



Pareto Securities Oil & Offshore Conference
President & CEO Jon Erik Reinhardsen
Oslo, September 2, 2015

Cautionary Statement

- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
- Actual experience may differ, and those differences may be material
- Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future
- This presentation must be read in conjunction with other financial statements and the disclosures therein

Leading Marine Geophysical Company

Marine Contract

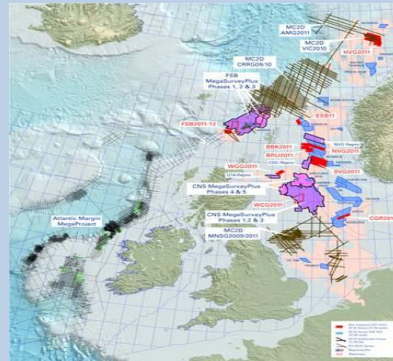


Marine market leadership

48% of 2014 revenues

Marine Contract acquires seismic data exclusively for oil and gas exploration and production companies

MultiClient



Diverse MultiClient library

41% of 2014 revenues

MultiClient initiates and manages seismic surveys which PGS acquires, processes, markets and sells to multiple customers on a non-exclusive basis

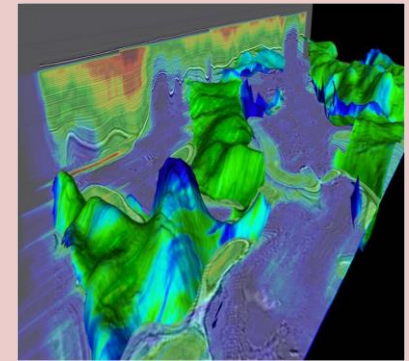
Operations



Productivity leadership

Operations supports Marine Contract and MultiClient with vessel resources and manages fleet renewal strategies

Imaging & Engineering



Technology differentiation

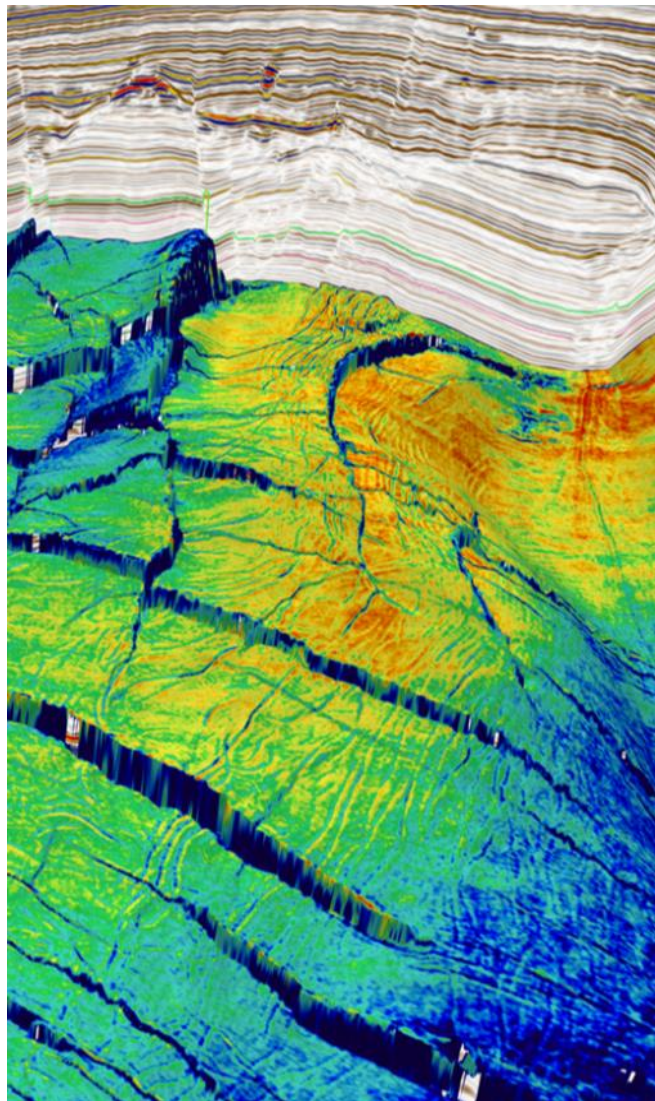
8% of 2014 revenues

Imaging and Engineering processes seismic data acquired by PGS for its MultiClient library and for external clients on contract and manages research and development activities

