Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA

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, 27 July 2016

Summons to Bondholders' Meeting

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned senior unsecured bond issues (the "**Bonds**" or the "**Bond Issues**") issued by Prosafe SE as issuer (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, 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 the Issuer's press release of 7 July 2016, which is attached hereto as Schedule B. For further background information, reference is made to the presentation attached thereto, available under the Issuer's ticker on www.newsweb.no and on the Issuer's web site www.prosafe.com.

2 THE PROPOSAL

The Issuer has approached the Bond Trustee in accordance with the terms of each of the Bond Agreements, and requested that Bondholders' Meetings be held to consider the amendments to the terms and conditions for the Bond Issues as contemplated by the Refinancing, as defined and further described in the refinancing term sheet attached hereto as Schedule C (the "**Refinancing Term Sheet**").

Based on the above, the Issuer proposes that the Bondholders of each of the Bond Issues resolve the following (the "**Proposal**"):

(i) Approve the Refinancing on the terms described in the Refinancing Term Sheet (the "**Decision**").

(ii) Authorise the Bond Trustee to take the relevant steps on behalf of the Bondholders in connection with the implementation of the Refinancing, including without limitation to:

(a) prepare, finalise and enter into the necessary amendment agreements and other documentation deemed appropriate to document the Decision and take such further actions which are necessary to execute the Decision (hereunder related to the equitisation of any Bonds to new shares and convertible bonds in the Issuer (including subscribing for such shares and bonds));

(b) to waive any breaches of clauses in the Bond Agreements that are reasonably necessary in order to implement and complete the Refinancing, and to consent and agree to further amendments of the terms in the Refinancing Term Sheet where such amendments are of minor or technical nature or are otherwise consistent with the principles of the Refinancing and in the opinion of the Bond Trustee are not materially adverse to the rights and interests of the Bondholders; and

(c) to agree that the Bond Trustee may authorise and instruct a split of the Bonds to facilitate the Refinancing.

Implementation of the Proposal in each of the Bond Issues shall be subject to approval of the Proposal by the required majorities of Bondholders in all the Bond Issues as well as the other conditions set out in the Refinancing Term Sheet.

3 FURTHER INFORMATION

Issuer and Issuer's advisors

The Issuer has engaged ABG Sundal Collier ASA, DNB Markets, a part of Bank ASA, Moelis & Company, Nordea Markets, a part of Nordea Bank Norge ASA, Pareto Securities AS and Skandinaviska Enskilda Banken AB (publ.) Oslo Branch as its financial advisors (the "**Advisors**") in the Refinancing. Accordingly, Bondholders may contact the Advisors for further information:

ABG Sundal Collier ASA

Ola Nygård
+47 22 01 61 86
+47 412 13 410
ola.nygard@abgsc.no

Pareto Securities AS

Geir Sørflaten
+47 24 13 21 22
+47 977 33 701
Geir.sorflaten@paretosec.com

Nordea Markets

Kristoffer Sletten
+47 22 48 41 35
+47 92 09 99 46
kristoffer.sletten@nordea.com

DNB Markets

Pål Vammervold
+47 24 16 93 68
+47 99 70 26 17
pal.vammervold@dnb.no

SEB

Einar Wold
+47 22 82 66 96
+47 971 58 933
einar.wold@seb.no

The Advisors act solely for the Issuer and no-one else in connection with the Refinancing and the Proposal. It is noted that certain of the Advisors are also connected to DNB Bank ASA (DNB Markets as part of DNB Bank ASA) and, Nordea Bank Norge ASA (Nordea Markets as part of Nordea Bank Norge ASA) which are senior lenders to the Company and may have conflicting interest with the Bondholders.

No due diligence investigations have been carried out by the Advisors with respect to the Issuer, and the Advisors expressly disclaim any and all liability whatsoever in connection with the Proposal (including but not limited to in respect of the information herein).

For further questions to the Issuer, please contact Stig H. Christiansen, acting CEO and CFO, +47 51 64 25 17 / +47 478 07 813.

Bond Trustee and Bond Trustee's advisor

The Bond Trustee has appointed Fearnley Securities AS ("**Fearnley**") financial advisor to it and the Bondholders in the Refinancing. Accordingly, Bondholders may contact Fearnley for further information:

Fearnley Securities AS

Ole-Jacob Storvik +47 22936472 +47 92484647 o.j.storvik@fearnleys.no	Øystein Leivestad +47 93882303 ole@fearnleys.no

Fearnley acts solely for the Bond Trustee and the Bondholders and no-one else in connection with the Refinancing and the Proposal. No due diligence investigations have been carried out by Fearnley with respect to the Issuer, and Fearnley expressly disclaims any and all liability whatsoever in connection with the Proposal (including but not limited to in respect of the information herein).

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

4 EVALUATION OF THE PROPOSAL AND SUPPORT

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. It is also noted that the Refinancing Term Sheet includes certain action deadlines relevant for the Bondholders.

The Bond Trustee has been informed that the Issuer has been in discussion with certain large Bondholders concerning the Proposal, and that holders of significant positions in all bond series have irrevocably undertaken to vote in favour of the Proposal.

5 SUMMONS FOR BONDHOLDERS' MEETING

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

Time: **12 August 2016 at 13:00 hours (Oslo time)**

Place: **The premises of Nordic Trustee ASA,**
Haakon VIIs 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 the Bondholders' Meetings for each of the PRS08 bond issue, the PRS09 bond issue, the PRS10 bond issue and the PRS11 bond issue resolve the following:

"The Bondholders' Meeting approves the Proposal as described in section 2 of the summons for the Bondholders' Meeting."

* * * * *

To approve the Proposal, Bondholders representing more than two-thirds of the Voting Bonds for each of the Bond Issues represented (in person or by proxy) at the Bondholders' Meeting must vote in favour of the Proposal. In order to have a quorum at least ½ of the Voting Bonds for each of the Bond Issues must be represented at the Bondholders' Meeting.

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 submitted, 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 by 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely
Nordic Trustee ASA

Jo Forfang

Enclosed:
- (A) Bondholder's Form *(only included in summons version distributed through VPS)*
- (B) Background
- (C) Refinancing Term Sheet
- (D) Cash-out Option form

Schedule B – Background

Copy of the Issuer's press release of 7 July 2016:

Reference is made to Prosafe SE's ("Prosafe" or the "Company") financial report for Q1 2016 where it was reported that the Company was in dialogue with its key stakeholders for the purpose of improving the Company's financial situation. Reference is further made to the Company update on 1 June 2016, where it was reported that the ongoing discussions were based on a balanced solution involving new capital, amortization relief and covenant ease from senior lenders and conversion (equitization) of all or parts of the outstanding unsecured bond debt.

Based on these discussions, which have involved key stakeholders, including secured bank lenders, major bondholders and shareholders, the Company is today announcing the terms of a proposed comprehensive refinancing (the "Refinancing"). The Refinancing will, if completed, provide greater financial flexibility for the Company throughout the period until the end of 2020 including a solid liquidity buffer to weather a prolonged market downturn. The combined effect of the Refinancing, as further described below, is expected to improve the Company's liquidity by approximately USD 478 million over a five year period, and reduce the net interest bearing debt by approximately USD 395 million through 100% conversion of senior unsecured bonds, in addition to the contribution of new equity. At the end of 2020, the Company will continue to have a strong global competitive position, with a large modern fleet of accommodation vessels to service its worldwide operations.

