



6 November 2018



Q3 2018 results and market 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.

Recent highlights

- Contract extension for Safe Boreas and contract win for Safe Caledonia in Q3 2018, and contract win for Safe Zephyrus in early Q4 2018
- Order backlog picking up
- Utilisation of 48.1% (38.9%)
- EBITDA before non-recurring items of USD 33.1 million (USD 31.3 million reported)
- Cash flow from operations was USD 26.6 million (USD 19 million) and cash balance of USD 266 million (USD 208 million)
- Commenced the selling of Safe Astoria for scrap (sixth vessel scrapped since 2016)
- Transforming agreement reached with Cosco for the Safe Eurus, Safe Nova and Safe Vega
- Financial runway extended



Agenda

- **Financial results**
- Business & Operations
- Outlook
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Income statement

(Unaudited figures in USD million)

	Q3 18	Q3 17
Operating revenues	74	69
Operating expenses	(42)	(39)
Operating results before depreciation	31	30
Depreciation	(29)	(37)
Impairment	1	(609)
Operating profit/(loss)	3	(616)
Interest income	1	1
Interest expenses	(116)	(19)
Other financial items	3	2
Net financial items	(112)	(16)
Profit (Loss) before taxes	(109)	(633)
Taxes	(3)	(3)
Net Profit (Loss)	(112)	(635)
EPS	(1.4)	(8.9)
Diluted EPS	(1.2)	(7.2)

- Higher revenues due to higher utilisation at 48.1% (Q3 2017: 38.9%) and IFRS 15 adjustment (USD 5.2 million) partially offset by lower average day rate
- Operating expenses including approx. USD 2 million of non-recurring costs which were mostly related to COSCO agreements and re-sizing of the organisation
- Depreciation reduced as a result of impairments in 2017
- Improved normalized EBITDA (USD 33 million) and margin despite lower average day rates compensated by higher utilization and cost control
- Financial items impacted by one off, non-cash effects of USD 98.4 million from de-recognition of cashflow hedge reserve into P&L and fair value adjustment of loan amount resulting from August refinancing

Balance sheet

(Unaudited figures in USD million)	30.09.18	30.09.17	31.12.17
Vessels	1,451	1,555	1,527
New builds	126	125	125
Other non-current assets	16	11	11
Total non-current assets	1,593	1,691	1,663
Cash and deposits	266	208	232
Other current assets	48	58	52
Total current assets	314	266	284
Total assets	1,907	1,957	1,947
Total equity	423	456	498
Interest-free long-term liabilities	34	68	58
Interest-bearing long-term debt	1,372	1,329	1,329
Total long-term liabilities	1,406	1,397	1,387
Other interest-free current liabilities	60	86	44
Current portion of long-term debt	19	19	19
Total current liabilities	78	105	63
Total equity and liabilities	1,907	1,957	1,947

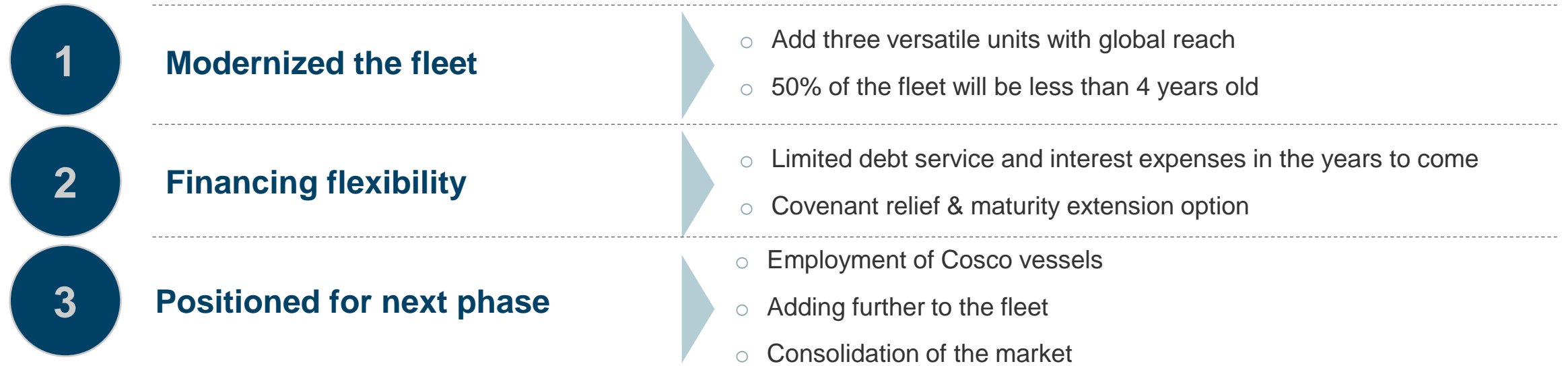
- Total assets of USD 1.9 billion
- Positive working capital in the quarter
- Long term debt balance increased mainly due to fair value adjustment resulting from refinancing in August
- Book equity of 22%
- Cash of USD 266 million versus covenant of USD 65 million
- Sufficient financial flexibility

