



UBS Oil & Gas Conference 2018

London, March 14

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EVP & CFO

A Clearer Image | www.pgs.com



Cautionary Statement

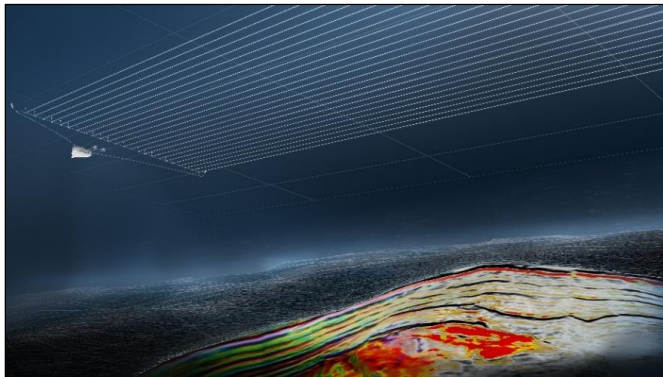
- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
- Actual experience may differ, and those differences may be material
- Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future
- This presentation must be read in conjunction with other financial statements and the disclosures therein

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

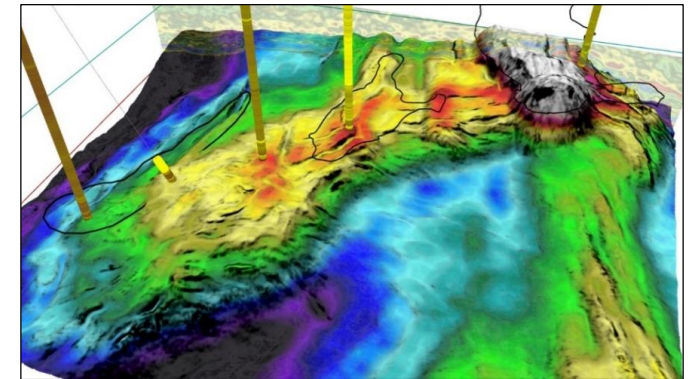
- Full fleet control enables reliable planning and successful execution of projects
- Safe and reliable project delivery through dedicated HSEQ processes from the back deck to the interpretation workstation



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



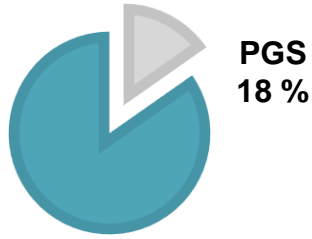
MultiClient Drives Revenue and EBITDA Growth



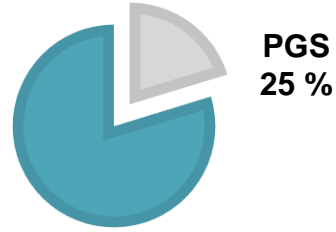
- 2017 EBITDA of USD 374.1 million
 - Q4 EBITDA of USD 122.8 million
- Strong full year MultiClient performance:
 - Pre-funding level of 140%
 - Full year sales-to-investment close to 2.5 times, up from 2.3 times in 2016
 - MultiClient revenues increased 14% compared to 2016
- Challenging marine contract 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