The Refinancing includes the following main terms:

- New Equity: A private placement of minimum USD 130 million and maximum USD 150 million at an issue price of NOK 0.25 per share (the "New Equity"), of which NOK 712 million (approx. USD 85 million) is pre-subscribed by Prosafe's two largest shareholders, North Sea Strategic Investments AS and M&G (the "Anchor shareholders"), but always on condition that the Anchor shareholders' individual shareholdings post the Refinancing are never greater than 29.9% of the enlarged share capital of the Company post-Refinancing. The Anchor shareholders will be allocated minimum 1,500,000,000 and 1,348,000,000 shares, representing 29.76% and 26.75% of the Private Placement respectively (assuming issue size of USD 150 million). Between USD 40 million and USD 60 million of the proceeds from the New Equity will be used to buy-back part of the Company's bonds. The private placement will be carried out through an accelerated book-building, with minimum order and allocation level equal to the NOK equivalent of EUR 100,000 in accordance with relevant prospectus rules. The further terms and timeline for the private placement will be announced separately. Existing shareholders will receive preferred allocation for the first USD 130 million, and existing bondholders will receive preferred allocation for the remaining USD 20 million.
- Subsequent equity offering: The Company plans to conduct a subsequent equity offering (the "Subsequent Offering") of up to USD 15 million for the purpose of facilitating subscription by existing shareholders who are not able to participate in the private placement. New investors may be allowed to subscribe in such Subsequent Offering, but existing shareholders as of the date of close of the book-building for the private placement will be given non-tradable subscription rights with preference on allocation. The subscription price in the Subsequent Offering shall be the same as for the New Equity, NOK 0.25 per share. The Subsequent Offering is contemplated to be launched following fulfilment of the conditions for the Refinancing, including the necessary approvals of the Refinancing by the Company's banks, bondholders and shareholders, and subject to approval and publication of an offering and listing prospectus. The further terms and particulars of the Subsequent Offering will be announced in due course, and described in the prospectus to be prepared in connection

therewith.

- Senior unsecured bonds: NOK 2.4 billion (equivalent to approx. USD 290 million) in aggregate face value of the Company's outstanding senior unsecured bonds in PRS08, PRS09, PRS10 and PRS11 (the "Senior Unsecured Bonds") will be converted into new shares at 30% of the face value and/or cash at the option of each bondholder. The shares to the bondholders will be issued at NOK 0.25. The bondholders will receive a cash-out offer to tender bonds for cash. The cash-out offer will be of minimum USD 40 million and maximum USD 60 million. The cash-out offer will be structured as a reverse book-building whereby bondholders will apply for their preferred cash redemption in the range 25%-35% of the face value. Bondholders that cannot hold shares due to restrictions in their mandates will have an option to choose a convertible bond as an alternative to conversion to shares. The convertible bond will be a subordinated, zero coupon, 5 year bond that will be settled with shares at maturity (or at certain earlier conversion times at the option of the Company) at a conversion price of NOK 0.25.
- Bank Lenders: Reduction of amortisation on all bank facilities for 4 years from Q1 2017 until and including Q4 2020, with a total positive liquidity effect for the Company of USD 478 million. Significant financial covenant relief on all facilities to provide the Company with sufficient headroom to operate. A cash sweep mechanism will also be included and effective from Q1 2018 with payments being made only if there is available excess cash (as defined the detailed refinancing term sheet) which will be shared between Company and the bank lenders. Interest margins on the bank facilities will be calculated based on the existing leverage-based margin ratchet with additional flexibility introduced to allow the Company to pay part of the interest in PIK until and including Q2 2019.
- The current nominal value of Prosafe's ordinary shares is EUR 0.25. As part of the Refinancing, the Company will carry out a capital reduction in order to reduce the nominal value of the ordinary shares to EUR 0.001. This reduction will be carried out as a reduction of share capital without distribution, and will be proposed resolved by an extraordinary general meeting of the Company.
- Cosco: As part of and subject to the Refinancing, the Company has negotiated and agreed with Cosco deferred delivery of Safe Eurus to Q4 2019 (or such earlier time required by the Company) and a limitation on any further liability in the event Prosafe does not take delivery of the vessel, giving the Company increased flexibility and reduced financing risk. In addition, Prosafe and Cosco have also agreed a deferral of the repayment of the USD 29 million seller's credit to Q4 2019.
- The Refinancing remains conditional inter alia upon approval by bondholders' meeting in the Senior Unsecured Bonds and by the shareholders in an extraordinary general meeting. In addition, the Refinancing remains conditional upon relevant approvals by the bank lenders, definitive agreement with Cosco as outlined herein and customary closing conditions. The Company has obtained support from large bondholders in all bond series and from the Company's largest shareholders.
- The Refinancing will result in a substantial dilution of existing shareholders not participating in the New Equity, and the contemplated Subsequent Offering will not fully compensate the dilutive effect for the remaining shareholders. Having considered available alternatives, the Board is however of the opinion that such deviation from the equal treatment principle is fair and necessary, given the challenging financial situation of the Company, the prevailing market conditions, the agreed terms of the Refinancing and the Company's need for certainty and flexibility when seeking to secure the New Equity.

For further details on the Refinancing, please refer to the detailed Refinancing term sheet and the company presentation, both dated 7 July 2016 and attached hereto.

The actions contemplated in the Refinancing require approval by the Company's shareholders in an extraordinary general meeting, credit committee approval from Bank Lenders and by the Company's bondholders in bondholders' meetings for each of the PRS08, PRS09, PRS10 and PRS11 bonds (the "Bondholders' Meetings"). Notice of such meetings and further details will be issued in due course.

ABG Sundal Collier ASA, DNB Markets (a part of DNB Bank ASA), Nordea Markets, a part of Nordea Bank Norge ASA, Moelis & Company, Pareto Securities AS and Skandinaviska Enskilda Banken AB (publ.) Oslo Branch are acting as financial advisors to the Company in connection with the Restructuring. Clarkson Platou Securities AS has provided independent fairness advice to the Company's board. Schjødt is acting as Norwegian legal advisor to the Company. Fearnley Securities AS act as financial advisor to bondholders.

Prosafe is the world's leading owner and operator of semi-submersible accommodation vessels. The company operates globally and is headquartered in Larnaca, Cyprus. Prosafe is listed on the Oslo Stock Exchange with ticker code PRS. For more information, please refer to www.prosafe.com

Larnaca, 7 July 2016
Georgina Georgiou, General Manager
Prosafe SE

* * * * *

Schedule C to summons letter dated 27 July 2016

Refinancing Term Sheet

Prosafe SE

*This refinancing term sheet (the "**Refinancing Term Sheet**") sets out the terms for the proposed refinancing of Prosafe SE (the "**Issuer**" or the "**Company**"), including proposed amendments to the Company's two senior bank facilities and four senior unsecured bonds issued by the Company, PRS08, PRS09, PRS10 and PRS11, and certain other agreements and arrangements (the "**Refinancing**").*

Definitions:	"**Bank Facilities**" means the Group's existing senior secured bank facilities, being the MUSD 288 Facility and the MUSD 1,300 Facility. "**Bank Lenders**" means the lenders under the Bank Facilities. "**Bond Trustee**" means Nordic Trustee ASA in its capacity as bond trustee for the Senior Unsecured Bonds. "**Capital Reduction**" means the reduction of the nominal value of the Ordinary Shares of the Company through a share capital reduction as described herein, as approved by a shareholders meeting and the Cyprus court and subsequently registered with the Cypriot Company Registry. "**Cash-out Option**" means the offer to Bondholders to receive cash settlement as further described under "Cash-out Option" below. "**Cash Sweep Testing Date**" means 31st March every year beginning in 2018. "**Cash Sweep Threshold**" means an amount equivalent to USD 155 million on 31st March 2018; USD 135 million on 31st March 2019; USD 115 on 31st March 2020; USD 95 million on 31st March 2021. "**Class A Shares**" means the shares in the Company of Class A, with nominal value of EUR 0.001, which will rank pari passu in all respects with Ordinary Shares and be converted to the Ordinary Shares following the Capital Reduction. "**Debt to Equity Conversion**" means conversion to new shares of the Company of the Senior Unsecured Bonds as described further under "Debt to Equity Conversion" below. "**Effective Date**" means the date on which all the conditions precedent for the Refinancing have been fulfilled. "**Excess Cash**" means, in relation to the Cash Sweep prior to 1st April 2019, **Pre-1 April 2019 Excess Cash** and from 1st April 2019, **Post-1 April 2019 Excess Cash** "**Group**" means the Company and its direct and indirect subsidiaries, and a "**Group Company**" means the Company or any of its subsidiaries. "**MNOK 290 Guarantee**" means the NOK 290 million Guarantee and

