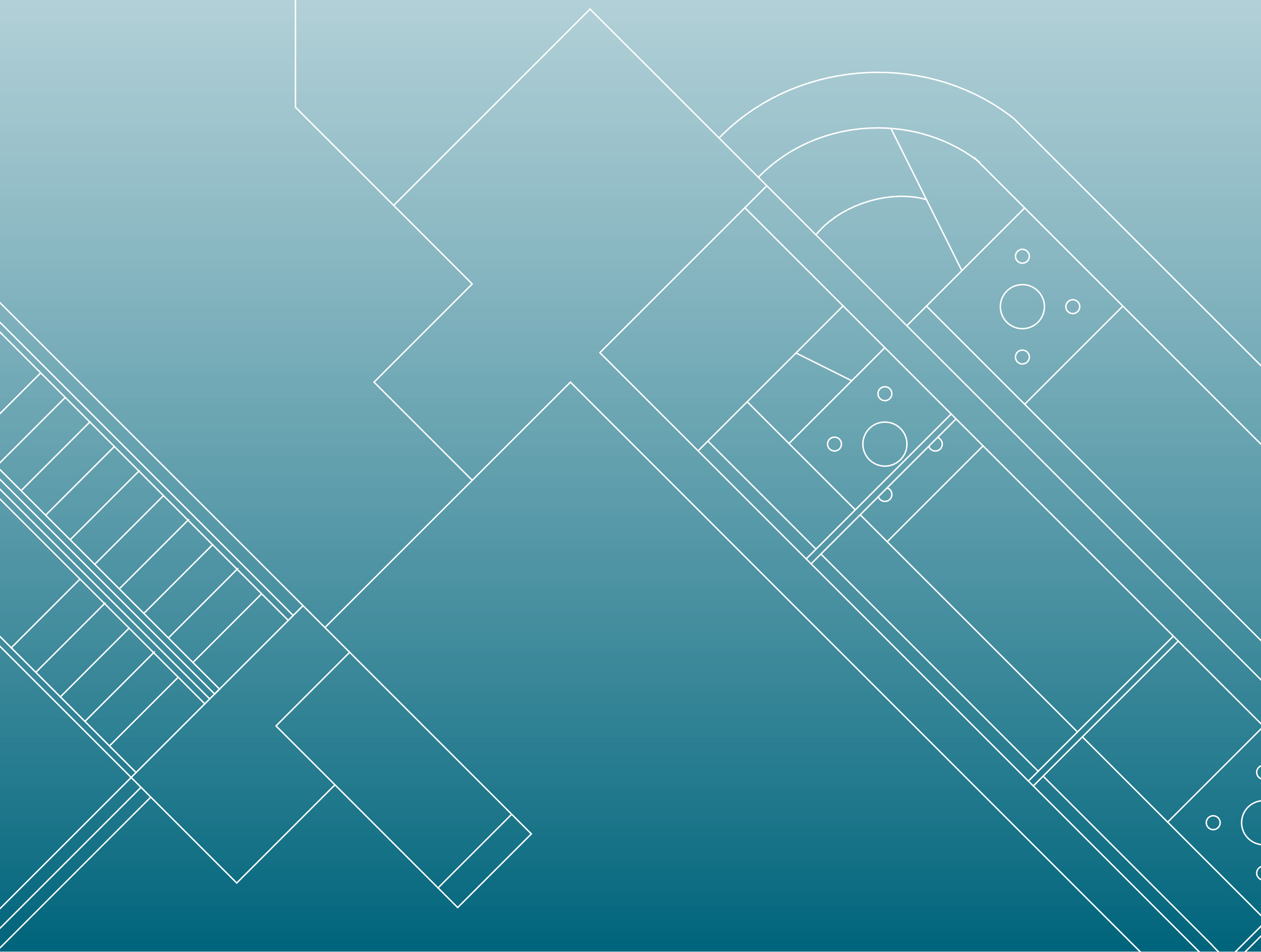
Prosafe

2011

Annual report

Accommodating the Offshore Industry



FINANCIAL CALENDAR

Reporting results
The following dates have been set for quarterly interim reporting and presentations in 2012:

1st quarter:	23	May	2012
2nd quarter:	23	August	2012
3rd quarter:	1	November	2012
4th quarter:	14	February	2013

Annual general meeting
The AGM for Prosafe SE will be held in the company's premises at Stadiou 126, CY-6020 Larnaca, Cyprus on Wednesday, 23 May 2012.

THIS PRINTED REPORT IS A SHORT VERSION OF THE ANNUAL REPORT.

For a full report, including information about corporate management and board of directors, HSEQA, corporate governance, social responsibility, risk management, shareholder information, debt financing etc., please refer to the Download Centre on Prosafe's website www.prosafe.com.

This information will be updated whenever required throughout the year, and will thereby at all times be as updated and correct as possible.

Key financial figures		Note	2011	2010	2009	2008
Profit						
Operating revenues	USD million		449.6	442.4	397.9	491.1
EBITDA	USD million	1	257.6	283.1	274.3	281.0
Operating profit	USD million		192.3	221.1	218.6	232.2
Net profit	USD million		158.0	198.5	127.2	202.8
Earnings per share	USD	2	0.71	0.89	0.57	0.89
Operating margin		3	42.8%	50.0%	54.9%	47.3%
Balance sheet						
Total assets	USD million		1 376.1	1 266.4	1 355.5	1 313.9
Interest-bearing debt	USD million		760.5	705.4	915.1	958.7
Net interest-bearing debt	USD million	4	667.1	607.1	826.6	843.1
Book equity	USD million		461.8	410.3	263.9	124.6
Book equity ratio		5	33.6 %	32.4%	19.5%	9.5%
Valuation						
Market capitalisation	USD million		1 529	1 821	1 466	854
Share price	NOK		40.99	46.40	36.85	26.00

1 Operating profit before depreciation
2 Net profit / Average number of outstanding and potential shares
3 (Operating profit / Operating revenues) * 100
4 Interest-bearing debt - Cash and deposits
5 (Book equity / Total assets) * 100

About Prosafe

Prosafe is the world's leading owner and operator of semi-submersible accommodation rigs. The company operates globally and employed 551 people at year-end. Operating profit for the year 2011 was USD 192.3 million and net profit for 2011 equalled USD 158 million.

Prosafe owns 11 semi-submersible accommodation rigs and one accommodation jack-up. In addition, Prosafe has ordered a harsh environment semi-submersible accommodation rig to be delivered from the yard in the second quarter of 2014.

Accommodation rigs are used when there is a need for additional accommodation, engineering, construction or storage capacity offshore. Prosafe's rigs have accommodation capacity for 139-812 people and offer high quality welfare and catering facilities, storage, workshops, offices, medical services, deck cranes, lifesaving and fire fighting equipment.

The rigs are positioned alongside the host installation and are connected by means of a telescopic gangway so that personnel can walk to work.

The majority of Prosafe's operations are related to maintenance and modification of installations on fields already in production, while some activity is also related to commissioning and decommissioning.

With six dynamically positioned units, five anchored rigs and one jack-up, Prosafe's rig fleet is versatile and able to operate in nearly all offshore environments. At present, Prosafe is the leader in the provision of offshore accommodation rigs in harsh and semi-harsh environments and in hurricane regions such as the Gulf of Mexico.

Prosafe has extensive experience from operating gangway connected to fixed installations, FPSOs, TLPs, Semis and Spars. The company's track record comprises operations offshore Norway, UK, Denmark, Brazil, Tunisia, West Africa, North-west and South Australia, the Philippines, Russia, USA and Mexico.

Directors’ report

Prosafe is the world's largest owner and operator of harsh environment semi-submersible accommodation rigs. The company has more than three decades of operational experience within the world's largest oil and gas markets. With a versatile fleet of quality rigs, consistent operational performance, excellent HSE performance, high rig utilisation and a solid financial performance, the company has positioned itself as a provider of high quality services.

2011 saw the company achieve a high operational up-time and an improved HSE performance. Average day rates were sustained at levels which secured a satisfactory result despite a fleet utilisation rate in the lower end of the historical range. In August, the company finalized a refinancing of the main credit facility at competitive terms. In December, the company placed an order for a new semi-submersible accommodation rig with Jurong Shipyard Pte Ltd in Singapore. The rig will be equipped for worldwide operations including Norwegian waters, and delivery is scheduled for the second quarter of 2014. In addition, the contract includes options for a further two rigs which are exercisable by December 2012 and June 2013, respectively.

Income statement

Operating revenues amounted to USD 449.6 million in 2011 (USD 442.4 million in 2010). The increase from 2010 is largely attributable to a higher average utilisation rate of the fleet. This was partly offset by a slightly lower average income per rig per day in operation. Total operating expenses increased to USD 192.0 million from 159.3 million in 2010, mainly as a result of the higher utilisation rate of the fleet, higher maintenance spending, start-up of operations in Brazil, currency movements as well as general cost inflation.

On average, the USD was at a weaker level during 2011 than in 2010. Prosafe's operating expenses are denominated in local currencies, thus contributing to an increase in operating expenses. The company has a policy of hedging 50-75 per cent of the 12 month forward-looking currency exposure resulting in the partial recovery of this increase, which is accounted for under other financial items.

Depreciation increased to USD 65.3 million (USD 62.0 million) as a result of the investments made in the fleet.

The operating profit for the year was USD 192.3 million (USD 221.1 million).

Net interest expenses amounted to USD 42.4 million (42.9 million). Other financial items totalled USD 6.9 million (USD 23.7 million). This figure includes a net gain of USD 10.2 million related to sale of shares in Floatel International Ltd. and a write-down of USD 4.5 million of non-amortised borrowing costs related to the early termination of the previous credit facility that was refinanced during the year. In addition, it contains the net effect from changes in value of financial hedging instruments and revaluation of NOK denominated bond loans. The 2010 figure included a sales gain of USD 23.7 million related to the divestment of the holding in Prosafe Production Public Ltd.

Taxes for 2011 were USD 0.9 million (USD -3.7 million). The positive figure is a result of a tax loss in Norway and release of provisions relating to earlier operations.

Net profit amounted to USD 158.0 million (USD 198.5 million), leading to diluted earnings per share of USD 0.71 (USD 0.89).

Capital
Total assets stood at USD 1,376.1 million (USD 1,266.4 million) at the end of 2011. Investments in tangible assets totalled USD 119.1 million (USD 46.9 million). This figure included USD 58.4 million being the first instalment on the newly ordered vessel, paid on contract signature in December 2011, together with approximately USD 30 million attributable to the *Safe Caledonia* upgrade.

In 2011, Prosafe SE paid interim dividends of USD 107.1 million (USD 61.8 million), corresponding to NOK 2.65 per share (NOK 1.72).

Interest-bearing debt amounted to USD 760.5 million (USD 705.4 million) at year-end. Repayments of debt totalled USD 806.3 million (USD 258.0 million), while gross increase in borrowing amounted to USD 870.4 million (USD 50.0 million). The main credit facility was refinanced in August. The new facility has a total availability of USD 1,100 million, which is being amortised by USD 70 million semi-annually. The old facility would have matured in May 2015, while the new facility runs to August 2017. The interest rate is three-month USD LIBOR plus 1.875 per cent.

As of year-end 2011, the Group had total liquid assets of USD 93.4 million (USD 98.3 million). The liquidity reserve (liquid assets plus undrawn credit facilities) totalled USD 603.4 million (USD 278.3 million).

Total shareholders' equity amounted to USD 461.8 million (USD 410.3 million), resulting in a book equity ratio of 33.6 per cent (32.4 per cent).

Overall, Prosafe has developed a solid financial position that allows for continued dividend payments to shareholders combined with a sound level of investments suited for the long-term growth opportunities in the market.

Pursuant to Section 3-3 of the Norwegian Accounting Act, the Board confirms that the going-concern assumption applies and that the annual accounts have been prepared on this assumption.

Reference is made to note 26 to the consolidated accounts for a description of events after the balance sheet date.

Operations
Prosafe owns 11 of the world's 18 semi-submersible accommodation and service rigs. During the year, charter agreements have been secured for these rigs in the North Sea, Mexico and Brazil. Total rig utilisation in 2011 was 80 per cent (75 per cent).

Safe Hibernia, Jasminia, Safe Britannia, Safe Lancia and *Safe Regency* operated on long-term charters in Mexico throughout the year. The contract for *Safe Hibernia* was extended for two years with effect from late December 2011.

Safe Bristolia commenced operations in Mexico in May, after undergoing the Special Periodic Survey (SPS) in the early part of the year.

Safe Concordia commenced operations for Petrobras in Brazil in May, after completing a preparatory yard stay in Curaçao earlier in the year. The duration of the contract is three years.

Whilst no contract was secured for the *Safe Astoria* for 2011, the rig was brought into the yard at Batam, Indonesia in the summer for its SPS, upgrade of the accommodation capacity, installation of a new helideck and general preparations for a contract in Australia scheduled to commence in the spring of 2012. The rig remained at the yard throughout the year and into 2012.

Safe Caledonia was on charter with BG on the UK Continental Shelf from March 2011 until the end of March 2012.

Safe Scandinavia operated for BP at Valhall in

Norway until March. Thereafter, the rig was contracted to Statoil at the Snorre field, Norway, until October, before returning to Valhall, where she remained until the end of March 2012.

Regalia replaced *Safe Scandinavia* at Valhall from March to October. The rig was thereafter moved to the Yme field in Norway where she commenced operations for Talisman in November.

The jack-up *Safe Esbjerg* operated for Maersk on the Danish continental shelf through September and has been idle since then.