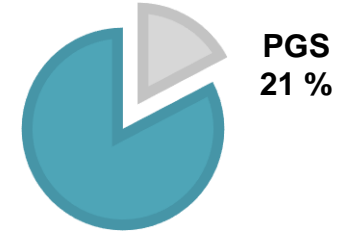
Library Performance Remains Robust



Peer Group (*) Net Book Value

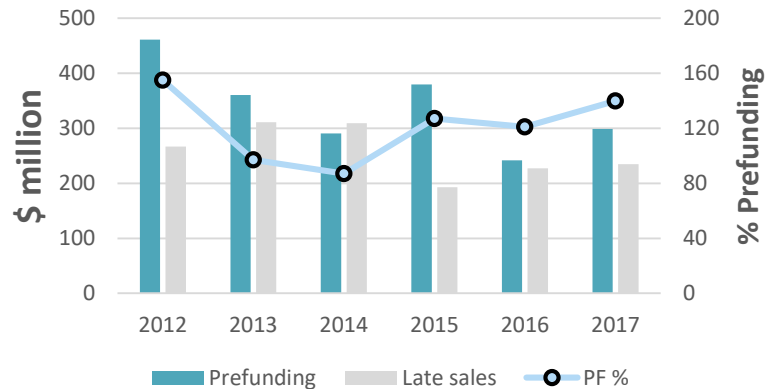


Peer Group (*) Revenues

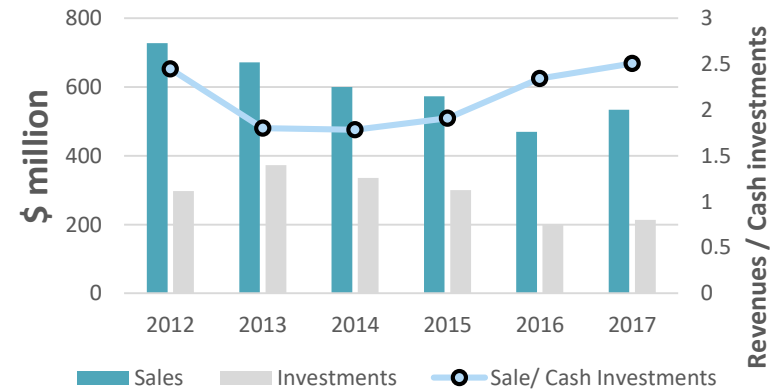


Peer Group (*) Cash Investments

Maintaining strong prefunding



Stable revenues/cash investment



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

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

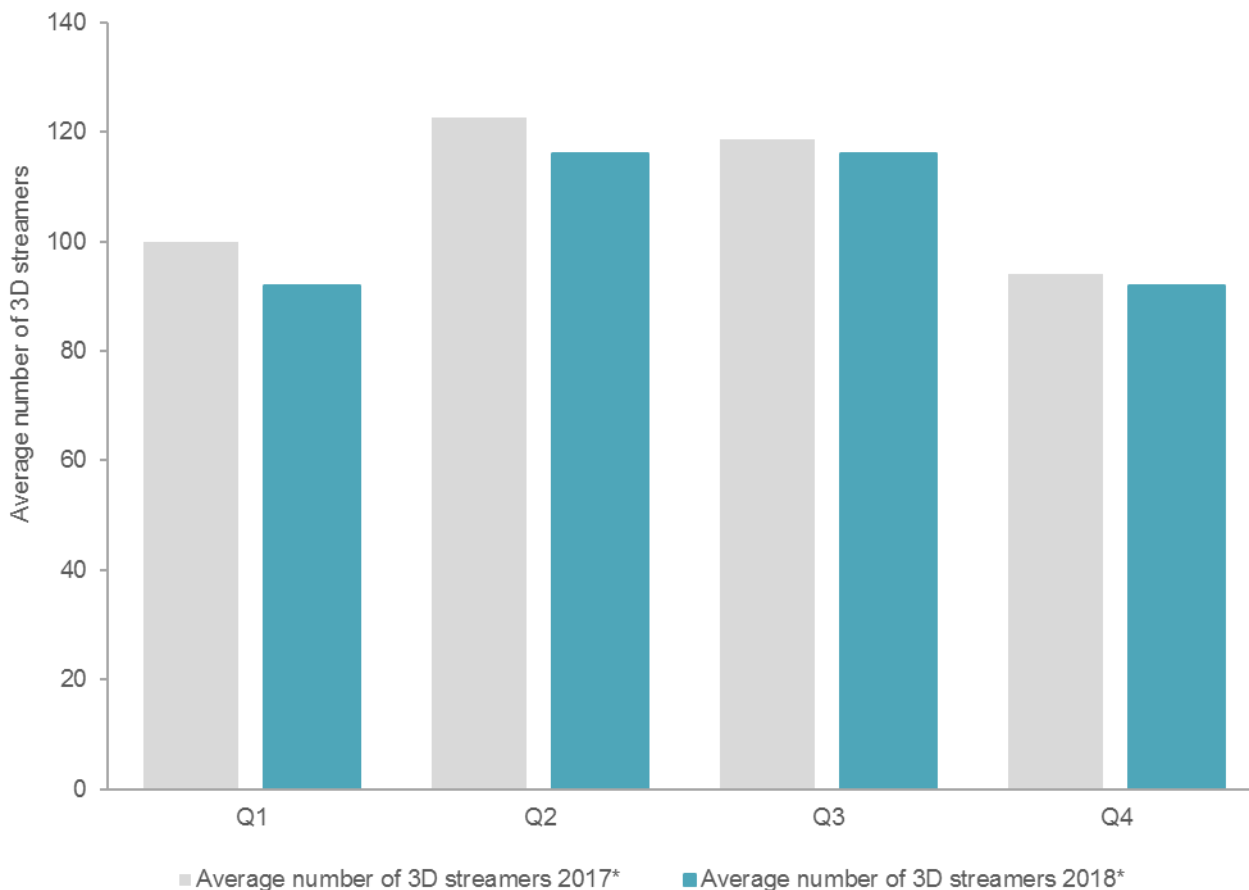
Geoscience & Engineering

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

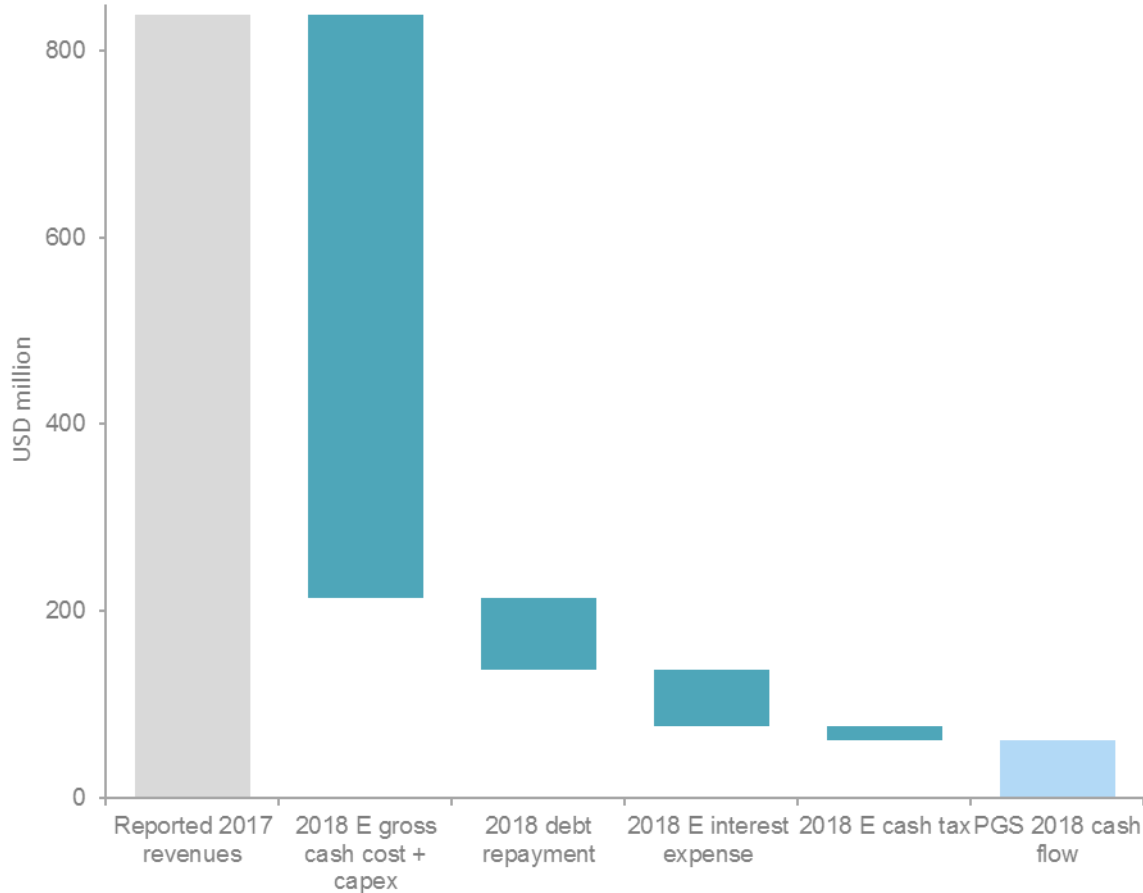
Earnings Capacity Maintained: 2018 Streamer Capacity in line with 2017 Streamer Capacity



*Excludes cold and warm stacked vessels.

