



FOURTH QUARTER 2003

(Figures in brackets refer to the same period last year)

Main figures

The operating profit for 2003 came to NOK 366m (NOK 702m). Adjusted for goodwill amortisation of NOK 69m, the operating profit equalled NOK 435m (NOK 770m). The main reasons for the decrease are lower utilisation within Offshore Support Services due to the upgrade of the fleet prior to start-up of the five-year charters in the Gulf of Mexico, lower USD/NOK exchange rate and costs relating to subsea well intervention.

In 2003, net financial items equalled NOK 206m (NOK -138m) after a currency gain of NOK 326m in connection with the refinancing which took place in the first quarter. Taxes for the year increased to NOK 120m (NOK 40m) as a consequence of the currency gain.

Net profit for 2003 amounted to NOK 462m (NOK 524m), and fully diluted earnings per share equalled NOK 13.62 (15.39). Adjusted for goodwill amortisation, fully diluted earnings per share equalled NOK 15.65 (17.38).

The operating profit for the fourth quarter came to NOK 50m (NOK 136m). Adjusted for goodwill amortisation, the operating profit equalled NOK 67m (NOK 153m). The main reasons for the decrease are write-downs of NOK 20m, costs relating to subsea well intervention and lower USD/NOK exchange rate.

In the fourth quarter, an accrual of NOK 10m relating to the sale of Consafe in 2001 has been reversed. The amount is classified as "other items".

Net profit for the fourth quarter amounted to NOK 37m (NOK 88m), and fully diluted earnings per share equalled NOK 1.09 (2.60). Adjusted for goodwill amortisation, fully diluted earnings per share equalled NOK 1.59 (3.10).

In line with the company's dividend policy, the board of directors proposes a dividend for 2003 of NOK 4.00 per share, an increase from the ordinary dividend of NOK 3.00 for 2002. In December 2003, the company decided to pay an extraordinary dividend of NOK 4.00 per share.

Total assets amounted to NOK 7,254m (NOK

7,302m), and the equity ratio was 47% (46%) at the end of the period.

Offshore Support Services

Five of the company's units, *Safe Britannia*, *Safe Lancia*, *Safe Regency*, *Jasminia* and *Safe Hibernia* have throughout the year operated on charters in the Gulf of Mexico. The three former units have, however, been off-hire for a period due to upgrades prior to start-up of the five-year charters which were awarded last spring.

Safe Caledonia commenced the charter with ConocoPhillips in the Timor Sea in May. This is the first charter for Prosafe in this region.

In 2003, *Safe Scandinavia* has operated on Gullfaks in March/April and on Grane from May to October. Prior to the Gullfaks charter, the rig was upgraded to increase the accommodation capacity.

Also MSV *Regalia* has been upgraded during 2003. The work towards making the rig capable of intervention on subsea completed wells was finalised in February. The first campaign for Statoil was suspended due to problems with the equipment from a subcontractor. In June/July, the rig operated in accommodation mode on Fram, and in October/November the well intervention work for Statoil was performed successfully. Subsequently, the rig started mobilisation for the company's first rig charter in West Africa. The company has since 6 December received day rates for the rig.

In 2003, the operating revenues from Offshore Support Services equalled NOK 910m (NOK 990m), and the operating profit came to NOK 200m (NOK 513m). The utilisation ratio in 2003 was 73% (84%). The main reasons for the decrease in operating profit are lower utilisation ratio due to upgrades prior to the five-year charters in the Gulf of Mexico, lower USD/NOK exchange rate and costs relating to subsea well intervention.

The operating profit for the fourth quarter amounted to NOK 31m (NOK 79m). The utilisation ratio for the rig fleet in the fourth quarter was 82% (73%). The decreased operating profit is due to costs relating to

subsea well intervention and lower USD/NOK exchange rate.

Floating Production

In 2003, Floating Production generated operating revenues of NOK 585m (460m), and the operating profit before goodwill amortisation came to NOK 159m (NOK 173m). The reasons for the reduction are a write-down of M/T *Serene Sky* of NOK 17m, engineering expenses which normally are capitalised as cost of a vessel under conversion, and lower USD/NOK exchange rate.

The operating profit for the fourth quarter amounted to NOK 29m (NOK 39m) before goodwill amortisation. The adverse factors compared to last year, are the write-down of M/T *Serene Sky*, lower USD/NOK exchange rate and engineering expenses. These factors are partly offset by the contracts for *Abo FPSO* and OPL98.

