



Unaudited First Quarter 2012 Results



Oslo May 8, 2012



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 2012 results and the disclosures therein



GeoStreamer® Delivers Record Pre-funding Revenues



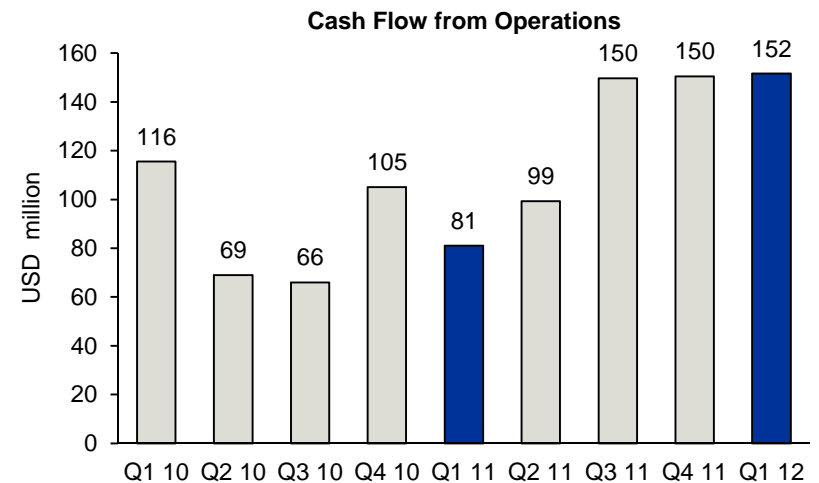
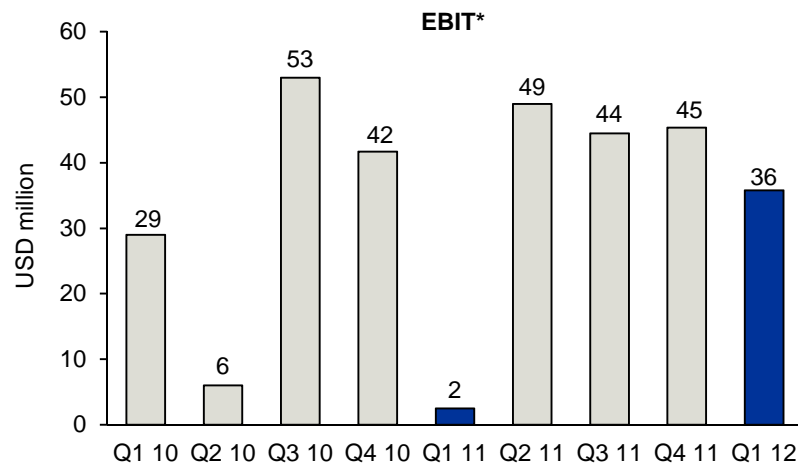
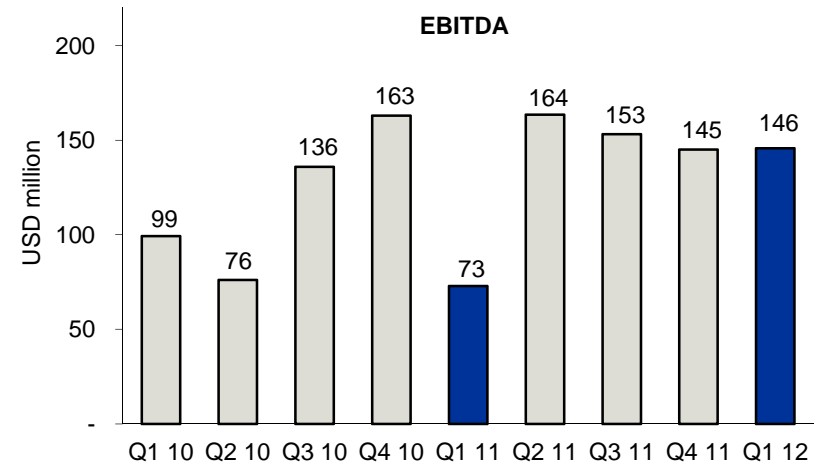
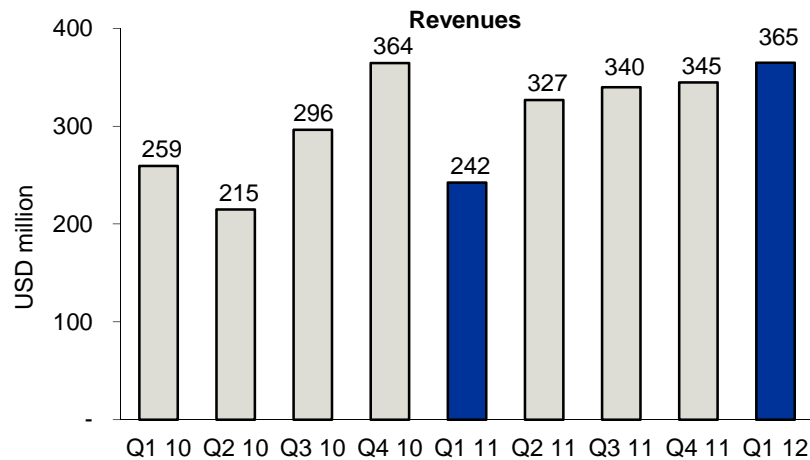
- Q1 financial performance:
 - Revenues of USD 365.0 million
 - EBITDA of USD 145.7 million
 - EBIT of USD 35.8 million
 - Record pre-funding revenues of USD 108.5 million
 - Cash flow from operations of USD 151.6 million
- The improved market balance will benefit contract prices and margins in the second half of 2012
- Full year 2012 EBITDA guidance increased to approximately USD 700 million



Approximately 40% of Q4 capacity booked as of end April at margins comparable with Q3



Financial Summary



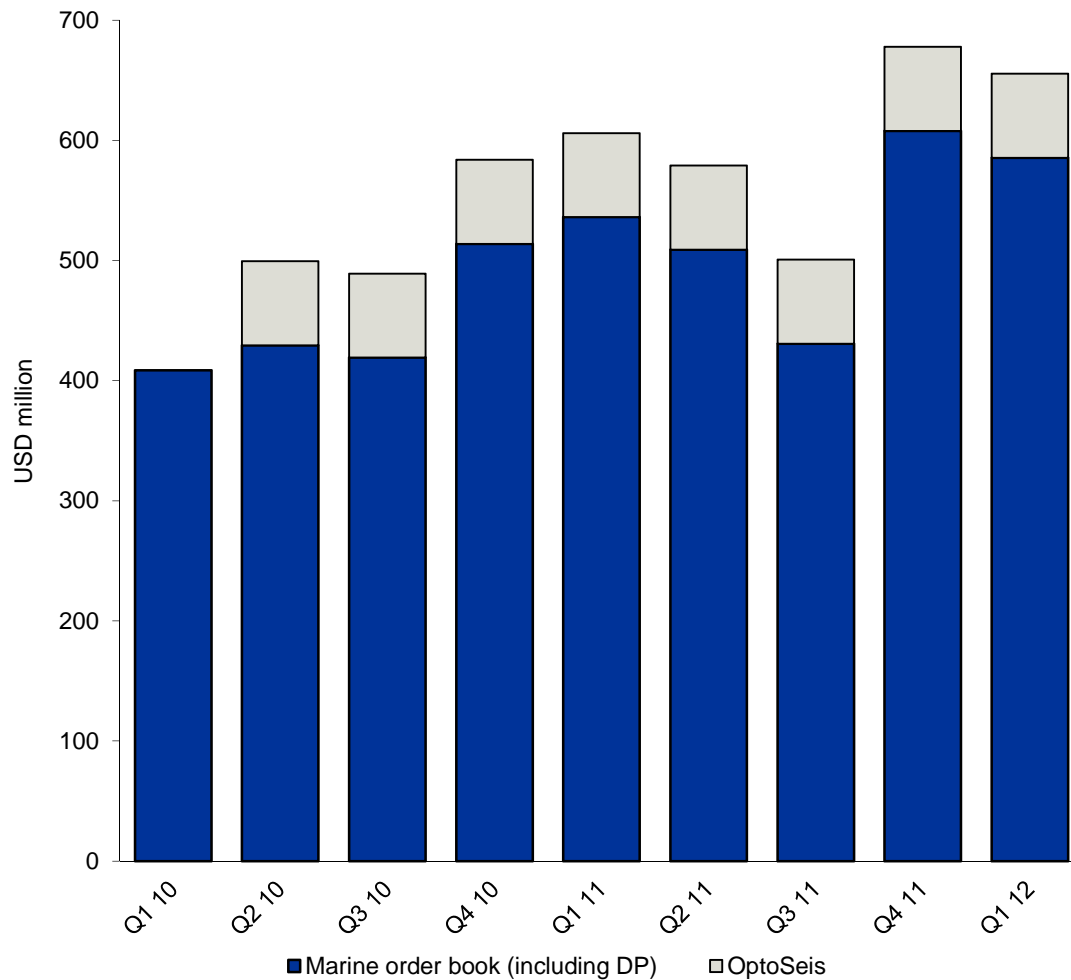
Graphs show numbers for PGS continuing business. Figures for prior periods have been restated due to change in accounting policy

*Excluding impairments of USD 2.6 million in Q4 2011, USD 79.9 million in Q3 2010, USD 0.5 million in Q1 2010 and reversal of impairment of USD 1.3 million in Q4 2010.