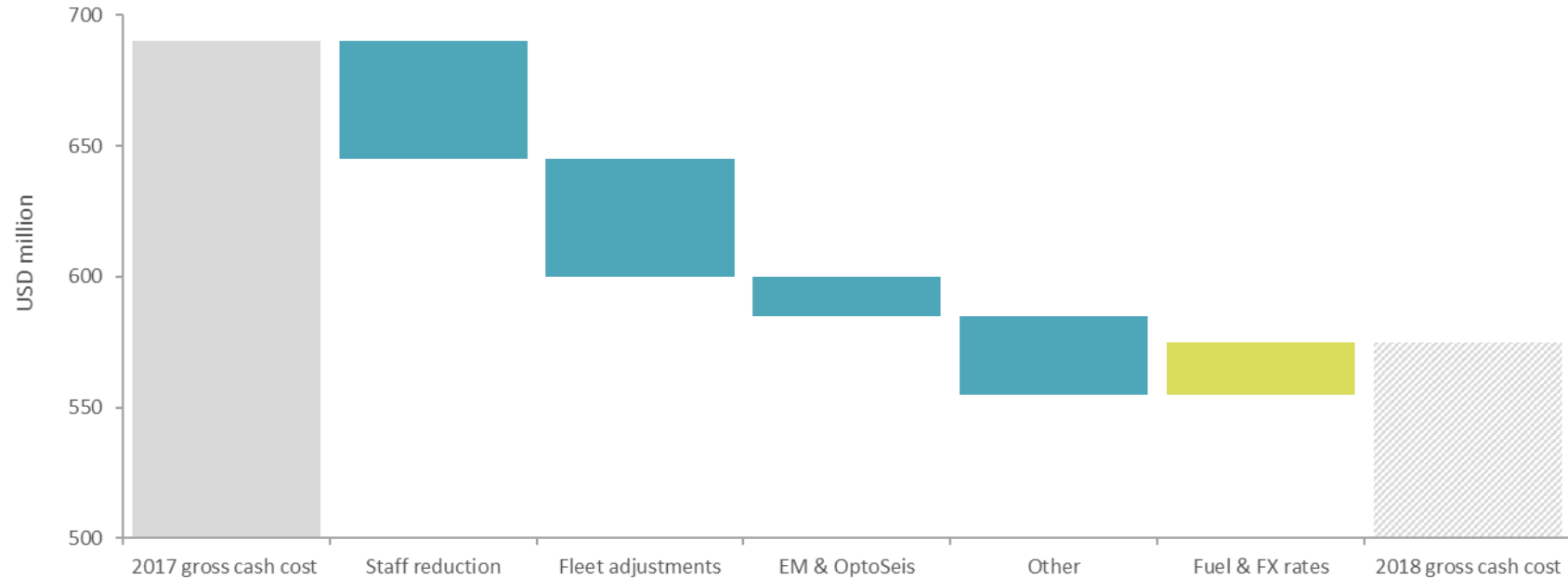
- PGS operates a fleet of eight 3D vessels, of which two will be used selectively
 - Address seasonal demand swings
- Adjusting the Company's cost base to six vessels
- Revenue generating capacity will be approximately the same in 2018 compared to 2017
 - Assuming six vessels in operation in Q1 and Q4,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

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

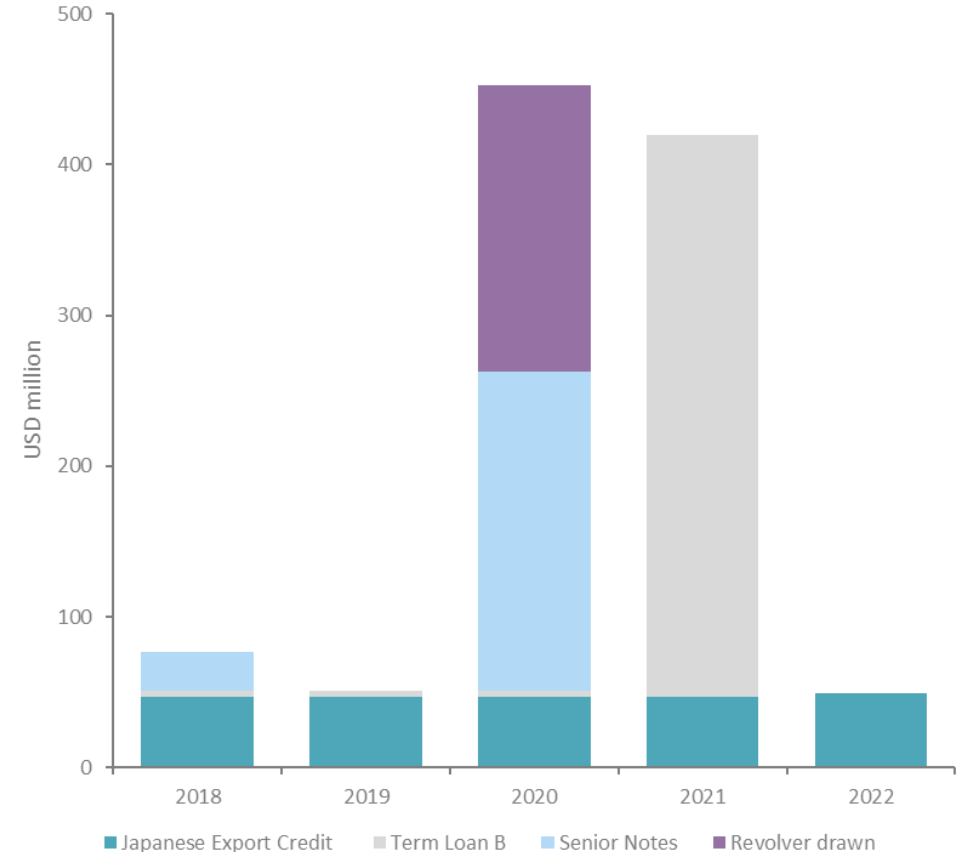
Summary of Debt and Drawing Facilities

Debt and facilities at 31 Dec 2017:

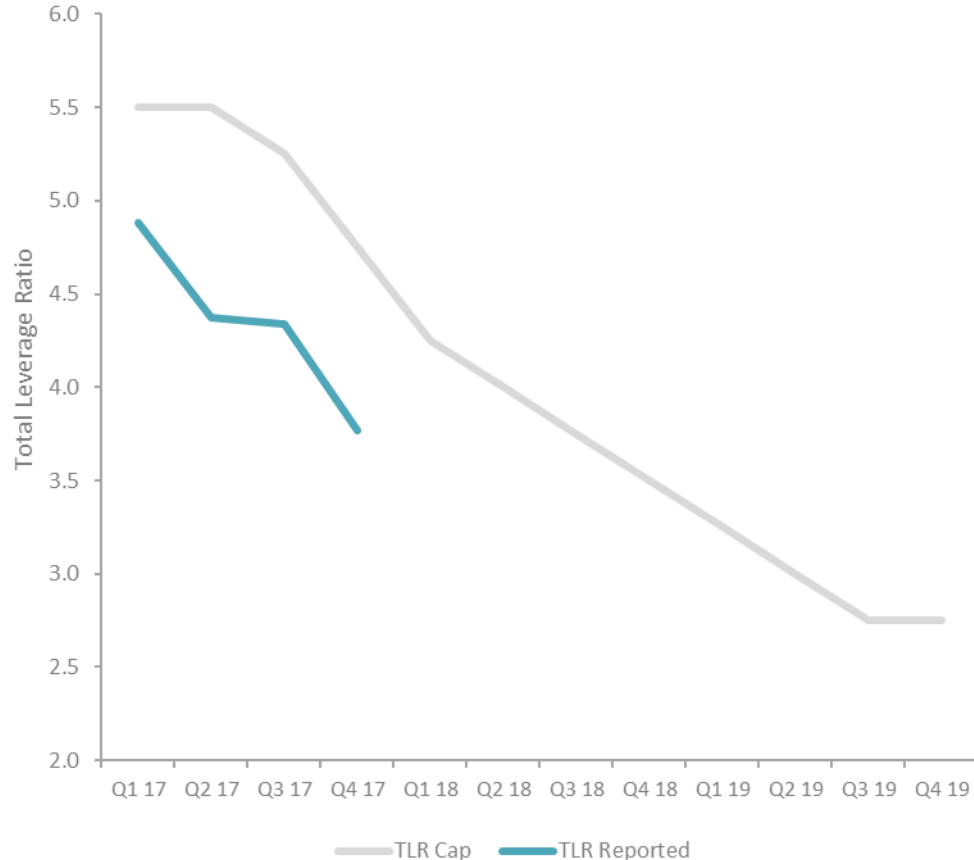
Long-term Credit Lines and Interest Bearing Debt	Nominal Amount	Total Credit Line	Financial Covenants
USD 400.0m TLB, due 2021 Libor (minimum 0.75%) + 250 bps	USD 385.0m		None, but incurrence test: total leverage ratio $\leq 3.00x^*$
Revolving credit facility ("RCF"), due 2020 Libor + margin of 325-625 bps (linked to TLR) + utilization fee	USD 190.0m	USD 400.0m**	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 416.5m		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 212.0m		None, but incurrence test: Interest coverage ratio $\geq 2.0x^*$
December 2018 Senior Notes, coupon of 7.375%	USD 26.0m		None

*Carve out for drawings under ECF and RCF
 **Reducing to USD 350 million in September 2018.

Maturity profile:

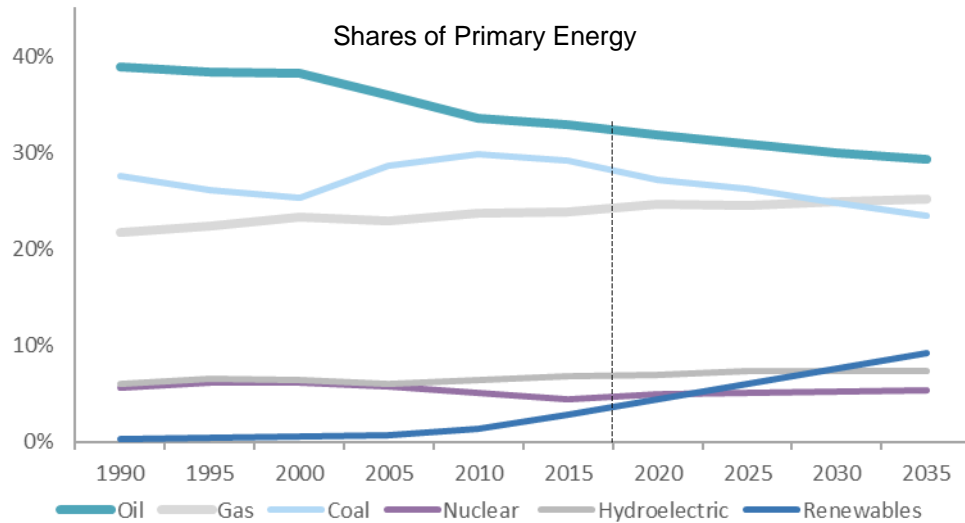
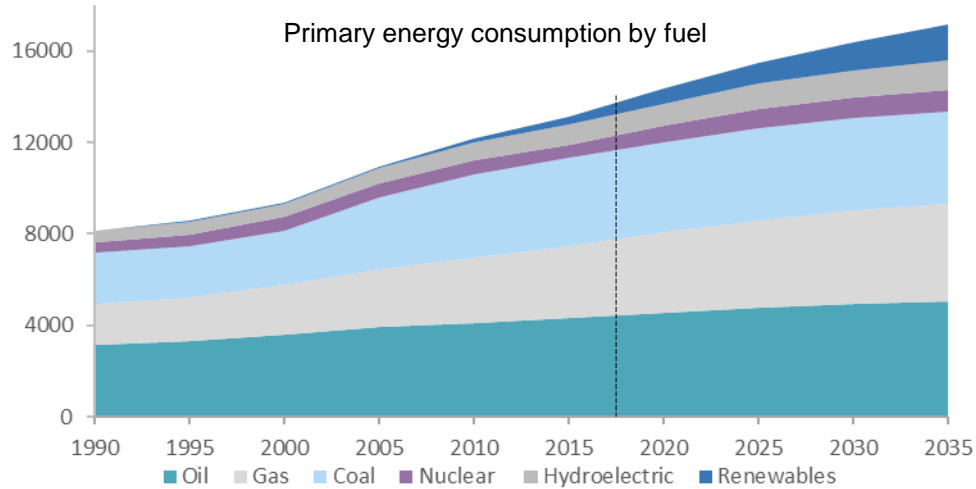


