



Prosafes

NOTICE OF ANNUAL GENERAL MEETING OF PROSAFE SE

NOTICE IS HEREBY GIVEN that the annual general meeting of Prosafes SE will be held on

3 May 2007 at 1:00 p.m. at the company's premises at Nedre Holmegt. 30-34, Stavanger.

The chair of the board will open the annual general meeting.

Agenda:

1. Election of the chair of the meeting
2. Approval of the notice of meeting and agenda
3. Election of one person to co-sign the minute book together with the chair of the meeting
4. Adoption of the directors' report and the annual accounts 2006 for the parent company and the group, including allocation of net profit of the parent company and determination of share dividend. The board proposes to pay a share dividend of NOK 1.25 per share. If the proposal is adopted, the dividend will be paid on 15 May 2007 to shareholders as of 3 May 2007 ("record date"). Ex date for dividend will be 4 May 2007.
5. Approval of the remuneration of the auditor
6. Determination of the remuneration of the directors
7. Determination of the remuneration of the election committee
8. Election of board members
9. Election of members and alternate member to the election committee
10. Statement on determination of salary and other remuneration to the management
11. Proposal to renew the board of directors' authorisation to acquire own shares
12. Proposal to authorise the board of directors to increase the share capital by issue of shares
13. Proposal to transfer the registered office to Cyprus

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The annual accounts, the directors' report, the auditor's report, the board of directors' statement on determination of salary and other remuneration to the management, transfer proposal without enclosure and the board of directors' report on the transfer proposal with a proposed resolution and Cypriot memorandum and articles of association are enclosed with the notice of meeting, together with the board of directors' proposed resolution for items 7, 11 and 12, and the election committee's recommendation for items 6 and 8.

Shareholders who wish to attend the meeting must notify the company of their intention to attend no later than 30 April 2007 at 4:00 p.m. by returning the enclosed form.

Oslo, 29 March 2007

The board of Prosafes SE

Election committee's recommendation for item 6 and 8 in the annual general meeting of Prosafe SE 3 May 2007:

1. Mandate

In accordance with the articles of association, Prosafe SE shall have an election committee comprising three members and one alternate, of whom one member is appointed by the board of directors and the other two members plus the alternate are elected by the general meeting for a period of two years. When directors are to be elected by the shareholders, the election committee will meet and submit its recommendations to the general meeting.

Prosafe ASA's general meeting in 2005 elected Jarl Ulvin and Hans Thrane Nielsen as members of the election committee. Truls Evensen was elected as alternate and Christian Brinch is elected by the board. The committee has elected Hans Thrane Nielsen as chair. 19.01.2007 Jarl Ulvin withdrew from the election committee because Odin Forvaltning no longer is a shareholder in the company. Since then Truls Evensen has met with the election committee.

In accordance with "NORSK ANBEFALING FOR EIERSTYRING OG SELSKAPSLEDELSE" (Norwegian guidelines for corporate governance) the board has requested the election committee in addition to propose the remuneration of the directors.

2. The composition of the board of directors

The board of directors in Prosafe consists of the following members elected by the shareholders:

Reidar Lund	-	Chair
Christian Brinch	-	Deputy Chair
Elin Nicolaysen		
Ronny Johan Langeland		
Anne Grethe Dalane		

The following directors stand for election in 2007:

Reidar Lund
Anne Grethe Dalane

Subject to certain conditions Prosafe SE has resolved to move to Cyprus. In that respect it will be required to have a new composition of the board of directors. The two directors who stand for election in 2007 have agreed to be re-elected for the period up to the extraordinary general meeting in connection with the relocation, estimated to take place autumn 2007.

As a starting point Christian Brinch, Elin Nicolaysen and Ronny Johan Langeland do not stand for election.

3. Remuneration of the directors

Christian Brinch left the meeting while the item was discussed.

The election committee proposes the following ordinary remuneration for 2006:

Chair	NOK 440,000 (410,000)
Deputy chair	NOK 325,000 (300,000)
Directors	NOK 275,000 (250,000)

The workload for the board of directors of Prosafe SE in 2006 has been extraordinary as 39 board meetings and sessions have been held. The election committee therefore proposes to the general meeting that an additional remuneration at NOK 75,000 per board member is given for 2006. The total remuneration to the board of directors for 2006 is therefore proposed to be:

Chair	NOK 515,000
Deputy chair	NOK 400,000
Directors	NOK 350,000

The election committee's recommendations are unanimous.

Oslo, 26 March 2007

Jarl Ulvin
(sign)

Hans Thrane Nielsen
Chair (sign)

Christian Brinch
(sign)

The board of directors' proposed resolutions for Items 7, 10, 11, 12 and 13 at the annual general meeting of Prosafe SE on 3 May 2007:

Item 7 Determination of the remuneration for the election committee

The following remuneration for election committee members is proposed:

Chair and election committee members: NOK 10,000.

Item 10 Statement on determination of salary and other remuneration to the management

1. Objective

The objective of this statement is to state the main guidelines for the company's determination of remuneration to the management. The board of directors must, at any time, determine the further details, hereunder allocation criteria, based on the company's interests and needs.

2. Guidelines for the company's management remuneration policy

The remuneration of the management of Prosafe SE in 2008 will be determined by the following main principles:

The company shall offer conditions of employment which contribute to retain and recruit management personnel in an international labour market. The total remuneration shall be competitive with remuneration of management personnel on the same level in comparable businesses in the geographical areas within which the company operates.

The management remuneration shall consist of a fixed base salary and short- and long term incentives which will have a motivating effect on the management's efforts for the company in line with the shareholders' interests. Other types of remuneration may also be given, such as pension- and insurance schemes, payments in kind, bonuses, share value based programmes and termination payments. There are no specific limits for the total remuneration to the management.

The board of directors' resolutions on remuneration of the management are made in meetings where all directors are present and are based on input from the board of directors' compensation committee. Salary and other remuneration to the president and CEO are determined by the board of directors taking into consideration the management remuneration policy and an annual detailed review of the results that have been achieved.

3. Main principles for remuneration that can be given in addition to base salary

Short term incentives

The company has a bonus scheme for the management which has been determined by the board of directors. The size of a possible bonus is variable depending on the company's financial results, health-, environment- and safety level and achievement of strategic and operational targets. The board of directors reviews annually the details of the scheme, hereunder the parameters that govern the calculation of the bonus.

Long term incentives

The company uses both cash bonus and share value based schemes as a long term incentive to retain management personnel. The three-year programme for allocation of synthetic options which was adopted by the general meeting in May 2006 comprises up to 10 members of the management. Allocation is at the discretion of the board of directors based on a specific evaluation of the company's interests and needs. Possible net profit in connection with the exercise of synthetic options shall be used for the purchase of the company's shares in the market at market price. There is a lock-up period of 6 months for the shares from the purchase date. The scheme does not dilute the existing shareholders.

Pension schemes

Management personnel may have a pension scheme which ensures a pension payment which is in proportion to the level of remuneration that they have when working. This is mainly achieved by membership in running company pension schemes. Normally the company only commits to contribution based schemes. The company's top management may be included in early retirement schemes.

Termination payments

Today the group management has employment agreements giving right to termination payments. This right does not occur in case the employee himself decides to terminate his employment or in case of substantial breach of his conditions of employment. Apart from the president and CEO, the termination payment is reduced by salary from a possible new position outside the company unless the termination is a result of acquisition, merger or similar. Agreements on termination payment are also entered into with other members of the management provided this is appropriate to ensure the company's need for continuity and composition of the management.

Payments in kind

Management personnel may receive payments in kind which are customary for similar positions, such as free telephone, personal computer, free broadband connection, newspapers, company car/mileage allowance and parking. In connection with work abroad contributions to inter alia relocation, schooling and housing are normally given.

Other remuneration

If deemed suitable for the purpose of attracting or retaining management personnel variable elements and types of remuneration other than listed above may be given. There are no specific limits for what kind of other remuneration that may be agreed.

4. Determination of management remuneration in other group companies

Other group companies shall follow the main guidelines for the determination of remuneration to the management as described above.

