

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt about any aspect of the Proposal (defined below) and/or the action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (if you are in the United Kingdom) or another appropriately authorised independent professional adviser.

NOTICE OF MEETING

of the holders of the

Petroleum Geo-Services ASA

(a public limited company incorporated under the laws of the Kingdom of Norway)

Organisation number 916 235 291

(the “Issuer”)

U.S.\$400,000,000 2.7 per cent. Convertible Notes due 2012 (of which U.S.\$344,500,000 is currently outstanding)

issued on 20 December 2007 (the “Notes”)

ISIN: NO 0010402761

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 1 to the Trust Deed (as defined below) constituting the Notes and made between the Issuer and the Trustee (as defined below) as trustee for the Holders (as defined below), a meeting (the “**Meeting**”) of the Holders convened by the Issuer will be held at 10.00 a.m. (London time) on 11 November 2009 at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution (as defined below) in accordance with the provisions of the Trust Deed. If within 15 minutes after that time a quorum is not present, the Meeting will be adjourned until 26 November 2009 (at the same location).

EXTRAORDINARY RESOLUTION

“THAT THIS MEETING (the “**Meeting**”) of the holders (the “**Holders**”) of the outstanding U.S.\$400,000,000 2.7 per cent. Convertible Notes due 2012 (the “**Notes**”) issued by the Issuer constituted by a trust deed dated 20 December 2007 (the “**Trust Deed**”) made between the Issuer and the Law Debenture Trust Corporation p.l.c. (the “**Trustee**”) by Extraordinary Resolution (as defined in the Trust Deed) (this “**Extraordinary Resolution**”) hereby RESOLVES to:

- A. assent to the modification of the terms and conditions of the Notes (the “**Conditions**”) by the deletion of Condition 10 in its entirety and its replacement with the following:

“10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured as to costs to its satisfaction), give notice in writing to the Issuer that the Notes are, and they shall accordingly thereby immediately become, due and repayable at their principal amount together with accrued interest if any of the following events (each an “Event of Default”) shall have occurred:

- (a) default is made for more than five Oslo business days in the payment on the due date of principal or interest or any other amount in respect of any of the Notes; or
- (b) the Issuer does not perform or comply with any one or more of its other obligations in respect of the Notes or the Trust Deed, which default is (in the opinion of the Trustee) incapable of remedy or, if

capable of remedy, is not (in the opinion of the Trustee) remedied within 30 days after the Issuer receiving from the Trustee written notice of such default or such longer period as the Trustee may permit in its absolute discretion; or

(c)

(i) any other present or future indebtedness of the Issuer or any Subsidiary of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Subsidiary by reason of a default; or

(ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period (as initially agreed);

provided that the aggregate amount of such indebtedness in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.\$45,000,000 or its equivalent in any other currency; or

(d) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any Material Subsidiary of the Issuer and is not discharged or stayed within 30 days or such longer period as may be permitted by the Trustee; or

(e) any step is taken to enforce any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary of the Issuer (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or

(f) the Issuer or any Material Subsidiary of the Issuer is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any Material Subsidiary of the Issuer; or

(g) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Material Subsidiary of the Issuer, or the Issuer or any Material Subsidiary of the Issuer ceases or threatens to cease to carry on all or (in the opinion of the Trustee) substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary of the Issuer, whereby the undertaking and assets of the Material Subsidiary of the Issuer are transferred to or otherwise vested in the Issuer or another Material Subsidiary of the Issuer; or

(h) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, or the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes or the Trust Deed admissible in evidence is not taken, fulfilled or done; or

(i) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or

(j) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed,

provided that in the case of Conditions 10(b), 10(d), 10(e), 10(h) and 10(j) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.”

- B. authorise all such other amendments to the Trust Deed and the Conditions of the Notes as are necessary and/or expedient to the modifications set out in paragraph A of this Resolution, all as more particularly set out in the draft Supplemental Trust Deed produced to this Meeting;
- C. authorise and direct the Trustee to concur with the Issuer in the modifications referred to in paragraphs A – B of this Resolution and, in order to give effect to them, forthwith to enter into and execute Supplemental Trust Deed substantially in the form of the draft produced to this Meeting and for the purposes of identification signed by the Chairman of it;
- D. sanction every abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders against the Issuer involved in or resulting from the modifications referred to in paragraphs A - C of this Resolution;
- E. authorise, request, empower and direct the Trustee to concur in and to execute and do, all such other deeds, instruments, acts and things, and to take all steps as may be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution; and
- F. discharge and exonerate the Trustee from all liability to Holders for its acts or omissions in furtherance of or in connection with this Extraordinary Resolution and its implementation.

