



Capital Markets Day 2020

Integrated Expertise
Acquisition, Imaging & Geoscience

January 30, 2020



Agenda Q4 Earnings Release & Capital Markets Day

09:00 **PGS and 2020 market perspectives**
Rune Olav Pedersen, President & CEO

09:25 **Q4 2019 results and CMD financials**
Gottfred Langseth, EVP & CFO

10:00 Q&A

10:15 Coffee break

10:30 **Sales & Imaging**
Nathan Oliver, EVP Sales & Imaging

10:50 **New Ventures**
Berit Osnes, EVP New Ventures

11:10 **Operations**
Rob Adams, EVP Operations

11:30 **Concluding remarks**
Rune Olav Pedersen, President & CEO

11:35 Q&A

11:50 Lunch

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 fourth quarter and preliminary full year 2019 results and the disclosures therein



PGS and 2020 Market Perspectives

Rune Olav Pedersen
President & CEO

Integrated Expertise
Acquisition, Imaging & Geoscience

January 30, 2020





- 2019 highlights
- PGS strategy
- Market perspectives
- Seismic market outlook
- Digital transformation
- ESG
- Summary

2019 Highlights

Significant Contract price increase

- Good leads and tendering activity
- More 4D work
- Taking advantage of integrated approach

Improving visibility

- Solid order book increase
- 8 vessels in operation through winter season
- Strong outlook in both MC and Contract

Solid free cash flow generation

- Continued market improvement
- Reduced net debt by USD 102 million
- Increased liquidity reserve by USD 51 million

Fully refinanced

- Launched mid January 2020
- Strong stakeholder support
- Flexibility to pursue deleveraging strategy

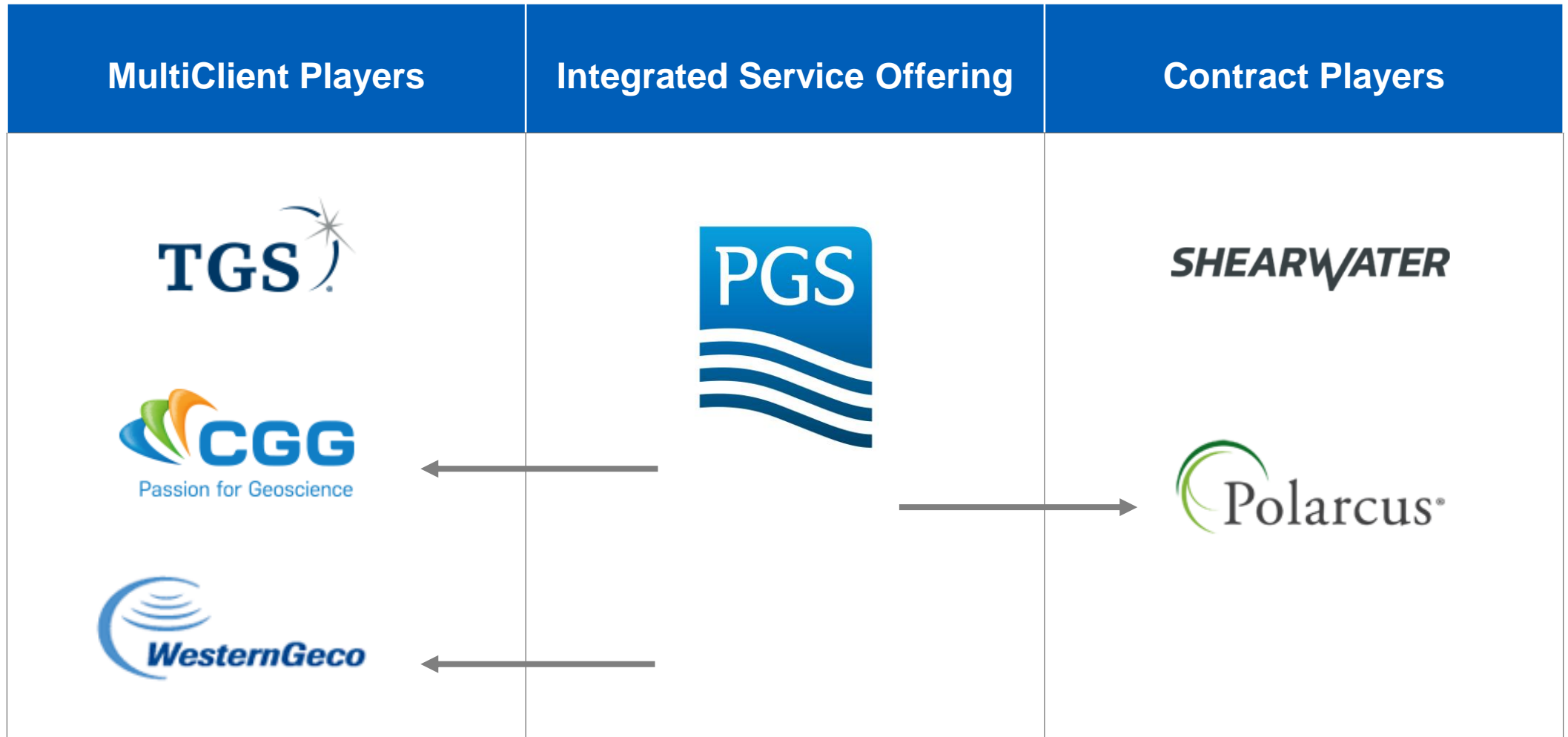
Initiated digitalization process

- Google Cloud – PGS preferred provider
- Will accelerate strategy execution

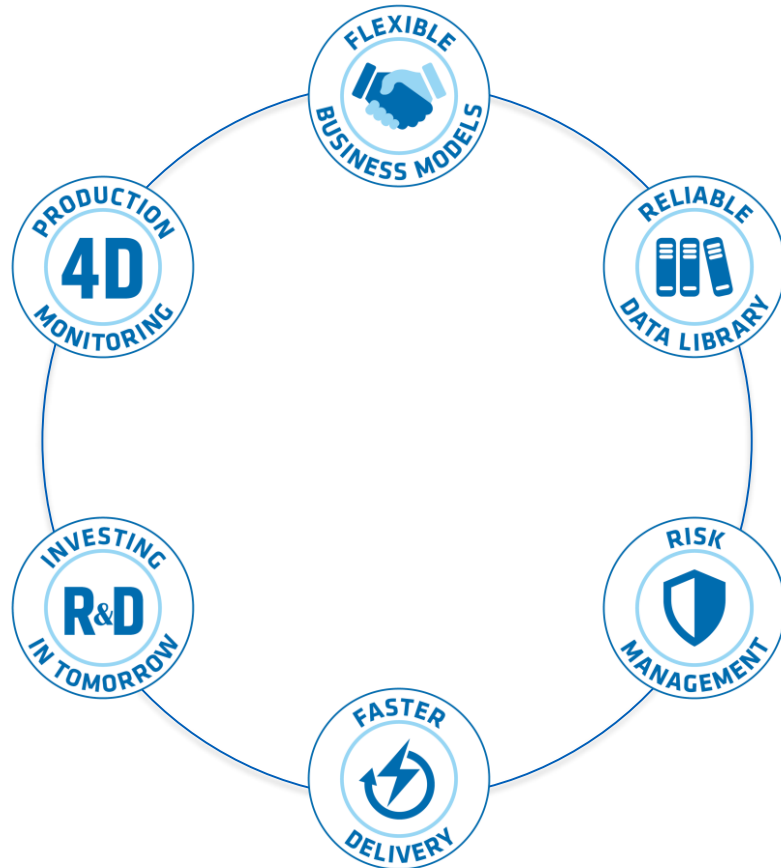
PGS - the only integrated service provider

- Meeting clients needs in all aspects of towed streamer seismic
- Flexible business models with tailored solutions

Competitive landscape: Structural Changes during 2018 and 2019 in the Marine Seismic Industry



Integration Improves Business Opportunities



- Flexible business models
 - MultiClient and contract is increasingly overlapping
 - Attractive joint venture partner with high quality assets
 - Utilization optimization
- Reliable data library
 - High quality data well suited for G&G objectives
- Risk management
 - Time, cost and quality managed from planning to delivery
- Faster delivery
 - Reduced turnaround time
- R&D
 - Reduce cost and improve efficiency
- Production monitoring
 - Well positioned in a growing 4D market

Financial Strategy

Profitability before growth

Return on Capital Employed

Capital structure
to sustain future downturns

Business Strategy

MultiClient focus

4D leadership

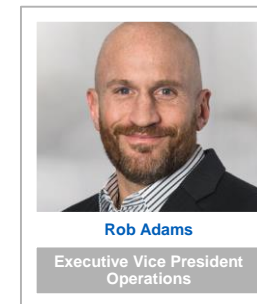
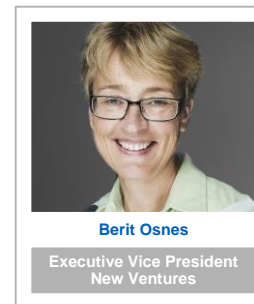
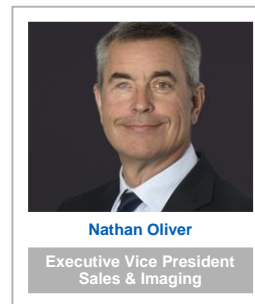
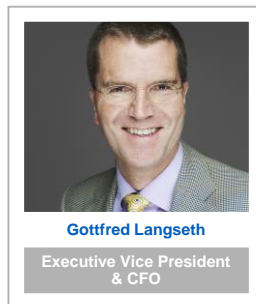
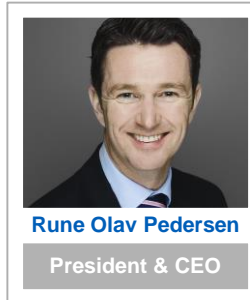
Reduce turnaround time

Joint acquisition and imaging approach

R&D focus on imaging and acquisition solutions

Leveraging PGS fleet productivity and technology

Change in Executive Management Team



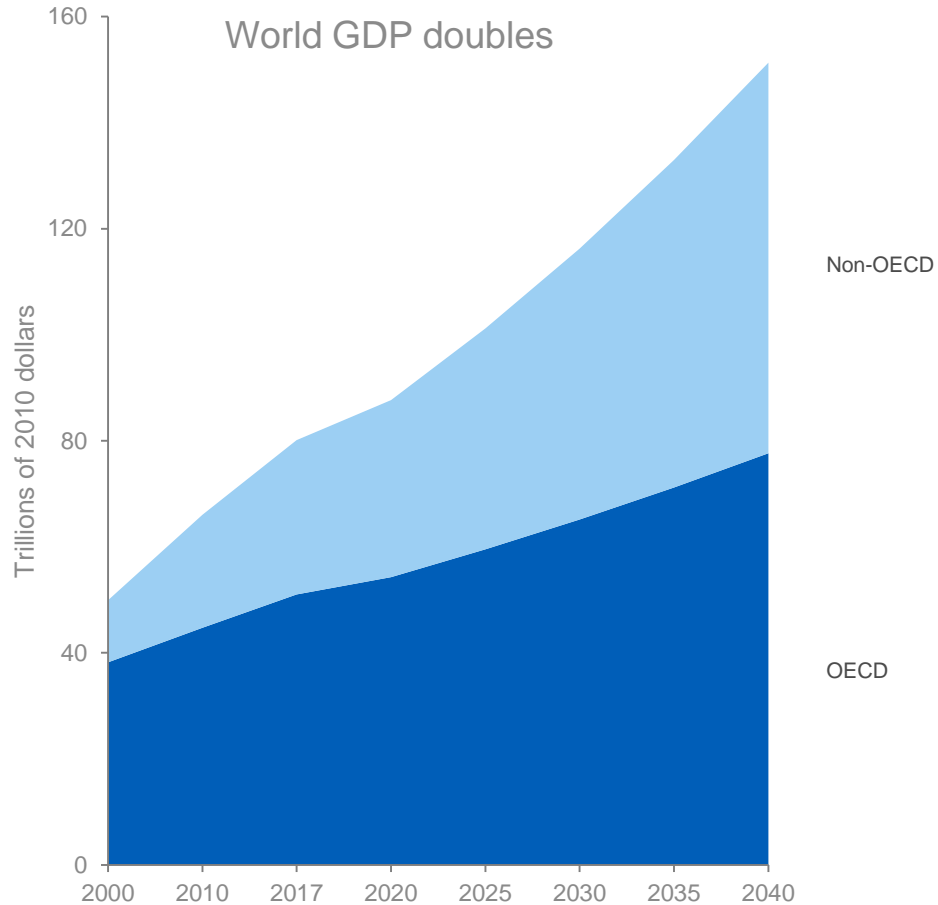
Former EVP Operations & Technology, Per Arild Reksnes retired year-end

- Advisory role to April 2020

Rob Adams new EVP Operations

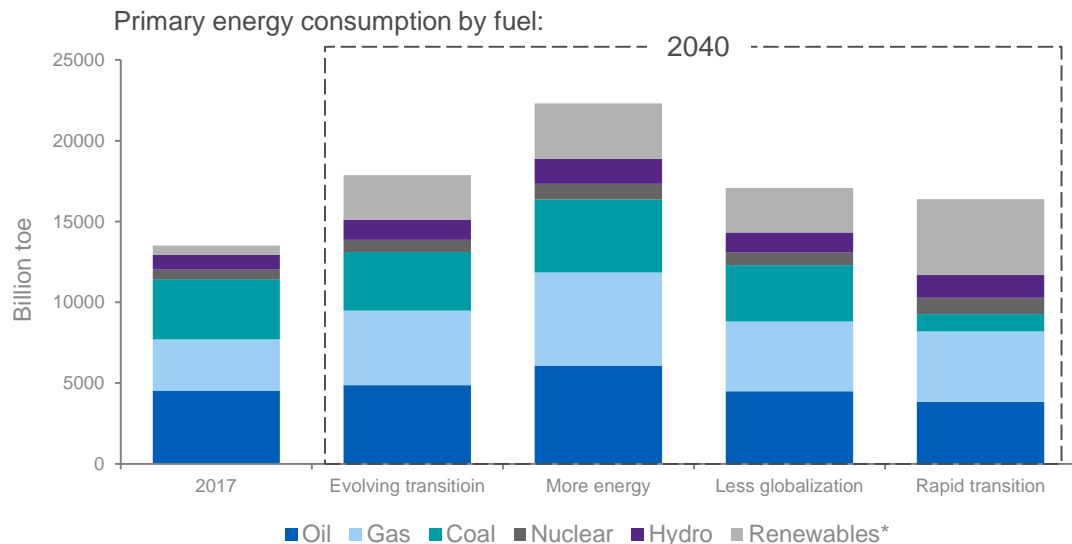
- 21 years of PGS experience from a wide range of positions
- Comes from SVP New Ventures

Market Perspectives: GDP Growth Expected to Continue

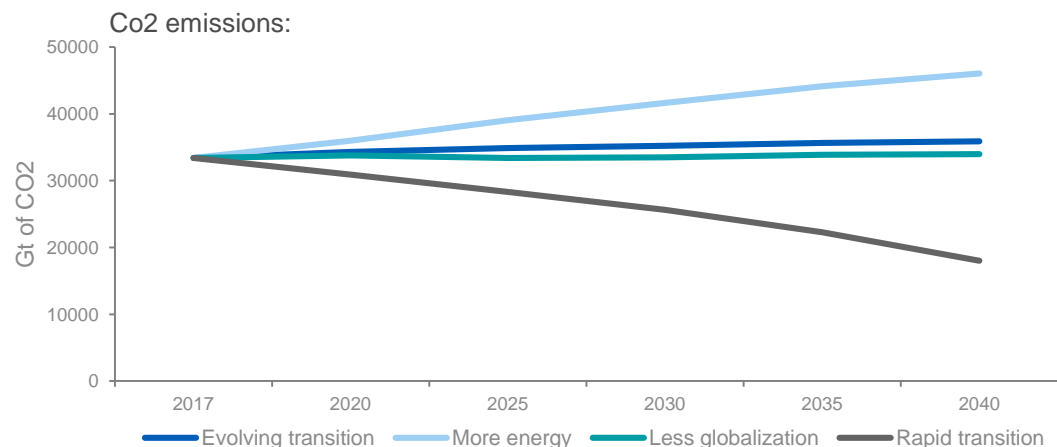


- Economic expansion is a key driver for energy demand
- World GDP expected to nearly double by 2040
 - Non OECD growing at more than twice the rate of the OECD

Market Perspectives: Oil & Gas Will be Important in the Coming Decades – Independent of Energy Scenario



- Significant supply of oil and gas necessary in all scenarios
- The shift to lower carbon fuels in the “Rapid transition” scenario reflects a combination of
 - Rapid growth in renewable energy
 - Sharp contraction in the use of coal



Source both graphs: BP Energy Outlook 2019

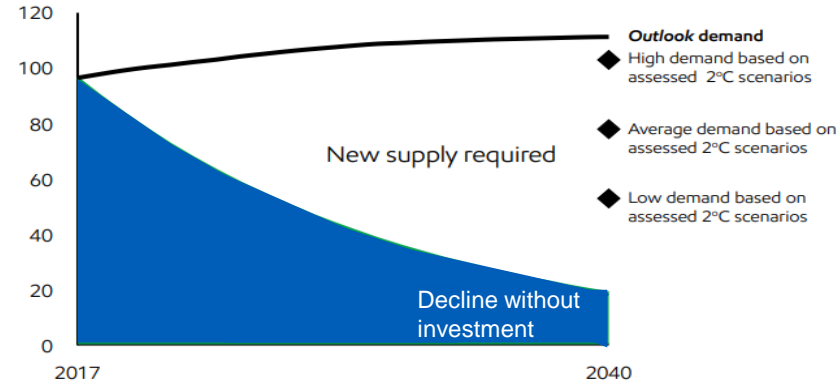
*Renewables includes wind, solar, geothermal, biomass, and biofuels

- In the Evolving transition scenario this improvement in living standards causes energy demand to increase by around a third over the Outlook, driven by India, China and Other Asia which together account for two-thirds of the increase
- The ‘More energy’ scenario represents a half-way step to reducing the proportion of the world’s population living in countries where the average level of consumption is below 100 GJ/per head to one-third by 2040.
- The impact that trade disputes and increasing concerns about energy security could have on the pattern of energy flows is considered in the alternative ‘Less globalization’
- The ‘Rapid transition’ scenario represents a similar half-way step on carbon emissions: reducing CO2 emissions by around 45% by 2040, almost half-way to reducing entirely carbon emissions from energy use.

Market Perspectives: Decline Rates Drives Investments

Oil demand and supply warrant investment

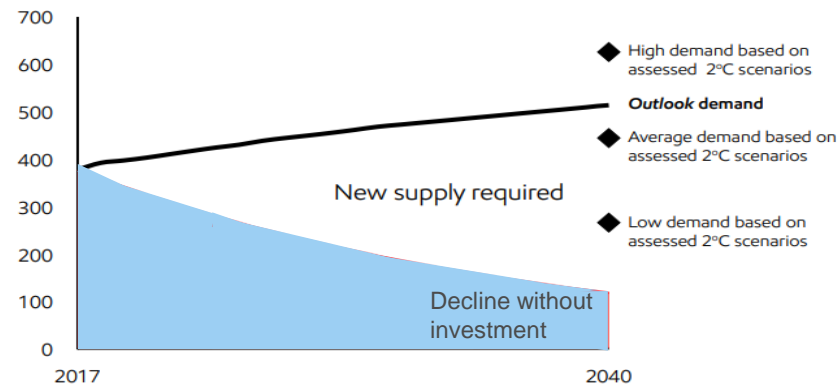
World – MBDOE



Excludes biofuels; Source: IEA, EM analyses
Assessed 2°C scenarios based on EMF27 full technology/450ppm cases targeting a 2°C pathway

Natural gas demand and supply warrant investment

World – BCFD



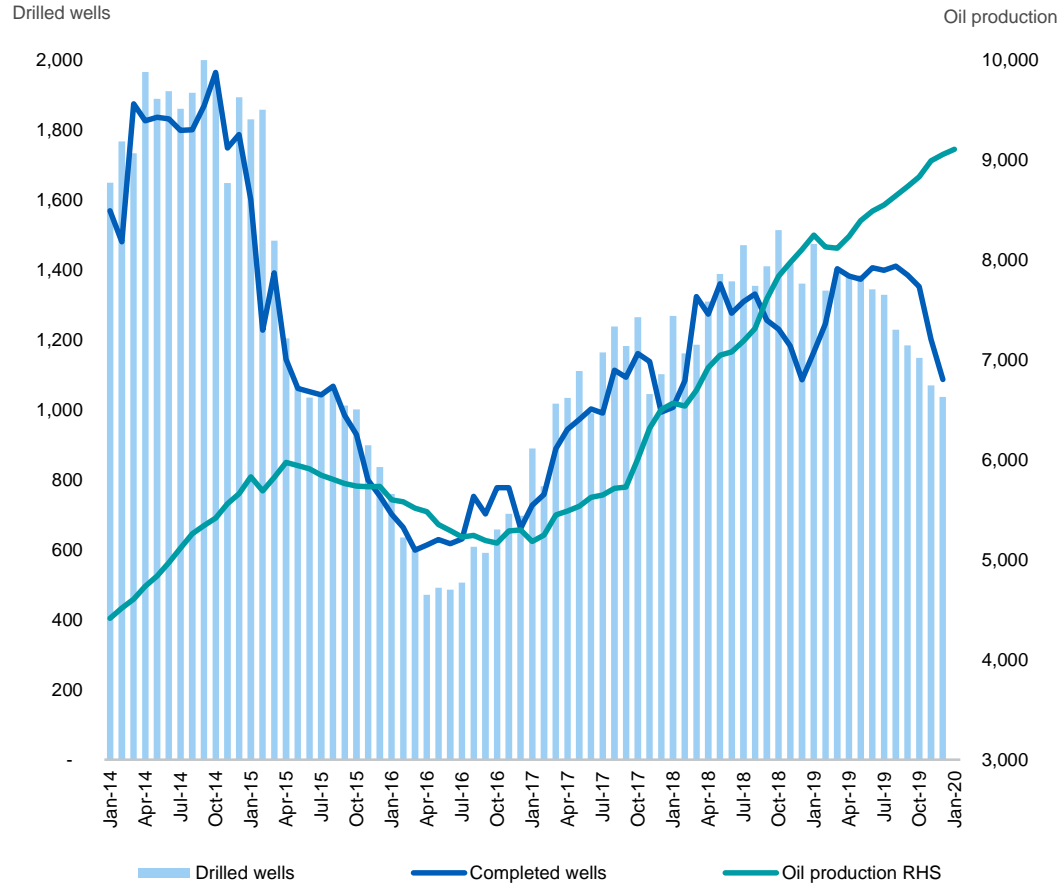
Source: IHS, EM analyses
Assessed 2°C scenarios based on EMF27 full technology/450ppm cases targeting a 2°C pathway

- Significant decline rates from producing oil and gas fields
 - Oil supply naturally declining ~7% per year
 - Gas supply naturally declining ~5% per year

- USD 13-20* trillion of investments needed to meet future oil and gas energy demand

*IEA's 2019 World Energy Outlook estimate more than USD 13 trillion of cumulative investment through 2040 is needed in their Sustainable Development Scenario. Almost USD 20 trillion of cumulative investment through 2040 is needed in their Stated Policies Scenario.

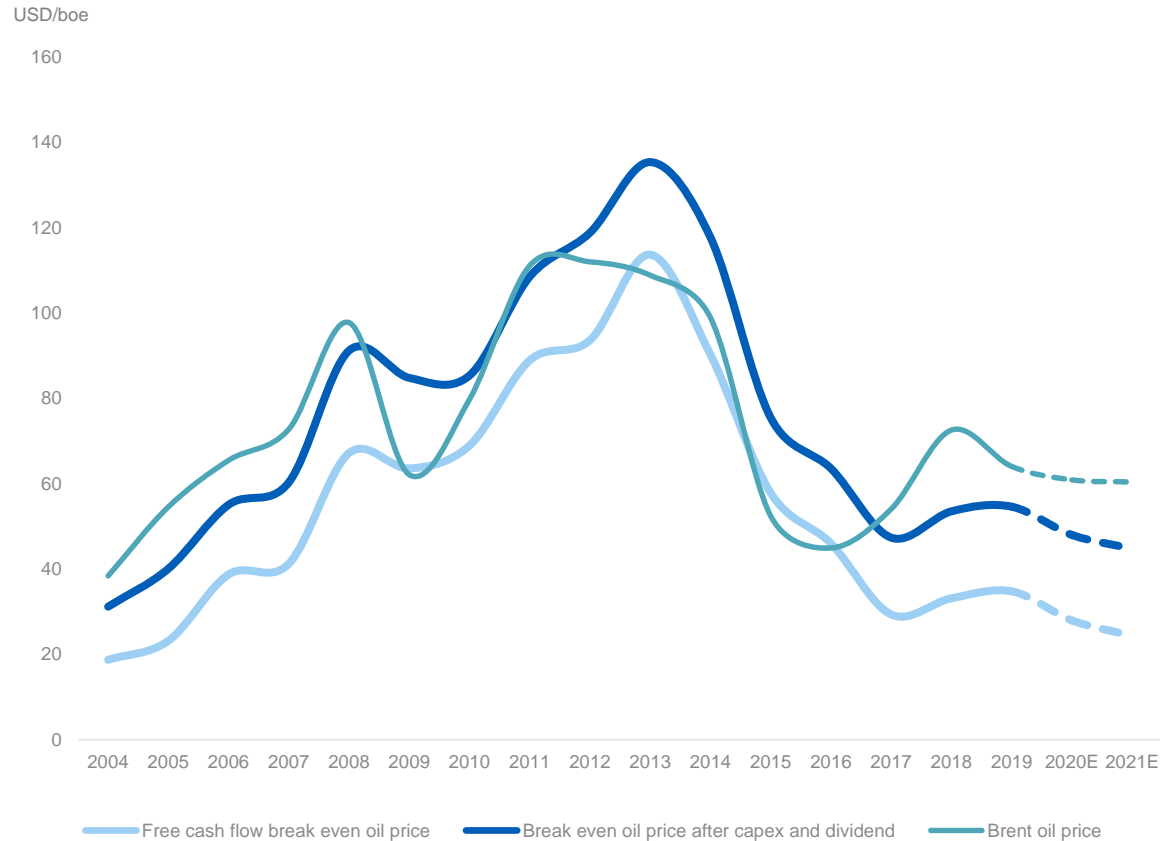
Shale is Unlikely to Close the Gap



Source: Carnegie/EIA's US Drilling Productivity Report

- U.S production has decoupled from rig count past two years
- Continued production increase comes from depleting an inventory of drilled but uncompleted wells (DUCs)
 - Inventory of DUCs is decreasing
 - Shale oil fracking crew count decreasing
- Rebound in rig count needed to offset DUC inventory, alternatively production declines
 - Onshore investments likely to decrease in 2020