EBITDA, when used by the Company, means income (loss) before income tax expense less, currency exchange gain (loss), other financial expense, other financial income, interest expense, income (loss) from associated companies, other operating income, impairment of long-lived assets and depreciation and amortization.



Improving Order Book Quality



- Order book of USD 655 million
- Margin improving
- Good project pipeline
- Accelerating GeoStreamer momentum



Supply/demand balance continues to improve



Petroleum Geo-Services ASA

Petroleum Geo-Services ASA

Financials

Unaudited First Quarter 2012 Results



Consolidated Statement of Operations Summary

USD million (except per share data)	Quarter ended March 31			Full year
	2012	2011	% change	2011
Revenues	365.0	242.2	51 %	1253.3
EBITDA*	145.7	72.9	100 %	534.8
Operating profit (EBIT)**	35.8	2.5	1348 %	141.3
Operating Profit (EBIT) as reported	35.8	2.5	1348 %	138.7
Net financial items	(19.6)	(10.8)	-82 %	(73.9)
Income (loss) before income tax expense	16.2	(8.3)	n/a	64.8
Income tax expense (benefit)	3.5	0.6	452 %	29.7
Net income to equity holders	12.6	(8.9)	n/a	33.7
EPS basic	\$0.06	(\$0.04)	n/a	\$0.16
EPS diluted	\$0.06	(\$0.04)	n/a	\$0.15
EBITDA margin*	39.9 %	30.1 %		42.7 %
EBIT margin	9.8 %	1.0 %		11.3 %

- Net financial items includes USD 7.5 million accounting loss related to redemption and cancellation of the 2.7% Convertible Notes due 2012
- Q1 tax expense of USD 3.5 million, 22% reported tax rate, positively impacted by foreign currency translation

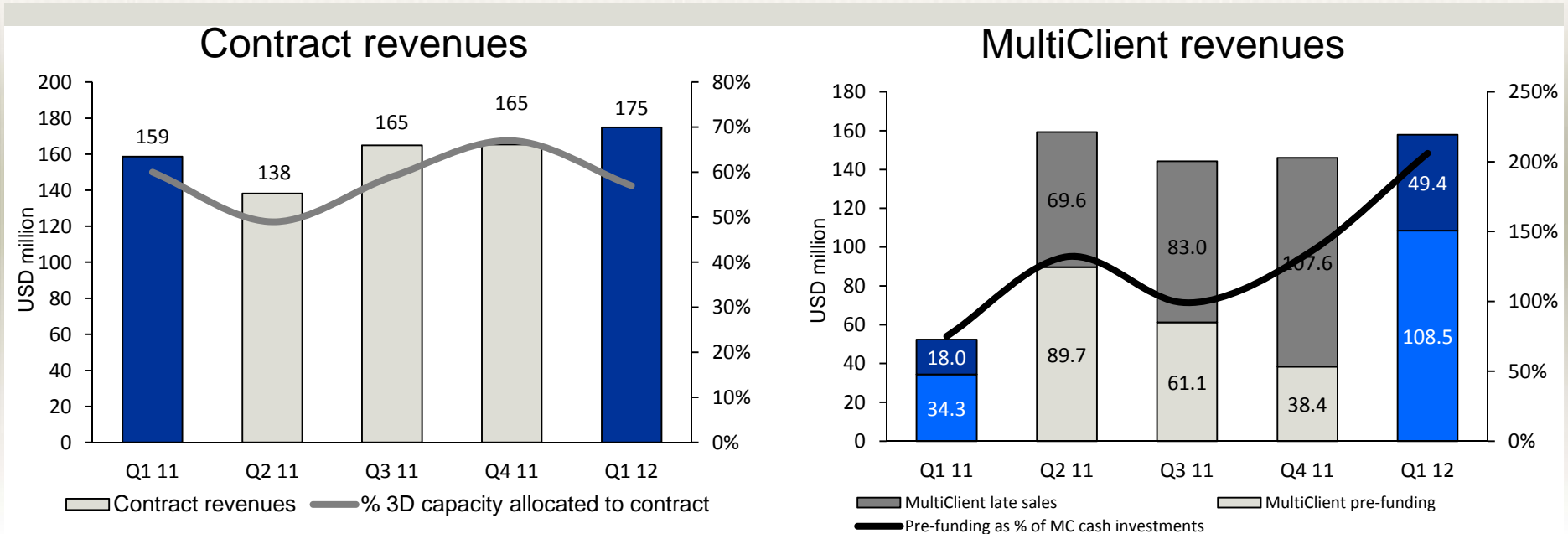
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**Excluding impairment of USD 2.6 million in Q4 2011.

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Q1 2012 Highlights

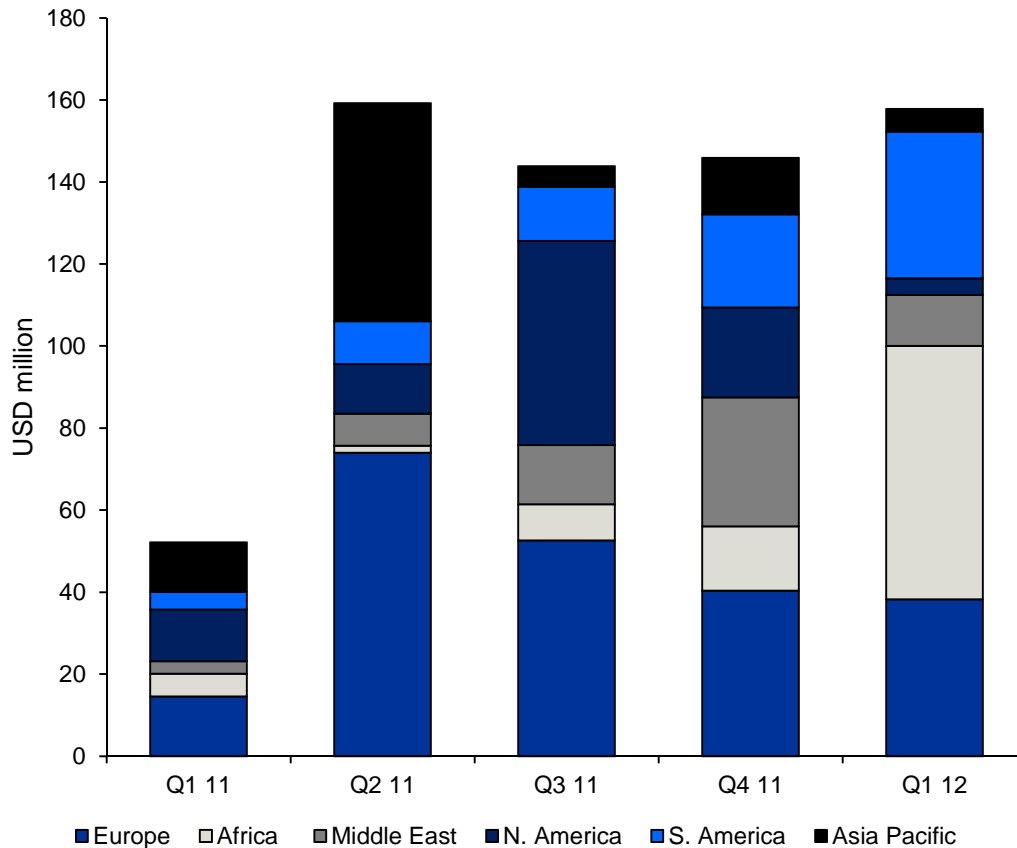


- Strong MultiClient revenues of USD 157.9 million
 - Record quarterly pre-funding revenues of USD 108.5 million
 - Pre-funding as % of MultiClient cash investments of 206%
- Increase of contract revenues primarily caused by more operations in high cost regions and some increase of 2D activity
 - Marine Contract EBIT margin of 4%
- External Data Processing revenues of USD 27.3 million, compared to USD 27.2 million in Q1 '11

