



August 16, 2010

2nd quarter 2010



Disclaimer



All statements in this presentation other than statements of historical fact are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believe", "may", "will", "should", "would be", "expect" or "anticipate" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans or intentions. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation as anticipated, believed or expected. Prosafe Production does not intend, and does not assume any obligation to update any industry information or forward-looking statements set forth in this presentation to reflect subsequent events or circumstances.

Summary

- EBITDA of USD 59.7 million
- Robust operational performance
- Improved market balance
- Board recommends not to accept offer from BWO
 - Process of exploring strategic alternatives – including actively pursuing other buyers – continues
 - Sale of mooring business postponed as a consequence of the BWO bid



Financial results



Financial results

Operations

Market outlook

BWO offer

Profit & Loss



(unaudited figures in USD million)	Q2 10	Six months ended		Six months ended	
		Q2 09	30/06/2010	30/06/2009	30/06/2009
Operating revenues	106.5	80.5	211.8	141.1	
Operating expenses	(46.8)	(32.4)	(95.1)	(55.8)	
Operating profit before depreciation	59.7	48.1	116.7	85.2	
Depreciation	(36.0)	(19.6)	(68.6)	(33.3)	
Impairment	0.0	0.0	0.0	(0.0)	
Operating profit	23.7	28.5	48.1	51.9	
Interest income	0.0	0.1	0.1	0.3	
Interest expenses	(11.7)	(11.1)	(22.9)	(22.5)	
Other financial items	(0.5)	(0.7)	(1.3)	(3.1)	
Net financial items	(12.1)	(11.7)	(24.1)	(25.3)	
Profit before taxes	11.6	16.8	24.0	26.6	
Taxes	(5.9)	(3.7)	(7.5)	(7.9)	
Net profit (loss) from continuing operations	5.7	13.1	16.5	18.6	
Discontinued operations					
Net profit (loss) from discontinued operations	(1.3)	(0.9)	(2.1)	(1.3)	
Net profit (loss) for the period	4.4	12.2	14.4	17.3	
Earnings per share from continuing operations	0.02	0.05	0.06	0.07	
Earnings per share diluted from continuing operations	0.02	0.05	0.06	0.07	
Earnings per share	0.02	0.05	0.06	0.07	
Earnings per share diluted	0.02	0.05	0.06	0.07	

Balance Sheet



(unaudited figures in USD million)	30/06/10	30/06/09	31/12/09
Goodwill	65.5	128.3	128.3
Ships	1,700.1	1,738.7	1,756.2
Other non-current assets	7.2	14.0	7.3
Total non-current assets	1,772.8	1,881.0	1,891.8
Cash and deposits	101.9	111.4	133.8
Other current assets	96.0	90.9	71.0
Total current assets	197.9	202.3	204.8
Assets classified as held for sale	62.8	0.0	0.0
Total assets	2,033.5	2,083.3	2,096.6
Share capital	25.5	25.5	25.5
Other equity	782.5	822.4	788.2
Total equity	808.0	847.9	813.7
Interest-free long-term liabilities	59.6	1.3	38.3
Interest-bearing long-term debt	930.8	1,106.5	1,001.1
Total long-term liabilities	990.4	1,107.8	1,039.4
Other interest-free current liabilities	69.5	111.6	92.9
Current interest-bearing debt	165.6	16.0	150.6
Total current liabilities	235.2	127.6	243.5
Total equity and liabilities	2,033.5	2,083.3	2,096.6