Market Perspectives: Oil Companies Cash Flow Supports E&P Investments

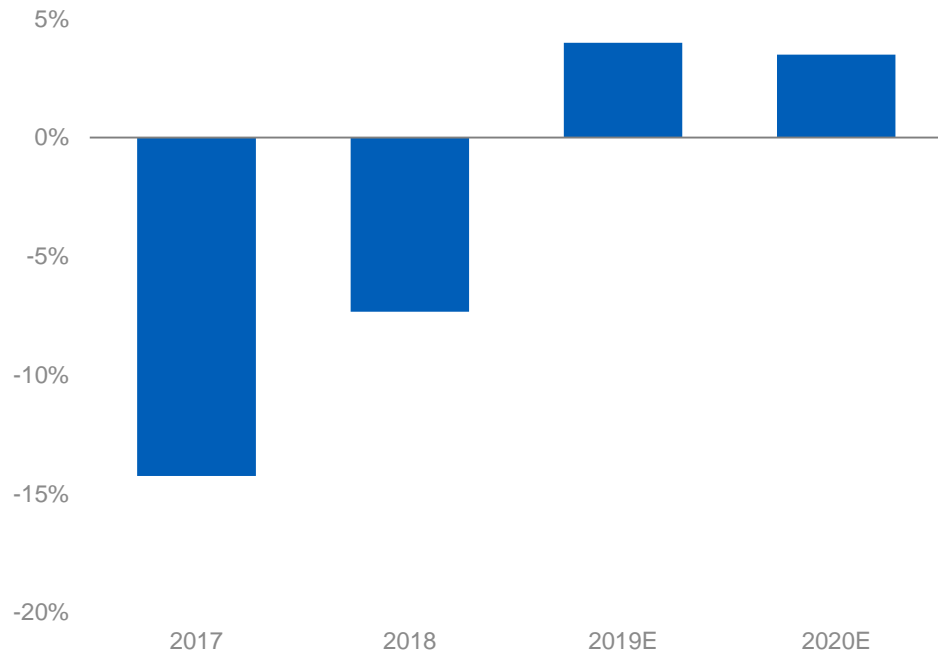


- Oil companies generate significant cash flow
- Oil companies are likely to continue the strong cash flow generation in coming years

Market Perspectives: Offshore Investments Continues to Increase

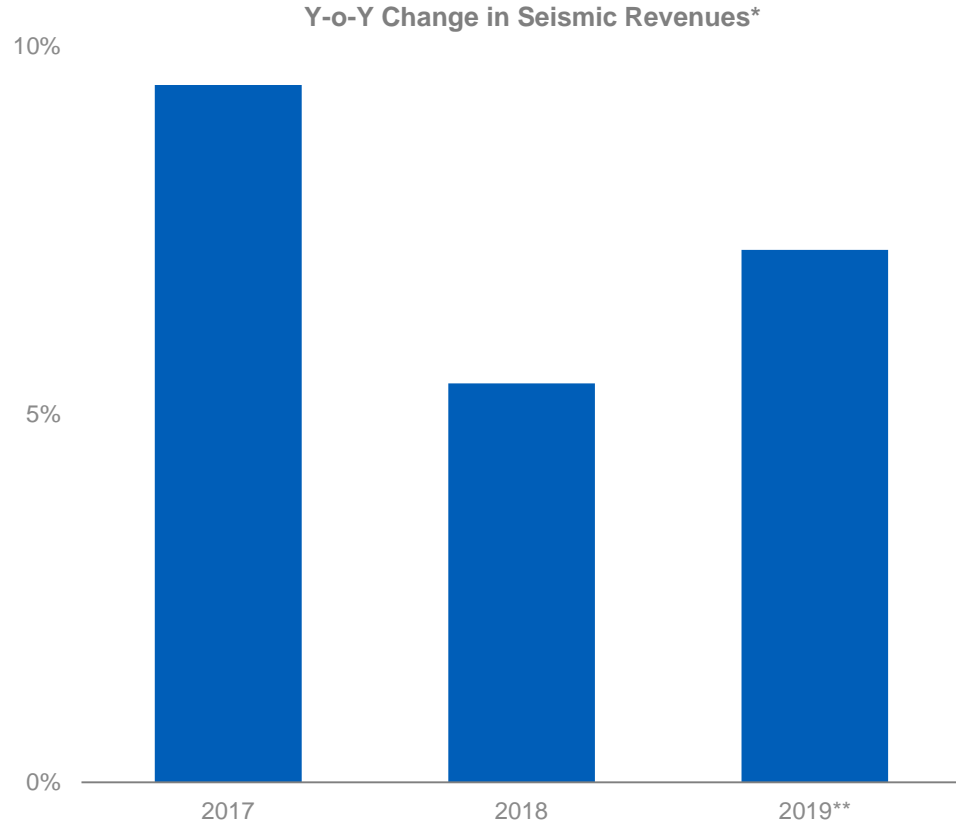


Y-o-Y change in offshore spending



- Offshore spending expected to increase around 4% in 2020 vs. 2019
- Continued CAPEX discipline among energy companies is expected

Seismic Market in Recovery

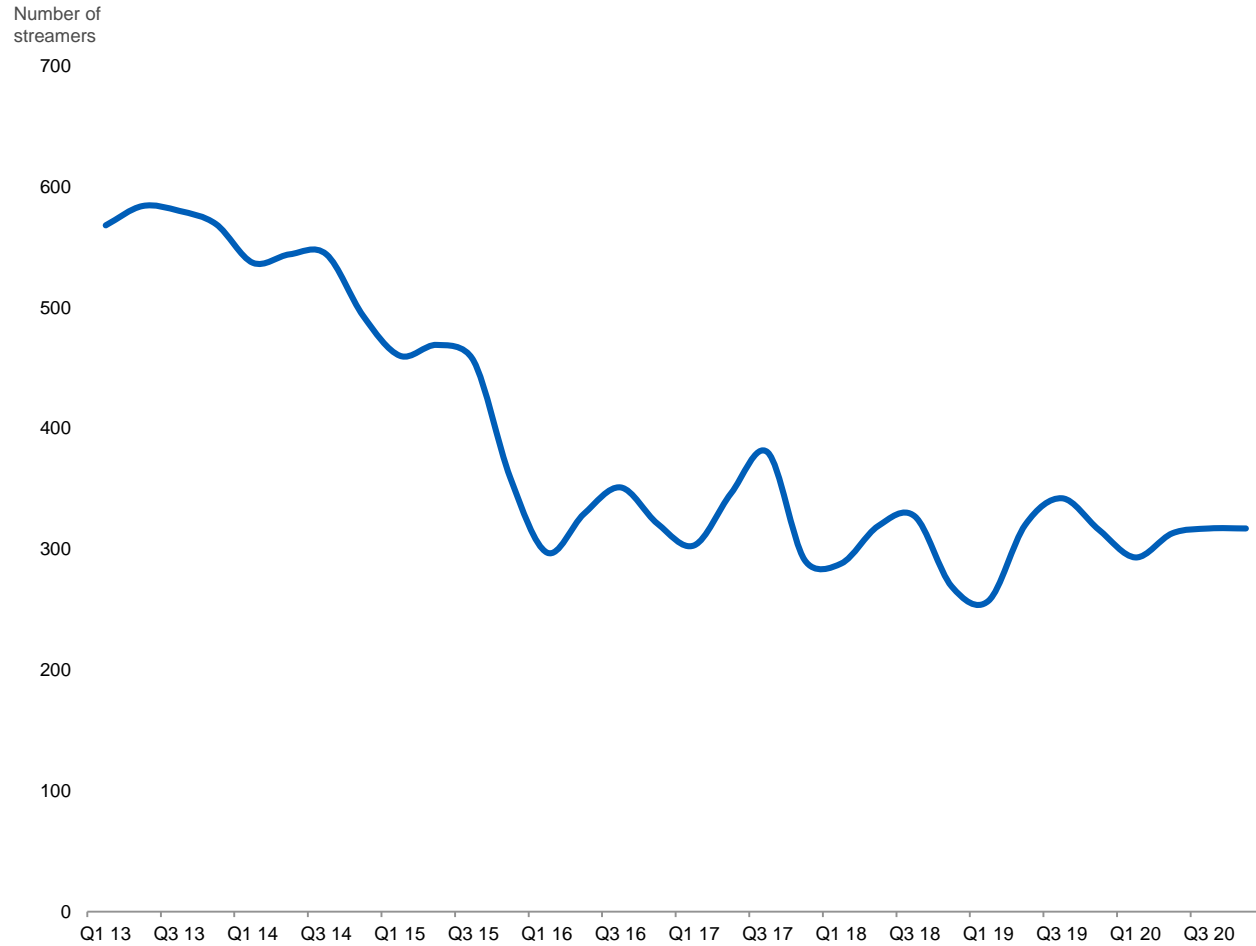


- For the third consecutive year seismic spending has increased Y-o-Y
- MultiClient started to improve in 2017
- Contract seismic became profitable in 2019
- Current seismic contract market trends
 - Higher activity
 - Higher prices
 - Increased share of 4D
- Improved vessel booking and order book across the industry

*Accumulated revenues for PGS, TGS, Spectrum, WesternGeco, CGG and Polarcus.

**Last Twelve Months Q3 2019 for PLCS.

Significant Supply Reduction



- 2019 average capacity approximately 50% lower than average capacity in 2013
- 2020 capacity increase vs. 2019 due to less winter warm-stacking

Source: PGS internal estimates

Digital Transformation to Accelerate Strategy Execution



- Google is PGS cloud partner
- Short term ambition:
 - Image seismic data in the cloud
 - Launch a cloud based MultiClient sales platform
 - Energy efficiency and equipment maintenance
 - Use Machine Learnings and Artificial Intelligence for subsurface data analytics
- Longer term visions:
 - Reduce turnaround time
 - Reducing operating cost
 - Improve customer engagement and interaction
 - R&D for truly differentiating technologies
 - Develop business opportunities for data owners and customers

Focus on Environment Social & Governance



Environment

Our ambition is to generate high quality seismic data with the least possible impact on the marine environment and those that have the oceans as their working place. This ambition is supported by our long standing commitment to develop novel technology and improved practices that truly minimize the acoustic impact of our surveys on life below water. In a broader context, we will continue to support collection and dissemination of oceanographic data that can further our collective understanding of the oceans.

Our Goal

14 LIFE BELOW WATER




- Reduced CO₂ emission by 30% over last decade
- Digital transformation and continued cost focus contributes to reduce CO₂
- Contribute to healthier oceans
- Safe operations with no permanent environmental footprint

2020 Guidance

- Group gross cash cost of ~USD 600 million
- MultiClient cash investments in the range of USD 250-275 million
 - More than 50% of 2020 active 3D vessel time allocated to MultiClient
- Capital expenditures of ~USD 80 million



- Another year with increasing cash flow
 - Improving profitability
 - Better return on capital employed
- Significant Contract price improvement
- Solid MultiClient sales
- Expect 2020 to be better than 2019
- Integration enables PGS to improve business opportunities



Q4 and Preliminary Full Year 2019 Presentation

Gottfred Langseth
EVP & CFO

Integrated Expertise
Acquisition, Imaging & Geoscience

January 30, 2020



Cautionary Statement

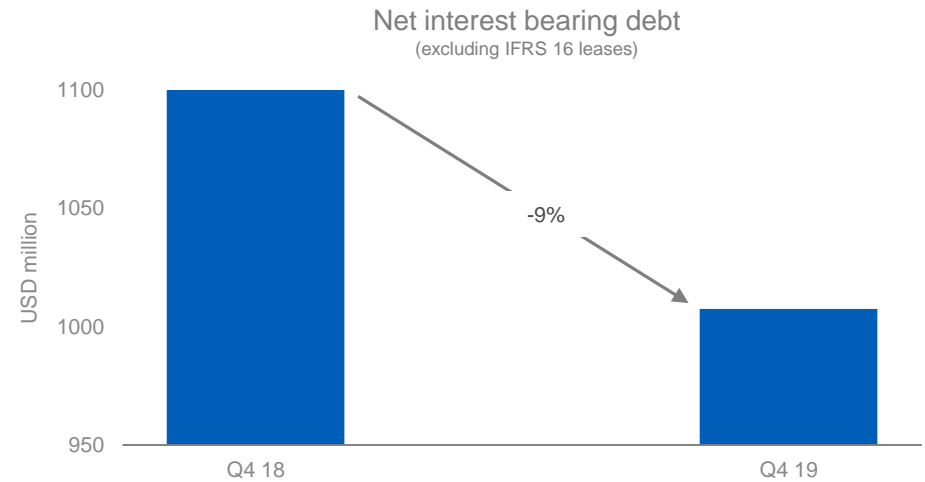
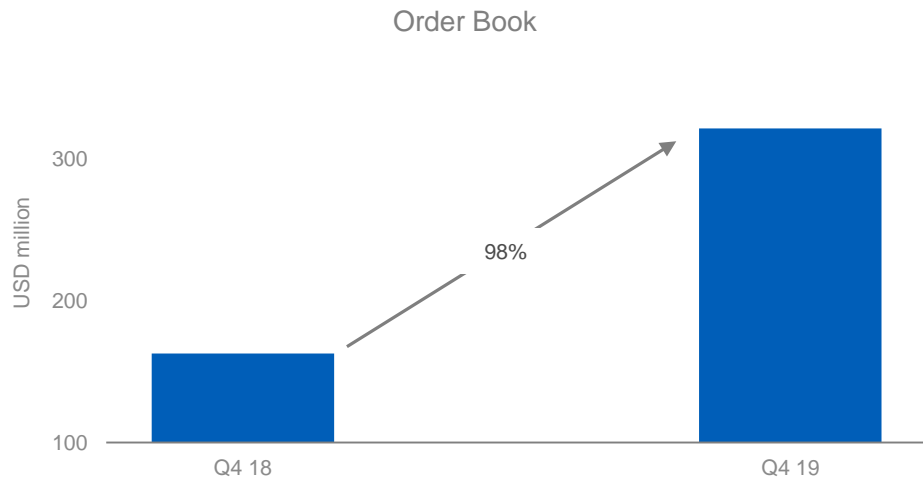
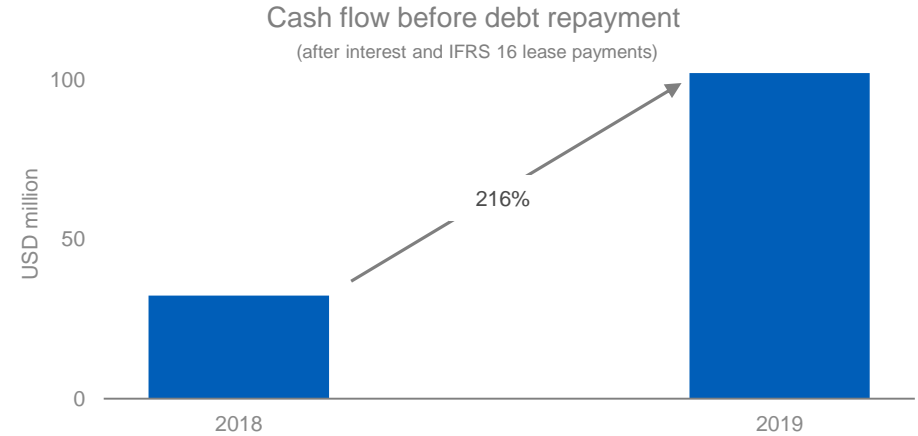
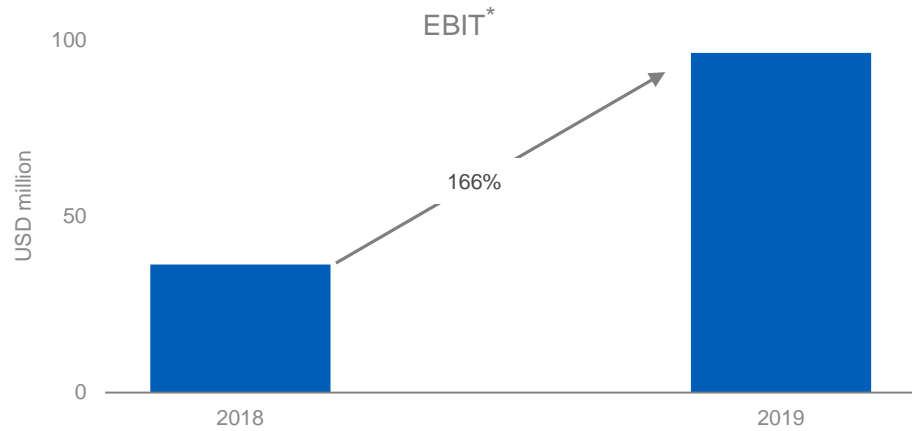
- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
- Actual experience may differ, and those differences may be material
- Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future
- This presentation must be read in conjunction with the press release for the fourth quarter and preliminary full year 2019 results and the disclosures therein

Full Year 2019 Highlights: Strong Contract Margin Improvement – In Process to Complete Refinancing



- Seismic market continued to strengthen during 2019
 - Contract revenues more than doubled from 2018
 - Close to 40% higher contract pricing
 - Continued 8 vessel operation during winter season
- Slow start to MultiClient sales in 1H, in line with expectations during 2H
- Order book almost doubled
- Refinancing announced with strong stakeholder support

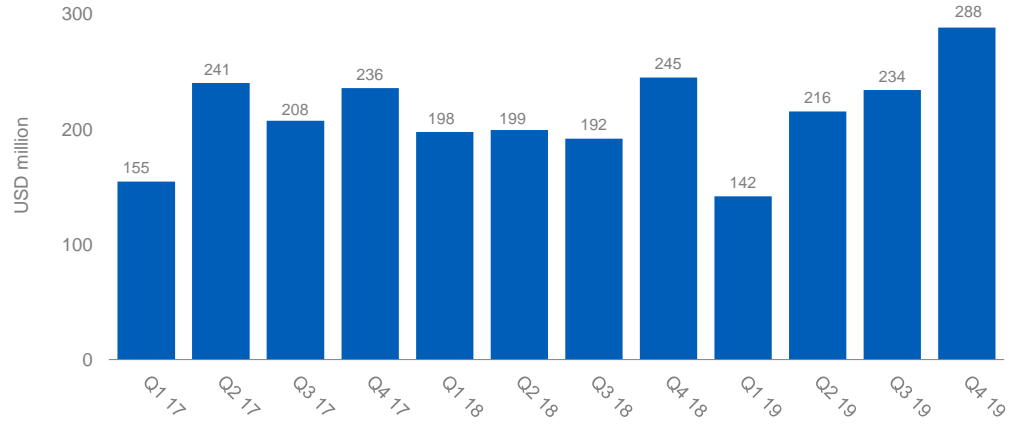
Full year 2019: Improving Market Fundamentals Reflected in Financials



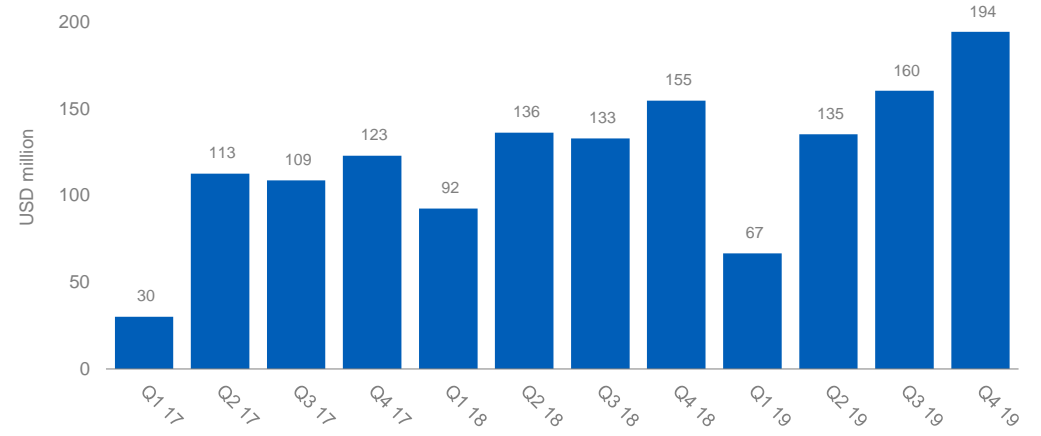
*Excluding impairments and Other charges.

Financial Summary

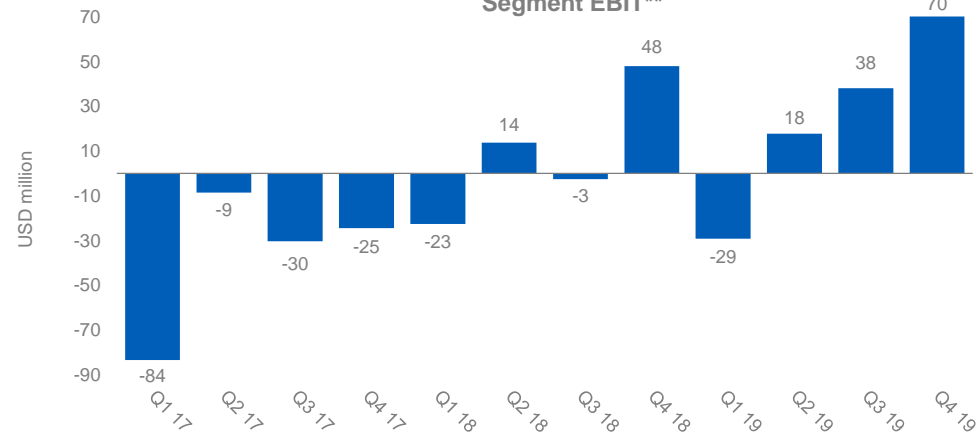
Segment Revenues



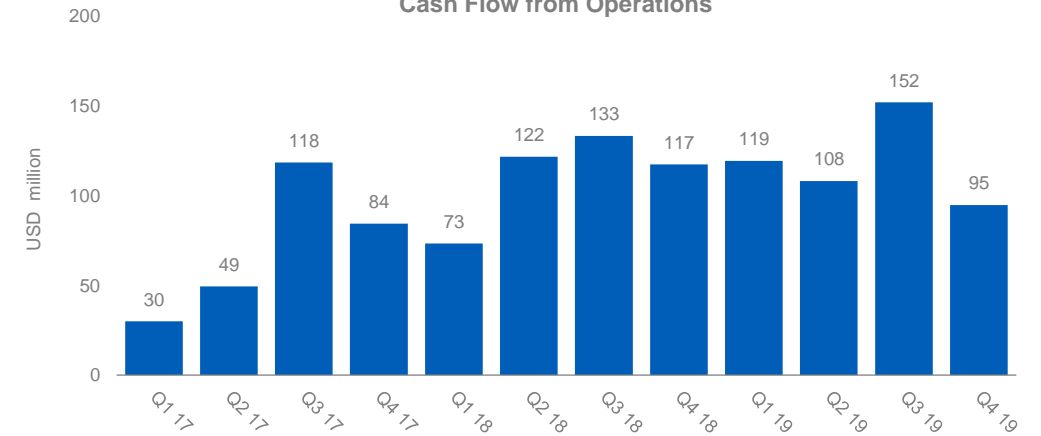
Segment EBITDA*



Segment EBIT**



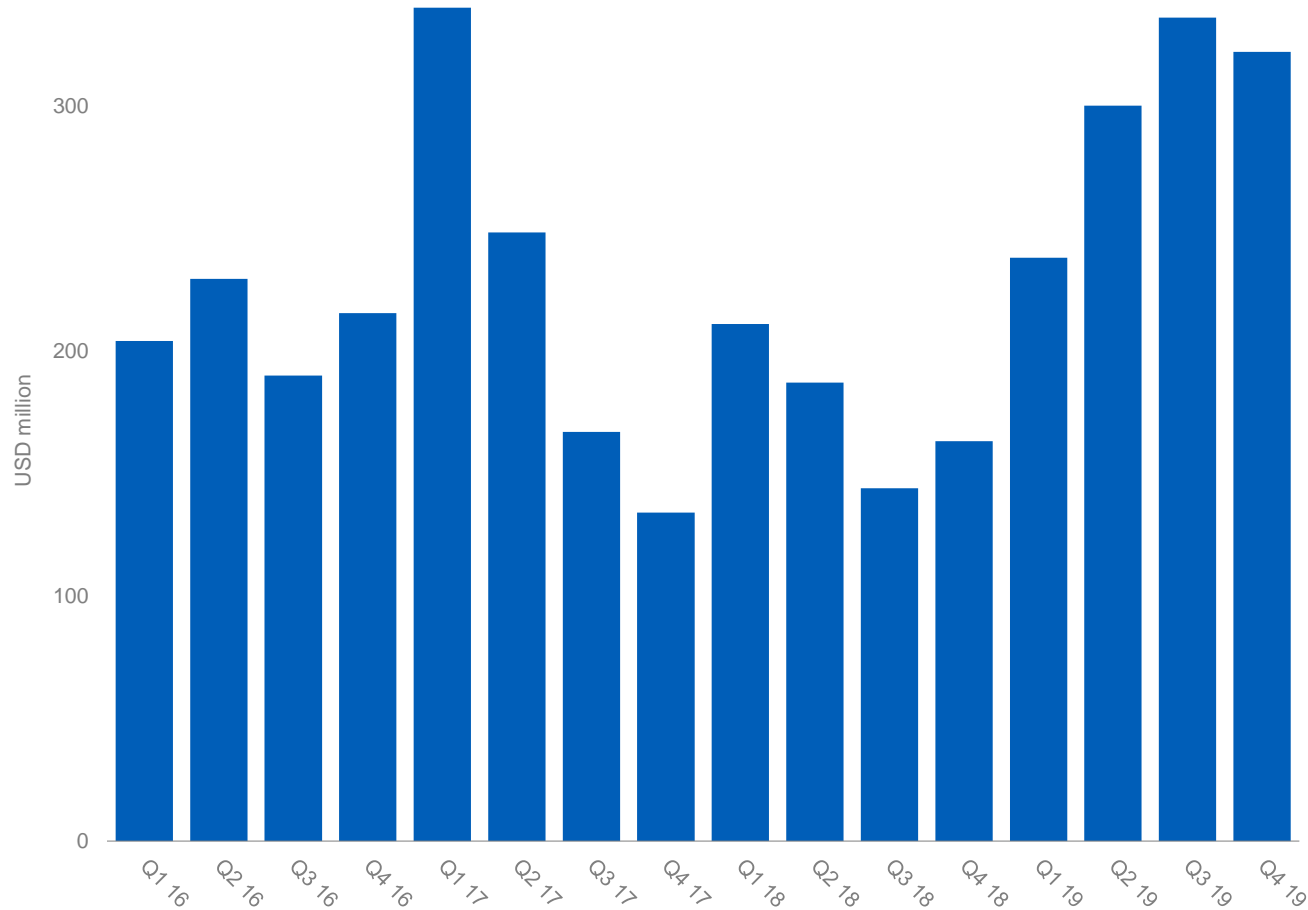
Cash Flow from Operations



*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 Q4 2019 earnings release published on January 30, 2020.

**Excluding impairments and Other charges.

Order Book Close to Doubling During 2019



- Order book USD 322 million at December 31, 2019

- Vessel booking*
 - Q1 20: 24 vessel months
 - Q2 20: 18 vessel months
 - Q3 20: 10 vessel months

*As of January 23, 2020.

