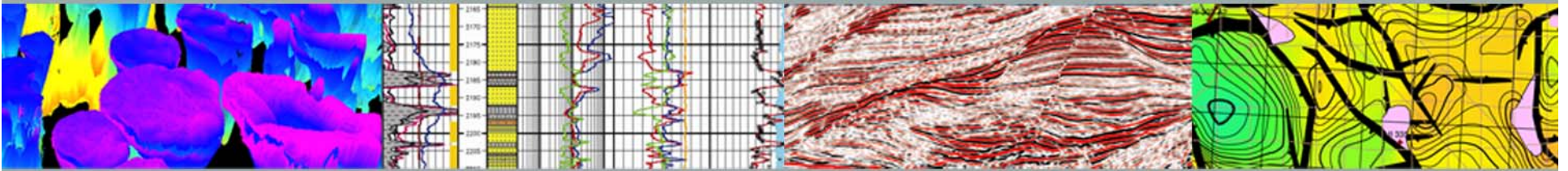


TGS 2011

TGS Expands Service Offering! **Acquisition of Stingray Geophysical Limited** **11 April 2011**



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.

Transaction Highlights

- TGS has signed an agreement with the owners of Stingray Geophysical Limited (“Stingray”) to acquire 100% of the outstanding shares.
- The purchase price paid by TGS consists of an upfront payment of 45 MUSD at closing, with additional payments of up to 35 MUSD based on objective milestones related to contracts awarded and implemented.
- The acquisition of Stingray provides a unique opportunity for TGS to participate as a leader in a rapidly emerging high-value market focused on Permanent Reservoir Monitoring (“PRM”). Fiber-optic PRM is expected to become a key enabling technology for production seismic.
- TGS’ balance sheet and innovative business model combined with Stingray’s unique and asset light technology solutions will position the company to win large, integrated projects within PRM and substantially increase TGS’ addressable market.
- The transaction is expected to complete in April 2011.

Stingray in Brief



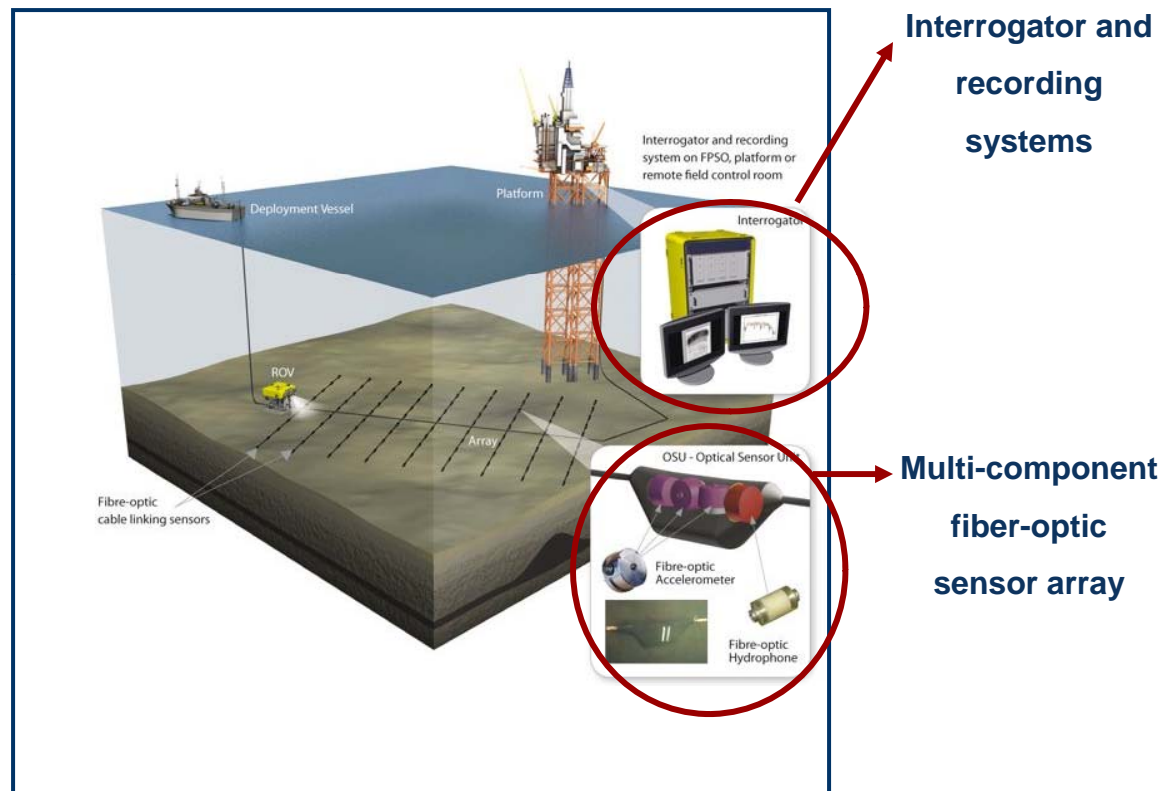
- Stingray delivers integrated fiber-optic seismic solutions for permanent monitoring of the reservoir.
- The company was established in March 2006 as a spin-off from QinetiQ (UK defense research laboratories) where the core technology for the unique fiber-optic sensing system was originally developed.
- The company is based in Guildford, UK.
- The management and core technology teams comprise 11 highly skilled people with over 250 years combined professional experience encompassing all aspects of Stingray's core business.
- The company is acquired from a consortium led by the venture-capitalist firms Energy Ventures, Chevron Technology Ventures, Energy Capital Management/Statoil Venture and Cody Gate Ventures.
 - Including the defense investment, more than 80 MUSD has been invested in the technology to date



