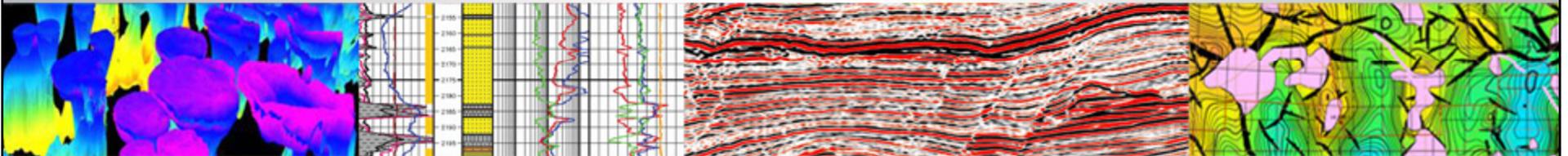


Earnings Release Q2 2010

Kristian K. Johansen
Chief Financial Officer

Robert Hobbs
Chief Executive 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.

Q2 2010 Financial Highlights

- Net Revenues were 112.3 MUSD, down 10% from Q2 2009
 - Net Late Sales of 64.6 MUSD were down 24% from last year
 - Net pre-funding of 43.0 MUSD were up 27%, funding 44% of TGS' operational multi-client investment for the quarter (97.1 MUSD)
- Average amortization rate for the multi-client library was 51% compared to 39% in Q2 2009
- Operating profit for the second quarter was 33.4 MUSD, 30% of net revenues. This is down 38% from Q2 2009
- Cash Flow from operations before multi-client investments was 74.1 MUSD, up 67% from Q2 2009
- The Company paid a dividend of NOK 4 per share and bought back 555,000 shares in the market for 9.9 MUSD

Q2 2010 Income Statement

	Q2 2010	Q2 2009	Change	%
Net Operating Revenues	112.3	124.1	(11.8)	-10%
COGS - Proprietary & Other	0.7	1.0	(0.3)	-28%
MC Amortization	51% 55.0	46.5	8.5	18%
Gross Margin	56.6	76.6	(20.1)	-26%
Other Operating Expenses	16.8	18.9	(2.1)	-11%
Cost of Stock Options	0.7	0.7	(0.0)	-3%
Depreciation	5.6	2.7	2.9	107%
Operating Profit	30% 33.4	54.3	(20.9)	-38%
Net Financial Items	(0.9)	3.2	(4.1)	-130%
Pre-tax Profit	29% 32.5	57.5	(25.0)	-43%
Taxes	13.2	17.2	(4.0)	-23%
Net Income	17% 19.3	40.3	(21.0)	-52%
EPS, undiluted	0.19	0.39	(0.20)	-52%
EPS, fully diluted	0.18	0.39	(0.21)	-53%

Q2 2010 Cash Flow Statement

	Q2 2010	Q2 2009
Payments from Sales Received	117.0	76.7
Operational Costs Paid	(18.1)	(14.9)
Gain/(Loss) from Currency Exchange	(1.7)	1.8
Taxes Paid	(23.1)	(19.1)
Operational Cash Flow	74.1	44.5
Investments in Fixed Assets	(1.0)	(0.2)
Investments in Multi-Client	(108.1)	(52.4)
Net Cash from Mergers and Acquisitions	(3.6)	-
Net change in Short-Term Investments & Deposits	1.7	6.9
Financial Income	0.6	1.0
Net Change in Long-term loans	-	(44.8)
Financial Expense	(0.0)	(0.0)
Payment of Dividend	(64.7)	-
Purchase of own Shares	(9.9)	-
Paid in Equity	1.0	1.2
Change in Cash Balance	(109.9)	(43.8)

6 Months 2010 Financial Highlights

- Net Revenues were 260.6 MUSD, up 34% from 6M 2009
 - Net Late Sales of 138.0 MUSD were up 21% from last year
 - Net pre-funding of 112.6 MUSD were up 65%, funding 58% of our operational multi-client investment first 6 months (193.3 MUSD)
- Average amortization rate for the multi-client library was 49% compared to 43% in 2009
- Operating profit for the first 6 months was 92.3 MUSD, 35% of net revenues. This is up 24% from 2009
- Cash Flow from operations before multi-client investments was 180.4 MUSD, up 28% from 2009
- The Company paid a dividend of NOK 4 per share and bought back 890,000 shares in the market for 17.1 MUSD

6 Months 2010 Income Statement

	6M 2010	6M 2009	Change	%
Net Operating Revenues	260.6	194.9	65.7	34%
COGS - Proprietary & Other	1.5	1.4	0.1	10%
MC Amortization	49% 122.3	79.1	43.2	55%
Gross Margin	136.7	114.4	22.3	19%
Other Operating Expenses	35.8	34.0	1.7	5%
Cost of Stock Options	1.5	1.4	0.1	9%
Depreciation	7.2	4.9	2.3	46%
Operating Profit	35% 92.3	74.1	18.1	24%
Net Financial Items	0.5	4.4	(3.9)	-90%
Pre-tax Profit	36% 92.7	78.5	14.2	18%
Taxes	31.4	25.1	6.4	25%
Net Income	24% 61.3	53.4	7.8	15%
EPS, undiluted	0.60	0.52	0.07	14%
EPS, fully diluted	0.58	0.52	0.06	12%

6 Months 2010 Cash Flow Statement

	6M 2010	6M 2009
Payments from Sales Received	267.5	206.8
Operational Costs Paid	(39.1)	(35.8)
Gain/(Loss) from Currency Exchange	(0.6)	1.2
Taxes Paid	(47.4)	(31.8)
Operational Cash Flow	180.4	140.4
Investments in Fixed Assets	(2.0)	(1.8)
Investments in Multi-Client	(172.7)	(101.0)
Net Cash from Mergers and Acquisitions	(3.6)	-
Financial Income	0.9	1.8
Net change in Short-Term Investments & Deposits	2.6	40.0
Net Change in Long-term loans	-	(44.1)
Financial Expense	(0.0)	(0.5)
Payment of Dividend	(64.7)	-
Purchase of own Shares	(17.1)	-
Paid in Equity	4.7	1.6
Change in Cash Balance	(71.5)	36.4

Balance Sheet

	6/30/2010	%	3/31/2010	%	12/31/2009	%
Assets						
Cash	172.0	16%	281.9	24%	243.5	21%
Investments Available for Sale	24.6	2%	26.4	2%	27.2	2%
Other Current Assets	309.3	28%	306.5	26%	339.8	30%
Total Current Assets	505.9	46%	614.8	52%	610.5	53%
Intangible Assets & LT Receivables	84.5	8%	87.2	7%	88.3	8%
MC Library	498.2	45%	453.2	39%	424.3	37%
Fixed Assets	15.7	1%	19.9	2%	21.2	2%
Total Assets	1,104.2	100%	1,175.1	100%	1,144.3	100%
Liabilities						
Current Liabilities	204.5	19%	225.9	19%	231.6	20%
Deferred Tax Liability	74.0	7%	69.8	6%	72.8	6%
Equity	825.7	75%	879.4	75%	839.9	73%
Total Liabilities and Equity	1,104.2	100%	1,175.1	100%	1,144.3	100%

