Disclaimer

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Agenda

- Recent developments
  - Financial results
  - Projects
  - Outlook
  - Appendix
Recent developments

- Q2 utilisation of 84 per cent
- Contract signed for provision of Safe Scandinavia as tender support vessel (TSV) for Statoil
- New build projects progressing well
  - First vessel – Safe Boreas – to start mobilisation to Norway in Q4 2014
- Positive long-term demand outlook, but more uncertain short-term picture due to slow-down in oil companies’ E&P spending
Agenda

- Recent developments
- **Financial results**
- Projects
- Outlook
- Appendix
## Income statement

(Unaudited figures in USD million)

<table>
<thead>
<tr>
<th></th>
<th>Q2 14</th>
<th>Q1 14</th>
<th>Q2 13</th>
<th>6M 14</th>
<th>6M 13</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>133.4</td>
<td>91.7</td>
<td>143.5</td>
<td>225.1</td>
<td>229.3</td>
<td>523.5</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(62.4)</td>
<td>(53.6)</td>
<td>(60.3)</td>
<td>(116.0)</td>
<td>(112.7)</td>
<td>(216.9)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>71.0</td>
<td>38.1</td>
<td>83.2</td>
<td>109.1</td>
<td>116.6</td>
<td>306.6</td>
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<tr>
<td>Depreciation</td>
<td>(16.0)</td>
<td>(15.2)</td>
<td>(14.5)</td>
<td>(31.2)</td>
<td>(28.9)</td>
<td>(61.5)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>55.0</td>
<td>22.9</td>
<td>68.7</td>
<td>77.9</td>
<td>87.7</td>
<td>245.1</td>
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<tr>
<td>Interest income</td>
<td>0.0</td>
<td>0.1</td>
<td>0.3</td>
<td>0.1</td>
<td>0.8</td>
<td>1.3</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>(8.8)</td>
<td>(8.3)</td>
<td>(8.4)</td>
<td>(17.1)</td>
<td>(17.4)</td>
<td>(34.2)</td>
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<tr>
<td>Other financial items</td>
<td>(1.2)</td>
<td>4.2</td>
<td>(4.4)</td>
<td>3.0</td>
<td>(14.5)</td>
<td>(8.5)</td>
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<tr>
<td>Net financial items</td>
<td>(10.0)</td>
<td>(4.0)</td>
<td>(12.5)</td>
<td>(14.0)</td>
<td>(31.1)</td>
<td>(41.4)</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>45.0</td>
<td>18.9</td>
<td>56.2</td>
<td>63.9</td>
<td>56.6</td>
<td>203.7</td>
</tr>
<tr>
<td>Taxes</td>
<td>(2.9)</td>
<td>(0.6)</td>
<td>(1.3)</td>
<td>(3.5)</td>
<td>(2.4)</td>
<td>(4.6)</td>
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<tr>
<td>Net profit</td>
<td>42.1</td>
<td>18.3</td>
<td>54.9</td>
<td>60.4</td>
<td>54.2</td>
<td>199.1</td>
</tr>
<tr>
<td>EPS</td>
<td>0.18</td>
<td>0.08</td>
<td>0.24</td>
<td>0.26</td>
<td>0.24</td>
<td>0.85</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>0.18</td>
<td>0.08</td>
<td>0.24</td>
<td>0.26</td>
<td>0.24</td>
<td>0.85</td>
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</table>
Operating revenues

<table>
<thead>
<tr>
<th>(USD million)</th>
<th>Q2 14</th>
<th>Q1 14</th>
<th>Q2 13</th>
<th>6M 14</th>
<th>6M 13</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter income</td>
<td>114.7</td>
<td>80.5</td>
<td>127.5</td>
<td>195.2</td>
<td>202.8</td>
<td>469.2</td>
</tr>
<tr>
<td>Mob/demob income</td>
<td>3.7</td>
<td>1.1</td>
<td>3.7</td>
<td>4.8</td>
<td>5.4</td>
<td>9.1</td>
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<tr>
<td>Other income</td>
<td>15.0</td>
<td>10.1</td>
<td>12.3</td>
<td>25.1</td>
<td>21.1</td>
<td>45.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>133.4</strong></td>
<td><strong>91.7</strong></td>
<td><strong>143.5</strong></td>
<td><strong>225.1</strong></td>
<td><strong>229.3</strong></td>
<td><strong>523.5</strong></td>
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</table>
## Balance sheet

(Unaudited figures in USD million)

