



Presentation of the 4th Quarter 2007 Results February 14th 2007

A webcast of this presentation is available at www.tgsnopec.no

Arne Helland
Chief Financial Officer

Robert Hobbs
Chief Operating Officer

Hank Hamilton
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 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.



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Status Merger with WAVE

As a result of the delay in completing the merger with WAVE;

- The two companies are in Arbitration process and currently not under common control
- TGS therefore reports stand-alone figures for Q4
- TGS has reversed the consolidation of WAVE for 10 days in Q3 and attach stand-alone Q3 interim financials
- TGS believes firmly that it will win the arbitration, and the merger will be consummated, so carries incurred merger costs of USD 2.3 million in the Balance Sheet per Dec 31st 2007. These costs are a part of the purchase price in the merger transaction



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Non-Operational items

- TGS bought 11.0 million WAVE shares during Q3-2007
- These shares are classified as Financial Assets at Fair Value through Profit and Loss
- TGS recognized a financial profit on these shares of USD 4.6 million in Q3-2007 and a financial loss of USD 27.0 million in Q4 2007
- Future fluctuations in the WAVE shareprice will be recognized through profit and loss
- Profits on this asset are non-taxable and losses non-tax deductible



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Q4 2007 Financial Highlights

- **Net Revenues 168.3 MUSD, up 36% from Q4 2006**
 - Net Late Sales 132.2 MUSD, up 39% from Q4 2006
 - Proprietary Contract work MUSD 19.1, vs MUSD 7.5 in Q4-06
- **Operational Investments up 10% from 35.9 MUSD in Q4-06 to 36.9 MUSD supported by 43% prefunding (down 18% to MUSD 17.0)**
- **Multi-Client Amortization rate 28%**
- **EBIT Margin 52% of Net Revenues**
 - EBIT 88.0 MUSD, up 22% from 72.1 MUSD in Q4 2006
- **EPS, excluding loss on shares held in WAVE, \$0.69, up 43% from \$0.48 in Q4 2007**
- **EPS, including loss on shares held in WAVE, \$0.43, down 10% from \$0.48 in Q4 2007**



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Q4 2007 P&L excluding loss on WAVE shares held

| | | Q4 2007 | Q4 2006 | Change | % |
|-------------------------------|-----|--------------|---------|--------|-------|
| Net Operating Revenues | | 168.3 | 123.7 | 44.6 | 36% |
| Operating Profit | 52% | 88.0 | 72.1 | 15.8 | 22% |
| Net Financial Items | | 0.7 | (3.6) | 4.3 | -119% |
| Pre-tax Profit | 53% | 88.7 | 68.5 | 20.1 | 29% |
| Taxes | | 17.4 | 18.2 | (0.9) | -5% |
| Net Income | 42% | 71.3 | 50.3 | 21.0 | 42% |
| EPS, undiluted | | 0.69 | 0.48 | 0.2 | 45% |
| EPS, fully diluted | | 0.68 | 0.46 | 0.2 | 47% |



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Q4 2007 PROFIT & LOSS (MUSD)

| | Q4 2007 | Q4 2006 | Change | % |
|-------------------------------|--------------|---------|--------|------|
| Net Operating Revenues | 168.3 | 123.7 | 44.6 | 36% |
| Materials | 11.8 | 3.5 | 8.3 | 234% |
| MC Amortization 28% | 41.2 | 29.4 | 11.9 | 40% |
| Gross Margin | 115.3 | 90.7 | 24.5 | 27% |
| Other Operating Expenses | 23.6 | 15.8 | 7.9 | 50% |
| Cost of Stock Options | 0.6 | 1.0 | (0.4) | -40% |
| Depreciation | 3.1 | 1.9 | 1.2 | 64% |
| Operating Profit 52% | 88.0 | 72.1 | 15.8 | 22% |
| Net Financial Items | (26.3) | (3.6) | (22.7) | 630% |
| Pre-tax Profit 37% | 61.7 | 68.5 | (6.8) | -10% |
| Taxes | 17.4 | 18.2 | (0.9) | -5% |
| Net Income 26% | 44.3 | 50.3 | (6.0) | -12% |
| EPS, undiluted | 0.43 | 0.48 | (0.0) | -10% |
| EPS, fully diluted | 0.42 | 0.46 | (0.0) | -9% |



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Q4 2007 CASH FLOW

| | Q4 2007 | Q4 2006 |
|------------------------------------|-------------------|-------------------|
| Payments from Sales Received | 101.1 | 111.4 |
| Operational Costs Paid | (32.5) | (23.0) |
| Gain/(Loss) from Currency Exchange | (0.9) | (1.7) |
| Taxes Paid | (13.0) | (5.3) |
| Operational Cash Flow | 54.6 | 81.4 |
| Investments in Fixed Assets | (1.8) | (3.3) |
| Investments in Multi-Client | (25.0) | (23.2) |
| Other items | 2.7 | (2.3) |
| Net Cash Generated | 30.5 | 52.5 |
| Balance Held | 12/31/2007 | 12/31/2006 |
| Cash | 82.0 | 47.7 |
| Short-term Deposit | 91.4 | 222.9 |
| Sum | 173.4 | 270.6 |



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Full Year 2007



2007 Financial Highlights

- **Net Revenues 452.8 MUSD, up 14% from 2006**
 - Net Late Sales 312.4 MUSD, up 4% from 2006
 - Net Prefunding 85.2 MUSD, funding 63% of operational investments
 - Proprietary revenues 55.1 MUSD vs 19.4 MUSD in 2006
- **Operational Investments up 3% from 131.9 MUSD to 136.3 MUSD**
- **Multi-Client Amortization rate 29%**
- **EBIT Margin 49% of Net Revenues**
 - EBIT 222.0 MUSD vs. 221.3 MUSD 2006
- **Cash flow from Operations after Investments in MC-Library MUSD 136.7, down 10% from MUSD 152.4 for 2006.**
- **EPS, excluding loss on shares held in WAVE, \$1.50, up 5% from \$1.43 in 2007**



