

DnB Oil, Offshore & Shipping Conference

Supporting Exploration, Optimizing Production

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6 March 2019

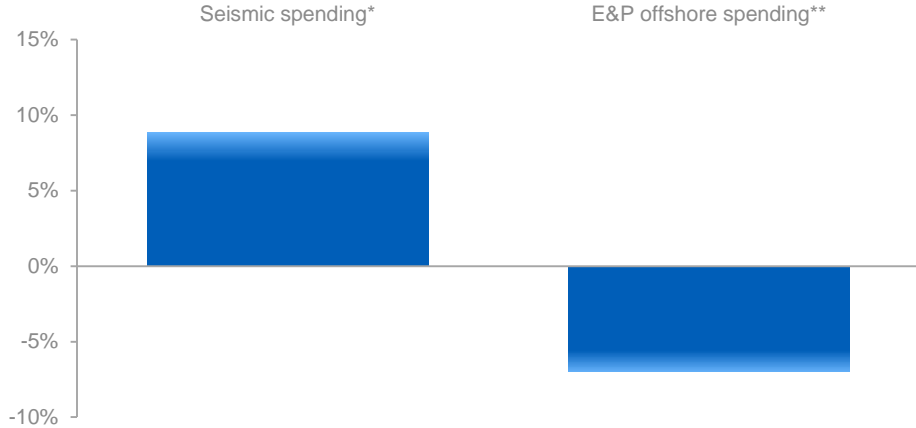


Cautionary Statement

- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
- Actual experience may differ, and those differences may be material
- Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future
- This presentation must be read in conjunction with other financial statements and the disclosures therein

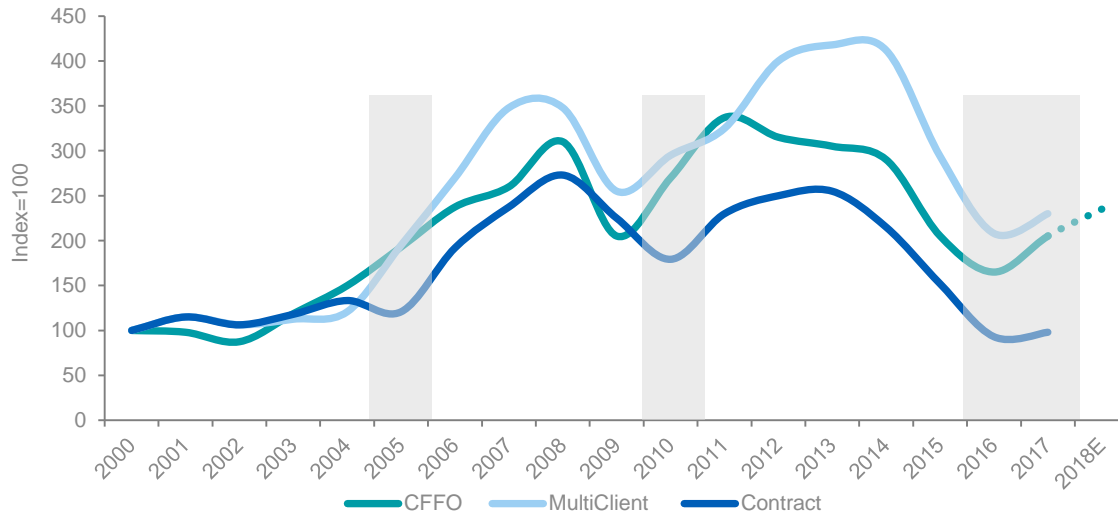
Seismic – Early Cycle Indicator with Potential for More

