



First Quarter 2020 Earnings Presentation

April 23, 2020



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 first quarter 2020 results and the disclosures therein

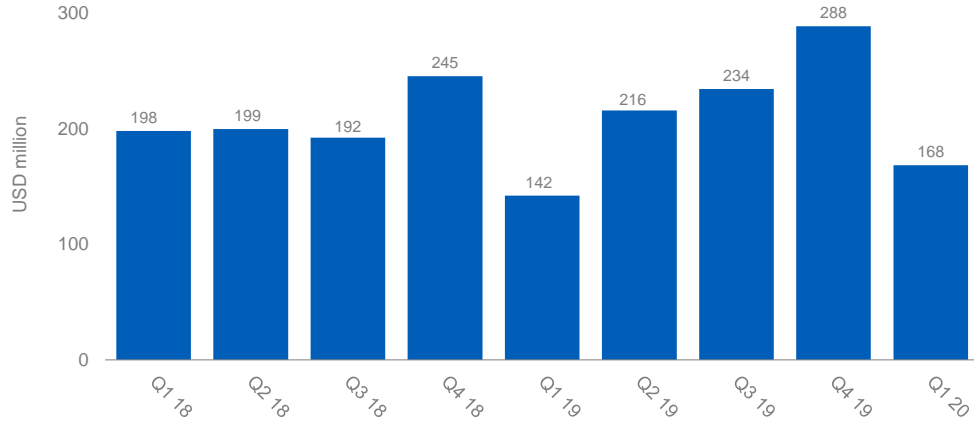
Q1 2020 Takeaways: High Vessel Utilization – Challenging Outlook



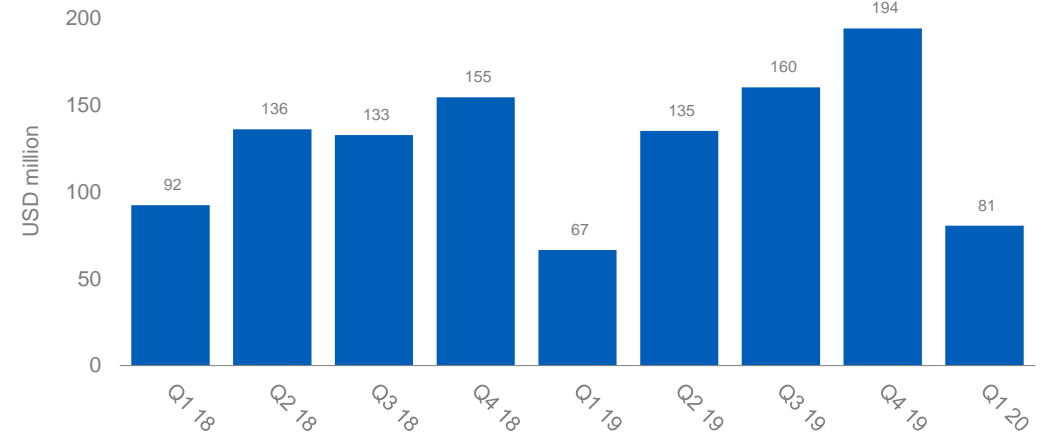
- Successful completion of refinancing and equity raise
- Strong cash flow from operations
- Executed all acquisition programs in Q1 2020 according to plan
 - Eight vessels in full operation
- MultiClient revenues suffered from low oil price and delayed sales and governmental processes
- Challenging medium term market outlook
 - Reducing cost and capital expenditures