* The Company holds no interest-bearing debt

Multi-Client Library

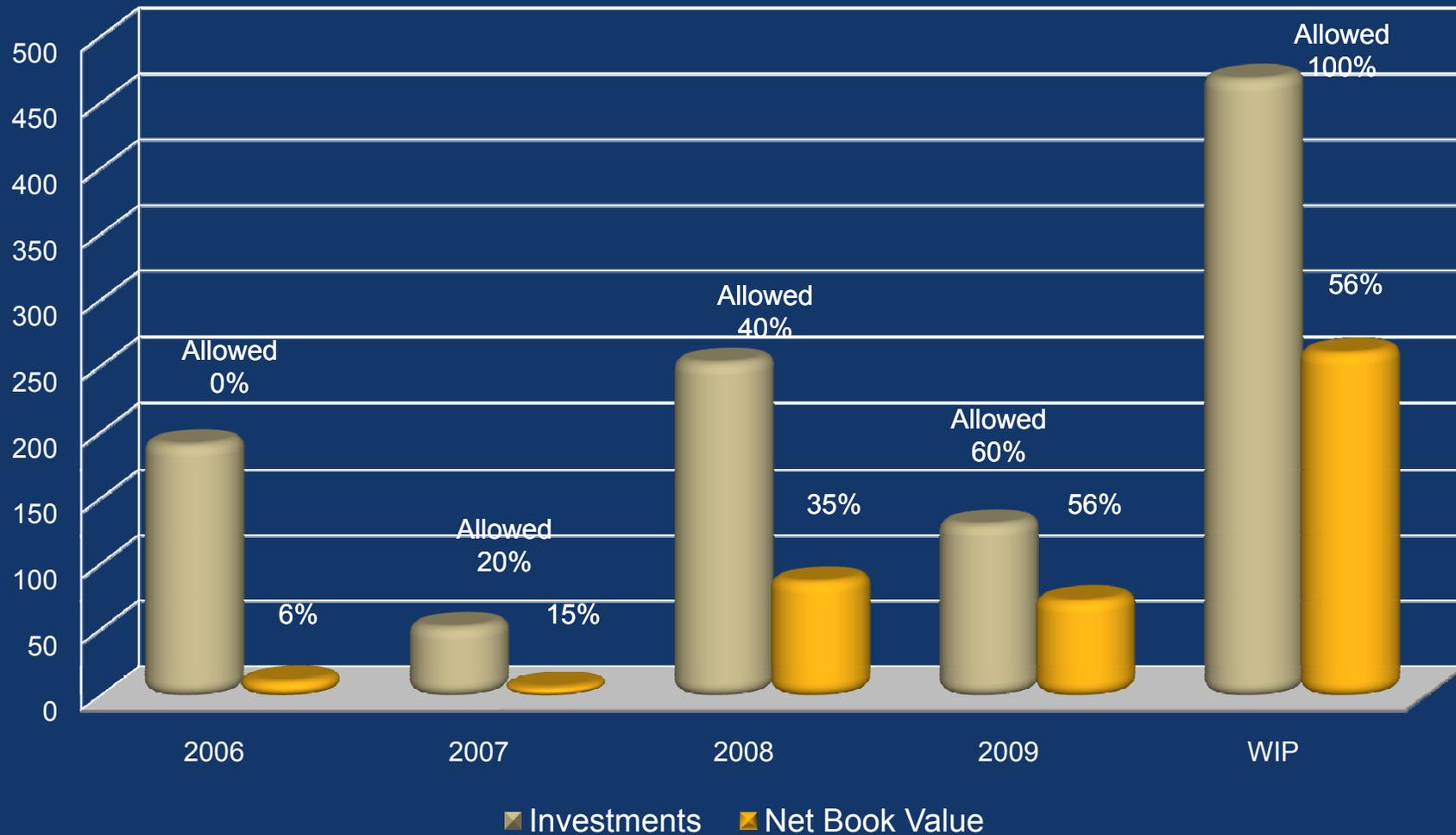


Accounting principles for Multi-Client Library

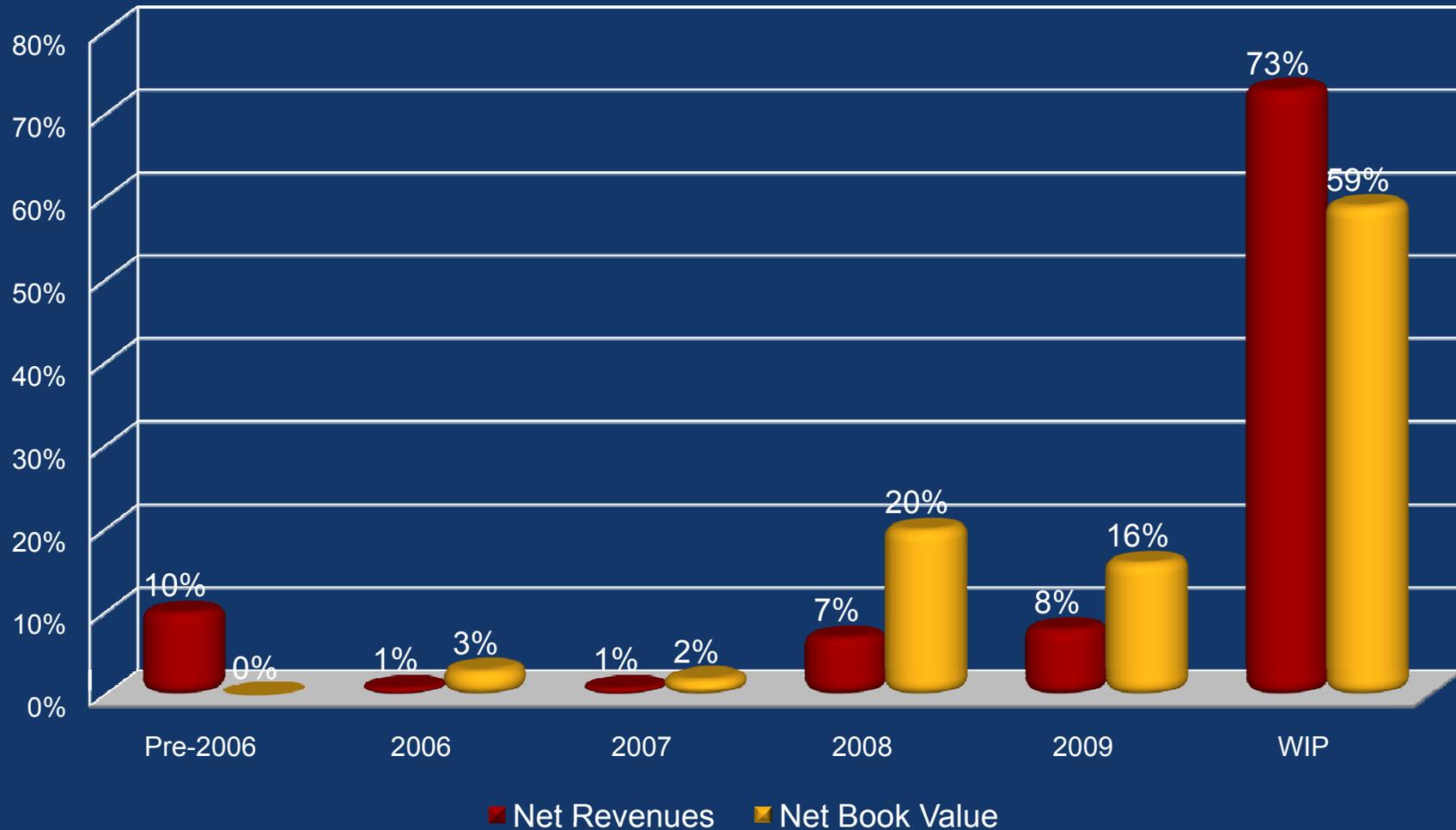
- Accounting Standards recommend to match Revenues and Costs in time
- TGS capitalizes the direct costs of surveys as investments in the Balance Sheet and amortizes them over 5 years (including the first year – WIP) as a function of expected ratio Sales/Investment
- If sales are lower than expectations, a minimum amortization kicks in:
 - Maximum NBV one year after completion is 60%, then 40%, then 20%, then zero
 - At the end of the fourth year after survey completion, each survey is fully amortized

