



Capital Markets Day 2019

Supporting Exploration, Optimizing Production

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Oslo | 31st January 2019

Agenda Q4 Earnings Release & Capital Markets Day

Time	Topic
09:00	PGS and 2019 market perspectives Rune Olav Pedersen, President & CEO
09:25	Q4 2018 results and CMD financials Gottfred Langseth, EVP & CFO
10:00	Q&A
10:15	Coffee break
10:30	Sales & Imaging Nathan Oliver, EVP Sales & Imaging
10:50	New Ventures Berit Osnes, EVP New Ventures
11:10	Operations & Technology Per Arild Reksnes, EVP Operations & Technology
11:30	Concluding remarks Rune Olav Pedersen, President & CEO
11:35	Q&A
11:50	Lunch

Cautionary Statement

- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
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Supporting Exploration, Optimizing Production

Market Outlook and Strategic Direction

Rune Olav Pedersen (President & CEO)

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2018 Highlights



Centralized, Simplified & Streamlined

- Completed reorganization process
- Sold OptoSeis to GeoSpace
- Operated a flexible fleet of vessels



Became cash flow positive after debt servicing

- Delivered on key target for 2018
- First year with new organization



Improving MultiClient Performance

- Record MultiClient late sales
- Increasing investment
- Diverse client base



Revised PGS strategy

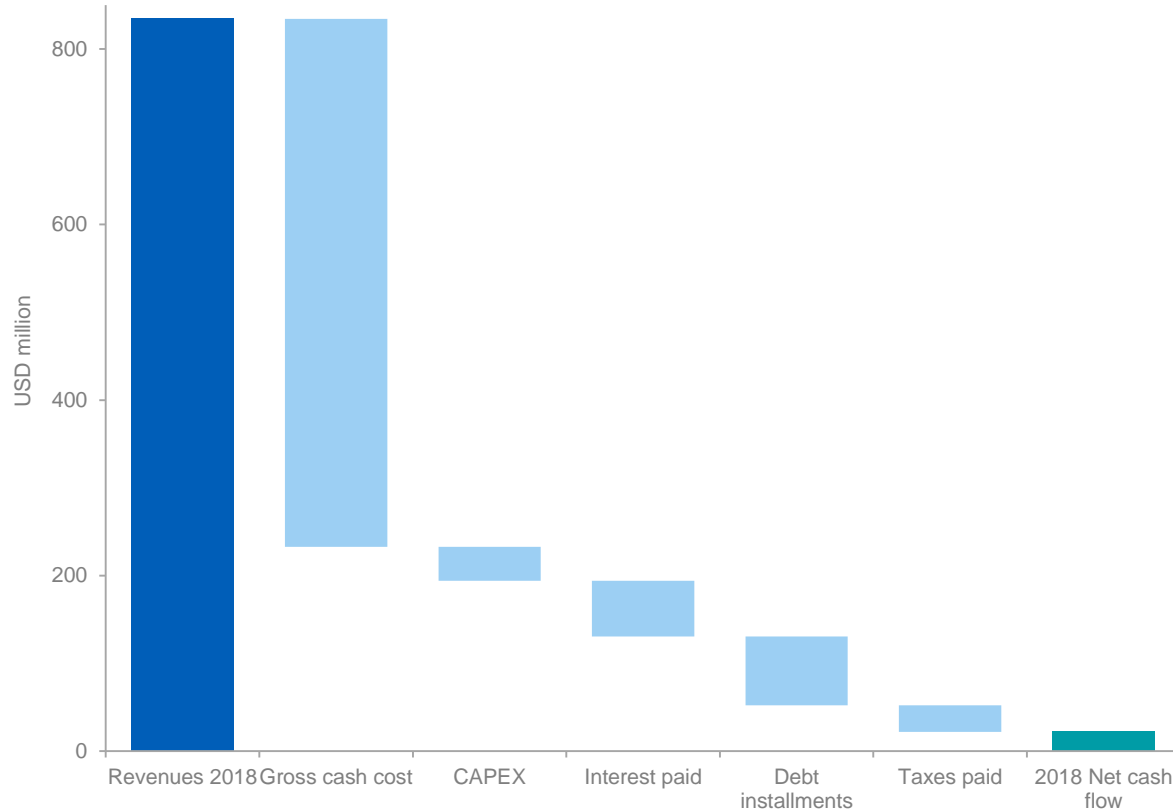
- Profitability and cash flow
- Conservative approach to balance sheet
- Strong focus on MultiClient



PGS - the only full service provider

- Meeting clients needs in all aspects of towed streamer seismic
- Flexible business models with tailored solutions

Achieved Positive Cash Flow After Debt Amortization in 2018

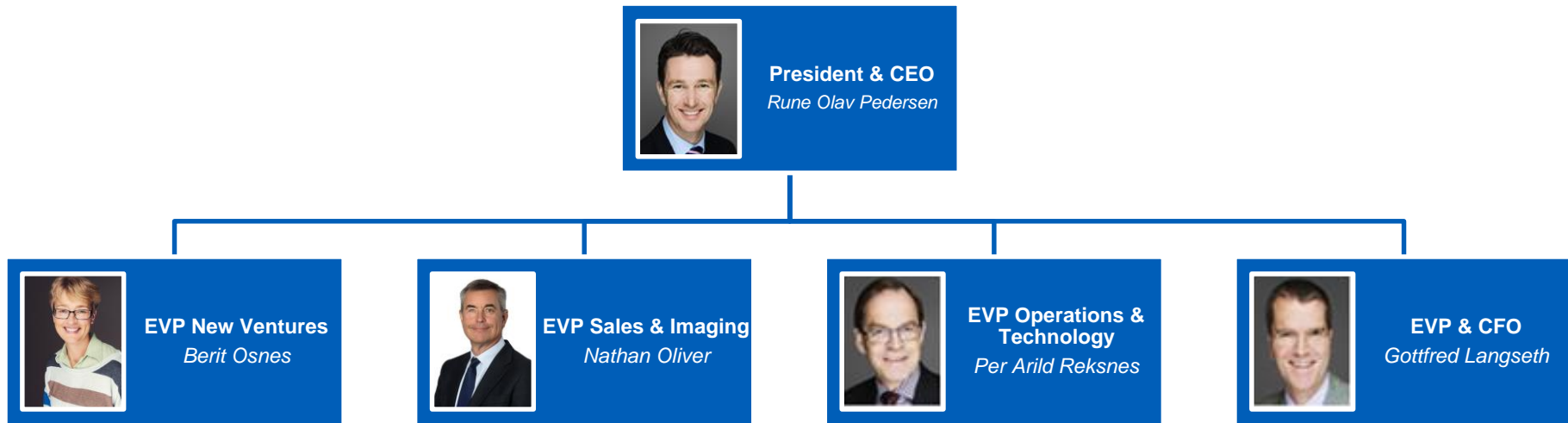


- Revenues in 2018 were in line with 2017, despite significant idle time
 - Record high MultiClient late sales

- Delivered on key KPI for 2018 of becoming cash flow positive after debt amortization

- Cash flow generation expected to increase in 2019
 - Lower debt repayments
 - Improving market fundamentals

Sales & Services Split in Two: New Ventures and Sales & Marketing



- Former EVP Sales & Services, Sverre Strandenes retired from PGS by year-end 2018
- Sales & Services divided in two;
 - New Ventures is responsible for all new and ongoing MultiClient projects
 - Sales and Imaging promotes, markets and sells MultiClient data library, contract acquisition and imaging solutions
- Berit Osnes and Nathan Oliver are recruited internally

Financial Strategy

Profitability before growth

Return on Capital Employed

Capital structure
to sustain future downturns

Business Strategy

MultiClient focus

4D leadership

Reduce turnaround time

Joint acquisition and imaging approach

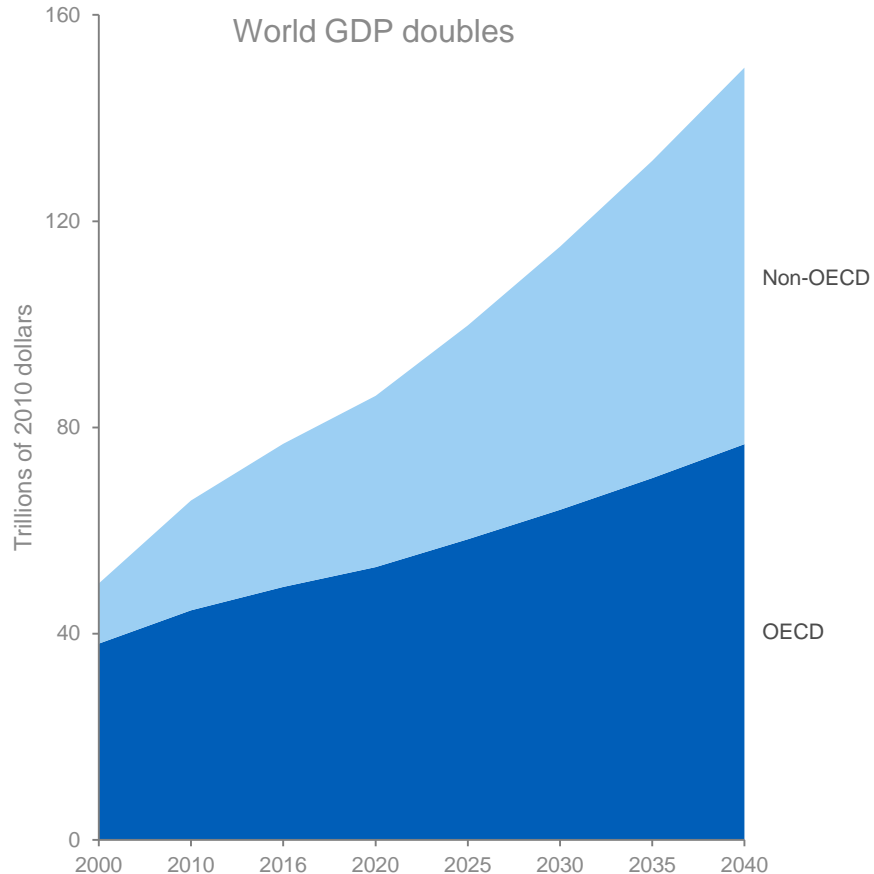
R&D focus on imaging and acquisition solutions

Leveraging PGS fleet productivity and technology



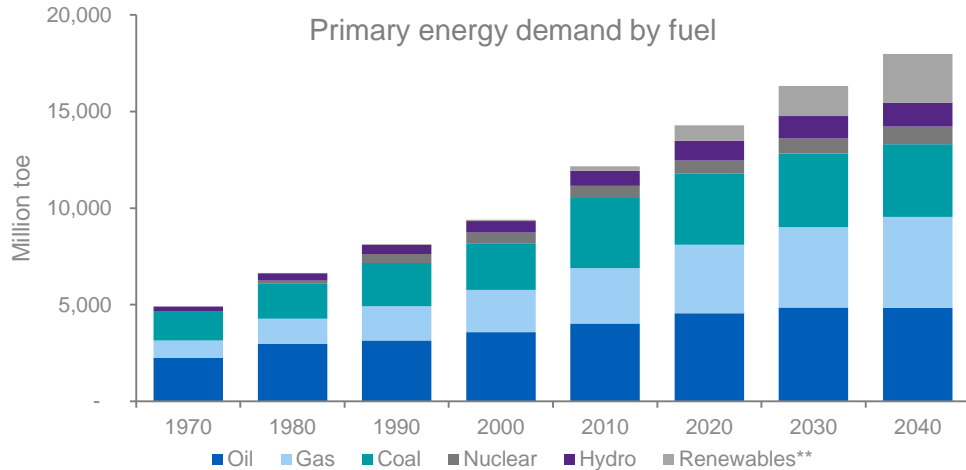
Leveraging digitalization to improve efficiency and reduce cost

Market Perspectives: GDP Growth Expected to Continue – Current Macro Uncertainty

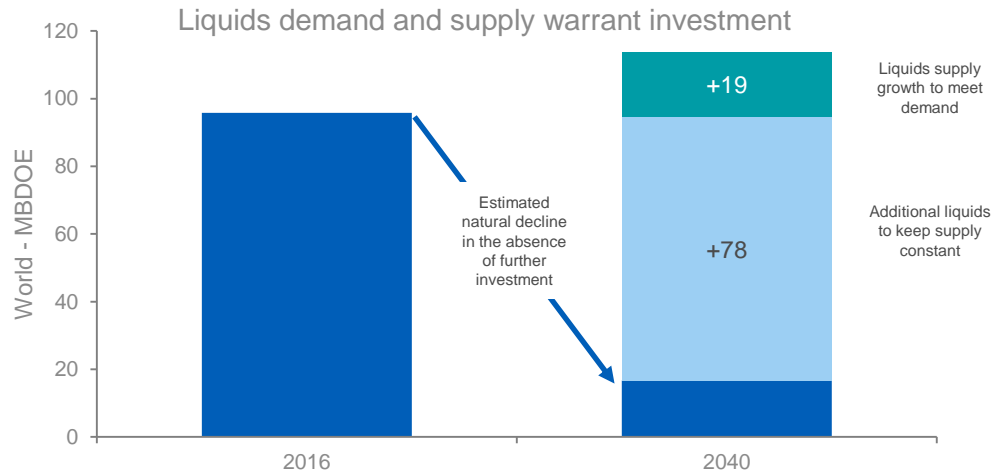


- The current macro environment is uncertain
 - Length of upcycle experienced since the financial crisis
 - Result of US – China trade negotiations
 - Impact on world growth and energy demand
- World GDP expected to double by 2040 and growth rate likely to be similar as for the last 25 years
 - Driven by increased prosperity in the developing world

Market Perspectives : Energy Demand Continues to Increase

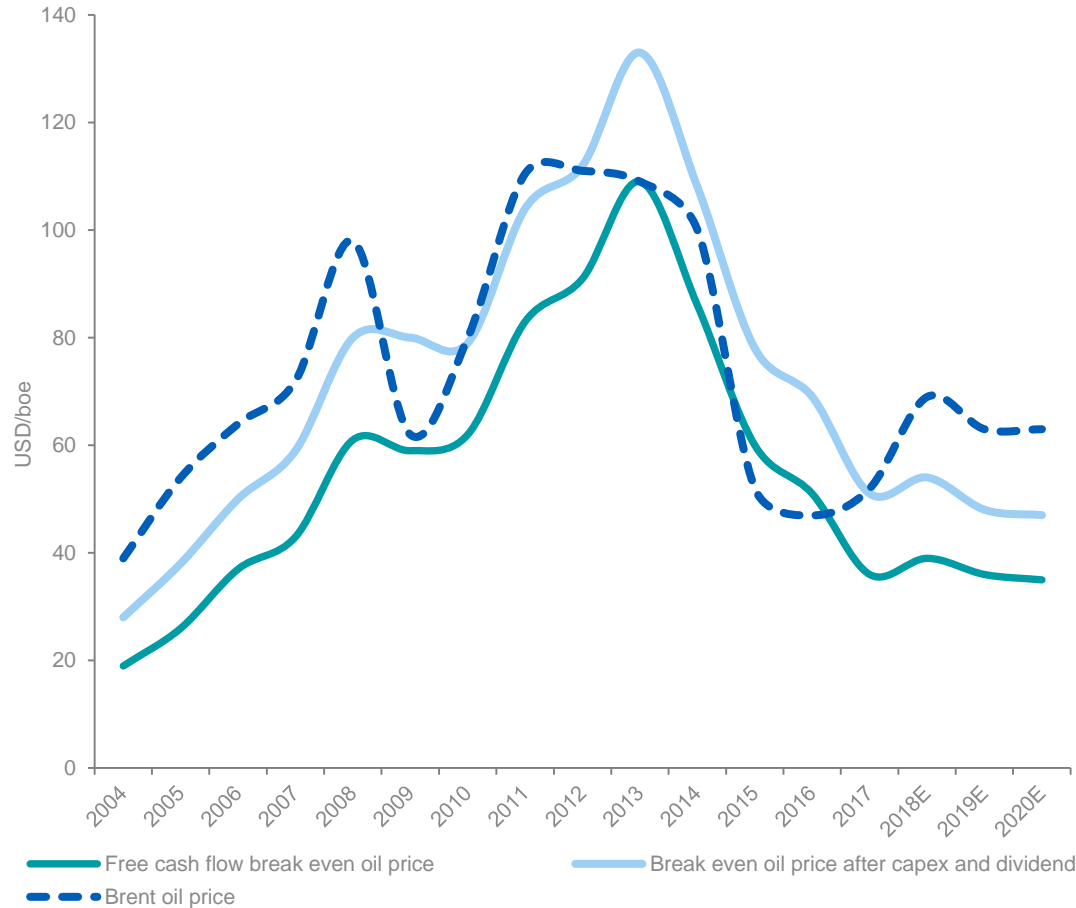


- Oil and gas demand expected to grow annually from 2010 to 2040
- Oil and gas accounts for a majority of energy demand and is also expected to be the dominant energy source in 2040



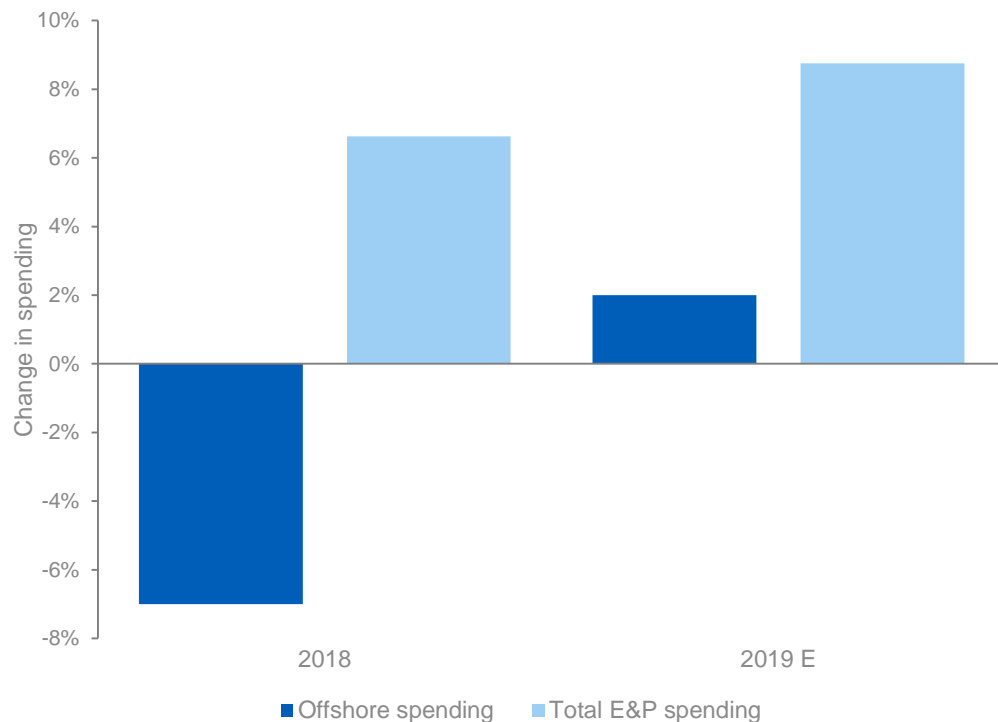
- Decline rates from producing field is significant and increased shale production is not enough to compensate
 - Offshore exploration and production has to increase

Market Perspectives: Oil Companies Cash Flow Supports an Improving Seismic Market



- Oil companies generate significant cash flow despite oil price correction
 - They are expected to continue strong cash generation in 2019 and 2020
- Oil price declined during latter part of 2018
 - Have recovered from the 50s and is expected to increase further

Market Perspectives: E&P Spending Expected to Increase in 2019 – Also Offshore

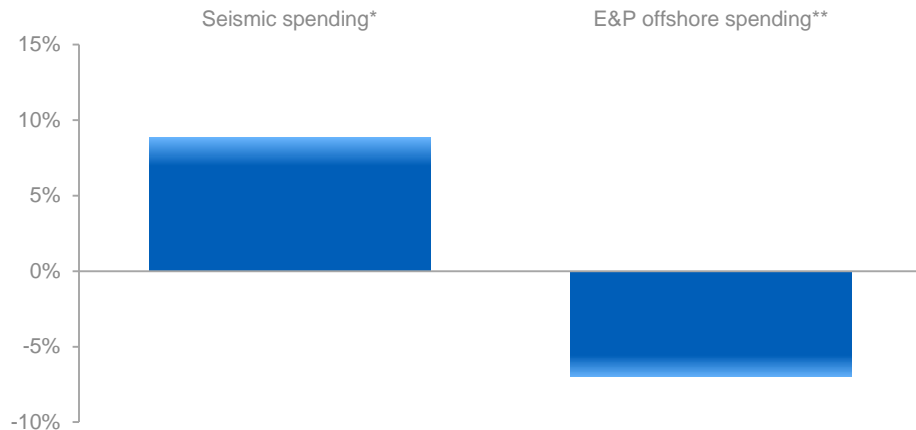


- Total 2019 E&P spending expected to continue to increase, compared to 2018 spending level
- Larger incremental increase for offshore spending than overall E&P spending
- Continued CAPEX discipline to be expected

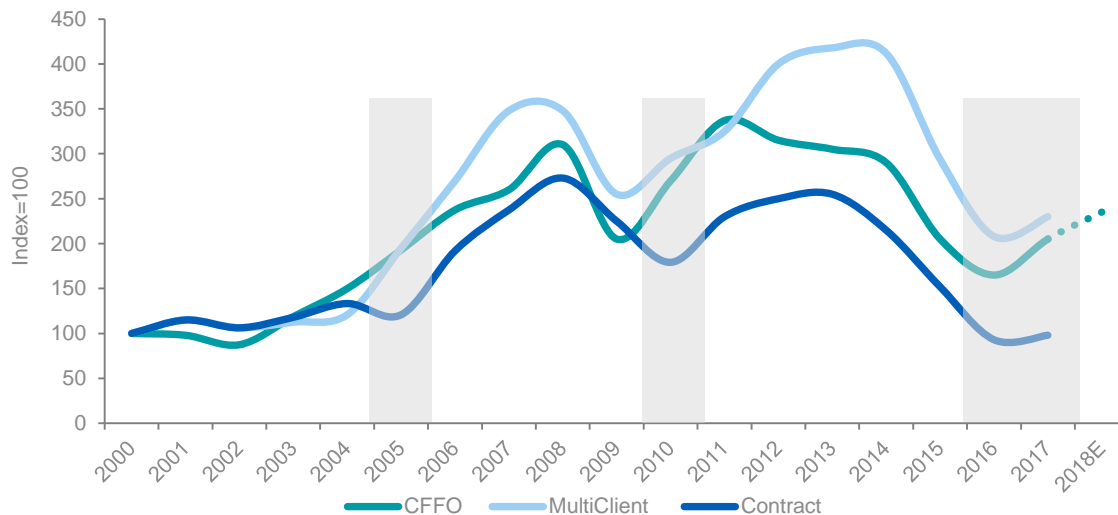
Market Perspectives: Seismic – Early Cycle Indicator with Potential for More



