Q2

SECOND QUARTER AND FIRST HALF 2014 RESULTS

| July 24, 2014 | Oslo, Norway

A Clearer Image | www.pgs.com

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 2014 results and the disclosures therein

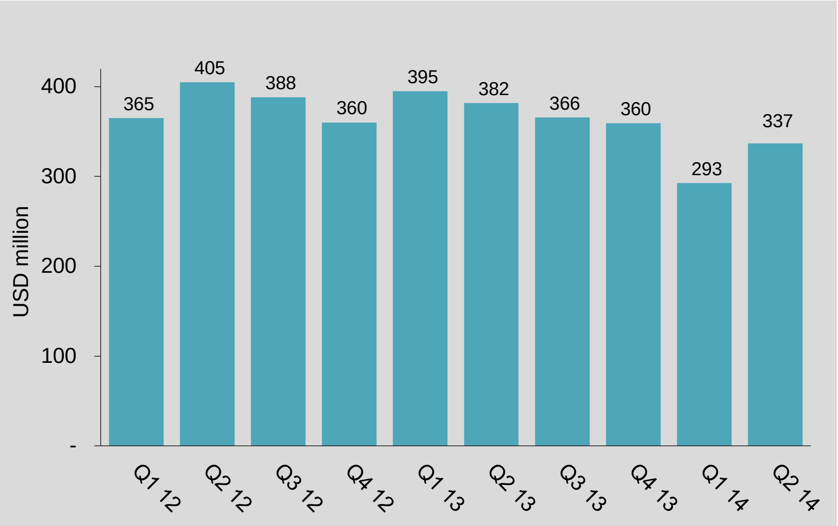
Clear Strategic Direction and Technological Edge
Near Term Challenges

- Q2 2014 impacted by:
  - Lack of pre-funding for the Triton MultiClient project
  - Mobilization delays on some Marine Contract surveys, relating to permitting, weather and technical problems
- Record MultiClient sales in Europe in Q2
- Cost reduction program on track
- Less predictable customer spending
- Continued low bidding activity indicates risk of a weaker market towards year-end
- H2 expected to be stronger than H1 for PGS
  - Solid pricing on secured Q3 contract work
  - Increased late sales
  - Triton pre-funding

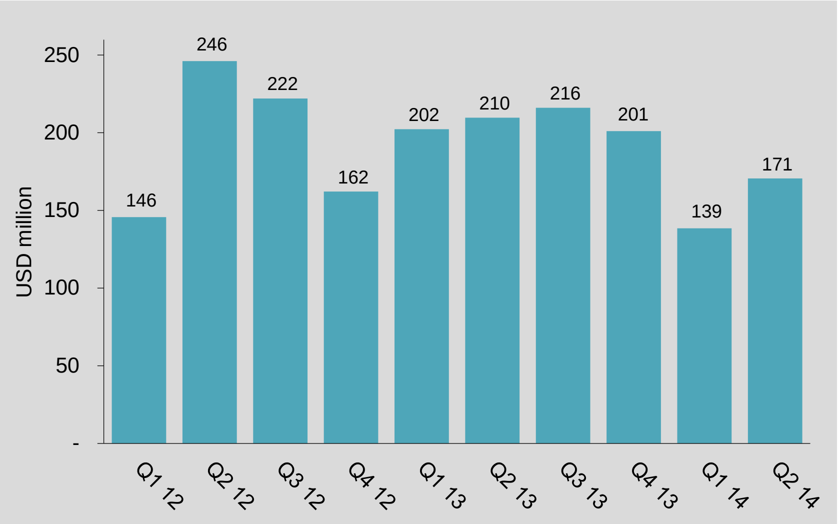
Full year 2014 EBITDA guidance of approximately USD 850 million

Financial Summary

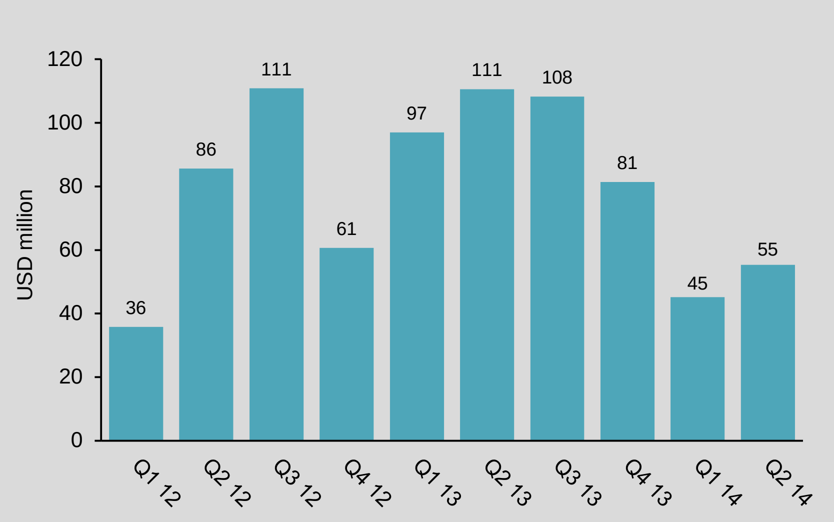
Revenues



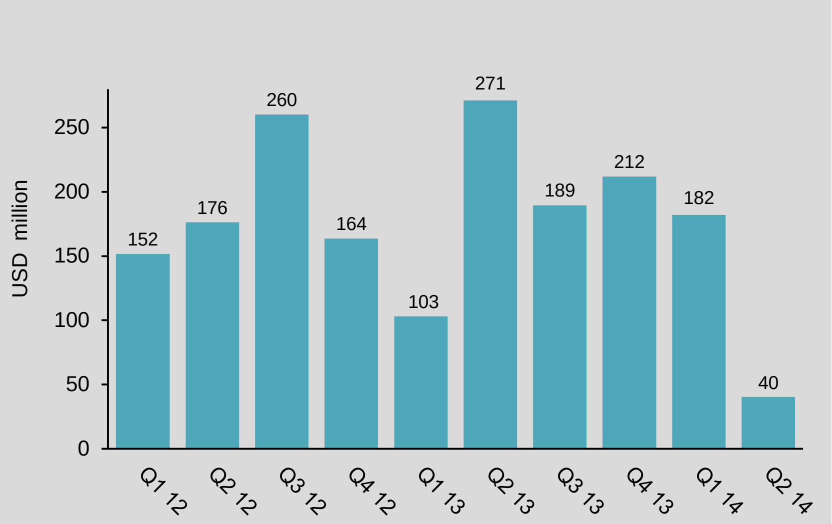
EBITDA*



EBIT**

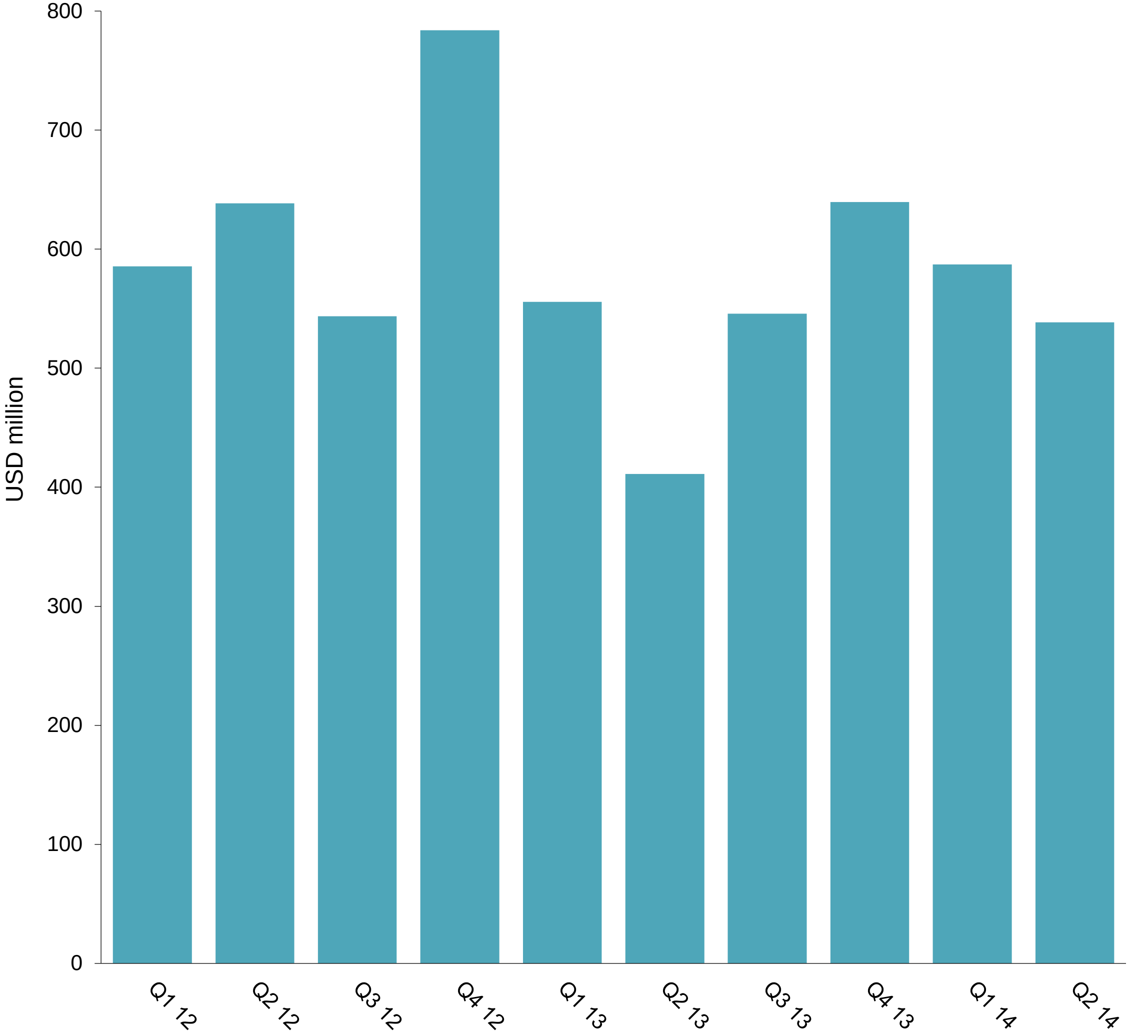


Cash Flow from Operations



*EBITDA, when used by the Company, means EBIT less other operating (income) expense, impairments of long-term assets and depreciation and amortization.
**Excluding impairments of USD 9.1 million in Q2 2014, USD 15 million in Q4 2013, USD 0.1 million in Q4 2012 and reversal of impairment of USD 0.9 million in Q2 2012.

