



Refocused
Reenergized

Capital Markets Day

Oslo, February 1, 2018

Agenda Q4 Earnings Release & Capital Markets Day

Time	Event
09:00	PGS and 2018 market perspectives Rune Olav Pedersen, President & CEO
09:25	Q4 2017 results and CMD financials Gottfred Langseth, EVP & CFO
10:00	Q&A
10:15	Coffee break
10:30	Sales & Services Sverre Strandenes, EVP Sales & Services
10:55	Operations & Technology Per Arild Reksnes, EVP Operations & Technology
11:20	Concluding remarks Rune Olav Pedersen, President & CEO
11:25	Q&A
11:40	Lunch

Cautionary Statement

- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
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- This presentation must be read in conjunction with other financial statements and the disclosures therein



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Rune Olav Pedersen

President & CEO

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2017 Highlights



Managed through a challenging market

- Took advantage of regional supply constraints to increase marine contract prices
- Benefitted from an improving 4D market



Industry leading MultiClient performance

- Strong sales-to-investment ratio
- Solid sales-to-book ratio
- Well positioned in Brazil and Malaysia



Excellent operational performance

- Operational performance of 94%
- Downtime of 2.7%
- TRCF and LTIF of 0.6 and 0.15



Took delivery of *Ramform Hyperion*

- The last in a series of four new vessels
- No new builds for the foreseeable future
- Reduced capital expenditures



Centralized, Simplified & Streamlined

- Improving fleet and imaging flexibility
- Reducing gross cash cost
- Focusing on profitability and cash flow

Re-focused & Re-energized: Increasing Organizational Effectiveness



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, centralized and simplified organization with more flexible vessel and imaging capacity
- Increased focus on sales from all product lines
- Streamlined process for handling bids
- Improved project execution
- More effective Imaging organization

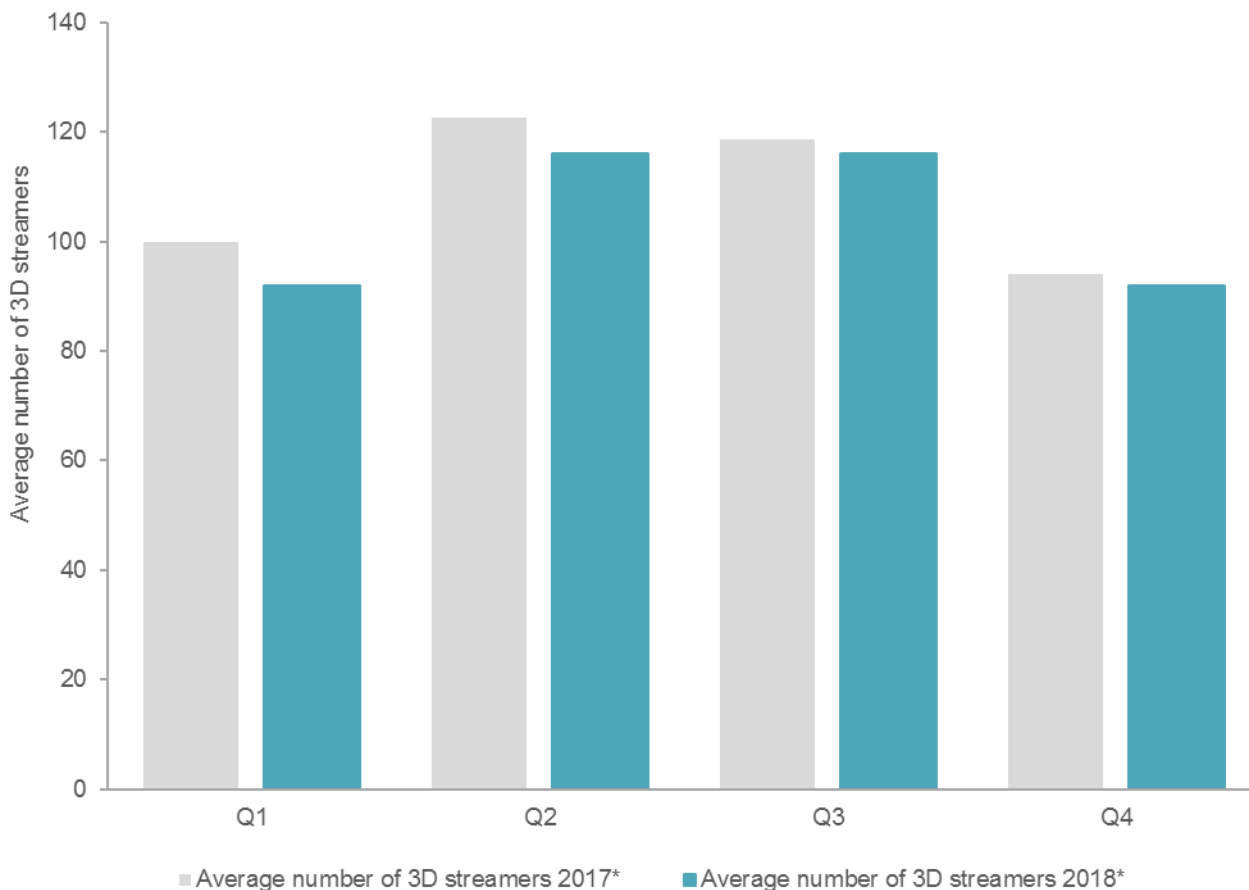
Focus on short term profitability – building a sustainable foundation for longer-term performance

Reorganization Executed According to Plan – Focusing on Core 3D Activity



- Completed reorganization in Q4 2017 and started operating under new organizational structure on 1 January 2018
- PGS EM activities are suspended until the market improves sufficiently for the business to generate enough cash to cover operating costs
- Management explores possibilities of divesting the OptoSeis technology
- In process of selling the Cairo imaging center, which mainly process 2D data, while PGS focuses on 3D acquisition and processing

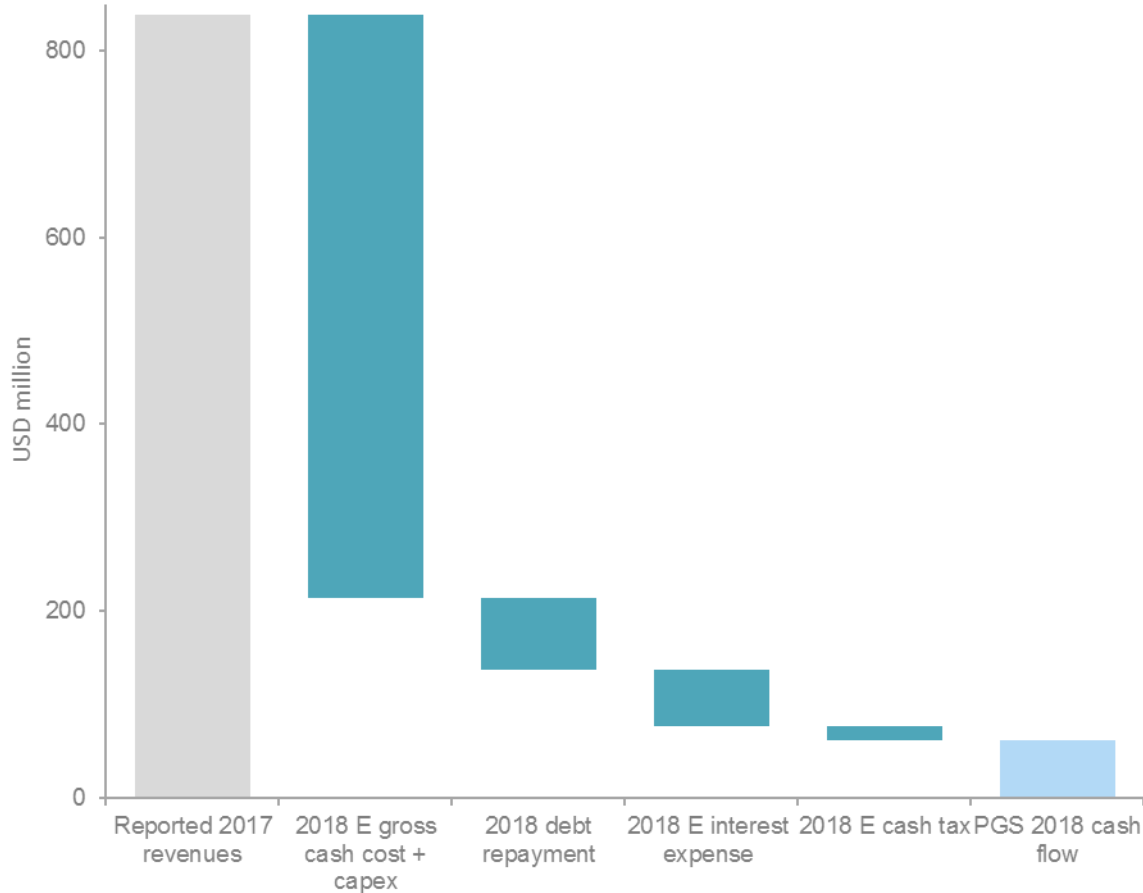
Earnings Capacity Maintained: 2018 Streamer Capacity in line with 2017 Streamer Capacity



*Excludes cold and warm stacked vessels.

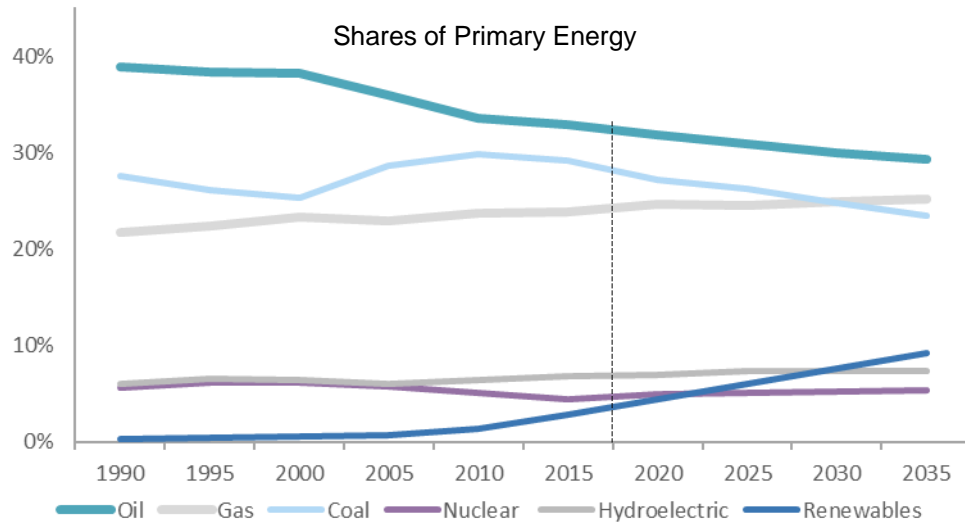
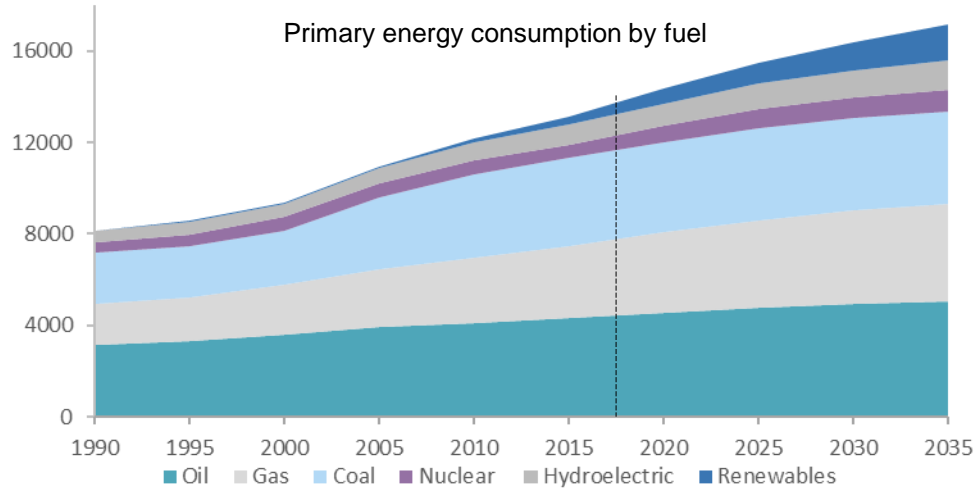
- PGS operates a fleet of eight 3D vessels, of which two will be used selectively
 - Address seasonal demand swings
- Adjusting the Company's cost base to six vessels
- Revenue generating capacity will be approximately the same in 2018 compared to 2017
 - Assuming six vessels in operation in Q1 and Q4, and eight vessels in Q2 and Q3
- On average, active vessel capacity in 2018 will be newer and more efficient than in 2017

Reorganization: Cash Flow Positive in a Flat 2018 Market vs. 2017



- Assuming flat revenues in 2018 vs. 2017 PGS will generate positive cash flow after debt repayment
- 2018 debt repayments include USD 51 million of amortizing loans and USD 26 million final maturity of the 2018 Senior Note

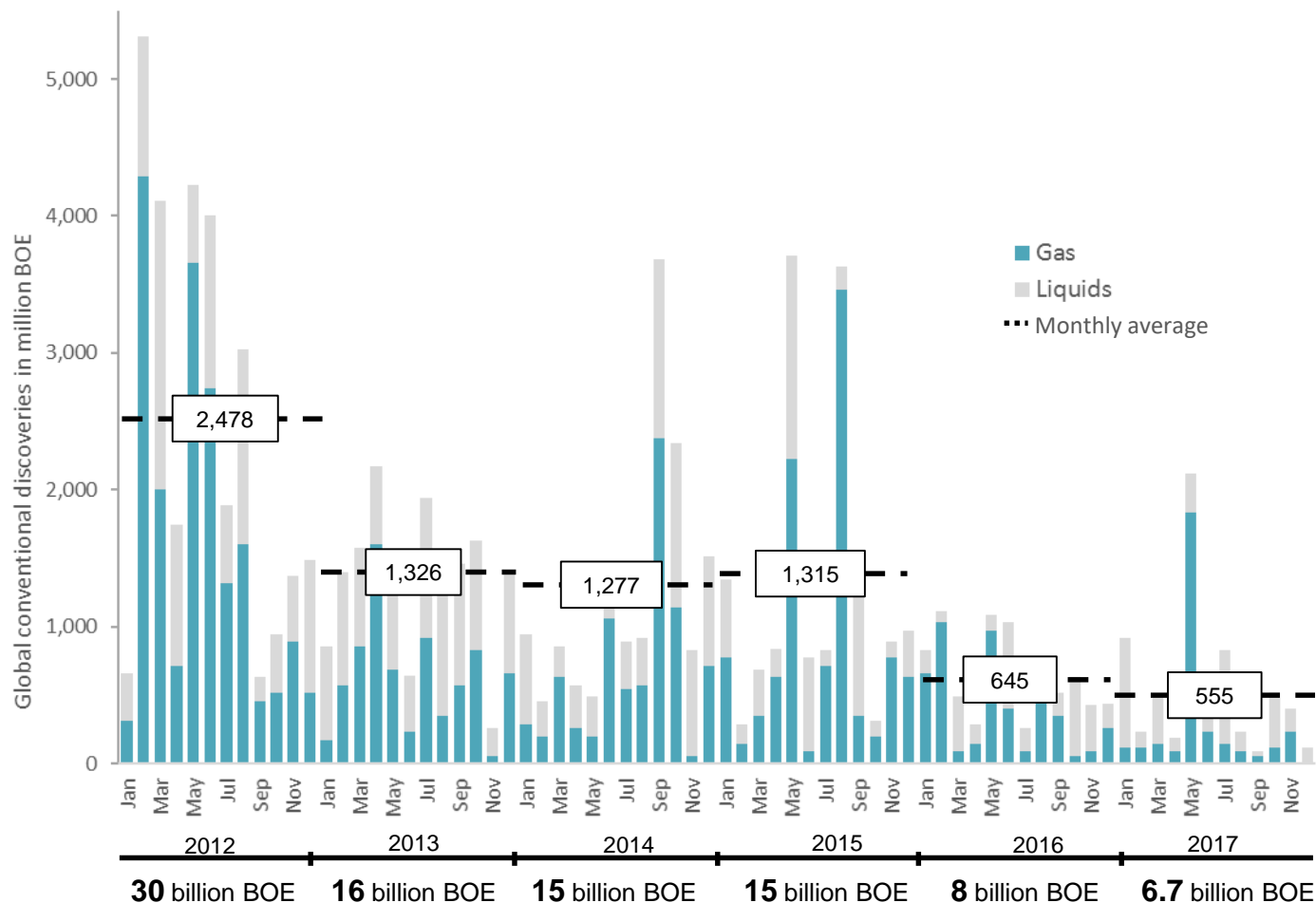
Oil and Oil Service Market: Energy Demand will Increase – Fossil Fuels Remain the Dominant Energy Source



Source both graphs: BP World Energy 2017

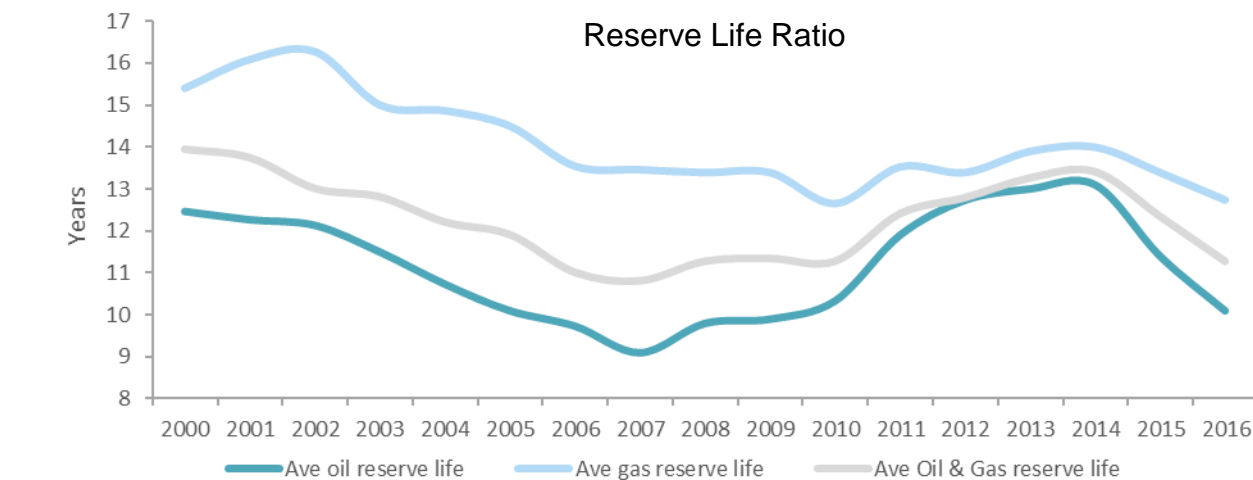
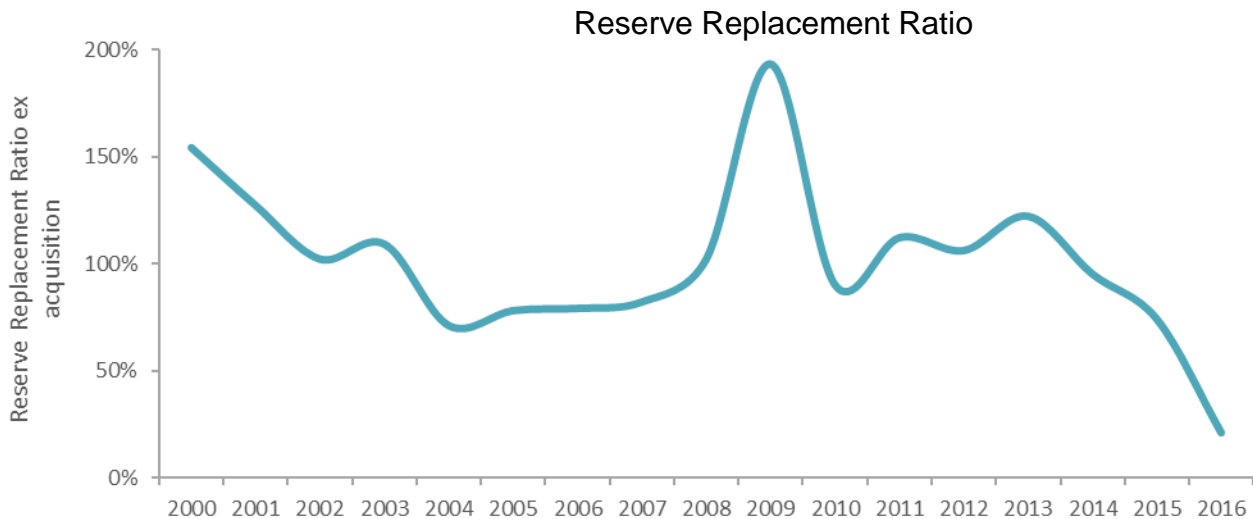
- Energy demand will continue to grow owing to increased world GDP
 - Driven by emerging markets
 - Projected 1.3% annual growth to 2035
- Renewables are the fastest growing energy source, but fossil fuels remain the dominant source of global energy supplies
- Decline rates from producing field is significant and increased shale production is not enough to compensate
 - Offshore exploration and production has to increase