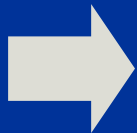


MultiClient Revenues per Region

Pre-funding and Late Sales Revenues Combined



- Strong pre-funding revenues driven by Angola, Brazil and Europe
- Late sales were strongest in Europe, Middle East and Africa
- Pre-funding for the full year 2012 is expected to be well above 100% of capitalized cash investment

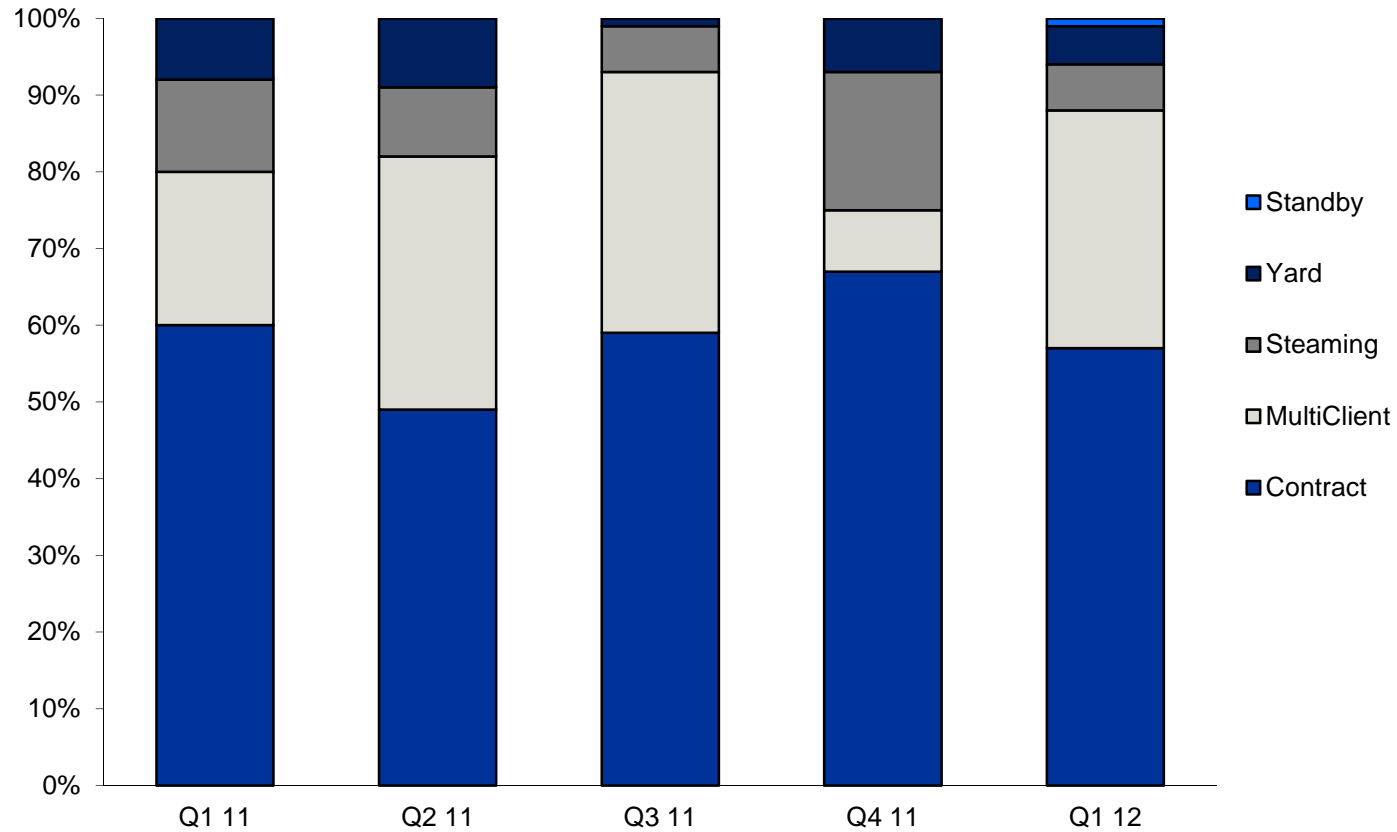


31% of total vessel time was used for MultiClient in Q1 2012



Vessel Utilization

Seismic Streamer 3D Fleet Activity in Streamer Months



88% active vessel time in Q1 2012



Key Operational Figures

USD million	2012	2011			
	Q1	Q4	Q3	Q2	Q1
Contract revenues	174.9	165.4	164.9	138.1	158.6
MultiClient Pre-funding	108.5	38.4	61.1	89.7	34.3
MultiClient Late sales	49.4	107.6	83.0	69.6	18.0
Data Processing	27.3	29.8	27.5	25.5	27.2
Other	4.9	3.4	3.3	3.7	4.0
Total Revenues	365.0	344.6	339.9	326.6	242.2
Operating cost	(219.3)	(199.6)	(186.7)	(163.0)	(169.3)
EBITDA	145.7	145.0	153.2	163.6	72.9
Other operating income	0.5		4.4		
Depreciation	(37.6)	(48.0)	(41.4)	(33.8)	(37.7)
MultiClient amortization	(72.8)	(51.7)	(71.8)	(80.8)	(32.7)
EBIT*	35.8	45.4	44.5	49.0	2.5
CAPEX	(67.9)	(47.2)	(40.9)	(110.5)	(81.3)
Cash investment in MultiClient	(52.7)	(28.5)	(61.5)	(68.4)	(45.6)
Order book	655	678	501	579	606

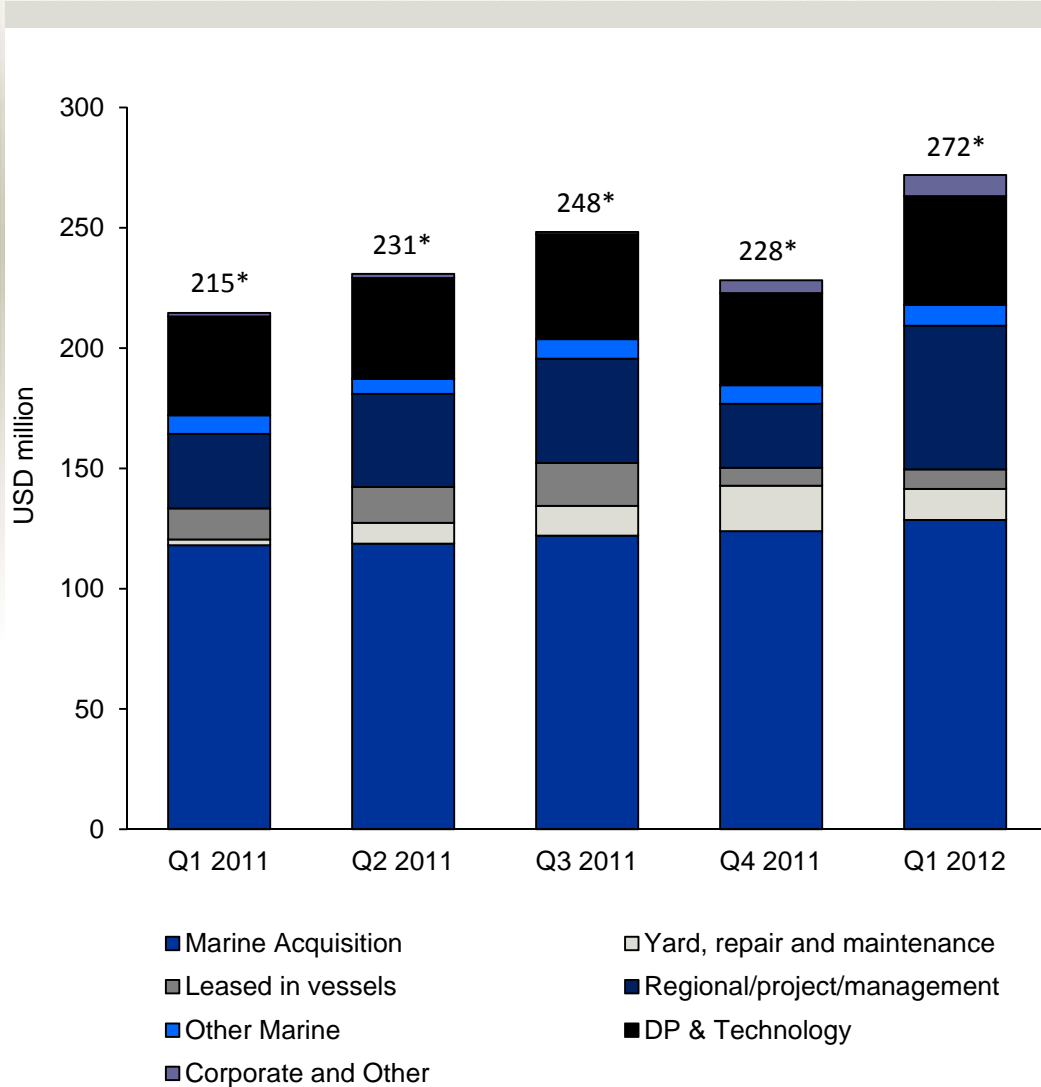
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Group Cost* Development



