Unaudited Second Quarter 2010 Results

(IFRS)
Oslo July 29, 2010

Cautionary Statement

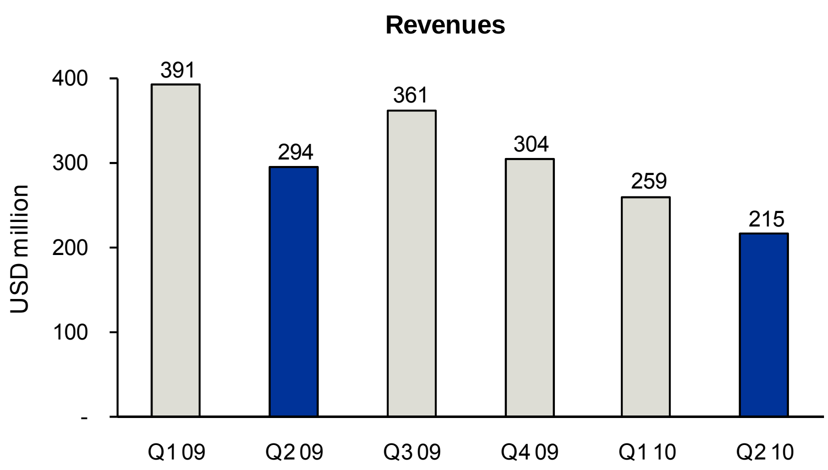
- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
- Actual experience may differ, and those differences may be material
- Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future
- This presentation must be read in conjunction with the press release for the Q2 and first half 2010 results and the disclosures therein

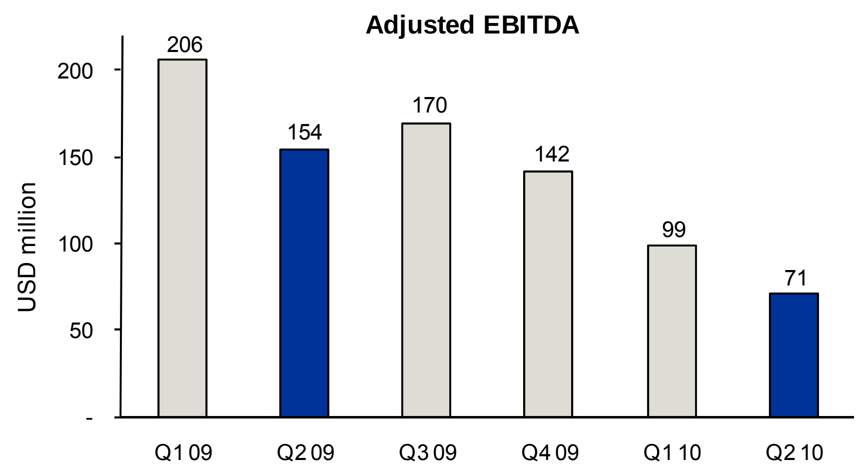
Fleet Upgrades Strenghten Competitive Platform

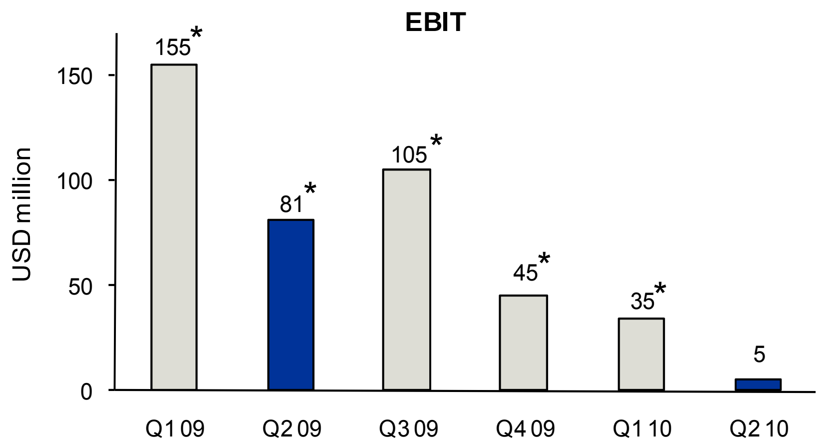
- Q2 2010 earnings
  - EBITDA of USD 71.4 million
    - Repositioning of vessels
    - Significant investments in vessel upgrades
    - Low pre-funding due to later than normal start up in the North Sea
- Most of 2010 GeoStreamer® capacity sold
  - Relative price uplift improving further
- Order book increased by USD 90 million from Q1 2010
- Two break through contracts for OptoSeis
- Amendments makes the credit facility more flexible

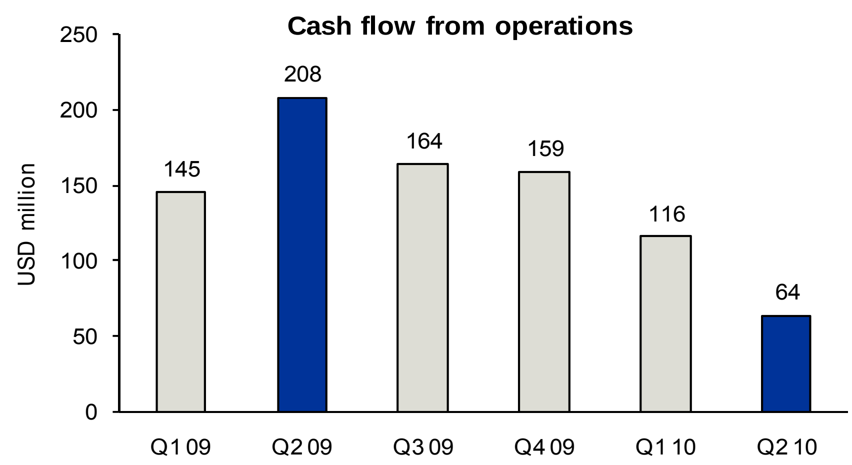
Full year 2010 EBITDA guidance maintained

Financial Summary – Continuing Business



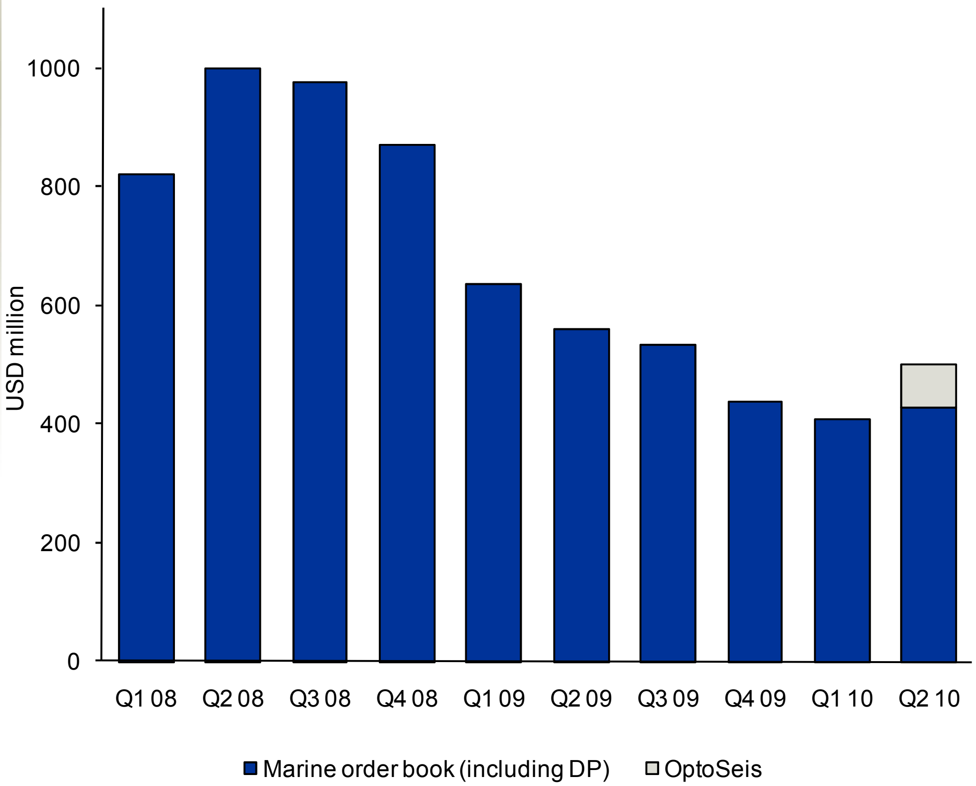






*Excluding impairments of USD 0.5 million in Q1 10, USD 2.4 million in Q4, USD 52.4 million in Q3, USD 48.2 million in Q2 and USD 50.6 million in Q1 2009.
Adjusted EBITDA, when used by the Company, means income before income tax expense (benefit) less, currency exchange gain (loss), other financial expense, other financial income, interest expense, income (loss) from associated companies, impairments of long-lived assets and depreciation and amortization.

