



10 February 2014



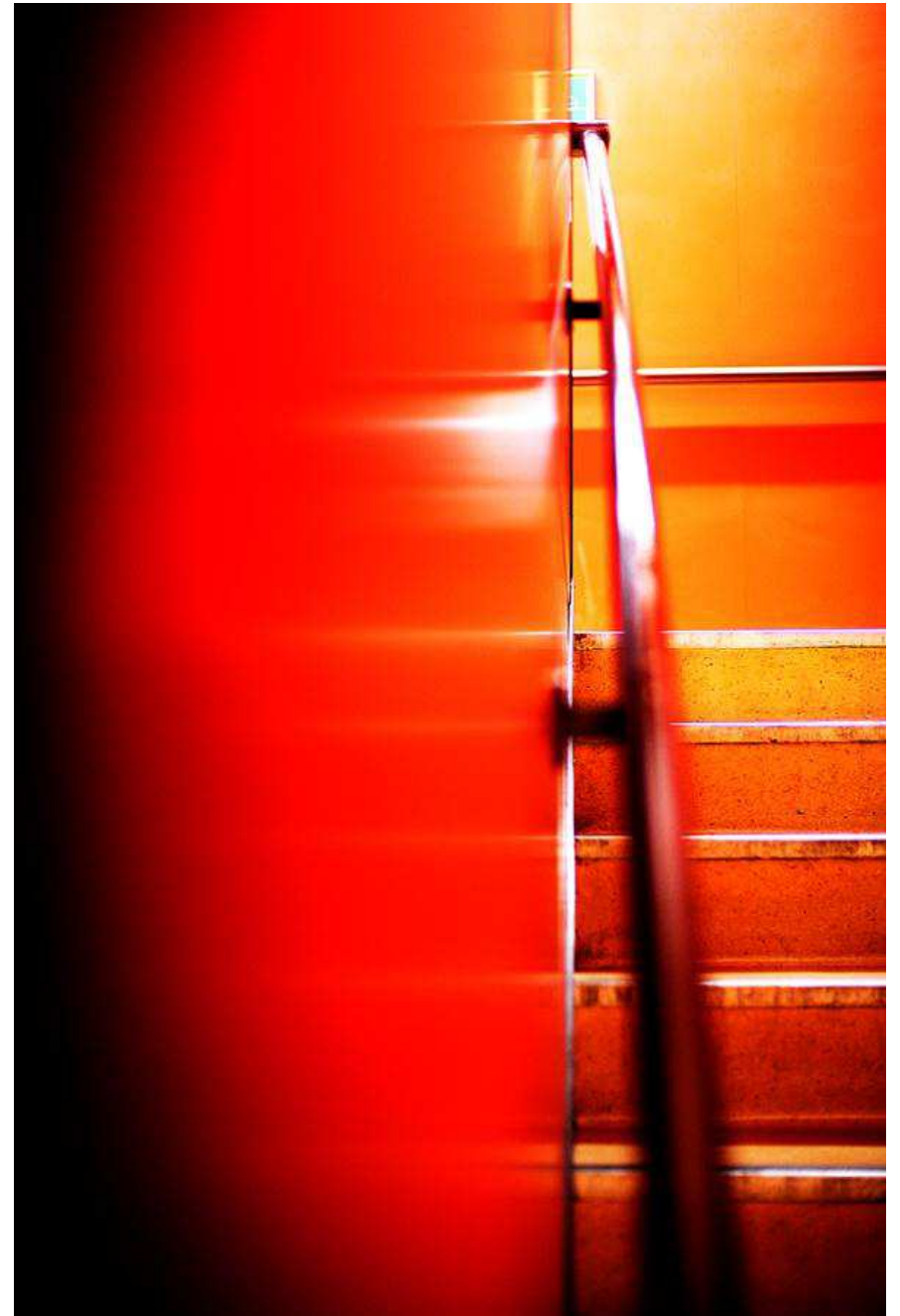
Q4 2013 results

Disclaimer

All statements in this presentation other than statements of historical fact are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as “believe”, “may”, “will”, “should”, “would be”, “expect” or “anticipate” or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans or intentions. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation as anticipated, believed or expected. Prosafe does not intend, and does not assume any obligation to update any industry information or forward-looking statements set forth in this presentation to reflect subsequent events or circumstances.

Agenda

- **Q4 2013 in brief**
- Financial results
- Strategic repositioning
- Outlook



Q4 2013 in brief

- Strong utilisation of 82 per cent
- High order intake in the quarter
 - Three long-term contracts in Mexico
 - Long-term contract extension in Brazil
 - Contract for BP ETAP in UK
 - Contract for Swiber in Indonesia
 - Several shorter extensions for North Sea vessels
- Bond issue – NOK 700m, 5 years, 295bps
 - At that time, the lowest margin in the Norwegian high-yield market since 2008
- Projects and new build orders
 - Ordered two accommodation semis from COSCO
 - Pontoon launching Safe Boreas/Keel laying Safe Zephyrus
 - Safe Scandinavia and Regalia to yard for refurbishment/SPS

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Income statement

(Unaudited figures in USD million)	Q4 13	Q3 13	Q4 12	2013	2012
Operating revenues	134.8	159.4	113.1	523.5	510.4
Operating expenses	(53.4)	(50.8)	(52.6)	(216.9)	(230.3)
EBITDA	81.4	108.6	60.5	306.6	280.1
Depreciation	(14.4)	(18.2)	(15.0)	(61.5)	(57.7)
Operating profit	67.0	90.4	45.5	245.1	222.4
Interest income	0.1	0.4	1.0	1.3	1.1
Interest expenses	(8.4)	(8.4)	(8.0)	(34.2)	(40.9)
Other financial items	1.4	4.6	2.1	(8.5)	(4.6)
Net financial items	(6.9)	(3.4)	(4.9)	(41.4)	(44.4)
Profit before taxes	60.1	87.0	40.6	203.7	178.0
Taxes	(0.4)	(1.8)	1.7	(4.6)	(0.5)
Net profit	59.7	85.2	42.3	199.1	177.5
 EPS	 0.25	 0.36	 0.19	 0.85	 0.80
Diluted EPS	0.25	0.36	0.19	0.85	0.80

Operating revenues

(USD million)	Q4 13	Q3 13	Q4 12	2013	2012
Charter income	120.4	146.0	94.0	469.2	423.9
Mob/demob income	3.7	0.0	0.0	9.1	2.0
Gain on sale of Safe Esbjerg	0.0	0.0	0.0	0.0	4.8
Other income	10.7	13.4	19.1	45.2	79.7
Total	134.8	159.4	113.1	523.5	510.4

Balance sheet

(Unaudited figures in USD million)	31.12.13	30.09.13	31.12.12
Goodwill	226.7	226.7	226.7
Vessels	946.9	926.2	896.3
New builds	248.9	152.5	135.6
Other non-current assets	4.9	16.5	21.9
Total non-current assets	1 427.4	1 321.9	1 280.5
Cash and deposits	113.4	118.0	103.6
Other current assets	77.2	102.8	103.1
Total current assets	190.6	220.8	206.7
Total assets	1 618.0	1 542.7	1 487.2
Share capital	65.9	65.9	63.9
Other equity	673.8	639.8	452.4
Total equity	739.7	705.7	516.3
Interest-free long-term liabilities	25.1	40.5	66.8
Interest-bearing long-term debt	779.6	697.7	745.6
Total long-term liabilities	804.7	738.2	812.4
Other interest-free current liabilities	73.6	64.8	93.7
Current portion of long-term debt	0.0	34.0	64.8
Total current liabilities	73.6	98.8	158.5
Total equity and liabilities	1 618.0	1 542.7	1 487.2

Key figures

KEY FIGURES	Q4 13	Q3 13	Q4 12	2013	2012
Operating margin	49.7 %	56.7 %	40.2 %	46.8 %	43.6 %
Equity ratio	45.7 %	45.7 %	34.7 %	45.7 %	34.7 %
Return on equity	33.0 %	49.9 %	34.6 %	31.7 %	48.4 %
Net interest bearing debt (USD million)	666.2	613.7	706.8	666.2	706.8
Number of shares (1 000)	235 973	235 973	229 937	235 973	229 937
Average no. of outstanding shares (1 000)	235 973	235 973	222 963	233 806	222 961
USD/NOK exchange rate at end of period	6.08	6.01	5.57	6.08	5.57
Share price (NOK)	46.80	48.00	47.32	46.80	47.32
Share price (USD)	7.70	7.99	8.50	7.70	8.50
Market capitalisation (NOK million)	11 044	11 327	10 881	11 044	10 881
Market capitalisation (USD million)	1 816	1 885	1 953	1 816	1 953

