



Q1 2015 Earnings Release

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23 April 2015

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Forward-Looking Statements

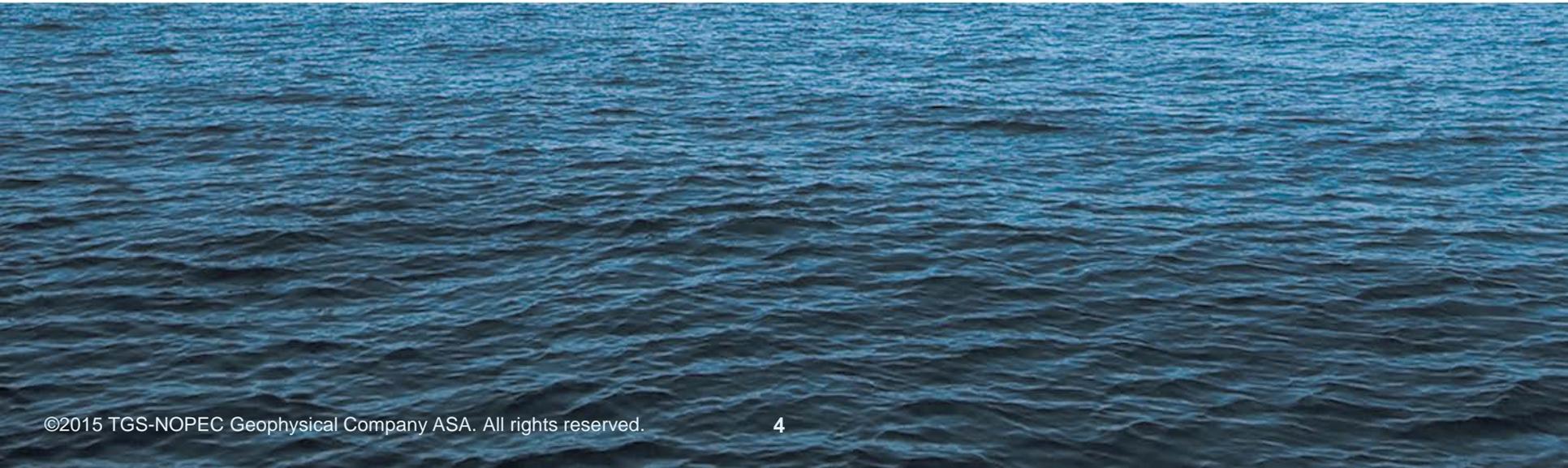
All statements in this presentation other than statements of historical fact, are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. These factors 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.

Q1 2015 Highlights

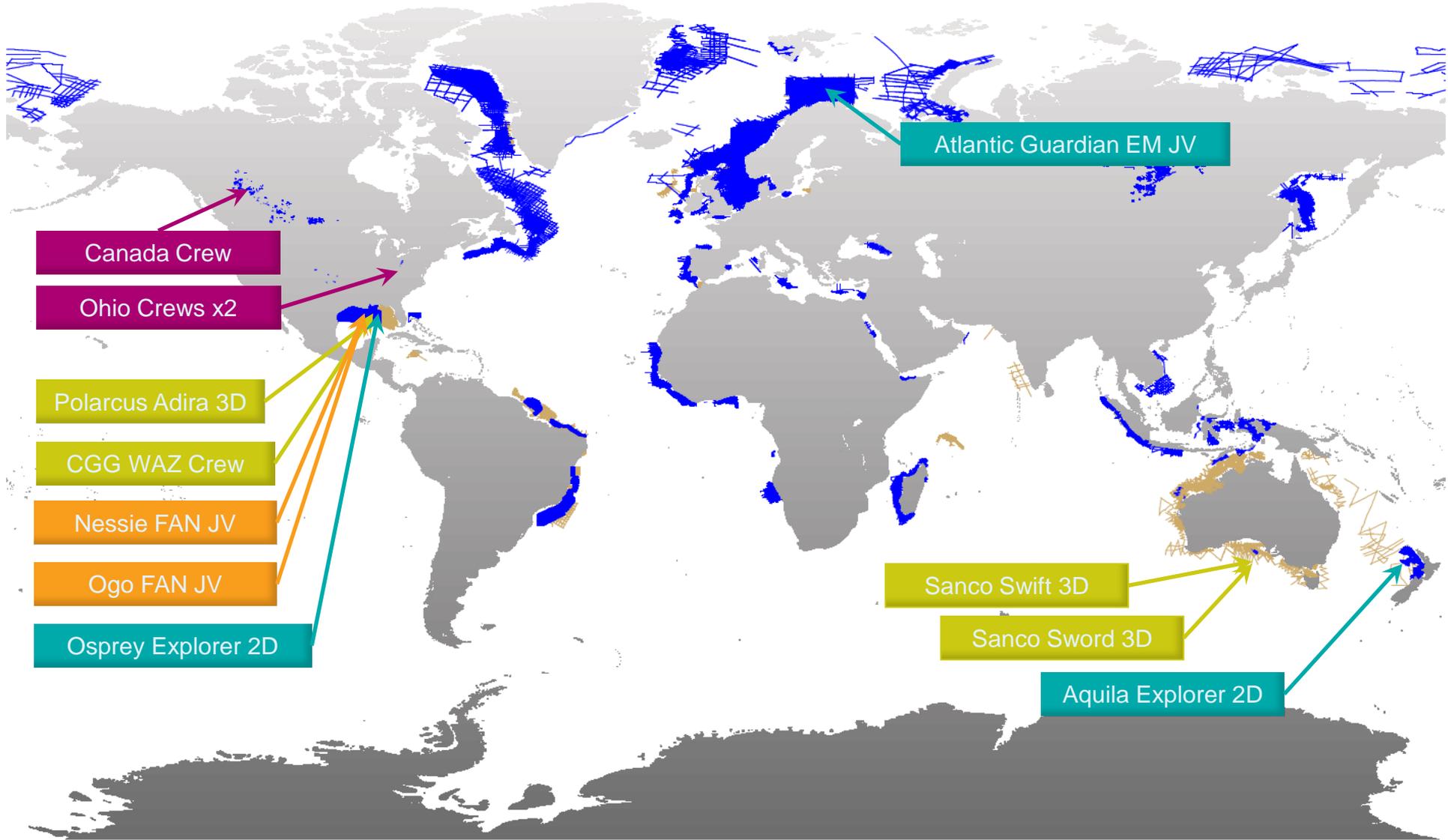
- Q1 Net revenues of 172 MUSD compared to 222 MUSD in Q1 2014
 - Net late sales of 72 MUSD, down 48% from 137 MUSD in Q1 2014
 - Net pre-funding revenues of 94 MUSD were up 26% from Q1 2014, funding 58% of TGS' operational multi-client investments for the quarter (163 MUSD)
- Operating profit for the quarter was 37 MUSD, 22% of net revenues, compared to 94 MUSD (42% of net revenues) in Q1 2014
- Cash flow from operations was 260 MUSD compared to 221 MUSD in Q1 2014
 - Cash balance of USD 352 million at 31 March 2015
- Three 3D vessels, two 2D vessels, one WAZ 3D crew and three land crews operating under TGS control in Q1 2015
 - TGS was also a participant in two 3D ocean bottom seismic projects and one EM JV project