Client focus | Global presence | Innovation leadership

Strategy for Taking the Lead

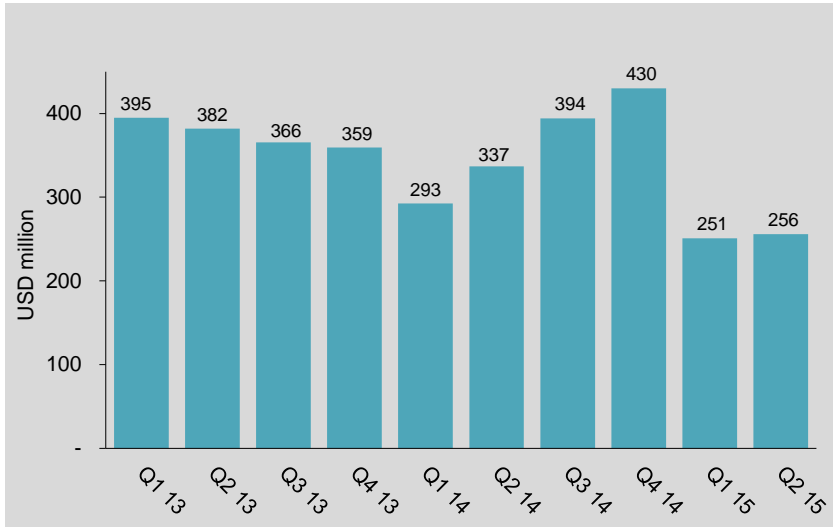
Lessons Learned from Previous Downturns



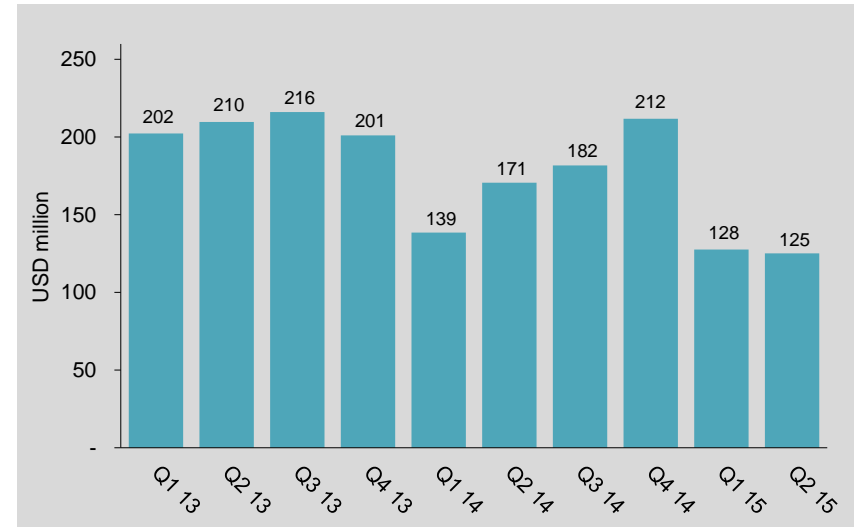
- Conservative financial gearing creates cyclical robustness
 - Long term financing in place
 - Preserving dividend capacity
- MultiClient reduces earnings volatility
- Conservative pre-funding requirements protect cash flow
 - Lower late sales risk
 - Reduce library build-ups and exposure
- New-build commitments fully funded
- Lowest cash cost wins
 - Invest for 25 years use of vessels
 - Focus on maximizing value over life of vessel
- Technology creates differentiation and downside protection
- Continuous cost focus
- Stay focused on core business
 - Divest non-core when possible (PGS Onshore 2009/2010)
- Avoid capital commitments that cannot be sustained in a downturn

Financial Summary

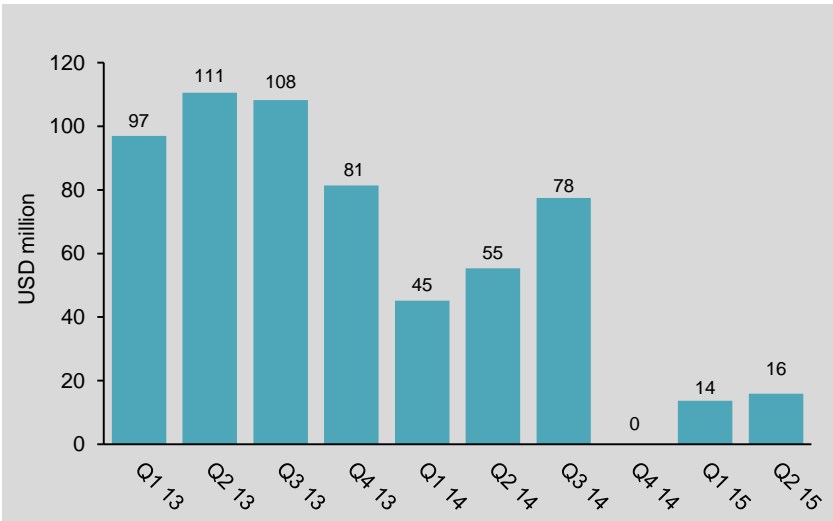
Revenues



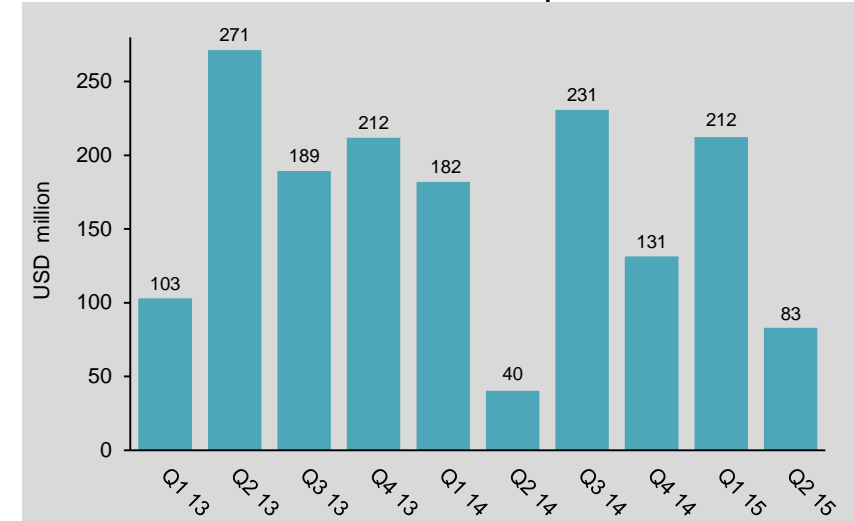
EBITDA*



EBIT**



Cash Flow from Operations



*EBITDA, when used by the Company, means EBIT excluding other charges/(income), impairment and loss/gain on sale of long-term assets and depreciation and amortization.

**Excluding impairment and loss on sale of long-term assets of USD 56.9 million, USD 39.7 million in Q4 2014, USD 25.0 million in Q3 2014, USD 9.1 million in Q2 2014, USD 15 million in Q4 2013, as well as other charges of 4.7 million in Q2 2015 and 2.7 million in Q1 2015.

Balance Sheet Key Numbers – Strong Financial Position

	June 30	June 30	December 31
USD million	2015	2014	2014
Total assets	3 297.4	3 665.7	3 563.0
MultiClient Library	749.9	727.9	695.2
Shareholders' equity	1 799.9	2 012.3	1 901.6
Cash and cash equiv.	57.6	42.9	54.7
Restricted cash	82.9	97.9	92.2
Liquidity reserve	545.7	382.9	454.7
Gross interest bearing debt	1 146.6	1 243.5	1 209.1
Net interest bearing debt	995.0	1 091.5	1 048.0

