

Second Quarter and First Half 2016 Results

Earnings Presentation



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 second quarter and first half 2016 results and the disclosures therein

Cost Reductions Continue Healthy MultiClient Sales

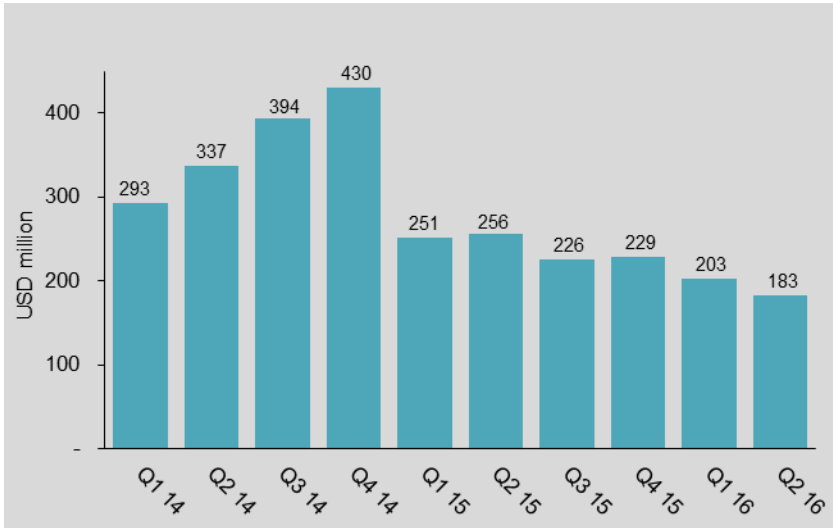


- Q2 financial performance:
 - EBITDA of USD 68.8 million
 - Total MultiClient revenues of USD 93.2 million
 - Pre-funding level of 113%
 - Liquidity reserve of USD 429.7 million
- Early signs of improved market sentiment
- On track to deliver at least USD 90 million cash cost reductions in 2016
- Continued strong vessel performance
- Revolving Credit Facility maintenance covenant amended to increase headroom

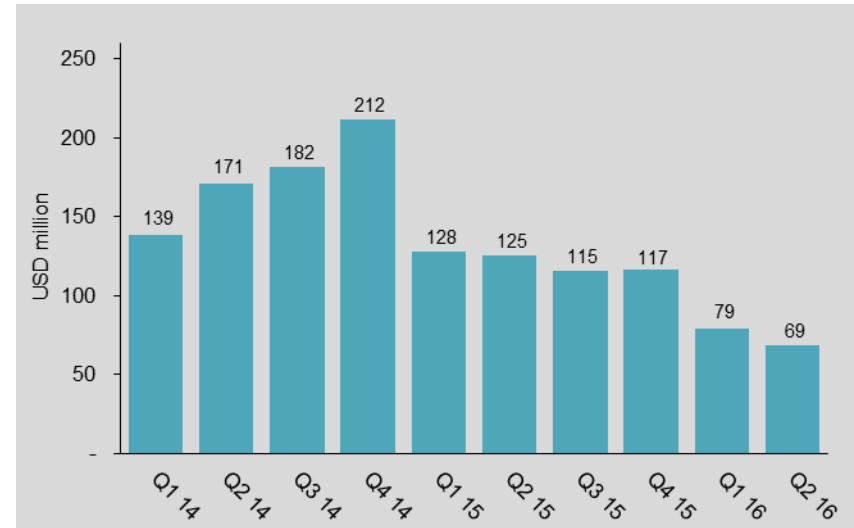
Focus on sales, operations, cost and cash flow discipline