	Counter Indemnity Agreement dated 14 December 2015 with Nordea Bank Finland Plc as Guarantor and Nordea Bank Norge ASA as Agent. "**MUSD 288 Facility**" means the USD 288 million term loan facilities agreement dated 27 May 2014 and as most recently amended and restated on 29 December 2015 with Nordea Bank Norge ASA as Facility and Security Agent. "**MUSD 1,300 Facility**" means the USD 1,300 million senior secured term and revolving credit facilities agreement dated 6 February 2015 and as amended and restated on 30 December 2015 with Nordea Bank Norge ASA as Agent and Security Agent. "**Ordinary Shares**" means the ordinary shares of the Company with the current nominal value of EUR 0.25, which will be reduced to EUR 0.001 through the Capital Reduction. "**Pre-1 April 2019 Excess Cash**" means the sum of available capacity under the RCF and cash balance, less prevailing Cash Sweep Threshold. "**Post-1 April 2019 Excess Cash**" means the sum of available capacity under the RCF and cash balance, less the sum of (a) prevailing Cash Sweep Threshold, and (b) 50% (fifty per cent) of the scheduled debt amortisation payments falling due within 12 months following the relevant Cash Sweep Testing Date. "**Senior Unsecured Bond Agreements**" means (i) the bond agreement originally dated 1 February 2012 in respect of the NOK 500 million Senior Unsecured Callable Bond Issue 2012/2017 with ISIN NO 001 0635725 (as amended and restated from time to time) and current maturity on 8 February 2017 (the "**PRS08 Bonds**"), (ii) the bond agreement originally dated 10 January 2013 in respect of the NOK 500 million Senior Unsecured Callable Bond Issue 2013/2020 with ISIN NO 001 0669633 (as amended and restated from time to time) and current maturity on 17 January 2018 (the "**PRS09 Bonds**"); (iii) the bond agreement originally dated 15 October 2013 in respect of the NOK 700 million Senior Unsecured Callable Bond Issue 2013/2018 with ISIN NO 001 0691892 (as amended and restated from time to time) and current maturity on 22 October 2018 (the "**PRS10 Bonds**"); and (iv) the bond agreement originally dated 3 September 2014 in respect of the NOK 700 million Senior Unsecured Callable Bond Issue 2014/2019 with ISIN NO 001 0717473 (as amended and restated from time to time) and current maturity on 9 September 2019 (the "**PRS11 Bonds**"). "**Senior Unsecured Bonds**" means the PRS08 Bonds, PRS09 Bonds, PRS10 Bonds and PRS11 Bonds, collectively.
The Senior Unsecured Bonds:	As part of the Refinancing, the following will be carried out in respect of the Senior Unsecured Bonds: **General:** All Senior Unsecured Bonds totalling NOK 2.4 billion of face value to be offered the option of equity (through the Debt to Equity Conversion) and/or the Cash-out Option. In addition, holders of Senior Unsecured Bonds will have the right to subscribe for USD 20 million of the New Equity (as described below), but only in the event that demand for the Cash-out Option exceeds USD 40 million.

Debt to Equity Conversion:
Up to NOK 1,440 million (depending on the uptake under the Cash-out Option and the CB Option, as described below) of the Senior Unsecured Bonds shall be converted to new shares in the Company. The Debt to Equity Conversion will be done at an exchange price equal to 30% of the current face value and the new shares issued at a price equal to the subscription price of the New Equity as set out below (i.e. NOK 0.25 per share).

Of the NOK 1,440 million of the Senior Unsecured Bonds to be converted to equity as per the above, a maximum amount of NOK 800 million may as an alternative be converted to into a new convertible bond at 30% of the face value (the "**CB Option**").

The main terms of such convertible bond (the "**Convertible Bond**") will be as follows:

- Amount: up to NOK 240 million
- Equity subscription/conversion price of NOK 0.25 / share
- Maturity: 5 years from issue resolution date
- Zero coupon
- Unsecured and subordinated
- Convertible at the Company's option at the following times:
    - Maturity;
    - Formal insolvency proceedings of Prosafe SE or one or both of its material asset owning subsidiaries.
    - Upon a material refinancing of the majority of the financial indebtedness of the Prosafe group in connection with actual or potential financial difficulties.
- Repayment / redemption only through conversion into equity or issuance of new equity.
- Convertible bondholders to have preferential allocation of common equity in line with holders of common equity.

For further details, please refer to the CB term sheet attached hereto as appendix 1.

The CB Option will only be available to bondholders which in writing (i) request the CB Option and (ii) represents that it is restricted from taking equity consideration. **Such requests must be made by email to acceptance@abgsc.no within 8 August 2016 at 16:00 hours CET.**

In case holders of the Senior Unsecured Bonds request the CB Option for more than the abovementioned limitation (NOK 240 million), each holder which has requested the CB Option will be scaled down pro-rata and will be given the option to either participate in the cash-out by participating in the Cash-out Option or to convert into equity on the terms herein.

Cash-out Option:
The Bondholders shall be offered to tender Senior Unsecured Bonds for redemption in cash by the Company at a price within a range of 25% to 35% of current face value, equal to an aggregate redemption amount of up to NOK 500 million (USD 60 million) (the "**Cash-out Cap**").

The Cash-out Option offer will be structured as a reverse book-building whereby each bondholder will be given the option to offer their cash-out

	price and volume to the Company (as further described in the "Form for exercise of Cash-out Option"). The clearing price to be based on all offers received, and cash allocations to be based on volume and best price for the Company, with settlement to be based on the price at which the book clears. No additional payment will be made for accrued unpaid interest, including default interest. **To participate in the Cash-out offer, a duly executed "Form for exercise of Cash-out Option" must be completed, executed and returned by email to the addresses set out therein within 10 August 2016 at 16:00 hours CET. The form is attached as Schedule D to the summons for the bondholders' meeting to consider the Refinancing.** To the extent the Cash-out Option is exercised for Senior Unsecured Bonds representing an amount less than NOK 336 million (USD 40 million) (the "**Minimum Cash-out Amount**"), then the clearing price will be deemed to be 35% of current face value of the Senior Unsecured Bonds and the remainder of the Minimum Cash-out Amount shall be applied for a pro-rata redemption across remaining existing Senior Unsecured Bonds not tendered for cash-out redemption at this price. Bonds that are not tendered against cash under the Cash-out Option will be subject to the Debt to Equity Conversion. In the event that the Bonds tendered for cash-out redemption exceed the Cash-out Cap, the cash-out redemption shall be allocated among the Bondholders who have applied for cash-out redemption for a cash-out price equal to or lower than the price on which the Cash-out clears on a pro rata basis and the excess Bonds shall be converted to equity on the Debt to Equity Conversion terms. **Default mechanism:** Bondholders applying for neither the CB Option nor the Cash-out Option, will be converted to equity on the Debt to Equity Conversion terms as a default mechanism, subject to the Minimum Cash-out Amount. **Remission of debt:** All accrued interest, including default interest, and the remaining aggregate face value of the Senior Unsecured Bonds in excess of the face value of Senior Unsecured Bonds which is subject to the Debt to Equity Conversion, the CB Option and the Cash-out Option shall be discharged as part of remission of debt. **Equity participation rights:** As set out below under New Equity, the holders of the Senior Unsecured Bonds were as part of the Refinancing granted a preferred right to allocation for USD 20 million of the new equity in the event that demand for the Cash-out Option exceeds USD 40 million, and subject to preferred allocation to existing shareholders of the first USD 130 million of the New Equity. To utilise this equity participation right, bondholders had to participate in the private placement launched on 7 July 2016 and closed on 12 July 2016.
The MUSD 1,300 Facility:	As part of the Refinancing, the Company will amend each of the Bank Facilities as follows: **Reduction in amortisations:**

From and including 1 January 2017 until and including 30 June 2019, the repayment by an amount of 90% (equal to a total amount of USD 58.5 million per instalment) of each of five semi-annual instalments under the USD 1,300 million term loan facilities shall be postponed and be repaid on the final maturity date.