Shareholders

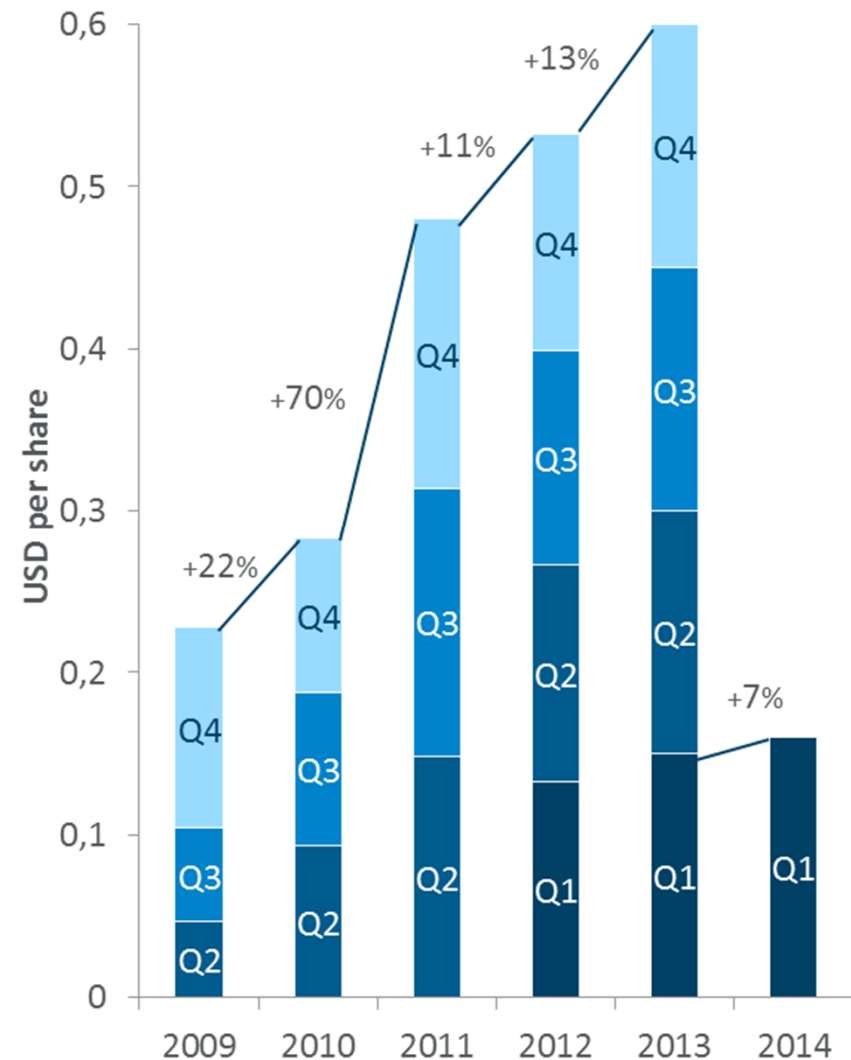
SHAREHOLDERS AS AT 03.02.2014 No. of shares Ownership

State Street Bank & Trust (nom)	32 323 779	13.7 %
Folketrygdfondet	16 561 978	7.0 %
State Street Bank & Trust (nom)	14 924 446	6.3 %
Pareto	8 796 703	3.7 %
Clearstream Banking (nom)	8 604 619	3.6 %
FLPS	8 700 000	3.7 %
JP Morgan Chase Bank (nom)	6 815 492	2.9 %
Goldman Sachs (nom)	5 871 327	2.5 %
RBC (nom)	5 267 382	2.2 %
Pimco (nom)	4 597 714	1.9 %
Total 10 largest	112 463 440	47.7 %

Total no. of shares:	235 973 059
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Steady growth in dividend

- Declared an interim dividend equivalent to USD 0.16 per share
- The shares will trade ex-dividend on 14 February
- The dividend will be paid in the form of NOK 1 per share on 28 February



Interest-bearing debt portfolio

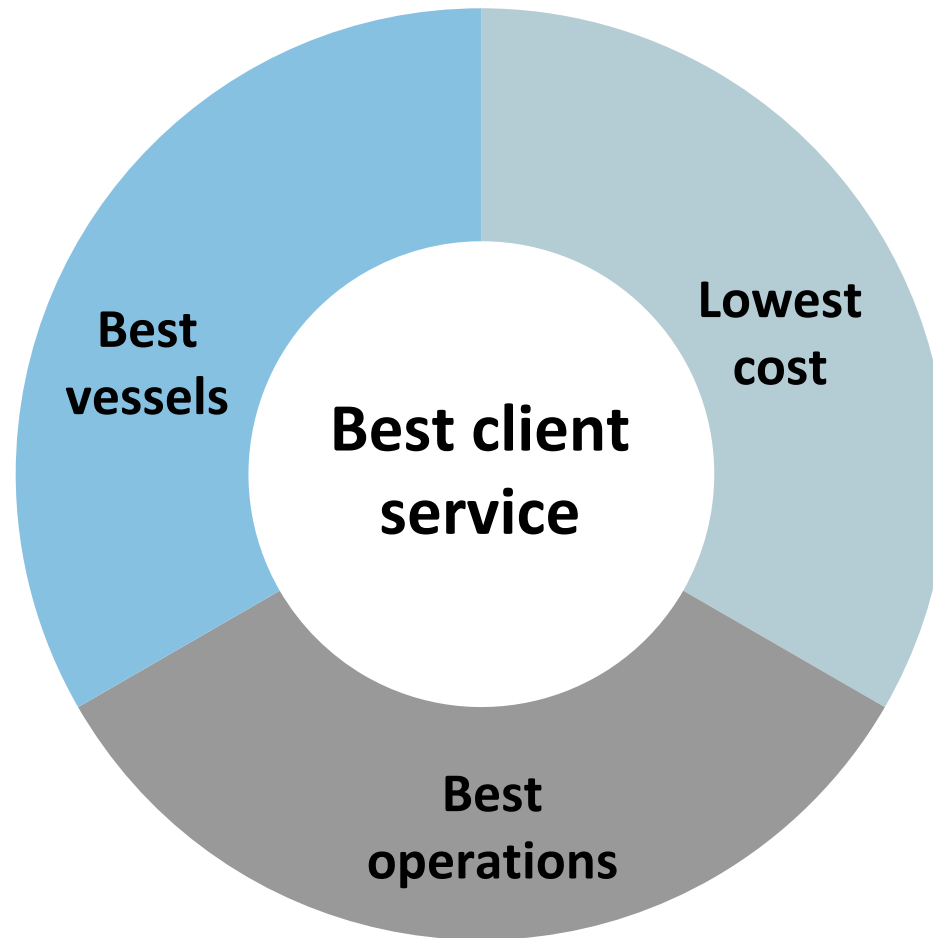
Loan	Commitment	Maturity	Margin
USD 1100 million credit facility (2011-17)	USD 791 million	Q3 2017	187.5 bps
USD 420 million credit facility (2012-17)	USD 420 million	Q4 2017	295 bps
NOK 500 million bond (2011-16)	NOK 500 million	Q1 2016	350 bps
NOK 500 million bond (2012-17)	NOK 500 million	Q1 2017	375 bps
NOK 500 million bond (2013-20)	NOK 500 million	Q1 2020	375 bps
NOK 700 million bond (2013-18)	NOK 700 million	Q4 2018	295 bps

