

Petroleum Geo-Services ASA ⁽¹⁾
Consolidated Statements of Operations

	Quarter ended December 31,		Year ended December 31,	
	2002	2001	2002	2001
(In thousands of dollars)	Unaudited		Unaudited	
Revenue	\$ 262 019	\$ 254 464	\$ 994 019	\$ 885 063
Cost of sales	122 892	117 305	476 212	381 019
Research and technology costs	717	934	2 766	3 752
Selling, general and administrative costs	12 147	17 458	56 198	66 505
Operating expenses before depreciation, amortization and unusual items	135 756	135 697	535 176	451 276
Depreciation and amortization	113 988	122 905	362 553	333 027
Unusual items, net	8 797	24 498	725 815	(88 550)
Operating profit (loss)	3 478	(28 636)	(629 525)	189 310
Financial expense, net	(41 868)	(38 079)	(148 473)	(140 808)
Other loss, net	(311)	(2 554)	(16 533)	(4 853)
Income (loss) before income taxes	(38 701)	(69 269)	(794 531)	43 649
Provision (benefit) for income taxes	6 947	36 339	204 099	29 386
Discontinued operations/operations held for sale, net of tax	(76 875)	688	(207 545)	(9 810)
Income (loss) before cumulative effect of accounting change	(122 523)	(104 920)	(1 206 175)	4 453
Cumulative effect of accounting change, net of tax	-	-	(185 933)	-
Net income (loss)	\$ (122 523)	\$ (104 920)	\$ (1 392 108)	\$ 4 453

Petroleum Geo-Services ASA ⁽¹⁾
Consolidated Balance Sheets

	December 31,	
	2002	2001
(In thousands of dollars)	Unaudited	
Assets		
Cash and cash equivalents	\$ 113 031	\$ 102 130
Accounts receivable, net	220 895	234 887
Other current assets	74 390	97 921
Oil and gas assets	17 324	-
Assets held for sale	65 309	241 097
Total current assets	490 949	676 035
Multi-client library, net	660 383	918 072
Property and equipment, net	1 731 105	2 281 334
Goodwill	-	185 933
Other long-term assets, net	121 600	241 432
Total assets	\$ 3 004 037	\$ 4 302 806

Petroleum Geo-Services ASA ⁽¹⁾
Consolidated Balance Sheets

(In thousands of dollars)	December 31,	
	2002	2001
	Unaudited	
Liabilities and Shareholders' Equity		
Short-term debt and current portion of long-term debt and capital lease obligations	\$ 959 550	\$ 246 429
Debt and other liabilities held for sale	19 980	55 732
Accounts payable and accrued expenses	250 524	275 244
Income taxes payable	19 034	16 448
Total current liabilities	1 249 088	593 853
Long-term debt and capital lease obligations	1 386 400	1 945 254
Other long-term liabilities	54 701	24 161
Deferred income taxes	132 115	73 503
Total liabilities	2 822 304	2 636 771
Commitments and contingencies		
Guaranteed preferred beneficial interest in PGS junior subordinated debt securities	142 322	141 000
Mandatorily redeemable cumulative preferred stock related to multi-client securitization	63 954	163 588
Shareholders' equity:		
Common stock, par value NOK 5; issued & outstanding		
103,345,987 shares at December 31, 2001 and December 31, 2002	71 089	71 089
Additional paid-in capital	1 225 115	1 225 115
Retained earnings	(1 294 322)	98 863
Accumulated other comprehensive loss	(26 425)	(33 620)
Total shareholders' equity	(24 543)	1 361 447
Total liabilities and shareholders' equity	\$ 3 004 037	\$ 4 302 806
Interest bearing debt, net (excluding debt in held for sale activities)	\$ 2 439 195	\$ 2 394 141

Petroleum Geo-Services ASA ⁽¹⁾
Consolidated Statements of Cash Flows

(In thousands of dollars)	Quarter ended December 31,		Year ended December 31,	
	2002	2001	2002	2001
	Unaudited		Unaudited	
Cash flows from operating activities:				
Net income (loss)	\$ (122 523)	\$ (104 920)	\$ (1 392 108)	\$ 4 453
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization charged to expense	113 988	122 905	362 553	333 027
Non-cash unusual items and sale of subsidiary, net	81 613	15 992	1 182 037	(97 027)
Cash effects related to assets and liabilities held for sale	3 743	(3 419)	5 864	(8 779)
Provision (benefit) for deferred income taxes	(9 968)	25 306	183 407	22 114
Working capital changes and other items	26 008	56 567	(10 729)	(50 865)
Net cash provided by operating activities	92 861	112 431	331 024	202 923
Cash flows from investing activities:				
Investment in multi-client library	(34 491)	(59 349)	(190 436)	(230 166)
Capital expenditures	(7 240)	(30 904)	(60 894)	(185 294)
Development of assets held for sale	(14 271)	(21 595)	(77 229)	(54 329)
Sale of subsidiary	20 222	-	20 222	175 000
Other items, net	564	(657)	(9 030)	(19 485)
Net cash (used in) investing activities	(35 216)	(112 505)	(317 367)	(314 274)
Cash flows from financing activities:				
Net proceeds from issuance of subsidiary preferred stock	-	-	-	234 285
Redemption of preferred stock	(21 783)	(22 354)	(98 983)	(77 280)
Repayment of long-term debt	(4 960)	770	(241 826)	(11 414)
Principal payments under capital lease obligations	(4 900)	(2 949)	(15 496)	(7 806)
Net increase (decrease) in bank facility and short-term debt	47	71 030	335 348	(5 667)
Net receipts (payments) under tax equalization swap contracts	-	(16 415)	9 566	(64 575)
Other items, net	-	(4 986)	8 098	816
Net cash (used) provided by financing activities	(31 596)	25 096	(3 293)	68 359
Effect of exchange rate changes in cash and cash equivalents	133	(28)	537	(93)
Net increase (decrease) in cash and cash equivalents	26 182	24 994	10 901	(43 085)
Cash and cash equivalents at beginning of period	86 849	77 136	102 130	145 215
Cash and cash equivalents at end of period	\$ 113 031	\$ 102 130	\$ 113 031	\$ 102 130