Third Quarter 2009

Prosafe Production

www.prosafeproduction.com

CONDENSED INTERIM FINANCIAL STATEMENT QUARTER ENDED 30 SEPTEMBER 2009

HIGHLIGHTS

- Operating result before depreciation of USD 50.5 million
- Contract extensions for FSO *Endeavor* and FSO *Madura Jaya*
- FPSO *Cidade de São Mateus* commenced the charter contract in early October
- FPSO *Ningaloo Vision* expected to arrive Australia during November
- Refinancing of FPSO *Umuroa*

Main figures

(Figures in brackets refer to the corresponding period of 2008)

Operating revenues amounted to USD 83.5 million (USD 70.1 million) for the 3rd quarter of 2009.

Operating profit for the 3rd quarter was USD 30.4 million (USD 21.0 million). The increase in profit is attributable to FDPSO *Azurite,* which has been on dayrate since the beginning of the year, and FPSO *Cidade de São Mateus*, which has contributed from late April. The increase is, however, reduced by the effects of the scheduled reduction in dayrate for FPSO *Umuroa* and the expiry of the contract for FSO *Endeavour* in July. Moreover, activity on variation orders continues to be at a low level, contributing less relative to the corresponding quarter last year.

Interest expenses amounted to USD 11.0 million (USD 9.8 million) for the quarter. The change is reflecting the higher debt level compared to the 3rd quarter of 2008. Other financial items amounted to USD -0.7 million (USD -10.0 million).

The tax cost for the 3rd quarter equalled USD 5.4 million (USD 4.5 million), while the net profit for the 3rd quarter totalled USD 13.5 million (USD -1.4 million).

The operating result for the nine months ended 30 September 2009 amounted to USD 81.0 million (USD 64.1 million), while the net result was USD 30.9 million (USD -16.9 million).

As a result of investments in the new units, total assets has increased to USD 2,117 million (USD 2,113 million) as of 30 September 2009. Equity amounted to USD 850 million (USD 1,056 million), resulting in a book equity ratio of 40%.

Net interest-bearing debt amounted to USD 1.035 million (USD 667 million).

Refinancing of FPSO *Umuroa*

Prosafe Production has entered into a USD 130 million revolving credit facility for refinancing of FPSO *Umuroa*. The loan has a tenor of six years with a USD 30 million balloon payment at maturity. Closing of the loan took place after the end of the 3rd quarter. The net increase in liquidity reserves will be around USD 75 million after repayment of the previous facility.

Operations and projects

All contracted units operated as normal in the quarter and the combined uptime was 99.1 per cent (99.9 per cent). FDPSO *Azurite*, which commenced operations in April, has shown solid performance in the start-up phase and had an uptime of 100 per cent in the 3rd quarter.

Aban Offshore has awarded Prosafe Production a 12-month extension of the charter contract for FSO *Endeavor*. The vessel has been off-hire since original contract expired in July. The 12-month extension will commence upon completion of repair work. The gross value of the extension is approximately USD 7 million.

Kodeco Energy has extended the contract for FSO *Madura Jaya* by six months, implying that the firm contract expires in late November 2010. In addition, Kodeco has been granted an option to extend the contract until year-end 2010. The gross value of the extension (ex. option) is around USD 2 million. Prosafe Production owns 50 per cent of the vessel.

FPSO *Cidade de São Mateus* was on availability day rate thorough the third quarter, awaiting start-up of the charter contract. The parties have recently agreed that the charter contract commenced with effect from 3 October.

FPSO *Ningaloo Vision* left Keppel Shipyard in late September. During final commissioning, unforeseen issues relating to steam systems and gas compressors were revealed. Consequently, the stay at anchorage has been longer than planned. The vessel is expected to arrive in Australia during November. The charter contract is scheduled to commence upon arrival at the field.

Outlook

The market for leased FPSOs remains quiet. Although there have been a few contract awards over the last three months, 2009 will be the quietest year since 2002. The activity level for 2010 is expected to be higher, but the total number of awards is likely to be well below the average of 20 per annum seen in the period from 2005 to 2008. Simultaneously, all major FPSO players are in the process of completing larger conversion projects, freeing up substantial execution capacity. As such, competition is likely to be strong on tenders over the next six to 12 months and returns could come under pressure.

