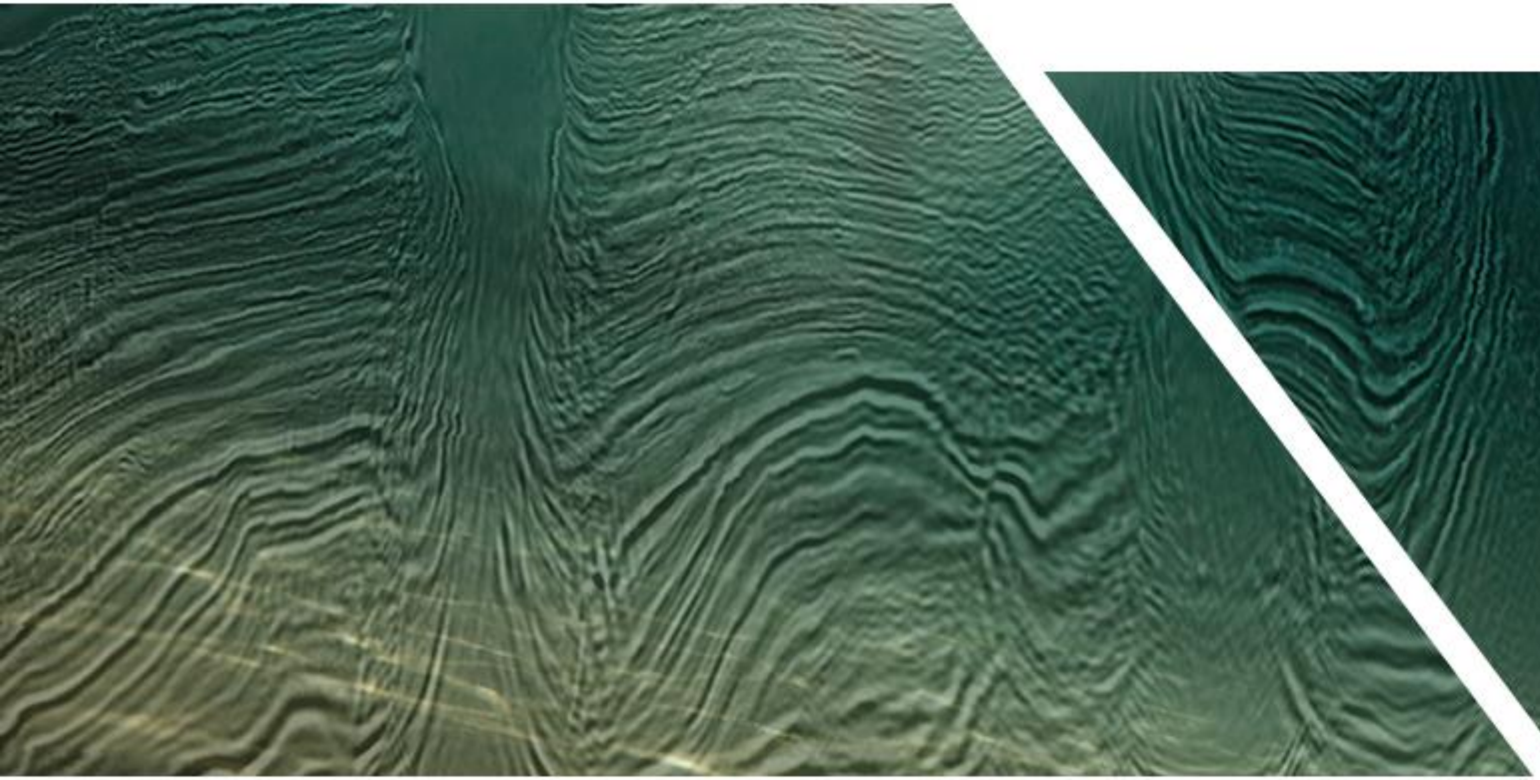
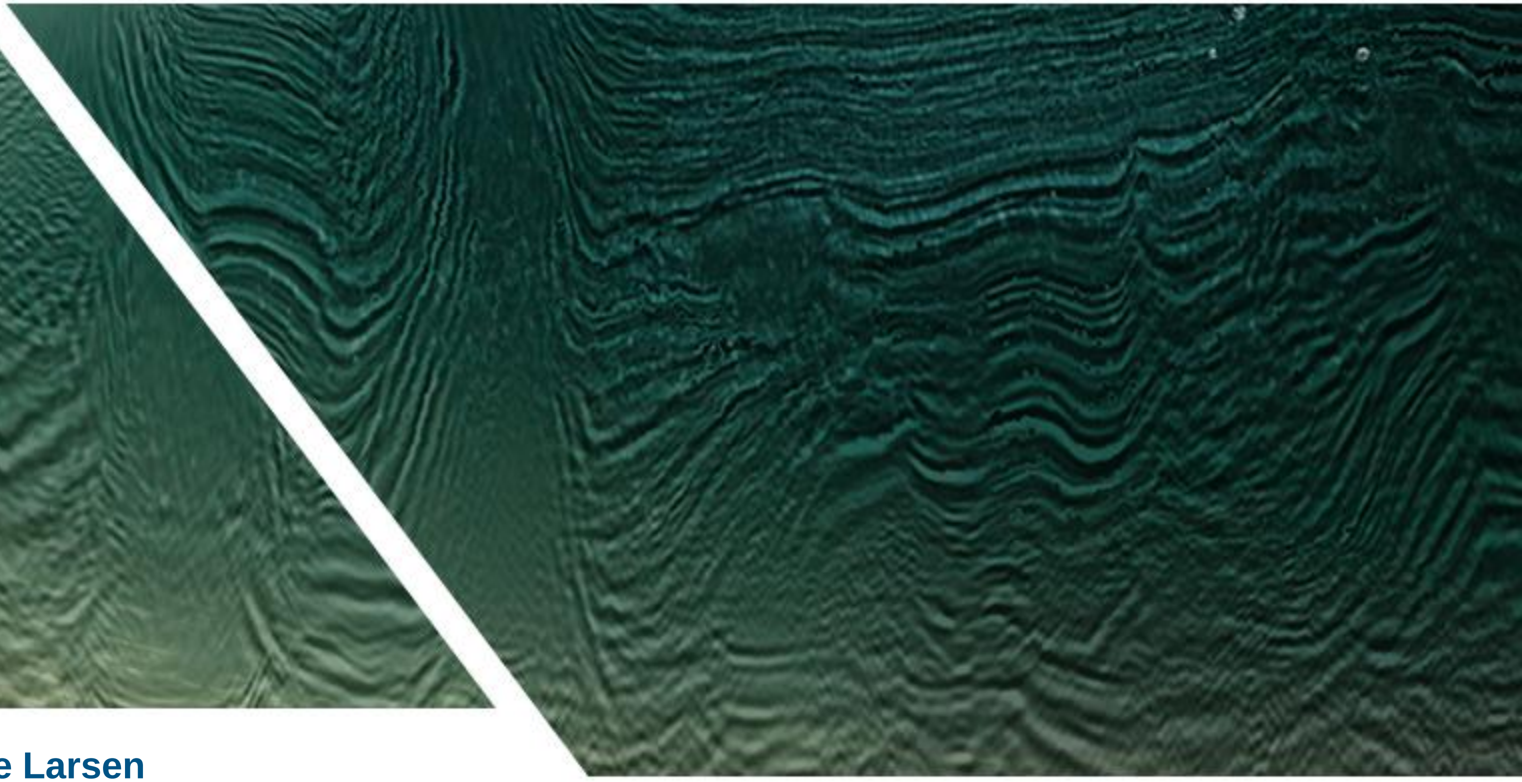
Q4 2017 Earnings Release





Kristian Johansen
CEO

Sven Børre Larsen
CFO

8 February 2018

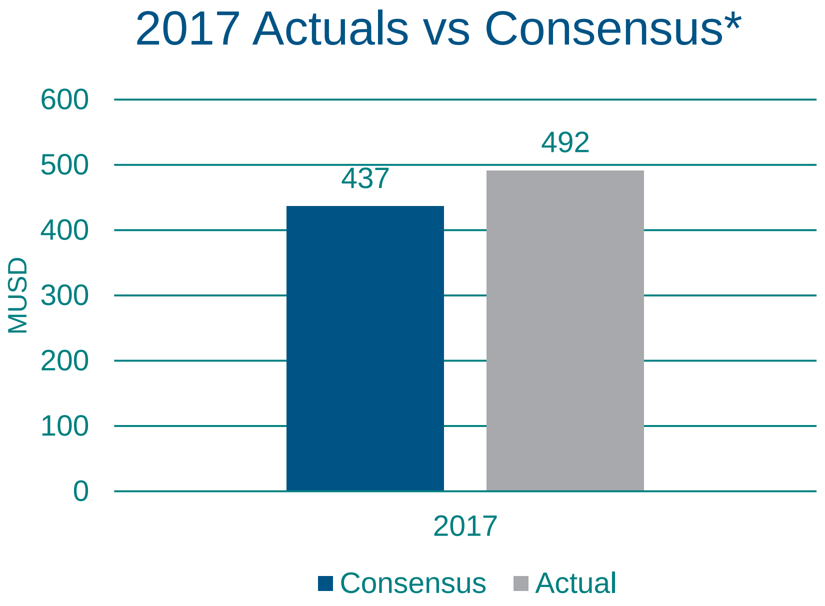
Forward-Looking Statements

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.

2017 Delivering above expectations – once again

- 2017 revenues of USD 492 million – up 8% from 2016
- 2017 Free cash flow of USD 123 million – dividend to shareholders up by 33%
- Industry leading cash conversion rate of 22%
- Return on Average Capital Employed of 10%
  - Ranked second highest when compared to all oil service companies in PHLX Oil Service Sector Index*

**Source: S&P Capital IQ, Rolling 12 months to date of last report*



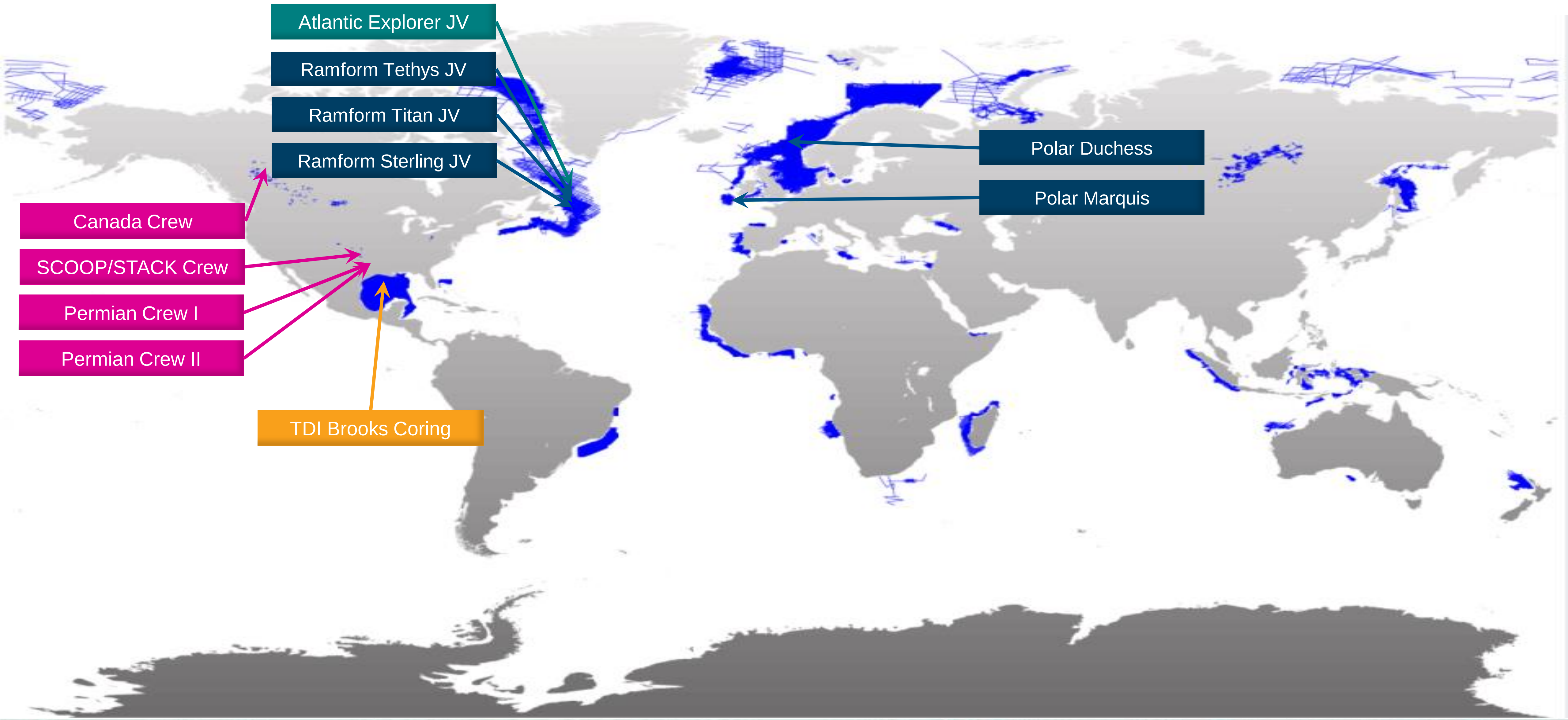
*SME Direkt consensus at 3rd January 2017