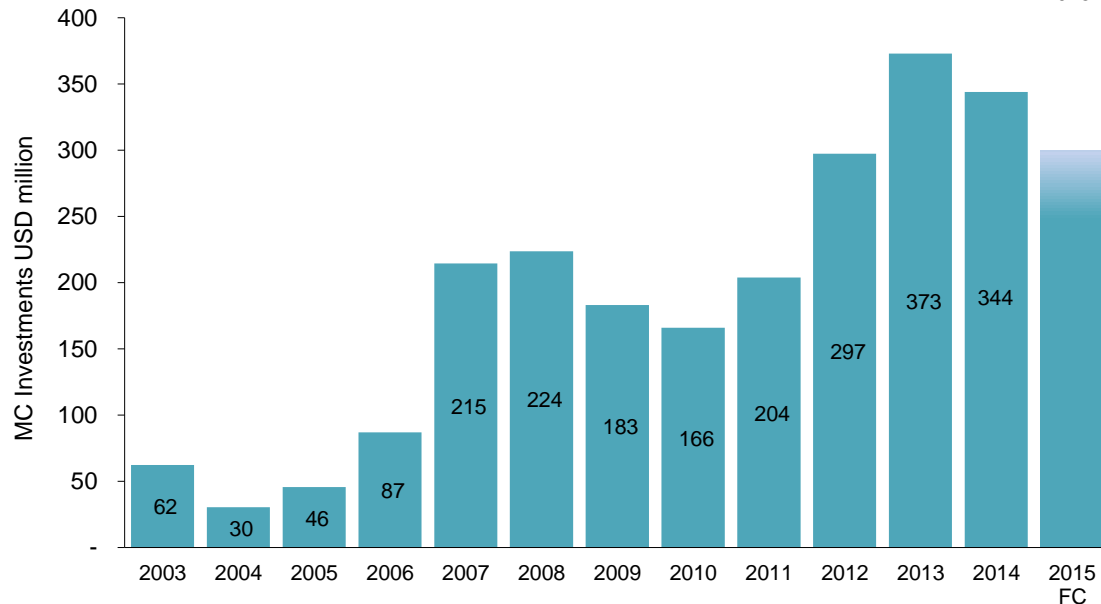
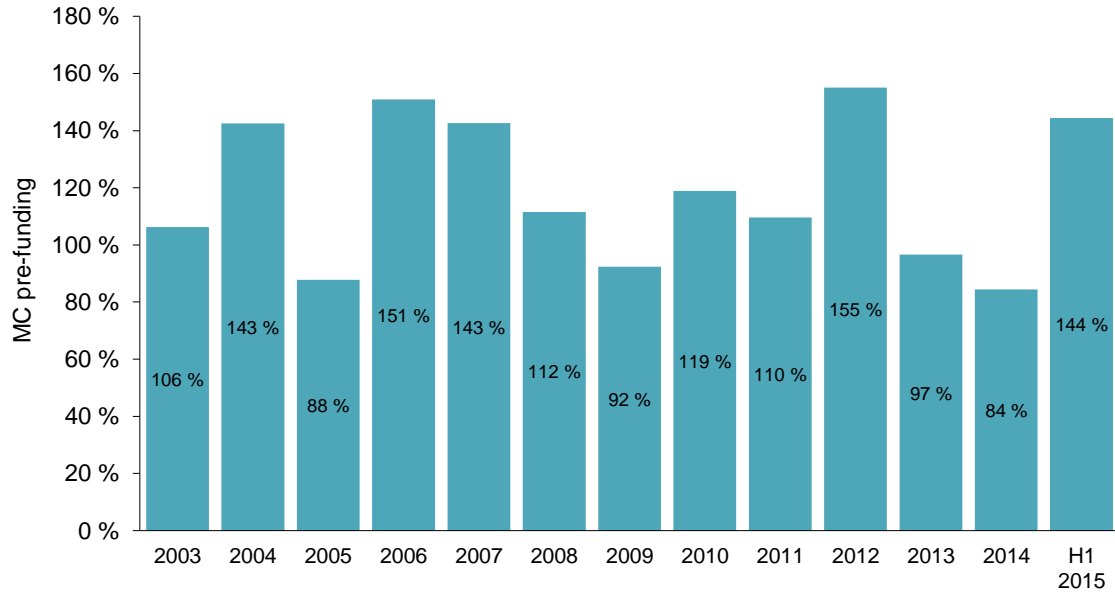
- Liquidity reserve of USD 545.7 million
- The new builds are fully funded with USD 258.5 million of undrawn facilities to cover remaining yard payments
- Shareholders' equity at 55% of total assets