Order Book Increasing



- Order book of USD 499 million
  - Deliberate move to longer contract order book
  - Marine contract order book increased by ~USD 70 million from Q1 2010
  - Temporary reduction in order book for DP and pre-funding revenue
  - Includes OptoSeis
- Vessel booking visibility of approximately 6 months
- New industry capacity continues to put pressure on pricing

Achieving price premium on GeoStreamer® capacity

Petroleum Geo-Services ASA

Financials

Unaudited Second Quarter 2010 Results

Consolidated Statements of Operations Summary

Continuing operations

USD million (except per share data)	Quarter ended June 30 2010	2009	% change	Six months ended June 30 2009	2008	% change
Revenues	214.9	294.3	-27 %	474.3	685.1	-31 %
Adjusted EBITDA*	71.4	154.1	-54 %	170.7	360.5	-53 %
Operating profit (EBIT) excluding special items**	5.3	81.2	-93 %	40.1	236.3	-83 %
Operating profit (EBIT)	5.3	32.9	-84 %	39.6	137.5	-71 %
Net financial items	(32.7)	7.2	n/a	(52.0)	(7.7)	574 %
Income (loss) before income tax expense	(27.4)	40.2	n/a	(12.4)	129.8	n/a
Income tax expense (benefit)	(2.8)	4.0	n/a	2.2	32.0	-93 %
Net income to equity holders	(22.3)	41.0	n/a	(6.1)	95.2	n/a
EPS basic	($0.11)	$0.22	n/a	($0.03)	$0.53	n/a
EPS diluted	($0.11)	$0.22	n/a	($0.03)	$0.53	n/a
EBITDA margin*	33.2 %	52.4 %		36.0 %	52.6 %	
EBIT margin**	2.5 %	27.6 %		8.5 %	34.5 %	

- Q2 2010 net financials items impacted by a currency loss of USD 10.0 million as a result of USD appreciating against NOK, EUR and GBP. Cost of amending the Company's credit facility was USD 7.0 million and a fee of USD 1.2 million relates to redeeming the 8.28% Notes

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** Excluding impairments of USD 0.5 million in Q1 2010, USD 50.6 million in Q1 2009 and 48.2 million in Q2 2009.

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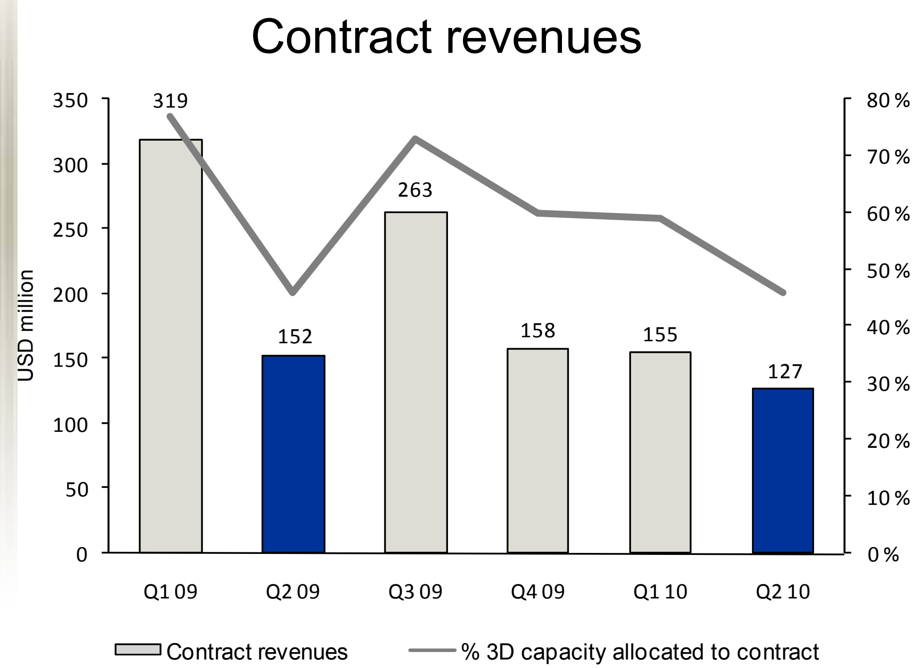
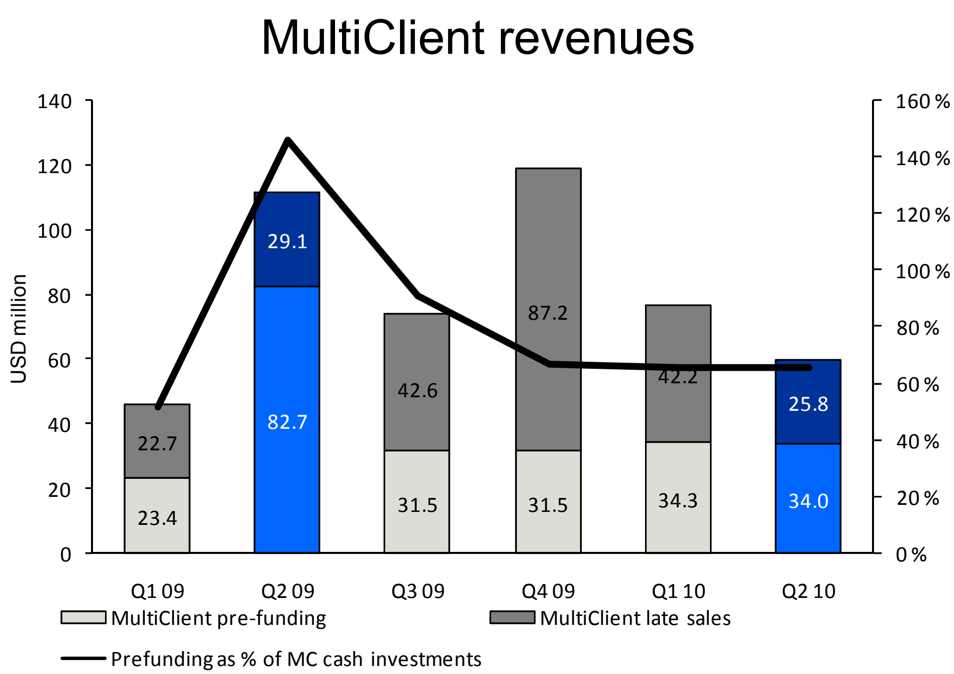
Marine – Q2 Highlights

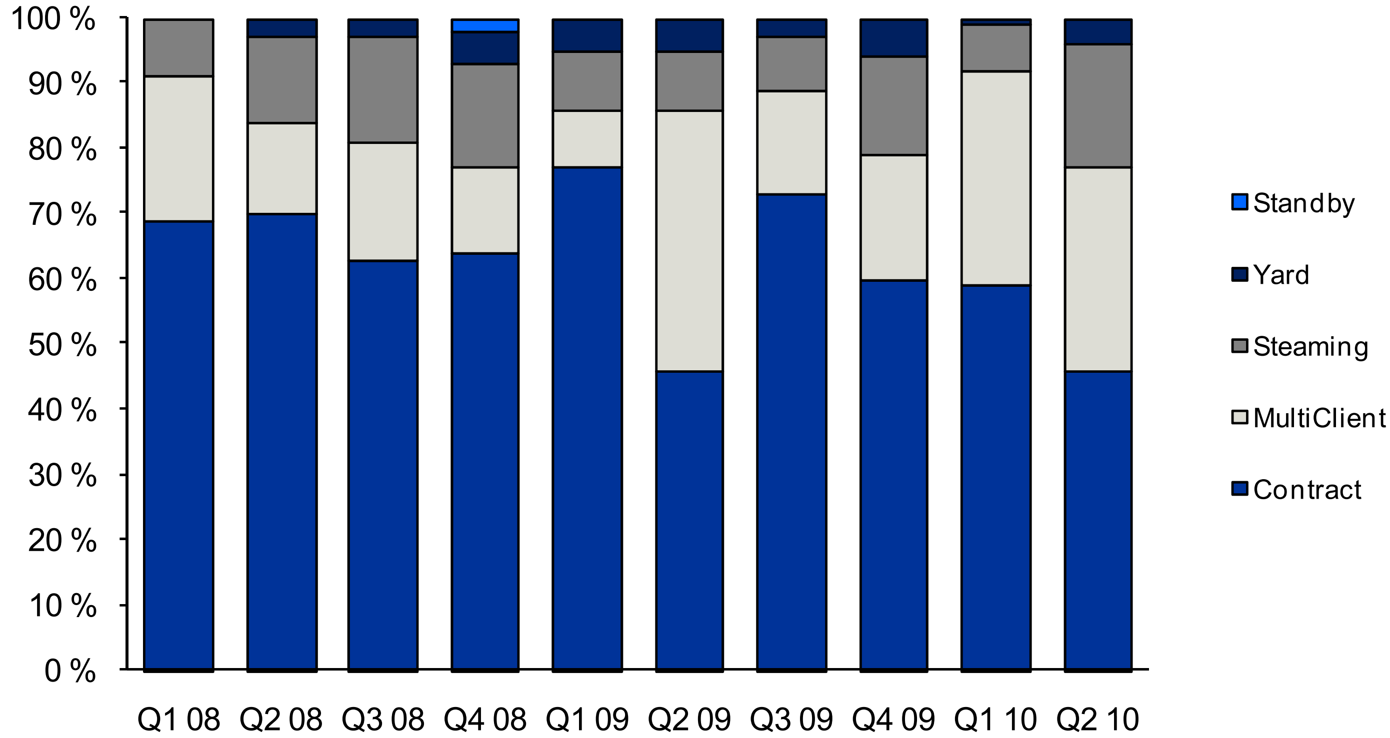




- Total revenues negatively impacted by steaming and yard time for vessel and streamer upgrades
- Low Q2 MultiClient pre-funding ratio, primarily due to late startup of North Sea program, negatively impacts total EBIT margin
- Marine contract EBIT margin of 14% in Q2 2010, compared to 23% in Q1 2010 and 44% in Q2 2009
- External Data Processing revenues of USD 24.9 million, compared to USD 24.5 million in Q2 2009

