



June 3rd, 2019



Prosafe / Floatel Merger

Combining forces in a challenging and changing market

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Prosafe / Floatel Merger: Combining forces in a challenging and changing market

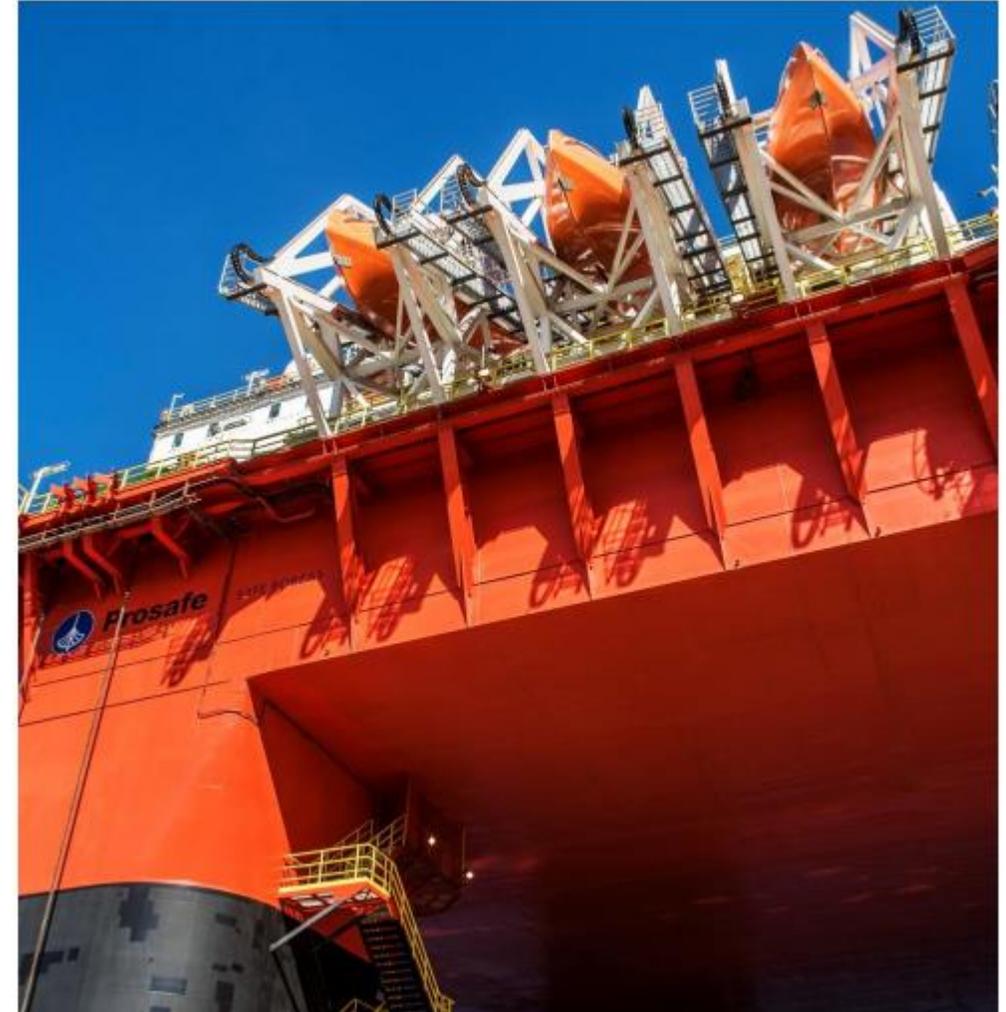
- ✓ *A merger is necessary to adapt to a **changing market***
- ✓ *Creates the largest and most versatile fleet in **the global** accommodation space*
- ✓ *Strengthens the Company's global reach and **customer offerings***
- ✓ *Total fleet of 16 semis – of which 12 are modern **harsh environment semis***
- ✓ *Combined firm order backlog of **\$225m** from Q1 2019 and onwards. In addition Prosafe and Floatel have recently added respectively USD 80m and USD 22m to the order backlog*
- ✓ *The combined entity is anticipated to realize significant cost and efficiency synergies*
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- ✓ *Combined company better equipped to operate in the global market and with improved customer offering*

