

## Robust MultiClient Performance

### Highlights Q3 2016

- Revenues of \$224.1 million, compared to \$225.7 million in Q3 2015
- EBITDA of \$112.7 million, compared to \$115.3 million in Q3 2015
- EBIT excluding impairments and other charges/(income) of negative \$5.4 million, compared to a profit of \$9.1 million in Q3 2015
- MultiClient pre-funding revenues of \$84.3 million with a corresponding pre-funding level of 134%, compared to \$83.8 million and 88% respectively in Q3 2015
- MultiClient late sales of \$63.2 million, compared to \$36.6 million in Q3 2015
- Cash flow from operations of \$80.4 million, compared to \$71.3 million in Q3 2015
- Liquidity reserve of \$417.3 million, compared to \$492.3 million in Q3 2015
- Acquired the MultiClient library of Dolphin UK Ltd. on a 50/50 basis with TGS
- Excellent operational performance

"The Q3 numbers reflect our ability to generate revenues from a strong MultiClient and technology position. At the same time we are realizing further significant cash savings, lowering our full year estimates for gross cash costs and capital expenditures.

A higher and more stable oil price compared to early 2016, in combination with cash flow improvements among oil companies, should benefit seismic market fundamentals. We believe our robust Q3 MultiClient performance builds on this change, reflecting the early signs of improving market sentiment we observed in the previous quarter. I am very pleased to see that the strategy we implemented in 2010 by establishing a focused MultiClient organization is paying off, delivering results that enable us to perform through the cycle, including in these challenging times. MultiClient represents 60% of our revenues so far in 2016 and 66% in Q3.

The marine contract market is still very weak. Vessel utilization will be challenging over the coming winter with some idle time in Q4, as some clients are moving work from Q4 into 2017. Due to the weak market we have decided to warm-stack Ramform Vanguard over the winter.

Our liquidity position is adequate. There are no material debt maturities until late 2018 and we have flexibility to address these maturities in time. Furthermore, Q1 2017 will see the final installment for our new build program, improving our cash flow thereafter. 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."

Jon Erik Reinhardsen,

President and Chief Executive Officer

### Outlook

Despite a higher and more stable oil price and early signs of improving market sentiment PGS continues to expect a challenging market going forward.

Based on the current operational projections and with reference to disclosed risk factors, PGS expects full year 2016 gross cash cost to be approximately \$675 million.

MultiClient cash investments are expected to be approximately \$200 million, with a pre-funding level of above 100%.

Approximately 40% of the 2016 active 3D vessel time allocated to MultiClient acquisition.

Capital expenditures are expected to be approximately \$215 million, of which approximately \$165 million is for the new builds.

The order book totaled \$190 million at September 30, 2016 (including \$113 million relating to MultiClient), compared to \$230 million at June 30, 2016 and \$245 million at September 30, 2015.

Key Financial Figures (In USD millions, except per share data)	Year ended December 31,				
	Quarter ended September 30,		Nine months ended September 30,		2015
	2016	2015	2016	2015	
Revenues	224.1	225.7	610.2	732.6	961.9
EBITDA	112.7	115.3	260.2	368.0	484.4
EBIT ex. impairment and other charges/(income)	(5.4)	9.1	(71.9)	38.7	15.8
EBIT as reported	(11.5)	(62.7)	(87.8)	(97.5)	(430.4)
Income (loss) before income tax expense	(24.2)	(80.5)	(143.9)	(148.4)	(505.5)
Net income (loss) to equity holders	(29.0)	(110.0)	(137.7)	(193.3)	(527.9)
Basic earnings per share (\$ per share)	(0.12)	(0.51)	(0.58)	(0.90)	(2.43)
Net cash provided by operating activities	80.4	71.3	256.2	366.7	487.9
Cash investment in MultiClient library	63.0	95.5	153.1	233.1	303.3
Capital expenditures (whether paid or not)	19.0	17.0	179.9	121.8	165.7
Total assets	2 988.5	3 246.6	2 988.5	3 246.6	2 914.1
Cash and cash equivalents	77.3	82.3	77.3	82.3	81.6
Net interest bearing debt	1 208.6	1 068.4	1 208.6	1 068.4	994.2

The complete Q3 2016 earnings release and presentation can be downloaded from [www.newsweb.no](http://www.newsweb.no) and [www.pgs.com](http://www.pgs.com)

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Earnings Release Q3 2016  
 Q3 2016 presentation

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