



Presentation of the 2nd Quarter 2009 Results

August 6th 2009

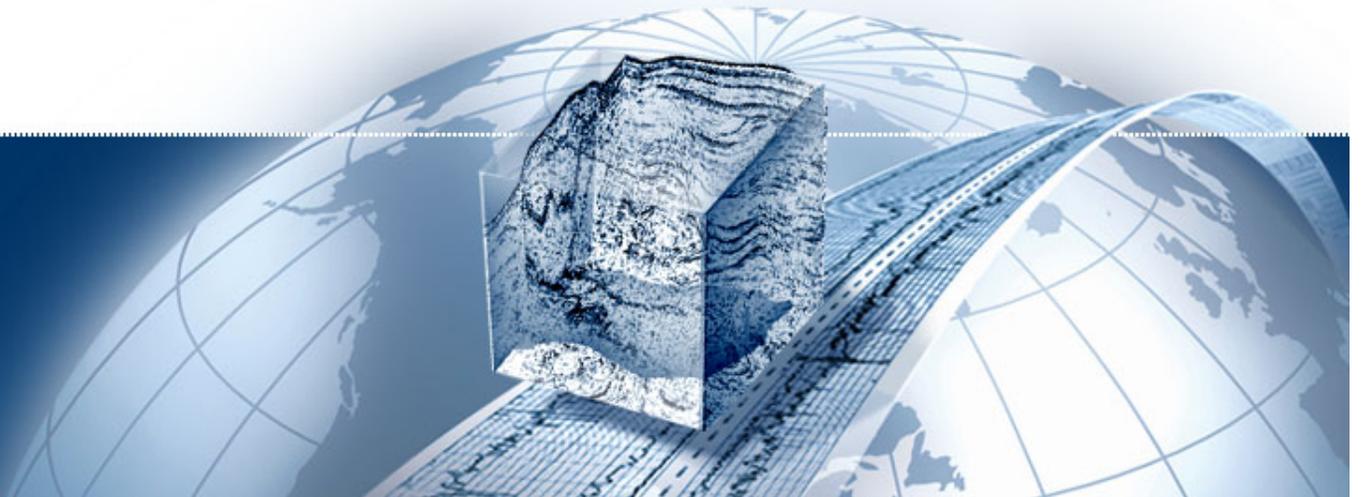
A webcast of this presentation is available at www.tgsnopec.com

Arne Helland
Chief Financial Officer

Robert Hobbs
Chief Executive Officer



TGS-NOPEC Geophysical Company



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 principle 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 2009 Financial Highlights

- **Gross Sales volume up 4% compared to Q2 2008**
- **Net Late Sales 84.5 MUSD, up 6% from Q2 2008**
- **Net prefunding 33.8 MUSD, down 18% from Q2 2008 covering 43% of operational Investments (77.7 MUSD, down 13% from Q2 2008.)**
- **Proprietary Revenues down 55% to 5.9 MUSD from 13.0 in Q2 2008 due to no seismic proprietary acquisition activity**
- **Net Revenues 124.1 MUSD, 7% below Q2 2008**
- **MC Amortization rate 39% vs. 33% in Q2 2008**
- **Operating profit (EBIT) USD 54.3 million (44% of Net Revenues), down 18% from USD 66.6 million in Q2 2008.**
- **Cash flow from operations before investments USD 44.5 million**
 - vs USD 27.7 million in Q2 2008

Q2 2009 PROFIT & LOSS (MUSD)

| | Q2 2009 | Q2 2008 | Change | % |
|-------------------------------|--------------|---------|--------|-------|
| Net Operating Revenues | 124.1 | 134.1 | (9.9) | -7% |
| Materials | 1.0 | 4.1 | (3.1) | -75% |
| MC Amortization | 46.5 | 40.2 | 6.4 | 16% |
| Gross Margin | 76.6 | 89.8 | (13.2) | -15% |
| Other Operating Expenses | 18.9 | 19.5 | (0.6) | -3% |
| Cost of Stock Options | 0.7 | 0.6 | 0.0 | 7% |
| Depreciation | 2.7 | 3.1 | (0.4) | -12% |
| Operating Profit | 54.3 | 66.6 | (12.3) | -18% |
| Net Financial Items | 3.2 | (6.1) | 9.3 | -152% |
| Pre-tax Profit | 57.5 | 60.5 | (3.0) | -5% |
| Taxes | 17.2 | 22.8 | (5.6) | -25% |
| Net Income | 40.3 | 37.6 | 2.6 | 7% |
| EPS, undiluted | 0.39 | 0.36 | 0.03 | 8% |
| EPS, fully diluted | 0.39 | 0.36 | 0.03 | 9% |

Q2 2009 CASH FLOW

| | Q2 2009 | Q2 2008 |
|------------------------------------|---------------|---------------|
| Payments from Sales Received | 76.7 | 85.5 |
| Operational Costs Paid | (14.9) | (28.4) |
| Gain/(Loss) from Currency Exchange | 1.8 | (1.3) |
| Taxes Paid | (19.1) | (28.2) |
| Operational Cash Flow | 44.5 | 27.7 |
| Investments in Fixed Assets | (0.2) | (0.8) |
| Investments in Multi-Client | (52.4) | (89.2) |
| Other items | (35.7) | 24.4 |
| Net Change in Cash | (43.8) | (37.9) |

6M 2009 Financial Highlights

- **Net Revenues 194.9 MUSD, down 19% from 6M 2008**
 - Net Late Sales 114.4 MUSD, down 16% from last year
 - Net Pre-funding revenues 68.2 MUSD, down 3% from last year
 - Proprietary and Other revenue 12.3 MUSD, down 62% from last year
- **Operational Investments 141.3 MUSD, 48% pre-funded**
 - vs. 150.2 MUSD in 2008, 47% pre-funded
- **MC Amortization rate 43% vs. 32% 6M 2008**
- **Reported EBIT Margin 74.1 MUSD, 38% of Net Revenues**
- **Cash flow from operations before investments 140.4 MUSD**
 - vs. 179.3 MUSD 6M 2008
- **All interest-bearing debt repaid in full on May 5th.**
- **Equity is 74% of total assets**

6M 2009 PROFIT & LOSS (MUSD)

| | | 6M 2009 | 6M 2008 | Change | % |
|-------------------------------|-----|--------------|---------|--------|-------|
| Net Operating Revenues | | 194.9 | 239.3 | (44.4) | -19% |
| Materials | | 1.4 | 13.7 | (12.3) | -90% |
| MC Amortization | 43% | 79.1 | 67.2 | 11.9 | 18% |
| Gross Margin | | 114.4 | 158.4 | (44.0) | -28% |
| Other Operating Expenses | | 34.0 | 38.6 | (4.5) | -12% |
| Cost of Stock Options | | 1.4 | 1.4 | 0.0 | 2% |
| Depreciation | | 4.9 | 5.3 | (0.4) | -7% |
| Operating Profit | 38% | 74.1 | 113.2 | (39.1) | -35% |
| Net Financial Items | | 4.4 | (9.7) | 14.1 | -145% |
| Pre-tax Profit | 40% | 78.5 | 103.5 | (24.9) | -24% |
| Taxes | | 25.1 | 36.8 | (11.7) | -32% |
| Net Income | 27% | 53.4 | 66.6 | (13.2) | -20% |
| EPS, undiluted | | 0.52 | 0.64 | (0.12) | -19% |
| EPS, fully diluted | | 0.52 | 0.63 | (0.11) | -18% |

6M 2009 CASH FLOW

| | 6M 2009 | 6M 2008 |
|------------------------------------|--------------|--------------|
| Payments from Sales Received | 206.8 | 283.6 |
| Operational Costs Paid | (35.8) | (53.8) |
| Gain/(Loss) from Currency Exchange | 1.2 | (5.0) |
| Taxes Paid | (31.8) | (45.4) |
| Operational Cash Flow | 140.4 | 179.3 |
| Investments in Fixed Assets | (1.8) | (2.8) |
| Investments in Multi-Client | (101.0) | (163.1) |
| Other items | (1.2) | 13.8 |
| Net Change in Cash | 36.4 | 27.2 |