Good Headroom to Maintenance Covenant



- 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

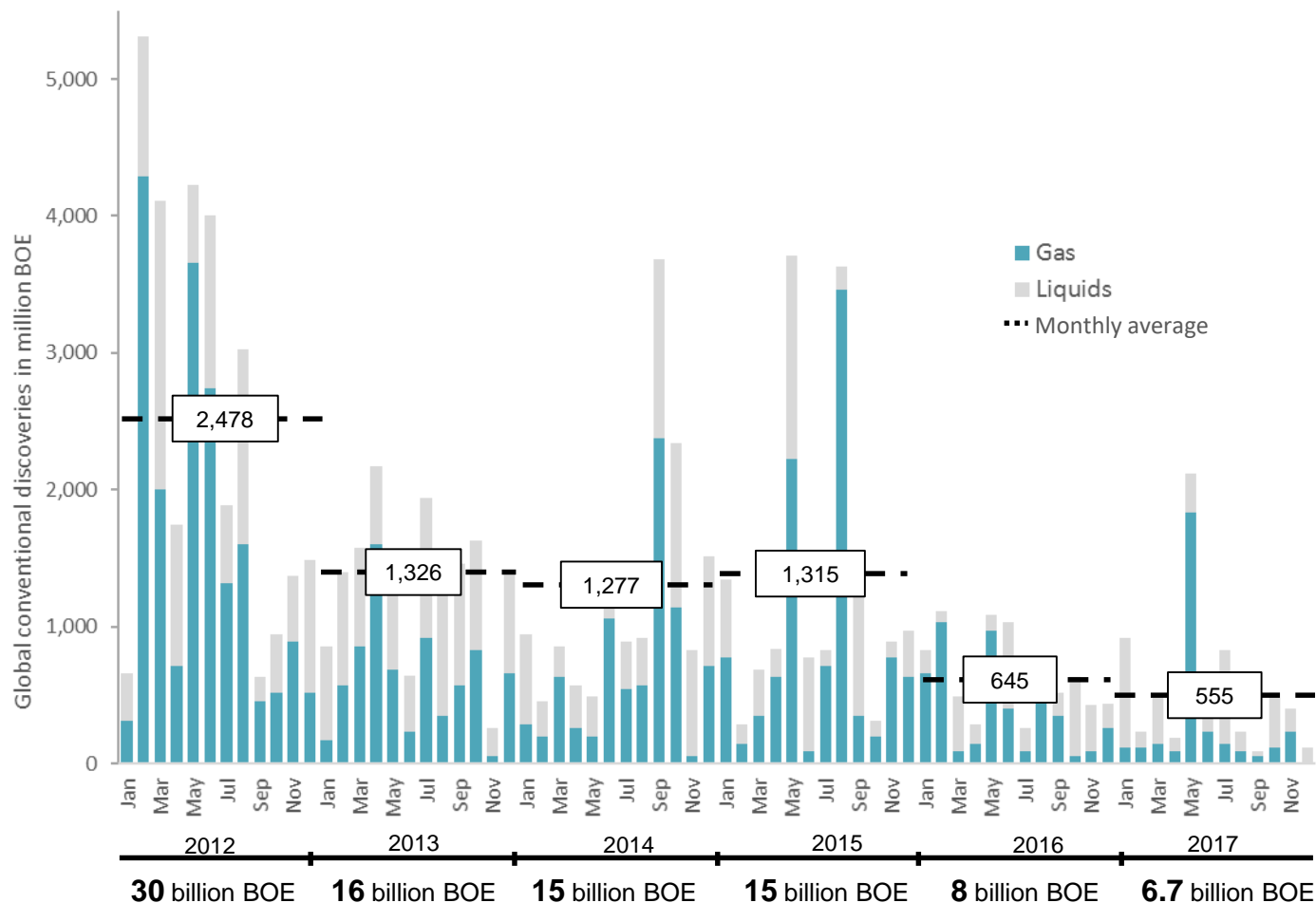
Oil and Oil Service Market: Energy Demand will Increase – Fossil Fuels Remain the Dominant Energy Source



