



SEB Nordic Seminar

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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.

This is TGS

Main offices:

Oslo and Houston

Regional offices: London, Perth, Calgary, Singapore, Mexico and Rio

Fundamental values:

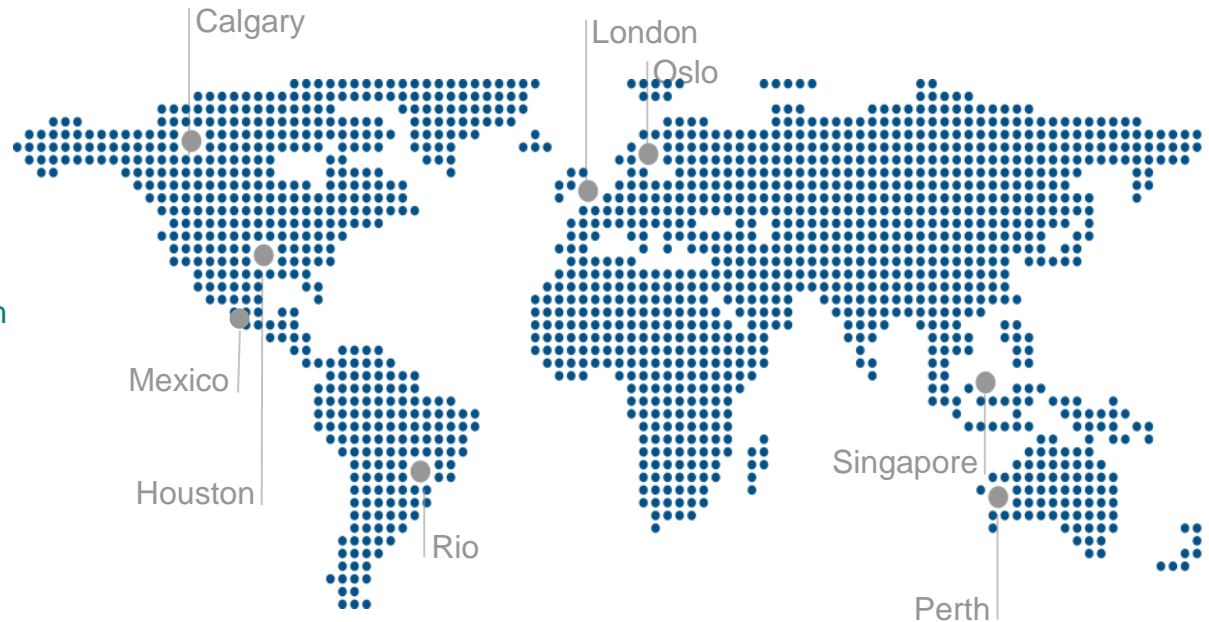
Unmatched Quality and Service, Growth for Stakeholders

Approximately **670** employees

Traded on Oslo Stock Exchange,
part of OBX Index
(25 most liquid shares at the OSE)

Market Cap:

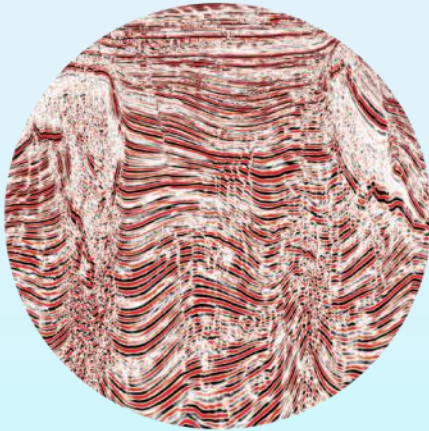
~\$2.0 billion



Leading global provider of multi-client seismic and geoscience data

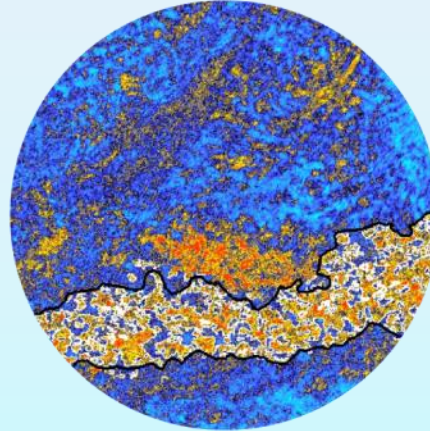
Well positioned in the seismic value chain

MULTI-CLIENT



Geophysical Data

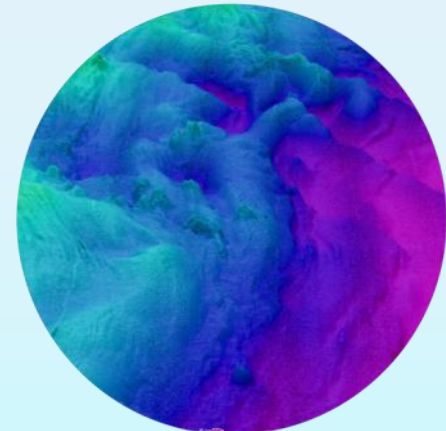
- 2D Seismic
- 3D Seismic
- Wide Azimuth (WAZ) Seismic
- M-WAZ Seismic
- Full Azimuth Nodal Seismic
- Electromagnetics (CSEM)
- Aeromagnetics
- Gravity
- Multi-beam



Geological Data

- Digital well data
- Directional Surveys
- Production data
- Seabed / Seep studies
- Regional geologic interpretation
- Facies Map Browser
- Interpretive services

SERVICES



Imaging Services

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

TGS competitive advantage



Asset light business model

- Flexibility
- Investment decisions not driven by vessel utilization
- Vendor neutral philosophy allows access to capacity and technology as needed



