Third Quarter 2013 Results

October 25, 2013 Oslo, Norway

PGS

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PGS' Business Model Delivers Strong EBIT Margin in a Challenging MultiClient Quarter

Highlights Q3 2013

- Order book of $579 million, up 30% from Q2 2013
- Revenues of $365.6 million, compared to $388.3 million in Q3 2012
- EBITDA of $216.0 million, compared to $222.1 million in Q3 2012
- EBIT of $108.3 million, compared to $110.9 million in Q3 2012
- Group EBIT margin of 30%
- MultiClient pre-funding was 90% of capitalized cash investment, compared to 133% in Q3 2012
- Record external data processing revenues of $34.3 million
- *Ramform Titan* in full operation with excellent performance
- Liquidity reserve further strengthened at improved terms by increasing the revolving credit facility from $350 million to $500 million and extending maturity from 2015 to 2018
- Full year EBITDA guidance adjusted to approximately $850 million, due to our decision to mobilize for the Full Azimuth GeoStreamer survey in GoM, a reduction in pre-funding level to 95-100% and increased risk to Q4 MultiClient late sales

"I am pleased to report a robust EBIT margin for the Company of 30% in Q3, driven by our focus on price optimization of high value contracts, solid performance and allocation of more fleet capacity to our portfolio of attractive MultiClient projects. We are almost fully booked for Q4 this year. 2014 is firming up and we have booked 70% of Q1, 50% of Q2 and 30% of Q3. Average pricing for the 2014 contract work booked so far is slightly higher than average 2013 pricing. We expect the current contract pricing weakness post the North Sea season to primarily impact Q4 and Q1.

We have decided to re-enter the Gulf of Mexico with a Full Azimuth GeoStreamer survey adding another dimension to data quality in the region. The survey commences in the fourth quarter and acquisition will be completed early summer 2014.

With the increased earnings potential brought by our new build program and our technology differentiation we are well positioned to further improve return on capital employed and dividend capacity.

From our clients we have experienced increased focus on preserving their dividend capacity, which has impacted on their seismic spending. Customer caution on spending lessens the likelihood of seeing the normal seasonal Q4 increase for MultiClient sales. "

Jon Erik Reinhardsen,
President and Chief Executive Officer

Key Financial Figures (In USD millions, except per share data)	**3rd Quarter**		**Nine months**		**Full year**
	2013	**2012**	**2013**	**2012**	**2012**
Revenues	365.6	388.3	1,142.1	1,158.2	1,518.3
EBITDA (as defined, see note 1)	216.0	222.1	627.9	614.0	776.2
EBIT	108.3	110.9	315.7	233.2	293.8
Income before income tax expense	97.9	101.9	283.1	183.5	228.5
Net income to equity holders	74.2	86.9	208.2	145.4	185.5
Basic earnings per share ($ per share)	0.35	0.40	0.97	0.67	0.86
Diluted earnings per share ($ per share)	0.34	0.40	0.96	0.67	0.85
Net cash provided by operating activities	189.4	260.2	563.4	588.2	752.9
Cash investment in MultiClient library	120.9	91.4	262.0	226.1	297.4
Capital expenditures (whether paid or not)	93.2	76.6	364.5	228.6	368.1
Total assets (at period end)	3,511.2	3,040.3*	3,511.2	3,040.3*	3,275.6*
Cash and cash equivalents (at period end)	299.0	290.3	299.0	290.3	390.3
Net interest bearing debt (at period end, see Note 10)	638.1	381.1	638.1	381.1	435.6

*The financial information for 2012 is restated from retrospectively adopting IAS19R, see note 3

PGS Group

In USD millions	3rd Quarter		Nine months		Full year
	2013	2012	2013	2012	2012
Contract revenues	155.7	163.8	555.9	467.2	623.5
MC pre-funding	108.4	121.3	266.2	379.9	461.3
MC late sales	63.0	65.7	212.1	201.0	266.8
Processing [1]	34.3	33.1	90.1	92.1	124.4
Other	4.2	4.4	17.8	18.0	42.2
Total revenues	365.6	388.3	1,142.1	1,158.2	1,518.3
EBITDA	216.0	222.1	627.9	614.0	776.2
EBIT	108.3	110.9	315.7	233.2	293.8
Pretax income	97.9	101.9	283.1	183.5	228.5
Net income	74.2	86.9	208.2	145.4	185.5
Key numbers					
MC cash investment	120.9	91.4	262.0	226.1	297.4
Pre-funding %[2]	90%	133%	102%	168%	155%
Opex	(149.6)	(166.2)	(514.2)	(544.2)	(742.1)
3D vessel allocation [3]					
Contract	37%	46%	47%	48%	48%
MultiClient	57%	42%	40%	40%	37%
Steaming	5%	11%	10%	9%	11%
Yard	1%	1%	3%	3%	4%
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.

In Q3 2013, revenues for Petroleum Geo-Services ASA ("PGS" or "the Company") were 6% lower than in Q3 2012.

EBIT margin for the Company ended at 30%, which is higher than in the previous quarter and in Q3 2012. The improved profitability is driven by PGS' solid business model, combined with price optimization for contract work, cost control and strong operational performance. The new *Ramform Titan* had its first full quarter of operation in Q3 2013 and performance has been excellent. *Ramform Atlas* is scheduled for delivery by end Q4 2013 and vessel #3 and #4 in the new Ramform Titan-class are scheduled for delivery in first and second half 2015. The new build program will increase streamer capacity by more than 50% from the start of this year to end 2015.

In Q3 2013 PGS entered into an agreement to invest in Seafloor Geophysical Solutions ("SGS"). The agreement enables PGS to market and offer SGS node services exclusively as a complementary product to existing seismic solutions offshore Brazil, as well as joint marketing of node services to clients in the rest of the world.

