Nordea Markets Shipping & Offshore Seminar
Cautionary Statement

- 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
Q3 - MultiClient Projects Drive Revenues

- MultiClient pre-funding revenues of USD 101.8 million in Q3 2017
  - Pre-funding level of 124%
  - Driven by GeoStreamer projects offshore Canada and in the North Sea

- Improved pricing for contract work offset by a challenging project in Asia Pacific

- EBITDA of USD 108.6 million
  - Cash flow from operations of USD 118.4 million

- Improved visibility for winter season

- Reorganizing, reducing capacity and improving flexibility for vessels and imaging in order to become cash flow positive in 2018 after debt servicing

Reducing gross cash cost by at least USD 100 million in 2018
Reorganization:
Current Company Structure Established for Growth in 2010

Marine Contract

Marine market leadership

28%* of 2016 revenues

Marine Contract delivers exclusive seismic surveys to oil and gas exploration and production companies

MultiClient

Diverse MultiClient library — Improving financial performance

62%* of 2016 revenues

MultiClient initiates and manages seismic surveys which PGS acquires, processes, markets and sells to multiple customers on a non-exclusive basis

Operations

Productivity leadership

Operations supports Marine Contract and MultiClient with vessel resources and manages fleet renewal strategies

Imaging & Engineering

Technology differentiation — Rapidly becoming at par with industry best

9%* of 2016 revenues

Imaging and Engineering processes seismic data acquired by PGS for its MultiClient library and for external clients on contract and manages research and development activities

*Remaining 1% relates to Other revenues.
New Company Structure: Centralize – Simplify – Streamline Into Two Business Areas

Sales & Services

Sales
MultiClient, Contract and Imaging

New Ventures
Building new MultiClient programs and strategic positioning in new basins

Imaging
Streamlined and effective Imaging organization

Operations & Technology

Project Planning & Bidding
Servicing MultiClient & Contract sales

Project Delivery
One project execution team

Seismic Acquisition & Support
Continue efficiency improvements

Geoscience & Engineering
Differentiating technology development

- A smaller and more flexible organization to improve profitability and cash flow
- Increasing focus on sales from all product lines
- Streamlining process for handling bids
- Improving project execution
- More effective Imaging organization

Maintaining PGS’ competitive advantages
Reorganization: Improving Fleet Flexibility

• PGS intends to operate a fleet of eight 3D vessels, of which two will be used selectively
  – Address seasonal difference in demand

• Adjusting the cost base of the Company to six vessels
  – Flexibility to operate up to 8 vessels using a combination of regular and temporary crew

• Six cold-stacked* 3D vessels
  – Well positioned to take advantage of a market recovery

*Ramform Challenger, Ramform Explorer, Ramform Valiant, Ramform Vanguard, Ramform Viking and Sanco Sword
Effects from Reorganizing: Reducing Cost and Improving Flexibility for Vessels and Imaging

- Centralizing, simplifying and streamlining the organization
- Closing smaller offices without strategic importance
- Improving fleet flexibility
- Centralizing and reducing imaging capacity
- Renegotiating with suppliers
- Other initiatives

• Near-term revenue generating capacity practically unchanged from full year 2017
• Strong focus on keeping CAPEX at minimum levels
• Restructuring cost estimated to approximately USD 40-50 million and expected to be recorded mainly in Q4

2018 gross cash cost expected to be below **USD 600 million**

**Gross cash cost** reduction of at least **USD 100 million** from 2017:

Cash flow positive after debt servicing assuming 2018 market flat vs. 2017
Reorganization: Preserving Revenue Capacity, Reducing Costs, Improving Flexibility

- A smaller, and more flexible organization with a cost structure to improve profitability and cash flow
  - More project and customer oriented

- Continues to build on the MultiClient success, while maintaining ability to take advantage of a contract market recovery

- 2018 streamer capacity in line with active streamer capacity in 2017
Marine Seismic Market Outlook

- Improved cash flow among oil companies combined with limitations on streamer availability will benefit seismic market fundamentals longer-term.

- Continued risk related to timing of a market recovery.