Operational Highlights



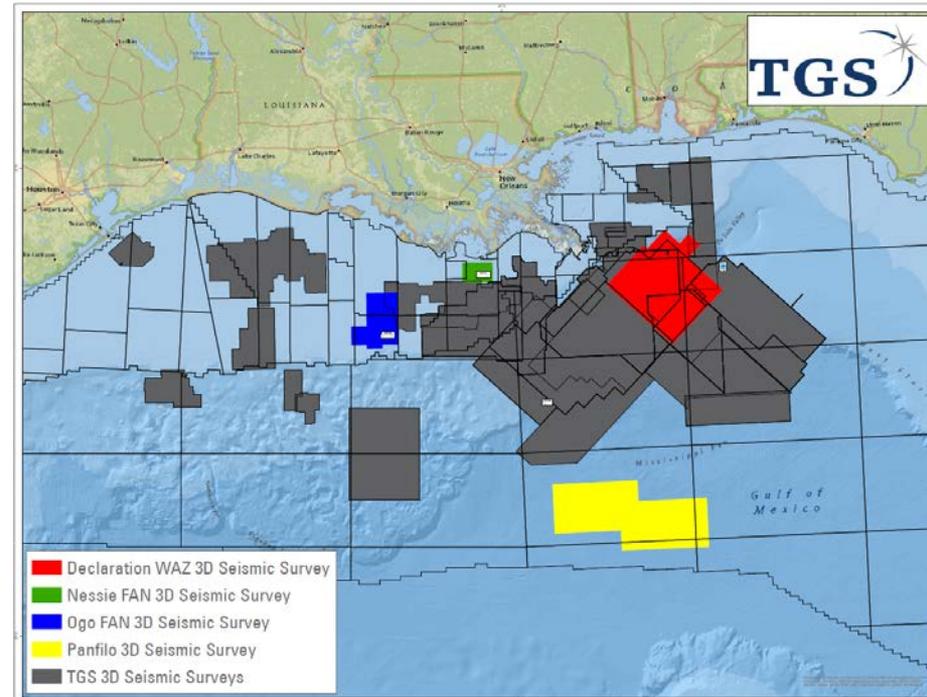
Q1 2015 Operations



Q1 Activity – North America

Central Gulf of Mexico

- **Panfilo** - 11,500 km² multi-client 3D survey
 - Survey completed in Q1 2015
 - Deep water Lund and Henderson protraction areas of Central Gulf of Mexico
 - Survey covers mainly open acreage and targets future lease rounds
- **Declaration** - 9,600 km² multi-client M-WAZ survey
 - Extension announced in Q1 2015, completed in Q2
 - Mississippi Canyon and Viosca Knoll protraction areas of the Central Gulf of Mexico
 - Data being acquired orthogonal to TGS' underlying Justice WAZ 3D survey
 - Long offsets to 16 km with single pass vessel configuration derived from CGG's StagSeis™ technology
- **Nessie & Ogo FAN™** - multi-client ocean bottom seismic surveys
 - Nessie completed in Q1 2015, Ogo will continue throughout the full year
 - Surveys cover a number of existing fields and exploratory acreage on the Central Gulf of Mexico shelf
 - Part of multi-year collaboration agreement with FairfieldNodal



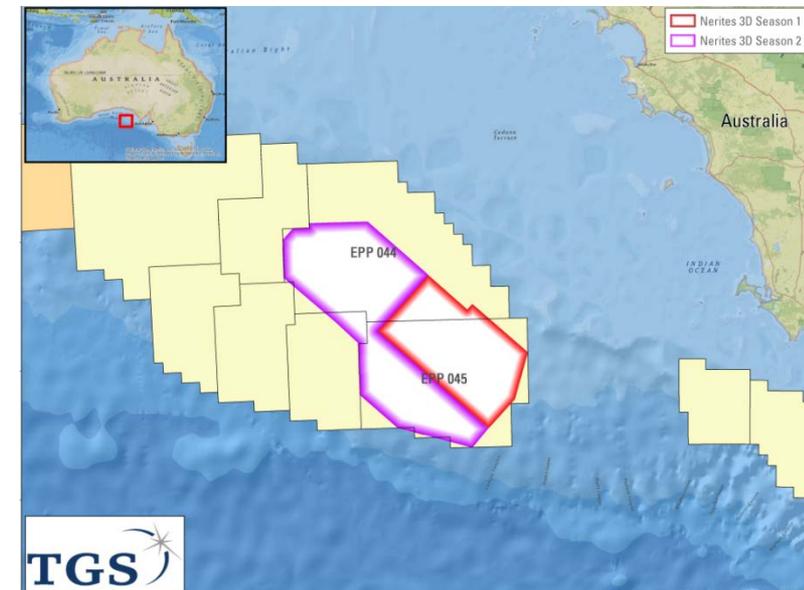
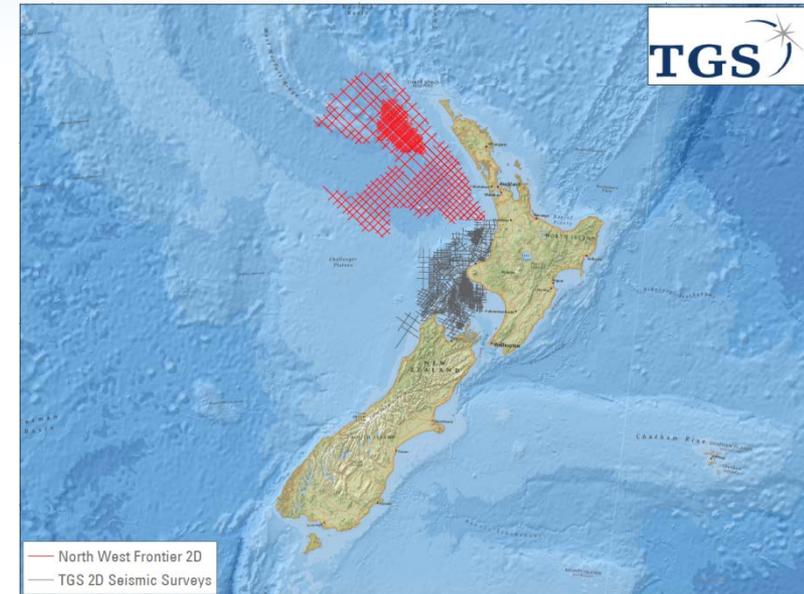
Q1 Activity – Asia Pacific

New Zealand

- **NWF14** - 17,500 km 2D multi-client survey
 - Survey completed in Q2 2015
 - Within the Reinga, Northland and Taranaki basins, offshore Northwest New Zealand
 - Nine offshore permits granted to oil companies in Reinga-Northland, Taranaki, and the Pegasus basins as part of its 2014 block offer
 - 2015 New Zealand block offer launched with bids due 30 September 2015

Australia

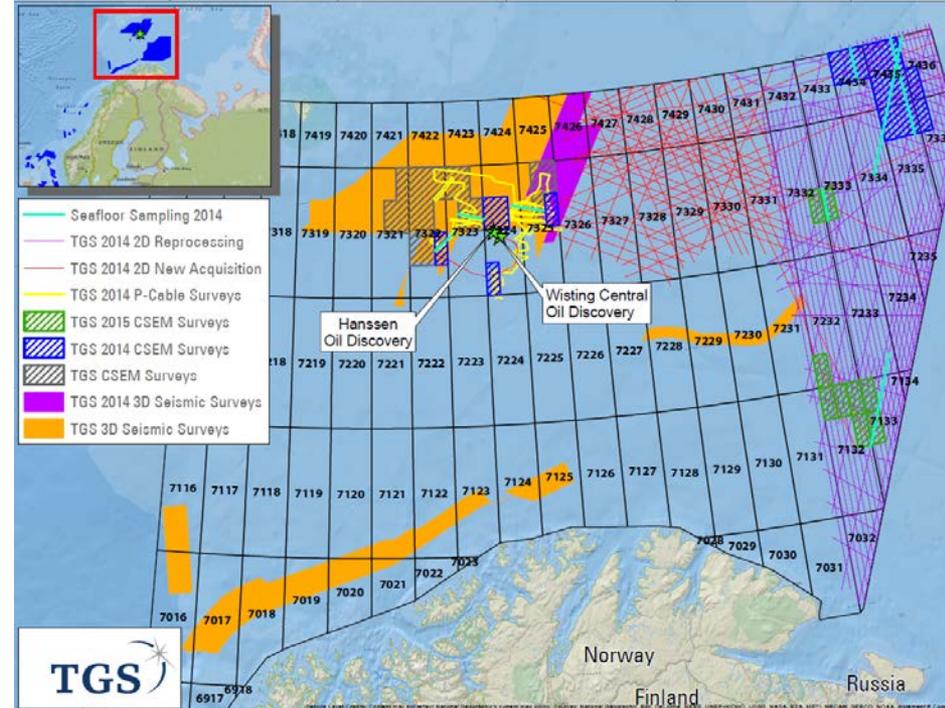
- **Nerites Season 2** – 13,000 km² multi-client 3D survey
 - Survey to be completed in Q2 2015
 - Second season of the Nerites 3D seismic survey to fulfill work program commitment over EPP44 and EPP45 awarded November 2013
 - Prospective frontier acreage with block relinquishment expected in 2019
 - Solid prefunding but high amortization due to timing of relinquishments