<table>
<thead>
<tr>
<th></th>
<th>30.06.14</th>
<th>31.03.14</th>
<th>31.12.13</th>
<th>30.06.13</th>
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</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>226.7</td>
<td>226.7</td>
<td>226.7</td>
<td>226.7</td>
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<tr>
<td>Vessels</td>
<td>995.8</td>
<td>981.3</td>
<td>946.9</td>
<td>926.6</td>
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<tr>
<td>New builds</td>
<td>275.6</td>
<td>260.3</td>
<td>248.9</td>
<td>148.6</td>
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<tr>
<td>Other non-current assets</td>
<td>5.1</td>
<td>5.1</td>
<td>4.9</td>
<td>18.3</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>1 503.2</td>
<td>1 473.4</td>
<td>1 427.4</td>
<td>1 320.2</td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>77.4</td>
<td>57.6</td>
<td>113.4</td>
<td>78.5</td>
</tr>
<tr>
<td>Other current assets</td>
<td>109.3</td>
<td>66.4</td>
<td>79.1</td>
<td>104.2</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>186.7</td>
<td>124.0</td>
<td>192.5</td>
<td>182.7</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1 689.9</td>
<td>1 597.4</td>
<td>1 619.9</td>
<td>1 502.9</td>
</tr>
<tr>
<td>Share capital</td>
<td>65.9</td>
<td>65.9</td>
<td>65.9</td>
<td>65.9</td>
</tr>
<tr>
<td>Other equity</td>
<td>624.7</td>
<td>635.6</td>
<td>673.8</td>
<td>594.7</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>690.6</td>
<td>701.5</td>
<td>739.7</td>
<td>660.6</td>
</tr>
<tr>
<td>Interest-free long-term liabilities</td>
<td>53.1</td>
<td>37.8</td>
<td>25.1</td>
<td>36.0</td>
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<tr>
<td>Interest-bearing long-term debt</td>
<td>876.6</td>
<td>786.5</td>
<td>779.6</td>
<td>695.9</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td>929.7</td>
<td>824.3</td>
<td>804.7</td>
<td>731.9</td>
</tr>
<tr>
<td>Other interest-free current liabilities</td>
<td>69.6</td>
<td>71.6</td>
<td>75.5</td>
<td>76.5</td>
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<tr>
<td>Current portion of long-term debt</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>33.9</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>69.6</td>
<td>71.6</td>
<td>75.5</td>
<td>110.4</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>1 689.9</td>
<td>1 597.4</td>
<td>1 619.9</td>
<td>1 502.9</td>
</tr>
</tbody>
</table>
## Key figures

<table>
<thead>
<tr>
<th>KEY FIGURES</th>
<th>Q2 14</th>
<th>Q1 14</th>
<th>Q2 13</th>
<th>6M 14</th>
<th>6M 13</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin</td>
<td>41.2%</td>
<td>25.0%</td>
<td>47.9%</td>
<td>34.6%</td>
<td>38.2%</td>
<td>46.8%</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>40.9%</td>
<td>43.9%</td>
<td>44.0%</td>
<td>40.9%</td>
<td>44.0%</td>
<td>45.7%</td>
</tr>
<tr>
<td>Return on equity</td>
<td>24.2%</td>
<td>10.2%</td>
<td>34.5%</td>
<td>16.9%</td>
<td>18.4%</td>
<td>31.7%</td>
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<tr>
<td>Net interest bearing debt (USD million)</td>
<td>799.2</td>
<td>728.9</td>
<td>651.3</td>
<td>799.2</td>
<td>651.3</td>
<td>666.2</td>
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<td>Number of shares (1 000)</td>
<td>235 973</td>
<td>235 973</td>
<td>235 973</td>
<td>235 973</td>
<td>235 973</td>
<td>235 973</td>
</tr>
<tr>
<td>Average no. of outstanding shares (1 000)</td>
<td>235 973</td>
<td>235 973</td>
<td>235 973</td>
<td>235 973</td>
<td>230 371</td>
<td>233 806</td>
</tr>
<tr>
<td>USD/NOK exchange rate at end of period</td>
<td>6.15</td>
<td>5.99</td>
<td>5.90</td>
<td>6.15</td>
<td>5.90</td>
<td>6.08</td>
</tr>
<tr>
<td>Share price (NOK)</td>
<td>50.60</td>
<td>47.98</td>
<td>53.35</td>
<td>50.60</td>
<td>53.35</td>
<td>46.80</td>
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<tr>
<td>Share price (USD)</td>
<td>8.23</td>
<td>8.01</td>
<td>9.04</td>
<td>8.23</td>
<td>9.04</td>
<td>7.70</td>
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<tr>
<td>Market capitalisation (NOK million)</td>
<td>11 940</td>
<td>11 322</td>
<td>12 589</td>
<td>11 940</td>
<td>12 589</td>
<td>11 044</td>
</tr>
<tr>
<td>Market capitalisation (USD million)</td>
<td>1 942</td>
<td>1 890</td>
<td>2 134</td>
<td>1 942</td>
<td>2 134</td>
<td>1 816</td>
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</tbody>
</table>
Dividend