Balance Sheet – Key Figures

| | 6/30/2009 | % | 3/31/2009 | % | 12/31/2008 | % |
|------------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Assets | | | | | | |
| Cash | 184.7 | 19% | 228.6 | 25% | 148.3 | 16% |
| Investments Available for Sale | 40.7 | 4% | 46.5 | 5% | 51.1 | 5% |
| Other Current Assets | 241.2 | 25% | 163.7 | 18% | 298.1 | 31% |
| Total Current Assets | 466.7 | 48% | 438.9 | 48% | 497.5 | 52% |
| Intangible Assets & LT Receivables | 90.9 | 9% | 95.1 | 10% | 99.1 | 10% |
| MC Library | 397.2 | 41% | 366.0 | 40% | 335.0 | 35% |
| Fixed Assets | 18.0 | 2% | 19.7 | 2% | 22.7 | 2% |
| Total Assets | 972.8 | 100% | 919.6 | 100% | 954.3 | 100% |
| Liabilities | | | | | | |
| Short-term debt | - | 0% | 44.9 | 5% | 42.9 | 4% |
| Current Liabilities | 199.6 | 21% | 143.1 | 16% | 194.7 | 20% |
| Long-term loans | 0.0 | 0% | 0.0 | 0% | 0.0 | 0% |
| Deferred Tax Liability | 54.1 | 6% | 56.1 | 6% | 55.7 | 6% |
| Equity | 719.1 | 74% | 675.5 | 73% | 661.1 | 69% |

Multi-Client Library



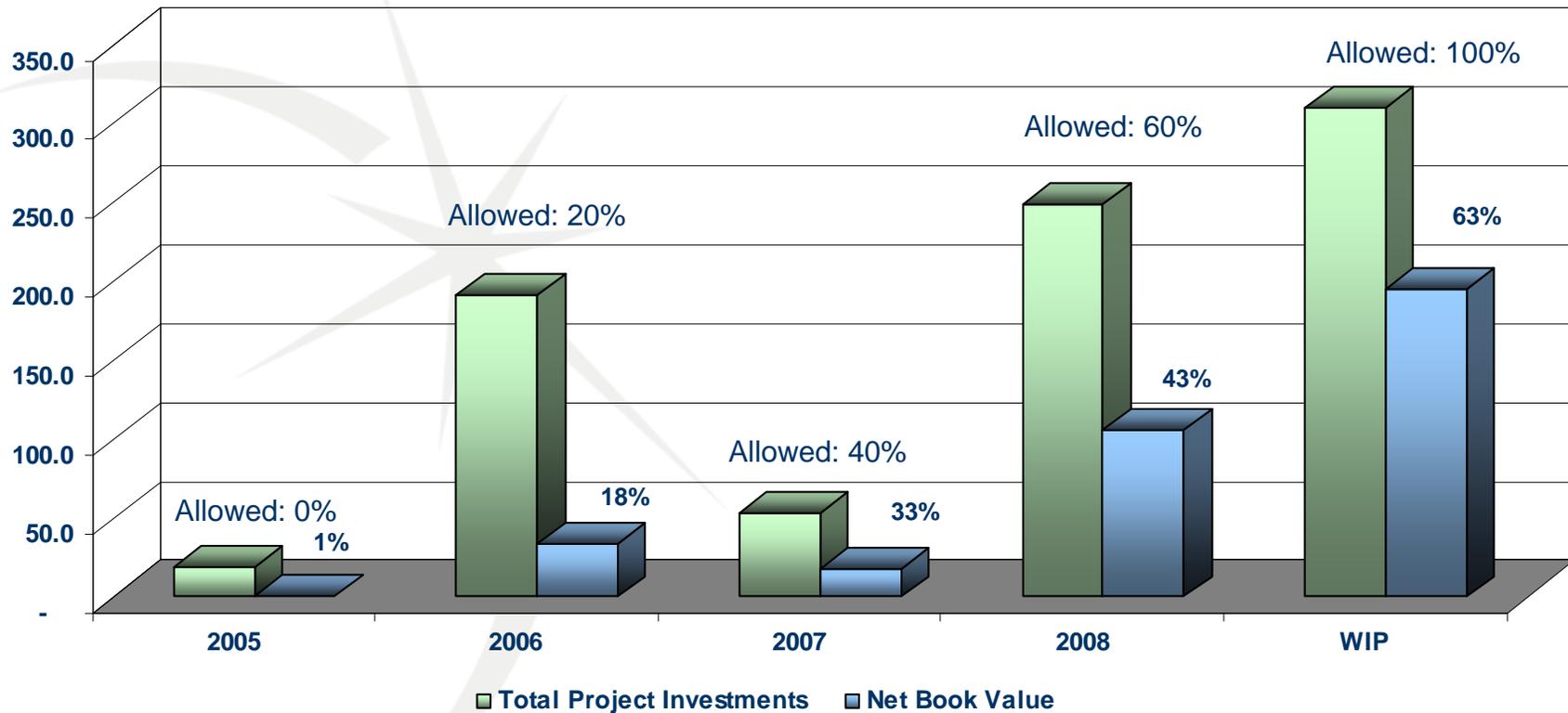
MCS Accounting – Matching Principle

- **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

Multi-Client Library NBV in % of Investment

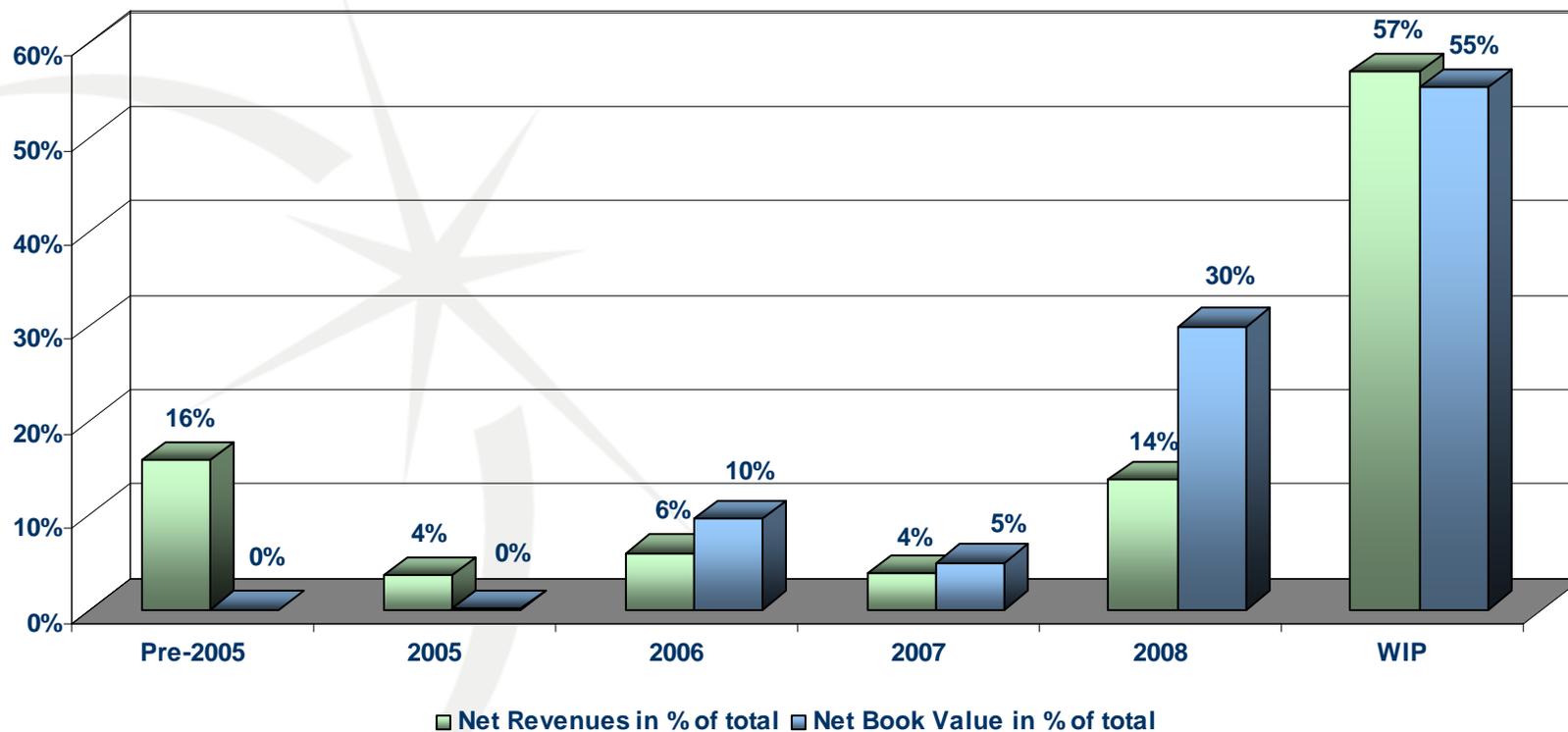
Seismic Surveys as of June 30th 2009

Net Book Value per Vintage vs allowed NBV at end of 2009.