Vessel Utilization

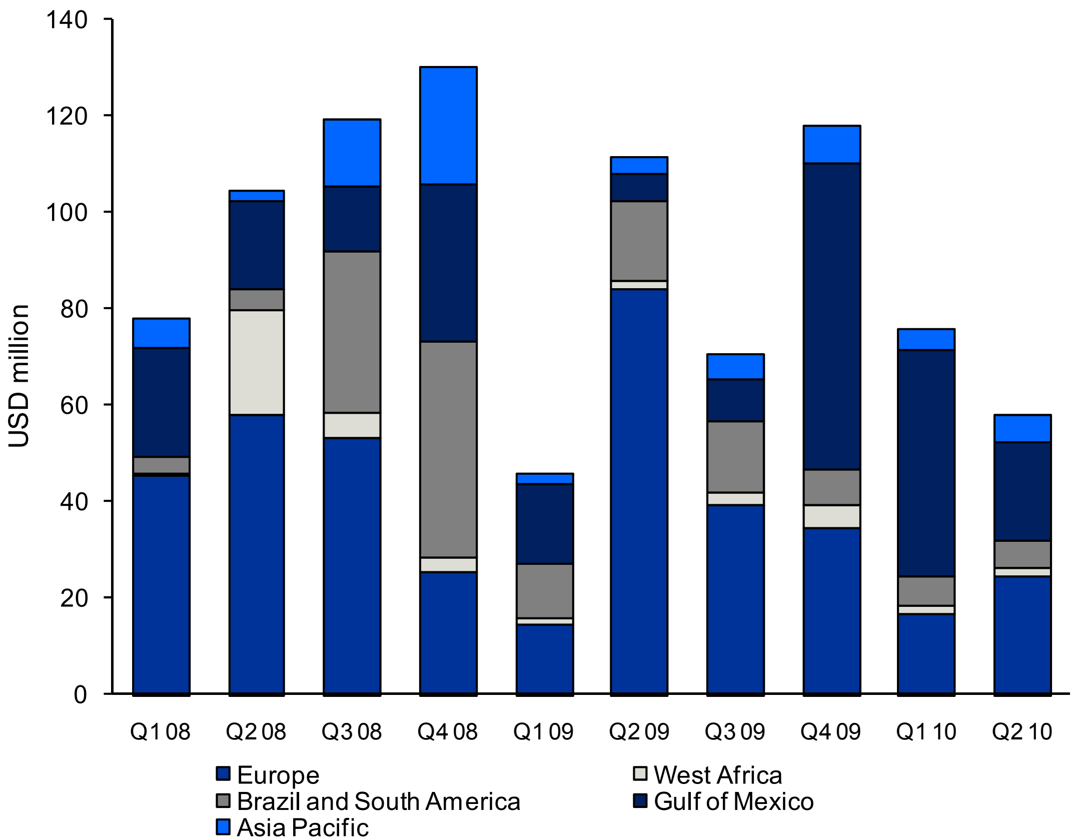
Seismic Streamer 3D Fleet Activity in Streamer Months



Q2 2010 utilization impacted by vessel upgrades and repositioning

Marine MultiClient Revenues per Region

Pre-funding and Late Sales Revenues Combined



- Q2 MultiClient pre-funding revenues primarily from Europe and Gulf of Mexico
- 31% of total 3D capacity used for MultiClient in Q2 2010, compared to 40% in Q2 2009
- Low Q2 pre-funding revenues due to late North Sea startup
- Pre-funding ratio for full year 2010 expected to be close to 2009 level

Pre-funding in percent of MC cash investments was 66% in Q2 2010

Marine - Key Figures

USD million	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1
Contract revenues	**126.8**	**155.4**	**158.2**	**263.3**	**152.3**	**319.3**
Total MC revenues	**59.8**	**76.5**	**118.7**	**74.1**	**111.7**	***46.2***
Processing and other revenues	26.5	26.4	26.3	24.1	30.3	25.3
Total Revenues	**213.0**	**258.3**	**303.2**	**361.5**	**294.3**	**390.8**
Operating cost	(132.8)	(152.0)	(156.6)	(185.4)	(131.2)	(174.2)
Adjusted EBITDA	**80.2**	**106.3**	**146.6**	**176.1**	**163.1**	**216.6**
Depreciation	(31.4)	(27.0)	(31.4)	(33.7)	(25.5)	(31.8)
MultiClient amortization	(32.5)	(34.8)	(61.4)	(28.8)	(45.3)	(16.1)
EBIT*	**16.3**	**44.6**	**53.8**	**113.6**	**92.3**	**168.7**
CAPEX**	(51.1)	(46.5)	(41.0)	(39.1)	(55.9)	(91.8)
Cash investment in MultiClient	(51.7)	(52.1)	(47.1)	(34.4)	(56.7)	(44.8)
Order book	**499**	**409**	**438**	**533**	**559**	**636**

*Excluding impairments of long-lived assets of USD 0.5 million in Q1 2010, 2.0 million in Q4 2009, USD 52.4 million in Q3 2009, USD 48.2 million in Q2 2009 and 50.6 million in Q1 2009.

**Capex for Q3 2009 includes USD 26.2 million from Ramform Sterling's final installment, payment made July 1, 2009.

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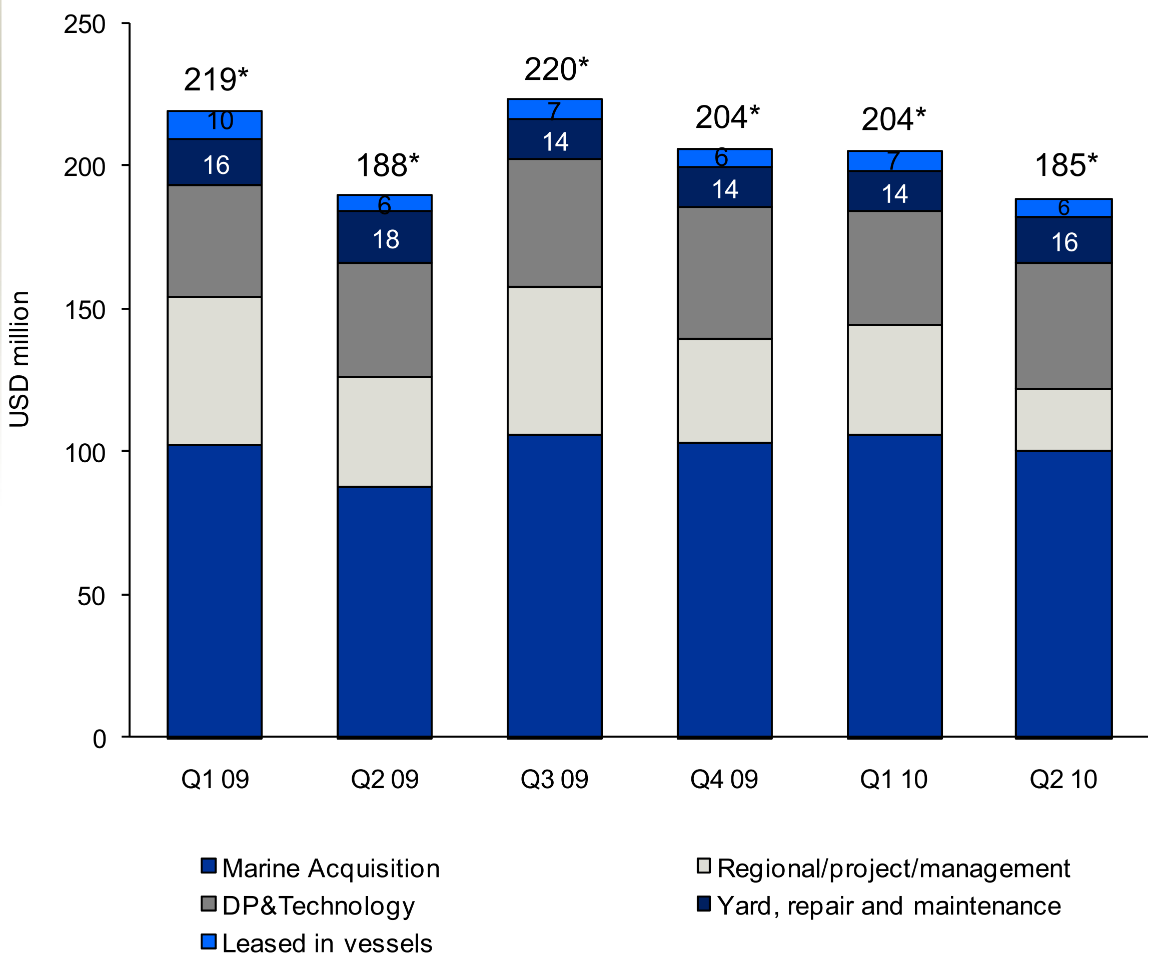
Marine Cost* Development



* Amounts show the sum of operating cost and capitalized MultiClient cash investment.