Global

- Geographically diverse data library
- Leadership in mature basins
- Leadership in frontier basins



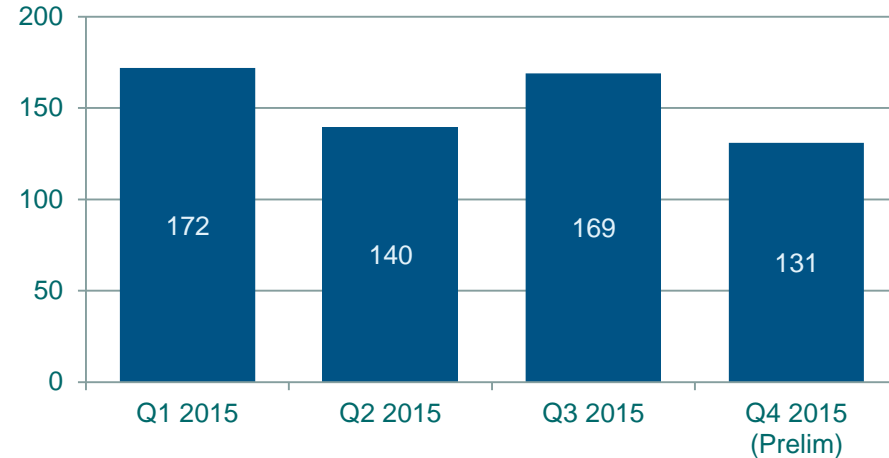
Quality

- Balance sheet
- People and culture
- Data processing
- Geoscience

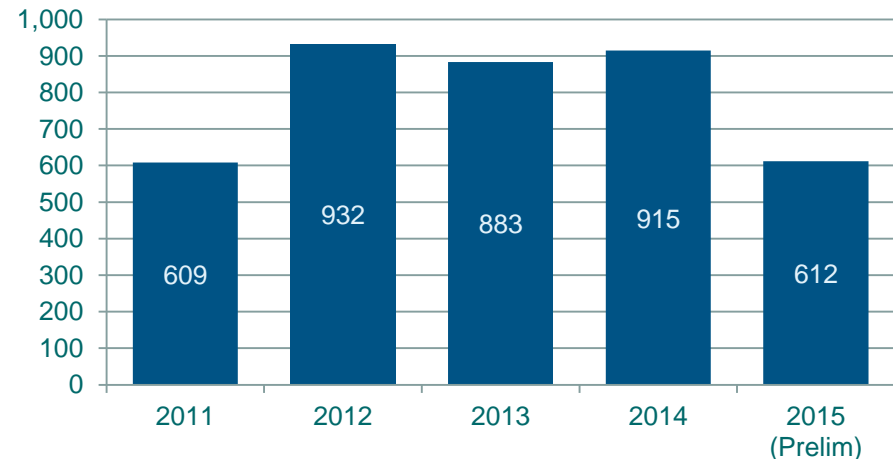
Q4 update – Performance in a difficult market

- Q4 revenues expected to be approximately 131 MUSD
- Expected 2015 full year revenues of approximately 612 MUSD
- Q4 operational multi-client investments expected to be approximately 84 MUSD
- Expected 2015 full year investments of approximately 497 MUSD
- Cash balance of 162 MUSD as of 31 December 2015
- Final Q4 results to be reported on 02 February 2015

Quarterly Net Revenues (MUSD)



Annual Net Revenues (MUSD)

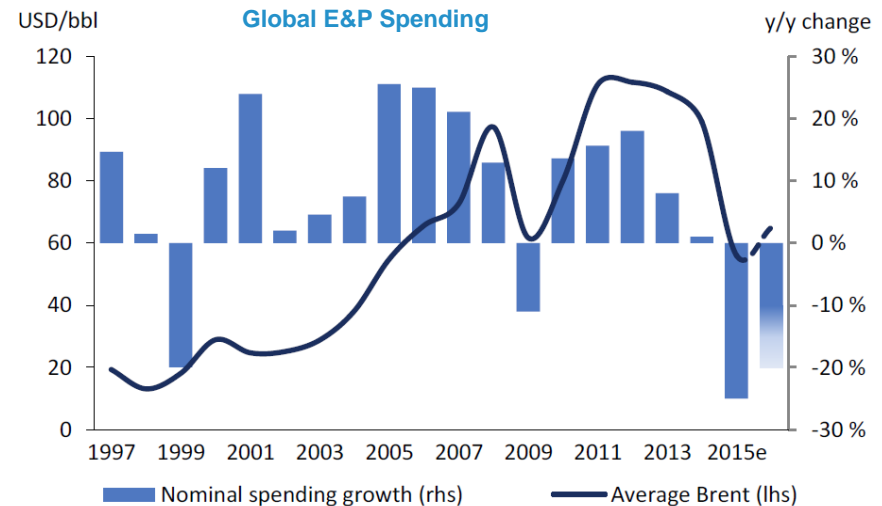


Challenging Market for Exploration

- The demand for seismic data has continued to weaken during 2015 and there are few signs that a recovery may be imminent
- Analysts estimating approximately 25% E&P spending reduction in 2015 with a further reduction of approximately 15-20% forecast in 2016
- Higher uncertainty than usual with respect to late sales which are normally heavily dependent on oil companies' E&P spending. TGS expects 2016 late sales to move in line with or slightly better than general E&P spending trends

E&P Company	2016 Capex Guidance
BP	0 to -11%
Chevron	-24%
ConocoPhillips	-25%
Hess	-27%
Shell/BG	-7%
Total	-9% to -17%