Order Book



- Order book of USD 558 million by end Q2 2014
- Vessel booking
  - ~90% booked for Q3 2014
  - ~45% booked for Q4 2014
  - ~20% booked for Q1 2015
- Order book compares well to Q2 2013
  - Up 25%

Solid pricing for scheduled Q3 contract work

Financials

Unaudited Second Quarter and First Half 2014 Results

Condensed Consolidated Statement of Operations Summary

	Q2	Q2		Six months	Six months	
USD million (except per share data)	2014	2013	% change	2014	2013	% change
Revenues	337.0	381.7	-12 %	629.5	776.5	-19 %
EBITDA*	170.6	209.6	-19 %	309.2	411.9	-25 %
Operating profit (EBIT) ex impairment charges	55.3	110.6	-50 %	100.5	207.4	-52 %
Operating profit (EBIT)	46.2	110.6	-58 %	91.4	207.4	-56 %
Net financial items	(11.7)	(13.3)	12 %	(44.2)	(22.2)	-99 %
Income (loss) before income tax expense	34.5	97.3	-65 %	47.2	185.2	-75 %
Income tax expense (benefit)	4.9	25.8	-81 %	13.0	51.2	-75 %
Net income to equity holders	29.7	71.5	-58 %	34.3	134.0	-74 %
EPS basic	$0.14	$0.33	-58 %	$0.16	$0.62	-74 %
EBITDA margin*	50.6 %	54.9 %		49.1 %	53.0 %	
EBIT margin	13.7 %	29.0 %		14.5 %	26.7 %	

- Impairment charges of USD 9.1 million recorded in Q2 2014 relates to vessel and equipment retirement

- The low tax rate in Q2 of 14.2% is primarily due to profits within the Norwegian Tonnage Tax regime

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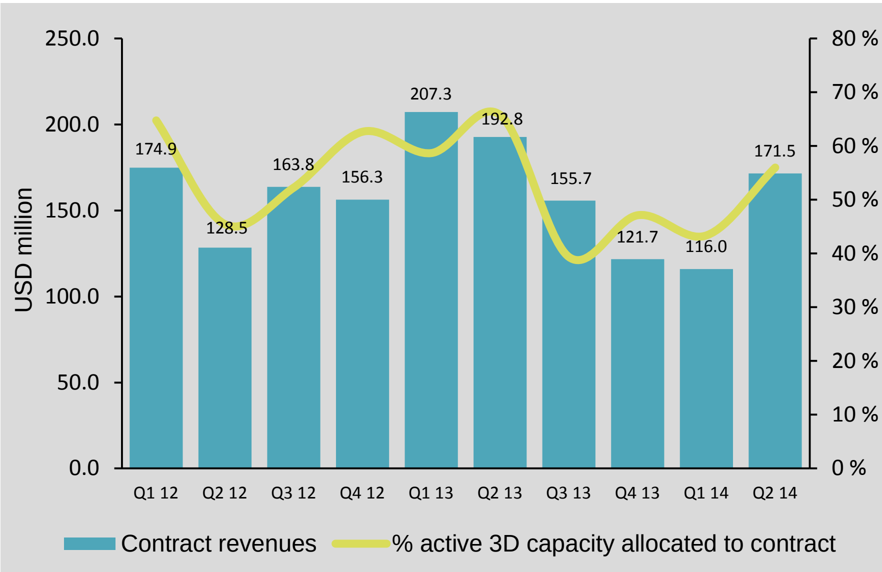
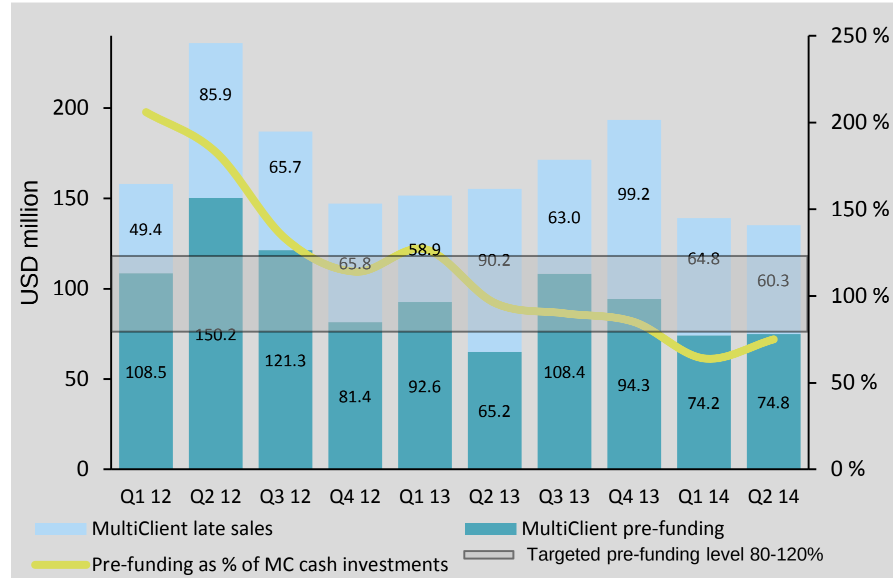
Q2 2014 Highlights

Contract revenues

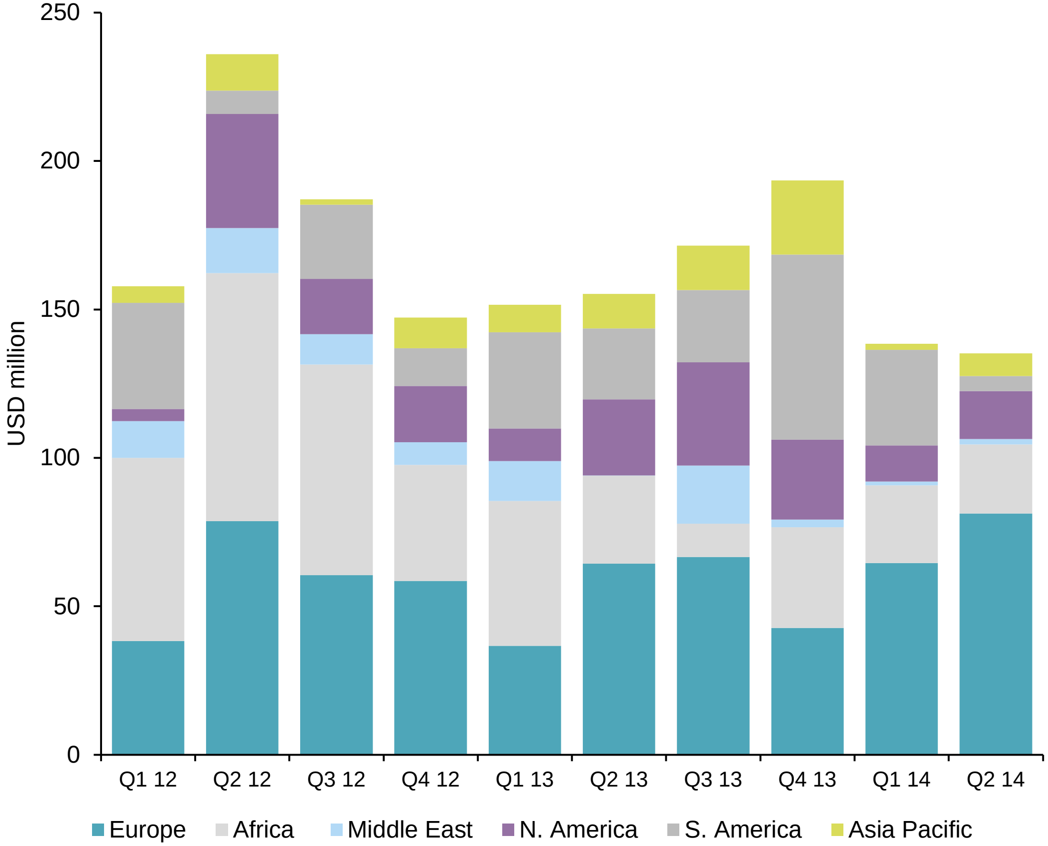


MultiClient revenues



- Marine Contract revenues of USD 171.5 million, with an EBIT margin of 19%
- Total MultiClient revenues of USD 135.1 million
  - Pre-funding level of 75% in Q2 2014 due to lack of pre-funding on the Triton survey in the Gulf of Mexico
  - Pre-funding level of 157% on MultiClient investments excluding Triton
  - Approximately 100% pre-funding level expected for the full year 2014, as Triton pre-funding is expected in H2 and other parts of the MultiClient portfolio are at targeted pre-funding level or above