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Prosafe anno 2018 – Transformed and repositioned



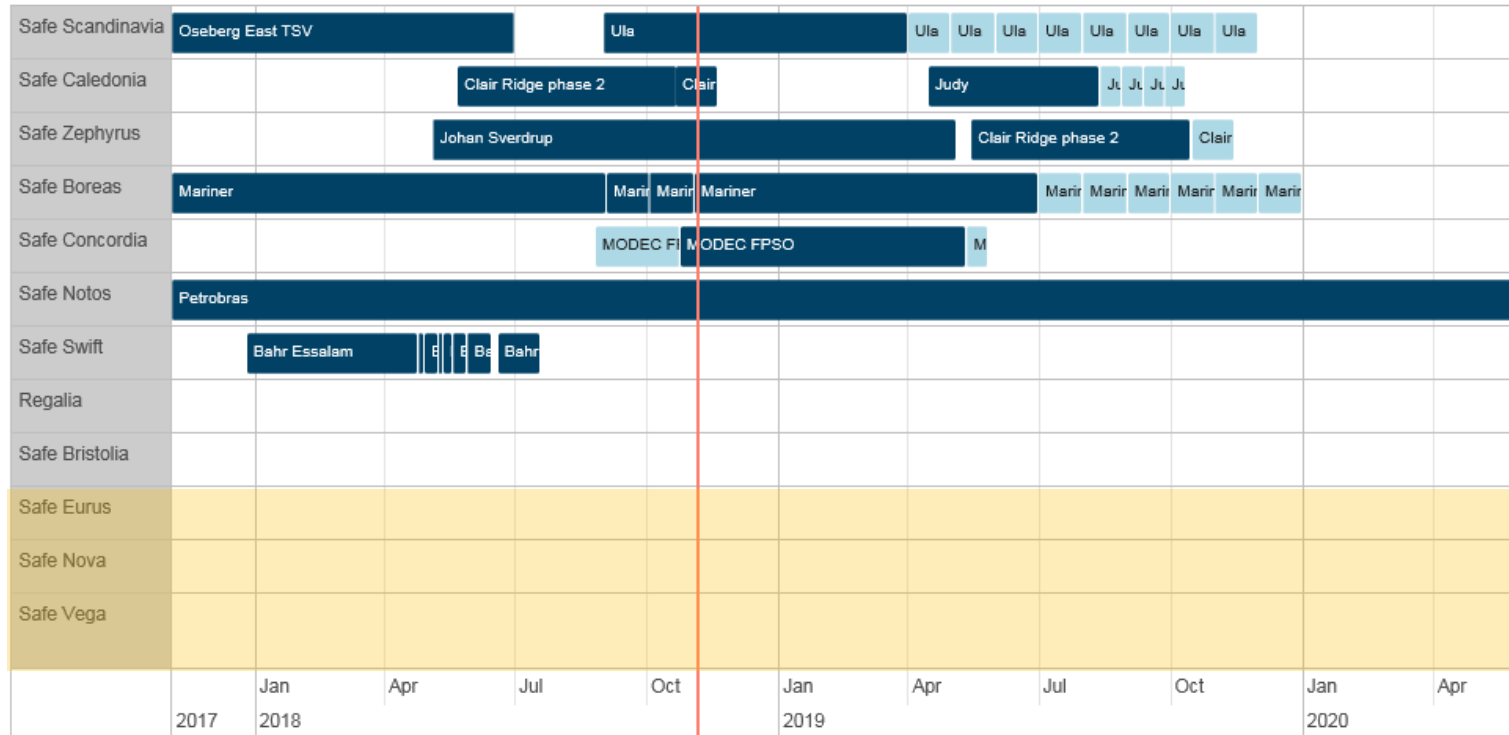
Update on Westcon dispute

- Ruling on 8 March:
 - The Court issued its judgement in favour of Prosafe, and decided that Westcon must pay Prosafe NOK 344 million plus interest and NOK 10.6 million legal costs
- Westcon has filed an appeal. Prosafe filed a counter appeal on 28 May 2018
- Prosafe will continue to pursue its case in order to improve on the result in the first instance
- Timing for next court hearing uncertain. 1H2020 is likely. Meanwhile Prosafe is pursuing best possible security for the claim