- Increased seasonal variations as geographic areas of operations for winter activity have shrunk, while North Atlantic summer season activity is more resilient.
Marine Contract Market Activity

- Encouraging contract leads development

- Seismic demand primarily driven by:
  - Positioning for strategically important license rounds
  - Seismic commitments in E&P licenses
  - Significant increase in production seismic, especially in North Sea, West Africa and Brazil

Source: PGS internal estimate as of end September 2017. Value of active tenders and sales leads are the sum of active tenders and sales leads with a probability weight and represents Marine 3D contract seismic only.
Marine Seismic Supply

- Average streamer capacity in 2017 is approximately 40% lower than average streamer capacity in 2013
- 2017/2018 winter season capacity expected to be reduced by approximately 10% vs. 2017 summer season

Low industry maintenance capex cause global streamer pool to shrink

Source: PGS internal estimates.
• Order book of USD 167 million by end Q3 2017

• Secured USD ~55 million of work in October

• Vessel booking based on eight vessels*
  – ~70% booked for Q4 2017
  – ~40% booked for Q1 2018
  – ~10% booked for Q2 2018

• Expect to book six vessels for all of Q1 2018
  – Remaining two vessels will be used selectively

*As of October 23, 2017 based on 8 vessels and excluding cold-stacked vessels.
Settled ISS Dispute – Positive Liquidity Effect of Approximately USD 55 Million

• In November PGS entered into an agreement with the tax authorities in Rio de Janeiro to settle all ongoing disputes related to Municipal Service Tax ("ISS") on licensing of MultiClient data

• Settlement made possible by new regulations for ISS from the Municipality of Rio de Janeiro relating to licensing of MultiClient data

• Total PGS cash exposure as of end Q3 2017 was USD 146.7 million

• PGS receives approximately USD 55 million of amounts on legal deposit (USD 72.2 million book value at 30 September)
  – Significant positive liquidity effect
  – Loss, since less than the full book value of restricted cash is recovered, is expected to be reported in Q4 under Other Charges

• New regulation increases transparency and requires 2% ISS to be paid on MultiClient licensing
### Consolidated Statements of Cash Flows Summary

<table>
<thead>
<tr>
<th>USD million</th>
<th>Q3 2017</th>
<th>Q3 2016</th>
<th>Nine months 2017</th>
<th>Nine months 2016</th>
<th>Full year 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>118.4</td>
<td>80.4</td>
<td>197.8</td>
<td>256.2</td>
<td>320.9</td>
</tr>
<tr>
<td>Investment in MultiClient library</td>
<td>(82.0)</td>
<td>(63.0)</td>
<td>(159.4)</td>
<td>(153.1)</td>
<td>(201.0)</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(9.3)</td>
<td>(10.9)</td>
<td>(134.0)</td>
<td>(192.3)</td>
<td>(218.2)</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>(8.7)</td>
<td>(2.4)</td>
<td>9.1</td>
<td>(102.6)</td>
<td>(109.5)</td>
</tr>
<tr>
<td><strong>Net cash flow before financing activities</strong></td>
<td>18.4</td>
<td>4.1</td>
<td>(86.5)</td>
<td>(191.8)</td>
<td>(207.8)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(47.6)</td>
<td>23.4</td>
<td>48.9</td>
<td>187.4</td>
<td>187.9</td>
</tr>
<tr>
<td><strong>Net increase (decr.) in cash and cash equiv.</strong></td>
<td>(29.1)</td>
<td>27.6</td>
<td>(37.5)</td>
<td>(4.3)</td>
<td>(19.9)</td>
</tr>
<tr>
<td>Cash and cash equiv. at beginning of period</td>
<td>53.3</td>
<td>49.7</td>
<td>61.7</td>
<td>81.6</td>
<td>81.6</td>
</tr>
<tr>
<td><strong>Cash and cash equiv. at end of period</strong></td>
<td>24.2</td>
<td>77.3</td>
<td>24.2</td>
<td>77.3</td>
<td>61.7</td>
</tr>
</tbody>
</table>

- Cash flow from operating activities of USD 118.4 million in Q3 2017
  - Reduction of working capital from receiving payments from sales made in the second half of the previous quarter