The long-term outlook remains strong, with an increasing amount of future oil production coming from areas such as deep waters, remote locations with little infrastructure, harsh environments and marginal fields. These are all areas where the FPSO solution is competitive, boding well for the long-term development in demand and returns.

Prosafe Production is unwilling to lower its return requirements to win new projects. Given the cautious near-term outlook, the company’s main focus will be to prepare for a long-term strong market by reducing net debt and increasing financial flexibility.

Limassol, 3 November 2009

The Board of Directors of Prosafe Production Public Limited

CONDENSED INCOME STATEMENT

(unaudited figures in USD million)	Note	Q3 09	Q3 08	Nine months ended 30/09/2009	Nine months ended 30/09/2008
Operating revenues		83.5	70.1	224.6	193.3
Operating expenses		(33.0)	(34.8)	(90.1)	(86.5)
Operating profit before depreciation		**50.5**	**35.2**	**134.4**	**106.8**
Depreciation		(20.2)	(14.2)	(53.5)	(42.7)
Operating profit		**30.4**	**21.0**	**81.0**	**64.1**
Interest income		0.3	1.8	0.6	2.5
Interest expenses		(11.0)	(9.8)	(33.5)	(17.6)
Other financial items	3	(0.7)	(10.0)	(3.8)	(51.9)
Net financial items		**(11.4)**	**(18.0)**	**(36.8)**	**(66.9)**
Profit before taxes		**18.9**	**3.1**	**44.2**	**(2.9)**
Taxes		(5.4)	(4.5)	(13.3)	(14.0)
Net profit (loss)		**13.5**	**(1.4)**	**30.9**	**(16.9)**
Earnings per share	1	**0.05**	**(0.01)**	**0.12**	**(0.07)**
Earnings per share diluted	1	**0.05**	**(0.01)**	**0.12**	**(0.07)**

STATEMENT OF COMPREHENSIVE INCOME

(unaudited figures in USD million)	Note	Q3 09	Q3 08	Nine months ended 30/09/2009	Nine months ended 30/09/2008
Net profit (loss)		**13.5**	**(1.4)**	**30.9**	**(16.9)**
Net gains/losses on cash flow hedges		(11.9)	(16.2)	12.8	11.8
Foreign currency translation		0.2	0.2	0.4	0.6
Other comprehensive income		**(11.7)**	**(16.0)**	**13.1**	**12.4**
Total comprehensive income		**1.9**	**(17.4)**	**44.0**	**(4.5)**

CONDENSED BALANCE SHEET

(unaudited figures in USD million)	Note	30/09/09	30/09/08	31/12/08
Goodwill		128.3	128.3	128.3
Ships	5	1,771.8	1,625.5	1,567.4
Other non-current assets		13.5	14.1	15.7
Total non-current assets		**1,913.6**	**1,767.9**	**1,711.4**
Cash and deposits		117.9	271.4	211.0
Other current assets		85.4	74.1	62.2
Total current assets		**203.3**	**345.6**	**273.2**
Total assets		**2,116.9**	**2,113.4**	**1,984.6**
Share capital	6	25.5	25.5	25.5
Other equity		824.2	1,030.2	780.2
Total equity		**849.7**	**1,055.7**	**805.7**
Interest-free long-term liabilities		1.4	1.9	2.3
Interest-bearing long-term debt	4	1,028.4	918.1	1,013.8
Total long-term liabilities		**1,029.8**	**919.9**	**1,016.1**
Other interest-free current liabilities		112.7	117.6	144.0
Current interest-bearing debt	4	124.6	20.1	18.8
Total current liabilities		**237.4**	**137.8**	**162.8**
Total equity and liabilities		**2,116.9**	**2,113.4**	**1,984.6**