Fleet status: Contracts, wins and extensions

Contract backlog



Contracting update

Fixtures autumn 2018






- **Safe Boreas** 8 months extension plus 6 months of options with Equinor at Mariner, UKCS
- **Safe Caledonia** 4 months firm award with up to 2 months of options with a major oil and gas operator, UKCS
- **Safe Zephyrus** 5 months firm award with 1 month option with BP at Clair Ridge, UKCS

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Oil companies' long-term Brent oil price forecasts average at 76 USD/bbl*

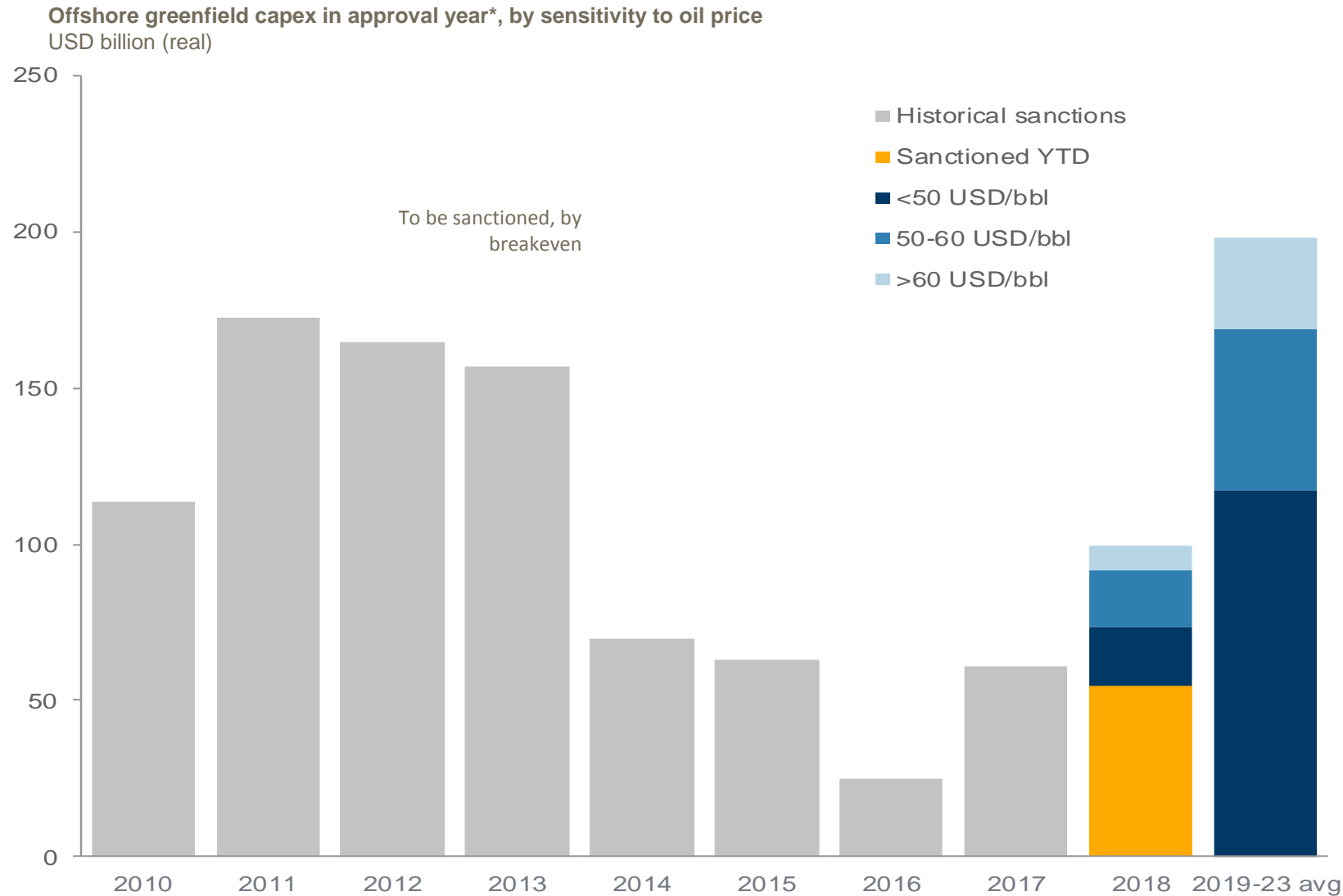
	Company	Communicated long-term Brent oil price outlook* (USD/bbl)	Comment
Majors	 bp	91	• Long-term price assumption for 2023 onwards, used in BP's 2017 annual report
	 TOTAL	80	• Total assumes a progressive increase from 50 USD/bbl in 2018 to 80 USD/bbl in 2021
	 Eni	78	• 72 USD/bbl (real) used in their strategic planning, based on their 2017 annual report
	 Shell	75	• Assumes 70 USD/bbl (real) from 2021 onwards
NOCs	 equinor	87	• From Equinor's Capital Markets Day 2018, stating an oil price of 70 in 2020 and 75 USD/bbl in 2022 (2016 real)
	 OMV	75	• 70-80 stated as long term price in Strategy 2025
	 BR PETROBRAS	70	• Expects 70 USD/bbl in 2021 and 73 in 2022. From the 2018-2022 Business and Management Plan of Dec-17
Independents	 REPSOL	75	• From annual report 2017. Assumes 75.3 USD/bbl in 2021, climbing to 95.6 in 2025
	 AkerBP	70	• Based on the 2017 annual report, their long-term oil price assumption (2021 →) of 65 USD/bbl in 2018-dollars
	 Cairn	70	• Long-term oil price assumption used for 2021 onwards, based on their annual report for 2017
	 TULLOW	66	• Tullow assumes oil prices of 66 USD/bbl in 2021, 68 in 2022 and 75 in 2023 in their 2017 annual report
	Average	76	