Transaction summary

- Proposed transaction is structured as a merger between Prosafe and Floatel
- Share-for-share transaction with fully diluted ownership of 55% Prosafe shareholders and 45% Floatel shareholders. In addition, Floatel shareholders will receive preference shares with a maximum value of USD 20m pending final outcome of Prosafe's Westcon dispute
- The combined company's largest shareholders will be Keppel (c.22%), funds managed by Oaktree Capital Management, L.P. (c.19%) and HitecVision funds (c.16%) on a fully diluted basis. These shareholders have agreed to a 12-month lock-up
- The name of the combined company will be Prosafe SE
- Glen O. Rødland, Chairman of Prosafe SE, will be chairman of the new company. Keppel and Oaktree to nominate one board member each
- The company will remain listed on the Oslo Stock Exchange following the transaction under ticker code PRS
- Treatment of creditors will be based on a principle of equal treatment with the intention to keep the current financing structure for both companies intact (in "silos")
- The transaction is conditional upon approval from shareholders, lenders and competition authorities in the UK and Norway

Proforma capitalization

- Proforma market capitalization of USD 266m⁽¹⁾ post completion
 - 98m fully diluted shares in Prosafe, including 9.78m warrants from 2018 financing
 - 80m shares to Floatel
- Combined book value of equity USD 929m prior to the transaction
 - Prosafe USD 372m and Floatel USD 557m
- Total interest bearing debt of USD 1,830m from 3rd parties
 - Prosafe with interest bearing debt of USD 1,215m
 - Floatel with USD 475m of bond debt, USD 140m of bank debt and USD 242m⁽²⁾ credit facility from Keppel
- Financing for remaining two Prosafe newbuilds in China continued
- Combined interest cost of around USD 120m per year
- Limited fixed amortizations to 2023, only USD 117m in 2019 and 2020 combined
- Total contract backlog USD 225m as of 31/03/19⁽³⁾
- Total liquidity reserve USD 447m as of 31/03/19



(1) Market capitalisations calculated using Prosafe's fully diluted shares of 98m, the agreed 55/45 exchange ratio and Prosafe's closing price as of May 31st, 2019 with a USDNOK 8.76

(2) As of 31.03.19, not included in total interest bearing debt due to subordinated PIK structure

(3) Excluding Martin Linge extension and Eurus contract award

Snapshot of the combined entity – As of 31.03.19



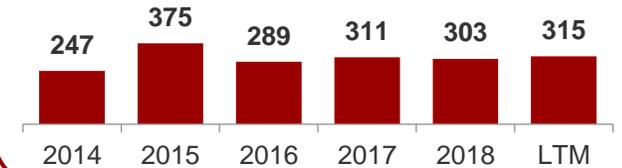
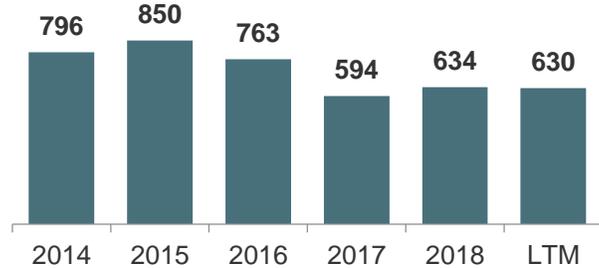
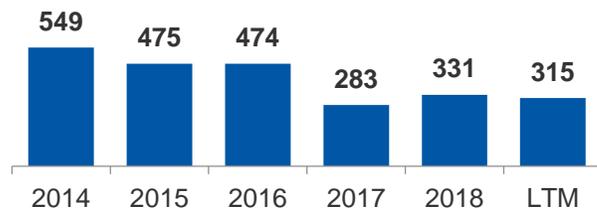
Key Assets

- Book value of assets: USD 1.68bn⁽¹⁾
- Number of vessels: 11x⁽¹⁾
- Average age of vessels: 15.3 years⁽¹⁾

