



Unaudited Second Quarter and First Half 2011 Results



Oslo July 28, 2011



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 the press release for the second quarter and first half 2011 results and the disclosures therein



Record MultiClient sales driven by GeoStreamer®



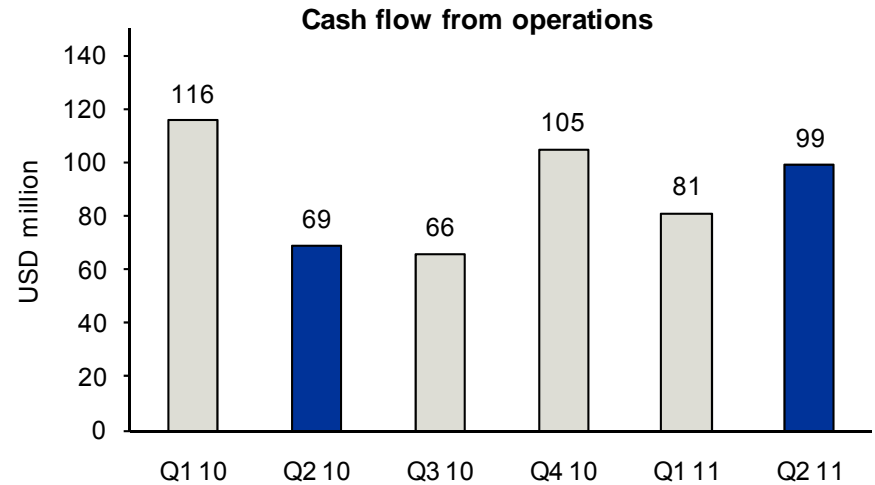
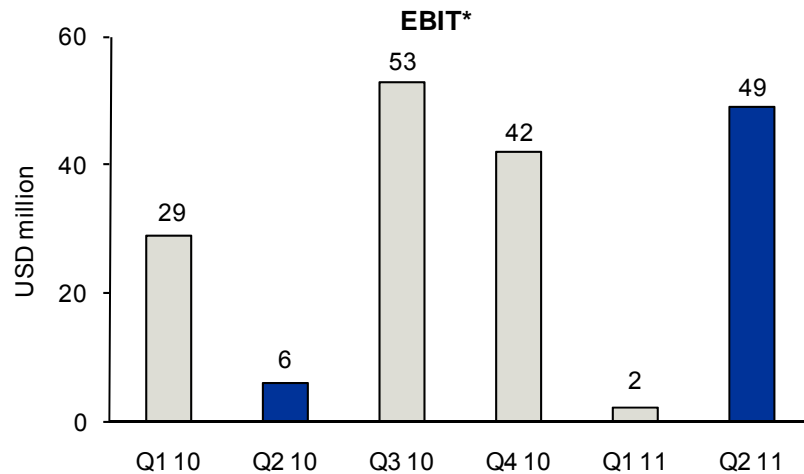
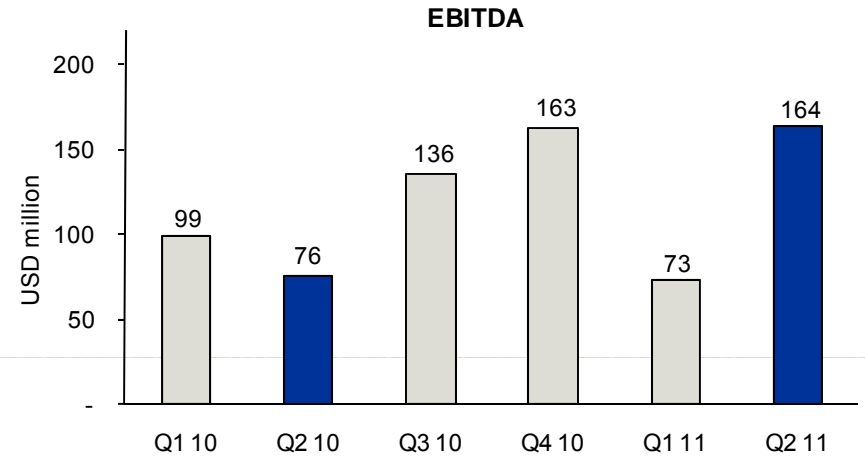
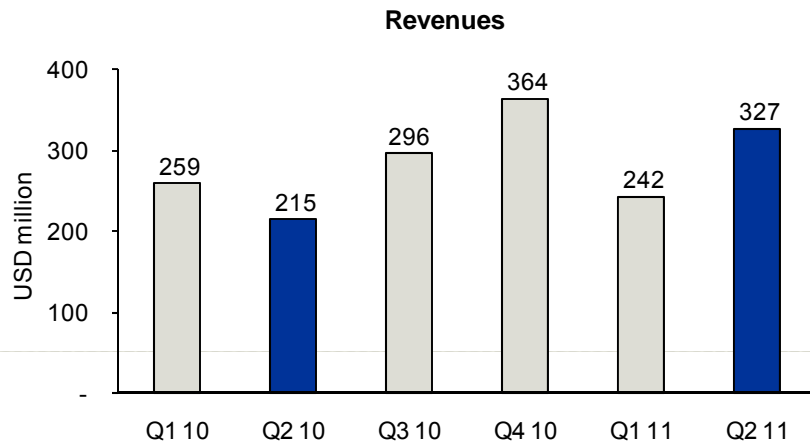
- Q2 financial performance:
 - Record MultiClient sales of USD 159.3 million
 - Revenues of USD 326.6 million
 - EBITDA of USD 163.6 million
 - EBIT of USD 49.0 million
- Successful launch of GeoStreamer GS™
- Well on track to reach full year EBITDA guidance of approximately \$500 million