Cash Flow

(unaudited figures in USD million)	Six months ended 30/06/2010	Six months ended 30/06/2009	2009
Profit before taxes from continuing operations	24.0	26.6	12.1
Profit (loss) from discontinued operations	(2.1)	(1.3)	(2.5)
Unrealised currency loss (gain)	1.3	0.0	(0.9)
Depreciation	68.6	33.3	83.7
Impairment	0.0	0.0	46.7
Taxes paid	(6.1)	(6.7)	(12.7)
Change in working capital	(48.3)	(34.7)	(8.1)
Other items from operating activities	19.4	18.5	33.3
Net cash flow from operating activities	56.7	35.7	151.6
Acquisition of tangible assets	(11.5)	(203.7)	(317.6)
Interest received	0.1	0.3	0.7
Net cash flow from investing activities	(11.4)	(203.4)	(316.9)
Proceeds from new interest-bearing debt	20.0	100.0	235.0
Repayment of interest-bearing debt	(76.1)	(10.1)	(107.6)
Interest paid	(21.2)	(21.8)	(39.2)
Net cash flow from financing activities	(77.2)	68.2	88.1
Net cash flow	(31.9)	(99.6)	(77.2)
Cash and deposits at beginning of period	133.8	211.0	211.0
Cash and deposits at end of period	101.9	111.4	133.8

Shareholders as of 30 June 2010



Account	No. of shares (million)	Ownership
BW OFFSHORE CYPRUS LIMITED (1)	44.50	17.44 %
PROSAFE HOLDING LTD.	19.78	7.75 %
BW EUROHOLDINGS LTD	15.33	6.01 %
BW OFFSHORE CYPRUS LTD	11.43	4.48 %
FOLKETRYGDFONDET	9.95	3.90 %
MORGAN STANLEY & CO INTERNAT. PLC	9.87	3.87 %
AWILCO INVEST AS	8.01	3.14 %
BROWN BROTHERS HARRIMAN & CO	7.50	2.94 %
RBC DEXIA INVESTOR SERVICES TRUST	7.12	2.79 %
ORKLA ASA	6.60	2.59 %
PARETO AKSJE NORGE	5.96	2.34 %
PROSAFE SE	5.60	2.19 %
UBS AG, LONDON BRANCH	5.45	2.14 %
BW LPG FPSO I LTD	5.00	1.96 %
HSBC BANK PLC	4.42	1.73 %
ODIN OFFSHORE	3.93	1.54 %
STATE STREET BANK AND TRUST CO.	3.67	1.44 %
BANK OF NEW YORK MELLON SA/NV	3.23	1.27 %
PARETO AKTIV	2.83	1.11 %
BANK OF NEW YORK MELLON	2.76	1.08 %

1) BW Offshore Ltd is controlled by BW Euroholdings Ltd's parent company BW Group Ltd. In total they own 76,265,270 shares in Prosafe Production Public Ltd, which constitutes 29.88% of the shares outstanding.