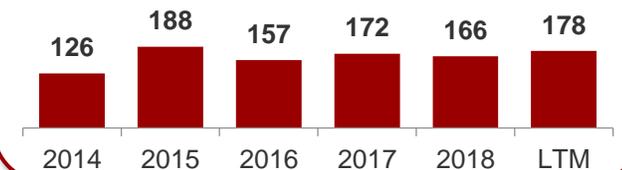
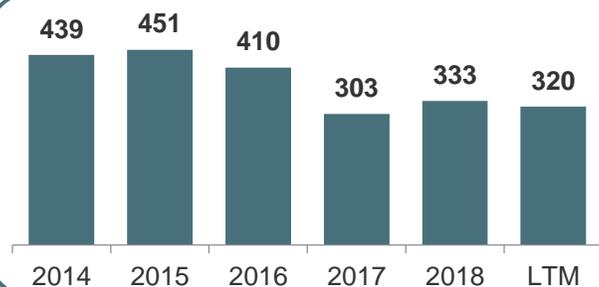
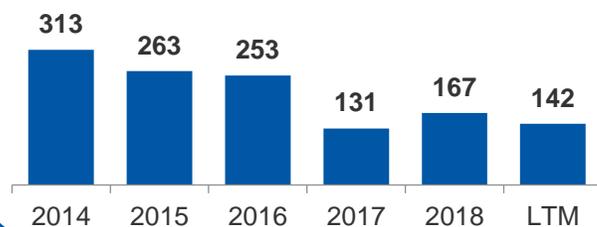
- Book value of assets: USD 3.15bn⁽¹⁾
- Number of vessels: 16x⁽¹⁾
- Average age of vessels: 12.4 years⁽¹⁾

- Book value of assets: USD 1.46bn
- Number of vessels: 5x
- Average age of vessels: 5.9 years

L5Y Revenue (USDm)



L5Y EBITDA (USDm)



Note: The combined financial information on this slide is not financial pro forma information, and has not been audited or otherwise reviewed by the companies' auditors

(1) Includes Prosafe newbuilds Eurus, Nova and Vega

Source: Company filings

Floatel – Fleet of five modern, high-end accommodation units

Floatel Superior



- Delivered March 2010
- Worldwide operation, inc NCS
- Accommodate
 - 440 single room cabins
 - 50 office work stations
- Capabilities
 - 1,500m² main deck working area
 - 38m gangway +/- 7.5m
- DP3 positioning systems
- 8 point moorings

Floatel Victory



- Delivered November 2013
- HSE UK regulations
- Accommodate
 - 560 berths
 - 40 office work stations
- Capabilities
 - 1,100m² main deck working area
 - 38m gangway +/- 7.5m
- DP3 positioning systems
- 10 point moorings

Floatel Endurance



- Delivered April 2015
- Worldwide operation, inc NCS
- Accommodate
 - 440 single room cabins
 - 55 office work stations
- Capabilities
 - 1,500m² main deck working area
 - 38m gangway +/- 7.5m
- DP3 positioning systems
- 10 point moorings