Strong balance sheet – well positioned to handle the challenging market

Attractive Debt Structure – No Maturities Before 2018

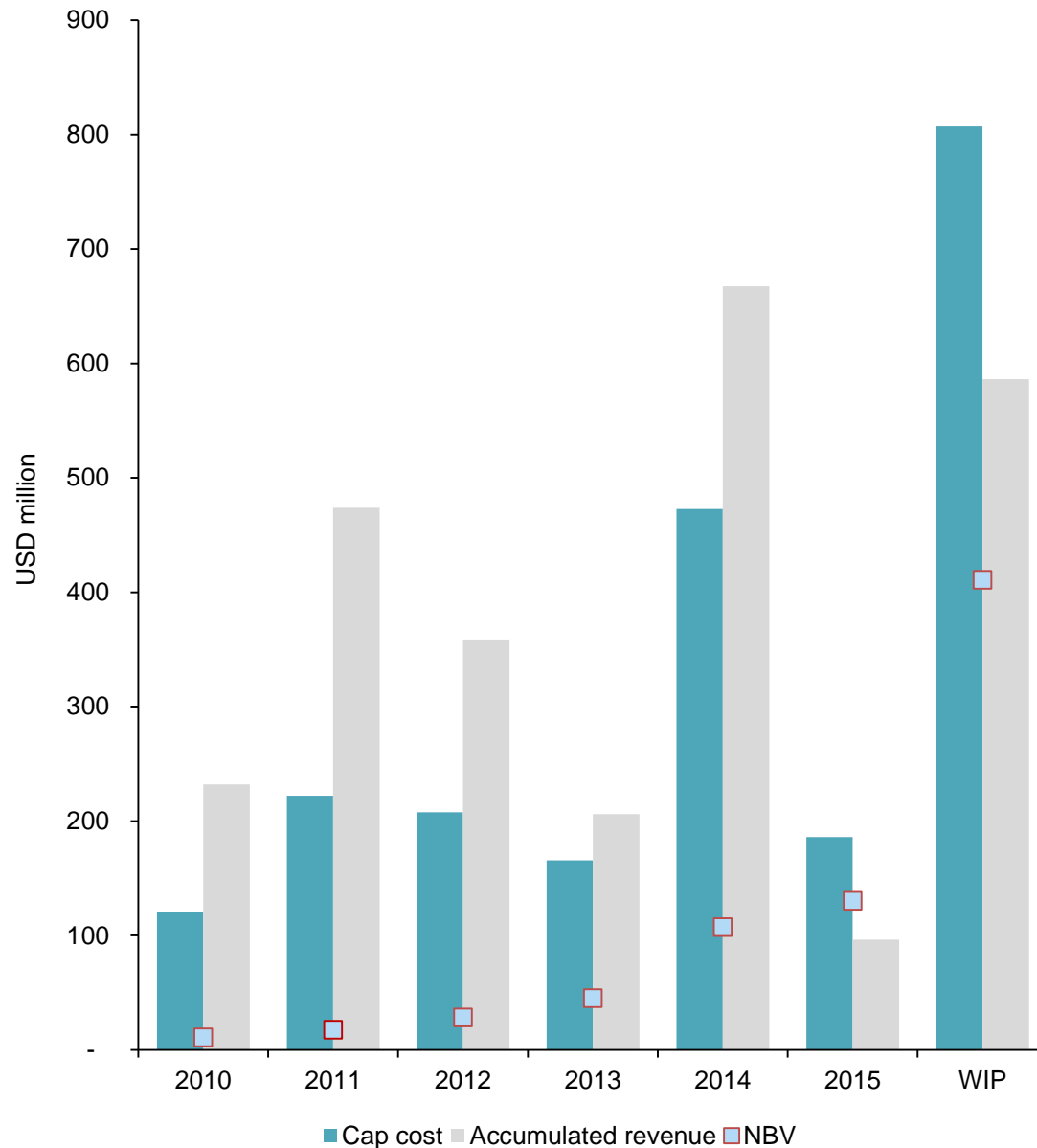
Long term Credit Lines and Interest Bearing Debt	Nominal Amount as of June 30, 2015	Total Credit Line	Financial Covenants
USD 400.0 million Term Loan (“TLB”), Libor (minimum 0.75%) + 250 basis points, due 2021	USD 395.0 million		None, but incurrence test: total leverage ratio < 3.00:1
Revolving credit facility (“RCF”), due 2018 70 bps commitment fee on undrawn amount Libor + margin of 200-235 bps on drawn amount	USD 50.0 million	USD 500.0 million	Maintenance covenant: total leverage ratio < 2.75:1
Japanese ECF, 12 year with semi-annual installments. 50% fixed/ 50% floating interest rate	USD 251.6 million	USD 510.1 million	None, but incurrence test for loan 3&4: Total leverage ratio < 3.00:1 and Interest coverage ratio > 2.0:1
2018 Senior Notes, coupon of 7.375% and callable from 2015	USD 450.0 million		None, but incurrence test: Interest coverage ratio > 2.0:1

Resilient MultiClient Performance



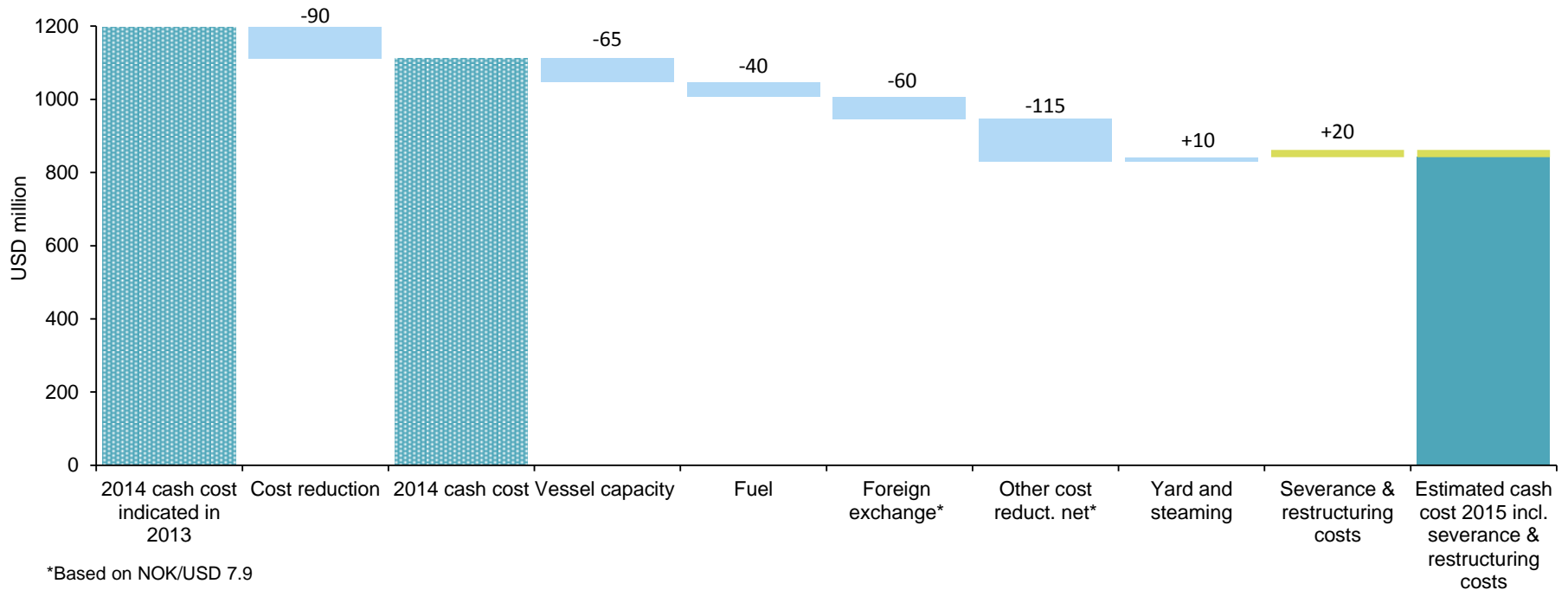
- Pre-funding level in H1 2015 has averaged 144%
 - Driven by projects in Africa, Europe and Australia
- Pre-funding level expected to be above 100% for the full year 2015
- MultiClient cash investments in 2015 of approximately USD 300 million
- Approximately 50% of active 3D vessel capacity now expected to be used for MultiClient projects in 2015

