

THIRD QUARTER 2008

Financials

(Figures in brackets refer to the corresponding period of 2007)

After the spin-off of Prosafe Production (the floating production division) in May this year, only one division remains in Prosafe; the Offshore Support Services. Consequently, no segment information is presented in the notes to the accounts.

In accordance with IFRS, the figures relating to floating production are presented net on a separate line in the income statement of Prosafe SE. Thus, when references are made to prior periods, these figures are exclusive of the discontinued operations.

Operating profit for the third quarter amounted to USD 61.2 million (USD 54.1 million). This improvement reflects significantly higher day rates for *Safe Concordia* and *MSV Regalia*. In addition, the day rates for three of the five rigs operating for Pemex in the Gulf of Mexico are now on an uplifted level as communicated earlier this year. The two remaining rigs will start to generate higher day rates in the fourth quarter.

Utilisation of the rig fleet was 93 per cent (92 per cent). Non-recurring operating expenses equalled USD 4 million, out of which USD 3 million relates to settlement of a dispute regarding a previous operation and USD 1 million relates to tug costs for *Safe Concordia* in connection with the hurricane Ike in the Gulf of Mexico.

MSV Regalia was off-hire for eight days in July due to operational downtime. *Safe Concordia* commenced operations in the US Gulf in mid August, and *Safe Bristolia* finished the operations on the UK shelf on 8 September. All other vessels have been fully utilised in the third quarter.

Net financial costs amounted to USD 7.9 million (USD 18.4 million). This reduction is mainly due to lower interest-bearing debt after the spin-off of Prosafe Production and an unrealised currency gain on the company's bond loan in NOK.

Taxes amounted to USD 6.1 million positive (USD 5.2 million negative), which reflect a reduction of deferred tax relating to an unrealised currency loss on USD debt in a Norwegian subsidiary.

Net profit amounted to USD 59.4 million (USD 46.0 million), the highest ever for Prosafe, corresponding to diluted earnings per share of USD 0.26 (USD 0.13).

Total assets at 30 September amounted to USD 1 304.3 million (USD 2 492.6 million), while the book equity ratio declined to 10.3 per cent (46.4 per cent) as a consequence of the distribution of the shares in Prosafe Production in the second quarter this year.

Debt financing

At the end of the third quarter 2008, Prosafe had a credit facility of USD 1.1 billion, of which USD 850 million had been drawn.

Applicable margin on the credit facility is 0.85 per cent per annum in 2008. From 2009 onwards it will vary in the range from 0.65 per cent to 0.95 per cent per annum depending on the leverage ratio. The leverage ratio is defined as the ratio of total debt to 12 month historical EBITDA.

The credit facility has a maturity of seven years. The availability under the credit facility is reduced semi-annually by USD 70 million, starting in November 2008. This implies that the availability will be reduced to USD 1 030 million in November 2008, USD 960 million in May 2009 et cetera. Based on a drawn amount of only USD 850 million at the end of the third quarter, the first mandatory reduction will be in May 2010.

Financial covenants on the credit facility:

- Minimum cash of USD 65 million in the group (Q3 2008: USD 116.3 million)
- Leverage ratio 5 (4.5 following the second annum after closing, i.e. in May 2010) (Q3 2008: 3.7).
- Minimum value adjusted equity ratio of 35 per cent (Q3 2008: 58 per cent) based on a calculated value adjusted equity of USD 1 585 million
- Market value vessels/total commitments above 150 per cent (Q3 2008: 225 per cent)
- Working capital (incl. unutilised credit lines with maturity in excess of 12 months) larger than zero (Q3 2008: USD 288.2 million).

Prosafe also has two outstanding bond loans; the first with principal of NOK 411 million is maturing in March 2010, and the second with principal of USD 50 million is maturing in March 2012. The only financial covenant on the bond loans is that adjusted shareholder equity on a consolidated basis in relation to the borrower's total consolidated liabilities shall be above 35 per cent (Q3 2008: 155 per cent).

Outlook

Safe Concordia commenced operation mid-August for Chevron in the US Gulf, and will continue operations into January 2009.