Floatel Triumph



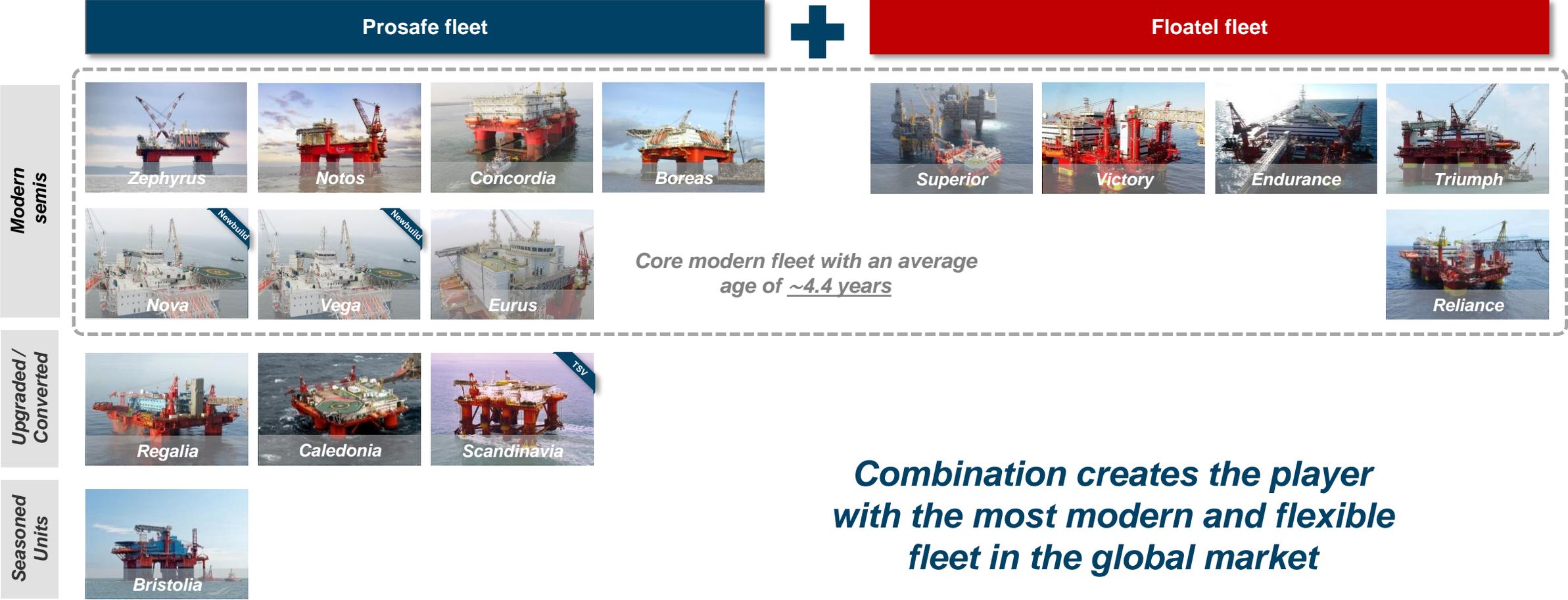
- Delivered September 2016
- HSE UK regulations
- Accommodate
 - 500 single room cabins
 - 40 office work stations
- Capabilities
 - 1,100m² main deck working area
 - 38m gangway +/- 7.5m
- DP3 positioning systems
- 10 point moorings

