Third Quarter 2012 Results

October 25, 2012 Oslo, Norway

www.pgs.com

PGS

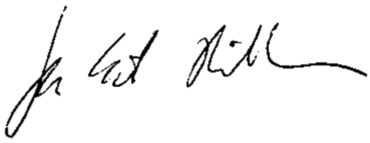
GeoStreamer® Delivers Strong Performance and Better Pricing

Highlights Q3 2012

- Revenues of $388.3 million, up 14% from Q3 2011
- EBITDA of $222.1 million, up 45% from Q3 2011
- EBIT of $110.9 million, up 149% from Q3 2011
- Group EBIT margin of 29%, up from 13% in Q3 2011
- Cash flow from operations of $260.2 million, up 74% from Q3 2011
- $250 million Japanese export credit financing established for the two first Ramform Titan-class new builds
- Options for two additional Ramform Titan-class vessels exercised in October
- Successful launch of Towed EM technology
- Full year 2012 EBITDA guidance increased to approximately $800 million

“Our third quarter results reflect good performance and an improved seismic market. Strong client demand for GeoStreamer has successfully secured an attractive order book into the 2013 summer season.

The two new builds scheduled for delivery next year, and the additional two scheduled for delivery in 2015, will position us even more favourably in a strengthening seismic market.”



Jon Erik Reinhardsen,
President and Chief Executive Officer

Key Financial Figures (In USD millions, except per share data)	**3rd quarter**		**Nine months**		**Full year**
	2012 Unaudited	**2011 Unaudited**	**2012 Unaudited**	**2011 Unaudited**	**2011 Audited[2)]**
Revenues	388.3	339.9	1,158.2	908.7	1,253.3
EBITDA (as defined)	222.1	153.2	614.0	389.7	534.8
EBIT ex. impairment charges [1)]	110.9	44.5	232.3	95.9	141.3
EBIT as reported	110.9	44.5	233.2	95.9	138.7
Income before income tax expense	101.9	31.2	183.5	52.3	64.8
Net income to equity holders	86.9	13.5	145.4	28.2	33.7
Basic earnings per share ($ per share)	0.40	0.06	0.67	0.13	0.16
Diluted earnings per share ($ per share)	0.40	0.06	0.67	0.13	0.15
Net cash provided by operating activities	260.2	149.6	588.2	329.9	480.4
Cash investment in MultiClient library	91.4	61.5	226.1	175.4	203.9
Capital expenditures (whether paid or not)	76.6	40.9	228.6	232.8	279.9
Total assets (period end)	3,031.6	2,907.6	3,031.6	2,907.6	3,137.2
Cash and cash equivalents (period end)	290.3	176.9	290.3	176.9	424.7
Net interest bearing debt (period end)	381.1	421.6	381.1	421.6	394.2

1) In Q2 2012 there was a net reversal of impairments of $0.9 million. Net impairment charge for the full year 2011 was $2.6 million.
2) Derived from the audited financial statement.

PGS Group

In USD millions	3rd quarter		Nine months		Full year
	2012	2011	2012	2011	2011
Revenues	388.3	339.9	1,158.2	908.7	1,253.3
EBITDA	222.1	153.2	614.0	389.7	534.8
EBIT excl imp. charges and other operating income	110.7	40.1	231.4	91.5	136.9
Net imp. and other operating income	0.2	4.4	1.8	4.4	1.8
EBIT as reported	110.9	44.5	233.2	95.9	138.7
Pretax income	101.9	31.2	183.5	52.3	64.8
Net income	86.9	13.5	145.4	28.2	33.7

In Q3 2012 revenues for Petroleum Geo-Services ASA ("PGS" or "the Company") were 14% higher than in Q3 2011, mainly due to significantly higher MultiClient pre-funding revenues, partially offset by lower MultiClient late sales. The Q3 2012 EBIT of $110.9 million is significantly higher than Q3 2011 as a result of strong improvement of margins both for marine contract services and MultiClient.

The Profit Improvement Program, targeting a $50 million EBIT run rate improvement by end 2012, is on track with more than $40 million run rate improvement implemented by the end of Q3 2012.

In USD millions	3rd quarter		Nine months		Full year
	2012	2011	2012	2011	2011
Contract revenues	163.8	164.9	467.2	461.6	627.0
MC pre-funding	121.3	61.1	379.9	185.2	223.5
MC late sales	65.7	83.0	201.0	170.6	278.3
Processing [1)]	33.1	27.5	92.1	80.2	110.0
Other	4.3	3.3	17.9	11.0	14.4
Total revenues	388.3	339.9	1,158.2	908.7	1,253.3
MC cash investment	91.4	61.5	226.1	175.4	203.9
Pre-funding % [2)]	141%	99%	168%	106%	110%
Opex	(166.2)	(186.7)	(544.2)	(518.9)	(718.5)
Vessel allocation [3)]					
Contract	46%	59%	48%	56%	59%
MultiClient	42%	34%	40%	29%	24%
Steaming	11%	6%	9%	9%	11%
Yard	1%	1%	3%	6%	6%
Standby	0%	0%	0%	0%	0%

[1)] External Processing revenues.
[2)] Pre-funding revenues as a percentage of MultiClient cash investment
[3)] Percentage of total 3D streamer capacity measured in streamer utilization.

Marine contract revenues in Q3 2012 were slightly higher than in Q3 2011, despite significantly less 3D capacity allocated to contract work. The higher revenues are due to a generally stronger seismic market, higher prices and improved profitability of the Company's increasingly GeoStreamer focused services. The EBIT margin for marine contract acquisition work was approximately 28% in Q3 2012, up from 20% in Q2 2012 and 4% in Q3 2011. The Company expects the marine contract EBIT margin to be in the high end of the 15%-20% range for the full year 2012. Marine contract EBIT margins will fluctuate from quarter to quarter.

Pre-funding revenues in Q3 2012 corresponded to 141% of capitalized MultiClient cash investments, excluding capitalized interest and purchase of third party libraries, compared to 99% in Q3 2011. The high pre-funding rate in Q3 2012 is primarily due to strong MultiClient projects in Angola and in the North Sea. PGS is experiencing strong customer interest for its North Sea GeoStreamer MultiClient campaigns and the Company intends to continue MultiClient GeoStreamer campaigns in the North Atlantic region next year.

The increase of capitalized cash investment in the MultiClient library in Q3 2012, compared to Q3 2011, primarily reflects more capacity allocated to MultiClient.

MultiClient late sales in Q3 2012 were lower than in Q3 2011 primarily due to lower sales in North America, partially offset by higher sales in Europe and South America.