Contract revenues decreased by $8.1 million, or 5%, in Q3 2013, compared to Q3 2012. The decrease is driven by less capacity allocated to contract work, partially offset by higher prices in a stronger marine seismic contract market and improved profitability of the Company's services, which are increasingly GeoStreamer focused. The EBIT margin for marine contract acquisition work was 36% in Q3 2013, up from 29% in Q2 2013 and 28% in Q3 2012. The marine contract EBIT margin will fluctuate from quarter to quarter due to vessel scheduling, vessel transits, and project specific variances.

Pre-funding revenues in Q3 2013 corresponded to 90% of capitalized MultiClient cash investments (excluding capitalized interest), compared to 133% in Q3 2012. The high pre-funding level in Q3 2012 was driven by a large MultiClient GeoStreamer project in Angola as well as high pre-funding on North Sea projects. In Q3 2013 PGS also conducted a large MultiClient project in Australia, where pre-funding is normally lower than in other regions, diluting the pre-funding level. In Q3 2013 pre-funding revenues were significantly lower in Africa compared to Q3 2012, partially offset by higher pre-funding revenues in Europe, Middle East, South America and Asia Pacific.

PGS expects the full year 2013 pre-funding level to be 95-100% of capitalized cash investment. This is lower than the initial plan for the year but still at a high, and industry leading, level and well inside the long-term targeted level of 80-120%. This is partly driven by the Company's decisions to mobilize for the Full Azimuth GeoStreamer survey in the Gulf of Mexico. The Company experiences increased customer focus on preserving their dividend capacity, which has impacted on their seismic spending and appetite for early commitments to MultiClient projects. The lower pre-funding primarily relates to timing of expected cash flows and has not caused significant changes to the investment cases for the portfolio of MultiClient projects for 2013. The Company still sees further growth in MultiClient activities as a very attractive business opportunity.

Capitalized cash investment in the MultiClient library in Q3 2013 increased compared to Q3 2012, reflecting more capacity allocated to MultiClient.

MultiClient late sales decreased by $2.7 million in Q3 2013 compared to Q3 2012, primarily due to lower sales in Brazil and Middle East.

In Q3 2013 the Company recorded its highest ever external processing revenues of $34.3 million, an increase of $1.2 million from Q3 2012. The revenue increase is driven by growth in high-end GeoStreamer and depth processing, led by the core North Sea market and supported by strong markets around the world. All processing of the Company's MultiClient surveys is done in-house and the resource base and technical competency has grown to expand the external business and meet growing needs for internal processing.

Net operating expenses (before depreciation, amortization and impairments) in Q3 2013 were $16.6 million lower than in Q3 2012, reflecting cost increases from *Ramform Titan* entering the fleet beginning of July and less steaming (which resulted in less costs deferral), while more costs are capitalized to the MultiClient library due more vessel capacity allocated to this business area.

The order book totaled $579 million at September 30, 2013, (including $89 million of committed pre-funding on scheduled MultiClient projects), compared to $608 million at September 30, 2012 and $446 million at June 30, 2013. The Company has experienced some price pressure in the marine contract market post the North Sea season causing pricing of work in Q4 2013 and Q1 2014 to be lower than the preceding three quarters of 2013.

Technology

In USD millions	3rd Quarter		Nine months		Full year
	2013	2012	2013	2012	2012
R&D cost gross	14.6	18.7	38.9	40.9	57.3
Capitalized dev. costs	(4.8)	(7.0)	(11.0)	(14.5)	(19.0)
Net R&D costs	9.8	11.7	27.9	26.4	38.3

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 Towed EM solution.

The gross R&D cost and capitalized development cost decreased in Q3 2013 compared to Q3 2012 is primarily a function of 2013's field trial activity returning to normal level versus 2012 when it was above normal levels. The R&D cost versus operating overhead project mix has stabilized, with a focus on developing future technologies. Overall resource levels remain roughly the same as earlier.

Depreciation and Amortization

In USD millions	3rd Quarter		Nine months		Full year
	2013	2012	2013	2012	2012
Gross depreciation	64.4	56.4	180.0	167.3	222.6
Depreciation capitalized and deferred, net	(37.2)	(23.5)	(76.5)	(65.4)	(83.0)
Amortization of MC library	80.7	78.5	209.2	280.7	344.7
Depreciation and amortization	107.9	111.4	312.7	382.6	484.3

In Q3 2013 gross depreciation increased by $8.0 million, compared to Q3 2012. The increase is driven by the *Ramform Titan* now being a part of the PGS fleet, vessel upgrades and continued investments in GeoStreamer.

Capitalized depreciation to the MultiClient library increased by $13.7 million in Q3 2013, compared to Q3 2012 as a result of more capacity being allocated to 3D MultiClient surveys.

Amortization of the MultiClient library as a percentage of MultiClient revenues was 47% in Q3 2013, compared to 42% in Q3 2012.

Interest Expense

In USD millions	3rd quarter		Nine months		Full year
	2013	2012	2013	2012	2012
Gross interest expense	(14.3)	(11.9)	(43.4)	(39.3)	(51.4)
Capitalized interest MC library	2.8	1.1	6.9	4.3	5.6
Capitalized interest constr. in progress	2.4	2.3	11.7	5.0	8.0
Net interest expense	(9.1)	(8.5)	(24.8)	(30.0)	(37.8)

Gross interest expense increased by $2.4 million in Q3 2013, compared to Q3 2012. The increase is mainly related to the Company's increase of long term financing to facilitate the new build program and an increase of the Company's liquidity reserve and financial robustness.

The increase in capitalized interest to the MultiClient library in Q3 2013 compared to Q3 2012 is due to more capacity allocated to MultiClient in the quarter.

