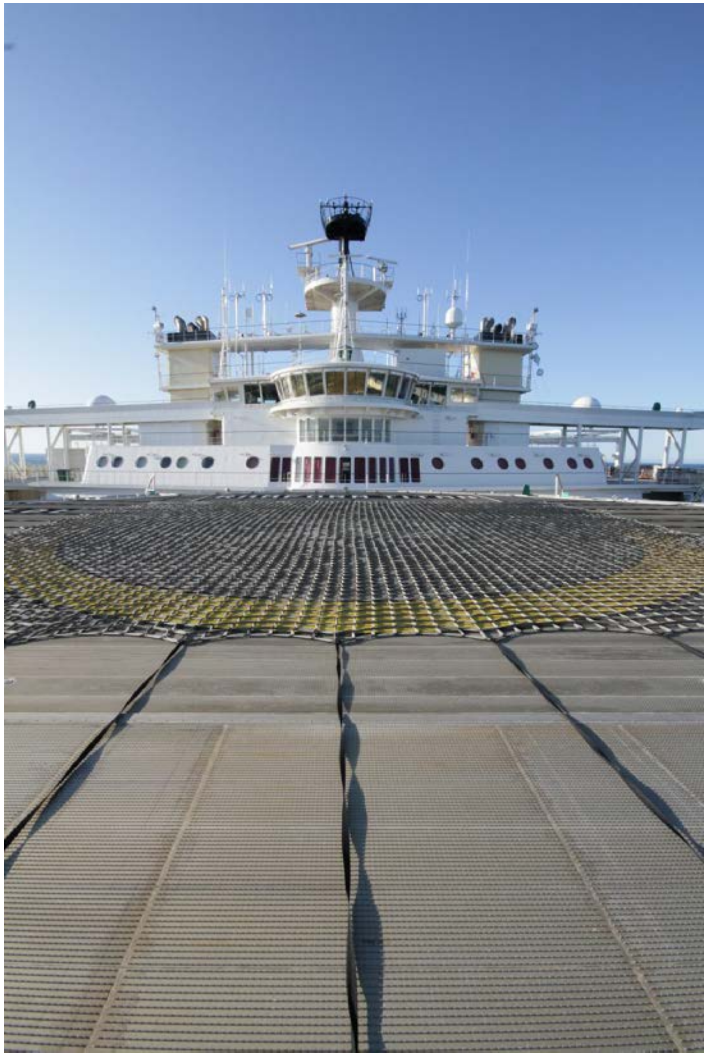
Unaudited Third Quarter 2013 Results

Oslo, October 25, 2013

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 third quarter 2013 results and the disclosures therein

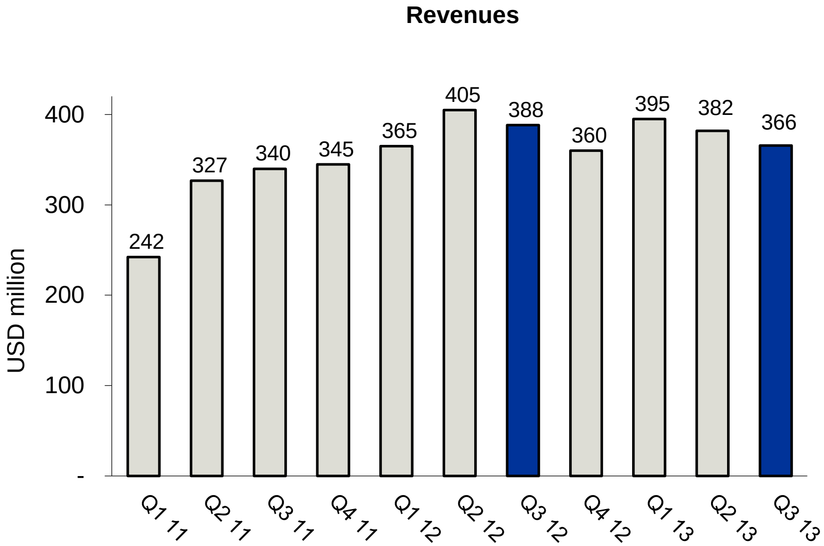
PGS' Business Model Delivers Strong EBIT Margin in a Challenging MultiClient Quarter

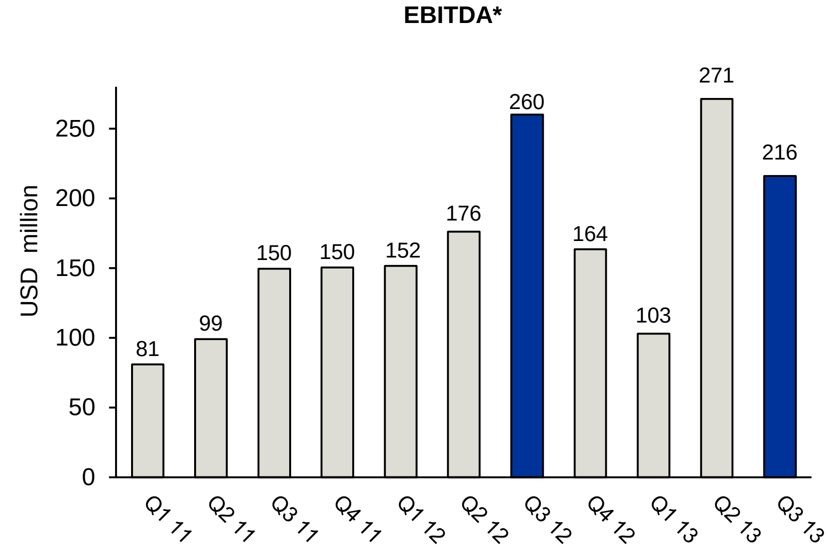


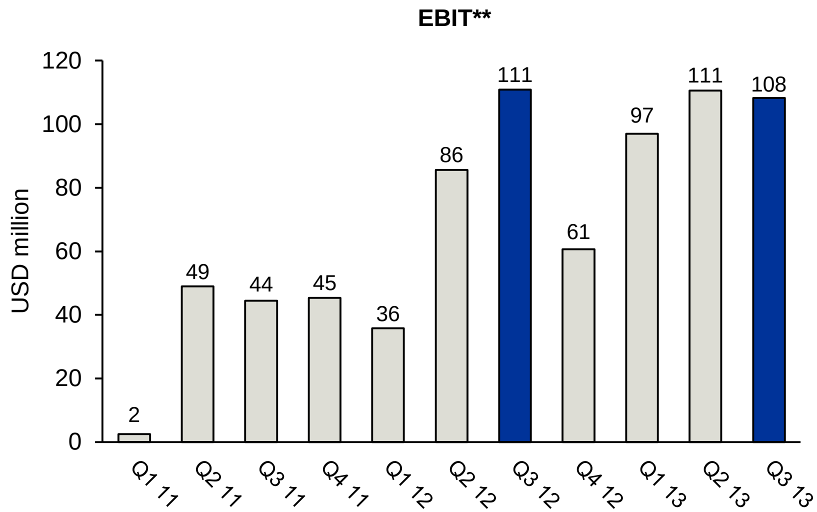
- Q3 2013 financial performance:
  - EBIT of USD 108.3 million. A margin of 30%
  - Record data processing revenues
- Order book up 30% from Q2 2013
- Liquidity reserve further strengthened at improved terms
- *Ramform Titan* completes first survey with excellent performance
- Increased client focus on preserving their dividend capacity is impacting seismic spending
  - Lessens likelihood of seeing a normal seasonal Q4 increase for MultiClient sales

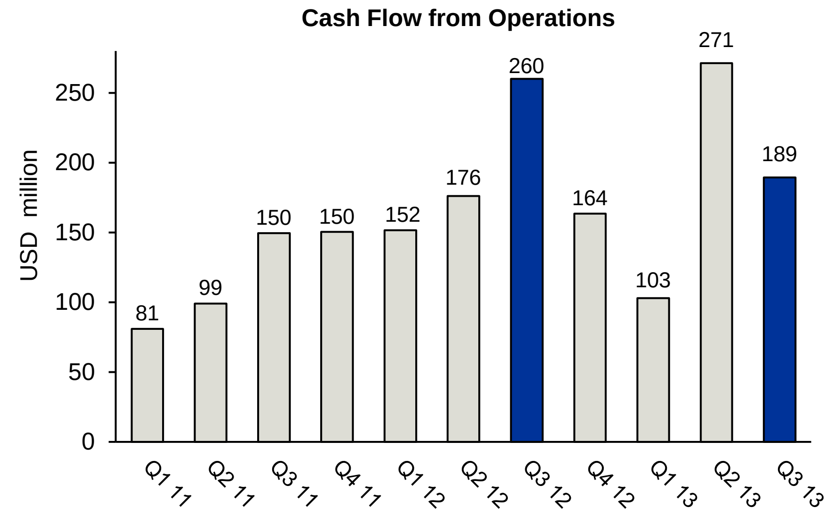
Full year 2013 EBITDA guidance of approximately USD 850 million

Financial Summary
Stable EBIT in a Softer MultiClient Market









*EBITDA, when used by the Company, means EBIT less other operating (income) expense, impairments of long-term assets and depreciation and amortization.

**Excluding impairments of USD 0.1 million in Q4 2012, USD 2.6 million in Q4 2011 and reversal of impairment of USD 0.9 million in Q2 2012.