In Q3 2012 Data Processing (“DP”) had its best quarter ever in external processing revenues. The revenue increase is driven by growth in high-end technology processing such as GeoStreamer and depth processing. DP benefits from its global presence, as the growth is geographically diverse with all regions reporting increases.

Operating expenses (before depreciation, amortization and impairments) decreased by $20.5 million in Q3 2012 compared to Q3 2011. The decrease is primarily due to increased costs capitalized to the MultiClient library.

The order book totaled $608 million at September 30, 2012, including $78 million of committed pre-funding on scheduled MultiClient projects and the estimated remaining value of the OptoSeis agreement with Petrobras, compared to $689 million at June 30, 2012 and $501 million at September 30, 2011. There has been a significant inflow of awards to the order book in October amounting to $165 million with another $110 million in process of being signed.

Technology

In USD millions	3rd quarter		Nine months		Full year
	2012	2011	2012	2011	2011
R&D cost gross	18.7	14.5	41.0	32.8	42.7
Capitalized dev. costs	(7.0)	(5.0)	(14.5)	(10.5)	(18.4)
Net R&D costs	11.7	9.4	26.4	22.2	24.3

In Q3 2012 PGS mobilized the *Nordic Explorer* for the Company’s first Towed electromagnetic (“EM”) surveys with industry pre-funding in the North Sea. The surveys are a milestone in developing a new business for the Company. Combining seismic data with EM measurements reduces oil companies’ risk of drilling dry wells. Operation of the surveys is going according to plan and the preliminary data are very encouraging.

The Company’s R&D costs mainly relate to the current core business activities of marine seismic acquisition and processing plus the development and completion of the Company’s EM solution.

The increase in gross R&D cost Q3 2012 compared to the Q3 2011 is driven by an increase in dedicated field trial activity and a shift of resources from operational overhead towards projects classified as R&D. These increases are partially offset by a year over year reduction in R&D relating to EM, as Q3 2011 resources focusing on delivering commercial systems and developing prototype hardware were not repeated. Excluding field trial activity, the overall resource levels have remained roughly the same. The increase in capitalized amount in Q3 2012 compared to Q3 2011 results primarily from dedicated seismic acquisition field trial activity and development of data processing software. These increases were offset by a reduction in the amount of towed EM development capitalized.

Depreciation and Amortization

In USD millions	3rd Quarter		Nine months		Full year
	2012	2011	2012	2011	2011
Gross depreciation	56.5	55.9	167.3	157.6	210.8
Capitalized depreciation to MC library	(23.5)	(14.6)	(65.3)	(44.7)	(50.0)
Amortization of MC library	78.5	71.8	280.7	185.3	237.0
Depreciation and amortization	111.4	113.2	382.6	298.2	397.9

Capitalized depreciation to the MultiClient library increased by $8.9 million in Q3 2012 compared to Q3 2011 as a result of more 3D vessel capacity allocated to MultiClient in the quarter.

Amortization of the MultiClient library as a percentage of MultiClient revenues was 42% in Q3 2012 compared to 50% in Q3 2011. The lower amortization rate is primarily due to a lower amortization rate on pre-funding revenues as a result of stronger sales-to-cost ratio for surveys acquired in 2012. In addition, the average amortization rate on late sales is lower due to increased sales of data with low book values.

Effective January 1, 2012, the Company amended its method for calculating amortization by introducing more amortization categories. In order to more precisely report amortization, PGS now use 5% intervals ranging from 30-95% of sales amounts, with a minimum of 45% for pre-funding.

Interest Expense

In USD millions	3rd Quarter		Nine months		Full year
	2012	2011	2012	2011	2011
Gross interest expense	(11.9)	(11.8)	(39.3)	(37.2)	(50.5)
Capitalized interest MC library	1.1	1.9	4.3	5.0	6.4
Capitalized interest constr. in progress	2.3	0.7	5.1	1.1	1.9
Interest expense	(8.4)	(9.3)	(30.0)	(31.2)	(42.2)

Capitalized interest to construction in progress will continue to increase going forward as a result of the Company's new build program.

Other Financial Income

In USD millions	3rd Quarter		Nine months		Full year
	2012	2011	2012	2011	2011
Interest income	1.0	1.8	3.4	4.4	7.6
Gain from sale of available for sale investments	1.1	7.4	1.6	10.7	11.0
Fair value adjustments on financial instruments	---	---	0.3	---	---
Gain on investment in shares available for sale	---	0.2	---	0.2	0.2
Other	0.5	2.1	1.6	2.4	6.0
Other financial income	2.6	11.6	6.9	17.7	24.7

In Q3 2012 the Company sold its remaining holding of bonds issued by Seabird Exploration PLC ("SeaBird") for $24.4 million and recorded a gain of $1.1 million. The gain in Q3 2011 was primarily related to sale of minority positions in smaller E&P companies, including shares contributed to Azimuth Ltd.

Other Financial Expense

In USD millions	3rd Quarter		Nine months		Full year
	2012	2011	2012	2011	2011
Fair value adjustments on financial instruments	(1.4)	(2.8)	(4.7)	(9.0)	(11.6)
Loss on repurchase of convertible notes	---	(2.3)	(7.5)	(2.3)	(5.7)
Impairment of shares available for sale	---	---	---	---	(9.6)
Other	(1.2)	(0.2)	(5.6)	(3.0)	(6.9)
Other financial expense	(2.6)	(5.3)	(17.8)	(14.3)	(33.7)

The reduction in other financial expense from Q3 2011 to Q3 2012 primarily relates to the loss recorded in Q3 2011 from repurchase of $51.4 million of nominal value of the Company's convertible notes at a price of 98.5% of par.

The fair value adjustments on financial instruments in Q3 2012 relates to fair value adjustment of Geokinetics preferred stock.

Currency Exchange Gain (Loss)

In Q3 2012 there was a currency exchange loss of $0.9 million compared to a loss of $10.3 million in Q3 2011. The Company holds foreign currency positions to balance its operational currency exposure. These positions are marked to market at each balance sheet date together with receivables and payables in non-US currencies, generally causing a currency exchange loss in financial items when the US dollar appreciates.

Income Tax Expense and Tax Contingencies

In Q3 2012 the income tax expense was $15.0 million compared to $16.7 million in Q3 2011. The current tax expense in Q3 2012 was $9.2 million compared to a benefit of $4.3 million in Q3 2011. Deferred tax in Q3 2012 was $5.8 million compared to $21.0 million in Q3 2011. The reported tax expense for the current quarter is positively impacted by tax exempt profit on vessel operations within tonnage tax regimes and foreign exchange movements relating to deferred tax assets in Norway.

