



Unaudited Third Quarter 2010 Results

(IFRS)

Oslo October 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 Q3 and first half 2010 results and the disclosures therein



GeoStreamer® Increasing Earnings Momentum



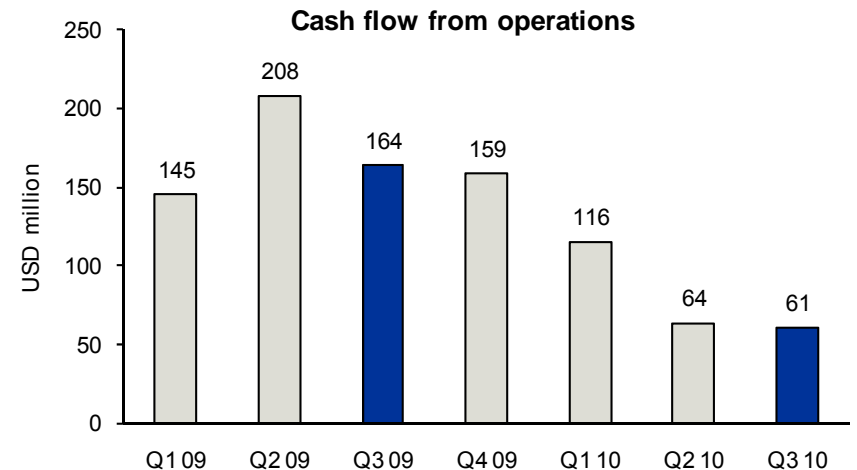
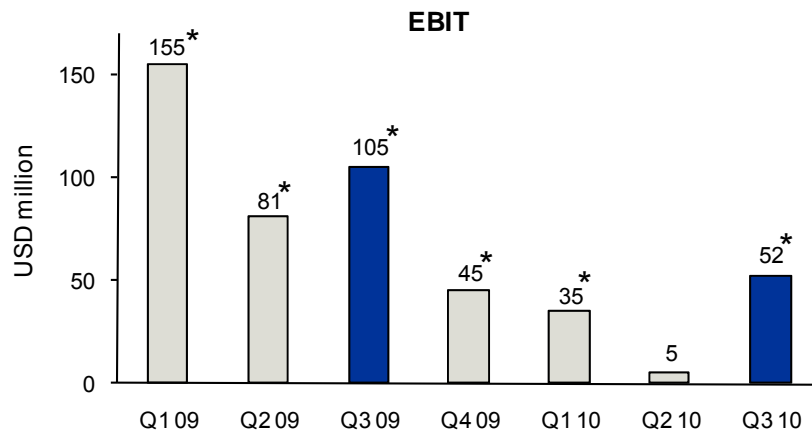
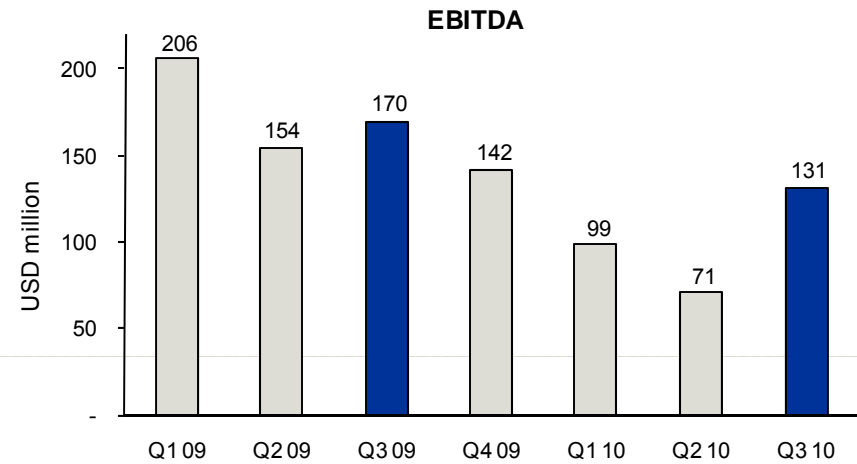
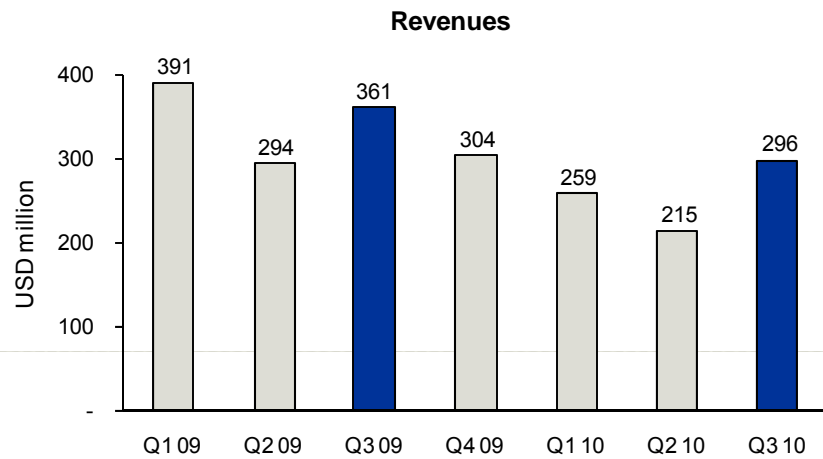
- Q3 '10 earnings
 - EBITDA of USD 131.0 million
 - Marine Contract EBIT margin of 25%
 - MultiClient Late sales of USD 50.6 million
 - MultiClient pre-funding rate of 139%
- Order book of USD 489 million
 - All 2010 capacity booked
 - More than 70% of Q1 '11 sold
- GeoStreamer® momentum continues
 - Demand surpasses current supply
- Increase in market and bid activity



EBITDA guidance maintained



Financial Summary – Continuing Business

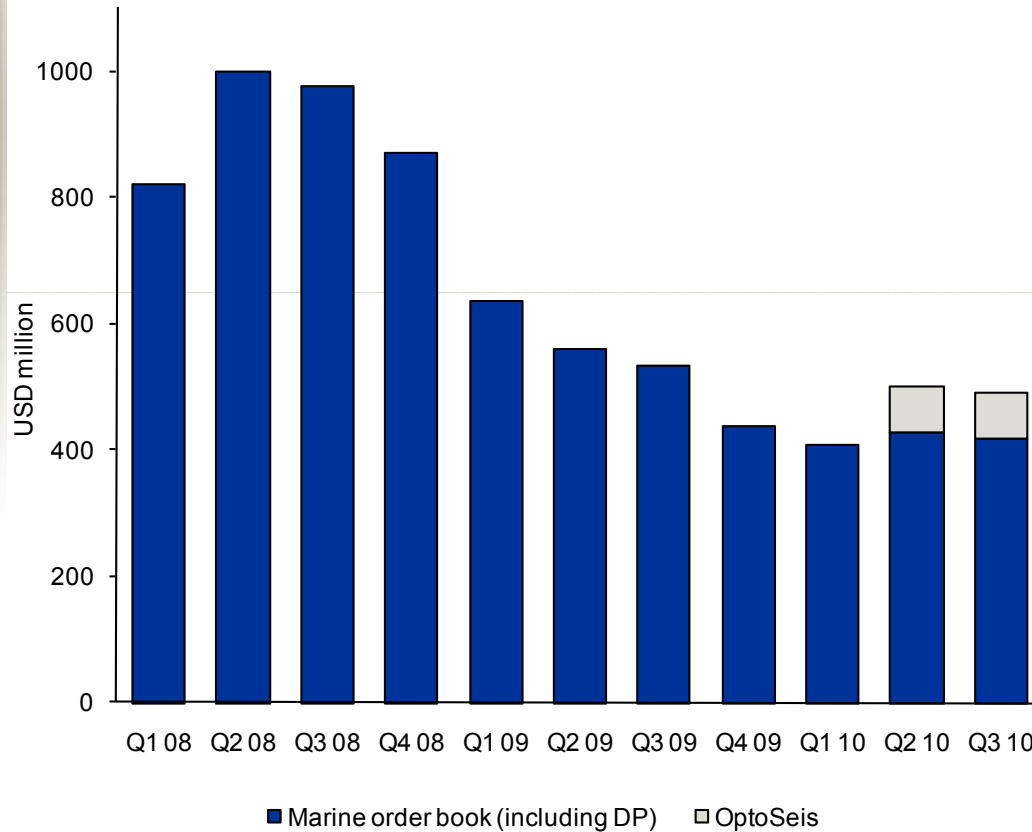


*Excluding impairments of USD 79.9 million in Q3 2010, USD 0.5 million in Q1 2010, USD 2.4 million in Q4, USD 52.4 million in Q3, USD 48.2 million in Q2 and USD 50.6 million in Q1 2009.

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.