Financial Summary

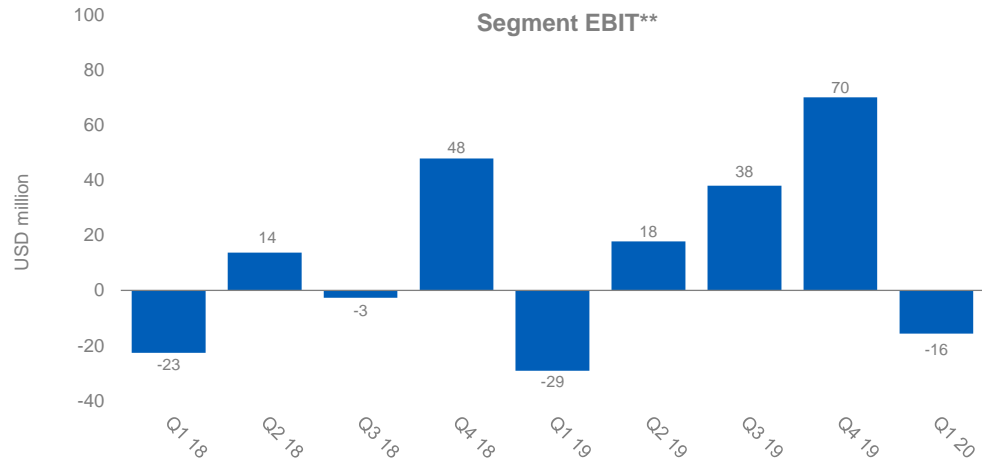
Segment Revenues



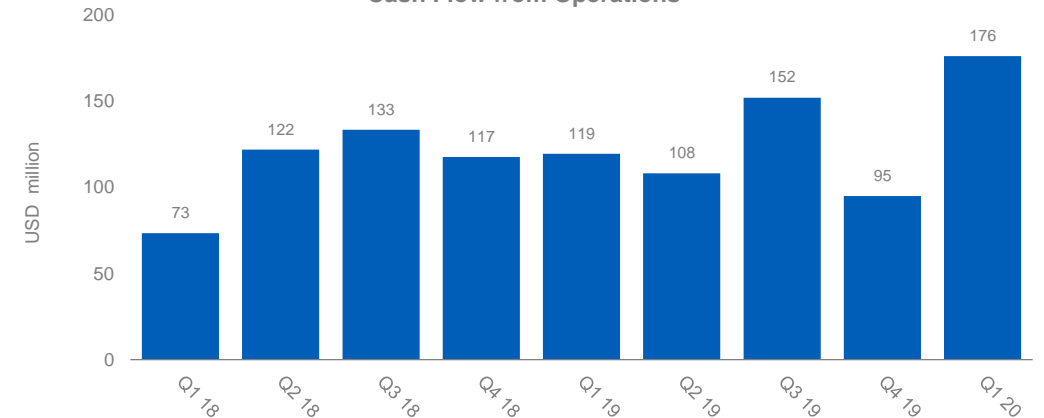
Segment EBITDA*



Segment EBIT**



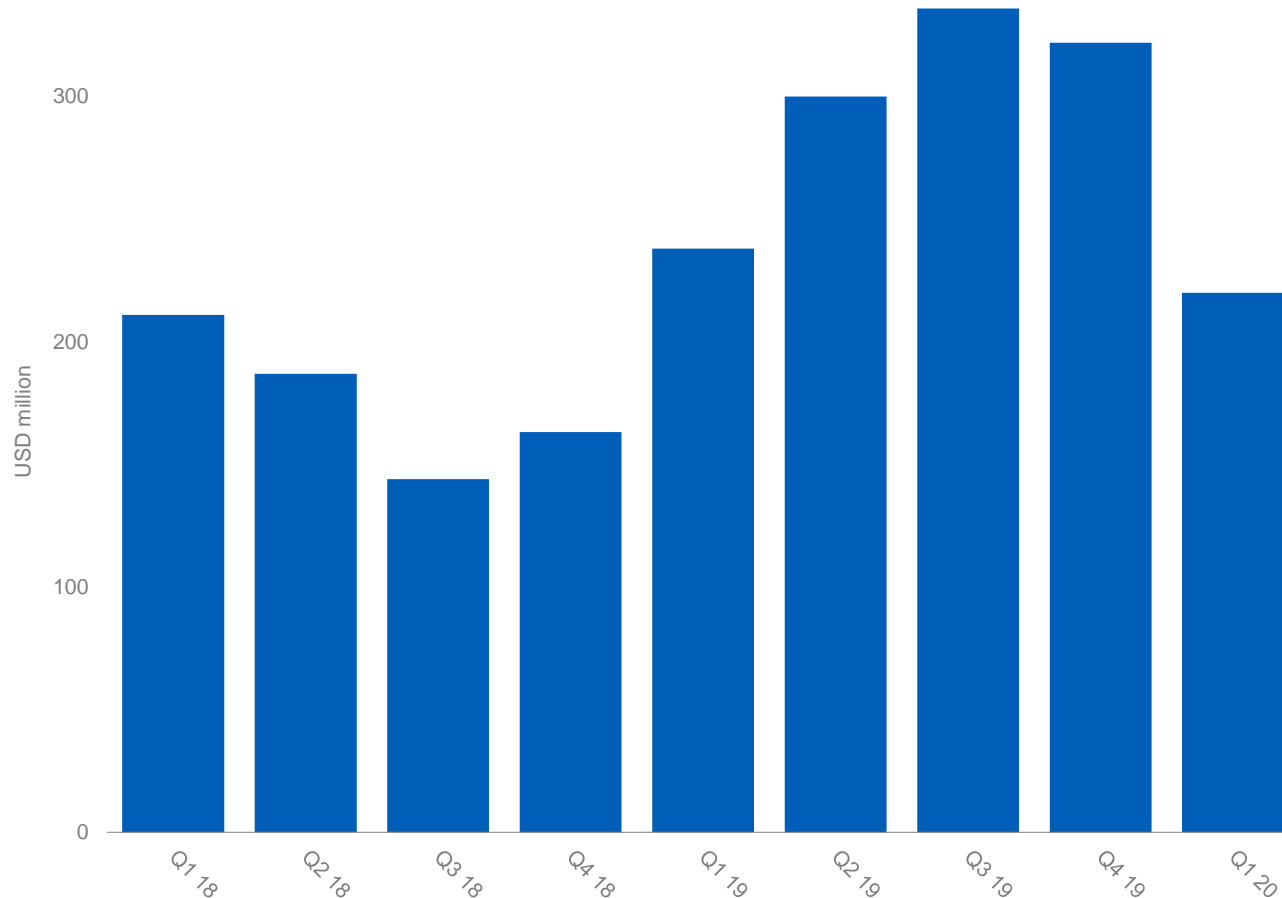
Cash Flow from Operations



*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 as defined in Note 14 of the Q1 2020 earnings release published on April 23, 2020.

**Excluding impairments and Other charges.

Significant Order Book Decline



- Order book of USD 217 million at March 31, 2020
 - Most projects in negotiation have since early March been deferred

- Vessel booking*
 - Q2 20: 18 vessel months
 - Q3 20: 9 vessel months
 - Q4 20: 0 vessel months

*As of April 21, 2020.

Impact of Covid-19 and Low Oil Price

- Energy companies deferring investments to next year
 - Substantial reduction on medium term seismic demand
 - Most new projects postponed or negotiations substantially delayed
 - Increasing requests for delayed payment terms

- Cold-stacking two of eight active vessels in Q2
 - Warm-stacking one additional vessel in Q3
 - Further capacity adjustments evaluated continuously, prepared to react quickly

- 2020 gross cash cost reduction of at least USD 100 million, further reductions likely in coming quarters
 - Less capacity in operation
 - Temporary lay-offs
 - Salary freeze
 - Bonus plan cancellation
 - FX and fuel cost benefits
 - Multiple other initiatives

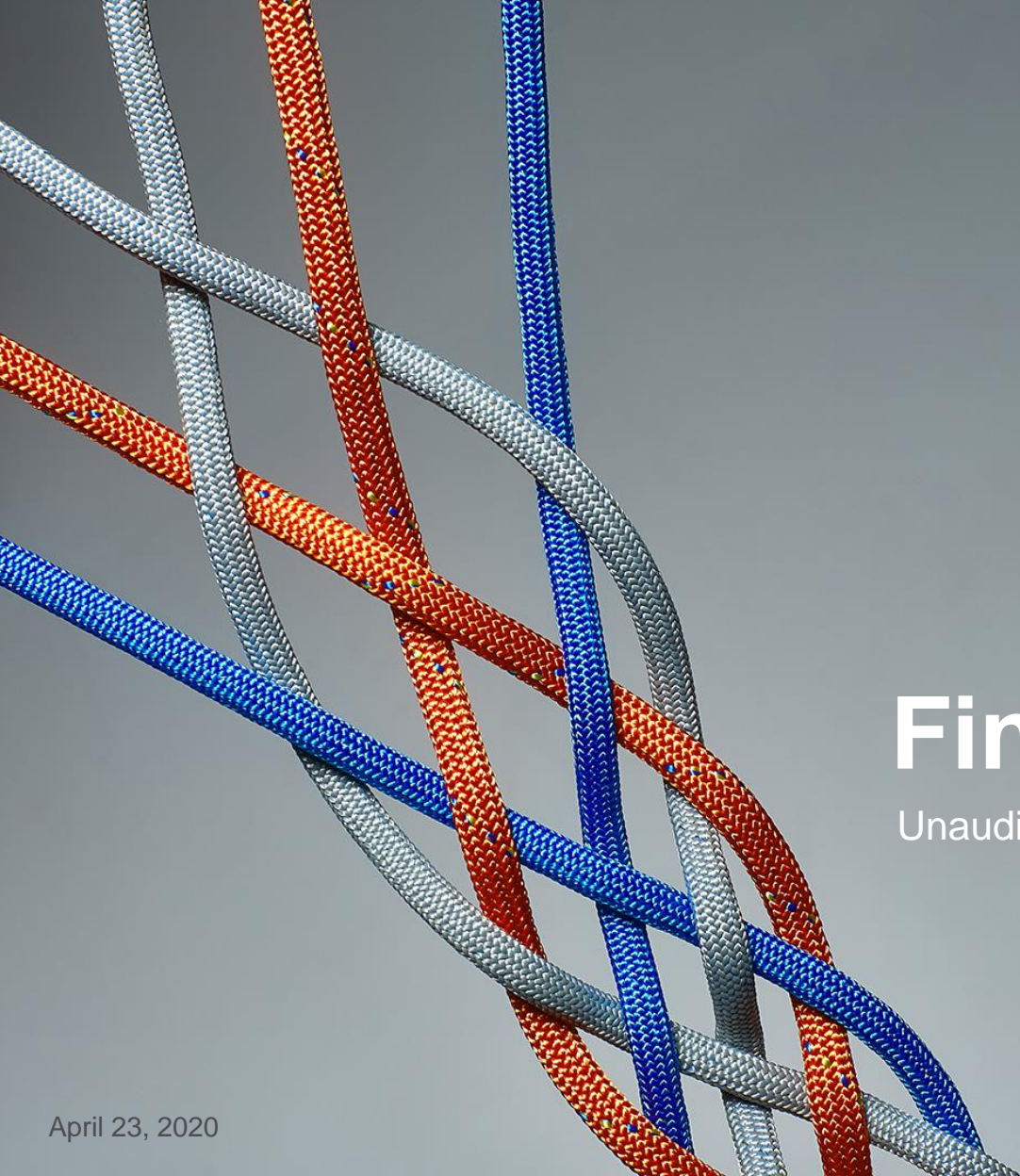
- 2020 capital expenditure reduction of at least USD 30 million