Q4 2017 Highlights

- Q4 net revenues of 157 MUSD driven by strong late sales
  - Net late sales of 143 MUSD, down from 145 MUSD in Q4 2016
  - Net pre-funding revenues of 11 MUSD, down from 17 MUSD in Q4 2016 due to lower investments, funding 41% of TGS' operational multi-client investments for the quarter
  - Operational multi-client investments of 28 MUSD in addition to 10 MUSD from risk sharing arrangements
- Operating profit for the quarter was 52 MUSD, up 23% compared to Q4 2016
- Strong free cash flow of 56 MUSD compared to 33 MUSD in Q4 2016
  - Cash balance of 250 MUSD in addition to undrawn 75 MUSD Revolving Credit Facility
- Quarterly dividend increased to USD 0.20 per share
- Improved visibility for 2018
  - Backlog increase to 82 MUSD, up 29% from Q3 2017
  - Ramp-up of US onshore activity – Four new projects secured

Operational Highlights

Q4 2017 Operations



TGS

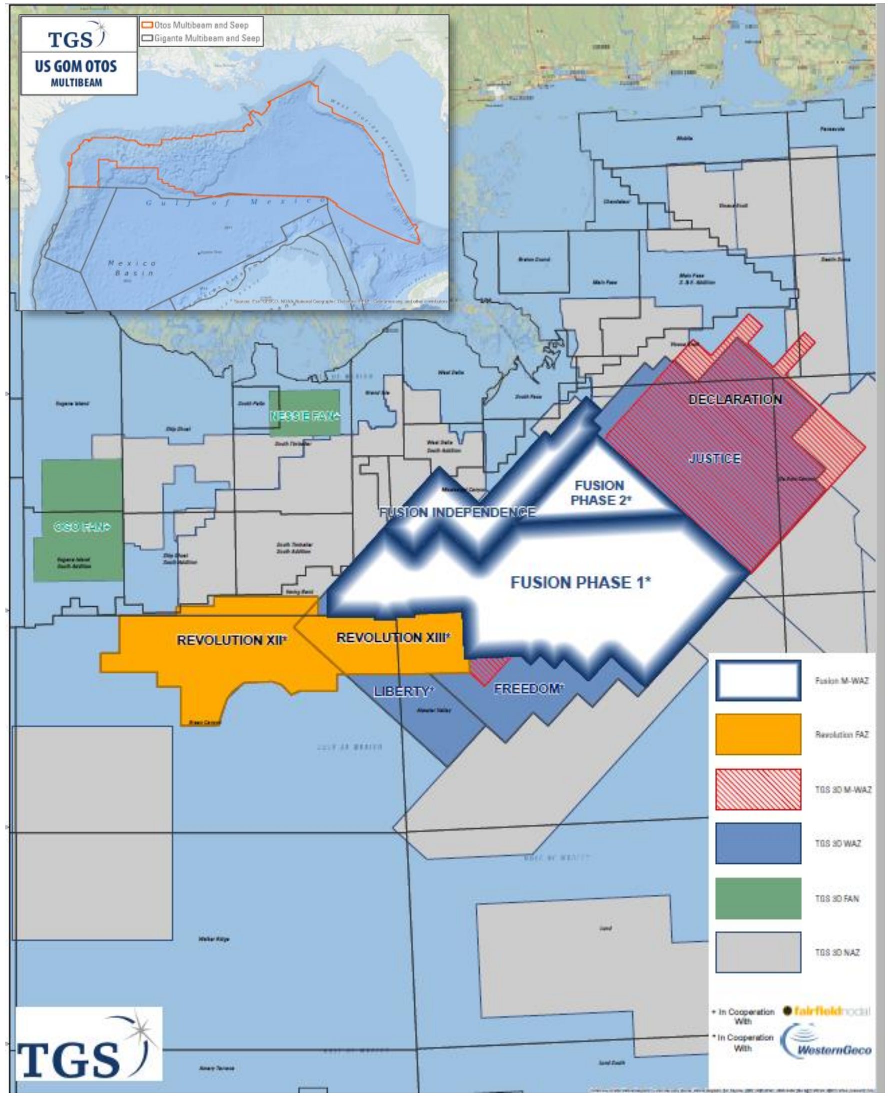
Q4 Activity – U.S. Gulf of Mexico

Fusion M-WAZ reimaging program

- M-WAZ reimaging program in collaboration with Schlumberger in Mississippi Canyon, Atwater Valley and Ewing bank areas
- ~27,000 km^2 (1,166 OCS blocks) 3D M-WAZ data previously acquired by TGS and Schlumberger between 2008 and 2012
- Reimaging is >85% complete with final data delivery mid-2018

Otos multibeam and seep study

- ~289,000 km^2 multibeam acquisition completed in early Q2; acquisition of 350 cores and associated advanced geochemistry analysis completed in Q4
- Designed to mirror the successful Gigante multibeam and seep study in the Mexican GOM



TGS

Q4 Activity – East Canada

Newfoundland Labrador 2D – 2017 Season

- 22,000 km multi-client 2D survey infilling and extending existing JV* data in the region; targeting 2019 and 2020 Sectors of the Scheduled Land Tenure

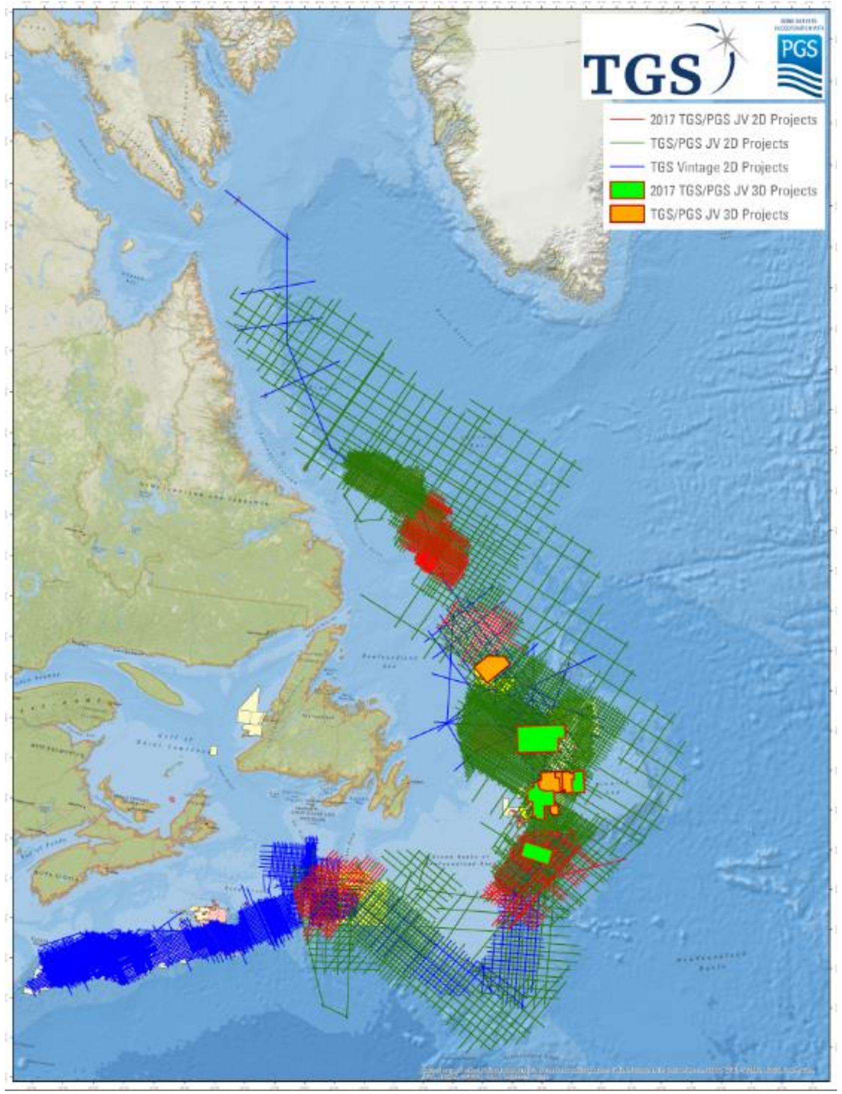
Newfoundland Labrador 3D

- ~18,000 km^2 multi-client 3D covering a mix of held and open acreage within the 2018 and 2019 Sectors of the Scheduled Land Tenure
    - Long Range 3D
    - East Flemish Pass 3D Phase II
    - Harbour Deep 3D
    - Cape Broyle 3D

Well positioned for future licensing rounds

- Following the most active year ever in this region, the TGS/PGS JV library will exceed 175,000 km of 2D data and 29,250 km^2 of 3D data in addition to 83,700 km of TGS vintage data, an expansive well log library and advanced multi-client interpretation products

* In JV with PGS

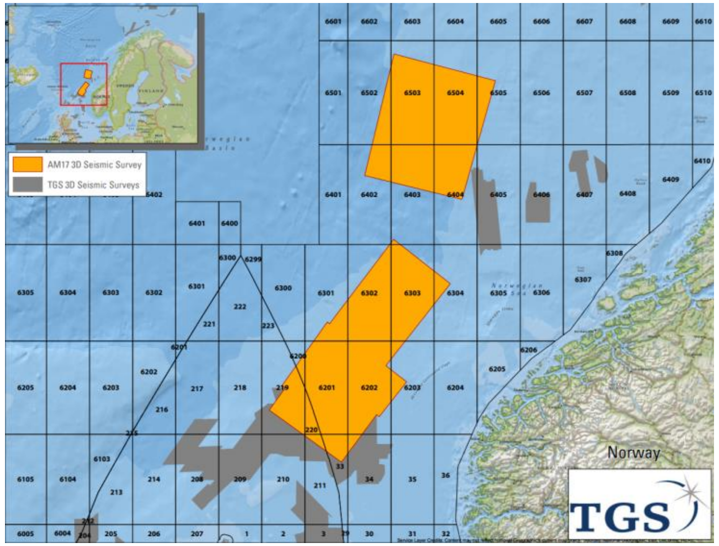


TGS

Q4 Activity – Europe

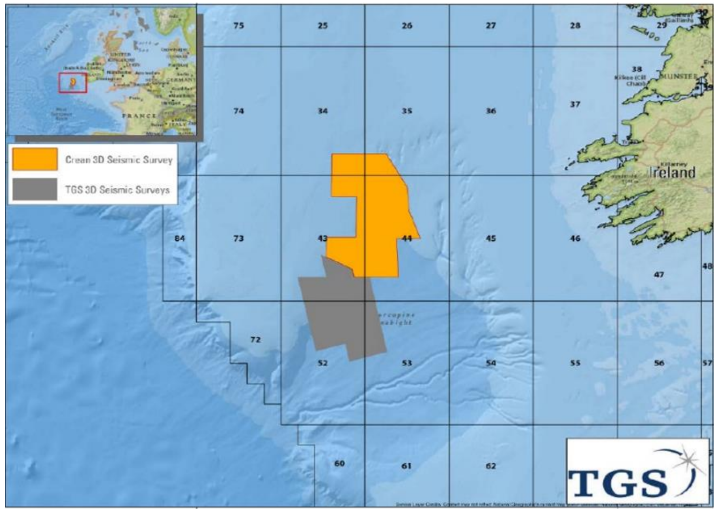
AM17 Atlantic Margin 3D

- 40,000 km^2 project in the central-southern Norwegian Sea – largest 3D survey carried out by any company in Northern Europe
- Covers largely open blocks in a relatively under-explored area with limited drilling to date
- Several underlying blocks included in the 24th licensing round
- 7,500 km^2 of the committed area remains to be acquired in 2018



