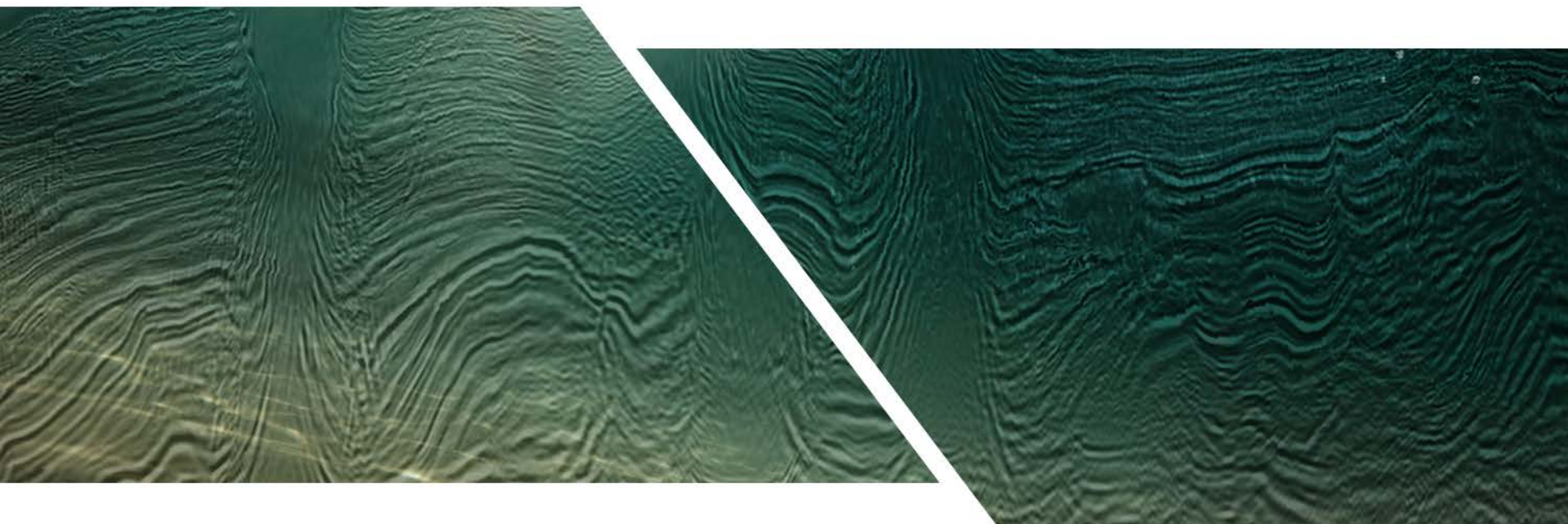




Barclays CEO Energy-Power Conference



Kristian Johansen
CEO

6th September, 2016

Forward-Looking Statements

All statements in this presentation other than statements of historical fact, are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. These factors include TGS' reliance on a cyclical industry and principal customers, TGS' ability to continue to expand markets for licensing of data, and TGS' ability to acquire and process data products at costs commensurate with profitability. Actual results may differ materially from those expected or projected in the forward-looking statements. TGS undertakes no responsibility or obligation to update or alter forward-looking statements for any reason.

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This is TGS



The World's largest geoscience data company

- Traded on Oslo Stock Exchange, part of OBX Index (25 most liquid shares)
- Headquarters in Oslo and Houston (Operational)
- Regional offices in London, Perth, Calgary, Mexico City and Rio de Janeiro



The Leading multi-client data library covering frontier & mature basins

- ~3,000,000 km 2D data, ~500,000 sq. km 3D data and ~8,600,000 digital well logs
- Other data types include CSEM, multibeam, coring, gravity, magnetic, interpretive products
- Strategy to enter frontier regions, grow library and apply new technologies as basin matures



Asset light and multi-client business model

- Flexibility through no vessel ownership – few long-term capital commitments
- Investment decisions driven by financial returns rather than asset utilization
- Client relationships – leading global sales & marketing team; exploration partner to E&Ps



Solid balance sheet backing TGS strategy

- No debt and strong cash position allow counter-cyclical investment
- Average dividend yield of 4.2% over last seven years
- 10-year average return on capital employed of ~40%

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Challenging Market for Exploration

Year on Year decline in spending

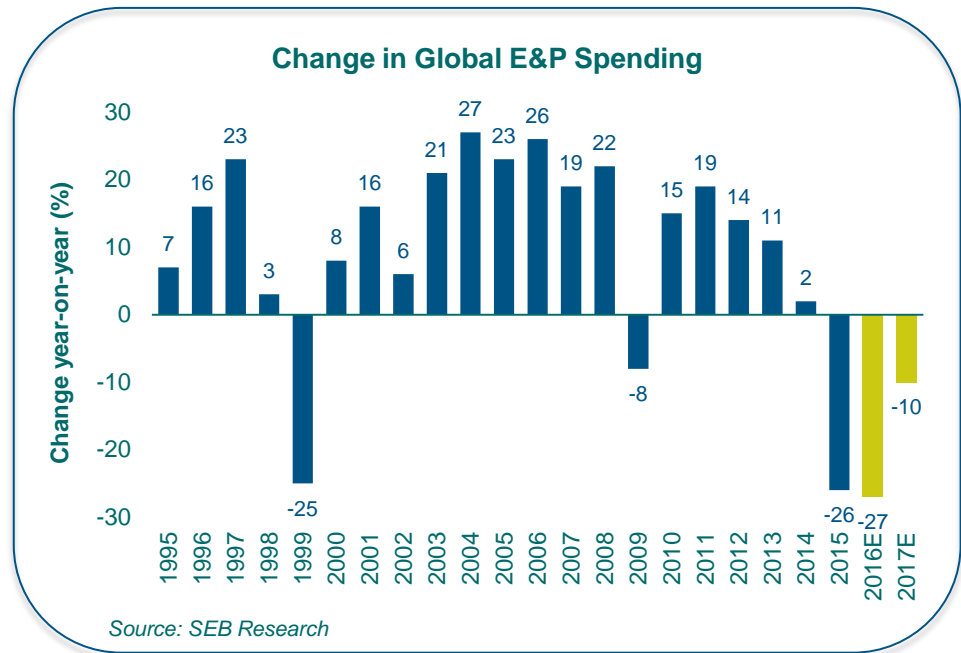
- Second consecutive 20%+ decline in E&P spending expected this year
- Impact on exploration budgets expected to be larger

Near-term volatility expected

- Seismic demand likely to remain weak through 2016
- Near-term, greater variability of demand between quarters and across regions
- Seismic spend will likely be prioritized in existing program areas that have premium economics

2017 E&P spending under pressure

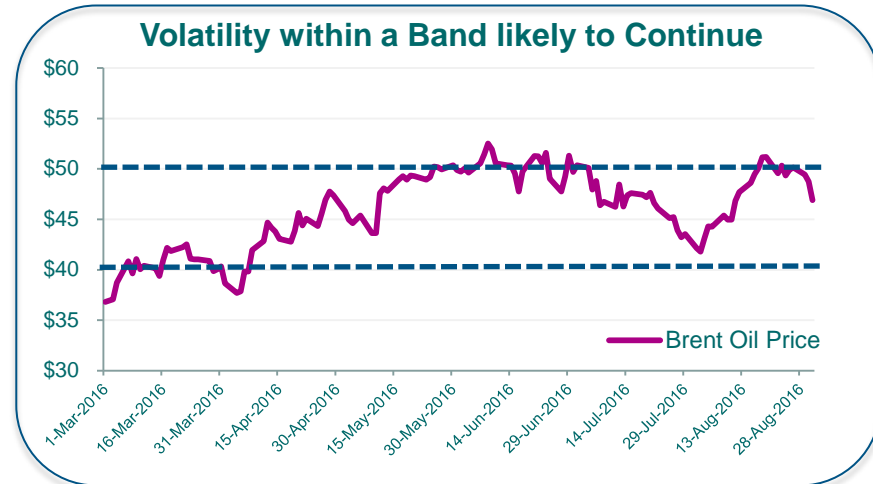
- Most initial E&P Spending surveys indicate further decline in spending