Source: E&P Company websites



Source: Pareto Securities

TGS Strategy in a Challenging Market

Maintain Asset-light and Multi-client Focus

- Focus on specific areas with proven returns
- Continue active portfolio management
- Exit or reduce exposure to under-performing businesses & regions

Maintain Strong Cash Flow Generation

- TGS' balance sheet and cash flow generation puts it in an enviable position to navigate the weak market and take advantage of growth opportunities
- Continued focus on cash management and clear priorities for cash spending

Take Advantage of Opportunities

- Utilize attractive multi-client opportunities and acquisition economics (e.g. vessel rates) to further gain market share
- Look more closely at inorganic investment opportunities
- Balance "counter-cyclical" investment with a strict eye on cash levels
- Higher prefunding hurdles for new investments

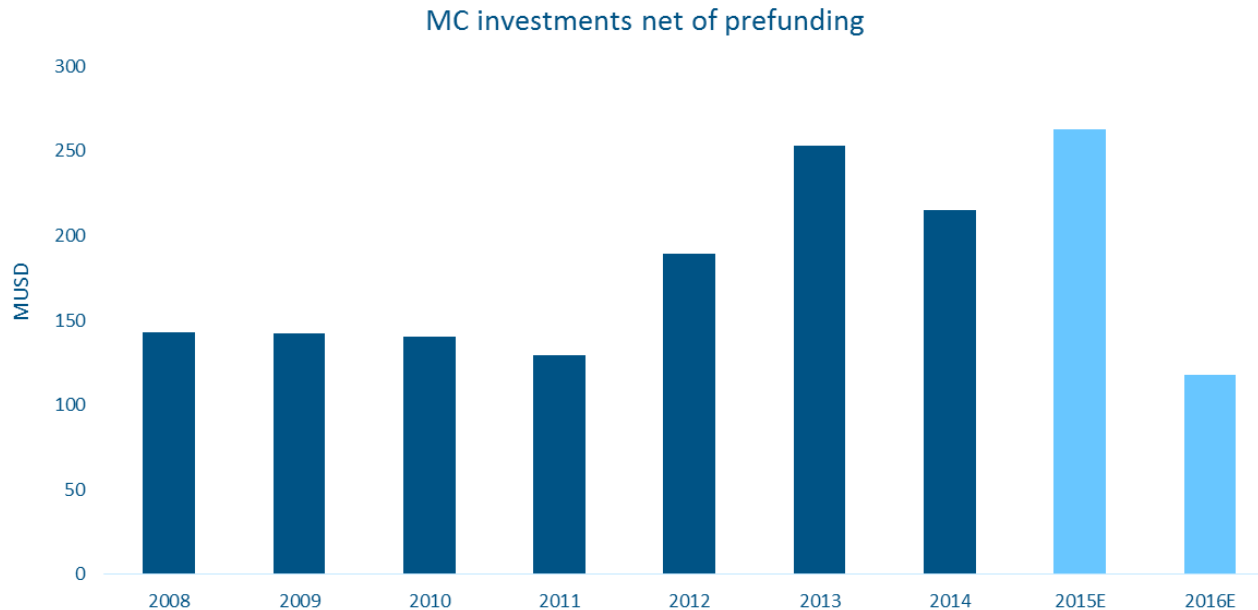
Maintain Focus on Costs

- Keep fixed cost under strict control
- Cost cutting initiatives implemented with particular focus on non-revenue generating items

TGS Investment Outlook

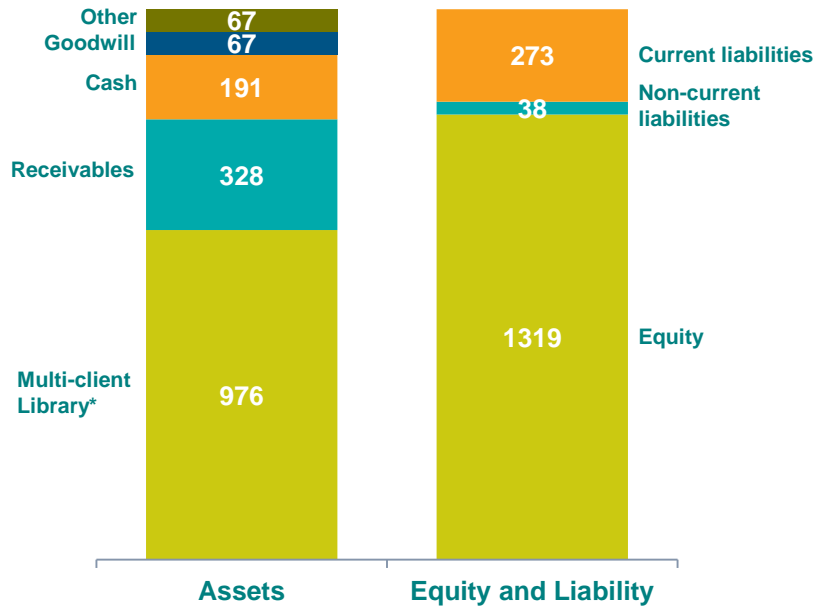
- Counter cyclical Investment in 2015, taking advantage of attractive opportunities (vessel / seismic crew rates and contractual terms)
- But project quality remains our over-riding priority
 - TGS will only invest in projects that meet its economic hurdles
 - Prefunding hurdles raised in 2015
- TGS is planning for a lower activity level in 2016 with investments reduced by >50%
 - Average day rates substantially lower than 2015
 - Oil companies less willing to prefund new surveys

Lower investments and costs supporting cash flow



- Around 50% reduction in net cash outlay related to MC investments
- Significant reduction of operating expenses as a result of cost cutting measures
- Positive impact on Free Cash Flow in 2016