Drilling Services

In 2003, the operating revenues from Drilling Services reached NOK 1 444m (NOK 1 459m) and the operating profit equalled NOK 102m (NOK 109m). This is the second best operating profit ever for this business unit.

The operating profit for the fourth quarter equalled NOK 15m (NOK 42m). The main adverse factors are a write-down of the cuttings re-injection units, changed assumptions for calculation of the company's pension liabilities and finally the fact that Rubicon was off-hire throughout the fourth quarter this year.

Outlook

Prosafe enters 2004 with a solid contract reserve and a generally positive view on the market outlook.

Within **Drilling Services**, main focus is on safe and efficient operation of existing contracts. Rubicon is marketed internationally in competition with subsea completions / tie-back solutions and jack-up solutions. The company is optimistic with regards to securing a new assignment for the rig, but indicates now that this may take large parts of the current year to achieve. The company is preparing for the upcoming Tampen tender from Statoil, which will include platform drilling services on Statfjord, Visund, Gullfaks, Snorre and Heidrun. The prospects for a safe, efficient, committed and forward-looking drilling service company on the Norwegian shelf are good.

Floating Production has consolidated its position through 2003, and increased its operating efficiency. The company sees that the activity level within the FPSO segment will pick up in 2004. Focus onwards will be on safe and efficient operations, and on the target of winning an FPSO conversion project in line with the company's strategy and return targets. The company's strategy of a controlled and profitable growth based on conversion projects against firm contracts - primarily in the mid-segment in Africa and Asia - remains firm.

Offshore Support Services has secured a fleet utilisation of 81% excluding options for 2004, 62.5% for the years 2005-2007 and approximately 30% for 2008. The company has previously communicated limited opportunities for securing further utilisation in the first half of 2004, whereas the outlook for the second half is brighter. Beyond 2004, the company sees a number of opportunities both in the North Sea and internationally. The company will focus on the most attractive contract opportunities and capitalise on an increased potential for geographical diversification. In general, there are now more actual and indicative demand drivers and more geographical opportunities than before. The company will proactively refine its market position also in the future.

Oslo, 4 February 2004

The board of directors of Prosafe ASA

Profit and loss account

(Unaudited figures in NOK million)	Q4 03	Q3 03	Q4 02	2003	2002
Operating revenues	783	766	664	2 908	2 893
Operating expenses	(588)	(516)	(445)	(2 069)	(1 829)
Operating profit before depreciation	195	250	219	839	1 064
Depreciation	(108)	(98)	(66)	(384)	(294)
Write-down fixed assets	(20)	0	0	(20)	0
Goodwill amortisation	(17)	(18)	(17)	(69)	(68)
Operating profit	50	134	136	366	702
Interest income	5	3	5	18	31
Interest expenses	(33)	(37)	(28)	(130)	(129)
Other financial items	(9)	(6)	(10)	318	(40)
Net financial items	(37)	(40)	(33)	206	(138)
Profit before other items	13	94	103	572	564
Other items	10	0	0	10	0
Profit before taxes	23	94	103	582	564
Taxes	14	(10)	(15)	(120)	(40)
Net profit	37	84	88	462	524
EPS (in NOK)	1.09	2.48	2.61	13.64	15.48
EPS fully diluted (in NOK)	1.09	2.47	2.60	13.62	15.39
Excl goodwill amortisation:					
EPS (in NOK)	1.59	3.01	3.11	15.68	17.49
EPS fully diluted (in NOK)	1.59	3.00	3.10	15.65	17.38

Balance sheet

(Unaudited figures in NOK million)	31.12.03	30.09.03	31.12.02
Goodwill	1 174	1 192	1 243
Rigs	3 175	3 019	2 873
Ships	1 429	1 573	1 666
Other fixed assets	243	233	205
Total fixed assets	6 021	6 017	5 987
Other current assets	558	719	532
Cash and deposits	675	566	726
Total current assets	1 233	1 285	1 258
Total assets	7 254	7 302	7 245
Share capital	340	340	337
Other equity	3 077	3 400	2 968
Total equity	3 417	3 740	3 305
Interest-free long-term liabilities	74	72	83
Interest-bearing long-term liabilities	2 864	2 871	2 985
Total long-term liabilities	2 938	2 943	3 068
Dividends	271	0	102
Interest-free current liabilities	628	619	770
Total current liabilities	899	619	872
Total equity and liabilities	7 254	7 302	7 245

The financial statements are prepared in accordance with NRS 11 re. interim reporting. The accounting policies are the same as were applied in the annual report 2002.