CONDENSED CASH FLOW STATEMENT

(unaudited figures in USD million)	Note	Nine months ended 30/09/2009	Nine months ended 30/09/2008	2008
Profit before taxes		44.2	(2.9)	(193.4)
Unrealised currency loss		(0.8)	0.0	(1.2)
Depreciation		53.5	42.7	57.6
Impairment		0.0	0.0	196.8
Taxes paid		(12.3)	(12.6)	(18.2)
Loss on sale of assets	3	0.0	52.6	52.6
Change in working capital		(41.1)	40.4	78.8
Other items from operating activities		32.1	4.5	(25.1)
Net cash flow from operating activities		**75.7**	**124.7**	**148.0**
Acquisition of tangible assets	5	(257.7)	(723.2)	(895.7)
Acquisition of financial assets		0.0	(319.6)	(319.6)
Proceeds from sale of assets		0.0	260.0	260.0
Dividends received		0.0	0.0	1.5
Interest received		0.6	2.5	3.3
Net cash flow from investing activities		**(257.1)**	**(780.4)**	**(950.6)**
Proceeds from new interest-bearing debt	4	135.0	863.2	963.2
Repayment of interest-bearing debt		(14.6)	(45.0)	(50.6)
Paid-in capital		0.0	70.1	70.1
Interest paid		(32.2)	(14.2)	(22.1)
Net cash flow from financing activities		**88.3**	**874.1**	**960.6**
Net cash flow		**(93.1)**	**218.4**	**158.0**
Cash and deposits at beginning of period		211.0	53.0	53.0
Cash and deposits at end of period		**117.9**	**271.4**	**211.0**

CONDENSED STATEMENT OF CHANGES IN EQUITY

(unaudited figures in USD million)	Nine months ended 30/09/2009	Nine months ended 30/09/2008	2008
Equity at the beginning of period	805.7	990.1	990.1
Total comprehensive income for the period	44.0	(4.5)	(254.5)
Paid-in capital	0.0	70.1	70.1
Equity at the end of period	**849.7**	**1,055.7**	**805.7**

KEY FINANCIAL FIGURES

	Notes to key figures	Q3 09	Q2 09	Q3 08	Nine months ended 30/09/2009
EBITDA margin		60.5%	58.6%	50.3%	59.9%
Operating margin		36.4%	34.3%	30.0%	36.1%
Return on capital employed	1	6.3%	5.8%	5.4%	5.6%
Return on equity	2	6.5%	5.9%	-0.6%	5.0%
Equity ratio	3	40.1%	40.7%	50.0%	40.1%
EPS (USD)	4	0.05	0.05	(0.01)	0.12
EPS adjusted (USD)	5	0.05	0.05	(0.01)	0.12
Working capital (USD million)	6	6.9	103.5	197.5	6.9
Net interest-bearing debt (USD million)		1,035.2	1,011.1	666.8	1,035.2
Market capitalisation (USD million)		599	479	613	599
Share price (NOK)		13.70	12.10	14.00	13.70
Book equity per share (USD)		3.33	3.32	4.14	3.33
Number of shares (million)		255.2	255.2	255.2	255.2
Average number of shares (million)		255.2	255.2	255.2	255.2
USD/NOK exchange rate		5.84	6.44	5.83	5.84

Notes to key figures

1. Operating profit / [Average total assets - Average interest-free current debt] (Annualised)
2. Net profit / Average book equity (Annualised)
3. Book equtiy / Total assets
4. Net profit / Average number of outstanding and potential shares
5. Figures for 2008 adjusted for effects from impairment charge, book loss from sale of Teekay Petrojarl and restructuring costs
6. Current assets - current liabilities. Adjusted for market value of interest swaps.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT

Prosafe Production Public Limited is a public limited company registered in Limassol, Cyprus. The company is listed on the Oslo Stock Exchange with the ticker code PROD.

The interim condensed financial information of Prosafe Production for the quarter ended 30 September, 2009 were approved by the Board of Directors on 3 November, 2009.

1. BASIS FOR PREPARATION

The condensed interim financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

The condensed interim financial information does not include all the information and disclosures required in the annual financial information and should be read in conjuntion with the consolidated financial statements for 2008. The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the consolidated financial statements for 2008.