The Company has an ongoing dispute with the tax office of Rio de Janeiro in Brazil related to ISS tax on the sale of MultiClient data relating to years 2000 and onwards. The issue has been disclosed in annual and quarterly reports since 2005 and the latest details can be found in the 2011 annual report. At September 30, 2012, the Company estimates the total exposure to be approximately $159 million, including possible penalties and interest. Because the Company considers it more likely than not that the contingency will be resolved in its favor, no provision has been made for any portion of the exposure. Deposits made in 2010 and 2011 to be able to file lawsuits seeking to confirm that sale of MultiClient data are not subject to ISS amounted to $94 million.

Following a federal tax audit in Brazil for the years 2006-2008, the Company received in May 2012 two tax assessments for 2008 claiming approximately $70 million including possible interests and penalties. One assessment asserts that seismic vessels do not meet the definition of a vessel and therefore the charters into Brazil are subject to a 15% withholding tax instead of 0%. The second assessment levies a 10% tax ("CIDE") on the same charters. PGS believes the claims are unmerited and have a low probability of prevailing and has been advised that it is likely that it will be successful in achieving a positive decision at the administrative or judicial level. In July 2012, the first administrative appeal level ruled in favor of PGS with respect to the withholding tax claim but upheld the CIDE assessment.

Capital Expenditures[1)]

In USD millions	3rd Quarter		Nine months		Full year
	2012	2011	2012	2011	2011
Seismic equipment	22.0	26.0	67.2	117.7	136.8
Vessel upgrades/Yard	1.9	3.3	14.6	52.5	67.5
Processing equipment	2.5	2.7	13.3	9.8	17.0
New Builds	47.8	7.6	127.8	48.6	53.6
Other	2.4	1.3	5.7	4.1	5.0
Total	76.6	40.9	228.6	232.7	279.9

[1)] *Includes capital expenditure incurred, whether paid or not.*

The main capital expenditures in Q3 2012 were for seismic equipment, primarily GeoStreamer, vessel upgrades and costs in relation to the new builds.

New Builds

In April 2011, PGS ordered two new generation Ramform Titan-class vessels, with options for another two vessels from Mitsubishi Heavy Industries Ltd. The options were exercised October 12, 2012. Agreed deliveries of the two first vessels are in 2013, and progress is according to plan. Vessel 3 and 4 are scheduled for delivery in 2015. When completed the four new builds will be a part of the 11 vessel fleet of Ramform icons.

Before exercising the options PGS established export credit financing for the first two vessels at attractive terms (see the "Liquidity and Financing" paragraph for more details).

The estimated total cost for each of the two first vessels scheduled for delivery in 2013 is approximately $250 million, including commissioning and a comprehensive seismic equipment package, but excluding capitalized interest and post-delivery cost.

The agreement with the shipyard for all four vessels provides for payment based on five defined milestones, with 50% payable at delivery. Seismic equipment is procured by PGS separately from the shipbuilding contract. Total capital expenditures related to the new builds in 2012 is expected to be approximately $250 million. Accumulated capital expenditures related to the new builds at September 30, 2012 was $179.9 million.

Liquidity and Financing

Net cash provided by operating activities was $260.2 million in Q3 2012 compared to $149.6 million in Q3 2011. The increase primarily relates to improved earnings and a positive working capital development.

At September 30, 2012, cash and cash equivalents amounted to $290.3 million, compared to $198.9 million at June 30, 2012 and $176.9 million at September 30, 2011. The increase is primarily due to sale of the Seabird bonds and an improved working capital development.

Restricted cash amounted to $89.4 million at September 30, 2012, compared to $88.4 million at June 30, 2012 and $93.3 million at September 30, 2011.

The relatively high amount of restricted cash relates to deposits made in 2010 and 2011 of approximately $94 million to initiate law suits with the Rio de Janeiro courts to seek confirmation that sale of MultiClient data in Brazil is not subject to ISS tax (see annual report 2011 for more details). The deposits are denominated in Brazilian Real.

At September 30, 2012, $470.5 million and $300 million were outstanding under the Term Loan B maturing in 2015 and the Senior Note maturing in 2018, respectively. There are no drawings on the $350.0 million revolving credit facility maturing in 2015.

In October 2012 PGS established export credit financing for the two first Ramform Titan-class vessels scheduled for delivery in 2013. Through a wholly owned subsidiary the Company has signed two loan agreements for an aggregate of $250 million to finance these new builds. The lenders are Japan Bank for International Cooperation ("JBIC") and Sumitomo Mitsui Banking Corporation ("SMBC"), with Nippon Export and Investment Insurance ("NEXI") insuring a majority of the SMBC portion of the loans. The loans will have a tenor of 12 years from delivery of the vessels with capital repayment being by semi-annual equal installments. Lenders will have first priority mortgage over the two vessels due for delivery in 2013. Half the loan will carry a fixed interest rate while the other half will be subject to a revolving 6 months floating interest rate plus a margin. The combined expected interest rate, including insurance premium to NEXI, is estimated to be approximately 2.30% p.a.

Total interest bearing debt, including capital leases, was $771.5 million at September 30, 2012 compared to $771.5 million at June 30, 2012 and $750.6 million at September 30, 2011.

Net interest bearing debt (interest bearing debt less cash and cash equivalents, restricted cash and interest bearing investments) was $381.1 million at September 30, 2012 compared to $441.9 million at June 30, 2012 and $421.6 million at September 30, 2011.

PGS still has approximately EUR 20 million outstanding from Factorias Vulcano for the cancelled Arrow vessels. The net book value of PGS' claims is approximately $9 million.

At September 30, 2012 the Company had approximately 78% of its debt at fixed interest rates. The weighted average cash interest cost of gross debt reflects an interest rate of approximately 5.5%, including credit margins paid on the debt.

The revolving credit facility contains a covenant whereby total leverage ratio (as defined) cannot exceed 2.75:1. At September 30, 2012 the total leverage ratio was 1.03:1.

Subsequent Events

In October PGS established export credit financing for the two first Ramform Titan-class vessels scheduled for delivery in 2013. Further in October PGS exercised the options for two additional Ramform Titan-class vessels scheduled for delivery in 2015 (see paragraphs "Liquidity and Financing" and "New Builds" for more details).

Risk Factors

The Company emphasizes that 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, many of which are beyond its control and all of which are subject to 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 the Company's MultiClient data library, the attractiveness of PGS' technology, changes in governmental regulations affecting markets, technical downtime, licenses and permitting, currency and fuel price fluctuations, and extreme weather conditions.

