



Q1 2016 Earnings Release

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Forward-Looking Statements

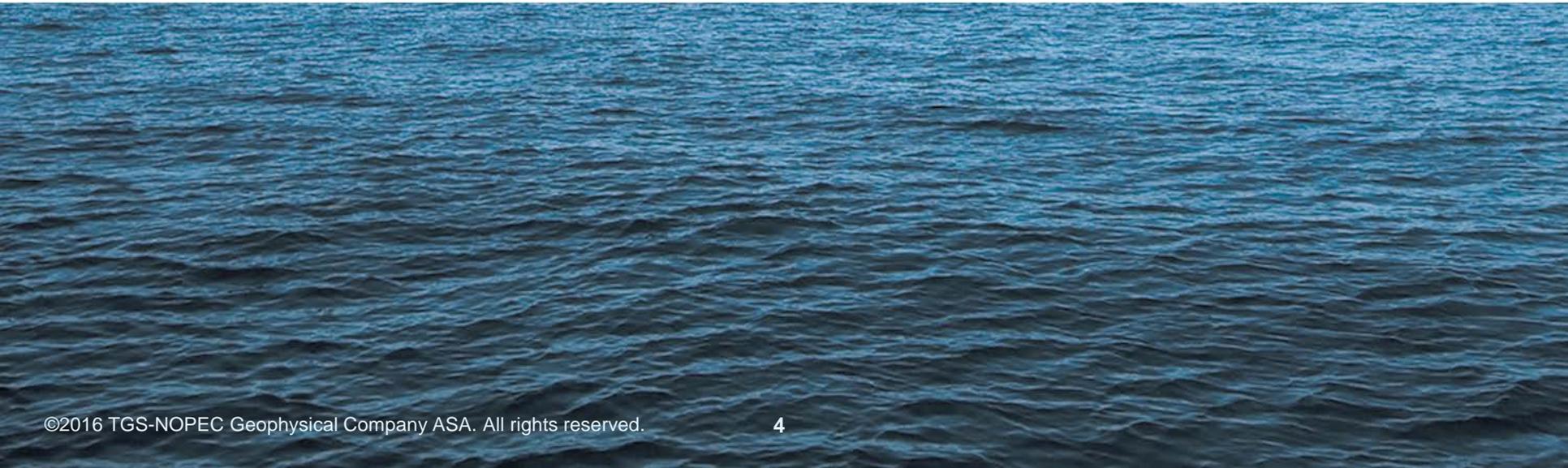
All statements in this presentation other than statements of historical fact, are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. These factors 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 2016 Highlights

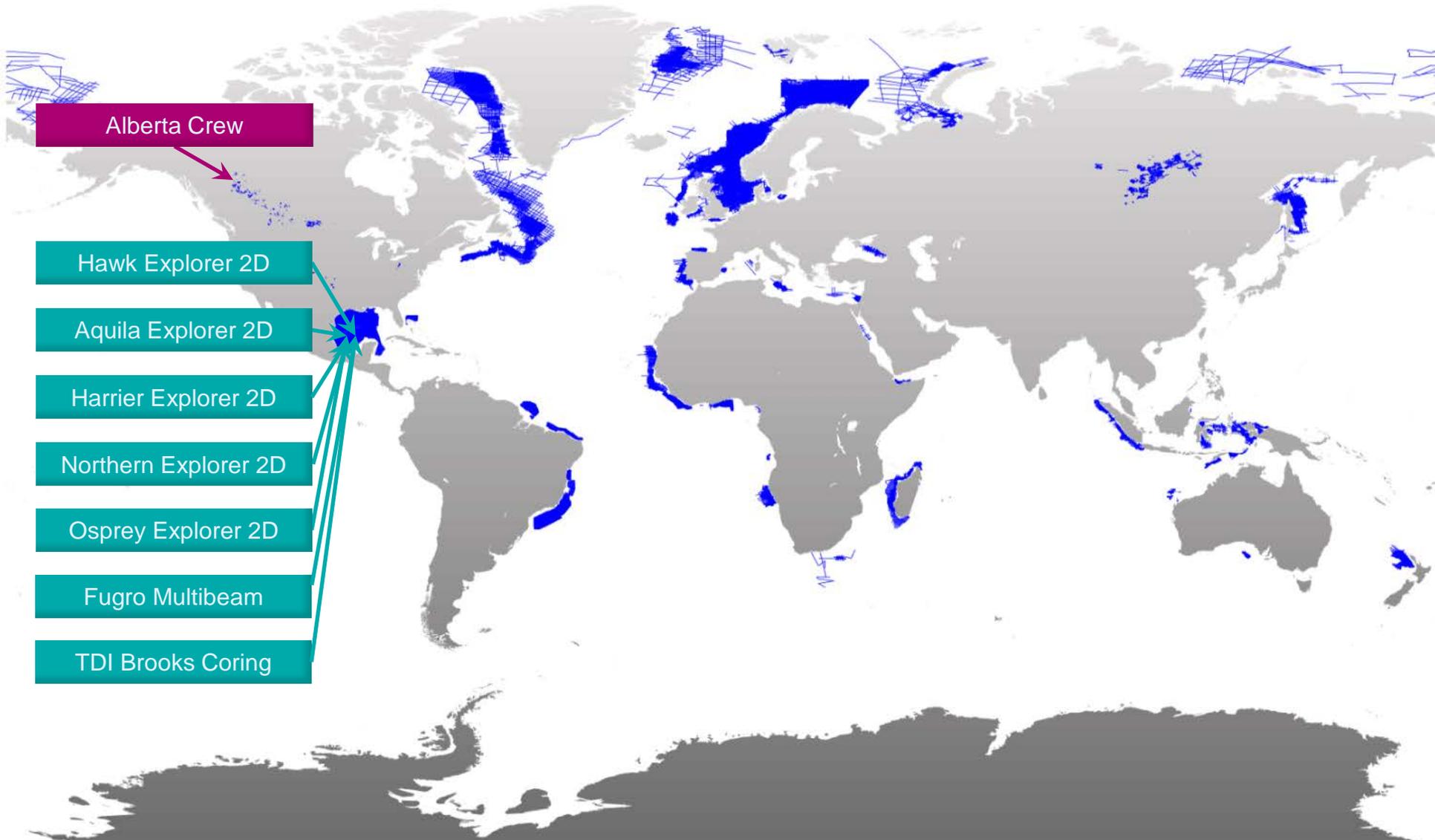
- Q1 net revenues of 64 MUSD compared to 172 MUSD in Q1 2015
 - Net late sales of 38 MUSD, down 47% from 72 MUSD in Q1 2015
 - Net pre-funding revenues of 23 MUSD were down 76% from Q1 2015, funding 43% of TGS' operational multi-client investments for the quarter (53 MUSD)
- Operating profit for the quarter was -21 MUSD compared to 37 MUSD in Q1 2015
 - Reflects the new amortization policy for seismic surveys effective from 1 January 2016
 - Personnel and other operating costs reduced by 28% from Q1 2015 (adjusted for 2.1 MUSD non-recurring severance costs)
- Cash flow from operations was 145 MUSD compared to 260 MUSD in Q1 2015
 - Free cash flow (after operational investments) of 63 MUSD
 - Cash balance of 210 MUSD at 31 March 2016 in addition to undrawn 75 MUSD Revolving Credit Facility
- Quarterly dividend maintained at USD 0.15 per share (subject to renewal of the Board authorization at AGM on 10 May 2016)



