



5 November 2019



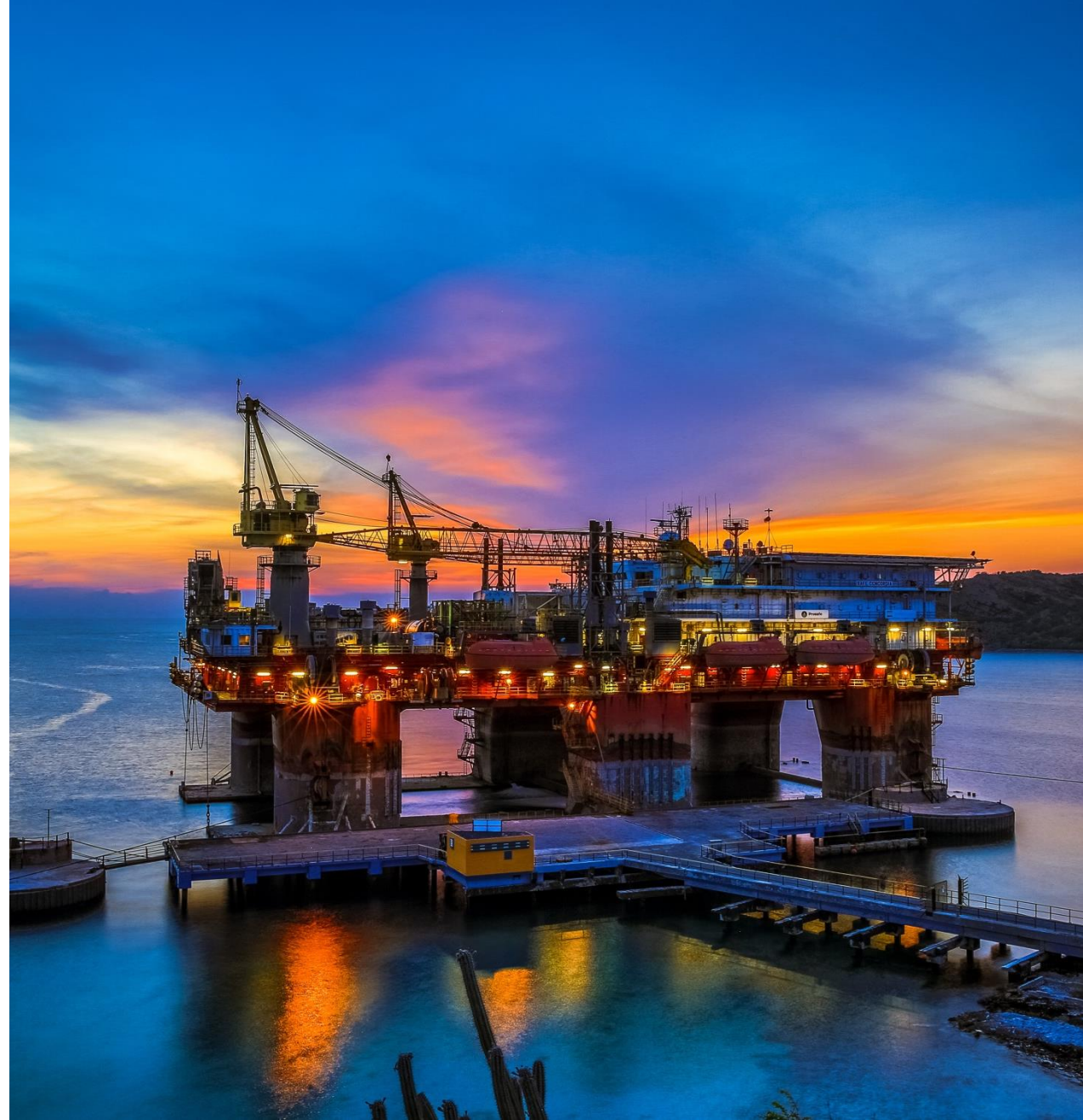
Q3 2019 results and market update

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Agenda

- Re-assessment of outlook and financial implications
- Merger update
- Financial results
- Summary