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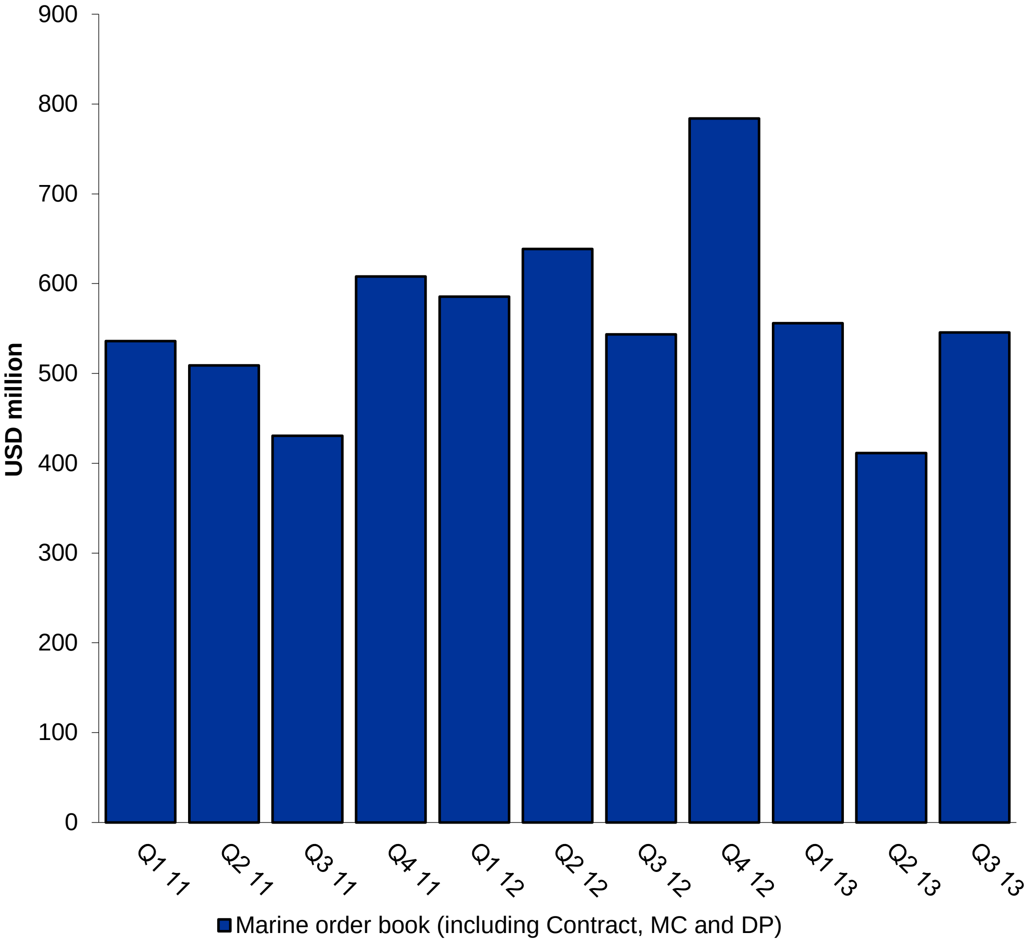
Order Book Increasing
Driven by Technology and Productivity Differentiation



- Order book end Q3 of USD 579 million
  - Some price pressure post North Sea Season impacting primarily Q4 and Q1
- Vessel booking*
  - Almost fully booked for Q4 2013
  - ~75% booked for Q1 2014
  - ~50% booked for Q2 2014
  - ~30% booked for Q3 2014

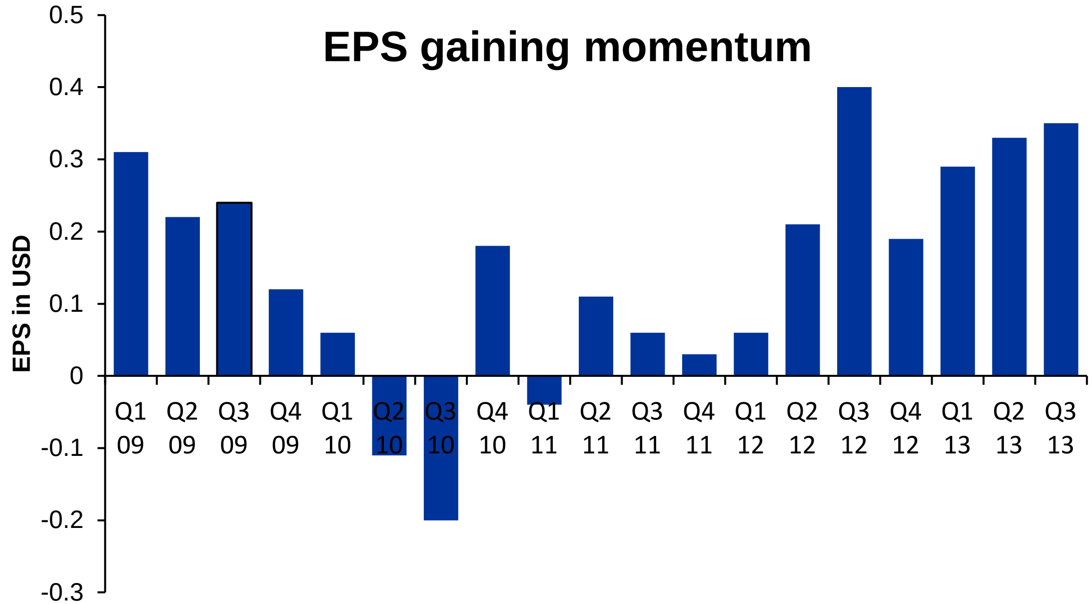
*As of mid October, 2013

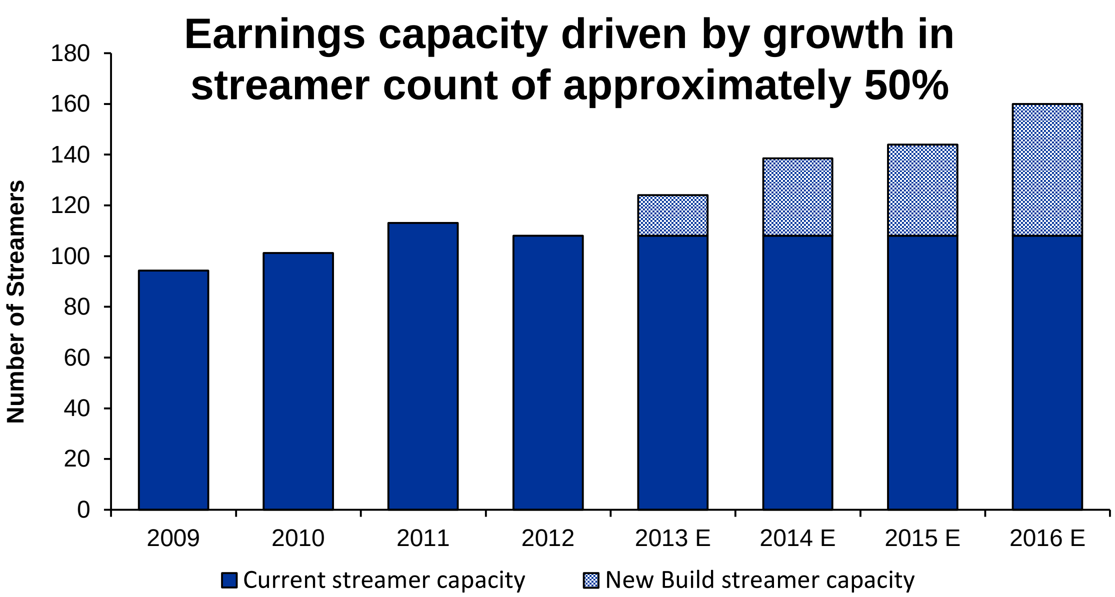
An Industrial Approach to the Business

- Financial strategy
  - Prudent financial structure / gearing policy
  - Focus on return on capital employed
- Operational strategy
  - Leading HSEQ performance
  - Productivity advantage relative to competitors
  - R&D to deliver technology differentiation
  - MultiClient / Contract balance to ensure optimal portfolio
  - MultiClient pre-funding 80-120% of capitalized cash investments
- Vessel investment strategy
  - Investing in own capacity through the cycle when differentiation can be achieved
  - Maintaining critical mass is important
  - Market share is not an objective
  - Charter in capacity to support good business opportunities

A business model suited to delivering earnings over the cycle

Investing in a Growth Case





- PGS well positioned to improve return on capital and dividend capacity by having:
  - A strong balance sheet
  - Increased earnings capacity from new builds
  - Technology differentiation

Petroleum Geo-Services ASA

Financials

Unaudited Third Quarter 2013 Results

Consolidated Statement of Operations Summary

	Quarter ended September 30			Nine months ended June 30		
USD million (except per share data)	2013	2012	% change	2013	2012	% change
Revenues	365.6	388.3	-6 %	1142.1	1158.2	-1 %
EBITDA*	216.0	222.1	-3 %	627.9	614.0	2 %
Operating profit (EBIT)	108.3	110.9	-2 %	315.7	233.2	35 %
Net financial items	(10.4)	(9.0)	-16 %	(32.6)	(49.7)	34 %
Income (loss) before income tax expense	97.9	101.9	-4 %	283.1	183.5	54 %
Income tax expense (benefit)	23.7	15.0	58 %	74.9	38.1	97 %
Net income to equity holders	74.2	86.9	-15 %	208.2	145.4	43 %
EPS basic	$0.35	$0.40	-13 %	$0.97	$0.67	45 %
EBITDA margin*	59.1 %	57.2 %		55.0 %	53.0 %	
EBIT margin	29.6 %	28.6 %		27.6 %	20.1 %	

- Reported tax rate of 24%
  - Positive impact of tax exempt profit on vessel operations within tonnage tax regimes
  - Negative impact of strengthened USD year-to-date and change in valuation allowance for deferred tax assets