Solid balance sheet backing TGS strategy

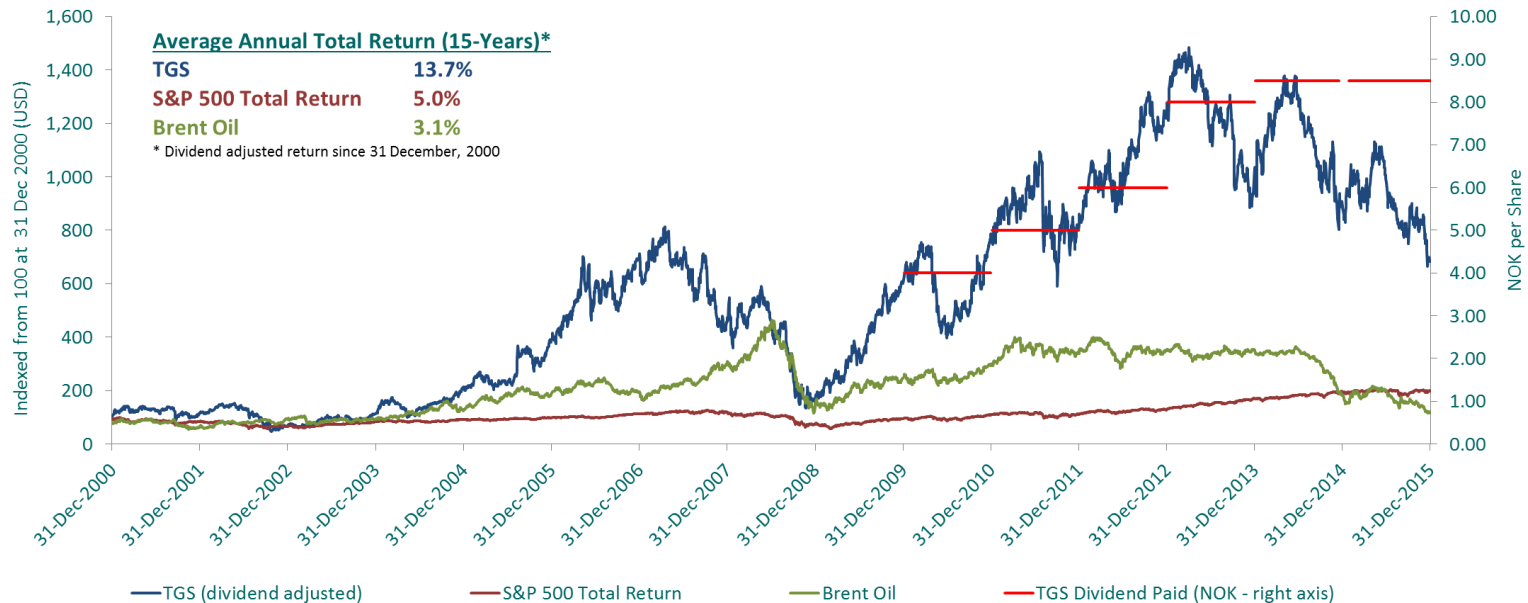


- Cash balance per Q3 2015 represents 191 MUSD
- Strong balance sheet provides excellent opportunities for future growth
 - M&A
 - Strong credit quality attracts prefunding
 - Flexibility