Floatel Reliance

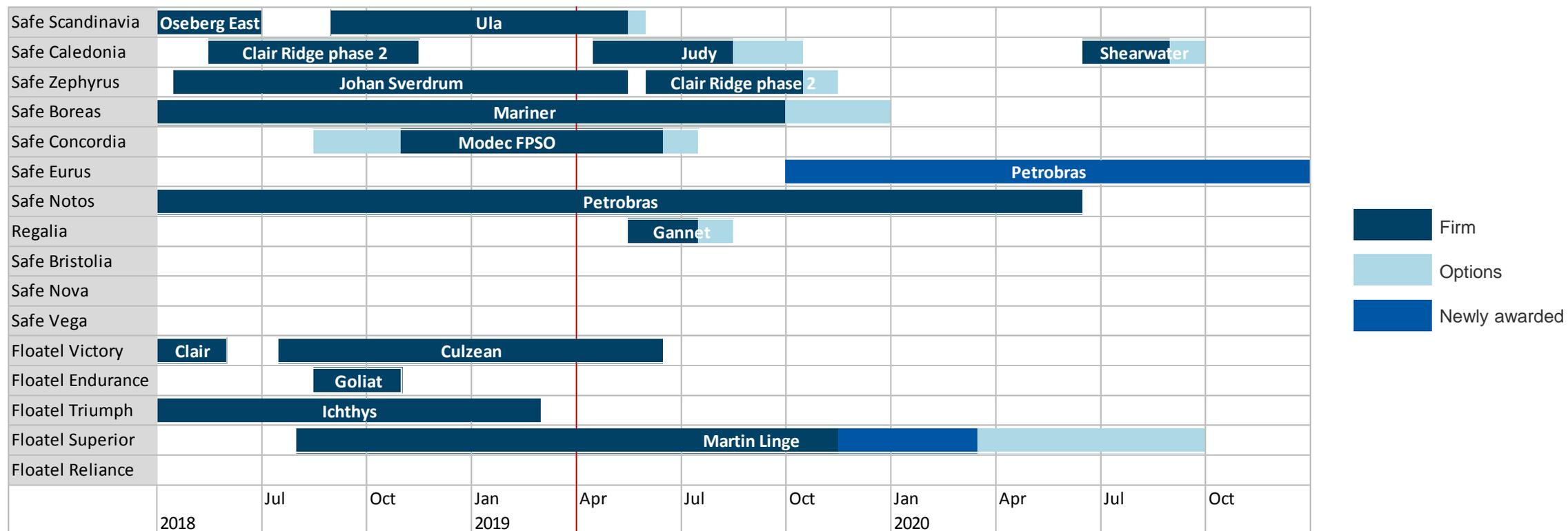


- Delivered October 2010
- Accommodate
 - 500 berths
 - 40 office work stations
- Capabilities
 - 1,100m² main deck working area
 - 36.5m gangway +/- 7.5m
- DP2 positioning systems

Combined fleet of twelve modern high-spec vessels with an average age of only 4.4 years



Combined contract backlog of USD 225m as per 31.03.2019



- A further USD 102m of backlog secured since Floatel and Prosafe's Q1 reporting:
 - In May, Prosafe announced a three-year contract signed with Petrobras for Safe Eurus in Brazil. The contract will commence during Q4 2019. The total value of the contract is approximately USD 80m
 - In April, Floatel was awarded a four month extension for Floatel Superior working for Equinor on the Martin Linge field. The total value of the contract is extension is approximately USD 22m

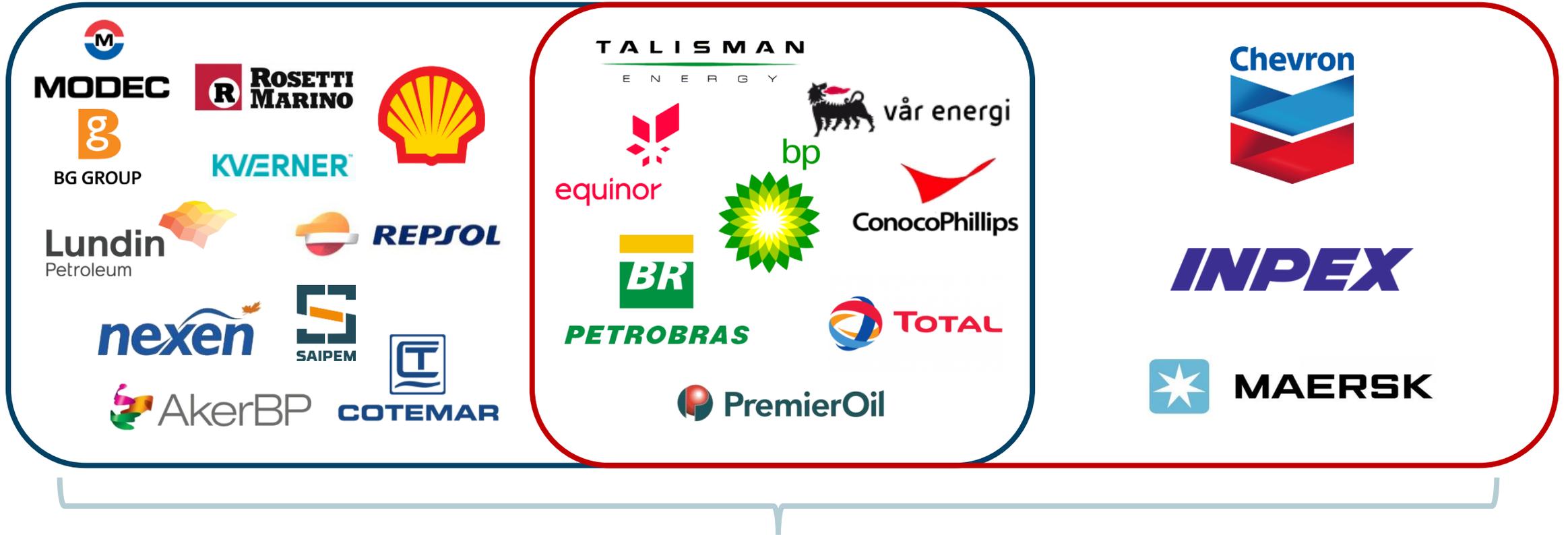
Source: Companies

Diversified client relationship with exposure to largest offshore reserve holders

