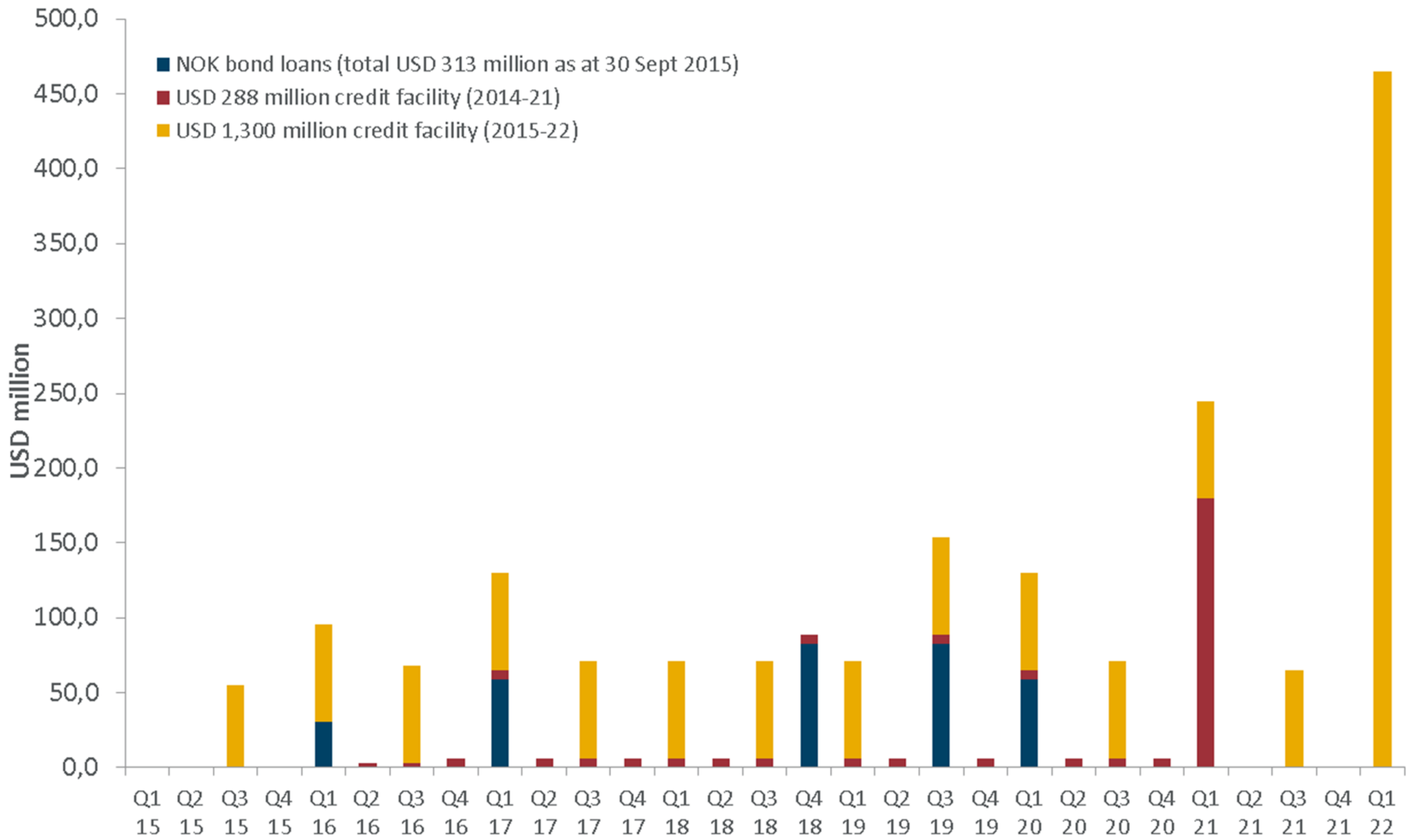
Created additional headroom to financial covenants in bank credit facilities

- Leverage ratio (Net Debt to EBITDA, excluding debt related to new builds under construction, and with annualisation 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

Created additional headroom to financial covenants in bond agreements

- Agreed with bondholders to adjust equity and leverage covenants in the bond agreements so as to be aligned with the covenants in the bank credit facilities – ref. previous slide

Debt profile



Excl. skipped payment options in bank credit facilities