Net Book Value vs. Investments per vintage

- in relation to allowed Net Book Value at year end



Net Revenues vs. Net Book Value per vintage



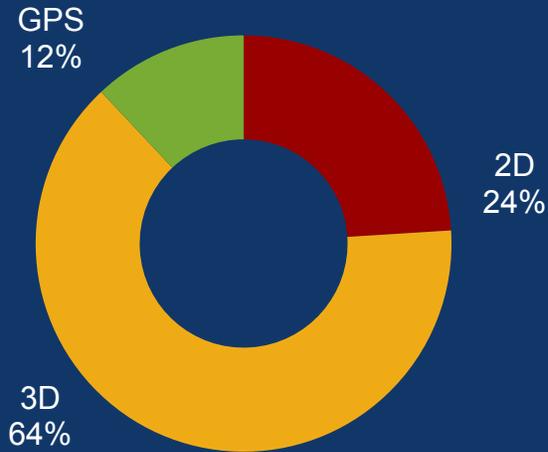
Operational Highlights

Robert Hobbs
Chief Executive Officer

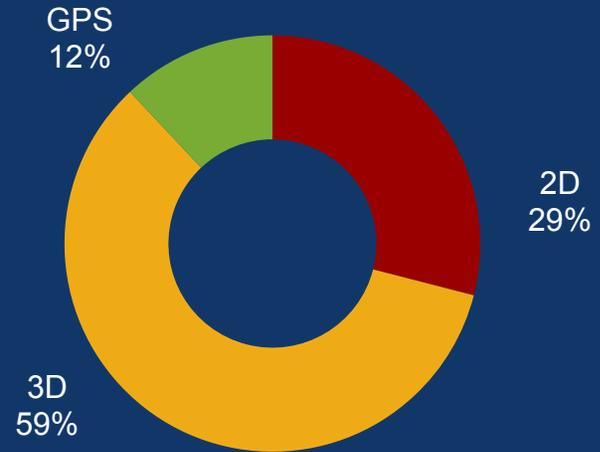


Net Revenue Breakdown

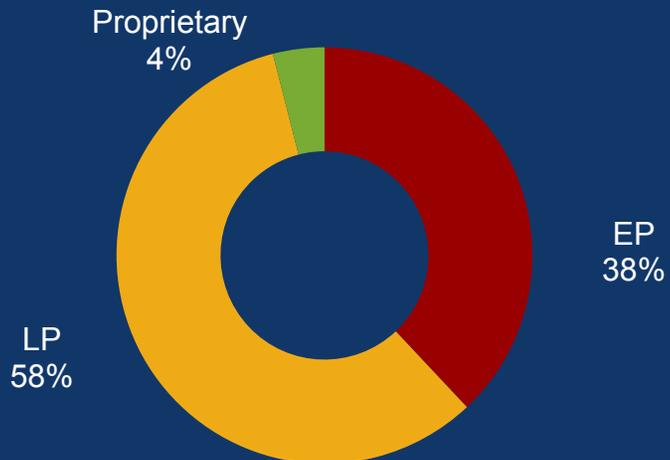
Q2 2010



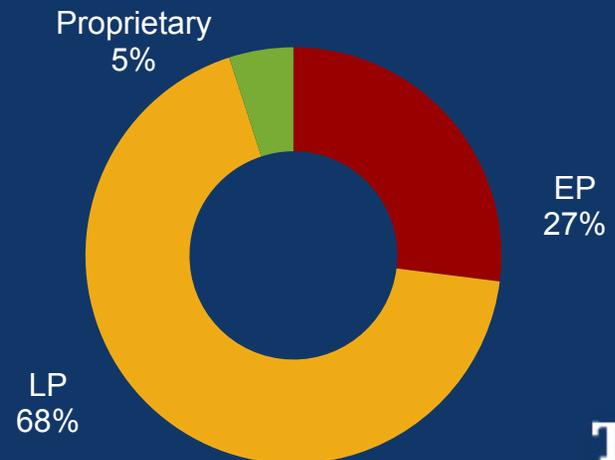
Q2 2009



Q2 2010

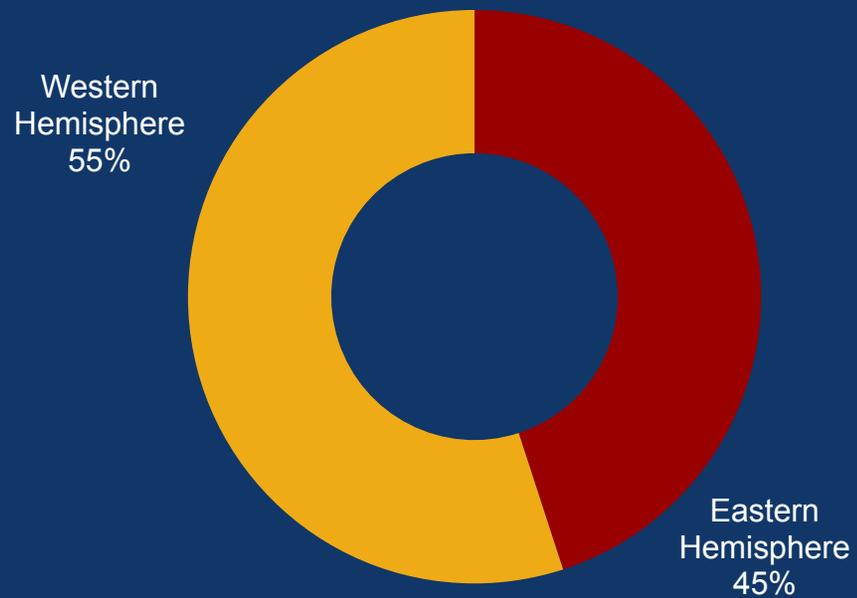


Q2 2009

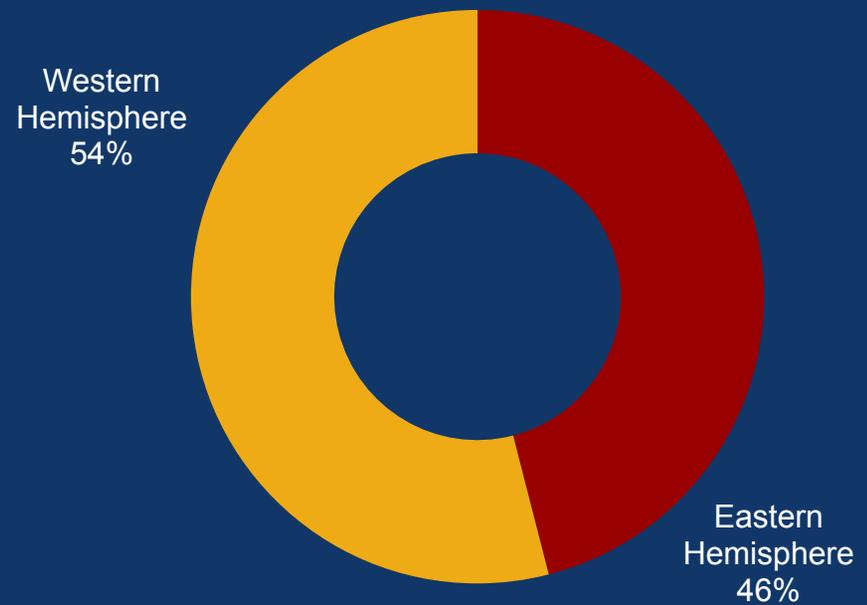


Net Revenue Breakdown

Q2 2010



Q2 2009



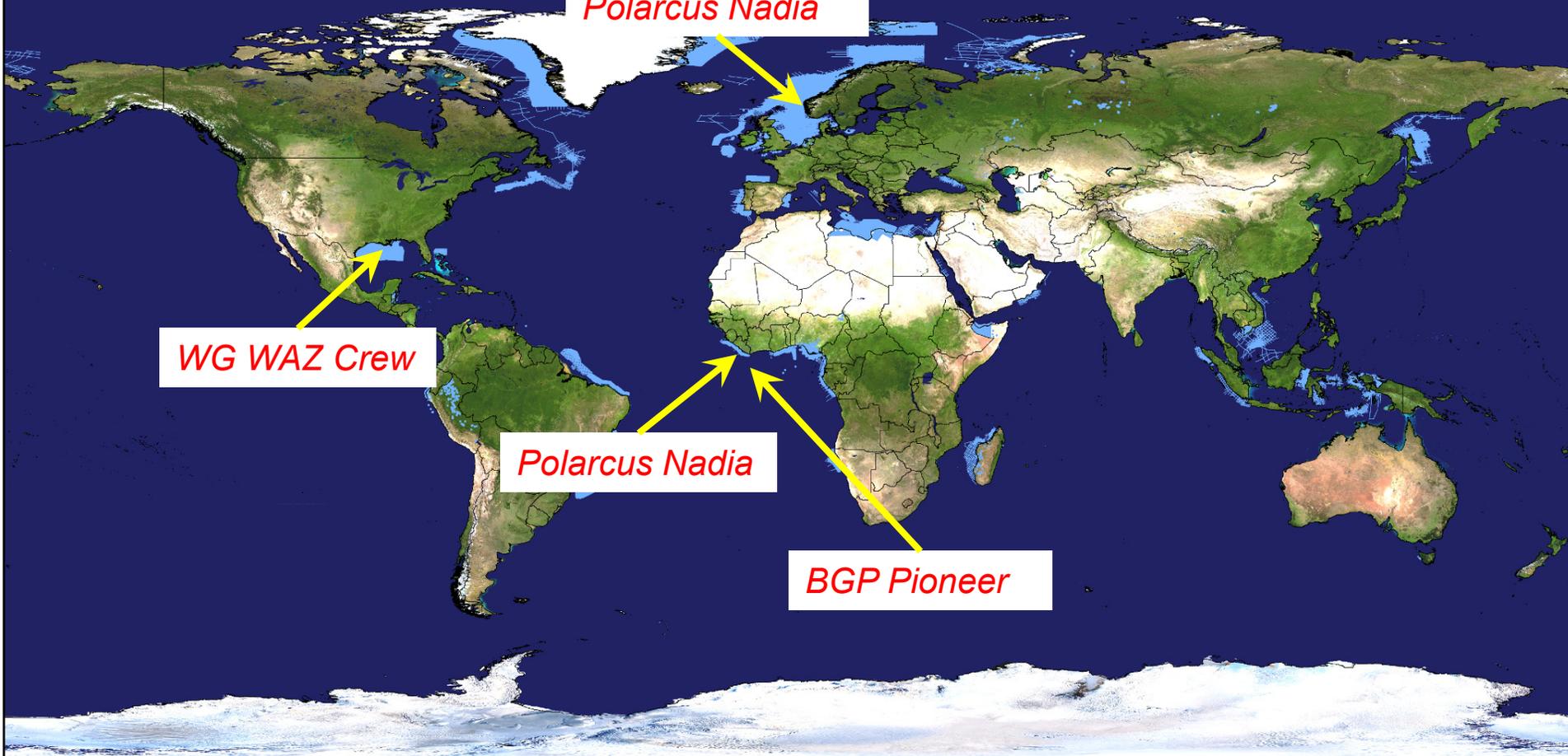
Q2 2010 - 3D Operations

Ramform Viking
Atlantic Explorer
Polarcus Nadia