Oil and Oil Service Market: At the Same Time Discovery of Fossil Fuels Continues to Decline



- Discoveries of 6.7 billion boe in 2017 (versus 30 billion boe in 2012)
 - The 2017-level is the lowest level seen since 1947
- Exploration spending and drilling have been significantly reduced
- Oil discovery levels are unsustainable to meet future demand

Oil and Oil Service Market: Record Low Activity Causes Low Reserves and Short Inventory Duration



- Reserve Replacement Ratio and Reserve Life Ratio among integrated oil companies are down to unsustainably low levels
- Increased exploration activity is needed to reverse this trend

Oil and Oil Service Market: Integrated Oil Companies are Cash Flow Positive and Improving

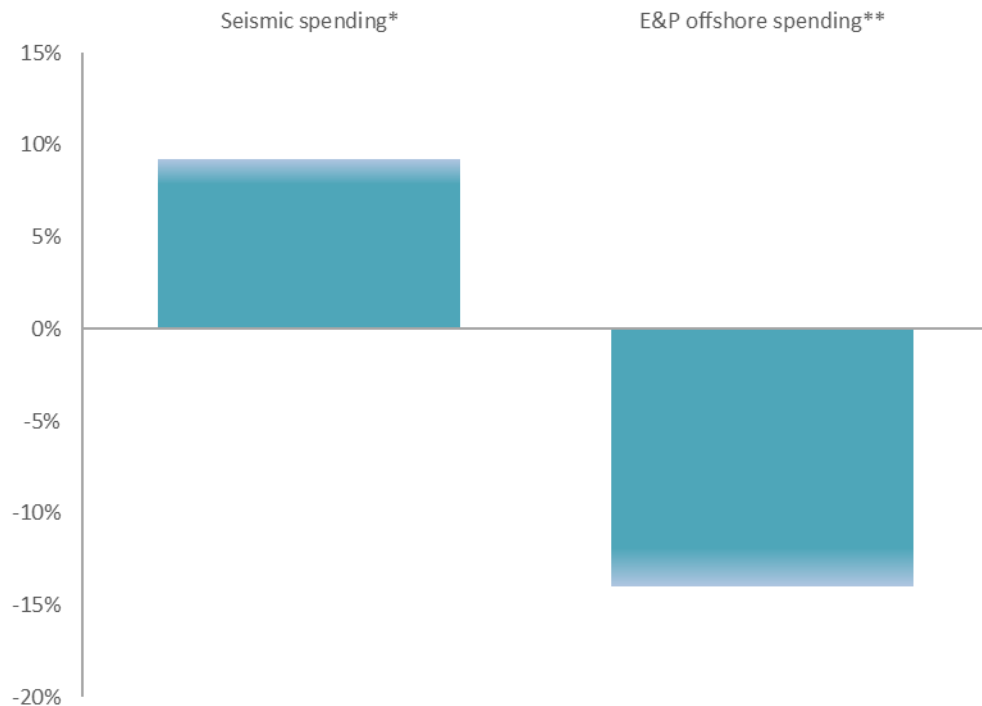


- Integrated oil companies became cash flow positive after capex and dividend in 2017
- With oil price above USD 50 per barrel they are generating significant cash flow
 - Brent Blend currently hovering around USD 70 per barrel
- Integrated oil companies are well positioned to increase spending

Oil and Oil Service Market: Seismic – Historically Early Cycle Indicator



Change in 2017 vs. 2016

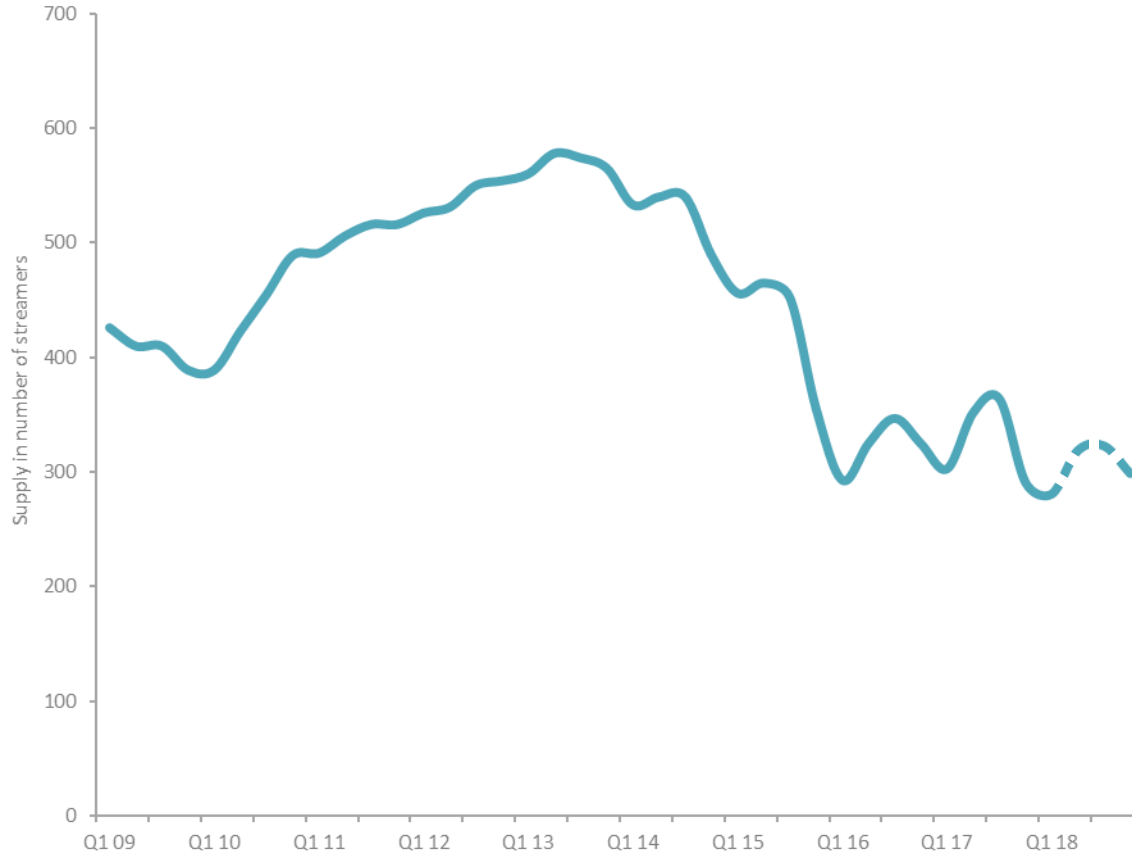


- Seismic spending increased by 9% in 2017 compared to 2016, while offshore spending declined by ~14%
- Historically seismic has been an early cycle indicator

*Seismic spending are actual revenues from PGS, CGG, WesternGeco, Polarcus and Spectrum and consensus full year estimates for TGS.

**Average estimates from Barclays, DNB Markets, Pareto Securities and SEB.

Marine Seismic Supply



- Average streamer capacity in 2018 is close to 50% lower than average streamer capacity in 2013
- Flexible winter capacity from larger seismic companies will cause supply swings going forward
- Schlumberger's exit from the seismic acquisition market could bring supply further down
- Low industry maintenance capex cause global streamer pool to shrink

Lower supply should benefit market balance in 2018

2018 Guidance

- Group gross cash cost of ~USD 575 million
 - Of which ~USD 250 million to be capitalized as MultiClient cash investments

- MultiClient cash investments ~USD 250 million
 - More than 50% of 2018 active 3D vessel time allocated to MultiClient

- Capital expenditures of ~USD 50 million

Summary



- Higher oil price, improved cash flow among oil companies and unsustainable reserve replacement ratios are expected to benefit marine 3D seismic market fundamentals going forward
- Some indications of improving market sentiment in 2018
- Continued risk related to timing of market recovery
 - PGS plans for a flat market
- A centralized, simplified and streamlined PGS - well positioned to achieve positive cash flow in 2018

Re-focused & Re-energized to capitalize on future market opportunities



Q4 and Preliminary Full Year 2017 Results

Oslo, February 1, 2018

Gottfred Langseth

EVP & CFO

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MultiClient Drives Revenue and EBITDA Growth

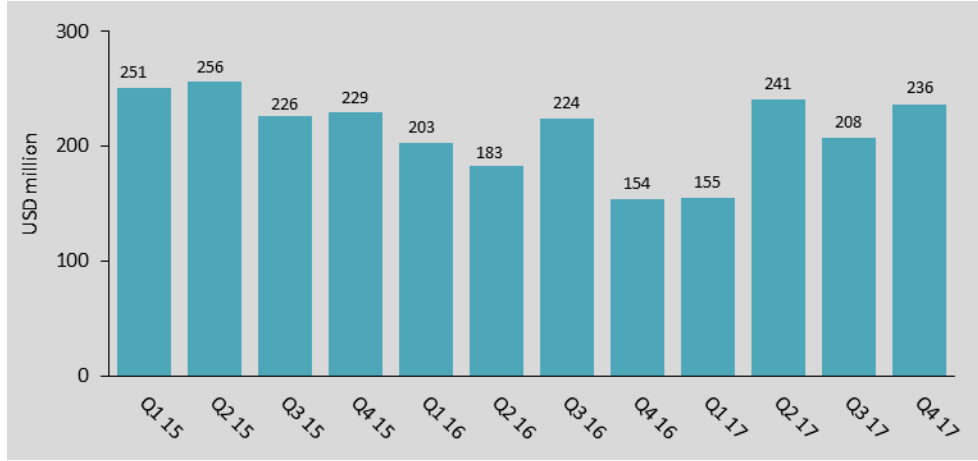


- 2017 EBITDA of USD 374.1 million
 - Q4 EBITDA of USD 122.8 million
- Strong full year MultiClient performance:
 - Pre-funding level of 140%
 - Full year sales-to-investment close to 2.5 times, up from 2.3 times in 2016
 - MultiClient revenues increased 14% compared to 2016
- Challenging marine contract market with significant seasonal swings
- Liquidity reserve of USD 257.3 million
- Implemented a centralized, simplified and streamlined organization
- Implemented measures to reduce 2018 gross cash cost by more than USD 100 million compared to 2017

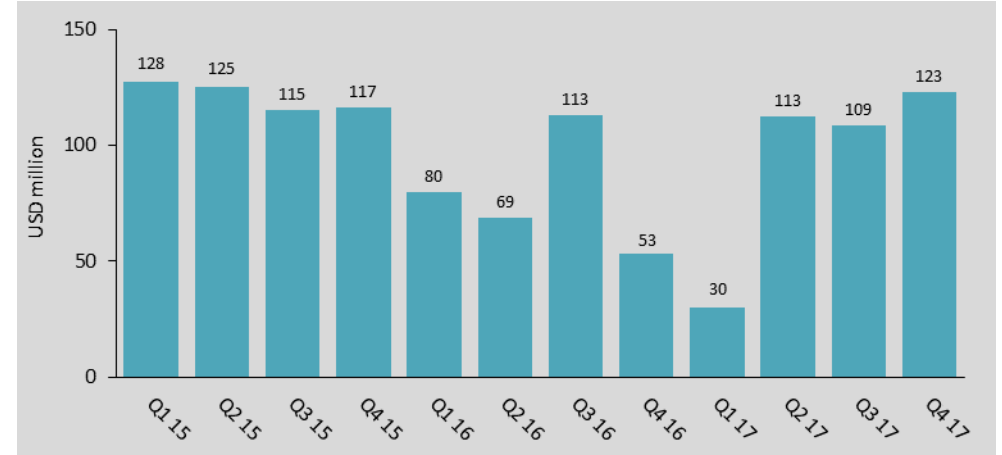
Well positioned to be cash flow positive after debt service in 2018

Financial Summary

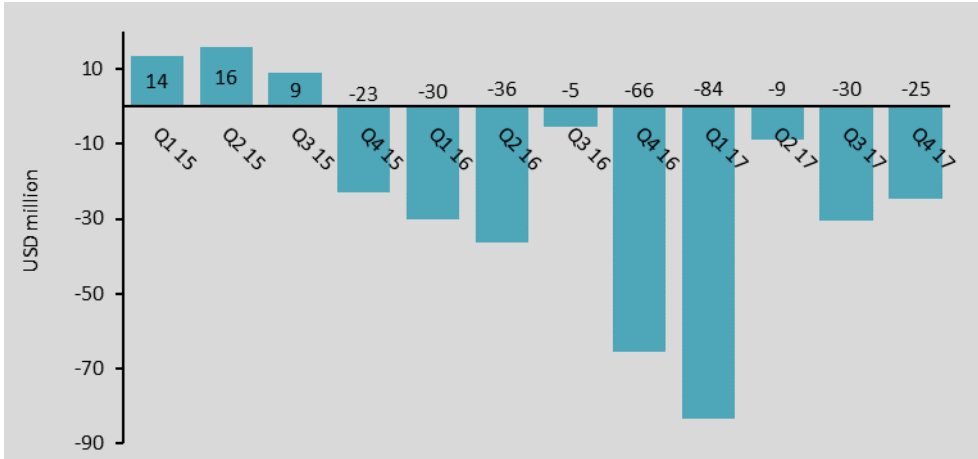
Revenues



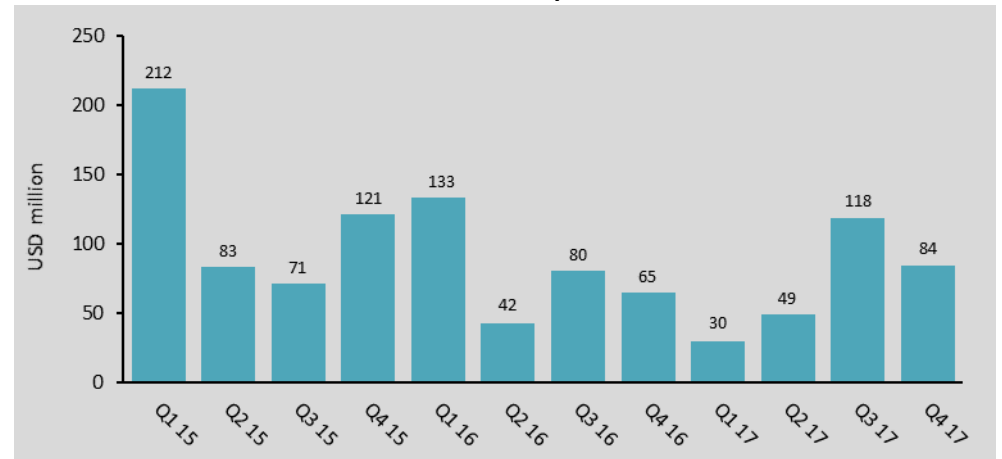
EBITDA*



EBIT**



Cash Flow from Operations



*EBITDA, when used by the Company, means EBIT excluding Other charges, impairment and loss/gain on sale of long-term assets and depreciation and amortization.

**Excluding impairments and Other charges.

Consolidated Statement of Profit and Loss Summary

	Q4	Q4	Full year	Full year
USD million (except per share data)	2017	2016	2017	2016
Revenues	235.9	154.1	838.8	764.3
EBITDA*	122.8	53.1	374.5	313.3
Operating profit (loss) EBIT ex impairment and other charges, net	(24.5)	(65.5)	(147.1)	(137.5)
Operating profit (loss) EBIT	(159.2)	(92.4)	(383.6)	(180.3)
Net financial items	(32.3)	(26.3)	(84.6)	(82.6)
Income (loss) before income tax expense	(191.5)	(118.7)	(468.2)	(262.8)
Income tax expense	(3.3)	(37.4)	(55.2)	(31.2)
Net income (loss) to equity holders	(194.8)	(156.1)	(523.4)	(293.9)
EPS basic	(\$0.58)	(\$0.61)	(\$1.55)	(\$1.21)
EBITDA margin*	52.1 %	34.5 %	44.6 %	41.0 %
EBIT margin ex impairment and other charges, net	-10.4 %	-42.5 %	-17.5 %	-18.0 %

*EBITDA, when used by the Company, means EBIT excluding Other charges, impairment and loss/gain on sale of long-term assets and depreciation and amortization.

The accompanying unaudited financial information has been prepared under IFRS. This information should be read in conjunction with the unaudited fourth quarter and preliminary full year 2017 results, released on February 1, 2018.

Impairments and Other Charges

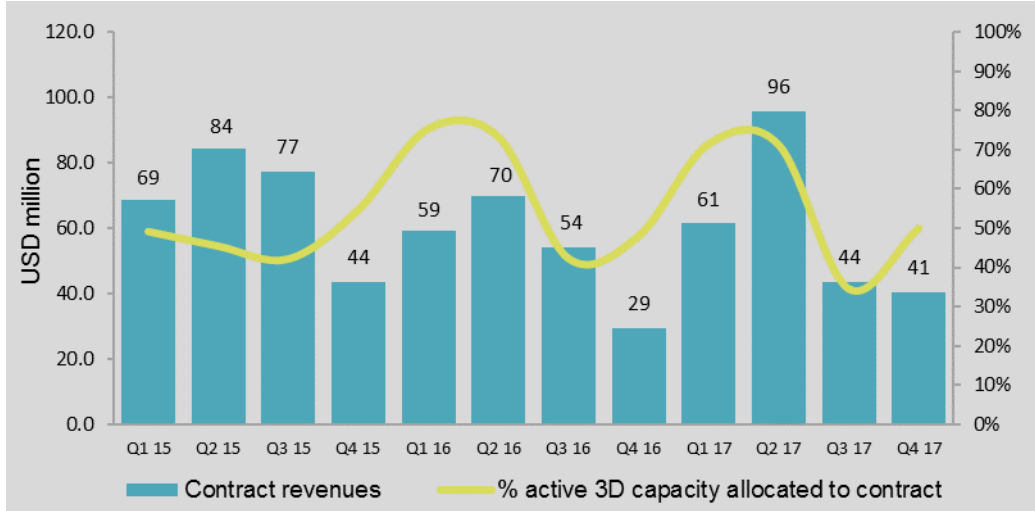
- Summary of impairments and other charges impacting Q4 and full year 2017

USD million	Q4 2017	Full year 2017
Impairment of MultiClient library	(14.2)	(59.4)
Impairments of property and equipment	(2.2)	(40.6)
Impairment of other intangible assets	(53.6)	(53.6)
Other charges, net	(64.7)	(82.8)

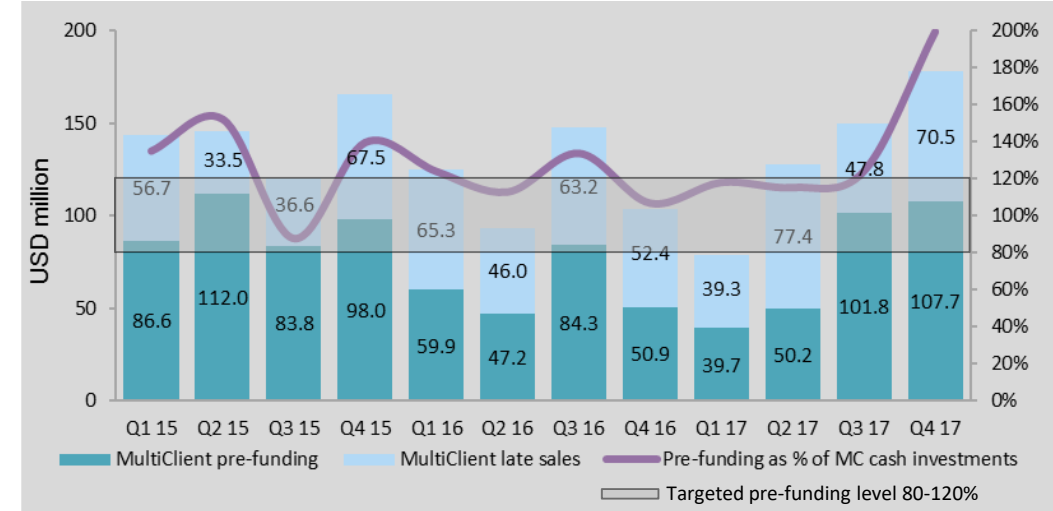
- Impairments:
 - MultiClient library relating to surveys performing weaker than anticipated
 - Property and equipment primarily relating to reduced 3D vessel capacity
 - Other intangible assets relating to discontinuation of EM activities and a decision to explore divesting OptoSeis
- Other Charges Q4 2017:
 - USD 39.7 million restructuring cost comprising severance cost and onerous office lease contracts
 - USD 14.4 million loss from settlement of ISS tax disputes in Brazil
 - USD 8.4 million increase of provision for onerous contracts with customers