Oslo, 29 March 2007

The board of directors of Prosafe SE

Item 11 Proposal to renew the board of directors' authorisation to acquire own shares

At the company's annual general meeting on 3 May 2006, the general meeting authorised the board of directors of the company to acquire a limited number of own shares. The authorisation was given for a period of 12 months. The board of directors is of the opinion that it would be appropriate for the board of directors to have the flexibility provided for by the Public Limited Companies Act to acquire a limited number of the company's own shares also in the future. The board of directors therefore proposes to the annual general meeting to extend the authorisation of the board of directors to acquire own shares.

The board of directors proposes that the annual general meeting resolves as follows:

"In accordance with section 9-4 of the Public Limited Companies Act, the annual general meeting of Prosafe SE hereby authorises the board of directors of the company to acquire own shares for a total nominal value of a maximum of up to NOK 459,873,580. However, the company's portfolio of own shares may not at any time exceed 10% of the share capital of the company. The board of directors is free to acquire and sell own shares in the manner it sees fit. The company shall pay no less than NOK 2 (the par value of the shares) and no more than NOK 150 per share acquired pursuant to this authorisation. If the company's share capital is changed by a fund issue, share split, etc, the total nominal amount and the minimum and maximum price per share will be adjusted accordingly. The authorisation will be effective for 12 months as from 3 May 2007. This authorisation replaces the authorisation to acquire own shares granted by the company's annual general meeting on 3 May 2006."

Item 12 Proposal to authorise the board of directors to increase the share capital by shares issue

The board of directors would like to have the necessary flexibility to be able to issue a limited number of shares in the company in certain situations. To be able to do this, the board of directors proposes that the annual general meeting authorises the board of directors to increase the share capital in the company by a maximum of NOK 45,987,358, which corresponds to approx 10% of the share capital of the company. In addition to obtain capital from the shareholders, the authorisation may also be used for acquisitions, mergers or in another manner in a private placement. On this basis the board of directors proposes that the shareholders' pre-emptive rights to subscribe for shares pursuant to section 10-4 of the Public Limited Companies Act may be waived when issuing shares under the authorisation. It is also proposed that the authorisation could be used to increase the share capital by investment in other properties than money and/or the right to bring on particular duties to the company, ref. the Public Limited Companies Act section 10-2, and resolution of merging ref. the Public Limited Companies Act section 13-5.

The board of directors proposes that the annual general meeting resolves as follows:

"The annual general meeting hereby authorises the board of directors to increase the share capital of Prosafe SE by up to NOK 45,987,358 by issuing up to 22,993,679 new shares with a par value of NOK 2 each. If the par value of the shares should be changed, the total number of shares that may be issued will be adjusted accordingly. The shareholders' pre-emptive rights to subscribe for shares pursuant to section 10-4 of the Public Limited Companies Act may be waived when issuing shares under the authorisation. The authorisation can be used to increase the share capital by investment in other properties than money and/or the right to incur particular duties to the company, ref. Public Limited Companies Act section 10-2, and resolution of merging ref. the Public Limited Companies Act section 13-5. The board has the authority to increase the share capital one or several times within the authorised amount. The authorisation empowers the board to do the necessary amendments to the Articles of association. The share price and terms are set by the board of directors. The authorisation is valid for a period of 12 months from 3 May 2007."

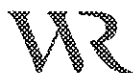
Item 13 Proposal to transfer the registered office to Cyprus

Office translation

**THE BOARD OF DIRECTORS' REPORT TO THE
GENERAL MEETING OF PROSAFE SE
REGARDING
TRANSFER OF THE REGISTERED OFFICE TO
CYPRUS**



Prosafes



WIKBORG REIN

I INTRODUCTION

The board of directors (the administrative organ) of Prosafe SE, registration number 977 356 059 ("Prosafe" or the "Company") with registered office in

Nedre Holmegt. 30-34,
Pb 559 Sentrum
N-4003 STAVANGER

has in a board meeting 28 February 2007 resolved a transfer proposal (the "Transfer Proposal") for the transfer of Prosafe's registered office to Cyprus.

The transfer shall take place in accordance with the Act on European Companies for the implementation of the EEA-agreement exhibit XII no. 10a (counsel regulation (EC) no. 2157/2001) (the SE-act" and the "SE-regulation"), cf. the SE-regulation art. 8.

It follows from the SE-regulation art. 8 no. 3 that the Company's board of directors shall prepare a report on the transfer which explains and reasons the legal and economic aspects of the transfer and explains the consequences of the transfer for the shareholders, creditors and employees.

The board of directors's report shall be enclosed the call for the general meeting and shall, together with the Transfer Proposal, give the shareholders sufficient information to consider the proposed transfer.

II THE RATIONALE OF THE TRANSFER

The purpose of the transfer is to locate the Company in a jurisdiction that gives better predictability in terms of tax and improved possibilities for growth. In this respect emphasis has been put on the following aspects:

Prosafe is a pure holding company for companies that are domiciled in and run business in other countries. The Company's subsidiaries abroad have business within two areas of operation: Accommodation and service-rigs and floating production. Following the sale of Prosafe Drilling Services AS in 2005 and the relocation of the Company's accommodation/service-rigs to Singapore in 2006 the group has limited operative business in Norway.

The international character of the group is underlined by the fact that, for the time being, approximately 3/4 of Prosafe's shareholders are domiciled outside Norway.

The tax regime in Cyprus is expected to be more predictable, and thus also more advantageous in terms of competition, compared to the Norwegian tax regime within which the Company today operates. Hereunder, there will be more freedom to do active business development from the holding company, which is expected to prepare the basis for development and additional growth in the Company.

The board of directors is therefore of the opinion that a localization of the Company's registered office in Cyprus will be a correct strategic decision to the benefit of both the Company and its shareholders.

III LEGAL CORPORATE CONSEQUENCES AND ARTICLES OF ASSOCIATION

Prosafe will not be dissolved and will continue to exist as an SE-company and the same legal entity also after the transfer, cf. the SE-regulation art. 8 no. 1.

After the transfer Prosafe will be subject to Cypriot corporate legislation, hereunder Cypriot SE-legislation. The Cypriot SE-legislation is assumed to be in accordance with the SE-regulation which also is the basis for the SE-act. Thus, no substantial changes in the main legal corporate framework for Prosafe are expected.

The transfer means that Prosafe's articles of association have to be amended so that they are in accordance with Cypriot law. The board of directors therefore prepared, as enclosure no. 1 to the Transfer Proposal, a proposal for new articles of association (Memorandum and Articles of Association) for Prosafe that will be effective from the time that the registered office has been transferred to Cyprus. However, after the announcement of the Transfer Proposal the board of directors has reconsidered the draft articles of association and resolved to propose some amendments in article 2A and 24. The board of directors has therefore decided to enclose this report a complete set of the amended articles of association (**enclosure no. 1**) and proposes that the general meeting adopts enclosure no. 1 to this report as Prosafe's articles of association from the time that the registered office is transferred to Cyprus. Copy of enclosure no. 1 to the Transfer Proposal is made public in the Register of Business Enterprises and is therefore not sent to the shareholders, but any shareholder may receive a copy of this document by addressing Prosafe's office in Stavanger.

In the transfer proposal it is stated that Cypriot regulations require that some of the board members shall be resident in Cyprus. Further investigations conclude that it is not an absolute requirement that some of the board members shall be resident in Cyprus. Nevertheless, it may be practical that one or more board members are based in Cyprus. Possible proposals for changes in the composition of the board of directors may be proposed in an extraordinary general meeting before transfer.

V THE SHAREHOLDERS AND LISTING ON OSLO STOCK EXCHANGE

The Company's share capital and the par value of the shares shall after the transfer be nominated in Euro. The conversion rate between NOK and Euro shall be that for the last day of the month preceding that of the transfer.

Apart from the above the transfer does not lead to any changes in the Company's capital- and ownership. The shareholders keep their proprietary rights in the same proportion as before the transfer.

Because the Company after the transfer no longer will be a Norwegian tax resident company, the draft articles of association state that the board of directors may refuse registration of a

share transfer in situations where such transfer may result in so-called NOKUS-taxation of the Company's Norwegian shareholders, cf. the draft articles of association art. 16. The contents of this regulation is identical to similar regulations for several other foreign companies listed on Oslo Stock Exchange. Apart from the aforementioned the transfer does not lead to any changes in the negotiability of shares and bonds issued by the Company (the "Securities").

It is a condition for the completion of the transfer that the Securities are not delisted from the Oslo Stock Exchange as a consequence of the transfer. However, some adjustments as described in the following will have to be made.