Financial Summary

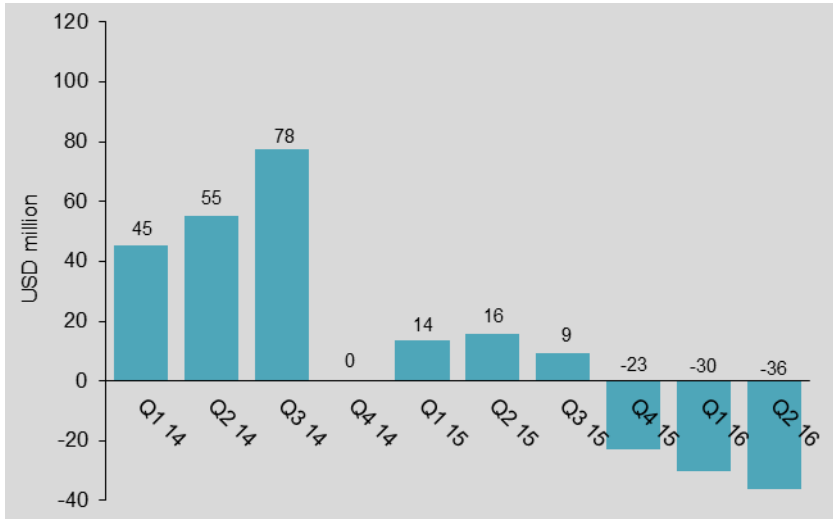
Revenues



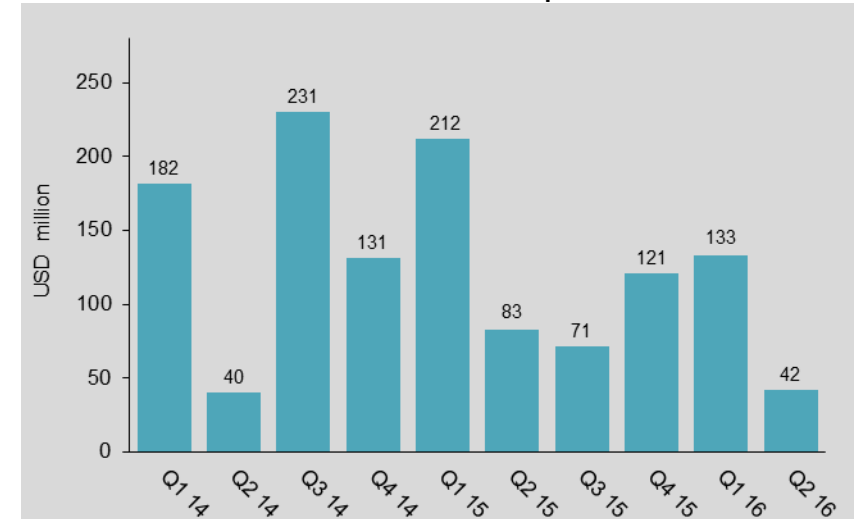
EBITDA*



EBIT**



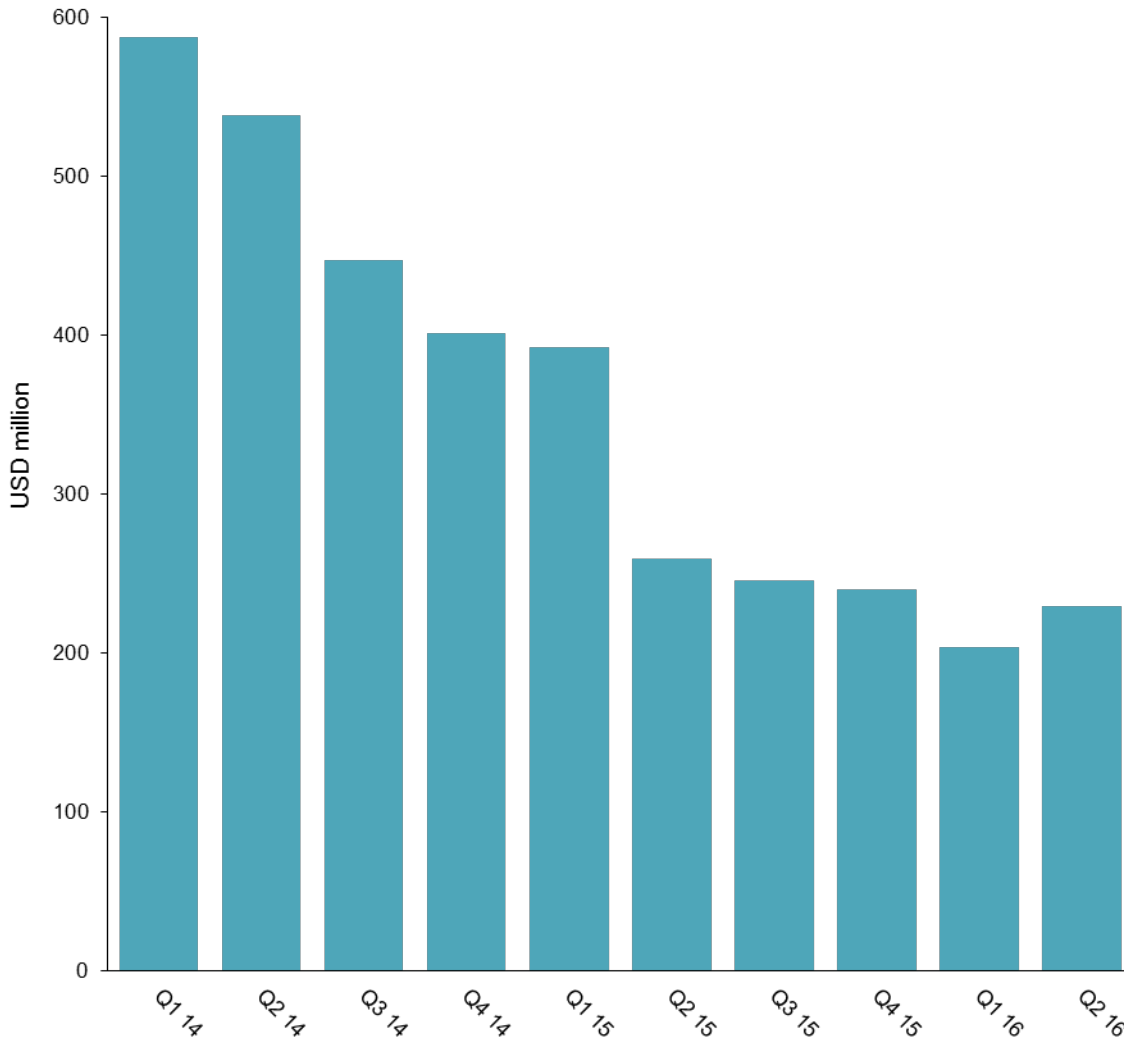
Cash Flow from Operations



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

**Excluding impairment and loss on sale of long-term assets and other charges/(income)

Order Book



- Order book of USD 230 million by end Q2 2016
- Vessel booking*
 - ~95% booked for Q3 2016
 - ~50% booked for Q4 2016
 - ~15% booked for Q1 2017
 - ~10% booked for Q2 2017

*As of July 20, 2016, based on 8 active vessels and excluding cold-stacked vessels.

The background features a complex network of light blue lines forming a grid and various geometric shapes. A prominent feature is a sunburst or starburst pattern on the left side, with numerous thin lines radiating from a central point. Several larger, semi-transparent arrows are overlaid on the grid, pointing in various directions: one points upwards, one points to the right, and another points diagonally upwards and to the right. The overall color palette is shades of blue.

Financials

Unaudited Second Quarter and First Half 2016 Results

Consolidated Statement of Profit and Loss Summary

	Q2	Q2	Percent	1H	1H	Percent
USD million (except per share data)	2016	2015	change	2016	2015	change
Revenues	183.0	255.8	-28 %	386.1	506.9	-24 %
EBITDA*	68.8	125.1	-45 %	147.5	252.6	-42 %
Operating profit (loss) EBIT ex impairment and other charges	(36.2)	15.9		(66.3)	29.5	-325 %
Operating profit (loss) EBIT	(44.6)	(45.7)		(76.1)	(34.8)	
Net financial items	(13.0)	(12.2)		(43.5)	(32.9)	
Income (loss) before income tax expense	(57.7)	(57.9)		(119.6)	(67.9)	
Income tax expense (benefit)	(5.9)	5.9		(11.0)	15.4	
Net income (loss) to equity holders	(51.8)	(63.8)		(108.7)	(83.3)	
EPS basic	(\$0.22)	(\$0.30)		(\$0.46)	(\$0.39)	
EBITDA margin*	37.6 %	48.9 %		38.2 %	49.8 %	
EBIT margin ex impairment and other charges	-19.8 %	6.2 %		-17.2 %	5.8 %	

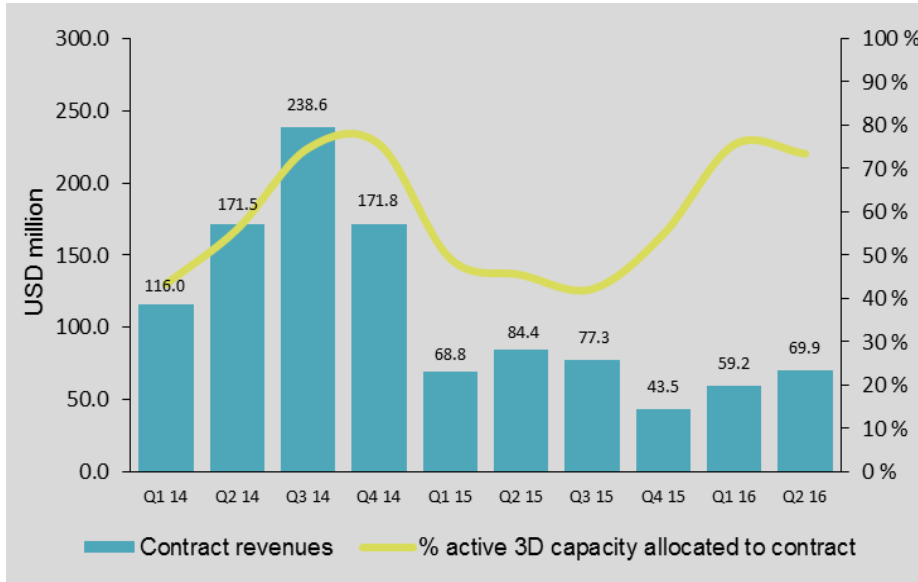
- Market and capacity driven revenue decline of 28% in Q2 2016 compared to Q2 2015
- Restructuring costs of USD 3.4 million in 1H 2016
- Deferred tax benefit in Q2 2016 relates to the loss for the quarter

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

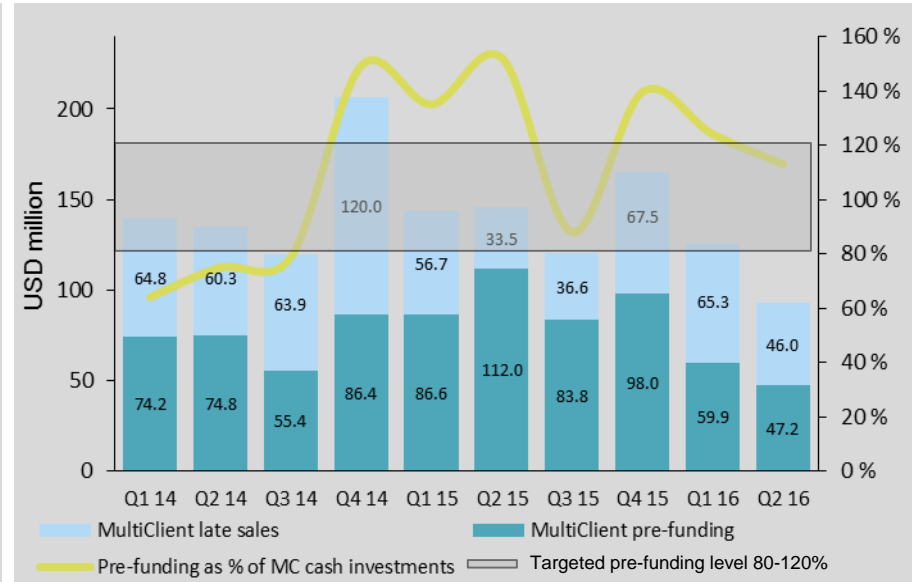
The accompanying unaudited financial information has been prepared under IFRS. This information should be read in conjunction with the unaudited second quarter and first half 2016 results, released on July 21, 2016.