Operational Highlights



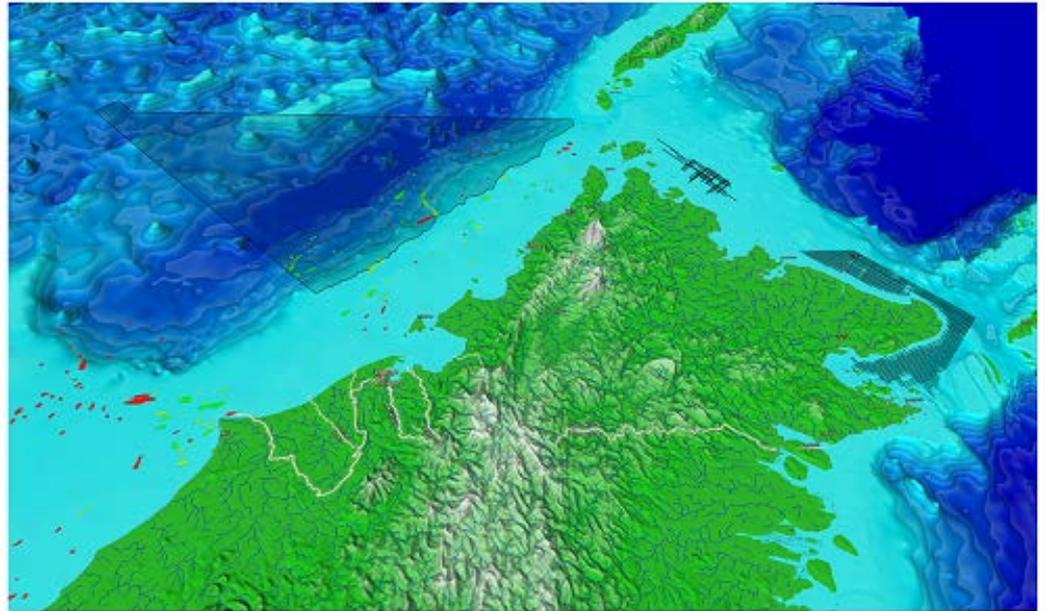
Q1 2016 Operations



Q1 Activity – Asia Pacific

Offshore Malaysia - Award of Permit

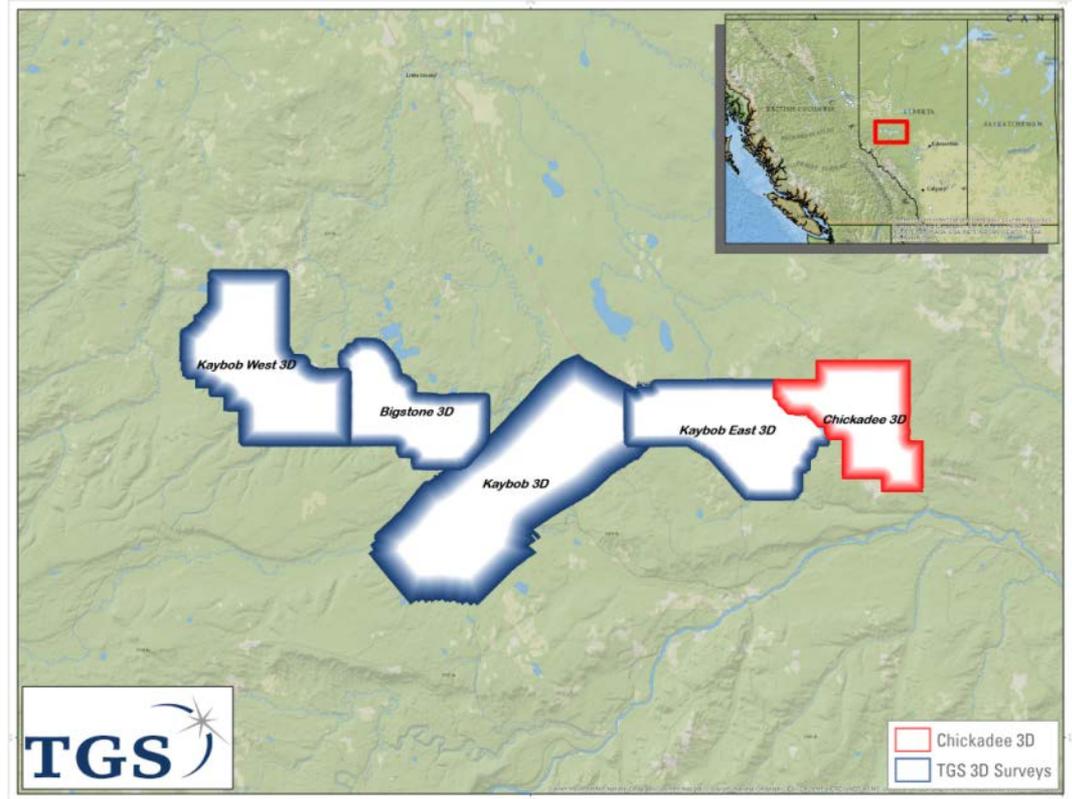
- A consortium comprising TGS, PGS and Schlumberger WesternGeco won the tender for the rights to undertake the first multi-client seismic program offshore Sabah, Malaysia
- Number of proven hydrocarbon accumulations with exploration and drilling progressing into deeper frontier waters
- This large basin will benefit from modern, high resolution broadband seismic acquisition and processing technologies necessary to understand both the existing play concepts and new potential plays



Q1 Activity – North America Onshore

Chickadee – 206 km² 3D multi-client survey

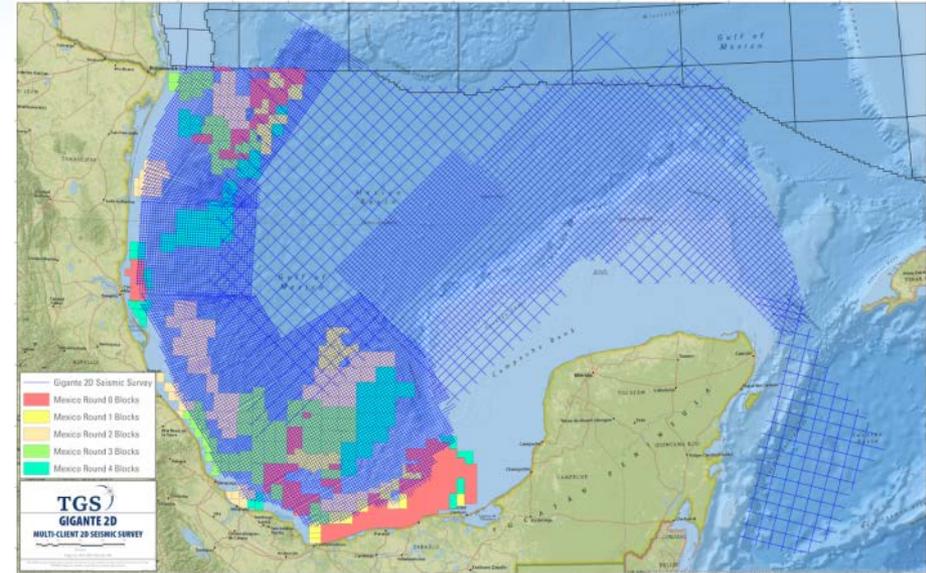
- Full-azimuth multi-component (3C-3D) data
- Eastwards expansion of TGS' successful Kaybob-Bigstone surveys in the Duvernay fairway, West Central Alberta
- Building on track record with clients and extending TGS' dominance in area of high activity
- Acquisition completed in Q1 2016