Contracts for services are occasionally modified by mutual consent and in certain instances may be cancelled by customers at short notice without compensation. Consequently, the order book as of any particular date may not be indicative of actual operating results for any succeeding period.

For a further description of other relevant risk factors we refer to the Annual Report for 2011. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward-looking statements.

Outlook 2012

Based on the current operational forecast and with reference to the aforementioned risk factors, PGS expects full year 2012 EBITDA to be approximately $800 million, up from the previous range of $750-800 million.

Capital expenditures, including new builds, are estimated to be in the range of $400-$450 million.

MultiClient cash investments are expected to be in the range of $260-$300 million. The pre-funding level is expected to be approximately 150% of capitalized cash investment.

Lysaker, October 24, 2012

Francis R. Gugen *Chairperson*	Annette Malm Justad *Director*
Harald Norvik *Vice Chairperson*	Daniel J. Piette *Director*
Carol Bell *Director*	Ingar Skaug *Director*
Holly A. Van Deursen *Director*	Jon Erik Reinhardsen *Chief Executive Officer*

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Petroleum Geo-Services is a focused geophysical company providing a broad range of seismic and reservoir services, including acquisition, processing, interpretation, and field evaluation. The company also possesses the world's most extensive multi-client data library. PGS operates on a worldwide basis with headquarters at Lysaker, Norway.

For more information on Petroleum Geo-Services visit www.pgs.com.

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Harald Norvik (Vice Chairperson)
Carol Bell
Holly Van Deursen
Annette Malm Justad
Daniel J. Piette
Ingar Skaug

Executive Officers:

Jon Erik Reinhardsen	President and CEO
Gottfred Langseth	EVP and CFO
Per Arild Reksnes	EVP Marine Contract
Sverre Strandenes	EVP MultiClient
Guillaume Cambois	EVP Data Processing and Technology
Magne Reiersgard	EVP Operations

Other Corporate Management:

Terje Bjølseth	SVP Global Human Resources
Tore Langballe	SVP Corporate Communications
Rune Olav Pedersen	General Counsel
Jostein Ueland	SVP Business Development
Joanna Oustad	SVP HSEQ

Web-Site:

www.pgs.com

Financial Calendar:

Q3 2012 report	October 25, 2012
CMD	December 18, 2012
Q4 2012 report	February 14, 2013
AGM	May 14, 2013
Q1 2013 report	May 15, 2013
Q2 2013 report	July 25, 2013
Q3 2013 report	October 25, 2013

The dates are subject to change.

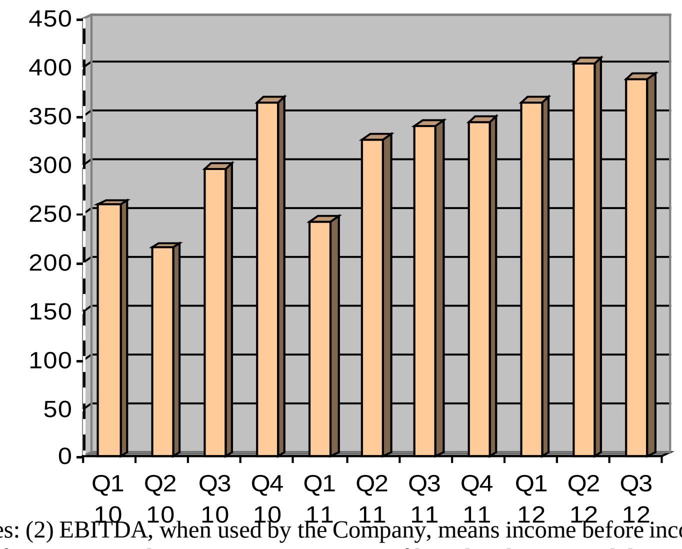
Petroleum Geo-Services ASA and Subsidiaries
Consolidated Statements of Operations

	Note	Quarter ended September 30, 2012 Unaudited	Quarter ended September 30, 2011 Unaudited	Nine months ended September 30, 2012 Unaudited	Nine months ended September 30, 2011 Unaudited	Year ended December 31, 2011 Audited (1)
		(In thousands of dollars, except share data)				
Revenues	4	$ 388 296	$ 339 897	$ 1 158 169	$ 908 676	$ 1 253 300
Cost of sales		138 109	163 712	472 547	455 654	643 434
Research and development costs	5	11 663	9 434	26 409	22 232	24 281
Selling, general and administrative costs		16 410	13 507	45 213	41 063	50 822
Depreciation and amortization	4, 6	111 436	113 152	382 603	298 207	397 881
Impairment of long-lived assets	4, 7	-	-	(914)	-	2 583
Other operating income		(180)	(4 400)	(903)	(4 400)	(4 400)
Total operating expenses		277 438	295 405	924 955	812 756	1 114 601
Operating profit EBIT	4	110 858	44 492	233 214	95 920	138 699
Income (loss) from associated companies		316	(64)	(2 261)	(7 620)	(12 389)
Interest expense	8	(8 449)	(9 266)	(29 972)	(31 162)	(42 170)
Other financial income	9	2 617	11 552	6 894	17 688	24 733
Other financial expense	10	(2 550)	(5 305)	(17 764)	(14 301)	(33 731)
Currency exchange loss		(889)	(10 258)	(6 626)	(8 260)	(10 347)
Income before income tax expense		101 903	31 151	183 485	52 265	64 795
Income tax expense		15 004	16 723	38 090	22 913	29 737
Net income		**$ 86 899**	**$ 14 428**	**$ 145 395**	**$ 29 352**	**$ 35 058**
Net income (loss) attributable to non-controlling interests		(1)	970	(2)	1 200	1 367
Net income to equity holders of PGS ASA		**$ 86 900**	**$ 13 458**	**$ 145 397**	**$ 28 152**	**$ 33 691**

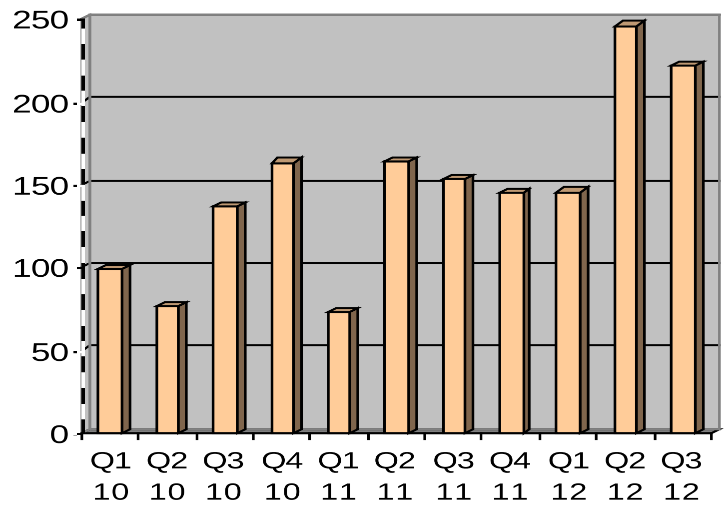
(1) Derived from the audited financial statements.