Crean 3D - Ireland

- ~5,400 km^2 multi-client survey located in the South Porcupine Basin between the Porcupine High and the Irish Mainland Platform
- Adding to TGS's Atlantic Margin offering – building on the exploration success on the Newfoundland Labrador conjugate margin coupled with historical exploration in Atlantic Ireland
- Acquisition completed in October 2017



Q4 Activity – North America Land

PERMIAN - West Kermit 3D

- 1,050 km^2 high-resolution 3D multi-client project in Delaware basin
- TGS' first Permian seismic project completed acquisition in Q4 2017

PERMIAN - West Lindsey 3D

- 440 km^2 high-resolution 3D multi-client project southwest of West Kermit
- Acquisition to complete in Q1 2018 with crew moving to next TGS Permian project

SCOOP/STACK - Geary 3D

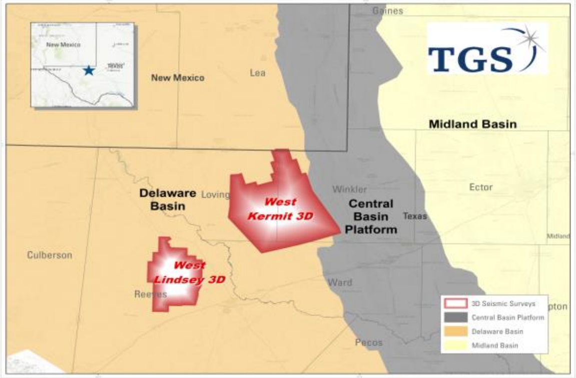
- 200 km^2 high-resolution 3D multi-client project in the Anadarko Basin
- Acquisition completed in Q4 2017, adding to TGS' dominant position in this play

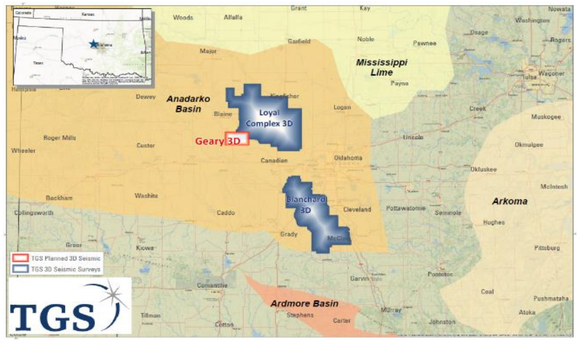
DUVERNAY – Grayling 3D

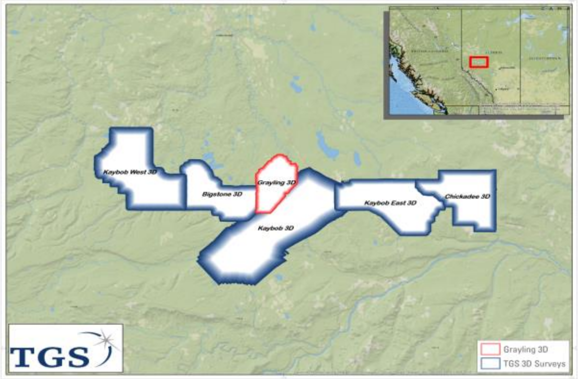
- 107 km^2 high-resolution 3D multi-client in West Central Alberta
- Acquisition completed in Q4 2017, extending TGS Duvernay library

Comprehensive Geological library

- Continued expansion of the industry's largest library of digital well log data; complimented by directional surveys, validated well headers, production data and multiple interpretive products