New build order

In December, Prosafe entered into a turnkey contract for the construction of a semi-submersible accommodation rig at Jurong Shipyard Pte Ltd in Singapore. The new unit, which will be named *Safe Boreas*, will be the most advanced and efficient harsh environment accommodation rig in the world and will be constructed to comply with Norwegian regulations which enables it to be utilised worldwide.

The rig will be constructed according to the GVA 3000E design and will be equipped with a DP3 (dynamic positioning) system as well as a 12 point mooring arrangement. This will allow for operations in harsh environments both in dynamic positioning (DP) and anchored mode, providing maximum cost efficiency and flexibility. The unit will have the capacity to accommodate 450 persons in single man cabins.

Delivery from the yard is scheduled for the second quarter of 2014 and all-in cost including yard cost, owner-furnished equipment, project management and financing is estimated at USD 350 million. 20 per cent of the yard cost is payable at signing of the contract, while the remaining 80 per cent will be paid at delivery. The contract also includes options for two additional units, expiring in December 2012 and June 2013, respectively.

The addition of this new harsh environment rig reinforces Prosafe's leading position in the high-end accommodation rig segment, strengthening the company's ability to meet clients' needs related to increasingly complex operations in a growing market.

Outlook

The number of offshore installations has increased continuously since the 1970s, and many of the installations have exceeded their original design life. Furthermore, the technological development in combination with the high oil price has led to high activity related to improved oil recovery and tie-ins of satellite fields. Accordingly, further life extensions of the fields can be expected.

There have recently been several large discoveries in the North Sea, which will eventually require development and together with on-going large redevelopment and maintenance projects, will lead to a buoyant outlook for Prosafe's market over the coming years.

The outlook for accommodation rigs in Mexico appears to be robust. The demand in Mexico is mainly driven by the efforts to maintain oil production at the Cantarell field. In the longer term, there is potential demand in connection with new developments in deeper waters.

Current offshore accommodation demand in Brazil comes mainly from the Campos basin, where accommodation units are assisting with maintenance of FPSOs and fixed installations. In the longer term, it is expected that there will be more accommodation demand in other basins in Brazil.

Prosafe has recently announced two contracts in Southeast Asia/Australia, and more prospects are anticipated in the region in the medium to long term. Demand for semi-submersible accommodation rigs in this market is expected to be higher in the coming years than it has been in the past.

There are currently two semi-submersible North Sea compliant accommodation rigs under construction. *Safe Boreas*, owned by Prosafe, will be suitable for operations in Norway and the UK and is to be delivered in the second quarter of 2014. *Floatel Victory*, owned by Floatel International, will be capable of UK operations and delivery is scheduled for the first quarter of 2014. These two additions will increase the number of semi-submersible accommodation rigs capable of year-round operations in the North Sea from six to eight.

In conclusion, the global market for semi-submersible accommodation rigs is likely to be tight in the near future. Visibility beyond the next two years is less clear and the two new North Sea rigs coming into the market in 2014 will affect the demand/supply balance, however, the Board is confident that demand will continue to grow long-term driven by field life extensions, ageing infrastructure and new large discoveries.

Health, safety and the environment (HSE)
A successful performance with respect to HSE is fundamental to all of Prosafe's operations and is reflected in the company's core values. The company works proactively and systematically to reduce injuries and sickness absence.

Prosafe operates a zero accident mind-set philosophy which means that no accidents or serious incidents are acceptable. Over the past years, the company has focused on preventive measures and a number of initiatives have been implemented in order to further strengthen the safety culture. Simultaneously, new systems and procedures have been introduced which have resulted in improved safety results. This positive trend has continued in 2011.

During the year, Prosafe recorded one Lost Time Injury (LTI), which resulted in the employee being absent from the next work shift. Fortunately, in respect of this incident there were no long-term consequences for the employee. This translates into an LTI frequency rate of 0.95 for 2011, compared to 2.1 in 2010. The LTI frequency is calculated by multiplying the number of LTIs by 1 million and dividing this by the total number of man-hours worked.

The injury frequency, which expresses the number of personal injuries per million working hours, was 1.9, a considerable improvement from 2010, when it was 4.8. Sickness absence fell to 2.1 per cent in 2011 from 2.9 per cent in 2010.

Prosafe had no accidental discharges to the natural environment in 2011 and continues to actively reduce emissions by investment in more modern and fuel efficient equipment and continuous improvement in operating procedures.

Human resources and diversity
Prosafe's workforce grew to 551 individuals at the end of 2011 from 432 in the previous year. Prosafe's global presence was reflected in the fact that its employees came from 23 countries around the world. Overall workforce turnover in the group was 4.2 per cent in 2011, as opposed to 8.5 per cent in 2010.

The company operates an equal opportunity policy including gender equality. Men have, however, traditionally made up a greater proportion of the recruitment base for offshore operations, and this is reflected in Prosafe's gender breakdown. As of 31 December 2011, women accounted for 11 per cent of the overall workforce, compared to 12 per cent in 2010. Onshore the proportion of women was 43 per cent, as opposed to 42 per cent in 2010.

Women constituted 18 per cent of the managers as of 31 December 2011, as opposed to 12 per cent at the end of 2010.

Prosafe aims to offer the same opportunities to all and there is no discrimination due to race, gender, nationality, culture or religion with respect to recruitment, remuneration or promotion.

Corporate governance

Corporate governance in Prosafe is based on the principles contained in the Norwegian Code of Practice for Corporate Governance of 21 October 2010. There are no significant deviations between the Code of Practice and its implementation in Prosafe. The company's full Corporate Governance Report is set out on Prosafe's website: www.prosafe.com under the heading "Investor Information/Governance in Prosafe/Norwegian Code of Practice".

By displaying robust corporate governance, the company aims to strengthen confidence in the company among shareholders, the capital market and other interested parties, and will help ensure maximum value creation over time in the best interest of shareholders, employees and other stakeholders.

At the Annual General Meeting on 25 May 2011, Michael R. Parker was re-elected as Chairman of the Board for a period of two years. Christakis Pavlou and Roger Alan Cornish were re-elected as Directors for a period of two years. It was further resolved to increase the number of Directors from six to seven and Carine Smith Ihenacho was elected for a period of two years.

Corporate social responsibility

Prosafe aims to be a socially responsible company and to further develop its business in a sustainable manner. In order to ensure long-term, viable development and profit, the company balances economic, environmental and social objectives, and integrates them into its daily business activities and decisions.

Prosafe's objectives for corporate social responsibility are based on the company's strategy, core values, Code of Conduct and principles for corporate governance, in addition to international recognised principles and guidelines. In order to advance its commitment to sustainability and corporate citizenship, Prosafe signed up as a member of the United Nations Global Compact in October 2008.

Going forward, the company will continue to aim for continuous improvement of internal standards, the way it works with partners and suppliers, and to manage the impact of its operations.

Risk

Prosafe must deal with the following primary risk categories: strategic, operational, financial and insurance-related. The company's Board and senior officers manage these risk factors through continuous reporting, board meetings, periodic reviews of the business and tenders, and rolling strategy and budget processes. This is supplemented by dialogue and exchange of views with the company's management.

The company aims to create shareholder value by allocating capital and resources to the business opportunities that yield the best return relative to the risk involved within its specified strategic direction.

Prosafe seeks to reduce its exposure to operational, financial and insurance-related risk through proper operating routines, the use of financial instruments and insurance policies.

Further information on financial risk management is given in note 21 to the consolidated financial statements.

An account of the main features of the company's internal control and risk management systems is available on Prosafe's website www.prosafe.com under the heading "Investor information/Governance in Prosafe/Risk management".

Shareholders
According to the shareholder register as of 31 December 2011, the ten largest shareholders held a total of 44.0 per cent of the issued shares. The remaining shares were held by 4,641 investors. Folketrygdfondet (the Norwegian state pension fund) was the largest shareholder with a holding of 8.0 per cent of the issued shares.

The number of issued shares in Prosafe is 229,936,790 at a nominal value of EUR 0.25 each, of which 6,975,818 shares were owned by Prosafe SE. There has been no change in share capital in the reporting period.

Further information is shown in note 16 to the consolidated financial statements.

Auditor
The independent auditor of the company, Ernst & Young, has expressed its willingness to continue as the company's auditor. Reference to auditors' fee is made to note 8 to the consolidated accounts.

Proposed dividend
Prosafe's shareholders are to receive a competitive return on their shares through a combination of share price appreciation and a direct return in the form of dividends. The level of dividend is to reflect the underlying financial development of the company, while taking into account opportunities for further value creation through profitable investment.

The Board has approved a dividend policy of up to 75 per cent of the company's net profit paid four times per year in the following year. In 2011, a total dividend equivalent to USD 0.48 per share was distributed to the shareholders. The dividend was paid in the form of NOK 2.65 per share.

Typically, an interim dividend will be declared together with the release of the quarterly results.

At 31 December 2011, Prosafe SE had a distributable equity of USD 1 219.6 million.
The parent company showed a net profit of USD 164.1 million for 2011, which the Board proposes to be allocated as follows (in USD million):

Dividend	0.0 million
Transferred to equity	164.1 million
Total	**164.1 million**

Larnaca, 28 March 2012
Board of Directors of Prosafe SE

Michael Raymond Parker
Non-executive chairman

Christian Brinch
Non-executive deputy chairman

Roger Cornish
Non-executive director

Ronny Johan Langeland
Non-executive director

Elin Nicolaisen
Non-executive director

Christakis Pavlou
Non-executive director

Carine Smith Ihenacho
Non-executive director

Consolidated accounts

CONSOLIDATED INCOME STATEMENT

(USD million)	Note	2011	2010
Charter revenues		400.7	397.1
Other operating revenues	6	48.9	45.3
Operating revenues		**449.6**	**442.4**
Employee benefits	8	(93.0)	(68.6)
Other operating expenses	9	(99.0)	(90.7)
Operating profit before depreciation		**257.6**	**283.1**
Depreciation	10	(65.3)	(62.0)
Operating profit		**192.3**	**221.1**
Interest income	12	0.3	0.3
Interest expenses	12	(42.4)	(42.9)
Other financial income	4, 11, 12	32.8	26.6
Other financial expenses	11, 12	(25.9)	(2.9)
Net financial items		**(35.2)**	**(18.9)**
Profit before taxes		**157.1**	**202.2**
Taxes	13	0.9	(3.7)
Net profit		**158.0**	**198.5**
Attributable to equity holders of the parent		**158.0**	**198.5**
Earnings per share (USD)	14	**0.71**	**0.89**
Diluted earnings per share (USD)	14	**0.71**	**0.89**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(USD million)	Note	2011	2010
Net profit for the year		**158.0**	**198.5**
Foreign currency translation		(0.1)	0.9
Revaluation hedging instruments	21	0.7	8.8
Income tax effect on components of comprehensive income		0.0	0.0
Other comprehensive income, net of tax		**0.6**	**9.7**
Total comprehensive income		**158.6**	**208.2**
Attributable to equity holders of the parent		**158.6**	**208.2**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(USD million)	Note	31.12.2011	31.12.2010
ASSETS			
Goodwill	10	226.7	226.7
Rigs	10	893.7	898.8
Other tangible assets	10	5.1	4.5
Prepayment new build	25	58.3	0.0
Total non-current assets		**1 183.8**	**1 130.0**
Cash and deposits	20, 22	93.4	98.3
Debtors	20, 21	56.5	17.5
Fair value on derivatives	20, 21	0.0	3.6
Other current assets	20, 23	42.4	17.0
Total current assets		**192.3**	**136.4**
Total assets		**1 376.1**	**1 266.4**
EQUITY AND LIABILITIES			
Share capital	16	63.9	63.9
Other equity		397.9	346.4
Total equity		**461.8**	**410.3**
Interest-bearing long-term debt	17, 20, 21	756.9	705.4
Deferred tax	13	33.6	41.7
Fair value on derivatives	20, 21	32.5	33.6
Other provisions		2.1	2.3
Total long-term liabilities		**825.1**	**783.0**
Interest-bearing current debt	17, 20, 21	3.6	0.0
Accounts payable	20, 21	5.3	10.4
Taxes payable	13	17.3	24.1
Fair value on derivatives	20, 21	12.8	0.0
Other current liabilities	18, 20, 21	50.2	38.6
Total current liabilities		**89.2**	**73.1**
Total equity and liabilities		**1 376.1**	**1 266.4**

Larnaca, 28 March 2012

Michael Raymond Parker
Non-executive chairman

Christian Brinch
Non-executive deputy chairman

Roger Cornish
Non-executive director

Ronny Johan Langeland
Non-executive director

Elin Nicolaisen
Non-executive director

Christakis Pavlou
Non-executive director

Carine Smith Ihenacho
Non-executive director

CONSOLIDATED CASH FLOW STATEMENT

(USD million)	Note	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		157.1	202.2
Unrealised currency (gain)/loss on long-term debt	17	(9.0)	(1.7)
Gain on sale of shares	4	(10.2)	(23.7)
Depreciation	10	65.3	62.0
Financial income		(0.3)	(0.3)
Financial cost		42.4	42.9
Change in working capital		(48.5)	25.7
Other items from operating activities		(7.6)	(16.4)
Net cash flow from operating activities		**189.2**	**290.7**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of shares	4	75.1	78.4
Acquisition of shares	4	(65.0)	0.0
Acquisition of tangible assets	10	(60.8)	(46.9)
Prepayment new build	25	(58.3)	0.0
Interest received		0.3	0.3
Net cash flow from investing activities		**(108.7)**	**31.8**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from new interest-bearing debt	17, 20, 21	870.4	50.0
Repayments of interest-bearing debt	17, 20, 21	(806.3)	(258.0)
Dividends paid	15	(107.1)	(61.8)
Interest paid		(42.4)	(42.9)
Net cash flow from financing activities		**(85.4)**	**(312.7)**
Net cash flow		**(4.9)**	**9.8**
Cash and deposits at 1 January		98.3	88.5
Cash and deposits at 31 December	22	**93.4**	**98.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(USD million)	Share capital	Own shares	Other equity	Cash flow hedges	Foreign currency translation	Total equity
Equity at 31 December 2009	**63.9**	**(49.2)**	**239.1**	**(33.0)**	**43.1**	**263.9**
Net profit	0.0	0.0	198.5	0.0	0.0	198.5
Other comprehensive income	0.0	0.0	0.0	8.8	0.9	9.7
Total comprehensive income [1)]	**0.0**	**0.0**	**198.5**	**8.8**	**0.9**	**208.2**
Sale of own shares	0.0	0.1	(0.1)	0.0	0.0	0.0
Dividend	0.0	0.0	(61.8)	0.0	0.0	(61.8)
Equity at 31 December 2010	**63.9**	**(49.1)**	**375.7**	**(24.2)**	**44.0**	**410.3**
Net profit	0.0	0.0	158.0	0.0	0.0	158.0
Other comprehensive income	0.0	0.0	0.0	0.7	(0.1)	0.6
Total comprehensive income [1)]	**0.0**	**0.0**	**158.0**	**0.7**	**(0.1)**	**158.6**
Sale of own shares	0.0	0.1	(0.1)	0.0	0.0	0.0
Dividend	0.0	0.0	(107.1)	0.0	0.0	(107.1)
Equity at 31 December 2011	**63.9**	**(49.0)**	**426.5**	**(23.5)**	**43.9**	**461.8**

[1)] Total comprehensive income is attributable to the equity owner of the parent

The legal form of the share capital and the share premium accounts are reflected in the statement of changes in equity of the accompanying parent financial statements. Other equity includes share premium reserve and retained earnings.

