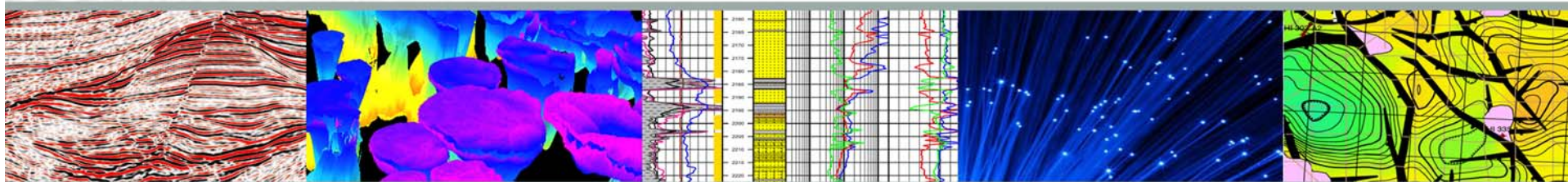


# Earnings Release Q3 2012

**Robert Hobbs**  
Chief Executive Officer

**Kristian K. Johansen**  
Chief Financial Officer



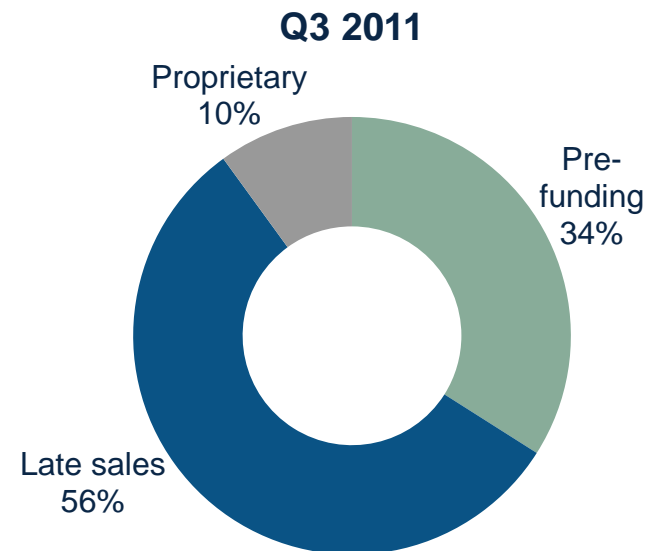
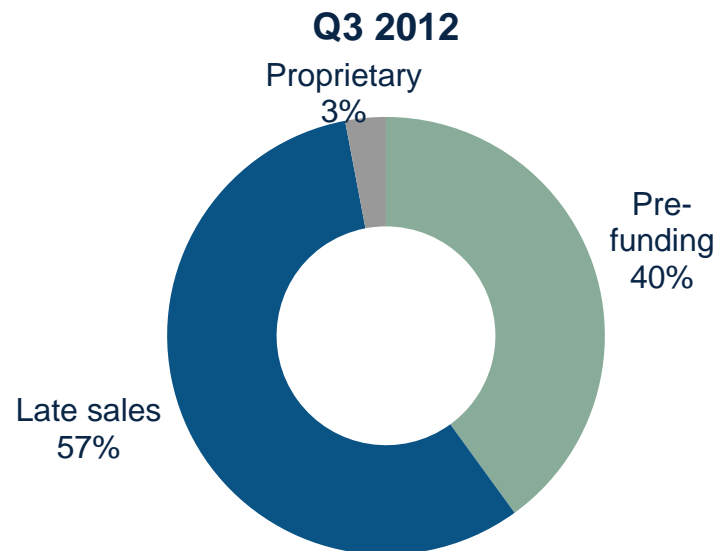
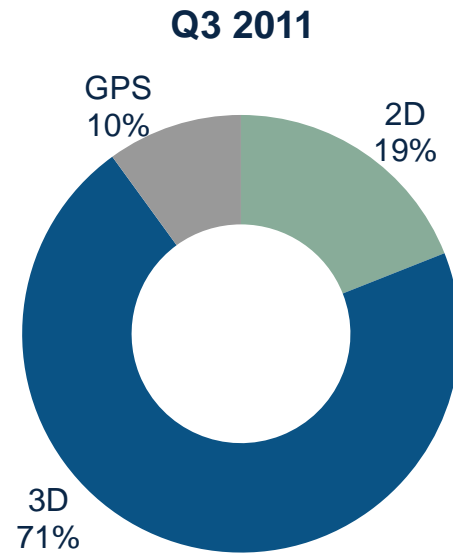
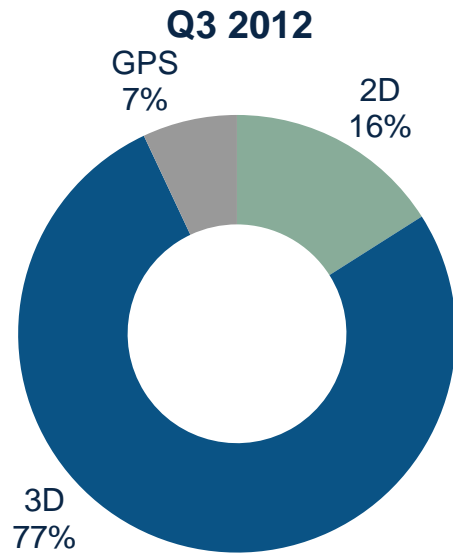
# Forward-Looking Statements

*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.*

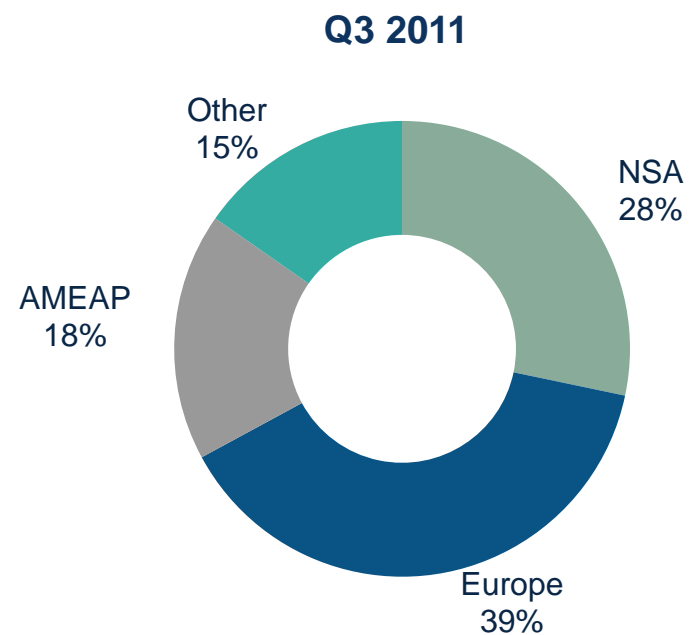
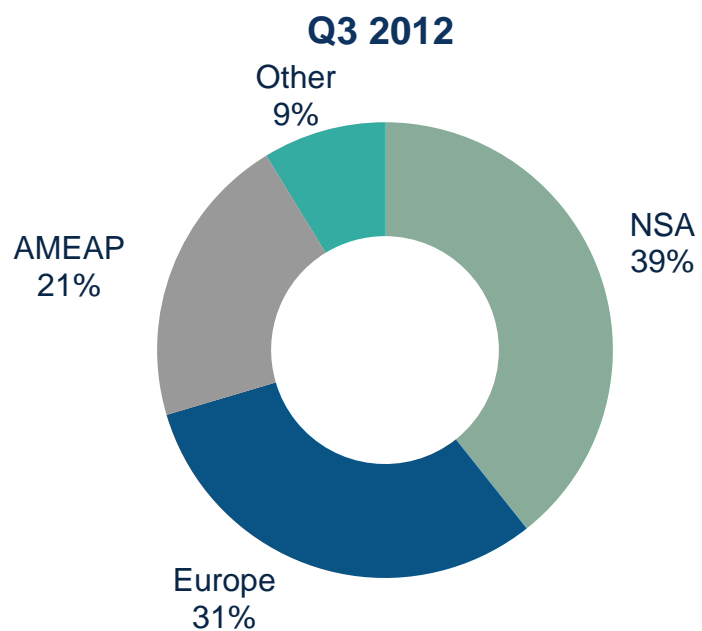
## Q3 2012 Highlights

- Record high net revenues of 244.8 MUSD, up 53% from Q3 2011
- Strong profitability with operating profit for the quarter of 101.3 MUSD, 41% of net revenues, up 66% from Q3 2011
- Continued high investment activity with new investments of 137.8 MUSD, up 25% from Q3 2011
  - Vessels under TGS' control through charter during all or parts of Q3 included five 3D vessels and one wide-azimuth crew
  - An additional five 2D vessels and one 3D vessel were involved in joint ventures with others during Q3
  - Three land crews were working for TGS during Q3
- Arcis consolidated from Q3 – integration on schedule
- Full year 2012 guidance revised – pre-announcement made 8 October 2012

