March 2017

Company update

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.

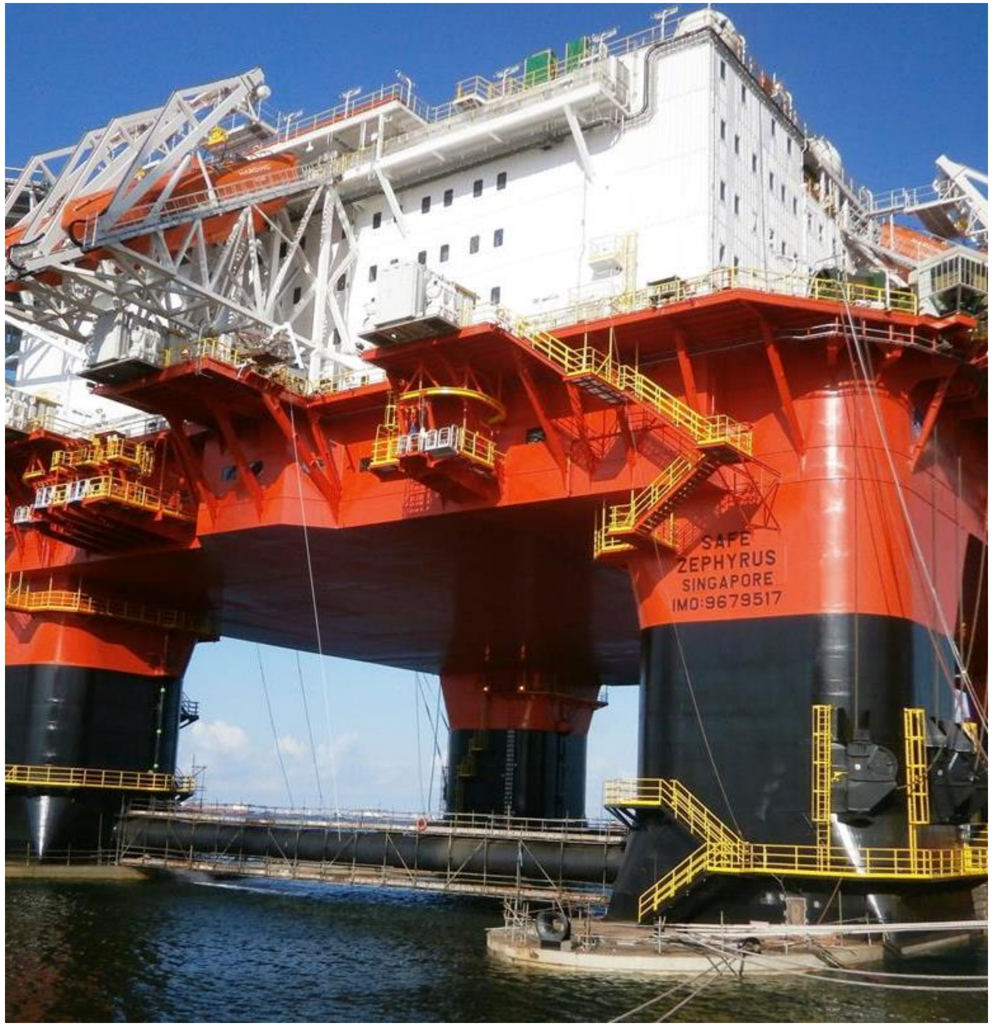
Agenda

- **Prosafe in brief**
- Plan the work - Work the plan
- Status and Outlook
- Summary

Prosafe

Who we are

1. *World's most diversified fleet of 9 semi-submersible accommodation-, service- and safety vessels and one TSV vessel*
2. *Late cyclical, typically exposed to brownfield MMO type work as well as hook-up and decommissioning*
3. *EBITDA from USD 300 mill in 2014 to guidance of USD 110 + in 2017*
   Total assets of USD 2.7 billion / Book equity 40%
4. *Headquartered in Cyprus - offices in Brazil, UK, Norway and Singapore*
5. *Working the plan to be the world leader*



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Prosafe

Plan the work - Work the plan

Rebuilding of Prosafe - status

- Company refinanced
- Strengthened management structure and team in place
- Reorganisation and substantial cuts for efficiency
- Capex reduction for liquidity preservation
- Fleet high-grading from scrapping
- Consolidation and fleet renewal
- Flexible models for strategic optionality
- Commercial strategy adapted to circumstances

Strengthening the management team

Functional responsibility

- Clearly defined roles and responsibilities

CEO, Jesper K. Andresen Prosafe Management AS		DCEO & CFO, Stig H. Christiansen Prosafe Management AS		
Strategic Projects	Commercial	Operations	Finance	Business Support