Q1 Activity – Mexico

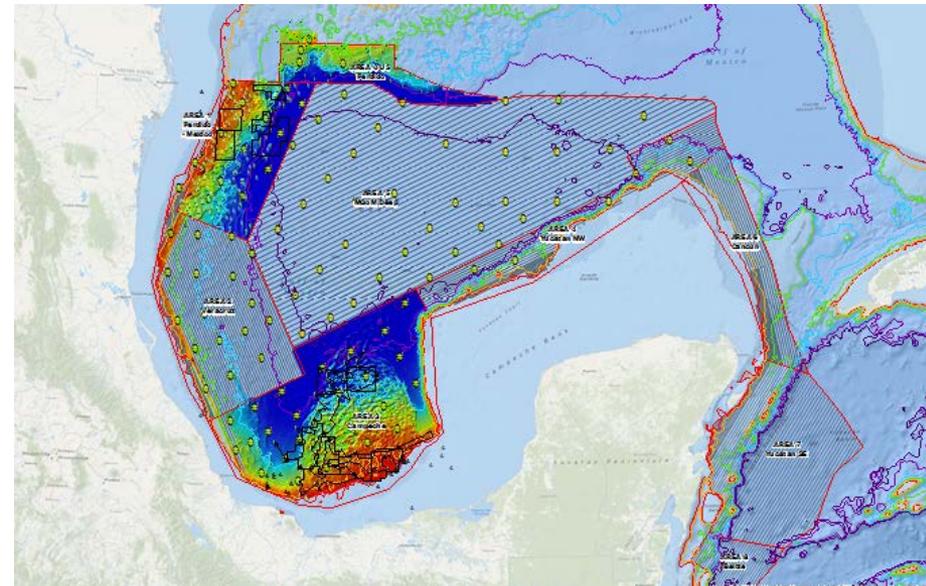
Gigante 2D – 186,000 km multi-client 2D survey

- Regional 2D survey commenced in Q2 2015 and expected to complete in late Q3 2016
- Survey covers the proposed license rounds in the Perdido, Campeche and Mexican Ridges regions
- Line ties will be made to the US Gulf of Mexico regional grids previously acquired by TGS
- More than 120,000 km of 2D data acquired at end Q1 2016 with a significant amount of fast-track data already delivered to clients



Gigante Multibeam, Coring, and Geochemical Surveys

- 600,000 km² survey commenced in 2015 and expected to complete in Q4 2016
- Interpretation of data will integrate with the 2D seismic survey and enhance the value proposition to clients