Stingray provides advanced PRM seismic solutions that enable oil companies to enhance oil recovery from producing fields

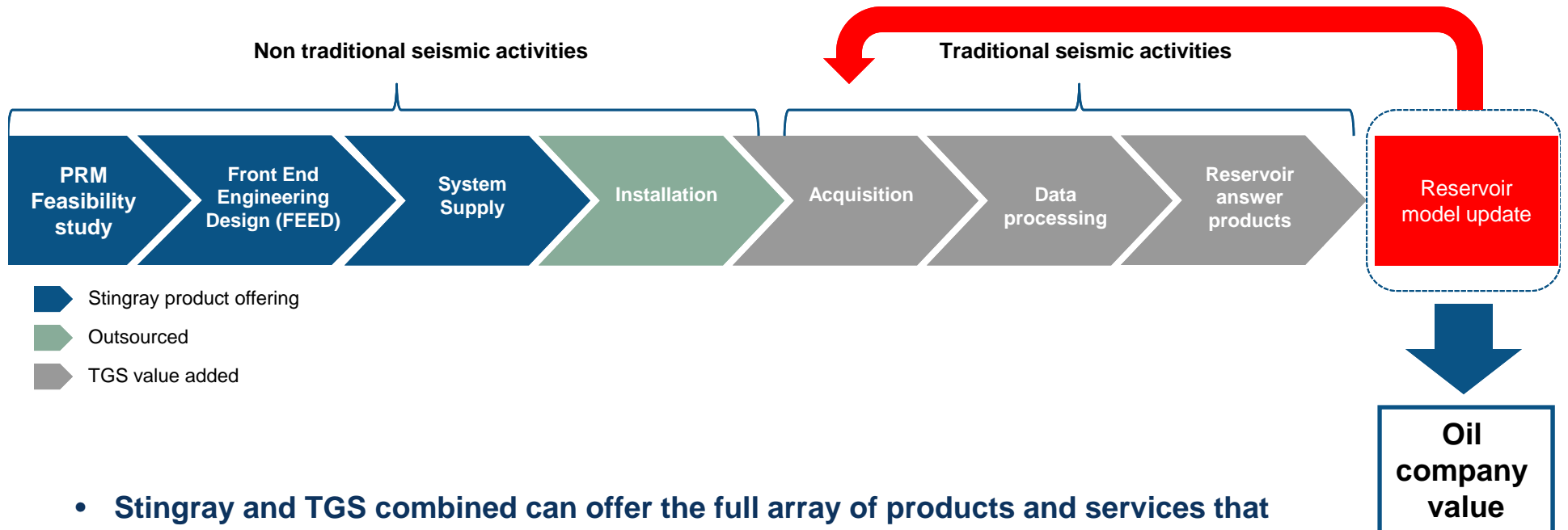
Stingray's Fosar® System

- Stingray solution is based around its core fiber-optic sensing technology Fosar®.
- The technology is unique and covered by an extensive patent portfolio.
- Key advantages include
 - dynamic range
 - low fiber count
 - practical installation solutions