- Strong reduction from Q1 2010 despite *PGS Apollo* entering the fleet
- General cost reductions for Marine Operations, lower project related costs and deferred steaming cost

Consolidated Statements of Cash Flows Summary

USD million	Quarter ended June 30 2010	Quarter ended June 30 2009	Six months ended June 30 2010	Six months ended June 30 2009
Cash provided by operating act.	63.8	208.1	179.3	353.5
Investment in MultiClient library	(51.7)	(57.3)	(105.0)	(104.4)
Capital expenditures	(52.7)	(61.1)	(100.6)	(157.1)
Other investing activities	(5.6)	(3.2)	215.3	(2.7)
Financing activities	(144.5)	(20.2)	(155.1)	(16.3)
Net increase (decr.) in cash and cash equiv.	**(190.8)**	**66.4**	**33.9**	**72.9**
Cash and cash equiv. at beginning of period	350.6	101.7	126.0	95.2
Cash and cash equiv. at end of period	**159.8**	**168.1**	**159.8**	**168.1**

- Positive impact of continued reduction of working capital in Q2
  - Some reversal likely in H2 2010
- Debt repayment of USD 121.2 million (net) in Q2 2010
  - USD 100.0 million voluntary repayment on the Term Loan B
  - USD 37.7 million redemption of the 8.28% Notes and the 10% Senior Notes
- USD 9 million used for share repurchase in Q2 2010

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Consolidated Statements of Financial Position - Key Figures

USD million	Quarter ended June 30 2010	Quarter ended June 30 2009	December 31 2009
Total assets	2 690.4	3 132.4	2 929.4
MultiClient Library	349.9	348.5	293.2
Shareholders' equity	1 432.9	1 377.7	1 449.0
Cash and cash equiv.	159.8	168.1	126.0
Restricted cash	8.2	17.7	18.0
Liquidity reserve	508.0	362.0	472.0
Gross interest bearing debt *	784.3	1 147.9	918.0
Net interest bearing debt	616.3	962.1	774.0

*Includes capital lease agreements

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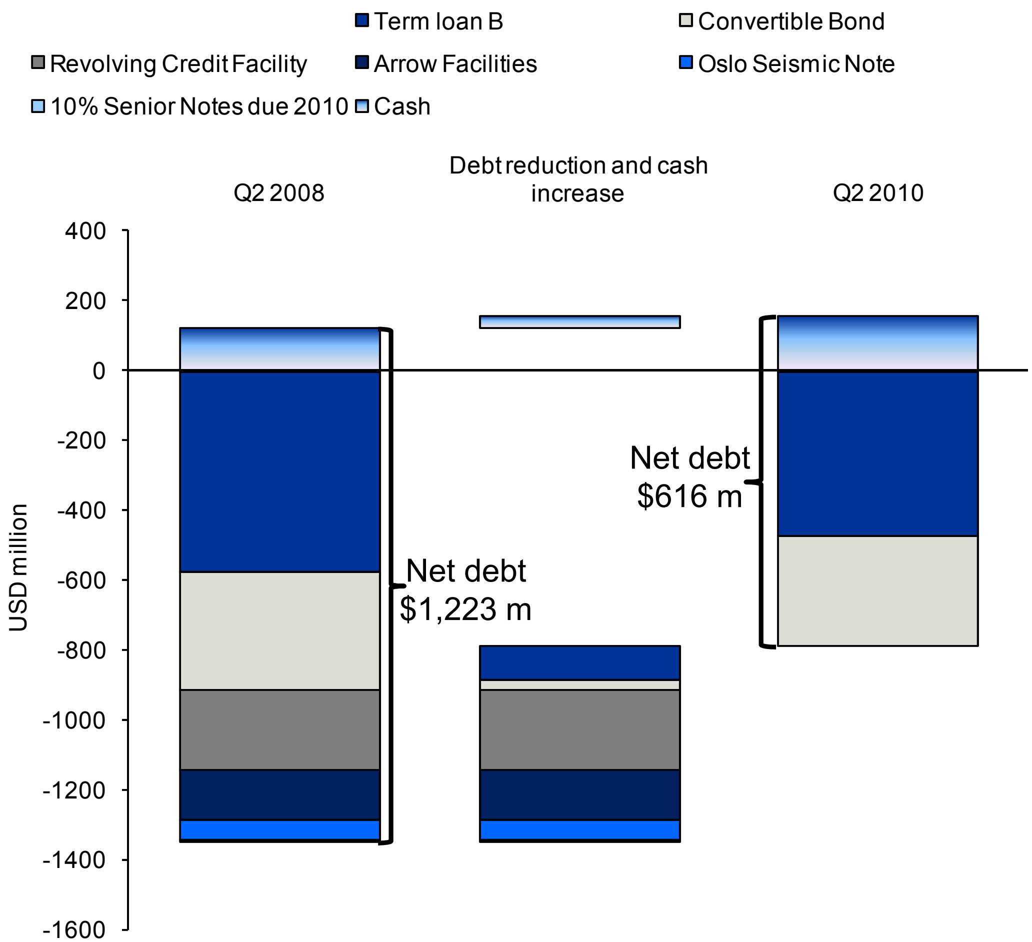
Strong Capital Discipline and Debt Reduction



- Net debt reduced by USD 607 million since Q2 2008
- Leverage ratio test in Credit Facility amended
  - MultiClient investments not to be deducted from EBITDA to the extent covered by pre-funding
- Debt repayment in Q2
  - USD 100 million voluntary prepayment of Term loan B
  - 8.28% Notes (USD 33.9 million) redeemed

Robust Financing at Attractive Terms

Long term Interest Bearing Debt	Balance as of June 30, 2010	Total Credit Line	Financial Covenants
USD 600 million Term Loan ("TLB"), Libor + 175 basis points, due 2015	USD 470.5 million		Incurrence test: total leverage ratio < 3.25:1 in 2010, and 3.00:1 thereafter
Revolving credit facility ("RCF"), Libor + 150 basis points, due 2012	USD 0 million*	USD 350 million	Maintenance covenant: total leverage ratio < 3.00 in 2010, and 2.75:1 thereafter
USD 400 million convertible bond due 2012, coupon of 2.7% with strike NOK 216.19	USD 313.6 million**		

* Plus USD 4.7 million for bid/performance bonds

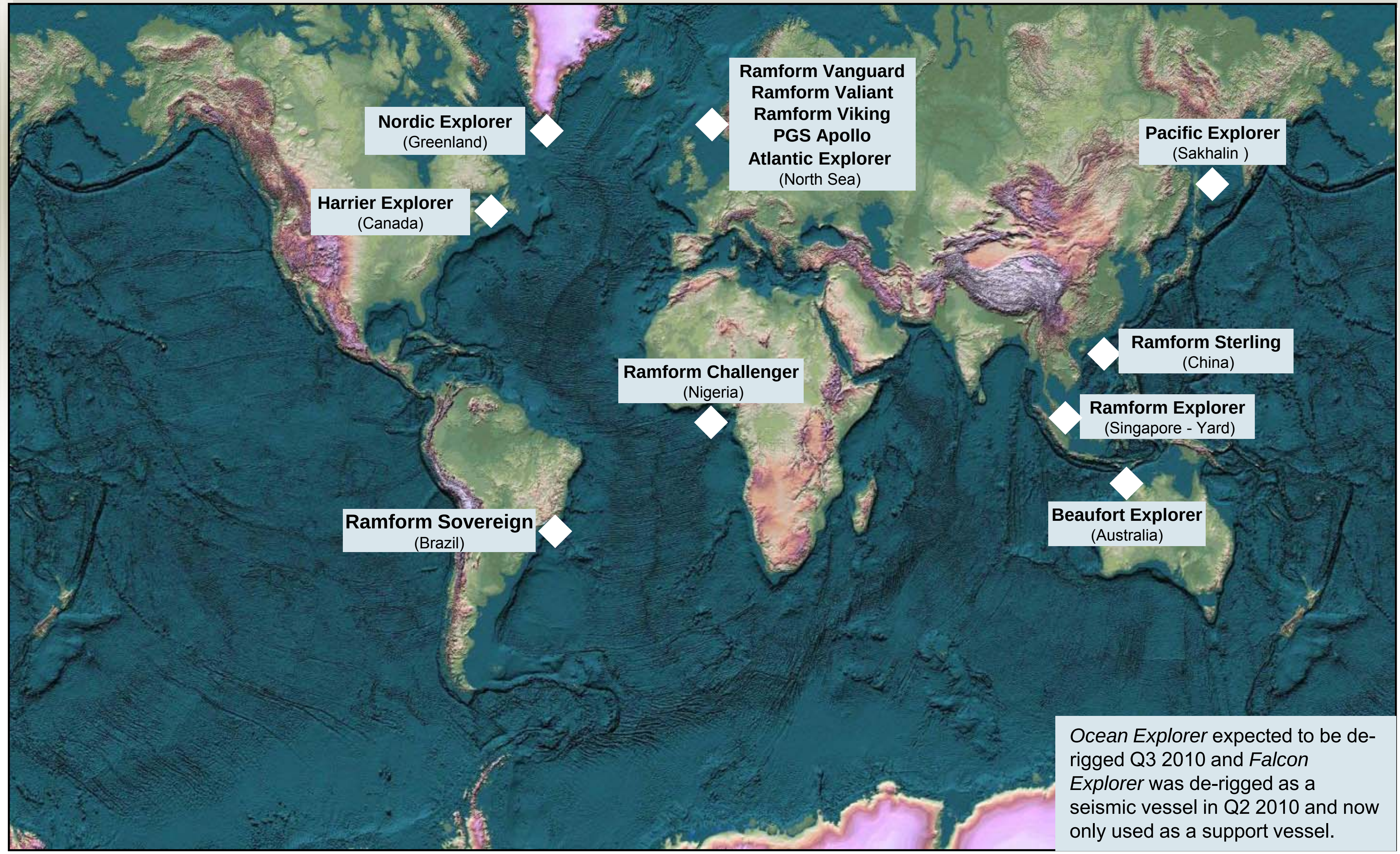
** USD 344.5 million of nominal value outstanding after repurchase