Agenda

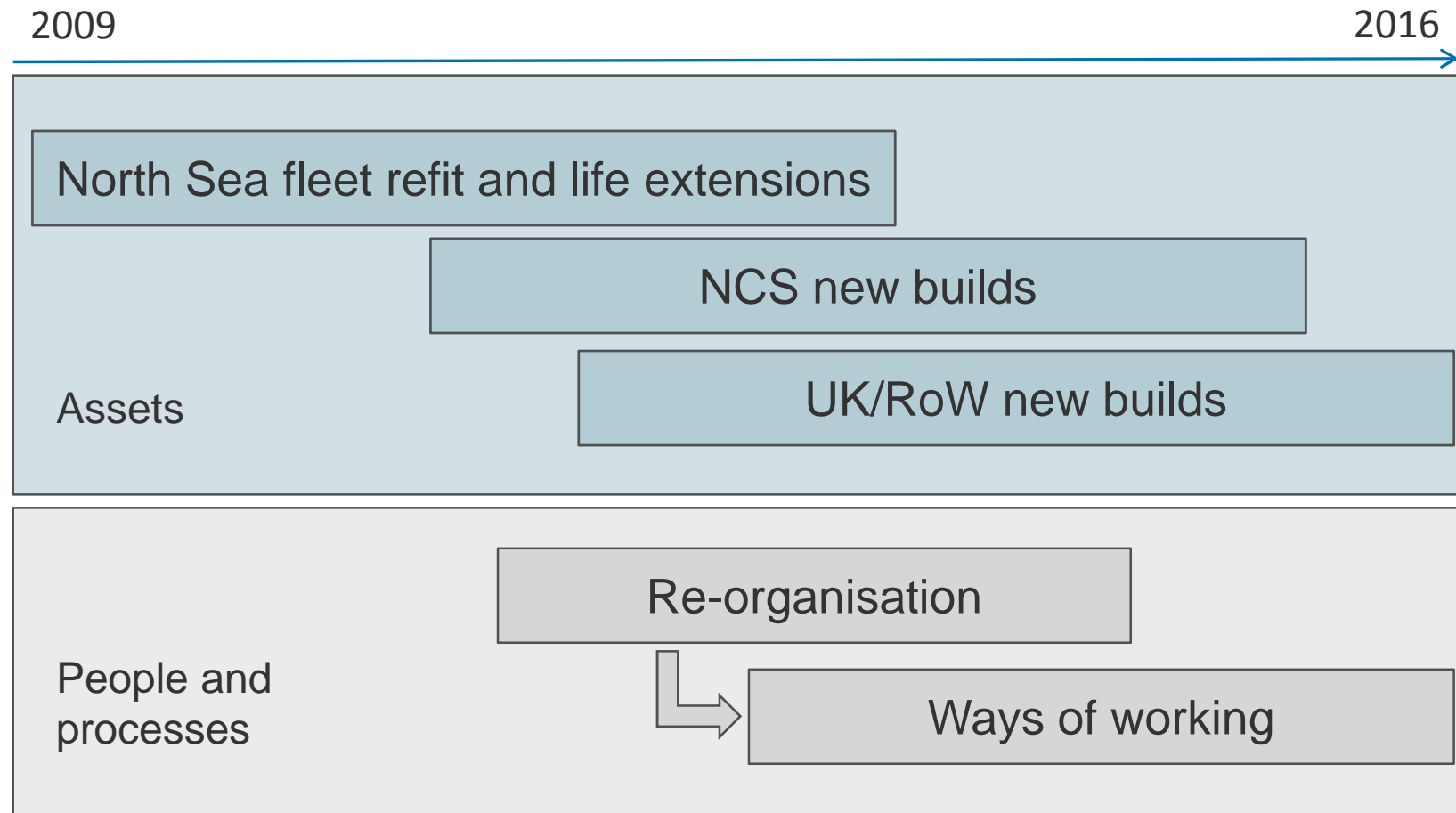
- Q4 2013 in brief
- Financial results
- **Strategic repositioning**
- Outlook



Ambition – start of strategy process



Strategic repositioning



North Sea fleet – refit and life extension

- Objective
 - Ensure availability of versatile vessels with safe, efficient and comfortable facilities
- Actions
 - Refurbish vessels to achieve renewal of hull, machinery and facilities for another 20 years of operation



Scandinavia SPS and life extension

- Aim: operate in NCS or UK waters, with 12 point mooring for 20 years (2014-2034)
- Five year Special periodic survey (SPS) Q1 2014
 - Including fatigue enhancement
- Increase vessel capabilities
 - Improved station-keeping with new anchor windlasses & chain (best in class)
 - More functional cranes
 - Reduced probability of any longer future yard stays
 - More earning capacity
- Augment the health and safety of those working and living onboard
 - Replacement of 168 wet units
 - Refurbishment of 124 wet units
 - Renew crew accommodation
 - New IT infrastructure

Regalia SPS

- Five-year special periodic survey (SPS) Q1 2014
 - ❑ Including fatigue enhancement
- Increase vessel capabilities
 - ❑ More functional cranes
 - ❑ Gangway improvements
- Augment the health and safety of those working and living onboard
 - ❑ Refurbishment of some interiors



New builds compliant with Norwegian regulations

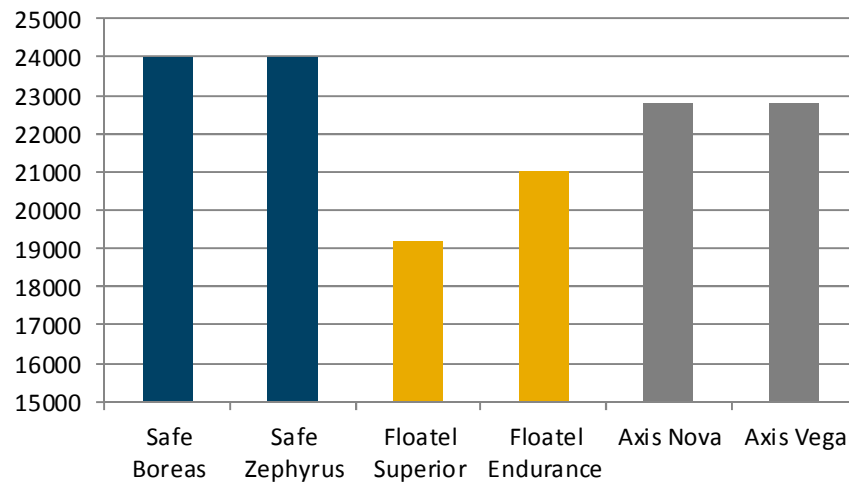
■ Objectives

- ❑ Be the most cost effective and versatile vessels for year-round operations in the Norwegian waters in terms of:
 - Positioning, either through DP3 or 12 point wire-moored
 - Marine capabilities/motions and gangway uptime
 - Safe working environment – high workforce involvement
 - Accommodation facilities

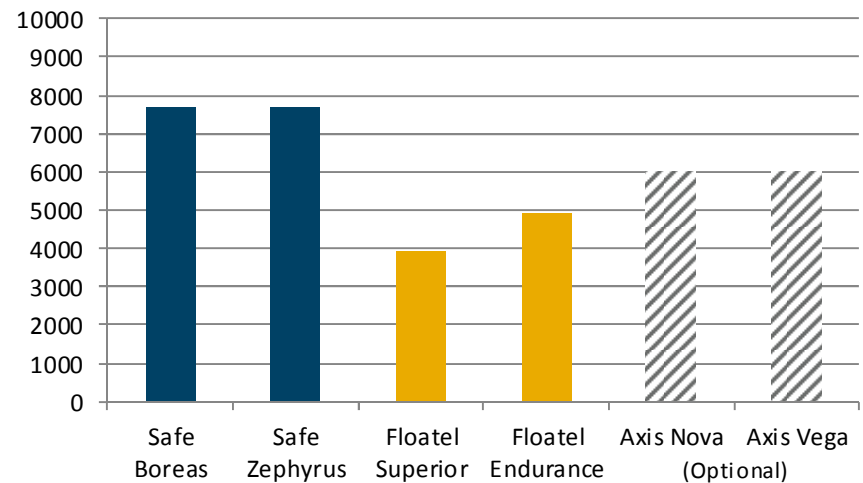


Prosafe new builds aim at being the best - Norway

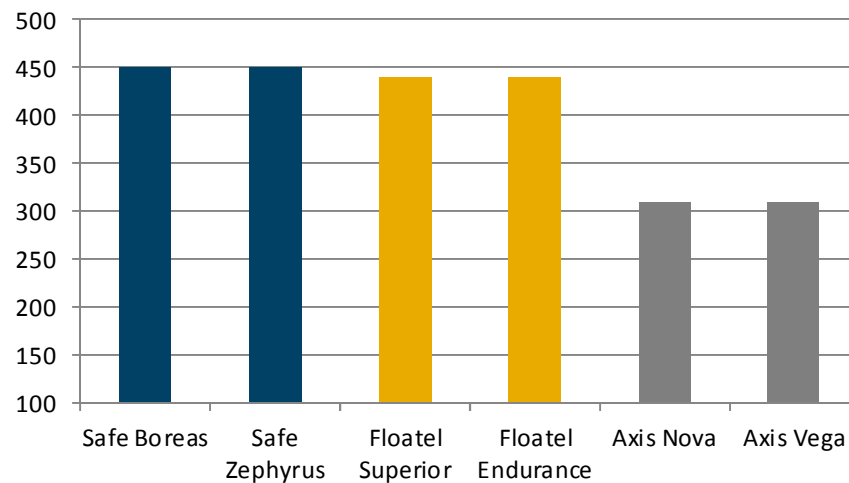
Thruster power (kW)



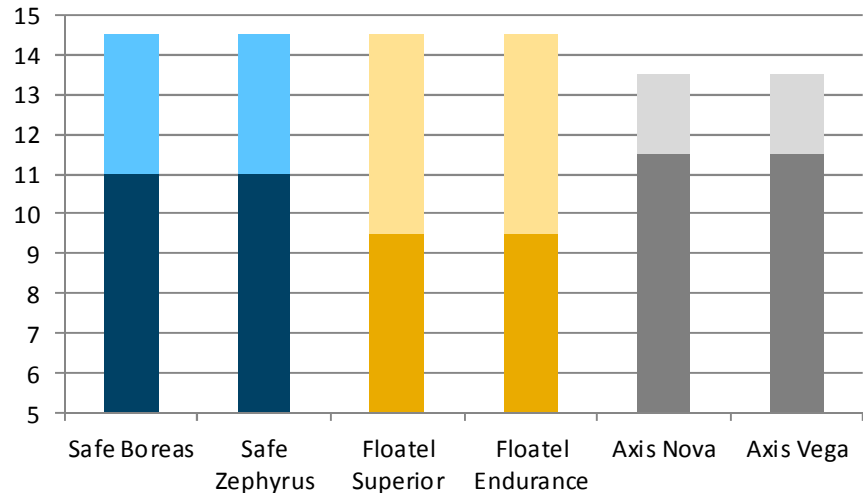
Combined mooring strength (tonnes)