Consolidated Key Financial Figures

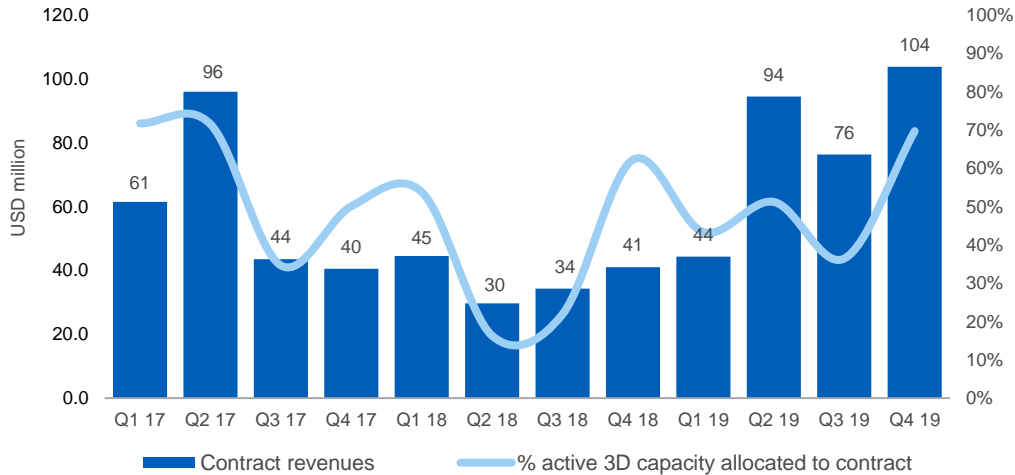
	Q4	Q4	Full year	Full year
USD million (except per share data)	2019	2018	2019	2018
Profit and loss numbers Segment Reporting				
Segment revenues	288.4	245.2	880.1	834.5
Segment EBITDA	194.1	154.5	556.1	515.9
Segment EBIT ex. Impairment and other charges, net	70.1	47.9	96.4	36.3
Profit and loss numbers As Reported				
Revenues	332.6	269.8	930.8	874.3
EBIT	54.2	26.3	54.6	39.4
Net financial items	(25.7)	(31.1)	(92.2)	(87.3)
Income (loss) before income tax expense	28.5	(4.8)	(37.6)	(47.9)
Income tax expense	(17.8)	(18.7)	(34.1)	(40.0)
Net income (loss) to equity holders	10.7	(23.5)	(71.7)	(87.9)
Basic earnings per share (\$ per share)	\$0.03	(\$0.07)	(\$0.21)	(\$0.26)
Other key numbers				
Net cash provided by operating activities	94.8	117.3	474.3	445.9
Cash Investment in MultiClient library	41.3	40.2	244.8	277.1
Capital expenditures (whether paid or not)	17.7	16.1	59.1	42.5
Total assets	2,301.7	2,384.8	2,301.7	2,384.8
Cash and cash equivalents	40.6	74.5	40.6	74.5
Net interest bearing debt	1,007.5	1,109.6	1,007.5	1,109.6
Net interest bearing debt, including lease liabilities following IFRS 16*	1,204.6		1,204.6	

*Following implementation of IFRS 16, prior periods are not comparable to December 2019.

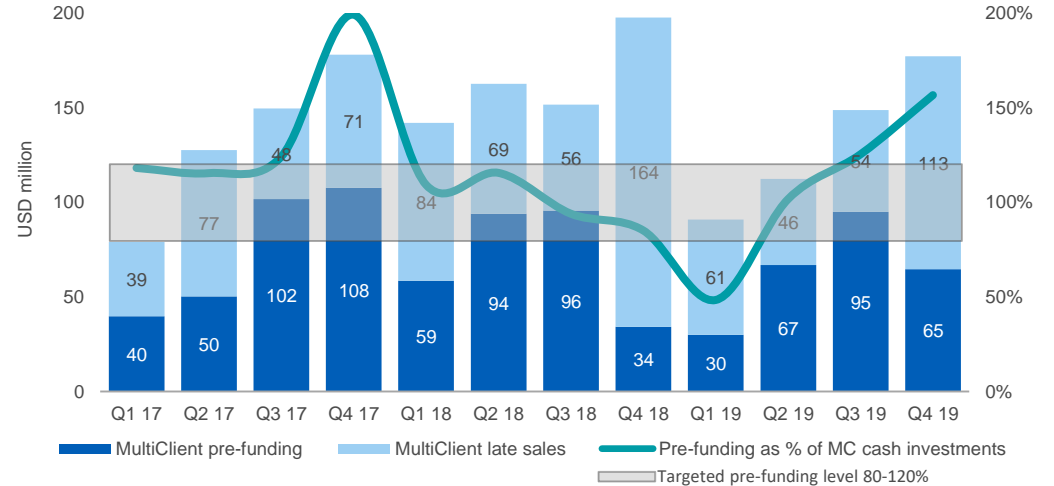
The accompanying unaudited financial information has been prepared under IFRS. This information should be read in conjunction with the unaudited fourth quarter and preliminary full year 2019 results, released on January 30, 2020.

Q4 2019 Operational Highlights

Contract revenues



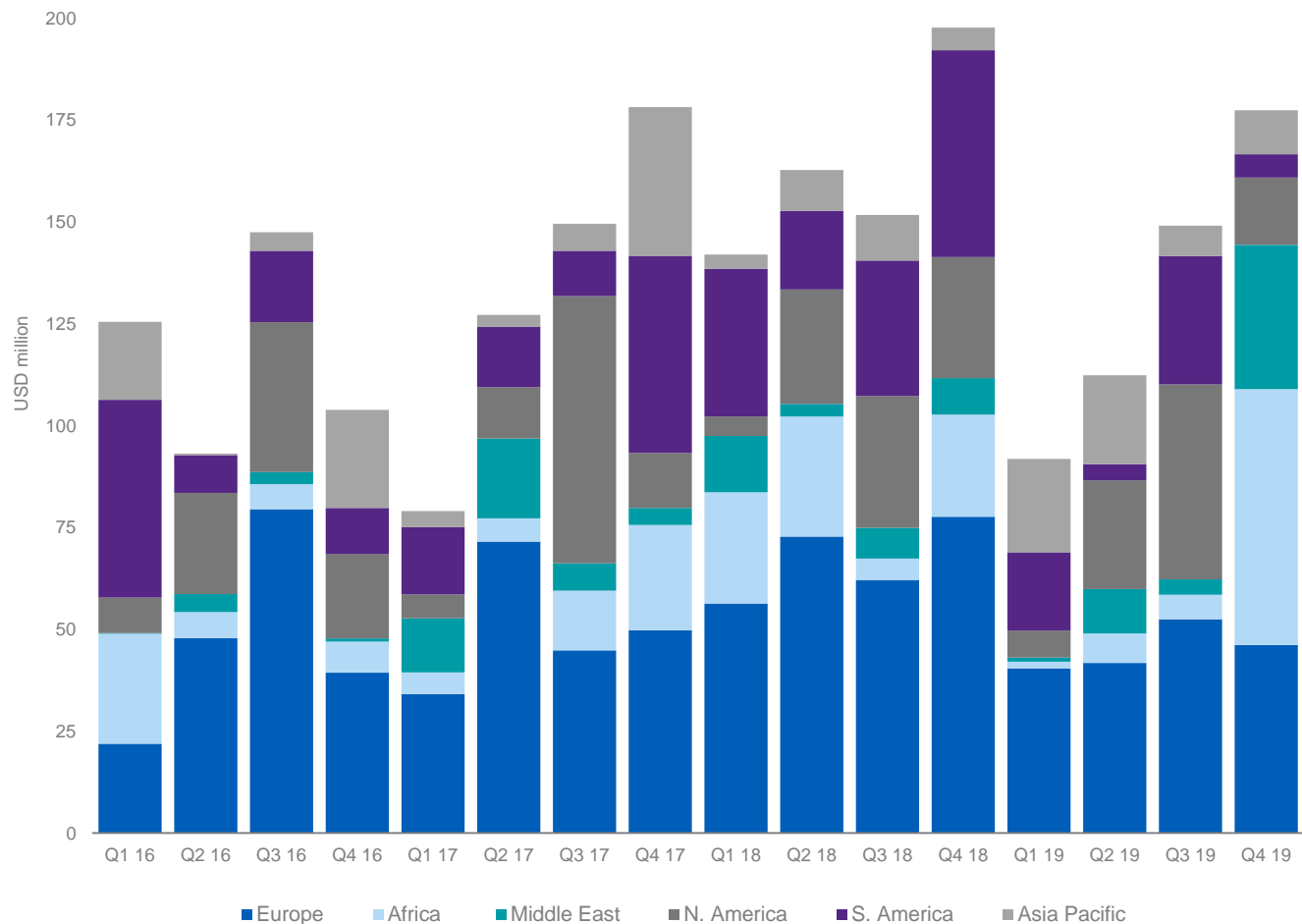
Segment MultiClient revenues



- Total Segment MultiClient revenues of USD 177.3 million
 - Pre-funding level of 157% on USD 41.3 million of MultiClient cash investment
 - Late sales of USD 112.6 million

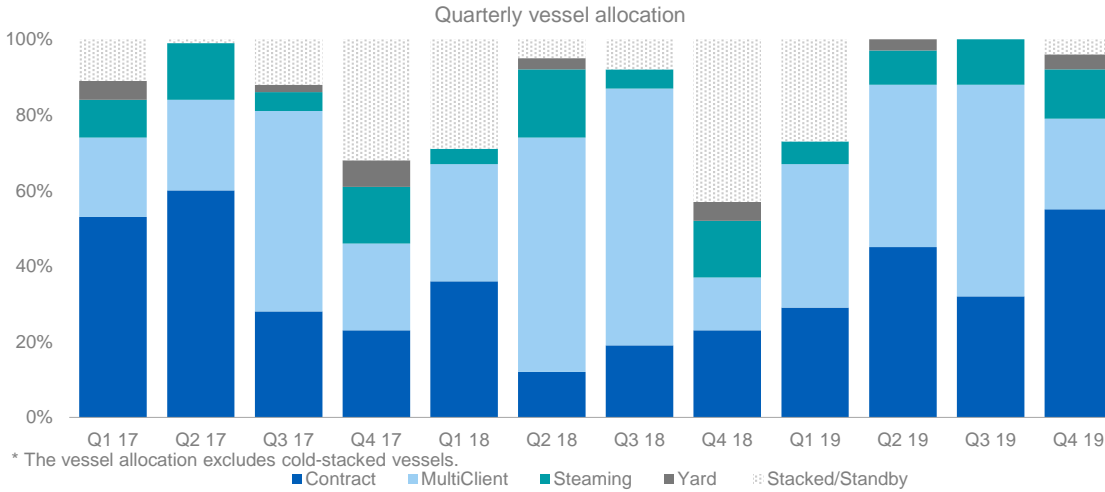
- Contract revenues of USD 103.9 million

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

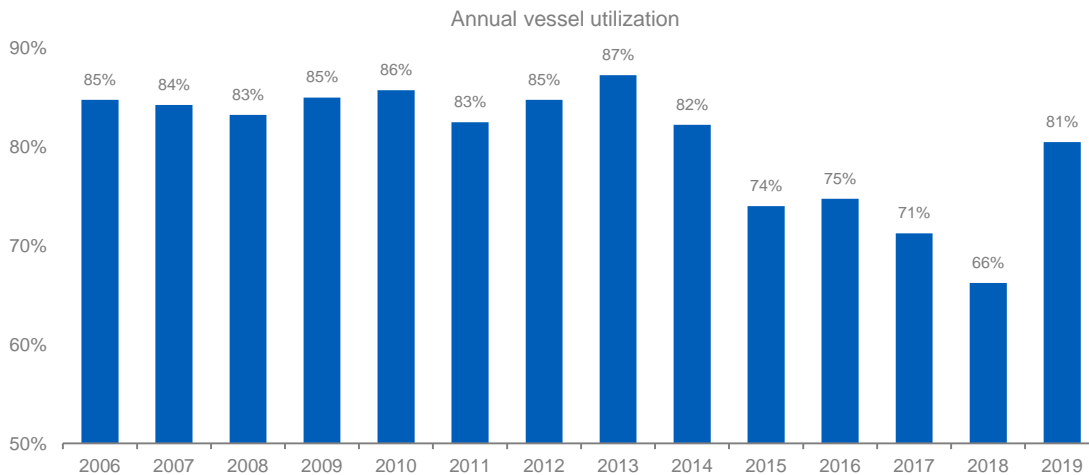


- Africa and Europe were the main contributors to pre-funding revenues in Q4 2019
- Middle East, Europe and Africa were the main contributors to late sales in Q4 2019

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

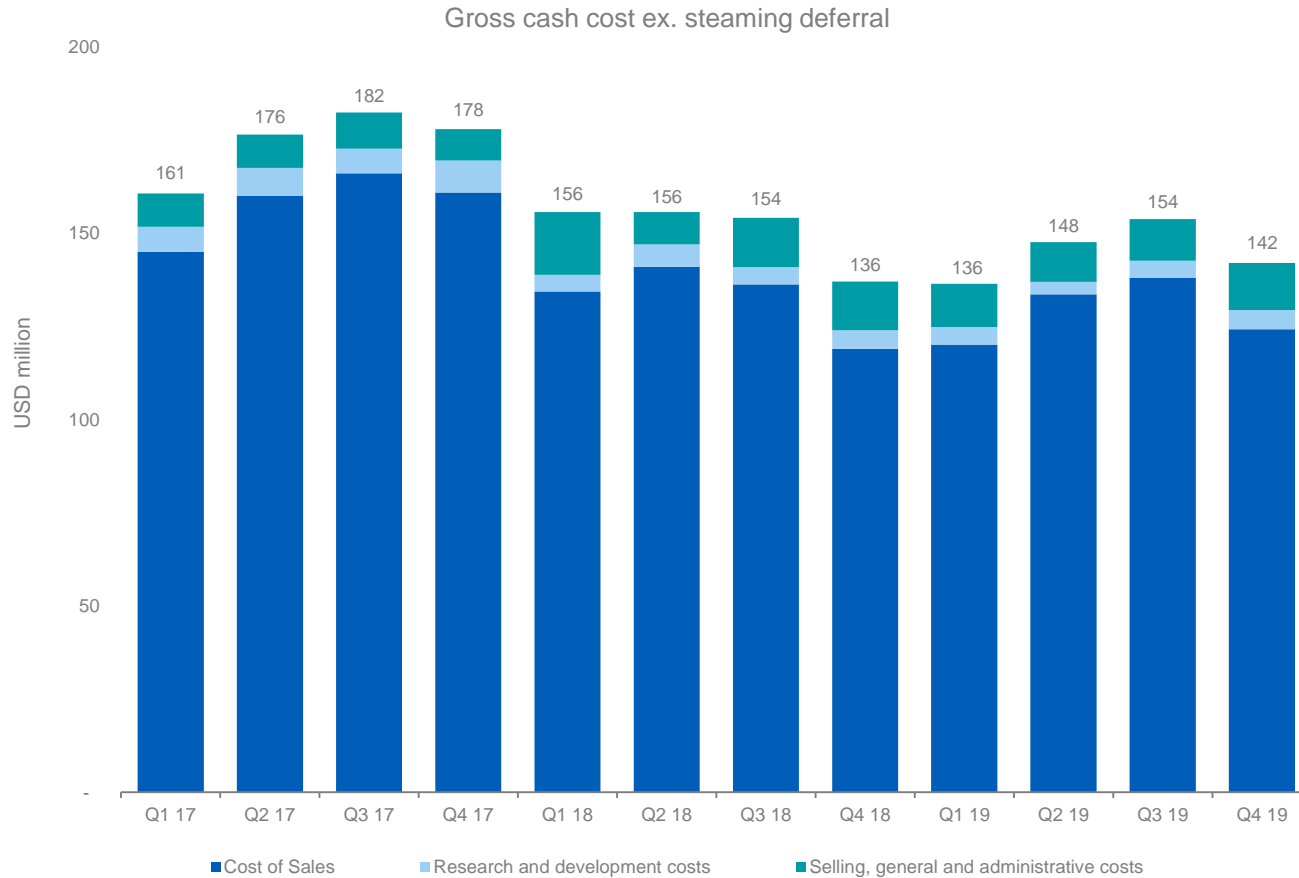


- Utilization moving towards “pre downturn” levels
- 79% active vessel time in Q4 2019
 - Negatively impacted by schedule changes and challenging mobilization for several projects offshore Africa



- 81% active vessel time for the full year 2019 despite two seasonally warm stacked vessels in Q1

Group Cost* Focus Delivers Results



- Q4 2019 gross cash costs positively impacted by lower project specific costs
- Full year 2019 gross cash costs of USD 579.8 million

Consolidated Statements of Cash Flows Summary

	Q4	Q4	Full year	Full year
USD million	2019	2018	2019	2018
Cash provided by operating activities	94.8	117.3	474.3	445.9
Investment in MultiClient library	(41.3)	(40.2)	(244.8)	(277.1)
Capital expenditures	(11.6)	(12.1)	(62.0)	(48.0)
Other investing activities	(3.0)	(4.9)	54.3	(25.0)
Net cash flow before financing activities	38.9	60.1	221.8	95.8
Interest paid on interest bearing debt	(18.0)	(19.4)	(60.9)	(63.4)
Repayment of interest bearing debt	(12.7)	(40.6)	(51.2)	(80.2)
Payment of lease liabilities	(13.6)	-	(58.6)	-
Net change drawing on RCF	10.0	30.0	(85.0)	75.0
Net increase (decr.) in cash and cash equiv.	4.6	30.1	(33.9)	27.2
Cash and cash equiv. at beginning of period	36.0	44.4	74.5	47.3
Cash and cash equiv. at end of period	40.6	74.5	40.6	74.5

- 2019 cash flow before financing activities of USD 221.8 million
- Cash provided by operating activities reflects a Q4 increase of working capital, which will benefit cash flow early 2020

Balance Sheet Key Numbers

	December 31	December 31
USD million	2019	2018
Total assets	2,301.7	2,384.8
MultiClient Library	558.6	654.6
Shareholders' equity	637.1	721.8
Cash and cash equivalents (unrestricted)	40.6	74.5
Restricted cash	43.0	43.2
Liquidity reserve	210.6	159.5
Gross interest bearing debt*	1,091.1	1,227.3
Gross interest bearing debt, including lease liabilities following IFRS 16*	1,288.2	
Net interest bearing debt*	1,007.5	1,109.6
Net interest bearing debt, including lease liabilities following IFRS 16*	1,204.6	

- Gross interest bearing debt (ex. lease liabilities) of USD 1,091.1 million
 - Down USD 136.2 million in 2019
- Net interest bearing debt (ex. lease liabilities) of USD 1,007.5 million
 - Down USD 102.1 million in 2019
- Liquidity reserve of USD 210.6 million
 - Up USD 51.1 million in 2019



Capital Markets Day Financials

Gottfred Langseth
EVP & CFO

Integrated Expertise
Acquisition, Imaging & Geoscience

January 30, 2020



Financial Review – Outline

- Refinancing
- Cost and CAPEX
- MultiClient investment
- Extended Segment Reporting
- Tax
- Foreign exchange



Refinancing in Process of Being Completed

- New term loan B (“TLB”) with a principal amount of USD 523 million maturing March 2024
 - USD 373 million of existing TLB extended (99% of the existing USD 377 million)
 - USD 150 million upside

- Extension of USD 215 million of the revolving credit facility (“RCF”) to September 2023

- Extended TLB and RCF subject to:
 - Equity raise of at least USD 75 million
 - Redemption of the 2020 Senior Notes (USD 212 million)

- Equity raise – Subject to EGM approval
 - Book building for a private placement of ~USD 95 million successfully completed
 - Subsequent offering of ~USD 10 million

- Incremental TLB and new equity will primarily be used to repay the 2020 Senior Notes at par (USD 212 million)

Refinancing with strong stakeholder support

Term Sheet Overview

Borrower / Issuer	PGS ASA (the “Borrower” and “Issuer”)	
Issue	Extended / New Revolving Credit Facility	New Term Loan
Amount	USD 350m reducing to USD 215m in September 2020	USD 523m
Call Protection	N/A	101 until March 2021, thereafter 103 until March 2022 and 105 until maturity Call premium only applies to repayment in connection with full/partial refinancing and does not apply to voluntary prepayments from cash flow or available liquidity
Extension Fee / OID	180bps	98 OID
Pricing	L+600bps > 1.75x (Total Gross Leverage ¹) 525bps < 1.75x 450bps < 1.25x Subject to minimum rating requirements (below) Utilization fee as in existing agreement	L+700bps > 1.75x 650bps < 1.75x 600bps < 1.25x Subject to minimum rating requirements (below)
Asset Security	Pledge of specified unencumbered assets in the group including MultiClient library data and available vessels, share pledges and upstream guarantees from material subsidiaries	
Amortization	Year 1: 1% p.a. paid quarterly; Year 2 onwards: 5% p.a. paid quarterly	
Mandatory Prepayment	Year 1: No mandatory prepayment 75% Excess Cash Flow Sweep starting from Q1 2021 (quarterly thereafter); 50% at Gross Secured Leverage <1.50x Sweep proceeds to cancel RCF and TLB commitments on pro-rata basis (stops for RCF when RCF size reach \$200m)	
Covenants	Total Net Leverage ² ≤ 2.75:1.0 Min liquidity ≥ \$75 million or 5% of Net Debt	N/A (covenant-light)
Ratings	Margin to be increased to L+650bps if PGS Corporate Rating is < B3 / B- (stable) Margin cannot reduce below L+525bps unless PGS Corporate Rating is ≥ B2 / B (stable)	Margin to be increased to L+750bps if PGS Corporate Rating is < B3 / B- (stable) Margin cannot reduce below L+650bps unless PGS Corporate Rating is ≥ B2 / B (stable)
Conditions Precedent	USD 75m Equity Issuance by no later than February 28, 2020 Redemption of Existing 2020 Senior Notes (satisfaction and discharge of indenture)	
Other	No dividend to be paid in two first years	
Governing Law	New York law	

Note: Completion of the refinancing is subject to other terms and conditions

1) No cash netting except restricted cash for Japanese Export Credit Financing

2) Cash netting of unrestricted cash and restricted cash for Japanese Export Credit Financing

Sources, Uses and Pro Forma Capitalization

Sources	USD M	Uses	USD M
New Term Loan B ¹	523	Existing Term Loan B ¹	373
New equity (Private Placement) ²	95	Redemption of existing 2020 Notes	212
		Estimated fees and expenses ³	29
		Cash to Balance sheet	4
Total Sources	618	Total Uses	618

Pro Forma Capital Structure					
(in USD millions)	31-Dec-19	Adjustments	Pro Forma	X LTM EBITDA ⁵	Maturity
Cash and Cash Equivalents	41	4	45	0.1x	
Restricted Cash ⁴	43	-	43	0.1x	
RCF Drawn ⁶	180	-	180	0.3x	Sep-2023
Senior Secured Term Loan B ¹	377	150	527	0.9x	Mar-2024
Export Credit Financing	322	-	322	0.6x	2025-2027
Existing 2020 Senior Notes	212	(212)	-	-	Dec-2020
IFRS 16 capitalized leases	197	-	197	0.4x	
Net Total Debt⁷	1,204	(66)	1,138	2.0x	

1. 99% of existing Term Loan B roll into new Senior Secured Term Loan B. Term Loan B outstanding of USD 377m as of 31 December 2019, of which USD 373m extended to March 2024 and USD 4M matures in March 2021. USD 150m incremental TLB with same terms as extended TLB.

2. Excludes possible proceeds from a subsequent equity offering (repair issue).

3. Reflects our estimate of fees and expenses associated with the Offering, including financing fees, legal, advisory and professional fees and other transaction costs such as original issue discount and extension fees.

4. Includes USD 38.8m restricted cash held as a reserve for debt service including retention accounts dedicated to servicing principal, interest and fee payments on the Export Credit Financing.

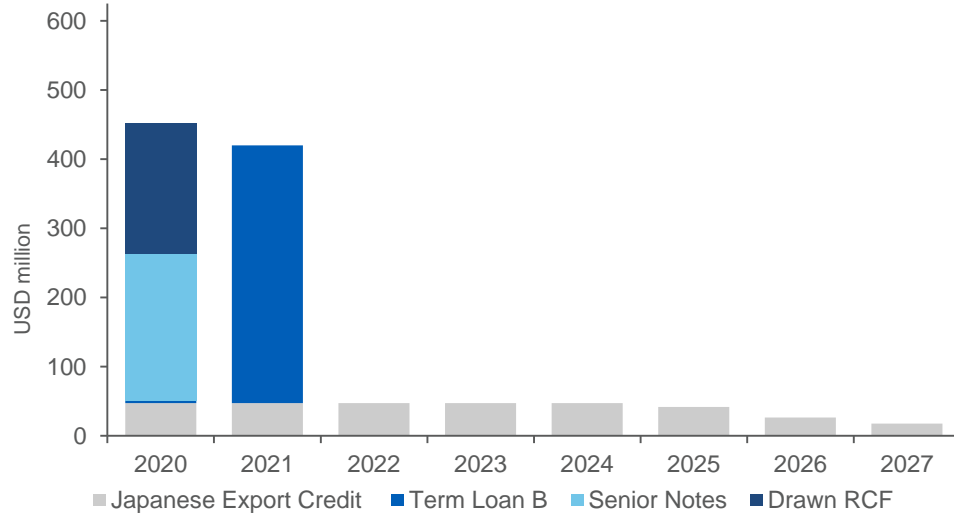
5. LTM Dec-19 Segment EBITDA of USD 556.1m.

6. Extended RCF to be USD 215m in size with maturity of Sep-23. USD 135m of the existing USD 350m RCF will mature September 2020.