# Net Revenue Breakdown



# Net Revenue Breakdown



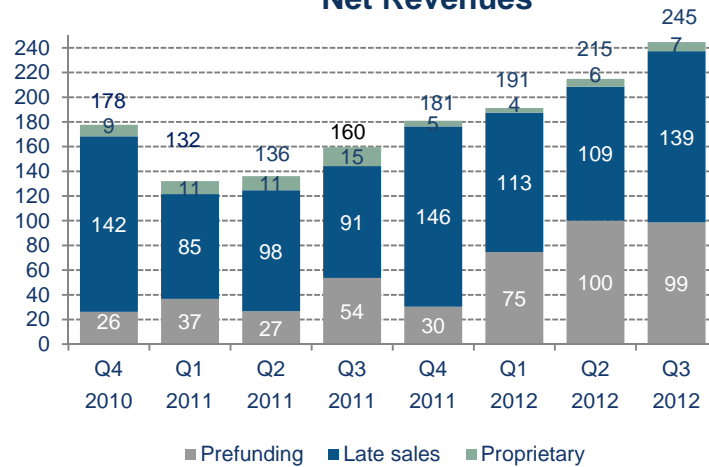
# Financials

**Kristian K. Johansen**  
Chief Financial Officer

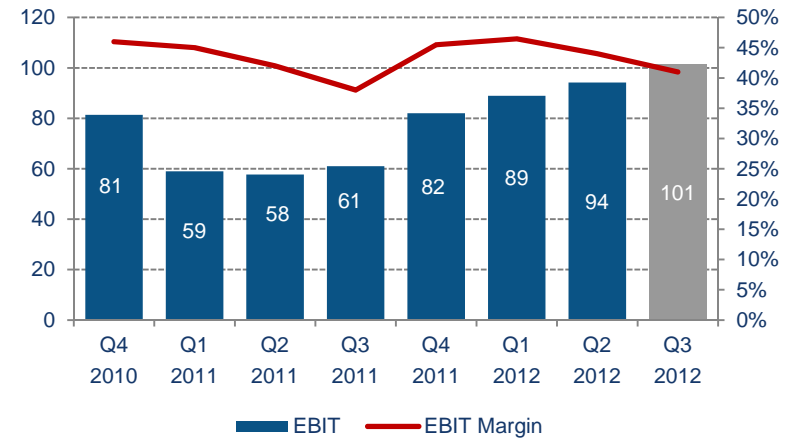


# Key Financials

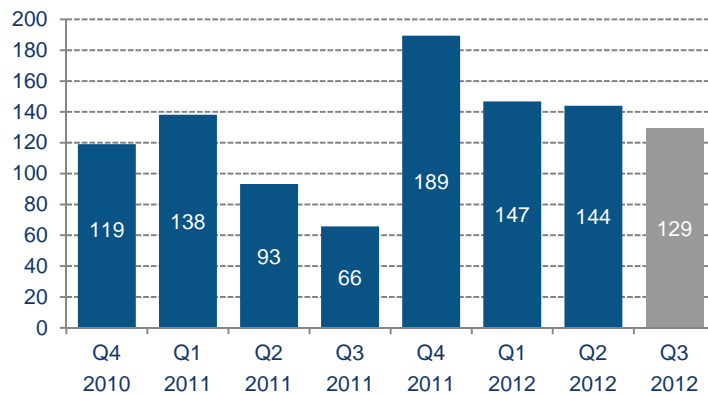
## Net Revenues



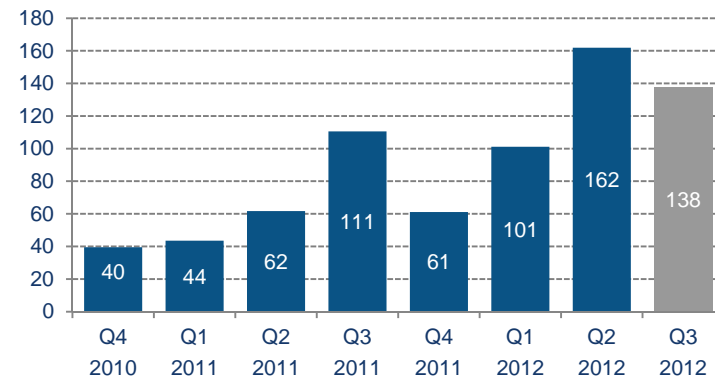
## EBIT before non-recurring items



## Cash Flow from Operations



## Multi-client Investments (operational)



# Q3 2012 Income Statement

<i>USD million, except EPS</i>	Q3 2012	Q3 2011	Change in %
<b>Net operating revenues</b>	<b>245</b>	160	53%
Cost of goods sold - proprietary and other	1	5	-74%
Amortization of multi-client library 44%	106	71	48%
Gross margin	138	83	66%
Other operating expenses	32	20	59%
Cost of stock options	1	0.6	57%
Depreciation	4	2	133%
<b>Operating profit 41%</b>	<b>101</b>	61	66%
Net financial items	1	0.3	361%
<b>Profit before taxes 42%</b>	<b>103</b>	61	68%
Tax expense	30	19	56%
<b>Net income 30%</b>	<b>73</b>	42	73%
EPS, Undiluted	0.72	0.42	73%
EPS, Fully Diluted	0.71	0.41	73%



# Q3 2012 Cash Flow Statement

<i>USD million</i>	Q3 2012	Q3 2011	Change in %
Received payments	176	101	75%
Payments for operational expenses	(30)	(25)	17%
Net gain/(loss) from currency exchange	(1)	(0.3)	455%
Paid taxes	(15)	(9)	66%
<b>Operational cash flow</b>	<b>129</b>	<b>66</b>	<b>97%</b>
Investments in tangible and intangible assets	(3)	(2)	42%
Investments in multi-client library	(147)	(77)	92%
Proceeds from sale of short-term investments	-	0.2	-100%
Interest received	1	0.6	67%
Interest paid	(0.1)	(0.1)	-16%
Purchase of own shares	-	(8)	-100%
Proceeds from share offerings	3	2	74%
<b>Change in cash balance</b>	<b>(17)</b>	<b>(18)</b>	<b>-7%</b>

# YTD 2012 Income Statement

<i>USD million, except EPS</i>	9M 2012	9M 2011	Change in %
<b>Net operating revenues</b>	<b>651</b>	428	52%
Cost of goods sold - proprietary and other	2	13	-83%
Amortization of multi-client library 42%	268	168	60%
Gross margin	380	247	54%
Other operating expenses	85	63	35%
Cost of stock options	2	1	59%
Depreciation	9	5	70%
<b>Operating profit 44%</b>	<b>284</b>	178	60%
Net financial items	0.0	1	-99%
<b>Profit before taxes 44%</b>	<b>284</b>	179	59%
Tax expense	84	52	60%
<b>Net income 31%</b>	<b>201</b>	126	59%
EPS, Undiluted	1.97	1.24	59%
EPS, Fully Diluted	1.95	1.22	60%

# YTD 2012 Cash Flow Statement

<i>USD million</i>	9M 2012	9M 2011	Change in %
Received payments	570	435	31%
Payments for operational expenses	(80)	(75)	6%
Net gain/(loss) from currency exchange	(3)	(1)	135%
Paid taxes	(68)	(62)	9%
<b>Operational cash flow</b>	<b>420</b>	<b>297</b>	<b>41%</b>
Investments in tangible and intangible assets	(17)	(9)	85%
Investments in multi-client library	(378)	(169)	124%
Investments through mergers and acquisitions	(76)	(44)	73%
Proceeds from sales of short-term investments	16	4	292%
Interest received	3	1	77%
Interest paid	(0.4)	(0.2)	109%
Dividend payments	(103)	(93)	11%
Purchase of own shares	-	(23)	-100%
Proceeds from share offerings	5	15	-68%
<b>Change in cash balance</b>	<b>(131)</b>	<b>(20)</b>	<b>545%</b>

