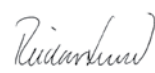


## Prosafe SE accounts

INCOME STATEMENT - PROSAFE SE			
(USD 1 000)	Note	2008	2007
<b>Operating revenues</b>		<b>6 352</b>	<b>649</b>
Operating expenses	2	(6 833)	(12 235)
Depreciation	3	(100)	(331)
<b>Operating profit</b>		<b>(581)</b>	<b>(11 917)</b>
Income from investments in subsidiaries	5	113 515	1 824 435
Other financial income	4, 5	87 955	89 046
Other financial expenses	4, 5	(102 291)	(84 716)
<b>Net financial items</b>	5	<b>99 179</b>	<b>1 828 765</b>
<b>Profit before taxes</b>		<b>98 598</b>	<b>1 816 848</b>
Taxes	6	(1 166)	7 625
<b>Net profit</b>		<b>97 432</b>	<b>1 824 473</b>

BALANCE SHEET - PROSAFE SE			
(USD 1 000)	Note	31.12.08	31.12.07
Tangible assets	3	65	4 054
Shares in subsidiaries	7	2 444 542	3 414 272
Intra-group long-term receivables	12, 14	259 934	565 081
<b>Total non-current assets</b>		<b>2 704 541</b>	<b>3 983 407</b>
Cash and deposits	14	20 488	18 923
Other current assets	8, 14	26 534	15 306
<b>Total current assets</b>		<b>47 022</b>	<b>34 229</b>
<b>Total assets</b>		<b>2 751 563</b>	<b>4 017 636</b>
Share capital	9	63 903	63 903
Own shares		(49 216)	(37)
Share premium reserve		620 496	620 496
<b>Total paid-in equity</b>		<b>635 183</b>	<b>684 362</b>
Other equity		1 016 781	1 874 814
<b>Total retained earnings</b>		<b>1 016 781</b>	<b>1 874 814</b>
<b>Total equity</b>		<b>1 651 964</b>	<b>2 559 176</b>
Interest-bearing long-term debt	10, 14, 15	958 733	1 105 957
Intra-group long-term debt	12, 14, 15	45 207	223 255
Fair value derivatives	14, 15	51 600	0
Interest-free long-term liabilities	14, 15	1 564	1 952
<b>Total long-term liabilities</b>		<b>1 057 104</b>	<b>1 331 164</b>
Interest-bearing current debt	11, 14	0	110 885
Taxes payable	6	867	0
Fair value derivatives	10, 14, 15	21 956	0
Other interest-free current liabilities	10, 14, 15	19 672	16 411
<b>Total current liabilities</b>	<b>10, 14, 15</b>	<b>42 495</b>	<b>127 296</b>
<b>Total equity and liabilities</b>		<b>2 751 563</b>	<b>4 017 636</b>

Larnaca, 18 March 2009



Reidar Lund  
Chairman



Christian Brinch  
Deputy chairman



Romy Johan Langeland



Elin Nicolaisen



Michael Raymond Parker



Christakis Pavlou

CASH FLOW STATEMENT - PROSAFE SE			
(USD 1 000)	Note	2008	2007
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxes		98 598	1 816 848
Unrealised currency loss / (gain) on long-term debt		(17 233)	10 250
Gain on sale of tangible fixed assets	3	(6 187)	0
Loss / (gain) on sale of shares		(986)	(68 611)
Depreciation	3	100	331
Financial income		(18 750)	(16 966)
Financial cost		67 701	68 495
Change in working capital		8 616	(5 250)
Taxes paid	5	(299)	(23 065)
Other from operating activities		50 602	2 337
<b>Net cash flow from operating activities</b>		<b>182 162</b>	<b>1 784 369</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of shares		1 148	252 789
Acquisition of shares		0	(1 790 615)
Change in long-term intra-group balances	12	127 099	(424 275)
Proceeds from sale of tangible fixed assets	3	10 084	217
Acquisition of tangible fixed assets	3	(8)	(228)
Interest received		18 750	16 966
<b>Net cash flow from investing activities</b>		<b>157 073</b>	<b>(1 945 146)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New interest-bearing long-term debt	10	1 046 500	597 700
Repayment of interest-bearing long-term debt	10	(1 321 842)	(13 043)
Dividends paid		0	(353 025)
Interest paid		(62 328)	(62 201)
<b>Net cash flow from financing activities</b>		<b>(337 670)</b>	<b>169 431</b>
<b>Net cash flow</b>		<b>1 565</b>	<b>8 654</b>
Cash and deposits at 1 January		18 923	10 269
<b>Cash and deposits at 31 December</b>		<b>20 488</b>	<b>18 923</b>