7 Debt outstanding minus cash and cash equivalents and restricted cash.

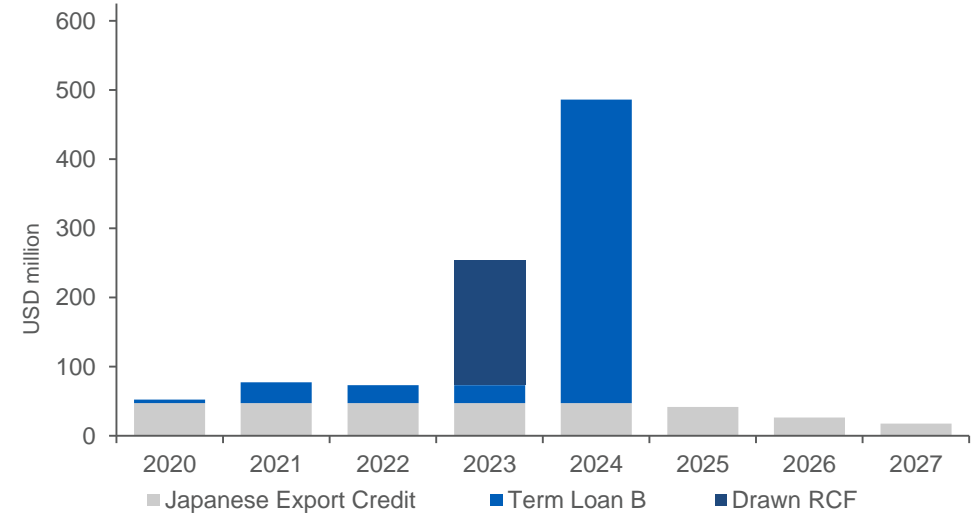
Extending Maturities and Improving Balance Sheet Flexibility

Debt Maturity Profile: end Q4 2019



Average debt maturity:
1.75 years

Debt Maturity Profile: Pro Forma end Q4 2019



Average debt maturity:
3.8 years

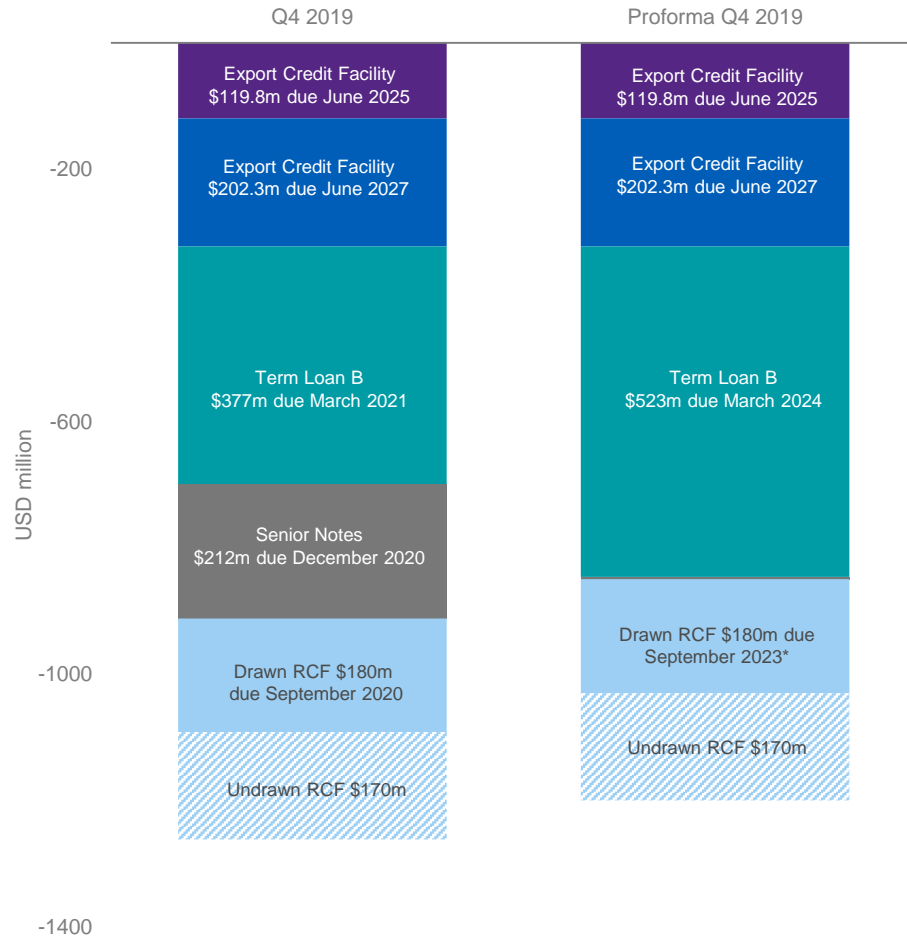
Current Corporate Credit Ratings

Rating Agency	Rating	Outlook	Comments:
Moody's	B2	Stable	Updated for the transaction
Fitch	B -	RW Negative*	Not updated for the transaction
S&P (preliminary)	B	Stable	Expected

- The proposed transactions will improve balance sheet flexibility and provide a sustainable capital structure

*The Fitch Ratings Watch were introduced during Q4 as a result of the then pending refinancing. Rating has not been updated yet

Debt and Drawing Facilities Pre and Post Refinancing



- Weighted average cash interest rate on debt increases from 4.8% to ~6.5% (based on mid of TLB margin grid)
- 2020 cash interest cost estimated to be ~USD 60 million
 - Amortization of debt issuance cost will come in addition with an amount of ~USD 8 million
- Flexibility to reduce debt significantly without payment of premium
 - No call premium on TLB for voluntary repayments
 - Amortizing ECF

* Total RCF commitment reduces from USD 350 million to USD 215 million in September 2020

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

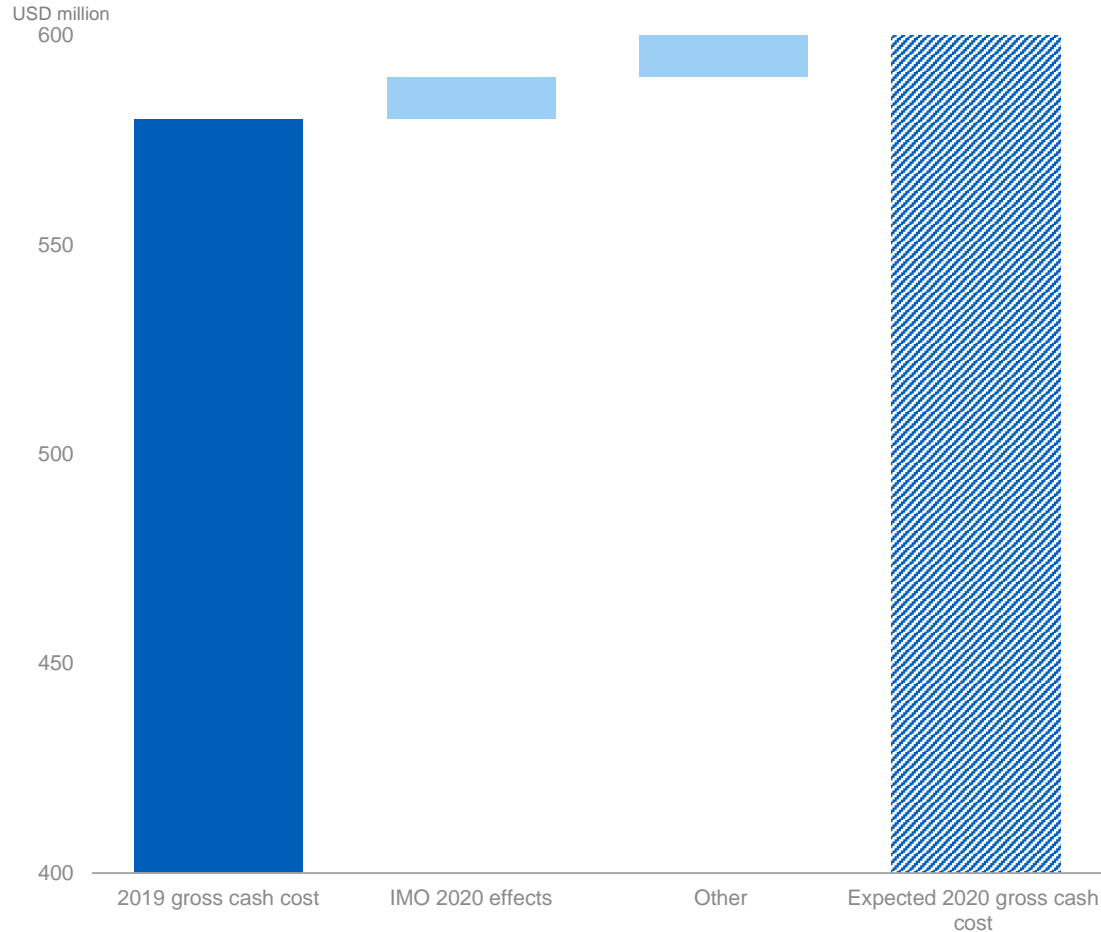
Capital structure to sustain future downturns

Debt reduction from cash flow in an improving market

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

^{*)} 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

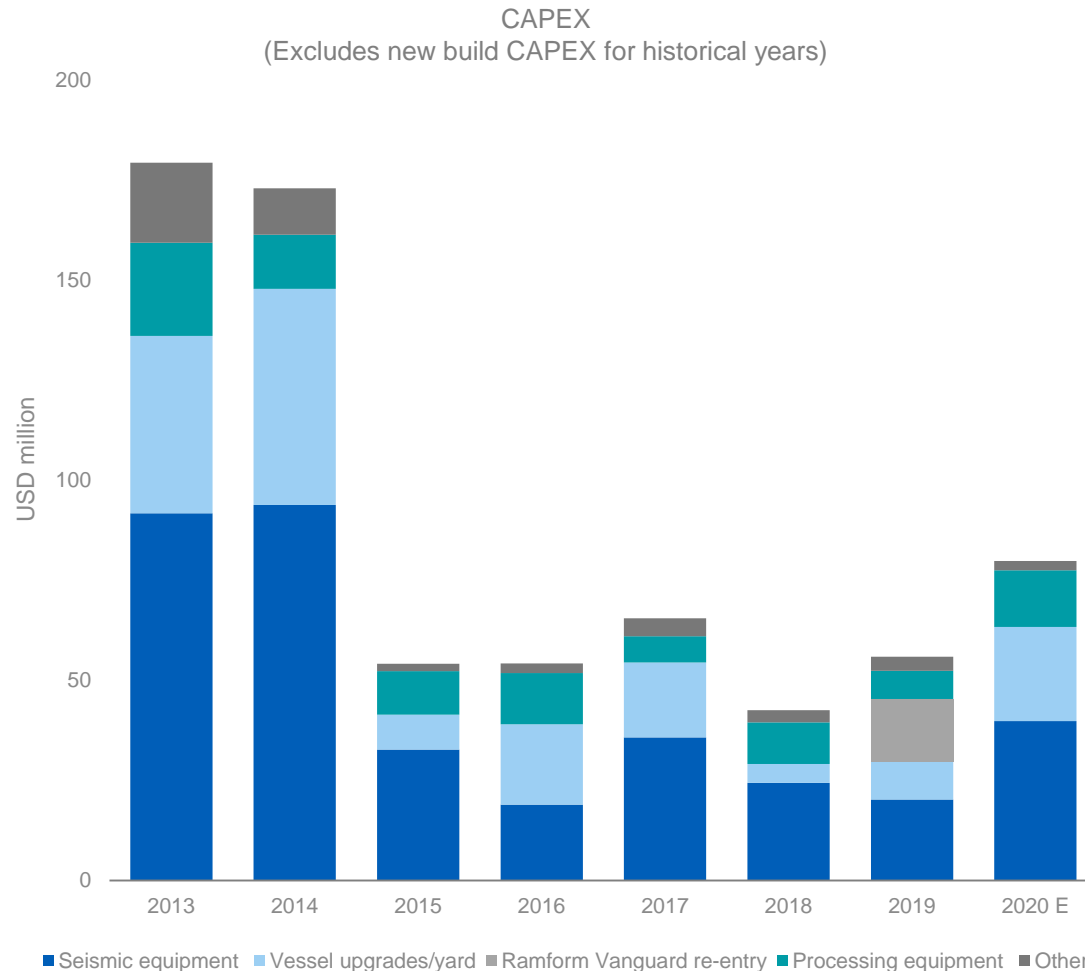
2020 Gross Cash Costs



- 2019 gross cash costs ended at USD 579.8 million
- 2020 gross cash costs expected to be approximately USD 600 million
 - Increase driven by fuel mix/IMO 2020 and higher activity
 - Plan to operate eight 3D vessels for the full year
- Tight overall cost control is a priority

* Based on NOK/USD exchange rate of 9.0 and Brent spot price of approximately \$60 per barrel.

Capital Expenditure and Depreciation Trends



- Full year 2019 CAPEX of USD 59.1 million
 - Including USD 17.1 million to reintroduce *Ramform Vanguard* following the sale of *Ramform Sterling*

- 2020 CAPEX plan of ~USD 80 million*
 - ~USD 25 for vessel upgrade/yard and scrubber installation
 - ~USD 20 million of streamer investment, which includes initiating production of PGS' next generation GeoStreamer

- Beyond 2020, returning to sustainable reinvestment levels for streamers and other in-sea equipment, annual CAPEX is estimated to increase to USD 100-110 million

- Gross depreciation cost expected to be ~USD 200 million in 2020
 - ~ USD 100 million to be capitalized as part of MultiClient investments

* 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

IFRS 16 lease liability

- IFRS 16 implemented 1 January 2019 – No restatement of historical periods
 - Implementation effect recorded as an adjustment to the 1 January 2019 Balance Sheet

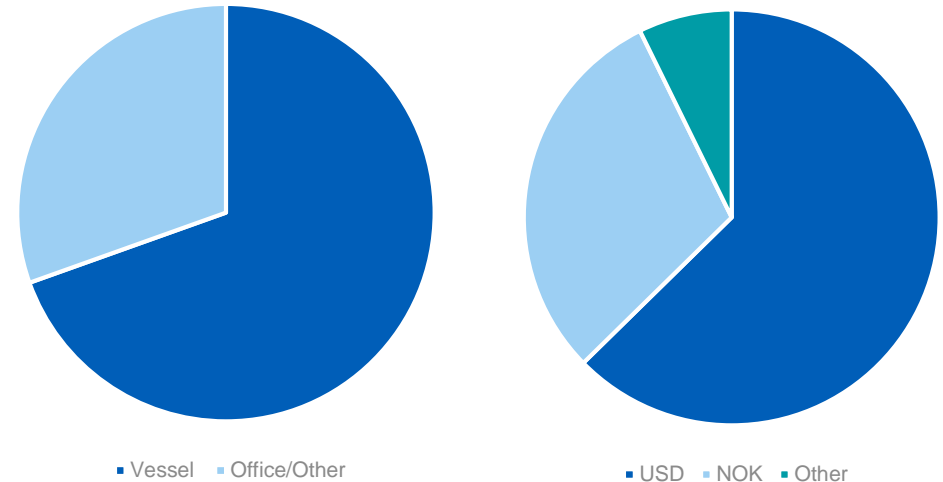
- Leasing arrangements are reported as assets (and depreciated over the lease term) and debt (with payments being reported as interest cost and instalments)

- New leasing arrangements, or extensions of existing arrangements, will be reported as part of CAPEX

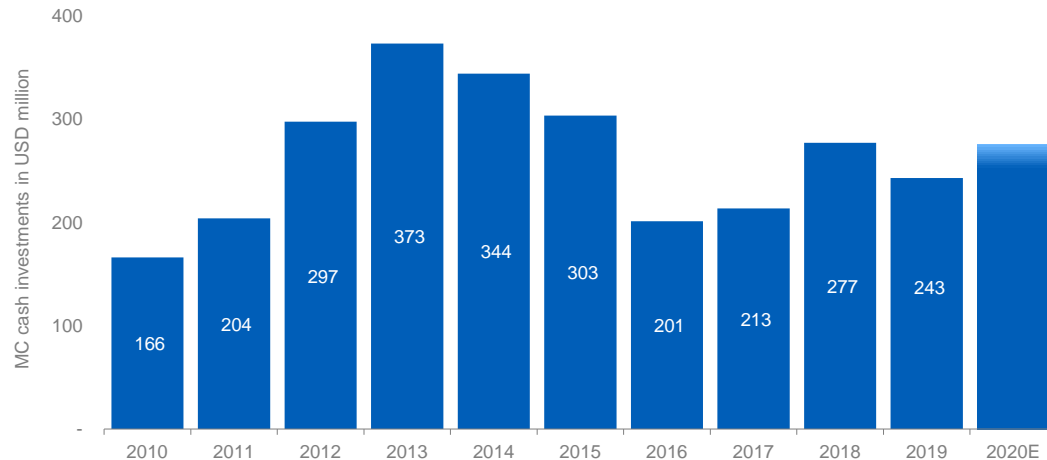
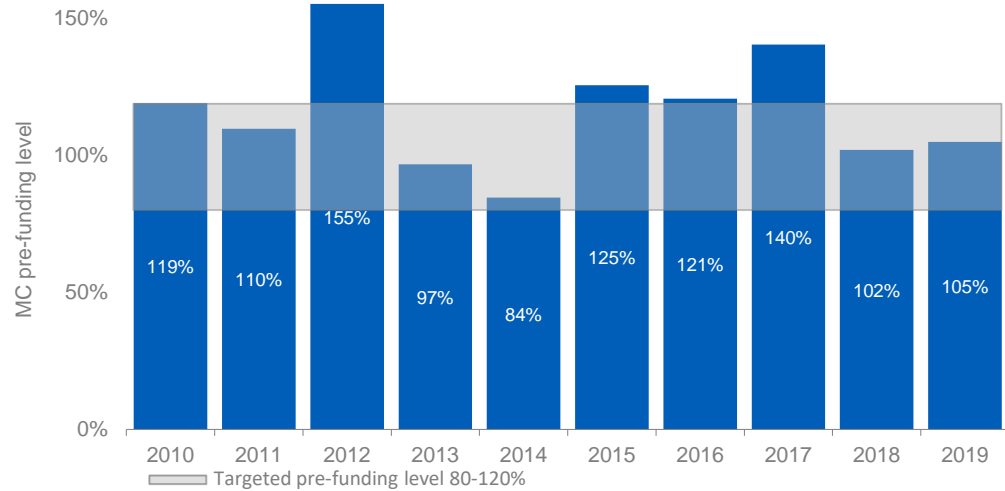
Estimated amortization table based on existing agreements

Year	Lease liability (start of year)	Instalment	Interest
2020	~\$197M	~\$45M	~\$14M
2021	~\$152M	~\$37M	~\$11M
2022	~\$116M	~\$37M	~\$8M
2023	~\$79M	~\$33M	~\$6M
2024	~\$46M	~\$23M	~\$4M
2025	~\$22M	~\$13M	~\$2M
Thereafter		~\$9M	~\$1M

Composition of 31 December 2019 lease liability

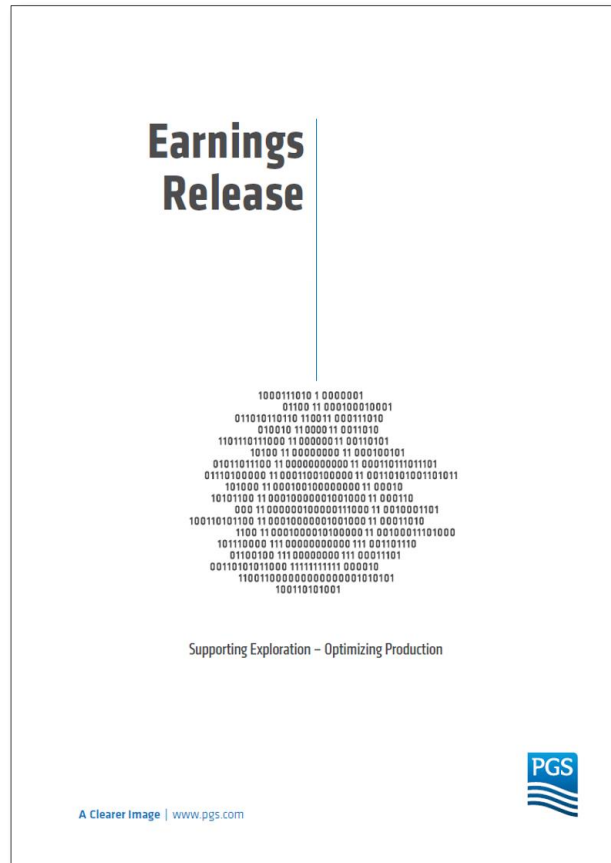


Solid Segment MultiClient Pre-funding



- Pre-funding (as a percentage of MultiClient cash investments) targeted to be 80-120%
- 2019 MultiClient cash investments of USD 244.8 million with a pre-funding level of 105%
- MultiClient cash investments in 2020 expected to be in the range of USD 250-275 million
- More than 50% of 2020 active 3D fleet capacity currently planned for MultiClient
- 2020 Segment MultiClient amortization expense expected to be approximately USD 375 million

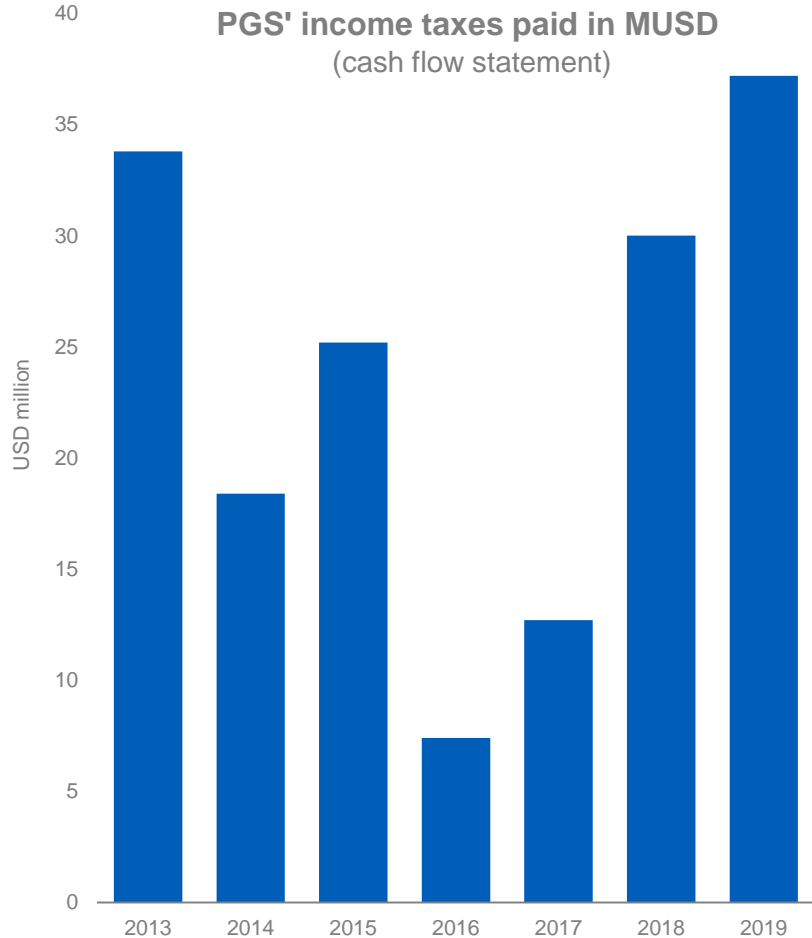
Expanding Segment Disclosures from Q1 2020



- Revenue recognition in Segment Reporting coincides with project progression, resource use and value creation

- From Q1 2020 PGS intends to expand its Segment Reporting to include:
 - Pretax profit and net income
 - Reconciliation of changes to the balance sheet and cash flow from IFRS 15

PGS' Tax Position



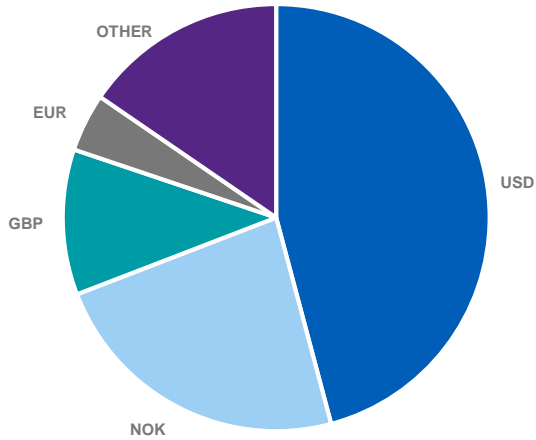
- Tonnage Tax regimes
 - PGS' Ramform Titan-class vessels are operated within the Norwegian tonnage tax regime

- Current tax/cash tax has typically been in the range of USD ~10-40 million annually
 - Mainly withholding taxes and local taxation in countries of operation where PGS has no tax losses to utilize
 - Will vary depending on area of operation
 - Substantial increase of Brazil and Egypt library revenues drives cash tax increases in 2018 and 2019

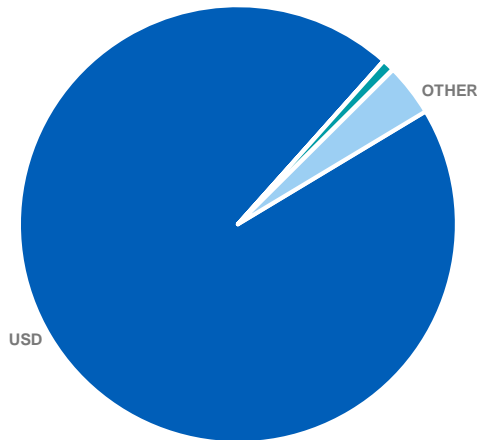
- Substantial deferred tax assets
 - 100% valuation allowance

Foreign Exchange and Sensitivity

CASH FLOW RELATING TO OPERATING PAYMENTS



CASH FLOW RELATING TO OPERATING RECEIPTS

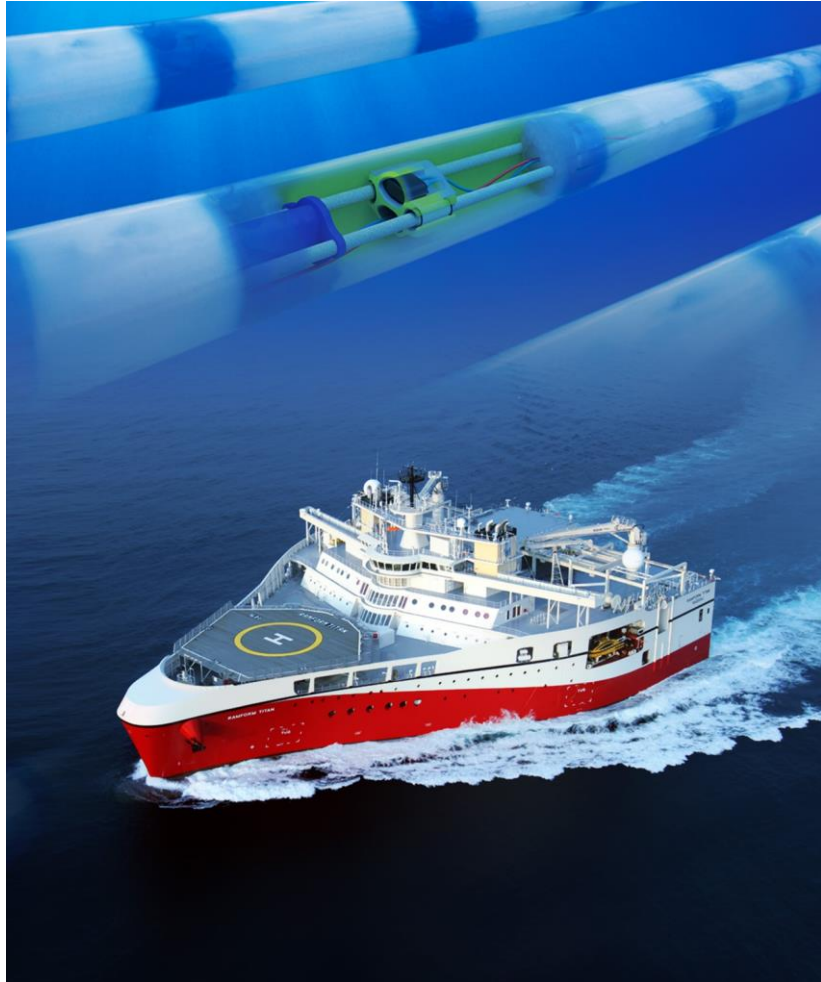


- A significant portion of operating payments (cash cost and CAPEX) is in non USD currencies
 - A 10% change of USD vs. NOK has an annual net EBIT impact of USD 12-15 million
 - A 10% change of USD vs. GBP has an effect of USD 5-7 million

- The Company's hedging decisions take into account correlations between operating environment and currency fluctuations
 - Net short term monetary positions in non USD currencies
 - Specific material firm commitments

- Leasing commitments in NOK will generally not be hedged

Summary



- 2020 and 2021 maturities refinanced

- Financial Priorities
 - Profitability before growth
 - Return on Capital Employed
 - Debt reduction

- Improving cash flow

- Maintaining cost and CAPEX discipline



Thank You

Questions?