- Increase in Regional/project/management cost due to:
 - Half the fleet operated in high cost regions
 - Deferred streaming from Q4 2011 was expensed in Q1 2012
- Q1 streamer incident offshore Australia caused higher cost relating to equipment damages/loss and logistics
- Profit improvement program on schedule

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



Consolidated Statement of Cash Flows Summary

USD million	Quarter ended March 31		Full year
	2012	2011	2011
Cash provided by operating act.	151.6	81.0	480.4
Investment in MultiClient library	(52.7)	(45.6)	(203.9)
Capital expenditures	(63.4)	(68.3)	(299.1)
Other investing activities	(3.4)	(73.6)	(68.9)
Financing activities	(196.4)	(8.8)	83.7
Net increase (decr.) in cash and cash equiv.	(164.3)	(115.3)	(7.8)
Cash and cash equiv. at beginning of period	424.7	432.6	432.6
Cash and cash equiv. at end of period	260.4	317.3	424.7

- Strong cash flow from operating activities, driven by earnings growth
- Cash used for financing activities in Q1 2012 includes USD 190.5 million payment for repurchase and redemption of the convertible notes

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Strong Balance Sheet Position - Key Figures

USD million	Quarter ended March 31		December 31
	2012	2011	2011
Total assets	2 937.3	2 970.4	3 137.2
MultiClient Library	338.3	336.0	334.1
Shareholders' equity	1 789.0	1 751.7	1 771.7
Cash and cash equiv.	260.4	317.3	424.7
Restricted cash	100.1	108.0	93.7
Liquidity reserve	610.4	663.7	774.7
Gross interest bearing debt *	770.7	793.4	954.5
Net interest bearing debt	367.9	315.6	394.2

*Includes capital lease agreements



The Annual General Meeting approved a dividend of NOK 1.1 per share for the financial year 2011

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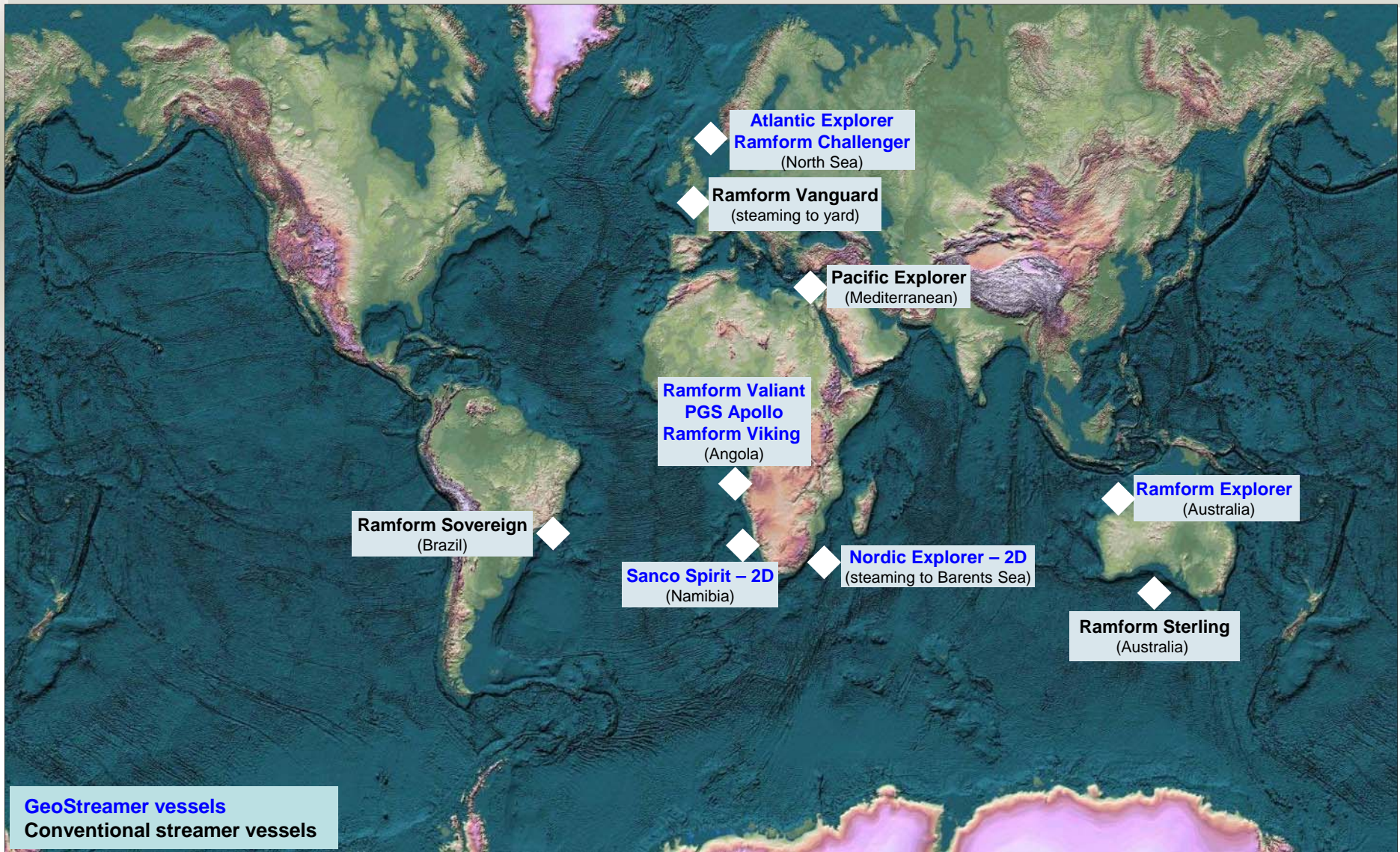
Petroleum Geo-Services ASA

Petroleum Geo-Services ASA

Operational Update and Market Comments

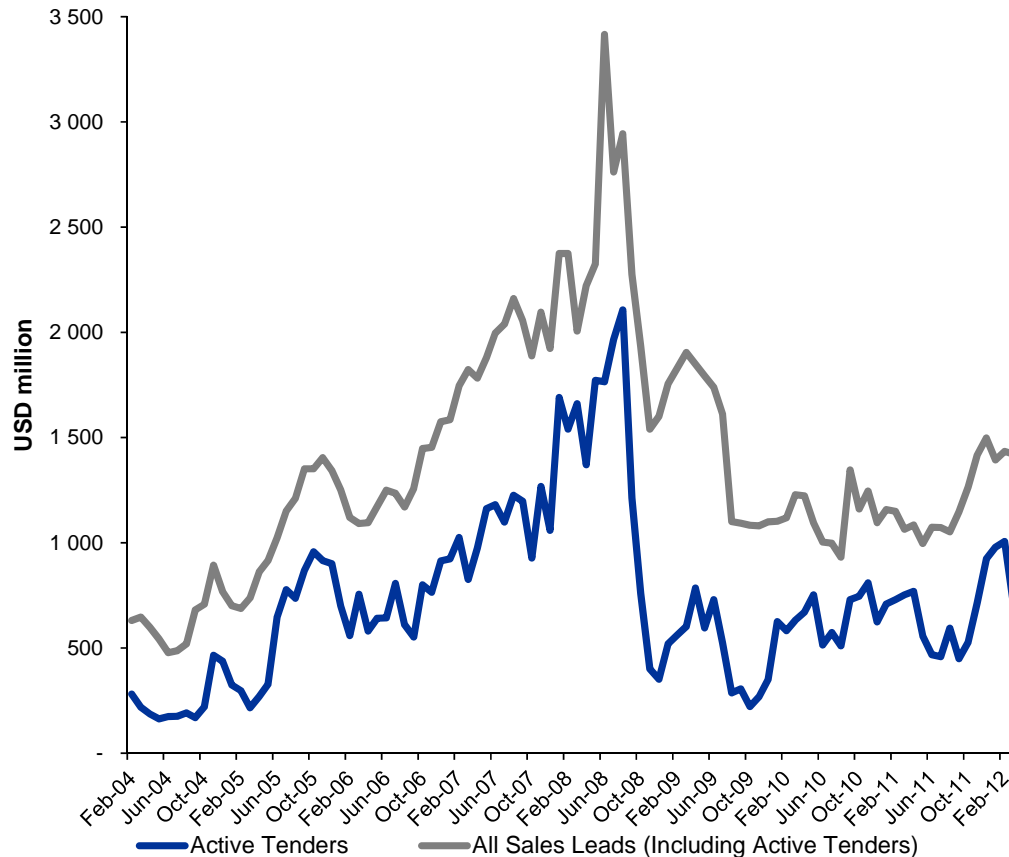


Streamer Operations April 2012





The Seismic Market is Polarizing – Favouring Broadband



- Drop in “Active Tenders” is due to a majority of the North Sea work already being awarded
- All Sales Leads shows continued strength and is expected to impact Active Tenders positively
- A more polarized market:
 - Favors pricing for the high-end segment and GeoStreamer vessels
 - Market for smaller vessels (6-8 streamers) and non-broadband offering remains challenging