Positioned for future demand growth



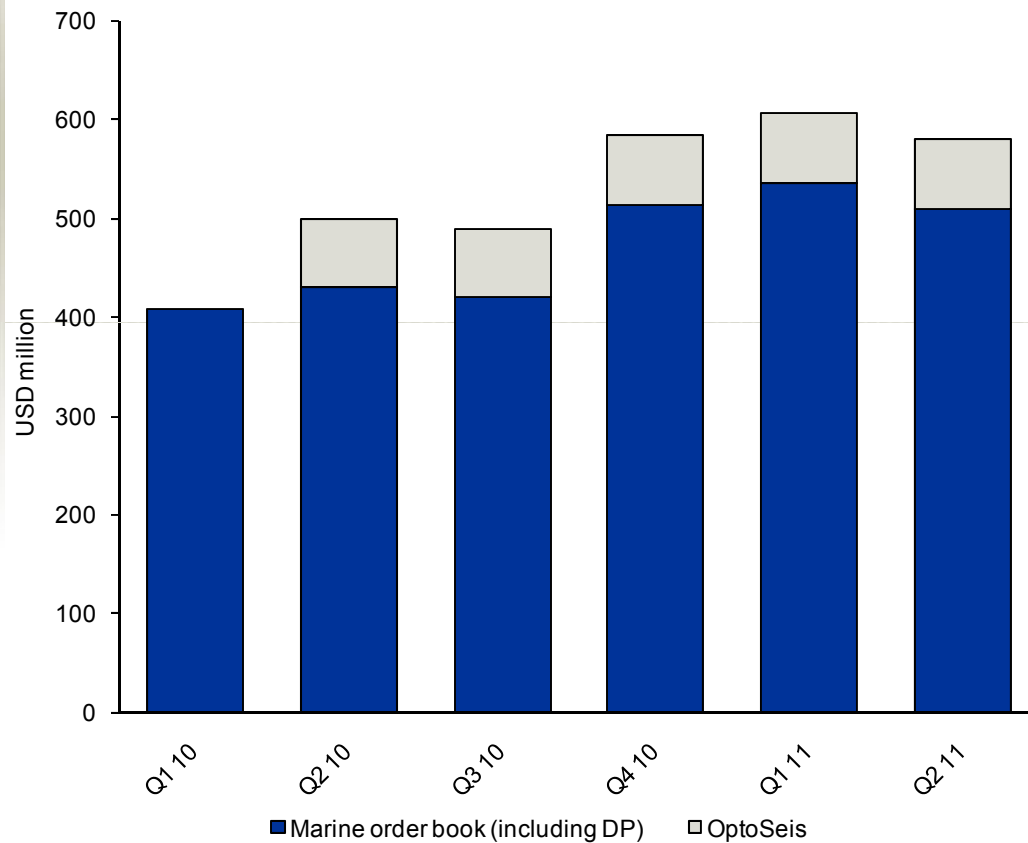
Financial Summary



Graphs show numbers for PGS continuing business. Figures for prior periods have been restated due to change in accounting policy
*Excluding reversal of impairment of USD 1.3 million in Q4 2010 and excluding impairments of USD 79.9 million in Q3 2010 and USD 0.5 million in Q1 2010.
EBITDA, when used by the Company, means income before income tax expense (benefit) less, currency exchange gain (loss), other financial expense, other financial income, interest expense, income (loss) from associated companies, impairments of long-lived assets and depreciation and amortization.



Good Visibility and Momentum



- Order book of USD 579 million
– Visibility of approximately 6 months
- Strong GeoStreamer momentum continues
- Significant opportunity basket



GeoStreamer price premium expected to increase with GeoStreamer GS



Seismic Market Trends



- **MultiClient**
 - Increased demand globally
 - North Sea trending towards more MultiClient
 - MultiClient increase is a leading indicator for Marine Contract (need for more/new data)
- **Marine Contract**
 - Continued increase in activity (sq.km)
 - Higher prices
 - Higher cost (fuel and exchange rate)
 - 2011 EBIT margin of approximately 10-15%
 - Pricing opportunity in 2012 (subject to GoM)
- **Data processing**
 - Volume increasing (sq.km)
 - Increased demand for more advanced processing
 - Prices are increasing



Petroleum Geo-Services ASA

Petroleum Geo-Services ASA

Financials

Unaudited Second Quarter and First Half 2011 Results



Consolidated Statements of Operations Summary

USD million (except per share data)	Quarter ended June 30			Six months ended June 30		
	2011	2010	% change	2011	2010	% change
Revenues	326.6	214.9	52 %	568.8	474.3	20 %
EBITDA*	163.6	76.3	114 %	236.5	175.7	35 %
Operating profit (EBIT)	49.0	5.6	773 %	51.4	35.1	47 %
Net financial items	(18.7)	(32.7)	43 %	(29.4)	(52.0)	43 %
Income (loss) before income tax expense	30.3	(27.1)	n/a	22.0	(16.9)	n/a
Income tax expense (benefit)	5.9	(2.8)	312 %	6.5	2.2	202 %
Net income to equity holders	23.6	(22.0)	n/a	14.7	(10.6)	n/a
EPS basic	\$0.11	(\$0.11)	n/a	\$0.07	(\$0.05)	n/a
EPS diluted	\$0.11	(\$0.11)	n/a	\$0.07	(\$0.05)	n/a
EBITDA margin*	50.1 %	35.5 %		41.6 %	37.1 %	
EBIT margin	15.0 %	2.6 %		9.0 %	7.4 %	

- Net financial items includes a loss of USD 8.2 million from fair value adjustment of convertible loan to SeaBird

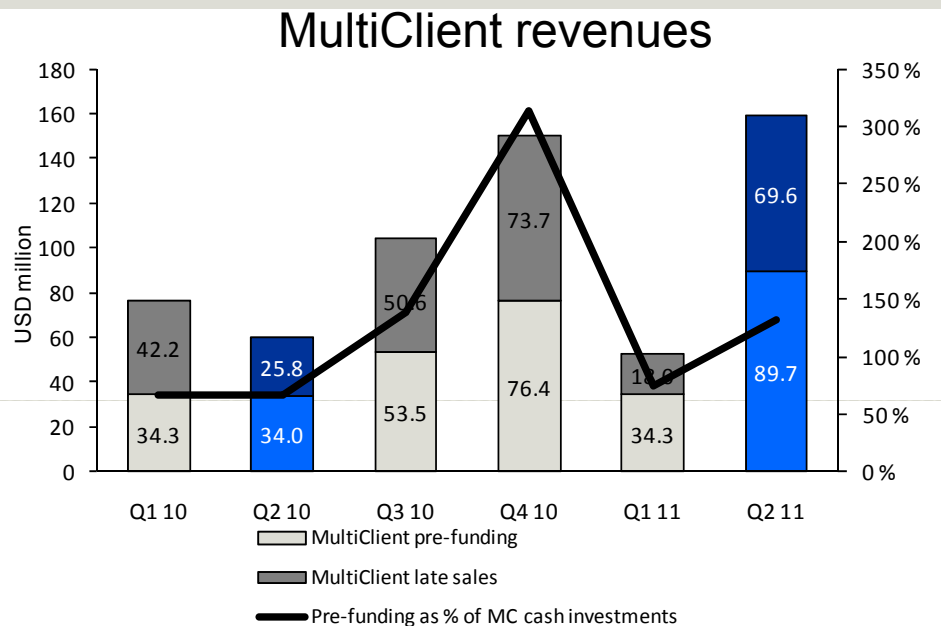
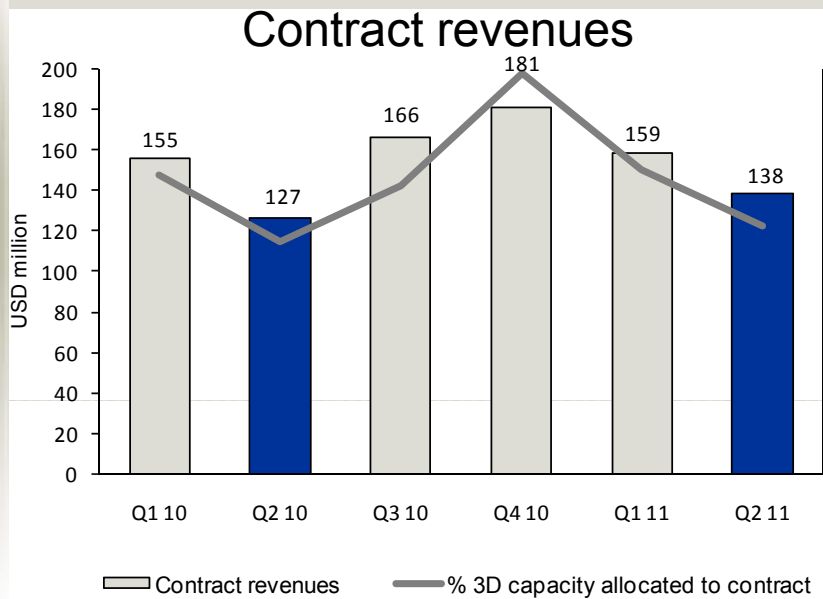
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Q2 Highlights