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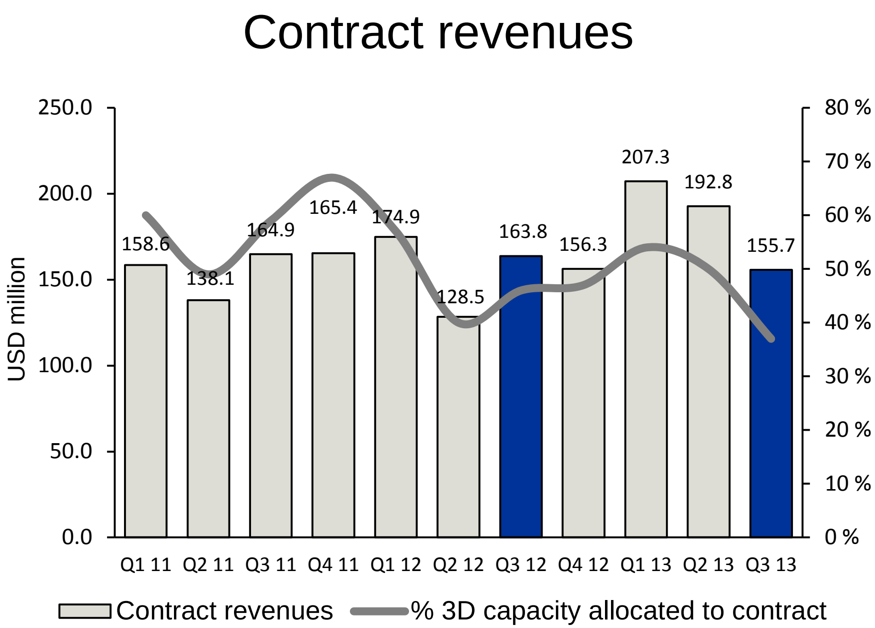
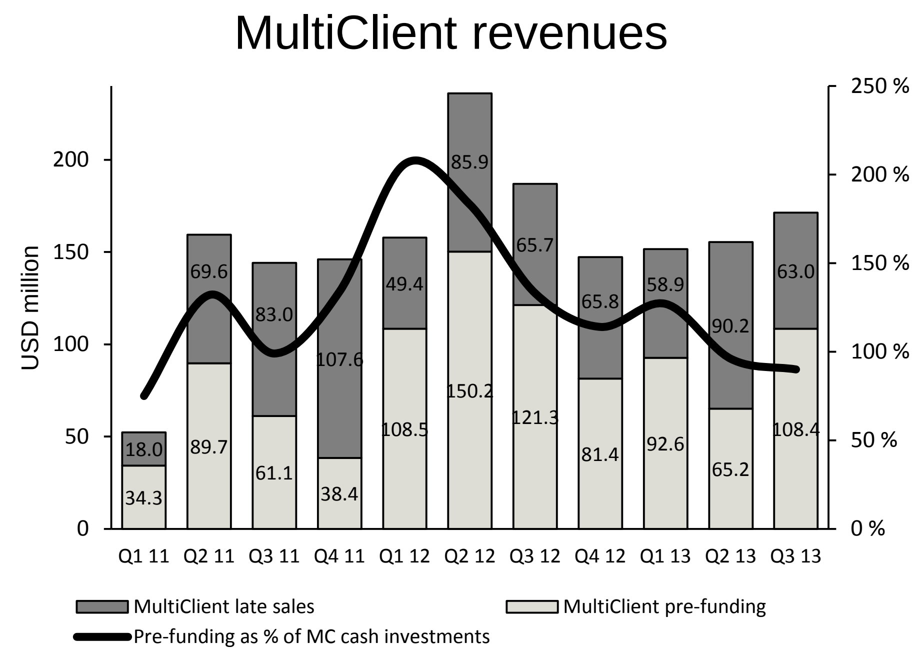
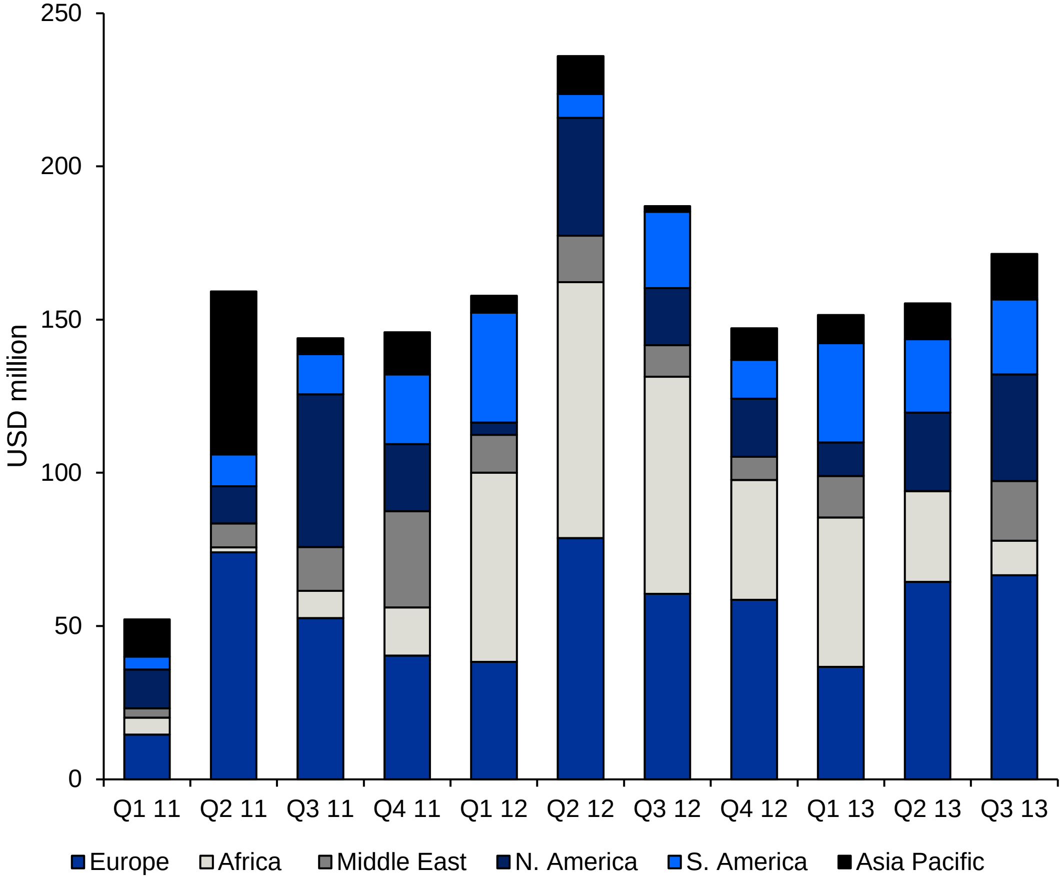
Q3 2013 Highlights





- Marine Contract revenues of USD 155.7 million, with an EBIT margin of 36%
- Total MultiClient revenues of USD 171.4 million in Q3 2013
  - Q3 pre-funding of 90% of MultiClient cash investment
- Record external data processing revenues of USD 34.4 million

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

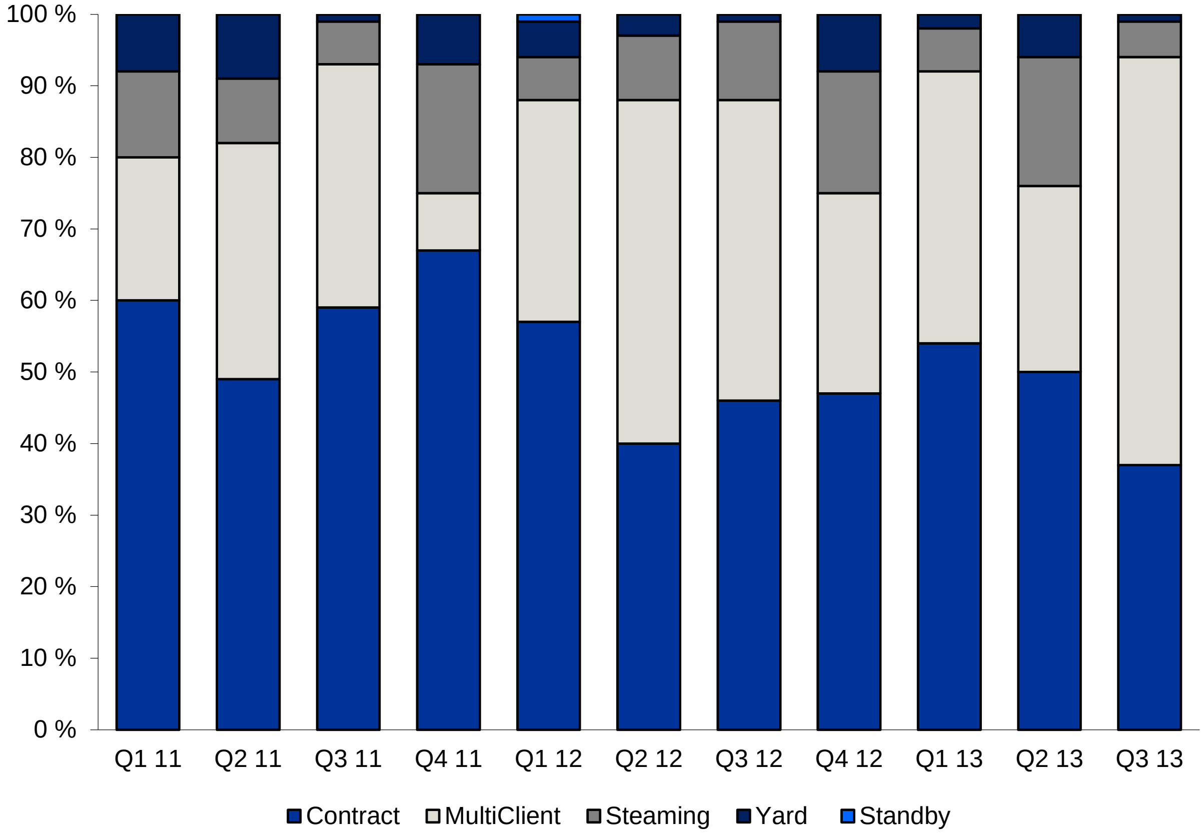


- Pre-funding revenues were highest in Europe, South America and Middle East
- Strong late sales in North America and Europe
- Full year 2013 pre-funding revenues expected to be 95-100% of capitalized MultiClient cash investment

57% of total vessel time was used for MultiClient in Q3 2013

Vessel Utilization

Seismic Streamer 3D Fleet Activity in Streamer Months



- Strong Q3 utilization
- Q4 will see seasonal effect of moving vessels out of the North Sea
- High MultiClient allocation also in Q4 due to start of Full Azimuth GeoStreamer survey in GoM
- Approx. 45% of active 3D vessel capacity allocated to MultiClient for the full year 2013

