

SUPPLEMENTAL PROSPECTUS



PGS ASA

(a public limited liability company incorporated under the laws of Norway)

Listing of 142,016,216 Shares issued in a Private Placement

Offering and listing of up to 38,155,803 Offer Shares in a Subsequent Offering to Eligible Shareholders

This document (the “**Supplemental Prospectus**”) is a supplement to the prospectus dated 29 June 2022 (the “**Prospectus**”) prepared by PGS ASA (the “**Company**”, and taken together with its consolidated subsidiaries, “**PGS**” or the “**Group**”) in connection with (i) the listing on Oslo Børs (the “**Oslo Stock Exchange**”) of 142,016,216 shares in the Company, each with a par value of NOK 3.00 (the “**Listing Shares**”), already issued in a private placement (comprising 216,216,216 new Shares in total, collectively the “**Private Placement Shares**”) directed towards certain investors for gross proceeds of approximately NOK 800 million (the “**Private Placement**”) and (ii) a subsequent offering (the “**Subsequent Offering**”) and listing of up to 38,155,803 shares in the Company, each with a par value of NOK 3.00 (the “**Offer Shares**”) for gross proceeds of up to approximately NOK 141 million, pursuant to the terms and conditions set out in the Prospectus.

This Supplemental Prospectus constitutes a supplement to the Prospectus. The information is to be considered part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. This Supplemental Prospectus must be read together with the Prospectus and as part of the basis for any decision of investment in the Company's Shares. Capitalised terms and expressions defined in the Prospectus shall have the same meaning when used in this Supplemental Prospectus unless otherwise defined herein or the context otherwise requires. References in the Prospectus to the “Prospectus” should, unless the context otherwise requires, hereafter be read to refer to the Prospectus, as supplemented hereby.

This Supplemental Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the “**Norwegian FSA**”), as the competent authority under the EU Prospectus Regulation ((EU) 2017/1129). The Norwegian FSA only approves this Supplemental Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Supplemental Prospectus.

Any dispute arising with regard to this Supplemental Prospectus is subject to Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Transactions (as defined below), the Prospectus or this Supplemental Prospectus.

Information in the Prospectus shall still apply unless, and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus, as described above.

The date of this Supplemental Prospectus is 11 July 2022

IMPORTANT INFORMATION

This Supplemental Prospectus is a supplement to the Prospectus dated 29 June 2022 issued by the Company in connection with (i) the listing of the Listing Shares on the Oslo Stock Exchange and (ii) the offering and listing on the Oslo Stock Exchange of the Offer Shares (collectively the “Transactions”).

This Supplemental Prospectus is a part of an EU prospectus and has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the “**Norwegian Securities Trading Act**”) and related secondary legislation, including the EU Prospectus Regulation. This Supplemental Prospectus has been prepared solely in the English language. This Supplemental Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the “**Norwegian FSA**”), as the competent authority under the EU Prospectus Regulation ((EU) 2017/1129). The Norwegian FSA only approves this Supplemental Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Supplemental Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For the definitions of terms used throughout this Supplemental Prospectus, see Section 19 “*Definitions*” of the Prospectus.

The information contained in this Supplemental Prospectus is to be considered part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. Information in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus.

No person is authorised to give any information or to make any representation concerning the Group or in connection with the Transactions other than as contained in the Prospectus and this Supplemental Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Supplemental Prospectus and the offering and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Supplemental Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of Shares to occur outside of Norway. Accordingly, neither this Supplemental Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Manager require persons in possession of this Supplemental Prospectus to inform themselves about and to observe any such restrictions.

The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. For further information on the manner of distribution of the Offer Shares and the selling and transfer restrictions to which they are subject, see Section 15 “*Selling and Transfer Restrictions*” of the Prospectus.

THE OFFER SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

THIS SUPPLEMENTAL PROSPECTUS HAS NOT BEEN APPROVED NOR REVIEWED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION AND IS NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES. FOR CERTAIN SELLING AND TRANSFER RESTRICTIONS SEE SECTION 15 “*SELLING AND TRANSFER RESTRICTIONS*” OF THE PROSPECTUS.