After the transfer the Securities will still be registered with VPS in Norway, but technically they are regarded as evidence of deposit. The reason is that Cypriot law demands that the Company's primary securities register is maintained in Cyprus, and VPS will therefore formally be regarded as a secondary register. In order to co-ordinate the primary register with VPS (which in practice will be the primary register) a registrar agreement will be entered into with the Company's registrar which inter alia states the following:

- The registrar is registered in the primary register as owner of all the Securities except 6 shares. 6 shares must be registered with one share each on other legal persons because it is a requirement under Cyprus law that there must be at least 7 shareholders in an SE-company.
- All the Securities, except the 6 shares for which the registrar is not registered as owner, will be registered in VPS with the same par value as in the primary register.
- All the Securities that are registered with VPS continue to be listed on Oslo Stock Exchange.
- The registrar agreement states that the beneficial rights holders to the Securities are those legal persons that are registered as rights holders in VPS at any given time (the Rights Holders").
- Information about general meetings and payment of dividends will be communicated through the registrar. Towards the Company the registrar will act in accordance with authorisation from the Rights Holders. Those Rights Holders who wish to meet in the general meeting and vote for their shares will receive power of attorney from the registrar enabling them to do so.
- Any Rights Holder may demand to be transferred from VPS and registered directly in the Securities register in Cyprus. In such cases the Securities owned by the aforementioned will have to be delisted from Oslo Stock Exchange. Such direct registration may be relevant in cases where the registrar is of the opinion that it is inconsistent with the registrar being a representative for all Rights Holders to act in accordance with a given instruction/authorisation (e.g. in case a shareholder should wish to initiate legal proceedings against the Company).

Those companies that today have an arrangement as described above communicate to a great extent directly with the Rights Holders and involve the registrar only to the extent it is required. Prosafe's intention is to introduce the same practice.

In case amendments in Cypriot law or legal practice should permit that the Securities are registered directly in VPS without a register in Cyprus the Company will choose such a solution.

The Company will enter into a new listing agreement with Oslo Stock Exchange, cf. the Stock Exchange Regulations article 23-7. It is not required to issue a prospectus as a consequence of the transfer.

The shareholders' rights are protected through the Norwegian and the Cypriot SE-legislation and the regulations governing listing on Oslo Stock Exchange.

VI FINANCIAL CONSEQUENCES, HEREUNDER THE RELATION TO THE COMPANY'S CREDITORS

The transfer itself will involve an economic cost for the Company by way of additional advisory services, fees etc.

As a starting point the transfer does not lead to any changes in respect of the Company's private-law rights and obligations that are established before the transfer. However, the Company's contracting parties will have to act in accordance with the fact that the Company is a Cypriot company. If and to the extent the Company deems that it is required, variation agreements will be entered into in order to ensure required permissions and the Company's rights.

Furthermore, the SE-regulation art. 8 no. 13 and 16 state the following about which jurisdiction the holders of legal rights and others will have to turn to in connection with the transfer.

13. On publication of an SE's new registration, the new registered office may be relied on as against third parties. However, as long as the deletion of the SE's registration from the register for its previous registered office has not been publicised, third parties may continue to rely on the previous registered office unless the SE proves that such third parties were aware of the new registered office

16. An SE which has transferred its registered office to another Member State shall be considered, in respect of any cause of action arising prior to the transfer as determined in paragraph 10, as having its registered office in the Member States where the SE was registered prior to the transfer, even if the SE is sued after the transfer

The Company's creditors are protected through the SE-act section 7 which states that the Public Limited Liability Companies Act (the "PLC-act") sections 13-14 to 13-17 apply accordingly for the transfer of SE-companies. These regulations will apply to claims that have arisen before the announcement of the creditors' time limit, cf. below.

The resolution of the general meeting will therefore be announced, and there will be a 2 months' time limit for creditors running from the announcement. Any objections from the creditors shall be dealt with in accordance with the PLC-act section 13-16.

VII THE CONSEQUENCES FOR THE EMPLOYEES

The transfer will only have consequences for the employees of the Company. Employees in subsidiaries will not be affected by the transfer.

The set-up of a registered office in Cyprus requires a presence in Cyprus. The top management of the Company will therefore be relocated to Cyprus. The board of directors will determine the more detailed organisation of employees, hereunder decide what functions the Prosafe group shall maintain in Norway after the transfer. The Company shall as far as possible keep the personnel expertise that the Company has today.

Prosafe has entered into an agreement on the employees' involvement in accordance with art. 4 of Directive 2001/86/EC. This agreement may be renegotiated in connection with the transfer. Apart from the aforementioned the employees' rights will be governed by local law.

VIII CORPORATE RESOLUTIONS AND TIME SCHEDULE

The transfer must be approved by the Company's general meeting by the same majority that is required for amending the articles of association.

The transfer shall be carried out as soon as possible after the Company's general meeting has approved the Transfer Proposal.

The Transfer Proposal may be approved by the general meeting no earlier than 2 months after it is announced, cf. the SE-regulation art. 8 no. 6. The Transfer Proposal was announced 2 March 2007, and the board of directors will therefore propose the Transfer Proposal to the Company's ordinary general meeting 3 May 2007. It will be proposed that the general meeting resolves as follows:

1. *The Transfer Proposal for Prosafe SE dated 28 February 2007 is approved. However, from the time of the transfer of the registered office to Cyprus the Company's memorandum and articles of association shall be identical with enclosure no. 1 to the board of directors' report dated 29 March 2007 to the general meeting..*

The Board of Directors of Prosafe will immediately after the Transfer Proposal has been approved by the general meeting file the transfer resolution with the Register of Business Enterprises. A creditors' time limit of 2 months runs from the announcement by the Register of Business Enterprises of the transfer resolution, cf. the PLC-act article 13-15.

Transfer may be carried out no earlier than after the expiry of the creditors' time limit and the relations to the creditors have been clarified. Transfer may therefore be carried out in the second half of 2007 at the earliest.

The transfer of Prosafe's registered office and the amendments to the articles of association that are a consequence of the transfer will take effect on the date that Prosafe is registered in

the Cypriot Register of Companies in accordance with the SE-regulation art. 12. Thereafter Prosafe will be deleted from the Norwegian Register of Business Enterprises.

IX CONDITIONS FOR TRANSFER

It is a condition for the implementation of the transfer that all legal requirements for the implementation are met and that all permissions and approvals required for transfer are present.

Oslo, 29 March 2007

Reidar Lund
(chairman of the board)

Christian Brinch
(deputy chairman of the
board)

Anne Grethe Dalane

Ronny Johan Langeland

Gunn Elin Nicolaisen

THE COMPANIES LAW (CAP.113)
EUROPEAN PUBLIC LIMITED LIABILITY COMPANY

MEMORANDUM OF ASSOCIATION

OF

PROSAFE SE

1. The name of the company is PROSAFE SE
2. The registered office of the company will be situated in Cyprus.
3. The objects for which the company is established are:
 - (1) To conduct exploration for, drilling for and production of petroleum deposits and other natural resources on land or from fixed or mobile installations offshore, and to own, lease and operate the equipment deemed to be requisite and desirable in that connection, including mobile drilling rigs and vessels, etc, to provide related services and consultancy, engineering and fabrication services, and to deliver products and services in connection with its own business or that of others including participation in other companies as a shareholder or in another manner.
 - (2) To carry on either alone or jointly with others anywhere in the world the business of an investment company (including that of an investment trust company) and to acquire by original subscription, contract, purchase, exchange or otherwise and either in the name of the company or in that of any nominee and to possess, exploit, charge, exchange, hold, sell or otherwise in any other manner alienate on any terms, any shares, stocks, debentures, debenture stock, bonds, notes, obligation and securities whatsoever issued or guaranteed by any government, sovereign ruler, natural or legal person, partnership, public body or authority supreme, dependent, municipal, local, or otherwise wherever situate and whether they are fully paid or not and subject to any terms that may be deemed proper, and, to acquire, possess, exploit, sell or otherwise alienate or charge, on any terms which may be deemed proper, the whole or part of the interest in any business or undertaking, any letters patent, brevets d'inventions, concessions, designs, trade marks, copyrights secret processes, licences, inventions, rights and privileges subject to royalty or otherwise whether on an exclusive or non-exclusive or limited basis or otherwise.
 - (3) To carry on either alone or jointly with others anywhere in the world (and whether in a "free zone area", bonded area or elsewhere), the business of manufacturers, processors, dealers, wholesalers, retailers, importers, exporters, suppliers, distributors, buyers, sellers of any kind of goods materials merchandises or things of any nature, as well as the business of merchants in general, carriers by any means of transportation, travel or insurance agents, agents on commission or otherwise, forwarding agents, estate agents and agents in general and to carry on either alone or jointly with others

anywhere in the world the business of investment company, general and specialised consultants and managers.