MultiClient Revenues per Region
Pre-funding and Late Sales Revenues Combined



- Record MultiClient sales in Europe – accounting for 60% of total MultiClient sales in Q2
- Pre-funding revenues were highest in Europe, Africa and Asia Pacific
- Good late sales from Europe and Africa
- Lack of Triton revenues impacts H1

44% of active 3D vessel capacity allocated to MultiClient in Q2 2014

Key Operational Numbers

	2014		2013			
USD million	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Contract revenues	171.5	116.0	121.7	155.7	192.8	207.3
MultiClient Pre-funding	74.8	74.2	94.3	108.4	65.2	92.6
MultiClient Late sales	60.3	64.8	99.2	63.0	90.2	58.9
Imaging	24.3	28.0	32.6	34.3	28.8	27.1
Other	6.1	9.5	11.7	4.2	4.7	8.9
Total Revenues	**337.0**	**292.5**	**359.5**	**365.6**	**381.7**	**394.8**
Operating cost	(166.4)	(154.0)	(158.5)	(149.6)	(172.1)	(192.5)
EBITDA*	**170.6**	**138.5**	**201.0**	**216.0**	**209.6**	**202.3**
Other operating income	0.3	0.2	0.2	0.2	0.2	0.2
Impairment of long-term assets	(9.1)		(15.0)			
Depreciation	(44.0)	(29.8)	(27.2)	(27.2)	(38.8)	(37.5)
MultiClient amortization	(71.6)	(63.7)	(92.6)	(80.7)	(60.4)	(68.2)
EBIT	**46.2**	**45.2**	**66.4**	**108.3**	**110.6**	**96.8**
CAPEX, whether paid or not	(149.4)	(131.9)	(73.3)	(93.2)	(199.9)	(71.4)
Cash investment in MultiClient	(99.6)	(116.2)	(111.0)	(120.9)	(68.1)	(72.9)
Order book	**558**	**610**	**669**	**579**	**446**	**592**

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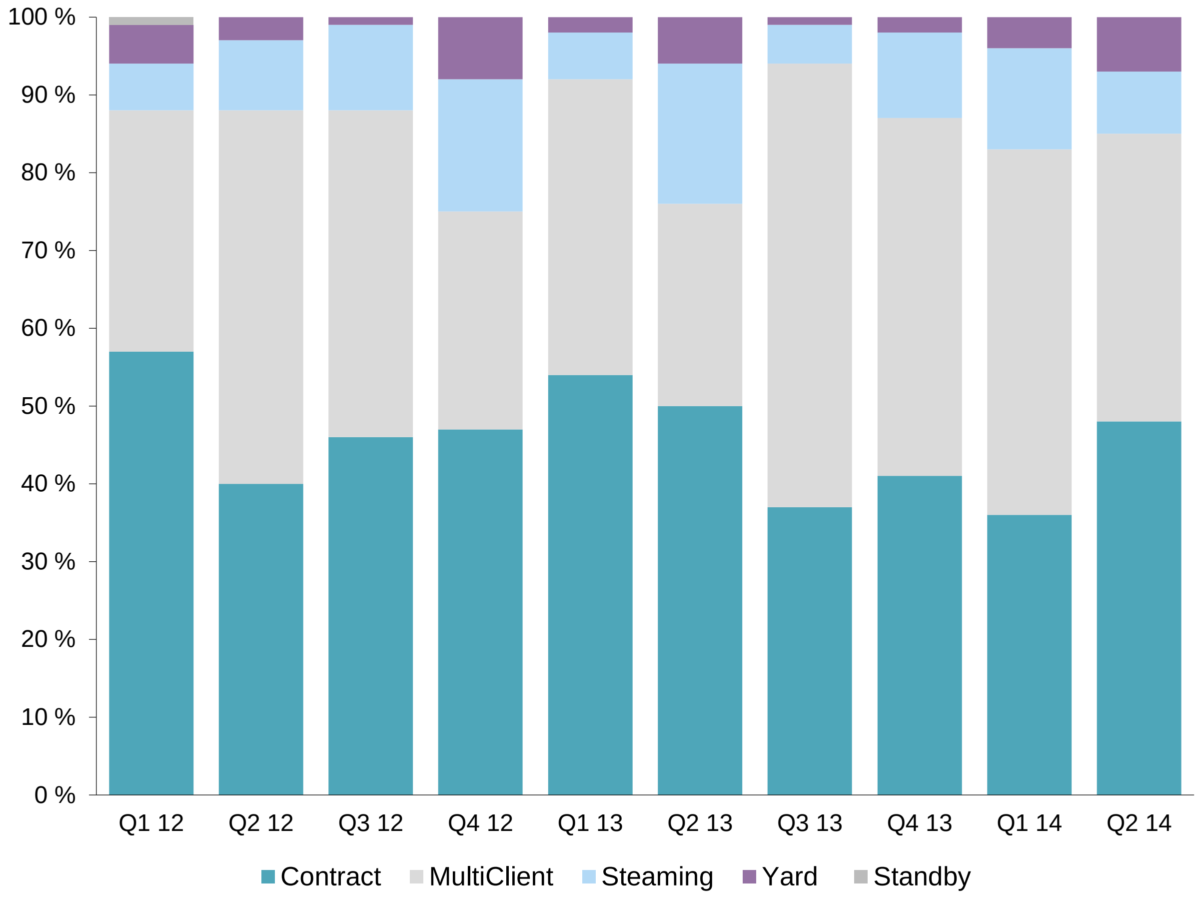
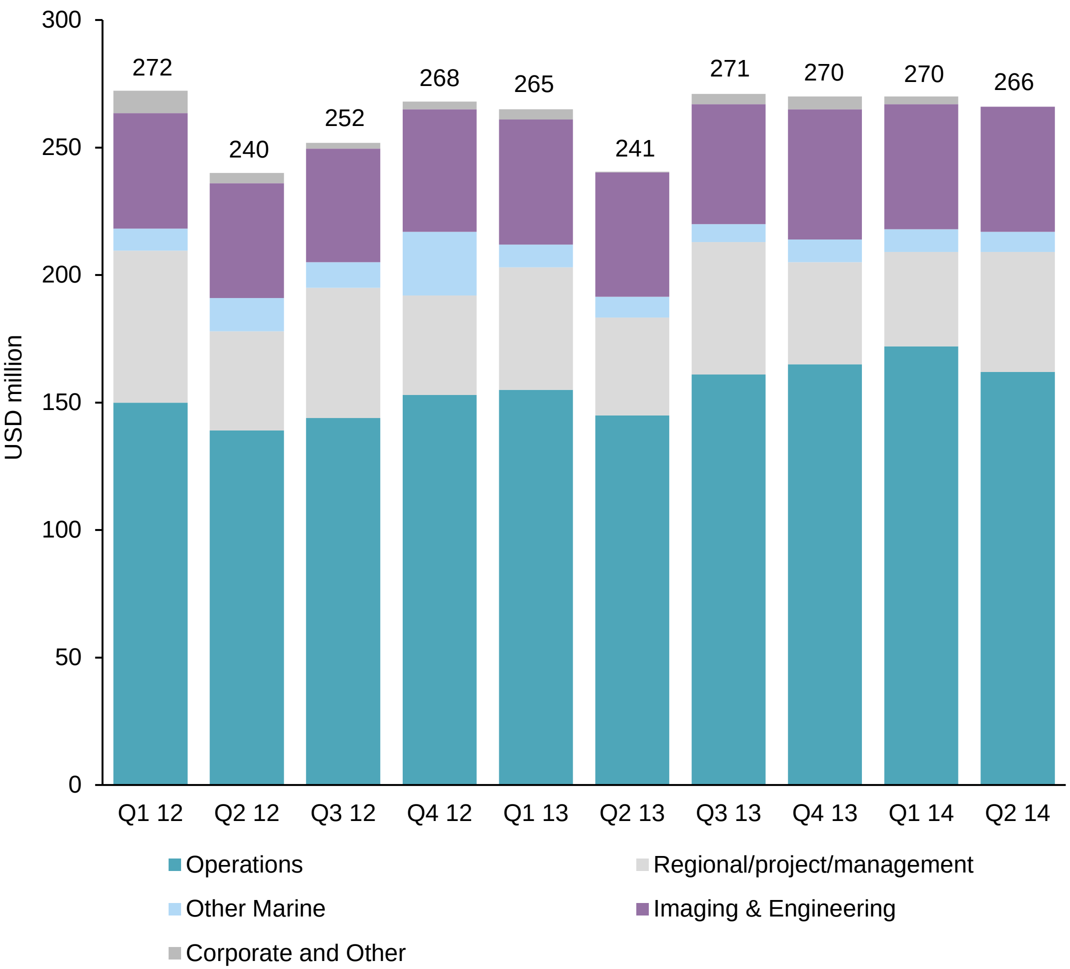
Vessel Utilization
Seismic Streamer 3D Fleet Activity in Streamer Months



- Approximately 35% of active 3D vessel capacity allocated to MultiClient for the full year 2014
- Less than 30% of active 3D vessel time currently planned for MultiClient in Q3
- Yard stays expected to account for approximately 5% of total vessel time in Q3

85% active vessel time in Q2 2014

Group Cost* Focus Delivers Results



- Flat cost development from 2012 levels despite *Ramform Titan* and *Ramform Atlas* in full operation
- Q2 cost positively impacted by cost saving initiatives, reduction of performance based personnel costs and some net steaming cost deferral
- Cost to increase somewhat in H2