## STATEMENT OF CHANGES IN EQUITY

(USD 1 000)	Share capital	Own shares	Share premium	Retained earnings	Net unrealised gains reserve	Total equity
<b>Equity at 31 December 2006</b>	<b>63 903</b>	<b>(37)</b>	<b>620 496</b>	<b>260 728</b>	<b>68 611</b>	<b>1 013 701</b>
Net profit	0	0	0	1 824 473	0	1 824 473
Realised gain on sale of shares	0	0	0	0	(68 611)	(68 611)
Dividends	0	0	0	(206 056)	0	(206 056)
Other equity adjustment	0	0	0	(4 331)	0	(4 331)
<b>Equity at 31 December 2007</b>	<b>63 903</b>	<b>(37)</b>	<b>620 496</b>	<b>1 874 814</b>	<b>0</b>	<b>2 559 176</b>
Net profit	0	0	0	97 432	0	97 432
Dividend in specie	0	0	0	(892 307)	0	(892 307)
Costs related to dividend distribution	0	0	0	(8 341)	0	(8 341)
Revaluation Prosafe Production shares	0	0	0	0	(13 296)	(13 296)
Revaluation of interest rate swaps	0	0	0	0	(41 521)	(41 521)
Buy-back of own shares	0	(49 179)	0	0	0	(49 179)
<b>Equity at 31 December 2008</b>	<b>63 903</b>	<b>(49 216)</b>	<b>620 496</b>	<b>1 071 598</b>	<b>(54 817)</b>	<b>1 651 964</b>

# Notes - Prosafe SE

All figures in USD 1 000 unless otherwise stated.

## NOTE 1: ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap 113. The accounting policies applied to the consolidated accounts have also been applied to the parent company, Prosafe SE. The notes to the consolidated accounts provide

additional information to the parent company's accounts which is not presented here separately. The company's financial statements are presented in USD dollars (USD). Investments in subsidiaries are measured at historic cost, unless there is any indication of impairment. In case of impairment, an investment is written down to fair value.

## NOTE 2: OPERATING EXPENSES

	2008	2007
Share option costs	(1 700)	3 370
Salaries and management bonus	1 954	2 867
Pension expenses	306	593
Directors' fees	663	363
Other remuneration	404	333
Payroll taxes	56	307
Auditors' audit fees	91	43
Auditors' other fees	139	72
Other operating expenses	4 920	4 287
<b>Total operating expenses</b>	<b>6 833</b>	<b>12 235</b>

### NOTE 3: TANGIBLE ASSETS

	Equipment	Buildings	Land	Total
Acquisition cost 01.01	135	6 604	148	6 887
Additions	8	0	0	8
Disposals at acquisition cost	0	(6 604)	(148)	(6 752)
<b>Acquisition cost 31.12</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>143</b>
Accumulated depreciation 01.01	15	2 818	0	2 833
Accumulated depreciation on disposals	0	(2 855)	0	(2 855)
Depreciation for the year	63	37	0	100
<b>Accumulated depreciation 31.12</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>78</b>
<b>Carrying value 31.12</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>65</b>
Depreciation rate (%)	20-30	3-5	-	-

### NOTE 4: OTHER FINANCIAL ITEMS

	2008	2007
Gain on sale of shares	986	68 611
Interest receivable from subsidiaries	18 750	16 966
Other interest receivable	1 974	2 402
Currency gain / (loss)	66 245	0
Fair value adjustment derivative financial instruments	0	1 067
<b>Total other financial income</b>	<b>87 955</b>	<b>89 046</b>
Interest payable to subsidiaries	(11 025)	(10 573)
Interest expenses	(56 676)	(57 922)
Currency gain / (loss)	0	(14 600)
Fair value adjustment derivative financial instruments	(31 934)	0
Other financial items	(2 656)	(1 621)
<b>Total other financial expenses</b>	<b>(102 291)</b>	<b>(84 716)</b>