Petroleum Geo-Services ASA

PGS going forward

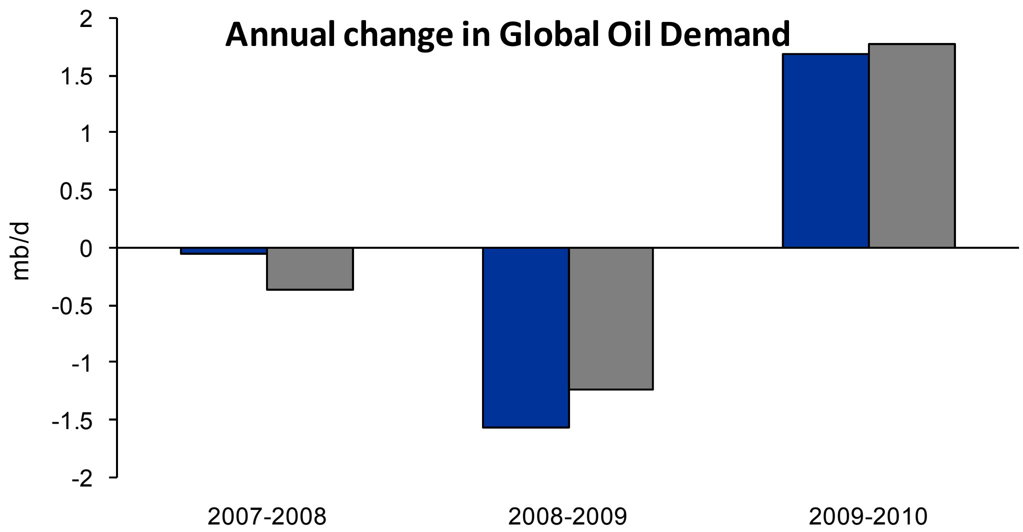
Unaudited Second Quarter 2010 Results

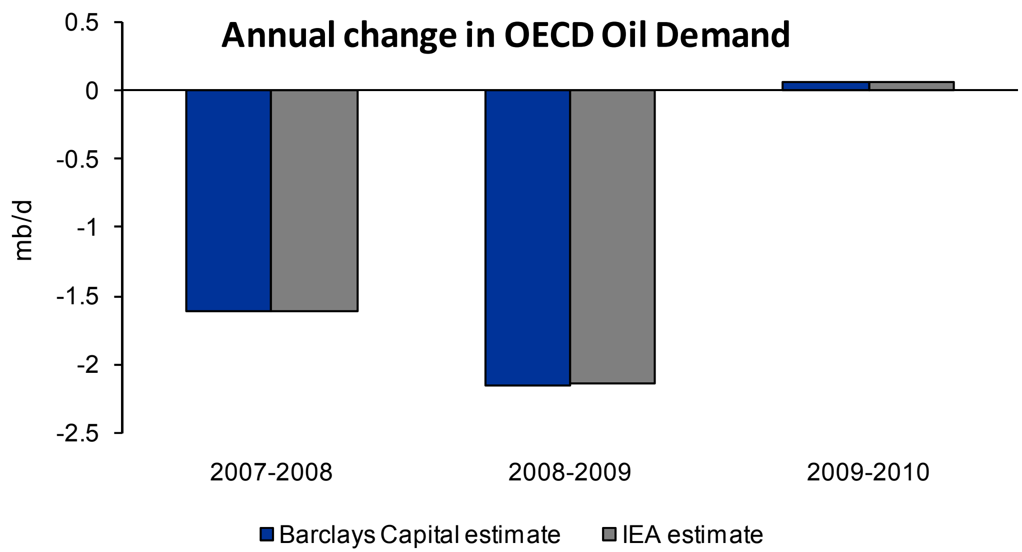
Streamer Operations Mid July 2010



Ocean Explorer expected to be de-rigged Q3 2010 and *Falcon Explorer* was de-rigged as a seismic vessel in Q2 2010 and now only used as a support vessel.

Strong Recovery in Oil Demand

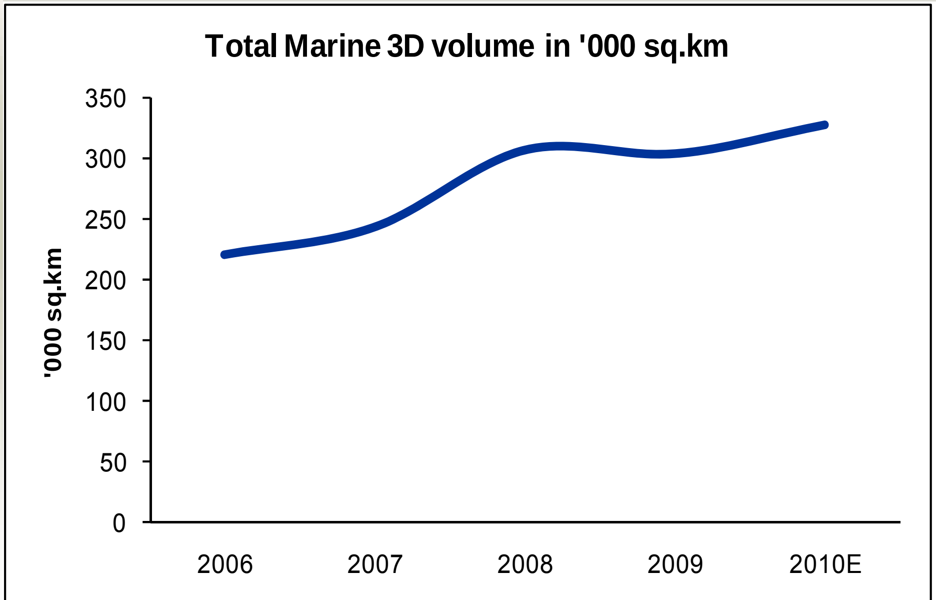




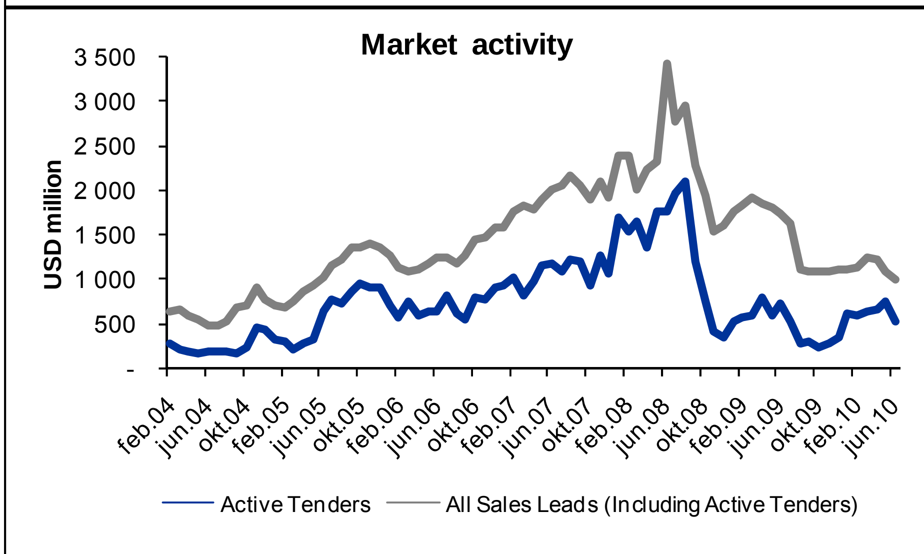
Source: Barclays Capital

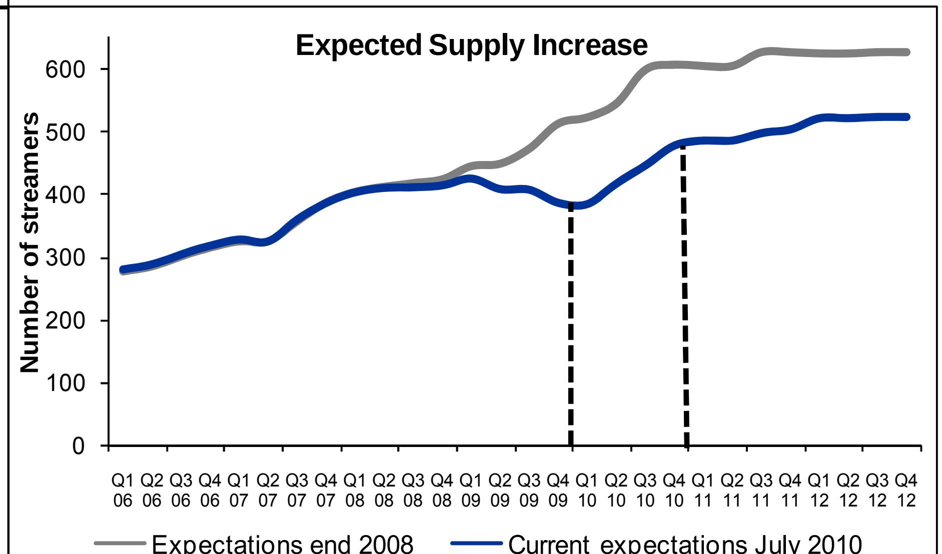
- Increase in global oil demand in 2010 is expected to be larger than decline in 2009 and reach a new high
- OECD oil demand in 2010 is expected to post its first y/y increase since 2005