From and including 1 July 2019 until and including 31 December 2020, the repayment by an amount of 70% (equal to a total amount of USD 45.5 million per instalment) of each of three semi-annual instalments under the USD 1,300 million term loan facilities shall be postponed and be repaid on the final maturity date.

Covenant changes:
The following changes to be made to the covenants:

- *Dividend restrictions*: No dividends or cash distribution to equity allowed until all bank lenders have received repayments equal to the value of all the deferred instalments.

- *Minimum Liquidity*: USD 65 million commencing from closing of the transaction

- *Interest Coverage Ratio:* From closing of transaction until and including 31st December 2019, Interest Coverage Ratio to be no less than 1.0x. Including and from the period starting 1st January 2020 onwards, Interest Coverage Ratio to be no less than 1.5x.

- *Leverage Ratio:* To be suspended until and including 31st December 2020. The Company and Lenders will negotiate in good faith a new set of leverage ratios for the period from 1 January 2021 onwards. If no agreement is reached prior to the first test date of 31st March 2021, the Leverage Ratio will be calculated using the actual reported leverage ratio at 31st December 2020 plus 15% additional headroom.

- *Equity Ratio:* To be deleted from covenants.

- *Minimum Market Value*: To be suspended until and including 31st December 2018. From and including 1st January 2019 onwards, the Company will obtain three broker valuations once a year and the average of the three broker valuations must be greater than/equal to 110% for two consecutive years.

- *Maximum Capital Expenditure:* To be determined based on a 30% headroom to the annual board approved budget to be delivered to the Lenders before the start of the financial year with ability to carry forward unused amounts for 1 year

Cash sweep:
A cash sweep mechanism (the "**Cash Sweep**") to be included, whereby the Company on each Cash Sweep Testing Date and payment date of 30th April annually, with the first Cash Sweep payment date being 30th April 2018, shall make Cash Sweep payments to be shared with the Company and Lenders (distributed pro-rata across bank facilities based on outstanding amounts at Cash Sweep Testing Date) based on Excess Cash available as at

the Cash Sweep Testing Date.

Cash Sweep Terms *(in US$ millions)*	Mar 2018	Mar 2019	Mar 2020	Mar 2021
Cash Sweep Threshold	155	135	115	95
Excess Cash Split				
Banks	*60%*	*70%*	*80%*	*90%*
Company	*40%*	*30%*	*20%*	*10%*

Any Cash Sweep payment shall only be made if the Group's firm contract backlog on the relevant Cash Sweep Testing Date represents no less than USD 350 million of revenue for the following 12 months.

Margin on outstanding amounts:

Applicable margin shall be calculated in accordance with the leverage ratchet outlined in the table below:

For the period from closing until 30-Jun-19

Applicable Leverage Ratio	$1.3bn Facility	
	Cash Margin	PIK Margin
Less than or equal to 3.00:1	2.00%	-
Above 3,00:1 and less than or equal to 4.00:1	2.15%	-
Above 4,00:1 and less than or equal to 5.00:1	2.15%	0.15%
Above 5,00:1 and less than or equal to 5.50:1	2.15%	0.35%
Above 5.50:1	2.15%	0.60%

For the period from 01-Jul-19 onwards

Applicable Leverage Ratio	$1.3bn Facility
	Cash Margin
Less than or equal to 3.00:1	2.00%
Above 3,00:1 and less than or equal to 4.00:1	2.15%
Above 4,00:1 and less than or equal to 5.00:1	2.30%
Above 5,00:1 and less than or equal to 5.50:1	2.50%
Above 5.50:1	2.75%

The MUSD 288 Facility: As part of the Refinancing, the Company will amend the MUSD 288 Facility as follows:

Reduction in amortisations:
From and including 1st January 2017 until and including 30th June 2019, the repayment by an amount of 90% of each quarterly repayment instalment (equal to a total amount of USD 2.70 million per instalment) under "Safe Notos" tranches shall be postponed and be repaid on the final maturity date.

From and including 1st July 2019 until and including 31st December 2020, the repayment by an amount of 70% of each quarterly repayment instalment (equal to a total amount of USD 2.10 million per instalment) under "Safe Notos" tranches shall be postponed and be repaid on the final maturity date.

In addition, in the event the Company takes delivery of "Safe Eurus", the repayment of the "Safe Eurus" tranches shall follow the same amortisation relief schedule as per "Safe Notos" tranches defined above.

Covenant changes:
Same as for the MUSD 1,300 Facility.

Cash sweep:
Same as for the MUSD 1,300 Facility.

Amendment of availability for Safe Eurus tranche:
Availability period for the Rig B Tranches to be extended to 31 December 2019.

Margin on outstanding amounts:

Applicable margin shall be calculated in accordance with the leverage ratchet outlined in the table below:

For the period from closing until 30-Jun-19

Applicable Leverage Ratio	$288m Facility	
	Cash Margin	PIK Margin
Less than or equal to 3.00:1	2.15%	0.10%
Above 3.00:1 and less than or equal to 4.00:1	2.15%	0.10%
Above 4.00:1 and less than or equal to 5.00:1	2.15%	0.15%
Above 5.00:1 and less than or equal to 5.50:1	2.15%	0.35%
Above 5.50:1	2.15%	0.60%

For the period from 01-Jul-19 onwards

Applicable Leverage Ratio	$288m Facility
	Cash Margin

Less than or equal to 3.00:1	2.25%
Above 3.00:1 and less than or equal to 4.00:1	2.25%
Above 4.00:1 and less than or equal to 5.00:1	2.30%
Above 5.00:1 and less than or equal to 5.50:1	2.50%
Above 5.50:1	2.75%

MNOK 290 Guarantee:	As part of the Refinancing, the Company will amend the covenants under the MNOK 290 Guarantee to be no less favourable for the Company than under the Bank Facilities.
Cosco	The Company shall enter into final agreements on substantially the same terms as set out in the term sheet agreed between Cosco (Qidong) Offshore Co Ltd and Prosafe Rigs Pte Ltd, which inter alia includes (i) deferred delivery of Safe Eurus until 31 December 2019 (or such earlier time as required by the Company); (ii) deferred maturity date of the seller's credit agreement to 31 December 2019, (iii) limitations to liability exposure in the event of Prosafe does not take delivery of Safe Eurus and (iv) certain agreed lay-up costs.
Shareholders:	The Company will call an extraordinary general meeting to propose that the shareholders approve the Refinancing, including (i) the issuance of the New Equity (as defined below) and authorising of the Subsequent Equity Offering, (ii) the issuance of the Convertible Bond ((i) and (ii) together the "**Required Shareholder Resolutions**") and (iii) the Capital Reduction. The shareholders shall also have a right to participate in the New Equity and/or the Subsequent Equity Offering (see below).
New Equity:	As part of, and as a condition to the Refinancing, the Company will conduct an offering of new shares of the NOK equivalent of between USD 130 million and up to USD 150 million in gross proceeds to the Company (the "**New Equity**"). The New Equity will be issued at a subscription price of NOK 0.25 per share. Of the net proceeds from the New Equity, USD 40 million to USD 60 million will be used to fund the Cash-out Option, and the remaining for operational liquidity and general corporate purposes. The offering of the New Equity was conducted as a private placement in the period between 7 and 12 July 2016, and was directed towards existing stakeholders and new investors, with a preferred allocation for existing shareholders for the first USD 130 million and preferred allocation for the Senior Unsecured Bondholders for the remaining USD 20 million (in the event that demand for the Cash-out Option exceeds USD 40 million) as well as a second-ranking preferred allocation to subscribe for the first USD 130 million to the extent not fully subscribed for by existing shareholders. The minimum subscription amount was EUR 100,000, in accordance with

