

Highlights Q1 2016

- Revenues of \$203.1 million, compared to \$251.1 million in Q1 2015
- EBITDA of \$78.6 million, compared to \$127.5 million in Q1 2015
- EBIT excluding impairments and other charges/(income) of negative \$30.2 million, compared to a profit of \$13.6 million in Q1 2015
- Cash flow from operations of \$133.3 million, compared to \$212.4 million in Q1 2015
- MultiClient pre-funding revenues of \$59.9 million with a corresponding pre-funding level of 124%, compared to \$86.6 million and 135% respectively in Q1 2015
- MultiClient late sales of \$65.3 million, compared to \$56.7 million in Q1 2015
- MultiClient revenues benefited from sales to Azimuth Ltd.
- Liquidity reserve of \$496.6 million, compared to \$558.9 million in Q1 2015
- 90% active vessel time in Q1 2016, compared to 63% in Q1 2015
- Cost and capital expenditures further reduced
- Ramform Tethys delivered, the third in a series of four ultra-productive Ramform Titan-class vessels

"The marine seismic market continues to be challenging, with the further weakening of the oil price around the start of the year having a negative impact on MultiClient sales and contract awards in Q1. Excellent operational vessel performance has offset some of the impact of weak market fundamentals. We cold-stacked four 3D vessels last year and with a smaller and more productive fleet we are now delivering significantly improved utilization.

Q1 MultiClient revenues ended at a solid \$125.2 million, including \$56 million of sales to Azimuth. The MultiClient pre-funding level ended at a strong 124% underlining the attractiveness of our MultiClient projects. In Q1 PGS increased its investment in Azimuth, intended to maintain our minority share of 45% with no further capital contributions for the next two years. We support the counter cyclical investment strategy of Azimuth and our investment level has over time corresponded to the cash contributions from data sales and services we provide to Azimuth.

In the current weak market we continue to focus on what we can control through relentless sales efforts, strict cost discipline, operational excellence and capitalizing on the youngest and most productive fleet in the industry. We are on track to deliver further cost savings in 2016 of \$80 million. Delivery of the Ramform Tethys in March and commencement of operations of the chartered vessel Sanco Swift in Q2 will strengthen our position further."

Jon Erik Reinhardsen,
President and Chief Executive Officer

Outlook

The low oil price and reduction in oil companies' spending continue to impact seismic demand. 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 gross cash cost of approximately \$715 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 as well as capitalized development costs.

MultiClient cash investments are expected to be approximately \$230 million, with a pre-funding level of approximately 100%.

Slightly less than 50% of active 3D vessel time is currently planned for MultiClient acquisition.

Capital expenditures are expected to be approximately \$225 million, of which approximately \$165 million is for the new builds Ramform Tethys and Ramform Hyperion.

The Company has initiated a process to increase headroom under the maintenance covenant for its revolving credit facility (Ref. description in Note 10).

The order book totaled \$204 million at March 31, 2016 (including \$104 million relating to MultiClient), compared to \$240 million at December 31, 2015 and \$394 million at March 31, 2015.

Year ended December 31,

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

Quarter ended March 31,

	2016	2015	2015
Revenues	203.1	251.1	961.9
EBITDA (as defined, see Note 13)	78.6	127.5	484.4
EBIT ex. impairment and other charges/(income)	(30.2)	13.6	15.8
EBIT as reported	(31.6)	10.9	(430.4)
Income (loss) before income tax expense	(62.2)	(10.0)	(505.5)
Net income (loss) to equity holders	(57.1)	(19.5)	(527.9)
Basic earnings per share (\$ per share)	(0.24)	(0.09)	(2.43)
Net cash provided by operating activities	133.3	212.4	487.9
Cash investment in MultiClient library	48.3	64.0	303.3
Capital expenditures (whether paid or not)	108.9	41.5	165.7
Total assets	3 029.2	3 501.0	2 914.1
Cash and cash equivalents	116.6	148.9	81.6
Net interest bearing debt	1 120.9	955.9	994.2

The complete Q1 2016 results earnings release and presentation can be downloaded from www.newsweb.no and www.pgs.com.

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Q1 2016 Earnings Presentation

Q1 2016 Earnings Release

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