

A black and white photograph of two industrial workers. In the foreground, a man wearing a white hard hat with the PGS logo, safety glasses, and a high-visibility vest looks towards the camera. Behind him, another worker in a white hard hat and safety vest is seen in profile, looking down. The background is a blurred industrial setting with structural elements.

Capital Markets Day
Oslo, 4th December 2015

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Taking the Lead Through the Industry Restructuring

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Agenda Capital Markets Day 2015



08:00 **PGS and market perspectives**

Jon Erik Reinhardsen, President and CEO

08:30 **Financials**

Gottfred Langseth, EVP and CFO

08:50 **Q&A**

09:15 Coffee break

09:30 **MultiClient**

Sverre Stranden, Executive Vice President MultiClient

09:50 **Marine Contract**

Magne Reiersgard, Executive Vice President Marine Contract

10:10 **Imaging and Engineering**

Guillaume Cambois, Executive Vice President Imaging & Engineering

10:25 **Operations**

Per Arild Reksnes, Executive Vice President Operations

10:45 **Concluding remarks**

Jon Erik Reinhardsen, President and CEO

10:50 **Q&A**

~11:00 **Christmas lunch**



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Jon Erik Reinhardsen
President & CEO

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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

Disclaimer

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 MultiClient 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 2014. 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.

Leading Marine Geophysical Company

Marine Contract

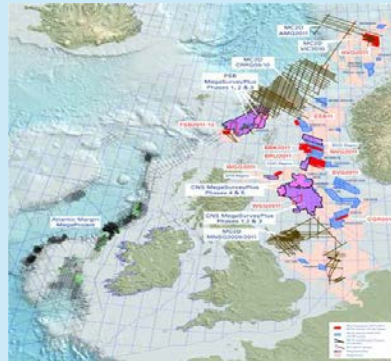


Marine market leadership

35%* of revenues LTM

Marine Contract delivers exclusive seismic surveys to oil and gas exploration and production companies

MultiClient



Diverse MultiClient library

53%* of revenues LTM

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

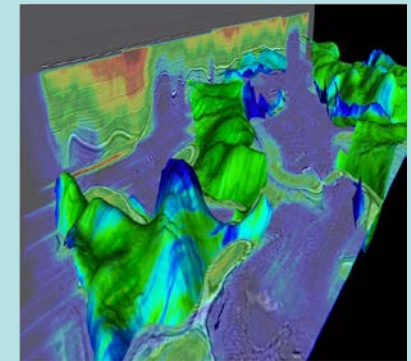
Operations



Productivity leadership

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

Imaging & Engineering



Technology differentiation

10%* of revenues LTM

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: Competitively Positioned in a Challenging Market



- Proactive financial management creates cyclical robustness
- Solid MultiClient performance reduces earnings volatility
- Conservative pre-funding requirements protects cash flow
 - Lowers late sales risk
 - Reduces library build-ups and exposure
- New-builds fully funded
- Lowest cash cost is a winning formula (delivering market share leadership)
 - Invest for 25 years use of vessels
 - Focus on maximizing value over life of vessel
 - Improving fleet flexibility by blending in competitive chartered capacity
- Technology leadership creates differentiation and downside protection
- Continuous cost focus
- Focus on core business
- Avoid capital commitments that cannot withstand a downturn

Positioned to withstand a downturn and take advantage of distress opportunities in the marine seismic industry

Taking the Lead Through the Industry Restructuring: Highlights 2015

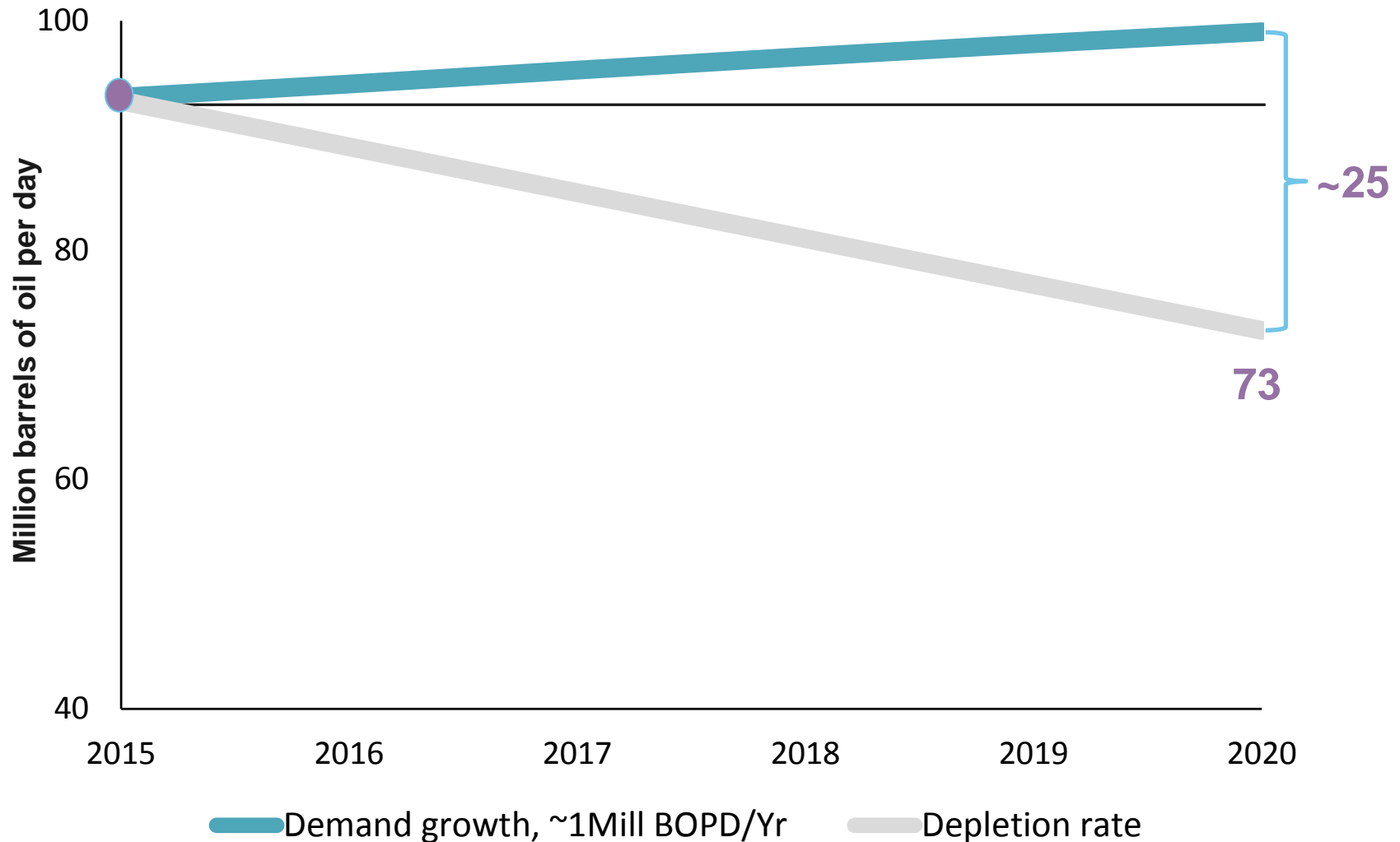


- Reducing cost and capital expenditures
- Improved balance sheet and liquidity position
- Solid MultiClient performance
- Continuing to build an attractive MultiClient library
- Entered into attractive charter agreements for Sanco Swift and Sanco Sword
 - Addressing short-term overcapacity
 - Positioning for the future
- Effective capacity management
 - The youngest fleet in the industry
- Industry leading HSE performance
- Improving leading operational performance and productivity further
- Significant step-up of imaging capabilities

Market Context: The Decline Curve Never Sleeps



The global supply challenge



Source: Shell and Statoil

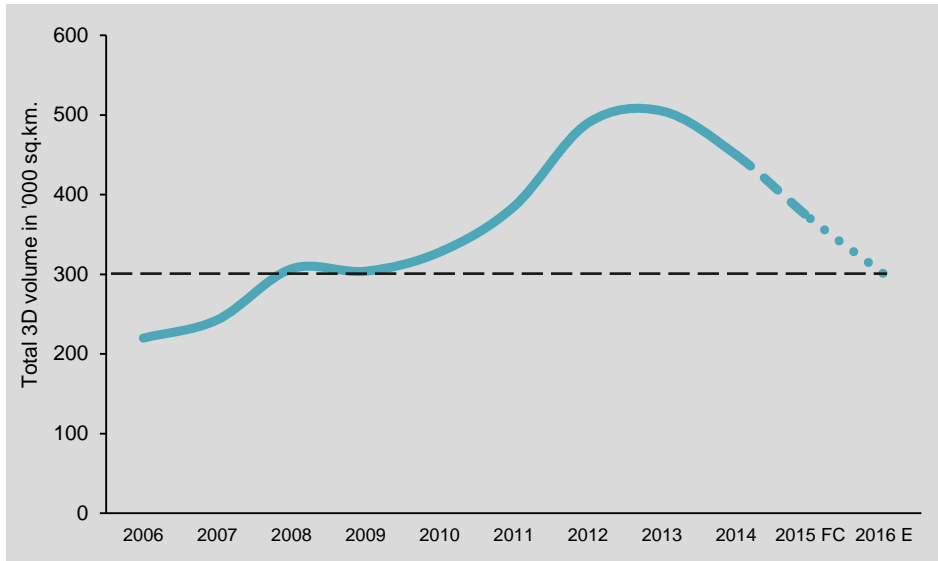
Market Context: Declining Reserve Replacement will Trigger Increased Exploration



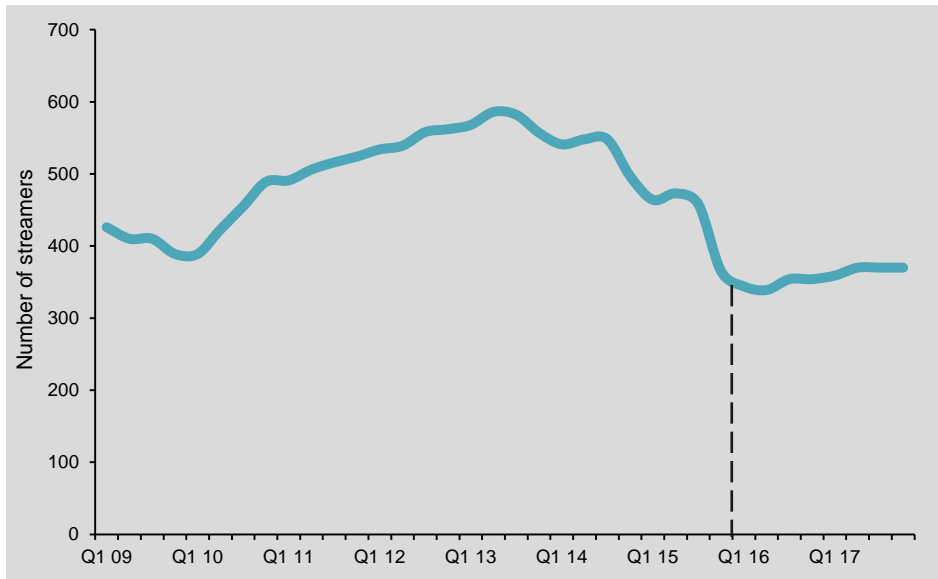
- Relatively high correlation between E&P activity and oil companies' Reserve Replacement Ratio
- Many oil companies report oil and gas reserves under the SEC reserve standard using a 12 month average price
 - Average Brent blend YTD 2015 approximately USD 55 per barrel
 - Average Brent blend in 2014 close to USD 100 per barrel

Market Context:

2016 Marine Seismic Market Perspectives



- Sustained oil price weakness and cautious spending pattern among oil companies continue to impact seismic demand
 - Seismic spending expected to be reduced further in 2016 compared to 2015
 - Low visibility in all regions
 - Standby time significantly disrupts margins
- Capacity reduction continues, positive for future supply/demand balance



- Sq.km volumes are still above 2007 levels and in line with 2008-2009 levels - despite a 40% drop
 - Could be inflated by more frequent use of large low cost 3D scanning and low pre-funded MultiClient activity
- Market trending towards more MultiClient
 - Difference between MultiClient and Contract is becoming less distinct

2016 Guidance

- **Group cash cost of approximately USD 725 million**
 - Of which approximately USD 250 million to be capitalized as MultiClient cash investments
- **MultiClient cash investments of approximately USD 250 million**
 - Pre-funding level of approximately 100%
 - Approximately 50% of active vessel time planned for MultiClient
- **Capital expenditures of approximately USD 240 million**
 - Of which new build capex of approximately USD 180 million
- **Gross depreciation^{*)} of approximately USD 210 million**
 - Of which approximately USD 90 million to be capitalized as MultiClient investments
- **Gross cash interest expense of approximately USD 60 million**
 - Of which approximately USD 25 million expected to be capitalized to MultiClient surveys and new builds in progress

^{*)} Gross depreciation does not include MultiClient amortization expense.

PGS' Strategic Ambition



- **To Care**
 - For our employees
 - For the environment and society at large
 - For our customers' success
- **To Deliver Productivity Leadership**
 - Ramform platform + GeoStreamer
 - Reducing project turnaround time
- **To Deliver Superior Data Quality**
 - GeoStreamer business platform
 - Imaging quality and innovations
 - Subsurface knowledge
 - OptoSeis Permanent Reservoir Monitoring
- **To Innovate**
 - First dual sensor streamer solution
 - First with 20+ towed streamer capability
 - Towed EM
 - Unique reservoir focused solutions
- **To Perform Over the Cycle**
 - Profitable with robust balance sheet
 - Absolute focus on being best in our market segment

A Clearer Image



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Gottfred Langseth
Executive Vice President & CFO

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Financial Review - Outline



- Balance sheet position
- Debt structure and maturity profile
- Cost trends
- CAPEX trends
- MultiClient investment and pre-funding trends
- Tax
- Foreign currency
- Sensitivities

Proactive Financial Management: Building on and Further Enhancing PGS Industry Leadership Position



Key Financial Figures

In USD million except per share data

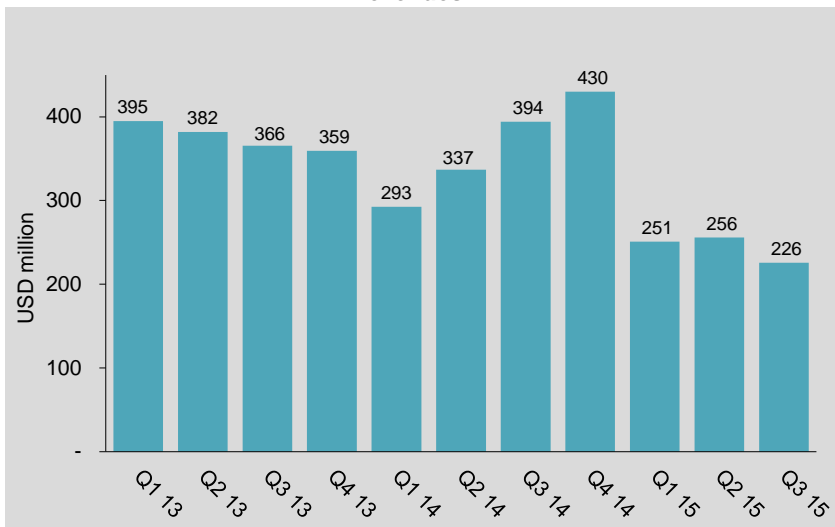
Revenues
EBITDA (as defined)
EBIT ex. impairment charges ¹
EBIT as reported
Net income
EPS
Net cash provided by
Capital expenditure
Cash investment
Total assets

Highlights 2015:

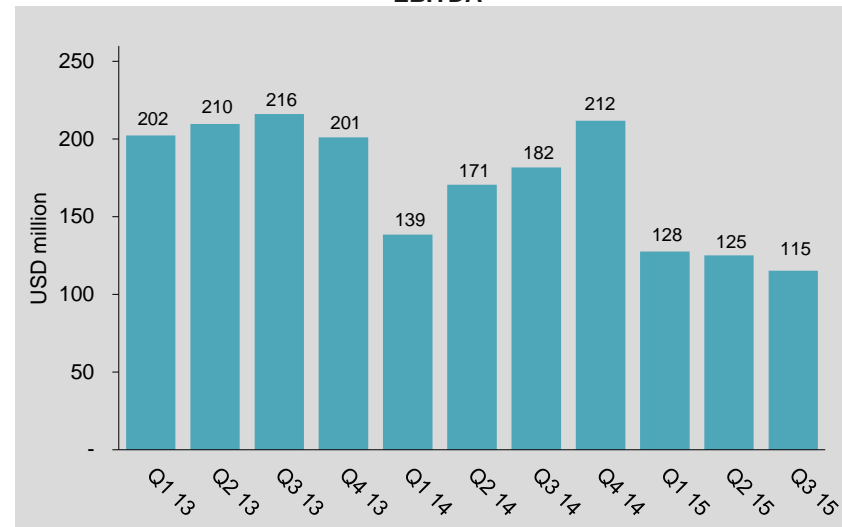
- Substantial reduction of cost and CAPEX protecting cash flow in a challenging market
- Completed a USD 80 million sale and operating leaseback of PGS Apollo
- Maintenance covenant for the Revolving Credit Facility amended to provide more headroom in severe cyclical downturn
- Successful USD 106 million private placement, with minimal discount, demonstrates PGS' strong industry and capital markets standing
- Liquidity reserve increased and no significant debt maturities before 2H 2018

Market Driven Revenue Decline Mitigated by Cost Reductions

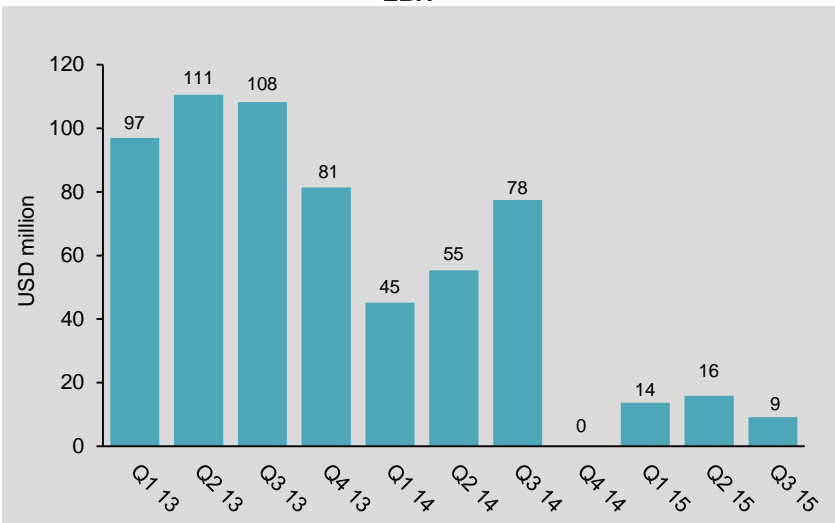
Revenues



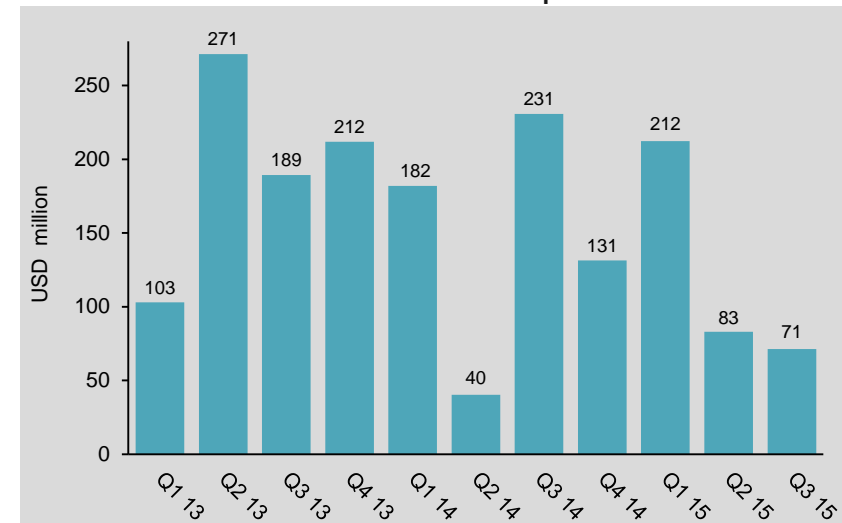
EBITDA*



EBIT**



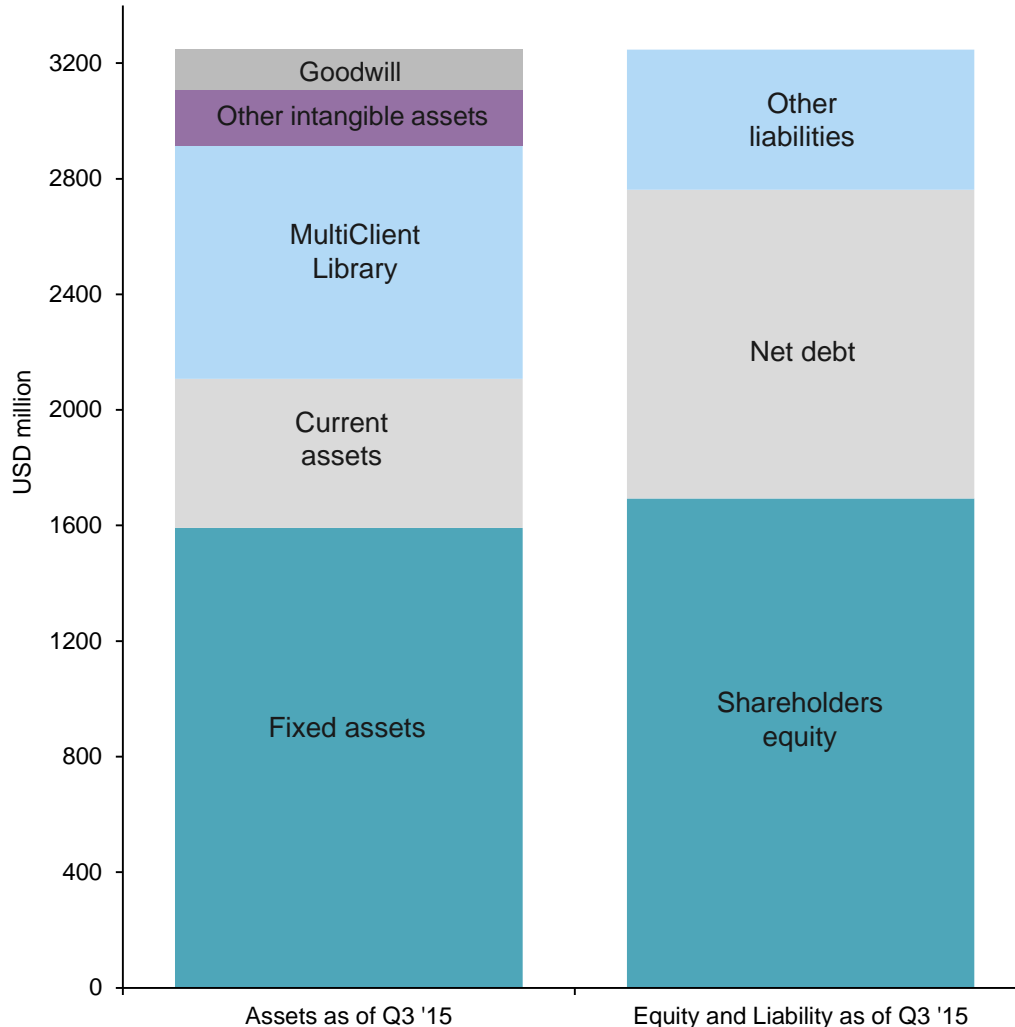
Cash Flow from Operations



*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 USD 2.7 million in Q1 2015, USD 4.7 million in Q2 2015, USD 6.5 million in Q3 2015, in addition to USD 65.3 million in the same quarter. -17-

Prudent Balance Sheet Management



- Liquidity reserve at Q3 of USD 492.3 million
 - USD 596 million if adjusted for the subsequent private placement
 - In addition USD 220 million of undrawn Export Credit Agreement (ECA) relating to new builds
- Shareholders' equity of 52% of total assets
- Goodwill of USD 139.9 million relates to the acquisition of MTEM and AGS in 2007
- Other intangible assets of USD 192.7 million include patents and licenses, and technology development costs such as Towed EM, OptoSeis, GeoStreamer
 - Amortized straight line over estimated useful life
- Exposure to risk of further impairment of long-term assets due to the weak market