Re-assessment of outlook and financial implications

Market outlook

- A prolonged downturn and weaker outlook in the North Sea in particular
- No tenders in the North Sea and few contract opportunities anticipated in the next years in Norway in particular
- Brazil offering opportunities, although at lower rates. Two tenders currently outstanding
- Increasing focus on other markets including Mexico

Financial implications

- Re-assessment of market outlook impacts cash-flow projections in the years ahead - in particular for less versatile rigs
- As a consequence, the company incurs impairments totalling USD 341 million on the book value of vessels in the quarter
- Resulting in a book equity of USD 14 million per Q3 2019

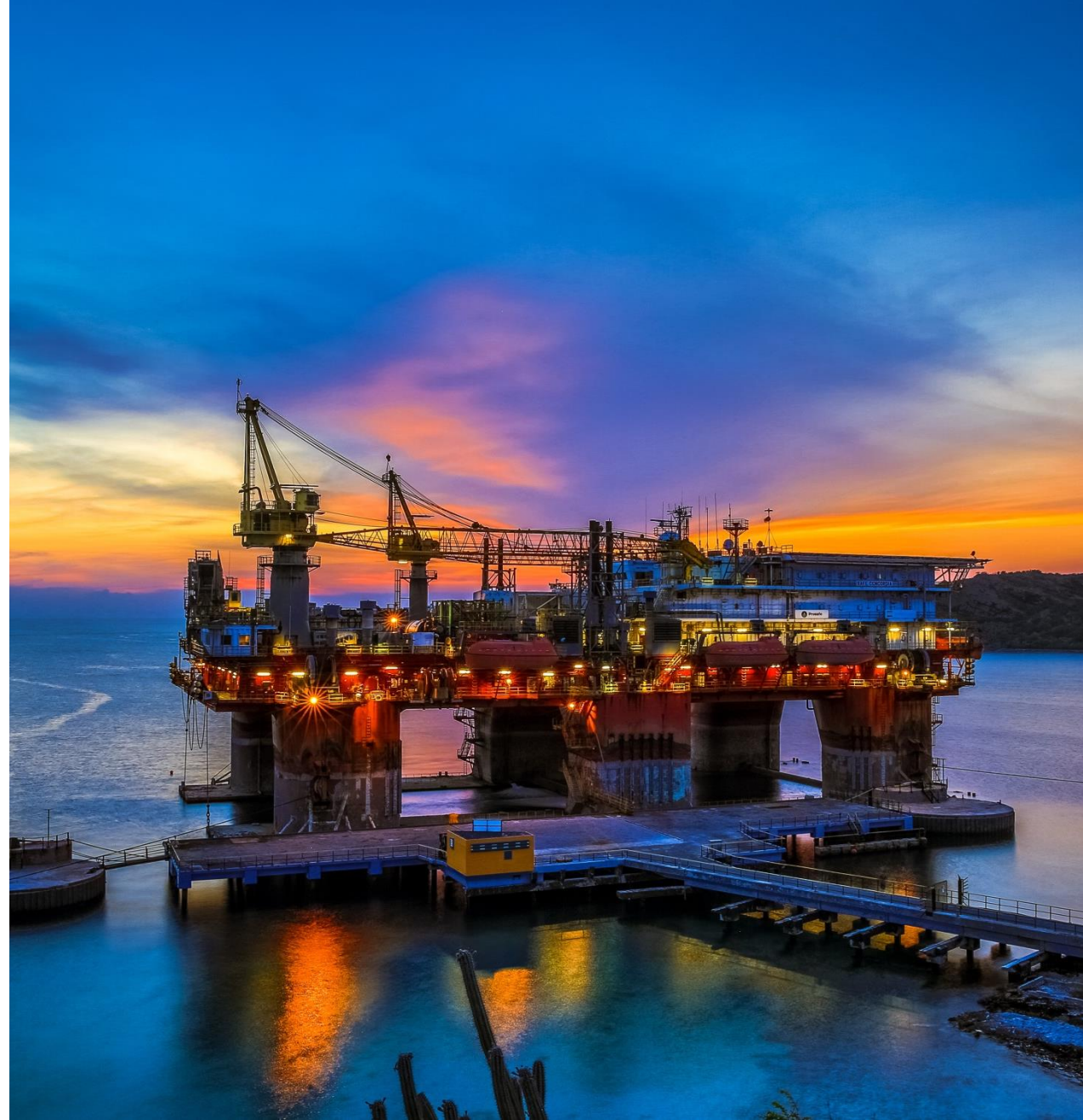
Re-assessment of outlook and financial implications

