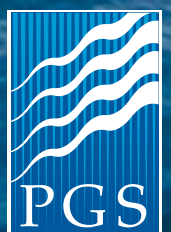


Under the surface

Responsibility Review 2011



Being transparent

Within PGS, responsibility means living, applying and demonstrating our values everyday – everywhere.

PGS, like any other global business, takes its responsibilities seriously at a time when transparency and compliance need to be seen as the very baseline for our daily operations. Jon Erik Reinhardsen, our President and CEO, discusses the big questions that really get under the surface of responsibility at PGS:

Why has PGS produced a responsibility review?

Over the 20 years of PGS history, as the company has matured, it has developed and refined its approach to corporate citizenship. That is based on a set of commitments to ourselves, to our clients, to society and the world in which we all live and work. The concept of responsibility is not new for us. This is instilled in our core values and our code of conduct.

Focus and measurement

Many of the core concepts associated with Corporate Responsibility are already an integral part of the PGS operation. Improving and structuring these initiatives will strengthen the company's overall performance. Our goal is to help our clients to meet the challenge of growing energy demands around the world, while satisfying the expectations of our shareholders when it comes to corporate responsibility. Progress will be measured using the tried and tested industry metrics of financial performance, as well as the company's health and safety record. In addition, PGS focuses on the environmental and societal aspects of its business.

Balancing priorities

The health and safety of our people are always our first priority in making the daily choices and risk assessments that are a part of worldwide operations.

Last year as a result of the hard work of personnel throughout the organization, we achieved certification by Det Norske Veritas (DNV) to OHSAS 18001 (International Occupational Health and Safety Assessment Series).

The challenges are changing

We recognize that global issues such as climate change and biodiversity present new challenges, both in terms of risk and regulatory requirements. Responding to this new reality, PGS has strengthened its capabilities for collecting and quantifying energy consumption and emissions, and monitoring its environmental performance. Measurement and monitoring are essential tools for effective management.

In 2010, PGS initiated efforts to achieve companywide certification under the ISO 14001 standard for environmental management.

More than hardware

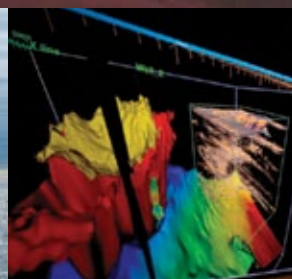
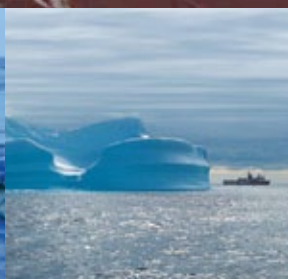
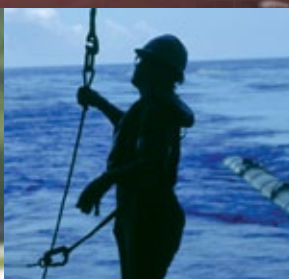
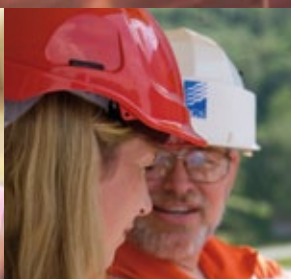
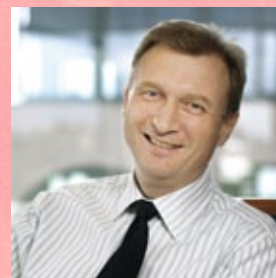
PGS is a technology company. The core competence and commitment of its people are its most important asset. To attract and retain that talent requires listening and responding to employees' concerns and ambitions, and developing their potential. Proactively nurturing and developing local talent in the societies where the company operates is also fundamental to future success.

We are a company with a clear value set. This review details the facts and structures that are built on that foundation. Our code of conduct steers our choices and our actions. We apply the same standards in all our markets, even though that may mean not operating in some countries. We would rather sacrifice revenue than sacrifice our values.

Jon Erik Reinhardsen
President and CEO

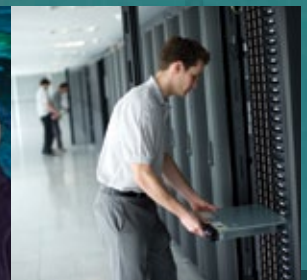
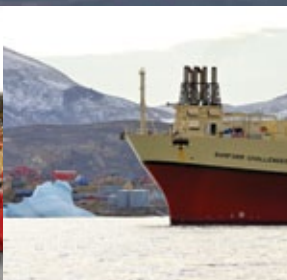
We are responsible for our people, our conduct and how our activities interact with the environment and our stakeholders.

Jon Erik Reinhardsen
President and CEO



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Building and expanding our existing knowledge	6
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Stories from across the world and across the business	10
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A vibrant underwater scene featuring a diverse coral reef. The water is a clear, deep blue, and the coral displays various colors including bright orange, purple, and yellow. A prominent yellow and purple sea anemone is visible on the right side of the frame. The overall composition is rich and detailed, capturing the complexity of the marine ecosystem.

Building and expanding our existing knowledge

People

Environment

Conduct

Stakeholders



Refining our strategic approach to responsible business – the story so far

In recent years we have reviewed how Corporate Responsibility (CR) is managed across PGS. In 2010, we carried out an internal assessment and gap analysis to compare current PGS policies, initiatives and practices against international standards and guidelines set out by the Organisation for Economic Co-operation and Development (OECD) and the UN Global Compact. In 2011, we established an internal advisory group of senior managers and specialists to review our position and develop plans to refine, and where necessary re-define, our ambitions.

With increasing demand from our stakeholders, including our employees, investors, clients and local communities, we know we need to demonstrate and communicate our corporate responsibility ambitions and progress openly and honestly.

We have built our framework for Corporate Responsibility around four key areas - People, Environment, Conduct and Stakeholders. Each of these addresses a number of Corporate Responsibility issues that cross traditional departmental boundaries within PGS.

Our ambitions are to:

- Provide the safest working areas for our people and contractors to enable us to acquire better seismic data more efficiently than our competitors;
- Conduct our business activities according to our Core Values, addressing all legal and regulatory requirements relevant to our activities;
- Minimize harm to the environment and local communities by assessing and reducing the environmental and social risks associated with our operations; and
- Communicate with our stakeholders in a timely and transparent manner.

This is the first time we have published a responsibility review to complement our Annual Report. Its aim is to explain our approach and performance and to provide an insight into our culture of responsibility at PGS.

Measured change

People HUMAN RESOURCES HEALTH SAFETY

Environment WASTE SPILL ENERGY EMISSIONS CLIMATE CHANGE

Conduct GOVERNANCE CODE OF CONDUCT OUR VALUES PRINCIPLES OF CONDUCT BUSINESS PRACTICES

Stakeholders INVESTORS EMPLOYEES CUSTOMERS COMMUNITIES



Measuring our performance into the future

Like many companies in our industry, we have historically measured and reported our performance in terms of financial and safety information and regulatory compliance. More recently we have broadened our environmental perspective to consider issues such as climate change and biodiversity. We continue to focus on long standing and equally important issues such as oil spill prevention and waste management.

As we look to the future, we will maintain our commitment to financial and safety performance reporting. We are strengthening our ability to demonstrate and communicate our performance from an environmental and societal perspective.

Stories from
across the
business





and across
the world

Our first responsibility review explains how we are addressing the needs and expectations of our stakeholders through case studies and data, demonstrating our commitments and performance to our customers and stakeholders.



Employing local

Yves Chiffolleau

Operations Manager
Rio de Janeiro
Brazil

People

22° 54' 00"N
43° 15' 00"W



Marine < Data Processing

Though we're a global operator, we support local employment around the world. In Brazil, we are supporting a national employment initiative to improve the English language skills of the Brazilian nationals we employ by providing them with on-board and off-shift language lessons.

Since we started operations in Brazil in 1995, we have done our best to follow stringent local requirements to employ Brazilian nationals. Over 90 of our Rio office staff are local hires. Our flagship the Ramform Sovereign has been in operation offshore Brazil since 2008. Qualified candidates can be hard to find and English language skills are often limited. Few people have worked onboard a seismic vessel and competition for qualified Brazilians has grown as the oil and gas exploration industry has expanded.

PGS has invested time and resources to establish a strong and consistent presence within the Brazilian employment market. The English lessons we provide for our Brazilian offshore staff will benefit the entire local market. At the end of 2011, over half of the 193 people employed in our operations offshore and onshore Brazil were Brazilian nationals.

PEOPLE FOCUS

As a global company, we recognize that good people management is essential for attracting, retaining and developing a highly skilled workforce with the right attitudes and behavior. So we place great importance on our core values.