The Fosar® system is a highly efficient and cost-effective PRM seismic solution that reduces uncertainties and minimizes installation and operational risk

TGS adds Great Value to the PRM Value Chain



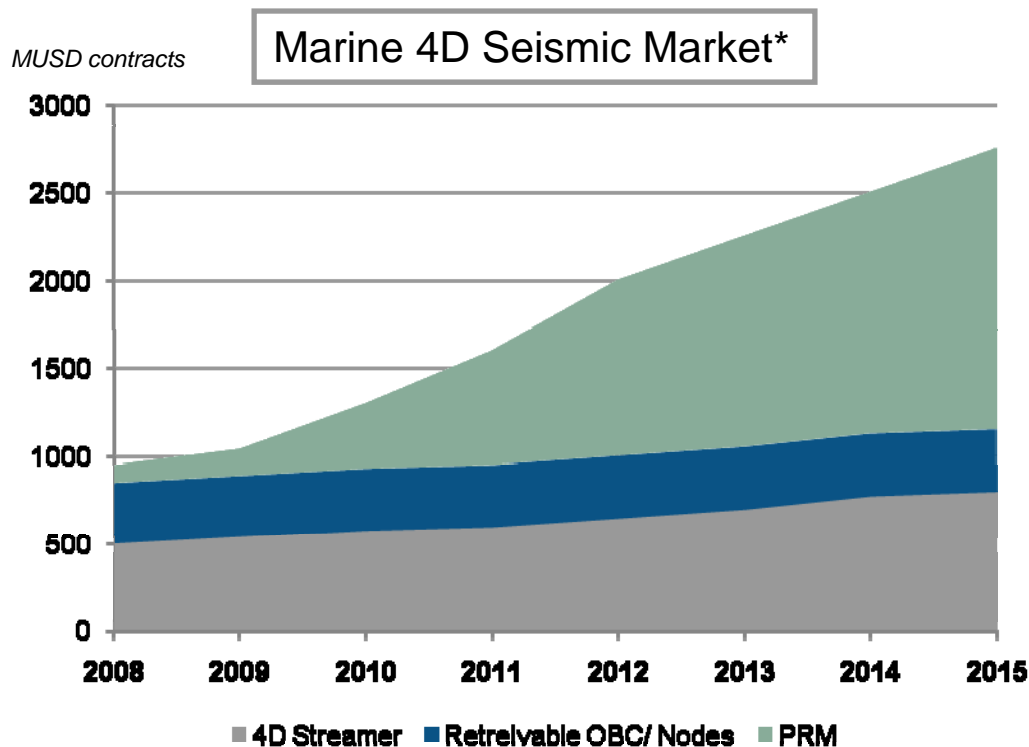
- **Stingray and TGS combined can offer the full array of products and services that make up the PRM value chain.**
- **Contracts are typically awarded as a multi-year service (3 to 10 years) – continuous and predictable revenue stream.**
- **Low capital intensity due to manufacturing on demand based on custom configuration to end user.**

Why Oil Companies Benefit from Fiber-optic PRM

- Important tool for increased well intervention, production drilling and other means for enhanced oil recovery.
- More accurate data from the reservoir.
- Repeat studies at frequent intervals provide precise information about how the reservoir evolves.
- Ability to detect smaller changes in the reservoir.
- Intelligent placement of additional drill locations in the reservoir.
- Substantially lower cost of additional surveys.

Better quality data, provided more frequently leads to improved reservoir management decisions

PRM Expected to Dominate 4D Seismic in the Future



Source: Stingray estimate
*Values include 3D and 4D nodal acquisition

- 4D seismic has grown dramatically since 2005 and represents a market greater than 1 BUSD.
- More than 500 MUSD in seabed contracts in 2009**.
- Growing movement from conventional streamer to wide azimuth streamer, OBC, nodes and PRM.
- PRM becomes more economic than wide-azimuth streamer and nodes/OBC after 2 - 3 surveys and is being considered as the preferred route in the 4D seismic market.