Q2 2016 Operational Highlights

Contract revenues



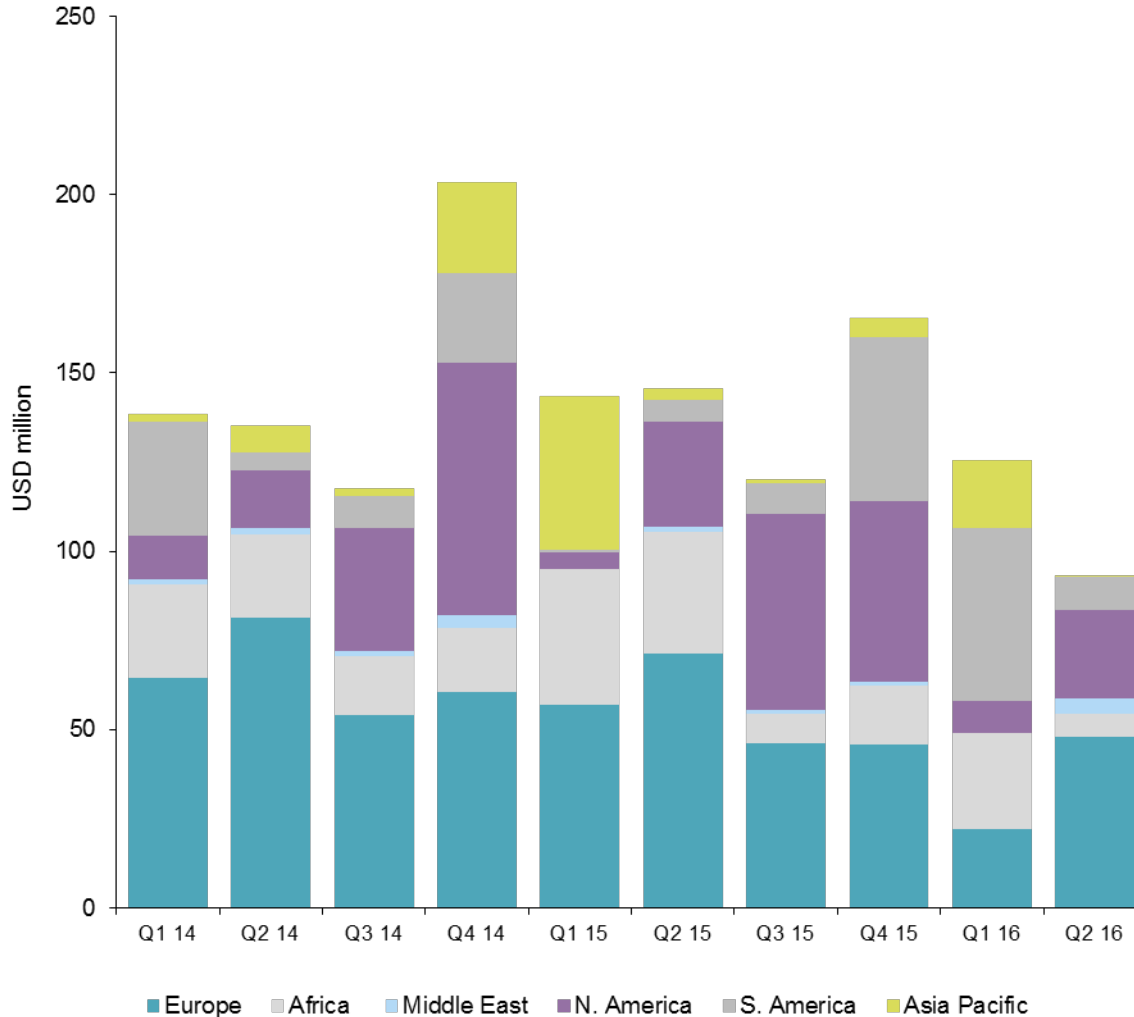
MultiClient revenues



- Total MultiClient revenues of USD 93.2 million
 - Pre-funding revenues of USD 47.2 million
 - Pre-funding level of 113% on USD 41.8 million of MultiClient cash investment
 - Late sales revenues of USD 46.0 million
- Marine contract revenues of USD 69.9 million reflecting continued low pricing with some positive impact from starting the North Europe season

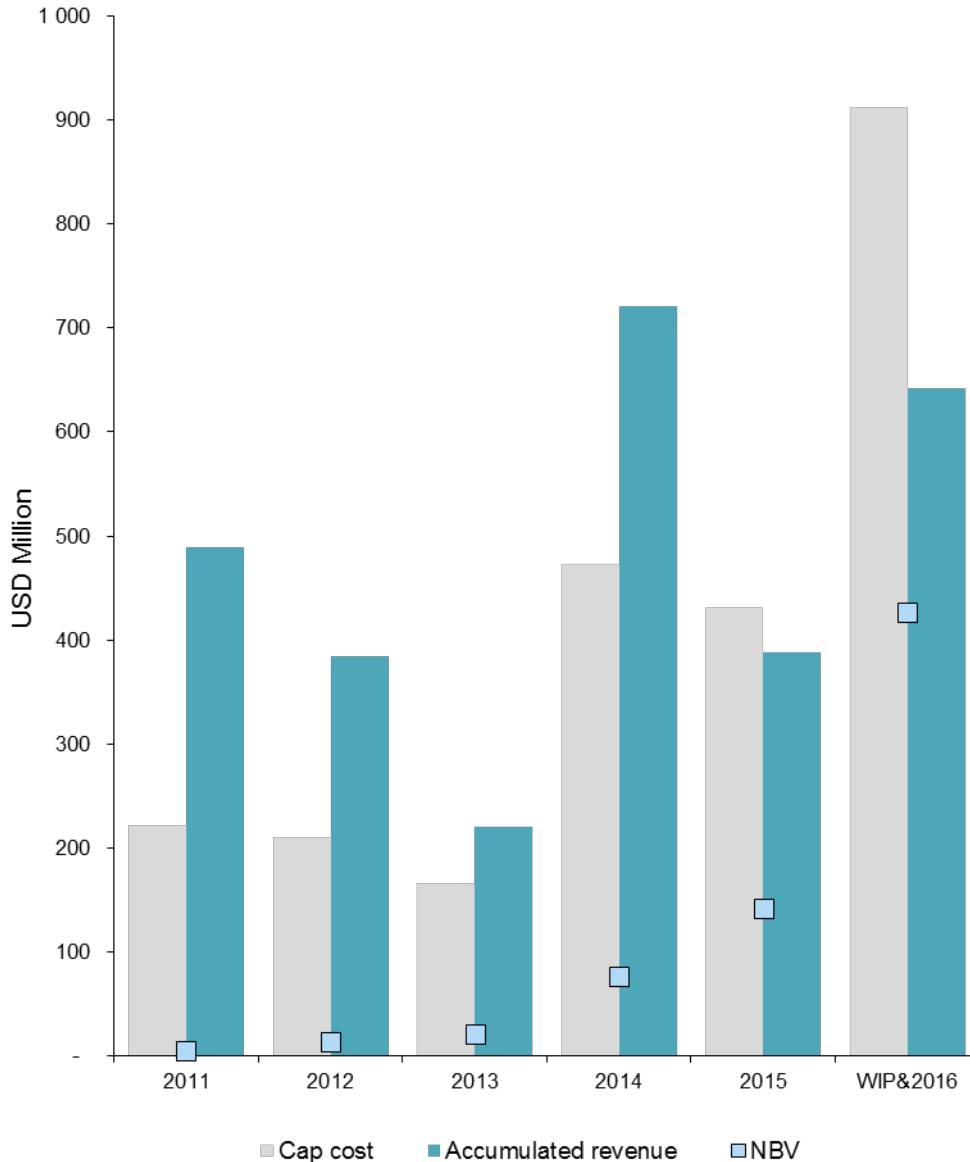
MultiClient Revenues per Region

Pre-funding and Late Sales Revenues Combined



- MultiClient pre-funding revenues were highest in Europe and North America in Q2 2016
- The same regions also contributed the most to MultiClient late sales

MultiClient Vintage Distribution



- MultiClient library book value of USD 686.1 million as of June 30, 2016
- Moderate net book value for surveys completed 2010-2015
- Q2 2016 amortization rate of 67%
- 2016 amortization expense estimated to approximately USD 300 million