Change in 2018 vs. 2017



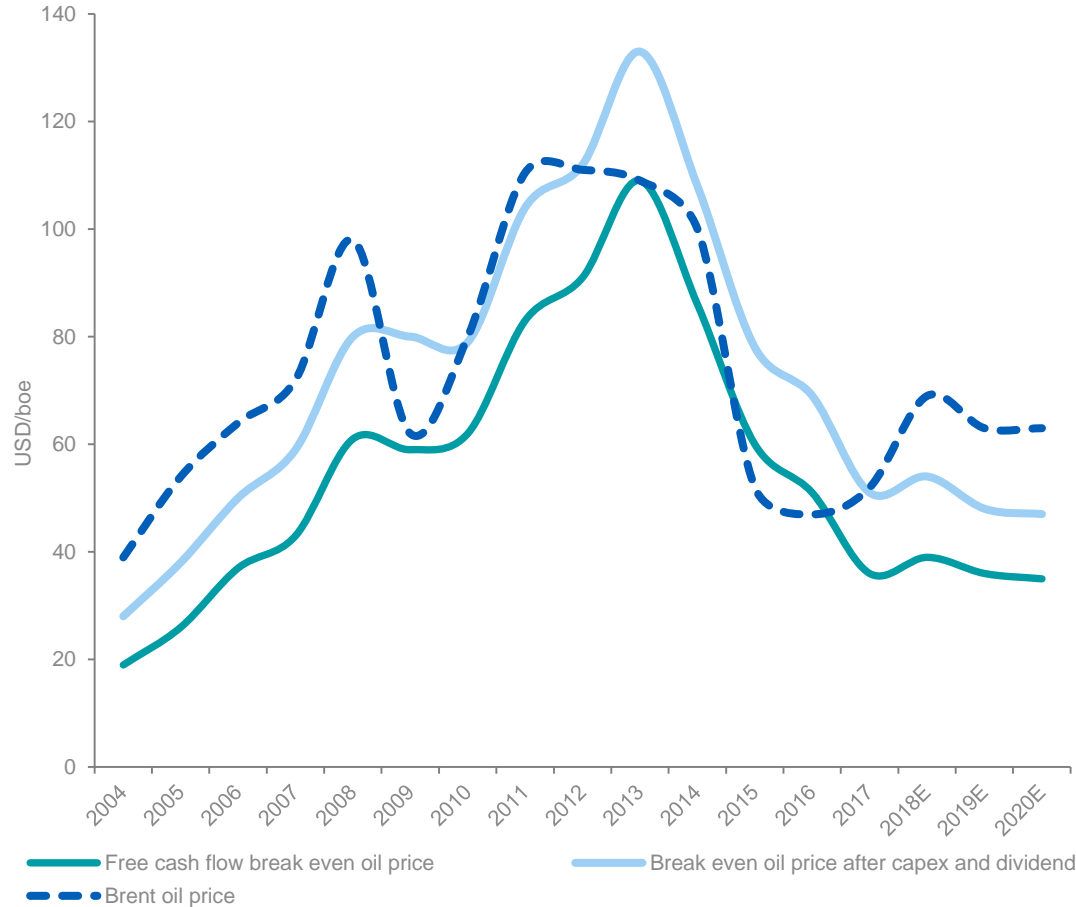
- For the second consecutive year seismic spending has increased Y-o-Y
- MultiClient has already benefitted, while contract activity has lagged
- Contract market trends
 - Higher activity
 - Higher prices
 - Increased share of 4D
- Expect contract pricing to be materially higher in 2019 vs. 2018

*Accumulated revenues for PGS, TGS, CGG, Spectrum, WesterGeco and Polarcus. Preannounced numbers for the first four companies and based on consensus for Polarcus.
 **Average of estimates from Barclays, DNB and Pareto Securities E&P spending reports.



Source: Rystad Energy and Nordea.