Cost reduction program targeting USD 30 million run rate by end 2014 is on track

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

Consolidated Statements of Cash Flows Summary

USD million	Q2 2014	Q2 2013	Six months 2014	Six months 2013
Cash provided by operating activities	40.2	271.3	222.1	374.0
Investment in MultiClient library	(99.6)	(68.1)	(215.8)	(141.0)
Capital expenditures	(123.2)	(197.7)	(267.3)	(275.8)
Other investing activities	(25.2)	(7.4)	(30.3)	(15.5)
Financing activities	42.1	20.0	70.4	(2.3)
Net increase (decr.) in cash and cash equiv.	**(165.7)**	**18.1**	**(220.9)**	**(60.6)**
Cash and cash equiv. at beginning of period	208.6	311.6	263.8	390.3
Cash and cash equiv. at end of period	**42.9**	**329.7**	**42.9**	**329.7**

- Cash provided by operating activities in Q2 was impacted by an unusually large swing in working capital as a result of:
  - Significant increase in revenue generation in June
  - Back-end loaded cash flow profile owing to a turnkey contract which will be billed in Q3
  - Some customer payments received with marginal delay after quarter-end
- Should drive strong cash flow from operating activities in Q3
- Q2 capital expenditure primarily relates to the Ramform Titan-class new builds, GeoStreamer and vessel upgrades
  - New build capital expenditure of USD 87.6 million in Q2

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Strong Balance Sheet Position - Key Numbers

USD million	June 30 2014	June 30 2013	Full year 2013
Total assets	3 665.7	3 444.6	3 544.3
MultiClient Library	727.9	438.1	576.9
Shareholders' equity	2 012.3	1 962.7	2 065.6
Cash and cash equiv.	42.9	329.7	263.8
Restricted cash	97.9	90.7	89.4
Liquidity reserve	382.9	679.7	763.8
Gross interest bearing debt	1 243.5	1 046.1	1 040.8
Net interest bearing debt	1 091.5	617.2	666.7

- Liquidity reserve reduced in H1 due to down-payment on the Term Loan B, payment of dividend, front loaded CAPEX and MultiClient investment, and the significant working capital variance
- USD 160 million drawing on the USD 500 million Revolving Credit Facility (RCF)
  - Drawings made with short term duration and expected to be repaid during H2
  - USD 305 million available under Export Credit Financing agreements. Can be drawn to cover current and future yard instalments for 2015 new builds
- Shareholders' equity at 55% of total assets

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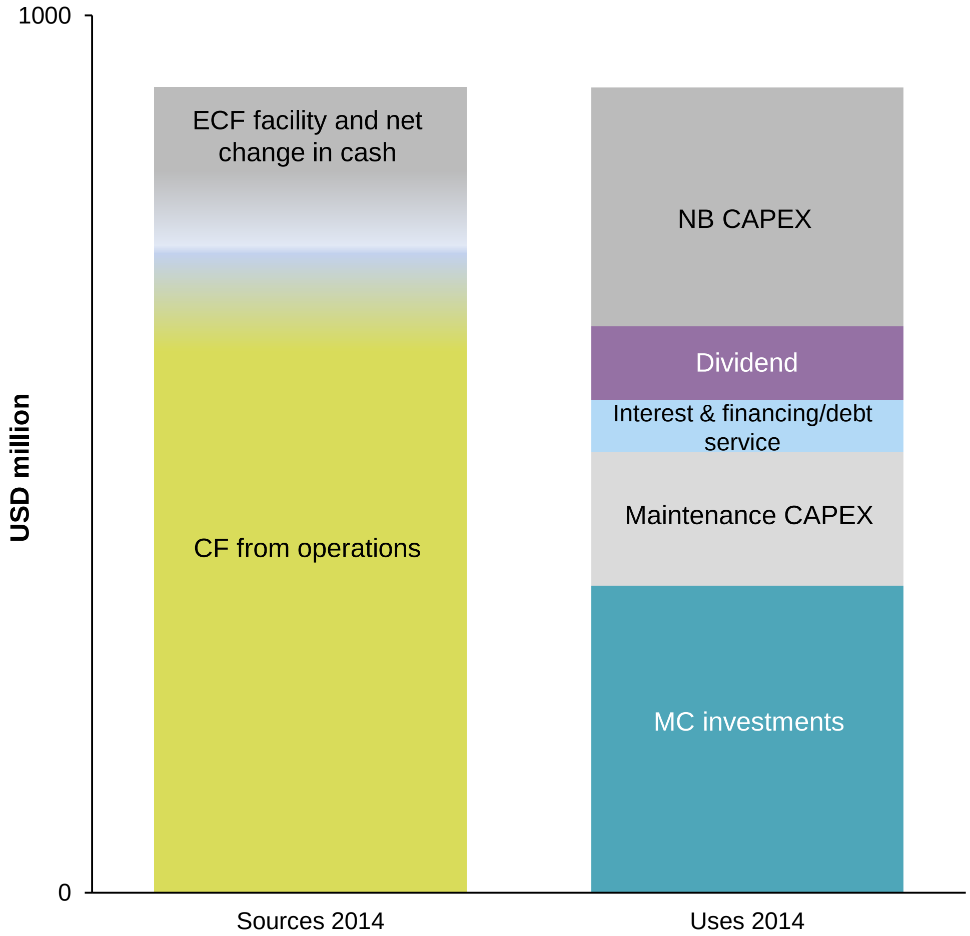
Significant Free Cash Flow Potential

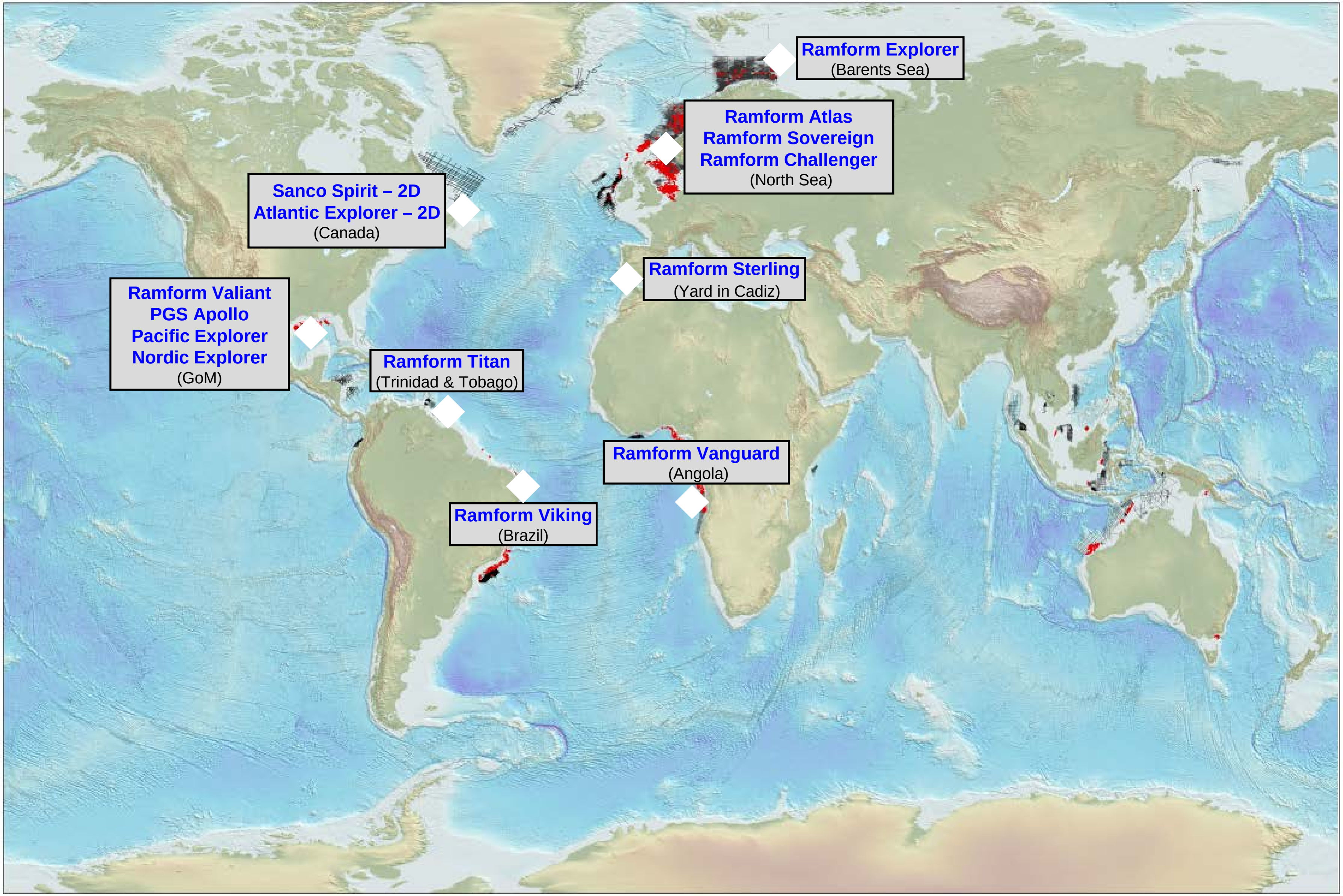


- Illustration revised to reflect updated 2014 guidance
- Cash flow from operations covers MultiClient investments, maintenance CAPEX, interest & financing/debt service, dividends and a significant portion of new build CAPEX
- Excluding new build CAPEX the Company generates healthy free cash flow in the current market environment
- Completion of new build program makes the foundation for significant increase in free cash flow going beyond 2015