Q1 Activity – Europe

Barents Sea

- **Barents EM 2015** – 9 new blocks in the Nordkapp and Tiddly areas
 - Survey completed in Q2 2015
 - Further expansion of cooperation with EMGS
 - Will provide clients with high quality, integrated EM and seismic data for the 23rd Round



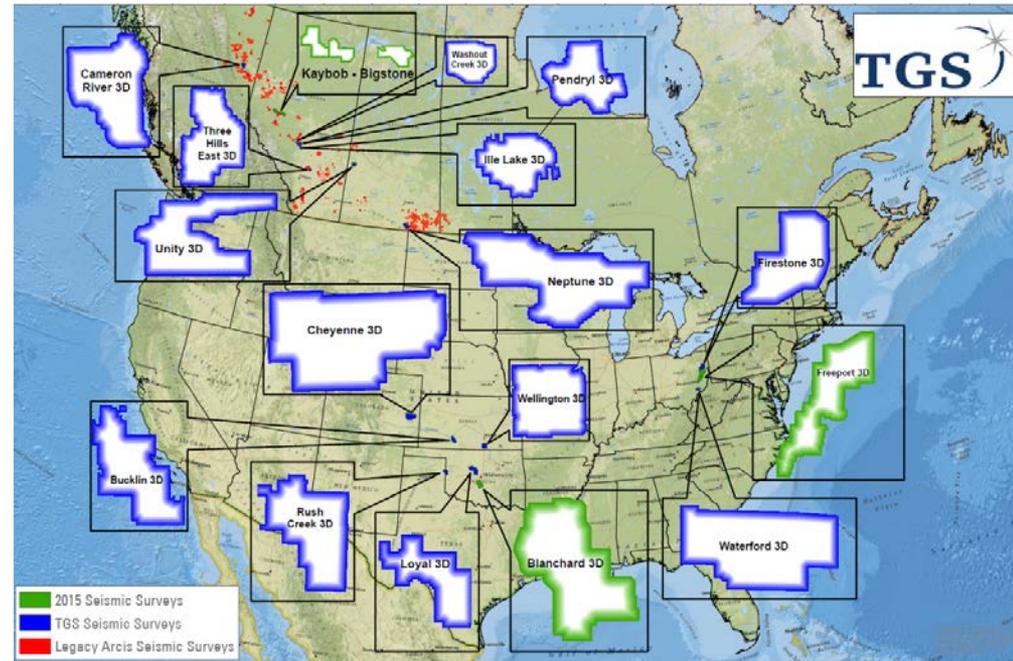
Q1 Activity – North America Onshore

U.S. Onshore

- **Freeport** - 1,777 km² 3D multi-client survey
 - Utica play, central Ohio
 - Acquisition will complete in the second half of 2015
- **Blanchard** – 1,100 km² 3D multi-client survey
 - South Central Oklahoma Oil Play (SCOOP), Oklahoma
 - Acquisition will complete in mid 2015

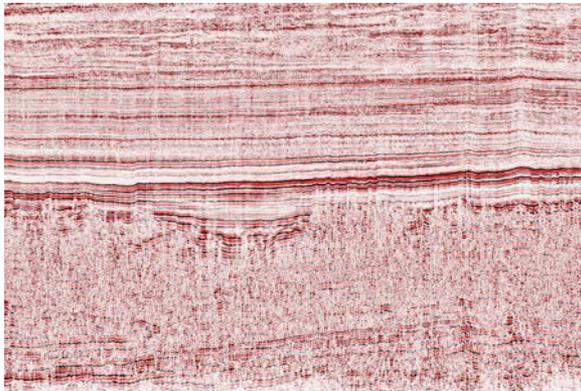
Canada Onshore

- **Kaybob-Bigstone** - 722 km² 3D-3C multi-client survey
 - Survey completed in Q1 2015
 - Duvernay fairway, West Central Alberta

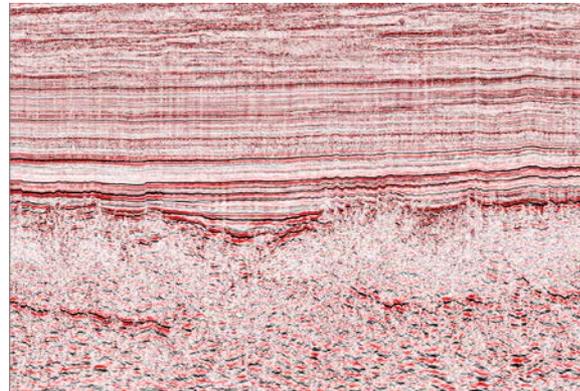


Enhancing Value through Technology

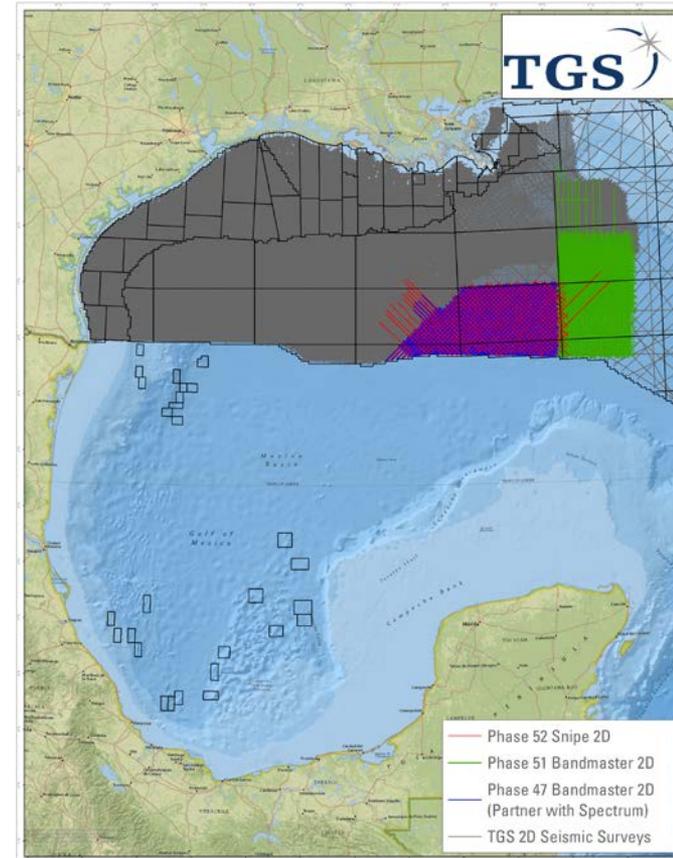
- TGS is applying the latest acquisition and processing technologies to deliver a high resolution, long offset, modern 2D seismic grid encompassing the frontier ultra deep U.S. Gulf of Mexico extending to the U.S – Mexico boundary
- Phase 52 Snipe
 - 12,000 km multi-client 2D survey completed acquisition in Q1 2015
 - Clari-Fi™ broadband processing
 - PSTM and PSDM products with long output record length
 - Incorporates critical well ties to a number of recent discoveries
- Phase 47 and Phase 51 Bandmaster Reprocessing
 - Phase 51 completed in Q1 2015, Phase 47 completion during 2015
 - Clari-Fi™ broadband processing
 - PSTM and PSDM products with long output record length



Original 2D PSTM (Deep Water GOM)