## NOTE 5: FINANCIAL ITEMS - IAS 39 CATEGORIES

YEAR ENDED 31 DEC 2008	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Total
Interest income	20 724	0	0	0	20 724
Currency gain <sup>1)</sup>	0	0	0	0	66 245
Dividend	113 515	0	0	0	113 515
Fair value adjustment financial instr.	0	0	0	0	0
Disposal of shares	0	0	0	986	986
<b>Total financial income</b>	<b>134 239</b>	<b>0</b>	<b>0</b>	<b>986</b>	<b>201 470</b>
Interest expenses	0	0	(67 701)	0	(67 701)
Currency loss <sup>1)</sup>	0	0	0	0	0
Fair value adjustment financial instr.	0	(31 934)	0	0	(31 934)
Disposal of shares	0	0	0	0	0
Other financial expenses	0	0	(2 656)	0	(2 656)
<b>Total financial expenses</b>	<b>0</b>	<b>(31 934)</b>	<b>(70 357)</b>	<b>0</b>	<b>(102 291)</b>
<b>Net financial items</b>	<b>134 239</b>	<b>(31 934)</b>	<b>(70 357)</b>	<b>986</b>	<b>99 179</b>
<b>YEAR ENDED 31 DEC 2007</b>					
Interest income	19 368	0	0	0	19 368
Currency gain <sup>1)</sup>	0	0	0	0	0
Dividend	1 824 435	0	0	0	1 824 435
Fair value adjustment financial instr.	0	1 067	0	0	1 067
Disposal of shares	0	0	0	68 611	68 611
<b>Total financial income</b>	<b>1 843 803</b>	<b>1 067</b>	<b>0</b>	<b>68 611</b>	<b>1 913 481</b>
Interest expenses	0	0	(68 495)	0	(68 495)
Currency loss <sup>1)</sup>	0	0	0	0	(14 600)
Fair value adjustment financial instr.	0	0	0	0	0
Disposal of shares	0	0	0	0	0
Other financial expenses	0	0	(1 621)	0	(1 621)
<b>Total financial expenses</b>	<b>0</b>	<b>0</b>	<b>(70 116)</b>	<b>0</b>	<b>(84 716)</b>
<b>Net financial items</b>	<b>1 843 803</b>	<b>1 067</b>	<b>(70 116)</b>	<b>68 611</b>	<b>1 828 765</b>

<sup>1)</sup> Currency effects (gain/loss) are excluded from the category breakdown, but added to the total for net effect.

NOTE 6: TAXES		
	2008	2007
<b>NORWAY</b>		
Profit before taxes	4 164	81 248
Permanent differences	0	(106 506)
Changes in temporary differences	0	429
Utilisation of tax loss carried forward	0	0
<b>Tax base Norway</b>	<b>4 164</b>	<b>(24 829)</b>
Taxes payable (receivable)	(1 166)	(7 510)
Changes in deferred tax	0	(115)
<b>Taxes Norway</b>	<b>(1 166)</b>	<b>(7 625)</b>
<b>CYPRUS</b>		
Profit before taxes	98 598	1 735 601
Permanent differences	(98 598)	(1 759 407)
<b>Tax base Cyprus</b>	<b>0</b>	<b>(23 806)</b>
<b>Taxes Cyprus</b>	<b>0</b>	<b>0</b>
<b>Temporary differences:</b>		
Loss carried forward	(23 806)	(23 806)
<b>Basis for deferred tax liability (+)/benefit (-)</b>	<b>(23 806)</b>	<b>(23 806)</b>
<b>Deferred tax liability (+)/benefit (-)</b>	<b>0</b>	<b>0</b>

The Company was taxable to Norway until 21 September 2007 when the company changed domicile from Norway to Cyprus. The tax loss which was incurred in Norway in 2007 can be utilised by offsetting it against taxes paid for 2006, and an amount of USD 8.4 million has been recognised in the balance sheet as at 31 December 2008. (See note 8 - Other current assets). No deferred tax benefit has been recognised in the balance sheet with regards to the tax loss in Cyprus, as the company does not anticipate that this benefit can be utilised in the foreseeable future.

## NOTE 7: SHARES IN SUBSIDIARIES

(Share capital and carrying value in 1 000)

Company		Share capital	Carrying value	Ownership
Prosafte Rigs AS	NOK	100	73	100%
Prosafte Offshore AS	NOK	100	270	100%
Prosafte Offshore Norge AS	NOK	100	15	100%
Prosafte (UK) Holdings Ltd	GBP	11 000	22 826	100%
Prosafte Offshore Pte Ltd	USD	10 000	10	100%
Consafte Offshore AB	SEK	27 786	156 884	100%
Prosafte Rigs Pte Ltd	USD	2 500 040	2 264 464	91%
<b>Total carrying value</b>			<b>2 444 542</b>	