94% active vessel time in Q3 2013

Key Operational Figures

USD million	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
Contract revenues	155.7	192.8	207.3	156.3	163.8	128.5	174.9
MultiClient Pre-funding	108.4	65.2	92.6	81.4	121.3	150.2	108.5
MultiClient Late sales	63.0	90.2	58.9	65.8	65.7	85.9	49.4
Data Processing	34.3	28.8	27.1	32.3	33.1	31.7	27.3
Other	4.2	4.7	8.9	24.3	4.3	8.6	4.9
Total Revenues	**365.6**	**381.7**	**394.8**	**360.1**	**388.3**	**404.8**	**365.0**
Operating cost	(149.6)	(172.1)	(192.5)	(197.9)	(166.2)	(158.7)	(219.3)
EBITDA**	**216.0**	**209.6**	**202.3**	**162.2**	**222.1**	**246.2**	**145.7**
Other operating income	0.2	0.2	0.2	0.2	0.2	0.2	0.5
Depreciation	(27.2)	(38.8)	(37.5)	(37.7)	(33.0)	(31.4)	(37.6)
MultiClient amortization	(80.7)	(60.4)	(68.2)	(64.0)	(78.5)	(129.3)	(72.8)
EBIT*	**108.3**	**110.6**	**96.8**	**60.7**	**110.9**	**85.6**	**35.8**
CAPEX, whether paid or not	(93.2)	(199.9)	(71.4)	(139.5)	(76.6)	(84.1)	(67.9)
Cash investment in MultiClient	(120.9)	(68.1)	(72.9)	(71.3)	(91.4)	(82.0)	(52.7)
Order book	**579**	**446**	**592**	**829**	**608**	**689**	**655**

*Excluding impairments of long-term assets of USD 0.1 million in Q4 2012 and reversal of impairments of USD 0.9 million in Q2 2012.
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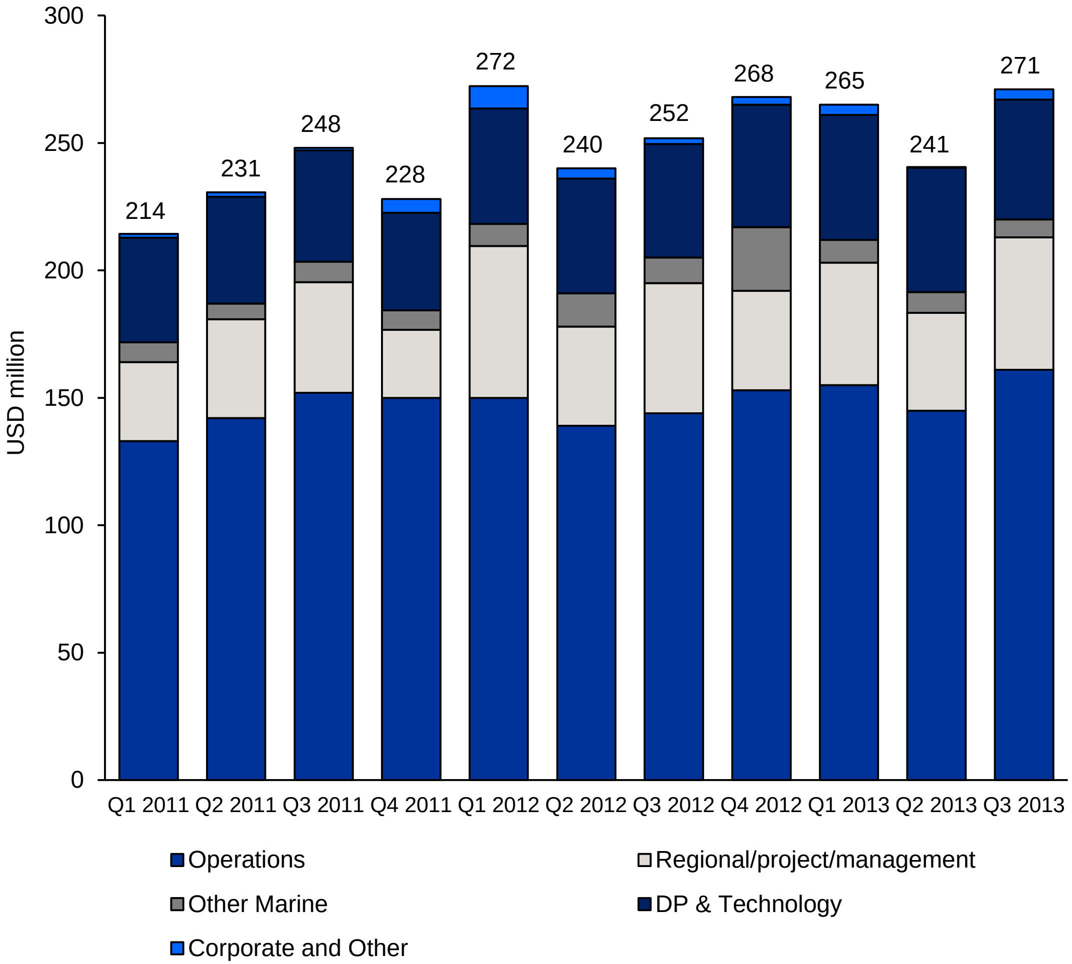
Group Cost* Development



- Cost focus delivering results
- Increase Q3 over Q2 primarily related to
  - *Ramform Titan* in full operation
  - Steaming cost charged to expense in Q3
  - Less capitalized yard time

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

Consolidated Statements of Cash Flows Summary

USD million	Quarter ended September 30 2013	Quarter ended September 30 2012	Nine months ended 2013	Nine months ended 2012
Cash provided by operating activities	189.4	260.2	563.4	588.2
Investment in MultiClient library	(120.9)	(91.4)	(262.0)	(226.1)
Capital expenditures	(76.8)	(84.7)	(352.6)	(226.9)
Other investing activities	(10.7)	14.4	(26.1)	0.8
Financing activities	(11.7)	(7.1)	(14.0)	(270.4)
Net increase (decr.) in cash and cash equiv.	**(30.7)**	**91.4**	**(91.3)**	**(134.4)**
Cash and cash equiv. at beginning of period	329.7	198.9	390.3	424.7
Cash and cash equiv. at end of period	**299.0**	**290.3**	**299.0**	**290.3**

- Cash flow in Q3 2013 reflects relatively flat working capital development after a significant reduction (improvement) in working capital Q2 2013
- In Q3 2012 the Company saw favorable working capital variations boosting cash provided by operating activities

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Strong Balance Sheet Position - Key Figures

	September 30		December 31
USD million	2013	2012	2012
Total assets	3 511.2	3 040.3	3 275.6
MultiClient Library	520.7	357.4	382.3
Shareholders' equity	2 041.5	1 849.2	1 911.5
Cash and cash equiv.	299.0	290.3	390.3
Restricted cash	88.1	89.5	92.3
Liquidity reserve	799.0	640.3	740.3
Gross interest bearing debt *	1 040.8	771.4	921.6
Net interest bearing debt	638.1	381.1	435.6

*Includes capital lease agreements

- By increasing the revolving credit facility from USD 350 million to USD 500 million liquidity reserve is now almost USD 800 million
- Net debt well below threshold of 1x EBITDA in a strong market and 2x EBITDA in a weak market
- Shareholders’ equity at 58% of total assets

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The *Ramform Titan* Experience

Magne A. Reiersgård, EVP Operations

Ramform Titan – Why Bigger is Better

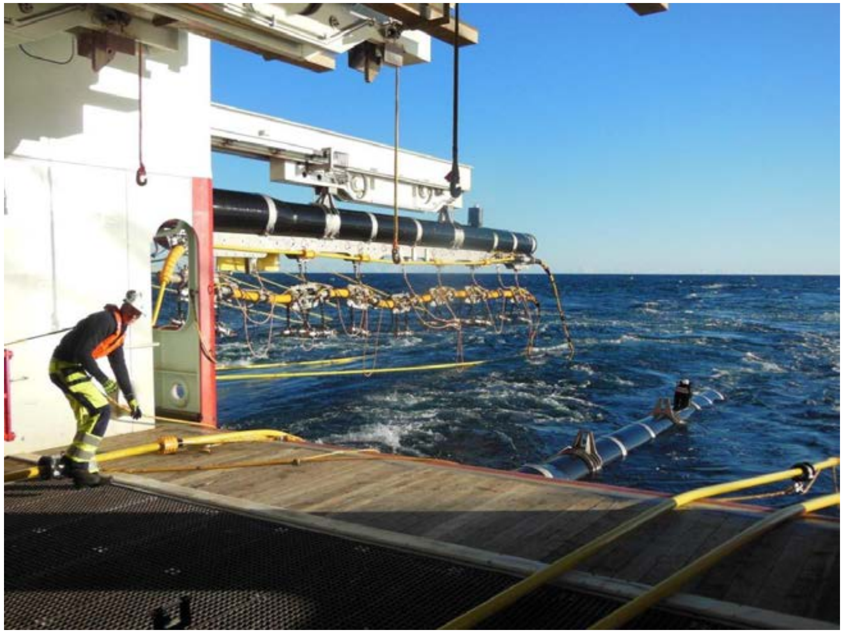
Matching GeoStreamer Capabilities with Vessel Performance

- It's not only about higher number of streamers, but also longer streamers resulting in significantly larger streamer spreads in water
- Client demand for larger, reliable and SAFE vessels for high impact projects
- It's about increasing efficiency

- Stability to fully exploit weather robustness of GeoStreamer technology
- Safer platform
- Long endurance for long projects and remote locations
- Increased redundancy in all systems
- New deployment systems
- Functional interior design for increased onboard team interaction and comfort