However,

- Prosafe has adequate liquidity of USD 216 million at the end of Q319
- The company will commence dialogue with its lenders with a view to ensure sufficient flexibility for the longer term

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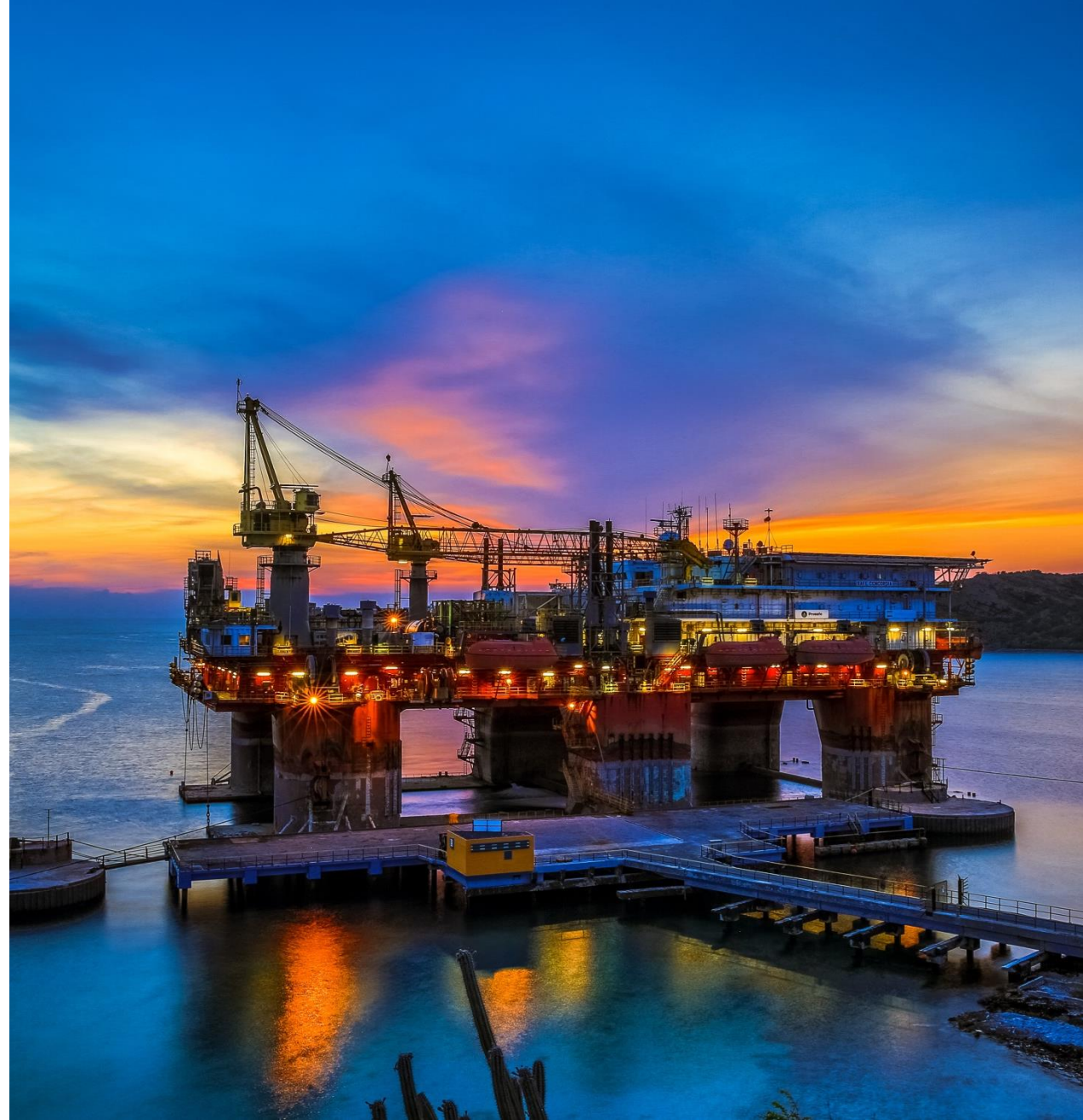