Safe Esbjerg will be in operation for Maersk Oil & Gas in the Danish North Sea during the fourth quarter. Maersk Oil & Gas has recently awarded the *Safe Esbjerg* a two-year contract with a one-year option from June 2009.

Safe Scandinavia will continue its operation for StatoilHydro in the Norwegian North Sea until 26 November 2008. After a short yard stay, *Safe Scandinavia* will thereafter commence operation at the Valhall field for BP mid-December. In June 2009, *Safe Scandinavia* will have a five to six weeks yard stay before commencing a 65-day contract for Shell in the UK North Sea.

Safe Caledonia will be in operation during the fourth quarter, working on a long-term contract for Total in the UK North Sea until September 2010. *Safe Caledonia* will have a six-week yard stay during the first quarter of 2009.

MSV Regalia will operate for Aker Offshore Partner until mid-December. Thereafter, the rig will transit to the yard to commence a major refurbishment. After the refurbishment, *MSV Regalia* will take over the contract from *Safe Scandinavia* for BP on the Valhall field in June 2009. This contract has a firm duration until December 2010 with an option period of six months.

Safe Bristolia is anchored at Firth of Forth in Scotland, and is being marketed for new employment.

Safe Astoria will be in operation on the Sakhalin field in Russia until the beginning of November 2008, after which the rig will transit to a standby location in Southeast Asia during the winter months. In May 2009, *Safe Astoria* is expected to resume operation at the Sakhalin field.

Within the harsh and semi-harsh offshore environments where Prosafe's accommodation rigs operate, there is a tight supply-demand balance, and the number of newbuilds to be delivered over the next few years is limited.

The market for semi-submersible accommodation rigs remains strong in Mexico. In the North Sea, the fixed installations are mature and require greater maintenance to uphold production and safe operation.

The high exploration and drilling activity that has been undertaken in West Africa and Brazil is expected to result in new field developments. It is anticipated that some of these will require additional accommodation offshore.

Larnaca, 5 November 2008

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Chairman

Christian Brinch

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President & CEO

INCOME STATEMENT

(Unaudited figures in USD million)	Q3 08	Q2 08	Q3 07	YTD 2008	YTD 2007	2007
Operating revenues	126.0	125.9	107.9	356.9	270.3	376.7
Operating expenses	(52.8)	(50.6)	(42.2)	(154.4)	(119.5)	(167.3)
Operating profit before depreciation	73.2	75.3	65.7	202.5	150.8	209.4
Depreciation	(12.0)	(11.9)	(11.6)	(35.9)	(34.5)	(46.4)
Operating profit	61.2	63.4	54.1	166.6	116.3	163.0
Interest income	0.8	1.3	1.3	3.2	4.1	5.6
Interest expenses	(11.8)	(13.4)	(15.5)	(43.5)	(41.5)	(58.8)
Other financial items	3.1	(2.6)	(4.2)	2.9	1.2	(13.9)
Net financial items	(7.9)	(14.7)	(18.4)	(37.4)	(36.2)	(67.1)
Profit before taxes	53.3	48.7	35.7	129.2	80.1	95.9
Taxes	6.1	(0.2)	(5.2)	2.8	(5.3)	(5.1)
Net profit from continuing operations	59.4	48.5	30.5	132.0	74.8	90.8
Net profit from discontinued operations	0.0	9.9	15.5	38.0	33.5	52.9
Net profit	59.4	58.4	46.0	170.0	108.3	143.7
Earnings per share (USD)	0.26	0.25	0.20	0.74	0.47	0.63
Diluted earnings per share (USD)	0.26	0.25	0.20	0.74	0.47	0.63
EPS from continuing operations (USD)	0.26	0.21	0.13	0.57	0.33	0.40
Diluted EPS from continuing operations (USD)	0.26	0.21	0.13	0.57	0.33	0.40