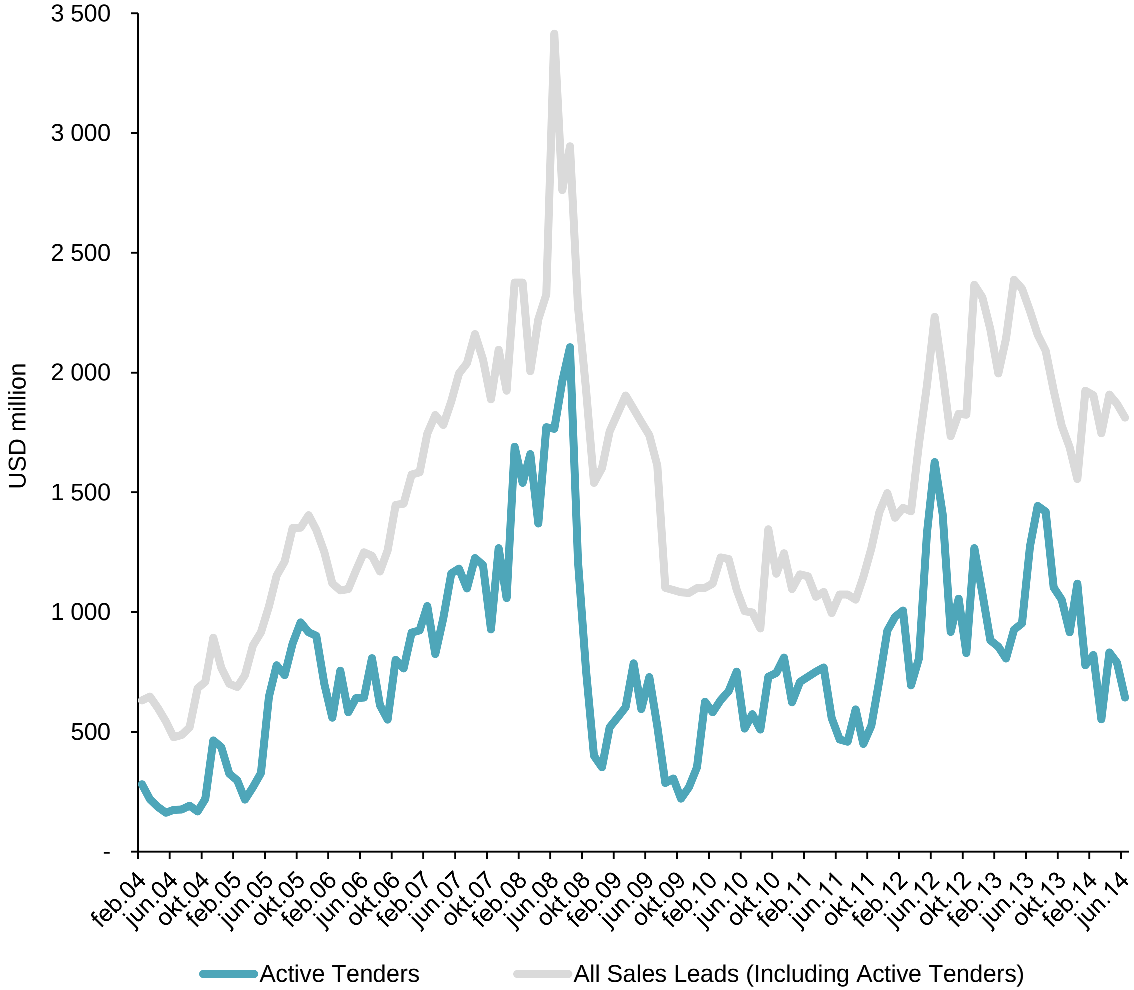
Operational Update and Market Comments

Unaudited Second Quarter and First Half 2014 Results

Streamer Operations July 2014



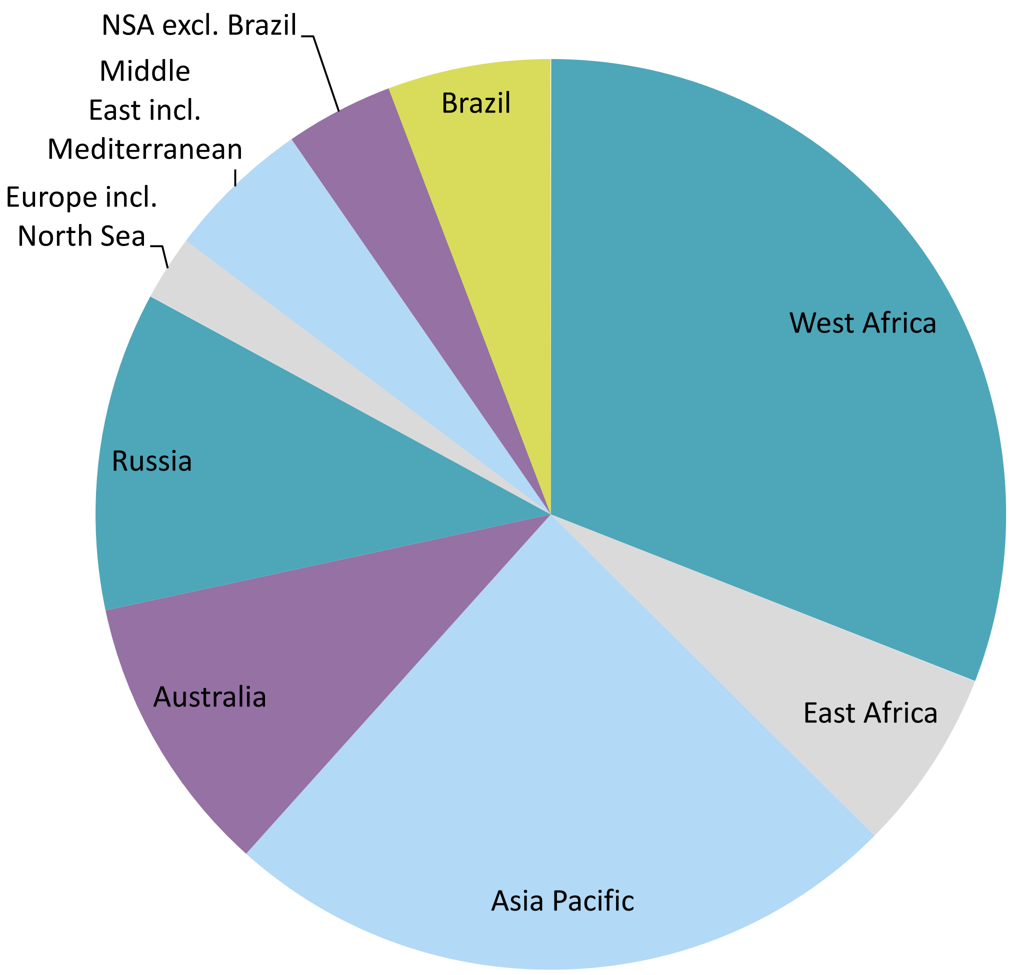
Low Marine Contract Bidding Activity



- Active Tenders currently at low levels
  - Indicates risk of a weaker market towards the end of the year
- Substantial value of All Sales Leads, but delays in conversion to active tenders
  - Indicates that the current market weakness might be short term

Source: PGS internal estimate as of end June 2014. Value of active tenders and sales leads are the sum of active tenders and sales leads with a probability weight and represents Marine 3D contract seismic only.

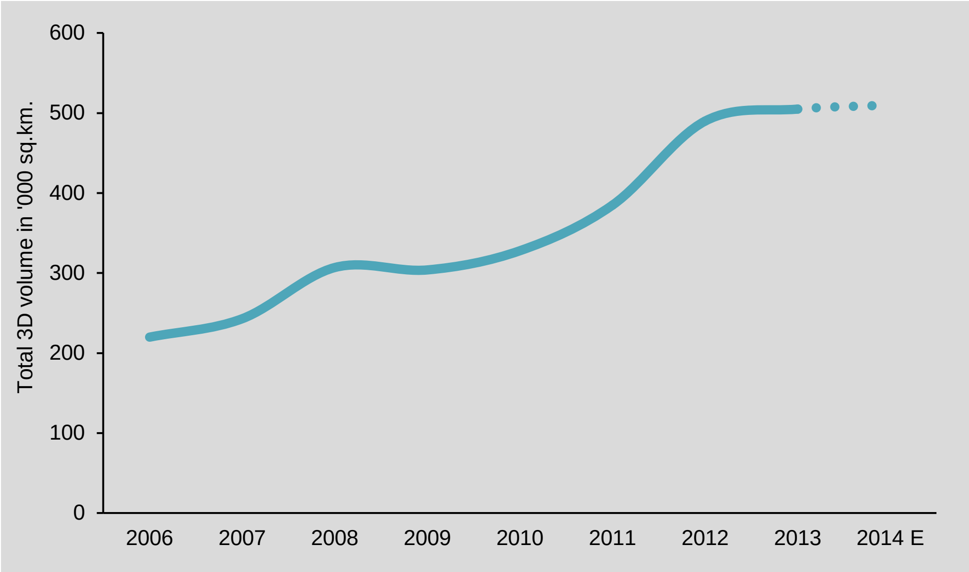
Geographical Distribution of Marine Contract Sales Leads Q2 2014