Update: Merger process with Floatel

- Merger among equals agreement with Floatel International Ltd. announced in June. Agreed exchange ratio in an all share transaction is 55/45 (PRS/FIL) on a fully diluted basis subject to competition clearance, creditor approvals and EGM in Prosafe
- On 28th October 2019 the Norwegian Competition Authorities announced that it prohibits the merger. Prosafe intends to appeal with expected decision February/March 2020
- In the UK, the process is in phase 2 and more specific information is anticipated into Q1 2020
- Prosafe will continue to vigorously pursue merger clearance with an aim of developing a more robust company with improved services, able to sustain a prolonged downturn and challenging markets for offshore accommodation in particular in the North Sea

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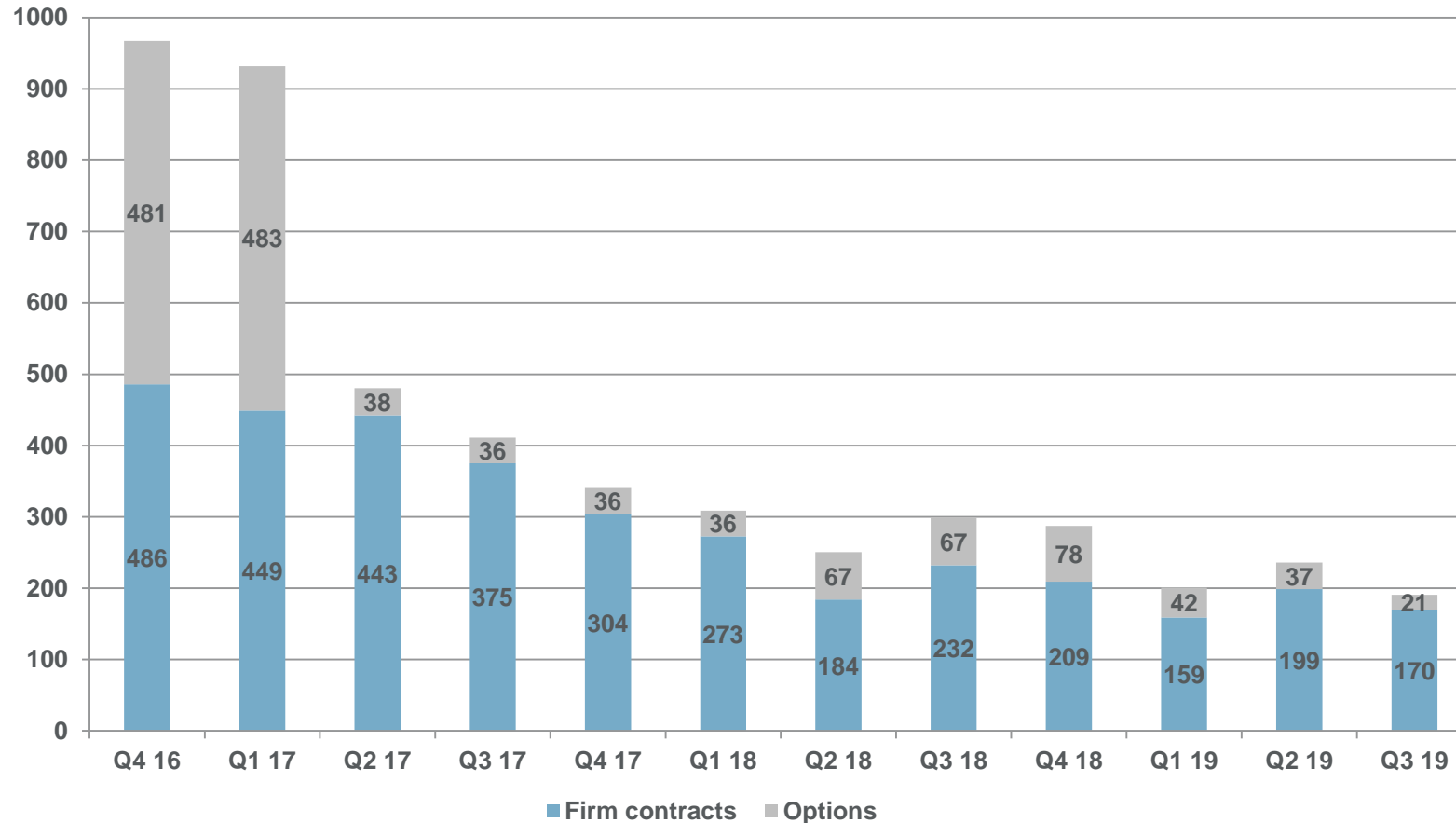


