Q3

THIRD QUARTER 2014 RESULTS

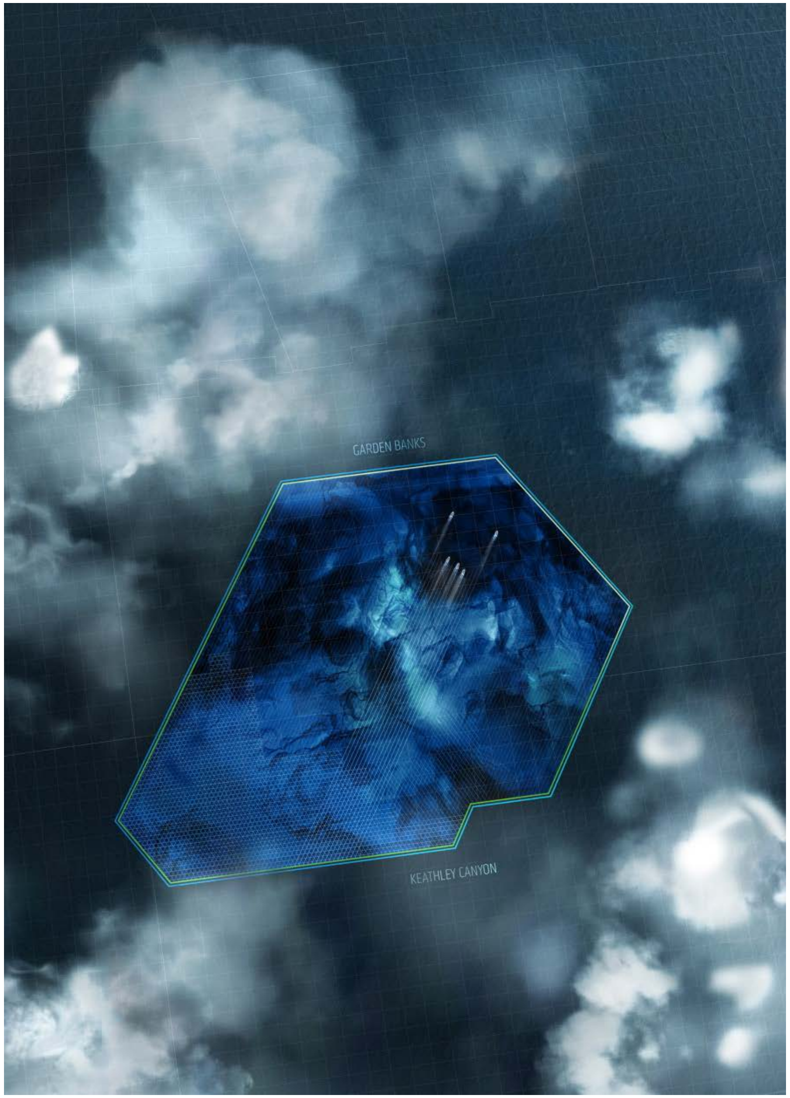
| October 23, 2014 | Oslo, Norway

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 third quarter 2014 results and the disclosures therein

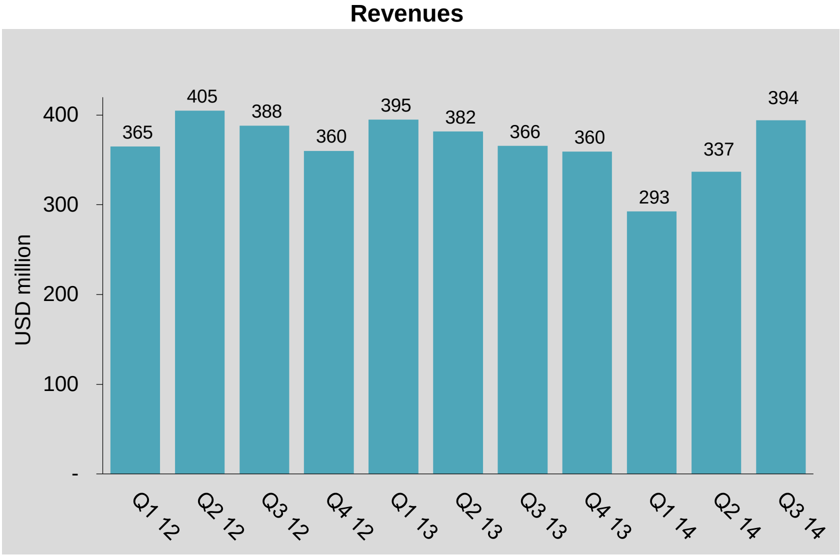
Challenging Market
Good Contract and Cash Flow Performance

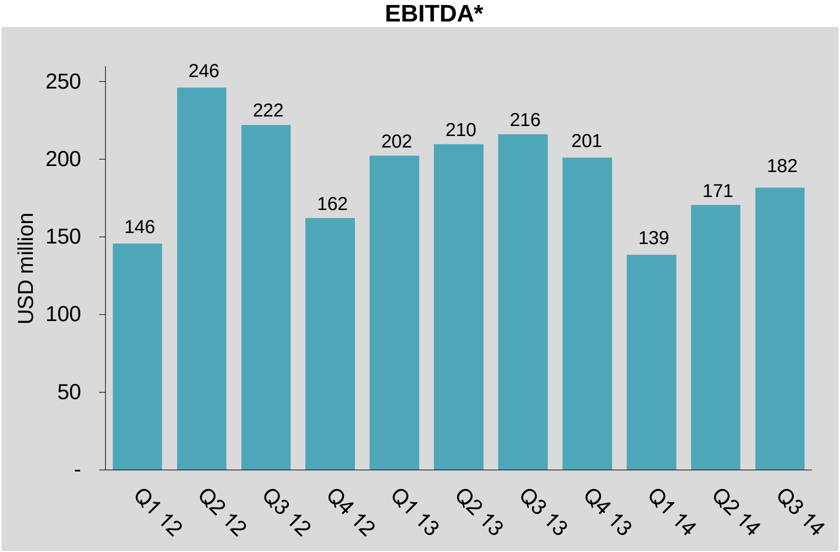


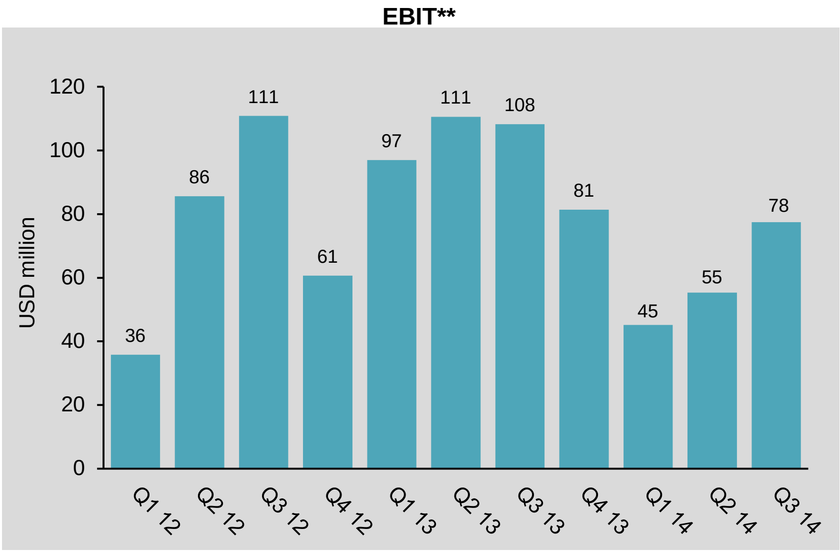
- Q3 2014 performance:
  - Solid marine contract EBIT margin of 27%
  - Weak MultiClient sales due to lack of Triton pre-funding
  - Strong cash flow from operations of USD 231 million
- Market deterioration impacts bidding, pricing and utilization
- Q4 2014:
  - Received first Triton pre-funding
  - Total pre-funding revenues expected to exceed USD 100 million
  - 75% of active capacity allocated to contract work

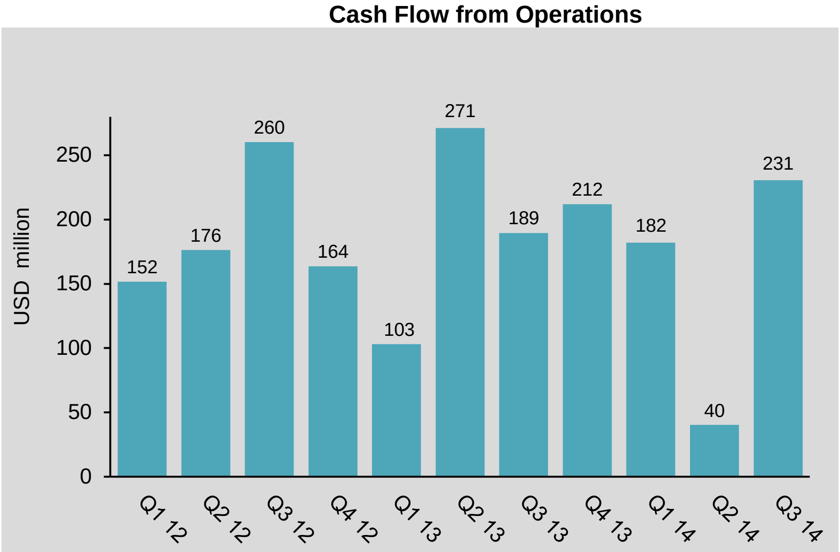
Full year 2014 EBITDA guidance of approximately USD 725 million