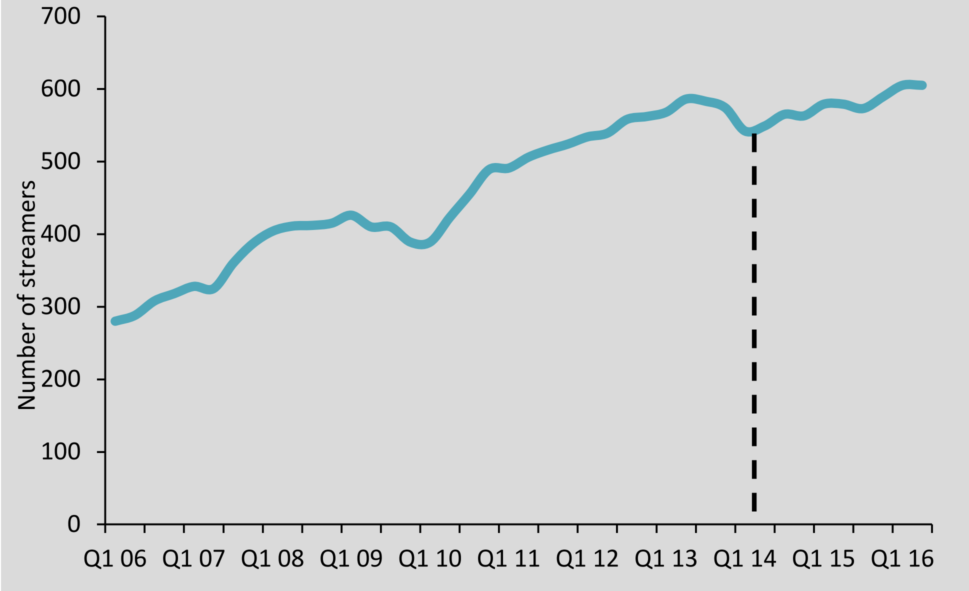


- West Africa dominates the opportunity space
- Increasing value of sales leads in Asia Pacific
  - Increase in Myanmar and India
- Russian sales leads are both in Sakhalin and Arctic
- Europe in general has low value of sales leads at this time of year

PGS internal estimate as of end Q2 2014. Value of active tenders and sales leads are the sum of active tenders and sales leads with a probability weight and represents Marine 3D contract seismic only.

Global Supply and Demand Trends





- From 2006 to end 2012 demand for seismic grew by approximately 120% measured in sq.km.
  - Annual average growth rate of 12%
- Growth in sq.km. flattened out from 2012 to 2013
- 2014 capacity coming down and modest streamer capacity growth expected thereafter

Year	Yearly average streamer growth
2014	-4%
2015	5%
2016	4%

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.

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 Develop Superior Data Quality**
  - GeoStreamer business platform
  - Imaging Innovations
  - Subsurface knowledge
- **To Innovate**
  - First dual sensor streamer solution
  - First with 20+ towed streamer capability
  - 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

A Fleet of Purpose Built High-end Seismic Vessels

Ramforms

Titan-class

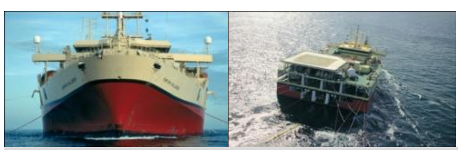
Ramform Titan | Ramform Atlas | 2 Titan Class for 2015 delivery

S-class

Ramform Sterling | *Ramform Sovereign*

V-class

Ramform Valiant | *Ramform Viking* | *Ramform Vanguard*



Ramform Challenger | *Ramform Explorer*

Other vessels

PGS Apollo

Atlantic Explorer

2D

Pacific Explorer

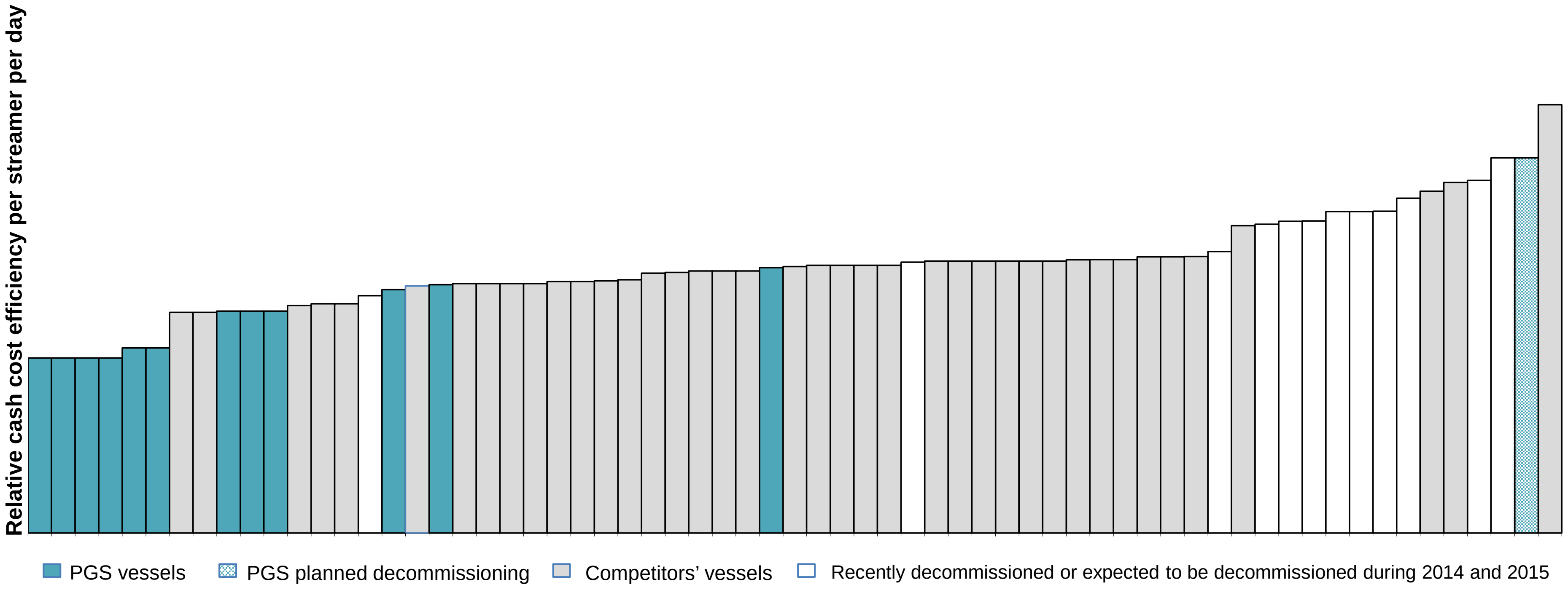
Nordic Explorer

Sanco Spirit

- Ramform Titan-class vessels accretive to returns
- GeoStreamer contributes to productivity leadership
- Industrialized approach to fleet renewal
- Fleet upgrade and renewal coming to an end in 2015

Ramform productivity is a key differentiator

Productivity Leadership is Key for Differentiation
Vessel Decommissioning Supportive for Supply/Demand Balance



Expected vessel decommissioning reduces streamer capacity by 13%*

*Anticipated vessel decommissioning reduces current expected streamer capacity by end Q4 2015 by 13% versus Q3 2013 expectations.

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.

The GeoStreamer Technology Platform:
Much More than Broadband

Enhanced illumination and clearer earth model

A more precise image for reduced sub-surface risk

GeoStreamer® with **GeoSource™** The full deghosting solution

Reliable Quantitative Interpretation (**QI**) and rock properties

Leading Broadband Technology

GeoStreamer® enabled separated wavefield imaging (**SWIM**)

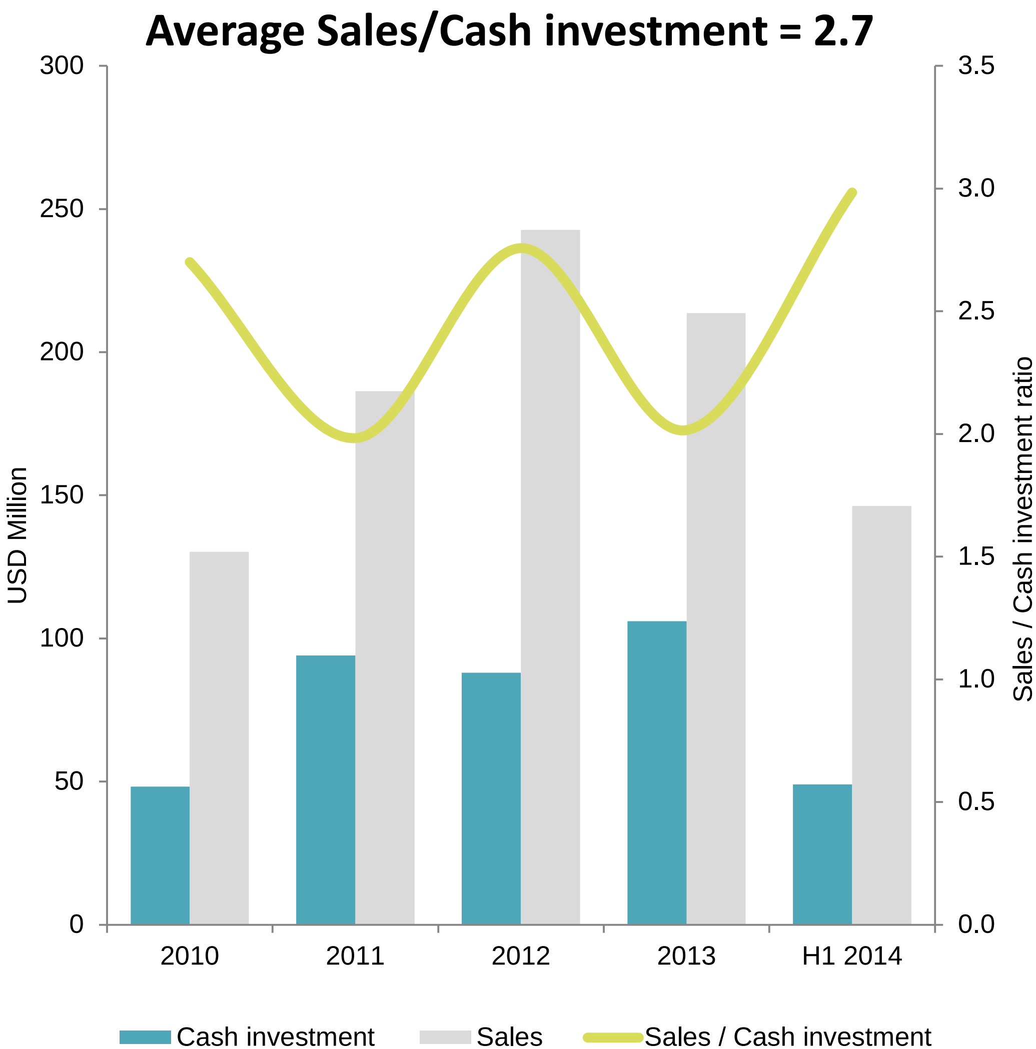
Complete Wavefield Imaging (**CWI**)