Change in 2018 vs. 2017



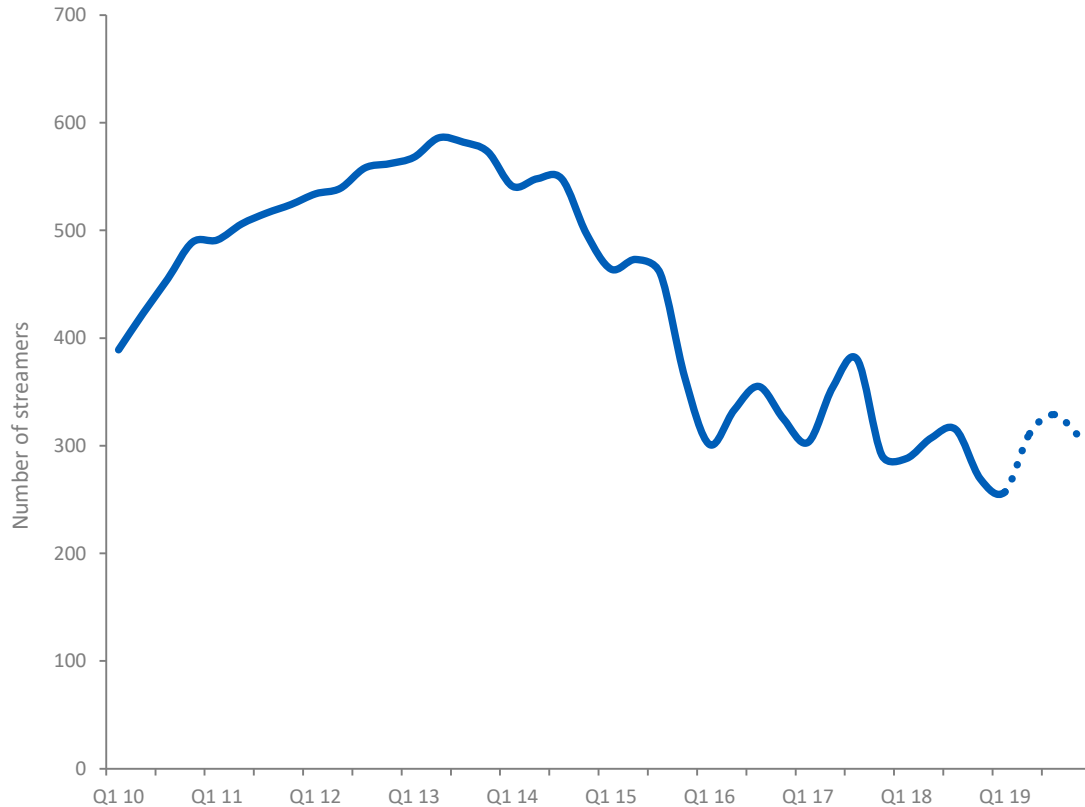
*Accumulated revenues for PGS, TGS, CGG, Spectrum and Polarcus. Preannounced numbers for the first four companies and based on consensus for Polarcus.
**Average of estimates from Barclays, DNB and Pareto Securities E&P spending reports.



Source: Rystad Energy and Nordea.

- For the second consecutive year seismic spending has increased Y-o-Y
- MultiClient has already benefitted, while contract activity has lagged
- Contract market trends
 - Higher activity
 - Higher prices
 - Increased share of 4D
- Expect contract pricing to be materially higher in 2019 vs. 2018

2019 Marine Seismic Supply Expectations



- Average streamer capacity in 2019 is close to 50% lower than average streamer capacity in 2013
 - Some competitors will add capacity and others will remove capacity in 2019
 - Expect 2019 supply to stay flattish vs. 2018

- Flexible winter capacity will cause seasonal supply swings

Supply/demand balance expected to improve in 2019

2019 Guidance

- Group gross cash cost of ~USD 550* million, excluding deferred steaming

- MultiClient cash investments ~USD 250* million
 - More than 50% of 2019 active 3D vessel time allocated to MultiClient

- Capital expenditures of ~USD 85 million

Summary



- Achieved key KPI for 2018 of positive cash flow after debt servicing
- Record high MultiClient late sales in 2018
- Seismic market in recovery
 - Improving cash flow and increasing offshore CAPEX among oil companies
 - Expected to continue in 2019
- PGS will focus on profitability, return on capital employed and reposition the capital structure to sustain future downturns
- Will focus on the MultiClient business, improve 4D position and image what we acquire

Taking leadership position through fully integrated offering



Supporting Exploration, Optimizing Production

Q4 and Preliminary Full Year 2018 Presentation

Gottfred Langseth (CFO)

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2018 Highlights: MultiClient Revenue Growth



- Q4 Segment Revenues of USD 245.2 million
 - EBITDA of USD 154.5 million

- Full year Segment Revenues of USD 834.5 million
 - EBITDA of USD 515.9 million

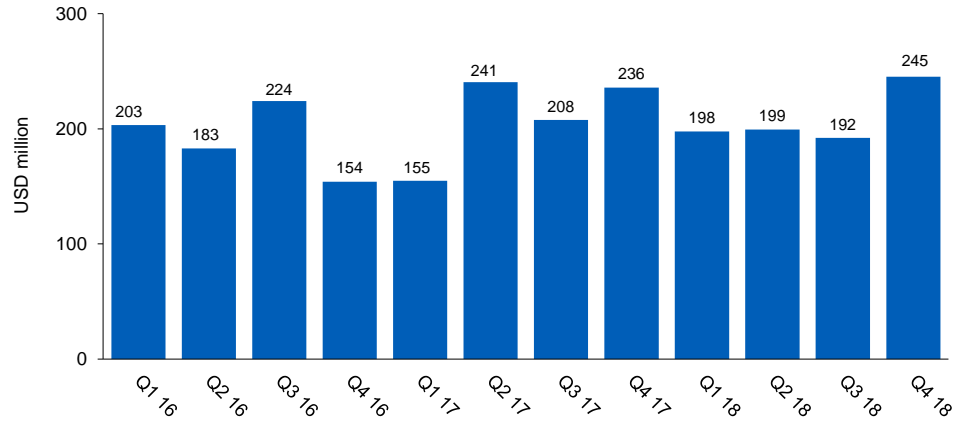
- Growing the MultiClient business
 - 22% revenue growth Y-o-Y
 - Record late sales of USD 371.9 million
 - MultiClient investments of USD 277.1 million

- Total leverage ratio reduced to 2.58:1

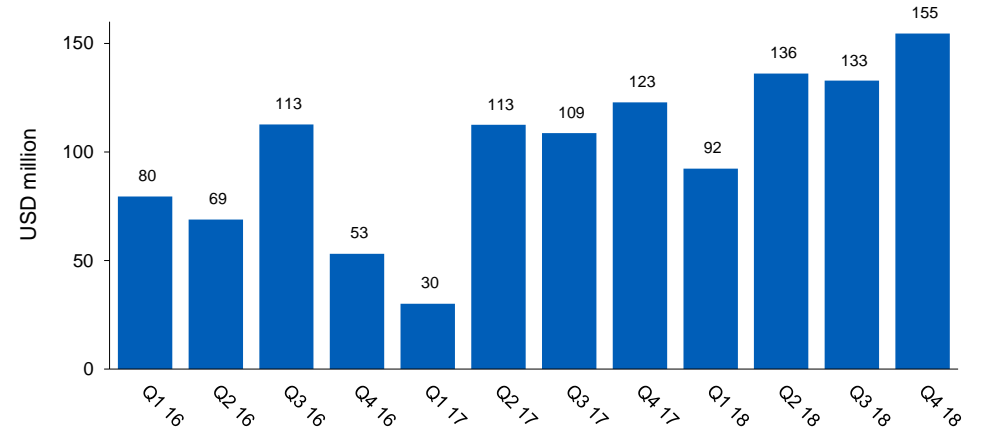
- Agreement to sell *Ramform Sterling*

Financial Summary

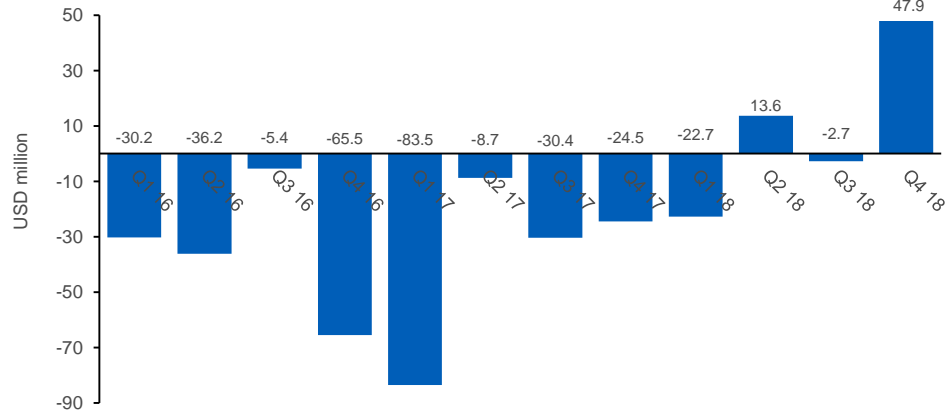
Segment Revenues



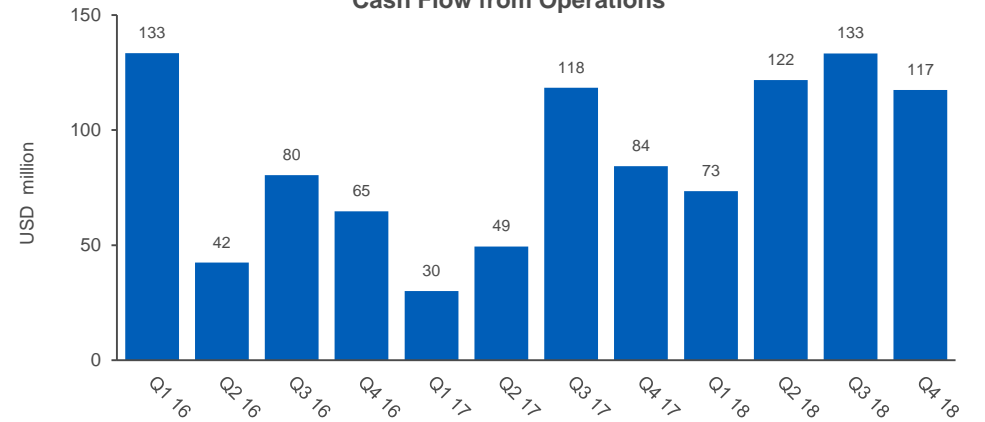
Segment EBITDA*



Segment EBIT**



Cash Flow from Operations



*EBITDA, when used by the Company, means EBIT excluding Other charges, impairment and loss/gain on sale of long-term assets and depreciation and amortization as defined in Note 14 of the Q4 2018 earnings release.

**Excluding impairments and Other charges.

Consolidated Key Financial Figures

	Q4	Q4	Full year	Full year
USD million (except per share data)	2018	2017	2018	2017
Profit and loss numbers Segment Reporting*				
Segment revenues	245.2	235.9	834.5	838.8
Segment EBITDA	154.5	122.8	515.9	374.1
Segment EBIT ex. Impairment and other charges, net	47.9	(24.5)	36.3	(147.1)
Profit and loss numbers As Reported under IFRS 15				
Revenues	269.8	235.9	874.3	838.8
EBIT	26.3	(159.2)	39.4	(383.6)
Net financial items	(31.1)	(32.3)	(87.3)	(84.5)
Income (loss) before income tax expense	(4.8)	(191.5)	(47.9)	(468.2)
Income tax expense	(18.7)	(3.3)	(40.0)	(55.2)
Net income (loss) to equity holders	(23.5)	(194.8)	(87.9)	(523.4)
Basic earnings per share (\$ per share)	(\$0.07)	(\$0.58)	(\$0.26)	(\$1.55)
Other key numbers				
Net cash provided by operating activities	117.3	84.3	445.9	281.8
Cash Investment in MultiClient library	40.2	54.0	277.1	213.4
Capital expenditures (whether paid or not)	16.1	23.4	42.5	254.5
Total assets	2,384.8	2,482.8	2,384.8	2,482.8
Cash and cash equivalents	74.5	47.3	74.5	47.3
Net interest bearing debt	1,112.8	1,139.4	1,112.8	1,139.4

* For definition of Segment Reporting numbers see Note 14 of the unaudited fourth quarter 2018 results, released on January 31, 2019.

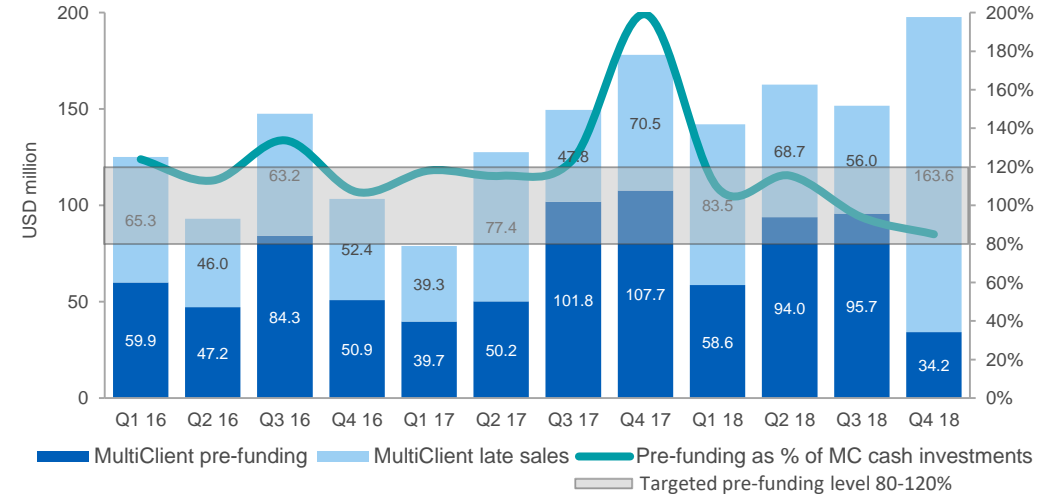
The accompanying unaudited financial information has been prepared under IFRS. This information should be read in conjunction with the unaudited fourth quarter 2018 results, released on January 31, 2019.

Q4 2018 Operational Highlights

Contract revenues

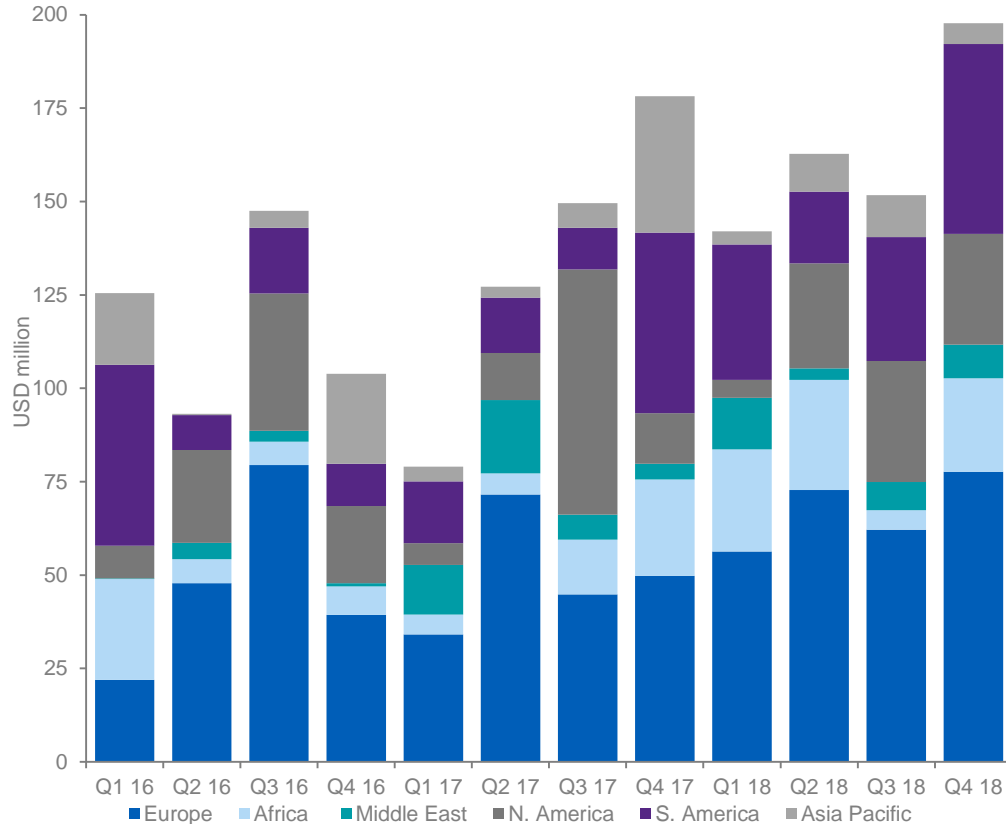


Segment MultiClient revenues



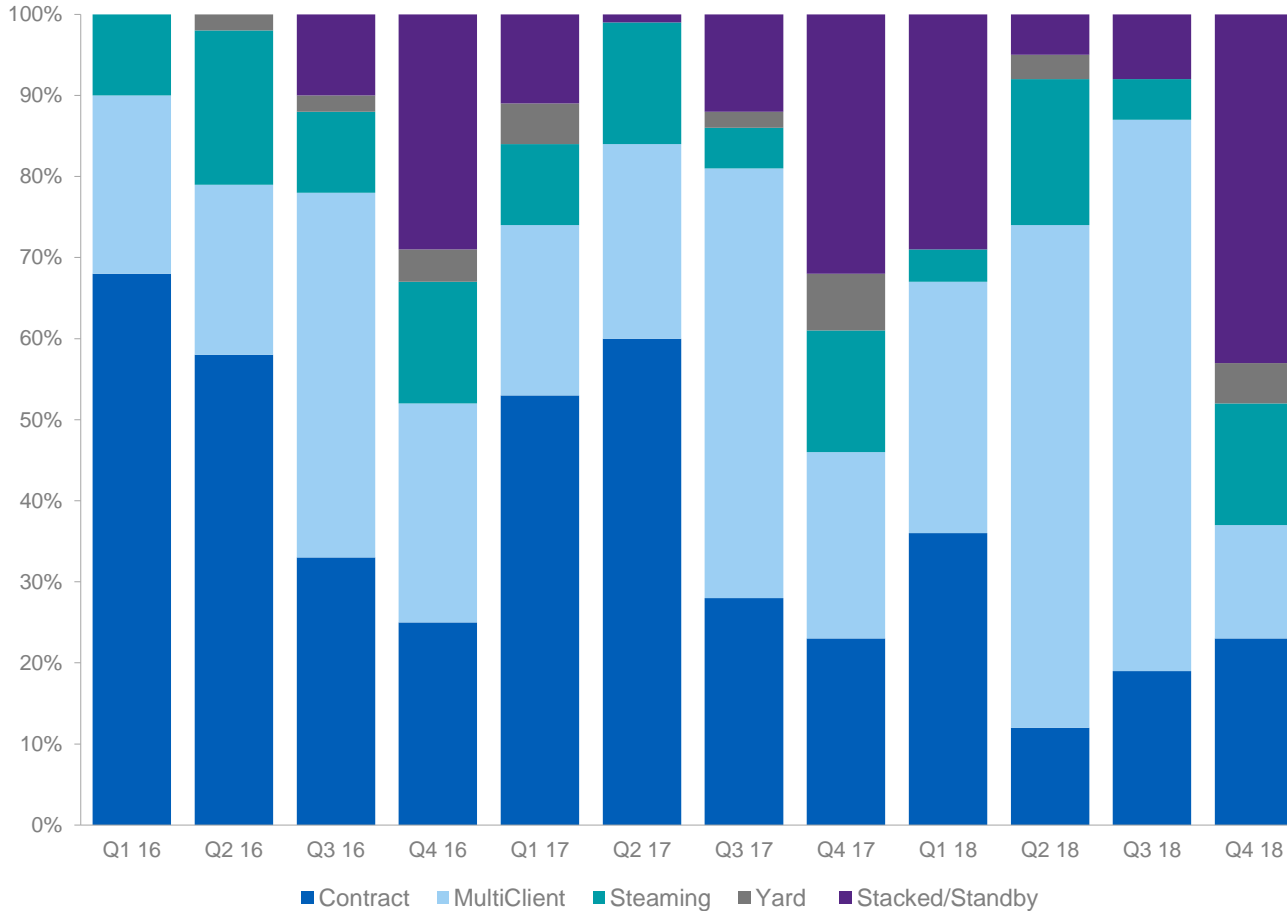
- Low vessel utilization negatively impacting acquisition driven revenues
- Total Segment MultiClient revenues of USD 197.8 million
 - Pre-funding revenues of USD 34.2 million
 - Pre-funding level of 85% on USD 40.2 million of MultiClient cash investment
 - Late sales revenues of USD 163.6 million
- Contract revenues of USD 41.0 million

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



- Q4 2018 pre-funding revenues driven by North America
- Late sales revenues dominated by Europe and South America