Q4 2017 Operational Highlights

Contract revenues



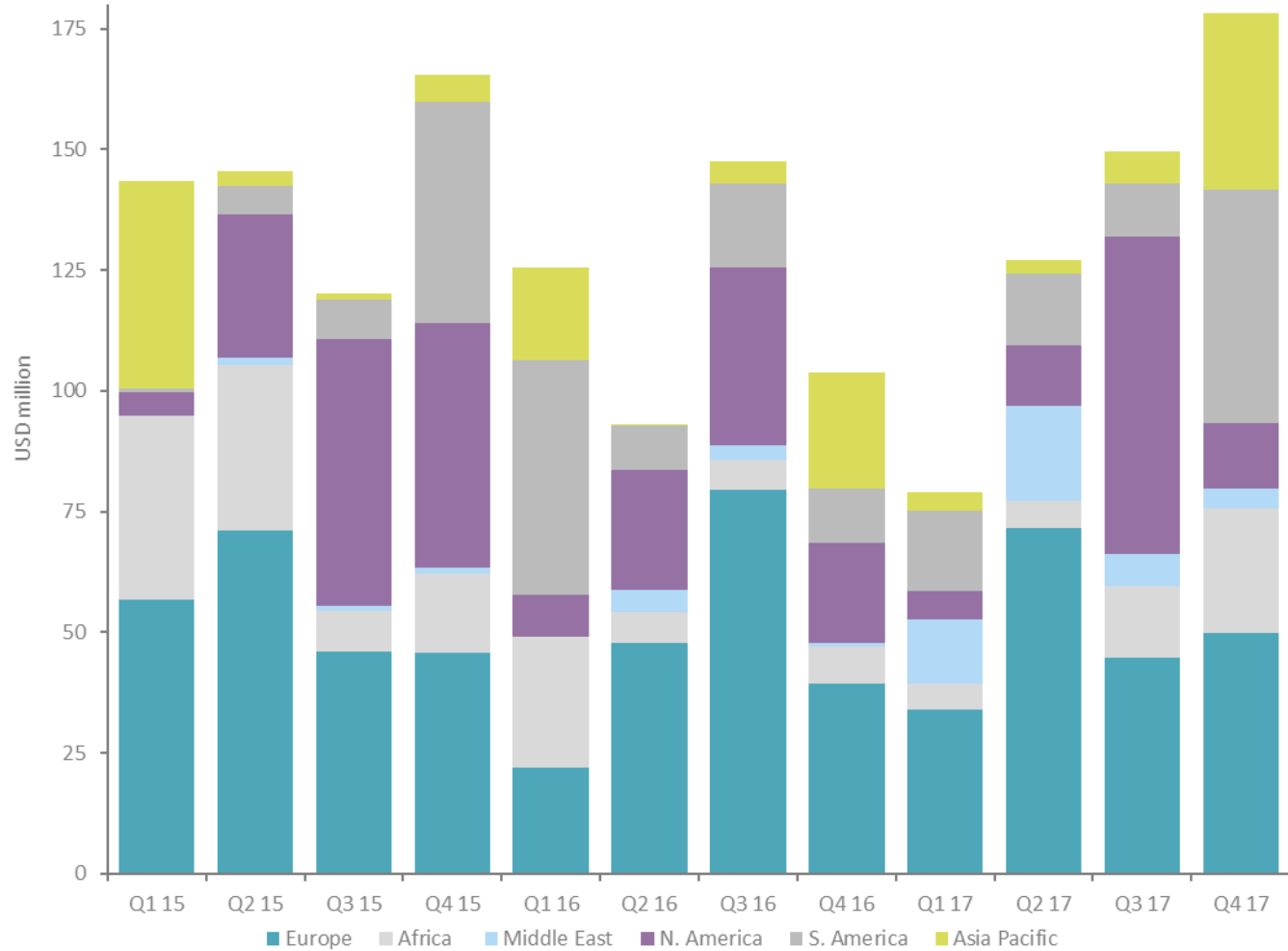
MultiClient revenues



- Total MultiClient revenues of USD 178.2 million
 - Pre-funding revenues of USD 107.7 million, driven by strong sales from surveys in the processing phase
 - Pre-funding level of 199% on USD 54.0 million of MultiClient cash investment
 - Late sales revenues of USD 70.5 million

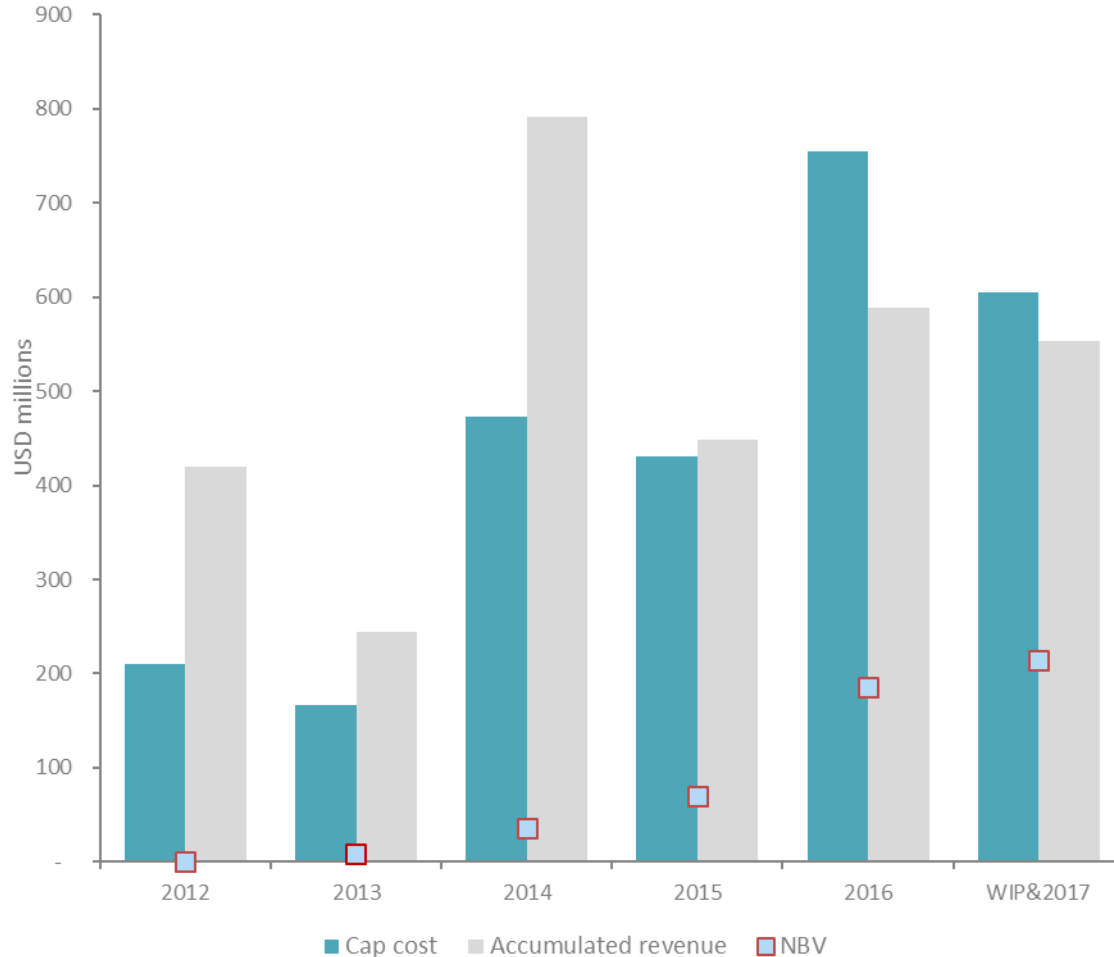
- Marine contract revenues of USD 40.5 million

Pre-funding and Late Sales Revenues Combined: MultiClient Revenues per Region



- Pre-funding revenues were dominated by Asia Pacific, Europe and South America
- Late sales revenues were primarily generated in West Africa, Europe and South America

MultiClient Vintage Distribution



- MultiClient net book value of USD 512.3 million as of December 31, 2017
 - Down from USD 647.7 million at year-end 2016
- Moderate net book value for surveys completed 2012-2015
- 2017 amortization expense of USD 366.8 million
 - 69% of sales
- 2017 impairment charge to the MultiClient library of USD 59.4 million

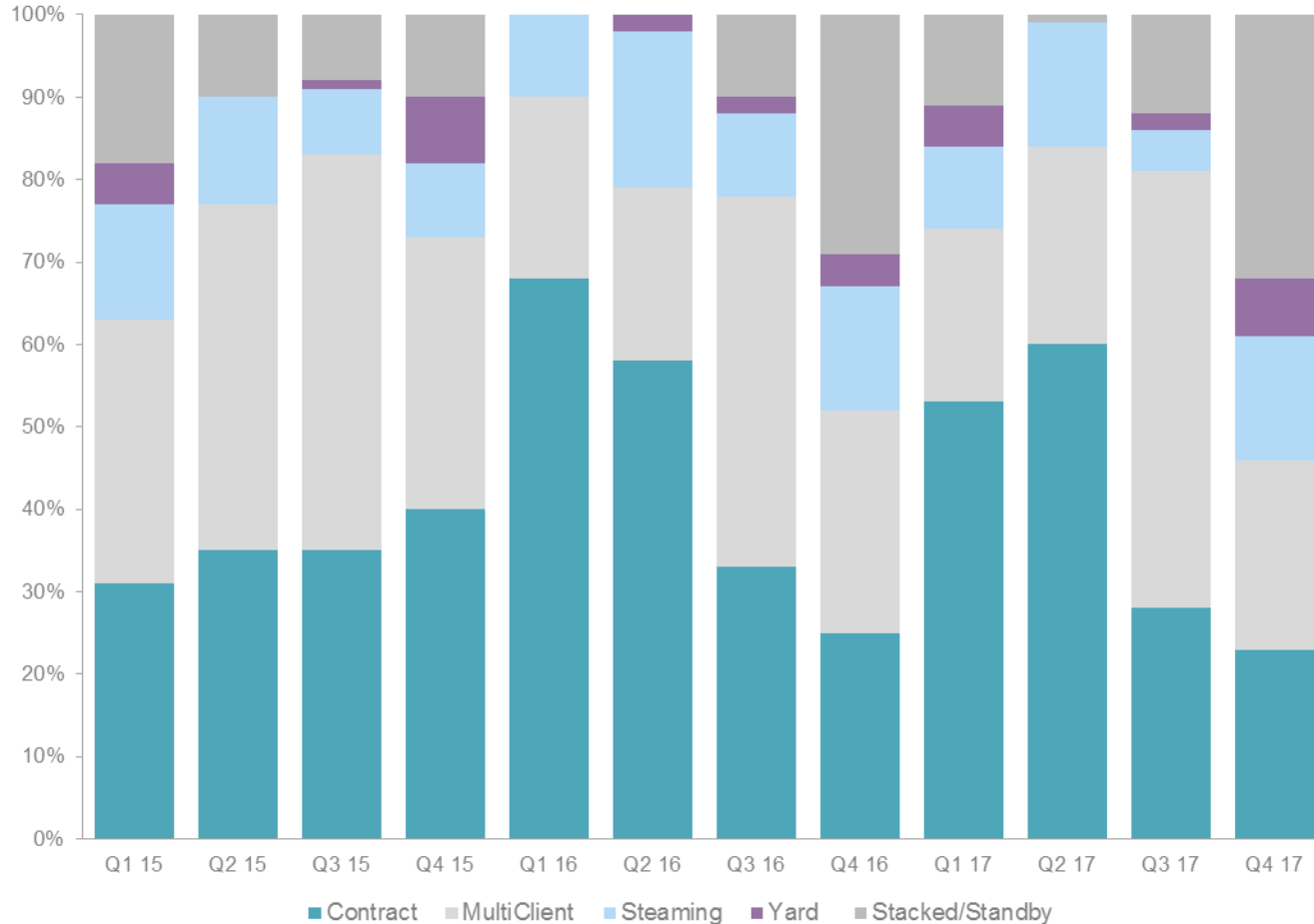
Key Operational Numbers

USD million	2017			
	Q4	Q3	Q2	Q1
Contract revenues	40.5	43.5	95.9	61.4
MultiClient Pre-funding	107.7	101.8	50.2	39.7
MultiClient Late sales	70.5	47.8	77.4	39.3
Imaging	9.8	12.5	14.9	13.8
Other	7.4	2.0	2.1	0.6
Total Revenues	235.9	207.6	240.5	154.8
Operating cost	(113.1)	(99.0)	(127.9)	(124.7)
EBITDA*	122.8	108.6	112.5	30.1
MultiClient amortization and impairment	(121.6)	(153.6)	(80.5)	(70.6)
Depreciation and amortization of long-term assets (excl. MC library)	(39.9)	(27.1)	(42.9)	(44.5)
Impairment and loss on sale of long-term assets (excl. MC library)	(55.8)	(28.5)	(9.9)	0.0
Other charges, net	(64.7)	(12.7)	3.4	(8.8)
EBIT	(159.2)	(113.3)	(17.4)	(93.7)
CAPEX, whether paid or not	(23.4)	(16.6)	(12.9)	(101.6)
Cash investment in MultiClient	(54.0)	(82.0)	(43.8)	(33.6)
Order book	135	167	248	340

2016			
Q4	Q3	Q2	Q1
29.3	54.2	69.9	59.2
50.9	84.3	47.2	59.9
52.4	63.2	46.0	65.3
19.6	16.0	17.9	16.6
1.9	6.4	2.1	2.1
154.1	224.1	183.0	203.1
(101.0)	(111.3)	(114.2)	(124.6)
53.1	112.7	68.8	78.6
(97.6)	(95.4)	(62.9)	(68.1)
(42.0)	(31.9)	(42.1)	(40.7)
(7.8)	0.0	(4.2)	0.0
1.9	3.1	(4.2)	(1.4)
(92.4)	(11.5)	(44.6)	(31.6)
(28.7)	(19.0)	(51.9)	(108.9)
(47.8)	(63.0)	(41.8)	(48.3)
215	190	230	204

**EBITDA, when used by the Company, means EBIT excluding Other charges, impairment and loss/gain on sale of long-term assets and depreciation and amortization. The accompanying unaudited financial information has been prepared under IFRS. This information should be read in conjunction with the unaudited fourth quarter and preliminary full year 2017 results released on February 1, 2018.

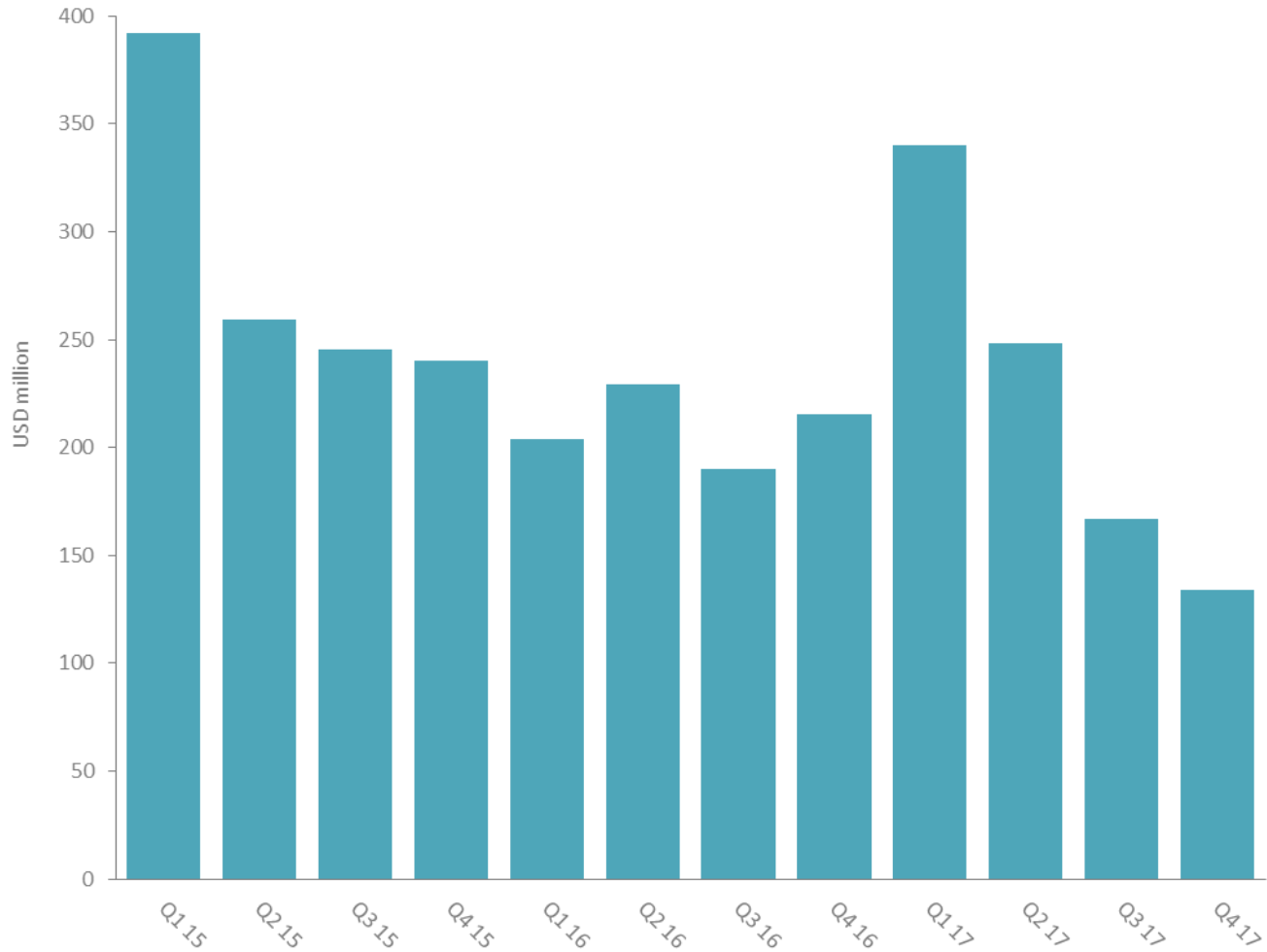
Seismic Streamer 3D Fleet Activity in Streamer Months: Vessel Utilization*



- 46% active vessel time in Q4 2017
- 32% stacked/standby in Q4 2017
 - Two vessels warm stacked over the winter season
 - Standby on several vessels before start of new projects after the North Atlantic season
- 43% of 2017 full year active vessel time was used for MultiClient acquisition

* The vessel allocation excludes cold-stacked vessels.

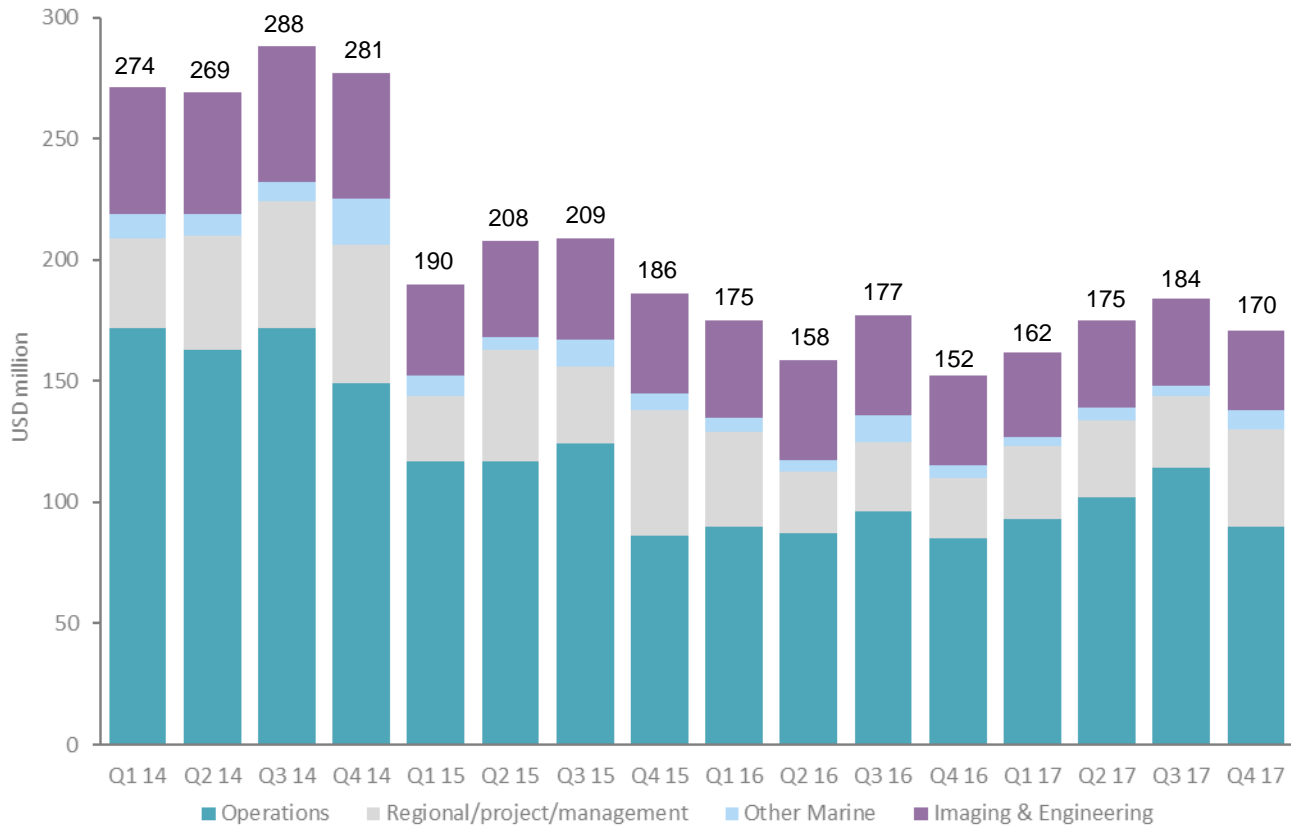
Order Book



- Order book of USD 135 million by end Q4 2017
- 3D vessel booking for 2018 of 33 vessel months*
 - Q1: 14.5 vessel months
 - Q2: 11.5 vessel months
 - Q3: 7 vessel months
- Reasonably confident in booking/operating 8 vessels from Q2
 - Would be fully booked on 6 vessels in Q1 had it not been for gaps created by permitting issues
 - None of the planned North Sea MultiClient surveys are counted as booked
 - Positive trend on leads and bid activity in general
 - More leads for 2H compared to same time last year

*As of January 30, 2018.