*All prices are nominal values. Inflation rate of 2.5% used to compute nominal values when oil price assumptions are stated in real terms

Source: Rystad Energy research and analysis; Company investor presentations and annual reports

Source: Rystad Energy

Offshore capex to near double in 2018, before reaching \$190 billion average 2019-23

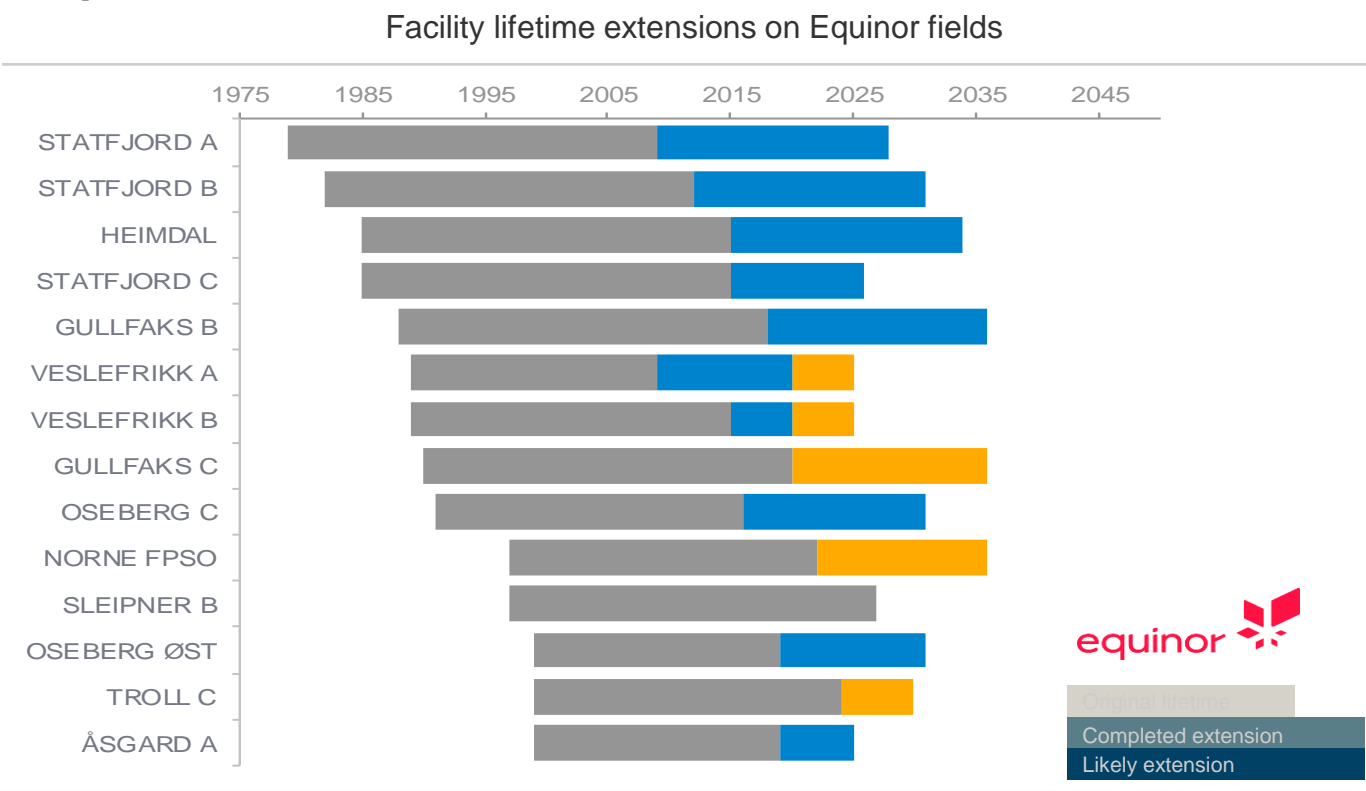


*Approval year is the year of government approval and not the FID year of the company.

