

To the bondholders in:

- ISIN NO 001 063572.5 FRN Prosafe SE Senior Unsecured Bond Issue 2012/2017 ("PRS08")
- ISIN NO 001 066963.3 FRN Prosafe SE Senior Unsecured Bond Issue 2013/2020 ("PRS09")
- ISIN NO 001 069189.2 FRN Prosafe SE Senior Unsecured Bond Issue 2013/2018 ("PRS10")
- ISIN NO 001 071747.3 FRN Prosafe SE Senior Unsecured Bond Issue 2014/2019 ("PRS11")

Oslo, 12 February 2016

Summons to Bondholders' Meetings

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issues (the "**Bonds**" or the "**Bond Issues**") issued by Prosafe SE (the "**Company**" or the "**Issuer**").

Capitalised terms used herein shall have the meaning assigned to them in the respective bond agreements dated 1 February 2012 with respect to PRS08, 10 January 2013 with respect to PRS09, 15 October 2013 with respect to PRS10 and 3 September 2014 with respect to PRS11 (the "**Bond Agreements**" and each a "**Bond Agreement**"), unless otherwise stated.

The information in this summons regarding the Issuer, the market conditions and the described transactions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

1 BACKGROUND

Reference is made to announcement of 12 January 2016, where the Company reported that it with support from its bank group, which includes DNB Bank and Nordea Bank, has agreed to amend both its USD 1,300 million and USD 288 million credit facilities. The amendments include:

- amended equity ratios to 25% equity ratio from 31 December 2015 until 31 December 2017, and 30% thereafter, and where equity ratio now means the ratio of book equity to total assets (and not value adjusted equity),
- amended leverage ratios of 6:1 from and including 1Q 2016 through 4Q 2018, and 5:1 thereafter, where leverage ratio means the ratio of net borrowings divided by adjusted EBITDA, and
- voluntary amortizations amounting to USD 130 million available to the Company until 31 December 2017.

The additional headroom and optionality created by these amendments provides the Company with increased operational and financial flexibility going forward.

In light of the above amendments, the Company has now also been in discussions with bondholders concerning similar amendments of the equity and leverage ratio covenants in the Bond Agreements to secure alignment across its financing sources. The financial covenants in the Company's financing sources, including the credit facilities and in the Bond Agreements have historically been aligned. A continued alignment, together with the completed NOK 590 million share issue and the announced extended contract with Statoil on the Mariner Project and the sellers credit agreed with Jurong for the Safe Zephyrus, will make the Company more robust in a continued challenging market and allow the

Company to be in a better position to execute on preferred initiatives.

2 THE PROPOSAL

Based on the above, the Issuer has approached the Bond Trustee in accordance with Clause 16.2.1 of each of the Bond Agreements and requested that Bondholders' Meetings be held in each of the Bond Issues.

The Issuer proposes that the Bondholders' Meetings resolve to approve the following amendments to the respective Bond Agreements (the "**Proposal**");

(a) Equity Ratio

The Issuer proposes that the equity ratio covenants in the Bond Agreements as set out in Clause 13.5.1 in the Bond Agreements for PRS08 and PRS09, and Clause 13.4 (c) (i) for PRS10 and PRS11 are amended so that:

- (i) the Issuer shall ensure that the Equity Ratio of the Group shall not fall below (i) 25 % in the period from and including 31 December 2015 to and including 31 December 2017 and (ii) 30% in the period thereafter, and
- (ii) the definition of Equity Ratio in Clause 1.1 of the Bond Agreements is amended to reflect to be the ratio of Book Equity to Total Assets (and not value adjusted).

By "**Book Equity**" is understood the Issuer's consolidated book value of equity and by "**Total Assets**" is understood the Issuer's consolidated book value of assets, in each case in accordance with GAAP.

(b) Leverage Ratio

The Issuer proposes that the leverage ratio covenants in the Bond Agreements as set out in Clause 13.5.2 in the Bond Agreements for PRS08 and PRS09, and Clause 13.4 (c)(ii) for PRS10 and PRS11 are amended so that:

- (i) the Issuer shall ensure that the Leverage Ratio shall not exceed (i) 6:1 in the period up to and including 31 December 2018, and (ii) 5:1 thereafter, and
- (ii) the definition of Leverage Ratio in Clause 1.1 of the Bond Agreements is amended to reflect to be the ratio of (on a consolidated basis) Net Borrowings (and not total debt) divided by Adjusted EBITDA (on a trailing four-quarter basis).

The Issuer shall comply with the Equity Ratio and the Leverage Ratio covenants at all times, and shall report its compliance on a quarterly basis.

By "Adjusted EBITDA" is understood, as further defined in Annex B, EBITDA adjusted for businesses or rigs acquired or disposed or new builds delivered by (i) the contribution of EBITDA shall be annualized for any such business or rig acquired which has not been in operation for the Group for the full previous 12-month period in the amount of the actual EBITDA, (ii) the contribution of EBITDA for any such business or rig disposed of shall be excluded, and (iii) for new builds which are committed under employment contracts, the contribution of EBITDA may be annualized to include estimated EBITDA for a full 12 month period under the relevant contract.