WG WAZ Crew

Polarcus Nadia

BGP Pioneer



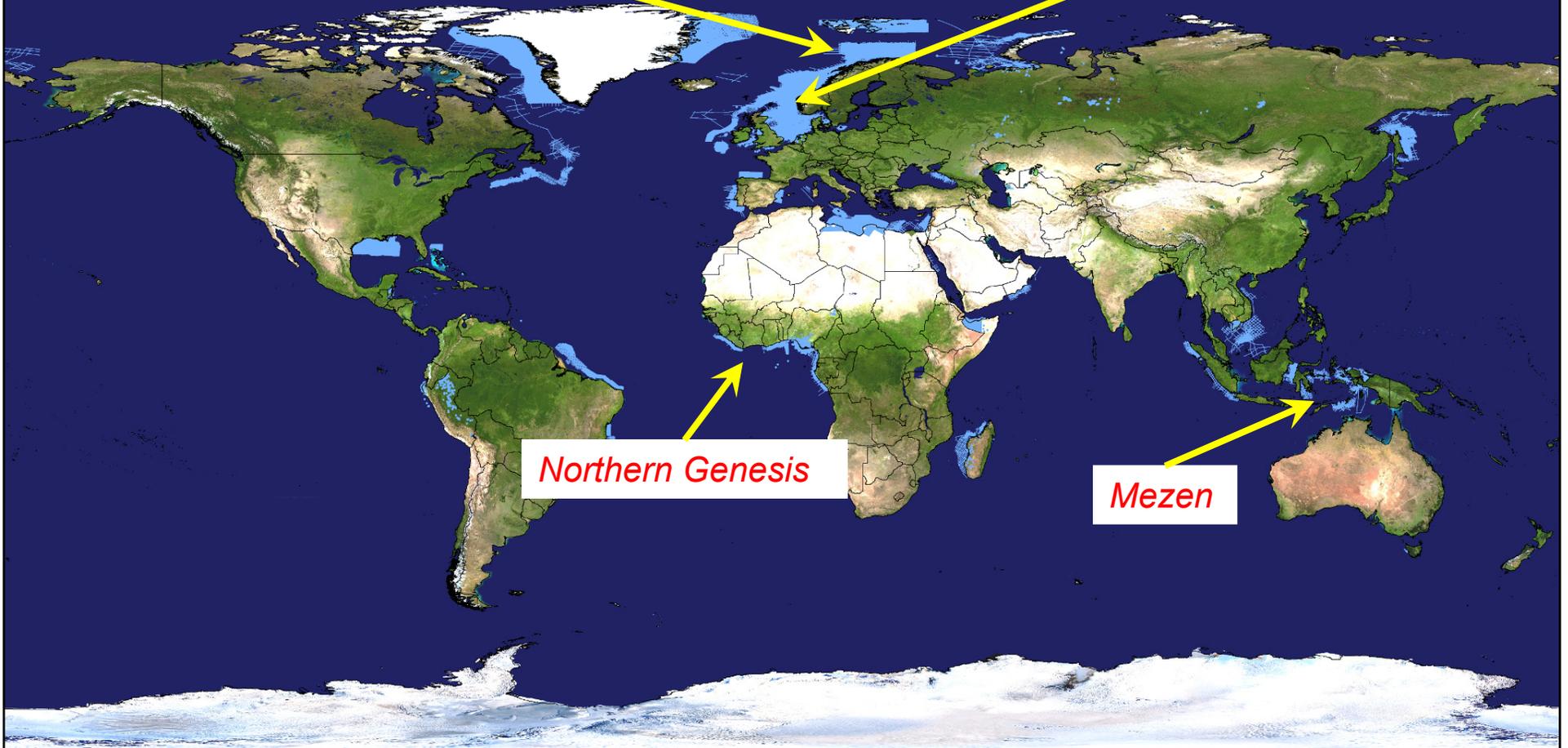
Q2 2010 - 2D Operations

*Academik Lazarev
Geo-Arctic*

*Northern Genesis
Bergen Surveyor*

Northern Genesis

Mezen



GOM WAZ Programs

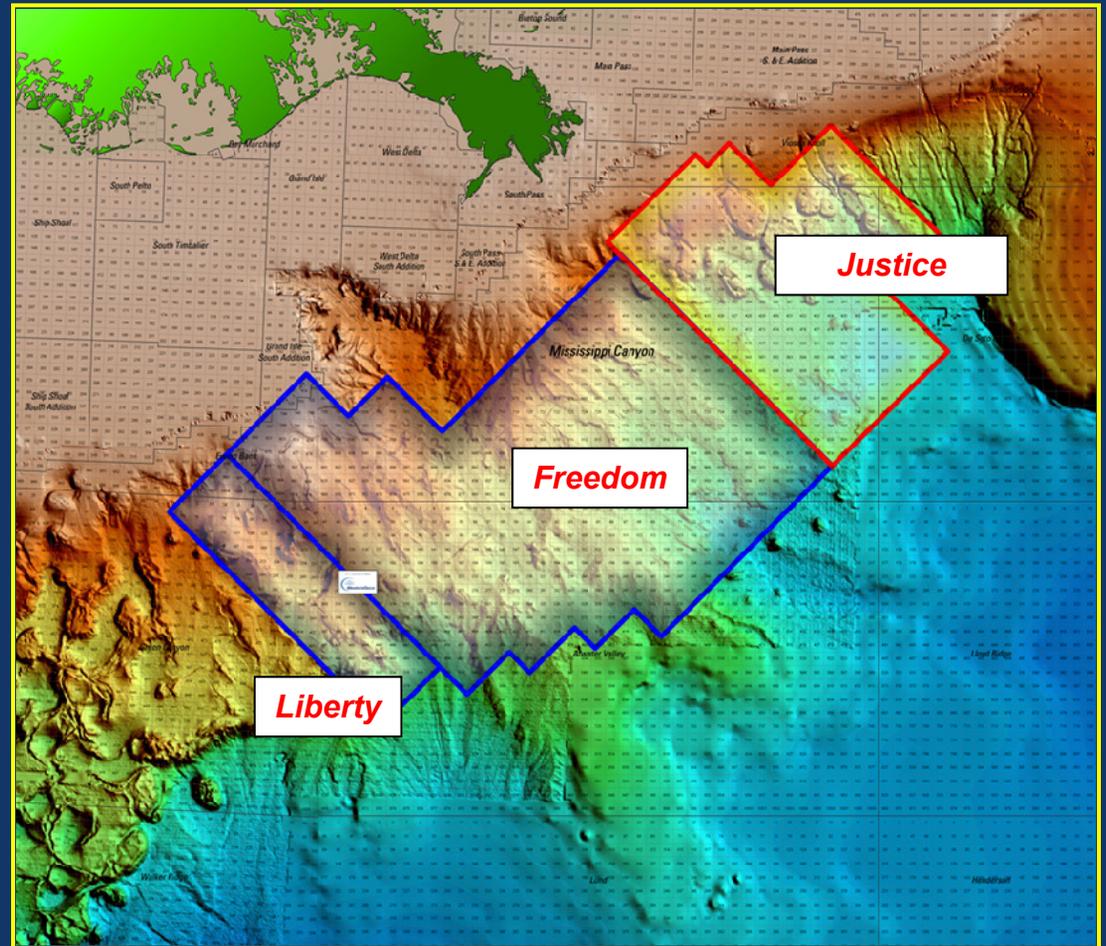
Constitution Project

TGS 50% Owned

- Freedom – 16,600 km²
- Liberty – 3,050 km²

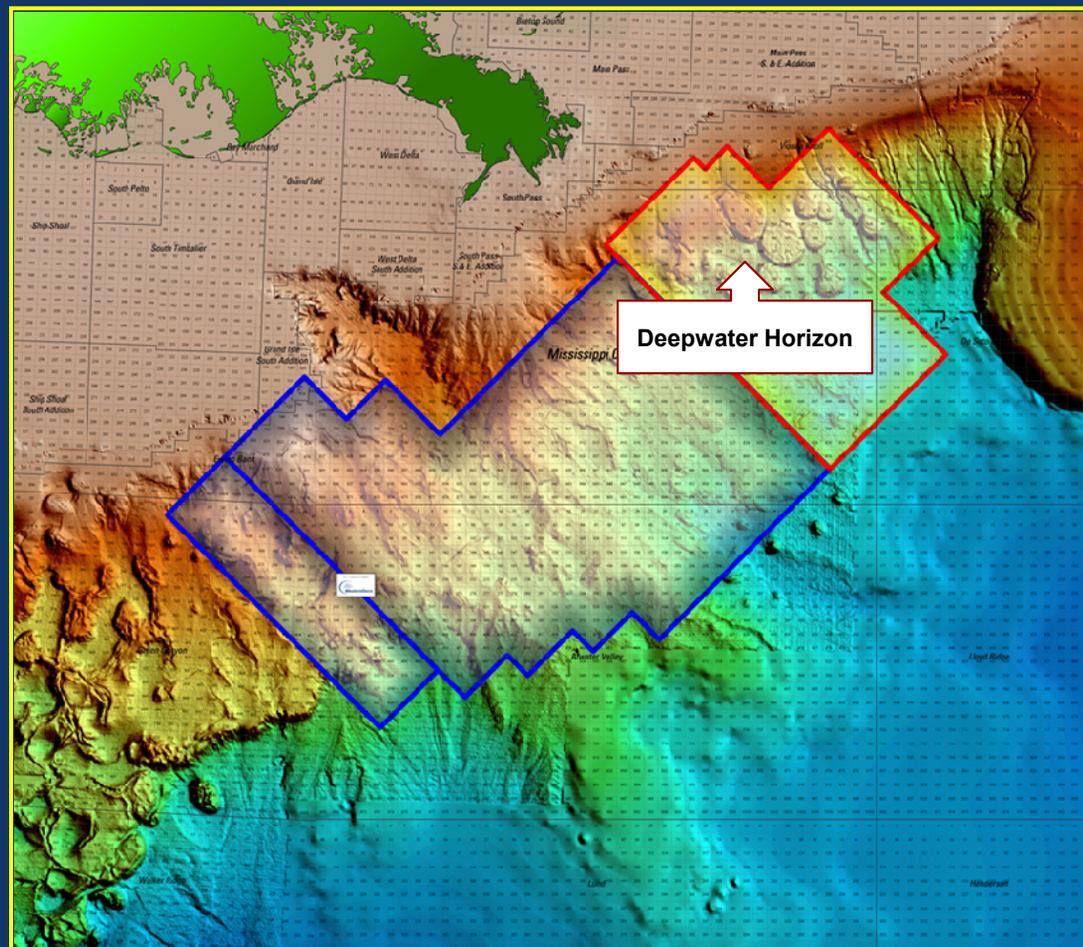
TGS 100% Owned

- Justice – 7,800 km²



Deepwater Horizon Incident

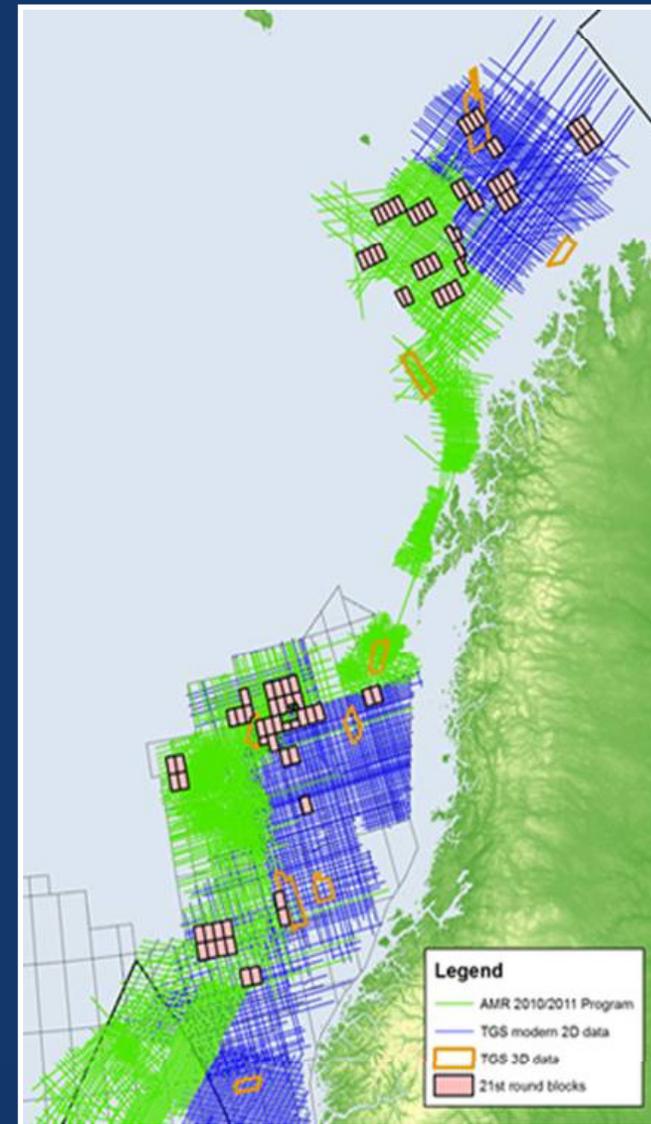
- Acquisition completed mid-July
- 93% of the originally planned Justice project acquired
- Processing of recorded data currently in progress
- No plan to return to Justice in 2010