Key Operational Numbers

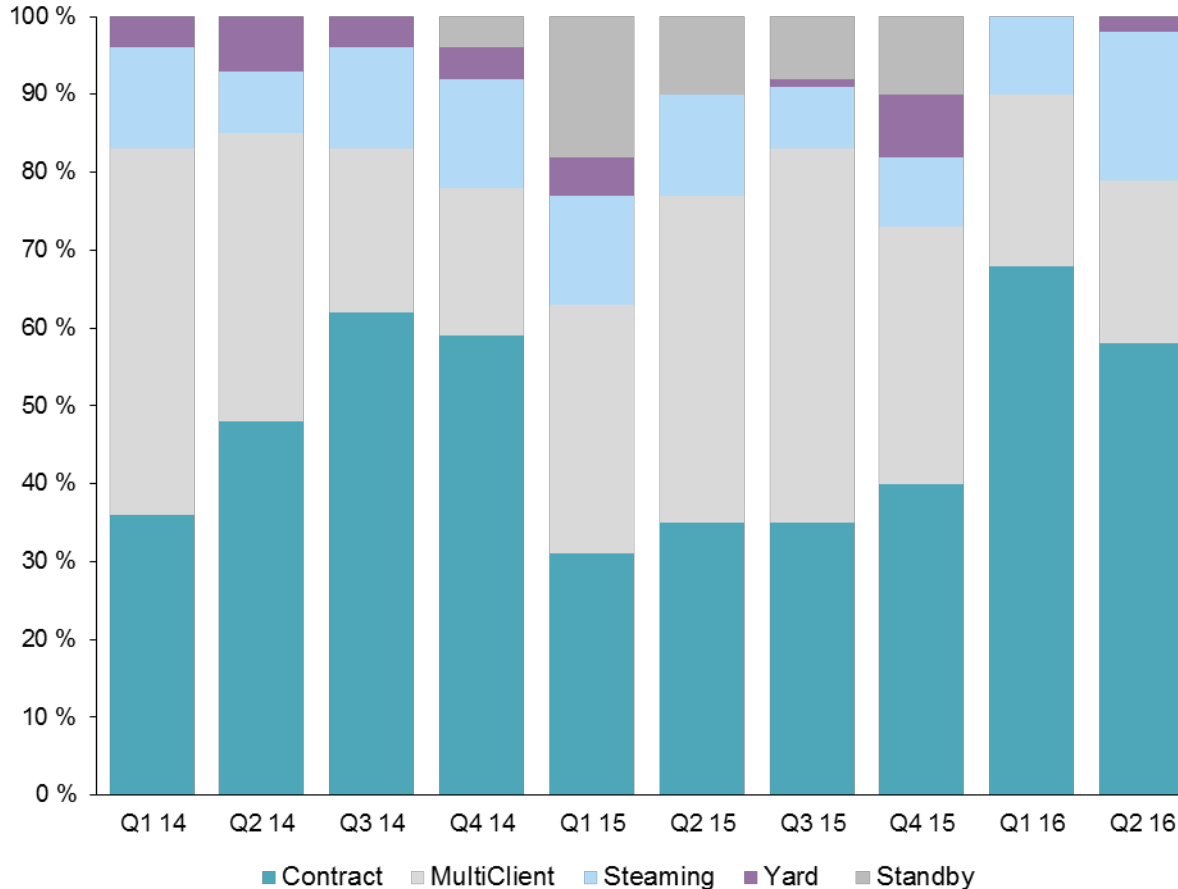
USD million	2016		2015			
	Q2	Q1	Q4	Q3	Q2	Q1
Contract revenues	69.9	59.2	43.5	77.3	84.4	68.8
MultiClient Pre-funding	47.2	59.9	98.0	83.8	112.0	86.6
MultiClient Late sales	46.0	65.3	67.5	36.6	33.5	56.7
Imaging	17.9	16.6	18.2	21.7	23.5	30.3
Other	2.1	2.1	2.2	6.3	2.4	8.7
Total Revenues	183.0	203.1	229.3	225.7	255.8	251.1
Operating cost	(114.2)	(124.6)	(112.8)	(110.4)	(130.7)	(123.5)
EBITDA*	68.8	78.6	116.5	115.3	125.1	127.5
Depreciation	(42.1)	(40.7)	(37.6)	(27.4)	(34.5)	(41.6)
MultiClient amortization	(62.9)	(68.1)	(101.8)	(78.7)	(74.6)	(72.5)
Impairment and loss on sale of long-term assets	(4.2)		(274.9)	(65.3)	(56.9)	0.0
Other charges/income	(4.2)	(1.4)	(35.1)	(6.5)	(4.7)	(2.7)
EBIT	(44.6)	(31.6)	(332.9)	(62.7)	(45.7)	10.9
CAPEX, whether paid or not	(51.9)	(108.9)	(41.7)	(17.0)	(63.3)	(41.5)
Cash investment in MultiClient	(41.8)	(48.3)	(70.2)	(95.5)	(73.6)	(64.0)
Order book	230	204	240	245	259	394

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Vessel Utilization*

Seismic Streamer 3D Fleet Activity in Streamer Months

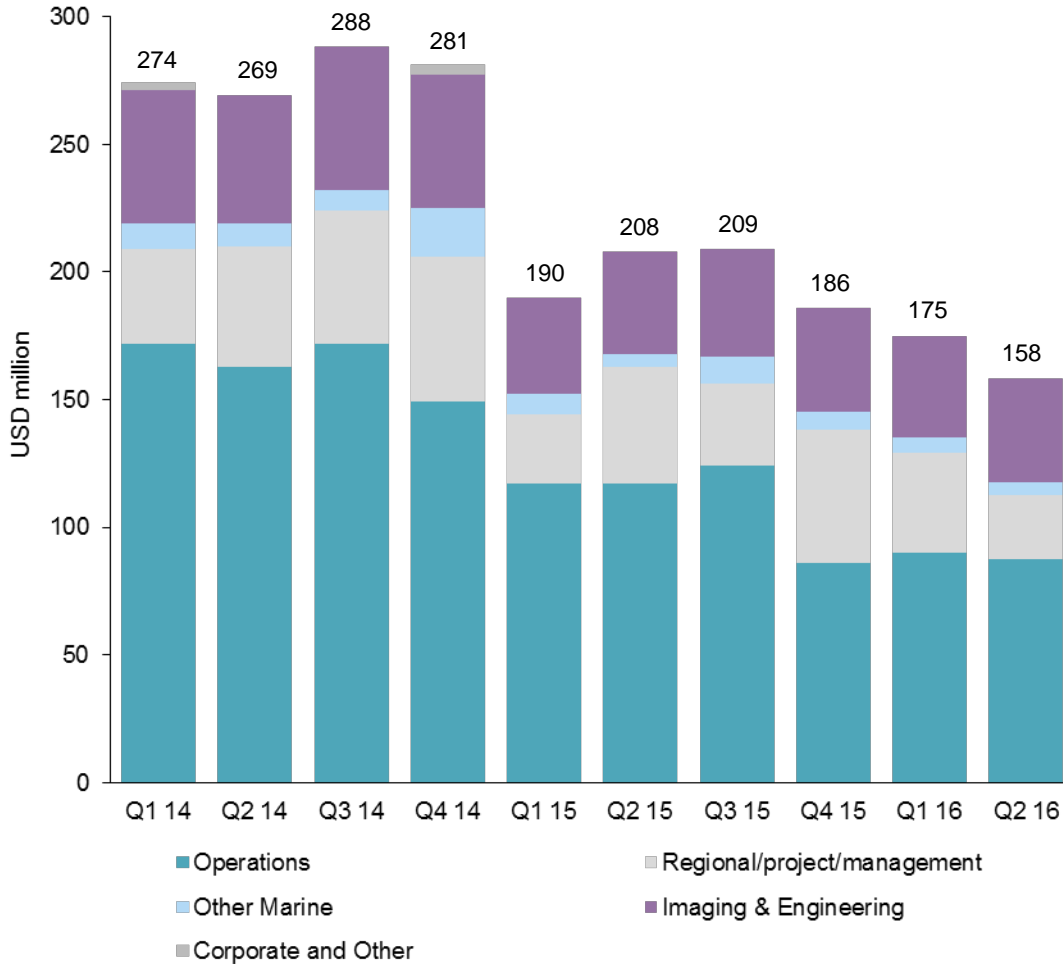


- 79% active vessel time in Q2 2016
 - 19% steaming driven by five vessels to the North Sea
- 40-45% of the active vessel time in 2016 planned for MultiClient work

Continued focus on optimizing vessel utilization

* The Q2 2016 vessel allocation excludes cold-stacked vessels. The new build *Ramform Tethys* has been included in the vessel statistics 90% of the quarter and recorded 35 days of steaming from Japan before commencing operations in the North Sea mid-May. Rigging of the chartered vessel *Sanco Swift* was completed late April and the vessel is included in the vessel statistics 75% of the quarter.