Source both graphs: BP World Energy 2017

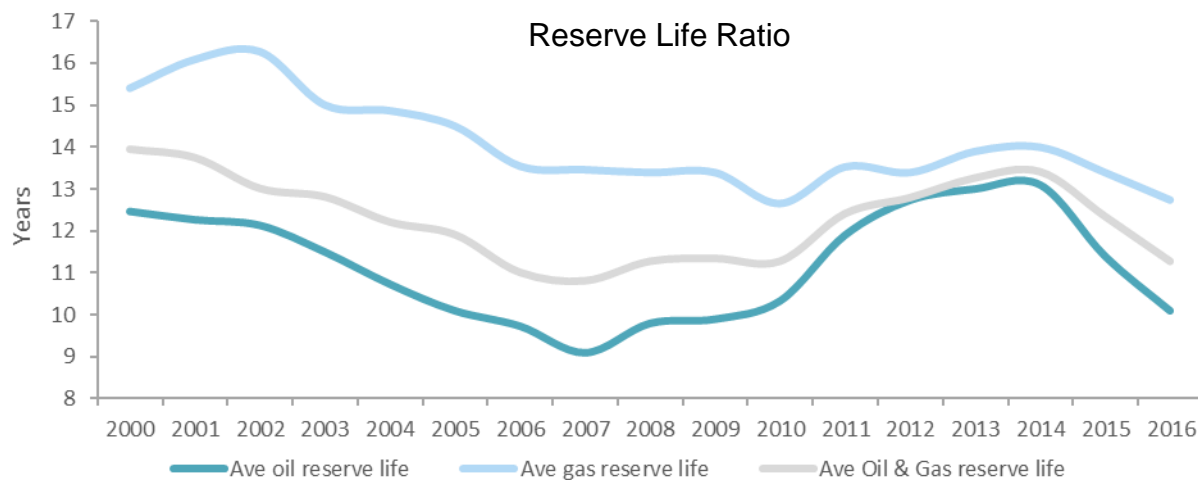
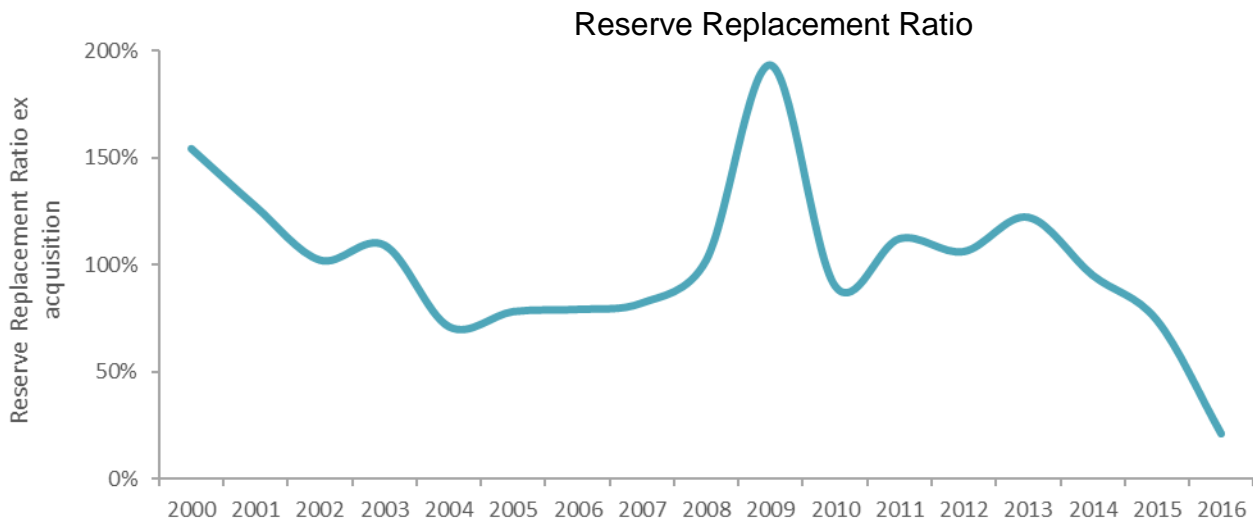
- Energy demand will continue to grow owing to increased world GDP
 - Driven by emerging markets
 - Projected 1.3% annual growth to 2035
- Renewables are the fastest growing energy source, but fossil fuels remain the dominant source of global energy supplies
- Decline rates from producing field is significant 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

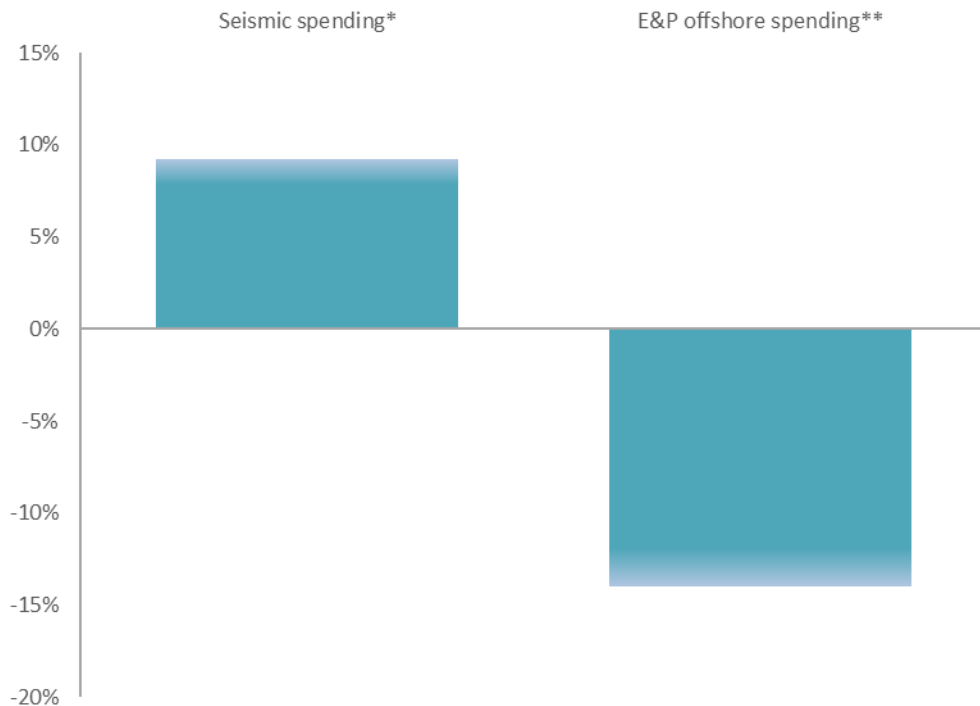


- Integrated oil companies became cash flow positive after capex and dividend in 2017
- With oil price above USD 50 per barrel they are generating significant cash flow
 - Brent Blend currently hovering around USD 70 per barrel
- Integrated oil companies are well positioned to increase spending

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.