Notes to the consolidated financial statements

NOTE 1: CORPORATE INFORMATION

Prosafe SE (the 'Company') is a public limited company domiciled in Larnaca, Cyprus. The Company is listed on the Oslo Stock Exchange with ticker code PRS. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group'). The consolidated financial statements for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the board of directors on 28 March 2012. The Group is the world's leading owner and operator of semi-submersible accommodation/service rigs.

NOTE 2: BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap 113. The accounts have been prepared on a historical cost basis, except for derivative financial instruments and financial investments that are stated at fair value. The consolidated financial statements are presented in US dollars (USD), and all values are presented in USD million unless otherwise stated. The accounting principles adopted are consistent with those of the previous financial year.

New and amended standards

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2011. The amendment clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2010. The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment has had no effect on the financial position or performance of Prosafe because Prosafe does not have these types of instruments.
- IFRIC 14 Prepayment of a Minimum Funding Requirement (Amendment). The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. Prosafe is not subject to minimum funding requirements, therefore the amendment of the interpretation has no effect on the financial position nor the performance of the Group.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group:

- IFRS 7 Financial Instruments – Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 3 Business Combinations (Contingent consideration arising from business combination prior to adoption of IFRS 3 as revised in 2008)
- IFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payments awards)
- IFRS 3 Business Combinations: The measurement options available for non-controlling interest were amended
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements
- IFRIC 13 Customer Loyalty Programs

The following interpretations and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of Prosafe's financial statements are listed below. The listing of standards and interpretations issued are those that Prosafe reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. Prosafe intends to adopt standards when they become effective.

- IAS 1 Financial Statement Presentation – Presentation of items of Other Comprehensive income. The amendments change the grouping of items presented in OCI. The amendment becomes effective for annual periods beginning on or after 1 July 2012.
- IAS 12 Income Taxes – Recovery of Underlying Assets. The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment becomes effective for annual periods beginning on or after 1 January 2012.
- IAS 19 Employee Benefits. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013.
- IAS 27 Separate Financial Statements. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.
- IAS 28 Investments in Associates and Joint Ventures. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have derecognised and their associated liabilities. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosures only.
- IFRS 9 Financial Instruments: Classification and Measurement. IFRS 9 as issued reflects the first phase of

the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013.

- IFRS 10 Consolidated Financial Statements. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. The standard becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 11 Joint Arrangements. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Ventures.
- IFRS 12 Disclosures of Involvement with Other entities. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28.
- IFRS 13 Fair Value Measurement. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. The standard becomes effective for annual periods beginning on or after 1 January 2013.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

JUDGMENTS. The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amount recognised in the consolidated financial statements.

Prosafe owns and operates a fleet of accommodation and service rigs. Based on an evaluation of the terms and conditions of the arrangements in the contracts, the Group has determined that it retains all significant risks and rewards of ownership of the vessels and therefore none of the contracts have been accounted for as a financial lease.

ESTIMATES AND ASSUMPTIONS. The estimates and assumptions are assessed on a continuous basis. The estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements relate to depreciation of fixed assets, impairment assessment of non-financial assets, share-based payments, taxes and fair value of financial instruments. Estimated useful life of the Group's semi-submersible accommodation/service rigs is 30 to 45 years dependent on the age at the time of acquisition and subsequent refurbishments. The management determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated, which requires management to estimate the future cash flow from the cash-generating units and to apply a suitable discount rate. Further details are given in note 10. Estimating fair value for share-based payments requires determination of the most appropriate valuation model and the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield.

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

BASIS OF CONSOLIDATION. The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets and liability of the subsidiary
- derecognises the carrying amount of any non-controlling interest
- derecognises the cumulative translation differences, recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit and loss
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

BUSINESS COMBINATIONS AND GOODWILL. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit and loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

FOREIGN CURRENCY TRANSLATION. The presentation currency is USD. This is also the functional currency for the parent company. Transactions in other currencies than the USD are translated at the exchange rate prevailing at the transaction date. Monetary items in other currencies than the functional currency are translated to the functional currency at the exchange rate on the balance sheet date, and the currency difference is recognised in the profit and loss account. Non-monetary items in other currencies than the functional currency are translated at the exchange rate at the transaction date. When consolidating companies with a functional currency other than the USD, profit and loss items are translated at the monthly average exchange rate, while balance sheet items are translated at the exchange rate on the balance sheet date. Translation differences are taken directly to equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular operation is recognised in the income statement.

SEGMENT REPORTING. For management and monitoring purposes, the Group is organised into one segment; chartering and operation of accommodation/service rigs. For geographical information, reference is made to note 5.

REVENUE RECOGNITION. Revenue is recognised to the extent that it is probable that the economic benefits will flow to Prosafe and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Charter income is recognised according to the terms of the agreement and in the period the work is performed. Prosafe does not transfer the risks or benefits of ownership of the asset to the customers and none of the contracts are accounted for as a financial lease. Management, crew services and other related income are recognised in the period the services are rendered. Interest income is recognised on an accrual basis. Interest income is included in financial items in the income statement. Dividends are recognised when Prosafe's right to receive the payment is established.

PROVISIONS are recognised when, and only when, the Group has a present obligation as a result of events that have taken place, and it can be proven probable that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability.

When Prosafe expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

TANGIBLE ASSETS are stated at acquisition cost less cumulative depreciation and accumulated impairment losses, if any. Assets are depreciated on a straight-line basis over their estimated economically useful lives, with account taken of their estimated residual value. The management makes annual assessments of residual value, methods of depreciation and the remaining economic life of the assets. Components of an asset which have an estimated shorter life than the main component of the asset are accordingly depreciated over this shorter period. Acquisition cost includes costs directly attributable to the acquisition of the assets. Subsequent expenditures are added to the book value of the asset or accounted for on a separate basis, when it is likely that future benefits would derive from the expenditures. The rigs are subject to a periodic survey every five years, and associated costs are amortised over the five-year period to the next survey. Other repair and maintenance costs are expensed in the period they are incurred.

In accordance with revised IAS 23, borrowing costs are capitalised on qualifying assets with a commencement date on or after 1 January 2009.

Tangible fixed assets are depreciated on a straight line basis over their useful lifetime as follows:
- Semi-submersible rigs – 30 to 45 years dependent on the age at the time of the acquisition and subsequent refurbishments
- Jack-up rigs – 20 years
- Buildings – 20 to 30 years
- Equipment – 3 to 5 years

IMPAIRMENT OF NON-FINANCIAL ASSETS. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed forecast calculations which are prepared separately for each of the Group's cash generating units to which the individual assets are allocated. These forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

For non-financial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, Prosafe estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

IMPAIRMENT OF GOODWILL. Goodwill is tested for impairment annually, and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each cash-generating unit to which the goodwill relates. When the recoverable amount is lower than the carrying amount, the impairment loss is recognised in the income statement. Impairment losses related to goodwill cannot be reversed in future periods.

INVENTORIES are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

FINANCIAL ASSETS

Initial recognition
Financial assets in Prosafe SE are classified as financial assets at fair value through profit or loss, loans

and receivables, available for sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Prosafe determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus directly attributable costs, with the exception of assets measured at fair value through profit and loss.

Prosafe's financial assets include cash and short-term deposits, trade and other receivables, financial derivatives and shares.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss include financial assets held for trading. Prosafe has no financial instruments designated as at fair value through profit and loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near future. This category also includes derivative instruments entered into that do not meet the hedge accounting criteria as defined by IAS 39. Financial assets at fair value through profit and loss are carried in the balance sheet at fair value with gains and losses recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the three preceding categories. After initial measurement, available for sale financial assets are measured at fair value with unrealised gains and losses recognised directly in equity until the investment is derecognised, at which time cumulative gain or loss recorded in equity is recognised in the income statement, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the income statement.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets are deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliable estimated.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Significant is evaluated against the original cost of the investment and prolonged against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the investment previously recognised in the income statement, is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

FINANCIAL LIABILITIES

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, financial liabilities measured at amortised cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Prosafe determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value plus directly attributable costs.

Prosafe's financial liabilities include trade and other payables, bank overdraft, loans and borrowings, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near future. This category also includes derivative instruments entered into that do not meet the hedge accounting criteria as defined by IAS 39. Gains and losses on liabilities held for trading are recognised in the income statement.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is computed using the effective interest method less any principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

EMPLOYEE BENEFITS. Companies within the Group make contributions to pension schemes that are defined contribution plans. The companies' payments are recognised in the income statement for the year to which the contribution applies.

SHARE-BASED PLANS. The Group has an option plan for senior officers which provides a cash settlement if an option is exercised. The fair value of the options is expensed over the period until vesting with recognition of a corresponding liability which also includes social security tax where relevant. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognised in the income statement.

EVENTS AFTER THE BALANCE SHEET DATE. New information on the Group's positions at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the position at the balance sheet date, but which will affect the position in the future, are stated if significant.

BORROWING COSTS. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

DERIVATIVE FINANCIAL INSTRUMENTS. Prosafe uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains and losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to the income statement.

The fair value of forward currency contracts is the discounted difference between the forward exchange rate and the contract price. The fair value of interest rate swap contracts is determined by reference to market price for similar instruments.

At the inception of a hedge relationship, Prosafe formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in fair value of a hedging derivative is recognised in the income statement. The change in the fair value of the hedged item attributable to the risk is recorded as a part of the carrying value of the hedged item and is also recognised in the income statement.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the income statement over the remaining term to maturity.

Cash flow hedges

The effective portion of the gain and loss on the hedging instrument is recognised directly in equity, while any ineffective portion is recognised immediately in the income statement.

Amounts recognised as other comprehensive income are transferred to the income statement when the hedged transaction affects profit and loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or a non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial assets or liability.

Current versus non-current classification

Derivative instruments that are not a designated and effective hedging instrument are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances.

When Prosafe holds a derivative as an economic hedge for a period beyond 12 months after the balance sheet date or a derivative instrument is designated as an effective hedging instrument, the derivative is classified as current or non-current consistent with the classification of the underlying item.

TAXES in the income statement include taxes payable and changes in deferred tax. Deferred tax is calculated on the basis of temporary differences between book and tax values that exist at the end of the period. Deferred tax asset is recognised in the balance sheet when it is likely that the tax benefit can be utilised. Deferred tax and deferred tax asset are measured at nominal value.

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid to the taxation authorities.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

CASH AND DEPOSITS include cash, bank deposits and other short-term deposits with an original maturity of three months or less.

SHAREHOLDER'S EQUITY. Any difference between the issue price of share capital and the nominal value is recognised as share premium. The costs incurred attributable to the issue of share capital are deducted from equity.

OWN SHARES. Own equity instruments which are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

NOTE 4: GAIN ON SALE OF SHARES

In July 2011, the Company acquired 21 542 568 shares in Floatel International Ltd (Floatel), which equalled 22.2 per cent of the shares. The acquisition price was NOK 16 per share. In August 2011, Floatel announced that the company had signed a heads of agreement to enter into an amalgamation agreement with Aqua Pellentesque Ltd. The shares were realised in September 2011, and the Company received a cash consideration of NOK 19.50 per share. A net gain of USD 10.2m in relation to this transaction has been recognised in the income statement. Net proceeds were USD 75.1 million.

As at 31 December 2009, the Group owned 25 375 142 shares in Prosafe Production Public Limited (PROD). The shares were valued at the share price prevailing on the balance sheet date. In October 2010, the Group exchanged the shares in PROD for 1.2 shares in BW Offshore Limited (BWO) plus a cash consideration of NOK 3 per share in PROD, and subsequently sold the shares in BWO. These transactions had a profit contribution of USD 23.7 million in 2010, which was recognised as a financial income. Net proceeds were USD 78.4 million.

NOTE 5: SEGMENT REPORTING

Prosafe has one segment, which is chartering and operation of accommodation/service rigs.

Operating revenues by geographical location	2011	2010
Europe	277.4	287.4
Americas	172.2	126.0
Other	0.0	29.0
Total operating revenues	**449.6**	**442.4**

The revenue information above is based on the location of the customer.