Earnings per share, to ordinary equity holders of PGS ASA:	Note	Quarter 2012	Quarter 2011	Nine months 2012	Nine months 2011	Year 2011
- Basic	15	$ 0.40	$ 0.06	$ 0.67	$ 0.13	$ 0.16
- Diluted	15	$ 0.40	$ 0.06	$ 0.67	$ 0.13	$ 0.15
Weighted average basic shares outstanding		216 556 132	217 166 950	216 607 649	217 309 495	217 238 666
Weighted average diluted shares outstanding		217 405 649	217 888 280	217 396 879	218 286 519	218 117 727

Revenues by Quarter
2010 - 2012
MUSD



EBITDA (2) by Quarter
2010 - 2012
MUSD



Notes: (2) EBITDA, when used by the Company, means income before income tax expense less, currency exchange gain (loss), other financial expense, other financial income, interest expense, loss from associated companies, impairment of long-lived assets and depreciation and amortization. See Support Tables for a more detailed discussion of and reconciliation of EBITDA to income before income tax expense. EBITDA may not be comparable to other similarly titled measures from other companies. PGS has included EBITDA as a supplemental disclosure because management believes that it provides useful information regarding PGS' ability to service debt and to fund capital expenditures and provides investors with a helpful measure for comparing its operating performance with that of other companies. EBITDA is considered a non IFRS measure.

Petroleum Geo-Services ASA and Subsidiaries
Consolidated Statements of Comprehensive Income

	Note	Quarter ended September 30, 2012 Unaudited	Quarter ended September 30, 2011 Unaudited	Nine months ended September 30, 2012 Unaudited	Nine months ended September 30, 2011 Unaudited	Year ended December 31, 2011 Audited (1)
				(In thousands of dollars)		
Net income for the period		$ 86 899	$ 14 428	$ 145 395	$ 29 352	$ 35 058
Other comprehensive income:						
Cash flow hedges	13	78	(2 477)	5 279	(1 892)	2 582
Deferred tax on cash flow hedges		(21)	694	(1 478)	530	(723)
Revaluation of investments available-for-sale	13	2 692	(12 604)	678	(20 429)	(12 822)
Other comprehensive income (loss) of associated companies		(978)	(1 951)	(1 343)	(1 951)	242
Translation adjustments and other		80	1 142	14	1 276	1 356
Other comprehensive income for the period, net of tax		1 851	(15 196)	3 150	(22 466)	(9 365)
Total comprehensive income for the period		88 750	(768)	148 545	6 886	25 693
Total comprehensive income attributable to non-controlling interests		(1)	970	(2)	1 200	1 367
Total comprehensive income to equity holders of PGS ASA		**$ 88 751**	**$ (1 738)**	**$ 148 547**	**$ 5 686**	**$ 24 326**

(1) Derived from the audited financial statements.

Petroleum Geo-Services ASA and Subsidiaries
Consolidated Statements of Financial Position

	Note	September 30, 2012 Unaudited	September 30, 2011 Unaudited	December 31, 2011 Audited (1)
			(In thousands of dollars)	
ASSETS				
Current assets:				
Cash and cash equivalents	14	$ 290 264	$ 176 886	$ 424 734
Restricted cash	14	3 480	3 634	4 605
Accounts receivable		165 166	209 417	220 765
Accrued revenues and other receivables		159 627	127 403	110 367
Available for sale investments		3 464	-	6 205
Assets held for sale	16	19 695	-	-
Other current assets		103 183	90 386	104 876
Total current assets		744 879	607 726	871 552
Long-term assets:				
Property and equipment		1 350 580	1 294 102	1 292 583
MultiClient library	11	357 411	350 613	334 135
Restricted cash	14	85 959	89 678	89 051
Deferred tax assets		152 405	192 442	177 923
Investments in associated companies		41 702	49 735	48 521
Available for sale investments		2 392	10 624	24 864
Other long-lived assets		17 609	64 535	23 987
Goodwill		139 852	139 852	139 852
Other intangible assets		138 806	108 292	134 711
Total long-term assets		2 286 716	2 299 873	2 265 627
Total assets		$ 3 031 595	$ 2 907 599	$ 3 137 179
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Short-term debt and current portion of long-term debt	14	$ -	$ -	$ 183 011
Current portion of capital lease obligations	14	500	105	96
Accounts payable		44 460	57 830	61 733
Accrued expenses		266 138	226 155	266 003
Income taxes payable		24 061	20 506	21 298
Total current liabilities		335 159	304 596	532 141
Long-term liabilities:				
Long-term debt	14	755 194	743 202	753 414
Long-term capital lease obligations	14	432	86	60
Deferred tax liabilities		6 018	19 584	17 134
Other long-term liabilities		57 017	82 198	62 740
Total long-term liabilities		818 661	845 070	833 348
Shareholders' equity:				
Paid-in capital:				
Common stock; par value NOK 3;				
issued and outstanding 217,799,997 shares		96 490	96 490	96 490
Treasury shares, par value		(617)	(354)	(607)
Additional paid-in capital		512 054	507 308	508 217
Total paid-in capital		607 927	603 444	604 100
Accumulated earnings		1 286 966	1 186 914	1 187 705
Cumulative translation adjustment and other reserves		(17 157)	(33 408)	(20 307)
Non-controlling interests		39	983	192
Total shareholders' equity		1 877 775	1 757 933	1 771 690
Total liabilities and shareholders' equity		$ 3 031 595	$ 2 907 599	$ 3 137 179

(1) Derived from the audited financial statements.