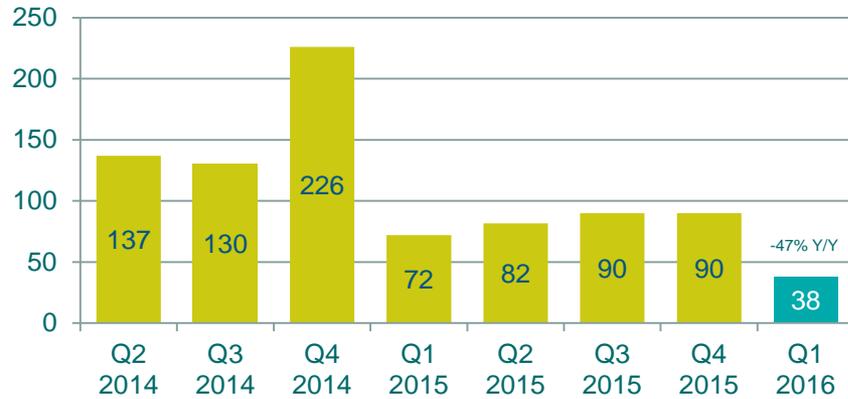


Financials

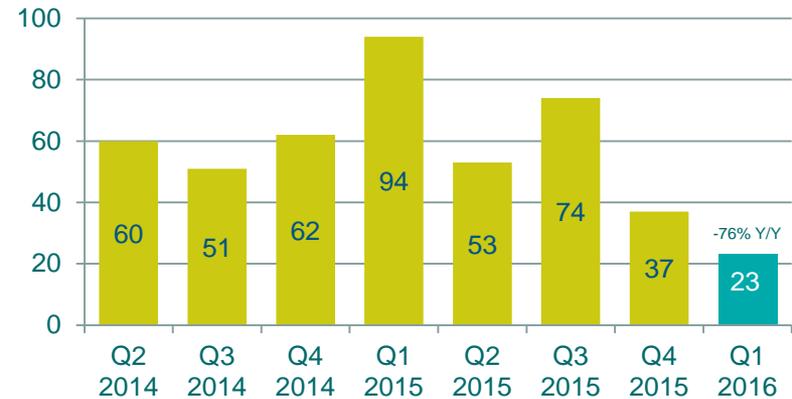


Net Revenues

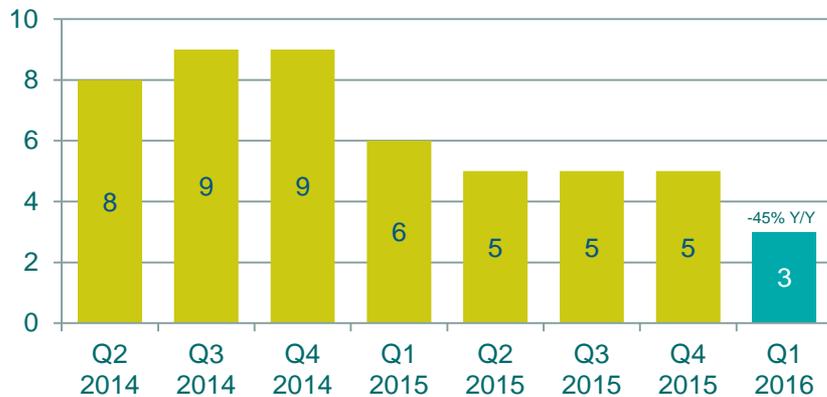
Late sales revenues



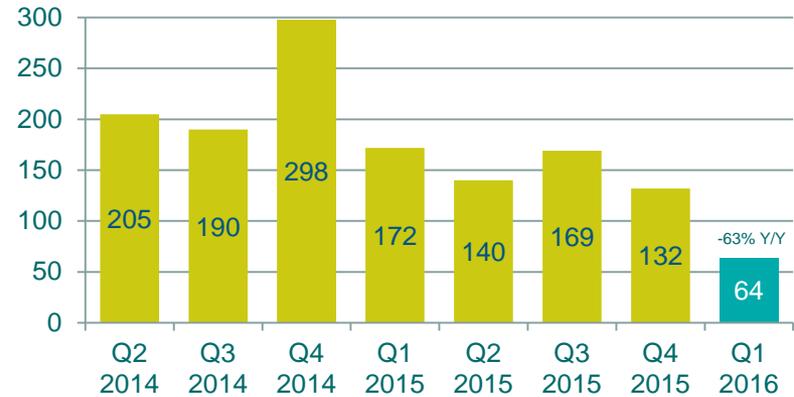
Prefunding revenues



Proprietary revenues

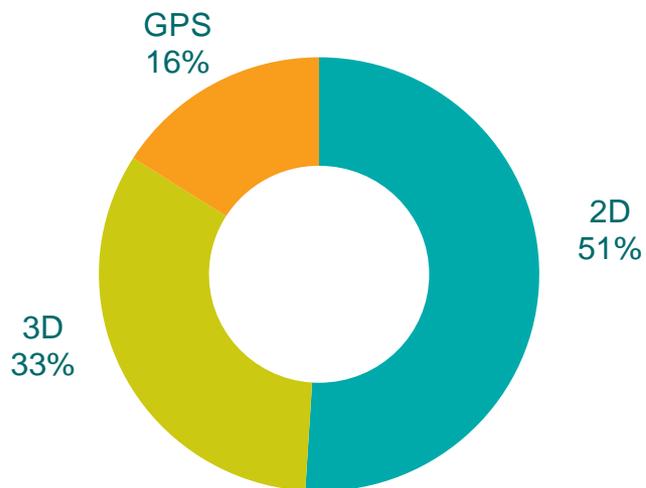


Total revenues

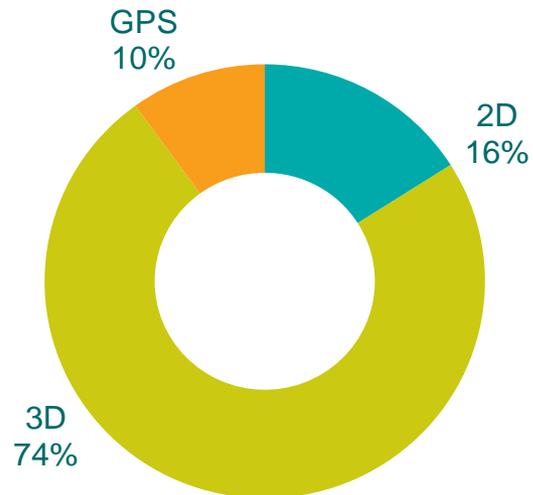


Net Revenue Breakdown

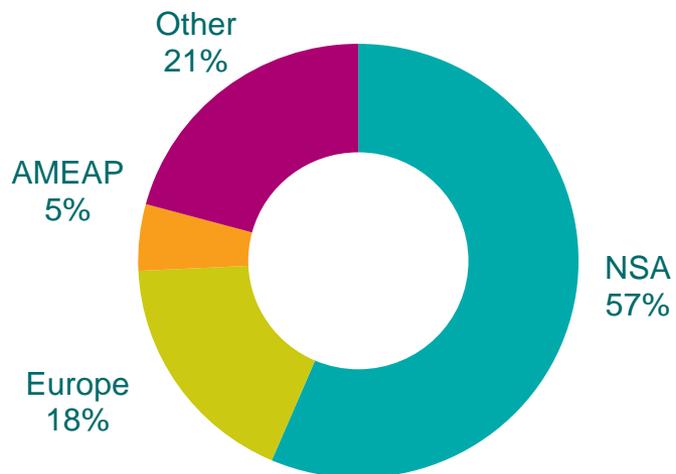
Q1 2016



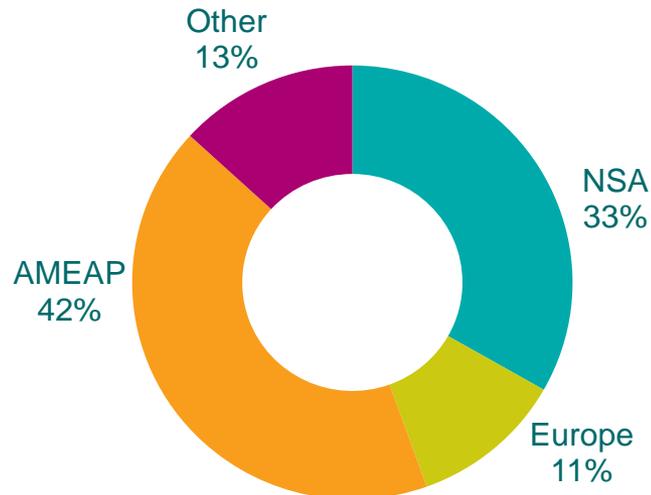
Q1 2015



Q1 2016

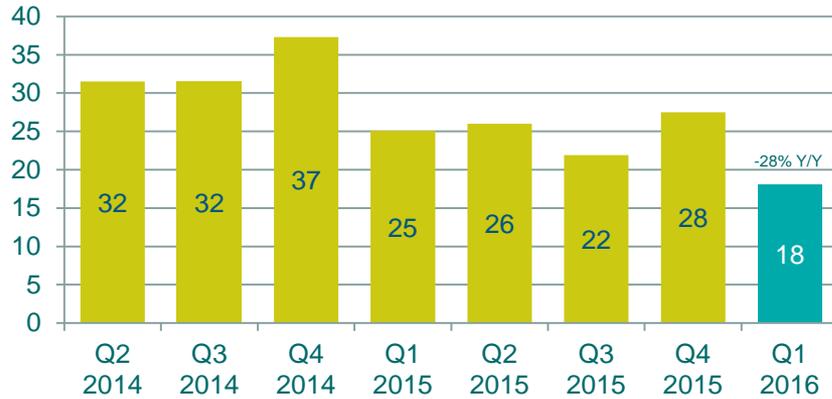


Q1 2015



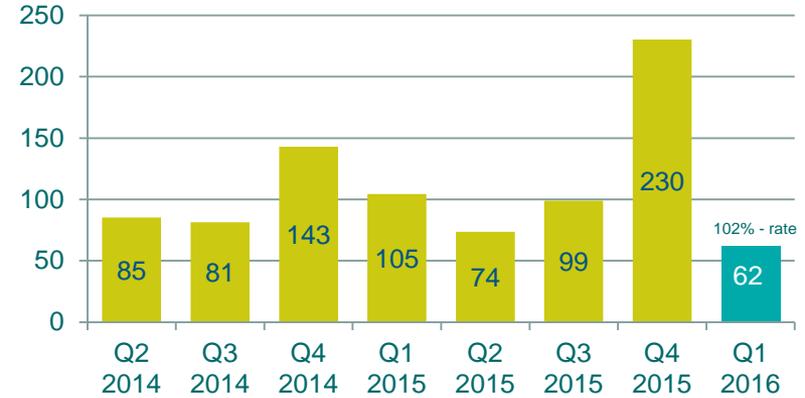
Operating Expenses, EBIT, Free Cash Flow

Operating expenses *



* Include personnel costs and other operating expenses. Adjusted for non-recurring items.

Amortization and impairment *



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

EBIT before non-recurring items



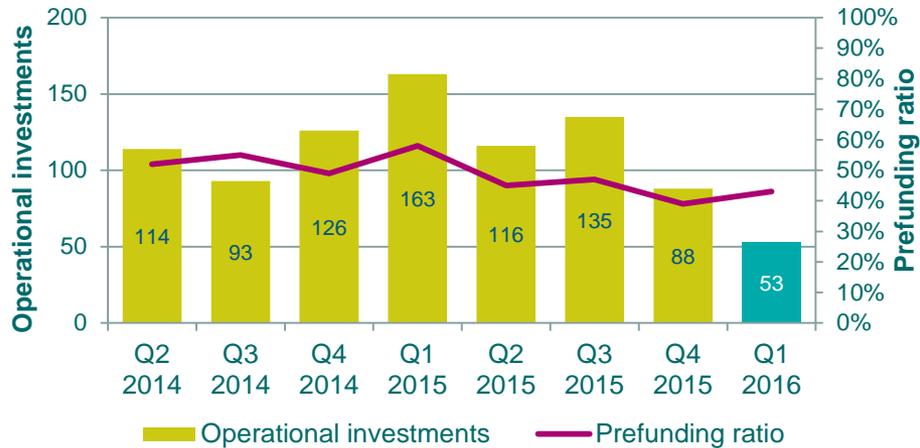
■ EBIT — EBIT Margin

Free cash flow



Multi-client library

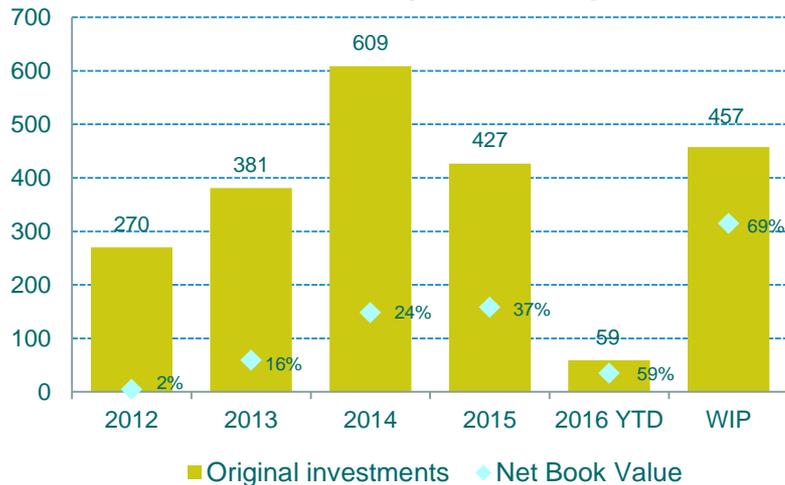
Operational investments and prefunding ratio