Group Cost* Focus Delivers Results



- Sequential cost decrease in Q4 2017
 - *Ramform Vanguard* cold stacked in October
 - Reduction to six vessels operated over the winter season
 - Partially offset by higher project specific variable cost

Another step change reduction of cost from Q1 2018 onwards

*Gross cash costs are defined as the sum of reported net operating expenses (excluding depreciation, amortization, impairments and Other charges) and the cash operating costs capitalized as investments in the MultiClient library as well as capitalized development costs.

Consolidated Statements of Cash Flows Summary

	Q4	Q4	Full year	Full year
USD million	2017	2016	2017	2016
Cash provided by operating activities	84.3	64.7	281.8	320.9
Investment in MultiClient library	(54.0)	(47.8)	(213.4)	(201.0)
Capital expenditures	(14.8)	(25.9)	(148.8)	(218.2)
Other investing activities	53.0	(7.0)	62.1	(109.5)
Net cash flow before financing activities	68.5	(16.0)	(18.3)	(207.8)
Financing activities	(45.2)	0.4	3.7	187.9
Net increase (decr.) in cash and cash equiv.	23.0	(15.6)	(14.5)	(19.9)
Cash and cash equiv. at beginning of period	24.2	77.3	61.7	81.6
Cash and cash equiv. at end of period	47.2	61.7	47.2	61.7

- Cash flow from operating activities of USD 84.3 million in Q4 2017
 - Revenue driven increase of working capital, which will benefit cash flow in subsequent quarters
- Other investing activities in Q4 2017 include USD 57.6 million received from the settlement of ISS tax disputes in Brazil

Balance Sheet Key Numbers

	December 31	December 31
USD million	2017	2016
Total assets	2,482.8	2,817.0
MultiClient Library	512.3	647.7
Shareholders' equity	879.5	1,359.4
Cash and cash equivalents (unrestricted)	47.3	61.7
Restricted cash	43.2	101.0
Liquidity reserve	257.3	271.7
Gross interest bearing debt	1,229.5	1,191.4
Net interest bearing debt	1,139.4	1,029.7

- Liquidity reserve of USD 257.3 million
- Total leverage ratio of 3.67:1 as of December 31, 2017, compared to 4.32:1 as of September 30, 2017
 - Substantial headroom to the 4.75:1 required under the Revolving Credit Facility



Capital Markets Day

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Gottfred Langseth

EVP & CFO

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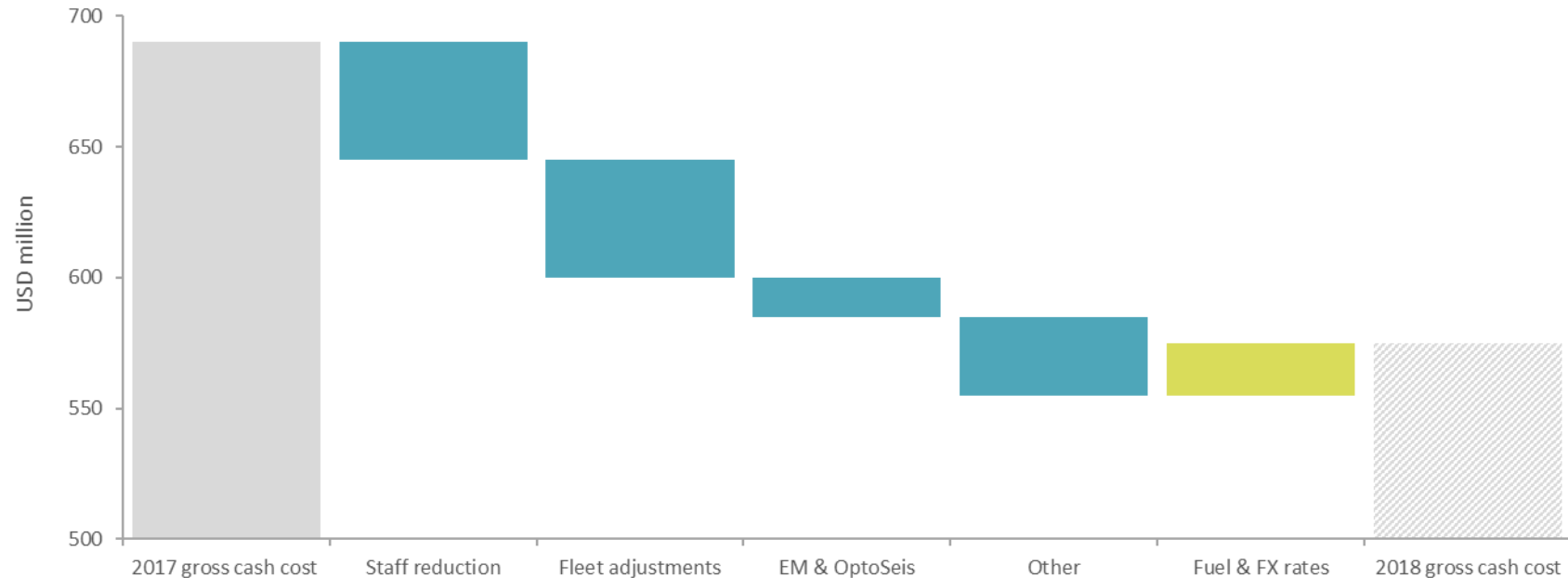


Financial Review - Outline



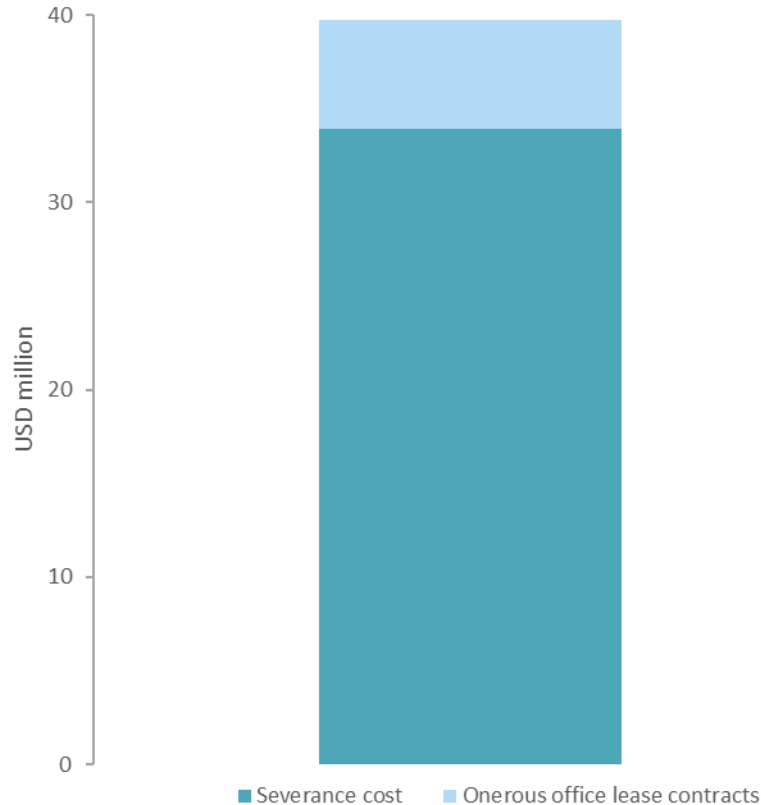
- Cost reduction from reorganizing
- 2018 cash flow outlook
- Debt overview
- CAPEX trends
- MultiClient investment
- IFRS 15
- Tax
- Foreign exchange
- Summary

2018 Cost Reductions Driven by Reorganization



- Gross cash cost in 2017 ended at USD 690 million
- A centralized, simplified and streamlined organization combined with more flexible vessel and imaging capacity will reduce gross cash cost by more than USD 100 million in 2018
 - Some offsetting effect of higher oil price/fuel cost and a stronger NOK and GBP against USD
- Tight overall cost control remains a priority

Restructuring Cost and 2018 Cash Effects



- PGS initial estimate of restructuring cost was USD 40-50 million
- Q4 2017 provision of USD 39.7 million
 - Severance cost of USD 33.9 million
 - Onerous lease contracts of USD 5.8 million
- USD 3.0 million of severance cost paid in Q4 2017
 - Most of the remaining amount to be paid through 2018 with a declining profile
- With moderate further restructuring cost expected in 2018 the total should end in the lower end of the initial estimate

2018 Cash Flow Sensitivities - Illustration

Numbers in USD million	2018 revenues <i>down 10% vs. 2017</i>	2018 revenues <i>down 5% vs. 2017</i>	Flat 2018 revenues vs. 2017	2018 revenues <i>up 5% vs. 2017</i>	2018 revenues <i>up 10% vs. 2017</i>
Revenues	755	797	839	881	923
Gross cash cost	(575)	(575)	(575)	(575)	(575)
CAPEX	(50)	(50)	(50)	(50)	(50)
Installments on amortizing debt	(51)	(51)	(51)	(51)	(51)
Maturity 2018 Senior Notes	(26)	(26)	(26)	(26)	(26)
Gross interest expense	(60)	(60)	(60)	(60)	(60)
Cash tax*	(15)	(15)	(15)	(15)	(15)
Cash flow	-22	20	62	104	146

- PGS' key financial target for 2018 is to deliver positive cash flow after debt service
- Positive or negative variations should coincide with some offsetting effect from working capital changes which is not included above
- The above illustration does not take into account cash payments of restructuring cost to be made in 2018

* The cash tax amount is illustrative and based on historical experience. The 2018 actual cash taxes could be significantly different depending on in which countries the Company actually operate or earn revenues.

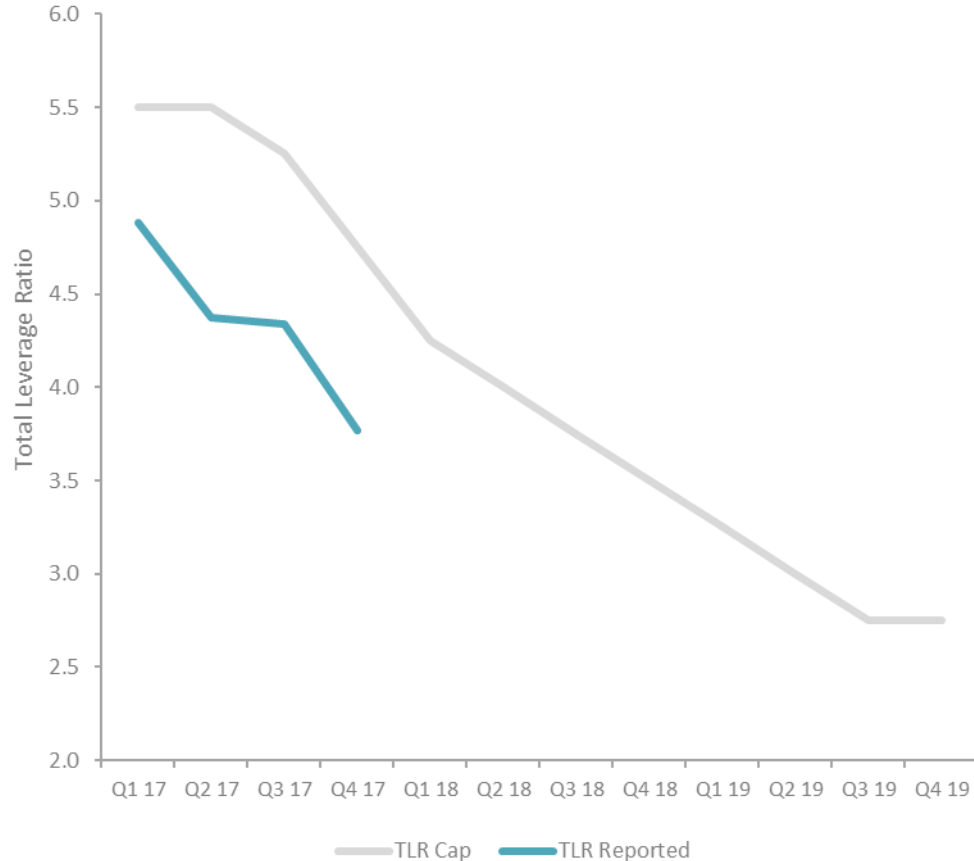
Summary of Debt and Drawing Facilities

Long-term Credit Lines and Interest Bearing Debt	Nominal Amount as of December 31, 2017	Total Credit Line	Financial Covenants
USD 400.0 million Term Loan (“TLB”), Libor (minimum 0.75%) + 250 basis points, due 2021	USD 385.0 million		None, but incurrence test: total leverage ratio $\leq 3.00x^*$
Revolving credit facility (“RCF”), due 2020 Libor + margin of 325-625 bps (linked to TLR) + utilization fee	USD 190.0 million	USD 400.0** million	Maintenance covenant: total leverage ratio 4.75x Q4-17, 4.25x Q1-18, thereafter reduced by 0.25x each quarter to 2.75x by Q3-19
Japanese ECF, 12 year with semi-annual instalments. 50% fixed/ 50% floating interest rate	USD 416.5 million		None, but incurrence test for loan 3&4: Total leverage ratio $\leq 3.00x^*$ and Interest coverage ratio $\geq 2.0x^*$
December 2020 Senior Notes, coupon of 7.375%	USD 212.0 million		None, but incurrence test: Interest coverage ratio $\geq 2.0x^*$
December 2018 Senior Notes, coupon of 7.375%	USD 26.0 million		None

*Carve out for drawings under ECF and RCF

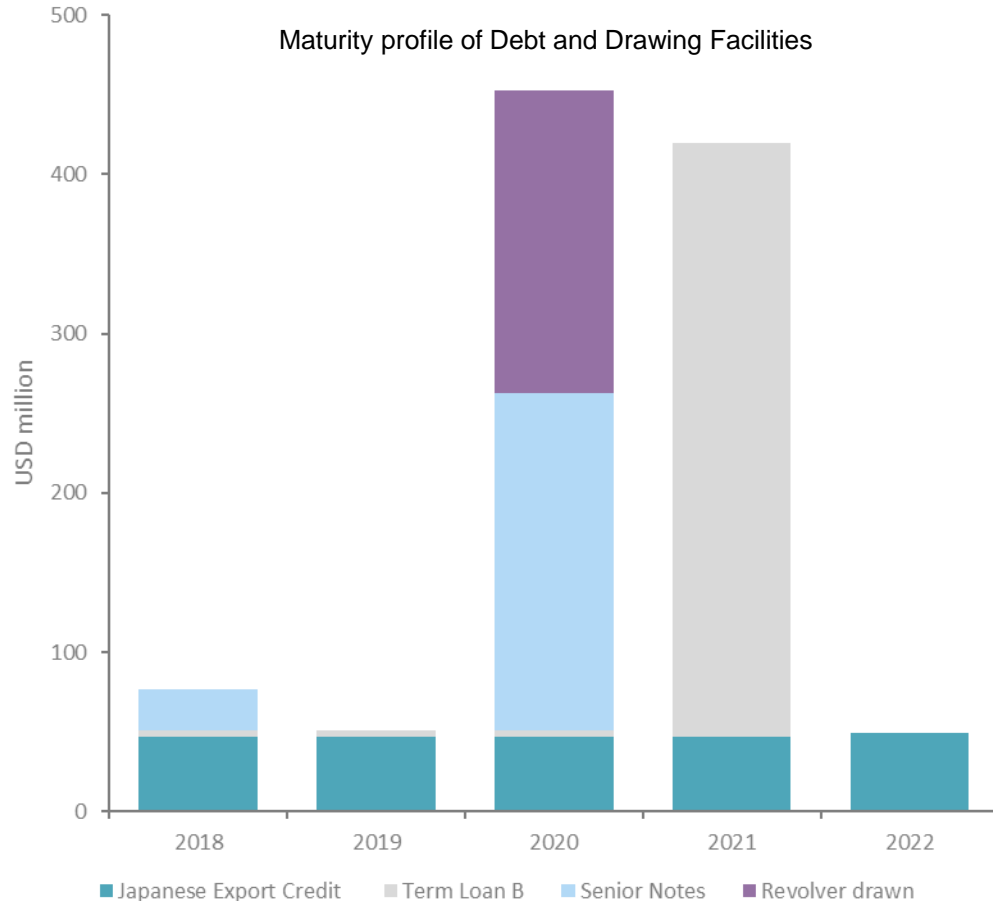
**Reducing to USD 350 million in September 2018.