PoB (one person per cabins)



Air gap operation and survival mode (meters)



Safe Boreas

- Pontoons launched 5 and 9 Nov 2013 – then docked
- First 2 columns raised on pontoons in dock Nov 2013
- LQ mega blocks transported from subcontractor to Jurong for outfitting
- Cabin fabrication in Korea, first batch has arrived in Singapore

Financial status Q4 13	USDm
Book value o.b.	84
Book value c.b.	95
Capitalised in quarter	11
Estimated total cost	350



Safe Zephyrus

- Keel lay – 18 November 2013
- Good progress in block fabrication
- Outfitting started

Financial status Q4 13	USDm
Book value o.b.	68
Book value c.b.	69
Capitalised in quarter	1
Estimated total cost	350



Newbuilds for UK/RoW, excl. Norway

■ Objectives

- ❑ Be the most versatile vessels for year-round operations in UK/RoW , excl. Norway in terms of:
 - Positioning, either DP3 or 10 point chain-moored
 - Marine capabilities/motions and gangway uptime
 - Safe working environment
 - Accommodation facilities
 - Crane capacity
- ❑ Be cost effective in terms of both construction capex and future opex

Safe Eurus and Safe Notos

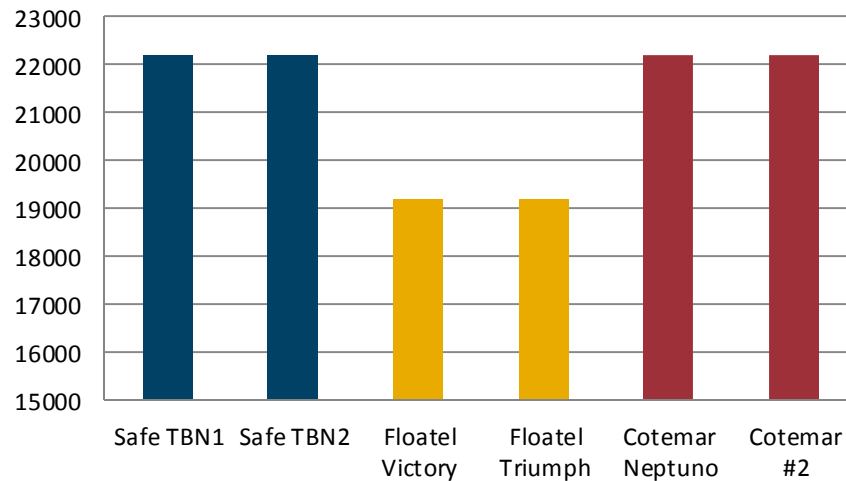
- Strong capabilities
 - The most advanced and flexible vessels for worldwide operations excluding Norway
- Low risk
 - Number 3 and 4 in a series of Gusto MSC Ocean 500 units built by Cosco
- Ready for operations in 2016



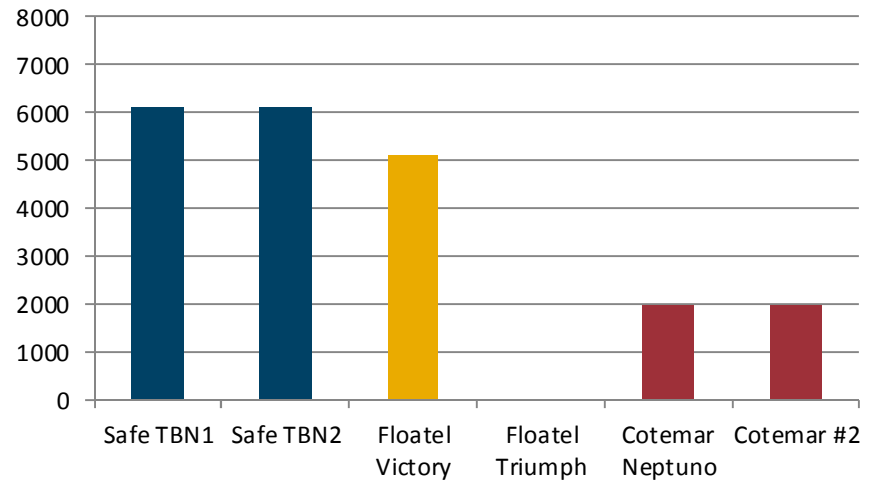
Source: Gusto MSC

Prosafe newbuilds aim at being the best – UK/RoW

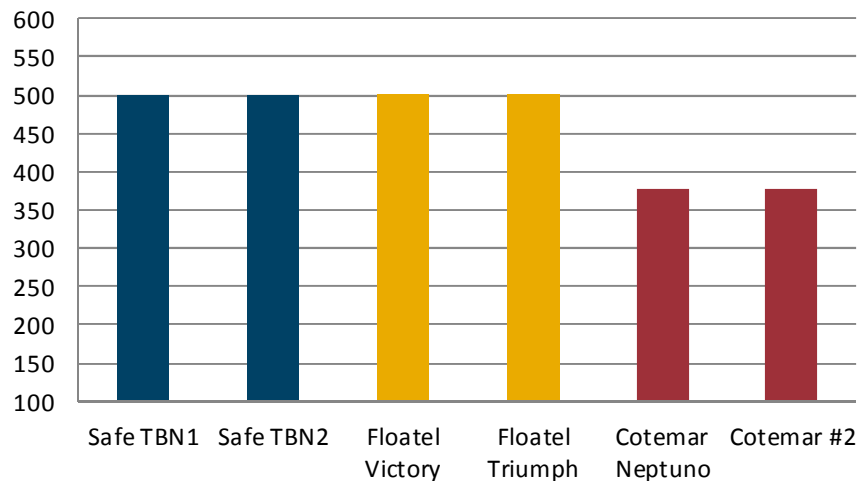
Thruster power (kW)



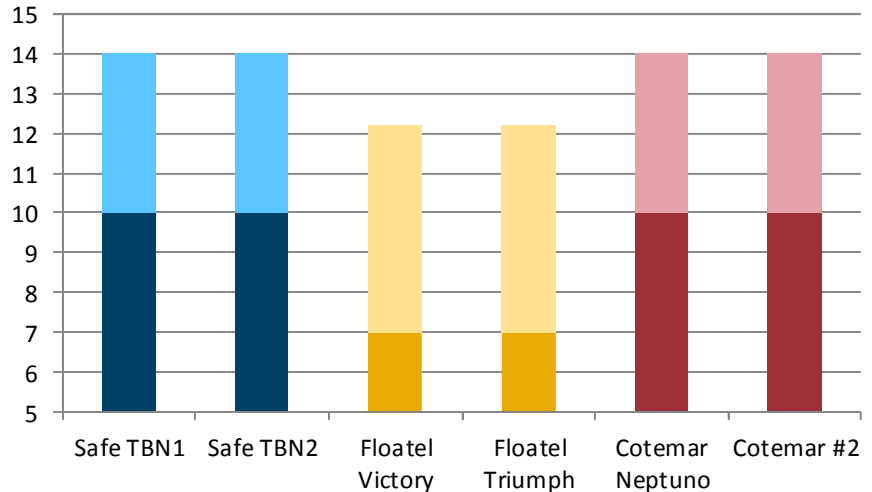
Combined mooring strength (tonnes)



PoB (one and two persons cabins)



Air gap operation and survival mode (meters)



Large and versatile North Sea fleet in good condition

- Safe Boreas – new build
- Safe Zephyrus – new build
- Safe Notos – new build
- Safe Eurys – new build
- Safe Scandinavia – life extension in 2014 (20 years)
- Safe Caledonia – life extension in 2013 (20 years)
- Regalia – life extension in 2009 (20 years)
- Safe Bristolia – converted and refurbished in 2006



Capital expenditure 2013

- Capex in line with indication of USD 130-150 million
- In addition, Safe Eurus/Notos first yard instalments paid in December 2013
- Total of USD 223 million in 2013
- Major items
 - ❑ Safe Caledonia life extension completion
 - ❑ Safe Scandinavia SPS, mooring winches and life extension
 - ❑ Regalia SPS and cranes/thrusters
 - ❑ Safe Boreas new build
 - ❑ Safe Zephyrus new build
 - ❑ Safe Eurus/Notos first yard instalments



Capital expenditure 2014

- Total capex USD 420-480 million
 - ❑ General indication of yearly average fleet capex of USD 50-60 million, excluding new builds and special projects/items
 - ❑ New builds and special projects
 - Safe Boreas new build, 80 per cent of yard cost to be paid at delivery
 - Safe Zephyrus new build, incl. owner furnished equipment
 - Safe Scandinavia life extension
 - Safe Eurus/Safe Notos new build