	statutory limitations. NOK 712 million of the New Equity was pre-subscribed for by certain of the Company's existing shareholders, North Sea Strategic Investments AS and M&G. Closing of the issuance of the New Equity remains conditional upon the passing of the Required Shareholder Resolutions and completion of the Refinancing. Pending the Capital Reduction, the shares issued as part of the New Equity will be Class A Shares, cf also the section "*Reduction of the nominal value / share capital reduction*" below. The new shares will not be listed until completion of the Capital Reduction and publication of a listing prospectus, expected to be issued as part of the Subsequent Equity Offering. The Company may seek a registration of the Class A Shares on N-OTC.
Subsequent Equity Offering:	As part of the Refinancing, the Company intends to conduct a subsequent equity offering of up to USD 15 million for the purpose of giving existing shareholders not participating in the New Equity the opportunity to subscribe for new shares of the Company (the "**Subsequent Equity Offering**"). New investors shall be allowed to subscribe in the New Equity, but existing shareholders shall have preferred allocation and will receive non-tradable subscription rights. The subscription price in the Subsequent Equity Offering shall be the same as in the New Equity. Reference is also made to the section "*Reduction of the nominal value / share capital reduction*" below.
Reduction of the nominal value / share capital reduction:	The current nominal value of the Ordinary Shares is EUR 0.25. As part of the Refinancing, the Company will carry out the Capital Reduction in order to reduce the nominal value of the Ordinary Shares. This reduction will be carried out as a reduction of share capital without distribution, and will be proposed resolved by an extraordinary general meeting of the Company. The proposed new nominal value will be EUR 0.001. Any new Ordinary Shares to be issued as part of the New Equity, the Debt to Equity Conversion or the Subsequent Equity Offering is expected to be issued as Class A Shares, such shares to have equal rights in all respects as the existing Ordinary Shares. The Class A Shares will in all respects rank pari passu with and have equal rights as the Ordinary Shares, including with respect to dividends and voting. The Class A Shares will following completion of the Capital Reduction and approval and publication of a listing prospectus be converted into Ordinary Shares. Pending such listing and conversion, the Company may seek a registration of the Class A Shares on N-OTC.
Conditions:	The occurrence of the Effective Date will be subject to the following conditions precedent being fulfilled on or prior to 30 September 2016: (i) Confirmation by the Company that New Equity has been

	subscribed for in the minimum amount of USD 130 million in gross proceeds. (ii) Approval of the Refinancing at a meeting of the bondholders in each of the Senior Unsecured Bonds by bondholders representing at least 2/3 of the principal amount outstanding in the respective bonds present and voting. (iii) The passing of each of the Required Shareholder Resolutions at a duly convened shareholders' meeting of the Company. (iv) No member of the Group having entered into any bankruptcy, liquidation, administration, receivership or any other insolvency procedure (or any analogous proceeding in any other jurisdiction), whether voluntary or involuntary. (v) No enforcement or acceleration or debt recovery action having been taken by or on behalf of any of the other creditors and/or suppliers of the Company or any member of the Group under or in connection with any other indebtedness or due amounts of the Company or any member of the Group in an aggregate amount in excess of USD 20 million. (vi) Confirmation from the Company that the amendments to the Bank Facilities and the MNOK 290 Guarantee contemplated by this Refinancing Term Sheet have been agreed. (vii) Confirmation from the Company that agreement with Cosco has been entered into on terms contemplated by this Refinancing Term Sheet. (viii) North Sea Strategic Investments AS and M&G's individual shareholdings are not greater than 29.9% of the enlarged share capital of the Company post-Refinancing. (ix) Other customary condition precedent as reasonably requested by the Bond Trustee and the Bank Lenders, respectively.

Appendix 1 – Convertible Bond term sheet

Convertible Bond Term Sheet

NOK [240] million Prosafe SE Subordinated Convertible Bonds 2016/2021 (the "Convertible Bonds" or the "Convertible Bond Issue")

*This term sheet (the "**Term Sheet**") sets out the main terms for a convertible bond to be issued as part of and subject to a proposed refinancing (the "**Refinancing**") of Prosafe SE (the "**Issuer**") as further described in the refinancing term sheet to which this Term Sheet is attached (the "**Refinancing Term Sheet**").*

Issuer:	Prosafe SE, a European public company limited by shares (SE) domiciled on Cyprus with registration number SE4, and the shares of which are listed on Oslo Børs under ticker "PRS".
Issue Amount:	NOK [240,000,000]
Currency:	NOK
Nominal Value:	The bonds will have a nominal value of NOK 1 each.
Coupon Rate:	Zero coupon.
Settlement Date:	Expected to be August 2016.
Maturity Date:	Expected to be August 2021 (five years after issue resolution date).
Issue Price:	100 % of par
Redemption Price:	100 % of par
Amortization:	At the Maturity Date, the Convertible Bonds shall at the option of the Issuer either (i) be repaid by the Issuer using only proceeds from an equity issue for such purpose or (ii) be converted to Shares at the prevailing Conversion Price, in each case if not previously converted into Shares.
Status:	The Convertible Bonds shall rank as subordinated unsecured obligations of the Issuer. The Convertible Bonds shall be subordinated to the senior debt of the Issuer. See also Share Settlement Option below.
Use of Proceeds:	The Convertible Bonds will be used as consideration for redemption of existing bonds of the Company as set out in the Refinancing Term Sheet.
Conversion Price:	NOK 0.25, equal to the Reference Share Price.
Reference Share Price:	NOK 0.25 (the share issue price in the New Equity Issue).
New Equity Issue:	The new equity issue conducted as a private placement directed towards existing stakeholders and new investors as part of the Refinancing, raising gross proceeds of the NOK equivalent of USD 130 to 150 million.
Adjustment to the	The Bond Agreement will contain provisions for adjustment of the

Conversion Price:	Conversion Price for dividends, share splits, and any other distributions to all or any substantial part of the Issuer's shareholders in line with Euromarket standards, adjusted as appropriate for the terms of Convertible Bonds. For the avoidance of doubt, no adjustment shall occur as a consequence of the New Equity Issue or the Subsequent Equity Offering (as defined in the Refinancing Term Sheet). With respect to share issues, Bondholders will receive participation rights in line with holders of Shares.
Bondholder's Conversion Rights:	Each Bondholder shall be entitled to convert any or all of their Convertible Bonds into (i) pending completion of the Capital Reduction as further described below, Class A Shares and (ii) after the Capital Reduction ordinary shares of the Issuer (in each case the "**Shares**") at the Conversion Price at any time during the Conversion Period by sending a notice to the Issuer ("**Conversion Notice**"). If an exercise of the Conversion Right gives rise to fractional shares, the number of Shares resulting from the conversion shall be rounded down to the nearest whole Share (fractional Shares will not be issued). The conversion right cannot be separated from the Convertible Bonds.
Conversion Period:	Means the period commencing on the Settlement Date and ending on the tenth (10^{th}) business day prior to the Maturity Date.
Conversion Date:	The Conversion Date will be the tenth (10^{th}) business day after the date on which the Conversion Agent has received the Conversion Notice from a Bondholder notifying the Conversion Agent that it is exercising its Conversion Right.
Share Settlement Option:	The Issuer has the option to force early conversion of all (but not only some) Bonds to Shares at the following events (the "**Share Settlement Options**"): (i) at the Maturity Date; (ii) in the event of a Formal Insolvency Event; or (iii) in the event of a Refinancing Event. If the Issuer exercise the Share Settlement Option, the Issuer shall give notice thereof to the Trustee and the Bondholders not more than sixty (60) nor less than ten (10) calendar days prior to the day of which the conversion shall be carried out. The Issuer shall exercise the Share Settlement Option by (for each Bondholder) issuing or transferring and delivering to each Bondholder such number of Shares as is determined by dividing the aggregate principal amount of such Bondholder's Convertible Bonds by the Conversion Price in effect on the Valuation Date. "**Formal Insolvency Event**" means an event whereby formal insolvency proceedings of the Issuer or one or both of its material asset owning subsidiaries is initiated in any relevant jurisdiction. "**Refinancing Event**" means a material refinancing of the majority of the financial indebtedness of the Group in connection with actual or potential