Good Headroom to Maintenance Covenant



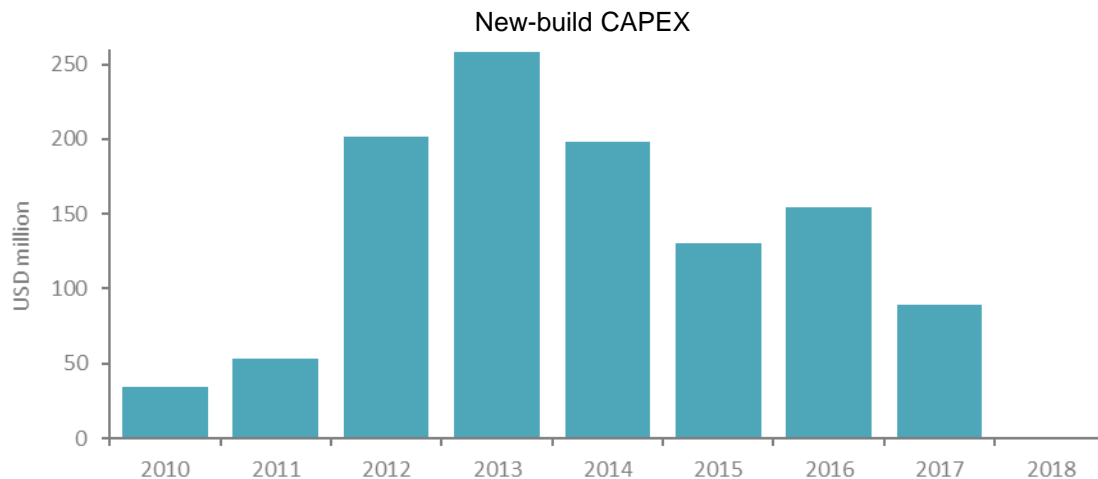
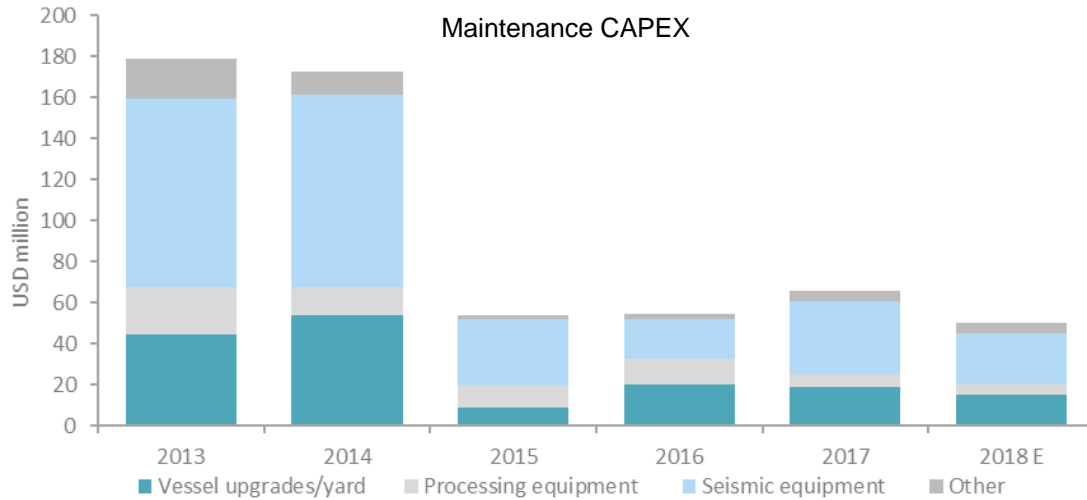
- The Revolving Credit Facility (“RCF”) was extended from 2018 to 2020 when PGS refinanced in Q4 2016
 - Maintenance covenant profile amended
- Strong reduction of the Total Leverage Ratio (TLR) during 2017
 - Substantial headroom to required level
- Expect to be in compliance going forward

Maturity Profile of Debt and Drawing Facilities



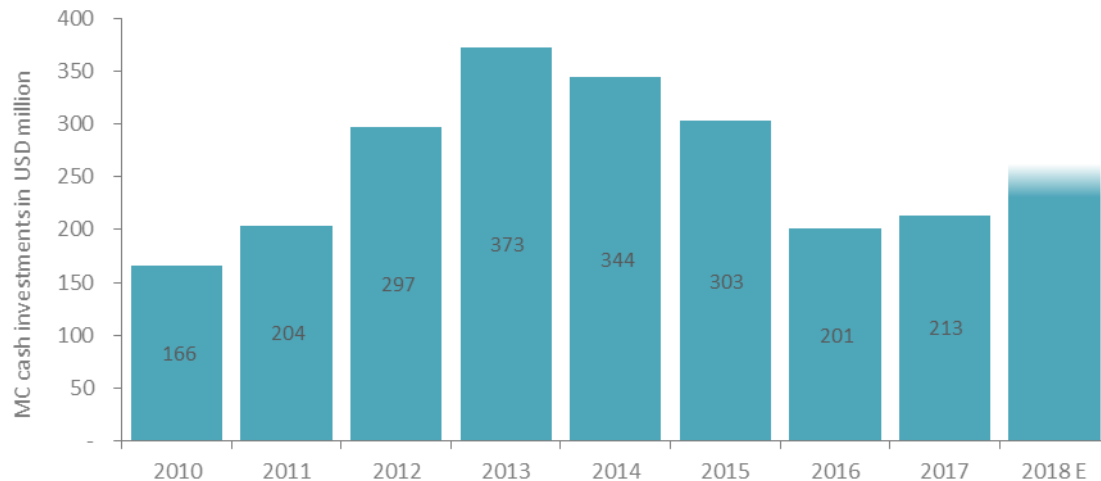
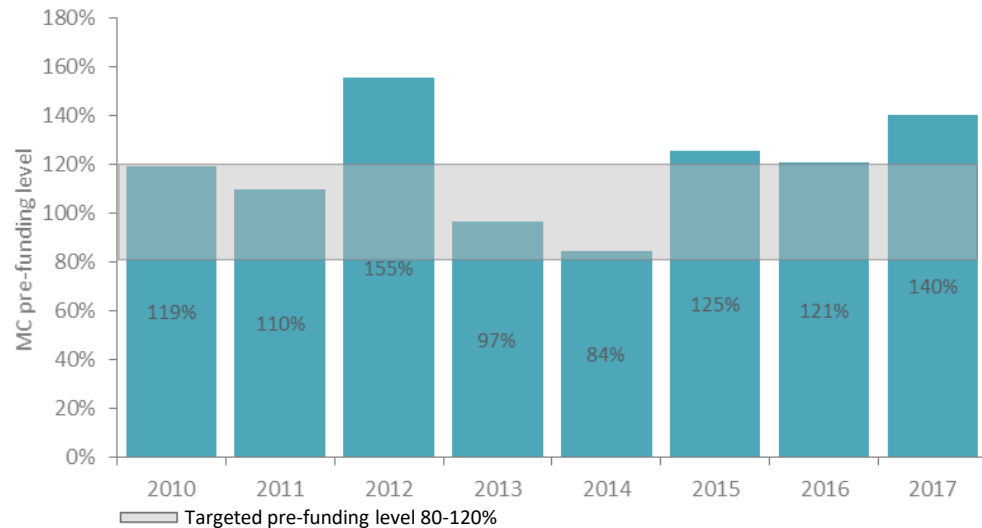
- Positioned to cover 2018 maturities from cash flow from operating activities
- Close to three years to next substantial bullet maturities late 2020
- Delivering a positive cash flow after debt service is the primary financial target for 2018 and should position the Company to re-finance well in advance of 2020 maturities

Capital Expenditure and Depreciation Trends



- Full year 2017 capex of USD 154.5 million
 - USD 89 million relates to new builds
 - No new-build capex in 2018 and beyond
- 2018 CAPEX plan of ~USD 50 million
 - Relates to primarily seismic and processing equipment and vessel maintenance investments
- Gross depreciation cost is expected to be ~USD 200 million in 2018
 - Approx. USD 90 million to be capitalized as part of MultiClient investments

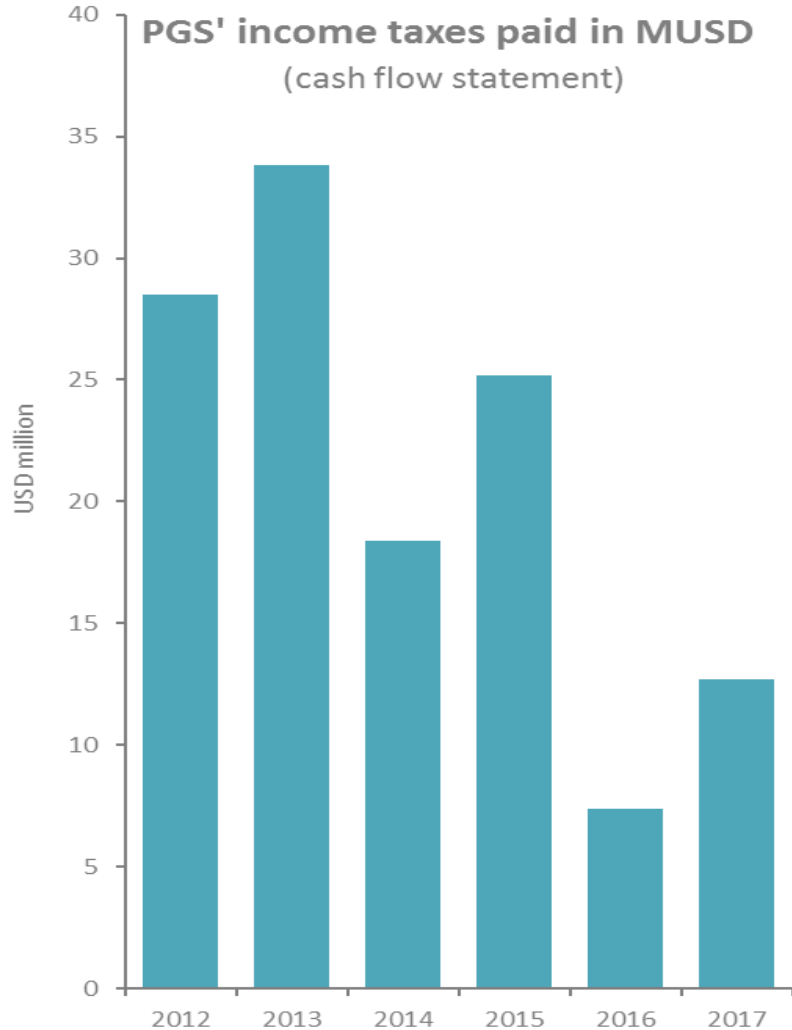
Solid MultiClient Pre-funding



- 2017 MultiClient cash investments of USD 213.4 million with a pre-funding level of 140%
- Pre-funding has historically tended to be in the high end or above the targeted 80-120% range due to incremental sales in the processing phase
- MultiClient cash investments in 2018 expected to be ~USD 250 million
- More than 50% of 2018 active 3D fleet capacity currently planned for MultiClient
 - Q2 and Q3 expected to be the most active MultiClient quarters
- 2018 MultiClient amortization expense expected to be in the range of USD 375-425 million

- IFRS 15 *Revenue from Contracts with Customers* is effective from 1 January 2018
 - Not expected to impact revenue recognition on contract acquisition services or sales of completed MultiClient data (late sales) compared to existing practice
 - The implication for revenues relating to MultiClient surveys in progress (pre-funding) is not yet concluded
 - No negative impact of covenant calculations
- The seismic industry has been working for several years to achieve revenue recognition for pre-funding revenues similar to current practice (percentage of completion) or alternatively a method giving close to similar results (based on interim deliveries or milestones), and to achieve consistent application of IFRS 15 across the seismic industry
- While not concluded yet, there is a high likelihood that neither of these methods will be appropriate under IFRS 15 and that the only acceptable method will be one based on recognition of all or most of revenues at the time of actual delivery of the finally processed data, which may be more than one year after acquisition of the data
- PGS believes that percentage of completion is a superior method for internal reporting and performance measurement because revenue recognition coincides with project progression, resource use and value creation
- Should it be concluded that recognition of pre-funding revenues are required to be delayed until delivery of final data for external financial reporting, PGS will continue to use percentage of completion for the purpose of its internal reporting and will also provide percentage of completion information as part of, or as a supplement, to its external financial reporting with appropriate reconciliations to the reporting required by IFRS 15. PGS will work to achieve a consistent practice for such reporting across the industry

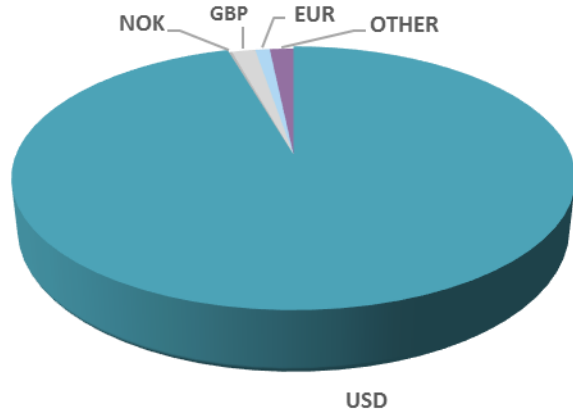
PGS' Tax Position



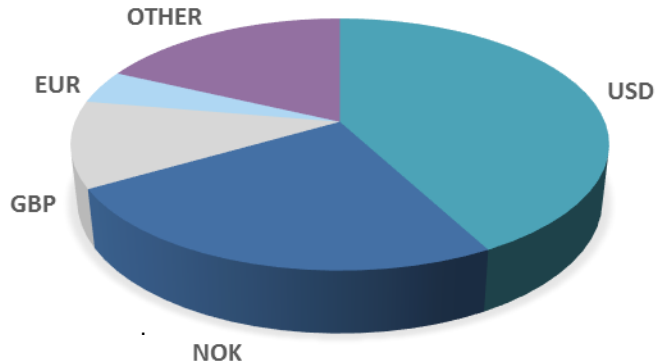
- Tonnage Tax regimes
 - PGS' Ramform Titan-class vessels are operated within the Norwegian tonnage tax regime
- Current tax/cash tax has typically been in the range of USD ~10-35 million annually
 - Mainly withholding taxes and local taxation in countries of operation where PGS has no tax losses to carry forward
 - Will vary depending on area of operation
- 100% valuation allowance on all deferred tax assets

Foreign Exchange and Sensitivity

CASH FLOW RELATING TO OPERATING INCOME



CASH FLOW RELATING TO OPERATING PAYMENTS



- On an annual basis:
 - A 10% change of the USD vs. NOK has an annual net EBIT impact of USD 15-20 million before currency hedging activities. A 10% change vs. GBP has an effect of USD 5-8 million

- The Company hedges:
 - Material monetary balance sheet items in non-USD currencies
 - Specific material firm commitments
 - Operational cash flow up to the duration of the contract order book

- Current hedging positions:
 - To hedge material monetary balance sheet items
 - Currently ~NOK 185 million and GBP 35 million bought on forward contracts
 - To hedge specific material firm commitments ~NOK 275 million bought forward

Summary



- Solid MultiClient performance with high cash generation
- Substantial reductions of cost and capital expenditures
 - More than USD 100 million of gross cash cost reduction in 2018
 - No new build CAPEX
- Well positioned to be deliver positive cash flow after debt service in 2018
- Delivery of 2018 financial targets should position PGS to refinance well in advance of 2020 maturities

Proactive Financial Management



Questions?

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Capital Markets Day

Oslo, February 1, 2018

Sverre Strandenes

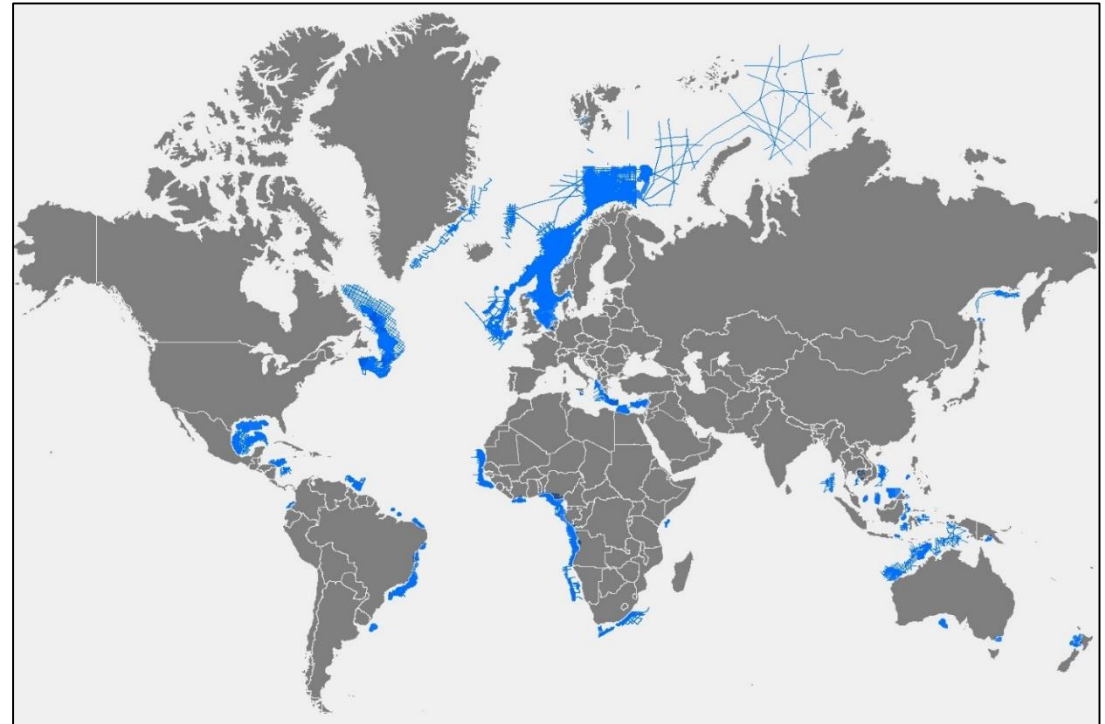
EVP Sales & Services

A Clearer Image | www.pgs.com



Outline

- New organization
- Enhancing the MultiClient Library through 2017
- MultiClient Library performance
- Market and seismic demand outlook
- Marine Contract and Imaging focus post reorganization
- Summary

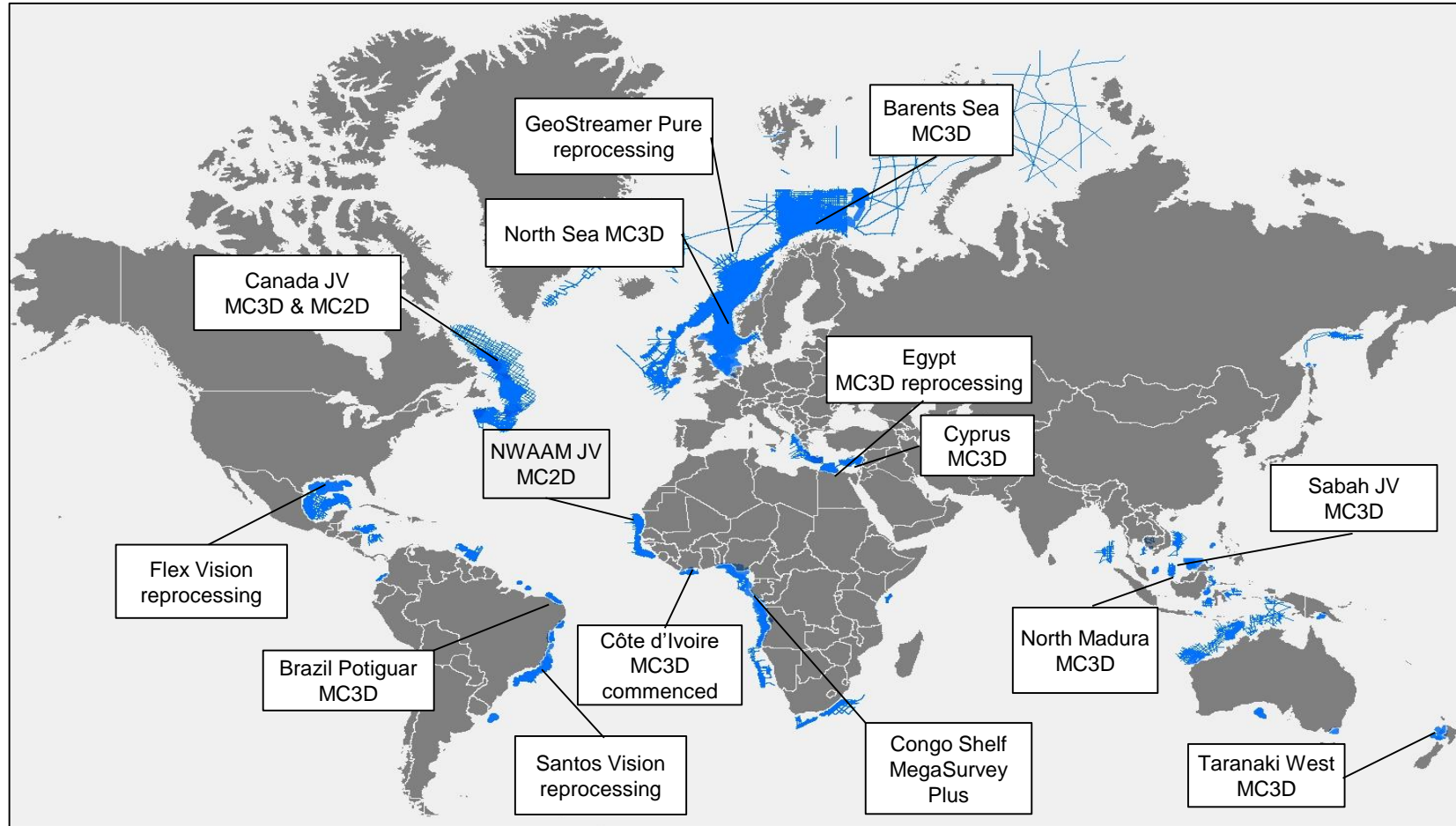


Sales & Services Organization

- **Rationale and purpose:**
 - One unified sales force covering all service lines
 - Organizational structure that enables full utilization and synergies across all products and services
 - A centralized Imaging organization with stronger focus on MultiClient programs
 - Reduced Imaging presence in the external market, focusing on high-end high-value products and services
 - Dedicated organization for building new MultiClient programs
- **Maintaining earnings capacity with a lower cost base**