Norway 21st Round

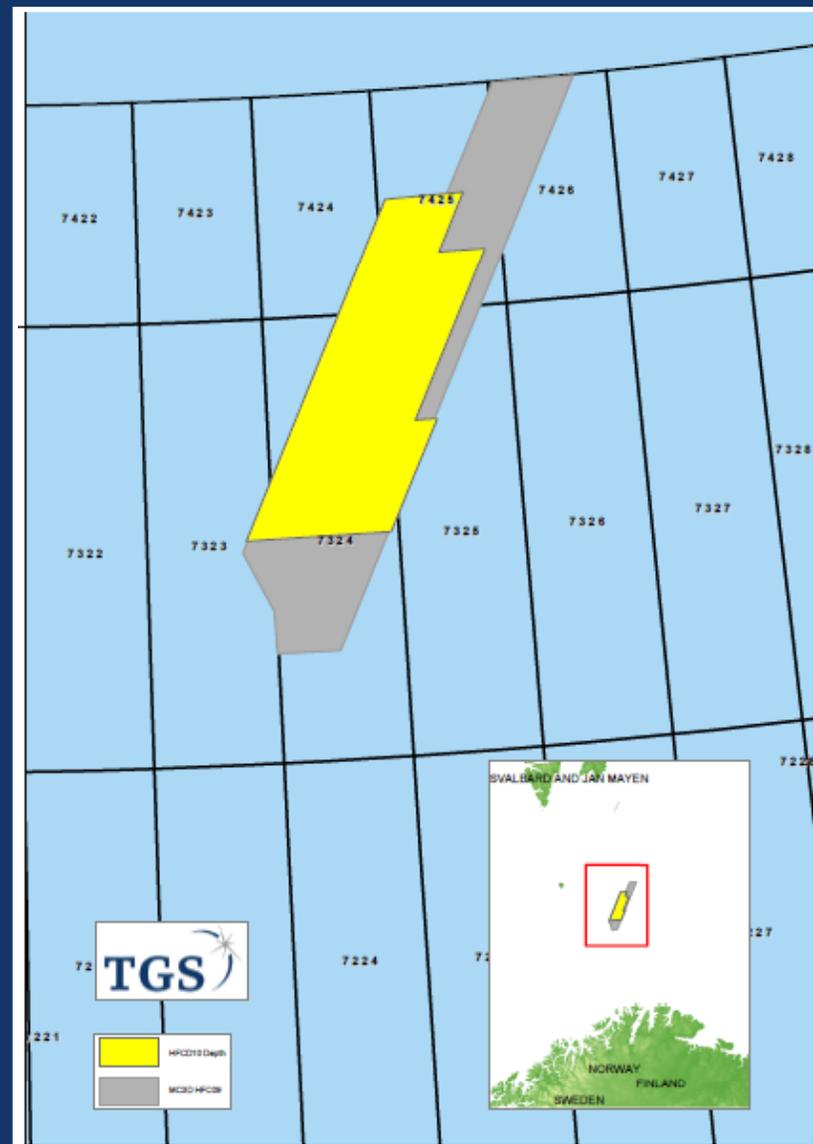
Extensive volume of data available

- Modern long offset data
- Improved imaging of existing data with processing designed for sub-basalt and basalt-related imaging
- Improved velocity analysis with strong tie to geologic models.
- Strong support and pre-funding from industry



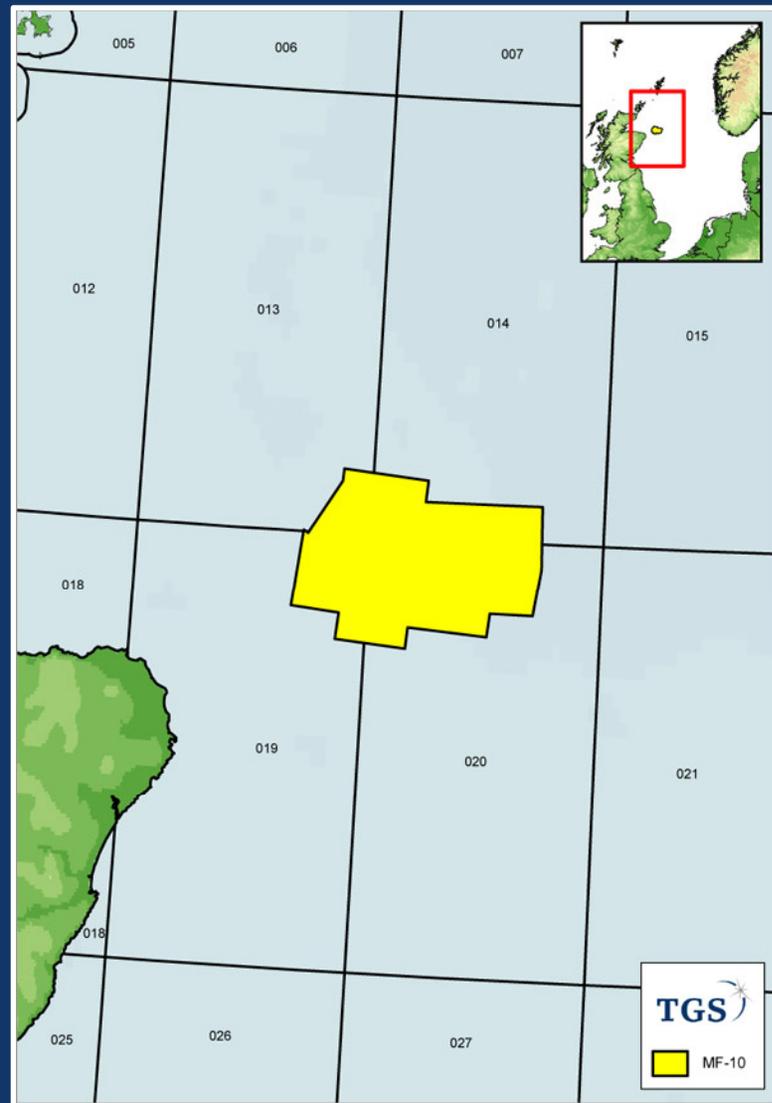
Barents Sea - Depth Imaging

- Hoop Fault Complex MC 3D acquired in 2009 (2,600 km²)
- Three blocks from the 21st round announcement are included in the survey area



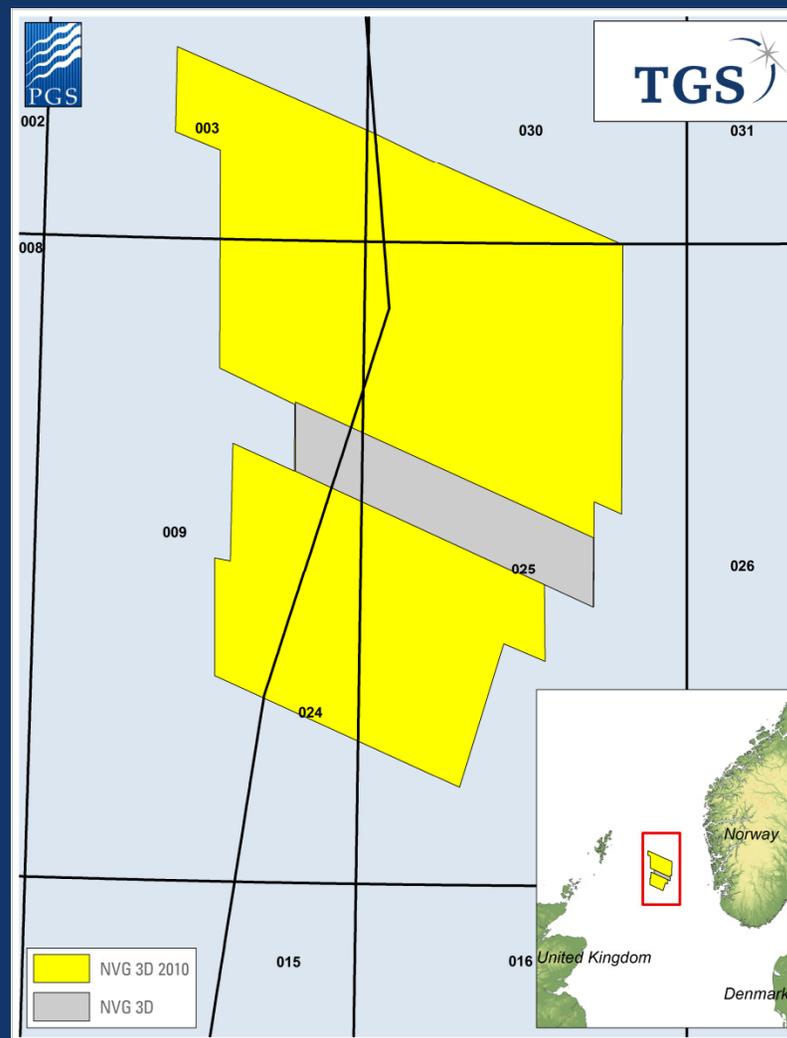
Offshore Scotland – Moray Firth 3D

- High Density 3D
- Project includes both open and held acreage and totals 1,650 km²
- Highly prolific hydrocarbon area with many recent discoveries
 - Golden Eagle
 - Hobby
 - Pink
 - Blackbird