Ramform Titan – Increasing the Efficiency

- HSEQ
  - More and longer streamers require more space for safe operations
  - Automated back deck
  - 2 stern operated workboats
- Efficiency
  - Shorter deployment and retrieval time
  - Repair and maintenance at sea
  - Effective barnacle cleaning while in operation
- Performance
  - 24 x 12000 m capacity
  - 150 days endurance
  - GeoStreamer Technologies
- Comfort
  - 60 single cabins, 10 double
  - Improved work environment and facilities results in less risk of crew fatigue



Ramform Titan – Productivity

TITAN-Class Starts at the Top-end of the Vessel Segment

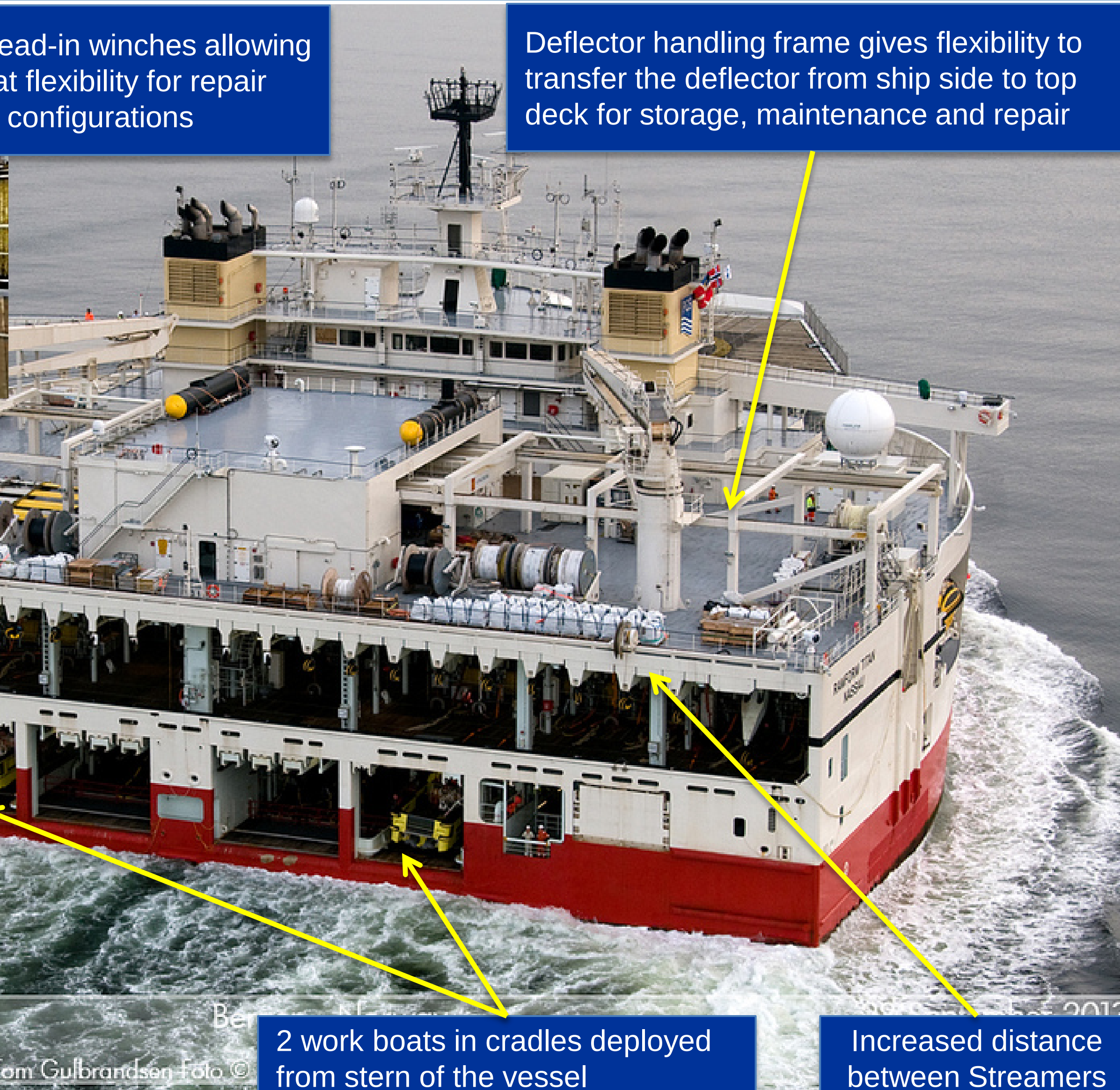
# Streamers	Km Streamer in water	Sqkm/ day	Duration in days
6	48	39	307
8	64	52	230
10	80	65	185
12	96	78	154
14	112	91	132
16	128	104	115
18	144	117	102

Based on typical 8km long streamers towed at 100m separation, 20% time added for infill, acquiring 130 km of data per day and a total full fold survey size of 10,000sq.km

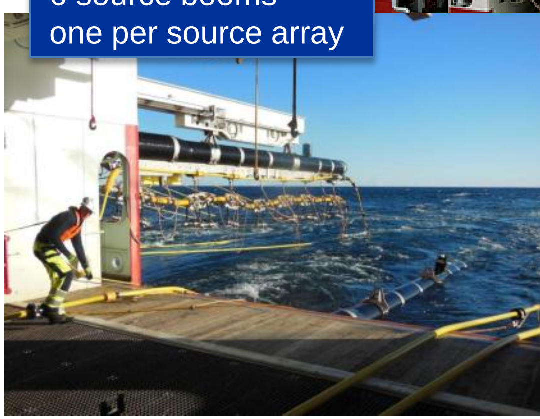
Ramform Titan – Size Matters

Lots of Space and Stability

16 lead-in winches allowing great flexibility for repair and configurations



Deflector handling frame gives flexibility to transfer the deflector from ship side to top deck for storage, maintenance and repair



6 source booms – one per source array

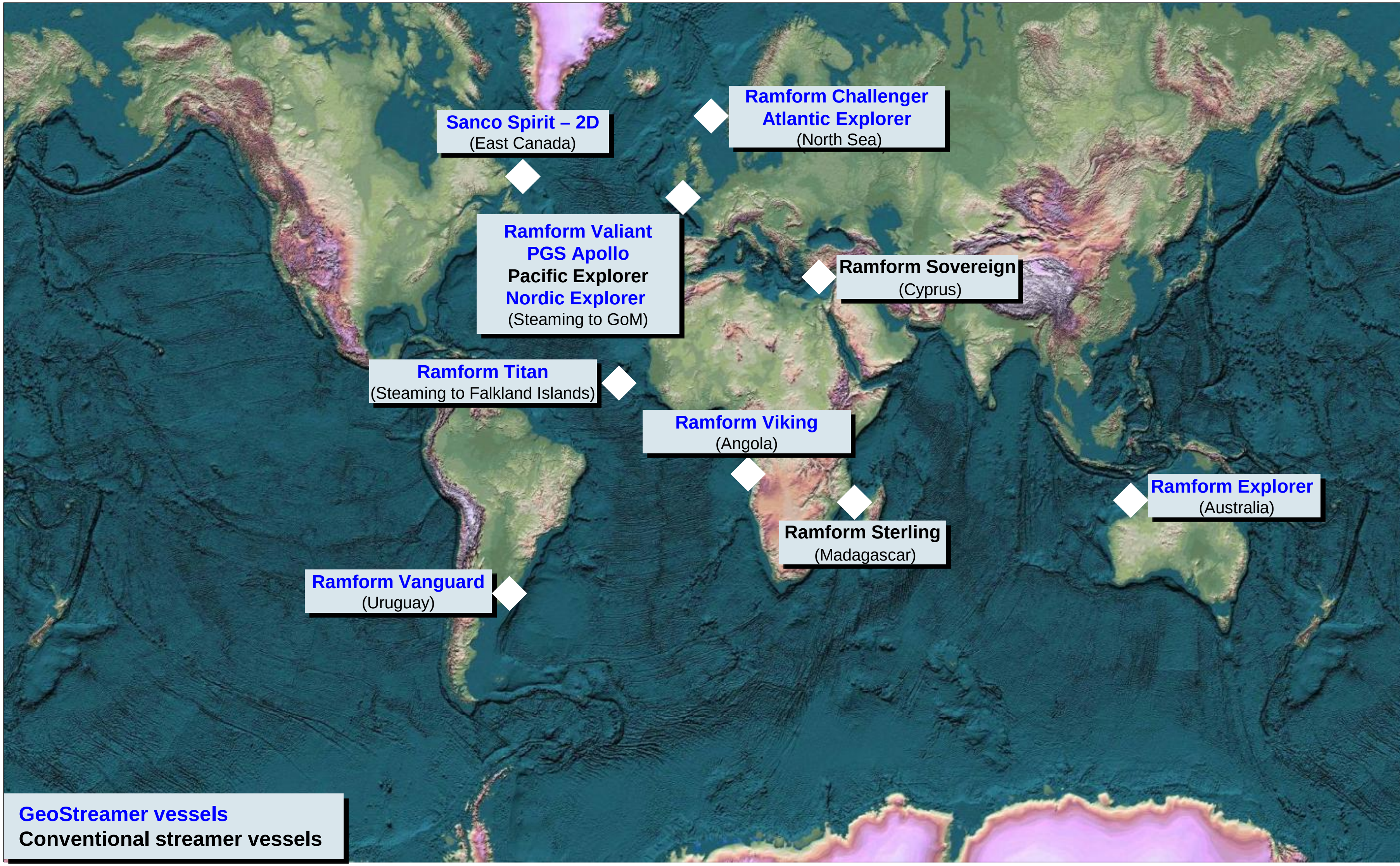
2 work boats in cradles deployed from stern of the vessel