2. SEGMENT INFORMATION

Prosafe Production is a leading owner and operator of floating production and storage vessels and does only have one operating segment.

3. DISPOSAL OF SHARES IN TEEKAY PETROJARL ASA

Shares owned in Teekay Petrojarl ASA (30.1% of the outstanding share capital) where disposed on 20 June 2008. The disposal resulted in a book loss of 52.6 million for Prosafe Production. The Company holds no shares in Teekay Petrojarl ASA following this transaction.

4. SECURED INTEREST-BEARING DEBT

Prosafe Production had the following secured interest-bearing debt as at 30 September 2009:

(unaudited figures in USD million)	Q3 09	Q3 08	2008
USD 1200 mill facility	1085.0	850.0	950.0
Umuroa facility	57.0	75.0	70.5
Petróleo Nautipa facility	11.1	13.2	12.1
Total interest-bearing debt	**1,153.1**	**938.2**	**1,032.6**

Prosafe Production Public Limited as borrower has entered into a senior secured revolving credit facility dated 5 May 2008, with a total availability of USD 1200 million where Nordea Norge ASA act as facility agent on behalf of a number of lenders. The loan period is seven years with the final maturity date 5 May 2015. The revolving credit facility has financial covenants related to liquidity, leverage ratio, equity ratio, working capital and collateral maintenance, and include a standard change of control clause that can be triggered if a party exceeds 30% ownership.

The *Umuroa* facility is a project financing relating to the FPSO *Umuroa* operating in New Zeeland. The loan matures in July 2012.

The *Petróleo Nautipa* facility is a credit facility related to the FPSO *Petróleo Nautipa*. The facility matures in December 2012.

5. SHIPS

Increase in book value of ships is a result of investments in connection with the finalisation of existing conversion projects. Capital expenditure related to vessels and vessels under conversion for third quarter of 2009 amounted to USD 54.0 million.

6. EQUITY

The number of authorised shares issued and fully paid as at 30 September 2009 were 255,201,764. There has been no change to the number of shares issued in the third quarter of 2009.

As at 30 September 2009 Prosafe Production Public Limited has no holding of own shares.

7. RELATED PARTY

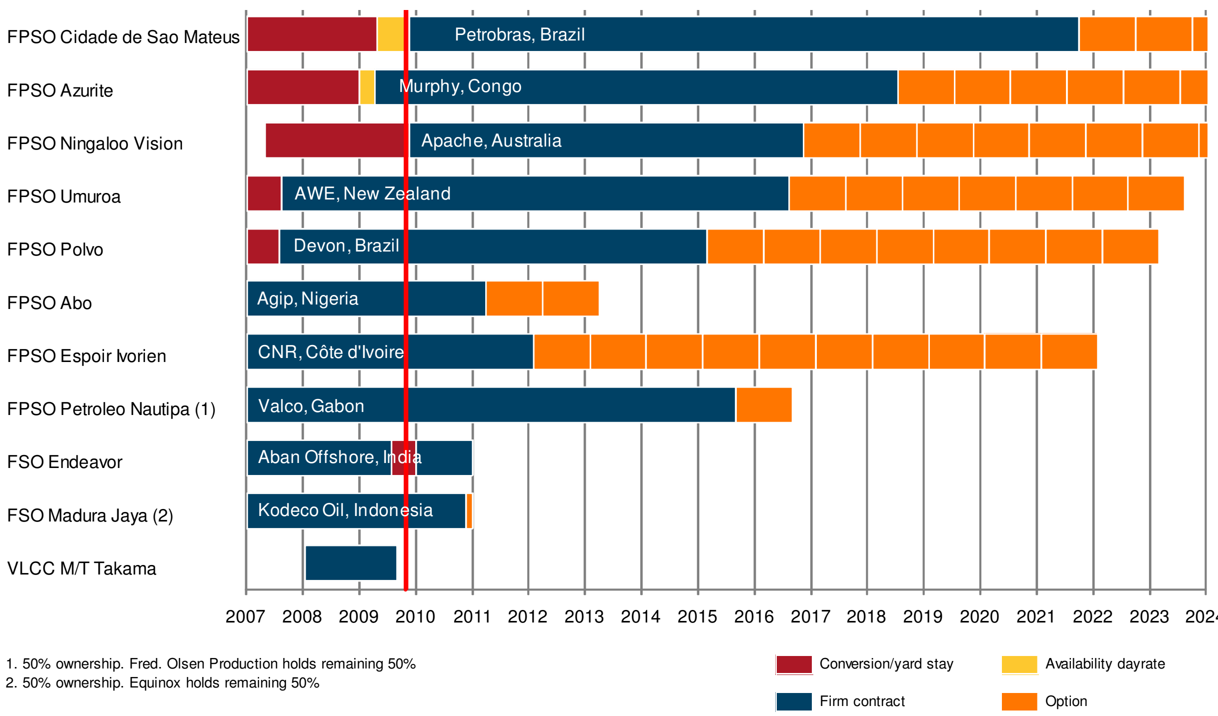
Shares held by members of the board and management group	**30/09/09**
Members of the board	
Reidar Lund	190,000
Arne Austreid	93,500
Ronny Johan Langeland	10,000
Management	
Bjørn Henriksen	156,000
Roy Hallås	105,930
Sven Børre Larsen	24,500