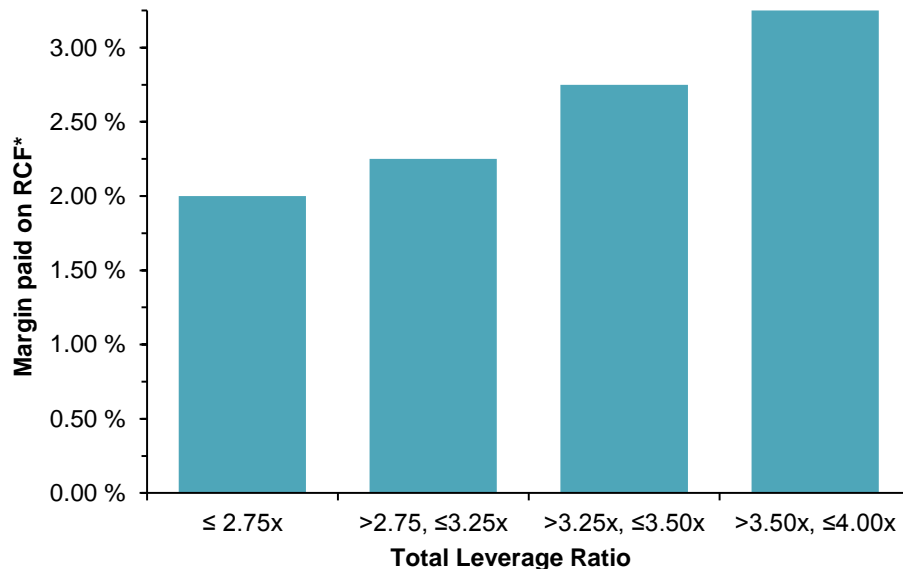
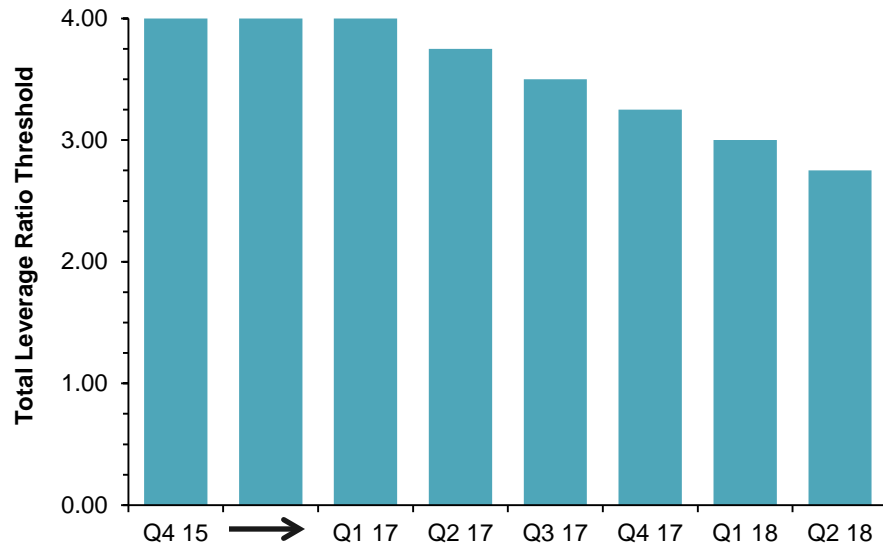
Attractive Debt Structure – No Significant Maturities Before 2018

Long term Credit Lines and Interest Bearing Debt	Nominal Amount as of September 30, 2015	Total Credit Line	Financial Covenants
USD 400.0 million Term Loan (“TLB”), Libor (minimum 0.75%) + 250 basis points, due 2021	USD 394.0 million		None, but incurrence test: total leverage ratio $\leq 3.00x$
Revolving credit facility (“RCF”), due 2018 40% of applicable margin in commitment fee on undrawn amount Libor + margin of 200-325 bps + utilization fee	USD 90.0 million	USD 500.0 million	Maintenance covenant: total leverage ratio $\leq 4.00x$, to Q1-2017, thereafter reduced by 0.25x each quarter to 2.75x
Japanese ECF, 12 year with semi-annual installments. 50% fixed/ 50% floating interest rate	USD 284.4 million	USD 504.9 million	None, but incurrence test for loan 3&4: Total leverage ratio $\leq 3.00x$ and Interest coverage ratio $\geq 2.0x$
2018 Senior Notes, coupon of 7.375% and callable from 2015	USD 450.0 million		None, but incurrence test: Interest coverage ratio $\geq 2.0x$

Strong Liquidity Position and Attractive Interest Rate Levels

- Liquidity reserve of USD 492.3 million at Q3 2015 (approximately USD 596 million if adjusted for the subsequent private placement)
- Net interest bearing debt of USD 1,068.4 million at Q3 2015 (approximately USD 964 million if adjusted for the subsequent private placement)
- Weighted average cash interest cost on gross debt currently at 4.4%, including credit margins
- Annual gross cash interest expense of approximately USD 60 million
 - Under IFRS some of the expense is capitalized to new builds in progress and MultiClient projects

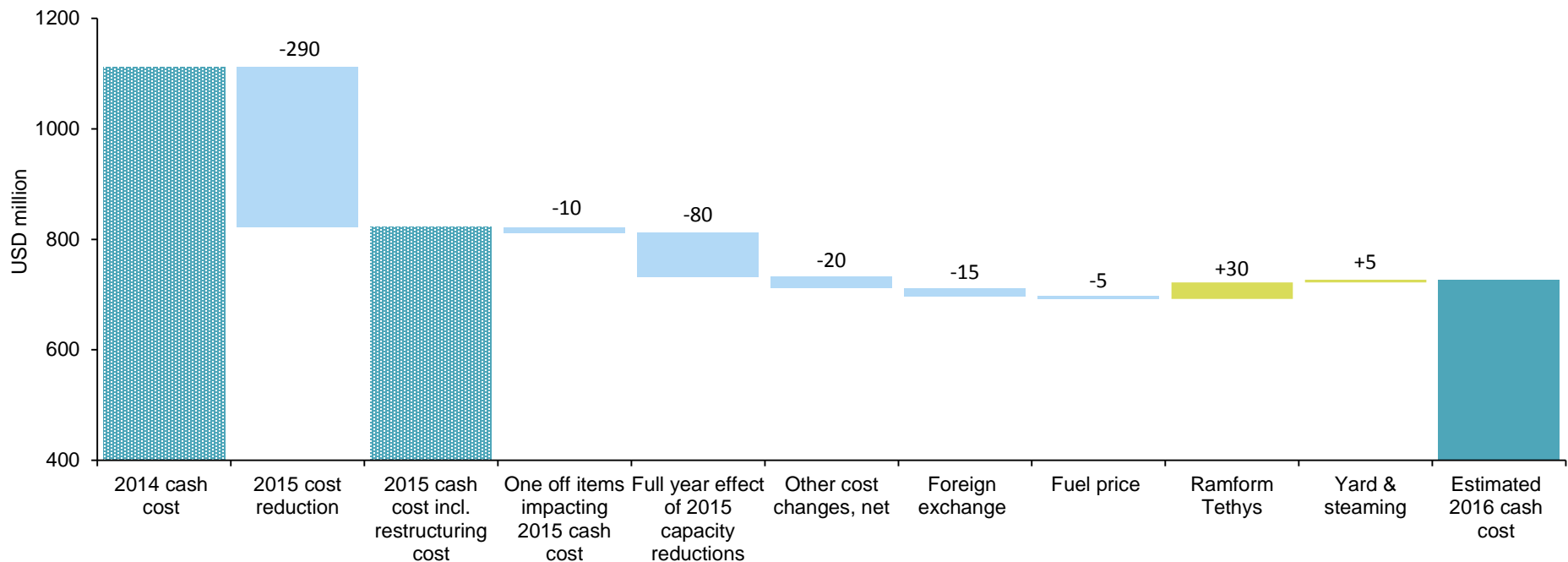
Preserving PGS Robust Liquidity Reserve



- In October PGS amended the leverage ratio maintenance covenant in its Revolving Credit Facility (RCF)
- The maintenance covenant - Total Leverage Ratio (TLR) – in the core USD 500 million RCF has been reset at 4.0x through Q1 2017 (from 2.75x)
- No dividend will be proposed for 2015
 - Until Q2 2018 dividend can only be paid if TLR is below 2.75x for two consecutive quarters and the TLR requirement is reset to 2.75x

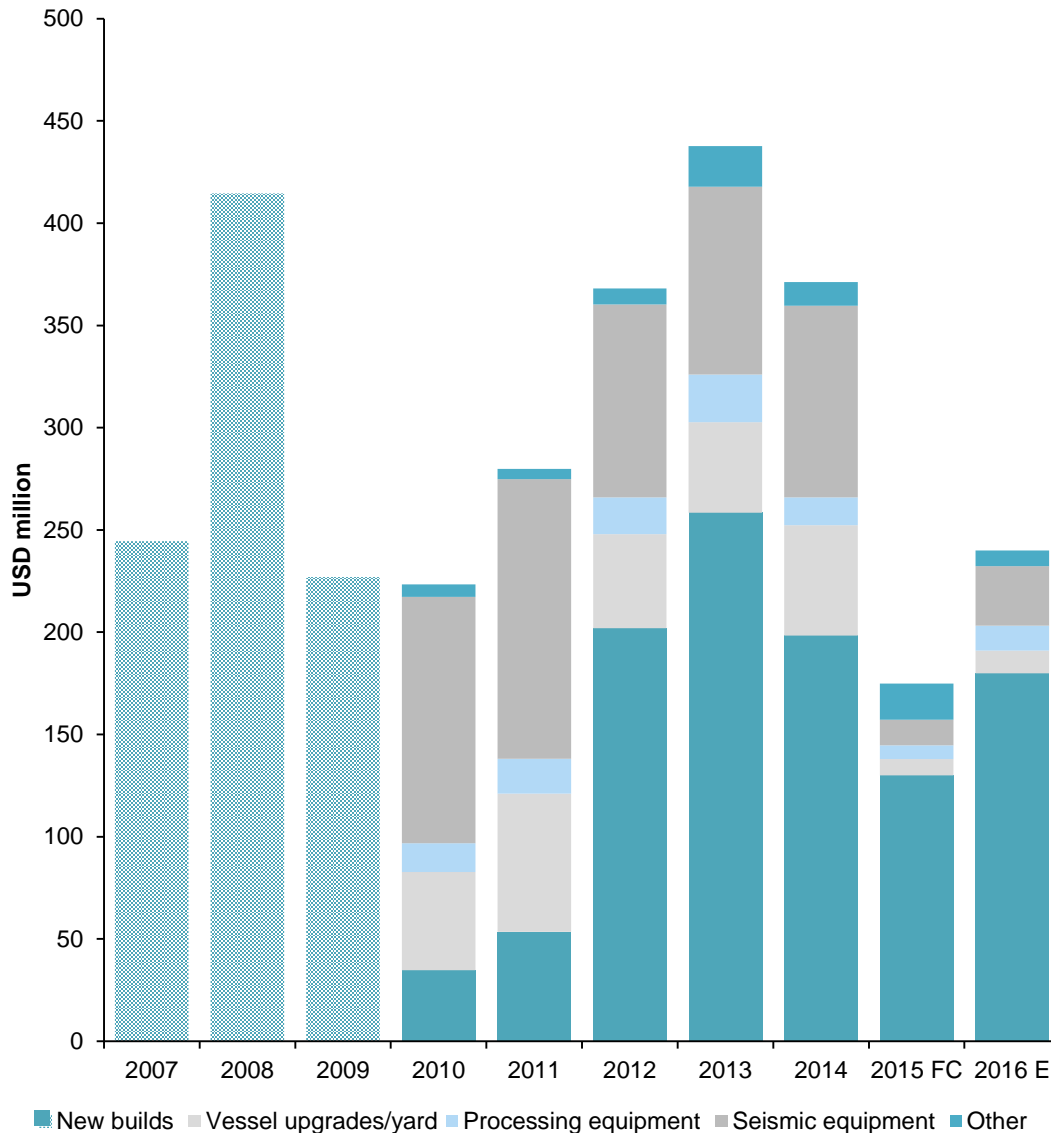
*Excluding utilization fee.

Proactive Cost Reductions Continue in 2015



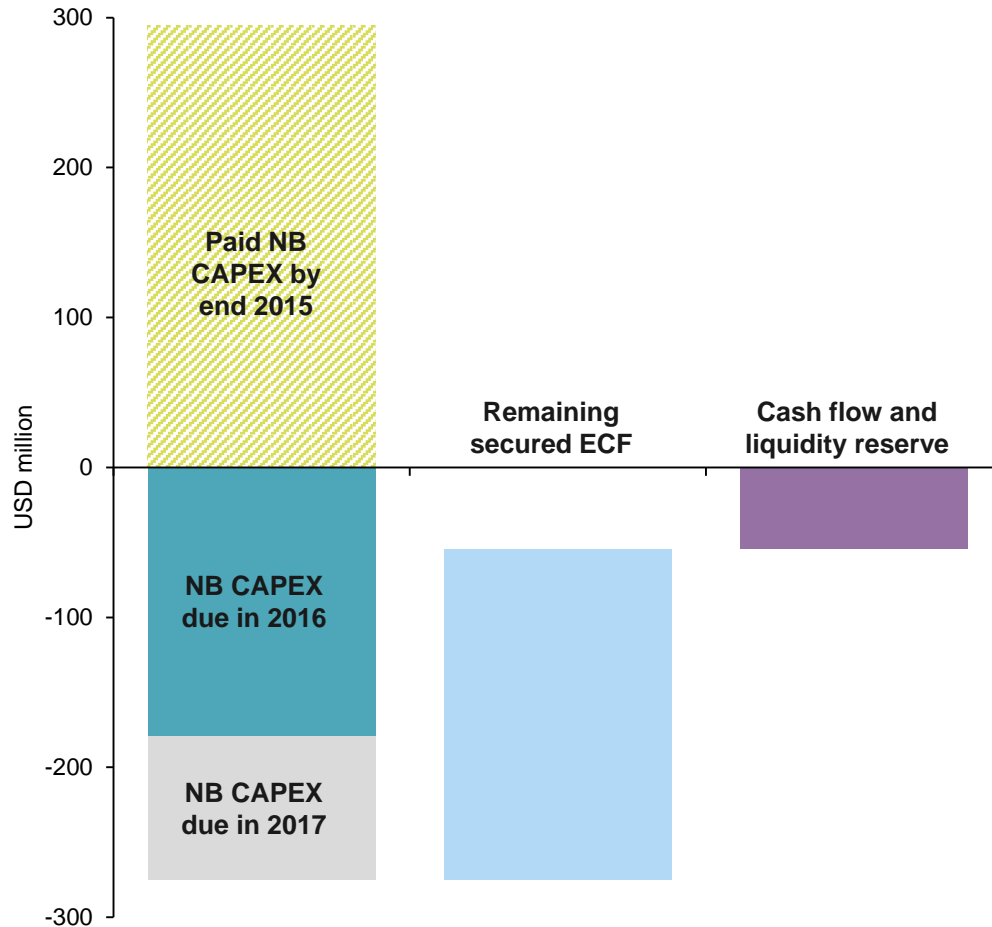
- 2015 cost reductions of approximately USD 290 million (USD 320 million excluding restructuring cost)
- Cost reduction initiatives were implemented during the year and have full year effect from 2016
- PGS will take delivery of Ramform Tethys in Q1 2016, adding to the cost base
- Cost discipline has high priority in 2016 with potential for some further cost reduction

Capital Expenditures



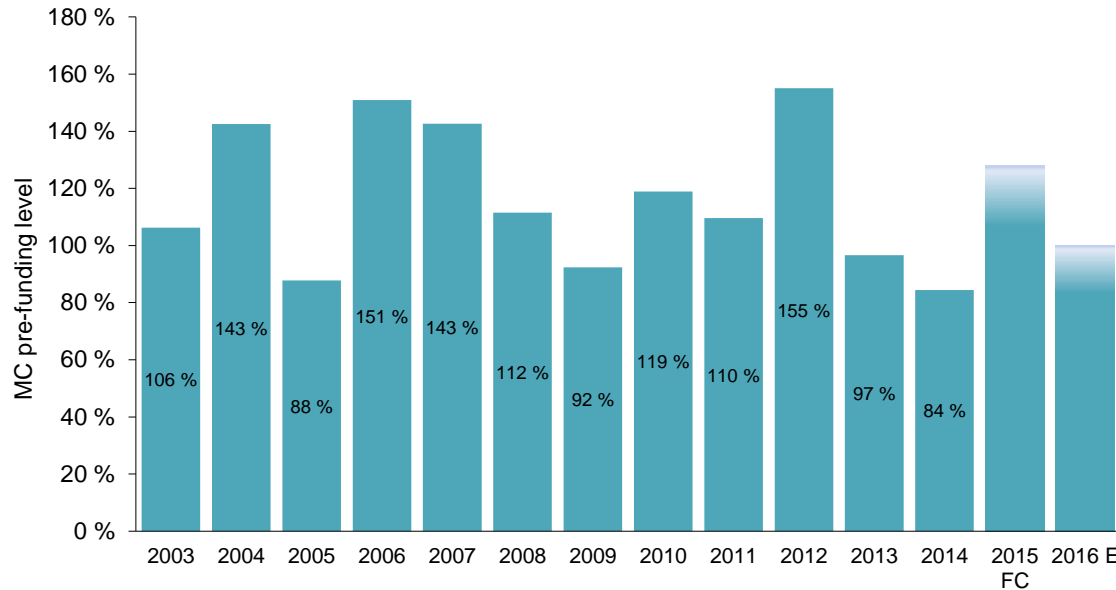
- Full year 2015 CAPEX expected to be approximately USD 175 million
 - USD 75 million down from initial plan
 - Approximately USD 130 million relates to new builds
- 2016 CAPEX plan of approximately USD 240 million
 - New build CAPEX of approximately USD 180 million
- As a result of lower CAPEX, gross depreciation cost is expected to reduce from approximately USD 245 million in 2015 to approximately USD 210 million in 2016
 - Approximately USD 90 million will be capitalized as part of MultiClient investment

Two Last New Builds are Fully Financed

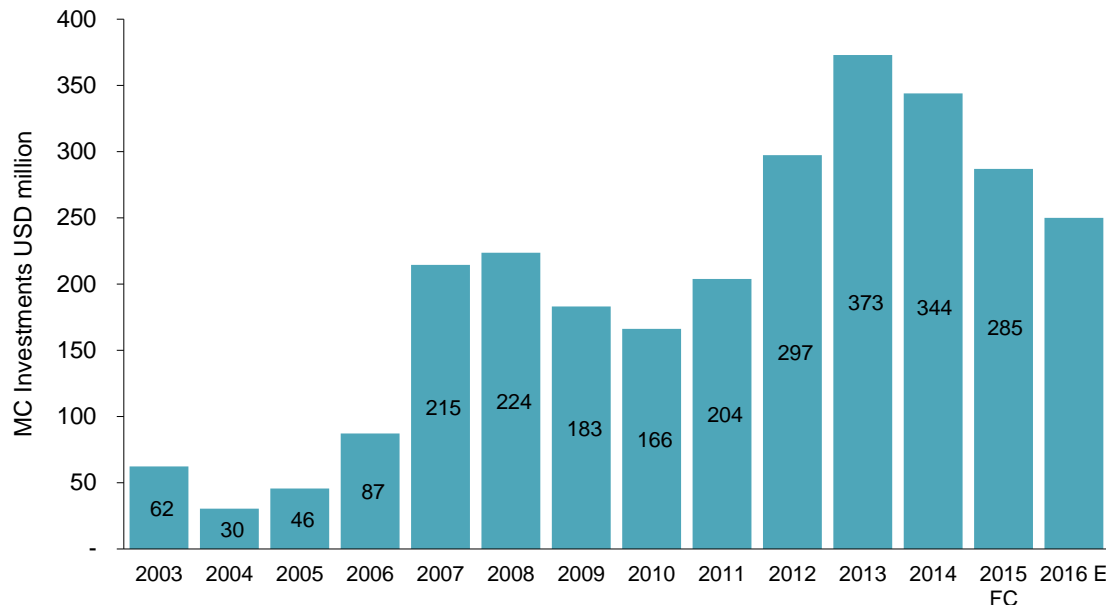


- Ramform Tethys scheduled for delivery in Q1 2016
- Agreed with the shipyard to postpone delivery of Ramform Hyperion to Q1 2017 at no cost to PGS
 - Subject to approval by the ECA financing banks
- Remaining new build CAPEX
 - 2016: approximately USD 180 million
 - 2017: approximately USD 90 million
- Available undrawn ECF financing of USD 220.4 million corresponds to remaining yard instalments
- CAPEX relating to seismic equipment and project related cost will be paid out of cash from operations/available liquidity reserve
- Revolving Credit Facility and available cash secures strong liquidity buffer

Solid MultiClient Pre-funding



- 2015 MultiClient cash investments of approximately USD 285 million with a pre-funding level above 100%
- MultiClient cash investments in 2016 expected to be approximately USD 250 million



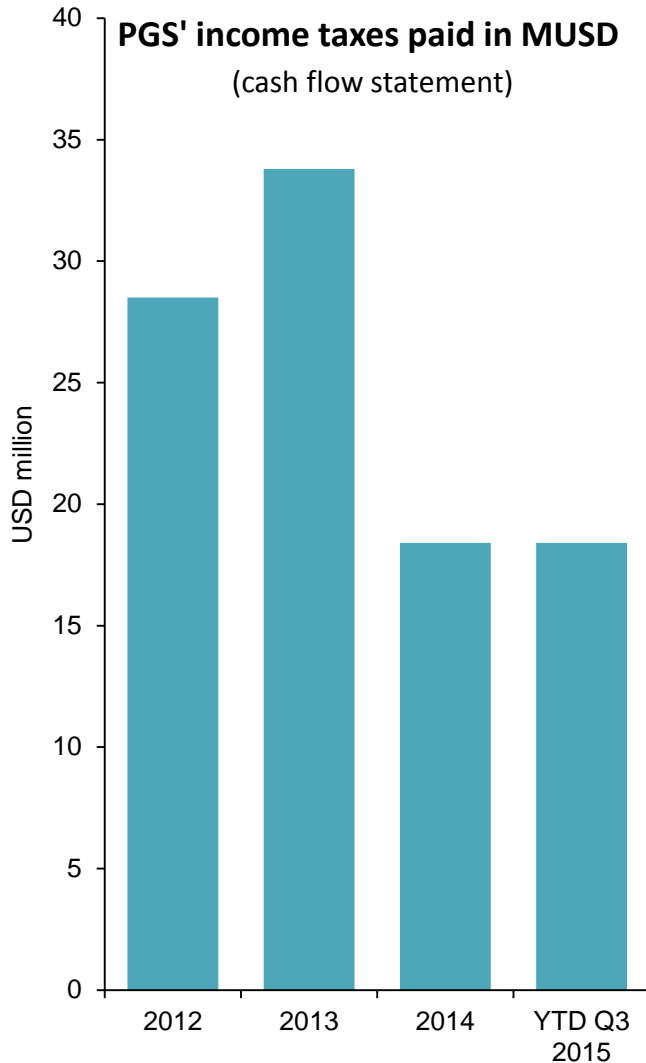
- 2016 pre-funding level expected to be approximately 100%
- Approximately 50% of 2016 active 3D fleet capacity currently planned for MultiClient

Upcoming IFRS Changes

IAS 38 Intangible assets is amended with effect from January 1, 2016

- After extensive technical debate it now appears likely that a revenue based method for MultiClient amortization will not satisfy the criteria of the revised accounting standard
- PGS has concluded to change its amortization method for MultiClient library to:
 - Primarily a straight line amortization from project completion using 4 years as useful life
 - Shorter period if expected revenue profile is shorter
 - A portion of the amortization is recognized in the prefunding phase based on the forecast split of revenues between prefunding and late sales (unchanged from current practice)
- Likely to result in a somewhat shorter average amortization period compared to existing amortization method

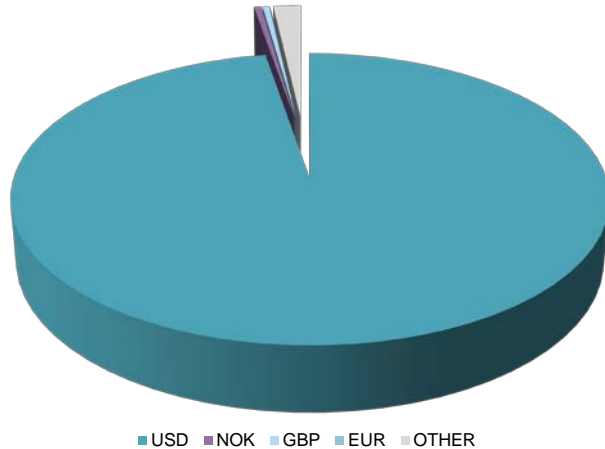
PGS' Tax Position



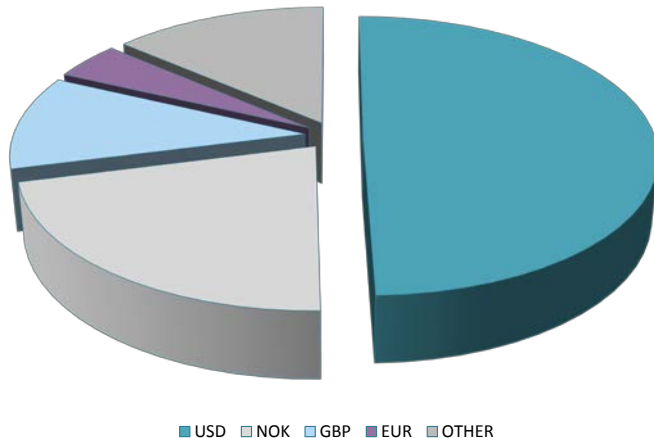
- Deferred tax assets (USD 70 million at end Q3 2015) will benefit current tax expense for future years
- Tonnage Tax regimes
 - PGS' vessels are owned by companies within tonnage tax regimes. In profitable years, this will have a positive impact on tax expense; in loss-making years the impact will be negative
- Current tax/cash tax has typically been in the range of USD 20-35 million annually
 - Mainly withholding taxes and local taxation in countries of operation where PGS has no deferred tax assets
 - Will vary depending on area of operation
- Effective tax rate
 - Fluctuates for various reasons: foreign exchange movements, utilization and recognition of deferred tax assets, area of operation, impact from tonnage tax regimes and other permanent differences
 - In a «mid cycle» market an average effective reported tax rate around 25% or below should be achievable
 - Higher in years with low profitability since a significant portion of current taxes is based on gross amounts (e.g. withholding taxes and revenue based taxes)

Foreign Exchange and Sensitivity

Cash flow relating to operating income



Cash flow relating to operating payments



- On an annual basis:
 - A 10% change of the USD vs. NOK has an annual net EBIT impact of USD 17-20 million before currency hedging activities. A 10% change vs. GBP has an effect of USD 9-10 million
- The Company hedges:
 - Material monetary balance sheet items in non-USD currencies
 - Specific material firm commitments, e.g. ship building contracts
 - Operational cash flow up to the duration of the contract order book
- Current hedging positions:
 - Currently approximately NOK 300 million and GBP 27 million bought on forward contracts, with NGN 1.7 billion and EGP 78 million sold on non deliverable forward contracts
 - Hedge of BRL 173 million in place against the exposure arising from cash deposit held in Brazil (approximately 65% of the deposit) plus monetary balance sheet items

Key Sensitivities

- Technical downtime/mobilization delays/standby
 - One month for high capacity vessel could amount to a revenue loss of USD 4-8 million + risk of schedule impact and equipment cost
- Contract versus MultiClient
 - In the current market there is normally a positive EBIT impact of changing 3D capacity from Contract to MultiClient assuming that pre-funding is around 100% of capitalized MultiClient cash investment
- MultiClient late sales
 - Sensitive to oil price, legislative changes and license rounds
 - Regional variability from quarter to quarter
- Fuel price
 - 10% change represents approximately USD 0.5 million per month of operating cost
 - Risk related to fuel cost fluctuations is placed with the customer on a majority of contract work

Preserving Liquidity Position - Robust Cycle Management



- Solid financial profile
 - Strong liquidity position
 - Amended leverage ratio covenant
 - Successful private placement
- Attractive debt structure with no significant maturities before 2018
- Streamlined the cost structure with further cost reduction in 2016
- Significantly reduced CAPEX
- Flexibility to handle market volatility

Proactive Management in an Uncertain Market

Thank you – Questions?