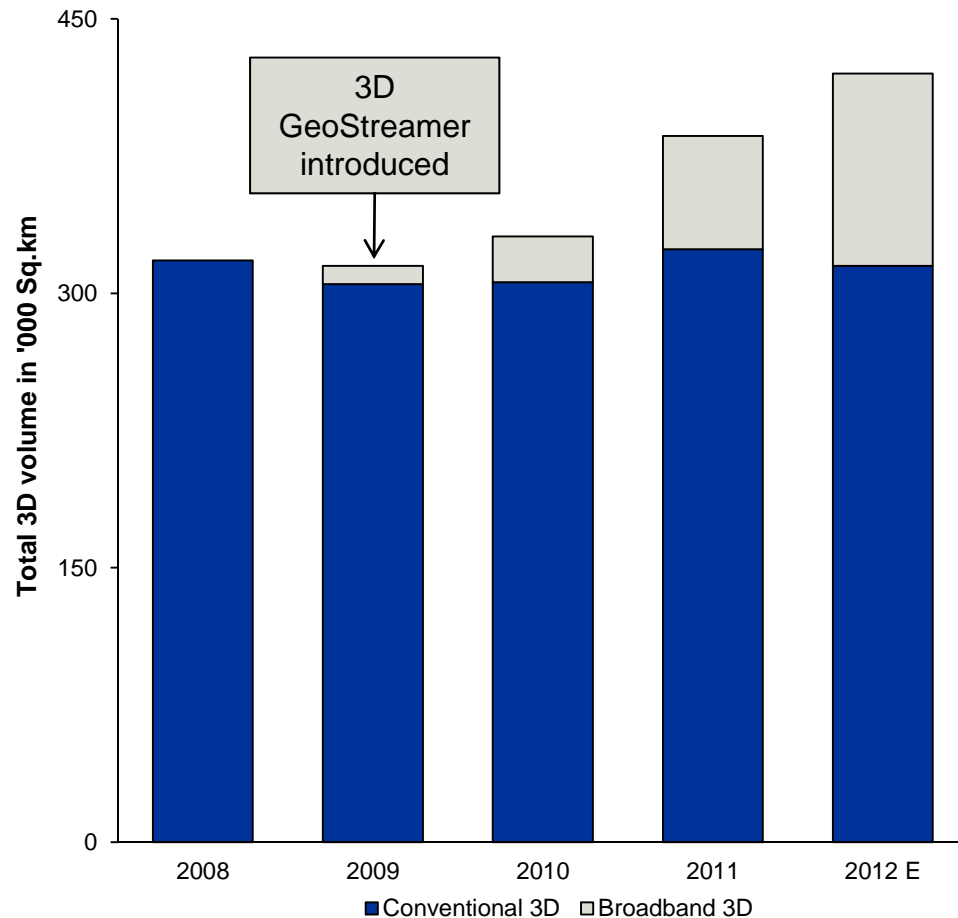
Proportion of bids requiring broadband seismic is increasing

Source: PGS internal estimate as of end March 2012. Value of active tenders and sales leads are the sum of active tenders and sales leads with a probability weight and represents Marine 3D contract seismic only.



Strong Demand Growth for Broadband Seismic

PGS Very Well Positioned with GeoStreamer



- Oil companies gain more experience and confidence as the broadband technology becomes more commonly used
- Proportion of bids requiring broadband seismic is increasing
- Broadband offering is polarizing the seismic market
- Approximately 95% of PGS capacity is high-end or GeoStreamer

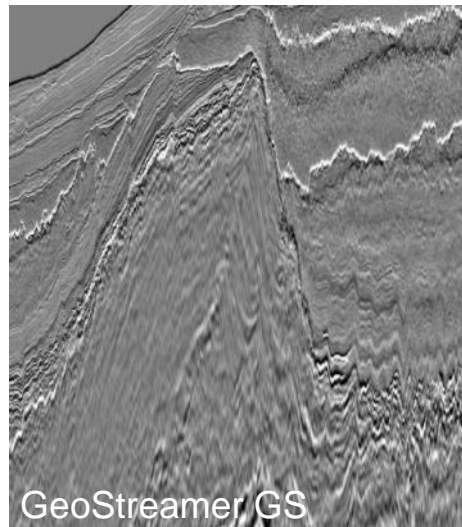
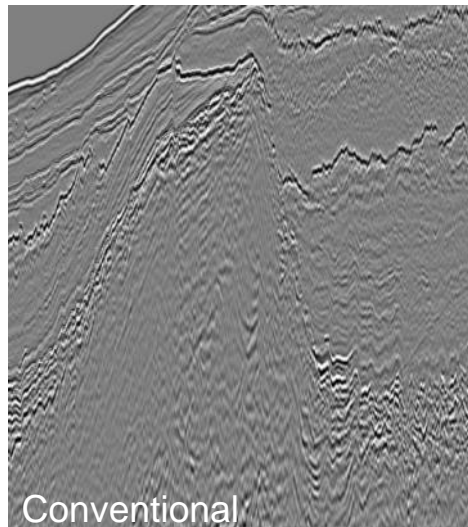
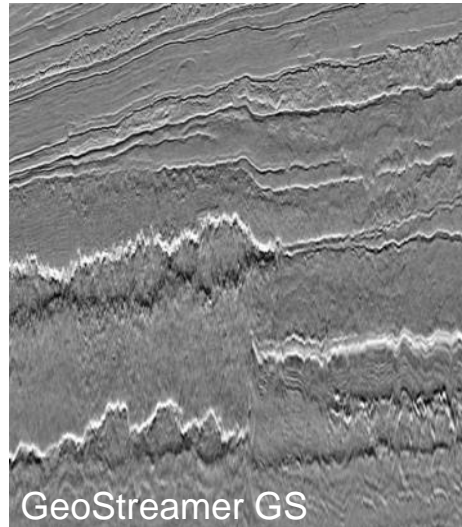
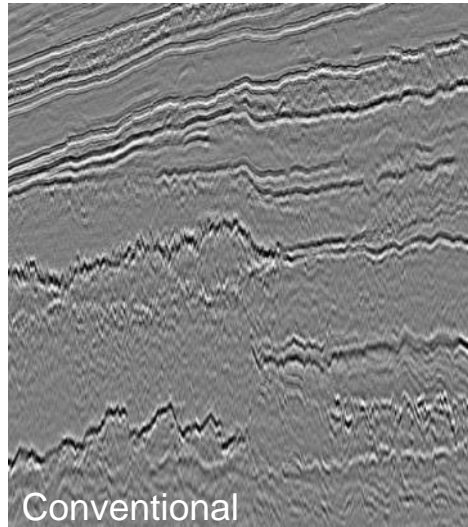


GeoStreamer initiated the most significant industry change since introduction of 3D seismic



GeoStreamer Kicked off the Broadband Wave Six Years Ago

The GeoStreamer Experience (pre GeoSource)