** Source: Stingray















PRM is expected to make up more than 50% of the marine 4D seismic market within four years

Competitive Dynamics

4D

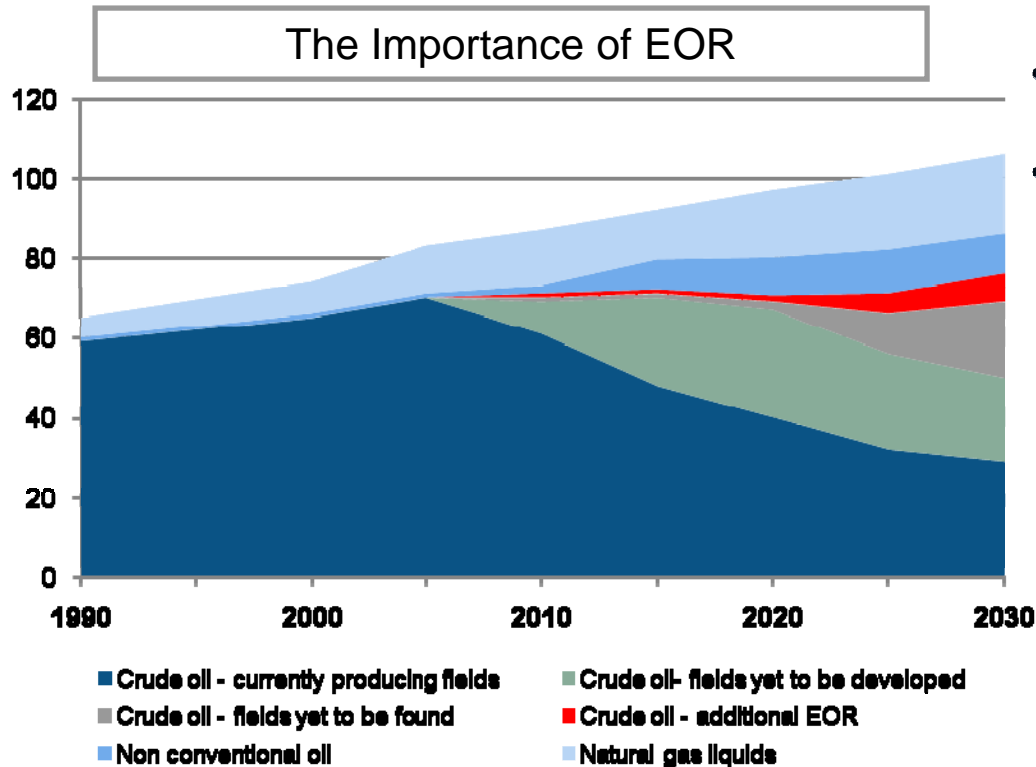
4D-4C

Streamers
<p>Provided by all of the main service providers</p>     

Ocean Bottom Cables (OBC)	Nodes	PRM (Electrical)	PRM (Fiber-Optic)
     	  	 	  

Fiber-optic PRM is considered to be the most sophisticated PRM seismic solution providing reliable, high quality data