(4) To carry on either alone or jointly with others anywhere in the world the business of consultants, managers, analysts, controllers, examiners, researches, technical or other advisers, promoters, financial analysts, costs analysts, valuers, supervisors, auditors, accountants, statisticians, economists, (including the undertaking and making of feasibility studies), financiers and advertisers in relation to any kind of industry, commerce, business or undertaking of every kind and nature either in the public or the private sector and to advise on the means and methods of promoting and executing any project whatsoever including the acquisition, sale, letting or availability of any kind of "know-how" and the business of company engaging acquiring and making available services and goods.

(5) To engage, hire and train professional, clerical, manual, technical and other staff and workers or their services or any of them and in any way and manner acquire, possess manufacture or assemble any property of any kind or description whatsoever (including any rights over or in connection with such property) and to allocate and make available the aforesaid personnel or services or make the use of such property available on hire purchase sale exchange or in any other manner whatsoever to those requiring or requesting the same or who have need of the same or their use and otherwise to utilise the same for the benefit or advantage of the company; to provide or procure the provision by others of every and any service, need, want or requirement of any business nature required by any person firm or company in or in connection with any business carried on by them.

(6) To carry on any other business or activity which may seem to the Directors capable of being conveniently or advantageously carried on or done in connection with any of the above objects or calculated directly or indirectly to enhance the value of or render more profitable any of the company's business property or rights.

(7) To purchase, obtain by way of gift, take on lease or sublease or in exchange, or otherwise acquire or possess and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, permits, licences, stock-in-trade, and movable and immovable property of any kind and description (whether mortgaged charged or not) necessary or convenient for the purposes of or in connection with the company's business or any branch or department thereof or which may enhance the value of any other property of the company.

(8) To erect, maintain, work, manage, construct, reconstruct, alter, enlarge, repair, improve, adapt, furnish, decorate, control, pull down, replace any shops, offices, flats, electric or water works, apartments, workshops, mills, plants, machinery, warehouses and any other works, buildings, plants, conveniences or structures whatsoever, which the company may consider desirable for the purposes of its business and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof.

(9) To improve, manage, control, cultivate, develop, exploit, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, grant as gift, turn to account, grant rights and privileges in respect of, or otherwise deal with all or any part of the property, assets and rights of the company or in which the company is interested and to adopt

such means of making known and advertising the business and products of the company as may seem expedient.

(10) To manufacture, repair, import, buy, sell, export, let on hire and generally trade or deal in, any kind of accessories, articles, apparatus, plant, machinery, tools, goods, properties, rights or things of any description capable of being used or dealt with by the company in connection with any of its objects.

(11) To deal in, utilise for building or other purposes, let on lease or sublease or on hire, to assign or grant licence over, charge or mortgage, the whole or any part or parts of the immovable property belonging to the company or any rights thereon or in which the company is interested on such terms as the company shall determine.

(12) To purchase or otherwise acquire all or any part of the business, assets, property and liabilities of any company, society, partnership or person, formed for all or any part of the purposes within the objects of this company, or carrying on any business or intending to carry on any business which this company is authorised to carry on, or possessing property suitable for the purposes of the company and to undertake, conduct and carry on, or liquidate and wind up, any such business and in consideration for such acquisition to pay in cash, issue shares, undertake any liabilities or acquire any interest in the vendor's business.

(13) To apply for and take out, purchase or otherwise acquire any designs, trade marks, patents, patent rights or inventions, brevets d'invention, copyright or secret processes, which may be useful for the company's objects, and to grant licences to use the same.

(14) To pay all costs, charges, and expenses incurred or sustained in or about the promotion, formation and establishment of the company, or which the company shall consider to be in the nature of preliminary expenses or expenses incurred prior to incorporation and with a view to incorporation, including therein professional fees, the cost of advertising, taxes, commissions for underwriting, brokerage, printing and stationery, salaries to employees and other similar expenses and expenses attendant upon the formation and functioning of agencies, local boards or local administration or other bodies, or expenses relating to any business or work carried on or performed prior to incorporation, which the company decides to take over or continue.

(15) Upon any issue of shares, debentures or other securities of the company, to employ brokers, commission agents and underwriters, and to provide for the remuneration of such persons for their services by payment in cash or by the issue of shares debentures or other securities of the company, or by the granting of options to take the same, or in any other manner allowed by law.

(16) To borrow, raise money or secure obligations (whether of the company or any other person) in such manner and on such terms as may seem expedient, including the issue of debentures, debentures stock (perpetual or terminable), bonds, mortgages or any other securities, founded or based upon all or any of the property and rights of the company, or without any such security, and upon such terms as to priority or otherwise, as may be thought fit.

(17) To lend and advance money or give credit to any person, firm or company including employees of the company, on conditions more favourable than the prevailing market conditions including free of interest, and (or) upon such security as may be thought proper, or without any security thereof; to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts of obligations by any person, firm or company; to secure or undertake in any way the repayment of money lent or advanced to or the liabilities incurred by any person, firm or company; and otherwise to assist any person or company as may be thought fit.

(18) To draw, execute, issue, accept, make, endorse, discount and negotiate bills of exchange, promissory notes, bills of lading, and other negotiable or transferable instruments or securities.

(19) To receive money on deposit, with or without allowance of interest thereon.

(21) To invest the moneys of the company not immediately required in such manner, other than in the shares of this company, as from time to time may be determined by the Directors.

(22) To issue, or guarantee the issue of or the payment of interest on, the shares, debentures, debentures stock, or other securities or obligations of any company or association, and to pay or provide for brokerage, commission, and underwriting in respect of any such issue.

(23) To acquire by subscription, purchase or otherwise, and to accept, take, hold, deal in, convert and sell, any kind of shares, stock, debentures or other securities or interests in any other company, society or undertaking whatsoever.

(24) To issue and allot fully paid shares in the capital of the company or issue debentures or securities in payment or part payment of any movable or immovable property purchased or otherwise acquired by the company or any services rendered to the company and to remunerate in cash or otherwise any person, firm or company rendering services to this company or grant donations to such persons.

(25) To establish anywhere in the world, branch offices, regional offices, agencies and local boards and to regulate and to discontinue the same.

(26) To provide for the welfare of officers or of persons in the employment of the company, or former officers or formerly in the employment of the company or its predecessors in business or officers or employees of any subsidiary or associated or allied company, of this company, and the wives, widows, dependents and families of such persons, by grants of money, pensions or other payments, (including payments of insurance premia) and to form, subscribe to, or otherwise aid, any trust, fund or scheme for the benefit of such persons, and any benevolent, religious, scientific, national or other institution or object of any kind, which shall have any moral or other claims to support or aid, by the company by reason of the nature or the locality of its operations or otherwise.

(27) From time to time to subscribe or contribute to any charitable, benevolent, or useful object of a public character the support of which will, in the opinion of the company, tend to increase its repute or popularity among its employees, its customers or the public.

(28) To enter into and carry into effect any arrangement for joint working in business, union of interests, partnership or for sharing of profits or for amalgamation, with any other company, partnership or person, carrying on business within the objects of this company.

(29) To establish, promote and otherwise assist, any company or companies for the purpose of acquiring any of the property or furthering any of the objects of this company or for any other purpose which may seem directly or indirectly calculated to benefit this company.

(30) To apply for, promote, and obtain any Law, Order, Regulation, By-Law, Decree, Charter, concession, right, privilege, licence or permit for enabling the company to carry any of its objects into effect, or for effecting any modification of the company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may, calculated directly or indirectly, prejudice the company's interest and to enter into and execute any arrangement with any Government or Authority, supreme, municipal, local or otherwise that may seem conducive to the company's objects or any of them.

(31) To sell, dispose of, mortgage, charge, grant rights or options or transfer the business, property and undertakings of the company, or any part or parts thereof, for any consideration, which the company may see fit to accept.