SHAREHOLDERS as at 30 September 2009

	No. of shares	Ownership
BW OFFSHORE CYPRUS LIMITED (1)	44,500,000	17.44%
PROSAFE HOLDING LTD.	19,778,137	7.75%
BW EUROHOLDINGS LTD	15,332,280	6.01%
FOLKETRYGDFONDET	12,798,235	5.01%
BW OFFSHORE CYPRUS LTD	11,432,990	4.48%
BROWN BROTHERS HARRIMAN & CO	7,500,000	2.94%
JPMORGAN CHASE BANK	7,439,446	2.92%
RBC DEXIA INVESTOR SERVICES TRUST	7,270,746	2.85%
AWILCO INVEST AS	6,954,800	2.73%
PROSAFE SE	5,596,997	2.19%
ORKLA ASA	5,496,000	2.15%
PARETO AKSJE NORGE	5,348,800	2.10%
BW LPG FPSO I LTD	5,000,000	1.96%
BANK OF NEW YORK MELLON	4,300,707	1.69%
BGL BNP PARIBAS	3,978,775	1.56%
HSBC BANK PLC	3,978,286	1.56%
GMO FOREIGN FUND	3,796,454	1.49%
UBS AG, LONDON BRANCH	3,632,960	1.42%
STATE STREET BANK AND TRUST CO.	3,625,200	1.42%
ODIN OFFSHORE	3,300,000	1.29%
MORGAN STANLEY & CO INTERNAT. PLC	3,146,347	1.23%
CITIBANK N.A. (LONDON BRANCH)	2,976,495	1.17%
GMO ERISA POOL TRUST	2,844,868	1.11%
PARETO AKTIV	2,838,850	1.11%
CITIBANK N.A. (LONDON BRANCH)	2,747,400	1.08%

1) BW Offshore Ltd is controlled by BW Euroholdings Ltd's parent company BW Group Ltd. In total they own 76,265,270 shares in Prosafe Production Public Ltd, which constitutes 29.88% of the shares outstanding.

CONTRACT STATUS



1. 50% ownership. Fred. Olsen Production holds remaining 50%
2. 50% ownership. Equinox holds remaining 50%

Prosafe Production Public Limited
City House, 3rd Floor
6 Karaiskakis Street
CY-3032 Limassol
Cyprus
Phone: +357 2550 3120
Fax: +357 2550 3001
E-mail: mail@prosafeproduction.com

Prosafe Production Services Pte Ltd
1 International Business Park
#10-01 The Synergy
Singapore 609917
Singapore
Phone: +65 6665 6200
Fax: +65 6567 5110
E-mail: mail@prosafeproduction.com

Investor Relations contact
Sven Børre Larsen
EVP and CFO
Phone: +65 6302 0321
Mob: +65 9657 2590
E-mail: sven.larsen@prosafeproduction.com

www.prosafeproduction.com

Prosafe Production