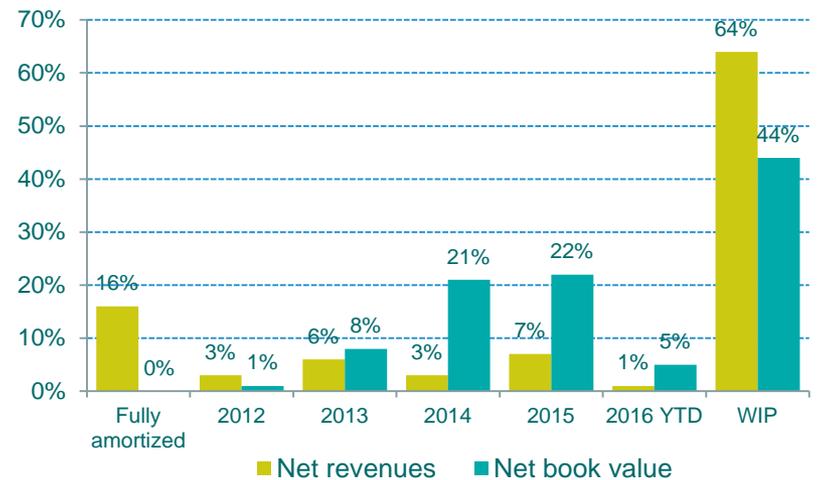
Multi-client library - NBV



Investments – year of completion



Net revenues vs net book value – year of completion



Q1 2016 Income Statement

USD million, except EPS		Q1 2016	Q1 2015	Change in %
Net revenues		64	172	-63%
Cost of goods sold – proprietary and other		0.01	0.5	-97%
Amortization of multi-client library	102%	62	105	-41%
Gross margin		2	67	-97%
Personnel costs		13	17	-20%
Other operating expenses		7	9	-18%
Cost of stock options		0.05	0.5	-91%
Depreciation		3	4	-16%
Operating profit	-33%	-21	37	-157%
Net financial items		1	-1	175%
Profit before taxes	-32%	-20	36	-156%
Taxes		-0.1	7	-102%
Net Income	-32%	-20	29	-170%
EPS, Undiluted		-0.20	0.28	-171%
EPS, Fully Diluted		-0.20	0.28	-171%

Q1 2016 Cash Flow Statement

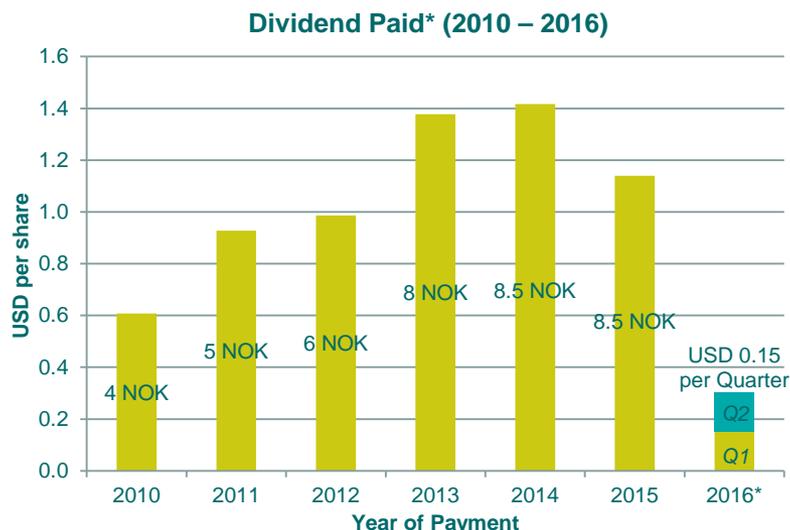
USD million	Q1 2016	Q1 2015	Change in %
Received payments from customers	175	337	-48%
Payments for operational expenses	(27)	(31)	14%
Paid taxes	(3)	(45)	93%
Operational cash flow	145	260	-44%
Investments in tangible and intangible assets	(3)	(2)	-17%
Investments in multi-client library	(82)	(151)	46%
Payments made to acquire debt instruments	-	(5)	N/A
Interest received	0.3	2	-86%
Interest paid	(0.01)	(0.02)	56%
Dividend payments	(15)	-	N/A
Purchase of treasury shares	-	(5)	N/A
Proceeds from share issuances	0.1	2	-91%
Change in cash balance	45	101	-55%

Q1 2016 Balance Sheet

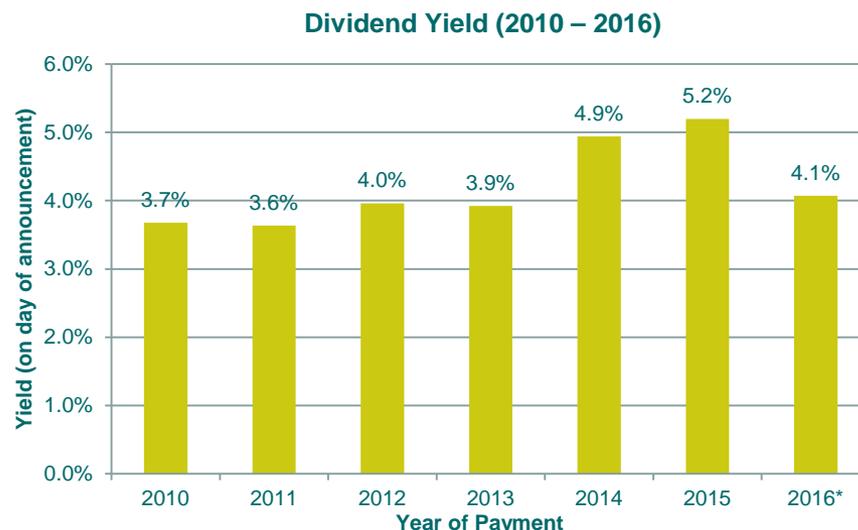
USD million	Q1 2016	Q4 2015	Change in %
Assets			
Cash and cash equivalents	210	163	29%
Other current assets	189	308	-39%
Total current assets	399	471	-15%
Intangible assets and deferred tax asset	92	90	2%
Other non-current assets	16	25	-37%
Multi-client library	830	839	-1%
Fixed assets	28	30	-7%
Total Assets	1,364	1,455	-6%
Liabilities			
Current liabilities	168	218	-23%
Non-current liabilities	5	6	-22%
Deferred tax liability	29	33	-12%
Total Liabilities	201	257	-22%
Equity	1,163	1,198	-3%
Total Liabilities and Equity	1,364	1,455	-6%

The Company holds no interest-bearing debt

Strong Cash Generation Delivers Shareholder Value



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



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

- Shareholder authorization to distribute quarterly dividend payments from Q1 2016
 - 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