Update on cost and capex

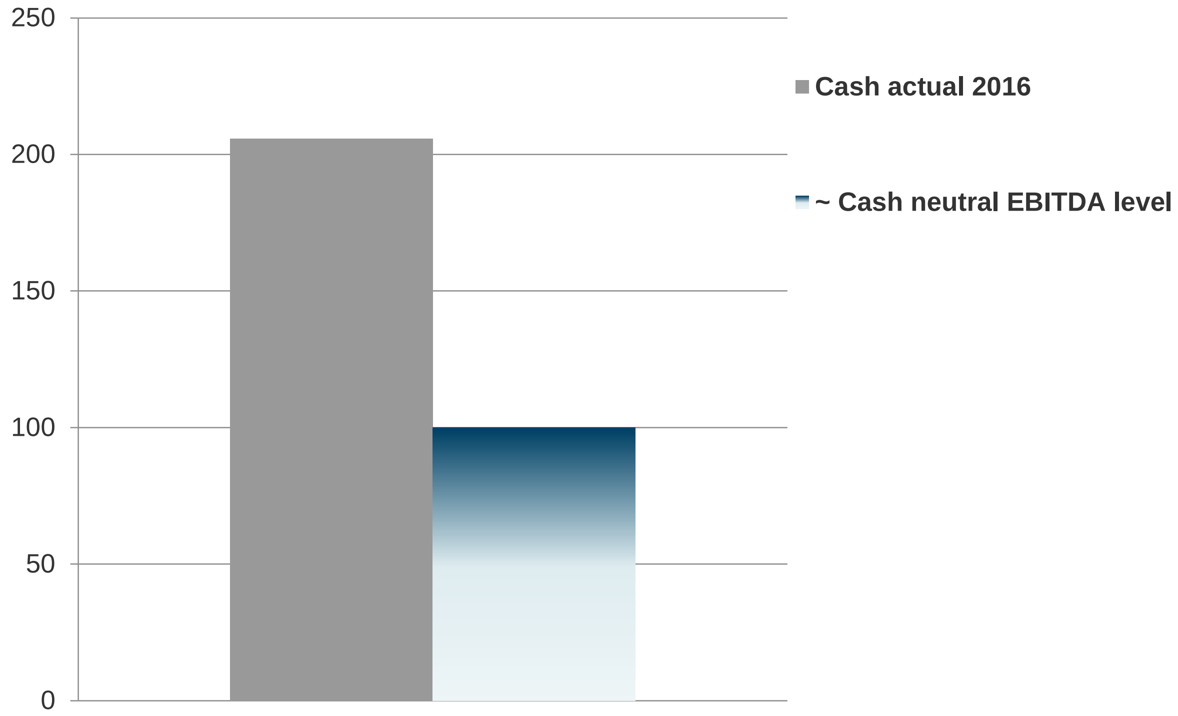
	2011-2015 annual average levels	Initial target levels	Run rate (January 2017)	Ambition By Q2
Offshore opex[1)]	USD 180m	USD 140 – 150m	USD 130 – 140m	Further reductions of 10%+/-
Onshore opex	USD 40m	USD 28m (-USD 10-12 m/ 25-30%))	USD 24m/-40% (= 18% versus 10% indicated in Q3)	Further reductions of 10%+/-
Annual fleet capex	USD 60m	USD 20-30m	USD 10-15m	USD 10-15m
Headcount reduction (in %)		35-40 percent		45-50% onshore. Offshore pending vessel activity – 20-35%

1) Will to some extent be affected by activity level

Protecting the runway

- Strong cash flow generation in Q4
  - EBITDA higher than anticipated
  - Capex lower than anticipated
  - Cost lower than anticipated

- Cash neutral at EBITDA of about USD 100 million[1)]



[1)] 2017 is however impacted by USD 30 million repayment of sellers credit to Jurong. On the RCF, MUSD 30 was prepaid in Q4 2016 and utilised for a bank guarantee. If and when this BG is deleted, the company will have MUSD 30 available under the RCF to draw.

Being active in the restructuring of the industry

Creation:

Merger between Procon Offshore and Safe Offshore

Regalia ('85/'09)

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

«Next phase restructuring»

1.Consolidation
2. More scrapping

1997 | 1998-2006 | 2011-2016 | 2016 | 2017

Fleet renewal and rightsizing

- Completed the acquisition of the Safe Nova and Safe Vega
  - Termination rights and USD 60 million refund guarantee intact
  - Started marketing of the Safe Swift (pre. Dan Swift)
- Dialogue for optimal flexibility and value creation commenced with yard in China
- Continued scrapping with Safe Lancia being the 4th vessel

Diversified fleet and flexible models

High End | Operated


Zephyrus ('16)


Notos ('16)


Boreas ('15)


Caledonia ('82/'12)


Axis Nova ('17E)


Axis Vega ('17E)


Eurus ('19E)

Mid Water | Operated/Managed


Regalia ('85/'09)


Astoria ('83/'12)


Concordia ('05/'15)


Bristolia ('83/'08)


Dan Swift ('85/'09)


Regency ('82/'03)

Drilling Support | Operated


Scandinavia ('84/'15)

Prosafe will pursue value enhancing activities by also considering:
- Management (e.g. Safe Swift)
- Part ownership
- Pooling arrangements

In addition Prosafe has termination rights and refund rights of ca. USD 60 mill. On this basis Prosafe has commenced negotiations with Cosco and related parties for an acceptable commercial solution

Strategic optionality to meet client needs in most regions

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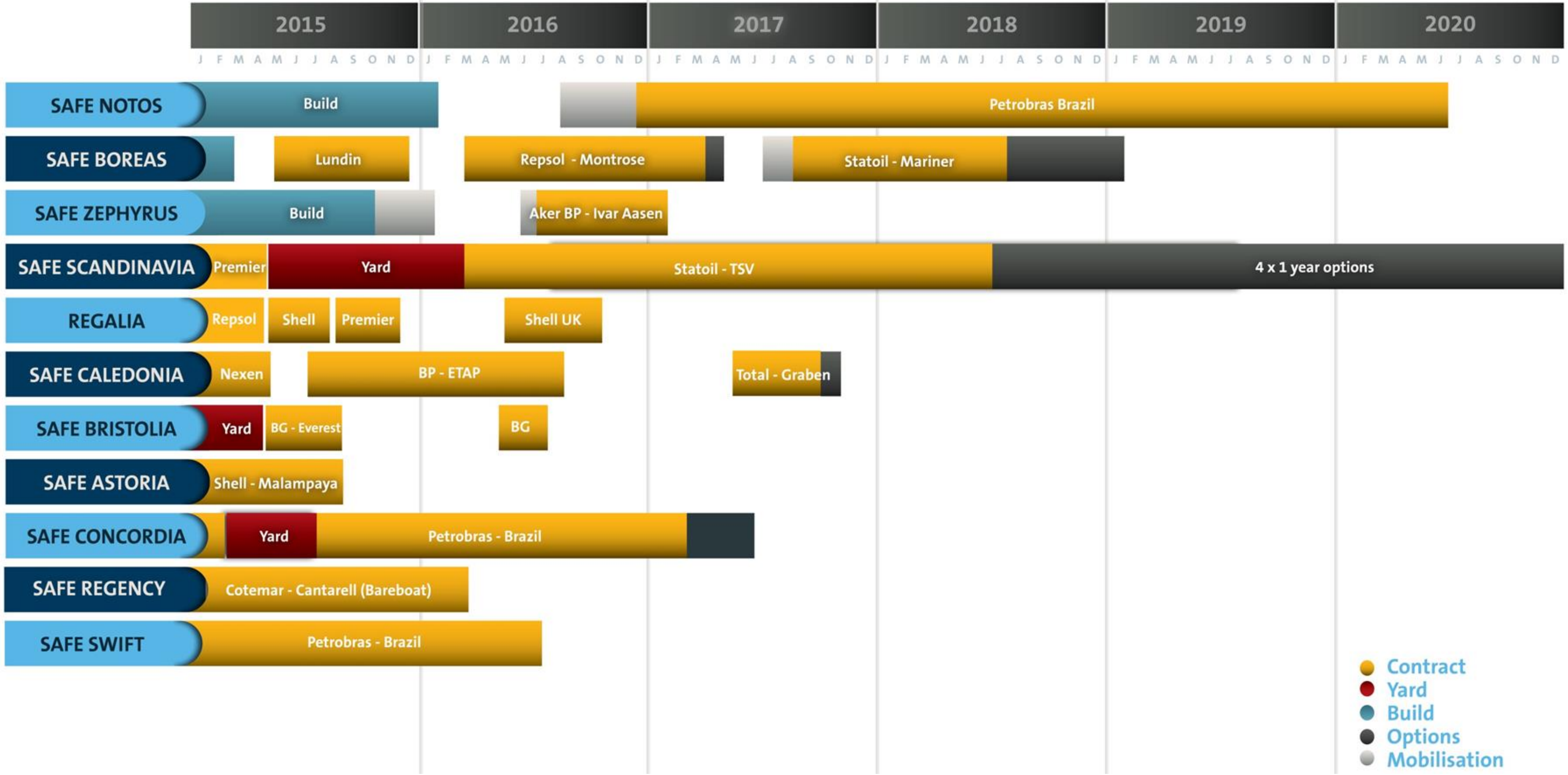
From 80% average utilization to 30%+firm in 2017