Q3 2019 in short

- Utilisation of 48.2% (48.1% in Q3 2018)
- Order backlog is USD 170 million per Q3 2019
- Financial results
 - Reported EBITDA was USD 26.3 million. Underlying EBITDA in the quarter adjusted for non-recurring items was USD 27.8 million
 - Impairments of USD 341 million made to the book value of vessels
 - Book equity of USD 14 million per Q3 19 due to impairments
- Cash flow from operations was USD 39.1 million (USD 26.6 million)
- Adequate liquidity of USD 216 million (USD 266 million)



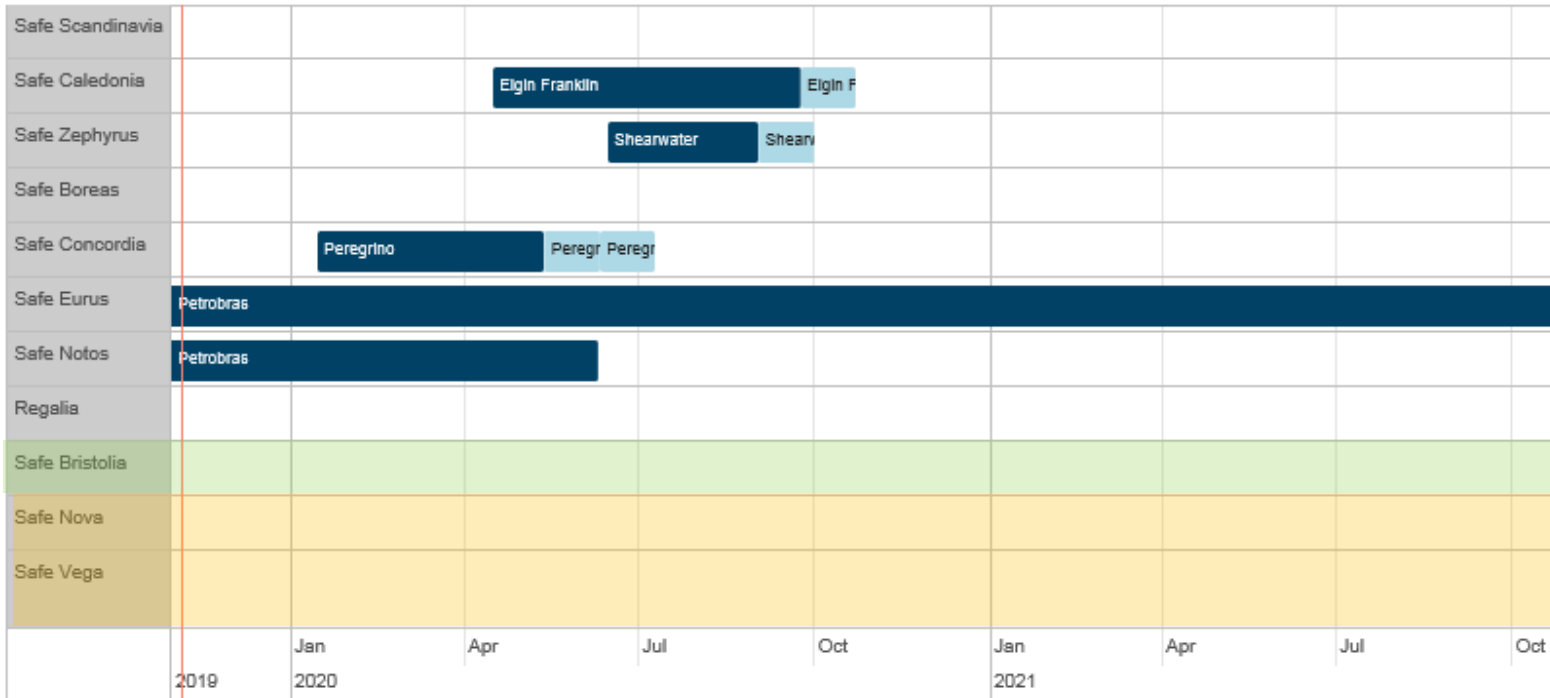
Order backlog (USD million) per end Q3 2019