Source: Rystad Energy research and analyses; DCube

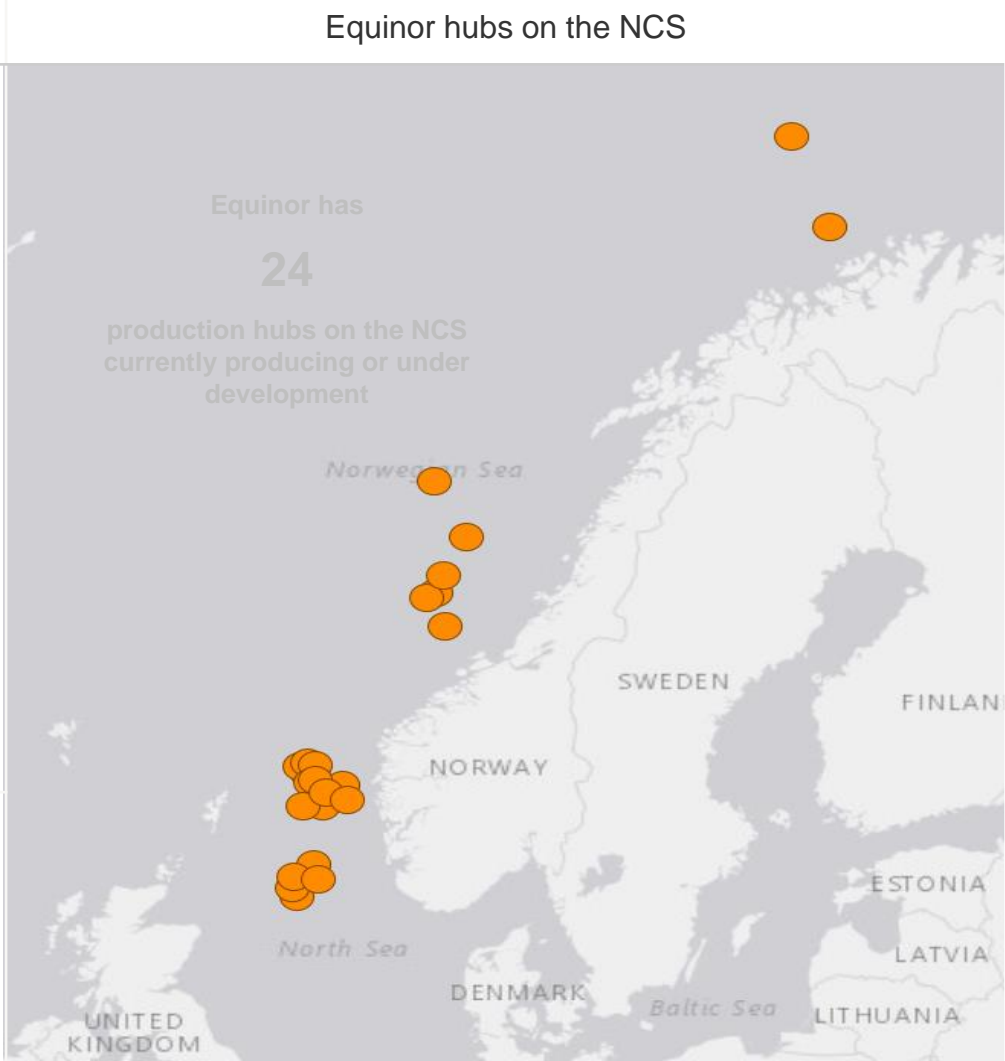
Source: Rystad Energy

20+ lifetime extensions on NCS facilities could impact the majority of Equinor's hubs



Put in context: Ambition of extending the lifetime "of more than 20 installations" over the next decades could potentially lead to lifetime extensions on 80+% of Equinor's hubs assuming modification of one installation per hub currently producing or under development on the NCS

80%



Source: Rystad Energy

International markets to offer growth opportunities

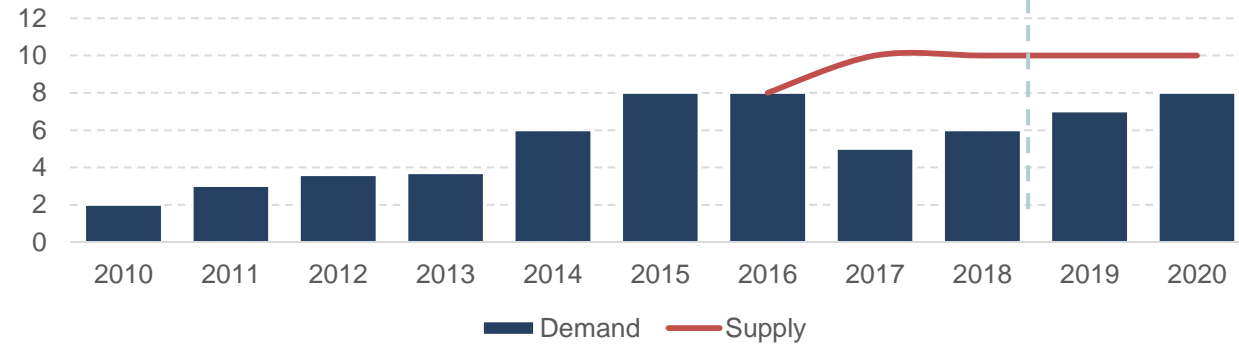
Brazil