Increased distance between Streamers

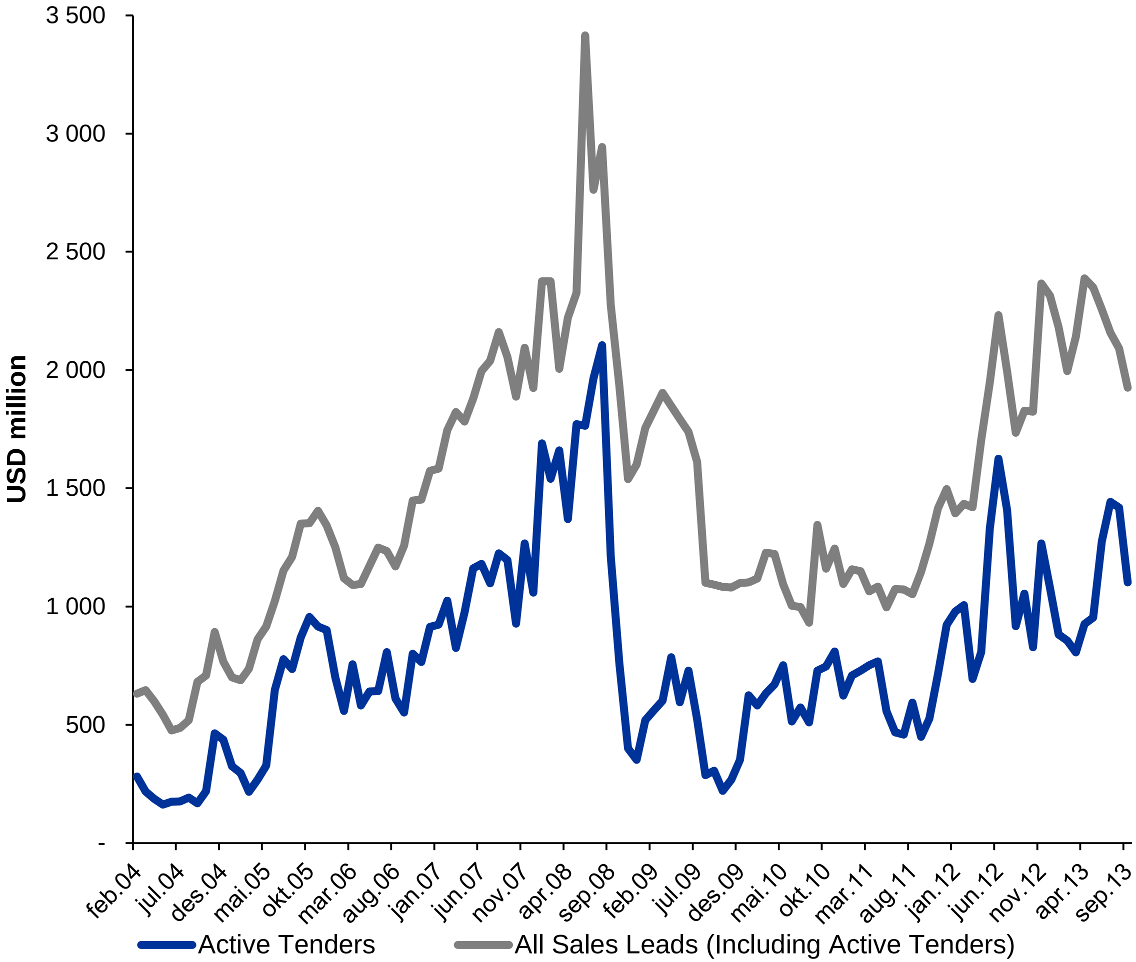
Petroleum Geo-Services ASA

Operational Update and Market Comments

Streamer Operations October 2013



Bidding Activity

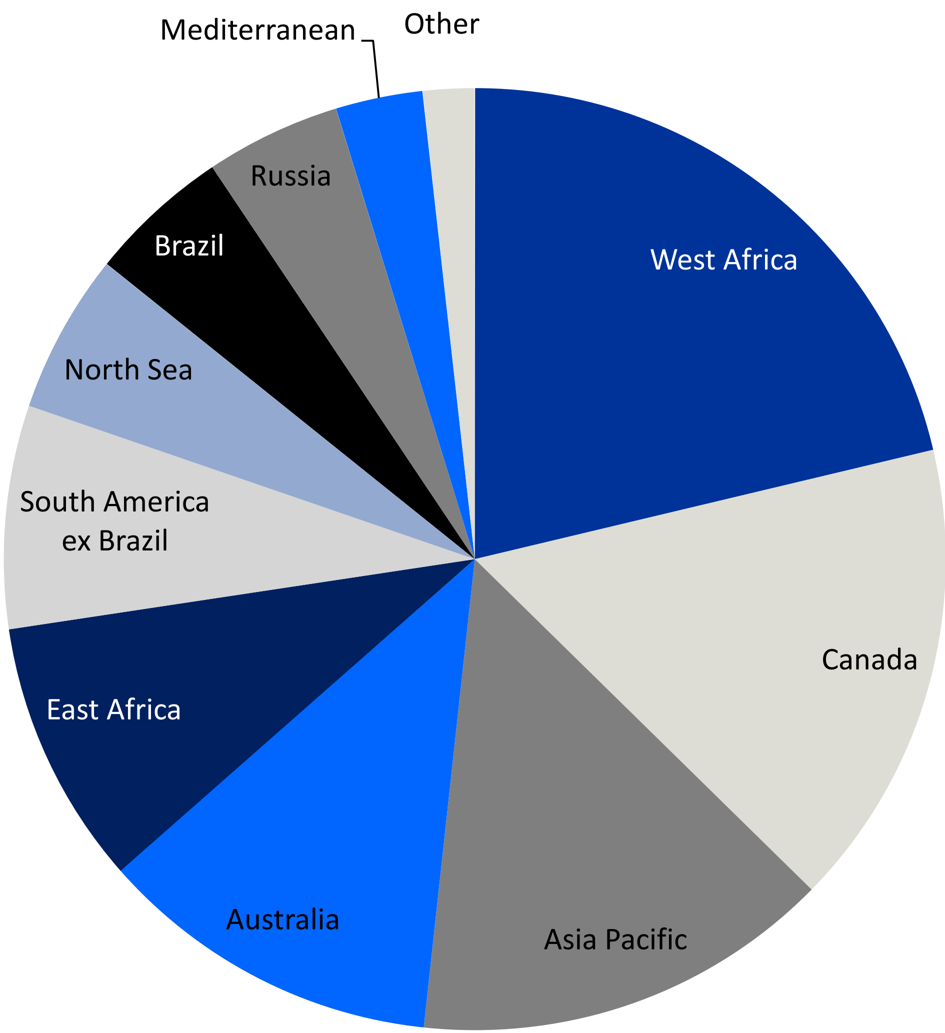


- Decrease in active tenders due to awards of large contracts
- Several large projects still to be awarded
  - Survey size continues to favor the PGS Ramform fleet

The majority of large bids require GeoStreamer or similar technology

Source: PGS internal estimate as of end September 2013. 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.

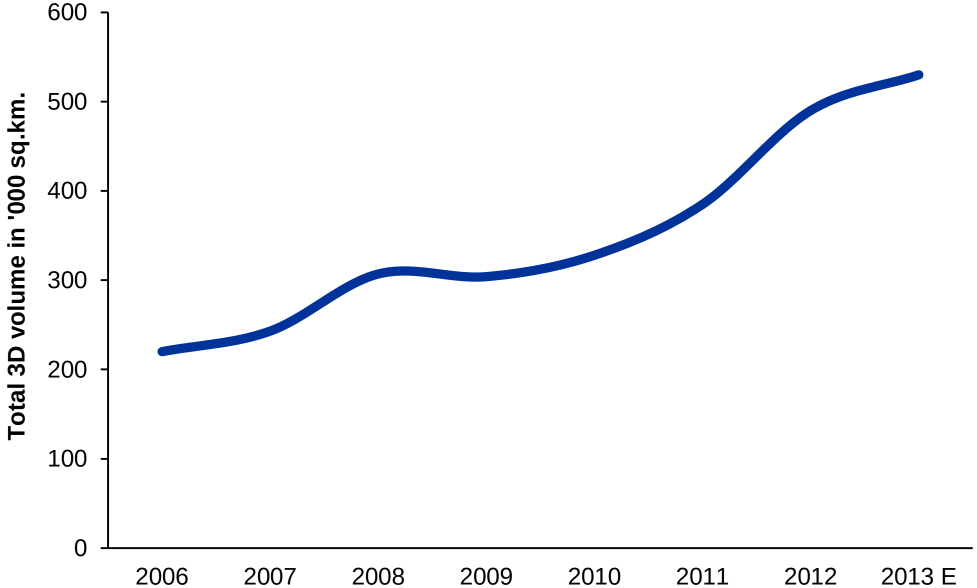
Geographical Distribution of Sales Leads Q3 2013



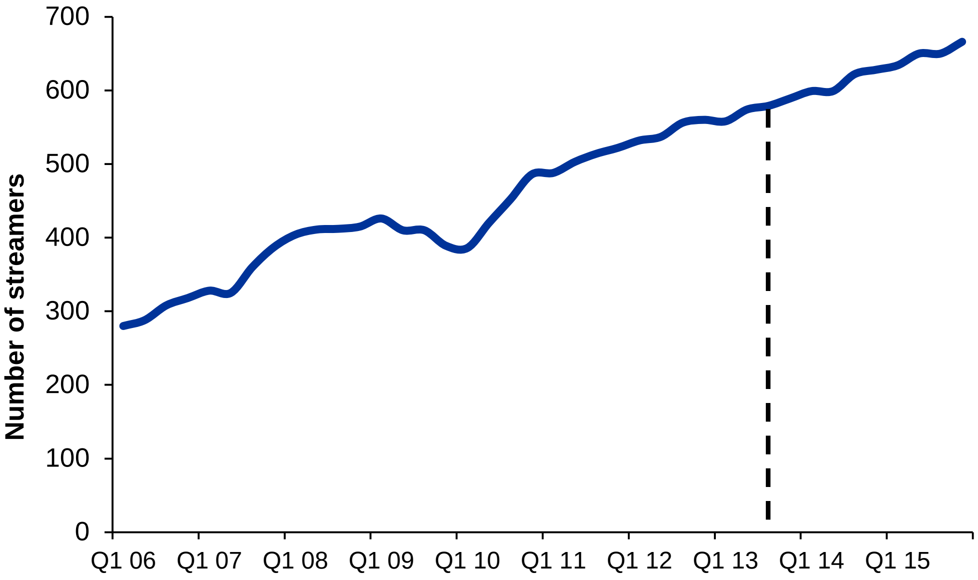
- Significant increase in East Africa and South America sales leads
- West Africa expected to be active during the winter season
- Seismic activity offshore Canada expected to increase in 2014
- North Sea sales leads inflow continues, while the bidding process is firming up

PGS internal estimate as of end September 2013. 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.