Seismic Streamer 3D Fleet Activity in Streamer Months: Vessel Utilization*

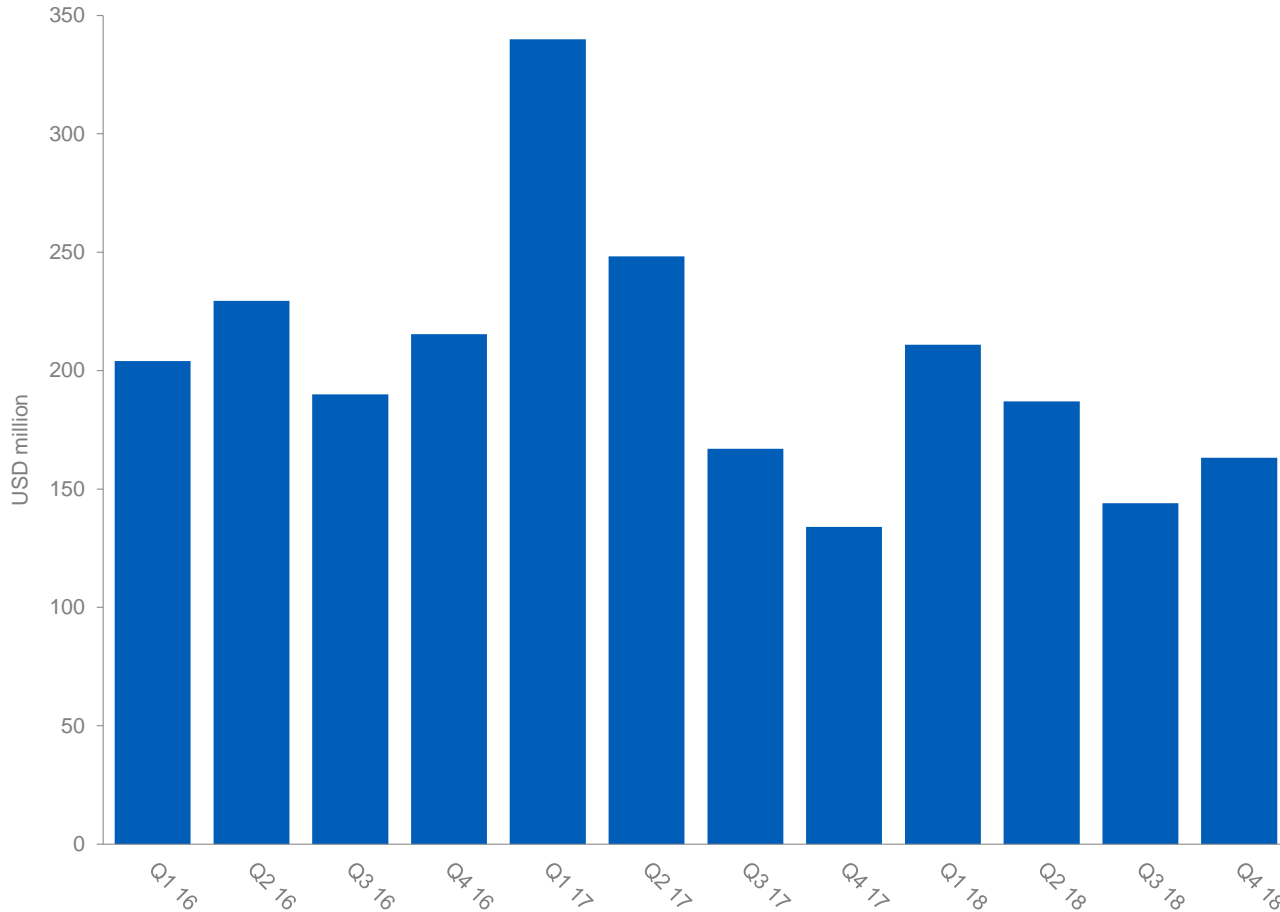


- 37% active vessel time in Q4 2018
 - Two (of eight) 3D vessels warm stacked over the winter season
 - Significant idle time due to project delays

- Will incur some idle time in Q1 2019
 - Primarily due to changes to a project in South America

* The vessel allocation excludes cold-stacked vessels.

Order Book



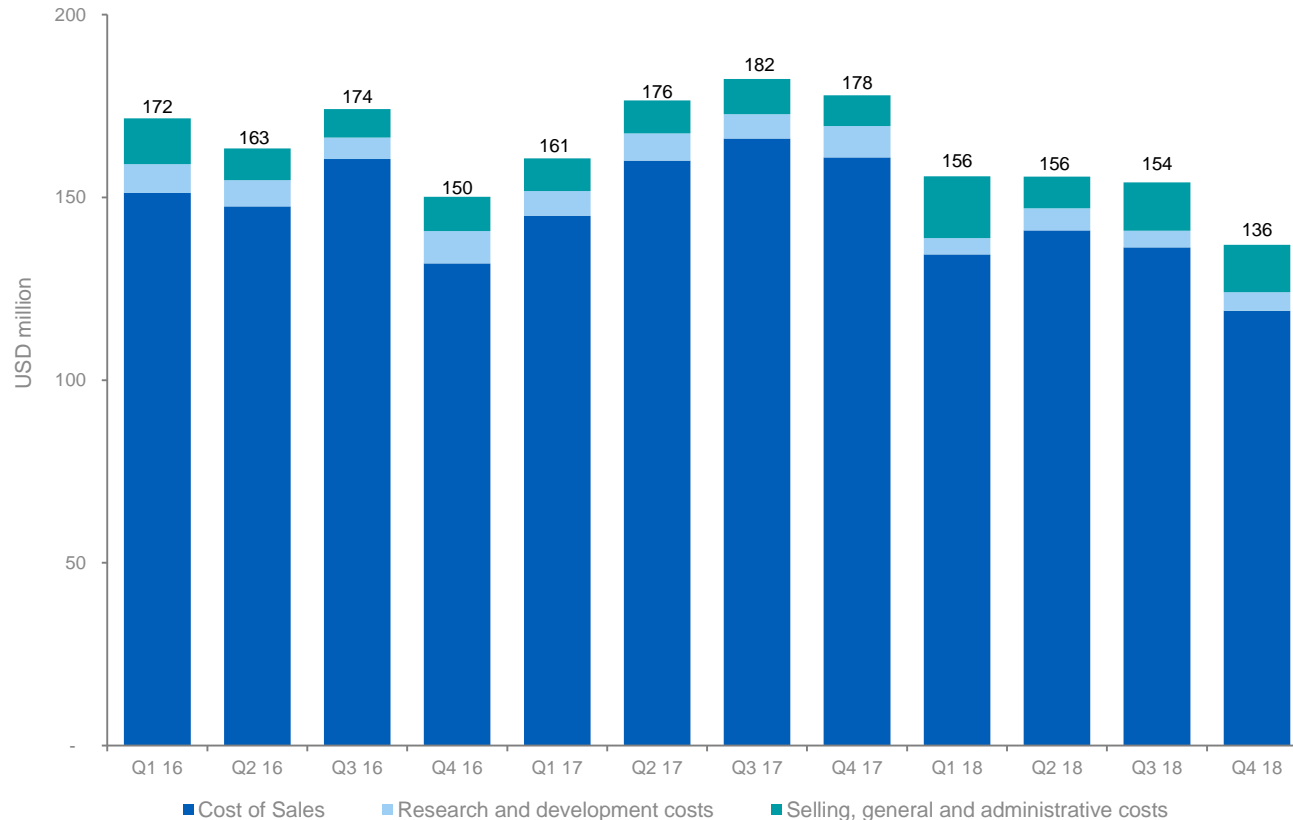
- Order book of USD 163 million at December 31, 2018
 - Impacted by changes to the large contract in South America

- 3D vessel booking for next three quarters of 40 vessel months*
 - Q1 19: 17 vessel months
 - Q2 19: 16 vessel months
 - Q3 19: 7 vessel months

- Expect strong utilization in Q2/Q3
 - High bidding activity for contract work
 - Significant planned MultiClient projects for the North Atlantic summer season not included in booking

*As of January 28, 2019.

Group Cost* Focus Delivers Results



- Graph shows gross cash costs excluding the effect of steaming deferral
- Q4 2018 gross cash costs sequentially lower
 - Down to six operated vessels from October
 - Cost impact of standby/idle time

Full year 2018 gross cash costs ended at USD 601.6 million

Consolidated Statements of Cash Flows Summary

	Q4	Q4	Full year	Full year
USD million	2018	2017	2018	2017
Cash provided by operating activities	117.4	84.3	445.9	281.8
Investment in MultiClient library	(40.2)	(54.0)	(277.1)	(213.4)
Capital expenditures	(12.1)	(14.8)	(48.0)	(148.8)
Other investing activities	(4.9)	53.0	(25.0)	62.1
Net cash flow before financing activities	60.2	68.5	95.8	(18.3)
Financing activities	(30.0)	(45.2)	(68.6)	3.7
Net increase (decr.) in cash and cash equiv.	30.1	23.0	27.2	(14.5)
Cash and cash equiv. at beginning of period	44.4	24.2	47.3	61.7
Cash and cash equiv. at end of period	74.5	47.2	74.5	47.2

- Q4 2018 cash flow from operating activities of USD 117.4 million
 - Strong improvement of Q4 and full-year 2018 compared to 2017
 - Includes payment of severance and other restructuring provisions of USD 2.8 million in Q4 (USD 36.0 million for the full year)

Balance Sheet Key Numbers

	December 31	December 31	Opening balance
USD million	2018	2017	01.01.2018
Total assets	2,384.8	2,482.8	2,567.6
MultiClient Library	654.6	512.3	668.0
Shareholders' equity	721.8	879.5	804.2
Cash and cash equivalents (unrestricted)	74.5	47.3	47.3
Restricted cash	43.2	43.2	43.3
Liquidity reserve	159.5	257.3	257.3
Gross interest bearing debt	1,227.3	1,229.5	1,229.5
Net interest bearing debt	1,112.8	1,139.4	1,139.4

- Liquidity reserve of USD 159.5 million
 - In September the RCF was reduced from USD 400 million to USD 350 million in accordance with the extension and amendment of the facility agreed in November 2016
 - 2018 Senior Notes (USD 26 million) repaid in December

- Balance sheet restated January 1, 2018 due to IFRS 15
 - Carrying value of MultiClient surveys in progress increased by USD 155.7 million
 - Accrued revenues and other receivables decreased by USD 70.9 million, and deferred revenues increased by USD 160.1 million
 - Shareholders' equity decreased by USD 75.3 million



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Capital Markets Day Financials

Gottfred Langseth (CFO)

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Financial Review – Outline



- IFRS 16
- Financial strategy
- Debt overview and maturities
- Sale of *Ramform Sterling*
- Cash flow
- Cost
- CAPEX
- MultiClient investment
- Tax
- Foreign exchange

IFRS 16 – Accounting for Leases

- Will be implemented effective January 1, 2019 – No restatement of historical periods
 - Implementation effect recorded as an adjustment to the January 1, 2019 Balance Sheet
- Leasing arrangements are reported as assets (and depreciated over the lease term) and debt (with payments being reported as interest cost and installments)
- PGS will
 - Recognize assets and liabilities for all leases with a term of more than 12 months
 - Exclude the service element

Estimated lease liability based on existing agreements

Date	Lease liability
1.1.2019	~\$238M
1.1.2020	~\$196M
1.1.2021	~\$151M
1.1.2022	~\$115M
1.1.2023	~\$78M
1.1.2024	~\$45M

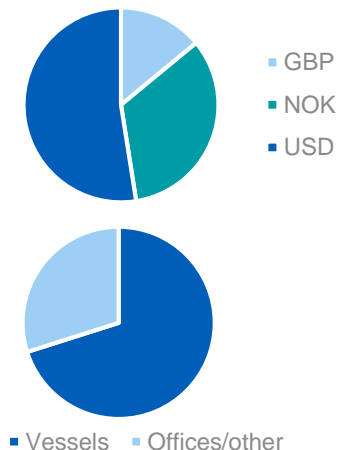
Estimated 1 January 2019 Balance Sheet impact

Caption	Impact
Property and equipment	+ ~\$202M
Accrued expenses	- ~\$27M
Short term debt	+ ~\$42M
Long term debt	+ ~\$196M
Shareholders' equity	- ~\$9M

Estimated 2019 P&L impact

Caption	Impact
Red. gross cash costs	~\$50M
Incr. depreciation	~\$40M
Incr. interest expense	~\$15M
Red. cash investment in MC library	~\$20M
Incr. capitalization of depreciation	~\$16M
Increased EBITDA	~\$30M

Composition of 1 January 2019 lease liability



Financial Strategy

Profitability before growth

Focus on profitability and cash flow

Debt reduction prioritized over growth

Return on Capital Employed

ROCE targeted to be higher than cost of capital over the cycle

Capital structure to sustain future downturns

Debt reduction from cash flow in an improving market

Targeting a net debt level not to exceed USD 500-600 million^{*)}



Competitive Return on Capital – Lower Financial Leverage

^{*)} Amount does not include debt relating to capitalized leases (Ref. IFRS 16). The target, including debt relating to leases, is net debt level not to exceed USD 700-800 million

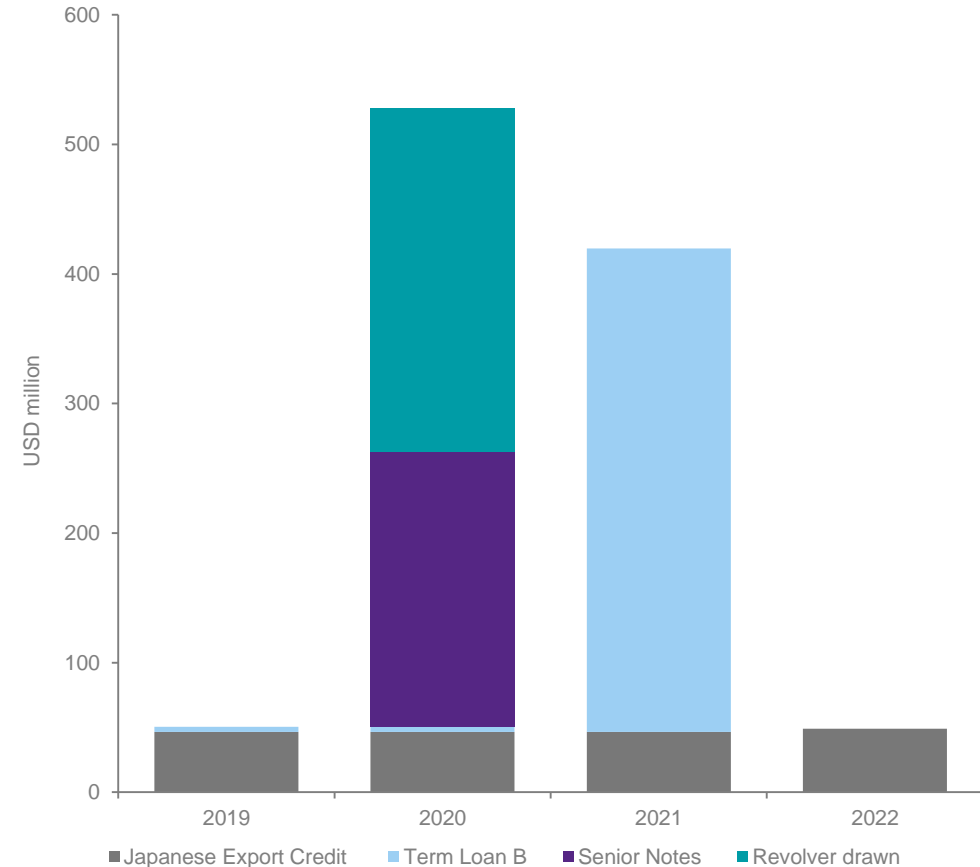
Summary of Debt and Drawing Facilities

Debt and facilities as of December 31, 2018:

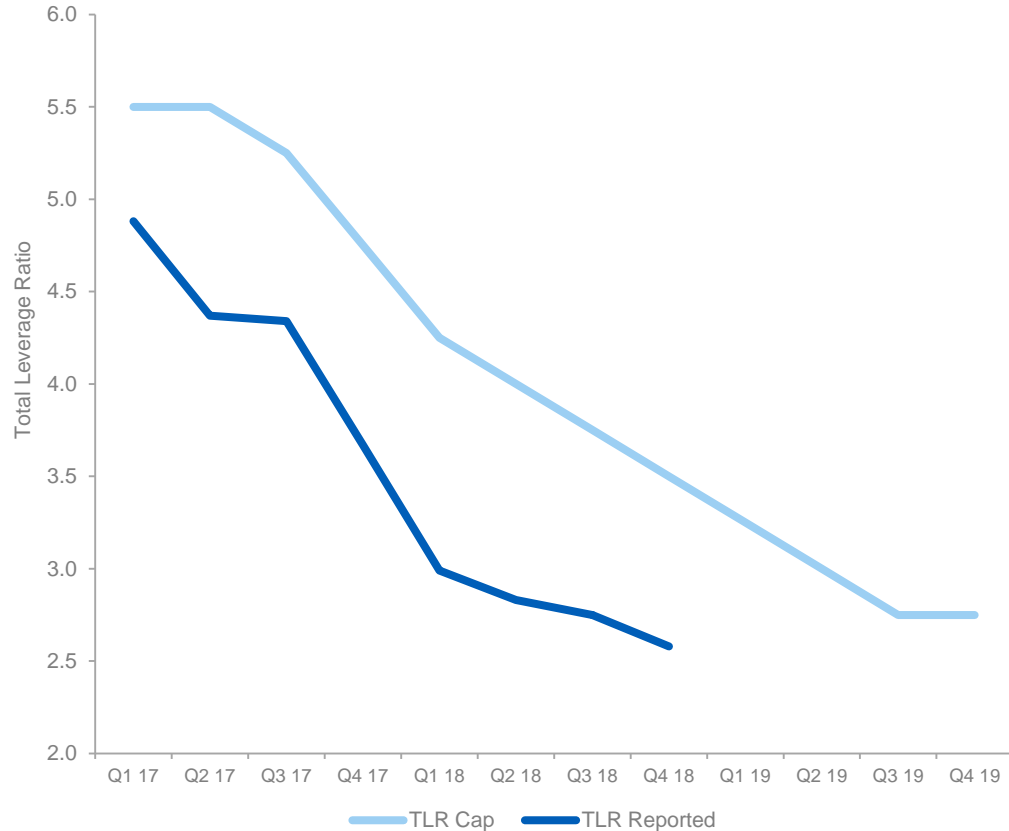
Long-term Credit Lines and Interest Bearing Debt	Nominal Amount	Total Credit Line	Financial Covenants
USD 400.0m TLB, due March 2021 Libor (minimum 0.75%) + 250 bps	USD 381.0m		None, but incurrence test: total leverage ratio $\leq 3.00x^*$
Revolving credit facility ("RCF"), due September 2020 Libor + margin of 325-625 bps (linked to TLR) + utilization fee	USD 265.0m	USD 350.0m	Maintenance covenant: total leverage ratio 3.50x Q4-18, thereafter reduced by 0.25x each quarter to 2.75x by Q3-19
Japanese ECF, 12 year with semi-annual instalments. 50% fixed/ 50% floating interest rate	USD 369.3m		None, but incurrence test for loan 3&4: Total leverage ratio $\leq 3.00x^*$ and Interest coverage ratio $\geq 2.0x^*$
December 2020 Senior Notes, coupon of 7.375%	USD 212.0m		None, but incurrence test: Interest coverage ratio $\geq 2.0x^*$

*Carve out for drawings under ECF and RCF

Debt maturity profile:

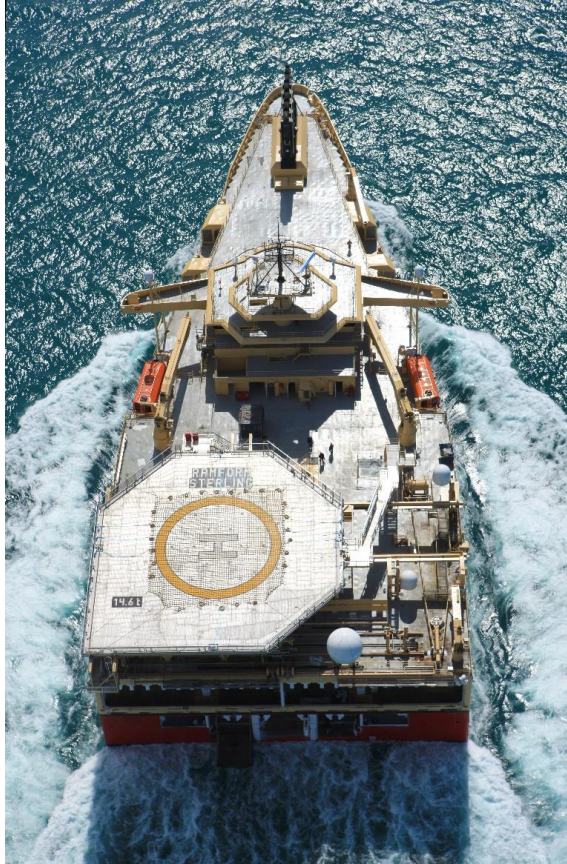


Solid Headroom to Maintenance Covenant



- Sharp reduction of Total Leverage Ratio (“TLR”) during 2018
 - Significant headroom to required level
- TLR of 2.58:1 as of December 31, 2018, compared to 3.67:1 as of December 31, 2017
- Expect TLR to reduce further in 2019 with good compliance headroom
- TLR calculation not impacted by IFRS 16