- Prosafe's firm backlog was USD 170 million as at end Q3 2019

Fleet status: Contracts, wins and extensions

Contract backlog



- Safe Bristolia: in the process of recycling
- Safe Vega and Safe Nova – newbuilds at yard

Contracting update

- Safe Caledonia** contracted by Total UK for 162 days from mid-April 2020 with a 30-day option. Subsequently, Safe Zephyrus will conduct the Shearwater contract for Shell ;
- Safe Eurus** delivered early July. Contract commencement within fourth quarter 2019;
- Safe Boreas** extended by Equinor at Mariner through October 2019.

Streamlining and cash preservation

- The company is in process of further reducing its organisation in response to the reduced and volatile activity level
- Continued efforts to streamline operating costs and lay-up situations as well as capex planning and spend
- Estimated to lead to substantial annual savings in the near years in cash cost and cash spend pending activity level

Income statement

(Unaudited figures in USD million)

	Q3 19	Q3 18
Operating revenues	57	74
Operating expenses	(30)	(42)
Operating results before depreciation	26	31
Depreciation	(24)	(29)
Impairment	(341)	1
Operating (loss) profit	(339)	3
Interest expenses	(17)	(116)
Other financial items	(3)	3
Net financial items	(20)	(112)
(Loss) Profit before taxes	(359)	(109)
Taxes	(2)	(3)
Net (Loss) Profit	(361)	(112)
EPS	(4.10)	(1.37)
Diluted EPS	(4.10)	(1.27)

- Impairments of USD 341 million as a result of re-assessment of market outlook
- Fleet utilisation at 48.2% (Q3 2018: 48.1%)
- Lower operating revenues was due to lower average dayrates – approx. USD 159k in 2019 vs approx. USD 185k in 2018
- EBITDA of USD 26 million
- Operating expenses were significantly improved compared to the same quarter last year. Non-recurring costs of approx. USD 1.5 million were mostly related to merger activity with Floatel
- Interest expenses were USD 17 million (Q3 2018: USD 116 million negative; higher interest costs in 2018 was due to one-off effects relating to fair value adjustment of loan and recognition of discounted cashflow hedge reserve balance)