By "Net Borrowings" is understood, as further defined in Annex B, (a) the Group's amount of financial indebtedness, *less* (b) financial indebtedness related to rigs under construction/conversion; *less* (c) the negative marked to market value of any derivative transaction; *less* (d) free and available cash and cash equivalents.

(c) Dividends

The Issuer proposes that a dividend restriction is included in each of the Bond Agreements, as follows:

"Dividends and other distributions

The Issuer shall in the period up to and including 31 December 2017 not declare or make any dividend payment or other distributions, whether in cash or in kind, repurchase of shares (save as part of incentive schemes) or make other similar transactions (including, but not limited to, total return swaps related to shares in the Issuer or service any shareholders loan), or other distributions or transactions implying a transfer of value to its shareholders, unless (a) no Event of Default exists or will occur as a consequence of or immediately following such distribution and (b) the Equity Ratio of the Group immediately following such distribution is no less than 35%."

(d) NIBOR floor (PRS08 and PRS09)

To align the Bond Issues, the Issuer proposes that a NIBOR floor is included in PRS08 and PRS09, by amending the definitions of NIBOR in the Bond Agreements for these two bond issues by including "If any such rate is below zero, NIBOR will be deemed to be zero".

For complete definitions, please see Annex B hereto.

The Bond Trustee shall be authorized to prepare and execute appropriate amendment documents.

3 AMENDMENT FEE

As compensation to the Bondholders of those of the Bond Issues approving the Proposal, the Company offers the Bondholders of each of these Bond Issues a one-time amendment fee of 0.38% for PRS08, 1.37% for PRS09, 0.99% for PRS10 and 1.27% for PRS11, in each case flat of the Face Value of the relevant Bond Issue, payable to the Bondholders (with record date on the end of business the first Business Day following the date of the Bondholders' Meetings), within five Business Days after the Bondholders' Meeting, provided that the relevant Bondholders' Meeting accepts the Proposal set out in section 2 of this summons.

4 EVALUATION AND FURTHER INFORMATION

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by any of the Bond Trustee or the Issuer or any of their respective advisors. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly.

For further questions to the Issuer, please contact:

Cecilie Helland Ouff
Senior Manager
Finance and Investor Relations
Prosafe SE
Tel.: +47 51 64 25 00
Direct: +47 51 64 25 20
Mobile: +47 99 10 94 67

For further questions to the Bond Trustee, please contact through mail@nordictrustee.com or + 47 22 87 94 00.

The Bond Trustee has been informed that the Issuer has been in discussion with certain Bondholders

concerning the Proposal, and that Bondholders representing approx. 58.6% of the Voting Bonds in PRS08, approx. 50.8% of the Voting Bonds in PRS09, approx. 73.0% of the Voting Bonds in PRS10 and approx. 63.1% of the Voting Bonds in PRS11, have irrevocably undertaken to vote in favour of the Proposal.

The Issuer has engaged ABG Sundal Collier, DNB Markets and Nordea Markets as the Issuer's financial advisors ("Advisors") with respect to the Proposal.

The Advisors are acting solely for, and relying on information from, the Issuer in connection with the Proposal. No due diligence investigations have been carried out by the Advisors with respect to the Issuer or the Proposal, and the Advisors do not assume any liability in connection with the Proposal (including but not limited to the information contained herein).

5 SUMMONS FOR BONDHOLDERS' MEETING

The Bondholders are hereby summoned to Bondholders' Meetings in the Bond Issues:

Time: 26 February 2016 at 11:00 hours (Oslo time)

Place: The premises of Nordic Trustee ASA,
Haakon VII's gt 1, 0161 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of the Proposal:

It is proposed that each of the Bondholders' Meetings for the Bonds resolve the following:

"The Bondholders' Meeting approves the Proposal as described in section 2 of the summons for the Bondholders' Meeting. The Bond Trustee is authorised to (a) prepare, finalise and enter into the necessary amendment agreements and other documentation deemed appropriate in connection with documenting the decisions made by the Bondholders' Meeting according to the summons, and (b) for and on behalf of the Bondholders, take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and give effect to the Proposal, including the amendments set forth in section 2 of the summons and any ancillary amendments related thereto or appropriate in connection therewith."

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To approve the Proposal, Bondholders representing (i) more than 50% with respect to PRS08 and PRS09 and (ii) more than 2/3 (two-thirds) with respect to PRS10 and PRS11, of the Voting Bonds represented (in person or by proxy) at the Bondholders' Meetings must vote in favour of the Proposal. In order to have a quorum at least 1/2 of the Voting Bonds must be represented at the Bondholders' Meetings. Implementation of the Proposal in each of the Bond Issues shall not be subject to approval of the Proposal in each of the other Bond Issues.