(32) To accept stock or shares in, or the debentures, mortgage debentures or other securities of any other company in payment or part payment for any services rendered or for any sale made to or debt owing from any such company.

(33) To distribute in specie or otherwise as may be resolved any assets of the company among its members and particularly the shares, debentures or other securities of any other company belonging to this company or which this company may have the power of disposing.

(34) To do all or any of the matters hereby authorised in any part of the world either alone or in conjunction with, or as factors, trustees, principals, sub-contractors or agents for, any other company, firm or person, or by or through any factors, trustees, sub-contractors or agents.

(35) To procure the registration or recognition of the company in any country or place; to act as secretary, manager, director or treasurer of any other company.

Generally to do all such other things as may appear to the company to be incidental or conclusive to the attainment of the above objects or any of them.

The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or marginal title or by the name of the company. None of such sub-clauses or object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-

clause, but the company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.

4. The liability of the members is limited.

5. The share capital of the company is EURO [] divided into 229,936,790 fully paid shares of EURO [] each.

WE, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

NAMES, ADDRESSES AND
DESCRIPTION OF SUBSCRIBERS

Number of Shares
taken by each
Subscriber

Dated this day of 2007

Witness to the above signatures:-

THE COMPANIES LAW, CAP. 113

EUROPEAN PUBLIC LIMITED LIABILITY COMPANY

ARTICLES OF ASSOCIATION

OF

PROSAFE SE

INTERPRETATION

1. In these regulations:

"any law"	:	means any Cyprus law in force, other than the Companies Law, Cap. 113, as well as, any foreign law which applies or may apply to the Company.
"Board of Directors"	:	means the administrative organ of the one – tier system of management according to the European Regulations.
"Cyprus"	:	means the Republic of Cyprus.
"Director"	:	means any person appointed to perform the duties of the Director who is a member of the Board of Directors of the Company.
"European Regulations"	:	means the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) and Council Directive (EC) No 86/2001 of 8 October 2001 supplementing the statute for European Company with regard to the involvement of employees.
"General Meeting"	:	means the general meeting of the shareholders of the Company.
"the Law"	:	means the Companies Law, Cap. 113 or any Law substituting or amending the same, including the relevant Regulations issued under the Law.
"Registrar"		means DnB NOR Bank ASA, acting through its Registrar's Department (known as "Verdipapirservice")

- "the seal" : means the common seal of the Company.
- "the Secretary": means any person appointed to perform the duties of the secretary of the Company.
- "VPS" means the Norwegian Central Securities Depository (known as "Verdipapirsentralen")

Expressions referring to "writing" shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Regulations shall bear the same meaning as in the Law or any statutory modification thereof in force at the date at which these Regulations become binding on the Company.

TABLE "A" EXCLUDED

2. The Regulations contained in Table "A" in the First Schedule to the Law shall not apply except so far as the same are repeated or contained in these Regulations.

EUROPEAN COMPANY (SE)

- 2A. The present Memorandum and Articles of Association, shall be construed and applied in accordance with the rules applicable to a European public limited liability company (Societas Europaea or SE) and in conformity with the Law and the European Regulations. In case of variation or inconsistency of any provision of the present Memorandum and Articles of Association with the Law and the European Regulations, the Law and the European Regulations shall prevail and such provision shall be disregarded.

BUSINESS

3. The Company shall enter into, adopt, carry into effect, take over or continue (with such modifications, if any, as the contracting parties shall agree and the Board of Directors shall approve), any agreement or business or work for which there is express or implied authorization in the Memorandum of Association or the present Regulations to be carried out or undertaken by the Company at the time or times that the Board of Directors of the Company may deem appropriate.

SHARE CAPITAL AND VARIATION OF RIGHTS

- 4.1. The Board of Directors shall have authority to issue any shares for the time being unissued and not allotted and any new shares from time to time to be created as authorized by the General Meeting from time to time.

- 4.2 No shares of the Company shall be issued unless fully paid.
5. The Company has only one class of shares. All shares have equal rights, and all shareholders shall be treated in a non- discriminatory manner by the Company.
6. The Company may exercise the powers of paying commissions conferred by section 52 of the Law, provided that the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
7. Every Member, upon becoming the holder of any shares (except a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not required by any law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the shares held by him (and, upon transferring a part of his holding of shares, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the Board of Directors may from time to time determine. Subject to Regulation 14 every certificate shall be sealed with the seal or executed by one director and the secretary or by two directors and shall specify the number and distinguishing numbers of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
8. Nothing in these Regulations shall preclude any share or other security of the Company from being issued, held, registered, converted, transferred or otherwise dealt with in uncertificated form, if this is permitted under the Laws of Cyprus.

In relation to any share or other security which is in uncertificated form, these Regulations shall have effect subject to the following provisions:-

- (a) the Company shall not be obliged to issue a certificate evidencing title to shares and all references to a certificate in respect of any shares or securities held in uncertificated form in these Regulations shall be deemed inapplicable to such shares or securities which are in uncertificated form;
- (b) the registration of title to and transfer of any shares or securities in uncertificated form shall be sufficient for its purposes and shall not require a written instrument of transfer;

9. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity (with or without security) and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the Board of Directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.
10. The Board of Directors may by resolution determine either generally or in any particular case that any certificates for shares or debentures or representing any other form of security to which the seal is affixed may have signatures affixed to them by some mechanical means, or printed thereon or that such certificates need not bear any signature.
11. The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Regulation shall prohibit transactions mentioned in the proviso to section 53(1) of the Law.

TRANSFER OF SHARES

12. Nothing in these Regulations shall preclude the transfer of shares or other securities of the Company in uncertificated form, if this is permitted under the Laws of Cyprus, in accordance with the terms of Regulation 8 and any references contained in these Regulations in relation to the execution of any instrument of transfer or the registration of any transfer of shares or other securities of the Company in uncertificated form shall be read in accordance with the terms of Regulation 8.
13. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
14. Any Member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form, including electronic form, which the Directors may approve.
15. The Board of Directors may refuse to register the transfer of any share unless the procedure for the registration of the transfer has been complied with and the instrument of transfer is lodged, duly stamped, at the office or at such other place as the Board of Directors may appoint accompanied by the certificate for the shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer.

16. The Board of Directors may refuse to register the transfer of any share, and may direct the Registrar to decline (and the Registrar shall decline if so requested) to register the transfer of any interest in a share held through the VPS, where such transfer would, in the opinion of the Board, be likely to result in 50% or more of the aggregate issued share capital of the Company, or shares of the Company to which are attached 50% or more of the votes attached to all issued shares of the Company, being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or, alternatively, such shares being effectively connected to a Norwegian business activity, or the Company otherwise being deemed a Controlled Foreign Company as such term is defined pursuant to Norwegian tax legislation.
17. If the Board of Directors refuses to register the transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee notice of the refusal.
18. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
19. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board of Directors refuses to register shall be returned to the person lodging it when notice of the refusal is given.

PLEDGE OF SHARES

20. Any share may be pledged by a Member as security for any loan, debt or obligation of such Member, without the approval of the Board of Directors.

TRANSMISSION OF SHARES

21. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.
22. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing to that person a transfer of the share.
23. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

PUBLIC OFFERS ON SHARES

24. This regulation does not apply to the Registrar.

24.1 A person or entity that directly or indirectly acquires shares which implies that the share of the capital interest or voting rights held by such person or entity exceeds a threshold of $\frac{1}{3}$ ("**Threshold 1**") of the total capital interest or voting rights in the Company, such person or entity (the "**Offeror**"), is required to make an unconditional public offer (the "**Offer**") at a fair price for the purpose of acquiring all issued and outstanding shares in the share capital of the Company, as well as all issued and outstanding instruments giving rights to shares in the share capital of the Company or voting rights.

In case a shareholder has exceeded Threshold 1 and not Threshold 2 (as defined below) prior to the date that these articles come into effect, the obligation to make the Offer will apply to that particular shareholder when that shareholder increases the number of shares held by that shareholder.

This regulation 24 including the obligation to make the Offer shall also apply accordingly in case a shareholder who owns shares representing more than $\frac{1}{3}$ of the total capital interest or voting rights in the Company directly or indirectly acquires shares which implies that the share of the capital interest or voting rights held by such shareholder exceeds a threshold of forty percent ("**Threshold 2**") or fifty percent ("**Threshold 3**") of the total capital interest or voting rights in the Company. This paragraph does not apply in case the share acquisition takes place in connection with the Offer.