Group Cost* Focus Delivers Results

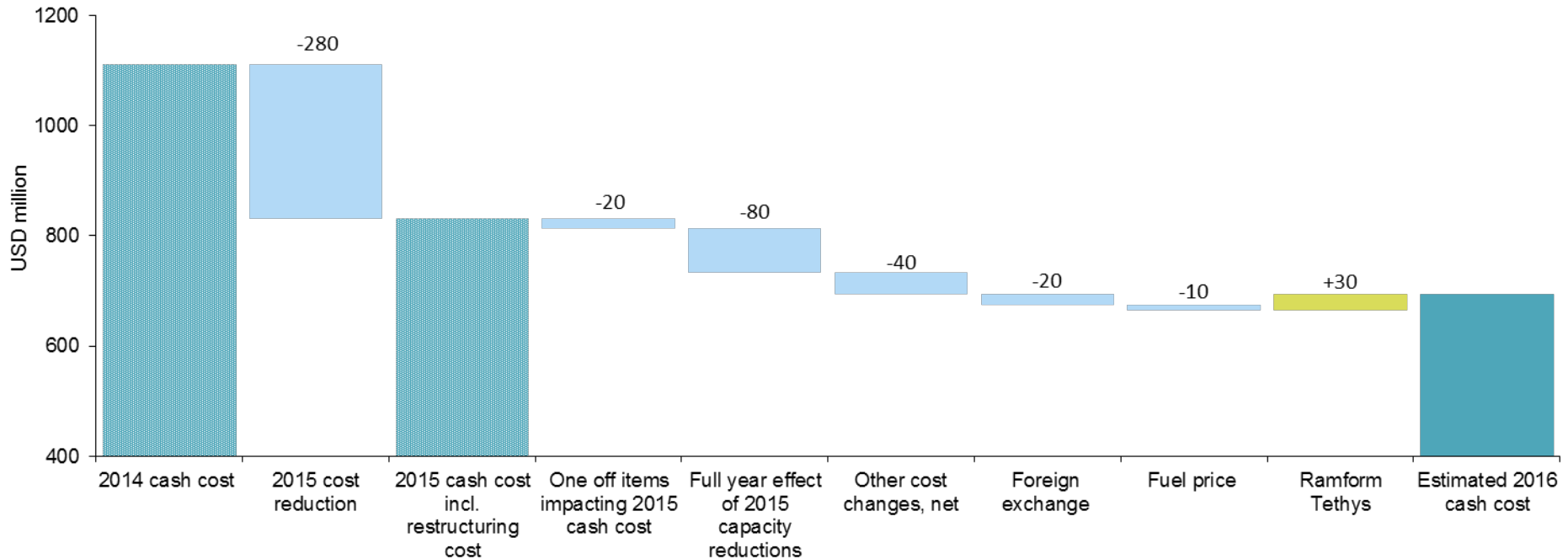


- Gross cash cost continuing to come down
- Reduced cost while steaming as well as lower project related cost benefited Q2 cash cost
- Gross cost in 2H 2016 expected to be higher than 1H due to a larger fleet and higher project related cost

Full year gross cash cost expected to be at or below USD 700 million

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

Proactive Cost Reductions Continue in 2016



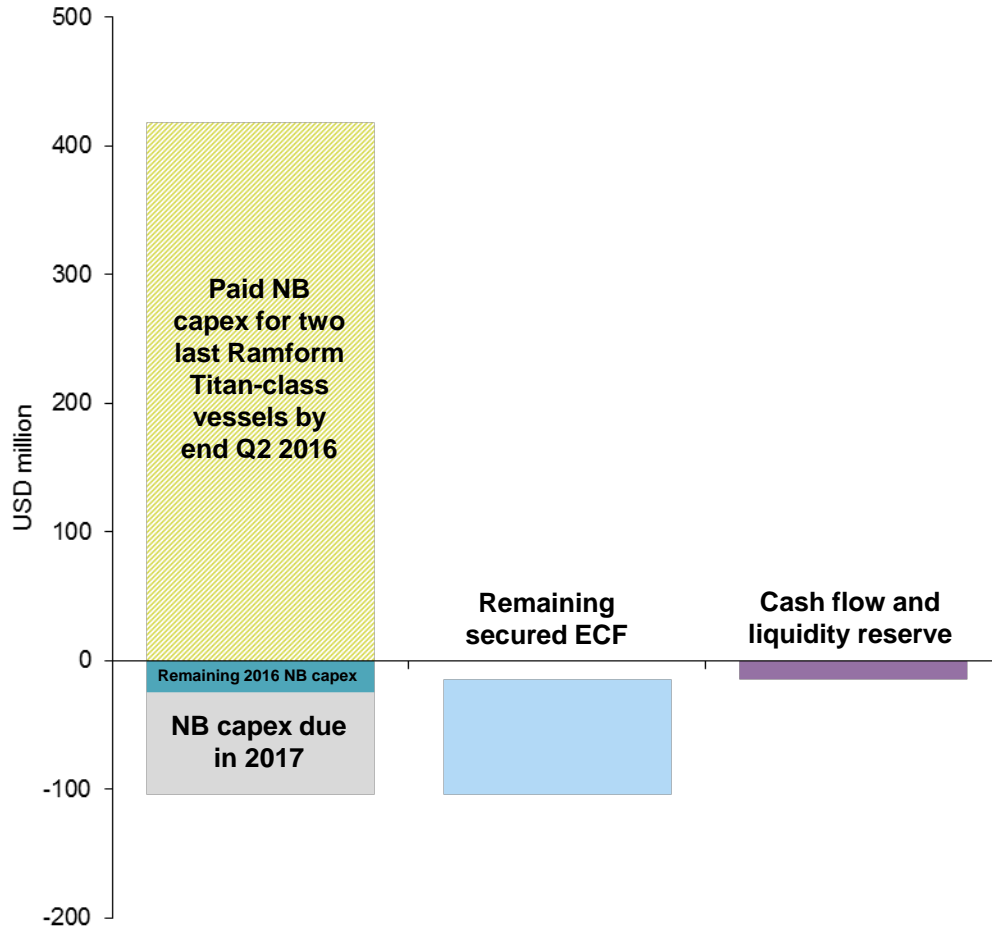
- 2015 cash cost reductions amounted to approximately USD 280 million, including restructuring cost (approximately USD 320 million if restructuring cost is excluded)
- Further significant cost reductions expected to bring 2016 gross cash cost down to USD 700 million or below
 - Tight cost control continues
 - Initiatives implemented in 2015 to take full effect in 2016
 - Delivery of *Ramform Tethys* adds to the cost base
- Cost discipline has high priority in 2016 with potential for further cost reductions

Consolidated Statements of Cash Flows Summary

USD million	Q1	Q1	1H	1H
	2016	2015	2016	2015
Cash provided by operating activities	42.4	83.1	175.8	295.4
Investment in MultiClient library	(41.8)	(73.6)	(90.1)	(137.6)
Capital expenditures	(67.0)	(72.2)	(181.4)	(102.9)
Other investing activities	(2.9)	59.2	(100.2)	57.5
Net cash flow before financing activities	(69.3)	(3.5)	(195.9)	112.4
Financing activities	2.4	(87.8)	164.0	(109.5)
Net increase (decr.) in cash and cash equiv.	(66.9)	(91.3)	(31.9)	2.9
Cash and cash equiv. at beginning of period	116.6	148.9	81.6	54.7
Cash and cash equiv. at end of period	49.7	57.6	49.7	57.6

- Cash provided by operating activities of USD 42.4 million in Q2 2016
 - Impacted by a slight reversal of the strong working capital improvement seen in Q1 due to a portion of MultiClient sales concluded late in the quarter
- Relatively high Q2 capex primarily due to yard installment at floating of *Ramform Hyperion*
- New build capex to be USD 115 million lower in 2H vs. 1H