- Reviewing alternatives to preserve liquidity

Updated 2020 Guidance

- Group gross cash costs below USD 500 million
- MultiClient cash investments in the range of USD 150-200 million
 - ~50% of 2020 active 3D vessel time allocated to MultiClient
- Capital expenditures below USD 50 million

Target positive cash flow before debt repayments



Financials

Unaudited First Quarter 2020 Results

April 23, 2020



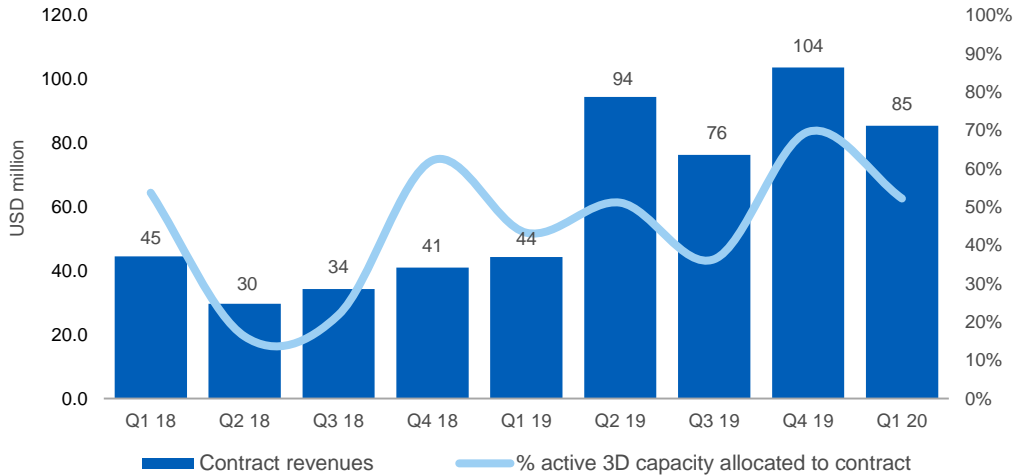
Consolidated Key Financial Figures

	Q1	Q1	Full year
USD million (except per share data)	2020	2019	2019
Profit and loss numbers Segment Reporting			
Segment revenues	168.3	141.9	880.1
Segment EBITDA	80.5	66.6	556.1
Segment EBIT ex. Impairment and other charges, net	(15.8)	(29.3)	96.4
Profit and loss numbers As Reported			
Revenues	128.8	129.3	930.8
EBIT	(80.2)	(42.5)	54.6
Net financial items, other	(9.1)	(18.2)	(72.1)
Income (loss) before income tax expense	(115.3)	(64.5)	(37.6)
Income tax expense	(2.2)	(0.6)	(34.1)
Net income (loss) to equity holders	(117.5)	(65.1)	(71.7)
Basic earnings per share (\$ per share)	(\$0.32)	(\$0.19)	(\$0.21)
Other key numbers			
Net cash provided by operating activities	176.0	119.4	474.3
Cash Investment in MultiClient library	67.6	62.1	244.8
Capital expenditures (whether paid or not)	12.3	11.6	59.1
Total assets	2,335.9	2,497.6	2,301.7
Cash and cash equivalents	266.9	90.4	40.6
Net interest bearing debt	876.5	1,051.7	1,007.5
Net interest bearing debt, including lease liabilities following IFRS 16	1,052.5	1,282.9	1,204.6

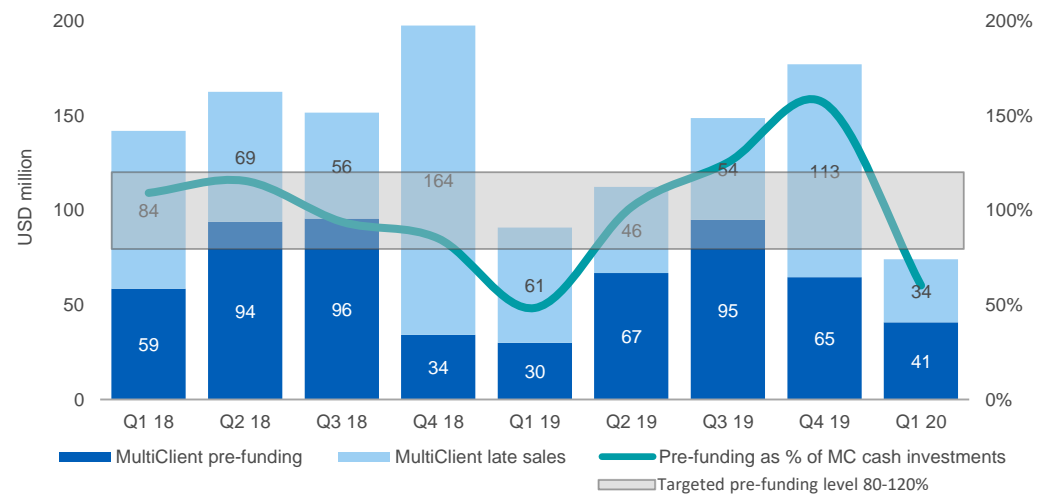
- Q1 2020 impairment charges of USD 51.4 million on vessels going to cold stack and USD 25 million on equity share in Azimuth