Under this regulation 24, shares owned or acquired by the following persons and entities shall be considered equal to a shareholder's own shares:

1. the spouse or a person with whom the shareholder cohabits in a relationship akin to marriage,
2. the shareholder's children under 18 years of age, and children under 18 years of a person as mentioned in 1 above with whom the shareholders cohabits,
3. an entity within the same group as the shareholder,

4. a person or an entity with whom the shareholder must be assumed to be acting in concert in the exercise of rights accruing to the owner of a share in the Company and
5. an entity in which a person or an entity mentioned in 1 to 4 above has a controlling interest as a result of an agreement or through the ownership of shares or units in that entity.

- 24.2 The Offer shall insure the equality of treatment of shareholders and of holders of instruments giving right to shares in the share capital of the Company or voting rights. The Offeror may not, in making the Offer, differentiate the Offer between groups of or individual shareholders.
- 24.3 The Offer price shall be at least as high as the highest price paid by the Offeror for shares in the Company in the period 6 months prior to the date when the offer obligation was activated. If it is clear that the fair price when the Offer obligation was activated is higher than the price referred to above, the Offer price shall be at least as high as the fair price.
- 24.4 The Offer for the purchase of the remaining shares in the Company shall be made without undue delay and no later than 4 weeks after the offer obligation was activated.
- 24.5 If the Offeror, after the Offer obligation has arisen and before expiry of the period of the Offer, has paid or agreed to pay a higher price than the price reflected in the Offer, a new Offer shall be deemed to have been made with an Offer price equivalent to the higher price.
- 24.6 Settlement under the terms of the Offer shall be made in cash. An Offer may nonetheless give the shareholders the right to accept any other form of settlement. The Offeror's settlement obligation shall be guaranteed by a bank or insurance institution which has been authorised to conduct business in Norway in accordance with the terms established by the Oslo Stock Exchange.
- 24.7 The Offer shall include a time limit for the shareholders to accept the Offer. The time limit shall not be shorter than 4 weeks and not longer than 6 weeks. Settlement shall take place as soon as possible and no later than 14 days after the expiry of the Offer period. The Offeror may make a new Offer prior to the expiry of the original Offer period. The shareholders are, in such event, entitled to choose between the two Offers so made. If a new Offer is made, the period of acceptance of such Offer shall be extended so that at least two weeks remain until its expiry when made.

24.8 The Offeror shall issue an Offer document which shall reproduce the Offer and give correct and complete information about matters of significance for evaluating the Offer. The following information shall be specifically included in the Offer document:

- (a) The Offeror's name and address, type of organisation and organisation number if the Offeror is a legal entity.
- (b) Information about parties with whom the Offeror is acting in concert including the basis for the consolidation thereof and any shareholder agreements relevant thereto.
- (c) Which shares and convertible loans in the Company which, at the time the Offer is made, are owned by the Offeror or a close associate thereto or any person or entity acting in concert with the Offeror.
- (d) The Offer price, the time limit for settlement, the form of settlement and what guarantees are furnished for performance of the Offeror's settlement obligations.
- (e) The principles applying to the valuation of any asset offered in settlement for the shares purchased under the Offer other than cash.
- (f) The time limit for accepting the Offer and how acceptance notice should be made.
- (g) Information as to how the Offeror's purchase of the shares is to be financed.
- (h) Any special advantages or rights which are accorded by agreements with members of the management and governing bodies of the Company by the Offeror.
- (i) The content of any contact the Offeror has had with the management or governing bodies of the Company prior to the date the Offer was made.
- (j) The Offeror's purpose of taking over control of the Company and any plans for further operation and reorganisation of the Company.
- (k) The significance the implementation of the Offer will have in relation to the Company's employees, including legal, financial and work related effects; and

(l) Legal and tax consequences of the Offer.

- 24.9 The Offer document shall be signed by the Offeror.
- 24.10 When an Offer is made in accordance with the above, the Board of Directors shall issue a statement on the Offer which shall include information on the employee's views and other factors of significance for assessing whether the Offer should be accepted by the shareholders or not. Information shall also be given about the views, if any, of the Board of Directors in their capacity as shareholders.
- 24.11 An Offeror who fails to make an Offer in accordance with this regulation 24 may not, for the duration of the Offer obligation, exercise rights in the Company other than the right to dividend and pre-emption rights in the event of an increase of capital.
- 24.12 If an Offer is not made in accordance with this regulation 24 and the Offeror does not sell sufficient number of shares in the Company to reduce the Offeror's shareholding in the Company to the level before the Offer obligation was activated, the Company may, subject to 14 day's prior notice to the Offeror, sell sufficient number of the Offeror's shares in the Company to reduce the Offeror's shareholding in the Company to the level before the Offer obligation was activated.

ALTERATION OF CAPITAL

25. The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
26. The Company may by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of section 60(1)(d) of the Law;
 - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
27. The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by Law.

GENERAL MEETINGS

28. The Company shall in each year hold a General Meeting as its annual General Meeting before the 30th of June of each year, in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual General Meeting of the Company and that of the next. The annual General Meeting shall be held at such time and place as the Directors shall appoint.

All General Meetings other than annual General Meetings shall be called extraordinary General Meetings.

29. General meetings, annual and extraordinary, may be held through a telephone communication or through any other means of communication which allow all persons participating in the General Meeting to hear and be heard.
30. The Directors may, whenever they think fit, convene an extraordinary General Meeting, and extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 126 of the Law. If at any time there are not within Cyprus sufficient Directors capable of acting to form a quorum, any Director may convene an extraordinary General Meeting in the same manner or as nearly as possible as that in which extraordinary meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

31. An annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an annual General Meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meetings to such persons as are, under the Regulations of the Company, entitled to receive such notices from the Company.

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Regulation, be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as the annual General Meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

32. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

33. All business shall be deemed special that is transacted at an extraordinary General Meeting, and also all that is transacted at an annual General Meeting, with the exception of declaring a dividend, the consideration of the financial statements, and the reports of the Directors and auditors, the election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
34. Any number of members present in person or through telephone or other telecommunication connection or by proxy and entitled to vote upon the business to be transacted shall be a quorum.
35. The Chairman of the Board of Directors (or alternatively another member of the Board if the Chairman is not present) shall open the General Meeting. The Chairman of the meeting shall be appointed by the General Meeting.
36. The Chairman of the meeting may, with the consent of any meeting (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
37. At any General Meeting, any resolution put to the vote of the meeting shall be decided by poll vote.
38. The result of the poll shall be deemed to be the resolution of the meeting.
39. In the case of an equality of votes, the Chairman of the meeting shall not have a casting vote.

VOTES OF MEMBERS

40. Each Member may attend and vote in person or by proxy and, where the Member is a corporation, by a duly authorised representative at meetings of Members. Every Member present in person or by proxy is entitled to one vote for every share of which he is holder. When two or more persons hold the same share jointly, the more senior Member, whose seniority is determined by the order in which the name of the Member stands in the register of members, may vote the joint share to the exclusion of the other joint holders.

41. For the purpose of determining which Members are entitled to notice of or to vote at any meeting of Members, or any adjournment thereof, the Board of Directors of the Company may provide that the Register of Transfers shall be closed for a stated period, so long as this does not exceed in any given case, fifty days in any year.
42. The Members shall vote cumulatively for the appointment of Directors and accordingly each Member may cast any number of his votes for any candidate at an election of Directors.
43. In the case of joint holders the vote of the senior who tenders a vote, whether in person or through a telephone or other telecommunication connection or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
44. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote by the administrator of his property, his committee, receiver, curator bonis, or other person in the nature of an administrator, committee, receiver or curator bonis appointed by that Court.
45. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
46. Votes may be given either personally or through a telephone or other telecommunication connection or by proxy.
47. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Company.
48. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified by notary copy of that power or authority shall be deposited at the Registered Office of the Company or at such other place within Cyprus as is specified for that purpose in the notice convening the meeting at least forty-eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
49. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit and must contain the agenda of such meeting:

"

.....EUROPEAN PUBLIC LIMITED LIABILITY COMPANY
(Name of the Company)

I/We,, of, being a Member/Members of the above-named Company, hereby appoint of, or failing him of, as my/our proxy to vote for me/us or on my/our behalf at the (annual or extraordinary, as the case may be) General Meeting of the Company, to be held on the day of 20..., and at any adjournment thereof.