Building better leaders

Mark Jack Smith

Vice President, Organizational Development
Oslo
Norway

People

59° 54' 50" N
10° 45' 00" E



Engaging the PGS offshore team to develop our leaders.

Good leaders are essential to our success and we develop leaders in an open culture of two-way communication. An independent survey of offshore crew members asked them to provide feedback to our most senior offshore managers to improve their leadership skills to better meet the needs of their team.

Good leadership is essential to a global company like PGS, with a highly skilled and motivated workforce. Our Party Chiefs are the senior managers who lead our crews operating the seismic equipment on our vessels. We had never formally collected feedback on their performance from their crewmembers. Traditionally we relied on anecdotal and top-down experience.

In 2010, we commissioned an independent survey to collect confidential feedback from crew members on their views of the leadership competencies of Party Chiefs. The results have been used to create personal feedback reports that identify how Party Chiefs and PGS can strengthen leadership capabilities across the vessel fleet to meet leadership expectations of our crews.

After the survey we have a deeper understanding of what crewmembers need and what they value from their senior managers. Party Chiefs have a more objective and motivating view of their leadership strengths and styles, and a clearer picture of their development needs. Specific training programs for Party Chiefs have been rolled out in response to survey feedback, and we are now using the same approach in other parts of the organization with positive results.



A job for life

Ole Skullestad

New Build Supervisor/Captain
Sasebo
Japan

People

LATITUDE -40.5
LONGITUDE -44.5



PGS works with suppliers to adapt and improve safety equipment. Motivated by the loss of a member of our crew in 1994, we set up a partnership to design a new life jacket to make offshore seismic operations safer. Last year we improved it with the Crewsader model.

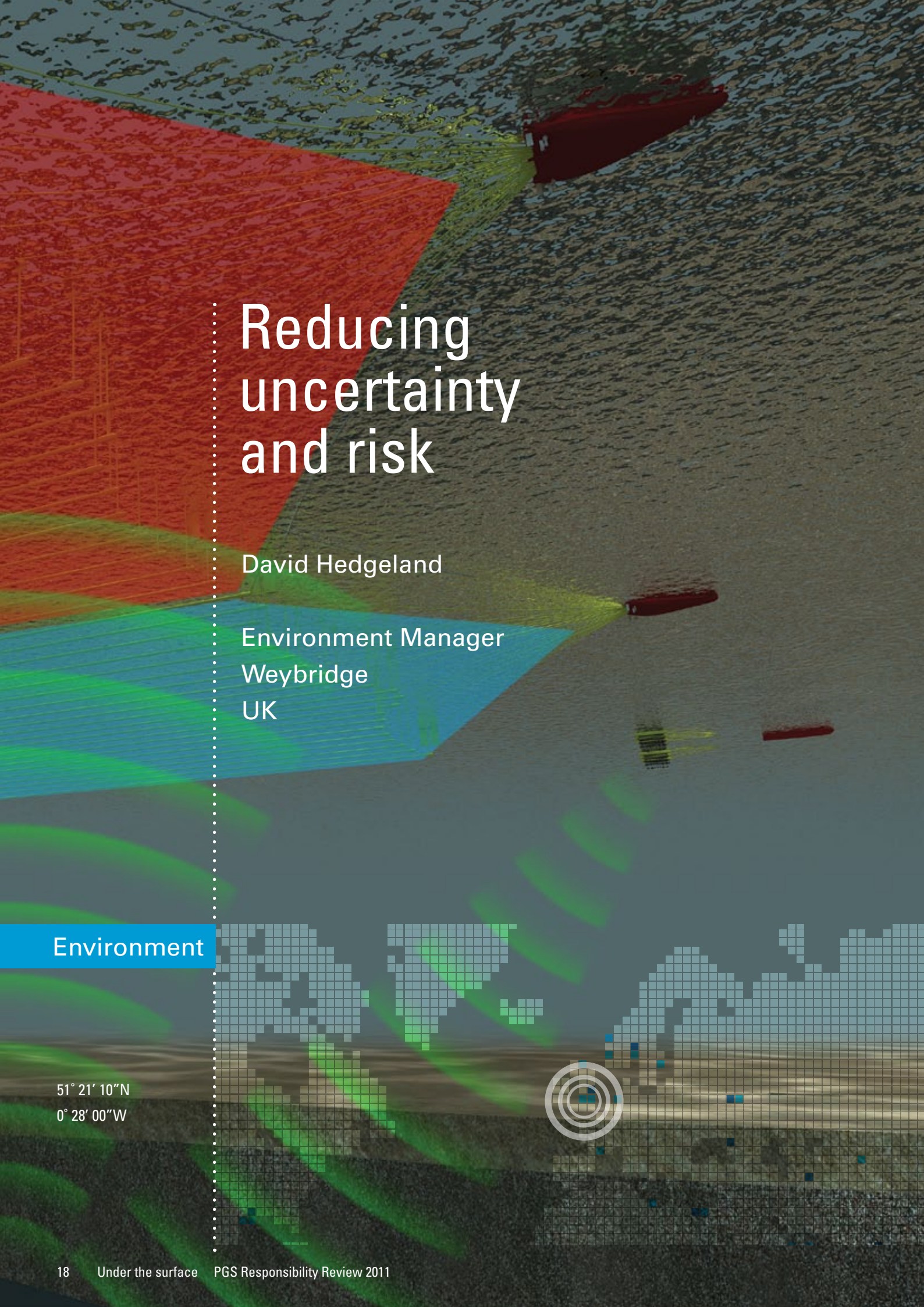
The offshore environment is harsh and the lives of our employees can depend on the quality of the equipment we supply. In 1994, one of our crew tragically fell into the sea at night and drowned. We took on the job of designing a better life jacket for backdeck operations, to ensure it could not happen again.

The original Seafire jacket became a standard within and beyond our industry. In 2009, we set up a development partnership with a leading manufacturer to produce a next generation, double chamber life jacket, to meet the highest specification of Safety of Life at Sea (SOLAS) regulations. The life jacket was designed and strengthened for seismic operations and a personal locator beacon was included, for small boat operations.

In 2011, we tested the new Crewsader jacket on five of our vessels and improved it further. It achieved SOLAS approval, went into production and is setting a new safety standard in the seismic industry. It is now being deployed across our fleet and we are developing onboard training for effective maintenance of the new life jacket.

Below: New Crewsader life jacket. Below right: Original Seafire life jacket





Reducing uncertainty and risk

David Hedgeland

Environment Manager
Weybridge
UK

Environment

51° 21' 10" N
0° 28' 00" W



Understanding the interaction between our industry's activities and marine life. PGS is supporting a multi-million dollar, long-term commitment to fill current knowledge gaps with the technical insight of our staff contributing to a major Joint Industry Programme.

We understand that society expects responsible operators to consider the impacts of their activities and to act to manage the risks. The interaction of underwater sound and marine life, which relies on sound to navigate and communicate, raises specific issues for our industry that we are keen to help address.

There is still much to learn about the potential effects of exploration and production activities, such as seismic surveys, on marine eco-systems. In 2006, the Exploration and Production Sound and Marine Life Joint Industry Program, led by the Association of Oil and Gas Producers (OGP), was set up to focus industry research efforts.

PGS Environment Manager coordinates our activities. He and his colleagues are proud to be playing their part in this important initiative, and have so far contributed to research projects related to seismic source characterization, sound attenuation technology and monitoring marine life at sea as well as general research into the interaction between seismic sources and marine mammals and fish. The research is informing the development of new, more sustainable seismic source solutions for the future.

MANAGING THE ENVIRONMENT

Our Environment Policy sets out our commitment to continuous improvement across our environment management processes, procedures and behaviours to meet ISO 14001 standards. In 2010, we initiated efforts to achieve ISO 14001 certification for our environmental management. We plan to achieve this in 2012.