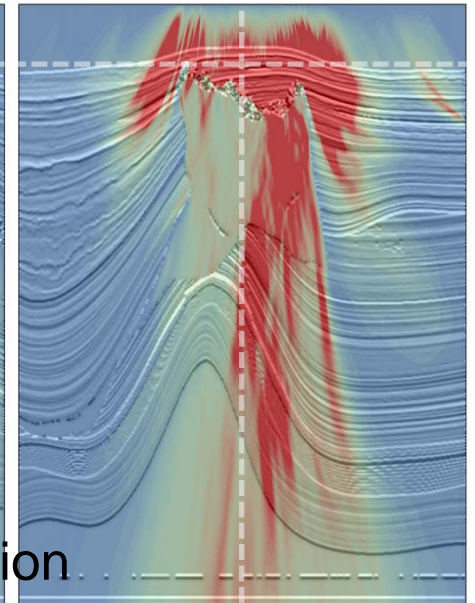
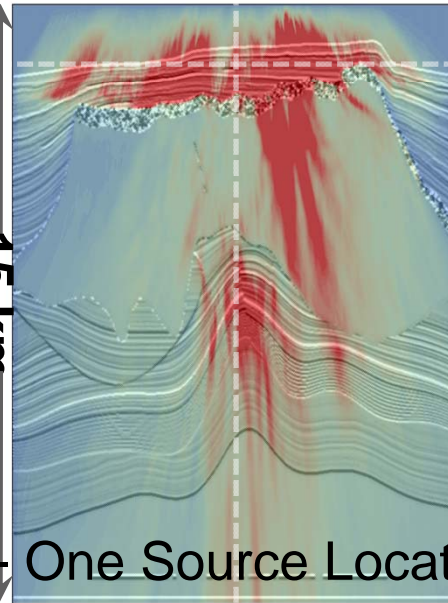
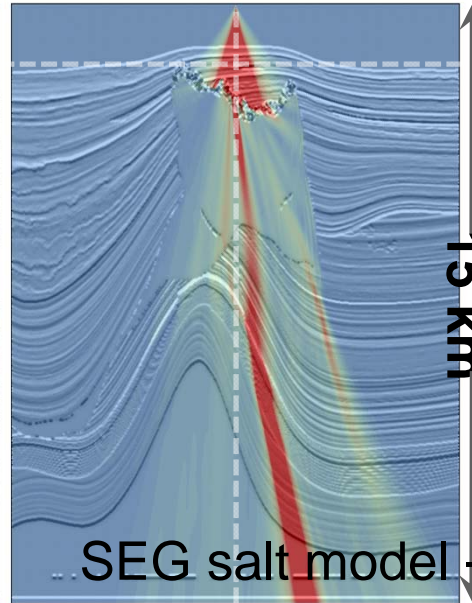
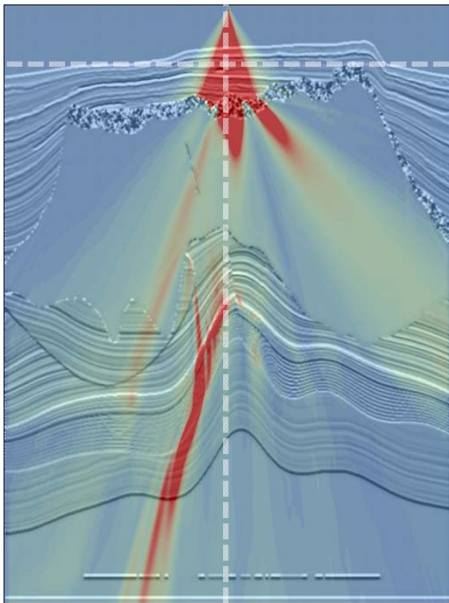
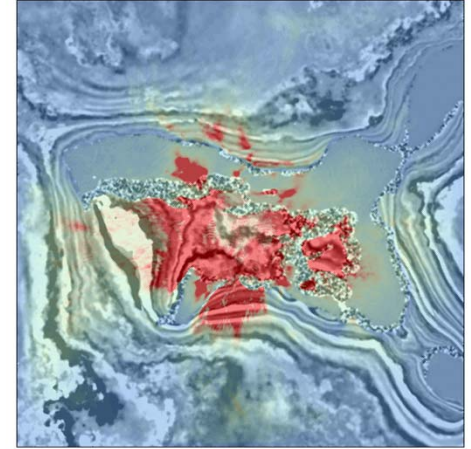
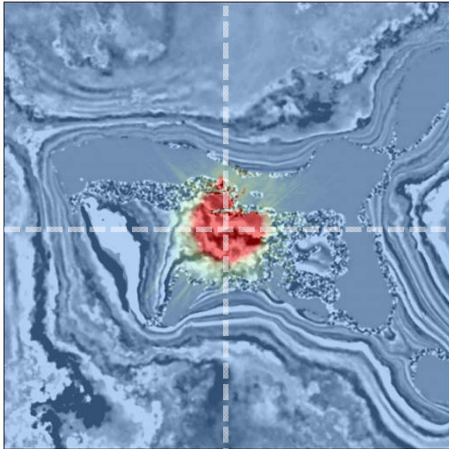
- *“GeoStreamer was vital to understanding the field”* – Independent
- *“The GeoStreamer data changed our previous interpretation of the block”* – International oil major off West Africa
- *“That’s the first time we have seen the basement structure imaged in this area”* – International oil major off West Africa
- *“The marine seismic contractors are split into two now, Broadband and the rest”* – International oil major
- *“Increasingly, we consider going straight to broadband in the exploration phase to avoid an additional survey”* – International oil major
- *“Since you don’t have GeoStreamer availability for Q2, we will move our survey to Q4”* – International oil major
- *“We prefer GeoStreamer over Method X, because it is not just ‘black box’ data processing”* – International oil major



Imaging with Primaries and Multiples

A New World for Processing

- Using Up and Down going wavefields will lead to radical improvements in
 - Sub-surface imaging
 - Quality and accuracy improvements for modeling reservoir parameters