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We told him
it wasn't possible,
but he wouldn't
listen



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Sverre Strandenes

Executive Vice President MultiClient

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MultiClient – What Does the Business Unit Do?

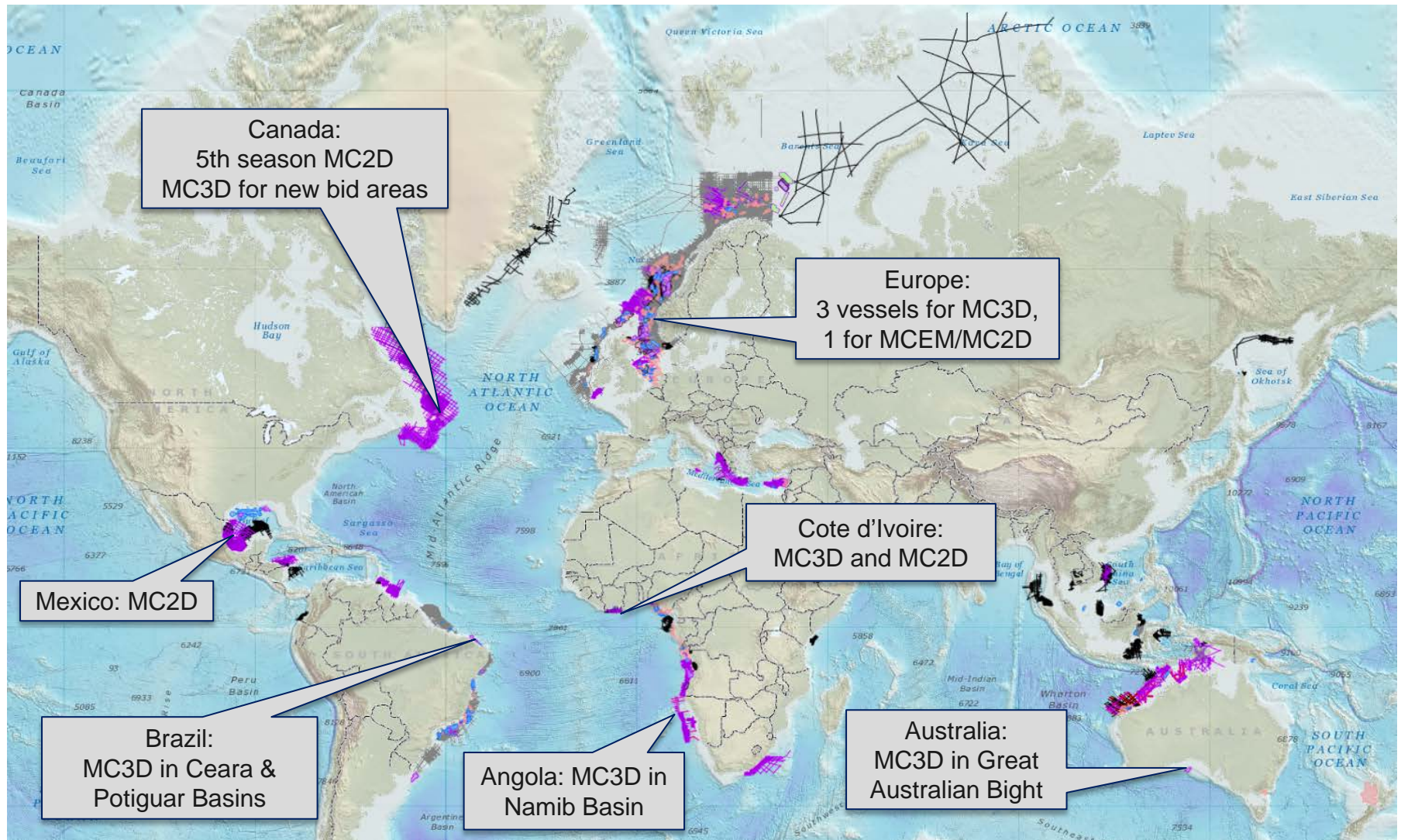


MultiClient manages and licenses seismic data that PGS acquires on a non-exclusive basis. The Company invests in the projects and licenses the data to customers under a variety of business models



- **Highlights 2015**
- **The Market**
- **Vessel Owner Advantage**
- **The Library**
- **Summary**

Key MultiClient Programs 2015



50,000 sq.km GeoStreamer MC3D and 50,000 km GeoStreamer MC2D added to library in 2015



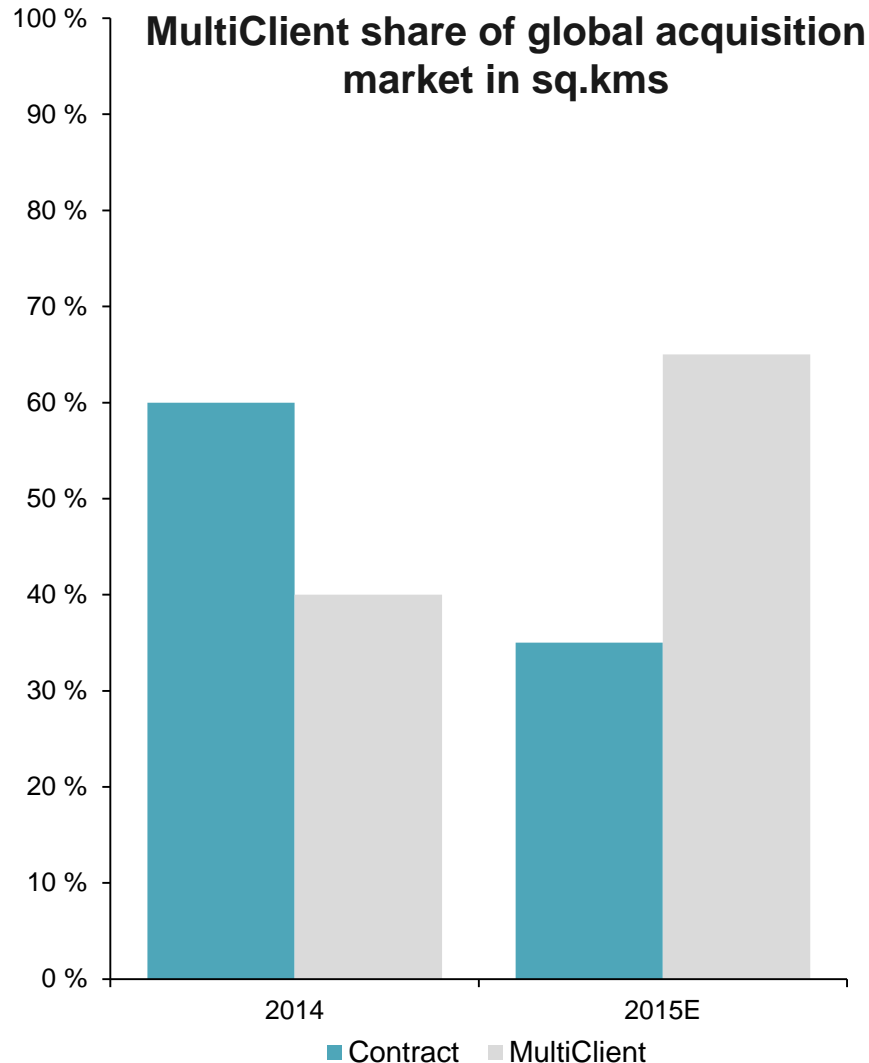
- Europe

- Mexico

- Angola

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- 36

The Seismic Market Development: Swing Towards MultiClient

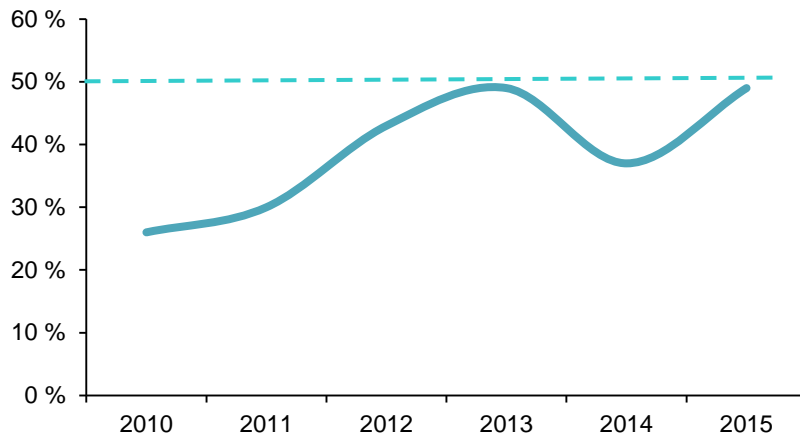


- MultiClient share of seismic 3D acquisition (in sq.km) has increased to reach above 60% at present
- Tough and increasing competition in the MultiClient space
- Exceptionally high MultiClient share of 2015 marked:
 - Driven partly by vessel oversupply
 - Oil companies tendering MultiClient projects – some of these are not viable under a MultiClient model

Looking Ahead: MultiClient Model Undergoing Transformation



Percent of PGS' 3D fleet allocated to MultiClient

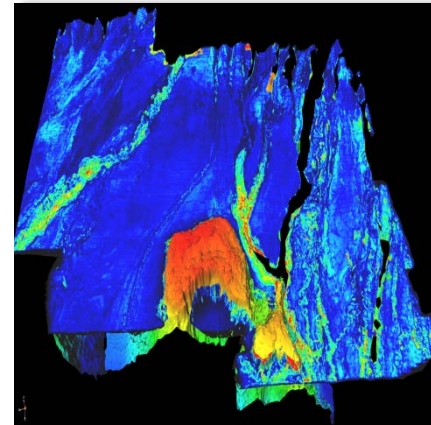


- Scope, size and character of MultiClient projects becoming increasingly diverse:
 - Conventional MC programs in un-licensed areas (pre-license + uplifts)
 - Large programs in licensed acreage (farm-in/out)
 - Time critical programs with tight work commitments (i.e. drilling)
 - Multi vessel Wide/Full Azimuth programs (Gulf of Mexico)
- Expect long term growth in MultiClient model
 - Artificially high MC share in 2015; minor correction may be expected short term
- Dynamic market: ability to rapidly switch capacity between MultiClient and Contract market opportunities is becoming key
- Strong balance sheet and control of vessel capacity puts PGS in ideal position to capitalize on the transformation
- PGS expects 2016 split between MultiClient and Contract similar to 2015 (50-50)

Vessel Owner Advantages: Controlling Vessel Capacity and Exclusive Technology

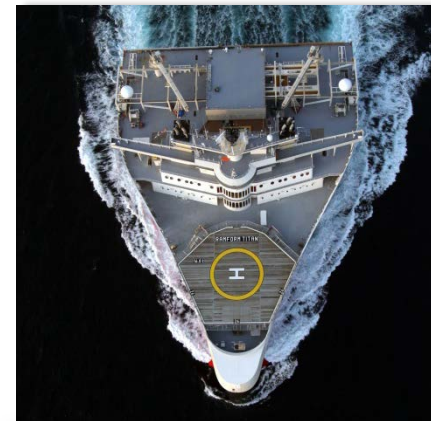


- Trend towards MultiClient substituting proprietary products with increased quality demand («compared to previous low-entry approach»)
- Highest fleet-wide safety standards
- Global consistency in product quality and delivery
- Unmatched towing capacity and flexibility
 - wide tow and/or high density spreads
 - deep tow without compromises
- GeoStreamer acquisition and imaging technology is key success factor for modern PGS MC3D Library
- Control on timing and vessel allocation
- Product line synergies and opportunities (MultiClient, Contract, Imaging)



**Same HSE
Focus**

**Same
Quality**



**Same
Efficiency**

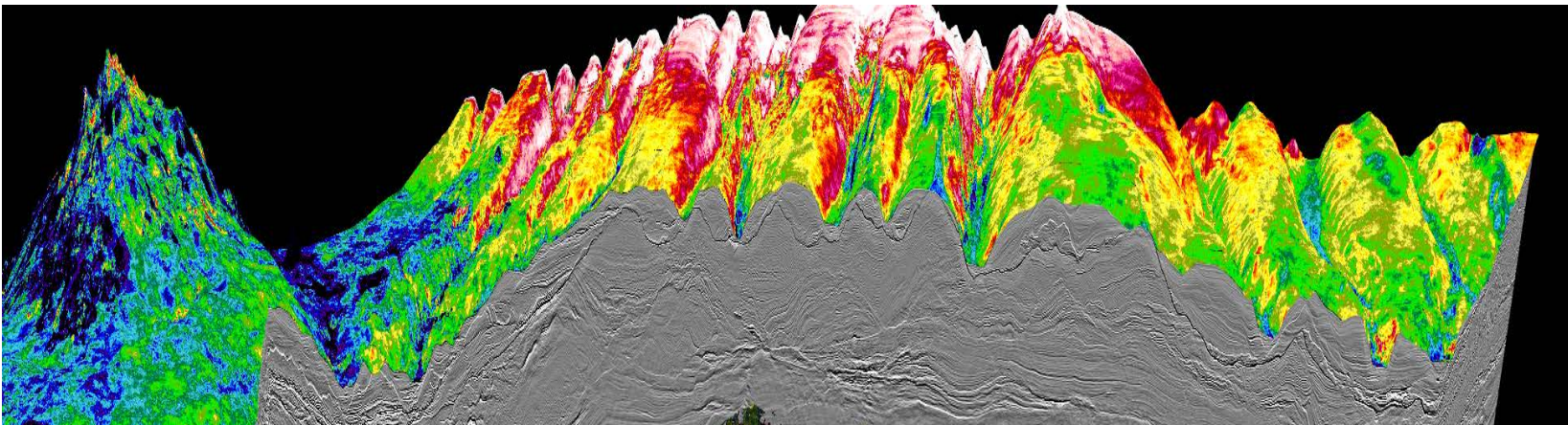
**Same
Technology**



**... every
time**

What Governs PGS MultiClient Investments

- Business unit independent Risk Board process
- Financial parameters / business plan / pre-funding
- Hydrocarbon potential / prospectivity
- Timing
- Access to acreage for clients: license rounds, lease roll, farm-ins, direct awards
- Political environment & fiscal terms
- Upgrade existing library with new data (including reprocessing)
- Effective partner relations (governments, JV, pre-funding client)
- Risk-reward profile – balanced portfolio of surveys



PGS Reservoir – G&G Expertise

Multi-skilled G&G teams, providing exploration, development and reservoir services:

- **‘Efficient’ Exploration Interpretation Services**

- Basin and Play fairway studies
- Prospectivity analysis

- **‘Integrated’ Reservoir Services**

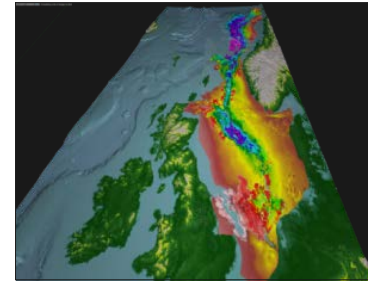
- Field development studies
- Asset and Equity evaluation

- **Reservoir Characterisation and Quantitative interpretation**

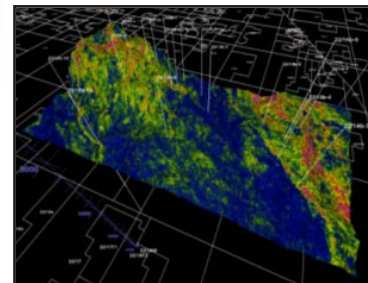
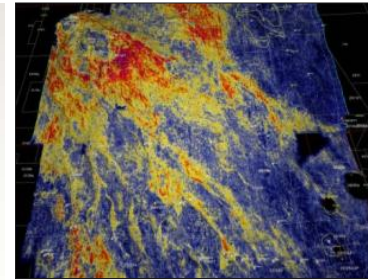
- Lithology, porosity, pore pressure and fluid analysis
- 4D feasibility study and inversion

- **Working with Governments and NOCs on Licence Round Organisation and Management**

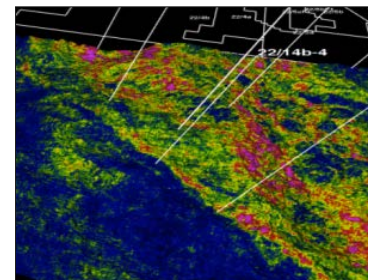
Large regional seismic interpretation



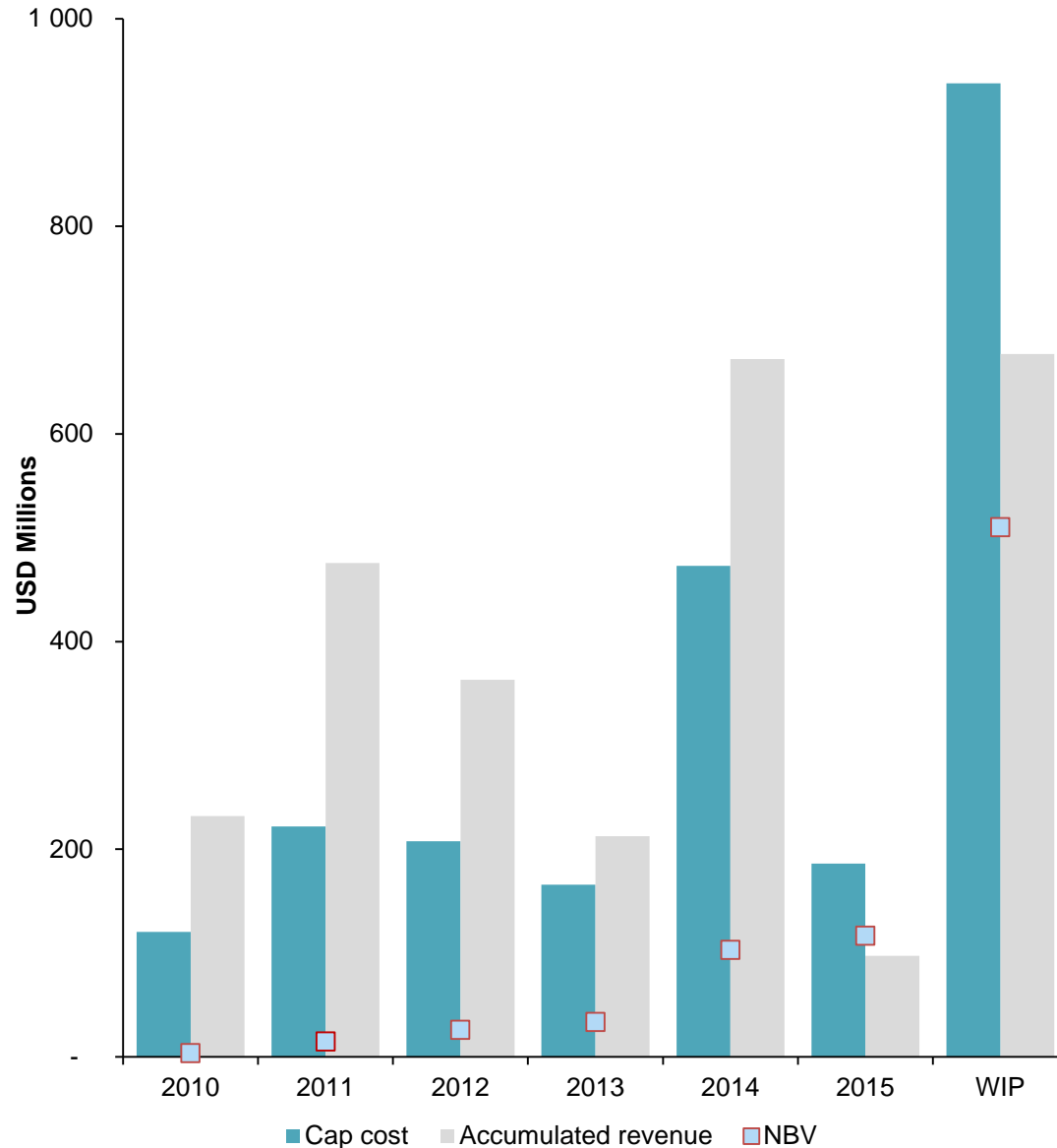
Prospect analysis



Reservoir properties

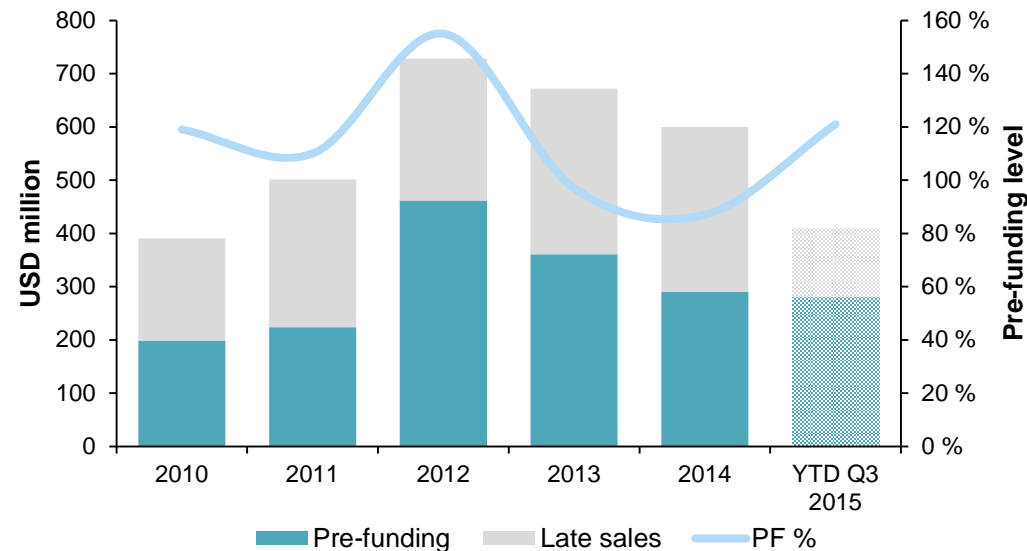
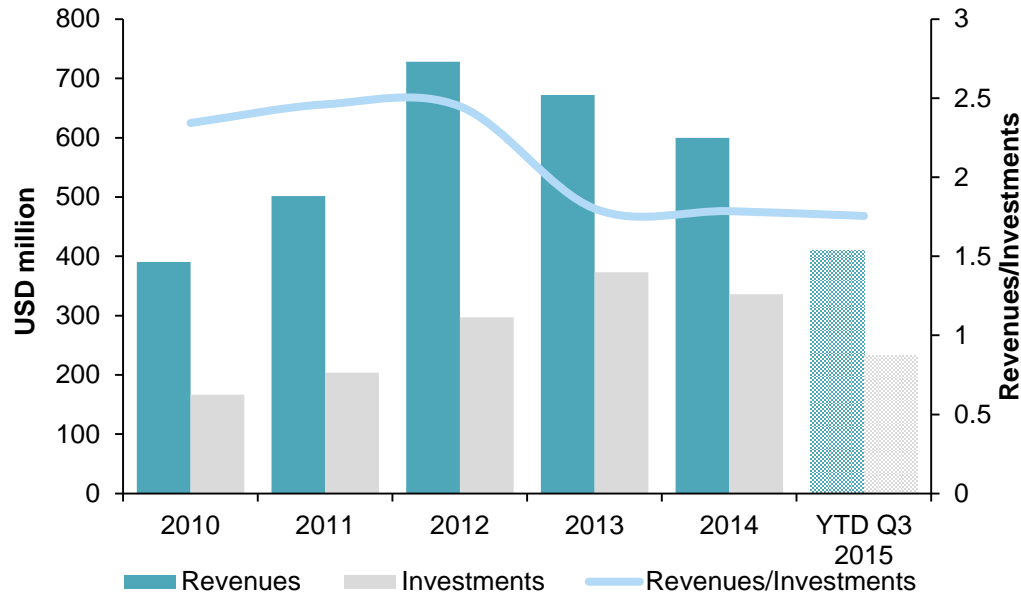