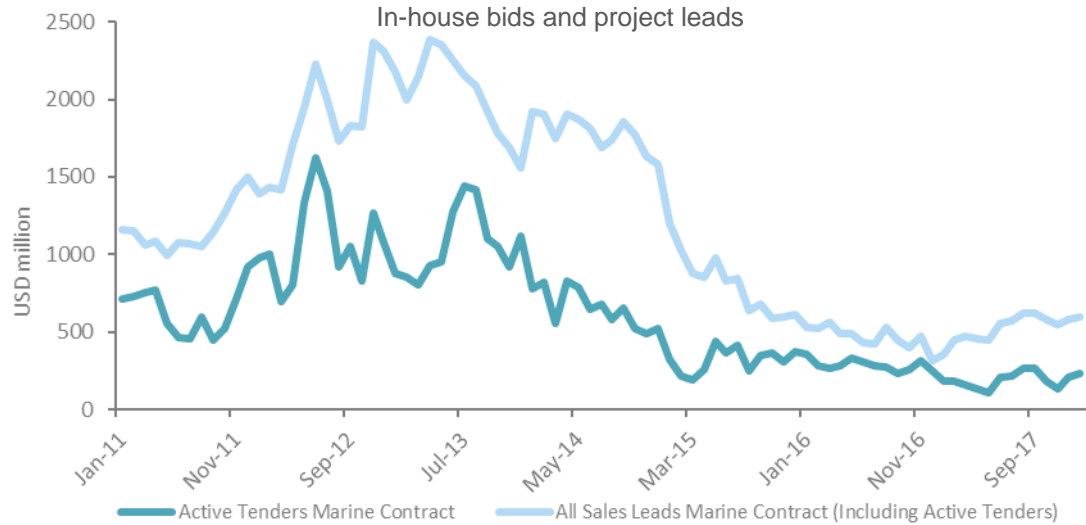
**Average estimates from Barclays, DNB Markets, Pareto Securities and SEB.

Seismic Market Outlook

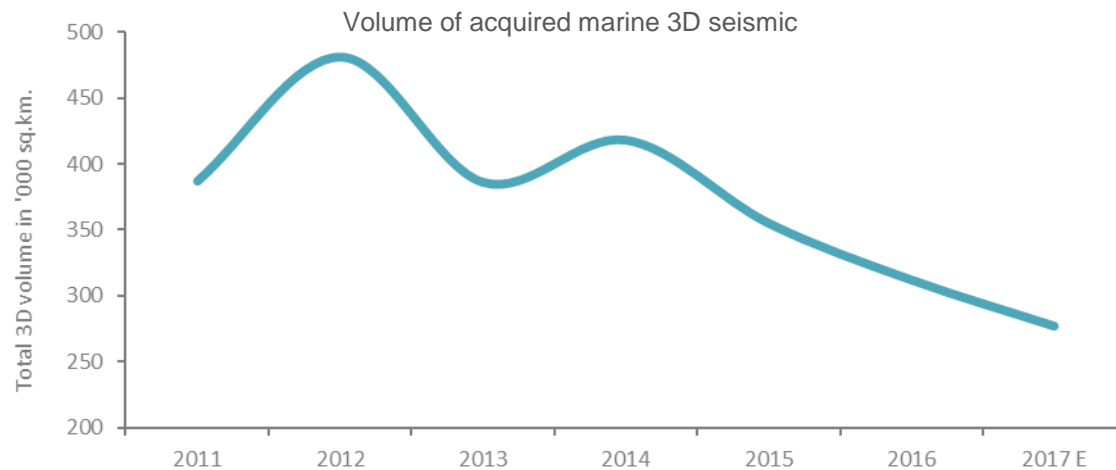


- Higher oil price, improved cash flow among oil companies and unsustainable reserve replacement ratios are expected to benefit marine 3D seismic market fundamentals going forward
- Some indications of improving market sentiment in 2018
- Continued risk related to timing of market recovery
 - PGS plans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