Solid Order Book



- Order book of USD 489 million
 - Number of inquiries is increasing, especially for GeoStreamer®
 - Direct GeoStreamer® awards becoming increasingly common
- Vessel booking visibility of approximately 6 months
 - More for GeoStreamer® and Data Processing



Achieving GeoStreamer® price premium



Petroleum Geo-Services ASA

Petroleum Geo-Services ASA

Financials

Unaudited Third Quarter 2010 Results



Consolidated Statements of Operations Summary

Continuing operations

USD million (except per share data)	Quarter ended September 30			Nine months ended September 30		
	2010	2009	% change	2010	2009	% change
Revenues	296.4	361.5	-18 %	770.7	1 046.5	-26 %
EBITDA*	131.0	170.2	-23 %	301.8	530.6	-43 %
Operating profit (EBIT) excluding impairments**	52.3	105.1	-50 %	92.4	341.4	-73 %
Operating profit (EBIT)	(27.6)	52.7	-152 %	12.0	190.2	-94 %
Net financial items	(0.5)	15.7	n/a	(52.5)	8.0	-753 %
Income (loss) before income tax expense	(28.1)	68.4	n/a	(40.5)	198.2	n/a
Income tax expense (benefit)	14.9	16.3	-8 %	17.1	48.3	-65 %
Net income to equity holders	(41.2)	47.7	n/a	(47.3)	143.0	n/a
EPS basic	(\$0.21)	\$0.24	n/a	(\$0.24)	\$0.77	n/a
EPS diluted	(\$0.21)	\$0.24	n/a	(\$0.24)	\$0.77	n/a
EBITDA margin*	44.2 %	47.1 %		39.2 %	50.7 %	
EBIT margin**	17.6 %	29.1 %		12.0 %	32.6 %	

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** Excluding impairments of USD 79.9 million in Q3 2010, USD 0.5 million in Q1 2010, USD 50.6 million in Q1 2009, 48.2 million in Q2 2009 and USD 52.4 million in Q3 2009.

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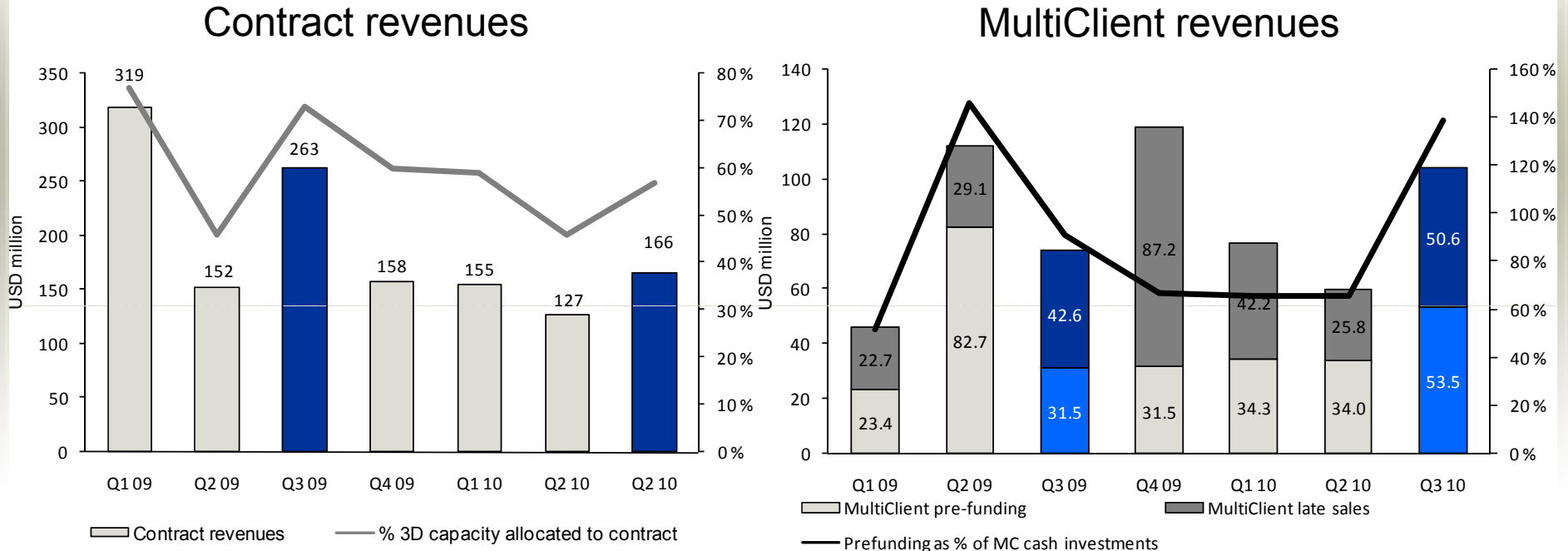


Significant Financial Reporting Items

- Impairment charge of USD 79.9 million relating to cancellation of NB 535
- Foreign currency exchange gain of USD 20.8 million in Q3 '10
 - Mainly relating to forward contracts to purchase NOK and GBP
 - USD depreciated significantly against these currencies in Q3 '10
- Recorded a Q3 loss from associated companies of USD 7.2 million
 - Mainly related to 12% interest in Geokinetics and share of earnings for Q2 '10 and estimated Q3 '10
 - Book value of investment currently below market value



Q3 Highlights

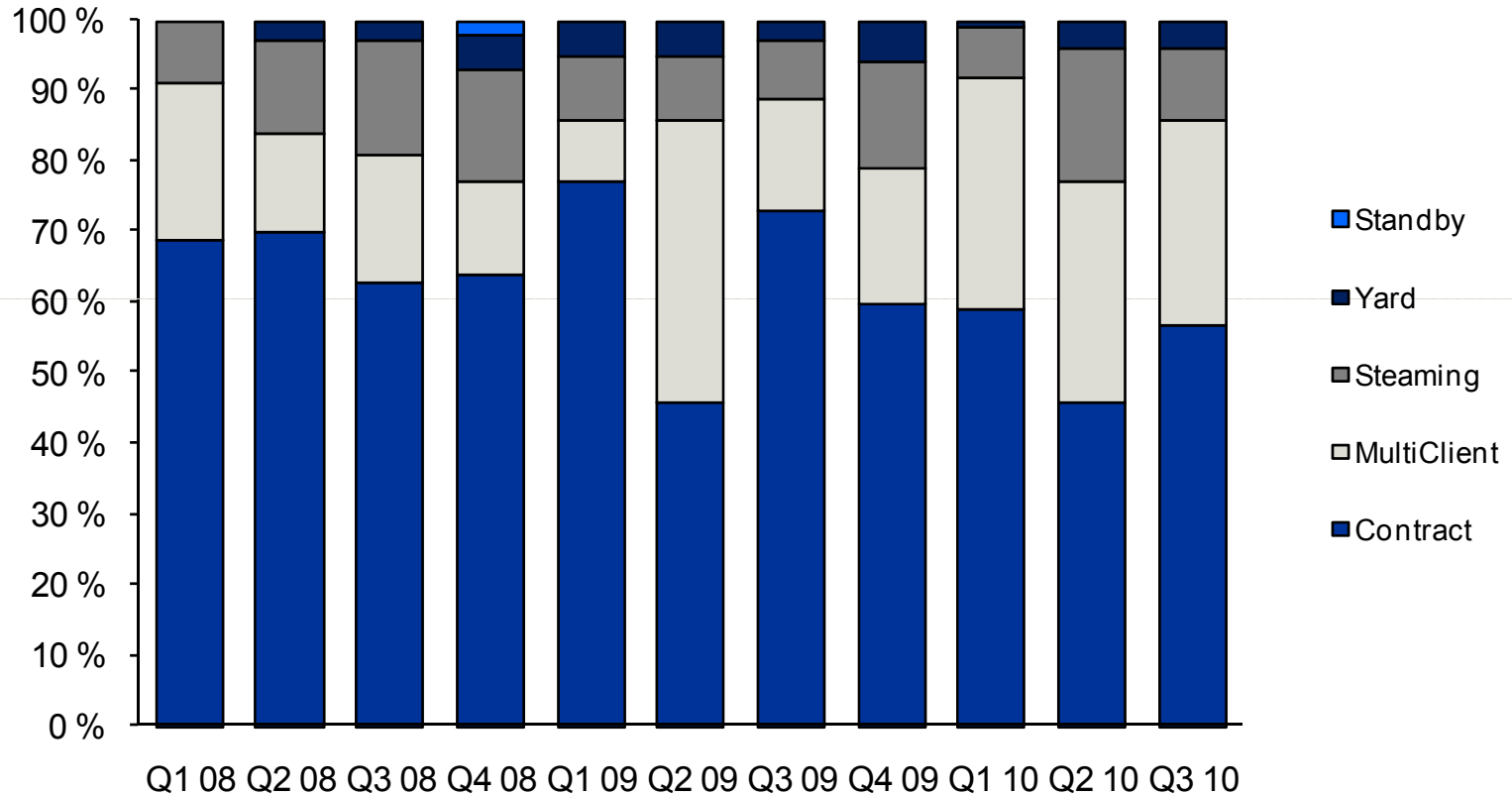


- Marine Contract EBIT margin of 25%, compared to 14% in Q2 '10 and 37% in Q3 '09
- Strong improvement in MultiClient pre-funding and late sales from Q2 '10 of 57% and 96% respectively
- External Data Processing revenues of USD 24.6 million, compared to USD 21.6 million in Q3 '09