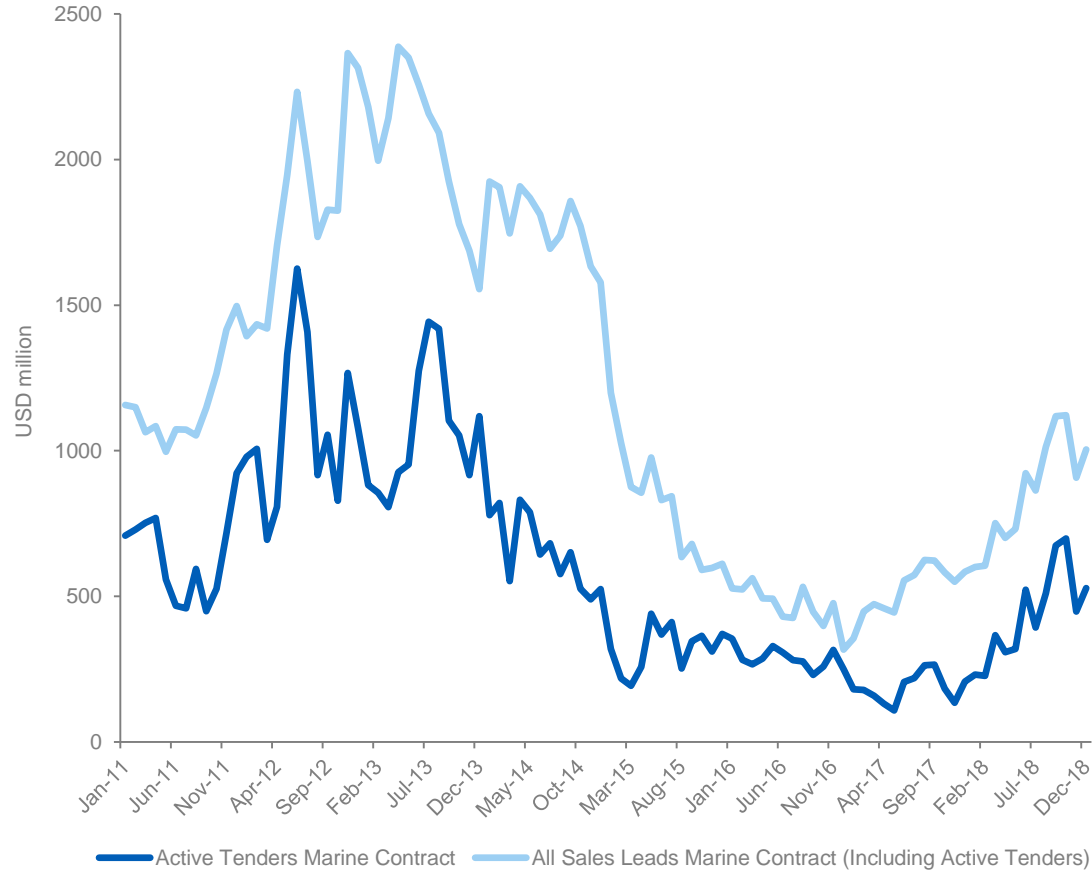
Oil Companies Cash Flow Supports an Improving Seismic Market



- Oil companies generate significant cash flow despite oil price correction
 - They are expected to continue strong cash generation in 2019 and 2020

- Oil price declined during latter part of 2018
 - Have recovered from the 50s and is expected to increase further

Robust Growth from 2018 Continues

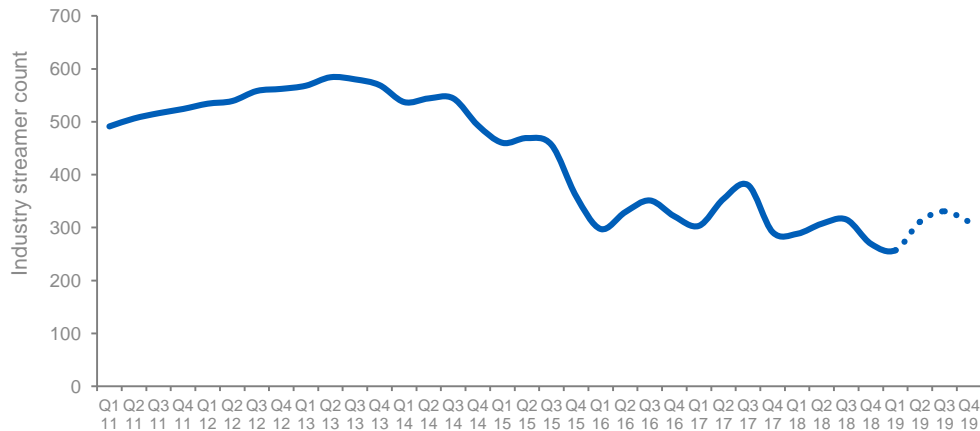
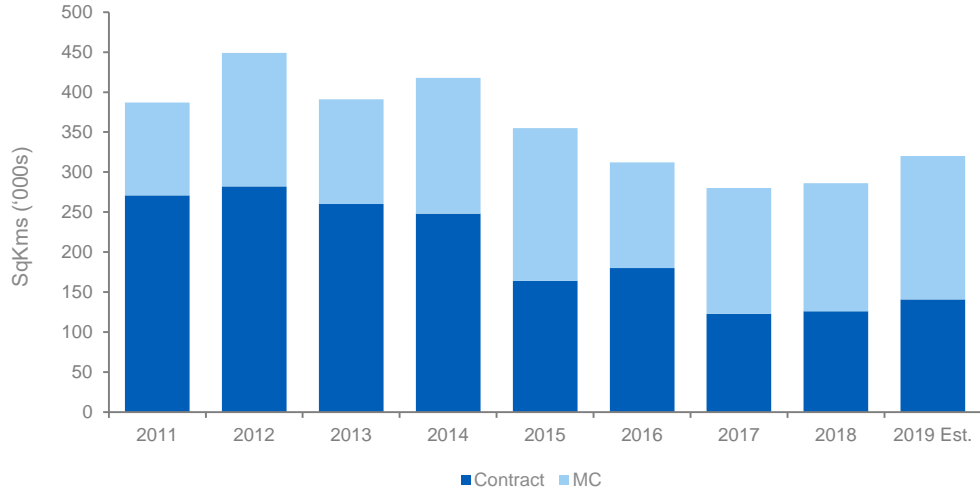