Q1 2020 Operational Highlights

Contract revenues



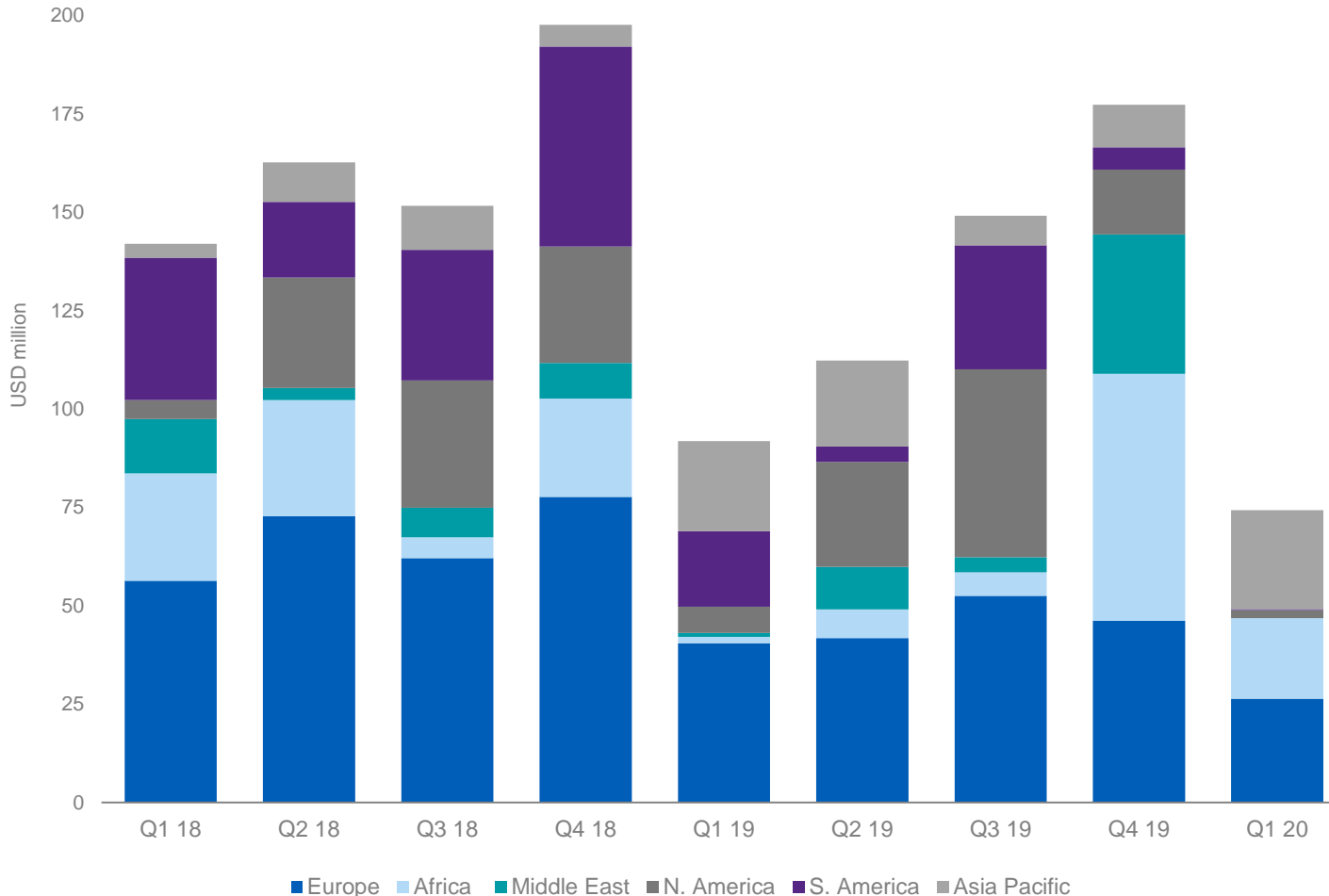
Segment MultiClient revenues



- Total Segment MultiClient revenues of USD 74.2 million
 - Significant slow down of sales in March
 - Pre-funding level of 60% negatively impacted by delay of block award ratification
 - Late sales of USD 33.5 million

- Contract revenues of USD 85.4 million

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

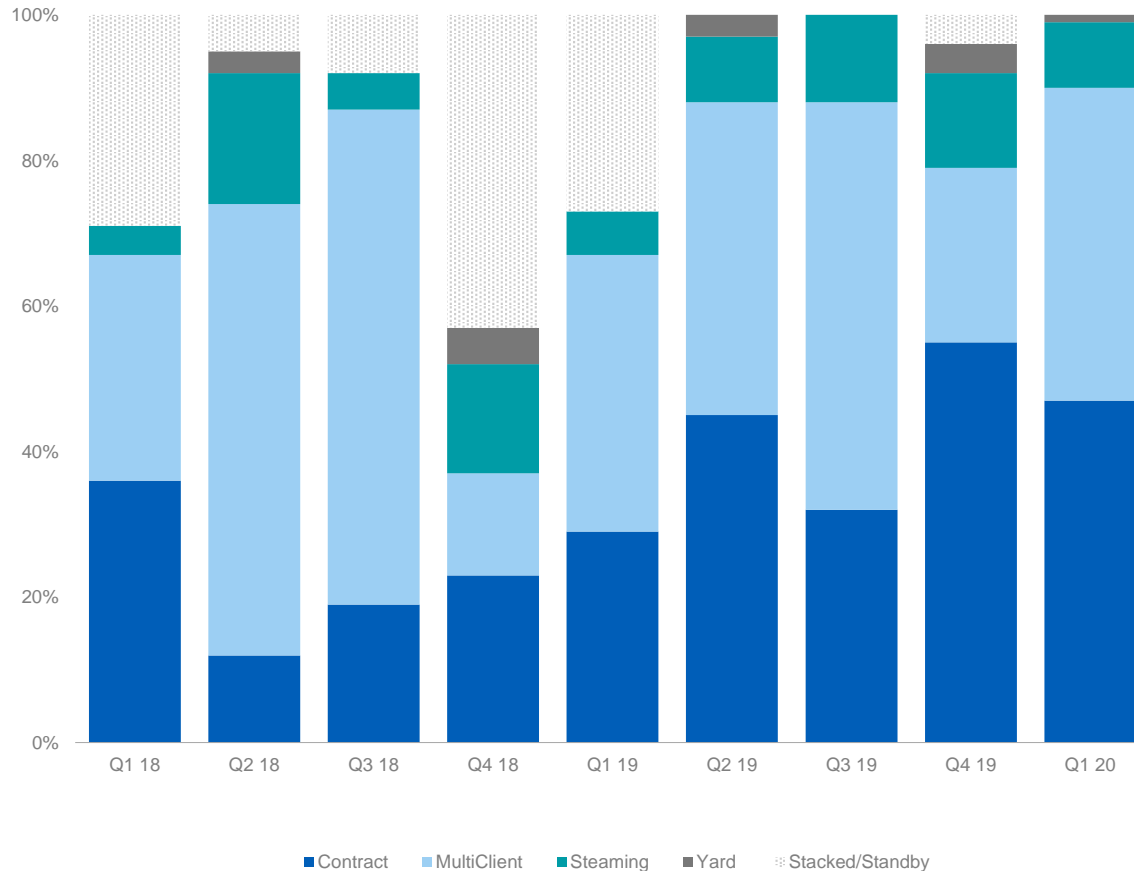


- Asia Pacific and Africa were the main contributors to pre-funding revenues in Q1 2020
- Europe was the main contributor to late sales in Q1 2020