Value Drivers for Acquisition

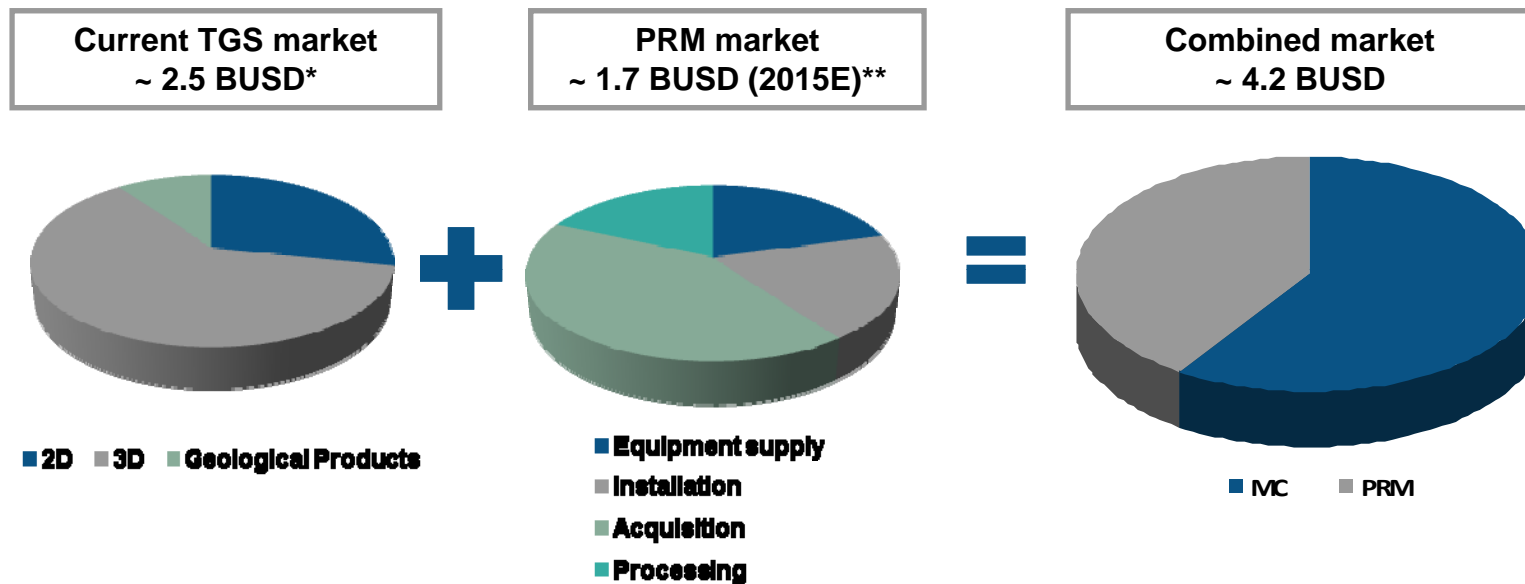


Source: IEA World Energy Outlook 2010

- Crude oil from currently producing fields expected to decline significantly
- Strong need to mitigate fall in production by
 - Increasing investments in enhanced oil recovery (EOR).
 - Focusing on new technologies to raise the average recovery factor for mature fields.
 - Investing in reservoir monitoring, including PRM, which will become even more important in the future maximization of total recovery from producing fields.

Increased demand for PRM seismic services due to the need for enhanced oil recovery from producing fields