BALANCE SHEET

(Unaudited figures in USD million)	30.09.08	30.06.08	31.12.07	30.09.07
Goodwill	226.7	226.7	355.0	355.0
Rigs	800.0	760.7	749.6	748.4
Ships	0.0	0.0	926.5	824.8
Other non-current assets	3.4	3.2	304.6	309.7
Total non-current assets	1 030.1	990.6	2 335.7	2 237.9
Cash and deposits	116.3	118.6	162.0	142.6
Other current assets	157.9	253.5	126.3	112.1
Total current assets	274.2	372.1	288.3	254.7
Total assets	1 304.3	1 362.7	2 624.0	2 492.6
Share capital	63.9	63.9	63.9	63.9
Other equity	70.3	136.4	974.7	1 093.7
Total equity	134.2	200.3	1 038.6	1 157.6
Interest-free long-term liabilities	103.4	110.2	97.0	103.4
Interest-bearing long-term debt	970.6	820.9	1 184.1	937.5
Total long-term liabilities	1 074.0	931.1	1 281.1	1 040.9
Other interest-free current liabilities	96.1	91.3	137.3	145.5
Current portion of long-term debt	0.0	140.0	167.0	148.6
Total current liabilities	96.1	231.3	304.3	294.1
Total equity and liabilities	1 304.3	1 362.7	2 624.0	2 492.6

CASH FLOW STATEMENT

(Unaudited figures in USD million)	YTD 2008	YTD 2007	2007
Profit before taxes continuing operations	129.2	80.1	95.8
Profit before taxes discontinued operations	46.4	38.4	61.9
Unrealised currency (gain)/loss on long-term debt	(5.5)	8.4	10.2
Depreciation	59.7	54.9	80.0
Change in working capital	(72.8)	(56.0)	(78.4)
Other items from operating activities	(14.3)	(1.0)	(7.4)
Net cash flow from operating activities	142.7	124.8	162.1
Acquisition of tangible assets	(333.1)	(335.2)	(456.6)
Proceeds from sale of tangible assets	9.5	0.0	0.0
Net effect of spin-off of subsidiary	562.5	0.0	0.0
Buy-back of own shares	(49.2)	0.0	0.0
Translation difference financial assets	(18.4)	(38.1)	(39.6)
Net cash flow from investing activities	171.3	(373.3)	(496.2)
Proceeds from new interest-bearing debt	1 156.5	453.4	717.7
Repayment of interest-bearing debt	(1 516.2)	(14.6)	(15.7)
Dividends paid	0.0	(194.9)	(353.1)
Net cash flow from financing activities	(359.7)	243.9	348.9
Net cash flow	(45.7)	(4.6)	14.8
Cash and deposits at beginning of period	162.0	147.2	147.2
Cash and deposits at end of period	116.3	142.6	162.0
Cash and deposits continuing operations	116.3	99.6	109.0
Cash and deposits discontinued operations	0.0	43.0	53.0
Cash and deposits at end of period	116.3	142.6	162.0

STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	YTD 2008	YTD 2007	2007
Equity at beginning of period	1 038.6	1 089.7	1 089.7
Net profit	170.0	108.3	143.7
Dividends	(993.2)	(47.9)	(206.1)
Costs related to split	(10.3)	0.0	0.0
Revaluation hedging instruments	(5.2)	0.0	0.0
Revaluation shares	(47.4)	0.0	0.0
Buy-back of own shares	(49.2)	0.0	0.0
Foreign currency translation	30.9	7.5	11.3
Equity at end of period	134.2	1 157.6	1 038.6

NOTES TO THE INTERIM 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 third quarter of 2008 were authorised for issue in accordance with a resolution of the board of directors on 5 November 2008. 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. The company has previously not applied hedge accounting on any of its financial instruments. In the first quarter 2008, the company entered into some new interest rate swap agreements, and as from the first quarter 2008, the company applies hedge accounting on certain interest rate swap agreements. Any change in value of these agreements are taken directly to equity. For those financial instruments which do not qualify for hedge accounting, any change in value are taken through the income statement.