Carbon counts

Malcolm Cooper

Team Leader UK

Global Office Administration Services

Weybridge

UK

Environment

51° 21' 10"N

0° 28' 00"W



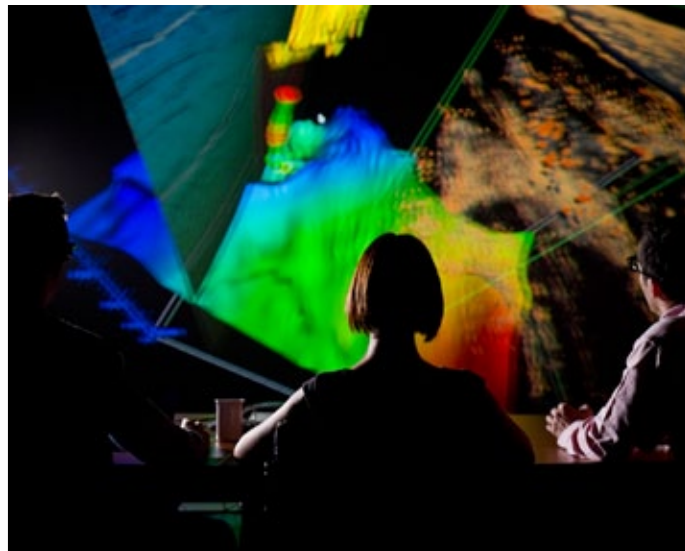
Taking on the PGS energy efficiency challenge.

Our commitment to reduce energy use in our buildings has seen a team of Strategic Carbon Management students from the University of East Anglia help us to improve the energy efficiency of our Weybridge office.

At PGS we are committed to reducing our energy use and carbon emissions. As part of the UK Carbon Reduction Commitment Energy Efficiency Scheme, we aim to make efficiencies year on year from our baseline set in 2010.

Weybridge is also home to our UK data center, one of the world's more energy efficient data centers following the introduction of award winning energy efficiency measures. We've already achieved savings through initiatives put in place during the design and construction phase of the data center. But that hasn't stopped us looking for more ways to improve.

In 2011, we invited a team of Strategic Carbon Management MBA students from the University of East Anglia to help us assess our energy use at Weybridge and to identify potential opportunities for us to improve. Their study included a review of our energy use statistics and building heating and ventilation systems. The study identified a number of potential opportunities to reduce both our energy use and our carbon emissions. We are now considering these options relative to our overall environment objectives.



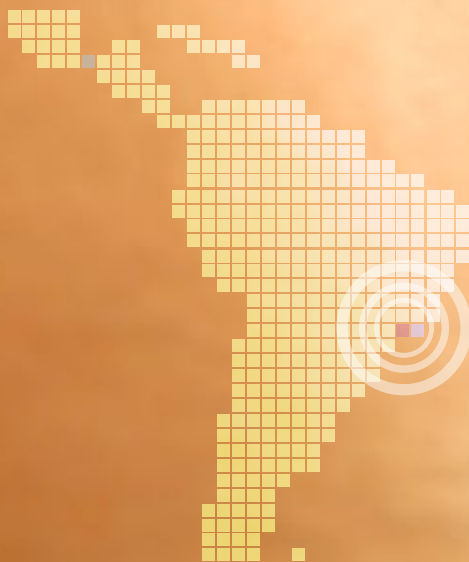
Reuse, recycle

Silvia Martins

Human Resource Manager
Rio de Janeiro
Brazil

Stakeholders

22° 54' 00"N
43° 15' 00"W



PGS is putting used computer technology to good use in Brazil.

When we upgraded our computer resources in Rio de Janeiro, we created a partnership with a public university to improve information technology systems in their data center, their social services department and at a local community center.

The processing of geophysical data is computer intensive and requires the best and latest technology to keep up with demand for quality data, delivered as fast as possible. We renew our computer resources regularly to meet the needs of our business and our customers and, when we upgrade, we try to benefit others with our old equipment.

This equipment is way beyond what is available to thousands of students in communities in Rio de Janeiro. That is why, in 2011 we decided to set up a partnership with a local university to donate our old computers to the community.

The Catholic University of Rio de Janeiro is a non-profit organization providing scholarships to around 4,000 students from disadvantaged communities. Thanks to our equipment, the university has been able to invest its own funds in new infrastructure to increase capacity and offer better services to students across many departments.

ENGAGING

Our stakeholders include our owners and investors, employees and employee groups, customers, suppliers, industry organizations and local communities that may be affected by our work.

We aim to engage all those interested in our activities and performance in a consistent, open and transparent way. In this report we have focused on the methods and measures employed to engage with each stakeholder group.



Supporting start ups

Tore Langballe

Senior Vice President, Communications
Oslo
Norway

Stakeholders

4° 53' 20"N
114° 56' 00"E



We promote community development in the places we work around the world. In Brunei, we are supporting a local initiative to help young people, especially women, to run businesses based on traditional skills.

PGS supports the Village Enterprise Scheme, one of the initiatives under the Brunei Economic Development Board to support of the 'One Village, One Product' project. The PGS contribution helped to build a Cultural Gallery in Kampong Bukit to enhance traditional handicraft skills. Villagers gather at the gallery to create products out of rattan and bamboo obtained from the surrounding areas. The finished products include mats, baskets, containers and other gifts items.

The air-conditioned gallery provides a better and more comfortable environment for the villagers to work, and an exhibition space for traditional hand-made products. The support is also intended to motivate especially the young women to stay and acquire skills from their elders, to enhance their productivity and assist them in commercializing their products to a wider market.

Kampong Bukit was selected as the district's representative in the 2012 Village Exemplary Award organized by the Brunei Ministry of Home Affairs.

Examples of business start ups with the help from business micro grants through the Youth Skills Development Program.



Building trust

Jerry Witney

Vice President, MultiClient North America
Houston
USA

Stakeholders

52° 33' 00"N
56° 20' 00"W



We listen to communities and shape our operations in response to local needs. When concerns were raised that PGS surveys might disrupt fishing activities in Northern Canada, our engagement with stakeholders helped us to modify our survey plans and employ local Inuit personnel to liaise with the fishing community at sea.

When a local community is concerned about our work, we know it pays to listen to them early on in our planning. In 2011, we provided information packs and invited over 100 stakeholders to share their views and concerns over proposed surveys in Northern Canada. We held public consultation meetings in seven communities from Nain to Port Hope Simpson, and we met with the Tongat Fish Producers Co-operative Society Ltd.

Having listened to suggestions and concerns, we changed our seismic acquisition plan to meet the needs of the community, mitigating the potential effects of our surveys on local fishing. We postponed operations for inshore survey lines until later in the fishing season and we employed an Inuit observer to sail on a support vessel ahead of our seismic vessel. This is PGS practice in other parts of the world as well. In Canada, it helped us to communicate with the local fishermen we encountered during the survey.

Good community relations are built on trust. By listening to and recognizing the needs of local people we can learn from them and improve our business.



Doing the math

Pamela Risan

Marketing and Communications Manager
Oslo
Norway

Stakeholders

59° 54' 50" N
10° 45' 00" E



Some companies promote sport. For us it seemed natural to support the development of mathematics.

Our five-year commitment to support education and research in Norway and Africa is raising the status of mathematics, stimulating interest among young people and encouraging excellence.

PGS supports the Norwegian Society of Science and Letters and the internationally recognized Niels Henrik Abel Fund. These initiatives help support and develop math education and research internationally. More than half of our contribution will be targeted at the development and teaching of math in Africa. Some of the activities we contribute to include:

- Establishment of a regional center of excellence in Africa
- Sponsoring the Niels Henrik Abel math competition, which currently attracts over 4,000 high school entrants from across Norway every year
- Awarding the Abel Scholarship to students undertaking a math-related Masters degree
- Developing www.matematikk.org, a website for teachers and pupils that is designed to inspire and provide accessible tools to help primary and secondary school students improve their mathematical skills.

We have committed 3 million Norwegian Krone (NOK) a year over the next five years, starting 2012.



Facts

People

Environment

Conduct

Stakeholders



and figures

In this section, we present the facts and figures behind the stories.