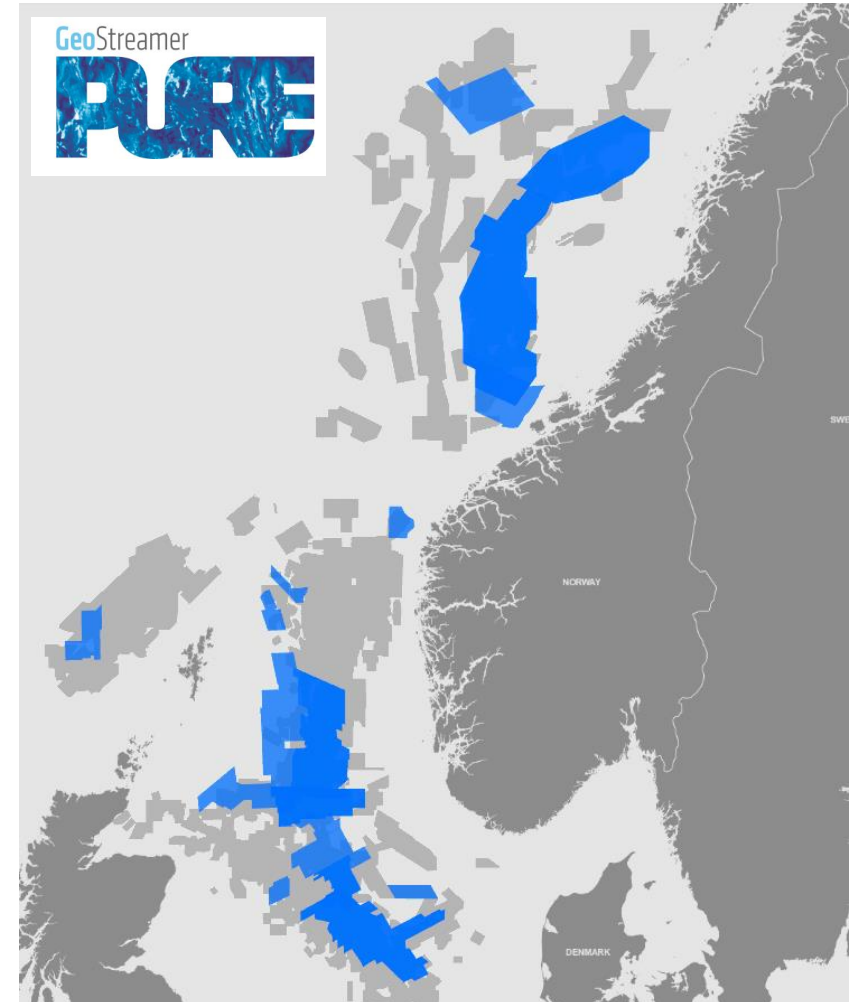
Enhancing the Library Through 2017



- Good geographical spread in new MultiClient activities during 2017
- 68,000 km² of MC3D added to library during 2017
- Some key reprocessing projects ongoing in Brazil, Egypt and Europe
- 21,000 km of MC2D added to library during 2017 (Canada)

Norway: Stable, High Activity – UK: Improving

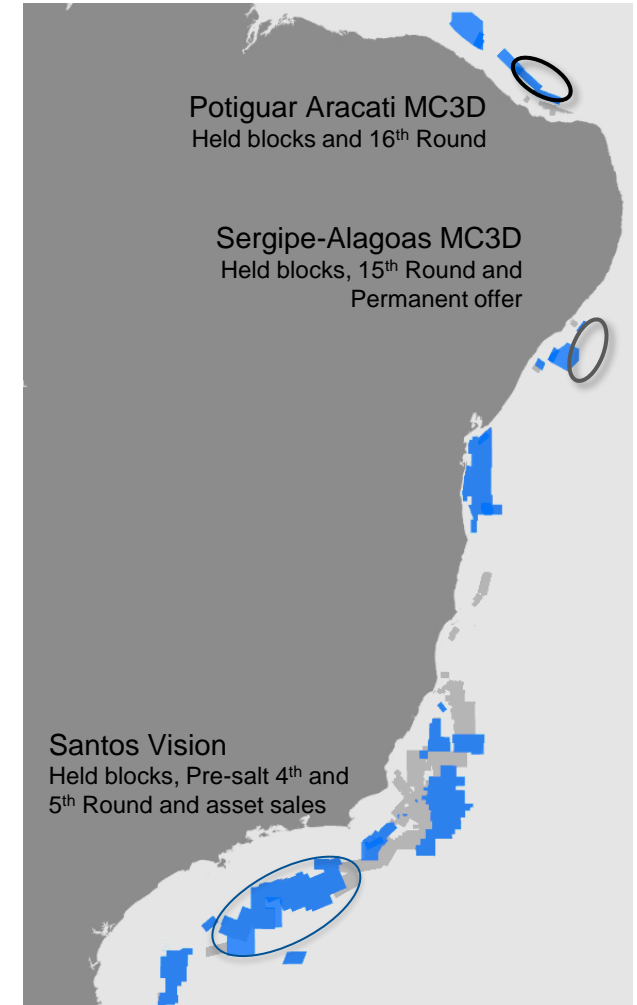
- **Annual and biannual license rounds in world-class acreage with easy access to infrastructure. APA areas significantly expanded**
- **UK sees improved tax environment for development/production, and OGA (UK Oil and Gas Authority) is now actively driving exploration in the UK**
- **High turn-over of acreage**
 - 2+2 years license award system supports a MultiClient model with both high level of prefunding *and* late sales
 - Very active market of asset and company sales and new company entries
 - Sales to 50 customers in 2017 – an excellent MultiClient market
- **Regional exploration needs and field specific targets are combined in the GeoStreamer MC3D datasets**
 - PGS GeoStreamer coverage in Europe is ~140,000 km² and growing
 - License/field work programs are covered and expanded into surrounding open acreage in a very efficient way
 - GeoStreamer technology enables high-end imaging for challenging targets
 - Enables PGS to deliver data from exploration through development under one business model



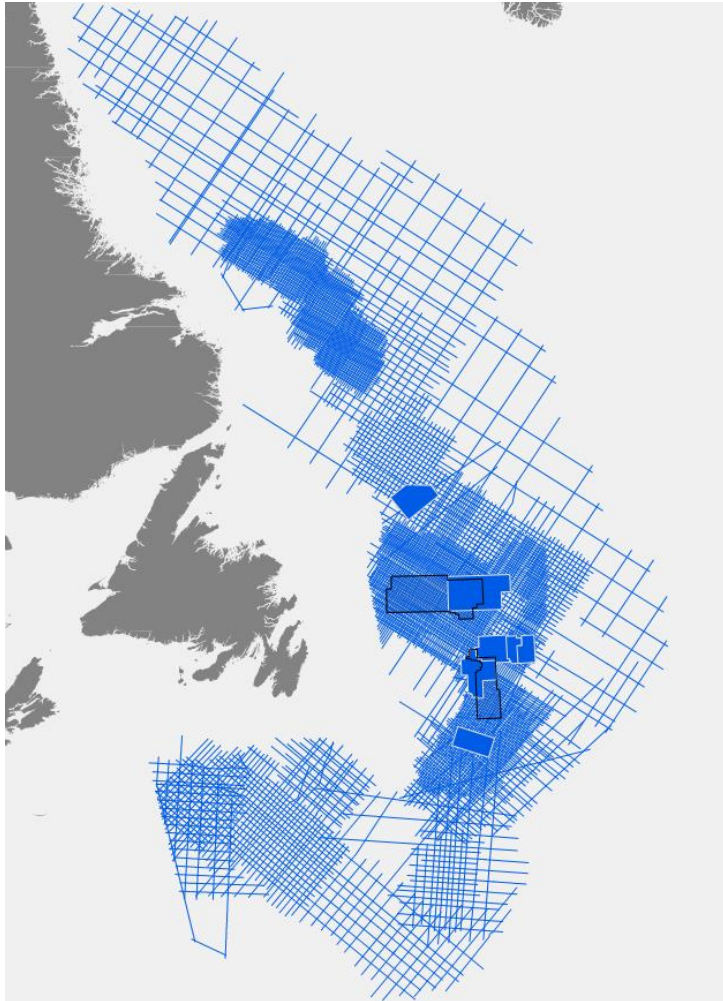
Brazil: On The Rise Again

- **Soaring activity level in Brazil following the significant improvement of conditions for international operators**
 - Annual license rounds in world-class acreage
 - Introduction of permanent offer areas in 2018 (relinquished fields and blocks not awarded in past license rounds)
 - Petrobras acreage sale
 - Increasing farm-in activity between international players

- **PGS is uniquely positioned through its substantial MultiClient data library and new programs in Brazil**
 - Significant block awards on PGS data in 2017
 - Sales to 10 operators in 2017 – a true MultiClient market with growing data demands from new entrants
 - 127,000 km² MC3D library well positioned in all basins for 2018 and 2019 block awards
 - New imaging technology adds good value to existing library; ongoing 34,000 km² Santos Vision rejuvenation project very well received by industry
 - Very little overlap between competitors data libraries
 - Building a substantial data coverage in Brazil takes a long time due to lengthy environmental permit process



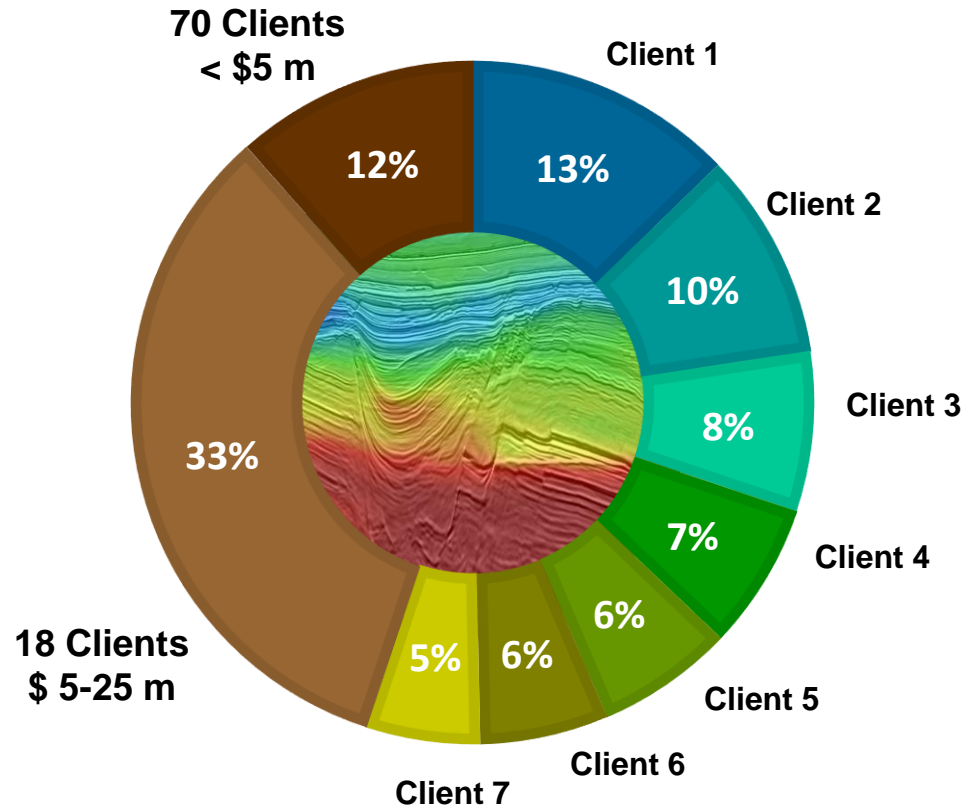
East Canada (Newfoundland & Labrador): Continued Growth



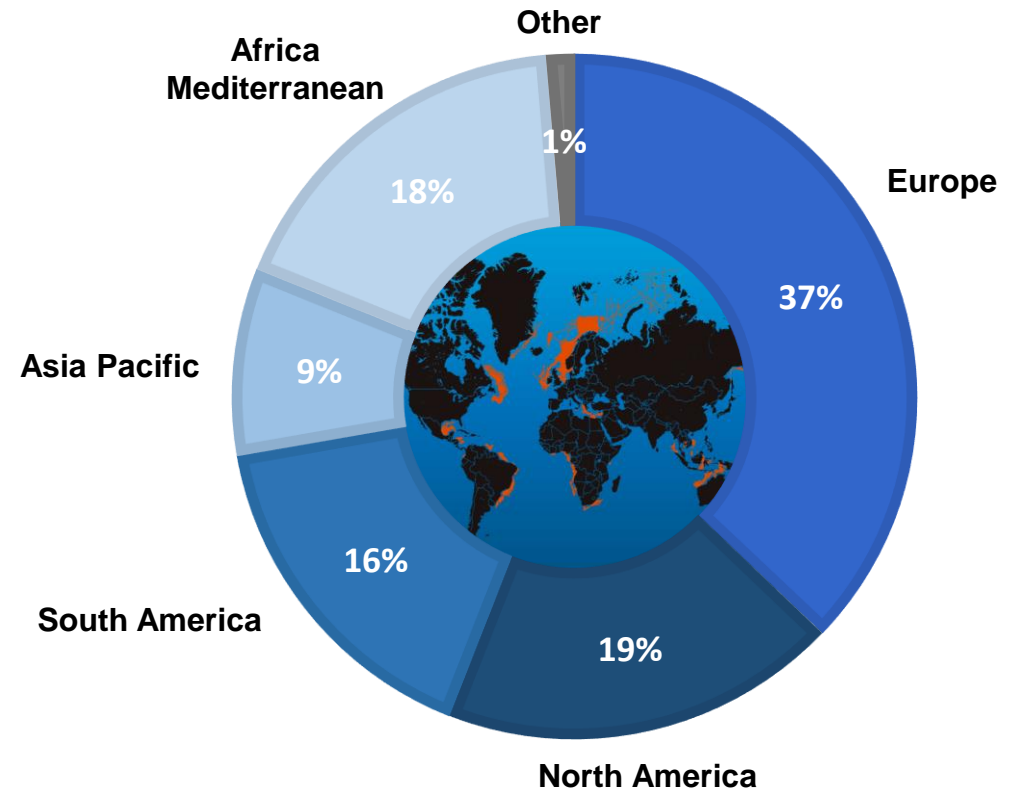
- PGS & TGS Joint Venture continues to build on its unique footprint for a 7th consecutive season
- Record activity in 2017 with 3x3D vessels and 1x2D vessel in operation
- Library now consists of 30,000 km² GeoStreamer MC3D and 170,000 km of GeoStreamer MC2D
- Significant interest building for the 2018 call for bids located in the Eastern Newfoundland region
 - The JV acquired 3D seismic in 2017 over high-graded areas identified from previously acquired 2D data
- The planned 2017 Call for Bids in Labrador South was delayed waiting on completion of Labrador SEA Update, partly affecting Canada sales in 2017
 - Labrador South Call for Bids expected in 2019
- Exploration interest continues in the area

2017 MultiClient Revenues: ~100 Clients and Good Geographical Diversity

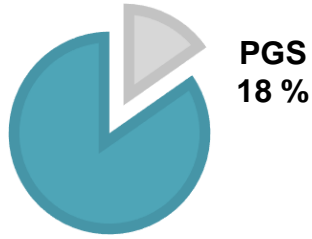
2017 client distribution



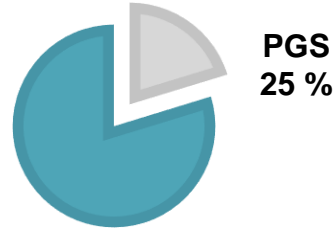
2017 regional revenue distribution



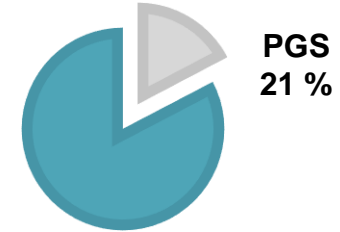
Library Performance Remains Robust



Peer Group (*) Net Book Value

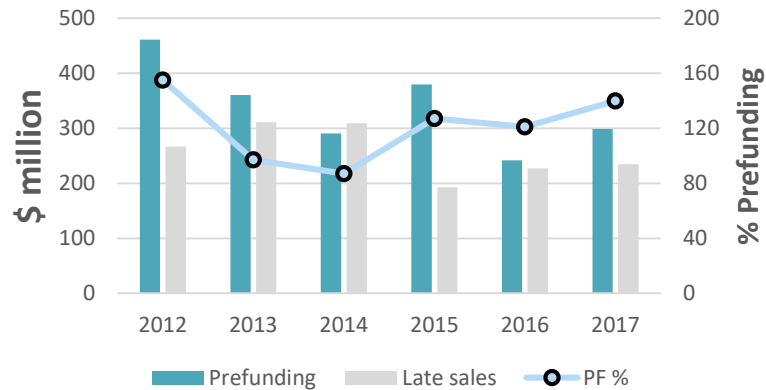


Peer Group (*) Revenues

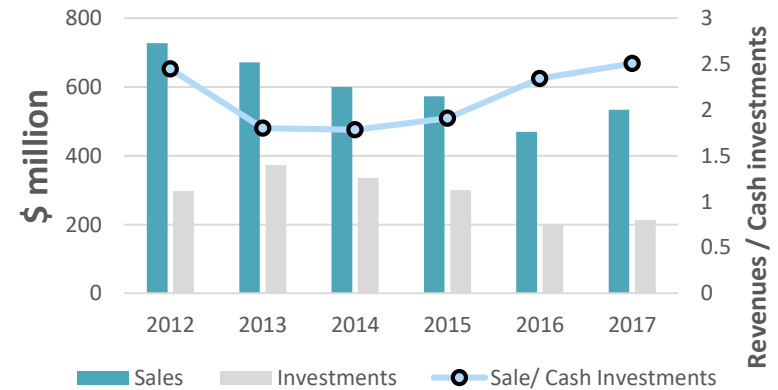


Peer Group (*) Cash Investments

Maintaining strong prefunding

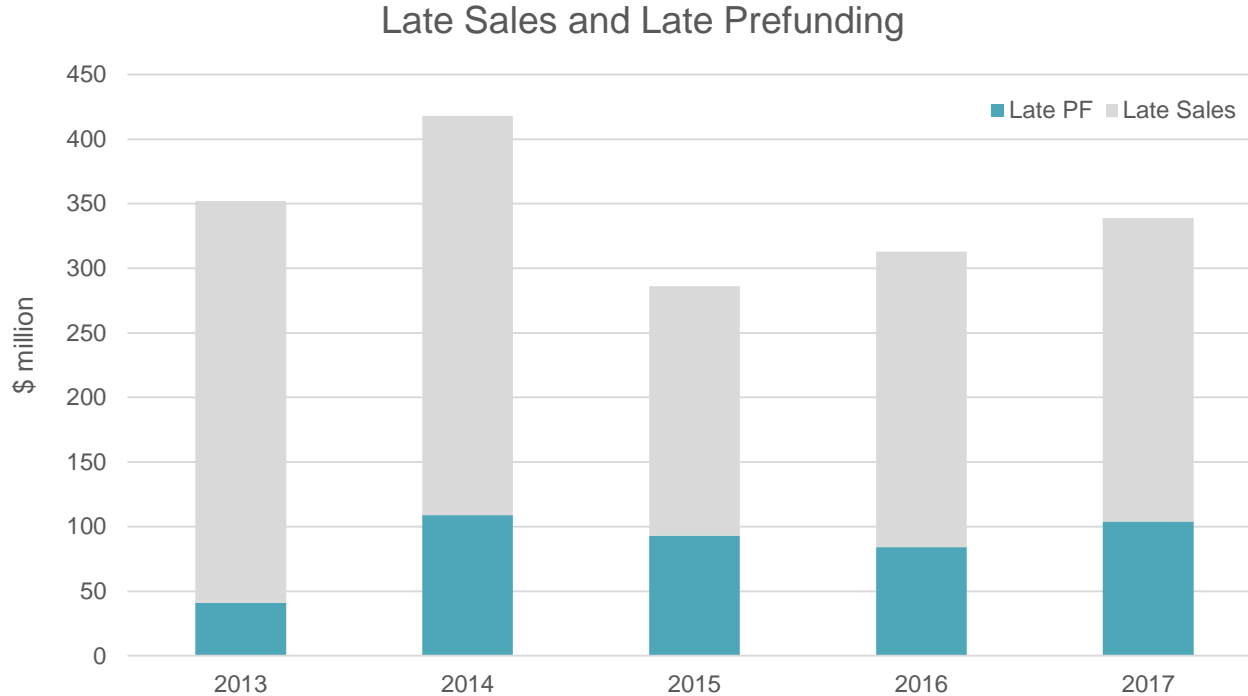


Stable revenues/cash investment



(*) Peer Group – WG, TGS (consensus), CGG (consensus), PGS

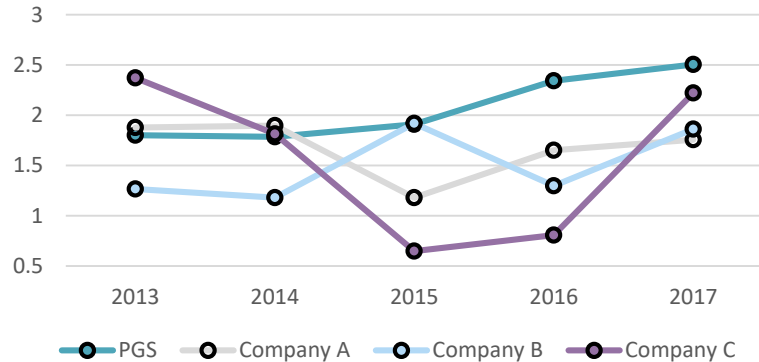
Late Sales and Late Prefunding



- No consistent industry definition of Late Sales and Prefunding
- PGS Late Sales: Revenues from delivery of final data
- Late Prefunding: Revenues from sales between last shot and final delivery of data
- The past 4 years: Late Prefunding ~\$ 100 million annually