Good MultiClient Sales Performance from All Vintages



- Strong sales progress for all vintages
- Moderate net book values (NBV) for surveys completed 2010-2015
- Work In Progress (WIP) approximately two years on average
- Amortization is primarily based on the ratio of cost to forecasted sales
- Full year 2015 amortization rate expected to be approximately 55%

Proactive Cost Reductions Continue in 2015



- Cash cost in 2015, including severance and restructuring costs, is now expected to be approximately USD 250 million lower than in 2014
 - PGS initially targeted a reduction of USD 150 million
 - Cold-stacking of Ramform Explorer and Ramform Challenger, foreign exchange, a more wide-ranging reduction in staff and continued decline in variable project costs contribute to a further reduction in costs

*Other cost reductions net includes effects of office closures/relocations, staff reductions, other initiatives and lower project variable costs, partly offset by increased cost from planned growth measures in 2015, compared to 2014.

Cold-stacking Ramform Viking: Reducing Capacity, CAPEX and Costs Further



- Ramform Challenger and Ramform Explorer will, as earlier announced, be stacked after the North Europe acquisition season
- To further reduce cost and CAPEX and improve utilization, PGS has decided to cold-stack a third vessel, Ramform Viking
- The vessel will complete a MultiClient program offshore East New Foundland in October and be stacked thereafter
 - Originally scheduled for yard stay and classing in Q1 2016
- 20-year classing will be deferred and in-sea equipment used on vessels in operation – reduces 2016 maintenance capex by approximately USD 50 million
 - Facilitates continued low maintenance CAPEX levels through 2016
- During 2015 PGS has reduced 3D streamer capacity by approximately 25%
 - Reduces quarterly cash cost by USD 25-30 million

Focusing on cash preservation

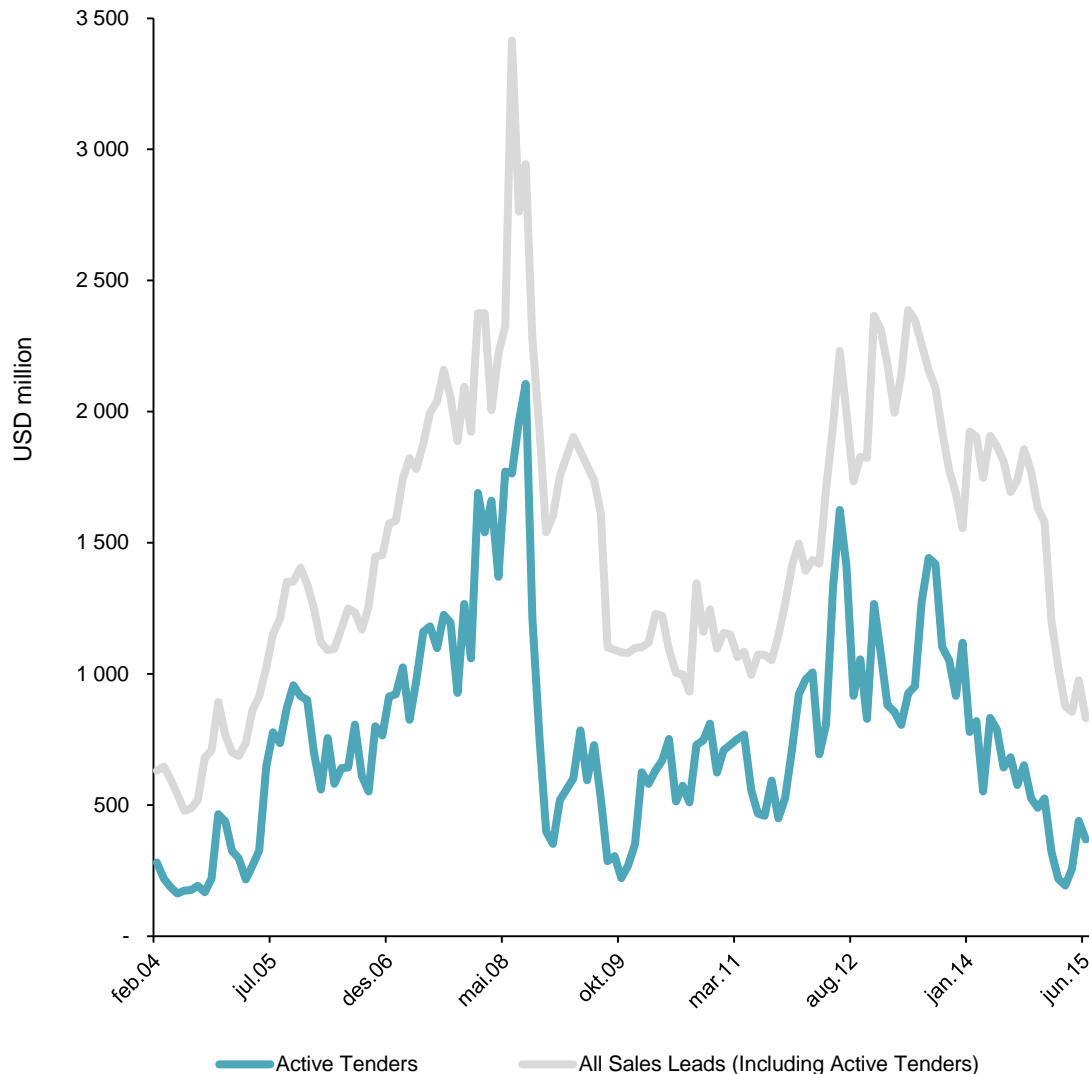
Current Market Characteristics



- Cautious spending pattern among oil companies continues to impact seismic demand
- Low visibility in all regions
- Very low prices for contract work with some further price pressure
- Further capacity reduction needed to balance the market
- The weak market is expected to continue well into 2016