Price Decline Driven by Increased Supply

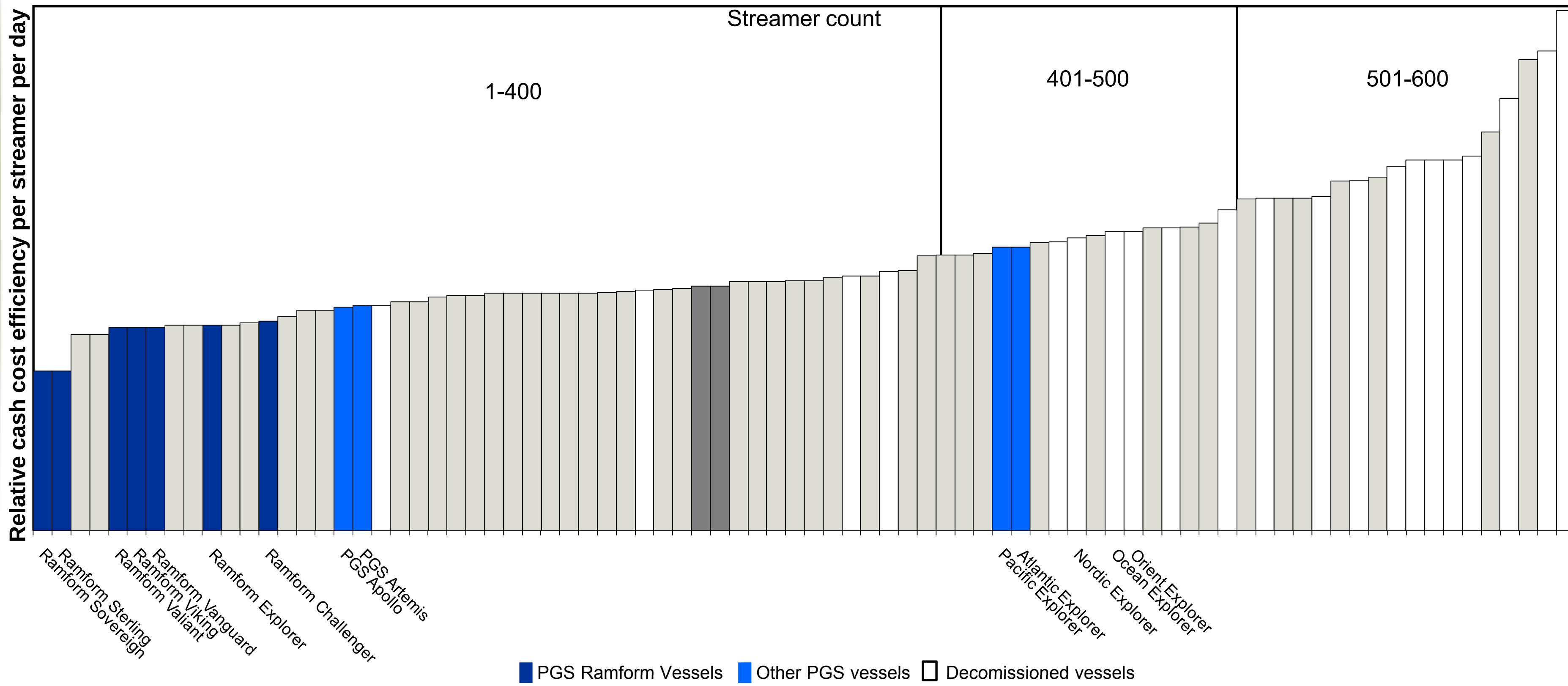


- Growth in sq.km. continues
- Acceptable tender activity
- Streamer capacity growth in 2010 of approximately 20% puts pressure on prices
- Approximately 5% capacity increase in ‘11 and ‘12





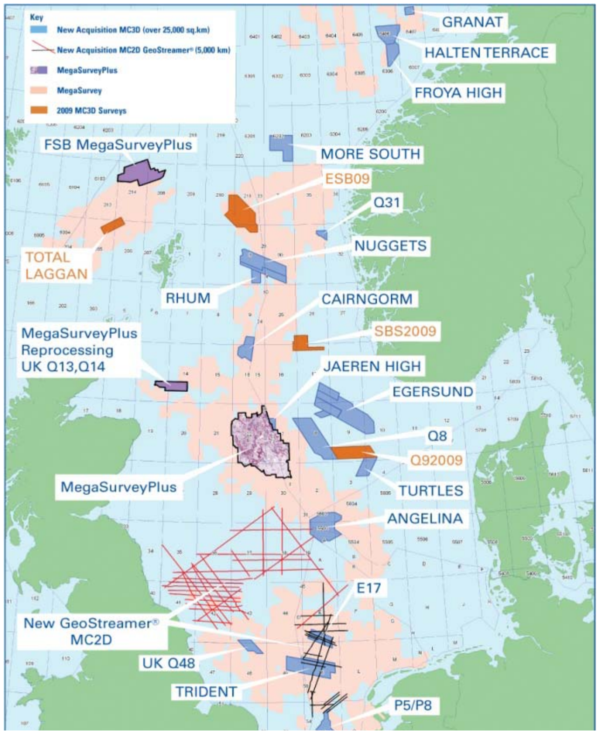
Favorably Positioned on the Industry Cost Curve

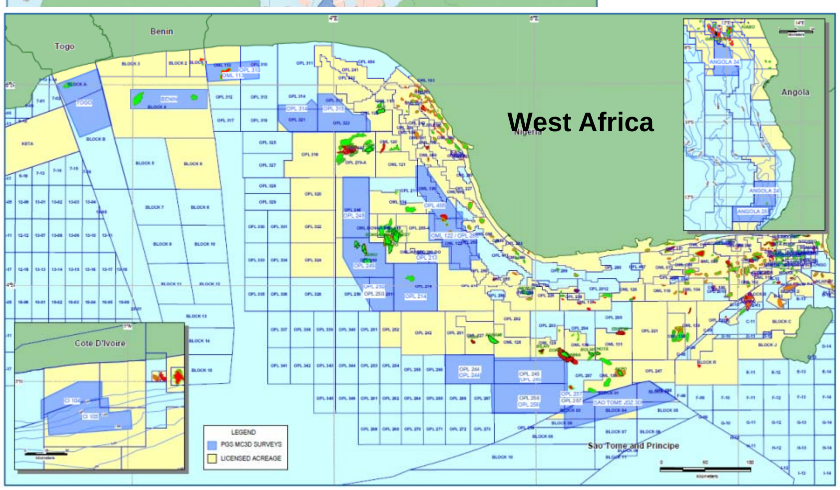


- PGS' position on industry cost curve has improved as *Ramform Explorer* has been upgraded
- PGS fleet is positioned to generate the industry's best margins

Source: The cash cost curve is based on PGS' internal estimates and typical number of streamer towed. The graph shows all seismic vessels in the market, both existing and new-builds. The Ramform S-class is incorporated with 14 streamers and the V-class with 12 streamers.

Geographical Diverse MultiClient Activity



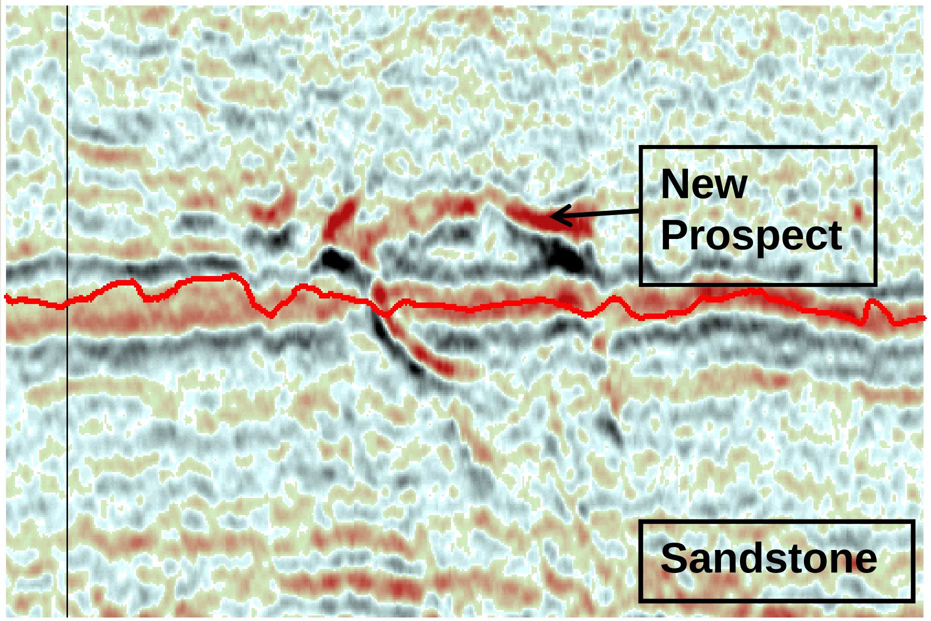


- GeoStreamer® paves the way with
  - 2,900 sq.km GeoStreamer® MC3D in Nigeria
  - More than 5,000 sq.km highly pre-funded GeoStreamer® MC3D ongoing in the North Sea
  - 7,000 sq.km GeoStreamer® MC3D to commence in NW Australia in Q4 2010