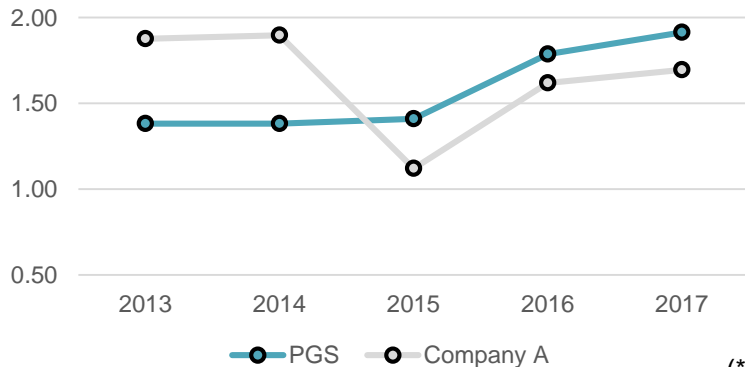
Peer Group Comparison: Revenues / Investments

Revenues / Cash Investments (*)



- No consistent industry definition of MultiClient (cash) investments
- Revenues / cash investments: Can not be compared in absolute terms - relative variations from year to year for each player
- Revenues / full capitalized cost: Can be compared in absolute terms
- Conclusion: Stable, strong performance for the PGS MultiClient library

Revenues / Full Capitalized Cost (**)



(*) Reported / consensus MC investments (**) Cost capitalized to library less interest

Demand Outlook Atlantic Margins and Mediterranean



- **Western Atlantic**
 - **East Canada:** Continued strong market, mostly MC
 - **Mexico:** Licensing rounds triggers more activity, but likely limited in 2018. Mostly MC
 - **Gulf of Mexico:** MC dominated market that has been impacted by the deep-water hiatus. Stabilization of the price of oil will drive exploration for the deep-water in 2019 and onwards
 - **Latin America Pacific:** Starting to see 3D seismic for the first time from 2018 onwards following acreage awards in Peru and Nicaragua. Mostly Contract work
 - **Columbia, Guyana, Suriname:** Interest on the back of large discoveries in Guyana has driven Contract work in recent years. Further Contract work depends on drilling success in Colombia and Surinam
 - **Brazil:** Several large 4D Contract projects to commence late 2018; significant MC interest and activity, new acquisition and rejuvenation of existing library
- **Eastern Atlantic**
 - **Norway / UK:** 4D activity switching from Norwegian to UK side. Highly active and attractive MC market with UK on the rise; Barents Sea some activity while industry awaiting further drilling results
 - **North West Africa:** Trend from Morocco through Mauritania around to Ghana looks to be strong for 2018. Increased farm-in activity and block awards triggering MC and Contract opportunities
 - **Equatorial Guinea, Nigeria, Sao Tome:** EG active following license round; Nigeria and Sao Tome beginning to see activity following long hiatus. Contract and MC
 - **Congo:** Offshore license round anticipated to include remaining shelf blocks. MC and Contract opportunities
 - **Angola:** Expect stronger activity than 2017; 4D over producing fields and some increase in MC activity driven by license round activity
 - **Namibia, South Africa:** Several programs planned in Namibia, South Africa interest increasing and moving to South East. Contract and MC opportunities
- **Mediterranean**
 - **Eastern Mediterranean:** Renewed interest in the region following the Zohr discovery in Egypt. License round activity (Greece, Montenegro, Lebanon, Egypt) will drive activity. Significant drilling activity in Cyprus on Zohr analogues. Mostly MC work

Attractive market also in 2018; license round activity, 4D programs and exploration driven MultiClient interest

Demand Outlook Eastern Hemisphere



Myanmar

- Contract activity levels expected to be similar to 2017

India

- Stable Contract demand; new national plan for exploration is encouraging for future activity

Malaysia

- Stable Contract activity. MultiClient activity for the first time, project supported by 2018 bid rounds and farm-in activity. Possible extension of the Sabah MC concept to other areas

Indonesia

- PGS vessel in country with high client interest for MultiClient projects, but lengthy permit approval processes

Papua New Guinea

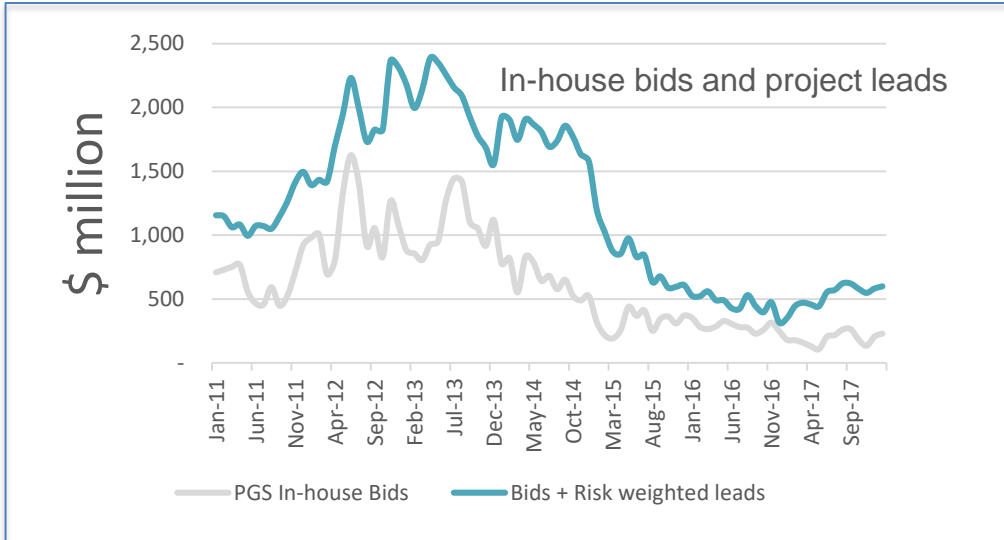
- New 3D seismic demand following 2017 block awards; MultiClient or Contract

Australia

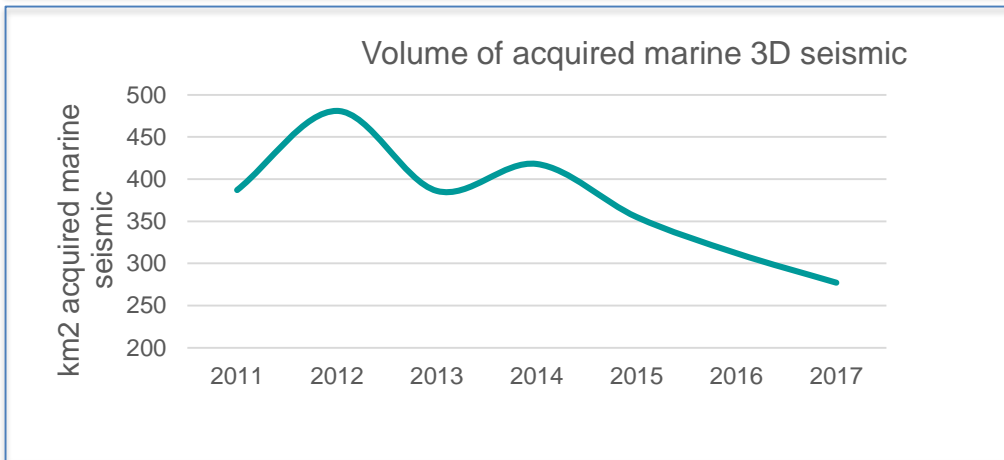
- Little activity in 2018

Weaker market – arenas vary annually – some regulatory and political challenges

Marine Contract: PGS In-house Bids and Project Leads (*)

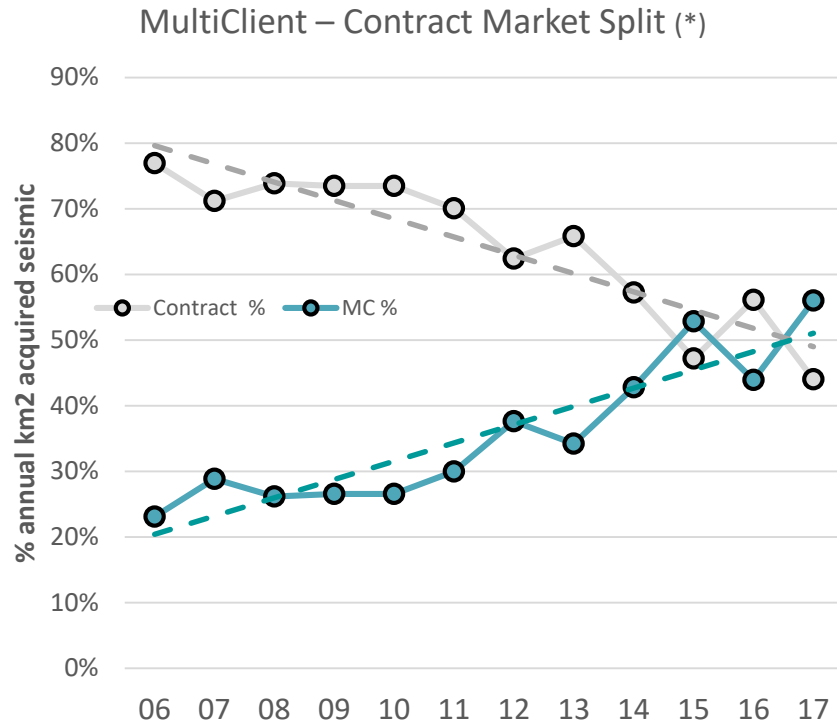


- Marine Contract bids to go (in-house PGS) and estimated \$ value of bids + risk weighted leads
- Dramatic fall in \$ value from 2012-2013 representing a combination of low contract rates and low demand
- Leads curve recently in rising trend may indicate market improvement
- Volume of acquired marine 3D seismic fell below 300,000 km2 in 2017



(*) Internal estimates

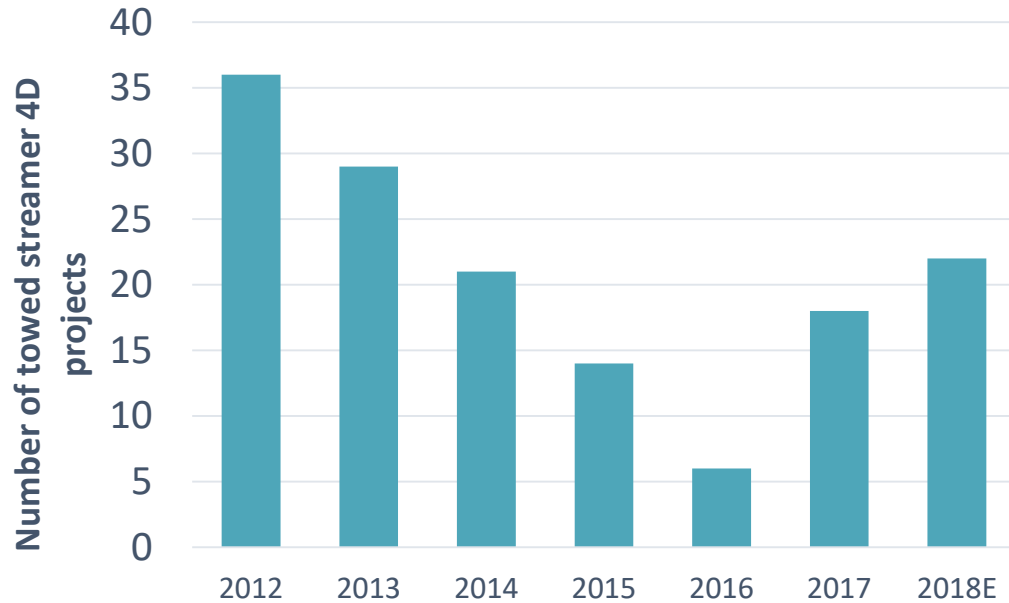
MultiClient Continues to be the Preferred Business Model



- PGS assumes a flat market in 2018 in its planning, although there are signs of a market in gradual improvement
- MultiClient business model continues to be favored – expect > 50% of 2018 PGS 3D fleet in MultiClient
- Greater overlap between MultiClient and Contract projects – opportunity for PGS to use flexibility in business models to drive value
- As a vessel owner PGS can optimize its fleet dispositions according to the most favorable business model

(*) internal estimates

PGS Marine Contract – Post Reorganization

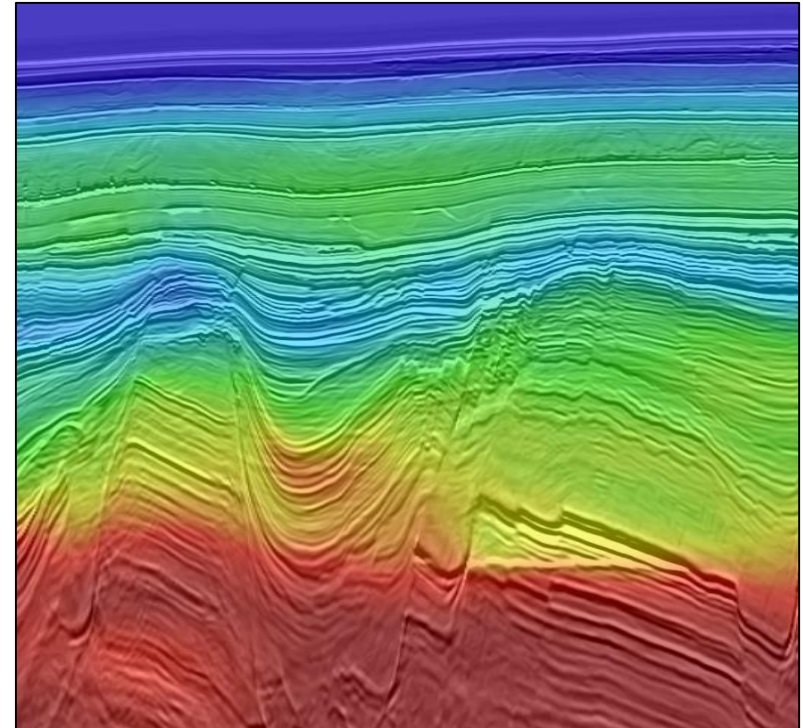


Production streamer seismic is growing

- New PGS structure combined with the flexible fleet plan will enable improved vessel scheduling
- More focused presence in the Contract market, targeting attractive projects aligned to our GeoStreamer technology, Imaging capabilities and superior fleet
- 4D projects a core part of PGS Contract business
 - Need for improved production from existing reservoirs drives 4D / reservoir seismic – UK, West Africa and Brazil among the most active 4D markets in 2018
 - PGS is well positioned in the 4D market
 - Versatile Ramform fleet
 - Multi-component streamers on all vessels
 - Steerable sources and streamers,
 - Unique GeoStreamer based Imaging technology

PGS Imaging – Post Reorganization

- Resized and adapted to current market conditions
- Implementing a Hub-Satellite model to optimize resource utilization globally
 - Main hubs: Oslo, London and Houston
 - Satellite offices: Perth, Kuala Lumpur and Rio
 - Reduction from three to two compute hubs serving all centers globally
- More capacity focused on internal MultiClient projects
- Reduced and more focused presence in the external market
 - Grow presence in 4D and Reservoir market
 - Bring our unique GeoStreamer based imaging technology to the OBS market
 - Strategic technical partnerships with key clients for continued development and utilization of high end imaging technologies
 - 2D processing will no longer be focus area



Summary



- 2017 delivered strong enhancements to our MultiClient Library
- A geographically diverse MultiClient Library continues its stable and robust performance
- PGS contract business to become better aligned with GeoStreamer technology, imaging capabilities and superior fleet – 4D projects a key target
- Unique GeoStreamer based imaging technology directed towards our MultiClient activities and the 4D and reservoir oriented external market
- Organizational structure that enables full utilization and synergies across all products and services



Capital Markets Day

Oslo, February 1, 2018

Per Arild Reksnes

EVP Operations & Technology

A Clearer Image | www.pgs.com



Outline



- Operations & Technology
- Safety
- 2017 Fleet Performance
- The Value of a Modern 3D fleet
- Streamer Investment Needs 2018-2019
- Technology Development
- Summary

Operations & Technology Organization



Operations and Technology comprises:

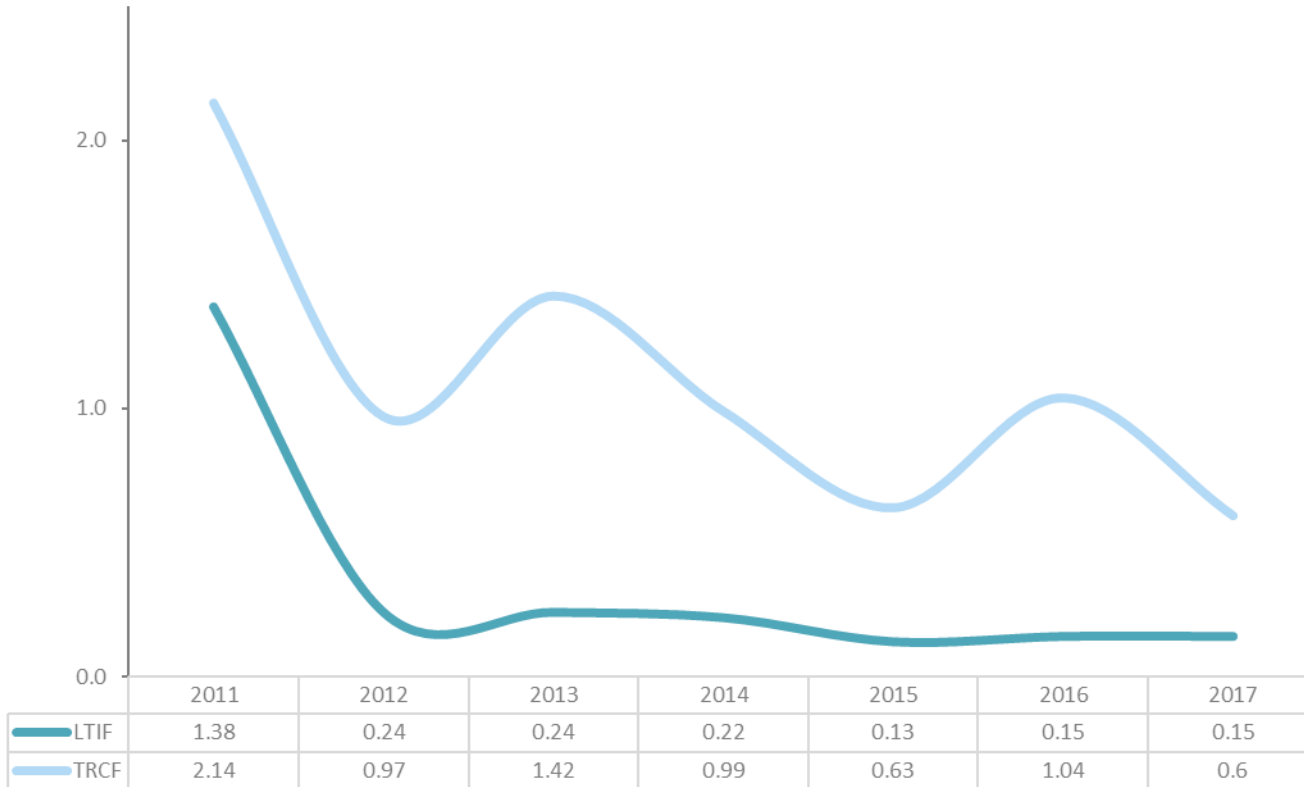
- One unified project team
 - Managing all acquisition projects from planning and bidding to execution and completion
 - Full accountability for the execution of acquisition projects
 - A single point of contact between customer and PGS during acquisition projects

- All necessary resources to
 - Support acquisition projects
 - Maintain and develop the fleet
 - Promote safety and efficiency

- Geoscience and Engineering
 - Technology development with strong differentiation – from acquisition to imaging