Financial Summary





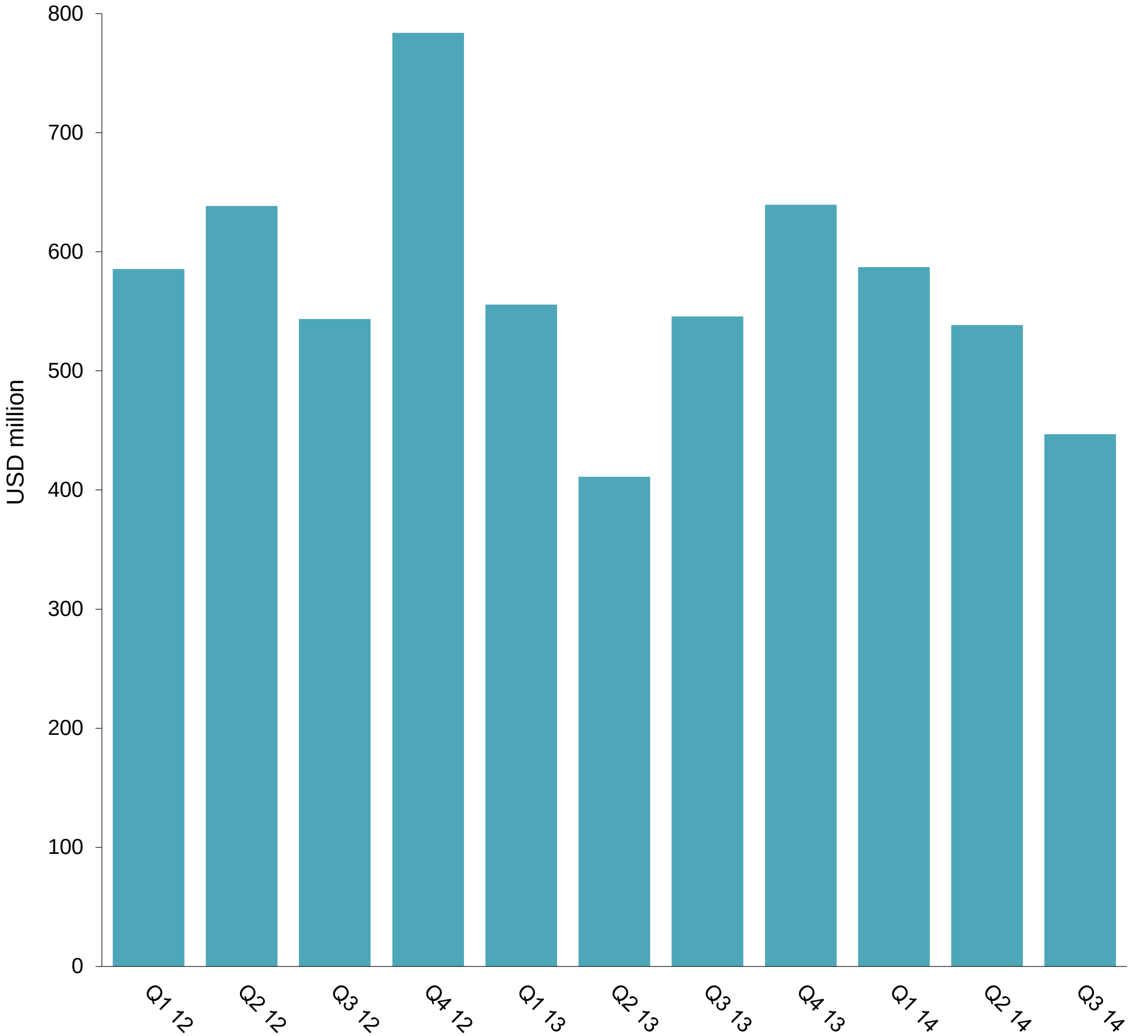




*EBITDA, when used by the Company, means EBIT less other operating (income) expense, impairments of long-term assets and depreciation and amortization.

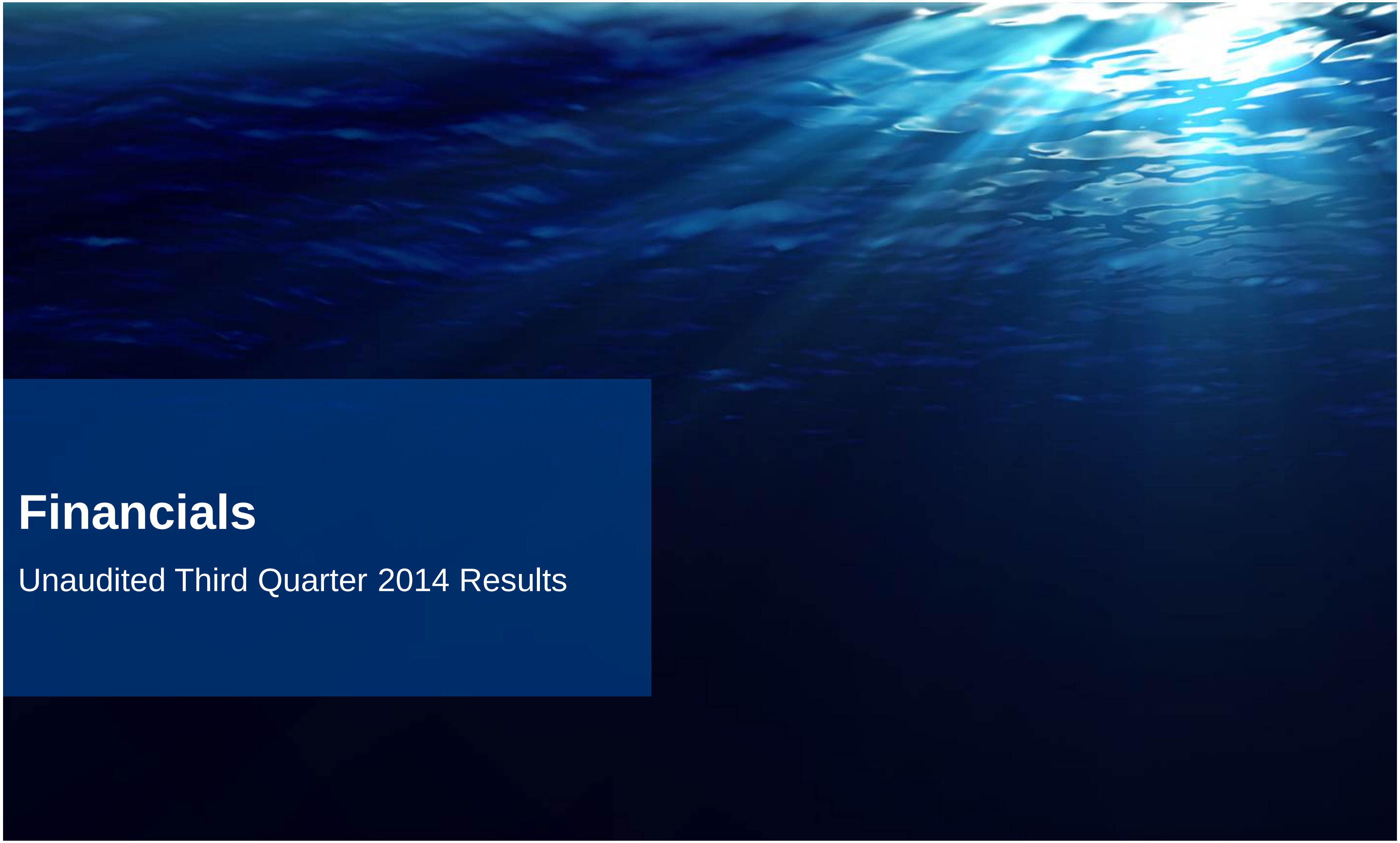
**Excluding impairments of USD 25.0 million in Q3 2014, USD 9.1 million in Q2 2014, USD 15 million in Q4 2013, USD 0.1 million in Q4 2012 and reversal of impairment of USD 0.9 million in Q2 2012.