Volatility Expected to Continue

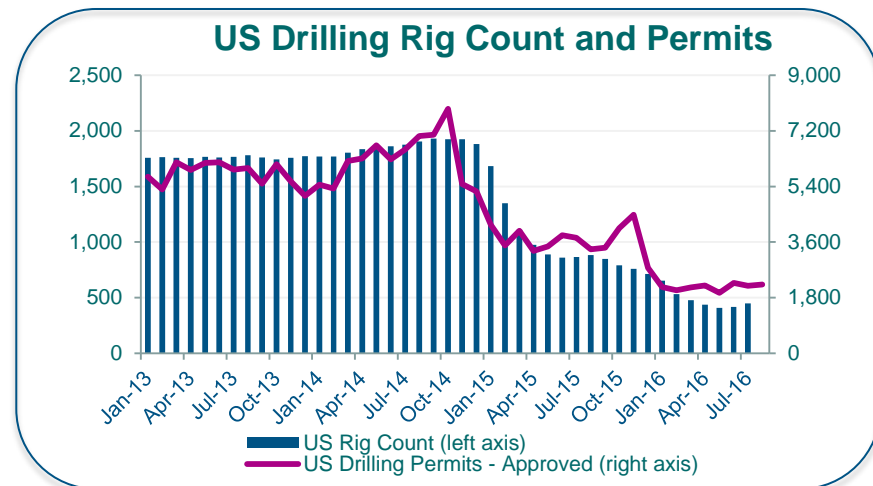
Brent oil has remained volatile though within a relatively tight band

- Oil prices in a \$40-\$50 band since March, following the rebound from January lows,
- Continuation of this trend expected in the near-term
- Lower-end of range likely to be supported by solid demand and reduction of oversupply since highs in 2015
- Cap on high-end due to US producers ability to respond quickly to improved economics



US Rig Count Up from Lows

- The US rig count and permitting activity shows close correlation to oil price movements
- Despite near-term volatility, the US is likely to be an area that sees a material increase in activity if oil prices stabilize at \$50+



Long-Term Outlook Positive

Global Oversupply Moderating

- Global oversupply is anticipated to continue to moderate through 2017 from a Q4 2015 high
- Market balance from Q3 2017 but supply response continuing to create volatility

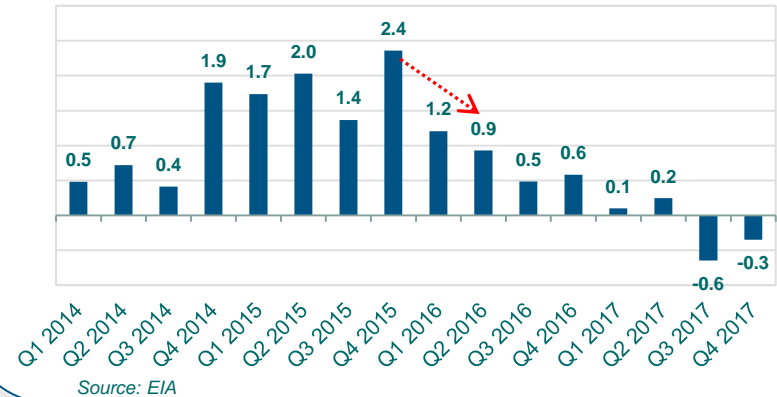
Need to Replace / Grow Reserves

- Only 2.7bn barrels of new conventional oil supply was discovered in 2015, the lowest since 1947 (Wood Mackenzie)
- Combined with increasing demand, lack of new discoveries will drive increased exploration spending as oil companies look to replace/grow reserves – the key question is timing

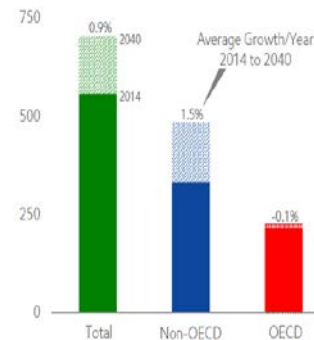
Long-Term Demand Increasing

- Global energy demand is expected to grow about 25% by 2040 driven by non-OECD countries
- Oil and natural gas expected to meet ~60% of global energy demand in 2040

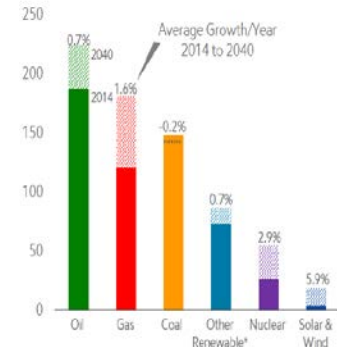
Global Production / Consumption (mn b/d)



Global Energy Demand
Quadrillion BTUs



Global Energy Demand
Quadrillion BTUs



Key Trends in the Seismic Industry

Seismic sector has underperformed financially

- ROCE below cost of capital
- Capital intensive and low entry barriers
- Critical product for end-user

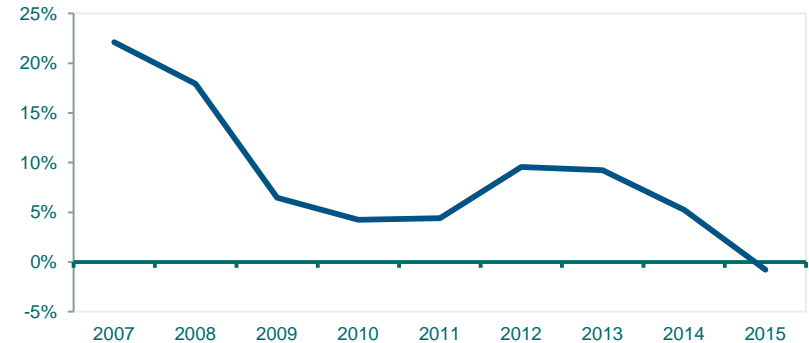
Gradual shift from proprietary to multi-client

- Seismic contractors taking more risk
- E&Ps tendering seismic acquisition as multi-client
- Higher prefunding but potentially lower returns

Fragmented market offering consolidation opportunities

- Number of players constant since peak despite seismic spending falling by 2/3
- Consolidation would provide the industry significant benefits over the course of cycles

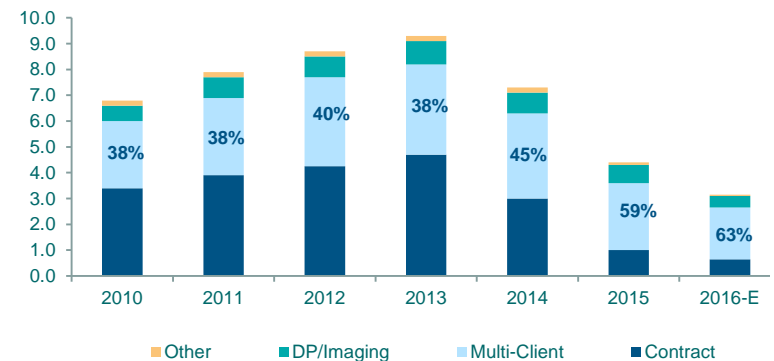
Seismic* Return on Average Capital Employed