Demand Growth Outpaces Supply Growth



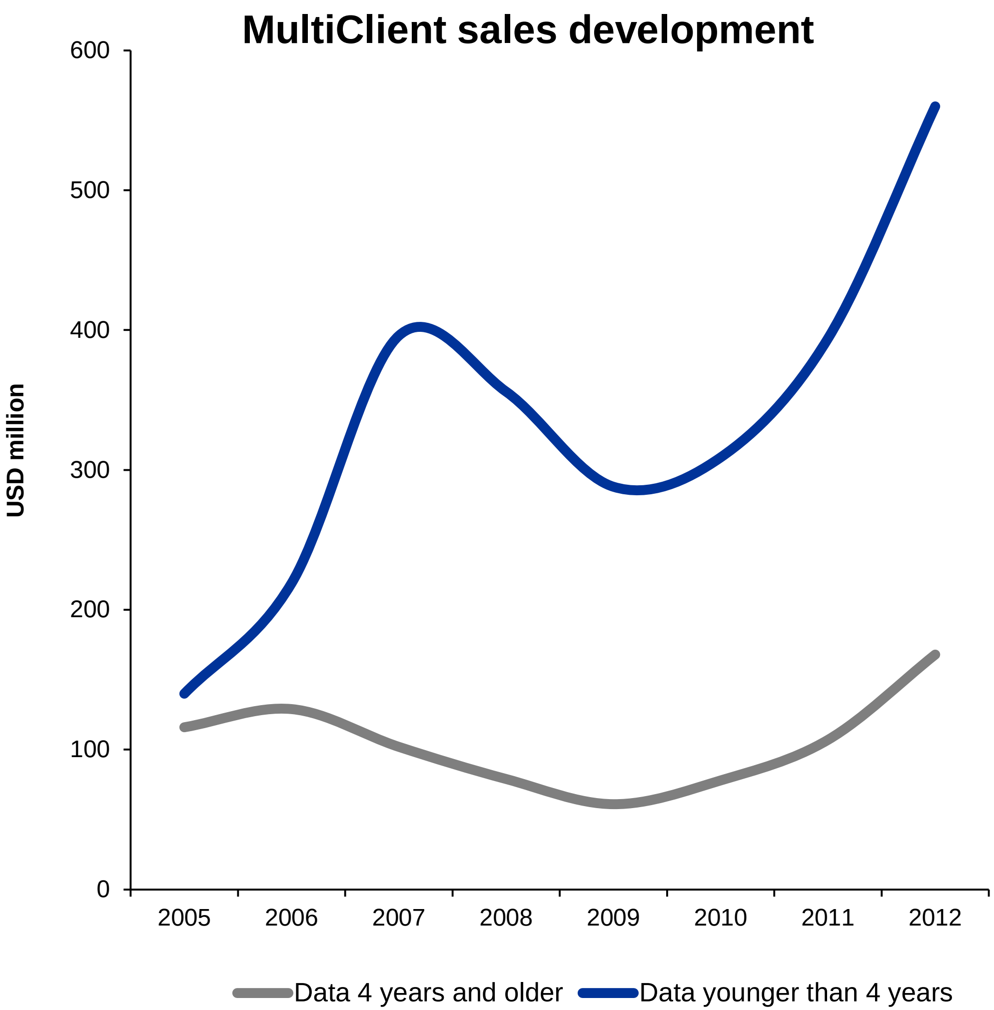
- Growth in sq.km. continues
  - Partly driven by larger surveys
  - From 2006 to end 2012 demand for seismic grew by approximately 120% measured in sq.km.
  - Annual average growth rate of 12%



- Expected capacity increases
  - 5% increase in 2013
  - 7% increase in 2014
  - 6% increase in 2015

Source to both graphs: PGS internal estimates. Capacity increases are calculated based on change from Q4 one year to Q4 the previous year.

A Well Performing MultiClient Business



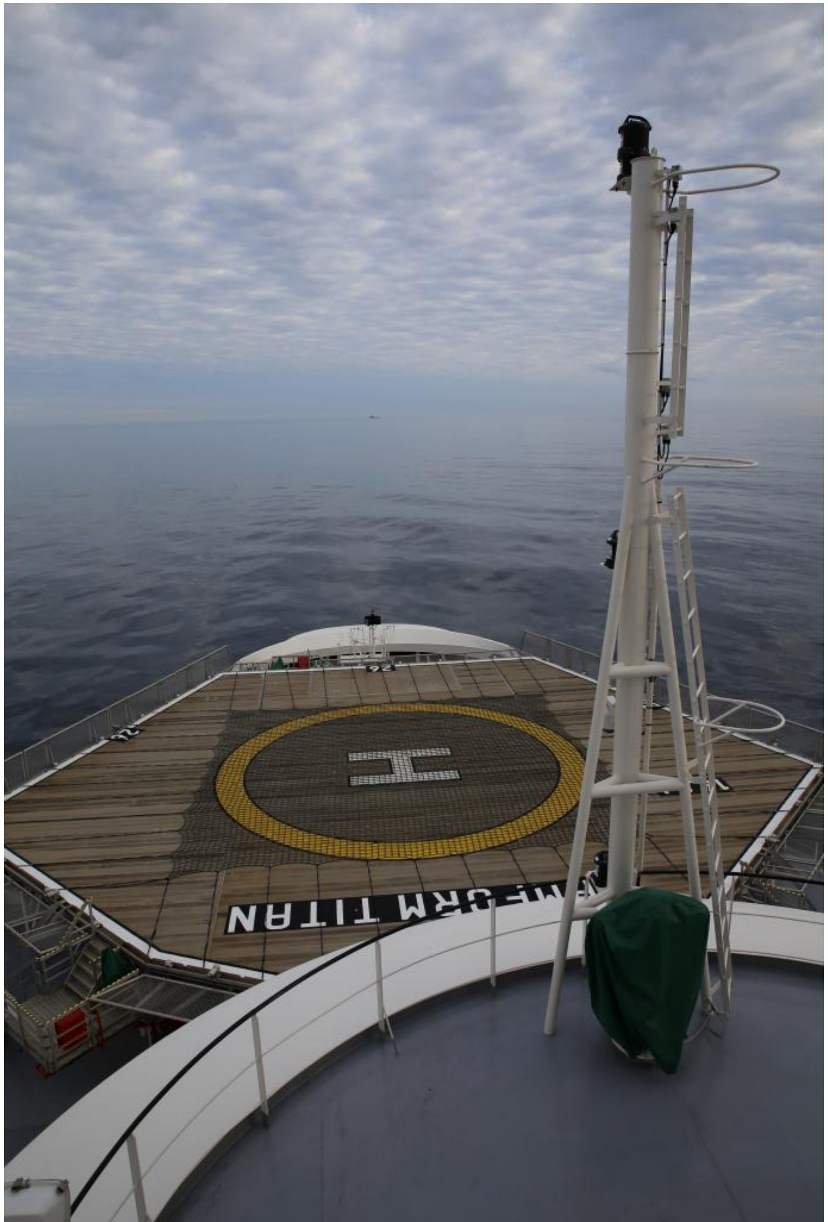
- Further growth in MultiClient is an attractive business opportunity
  - Improved earnings through pro-active capacity management over the cycle
  - Basis for wide and flexible range of opportunities
- 2013 pre-funding expectation adjusted to 95-100%, still high and at industry leading levels
  - Full Azimuth GeoStreamer survey in GoM
  - Increased focus on preserving dividend capacity among clients
  - Somewhat lower appetite for early commitments to MultiClient projects
- 2013 pre-funding level well inside the long-term target of 80-120%
- No significant changes to investment cases of MultiClient projects

PGS' Strategic Ambition

- To Care
  - For our employees
  - For the environment and society at large
  - For our customers' success
- To Deliver Productivity Leadership
  - Ramform platform + GeoStreamer
  - Reducing project turnaround time
- To Develop Superior Data Quality
  - GeoStreamer business platform
  - Imaging Innovations
  - Subsurface knowledge
- To Innovate
  - First dual sensor streamer solution
  - First with 20+ towed streamer capability
  - Unique reservoir focused solutions
- To Perform Over the Cycle
  - Profitable with robust balance sheet
  - Absolute focus on being best in our market segment