Good MultiClient Sales Performance from All Vintages



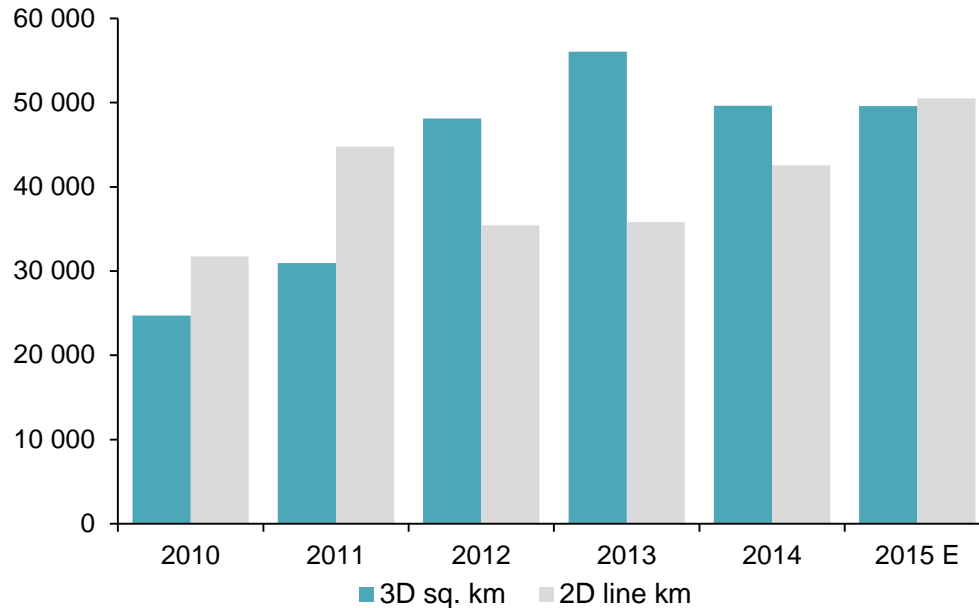
- Strong sales progress for all vintages
- Moderate net book values (NBV) for surveys completed 2010-2015
- Work In Progress (WIP) spreads over 1-2 years

Robust Library Performance: Well Positioned for Future Uptick

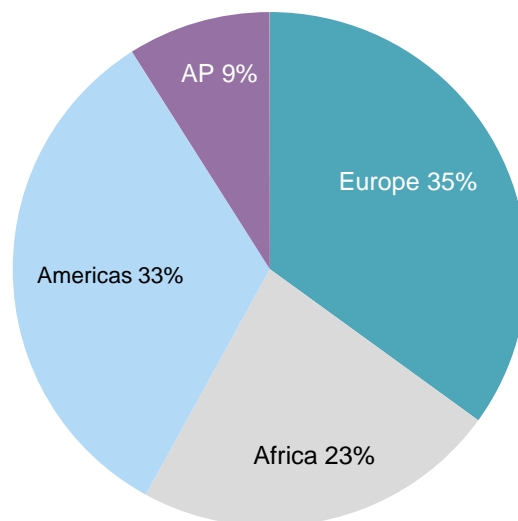


- Library vintage development is sound with moderate Net Book Values (NBV) for surveys completed between 2010-2015
- Stable Revenue/Investment ratios maintained over the past three years
- Late sales currently under pressure, but mitigated by solid pre-funding levels
- YTD Q3 PGS library constitutes 19% of industry NBV, 16% of industry investments and 26% of industry revenues
- Library well positioned for gradual, revitalized exploration activity

Stable Volume of New MC3D Added to Library the Past Years



**Revenue distribution
2010-2015**



- Around 50,000 sq.km per year of new GeoStreamer MultiClient 3D data added to the library in the past four years
- Maintaining global presence with Europe and North and South America accounting for about 70% of revenues
- Current geographical trends expected to continue in 2016

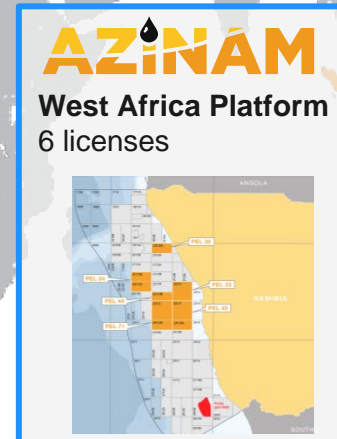
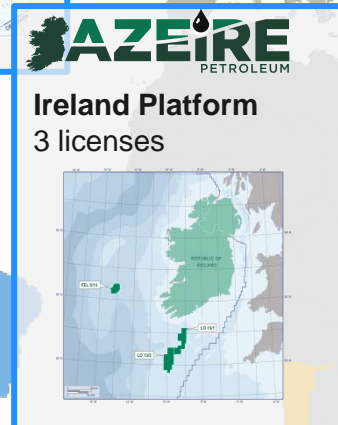
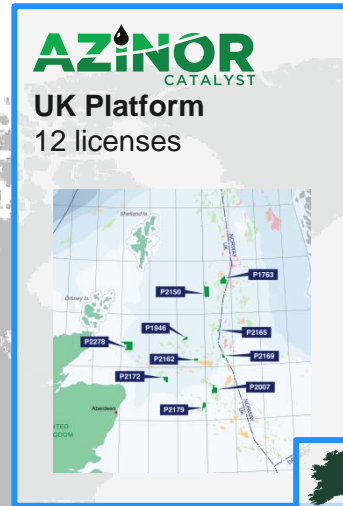
The Equity Business Model: Azimuth – PGS Equity Partner



- Occasionally oil companies want to exchange license acreage in return for data or services
- PGS aims to divests its E&P assets under commercial terms
- Azimuth develops acquired E&P assets within its portfolio
- Azimuth is backed by Seacrest Capital Group, a leading private equity group with high quality largely US based investors
- PGS has a 45% minority ownership position in Azimuth

Drives further value from the MultiClient library – at arm's length distance

50 Licences – Prospective Resources c. 20 Billion boe



Summary



- Challenging market with tough competition in the MultiClient space
- MultiClient model undergoing transformation: size, scope and character of projects widening
- Strong balance sheet and control of vessel capacity puts PGS in ideal position to capitalize on the transformation
- Robust library performance well positioned for exploration recovery
- Expect 2016 3D fleet allocation evenly split between MultiClient and Contract
- Expect 2016 MultiClient investment level of approximately USD 250 million with a pre-funding level of approximately 100%

Capital Markets Day

Oslo, 4th December 2015



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Magne Reiersgard

Executive Vice President, Marine Contract

A Clearer Image | www.pgs.com



Marine Contract – What Does the Business Unit Do?



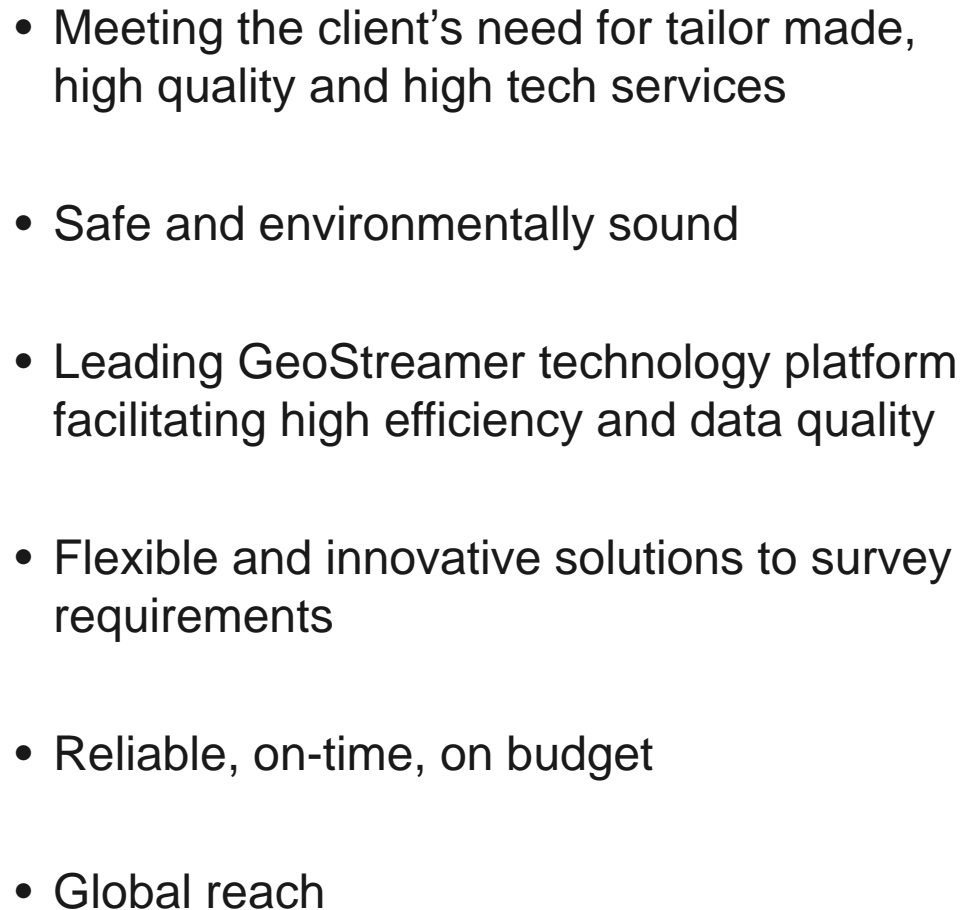
Marine Contract work is where PGS acquires seismic data under proprietary contracts with its customers – covers Streamer Seismic, Towed Streamer Electromagnetics and Permanent Reservoir Monitoring



- Highlights 2015
- Seismic market outlook
- Supply and demand
- Strengthening market position
- Towed Streamer Electromagnetics
- Permanent Reservoir Monitoring
- Summary

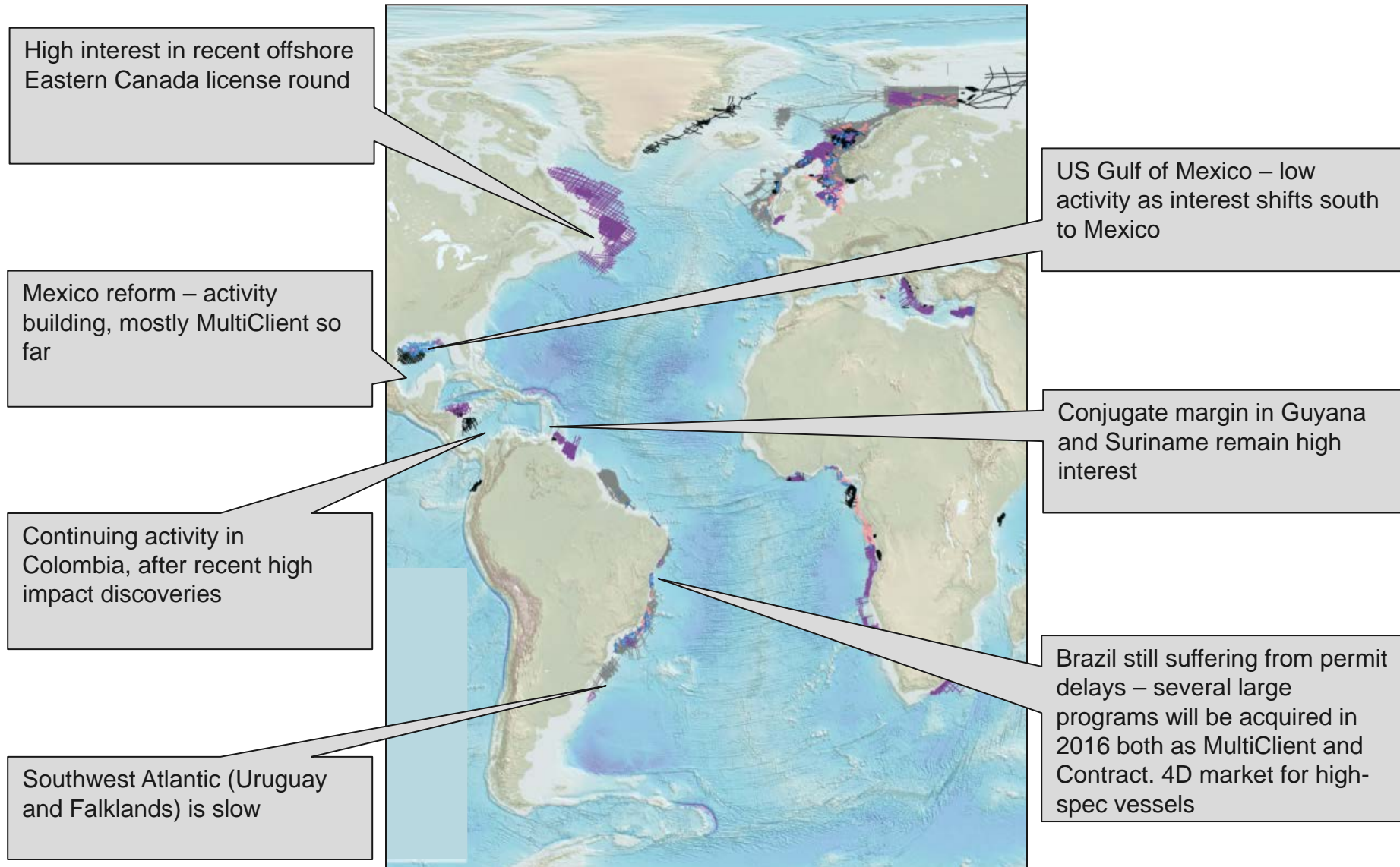
Highlights 2015 – Key Marine Contracts

- Large scale 3D's:
 - Finished Trinidad & Tobago 3D; 14 x8K @100m/ 20,860sq.km in 369 days/ 57sq.km/day Ramform Titan and Ramform Atlas
 - Egypt; 14x8K @100m/ 11,600sq.km in 136 days/ 85sq.km/day. Ramform Titan
- Acquired a majority (6) of streamer 4D's around the world:
 - North Sea (2)
 - Australia/Timor Sea (2)
 - West Africa (2)
- Significant awards and record breaking presence in Myanmar:
 - 1 vessel (Q1/15) towing; 16 x 7K @100m
 - 1 vessel (Q4/15 - Q2/16) towing; 12 x 8K @150m
- Strengthened reputation with large customer base. Able to maintain and further enhance service standards in a weak market

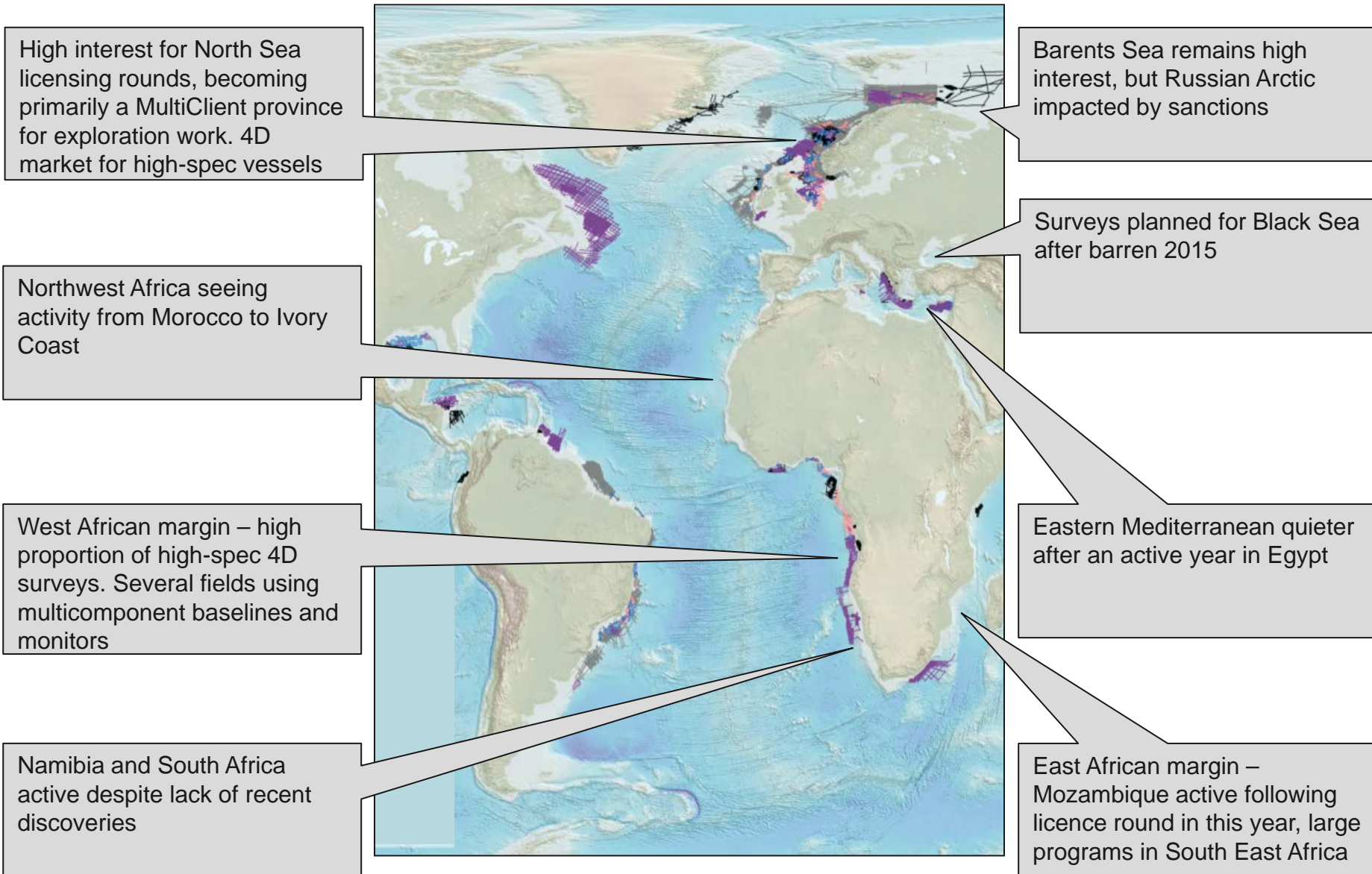


Being number 1 in the high-end seismic market
Adding value for our customers and creating profitability for PGS

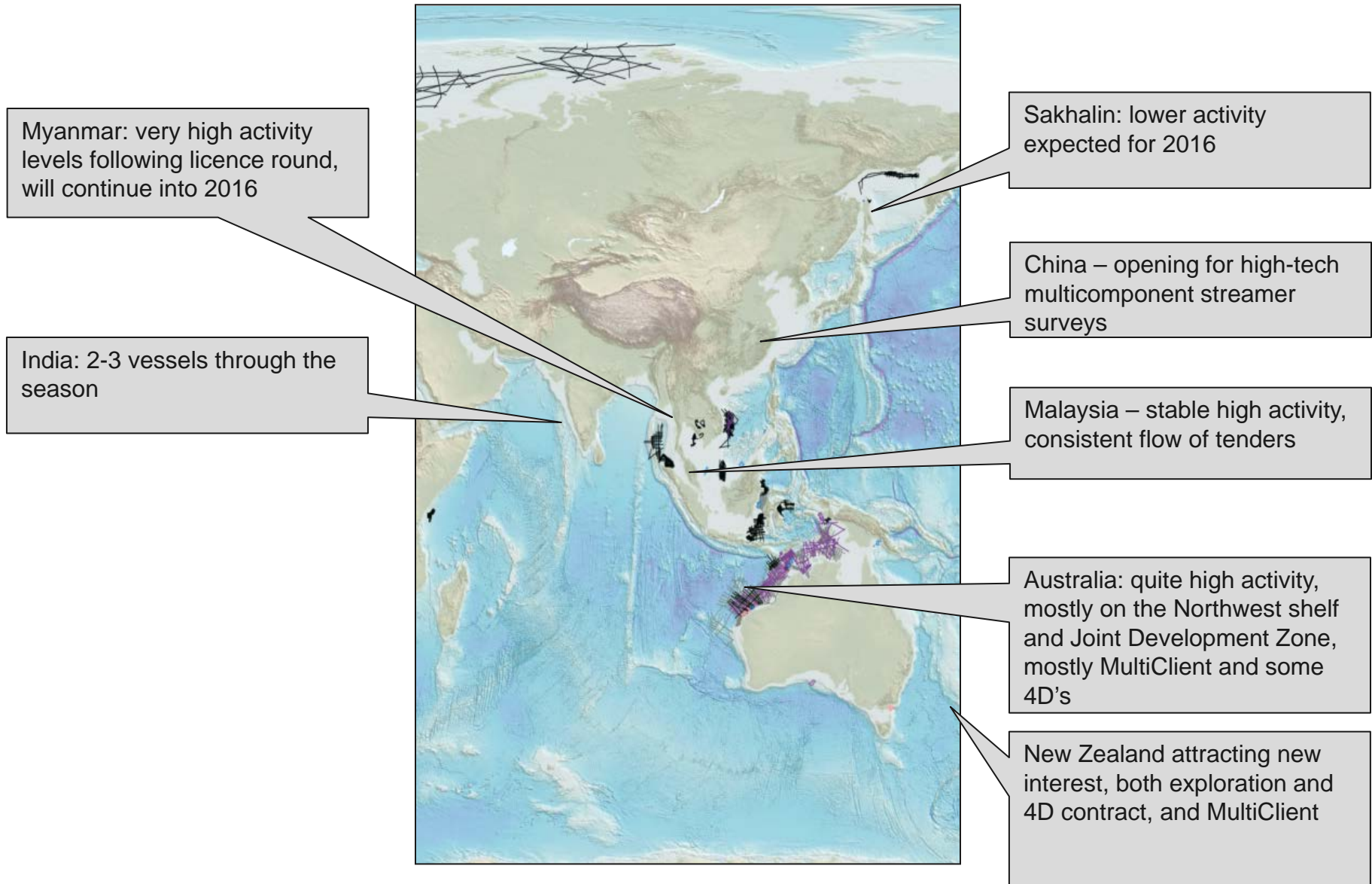
Demand Outlook Western Atlantic



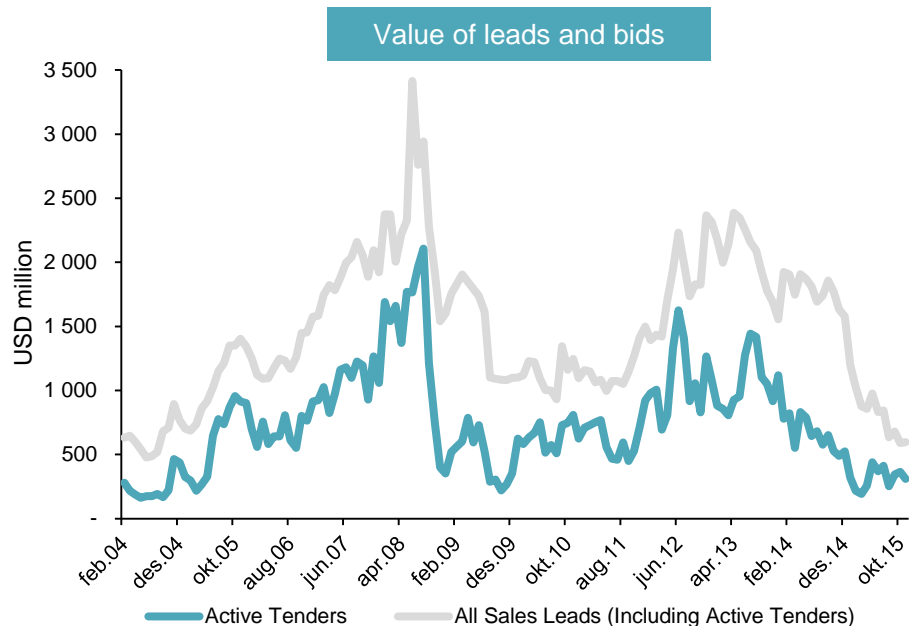
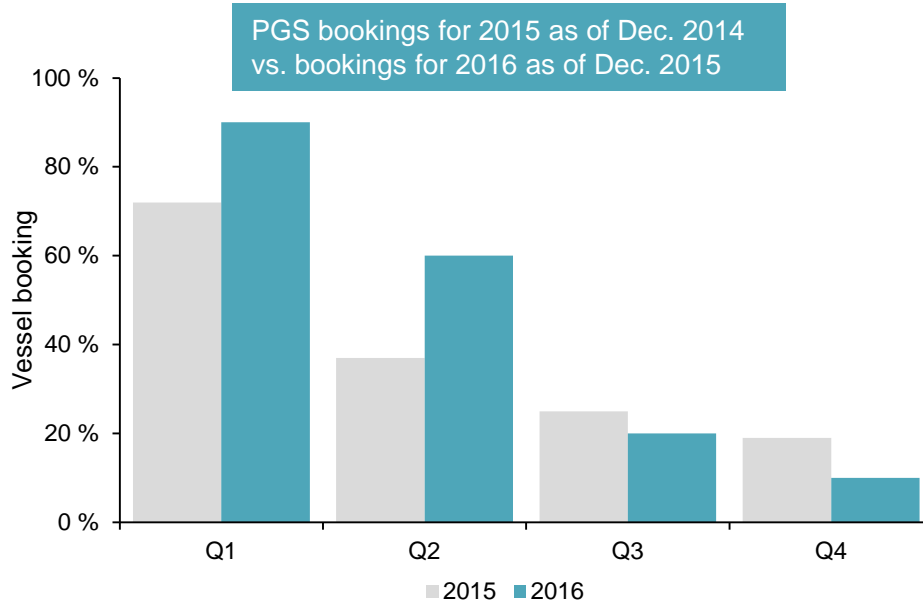
Demand Outlook Eastern Atlantic Region and Middle East