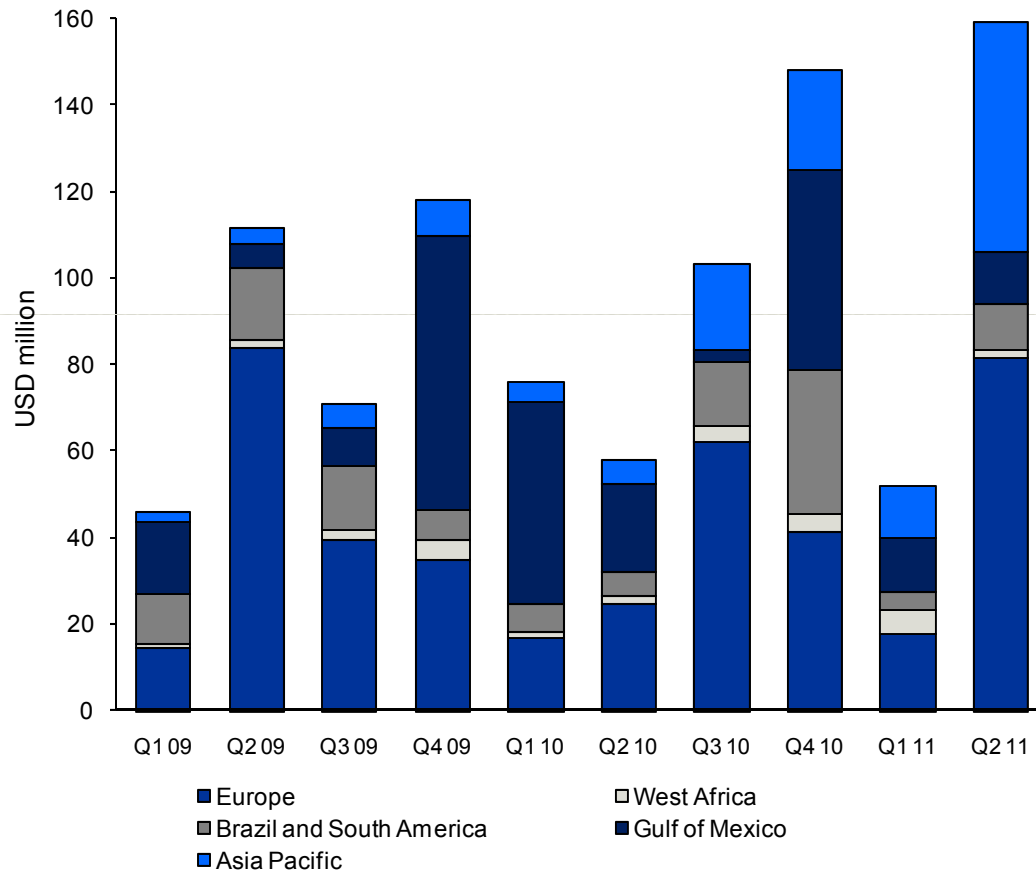


- Record high MultiClient sales of USD 159.3 million
 - Pre-funding revenues driven by GeoStreamer MultiClient surveys in the North Sea
 - Strong late sales in Europe, Asia Pacific and Brazil
- Seasonally low Marine Contract EBIT margin of 7%
 - Profitability negatively impacted by yard stays, steaming, higher fuel cost and weaker USD
- External Data Processing revenues of USD 25.5 million, compared to USD 24.9 million in Q2 '10
 - Strong increase in internal MultiClient processing



MultiClient Revenues per Region

Pre-funding and Late Sales Revenues Combined



- Pre-funding revenues driven by GeoStreamer MultiClient projects in the North Sea and the Australian Aurora MC3D
- Strong late sales in Europe, Asia Pacific and Brazil
 - Late sales in Asia Pacific benefited from further licensing in Brunei
- Pre-funding for the full year 2011 expected to be 90-100% of capitalized cash investment

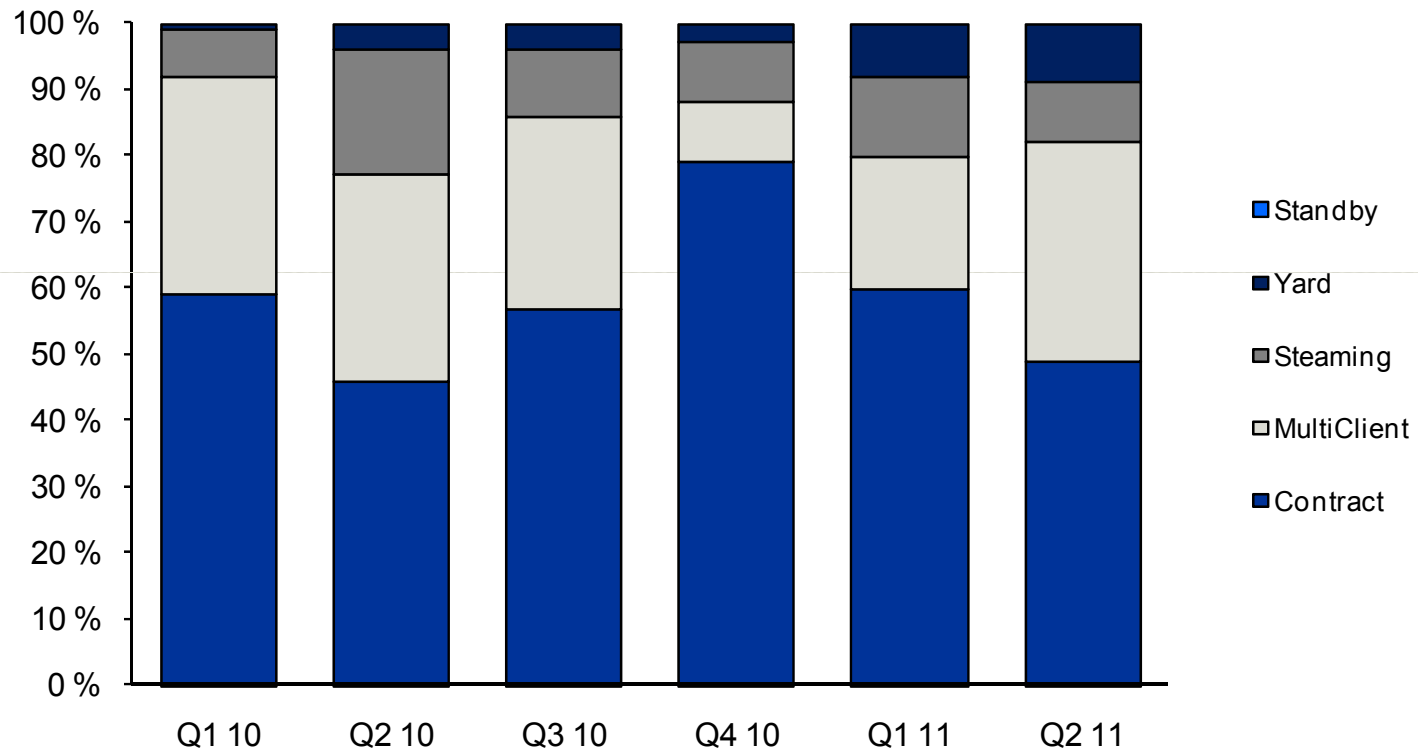


Pre-funding as % of MC cash investments was 131% in Q2 2011



Vessel Utilization

Seismic Streamer 3D Fleet Activity in Streamer Months



82% active vessel time in Q2



Key Operational Figures

USD million	2011		2010			
	Q2	Q1	Q4	Q3	Q2	Q1
Contract revenues	138.1	158.6	180.6	166.3	126.8	155.4
MultiClient Pre-funding	89.7	34.3	76.4	53.5	34.0	34.3
MultiClient Late sales	69.6	18.0	73.7	50.6	25.8	42.2
Data Processing	25.5	27.2	30.8	24.6	24.9	23.2
Other	3.7	4.0	2.9	1.4	3.5	4.3
Total Revenues	326.6	242.2	364.4	296.4	214.9	259.4
Operating cost	(163.0)	(169.3)	(201.1)	(160.0)	(138.5)	(160.0)
EBITDA	163.6	72.9	163.3	136.4	76.4	99.4
Depreciation	(33.8)	(37.7)	(43.7)	(33.9)	(36.6)	(32.9)
MultiClient amortization	(80.8)	(32.7)	(77.7)	(49.3)	(34.1)	(36.5)
EBIT*	49.0	2.5	41.9	53.2	5.7	30.0
CAPEX	(110.5)	(81.3)	(61.0)	(56.9)	(52.7)	(48.0)
Cash investment in MultiClient	(68.4)	(45.6)	(24.3)	(38.6)	(51.7)	(52.1)
Order book	579	606	584	489	499	409