financial difficulties.

"**Valuation Date**" means:

(i) In respect of Maturity, the date five trading days prior to the Maturity Date;

(ii) In respect of a Formal Insolvency Event, the day the Formal Insolvency Event occurred; and

(iii) In respect of a Refinancing Event, the date falling five trading days prior to the notification of the exercise of the Share Settlement Option.

Other Conditions: During the term of the Convertible Bond Issue, the Issuer shall (unless the Trustee or the Bondholders' meeting (as the case may be) in writing has agreed to otherwise) comply with the Trustee's customary reporting obligations. In addition, the Issuer shall ensure that (i) the holders of the Convertible Bond shall have preferential allocation of common equity in line with holders of common equity; (ii) the Group complies in all material respects with all laws and regulations it or they may be subject to from time to time; (iii) the Issuer does not change its type of organisation; (iv) the Group does not engage in any transaction with any related third party (excluding, for the avoidance of doubt, other Group Companies) except upon arm's length terms; and (v) the Group does not complete any merger, demerger or other disposal if such transaction would have a material adverse effect.

For the purpose of the Convertible Bond, "material adverse effect" shall mean material adverse effect on (a) the Issuer's ability to perform and comply with its obligations under the Convertible Bonds or (b) the validity or enforceability of the Convertible Bond agreement.

Event of Default: The Bond Agreement shall include standard event of default provisions, as well as cross default provisions for the Issuer on any financial indebtedness of a total of USD 10 million or more. Bondholders may only require repayment / redemption through conversion into Shares,

Group: "**Group**" means the Issuer and its subsidiaries from time to time, and each a "**Group Company**".

Approvals: The issuance of the Convertible Bonds is subject to the due execution of all necessary corporate resolutions for approval and issuance of the Convertible Bonds, including approval by the Issuer's Board and general meeting. See also "Subject to" below.

Issuer's Ownership of Convertible Bonds: The Issuer has the right to acquire and own the Convertible Bonds, subject to such bonds being immediately discharged.

Listing: An application will be made for the Convertible Bonds to be listed on Oslo Børs, within six (6) months after the Settlement Date. If listed, the Issuer shall procure that the Convertible Bonds remain listed for as long as the Issuer's shares remain listed.

Capital Reduction: As part of the Refinancing, the Issuer will seek to carry out a reduction of the nominal value of its Shares (the "**Capital Reduction**"). The Capital Reduction will be carried out as reduction of share capital without distribution, and will be proposed to an extraordinary general meeting of the Issuer. The proposed new nominal value will be EUR 0.001. Notwithstanding anything to the contrary in this Term Sheet, pending completion of the Capital Reduction, the shares to be issued as part of a conversion of the Convertible Bonds may be shares in a separate Class A. The Class A Shares will have a nominal value of EUR 0.001 each but with equal rights in all respects as the Issuer's Shares, including with respect to dividends and voting.

Upon completion of the Capital Reduction, any shares to be issued as part of a conversion of Convertible Bonds will be ordinary shares of the Issuer.

Managers:	ABG Sundal Collier ASA and Pareto Securities AS.
Trustee:	Nordic Trustee ASA, P.O. Box 1470 Vika, N-0116 Oslo
Paying, Transfer and Conversion Agent:	Nordea Bank Norge ASA
Governing Law and Jurisdiction:	Norwegian law and Norwegian courts (at the competent legal venue of the Trustee) for the Bond Agreement.
Registration:	The Norwegian Central Securities Depository (VPS). Principal and interest accrued will be credited the bondholders through VPS.
Taxation:	The Issuer shall pay any stamp duty and other public fees in connection with the Bond, but not in respect of trading in the secondary market, except to the extent by reason of operation of applicable laws, and shall deduct at source any applicable withholding tax payable pursuant to law, subject to standard gross-up and gross-up call provisions.
Market Making:	No market-maker agreement has been made for this Convertible Bond Issue.
Bond Agreement and Terms of Subscription:	The bond agreement governing the Convertible Bond Issue (the "**Bond Agreement**") will be entered into by the Issuer and the Trustee acting as the Bondholders' representative, and shall be based on the Trustee's Norwegian standard. The Bond Agreement will regulate the Bondholders' rights and obligations with respect to the Convertible Bonds. If any discrepancy should occur between this Term Sheet and the Bond Agreement, then the Bond Agreement shall prevail. Each subscriber in the Convertible Bonds is deemed to have granted authority to the Trustee to finalize the Bond Agreement. Although minor adjustments compared to the terms described in this Term Sheet may occur, the provisions in the Bond Agreement will be substantially consistent with those set forth in this Term Sheet.

The Bond Agreement will specify that it shall be made available to the general public for inspection purposes and may, until redemption in full of the Convertible Bonds, be obtained on request by the Trustee or the Issuer.

A minimum subscription level of the NOK equivalent of EUR 100,000 will apply.

Eligible Purchasers:	The Convertible Bonds shall only be offered to non-"U.S. persons" in "offshore transactions" within the meaning of Rule 902 under the U.S. Securities Act of 1933, as amended ("**Securities Act**") except for "Qualified Institutional Buyers" ("**QIBs**") within the meaning of Rule 144A under the Securities Act. In addition to the application form that each investor will be required to execute, each U.S. investor that wishes to purchase Convertible Bonds will be required to execute and deliver to the Issuer a certification in a form to be provided by the Issuer stating, among other things, that the investor is a QIB. The Convertible Bonds may not be purchased by, or for the benefit of, persons resident in Canada. The Bond Agreement will contain customary terms and provisions for a U.S. Rule 144A or Regulation S placement.
Transfer Restrictions:	The Convertible Bonds and any shares in the Issuer to be issued upon a conversion of Convertible Bonds have not been, and will not be, registered under the Securities Act. Bondholders will not be permitted to transfer the Convertible Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) an offshore transaction in accordance with Regulation S under the Securities Act, including, in a transaction on the Oslo Børs, and (d) pursuant to any other exemption from registration under the Securities Act, including Rule 144 there under (if available). The Convertible Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Convertible Bonds were originally issued.
Subject to:	All necessary corporate resolutions, final loan documentation and fulfilment of conditions for the Refinancing.