15 km

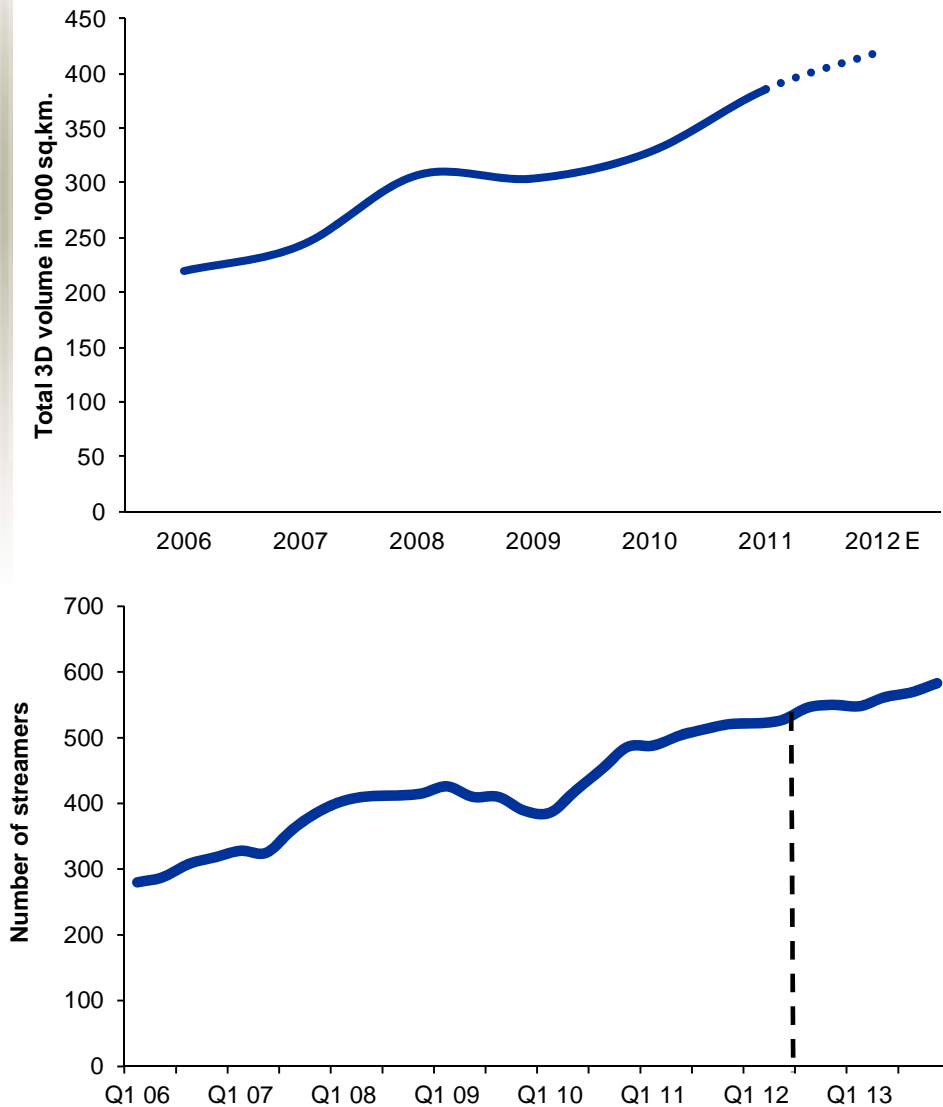
SEG salt model | One Source Location

Illumination by Primaries

Illumination by Multiples



Healthy Growth in Demand – While Supply Tapers Off

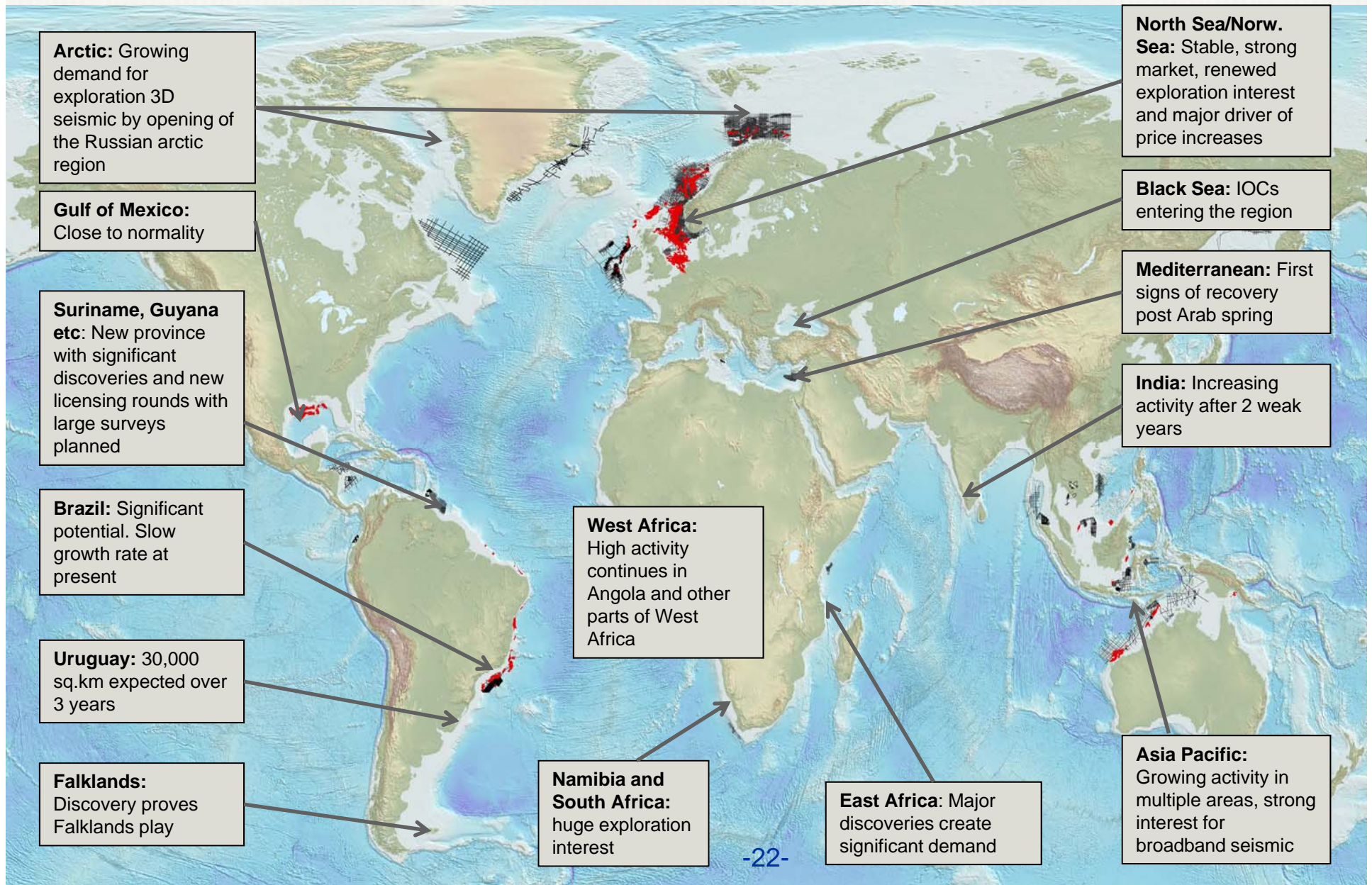


- From 2006 to end 2011 demand for seismic has grown by more than 70% measured in sq.km.
 - HD3D is growing quicker than the general market
- Growth in '12 is expected to be in excess of 10%
- Expected capacity increases
 - 6% increase in 2012
 - 6% increase in 2013
 - Limited increase in 2014

Source to both graphs: PGS internal estimates.











Seismic Demand Expected to Continue to Grow





Continuously Ahead of Competition

	1992 - 1996	1998 - 1999	2007 - 2009	2012 - 2014
Competition	 4 - 6 streamers	 6 - 8 streamers	 8 - 12 streamers	 10 - 20 streamers
PGS	 8 - 12 streamers	 12 - 18 streamers	 12 - 22 streamers	 14 - 24 streamers

PGS builds vessels to optimize cost and efficiency over the vessels' useful life

The market continues to demand larger vessels with more streamers, longer streamers & wider and denser streamer spreads

The oldest Ramform is still among the most productive vessels in the industry



The Ultra High-end Segment: Several Production Records for The Fleet to Beat



- **Ramform S-class**

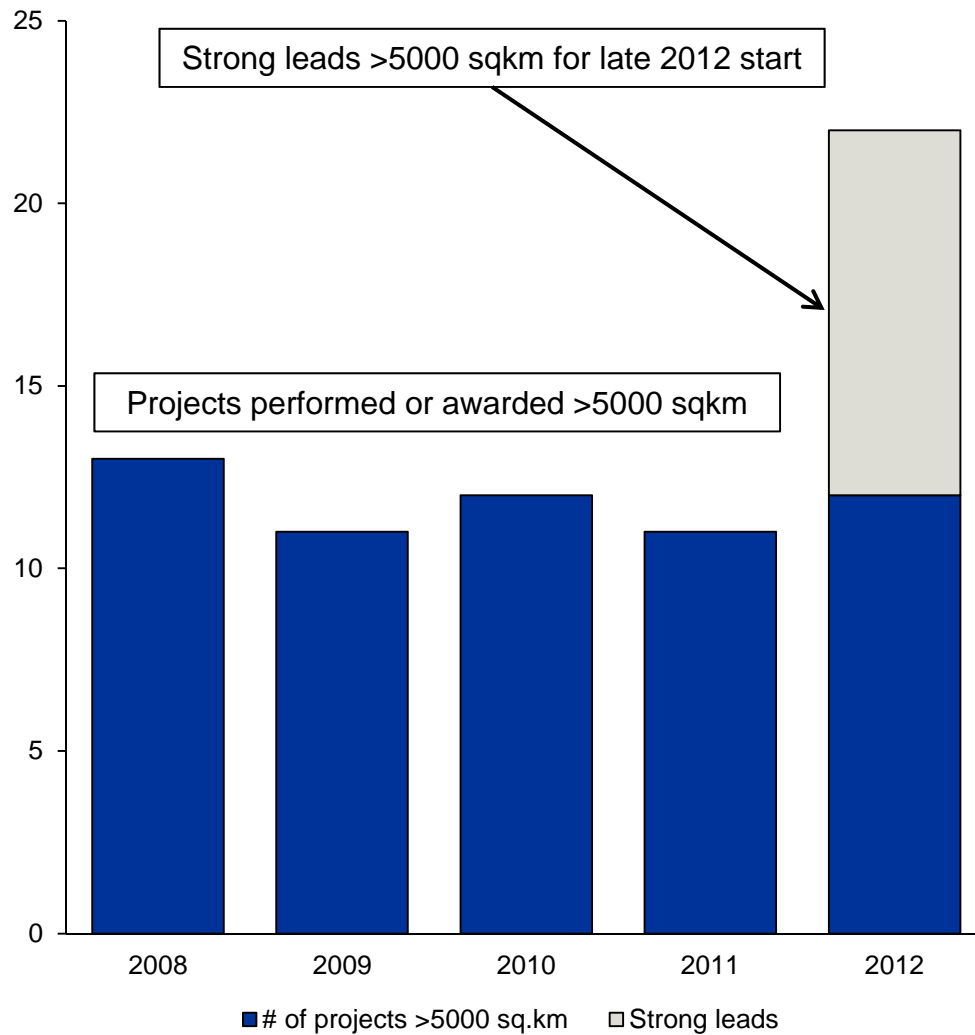
- **Monthly production record:** 3,056 sq. km acquired
- **Weekly production record:** 919 sq.km acquired
- **Daily production record:** 143.6 sq.km. acquired
- **Largest deployment ever:** 14 streamers x 8,100 meters with 50 meter separation – regular operations for almost 4 years