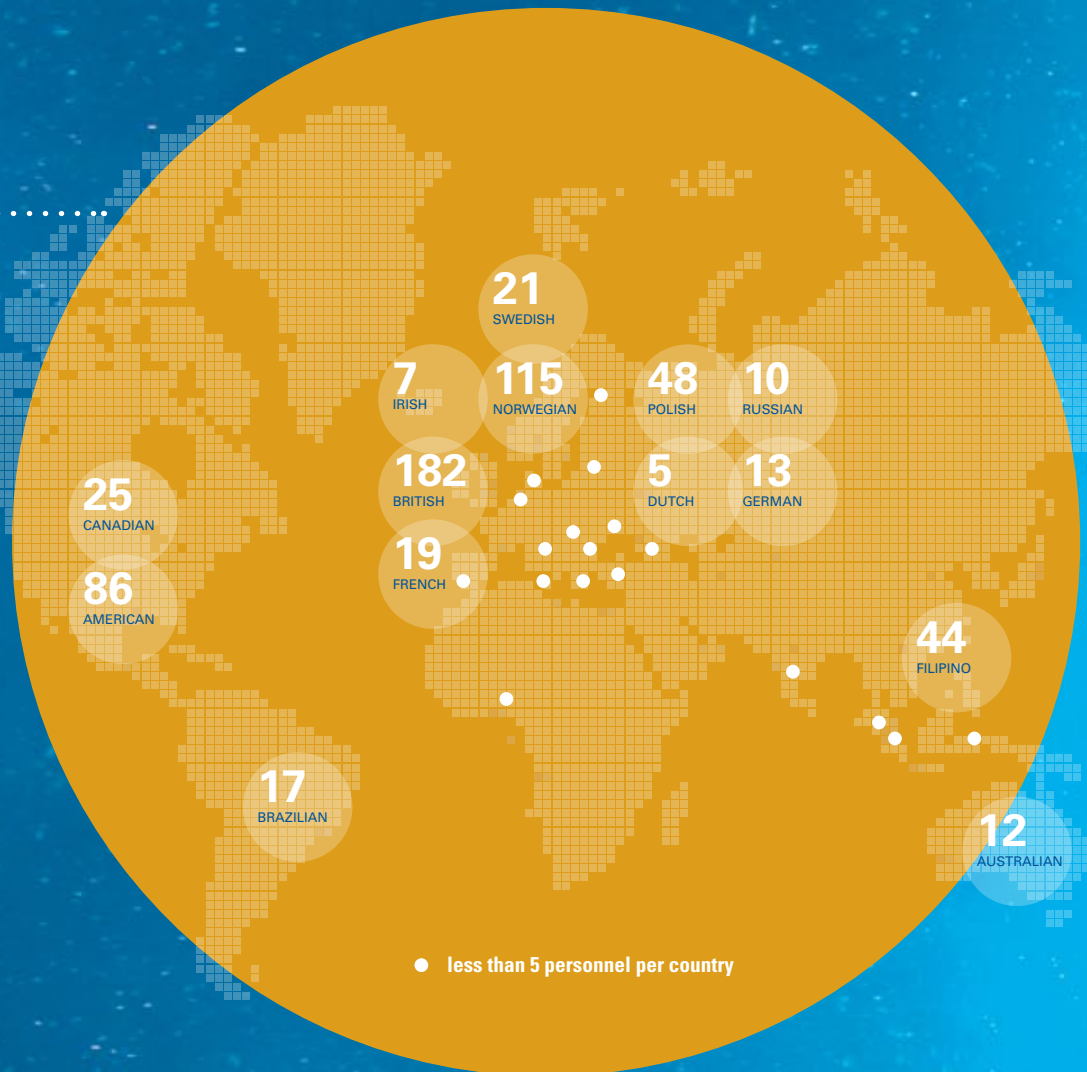


People

Vessel personnel by nationality

TOTAL NUMBER OF PGS
ACTIVE VESSEL PERSONNEL

644



VESSEL PERSONNEL ARE REPRESENTED BY PEOPLE FROM MORE THAN

30

NATIONALITIES

6%

OF PGS VESSEL PERSONNEL ARE FEMALE

As a global company, we recognize that good people management is essential for attracting, retaining and developing a highly skilled workforce with the right attitudes and behavior. So we place great importance on our core values.

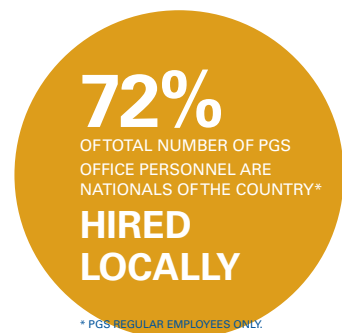
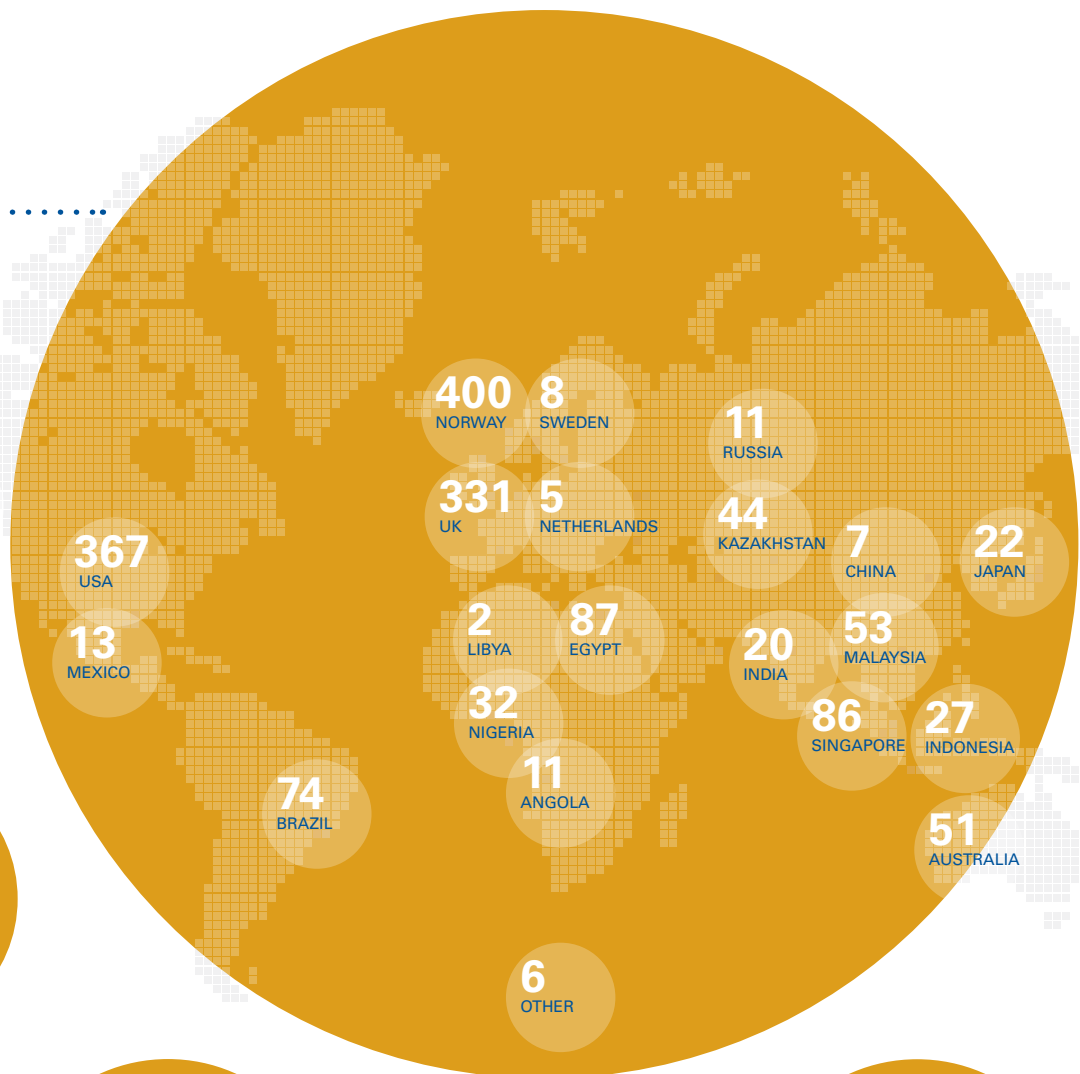
All PGS employees are responsible for raising concerns and for ensuring that our people policies are implemented, monitored and improved across the organization.

The nature of our business requires a high degree of technological expertise and experience, and we strive for balance and equality with respect to gender, age, and cultural diversity among our people.

Office personnel by location

TOTAL NUMBER OF PGS ACTIVE OFFICE PERSONNEL

1652

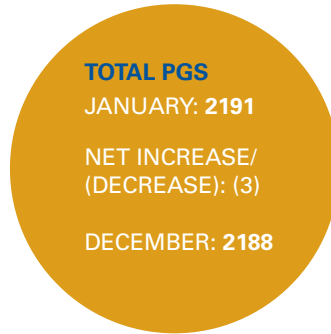


* PGS REGULAR EMPLOYEES ONLY. EXCLUDES NON NATIONAL LOCAL RESIDENTS

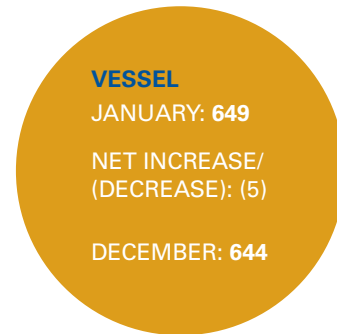
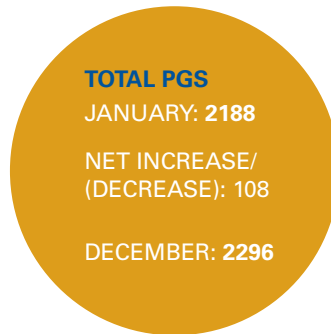
Number new employee hires and employees

ACTIVE PGS EMPLOYEES
* ESTIMATE

2010



2011



Average seniority

TOTAL PGS (Vessel)	2010	2011
55 yrs or older	12% (7%)	13% (8%)
Female	23% (4%)	23% (6%)
Average age	41.1 (40.1)	41.3 (40.8)

Attrition

Our attrition rate, based on the proportion of regular employees leaving each year (number of employees who left divided by average number of employees), is as follows:

2010: 7.8% 2011: 8.7%

PGS follows local legislation with regards to notice periods which can vary from country to country.