Signed this day of 20...."

50. Where it is desired to afford Members an opportunity of voting for or against a resolution the instrument appointing the proxy shall be in the following form or a form as near thereto as circumstances admit:

"

.....EUROPEAN PUBLIC LIMITED LIABILITY COMPANY
(Name of the Company)

I/We,, of, being a Member/Members of the above-named Company, hereby appoint of, or failing him of, as my/our proxy to vote for me/us or on my/our behalf at the (annual or extraordinary, as the case may be) General Meeting of the Company, to be held on the day of 20..., and at any adjournment thereof.

Signed this day of 20...."

This form is to be used in favour of/* against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

* Strike out whichever is not desired.

51. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
52. Subject to the provisions of the Law, a resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Members or their attorneys, and signature in the case of a corporate body which is a Member shall be sufficient if made by a Director or other authorised officer thereof or its duly appointed attorney.

DIRECTORS

53. There shall be five Directors on the Board of Directors. The Company may by ordinary resolution increase or decrease the number of Directors from time to time. All directors will serve for a period of two years unless the General Meeting decides that a director shall serve for a specific period shorter than two years.
54. The Company shall have an election committee comprising of three members and one alternate, of whom one member will be appointed by the Board of Directors and the other two members plus the alternate will be elected by the General Meeting and shall serve for a period of two years. The election committee will meet and submit its recommendations for the election of directors and members of the election committee to the General Meeting. As far as possible, the election committee's recommendations will be sent to the shareholders together with the notice of the General Meeting. The General Meeting shall appoint the chairman of the election committee.
55. If the Company, at the meeting at which a Director retires, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been re-appointed until the dissolution of the annual General Meeting in the next year, unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.
56. A Director who retires at an annual General Meeting may, if willing to act, be re-appointed. If he is not re-appointed or deemed to be reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.
57. The remuneration of the Directors will from time to time be determined by the Company in General Meeting. Any Director performing special or extraordinary services in the conduct of the Company's business or in discharge of his duties as Director, or who travels or resides abroad in discharge of his duties as Director may be paid extra remuneration as determined by the Directors. In addition, Directors will be paid their travelling, hotel and incidental expenses properly incurred in the conduct of the Company's business or in the discharge of their duties as Directors.
58. A Director of the Company may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as a Member or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company otherwise directs.

BORROWING POWERS

59. The Directors may exercise all the powers of the Company to borrow money, and to charge or mortgage its undertaking, property, or any part thereof, and to issue

debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

60. The management of the business and the conduct of the affairs of the Company are vested in the Directors.
61. The Directors may form committees on the need basis with advisory competence to assist Directors in decision-making.
62. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Regulations) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
63. The Company may exercise the powers conferred by section 36 of the Law with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
64.
 - (1) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with section 191 of the Law.
 - (2) Any decision in respect of a contract or arrangement in which any of the Company's Directors are interested shall be approved at a meeting of Directors provided that at least one of the independent non- executive Directors is present at such meeting.
 - (3) A Director, notwithstanding his interest in the Company, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged, and each of the Directors concerned will be entitled to vote and be counted in the quorum except as regards his own appointment.
65. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
66. The Directors shall cause minutes, including telephone conferences, to be made in books provided for the purpose:

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- (c) of all resolutions and proceedings at all meetings, including telephone conferences, of the Company, and of the Directors, and of committees of Directors.

APPOINTMENT OF ADDITIONAL DIRECTORS AND REMOVAL OF DIRECTORS

- 67. The Directors shall not have the power to appoint any individual to be a Director so as to fill a vacancy or to add to the existing Directors.
- 68. The Company may by ordinary resolution of which special notice (28 days) has been given, in accordance with section 136 of the Law, remove a Director. Any such Director will receive special notice of the meeting and is entitled to be heard at the meeting.
- 69. At any time, the Company may at a General Meeting appoint by ordinary resolution any person as Director.

PROCEEDINGS OF DIRECTORS

- 70. Subject to the provisions of these Regulations, the Board of Directors may regulate its proceedings as it thinks fit.
- 71. The Directors may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit and questions arising at any meeting will be decided by a simple majority of votes of all the Directors present, whether voting or not. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors by giving reasonable notice to the other Directors by telephone, fax, email or at the registered address of each Director most recently notified to the Company. Notice of meetings of the Directors shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him to the Company for this purpose. It shall be necessary to give appropriate notice of a meeting, including a telephone conference of Directors, to any Director for the time being absent from Cyprus who has supplied to the Company a registered address situated outside Cyprus.
- 72. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, the quorum shall be a simple majority of the Directors present.

73. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Regulations of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of summoning a General Meeting of the Company to increase the number of Directors to that number but for no other purpose.
74. The General Meeting shall appoint the Chairman of the Board of Directors and may at any time remove him from such office. The Board of Directors shall appoint the deputy chairman of the Board of Directors and may at any time remove him from such office. Unless he is unwilling to do so, the Director appointed as chairman, or in his stead the Director appointed as deputy chairman, shall preside at every meeting of the Board of Directors at which he is present. If there is no Director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.
75. Subject to the provisions of the Law, the Board of Directors may appoint one or more of its body to be the holder of any executive office (except that of auditor) under the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the Board of Directors determines, and any remuneration which is so determined may be in addition to or in lieu of any ordinary remuneration as a Director. The Board of Directors may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company by reason thereof.
76. Subject to any regulations imposed on it by the Directors, a committee may meet or convene telephone conferences and adjourn as it thinks proper and questions arising at any meeting shall be determined by a majority of votes of the Committee members present.
77. If a question arises at a meeting of the Board of Directors or of a committee of the Board of Directors as to the entitlement of a Director to vote or be counted in a quorum, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed. If any such question arises in respect of the chairman of the meeting, it shall be decided by resolution of the Board of Directors (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the chairman have not been fairly disclosed.
78. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as

valid as if every such person had been duly appointed and was qualified to be a Director.

79. A resolution in writing signed or approved by letter, telegram or cablegram, telex or telefax by each Director shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and when signed may consist of several documents each signed by one or more of the Directors.

SECRETARY

80. The Secretary shall be appointed by the Directors for such terms, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.
81. A provision of the Law or these Regulations requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

THE SEAL

82. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by some other person appointed by the Directors for the purpose.

DIVIDENDS AND RESERVE

83. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
84. The Directors may not pay to the Members interim dividends.
85. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to the reserve carry forward any profits which they may think prudent not to divide.
86. All dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid.
87. The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company.

88. Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of shares, debentures or debenture stock of any other company or in anyone or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.
89. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic funds transfer, cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. Every such electronic funds transfer, cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of the two or more joint holders may give effectual receipts for any dividends, bonuses or other monies payable in respect of the shares held by them as joint holders.
90. No dividend shall bear interest against the Company if paid timely in accordance with the resolution by the General Meeting.

FINANCIAL STATEMENTS AND CONTROL

91. The Directors shall cause proper books of account to be kept, and financial statements and group financial statements (if any) according to the International Accounting Standards prepared and audited as required by Law.

AUDIT

92. Auditors shall be appointed and their duties regulated in accordance with sections 153 and 156 (both inclusive) of the Law.

NOTICES

93. A notice may be given by the Company to any Member either personally or by sending it by post, email or facsimile to him or to his registered address. Where a notice is sent by post, service of the notice shall be deemed to be effected, provided that it has been properly mailed, addressed, and posted, at the expiration of 24 hours after same is posted. Where a notice is sent by email or facsimile it shall be deemed to be effected as soon as it is sent, provided there will be the relevant transmission confirmation.

94. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register by Members in respect of the share.
95. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name, or by title of representative of the deceased, or trustee of the bankrupt, or by any like descriptions, at the address supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
96. Notice of every General Meeting shall be given in any manner hereinbefore authorised to:
- (a) every Member except those Members who (having no registered address) have not supplied to the Company an address for the giving of notices to them;
 - (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
 - (c) the auditor for the time being of the Company.

No other person shall be entitled to receive notice of General Meetings.

WINDING UP

97. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Law, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

98. Every Director, officer, agent, auditor, secretary and full-time employee for the time being of the Company will be indemnified by the Company out of the Company's assets against any liabilities incurred by that person in executing his or her duties including liability incurred by him or her in defending any proceeding (whether civil or criminal) in which judgment is given in his or her favour or in which the person is acquitted or in connection with an application in relation to such proceedings in which the court grants relief to the person under the provisions of section 383 of the Law or any other applicable law.