Operations



Financial results

Operations

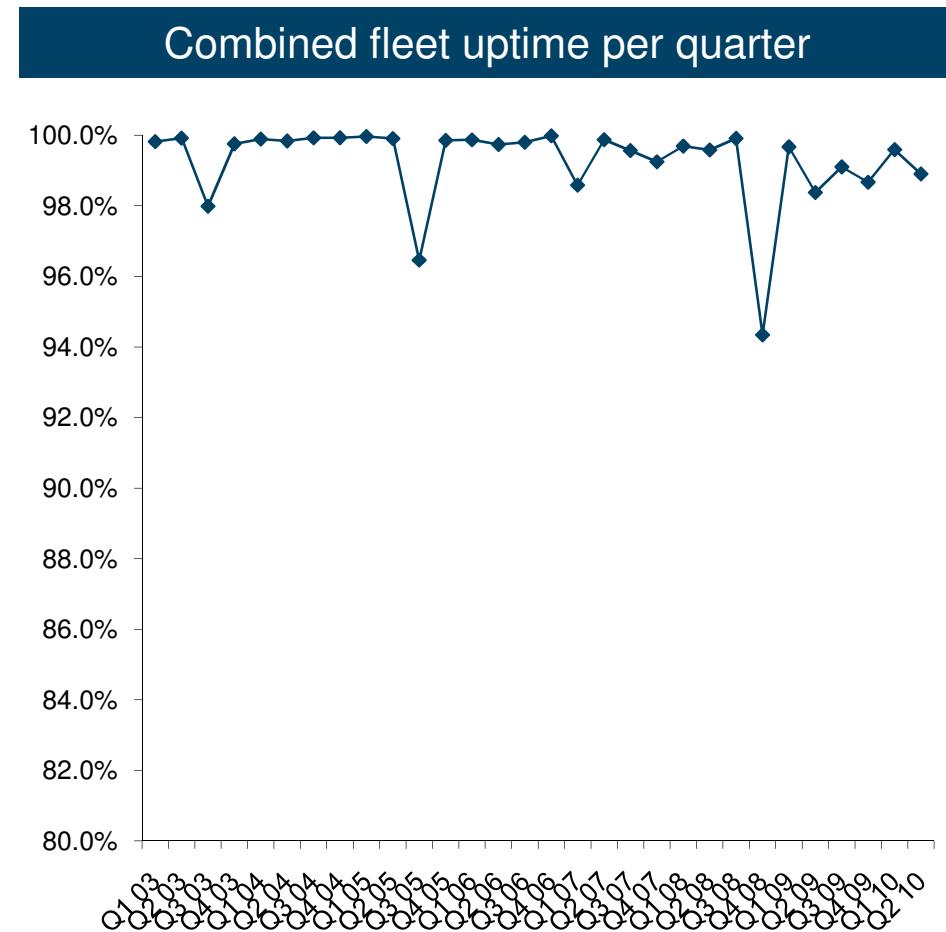
Market outlook

BWO offer

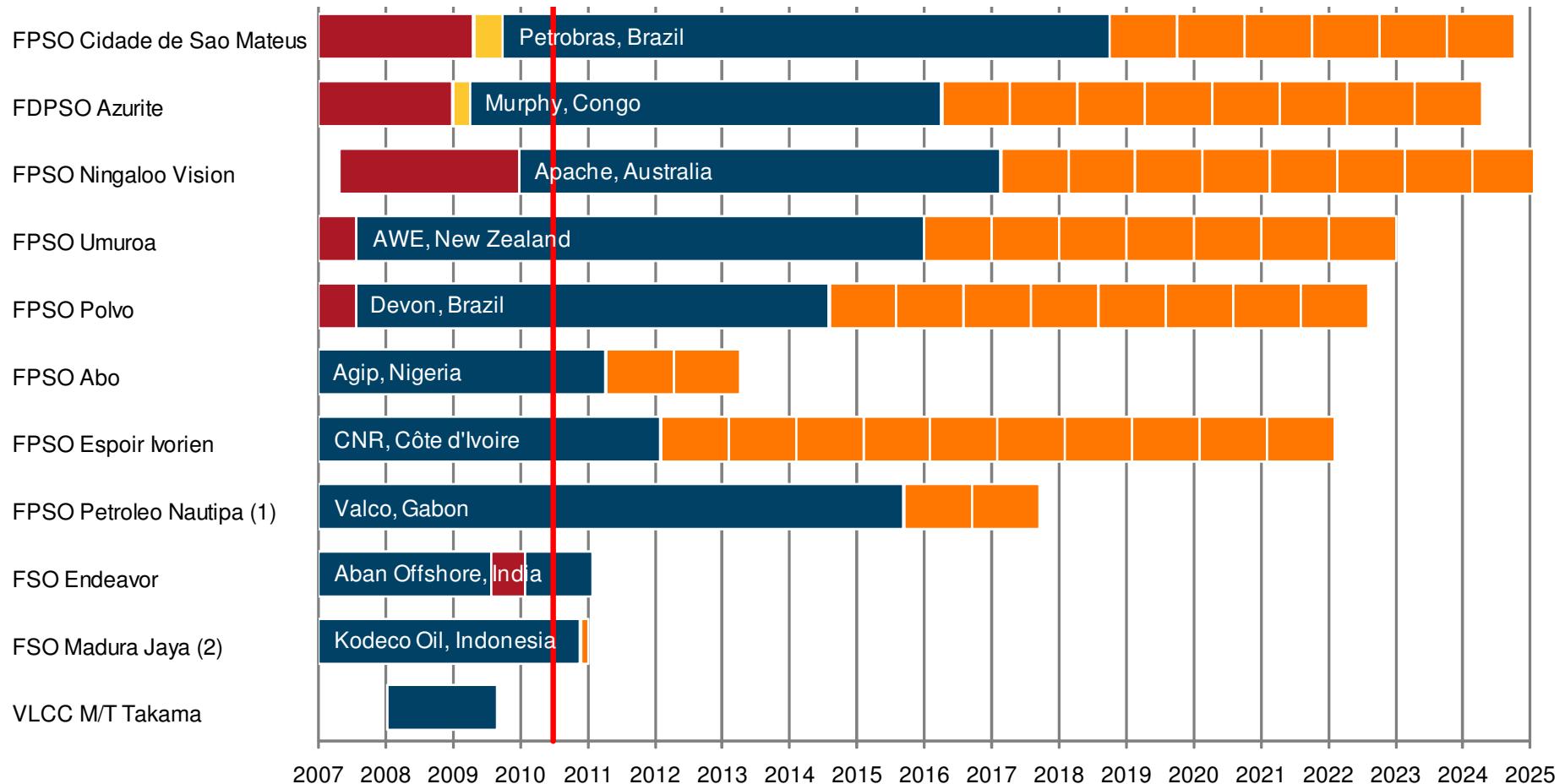
Solid operational performance

- Strong uptime delivered to clients also in Q2 10
- Robust HSE performance
- Slightly higher maintenance level expected in Q3

World class operations



Contract status



1. 50% ownership. Fred. Olsen Production holds remaining 50%

2. 50% ownership. Equinox holds remaining 50%

Conversion/yard stay Availability dayrate

Firm contract Option