PGS - A Clearer Image

Market Outlook



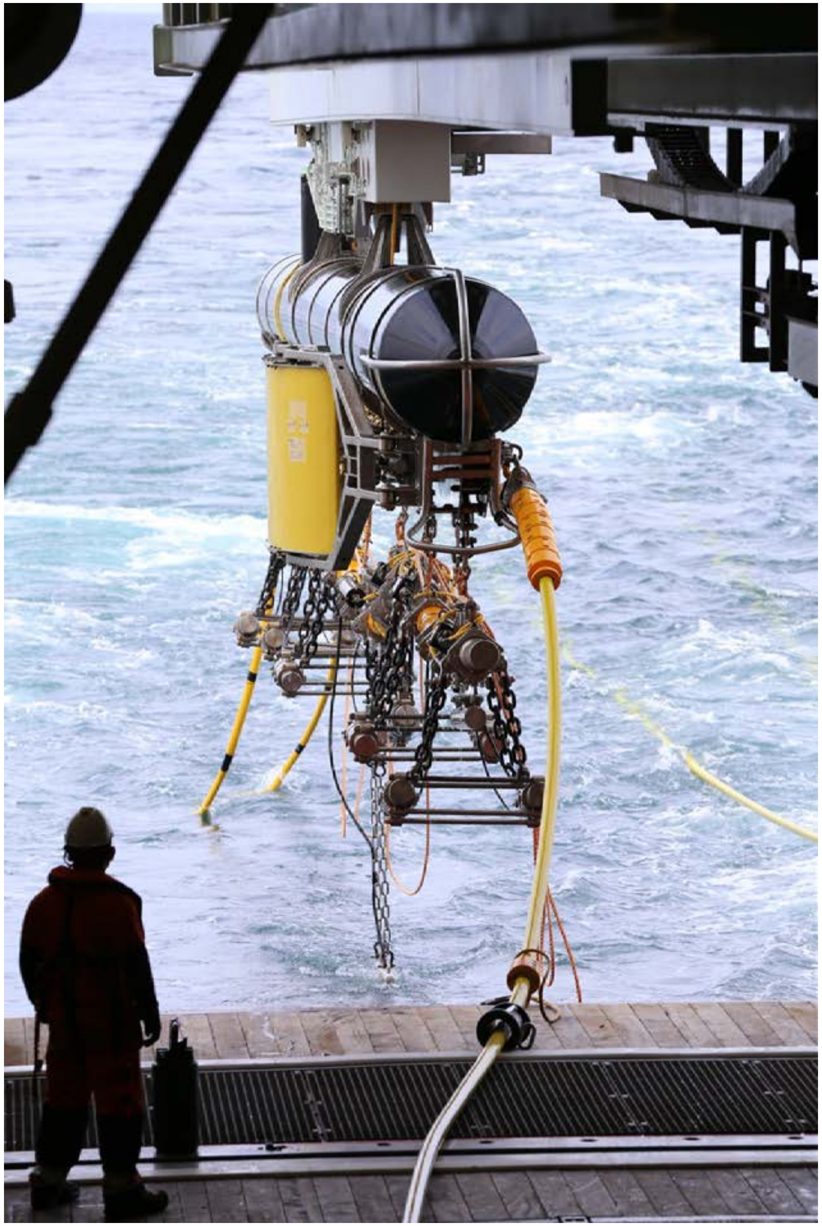
- Sustainable high oil price
- Deep water attractive for E&Ps
- Customer focus on preserving dividend capacity
- Average PGS 2013 contract pricing up 10-15% compared to average 2012
- Challenging short term bidding environment primarily impacts Q4 and Q1
- Average pricing for booked 2014 contract work is slightly higher than average 2013 pricing

2013 Guidance

- EBITDA of approximately USD 850 million
- MultiClient cash investments expected to be approximately USD 350 million
  - Pre-funding level expected to be 95-100%
- Capital expenditures in the range of USD 525-550 million
  - Of which approximately USD 315-335 million to new build program

In Conclusion:

A Well Positioned Focused Marine Seismic Company



- High Q3 EBIT margin
  - Strong Q3 Contract margin
  - Revenue softness on MultiClient pre-funding
- Industry leading full year pre-funding level of 95-100%
  - Well within the long-term targeted range of 80-120%
- Good order book
  - High confidence in securing work
- Industrial approach to new builds is accretive to earnings capacity
- Well positioned to generate strong profitability over the cycle

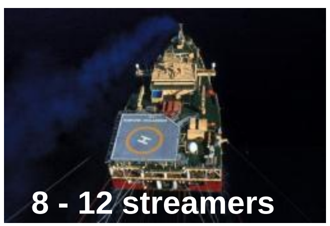

Thank you – Questions?

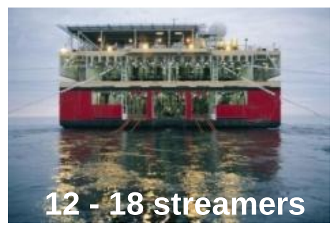
Appendix:
Continuously Ahead of Competition

1992 - 1996 | 1998 - 1999 | 2007 - 2009 | 2012 - 2014

Competition

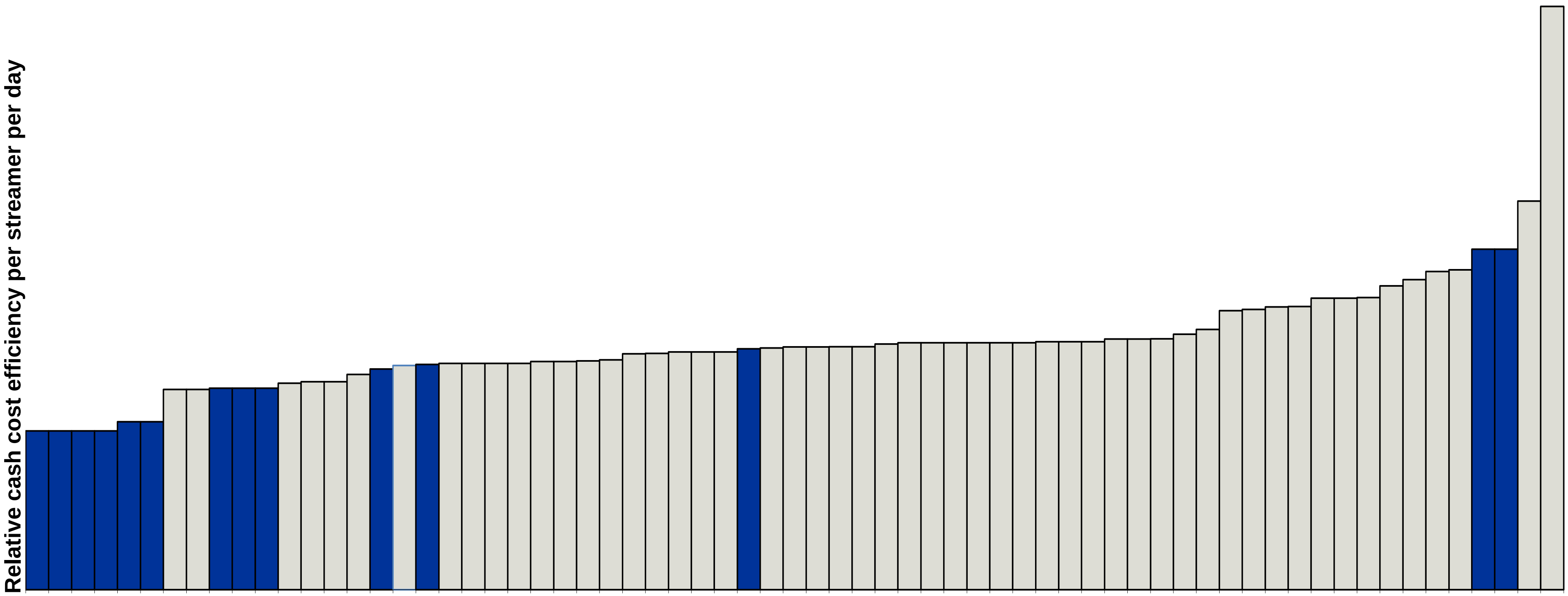
PGS





- PGS builds vessels to optimize cost and efficiency over the vessels' useful life
- Growing capacity over the cycle rather than trying to time the market
- Larger vessels enable safer and more efficient high quality seismic

Favorably Positioned on the Industry Cost Curve



PGS fleet is positioned to generate the industry's best margins

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 Titan-class vessels are incorporated with 15 streamers, S-class with 14 streamers and the V-class with 12 streamers.

PGS Fleet Overview

Ramforms

Titan-class

Ramform Titan – Delivered

Ramform Atlas - Scheduled for Q4 2013

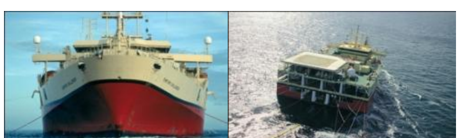
2 for 2015 delivery

S-class

Ramform Sterling · *Ramform Sovereign*

V-class

Ramform Valiant · *Ramform Viking* · *Ramform Vanguard*



Ramform Challenger · *Ramform Explorer*

Other vessels

PGS Apollo

Atlantic Explorer

Pacific Explorer

2D

Nordic Explorer

Sanco Spirit

- Ramform fleet is improving further with 4 new Titan-class vessels
- GeoStreamer contributes to productivity leadership
- Industrialized approach to fleet renewal

Ramform productivity is a key differentiator

The Ultra High-end Segment:
Several Production Records

- **Ramform S-class records**
  - **Monthly production record:** 3,056 sq.km acquired (12 streamers x 8,100 meters with 120m separation)
  - **Weekly production record:** 919 sq.km acquired
  - **Daily production record:** 143.6 sq.km acquired
  - **BP Ceduna 3D S Australia:** 12,030 sq.km in 186 days, 65 sq.km/day, remote and harsh environment
  - **Petrobras, Largest deployment ever:** 14 streamers x 8,100 meters with 50 meter separation – regular operations for almost 4 years

- **Ramform S and V-class** 17 streamer tow with 50 meter separation

- **Kwanza MC3D Angola, Ramform Valiant and PGS Apollo**
  - 25,500 sq.km in 470 days, 54 sq.km/day, remote and harsh environment
  - No recovery of streamers during project
  - No recordable safety incidents

Main Yard Stays Next 6 Months

Vessel	When	Expected Duration	Type of Yard Stay
Ramform Viking	Scheduled Mar 2014	Approximately 10 days	Intermediate class
Ramform Challenger	Scheduled Mar 2014	Approximately 10 days	Intermediate class
Ramform Vanguard	Scheduled March/April 2014	Approximately 20 days	Renewal class

Attractive Debt Structure

Long term Credit Lines and Interest Bearing Debt	Nominal Amount as of September 30, 2013	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”), due 2018 Libor + utilization margin on whole drawn amount; utilization: •175 bps starting margin; • 200 bps if drawn up to 1/3 • 215 bps if drawn >1/3 and < 2/3 • 235 basis points when drawn over 2/3	Undrawn	USD 500 million	Maintenance covenant: total leverage ratio < 2.75:1
Japanese ECF, 12 year with semi-annual installments. 50% fixed/ 50% floating interest rate	USD 125 million	USD 250 million	None
2018 Senior Notes, coupon of 7.375%	USD 450 million		None, but incurrence test: Interest coverage ratio > 2.0:1