**150 MUSD impairment announced in Q4 2015*

No interest bearing debt and strong cash balance

Strong Cash Generation Delivers Shareholder Value



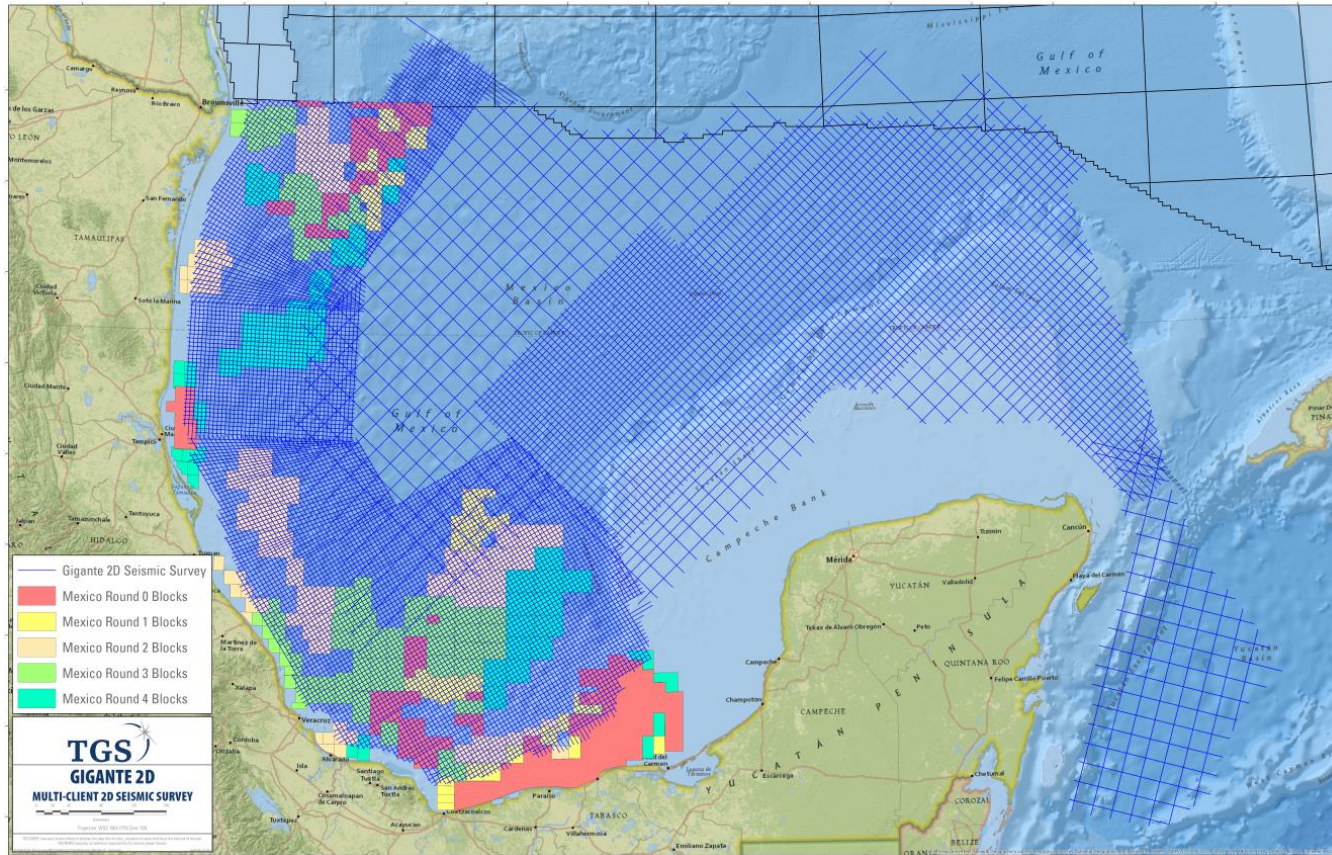
Source: S&P
Capital IQ

- Shareholder authorization to distribute quarterly dividend payments from Q1 2016
 - The ex-dividend date will normally be seven days after the announcement of the dividend in connection with the release of quarterly financial statements*
 - Payment date 14 days after the ex-dividend date
 - Aim to keep a stable quarterly dividend through the year
 - Actual quarterly dividend level paid will be subject to continuous evaluation of market outlook, cash flow expectations and balance sheet development

- NOK 8.5 dividend (113 MUSD) paid in 2015 (ex-dividend on 7 May 2015 and paid on 21 May 2015)

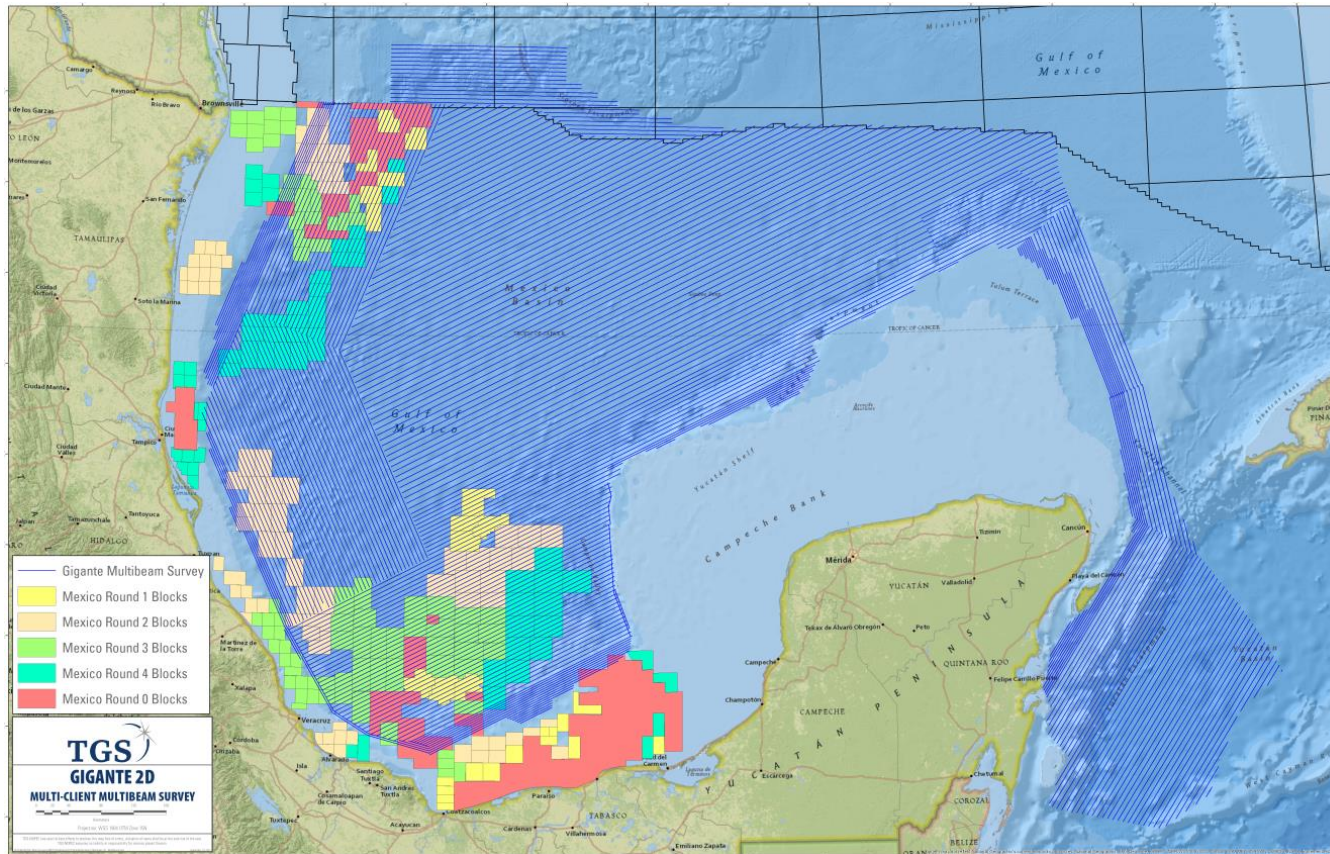
*Q2 – Q4 2016 dividends subject to AGM authorization on 10 May 2016