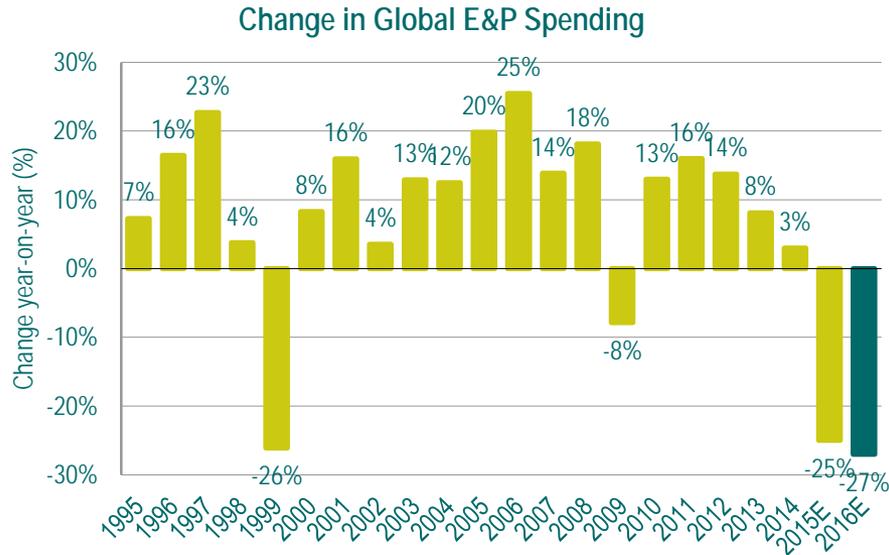
- Q1 2016: USD 0.15 per share dividend paid on 23 February 2016
- Q2 2016: USD 0.15 per share dividend subject to a renewal of the Board's authorization to distribute quarterly dividends at the AGM on 10 May 2016. The share is expected to trade ex-dividend on 18 May 2016 with payments due on 1 June 2016



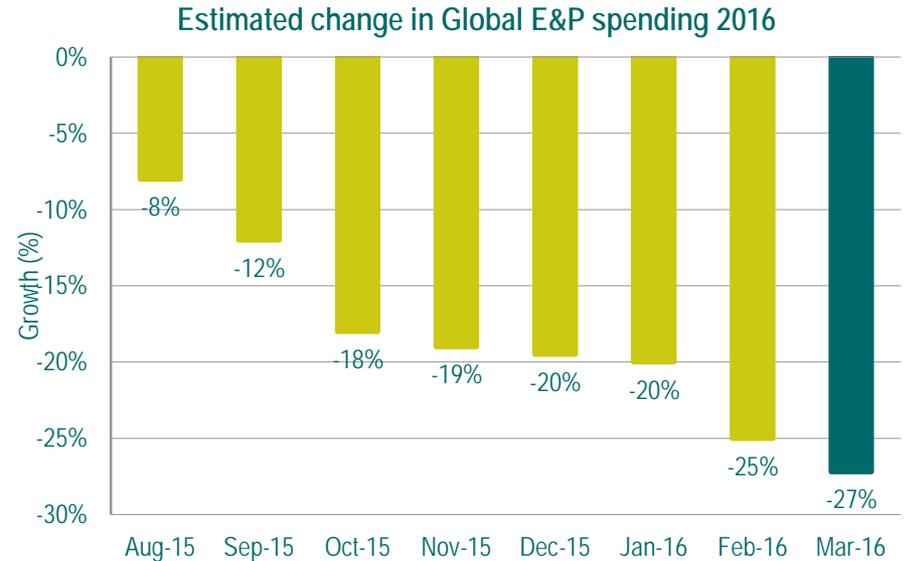
Outlook



Challenging Market for Exploration



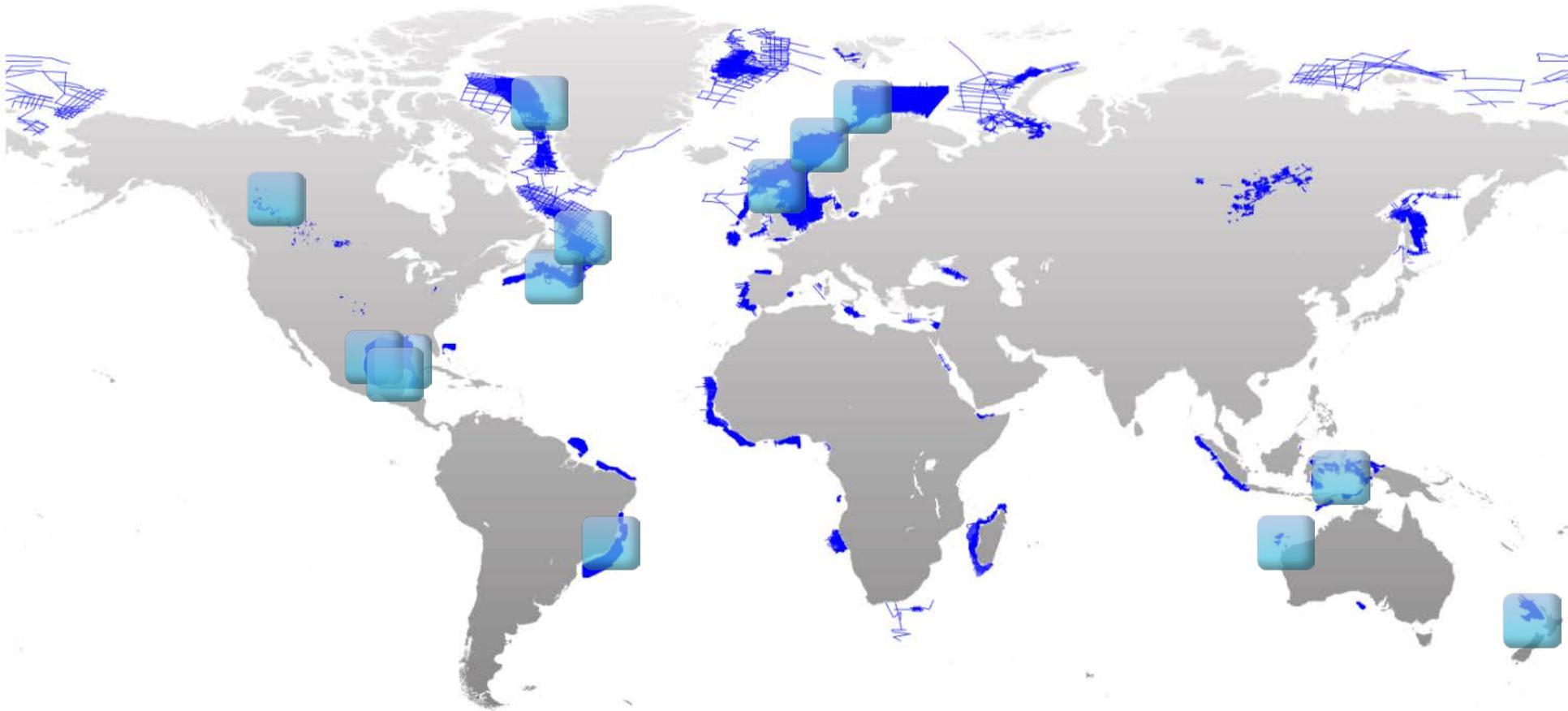
Source: SEB Research



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- E&P spending likely to decline 20-30% this year
- There are currently few tangible signs that a recovery is imminent and the market for seismic data is likely to remain weak in 2016
- Oil companies are likely to prioritize their seismic spend in areas with more favorable economics and payback times as well as areas where they have current work programs and license obligations
- This could result in greater variability of seismic spend between quarters and across regions in the near term