Developing the competence of our workforce is key to our position in the marketplace and to our attractiveness as an employer. Training and development is an important factor in retaining our best people, and a high level of competence is critical for developing and delivering the services and products that meet our customers' expectations.

The key principles we have adopted to develop the competence of our people are:

- We will develop our employees through exposure to a sound, inclusive and challenging work environment which stimulates and motivates each individual employee;
- Based on individual performance and motivation, we will build competence through promotional and cross-functional assignments, job rotation opportunities, performance monitoring and feedback;
- Training programs will meet present and future business needs and be relevant to each individual's role, needs and aspirations; and
- All new employees will be offered a tailored induction programme

2010: 87%

PERCENTAGE OF PGS EMPLOYEES RESPONDING 'YES' TO THE QUESTION "HAS YOUR MANAGER COMPLETED AN EVALUATION OF YOUR PERFORMANCE IN THE LAST 12 MONTHS?"

SOURCE: 2010 GLOBAL PEOPLE SURVEY

Developing HSEQ capability

To meet our goal of improving Health, Safety, Environment and Quality (HSEQ) performance, we make HSEQ training a priority with activities ranging from senior management training and supervisor training to Office HSE Focal Point training and vessel simulator training. We have developed our own e-learning packages covering areas such as HSE management, risk assessment, SAFE card and unsafe act auditing, and toolbox meetings.

Managing risk and being prepared

Risk is inherent in our business. At PGS we take a structured approach to emergency planning. Our emergency response teams include senior management, operations, human resources, communications, and HSEQ specialists to develop our emergency response strategies. These teams frequently train to respond to the types of incidents we might be likely to face.

Leadership in HSEQ is one of our Core Values. We strive to establish and maintain best practice HSEQ culture throughout PGS. Our Vision is that PGS will be best in class in HSEQ in the world-wide Geophysical industry with zero injury to people and minimum harm to the environment.

To achieve this we will work together and take responsibility for the Health, Safety, Security of ourselves and others, to reduce risk to the Environment and ensure best Quality in products and services.

HEALTH

Promoting health and wellbeing

Our aim is to support a healthy lifestyle among our employees, to inspire them to make healthy choices and to help them take responsibility for their own health. We have run a number of successful health promotion programs across PGS, with a focus on healthy eating, physical activity and substance awareness.

We provide a healthy menu in our restaurants and clear information about nutrition, and we encourage people to take part in daily physical activity by running activity programs and providing facilities in the workplace. We also educate people on the early warning signs of substance abuse and the impacts on health and lifestyle.

A healthy focus offshore

We regularly review health risk assessments for offshore operations with input from our medical health provider. During the last two years we have focused on the following key risk areas:

- Weight and fitness management
- Drugs and alcohol awareness
- Management of fatigue
- Stress and circadian rhythms
- Cholesterol and blood pressure
- Diabetes

Safety commitment

Our safety commitment and culture is based on the expectation that everyone working at PGS will demonstrate the following behaviors:

- Living our HSEQ commitment all day, every day
- Preventing incidents with the potential of causing injuries and ill health
- Acting in a safe and responsible manner
- Leading by example and promoting trust
- Intervening and welcoming intervention from others
- Stopping unsafe activity or activity where control is being lost
- Accepting responsibility for our actions
- Achieving continual improvement
- Complying with all applicable legal and other requirements

We manage safety across our business through our Health and Safety management systems and our culture. Everyone is expected to follow company procedures and to intervene in unsafe situations, whilst respecting people and the environment. Our policies and procedures define the controls and behaviours we expect to prevent accidents.

We manage the health and safety risks of all our operations in line with PGS Policies and international and local laws. Health and safety are incorporated in our core values, and each person understands their role and responsibilities in making PGS a safer place to work.

We have identified the following priority areas as fundamental to achieving our HSEQ commitment over the coming years:

- Avoid fatal and major incidents
- Reduce personal injury frequencies
- Improve risk management and reduce total risk exposure

- Increase HSEQ awareness and reduce unsafe behavior
- Increase focus on technical barriers and integrity

The Golden Rules of Safety

The PGS Golden Rules of Safety are a set of 13 safety rules which all employees and contractors shall follow. The rules cover: safety awareness; building and office safety; driving safety; managing change; managing contractors; manual handling; control of hazardous materials; working with hands and tools; lifting and mechanical handling; working at heights; permit to work; energy isolation; and confined space entry.

Safety Performance

The PGS organization (core fleet vessels and PGS offices) experienced an increase in the overall Lost Time Incident Frequency (LTIF) in 2011, compared to 2010. The Total Recordable Case Frequency (TRCF) decreased in 2011. A number of short and long term initiatives have been implemented to reverse the increased number of Lost Time Injuries. While the number of Lost Time Incidents increased in 2011, it is important to note that the number of Restricted Work Day Cases and Medical Treatment Cases decreased significantly.

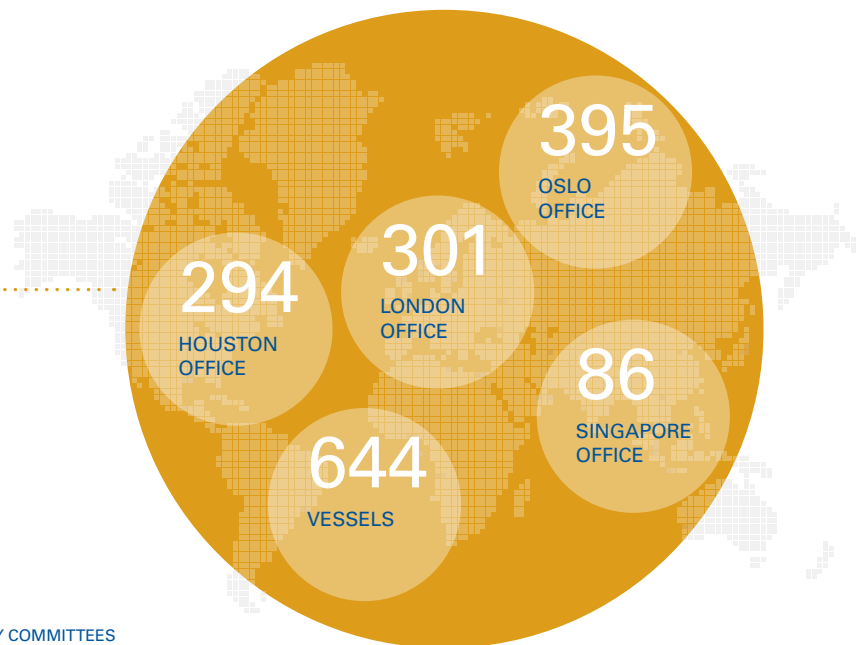
OHSAS18001 Certification

In December 2011, we achieved certification to the international Occupational Health and Safety Assessment Series, OHSAS 18001, which defines internationally recognized requirements for management systems for occupational health and safety. The assessment process involved a thorough review of the adequacy and implementation of PGS management systems for occupational health and safety, including our fleet of 14 vessels and our four main offices (Oslo, Houston, London and Singapore).

Workforce represented by health and safety committees

75%

OF ACTIVE PGS EMPLOYEES REPRESENTED BY HEALTH AND SAFETY COMMITTEES



Risk assessment

We assess the risks and opportunities relating to our core business activities at a company-wide and project level.

At a company-wide level, senior management review regulatory, financial and business risks and opportunities at least annually. On a project by project basis, risk assessment is the responsibility of line managers within the specific business area. Project risk assessment includes identifying relevant HSEQ risks and opportunities for the geographic area of operation. Risk assessment is conducted throughout the project life cycle. We typically start 5-10 new projects every month with each project lasting several weeks to several months duration.

Project risk assessments* for 2009 -2011, conducted prior to the start of the project/survey.