At year-end total order book of almost USD 1 billion, ca 50/50 split firm/options



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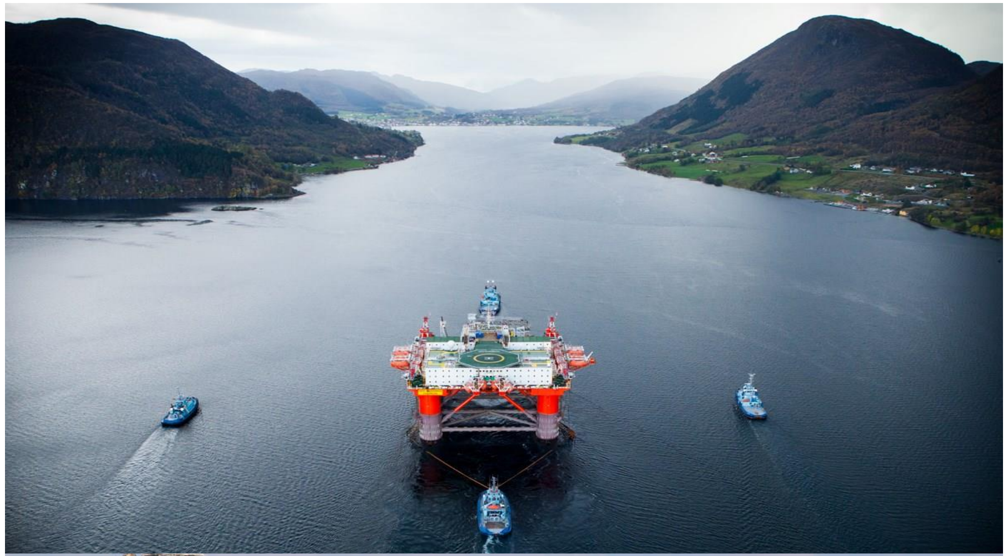
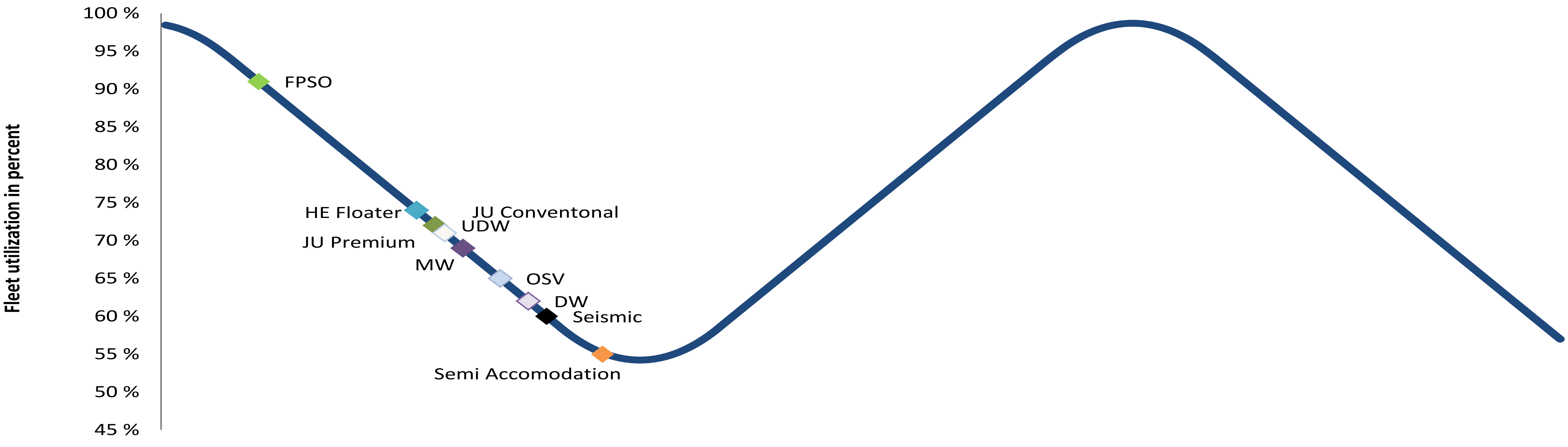
Status TSV Safe Scandinavia at Oseberg East

- Firm contract till summer 2018
- Strong technical performance
- Goal to be the safest operator as per **Zero mindset – no compromise**
- Remain cautiously optimistic about extended life at Oseberg East given technical performance and production development