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



Quarterly vessel allocation

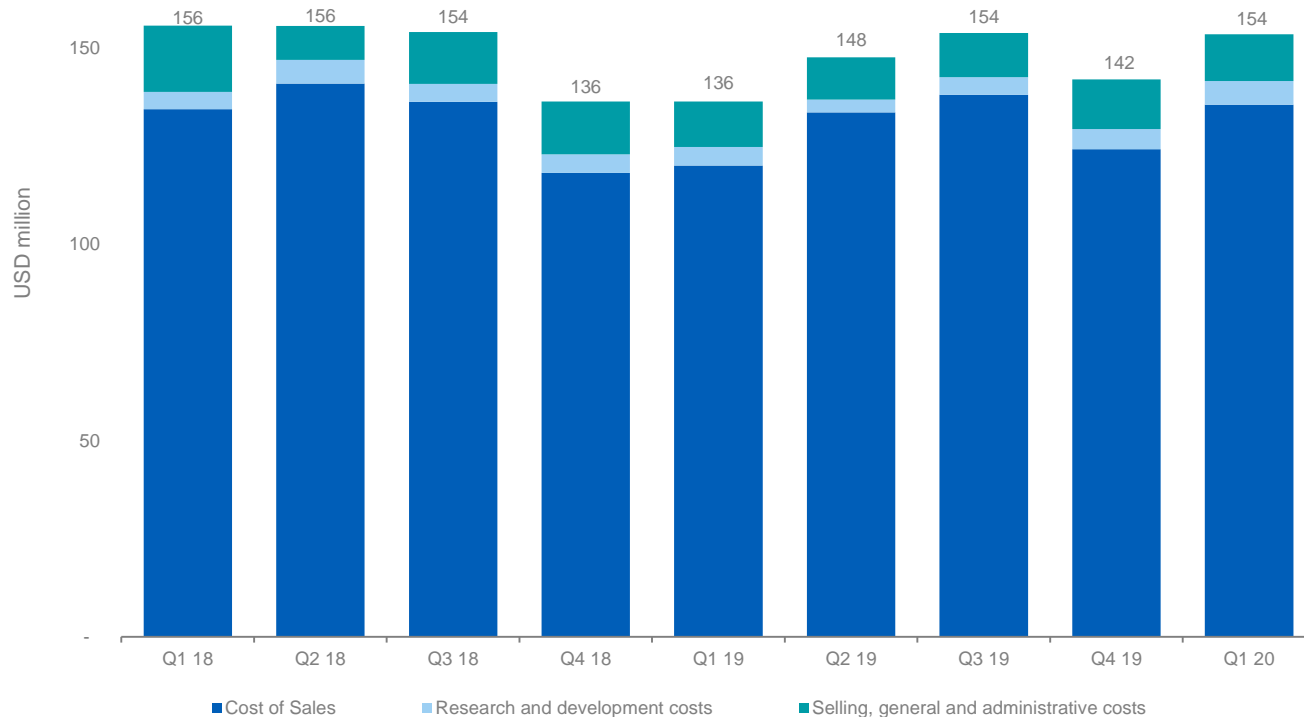


- 90% active vessel time in Q1 2020
 - All vessels in full operation
- Six vessels in operation from early Q2
 - Plan to warm-stack one vessel in Q3
- Further capacity reductions to be implemented if required

* The vessel allocation excludes cold-stacked vessels.

Group Cost* Focus Delivers Results

Gross cash cost ex. steaming deferral



- Q1 2020 gross cash costs impacted by operation in high cost regions
- Full year 2020 gross cash expected below USD 500 million
 - Significant sequential decline in Q2 vs. Q1 2020

Consolidated Statements of Cash Flows Summary

	Q1	Q1	Full year
USD million	2020	2019	2019
Cash provided by operating activities	176.0	119.4	474.3
Investment in MultiClient library	(67.6)	(62.1)	(244.8)
Capital expenditures	(10.4)	(9.7)	(62.0)
Other investing activities	(2.4)	38.8	54.3
Net cash flow before financing activities	95.6	86.4	221.8
Net proceeds from issuance of debt	124.2	-	-
Interest paid on interest bearing debt	(15.6)	(12.4)	(60.9)
Repayment of interest bearing debt	(226.3)	(12.9)	(51.2)
Net change drawing on RCF	170.0	(30.0)	(85.0)
Payment of lease liabilities	(13.5)	(15.1)	(58.6)
Proceeds from share issue	91.9	-	-
Net increase (decr.) in cash and cash equiv.	226.3	16.0	(33.9)
Cash and cash equiv. at beginning of period	40.6	74.5	74.5
Cash and cash equiv. at end of period	266.9	90.4	40.6

- Q1 2020 cash flow positively impacted by working capital reduction
- Pressure on working capital for the remainder of 2020 as some customers are seeking extension of payment terms into early 2021 as part of project decisions

Balance Sheet Key Numbers

	March 31	March 31	December 31
USD million	2020	2019	2019
Total assets	2,335.9	2,497.6	2,301.7
MultiClient Library	608.8	675.0	558.6
Shareholders' equity	611.8	643.5	637.1
Cash and cash equivalents (unrestricted)	266.9	90.4	40.6
Restricted cash	41.4	42.1	43.0
Liquidity reserve	266.9	205.4	210.6
Gross interest bearing debt*	1,184.8	1,184.2	1,091.1
Gross interest bearing debt, including lease liabilities following IFRS 16	1,360.8	1,415.4	1,288.2
Net interest bearing debt*	876.5	1,051.7	1,007.5
Net interest bearing debt, including lease liabilities following IFRS 16	1,052.5	1,282.9	1,204.6

- Successfully completed equity raise and refinancing
- Net debt reduced by USD 131.0 million in Q1 2020
- Liquidity reserve of USD 266.9 million held in cash
- Reviewing alternatives to preserve liquidity, including possible extension of scheduled RCF reduction, amortization holidays and other debt related initiatives

Summary of Debt and Drawing Facilities

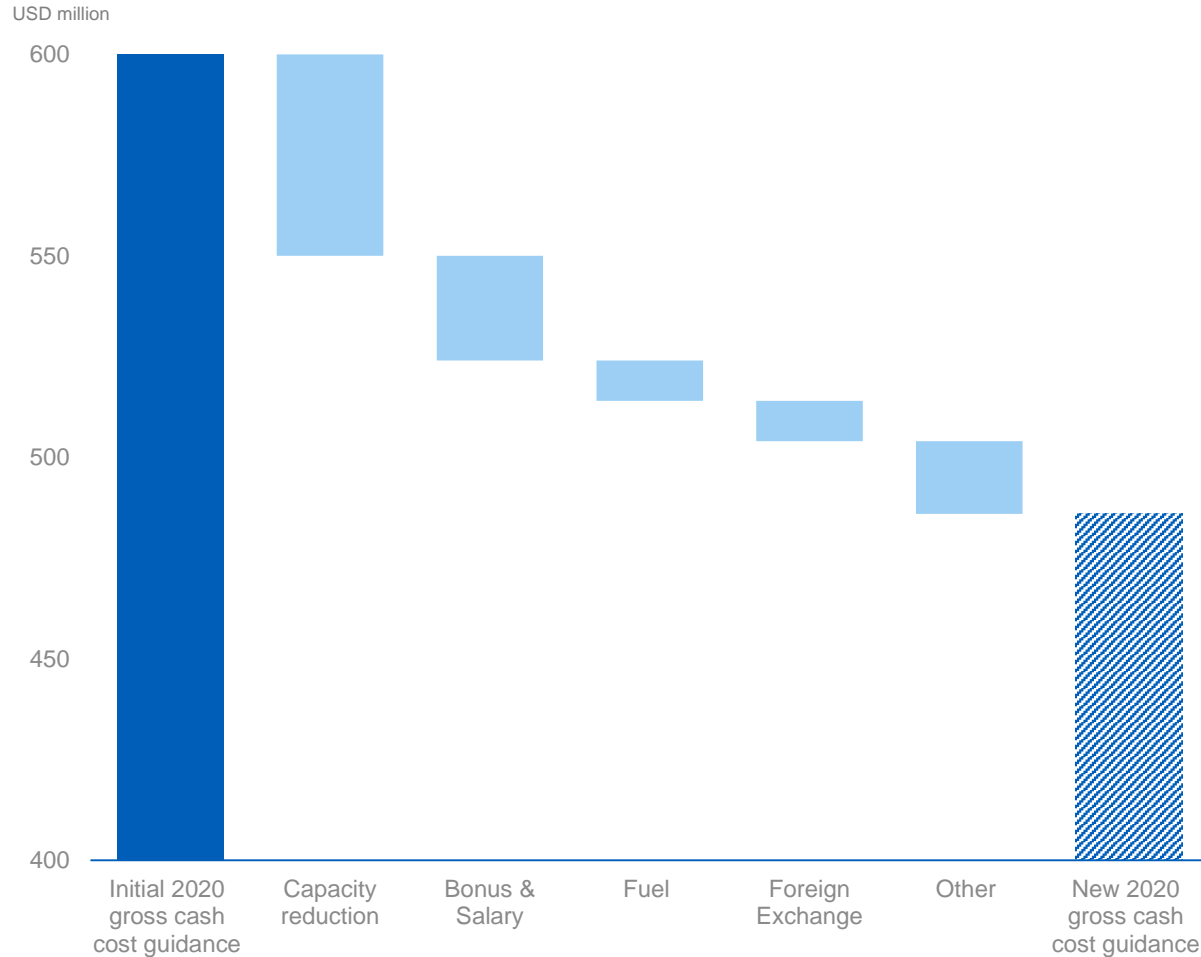
As of March 31, 2020:

Long-term Credit Lines and Interest Bearing Debt	Nominal Amount	Total Credit Line	Financial Covenants
<p>USD 521.7 Term Loan B (“TLB”), due March 2024 Libor +600-700 bps (linked to total leverage ratio TGLR)*</p> <p>USD 3.0 million TLB, Libor +250 basis points due March 2021</p>	USD 524.7m		None, but incurrence test: total net leverage ratio $\leq 2.00x^{**}$
<p>Revolving credit facility (“RCF”), due September 2023 Libor + margin of 450-600 bps (linked to TGLR)* + utilization fee</p> <p>USD 135 million RCF due September 2020 Libor + margin of 325-625 bps (linked to TGLR) + utilization fee</p>	<p>USD 215.0m</p> <p>USD 135.0m</p>	<p>USD 215.0m</p> <p>USD 135.0m</p>	Maintenance covenant: total net leverage ratio $\leq 2.75x^{**}$ and minimum liquidity the higher of USD 75 million or 5% of net interest bearing debt
<p>Japanese ECF, 12 year with semi-annual instalments. 50% fixed/ 50% floating interest rate</p>	USD 310.1m		None, but incurrence test for loan 3&4: Total leverage ratio $\leq 3.00x^{**}$ and Interest coverage ratio $\geq 2.0x^{**}$

*If rating below B3/B- (stable outlook) from Moody’s or S&P, respectively, TLB margin 7.50% and RCF margin 6.50%.

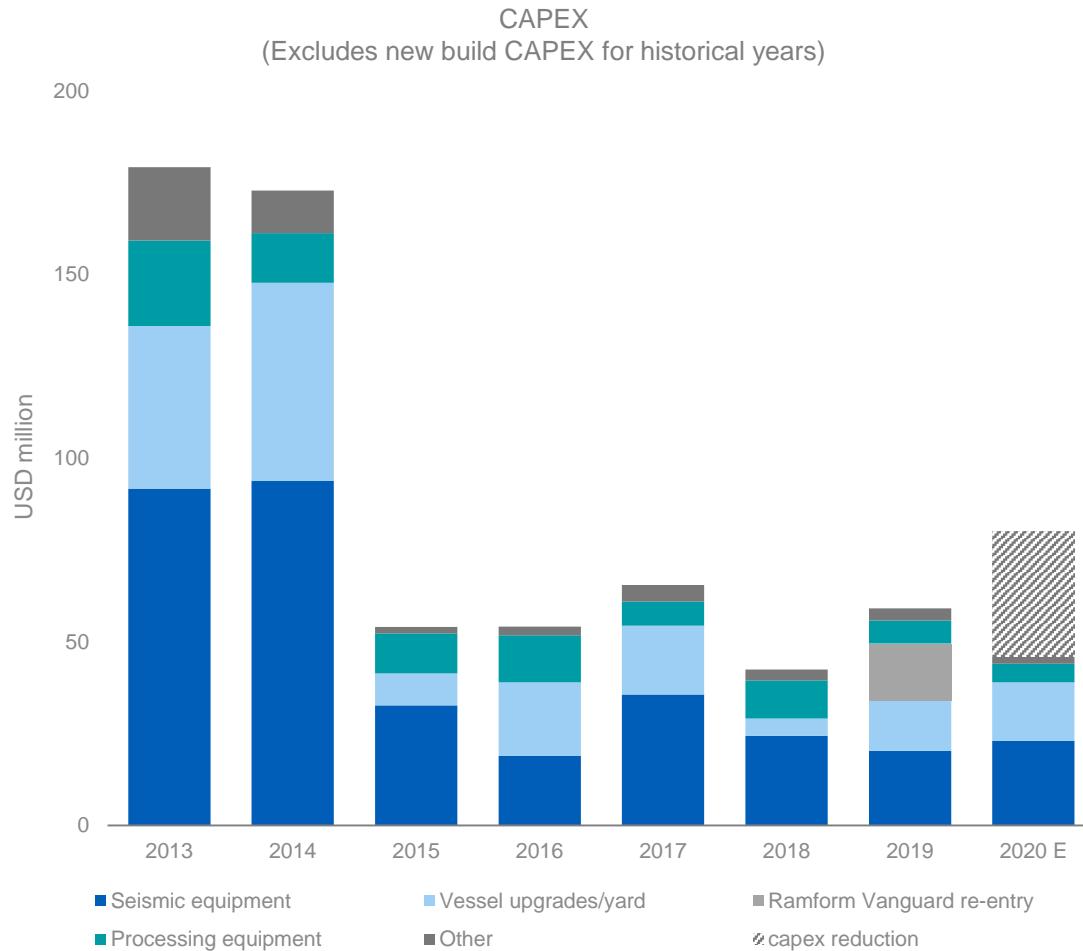
**Total Net Leverage Ratio is the ratio of consolidated indebtedness (including IFRS lease liabilities) of PGS ASA net of consolidated unrestricted cash and cash equivalents and restricted cash held for debt service in respect of the Export Credit Financing divided by 12 month rolling EBITDA adjusted for non pre-funded MultiClient investments.

Reducing 2020 Gross Cash Costs



- Initial 2020 gross cash cost guidance of ~USD 600 million
- 2020 gross cash costs below USD 500 million
 - Further reductions likely in coming quarters
- Tight overall cost control

Reducing Capital Expenditures



- Initially planned 2020 capex of ~USD 80 million*
- 2020 capex expected to be below USD 50 million*

* CAPEX guidance excludes any capitalized asset as a result of new or extended lease arrangements recognized in accordance with IFRS 16. As of today no material changes are committed or planned