Integrated Expertise

Acquisition, Imaging & Geoscience

January 30, 2020





Sales & Imaging

Nathan Oliver EVP

Integrated Expertise

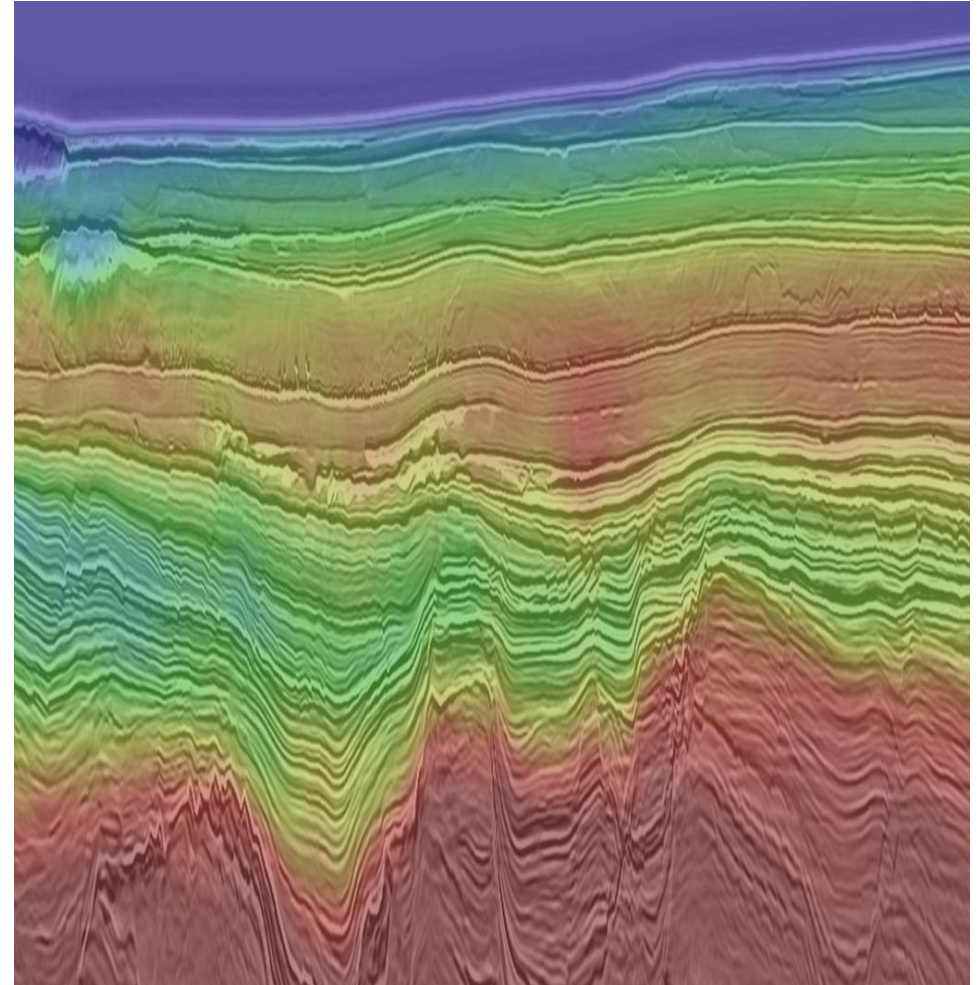
Acquisition, Imaging & Geoscience

January 30, 2020

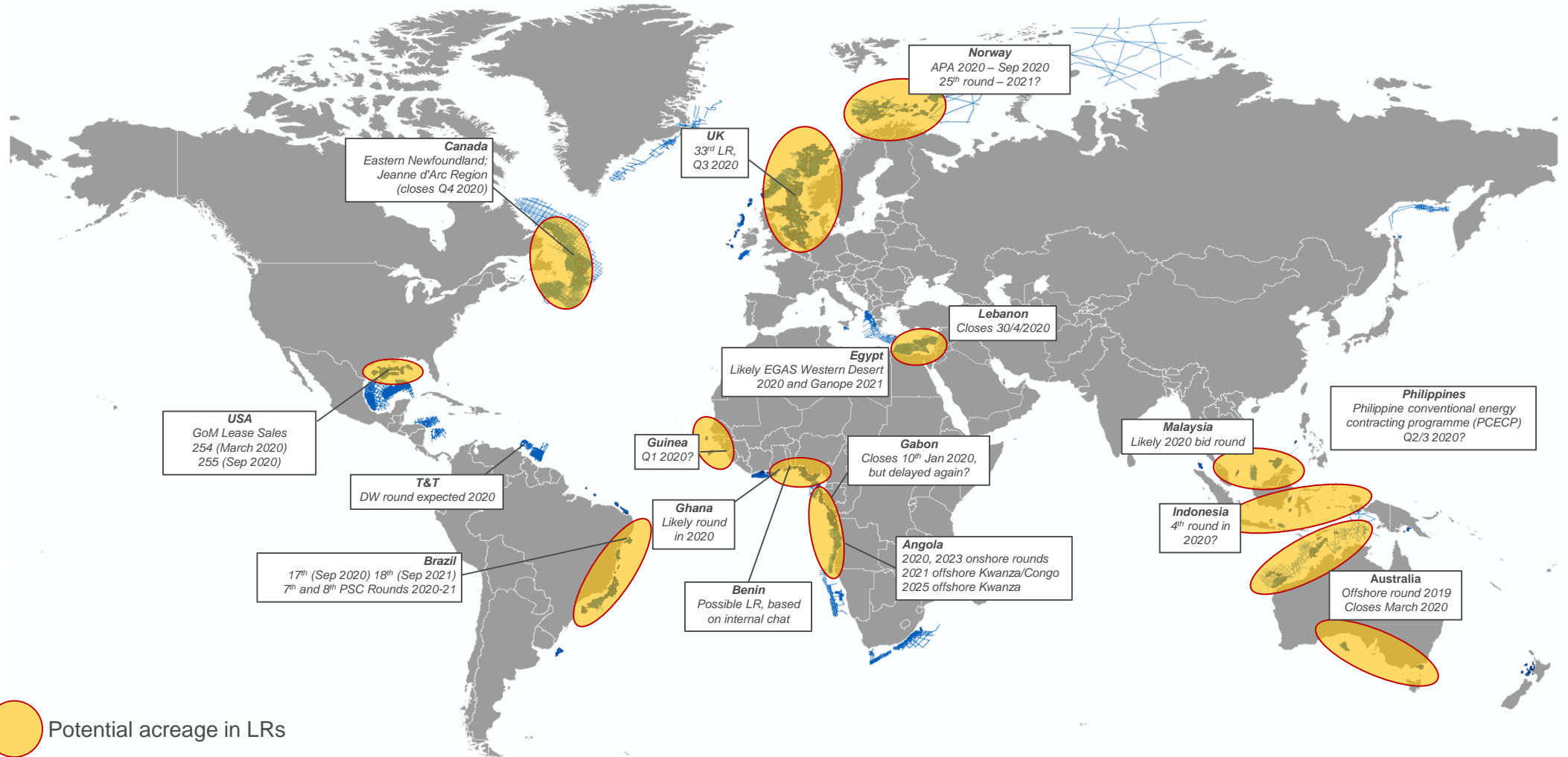


Outline

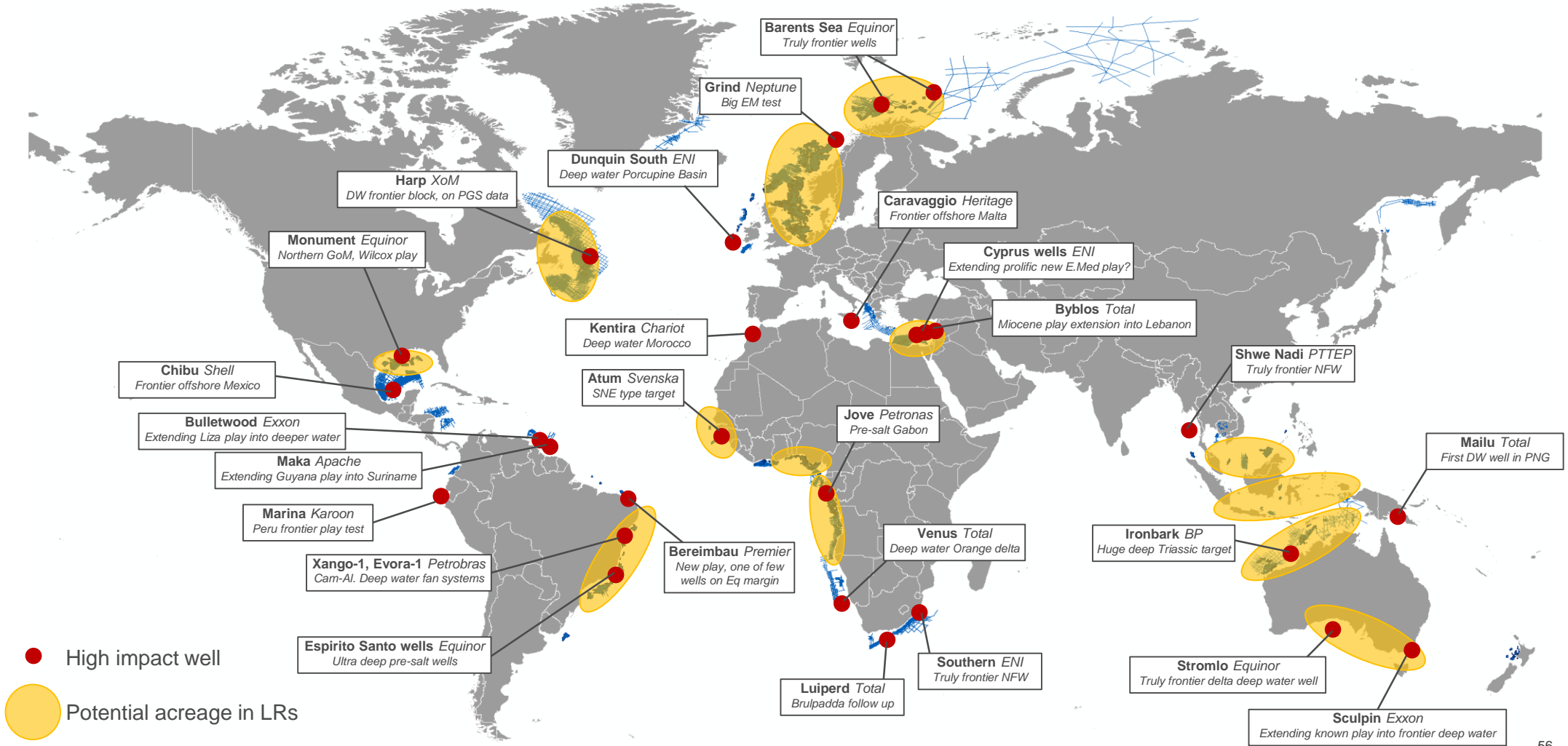
- Global E&P activity drivers deliver continued momentum offshore
- Industry seismic demand outlook is buoyant
- Reservoir 4D continues as a premium segment
- Integrated solutions create value in premium market segments
- Embracing digitalization to drive cost efficiency and turnaround



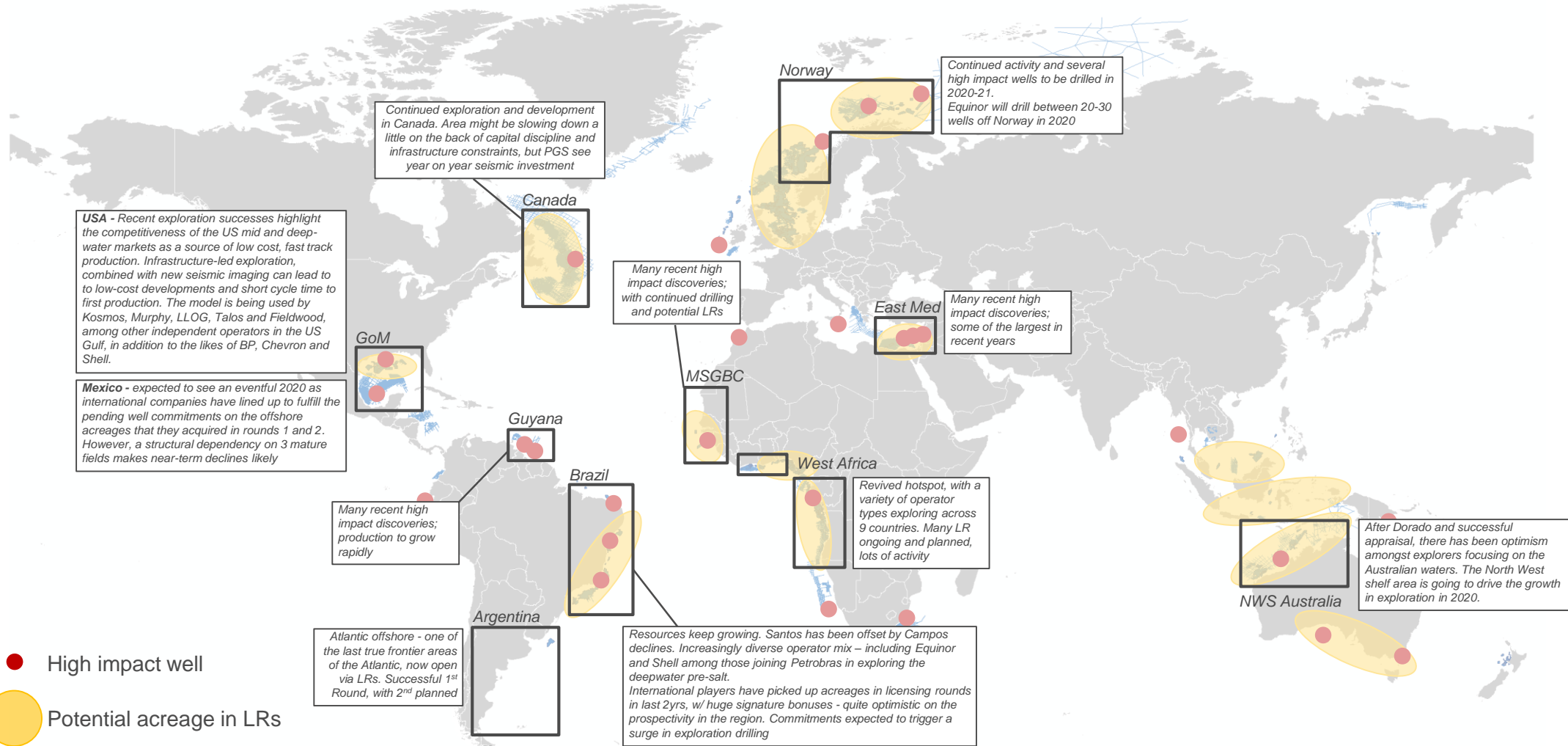
Global E&P Activity Drivers 2020/21 – License Round Acreage Availability



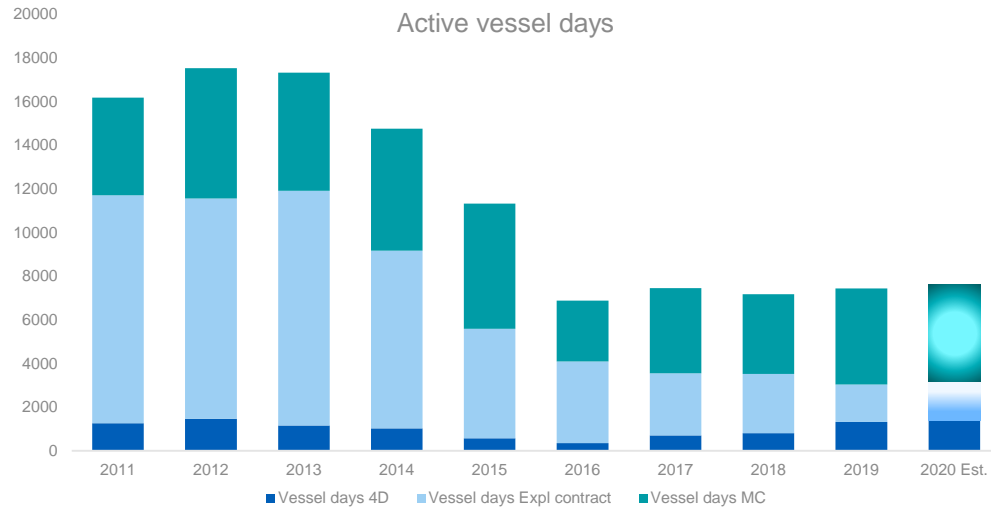
Global E&P Activity Drivers 2020/21 – High Impact Wells to Watch



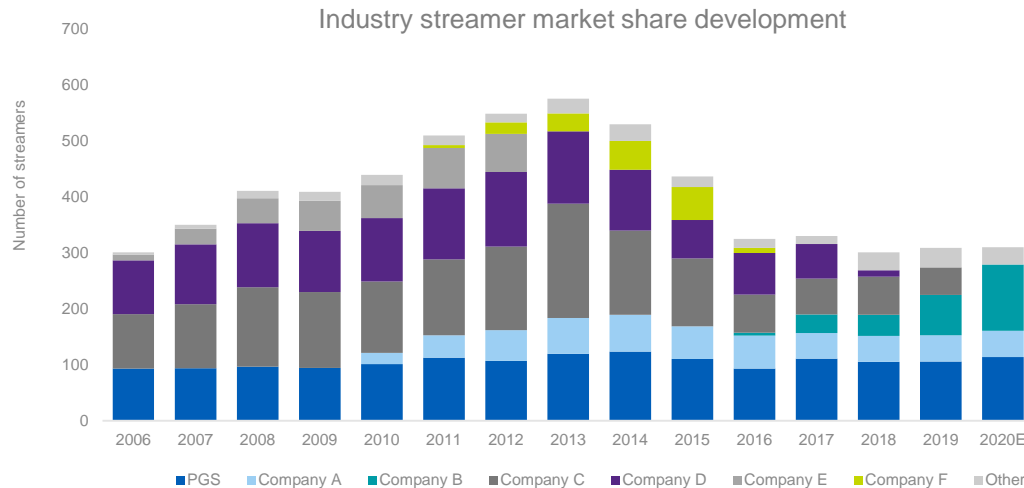
Seismic Activity by Geo-Market



Industry Demand Buoyant in 2019 – Though Fewer Square Kilometers

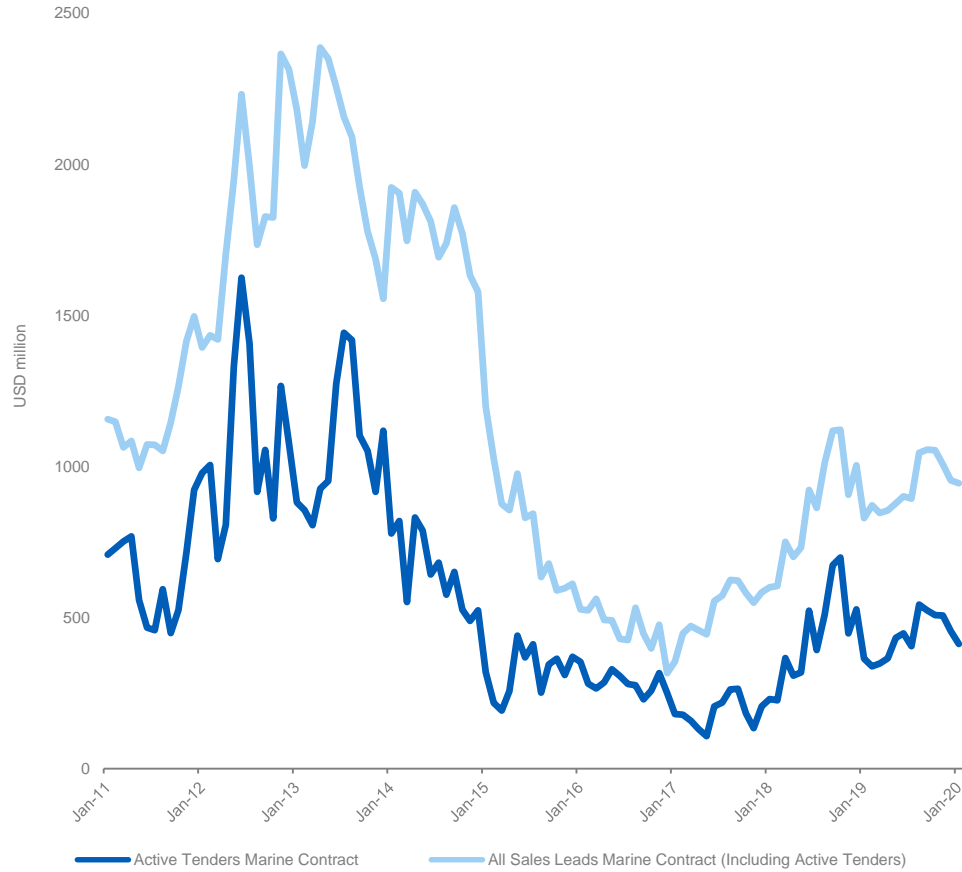


- Demand in 2019 driven by growth in the 4D and reservoir segment, at the expense of Contract exploration seismic
- 2020 activity is expected to be some 5-10% higher based on a slightly higher supply side and continued increased utilization
- The capacity allocation split between Contract and MultiClient for the industry is expected to be similar to 2019 at approx. 45/55%



- Total industry capacity in 2019 was relatively flat compared to the prior year on an annual basis
- We expect a slightly higher supply side in 2020 of some 5-10% compared to 2019 on an annual basis

Demand Continues to Trend Upwards in 2020



PGS In-house Contract Bids+Leads

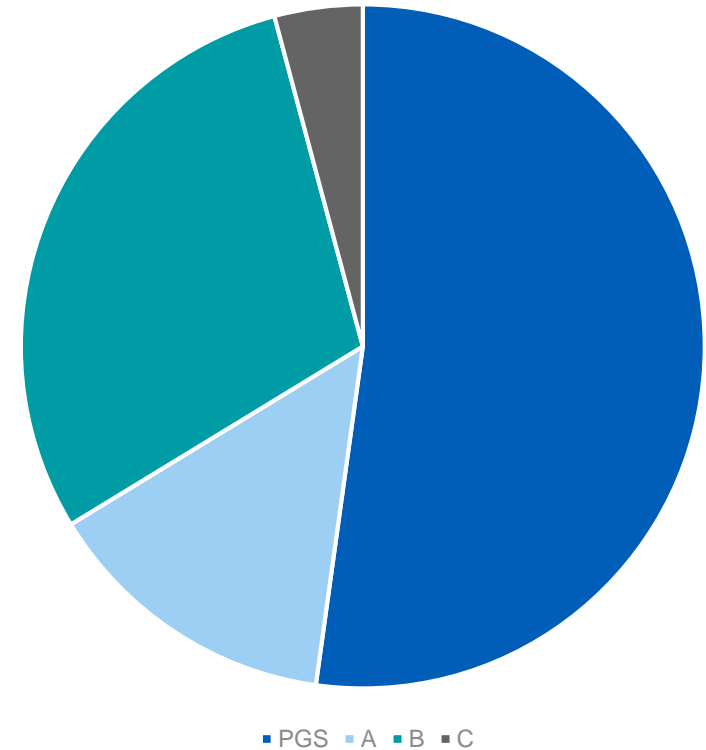
Contract bids to go (in-house PGS) and estimated \$ value of bids + risk weighted leads as of Jan, 2020

- Order book increased in 2019 resulting in improved utilization and efficiency with rates close to 40% higher vs. average 2018
- Good momentum coming off the back of the best winter season industry has seen for several years with bookings significantly up
- Contract pricing is expected to increase in 2020, aided by industry discipline, consolidation and polarization, albeit at a more modest pace to 2019

The Premium 4D Reservoir Market is Driven by Demand and Technology

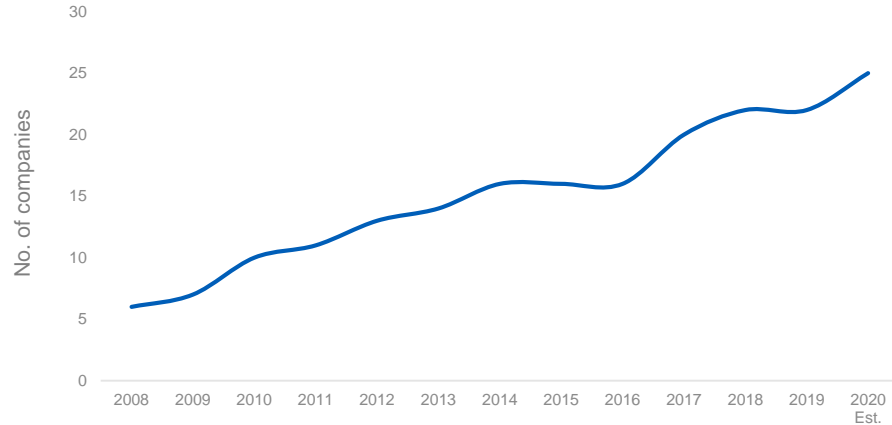
PGS continues to dominate 4D market share as the only player with a significant fleet equipped with multi-sensor technology:

- Multi-sensor technology on all vessels
- Large, high density streamer spreads
- Only player in the Contract space with integrated development of acquisition and imaging tools for 4D/reservoir seismic

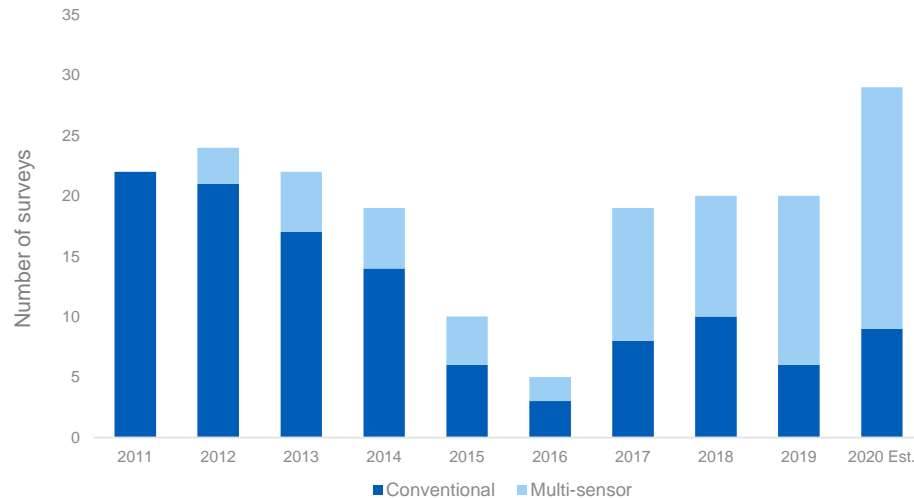


Market shares based on activity levels 2019

Proven 4D Technology Differentiation and Customer Adoption



- The adoption of 4D has grown steadily over the last decade, with the number of companies that have applied 4D to one or more of their fields having increased 5-fold
- Acquired the world's largest 4D baseline survey in 2019
- All new major discoveries now generally considered for 4D production optimization early in the development cycle



- Continued growth in the use of multi-sensor technology
- GeoStreamer® technology polled by major oil companies as the benchmark 4D acquisition system
- 4D surveys shot with multi-sensor baselines, remain multi-sensor throughout the 4D campaign life-cycle