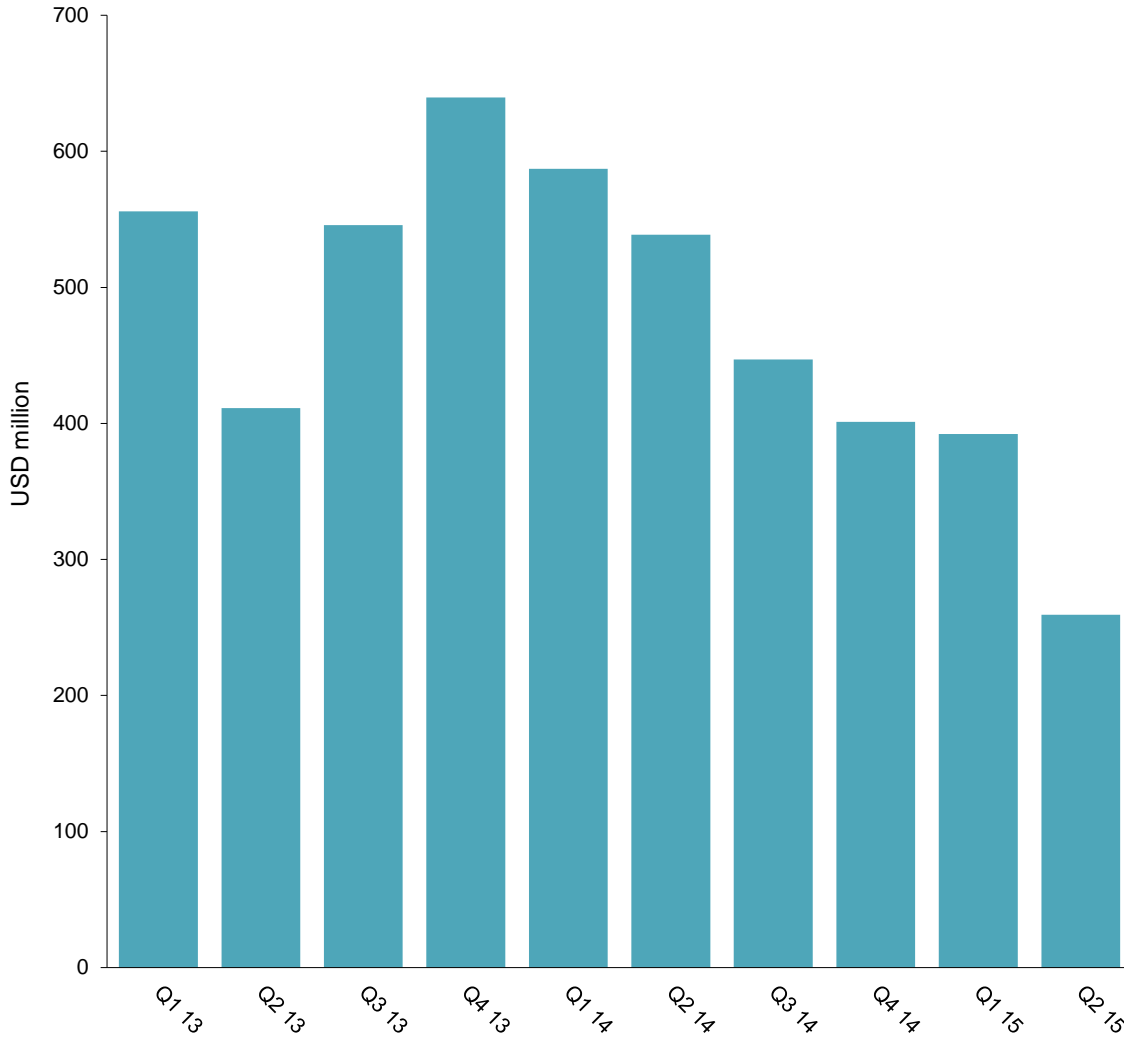
PGS response – sales focus, cost reduction, cash and capacity management

Marine Contract Bidding Activity



- Very low bidding activity impacts industry pricing and utilization
- Best contract opportunities are currently in Asia Pacific, especially Myanmar, with emerging opportunities in West Africa
- Graph excludes MultiClient, which accounts for a growing part of the seismic market

Order Book

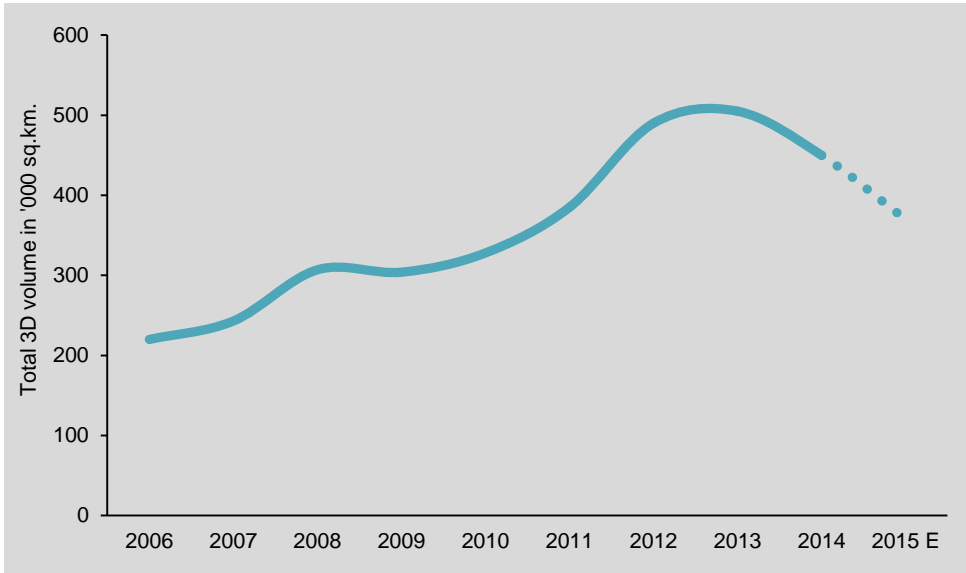


- Order book of USD 259 million by end Q2 2015
 - 20% less capacity to fill from Q4

- Vessel booking improved post quarter close*
 - ~95% booked for Q3 2015
 - ~55% booked for Q4 2015
 - ~50% booked for Q1 2016
 - ~20% booked for Q2 2016