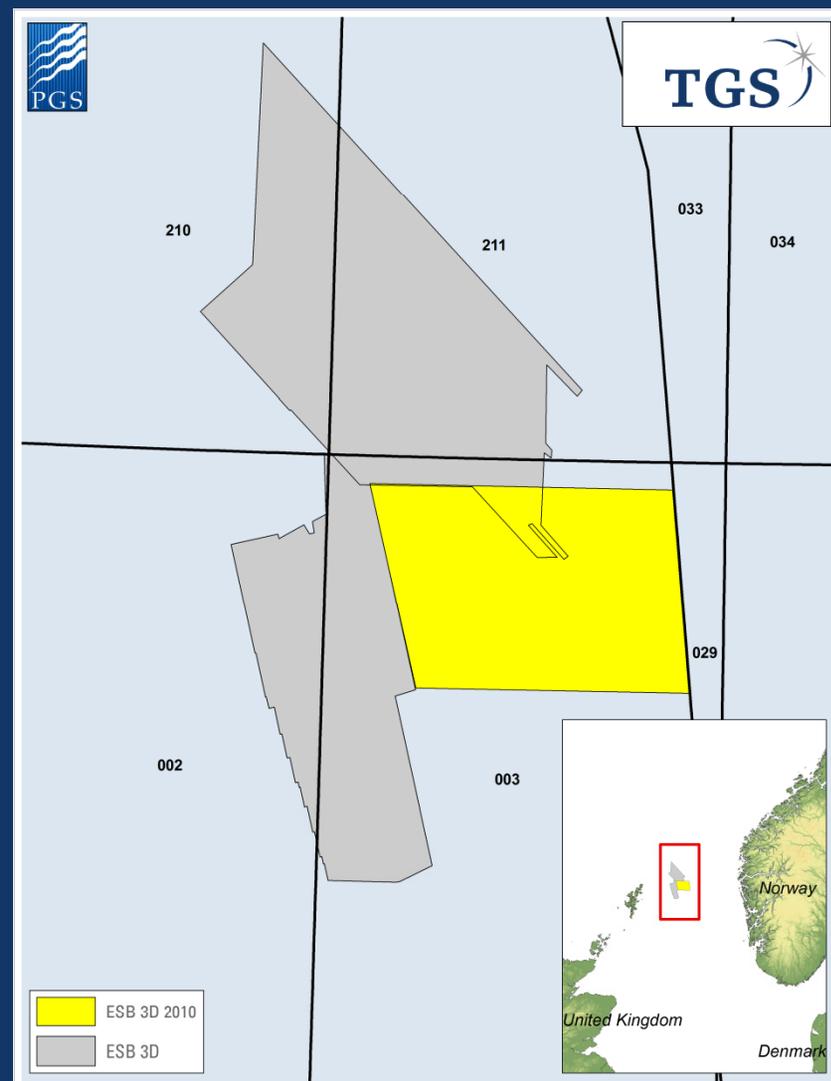
North Viking Graben 2010 MC 3D

- 3,500 km² in 2010 program
- Extension of 2009 program
- Geostreamer Technology over well known prolific areas
- Covers open and held acreage in Norway and UK
- Joint venture project with PGS



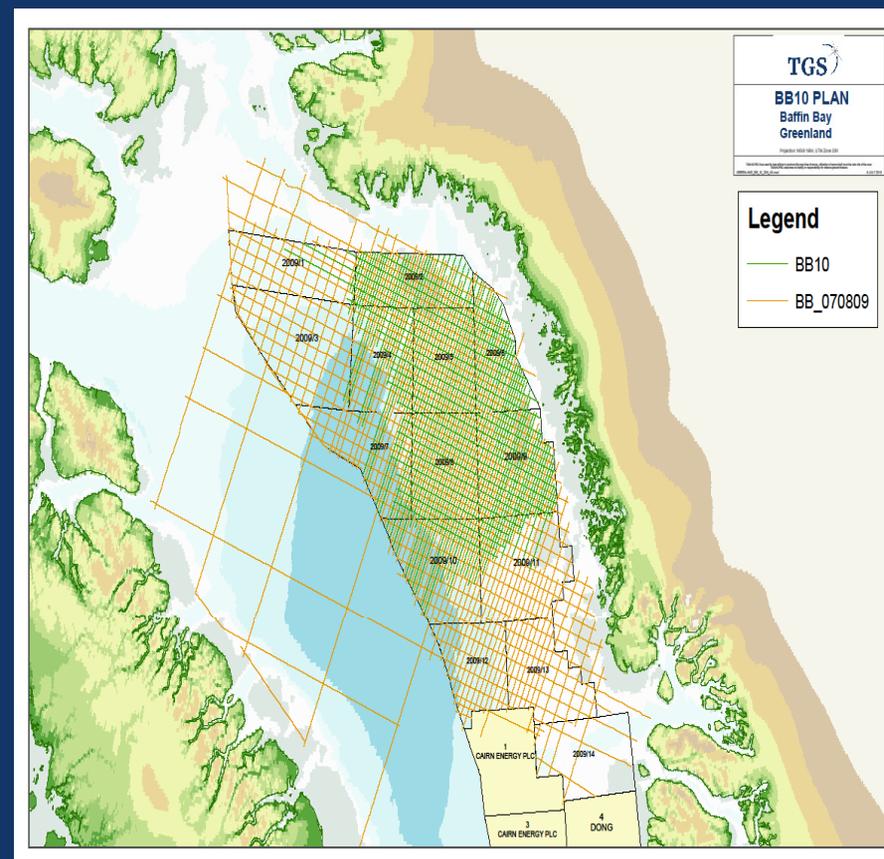
East Shetland Basin 2010 MC 3D

- 1,100 km² coverage in 2010
- Extension of 2000 and 2009 3D campaigns
- High density survey over Lyell, Ninian and Alwyn fields
- Open and held Acreage in UK
- Joint venture project with PGS



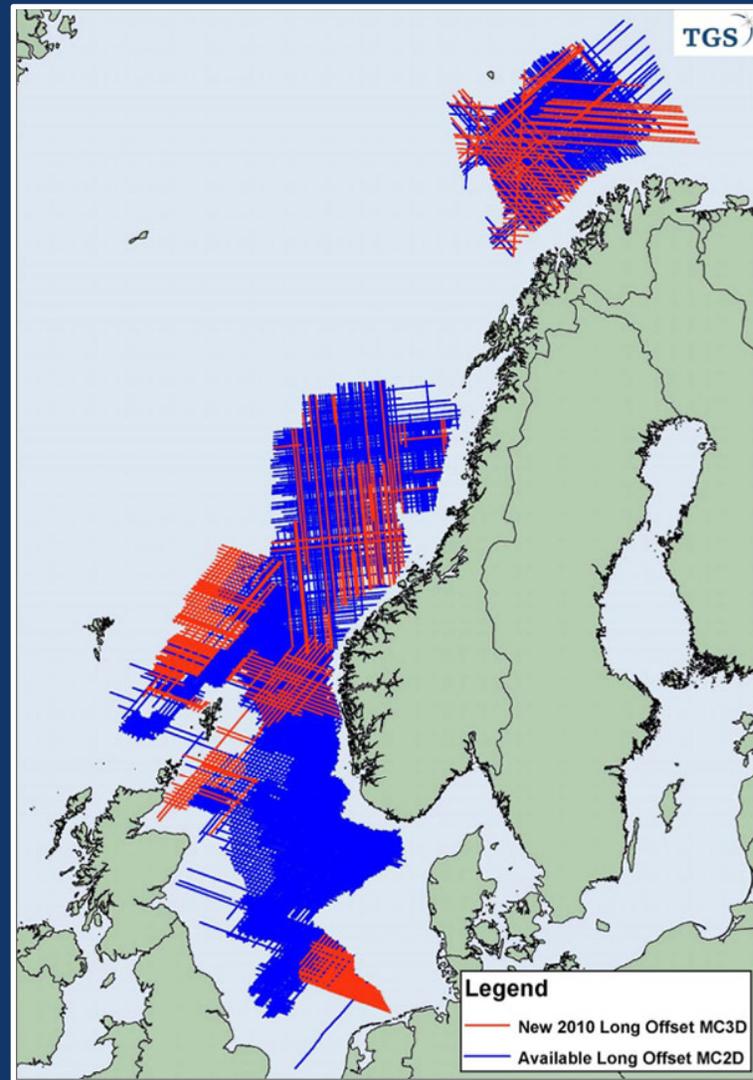
Greenland Baffin Bay 2010 MC 2D

- 15,000 km planned (green)
- Extension of 25,000 km acquired in previous campaigns (brown)
- Available for Baffin Bay Round in progress
- 12 years of MC investment in Greenland



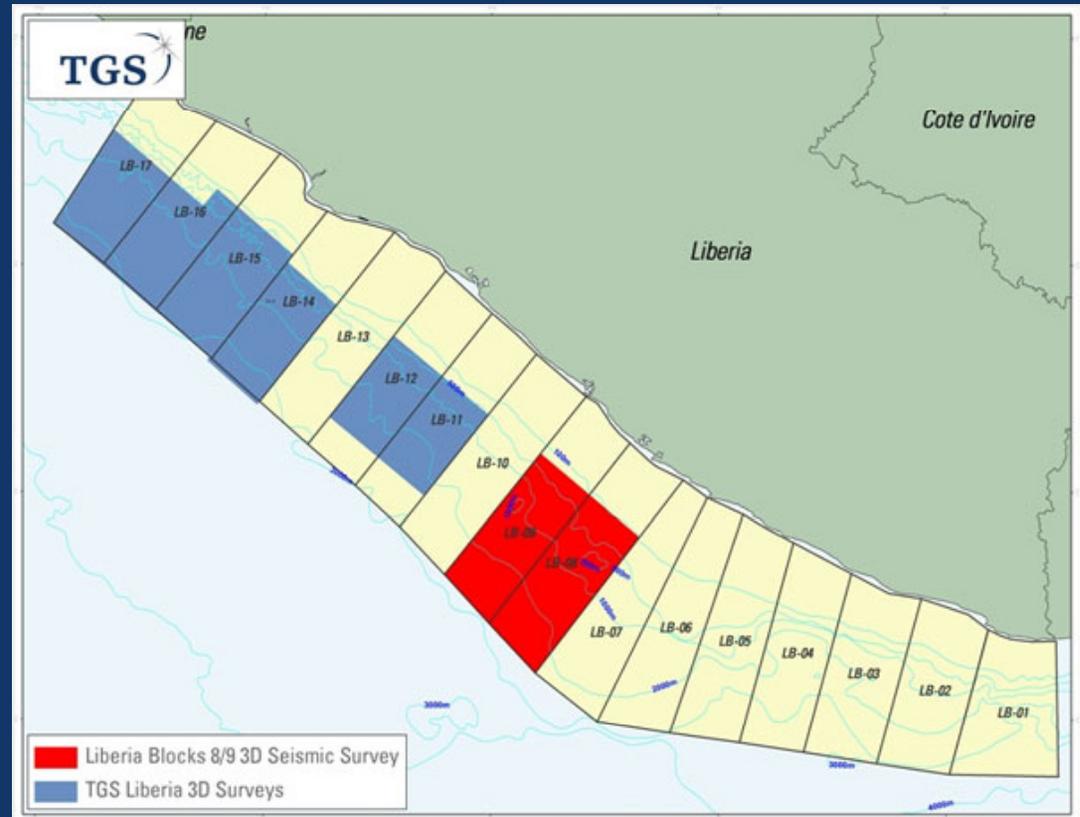
Offshore Norway – 2D Renaissance Long Offset