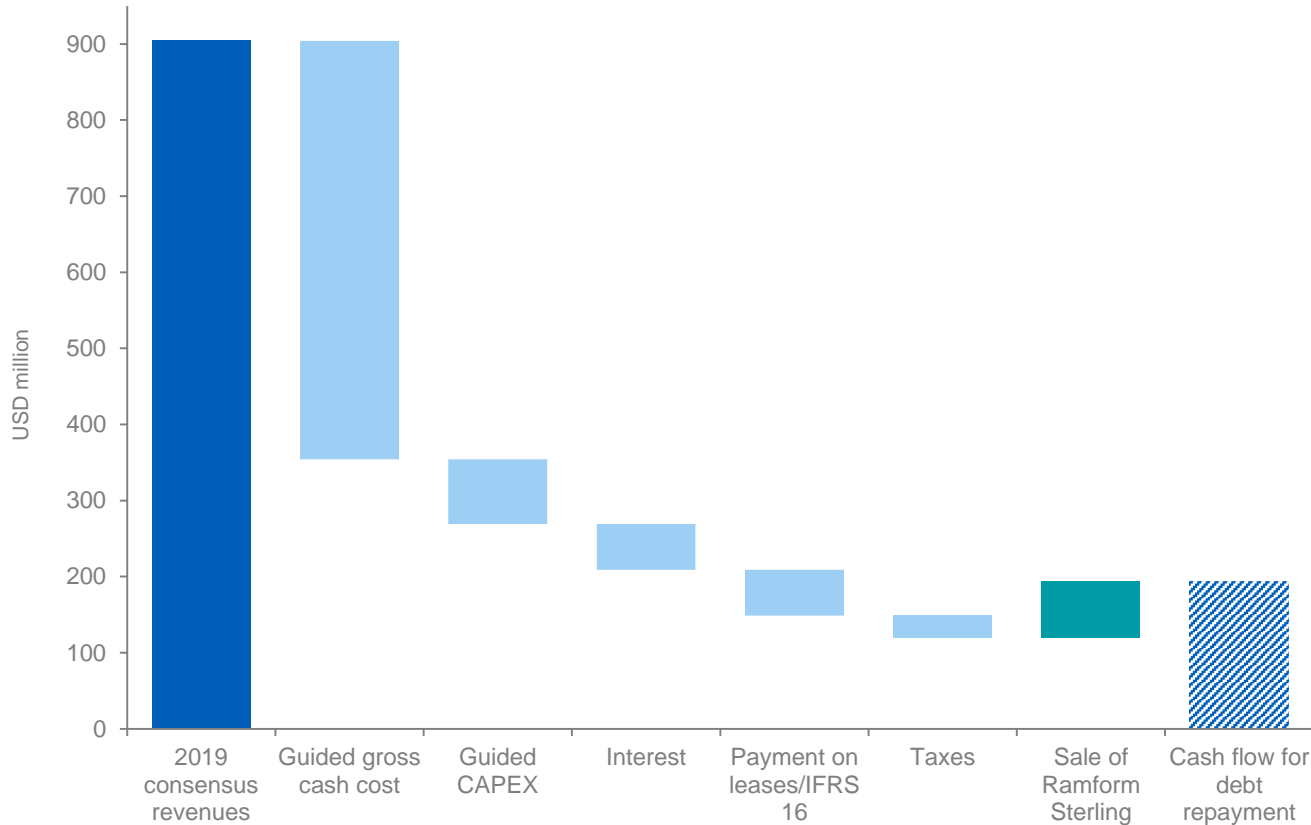
Sale of *Ramform Sterling*



- In process of completing sale of *Ramform Sterling* to JOGMEC, including a service agreement of up to 10 years with annual renewals
- Vessel sales agreement signed
 - To be delivered April 2019
- Sales price of ~USD 100 million, excluding streamers
 - Significant 2019 cash flow contribution with ~75% to be paid at delivery
 - Price exceeds net book value, supportive for vessel valuations
- *Ramform Vanguard* will be reintroduced from summer 2019 to maintain operated fleet size

Cash Flow Generation Set to Improve

2019 key cash flow drivers^{*)}



- 2019 cash flow set to improve
 - Contract pricing
 - More capacity allocation to contract services
 - Vessel utilization
 - Sale of *Ramform Sterling*
 - Lower scheduled debt installments

^{*)} The illustration of 2019 cash flow drivers is based on analyst consensus for revenues and is a simplified illustration that does not take into account working capital changes or other operating payments or receipts than those specifically shown. Taxes are based on actual taxes paid in 2018.

Well Positioned to Refinance in 2019

Improved financial position

- Improving market fundamentals
- Healthy cash flow generation
- Strong improvement of financial ratios
- Adequate liquidity position
- Proceeds from sale of *Ramform Sterling*

Access to capital markets

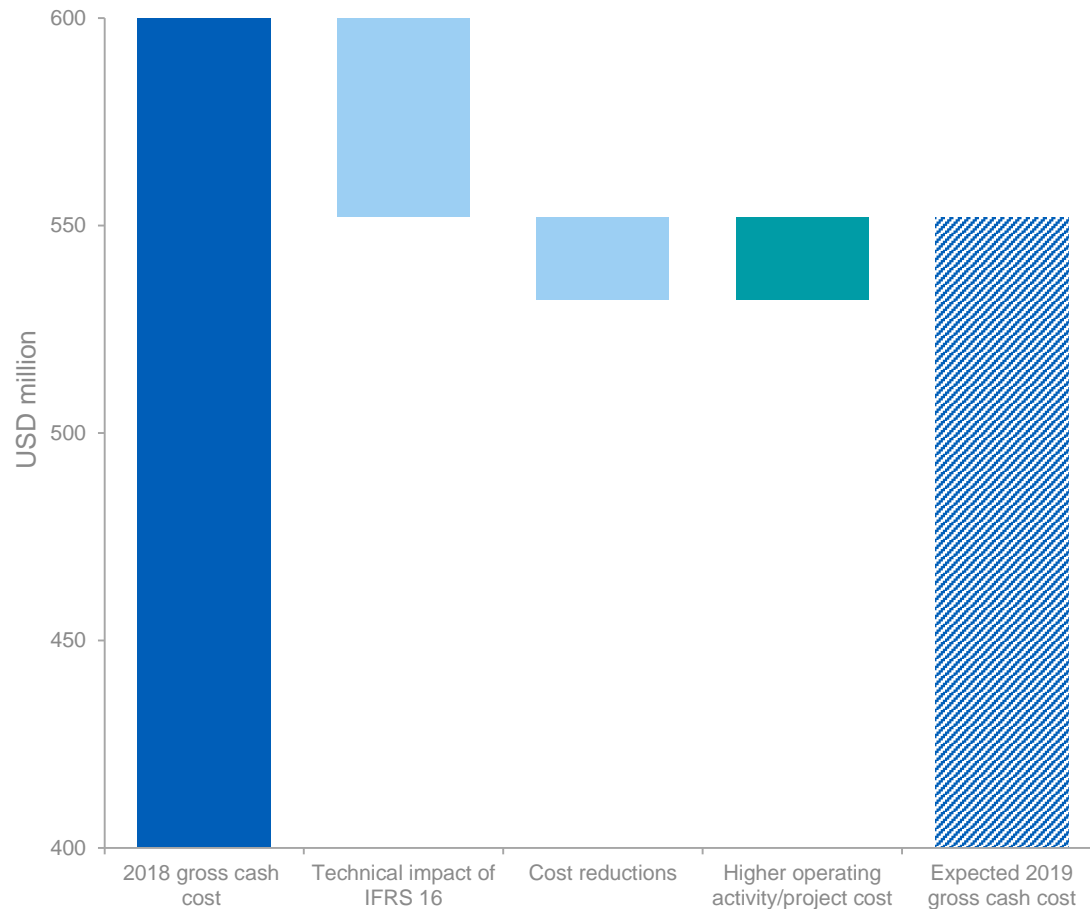
- Established in Term Loan and international Bond market
- Credit rating from Moody's and Fitch
- Constructive RCF bank group

Timing

- Still 23 months to first capital markets debt maturity
- Likely to refinance in 2019
- Positioned to execute on short notice
- Timing and structure dependent on market conditions/cost

2019 Gross Cash Costs

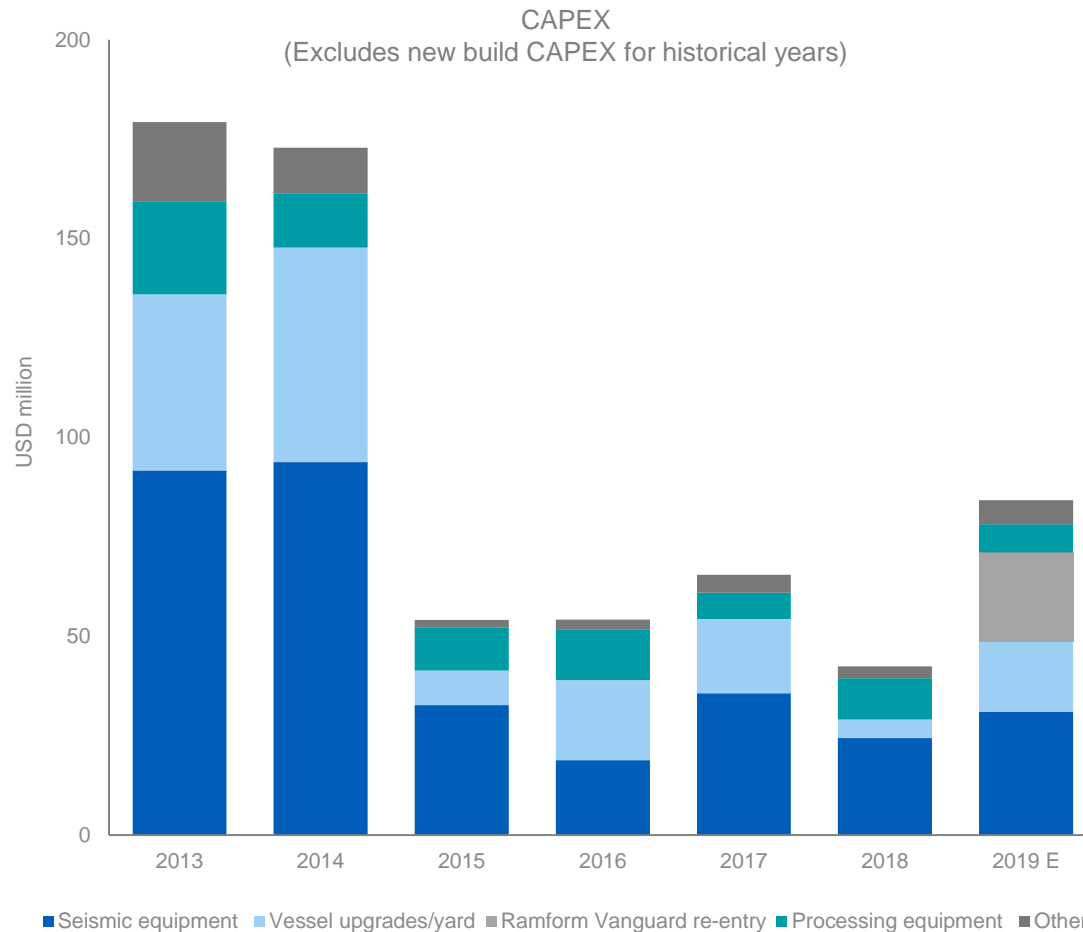
- Positioned for growth, while cost control remains priority



- 2019 gross cash costs expected at ~USD 550 million*
 - Down from USD 601.6 million in 2018
- IFRS 16 to be implemented January 1, 2019
 - Reduces 2019 gross cash costs by ~USD 50 million
- Cost increase from higher expected operating activity in 2019 offset by full year effect of cost reductions
 - Assuming 7 vessels in operation in Q4 2019
- Tight overall cost control is a priority

* Based on NOK/USD exchange rate of 8.56 and Brent spot price of approximately \$60 per barrel.

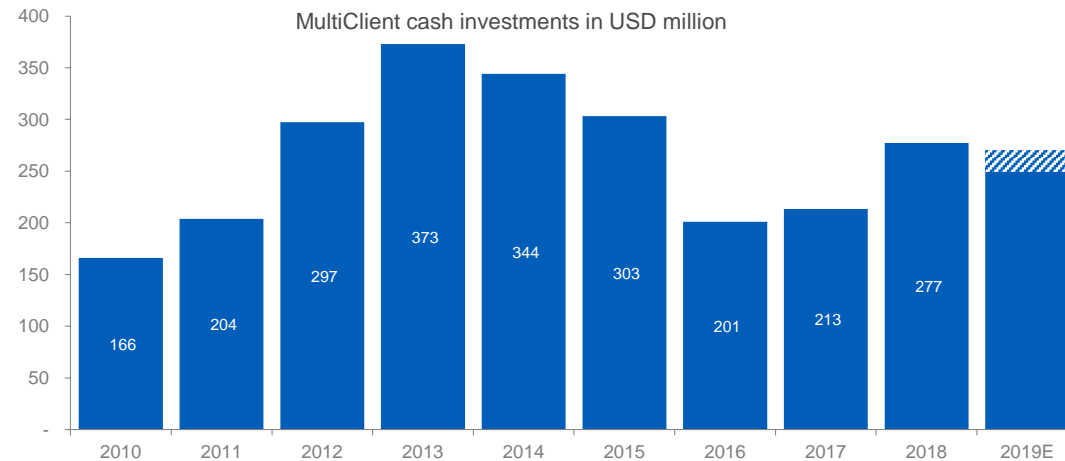
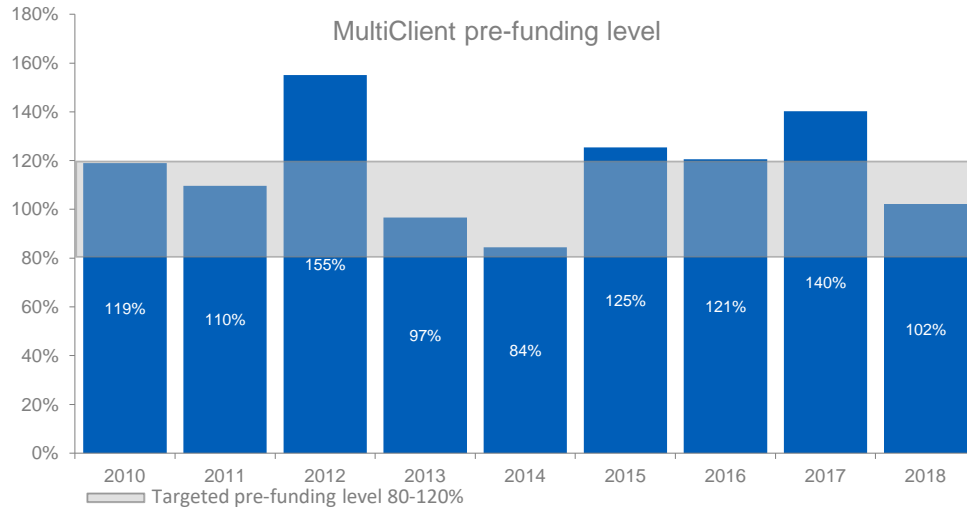
Capital Expenditure and Depreciation Trends



- Full year 2018 CAPEX of USD 42.5 million
- 2019 CAPEX plan of ~USD 85 million
 - USD 25 million to reactivate *Ramform Vanguard*
 - USD 8 million for scrubber installation on two Ramform Titan-class vessel
- Gross depreciation cost expected to be ~USD 215 million*) in 2019
 - Approx. USD 100 million to be capitalized as part of MultiClient investments

*) Includes an estimated increase of ~USD 40 million due to implementation of IFRS 16 – Accounting for leases

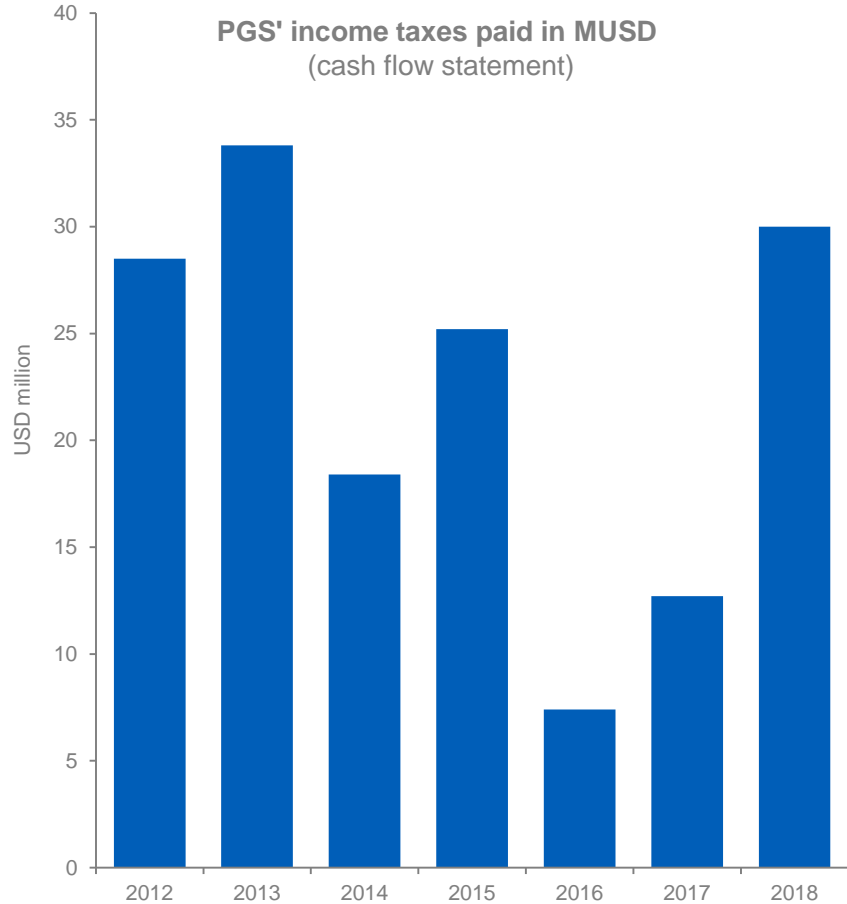
Solid Segment MultiClient Pre-funding



- Pre-funding (as a percentage of MultiClient cash investments) targeted to be in 80-120% range
- 2018 MultiClient cash investments of USD 277.1 million with a pre-funding level of 102%
- MultiClient cash investments in 2019 expected to be ~USD 250 million^{*)}
- More than 50% of 2019 active 3D fleet capacity currently planned for MultiClient
- High MultiClient acquisition activity in Q1 2019 with lower than average pre-funding level
- 2019 MultiClient amortization expense expected to be in the range of USD 375-400 million

^{*)} Includes the estimated impact of implementation of IFRS 16 – Accounting for leases, which is an estimated reduction of ~USD 20 million compared the historical accounting practice

PGS' Tax Position



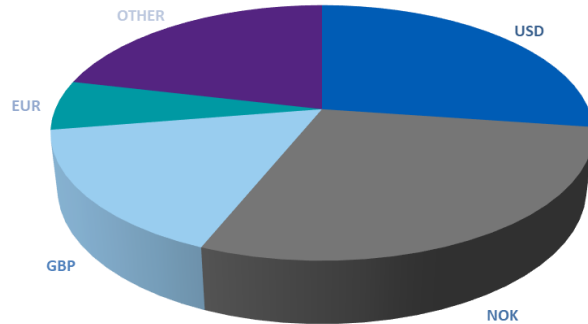
- Tonnage Tax regimes
 - PGS' Ramform Titan-class vessels are operated within the Norwegian tonnage tax regime

- Current tax/cash tax has typically been in the range of USD ~10-35 million annually
 - Mainly withholding taxes and local taxation in countries of operation where PGS has no tax losses to carry forward
 - Will vary depending on area of operation
 - Substantial increase of Brazil library revenues drives cash tax increase in 2018

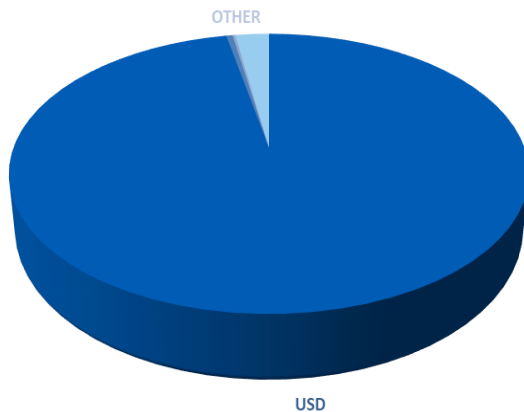
- Substantial deferred tax assets
 - 100% valuation allowance

Foreign Exchange and Sensitivity

CASH FLOW RELATING TO OPERATING PAYMENTS



CASH FLOW RELATING TO OPERATING RECEIPTS

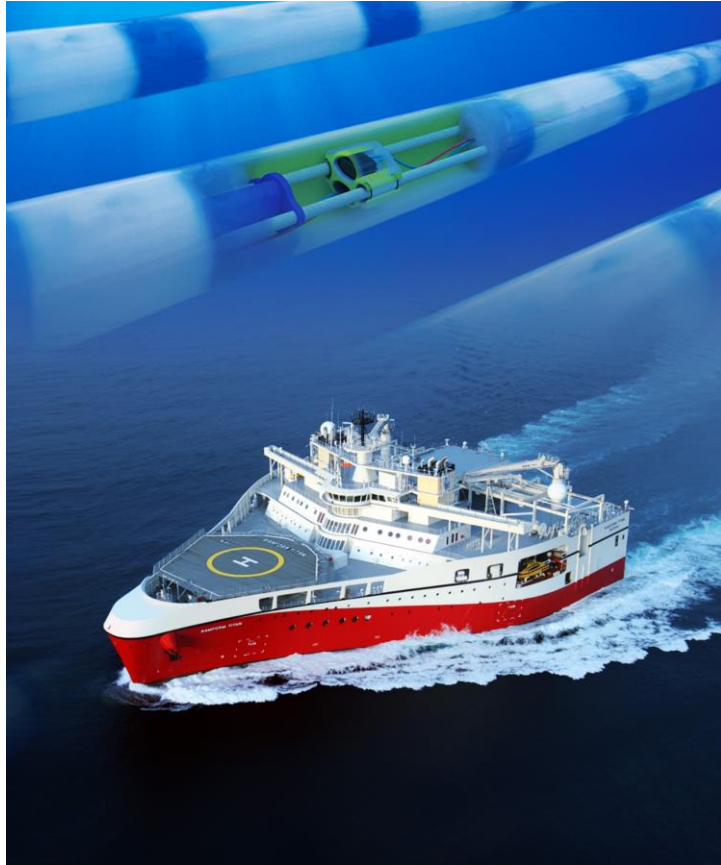


- A significant portion of operating payments (cash cost and CAPEX) is in non USD currencies
 - A 10% change of USD vs. NOK has an annual net EBIT impact of USD 12-15 million.
 - A 10% change of USD vs. GBP has an effect of USD 5-7 million

- The Company's hedging decisions take into account correlations between operating environment and currency fluctuations
 - Net short term monetary positions in non USD currencies
 - Specific material firm commitments

- Leasing commitments in NOK will generally not be hedged

Summary



- Financial Priorities
 - Profitability before growth
 - Return on Capital Employed
 - Debt reduction

- Expect to significantly expand cash flow in 2019

- Well positioned to refinance in 2019

- Cost and CAPEX discipline

Improving Financial Position



Capital Markets Day 2019

Supporting Exploration, Optimizing Production

Thank You – Questions?