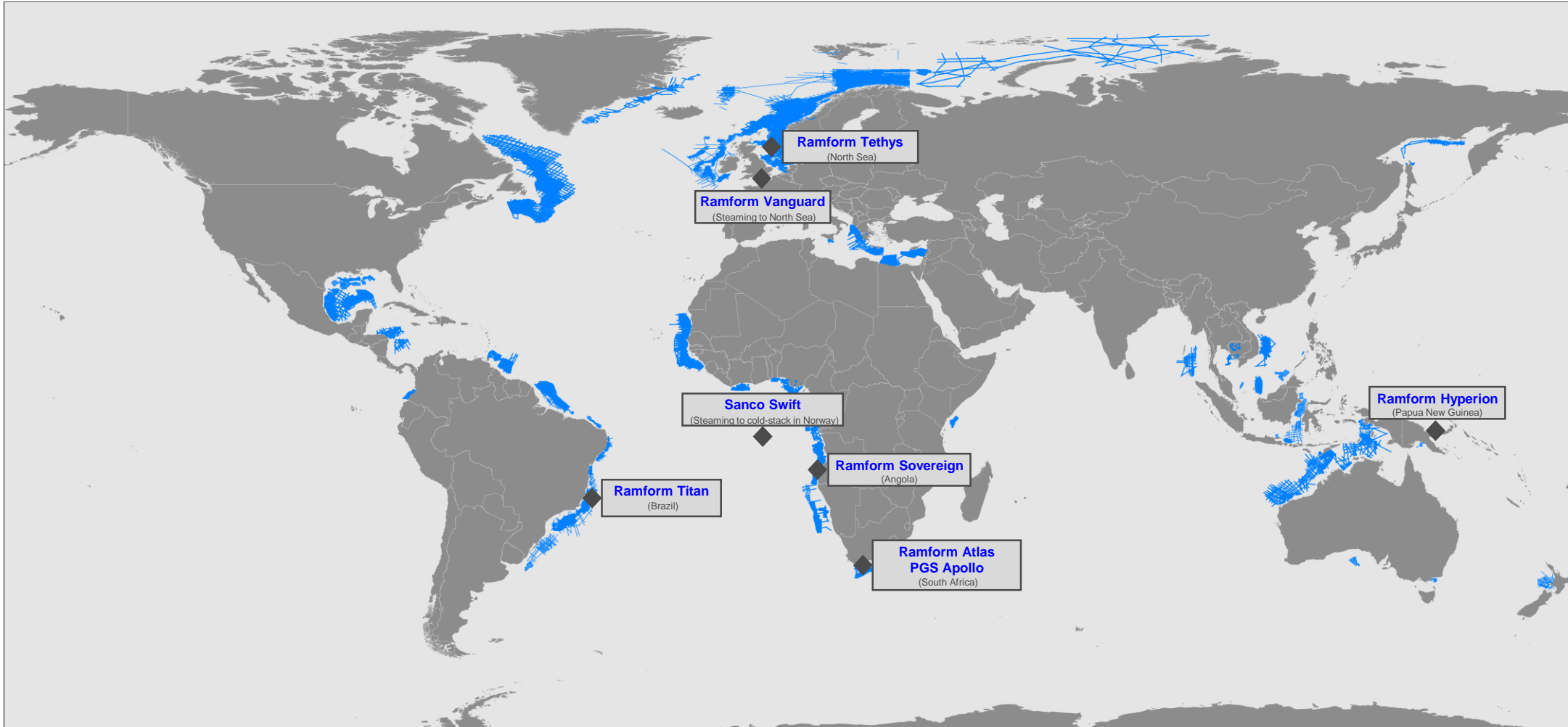
Operational Update & Market Comments

Unaudited First Quarter 2020 Results

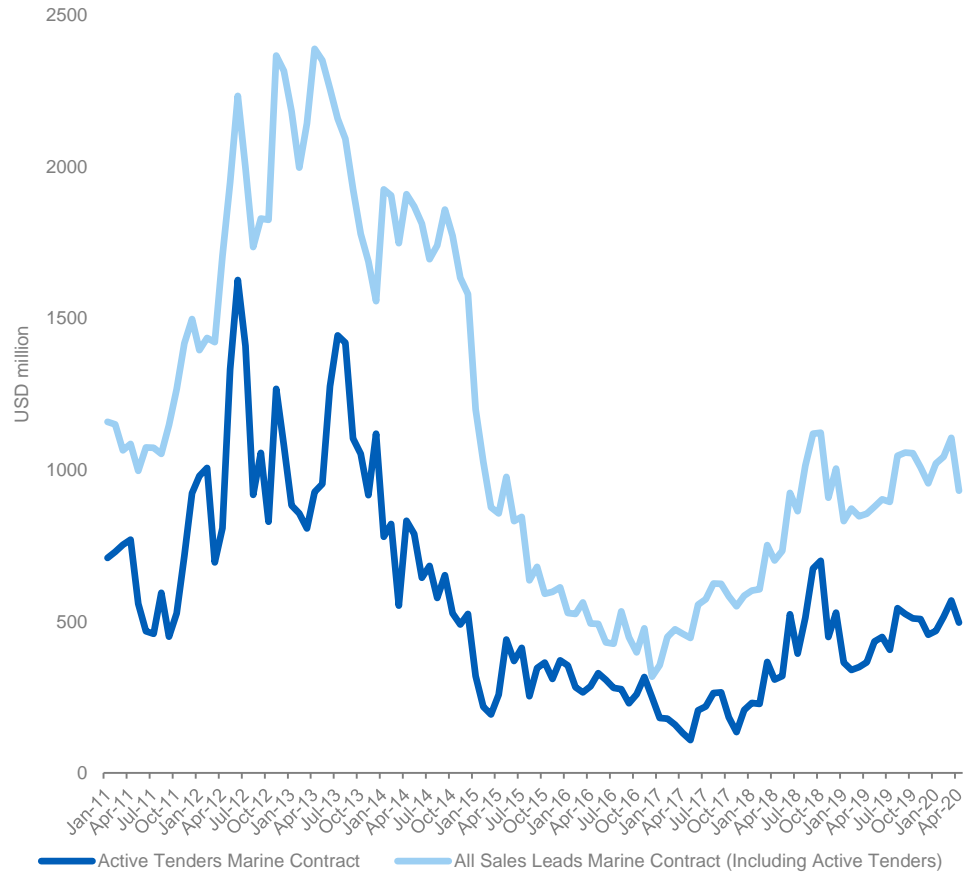
April 23, 2020



Fleet Activity April 2020



Significant Demand Drop



PGS In-house Contract Bids+Leads

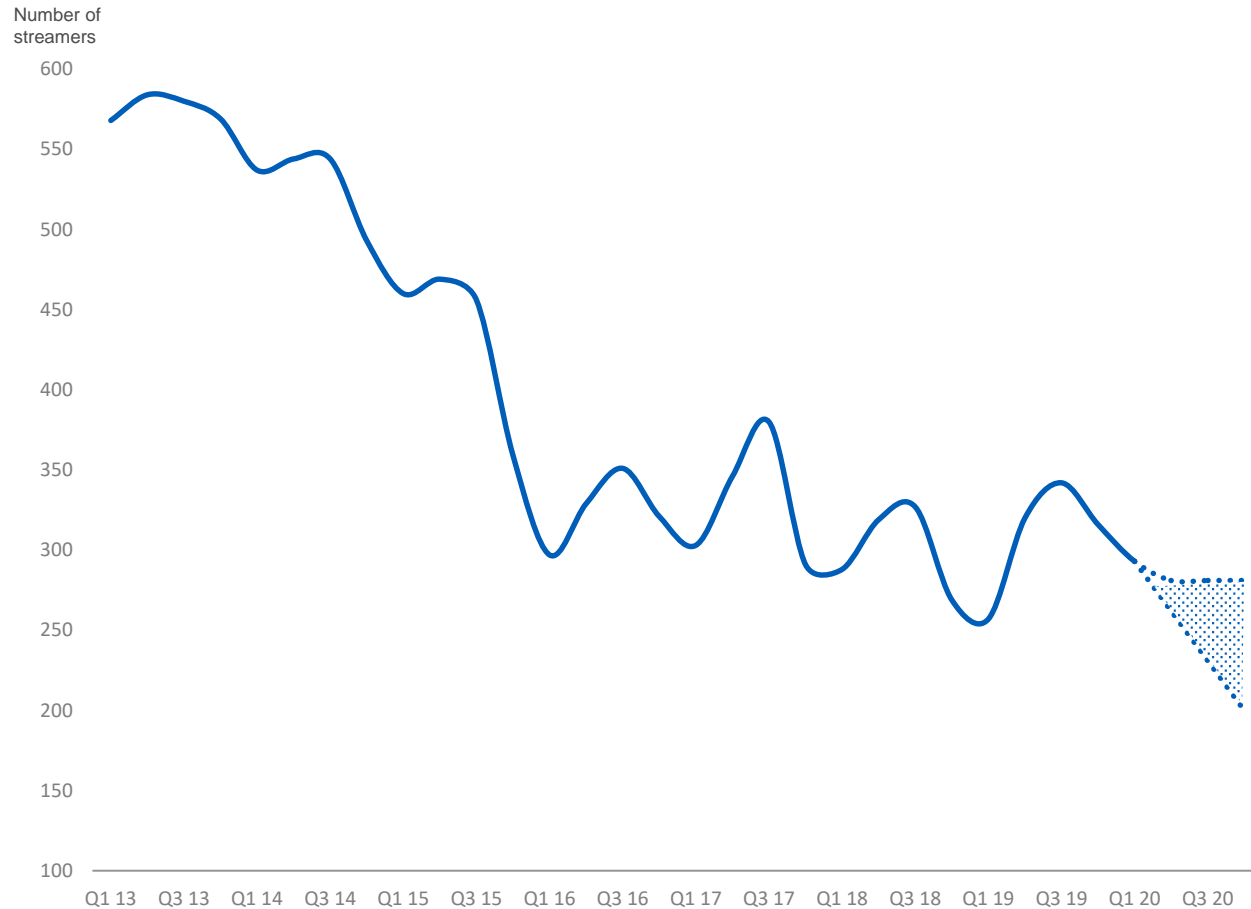
Contract bids to go (in-house PGS) and estimated \$ value of bids + risk weighted leads as of mid-April, 2020