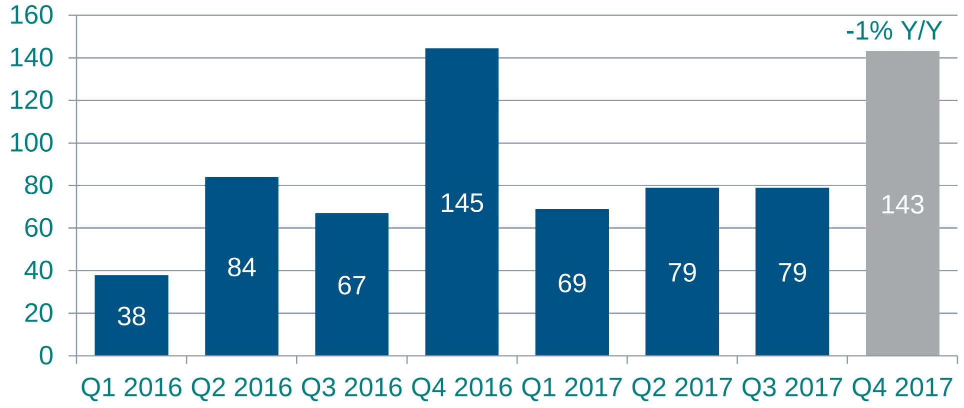




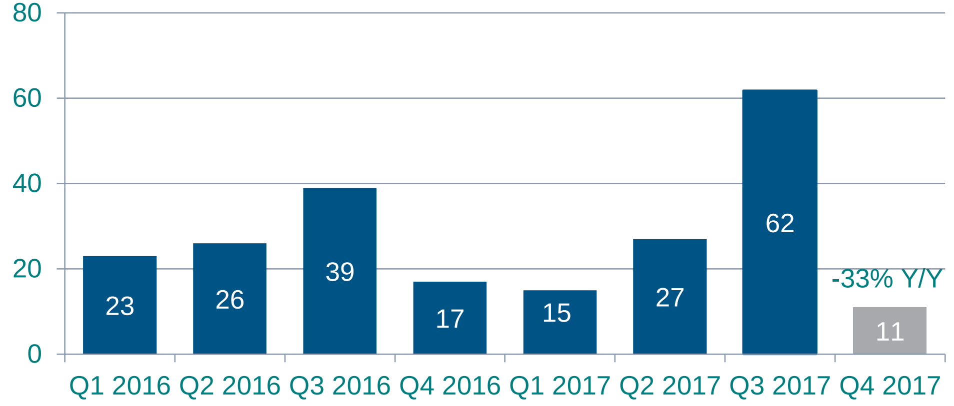
Financials

Net Revenues

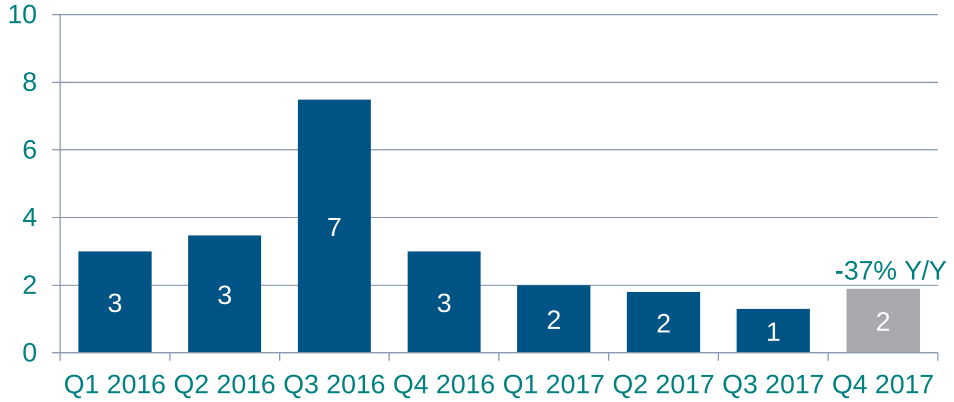
Late sales revenues



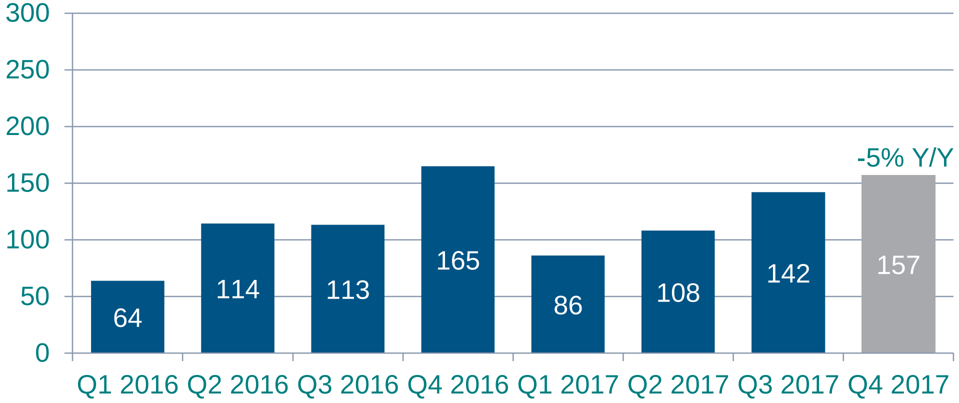
Prefunding revenues



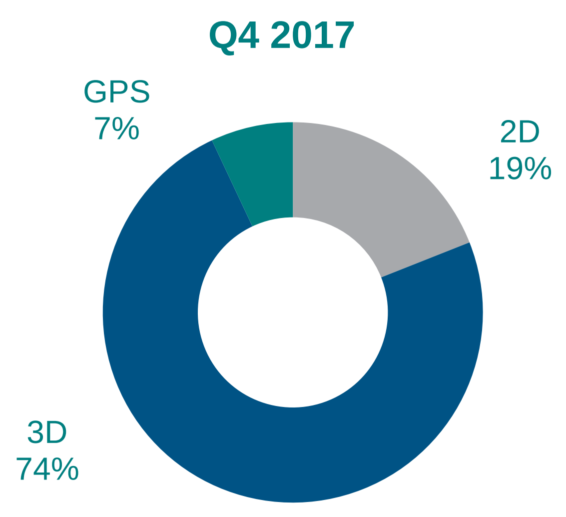
Proprietary revenues

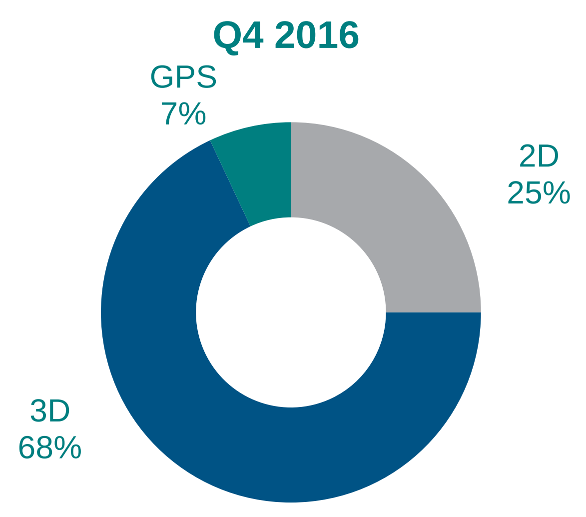


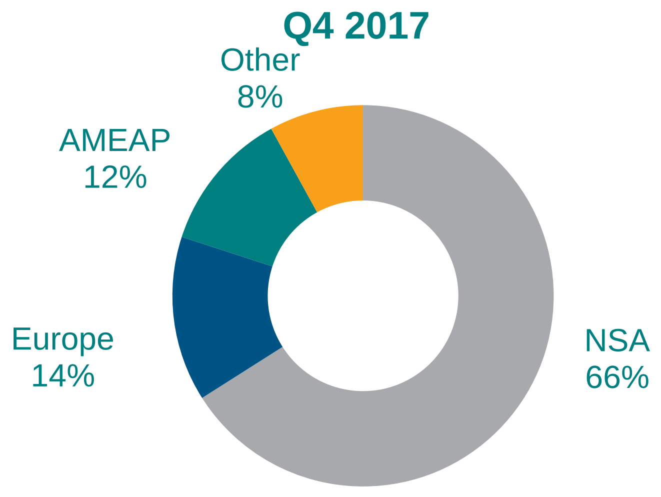
Total revenues

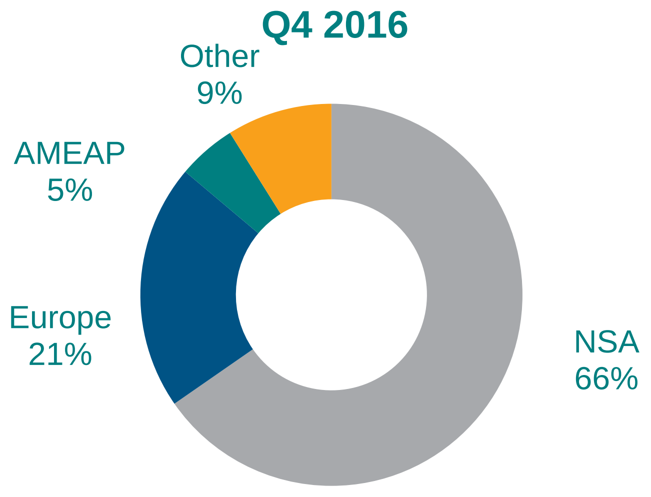


Net Revenue Breakdown

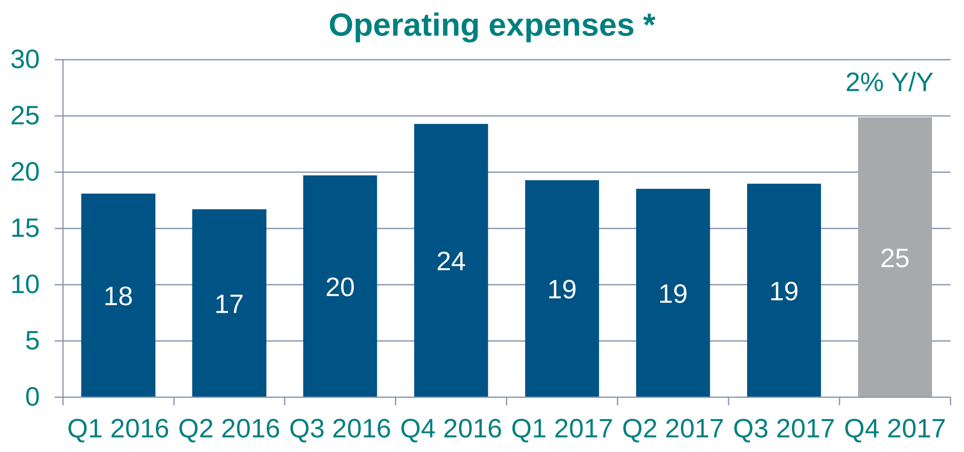




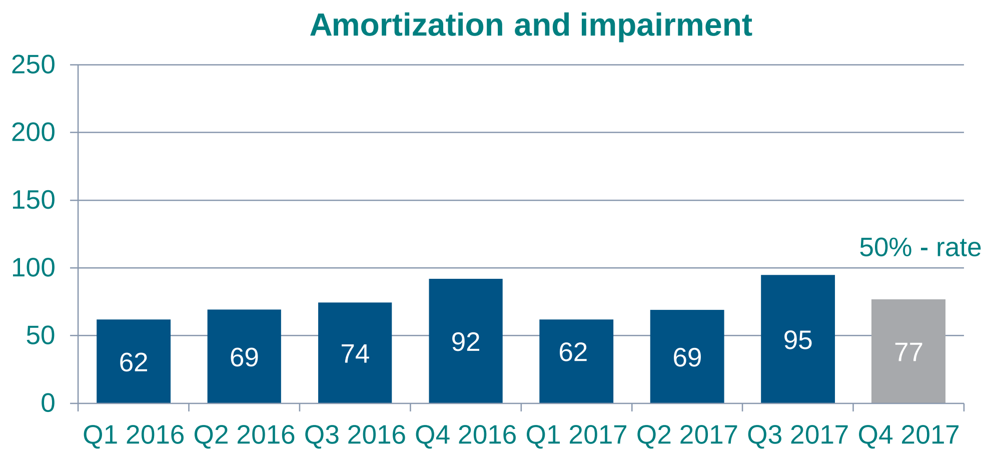


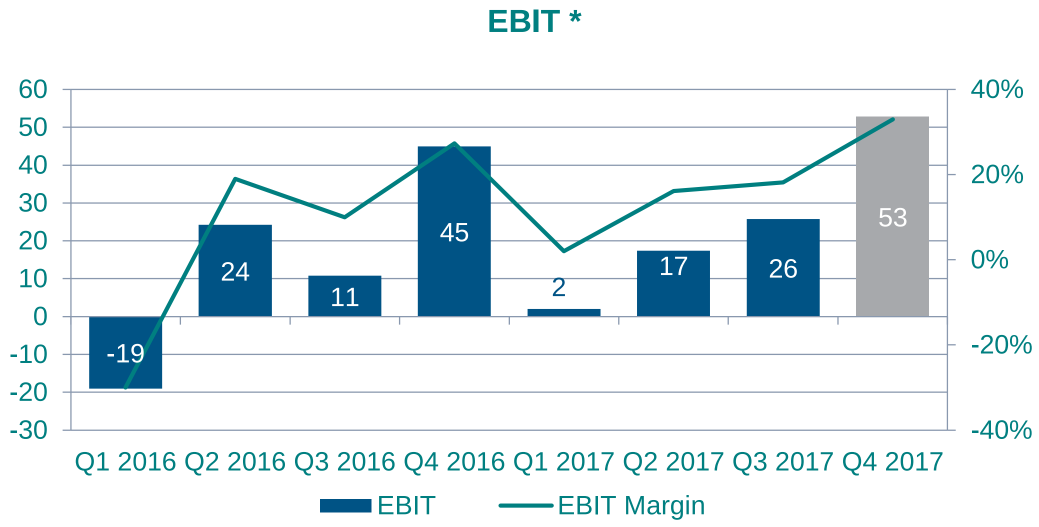


Operating Expenses, EBIT, Free Cash Flow

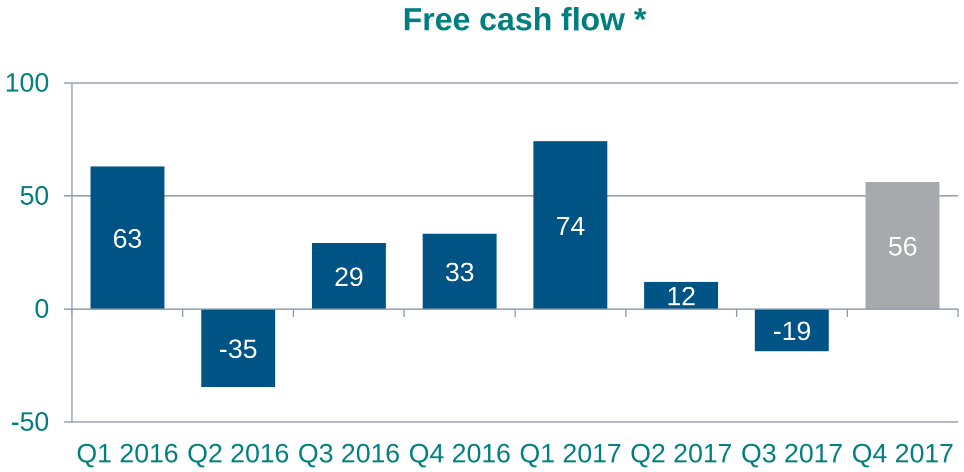


** Include personnel costs and other operating expenses. Adjusted for restructuring costs and larger impairments of operating items*



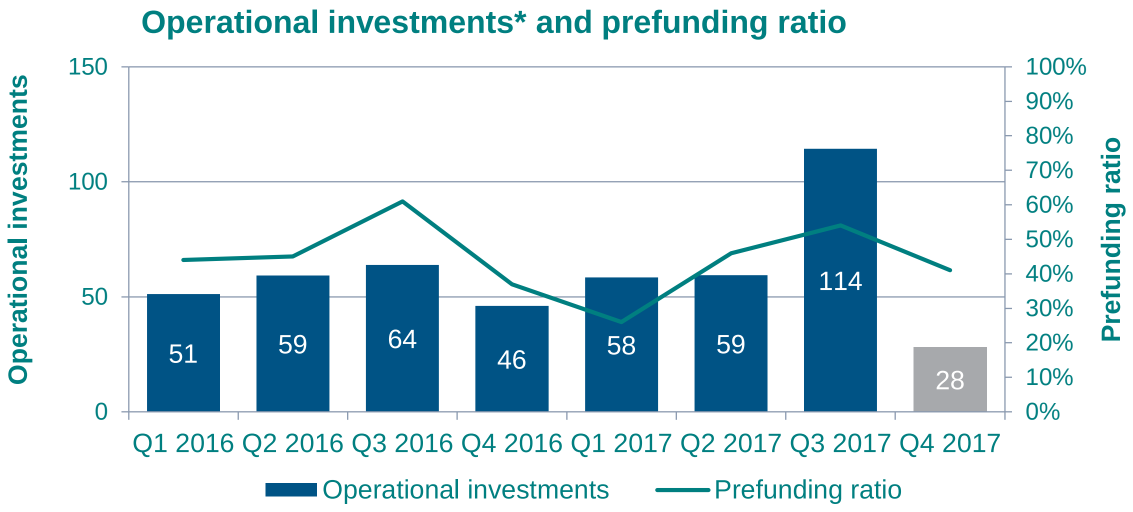


** Earnings before interest and taxes and excluding larger impairments and restructuring costs*

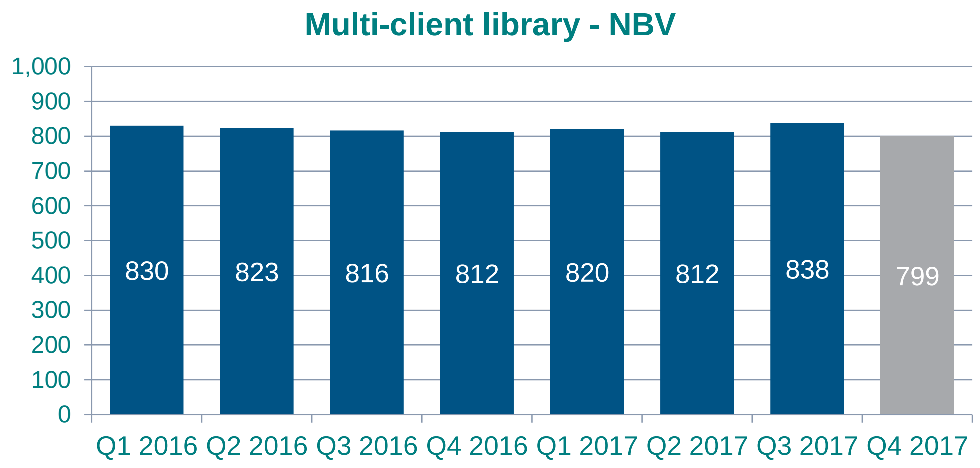


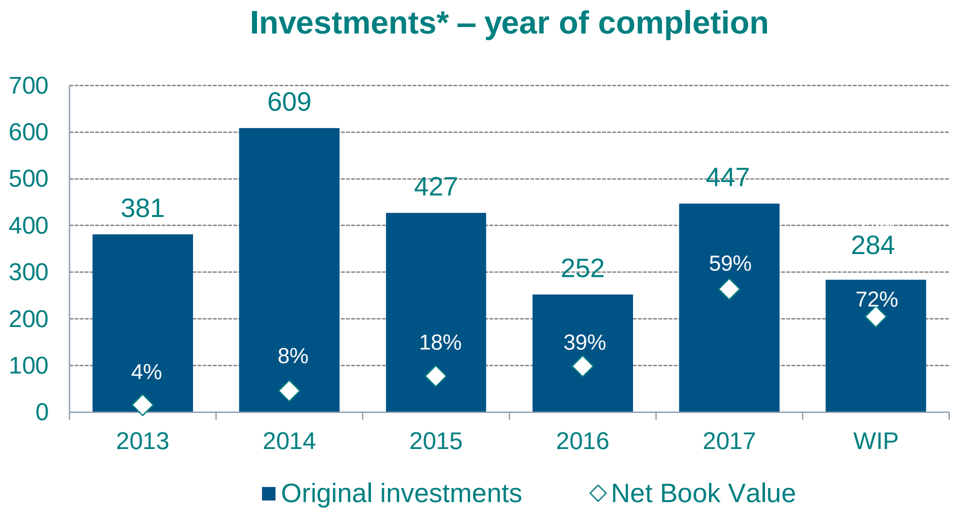
** Defined as cash flow from operational activities minus operational cash investments in multi-client projects*