*Global marine seismic industry excluding TGS

Source: S&P Capital IQ; TGS

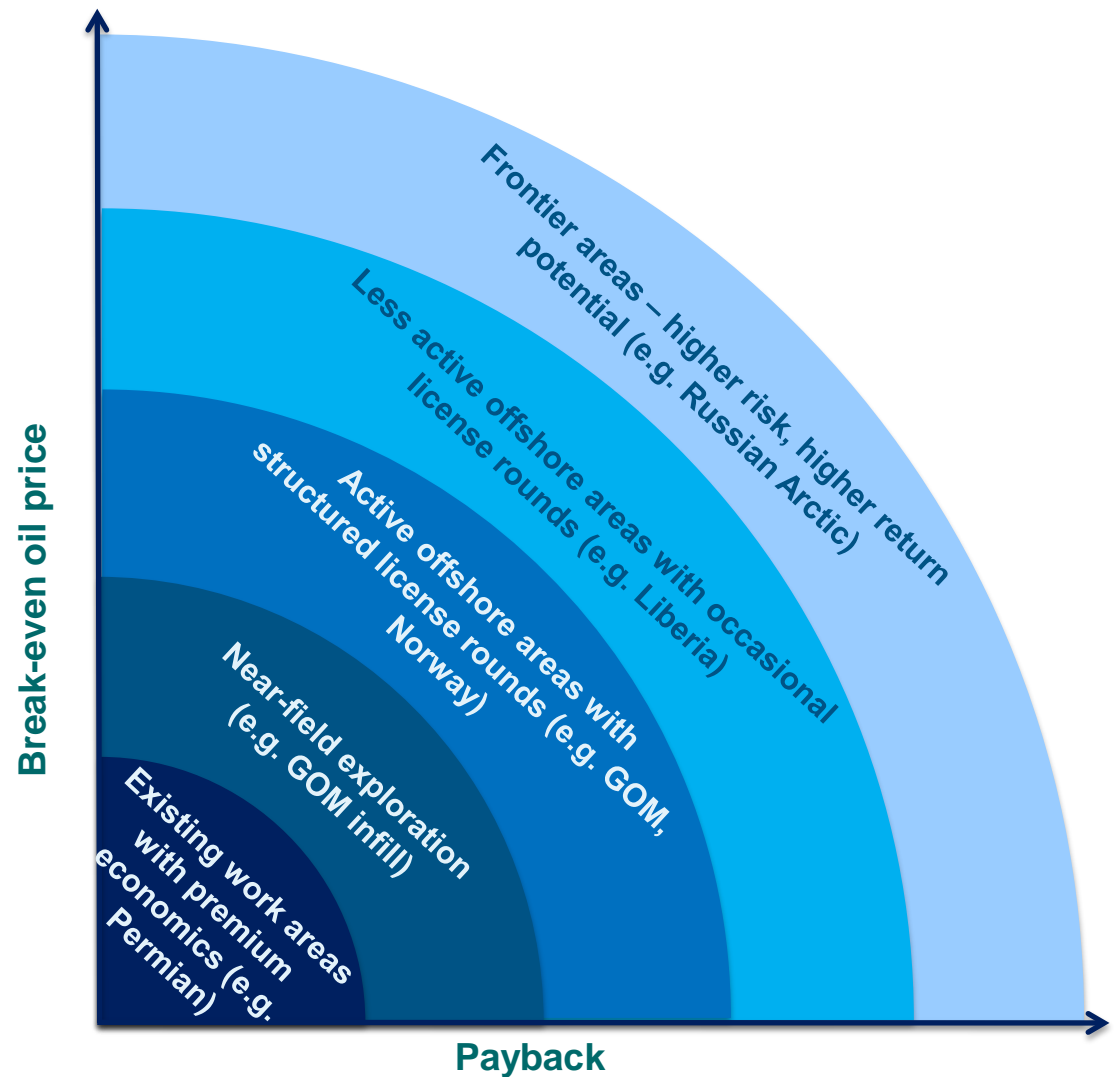
Seismic Spending (BUSD)



Source: Fearnley Securities; TGS

Areas with Faster Payback will Likely Recover First

- Chart highlights areas that are likely to see incremental seismic activity first as market conditions improve
- First movers will be areas with the best economics, or a combination of break-even oil prices and payback period
- Although initial focus will be on first mover areas, TGS will maintain a portfolio approach to investments to capture higher-return opportunities in more frontier regions



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TGS Strategy: Cost Efficient, Focused and Quickly Reacting!

Fast and flexible business model & track record, reacting quickly to capture advantage

Solid balance sheet backing TGS strategy

Investment focus in areas of low break-even oil price, fast payback and client activity



Fast & Flexible Business Model

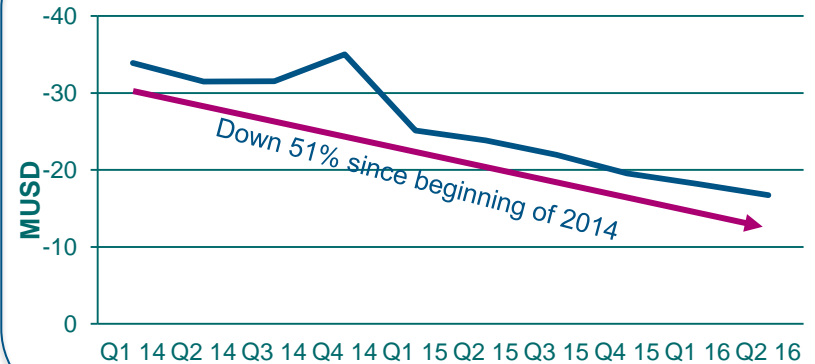
Reacting quickly to right size the company

- Operating costs down 30% year-on-year
- Operating costs down 51% since 2014
- Variable pay drives alignment with staff

Strong correlation between cash inflow and cash outflow

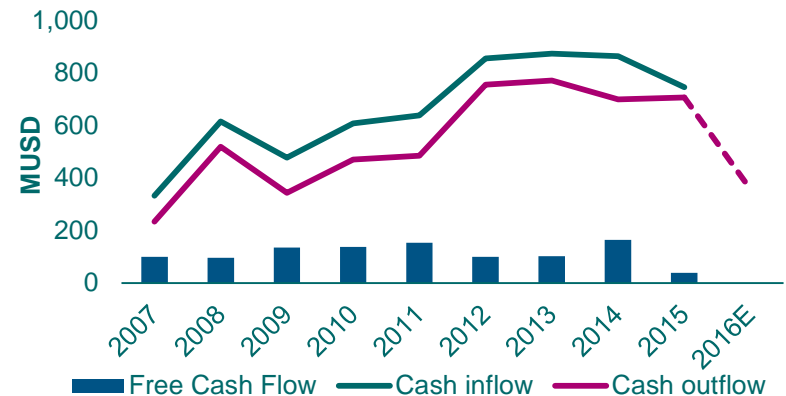
- Investment down 54% to MUSD 230
- Large reduction in vessel rates since peak
- Prefunding of investments stable at 40-45%

Personnel and Other Operating Costs*



* Adjusted for restructuring costs and larger impairments of operating items

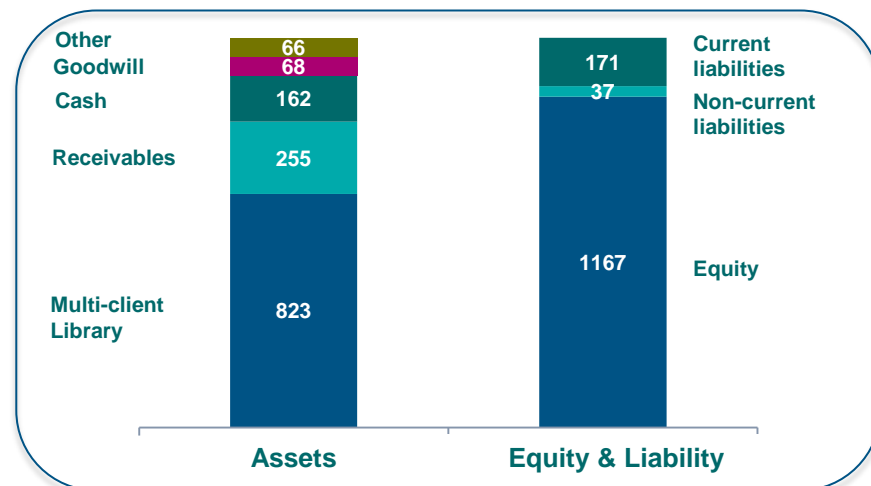
Cash Outflow correlates to Cash Inflow



Solid Balance Sheet Backing TGS strategy

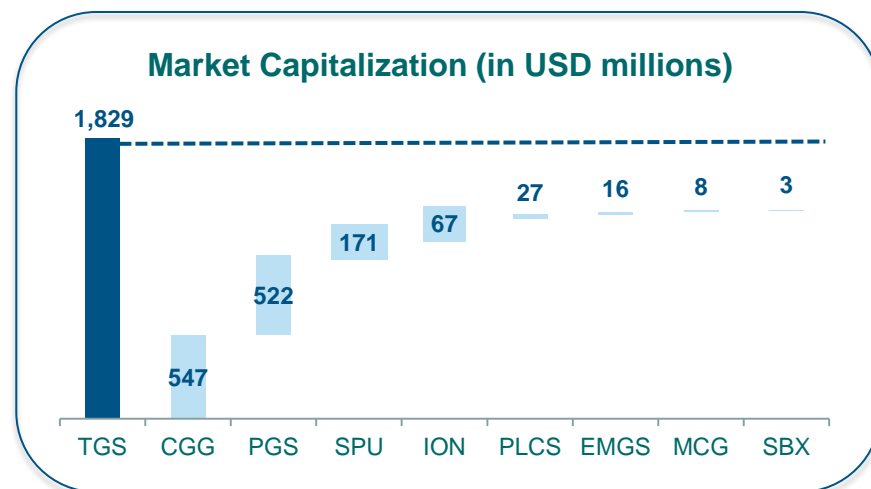
Balance sheet remains healthy through down-cycle