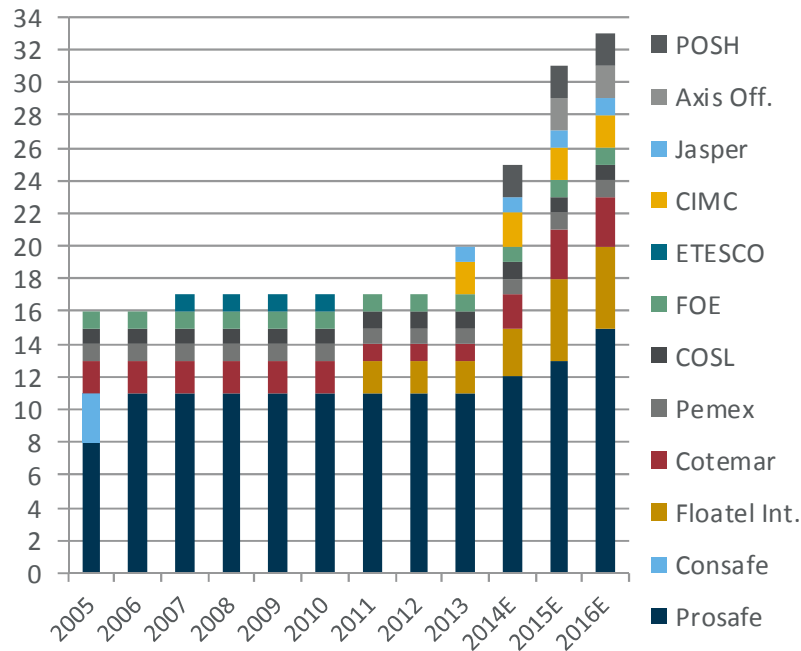
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- **Outlook**

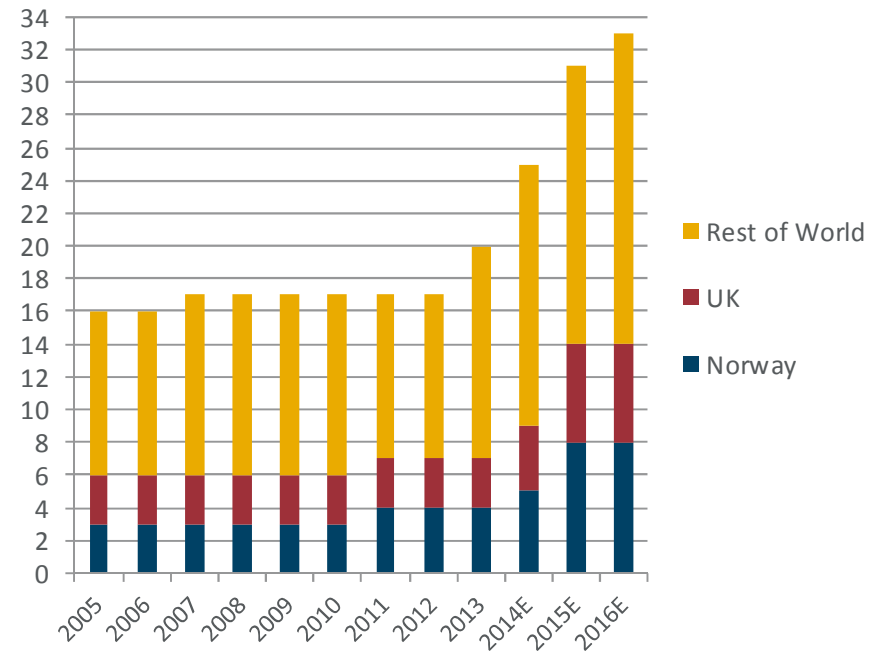


Clear market leader in the high-end segment

No. of accommodation semis by owner*



No. of accommodation semis by regional capabilities*



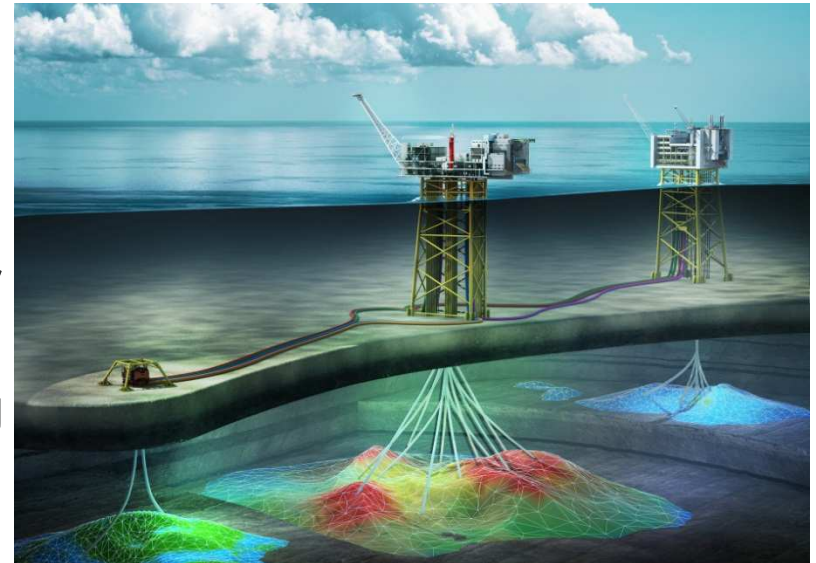
* In addition, there are other types of vessels that from time to time will be potential competitors in certain regions

- Supply side will double in size from 2012 to 2016
 - possible under-supply situation historically
 - positive underlying demand development seen over the past years

North Sea - robust demand

- Good demand for hook-up work
 - ❑ Driven by exploration success, particularly in Norway
 - ❑ Prosafe already has contracts in place for Edvard Grieg (Lundin), Ivar Aasen (Det norske) and Mariner (Statoil) hook-up and commissioning projects
- Existing infrastructure is old, particularly in UK
 - ❑ Robust and stable MMO activity
- High activity in recent licence rounds
 - ❑ Bodes well for long term demand

Ivar Aasen development solution

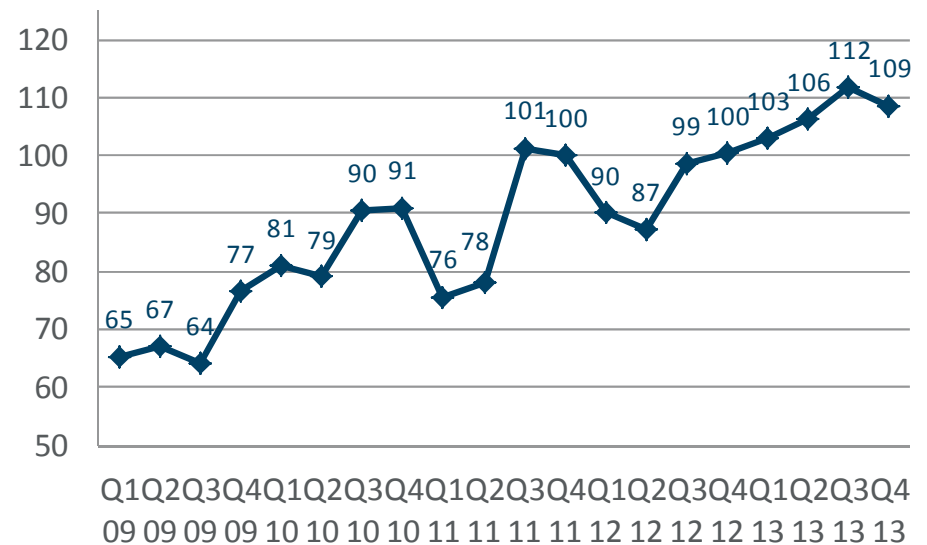


Source: Det norske

North Sea - robust demand

- High order intake in the North Sea in Q4 2013 and in 2013 in general
 - Good contract visibility in the North Sea
- Demand index shows robust demand
 - Although fewer prospects and tenders now compared to Q3 2013