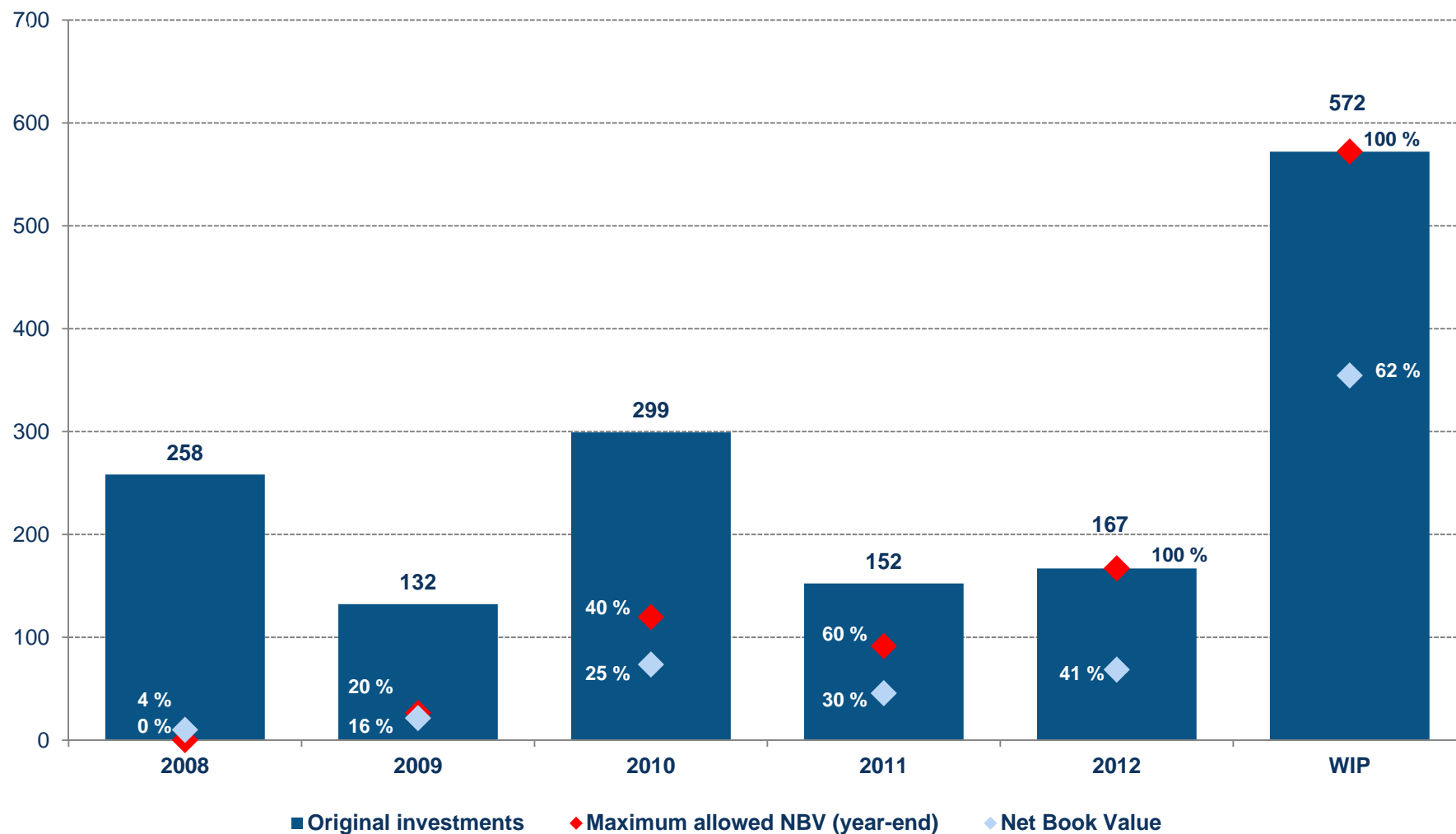
# Balance Sheet

<i>USD million</i>	Q3 2012	Q2 2012	Change in %	Q4 2011
<b>Assets</b>				
Cash equivalents	205	222	-8%	336
Financial investments available for sale	4	4	-8%	19
Other current assets	404	341	18%	278
<b>Total current assets</b>	<b>612</b>	<b>567</b>	<b>8%</b>	<b>632</b>
Intangible assets and deferred tax asset	192	195	-2%	156
Other non-current assets	17	17	0%	14
Multi-client library	671	637	5%	511
Fixed assets	31	32	-4%	20
<b>Total assets</b>	<b>1,523</b>	<b>1,447</b>	<b>5%</b>	<b>1,333</b>
<b>Liabilities</b>				
Current liabilities	307	311	-1%	218
Non-current liabilities	33	35	-7%	29
Deferred tax liability	100	99	1%	113
<b>Total liabilities</b>	<b>440</b>	<b>445</b>	<b>-1%</b>	<b>360</b>
<b>Equity</b>	<b>1,084</b>	<b>1,002</b>	<b>8%</b>	<b>973</b>
<b>Total liabilities and equity</b>	<b>1,523</b>	<b>1,447</b>	<b>5%</b>	<b>1,333</b>

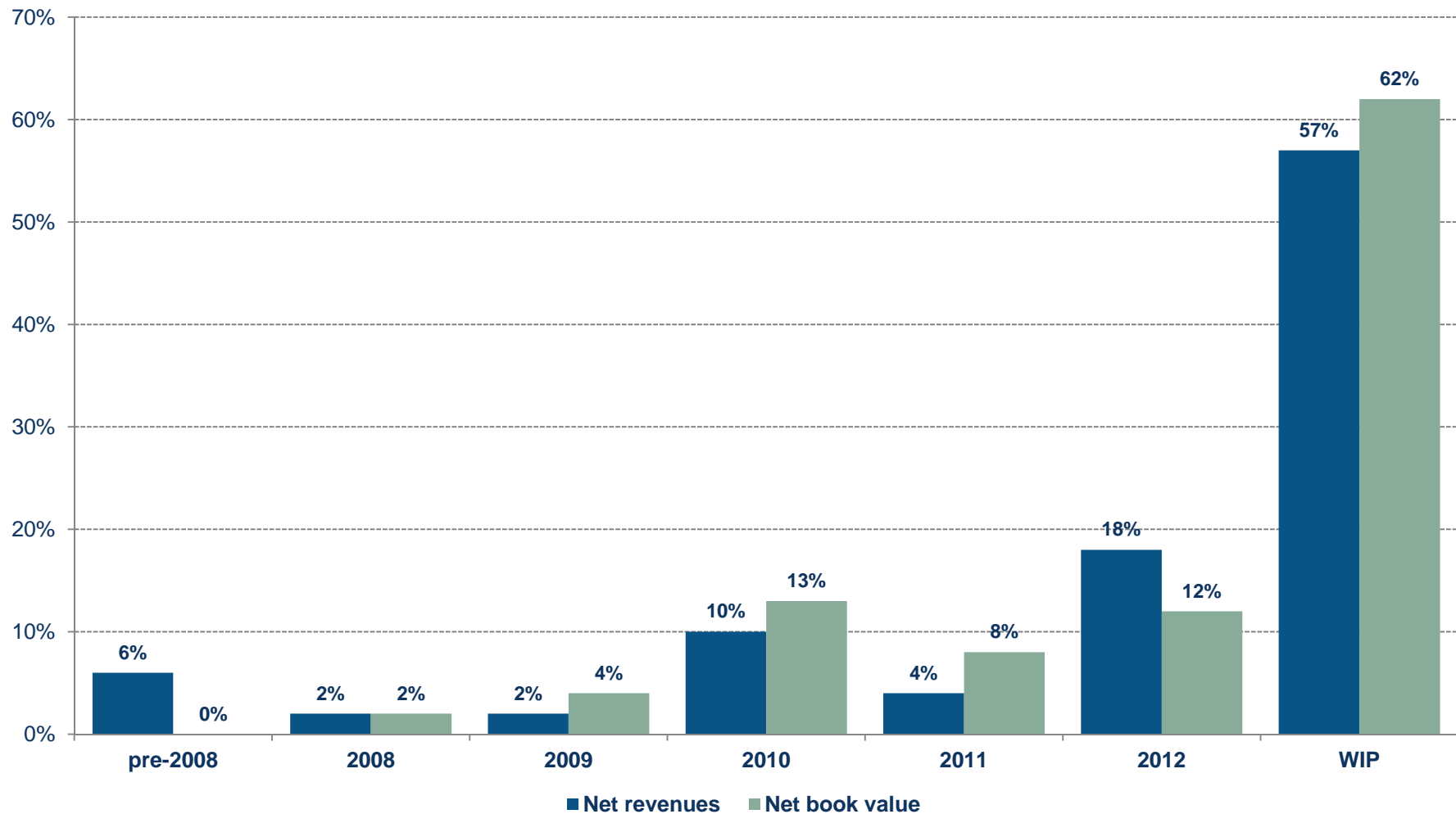
TGS has no interest bearing debt

# Investments per Vintage

Net Book Value (NBV) in % of original investment (year-end) vs allowed maximum % (year-end)