Vessel Utilization

Seismic Streamer 3D Fleet Activity in Streamer Months

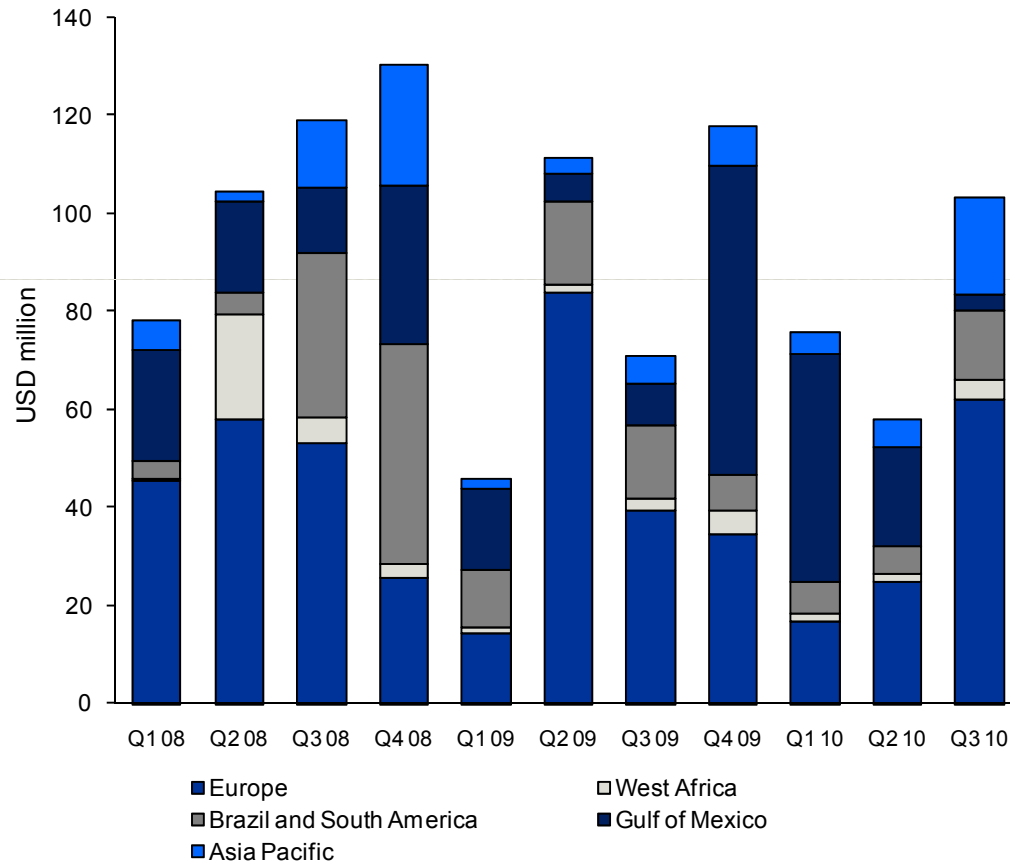


➔ Active vessel time in Q3 accounted for 86% of total time



MultiClient Revenues per Region

Pre-funding and Late Sales Revenues Combined



- Q3 '10 MultiClient pre-funding revenues primarily from the North Sea
- MultiClient late sales benefited from resolution of a border dispute between Brunei and Malaysia, and strong late sales in Brazil
- 29% of total 3D capacity used for MultiClient in Q3 '10, compared to 16% in Q3 '09
- Pre-funding ratio for full year 2010 expected to be in line with 2009 level
- Geographically diverse library



Pre-funding as percentage of MC cash investments was 139% in Q3 2010



Key Operational Figures

USD million	2010			2009			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Contract revenues	166.3	126.8	155.4	158.2	263.3	152.3	319.3
MultiClient Pre-funding	53.5	34.0	34.3	31.5	31.5	82.7	23.4
MultiClient Late sales	50.6	25.8	42.2	87.2	42.7	29.1	22.7
Data Processing	24.6	24.9	23.2	23.5	21.6	24.5	20.6
Other	1.4	3.5	4.3	3.4	2.4	5.8	4.8
Total Revenues	296.4	214.9	259.4	303.7	361.5	294.3	390.8
Operating cost	(165.4)	(143.4)	(160.1)	(162.1)	(191.3)	(140.1)	(184.5)
EBITDA	131.0	71.4	99.3	141.5	170.2	154.1	206.3
Depreciation	(31.0)	(33.6)	(29.7)	(33.6)	(36.3)	(27.6)	(34.3)
MultiClient amortization	(47.8)	(32.5)	(34.8)	(62.5)	(28.8)	(45.4)	(16.8)
EBIT*	52.3	5.3	34.8	45.5	105.1	81.2	155.2
CAPEX	(51.6)	(52.7)	(47.9)	(41.3)	(39.4)	(56.8)	(93.7)
Cash investment in MultiClient	(38.6)	(51.7)	(52.1)	(47.1)	(34.4)	(56.7)	(44.8)
Order book	489	499	409	438	533	559	636

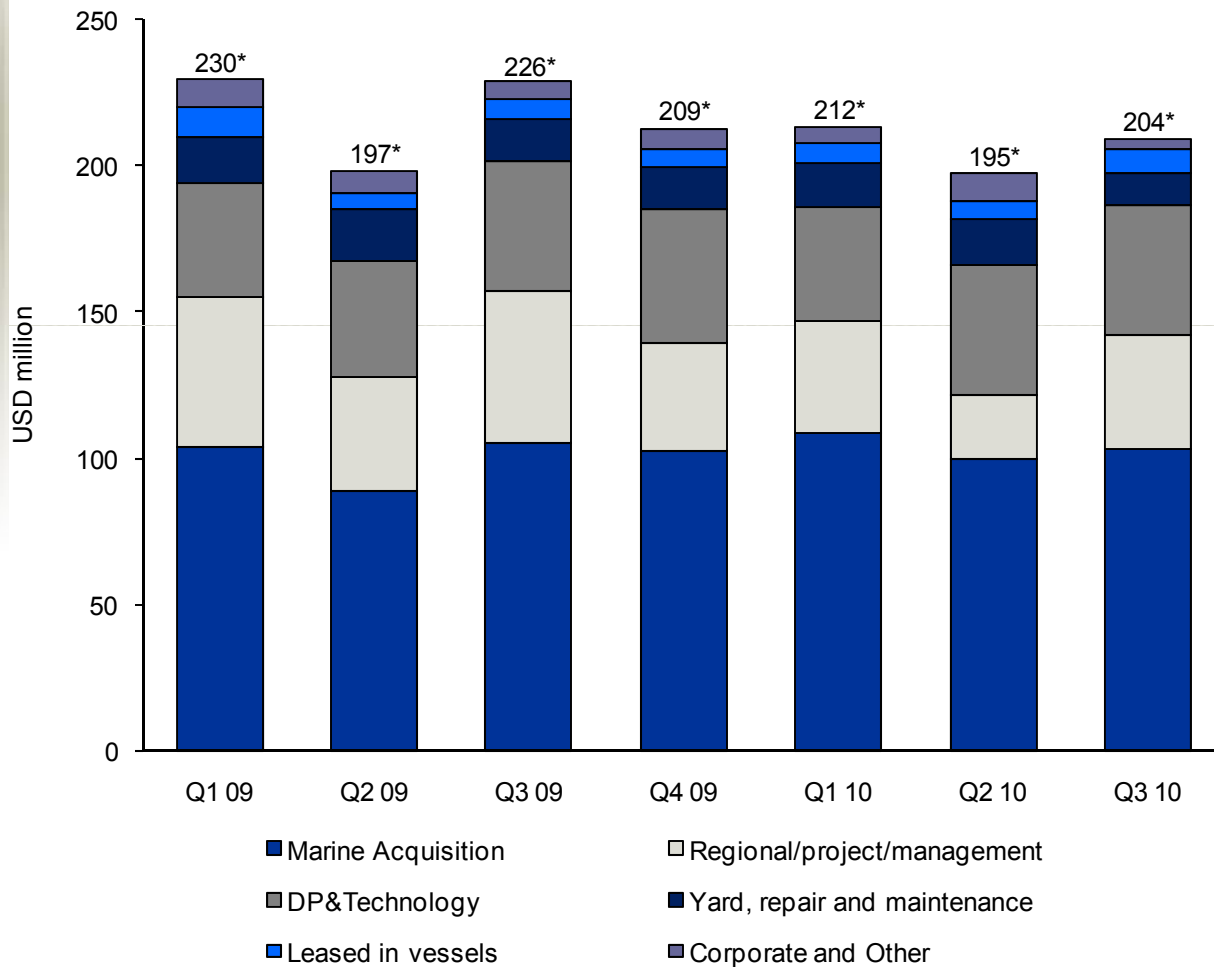
*Excluding impairments of long-lived assets of USD 79.9 million in Q3 2010, USD 0.5 million in Q1 2010, 2.0 million in Q4 2009, USD 52.4 million in Q3 2009, USD 48.2 million in Q2 2009 and 50.6 million in Q1 2009.