Order Book



- Order book of USD 466 million by end Q3 2014
- Vessel booking*
  - ~90% booked for Q4 2014
  - ~50% booked for Q1 2015
  - ~15% booked for Q2 2015
  - ~10% booked for Q3 2015

*As of October 20, 2014



Financials

Unaudited Third Quarter 2014 Results

Condensed Consolidated Statement of Operations Summary

	Q3	Q3		Nine months	Nine months	
USD million (except per share data)	2014	2013	% change	2014	2013	% change
Revenues	394.2	365.6	8 %	1 023.6	1 142.1	-10 %
EBITDA*	181.7	216.0	-16 %	490.9	627.9	-22 %
Operating profit (EBIT) ex impairment charges	77.5	108.3	-28 %	177.9	315.7	-44 %
Operating profit (EBIT)	52.5	108.3	-52 %	143.9	315.7	-54 %
Net financial items	(25.1)	(10.4)	-141 %	(69.2)	(32.6)	-112 %
Income (loss) before income tax expense	27.4	97.9	-72 %	74.6	283.1	-74 %
Income tax expense (benefit)	18.9	23.7	-20 %	31.9	74.9	-57 %
Net income to equity holders	8.4	74.2	-89 %	42.7	208.2	-79 %
EPS basic	$0.04	$0.35	-89 %	$0.20	$0.97	-79 %
EBITDA margin*	46.1 %	59.1 %		48.0 %	55.0 %	
EBIT margin ex impairment charges	19.7 %	29.6 %		14.1 %	27.6 %	

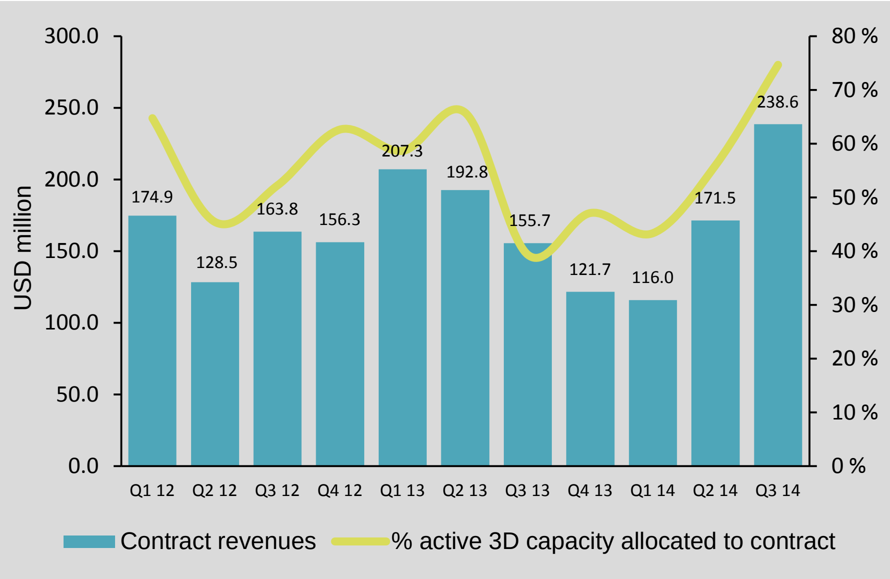
- Impairment charges of USD 25.0 million recorded in Q3 2014 relates to *Pacific Explorer, Nordic Explorer, Southern Explorer* and PGS Khazar
- Net financial items include a foreign currency loss of USD 7.9 million due to USD appreciation and a loss from associated companies relating to exploration expense in Azimuth Ltd.
- The high tax rate in Q3 of 69% is primarily due to foreign exchange movements, increasing the deferred tax expense in the quarter, and non-tax deductible impairment charges

*EBITDA, when used by the Company, means EBIT less other operating (income) expense, impairments of long-term assets and depreciation and amortization.

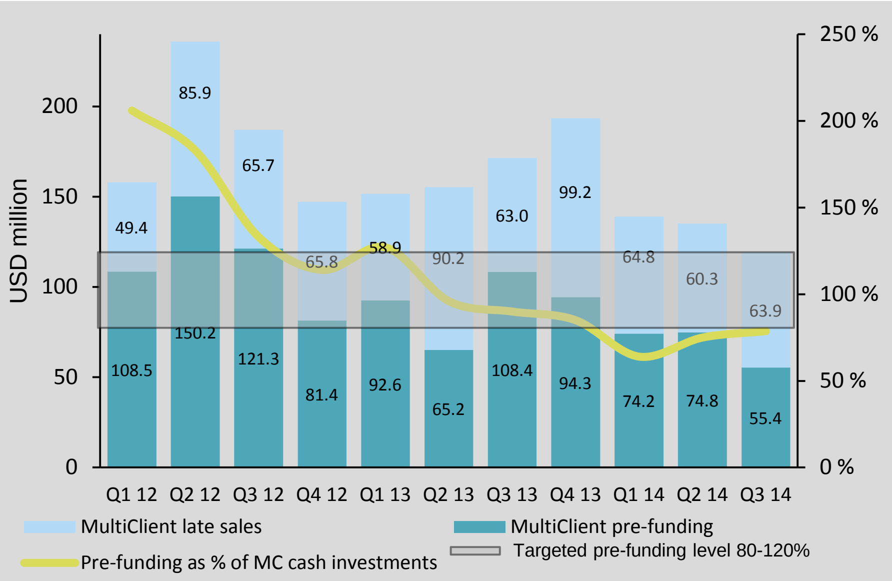
The accompanying unaudited financial information has been prepared under IFRS. This information should be read in conjunction with the unaudited Third quarter 2014 results, released on October 23, 2014.

Q3 2014 Highlights

Contract revenues



MultiClient revenues



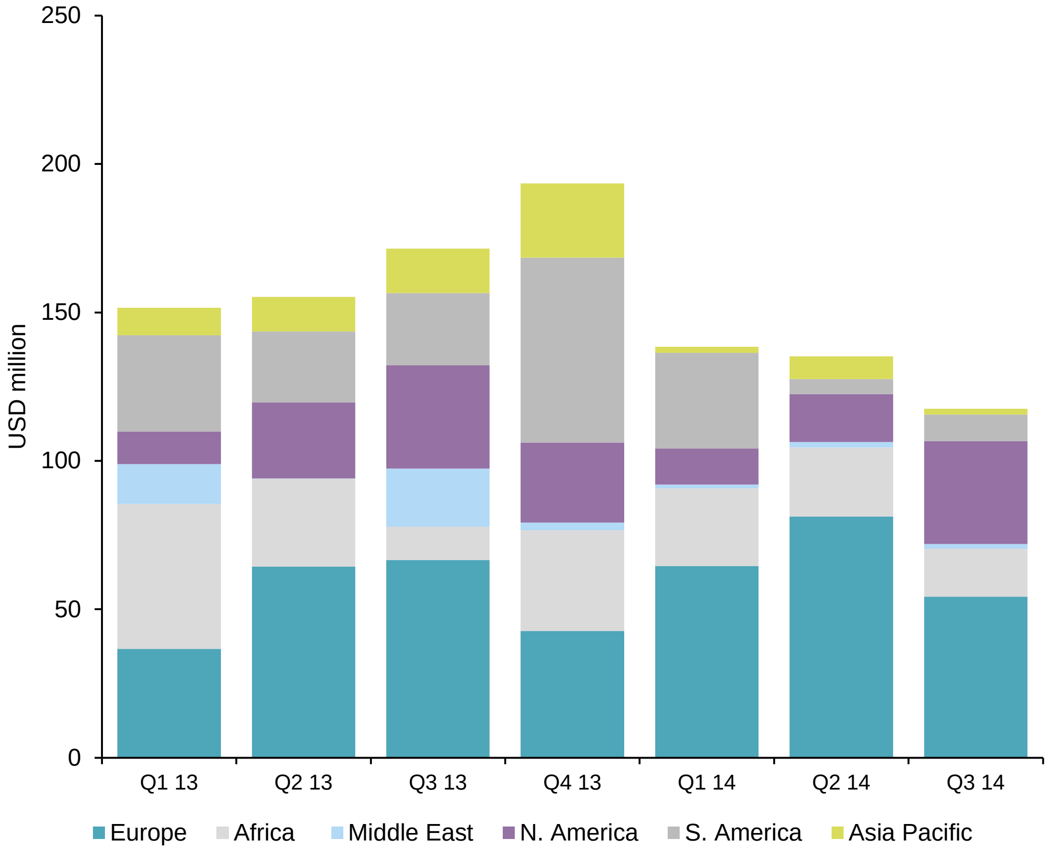
- Marine Contract revenues of USD 238.6 million, with an EBIT margin of 27%

- Total MultiClient revenues of USD 119.3 million
  - Pre-funding level of 79% in Q3 2014 due to lack of pre-funding on the Triton survey in the Gulf of Mexico
  - Pre-funding level of 125% on MultiClient investments excluding Triton
  - Approximately 90% pre-funding level expected for the full year 2014

- Subsequent to Q3 PGS received confirmation for Triton pre-funding
  - PGS expects to apply an amortization rate of 80% on sales from Triton

MultiClient Revenues per Region

Pre-funding and Late Sales Revenues Combined



- Pre-funding revenues were highest in Europe and North America
- Good late sales from Europe, Africa and North America
- Lack of Triton revenues impacted MultiClient revenues