2016 Investments Announced – Gigante 2D



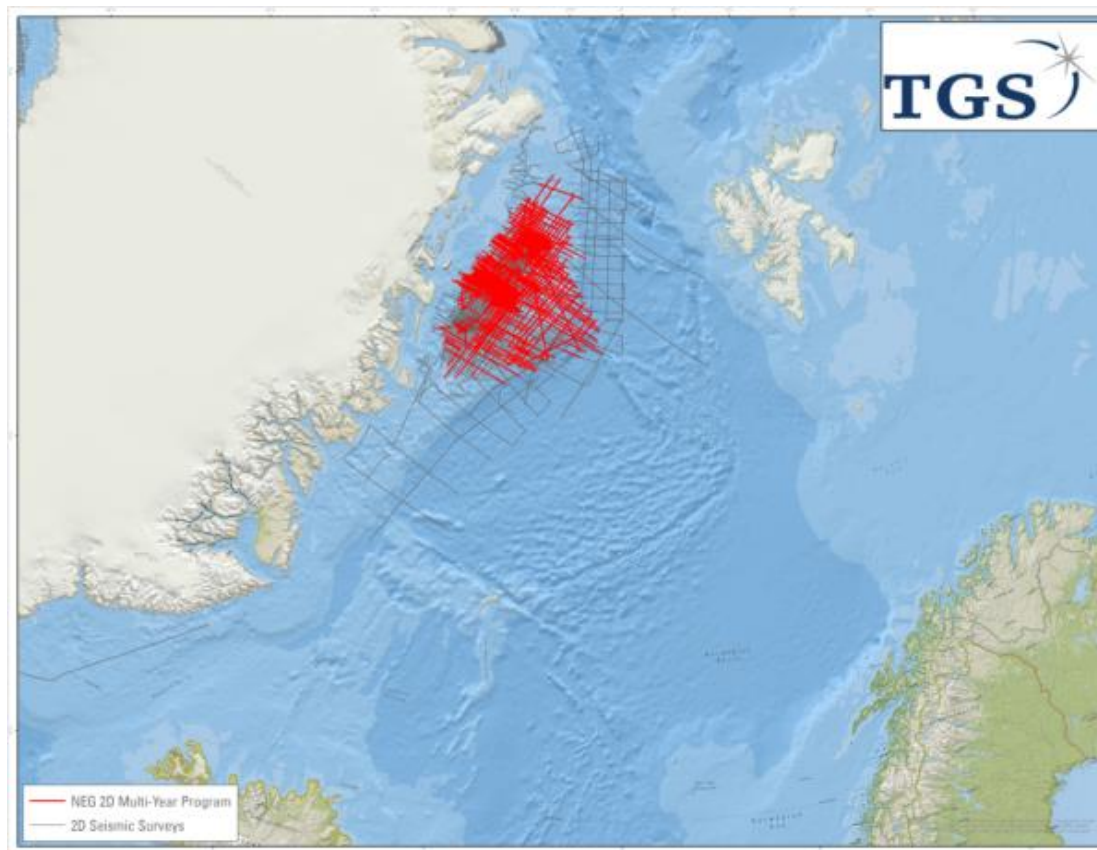
- 186,000 km multi-client regional 2D survey commenced in 2015 and expected to complete in mid-2016
- Survey includes world class producing trends such as the Perdido fold belt and Campeche Bay
- Line ties will be made to the US Gulf of Mexico regional grids previously acquired by TGS
- Expect to utilize 4 vessels on this survey through first half of 2016

2016 Investments Announced – Gigante Multibeam, Coring & Geochemical survey



- 600,000 km² survey commenced in 2015 and expected to complete in H2 2016
- Multibeam (bathymetry) will identify hydrocarbon seeps on the seafloor
- Core samples gathered from identified seeps will be analyzed to determine hydrocarbon grade
- Interpretation of data will integrate with the seismic survey

