This presentation contains forward looking information

Forward looking information is based on management assumptions and analyses

Actual experience may differ, and those differences may be material

Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future

This presentation must be read in conjunction with other financial statements and the disclosures therein
Seismic – Early Cycle Indicator with Potential for More

- 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

Source: Rystad Energy and Nordea.
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

Source: FactSet and SB1 Markets. Included in sample are ENI, BP, Total, Repsol, Chevron, Exxon and ConocoPhillips.
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.
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
  - Industry fleet will be close to full utilization from Q2 onwards

- Total industry capacity declined somewhat during 2018 due to vessel retirements

- Reactivation of stacked vessels in 2019 will be dependent on demand build driving improved pricing
The Premium 4D Streamer Segment is Growing Strongly

2019 likely to show a record 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

Increasing use of GeoStreamer® 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 Strategy: Marine Seismic Market Leadership Through Full Service Offering

**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
PGS Strategic Pivot Towards the Premium 4D and Reservoir Market

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.
PGS MultiClient Performance: Peer Group Comparison

Net book value

Revenues (LTM)

Cash Investments

Strong prefunding over the cycle

Solid and stable revenue / investment ratio
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.
Summary

- 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
Thank You – Questions?