Other Financial Expense, Net

In USD millions	3rd quarter		Nine months		Full year
	2013	2012	2013	2012	2012
Interest income	0.2	1.0	1.0	3.4	3.6
Income (loss) from associated companies	(2.6)	0.3	(5.0)	(2.3)	(4.2)
Loss on repurchase of convertible notes	---	---	---	(7.5)	(7.5)
Currency exchange gain (loss)	(2.8)	(0.9)	(4.4)	(6.6)	(7.3)
Other (see note 8)	3.9	(0.9)	0.6	(6.7)	(12.1)
Net financial expense	(1.3)	(0.5)	(7.8)	(19.7)	(27.5)

Net financial expense in Q3 2013 is driven by loss from associated companies related to investments in Azimuth Ltd. and PGS Khazar LLC., and a currency exchange loss.

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 when the US dollar appreciates.

Income Tax Expense and Tax Contingencies

In Q3 2013 the income tax expense was $23.7 million compared to $15.0 million in Q3 2012. The current tax expense in Q3 2013 was $8.4 million compared to $9.2 million in Q3 2012. The deferred tax expense in Q3 2013 was $15.3 million compared to $5.8 million in Q3 2012. The reported tax expense for Q3 2013 is positively impacted by tax exempt profit on vessel operations within tonnage tax regimes.

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. At September 30, 2013, the Company estimates the total exposure to be approximately $150 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 of $94 million were made in 2010 and 2011 to be able to file lawsuits for some of the years, seeking to confirm that sale of MultiClient data is not subject to ISS.

Following a federal tax audit in Brazil for the years 2006-2008, the Company in 2012 received two tax assessments for 2008 claiming approximately $69 million including 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 without merit and it is likely to succeed in achieving a positive decision at the administrative or judicial level. In 2012, the first administrative appeal level ruled in favor of PGS with respect to the withholding tax claim but upheld the CIDE assessment. On July 17, 2013, the second administrative appeal level ruled in favor of PGS with respect to the withholding tax claim, while the CIDE case it still pending.

There is a proposed reduction of the Norwegian corporate income tax rate from 28% to 27% effective from January 1, 2014. While the rate reduction is positive longer term, it will, if enacted, cause a reduction in deferred tax asset of approximately $3 million which will be recognized as tax expense in Q4 2013.

Capital Expenditures[1)]

In USD millions	3rd Quarter		Nine months		Full year
	2013	2012	2013	2012	2012
Seismic equipment	26.7	22.0	56.8	67.2	94.4
Vessel upgrades/Yard	7.0	1.9	35.4	14.6	46.0
Processing equipment	3.0	2.5	14.0	13.3	17.9
New Builds	46.1	47.8	242.3	127.8	202.0
Other	10.4	2.4	16.0	5.7	7.8
Total	93.2	76.6	364.5	228.6	368.1

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

The main capital expenditures in Q3 2013 were related to the new build program and seismic equipment.

New Builds

In April 2011, PGS ordered two new Ramform Titan-class vessels from Mitsubishi Heavy Industries Ltd. In Q2 2013 the Company took delivery of the first vessel, the *Ramform Titan.* The second vessel, *Ramform Atlas,* is scheduled for delivery by end Q4 2013. Options for another two vessels, with delivery in the first and second half of 2015, were exercised in Q4 2012. When completed, the four new Ramform Titan-class vessels will form an integral part of an 11 vessel fleet of Ramforms.

The estimated cost for *Ramform Atlas* is approximately $260 million, including commissioning and a comprehensive seismic equipment package, but excluding capitalized interest and post-delivery cost.

The cost of each of the additional two vessels for delivery in 2015 is subject to additional costs related to new technology on the maritime and seismic side, certain incentives in the shipbuilding contract, and inflationary price increase on equipment and project costs.

The agreement with the shipyard provides for payment based on five defined milestones per vessel, with 50% payable at delivery. Seismic equipment is procured by PGS separately from the shipbuilding contract. Accumulated capital expenditures related to the new builds at September 30, 2013 were $493.1 million. The Company expects total capital expenditures in relation to the new builds to be in the range of $315-335 million in 2013.

Liquidity and Financing

In Q3 2013, net cash provided by operating activities was $189.4 million, compared to $260.2 million in Q3 2012. Cash flow in Q3 2013 reflects a relatively flat development of working capital after a strong working capital reduction and cash flow in Q2. In 2012 the Company saw a different timing of working capital variations with a strong reduction in Q3 boosting cash provided by operating activities.

At September 30, 2013, cash and cash equivalents amounted to $299.0 million, compared to $290.3 million at September 30, 2012 and $329.7 million at June 30, 2013.

Restricted cash amounted to $88.1 million at September 30, 2013, compared to $89.5 million at September 30, 2012 and $90.7 million at June 30, 2013.

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 2012 for more details). The deposits are denominated in Brazilian Real.

At September 30, 2013, $470.5 million and $450 million were outstanding under the Term Loan B maturing in 2015 and the Senior Notes maturing in 2018. In Q3 2013 PGS completed the process of increasing its revolving credit facility from $350 million to $500 million and extended the maturity from 2015 to 2018. The facility is undrawn at the start and will further strengthen PGS' solid liquidity reserve at improved terms.

PGS has established export credit financing totaling $250 million for the two first Ramform Titan-class vessels scheduled for delivery in 2013. The loans will have a tenor of 12 years from delivery of the vessels, with principal repayment being by semi-annual equal installments. Of this $125 million was drawn by the Company upon delivery of the *Ramform Titan* in Q2 2013. PGS is working to secure similar financing also for the two vessels scheduled to be delivered in 2015.

Total interest bearing debt, including capital leases, was $1,040.8 million at September 30, 2013 compared to $771.4 million at September 30, 2012 and $1,046.1 million at June 30, 2013.

Net interest bearing debt (interest bearing debt less cash and cash equivalents, restricted cash and interest bearing investments) was $638.1 million at September 30, 2013 compared to $381.1 million at September 30, 2012 and $617.2 million at June 30, 2013.

At September 30, 2013 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 5.2%, 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, 2013 the total leverage ratio was 1.32:1.