NOTE 8: OTHER CURRENT ASSETS	2008	2007
Shares in Prosafe Production Public Limited	8 797	0
Corporation tax refundable	8 360	8 360
Current receivables from group companies	121	6 821
Other current assets	9 256	125
<b>Total other current assets</b>	<b>26 534</b>	<b>15 306</b>

The annual general meeting adopted on 14 May 2008 to distribute 90.1 per cent of the shares in Prosafe Production Public Limited to the shareholders of Prosafe SE. Distribution of these shares took place on 27 May. In accordance with IFRS, no gain was recognised from this distribution. As of 31 December, the parent company owned 5 597 005 shares in Prosafe Production Public Limited corresponding to 2.19 per cent of the shares. The shares were initially recorded at the proportion of the carrying value of the discontinued operations. At 31 December, the shares are valued at the share price prevailing on this date, NOK 11, and the unrealised loss has been taken directly to equity.

NOTE 9: SHARE CAPITAL	2008	2007
Issued and paid number of shares	229 936 790	229 936 790
Holding of own shares	7 001 705	110 160
Nominal value	EUR 0.25	EUR 0.25

NOTE 10: INTEREST-BEARING DEBT	2008	2007
Debt in NOK	58 733	186 842
Debt in USD	900 000	1 030 000
<b>Total interest-bearing debt</b>	<b>958 733</b>	<b>1 216 842</b>
Long-term interest-bearing debt	958 733	1 105 957
Current interest-bearing debt	0	110 885
<b>Total interest-bearing debt</b>	<b>958 733</b>	<b>1 216 842</b>

NOTE 10 >

#### < NOTE 10

As of 31 December 2008, Prosafe's interest-bearing debt totalled about USD 958.7 million. Unsecured bond loans accounted for USD 108.7 million of this total and bank loans secured by mortgages for USD 850 million.

The bond debt is divided into two loans of NOK 411 million maturing March 2010 and USD 50 million maturing March 2012. These loans are listed on the Oslo Stock Exchange with ticker codes PRS02 and PRS03, respectively.

Loan	Amount drawn	Maturity	Interest	Loan margin
PRS02	NOK 411 million	March 2010	floating	1.15%
PRS03	USD 50 million	March 2012	floating	1.40%

The prices estimated by the Norwegian Securities Dealers Association as of 31 December 2008 were 92.50 for PRS02 and 86.02 for PRS03 (par value 100.00).

For further information, see note 18 to the consolidated accounts.

#### NOTE 11: OTHER INTEREST-FREE CURRENT LIABILITIES

	2008	2007
Market value currency forwards	21 956	0
Intra-group payable	11 182	0
Accrued interest costs	5 373	6 294
Accrued payroll related costs	1 352	2 733
Provision share-based payments	549	5 454
Accounts payable	120	908
Other current liabilities	1 963	1 022
<b>Total other interest-free current liabilities</b>	<b>42 495</b>	<b>16 411</b>

<b>NOTE 12: INTRA-GROUP BALANCES</b>	<b>2008</b>	<b>2007</b>
Loan to Prosafe AS	259 934	538 039
Loan to Prosafe Nautipa AS	0	6 848
Loan to Prosafe Production Services Pte Ltd	0	20 194
<b>Intra-group long-term receivables</b>	<b>259 934</b>	<b>565 081</b>
Loan from Consafe Offshore AB	45 207	223 255
<b>Intra-group long-term debt</b>	<b>45 207</b>	<b>223 255</b>

Loan agreements with subsidiaries are made at normal market prices. Outstanding balances at year-end are unsecured, and settlement normally occurs in cash. For the year ended 31 December 2008, the company has not recorded any impairment of receivables relating to amounts owed by subsidiaries.

<b>Transactions with related parties</b>	<b>2008</b>	<b>2007</b>
<b>TRANSACTIONS</b>		
Interest income	18 750	16 966
Interest expenses	(11 025)	(10 573)
Dividend	113 515	1 824 435
<b>YEAR-END BALANCES</b>		
Current receivables of the ultimate parent to subsidiaries	121	6 821
Intra-group long-term receivables	259 934	565 081
Current payables from the ultimate parent to subsidiaries	11 213	740
Loans to subsidiaries of the ultimate parent	45 207	223 255

### **NOTE 13: MORTGAGES AND GUARANTEES**

Prosafe SE's interest-bearing debt secured by mortgages totalled USD 850 million as of 31 December 2008. This debt is secured by mortgages on shares in Prosafe Rigs Pte Ltd, and the accommodation/ service fleet owned by this entity. In line with industry practice, Prosafe SE has issued bank and

parent company guarantees (completion guarantees) to customers on behalf of its subsidiaries in connection with the award and performance of contracts. Total bank guarantees issued amounted to USD 4.3 million at year-end.