The market is slowly but surely bottoming out

Capacity Utilization by Offshore Segment



Source: Clarksons Platou Securities AS

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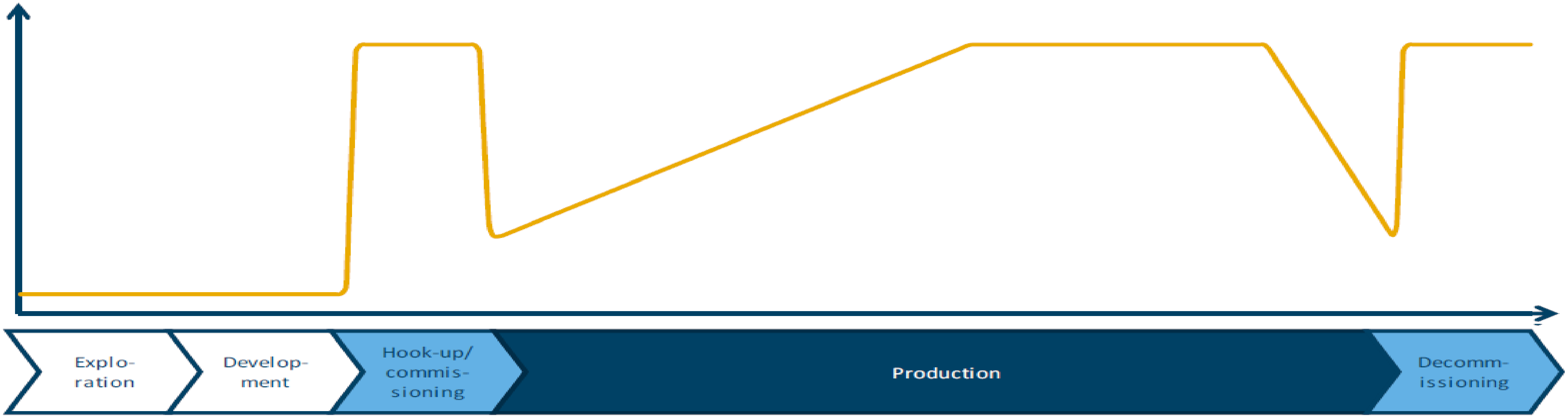
Also day rates bottoming out?

- North Sea recent awards indicate a significant day rate reduction through 2016 and 2017
- Other regions somewhat less affected
- Some signs, however, of higher rates from 2018 onwards
- Positive rate development anticipated to continue pending demand pick up and supply side

Market anticipated to normalise with spend-more MMO



Share of market (ca.)	25%	75%	0-10%
Market visibility	High	Low	Medium
Lead time	Long	Short	Medium
Average duration	8 months	6 months	Anticipated longer
Key drivers	Project sanctioning, hookup and commissioning	Age of installed topsides, subsea tieback projects	Shutdowns and platform removal
Current market	80%	20%	

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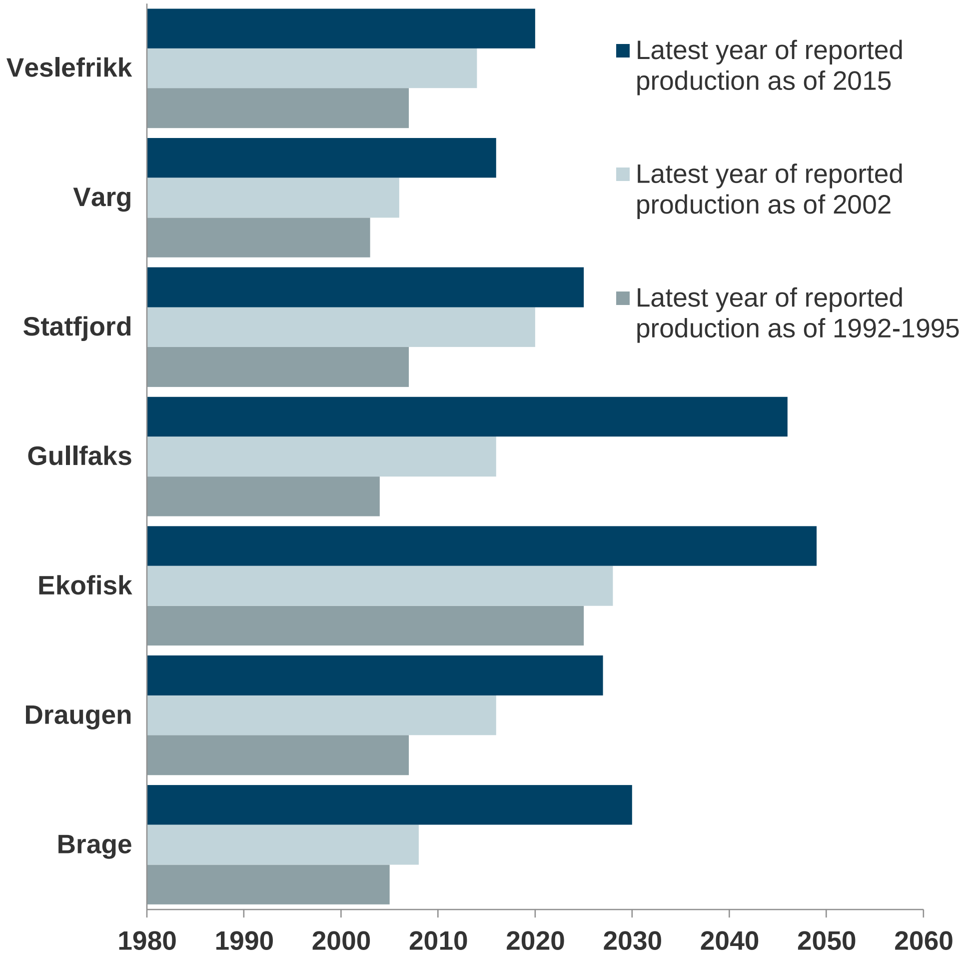
Ageing infrastructure still producing – demand for MMO