# Net Revenues vs. Net Book Value per Vintage

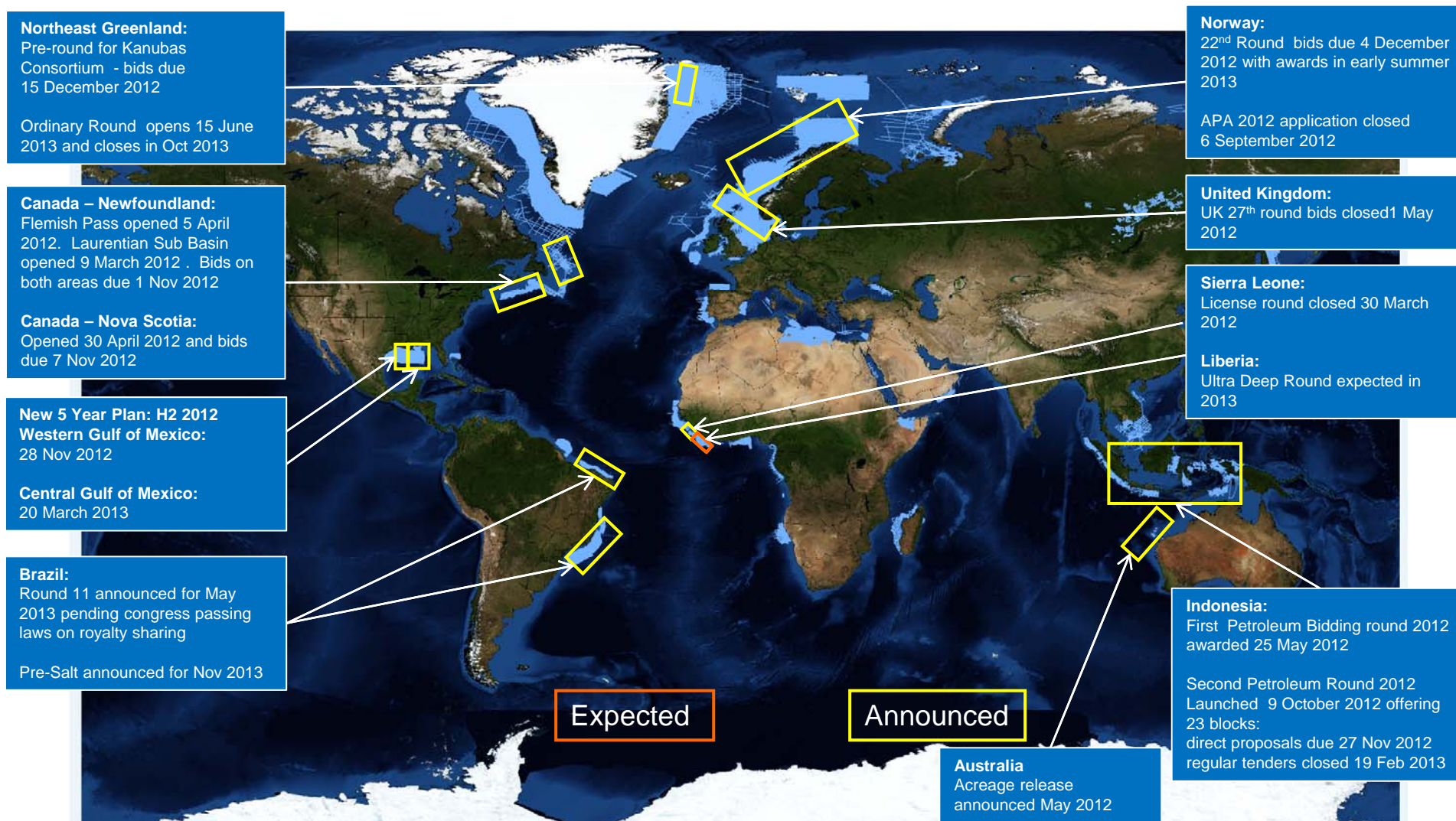


# Operational Highlights

**Robert Hobbs**  
Chief Executive Officer

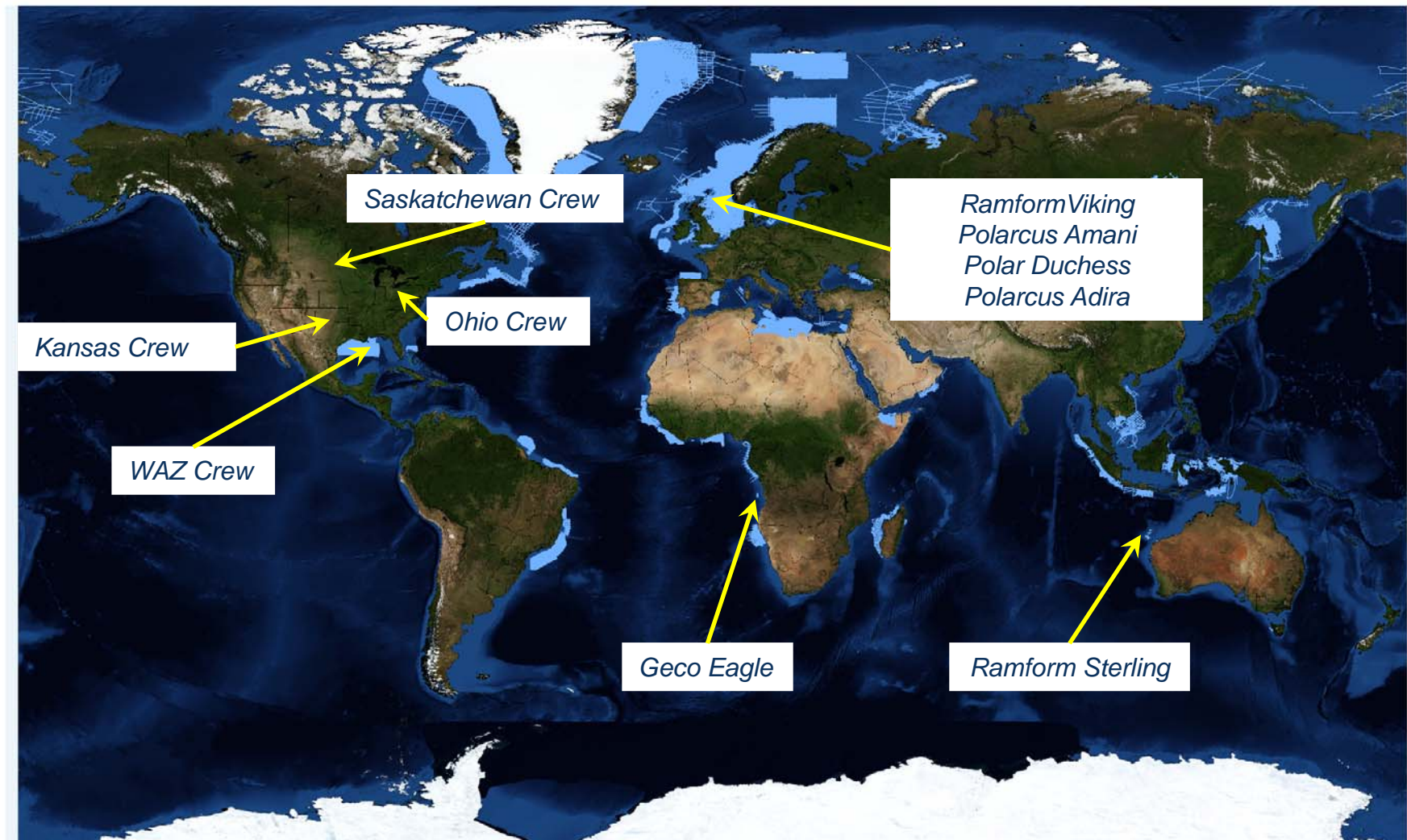


# License Round Activity and TGS Positioning

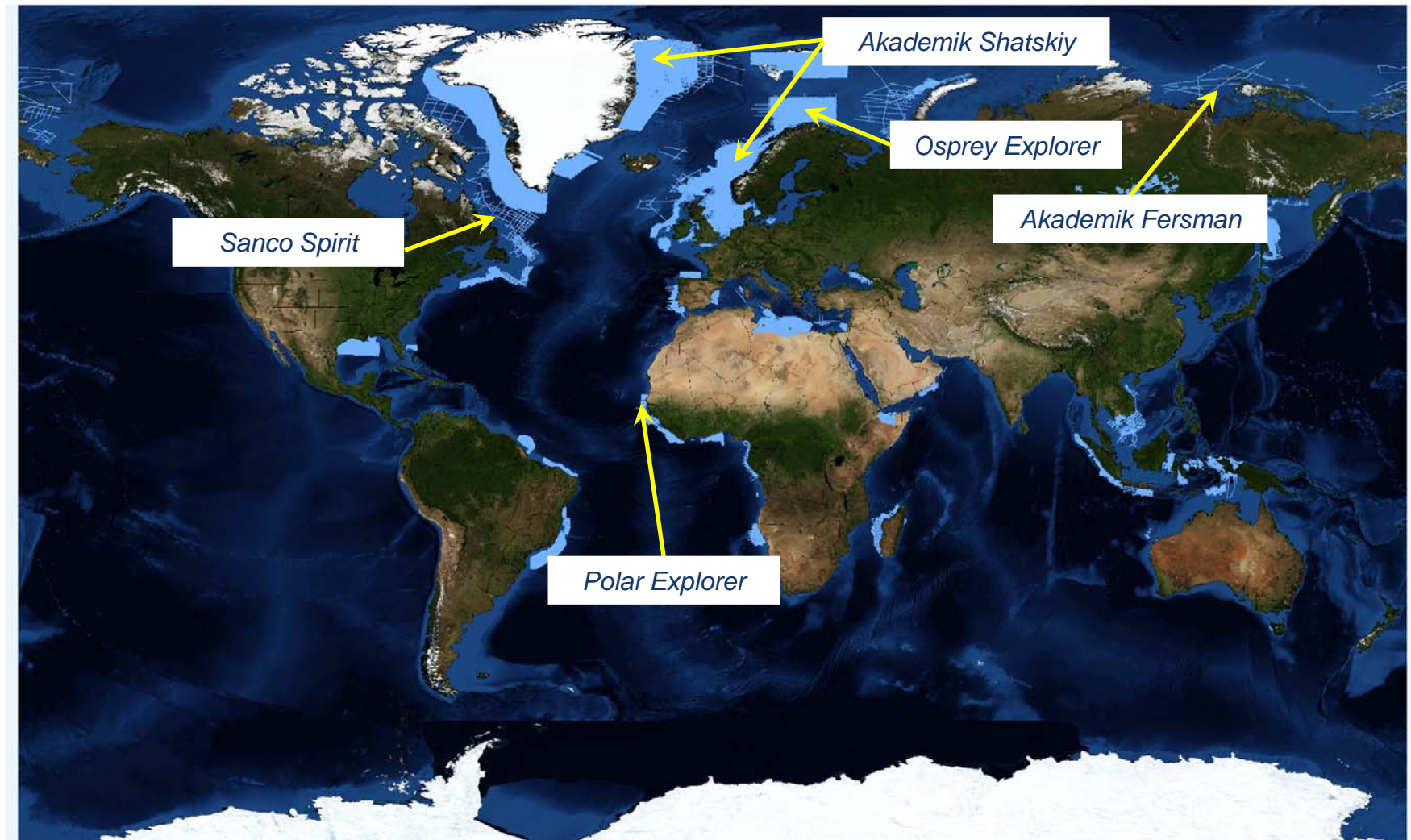




## Q3 2012 – 3D Operations

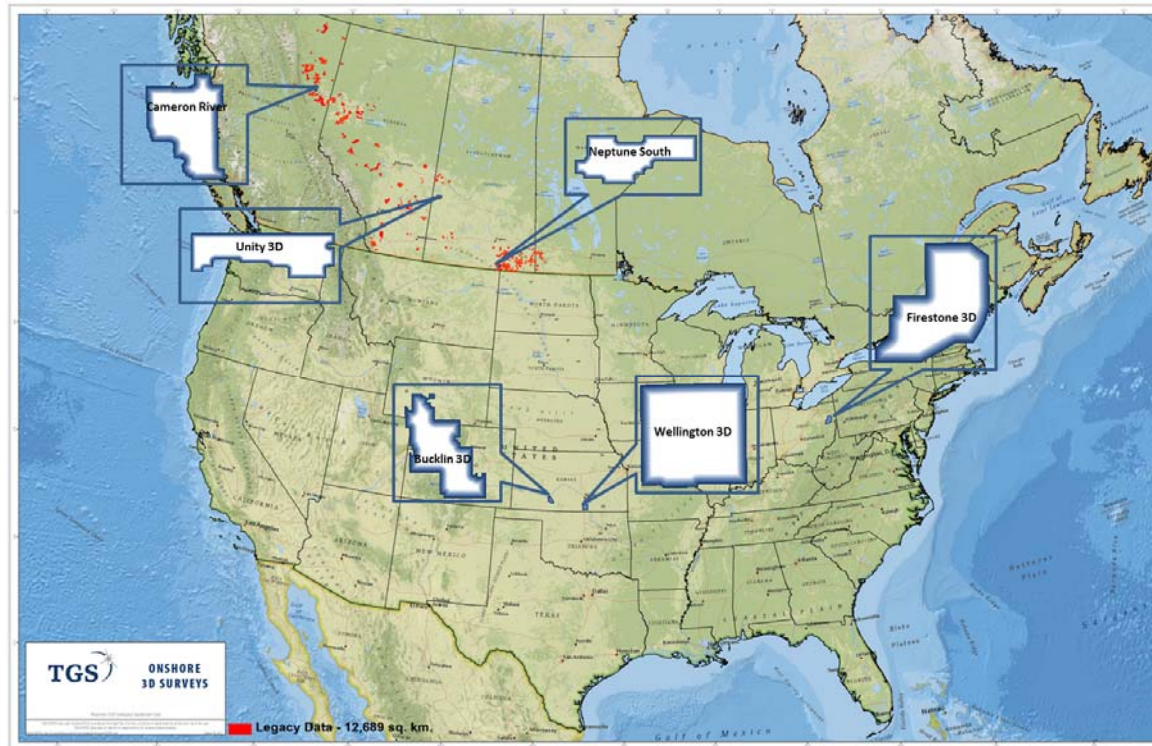


## Q3 2012 – 2D Operations





# Current Onshore Surveys



## United States

- **Firestone 3D** - expanded to 658 km<sup>2</sup> in liquid rich Utica play
- **Bucklin 3D** - 421 km<sup>2</sup> of 3D data in Mississippi Lime Oil Play
- **Wellington 3D** - 510 km<sup>2</sup> of 3D data in the Mississippi Lime Oil Play

## Canada

- **Neptune South** - 218 km<sup>2</sup> of 3D data in the Bakken Oil play