- Decline in seismic contract leads and tenders driven by lower investments among energy companies
 - Projects currently delayed rather than cancelled

- Contract prices expected to drop
 - Price decline is not reflected in curves

- Limited visibility for 2H20

Supply Likely to be Reduced Further



Source: PGS internal estimates

- Average 2020 capacity expected to decline vs. average 2019 capacity
- Utilization likely to deteriorate from 2019 levels

Covid-19 Pandemic Delays Financial Strategy

PGS Financial Strategy:

Profitability before growth

Focus on profitability and cash flow

Debt reduction prioritized over growth

Return on Capital Employed

ROCE targeted to be higher than cost of capital over the cycle

Capital structure to sustain future downturns

Debt reduction from cash flow in an improving market

Targeting a net debt level not to exceed USD 500-600 million^{*)}

Longer-term view:

- Temporary imbalance in the oil market
- Longer-term energy demand will resume, oil and gas will be important in energy mix
- Recovery of seismic market likely strengthened by current capacity reductions and pent up exploration and production demand

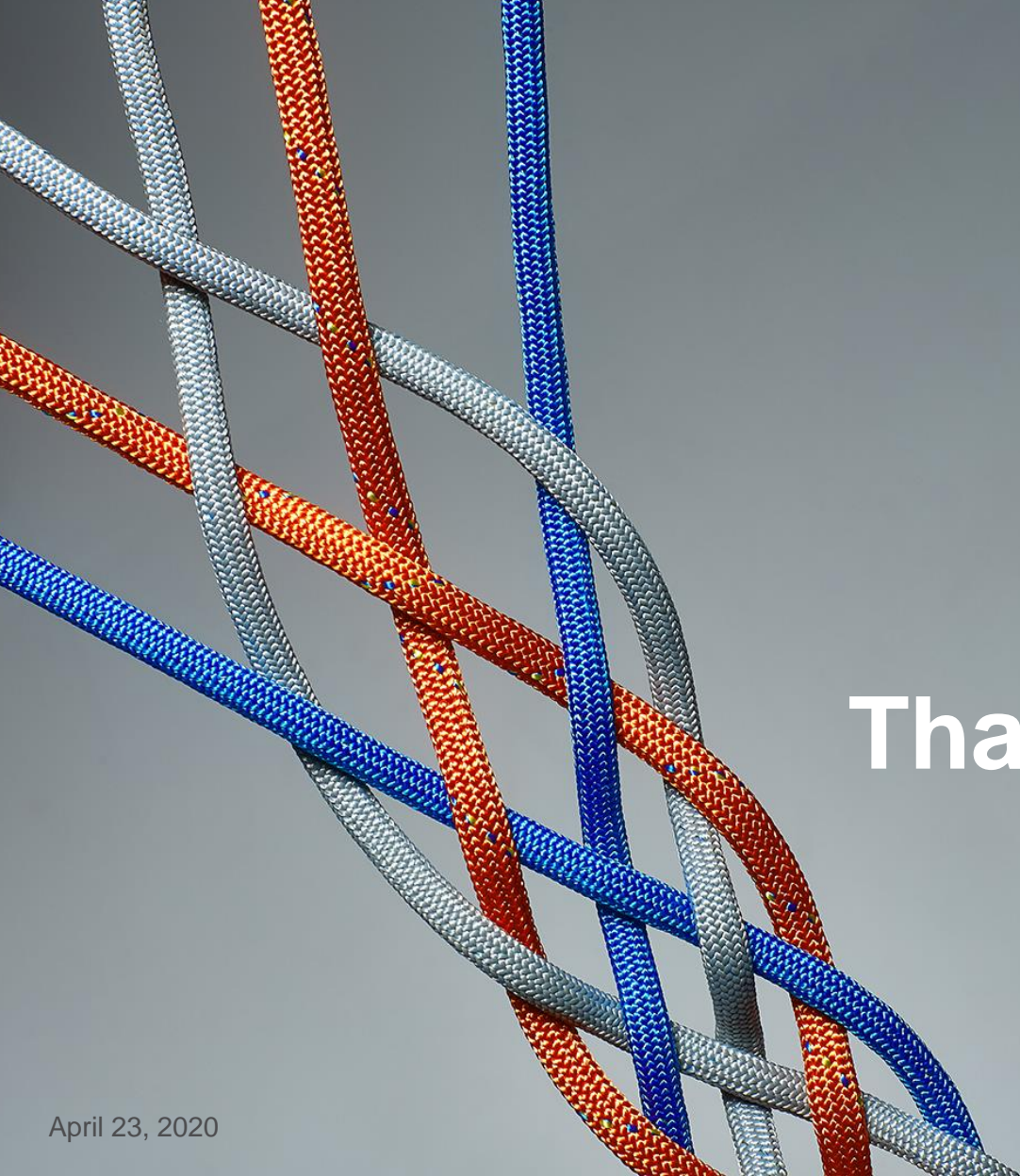
Short-term measures during demand shortfall:

- Secure sufficient liquidity
- Protect cash flow
- Regain position to continue debt reduction

^{*)} Amount does not include debt relating to capitalized leases (Ref. IFRS 16). The target, including debt relating to leases, is net debt level not to exceed USD 700-800 million



- Successfully completed equity raise and refinancing
- Weak MultiClient sales
- Challenging market outlook with substantial near-term E&P spending reduction
- Implementing significant cost and capex reductions
- Focus on preserving liquidity
- Target positive cash flow before debt repayments in 2020
- Will resume debt repayment strategy when the market recover



Thank You - Questions

April 23, 2020



Appendix

Main Yard Stays* Next Six Months



Vessel	When	Expected Duration	Type of Yard Stay
<i>Ramform Titan</i>	Q4 2020	15 days	7.5 year classing