2009: 12 2010: 105 2011: 107

*ESTIMATE

Health and safety statistics

	2008	2009	2010	2011
PGS total				
Lost Time Incident Frequency (LTIF) ¹	0.52 ²	0.53 ²	0.59	0.93
Total Recordable Case Frequency (TRCF) ¹	1.71 ²	1.75 ²	1.94	1.44
Fatalities	0 ²	0 ²	0	0
<small>PGS TOTAL INCLUDES VESSELS AND OFFICES</small> <small>¹ PER MILLION MAN-HOURS</small> <small>² INCLUDES PGS ONSHORE DIVISION (DIVESTED IN FEBRUARY 2010)</small>				
Vessel Operations				
Lost Time Incident Frequency (LTIF) ¹	1.26	0.76	0.89	1.29
Total Recordable Case Frequency (TRCF) ¹	2.17	2.40	2.80	2.06
Fatalities	0	0	0	0
<small>¹ PER MILLION MAN-HOURS</small>				
Office				
Lost Time Incident Frequency (LTIF) ¹		0.25	0.00	0.25
Total Recordable Case Frequency (TRCF) ¹		0.50	0.25	0.25
Fatalities		0	0	0
<small>¹ PER MILLION MAN-HOURS</small>				
	2008	2009	2010	2011

Environment

	2008	2009	2010	2011
WASTE				
Vessel¹				
Total waste (1000s m ³)	4.8	4.5	5.6	4.7
Waste (excl batteries) discharged ashore (1000s m ³)	2.4	2.5	2.8	2.6
Batteries (pieces)	371	450	487	4981 ²

¹ 2D&3D DATA ACQUISITION VESSELS

² INCLUDES VESSEL CONVERSION/
EQUIPMENT UPDATE

Office	Recyclable (tonnes)		77	60
	Non-Recyclable (tonnes)		62	58
	Batteries (pieces)		5	642 ³

³ FOLLOWING IMPROVED OFFICE REPORTING

	2008	2009	2010	2011
SPILL				
Vessel¹				
Number of incidents (spills) ⁴	1	1	0	1
Oil spills (liters)	1000	200	0	150

⁴ SPILL VOLUME > 100 LITERS

Fines and non-monetary sanctions for non-compliance with environmental laws and regulations

ZERO

Our environmental performance is central to achieving our ambition of leadership on Health, Safety, Environment and Quality (HSEQ) within the geophysical industry. Our environment policy sets out our commitment to continuous improvement across our environment management processes, procedures and behaviors to meet ISO 14001 standards. In 2010, we initiated efforts to achieve ISO 14001 certification for our environmental management. We plan to achieve this in 2012.

ENVIRONMENT MANAGEMENT

We have identified company-wide areas of focus for monitoring environmental performance and have set performance objectives to achieve continuous improvement across each of the environment focus areas:

Waste management, segregation and recycling

Oil spill/accidental release and response

Interaction of field operations and marine life

CO₂, NO_x and SO_x emissions

Use of new or improved technology, materials and procedures

Performance objectives:

Reduce material waste to landfill
 • increased recycling and waste reduction

Reduce oil spill/accidental release to zero
 • continual risk assessment
 • implementation of effective prevention processes and procedures

Reduce risk to marine wildlife
 • continual risk assessment, survey planning
 • effective mitigation process & procedures during seismic survey operations

Reduce emissions intensity (emission/unit of production)
 • improved energy/fuel use and implementation of efficiency measures.

Continually implement new or improved technology, materials and procedures to reduce environmental footprint.

All vessels operate under strict waste management procedures for the prevention of waste pollution through:

- Segregation of waste
- Recycling of material waste

A waste segregation and recycling improvement program has been implemented in all offices.

PGS has global experience of implementing monitoring and mitigation activities during seismic operations in many offshore exploration areas to reduce risk to marine animals, particularly whales, dolphins, turtles and fish.

Environment Risk Assessment

The scale and nature of environmental risk and regulation is changing. Issues such as climate change and biodiversity are not confined to geographic areas or national boundaries. Assessing our potential impacts can be a challenge. We aim to help reduce the scientific uncertainties relating to the relevant environmental, social and economic impacts of our industry.

Environment

	2008	2009	2010	2011
ENERGY USE				
Vessel¹		1420	1360	1250
Office	24.3	24.2	22.6	19.3
AIR EMISSIONS				
Vessel¹	402	380	378	383
	8.8	8.6	7.6	7.3
	4.2	4.1	4.7	4.8
Office	11	11	12	10
AIR EMISSION INTENSITY				
Vessel¹				0.084
				0.0016
				0.0011
	2008	2009	2010	2011

¹ 2D&3D DATA ACQUISITION VESSELS
² FOR OSLO, LONDON AND HOUSTON ONLY

³ COMMON MID-POINT
 KM-UNIT OF SEISMIC DATA
 PRODUCTION



Managing our emissions

As a leading geophysical company, PGS is committed to investing in projects to reduce emissions. Our latest Ramform vessels have been constructed in accordance to the DNV CLEAN DESIGN notation, which requires control of Nitrogen Oxides (NO_x) and Sulphur Oxides (SO_x) emissions compared to standard requirements. We also implemented a program for existing vessels to upgrade to low-NO_x emission machinery.

We are working hard to establish robust and consistent internal methods for collecting data, which will help us to quantify and understand our energy consumption and greenhouse gas (GHG) emissions, so that we can manage them more effectively.

Carbon management and climate change

Carbon management is an integral part of our commitment to achieving continuous improvement in reducing our environmental impact. PGS recognizes that climate change presents an increasing challenge for the oil and gas industry and associated services, from both an environmental risk and a regulatory perspective, and responding to this challenge is central to our environmental management.

Adapting to the impacts of climate change

Our activities are exposed to the physical risks commonly associated with climate change, such as increased frequency and severity of extreme weather events. Adverse weather may disrupt office and field based activities, resulting in delays to transport and survey programs. Political and demographic upheaval that may result from severe weather events, such as flood or drought, may also increase the challenges we face in relation to security of personnel and equipment, and the logistics of working in affected areas. These delays can have financial implications, but we are confident that the procedures and resources we have in place and the geographical diversity of our operations will continue to minimize the impacts.

Reducing emissions from vessels

The S-class Ramform vessel is designed and constructed with more efficient propulsion systems and a higher average seismic streamer capability for 3D survey operations. As a result, we are able to gather more data more efficiently. In 2008/09, we introduced two S-class vessels to the PGS fleet. At the beginning of 2011 we announced plans to invest in a further two Titan-class Ramform vessels. These are due in 2013, with the option of adding another two vessels in 2015.

Typical vessel lifetime is expected to be approximately 25 years. So, based on a constant level of production year-on-year, our Ramform vessel fleet will help us to reduce our direct carbon emissions per unit of production across our marine field operations over time.

PGS is currently reviewing the use of fuel flow meters on board its vessels to monitor changes in fuel consumption under varying conditions, such as weather and amount of equipment being deployed. This will potentially enable us to reduce emissions further by managing how and when we operate.

Reducing emissions in our data centers

Our UK and US data centers are designed to use energy efficient air separation, free cooling technology and the latest energy efficient computer node technology. Data centers in both locations are now achieving the high standards of efficiency we have hoped for. At our Malaysia data center, we have invested in the latest energy efficient computer node technology and we have introduced 'cold isle' containment design.

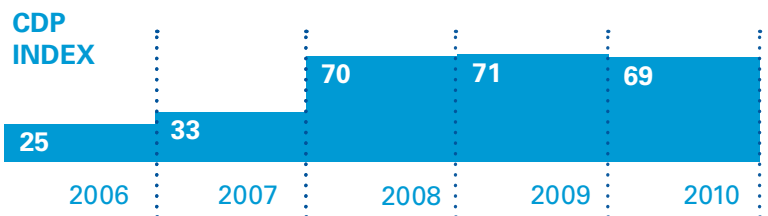
Carbon emissions

We report our carbon emissions through the Carbon Disclosure Project. Our combined direct and indirect emissions are expected to vary significantly year on year reflecting fluctuations in market demand for geophysical services and our implementation of improved standardized reporting mechanisms and procedures throughout the organization.

The relationship between fuel use/emissions and 'production unit' is highly variable between projects, depending on whether a vessel is engaged in either 2D or 3D operations. The allocation of vessels for either 2D or 3D activities is also highly dependent on global demand for geophysical services.