- Some industry under-supply is likely mid-year due to an active Northern Hemisphere season on the back of recent years' decline in capacity
- We anticipate some surveys will be pushed out to later in the year which could help support Q4 utilization and rates
- Industry backlog is increasing resulting in improved utilization and efficiency causing day rates to trend upwards in response

PGS In-house Contract Bids+Leads

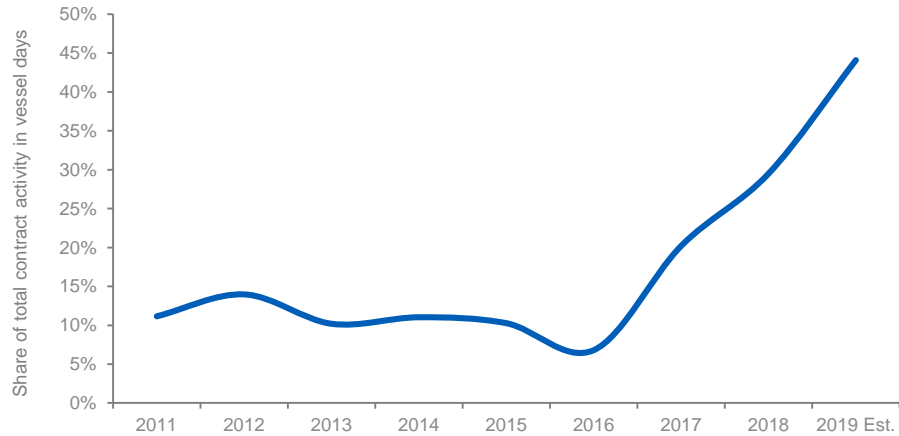
Contract bids to go (in-house PGS) and estimated \$ value of bids + risk weighted leads as of December 31, 2018

Industry Activity is Set to Increase in 2019



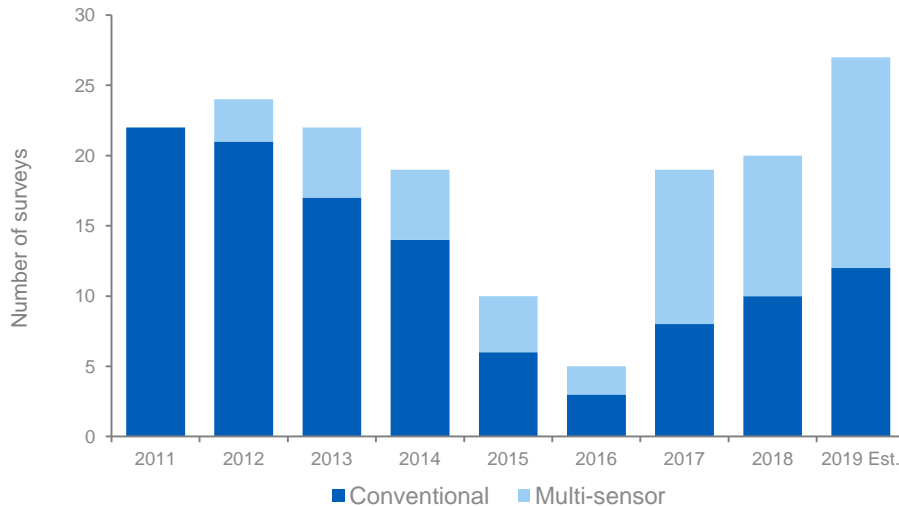
- Total activity in 2018 was similar to 2017, and below maximum industry capacity which resulted in idle time
- 2019 activity levels are expected to be some 10-15% higher based on project pipelines
 - Industry fleet will be close to full utilization from Q2 onwards
- Total industry capacity declined somewhat during 2018 due to vessel retirements
- Reactivation of stacked vessels in 2019 will be dependent on demand build driving improved pricing