Q2 2009 Multi-Client Net Revenues & Ending NBV

- Seismic Surveys

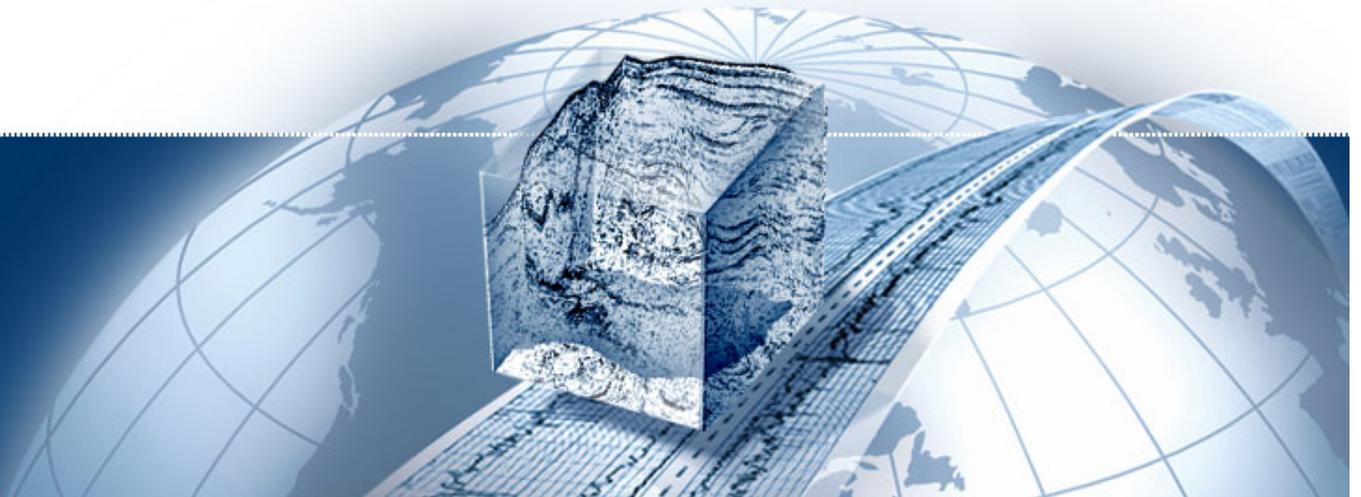


Operations & Outlook

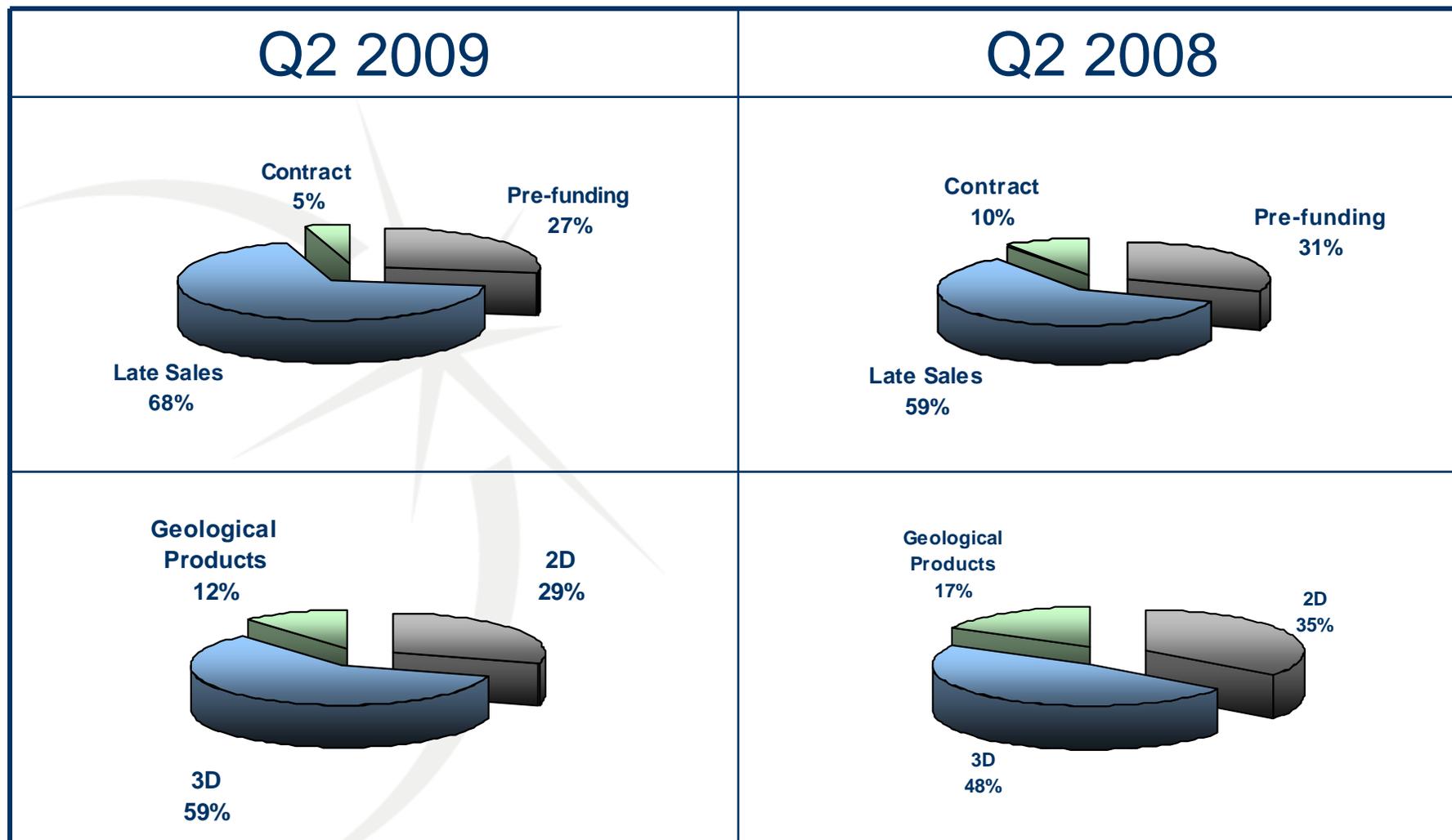
Robert Hobbs