Improving Cash Flow in 2H 2016



- Of the total USD 165 million full year new build capex, USD 140 million has already been incurred
 - More balanced cash flow in 2H 2016
- Remaining capex through delivery of *Ramform Hyperion* substantially covered by the approximately USD 91 million of remaining Export Credit Financing

Balance Sheet Key Numbers

	June 30	June 30	December 31
USD million	2016	2015	2015
Total assets	2 970.3	3 297.4	2 914.1
MultiClient Library	686.1	749.9	695.0
Shareholders' equity	1 350.3	1 799.9	1 463.7
Cash and cash equivalents (unrestricted)	49.7	57.6	81.6
Restricted cash	95.0	82.9	71.6
Liquidity reserve	429.7	545.7	556.6
Gross interest bearing debt	1 352.3	1 146.6	1 147.2
Net interest bearing debt	1 207.6	995.0	994.2

- Adequate liquidity reserve of USD 429.7 million
- Total leverage ratio of 3.86:1 as of June 30, 2016
 - Leverage ratio maintenance covenant of the Revolving Credit Facility amended to a maximum of 5.50:1 from Q2 2016 through Q1 2017
- 1H increase in net interest bearing debt primarily due to new build capex
- Shareholders' equity at 45% of total assets

PGS Debt Structure

Long term Credit Lines and Interest Bearing Debt	Nominal Amount as of June 30, 2016	Total Credit Line	Financial Covenants
USD 400.0 million Term Loan (“TLB”), Libor (minimum 0.75%) + 250 basis points, due 2021	USD 391.0 million		None, but incurrence test: total leverage ratio $\leq 3.00x^*$
Revolving credit facility (“RCF”), due 2018 40% of applicable margin in commitment fee on undrawn amount Libor + margin of 200-325 bps + utilization fee	USD 120.0 million	USD 500.0 million	Maintenance covenant: total leverage ratio $\leq 5.50x$, to Q1-2017, 5.00x Q2-17, 4.5x Q3-17, 3.25x Q4-17, thereafter reduced by 0.25x each quarter to 2.75x by Q2-18
Japanese ECF, 12 year with semi-annual installments. 50% fixed/ 50% floating interest rate	USD 391.3 million	USD 482.5 million	None, but incurrence test for loan 3&4: Total leverage ratio $\leq 3.00x^*$ and Interest coverage ratio $\geq 2.0x^*$
December 2018 Senior Notes, coupon of 7.375% and callable from 2015	USD 450.0 million		None, but incurrence test: Interest coverage ratio $\geq 2.0x^*$

*Carve out for drawings under ECF and RCF

Operational Update and Market Comments

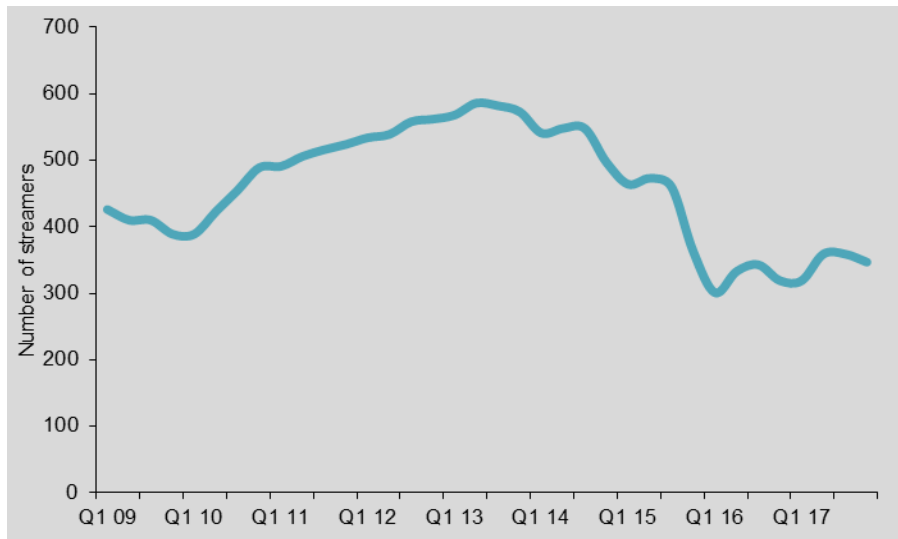
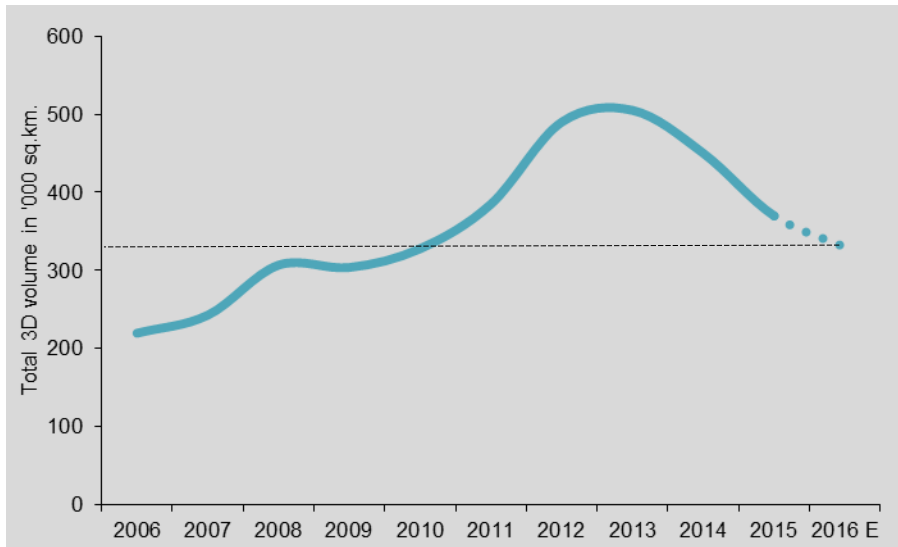
Unaudited Second Quarter and First Half 2016 Results

Early Signs of an Improved Market Sentiment



- Gradual oil price recovery
- Increasing interest for MultiClient data library
 - Quarterly and regional near-term variability is expected
- Contract market still characterized by low pricing
 - More predictable customer survey planning and contracting process
- Indications of some pent-up client demand
- High vessel utilization
 - Low industry vessel idle time in Q1-Q3 2016

Marine Seismic Market Volume and Supply



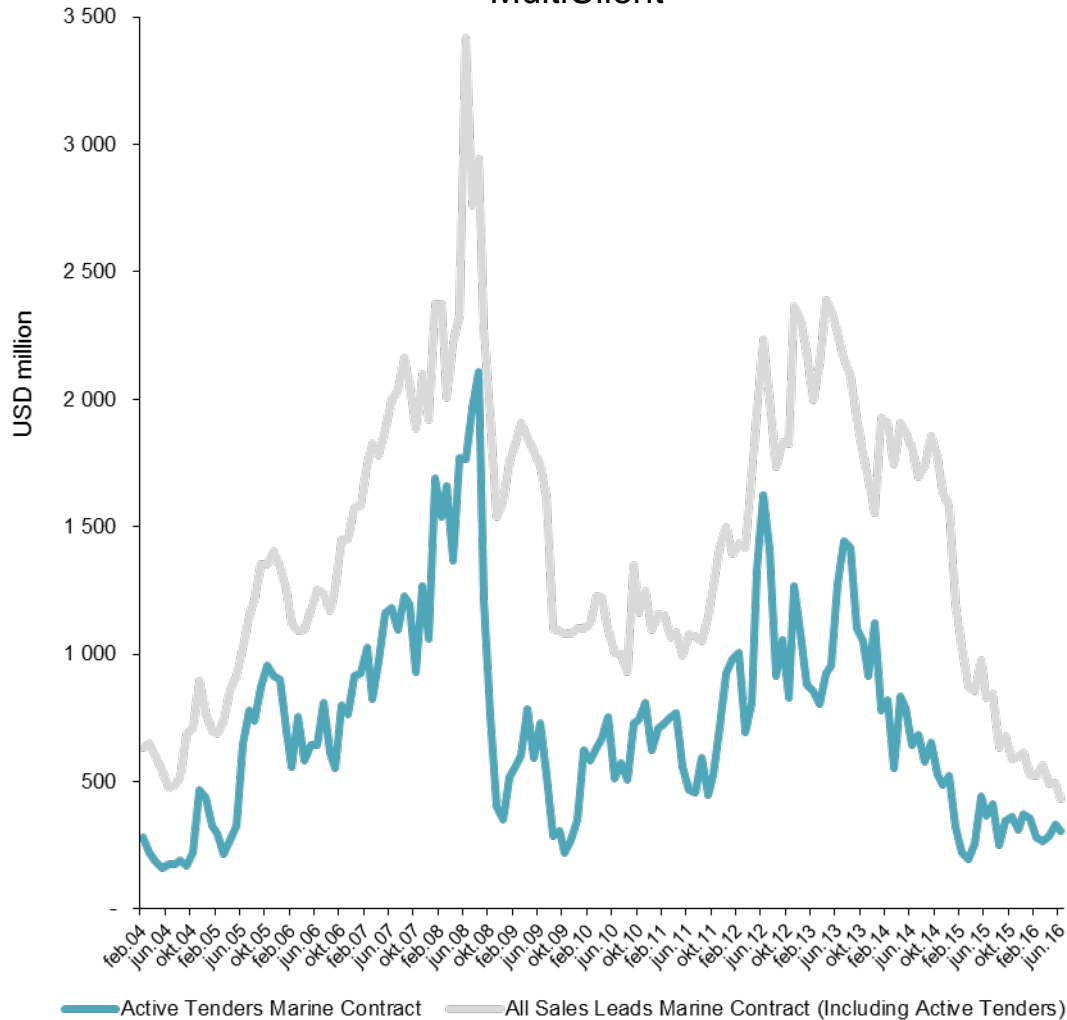
- Industry expected to acquire 320-340,000 sq.km of seismic in 2016
 - An increase compared to previous estimate
 - Volume of seismic acquired will be higher in 2016 compared to pre 2010