- **Unity North** - 130 km<sup>2</sup> of 3D data in the Birdbear play of Western Saskatchewan
- **Cameron River** - 461 km<sup>2</sup> of 3D data in the liquids rich Triassic Montney and Doig unconventional fairways
- **Legacy 3D Data** - 12,689 km<sup>2</sup>

# Australia – Continued Expansion

Mary Rose – 8,800 km<sup>2</sup>

- Acquisition complete April 2012

Mary Rose NE – 3,500 km<sup>2</sup>

- Acquisition complete April 2012

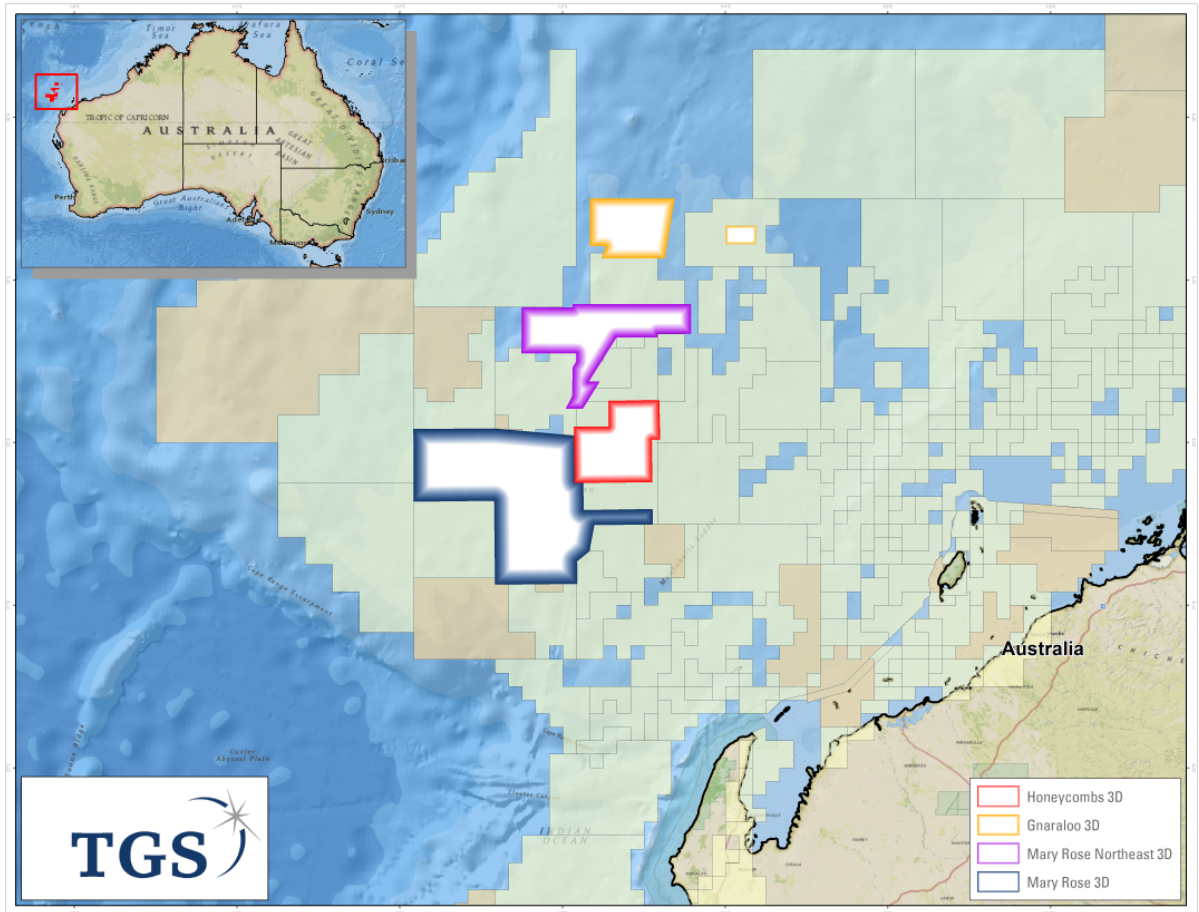
Gnaraloo – 2,300 km<sup>2</sup>

- Acquisition complete April 2012

Honeycombs – 2,500 km<sup>2</sup>

- Acquisition complete October 2012

TGS portfolio of 3D multi-client coverage in Australia exceeds 17,000 km<sup>2</sup>



# Northeast Greenland

## 2012 activity - NEG12\*

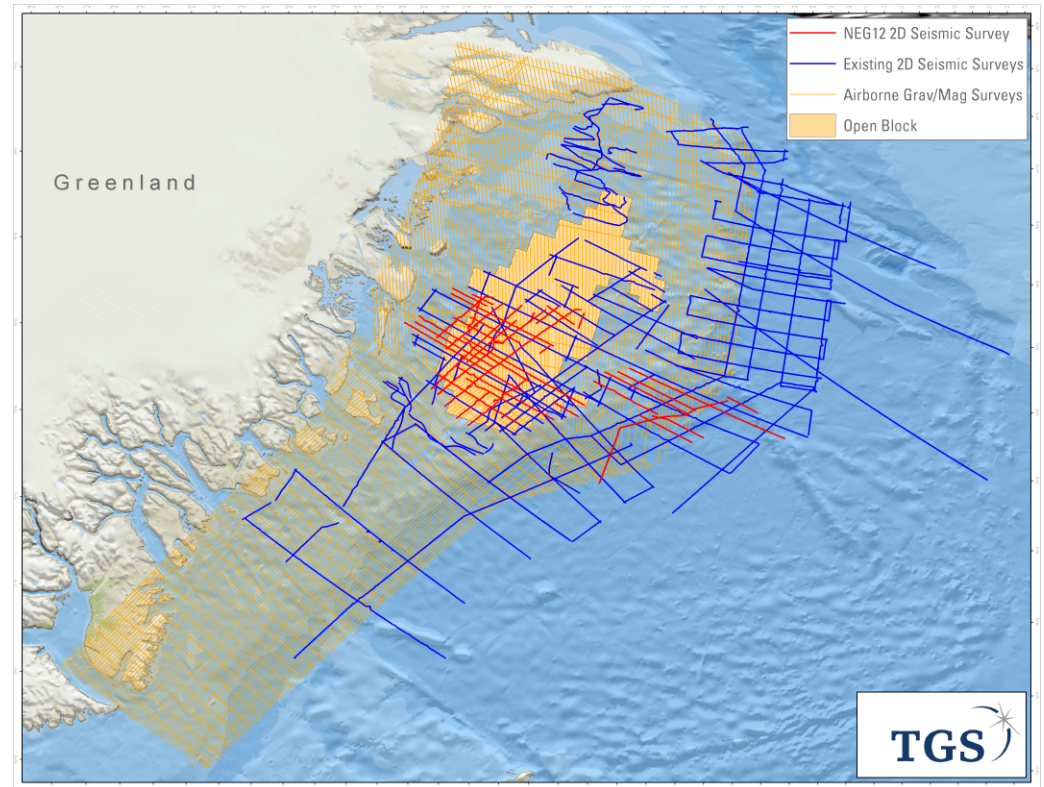
- 3,660 km 2D data in Northeast Greenland