Integrated Solutions Create Value in the Premium 4D Reservoir Market

Extract More

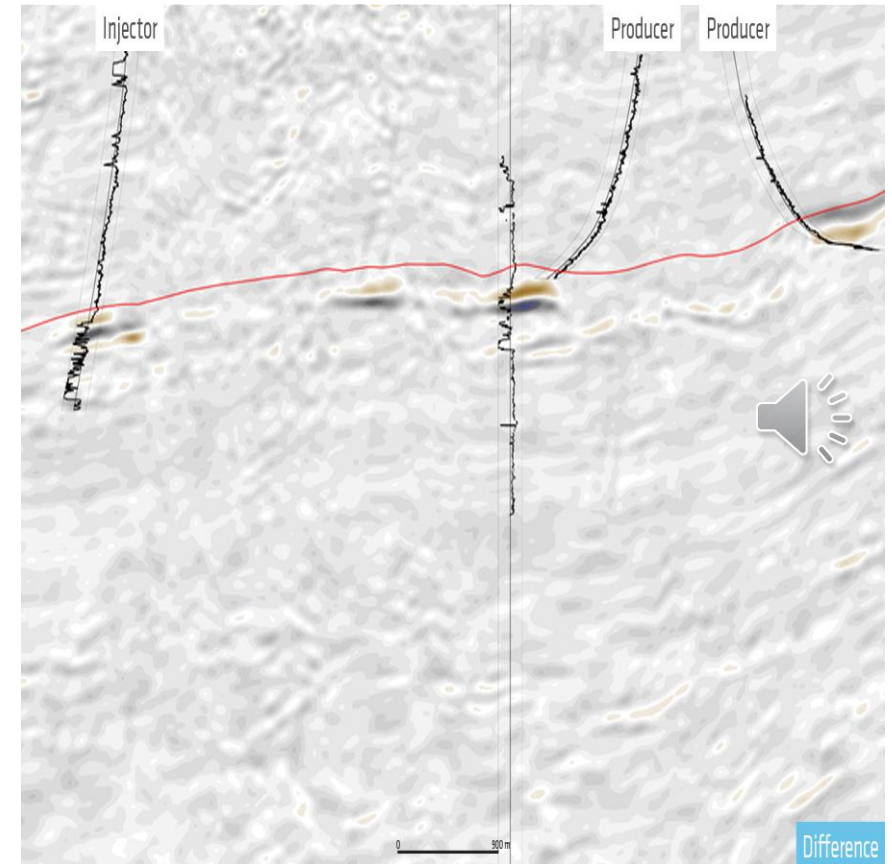
- *GeoStreamer multi-sensor technology provides enhanced detection and characterization of reservoir changes*

Enabling Rapid ROI for Customers

- *Fast and accurate delivery of valuable reservoir information enables e.g. superior well placement and decision making*

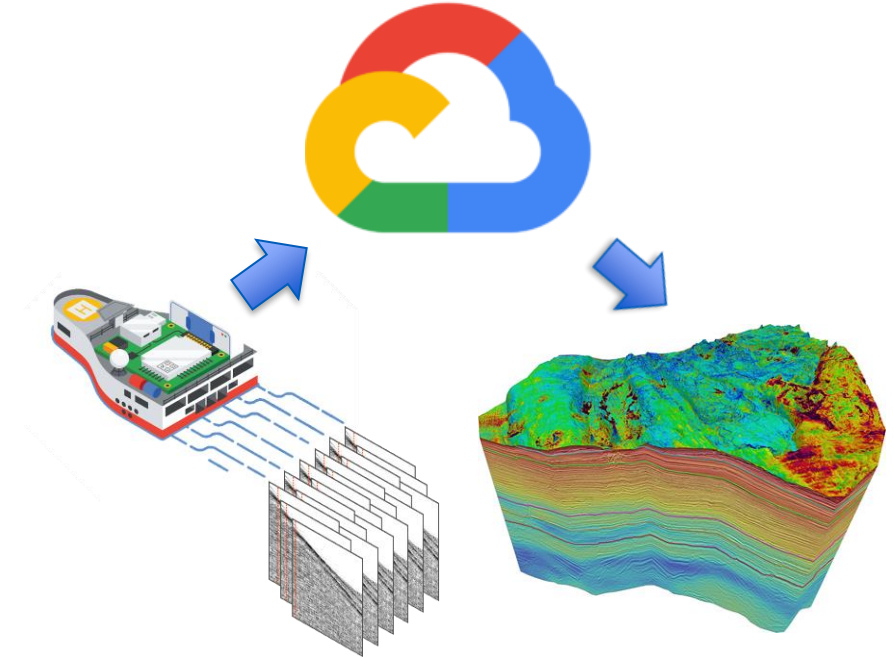
Profitable & Differentiated Growth Potential

- *An integrated offering uniquely positions PGS to enable adoption of reservoir monitoring technology by a customer segment new to 4D*



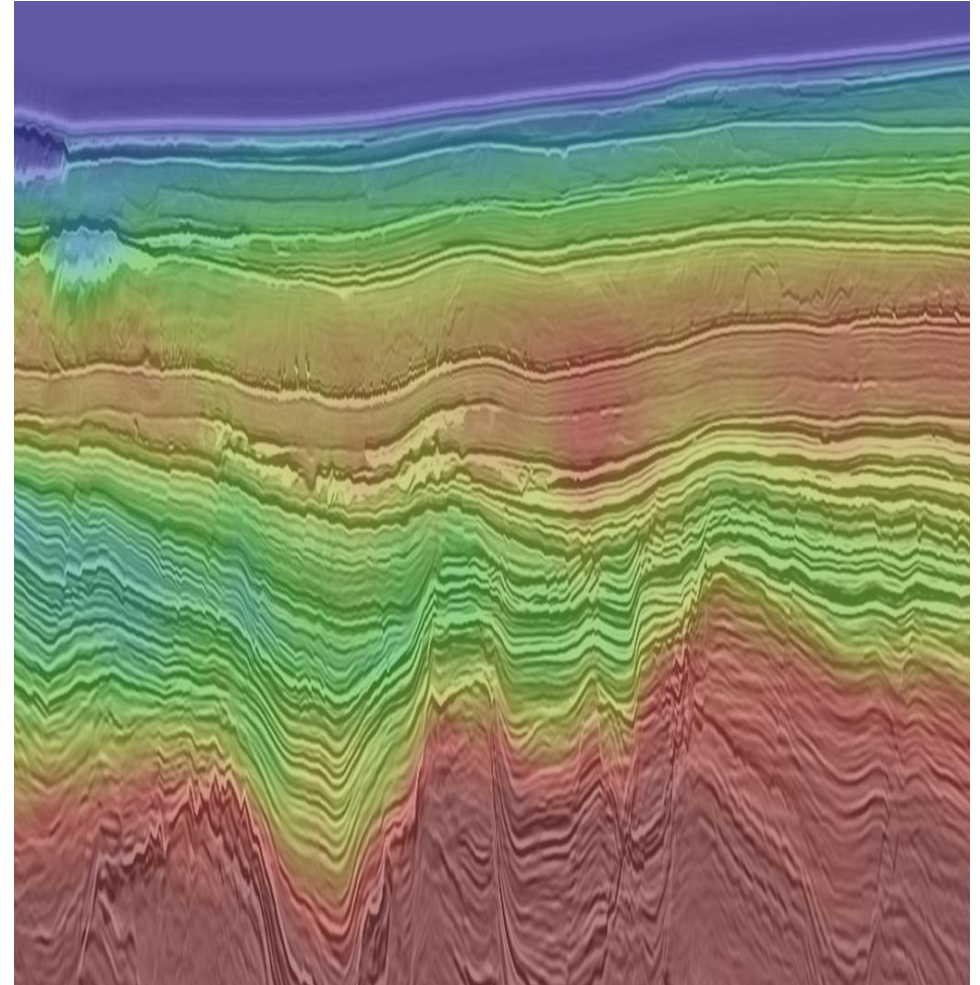
Digitalization Enablers – High Performance Compute (HPC) in the Cloud

- Delivers reduced turnaround time and increased productivity through scalability of the Google Cloud Platform (GCP)
- Reduces CAPEX investments and facilitates rapid adoption of the latest developments in new compute technologies
- Provides access to infrastructure for AI and Machine Learning applications in seismic imaging and interpretation
- Enables collaborative workflows with our customers through industry standard platforms and opens the door to new commercial models



Summary

- Global activity drivers support continued momentum in the offshore E&P segment
- Strong utilization and pricing improvements in the Contract segment in 2019
- Bookings significantly up YoY and pricing expected to increase at more modest pace in 2020
- The 4D reservoir market continues to be a premium segment differentiated by multi-sensor technology
- PGS continues to be uniquely positioned as the only fully integrated player with market leading acquisition and imaging technology





New Ventures

Berit Osnes EVP

Integrated Expertise

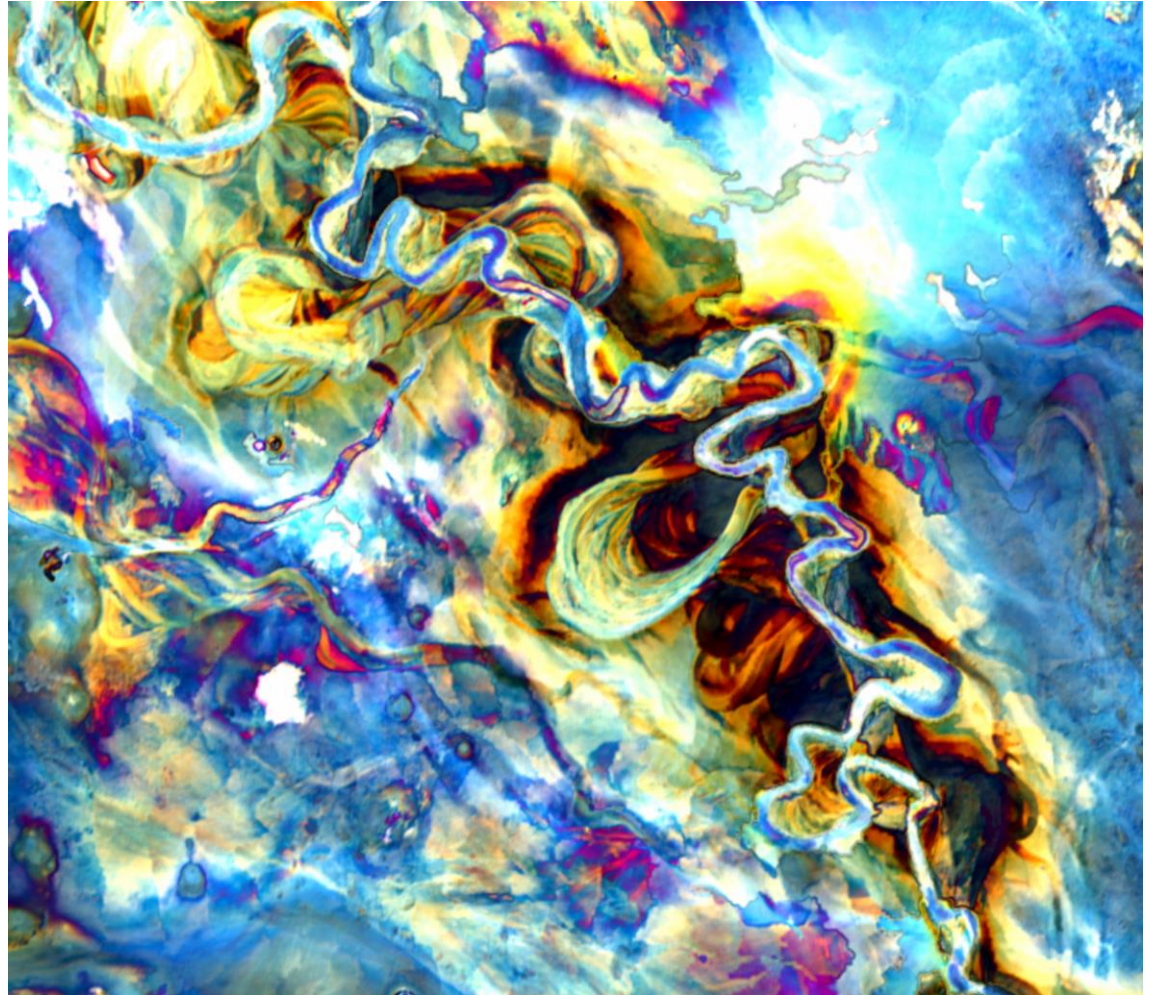
Acquisition, Imaging & Geoscience

January 30, 2020

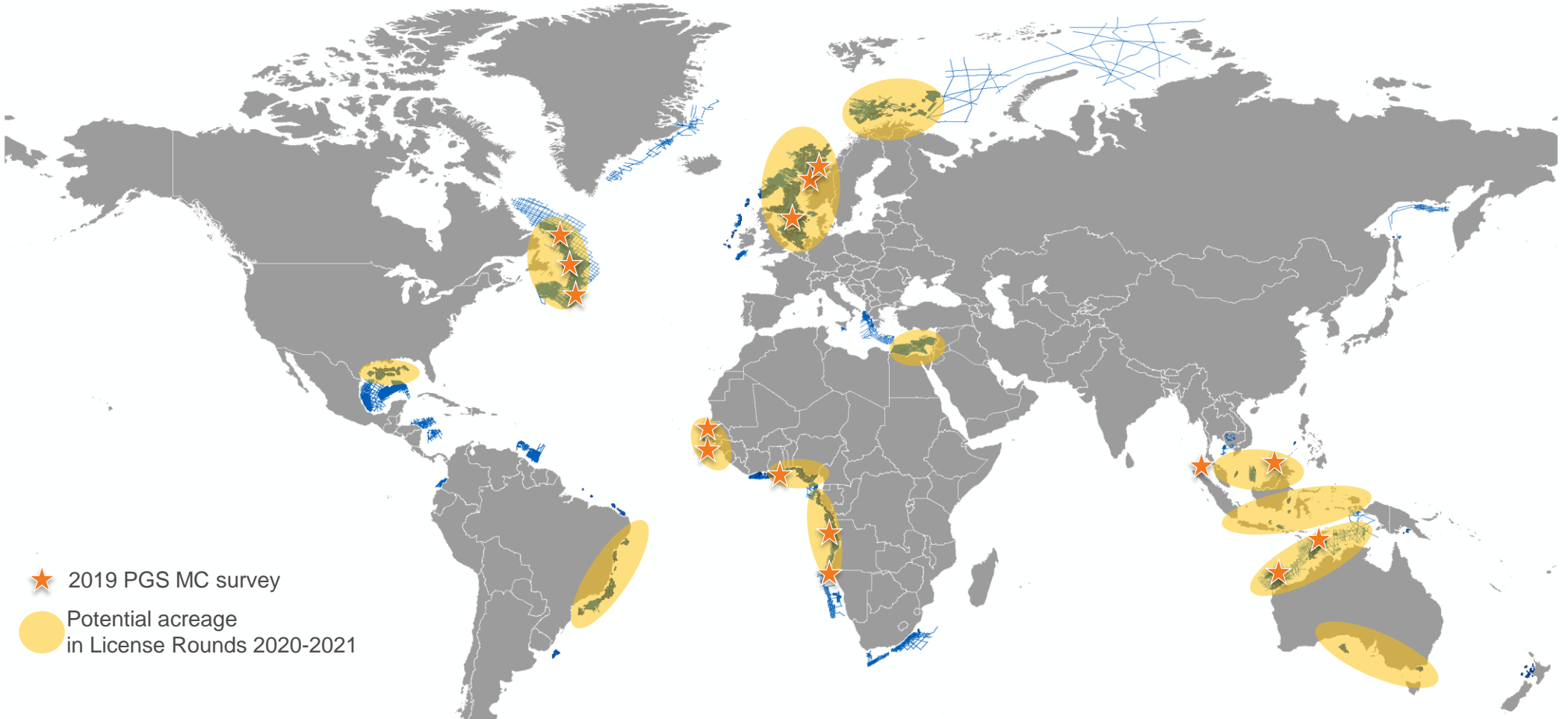


Outline

- Data library development
- The fully integrated seismic provider
- MultiClient Data Library in the Cloud
- 2019 MultiClient performance
- Summary



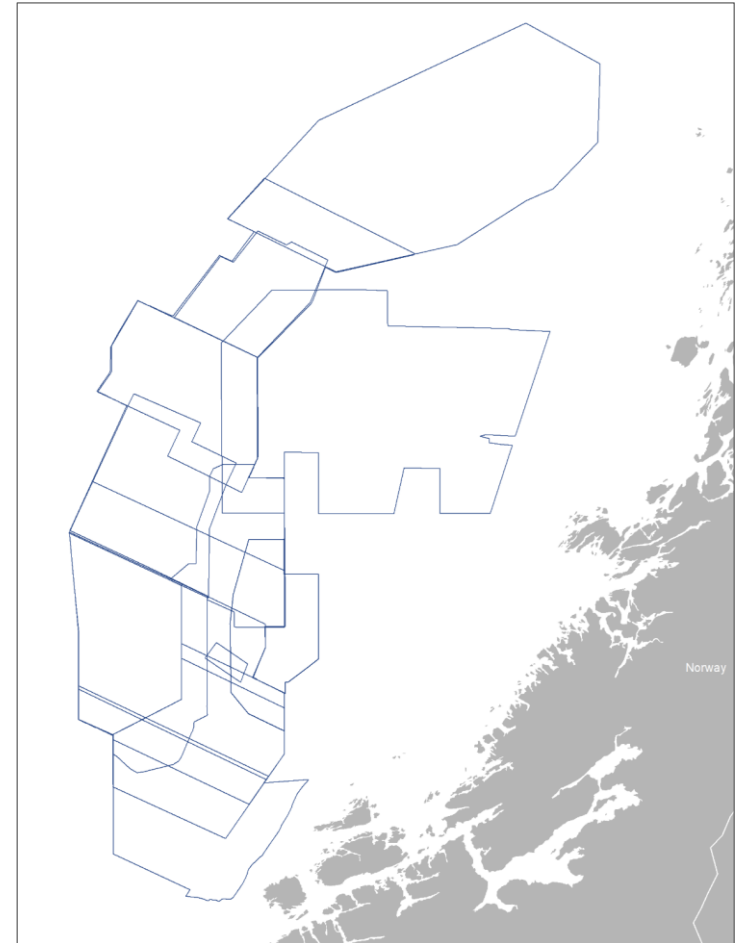
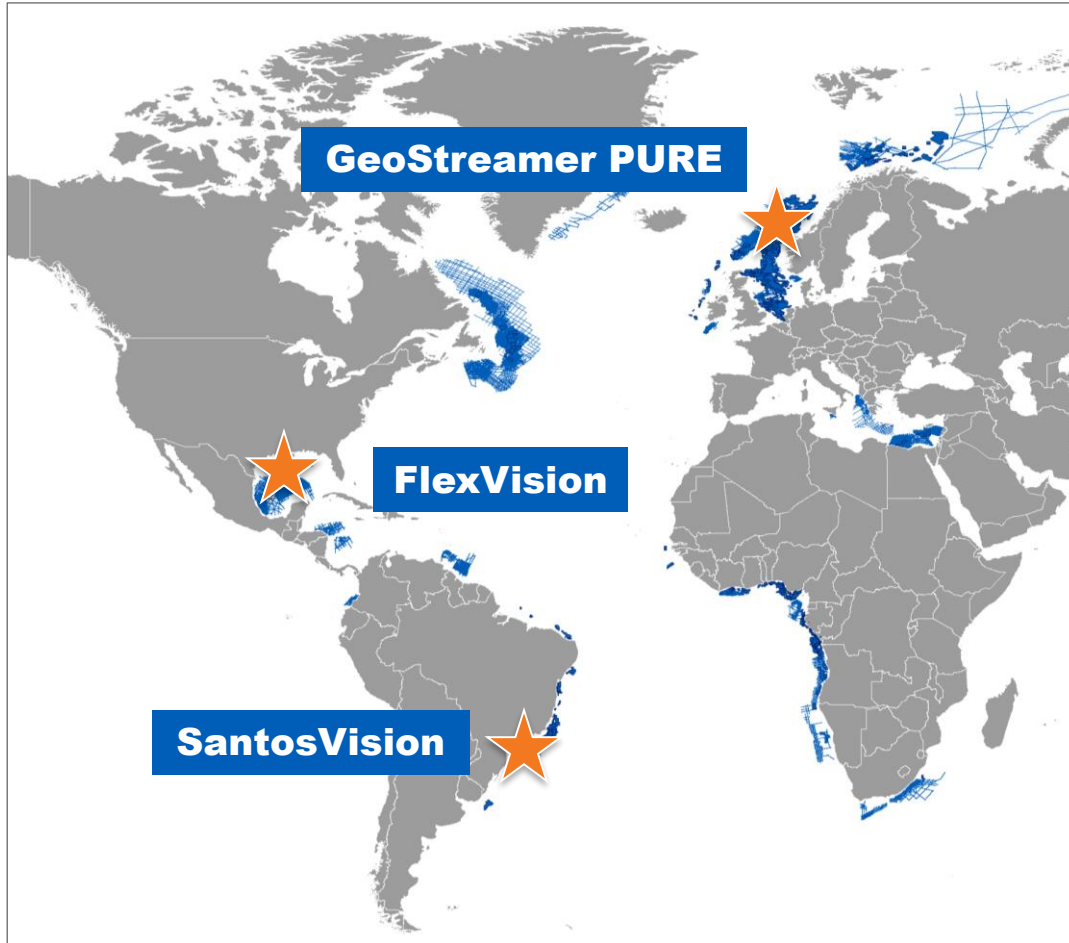
PGS Data Library Development in 2019



- ★ 2019 PGS MC survey
- Potential acreage in License Rounds 2020-2021

~ 900 000 sq. km MC3D ~ 660 000 km MC2D > 800 000 sq. km MegaSurvey

PGS Data Library Development through Rejuvenation

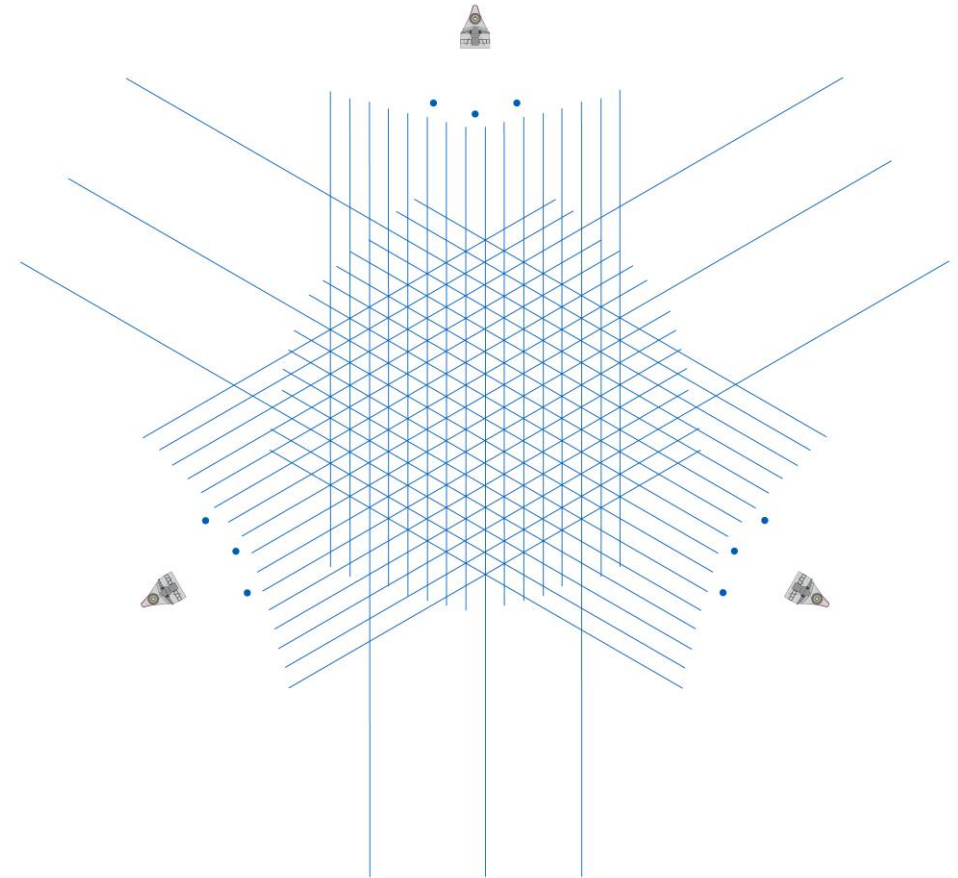


GeoStreamer X

Redefining Multi-azimuth acquisition as a fast and smart solution for high definition exploration

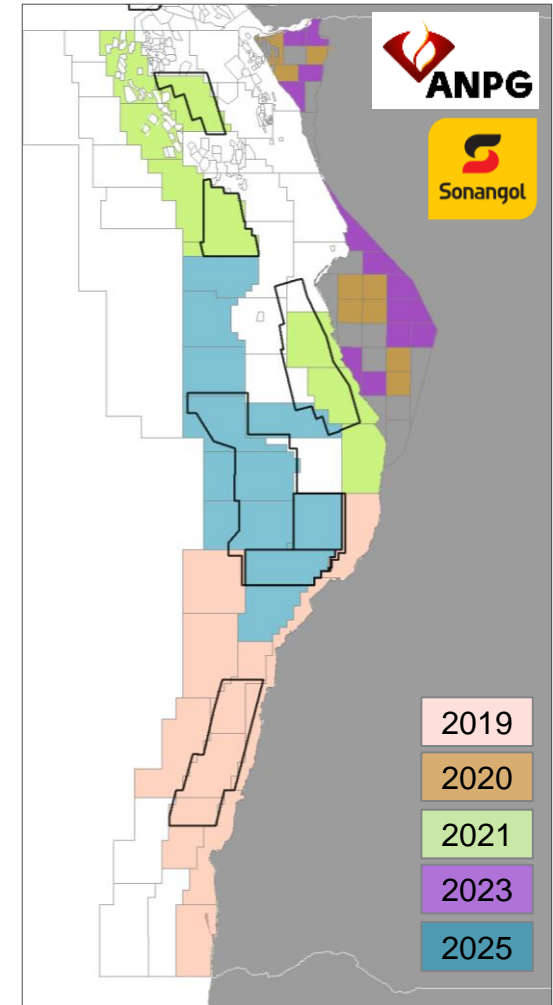
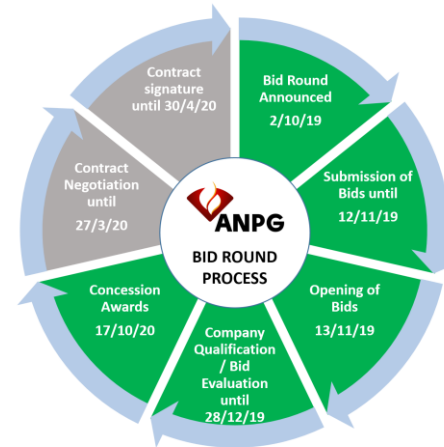
**Pilot survey conducted in Norway late autumn 2019
First delivery in Q1 2020**

- Variable streamer length
- Multi-source setup
- High streamer count
- Wide-tow sources
- Flexible multi-azimuth design



Integrated Approach has Established PGS as a Key Player in Angola

- PGS is a trusted industry partner in Angola with historical commitment to investment in country
- Our integrated business model offers the required full suite of 3D and 4D end-to-end solutions
- Our MultiClient agreement enables a substantial acceleration of exploration timelines
- New License Round system provides transparency and business continuity



Supporting Exploration, Optimizing Production
 Acquisition | Imaging | Interpretation | R&D | MultiClient | Contract

MultiClient Data Library in the Cloud

“Data at your fingertips” for added value

Enable industry wide collaboration

- Open and common standards
- Joint industry initiatives ongoing

Next generation client-interface solutions

- Improve data access/delivery experience; enable data interaction within the cloud
- Provide new services, functionality and business models
- Integrate cross-domain subsurface data types
- Pave the way for AI/ML for exploration



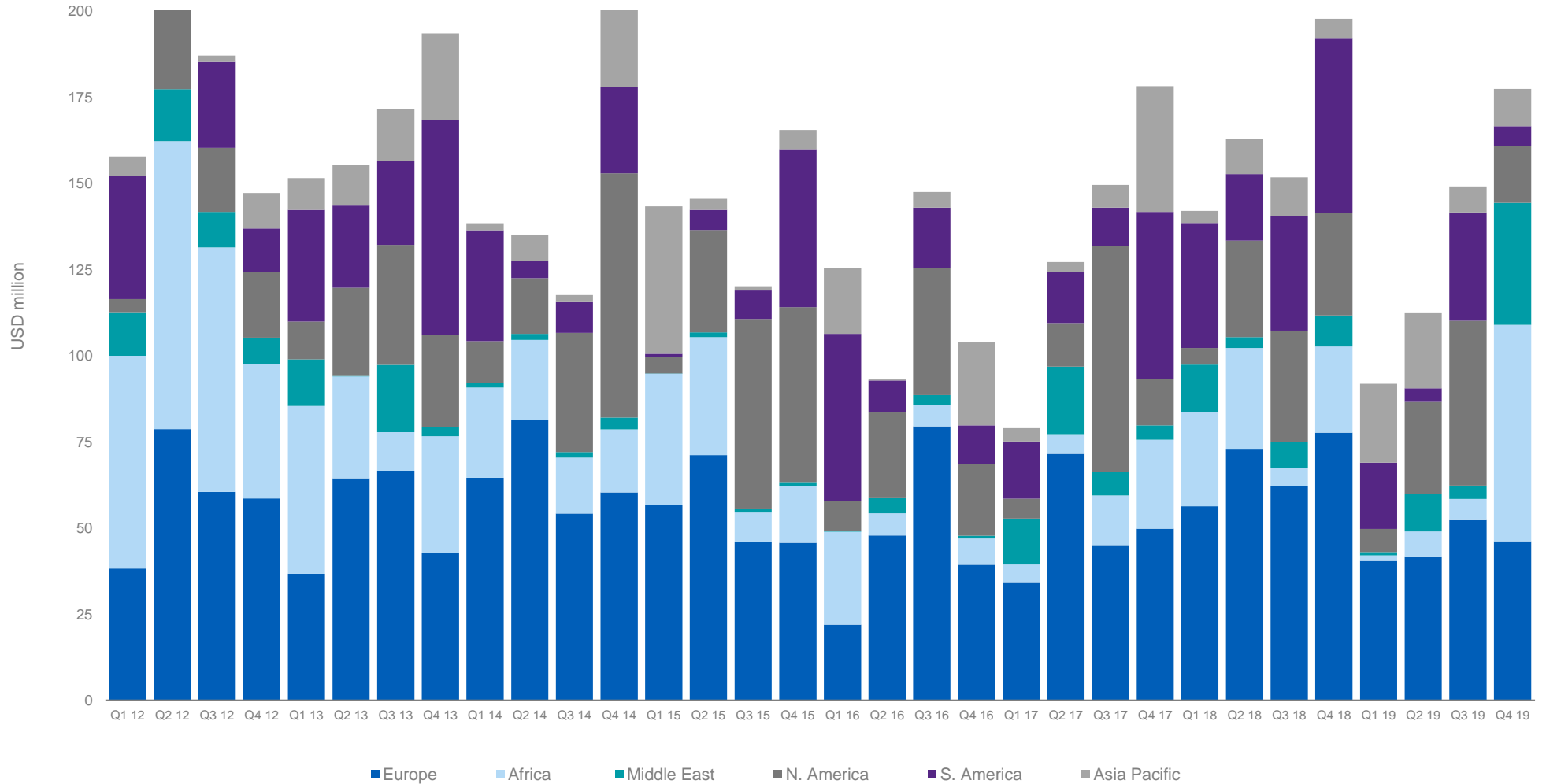
PGS has added rockAVO capability and Atlases to its portfolio - the bridge between geology and seismic.