Moving Beyond Broadband

GeoStreamer – The New Business and Technology Platform

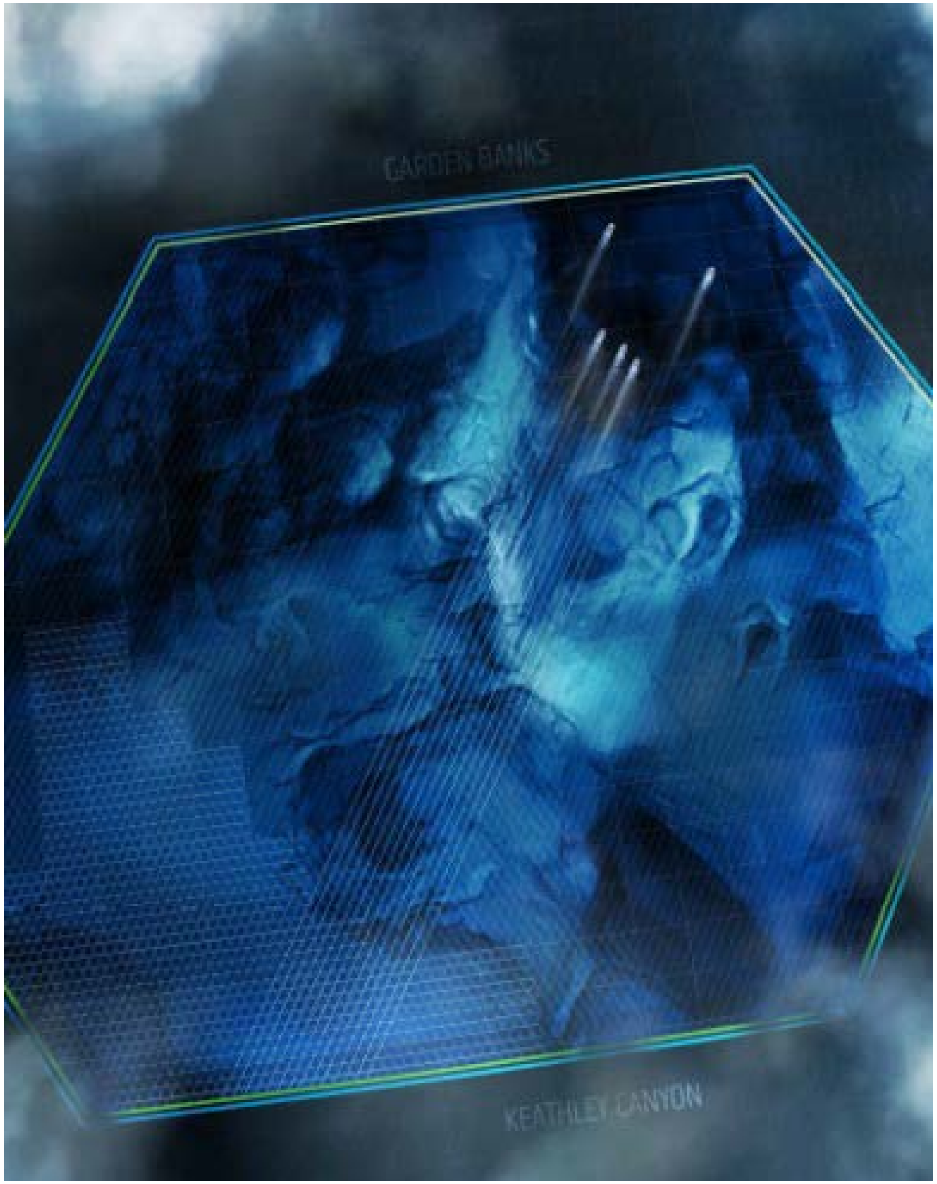
- Enhanced resolution, better depth imaging and improved operational efficiency
- Enables the best sub-surface image for reservoir understanding and well placement

European MultiClient GeoStreamer Investments Paying Off



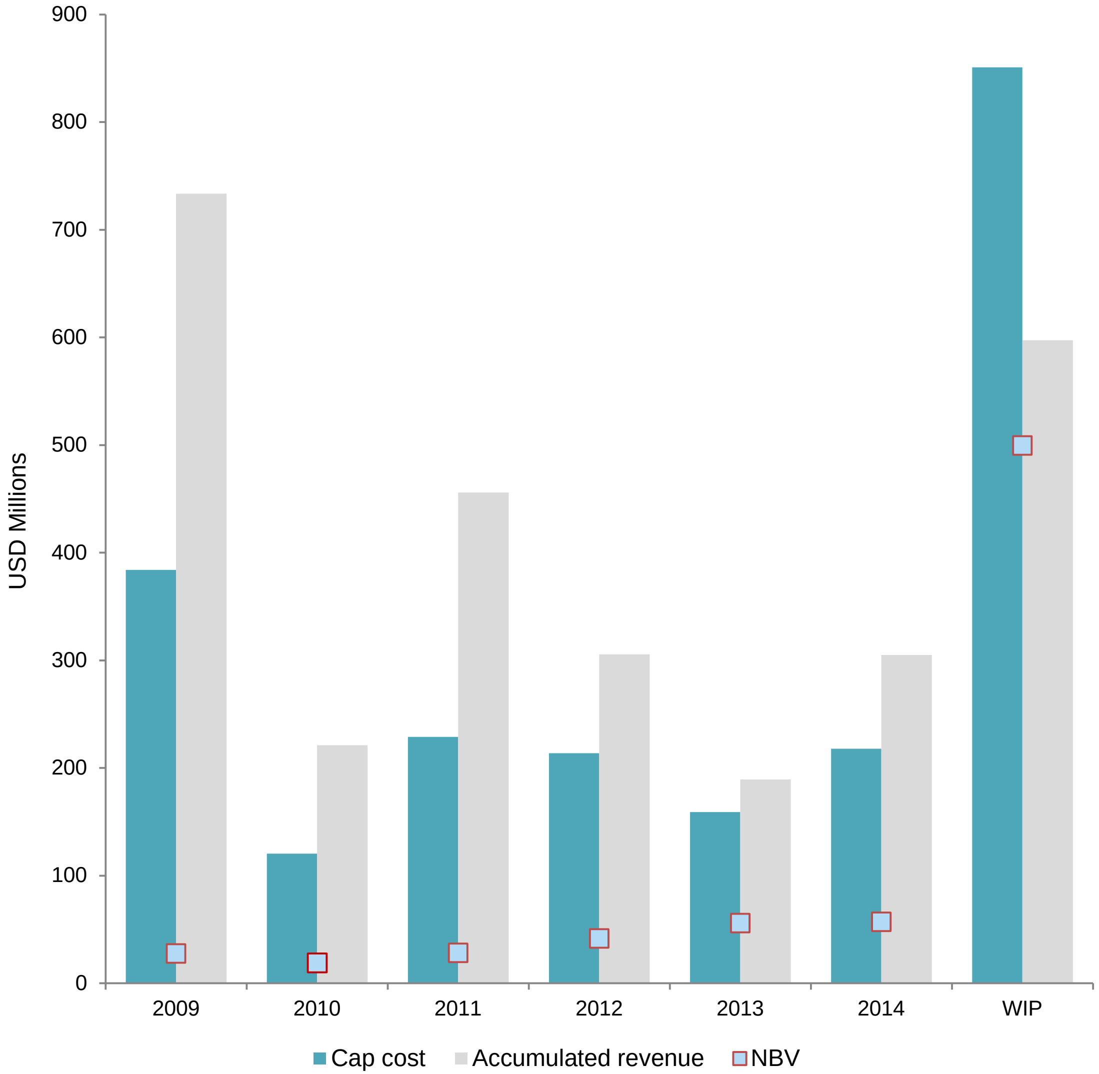
- GeoStreamer technology proving its value through year-on-year investments in the North Sea delivering strong sales performance
- Significant data quality uplift – replacing legacy data in key areas
- Gradually moving north:
  - 2013/2014 full year season in Northern North Sea / Norwegian Sea
  - 2014 Barents Sea Group Shoot