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Group Cost* Development



- Cost increase from Q2 '10 primarily due to expense of deferred steaming cost

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



ISS Tax

- Ongoing dispute with the tax office of Rio de Janeiro in Brazil related to municipal services tax (“ISS”) on sale of MultiClient data as disclosed in financial reports since 2005
- In October 2010, the Company have deposited approximately USD 65 million and filed a lawsuit to seek confirmation that sale of MultiClient data is as service and therefore not subject to ISS
 - This change of tactics is made to optimize the Company’s position, seeking resolution of the issue and avoiding exposure to further penalty and escalation claims
 - Deposit covers exposure for periods after 2005
- Total exposure of approximately USD 177 million, including penalties and interest
- Because the Company considers it more likely than not that the contingency will be resolved in its favor, no accrual have been made for any portion of the exposure



Arrow Vessels – Financial Status

- All guaranteed refunds from cancellation of new builds in Spain now received
 - NB 532: EUR 37 million received in February 2010
 - NB 533: EUR 37 million received in August 2010
 - NB 535: EUR 45 million received in October 2010
- PGS still has outstanding claims
 - NB 532: EUR 9 million (awarded by arbitration ruling)
 - NB 533: EUR 9 million (awarded by arbitration ruling)
 - Several enforcement alternatives pursued
 - Zero value in PGS balance sheet



Consolidated Statements of Cash Flows Summary

USD million	Quarter ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Cash provided by operating act.	60.5	163.8	239.8	517.3
Investment in MultiClient library	(38.6)	(34.7)	(143.6)	(139.1)
Capital expenditures	(51.6)	(46.4)	(152.2)	(203.5)
Other investing activities	44.6	69.9	259.9	67.2
Financing activities	(6.8)	(136.8)	(161.9)	(153.1)
Net increase (decr.) in cash and cash equiv.	8.1	15.9	42.0	88.8
Cash and cash equiv. at beginning of period	159.8	168.1	126.0	95.2
Cash and cash equiv. at end of period	168.0	184.0	168.0	184.0

- Increase of working capital in Q3 '10
 - Some reversal from record low levels in Q2 '10
 - Strong late sales in September
 - Increase of restricted cash (USD 12 million) in connection with achieving a court order of seizure for certain payments to the yard on NB 532
- Refunds of EUR 37 million (USD 48.6) million received in Q3 '10 following arbitration award for NB 533

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Consolidated Statements of Financial Position - Key Figures

USD million	Quarter ended September 30		December 31
	2010	2009	2009
Total assets	2 653.9	3 011.5	2 929.4
MultiClient Library	355.5	359.2	293.2
Shareholders' equity	1 398.8	1 419.2	1 449.0
Cash and cash equiv.	168.0	184.0	126.0
Restricted cash	16.4	26.1	18.0
Liquidity reserve	514.0	431.0	472.0
Gross interest bearing debt *	787.3	1 023.1	918.0
Net interest bearing debt	602.9	813.0	774.0

*Includes capital lease agreements

- Strong balance sheet position
 - Reduced net interest bearing debt
 - Increased equity ratio

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Petroleum Geo-Services ASA

Petroleum Geo-Services ASA

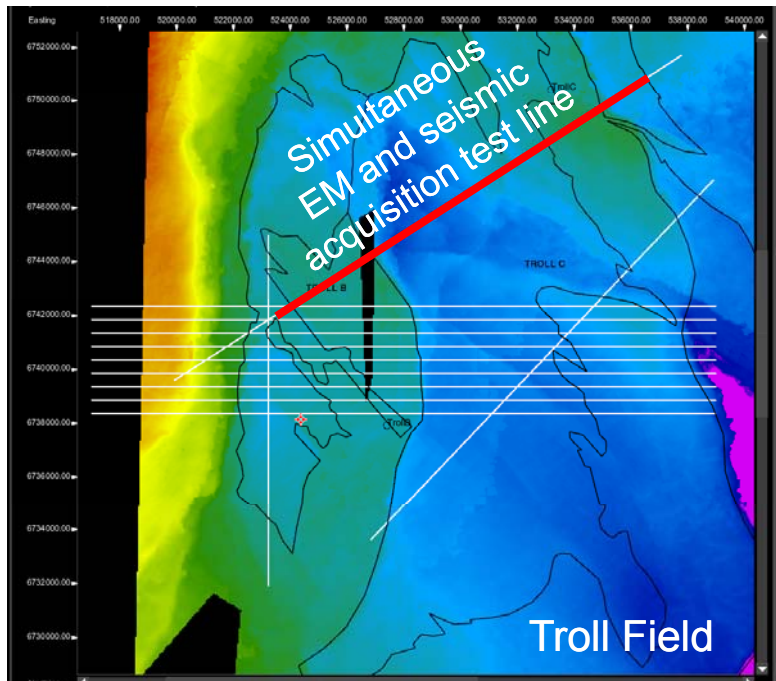
PGS going forward

Unaudited Third Quarter 2010 Results



Towed EM – A Step Change in Efficiency

- Towed EM development time-line:
 - 2009: Proof of concept
 - 2010: First 3D tests; simultaneous EM and seismic acquisition test
 - 2011: New source for increased depth of investigation
 - 2012: Commercial launch