Market Outlook



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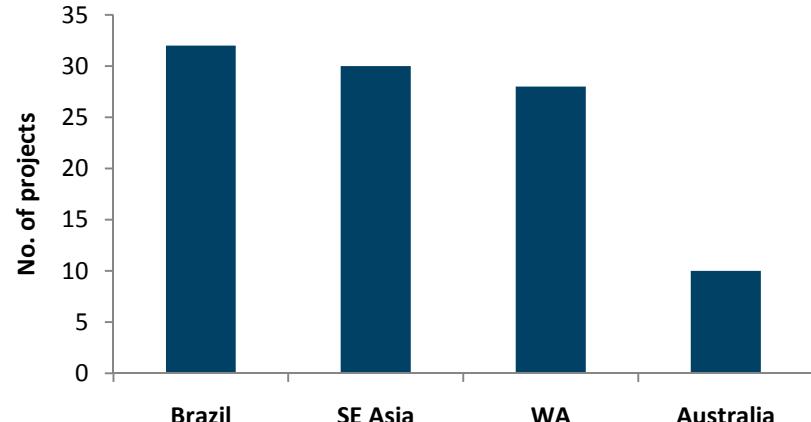
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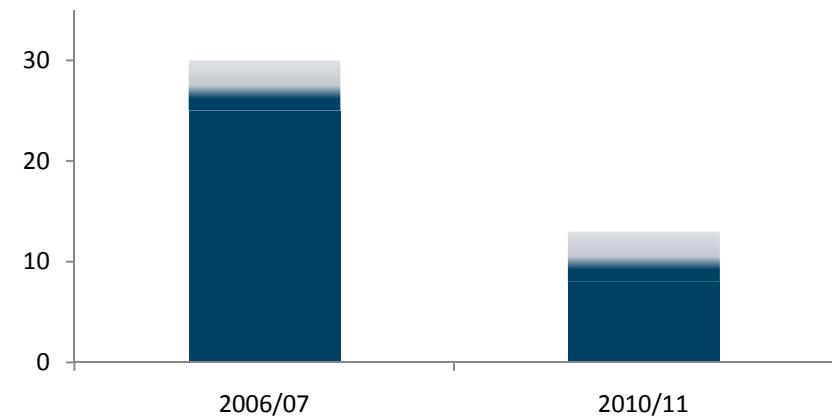
Improved market balance

- 15-20 FPSO contract awards expected annually next five years years
- Execution capacity on supply side significantly reduced in last few years
- Improved market balance
- Substantial part of market is in challenging areas:
 - High local content requirements
 - Lack of infrastructure