Office translation

**TRANSFER PROPOSAL
FOR
PROSAFE SE**



VR
WIKBORG BEIN

I INTRODUCTION

The Board of Directors (the administrative organ) of Prosafe SE, registration number 977 356 059 ("Prosafe" or the "Company") with registered office in

Nedre Holmegt. 30-34,
Pb 559 Sentrum
N-4003 STAVANGER

has in a board meeting 28 February 2007 resolved this transfer proposal (the "Transfer Proposal") for Prosafe.

II LOCALIZATION AND LEGAL BASIS

The Transfer Proposal proposes to the Company's general meeting that Prosafe transfers its registered office from Stavanger to Cyprus. The Board of Directors decides the localization of the registered office within Cyprus.

The transfer shall take place in accordance with the Act on European Companies for the implementation of the EEA-agreement exhibit XII no. 10a (counsel regulation (EC) no. 2157/2001) (the SE-act" and the "SE-regulation"), cf. the SE-regulation art. 8.

III THE RATIONALE OF THE TRANSFER

The purpose of the transfer is to locate the Company in a jurisdiction that gives better predictability in terms of tax and improved possibilities for growth. In this respect emphasis has been put on the following aspects:

Prosafe is a pure holding company for companies that are domiciled in and run business in other countries. The company's subsidiaries abroad have business within two areas of operation: Accommodation and service-rigs and floating production. Following the sale of Prosafe Drilling Services AS in 2005 and the relocation of the company's accommodation/service-rigs to Singapore in 2006 the group has limited operative business in Norway.

The international character of the group is underlined by the fact that, for the time being, approximately 3/4 of Prosafe's shareholders are domiciled outside Norway.

The tax regime in Cyprus is expected to be more predictable, and thus also more advantageous in terms of competition, compared to the Norwegian tax regime within which the Company today operates. Hereunder, there will be more freedom to do active business development from the holding company, which is expected to prepare the basis for development and additional growth in the Company.

The Board of Directors is therefore of the opinion that a localization of the Companys registered office in Cyprus will be a correct strategic decision to the benefit of both the Company and its shareholders.

IV LEGAL CORPORATE CONSEQUENCES AND ARTICLES OF ASSOCIATION

Prosafe will not be dissolved and will continue to exist as an SE-company and the same legal entity also after the transfer, cf. the SE-regulation art. 8 no. 1.

After the transfer Prosafe will be subject to Cypriot corporate legislation, hereunder Cypriot SE-legislation. The Cypriot SE-legislation is assumed to be in accordance with the SE-regulation which also is the basis for the SE-act. Thus, no substantial changes in the main legal corporate framework for Prosafe are expected.

The transfer means that Prosafe's articles of association have to be amended so that they are in accordance with Cypriot law. The board of directors has therefore prepared draft memorandum and articles of association that are attached to the Transfer Proposal as **enclosure no. 1**. The board of directors shall be entitled to make such amendments to the memorandum and articles of association that are required to satisfy requirements for listing on the stock exchange or requirements that may follow from Cypriot law unless such amendment of the memorandum and articles of association is substantial.

Cypriot regulations require that some of the board members shall be resident in Cyprus. Possible proposals for changes in the composition of the board of directors may be proposed in the general meeting that shall consider the Transfer Proposal or in a later general meeting before transfer.

V THE SHAREHOLDERS, LISTING ON OSLO STOCK EXCHANGE ETC.

The Company's share capital and the par value of the shares shall after the transfer be nominated in Euro. The conversion rate between NOK and Euro shall be that for the last day of the month preceding that of the transfer.

Apart from the above the transfer does not lead to any changes in the Company's capital- and ownership. The shareholders keep their proprietary rights in the same proportion as before the transfer.

Because the Company after the transfer no longer will be a Norwegian tax resident company, the draft articles of association states that the board of directors may refuse registration of a share transfer in situations where such transfer may result in so-called NOKUS-taxation of the Company's Norwegian shareholders, cf. the draft articles of association art. 16. The contents of this regulation is identical to similar regulations for several other foreign companies listed on Oslo Stock Exchange. Apart from the aforementioned the transfer does not lead to any changes in the negotiability of shares and bonds issued by the Company (the "Securities").

It is a condition for the completion of the transfer that the Securities are not delisted from the Oslo Stock Exchange as a consequence of the transfer. Cypriot law, however, requires that the Company's primary register is held in Cyprus, and it will be required to make some adjustments to comply with this requirement. Hereunder a separate agreement with the registrar on registration in VPS will be entered into.

The Company will enter into a new listing agreement with Oslo Stock Exchange, cf. the Stock Exchange Regulations article 23-7. It is not required to issue a prospectus as a consequence of the transfer.

The shareholders' rights are protected through the Norwegian and the Cypriot SE-legislation and the regulations governing the listing on Oslo Stock Exchange.

VI THE RELATION TO THE COMPANY'S CREDITORS

The Company's creditors are protected through the SE-act section 7 which states that the Public Limited Liability Companies Act (the "PLC-act") sections 13-14 to 13-17 apply accordingly for the transfer of SE-companies. These regulations will apply to claims that have arisen before the announcement of the creditors' time limit, cf. below.

The resolution of the general meeting will therefore be announced, and there will be a 2 months' time limit for creditors running from the announcement. Any objections from the creditors shall be dealt with in accordance with the PLC-act section 13-16.

VII THE CONSEQUENCES FOR THE EMPLOYEES

The transfer will only have consequences for the employees of the Company. Employees in subsidiaries will not be affected by the transfer.

The set-up of a registered office in Cyprus requires a presence in Cyprus. The top management of the Company will therefore be relocated to Cyprus. The board of directors will determine the more detailed organisation of employees, hereunder decide what functions the Prosafe group shall maintain in Norway after the transfer. The Company shall as far as possible keep the personnel expertise that the Company has today.

The Company has entered into an agreement on the employees' involvement in accordance with art. 4 of Directive 2001/86/EC. This agreement may be renegotiated in connection with the transfer. Apart from the aforementioned the employees' rights will be governed by local law.

VIII CORPORATE RESOLUTIONS AND TIME SCHEDULE

The transfer must be approved by the Company's general meeting by the same majority that is required for amending the articles of association.

The transfer shall be carried out as soon as possible after the Company's general meeting has approved the Transfer Proposal.

The Transfer Proposal may be approved by the general meeting no earlier than 2 months after it was announced, cf. the SE-regulation art. 8 no. 6. The board of directors expects to propose the Transfer Proposal to the Company's ordinary general meeting which will be held after the expiry of the 2 months' time limit. It will be proposed that the general meeting resolves as follows:

1. *Transfer Proposal for Prosafe SE dated 28 February 2007, hereunder proposal for amended memorandum and articles of association from the time of transfer, is approved.*

The Board of Directors of Prosafe will immediately after the Transfer Proposal has been approved by the general meeting file the transfer resolution with the Register of Business Enterprises. A creditors' time limit of 2 months runs from the announcement by the Register of Business Enterprises of the transfer resolution a, cf. the PLC-act section 13-15.

Transfer may be carried out no earlier than after the expiry of the creditors' time limit and the relations to the creditors have been clarified. Transfer may therefore be carried out in the second half of 2007 at the earliest.

The transfer of Prosafe's registered office and the amendments to the articles of association that are a consequence of the transfer will take effect on the date that Prosafe is registered in the Cypriot Register of Companies in accordance with the SE-regulation art. 12. Thereafter Prosafe will be deleted from the Norwegian Register of Business Enterprises.

IX CONDITIONS FOR TRANSFER

It is a condition for the implementation of the transfer that all legal requirements for the implementation are met and that all permissions and approvals required for transfer are present.

X AMENDMENTS

The board of directors of Prosafe may adopt adjustments and minor amendments to the Transfer Proposal if such are required or desirable.

XI ENCLOSURES

Attached to this Transfer Proposal is

1. Draft memorandum and articles of association for Prosafe SE

Oslo, 28 February 2007

Reidar Lund
(chairman of the board)

Christian Brinch
(deputy chairman of the
board)

Anne Grethe Dalane

Ronny Johan Langeland

Gunn Elin Nicolaisen