Multi-Client Library

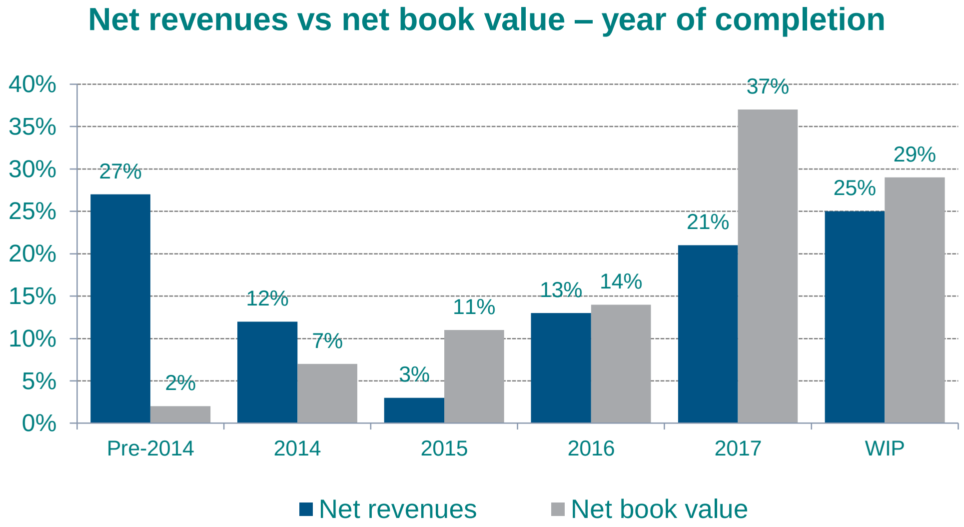


*Operational investments excluding risk-sharing arrangements





*Marine and onshore investments included. Well Data investments not included



Q4 2017 Income Statement

USD million, except EPS		Q4 2017	Q4 2016	Change in %
Net revenues		**157**	**165**	**-5%**
Cost of goods sold – proprietary and other		0.1	0.1	-8%
Amortization of multi-client library	50%	77	92	-17%
Gross margin		**80**	**72**	**10%**
Personnel costs		17	16	9%
Other operating expenses		9	11	-24%
Cost of stock options		-	0.1	-100%
Depreciation		2	3	-28%
Operating profit	**33%**	**52**	**42**	**23%**
Net financial items		1	-3	**141%**
Profit before taxes	**34%**	**53**	**39**	**37%**
Taxes		-2	9	-121%
Net Income	**35%**	**55**	**29**	**88%**
EPS, Undiluted		0.54	0.29	87%
EPS, Fully Diluted		0.53	0.29	86%

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Q4 2017 Cash Flow Statement

USD million	Q4 2017	Q4 2016	Change in %
Received payments from customers	173	111	56%
Payments for operational expenses	(34)	(27)	-24%
Paid taxes	(1)	(5)	71%
Operational cash flow	**137**	**79**	**75%**
Investments in tangible and intangible assets	(2)	(2)	36%
Investments in multi-client library	(81)	(45)	-79%
Interest received	2	0.2	687%
Interest paid	(0.2)	(0.05)	-267%
Dividend payments	(15)	(14)	-13%
Proceeds from share issuances	4	-	N/A
Change in cash balance	**45**	**18**	**154%**

TGS

Balance Sheet

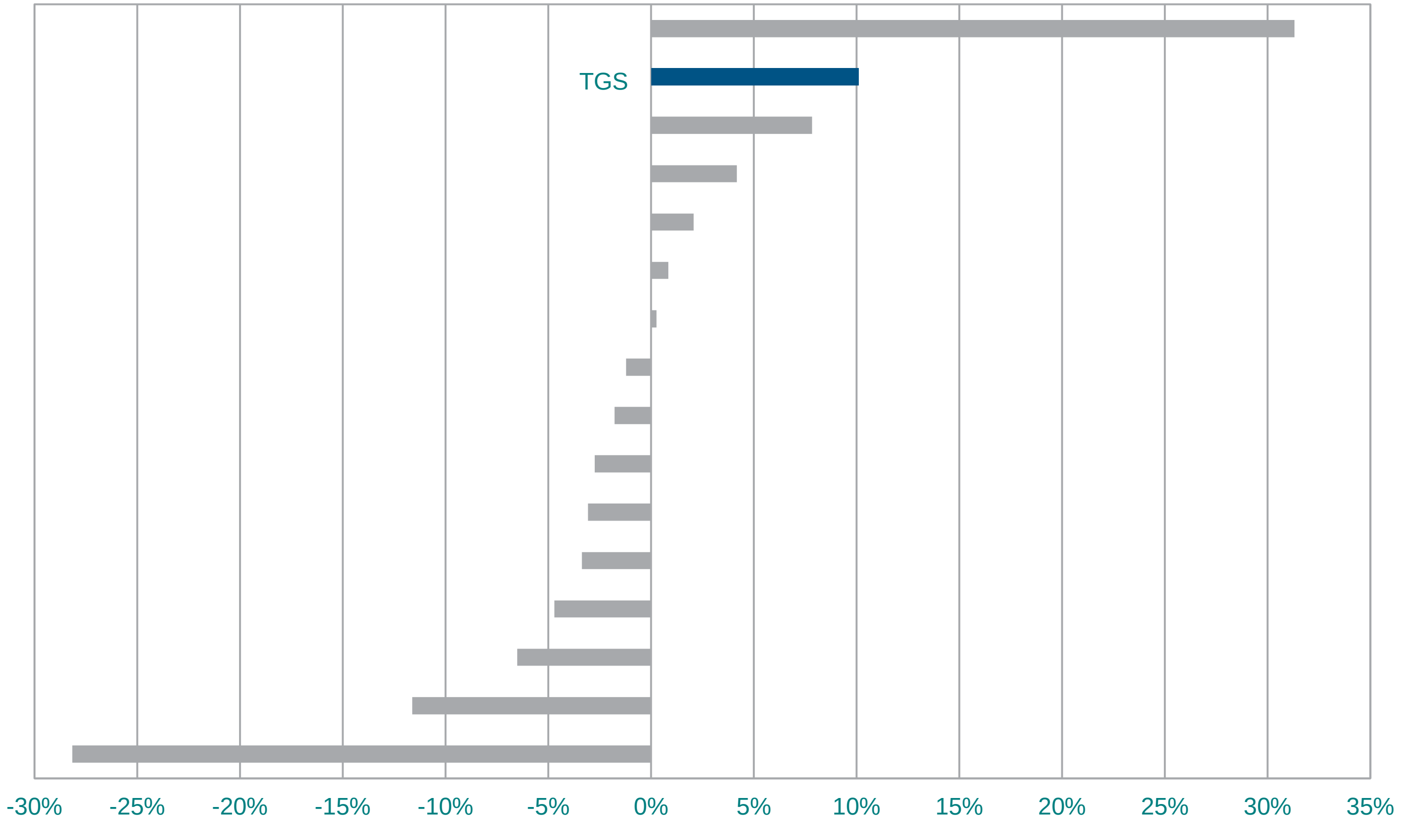
USD million	Q4 2017	Q3 2017	Change in %	Q4 2016
Assets				
Cash and cash equivalents	250	205	22%	191
Other current assets	274	272	1%	353
Total current assets	**524**	**477**	**10%**	**544**
Intangible assets and deferred tax asset	81	82	-1%	86
Other non-current assets	0.5	0.5	6%	11
Multi-client library	799	838	-5%	812
Fixed assets	20	21	-4%	23
Total Assets	**1,424**	**1,418**	**0%**	**1,477**
Liabilities				
Current liabilities	195	223	-13%	262
Non-current liabilities	5	5	11%	6
Deferred tax liability	24	33	-27%	39
Total Liabilities	**224**	**261**	**-14%**	**307**
Equity	**1,200**	**1,157**	**4%**	**1,169**
Total Liabilities and Equity	**1,424**	**1,418**	**0%**	**1,477**

TGS

Top-end Return on Capital Employed

2017 ROACE*

TGS compared to Philadelphia Oil Service Index (OSX) companies

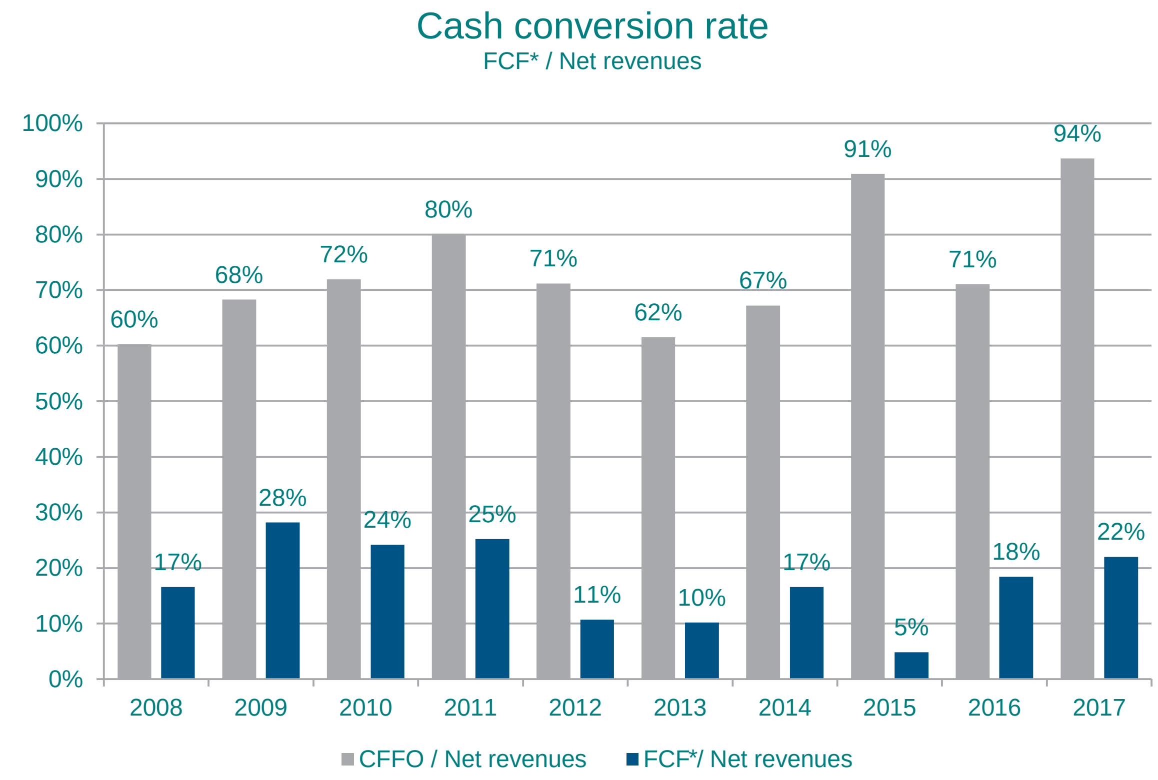


*Return on average capital employed = EBIT / Average capital employed
Capital employed = Equity + Net interest bearing debt
Rolling 12 months to date of last report