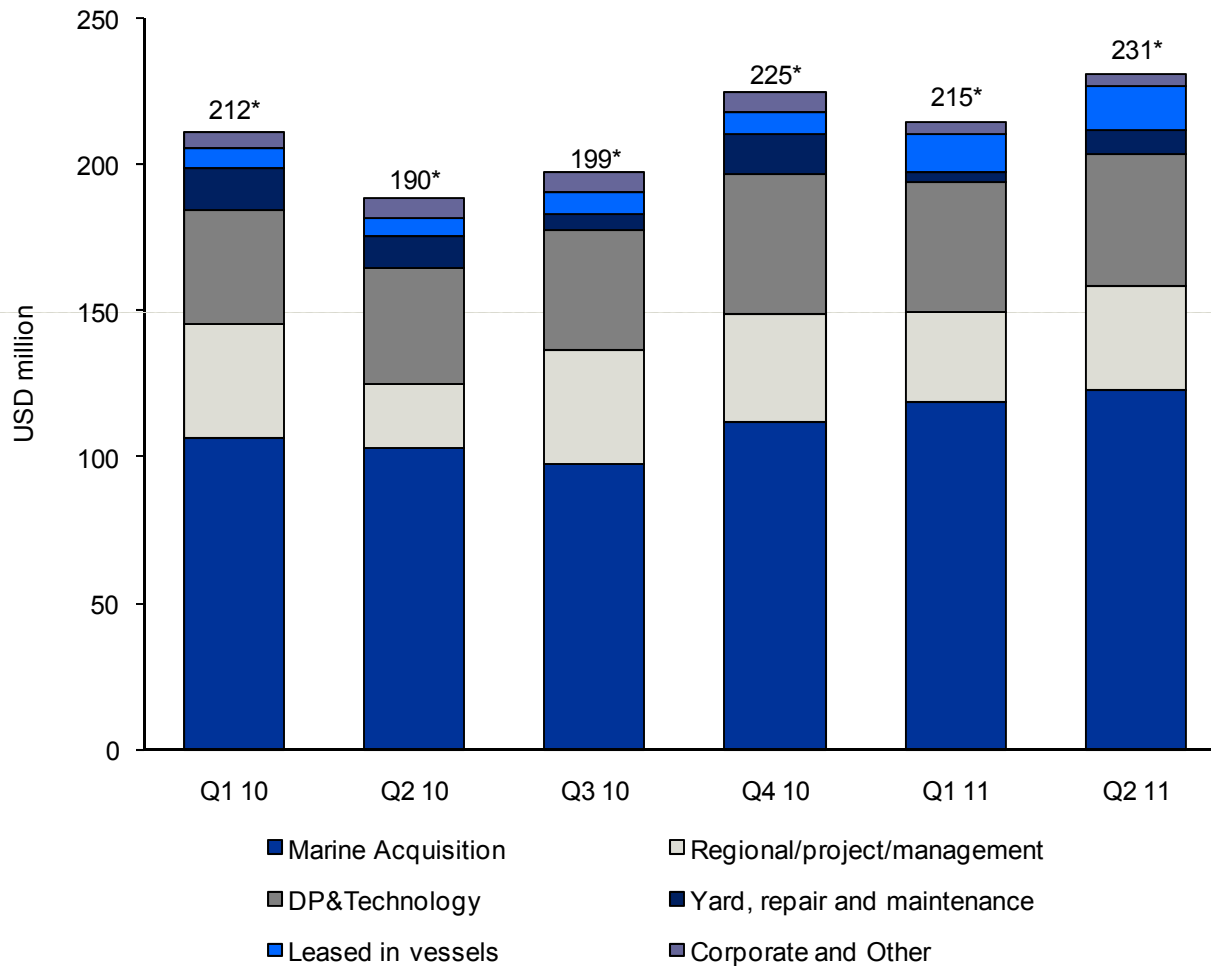
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Group Cost* Development



- Increasing impact of high fuel price and a weaker USD compared to Q1
- Project variable cost increased after Q1 low
- Capitalization of vessel operating cost during major vessel overhaul has a positive impact in Q1 and Q2

*Amounts show the sum of operating cost and capitalized MultiClient cash investment.



Consolidated Statements of Cash Flows Summary

USD million	Quarter ended June 30		Six months ended June 30	
	2011	2010	2011	2010
Cash provided by operating act.	99.2	68.6	180.3	184.2
Investment in MultiClient library	(68.4)	(51.7)	(113.9)	(105.0)
Capital expenditures	(119.6)	(57.6)	(187.9)	(105.6)
Other investing activities	(1.9)	(5.6)	(75.5)	215.3
Financing activities	(10.7)	(144.5)	(19.5)	(155.1)
Net increase (decr.) in cash and cash equiv.	(101.3)	(190.8)	(216.6)	33.9
Cash and cash equiv. at beginning of period	317.3	350.6	432.6	126.0
Cash and cash equiv. at end of period	216.0	159.8	216.0	159.8

- Temporary increase of working capital due to high revenues in June
- Q2 capital expenditures include USD 40.6 million relating to new-builds

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Consolidated Statements of Financial Position - Key Figures

USD million	Quarter ended June 30		December 31
	2011	2010	2010
Total assets	2 981.8	2 728.6	3 038.0
MultiClient Library	344.4	349.9	310.8
Shareholders' equity	1 770.2	1 471.1	1 758.3
Cash and cash equiv.	216.0	159.8	432.6
Restricted cash	107.4	8.2	71.2
Liquidity reserve	562.4	508.0	777.9
Gross interest bearing debt *	796.5	784.3	790.2
Net interest bearing debt	420.8	616.3	279.1

*Includes capital lease agreements

- H1 11 net debt increased primarily due to front end loaded CAPEX (including new build installments) as well as temporary increase in working capital
- Repurchased USD 51.4 million of convertible bond on July 12 at a price of 98.5% of par