PROSAFE SE

Form for exercise of Cash-out Option

Refinancing July 2016

ABG Sundal Collier ASA
DNB Markets
Nordea Markets
Pareto Securities AS
SEB

Form to be returned no later than 10 August 2016 at 16:00 CET to the manager with which the bondholder has or establishes a client relationship, using the following addresses:

ABG Sundal Collier:	acceptance@abgsc.no
DNB Markets:	pal.vammervold@dnb.no
Nordea Markets:	obligasjonsbordet@nordea.com
Pareto Securities:	jostein.olsvik.hovind@paretosec.com
SEB:	kenneth.edvardsen@seb.no

General Information:

Prosafe SE (the "**Company**" or "**Prosafe**"), a Cyprus domiciled limited liability company, is currently in the process of carrying out a comprehensive refinancing as described in the stock exchange announcement of 7 July 2016 (the "**Refinancing**") and further in a summons letter for a bondholders' meetings dated 27 July 2016 (the "**Summons**") to which this form is attached.

As set out in the Summons, the Company has proposed that, as part of the Refinancing, holders of bonds (the "**Bondholders**") in the Company's bond issues with ISIN NO 001 063572.5 ("**PRS08**"), ISIN NO 001 066963.3 ("**PRS09**"), ISIN NO 001 069189.2 ("**PRS10**") and ISIN NO 001 071747.3 ("**PRS11**", and together with PRS08, PRS09, PRS10 the "**Bonds**" or the "**Bond Issues**") convert their Bonds to new shares in the Company (the "**Debt to Equity Conversion**").

Pursuant to the terms of the Refinancing, the Company has undertaken to offer Bondholders an alternative to the Debt to Equity Conversion, where the Bondholders can choose to receive cash payment for some or all of their Bonds (the "**Cash-out Option**"). In order to exercise the Cash-out Option, the Bondholders will need to complete and submit this cash-out form (the "**Cash-out Form** "), and thereby specify if and to what the extent the Cash-out Option is exercised. A Bondholder who submits such Cash-out Form is hereinafter referred to as a "**Tendering Bondholder**".

Bondholders who do not want to exercise the Cash-out Option do not need to complete or submit this Cash-out Form, and will, if the Refinancing is completed, receive shares in the Company as per the terms of the Refinancing without any further actions being required.

Applications for exercise of the Cash-out Option will be governed by the terms and conditions set out in this Cash-out Form and the Summons and any schedules thereto (the "**Cash-out Documentation** ").

Prosafe has appointed ABG Sundal Collier ASA, DNB Markets, a part of DNB Bank ASA, Nordea Markets, a part of Nordea Bank Norge ASA, Pareto Securities and Skandinaviska Enskilda Banken AB (publ.) Oslo Branch as Managers (the "**Managers**") for the Cash-out Option.

Exercise procedure:

The period in which the Cash-out Option may be exercised and Cash-out Forms submitted runs from and including 27 July 2016 to 10 August 2016 at 16:00 hours CET (the "**Exercise Period**"), subject to extension by the Company at its discretion.

By executing and submitting this Cash-out Form, the Tendering Bondholder irrevocably commits itself to sell the Bonds specified in the table below on the terms and conditions included in the Cash-out Documentation, and irrevocably authorizes and instructs the Managers or their appointed representatives, to complete settlement of the Cash-out Option for the number of Bonds as determined by the Company in accordance with the Cash-out Documentation (the "**Cash-out Bonds**") on behalf of the Tendering Bondholder. Once a duly executed Cash-out Form has been submitted, the Cash-out Form is binding and irrevocable for the Bondholder, and may not be withdrawn or modified or altered.

The Cash-out Form must be correctly completed, signed and submitted so that it is received by the Manager no later than by the end of Exercise Period. The Tendering Bondholder is responsible for the correctness of the information inserted in the Cash-out Form, and bears the risk of any postal delays, unavailable internet lines or servers, unavailable fax lines and any other logistical or technical problems that may result in Cash-out Forms not being received in time or at all. Should the Tendering Bondholder fail to validly submit the Cash-out Form during the Exercise Period, the Tendering Bondholder will continue to hold Bonds which, provided the Refinancing is completed, will be subject to the Debt to Equity Conversion.

The Managers may, in their sole discretion, accept applications placed by taped phone within the Exercise Period provided that the Tendering Bondholder confirms that it accepts the terms of this Cash-out Form. Any application made by taped phone will be binding for the Tendering Bondholder in the same manner as an application made in writing. Without limiting the binding nature of applications made by taped phone, the Manager may require that an application placed by taped phone is subsequently confirmed by the execution of this Cash-out Form in writing, and may, if the Tendering Bondholder fails to satisfy such requirement, in its sole discretion, disregard the application, without any liability towards the Tendering Bondholder. Any application placed by taped phone shall be deemed made on the terms and subject to the conditions set out in this Cash-out Form.

Allocation: Notification of the number of Cash-out Bonds will be sent to the Tendering Bondholder by the Managers as soon as reasonably possible after the Exercise Period. To facilitate completion of the Cash-out Option, the Bonds may be subject to split before allocation is made.

Settlement and restrictions pending settlement: Cash settlement for the Cash-out Bonds will be made in connection with the completion of the Refinancing, by crediting the Bondholder's bank account stated below. The Company will pay the Offer Price (to be stated below) with no compensation for accrued unpaid interest (if any).

Pending completion of settlement, the Cash-out Bonds may not be sold, transferred to another account or pledged by the Tendering Bondholder. By providing a Cash-out Form, the Tendering Bondholder accepts that the Managers may block the relevant Tendering Bondholders' Cash-out Bonds or transfer the Cash-out Bonds to a settlement account with the Managers without obtaining any further instructions from the Bondholder.

The Tendering Bondholder represents that it is the owner of all Bonds covered by this Cash-out Form and that all such Bonds offered for sale are free of any encumbrances and any other third party rights and with all rights attached to them.

Information/ risks/ representations and warranties:
By submitting a Cash-out Form, the Tendering Bondholder confirms and accepts that: (i) it has received the Cash-out Documentation and that it has had access to such other information as the Tendering Bondholder has deemed necessary or desirable in connection with its exercise of the Cash-out Option; (ii) it has made its own assessment of the Refinancing and the Cash-out Option; and (iii) all commitments, acceptances, confirmations, representations, warranties and undertakings given by the Tendering Bondholder pursuant to this Cash-out Form are given for the benefit of the Company and the Managers and may be enforced against the Tendering Bondholder by each of the Company and the Managers.

Conditionality and cancellation:
The completion of the Cash-out Option and any purchase of Cash-out Bonds is conditional upon the completion of the Refinancing as described in the Summons, and including the approval of the Refinancing by the bondholders and shareholders of the Company (together the "**Conditions**"). In the event that the Refinancing is not completed, all Cash-out Forms will be disregarded and any allocations of Cash-out Bonds made will be deemed not to have been made.

Specification of requested Cash-out:

The undersigned hereby makes the following selection for its Bonds. When providing the selection, the Tendering Bondholder must start with the lowest bid and then add additional bonds tendered at the next level (i.e. the nominal values stated will be viewed as cumulative totals). By way of illustration; if NOK 100,000 Bonds are requested sold at 25%, and 250,000 bonds are requested sold if the clearing price reaches 30%, then the Tendering Bondholder should specify NOK 100,000 at 25% and an additional NOK 150,000 bonds at 30%).

Please note:

- The Offer Price specified must be within the offered range, i.e. no lower than 25% and no higher than 35%.
- Only Bonds offered for an Offer Price equal to or lower than the price on which the Cash-out clears will be sold.
- That all Cash-Out Bonds will be sold at the price on which the Cash-out clears, as further described in the Cash-out Documentation.
- There will not be any additional consideration paid for accrued unpaid interest (if any).
- To the extent the Cash-out Option is exercised for Bonds representing an amount less than NOK 336 million (USD 40 million) (the "**Minimum Cash-out Amount**"), then the clearing price will be deemed to be 35% of current face value of the Bonds and the remainder of the Minimum Cash-out Amount shall be applied for a pro-rata redemption across remaining existing Bonds not tendered for cash-out redemption at this price.