- Streamer capacity is approximately 45% lower than at the 2013 peak

PGS response – Focus on sales, operations, cost and cash flow discipline

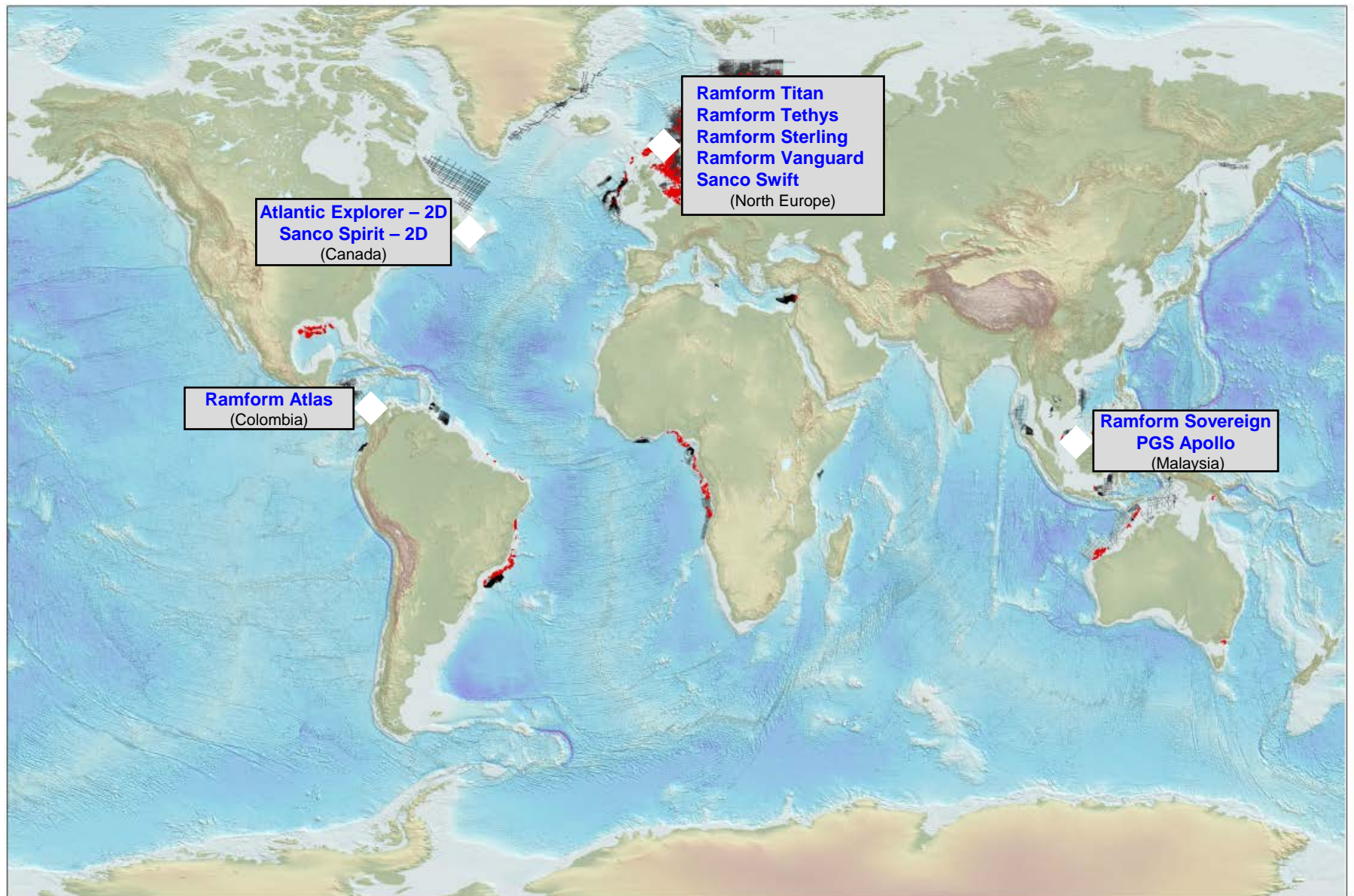
Market Activity

Bidding Activity for Marine Contract excluding MultiClient



- Seismic demand primarily driven by:
 - Positioning for strategically important license rounds
 - Seismic commitments in E&P licenses
 - Production seismic
 - Some opportunistic spending
- Decent volume of leads in Africa for Q4 and Q1
 - Soft in Asia Pacific, North and South America
- Shorter time and higher conversion rate from lead to tender

Streamer Operations July 2016



2016 Guidance

- **Gross cash cost at or below USD 700 million**
 - Of which approximately USD 225 million to be capitalized as MultiClient cash investments

- **MultiClient cash investments of approximately USD 225 million**
 - Pre-funding level of approximately 100%
 - 40-45% of active 3D vessel time planned for MultiClient

- **Capex of approximately USD 225 million**
 - Of which new build capex of approximately USD 165 million

In Conclusion:

Competitively Positioned to Navigate Current Market Environment



- Early signs of improved market sentiment
- Industry leading fleet and technology position
- Healthy MultiClient performance
- Substantial cost reductions continue
- Improving cash flow in 2H 2016
- Financial covenant amended to create increased flexibility

Focus on sales, operations, cost and cash flow discipline

Thank you – Questions?



The Ultra High-end Ramforms



Ramform Titan



Ramform Atlas



Ramform Tethys



Ramform Hyperion
Scheduled delivery Q1 2017



Ramform Sterling



Ramform Sovereign

High-end Conventional on Charter



PGS Apollo



Sanco Swift



Sanco Sword - rigging postponed until
2017

2D/EM/Source



Sanco Spirit



Atlantic Explorer

High-end Ramforms – Flexible Capacity



Ramform Explorer
(cold stacked Q3 2015)



Ramform Challenger
(cold stacked Q4 2015)



Ramform Valiant
(cold stacked Q4 2015)



Ramform Viking
(cold stacked Q4 2015)



Ramform Vanguard - in operation, but with
possible periods of warm-stacking over
the winter season

**All vessels equipped with GeoStreamer,
3.5 years average vessel age of active vessels**

Appendix

Main Yard Stays* in 2016



Vessel	When	Expected Duration	Type of Yard Stay
<i>PGS Apollo</i>	June / July 2016	15 days	Engine overhaul
<i>Atlantic Explorer</i>	November 2016	Approximately 5 days in total	Intermediate class

*Yard stays are subject to changes.