Petroleum Geo-Services ASA and Subsidiaries
Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2012

	Attributable to equity holders of PGS ASA							
	Common stock par value	Treasury shares par value	Additional paid-in capital	Accumulated earnings (deficit)	Cumulative translation adjustm. and other reserves	Total	Non-controlling interests	Shareholders' equity
				(In thousands of dollars)				
Balance at January 1, 2012	**$ 96 490**	**$ (607)**	**$ 508 217**	**$ 1 187 705**	**$ (20 307)**	**$ 1 771 498**	**$ 192**	**$ 1 771 690**
Total comprehensive income	-	-	-	145 397	3 150	148 547	(2)	148 545
Dividends to non-controlling interests	-	-	-	-	-	-	(151)	(151)
Dividend paid	-	-	-	(41 510)	-	(41 510)	-	(41 510)
Acquired treasury shares	-	(425)	-	(10 934)	-	(11 359)	-	(11 359)
Transferred shares, share bonus	-	13	-	374	-	387	-	387
Transferred shares, conversion of convertible notes	-	15	-	1 085	-	1 100	-	1 100
Exercise employee share options	-	387	-	4 849	-	5 236	-	5 236
Employee share options	-	-	3 837	-	-	3 837	-	3 837
Balance at September 30, 2012	**$ 96 490**	**$ (617)**	**$ 512 054**	**$ 1 286 966**	**$ (17 157)**	**$ 1 877 736**	**$ 39**	**$ 1 877 775**

For the nine months ended September 30, 2011

	Attributable to equity holders of PGS ASA							
	Common stock par value	Treasury shares par value	Additional paid-in capital	Accumulated earnings (deficit)	Cumulative translation adjustm. and other reserves	Total	Non-controlling interests	Shareholders' equity
				(In thousands of dollars)				
Balance at January 1, 2011	**$ 96 490**	**$ (240)**	**$ 503 111**	**$ 1 166 848**	**$ (10 942)**	**$ 1 755 267**	**$ 12**	**$ 1 755 279**
Total comprehensive income (a)	-	-	-	28 152	(22 466)	5 686	1 200	6 886
Dividends to non-controlling interests	-	-	-	-	-	-	(229)	(229)
Acquired treasury shares	-	(416)	-	(11 929)	-	(12 345)	-	(12 345)
Exercise employee share options	-	302	-	3 843	-	4 145	-	4 145
Employee share options	-	-	4 197	-	-	4 197	-	4 197
Balance at September 30, 2011	**$ 96 490**	**$ (354)**	**$ 507 308**	**$ 1 186 914**	**$ (33 408)**	**$ 1 756 950**	**$ 983**	**$ 1 757 933**

Petroleum Geo-Services ASA and Subsidiaries

Consolidated Statements of Cash Flows

	Quarter ended September 30,		Nine months ended September 30,		Year ended December 31,
	2012 Unaudited	2011 Unaudited	2012 Unaudited	2011 Unaudited	2011 Audited (1)
			(In thousands of dollars)		
Cash flows provided by operating activities:					
Net income	$ 86 900	$ 13 458	$ 145 397	$ 28 152	$ 33 691
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	111 437	113 152	382 601	298 207	397 881
Impairments of long-lived assets	-	-	(914)	-	2 583
(Gain) loss on sales and retirement of assets	(783)	414	9 709	1 744	1 641
(Income) loss in associated companies	(337)	(277)	2 240	7 279	12 389
Interest expense	8 448	9 266	29 971	31 162	42 170
(Increase) decrease in deferred income taxes	5 703	20 954	12 924	17 552	28 368
Net decrease (increase) in restricted cash	11	15 595	8 713	10 506	10 844
Income taxes paid	(7 124)	(2 729)	(22 419)	(17 413)	(20 244)
Gain on sale of shares	-	(7 435)	(478)	(10 656)	(10 985)
Other items	(1 302)	3 923	3 421	3 927	5 724
(Increase) decrease in accounts receivable, net	13 908	(76 045)	55 599	15 884	4 536
(Increase) decrease in accrued revenues and other receivables	4 115	62 468	(53 415)	17 784	34 820
(Increase) decrease in other current assets	5 641	8 199	1 693	8 045	(6 445)
(Increase) decrease in other long-lived assets	3 655	233	10 648	(3 358)	(8 773)
Increase (decrease) in accounts payable	(6 031)	(16 021)	(19 455)	(35 426)	(24 405)
Increase (decrease) in accrued expenses and income taxes payable	31 793	12 203	22 373	(32 906)	2 132
Increase (decrease) in other long-term liabilities	4 156	(7 709)	(418)	(10 576)	(25 546)
Net cash provided by operating activities	260 190	149 649	588 190	329 907	480 381
Cash flows (used in) provided by investing activities:					
Investment in MultiClient library	(91 421)	(61 450)	(226 105)	(175 398)	(203 922)
Capital expenditures, cash	(84 725)	(59 438)	(226 926)	(247 324)	(299 060)
Investment in other intangible assets	(8 872)	(5 068)	(22 926)	(12 130)	(19 960)
Investment/sale of associated companies, net	-	(263)	(94)	(263)	(263)
Long term receivables, net	-	-	-	(42 935)	(28 441)
Proceeds from sale of assets	-	-	308	29	555
Proceeds from sale of available-for-sale investments	24 399	5 765	28 062	11 323	12 535
Long-term deposit to retricted cash	(1 046)	(1 520)	(4 497)	(32 650)	(33 331)
Net cash used in investing activities	(161 665)	(121 974)	(452 178)	(499 348)	(571 887)
Cash flows provided by (used in) financing activities:					
Purchase of treasury shares	(5 232)	(12 344)	(11 302)	(12 344)	(17 404)
Proceeds from issuance of long-term debt	(34)	-	6	-	288 025
Repayment of long-term debt	-	(50 629)	(190 470)	(54 518)	(155 992)
Principal payments under capital leases	(23)	-	(66)	-	(23)
Proceeds from sale of treasury shares	3 756	2 708	5 623	4 145	4 203
Dividend paid to non-controlling interests	-	-	(151)	-	(1 217)
Dividend paid	-	-	(41 510)	-	-
Interest paid	(5 596)	(6 495)	(32 612)	(23 535)	(33 931)
Net cash used in financing activities	(7 129)	(66 760)	(270 482)	(86 252)	83 661
Net increase (decrease) in cash and cash equivalents	91 396	(39 085)	(134 470)	(255 693)	(7 845)
Cash and cash equivalents at beginning of period	198 868	215 971	424 734	432 579	432 579
Cash and cash equivalents at end of period	**$ 290 264**	**$ 176 886**	**$ 290 264**	**$ 176 886**	**$ 424 734**

(1) Derived from the audited financial statements.

Petroleum Geo-Services ASA

Notes to the Interim Consolidated Financial Statements - Third Quarter 2012

Note 1 - General

The Company is a Norwegian limited liability company and has prepared its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. The consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") No. 34 "*Interim Financial Reporting"*. The interim financial information has not been subject to audit or review.