- **Ramform V-class**

- 17 streamer tow with 50 meter separation



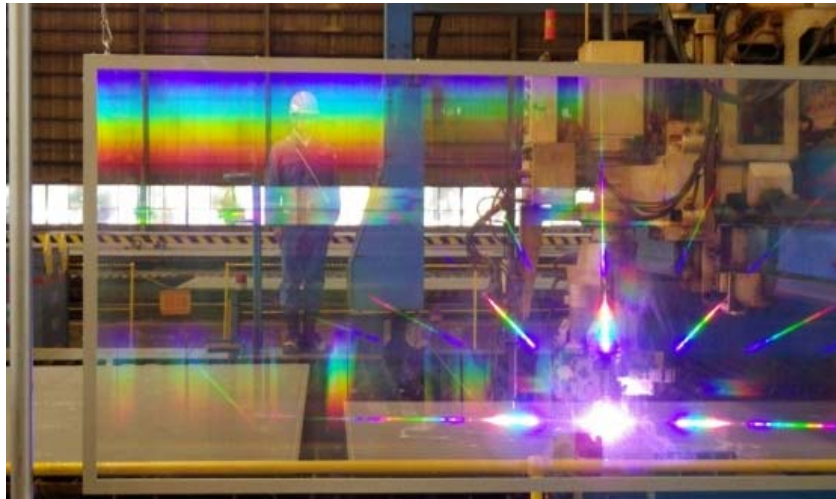
Significant Increase in Larger Surveys Coming Through



Source: PGS market intelligence

- Driven by the efficiency gain of larger surveys in new areas
- Clear signs of increasing appetite and commitment to exploration
- Added effect of favouring the bigger contractors and bigger vessels

New Build Schedule – Progressing According to Plan



- Steel cutting started March 26
- Option exercise period for another two vessels is extended by six months at no cost
 - Increases flexibility
 - Must be declared by October 14, 2012 for delivery in first and second half of 2015 (as earlier agreed)
 - The price for the optional vessels is unchanged





PGS Outlook



- Comfortable order book with improving margins
- Spill over effect on pricing from the North Atlantic basins to other regions is materializing
- Differentiation increasingly important
- Strong GeoStreamer demand
- Limited contract capacity scheduled for North Sea work in Q2 - Improved market balance will benefit contract margins in the second half of 2012
- Majority of steaming into the North Sea will be done in Q2
- GeoStreamer upgrade and intermediate classing of *Ramform Vanguard* in Q2



2012 Guidance

- EBITDA of approximately USD 700 million
- MultiClient cash investments in the range of USD 300-325 million
 - Pre-funding level well above 100%
- Capital expenditures in the range of USD 350-400 million
 - Of which approximately USD 200 million to new build program



In Conclusion – A Focused Marine Seismic Company



- Productivity & scale
 - Building new Ramform Titan-class vessels
 - Leading 3D MultiClient library return
- Leading edge Data Processing capabilities
- Strong operational capabilities
- Technology differentiation
- Proactive financial management



Competitively Positioned – Performance Through the Cycle



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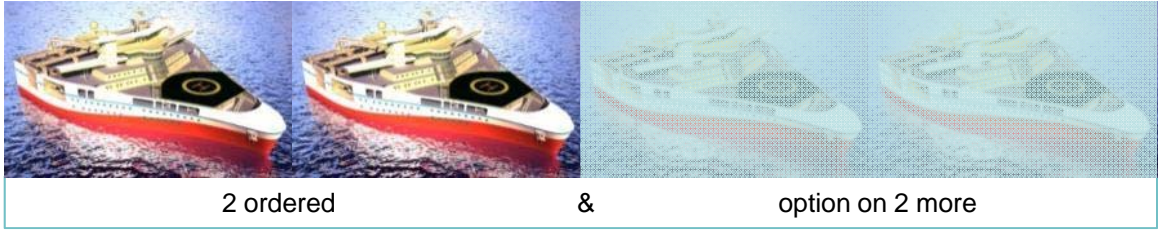


Appendix: PGS' Fleet Overview

Ramforms

Conventional

5th Gen



PGS Apollo

S-class



Atlantic Explorer

V-class



Pacific Explorer



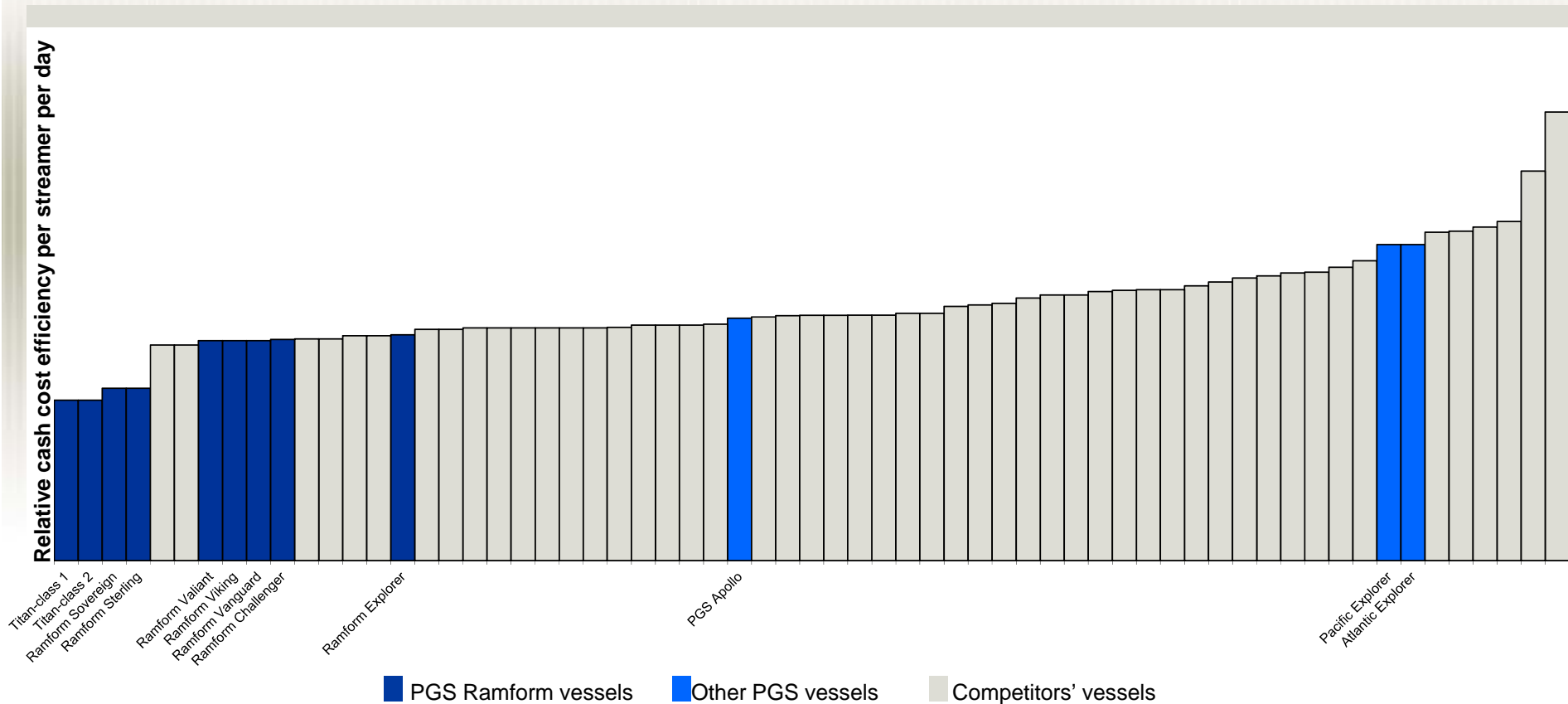
2D

Nordic Explorer

Sanco Spirit



Favorably Positioned on the Industry Cost Curve



 **PGS fleet is the most cost effective fleet in the industry**

Source: The cash cost curve is based on PGS' internal estimates and typical number of streamer towed, and excludes GeoStreamer productivity effect. The graph shows all seismic vessels operating in the market and announced new-builds. The Ramform 9&10 are incorporated with 15 streamers, S-class with 14 streamers and the V-class with 12 streamers.



Main Yard Stays Next 6 Months



Vessel	When	Expected Duration	Type of Yard Stay
<i>Ramform Vanguard</i>	Scheduled April-May 2012	Approximately 26 days	Intermediate class and installation of GeoStreamer.



Robust Financing with Good Maturity Profile

Long term Credit Lines and Interest Bearing Debt	Nominal Value Outstanding as of March 31, 2012	Total Credit Line	Financial Covenants
USD 600 million Term Loan ("TLB"), Libor + 175 basis points, due 2015	USD 470.5 million		None, but incurrence test: total leverage ratio < 3.00:1
Revolving credit facility ("RCF"), Libor + 225 basis points, due 2015	Undrawn	USD 350 million	Maintenance covenant: total leverage ratio < 2.75:1
USD 300 million Senior Note, coupon of 7.375%, due 2018	USD 300 million		None, but incurrence test : Interest coverage ratio > 2.0:1