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Supporting Exploration, Optimizing Production

Sales, Marketing & Imaging

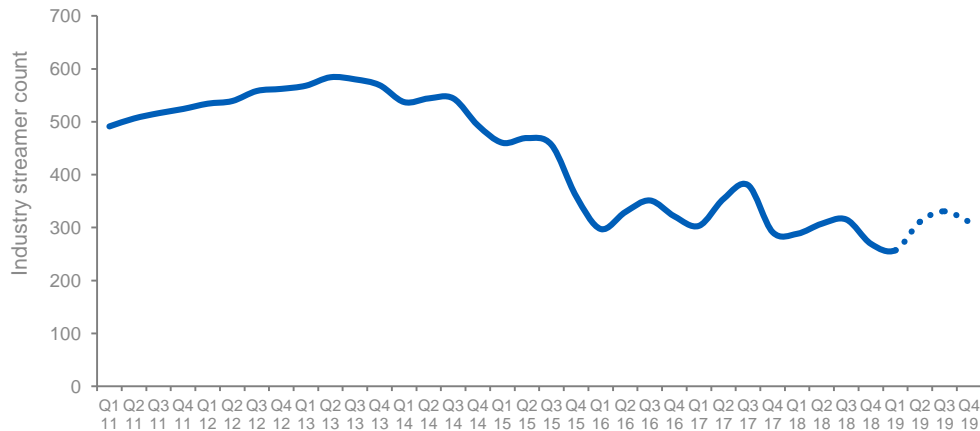
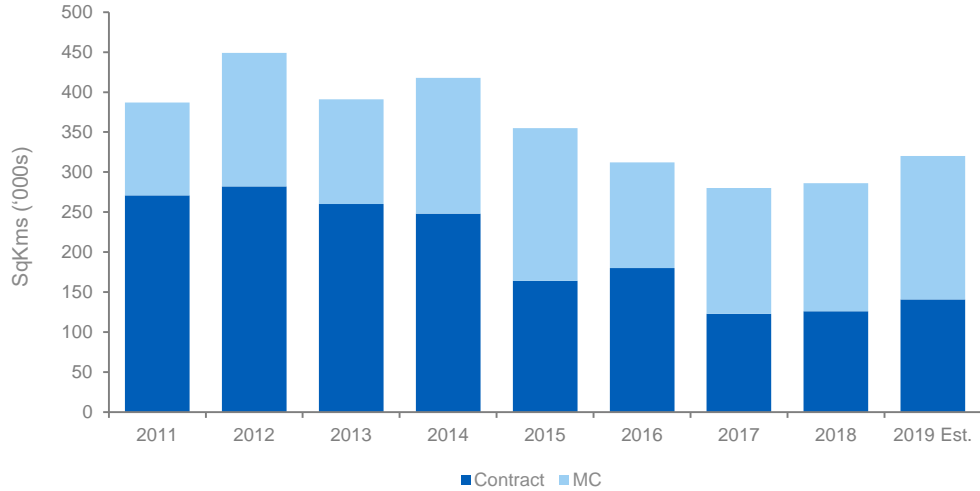
Nathan Oliver (EVP)

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Outline

- Industry activity & global demand outlook 2019
- Streamer market segmentation
- 4D market development and PGS' strategic pivot
- Imaging, supporting our drive towards the premium market segments

Industry Activity is Set to Increase in 2019



- Total activity in 2018 was similar to 2017, and below maximum industry capacity which resulted in idle time
- 2019 activity levels are expected to be some 10-15% higher based on project pipelines. We expect the anticipated industry fleet will be close to full utilization from Q2 onwards
- The capacity allocation split between Contract and MultiClient for the industry is expected to be similar to 2017-2018 at approx. 45/55%
- Total industry capacity declined somewhat during 2018 as a result of further vessel retirements from the active market
- We anticipate reactivation of stacked vessels in 2019, which will be dependent on demand build driving improved pricing

Growing Global Demand Outlook for 2019



Eastern Atlantic

North West Europe: Norway continues to be very active, as seen from the recent record APA awards. The UK market is coming back to life with positive signs of capital investment returning, stimulated by fiscal and regulatory initiatives. Strong 4D activity in both

North West Africa: Continued focus area for 2019. Upsurge in bid rounds as countries position themselves to attract investment driving exploration seismic activity

Transform Margin: Ghana, Togo & Benin following hot on the heels of Cote d'Ivoire, targeting license rounds

West Africa: Angola sees a significant increase in activity expected to continue through 2019; bid round anticipated to open late 2019. In Congo & Gabon, license rounds are underway. MultiClient and Contract opportunities

Western Atlantic

Canada: Continued strengthening in this developing market into 2019, mostly MultiClient. Several nfw's anticipated in 2019 and beyond

Gulf of Mexico: MultiClient dominated market that has been impacted by the deep-water hiatus and more recently AMLO in Mexico causing uncertainty. Stabilization of the oil price should see an exploration up-turn on the US side

Latin America: Large discoveries in Guyana have driven Contract work in recent years. Work outside Guyana depends on drilling success in Colombia, Surinam and French Guiana

Brazil: Several large 4D Contract projects to commence late 2019; significant MultiClient interest and activity, new acquisition and rejuvenation of existing library; permitting challenges continue however

Mediterranean

East Med: Continued interest in the region following further drilling success in Cyprus. License rounds (Egypt, Lebanon, Greece), driving a new phase of exploration activity. Both MultiClient and Contract

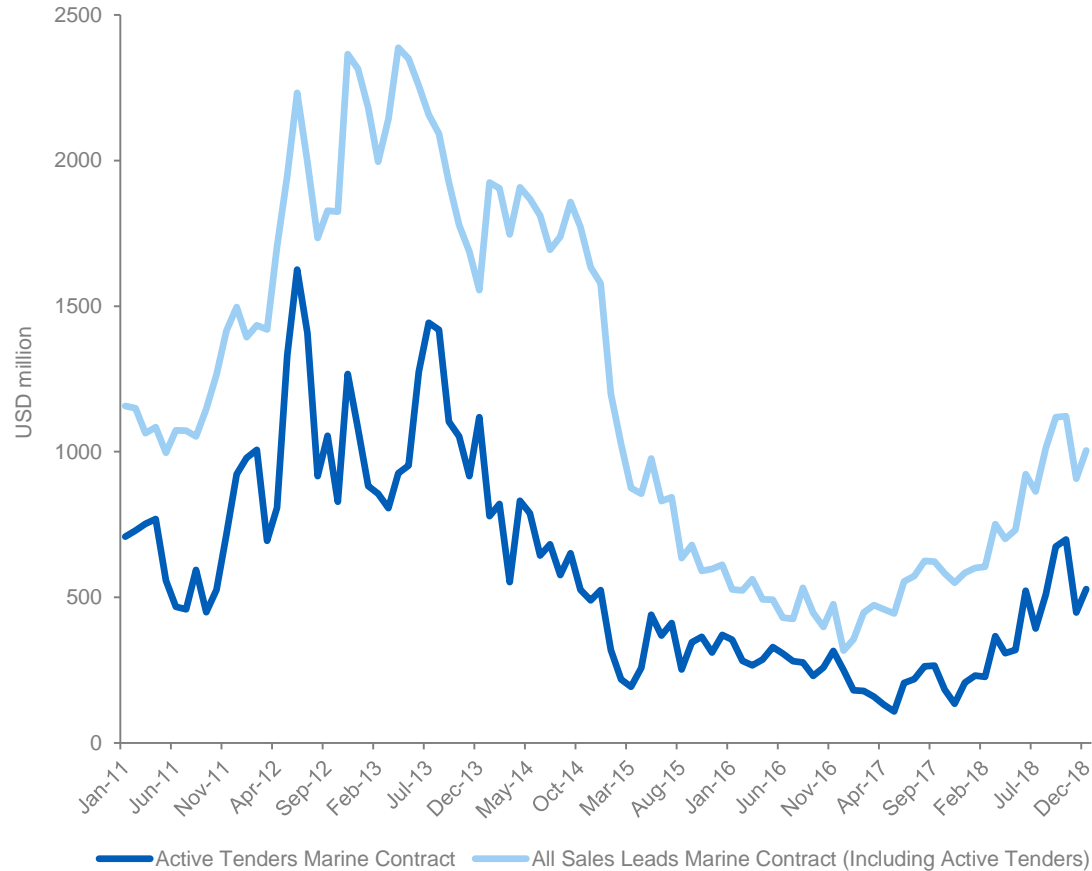
Asia Pacific

Malaysia: Continued strengthening in this into 2019 with extension of the MultiClient concept and Contract activity

Indonesia: Continued focus area for 2019 with good customer interest for new MultiClient seismic

Australia: Uptick in activity from the lows of 2018 driven by gas focused brownfield/nearfield exploration activity

Robust Growth from 2018 Continues

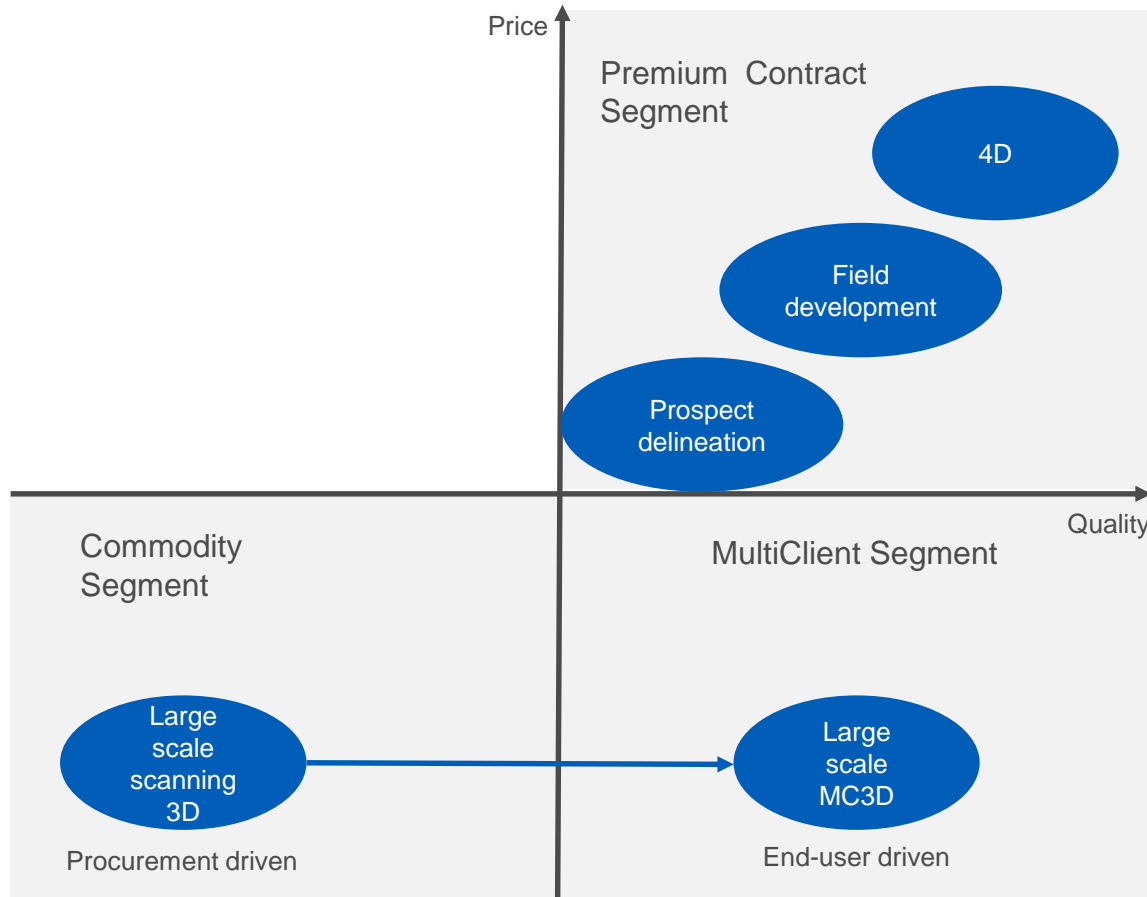


- Some industry under-supply is likely mid-year due to an active Northern Hemisphere season on the back of recent years' decline in capacity
- We anticipate some surveys will be pushed out to later in the year which could help support Q4 utilization and rates
- Industry backlog is increasing resulting in improved utilization and efficiency causing day rates to trend upwards in response

PGS In-house Contract Bids+Leads

Contract bids to go (in-house PGS) and estimated \$ value of bids + risk weighted leads as of December 31, 2018

Contract Streamer Seismic is Moving Towards the Reservoir (4D)



Premium segment defined by

- Close to the reservoir
- High density/high resolution data
- Larger streamer counts, larger vessels and smaller streamer separations
- Preference for true broadband multi-sensor

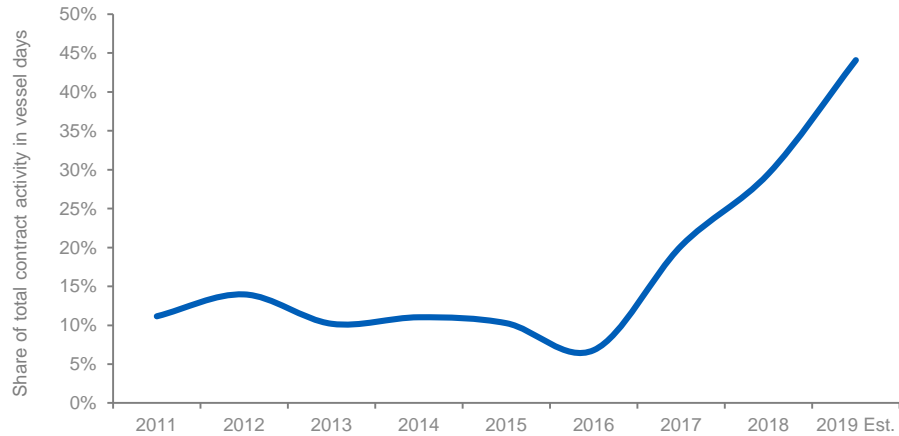
MC segment defined by

- Shift of exploration Contract activities to MultiClient model
- Integrated offering enables economy of scale to deliver cost efficient premium quality
- End user has greater influence on purchase

Commodity segment defined by

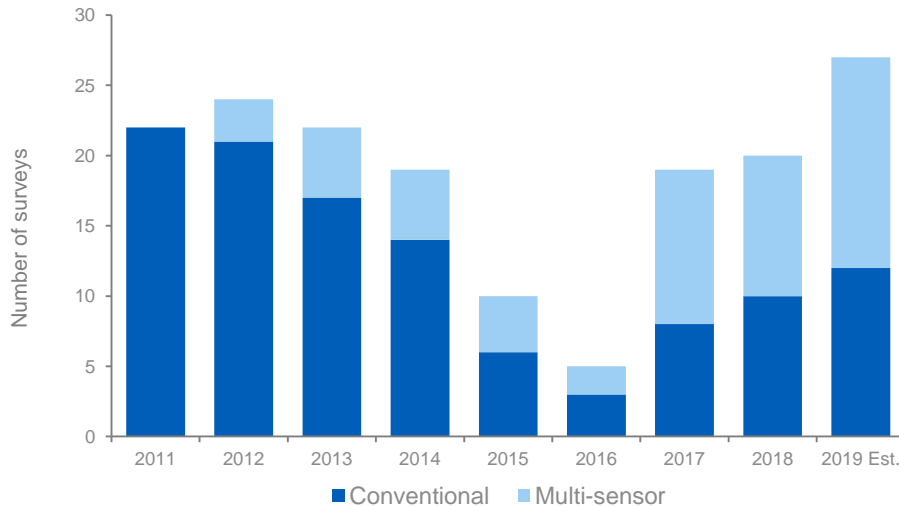
- Smaller streamer counts, smaller vessels
- Triple source configurations
- Conventional systems adequate
- Heavily price driven

The Premium 4D Streamer Segment is Growing Strongly



2019 is expected to be the highest ever 4D share of total Contract activity:

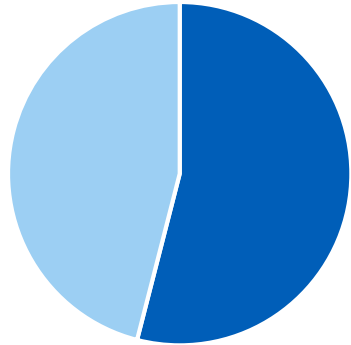
- Growing adoption in regions outside of traditional areas of North Sea, Brazil and Angola
- 27 towed streamer 4D surveys tendered or planned for 2019 so far – the most ever



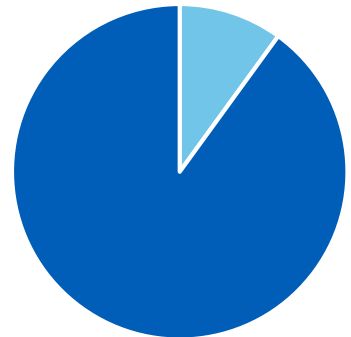
There is steady increase in the use of GeoStreamer® multi-sensor technology for 4D's:

- 4D surveys shot with multi-sensor baselines, generally remain multi-sensor through the 4D campaign life-cycle
- Multi-sensor technology is the only broadband technology generally approved for 4D work by all majors

PGS Strategic Pivot Towards the Premium 4D and Reservoir Market



54% of 2019 vessel allocation to Contract is booked



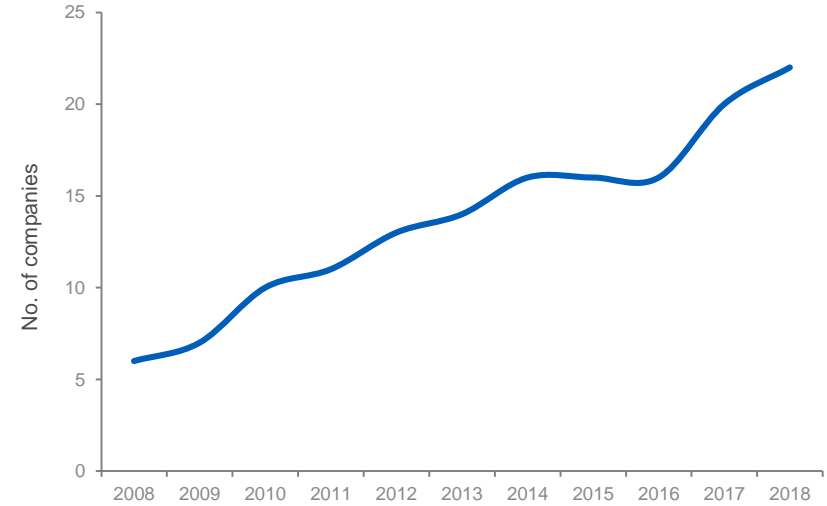
90% of booked Contract to date for 2019 is 4D or reservoir focused seismic

The 4D market is growing faster than the market in general, and yields enhanced returns:

- Contract rates booked to date are 35% higher than average rates in 2018
- Contract capacity currently 54% booked
- 90% of bookings are 4D, in line with our strategic ambition

PGS' 4D offering is driven by strong differentiation:

- Multi-sensor technology on all vessels
- Large, high density streamer spreads
- Only player with integrated development of acquisition and imaging tools for 4D/reservoir seismic

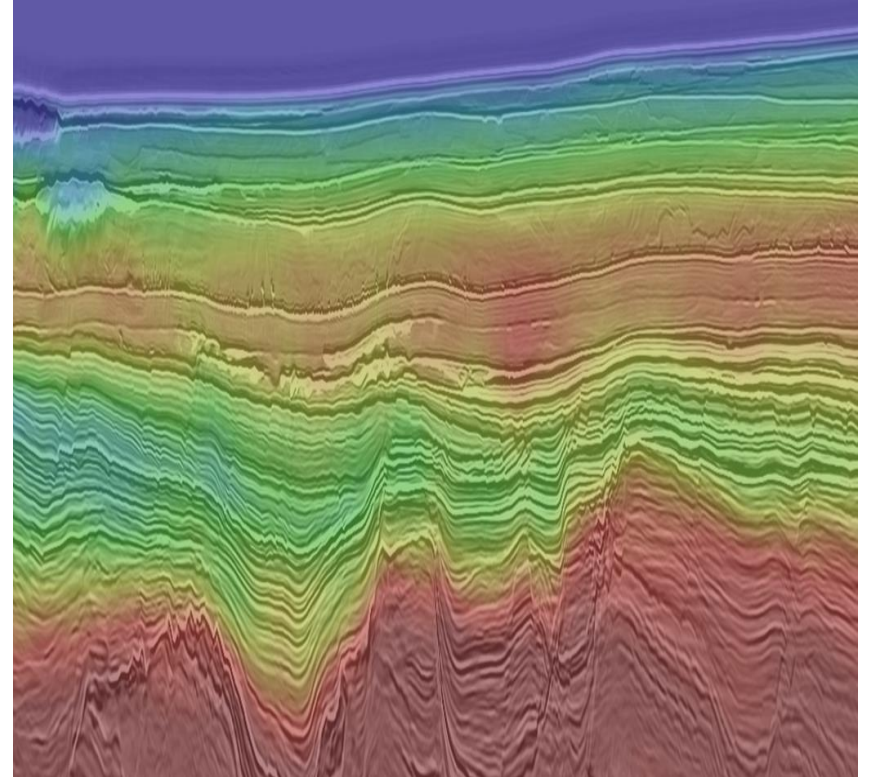


Number of companies that have applied 4D to one or more of their fields has grown steadily over the last ten years, and is set to increase again in 2019