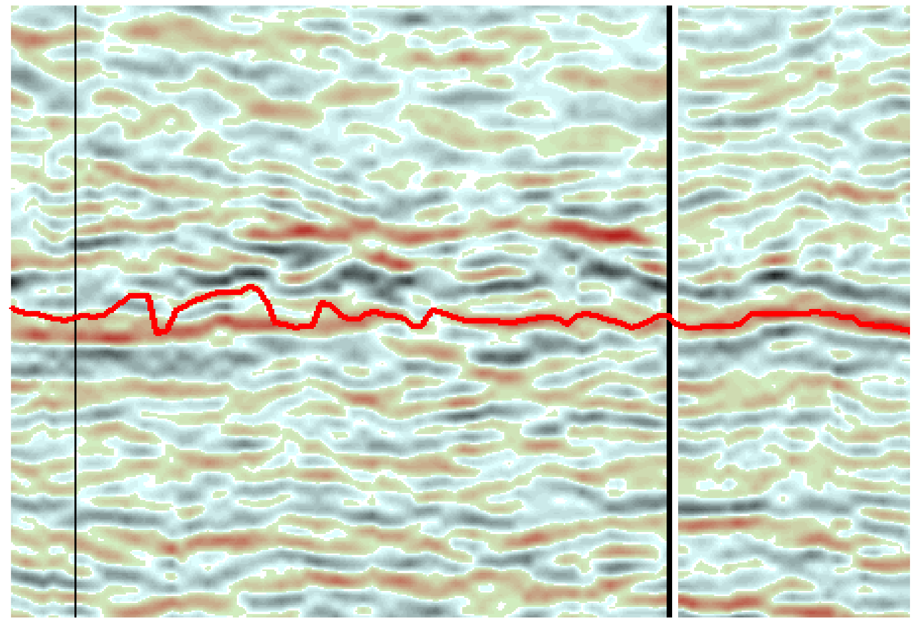
- High activity level and strong position in the North Sea makes Europe a significant MultiClient region for PGS

- Superior GeoStreamer® data quality and operational efficiency constitute the building block for growing PGS' MultiClient activity

New Acquisition with GeoStreamer® Defines New Prospects

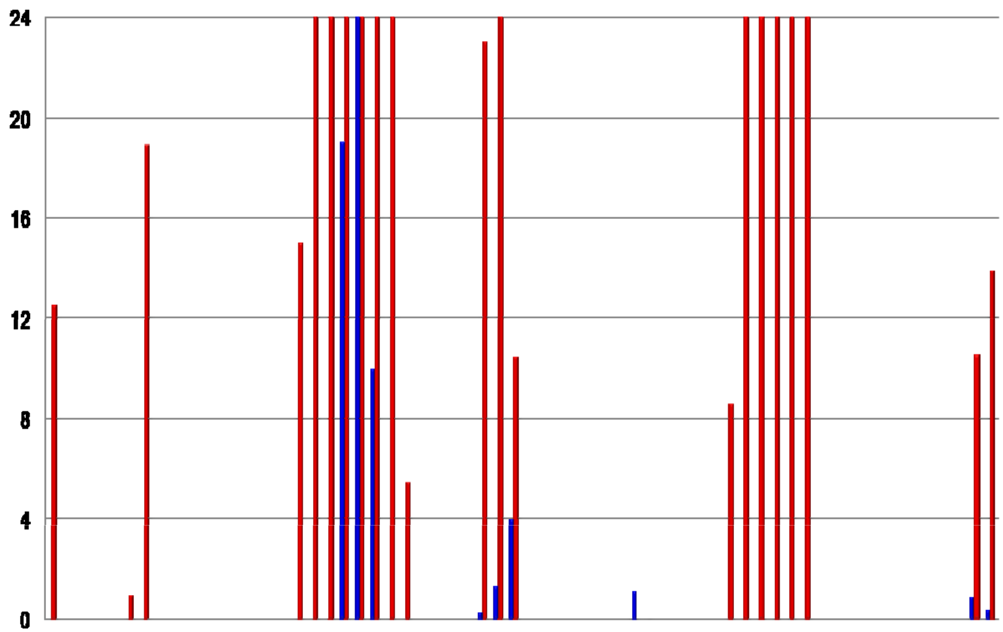


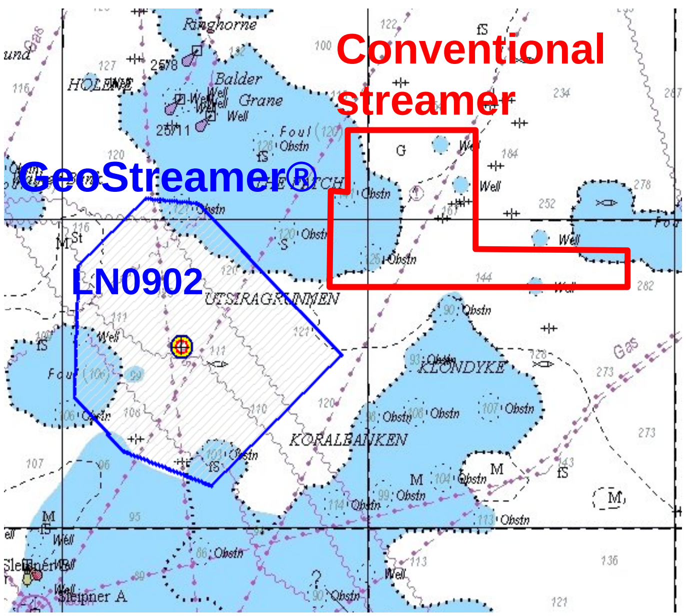
GeoStreamer® data



Conventional data

GeoStreamer® Efficiency - Always Better





Weather downtime (hours) for period
15th April – 19th June 2009

	Dual-sensor	Conventional
Weather standby	**62 hrs**	**405 hrs**

Red bars: *Ocean Explorer*, 6 conventional streamers at 8 meter tow depth
Blue bars: *Atlantic Explorer*, 6 GeoStreamer® at 15 meter tow depth

Towards 50% GeoStreamer® Capacity

Current GeoStreamer® operations

- 3D
  - *Atlantic Explorer* (6 streamers*)
  - *Ramform Challenger* (10 streamers*)
  - *Ramform Valiant* (12 streamers*)
  - *Ramform Explorer* (end July) (10 streamers*)
- 2D
  - *Beaufort Explorer*
  - *Harrier Explorer*

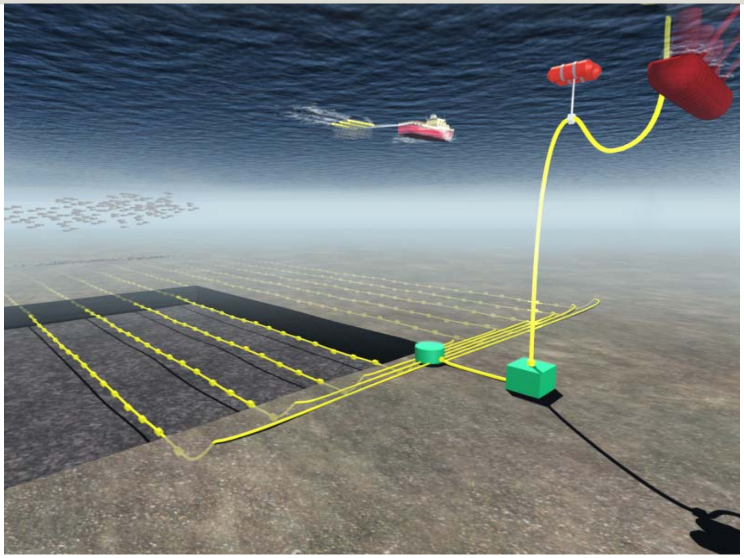
Planned GeoStreamer® rollout

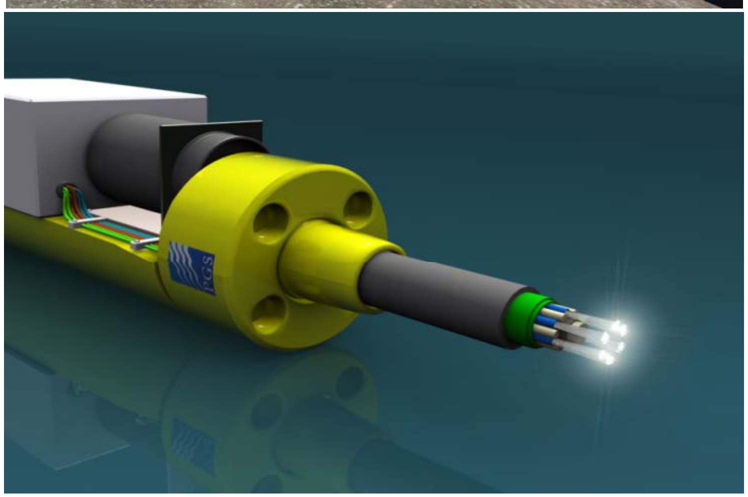
- Additional 3D vessels
  - *Ramform Viking or similar* scheduled for GeoStreamer® upgrade Q1 2011
  - One more upgrade planned for 2011
  - Further upgrades at a pace of 1 to 2 vessels per year
  - All vessels equipped with GeoStreamer® around 2013