Chief Executive Officer



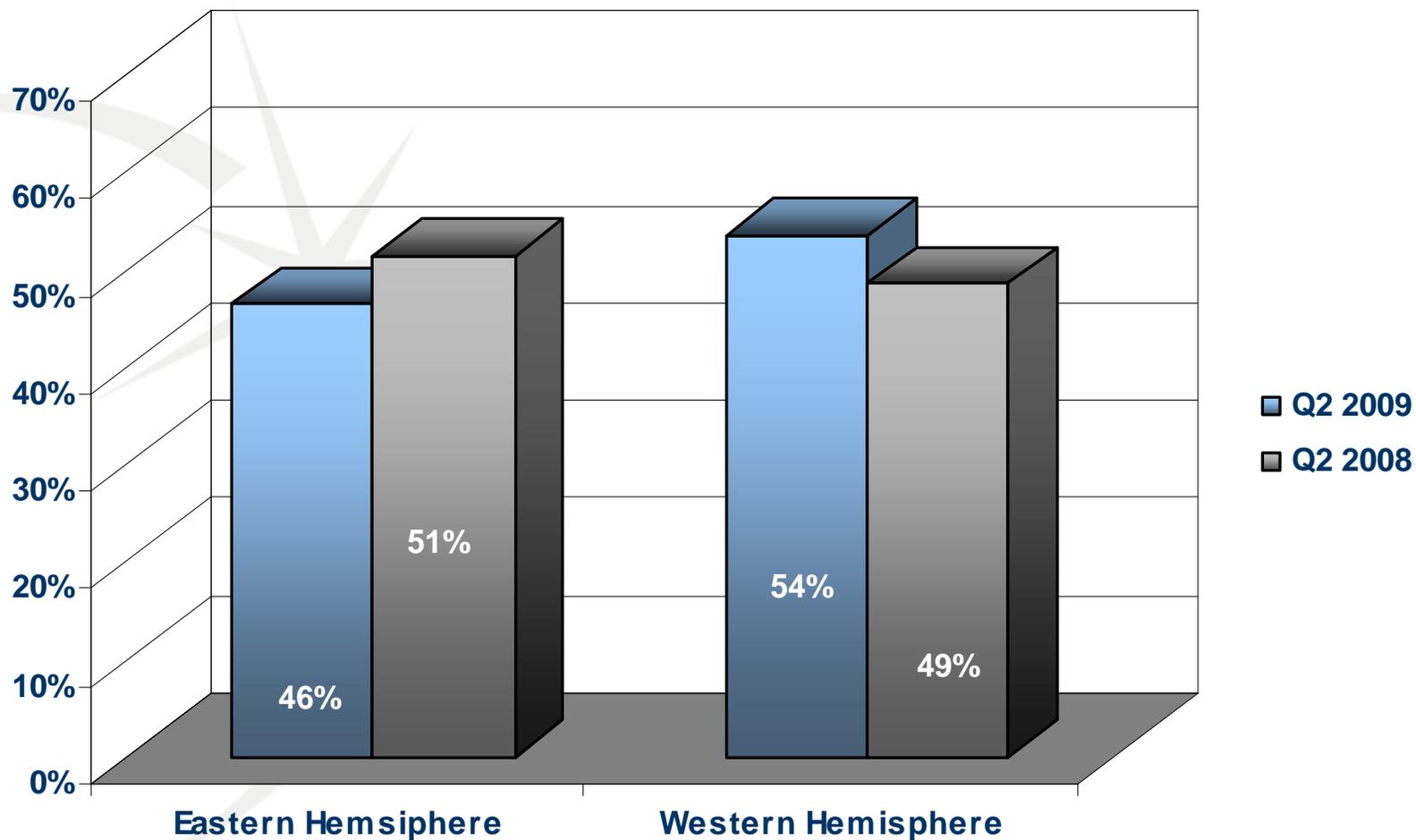
TGS-NOPEC Geophysical Company



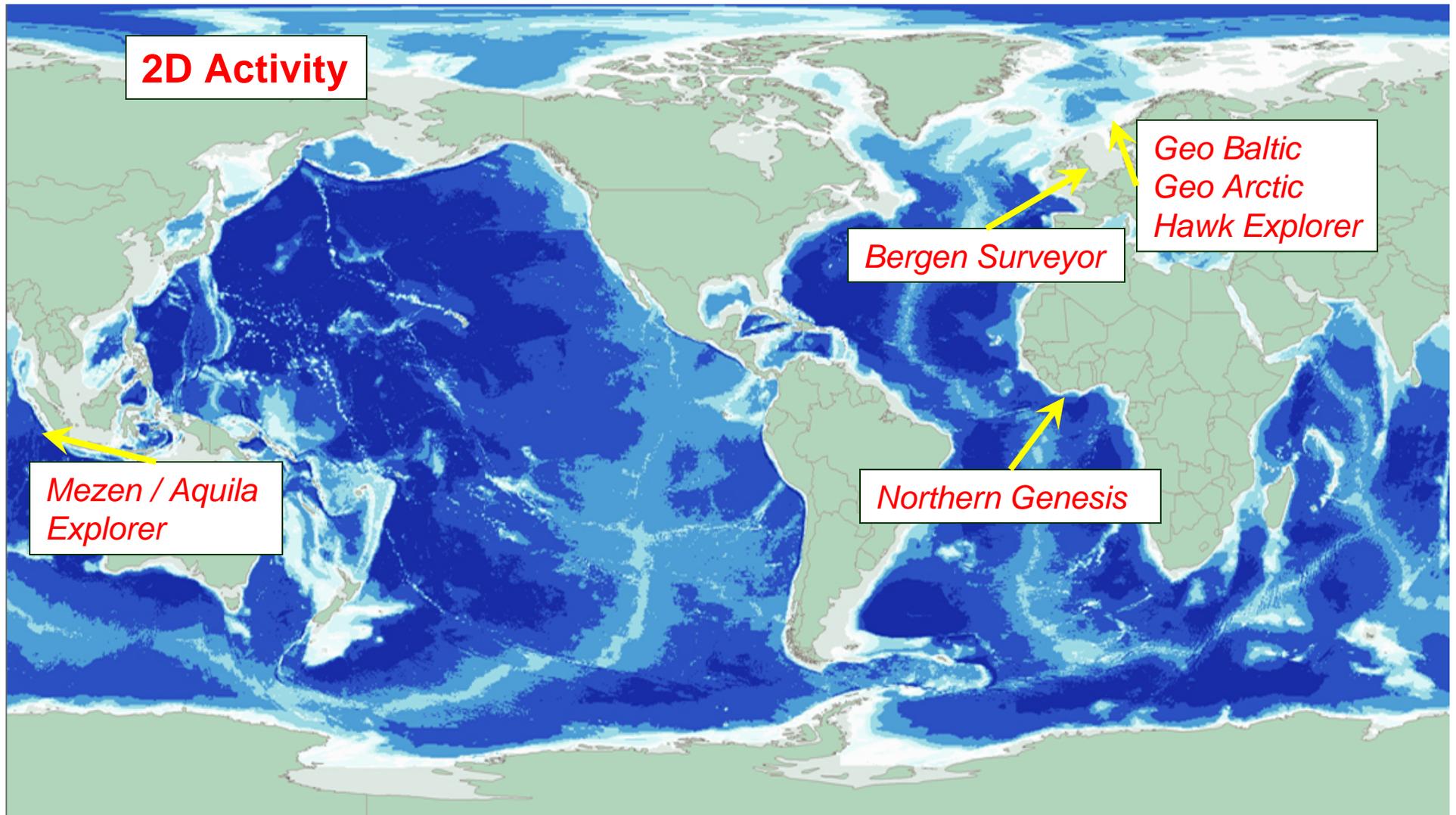
Q2 2009 vs. Q2 2008 Net Revenue Breakdown