Supporting Exploration, Optimizing Production

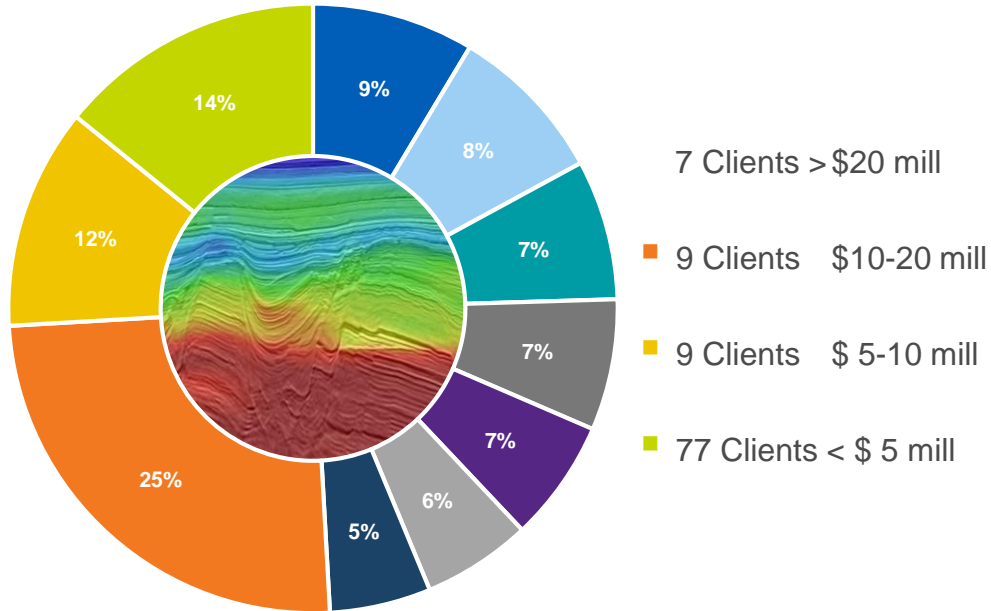
Acquisition | Imaging | Interpretation | R&D | MultiClient | Contract

MultiClient Library Diversity

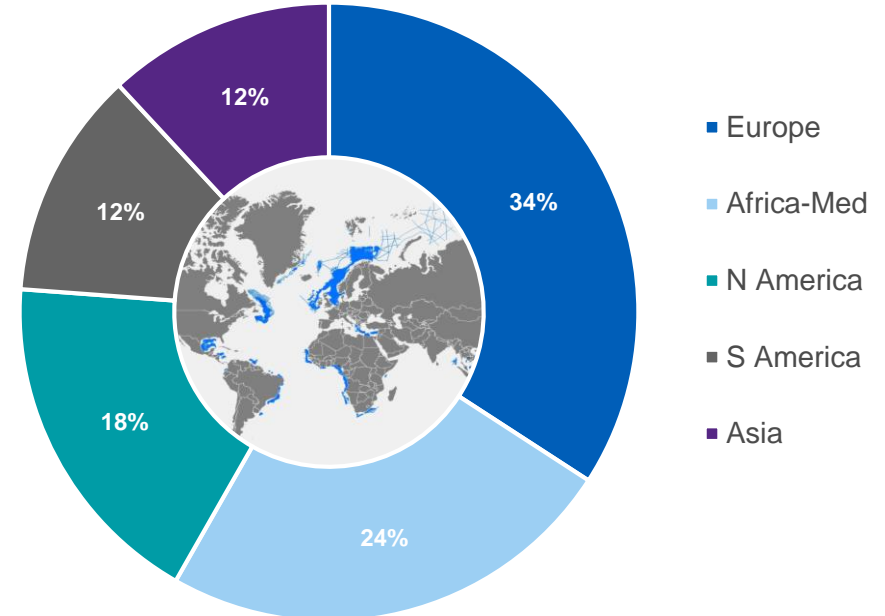


2019 MultiClient Revenues

2019 Client Distribution

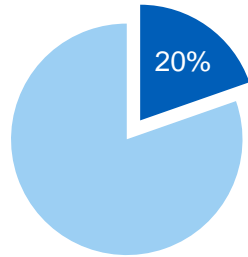


2019 Regional Revenue Distribution

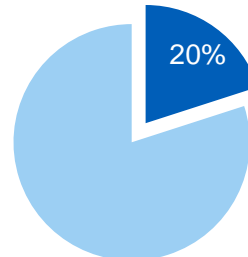


>100 Clients and Good Geographical Diversity

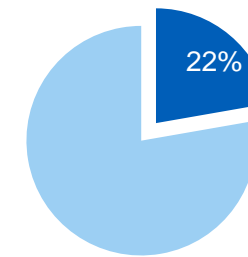
PGS MultiClient Performance: Peer Group Comparison



Net book value

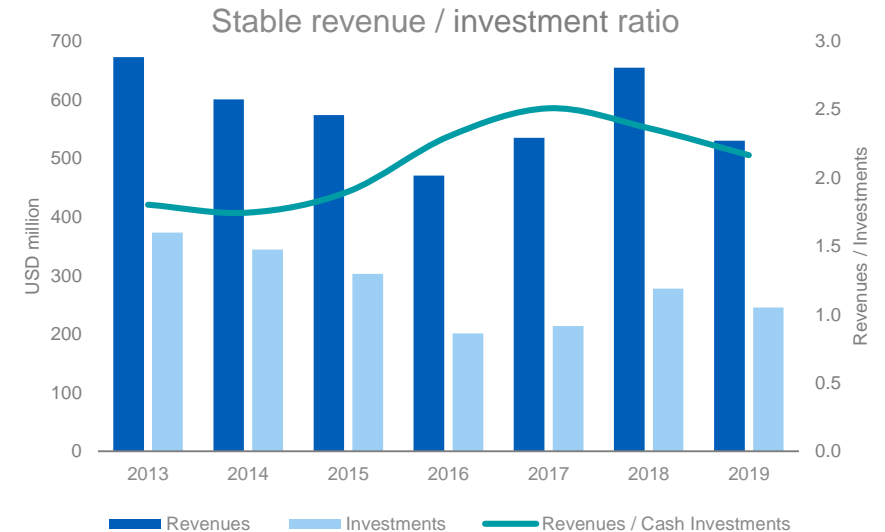
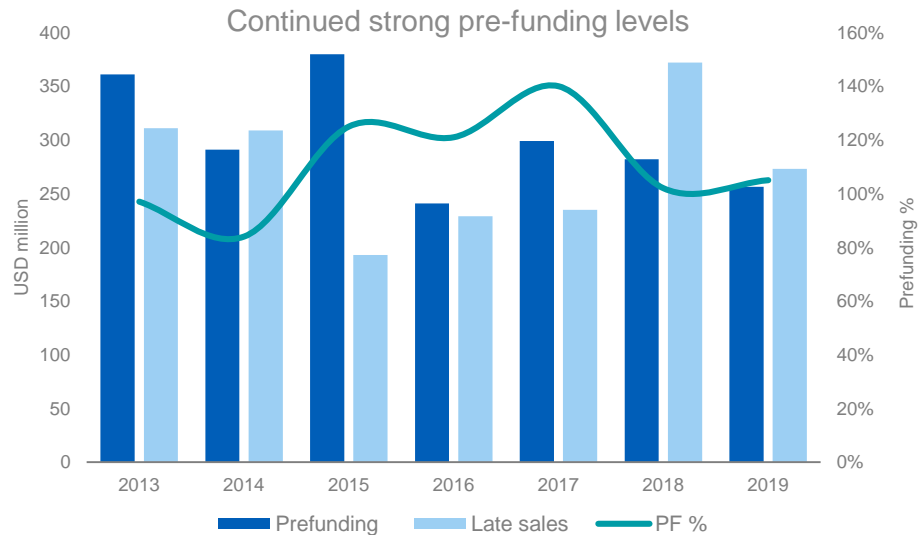


Revenues (LTM)



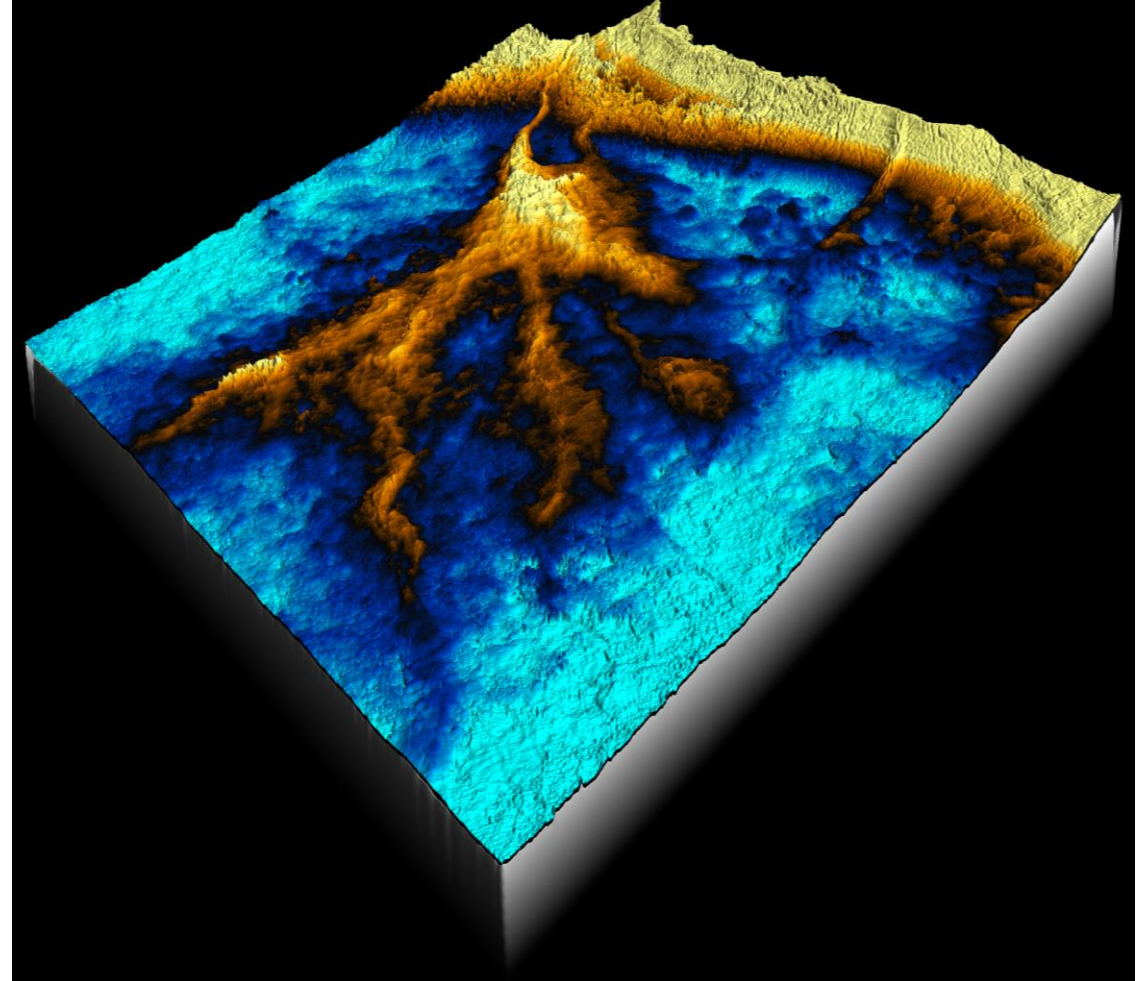
Cash Investments

■ PGS ■ Peer group WG, TGS, CGG, SPU (all consensus) and PGS



Summary

- 2019 delivered strong revenues and a good portfolio of projects for future growth
- MultiClient benefits from PGS being the only fully integrated seismic provider and technology leader
- Cloud access to data opens up new business opportunities
- Continued focus on MultiClient, with a planned 2020 cash investment level in the range of USD 250-275 million
- Target revenue / cash investment ~ 2.5 over time from balanced and geographically diverse data library





Operations & Technology

Rob Adams EVP

Integrated Expertise
Acquisition, Imaging & Geoscience

January 30, 2020

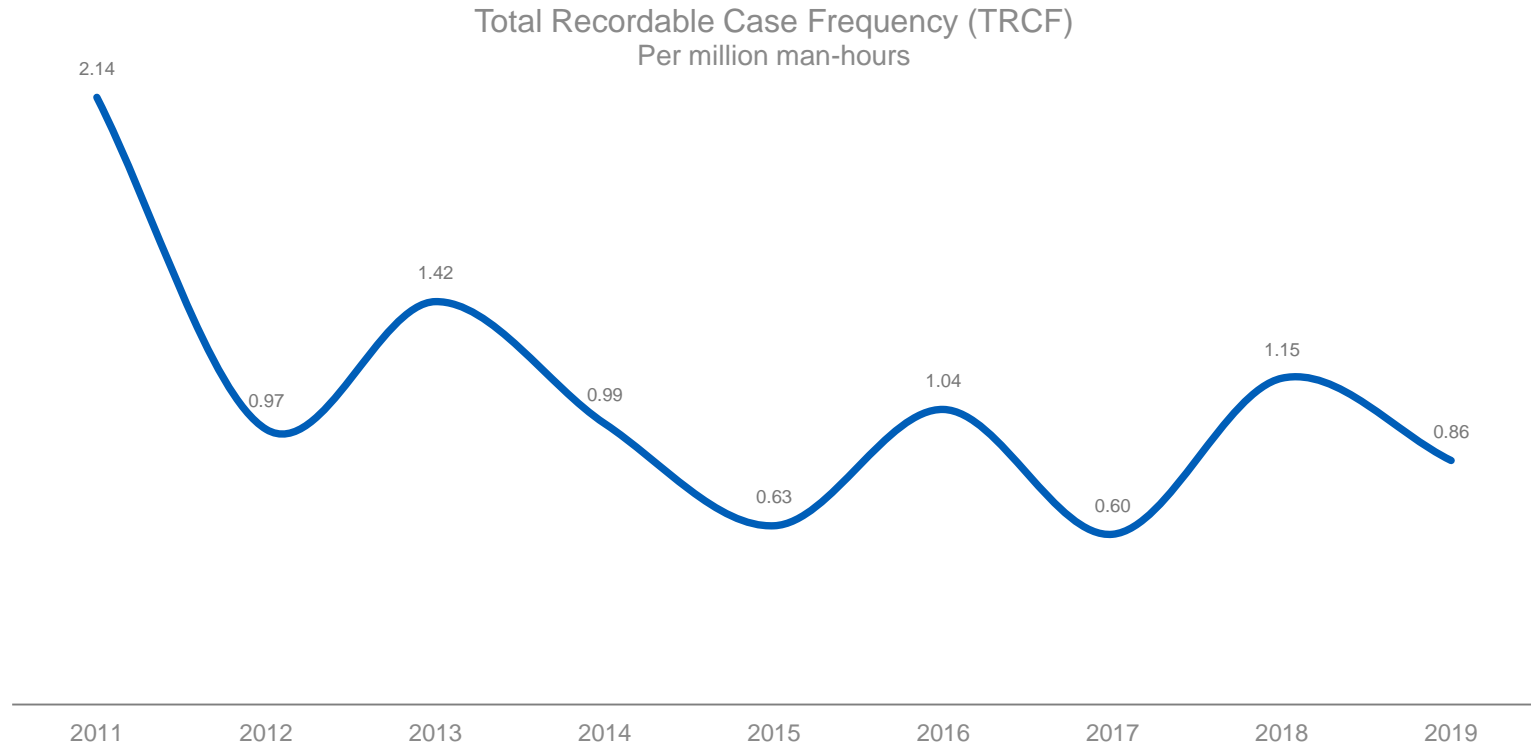


Operations & Technology Presentation



- Safety performance
- **Environmental Social Governance**
 - IMO regulation change
- Fleet Update
- R&D
 - Strengthening competitive advantages through digitalization and new technology
- Streamer inventory and plans
- Conclusion

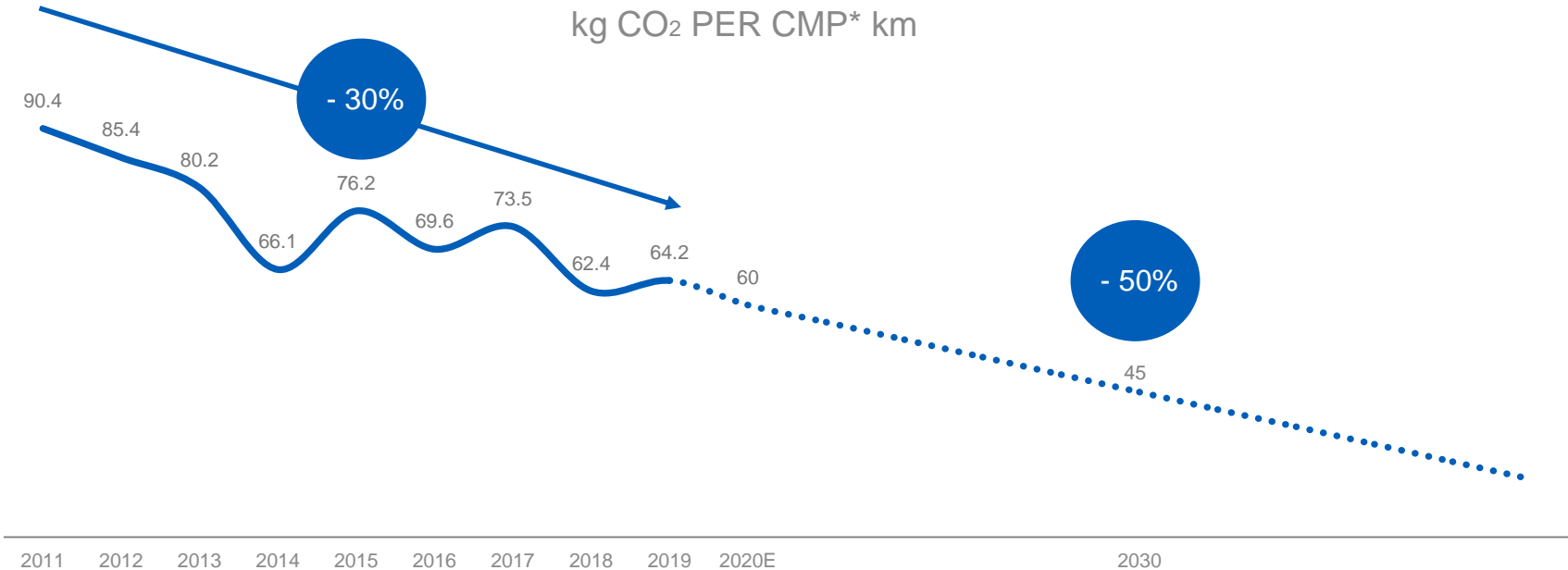
HSEQ Performance: Among Industry Leaders



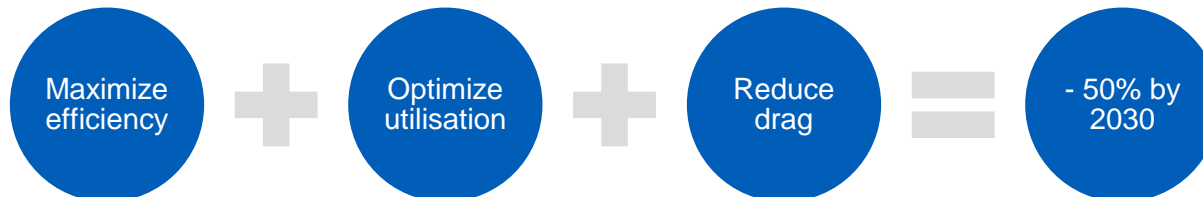
No compromise on safety or operational robustness

Operational safety is priority number 1 in PGS - protecting our crews, assets and the environment

PGS and the Climate Challenge



PGS is committed to further reducing the emissions per data unit



*Common Mid Point ("CMP") describes the half way point between source and receiver for each shot point (sources firing) and is a metric for the amount of data acquired. Increasing the number of sources or receivers results in a larger number of CMP kilometers per survey.

Reduction in t CO₂ per CMP compared to 2011.