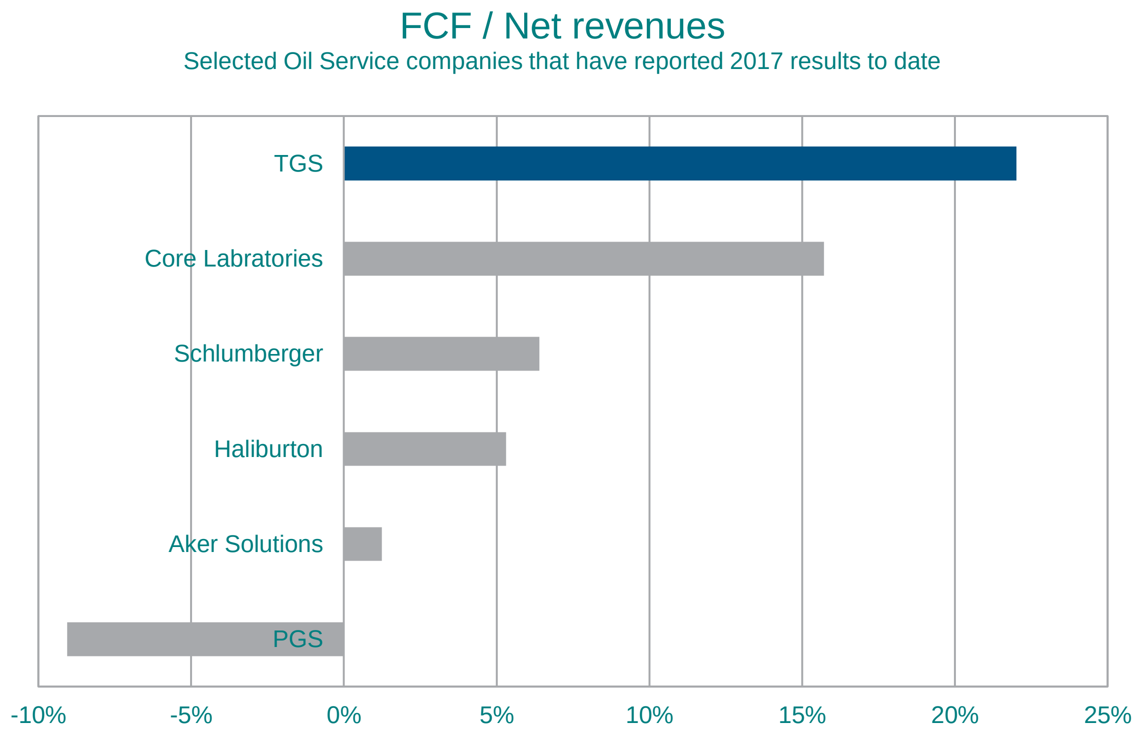
Source: Capital IQ, Company reports, TGS

- 2017 ROACE of 10.1%
- TGS is one of very few oil services companies delivering a return above its Cost of Capital
- Ranked 2nd when compared to the 15 companies that constitutes the Philadelphia Oil Service Index

Industry-leading cash conversion rates



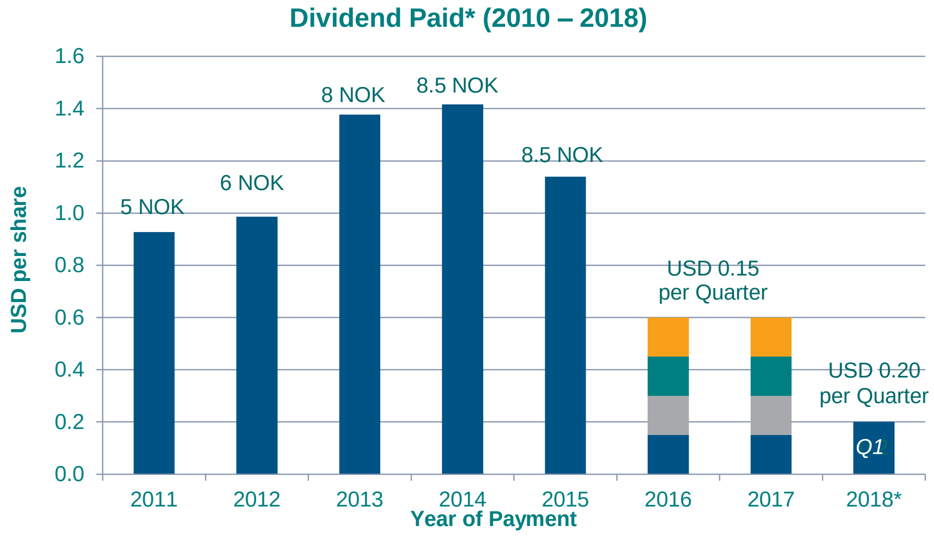
* *In these charts defined as Cash Flow From Operations (CFFO) – Cash Flow From Investments*



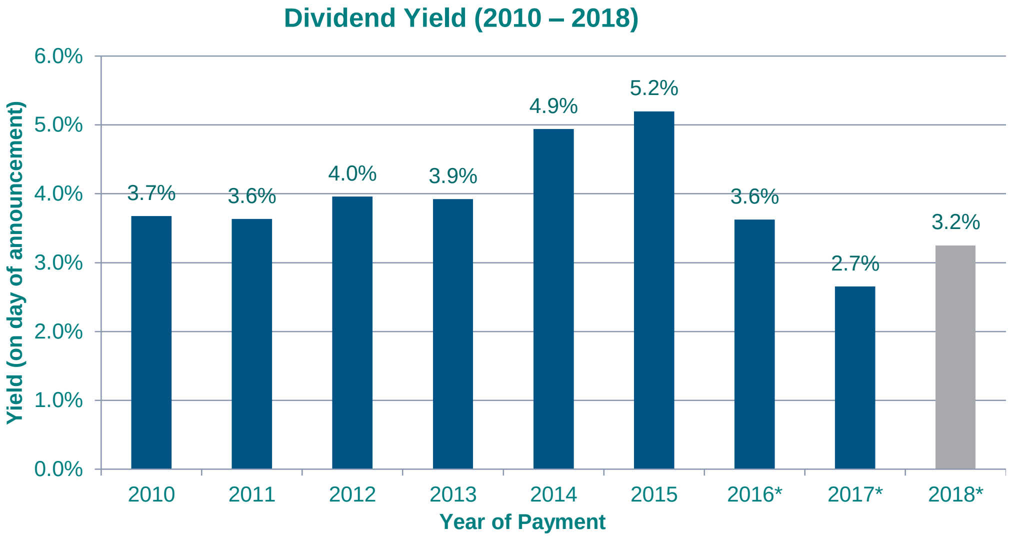
Source: Capital IQ, Company reports, TGS

- Continued strong cash conversion rates lead to robust cash flow - Cash position at USD 250 million at year-end
- TGS is in the top end of the range in the oil service industry when it comes to converting revenues into cash flow

Dividend at USD 0.20 per share to be paid in Q1 2018



**Quarterly Dividends, defined in USD from 2016*
Historical NOK dividends converted to USD using FX rate on ex-dividend date



**2016-2018 Dividend Yield annualized based on the weighted yield at the time of announcement of quarterly dividends*

- Shareholder authorization to distribute quarterly dividend payments
  - 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
- Q1 2018: USD 0.20 per share to be paid on 1 March 2018
  - Shares will trade ex-dividend on 15 February 2018

Potential impact of IFRS 15

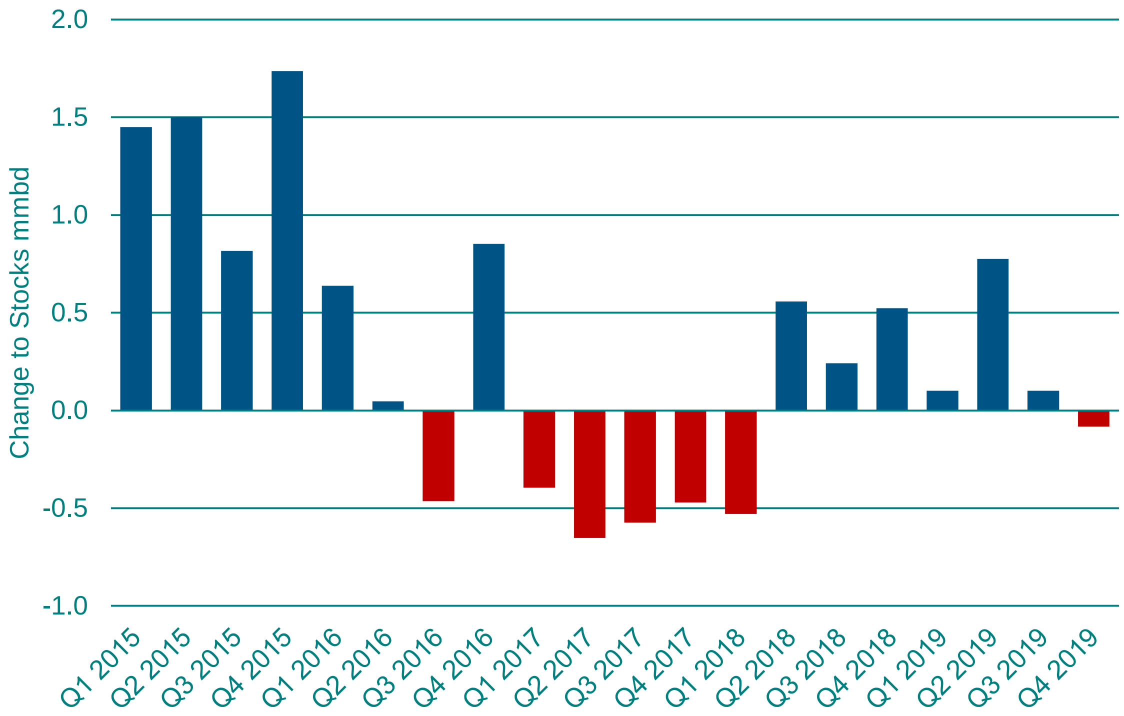
- IFRS 15 Revenue from Contracts with Customers is effective from 1 January 2018
  - No impact on revenues from completed surveys
  - Implications for revenues relating to multi-client surveys in progress not yet concluded
- TGS believes the current practice of recognizing revenues for surveys is superior for reflecting resource use, project progression and risk, thus being the most suited method for measuring value creation and performance
- The seismic industry has been working jointly with the aim of maintaining current practice of recognizing revenues for surveys in progress (percentage of completion) or alternatively a method giving close to similar results (based on interim deliveries or milestones), and to achieve consistent application of IFRS 15 across the seismic industry
- No conclusion has been reached yet, but there is a high risk that none of these methods will be deemed acceptable under IFRS 15, meaning that all revenues generated during the work in progress phase may not be recognized until delivery of the final processed data, which could be more than 12 months after acquisition
  - In such case TGS will continue to use the current method for internal reporting and performance measurement
  - TGS will provide percentage of completion information as part of external financial reporting with appropriate reconciliations to the reporting required by IFRS 15
  - TGS will seek to achieve consistent practice for such reporting across the industry