Demand Outlook Asia Pacific

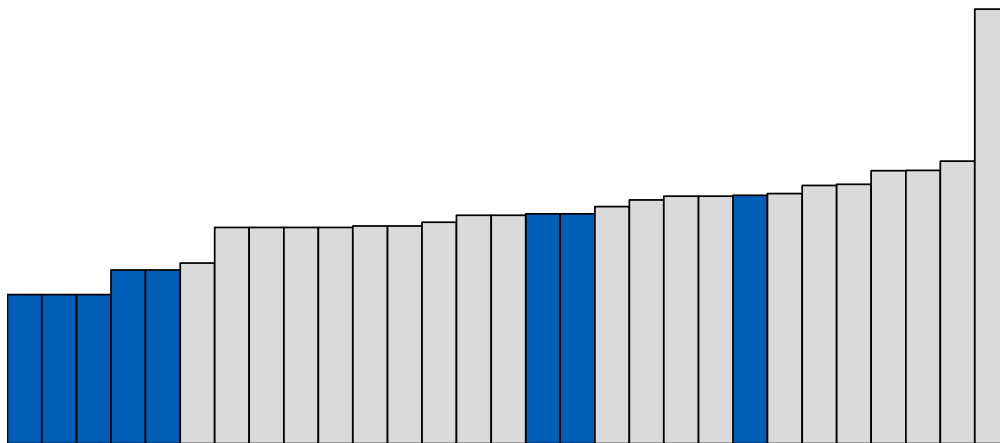


Booking – Low Visibility



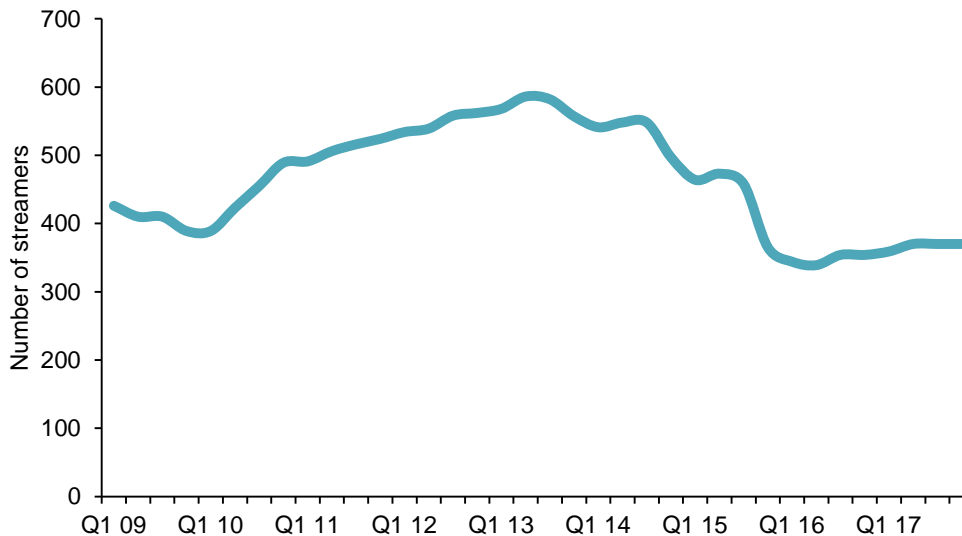
- Vessel booking H1 2016 is up vs. H1 2015. H2 2016 is largely unsold
- 2014 and 2015 experienced a significant reduction in sales leads and active tenders
- Reasonable inflow of sales leads in Q4 2015
- 2016 is expected to be challenging

Streamer Capacity Significantly Reduced in 2015



- Only 29 commercial 3D vessels expected to be active most of 2016

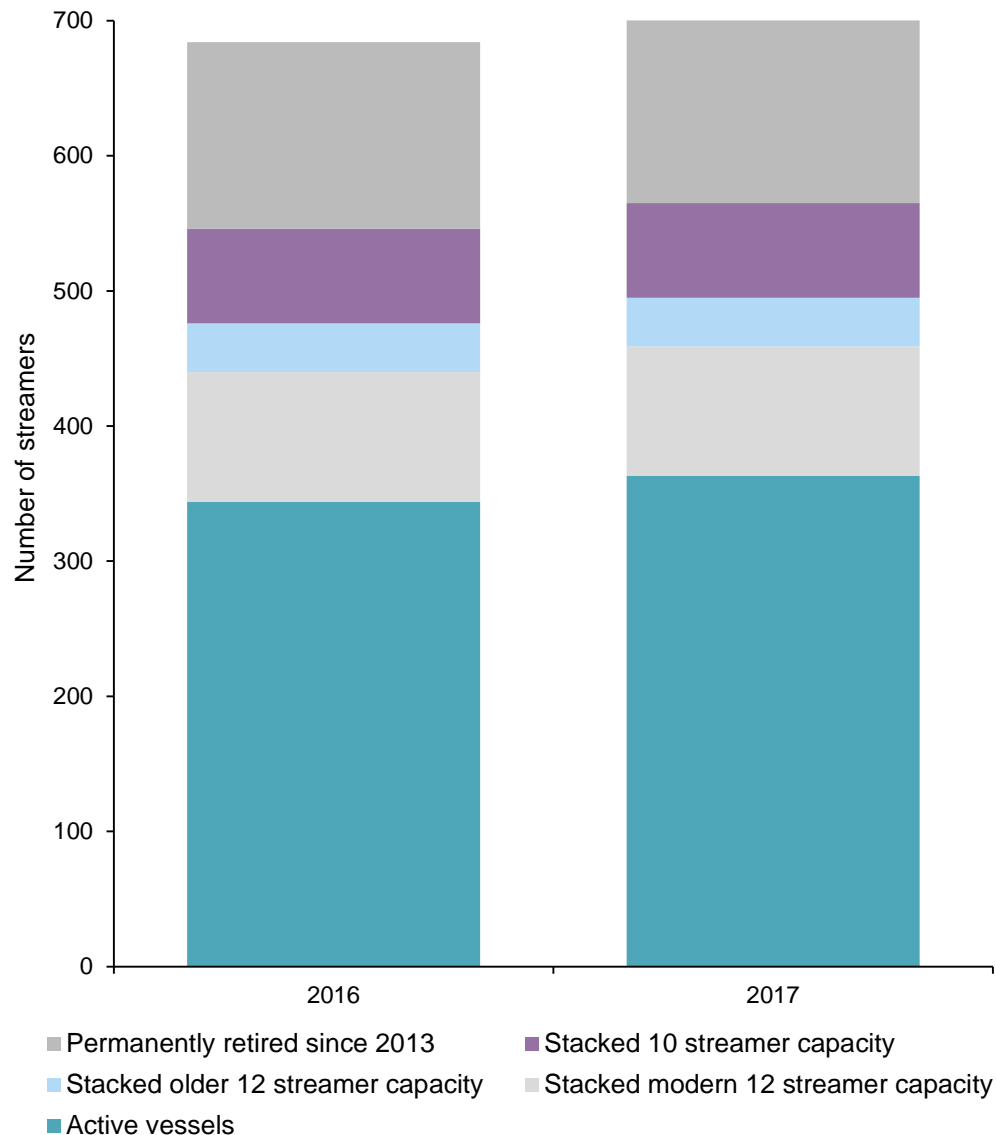
- PGS retains lead on cash cost, favourable charter rates on leased vessels



- Accelerated industry capacity reduction in H2 2015

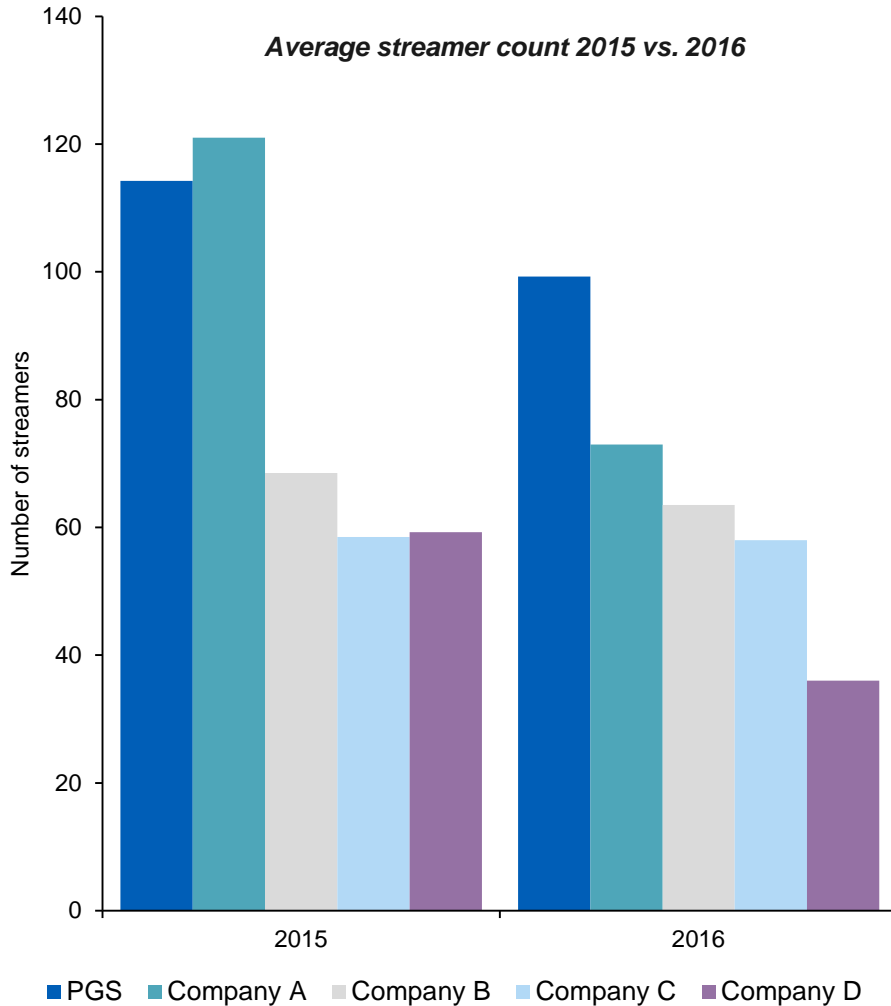
- Expect average industry active streamer count of approximately 350 in 2016

Some Stacked Capacity May Come Back



- Industry capacity has fallen by half since the peak in 2013
- Vessel retirements have generally been as predicted from the cost curve
- Due to the distress of the market in late 2015, certain efficient vessels have been retired for strategic or company specific reasons
- From Q2 2016 there will be approximately 100 streamers of stacked modern 12-streamer vessels which could return in a stronger market
- Any other stacked capacity is unlikely to return in 3D mode in the medium term, if at all
- Capital commitment of USD 50 million or more per vessel required to bring back cold stacked capacity

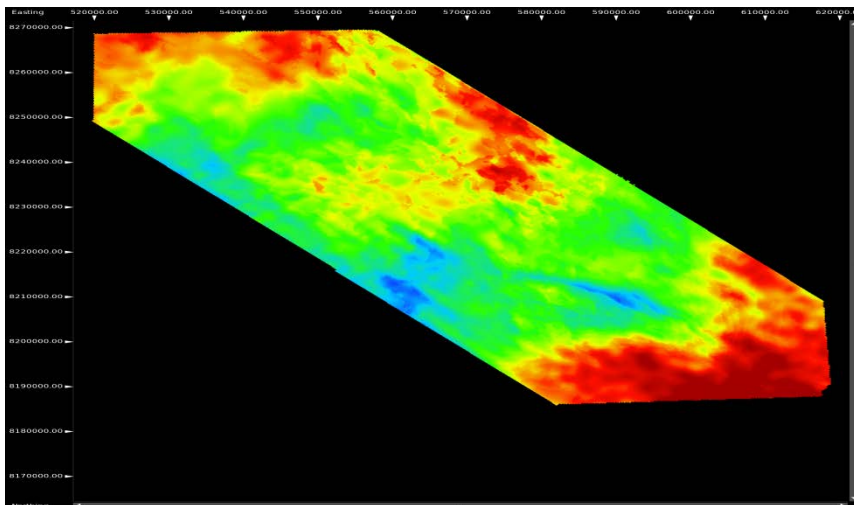
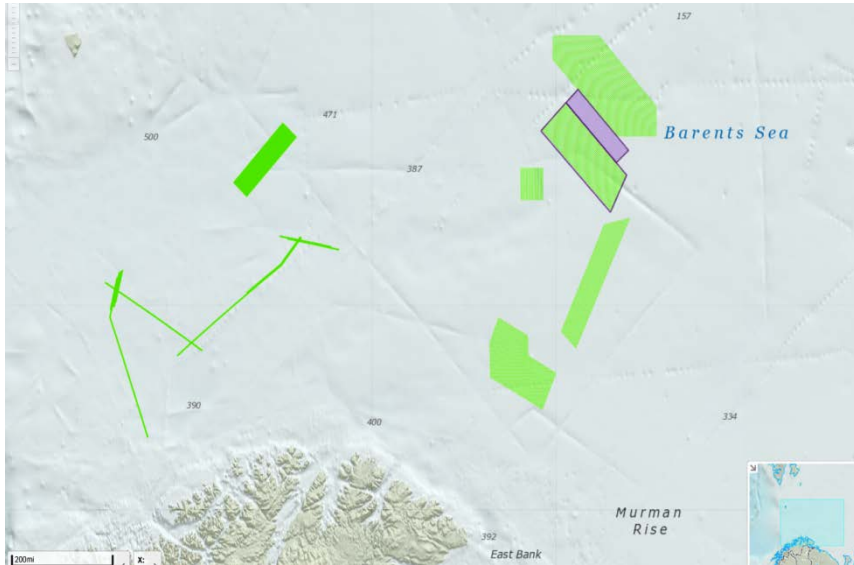
PGS Builds Even Stronger Market Position in a Downturn



- Superior fleet quality strengthens market position
- Only fleet to be 100% equipped with full suite of latest technologies:
 - Multicomponent streamers
 - Streamer steering
 - Source steering
 - 12+ streamer count and long offsets
- Maintaining highest service standards – several top plaudits from customer base in 2015
- Lowest average age of active fleet in the industry

Maintaining critical mass in a weak market

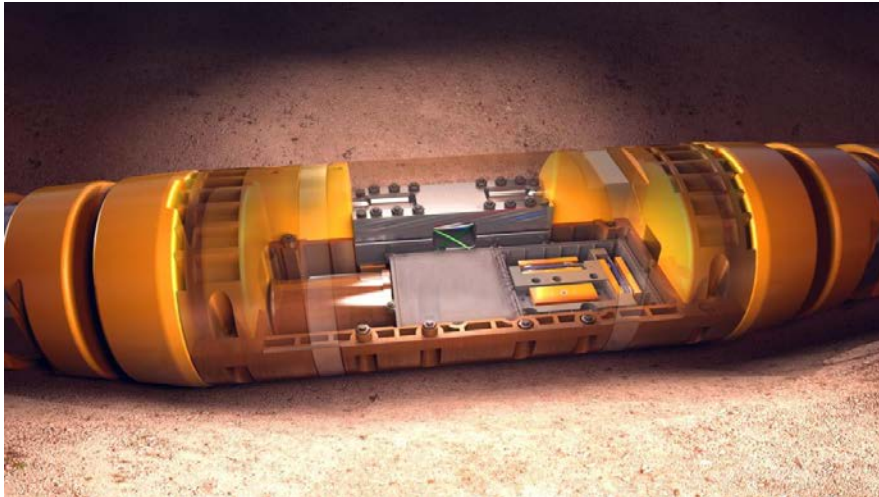
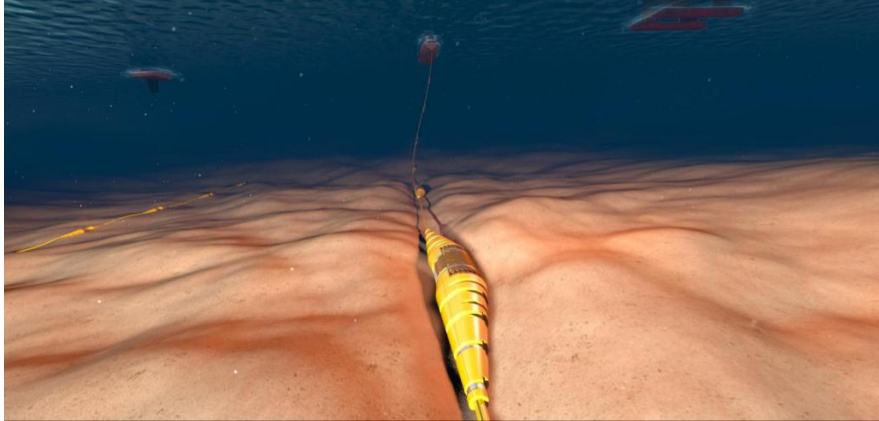
Towed Streamer Electromagnetics



Unique value proposition

- Data acquired with the same efficiency as Towed Streamer Seismic
- Superior data density for accurate mapping of sub-surface resistivity
- Integration with seismic data is key to unlocking the value of EM data
- Increased footprint in Barents Sea
- Increasing understanding and acceptance from oil companies

OptoSeis Marine – Permanent Reservoir Monitoring (PRM)



- Multiple field evaluations for PRM underway
- Only full turnkey system including design, manufacturing, installation and imaging
- Successful completion of deep water Jubarte PRM field test (including; base and two monitor surveys)
- Next Generation system design improvements implemented and qualified

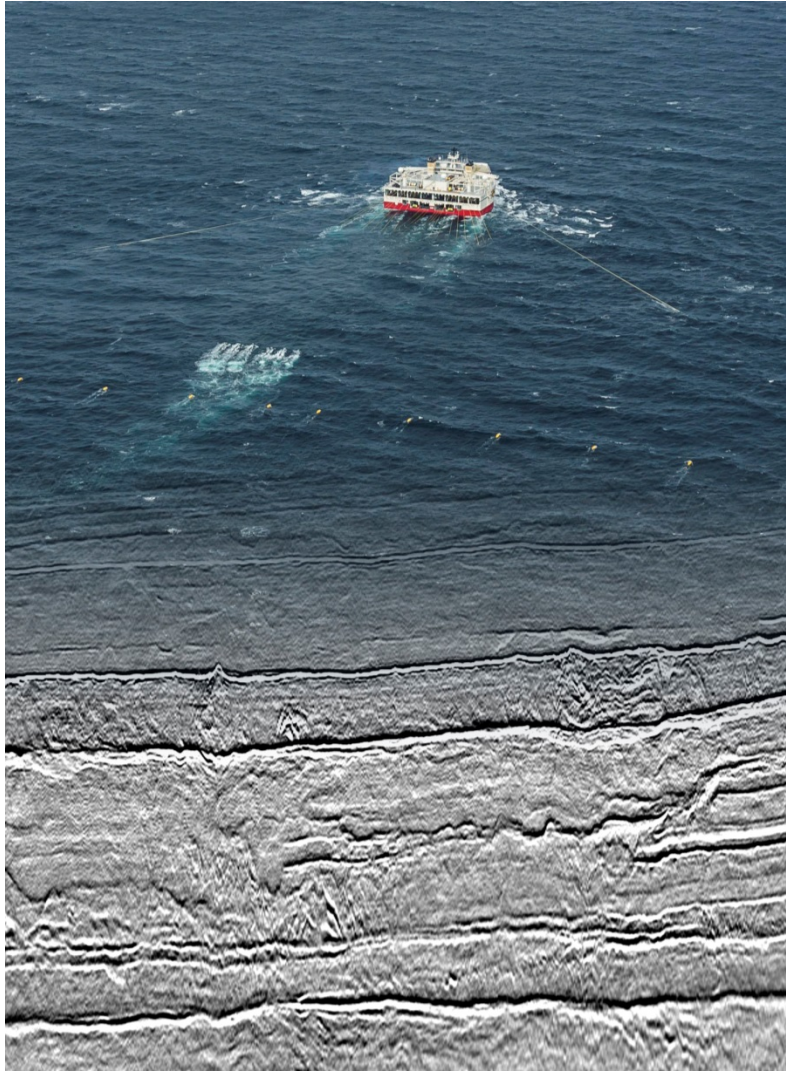
OptoSeis Land 3D – Moving from the Lab Into the Field



- Joint development Shell-PGS
- Step change in scalability, cost, weight and efficiency
- Optical technology synergies with Optoseis Marine system

OptoSeis Land – Commercialization

Summary Marine Contract Seismic



- Market will remain challenging through 2016
- Differentiating GeoStreamer technology, all vessels 100% equipped with the latest technologies
- Favorable fleet development:
 - Delivery of Ramform Tethys for North Atlantic summer
 - Increased average streamer count per vessel
 - Reinforced position on the cash curve
 - Youngest fleet in the industry on average
 - Fleet flexibility increased through charters
- Strengthened reputation with large customer base. Able to maintain service standards in a weak market

Seizing the opportunity to strengthen our position in a weak market

A close-up photograph of a hand holding a blue baton, reaching towards another hand. The background is blurred, showing a blue sky and a dark, rocky landscape.