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Petroleum Geo-Services ASA

Petroleum Geo-Services ASA

PGS going forward

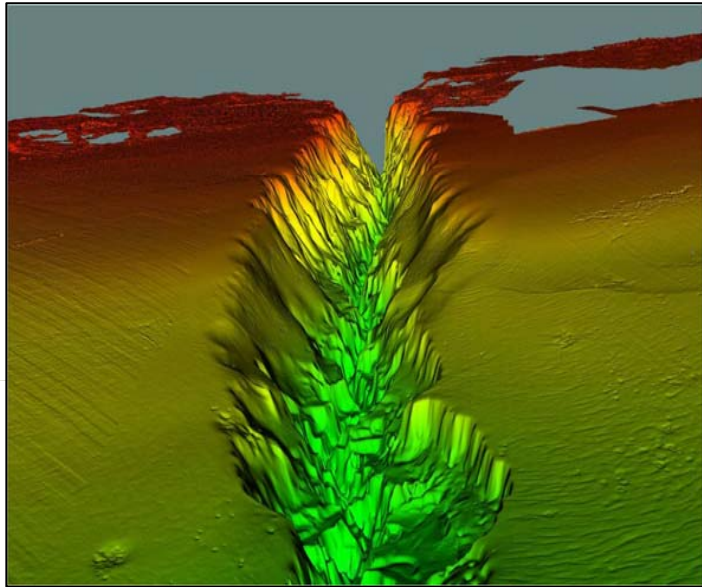


Streamer Operations July 2011

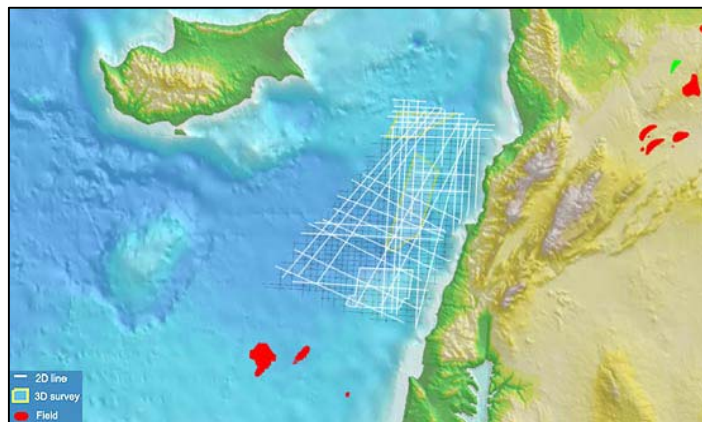




MultiClient Status



The Congo River Canyon



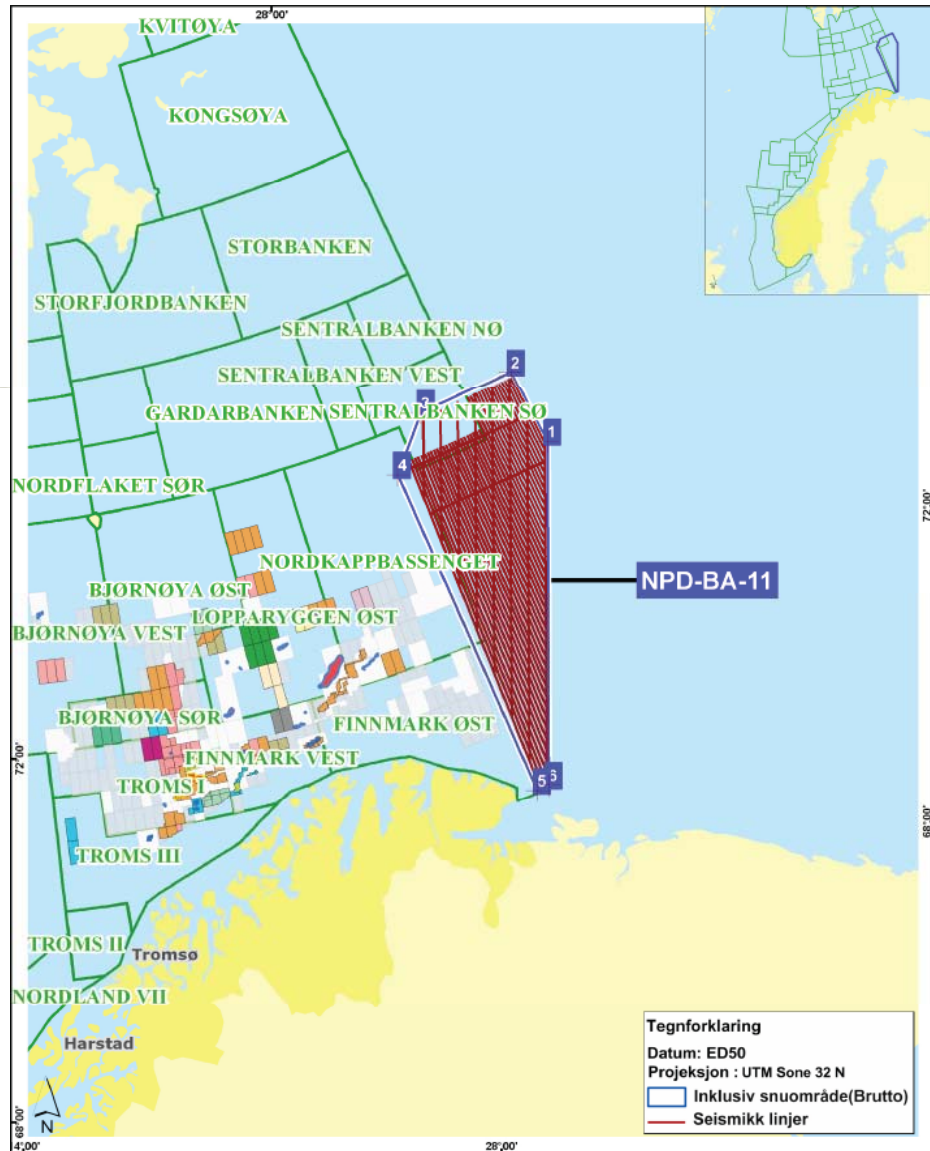
PGS GeoStreamer® MC2D and MC3D offshore Lebanon

- Strong second quarter fueled by significant GeoStreamer activity level in Europe and with generally good performance in all regions
- One of the strongest North Sea seasons to date, in terms of MultiClient revenues, pre-funding levels and operational performance. The same GeoStreamer vessels to continue through most of Q3, but with greater impact from 3rd party timeshare expected
- Continued strong interest in Crystal III East Breaks WAZ despite lease sale uncertainty
- Aurora MC3D in NW Shelf Australia 88% complete, remainder to be completed late Q4 due to environmental restrictions
- Crystal IV BOEMRE permit approved in Gulf of Mexico. Good dialogue with potential pre-funders, possible startup Q1 2012
- Upcoming license rounds in Indonesia, Brazil (Equatorial Margins), Cyprus and Lebanon are triggering interest from oil companies in PGS' MultiClient data



GeoStreamer;

First Survey in Area of Dividing Line Norway/Russia



Source: NPD

- 2D GeoStreamer vessel *Harrier Explorer* conducts the first systematic seismic survey in the area of the dividing line between Norway and Russia
- Survey size of approximately 11,400 line kilometers
 - Commenced July 8 and expected completion first half September
- To date; strong operational performance



On Track Towards Full GeoStreamer Deployment

Current GeoStreamer operations

- 3D
 - *Atlantic Explorer*
 - (6 streamers*)
 - *Ramform Challenger*
 - (10 streamers*)
 - *Ramform Valiant*
 - (12 streamers*)
 - *Ramform Explorer*
 - (10 streamers*)
 - *Ramform Viking*
 - (12 streamers*)
 - *PGS Apollo*
 - (10 streamers*)
- 2D
 - *Sanco Spirit*
 - *Harrier Explorer*



Planned GeoStreamer rollout

- Additional 3D vessels
 - *Ramform Vanguard* (12 streamers*) scheduled for GeoStreamer upgrade H1 2012
 - *Ramform W1*, (16 streamers) Q1 2013
 - *Ramform W2*, (16 streamers) Q4 2013