Patent Complaint

In Q3 2013 PGS was informed that WesternGeco has filed a complaint against PGS in Houston alleging infringement of four patents regarding the DigiFIN streamer steering device. For the case to continue WesternGeco will also have to take steps to serve the complaint against the Company. PGS is of the opinion that WesternGeco's claim against the Company is without merit and that this claim will, at most, have limited financial impact for the Company.

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 2012. 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 2013

PGS has decided to re-enter the Gulf of Mexico with a Full Azimuth GeoStreamer survey adding another dimension to data quality in the region. The survey commences in the fourth quarter and acquisition will be completed in early summer 2014. The business model for the survey is strong and the Company is experiencing good interest from clients. MultiClient surveys in the Gulf of Mexico normally carry a lower level of pre-funding; this obviously impacts PGS’ pre-funding level as well as the MultiClient cash investment for the full year 2013.

Based on the current operational projections and with reference to the aforementioned risk factors, PGS expects full year 2013 EBITDA to be approximately $850 million as compared to the $900-950 million previously guided.

MultiClient cash investments are expected to be approximately $350 million, as compared to $300-$350 million previously. The pre-funding level is now expected to be 95-100% of capitalized cash investment.

Capital expenditures are estimated to be in the range of $525-550 million, as compared to $540-$570 million previously, of which $315-335 million are related to the new build program.

Oslo, October 24, 2013

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 (PGS) is a leading, worldwide geophysical company providing an extensive range of seismic services and products for the petroleum industry including seismic data acquisition, processing, reservoir monitoring and analysis, interpretation and electromagnetic studies. The company also possesses the world's most extensive 3D MultiClient data library.

PGS has a presence in over 25 countries with regional centers in London, Houston and Singapore. Our headquarters is in Oslo, Norway and the PGS share is listed on the Oslo stock exchange (OSE:PGS).

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

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FOR DETAILS CONTACT:

Bård Stenberg, Investor Relations Manager
Phone: +47 67 51 43 16
Mobile: +47 992 45 235

Tore Langballe, SVP Corporate Communications
Phone: +47 67 51 43 75
Mobile: +47 90 77 78 41

PGS Main Offices:

OSLO (headquarter)
Petroleum Geo-Services ASA
Lilleakerveien 4C
P.O.Box 251 Lilleaker
0216 Oslo, Norway
Phone: +47 67 52 64 00
Fax: +47 67 52 64 64

HOUSTON
Petroleum Geo-Services, Inc
15150 Memorial Drive
Houston Texas 77079 USA
Phone: +1 281 509 8000
Fax: +1 281 509 8500

LONDON
Petroleum Geo-Services (UK) Ltd.
4, The Heights
Brooklands
Weybridge
Surrey KT13 0NY, UK
Phone: +44 1932 3760 00
Fax: +44 1932 3761 00

SINGAPORE
Petroleum Geo-Services Asia
111 Somerset Road
#15-05/06
Triple One Somerset
Singapore 238164
Phone: +65 6735 6411
Fax: +65 6735 6413

Board of Directors:

Francis Gugen (Chairperson)
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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:

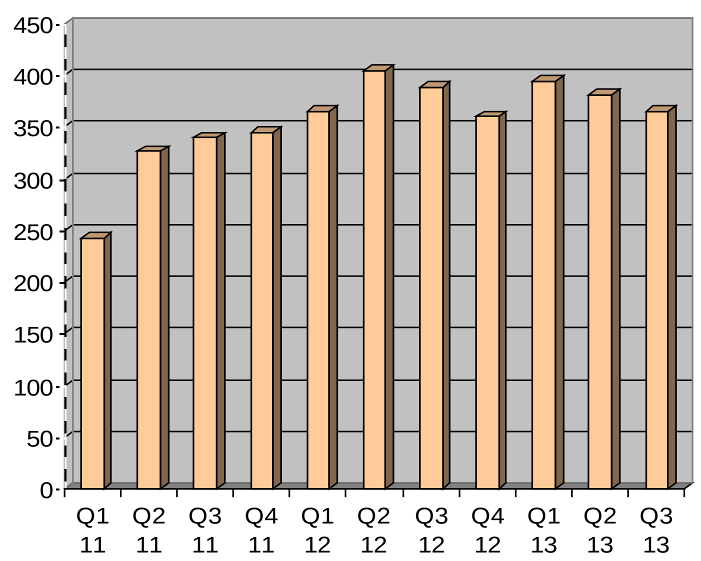
Q3 2013 report	October 25, 2013
Capital Markets Day	December 18, 2013

The dates are subject to change.

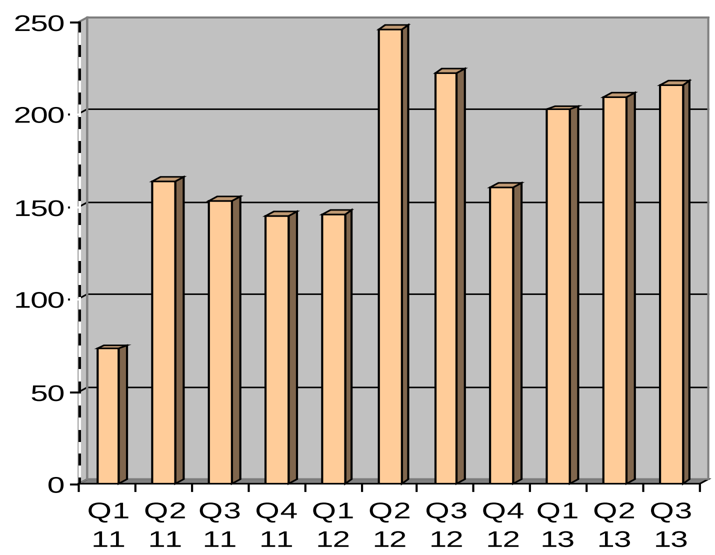
Petroleum Geo-Services ASA and Subsidiaries
Condensed Consolidated Statements of Operations