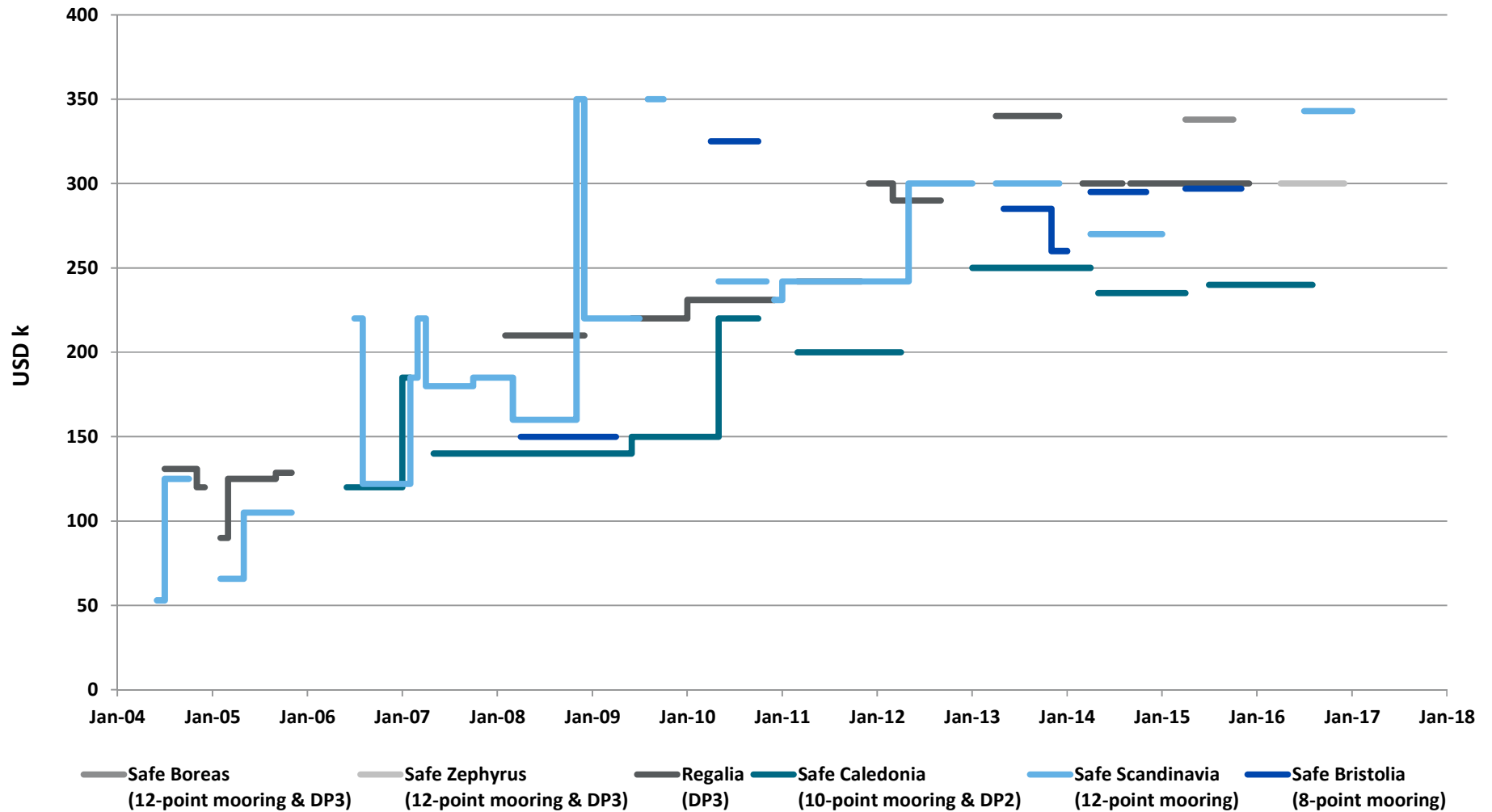
North Sea accommodation demand index



Based on firm contracts, extension options, projects in the tendering phase and prospects for the next 36 months. Index based on number of days in demand. Q4 11 = 100

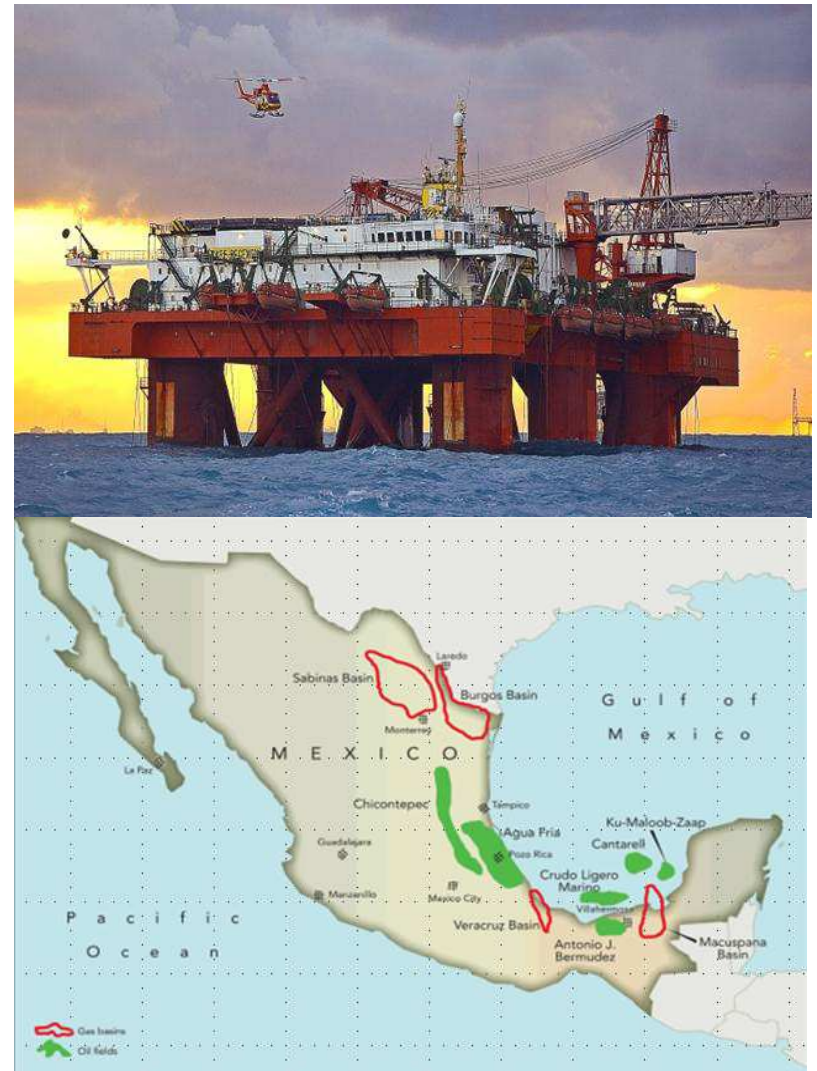
Source: Prosafe

North Sea dayrates (time charter)

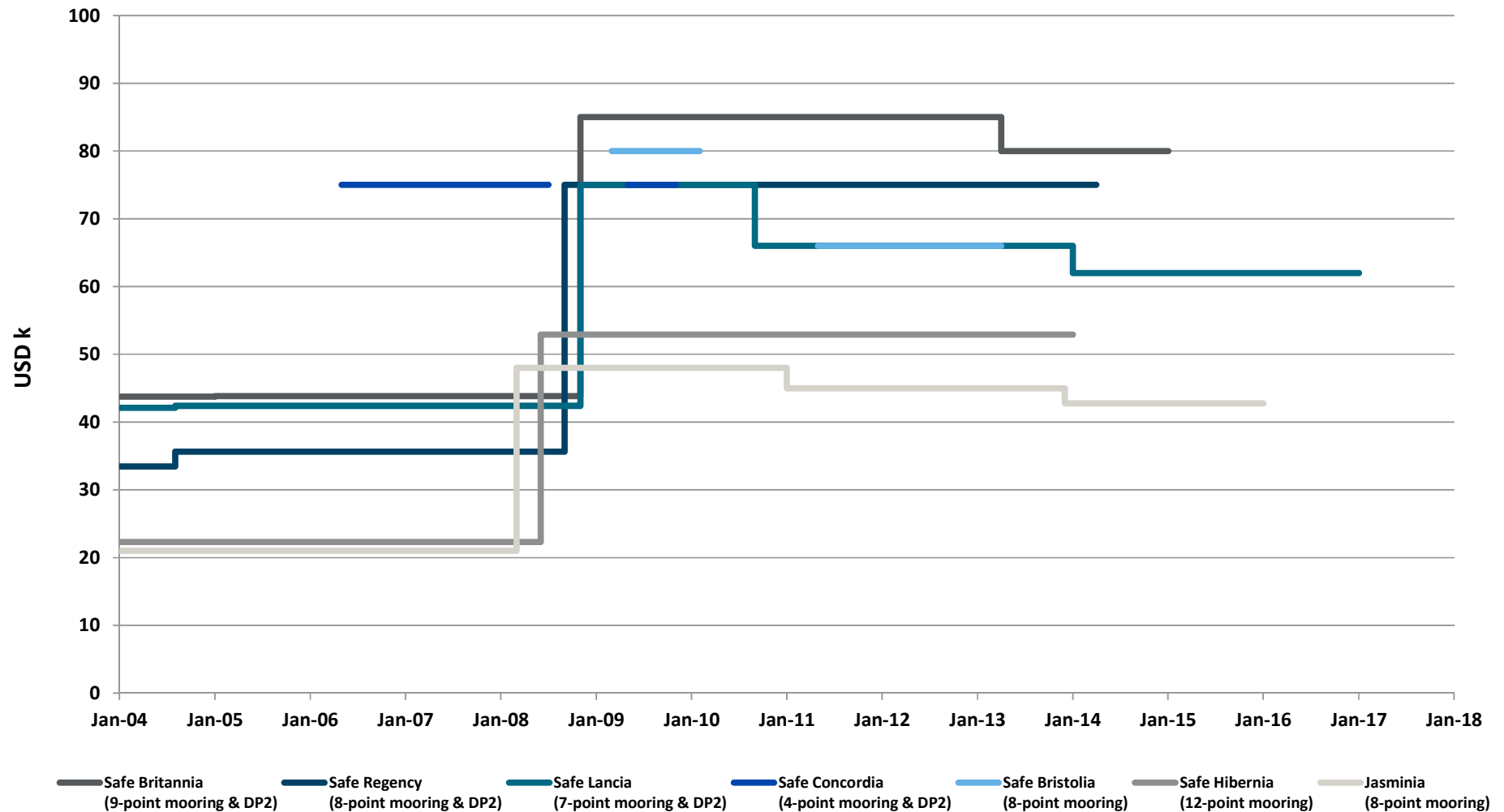


Mexico - stable demand outlook

- Continued stable outlook in Mexico demonstrated by recent contracts for Regency, Lancia, and Jasminia
 - Multiple years contract renewals, but slightly lower dayrates
- Currently accommodation vessels in operation at the Cantarell field and adjacent areas
- Longer term it is anticipated that there will also be demand from deep water areas