EBITDA, when used by the Company, means income before income tax expense less, currency exchange gain (loss), other financial expense, other financial income, interest expense, loss from associated companies, other operating income, impairments of long-lived assets and depreciation and amortization.
EBITDA may not be comparable to other similar titled measures from other companies. PGS has included EBITDA as a supplemental disclosure because management believes that it provides useful information regarding PGS' ability to service debt and to fund capital expenditures and provides investors with a helpful measure for comparing its operating performance with that of other companies.

Note 2 - Basis of presentation

The consolidated interim financial statements reflects all adjustments, in the opinion of PGS' management, that are necessary for a fair presentation of the results of operations for all periods presented. Operating results for the interim period is not necessary indicative of the results that may be expected for any subsequent interim period or year. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2011.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended December 31, 2011.

Note 3 - New standards and policies adopted in 2012

None of the new accounting standards that came into effect on January 1, 2012 had a significant impact in the first nine months of 2012.

Note 4 - Segment information

The chief operating decision maker reviews Contract and MultiClient as separate operation segments, however, as the two operating segments meets the aggregation criteria in IFRS 8 "Operating Segments", these are presented combined as Marine.

"Other" includes Corporate administration costs and unallocated Global Shared Resources costs (net). Financial items and income tax expense are not included in the measure of segment performance.

Revenues by operating segment and service type:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Marine revenues by service type:					
- Contract seismic	$ 163 807	$ 164 882	$ 467 193	$ 461 644	$ 627 015
- MultiClient pre-funding	121 328	61 135	379 939	185 167	223 528
- MultiClient late sales	65 723	83 035	201 029	170 632	278 279
- Data Processing	33 108	27 515	92 133	80 211	110 031
- Other	4 330	3 330	17 774	11 012	14 166
Marine revenues	**$ 388 296**	**$ 339 897**	**$ 1 158 068**	**$ 908 666**	**$ 1 253 019**
- Other, non Marine	-	-	101	10	281
Total revenues	**$ 388 296**	**$ 339 897**	**$ 1 158 169**	**$ 908 676**	**$ 1 253 300**

Operating profit (loss) EBIT by operating segment:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
Marine:			(In thousands of dollars)		
EBITDA	$ 226 071	$ 155 280	$ 629 228	$ 395 317	$ 545 801
Other operating income	180	4 400	903	4 400	4 400
Impairments of long-lived assets	-	-	914	-	(2 583)
Depreciation and amortization (a)	(31 575)	(39 979)	(98 103)	(108 518)	(155 311)
Amortization of MultiClient library (a)	(78 472)	(71 792)	(280 660)	(185 327)	(237 005)
Operating profit EBIT, Marine	116 204	47 909	252 282	105 872	155 302
Other:					
EBITDA	$ (3 641)	$ (2 591)	$ (15 960)	$ (6 072)	$ (11 039)
Depreciation and amortization (a)	(1 389)	(1 381)	(3 840)	(4 362)	(5 565)
Operating profit (loss) EBIT, Other	(5 030)	(3 972)	(19 800)	(10 434)	(16 604)
Inter-segment eliminations:					
EBITDA	$ (316)	$ 555	$ 732	$ 482	$ 1
Operating profit (loss) EBIT, Other	(316)	555	732	482	1
Total Operating profit:					
EBITDA	$ 222 114	$ 153 244	$ 614 000	$ 389 727	$ 534 763
Other operating income	180	4 400	903	4 400	4 400
Impairments of long-lived assets	-	-	914	-	(2 583)
Depreciation and amortization (a)	(32 964)	(41 360)	(101 943)	(112 880)	(160 876)
Amortization of MultiClient library (a)	(78 472)	(71 792)	(280 660)	(185 327)	(237 005)
Total Operating profit EBIT	**$ 110 858**	**$ 44 492**	**$ 233 214**	**$ 95 920**	**$ 138 699**

(a) Presented separately in the Consolidated Statements of Operations.

Note 5 - Research and development costs

Research and development costs, net of capitalized portion were as follows:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Research and development costs, gross	$ 18 697	$ 14 469	$ 40 957	$ 32 762	$ 42 660
Capitalized development costs	(7 034)	(5 035)	(14 548)	(10 530)	(18 379)
Total	**$ 11 663**	**$ 9 434**	**$ 26 409**	**$ 22 232**	**$ 24 281**

Note 6 - Depreciation and amortization

Depreciation and amortization consists of the following:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Gross depreciation	$ 56 460	$ 55 947	$ 167 260	$ 157 620	$ 210 842
Depreciation capitalized to MultiClient library	(23 496)	(14 587)	(65 317)	(44 740)	(49 966)
Amortization of MultiClient library	78 472	71 792	280 660	185 327	237 005
Total	**$ 111 436**	**$ 113 152**	**$ 382 603**	**$ 298 207**	**$ 397 881**

The Company amortizes its MultiClient library primarily based on the ratio between the cost of surveys and the total forecasted sales for such surveys. The surveys are categorized into amortization categories based on this ratio. In previous periods four categories was applied with amortization rates of 90%, 75%, 60% or 45% of sales. From January 1, 2012 these categories range from 30-95% of sales amounts with 5% intervals, with a minimum of 45% for pre-funding. Each category includes surveys where the remaining unamortized cost as a percentage of remaining forecasted sales is less than or equal to the amortization rate applicable to each category.

The Company also applies minimum amortization criteria for the library projects based generally on a five-year life. The Company calculates and records minimum amortization individually for each MultiClient survey or pool of surveys on a quarterly basis. At year-end, or when specific impairment indicators exists, the Company carries out an impairment test of individual MultiClient surveys. The Company classifies these impairment charges as amortization expense in its consolidated statement of operations since this additional, non-sales related amortization expense, is expected to occur regularly.