Imaging – Supporting our Drive Towards the Premium Segments

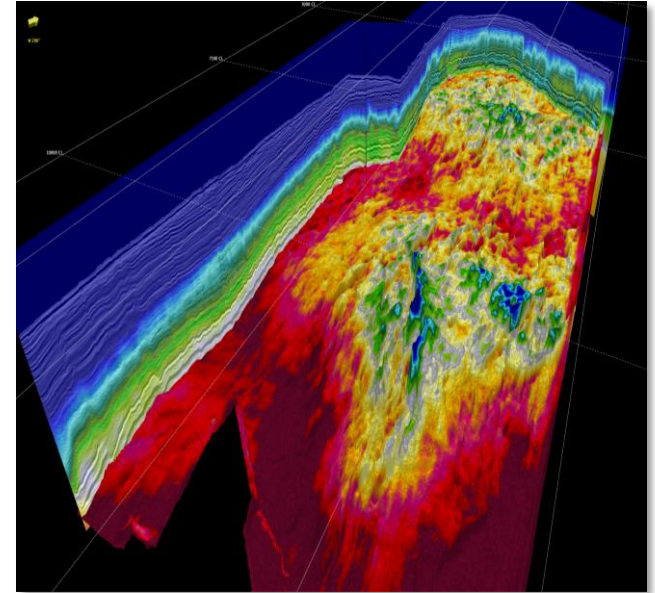
A joint acquisition and imaging strategy with ambition to image all that we acquire:

- Leveraging our technology lead in multi-sensor GeoStreamer processing with unique MultiClient high-end technology offerings, and focus on 4D leadership
- Continuing value driven asset rejuvenation of our MultiClient library
- Reducing turnaround time and increasing productivity through digitalization solutions focused on Cloud computing, Machine Learning and Artificial Intelligence



Summary

- 2019 global demand outlook is strong and driving increased activity levels of 10-15%, with industry under-supply anticipated mid-year
- The 4D market is growing and in 2019 is expected to be the highest ever by share of Contract activity, ~45%, providing great scope for technology and operational differentiation
- Good visibility for 2019 in the Contract segment with significantly higher rates achieved to date versus 2018
- PGS is a uniquely integrated player with market leading acquisition and imaging technology





Supporting Exploration, Optimizing Production

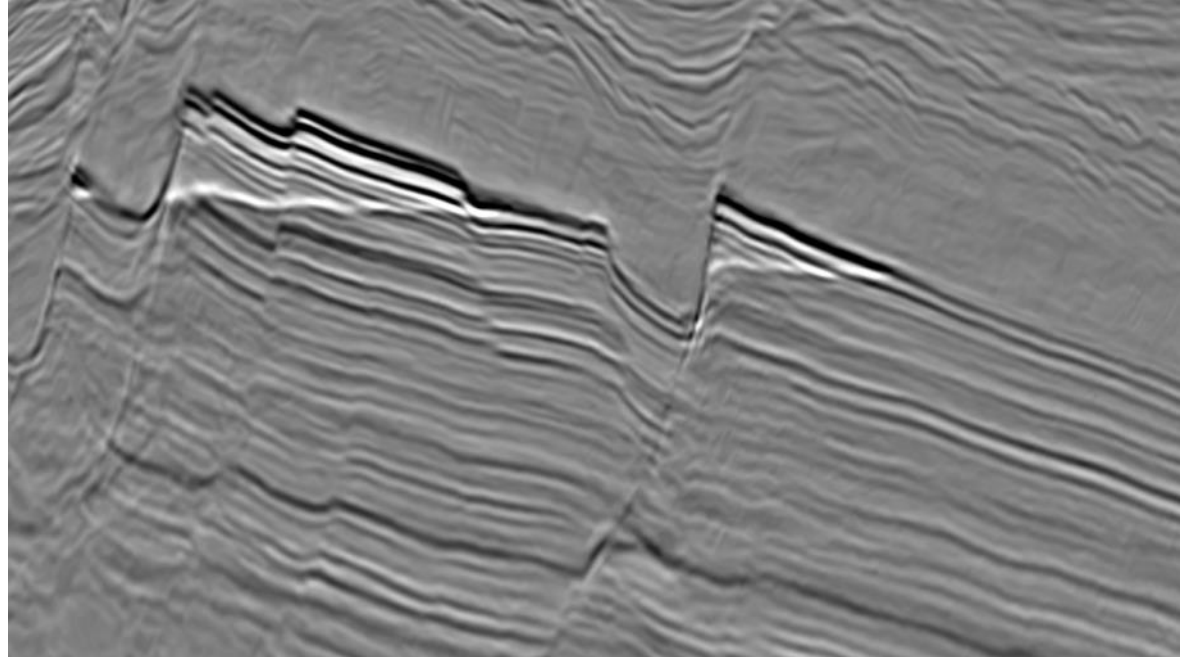
New Ventures

Berit Osnes (EVP)

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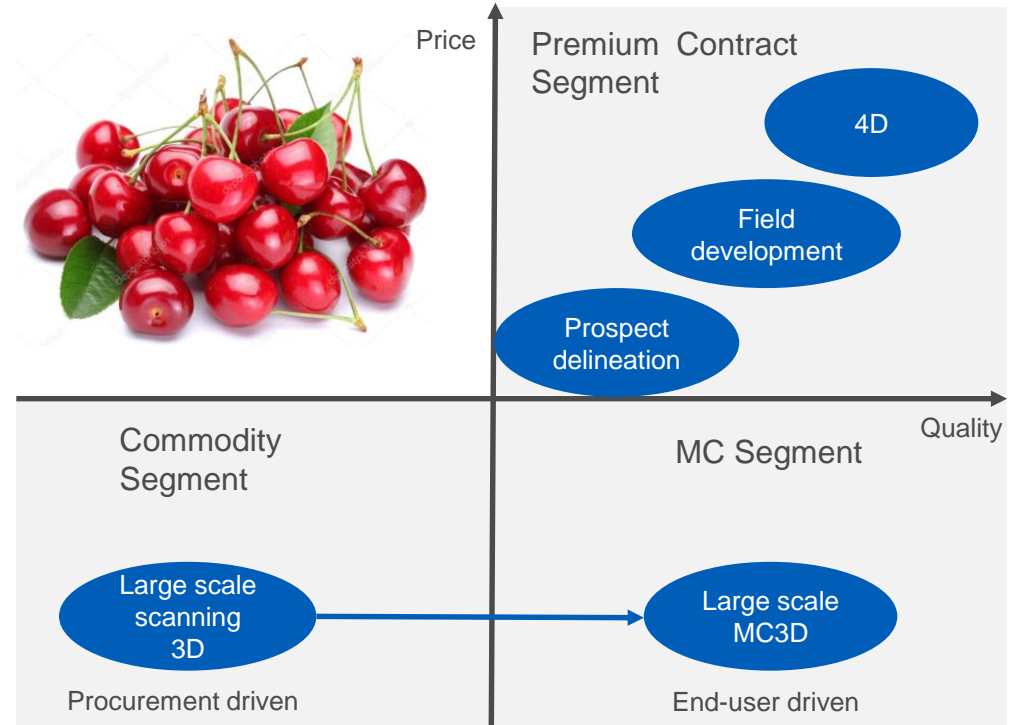
Outline

- Only Remaining Fully Integrated Seismic Provider
- A balanced and diversified data library for growth
- 2019 License Round drivers
- 2018 MultiClient performance



PGS the Only Remaining Fully Integrated Seismic Provider

- High performance teams, tuned to the challenge
- Full control of acquisition and imaging technology, capacity and timing
- Consistent quality of services and data
- Full flexibility on business models
- MultiClient access to capacity at cost



Supporting Exploration, Optimizing Production

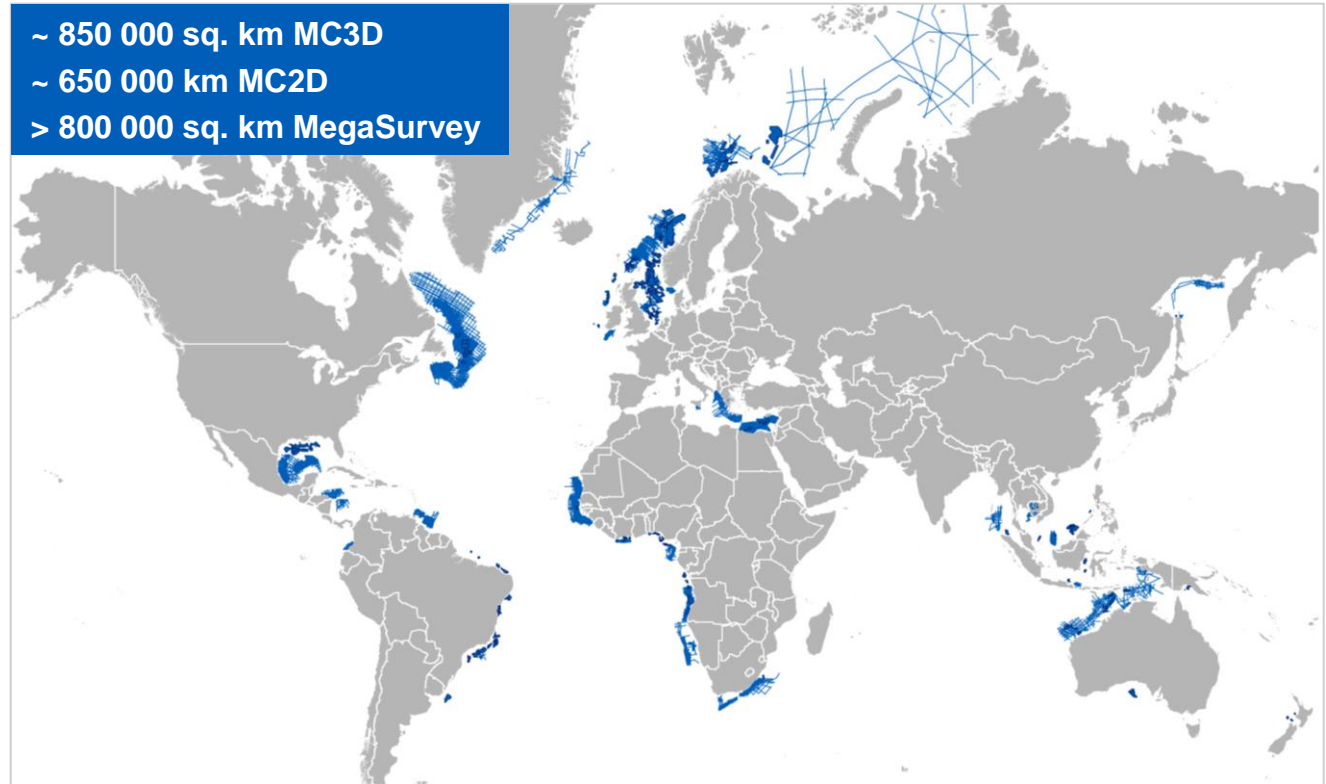
Acquisition | Imaging | Interpretation | R&D | MultiClient | Contract

What's on New Ventures Minds?

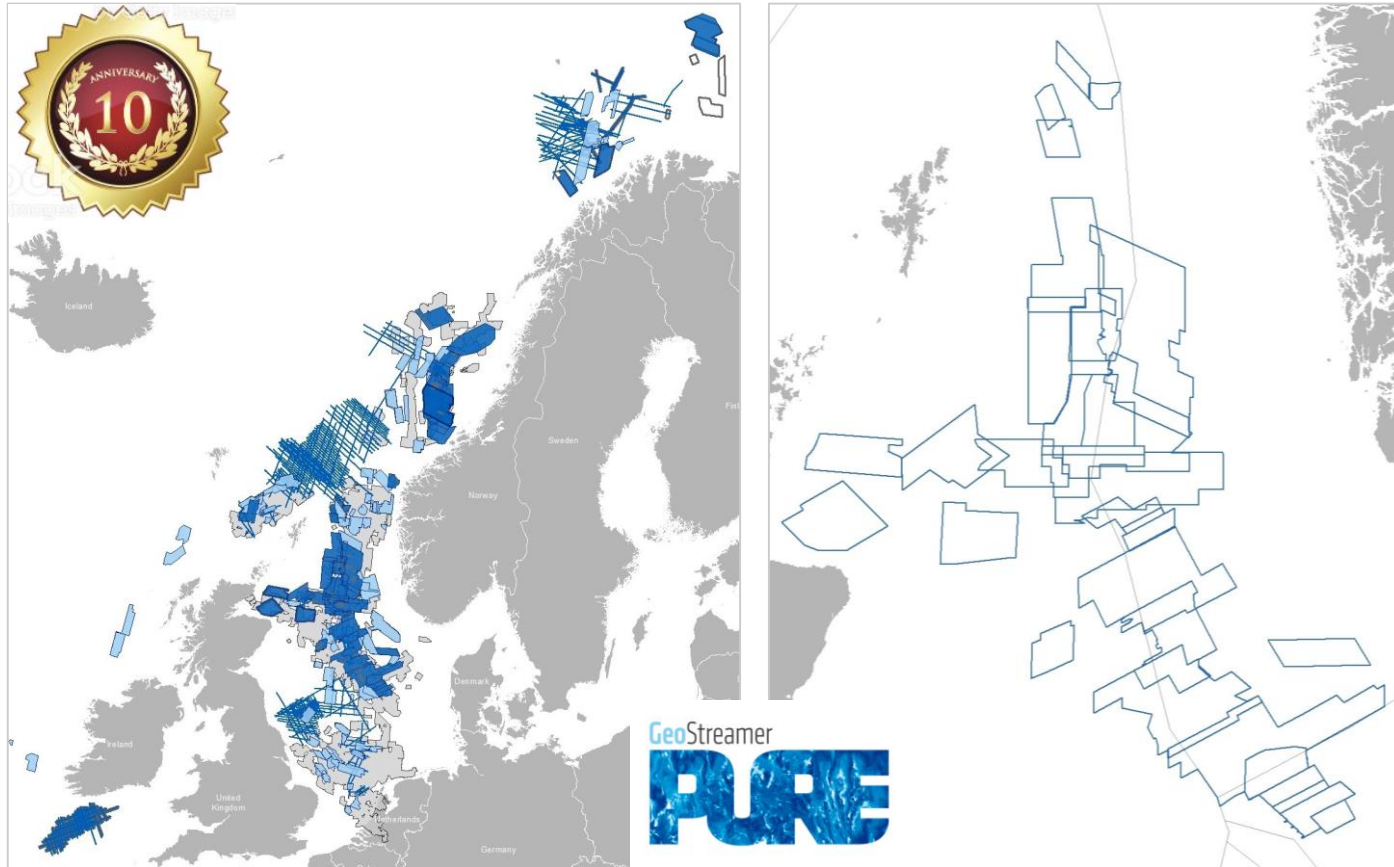


Creating A Balanced and Diversified Data Library

- Strategic library fit
- Potential for growth
- Technology edge
- Acceptable risk profile



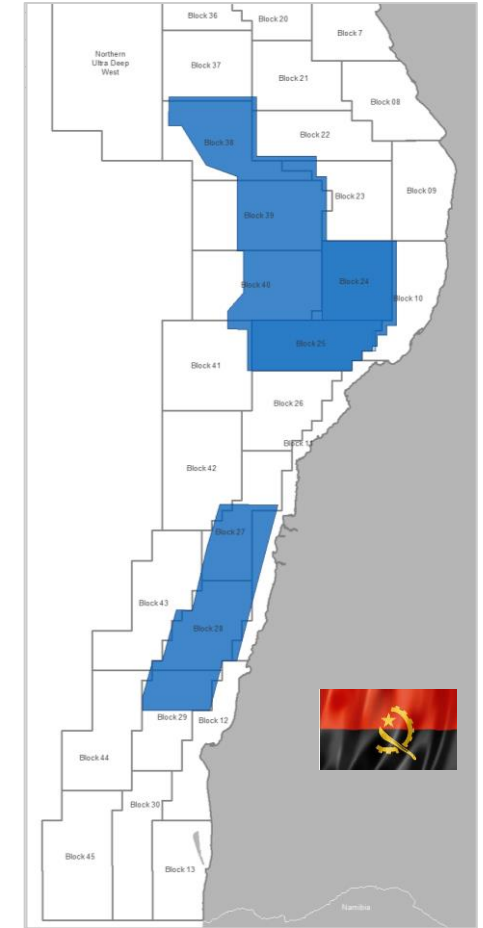
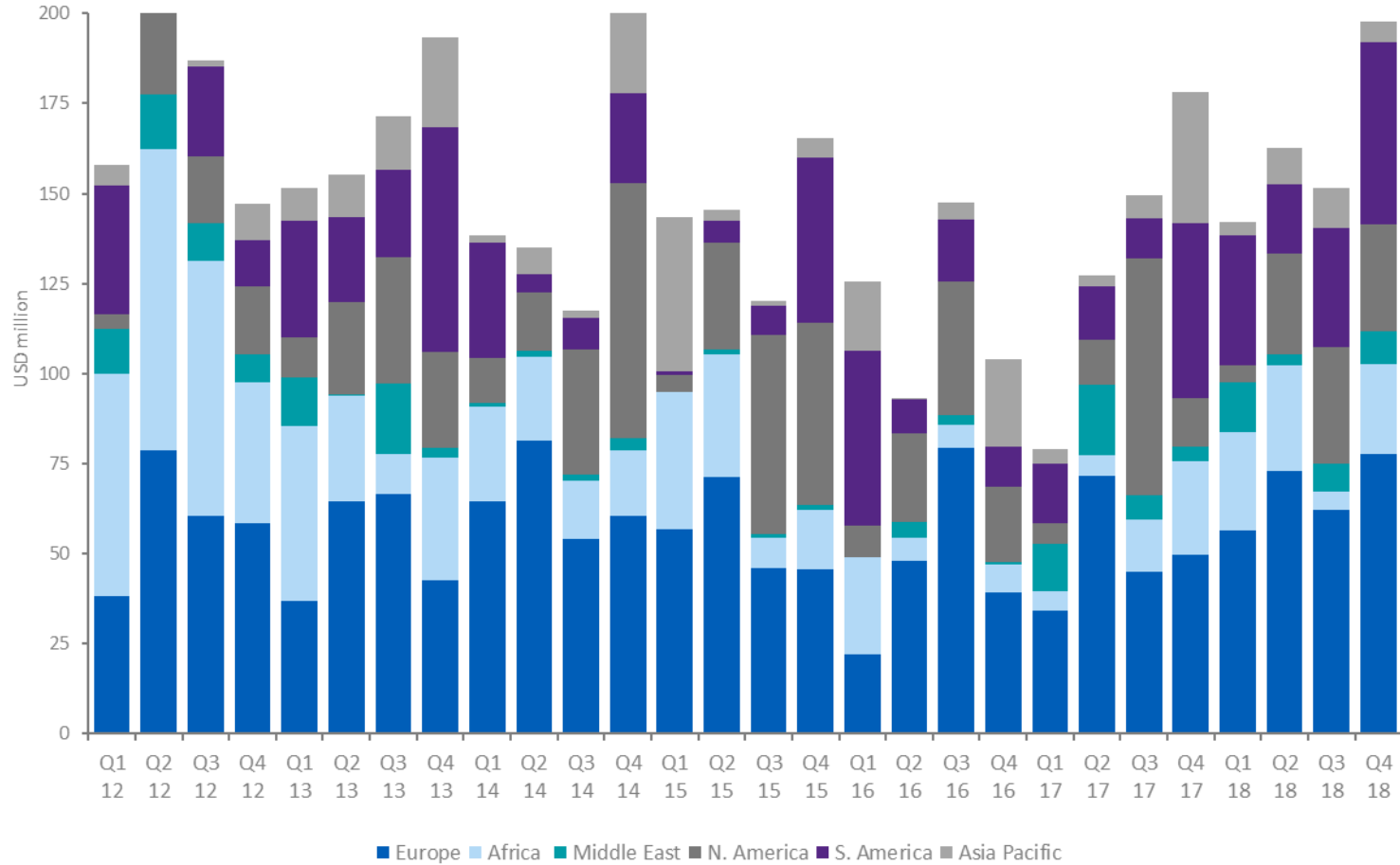
PGS MultiClient: Building a Solid House



- Data suitable for field specific needs
- Created in close collaboration with the area experts: our clients
- Long lifetime; input to specialized (re-)processing
- Consistent technology, well suited for seamless combination to super-regional coverage

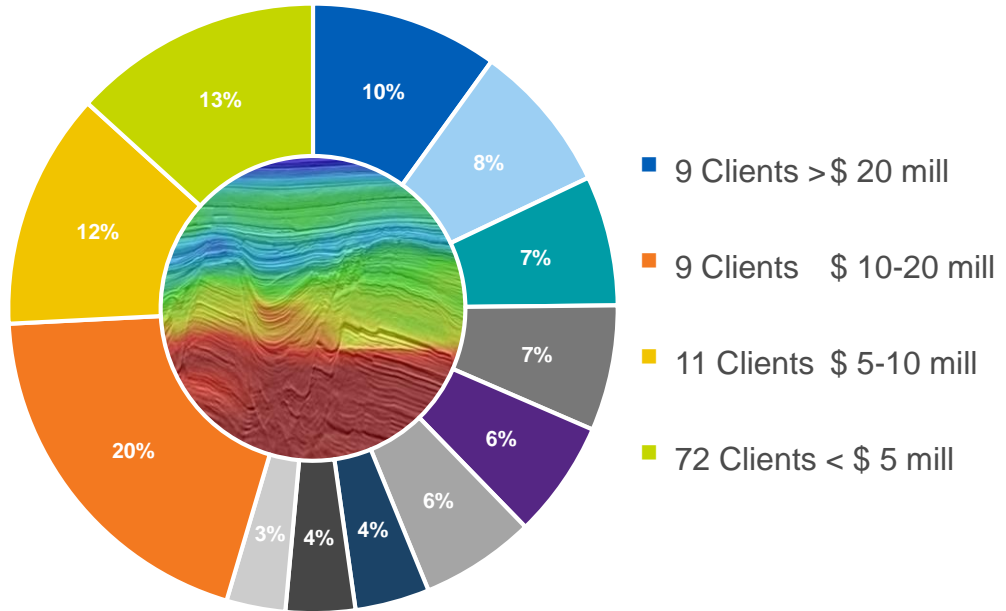
Supporting Exploration, Optimizing Production: 10 years of GeoStreamer excellence in North West Europe