Outlook

Oil price trending upwards, but uncertainty persists

Substantial increase in oil price since June 2017

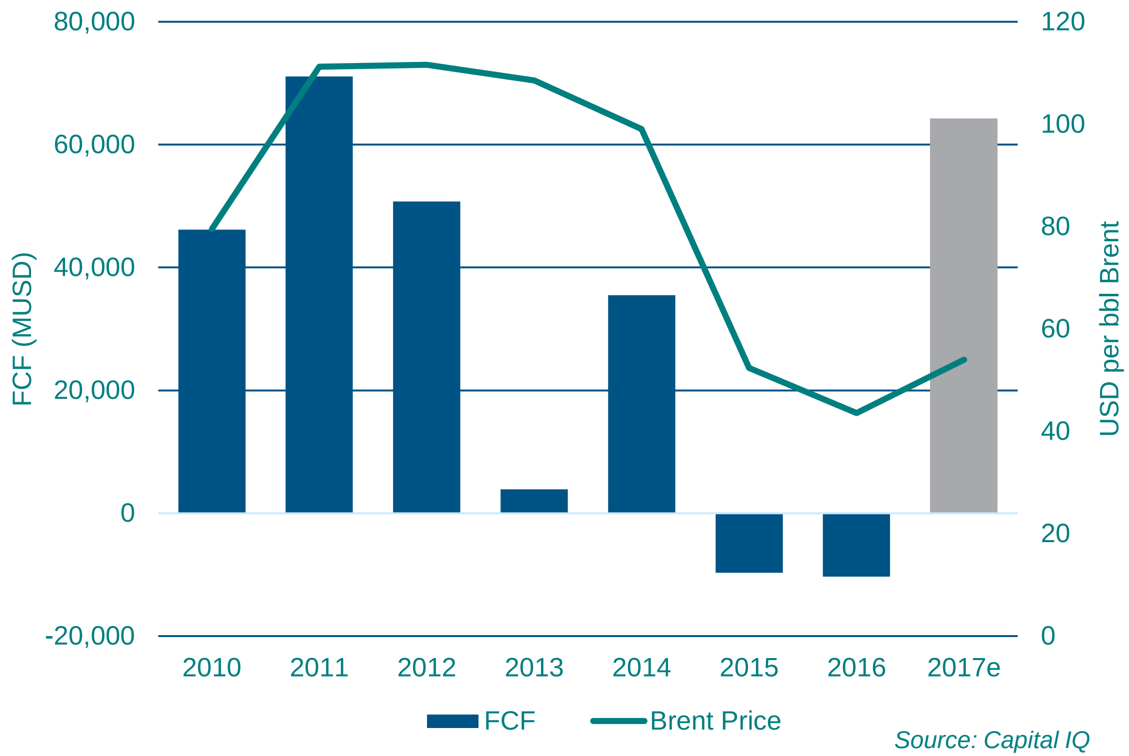
Global liquid production / consumption balance



Source: EIA Short Term Energy Outlook, February 2018

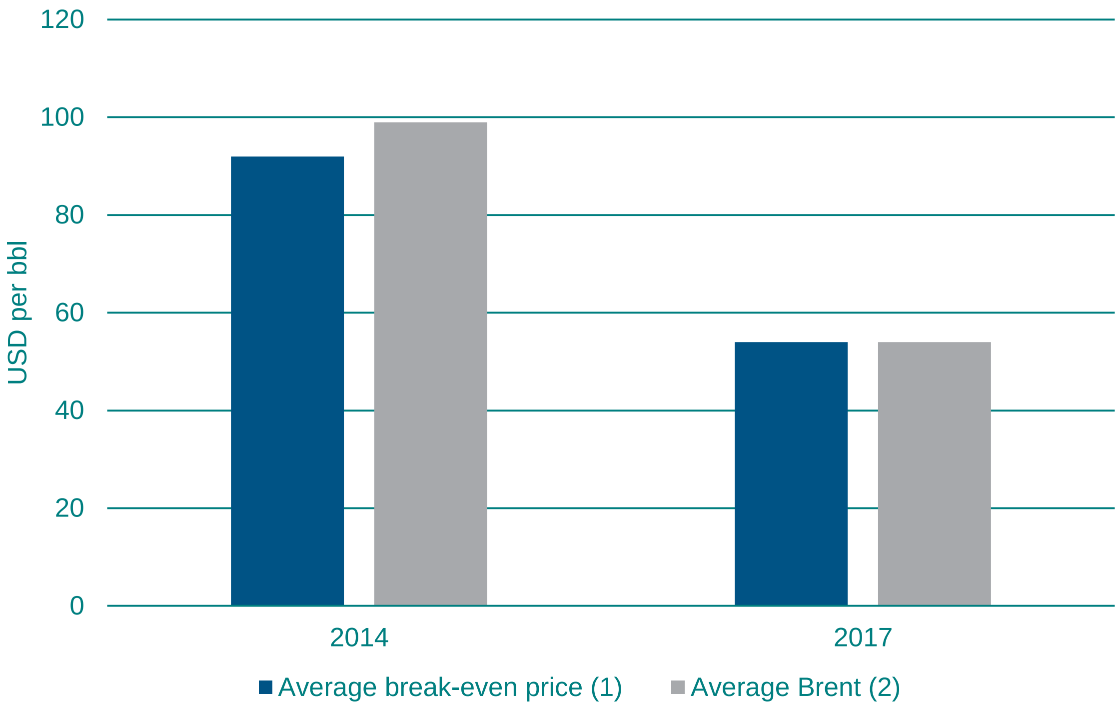
E&P companies experiencing improved cash flow

E&P Majors free cash flow higher than 2012



Source: Capital IQ

Oil companies' cash flow break-even price versus Brent



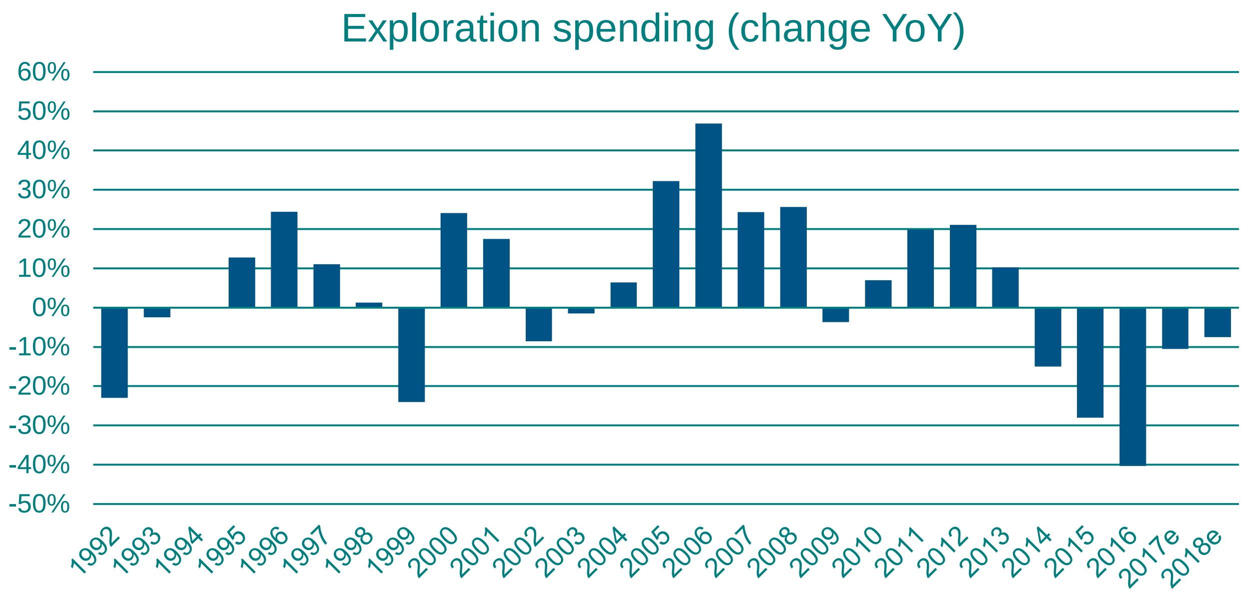
Source: WoodMac

1. Base-case estimate of Brent price required to remain cash flow neutral (accumulate no additional debt) between 2017 and 2019 for more than 50 of the world's leading oil companies, as estimated by Wood Mackenzie. Includes upstream costs and pro-rated shareholder distributions. Excludes downstream cash flow
2. Brent average, EIA

TGS

E&P companies still cautious with exploration spending

"Unchanged capital investment range until 2020 of $25 billion to $30 billion with a soft floor and a hard ceiling and this holds even in a high oil price environment. This range fits our financial framework and is consistent with our growth aspirations. For 2018 you should expect us to maintain capital investment in the lower part of this range."
Ben van Beurden



Source: Carnegie Research

"Our 2018 budget is down for the fourth consecutive year, reflecting project completions, improved efficiencies, and investment high-grading. We're fully funding our advantaged Permian Basin position and dedicating approximately three-quarters of our spend to projects that are expected to realize cash flow within two years"
John Watson

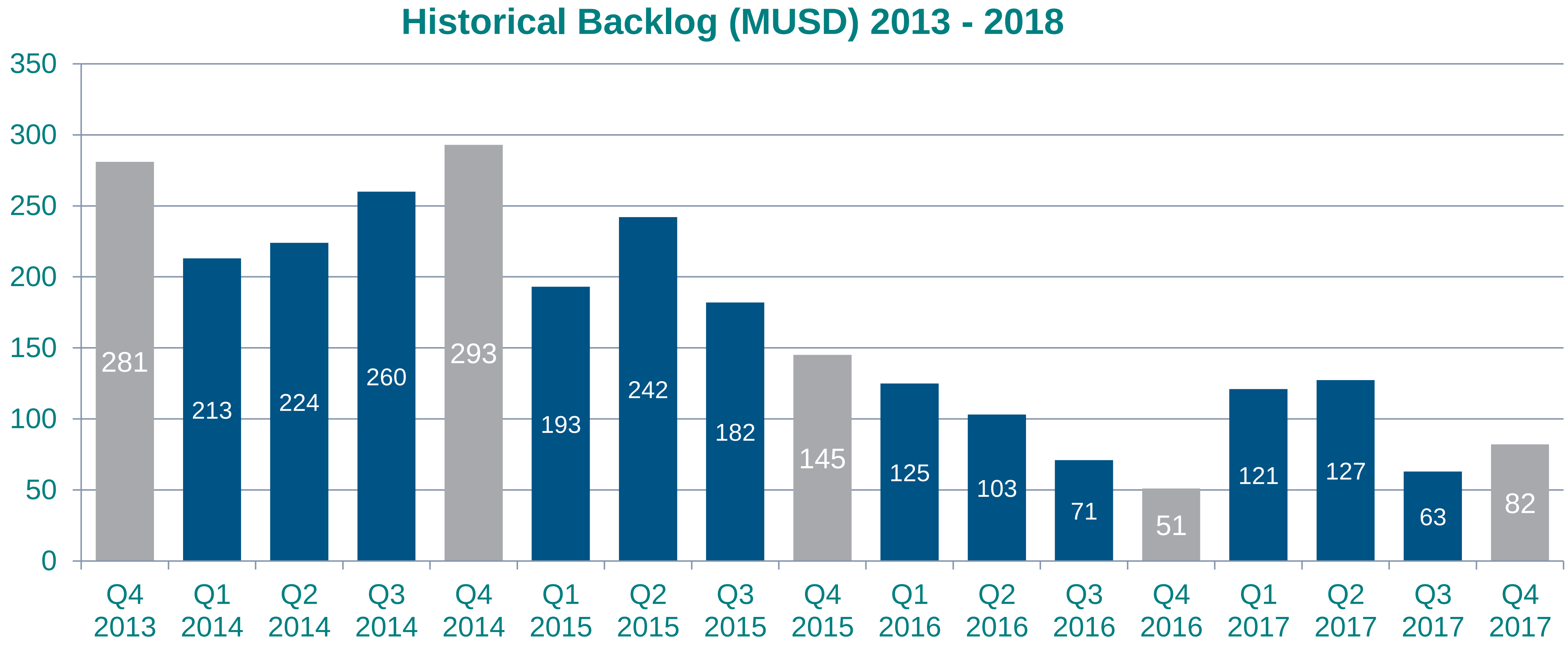
"Statoil expects organic capex of around $11 billion in 2018, up from $9.4 billion in 2017. Statoil intends to continue to mature its large portfolio of exploration assets and estimates a total exploration activity level of around $1.5 billion for 2018, excluding signature bonuses"
Eldar Sætre

"We confirm that including the Maersk acquisition we will maintain the $13 to $15 billion capex guidance, excluding resource acquisition."
Patrick Pouyanne

"If you look at the build from 2017 to 2018 just ballpark numbers, you're talking about a $5 billion to $6 billion increase in organic CapEx. The lions share of it is mostly associated with the unconventional work program and some conventional work programs across our global portfolio. "
Jeff Woodbury

"We expect organic capital expenditure to be in the range of $15-16 billion, down from $16.5 billion in 2017, reflecting the continuing focus on disciplined spend. We will ensure we remain robust to the downside in the event oil prices were to drop below $50 per barrel."
Bob Dudley

Backlog



Historical Backlog (MUSD) 2013 - 2018
350
300
250
200
150
100
50
0
281
213
224
260
293
193
242
182
145
125
103
71
51
121
127
63
82
Q4 2013
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015
Q2 2015
Q3 2015
Q4 2015
Q1 2016
Q2 2016
Q3 2016
Q4 2016
Q1 2017
Q2 2017
Q3 2017
Q4 2017

