Resilient MultiClient Performance
Financial Position Further Strengthened

Highlights 2015

- Revenues of $961.9 million, compared to $1,453.8 million in 2014
- EBITDA of $484.5 million, compared to $702.6 million in 2014
- EBITDA margin of 50% in 2015, compared to 48% in 2014, enabled by substantial cost reductions of $318.5 million
- EBIT, excluding impairments and other charges, of $15.8 million, compared to $177.3 million in 2014
- Cash flow from operations of $487.9 million, compared to $584.3 million in 2014
- Net interest bearing debt reduced by $53.8 million to $994.2 million and liquidity reserve increased to $556.6 million
- MultiClient pre-funding revenues of $380.4 million with a corresponding pre-funding level of 125%, compared to $290.7 million and 84% respectively in 2014
- Impairment and loss on sale of assets of $397.2 million recorded in 2015, reflecting the weak market

"Our MultiClient revenues in 2015 ended at $574.7 million. With capitalized MultiClient cash investment of $303.3 million we achieved a sales-to-investment ratio of 1.9 last year, an industry best. This highlights the robustness of our MultiClient business contributing the most to our full year EBITDA, which ended close to our latest guidance of approximately $500 million.

The marine seismic contract market deteriorated significantly during 2015 and has become extremely challenging. In this uncertain market environment we have during 2015 focused on cash flow and increased our liquidity reserve. We have implemented substantial reductions of cost and capital expenditures, taken proactive steps to address oversupply and further increased our productivity leadership and fleet flexibility.

2016 will be another difficult year for the seismic industry. We continue to focus on what we can control, including customer relations, costs, maintaining a financially sound balance sheet and capitalizing on the youngest and most productive fleet in the industry. Our fleet productivity will further improve when we take delivery of the Ramform Tethys in late Q1. I am convinced PGS is well positioned to manage the challenging market."

Jon Erik Reinhardsen,
President and Chief Executive Officer

Outlook

The low oil price and continued reduction in oil companies' spending continue to impact seismic demand and pricing negatively. PGS expects market uncertainty and low earnings visibility to continue through 2016.

Based on the current operational projections and with reference to disclosed risk factors, PGS expects full year 2016 group cash cost of approximately $725 million. This amount represents the sum of reported net operating expenses (excluding depreciation, amortization, impairments and other charges/(income)) and the cash operating costs capitalized as investments in the MultiClient library.

MultiClient cash investments are expected to be approximately $250 million, with a pre-funding level of approximately 100%.

Approximately 50% of active 3D vessel time is planned for MultiClient acquisition.

Capital expenditures are estimated to be approximately $250 million, of which approximately $180 million is for the new builds Ramform Tethys and Ramform Hyperion. The increase compared to the original guidance of $240 million is primarily due to cut off between 2015 and 2016, with 2015 ending correspondingly lower than guidance.

The order book totaled $240 million at December 31, 2015 (including $116 million of committed pre-funding on MultiClient projects), compared to $245 million at September 30, 2015 and $410 million at December 31, 2014. As of February 1, 2016 close to 100% of available capacity (which excludes stacked vessels) for Q1 is booked, with corresponding numbers for Q2 2016, Q3 2016 and Q4 2016 being approximately 80%, 50% and 5%, respectively.

Key Financial Figures (In USD millions, except per share data)	Quarter ended December 31,		Year ended December 31,	
	2015	2014	2015	2014
Revenues	229.3	430.1	961.9	1 453.8
EBITDA (as defined, see Note 13)	116.5	211.8	484.4	702.6
EBIT ex. impairment and other charges	(22.9)	(0.2)	15.8	177.3
EBIT as reported	(332.9)	(39.7)	(430.4)	104.2
Income before income tax expense	(357.1)	(58.0)	(505.5)	16.7
Net income to equity holders	(334.6)	(93.6)	(527.9)	(50.9)
Basic earnings per share ($ per share)	(1.48)	(0.44)	(2.43)	(0.24)
Net cash provided by operating activities	121.0	131.3	487.9	584.3
Cash investment in MultiClient library	70.2	57.9	303.3	344.2
Capital expenditures (whether paid or not)	41.7	36.9	165.7	371.3
Total assets	2 914.1	3 563.0	2 914.1	3 563.0
Cash and cash equivalents	81.6	54.7	81.6	54.7
Net interest bearing debt	994.2	1 048.0	994.2	1 048.0

The complete Q4 and preliminary full year 2015 results earnings release and presentation can be downloaded from www.newsweb.no and www.pgs.com.

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Petroleum Geo-Services ("PGS" or "the Company") is a focused Marine geophysical company that provides a broad range of seismic and reservoir services, including acquisition, imaging, interpretation, and field evaluation. The Company's MultiClient data library is among the largest in the seismic industry, with modern 3D coverage in all significant offshore hydrocarbon provinces of the world. The Company operates on a worldwide basis with headquarters in Oslo, Norway.
PGS has a presence in 19 countries with regional centers in London, Houston and Kuala Lumpur. Our headquarters is in Oslo, Norway and the PGS share is listed on the Oslo stock exchange (OSE: PGS).
For more information on Petroleum Geo-Services visit www.pgs.com.

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The information included herein contains certain forward-looking statements that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to the demand for seismic services, the demand for data from our multi-client data library, the attractiveness of our technology, unpredictable changes in governmental regulations affecting our markets and extreme weather conditions. For a further description of other relevant risk factors we refer to our Annual Report for 2014. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and PGS disclaims any and all liability in this respect.

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Q4 2015 Earnings Release
Q4 2015 Presentation