(In millions of US dollars, except share data)	Note	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
Revenues	4	365.6	388.3	1 142.1	1 158.2	1 518.3
Cost of sales		123.8	138.1	440.2	472.6	642.4
Research and development costs	5	9.8	11.7	27.9	26.4	38.3
Selling, general and administrative costs		16.0	16.4	46.1	45.2	61.4
Depreciation and amortization	4, 6	107.9	111.4	312.7	382.6	484.3
Impairment (reversal) of long-term assets	4	-	-	-	(0.9)	(0.8)
Other operating (income) expense		(0.2)	(0.2)	(0.5)	(0.9)	(1.1)
Total operating expenses		257.3	277.4	826.4	925.0	1 224.5
Operating profit/EBIT	4	108.3	110.9	315.7	233.2	293.8
Interest expense	7	(9.1)	(8.5)	(24.8)	(30.0)	(37.8)
Other financial expense, net	8	(1.3)	(0.5)	(7.8)	(19.7)	(27.5)
Income before income tax expense		97.9	101.9	283.1	183.5	228.5
Income tax expense		23.7	15.0	74.9	38.1	43.0
Net income to equity holders of PGS ASA		**74.2**	**86.9**	**208.2**	**145.4**	**185.5**
Earnings per share, to ordinary equity holders of PGS ASA:						
- Basic		0.35	0.40	0.97	0.67	0.86
- Diluted		0.34	0.40	0.96	0.67	0.85
Weighted average basic shares outstanding		215 071 675	216 556 132	215 714 910	216 607 649	216 634 550
Weighted average diluted shares outstanding		215 782 458	217 405 649	216 567 946	217 396 879	217 467 938

Revenues by Quarter
2011 - 2013
MUSD



EBITDA by Quarter
2011 - 2013
MUSD



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

(In millions of US dollars)	Note	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
						Restated(1)
Net income for the period		74.2	86.9	208.2	145.4	185.5
Other comprehensive income:						
Actuarial gains (losses) on defined benefit pensions plans		-	-	-	-	25.4
Income tax effect on actuarial gains and losses		-	-	-	-	(7.0)
Items that will not be reclassified to statements of operations		-	-	-	-	18.4
Cash flow hedges	11	3.4	0.1	7.4	5.3	7.5
Deferred tax on cash flow hedges		(1.0)	-	(2.1)	(1.5)	(2.1)
Revaluation of shares available-for-sale	11	0.7	2.7	0.9	0.7	0.1
Other comprehensive income (loss) of associated companies		(0.8)	(1.0)	(0.1)	(1.3)	(1.3)
Translation adjustments and other		0.1	0.1	(0.2)	-	0.1
Items that may be subsequently reclassified to statements of operations		2.4	1.9	5.9	3.2	4.3
Other comprehensive income for the period, net of tax		2.4	1.9	5.9	3.2	22.7
Total comprehensive income to equity holders of PGS ASA		76.6	88.8	214.1	148.6	208.2

(1) The financial information is restated from retrospectively adopting IAS19R, see note 3.

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

(In millions of US dollars)	Note	September 30, 2013	September 30, 2012	December 31, 2012
			Restated(1)	Restated(1)
ASSETS				
Current assets:				
Cash and cash equivalents	10	299.0	290.3	390.3
Restricted cash	10	9.8	3.5	6.5
Accounts receivable		227.4	165.2	176.4
Accrued revenues and other receivables		138.4	159.6	153.6
Other current assets		100.1	126.3	110.0
Total current assets		774.7	744.9	836.8
Long-term assets:				
Property and equipment		1 634.8	1 350.6	1 437.6
MultiClient library	9	520.7	357.4	382.3
Restricted cash	10	78.3	86.0	85.8
Deferred tax assets		120.8	161.0	169.9
Other long-term assets		83.4	61.7	80.5
Goodwill		139.9	139.9	139.9
Other intangible assets		158.6	138.8	142.8
Total long-term assets		2 736.5	2 295.4	2 438.8
Total assets		3 511.2	3 040.3	3 275.6
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Short-term debt and current portion of long-term debt	10, 12	10.8	0.5	1.0
Accounts payable		52.1	44.5	61.0
Accrued expenses		291.1	266.1	275.6
Income taxes payable		34.5	24.1	31.3
Total current liabilities		388.5	335.2	368.9
Long-term liabilities:				
Long-term debt	10, 12	1 019.0	755.6	915.8
Deferred tax liabilities		7.7	6.0	8.5
Other long-term liabilities		54.5	94.3	70.9
Total long-term liabilities		1 081.2	855.9	995.2
Shareholders' equity:				
Paid-in capital:				
Common stock; par value NOK 3; issued and outstanding 217,799,997 shares		96.5	96.5	96.5
Treasury shares, par value		(1.4)	(0.6)	(0.5)
Additional paid-in capital		517.8	512.1	513.3
Total paid-in capital		612.9	608.0	609.3
Accumulated earnings		1 449.0	1 287.0	1 328.5
Cumulative translation adjustment and other reserves		(20.4)	(45.8)	(26.3)
Total shareholders' equity		2 041.5	1 849.2	1 911.5
Total liabilities and shareholders' equity		3 511.2	3 040.3	3 275.6

(1) The financial information is restated from retrospectively adopting IAS19R, see note 3.