Operating revenues from major customers situated in:	2011		2010	
	1)	2)	1)	2)
Americas	141.3	31%	126.0	28%
Europe	106.8	24%	87.5	20 %
Europe	73.0	16%	0.0	0 %
Europe	54.7	12%	64.9	15%
Europe	0.0	0%	68.8	16%
Europe	0.0	0%	44.1	10%

1) Operating revenues in USD million
2) Percentage of total revenues

Total assets by geographical location	2011	2010
Europe	769.4	1 023.9
Americas	420.8	142.9
Other	185.9	99.6
Total assets	**1 376.1**	**1 266.4**

NOTE 6: OTHER OPERATING REVENUES

	2011	2010
Mobilisation/demobilisation income	4.1	6.5
Other contract income	44.8	38.8
Total other operating revenues	**48.9**	**45.3**

NOTE 7: QUARTERLY RESULTS

	Q1	Q2	Q3	Q4	2011
Operating revenues	71.1	125.0	131.8	121.7	449.6
Operating expenses	(41.3)	(51.7)	(45.8)	(53.2)	(192.0)
EBITDA	**29.8**	**73.3**	**86.0**	**68.5**	**257.6**
Depreciation	(15.7)	(15.9)	(17.0)	(16.7)	(65.3)
Operating profit	**14.1**	**57.4**	**69.0**	**51.8**	**192.3**
Net financial items	**(7.9)**	**(6.1)**	**(6.4)**	**(14.8)**	**(35.2)**
Profit before taxes	**6.2**	**51.3**	**62.6**	**37.0**	**157.1**
Taxes	0.6	0.6	0.2	(0.5)	0.9
Net profit	**6.8**	**51.9**	**62.8**	**36.5**	**158.0**

NOTE 8: EMPLOYEE BENEFITS, MANAGEMENT REMUNERATION AND AUDIT FEE

	2011	2010
Wages and salaries	39.0	29.7
Contract personnel	36.0	25.0
Other remuneration	2.2	2.1
Social security taxes	5.1	3.3
Share option costs	(0.4)	(0.3)
Pension expenses	3.6	2.9
Other personnel-related expenses	7.5	6.0
Total employee benefits	**93.0**	**68.6**

Bonus scheme

The Company's bonus scheme was introduced in 2003, and embraces the corporate management and the operational management team. The bonus depends on achieving defined results relating to earnings, the attainment of strategic goals and HSE.

Share options

The corporate management and other key employees (in total 18 persons) are included in a synthetic share option programme. The outstanding options were granted in 2008, 2009 and 2011. When a synthetic option is exercised, the option holder is paid a cash consideration corresponding to the difference between the share price at the exercise date adjusted for any dividends paid during the period, and the share price at grant. All synthetic options granted from 2009 and onwards are capped at two times strike price. Net proceeds after tax shall be used to purchase shares in the Company at market price. This plan has no dilution effect, since the shares will be purchased in the market. The options are valued by using the Black-Scholes option pricing model. The right to exercise is subject to the employee being employed during the vesting period.

	2011	2010
Share price at 31 December (NOK)	40.99	46.40
Weighted average fair value (NOK) at 31 December	4.39	6.20
Provision at 31 December (USD million)	2.2	2.6

Options granted 2008	2 768 829
Options granted 2009	910 000
Options granted 2011	770 000
Forfeited in 2010	(917 524)
Exercised in 2011	(70 000)
Forfeited in 2011	(20 000)
Outstanding options at 31 December 2011	3 441 305
Exercisable at 31 December 2011	2 691 305

Vesting date in May 2009	
Grant date	09.06.2008
Exercise price at grant (NOK)	56.18
Exercise price at 31.12.2011 (NOK)	50.46
Vesting date	15.05.2009
Expiry date	01.06.2012
Lifetime opening balance	0.37
Lifetime closing balance	-
Volatility opening balance	0.34
Volatility closing balance	-
Interest rate opening balance	0.02
Interest rate closing balance	-
Fair value opening balance (NOK)	1.68
Fair value closing balance (NOK)	-
Outstanding options at 31.12.2011	1 113 786

Vesting date in May 2010	
Grant date	09.06.2008
Exercise price at grant (NOK)	56.18
Exercise price at 31.12.2011 (NOK)	50.46
Vesting date	15.05.2010
Expiry date	01.06.2012
Lifetime opening balance	1.37
Lifetime closing balance	0.37
Volatility opening balance	0.36
Volatility closing balance	0.35
Interest rate opening balance	0.02
Interest rate closing balance	0.02
Fair value opening balance (NOK)	5.97
Fair value closing balance (NOK)	0.89
Outstanding options at 31.12.2011	872 519

Vesting date in May 2011	
Grant date	22.05.2009
Exercise price at grant (NOK)	30.45
Exercise price at 31.12.2011 (NOK)	24.73
Vesting date	22.05.2011
Expiry date	22.05.2013
Lifetime opening balance	2.39
Lifetime closing balance	1.39
Volatility opening balance	0.41
Volatility closing balance	0.35
Interest rate opening balance	0.03
Interest rate closing balance	0.01

Fair value opening balance (NOK)	12.95
Fair value closing balance (NOK)	15.37
Outstanding options at 31.12.2011	705 000

Vesting date in November 2014

Grant date	31.05.2011
Exercise price at grant (NOK)	54.05
Exercise price at 31.12.2011 (NOK)	51.40
Vesting date	30.11.2014
Expiry date	30.11.2014
Lifetime opening balance	-
Lifetime closing balance	2.92
Volatility opening balance	-
Volatility closing balance	0.38
Interest rate opening balance	-
Interest rate closing balance	0.02
Fair value opening balance (NOK)	-
Fair value closing balance (NOK)	4.97
Outstanding options at 31.12.2011	375 000

Vesting date in November 2015

Grant date	31.05.2011
Exercise price at grant (NOK)	58.21
Exercise price at 31.12.2011 (NOK)	55.56
Vesting date	30.11.2015
Expiry date	30.11.2015
Lifetime opening balance	-
Lifetime closing balance	3.92
Volatility opening balance	-
Volatility closing balance	0.39
Interest rate opening balance	-
Interest rate closing balance	0.02
Fair value opening balance (NOK)	-
Fair value closing balance (NOK)	4.33
Outstanding options at 31.12.2011	375 000

The right to exercise is subject to the employee being employed during the vesting period.

Pension and severance pay

Members of the corporate management have agreements on severance pay. Under these agreements, the Company guarantees a remuneration corresponding to the base salary received at the time of departure for a period of up to two years after the normal six-month period of notice. With the exception of the agreement with the CEO, these agreements specify that benefits received from new employers are deducted from the remuneration due, unless the person concerned left as a result of an acquisition, sale or merger. The CEO has an agreement on early retirement pension after the age of 60 and until the age of 67. With full earning of pension entitlement, the annual early retirement pension will equal 24 times the Norwegian national insurance base rate.

In accordance with the code of practice for corporate governance recommended by the Oslo Stock Exchange, remuneration for the corporate management and the board of directors is specified below.

Senior officers (USD 1 000)	Year	Salary	Bonus [1]	Pension [2]	Other benefits	Value of options 31 Dec [3]
Karl Ronny Klungtvedt (CEO)	2011	580	283	54	38	353
Sven Børre Larsen (CFO)	2011	345	0	33	34	8
Robin Laird (COO)	2011	523	266	78	181	350
Arne Austreid (CEO until 1 Oct 2010)	2010	532	359	106	92	0
Karl Ronny Klungtvedt (exec VP until 30 Sep, CEO from 1 Oct)	2010	494	232	22	32	515
Robin Laird (COO)	2010	463	270	69	167	527
Martin Kolnes (CFO)	2010	365	161	70	100	421

1) Payment based on previous years' achievements
2) For the CEO, the figure in 2011 includes increase in early retirement pension liability
3) Valuation based on the Black-Scholes option pricing model

Board of directors (USD 1 000)	Year	Board fees [1]	Pension [2]
Michael Raymond Parker (chair)	2011	135	0
Christian Brinch (deputy chair)	2011	98	0
Ronny Johan Langeland	2011	96	0
Elin Nicolaisen	2011	75	0
Christakis Pavlou	2011	79	0
Roger Cornish	2011	88	0
Carine Smith Ihenacho (appointed May 2011)	2011	45	0
Michael Raymond Parker (chair from May 2010)	2010	96	0
Reidar Lund (chair until May 2010)	2010	37	187
Christian Brinch (deputy chair)	2010	87	0
Ronny Johan Langeland	2010	85	0
Elin Nicolaisen	2010	73	0
Christakis Pavlou	2010	71	0
Roger Cornish	2010	76	0

1) If applicable, figures include compensation from audit committee, compensation committee and election committee.
2) Payment based on pension rights earned whilst he was the CEO of the Company.

Auditors' fee

(USD 1 000)	2011	2010
Audit	335	372
Fees for other services	65	112
Total auditors' fee	**400**	**484**

NOTE 9: OTHER OPERATING EXPENSES

	2011	2010
Repair and maintenance	27.1	22.6
Other vessel operating expenses	40.6	40.3
General and administrative expenses	31.3	27.9
Total other operating expenses	**99.0**	**90.8**

NOTE 10: TANGIBLE ASSETS AND GOODWILL

	Rigs	Equipment	Buildings	Goodwill	Total
Acquisition cost 31 December 2009	**1 285.0**	**2.7**	**6.1**	**226.7**	**1 520.5**
Additions	46.7	0.2	0.1	0.0	46.9
Disposals	0.0	0.0	0.0	0.0	0.0
Acquisition cost 31 December 2010	**1 331.7**	**2.8**	**6.2**	**226.7**	**1 567.4**
Additions	59.1	1.3	0.3	0.0	60.8
Disposals	0.0	0.0	0.0	0.0	0.0
Acquisition cost 31 December 2011	**1 390.8**	**4.2**	**6.5**	**226.7**	**1 628.2**
Accumulated depreciation 31 December 2009	**371.5**	**1.9**	**2.1**	**0.0**	**375.4**
Accumulated depreciation on disposals	0.0	0.0	0.0	0.0	0.0
Depreciation for the year	61.4	0.3	0.3	0.0	62.0
Accumulated depreciation 31 December 2010	**432.8**	**2.2**	**2.4**	**0.0**	**437.4**
Accumulated depreciation on disposals	0.0	0.0	0.0	0.0	0.0
Depreciation for the year	64.3	0.6	0.4	0.0	65.3
Accumulated depreciation 31 December 2011	**497.1**	**2.8**	**2.7**	**0.0**	**502.7**
Net carrying amount 31 December 2011	**893.7**	**1.3**	**3.8**	**226.7**	**1 125.5**
Net carrying amount 31 December 2010	**898.8**	**0.6**	**3.9**	**226.7**	**1 130.0**
Depreciation rate (%)	**3-20**	**20-33**	**3-5**	-	-
Economically useful life (years)	**5-45**	**3-5**	**20-30**	-	-

Tangible fixed assets and goodwill are initially recorded at cost. Subsequent to recognition, these assets are stated at cost less accumulated depreciation and any accumulated impairment losses. The costs of upgrades and modification of vessels are capitalised, and each vessel is accounted for as a single asset.

For qualifying assets commencing on or after 1 January 2009, interest costs will be capitalised as part of the asset in accordance with revised IAS 23. As at 31 December 2011, capitalised interest costs is nil. Interest costs related to projects which commenced before 1 January 2009 were expensed in the period in which they were incurred.

Estimated useful life for the semi-submersible accommodation/service rigs is 30-45 years. The estimated useful life of the accommodation jack-up is 20 years. Certain equipment on a rig is depreciated over a shorter period than the life of the rig itself. The estimated scrap value is USD 3 million per rig.

The goodwill of USD 226.7 million relates to the acquisition of Consafe Offshore AB in 2006, and has been allocated to a cash-generating unit comprising all accommodation/service rigs. The recoverable amount for each item has been identified by calculating the value in use. This calculation is based on the present value of the estimated cash flow from each cash-generating unit. The discount rates applied reflect management's estimate of the risks specific to each unit. The present value of this cash flow exceeds the carrying value, and no need for a write-down is indicated.

The present value of the estimated cash flows from each cash-generating unit, is based on the following inputs:

Revenues

- Current contracts portfolio and contract renewals reflecting current market conditions, remaining life of asset, and historical utilisation rates
- Annual increase of operating revenues 3% (general sector inflation assumption)

Expenses

- Operating expenses and overheads reflecting current market conditions and historical utilisation rates
- Annual increase of operating expenses and overheads 3% (general sector inflation assumption)

Capital expenditures

- Life extension capex reflecting historical actuals and upgrade capex reflecting long-term capex projections
- Annual increase of capital expenditures 3% (general sector inflation assumption)

Group weighted average cost of capital (WACC) 8%

- Sensitivity: a 1% increase in WACC would still give a present value of the cash flow well in excess of the carrying value.