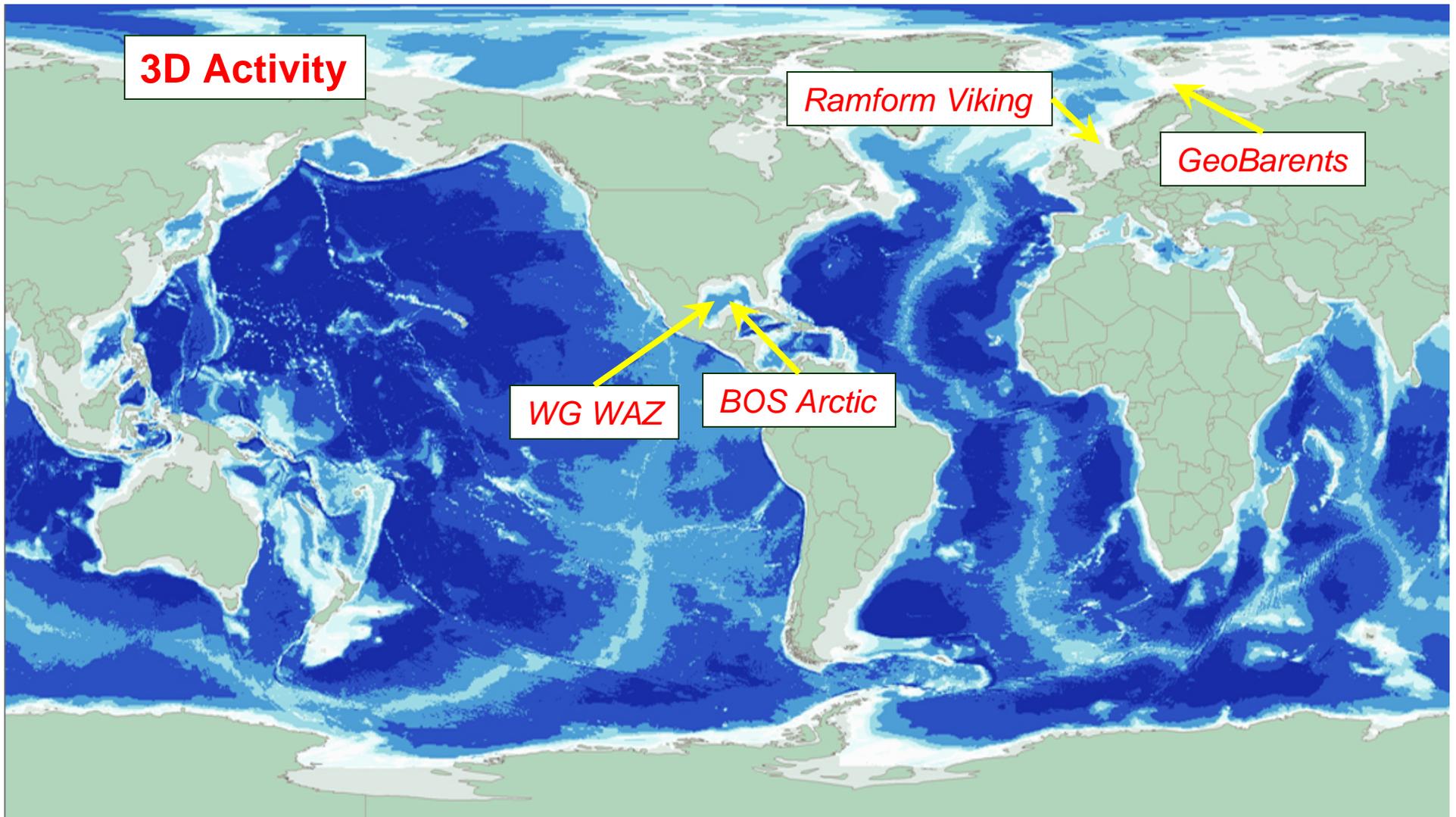
Q2 2009 vs Q2 2008 Geographical Net Revenue Breakdown