The Premium 4D Streamer Segment is Growing Strongly



2019 likely to show a record 4D share of total Contract activity:

- Growing adoption in regions outside of traditional areas of North Sea, Brazil and Angola
- 27 towed streamer 4D surveys tendered or planned for 2019 so far – the most ever



Increasing use of GeoStreamer® technology for 4D's:

- 4D surveys shot with multi-sensor baselines, generally remain multi-sensor through the 4D campaign life-cycle
- Multi-sensor technology is the only broadband technology generally approved for 4D work by all majors

Financial Strategy

Profitability before growth

Return on Capital Employed

Capital structure
to sustain future downturns

Business Strategy

MultiClient focus

4D leadership

Reduce turnaround time

Joint acquisition and imaging approach

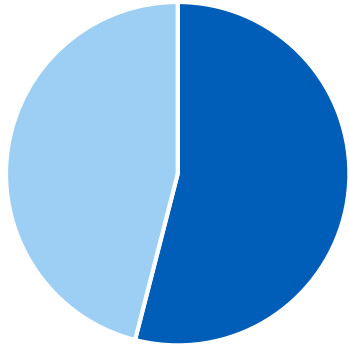
R&D focus on imaging and acquisition solutions

Leveraging PGS fleet productivity and technology

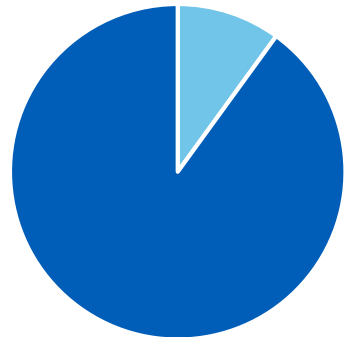


Leveraging digitalization to improve efficiency and reduce cost

PGS Strategic Pivot Towards the Premium 4D and Reservoir Market



54% of 2019 vessel allocation to Contract is booked



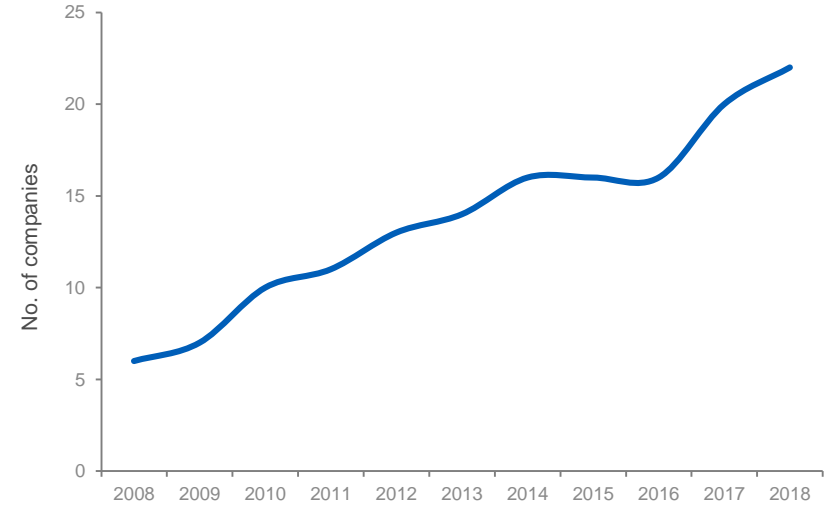
90% of booked Contract to date for 2019 is 4D or reservoir focused seismic

The 4D market is growing faster than the market in general, and yields enhanced returns:

- Contract rates booked to date are 35% higher than average rates in 2018
- Contract capacity currently 54% booked
- 90% of bookings are 4D, in line with our strategic ambition

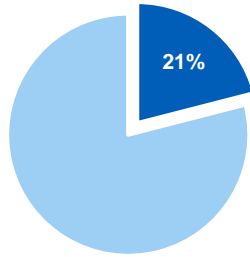
PGS' 4D offering is driven by strong differentiation:

- Multi-sensor technology on all vessels
- Large, high density streamer spreads
- Only player with integrated development of acquisition and imaging tools for 4D/reservoir seismic

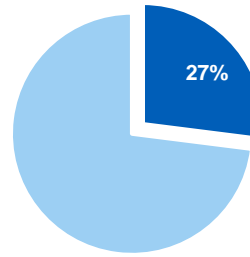


Number of companies that have applied 4D to one or more of their fields has grown steadily over the last ten years, and is set to increase again in 2019

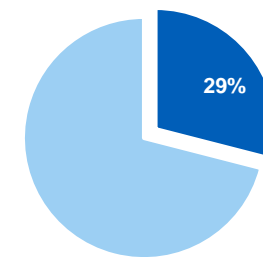
PGS MultiClient Performance: Peer Group Comparison



Net book value

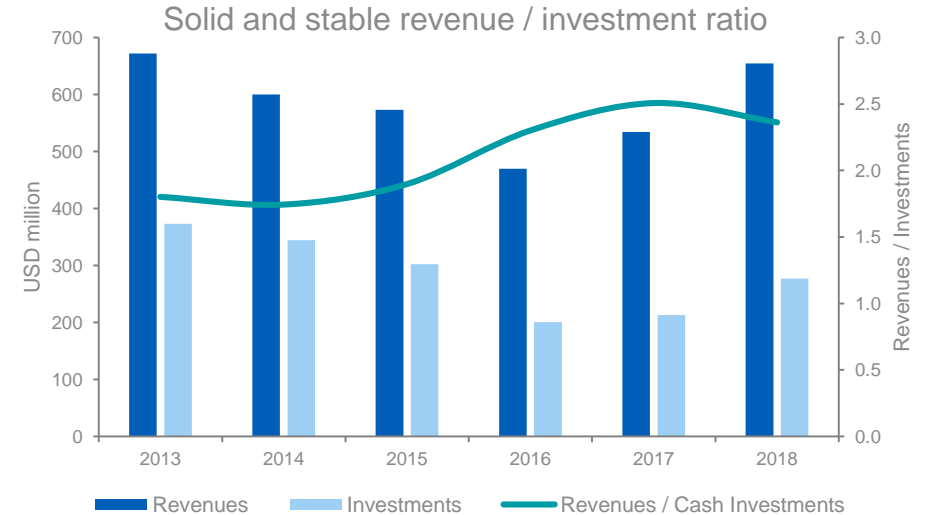
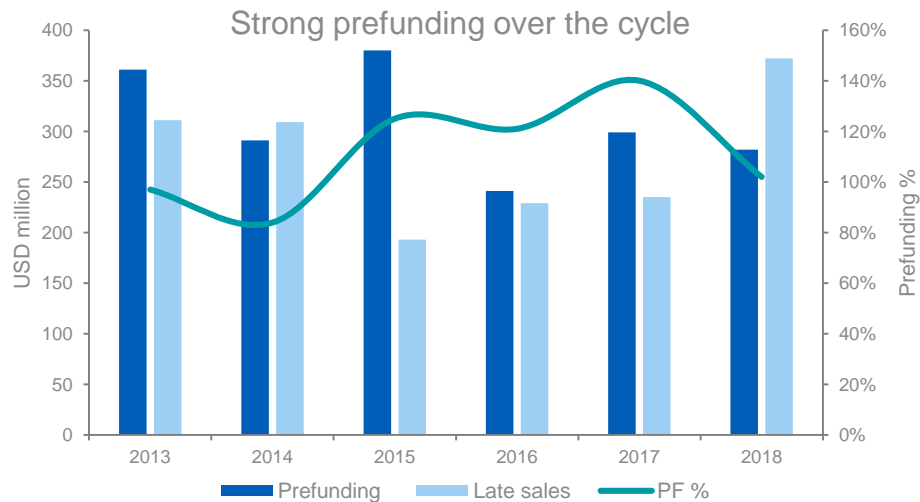


Revenues (LTM)