Participation in the Carbon Disclosure Project (CDP)

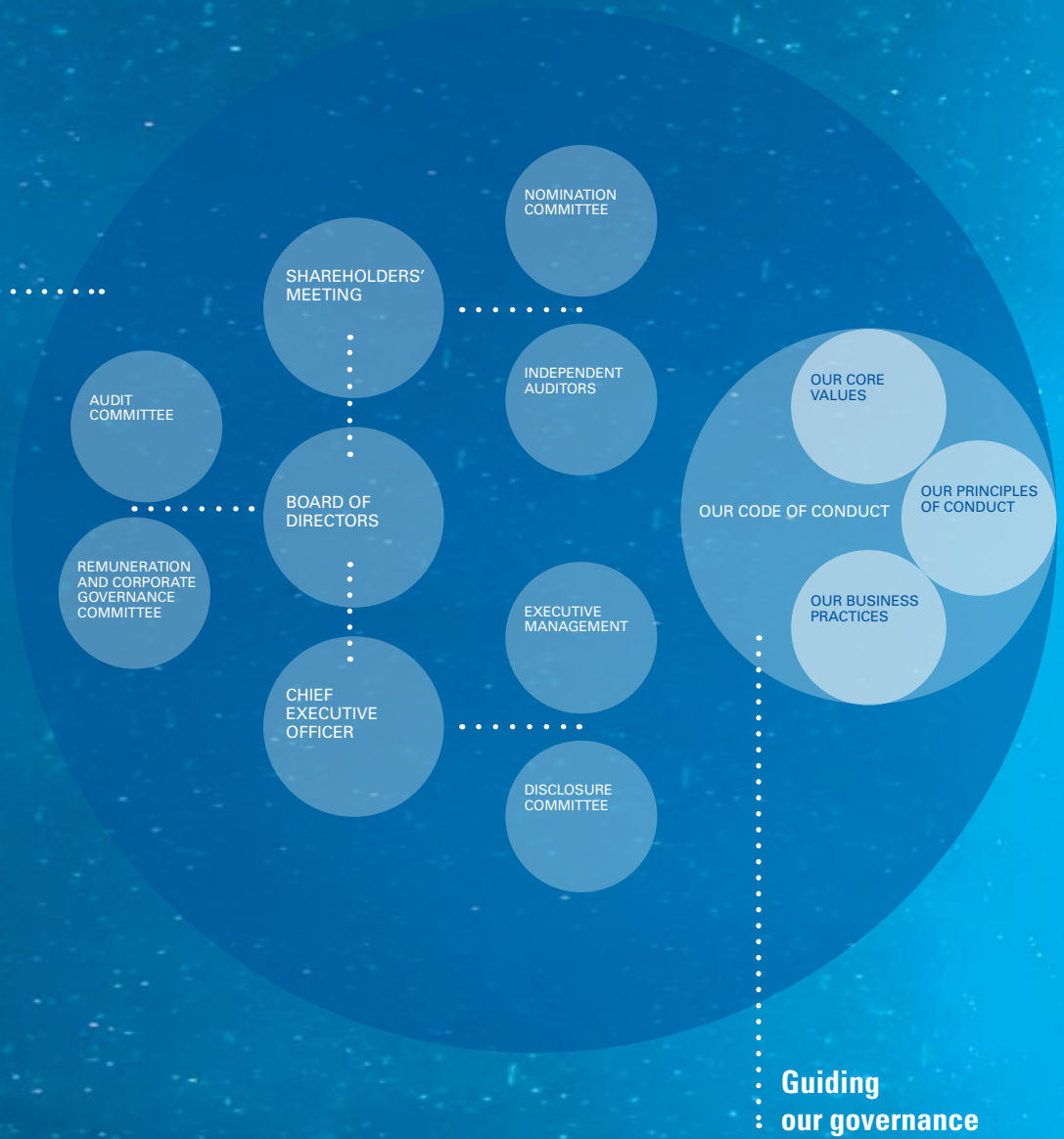
REPORTING YEAR



THE CARBON DISCLOSURE INDEX PRESENTS A SCORE OUT OF 100, REFLECTING A COMPANY'S ABILITY TO GATHER AND REPORT CARBON FOOTPRINT DATA.

Conduct

Our governance structure



We maintain high standards of corporate governance and we believe the way in which we conduct ourselves while delivering services to our customers and value to our shareholders is essential to the wellbeing of the company.

OUR CODE OF CONDUCT

Our Code of Conduct is made up of:

- Core Values
- Principles of conduct
- Business practices

Our Code of Conduct provides the framework for what PGS considers responsible conduct to be. It brings together PGS values, principles and business practices and reflects our commitment to our shareholders, customers and employees to conduct our business with the utmost integrity. We strive to be a responsible corporate citizen in all aspects of our operations and we maintain high standards of corporate governance, including personal and corporate conduct.

Our Core Values

The PGS Core Values set common guidelines for how we interact with our colleagues, suppliers, customers and others we come into contact with through our work.

Leadership in HSEQ

Leadership in HSEQ is one of our Core Values. We strive to establish and maintain best practice HSEQ culture throughout PGS.

Initiative and innovation

We strive to put forward new ideas, break down boundaries and seek new solutions for PGS and our customers. We always encourage a proactive approach, even at the risk of some failures.

People focus and integrity

We seek transparency in all our dealings and we subscribe to a high standard of business ethics.

We practice involvement, accountability and honesty and we respect and develop our people. All of us at PGS are valued team members.

Delivery and reliability

We do our utmost to deliver what we promise to each other, to our clients, to our shareholders and to society at large.

Our Principles of Conduct

We are committed to living by our Core Values, and to conducting our business with integrity. We aim for high ethical standards that provide the foundation for how we do business around the world.

To maintain our ethical standards we:

- Take responsibility for acting in compliance with laws and PGS policies;
- Maintain our awareness of legal issues affecting PGS operations;
- Act in a manner using good judgment and honesty in all of our business dealings;
- Encourage others to aspire to high ethical standards and never encourage or permit others to break the law;
- Actively seek and follow the advice of our supervisors or appropriate PGS representatives;
- Make ourselves available to address issues of concern and promote open and honest communication;
- Foster an open and sharing environment, encourage transparency and provide accurate and timely information;
- Raise uncertainty of any misconduct or unethical behavior to our supervisor or appropriate PGS representative;
- Monitor compliance with laws and policies and take appropriate action to correct any deficiencies; and
- Never intimidate or threaten those reporting any misconduct or unethical behavior.

We strive to increase our awareness of the legal and ethical issues relating to our business. Our Business Practices are a summary of the principal areas of law affecting PGS and our policies.

Laws and Regulations

Health, safety and environment laws

Many countries impose standards on employers for maintaining healthy and safe work places for employees. PGS is committed to providing a healthy and safe work environment where people are able to perform their duties in a manner that will not pose a danger to themselves or others. We comply with applicable laws regarding health and safety and we require the proper use of safety equipment in accordance with PGS policy and relevant law.

We comply with environmental laws wherever we operate to ensure we are seen as a respected corporate citizen and to protect PGS from unnecessary costs. We are committed to the proper handling of all materials used in our activities as required by relevant environmental laws.

Antitrust laws

Antitrust laws prohibit or restrict practices such as agreement or discussion among competitors or customers to restrict competition or control prices, divide markets, allocate customers or limit production or sales. PGS complies with all applicable antitrust laws and we do not embark on any projects involving competitors or customers which may raise antitrust concerns.

Prohibited dealings and anti-boycott laws

Sanctions imposed by the United Nations or others may restrict or prohibit business or personal dealings with certain countries, companies or individuals. Some anti-boycott laws may also restrict or prohibit PGS from participating in one country's boycott of another country, company or individual. PGS is committed to assessing and adhering to sanctions and restrictions imposed under these circumstances.

Employment practices

We do not tolerate any form of harassment that creates an intimidating, hostile, or offensive work environment, including discrimination on the basis of race, color, sex, national origin, religion, age, marital status, veteran status or disability. We promote fairness and our practices are consistent, ethical and representative of the concerns of everyone involved.

We support freedom of association and we recognise people's rights to collective bargaining.

We also support the elimination of all forms of forced or compulsory labor, the effective abolition of child labor and the elimination of discrimination in respect of employment and occupation.

Business ethics

Anti-corruption and anti-bribery laws

PGS complies with all relevant anti-corruption and anti-bribery laws, and we abstain from seeking to influence sales or other business by offering illegal payments or other questionable inducements.

Entertainment and gifts

Our business ethics policy prohibits PGS employees from accepting or offering gifts, entertainment or other favours, except those that are reasonable and conform with accepted business practices and applicable laws, and that could not be construed as payment or consideration for influencing or rewarding a decision or action.