NOTE 11: OTHER FINANCIAL ITEMS

	2011	2010
Currency gain	22.3	2.1
Fair value adjustment interest rate swaps	0.3	0.8
Gain on sale of shares	10.2	23.7
Total other financial income	**32.8**	**26.6**
Fair value adjustment currency forwards	(16.4)	(2.9)
Amortisation of borrowing costs	(6.1)	0.0
Other financial expenses	(3.4)	0.0
Total other financial expenses	**(25.9)**	**(2.9)**

NOTE 12: FINANCIAL ITEMS - IAS 39 CATEGORIES

Year ended 31 Dec 2011	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Total
Interest income	0.3	0.0	0.0	0.0	0.3
Fair value adjustment interest swaps	0.0	0.3	0.0	0.0	0.3
Other financial items	0.0	0.0	0.0	10.2	10.2
Currency gain [1)]	0.0	0.0	0.0	0.0	22.3
Total financial income	**0.3**	**0.3**	**0.0**	**10.2**	**33.1**
Interest expenses	0.0	0.0	(42.4)	0.0	(42.4)
Fair value adjustment FX forwards	0.0	(16.4)	0.0	0.0	(16.4)
Amortisation of borrowing costs	0.0	0.0	(6.1)	0.0	(6.1)
Other financial items	0.0	(3.4)	0.0	0.0	(3.4)
Total financial expenses	**0.0**	**(19.8)**	**(48.5)**	**0.0**	**(68.3)**
Net financial items	**0.3**	**(19.5)**	**(48.5)**	**10.2**	**(35.2)**

Year ended 31 Dec 2010	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Total
Interest income	0.3	0.0	0.0	0.0	0.3
Fair value adjustment interest swaps	0.0	0.8	0.0	0.0	0.8
Other financial items	0.0	0.0	0.0	23.7	23.7
Currency gain [1]	0.0	0.0	0.0	0.0	2.1
Total financial income	**0.3**	**0.8**	**0.0**	**23.7**	**26.9**
Interest expenses	0.0	0.0	(42.9)	0.0	(42.9)
Fair value adjustment FX forwards	0.0	(2.9)	0.0	0.0	(2.9)
Total financial expenses	**0.0**	**(2.9)**	**(42.9)**	**0.0**	**(45.8)**
Net financial items	**0.3**	**(2.1)**	**(42.9)**	**23.7**	**(18.9)**

[1] Currency effects (gain/loss) are excluded from the category break-down, but added to the total for net effect.

NOTE 13: TAXES

	2011	2010
Taxes in income statement:		
Taxes payable	7.3	12.9
Change in deferred tax	(8.2)	(9.2)
Total taxes in income statement	**(0.9)**	**3.7**
Temporary differences:		
Exit from Norwegian tonnage tax system	117.2	150.4
Non-current assets	(2.5)	(3.9)
Current liabilities	5.4	5.4
Tax loss carried forward	0.0	(2.9)
Basis for deferred tax	**120.1**	**149.0**
Recognised deferred tax	**33.6**	**41.7**
Deferred tax 1 January	41.7	53.8
Change in deferred tax in income statement	(8.2)	(9.2)
Translation difference	0.1	(2.9)
Deferred tax 31 December	**33.6**	**41.7**
Payable tax as at 31 December	**17.3**	**24.1**

Tax loss carried forward in Cyprus as at 31 December 2011 and 2010 amounts to USD 16.3 million and USD 23.1 million respectively. The tax rate in Cyprus is 10%. No deferred tax asset is recognised in respect of this tax loss carried forward. The tax loss may be carried forward indefinitely.

A material part of taxes in the income statement relates to withholding tax paid on several of the Group's operations. The tax cost may therefore vary independently of profit before taxes.

The Group's vessels are subject to taxation based on the special rules for taxation of shipping and offshore companies in Singapore. Profit from these charters is not taxable to Singapore, but the company pays tax deducted at source in some of the countries in which it operates.

The deferred tax liability related to the enforced departure of the rig business from the Norwegian tonnage tax system effective 1 January 2006 was initially calculated to NOK 780 million equivalent to USD 115 million applying the exchange rate prevailing on this date. This liability is paid at a rate of 20 per cent annually on the outstanding balance.

NOTE 14: EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the year. There are no dilutive share options.

	2011	2010
Net profit	158.0	198.5
Weighted average number of outstanding shares (1 000)	222 949	222 942
Basic earnings per share	**0.71**	**0.89**
Weighted average number of outstanding and potential shares (1 000)	222 949	222 942
Diluted earnings per share	**0.71**	**0.89**

NOTE 15: DIVIDENDS

	2011	2010
Dividend declared during the year	107.1	61.8
Total dividends declared	**107.1**	**61.8**
Dividends per share (NOK)	2.65	1.72

NOTE 16: SHARE CAPITAL AND SHAREHOLDER INFORMATION

	2011	2010
Issued and paid number of shares at 31 December	229 936 790	229 936 790
Authorised number of shares at 31 December	275 924 148	275 924 148
Holding of own shares at 31 December	6 975 818	6 988 031
Nominal value at 31 December	EUR 0.25	EUR 0.25
Number of shareholders at 31 December	4 621	4 753

Largest shareholders/groups of shareholders at 31.12.2011	No of shares	Percentage
Folketrygdfondet	18 317 591	8.0%
State Street Bank (nom.)	15 494 544	6.7%
Pareto	11 973 695	5.2%
KAS Depositary Trust (nom.)	9 709 798	4.2%
State Street Bank (nom.)	8 982 212	3.9%
Brown Brothers Harriman	8 189 046	3.6%
Clearstream Banking (nom.)	7 713 124	3.4%
Prosafe SE	6 975 818	3.0%
JP Morgan Chase Bank (nom.)	6 957 892	3.0%
Goldman Sachs (nom.)	6 832 588	3.0%
The Northern Trust (nom.)	6 182 248	2.7%
State Street Bank (nom.)	4 489 418	2.0%
JP Morgan Chase Bank (nom.)	3 627 408	1.6%
Nordea	3 545 426	1.5%
RBC Dexia Investor Services Trust (nom.)	3 287 654	1.4%
Citibank (nom.)	2 948 698	1.3%
JP Morgan Chase Bank (nom.)	2 817 196	1.2%
State Street Bank (nom.)	2 789 370	1.2%
DNB	2 613 624	1.1%
Credit Suisse (nom.)	2 573 927	1.1%
Total 20 largest shareholders/groups of shareholders	**136 021 277**	**59.2%**

NOTE 17: INTEREST-BEARING DEBT

As of 31 December 2011, Prosafe's interest-bearing debt totalled about USD 761 million. Loans secured by mortgages (credit facility) accounted for USD 590 million of this total and unsecured bond loans accounted for about USD 171 million.

	2011	2010
Credit facility	590.0	570.0
Bond loans	170.5	135.4
Total interest-bearing debt	**760.5**	**705.4**
Debt in NOK	166.9	85.4
Debt in USD	593.6	620.0
Total interest-bearing debt	**760.5**	**705.4**
Long-term interest-bearing debt	756.9	705.4
Current interest-bearing debt	3.6	0.0
Total interest-bearing debt	**760.5**	**705.4**

Credit facility repayment structure

In August 2011, the company secured a new credit facility. The credit facility has a total availability of USD 1.1 billion and a maturity of six years. The availability under the credit facility is reduced semi-annually with USD 70 million, starting February 2012. As of 31 December 2011, the availability under the credit facility totalled USD 1.1 billion (USD 510 million undrawn credit lines). Applicable margin on the credit facility is 1.875 per cent per annum, up from 0.75 per cent under the previous credit facility.

Financial covenants credit facility

-Liquidity: Minimum USD 65 million (including up to USD 25 million of total commitments available for utilisation)

-Leverage ratio: Total debt/EBITDA must not exceed 5.0 (4.5 following the second anniversary after closing, i.e. in August 2013)

- Value adjusted equity ratio: Minimum 35 per cent
- Collateral maintenance: Market value vessels/total commitments above 150 per cent

Bond loans repayment structure

The bond debt is divided into three loans of USD 50 million maturing March 2012 (PRS03), NOK 500 million maturing October 2013 (PRS06) and NOK 500 million maturing February 2016 (PRS07). PRS03 and PRS07 are listed on the Oslo Stock Exchange and PRS06 is listed on Oslo ABM (Alternative Bond Market).

Loan	Principal	Outstanding	Maturity	Interest	Loan margin
PRS03	USD 50 million	USD 3.6 million	March 2012	3m Libor	1.40%
PRS06	NOK 500 million	NOK 500 million	October 2013	3m Nibor	4.00%
PRS07	NOK 500 million	NOK 500 million	February 2016	3m Nibor	3.50%

Financial covenants bond loans
PRS 03
Value adjusted equity ratio: Minimum 35 per cent

PRS 06/07
Value adjusted equity ratio: Minimum 30 per cent
Leverage ratio: Total debt/EBITDA must not exceed 5.0
As of 31 December 2011, the Group was in compliance with all covenants on interest-bearing debt.

3 month LIBOR is the basis for interests on the loans denominated in USD, whereas 3 month NIBOR is the basis for interests on the loans denominated in NOK. On average, LIBOR interest fixings were slightly lower and NIBOR interest fixings were slightly higher in 2011 compared to 2010. The average interest cost, including interest rate swap agreements, was around 5.5 per cent in 2011 as opposed to 5.0 per cent in 2010.

NOTE 18: OTHER CURRENT LIABILITIES

	2011	2010
Other accrued costs	30.2	33.4
Deferred income	14.9	0.7
Accrued interest costs	2.7	1.9
Provision share option costs	2.2	2.6
Public taxes	0.2	0.0
Total interest-free current liabilities	**50.2**	**38.6**

NOTE 19: MORTGAGES AND GUARANTEES

As of 31 December 2011, Prosafe's interest-bearing debt secured by mortgages totalled USD 590 million. This debt is secured by mortgages on shares in Prosafe Rigs Pte Ltd, and the accommodation/service fleet owned by this entity. Book value of the fleet is USD 893.7 million. In line with industry practice, Prosafe has issued parent company guarantees and bank guarantees (around USD 8 million) to customers on behalf of its subsidiaries in connection with the award and performance of contracts.

As of 31 December 2010, Prosafe's interest-bearing debt secured by mortgages totalled USD 570 million. The debt was secured by mortgages on shares in Prosafe Rigs Pte Ltd, and the accommodation/service fleet owned by this entity. Book value of the fleet was USD 898.8 million. Prosafe had issued parent company guarantees (completion guarantees) and bank guarantees (total USD 10 million) to customers on behalf of its subsidiaries in connection with the award and performance of contracts.

NOTE 20: FINANCIAL ASSETS AND LIABILITIES

As of 31 December 2011, the group had financial assets and liabilities in the following categories:

Year ended 31 Dec 2011	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Book value	Fair value
Cash and deposits	93.4	0.0	0.0	0.0	93.4	93.4
Accounts receivable	56.5	0.0	0.0	0.0	56.5	56.5
Other current assets	19.5	0.0	0.0	0.0	19.5	19.5
Total financial assets	**169.4**	**0.0**	**0.0**	**0.0**	**169.4**	**169.4**
Credit facility [1]	0.0	0.0	590.0	0.0	590.0	585.0
Bond loan PRS03 [2]	0.0	0.0	3.6	0.0	3.6	3.6
Bond loan PRS06 [3]	0.0	0.0	83.5	0.0	83.5	84.3
Bond loan PRS07 [4]	0.0	0.0	83.5	0.0	83.5	82.0
Fair value FX forwards	0.0	12.8	0.0	0.0	12.8	12.8
Fair value interest swaps	0.0	32.5	0.0	0.0	32.5	32.5
Accounts payable	0.0	0.0	5.3	0.0	5.3	5.3
Other current liabilities	0.0	0.0	35.1	0.0	35.1	35.1
Total financial liabilities	**0.0**	**45.3**	**800.9**	**0.0**	**846.2**	**840.6**

[1] Fair value reflects current market conditions with the assumption that the credit margin would increase from the actual 187.5 basis points to 200 basis points. The net present value of the interest advantage, discounted with USD 5-year swap rate, is around USD 5 million.

[2,3,4] Fair value reflects current market conditions based on prices estimated by the Norwegian Securities Dealers Association as of 31 December 2011: PRS03 100.24, PRS06 101.00, PRS07 98.25.

Assets measured at fair value in the balance sheet

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The FX forwards and interest swaps are valued based on current exchange rates and forward curves.

	Total	Level 1	Level 2	Level 3
Fair value FX forwards	12.8	0.0	12.8	0.0
Fair value interest swaps	32.5	0.0	32.5	0.0
Total financial liabilities	**45.3**	**0.0**	**45.3**	**0.0**

As of 31 December 2010, the group had financial assets and liabilities in the following categories:

Year ended 31 Dec 2010	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Book value	Fair value
Cash and deposits	98.3	0.0	0.0	0.0	98.3	98.3
Fair value FX forwards	0.0	3.6	0.0	0.0	3.6	3.6
Accounts receivable	17.5	0.0	0.0	0.0	17.5	17.5
Other current assets	6.2	0.0	0.0	0.0	6.2	6.2
Total financial assets	**122.0**	**3.6**	**0.0**	**0.0**	**125.6**	**125.6**
Credit facility [1)]	0.0	0.0	570.0	0.0	570.0	540.0
Bond loan PRS03 [2)]	0.0	0.0	50.0	0.0	50.0	48.8
Bond loan PRS06 [3)]	0.0	0.0	85.4	0.0	85.4	86.7
Fair value interest swaps	0.0	33.6	0.0	0.0	33.6	33.6
Accounts payable	0.0	0.0	10.4	0.0	10.4	10.4
Other current liabilities	0.0	0.0	38.6	0.0	38.6	38.6
Total financial liabilities	**0.0**	**33.6**	**754.4**	**0.0**	**788.0**	**758.0**

[1)] Fair value reflects current market conditions with the assumption that the credit margin would increase from the actual 75 basis points to 200 basis points. The net present value of the interest advantage. discounted with USD 5-year swap rate, is around USD 30 million.

[2,3)] Fair value reflects current market conditions based on prices estimated by the Norwegian Securities Dealers Association as of 31 December 2010: PRS03 97.25, PRS06 101.50.

Assets measured at fair value in the balance sheet

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The FX forwards and interest swaps are valued based on current exchange rates and forward curves.