Strategic reorganization

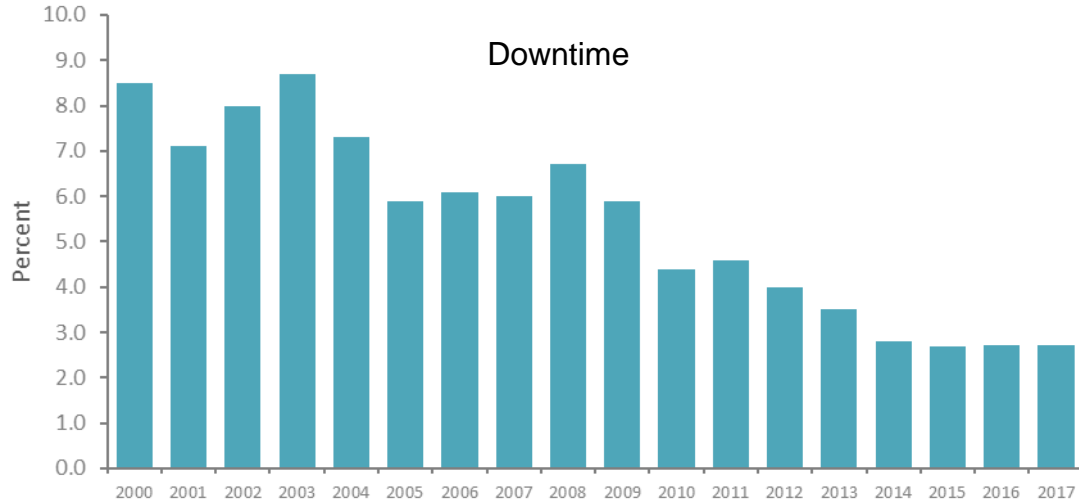
HSEQ Performance: Among Industry Leaders



- Operational safety is priority number 1 in PGS - protecting our crews, assets and the environment

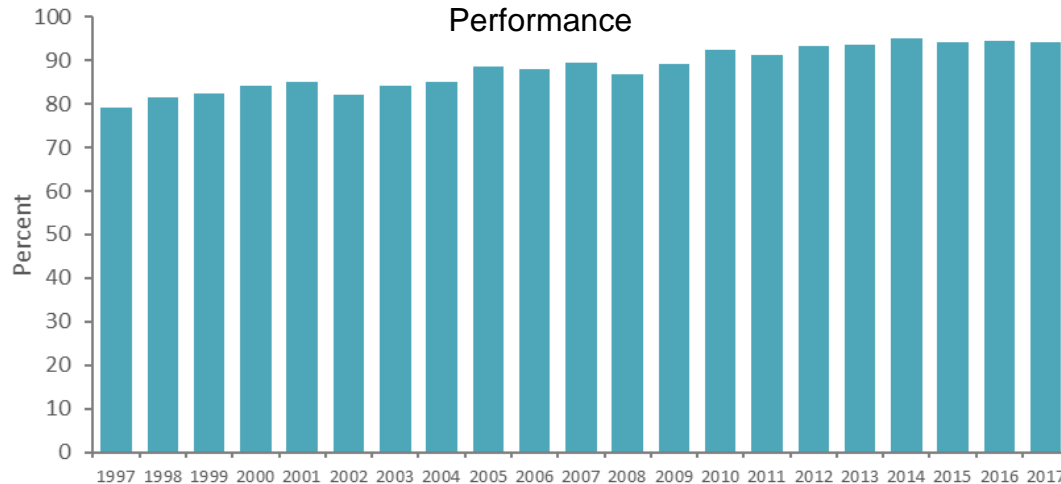
Safe performance has been maintained during a demanding reorganization

Maintaining Industry Leading Performance



Sharp focus on planning and risk mitigation

Continuous effort to reduce unproductive time



Performance = actual production of seismic in % of available production time



PGS “Best in Class” fleet performance ensures consistent operating strength at every point in the cycle

A Flexible Fleet



RAMFORM **Hyperion**



RAMFORM **Tethys**



RAMFORM **Atlas**



RAMFORM **Titan**



RAMFORM **Sterling**



RAMFORM **Sovereign**



PGS **Apollo**

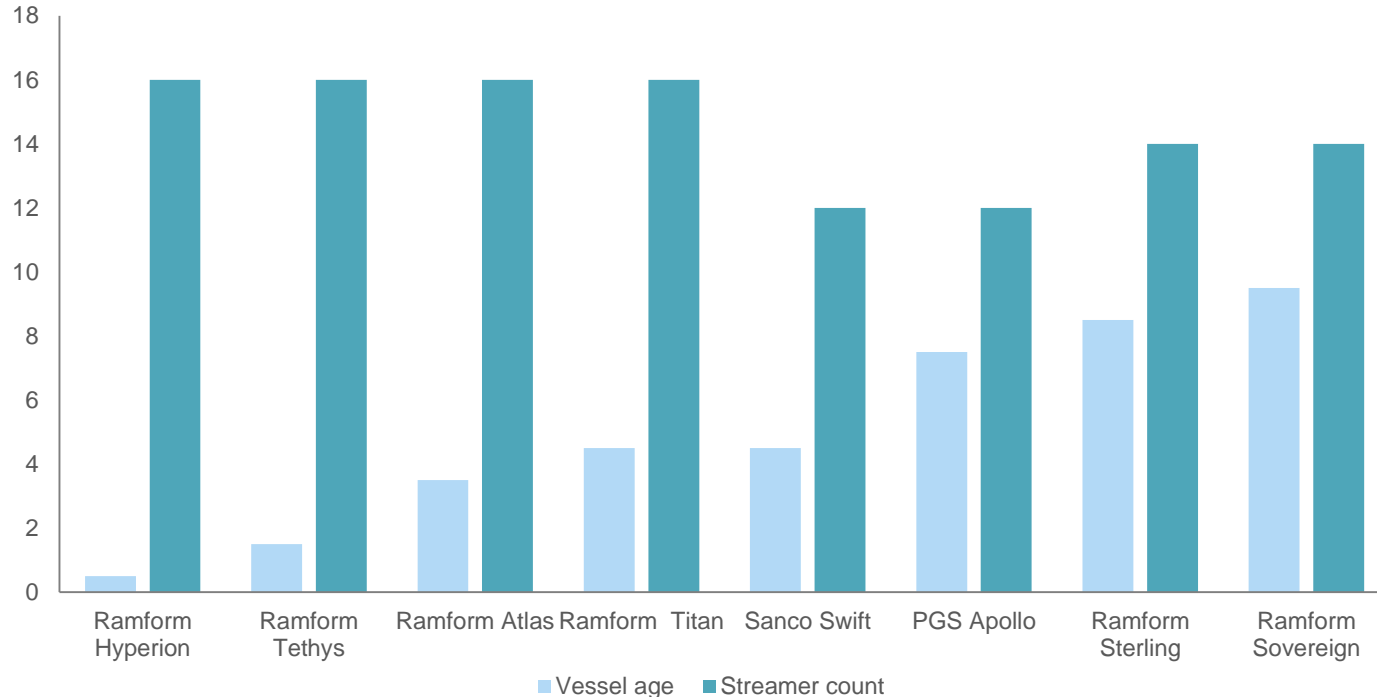


SANCO **Swift**

- PGS will have eight 3D vessels (“the active fleet”) fully equipped at all times, but during the low season we will only run six of these vessels
- The cost base of the fleet is adjusted to six vessels as contract/part time crew will be used for the additional two vessels, providing a flexible element to the base cost
- Quality is assured by PGS employees supervising work and many contractors being ex PGS employees

PGS Active Fleet Is the Youngest and Most Productive

Age and Standard Streamer Count PGS 3D Vessels



- Ramform Titan-class vessels have maximum streamer capacity of 24 streamers, Ramform S-class 22 streamers

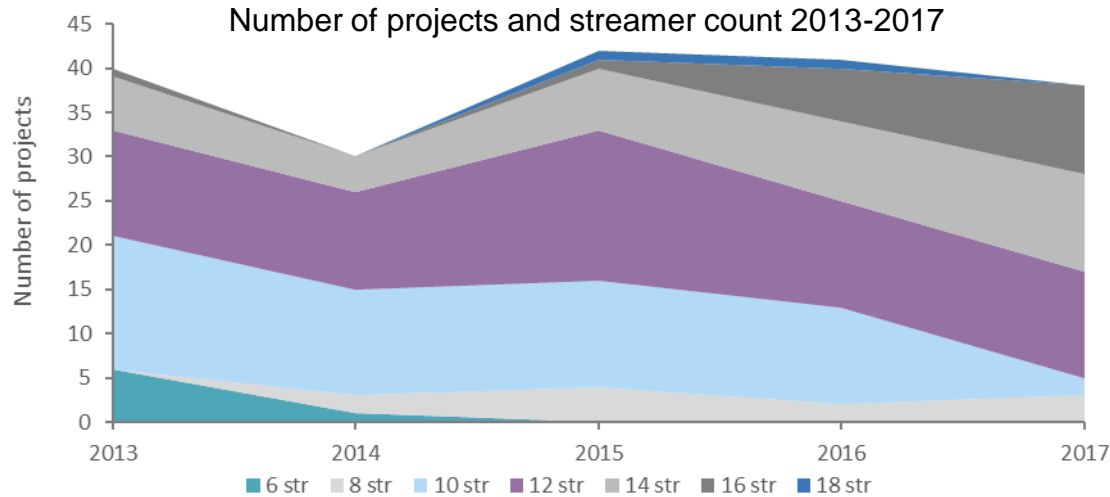
PGS active fleet: average vessel age 5 years (Dec. 2017) and average streamer count 14.5

Ramform Hyperion Completed the Titan-class fleet in 2017

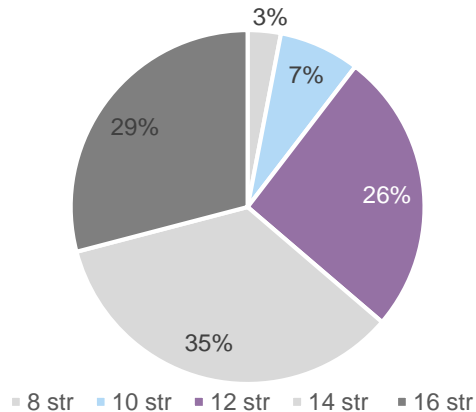


- Four Titan-class vessels delivered on or below budget from 2013-2017
- Customers have embraced the Titan-class vessels
- Major international oil company after using *Ramform Titan* first time: “Very good, fabulous seismic vessel”

Utilizing the Capabilities of the Fleet



2017: km2 acquisition vs. number of str. used



- Following the introduction of the Ramform Titan-class the number of projects where we are using 16 streamers has increased significantly
- In 2017 close to 2/3 of all projects were conducted with 14 streamers or more
- Projects with 8 or 10 streamers are typically wide tow projects (distance between streamers 150-200 meters)

Ramform Titan-class Benefit : Safety and Maintenance

- The vessels have safe working environment for crew:
 - Good ergonomics
 - Low level of manual handling of goods and equipment
 - Stable in adverse weather
- The vessels are leading on propulsion and power generation:
 - Three independent propellers in three independent compartments – fully operational with two propellers
 - Six independent engines in two independent engine rooms - fully operational with one engine room
 - Heavy maintenance can be done during production – higher uptime
- Vessel digitalization example: condition and performance monitoring of engines and mechanical equipment
- Combined with high degree of redundancy this gives us unique optimization of maintenance resulting in significant cost savings and increased operational safety



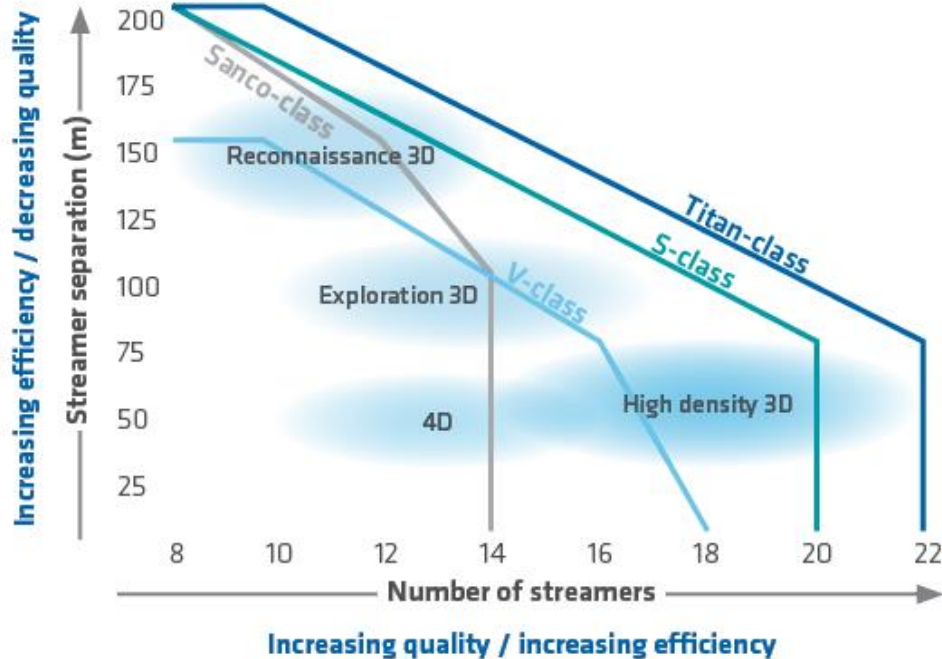
Ramform Titan-class vessels: safe work place and significant reduction of maintenance cost

Ramform Titan-class Benefits : Efficiency



- High towing capacity
- Highly efficient back decks enable fast deployment and recovery of a high number of streamers
- Very high stability in adverse weather allows optimization of production time in areas with short windows available for seismic
- High fuel capacity enables avoidance of refueling in sensitive areas
- Twice the work boat capacity of other seismic vessel secures high technical uptime

PGS Fleet: Covering all the Bases



- Ramform Titan-class and Ramform S-class vessels are:
 - Superior for large exploration surveys
 - Superior for any survey with high streamer count
 - Competitive on all 4D surveys and conventional 3D surveys
- The conventional vessels in the PGS fleet are competitive for both exploration 3Ds and 4Ds

Reduced operational risk and high productivity for PGS and customers

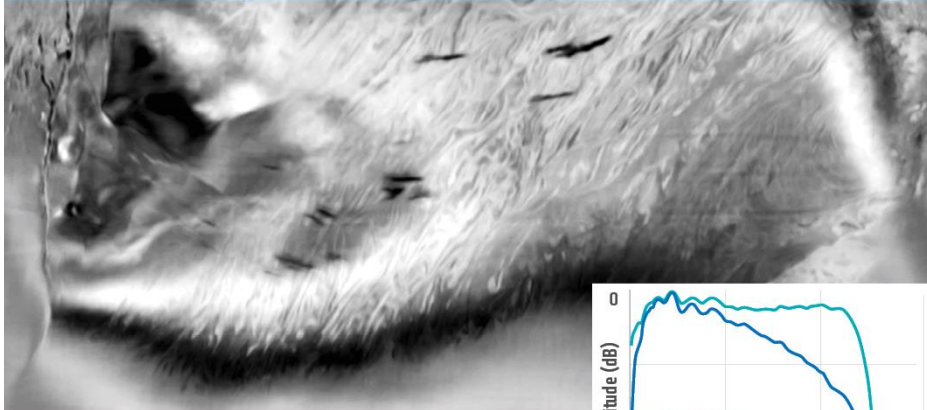
PGS Active Fleet: No Need for New Streamers in the Next Two Years



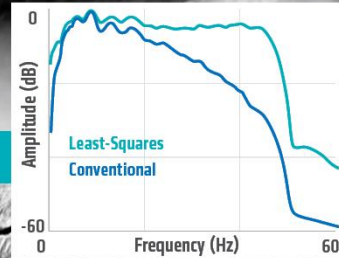
- PGS' fleet of active vessels is fully equipped with GeoStreamers produced between 2008-2018
- PGS has implemented measures extending the technical life of GeoStreamers to 10 years
- With streamers from the cold-stacked *Ramform Vanguard* and the extended life of GeoStreamers, we do not need new streamers before 2020
- Beneficial for strategic focus on minimizing capex

Developing Differentiating Technology

Conventional migration

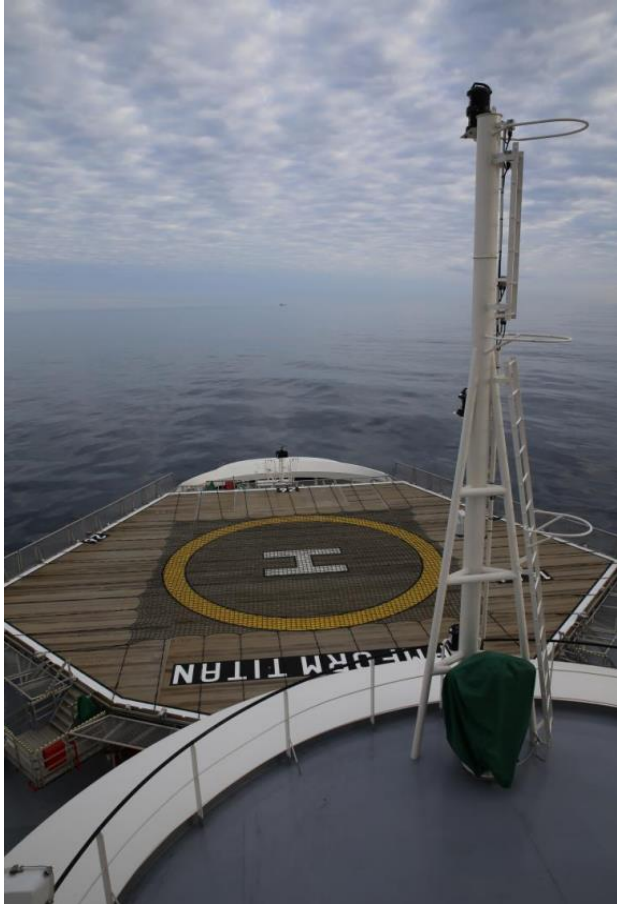


Least-Squares migration



- PGS will continue to develop new technology, but have scaled down capex in reflection of the difficult market conditions
- New development efforts will be focused on differentiating technology that enables customers to create a more accurate subsurface images
- PGS is open to 3rd party co-operation for technology development in selected areas to lower cost to market

Summary



- Reorganization has:
 - reduced and simplified the organization
 - increased accountability
 - given a significantly lower cost base with same production capabilities
- Strong safety culture continues to yield positive results
- PGS “Best in Class” fleet performance ensures consistent operating strength at every point in the cycle
- PGS active fleet is the youngest and most productive fleet in the industry
- Very low streamer capex 2018-2019
- PGS continues to develop competitive technology

Operations & Technology – dedicated to safety and delivery



Capital Markets Day

Oslo, February 1, 2018

Concluding Remarks - Rune Olav Pedersen

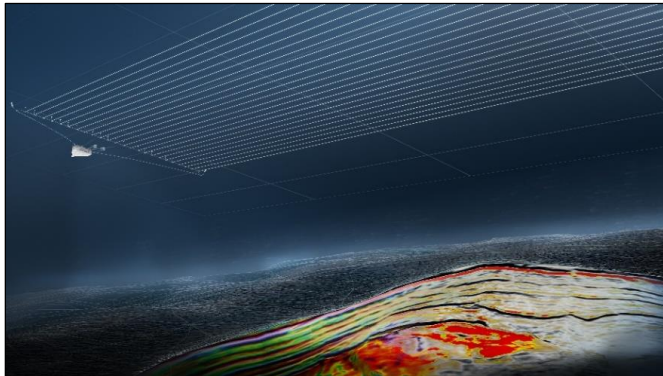
President & CEO

PGS: Advantage of a Fully Integrated Marine Seismic Company

Quality

through Technology and Integration

- Integrated acquisition and processing design and solutions solve complex subsurface imaging challenges
- Seamless use of leading acquisition and imaging technology (GeoStreamer, Ramform) gives better reservoir insight



Reliability

through Specialization and Dedication

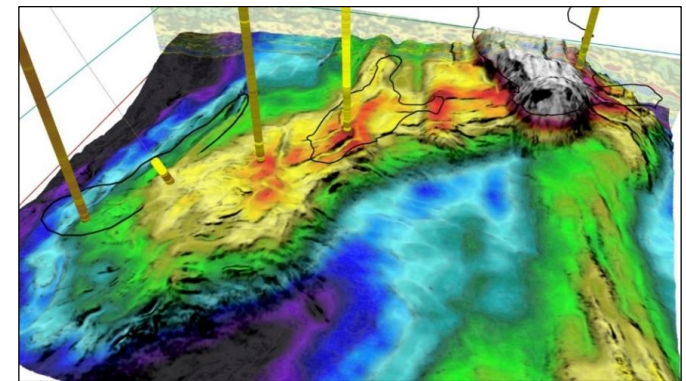
- Full fleet control enables reliable planning and successful execution of projects
- Safe and reliable project delivery through dedicated HSEQ processes from the back deck to the interpretation workstation



Profitability

through Optimization and Centralization

- Centralized organization for better and faster decision making
- Flexible resource allocation between Contract and MultiClient based on overall commercial benefits
- Strategic vessel scheduling minimizes transits and operating costs
- Standardized equipment pool and central inventory management extend asset utilization



In Conclusion



- Positioned the Company to take advantage of current and future opportunities
- Smaller, simpler and more flexible
- Cost and cash flow are top priorities
- Oil companies in significant cash flow positive position
- Some indications of improving market sentiment in 2018
 - PGS plans for a flat market

Re-focused & Re-energized to capitalize on market opportunities



Questions?

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