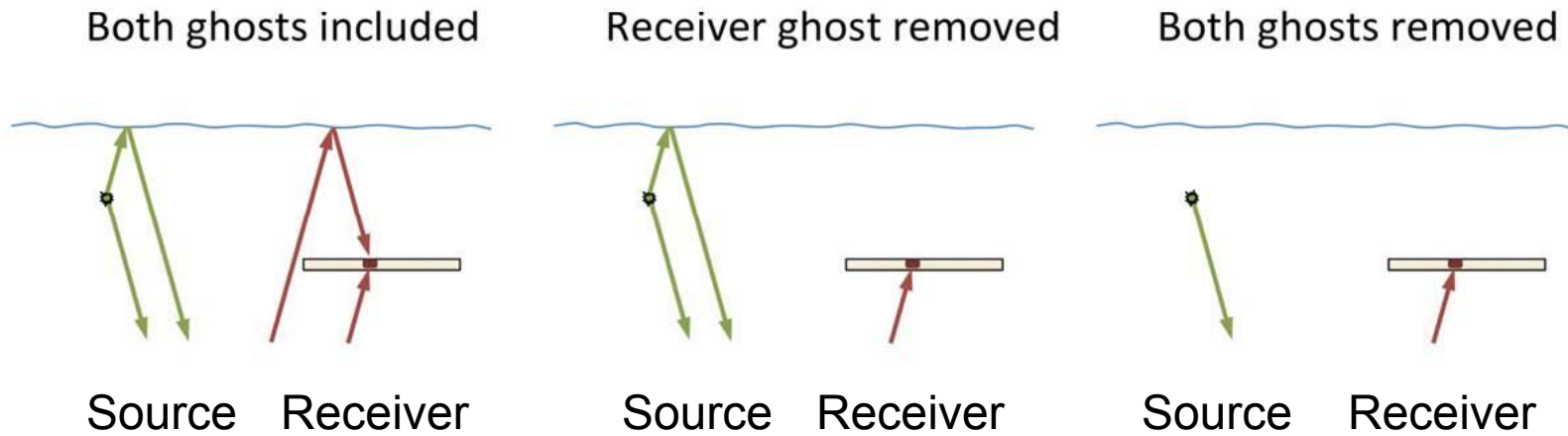
Strong demand drives GeoStreamer rollout

* In exploration mode with 100 meter streamer separation



GeoStreamer GS™

A Second Layer of Differentiation

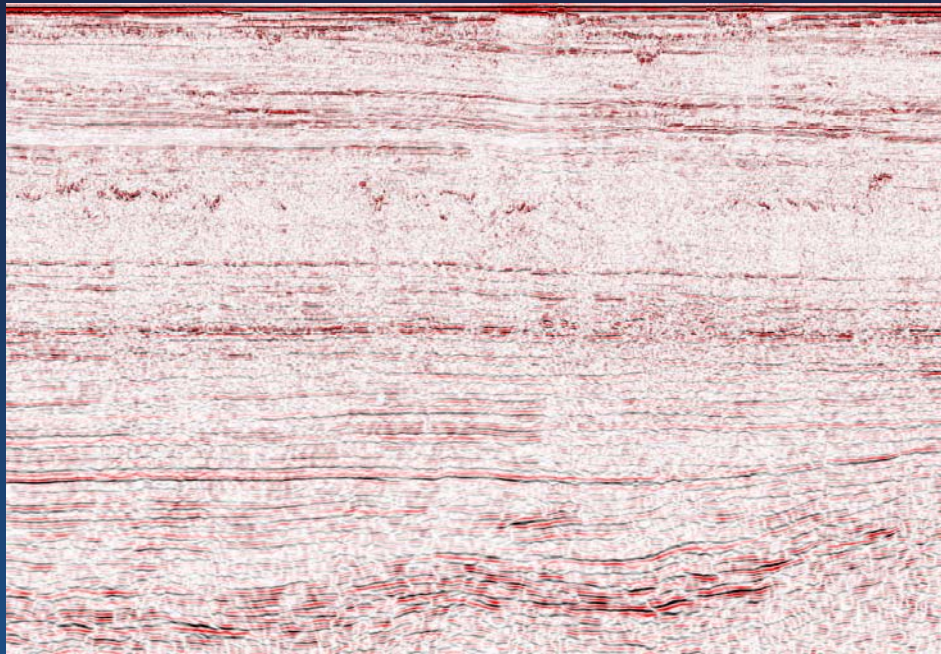


A step change in bringing higher resolution and better seismic images to clients

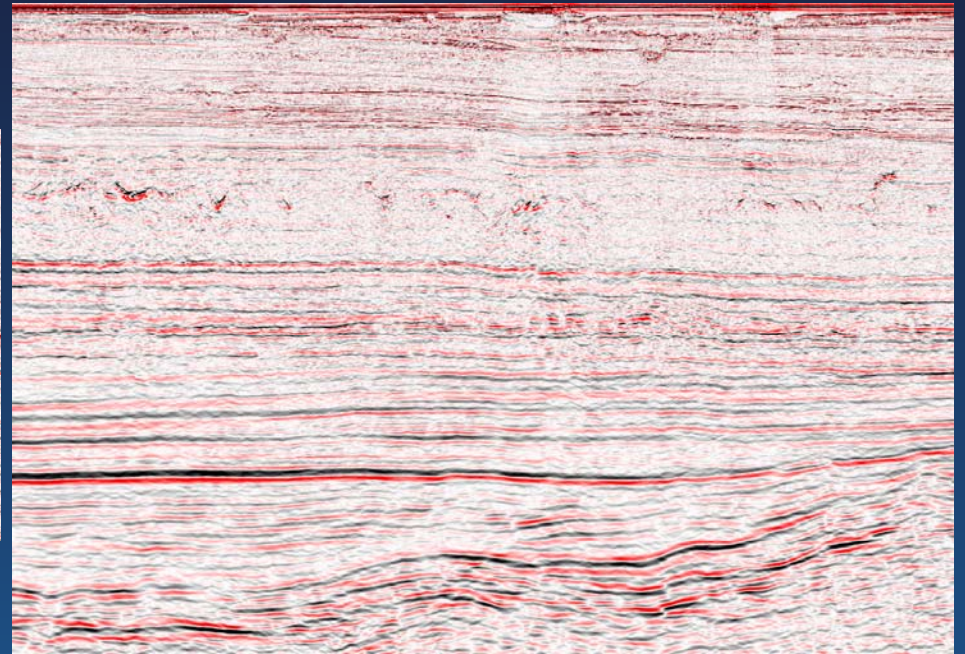


Conventional vs. GeoStreamer GS

Conventional








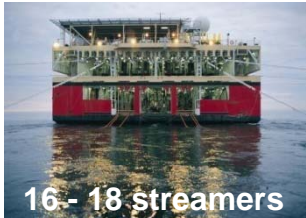


GeoStreamer GS



GeoStreamer GS - The only ghost free acquisition solution



Continuously Ahead of Competition

	1992 - 1996	1998 - 1999	2007 - 2009	2012 - 2014
Competition	 4 - 6 streamers	 6 - 8 streamers	 8 - 12 streamers	 10 - 14 streamers
PGS	 8 & 12 streamers	 16 - 18 streamers	 22 streamers	 24 streamers