	Total	Level 1	Level 2	Level 3
Fair value FX forwards	3.6	0.0	3.6	0.0
Total financial assets	3.6	0.0	3.6	0.0
Fair value interest swaps	33.6	0.0	33.6	0.0
Total financial liabilities	**33.6**	**0.0**	**33.6**	**0.0**

NOTE 21: FINANCIAL RISKS AND DERIVATIVE FINANCIAL INSTRUMENTS

Prosafe operates on a global basis with cash flows and financing in various currencies. This means that the Group is exposed to market risks related to fluctuations in exchange rates and interest rates. Prosafe's functional currency is USD, and financial risk exposure is managed with financial instruments.

Currency risk
Prosafe is exposed to currencies other than USD associated with operating expenditure, capital expenditure. debt financing, tax liabilities and cash and deposits. Operating expenses are mainly denominated in GBP and NOK, but depending on the country of operation and the nationality of the crew, operating expenses can also be in EUR, USD and SEK. Capital expenditure in terms of general maintenance will typically be denominated in GBP and NOK. Value enhancing investments, such as upgrades and/or refurbishment programmes, will, depending on the origin of equipment and the location of the yard, tend to be in USD, GBP and EUR. Debt financing consists of both USD and NOK denominated liabilities, while tax liabilities predominantly consist of a NOK denominated deferred tax associated with the exit from the Norwegian tonnage tax system effective 1 January 2006. Cash and deposits are mainly denominated in USD, GBP, EUR, NOK and SEK.

Operating expenditure and maintenance related capital expenditure in other currencies than USD is typically currency-hedged using forward contracts with a time horizon of 9-12 months, while planned value enhancing capital expenditure is hedged independent of time horizon. Interest payments related to debt financing in other currencies than USD are typically treated the same way, with a time horizon of 9-12 months, while downpayments are hedged independent of time horizon. Payable tax related to the deferred tax liability is also currency-hedged with a time horizon of 9-12 months. Cash and deposits in currencies other than USD. function as natural hedges for any GBP, EUR, NOK and SEK liabilities.

As of 31 December 2011, Prosafe had entered into the following forward exchange contracts:
- Forward purchase of GBP 44 million against USD 70 million at a weighted average GBPUSD of 1.59
- Forward purchase of EUR 40 million against USD 55 million at a weighted average of EURUSD 1.38
- Forward purchase of NOK 1000 million against USD 174 million at a weighted average of USDNOK 5.75

Fair value of forward exchange contracts are estimated using quoted market prices. The fair value estimates the gain or loss that would have been realised if the contracts had been closed out at the balance sheet date. As of 31 December 2011, the fair value and maximum credit risk exposure of forward exchange contracts was USD 12.8 million negative.

Currency risk - sensitivity
The sensitivity analysis is based on a reasonably possible change in the relevant exchange rates and reflects the main effects on profit or loss and equity assuming that the change had occurred at the balance sheet date. A 10% strengthening/weakening of the USD towards all other currencies is applied in the analysis.

	2011		2010	
	Income statement effect	Equity effect	Income statement effect	Equity effect
USD +10%				
Re-valuation cash and deposits	(2.4)	0.0	(2.5)	0.0
Re-valuation currency forwards	(28.0)	0.0	(18.1)	0.0
Re-valuation NOK bonds	16.0	0.0	7.7	0.0
Total	**(14.4)**	**0.0**	**(12.9)**	**0.0**
USD -10%				
Re-valuation cash and deposits	2.4	0.0	2.5	0.0
Re-valuation currency forwards	28.0	0.0	18.1	0.0
Re-valuation NOK bonds	(16.0)	0.0	(7.7)	0.0
Total	**14.4**	**0.0**	**12.9**	**0.0**

Interest rate risk

As of 31 December 2011, Prosafe's interest-bearing debt totalled about USD 761 million. Loans secured by mortgages (credit facility) accounted for USD 590 million of this total and unsecured bond loans accounted for about USD 171 million.

Interest on debt is in principle floating, but has been hedged to reduce the variability of cash flows in the interest payments through the use of interest rate swap agreements. Prosafe evaluates the hedge profile in relation to the repayment schedule of its loans, the company's portfolio of contracts, cash flow and cash in hand. The proportion hedged will normally lie between 75 and 100 per cent for all loan terms. The average interest cost, including interest rate swap agreements, was 5.5 per cent in 2011 as opposed to 5.0 per cent in 2010.

Hedge accounting

The objective of the interest rate hedging is to reduce the variability of cash flows in the interest payments for the floating-rate debt (i.e. cash flow hedging). Changes in the cash flows of the interest rate swaps are expected to offset the changes in cash flows (i.e. changes in interest payments) attributable to fluctuations in the benchmark interest rate on the part of the floating-rate debt that is hedged. At the inception of the hedge and in subsequent periods, expected effectiveness during the subsequent quarter is demonstrated based on a comparison of the change in fair value of the actual swap designated as the hedging instrument and the change in fair value of a hypothetical swap (dollar offset). If the terms of the swap and debt differ (notional amount, interest rate reset dates, maturity/expiration date, underlying index) or the counterparty's ability to honour its obligation under the swap change during the life of the hedge, the measurement of hedge ineffectiveness will be based on a comparison of the change in fair value of the actual swap designated as the hedging instrument and the change in fair value of a hypothetical swap (dollar offset). Changes in fair value for interest swaps treated as effective hedges (hedge accounting) will affect equity directly, while interest swaps not treated as effective hedges (not hedge accounting) will affect equity through the income statement. During 2011, interest swaps treated as effective hedges has been highly effective, and no ineffectiveness has been recognised in the income statement.

As of 31 December 2011, Prosafe's hedging agreements totalled USD 1325 million (including USD 650 million with forward start):

Notional amount	Fixed rate	Maturity	Swap type	Fair value	
USD 150 million	4.0150%	2012	Bullet	(1.2)	hedge accounting
USD 150 million	4.1200%	2012	Bullet	(5.1)	hedge accounting
USD 100 million	5.1150%	2012	Bullet	(3.6)	hedge accounting
USD 75 million	5.1940%	2014	Bullet	(9.3)	hedge accounting
USD 100 million*	2.2045%	2014	Bullet	(2.7)	hedge accounting
USD 150 million*	1.4813%	2014	Bullet	(2.2)	hedge accounting
USD 100 million	2.0450%	2015	Bullet	(4.0)	hedge accounting
USD 100 million*	2.0600%	2015	Bullet	(2.9)	hedge accounting
USD 100 million	1.2650%	2016	Bullet	(0.6)	hedge accounting
USD 150 million*	1.7780%	2017	Bullet	(0.5)	hedge accounting
USD 150 million*	2.1000%	2017	Bullet	(0.6)	hedge accounting
Total				(32.5)	

* forward start

Fair value of interest rate swap agreements are estimated using quoted market prices. The fair value estimates the gain or loss that would have been realised if the contracts had been closed out at the balance sheet date. As of 31 December 2011, the fair value and maximum credit risk exposure of interest rate swap agreements was USD 32.5 million negative.

Interest rate risk - sensitivity

The sensitivity analysis is based on a reasonably possible change in the relevant forward curves and reflects the main effects on profit or loss and equity assuming that the change had occurred at the balance sheet date. A forward curve shift of ±100bps is applied in the analysis.

	2011		2010	
	Income statement effect	Equity effect	Income statement effect	Equity effect
Forward curve +100bps				
Re-valuation interest rate swaps	0.0	28.0	0.1	17.7
Total	**0.0**	**28.0**	**0.1**	**17.7**
Forward curve -100bps				
Re-valuation interest rate swaps	0.0	(30.0)	(0.1)	(18.5)
Total	**0.0**	**(30.0)**	**(0.1)**	**(18.5)**

Changes in equity related to financial instruments

As of 31 December 2011, the following changes in equity were related to financial instruments:

	Change	2011	2010
Re-valuation interest rate swaps	0.8	(32.5)	(33.3)
Ineffectiveness	0.0	0.0	0.0
Total	**0.8**	**(32.5)**	**(33.3)**

Credit risk

The Gulf of Mexico contracts contain a cancellation clause allowing the ultimate customer, Pemex, to cancel the agreement with 30 days notice without compensation, if the Mexican authorities annul financing of the project. These clauses reflect the crisis that Mexico saw during the 1980s. Prosafe takes the view that a cancellation on this basis is only likely if the Mexican economy suffers another deep and lengthy crisis. Prosafe does not regard this as a realistic scenario, given the high present and planned levels of activity in the Gulf of Mexico, and the importance of oil production to Mexico's economic development.

In line with industry practice, other contracts normally contain clauses which give the customer an opportunity for early cancellation under specified conditions. Providing Prosafe has not acted negligently, however, the effect on results in such cases will normally be wholly or partly offset by a financial settlement in the company's favour. Following a potential notice of convenience termination, the customer will have to pay Prosafe a substantial part of the remaining contract value.

Credit assessment of yards, sub-contractors and equipment suppliers is part of Prosafe's project evaluations and risk analyses.

The counterparty risk is in general limited when it comes to Prosafe's clients, since these are typically major oil companies and national oil companies with strong balance sheets and high credit ratings.

As of 31 December 2011, there is no objective evidence that accounts receivable is impaired, and no impairment loss has been recognised in the income statement.

Liquidity risk

Under the existing credit facility agreement, the Group is required to maintain a minimum liquidity reserve of USD 65 million (including up to USD 25 million of total commitments available for utilisation). Prosafe makes active use of a system for planning and forecasting the development of its liquidity, and utilises scenario analyses to secure stable and sound development.

As of 31 December 2011, the Group's main financial liabilities had the following remaining contractual maturities:

	2012	2013	2014	2015	2016 →
Interest-bearing debt (downpayments/credit facility reductions)	3.6	83.5	140.0	140.0	393.5
Interest-bearing debt (interest including interest swaps)	42.7	41.3	46.7	47.0	80.0
Accounts payable and other current liabilities	55.5	0.0	0.0	0.0	0.0
Total	**101.8**	**124.8**	**186.7**	**187.0**	**473.5**

As of 31 December 2011, the availability under the credit facility totalled USD 1.1 billion (USD 510 million undrawn credit lines), meaning that the first actual downpayment on the credit facility will not occur until 2014.

As of 31 December 2010, the Group's main financial liabilities had the following remaining contractual maturities:

	2011	2012	2013	2014	2015 →
Interest-bearing debt (downpayments/credit facility reductions)	0.0	(150.0)	(225.4)	(140.0)	(190.0)
Interest-bearing debt (interest including interest swaps)	(36.0)	(32.0)	(26.6)	(19.7)	(12.3)
Accounts payable and other current liabilities	(49.0)	0.0	0.0	0.0	0.0
Total	**(85.0)**	**(182.0)**	**(252.0)**	**(159.7)**	**(202.3)**

As of 31 December 2010, the availability under the credit facility totalled USD 750 million (USD 180 million undrawn credit lines), meaning that the first actual downpayment on the credit facility will not occur until 2012.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital structure in line with economic conditions. Prosafe's main tool to assess its capital structure is the leverage ratio, which is calculated by dividing total interest-bearing debt, including bank guarantees, by EBITDA over the last 12 months. To stay in compliance with financial covenants, the leverage ratio is not allowed to exceed 5.0 up until 23 August 2013, and 4.5 thereafter. At 31 December 2011 (2010), the leverage ratio was 3.0 (2.5).

	2011	2010
Credit facility	590.0	570.0
Bond loan PRS03	3.6	50.0
Bond loan PRS06	83.5	85.4
Bond loan PRS07	83.5	0.0
Total interest-bearing debt	**760.5**	**705.4**
Bank guarantees	8.0	10.0
EBITDA last 12 months	257.6	283.1
Leverage ratio	**3.0**	**2.5**

NOTE 22: CASH AND DEPOSITS

	2011	2010
Restricted cash deposits	0.1	0.1
Free cash and short-term deposits	93.3	98.2
Total cash and deposits	**93.4**	**98.3**

NOTE 23: OTHER CURRENT ASSETS

	2011	2010
Receivables	5.3	6.0
Prepayments	18.2	8.8
Stock	4.4	1.9
Other current assets	14.4	0.2
Total other current assets	**42.4**	**17.0**

NOTE 24: RELATED PARTY DISCLOSURES

The financial statements comprise the parent company, Prosafe SE, and the subsidiaries listed below.

Company name	Country	Ownership	Voting share
Prosafe AS	Norway	100%	100%
Prosafe Offshore AS	Norway	100%	100%
Prosafe Management AS	Norway	100%	100%
Prosafe (UK) Holdings Ltd	United Kingdom	100%	100%
Prosafe Rigs Ltd	United Kingdom	100%	100%
Prosafe Offshore Ltd	United Kingdom	100%	100%
Prosafe Rigs (Cyprus) Ltd	Cyprus	100%	100%
Prosafe Holding Ltd	Cyprus	100%	100%
Consafe Offshore AB	Sweden	100%	100%
Prosafe Rigs Pte Ltd	Singapore	100%	100%
Prosafe Offshore Pte Ltd	Singapore	100%	100%
Prosafe Offshore Employment Company Pte Ltd	Singapore	100%	100%
Prosafe Offshore Services Pte Ltd	Singapore	100%	100%
Prosafe Offshore S.a.r.l.	Luxembourg	100%	100%
Prosafe Offshore Sp.zo.o.	Poland	100%	100%
Prosafe Offshore B.V.	Netherlands	100%	100%
Prosafe Services Maritimos Ltda	Brazil	100%	100%

Transactions and outstanding balances within the Group have been eliminated in full as of year-end.