- Prosafe units that meet the current and anticipated future technical specifications for Petrobras requirements operating in this segment are the Boreas, Zephyrus, Notos, Eurus, Nova and Vega
- Bulk of demand has been the modification of mature fields in the Campos Basin
- Long-term tenders anticipated

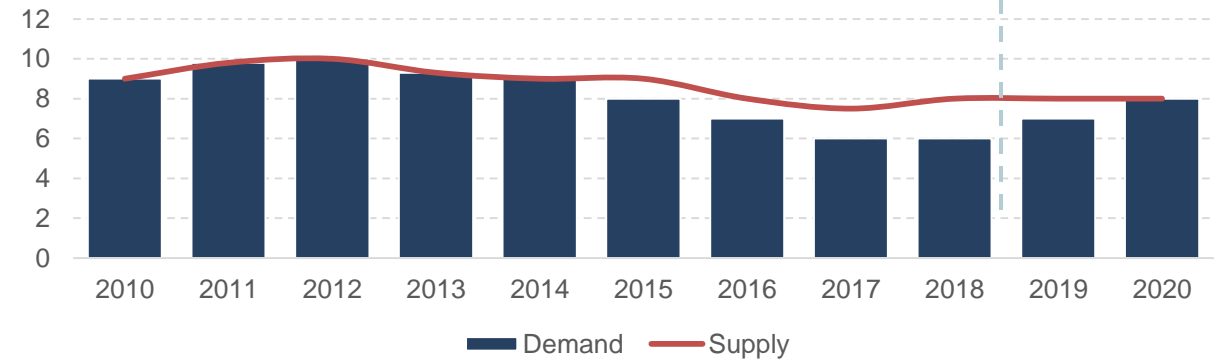
Mexico

- Primarily MMO activity
- Majority of activity is related to fixed platforms in shallow, benign waters relatively close to shore
- Although historically HUC was not a primary demand driver, this may change – although likely beyond 2020
- Political uncertainty towards Pemex may lead to changes in contracting philosophies
- Anticipated to offer opportunities again