Improved safety and cost efficiency

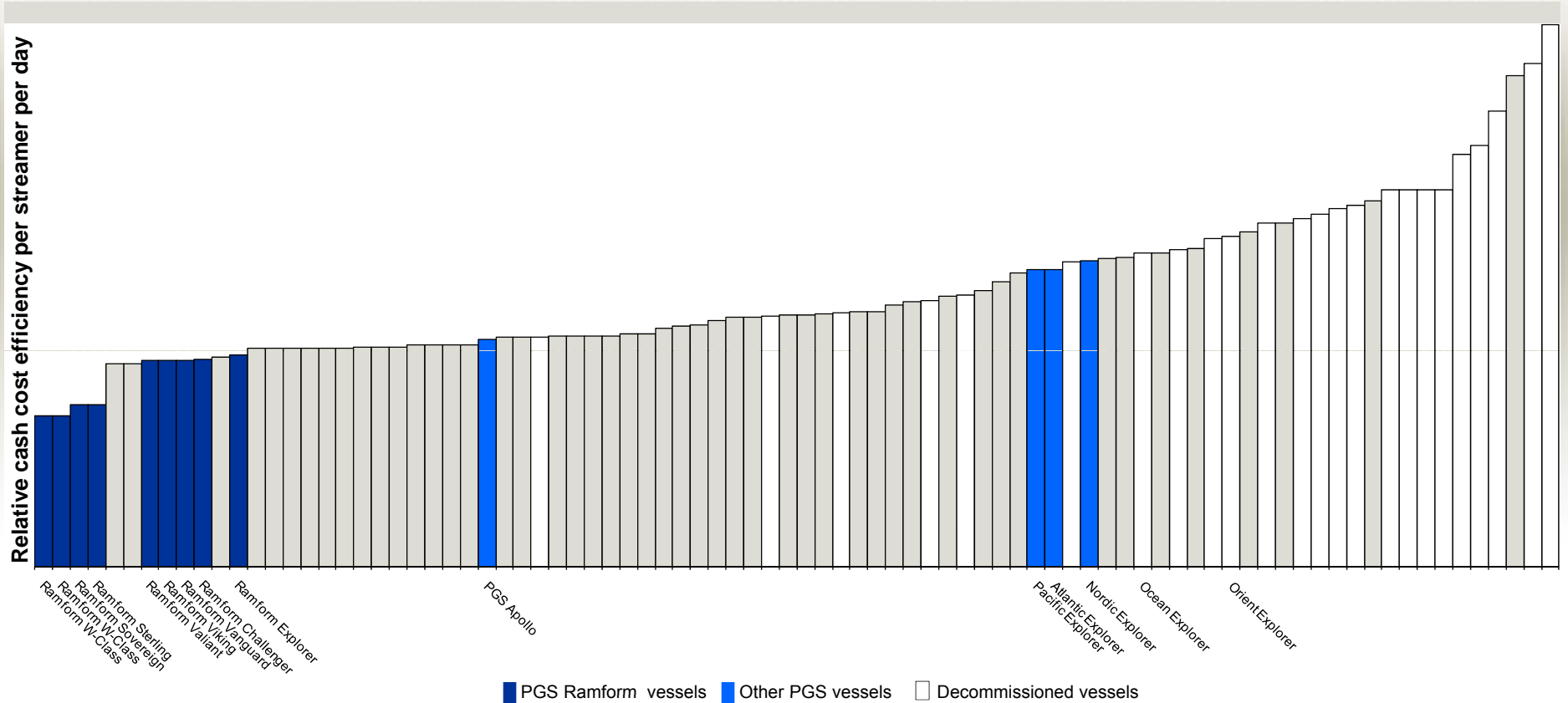
More streamers, longer streamers and wider & denser streamer spreads

Optimized to meet HD3D market growth and GeoStreamer demand



Favorably Positioned on the Industry Cost Curve

Excluding GeoStreamer productivity effect

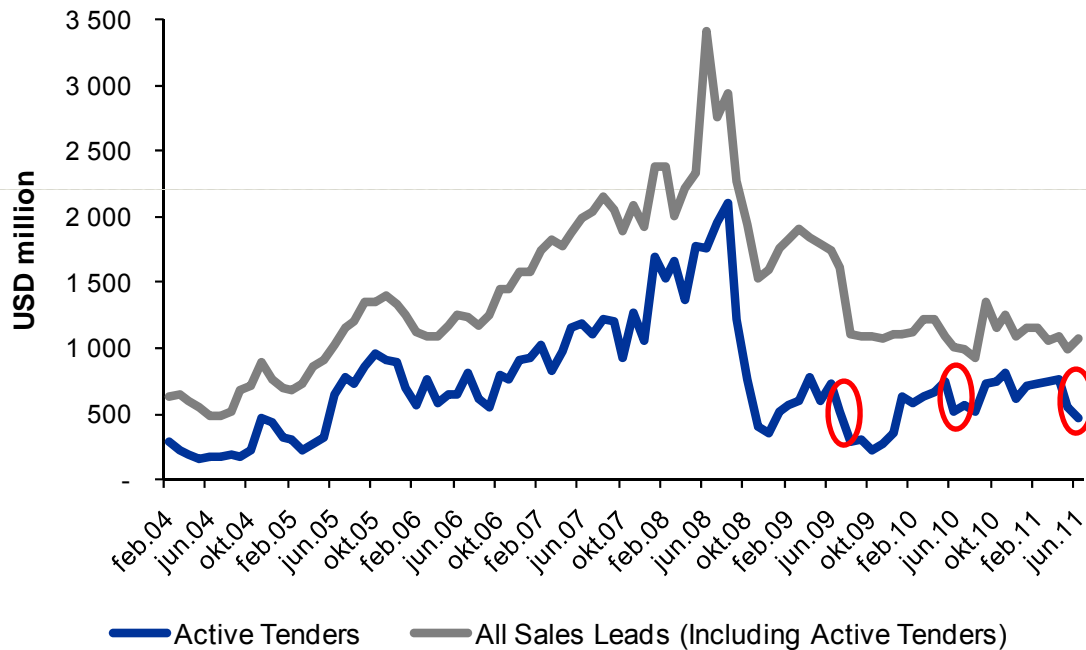


PGS fleet is positioned to generate the industry's best margins

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 in the market, both existing and new-builds. The Ramform W-Class is incorporated with 15 streamers, S-class with 14 streamers and the V-class with 12 streamers.



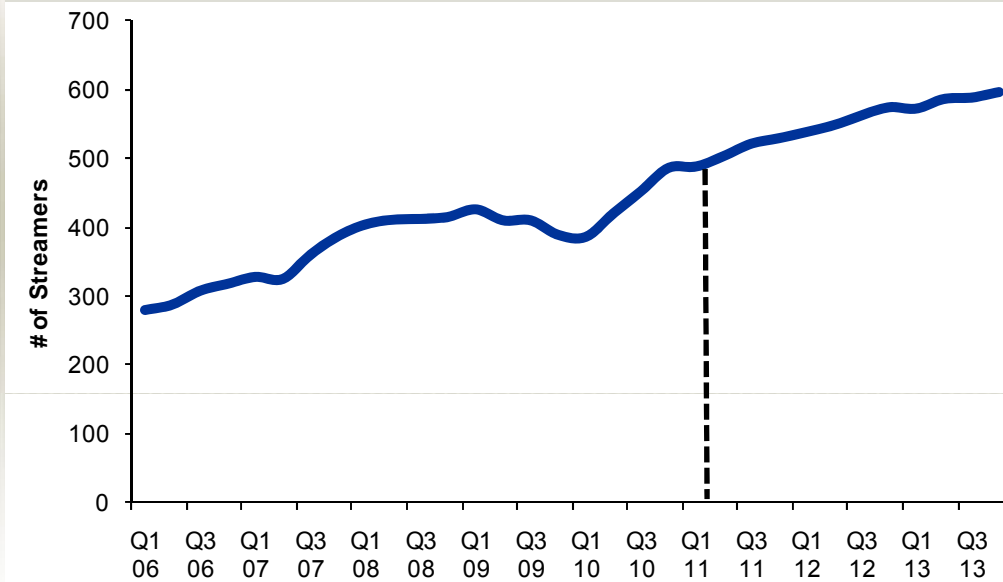
Market Activity



- Seasonally low bid activity
- Significant bid opportunities in West Africa and Brazil
- Strong GeoStreamer interest
- GoM upside potential
 - MultiClient volume will increase in '12 compared to '11