2016 Investments Announced – NE Greenland



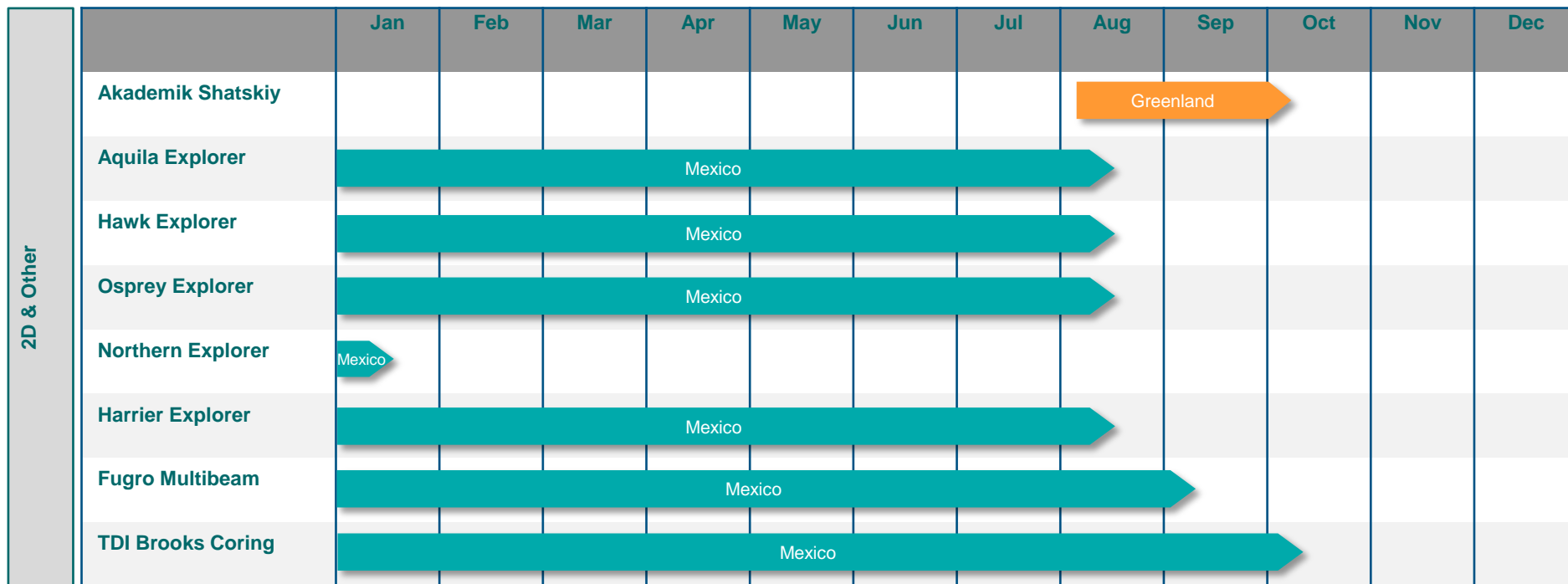
- 14,500 km multi-year, multi-client 2D program offshore Northeast Greenland
- Challenging operational conditions with Ice-breaker vessel required for seismic operations
- 1,800 km remain to be acquired in 2016
- On completion, TGS 2D library in the basin will be >36,000 km

2016 Projects Schedule

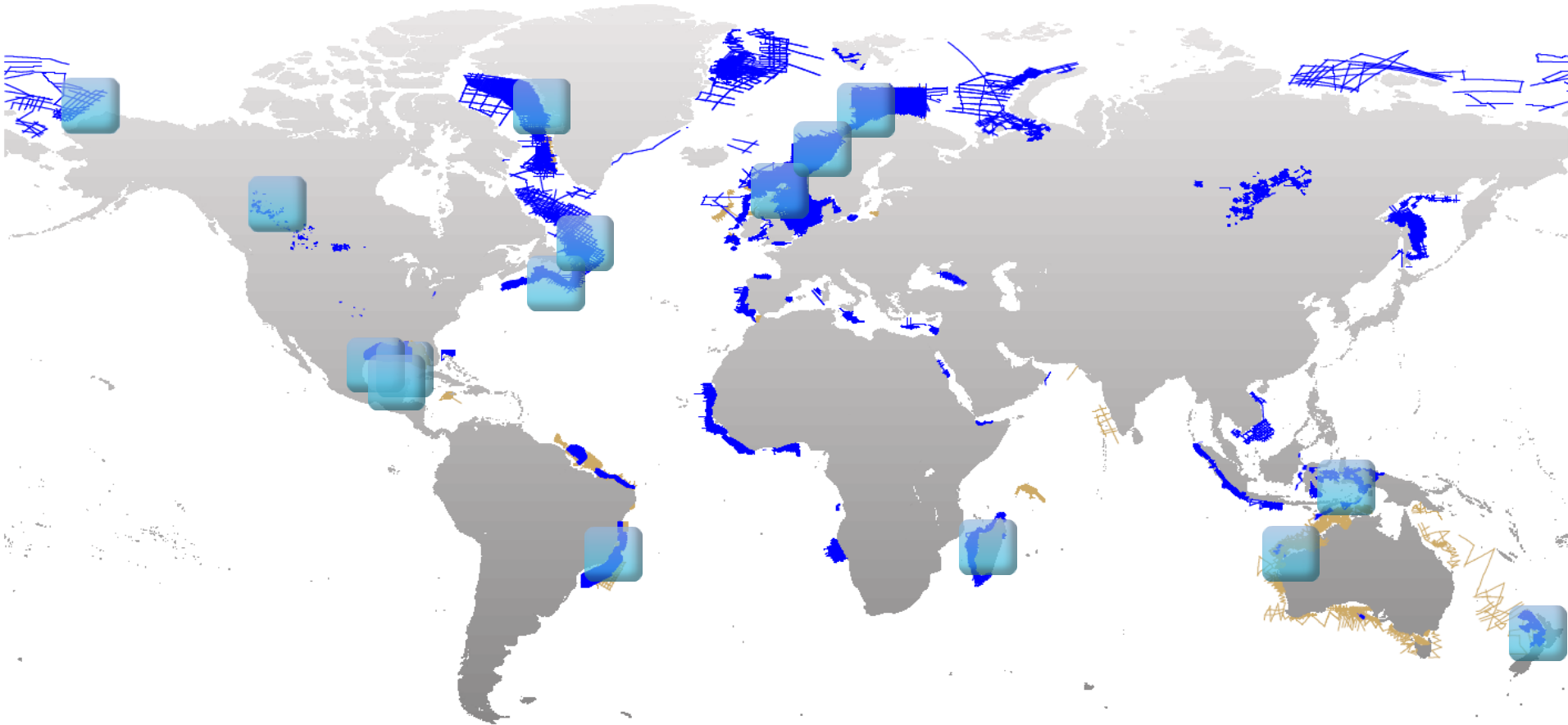
→ NSA

→ EUR

→ AMEAP



License Round Activity and TGS Positioning



North & South America

- Central GOM – Mar 2016 (5-Year Plan)
- Western GOM – Aug 2016 (5-Year Plan)
- Newfoundland & Labrador – Nov 2016 (Scheduled Land Tenure)
- Nova Scotia – Q4 2016 (3-Year Rolling Plan)
- Canada Onshore – at least monthly
- Brazil - next round expected 2016/17
- Mexico – Round 1(L04) in 2016, 3 more rounds proposed by 2019

