



NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Update of Q2 Performance and Reduction of Full Year 2014 Guidance

July 14, 2014: Oslo, Norway, Petroleum Geo-Services ASA ("PGS" or "the Company") will present second quarter results on July 24, 2014. The Company expects to report weaker Q2 results than current market expectations.

Customers' intentions with regard to seismic purchases, particularly MultiClient, have become less predictable recently. Accordingly, and considering the Q2 results, PGS lowers its full year EBITDA guidance to circa \$850 million. It should be noted that because of this reduced predictability, the uncertainty range around the EBITDA guidance is wider than normal.

The weak Q2 results are mainly driven by lack of pre-funding for the Triton MultiClient survey in the Gulf of Mexico and to some extent by mobilization delays on some Marine Contract surveys, relating to permitting, weather and technical problems.

The Company expects to report consolidated Q2 revenues of approximately \$335 million; EBITDA of approximately \$170 million and EBIT before impairments of approximately \$55 million. In addition, an impairment charge of approximately \$10 million is expected related to vessel and equipment retirement.

With the exception of the delay in securing pre-funding for the Triton survey, MultiClient pre-funding is progressing well. Excluding investment in the Triton survey, the Q2 pre-funding for the remaining MultiClient portfolio is approximately 150% of capitalized MultiClient cash investment.

With respect to Triton, a fast track product from the survey is now available and the Company expects sales to be closed during 2H.

The Company provides this information based on preliminary consolidated Q2 2014 numbers. The Company has not completed all review and control procedures relating to its quarterly reporting, and significant evaluations have not yet been concluded, including tax provisions. The estimates provided in this release are therefore subject to change and the Q2 2014 financial statements finally approved and released by the Company may deviate materially from the information herein.

A more complete review of financial performance and market perspectives will be provided at the issuance of the Company's Q2 2014 Earnings Release on July 24, 2014.

This information is subject of the disclosure requirements acc. to Vphl. (Norwegian Securities Trading Act) §5-12.

Petroleum Geo-Services ("PGS" or "the Company") is a focused Marine geophysical company that provides a broad range of seismic and reservoir services, including acquisition, imaging, interpretation, and field evaluation. The Company's MultiClient data library is among the largest in the seismic industry, with modern 3D coverage in all significant offshore hydrocarbon provinces of the world. The Company operates on a worldwide basis with headquarters in Oslo, Norway.

For more information on Petroleum Geo-Services visit www.pgs.com.

The information included herein contains certain forward-looking statements that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to the demand for seismic services, the demand for data from our multi-client data library, the attractiveness of our technology, unpredictable changes in governmental regulations affecting our markets and extreme weather conditions. For a further description of other relevant risk factors we refer to our Annual Report for 2013. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and PGS disclaims any and all liability in this respect.

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