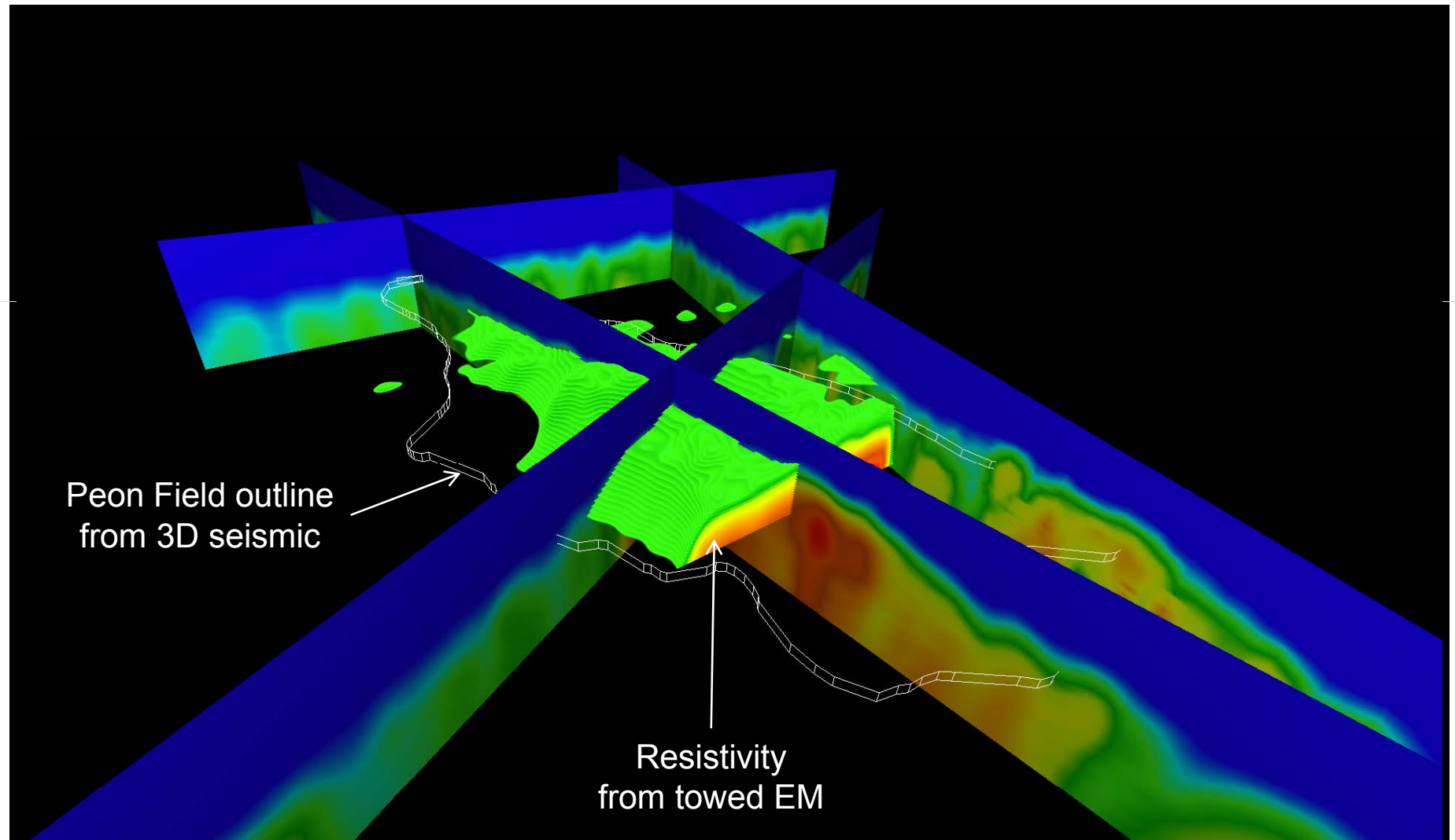
Seismic source deployment



EM source deployment



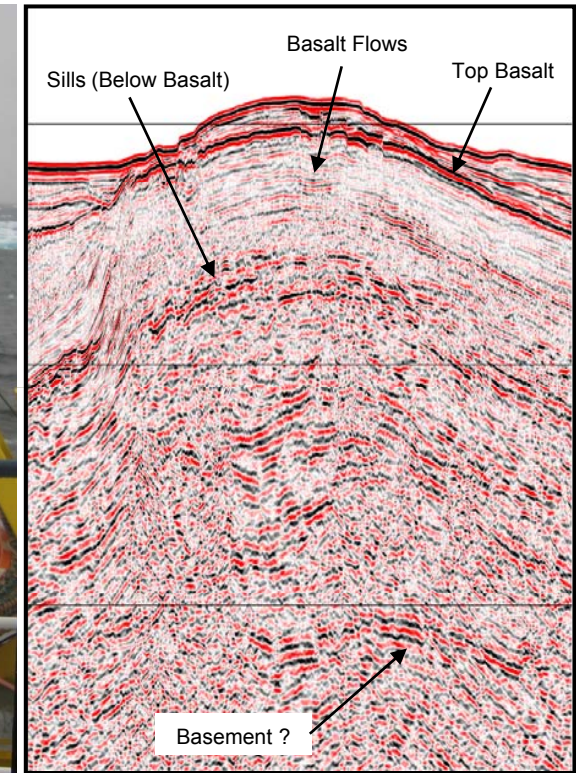
Towed EM – Resistivity Inversion Results for Peon Field



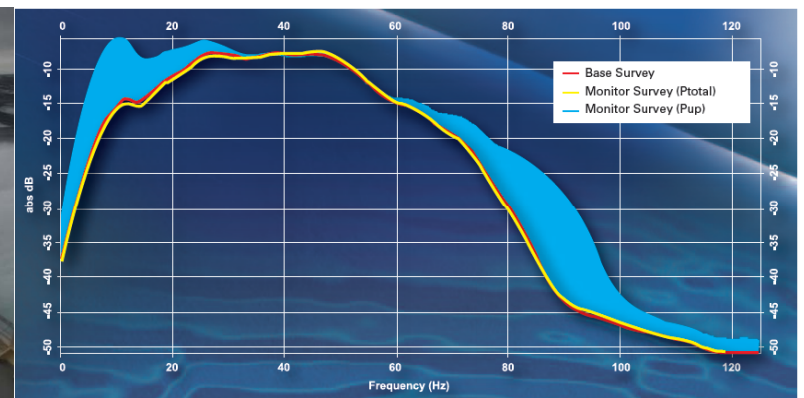


GeoStreamer® Sets New Standard Throughout the Seismic Value Chain

- Acquisition:
 - Reduced weather downtime
 - Arctic operations
 - New steerable devices – eBird*
 - Removal of seismic interferences
- Processing:
 - Improved multiple elimination
 - Direct estimation of attenuation
 - Full waveform inversion
- Interpretation:
 - Clearer deep structures
 - Higher resolution
 - Enhanced time-lapse signal
 - Improved stratigraphic inversion

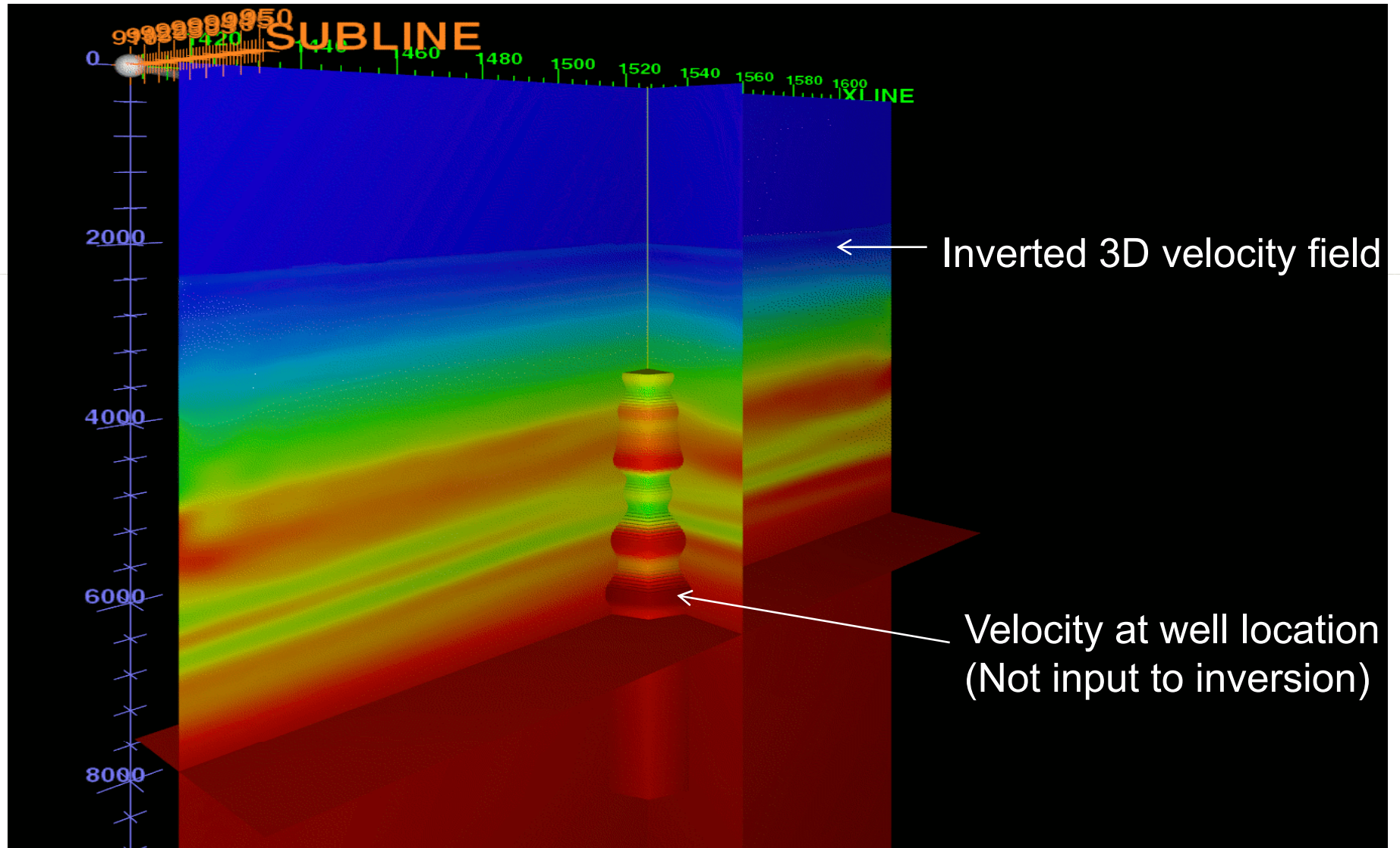


* Kongsberg trademark





GeoStreamer® Low Frequencies Enable Full Waveform Inversion – DeSoto Canyon Example





Petrobras Jubarte

Permanent Reservoir Monitoring Pilot Project



Figura 1 – Mapa de Localização do Campo de Jubarte

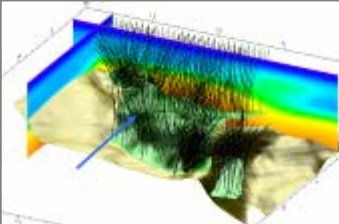


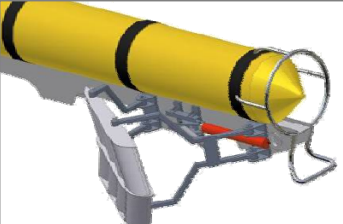
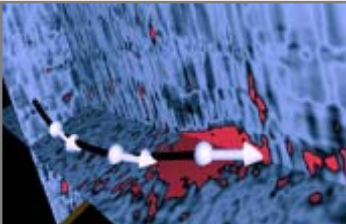

- 9 sq.km. pilot project
 - Field: Jubarte, total field 245 sq.km.
 - Significant potential once successful
- Full Solution
 - Active Seismic acquisition (3x for 3 years)
 - Passive recording (4x in 2 years)
 - Data processing - Active & Passive data