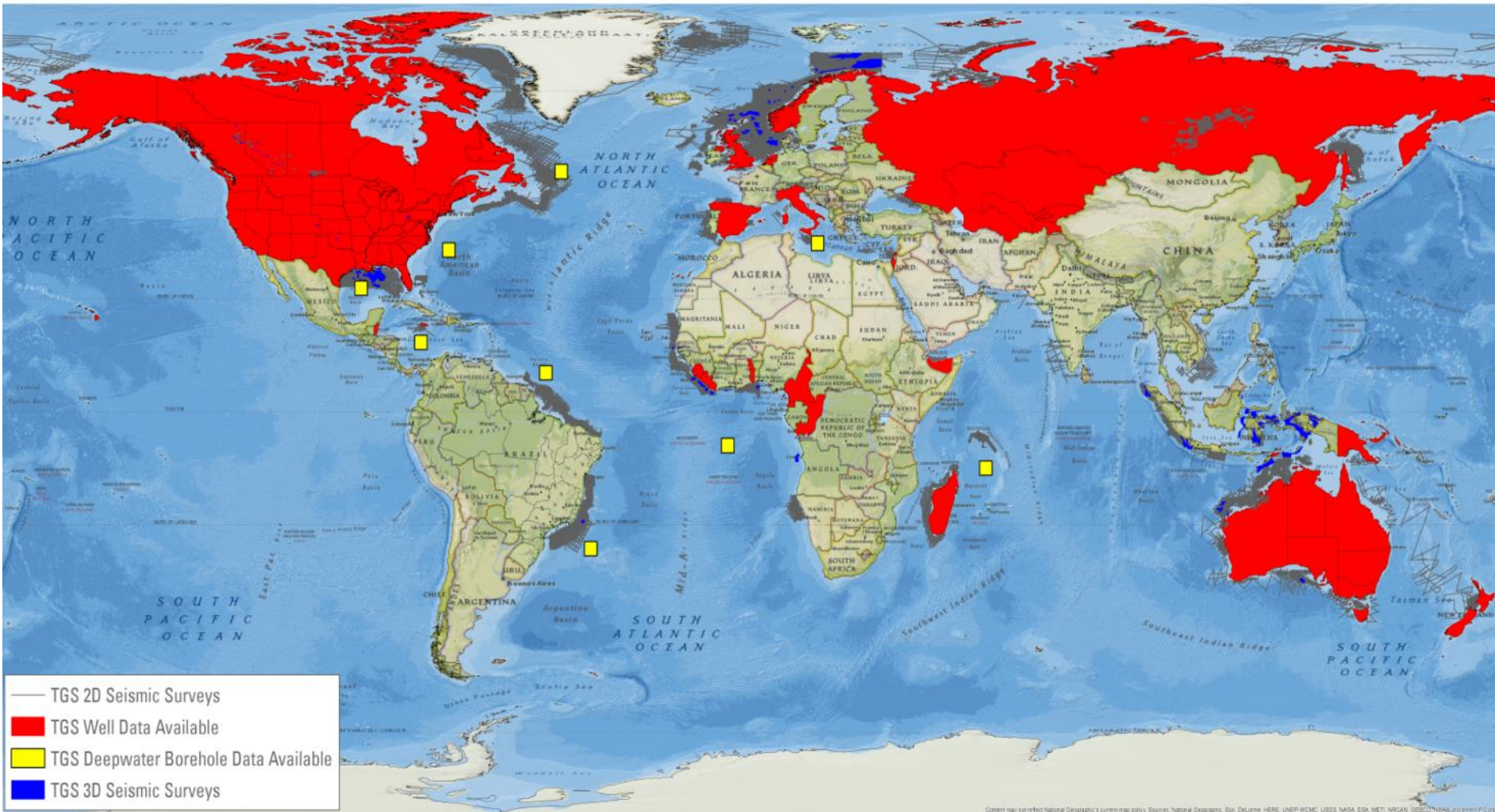
Africa, Middle East, Asia Pacific

- Ongoing uncertainty on timing of African licensing rounds
- Australia – Feb & Apr 2016 (bids due)
- New Zealand – Mar 2016 (Block Offer launch)
- Indonesia – 2016 (bids due)

Europe / Russia

- Norway APA – early 2016 (awards due)
- Norway 23rd Round – Mid 2016 (awards due)
- UK 29th Round – 2016 (expected)
- Greenland – Dec 2016, 2017, 2018 (bids due)

Global Well Data Coverage



- TGS will continue to grow its digital well data library (well data, enhanced well logs and directional drilling)
- Complementary products include Digital Petrodata GIS information, interpretation reports and basin models

Summary

- Expected 2015 full year revenues of approximately 612 MUSD
 - Expected 2015 full year investments of approximately 497 MUSD
 - 2015 year-end cash balance of 162 MUSD
 - Final Q4 results to be reported on 02 February 2015
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- 2015 results confirm weak market conditions which are expected to continue
 - TGS is planning for a lower activity level in 2016 with investments reduced by >50%
 - Accounting practice for amortization changed from 1 January 2016. TGS estimates multi-client amortization of close to 290 MUSD in 2016.
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- TGS expects late sales to move in line with or slightly better than general E&P spending trends
 - Lower investments and costs to impact Free Cash Flow positively in 2016
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- **TGS Guidance for 2016:**
 - TGS expects multi-client investments of approximately 220 MUSD
 - Multi-client investments are expected to be prefunded 45 to 50%



Thank you

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