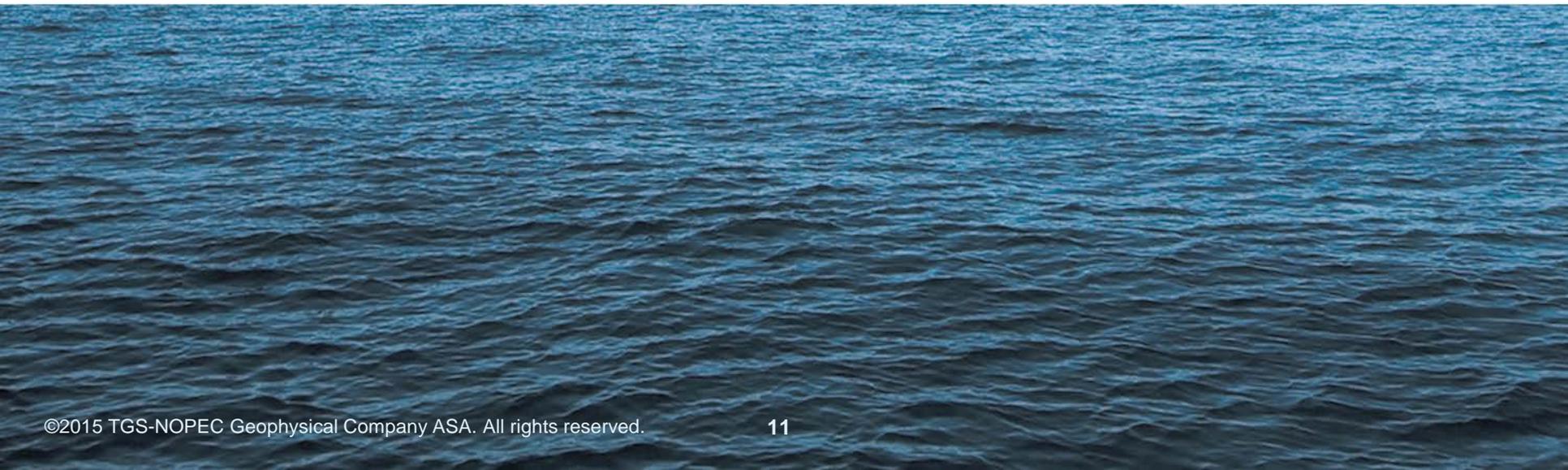


Reprocessed 2D PSTM (Deep Water GOM)