OptoSeis™ for Increased Recovery

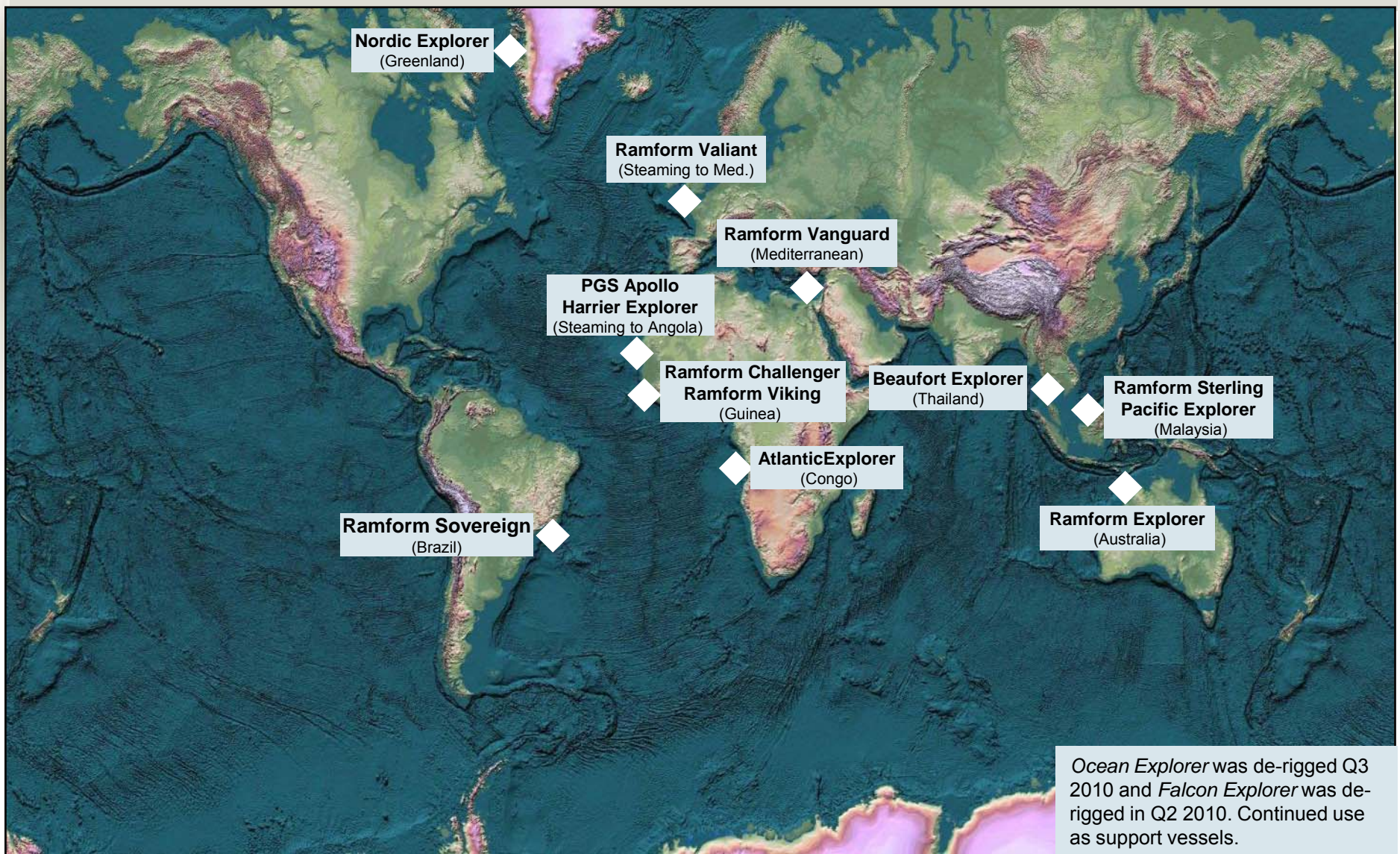


Typically only 1 of every 3 barrels of oil found in a reservoir is recovered. "OptoSeis™ - a real option to increase recovery and reserves, by 3-5% & more"

Design and Feasibility	Permanent Cable Systems Technology	Installation Services	Seismic Acquisition	Processing Interpretation Visualization
				
Seismic Modelling Survey Design		OBS Handling experience in 2000 m+ water depth	Steerable source for repeatability State-of-the-art onboard QC	Advanced imaging software PGS processing Valhall LoFS Reservoir group PGS holoSeis visualization
Cutting Edge 4D4C fiber-optic system & Production capability				

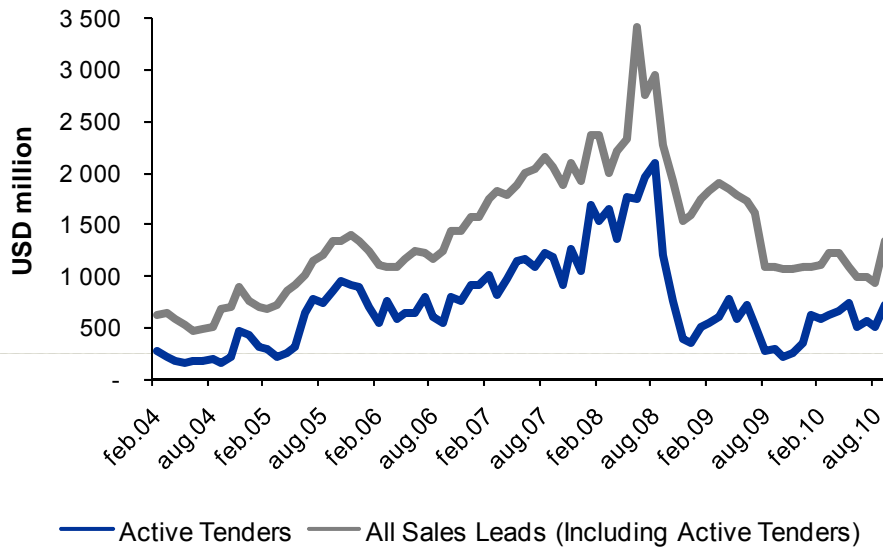


Streamer Operations October 2010

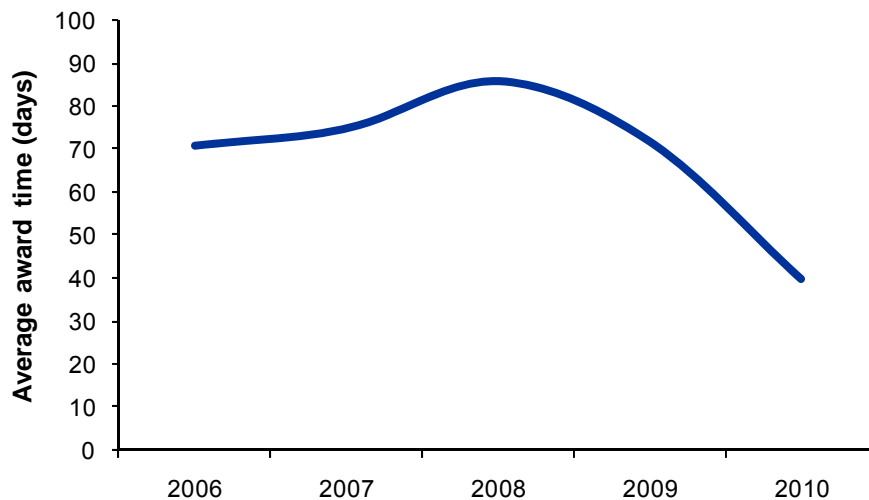




Good Bidding Activity – Low Award Time



- Bidding activity positive
 - General good customer sentiment
 - Massive interest for GeoStreamer® with pricing premium
 - Prices for conventional surveys still under pressure