- Eighth year of Renaissance joint venture with Fugro
- New Data:
 - Barents Sea – 15,000 km
 - Mid Norway – 10,000 km
 - North Sea – 15,000 km
- Vessels:
 - Fugro
 - Akademik Lazarev
 - Geo Arctic
 - TGS
 - Bergen Surveyor
 - Northern Genesis



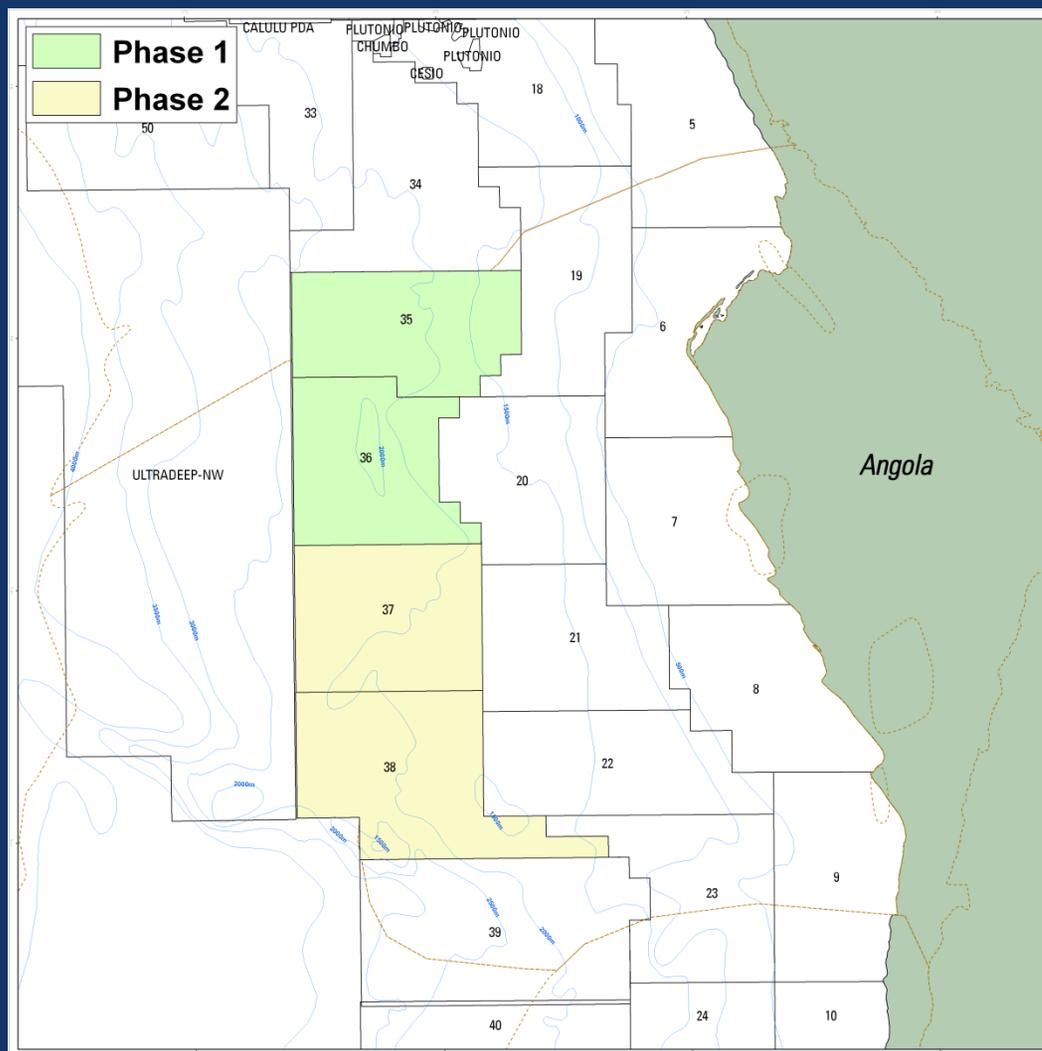
Liberia 3D – Africa Transform Margin

- Completed acquisition of Liberia Blocks 8 & 9
 - 5,000 km²
- Liberia 3D in Library
 - 18,000 km² available
- Recent petroleum discoveries in the Gulf of Guinea and offshore Sierra Leone fueling customer interest



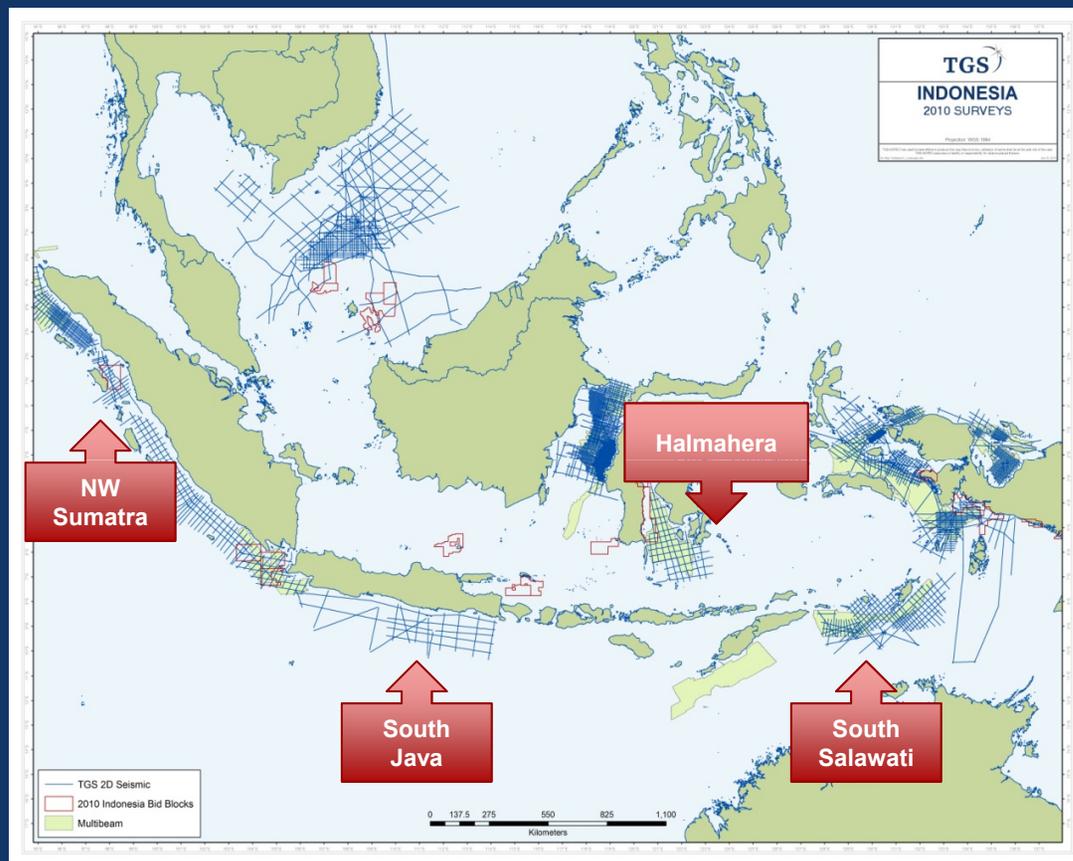
Angola 3D – an Exciting New Play for TGS

- TGS has exclusive right to acquire 3D on blocks 35-38
 - Phase 1 – 12,000 km²
 - Phase 2 – 14,000 km²



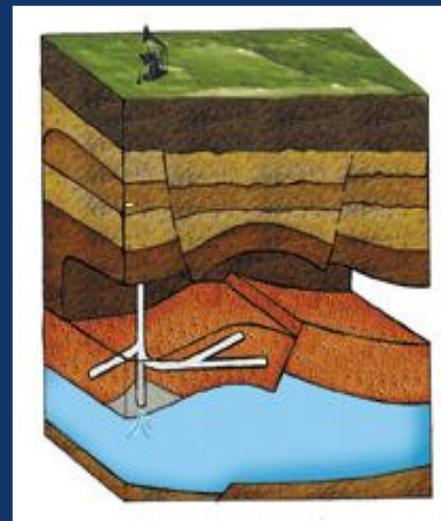
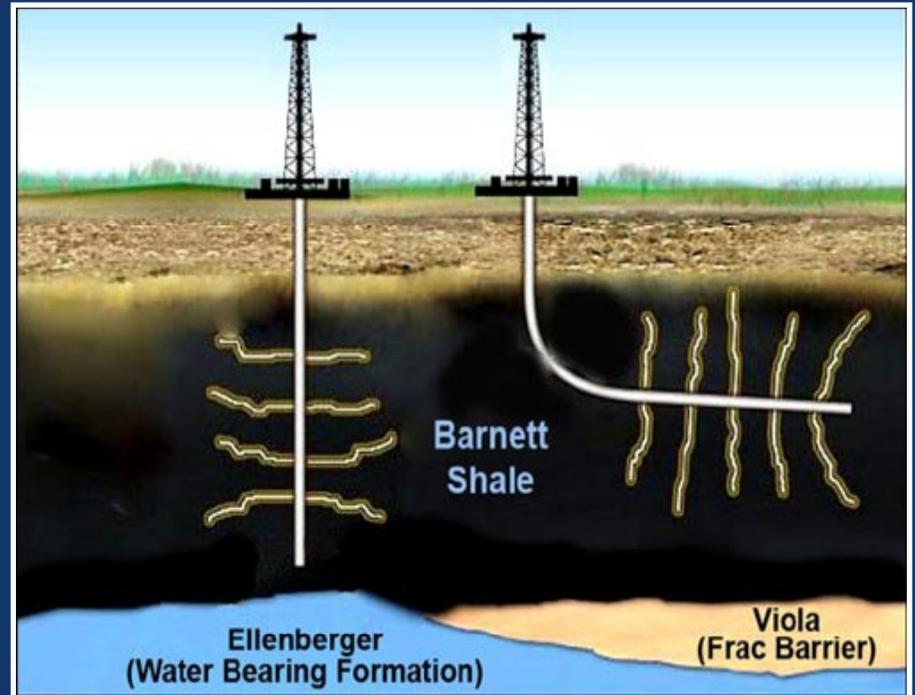
Indonesia 2D – Sundaland Margin

