

## FOURTH QUARTER 2010

### Financials

*(Figures in brackets refer to the corresponding period of 2009)*

#### Full year 2010

Operating profit for 2010 came to USD 221.1 million (USD 218.6 million), which reflects higher day rates. The utilisation rate for the rig fleet declined to 75 per cent (86 per cent).

Net financial expenses for 2010 declined to USD 18.9 million (USD 77.7 million). A gain of USD 23.7 million on the sale of the shares in Prosafe Production Public Limited and BW Offshore Limited has been recognised in the income statement in the fourth quarter 2010. The 2009 accounts included an impairment loss of USD 51.9 million relating to these shares.

Excluding the effect of the shares described above, net financial expenses equalled USD 42.6 million (USD 25.8 million). This change is due to a more favourable fair value adjustment of currency forwards in 2009 compared to 2010.

Taxes for 2010 amounted to USD 3.7 million (USD 13.7 million). The 2009 accounts included a provision for tax on an unrealised currency gain in Norway, which has been reversed in 2010.

Net profit for 2010 equalled USD 198.5 million (USD 127.2 million) and diluted earnings per share were USD 0.89 (USD 0.57). Excluding the effect of the shares described above, net profit and earnings per share equalled USD 174.8 million (USD 179.1 million) and USD 0.78 (USD 0.80) respectively.

#### Fourth quarter 2010

Operating profit for the fourth quarter came to USD 18.4 million (USD 57.2 million). This reduction is mainly due to a decline in rig utilisation to 61 per cent (84 per cent).

MSV Regalia operated for BP at Valhall in Norway until 23 November. Safe Scandinavia operated for Statoil in Norway until the end of October. Before replacing MSV Regalia, Safe Scandinavia adjusted the gangway to correspond to the landing platform height at Valhall. Safe Scandinavia commenced operation for BP at Valhall on 21 November.

Safe Concordia, Safe Astoria, Safe Bristolia and Safe Caledonia were idle in the fourth quarter.

Safe Scandinavia, MSV Regalia, Safe Bristolia and Safe Caledonia have carried out parts of their annual maintenance work in the fourth quarter.

Safe Esbjerg, Safe Lancia, Jasminia, Safe Hibernia, Safe Britannia and Safe Regency have been fully utilised in the fourth quarter.

Net financial items for the fourth quarter were USD 11.8 million positive (USD 65.0 million negative), reflecting the gain on shares as described above.

Net profit for the fourth quarter amounted to USD 30 million (net loss of USD 8.5 million), and earnings per share equalled USD 0.13 (USD 0.04 negative).

Total assets at 31 December amounted to USD 1 266.4 million (USD 1 355.5 million), while the book equity ratio rose to 32.4 per cent (19.5 per cent).

### Outlook

Five of Prosafe's rigs are bareboat chartered to Interpetroleum Services, operating for Pemex offshore Mexico. These five rigs have firm contracts as follows: Safe Lancia until December 2012, Jasminia until June 2011, Safe Hibernia until May 2011, Safe Britannia until January 2013 and Safe Regency until August 2013.

Safe Esbjerg is operating for Mærsk Oil & Gas in the Danish North Sea until June 2011. In addition, the client has a one-year extension option.

Safe Caledonia will commence on a 9 month contract with BG in the UK North Sea in the beginning of March 2011. This contract has four two-week options.

MSV Regalia is due to commence operations for BP Norge in the Norwegian North Sea in mid-March.

Safe Scandinavia is operating for BP Norge in the Norwegian North Sea until mid-March. Safe

Scandinavia will commence a 6 month contract with Statoil in early April 2011. Thereafter, Safe Scandinavia has a contract with BP Norge, commencing in October 2011.

Safe Concordia is due to commence a three year contract in Brazil for Petróleo Brasileiro S.A. (Petrobras) early in the second quarter of 2011.

Safe Bristolia and Safe Astoria are currently idle.

In the North Sea, the majority of fixed installations are mature and require both maintenance and modifications to keep up production and ensure safe operations. Improved oil recovery (IOR) projects and tie-ins of satellite fields to existing installations have extended the lifetime for many fields in the North Sea. Consequently, the outlook for modification, IOR and maintenance projects over the coming years appears positive.

Prosafe has five rigs operating offshore Mexico. Due to the efforts of keeping up oil production, the demand for accommodation services in Mexico appears to be stable going forward.

During the third quarter of 2010 there were two awards for semi-submersible rigs offshore Brazil for operations in the Campos basin. These awards confirm that Brazil is a growing market for safety and maintenance support services.

In summary, the demand outlook for semi-submersible accommodation rigs for the core market regions appears to be positive. Furthermore, there is a growing interest for semi-submersible accommodation rigs in other regions.