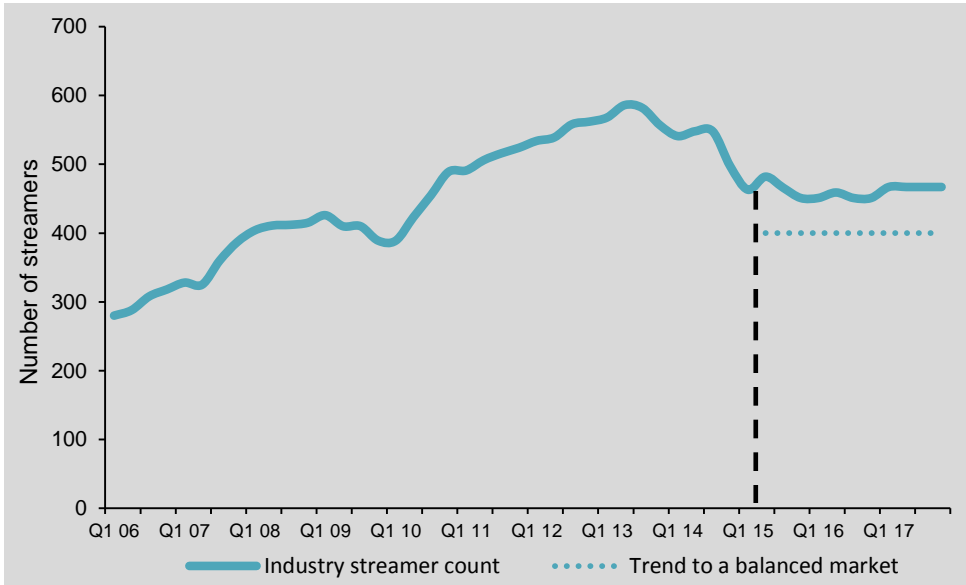
*As of August 24, 2015. Excludes Ramform Explorer, Ramform Challenger and Ramform Viking from the time of cold-stacking.

Global Supply and Demand Trends



- 15-20% decline in sq.km acquired is expected in 2015, compared to 2014

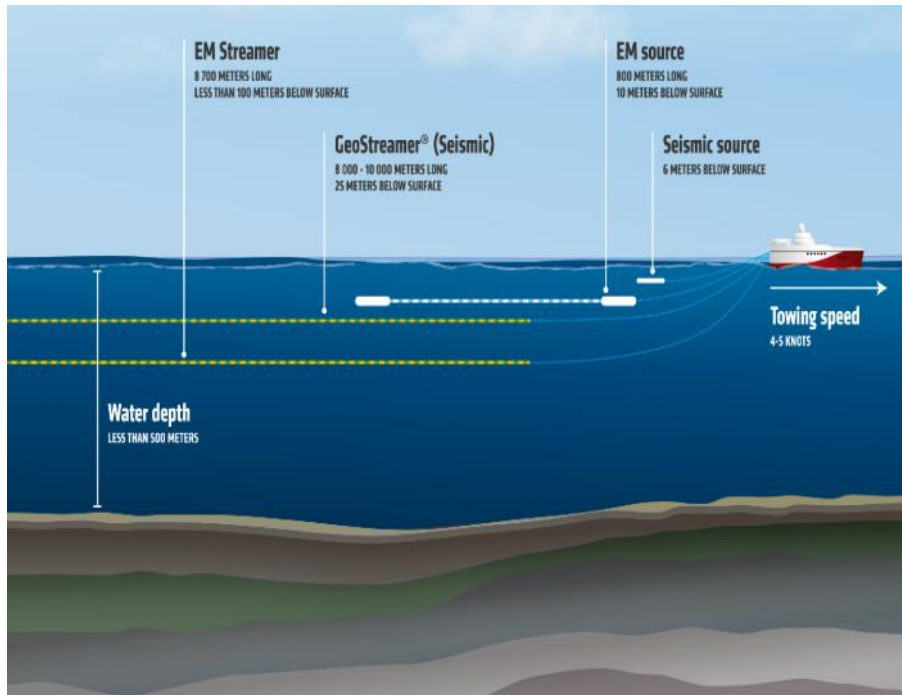
- Average 2015 streamer capacity expected down 13%, compared to 2014



- Approximately 15% additional streamer capacity reduction needed to balance supply with current market demand

Source of both graphs: PGS internal estimates. Capacity increases are calculated based on average number of streamers in one year compared to average number of streamers the previous year.

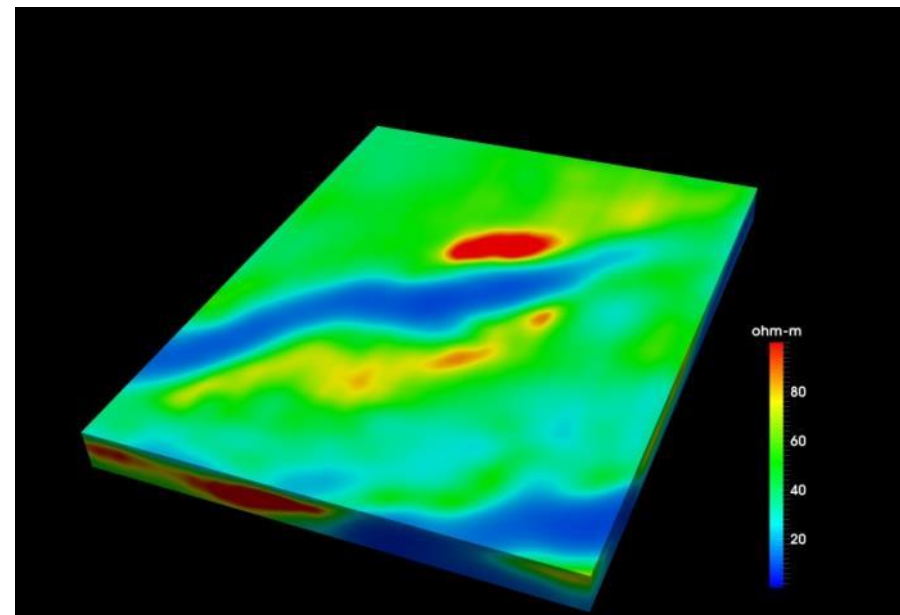
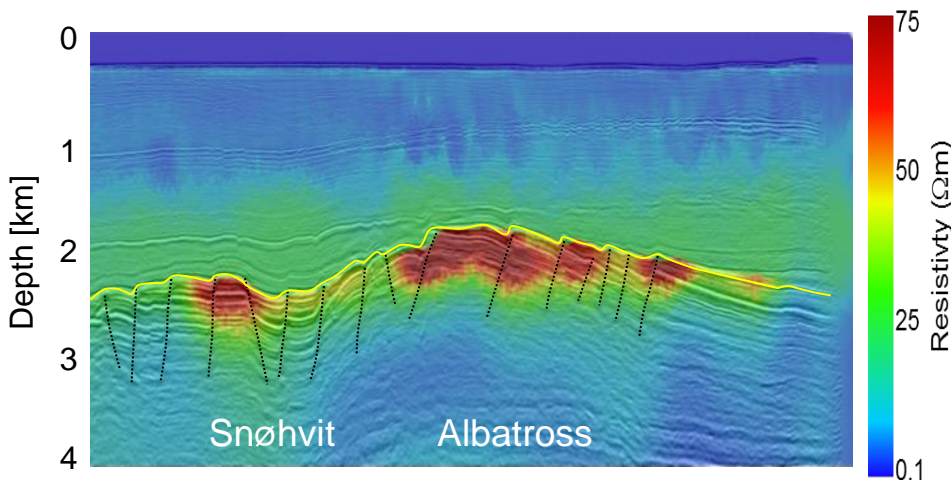
Towed Streamer EM – Mapping Resistivity of the Sub-surface