Shares owned by senior officers and directors at 31 December 2011:
(includes shares owned by wholly-owned companies)

Senior officers:	Shares	Synthetic options
Karl Ronny Klungtvedt - CEO	51 930	770 019
Robin Laird - COO	58 000	791 271
Sven Børre Larsen - CFO	11 000	60 000

Directors:		
Michael Raymond Parker - chair	0	0
Christian Brinch - deputy chair	0	0
Ronny Johan Langeland - director	20 000	0
Gunn Elin Nicolaisen - director	0	0
Christakis Pavlou - director	0	0
Roger Cornish - director	0	0
Carine Smith Ihenacho - director	0	0

Other key management compensation is disclosed in note 8.

NOTE 25: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Prosafe announced on 14 December 2011 that the company has entered into a turnkey contract for the construction of a semi-submersible accommodation rig at Jurong Shipyard Pte Ltd. in Singapore. Delivery from the yard is scheduled for the second quarter of 2014 and all-in cost including yard cost, owner-furnished equipment, project management and financing is estimated at USD 350 million. 20 per cent of the yard cost was paid at signing of the contract, while the remaining 80 per cent will be paid at delivery. The investment can be funded over the current balance sheet without impacting the dividend policy.

NOTE 26: EVENTS AFTER THE BALANCE SHEET DATE

New bond loan

On 8 February 2012, Prosafe SE issued a NOK 500 million unsecured bond with expected maturity date on 8 February 2017. An application will be made for the bonds to be listed on the Oslo Stock Exchange as soon as practically possible. The proceeds will be used for refinancing of PRS06 PRO and for general corporate purposes. In connection with the new bond issue, Prosafe SE has bought back NOK 139.5 million in PRS06 PRO with ISIN NO NO001054247.5 with maturity 14 October 2013 at 102.87.

Revision of depreciation plan

Based on the current condition of the rigs and the planned maintenance programme, the depreciation plan for five of the rigs operating in the Gulf of Mexico has been revised. With effect from 1 January 2012, the remaining depreciation period of these five rigs has been increased to ten years from an average of four years previously. The impact of this change is an estimated annual reduction in depreciation of USD 5 million.

Accounts Prosafe SE

INCOME STATEMENT - PROSAFE SE

(USD 1 000)	Note	2011	2010
Operating revenues		**0**	**0**
Operating expenses	2	(8 658)	(8 284)
Depreciation	3	(10)	(6)
Operating profit		**(8 668)**	**(8 290)**
Income from investments in subsidiaries	5	202 578	153 911
Other financial income	4, 5, 8	104 022	53 581
Other financial expenses	4, 5	(133 794)	(88 396)
Net financial items	5	**172 806**	**119 096**
Profit before taxes		**164 138**	**110 806**
Taxes	6	0	(321)
Net profit		164 138	110 485
Attributable to the owners of the company		**164 138**	**110 485**

STATEMENT OF COMPREHENSIVE INCOME - PROSAFE SE

(USD 1 000)	2011	2010
Net profit for the year	**164 138**	**110 485**
Revaluation hedging instruments	742	8 798
Income tax effect on components of comprehensive income	0	0
Other comprehensive income, net of tax	**742**	**8 798**
Total comprehensive income	**164 880**	**119 283**
Attributable to the owners of the company	**164 880**	**119 283**

STATEMENT OF FINANCIAL POSITION - PROSAFE SE

(USD 1 000)	Note	31.12.11	31.12.10
ASSETS			
Tangible assets	3	37	11
Shares in subsidiaries	7	2 513 942	2 513 942
Intra-group long-term receivables	13, 15	132 075	136 463
Total non-current assets		**2 646 054**	**2 650 416**
Cash and deposits	15	28 781	28 962
Fair value derivatives	15, 16	0	2 133
Other current assets	9, 13, 15	14 340	5 658
Total current assets		**43 121**	**36 753**
Total assets		**2 689 175**	**2 687 169**
EQUITY AND LIABILITIES			
Share capital	10	63 903	63 903
Own shares	10	(49 089)	(49 137)
Share premium reserve		620 496	620 496
Total paid-in equity		**635 310**	**635 262**
Other equity		1 219 582	1 161 851
Total retained earnings		**1 219 582**	**1 161 851**
Total equity		**1 854 892**	**1 797 113**
Interest-bearing long-term debt	11, 15, 16	756 870	705 377
Intra-group long-term debt	13, 15, 16	23 163	25 068
Fair value derivatives	15, 16	32 549	33 606
Interest-free long-term liabilities	15, 16	1 130	1 211
Total long-term liabilities		**813 712**	**765 262**
Interest-bearing current debt	11, 15, 16	3 600	0
Fair value derivatives	15,16	7 958	0
Intra-group current liabilities	13, 15	1 352	117 405
Other interest-free current liabilities	12, 15, 16	7 661	7 389
Total current liabilities		**20 571**	**124 794**
Total equity and liabilities		**2 689 175**	**2 687 169**

Larnaca, 28 March 2012

Michael Raymond Parker
Non-executive chairman

Christian Brinch
Non-executive deputy chairman

Roger Cornish
Non-executive director

Ronny Johan Langeland
Non-executive director

Elin Nicolaisen
Non-executive director

Christakis Pavlou
Non-executive director

Carine Smith Ihenacho
Non-executive director

CASH FLOW STATEMENT - PROSAFE SE

(USD 1 000)	Note	2011	2010
Cash flow from operating activities			
Profit before taxes		164 138	110 806
Unrealised currency loss / (gain) on long-term debt		(9 007)	(1 694)
Gain on sale of shares	8	(10 246)	(5 257)
Depreciation	3	10	6
Interest income		(5 875)	(3 132)
Interest expenses		42 497	42 720
Change in working capital		(8 410)	5 821
Taxes paid	6	0	**(1 372)**
Other from operating activities		9 743	(145)
Net cash flow from operating activities		**182 850**	**147 753**
Cash flow from investing activities			
Proceeds from sale of shares		75 085	20 586
Acquisition of shares		(64 839)	0
Additions fixed assets	3	(36)	0
Change in intra-group balances	13	(113 570)	143 426
Interest received		5 875	3 132
Net cash flow from investing activities		**(97 485)**	**167 144**
Cash flow from financing activities			
New interest-bearing long-term debt	11	870 400	50 000
Repayment of interest-bearing long-term debt	11	(806 300)	(258 000)
Dividends paid		(107 149)	(61 803)
Interest paid		(42 497)	(42 720)
Net cash flow from financing activities		**(85 546)**	**(312 523)**
Net cash flow		**(181)**	**2 374**
Cash and deposits at 1 January		28 962	26 588
Cash and deposits at 31 December		**28 781**	**28 962**

STATEMENT OF CHANGES IN EQUITY - PROSAFE SE

(USD 1 000)	Share capital	Own shares	Share premium	Other equity	Cash flow hedges	Total equity
Equity at 31 December 2009	**63 903**	**(49 178)**	**620 496**	**1 137 442**	**(33 071)**	**1 739 592**
Net profit	0	0	0	110 485	0	110 485
Other comprehensive income	0	0	0	0	8 798	8 798
Total comprehensive income [1)]	**0**	**0**	**0**	**110 485**	**8 798**	**119 283**
Dividends	0	0	0	(61 803)	0	(61 803)
Sale of own shares	0	41	0	0	0	41
Equity at 31 December 2010	**63 903**	**(49 137)**	**620 496**	**1 186 124**	**(24 273)**	**1 797 113**
Net profit	0	0	0	164 138	0	164 138
Other comprehensive income	0	0	0	0	742	742
Total comprehensive income [1)]	**0**	**0**	**0**	164 138	742	164 880
Dividends	0	0	0	(107 149)	0	(107 149)
Sale of own shares	0	48	0	0	0	48
Equity at 31 December 2011	**63 903**	**(49 089)**	**620 496**	**1 243 113**	**(23 531)**	**1 854 892**

[1)] Total comprehensive income is attributable to the owners of the company

Notes - Prosafe SE

All figures in USD 1 000 unless otherwise stated.

NOTE 1: ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap 113. The accounting policies applied to the consolidated accounts have also been applied to the parent company, Prosafe SE. The notes to the consolidated accounts provide additional information to the parent company's accounts which is not presented here separately. The company's financial statements are presented in US dollars (USD). Investments in subsidiaries are measured at historic cost, unless there is any indication of impairment. In case of impairment, an investment is written down to fair value.

NOTE 2: OPERATING EXPENSES

	2011	2010
Services from subsidiaries	6 043	4 039
Share option costs	(370)	(324)
Salaries and management bonus	634	1 137
Directors' fees	613	532
Pension expenses	(155)	34
Other remuneration	133	336
Auditors' audit fees	162	188
Payroll taxes	33	44
Auditors' other fees	240	50
Other operating expenses	1 324	2 248
Total operating expenses	**8 658**	**8 284**

NOTE 3: TANGIBLE ASSETS

	Equipment	Total
Acquisition cost 31.12.09	143	143
Additions	2	2
Disposals at acquisition cost	0	0
Acquisition cost 31.12.10	**145**	**145**
Additions	36	36
Disposals at acquisition cost	0	0
Acquisition cost 31.12.11	**181**	**181**
Accumulated depreciation 31.12.09	128	128
Accumulated depreciation on disposals	0	0
Depreciation for the year	6	6
Accumulated depreciation 31.12.10	**134**	**134**
Accumulated depreciation on disposals	0	0
Depreciation for the year	10	10
Accumulated depreciation 31.12.11	**144**	**144**
Carrying value 31.12.11	**37**	**37**
Carrying value 31.12.10	**11**	**11**
Depreciation rate (%)	**20-30**	-

NOTE 4: OTHER FINANCIAL ITEMS

	2011	2010
Gain on sale of shares	10 246	5 257
Interest receivable from subsidiaries	5 729	2 985
Other interest receivable	146	147
Currency gain	87 586	44 374
Fair value adjustment derivative financial instruments	315	818
Total other financial income	**104 022**	**53 581**
Interest payable to subsidiaries	(146)	(96)
Interest expenses	(42 351)	(42 624)
Currency loss	(71 910)	(42 018)
Fair value adjustment derivative financial instruments	(10 091)	(1 619)
Other financial items	(9 295)	(2 039)
Total other financial expenses	**(133 794)**	**(88 396)**

NOTE 5: FINANCIAL ITEMS - IAS 39 CATEGORIES

Year ended 31 Dec 2011	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Total
Interest income	5 875	0	0	0	5 875
Currency gain [1]	0	0	0	0	87 586
Dividend	0	0	0	0	202 578
Gain on sale of shares	0	0	0	10 246	10 246
Fair value adjustment financial instr.	0	315	0	0	315
Total financial income	**5 875**	**315**	**0**	**10 246**	**306 600**
Interest expenses	0	0	(42 497)	0	(42 497)
Currency loss [1]	0	0	0	0	(71 910)
Fair value adjustment financial instr.	0	(10 091)	0	0	(10 091)
Other financial expenses	0	0	(9 295)	0	(9 295)
Total financial expenses	**0**	**(10 091)**	**(51 792)**	**0**	**(133 794)**
Net financial items	**5 875**	**(9 776)**	**(51 792)**	**10 246**	**172 806**

[1] Currency effects (gain/loss) are excluded from the category breakdown, but added to the total for net effect.

Year ended 31 Dec 2010	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Total
Interest income	3 132	0	0	0	3 132
Currency gain [1]	0	0	0	0	44 374
Dividend	0	0	0	0	153 911
Gain on safe of shares	0	0	0	5 257	5 257
Fair value adjustment financial instr.	0	818	0	0	818
Total financial income	**3 132**	**818**	**0**	**5 257**	**207 492**
Interest expenses	0	0	(42 720)	0	(42 720)
Currency loss [1]	0	0	0	0	(42 018)
Fair value adjustment financial instr.	0	(1 619)	0	0	(1 619)
Other financial expenses	0	0	(2 039)	0	(2 039)
Total financial expenses	**0**	**(1 619)**	**(44 759)**	**0**	**(88 396)**
Net financial items	**3 132**	**(801)**	**(44 759)**	**5 257**	**119 096**

[1] Currency effects (gain/loss) are excluded from the category breakdown, but added to the total for net effect.

NOTE 6: TAXES

	2011	2010
Profit before taxes	164 138	110 806
Permanent differences	(157 337)	(113 538)
Change in tax loss carried forward	(6 801)	2 732
Tax base	**0**	**0**
Taxes	**0**	**321**
Temporary differences:		
Loss carried forward	**(16 269)**	**(23 070)**
Basis for deferred tax liability (+)/benefit (-)	**(16 269)**	**(23 070)**
Deferred tax liability (+)/benefit (-)	**0**	**0**
Taxes payable at 31 December	**0**	**0**

The tax cost of USD 321 000 in 2010 relates to prior year adjustments.
No deferred tax asset has been recognised in respect of the tax loss carried forward.
The tax loss is carried forward indefinitely. The tax rate in Cyprus is 10%.

NOTE 7: SHARES IN SUBSIDIARIES

(Share capital and carrying value in 1 000)

Company		Share capital	Carrying value 2011	Carrying value 2010	Ownership
Prosafe AS	NOK	100	69 316	69 316	100%
Prosafe Offshore AS	NOK	100	270	270	100%
Prosafe Management AS	NOK	100	15	15	100%
Prosafe (UK) Holdings Ltd	GBP	11 000	22 826	22 826	100%
Prosafe Offshore Pte Ltd	USD	10 000	10	10	100%
Consafe Offshore AB	SEK	27 786	156 884	156 884	100%
Prosafe Offshore Services Pte Ltd	USD	10	150	150	100%
Marzouka Investments Ltd	USD	10	10	10	100%
Prosafe Rigs Pte Ltd	USD	2 500 040	2 264 461	2 264 461	91%
Total carrying value			**2 513 942**	**2 513 942**	

NOTE 8: GAIN ON SALE OF SHARES

In July 2011, the Company acquired 21 542 568 shares in Floatel International Ltd (Floatel), which equalled 22.2 per cent of the shares. The acquisition price was NOK 16 per share. In August 2011, Floatel announced that the company had signed a heads of agreement to enter into an amalgamation agreement with Aqua Pellentesque Ltd. The shares were realised in September 2011, and the Company received a cash consideration of NOK 19.50 per share. A net gain of USD 10.2 million in relation to this transaction has been recognised in the income statement. Net proceeds were USD 75.1 million.