Bond issue	Nominal amount(s) offered	Offer Price(s)	
PR08 Bond issue	NOK	at	% of nominal value
PR08 Bond issue	NOK	at	% of nominal value
PR08 Bond issue	NOK	at	% of nominal value
PR08 Bond issue	NOK	at	% of nominal value

Bond issue	Nominal amount(s) offered	Offer Price(s)	
PRS09 Bond issue	NOK	at	% of nominal value
PRS09 Bond issue	NOK	at	% of nominal value
PRS09 Bond issue	NOK	at	% of nominal value
PRS09 Bond issue	NOK	at	% of nominal value

Bond issue	Nominal amount(s) offered	Offer Price(s)	
PRS10 Bond issue	NOK	at	% of nominal value

PRS10 Bond issue	NOK	at % of nominal value
PRS10 Bond issue	NOK	at % of nominal value
PRS10 Bond issue	NOK	at % of nominal value

Bond issue	**Nominal amount(s) offered**	**Offer Price(s)**
PRS11 Bond issue	NOK	at % of nominal value
PRS11 Bond issue	NOK	at % of nominal value
PRS11 Bond issue	NOK	at % of nominal value
PRS11 Bond issue	NOK	at % of nominal value

The Managers are hereby authorised to transfer the above specified Bonds from our/my VPS account to the Company and also to transfer the Bonds to another VPS account as part of settlement proceedings, and may instruct our/my VPS account operator to release the Bonds for such purpose.

Date and place
Must be dated in the Exercise Period

Binding signature
The Tendering Bondholder must have legal capacity. When signing by authorisation, documentation in form of company certificate or power of attorney must be enclosed

INFORMATION ON THE TENDERING BONDHOLDER – ALL FIELDS MUST BE COMPLETED

First name	
Surname/company	
VPS account number	
Street address	
Post code/district/ Country	
Personal ID number/ organization number	
Nationality	
E-mail address	
Daytime telephone number	
Bank Account (for payment of Cash-out Option consideration)	

Other terms and Conditions

Offer and Distribution Restrictions:

Restrictions: The Cash-out Option and/or any agreement to sell is not intended for Bondholders located in any jurisdiction in circumstances which would require the Managers or the Company to prepare or register any prospectus, offering document or circular relating to the Cash-out Option and/or agreement to sell in such jurisdiction, and the Managers and the Company may refuse to receive offers submitted from such jurisdictions. The distribution of this document in certain jurisdictions may be restricted by law. Any persons reading this document should inform themselves of and observe any such restrictions.

United States: This form is not being made directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America, its territories and possessions, any State of the United States and the District of Columbia (the "United States"), and the form will not be capable of submittance by any such means, instrumentality or facility. This includes, but is not limited to, facsimile transmission, internet delivery, email, telex and telephones. The Cash-out Option is not being made to any U.S. person (as such term is defined pursuant to Regulation S under the US Securities Act of 1933, as amended (the "Securities Act"). Copies of this document and any related offering documents are not being, and must not be, directly or indirectly mailed, emailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States and may not be electronically accessed by U.S. persons or from the United States. Any purported submitting of this form or other offer or agreement to redeem Bonds in the Cash-out Option resulting directly or indirectly from a violation of these restrictions will be invalid, and any purported exercise of the Cash-out Option and any other offer and/or agreement to sell Bonds that is post-marked in or otherwise dispatched from, evidences the use of any means or instrumentality of interstate or foreign commerce of the United States or is made by a person appearing or otherwise believed by the Manager to be located or resident in the United States, or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted. The Managers will only accept offers with respect to the Bonds from a Bondholder or beneficial owner of the Bonds (or any person acting as agent, custodian, fiduciary or other intermediary capacity for a Bondholder or beneficial owner) who is not a U.S. person and who is outside the United States. Each person participating in the Cash-out Option will represent that it or any beneficial owner of the Bonds or any person on whose behalf such person is acting is not a U.S. person or a resident and/or located in the United States and will not be resident and/or located in the United States at the time of the submission of this form.

Canada: This form and/or any agreement of sale is not being made, and will not be made, directly or indirectly in or into Canada by any means. Any offer or agreement to redeem Bonds resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer and/or agreement to sell Bonds made by a person located in Canada or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within Canada will be invalid and will not be accepted. Each Bondholder submitting this form will be deemed to represent that it is not located in Canada and is not submitting the form from Canada or it is acting on a nondiscretionary basis for a principal located outside Canada that is not giving an order to submit the form from Canada. For the purposes of this and the above paragraph, "Canada" means Canada, its provinces and territories.

United Kingdom: The information contained in this form does not constitute an invitation or inducement to engage in investment activity within the meaning of the United Kingdom Financial Services and Markets Act 2000 ("FSMA"). In the United Kingdom, this form is directed only at (i) persons who have professional experience, knowledge and expertise in matters relating to investments and are "investment professionals" for the purposes of Article 19(5) of the FSMA (Financial Promotions) Order 2005 (the "FPO")), (ii) persons who are certified high net worth individuals for the purposes of Article 48 of the FPO or (iii) any other persons to whom it may otherwise lawfully be made under the FPO (all such persons together being referred to as "relevant persons").

Important Notice and disclaimers: The Managers are acting on behalf of the Company in connection with the Cash-out Option and any agreement to sell. The Managers will not be acting on behalf of any other party in connection therewith and will not be responsible to any party other than the Company for providing the protections normally granted to their customers, or advice in relation to the Cash-out Option and any agreement to sell.

In accordance with the Norwegian Securities Trading Act of 29 June 2007 no. 75, the Managers must categorize all new customers in one of three customer categories. All Bondholders that provides Cash-out Forms and which are not existing clients of the Managers will be categorized as non-professional clients unless otherwise is communicated in writing by the Managers. For further information about the categorization, the Bondholder may contact the Managers. The Managers will treat the Cash-out Form as an execution only instruction from the Tendering Bondholder and hence the Managers will not determine whether the Cash-out Option is suitable or not for the Tendering Bondholder as otherwise provided for in the Norwegian Securities Trading Act.

Investors who are not registered as a client with one of the Managers and want to exercise the Cash-out Option, must complete a Customer Agreement with one of the Managers and any other relevant registration forms and supporting documentation and send it to the Manager within the Exercise Period by fax or e-mail. Such forms and documentation requirements may be obtained by contacting a Manager.

Information exchange and barriers: The Bondholders acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act there is a duty of secrecy between the different units of a Manager as well as between the Manager and the other entities in the Manager's group. This may entail that other employees of the Manager or the Manager's group may have information that may be relevant to the Bondholder, but which a Manager will not have access to in its capacity as Manager for the Cash-out Option. The Managers are further part of securities firms that offers a broad range of investment services. In order to ensure that assignments undertaken in certain departments are kept confidential, the other activities, including analysis and stock broking, are separated from the respective departments by information walls. The Bondholders acknowledges that the analysis and stock broking activity within the securities firm may conflict with the Bondholders interests with regard to transactions in the Securities as a consequence of such information walls.

Mandatory anti-money laundering procedures: The Cash-out Option is subject to the Norwegian Money Laundering Act No. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations No. 302 of 13 March 2009 (collectively the "**Anti-Money Laundering Legislation**"). Bondholders who are not registered as existing customers of one of the Managers must verify their identity to the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Bondholders who have designated an existing Norwegian bank account and an existing VPS account on this Cash-out Form are however exempted, unless verification of identity is requested by a Manager. Bondholders who have not completed the required verification of identity prior to the expiry of the Cash-out Period will not be able to exercise the Cash-out Option.

Governing law and jurisdiction: The Cash-out Option and all acceptances submitted in response thereto, including this Cash-out Form, are governed by Norwegian law. Any disputes arising out of, or in connection with, the Cash-out Option, are subject to Norwegian law and shall exclusively be settled by Norwegian courts and with Oslo District Court as legal venue.