Larnaca, 16 February 2011

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## INCOME STATEMENT

(Unaudited figures in USD million)	Note	Q4 10	Q3 10	Q4 09	2010	2009
Operating revenues		75.3	140.4	106.7	442.4	397.9
Operating expenses		(41.4)	(41.7)	(34.6)	(159.3)	(123.6)
<b>Operating profit before depreciation</b>		<b>33.9</b>	<b>98.7</b>	<b>72.1</b>	<b>283.1</b>	<b>274.3</b>
Depreciation		(15.5)	(15.7)	(14.9)	(62.0)	(55.7)
<b>Operating profit</b>		<b>18.4</b>	<b>83.0</b>	<b>57.2</b>	<b>221.1</b>	<b>218.6</b>
Interest income		0.1	0.1	0.1	0.3	0.4
Interest expenses		(10.5)	(10.8)	(11.6)	(42.9)	(44.8)
Other financial items		22.2	4.3	(53.5)	23.7	(33.3)
<b>Net financial items</b>		<b>11.8</b>	<b>(6.4)</b>	<b>(65.0)</b>	<b>(18.9)</b>	<b>(77.7)</b>
<b>Profit before taxes</b>		<b>30.2</b>	<b>76.6</b>	<b>(7.8)</b>	<b>202.2</b>	<b>140.9</b>
Taxes		(0.2)	(4.6)	(0.7)	(3.7)	(13.7)
<b>Net profit</b>		<b>30.0</b>	<b>72.0</b>	<b>(8.5)</b>	<b>198.5</b>	<b>127.2</b>
<b>Earnings per share</b>		<b>0.13</b>	<b>0.32</b>	<b>(0.04)</b>	<b>0.89</b>	<b>0.57</b>
<b>Diluted earnings per share</b>		<b>0.13</b>	<b>0.32</b>	<b>(0.04)</b>	<b>0.89</b>	<b>0.57</b>

## STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in USD million)		Q4 10	Q3 10	Q4 09	2010	2009
<b>Net profit for the period</b>		<b>30.0</b>	<b>72.0</b>	<b>(8.5)</b>	<b>198.5</b>	<b>127.2</b>
Foreign currency translation		0.0	(5.4)	(0.3)	0.9	(13.6)
Revaluation hedging instruments		10.3	0.0	5.6	8.8	8.5
Revaluation shares	3	(10.1)	13.0	48.2	0.0	68.5
<b>Other comprehensive income</b>		<b>0.2</b>	<b>7.6</b>	<b>53.5</b>	<b>9.7</b>	<b>63.4</b>
<b>Comprehensive income</b>		<b>30.2</b>	<b>79.6</b>	<b>45.0</b>	<b>208.2</b>	<b>190.6</b>

## BALANCE SHEET

(Unaudited figures in USD million)		31.12.10	30.09.10	31.12.09
Goodwill		226.7	226.7	226.7
Rigs		898.8	891.4	913.5
Other non-current assets		4.5	4.4	4.9
<b>Total non-current assets</b>		<b>1 130.0</b>	<b>1 122.5</b>	<b>1 145.1</b>
Cash and deposits		98.3	108.8	88.5
Assets held for sale	3	0.0	64.8	54.7
Other current assets		38.1	93.6	67.2
<b>Total current assets</b>		<b>136.4</b>	<b>267.2</b>	<b>210.4</b>
<b>Total assets</b>		<b>1 266.4</b>	<b>1 389.7</b>	<b>1 355.5</b>
Share capital		63.9	63.9	63.9
Other equity		346.4	336.4	200.0
<b>Total equity</b>		<b>410.3</b>	<b>400.3</b>	<b>263.9</b>
Interest-free long-term liabilities		77.5	114.3	100.4
Interest-bearing long-term debt		705.4	815.6	876.6
<b>Total long-term liabilities</b>		<b>782.9</b>	<b>929.9</b>	<b>977.0</b>
Other interest-free current liabilities		73.2	59.5	76.1
Current portion of long-term debt		0.0	0.0	38.5
<b>Total current liabilities</b>		<b>73.2</b>	<b>59.5</b>	<b>114.6</b>
<b>Total equity and liabilities</b>		<b>1 266.4</b>	<b>1 389.7</b>	<b>1 355.5</b>