25% of active 3D vessel capacity allocated to MultiClient in Q3 2014

Key Operational Numbers

	2014			2013			
USD million	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Contract revenues	238.6	171.5	116.0	121.7	155.7	192.8	207.3
MultiClient Pre-funding	55.4	74.8	74.2	94.3	108.4	65.2	92.6
MultiClient Late sales	63.9	60.3	64.8	99.2	63.0	90.2	58.9
Imaging	30.6	24.3	28.0	32.6	34.3	28.8	27.1
Other	5.7	6.1	9.5	11.7	4.2	4.7	8.9
Total Revenues	**394.2**	**337.0**	**292.5**	**359.5**	**365.6**	**381.7**	**394.8**
Operating cost	(212.5)	(166.4)	(154.0)	(158.5)	(149.6)	(172.1)	(192.5)
EBITDA*	**181.7**	**170.6**	**138.5**	**201.0**	**216.0**	**209.6**	**202.3**
Other operating income	0.2	0.3	0.2	0.2	0.2	0.2	0.2
Impairment of long-term assets	(25.0)	(9.1)		(15.0)			
Depreciation	(50.5)	(44.0)	(29.8)	(27.2)	(27.2)	(38.8)	(37.5)
MultiClient amortization	(53.9)	(71.6)	(63.7)	(92.6)	(80.7)	(60.4)	(68.2)
EBIT	**52.5**	**46.2**	**45.2**	**66.4**	**108.3**	**110.6**	**96.8**
CAPEX, whether paid or not	(53.1)	(149.4)	(131.9)	(73.3)	(93.2)	(199.9)	(71.4)
Cash investment in MultiClient	(70.4)	(99.6)	(116.2)	(111.0)	(120.9)	(68.1)	(72.9)
Order book	**466**	**558**	**610**	**669**	**579**	**446**	**592**

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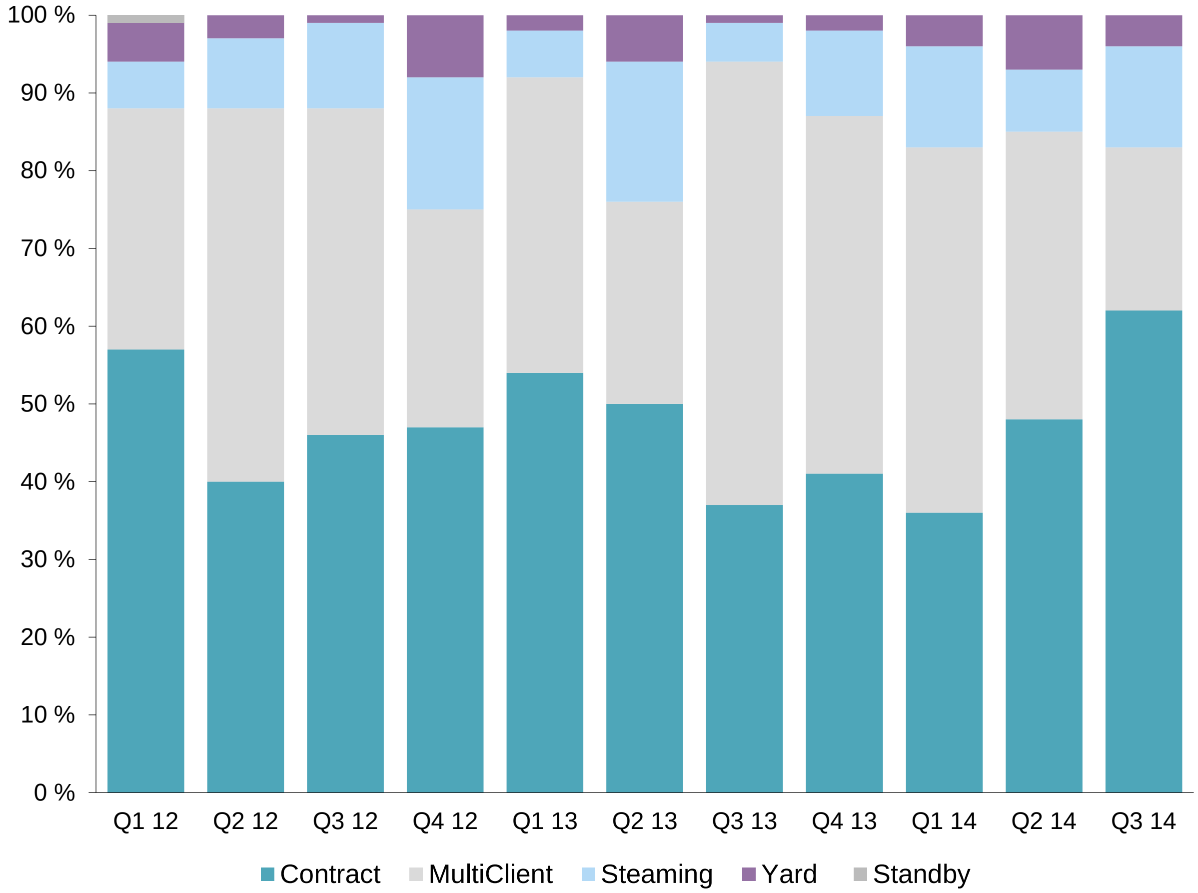
Vessel Utilization

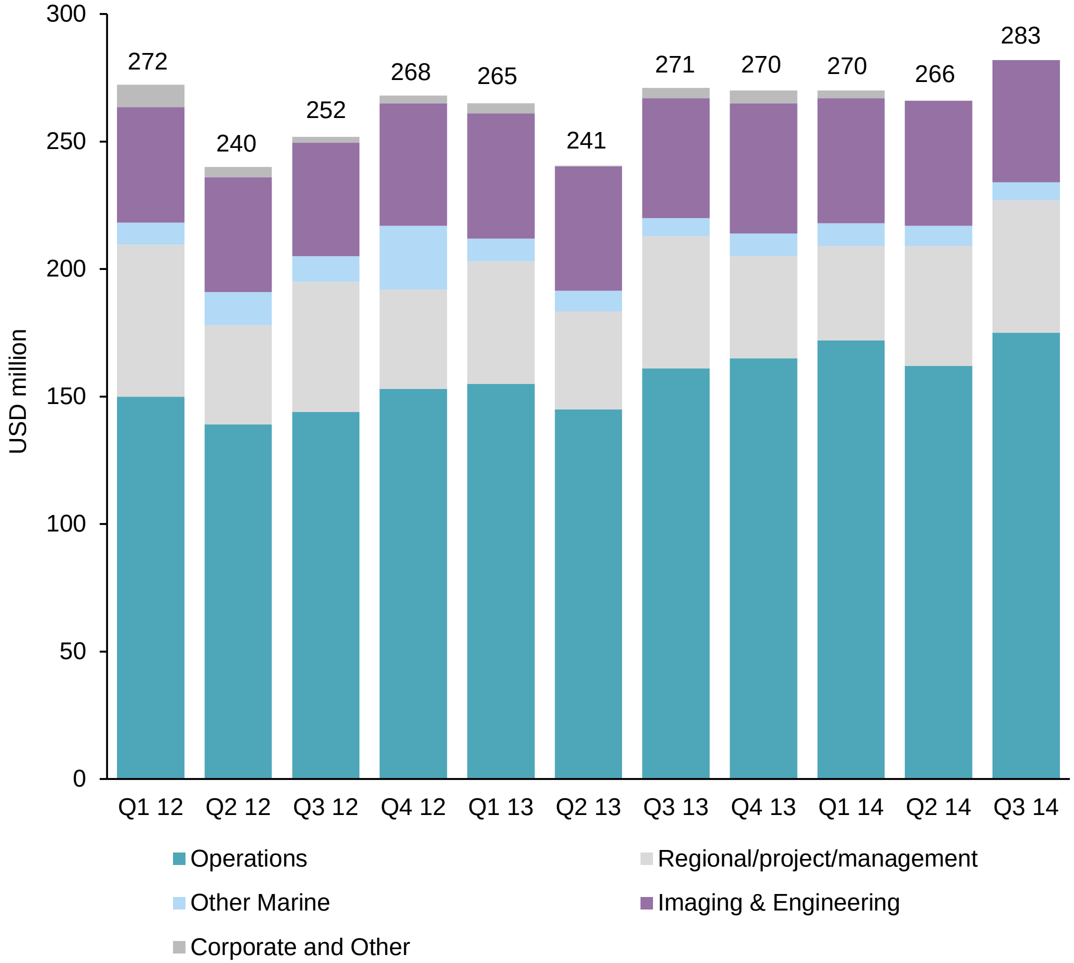
Seismic Streamer 3D Fleet Activity in Streamer Months



- 75% of active 3D capacity scheduled for contract work in Q4
- Steaming expected to account for approximately 15% of total vessel time in Q4
- *PGS Apollo* class renewal yard stay completed late October
- *Ramform Explorer* to complete Barents season end October, followed by class renewal yard stay and warm-stack over the winter

83% active vessel time in Q3 2014

Group Cost* Focus Delivers Results



- Cost increase from Q2 as flagged in the Q2 presentation
- Increase is primarily due to increase of expensed steaming cost, less capitalized yard time, wind-down cost for Pacific Explorer and Nordic Explorer and increased activity in higher cost areas
- USD 10 million quarterly cost reduction from retirement of Pacific and Nordic Explorer will take effect in Q4
- Cost programs expanded and progressing in accordance with plan