The Extraordinary Resolution will not take effect unless the Instruction Fees have been paid in immediately available funds by the Issuer and delivered to the Tabulation Agent for payment to Holders who are eligible to receive them.”

Background

Capitalised terms used but not defined in this Notice shall, unless the context otherwise requires, have the meanings set out in the Solicitation Memorandum (as defined below).

The Solicitation Memorandum relating to the Extraordinary Resolution and Proposal (as defined below) dated 20 October 2009 (the “**Solicitation Memorandum**”), a copy of which is available for inspection as indicated below, explains the background to and reasons for, gives full details of, and invites Holders to consent to amendments to certain Events of Default under Condition 10 of the Notes, specifically Condition 10(c)(i) and Condition 10(g), and the inclusion of a proviso to Condition 10 of the Notes which provides that certain of the Events of Default set out therein shall only constitute Events of Default (as so defined in the Conditions) upon their having been certified by the Trustee as being materially prejudicial to the interests of holders of the Notes, as more fully described in the Solicitation Memorandum (the “**Proposal**”).

Subject to the passing of the Extraordinary Resolution, the Issuer will pay an Instruction Fee to each Holder from whom valid VPS Voting Instructions in favour of the Proposal are received by the Tabulation Agent before the Early Instruction Deadline, or after the Early Instruction Deadline, but prior to the Late Instruction Deadline (and in each case, not revoked), as more fully described in the Solicitation Memorandum. The Instruction Fees will be paid as consideration for the Holders’ approval of the Proposal. It is a term of the Proposal that VPS Voting Instructions in favour of the Proposal in respect of which the relevant Holders are

eligible for the Instruction Fees shall be irrevocable from the Early Instruction Deadline or the Late Instruction Deadline, as the case may be.

Holders are urged to deliver valid Electronic Voting Instructions or VPS Voting Instructions through the Clearing Systems in accordance with the procedures of, and within the time limit specified by, the relevant Clearing System, prior to the Early Instruction Deadline and in any event no later than the Late Instruction Deadline in order to receive the Early Instruction Fee or, as the case may be, the Late Instruction Fee.

Holders who are not direct accountholders in Euroclear or Clearstream, Luxembourg or Direct Participants should arrange for the accountholder or Direct Participant, as the case may be, through which they hold their Notes to submit or deliver an Electronic Voting Instruction or VPS Voting Instruction, as applicable, on their behalf to and through, and in accordance with and within the time limits specified by, VPS, Euroclear or Clearstream, Luxembourg, as applicable, prior to the Early Instruction Deadline and in any event no later than the Late Instruction Deadline.

Documents Available for Inspection

Holders may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) prior to and during the Meeting, inspect copies of the Trust Deed, the Solicitation Memorandum and a draft of the First Supplemental Trust Deed between the Issuer and the Trustee, to be dated on or around 11 November 2009, at the specified office of the Paying and Conversion Agent set out below and at the registered office of each of the Issuer and (in respect of the Solicitation Memorandum) the Solicitation Agent and the Tabulation Agent.

General

The attention of Holders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in "Voting and Quorum" below. Having regard to such requirements, Holders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting, as referred to below, as soon as possible.

In accordance with normal practice, the Trustee expresses no opinion as to the merits of the Proposal or the Extraordinary Resolution but the Trustee has authorised it to be stated that, on the basis of the information as set out in the Solicitation Memorandum (which it recommends the Holders to read carefully) and in this Notice, it has no objection to the Proposal and the Extraordinary Resolution being put to Holders for their consideration. The Trustee has not been involved in formulating or negotiating the Proposal and makes no representation that all relevant information has been disclosed to the Holders in or pursuant to the Solicitation Memorandum and the Notice of Meeting. Accordingly, Holders who are unsure of the impact of the Proposal and the Extraordinary Resolution should seek their own financial, tax and legal advice.

Voting and Quorum

The relevant provisions governing the convening and holding of the Meeting are set out in Schedule 3 to the Trust Deed, copies of which are available for inspection as referred to above.

Any Holders or Direct Participants (directly or on behalf of Beneficial Owners) who have submitted VPS Voting Instructions in accordance with the procedures set out in the Solicitation Memorandum shall take no further action in relation to voting at the Meeting in respect of the Extraordinary Resolution. By submitting or delivering a duly completed Electronic Instruction Notice to Euroclear or Clearstream, Luxembourg or a valid VPS Voting Instruction to the Tabulation Agent, the relevant holder of the Notes irrevocably instructs the Tabulation Agent to appoint duly authorised representatives of the Tabulation Agent nominated by it as proxies to vote in favour of the Extraordinary Resolution.