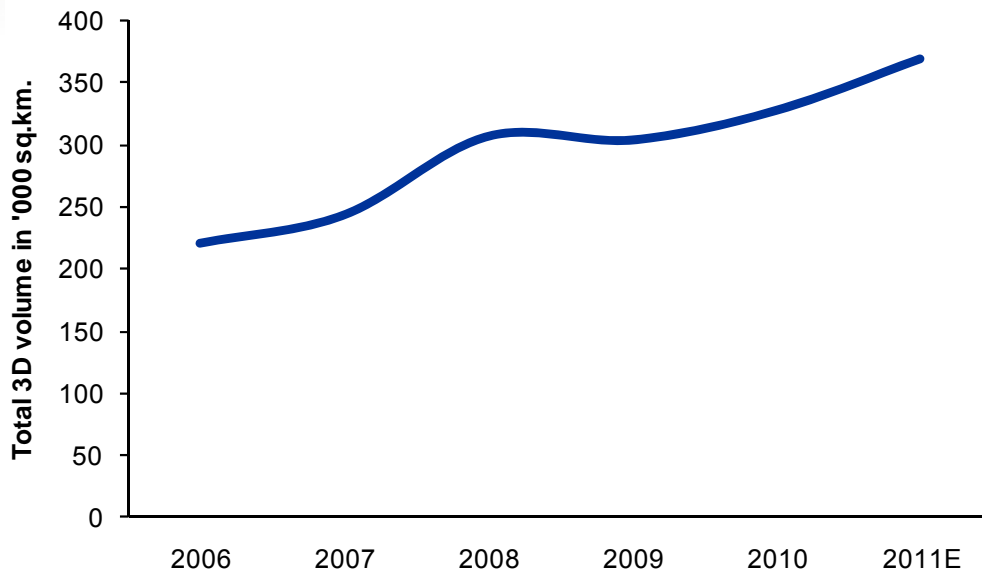


Growth in Capacity Increase Tapering Off



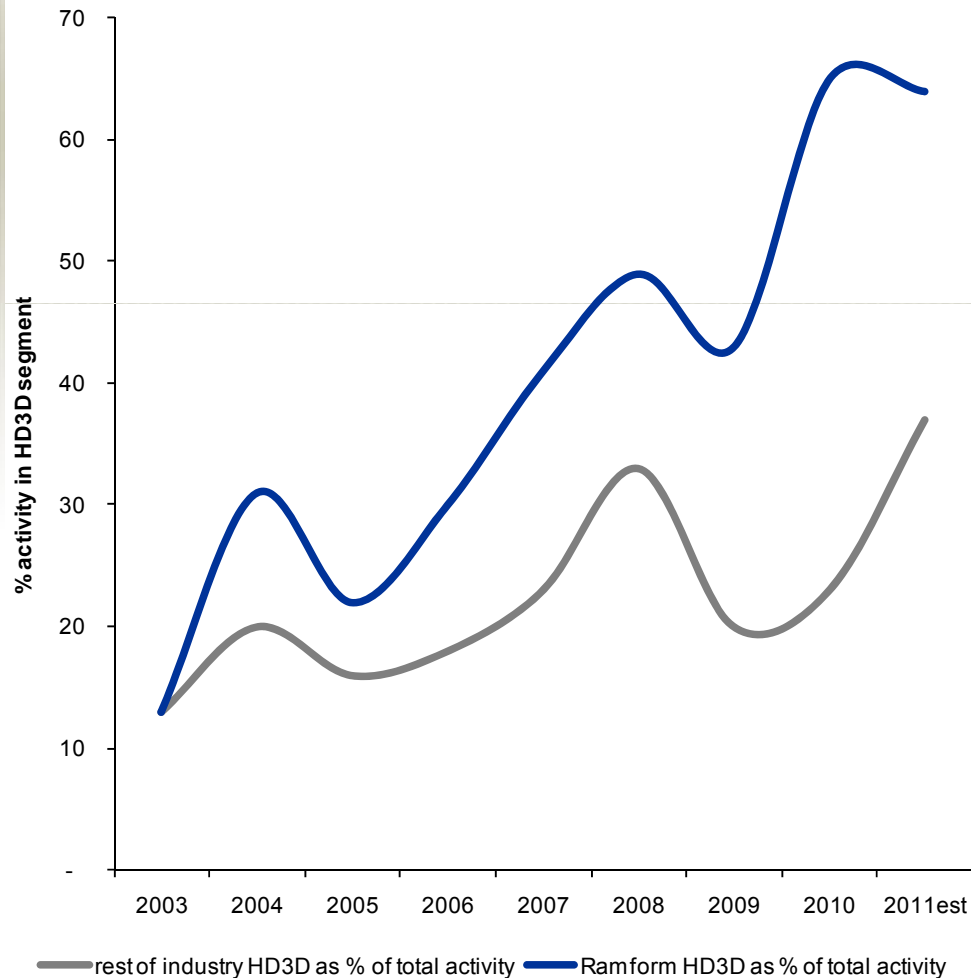
- Expected capacity increases
 - 9% increase in 2011
 - 9% increase in 2012
 - 4% increase in 2013

- Continued E&P spending results in sq.km growth of 12-13% in 2011 over 2010





Ramforms Have the Lead in a Growing HD3D Segment



- HD3D has grown significantly over the last 8 years
 - Both in absolute size and in share of total activity
- In 2011, HD3D accounts for around 40% of total market in sq.km and significantly more in terms of revenue
- The Ramform fleet has consistently captured a large share of the HD3D segment
- HD3D market is less cyclical than exploration seismic and has more attractive margins
- Ramform W-class positioned for HD3D



Perspectives 2011

- Increased utilization in H2 2011 compared to H1 2011 due to less yard
- 2011 increase in technology spending caused by targeted R&D
- 2011 industry wide cost increase due to increased fuel cost and a weaker USD
- Expected full year marine contract EBIT margin of approximately 10-15%
- Strong growth momentum in Data Processing continues
- Some upside potential in MultiClient



Full Year 2011 Guidance

- EBITDA of approximately USD 500 million
- CAPEX, including new builds, of approximately USD 260-270 million
- MultiClient cash investment in the range of USD 180-200 million
 - Potential for increase driven by strong customer interest and high prefunding



Unaudited Second Quarter and First Half 2011 Results



Oslo July 28, 2011



Main Yard Stays for 3D Vessels Next 6 Months



Ramform Viking when upgrade was completed early April



Upgrade of Ramform Viking's second thruster

Vessel	When	Expected Duration	Type of Yard Stay
<i>Ramform Explorer</i>	Scheduled July 2011	Approximately 7 days	Engine overhaul, regular maintenance including repair of galley floor.
<i>Atlantic Explorer</i>	Scheduled October/ November 2011	Approximately 16 days	Class intermediate. Hull overhaul, main overhaul engine, change of steel in ballast tank.



Robust Financing with good Maturity Profile

Long term Interest Bearing Debt	Balance as of June 30, 2011	Total Credit Line	Financial Covenants
USD 600 million Term Loan ("TLB"), Libor + 175 basis points, due 2015	USD 470.5 million		Incurrence test: total leverage ratio < 3.00:1
Revolving credit facility ("RCF"), Libor + 225 basis points, due 2015	USD 0 million	USD 350 million	Maintenance covenant: total leverage ratio < 2.75:1
USD 400 million convertible bond due 2012, coupon of 2.7% with strike NOK 216.19	USD 325.8 million*		None

As of June 30, 2011 USD 344.5 million of nominal value outstanding after repurchase. The Company bought back USD 51.4 million of nominal value on July 12, 2011.