Group cash cost is expected slightly down in Q4

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

Consolidated Statements of Cash Flows Summary

USD million	Q3 2014	Q3 2013	Nine months 2014	Nine months 2013
Cash provided by operating activities	230.7	189.4	453.0	563.4
Investment in MultiClient library	(70.4)	(120.9)	(286.3)	(262.0)
Capital expenditures	(70.6)	(76.8)	(337.9)	(352.6)
Other investing activities	(14.4)	(10.7)	(44.7)	(26.1)
Financing activities	(27.8)	(11.7)	42.5	(14.0)
Net increase (decr.) in cash and cash equiv.	**47.5**	**(30.7)**	**(173.4)**	**(91.3)**
Cash and cash equiv. at beginning of period	42.9	329.7	263.8	390.3
Cash and cash equiv. at end of period	**90.4**	**299.0**	**90.4**	**299.0**

- Strong cash provided by operating activities in Q3 was driven by working capital improvements
  - Benefitting from a high working capital in Q2
- Q3 capital expenditure primarily relates to the Ramform Titan-class new builds, GeoStreamer and five year classing of *Ramform Sterling*
  - New build capital expenditure of USD 37.2 million in Q3

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Balance Sheet Position - Key Numbers

USD million	September 30 2014	September 30 2013	Full year 2013
Total assets	3 685.5	3 511.2	3 544.3
MultiClient Library	769.8	520.7	576.9
Shareholders' equity	2 018.3	2 041.5	2 065.6
Cash and cash equiv.	90.4	299.0	263.8
Restricted cash	91.3	88.1	89.4
Liquidity reserve	470.4	799.0	763.8
Gross interest bearing debt	1 235.3	1 040.8	1 040.8
Net interest bearing debt	1 039.5	638.1	666.7

- Liquidity reserve of USD 470.4 million
  - In addition USD 267 million of undrawn funding for the new builds which covers remaining yard payments
- Conservative policy to keep net debt below 1xEBITDA in a strong market and 2xEBITDA in a weak market
- Shareholders' equity at 55% of total assets

Strong balance sheet – well positioned to handle a challenging market

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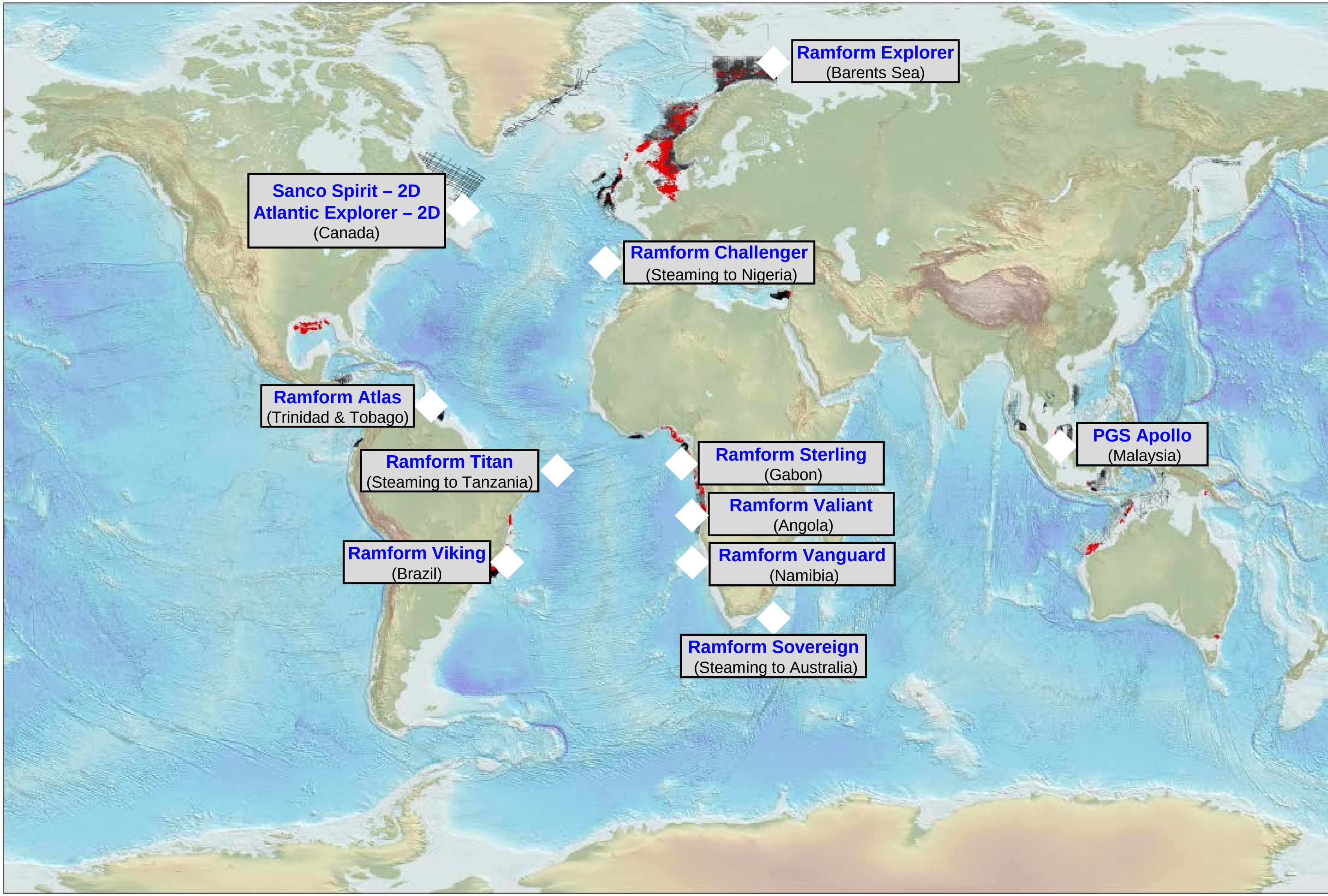
Attractive Debt Structure – No Maturities Before 2018

Long term Credit Lines and Interest Bearing Debt	Nominal Amount as of end September 30, 2014	Total Credit Line	Financial Covenants
USD 400.0 million Term Loan ("TLB"), Libor (minimum 0.75%) + 250 basis points, due 2021	USD 398.0 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 120.0 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 267.2 million	USD 534.2 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

