Petroleum Geo-Services ASA : PGS' Business Model Delivers Strong EBIT Margin in a Challenging MultiClient Quarter

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Highlights Q3 2013

* Order book of $579 million, up 30% from Q2 2013
* Revenues of $365.6 million, compared to $388.3 million in Q3 2012
* EBITDA of $216.0 million, compared to $222.1 million in Q3 2012
* EBIT of $108.3 million, compared to $110.9 million in Q3 2012
* Group EBIT margin of 30%
* MultiClient pre-funding was 90% of capitalized cash investment, compared to 133% in Q3 2012
* Record external data processing revenues of $34.3 million
* Ramform Titan in full operation with excellent performance
* Liquidity reserve further strengthened at improved terms by increasing the revolving credit facility from $350 million to $500 million and extending maturity from 2015 to 2018
* Full year EBITDA guidance adjusted to approximately $850 million, due to our decision to mobilize for the Full Azimuth GeoStreamer survey in GoM, a reduction in pre-funding level to 95-100% and increased risk to Q4 MultiClient late sales

"I am pleased to report a robust EBIT margin for the Company of 30% in Q3, driven by our focus on price optimization of high value contracts, solid performance and allocation of more fleet capacity to our portfolio of attractive MultiClient projects. We are almost fully booked for Q4 this year. 2014 is firming up and we have booked 70% of Q1, 50% of Q2 and 30% of Q3. Average pricing for the 2014 contract work booked so far is slightly higher than average 2013 pricing. We expect the current contract pricing weakness post the North Sea season to primarily impact Q4 and Q1.

We have decided to re-enter the Gulf of Mexico with a Full Azimuth GeoStreamer survey adding another dimension to data quality in the region. The survey commences in the fourth quarter and acquisition will be completed early summer 2014.

With the increased earnings potential brought by our new build program and our technology differentiation we are well positioned to further improve return on capital employed and dividend capacity.

From our clients we have experienced increased focus on preserving their dividend capacity, which has impacted on their seismic spending. Customer caution on spending lessens the likelihood of seeing the normal seasonal Q4 increase for MultiClient sales. "

Jon Erik Reinhardsen,
President and Chief Executive Officer

Key Financial Figures	3(rd) Quarter		Nine months		Full year

(In USD millions, except per share data)	2013	2012	2013	2012	2012
Revenues	365.6	388.3	1,142.1	1,158.2	1,518.3
EBITDA (as defined, see note 1)	216.0	222.1	627.9	614.0	776.2
EBIT	108.3	110.9	315.7	233.2	293.8
Income before income tax expense	97.9	101.9	283.1	183.5	228.5
Net income to equity holders	74.2	86.9	208.2	145.4	185.5
Basic earnings per share ($ per share)	0.35	0.40	0.97	0.67	0.86
Diluted earnings per share ($ per share)	0.34	0.40	0.96	0.67	0.85
Net cash provided by operating activities	189.4	260.2	563.4	588.2	752.9
Cash investment in MultiClient library	120.9	91.4	262.0	226.1	297.4
Capital expenditures (whether paid or not)	93.2	76.6	364.5	228.6	368.1
Total assets (at period end)	3,511.2	3,040.3*	3,511.2	3,040.3*	3,275.6*
Cash and cash equivalents (at period end)	299.0	290.3	299.0	290.3	390.3
Net interest bearing debt (at period end, see Note 10)	638.1	381.1	638.1	381.1	435.6

*The financial information for 2012 is restated from retrospectively adopting IAS19R, see note 3

The complete Q3 2013 earnings release and presentation can be downloaded from www.newsweb.no or www.pgs.com

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This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

Q3 2013 earnings release : http://hugin.info/115/R/1738177/583055.pdf
Q3 2013 presentation: http://hugin.info/115/R/1738177/583056.pdf

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