- Financing activities include a USD 25 million reduction of drawing on the Revolving Credit Facility as well as USD 13.2 million of scheduled repayments on Export Credit Facility loans

The accompanying unaudited financial information has been prepared under IFRS. This information should be read in conjunction with the unaudited third quarter 2017 results released October 26, 2017.
Balance Sheet Key Numbers

<table>
<thead>
<tr>
<th>USD million</th>
<th>September 30 2017</th>
<th>September 30 2016</th>
<th>December 31 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,644.3</td>
<td>2,988.5</td>
<td>2,817.0</td>
</tr>
<tr>
<td>MultiClient Library</td>
<td>566.1</td>
<td>682.1</td>
<td>647.7</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>1,077.1</td>
<td>1,285.7</td>
<td>1,359.4</td>
</tr>
<tr>
<td>Cash and cash equivalents (unrestricted)</td>
<td>24.2</td>
<td>77.3</td>
<td>61.7</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>114.7</td>
<td>100.2</td>
<td>101.0</td>
</tr>
<tr>
<td>Liquidity reserve</td>
<td>224.2</td>
<td>417.3</td>
<td>271.7</td>
</tr>
<tr>
<td>Gross interest bearing debt</td>
<td>1,252.1</td>
<td>1,386.1</td>
<td>1,191.4</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>1,113.2</td>
<td>1,208.6</td>
<td>1,029.7</td>
</tr>
</tbody>
</table>

• Liquidity reserve of USD 224.2 million

• Total leverage ratio of 4.32:1 as of September 30, 2017, compared to 4.39:1 as of June 30, 2017

• Shareholders’ equity at 41% of total assets

The accompanying unaudited financial information has been prepared under IFRS. This information should be read in conjunction with the unaudited third quarter 2017 results released on October 26, 2017.
## Summary of Debt and Drawing Facilities

<table>
<thead>
<tr>
<th>Long-term Credit Lines and Interest Bearing Debt</th>
<th>Nominal Amount as of September 30, 2017</th>
<th>Total Credit Line</th>
<th>Financial Covenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 400.0 million Term Loan (&quot;TLB&quot;), Libor (minimum 0.75%) + 250 basis points, due 2021</td>
<td>USD 386.0 million</td>
<td>USD 386.0 million</td>
<td>None, but incurrence test: total leverage ratio ≤ 3.00x*</td>
</tr>
<tr>
<td>Revolving credit facility (&quot;RCF&quot;), due 2020 Libor + margin of 325-625 bps (linked to TLR) + utilization fee</td>
<td>USD 200.0 million</td>
<td>USD 400.0** million</td>
<td>Maintenance covenant: total leverage ratio 5.25x Q3-17, 4.75x Q4-17, 4.25x Q1-18, thereafter reduced by 0.25x each quarter to 2.75x by Q3-19</td>
</tr>
<tr>
<td>Japanese ECF, 12 year with semi-annual instalments. 50% fixed/ 50% floating interest rate</td>
<td>USD 428.1 million</td>
<td></td>
<td>None, but incurrence test for loan 3&amp;4: Total leverage ratio ≤ 3.00x* and Interest coverage ratio ≥ 2.0x*</td>
</tr>
<tr>
<td>December 2020 Senior Notes, coupon of 7.375%</td>
<td>USD 212.0 million</td>
<td></td>
<td>None, but incurrence test: Interest coverage ratio ≥ 2.0x*</td>
</tr>
<tr>
<td>December 2018 Senior Notes, coupon of 7.375%</td>
<td>USD 26.0 million</td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>

*Carve out for drawings under ECF and RCF
**Reducing to USD 350 million in September 2018.
In Conclusion:
Solid MultiClient Performance - Improving PGS Competitive Position

- Solid MultiClient pre-funding revenues with a high pre-funding level

- Strong order intake in October improves visibility for winter season
  - Competitive contract bidding environment

- Encouraging bid pipeline for 2018

- In process of reorganizing, reducing capacity and improving flexibility for vessels and imaging to achieve:
  - 2018 gross cash cost reduction of at least USD 100 million
  - Cash flow positive after debt servicing assuming 2018 market flat vs. 2017
Thank You – Questions?

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