- Multi-client 2D acquisition completed in Q2 totaling 7,300 km
 - S Salawati
 - Halmahera
 - South Java
 - NW Sumatra
- Industry's only multi-client data library across the area
- Indonesia's 1st bidding round announced on May 20, 2010 with Bidding deadline Q4 2010

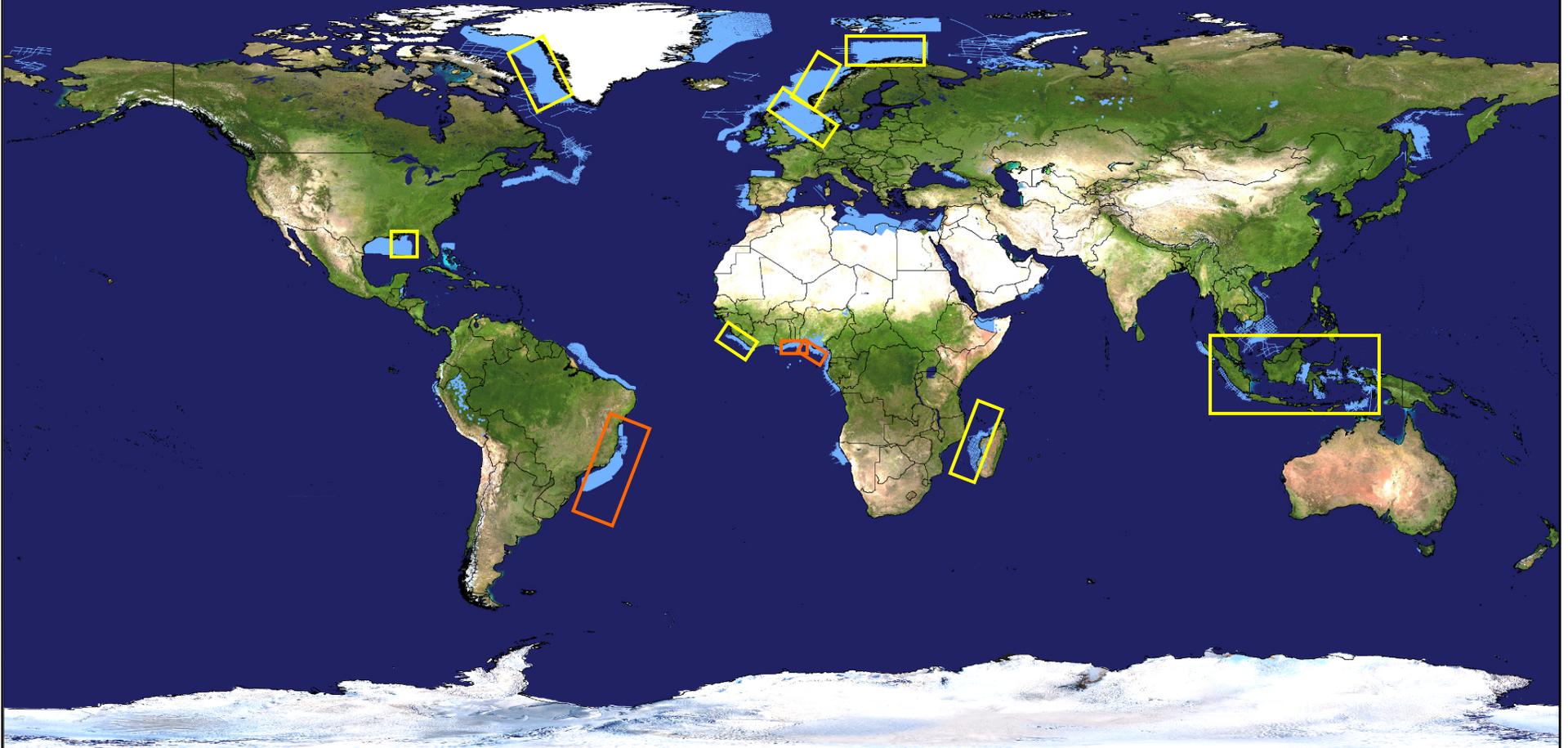


TGS Directional Surveys – A New TGS Product

- In June 2010 TGS purchased the directional survey business from P2 Energy Solutions' Tobin business line
- Directional surveys provide the spatial location of well's path in the subsurface
- Sixty percent of all wells drilled since 2000 have been deviated in North America
- Approximately 38,000 surveys added to the TGS library which now exceeds 80,000 directional surveys



License Round Activity



Expected

Announced

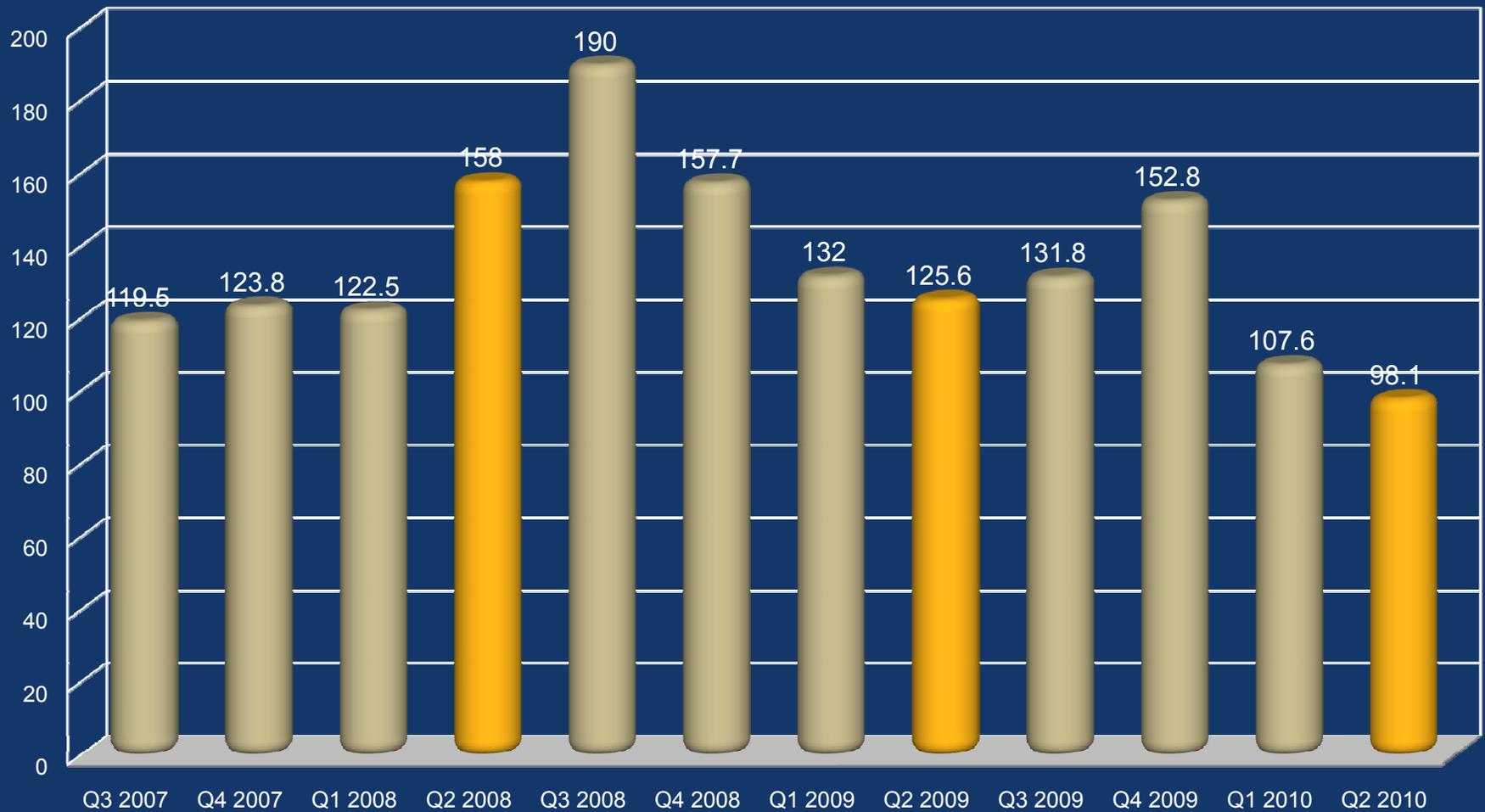
Vessel Commitments

		2010											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
3D capacity	BGP Pioneer	Liberia 3D											
	Polarcus Nadia	Liberia 3D				Europe 3D				Option 2			
	WG Waz crew	Commitment for Justice Waz											
	Fugro Geo-Caribbean									West Africa 3D			
	Ramform Viking							PGS JV ESB 3D					
	PGS Atlantic Explorer					PGS JV North Viking Graben							
	CGG Veritas	option for upto 24 months through Dec 2012											
2D capacity	Northern Genesis	Africa and North Sea 2D					charter terminated						
	Mezen	Asia Pacific 2D											
	Bergen Surveyor	Africa 2D		Europe 2D			Greenland 2D						
	Academik Lazarev					Fugro JV Europe							
	Fugro Geo Arctic					Fugro JV Europe							
		2011											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
3D capacity	Polarcus Nadia	Option 2											
	Fugro Geo-Caribbean	West Africa 3D											
	CGG Veritas	Option for upto 24 months through Dec 2012											
2D capacity		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Outlook



Backlog



Outlook

- Uncertainty regarding the regulatory environment in the US Gulf of Mexico has influenced customer investment patterns. This near-term uncertainty is offset by increased activity in other areas
 - Norway 21st Exploration Round interest
 - Interest in new 3D opportunities in frontier as well as established basins
- Sales mix and revised 2010 revenue forecast in GOM has resulted in higher average amortization for Q2 as well as for the full year
- TGS believes in the long-term GOM deepwater seismic market
- Continued oversupply in the vessel market leaves TGS well positioned to take advantage of expansion opportunities

Expectations for 2010

- Multi-client investments USD 300 – 330 million
- Average pre-funding 50 – 60%
- Average multi-client amortization rate 42 – 48%
- Net revenues USD 550 – 600 million
- Contract revenues of approximately 5% of total revenues

TGS Performs in all Cycles

Profit Margin (EBIT) versus Peer Group