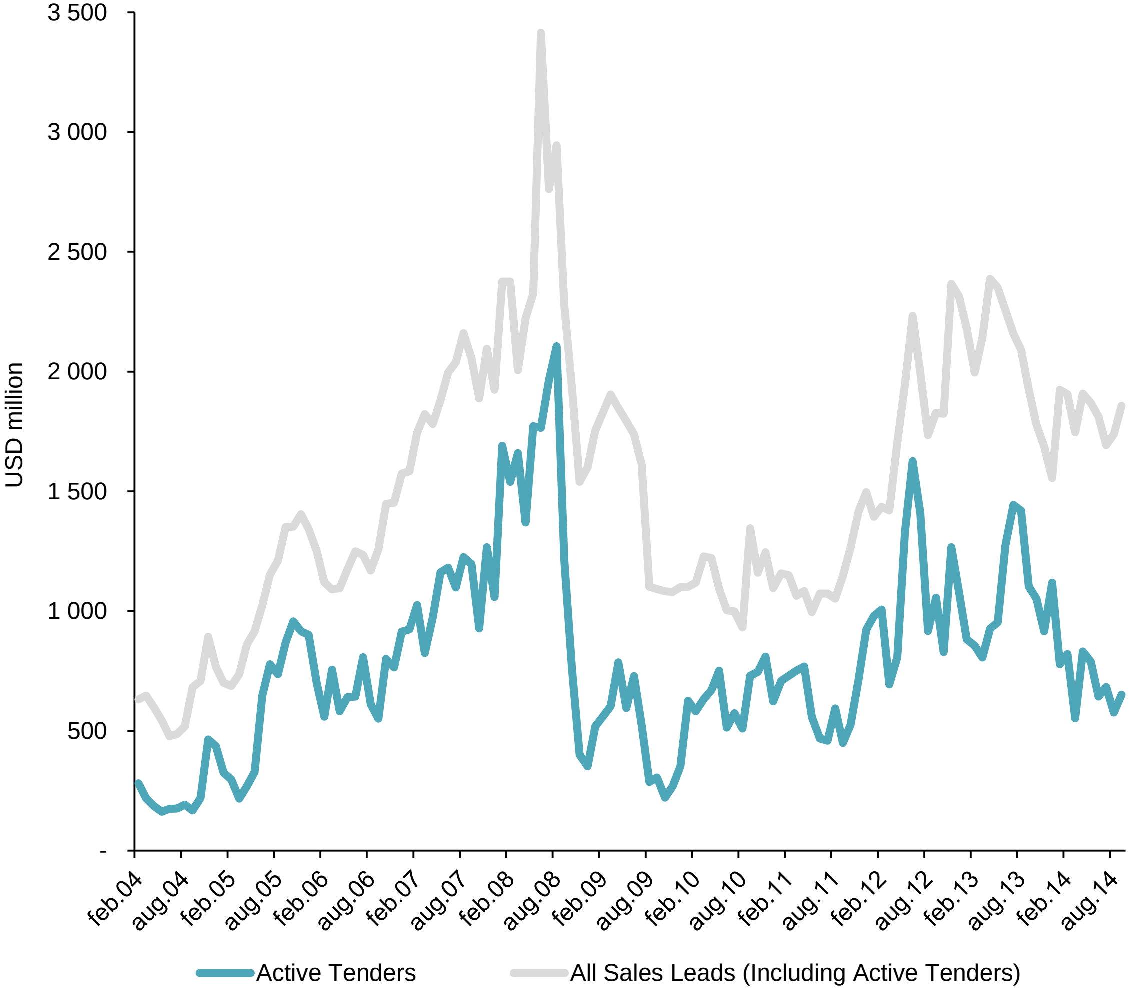
Operational Update and Market Comments

Unaudited Third Quarter 2014 Results

Streamer Operations October 2014



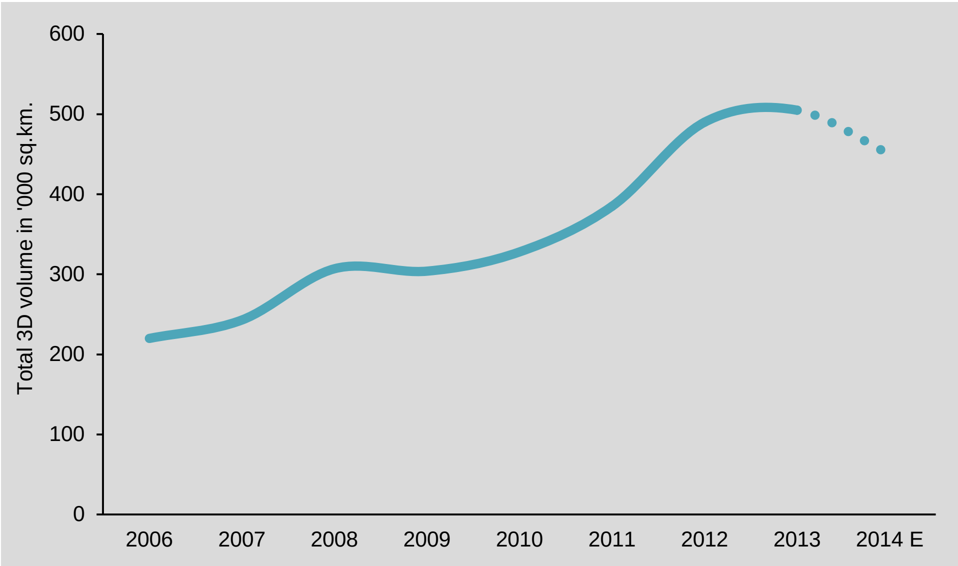
Low Marine Contract Bidding Activity

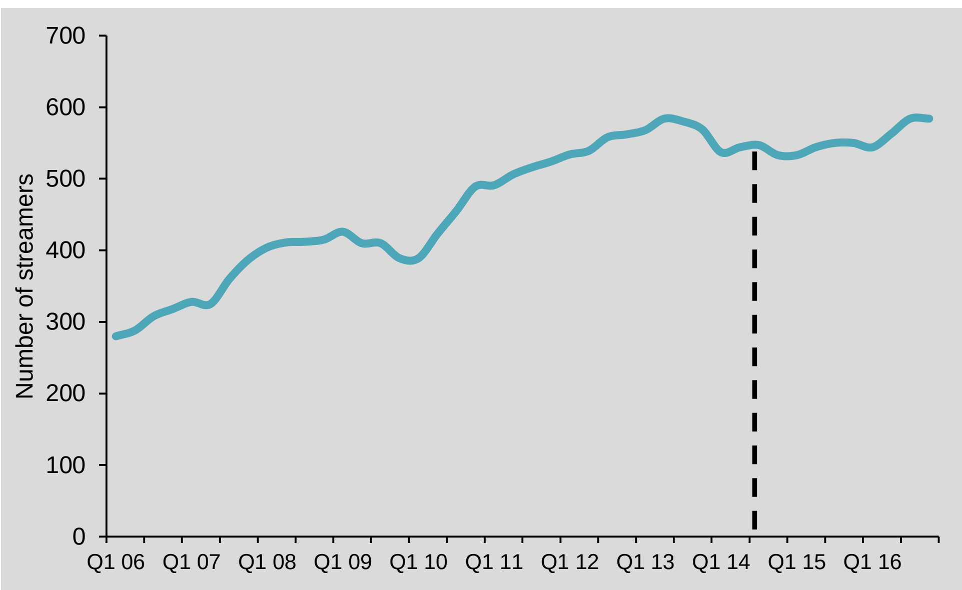


- Substantial value of All Sales Leads, but delays in conversion to active tenders
  - West Africa and Asia Pacific, including Australia represents approximately 70%
  - Increasing value in NSA and Middle East, including the Mediterranean
- Currently low bidding activity
  - Impacts pricing and utilization negatively

Source: PGS internal estimate as of end September 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
- 10% decline is expected in 2014 vs. 2013
- 2014 capacity coming down and modest streamer capacity growth expected thereafter

Year	Yearly average streamer growth
2014	-5%
2015	1%
2016	5%

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.