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

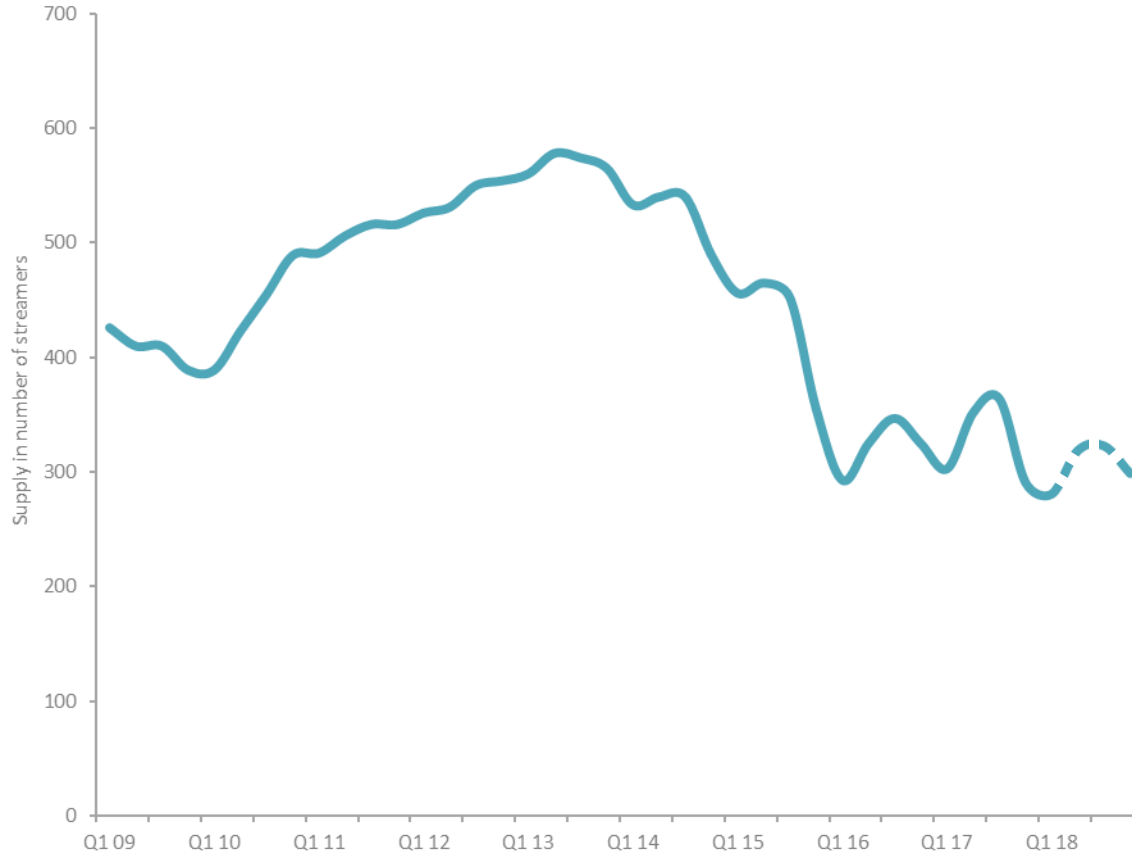


- Marine Contract bids to go (in-house PGS) and estimated USD value of bids + risk weighted leads
- Dramatic fall in USD value from 2012-2013 representing a combination of low contract rates and low demand
- Leads curve recently in rising trend may indicate market improvement
- Volume of acquired marine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



*Internal estimates

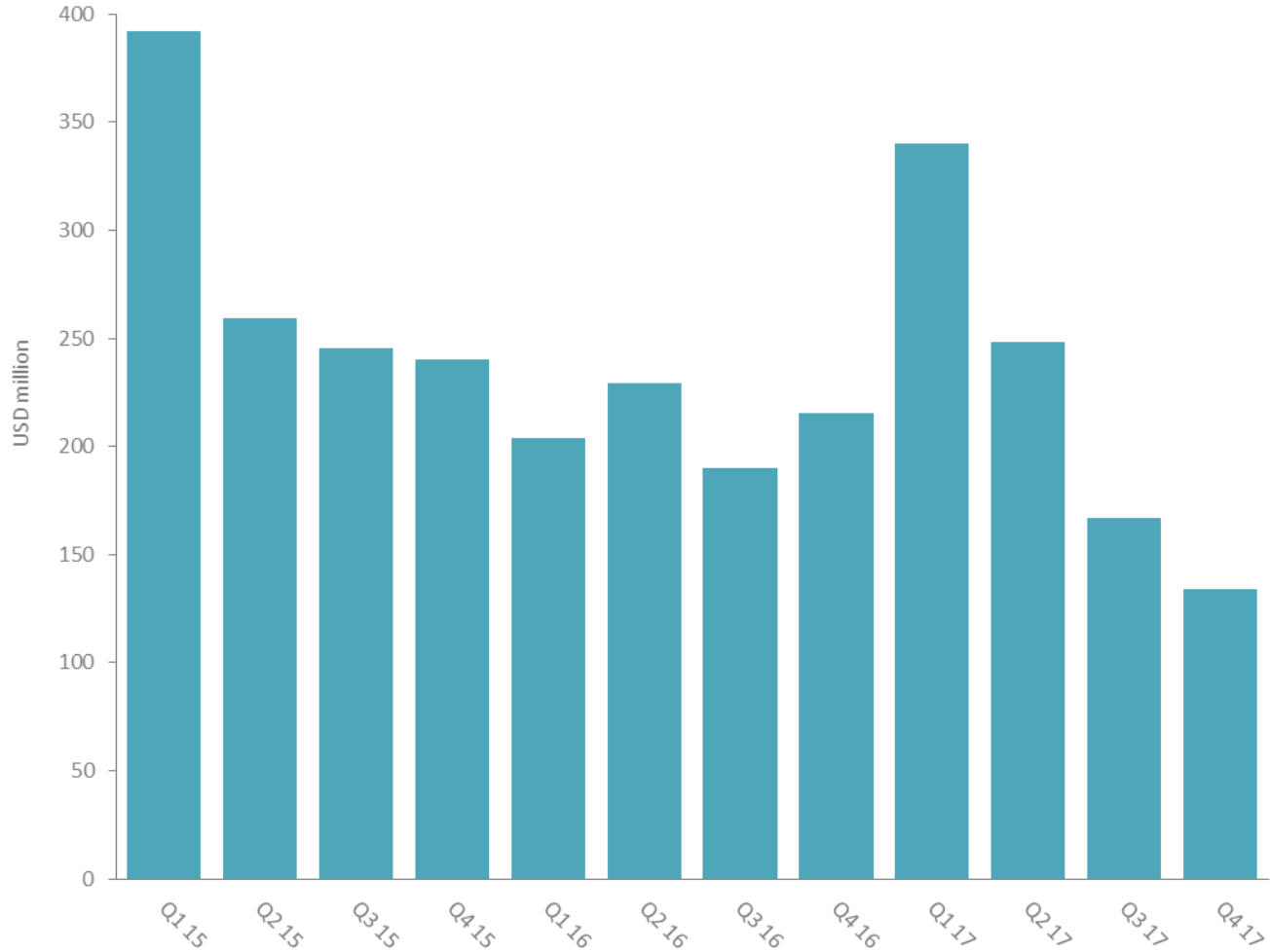
Marine Seismic Supply



- 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

PGS 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.

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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