Note 7 - Impairments of long-lived assets

Impairments of long-lived assets consists of the following:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Property and equipment	$ -	$ -	$ 829	$ -	$ 4 582
Reversed impairments	-	-	(1 743)	-	(1 999)
Total	**$ -**	**$ -**	**$ (914)**	**$ -**	**$ 2 583**

Note 8 - Interest expense

Interest expense consists of the following:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Interest expense, gross	$ (11 883)	$ (11 845)	$ (39 321)	$ (37 190)	$ (50 459)
Capitalized interest, MultiClient library	1 118	1 920	4 269	4 959	6 409
Capitalized interest, construction in progress	2 316	659	5 080	1 069	1 880
Total	**$ (8 449)**	**$ (9 266)**	**$ (29 972)**	**$ (31 162)**	**$ (42 170)**

Note 9 - Other financial income

Other financial income consists of the following:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Interest income	$ 1 018	$ 1 820	$ 3 426	$ 4 444	$ 7 617
Gain from sale of available for sale investments	1 109	7 435	1 587	10 656	10 985
Fair value adjustments on financial instruments	-	-	316	-	-
Gain on investments available for sale	-	162	-	162	162
Other	490	2 135	1 565	2 426	5 969
Total	**$ 2 617**	**$ 11 552**	**$ 6 894**	**$ 17 688**	**$ 24 733**

Note 10 - Other financial expense

Other financial expense consists of the following:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Fair value adjustments on financial instruments	$ (1 359)	$ (2 838)	$ (4 689)	$ (9 001)	$ (11 595)
Loss on repurchase of convertible notes	-	(2 268)	(7 506)	(2 268)	(5 678)
Impairment of investments available for sale	-	-	-	-	(9 567)
Other	(1 191)	(199)	(5 569)	(3 032)	(6 891)
Total	**$ (2 550)**	**$ (5 305)**	**$ (17 764)**	**$ (14 301)**	**$ (33 731)**

Note 11 - MultiClient library

The net book-value of the MultiClient library by year of completion is as follows:

	September 30, 2012	September 30, 2011	December 31, 2011
	(In thousands of dollars)		
Completed during 2007 and prior years	$ 243	$ 1 475	$ 664
Completed during 2008	19 939	27 543	24 986
Completed during 2009	64 026	100 371	92 925
Completed during 2010	32 445	42 060	36 590
Completed during 2011	50 610	40 706	63 333
Completed during 2012	53 032	-	-
Completed surveys	220 295	212 155	218 498
Surveys in progress	137 116	138 458	115 637
MultiClient library, net	**$ 357 411**	**$ 350 613**	**$ 334 135**

Key figures MultiClient library:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
MultiClient pre-funding	$ 121 328	$ 61 135	$ 379 939	$ 185 167	$ 223 528
MultiClient late sales	65 723	83 035	201 029	170 632	278 279
Cash investment in MultiClient library (a)	91 421	61 450	226 105	175 398	203 922
Capitalized interest in MultiClient library (b)	1 118	1 920	4 269	4 959	6 409
Capitalized depreciation (non-cash) (c)	23 496	14 587	65 317	44 740	49 966
Amortization of MultiClient library (c)	78 472	71 792	280 660	185 327	237 005

(a) See Consolidated statements of cash flows.
(b) See Interest expense above.
(c) See Depreciation and amortization above.

Note 12 - Capital expenditures

Capital expenditures were as follows:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Marine	$ 75 289	$ 40 364	$ 224 653	$ 230 402	$ 276 904
Other	1 328	536	3 937	2 356	3 027
Total	**$ 76 617**	**$ 40 900**	**$ 228 590**	**$ 232 758**	**$ 279 931**

Note 13 - Components of other comprehensive income

A reconciliation of reclassification adjustments included in the Consolidated Statements of Operations ("CSO"):

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Cash flow hedges:					
Gains (losses) arising during the period	$ (2 822)	$ (6 237)	$ (4 625)	$ (12 961)	$ (12 152)
Less: Reclassification adjustments for losses included in the Consolidated Statement of Operations	2 900	3 760	9 904	11 069	14 734
Cash flow hedges, net	**$ 78**	**$ (2 477)**	**$ 5 279**	**$ (1 892)**	**$ 2 582**
Revaluation of shares available-for-sale:					
Gains (losses) arising during the period	$ 3 801	$ (6 463)	$ 2 265	$ (12 179)	$ (11 404)
Less: Reclassification adjustments for (gains) included in the Consolidated Statement of Operations	(1 109)	(6 141)	(1 587)	(8 250)	(1 418)
Revaluation of shares available-for-sale, net	**$ 2 692**	**$ (12 604)**	**$ 678**	**$ (20 429)**	**$ (12 822)**

Note 14 - Net interest bearing debt

Summary of net interest bearing debt:

	September 30, 2012	September 30, 2011	December 31, 2011
	(In thousands of dollars)		
Cash and cash equivalents	$ 290 264	$ 176 886	$ 424 734
Restricted cash (current and long-term)	89 439	93 312	93 656
Interest bearing receivables	10 637	58 820	41 918
Short-term debt and current portion of long-term debt	-	-	(183 011)
Capital lease obligations (current and long-term)	(932)	(191)	(156)
Long-term debt	(755 194)	(743 202)	(753 414)
Adjust for deferred loan costs (offset in long-term debt)	(15 339)	(7 198)	(17 905)
Total	**$ (381 125)**	**$ (421 573)**	**$ (394 178)**

Note 15 - Earnings per share

Earnings per share, to ordinary equity holders of PGS ASA, is calculated as follows:

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
			(In thousands of dollars)		
Net income (loss)	$ 86 899	$ 14 428	$ 145 395	$ 29 352	$ 35 058
Non-controlling interests	(1)	970	(2)	1 200	1 367
Net income (loss) to equity holders of PGS ASA	**$ 86 900**	**$ 13 458**	**$ 145 397**	**$ 28 152**	**$ 33 691**
Effect of interest on convertible notes, net of tax	-	-	-	-	-
Net income (loss) for the purpose of diluted earnings per share	**$ 86 900**	**$ 13 458**	**$ 145 397**	**$ 28 152**	**$ 33 691**
Earnings (loss) per share:					
- Basic	$ 0.40	$ 0.06	$ 0.67	$ 0.13	$ 0.16
- Diluted	$ 0.40	$ 0.06	$ 0.67	$ 0.13	$ 0.15
Weighted average basic shares outstanding	216 556 132	217 166 950	216 607 649	217 309 495	217 238 666
Dilutive potential shares (1)	849 517	721 330	789 230	977 024	879 061
Weighted average diluted shares outstanding	217 405 649	217 888 280	217 396 879	218 286 519	218 117 727

(1) For the first six months and full year 2011 8.8 million and 8.0 million shares, respectively, related to convertible notes were excluded from the calculation of dilutive earnings per share as they were anti-dilutive.

Note 16 - Assets held for sale

The following asset was classified as held for sale:

	September 30, 2012	September 30, 2011	December 31, 2011
	(In thousands of dollars)		
Exploration assets	$ 17 295	$ -	$ -
Beaufort Explorer	2 400	-	-
Total	**$ 19 695**	**$ -**	**$ -**

Note 17 - Dividends paid

Dividends on ordinary shares declared and paid during the nine-month period:

	September 30, 2012	September 30, 2011
	(In thousands of dollars)	
Final dividend for 2011: NOK 1.1 per ordinary share	$ 41 510	**$ -**
Total	**$ 41 510**	**$ -**