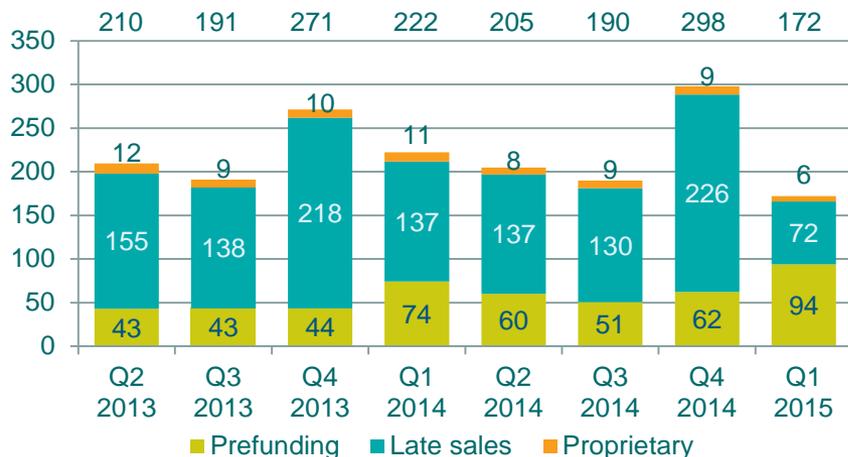


Financials

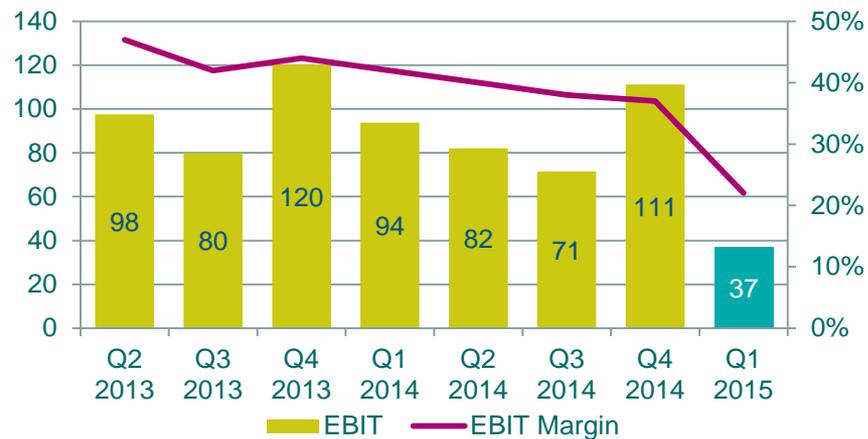


Key Financials

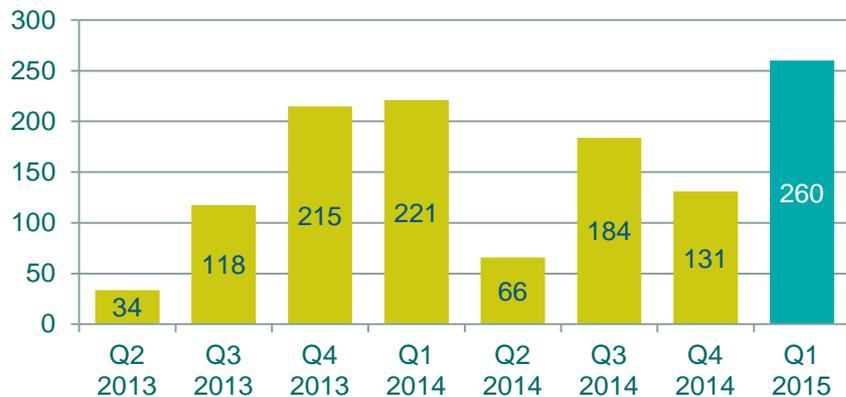
Net Revenues



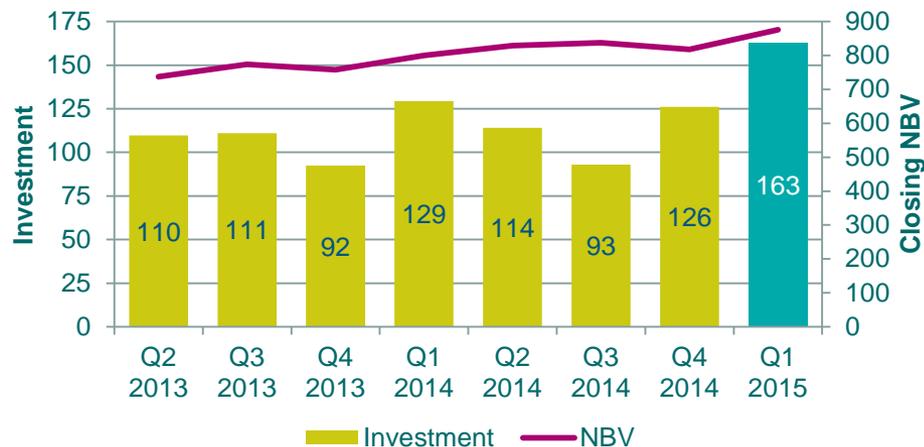
EBIT before non-recurring items



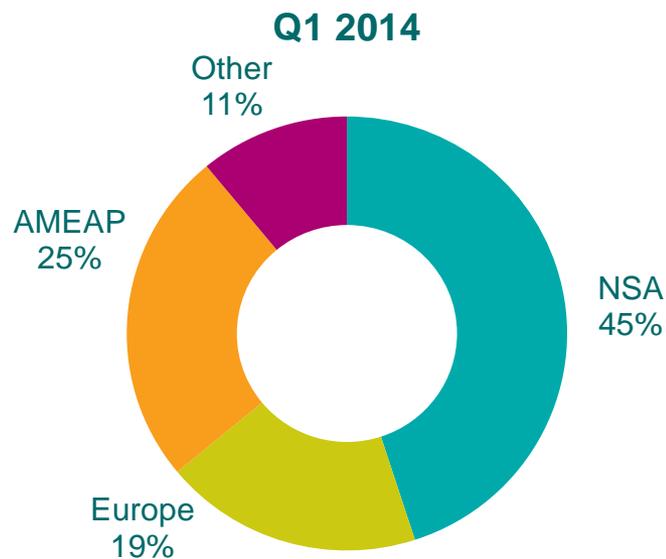
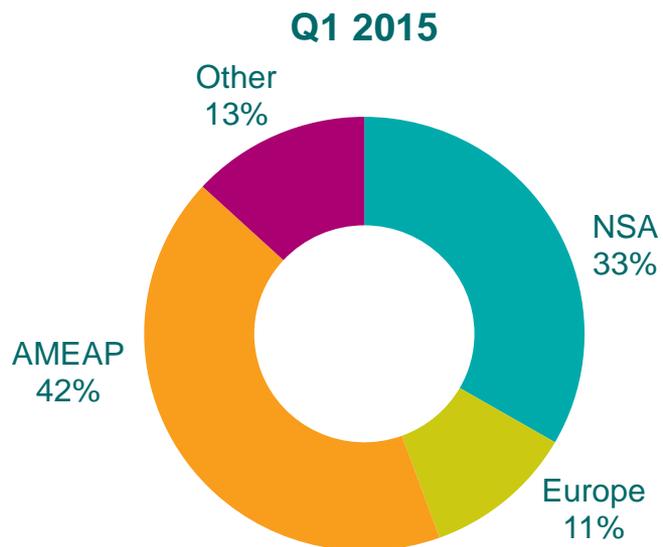
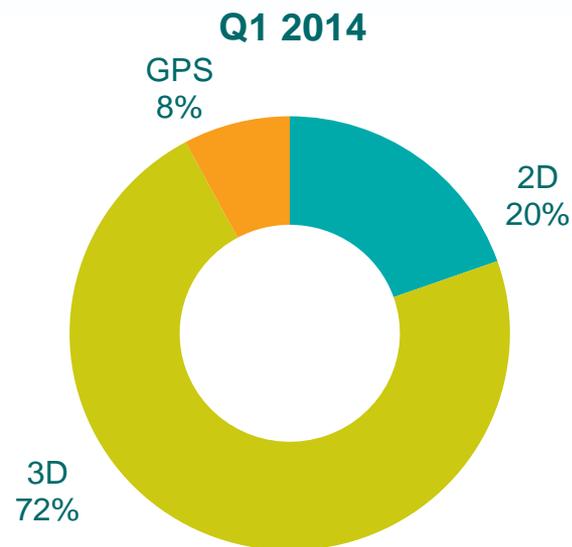
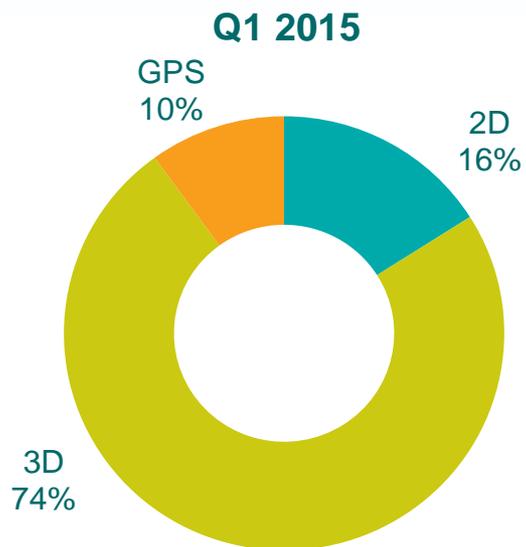
Cash Flow from Operations



Multi-client NBV and Investments (operational)



Net Revenue Breakdown



Q1 2015 Income Statement

USD million, except EPS	Q1 2015	Q1 2014	Change in %
Net operating revenues	172	222	-23%
Cost of goods sold – proprietary and other	0.5	2	-79%
Amortization of multi-client library 63%	105	87	20%
Gross margin	67	133	-50%
Personnel costs	17	24	-32%
Other operating expenses	9	10	-12%
Cost of stock options	0.5	1	-60%
Depreciation	4	3	2%
Operating profit 22%	37	94	-60%
Net financial items	(1)	3	-141%
Profit before taxes 21%	36	97	-63%
Tax expense	7	29	-75%
Net Income 17%	29	68	-58%
EPS, Undiluted	0.28	0.67	-58%
EPS, Fully Diluted	0.28	0.66	-57%

Q1 2015 Cash Flow Statement

USD million	Q1 2015	Q1 2014	Change in %
Received payments	337	305	11%
Payments for operational expenses	(31)	(37)	15%
Paid taxes	(45)	(47)	3%
Operational cash flow	260	221	18%
Investments in tangible and intangible assets	(2)	(9)	72%
Investments in multi-client library	(151)	(127)	-19%
Payments related to third-party loan	(5)	-	
Payments related to net interest	2	0.6	217%
Purchase of treasury shares	(5)	(3)	-41%
Proceeds from share offerings	2	0.4	281%
Change in cash balance	101	83	22%

Balance Sheet

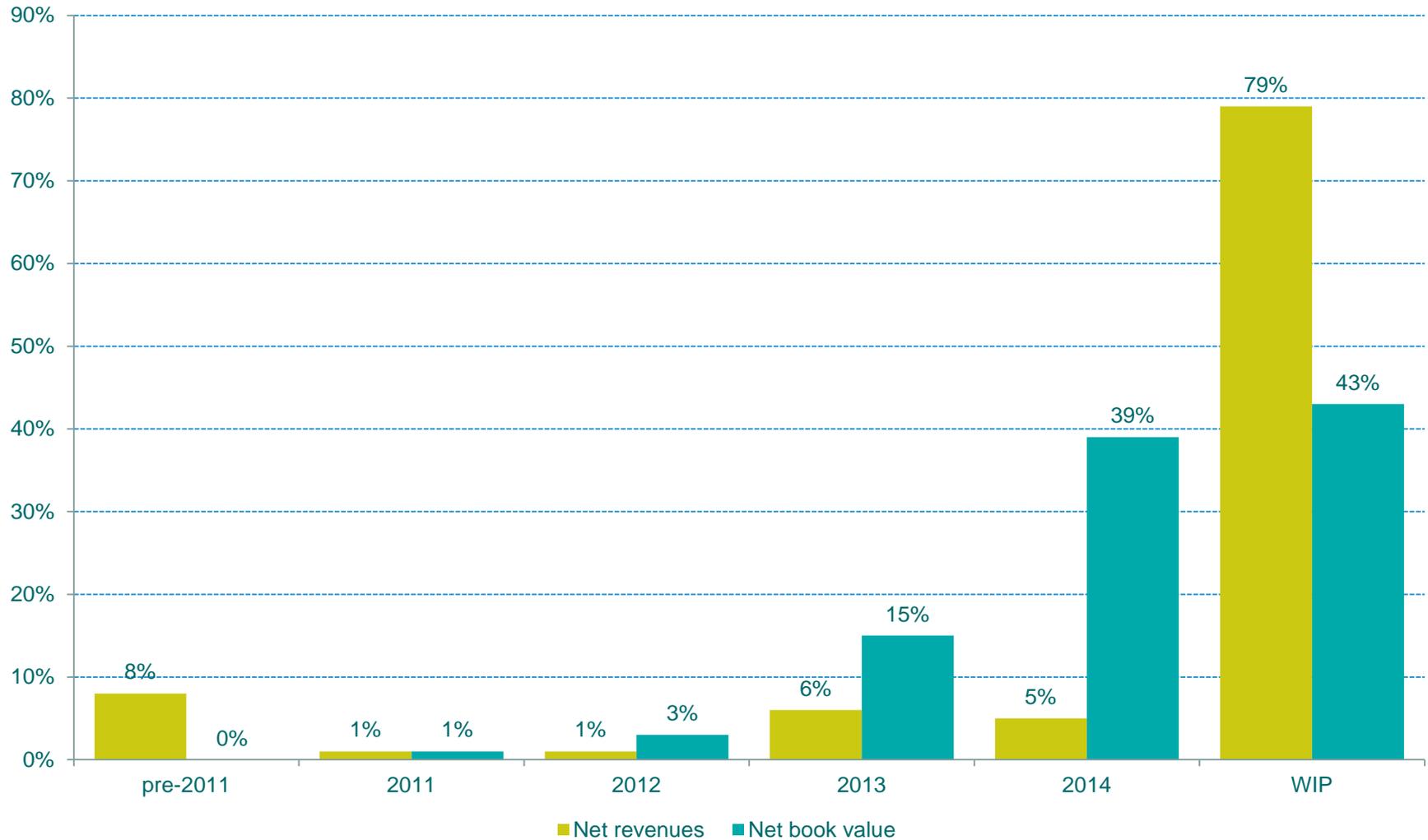
USD million	Q1 2015	Q4 2014	Change in %
Assets			
Cash and cash equivalents	352	256	37%
Other current assets	312	521	-40%
Total current assets	664	778	-15%
Intangible assets and deferred tax asset	83	85	-2%
Other non-current assets	24	44	-45%
Multi-client library	876	818	7%
Fixed assets	39	43	-10%
Total Assets	1,686	1,768	-5%
Liabilities			
Current liabilities	282	393	-28%
Non-current liabilities	9	7	19%
Deferred tax liability	30	29	5%
Total Liabilities	321	428	-25%
Equity	1,365	1,339	2%
Total Liabilities and Equity	1,686	1,768	-5%