Capital Markets Day
Oslo, 4th December 2015

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Guillaume Cambois

Executive Vice President, Imaging & Engineering

A Clearer Image | www.pgs.com

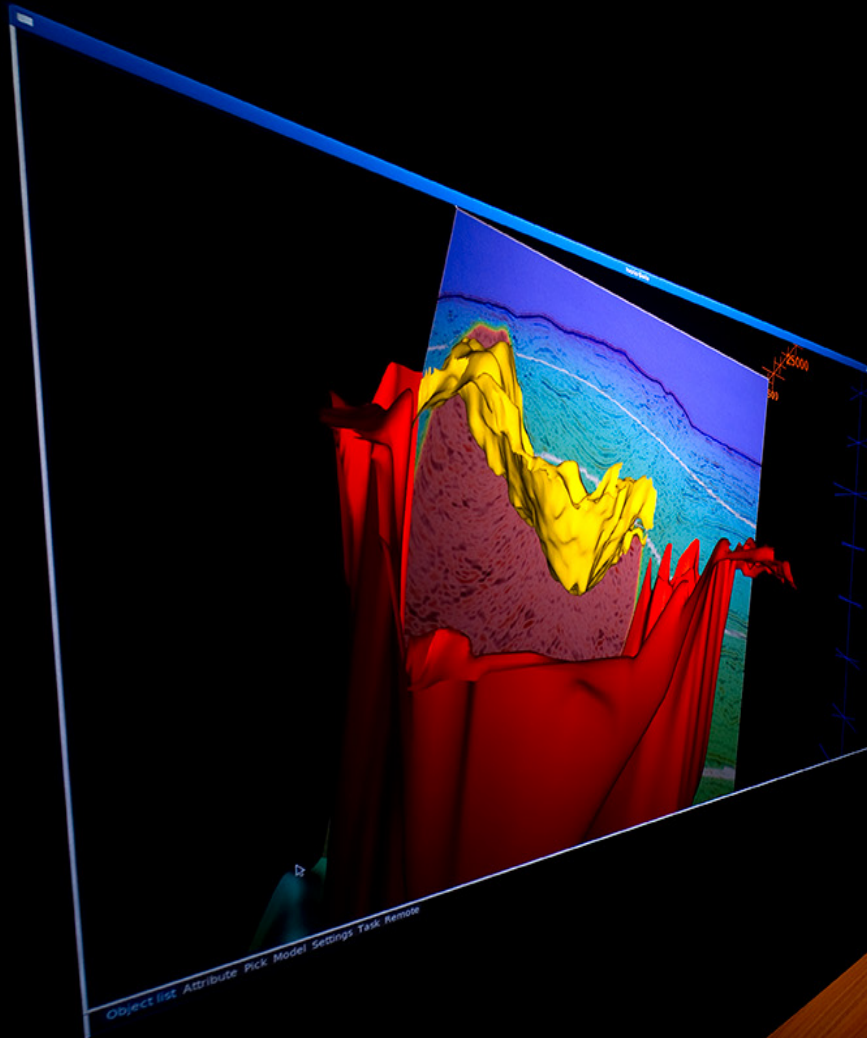


Imaging & Engineering – What Does the Business Unit Do?

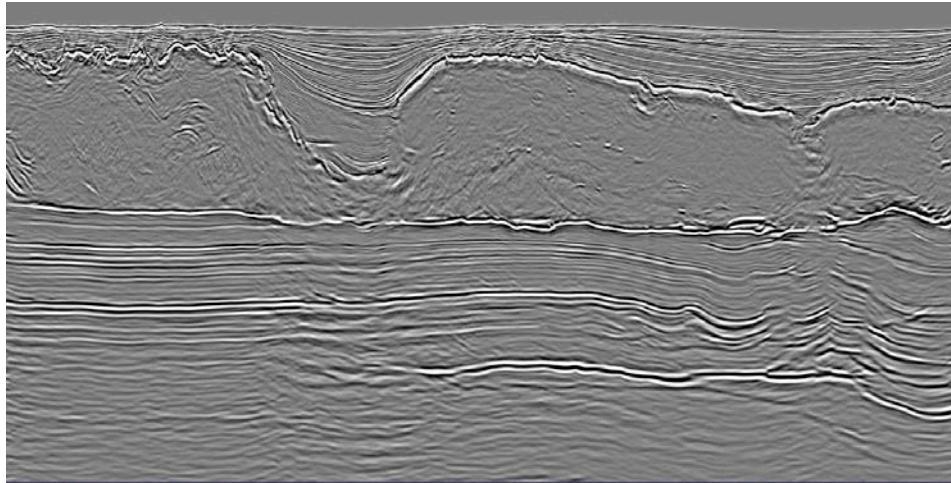
I&E has two departments:

Imaging provides a full range of data processing, advanced imaging, and reservoir-related processing services to a global exploration and production customer base – and to PGS' MultiClient business

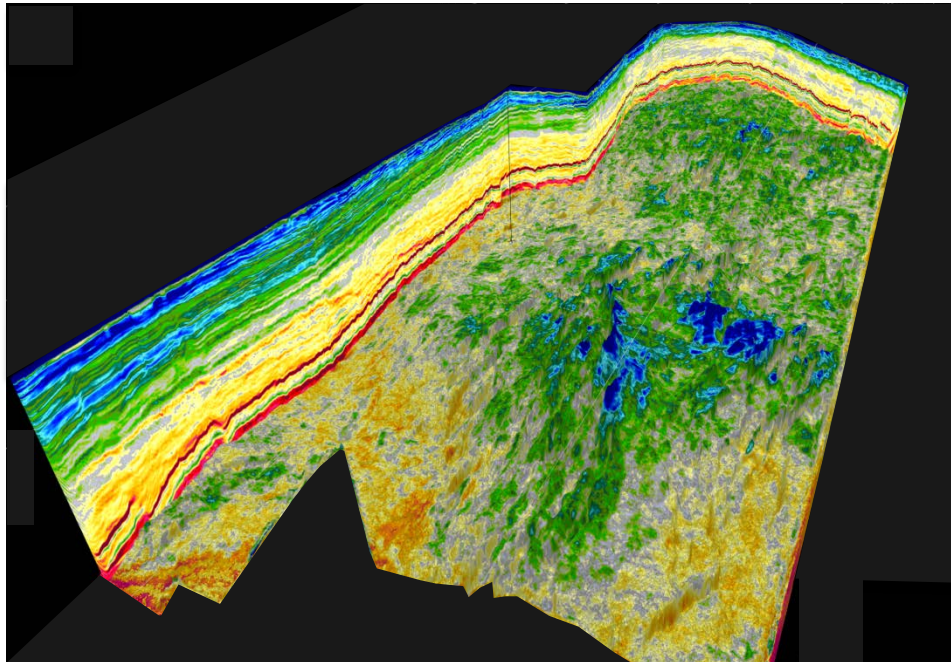
Geoscience & Engineering constitutes PGS' R&D center



Imaging & Engineering Highlights 2015

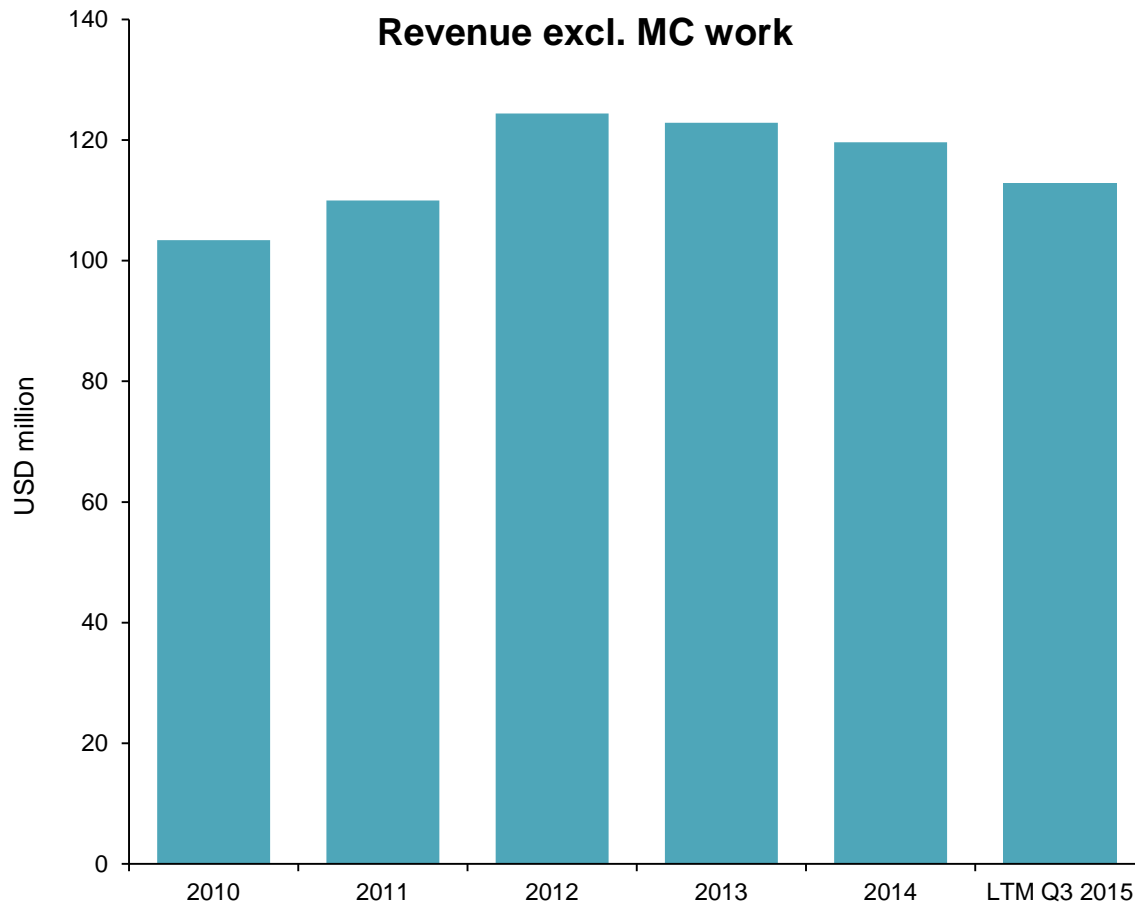


- Barents Sea South East Area A delivered on time with additional products taking full advantage of the GeoStreamer technology
- Fast track for 12,700 sq.km survey in Egypt delivered two months after last shot



- New Cray XC40 supercomputer successfully installed in Houston
- Efficient wide-tow acquisition surveys awarded in shallow-water areas on the basis of GeoStreamer SWIM

Imaging External Revenue Mirrors Market Downturn

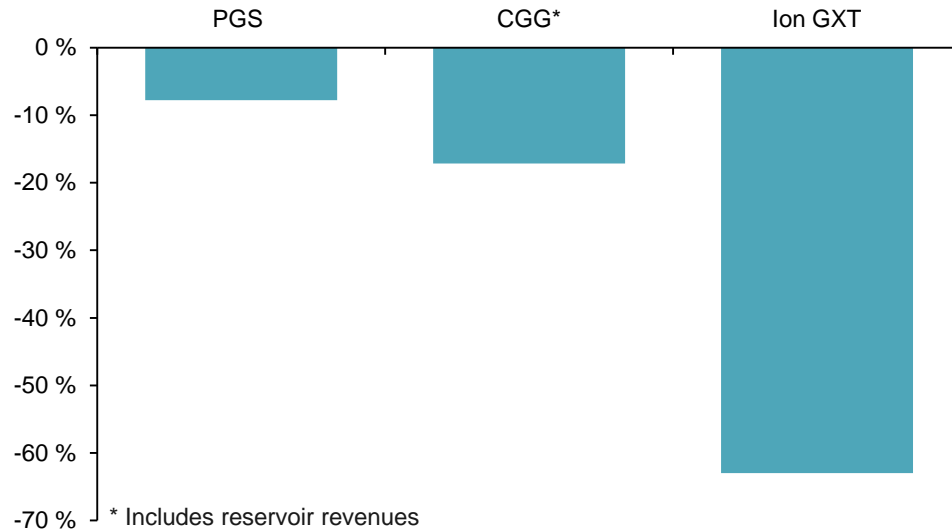


- Imaging market down following decrease of square kilometers acquired
- MultiClient work sustained year on year

Resilience driven by GeoStreamer, high-end imaging and productivity improvements

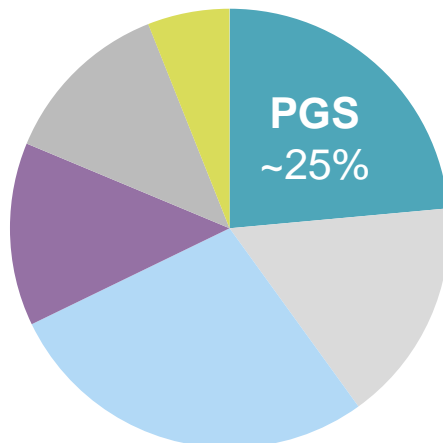
Gaining Market Share Through the Downturn

External revenue change 2014-2015 (Q1-Q3)

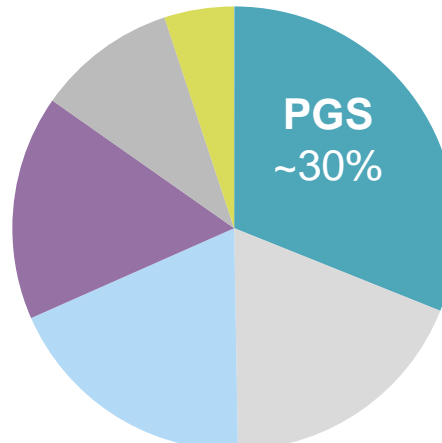


- Resilience through the downturn due to GeoStreamer and unique imaging technology
- Potential to further increase market share driven by strong fleet position

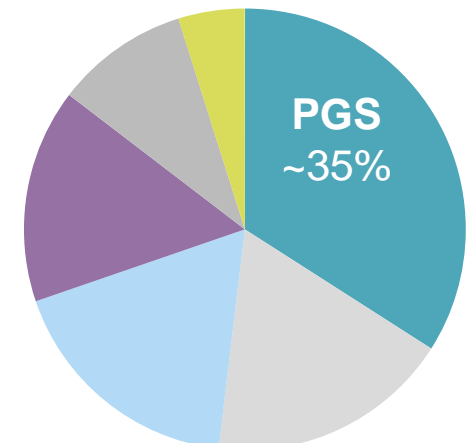
Streamer count



2014



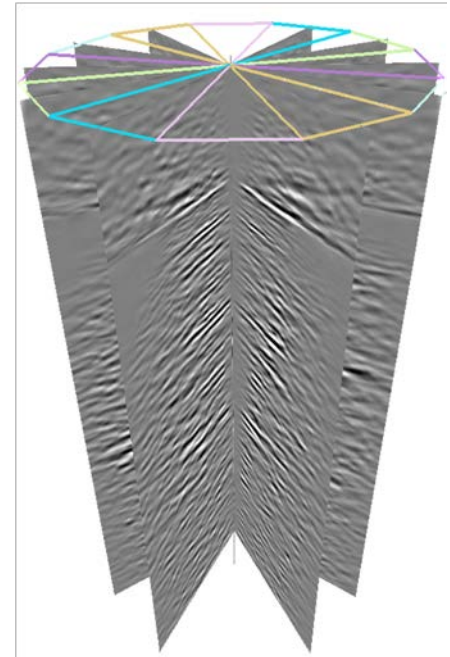
2016



2017

Industry Leading Imaging Technology

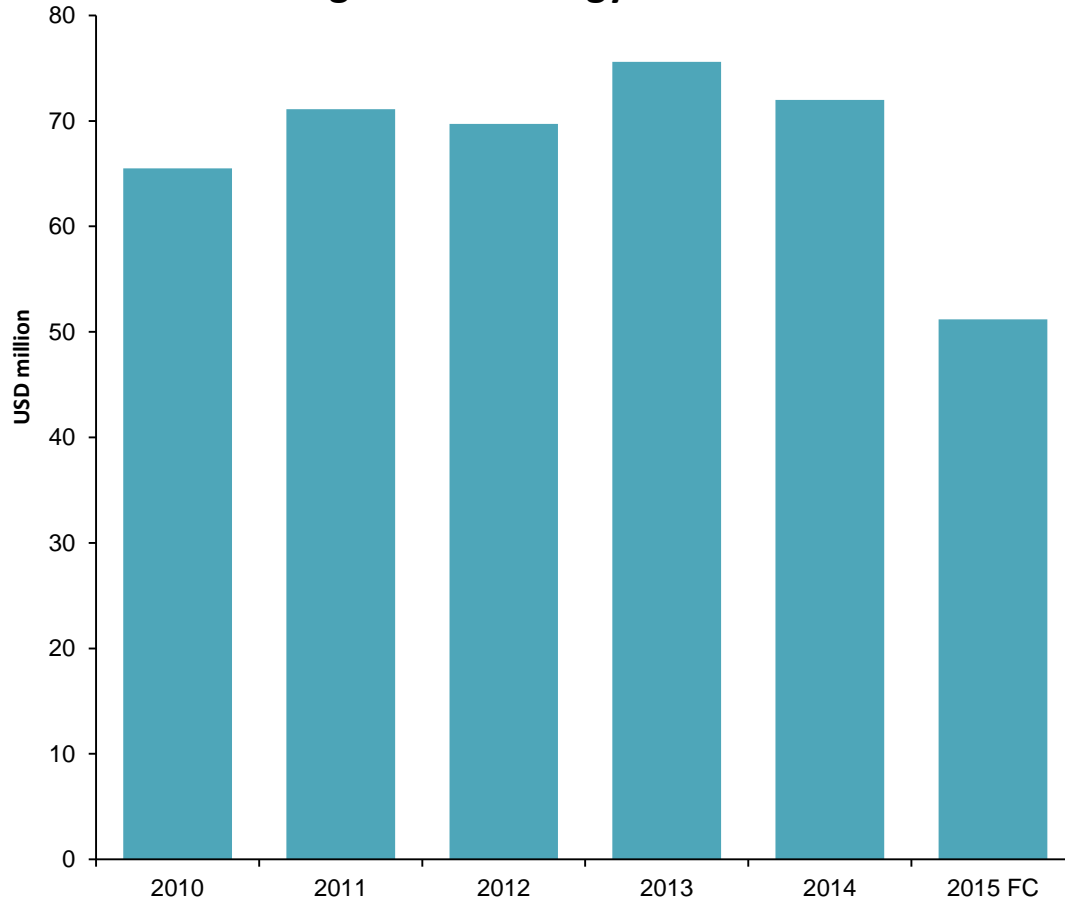
- Unique algorithms
 - TA₃GS: True Amplitude Azimuth Angle Gathers
 - SWIM: Separated Wavefield Imaging
 - CWI: Complete Wavefield Imaging
- Next generation High Performance Computer
 - Substantial speed-up in existing algorithms
 - Enabling new, previously prohibitive, processes
 - Largest computer owned by a non-government-funded entity
 - Currently ranked #14 on Top500 list (<http://www.top500.org/>)



Abel: PGS Cray XC40 supercomputer

R&D Focus – Leadership in Efficiency and Technology

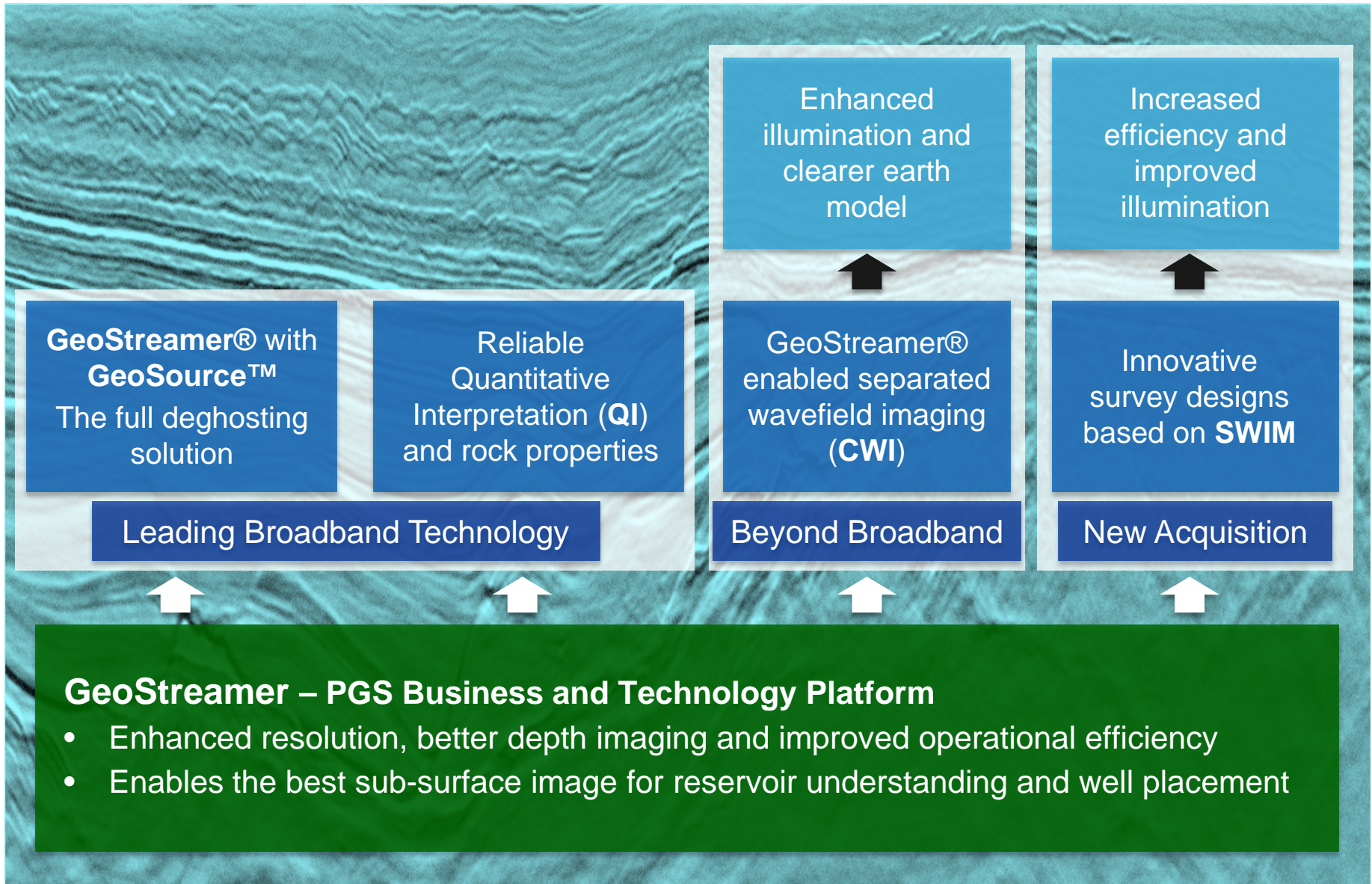
PGS gross technology investments



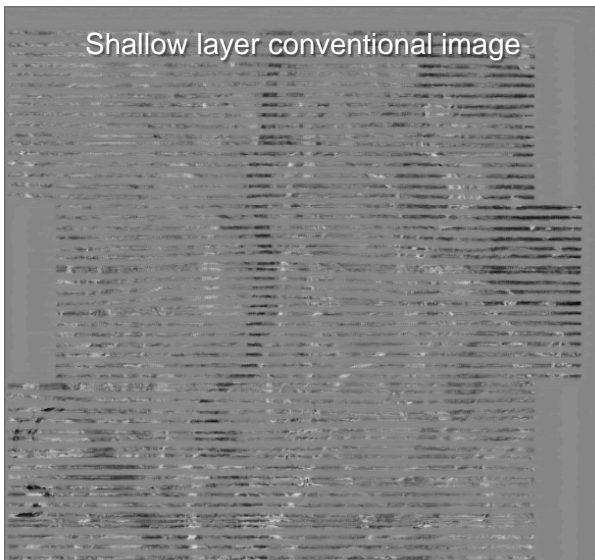
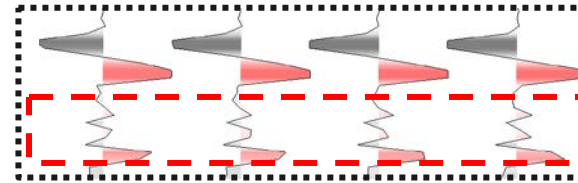
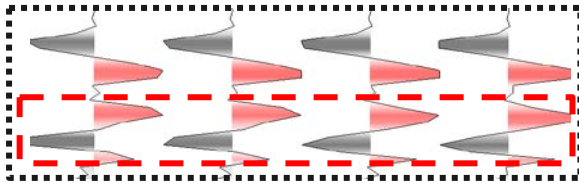
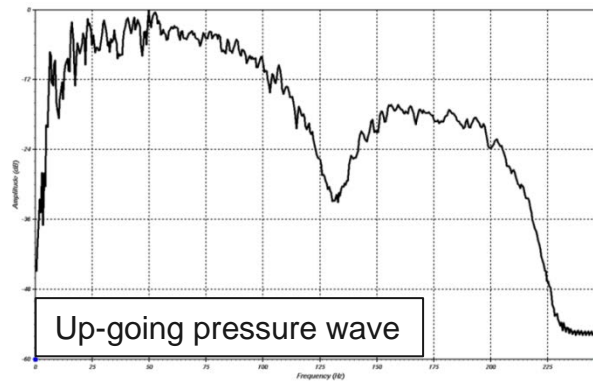
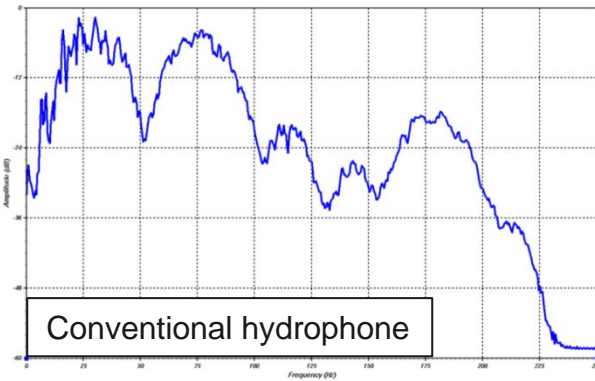
- R&D investments reduced and to be further reduced in 2016
- Focused on fewer highly differentiating projects
- Committed to innovation and fleet efficiency