Political contributions

PGS does not support or use company or shareholders' funds to support any political party, organisation or candidate. However, PGS employees may participate individually in political activities with their own time and resources.



Conduct

Compliance Training & Awareness Program (2010-2011)

¹ ACTIVE PGS EMPLOYEES
² PERCENTAGE OF TOTAL PARTICIPANTS
³ EXCLUDES VESSEL PERSONNEL

	Total Participants ¹	% Complete ²	
Code of Conduct Foundation Course (2010)	1707 ³	86	Annual Course
Code of Conduct Foundation Course (2011)	2211	92	
Family Conflict of Interests	1648 ³	92	
Anti-Bribery Course	2137	86	
Privacy, Security & Intellectual Property	2087	84	
Ethical Decision Making	2111	85	
Competition Law	2140	84	
HSE Foundation Course	2149	92	
Mutual Respect Training Course	2179	91	
Anti-Bribery "The Right Guy"	2187	89	

Employee conduct

Records

The integrity of our records is extremely important. We take responsibility for the accuracy and completeness of the books and records to ensure they comply with Generally Accepted Accounting Principles, legal and regulatory requirements and PGS policy.

Conflicts of interest

We seek to avoid situations where an employee's duties and self-interests collide or are opposed to each other. We strive to ensure that personal or financial interests do not conflict with, or influence or appear to influence, their judgment or actions in carrying out their responsibilities for PGS.

Proprietary and confidential Information

We strive to maintain the privacy and confidentiality of our personnel, our business counterparts and all information which is proprietary to PGS.

Company assets

PGS prohibits the creation and maintenance of secret or unrecorded funds or assets, the recording of false or fictitious entries in books or records and the use of company funds for unlawful purposes.

Compliance hotline – reporting violations

We promote the reporting of inappropriate situations and suspected violations of laws, regulations, our company policies or other ethical concerns. Our compliance hotline allows anonymous reporting and all reports are treated confidentially with prompt, appropriate and fair investigation. We do not tolerate any intimidation or retaliation against anyone making such a report.

Science and technology

PGS develops innovative and unique technology, maximising our use of structured and best practice processes to deliver our business strategy. We design new technology to provide the right solutions for our diverse customers to address their geophysical challenges. A cornerstone of our technology leadership is the pursuit of efficiency and productivity enhancements, increasing automation of activities where appropriate and practical. We reduce exposure of people and the environment to potential risks in all areas of activity.

The outstanding competency of our employees and leaders is critical to achieve leadership in the technology market. We recruit and develop high performing leaders wherever we have a strategic presence and we encourage our people to build our reputation and relationship with customers through their achievements and their conduct. Our research and development teams proactively seek to improve their skills and product lifecycle management. We invest in developing emerging technology through Technology Collaboration Agreements, joint ventures, government funding and academic partnerships.

Stakeholders

2011 INVESTOR PRESENTATIONS

- London
- Toronto
- Boston
- New York
- San Francisco
- Los Angeles



Our stakeholders include our owners and investors, employees and employee groups, customers, suppliers, industry organizations and local communities that may be affected by our work.

We aim to engage all those interested in our activities and performance in a consistent, open and transparent way. In this report we have focused on the methods and measures employed to engage with each stakeholder group.

Investors

As a listed company on the Oslo Stock Exchange (OSE), PGS is bound by a clear set of regulatory requirements regarding the release of information about our financial earnings and business. Consistency is key.

In the United States, shares are quoted on the 'Pink Sheets' and trade as American Depository Shares (ADS) in the OTC market. All company information considered material to shareholders is published via the Oslo Stock Exchange's news service: www.newsweb.no, and posted on the company's website: www.pgs.com and other news channels. This ensures transparency and equal access to current information.

We host regular public presentations and webcasts, also available on our website, participate in public conferences and regularly visit investor groups around the world (see map), in addition to an annual Capital Markets Day presentation. Our Investor Relations function is tasked with offering clear, credible, consistent and up-to-date business information.

In 2011, we won the Norwegian Finance Association's Stockman prize for best communication of information to financial markets by a listed company in Norway.

Employees

Our business is built on knowledge as well as technology. We employ a diverse

and international group of talented professionals who are fundamental to our success. In the People section of this report you can read more about how we are investing in their development, local sourcing and competence.

We monitor the satisfaction, motivation and loyalty of our employees in a biennial people survey. Participation is voluntary and anonymous. In 2010, we asked a group of 2043 employees worldwide to rate us. We achieved a response rate of 87%.

It is our aim that all our employees should undertake an annual performance review with their line manager. To keep our employees up-to-date around the world, we also publish news articles and information on technology, HSEQ, people updates, projects and corporate news on our company intranet. Our senior managers hold information meetings in each of our four main offices twice a year, and we aim to cover around 10 other offices at least once a year. Our CEO communicates directly with employees around five times a year through his own newsletter to all staff.

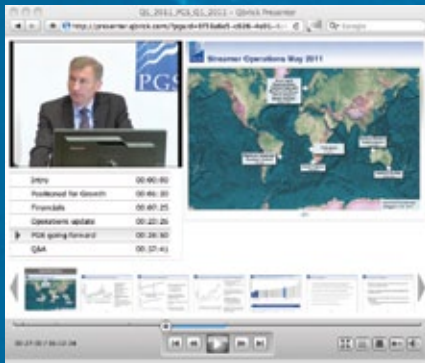
We believe that a good relationship should be transparent, consistent and predictable, so we promote a professional approach in our dealings with employees and employee unions. Union membership varies geographically according to local norms.

Stakeholders

Online reporting



Offline reporting



Customers

It goes without saying that regular, open dialog with our customers is vital to our success. A number of the areas covered elsewhere in this report, such as environment, conduct and people, are deciding factors in maintaining their trust in us as suppliers.

We aim to maintain the same high level of service and interaction with all our customers, and our relationship with larger companies can require coordination across product lines and regions. We want our customers to encounter one PGS, no matter where they are in the world. Delivery and reliability are cornerstones of our core values, and we monitor how we deliver on our promises using a professional project management process. Post project review is a standard part of our dealings with customers.

Suppliers

We depend on a wide team of trusted suppliers to deliver a reliable service to our customers. PGS drew on the services and products of around 4,100 suppliers in 2011. Of those, around 4% delivered 80% of our supply spend. Our Quality team carried out 28 supplier audits of systems, procedures, products, documentation and performance.

HSEQ data shows our suppliers are a critical factor in our performance. We expect all suppliers to meet with our own standards of conduct and environmental performance, and we work hard to develop effective relationships with them. We invite key suppliers to join the rigging of our new vessels to meet and train the hands that will hold the parts that they produce.

Communities

PGS is a global company with a local presence in over 25 countries around the world. We strive to employ local people and are mandated to fulfill local regulations and requirements. Our project teams assess the special requirements of each new area of operation and put in place appropriate plans to meet any specific requirements or challenges. You can read about some of these in the case studies throughout this report.

The future

People

Environment

Conduct


Stakeholders

2012

2013

2014

2015



We recognize that we have more to do to improve our monitoring of corporate responsibility performance data, but we are proud of what we have achieved so far and we look forward to building on our current position in the future.

DESIGN: 7CREATIVE.CO.UK

FRONT COVER AND PAGES 2 & 59 – “PRIVATE BOAT SAILING ON RED SEA”
– PHOTOGRAPHER: PRZEMYSŁAW SZCZEPANSKI (SOURCE: [HTTP://WWW.SXC.HU/PHOTO/1305576](http://www.sxc.hu/photo/1305576))
PAGES 4 & 5 – “BOW 5 - SHIP BOW” – PHOTOGRAPHER: MIGUEL SAAVEDRA
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PAGE 4 & 23 – “AFRICAN AMERICAN FRIENDS PORTRAIT” – PHOTOGRAPHER: SILVIA BORATTI
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PAGE 26 – “CAPE SPEAR LIGHTHOUSE” – PHOTOGRAPHER: SETH LOADER
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PAGE 27 – “HARBOUR IN SALVAGE” – PHOTOGRAPHER: MELISSA KING
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PAGE 29 – “AFRICATOWNSHIP KIDS DOING HOMEWORK” – PHOTOGRAPHER: MICKY WISWEDEL
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PAGE 29 – “CALCULATOR” – PHOTOGRAPHER: STEFAN GUSTAFSSON [HTTP://STEFANGUSTAFSSON.COM/](http://stefangustafsson.com/)
(SOURCE: [HTTP://WWW.SXC.HU/PROFILE/STEFANG81](http://www.sxc.hu/profile/stefang81))



We are responsible for our people, our conduct and how our activities interact with the environment and our stakeholders.