The Company holds no interest-bearing debt

Investments per Vintage

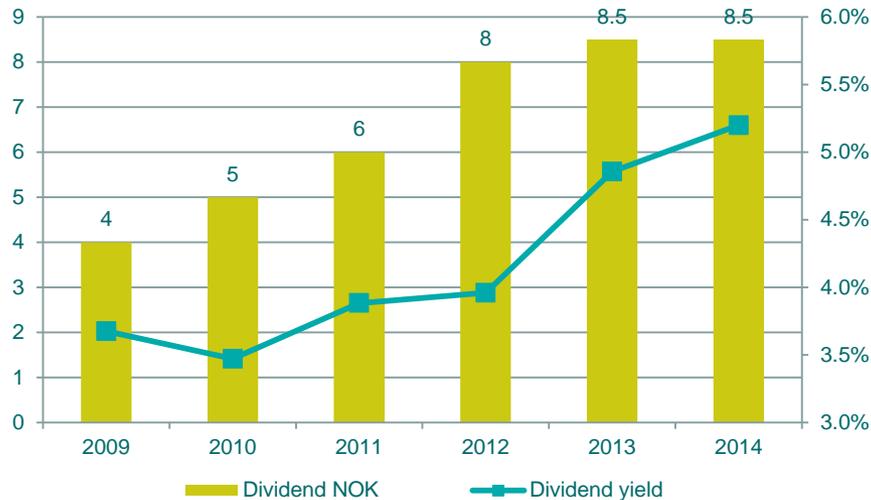


Net Revenues vs. Net Book Value per Vintage



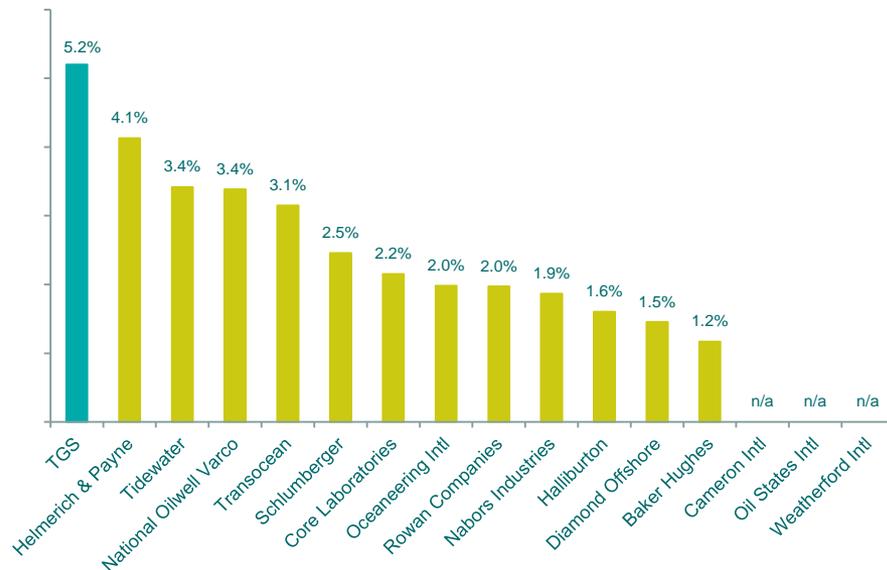
Strong Cash Generation Delivers Shareholder Value

Dividend per Share (NOK) and Dividend Yield*



* Dividend yield calculated based on share price at day of announcement

2015 Dividend Yield vs OSX Index*



* The OSX Index (PHLX Oil Service Sector Index) is a price weighted index composed of companies involved in the oil services sector

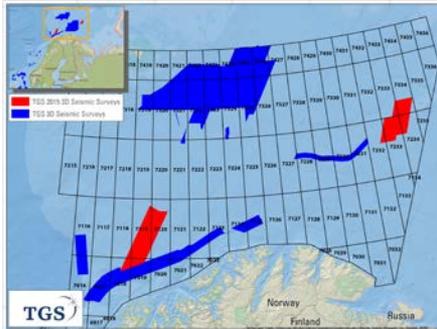
- The Board has proposed a dividend of NOK 8.5 per share to the AGM on 6 May 2015
 - Shares will be quoted exclusive of dividend on 7 May 2015
 - Dividend will be paid on 21 May 2015 to shareholders of record as of AGM
- The Board has proposed moving to quarterly dividend payments from Q1 2016
- USD 30 million share buy back program completed in Q1 2015



Outlook



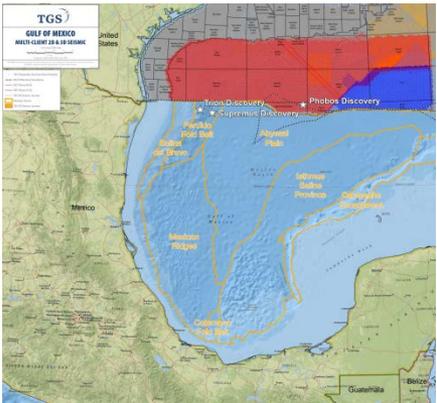
Outlook



- Demand for seismic data has significantly deteriorated over the first three months of 2015 and the outlook for improvement in the market remains quite uncertain

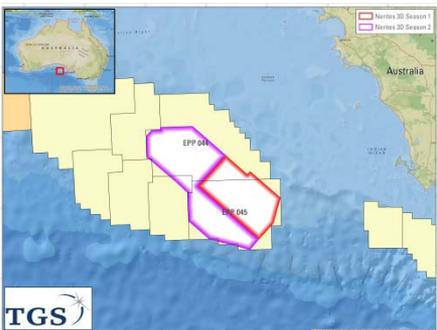
▪ EUR

- Ringvassøy 3D (JV with Dolphin) and Europa 3D seismic projects announced in Barents Sea
- Agreement to acquire P-Cable 3D seismic in Barents Sea with Thalassa / WGP
- Norwegian 23rd Licensing Round and 2015 APA Round bids due 2H 2015
- 2015 season of Greenland 13,500 km multi-year program to commence in Q3