* In exploration mode with 100 meter streamer separation

Strong demand drives GeoStreamer® rollout

Commercial Breakthrough PGS Fiber-optic Technology

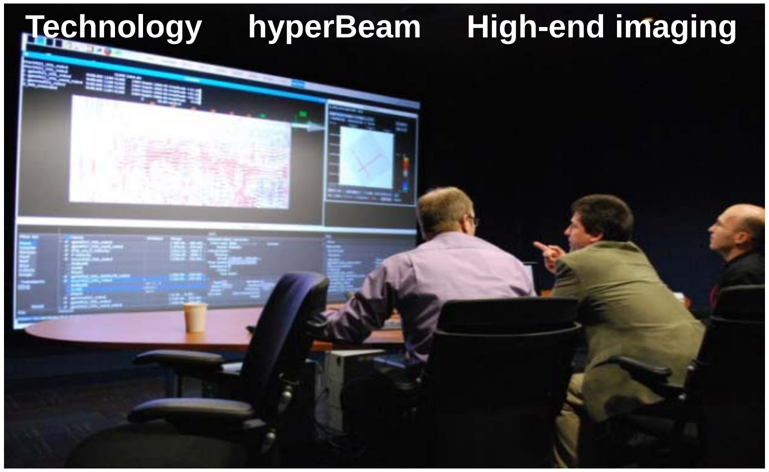


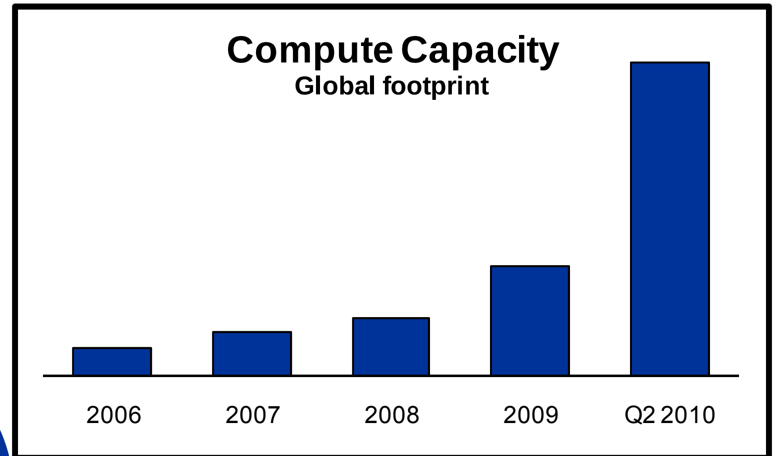


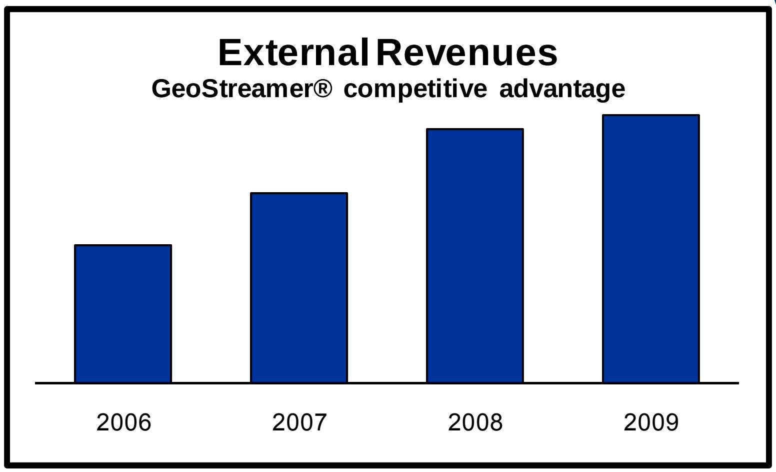
- Reservoir Monitoring in Brazil's deepwater Jubarte field for Petrobras
  - Provide and install its OptoSeis(TM) fiber-optic system
  - Perform seismic acquisition and data processing
  - 4D4C seismic to map the flow of fluids in Brazil's deep water reservoirs
- Shell and PGS develop game-changing Fiber-Optic Seismic System
  - Lower-cost, lighter-weight ultra-high channel count to improve search for oil and gas on land
  - Shell to use optical sensing system - based on PGS's existing fiber-optic technology - for onshore exploration and reservoir monitoring
  - Lowering of system weight is crucial during field operations

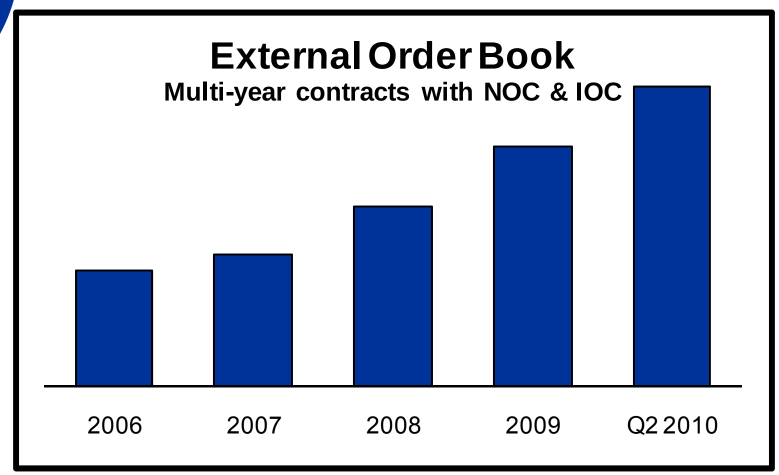
OptoSeis gives richer data - increasing recovery factor

Data Processing – Gaining Momentum



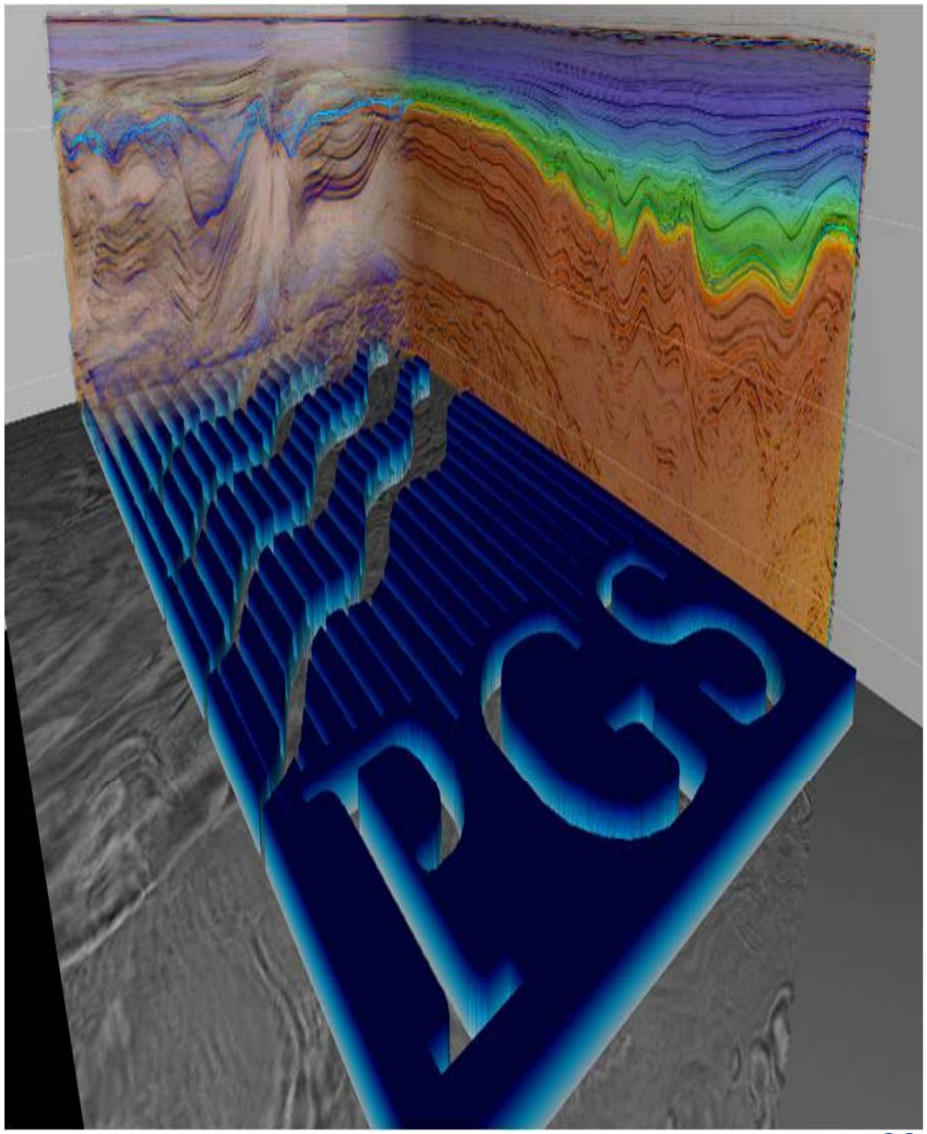






Data Processing – Growing through the cycle

Full Year 2010 EBITDA Guidance Maintained



- EBITDA USD 450 million
  - Good vessel schedule visibility
  - Pre-funding ratio close to 2009 level
  - Steaming and yard lower in 2H
  - Late sales uncertainty
  - North Sea season impacted by time sharing
  - Pressure on conventional streamer rates
  - Positive GeoStreamer® impact
- CAPEX increasing due to accelerated GeoSteamer® roll out
  - To approximately USD 205 million
  - Corresponding reduction in 2011

Positioned for Market Recovery

- High oil price continue to point to strong and increasing sector capex spending
- Industry capacity still increasing, but at a slower rate in ’11 and ’12
- GeoStreamer® maintains technological leadership
- Geographically diverse MultiClient library paying off
- Balance sheet remains robust
- H2 improving through better utilization, lower yard time, higher pre-funding and stronger effect from GeoStreamer®

The most cost effective fleet in the industry

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Main Yard Stays Next 6 Months

The picture shows current upgrade of *Ramform Explorer*

Vessel	When	Expected Duration	Type of Yard Stay
Ramform Explorer	Ongoing June/July 2010	Approximately 45 days	15 year bottom inspection, thruster power upgrade, new compressor drives, streamer reel upgrade, add extra generator set, main class and install GeoStreamer®
PGS Apollo	Scheduled October 2010	Approximately 15 days	Yard stay to complete warranty work
Ramform Viking	Scheduled February 2011	Approximately 35 days	Center thruster, main class and installation of GeoStreamer®.