## CASH FLOW STATEMENT

(Unaudited figures in USD million)	Q4 10	Q3 10	Q4 09	2010	2009
Profit before taxes	30.2	76.6	(7.8)	202.2	140.9
Unrealised currency (gain)/loss on debt	(0.2)	8.6	(5.1)	(1.7)	6.7
Depreciation	15.5	15.7	14.9	62.0	55.7
Financial income	(0.1)	(0.1)	(0.1)	(0.3)	(0.4)
Financial costs	10.5	10.8	11.6	42.9	44.8
Change in working capital	123.9	(4.9)	98.8	80.9	39.4
Other items from operating activities	(36.8)	9.0	(32.8)	(16.9)	(26.3)
<b>Net cash flow from operating activities</b>	<b>143.0</b>	<b>115.7</b>	<b>79.5</b>	<b>369.1</b>	<b>260.8</b>
Acquisition of tangible assets	(23.0)	(4.1)	1.1	(46.9)	(141.9)
Interests received	0.1	0.1	0.1	0.3	0.4
<b>Net cash flow from investing activities</b>	<b>(22.9)</b>	<b>(4.0)</b>	<b>1.2</b>	<b>(46.6)</b>	<b>(141.5)</b>
Proceeds from new interest-bearing debt	20.0	0.0	92.9	50.0	133.5
Repayment of interest-bearing debt	(130.0)	(50.0)	(153.8)	(258.0)	(183.8)
Dividends paid	(20.2)	(21.6)	(27.5)	(61.8)	(51.3)
Interests paid	(10.5)	(10.8)	(11.6)	(42.9)	(44.8)
<b>Net cash flow from financing activities</b>	<b>(140.7)</b>	<b>(82.4)</b>	<b>(100.0)</b>	<b>(312.7)</b>	<b>(146.4)</b>
<b>Net cash flow</b>	<b>(20.6)</b>	<b>29.3</b>	<b>(19.3)</b>	<b>9.8</b>	<b>(27.1)</b>
Cash and deposits at beginning of period	118.9	89.6	107.8	88.5	115.6
<b>Cash and deposits at end of period</b>	<b>98.3</b>	<b>118.9</b>	<b>88.5</b>	<b>98.3</b>	<b>88.5</b>

## STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Q4 10	Q3 10	Q4 09	2010	2009
Equity at beginning of period	400.3	342.3	246.4	263.9	124.6
Comprehensive income for the period	30.2	79.6	45.0	208.2	190.6
Dividends	(20.2)	(21.6)	(27.5)	(61.8)	(51.3)
<b>Equity at end of period</b>	<b>410.3</b>	<b>400.3</b>	<b>263.9</b>	<b>410.3</b>	<b>263.9</b>

## NOTES TO THE ACCOUNTS

### NOTE 1: GENERAL INFORMATION

Prosafe SE is a public limited company domiciled in Larnaca, Cyprus. Prosafe SE is listed on the Oslo Stock Exchange with ticker code PRS. The consolidated financial statements for the fourth quarter of 2010 were authorised for issue in accordance with a resolution of the board of directors on 16 February 2011. The accounting figures are unaudited.

### NOTE 2: ACCOUNTING PRINCIPLES

This interim financial report has been prepared in accordance with International Financial Reporting Standards (IFRS), including IAS 34 Interim Financial Reporting. The accounting principles adopted are consistent with those of the previous financial year.

### NOTE 3: SHARES IN PROSAFE PRODUCTION PUBLIC LIMITED / BW OFFSHORE LIMITED

As at 30 September 2010 the company owned 25 375 142 shares in Prosafe Production Public Limited (PROD). The shares were valued at the share price prevailing on the balance sheet date, and any change in market value was taken directly to equity. The shares were included under 'other current assets' in the balance sheet. In October, the company exchanged the shares in PROD for 1.2 shares in BW Offshore Limited (BWO) plus a cash consideration of NOK 3 per share in PROD, and subsequently sold the shares in BWO. These transactions had a profit contribution of USD 23.7 million in the fourth quarter.

KEY FIGURES	Q4 10	Q3 10	Q4 09	2010	2009
Operating margin	24.4 %	59.1 %	53.6 %	50.0 %	54.9 %
Equity ratio	32.4 %	28.8 %	19.5 %	32.4 %	19.5 %
Return on equity	35.6 %	86.7 %	-15.0 %	58.9 %	87.3 %
Net interest bearing debt (USD million)	607.1	706.8	826.6	607.1	826.6
Number of shares (1 000)	229 937	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000)	222 942	222 942	222 942	222 942	222 935
USD/NOK exchange rate at end of period	5.86	5.84	5.78	5.86	5.78
Share price (NOK)	46.40	36.22	36.85	46.40	36.85
Share price (USD)	7.92	6.20	6.38	7.92	6.38
Market capitalisation (NOK million)	10 669	8 328	8 473	10 669	8 473
Market capitalisation (USD million)	1 821	1 427	1 466	1 821	1 466

#### NOTES TO KEY FIGURES

Operating margin = (Operating profit / Operating revenues) \* 100

Equity ratio = (Equity / Total assets) \* 100

Return on equity = Annualised [Net profit / Average book equity]

Net interest-bearing debt = Interest-bearing debt - Cash and deposits

#### SHAREHOLDERS AS AT 03.02.2011

Folketrygdfondet	17 095 735
Pareto	14 333 458
Goldman Sachs (nom.)	11 163 157
State Street Bank & Trust (nom.)	10 384 570
KAS Depositary Trust (nom.)	10 096 948
Brown Brothers Harriman	8 155 179
Clearstream Banking (nom.)	7 234 513
JP Morgan Chase Bank (nom.)	7 119 243
Prosafe SE	6 988 031
JP Morgan Chase Bank (nom.)	5 929 043
<b>Total 10 largest</b>	<b>98 499 877</b>

Total no. of shares: 229 936 790