Focus on differentiation and productivity

The GeoStreamer Technology Platform: Much More than Broadband



GeoStreamer Success Based on Sound Science



- GeoStreamer's dual-sensor technology has unique ability to separate up- and down-going waves
- Separation is based on first principles and makes no unrealistic assumptions
- Up-going waves have higher resolution than conventional hydrophone
- Combining up- and down-going waves provides enhanced illumination of the subsurface

SWIM Heals Negative Effects of Wide Acquisition Spreads



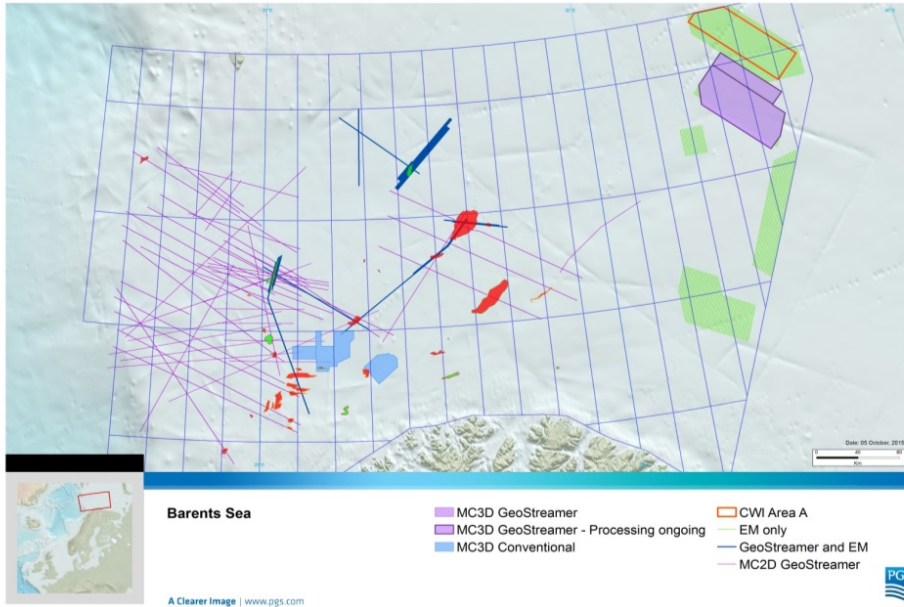
Cross-line primary image of shallow section with wide-tow acquisition



Cross-line SWIM image of shallow section with wide-tow acquisition

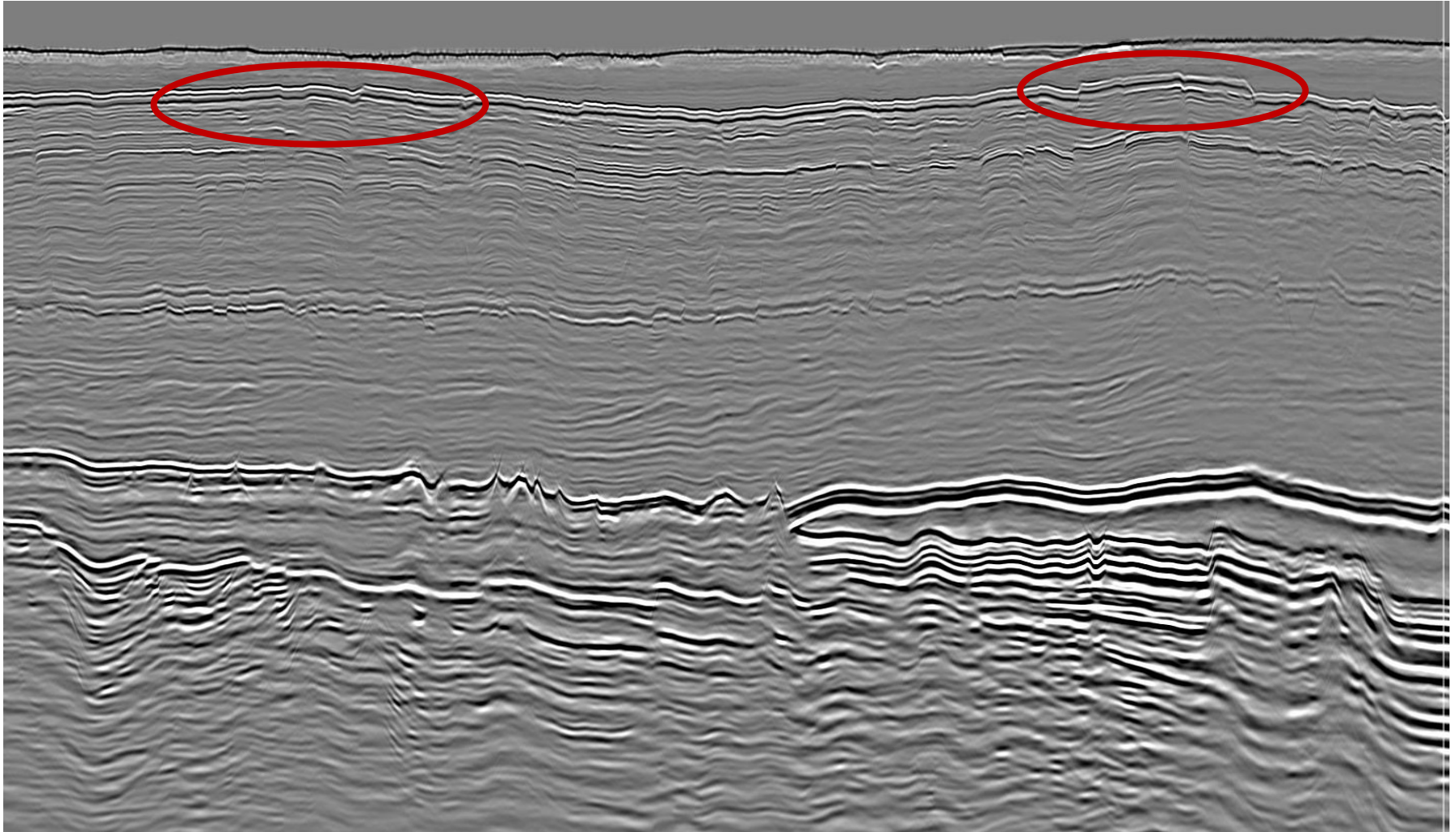
PGS awarded wide acquisition spreads in shallow waters on the basis of SWIM

Barents Sea South East (BSSE) Case Study



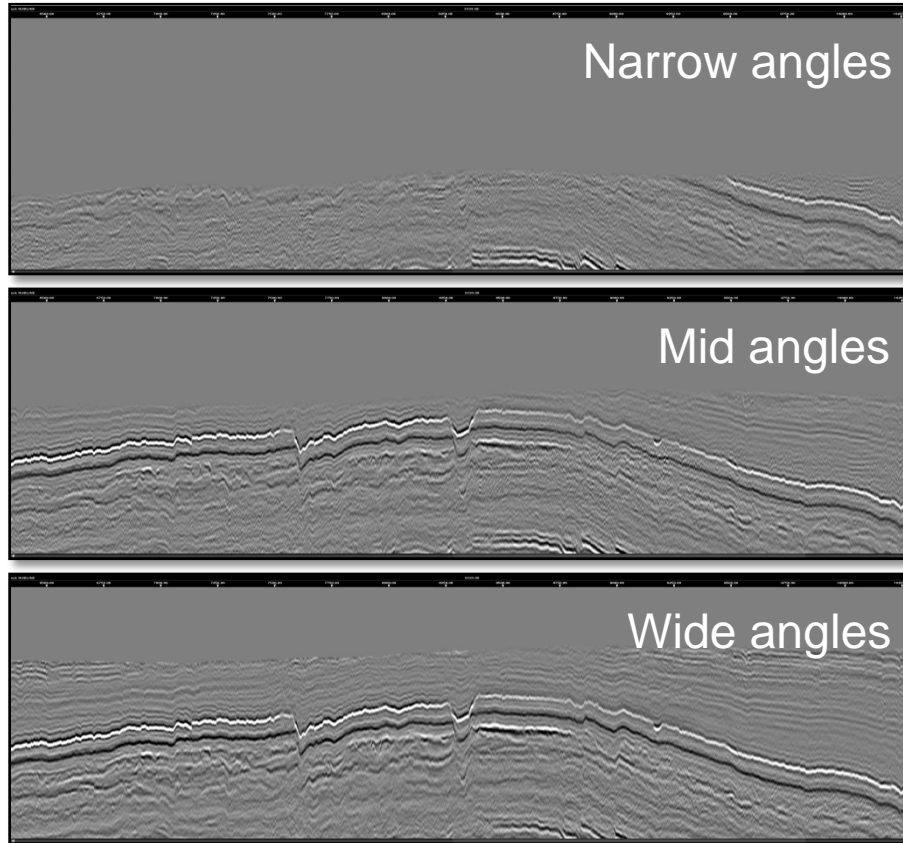
- Group-shoot led by Statoil and involving 33 Oil Companies
- Northernmost part of the Gråsonne (Area A) awarded to PGS
- 6,600 sq.km acquired by Ramform Explorer during summer 2014
- Survey designed for efficient exploration (tight deadlines) but under-sampling shallow targets
- Complete Wavefield Imaging (CWI) applied along SWIM to image shallow targets
- Imaging products delivered on time in August 2015 (11 months turnaround)

GeoStreamer Image of BSSE Area A

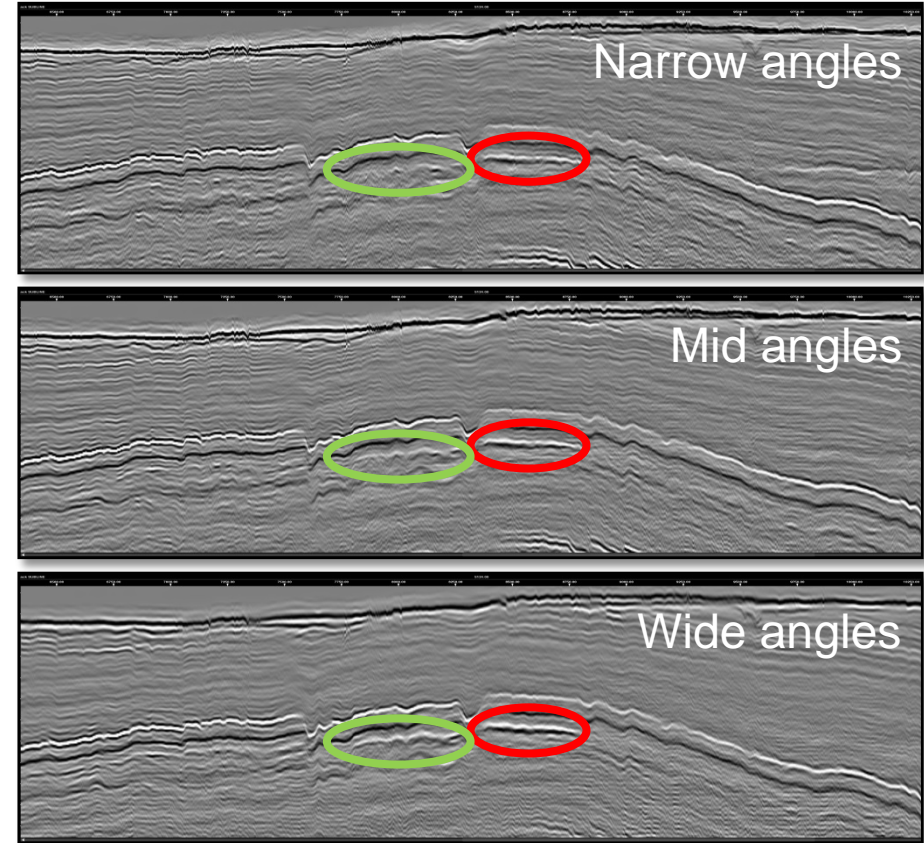


Deep structures revealed while primary targets are shallow

SWIM Enhanced Illumination Unravels Reservoir Ambiguities



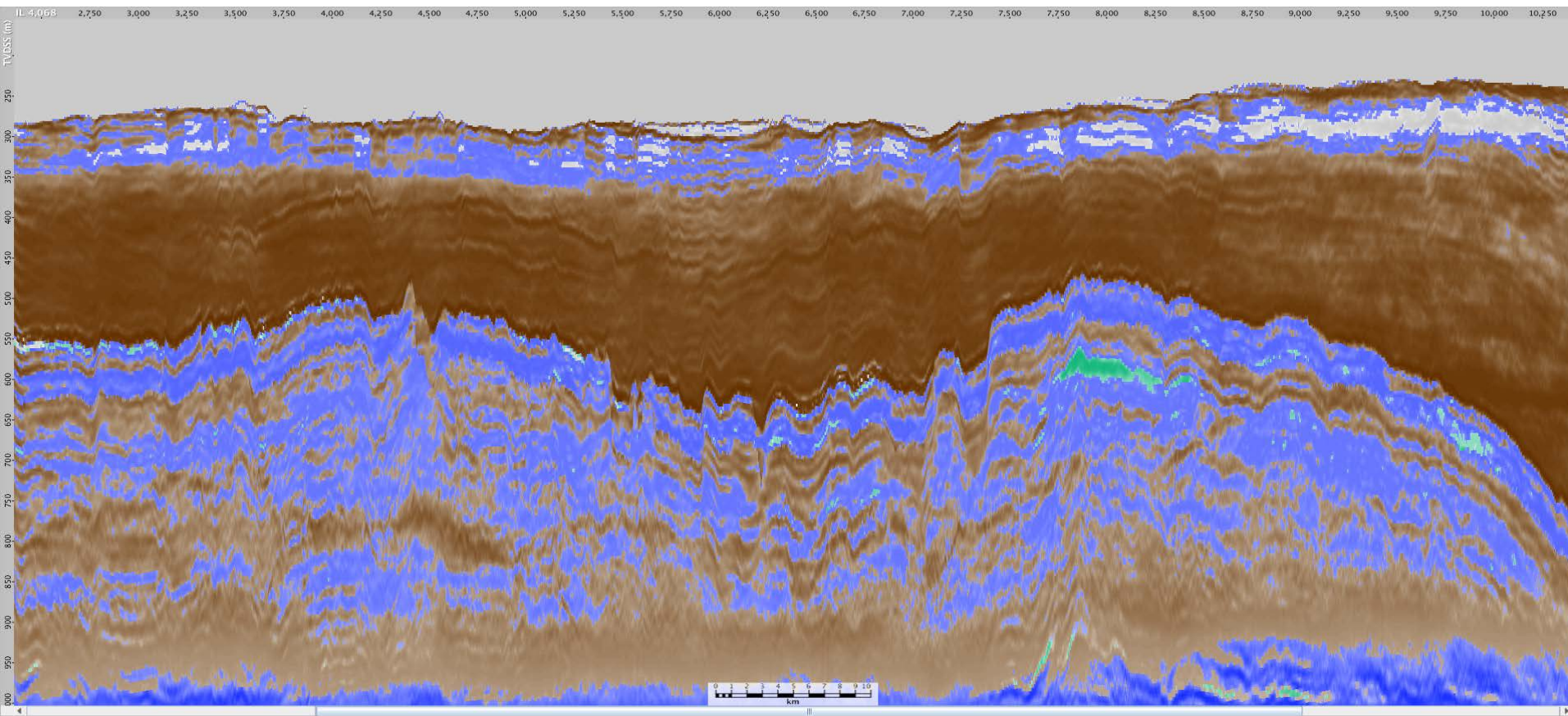
Primary Image



SWIM Image

SWIM provides BSSE hydrocarbon indicators unavailable with primary imaging

Lithology and Fluid Prediction Derived from GeoStreamer Data

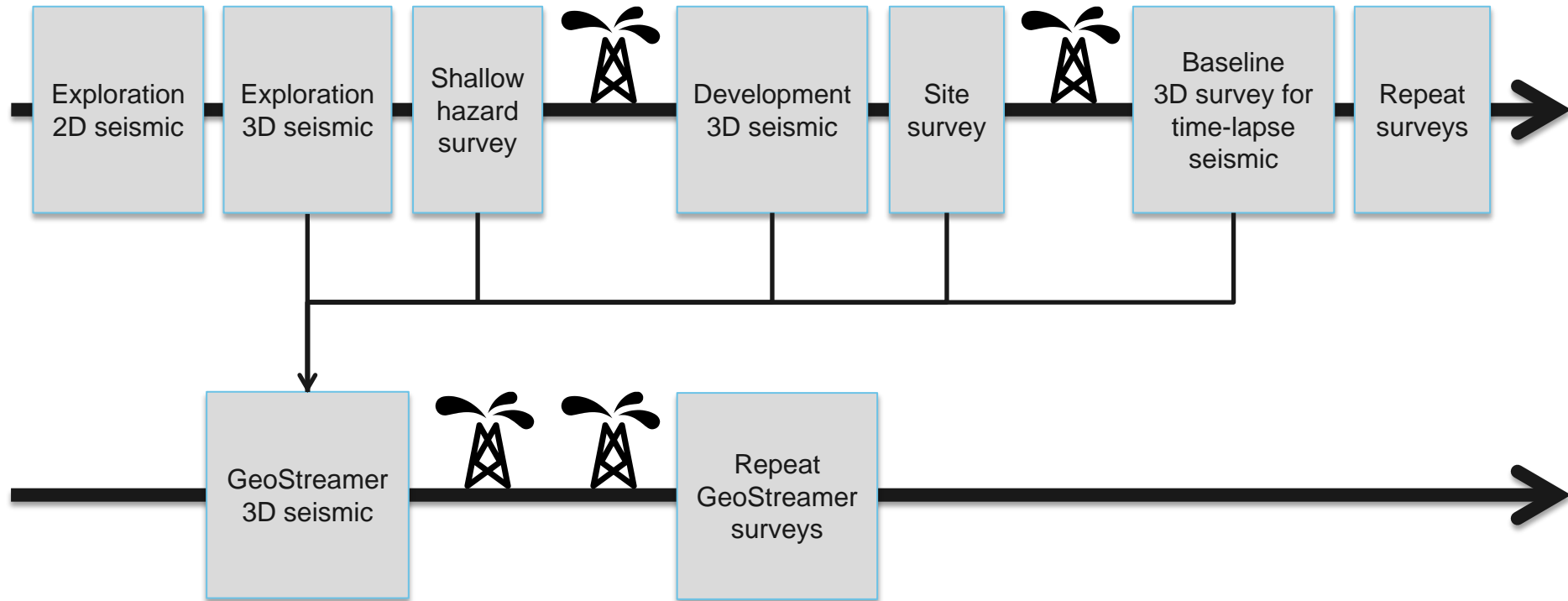


Based on nearby well: brown = shale, blue = brine sand, green = gas sand

BSSE lithology and fluid content can be predicted away from the wells thanks to GeoStreamer extended bandwidth and enhanced illumination

The Life Cycle of Seismic Surveys

Traditional paradigm: a series of “fit-for-purpose” (i.e., limited purpose) surveys



GeoStreamer paradigm: a single “full-purpose” survey used for exploration, development, shallow hazards, site surveys and baseline for 4D seismic and reservoir monitoring

GeoStreamer reduces total E&P costs and shortens field development cycle-time

Imaging & Engineering: Resilience and Opportunity in a Down Market

- Imaging market under pressure following decrease in acquired 3D marine data
 - PGS leading technology provides resilience
 - Opportunity to increase market share
- GeoStreamer recognized as the leading broadband technology
 - Based on first principles and sound science
 - Installed on the entire PGS fleet
- GeoStreamer provides much more than broadband
 - More efficient survey design
 - Enhanced illumination
 - New discriminating direct hydrocarbon indicators
 - Lithology and fluid prediction away from the wells
- GeoStreamer reduces E&P costs and shortens field development cycle-time

Capital Markets Day
Oslo, 4th December 2015



Per Arild Reksnes
Executive Vice President, Operations

A Clearer Image | www.pgs.com



Operations – What Does the Business Unit Do?



Operations runs and develops the PGS fleet and is committed to supporting Marine Contract and MultiClient with safe, reliable and efficient acquisition services

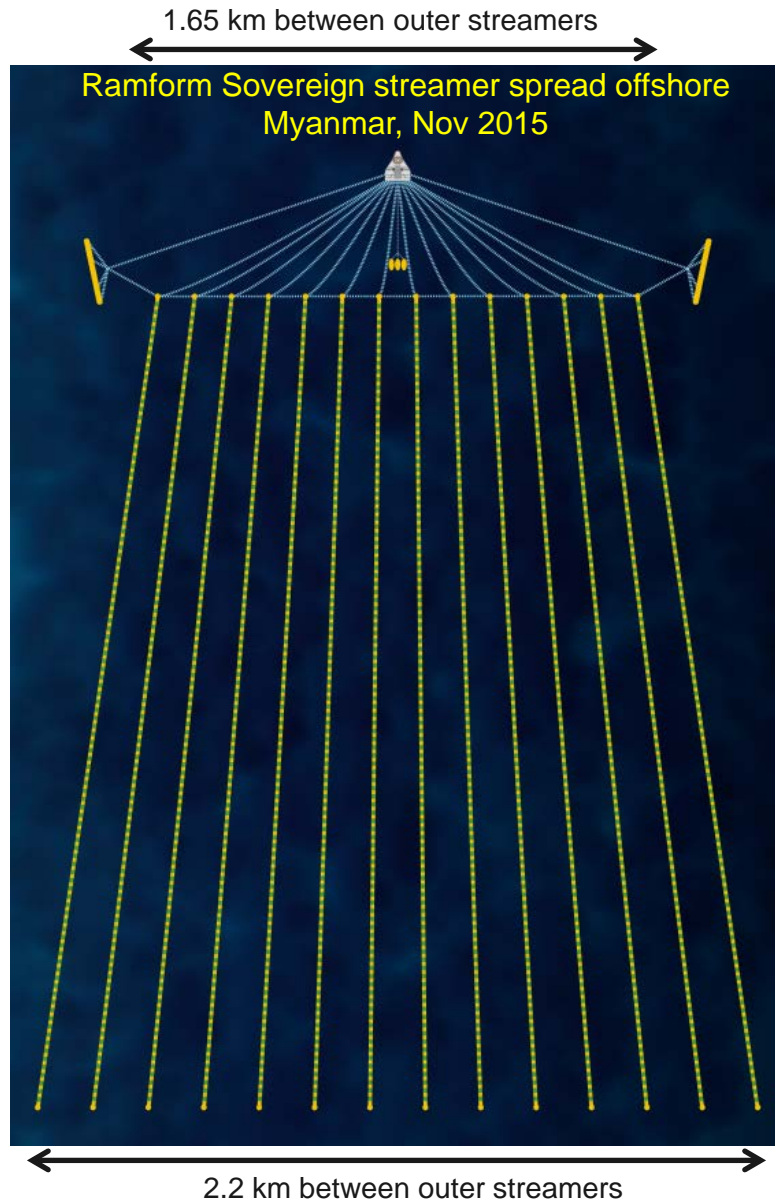
Outline



Photo: Edgard Escalona

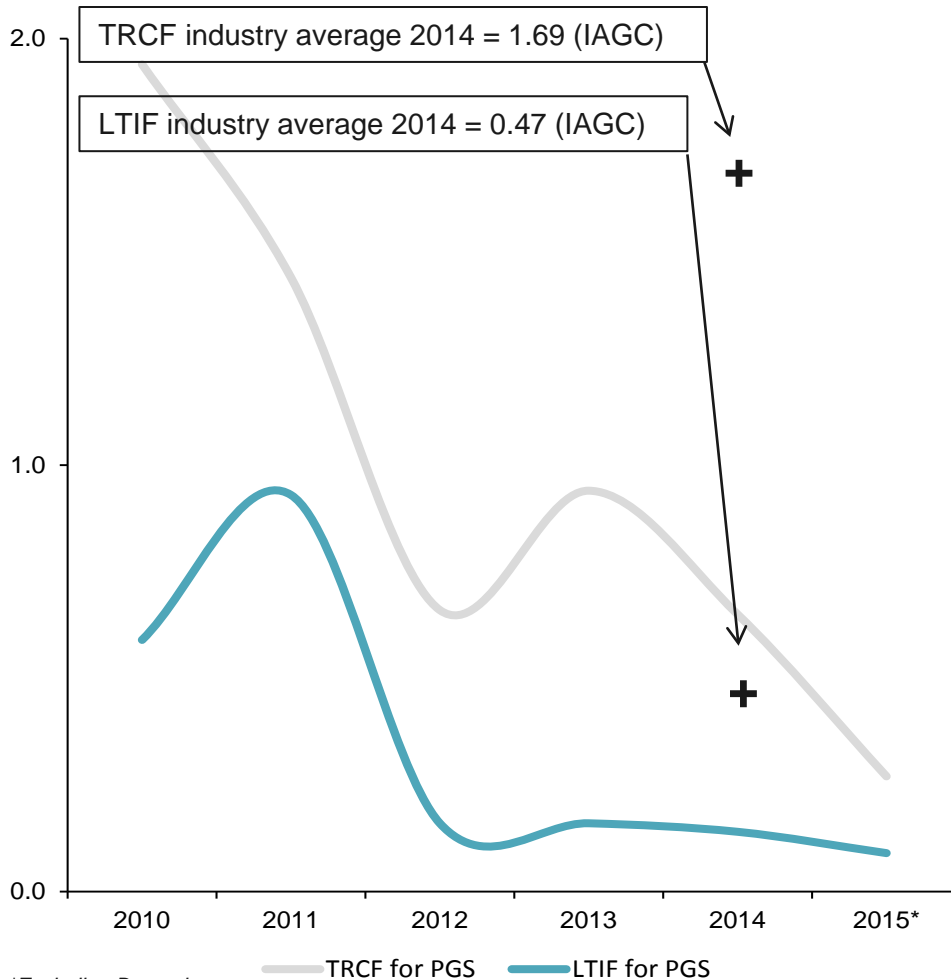
- 2015 Highlights
- HSEQ performance
- Fleet performance
- Fleet strategy
- Fleet capabilities
- Summary