TGS' Addressable Market to Grow Substantially



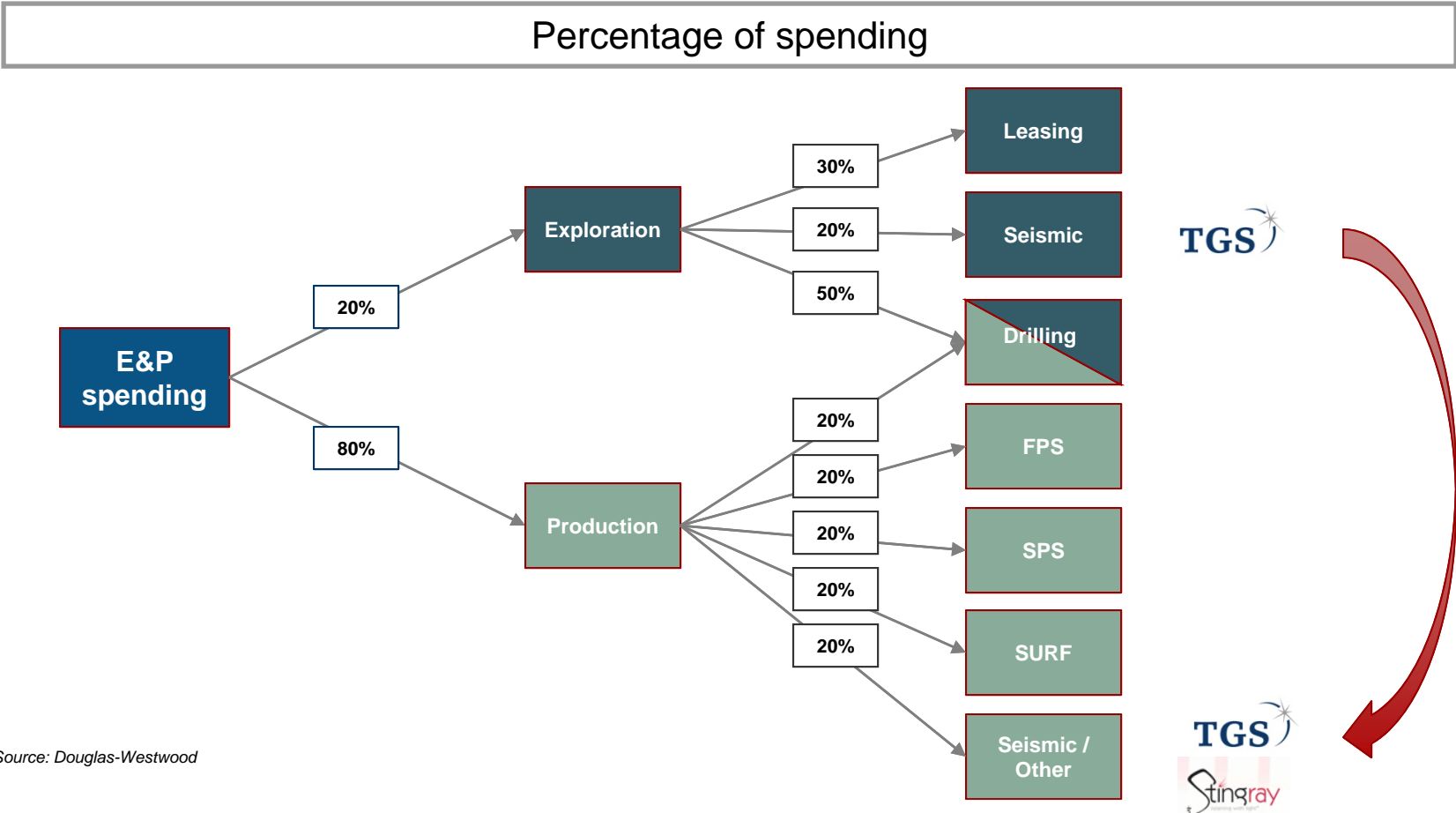
*Source: TGS estimate

**Source: Stingray estimate

Size of pies for illustration purposes only.

Through an investment of initially 45 MUSD TGS gains access to one of the fastest growing segments within the seismic industry while maintaining the asset light business model

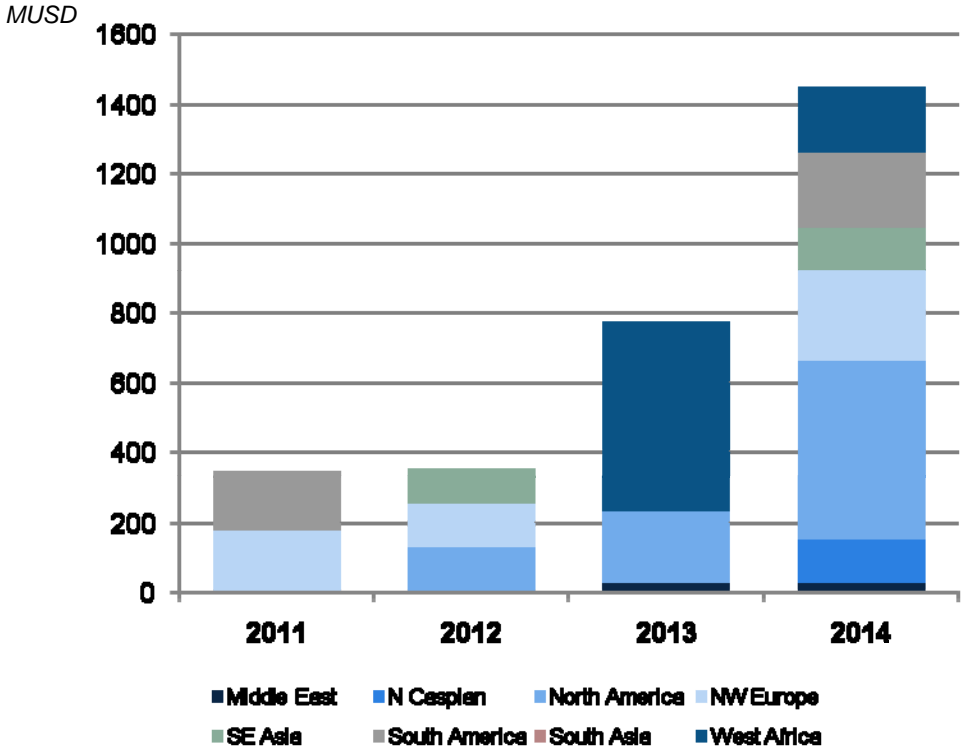
Stingray Provides TGS with Access to Production Spending