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 Dec 2016, 3 more rounds proposed by 2019

Africa, Middle East, Asia Pacific

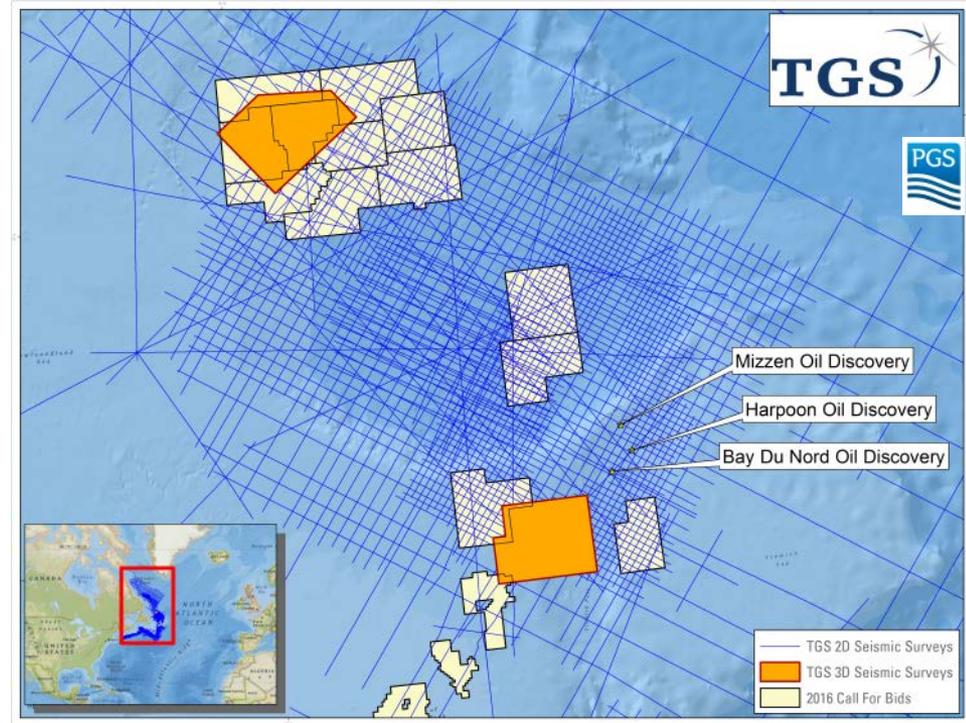
- Ongoing uncertainty on timing of African licensing rounds
- Australia – Jun 2016 (2016 round launch)
- New Zealand – Sep 2016 (bids due)
- Indonesia – 2016 (bids due)

Europe / Russia

- Norway APA – Sep 2016 (bids due)
- Norway 23rd Round – Mid 2016 (awards due)
- UK 29th Round – Q4 2016 (expected)
- Greenland – Dec 2016, 2017, 2018 (bids due)

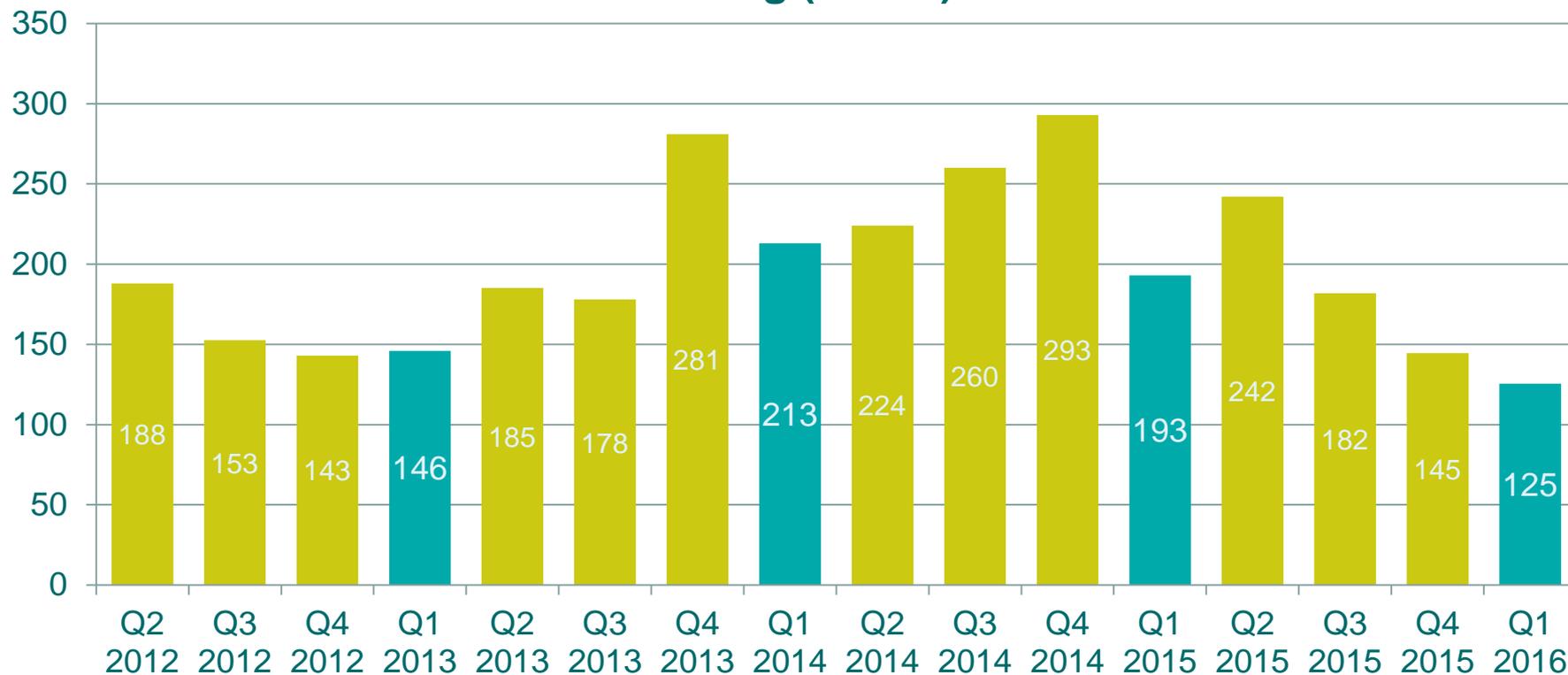
Newfoundland Labrador Call for Bids

- Prolific offshore area with recent exploration success
- Highly successful 2015 license round (nine companies participated with CAD 1.2 billion successful commitments)
- Two 2016 Calls for Bids issued over approximately 3.3 million hectares in Jeanne d'Arc and Eastern Newfoundland regions
- Bids due 9 November 2016
- The modern TGS-PGS JV library in this region exceeds 112,000 km of 2D data and 9,172 km² of 3D data in addition to 83,700 km of TGS vintage data