- Cash balance per Q2 2016 of 162 MUSD
- Undrawn Revolving Credit Facility of 75 MUSD



Strong share price relative to sector

- TGS market capitalization of 1.8 BUSD
- Represents ~58% of industry (ex-SLB)
- Strong currency to explore inorganic investment opportunities



Solid Value Creation Over Time

Long-term value creation track-record

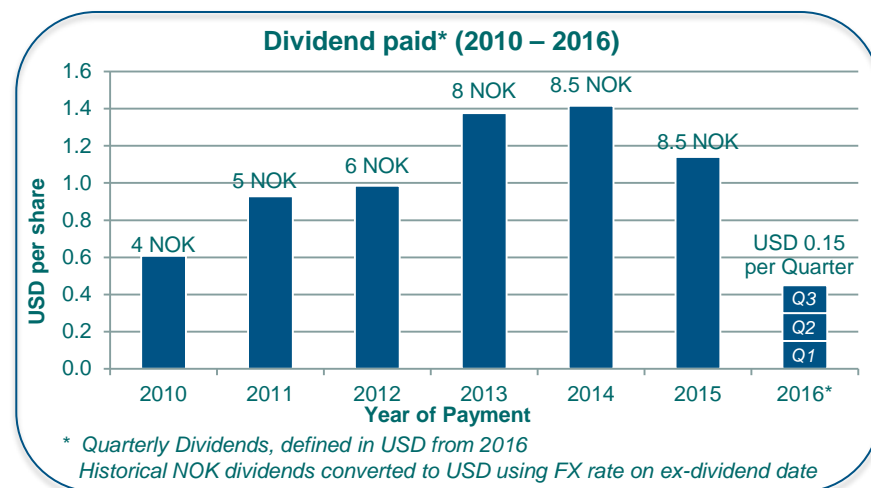
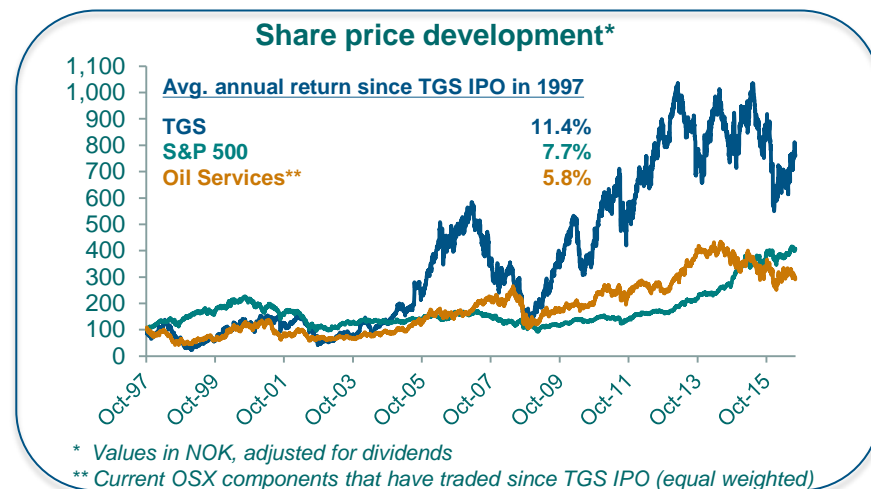
- Annual total return of 11% since IPO in 1997
- Well above both the oil service segment and the general stock market

Counter-cyclical investment

- Strong cash generation is enabling the company to both invest counter-cyclically as well as paying dividends to shareholders

Policy of paying dividends in line with long-term underlying cash flow

- Aim to keep a stable quarterly dividend through the year (measured in USD)
- Actual quarterly dividend level paid will be subject to continuous evaluation of market outlook, cash flow expectations and balance sheet development