Taking GeoStreamer into the Gulf of Mexico



- Gulf of Mexico remains an attractive seismic market
  - Combined Crystal I-III Wide Azimuth Sales / Cash investment = 2.7 with further sales potential
- Triton represents a new generation Full Azimuth seismic acquisition, fuelled by GeoStreamer and PGS high-end imaging technology (SWIM)
  - Excellent position for lease rolls through 2018 with proven reserves
  - Acquisition completing in August - ahead of schedule and below cost budget
  - Fast track product from key areas now available
  - Excellent technical results
  - Attractive commercial potential
  - Significant client interest
  - Expect to secure pre-funding in H2

Good MultiClient Sales Performance from All Vintages



- Strong sales progress for all vintages
- Moderate net book values (NBV) for surveys completed 2009-2014
- High pre-funding on new investments
  - Triton pre-funding expected in H2
- No current impairment indicators
- Amortization is primarily based on the ratio of cost to forecasted sales
  - Full year 2014 amortization rate expected to be approximately 50%

Near Term Market Outlook

- Sustained high and stable oil price
- Deep water attractive for E&Ps
- Flat demand development for 2014
- Current low bidding activity indicates risk of a weaker market towards the end of the year
  - May negatively impact year end pricing
- Decommissioning of vessels is supportive for the supply/demand balance

2014 Guidance

EBITDA is expected to be approximately USD 850 million

- Due to reduced predictability with regards to customers’ seismic purchases, particularly MultiClient, the uncertainty range around the EBITDA guidance is wider than normal

MultiClient cash investments of approximately USD 350 million

- Pre-funding level of approximately 100%

Capital expenditures of approximately USD 425 million

- Approximately USD 275 million related to the new-build program

In Conclusion:
Robust Strategy - Well Positioned for the Future

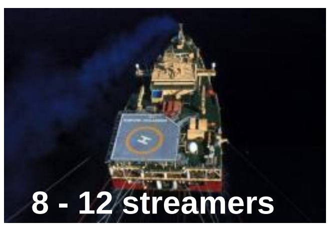
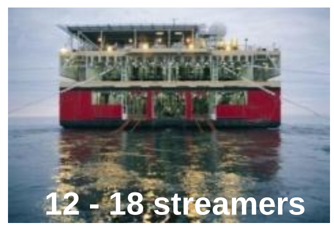
- Differentiating technology
- Cost effective operations
- Improved productivity
- Solid financial position
- Significant free cash flow potential
- Returning cash to shareholders

Competitively Positioned – Performance Through the Cycle

Thank you – Questions?

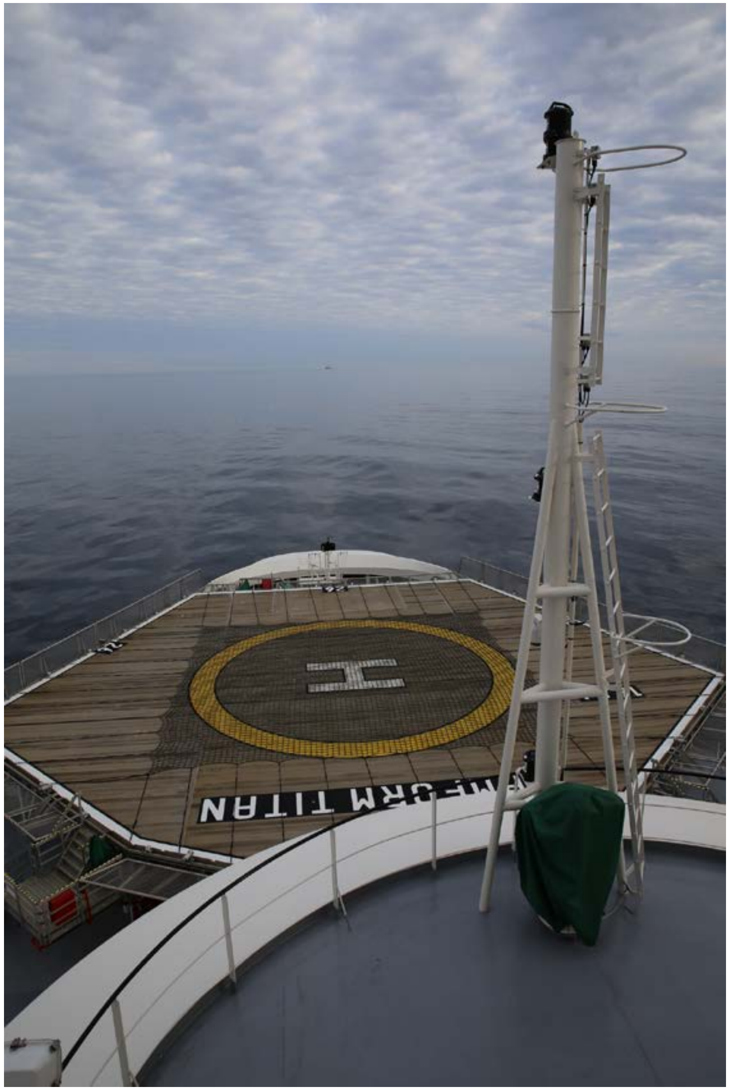
Appendix

Continuously Ahead of Competition

	1992 - 1996	1998 - 1999	2007 - 2009	2012 - 2014
Competition				
PGS				

- PGS builds vessels to optimize cost and efficiency over the vessels' useful life
- Growing capacity over the cycle rather than trying to time the market
- Larger vessels enable safer and more efficient high quality seismic
- Fleet optimization by decommission of two older vessels – one in 2014 and one in 2015

Ramform Titan-class Delivers Attractive Returns

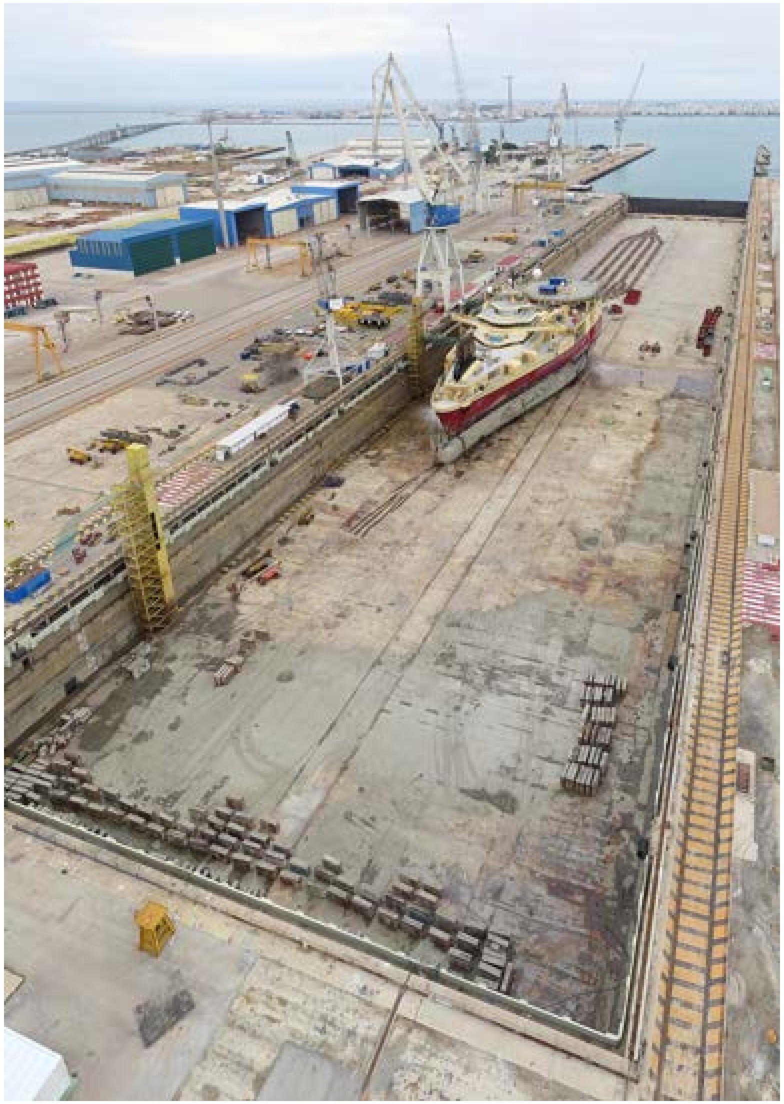


- PGS has historically strong returns on capital employed over the cycle
- Targeting average returns of 5% in excess of weighted average cost of capital (WACC) over the cycle
- WACC estimated at approximately 9-10% (after tax)
- The *Ramform Titan* meeting expectations:
  - Performance and efficiency
  - Ability to fully exploit GeoStreamer technology
  - Safety
  - Crew comfort
- Assuming first six quarters of contract performance through the vessel's life:
  - Payback time of less than 5* years
  - IRR better than initial plan and above 20%*

High quality assets generating high returns

*Pre tax

Appendix:
Main Yard Stays Next 6 Months



Vessel	When	Expected Duration	Type of Yard Stay
Ramform Sterling	Ongoing July 2014	Approximately 25 days	Renewal class
PGS Apollo	January/February 2015	Approximately 20 days	Renewal class

Appendix:
Attractive Debt Structure

Long term Credit Lines and Interest Bearing Debt	Nominal Amount as of end June, 2014	Total Credit Line	Financial Covenants
USD 400.0 million Term Loan ("TLB"), Libor (minimum 0.75%) + 250 basis points, due 2021	USD 400.0 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 160.0 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 234.3 million	USD 539.3 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