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

***For the nine months ended September 30, 2012 - Restated** (1)*

(In millions US of dollars)	Common stock par value	Treasury shares par value	Additional paid-in capital	Accumulated earnings	Cumulative translation adjustm. and other reserves	Total	Non-controlling interests	Shareholders' equity
	Attributable to equity holders of PGS ASA							
Balance at December 31, 2011	**96.5**	**(0.6)**	**508.2**	**1 187.7**	**(20.3)**	**1 771.5**	**0.2**	**1 771.7**
Effect of retrospectively adopting IAS 19R	-	-	-	-	(28.7)	(28.7)	-	**(28.7)**
Balance at January 1, 2012	**96.5**	**(0.6)**	**508.2**	**1 187.7**	**(49.0)**	**1 742.8**	**0.2**	**1 743.0**
Total comprehensive income	-	-	-	145.4	3.2	148.6	-	148.6
Dividends to non-controlling interests	-	-	-	-	-	-	(0.2)	(0.2)
Dividend paid (2)	-	-	-	(41.5)	-	(41.5)	-	(41.5)
Acquired treasury shares	-	(0.4)	-	(10.9)	-	(11.3)	-	(11.3)
Transferred shares, share bonus	-	-	-	0.4	-	0.4	-	0.4
Transferred shares, conversion of convertible notes	-	-	-	1.1	-	1.1	-	1.1
Exercise employee share options	-	0.4	-	4.8	-	5.2	-	5.2
Employee share options	-	-	3.9	-	-	3.9	-	3.9
Balance at September 30, 2012	**96.5**	**(0.6)**	**512.1**	**1 287.0**	**(45.8)**	**1 849.2**	**-**	**1 849.2**

(1) The financial information is restated from retrospectively adopting IAS19R, see note 3.
(2) NOK 1.10 per share was paid as ordinary dividend for 2011.

For the nine months ended September 30, 2013

(In millions US of dollars)	Common stock par value	Treasury shares par value	Additional paid-in capital	Accumulated earnings	Cumulative translation adjustm. and other reserves	Total	Non-controlling interests	Shareholders' equity
	Attributable to equity holders of PGS ASA							
Balance at December 31, 2012	**96.5**	**(0.5)**	**513.3**	**1 328.5**	**(16.0)**	**1 921.8**	**-**	**1 921.8**
Effect of retrospectively adopting IAS 19R	-	-	-	-	(10.3)	(10.3)	-	**(10.3)**
Balance at January 1, 2013	**96.5**	**(0.5)**	**513.3**	**1 328.5**	**(26.3)**	**1 911.5**	**-**	**1 911.5**
Total comprehensive income	-	-	-	208.2	5.9	214.1	-	214.1
Dividend paid (1)	-	-	-	(60.7)	-	(60.7)	-	(60.7)
Acquired treasury shares	-	(1.0)	-	(28.2)	-	(29.2)	-	(29.2)
Exercise employee share options	-	0.1	-	1.2	-	1.3	-	1.3
Employee share options	-	-	4.5	-	-	4.5	-	4.5
Balance at September 30, 2013	**96.5**	**(1.4)**	**517.8**	**1 449.0**	**(20.4)**	**2 041.5**	**-**	**2 041.5**

(1) NOK 1.65 per share was paid as ordinary dividend for 2012.

Petroleum Geo-Services ASA and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
Cash flows (used in) provided by operating activities:					
Net income to equity holders of PGS ASA	74.2	86.9	208.2	145.4	185.5
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and impairment of long-term assets	107.9	111.4	312.7	381.7	483.5
Share of (income) loss in associated companies	2.6	(0.3)	5.0	2.3	4.2
Interest expense	9.1	8.5	24.8	30.0	37.8
(Gain) loss on sale and retirement of assets	1.4	(0.8)	4.3	9.7	11.2
Income taxes paid	(4.4)	(7.1)	(25.7)	(22.4)	(28.5)
Other items	2.6	(1.4)	3.5	3.5	7.3
(Increase) decrease in accounts receivable, accrued revenues & other receivables	(2.0)	18.0	(35.8)	2.2	(2.9)
Increase (decrease) in accounts payable	(27.6)	(6.0)	(17.8)	(19.5)	(8.0)
Change in other short-term items related to operating activities	18.7	37.4	53.8	32.3	57.0
Change in other long-term items related to operating activities	6.9	13.6	30.4	23.0	5.8
Net cash (used in) provided by operating activities	189.4	260.2	563.4	588.2	752.9
Cash flows (used in) provided by investing activities:					
Investment in MultiClient library	(120.9)	(91.4)	(262.0)	(226.1)	(297.4)
Investment in property and equipment	(76.8)	(84.7)	(352.6)	(226.9)	(358.5)
Investment in other intangible assets	(7.3)	(8.9)	(21.2)	(22.9)	(28.0)
Investment in other current -and long-term assets	(3.4)	-	(6.9)	(0.1)	(0.1)
Proceeds from sale of other current -and long-term assets	-	24.4	2.6	28.3	31.4
(Increase) decrease in long-term restricted cash	-	(1.1)	(0.6)	(4.5)	(5.4)
Net cash (used in) provided by investing activities	(208.4)	(161.7)	(640.7)	(452.2)	(658.0)
Cash flows (used in) provided by financing activities:					
Proceeds, net of deferred loan costs, from issuance of long-term debt	-	-	114.6	-	156.3
Repayment of long-term debt	(5.3)	-	(6.3)	(190.4)	(190.6)
Purchase of treasury shares	-	(5.3)	(29.2)	(11.3)	(11.3)
Proceeds from sale of treasury shares	0.5	3.8	1.3	5.6	7.1
Dividend paid to non-controlling interests	-	-	-	(0.2)	(0.2)
Dividend paid	-	-	(60.9)	(41.5)	(41.5)
Interest paid	(6.9)	(5.6)	(33.5)	(32.6)	(49.1)
Net cash (used in) provided by financing activities	(11.7)	(7.1)	(14.0)	(270.4)	(129.3)
Net increase (decrease) in cash and cash equivalents	(30.7)	91.4	(91.3)	(134.4)	(34.4)
Cash and cash equivalents at beginning of period	329.7	198.9	390.3	424.7	424.7
Cash and cash equivalents at end of period	**299.0**	**290.3**	**299.0**	**290.3**	**390.3**

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 condensed 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.