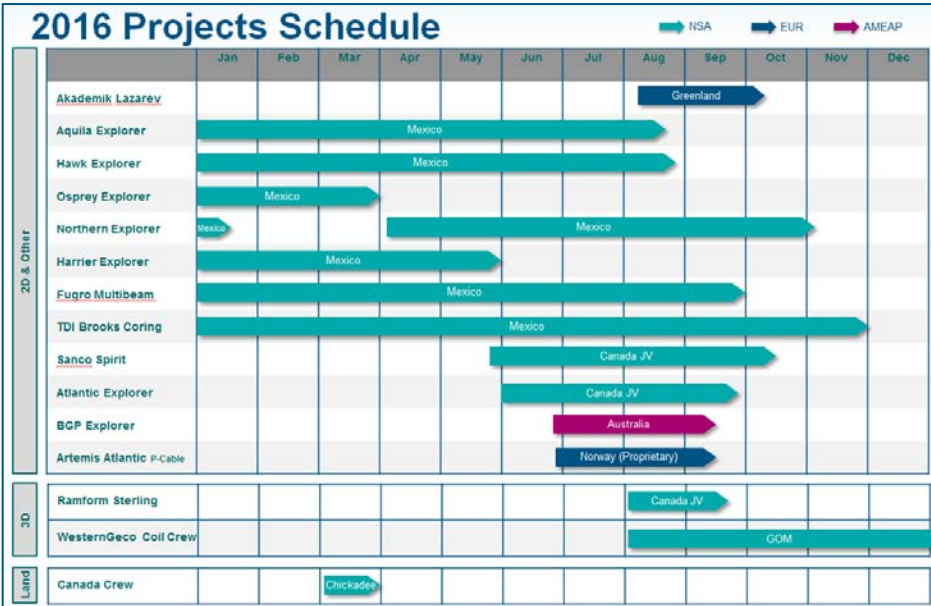


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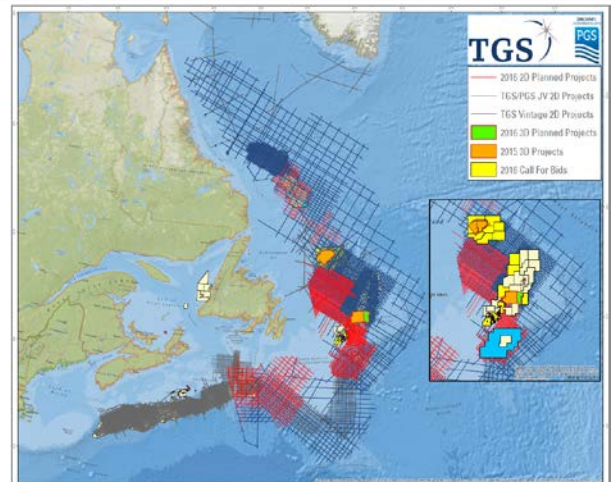
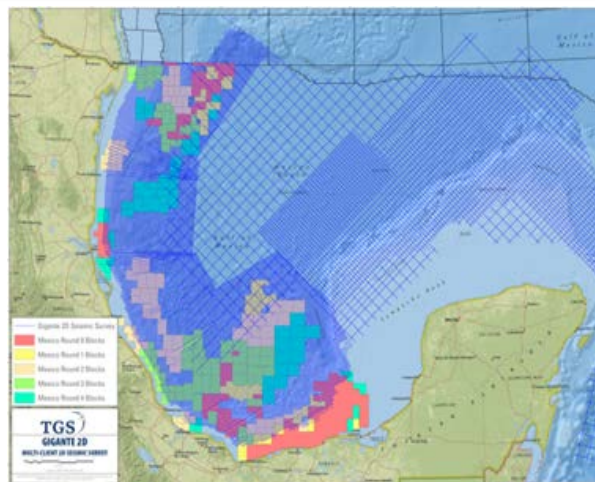
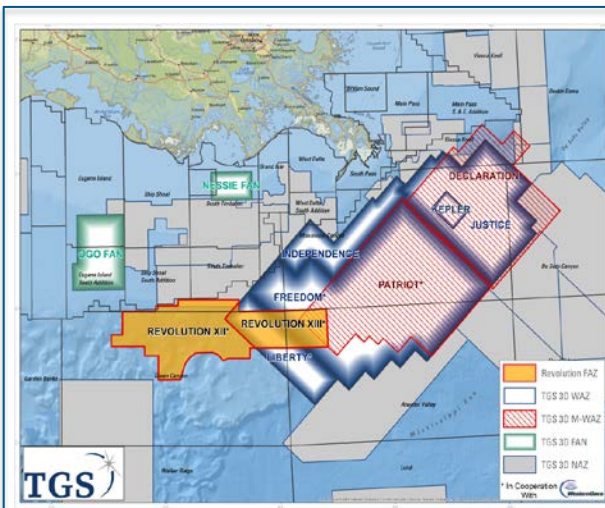
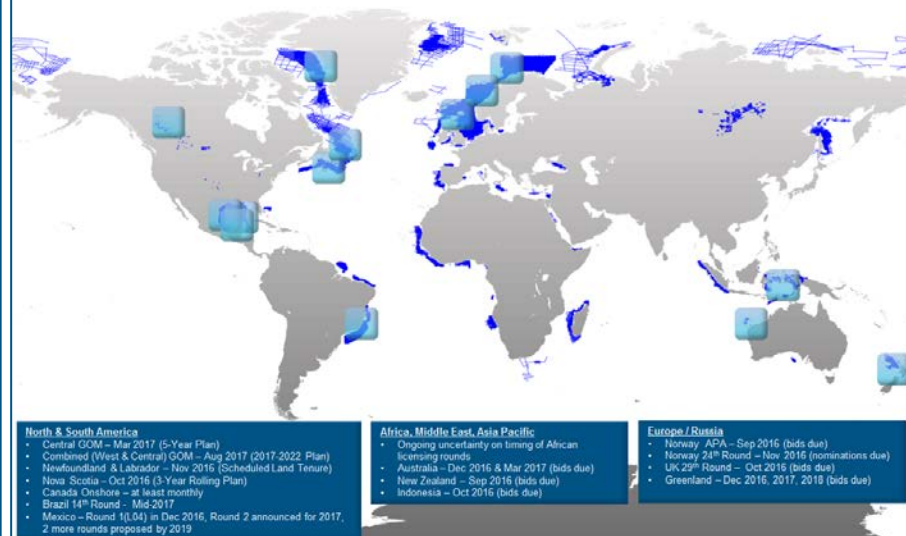
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Q3 Investment Focus

2016 Projects Schedule



License Round Activity and TGS Positioning

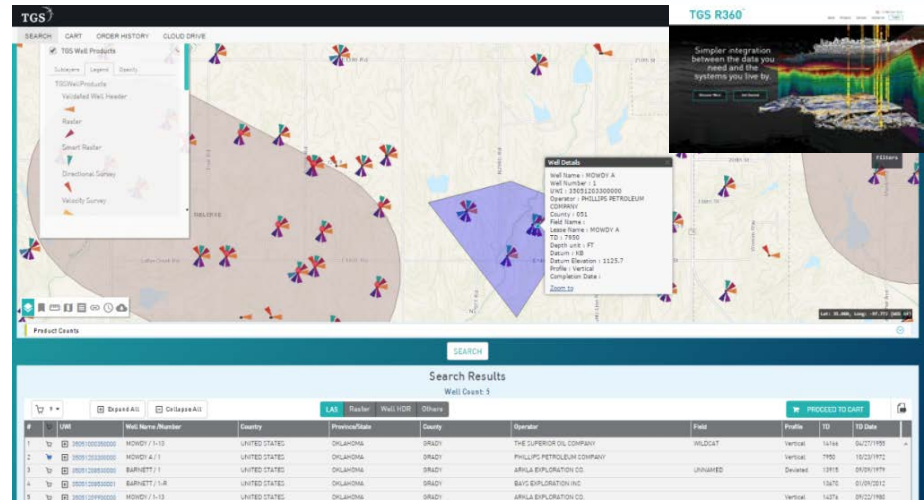


TGS Launches New Digital Information Products

R360

eCommerce tool enables simpler integration of geologic data with customer systems

Data reconnaissance, identification and selection through a map-based interface with online purchase and data delivery

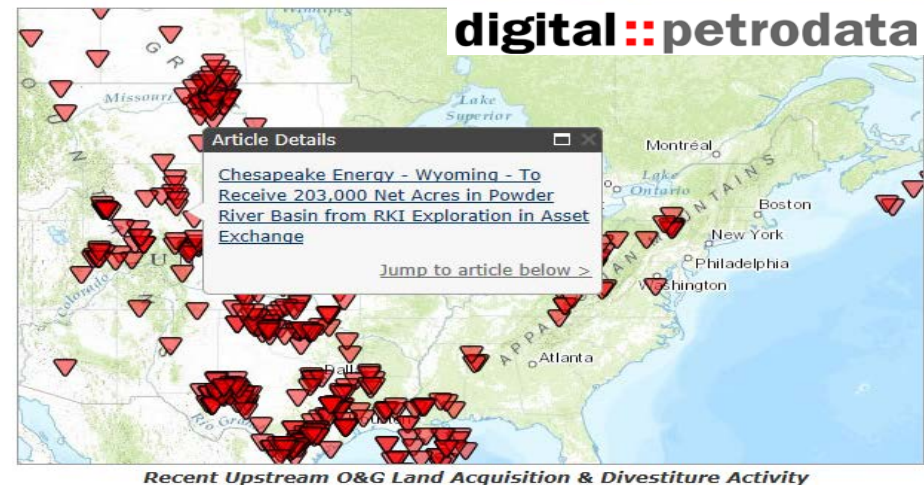


Digital Petrodata GEONEWS

Oil & gas industry data for E&P, financial and investment community professionals

Deep tagging of articles allows creation of very focused queries and email alerts

Data is spatially located with detailed attributes and analysis functionality



Please visit www.tgs.com for a free trial of GEONEWS!

2016 Key Objectives



Free cash flow generation



Consistency in delivering product quality



Significant cost efficiencies



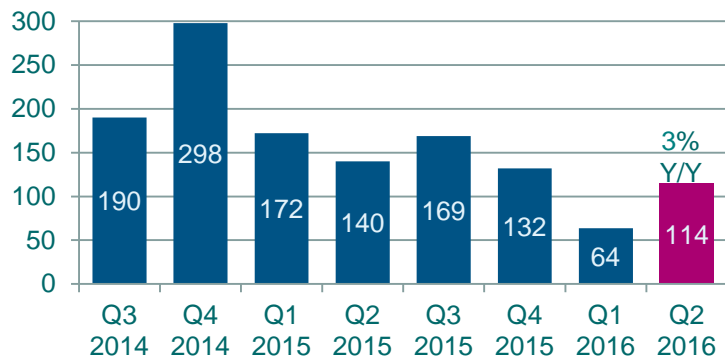
Intense client focus

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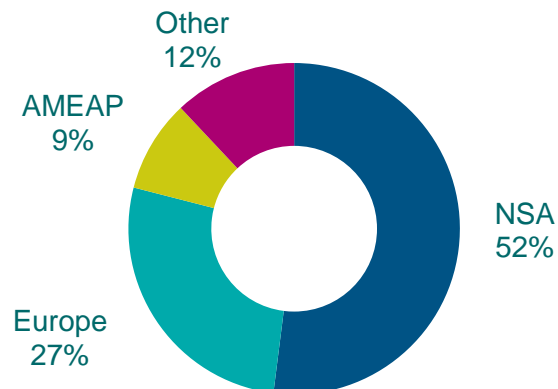
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Q2 2016 Financial Highlights