Gulf of Mexico dayrates (bareboat)



Brazil – growth market

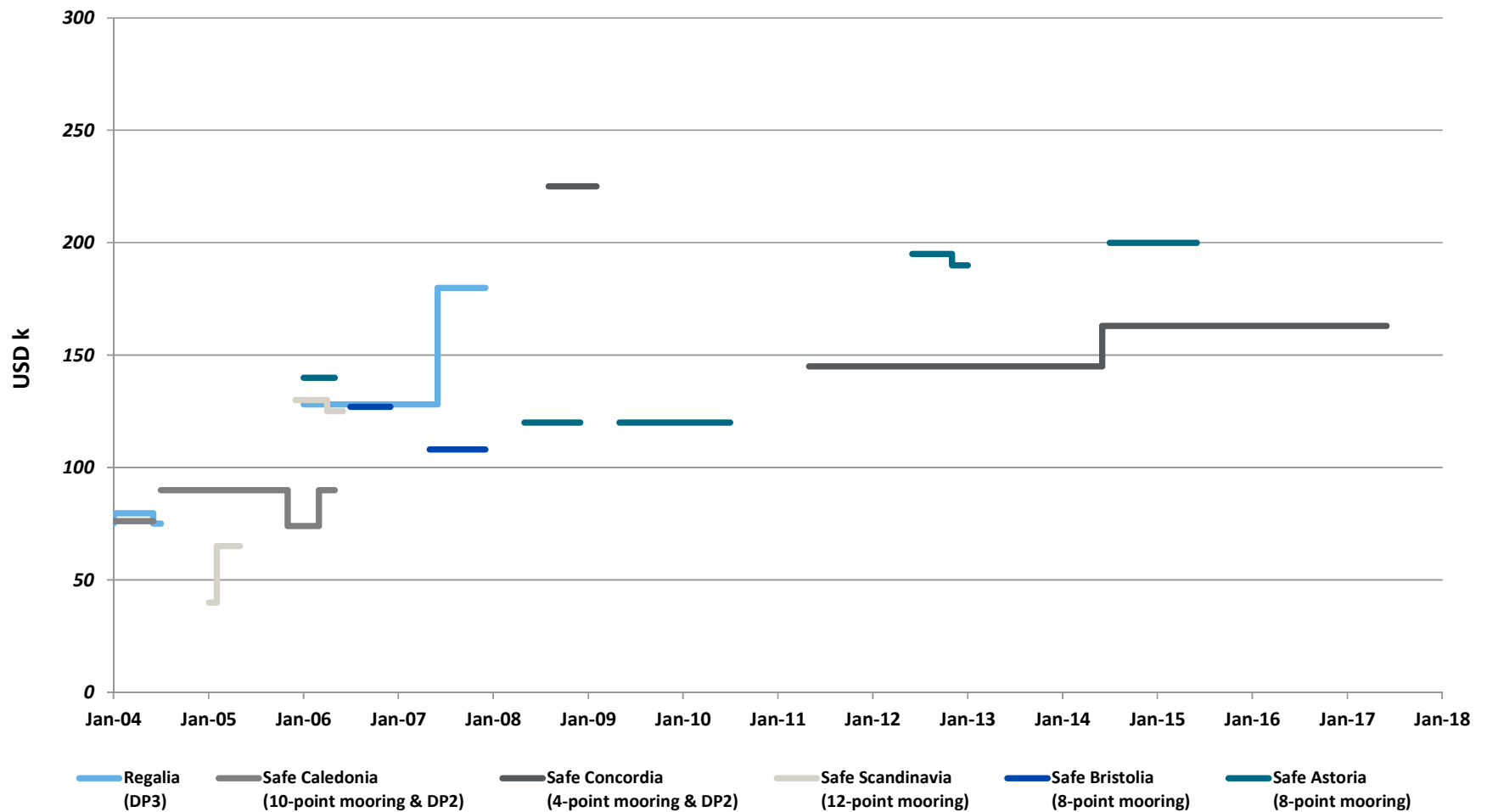
- Long-term requirements, mainly driven by maintenance
 - Hook-up work can appear longer term
 - Many different types of accommodation solutions in operation/contracted in Brazil
- All vessels required so far have gone to the Campos basin
 - Concordia, three-year contract extension from June 2014
 - Demand may evolve from other areas as well in due course
 - ✓ Santos, Espirito Santo, pre-salt



Rest of the world – interesting opportunities

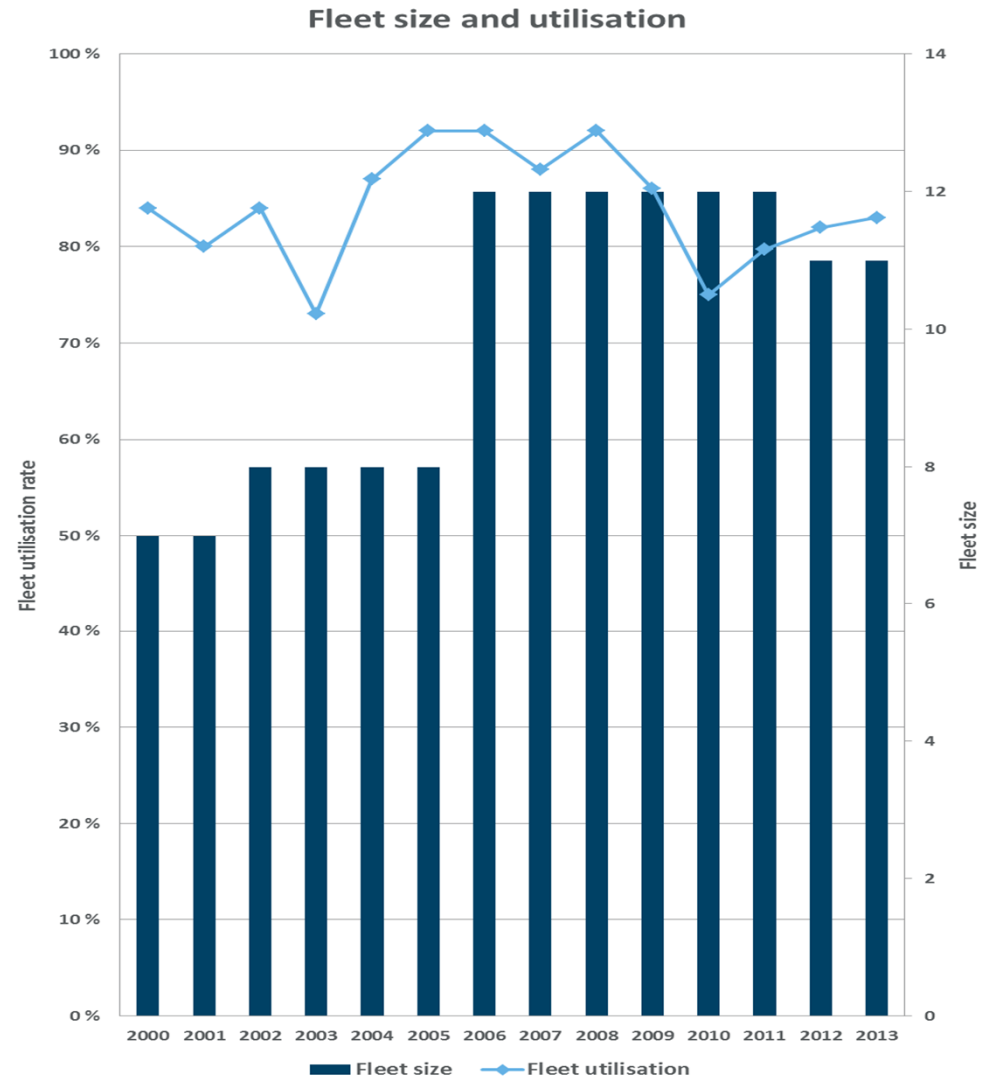
- Australia
 - Sporadic activity although the area is evolving
 - Several contract awards at attractive economics
- South East Asia
 - Dominated by low dayrate, basic barges due to benign weather conditions
 - Some demand for semis related to mid and deep water work
 - Safe Astoria now in operation in Indonesia and from June/July 2014 in the Philippines
- West Africa
 - Dominated by low dayrate, basic barges due to benign weather conditions
 - Some ad-hoc demand for semis for hook-up and tie-in work
- US GoM
 - Increased demand expected from deep water areas as production reaches more mature stage