- Declared an interim dividend equivalent to USD 0.16 per share
- The shares will trade ex-dividend on 27 August
- The dividend will be paid in the form of NOK 0.98 per share on 10 September
- Based on a more uncertain short-term demand outlook, the Board of Directors will consider temporarily reducing dividend payments for a period of time
Agenda

- Recent developments
- Financial results
- **Projects**
- Outlook
- Appendix
Safe Boreas

- Mechanical completion and commissioning ongoing
- Mobilisation to Norway to commence in Q4 14
- First contract for Lundin at the Edvard Grieg field in Norway
  - Contract commencement scheduled for late April/early May 2015

<table>
<thead>
<tr>
<th>Financial status Q2 14</th>
<th>USDm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book value o.b.</td>
<td>102</td>
</tr>
<tr>
<td>Book value c.b.</td>
<td>109</td>
</tr>
<tr>
<td>Capitalised in quarter</td>
<td>7</td>
</tr>
<tr>
<td>Estimated total cost</td>
<td>350</td>
</tr>
</tbody>
</table>
Safe Zephyrus

- Launch and docking took place in June
- Accommodation blocks lifted in place in August
- Ready for operations in 2015

Financial status Q2 14 USDm
- Book value o.b. 72
- Book value c.b. 79
- Capitalised in quarter 7
- Estimated total cost 350
Safe Notos and Safe Eurus

- Strong capabilities
  - The most advanced and flexible vessels for worldwide operations excluding Norway
- Number 3 and 4 in a series of Gusto MSC Ocean 500 units built by Cosco
- Ready for operations in 2016
- Keel laying Safe Notos in August
State of the art North Sea fleet

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

- Recent developments
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- Projects
- **Outlook**
- Appendix
Clear market leader in the high-end segment

- **Substantial growth in semi accommodation vessel fleet**
  - Possible under-supply situation historically
  - Positive underlying demand development seen over the past years
  - Substantial share of incoming vessels not originally designed for accommodation purposes
  - Safe Scandinavia going into TSV market for a minimum of three years from 2015
Vessel motion characteristics DP vessels

Source: Prosafe estimates based on available technical specifications

See appendix and latest issue of the “Prosafe Now” magazine (can be found at www.prosafe.com) for more details

Source: Prosafe estimates based on available technical specifications

Maneuverability = Thruster Power / Displacement in operation (kW/t)
Motion Factor = Displacement in operation / Waterplane Area (t/m²)
Size of bubble = Displacement in operation
Blue = Prosafe vessel, Red = competitor vessel
Fragmented Brazilian market

- **High entry barriers**
  - Strict regulations (particularly in Norway)
  - Rough weather conditions
  - Clients put high value on track-record and organisational depth
  - High capital cost – mostly large semis
  - Mostly short-term contracts
  - Reasonably consolidated supply side

- **Medium entry barriers**
  - Moderate weather conditions, with challenging currents
  - Lower capital cost – smaller and less capable vessels accepted
  - Positive demand growth outlook
  - Fragmented supply side
North Sea – robust demand

- **Short-to-medium term**
  - More uncertain demand situation due to reduced spending by oil companies
  - Fewer tenders and market enquiries than one to two years back

- **Long term**
  - Aging infrastructure combined with increasing recovery rates bodes well for demand related to maintenance, modification and upgrade work
  - Several potential development projects in the pipeline
  - High interest in recent licensing rounds
  - Significant potential for work related to decommissioning in due course

**North Sea accommodation demand index**

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

*Source: Prosafe*
North Sea day rates (time charter)
Mexico – high activity level

- High activity level in shallow waters evidenced by an increasing number of drilling jack-ups under contract

- Interesting potential also in other shallow water areas besides Cantarell

- Energy reform has been approved
  - Opening up for international oil companies
  - Should lead to increased exploration in deep waters
  - May develop into demand for accommodation vessels also in deep waters in the long term
Mexico day rates (bareboat)
Brazil – continued demand growth

- Positive demand outlook
  - High activity in the Campos basin
    - Primarily maintenance requirements
  - Santos basin opportunities
  - Operators other than Petrobras showing interest in accommodation vessels

- Competitive and fragmented supply side

- Day rates have increased, but still difficult to achieve the desired level of return
  - High cost level
  - Challenging operational and administrative situation
Rest of the world – interesting opportunities