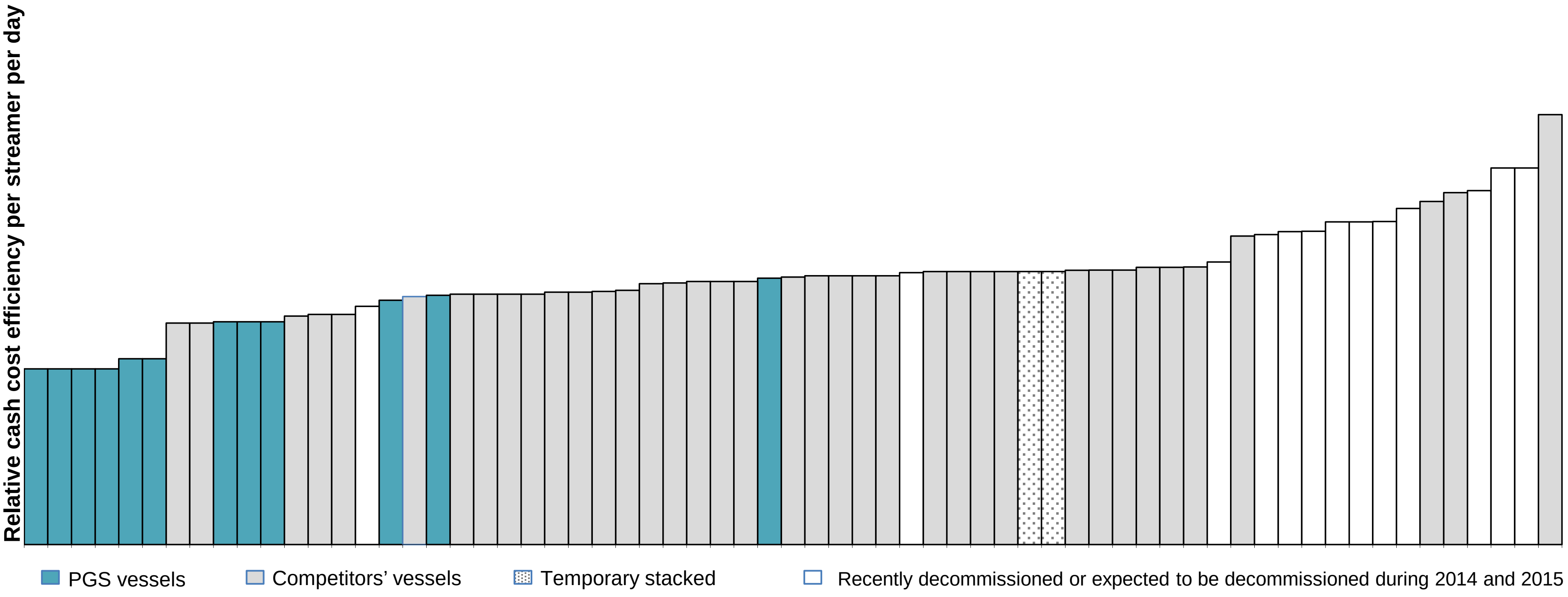
PGS' Strategic Ambition

- **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

Productivity Leadership is Key for Differentiation

Vessel Decommissioning Supportive for Supply/Demand Balance

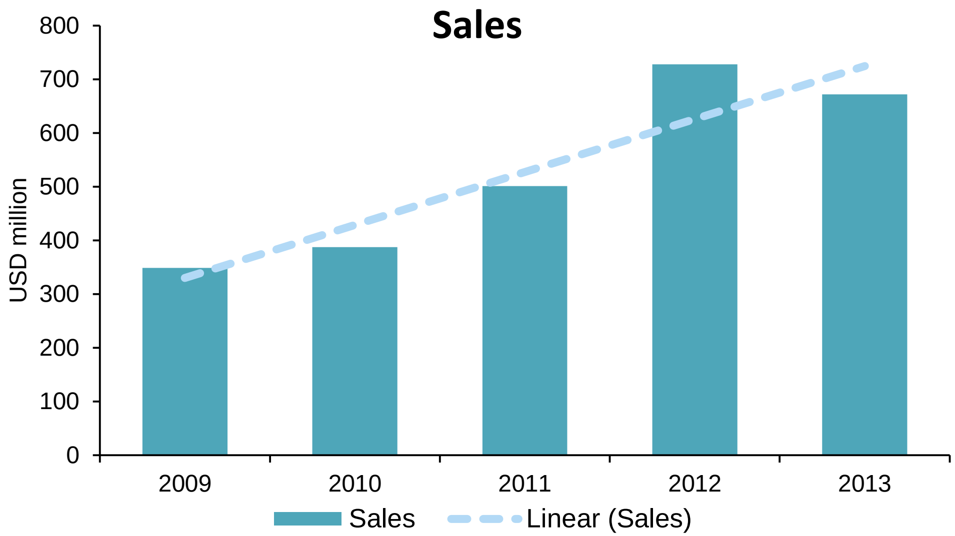


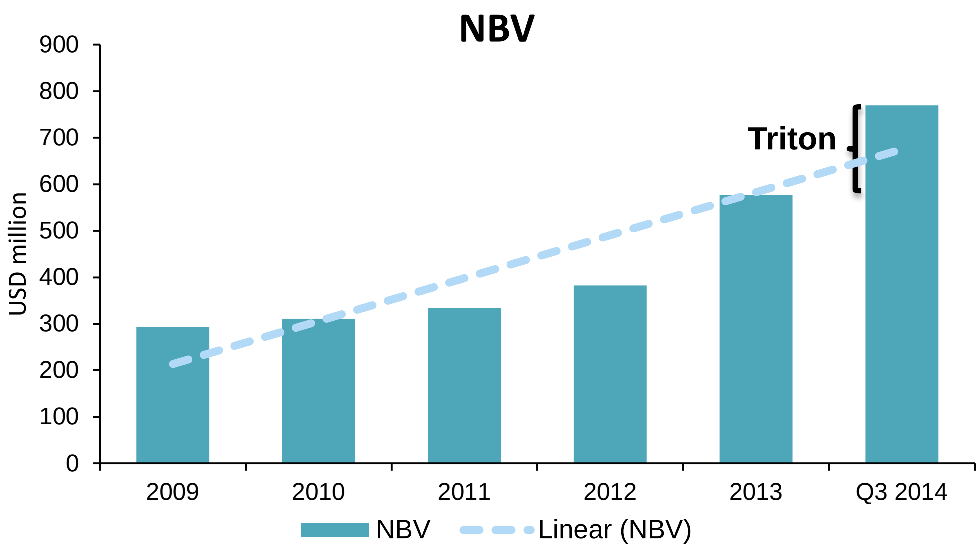
Expected vessel decommissioning reduces streamer capacity by 13%*

*Anticipated vessel decommissioning reduces current expected streamer capacity by end Q4 2016 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.

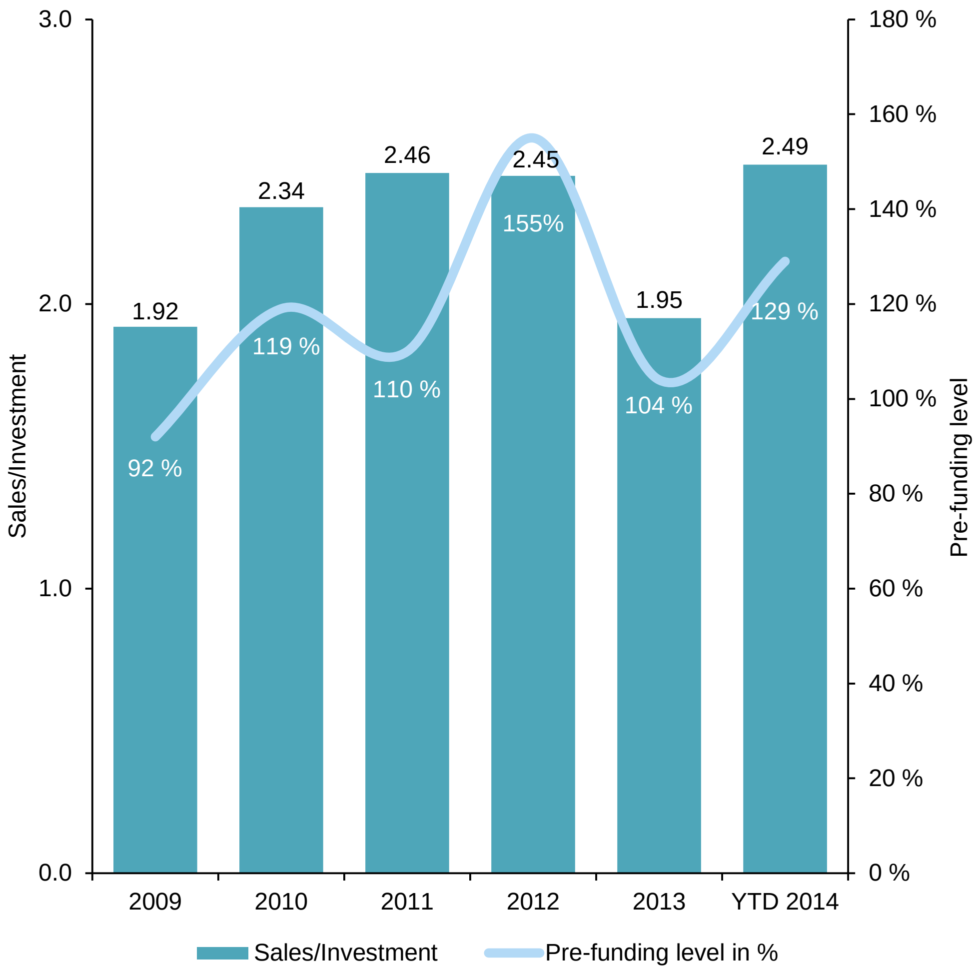
Strong Correlation in MultiClient Sales vs. Net Book Value





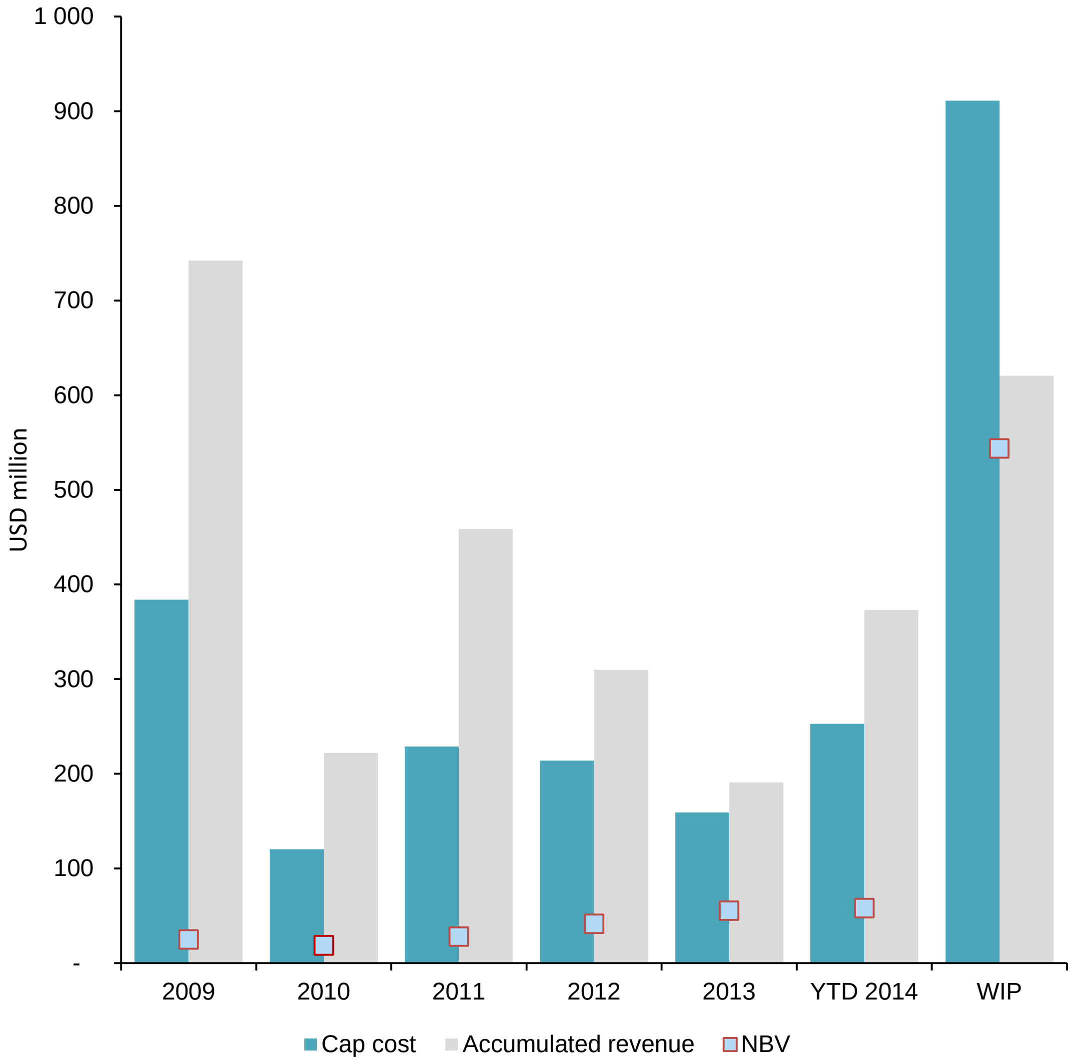
- MultiClient business growing in sales and profitability
- Corresponding NBV growth
  - Varies with annual pre-funding rate
- NBV variation in 2014 is mainly driven by Triton
  - Pre-funding excluding Triton is 125% in Q3
- Flat MultiClient investments in current market environment
  - High pre-funding requirements