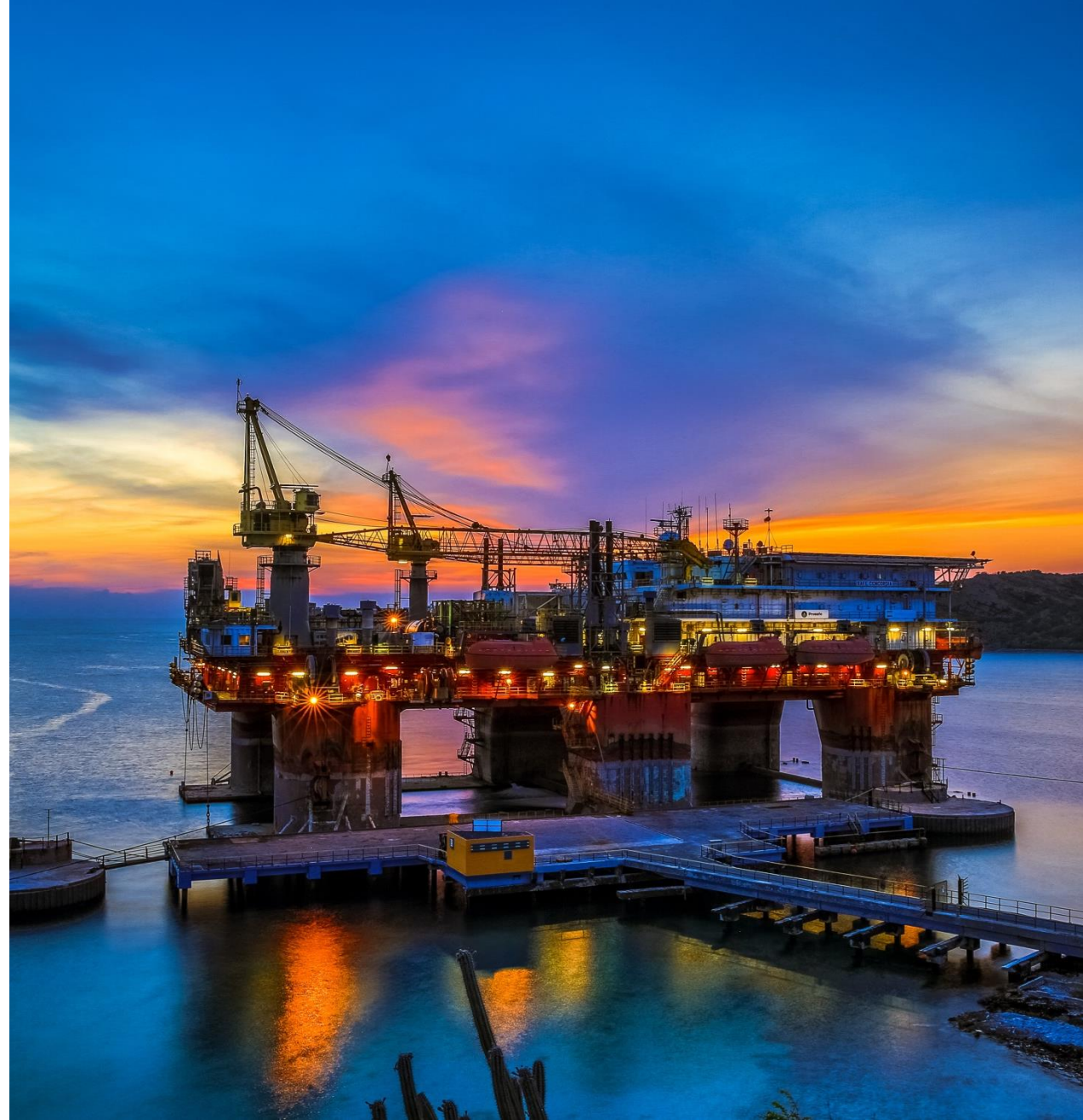
Balance sheet

(Unaudited figures in USD million)	30.09.19	30.06.19	30.09.18
Vessels	1,016	1,379	1,451
New builds	259	149	126
Other non-current assets	3	3	16
Total non-current assets	1,278	1,531	1,593
Cash and deposits	216	121	266
Other current assets	31	54	48
Total current assets	247	174	314
Total assets	1,524	1,705	1,907
Total equity	14	374	423
Interest-free long-term liabilities	31	30	34
Interest-bearing long-term debt	1,389	1,202	1,372
Total long-term liabilities	1,420	1,232	1,406
Other interest-free current liabilities	49	54	60
Current portion of long-term debt	41	44	19
Total current liabilities	90	98	78
Total equity and liabilities	1,524	1,705	1,907
Key figures:			
Working capital	156	76	236
Liquidity reserve	216	241	266
Interest-bearing debt	1,430	1,246	1,390
Net Interest-bearing debt	1,214	1,126	1,124
Book equity ratio	1%	22%	22%

- Total assets of USD 1.5 billion.
- Rigs impaired by USD 341 million
- **Liquidity reserve** per Q3 2019 of **USD 216 million**.
- Long-term debt balance increased slightly, mainly due to the delivery of the Safe Eurus
- Book equity of USD 14 million

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Summary

- EBITDA of USD 26.1 million in the quarter
- Re-assessment of market outlook and consequent impairments of USD 341 million
- Sufficient liquidity of USD 216 million
- The company will initiate dialogue with lenders
- The company is in process of further reducing its organisation in response to the reduced and volatile activity level
- Prosafe will seek entry into new geographical markets and new segments
- Rigorously pursuing merger clearance



Appendix

Operating revenue

(USD million)	Q3 19	Q2 19	Q3 18	2018
Charter income	46.8	63.7	61.8	293.2
Other income	9.7	11.6	11.8	37.6
Total	56.5	75.3	73.6	330.8