Brazil demand and supply near balance (vessel yrs)



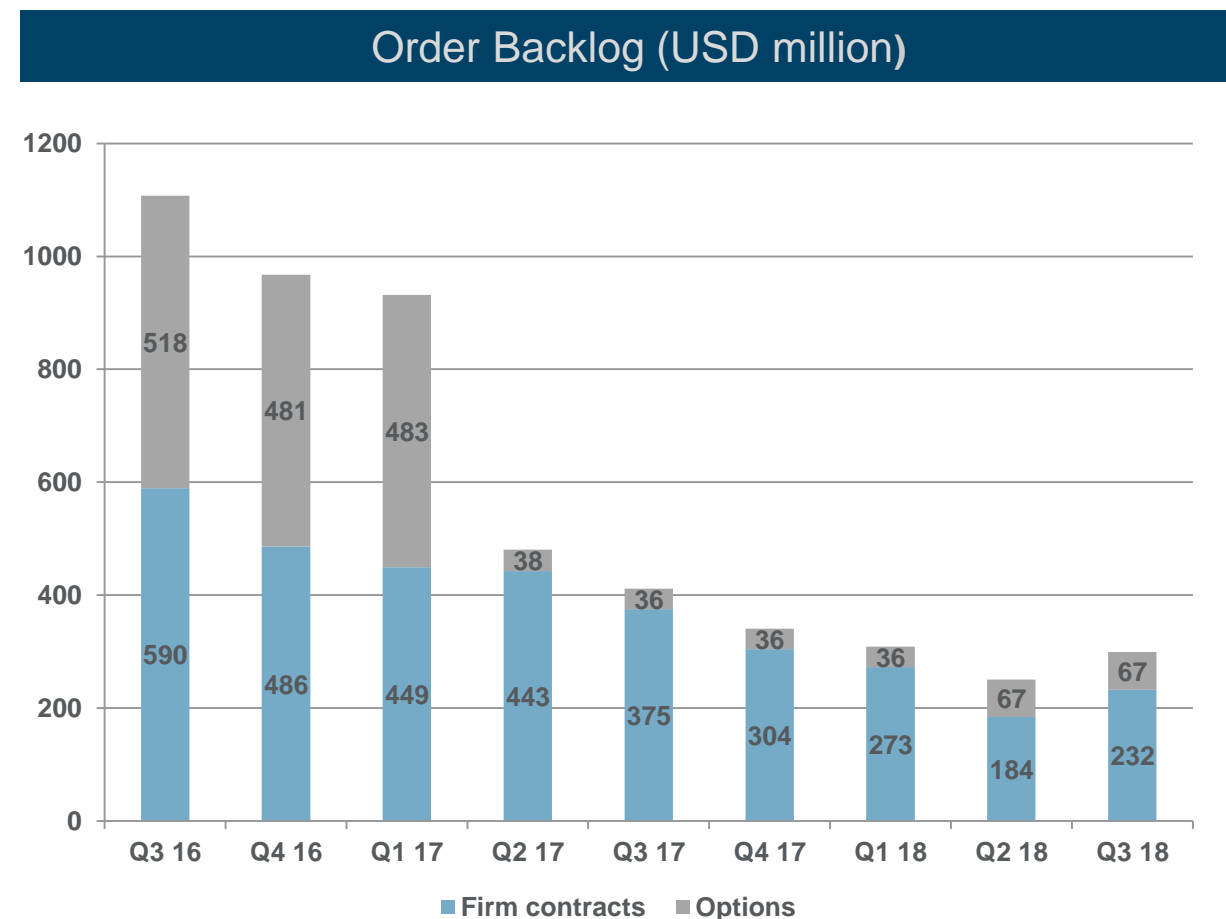
Mexico demand and supply near balance (vessel yrs)



Source: Rystad Energy

Improved order backlog - Tide turning into 2020?