▪ NSA

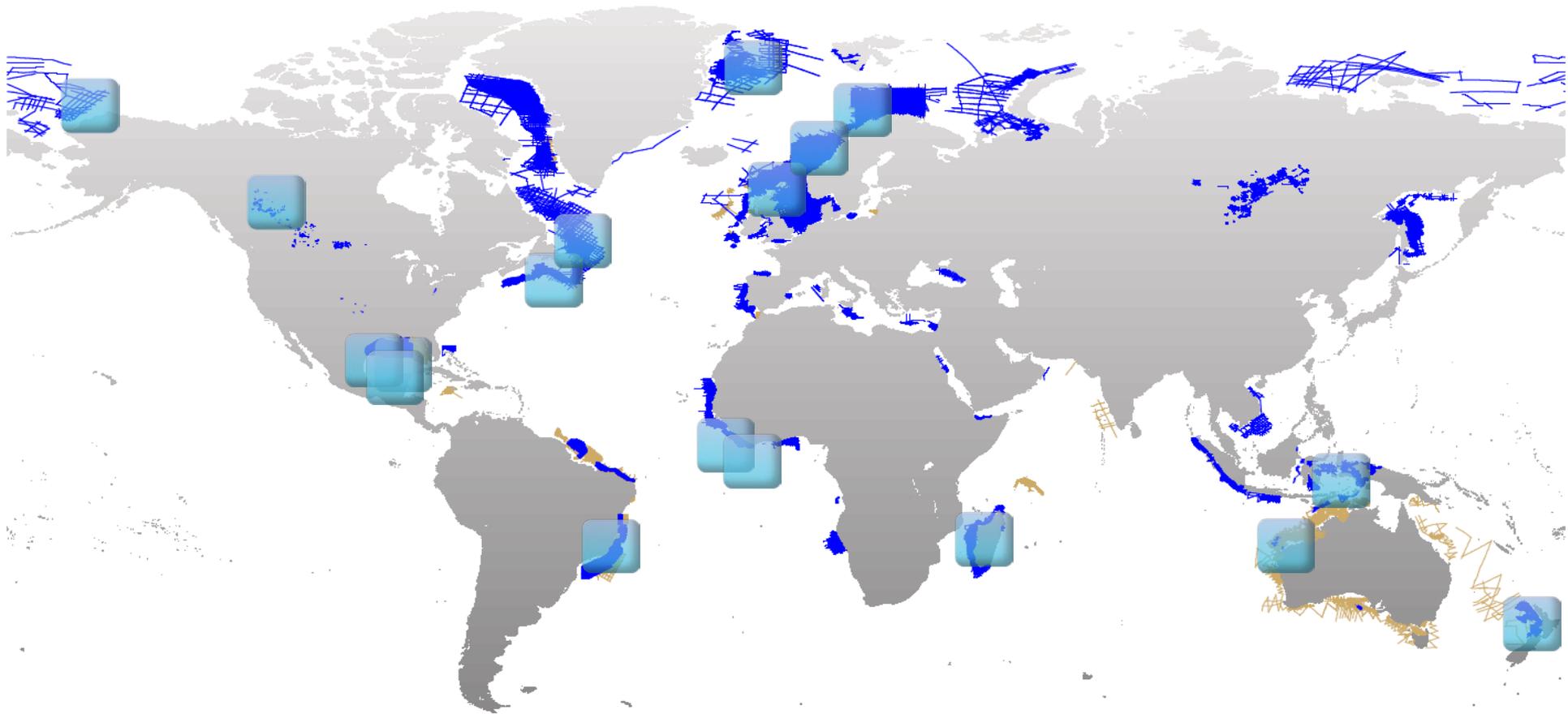
- BOEM five-year plan (2017-2022) proposal includes 10 lease sales in GOM and one Atlantic lease sale
- TGS positioning for particularly high GOM lease turnover 2017 - 2019
- First Call for Bids under Newfoundland Labrador's Scheduled Land Tender system
- Vessels secured for entry into Mexico (subject to environmental permits)



▪ AMEAP

- 13,000 km² Nerites Season 2 expected to complete in Q2 2015
- Awaiting further Africa license round announcements

License Round Activity and TGS Positioning



North & South America

- Central GOM – Mar 2016 (5-Year Plan)
- Western GOM – Aug 2015 (5-Year Plan)
- Alaska Offshore - 2016 & 2017 (5-Year Plan)
- Newfoundland & Labrador – Nov 2015 (bids due, Scheduled Land Tenure)
- Nova Scotia – Apr 2015 (call for bids, 3-Year Rolling Plan)
- Canada Onshore – at least monthly
- Brazil - 2H 2015 (expected, sectors announced)
- Mexico – 2015 (Round 1 phased across 2015)

Africa, Middle East, Asia Pacific

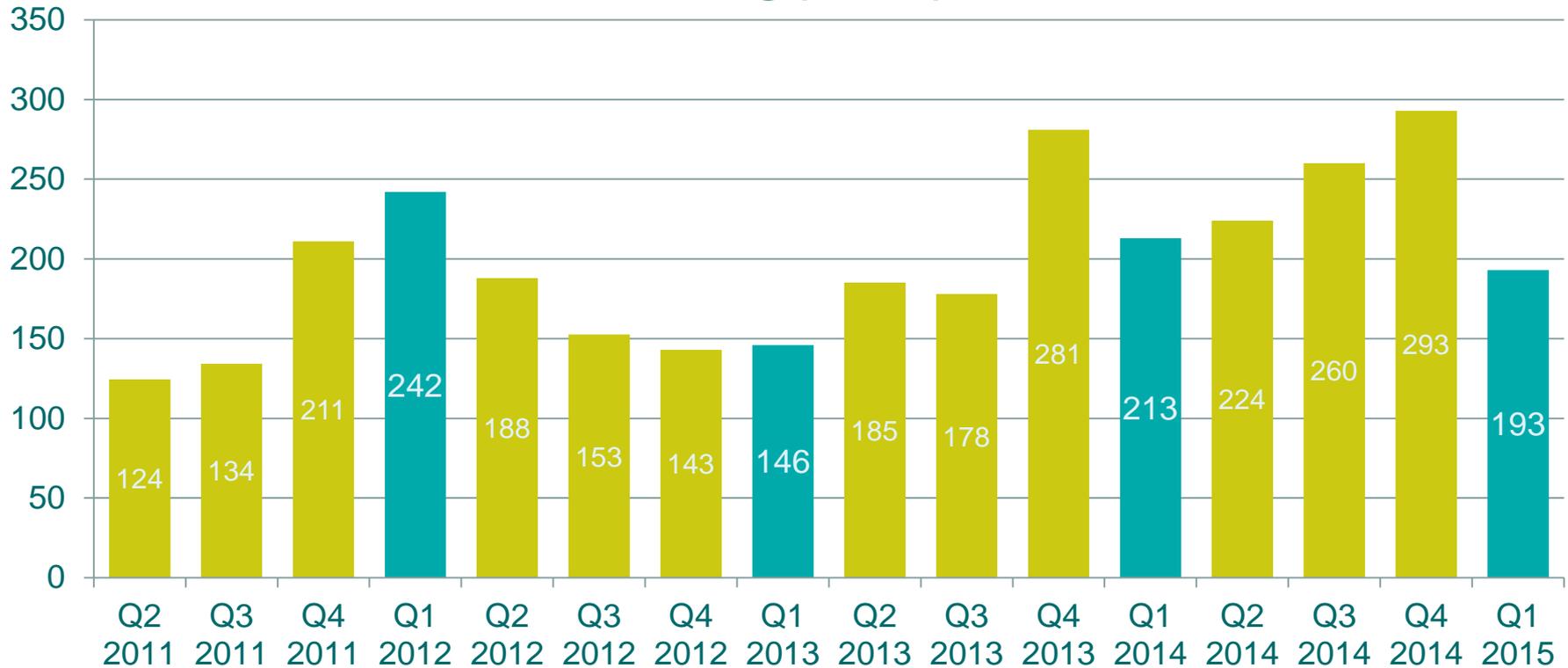
- Madagascar – 2015 (expected)
- Sierra Leone – 2015 / 2016 (expected)
- Liberia Basin 2014 – awards pending
- Liberia Harper Basin - 2015 / 2016 (expected)
- Australia – Jun 2015 (nominations due)
- Indonesia – 2015 (expected)
- New Zealand – Sep 2015 (bids due)