Prosafe clients

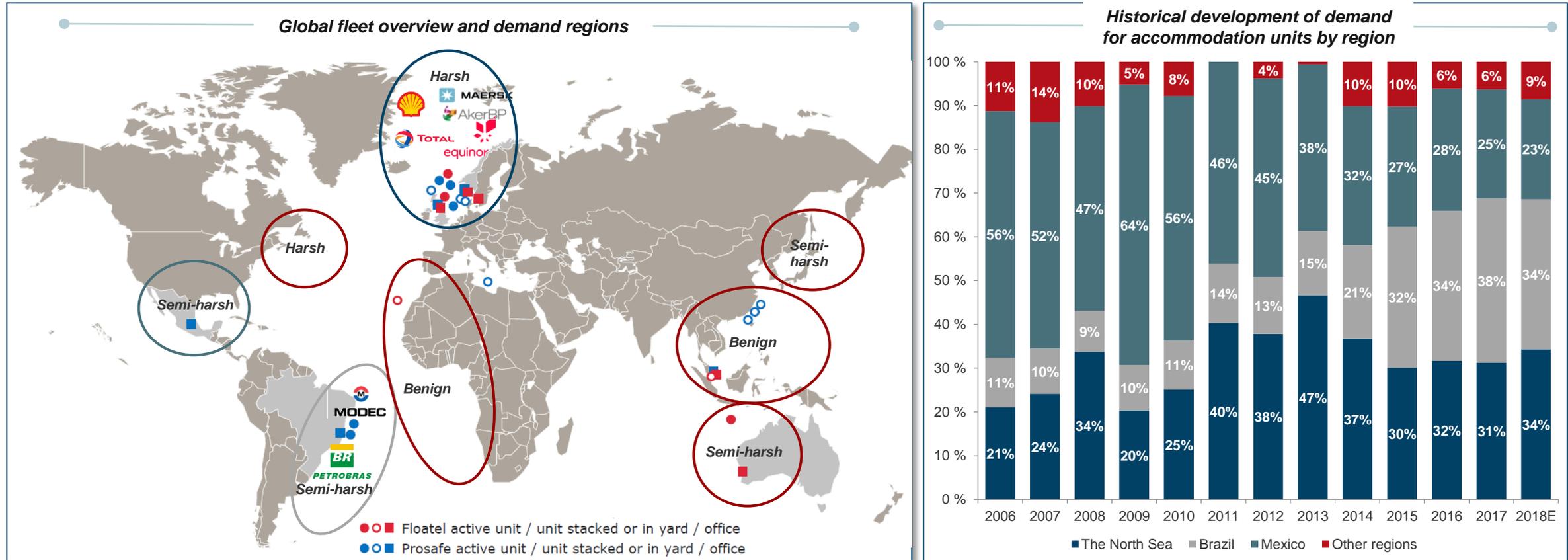
Joint clients

Floatel clients



The combined entity will have a global reach and enhanced client base

Increased fleet and expanded presence across multiple geographies...

