

Resilient MultiClient Performance

Highlights Q2 2015

- Revenues of \$255.8 million, compared to \$337.0 million in Q2 2014
- EBITDA of \$125.1 million, compared to \$170.6 million in Q2 2014
- EBIT, excluding impairments and other charges, of \$15.9 million, compared to \$55.0 million in Q2 2014
- Cash flow from operations of \$83.1 million, compared to \$40.2 million in Q2 2014
- MultiClient Pre-funding revenues of \$112.0 million with a corresponding pre-funding level of 152%, compared to \$74.8 million and 75% respectively in Q2 2014
- Sale and operating leaseback of the PGS Apollo strengthens PGS financial position further
- First mover after Mexican energy reform, with footprint further expanded through cooperation with Schlumberger and Spectrum
- Cost savings ahead of plan

"In a very challenging market, Q2 MultiClient pre-funding revenues ended at a solid \$112.0 million. The corresponding pre-funding level was 152% driven by strong funding for ongoing surveys, efficient operations and good sales from projects in the processing stage.

Marine contract revenues and margin were negatively impacted by the weak market conditions and slightly more idle time than expected in the quarter.

We have a strong financial position with a liquidity reserve of \$545.7 million and are well positioned to navigate the current market environment. Our cost reduction program is progressing ahead of plan and the full year 2015 target is now increased to approximately \$250 million."

Jon Erik Reinhardsen,
President and Chief Executive Officer

Outlook

The low oil price and reduced oil company spending impact pricing and utilization negatively. PGS expects market uncertainty and low earnings visibility to continue well into 2016.

Based on the current operational projections and with reference to disclosed risk factors, PGS expects full year 2015 EBITDA to be in the lower range of the guided interval \$550-700 million.

MultiClient cash investments are expected to be approximately \$300 million, with a pre-funding level above 100%. Approximately 50% of active 3D capacity is now expected to be used for MultiClient in 2015.

Capital expenditures are estimated to be approximately \$225 million, of which almost \$150 million is for the new builds Ramform Tethys and Ramform Hyperion.

The order book totaled \$259 million at June 30, 2015 (including \$140 million of committed pre-funding on MultiClient projects), compared to \$394 million at March 31, 2015 and \$558 million at June 30, 2014. A reasonable amount of work is in the process of being firmed up in July and, due to the stacking of Ramform Challenger and Ramform Explorer, the Company has less capacity to sell for Q4 2015 and Q1 2016. As of July 20, 2015 approximately 95% of available capacity for Q3 is booked, with corresponding numbers for Q4 2015 and Q1 2016 being approximately 65% and 30%, respectively.

Year ended December 31,

Key Financial Figures
(In USD millions, except per share data)

Quarter ended June 30, Six months ended June 30,

	2015	2014	2015	2014	2014
Revenues	255.8	337.0	506.9	629.5	1 453.8
EBITDA (as defined, see Note 13)	125.1	170.6	252.6	309.2	702.6
EBIT ex. impairment and other charges	15.9	55.0	29.5	100.1	177.3
EBIT as reported	(45.7)	46.2	(34.8)	91.4	104.2
Income before income tax expense	(57.9)	34.5	(67.9)	47.2	16.7
Net income to equity holders	(63.8)	29.7	(83.3)	34.3	(50.9)

Basic earnings per share (\$ per share)	(0.30)	0.14	(0.39)	0.16	(0.24)
Net cash provided by operating activities	83.1	40.2	295.4	222.1	584.3
Cash investment in MultiClient library	73.6	99.6	137.6	215.8	344.2
Capital expenditures (whether paid or not)	63.3	149.4	104.8	281.3	371.3
Total assets	3 297.4	3 665.7	3 297.4	3 665.7	3 563.0
Cash and cash equivalents	57.6	42.9	57.6	42.9	54.7
Net interest bearing debt	995.0	1 091.5	995.0	1 091.5	1 048.0

The complete Q2 and first half 2015 earnings release and presentation can be downloaded from www.newsweb.no and www.pgs.com.

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Q2 2015 earnings release
Q2 2015 earnings presentation

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