EBIT or "operating profit" means Revenues less Total operating expenses. EBITDA, when used by the Company, means EBIT less other operating (income) expense, impairment of long-term assets and depreciation and amortization. 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.

Note 2 - Basis of presentation

The condensed interim consolidated financial statements reflect 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 are not necessarily indicative of the results that may be expected for any subsequent interim period or year. The condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012.

The accounting policies adopted in the preparation of the condensed 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, 2012 with the exception of adoption of IAS19R as described below.

Note 3 - New standard adopted in 2013

The Company adopted IAS 19 Employee benefits (revised 2011; IAS 19R) effective for annual periods beginning on or after January 1, 2013. The standard is applied retrospectively. The main amendments impacting the Company are: (i) removal of the corridor mechanism such that actuarial gains and losses are recognized immediately in other comprehensive income, and (ii) the expected returns on plan assets must equal the discount rate on the projected benefit obligation.

The following table presents the impacts of applying the standard retrospectively. The impact to the condensed consolidated statements of operations is insignificant and, as such, the results from operations of prior periods are not restated.

(In millions of US dollars)	December 31, 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Other long-term liabilities as previously reported	62.7	56.8	53.0	57.0	59.0
Change in pension liability from recognizing unrecognized actuarial losses	37.3	37.3	37.3	37.3	11.9
Restated other long-term liabilities	100.0	94.1	90.3	94.3	70.9
Deferred tax assets as previously reported	177.9	176.5	157.7	152.4	168.3
Tax effect from change in pension liability	8.6	8.6	8.6	8.6	1.6
Restated deferred tax assets	186.5	185.1	166.3	161.0	169.9
Cumulative translation adjustments and other reserves as previously reported	(20.3)	(19.5)	(19.0)	(17.1)	(16.0)
Effect on cumulative translation adjustments and other reserves	(28.7)	(28.7)	(28.7)	(28.7)	(10.3)
Restated cumulative translation adjustments and other reserves	(49.0)	(48.2)	(47.7)	(45.8)	(26.3)

Note 4 - Segment information

The chief operating decision maker reviews Contract and MultiClient as separate operating segments, however, as the two operating segments meet the aggregation criteria in IFRS 8 "Operating Segments", they are presented combined as "Marine". "Other" includes Corporate administration costs and unallocated Global Shared Resources costs (net). Other financial expense, net and income tax expense are not included in the measure of segment performance.

Revenues by operating segment and service type:

	Quarter ended September 30,		Nine months ended September 30,		Year ended December 31,
(In millions of US dollars)	2013	2012	2013	2012	2012
Marine revenues by service type:					
- Contract seismic	155.7	163.8	555.9	467.2	623.5
- MultiClient pre-funding	108.4	121.3	266.2	379.9	461.3
- MultiClient late sales	63.0	65.7	212.1	201.0	266.8
- Data Processing	34.3	33.1	90.1	92.1	124.5
- Other	4.2	4.4	17.7	17.9	41.9
Marine revenues	**365.6**	**388.3**	**1 142.0**	**1 158.1**	**1 518.0**
- Other, non Marine	-	-	0.1	0.1	0.3
Total revenues	**365.6**	**388.3**	**1 142.1**	**1 158.2**	**1 518.3**

Operating profit (loss) EBIT by operating segment:

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
Marine:					
EBITDA	219.2	226.0	635.6	629.3	791.6
Other operating income	0.2	0.2	0.5	0.9	1.1
Impairment (reversal) of long-term assets	-	-	-	0.9	0.8
Depreciation and amortization (a)	(25.3)	(31.5)	(98.5)	(98.1)	(134.3)
Amortization of MultiClient library (a)	(80.7)	(78.5)	(209.2)	(280.7)	(344.6)
Operating profit EBIT, Marine	113.4	116.2	328.4	252.3	314.6
Other:					
EBITDA	(3.3)	(3.6)	(8.8)	(16.0)	(16.8)
Depreciation and amortization (a)	(1.9)	(1.4)	(5.0)	(3.8)	(5.3)
Operating loss EBIT, Other	(5.2)	(5.0)	(13.8)	(19.8)	(22.1)
Inter-segment eliminations:					
EBITDA	0.1	(0.3)	1.1	0.7	1.3
Operating profit (loss) EBIT, Inter-segment eliminations	0.1	(0.3)	1.1	0.7	1.3
Total Operating profit:					
EBITDA	216.0	222.1	627.9	614.0	776.2
Other operating income	0.2	0.2	0.5	0.9	1.1
Impairment (reversal) of long-term assets	-	-	-	0.9	0.8
Depreciation and amortization (a)	(27.2)	(32.9)	(103.5)	(101.9)	(139.6)
Amortization of MultiClient library (a)	(80.7)	(78.5)	(209.2)	(280.7)	(344.7)
Total Operating profit EBIT	**108.3**	**110.9**	**315.7**	**233.2**	**293.8**

(a) Presented combined in the condensed consolidated statements of operations.

Note 5 - Research and development costs

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

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
Research and development costs, gross	14.6	18.7	38.9	40.9	57.3
Capitalized development costs	(4.8)	(7.0)	(11.0)	(14.5)	(19.0)
Total	**9.8**	**11.7**	**27.9**	**26.4**	**38.3**

Note 6 - Depreciation and amortization

Depreciation and amortization consists of the following:

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
Gross depreciation	64.4	56.4	180.0	167.3	222.6
Depreciation capitalized and deferred, net	(37.2)	(23.5)	(76.5)	(65.4)	(83.0)
Amortization of MultiClient library	80.7	78.5	209.2	280.7	344.7
Total	**107.9**	**111.4**	**312.7**	**382.6**	**484.3**

The Company amortizes its MultiClient library primarily based on the ratio between cost of surveys and the total forecasted sales for such surveys. The surveys are categorized into amortization categories based on this ratio. 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 condensed consolidated statements of operations since this additional, non-sales related amortization expense, is expected to occur regularly.