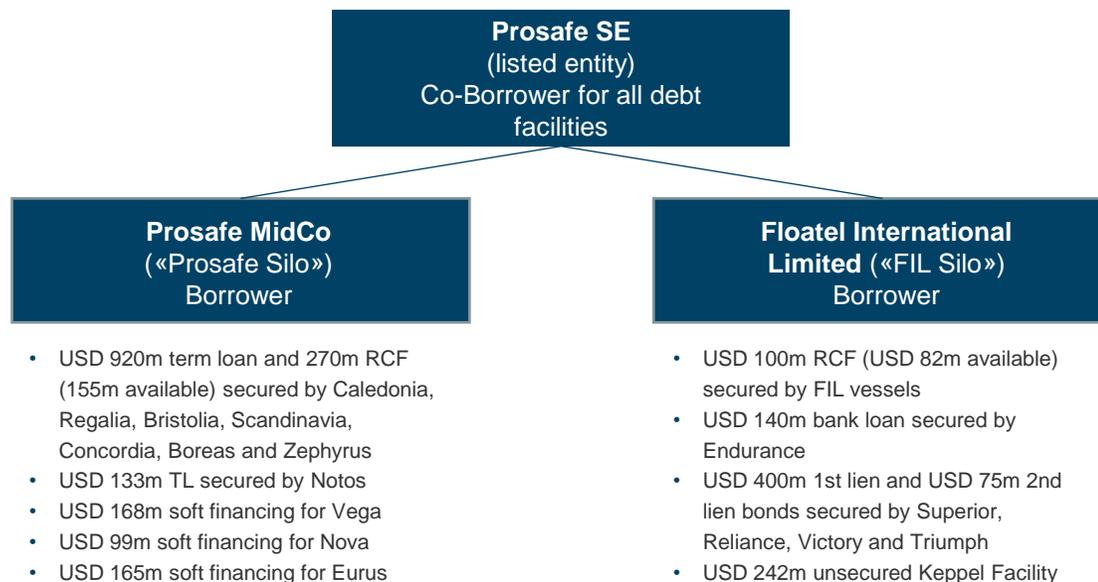


... leading to cost savings from fleet optimization in an evolving market

Note: Logos show current contractors
Source: Clarksons Platou Securities AS

Existing financing to remain «in silos» following combination

Simplified new group structure



Transaction structure

Demerge Prosafe SE so that it is split into a listed holding company (Prosafe SE) and a subsidiary (Prosafe MidCo Silo)

Prosafe MidCo will be borrower under the existing debt in Prosafe as well as the holder of the Prosafe assets

Floatel International Limited continues to be borrower of FIL debt, but as a subsidiary of Prosafe SE

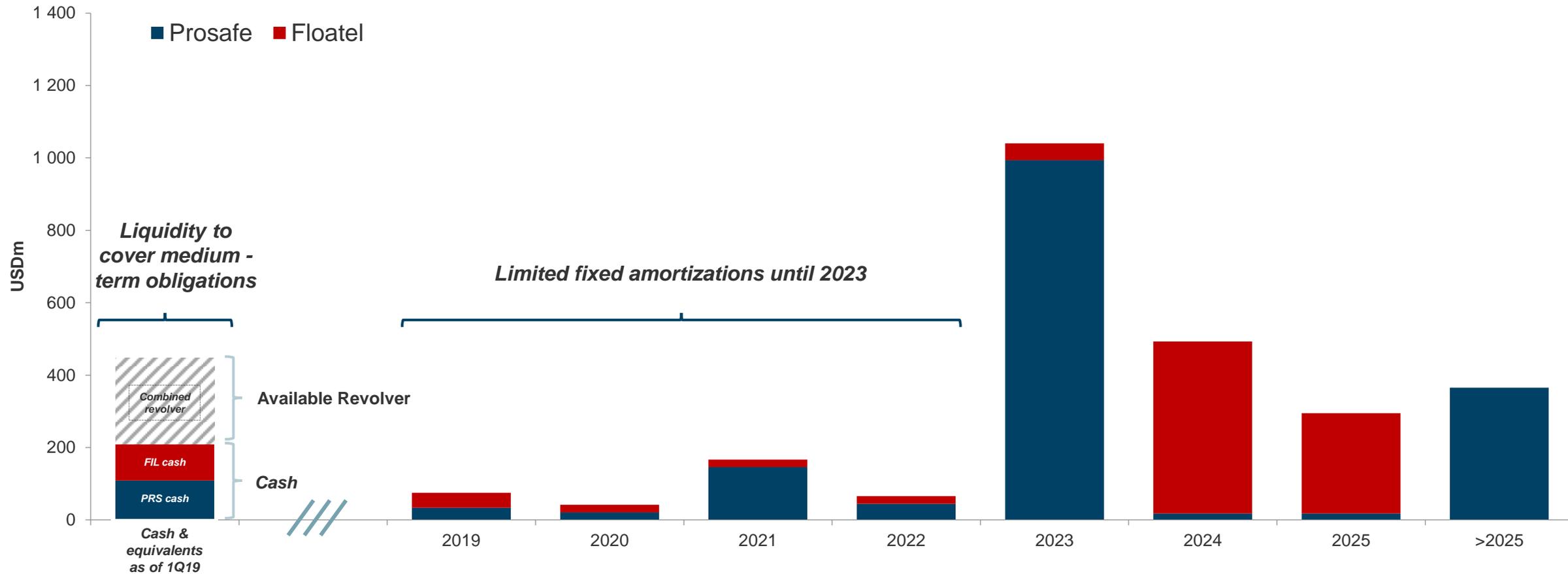
Prosafe SE will be co-borrower for both Prosafe silo and Floatel silo