- Oil and gas fields on the NCS on stream longer than initially planned for
  - New discoveries and improved recovery techniques have extended the lifetime of a number of fields
  - Increasing number of tie-backs prolongs the life of fields
  - Life extension, upgrade and modification investments required
- The company expects the maintenance and modification part of the market to grow going forward

Selected fields on the NCS



Source: www.norskpetroleum.no

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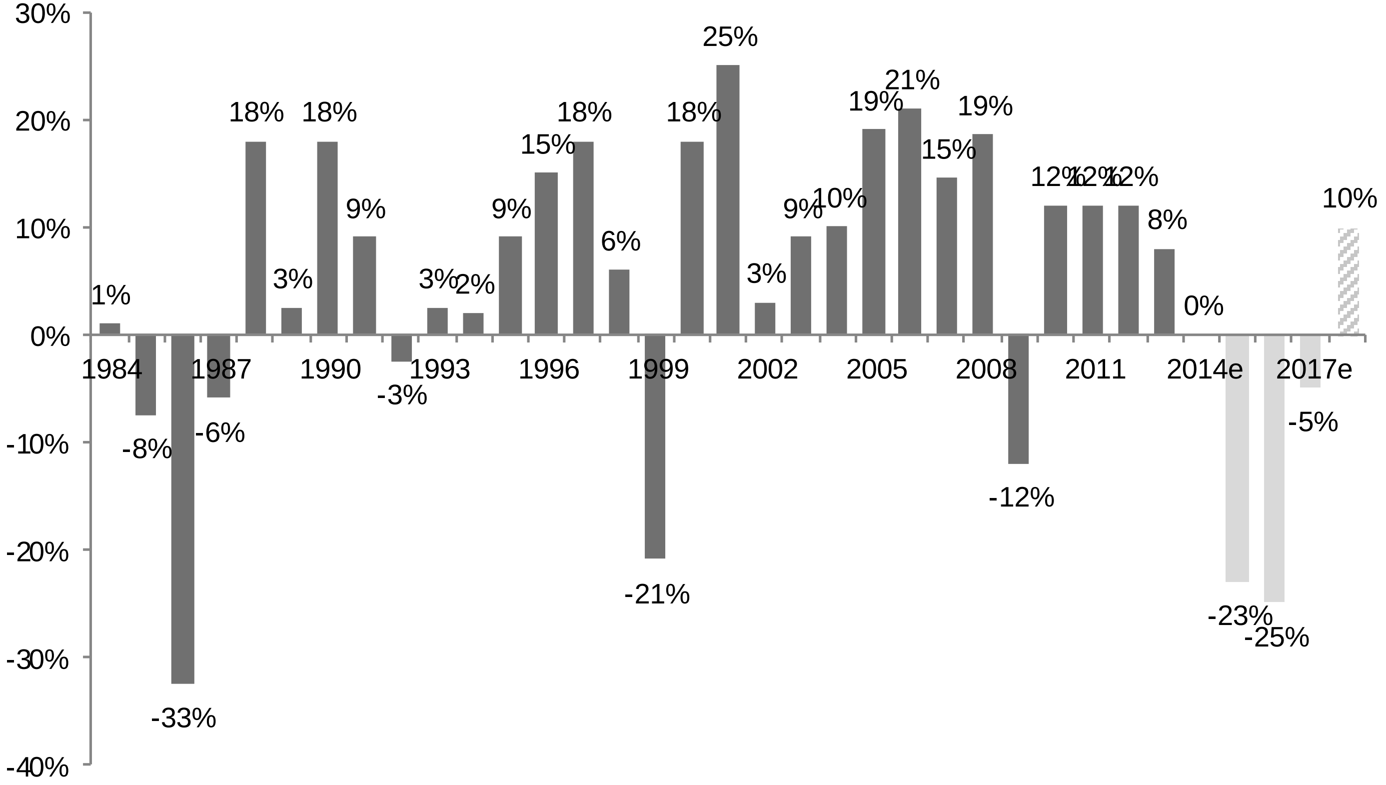
Seeing moderate capex fall in 2017 and an increase in 2018

Global E&P capex change y-o-y (USDm)*



Source: Swedbank

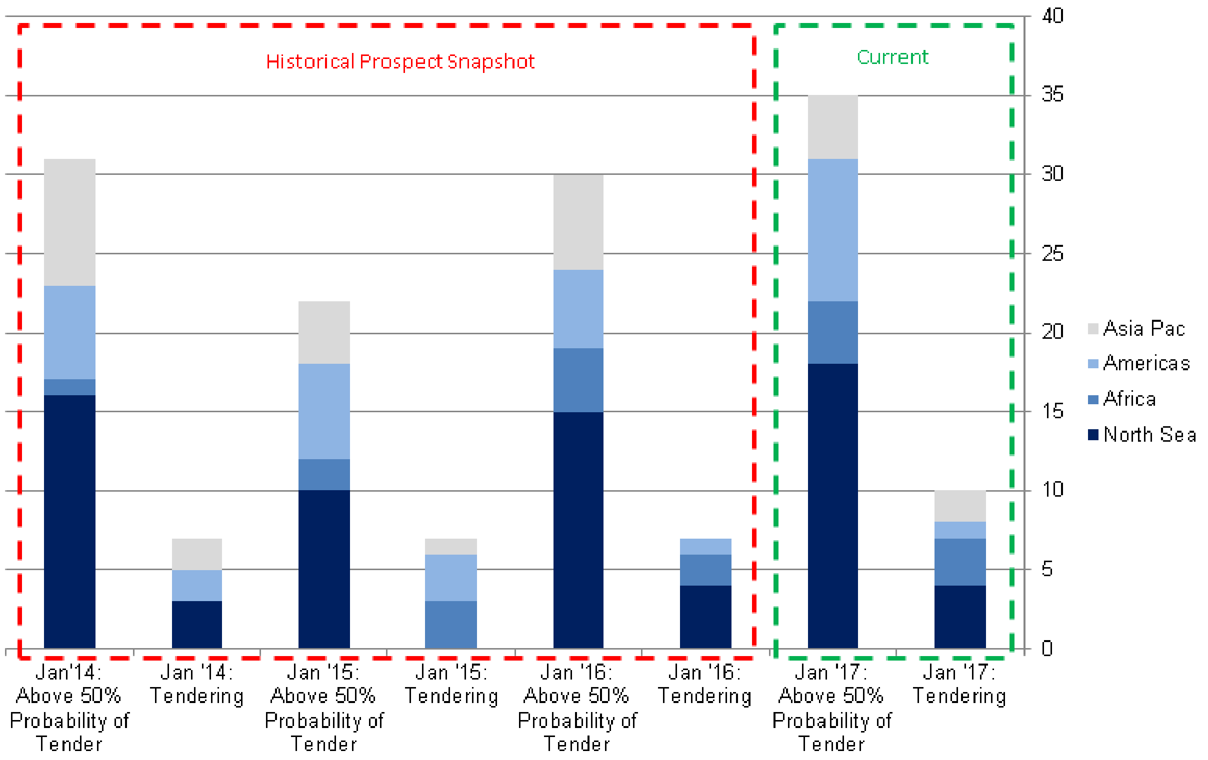
***** Capex change 2014e-2017e shown in the chart are Swedbank Research estimates based on a wide range (40-50) of oil companies.