## 2013 licensing round:

- Greater than 7,900 km of data inside the Kanumas licensing round area

## Additional TGS data available in NE Greenland:

- 10,000 km of 2D data
- Aeromagnetic and gravity data
- Sea bottom sampling
- Basin studies and reports



\*In partnership with Fugro



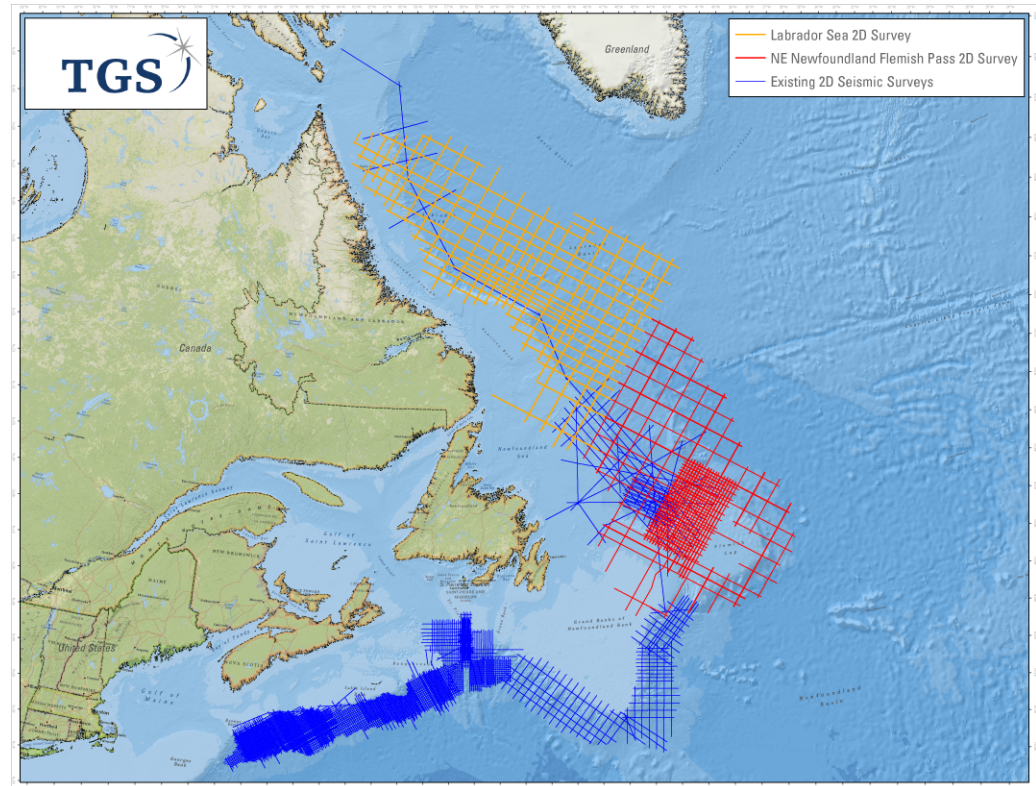
# Eastern Canada Growth

## Labrador Sea\*

- 22,000 km multi-client 2D survey offshore Newfoundland in the Labrador Sea

## Newfoundland Flemish Pass\*

- 20,000 km multi-client 2D survey over Northeast Newfoundland Shelf
- 7,500 km acquired in 2012 and the remaining in the 2013 season



\* In partnership with PGS and utilize GeoStreamer® technology

# Europe 3D Activity During 2012

## Barents Sea:

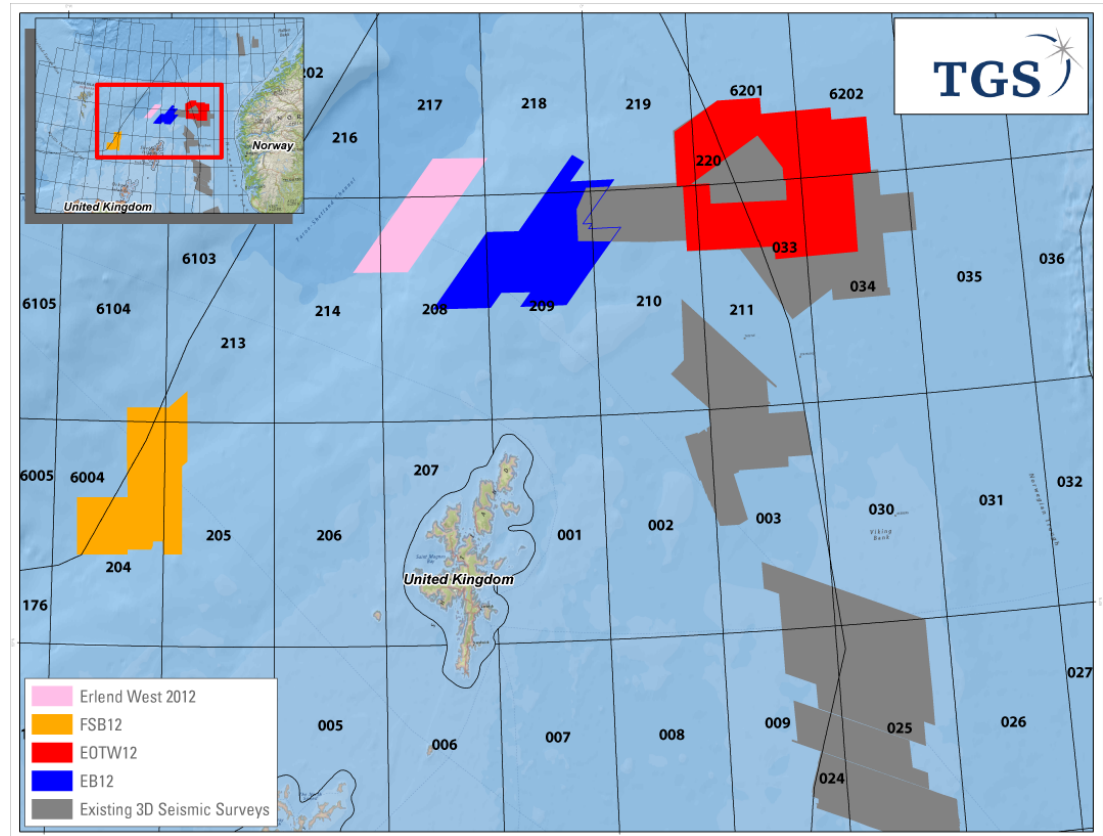
- Nordkapp Fault East (NKFE12) -1,403 km<sup>2</sup>
- Finnmark Platform (FP12) -2,483 km<sup>2</sup>

## Northern North Sea:

- End of the World (EOTW11 and EOTW12 )  
- 15,307 km<sup>2</sup>
- Erlend Basin (EB 12) - 3,178 km<sup>2</sup>
- Erlend West (EW 12) - 1,539 km<sup>2</sup>