Europe / Russia

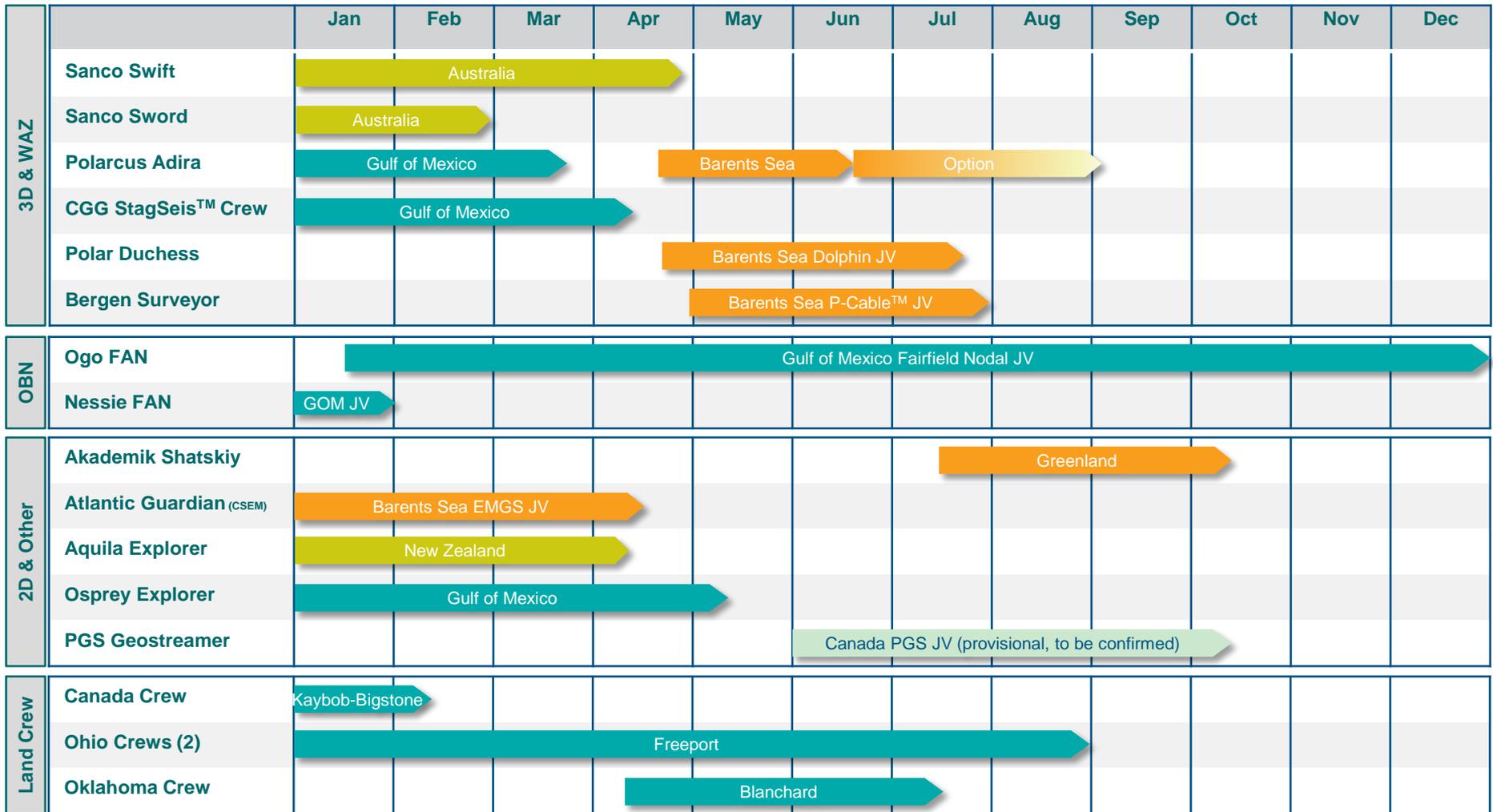
- Norway APA – Sep 2015 (bids due)
- Norway 23rd Round – Dec 2015 (bids due)
- United Kingdom – 2016 (expected)
- Greenland – 2016, 2017, 2018 (announced)

Backlog

Historical Backlog (MUSD) 2011 - 2015



2015 Projects Schedule



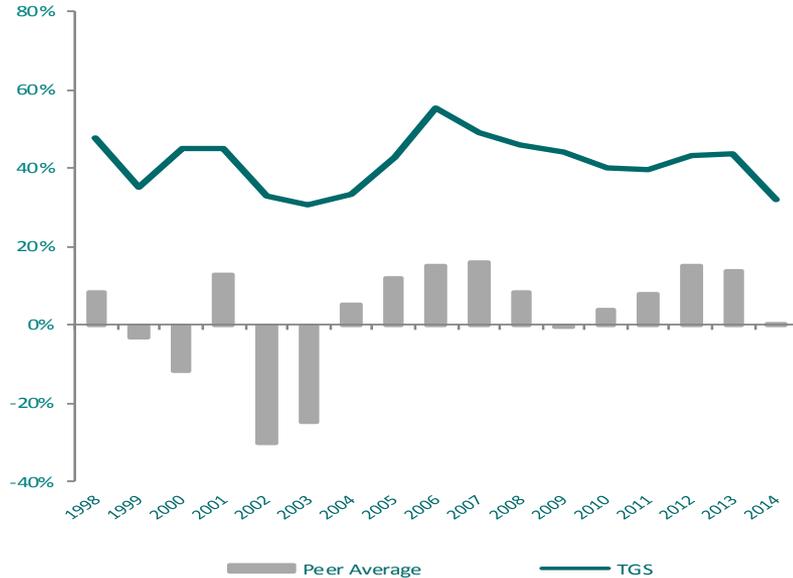
Letter of Award with Seabird Exploration provides access to up to six seismic vessels over a period of approximately 36 months in Mexico and US Atlantic waters (subject to issuance of seismic acquisition permits from relevant authorities)

Summary

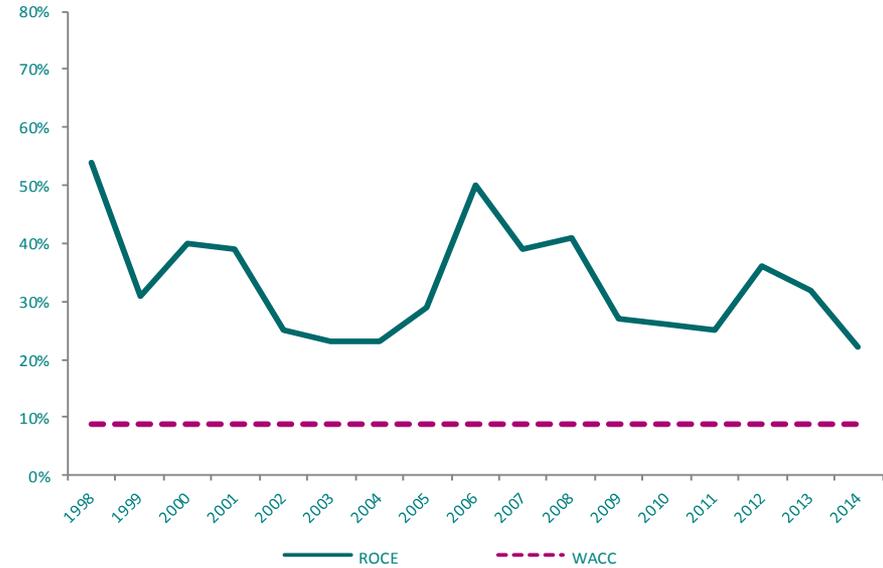
- Q1 net revenues of 172 MUSD
- Q1 multi-client investment of 163 MUSD with high visibility of remaining 2015 investments
- Record high cash flow from operations of 260 MUSD
- Challenging seismic market characterized by uncertainty. However, long-term future of asset-light, focused multi-client business remains strong
 - TGS has a strong backlog of 193 MUSD
 - Cash balance of 352 million at 31 March 2015
- Guidance for 2015 (revised on 13 April 2015)
 - TGS expects multi-client investments of approximately 420 MUSD and additional Capex of 15 MUSD
 - TGS expects revenues of approximately 630 MUSD
- Dividend of NOK 8.5 per share proposed to shareholders at May 2015 AGM
 - Proposal for quarterly dividend payments starting Q1 2016

TGS Performs in all Cycles

EBIT margin vs. Seismic peers



Return on Capital Employed



- Average EBIT margin above 40% - stable EBIT – performance through the cycles
- ROCE significantly above WACC – substantial value creation in any industry cycle

*Peer group includes CGG, Spectrum, Geokinetics, ION Geophysical, PGS, Dolphin, Polarcus



Thank you

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