Rest of world dayrates (time charter)

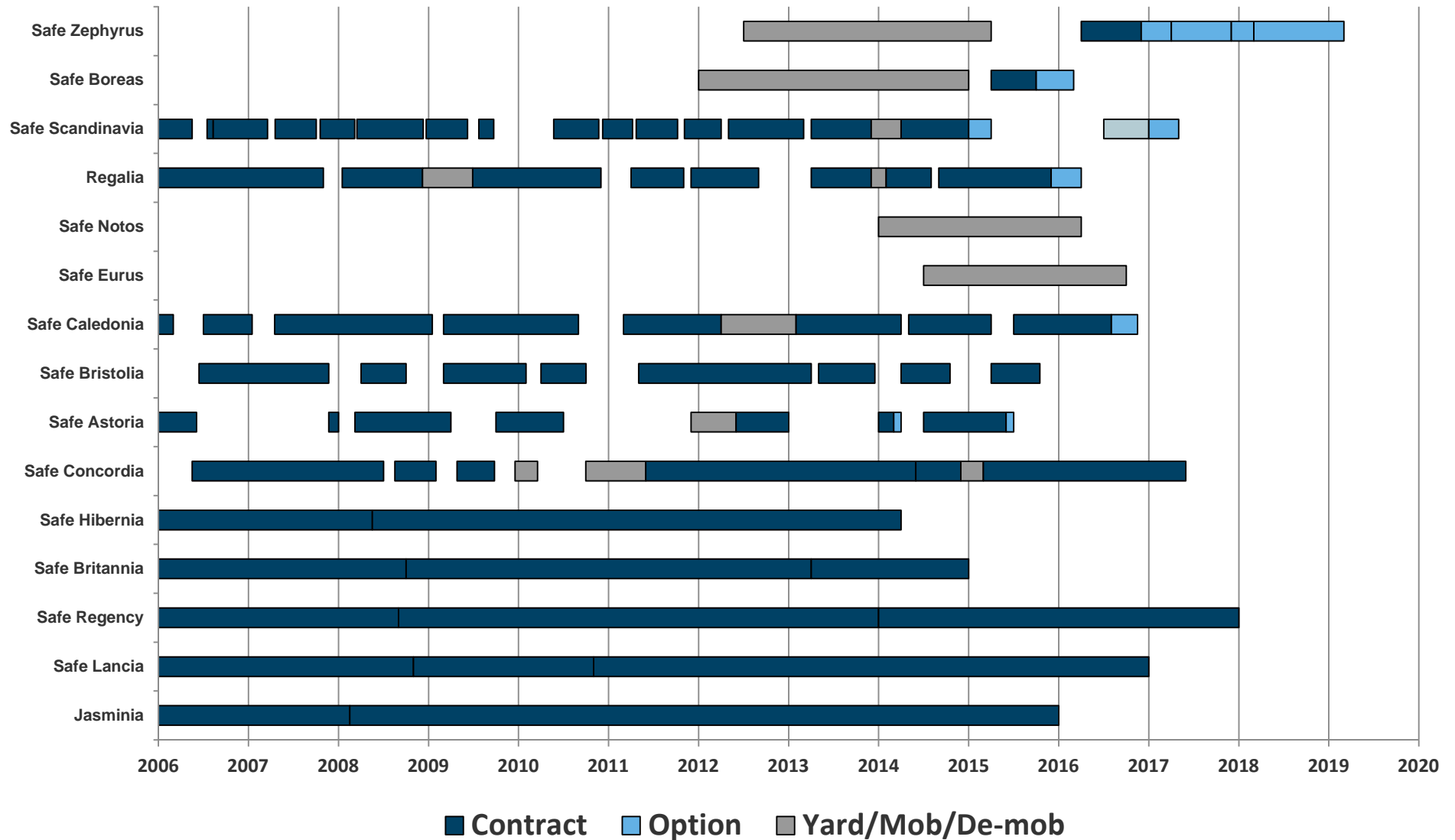


Consistent high fleet utilisation

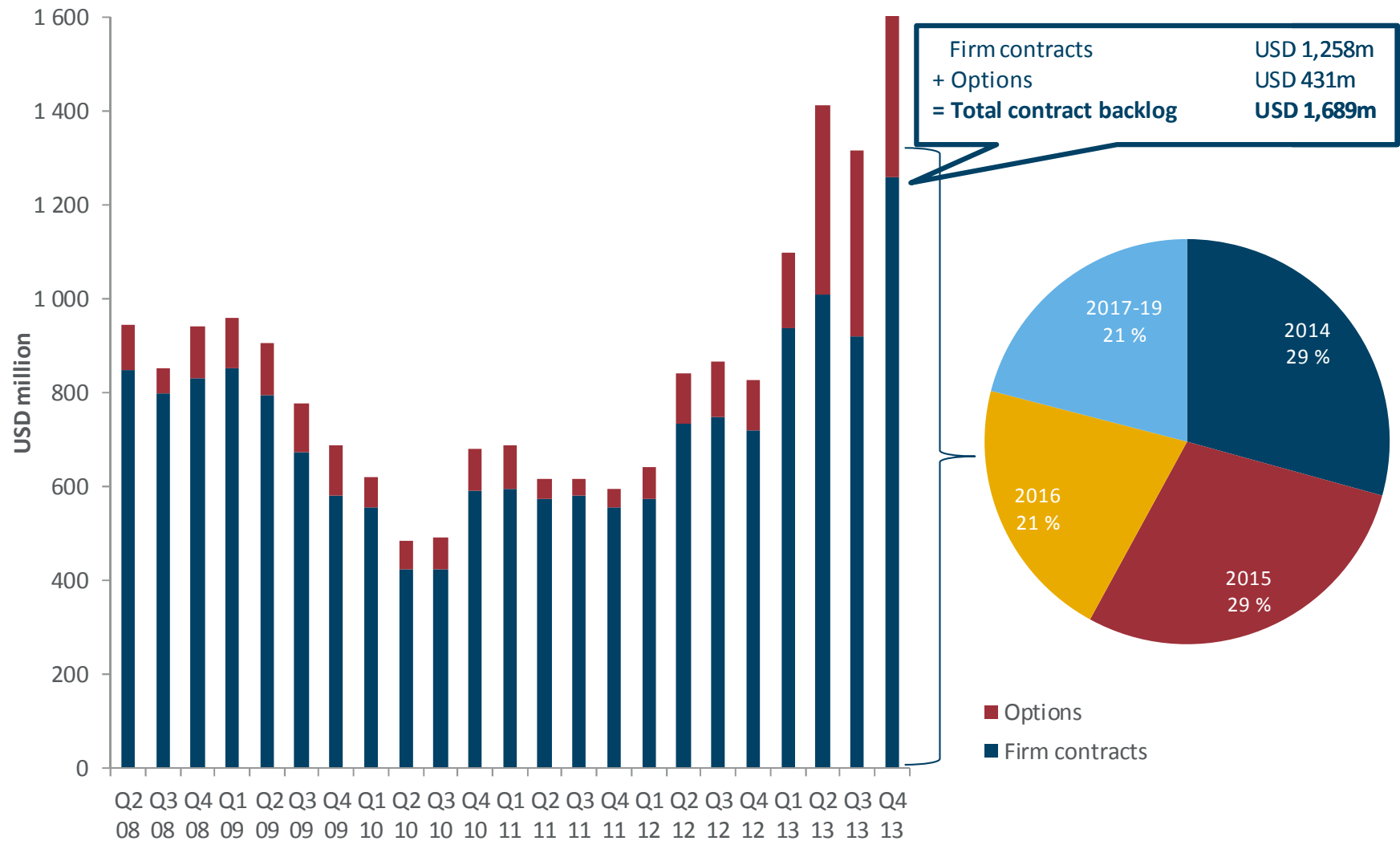
- High fleet utilisation
- Considerable fleet size means lower risk and less volatility
- Low counter-party risk
 - Clients are typically national oil companies, super majors and larger independents



High contract visibility



Record high contract backlog



Prosafe is well positioned

- Well positioned to meet a potential increase in demand and competition, by having:
 - ❑ a record high order backlog
 - ❑ the largest and most versatile fleet
 - ❑ the best and longest operational and HSEQ track-record
 - ❑ the most efficient cost and financing structure