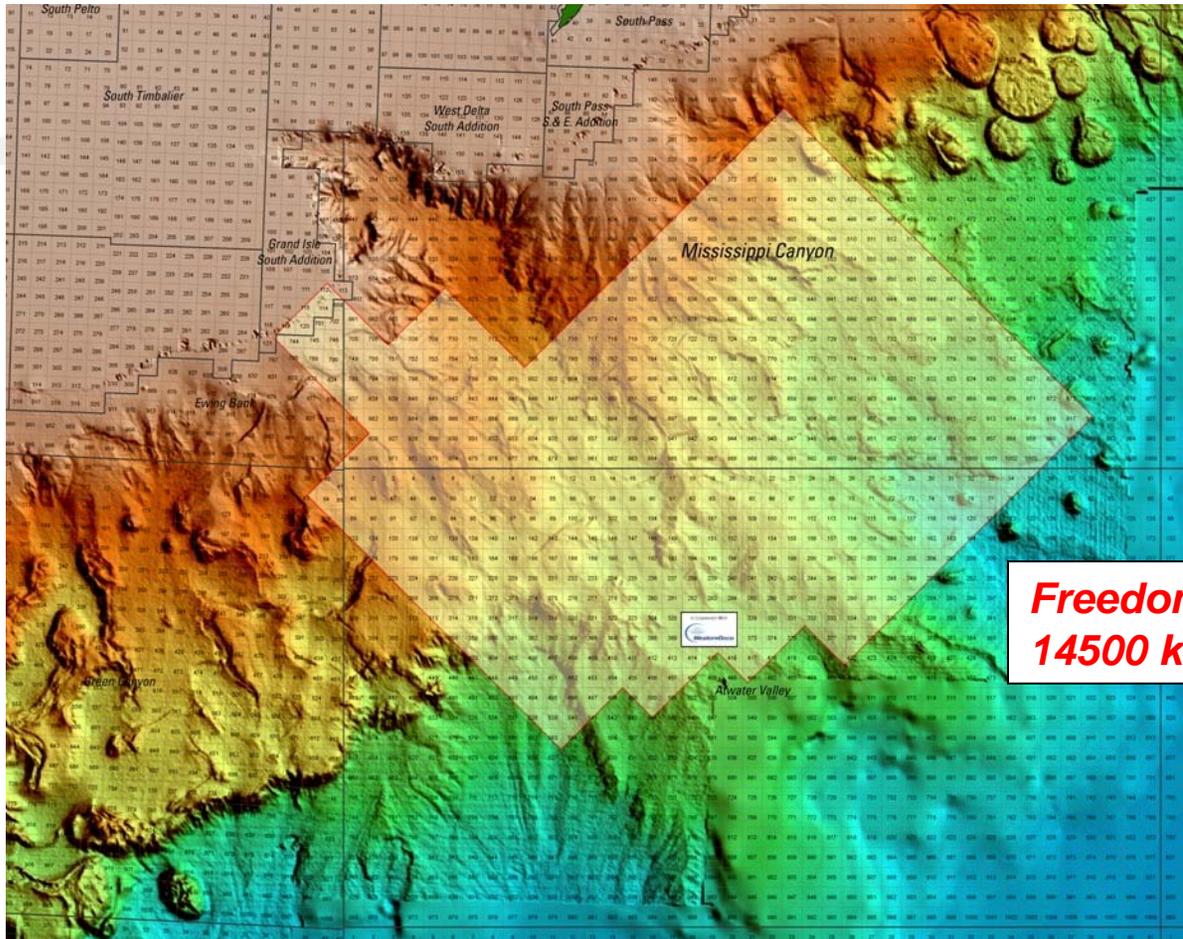
Q2 Operational Review



Q2 Operational Review



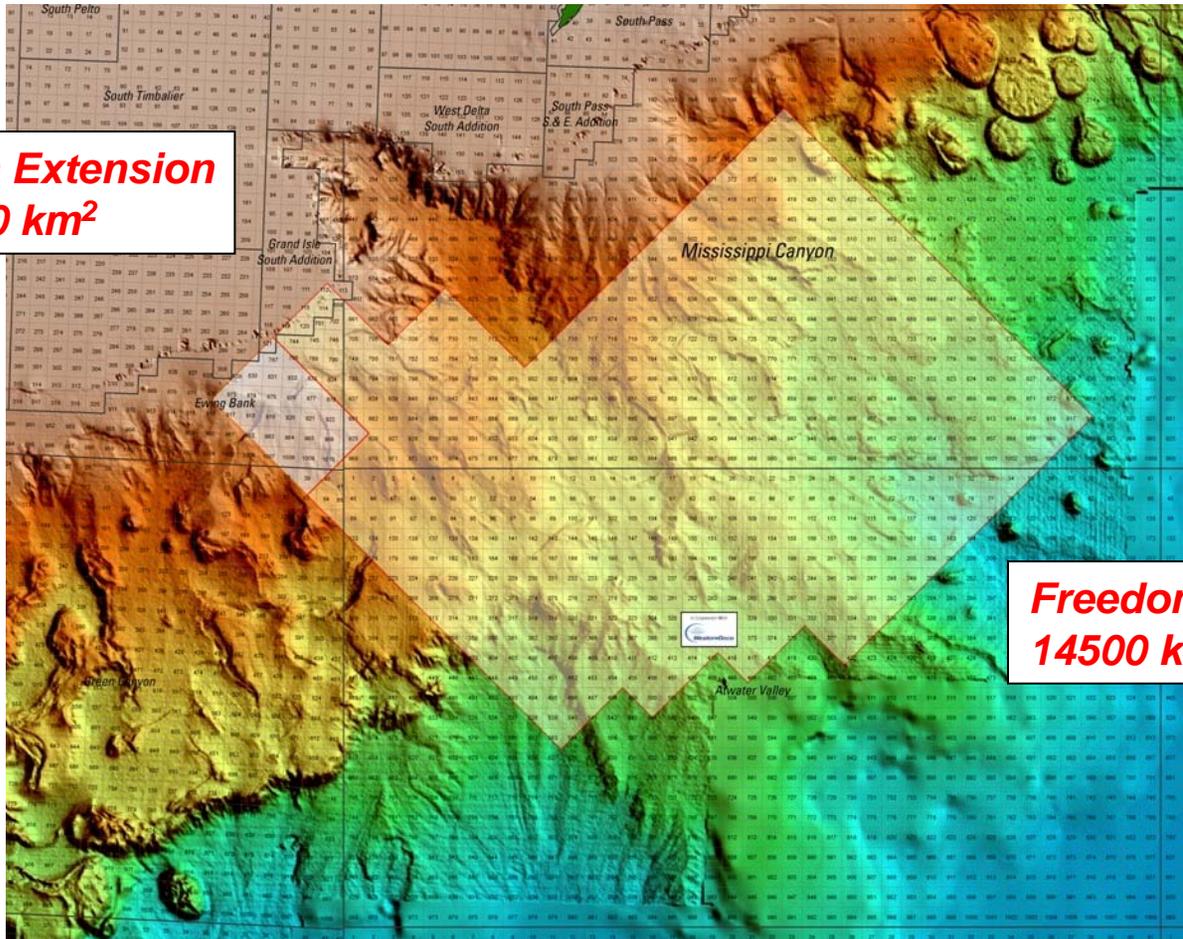
GOM WAZ Programs



Freedom
14500 km²

GOM WAZ Programs

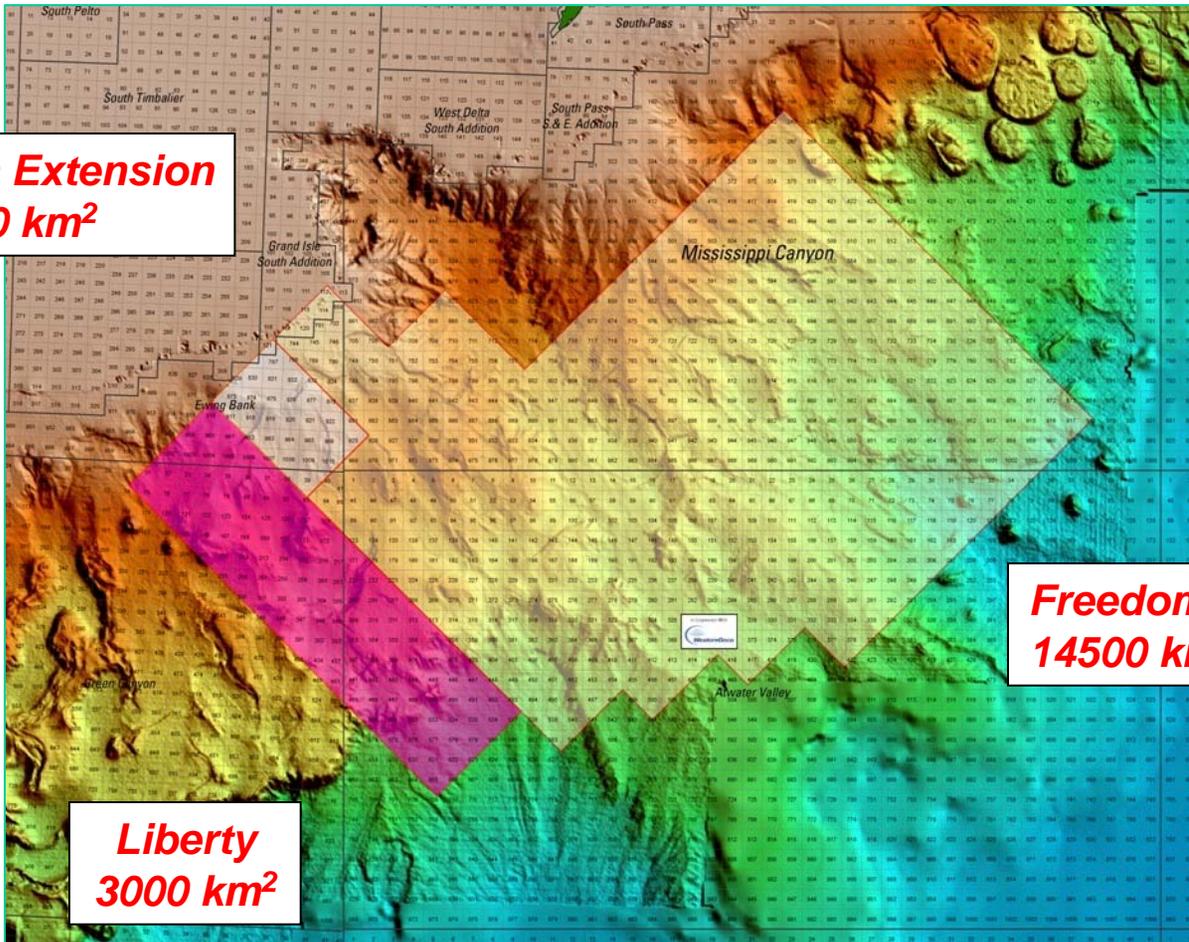
Freedom Extension
700 km²



Freedom
14500 km²

GOM WAZ Programs

Freedom Extension
700 km²



Freedom
14500 km²

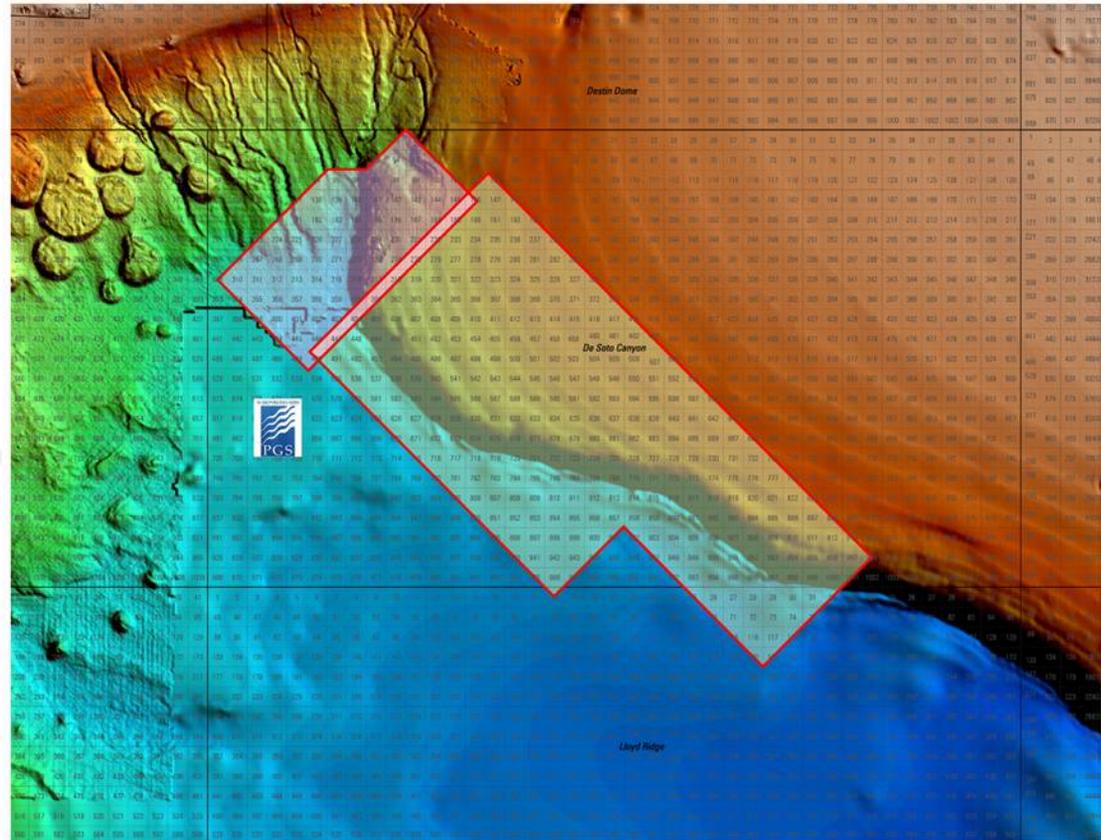
Liberty
3000 km²

Western Hemisphere

North America

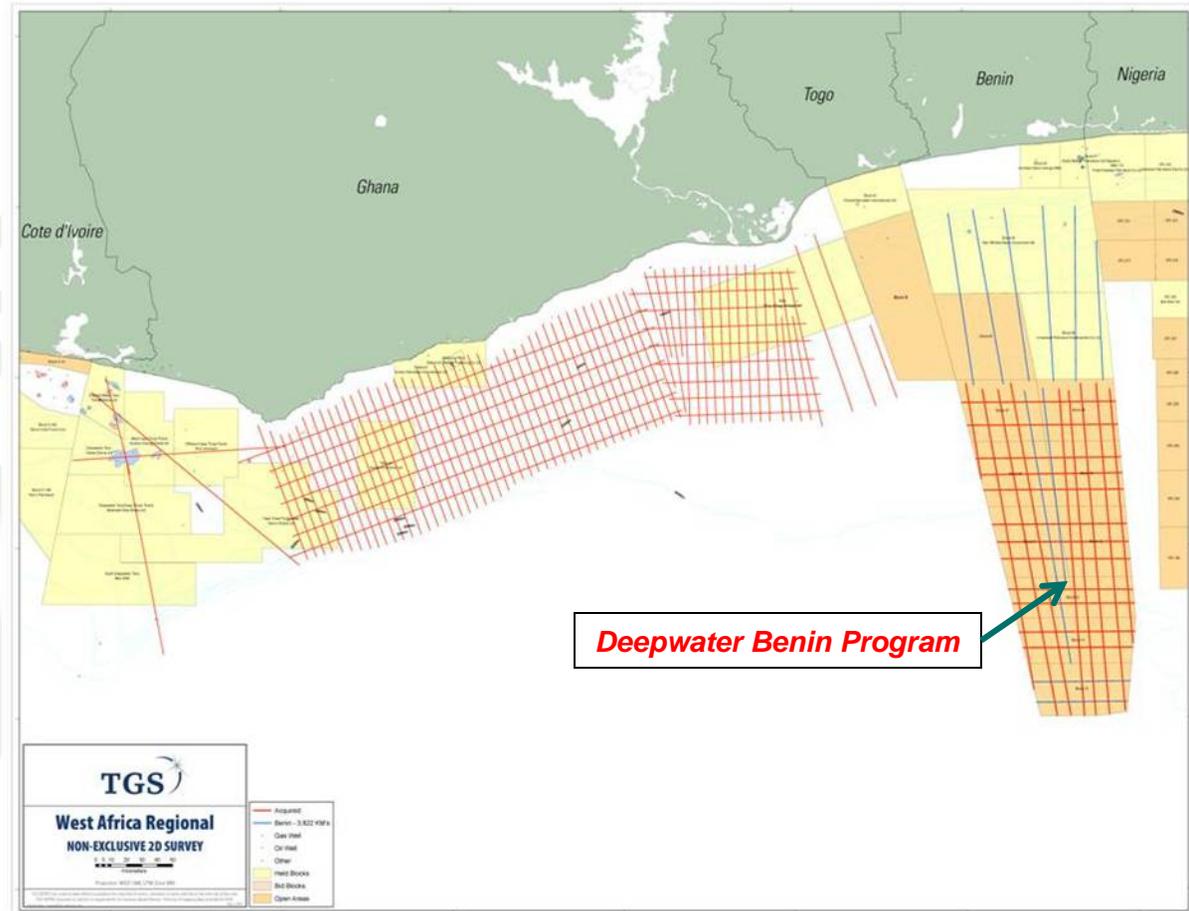
● Hernando 3D Phase 1

- Survey combination agreement with PGS
 - Expanded original 300 block survey to 365 OCS blocks (8500 km²)