This Supplemental Prospectus and the terms and conditions of the Subsequent Offering shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Transactions, the Prospectus or this Supplemental Prospectus.

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1. RESPONSIBILITY STATEMENT FOR THE SUPPLEMENTAL PROSPECTUS

The Board of Directors of PGS ASA accepts responsibility for the information contained in this Supplemental Prospectus. The members of the Board of Directors confirm that the information contained in this Supplemental Prospectus is, to the best of their knowledge, in accordance with the facts and that the Supplemental Prospectus makes no omissions likely to affect its import.

Oslo, 11 July 2022

The Board of Directors of PGS ASA

Walter Hafslo Qvam
Anne Grethe Dalane
Richard Herbert
Marianne Kah
Trond Brandsrud
Ebrahim Attarzadeh
Shona Grant
Anette Valbø
Gunhild Myhr
Eivind Rødnes Vesterås

2. SUPPLEMENTS TO THE PROSPECTUS

On 11 July 2022, the Company published a trading update (the “Trading Update”) with expected revenues and other income according to IFRS for the second quarter of 2022 and the estimated cash and cash equivalents and order book as of 30 June 2022. The Company considers the Trading Update to be of importance to prospective investors when determining whether to invest in the Shares. Due to the publication of the Trading Update, the Prospectus is hereby supplemented as set out below:

2.1 Supplements to Section 6 “Business Overview” of the Prospectus

Section 6 “Business Overview” is supplemented as follows:

2.1.1 Section 6.2.2 “Business Strengths - Leading MultiClient business reducing financial volatility” shall be replaced by:

The Group owns what it believes to be one of the largest and most geographically diverse libraries of marine MultiClient data with a library that as of 31 December 2021 comprised approximately 1,100,000 km² of high-quality worldwide 3D seismic data and approximately 590,000 line kilometers of 2D data uncovering frontier and developing hydrocarbon areas. For the last twelve months up to 30 June 2022, approximately 64% (corresponding to approximately \$485 million) of our revenues were derived from MultiClient sales. PGS seeks to mitigate the cost-recovery risks associated with acquiring the MultiClient library through pre-funding of acquisition costs and have a long track record of achieving the target pre-funding levels of 80-120%. The Group’s ability to rapidly switch capacity between MultiClient and contract business opportunities provides flexibility to handle changeable and cyclical markets. The Group’s high-quality MultiClient business has demonstrated resilience in the recent downturn with pre-funding segment revenues corresponding to 127% of capitalized MultiClient cash investment and total revenues of 2.45 times investments in the MultiClient library measured as average over the last three years (2019 to 2021).

2.1.2 The second table in Section 6.2.10 “Fleet” shall be replaced by:

	Quarter ended 30 June (unaudited)		Quarter ended 31 March 2022 (unaudited)
	2022	2021	
Contract			
.....	41%	47%	39%
MultiClient			
.....	24%	21%	16%
Steaming			
.....	14%	21%	8%
Yard			
.....	9%	8%	6%
Stacked/standby			
.....	12%	3%	31%

2.1.3 Section 6.4.2 “Financial performance” shall be replaced by:

There have been no significant changes in the Group’s trading position since 31 December 2021. The Group’s balance sheet is strengthened since 31 March 2022 with the gross proceeds of approximately NOK 800 million from the Private Placement and the commitment received for approximately USD 50 million in new, senior secured debt under the Group’s main credit facility - the Term Loan B (“TLB”).

PGS believes that the seismic market is gradually recovering which should lead to higher activity of seismic acquisition services and improved MultiClient revenues. Pricing of seismic acquisition services is higher in the first half of 2022 compared to first half of 2021. MultiClient revenues will vary based on a number of factors, however following relatively low MultiClient revenues in Q1 2022 the Company published a Q2 2022 trading update on 11 July 2022 (the “Trading Update”) where it informed that, based on a preliminary review, it expects to report revenues and other income according to IFRS for Q2 2022 of approximately \$274 million. This compares to \$186 million in Q2 2021.