- Expecting moderate fall in 2017, after two years of sharp contraction
- Note that a modest drop in 2017 spending may imply a small uptick in activity
- And an increase in capex expected in 2018

Prosafe

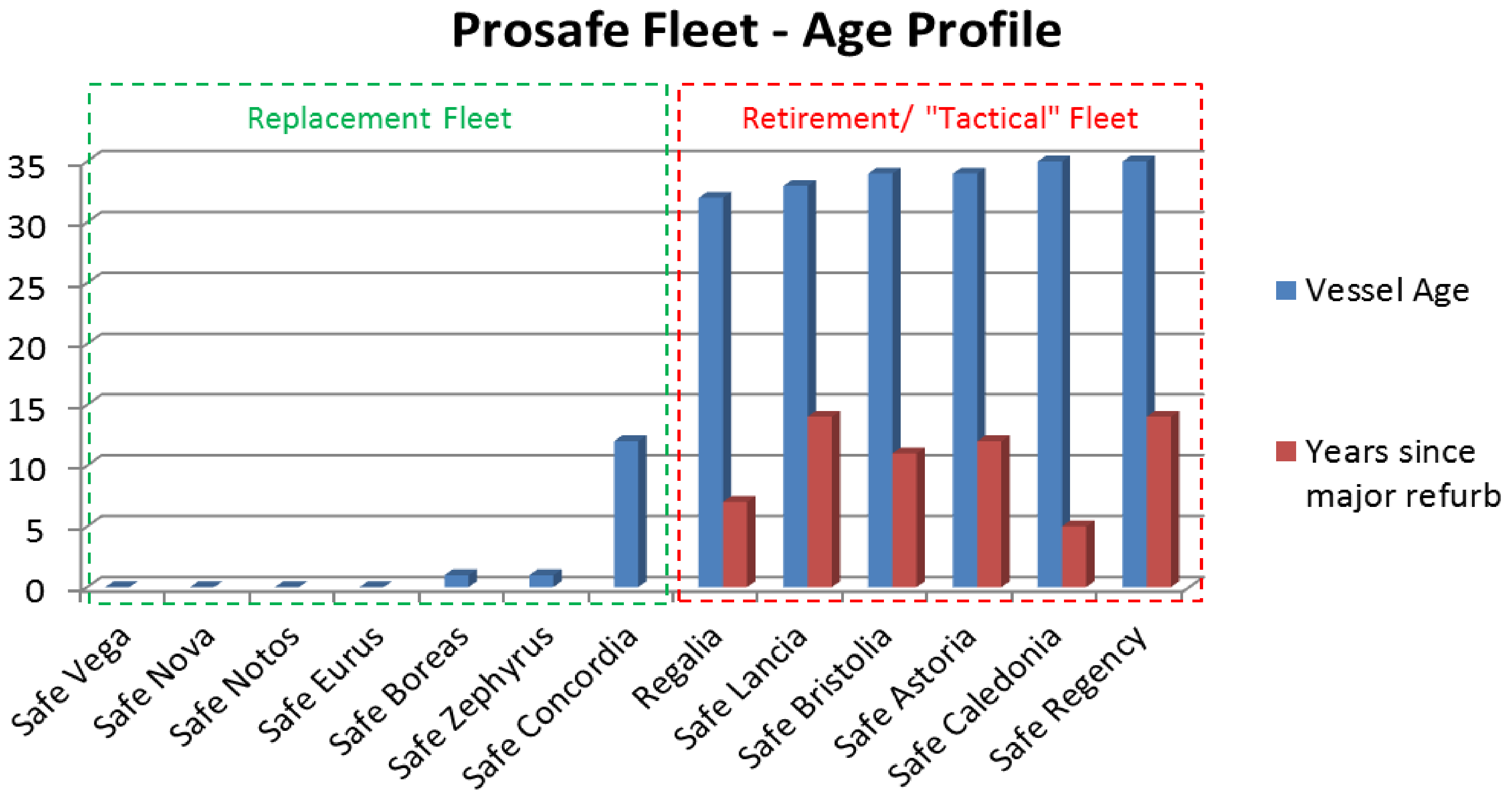
Improved tendering indicating pick up from 2018?

- Several recent contract extensions and new contract
  - New contract for the Safe Caledonia for Total in UK in 2017
  - Extensions for the Safe Boreas and Safe Zephyrus
  - Safe Notos commencing contract and Safe Concordia continuing to work
- Johan Sverdrup ITT for 2018 and 2019 received



Number of tenders (number of projects/potential contracts) and number of potential projects with above 50% probability of going to accommodation tender. Source: Prosafe