2015 Highlights



- Industry leading HSEQ performance
- Maintaining performance on a very high level, and total down time on a very low level
- Increasing fleet's "wide tow" capabilities
- New, chartered support vessels a success
- Delivering "industry firsts" 3D surveys:
 - First ever 16 x 100 x 7,050 m spread
 - First ever 12 x 150 x 8,100 m spread

HSEQ Performance: Industry Leadership



*Excluding December

IAGC = International Association of Geophysical Contractors

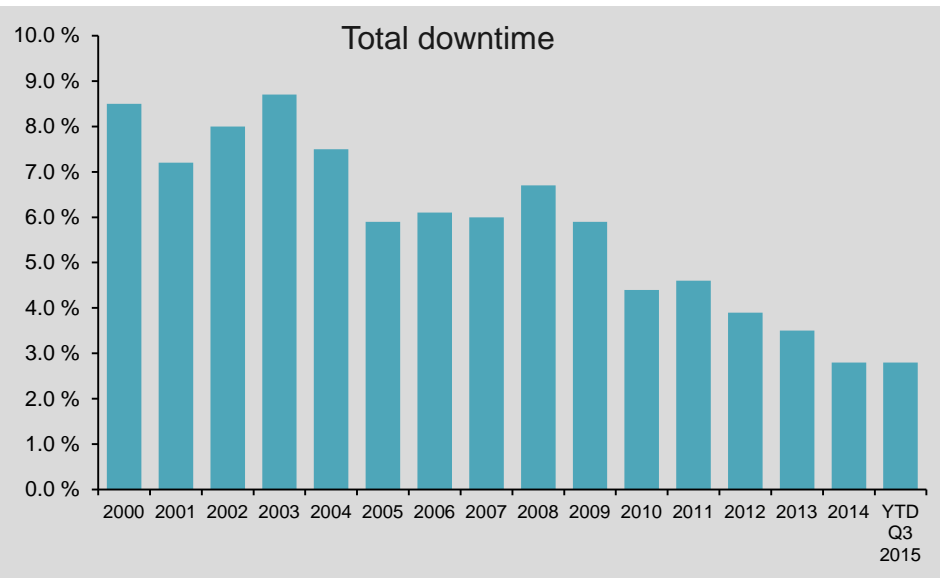
TRCF – Total Recordable Case Frequency (per million man hours)

LTIF – Lost Time Injury Frequency (per million man hours)

- We focus on:
 - Strong, consistent HSEQ messages from all leaders
 - Using investigations as an improvement tool
 - Building “One Culture” in the entire organization
 - Systematic implementation of best practices
 - Risk Management as an integral part of planning and execution of projects
- ...to drive *continuous improvement* of our HSEQ performance

Good HSEQ performance is good for business

Maintaining Industry Leading Performance

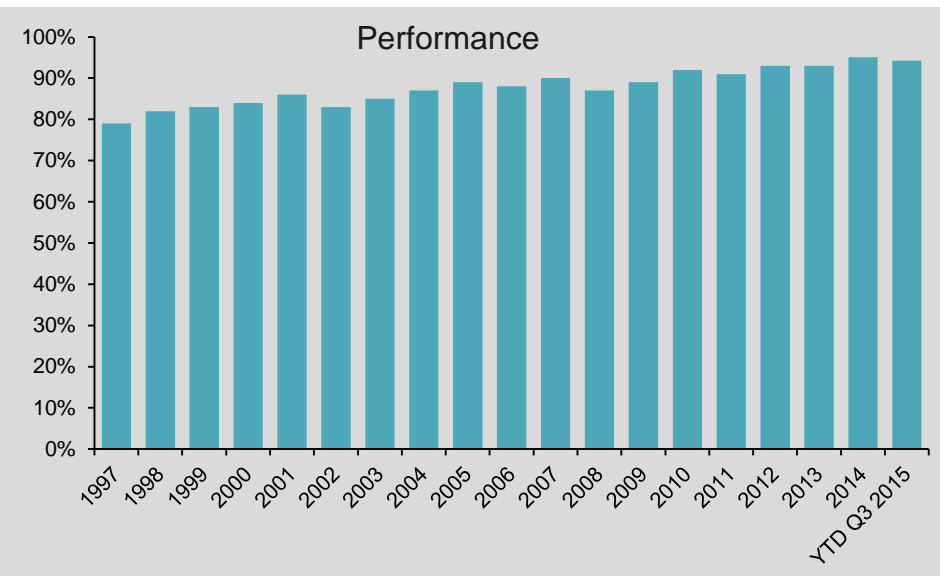


Sharpened focus on planning and risk mitigation

Continuous effort to reduce unproductive time



PGS “Best in Class” fleet performance ensures consistent operating strength through the cycles



Performance = actual production of seismic in % of available production time

The Ultra High-end Ramforms



Ramform Titan



Ramform Atlas



Ramform Tethys
Scheduled delivery Q1 2016



Ramform Hyperion
Scheduled delivery Q1 2017



Ramform Sterling



Ramform Sovereign

High-end Conventional on Charter



PGS Apollo



Sanco Swift
Delivery Q1 2016



Sanco Sword
Delivery Q1 2016

2D/EM/Source



Nordic Explorer



Atlantic Explorer

High-end Ramforms – Flexible Capacity



Ramform Explorer
(cold stacked Q3 2015)



Ramform Challenger
(cold stacked Q4 2015)



Ramform Valiant
(cold stacked Q4 2015)



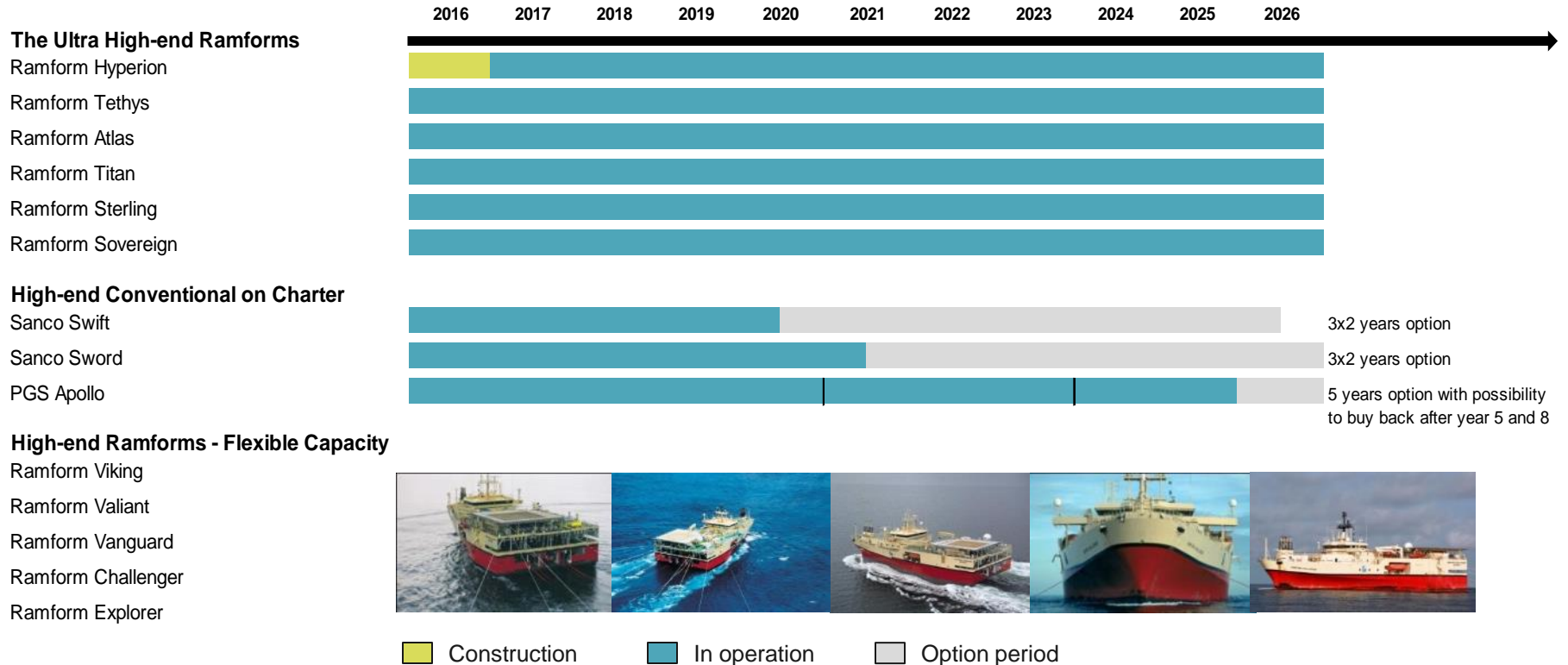
Ramform Viking
(cold stacked Q4 2015)



Ramform Vanguard
(planned cold stacking H2-2016)

**All vessels equipped with GeoStreamer,
3.5 years average vessel age of active vessels**

Chartered Conventional Vessels Improve Flexibility



Cold-stacked first generation Ramform vessels are competitive, well maintained and ready to return in the next up-cycle

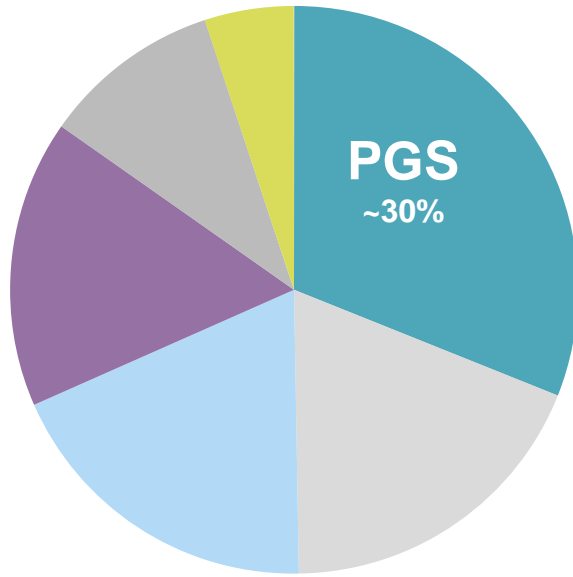
New Support Vessels Improve Operational Efficiency



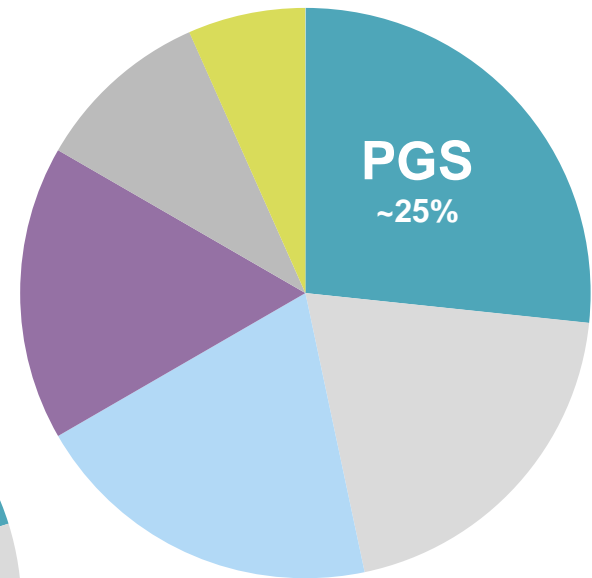
- Early October Thor Freyja was delivered from Besiktas Shipyard in Turkey – the last support vessel in a series of four purpose built support vessels
- The four vessels are on a 10 year charter to PGS from PF Thor, with renewal options
- Support vessels are crucial for seismic operations, the purpose built vessels improve operational efficiency and the competitiveness of the PGS fleet

In 2016 PGS Will Be Market Leader in Capacity

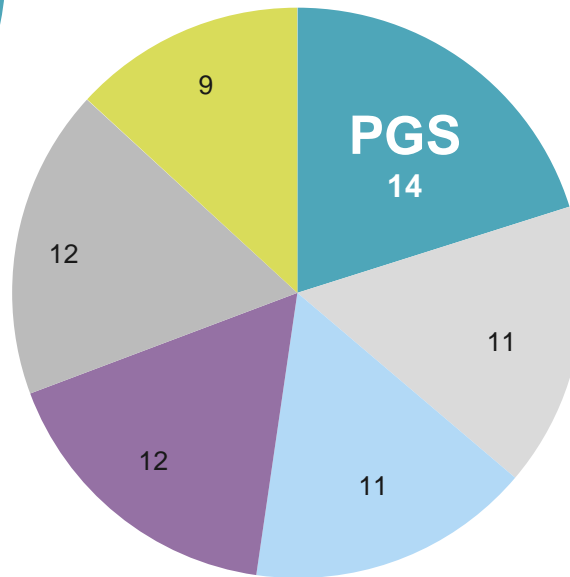
PGS market share:
number of active streamers



PGS market share:
number of active vessels



PGS average number of
active streamers/vessel



PGS has the highest streamer count per vessel in the industry – enabling cost efficient acquisition

Increasing Our Capabilities to Tow Wider and Longer Optimizes Our ability to Compete



- **Wide tow capabilities:**

- S-class, Titan-class and Sanco vessels can do 12 streamers @ 150m separation
- S-class vessels can do 16 streamers @ 100m separation
- Titan-class vessels can do 18 streamers @ 100m or 22 streamers @ 75m









- **Track records:**

- Ramform Titan has completed two surveys 16 streamers @ 100 m during 2015 – Industry first!
- Ramform Sovereign is currently doing 12 streamers @ 150 m

- **Longer Offsets:**

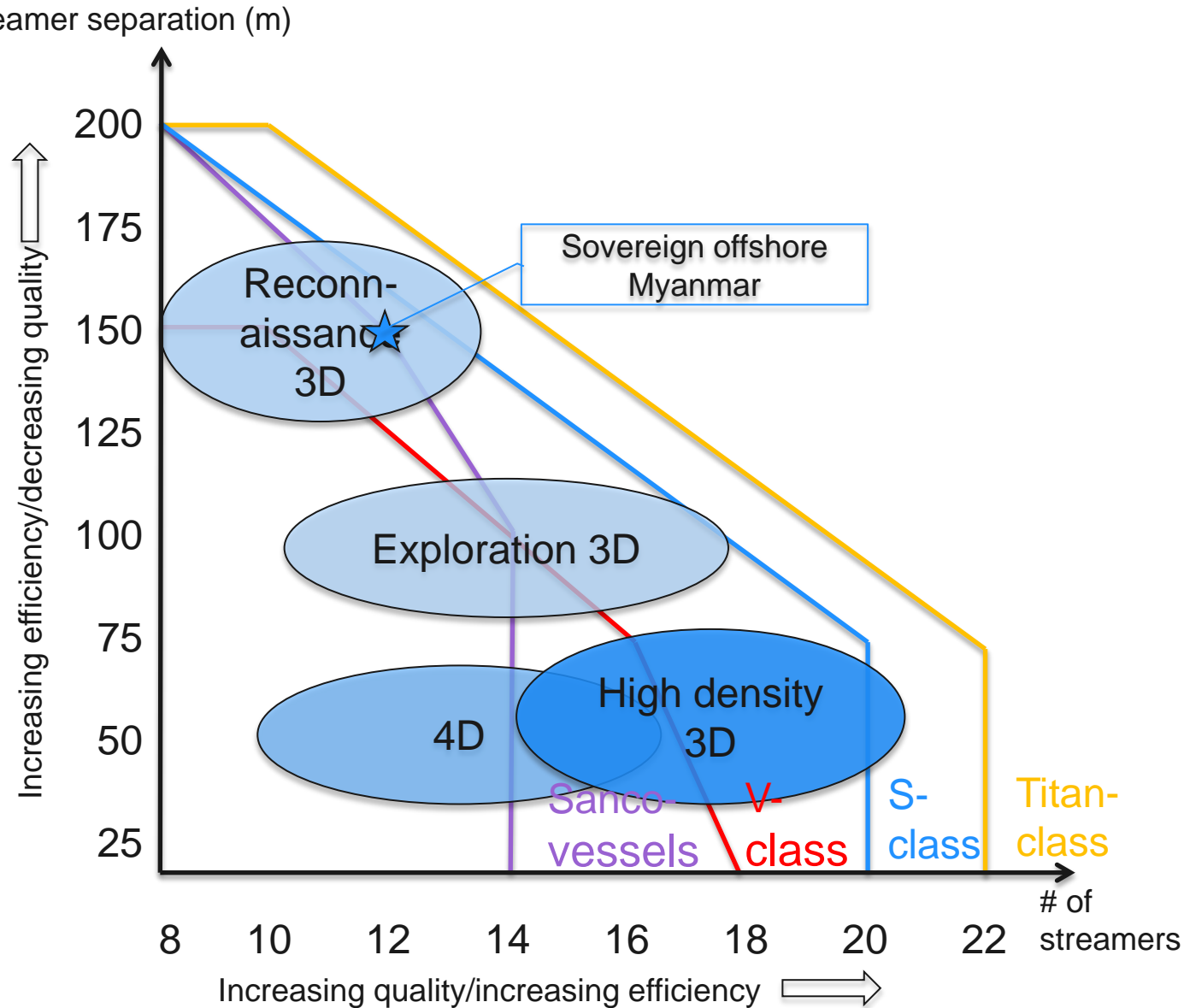
- Most of the vessels in the fleet are equipped to tow 10,000m streamers

PGS Capabilities Match Customer Requirements

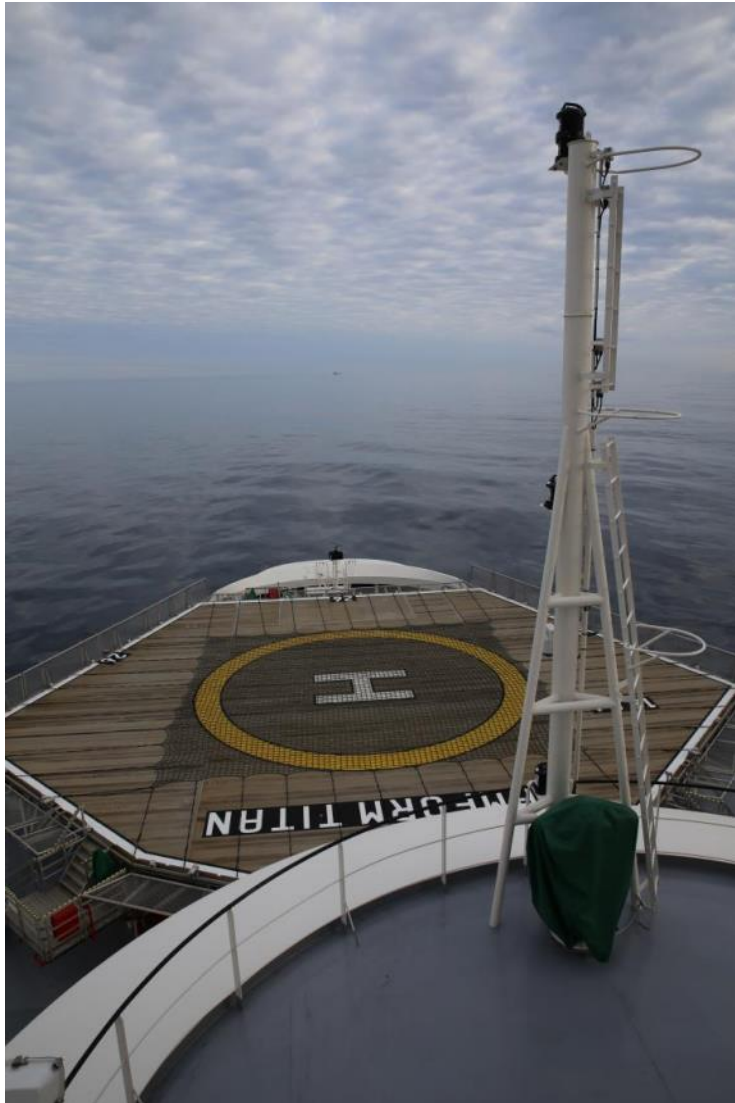
Survey type	Requirements	PGS Capability
Large low cost scanning 3D	Powerful vessel, wide spreads, SWIM imaging	
Typical exploration surveys	High streamer count, high endurance	
4D/ Reservoir mapping	High streamer count, steerable sources & streamers, multi component streamers	
True Broadband imaging	Multi component streamer technology, suite of imaging technologies to maximise value	
Full Azimuth surveys	Large homogenous fleet, experience, survey planning competence, imaging technology	
Remote locations	High endurance, technical redundancy, capable support vessels	
Smaller surveys	Global fleet to minimise steaming, fast deployment and retrieval systems	
Longer offset	Large reel capacity or SLO/CLO technology	

Flexible, interchangeable vessels give PGS a competitive advantage

PGS Fleet – Covering All Bases



Summary



- Strong safety culture yields good results
- Solid 2015 fleet performance
- Fleet strategy modified to add flexibility in an uncertain market
- Increasing fleet capabilities for towing many and long streamers with large separation optimizes competitiveness
- In short: PGS has a fleet that can handle any opportunity



Capital Markets Day
Oslo, 4th December 2015

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Concluding Remarks - Jon Erik Reinhardsen
President & CEO

A Clearer Image | www.pgs.com



Competitive Advantages of Business Areas

- **MultiClient:**

- Fleet and technology position PGS well to take advantage of a changing MultiClient market
- Prudent MultiClient risk assessment in place
- PGS has the right resources to achieve industry leading MultiClient results

- **Marine Contract:**

- Excellent customer track record
- Building a relatively stronger position within the marine contract segment
- Capitalizing on the GeoStreamer technology platform and fleet strengths

- **Imaging & Engineering:**

- Industry leading imaging technologies and capabilities
- Gaining market share with GeoStreamer and strong fleet position
- Committed to innovation to improve data quality and vessel productivity

- **Operations:**

- Industry leading HSE and operational performance
- Improving towing capabilities
- Flexible vessel capacity to fill all roles

2016 Guidance

- **Group cash cost of approximately USD 725 million**
 - Of which approximately USD 250 million to be capitalized as MultiClient cash investments
- **MultiClient cash investments of approximately USD 250 million**
 - Pre-funding level of approximately 100%
 - Approximately 50% of active vessel time planned for MultiClient
- **Capital expenditures of approximately USD 240 million**
 - Of which new build capex of approximately USD 180 million
- **Gross depreciation^{*)} of approximately USD 210 million**
 - Of which approximately USD 90 million to be capitalized as MultiClient investments
- **Gross cash interest expense of approximately USD 60 million**
 - Of which approximately USD 25 million expected to be capitalized to MultiClient surveys and new builds in progress

^{*)} Gross depreciation does not include MultiClient amortization expense.

In Conclusion:

Taking the Lead Through the Industry Restructuring



- Reducing cost and capital expenditures
- Improved balance sheet and liquidity position
- Attractive debt facilities with no significant maturities before 2018
- Proactively addressing short-term overcapacity
- Improving fleet flexibility and productivity
- Solid MultiClient sales performance

PGS emerging from the downturn as the best positioned seismic company

Thank you – Questions?