## West of Shetland

- Faroe Shetland Basin (FSB12)\* - 2,755 km<sup>2</sup>



\*In partnership with PGS

# Northwest Africa

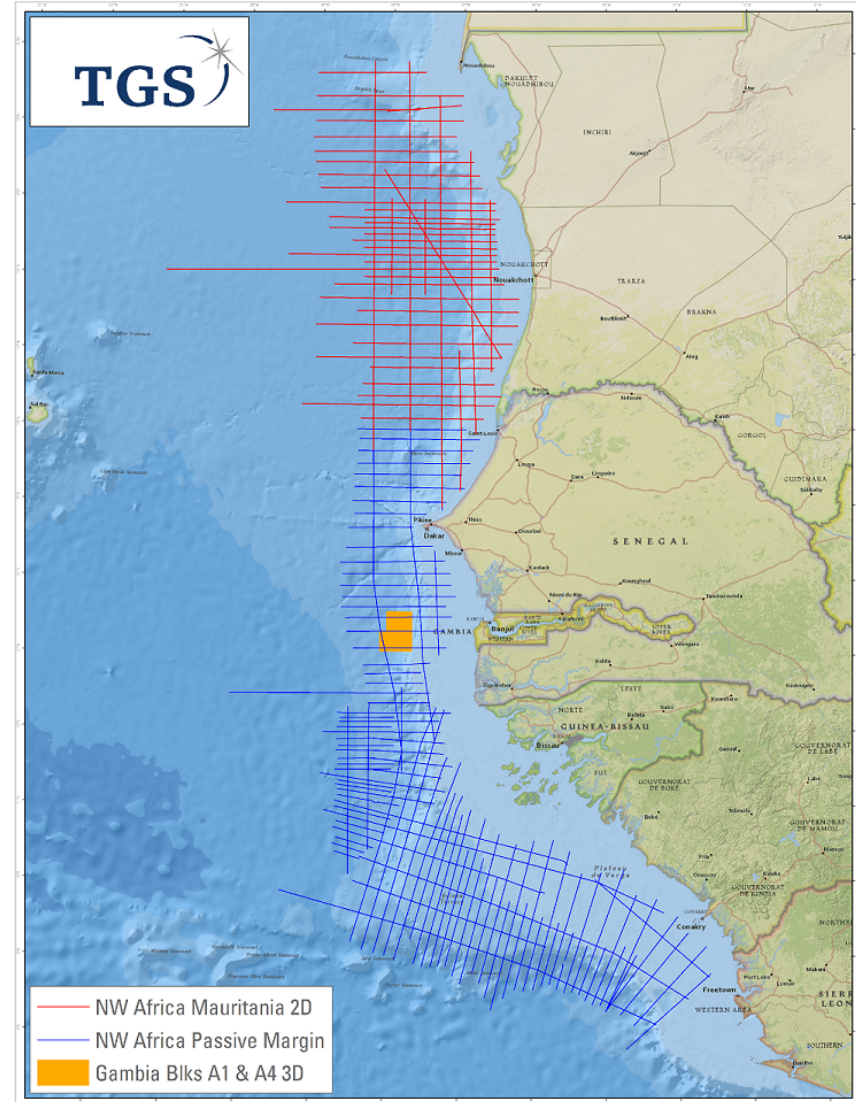
## Mauritania expansion

- 11,256 km 2D\*
- Acquisition to complete in December

## Total data now available

- 17,395 km 2D\*
- 2,567 km<sup>2</sup> 3D

\*In partnership with Dolphin Geophysical

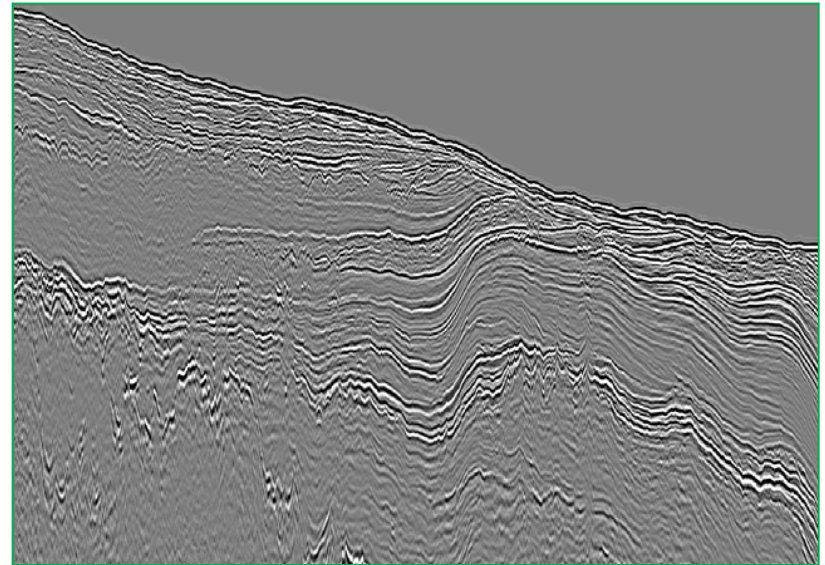




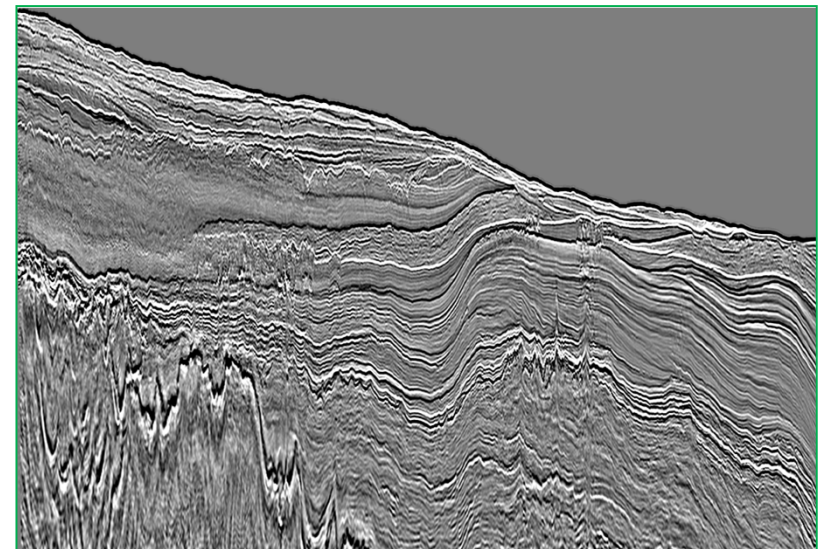
# Clari-Fi™ - Broadband

- Processing methodology that increases bandwidth and improves imaging
- May be applied to conventionally acquired pre- or post-stack data
- Addresses ghost and filtering effects
- Opportunities for reprocessing of existing library
- Strengthens technology offerings on new projects