Prosafe fleet renewal – A managed process…



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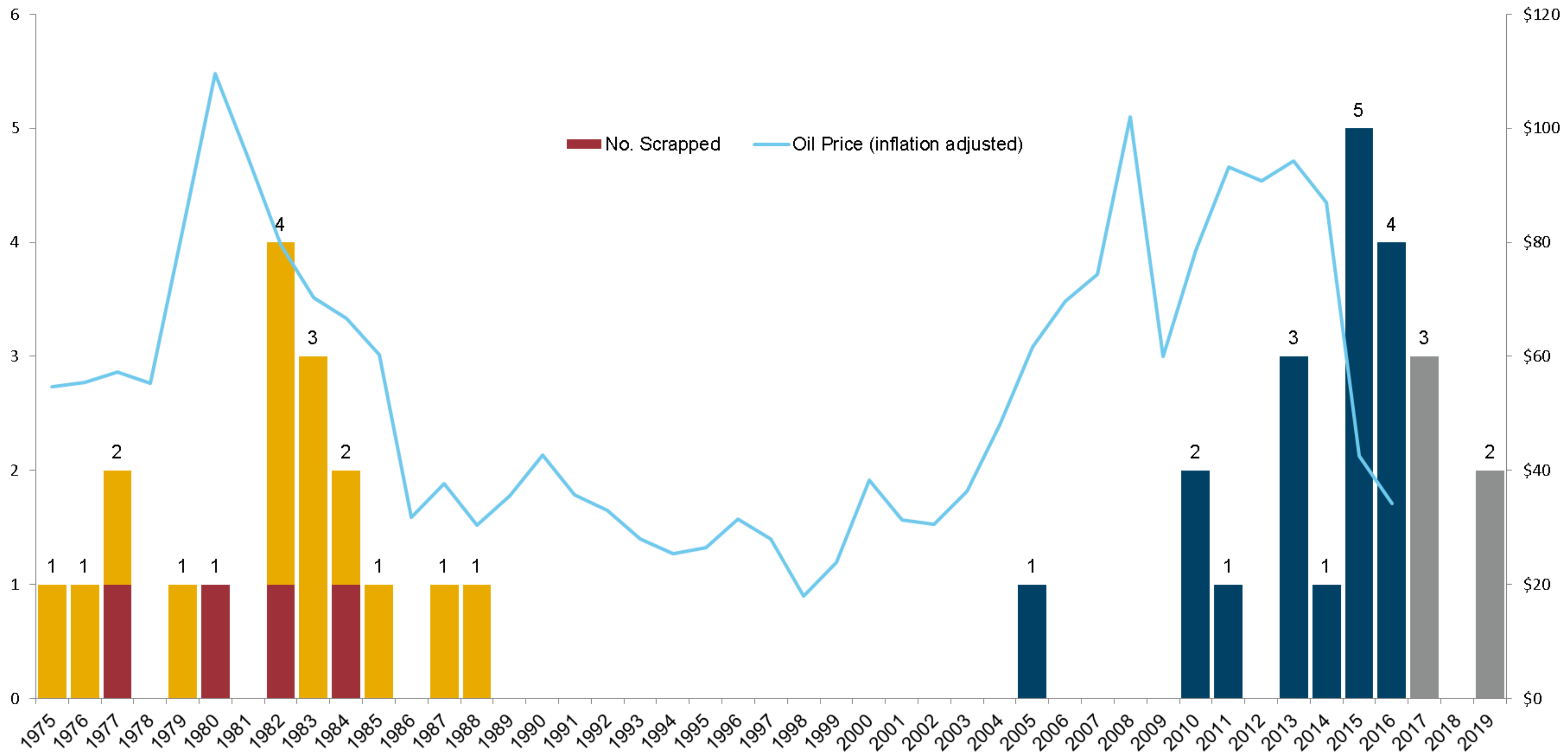
Contributing to replacement and rebalancing



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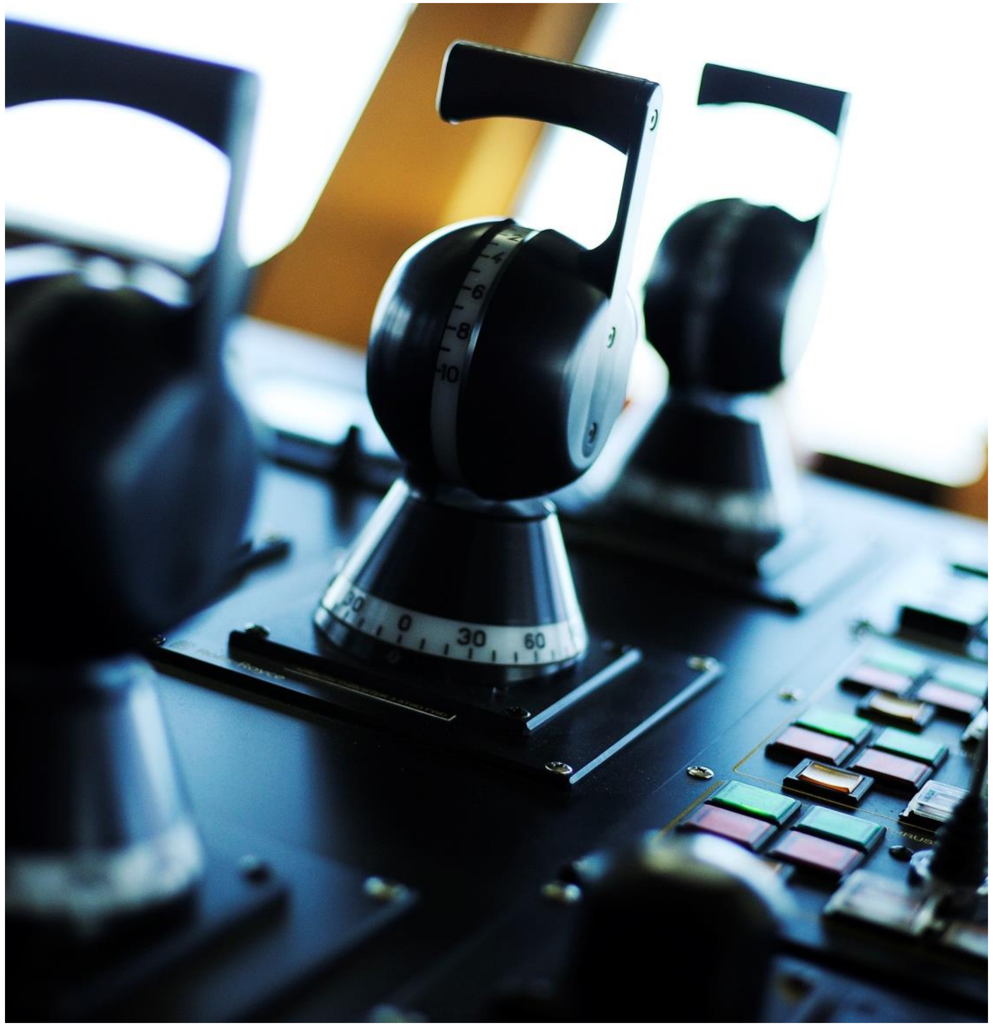
Summary