 - Costs and revenue on late sales split between parties based on proportional investment



Eastern Hemisphere

- **W. Africa Regional 2D Survey**
 - Well-tie to significant recent discoveries in western Ghana
 - 9,928 km completed in Ghana
 - 3,500 km deepwater Benin project completed
 - Both programs image open blocks with significant exploration potential



Eastern Hemisphere

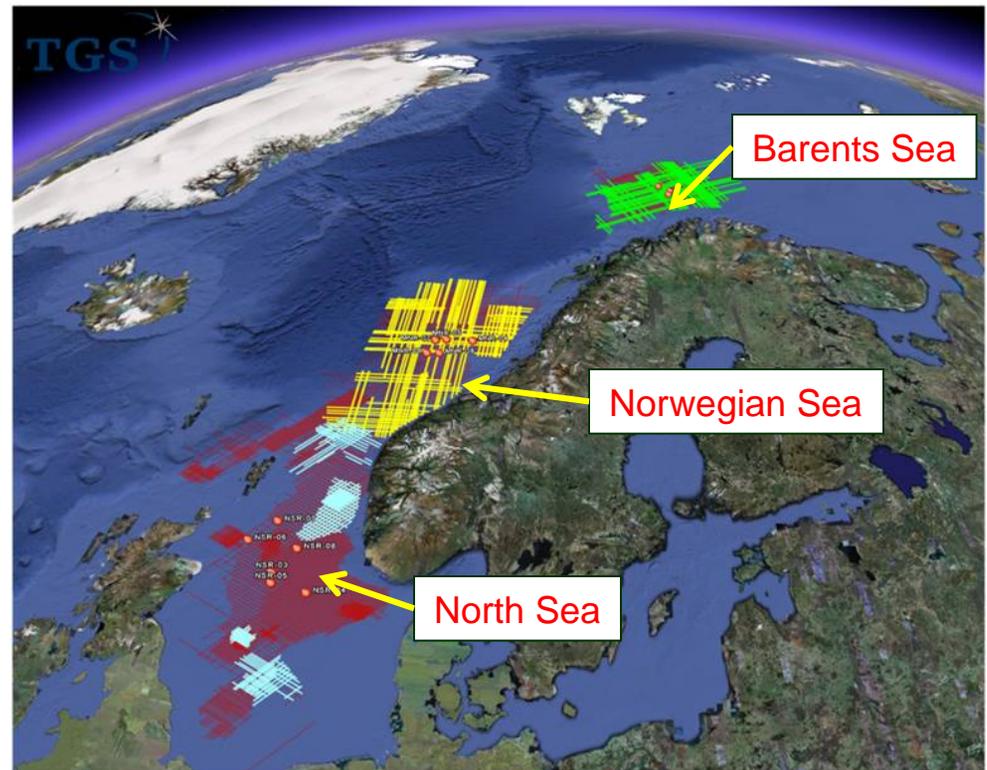


Northwestern Sumatra Seismic Program

- 5600 km of MC 2D
- Extended 1800 km of regional coverage into S. Java
- Acquisition complete early Q3