Note 7 - Interest expense

Interest expense consists of the following:

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
Interest expense, gross	(14.3)	(11.9)	(43.4)	(39.3)	(51.4)
Capitalized interest, MultiClient library	2.8	1.1	6.9	4.3	5.6
Capitalized interest, construction in progress	2.4	2.3	11.7	5.0	8.0
Total	**(9.1)**	**(8.5)**	**(24.8)**	**(30.0)**	**(37.8)**

Note 8 - Other financial expense, net

Other financial expense, net consists of the following:

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
Interest income	0.2	1.0	1.0	3.4	3.6
Income (loss) from associated companies	(2.6)	0.3	(5.0)	(2.3)	(4.2)
Loss on repurchase of convertible notes	-	-	-	(7.5)	(7.5)
Fair value adjustments on financial instruments	-	-	-	(3.0)	(6.7)
Currency exchange gain (loss)	(2.8)	(0.9)	(4.4)	(6.6)	(7.3)
Other	3.9	(0.9)	0.6	(3.7)	(5.4)
Total	**(1.3)**	**(0.5)**	**(7.8)**	**(19.7)**	**(27.5)**

Note 9 - MultiClient library

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

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Year ended December 31, 2012
Completed during 2007 and prior years	-	0.2	-
Completed during 2008	3.7	20.0	17.0
Completed during 2009	36.4	64.0	54.9
Completed during 2010	23.8	32.5	28.5
Completed during 2011	37.1	50.6	48.3
Completed during 2012	51.6	53.0	63.1
Completed during 2013	35.6	-	-
Completed surveys	188.2	220.3	211.8
Surveys in progress	332.5	137.1	170.5
MultiClient library, net	**520.7**	**357.4**	**382.3**

Key figures MultiClient library:

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
MultiClient pre-funding revenue	108.4	121.3	266.2	379.9	461.3
MultiClient late sales	63.0	65.7	212.1	201.0	266.8
Cash investment in MultiClient library (a)	120.9	91.4	262.0	226.1	297.4
Capitalized interest in MultiClient library (b)	2.8	1.1	6.9	4.3	5.6
Capitalized depreciation (non-cash) (c)	39.2	23.5	78.5	65.4	81.5
Amortization of MultiClient library (c)	80.7	78.5	209.2	280.7	344.6

(a) See condensed consolidated statements of cash flows.
(b) See note 7.
(c) See note 6.

Note 10 - Net interest bearing debt

Summary of net interest bearing debt:

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Year ended December 31, 2012
Cash and cash equivalents	299.0	290.3	390.3
Restricted cash (current and long-term)	88.1	89.5	92.3
Interest bearing receivables	15.6	10.5	3.4
Short-term debt and current portion of long-term debt	(10.8)	(0.5)	(1.0)
Long-term debt (a)	(1 019.0)	(755.6)	(915.8)
Adjustment for deferred loan costs (offset in long-term debt)	(11.0)	(15.3)	(4.8)
Total	**(638.1)**	**(381.1)**	**(435.6)**

(a) Includes a drawdown on the export credit facility of $125 million during the 9 months ended September 30, 2013.
In Q3 2013 the Company completed the process of increasing its revolving credit facility from $350 million to $500 million and extended the maturity from 2015 to 2018.

Note 11 - Components of other comprehensive income

A reconciliation of reclassification adjustments included in the condensed consolidated statements of operations:

(In millions of US dollars)	Quarter ended September 30, 2013	Quarter ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012	Year ended December 31, 2012
Cash flow hedges:					
Gains (losses) arising during the period	0.9	(2.8)	0.1	(4.6)	(5.0)
Less: Reclassification adjustments for losses included in the condensed consolidated statements of operations	2.5	2.9	7.3	9.9	12.5
Cash flow hedges, net	**3.4**	**0.1**	**7.4**	**5.3**	**7.5**
Revaluation of shares available-for-sale:					
Gains (losses) arising during the period	0.7	3.8	0.1	2.3	1.0
Less: Reclassification adjustments for losses (gains) included in the condensed consolidated statements of operations	-	(1.1)	0.8	(1.6)	(0.9)
Revaluation of shares available-for-sale, net	**0.7**	**2.7**	**0.9**	**0.7**	**0.1**

Effective September 30, 2013, the Company has discontinued hedge accounting on its interest rate swap agreements, and the net amount of $10.6 million included in OCI will be reclassified to the condensed consolidated statements of operations through March 2015 as an adjustment to the effective interest on outstanding debt.

Note 12 - Financial instruments

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, accrued revenues and other receivables, other current assets accounts payable and accrued expenses approximate their respective fair values because of the short maturities of those instruments.

The carrying amounts and the estimated fair values of debt and derivative instruments are summarized as follows:

(In millions of US dollars)	Carrying amounts September 30 2013	Carrying amounts September 30 2012	Fair values September 30 2013	Fair values September 30 2012	Notional amounts September 30 2013	Notional amounts September 30 2012
Total forward exchange contracts (hedge)	(1.3)	0.9	(1.3)	0.9	59.5	29.5
Total forward exchange contracts (non-hedge)	4.1	5.9	4.1	5.9	117.9	109.3
Total forward exchange contracts	**2.8**	**6.8**	**2.8**	**6.8**	**177.4**	**138.8**
Interest rate swaps (hedge)	-	(18.3)	-	(18.3)	-	350.0
Interest rate swaps (non-hedge)	(10.6)	-	(10.6)	-	300.0	-
Total interest rate swaps	**(10.6)**	**(18.3)**	**(10.6)**	**(18.3)**	**300.0**	**350.0**
Debt with fixed interest rate	512.5	300.0	559.0	321.2		
Debt with variable interest rate	527.8	470.5	519.6	456.4		
Total debt	**1 040.3**	**770.5**	**1 078.6**	**777.6**		