- Strengthening the management team
- Goal to be the safest operator
- Solid underlying performance and cash control
- Further cost reductions underway
- New contract and extensions despite soft market
- Focus on safe and efficient operations of the TSV
- Prosafe will continue to be active and assist in the supply side rebalance towards 2020
- Guarded optimism as market activity anticipated to gradually pick up from 2018 driven mainly by a normalization of brownfield markets
- Continue to rebuild Prosafe to take the lead in industry development



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Appendix

Income statement

(Unaudited figures in USD million)	Q4 16	Q3 16	Q4 15	2016	2015
Operating revenues	125.8	129.8	103.9	474.0	474.7
Operating expenses	(47.8)	(61.5)	(52.5)	(220.8)	(211.8)
EBITDA	**78.0**	**68.3**	**51.4**	**253.2**	**262.9**
Depreciation	(34.1)	(29.1)	(24.5)	(115.7)	(86.5)
Impairment	(84.7)	0.0	(145.6)	(84.7)	(145.6)
Operating profit/loss	**(40.8)**	**39.2**	**(118.7)**	**52.8**	**30.8**
Interest income	0.1	0.1	0.1	0.3	0.2
Interest expenses	(18.4)	(28.7)	(10.4)	(85.6)	(41.6)
Other financial items	33.7	196.8	(11.9)	222.2	(29.5)
Net financial items	**15.4**	**168.2**	**(22.2)**	**136.9**	**(70.9)**
Profit/(Loss) before taxes	**(25.4)**	**207.4**	**(140.9)**	**189.7**	**(40.1)**
Taxes	(7.3)	(5.5)	(2.1)	(17.1)	(10.5)
Net profit/(loss)	**(32.7)**	**201.9**	**(143.0)**	**172.6**	**(50.6)**
EPS	**(0.51)**	**16.13**	**(58.85)**	**8.36**	**(21.29)**
Diluted EPS	**(0.47)**	**15.78**	**(58.85)**	**8.10**	**(21.29)**

Operating revenue and expenses - key points

(USD million)	Q4 16	Q3 16	Q4 15	2016	2015
Charter income	95.8	114.4	93.7	375.5	425.4
Mob/demob income	17.5	2.1	1.5	34.0	5.4
Other income	12.5	13.3	8.7	64.5	43.9
Total	**125.8**	**129.8**	**103.9**	**474.0**	**474.7**

- Non-recurring cost items of MUSD 62 in 2016
  - Britannia/Hibernia/Jasminia (stacking, mobilisation and prepare for scrap cost): MUSD 40
  - Financial restructuring: MUSD 12
  - Resizing of organization: MUSD 7
  - Axis acquisition: MUSD 3

Prosafe

Balance sheet & covenant update

(Unaudited figures in USD million)	31.12.16	30.09.16	31.12.15
Goodwill	226.7	226.7	226.7
Vessels	2 029.3	1 887.3	1 578.6
New builds	122.2	318.8	228.5
Other non-current assets	13.9	4.1	4.9
Total non-current assets	**2 392.1**	**2 436.9**	**2 038.7**
Cash and deposits	205.7	183.4	57.1
Other current assets	89.1	90.9	91.4
Total current assets	**294.8**	**274.3**	**148.5**
Total assets	**2 686.9**	**2 711.2**	**2 187.2**
Share capital	7.9	6.7	72.1
Other equity	1 121.6	1 070.3	643.1
Total equity	**1 129.5**	**1 077.0**	**715.2**
Interest-free long-term liabilities	62.2	102.1	58.9
Interest-bearing long-term debt	1 342.9	1 373.3	1 107.5
Total long-term liabilities	**1 405.1**	**1 475.4**	**1 166.4**
Other interest-free current liabilities	104.4	105.8	166.1
Current portion of long-term debt	47.9	53.0	139.5
Total current liabilities	**152.3**	**158.8**	**305.6**
Total equity and liabilities	**2 686.9**	**2 711.2**	**2 187.2**

Covenants - large headroom:

- Liquidity minimum MUSD 65
  - Q4: MUSD 205.7
- Interest coverage ratio (adjusted EBITDA : Net interest expense over previous 12 month period) minimum 1.0
  - Q4: 4.2

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Update on vessels' cost per day

- CPD for vessels in operation being reduced by ca. 20-30% since 2014*

Opex (CPD k/d) (figures in USD)	NCS/UK	NCS (TSV)	UKCS	Brazil
	DP	Moored	Moored	DP
2014	75-80/60-65	100-105	50-55	60-65
2017e	60-65/45-50	85-90	35-40	40-45
% reduction	19%/24%	15%	29%	32%

Stacking CPD (k/d) (figures in USD)	High-spec vessels (cold/warm) 1)	Low-spec vessels (cold/warm) 1)
August 2016 estimate	15-30	5-10
Feb 2017 estimate	15-25	5-10

1) Will depend on location and duration and cold/warm/hot stack

* Slightly less on TSV given complexity of operations

EBITDA and capex guidance

Previous guidance	
~~2016 and 2017 combined~~	~~MUSD 320+~~
~~=> 2017~~	~~MUSD 110+/-~~
~~Capex per year~~	~~MUSD 20-30~~

Current guidance	
2016 and 2017 combined	MUSD 365 +/- (slight increase)
2017 remain low point (anticipated)	MUSD 110 +
Capex per year	MUSD 10-15*
Onshore cost & headcount	Additional 10% +/-
Liquidity – cash flow from operations	Neutral at ca. MUSD 100** p.a => Runway is "protected"

*) Incl. SPS for the Safe Caledonia

**) 2017 is however also impacted by USD 30 m repayment of sellers credit to Jurong