- Prosafe's firm backlog has increased to USD 232 million per end Q3 2018
- Awarded 39% and 72%, respectively, of global and North Sea contracts, last 6 years
- MMO returning in the North Sea
- Tender activity expected in the period ahead in Brazil
- Efforts continue in Mexico to be well positioned for when opportunities arise

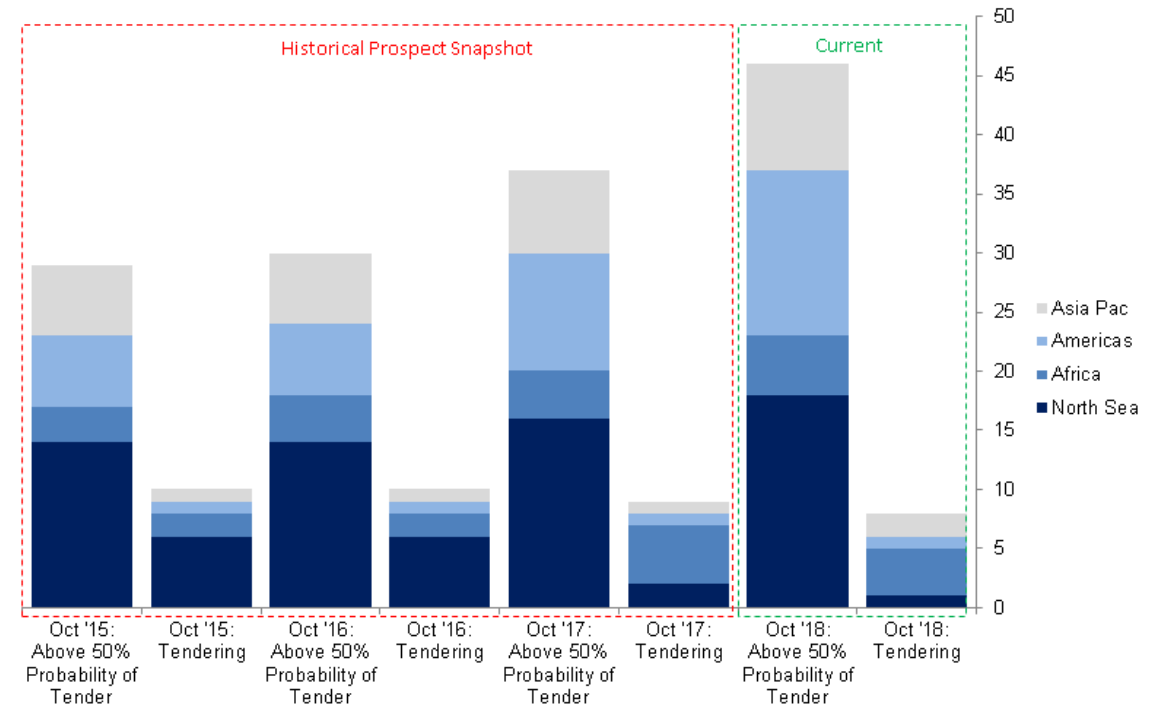


Prospects & tendering – 3 year lookout

Global opportunities

- 8 tenders ongoing for 2018 through 2020
- 6 tenders with commencement dates in 2019
- 18 North Sea prospects with high probability of going to tender next 3 years
- 9 prospects with high probability of going to tender within Americas
- Longer term prospects outside the North Sea anticipated to materialise within Q4 2018/ Q1 2019
- All time high number of prospects being tracked

Tendering activity – 3 year profile



Source: Prosafe

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Summary

- Good financial performance
- Contract wins and extensions
- Order backlog picking up
- Commenced the selling of Safe Astoria for scrap (sixth vessel scrapped since 2016)
- Transforming agreement reached with Cosco for the Safe Eurus, Safe Nova and Safe Vega
- Financial runway extended
- Consolidation / fleet enhancement remains on agenda
- Fleet utilisation to gradually improve as MMO returns
- Average dayrates anticipated to follow from 2020



Appendix

Operating revenue

(USD million)	Q3 18	Q2 18	Q3 17	9M 18	9M 17	2017
Charter income	54.5	79.0	62.9	201.3	185.5	256.1
Other income (incl amortization of fees)	19.1	21.3	6.0	55.4	20.8	26.9
Total	73.6	100.3	68.9	256.7	206.3	283.0

* Q3 18 other income includes IFRS 15 revenue adjustment of USD 5.2 millin; 9M 18 other income includes IFRS 15 revenue adjustment of USD 22.6 million