The following paragraphs (1)-(6) apply only to Holders or Beneficial Owners who have not submitted or delivered or arranged for the submission or delivery of Electronic Voting Instructions or VPS Voting Instructions to the relevant Clearing System in accordance with the terms of the Solicitation Memorandum.

- (1) A holder of a Note may by an instrument in writing (a “**form of proxy**”) in the form available from the specified office of the Trustee in the English language executed by or on behalf of the Holder and delivered to the Trustee at least 24 hours before the time fixed for the Meeting or any adjourned Meeting appoint any person (a “**proxy**”) to act on his behalf in connection with the Meeting (or any adjourned Meeting).
- (2) A corporation which holds a Note may by delivering to the Trustee at least 24 hours before the time fixed for the Meeting a certified copy of a resolution of its directors or other governing body (in English or with a certified translation in English) authorise any person to act as its representative (a “**representative**”) in connection with the Meeting.
- (3) If a holder of a Note or his proxy or representative wishes to vote at the Meeting, such holder, proxy or representative must be entered in the records of VPS as a holder of Notes no later than the business day immediately prior to the Meeting.
- (4) Beneficial Owners and Direct Participants who hold their interest in Notes through a Clearing System and who wish to attend and vote at the Meeting (or any adjourned Meeting) should contact the relevant Clearing System to make arrangements to be appointed as a proxy (by the relevant holder of Notes entered into the records of VPS) in respect of the Notes in which they have an interest for the purposes of attending and voting at the Meeting (or any adjourned such Meeting). Beneficial Owners must have made arrangements to vote with the relevant Clearing System by not later than the business day immediately prior to the Meeting and within the relevant time limit specified by the relevant Clearing System and request or make arrangements for the relevant Clearing System to block the Notes in the relevant Direct Participant’s account and to hold the same to the order of or under the control of the Paying and Conversion Agent. The proxy to be so appointed may be selected by the Direct Participant or the Beneficial Owner (and could be the Beneficial Owner if an individual) or the Beneficial Owner can request through its Direct Participant for the Holder to appoint the Tabulation Agent or its duly authorised representatives (as it shall determine) as proxy to cast the votes relating to the Notes in which he has an interest at the Meeting.
- (5) A Direct Participant whose Notes have been so blocked will thus be able to procure that a voting instruction is given in accordance with the procedures of VPS to the Tabulation Agent.
- (6) Any Note(s) so held and blocked for either of these purposes will be released to the Direct Participant by VPS and to the person who is shown in the records of Euroclear or Clearstream, Luxembourg as a holder of interest in the Notes by Euroclear or Clearstream, Luxembourg, as applicable on the earliest of (i) the conclusion of the Meeting (or, if later, any adjourned such Meeting) and (ii) upon such Note(s) ceasing in accordance with the procedures of the relevant Clearing System to be held to its order or under its control; provided, however, in the case of (i) above, that if the Holder has caused a proxy to be appointed in respect of such Note(s), such Note(s) will not be released to the relevant Direct Participant unless and until the Holder has notified the Issuer of the necessary revocation of or amendment to such proxy.

The Extraordinary Resolution may only be considered at the Meeting if the Meeting is quorate. The Meeting will be quorate if at least two persons being entitled to vote (whether as Holders or as proxies or representatives) are present at the Meeting who hold or represent a clear majority of the principal amount of the Notes for the time being outstanding. If the Meeting is not quorate, it will be adjourned to a later time and date of not less than 14 days nor more than 42 days thereafter. When the Meeting resumes following

adjournment, the Trust Deed makes provision for a lower quorum requirement being two or more persons present in person holding Notes or being proxies or representatives whatever the proportion of the Notes for the time being outstanding they represent.

On a show of hands every person who is present in person and who produces a certificate in which it is stated that he is the registered holder of the corresponding Note or is a proxy or a representative, shall have one vote. On a poll every such person who is so present shall have one vote in respect of U.S.\$100,000 in principal amount of each Note held or owned or in respect of which he is a proxy or representative. In case of equality of votes on a show of hands the chairman shall have a casting vote in addition to any other votes that he may have.

Votes in favour of the Extraordinary Resolution must represent at least 75 per cent. of the votes cast for the Extraordinary Resolution to be duly passed.

If passed, the Extraordinary Resolution will be binding upon all Holders, whether or not they were present or represented at the Meeting and whether or not they voted at the Meeting.

This notice is governed by, and shall be construed in accordance with, English law.

PAYING AND CONVERSION AGENT AND REGISTRAR

Nordea Bank Norge ASA

Verdipapirservice
Middlethuns gt. 17
N-0368 Oslo
Norway

This notice is given by:

Petroleum Geo-Services ASA

20 October 2009