MultiClient Library Diversity

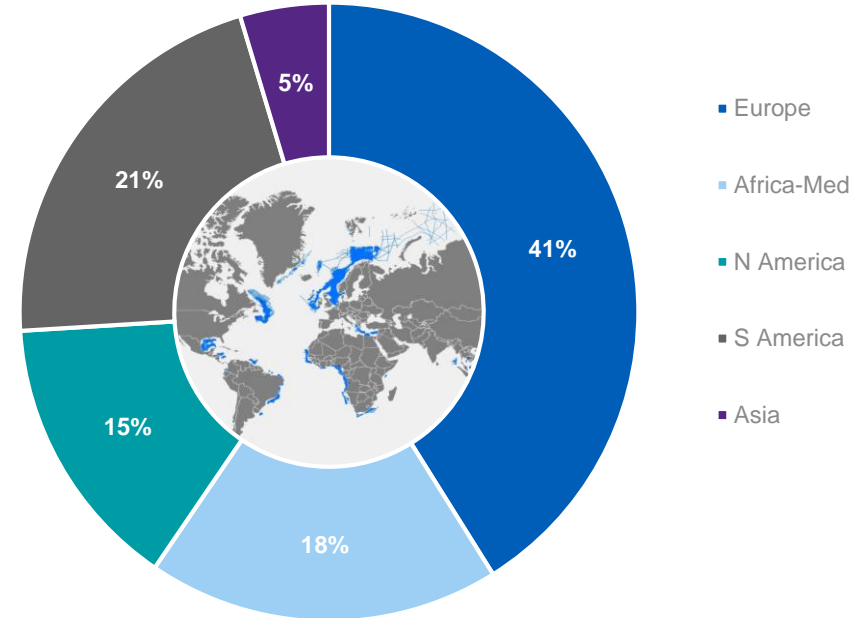


2018 MultiClient Revenues

2018 Client Distribution



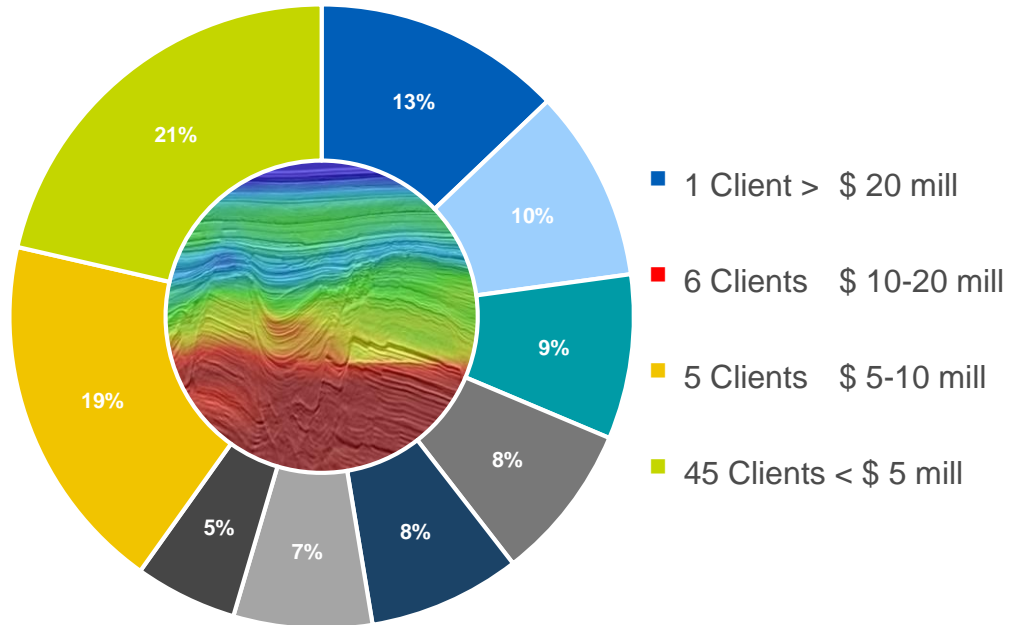
2018 Regional Revenue Distribution



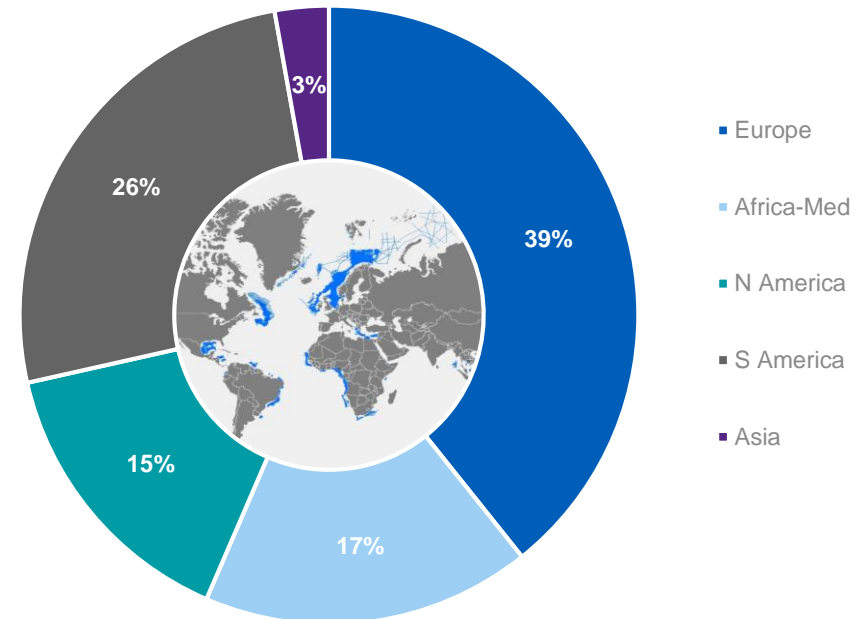
101 Clients and Good Geographical Diversity

Q4 2018 MultiClient Revenues

Q4 2018 Client Distribution



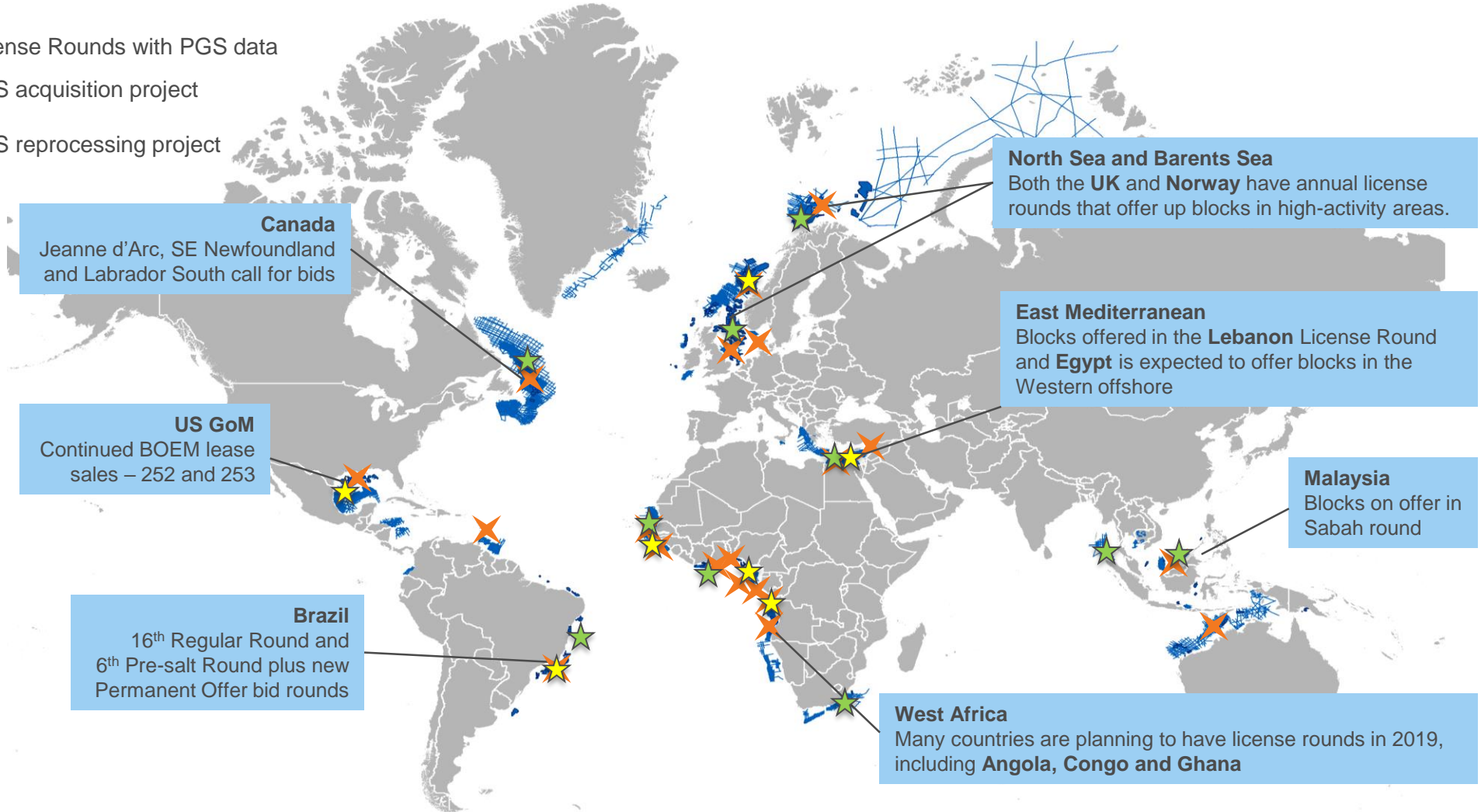
Q4 2018 Regional Revenue Distribution



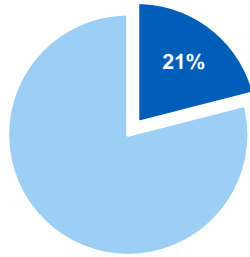
57 Clients and Good Geographical Diversity

2018 Projects and 2019 License Round Drivers for PGS Revenues

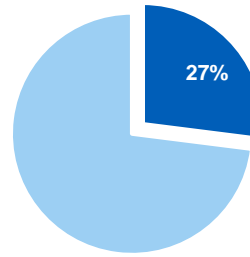
- License Rounds with PGS data
- PGS acquisition project
- PGS reprocessing project



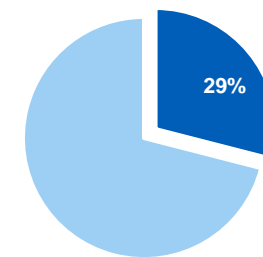
PGS MultiClient Performance: Peer Group Comparison



Net book value

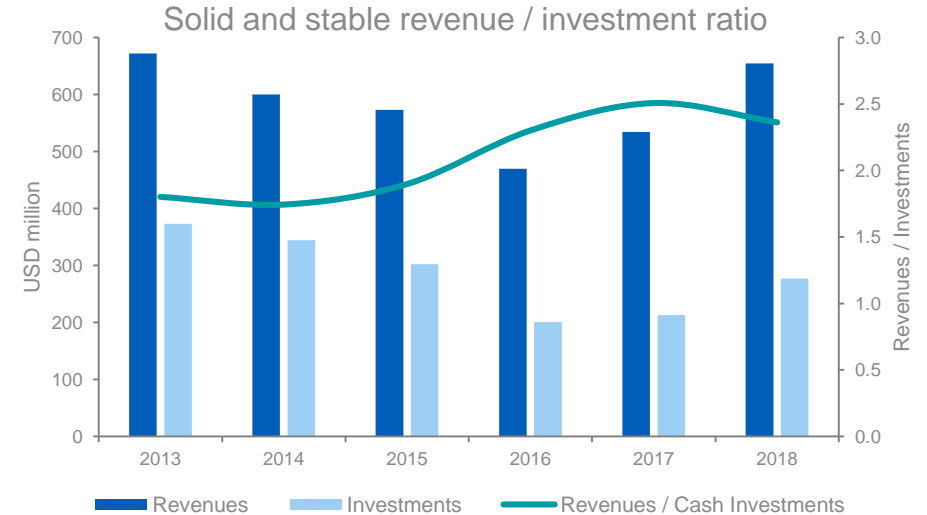
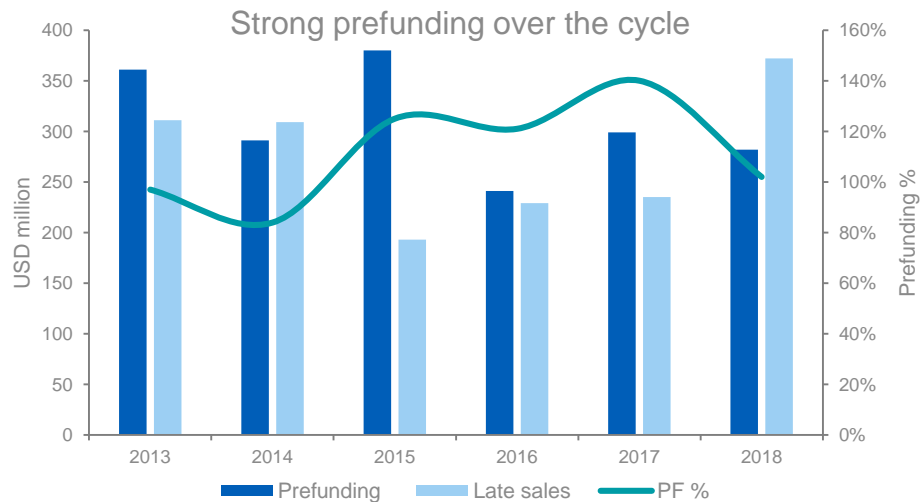


Revenues (LTM)



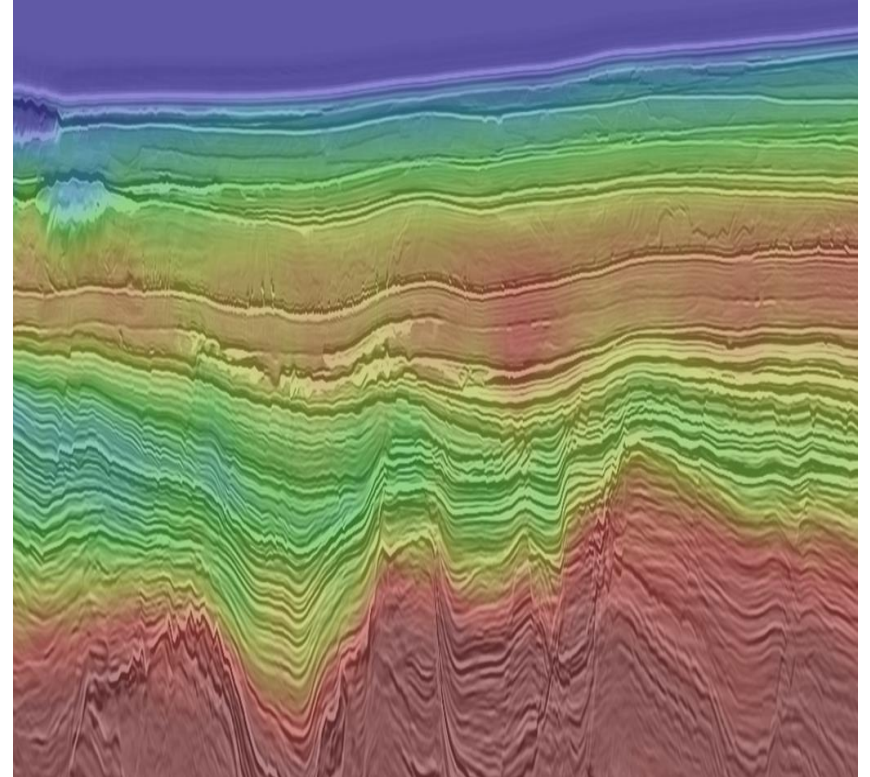
Cash Investments

■ PGS ■ Peer group WG, TGS, CGG, SPU (all consensus) and PGS



Summary

- 2018 delivered strong revenues and a good portfolio of projects for future growth
- MultiClient will benefit from PGS being the only fully integrated seismic provider
- 2019 MultiClient cash investment ~ \$ 250 million
- Target revenue / cash investment ~ 2.5 over time from balanced and geographically diverse data library





Supporting Exploration, Optimizing Production

Operations & Technology

Per Arild Reksnes (EVP)

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Outline

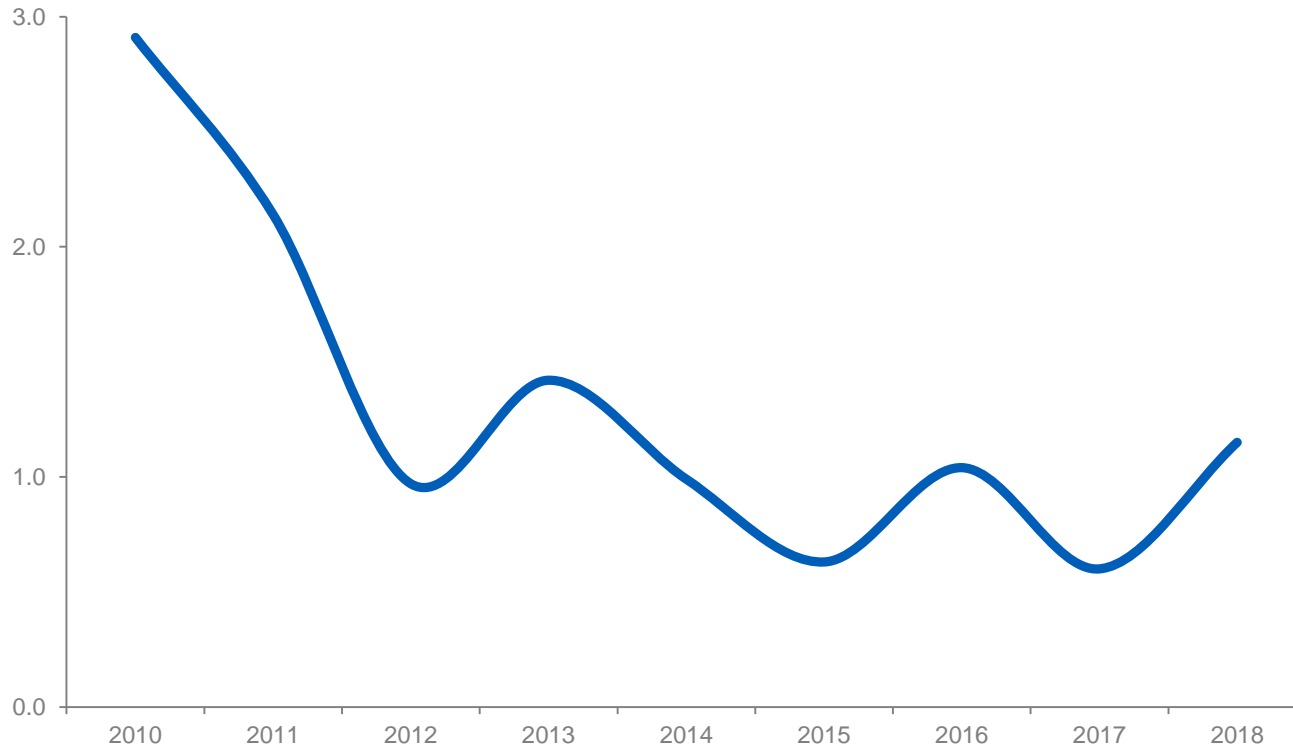


- Safety and vessel performance 2018
- Fleet overview
- Strengths of PGS fleet
- Meeting the IMO regulation change in 2020
- Advantages of PGS technology platform and project skills
- Status of streamer inventory
- New differentiating technology

HSEQ Performance: Among Industry Leaders

Total Recordable Case Frequency (TRCF)

Per million man-hours



Operational safety is PGS' number 1 priority – protecting our crews, assets and the environment

**No compromise on safety
or operational robustness**

A Flexible Fleet



RAMFORM **Hyperion**



RAMFORM **Tethys**



RAMFORM **Atlas**



RAMFORM **Titan**



RAMFORM **Sovereign**



RAMFORM **Vanguard**



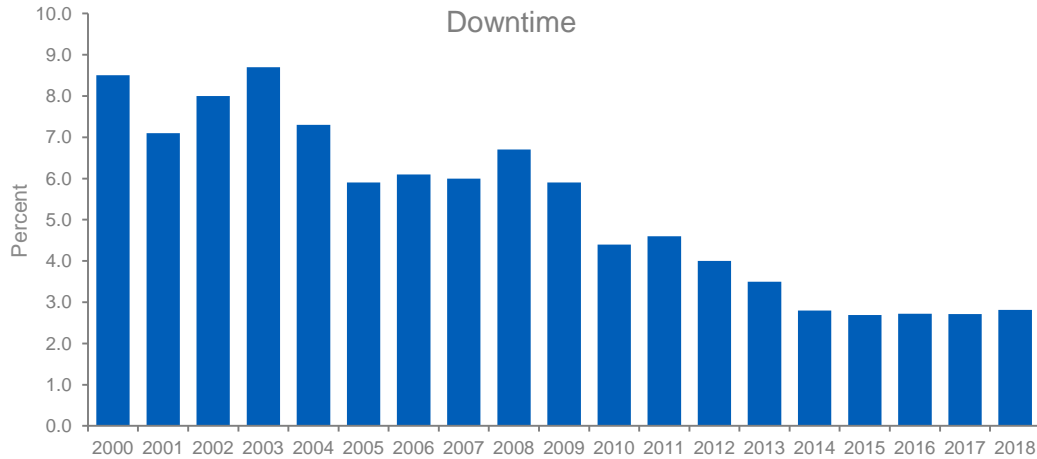
PGS **Apollo**



SANCO **Swift**

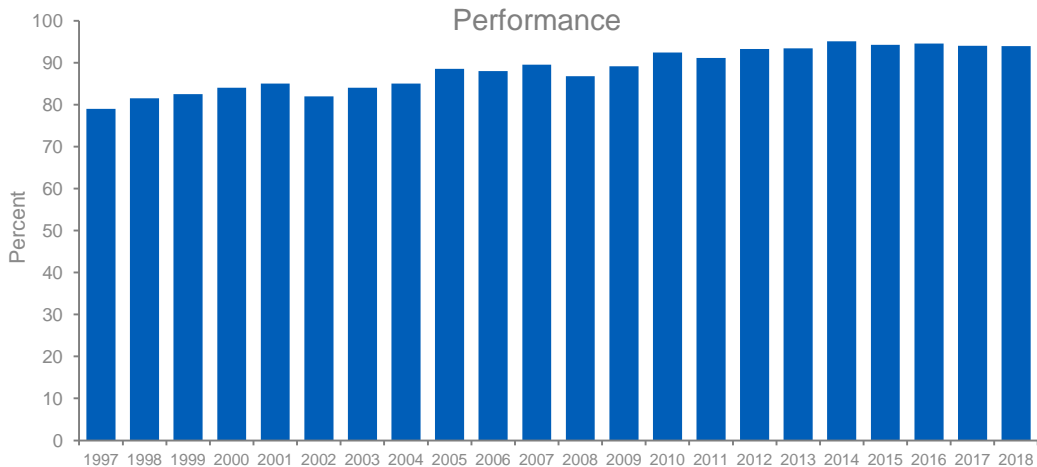
- PGS will have eight 3D vessels (“the active fleet”) fully equipped at all times
- If needed, PGS can scale down operations to six vessels and reduce costs including crew accordingly
- *Ramform Vanguard* will replace *Ramform Sterling* from May 2019 – *Ramform Vanguard* can operate up to 18 streamers and is fully equipped with PGS technology