Movements in equity:	Q4 03	Q3 03	Q4 02	2003	2002
Equity at the beginning of the period	3 740	3 721	3 373	3 305	3 068
Net profit	37	84	88	462	524
Paid in capital	0	0	0	0	16
Dividends	(272)	0	(102)	(271)	(102)
Acquisition/sale of own shares	0	0	(4)	6	(19)
Change in translation difference	(88)	(65)	(50)	(85)	(182)
Equity at the end of the period	3 417	3 740	3 305	3 417	3 305

Key figures	Note	Q4 03	Q3 03	Q4 02	2003	2002
Operating margin	1	6.4 %	17.5 %	20.5 %	12.6 %	24.3 %
Equity ratio	2	47.1 %	51.2 %	45.6 %	47.1 %	45.6 %
Return on equity	3	4.1 %	9.0 %	9.8 %	13.7 %	16.4 %
Return on capital employed	4	3.4 %	8.2 %	8.7 %	6.1 %	12.1 %
Net interest-bearing debt (NOK million)	5	2 189	2 305	2 259	2 189	2 259
Number of outstanding shares (1 000 shares)		33 936	33 936	33 727	33 936	33 727
Average number of outstanding shares (1 000 shares)		33 936	33 936	33 728	33 864	33 857
Av. no. of outst. and potential shares (1 000 shares)		33 947	33 947	33 886	33 923	34 059
Market capitalisation (NOK million)		4 547	4 072	3 187	4 547	3 187
Number of employees		1 946	1 944	1 824	1 946	1 824

Notes to key figures:

- 1 (Operating profit / Operating revenues) * 100
- 2 (Equity / Total assets) * 100
- 3 Annualised [(Net profit / Average book equity)]
- 4 Annualised [(EBIT + Interest income) / (Average total assets - Average interest-free debt)]
- 5 Interest-bearing debt - Cash and deposits

Summary of shareholders as at 02.02.04

Number of shares: 33 957 900

Foreign ownership: 43.12 %

Shareholder	Number of shares	Share
GMO	3 042 440	8.96 %
JCE	3 014 500	8.88 %
Odin	2 717 278	8.00 %
Brown Brothers Harriman	1 612 500	4.75 %
Svenska Handelsbanken (nom.)	1 179 390	3.47 %
Skandinaviska Enskilda Banken	983 000	2.89 %
Storebrand	939 456	2.77 %
Folketrygdfondet	862 850	2.54 %
Deutsche Bank AG	761 469	2.24 %
Avanse	746 454	2.20 %
Total 10 largest shareholders	15 859 337	46.70 %

Divisions

(Unaudited figures in NOK million)	Offshore Support Services				
	Q4 03	Q3 03	Q4 02	2003	2002
Operating revenues	255	276	183	910	990
Operating expenses	(170)	(152)	(76)	(525)	(331)
Operating profit before depreciation	85	124	107	385	659
Depreciation	(54)	(44)	(28)	(185)	(146)
Operating profit	31	80	79	200	513
Total assets	3 317	3 302	3 106	3 317	3 106
Employees	115	114	133	115	133

(Unaudited figures in NOK million)	Floating Production				
	Q4 03	Q3 03	Q4 02	2003	2002
Operating revenues	151	157	107	585	460
Operating expenses	(69)	(67)	(43)	(266)	(185)
Operating profit before depreciation	82	90	64	319	275
Depreciation	(36)	(38)	(25)	(143)	(102)
Write-down fixed assets	(17)	0	0	(17)	0
Goodwill amortisation	(17)	(17)	(17)	(68)	(68)
Operating profit	12	35	22	91	105
Total assets	2 919	3 097	3 153	2 919	3 153
Employees	490	499	452	490	452

(Unaudited figures in NOK million)	Drilling Services				
	Q4 03	Q3 03	Q4 02	2003	2002
Operating revenues	385	337	383	1 444	1 459
Operating expenses	(350)	(296)	(328)	(1 286)	(1 307)
Operating profit before depreciation	35	41	55	158	152
Depreciation	(17)	(14)	(13)	(52)	(42)
Write-down fixed assets	(3)	0	0	(3)	0
Goodwill amortisation	0	(1)	0	(1)	(1)
Operating profit	15	26	42	102	109
Total assets	875	829	832	875	832
Employees	1 331	1 320	1 228	1 331	1 228