Original processing



Clari-Fi™



Data from West of Shetlands

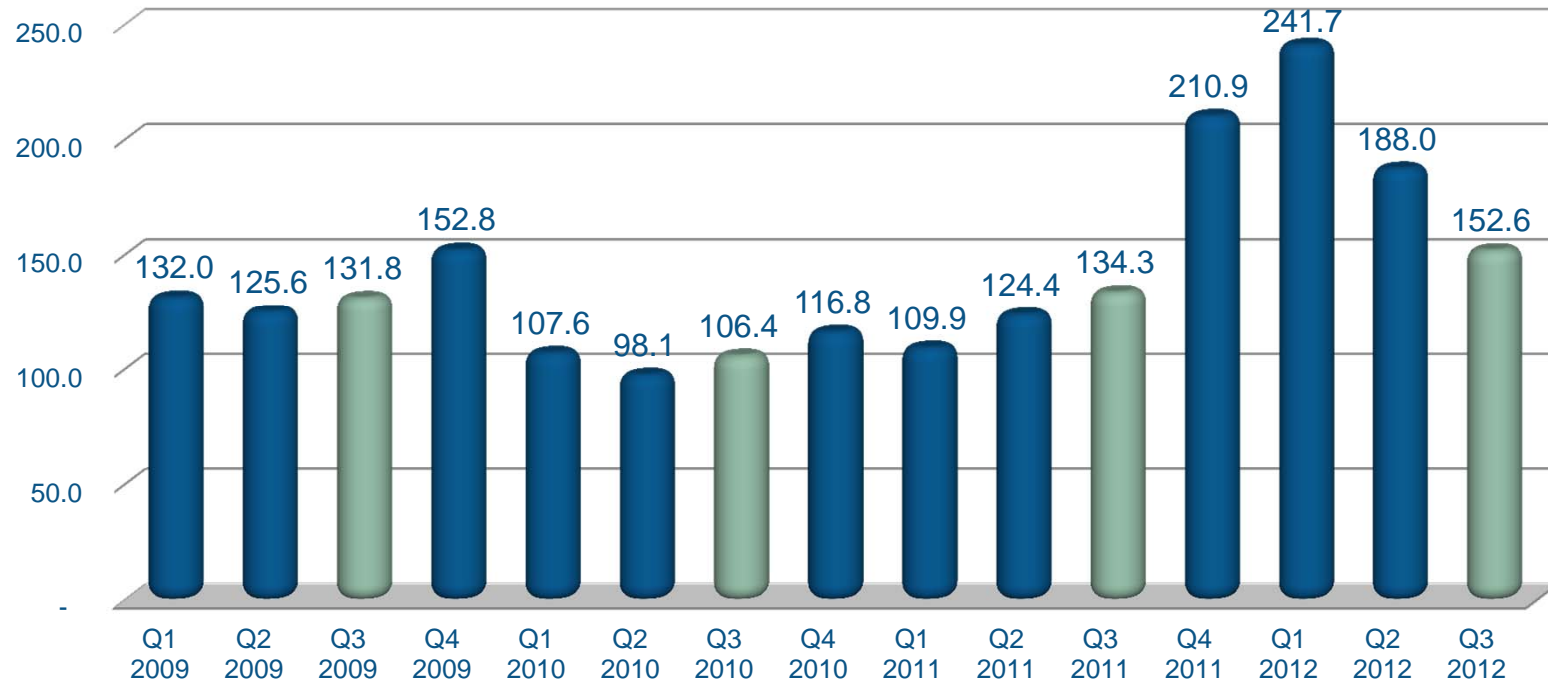
# Outlook

**Robert Hobbs**  
Chief Executive Officer



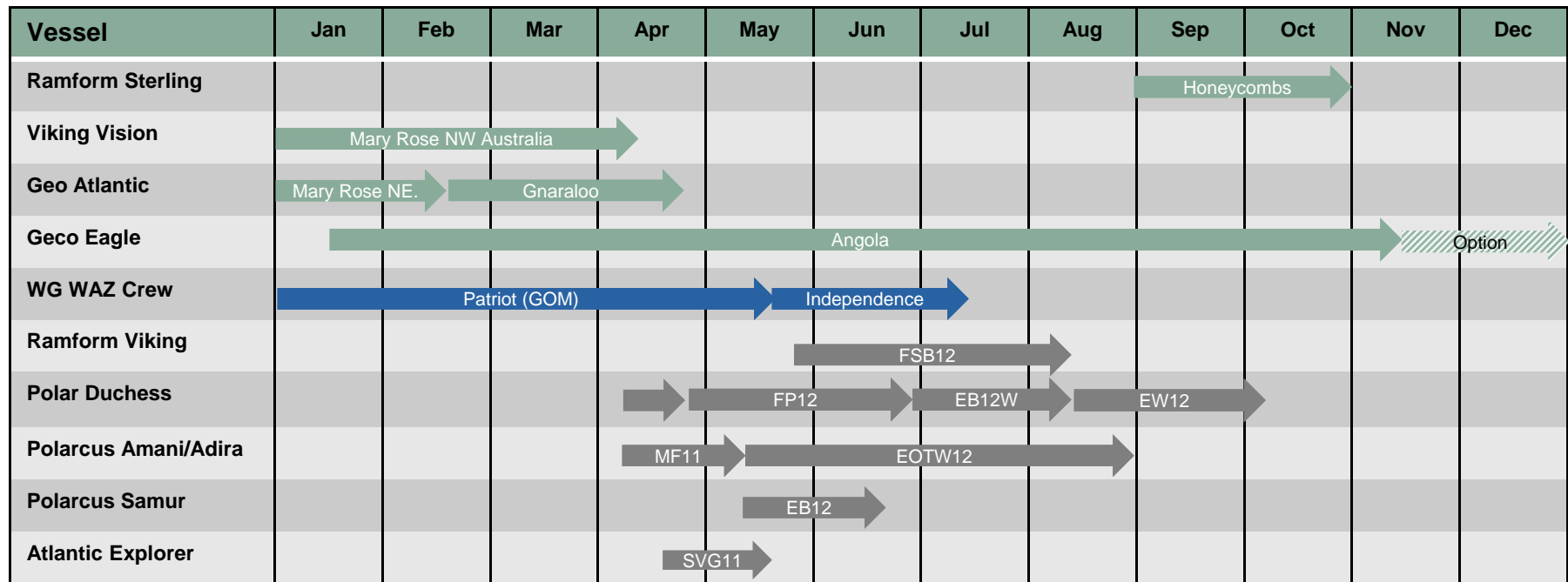
# Backlog

Historical Backlog (MUSD) 2008 – 2012

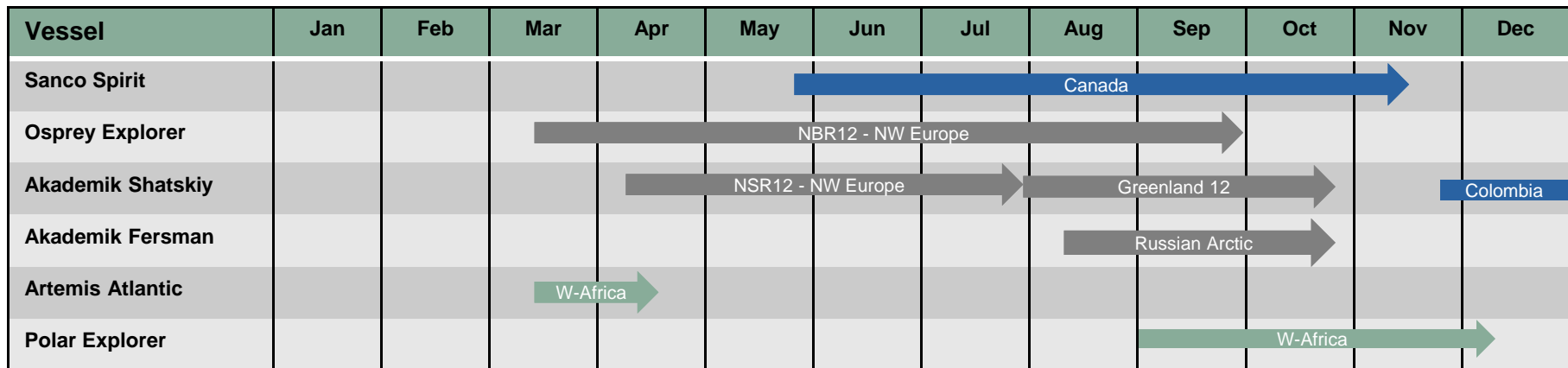


- Backlog declines as record 2012 summer investments completed

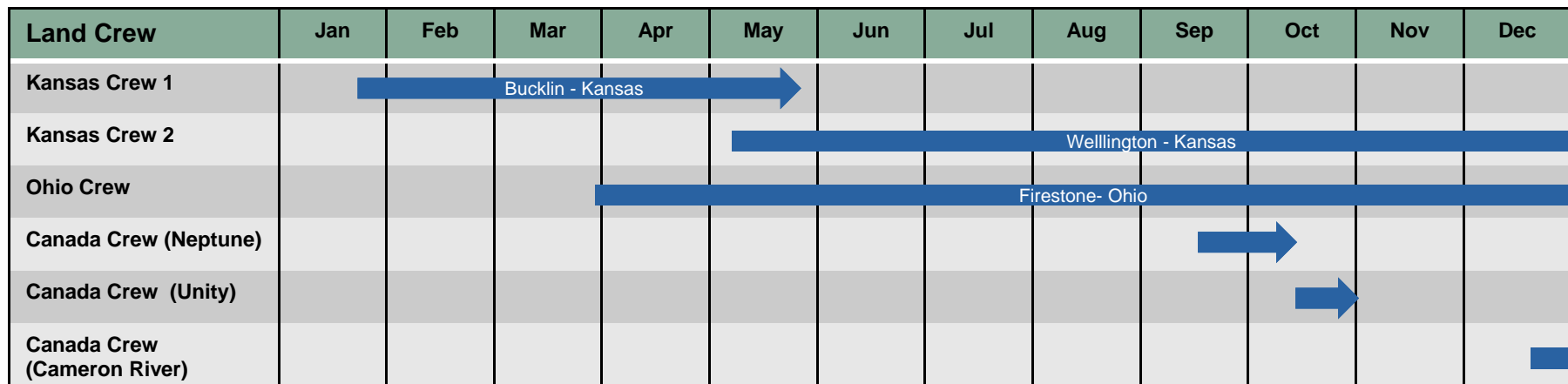
# 3D Marine Acquisition Capacity Secured



## 2D Marine Acquisition Capacity Secured



## 3D Land Acquisition Capacity Secured

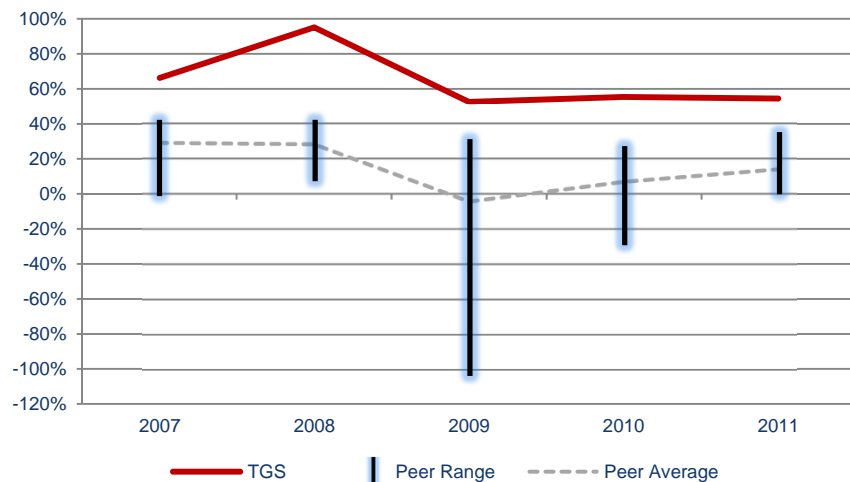


# Summary

- Record high revenues in Q3 2012 of 244.8 MUSD (up 53% Y/Y)
- Operating profit of 101.3 MUSD, 41% of net revenues (up 66% Y/Y)
- Operational investments of 137.8 MUSD backed by prefunding of 72%
- Strong seismic demand in all key markets allows TGS to update guidance:
  - Multi-client investments 425 – 475 MUSD
  - Average pre-funding 60 – 70%
  - Average multi-client amortization rate 41 – 47%
  - Net revenues 870 – 910 MUSD
  - Contract revenues less than 5% of total revenues
- Full year 2013 guidance will be announced second week of January 2013

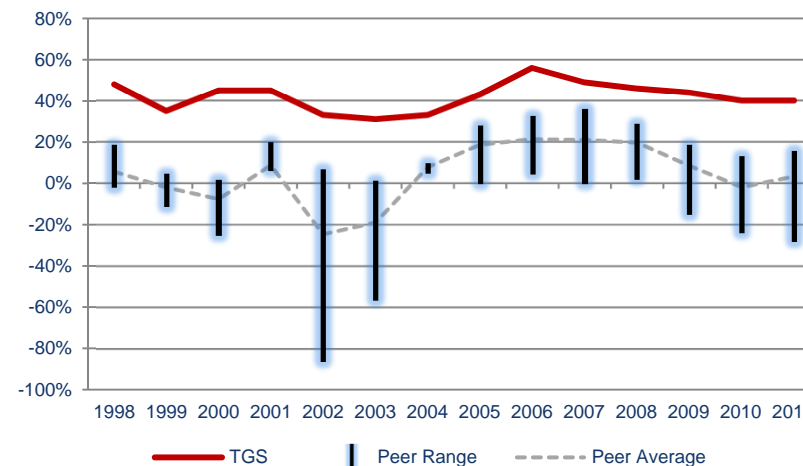
# TGS Performs in all Cycles

ROCE vs. Seismic Peers



- ROCE consistently outperforming peers

EBIT Margins vs. Seismic Peers



- Average EBIT margin above 40%
- Stable EBIT – performance through the cycles

\* ROCE is based on EBIT divided by average capital employed.  
Peer group includes CGG Veritas, Fugro, Geokinetics, ION Geophysical, PGS, Western Geco, and GGS  
Source Platou Markets and TGS

# Thank You

[www.tgs.com](http://www.tgs.com)