NOTE 3: SHARES IN PROSAFE PRODUCTION PUBLIC LIMITED

The annual general meeting adopted on 14 May 2008 to distribute 90.1 per cent of the shares in Prosafe Production Public Limited to the shareholders of Prosafe SE. Distribution of these shares took place on 27 May. In accordance with IFRS, no gain was recognised from this distribution. As at 30 September the company owned 25 375 142 shares in Prosafe Production Public Limited corresponding to 9.94 per cent of the shares. The shares were initially recorded at the proportion of the carrying value of the discontinued operations. At 30 September the shares are valued at the share price prevailing on this date, NOK 14, and the unrealised loss has been taken directly to equity. The shares in Prosafe Production Public Limited are included under 'other current assets' in the balance sheet.

NOTE 4: REFINANCING

In the second quarter 2008, Prosafe SE entered into a new senior secured revolving credit facility in the aggregate principal amount of USD 1 100 million with Nordea Bank Norge ASA as facility agent on behalf of a number of lenders. The facility was used to repay the previous Prosafe SE bank facility and to provide financing for future investments and general working capital purposes.

NOTE 5: DISCONTINUED OPERATIONS

Income statement

(Unaudited figures in USD million)	YTD 08	YTD 07	2007
Operating revenues	100.7	44.6	150.4
Operating expenses	(40.9)	(16.6)	(57.6)
Operating profit before depreciation	59.8	28.0	92.8
Depreciation	(23.8)	(8.3)	(33.6)
Operating profit	36.0	19.7	59.2
Interest income	0.7	0.7	1.3
Interest expenses	(4.1)	(0.1)	(1.7)
Other financial items	13.8	(0.2)	3.0
Net financial items	10.4	0.4	2.6
Profit before taxes	46.4	20.1	61.8
Taxes	(7.9)	(2.1)	(8.9)
Net profit	38.5	18.0	52.9
EPS from discontinued operations	0.17	0.08	0.23
Diluted EPS from discontinued operations	0.17	0.08	0.23

KEY FIGURES	Note	Q3 08	Q2 08	Q3 07	YTD 2008	YTD 2007	2007
Operating margin	1	48.6 %	50.4 %	47.0 %	46.7 %	42.7 %	43.3 %
Equity ratio	2	10.3 %	14.7 %	46.4 %	10.3 %	46.4 %	39.6 %
Return on equity	3	142.1 %	36.8 %	16.2 %	38.7 %	12.9 %	13.5 %
Net interest bearing debt (USD million)	4	854.3	842.3	943.5	854.3	943.5	1 189.1
Number of shares (1 000 shares)		229 937	229 937	229 937	229 937	229 937	229 937
Average no. of outstanding shares (1 000 shares)		229 013	229 827	229 827	229 554	229 827	229 827
USD/NOK exchange rate at end of period		5.83	5.08	5.44	5.83	5.44	5.41
Share price (NOK)		31.60	50.50	96.20	31.60	96.20	94.50
Share price (USD)		5.42	9.94	17.68	5.42	17.68	17.47
Market capitalisation (NOK million)		7 266	11 612	22 120	7 266	22 120	21 729
Market capitalisation (USD million)		1 246	2 286	4 066	1 246	4 066	4 016

NOTES TO KEY FIGURES

- 1 (Operating profit / Operating revenues) * 100
2 (Equity / Total assets) * 100
3 Annualised [Net profit / Average book equity]
4 Interest-bearing debt - Cash and deposits

SHAREHOLDERS AS AT 27.10.2008

	No. of shares	Ownership
Folketrygdfondet	19 628 935	8.5 %
GMO	11 428 773	5.0 %
Pareto	8 960 000	3.9 %
Brown Brothers Harriman	8 220 556	3.6 %
Prosafe SE	7 012 560	3.0 %
State Street Bank & Trust (nom.)	5 965 624	2.6 %
Clearstream Banking (nom.)	5 851 573	2.5 %
JP Morgan Chase Bank (nom.)	4 687 572	2.0 %
Storebrand	4 304 085	1.9 %
Mellon Bank (nom.)	4 234 704	1.8 %
Total 10 largest shareholders	80 294 382	34.9 %

Total no. of shares: 229 936 790