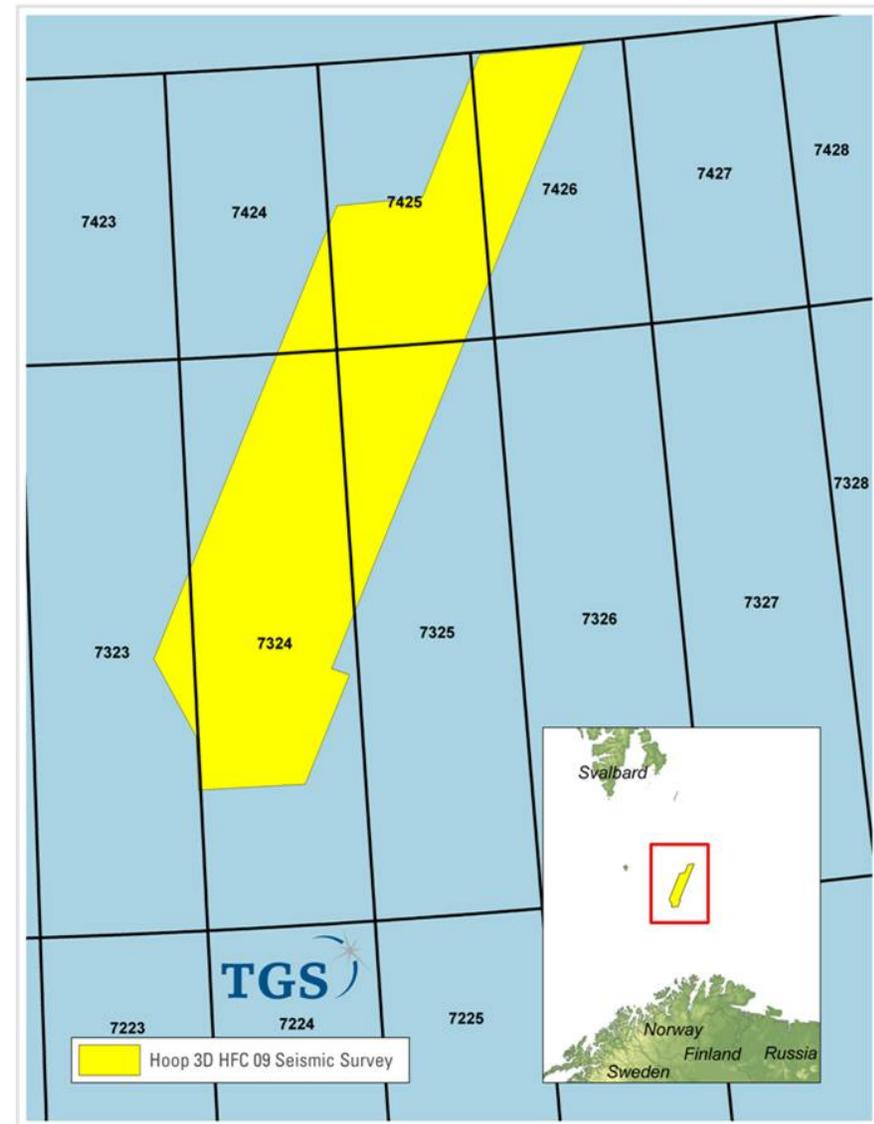
2009 Renaissance Season

- Continuation of three multi-year 2D projects
- Total of 40,000 km of 2D to be acquired during the 2009 season
- 2009 season will take total database to 180,000 km
- Surveys are conducted in partnership with Fugro using vessel assets from both companies



Hoop 3D

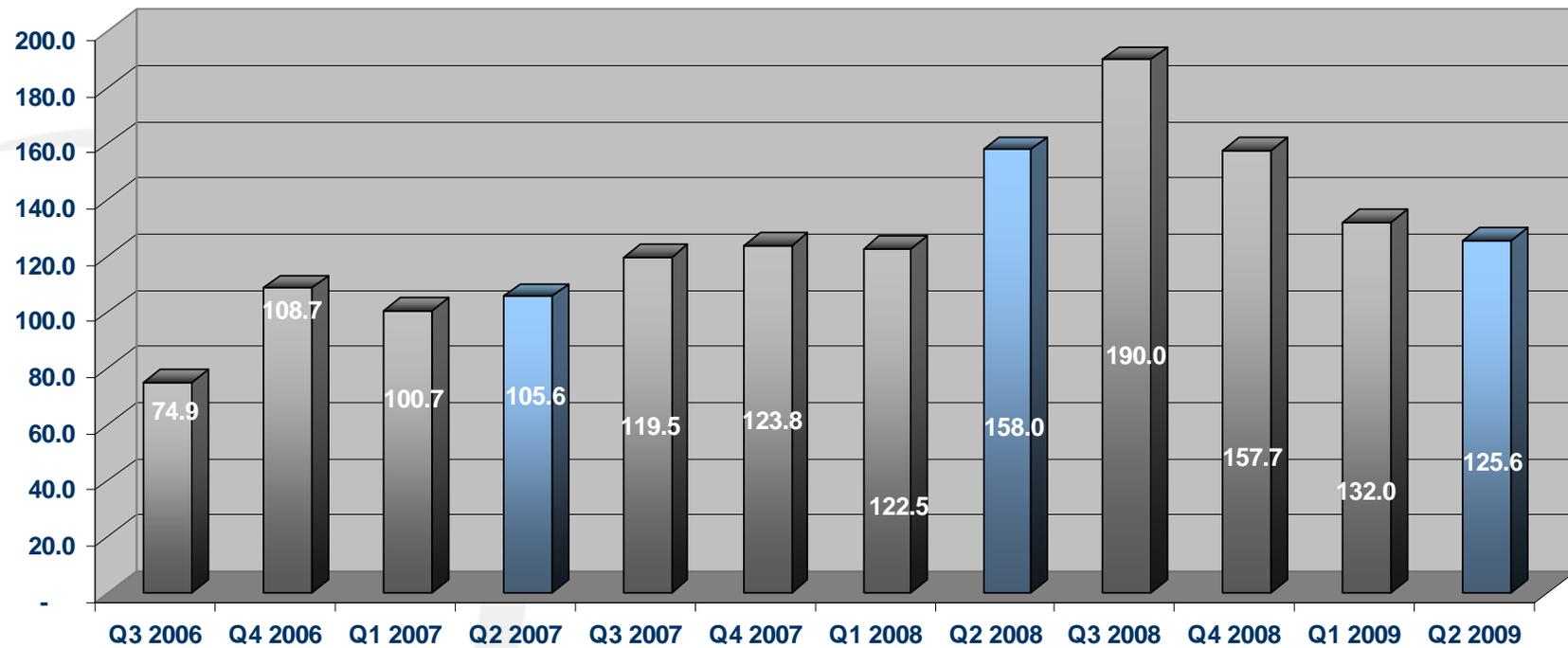
- 4300 km² over the Hoop Fault Complex in the Barents Sea
- Survey plan guided by 2D coverage and CSEM tests
- Coverage over open acreage and 20th Round award blocks
- Acquisition to be complete early Q4



TGS Vessel Commitments

| | 2009 | | | | | | | | | | | | 2010 | | | | | | | | | | | | | | | | | |
|-------------------------|--|-----|-----|-----|-----|-----|----------------------------------|-----|-----|-----|-----|-----|------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|--|--|--|--|--|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | |
| 2D capacity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Northern Genesis | Firm charter until March 2012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mezen | | | | | | | Flexible option to use vessel | | | | | | | | | | | | | | | | | | | | | | | |
| Bergen Surveyor | | | | | | | 18 months firm charter agreement | | | | | | | | | | | | | | | | | | | | | | | |
| Aquila Explorer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Geo Arctic | | | | | | | Fugro JV | | | | | | | | | | | | | | | | | | | | | | | |
| Geo Baltic | | | | | | | Fugro JV | | | | | | | | | | | | | | | | | | | | | | | |
| Hawk Explorer | | | | | | | Fugro JV | | | | | | | | | | | | | | | | | | | | | | | |
| 3D Capacity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Geo Barents | Firm charter | | | | | | | | | | | | Extension | | | | | | | | | | | | | | | | | |
| BOS Arctic | Firm charter | | | | | | | | | | | | 12 months optional extension | | | | | | | | | | | | | | | | | |
| Wave vessel(s) | 24 months option for 8-10/12 streamer vessel(s) valued for 4 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ramform Viking | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| WG mcWaz crew | | | | | | | WesternGeco JV (Freedom Waz) | | | | | | Liberty Waz | | | | | | | | | | | | | | | | | |

Backlog



Market Conditions

- Improved market for MC data from Q1 2009
- Customer spending patterns remain difficult to predict
- Cautious market environment prevails
- Flexible business model and strong balance sheet position us well
- Availability of vessels at favorable rates is growing
- Still view long term fundamentals with optimism
- Will maintain a cautious but opportunistic approach to new investment

Expectations for 2009

- **Multi-client investments USD 230 – 270 million**
- **Average pre-funding 45 – 55%**
- **Average multi-client amortization rate 35 – 40%**
- **Net revenues USD 470 – 530 million**
- **Contract revenues 5 – 10% of total revenues**
- **Cost reduction plan implemented in Q2**
- **Continuously evaluate opportunities to invest more and grow market share**

TGS Performs in all Cycles!

Profit Margin (EBIT) versus Peer Group