PGS and the Oceanic Environment

OUR COMMITMENT

Leave the oceans as we find them

- ✓ We carefully plan and conduct our operations
- ✓ We shut down operations if marine mammals are sighted
- ✓ We respect local communities and fisheries
- ✓ We throw nothing overboard and leave nothing behind

OUR AMBITION

Contribute to healthier oceans

- ✓ Fight plastic pollution
- ✓ 200t debris removed from oceans in last 5 years
- ✓ Share ocean data with researchers
- ✓ Help map the entire ocean floor by 2030

Seismic operations are safe and leave no permanent environmental footprint

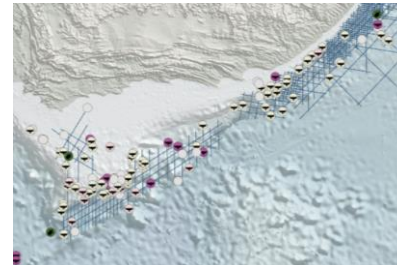


JAGC
Ghost
Net
Initiative

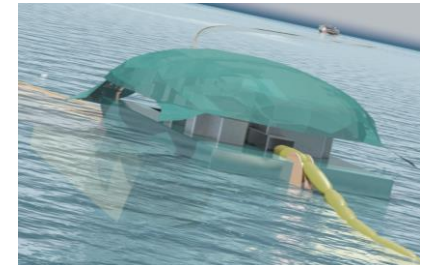
RESCUING MARINE LIFE FROM ENTANGLEMENT IN GHOST NETS



REMOVING GHOST NETS AND DEBRIS FROM THE OCEAN



SHARING OCEAN DATA WITH THE SCIENTIFIC COMMUNITY



THE FIRST ATTEMPT AT LARGE SCALE ACTIVE SWEEPING FOR PLASTIC

Meeting the IMO Regulation Change



**Remaining PGS vessels
use MGO or low sulphur fuel**

- From 2020 all ships have to use fuel oil with a sulphur content less than 0.50% or clean the exhaust gases
- The Ramform Titan-class vessels were designed to accommodate scrubbers:
 - Scrubbers are cleaning chambers where the sulphur-compounds are removed from the exhaust by running it through large amounts of sea water
- Three Ramform Titan-class vessels will have scrubbers installed in 2020 and the fourth in 2021
 - Scrubbers allow use of HFO on all Titan-class vessels: A significant cost advantage
 - Pay-back time for the investment less than two years

A Flexible Fleet



RAMFORM **Hyperion**



RAMFORM **Tethys**



RAMFORM **Atlas**



RAMFORM **Titan**



RAMFORM **Sovereign**



RAMFORM **Vanguard**



PGS **Apollo**



SANCO **Swift**

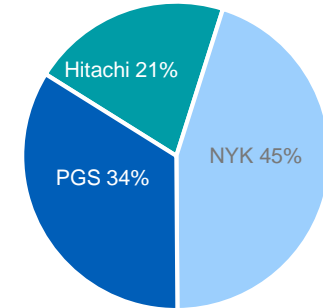
- PGS will have eight 3D vessels (“the active fleet”) fully equipped at all times
- If needed, PGS can scale down active operations to six vessels and reduce costs including crew accordingly
- PGS can return cold-stacked capacity to capitalize on a continued rising market

OGF and the Tansa Project

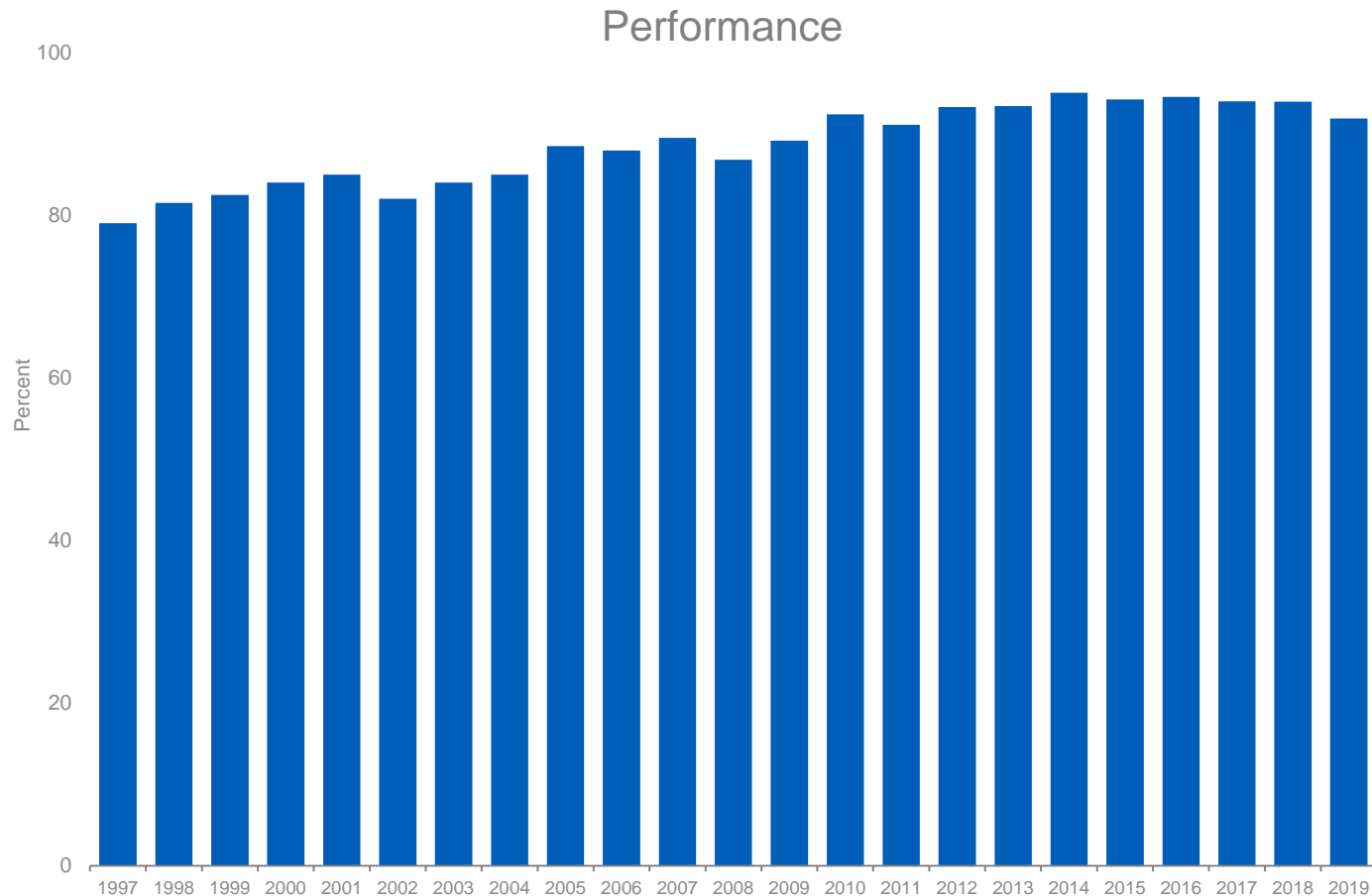
- In 2007 PGS sold *Ramform Victory* to JOGMEC and supported the Shigen project from 2007 to March 2019 when the project was completed

- In November 2018 the JV Ocean Geo-Frontier (“OGF”) was awarded a new project with start up in 2019 and expected duration of 10 years:
 - OGF comprises NYK, Hitachi and PGS, and is based in Tokyo
 - OGF is running the seismic vessel *Tansa*, owned by JOGMEC, and processing the seismic data acquired by *Tansa*
 - *Tansa* was earlier *Ramform Sterling*, sold from PGS to JOGMEC for approx. USD 100 million in 2019

Ocean Geo Frontier



Maintaining Industry Leading Performance (TBU)



Sharp focus on planning and risk mitigation

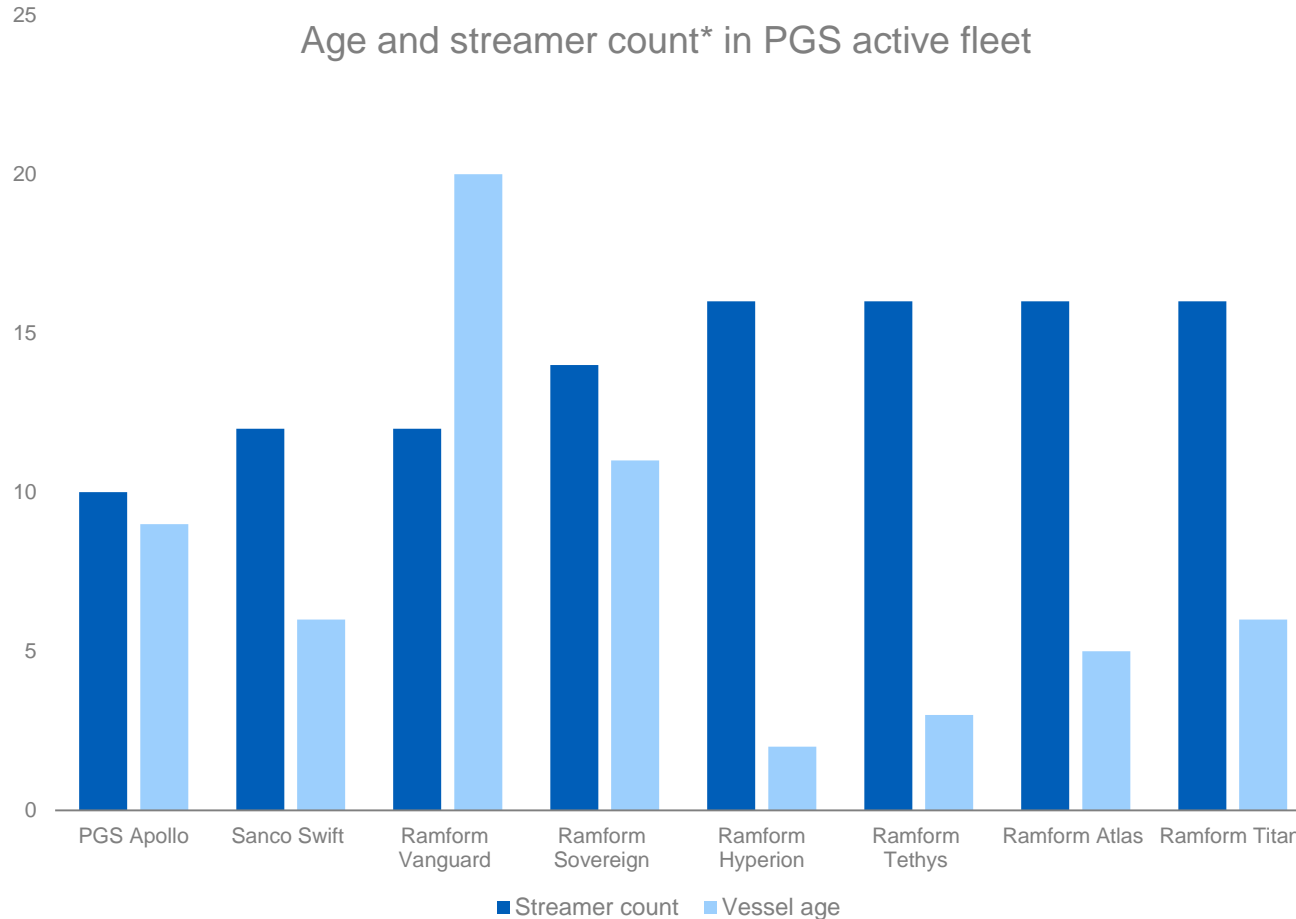
Continuous effort to reduce unproductive time



Operations in many challenging environments led to a small decrease in performance in 2019

Performance = actual production of seismic in % of available production time

Most Productive Fleet in the Industry



Max streamer capacity:

- Ramform Titan-class: 24
- Ramform Sovereign: 22
- Ramform V-class: 18
- Sanco vessels: 14
- PGS Apollo: 12

All vessels are capable of towing dual and triple source configurations

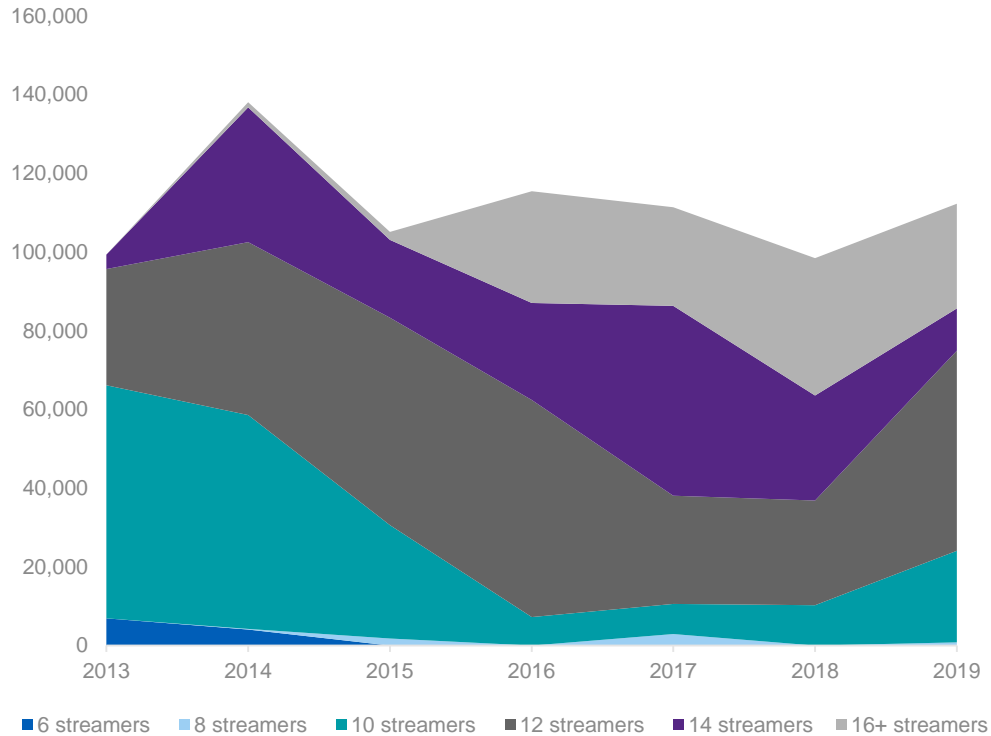
**Average vessel age:
8 years (Dec. 2019)**
Average streamer count: 14

*In normal operating mode

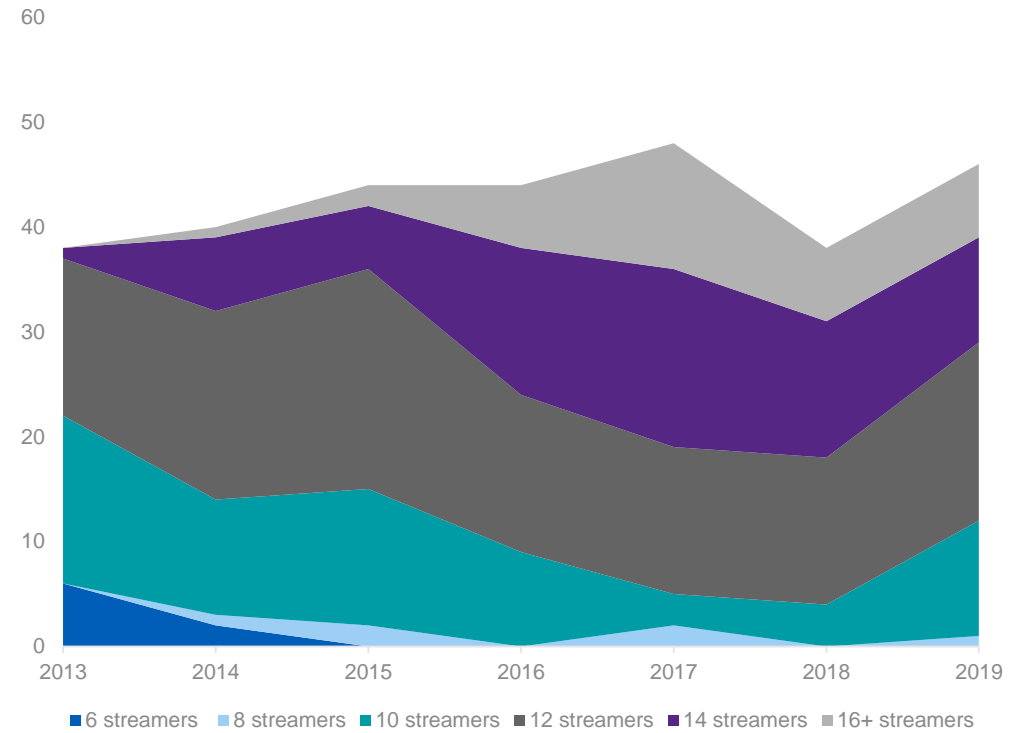
Utilizing the Capabilities of the Fleet: 25% of PGS 3D Data Acquired with 16 or More Streamers



Sq. km by Configuration by Year



Number of Projects by Config by Year



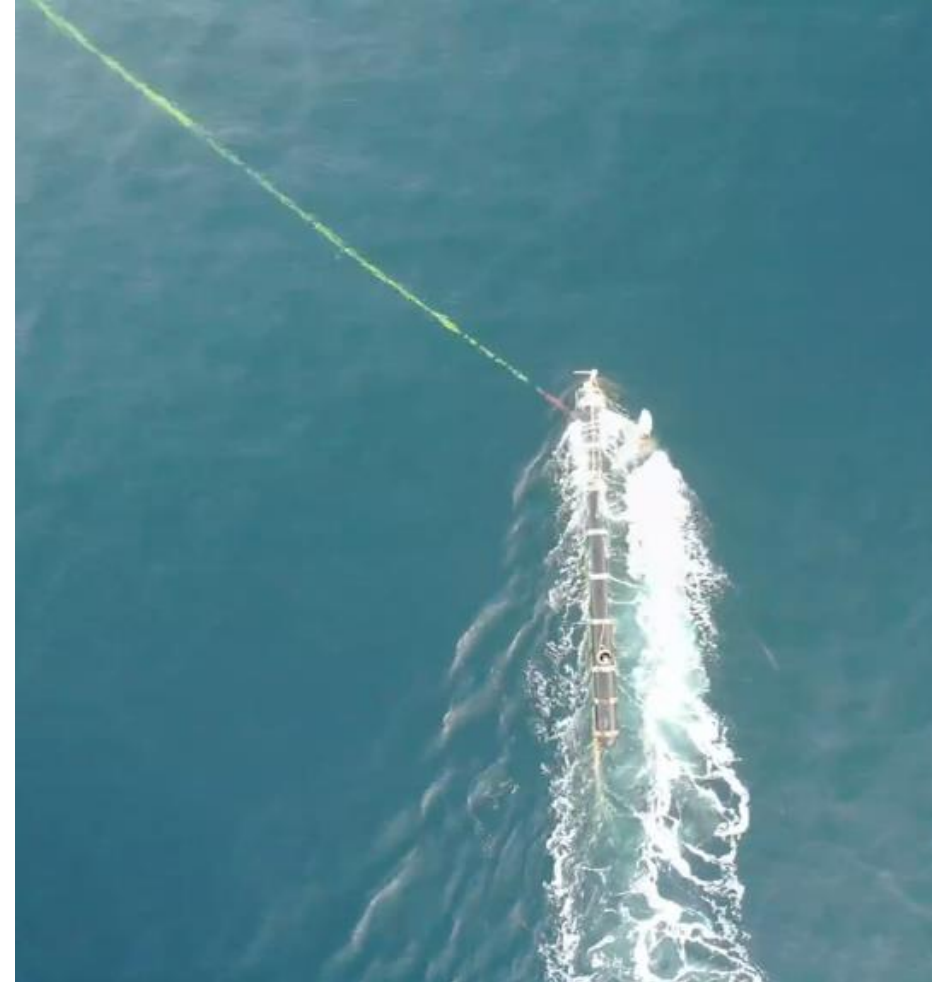
Fleet Strengths

- Modern, safe vessels provide the best working environment
- PGS' high towing capacity allows flexibility to do all types of jobs from one vessel
- Industry leading engine and propulsion redundancy give safe and robust projects
- Advanced back deck solutions provide high safety and rapid deployment and recovery capabilities
- Digitalization of key equipment enables conditions based maintenance and cost savings
- Modern core fleet of support vessels enables efficient and safe crew changes and at sea fuelling



New Technology With Potential to Improve Efficiency and Quality: Wide Tow Sources

- PGS has the industry leading source steering technology
- Through new technology and improved towing methods we aim to deliver a 20% increase in acquisition efficiency
 - 15% increase achievable already in 2020
 - 20% target for 2021
- This would save time and cost and allow us to continue to reduce our environmental footprint



Optimizing Vessels Operations Through Digitalization

- PGS has initiated two ongoing digitalization projects supported by Cognite to improve fleet performance:
 - Optimize fuel consumption vs. drag
 - Reduce cost of maintenance through active monitoring of equipment
 - Both projects will complete the first phase H1 2020



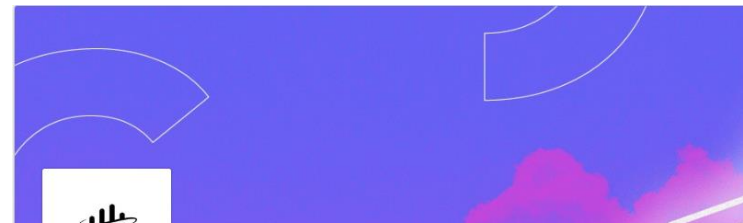
Energy Efficiency

Fuel management
Automated Vessel Speed



Smart Maintenance

Vessels
Streamers

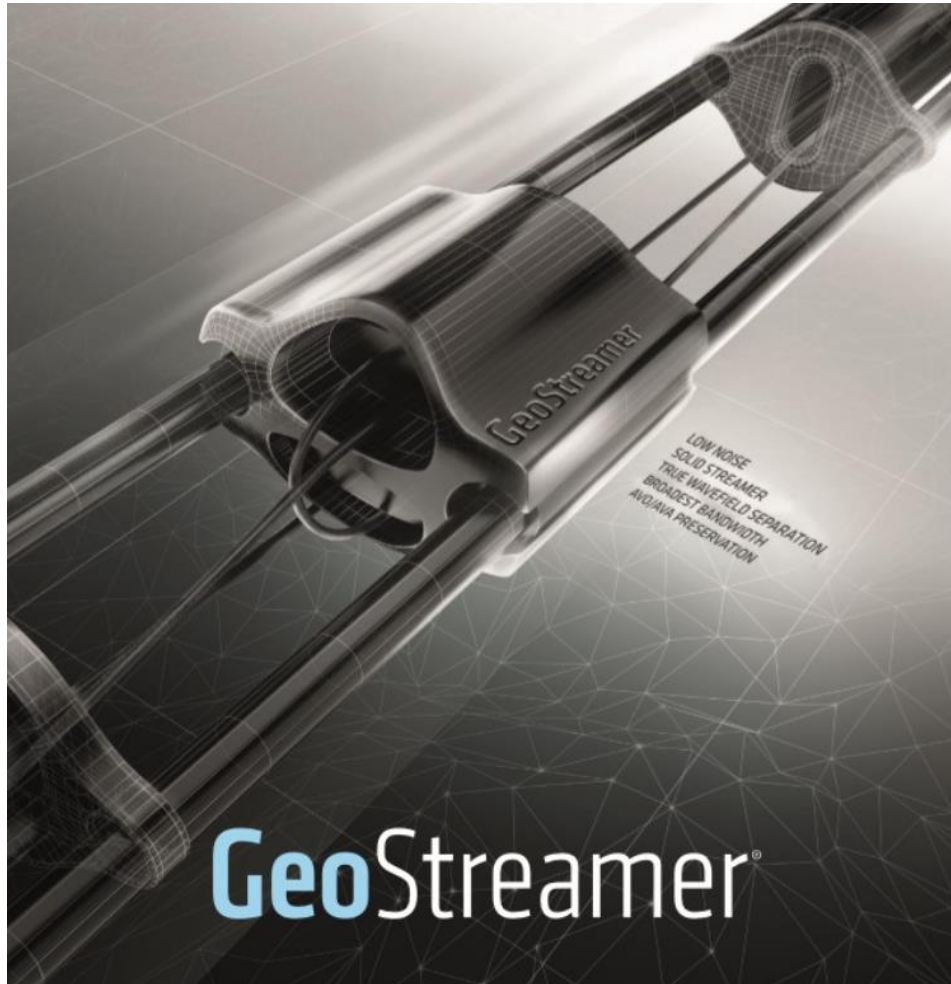


Cognite AS

Information Technology & Services · Lysaker, Bærum · 9,209 followers

Supporting the digital transformation of heavy-asset industries around the world.

Next Generation GeoStreamer: Significantly Reduced Cost and Better Performance



- PGS' fleet of active vessels is fully equipped with GeoStreamers produced between 2008-2018
 - They are robust and can be re-manufactured, extending useful technical life beyond 10 years
- In 2020 PGS is commencing production of the next generation GeoStreamer (developed by PGS)
 - Production cost reduced by more than 30%
 - Designed to last more than 10 years
 - 15% reduced drag - reduces fuel consumptions or enables bigger spreads
 - Improved operational efficiency

Summary



Dedicated to safety and delivery

- Strong safety culture continues to yield positive results
- Our active fleet is the most productive fleet in the industry
- PGS continues R&D focus including digitalization to develop further technologies making acquisition even more effective and data quality better
- Current GeoStreamers enable low streamer capex through 2020
 - Next generation available from 2021 will reduce cost and improve performance



Capital Markets Day 2020

Concluding Remarks

Integrated Expertise
Acquisition, Imaging & Geoscience

January 30, 2020



2019 Highlights

Significant Contract price increase

- Good leads and tendering activity
- More 4D work
- Taking advantage of integrated approach

Improving visibility

- Solid order book increase
- 8 vessels in operation through winter season
- Strong outlook in both MC and Contract

Solid free cash flow generation

- Continued market improvement
- Reduced net debt by USD 102 million
- Increased liquidity reserve by USD 51 million

Fully refinanced

- Launched mid January 2020
- Strong stakeholder support
- Flexibility to pursue deleveraging strategy

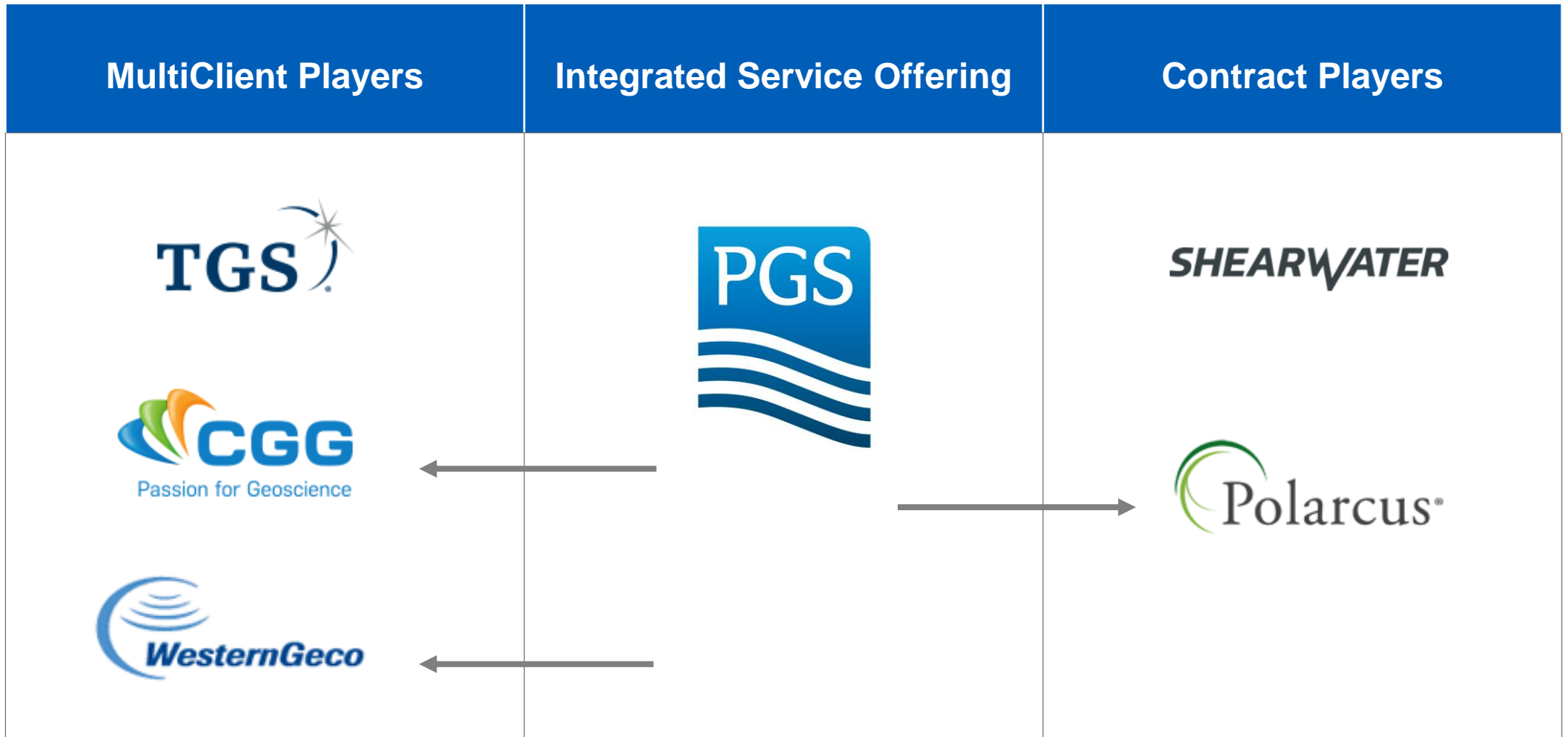
Initiated digitalization process

- Google Cloud – PGS preferred provider
- Will accelerate strategy execution

PGS - the only integrated service provider

- Meeting clients needs in all aspects of towed streamer seismic
- Flexible business models with tailored solutions

Competitive landscape: Structural Changes during 2018 and 2019 in the Marine Seismic Industry



Digital Transformation to Accelerate Strategy Execution



- Google is PGS cloud partner
- Short term ambition:
 - Image seismic data in the cloud
 - Launch a cloud based MultiClient sales platform
 - Energy efficiency and equipment maintenance
 - Use Machine Learnings and Artificial Intelligence for subsurface data analytics
- Longer term visions:
 - Reduce turnaround time
 - Reducing operating cost
 - Improve customer engagement and interaction
 - R&D for truly differentiating technologies
 - Develop business opportunities for data owners and customers



- Another year with increasing cash flow
 - Improving profitability
 - Better return on capital employed
- Significant Contract price improvement
- Solid MultiClient sales
- Expect 2020 to be better than 2019
- Integration enables PGS to improve business opportunities
- Commenced digital transformation



Thank You

Questions?

Integrated Expertise

Acquisition, Imaging & Geoscience

January 30, 2020





Capital Markets Day 2020

COPYRIGHT

The presentation, including all text, data, photographs, drawings and images (the "Content") belongs to Petroleum Geo-Services ASA, and/or its subsidiaries ("PGS") and may be protected by Norwegian, U.S., and international copyright, trademark, intellectual property and other laws. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior written permission by PGS and applicable acknowledgements. In the event of authorized reproduction, no trademark, copyright or other notice shall be altered or removed. © 2015 Petroleum Geo-Services ASA. All Rights Reserved.

January 30, 2020