As of 31 December 2009, the company owned 5 597 005 shares in Prosafe Production Public Limited (PROD). The shares were valued at the share price prevailing on the balance sheet date. In October 2010, the company exchanged the shares in PROD for 1.2 shares in BW Offshore Limited (BWO) plus a cash consideration of NOK 3 per share in PROD, and subsequently sold the shares in BWO. These transactions had a profit contribution of USD 5.3 million in 2010, which was recognised as a financial income. Net proceeds were USD 20.7 million.

NOTE 9: OTHER CURRENT ASSETS

	2011	2010
Current receivables from group companies	136	126
Other current assets	14 204	5 532
Total other current assets	**14 340**	**5 658**

NOTE 10: SHARE CAPITAL

	2011	2010
Authorised ordinary shares as of 31 December	275 924 148	275 924 148
Issued and paid number of shares as of 31 December	229 936 790	229 936 790
Holding of own shares as of 31 December	6 975 818	6 988 031
Nominal value	EUR 0,25	EUR 0,25

NOTE 11: INTEREST-BEARING DEBT

As of 31 December 2011, Prosafe SE's interest-bearing debt totalled about USD 761 million. Loans secured by mortgages (credit facility) accounted for USD 590 million of this total and unsecured bond loans accounted for about USD 171 million.

	2011	2010
Credit facility	590 000	570 000
Bond loans	170 470	135 377
Total interest-bearing debt	**760 470**	**705 377**
Debt in NOK	166 870	85 377
Debt in USD	593 600	620 000
Total interest-bearing debt	**760 470**	**705 377**
Long-term interest-bearing debt	756 870	705 377
Current interest-bearing debt	3 600	0
Total interest-bearing debt	**760 470**	**705 377**

For further information, see note 17 of the consolidated accounts.

NOTE 12: OTHER INTEREST-FREE CURRENT LIABILITIES

	2011	2010
Accrued interest costs	2 595	1 926
Provision share-based payments	2 203	2 573
Other current liabilities	2 862	2 890
Total other interest-free current liabilities	**7 661**	**7 389**

NOTE 13: INTRA-GROUP BALANCES

	2011	2010
Loan to Prosafe AS	132 075	136 463
Intra-group long-term receivables	**132 075**	**136 463**
Loan from Consafe Offshore AB	23 163	25 068
Intra-group long-term debt	**23 163**	**25 068**

Loan agreements with subsidiaries are made at normal market prices using 3M NIBOR and STIBOR interest rate and a margin of 2.00% and 0.60% respectively (2010 1.00% and 0.60%). The increased margin on the intra-group balance between Prosafe SE and Prosafe AS reflects the increased margin associated with the re-financing of Prosafe SE during 2011. Outstanding balances at year-end are unsecured, and settlement normally occurs in cash. For the year ended 31 December 2011, the Company has not recorded any impairment of receivables relating to amounts owed by subsidiaries.

Transactions with related parties	2011	2010
Transactions		
Interest income	5 729	2 985
Interest expenses	(146)	(96)
Dividend	202 578	153 911
Year-end balances		
Current receivables of the ultimate parent to subsidiaries	136	126
Intra-group long-term receivables	132 075	136 463
Current payables from the ultimate parent to subsidiaries	1 352	117 405
Loans to subsidiaries of the ultimate parent	23 163	25 068

NOTE 14: MORTGAGES AND GUARANTEES

As of 31 December 2011, Prosafe's interest-bearing debt secured by mortgages totalled USD 590 million. This debt is secured by mortgages on shares in Prosafe Rigs Pte Ltd, and the accommodation/service fleet owned by this entity. Book value of the fleet is USD 893.7 million. In line with industry practice, Prosafe has issued parent company guarantees and bank guarantees (around USD 8 million) to customers on behalf of its subsidiaries in connection with the award and performance of contracts.

NOTE 15: FINANCIAL ASSETS AND LIABILITIES

As of 31 December 2011, Prosafe SE had financial assets and liabilities in the following categories:

Year ended 31 Dec 2011	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Book value
Intra-group long-term receivable	132 075	0	0	132 075
Cash and deposits	28 781	0	0	28 781
Other current assets	14 340	0	0	14 340
Total assets	**175 196**	**0**	**0**	**175 196**
Credit facility	0	0	590 000	590 000
Bond loan PRS03	0	0	3 600	3 600
Bond loan PRS06	0	0	83 435	83 435
Bond loan PRS07	0	0	83 435	83 435
Intra-group long-term debt	0	0	23 163	23 163
Fair value derivatives	0	40 507	0	40 507
Interest-free long-term liabilities	0	0	1 130	1 130
Intra-group current liabilities	0	0	1 352	1 352
Other interest free current liabilities	0	0	7 661	7 661
Total liabilities	**0**	**40 507**	**793 776**	**834 282**

As of 31 December 2010, Prosafe SE had financial assets and liabilities in the following categories:

Year ended 31 Dec 2010	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Book value
Intra-group long-term receivable	136 463	0	0	136 463
Cash and deposits	28 962	0	0	28 962
Fair value derivatives	0	2 133	0	2 133
Other current assets	5 658	0	0	5 658
Total assets	**171 083**	**2 133**	**0**	**173 216**
Credit facility	0	0	570 000	570 000
Bond loan PRS03	0	0	50 000	50 000
Bond loan PRS06	0	0	85 377	85 377
Intra-group long-term debt	0	0	25 068	25 068
Fair value derivatives	0	33 606	0	33 606
Interest-free long-term liabilities	0	0	1 211	1 211
Intra-group current liabilities	0	0	117 405	117 405
Other interest free current liabilities	0	0	7 389	7 389
Total liabilities	**0**	**33 606**	**856 450**	**890 056**

For further information, see note 20 of the consolidated accounts.

NOTE 16: MATURITY PROFILE LIABILITIES

As of 31 December 2011, Prosafe SE's main financial liabilities had the following remaining contractual maturities:

Year ended 31 Dec 2011	2012	2013	2014	2015	2016 →
Interest-bearing debt (downpayments)	3 600	83 450	140 000	140 000	393 450
Interests incl interest swaps	42 700	41 300	46 700	47 000	80 000
Intra-group long-term debt	23 163	0	0	0	0
Intra-group current liabilities	1 352	0	0	0	0
Interest-free long-term liabilities	1 130	0	0	0	0
Other interest-free current liabilities	7 661	0	0	0	0
Total	**79 606**	**124 750**	**186 700**	**187 000**	**473 450**

As of 31 December 2011, the availability under the credit facility totalled USD 1.1 billion (USD 510 million undrawn credit lines), meaning that the first actual downpayment on the credit facility will not occur until 2014.

As of 31 December 2010, Prosafe SE had the following ageing profile of outstanding short and long-term undiscounted liabilities:

Year ended 31 Dec 2010	2011	2012	2013	2014	2015 →
Interest-bearing debt (instalments)	0	150 000	225 377	140 000	190 000
Interests incl interest swaps	36 000	32 000	27 000	20 000	12 000
Intra-group long-term debt	0	25 068	0	0	0
Interest-free long-term liabilities	1 211	0	0	0	0
Other interest-free current liabilities	124 794	0	0	0	0
Total	**162 005**	**207 068**	**252 377**	**160 000**	**202 000**

As of 31 December 2010, the availability under the credit facility totalled USD 750 million (USD 180 million undrawn credit lines), meaning that the first actual downpayment on the credit facility will not occur until 2012.

NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE

On 8 February 2012, Prosafe SE issued a NOK 500 million unsecured bond with maturity February 2017 (5 years). An application will be made for the bonds to be listed on Oslo Stock Exchange as soon as practically possible. The proceeds will be used for part refinancing of PRS06 and for general corporation purposes. In connection with the new bond issue, Prosafe SE has bought back NOK 139.5 million in PRS06 with maturity October 2013.

Independent Auditors' Report

To the Members of Prosafe SE

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Prosafe SE (the "Company") and its subsidiaries (the "Group") and the Company's separate financial statements, which comprise the statements of financial position of the Group and the Company as at 31 December 2011, and the income statements, statements of comprehensive income, statements of changes in equity and cash flow statements of the Group and the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements
The Company's Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated and the Company's separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2011, and of the financial performance and the cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements
Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:
- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other Matter
This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Gabriel Onisiforou
Certified Public Accountant and Registered Auditor
For and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
28 March 2012

Fleet overview

With 12 units and one unit under construction, Prosafe is the leading player within the global market for semi-submersible accommodation and service rigs for the oil and gas industry.

Safe Boreas

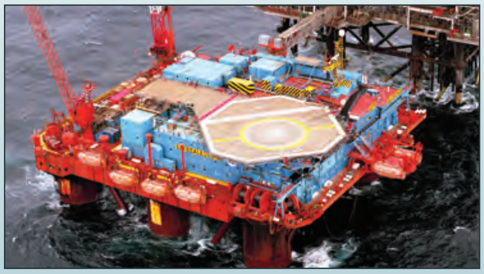
Built, converted	To be delivered Q2 2014
Design	GVA 3000E
No of beds	450
Gangway	38.5 +/- 7.5m
Power generation	33 600 kW (6 diesel generator sets)
Station keeping	DP3
Thrusters	6 x 4 400 kW azimuthing
Mooring system	12-point mooring system

Safe Concordia

Built, converted	2005
Upgraded	-
Design	Deepwater Technology Group
No of beds	440
Gangway	29.5m +/- 5.0m
Power generation	18 550 kW (5 diesel generator sets)
Station keeping	DP2
Thrusters	4 x 2 500 kW azimuthing
Mooring system	4-point wire winches

Regalia

Built, converted	1985
Upgraded	2003/2009 (refurbishment)
Design	GVA 3000 – enhanced
No of beds	306 (NCS: 282)
Gangway	38.0m +/- 7.5m
Power generation	19 560 kW (6 diesel generator sets)
Station keeping	NMD3
Thrusters	6 x 2 640 kW azimuthing
Mooring system	4-point wire winches



Safe Caledonia

Built, converted	1982
Upgraded	2004/2012 (refurbishment)
Design	Pacesetter
No of beds	454
Gangway	36.5m +/- 5.5m
Power generation	15 900 kW (6 diesel generator sets)
Station keeping	DP2 / Posmoor
Thrusters	4 x 2 400 kW azimuthing
Mooring system	10-point wire winches

Safe Britannia

Built, converted	1980
Upgraded	1987/2003
Design	Pacesetter - enhanced
No of beds	812
Gangway	36.5m +/- 6.0m (port)
Power generation	13 895 kW (7 diesel generator sets)
Station keeping	DP2
Thrusters	4 x 2 400 kW azimuthing, 2 x 1 500 kW fixed
Mooring system	9-point wire winches

Safe Lancia

Built, converted	1984
Upgraded	2003
Design	GVA 2000
No of beds	605
Gangway	27.5m +/- 5.5m (starboard)
Power generation	14 300 kW (6 diesel generator sets)
Station keeping	DP2 / POSMOOR
Thrusters	4 x 2 400 kW azimuthing
Mooring system	7-point wire winches

Safe Hibernia

Built, converted	1977
Upgraded	1991/1994/2006
Design	Aker H-3 (modified)
No of beds	635
Gangway	36.0m +/- 6.0m (starboard)
Power generation	6 320 kW (4 diesel generator sets)
Station keeping	Moored
Thrusters	2 x 3 300 HP Propulsion (Aft)
Mooring system	12-point wire winches

Safe Bristolia

Built, converted	1983
Upgraded	2006/2008
Design	Earl & Wright Sedco 600
No of beds	587
Gangway	35.0m +/- 6.0m (port)
Power generation	6 420 kW (4 diesel generator sets)
Station keeping	Moored
Mooring system	8-point wire winches

Safe Regency

Built, converted	1982
Upgraded	2003/2008
Design	Pacesetter
No of beds	780
Gangway	36.5m +/- 6.0m
Power generation	12 960 kW (6 diesel generator sets)
Station keeping	DP2
Thrusters	4 x 2 400 kW azimuthing
Mooring system	8-point chain winches

Safe Scandinavia

Built, converted	1984
Upgraded	2003/2005
Design	Aker H-3.2E
No of beds	583 (NCS: 292)
Gangway	36.5m +/- 6.0m
Power generation	6 780 kW (3 diesel generator sets)
Station keeping	Moored
Mooring system	12-point chain winches

Safe Astoria

Built, converted	1983
Upgraded	2005/2012
Design	Earl & Wright Sedco 600
No of beds	349
Gangway	36.5m +/- 6.0m (port)
Power generation	6 115 kW (4 diesel generator sets)
Station keeping	Moored
Mooring system	8-point wire winches

Jasminia

Built, converted	1982
Upgraded	2002
Design	GVA 2000
No of beds	535
Gangway	Rigid, simple span 34.0 +/- 3.0m
Power generation	7 070 kW (3 diesel generator sets)
Station keeping	Moored
Thrusters	2 x 2 400 kW azimuthing
Mooring system	8-point wire winches

Safe Esbjerg

Built, converted	1975
Upgraded	2005
Design	Type 82 Marathon LeTourneau
No of beds	139
Gangway	Fixed, customer provided
Power generation	5 250 kW (5 diesel generator sets)
Station keeping	Jack-up
Mooring system	4-point wire winches

Prosafe

Accommodating the Offshore Industry

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