Note: Debt figures as of 31/3/19

- The respective companies will in due course seek consents from its creditors to the business combination, including amendment of the relevant consolidation restrictions in current bank and bond terms
- Treatment of creditors will strive on a principle of equal treatment between the Prosafe creditors and the Floatel creditors
- The intention is to keep existing financing structure for both Prosafe and Floatel creditors intact (and in silos)
- Existing creditors in both companies will continue with the same security structure as they have today
- In addition, they will receive the added strength of a larger listed parent company
- The listed entity, being the ultimate holding company, will be offered as co-borrower for all existing secured debt in both companies

Available liquidity and debt maturity overview

- Liquidity to cover medium term obligations



Notes:
 Assumes Euris, Nova and Vega taken out in 2019, 2020 and 2021 respectively
 Assumes Prosafe exercises the option to extend the Cosco financing
 Assumes no cash paydown on Floatel's Keppel facility (PIK only)
 Does not include Floatel preferred equity of USD 44m
 Excluding restricted cash and accumulated interest

Tentative timeline towards closing of the transaction

Key events	Indicative dates
Merger announcement	June 3rd
Creditor approval period	[June - TBD]
Review by competition authorities	[March – August]
Extraordinary General Meetings to approve transaction	[TBD August/September]
Anticipated closing and listing	Target before end Q3 2019

PRS

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Appendix

Details on the Preference Shares to Floatel shareholders

- *The Preference Shares shall have, and be subject to, the following rights and restrictions:*
- *Dividend: All distributions of profits, sales proceeds and/or other value transfer or distribution from the Company shall first be paid to the holders of the Preference Shares (the "**Preference Shareholders**"), proportionate in respect of their Preference Shares. Notwithstanding the above, amounts distributed to the Preference Shareholders shall be limited upwards to the first USD 20m distributed by the Company following issuance of the Preference Shares (the "**Maximum Dividend Amount**"). The Maximum Dividend Amount may be adjusted downwards based on the final judgement or settlement in the Company's dispute with Westcon Yard AS pertaining to the Company's conversion of 'Safe Scandinavia' with case no 18-094564ASD-GULA/AVD1 in Gulating court of appeal (the "**Westcon Matter**"), as follows:*
 - *If the final judgement or settlement in the Westcon Matter is a decision that the Company is entitled to USD 20m or more (net of legal costs and other expenses in the litigation but including interest), and payment of at least USD 20m of such amount is made to the Company, the Maximum Dividend Amount shall be USD 0; and*
 - *If the final judgement or settlement in the Westcon Matter is a decision that the Company is entitled to less than USD 20m, but more than USD 0 (net of legal costs and other expenses in the litigation but including interest), and payment of such amount (if any) is made to the Company, the Maximum Dividend Amount shall be an amount equal to the difference between USD 20m and the actual amount received by the Company.*
 - *For the avoidance of doubt, if the final judgement is negative, i.e. that the Company must pay more than USD 0, the Maximum Dividend Amount shall be USD 20m.*
- *The holders of the ordinary shares shall only be entitled to distributions when the Maximum Dividend Amount has been distributed to the Preference Shareholders. Upon distribution of the Maximum Dividend Amount, if any, the Preference Shareholders shall not be entitled to any other distributions from the Company.*
- *No other rights: The Preference Shares shall carry no other rights than the rights to dividend as set out above, including no voting rights.*