- Complementary to seismic
- Growing acceptance from oil companies
- Step change in efficiency compared to node based acquisition
- Superior data density resulting in more robust results and higher resolution images

2014 EM campaign:

- ❑ 11,000 sq. km of data acquired in Barents South East
- ❑ Pre-funding from clients
- ❑ Data now ready for delivery



In Conclusion:

Well Positioned to Navigate the Challenging Market



- Resilient MultiClient performance
- Robust balance sheet
- No debt maturities before 2018
- Reducing costs further
- Cost effective operations
- Improved productivity
- Attractive MultiClient library

Competitively Positioned – Performance Through the Cycle

Thank you – Questions?



Ramforms

Titan
class



Ramform Titan



Ramform Atlas

Delivery 2016



Ramform Tethys



Ramform Hyperion

Conventional



PGS Apollo

S
class



Ramform Sterling



Ramform Sovereign

2D/EM/Source

V
class



Ramform Valiant



Ramform Viking



Ramform Vanguard



Sanco Spirit



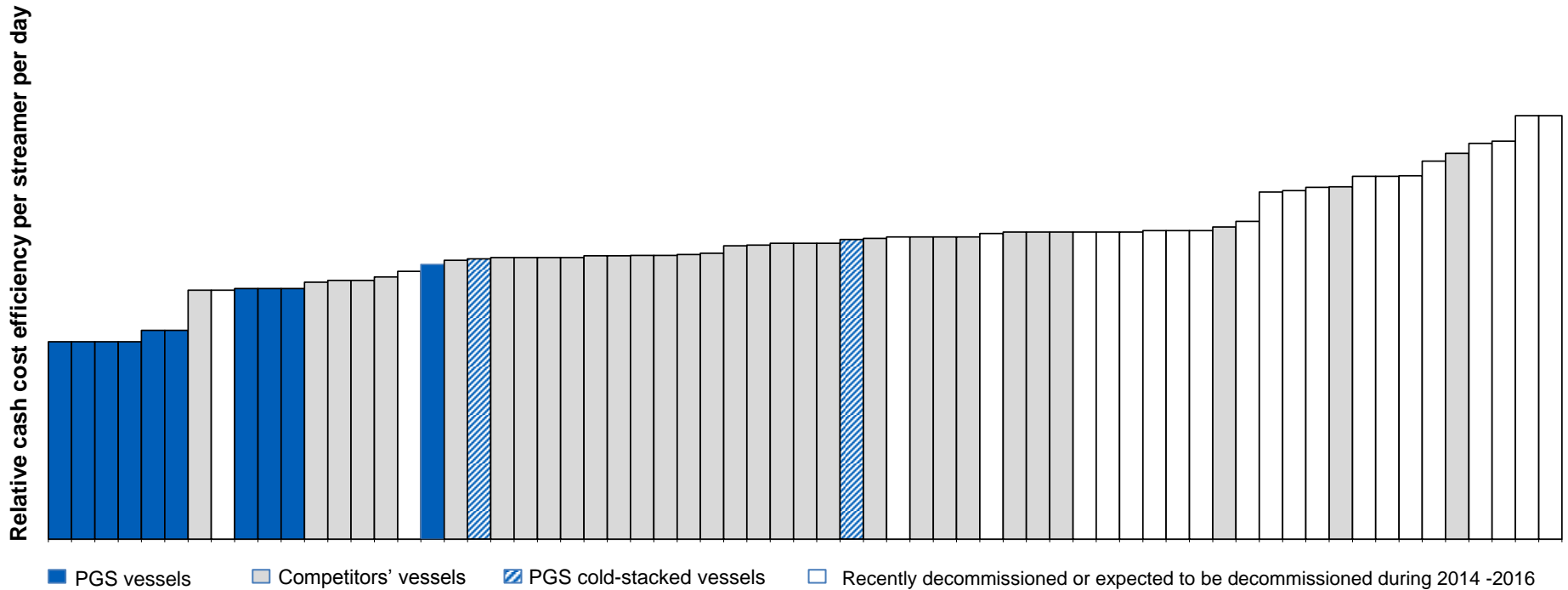
Ramform Explorer –
to be cold stacked in
2H 2015

Ramform Challenger –
to be cold stacked in 2H
2015



Atlantic Explorer

PGS fleet – Flexible, with high towing capacity



Significant vessel decommissioning

Source: The cash cost curve is based on PGS' internal estimates and typical number of streamer towed, and excludes GeoStreamer productivity effect. The graph shows all seismic vessels operating in the market and announced new-builds. The Ramform Titan-class vessels are incorporated with 15 streamers, S-class with 14 streamers and the V-class with 12 streamers.