- Australia
  - Some demand related to hook-up and commissioning
  - As fields are getting older, there should be potential for more maintenance and modification related work

- South East Asia
  - Some demand for semis in mid and deep waters, mostly related to hook-up and commissioning

- US GoM
  - A number of prospects developing in the mid and deep water areas

- West Africa
  - Opportunities as operators plan for major hook-up and commissioning projects
Rest of the World day rates (time charter)
High contract visibility

Contract  Option  Yard/Mob/De-mob
Robust contract backlog

Contract backlog

Status end Q2 14

<table>
<thead>
<tr>
<th></th>
<th>USD million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm contracts</td>
<td>1,541m</td>
</tr>
<tr>
<td>+ Options</td>
<td>665m</td>
</tr>
<tr>
<td>= Total</td>
<td>2,206m</td>
</tr>
</tbody>
</table>

![Graph showing contract backlog with breakdown by year and USD million values.](image-url)
Summary

- Record high order backlog
- New build projects progressing well
- Increased uncertainty related to demand in the short term
- Long-term demand drivers remain intact
- Prosafe well placed to enhance the leading position further
Agenda

- Recent developments
- Financial results
- Projects
- Outlook

- Appendix
## Interest-bearing debt portfolio

<table>
<thead>
<tr>
<th>Loan</th>
<th>Commitment</th>
<th>Maturity</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 1100 million credit facility (2011-17)</td>
<td>USD 723 million</td>
<td>Q3 2017</td>
<td>187.5 bps</td>
</tr>
<tr>
<td>USD 420 million credit facility (2012-17)</td>
<td>USD 420 million</td>
<td>Q4 2017</td>
<td>295 bps</td>
</tr>
<tr>
<td>USD 288 million credit facility (2014-2021)</td>
<td>USD 288 million</td>
<td>Q2 2021</td>
<td>225 bps</td>
</tr>
<tr>
<td>NOK 500 million bond (2011-16)</td>
<td>NOK 500 million</td>
<td>Q1 2016</td>
<td>350 bps</td>
</tr>
<tr>
<td>NOK 500 million bond (2012-17)</td>
<td>NOK 500 million</td>
<td>Q1 2017</td>
<td>375 bps</td>
</tr>
<tr>
<td>NOK 500 million bond (2013-20)</td>
<td>NOK 500 million</td>
<td>Q1 2020</td>
<td>375 bps</td>
</tr>
<tr>
<td>NOK 700 million bond (2013-18)</td>
<td>NOK 700 million</td>
<td>Q4 2018</td>
<td>295 bps</td>
</tr>
</tbody>
</table>
Vessel motion characteristics

- Six degrees of freedom refers to the freedom of movement of a rigid body in a three-dimensional space
- The body is free to move (translation) along three axes
  - Surge (forward/backward or forward/astern)
  - Sway (left/right or port/starboard)
  - Heave (up/down)
- The body is free to rotate (rotation) about three axes
  - Pitch (about surge axis)
  - Roll (about sway axis)
  - Yaw (about heave axis)
Vessel motion characteristics

- Gangway connecting to a **fixed target**
  - Connect the gangway – Maintain position
  - Accommodation vessel should **move as little as possible**
- Gangway connecting to a **moving target**
  - Connect the gangway – Follow target
  - Accommodation vessel should **move as required**
- Key variables for offshore accommodation vessels
  - Thruster power / Displacement in operation (kW/t) (maneuverability)
  - Displacement in operation / Waterplane area (t/m²) (motion)
  - Air gap in operation (m)
Harsh environment capabilities DP vessels

**Airgap in operation (m)**

- Floatel Reliance: 6.7
- Safe Concordia: 6.7
- Floatel Victory/Triumph: 7.0
- CSS Olympia: 7.6
- Regalia: 8.0
- Posh Xanadu: 9.5
- Floatel Superior: 9.5
- Floatel Endurance: 9.5
- Safe Eurus/Notos: 10.0
- Safe Boreas/Zephyrus: 11.0
- Axis Nova/Vega: 11.5

**Station keeping - Mooring strength/Displacement in operation (t/t)**

- Floatel Reliance: 0.00
- Safe Concordia: 0.00
- Floatel Victory/Triumph: 0.19
- CSS Olympia: 0.00
- Regalia: 0.00
- Posh Xanadu: 0.00
- Floatel Superior: 0.13
- Floatel Endurance: 0.16
- Safe Eurus/Notos: 0.18
- Safe Boreas/Zephyrus: 0.23
- Axis Nova/Vega: 0.00

Source: Prosafe estimates based on available technical specifications