Possible projects next five years by region

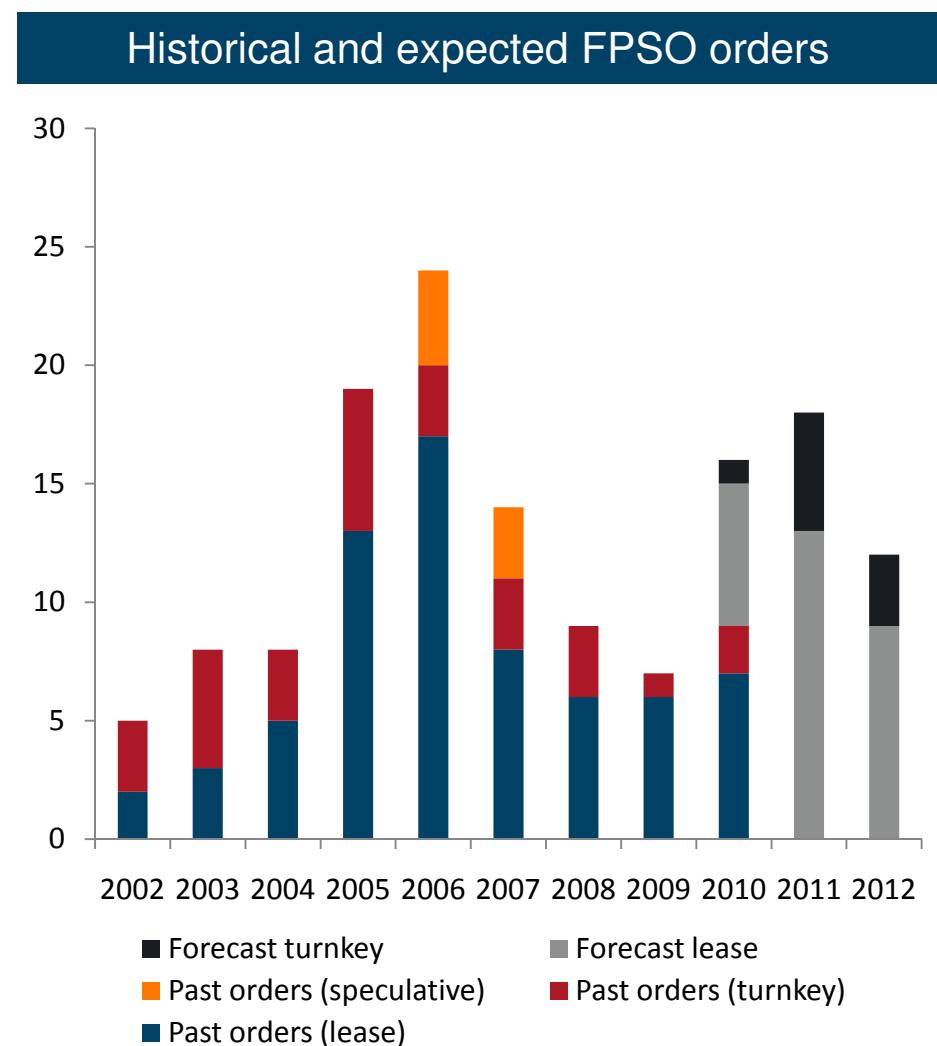


No of players actively pursuing projects



Positive short-term outlook

- Possible FPSO lease contracts next 12 months:
 - Australia: 2
 - Brazil: 7
 - WA: 3
 - SE Asia: 6
- Prosafe Production is well positioned in key regions
- Few redeployment candidates available will favour new conversions



Source: Fearnley Offshore

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Board recommends to reject



- BWO announced intention to put forward an offer of all outstanding shares in Prosafe Production on 21 June
- The offer was formally put forward on 27 July – offer period lasts to 25 August
- Relevant offer price: 1.2 BWO share + NOK 2.00 in cash per PROD share
- Board of Directors recommends shareholders not to accept the offer as it does not reflect underlying values
- Process of exploring strategic alternatives continues
 - Including actively pursuing alternative bidders to present an alternative offer

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