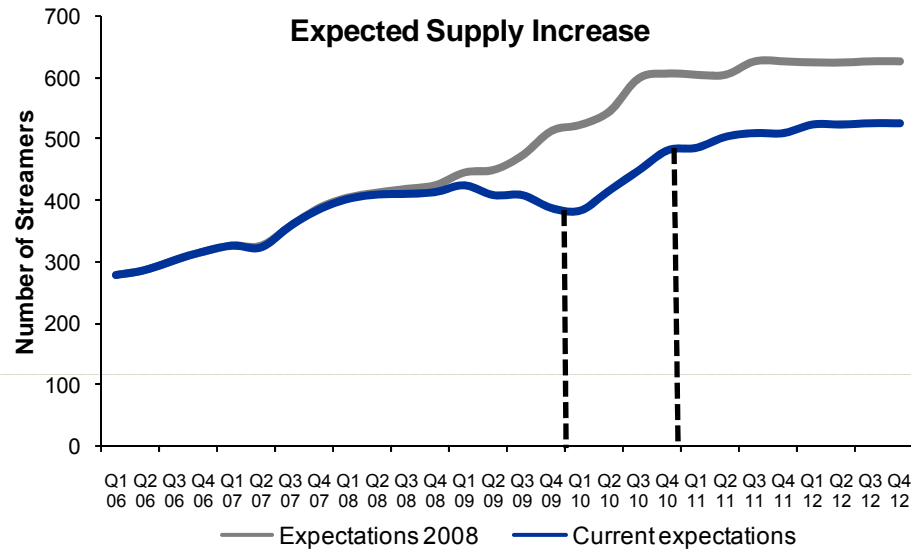


- PGS' average bid to award time has decreased substantially in 2010

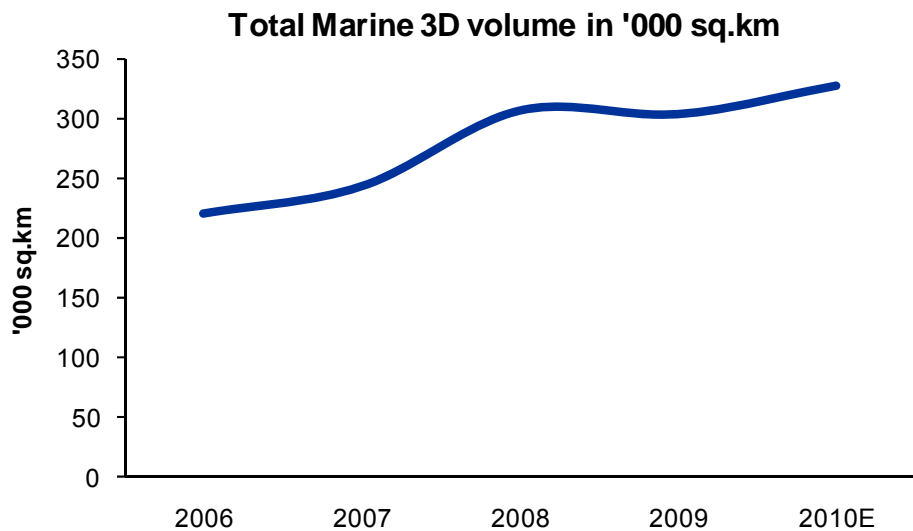
Figure shows average time from bid delivery to award for each year 2006 -2010. Based on jobs awarded to PGS only. Unweighted for size of job.



Capacity Increase Tapering Off



- New builds delivered in 2010 have been absorbed by the market
- Approximately 5% capacity increase expected annually in 2011 and 2012

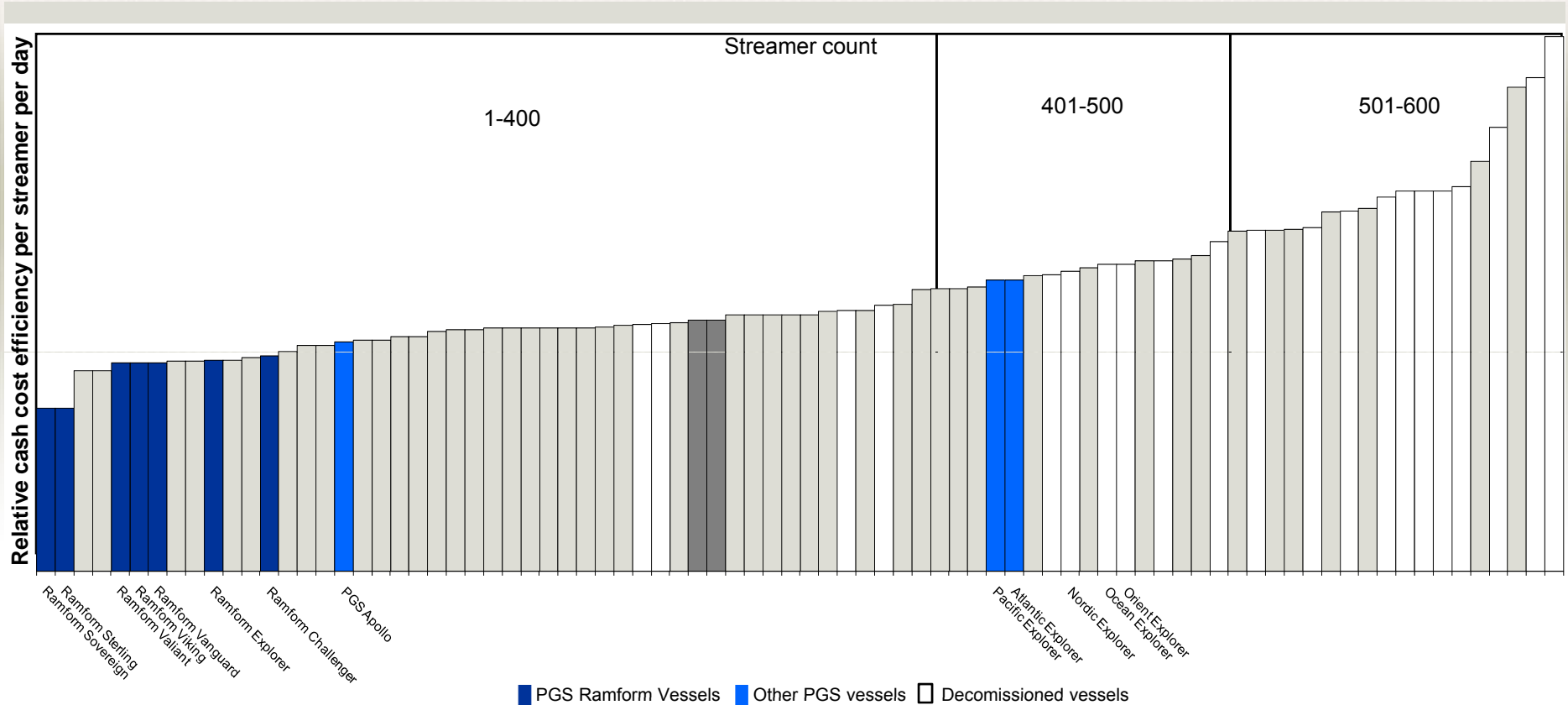


- Annualized activity growth in sq.km. from 2006-2010 of 10.5%,
 - In line with streamer capacity growth in the same period
- Demand for GeoStreamer® outstrips supply



Favorably Positioned on the Industry Cost Curve

Excluding GeoStreamer® productivity effect

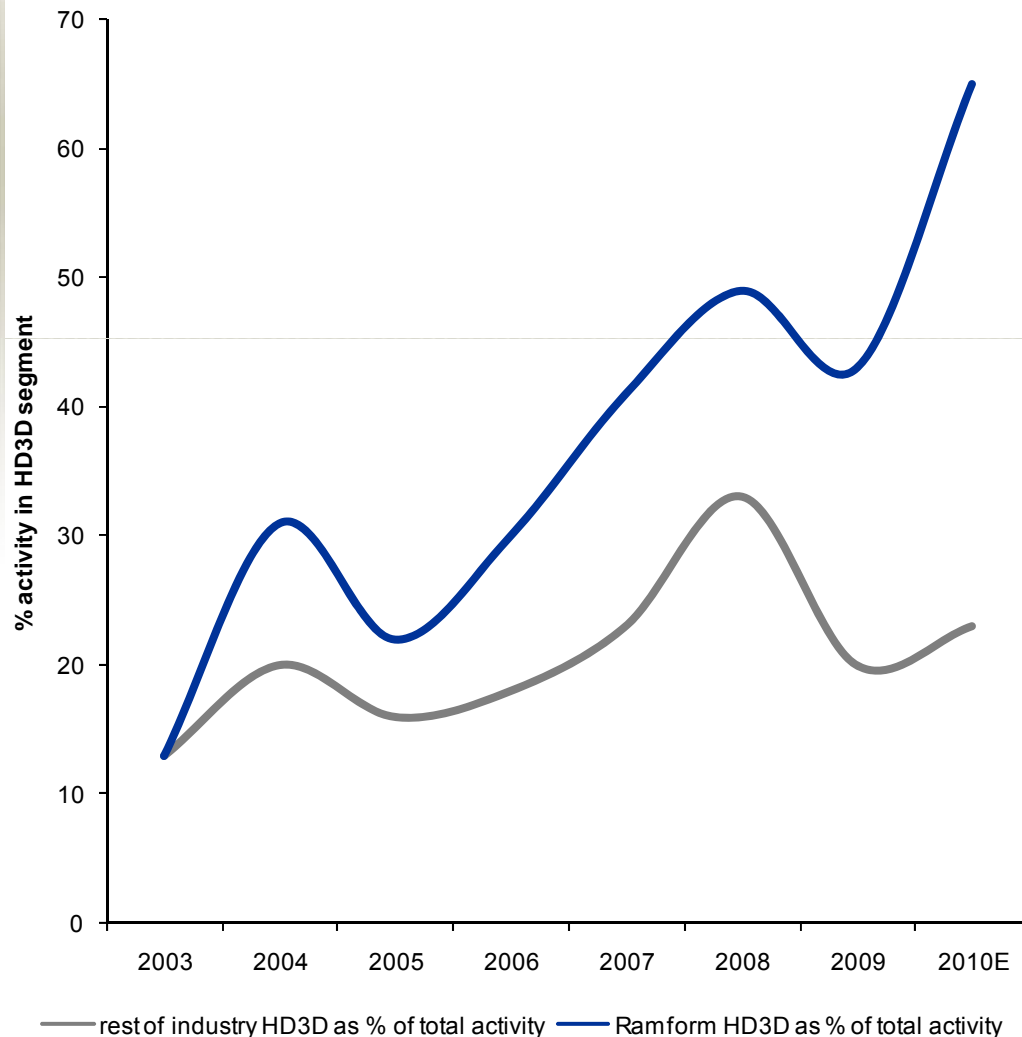


- PGS fleet is positioned to generate the industry's best margins
- *Ramform Challenger* will get a similar upgrade next year as *Ramform Explorer* got this year – enhancing the Company's position on the cost curve further

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.