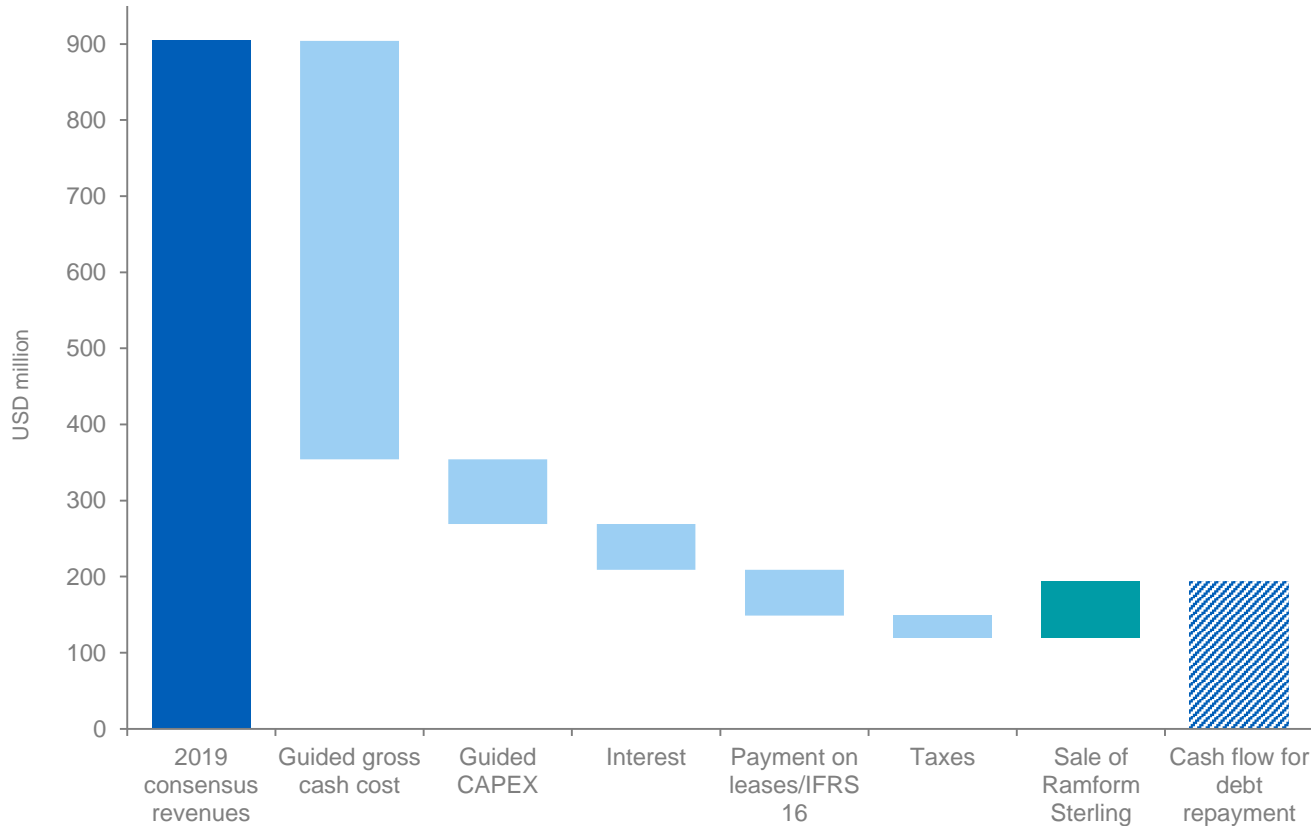
Cash Investments

■ PGS ■ Peer group WG, TGS, CGG, SPU (all consensus) and PGS



Cash Flow Generation Set to Improve

2019 key cash flow drivers^{*)}



- 2019 cash flow set to improve
 - Contract pricing
 - More capacity allocation to contract services
 - Vessel utilization
 - Sale of *Ramform Sterling*
 - Lower scheduled debt installments

^{*)} The illustration of 2019 cash flow drivers is based on analyst consensus for revenues and is a simplified illustration that does not take into account working capital changes or other operating payments or receipts than those specifically shown. Taxes are based on actual taxes paid in 2018.



- Seismic market in recovery
 - Improving cash flow and increasing offshore CAPEX among oil companies
 - Expected to continue in 2019

- PGS will focus on profitability, return on capital employed and reposition the capital structure to sustain future downturns

- Will focus on the MultiClient business, improve 4D position and image what we acquire

Taking leadership position through fully integrated offering



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Thank You – Questions?

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