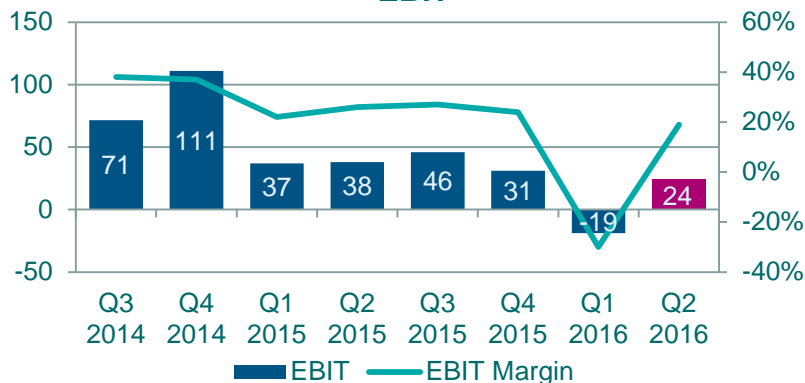
Total Revenues



Q2 2016 Revenue Distribution

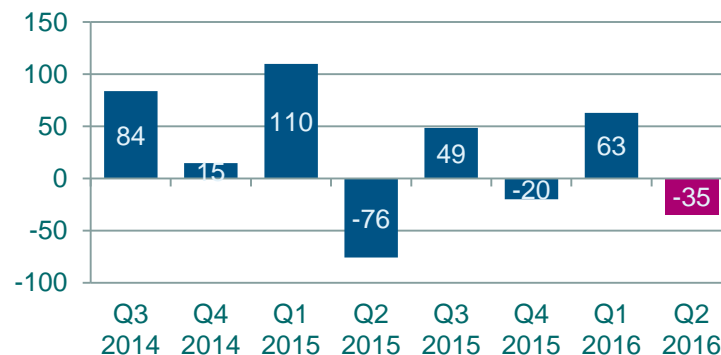


EBIT *



* Earnings before interest and taxes and excluding larger impairments and restructuring costs

Free Cash Flow *



* Defined as cash flow from operational activities minus operational cash investments in multi-client projects

Summary

- Signs of improvement in oil companies' willingness to invest in seismic data during Q2 2016, however, the market is expected to remain challenging and volatile in the near term
- Long term fundamentals continues to be positive
 - Global oversupply moderating
 - Need to replace / grow reserves
 - Long-term demand increasing
- Asset-light, focused multi-client strategy continues to outperform
 - Cost control, disciplined counter-cyclical investment and balance sheet strength positions TGS to enhance its leading position
- Updated 2016 guidance:
 - New operational multi-client investments of approximately 230 MUSD
 - Additional multi-client investments expected from sales of existing surveys with risk sharing arrangements
 - Multi-client investments are expected to be prefunded 40% to 45%

Thank you



www.TGS.com

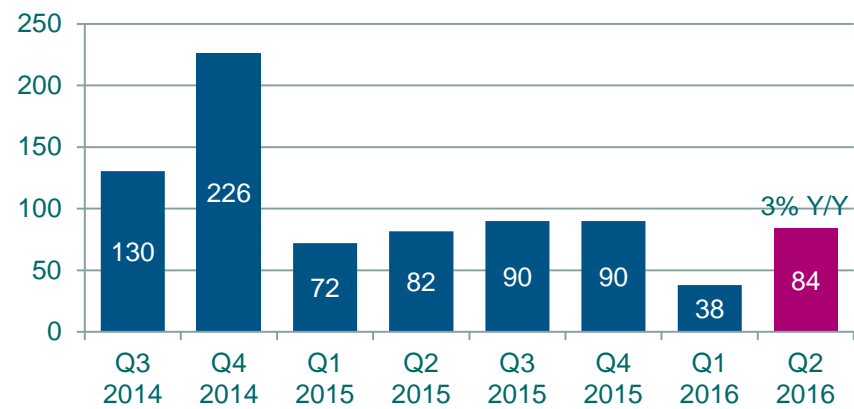
Kristian Johansen
CEO

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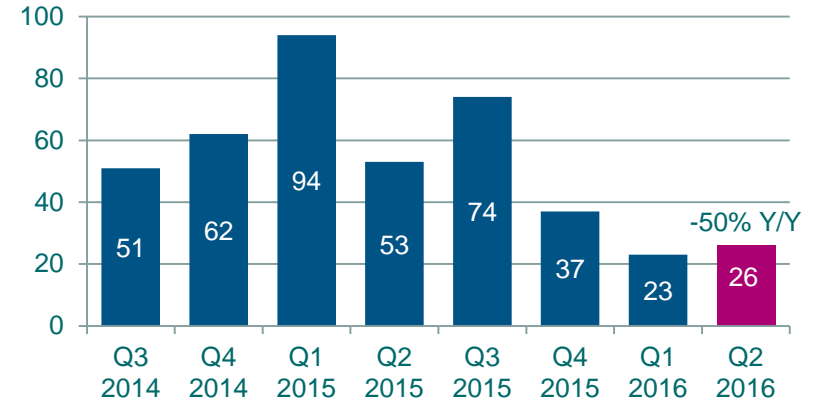
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Net Revenues