Solid MultiClient Performance Excluding Triton



- No indication of declining trend of key MultiClient ratios when Triton is excluded
- Triton sales forecast has been revised in light of competitive situation and sales experience so far
  - No impairment triggered
  - Amortization rate set at 80% of sales
  - First Triton sale confirmed after the end of Q3

Good MultiClient Sales Performance from All Vintages



- Strong sales progress for all vintages
- Moderate net book values (NBV) for surveys completed 2009-2014
- Work In Progress (WIP) spreads over 2-3 years
- Amortization is primarily based on the ratio of cost to forecasted sales
- Full year 2014 amortization rate expected to be in the range of 50-55%

Response to a Softer Market – Fleet Adjustment and CAPEX Reduction

- *Sold Pacific Explorer* and decommissioned *Nordic Explorer*
  - Recurring quarterly cost saving of ~USD 10 million from Q4 2014
- *Atlantic Explorer* will remain a 2D/source/EM vessel
- Shipyard has notified PGS that Ramform Titan-class vessels 3 and 4 will be delayed by 2 and 4 months
  - Now scheduled for late August 2015 and late January 2016 delivery
- 2014 capex revised down from USD 425 million to USD 375 million
- *Ramform Explorer* to complete Barents season end October, followed by class renewal yard stay and warm-stack over the winter
- In process of selling PGS Khazar joint venture

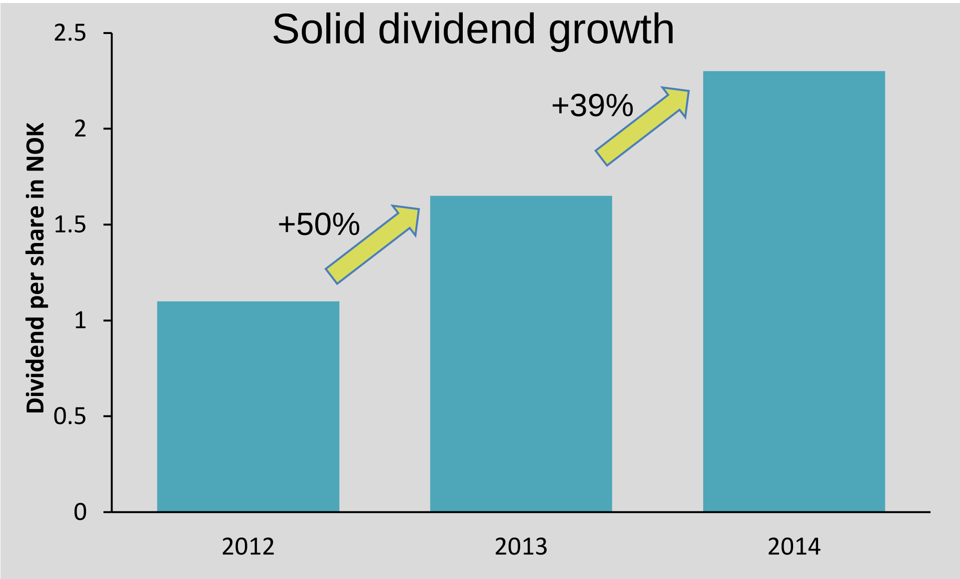
Measures safeguard PGS' dividend capacity

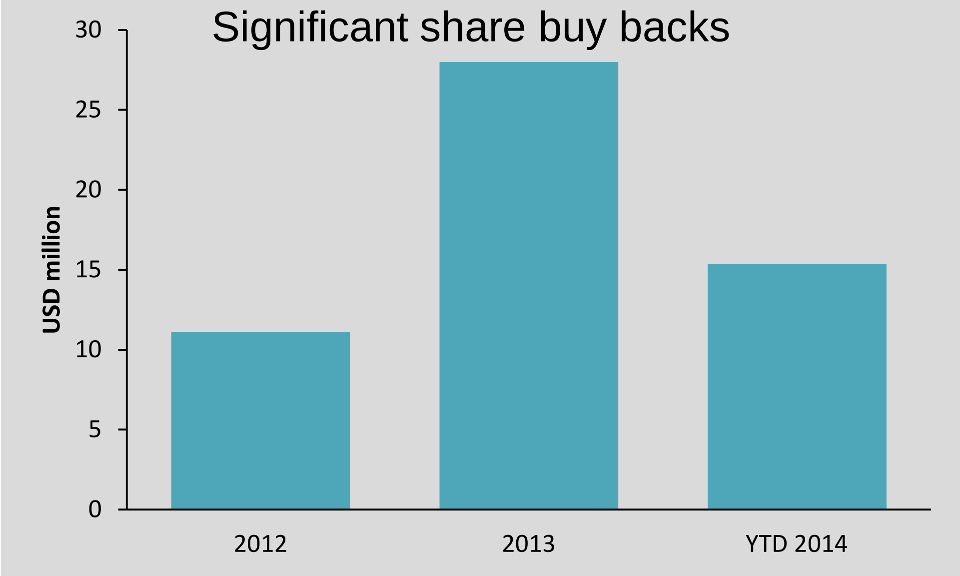
Profit Improvement and Cost Initiatives

Program	Launched	Initiatives	Goal	Status
Profit Improvement Program	December 2011	• Converted Nordic Explorer to 2D • General belt tightening • Yard-stay management: Cost-Quality-Duration • Improved vessel logistics • Renewal of support fleet	USD 50 million EBIT run rate improvement	Completed year-end 2012
Cost Reduction Program	Launched Q1 2014	• Fleet adjustments • Reduced travel activity • Sale of non-core assets • Restructuring of offices	USD 30 million run rate by end 2014	On track to exceed USD 60 million

Continuously pursuing further efforts to streamline operations

Dividend Capacity is a Priority





- Solid dividend growth since dividend policy was introduced in 2011
- Dividend capacity is a priority
- With current market conditions PGS expects to pay the same dividend in 2015 as paid in 2014
- Significant share buy backs
  - Close to USD 30 million in 2013
  - More than USD 15 million YTD in 2014

Market Outlook

- Deteriorating market conditions, including a weakening of the oil price
- Cautious spending pattern among oil companies impacts bidding, pricing and utilization negatively
- The weak market is expected to continue throughout 2015
- Decommissioning of vessels is supportive for the supply/demand balance

2014 Guidance

EBITDA is expected to be approximately USD 725 million

MultiClient cash investments of approximately USD 350 million

- Pre-funding level of approximately 90%

Capital expenditures of approximately USD 375 million

- Approximately USD 225 million relates to the new-build program

In Conclusion:
Robust Balance Sheet - Well Positioned for a Challenging Market

- Cost effective operations
- Improved productivity
- Solid balance sheet
- No debt maturities before 2018
- Solid MultiClient sales performance
- Returning cash to shareholders

Competitively Positioned – Performance Through the Cycle

Thank you – Questions?

Appendix
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

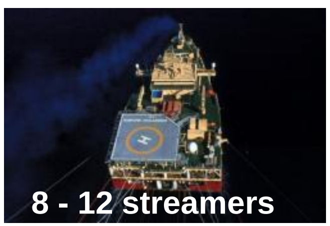
Appendix

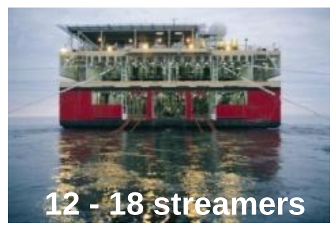
Continuously Ahead of Competition

	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

Appendix
Main Yard Stays Next 6 Months

Vessel	When	Expected Duration	Type of Yard Stay
PGS Apollo	September /October 2014	Approximately 24 days	Renewal class
Ramform Explorer	November/December 2014	Approximately 35-40 days	Renewal class