Please find attached a Bondholder's Form from the Securities Depository (VPS) as Schedule A hereto, indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual Bondholder may authorise the Nordic Trustee ASA to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee ASA to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post to mail@nordictrustee.com , +47 22 87 94 10, or Nordic Trustee ASA, PO Box 1470 Vika, 0116 Oslo, Norway).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Nordic Trustee ASA, to notify Nordic Trustee ASA by telephone or by e-mail within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely
Nordic Trustee ASA



Enclosed:

- Annex A - Bondholder's Form
(Note: only included in versions of the summons distributed through VPS.)
- Annex B - Definitions

Annex B – Definitions

"Adjusted EBITDA" means, in relation to a Relevant Period, the Issuer's consolidated EBITDA for that Relevant Period adjusted by: (a) including the operating profit before interest, tax, depreciation, and amortisation (calculated on the same basis as EBITDA) of a Group Company for the Relevant Period (or attributable to a business or a Rig acquired during the Relevant Period) prior to its becoming a Group Company or (as the case may be) prior to the acquisition of the business or Rig; and (b) excluding operating profit before interest, tax, depreciation, and amortisation (calculated on the same basis as EBITDA) attributable to any Group Company (or to any business or Rig) disposed of during the Relevant Period; and (c) in relation to Rigs acquired or new built Rigs delivered during the Relevant Period, (i) the contribution of EBITDA shall be annualised for any such Rigs acquired which have not been in operation for the Group for the full previous 12-month period in the amount of the actual EBITDA; and (ii) for new built Rigs which are committed under employment contracts, the contribution of EBITDA may be annualised to include estimated EBITDA for a full 12 month period under the relevant contract.

"Book Equity" means the Issuer's consolidated equity in accordance with GAAP.

"Borrowings" means, on a consolidated basis, the Group's amount of Financial Indebtedness, *less* (a) Financial Indebtedness related to Rigs under construction/conversion; and *less* (b) the amount of any derivative transactions as set out in item (g) of the definition of Financial Indebtedness (and, when calculating the value of such derivative transaction, only the negative marked to market value (or if any actual amount is due as a result of the termination or close-out of that transaction, that amount) shall be taken into account).

"Cash" means:

- (a) cash in hand legally and beneficially owned by a Group Company; and
- (b) cash deposits legally and beneficially owned by a Group Company and which are deposited with (i) any of the Group's senior bank lenders or affiliates of such-lenders, (ii) any other deposit taking institution having a rating of at least A from Standard & Poor's Ratings Group or the equivalent with any other principal credit rating agency in the United States of America or Europe or (iii) any other bank or financial institution approved by the Bond Trustee (hereafter an **"Acceptable Bank"**),

which in each case:

- (i) is free from any Encumbrance which has been enforced or has become capable of enforcement;
- (ii) is at the free and unrestricted disposal of the relevant Group Company by which it is owned; and
- (iii) in the case of cash in hand or cash deposits held by a Group Company other than the Issuer, is (in the opinion of the Bond Trustee, upon such documents and evidence as the Bond Trustee may require the Issuer to provide in order to form the basis of such opinion) capable or, upon the occurrence of an Event of Default under this Bond Agreement, would become capable of being paid without restriction to the Issuer within five (5) Business Days of its request or demand therefore either by way of a dividend or by way of a repayment of principal (or the payment of interest thereon) in respect of an intercompany loan from the Issuer to that Subsidiary.

"Cash Equivalent" means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank (as defined under "Cash" above);
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America or any member state of the European Economic Area having a rating of AAA from Standard & Poor's Ratings Group or the equivalent with any other principal credit rating agency in the United States of America or Europe, or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security;

- (i) for which a recognised trading market exists;
- (ii) issued by an issuer incorporated in the United States of America or any member state of the European Economic Area;
- (iii) which matures within one year after the relevant date of calculation; and
- (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice; or
- (f) any other debt security approved as Cash Equivalent under the senior bank facilities, as documented to the reasonable satisfaction of the Bond Trustee,

in each case, to which any Group Company is alone (or together with other Group Companies) beneficially entitled at that time and which is not issued or guaranteed by any Group Company or subject to any Encumbrance (other than Encumbrance arising under the Group's senior bank facilities).

"**EBITDA**" means, after adding back any amount attributable to the amortisation, depreciation or impairment of assets of any Group Company (and taking no account of the reversal of any previous impairment charges made), the consolidated operating profit of the Issuer before taxation (including the results from discontinued operations): (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis); (b) not including any accrued interest costs to any Group Company; (c) before taking into account any Exceptional Items; (d) plus or minus the Group's share of the profits or losses (after finance costs and tax) of entities not being a Group Company; (e) before taking into account any gains or losses on any financial instruments not related to operating cash flows; and (f) after taking into account lease interest income to the extent the operational revenue of a Rig is classified as lease interest income under GAAP, in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Issuer on a consolidated basis before taxation.

"**Equity Ratio**" means the ratio of the Book Equity to Total Assets.

"**Exceptional Items**" means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on: (a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring; (b) disposals, revaluations or impairment of non-current assets; and (c) disposals of assets associated with discontinued operations.

"**Leverage Ratio**" means the ratio of Net Borrowings divided by Adjusted EBITDA for the Relevant Period.

"**Net Borrowings**" means the sum of Borrowings *less* Cash and Cash Equivalents.

"**Relevant Period**" means, for each Quarter Date, the preceding 12 months ending on that Quarter Date.

"**Total Assets**" means the Issuer's consolidated book value of assets in accordance with GAAP.