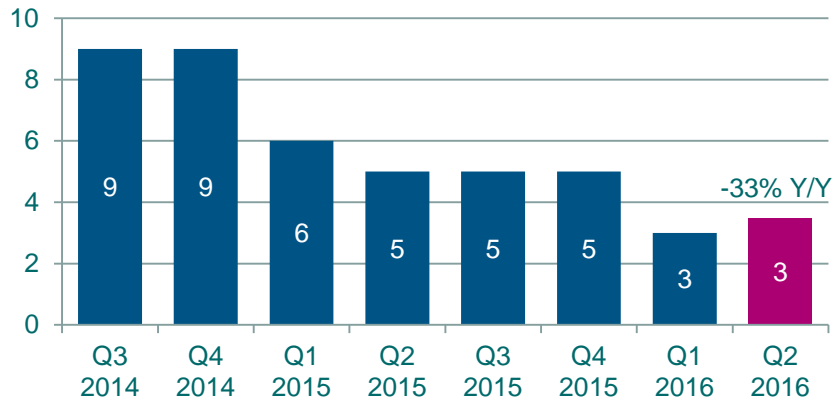
Late sales revenues



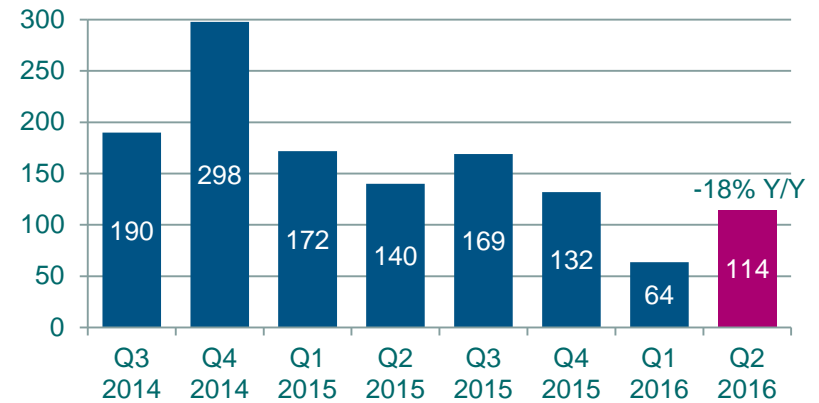
Prefunding revenues



Proprietary revenues

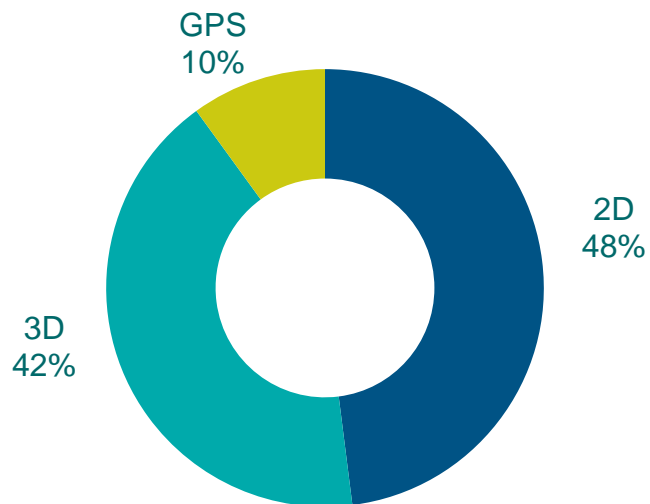


Total revenues

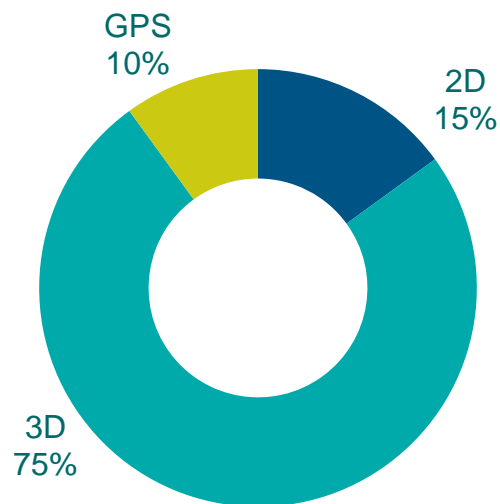


Net Revenue Breakdown

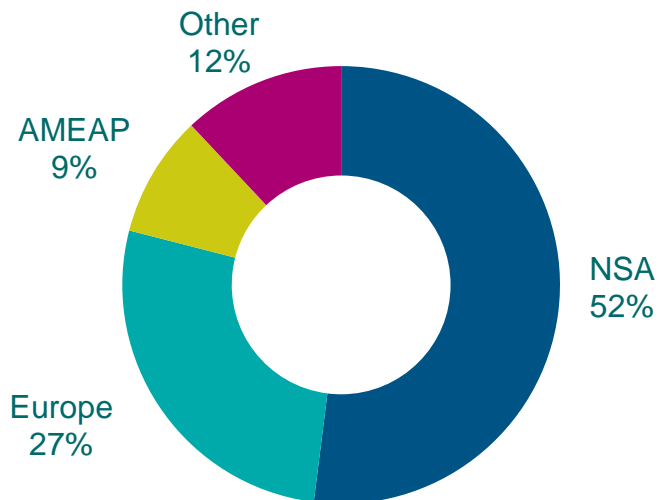
Q2 2016



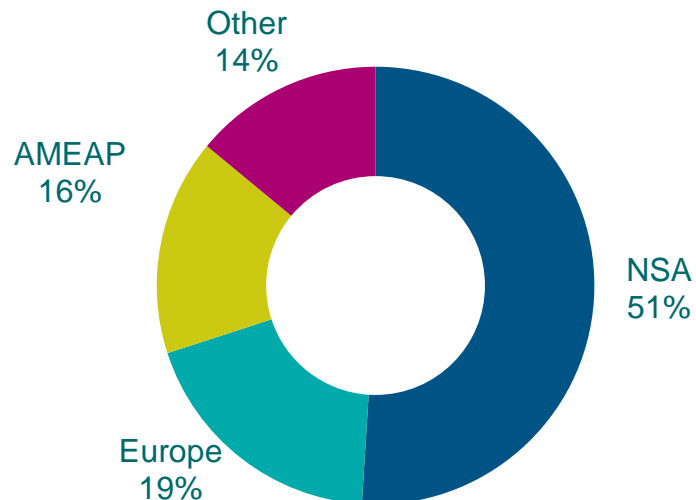
Q2 2015



Q2 2016

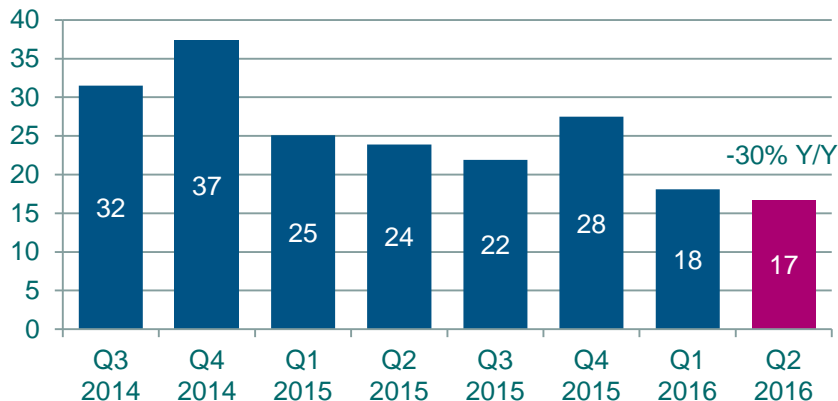


Q2 2015



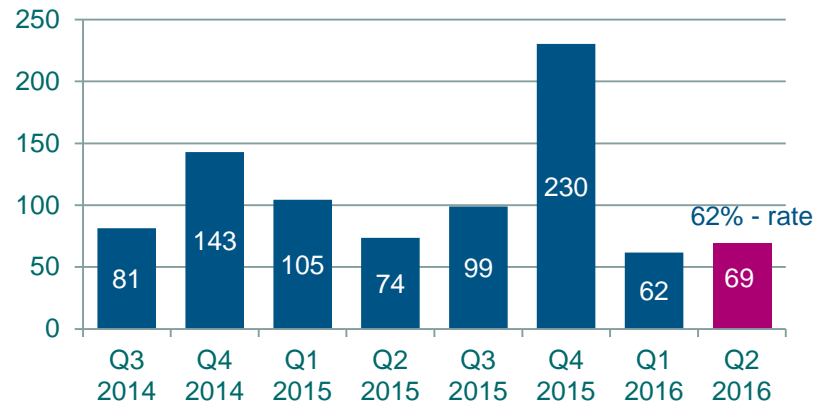
Operating Expenses, EBIT, Free Cash Flow

Operating expenses *



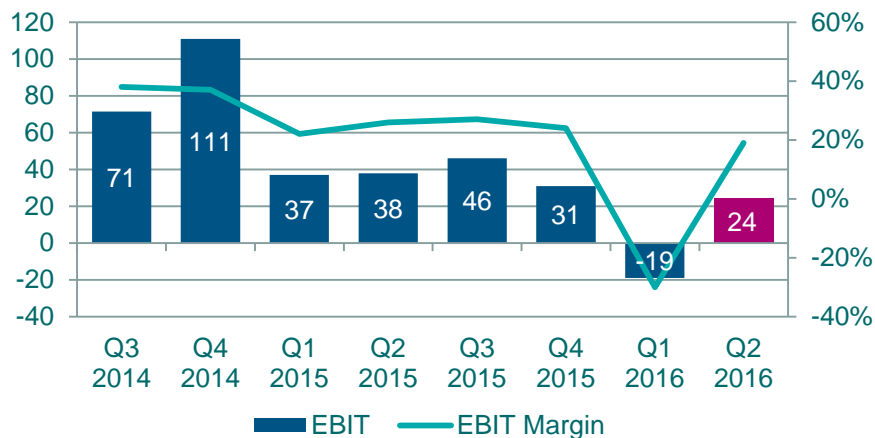
* Include personnel costs and other operating expenses. Adjusted for restructuring costs and larger impairments of operating items

Amortization and impairment *



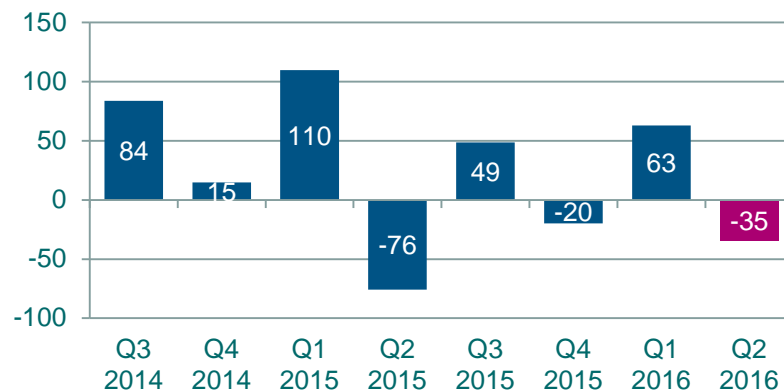
* Q1 and Q2 2016 reflects the new amortization policy effective from 1 January 2016