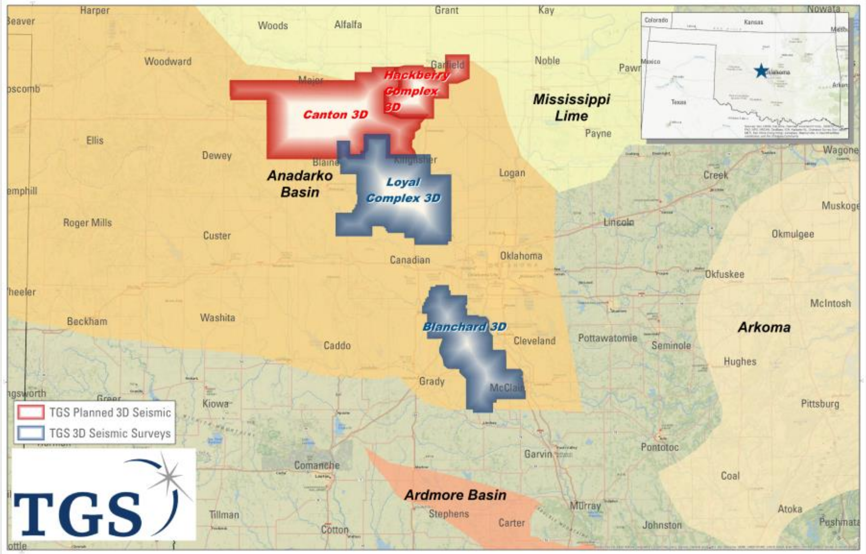
New projects announced this week

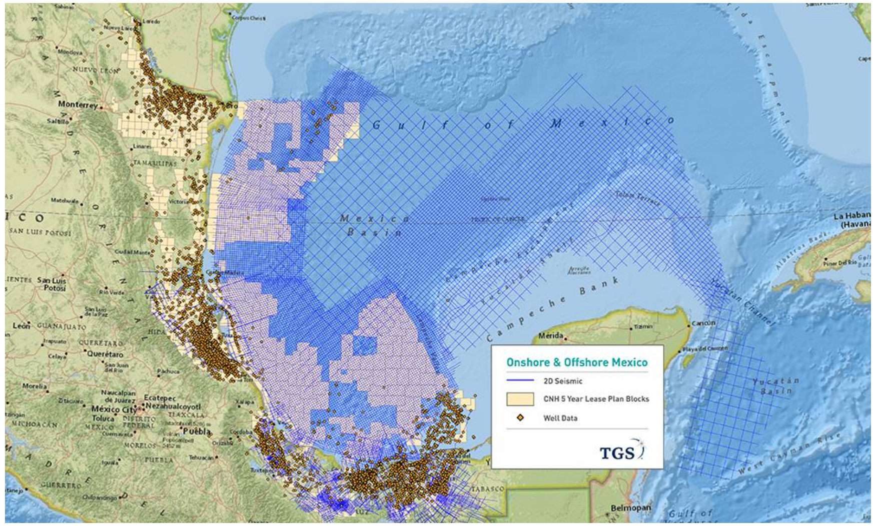
SCOOP/STACK – Canton 3D

- 1,170 km^2 high-resolution 3D multi-client project in the Anadarko Basin
- Strengthens TGS' leading position in the SCOOP/STACK play fairway, providing contiguous, modern seismic data coverage from the recently announced Hackberry Complex to the north east, down to the Loyal Complex to the south
- Complemented by TGS' extensive geologic products database comprising data from over 100,000 wells and multiple interpretive products in the SCOOP/STACK
- Acquisition will commence in Q2 2018 with final data available to clients in Q1 2019

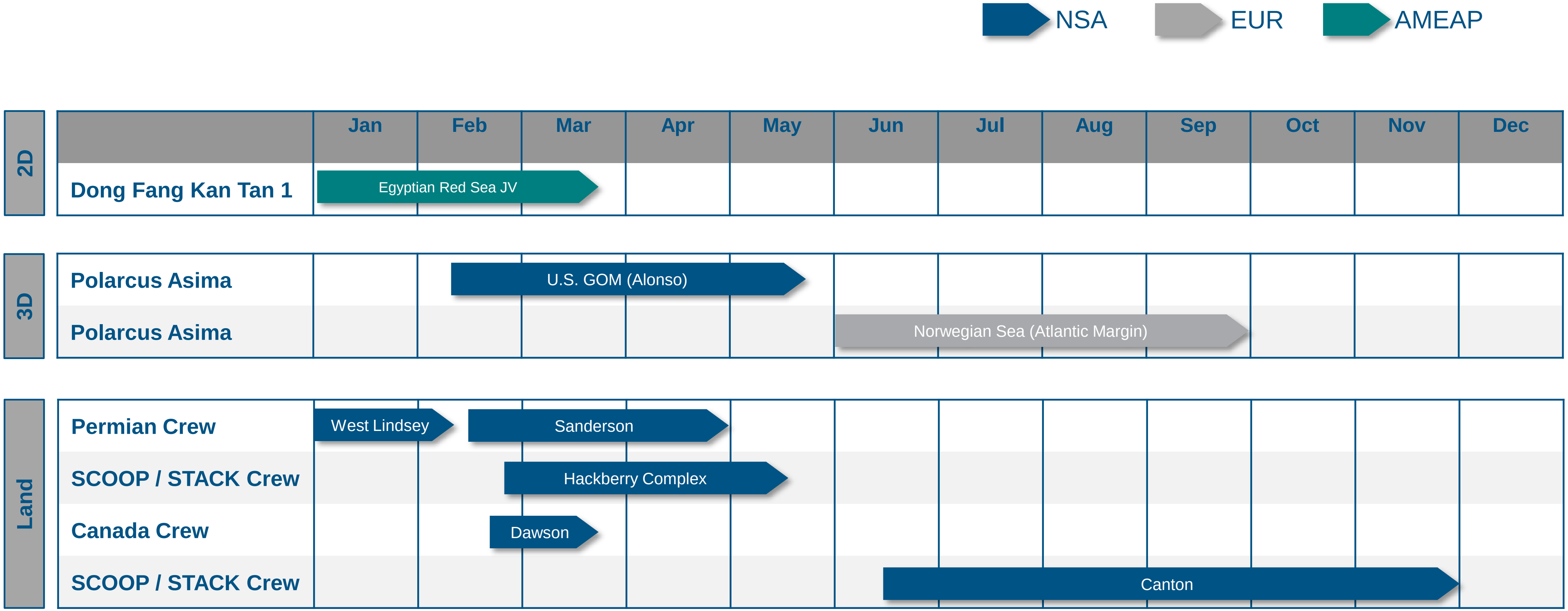
Mexico Well Data

- Authorization received from Comisión Nacional de Hidrocarburos (CNH) to process and deliver high-quality, high-value well data products, from a library of more than 30,000 wells offshore and onshore Mexico
- TGS' well data packages will provide key coverage of all basins including exploration/appraisal and development wells
- Complemented by TGS' existing Gigante offshore 2D survey and TGS' recently reprocessed Mexico onshore 2D seismic dataset





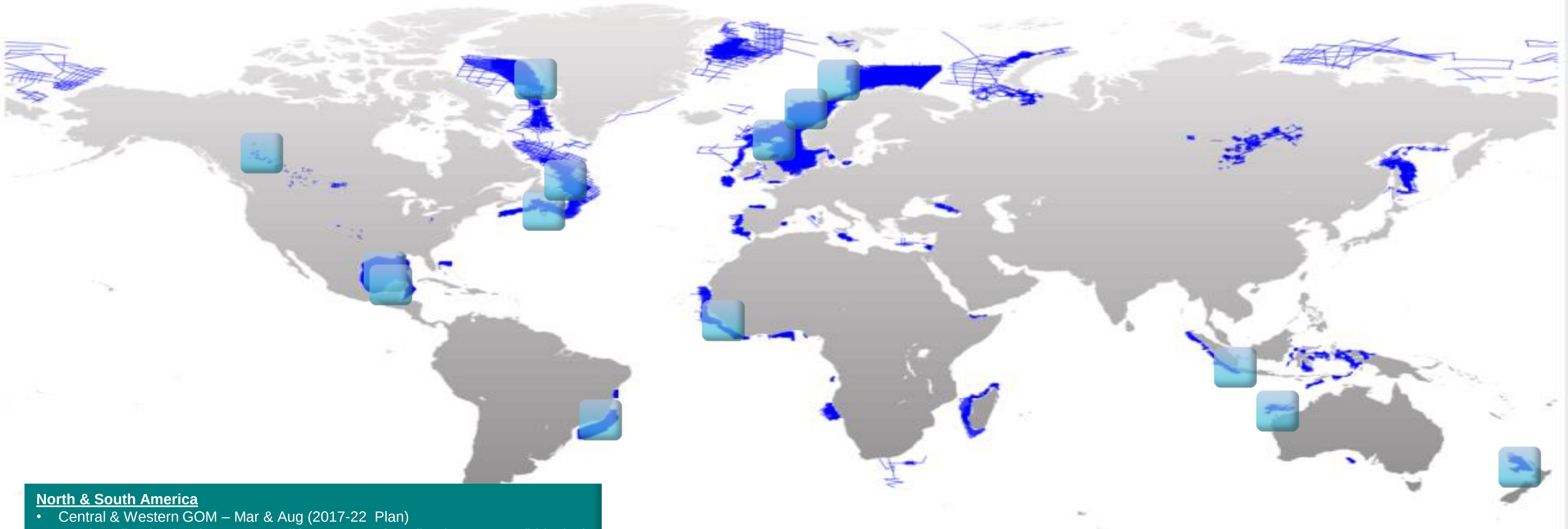
2018 Projects Schedule*



*Acquisition schedule excludes Fusion M-WAZ Reprocessing, other processing projects and GPS investments

TGS

License Round Activity and TGS Positioning



North & South America
- Central & Western GOM – Mar & Aug (2017-22 Plan)
- Newfoundland Labrador – Jeanne d'Arc & E. Newfoundland, Nov 2018 (bids due)
- Nova Scotia – Dec 2018 (3-Year Rolling Plan)
- Canada Onshore – at least monthly
- Brazil 15th Round - Mar 2018 (bids due)
- Brazil 4th Production Sharing Round - Jun 2018 (bids due)
- Mexico Round 2.4 (deep water) - Jan 2018 (completed)
- Mexico Round 3.1 (shallow) - Mar 2018 (bids due)
- Mexico Round 3.2 (onshore) - Jul 2018 (bids due)

Africa, Middle East, Asia Pacific
- Sierra Leone 4th Round – Jun 2018 (bids due)
- Australia – Feb & Mar 2018 (bids due), new round expected Sep 2018
- New Zealand –2018 Round H1 2018 (announcement expected)
- Indonesia – 2018 Round H1 2018 (announcement expected)

Europe / Russia
- Norway APA – Q2 2018 (announcement expected)
- Norway 24th Round – before Summer 2018 (awards)
- UK 31st Round – H1 2018 (announcement expected)
- Greenland – Dec 2018 (bids due)

Q4 Summary

- Q4 net revenues of 157 MUSD
- Q4 EBIT of 52 MUSD – EBIT margin of 33%
- Significant improvement in free cash flow, 56 MUSD versus 33 MUSD in Q4 2016
- Cash balance of 250 MUSD in addition to undrawn 75 MUSD Revolving Credit Facility
- Quarterly dividend increased to USD 0.20 per share

- Industry leading performance on ROACE and Cash Conversion
- Improved visibility for 2018 as a result of increased backlog and ramp-up of US Onshore activity

- With effect from Q1 2018 TGS will start pre-announcing quarterly revenues no later than the sixth trading at the Oslo Stock Exchange after quarter close

- 2018 guidance:
  - New multi-client investments of approximately USD 260 million
  - Additional multi-client investments expected from sales of existing surveys with risk sharing arrangements
  - Pre-funding of new multi-client investments expected to be approximately 45%-50%
  - Amortization expected to be approximately USD 310 million

Thank you