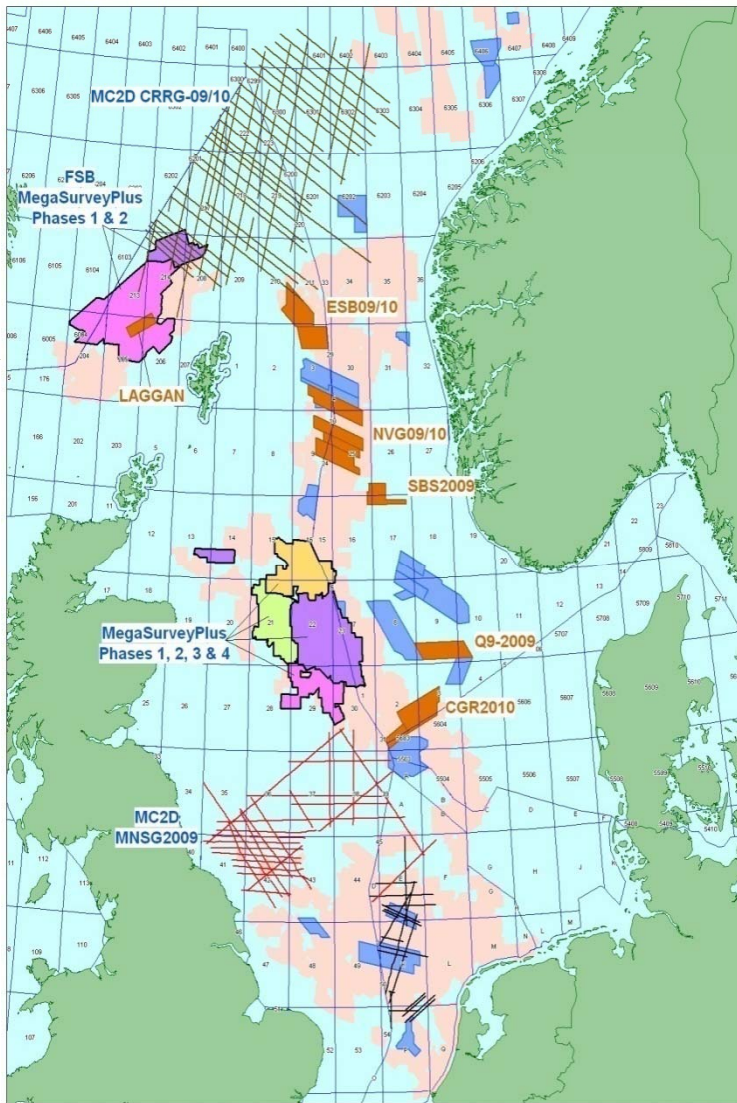
Ramforms Have a Lead in a Growing HD3D Segment



- HD3D has grown significantly over the last 4 years
 - Both in absolute size and in share of total activity
- In 2010, HD3D will be around 30% of total market in sq.km. and significantly more in terms of revenue
- The Ramform fleet has consistently captured a large share of the HD3D segment
- In 2010 Ramform capacity will be approximately 80% of PGS total



Significant MultiClient Activity Globally



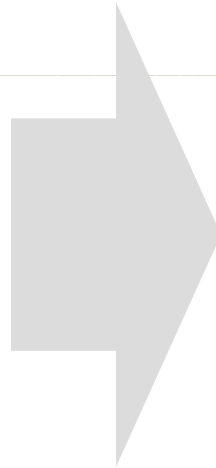
- GeoStreamer® redefines mature regions in the North Sea
- Completion of high-end MultiClient 3D season in the North Sea (9,000 sq. km) with strong industry funding
 - Norne NE – 550 sq. km
 - NVG10 GeoStreamer® MC3D – 4,500 sq. km; JV with TGS
 - CGR10 – 2200 sq. km HD GeoStreamer®
 - Grevling MC3D – 500 sq. km HD GeoStreamer®
 - ESB10 – 1,100 sq. km HD; JV with TGS
- Significant MultiClient planned for 2011 summer season in the North Sea
- 7,000 sq.km GeoStreamer® MC3D to commence in NW Australia in Q4 2010
- 10,000 km Southern Angola GeoStreamer® MC2D to commence in Q4, in cooperation with Sonangol to explore pre-salt play



On Track Towards Full GeoStreamer® Deployment

Current GeoStreamer® operations

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



Planned GeoStreamer® rollout

- Additional 3D vessels
 - *Ramform Viking* 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

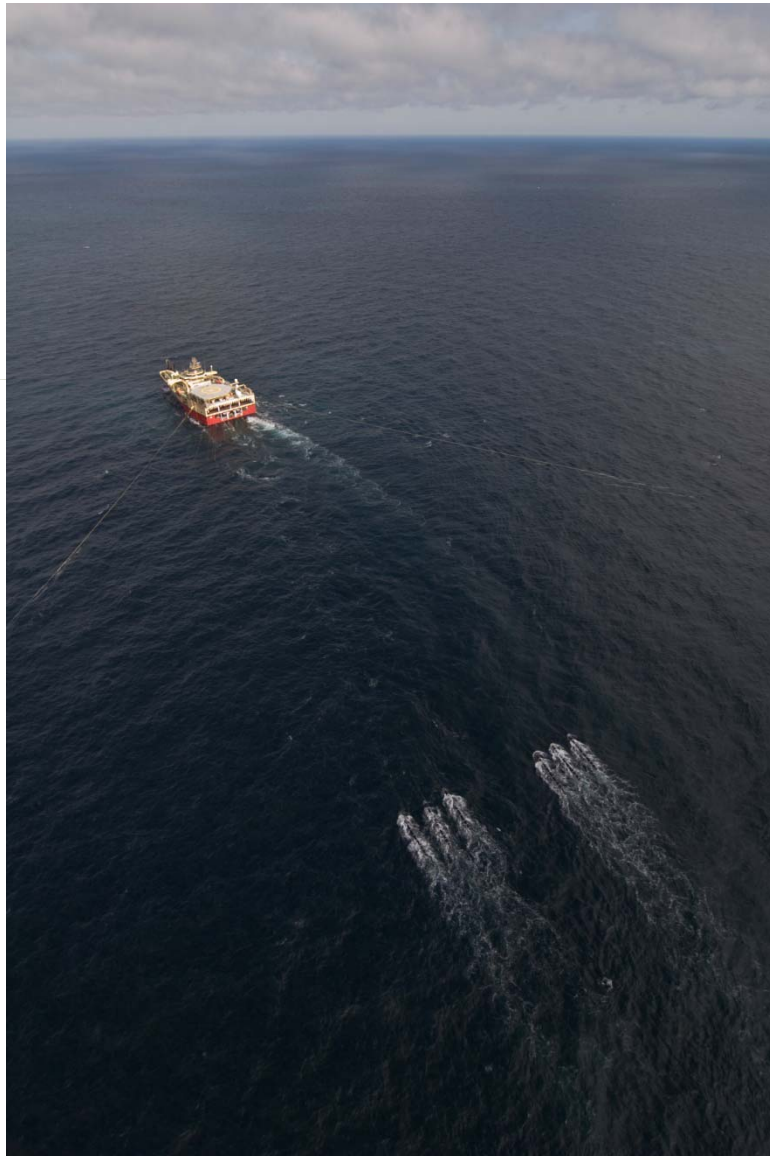
* In exploration mode with 100 meter streamer separation



Strong demand drives GeoStreamer® rollout



Full Year 2010 EBITDA Guidance Maintained



- EBITDA guidance maintained
 - Good backlog visibility
 - Secured pre-funding
 - Good late sales leads
 - Increased contract work in Q4 '10 compared to Q3 '10 with lower margins
- CAPEX of approximately USD 205 million
- MultiClient cash investments of approximately USD 175 million



Positioned for Market Recovery



- Oil price is stable at high levels
- Market expectations of approximately 10% increase in E&P CAPEX spending in 2011 over 2010
- 2010 capacity increase absorbed in the market and supply to grow at a slower rate in 2011 and 2012
- GeoStreamer® maintains technological leadership
- Robust product and technology pipeline
- Geographically diverse MultiClient library paying off
- Balance sheet remains robust



Technology and Productivity Leadership



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Main Yard Stays 3D Vessels Next 6 Months



Vessel	When	Expected Duration	Type of Yard Stay
<i>PGS Apollo</i>	October 2010	Approximately 15 days	Yard stay to complete warranty work
<i>Ramform Viking</i>	Scheduled February 2011	Approximately 35 days	Center thruster, main class and installation of GeoStreamer®.
<i>Ramform Challenger</i>	Scheduled April 2011	Approximately 21 days	15 year class Upgrade instrument room DFE upgrade (digitalization of propulsion system. New propulsion transformers.



Robust Financing at Attractive Terms

Long term Interest Bearing Debt	Balance as of September 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 316.6 million**		

* Plus USD 4.7 million for bid/performance bonds

** USD 344.5 million of nominal value outstanding after repurchase