EBIT *



* Earnings before interest and taxes and excluding larger impairments and restructuring costs

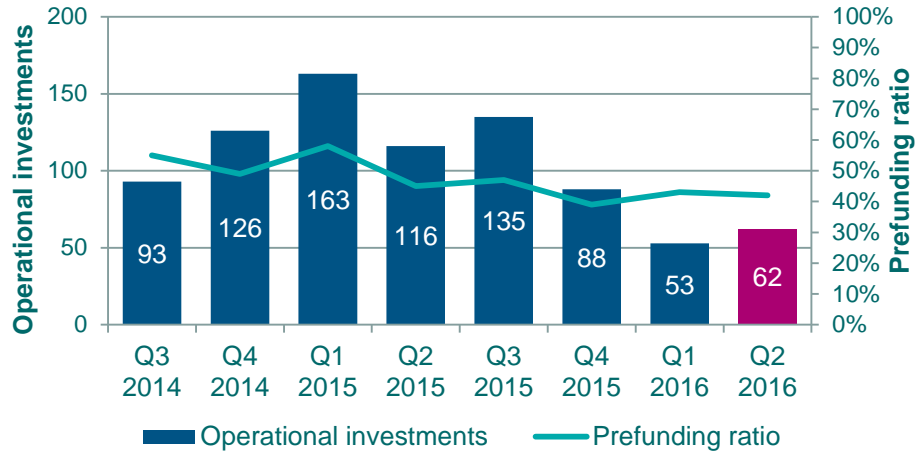
Free cash flow *



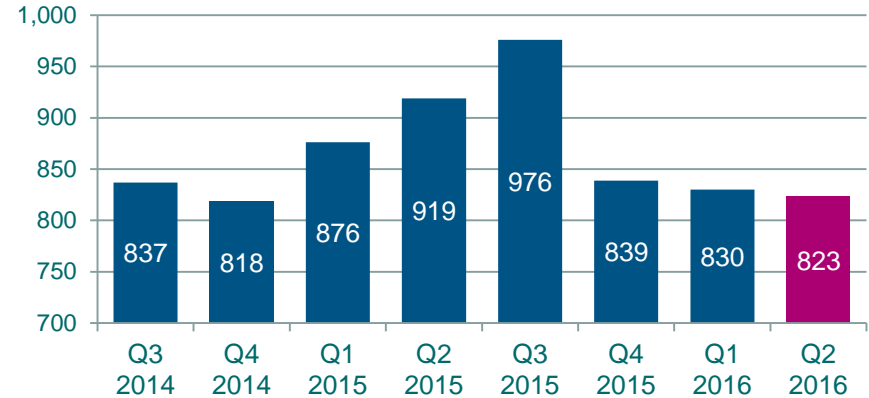
* Defined as cash flow from operational activities minus operational cash investments in multi-client projects

Multi-Client Library

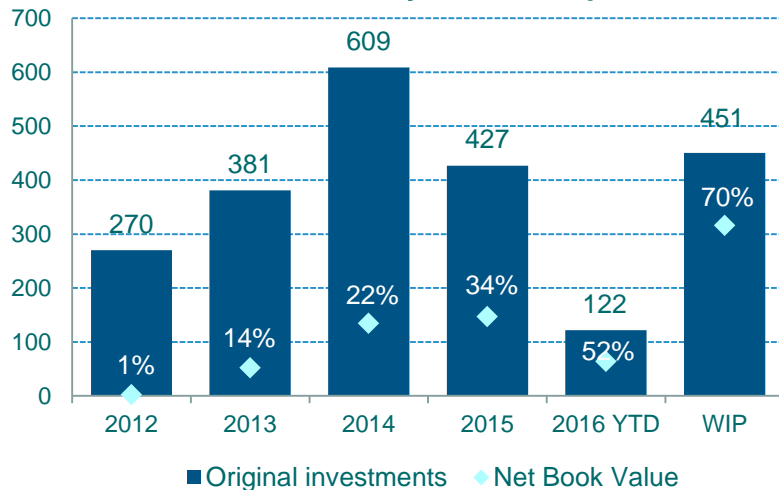
Operational investments and prefunding ratio



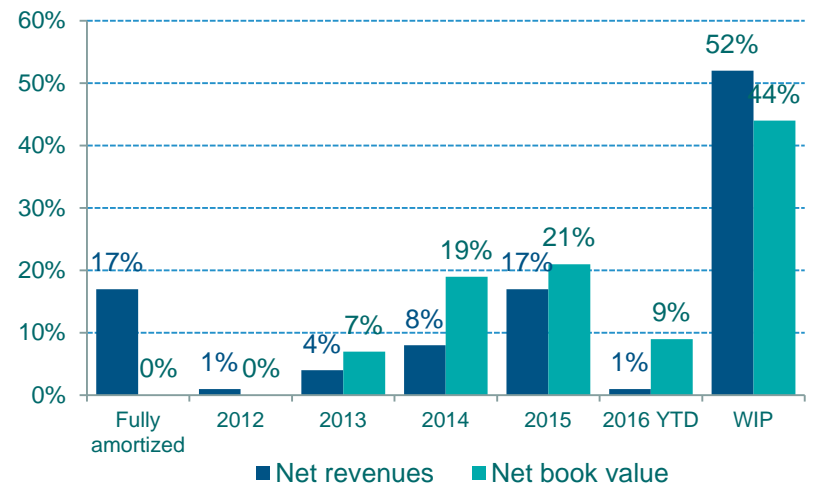
Multi-client library - NBV



Investments – year of completion



Net revenues vs net book value – year of completion



Q2 2016 Income Statement

USD million, except EPS	Q2 2016	Q2 2015	Change in %
Net revenues	114	140	-18%
Cost of goods sold – proprietary and other	0.8	0.1	1435%
Amortization of multi-client library 62%	69	74	-6%
Gross margin	44	66	-33%
Personnel costs	11	17	-37%
Other operating expenses	9	9	-3%
Cost of stock options	0.3	0.9	-61%
Depreciation	3	3	-7%
Operating profit 19%	22	36	-39%
Net financial items	-0.3	2	-116%
Profit before taxes 19%	21	37	-43%
Taxes	5	13	-65%
Net Income 15%	17	24	-31%
EPS, Undiluted	0.17	0.24	-29%
EPS, Fully Diluted	0.17	0.24	-29%

Q2 2016 Cash Flow Statement

USD million	Q2 2016	Q2 2015	Change in %
Received payments from customers	28	141	-80%
Payments for operational expenses	(19)	(25)	25%
Paid taxes	-	(29)	100%
Operational cash flow	9	86	-89%
Investments in tangible and intangible assets	(1)	(3)	57%
Investments in multi-client library	(44)	(162)	73%
Interest received	0.3	2	-82%
Interest paid	(0.3)	(0.003)	-10467%
Dividend payments	(14)	(99)	86%
Proceeds from share issuances	2	0.03	5271%
Change in cash balance	-48	-175	73%

Balance Sheet

USD million	Q2 2016	Q1 2016	Change in %	Q4 2015
Assets				
Cash and cash equivalents	162	210	-23%	163
Other current assets	255	189	35%	308
Total current assets	417	399	5%	471
Intangible assets and deferred tax asset	92	92	0%	90
Other non-current assets	16	16	3%	25
Multi-client library	823	830	-1%	839
Fixed assets	26	28	-7%	30
Total Assets	1,375	1,364	1%	1,455
Liabilities				
Current liabilities	171	168	2%	218
Non-current liabilities	4	5	-9%	6
Deferred tax liability	33	29	14%	33
Total Liabilities	208	201	3%	257
Equity	1,167	1,163	0%	1,198
Total Liabilities and Equity	1,375	1,364	1%	1,455