The Company has provided the Trading Update based on preliminary Q2 2022 financials. The Company has not completed its financial reporting and related consolidation, review and control procedures for Q2 2022, including the final review of all sales against the established revenue recognition criteria. The estimates for Q2 2022 provided in the Trading Update are therefore subject to change and the Q2 2022 financial statements finally approved and released by the Company may deviate from the information included therein and in this Prospectus. The Company will release its Q2 2022 financial statements on 21 July 2022.

2.2 Supplements to Section 7 “Capitalisation and Indebtedness” of the Prospectus

Section 7 “Capitalisation and Indebtedness” is supplemented as follows:

2.2.1 Section 7.4 “Recent Developments” shall be replaced by:

Other than the Private Placement and the commitment received for approximately USD 50 million in new, senior secured debt under the TLB, there has been no significant change in the Group’s financial position since 31 March 2022.

On 11 July 2022, PGS published the Trading Update where it informed that, based on a preliminary review, it expects to report revenues and other income for the Group, according to IFRS, for Q2 2022 of approximately \$274 million, compared to \$185.9 million in Q2 2021. The Company further reported that contract revenues for the Group ended at approximately \$63 million in Q2 2022, compared to \$51.5 million in Q2 2021. MultiClient late sales revenues were approximately \$108 million in Q2 2022, compared to \$65.5 million in Q2 2021. MultiClient pre-funding revenues were approximately \$96 million in Q2 2022, compared to \$62.7 million in Q2 2021, and MultiClient cash investment ended at approximately \$26 million, compared to \$25.7 million in Q2 2021.

PGS also reported that cash and cash equivalents as of 30 June 2022 are estimated to \$220 million, compared to \$155.4 million as of 30 June 2021. Most of the Group’s MultiClient late sales in Q2 2022 will be collected in Q3 2022 and are expected to contribute to strong cash flow in the quarter. The Group’s existing loan agreements have a liquidity sweep requirement where cash and cash equivalents in excess of \$200 million at quarter-end will have to be used to repay upcoming amortizations of the TLB and ECF at a ratio proportionate to the amount of amortization deferral in the debt rescheduling agreement entered into in February 2021. The Company has received the gross proceeds of approximately NOK 800 million from the Private Placement in Q2, 2022 while proceeds from the Subsequent Offering, if any, and proceeds from drawing the new \$50 million senior secured debt under the TLB is expected in Q3 2022.

The Company has provided the Trading Update based on preliminary Q2 2022 financials. The Company has not completed its financial reporting and related consolidation, review and control procedures for Q2 2022, including the final review of all sales against the established revenue recognition criteria. The estimates for Q2 2022 provided in the Trading Update are therefore subject to change and the Q2 2022 financial statements finally approved and released by the Company may deviate from the information provided therein and in this Prospectus. The Company will release its Q2 2022 financial statements on 21 July 2022.

3. RIGHT TO WITHDRAW SUBSCRIPTIONS

Eligible Shareholders that have subscribed for Offer Shares before the publication of this Supplemental Prospectus have the right to withdraw their application within two days after the publication of this Supplemental Prospectus, cf. article 23 (2) of the EU Prospectus Regulation (i.e. prior to 16:30 (CEST) on 13 July 2022). Such withdrawal is made by contacting the Manager. Eligible Shareholders that have applied for Offer Shares before the publication of this Supplemental Prospectus and have not utilised the right to withdraw their application within the deadline as indicated above will be regarded as having accepted the information provided in this Supplement Prospectus, continue to be bound by its subscription in the Subsequent Offering and will not need to submit a new application.

4. ADDITIONAL INFORMATION

This Supplemental Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "Norwegian FSA"), as the competent authority under the EU Prospectus Regulation ((EU) 2017/1129). The Norwegian FSA only approves this Supplemental Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Supplemental Prospectus.

The information in the Trading Update is relevant for the information included in the Prospectus Section 6 under the headings "Business Strengths - Leading MultiClient business reducing financial volatility", "Fleet" and "Financial Performance" and Section 7 under the headings "Recent Developments".