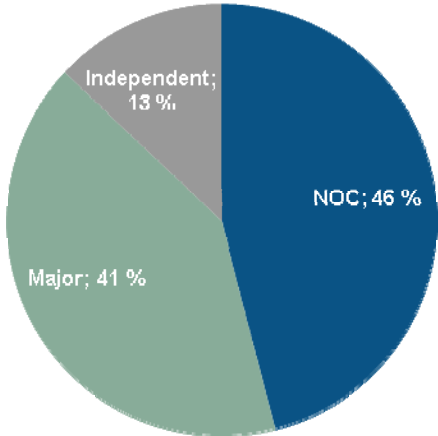
TGS gains access to the substantial production seismic segment of the market

Long term Contracts with Predictable Revenue Stream

Potential Upcoming PRM Contracts*



Client Category*



- A significant part of revenue comes from NOCs

*Stingray estimate

A number of potential upcoming PRM opportunities are identified globally

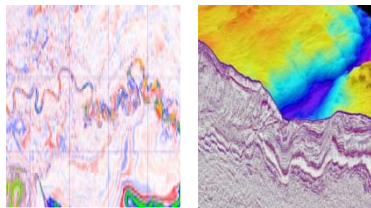
Unique and Patented Technology Portfolio

- Technology development is vital to meeting future demand for enhanced oil recovery services.
- Stingray has developed a unique and strong portfolio of patents and intellectual property rights.
- Stingray is positioned as 1 of 3 global providers of PRM fiber-optic solutions.
- Stingray's technology, with its high-fidelity, high channel count fiber-optic system, is unique compared to its competitors and has distinct advantages that are protected by IP rights.

The transaction gives TGS ownership of key technologies for enhanced oil recovery enabling TGS to expand and diversify its service offering

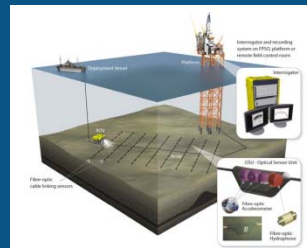
New Business Line = Increased Growth and Diversification

Geophysical Data



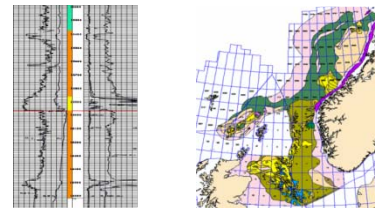
- 2D Seismic
- 3D Seismic
- Depth imaging products
- Wide Azimuth Seismic
- Aeromagnetics
- Gravity
- Electromag (CSEM)
- Multi-beam

PRM (New)



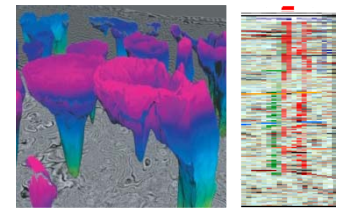
- FEED
- Fosar equipment (arrays, interrogation system, seabed-to-surface connections)
- Repeat seismic data acquisition
- Repeat seismic data processing
- Project Management

Geological



- Digital well data
- Directional Surveys
- Production data
- Regional geologic interpretation
- Facies Map Browser
- Interpretive services

Imaging Services



- Seismic processing
- High end depth imaging
- Proprietary technology
- Ongoing R&D investment
- Contract business model

Transaction Rationale Summary

- **Extension of TGS' asset light business model**
 - Equipment manufactured upon contract award
- **Re-occurring and predictable revenue stream**
 - Large contracts
 - Multi-year surveys
- **Access to new revenue streams (production budgets and NOCs)**
 - Increased portion of production spending
 - Access to more NOC spending
- **Synergies with TGS' core strengths**
 - Proprietary seismic imaging technology
 - Strong sales teams located in all major markets
 - Proven project management expertise
 - Established customer relationships
 - Existing relationships with vessel providers
- **Long term investment for a developing market**
 - Comprehensive patent portfolio well positioned for emerging market

The acquisition of Stingray enables TGS to become one of the leading providers of PRM seismic solutions