Maintaining Industry Leading Performance



Sharp focus on planning and risk mitigation

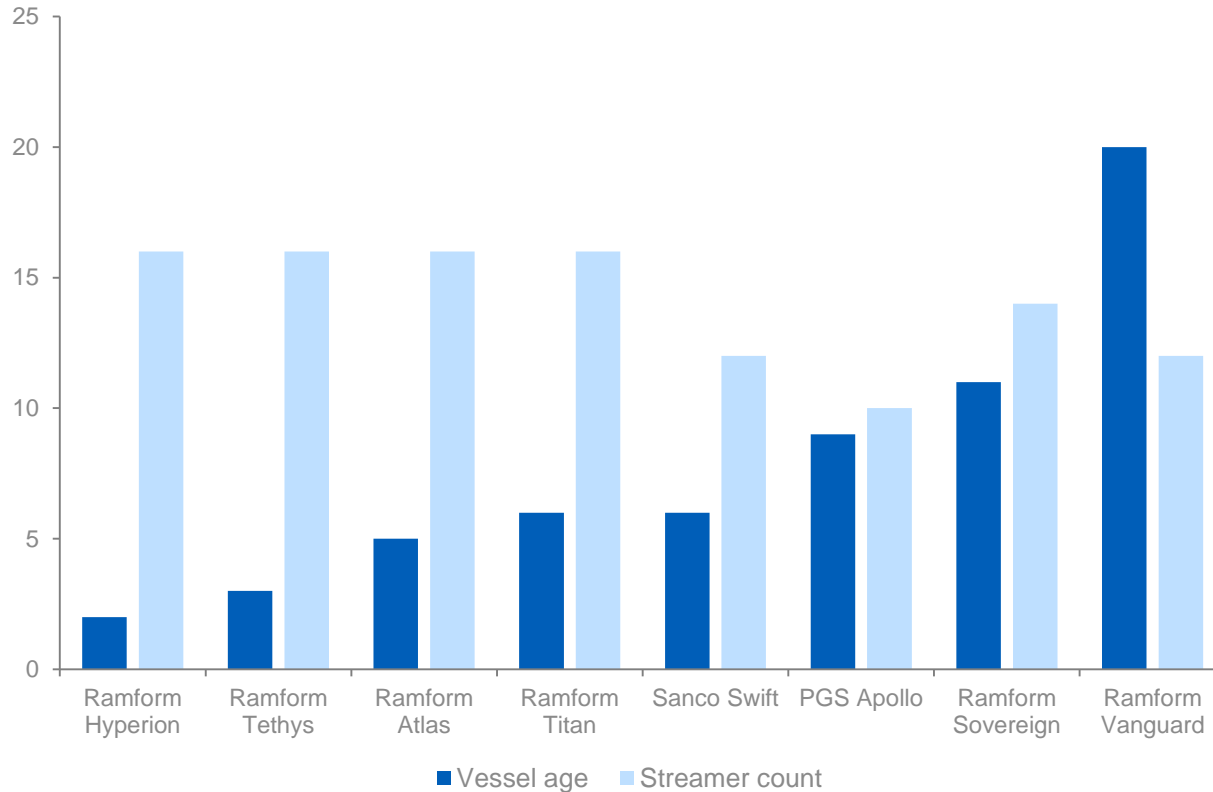
Continuous effort to reduce unproductive time



PGS “Best in Class” fleet performance ensures consistent operating strength at every point in the cycle

Most Productive Fleet in the Industry

Age and streamer count* for vessels in PGS active fleet



Max streamer capacity:

- Ramform Titan-class: 24
- Ramform S-class: 22
- Ramform V-class: 18
- Sanco vessels: 14
- PGS Apollo: 12

All vessels are capable of towing dual and triple source configurations

**Average vessel age:
7 years (Dec. 2018)
Average streamer count: 14**

*In normal operating mode.

Ready to Meet the IMO Regulation Change in 2020



The remaining PGS vessels will use MGO until we have installed onboard treatment capabilities to enable use of low sulphur fuel

- From 2020 all ships will have to use fuel oil with a sulphur content less than 0.50% or clean the exhaust gases
- The Ramform Titan-class vessels are designed to accommodate scrubbers
- Two Ramform Titan-class vessels will have scrubbers installed in 2019
- We plan to install scrubbers on the two remaining Ramform Titan-class vessels in 2020
- Scrubbers will allow use of HFO fuel on all Ramform Titan-class vessels – a significant cost advantage

Fleet Strengths

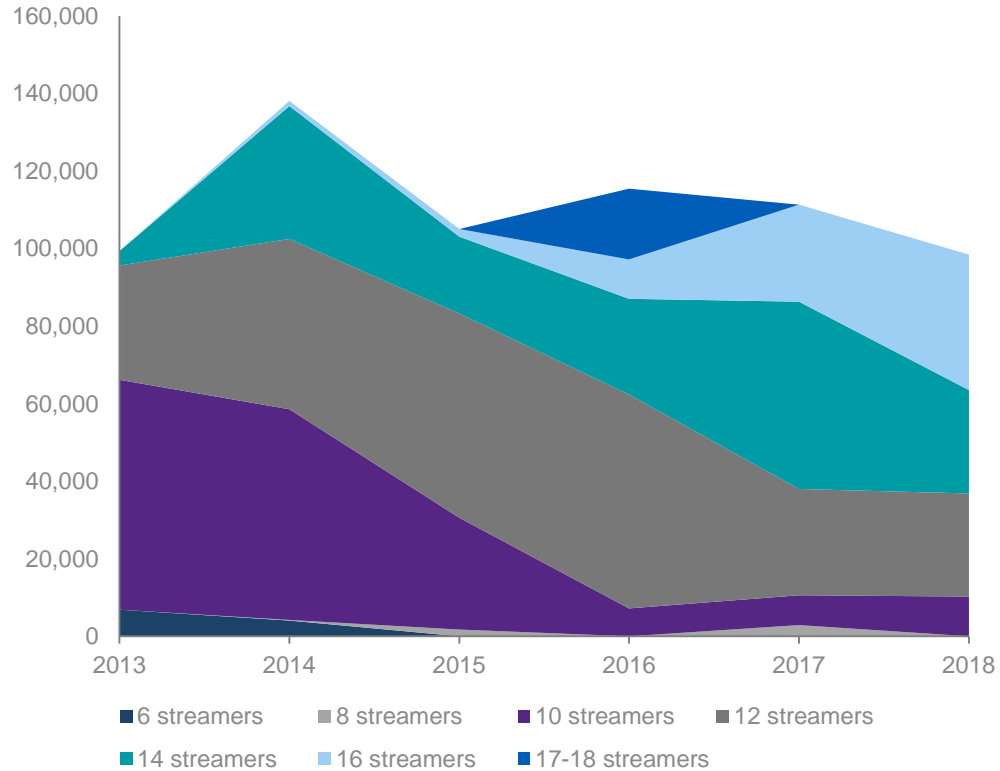
- Modern, safe vessels provide the best working environment
- PGS' high towing capacity allows flexibility to do all types of jobs from one vessel
- Industry leading engine and propulsion redundancy give safe and robust projects
- Advanced back deck solutions provide high safety and rapid deployment and recovery capabilities
- Digitalization of key equipment enables conditions based maintenance and cost savings
- Modern core fleet of support vessels enables efficient and safe crew changes and at sea fuelling



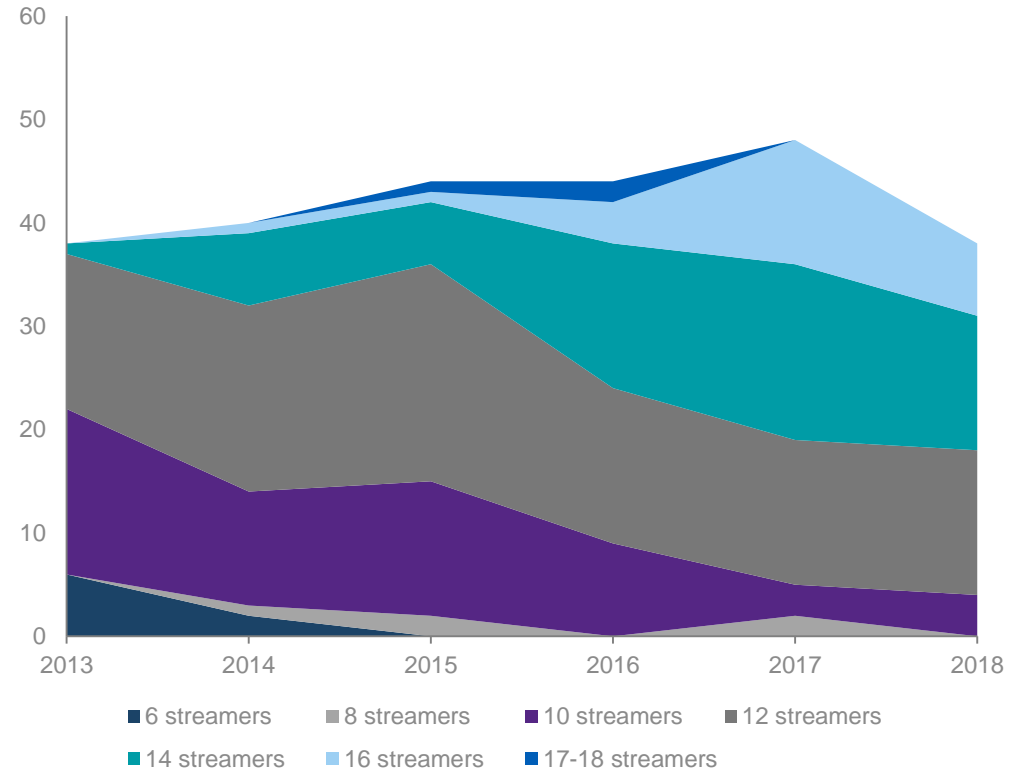
Utilizing the Capabilities of the Fleet: 60% of PGS 3D Data Acquired with 14 or More Streamers



Area in sq. km by Configuration

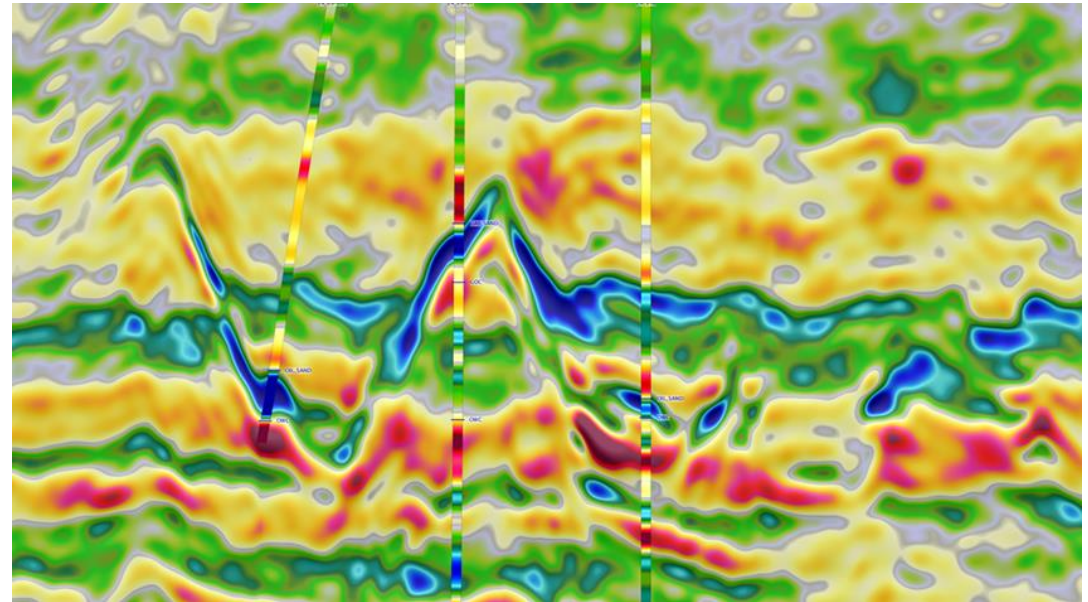


Number of Projects by Configuration



PGS Technology Platform and Project Execution Skills Deliver Value

- One technology platform means vessels are interchangeable
- Proven Multicomponent streamers enable true broadband data and provide operational benefits
- Steerable devices on streamers enable minimum infill, repeatable surveys, fast turns and efficient deployment & recovery
- Inline solutions reduce drag, fuel consumption, tangling and barnacle growth
- Steerable sources enable exact repetition of source positions – key to 4D surveys
- Automated and sophisticated QC and Processing & Imaging tools support fast project turnaround
- State of the art imaging tools from velocity picking to full waveform inversion give our customers the highest quality seismic data
- Combining our excellent project management capabilities with our technology platforms enables PGS to deliver fit for purpose products, faster and with better margins



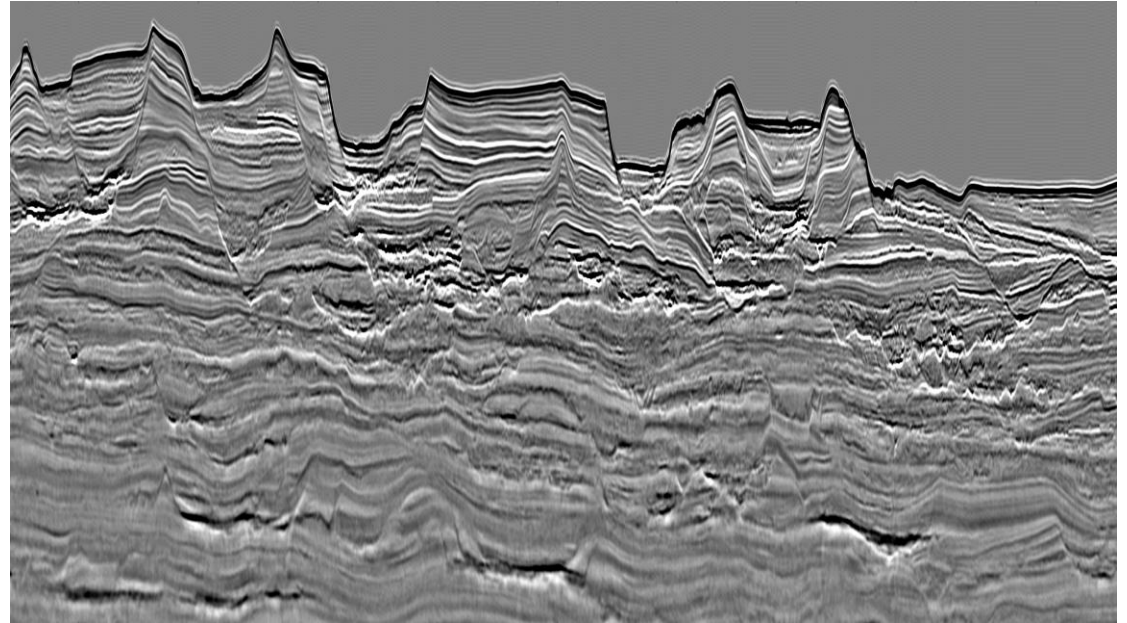
No Need for New Streamers in the Next Two Years



- PGS' fleet of active vessels is fully equipped with GeoStreamers produced between 2008-2018
- GeoStreamer is robust, maintained and can be re-manufactured, extending its useful technical life beyond 10 years
- PGS will not need new streamers before 2021, allowing us to minimize our capex
- PGS is currently developing a new generation streamer which will reduce production cost

eSeismic – A New Way of Acquiring and Processing Marine Seismic Data

- eSeismic is a new acquisition and processing method based on continuous source wavefields and recording
- eSeismic can reduce the environmental footprint because it has a much lower sound emission levels (8 – 22 dB) compared to conventional seismic
- Potential to improve PGS' acquisition efficiency up to 25%
- Compatible with future marine vibrator technology
- Data quality on par with or better than conventional 3D seismic



A Demo 2000
R&D project
funded by:

 The Research Council
of Norway


equinor



Summary



Dedicated to safety and delivery

- Strong safety culture continues to yield positive results
- “Best in Class” fleet performance ensures consistent operating strength at every point in the cycle
- Our active fleet is the most productive fleet in the industry
- GeoStreamer enables very low streamer capex through 2020
- PGS continues to develop competitive technologies making acquisition more effective and data quality better



Capital Markets Day 2019

Supporting Exploration, Optimizing Production

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Oslo | 31st January 2019

Financial Strategy

Profitability before growth

Return on Capital Employed

Capital structure
to sustain future downturns

Business Strategy

MultiClient focus

4D leadership

Reduce turnaround time

Joint acquisition and imaging approach

R&D focus on imaging and acquisition solutions

Leveraging PGS fleet productivity and technology

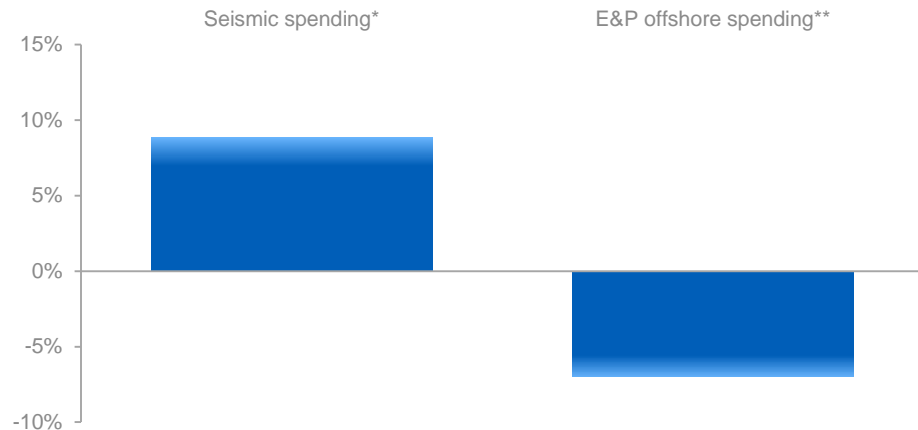


Leveraging digitalization to improve efficiency and reduce cost

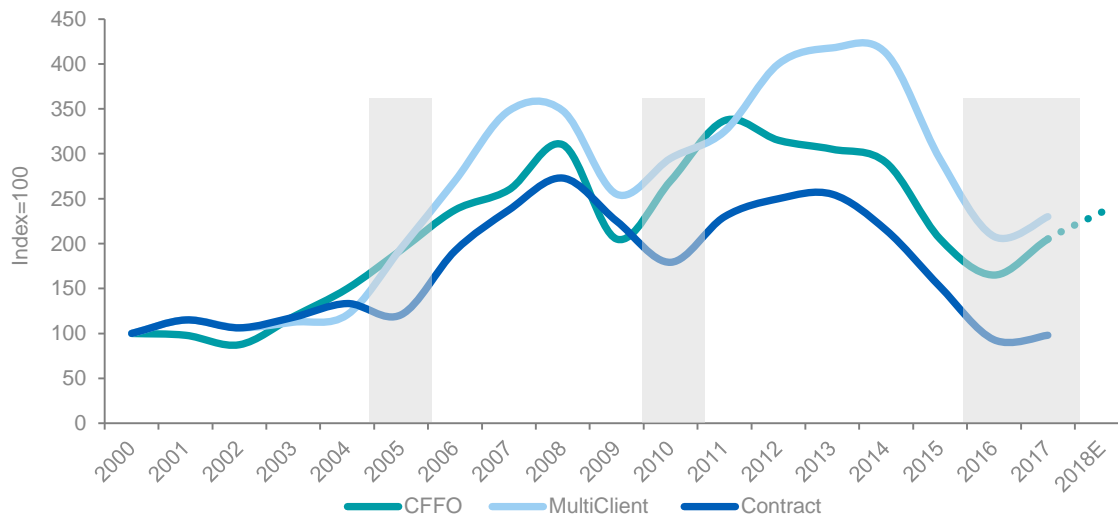
Market Perspectives: Seismic – Early Cycle Indicator with Potential for More



Change in 2018 vs. 2017



*Accumulated revenues for PGS, TGS, CGG, Spectrum and Polarcus. Preannounced numbers for the first four companies and based on consensus for Polarcus.
**Average of estimates from Barclays, DNB and Pareto Securities E&P spending reports.



Source: Rystad Energy and Nordea.

- For the second consecutive year seismic spending has increased Y-o-Y
- MultiClient has already benefitted, while contract activity has lagged
- Contract market trends
 - Higher activity
 - Higher prices
 - Increased share of 4D
- Expect contract pricing to be materially higher in 2019 vs. 2018

Summary



- Achieved key KPI for 2018 of positive cash flow after debt servicing
- Record high MultiClient late sales in 2018
- Seismic market in recovery
 - Improving cash flow and increasing offshore CAPEX among oil companies
 - Expected to continue in 2019
- PGS will focus on profitability, return on capital employed and reposition the capital structure to sustain future downturns
- Will focus on the MultiClient business, improve 4D position and image what we acquire

Taking leadership position through fully integrated offering



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Thank You – Questions?

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