## NOTE 14: FINANCIAL ASSETS AND LIABILITIES

As of 31 December, the Group has financial assets and liabilities in the following categories:

YEAR ENDED 31 DEC 2008	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Book value
Intra-group long-term receivable	259 934	0	0	0	259 934
Cash and deposits	20 488	0	0	0	20 488
Other current assets	9 377	0	0	8 797	18 174
<b>Total assets</b>	<b>289 799</b>	<b>0</b>	<b>0</b>	<b>8 797</b>	<b>298 596</b>
Credit facility <sup>1)</sup>	0	0	850 000	0	850 000
PRS02 - NOK bond loan <sup>2)</sup>	0	0	58 733	0	58 733
PRS03 - USD bond loan <sup>2)</sup>	0	0	50 000	0	50 000
Intra-group long-term debt	0	0	45 207	0	45 207
Fair value derivatives	0	51 600	0	0	51 600
Interest-free long-term liabilities	0	0	1 564	0	1 564
Fair value derivatives	0	21 956	0	0	21 956
Other interest-free current liabilities	0	0	19 672	0	19 672
<b>Total liabilities</b>	<b>0</b>	<b>73 556</b>	<b>1 025 176</b>	<b>0</b>	<b>1 098 732</b>

Fair value for all financial assets and liabilities is the same as book value, except for:

	Book value	Fair value
Credit facility <sup>1)</sup>	850 000	816 000
PRS02 - NOK bond loan <sup>2)</sup>	58 733	54 300
PRS03 - USD bond loan <sup>2)</sup>	50 000	43 010

<sup>1)</sup> Fair value based on an assumption of increased credit margin from 85 to 200 basis points. Net present value of this advantage on future interest rate payments is calculated to be USD 34 million. This is a theoretical calculation arising from the fact that the current bank loan was drawn on a favourable time, and not expressing the fair value in a scenario where the syndicated loan would be paid back to the banks.

<sup>2)</sup> Fair value based on prices estimated by the Norwegian Securities Dealers Association as of 31 December 2008, PRS02: 92.50 and PRS03: 86.02.

NOTE 14 >

< NOTE 14

YEAR ENDED 31 DEC 2007	Loans and receivables	Fair value through profit and loss	Financial liabilities measured at amortised cost	Available for sale	Book value
Intra-group long-term receivable	565 081	0	0	0	565 081
Cash and deposits	18 923	0	0	0	18 923
Other current assets	6 946	0	0	0	6 946
<b>Total assets</b>	<b>590 950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>590 950</b>
Interest-bearing long-term debt <sup>1)</sup>	0	0	1 105 957	0	1 105 957
Intra-group long-term debt	0	0	223 255	0	223 255
Interest-free long-term liabilities	0	0	1 952	0	1 952
Interest-bearing current liabilities	0	0	110 885	0	110 885
Other interest-free current liabilities	0	0	10 957	0	10 957
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>1 453 006</b>	<b>0</b>	<b>1 453 006</b>

Fair value for all financial assets and liabilities is the same as book value.

<sup>1)</sup> Fair value on bond loans based on prices estimated by the Norwegian Securities Dealers Association as of 31 December 2008, PRS02: 100.35 and PRS03: 100.4.

## NOTE 15: MATURITY PROFILE LIABILITIES

At 31 December, Prosafe SE had the following ageing profile of outstanding short and long-term undiscounted liabilities:

YEAR ENDED 31 DEC 2008	Total	Less than 3 months	Due 3 to 12 months	1 to 6 years
Interest-bearing long-term debt	958 733	0	0	958 733
Future interest payments	82 064	4 965	17 099	60 000
Interest-free long-term liabilities (interest swaps)	50 500	4 000	12 000	34 500
Interest-free current liabilities (interest swaps)	1 100	100	300	700
Interest-free current liabilities (FX forwards)	21 956	3 138	8 007	10 811
Other interest-free current liabilities	15 863	15 863	0	0
<b>Total</b>	<b>1 130 216</b>	<b>12 203</b>	<b>37 406</b>	<b>1 064 744</b>