Backlog

Historical Backlog (MUSD) 2012 - 2016

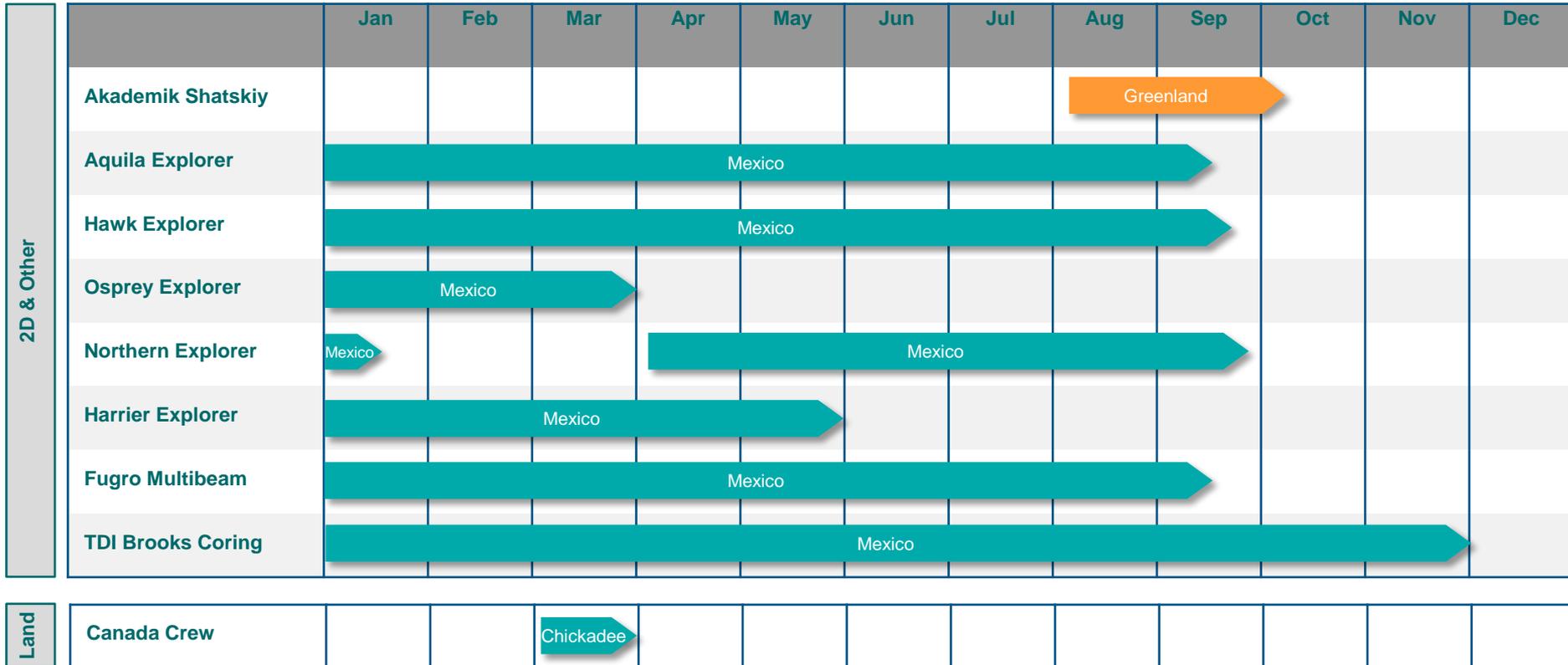


2016 Projects Schedule

→ NSA

→ EUR

→ AMEAP



Flexible business model with counter-cyclical qualities

Cash inflow

Oil price

- Down ~60% since summer of 2014

Oil company returns⁽¹⁾

- Only ~1% in 2015
- Down ~16%-points since peak in 2011

E&P spending

- Down 20-30% in 2015
- Expected down another 20-30% in 2016



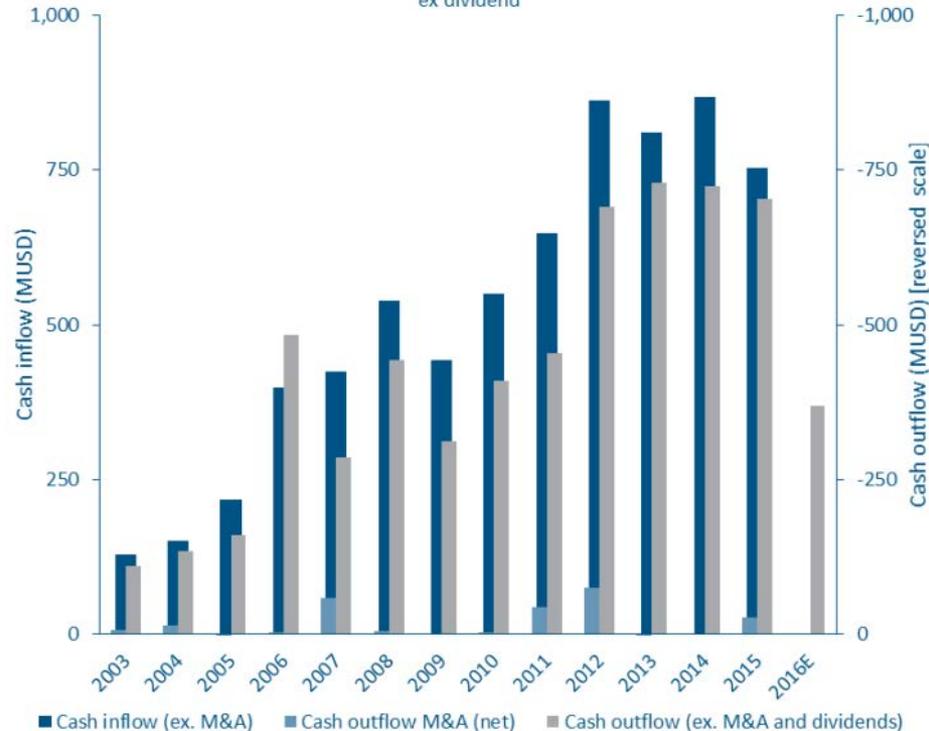
TGS late sales

- 47% down in 2015
- 47% down y/y in Q1 16

TGS prefunding revenue⁽²⁾

- Expected down ~60% in 2016

Cash flow ex dividend



Cash outflow

Vessel day rates

- Down 50% last three years

Risk mitigation

- Vessel owners accepting turnkey contracts
- Risk sharing with vessel owners



TGS cash opex

- Run-rate down ~25% y/y as a result of cost cuts

TGS investments⁽²⁾

- Expected down almost 60% in 2016

TGS cash tax

- Significantly reduced as a result of weak P&L results

Resilient cash flow profile in weak markets

1. Source: Nordea. Average of 10 large integrated oil companies
 2. Based on TGS guidance: 2016 MC investments of approximately MUSD 220, prefunding of 45-50%

TGS Strategy: Cost efficient, focused and quickly reacting!

- Investment focus in areas of low break even oil price, fast payback and client activity
 - Payback time combined with break-even oil price highlights regions that E&P companies will likely prioritize when oil price starts to materially recover
 - TGS will maintain a clear portfolio strategy with strict minimum targets for prefunding and expected returns
- Fast and flexible track record, reacting quickly to seize advantage
 - Maintain focus on core business
 - React quickly to size the company to the level of business activity
 - Ongoing initiative to further reduce number of management layers
 - Reward structure drives strong alignment between company and employees

Energy Starts with Us!

TGS will be THE leading energy information company with the BEST people, quality and service!

Summary

- Q1 net revenues of 64 MUSD
- Q1 operational investment of 53 MUSD (43% pre-funded)
- Q1 operating loss of 21 MUSD
- Cash flow from operations of 145 MUSD driving increase in cash balance to 210 MUSD
- Quarterly dividend maintained at USD 0.15 per share (subject to renewal of the Board authorization at AGM on 10 May 2016)
- Challenging seismic market continues with further reductions in oil company spending
 - Oil companies are likely to prioritize their seismic spend in areas with more favorable economics and payback times as well as areas where they have current work programs and license obligations
 - This could result in greater variability of seismic spend between quarters and across regions in the near term
- However, long-term future of asset-light, focused multi-client business remains strong
 - Cost control, disciplined counter-cyclical investment and balance sheet strength positions TGS to enhance its leading position
- Guidance for 2016 remains unchanged:
 - 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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