Appendix

RAMFORM Titan-Class

Engineered for Geoscience



Stability

The Titan design ensures better performance and room for growth. The ultra-broad delta shaped hull provides fantastic seakeeping capabilities and also means a smooth ride.



Redundancy

3 CP propellers, each with 2 motors - fully operational with 2 propellers.

2 engine rooms, each with 3 generators - fully operational with 1 engine room.



All Weather

Widening the weather window and extending the seasons in northern and southern hemispheres without compromising HSEQ.



Endurance

120 days without re-fueling.

Dry docking interval 7.5 years.

Maintenance at sea lowers operating costs.



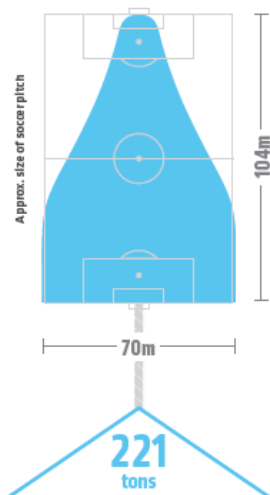
Fuel Capacity

Providing flexibility and endurance.



Power

Additional power enables more in-sea and onboard equipment.



Wire Pull @ 4.5 kts

This measures towing force through the water and is a more realistic representation of towing capability than bollard pull.

Space = Flexibility

Three times larger than modern conventional vessels, the Titans offer a highly efficient work environment with ample space for equipment, maintenance and accommodation.



Towing Capacity

24 reel and streamer capacity provides flexibility and rapid deployment and retrieval.

HSEQ



Health

Social zones, gym, stability - rested crews perform better.



Safety

Stable platform minimizes risk of fatigue, trips and falls. Space to work, redundancy in power and propulsion, 2 stern-launched workboats, back-deck automation. One Culture - closer cooperation between seismic and maritime crew.



Environment

Larger spreads and faster turnaround mean fewer days on each job and leaves a smaller environmental footprint. DNV GL Clean (Design) - max SOx content of <2.5%. Reactive catalysts reduce NOx emissions by 90%.

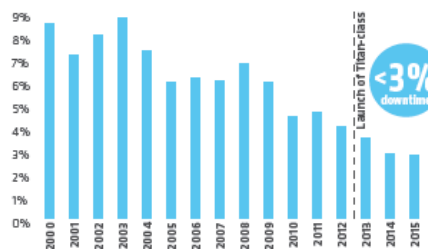


Quality

Superior platform to deploy the best dual-sensor technology - 100% GeoStreamer. Equipped with streamer and source steering.

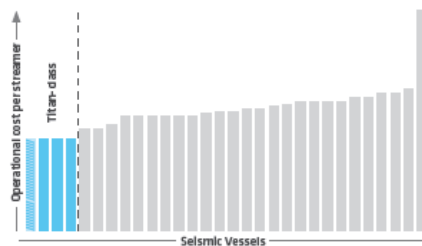
Performance Results

Downtime



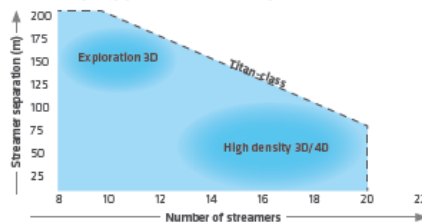
Ramform Titan - Zero maritime downtime and only 2.7% seismic downtime to date. Total sq.km acquired by Titan-class vessels is 89,712 sq. km.

Cost



Ultra high capacity seismic vessels are more cost effective.

Survey Type Flexibility



Titan-class vessels cover all the bases from highly efficient reconnaissance exploration surveys to the detailed resolution required for 4D production seismic.

Records

:: Ramform Titan ::
:: Bay of Bengal ::



18 Streamers

13.75 sq. km fan spread 18 streamers x 7.05 km with 100 m separation (2.2 km wide at tail)

Coverage

Highest ever production 175.03 sq.km/day (average for this survey = 139 sq. km/day).

Future Proof

25 years Lifespan

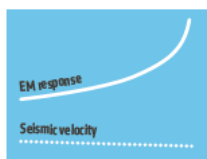
Setting the benchmark for this generation of seismic vessels and the next.

Size POWER flexibility



TOWED STREAMER EM

Reducing drilling risk



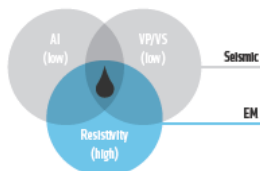
EM + seismic = reduced risk

Improved hydrocarbon saturation estimates.



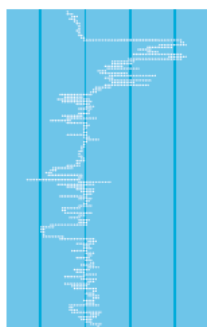
Sight & sound

Complementary data add new layers of comprehension: a bit like adding sight to sound. While seismic is the best measure of lithology, EM is more sensitive to changes in fluids.



Independent inversions

Seismic data can be inverted for velocity and for acoustic impedance. Inversion of EM data provides resistivity. Correlating all three improves drilling success.

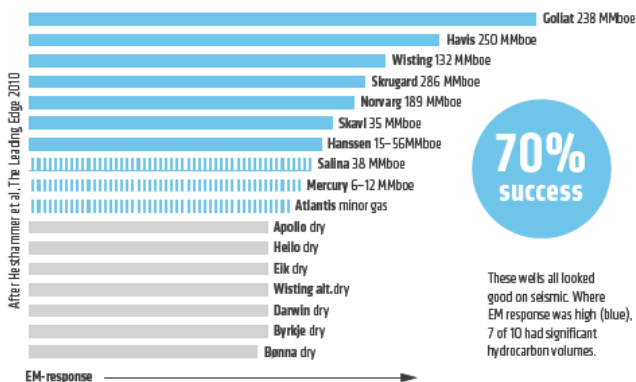


Resistivity

Hydrocarbon saturated rocks are typically highly resistive. Geologists access local resistivity data from well logs.

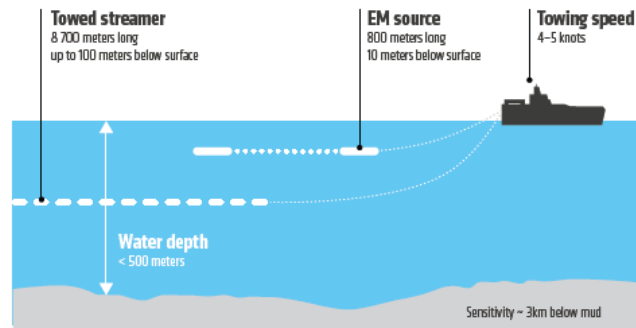
Drilling success with EM

Barents Sea



Operational 101

Towed streamer acquisition produces high density 2D or 3D EM data fast. The operation is very similar to seismic, making it easy to install, operate and even combine.



Fast

Acquisition speed up to 200 sq. or line km EM data / day



Flexible

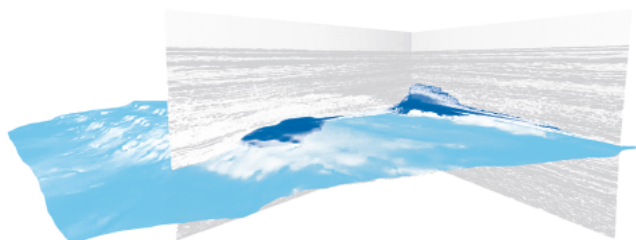
Multipurpose EM can de-risk frontier prospects, reveal drilling hazards, or identify missed tail end production.



Global

Northern Europe is the region with greatest EM coverage so far, but feasibility studies around the world show this technology has global potential.

Adding EM to seismic



How and when

Improve ranking of prospects by adding 2D or 3D EM data to existing seismic data. Enhance EM resolution by using the seismic to guide the EM inversion.

Acquire EM and 2D GeoStreamer data efficiently and simultaneously with the same vessel to plan new 3D seismic.

HSEQ



Health

PGS' high operational standards apply.



Safety

Standard PGS towed streamer operations and equipment reduces risk.

EM helps identify shallow gas drilling hazards.



Environment

Low environmental impact.

Fewer vessel days = lower emissions in both standalone and simultaneous acquisition modes.



Quality

Towed streamer EM produces high density data and permits onboard QC and processing.