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2007 PROFIT & LOSS (MUSD)

| | 12M 2007 | 12M 2006 | Change | % |
|-------------------------------|--------------|--------------|---------------|-------------|
| Net Operating Revenues | 452.8 | 395.9 | 56.9 | 14% |
| Materials | 30.3 | 6.1 | 24.2 | 398% |
| MC Amortization 29% | 116.2 | 101.7 | 14.5 | 14% |
| Gross Margin | 306.3 | 288.1 | 18.2 | 6% |
| Other Operating Expenses | 70.1 | 59.1 | 10.9 | 19% |
| Cost of Stock Options | 3.7 | 3.0 | 0.7 | 24% |
| Depreciation | 10.6 | 4.7 | 5.9 | 125% |
| Operating Profit 49% | 222.0 | 221.3 | 0.6 | 0% |
| Net Financial Items | (24.6) | (1.8) | (22.8) | 1275% |
| Pre-tax Profit 44% | 197.4 | 219.5 | (22.1) | -10% |
| Taxes | 62.4 | 68.6 | (6.3) | -9% |
| Net Income 30% | 135.0 | 150.9 | (15.9) | -11% |
| EPS, undiluted | 1.29 | 1.43 | (0.1) | -10% |
| EPS, fully diluted | 1.26 | 1.39 | (0.1) | -9% |



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2007 CASH FLOW

| | 12M 2007 | 12M 2006 |
|---------------------------------------|-------------------|-------------------|
| Payments from Sales Received | 425.4 | 397.8 |
| Operational Costs Paid | (100.0) | (60.3) |
| Gain/(Loss) from Currency Exchange | (15.7) | (3.4) |
| Taxes Paid | (40.0) | (48.3) |
| Operational Cash Flow | 269.7 | 285.9 |
| Investments in Fixed Assets | (18.9) | (6.1) |
| Investments in Multi-Client | (133.0) | (133.5) |
| Net Cash from Mergers and Acquisition | (58.2) | (7.2) |
| Investment in WAVE Shares | (108.7) | - |
| Purchase of Own Shares | (65.9) | (10.0) |
| Other Items | 17.8 | 7.9 |
| Net Cash Generated | (97.2) | 137.0 |
| Balance Held | 12/31/2007 | 12/31/2006 |
| Cash | 82.0 | 47.7 |
| Short-term Deposit | 91.4 | 222.9 |
| Sum | 173.4 | 270.6 |



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TGS Share Buy-backs in 2007

- 1,209,852 shares bought back in Q2 2007 for 25 MUSD
- 1,259,103 treasury shares (Balance held at AGM in June) cancelled in Q3 2007
- 2,410,052 shares bought back in Q3 2007 for 41 MUSD
- Total holding treasury shares at December 31st 2007 is 2,410,052 shares
- TGS Buy-backs in 2007 total USD 66 million



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Balance Sheet – Key Figures

| | 12/31/2007 | % | 9/30/2007 | % | 12/31/2006 | % |
|------------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Assets | | | | | | |
| Cash | 82.0 | 10% | 59.1 | 8% | 47.7 | 7% |
| Short-Term Deposits | 91.4 | 11% | 83.8 | 11% | 222.9 | 33% |
| Other Current Assets | 326.8 | 38% | 254.6 | 34% | 152.9 | 23% |
| Total Current Assets | 500.2 | 59% | 397.5 | 53% | 423.4 | 63% |
| Intangible Assets & LT Receivables | 109.3 | 13% | 113.3 | 15% | 42.8 | 6% |
| MC Library | 217.4 | 25% | 219.1 | 29% | 195.6 | 29% |
| Fixed Assets | 25.8 | 3% | 25.9 | 3% | 14.4 | 2% |
| Total Assets | 852.6 | 100% | 755.8 | 100% | 676.2 | 100% |
| Liabilities | | | | | | |
| Short-term debt | - | 0% | 0.0 | 0% | 0.0 | 0% |
| Current Liabilities | 191.1 | 22% | 127.2 | 17% | 114.0 | 17% |
| Long-term loans | 55.9 | 7% | 55.2 | 7% | 48.3 | 7% |
| Deferred Tax Liability | 37.8 | 4% | 51.1 | 7% | 37.0 | 5% |
| Equity | 567.8 | 67% | 522.3 | 69% | 477.0 | 71% |



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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



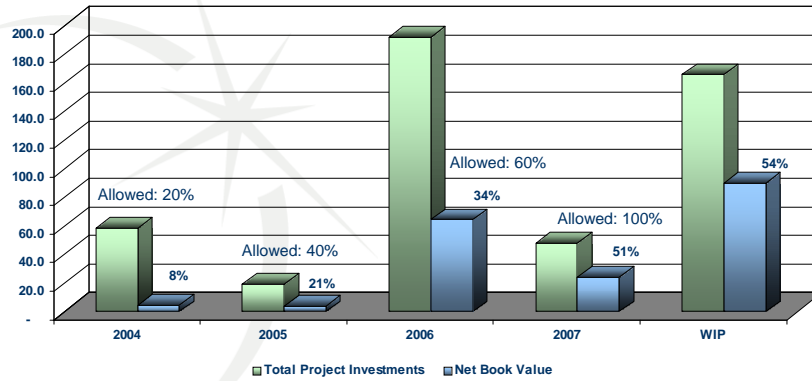
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Multi-Client Library NBV in % of Investment

Seismic Surveys as of December 31st 2007

Vintages still carrying a Net Book Value

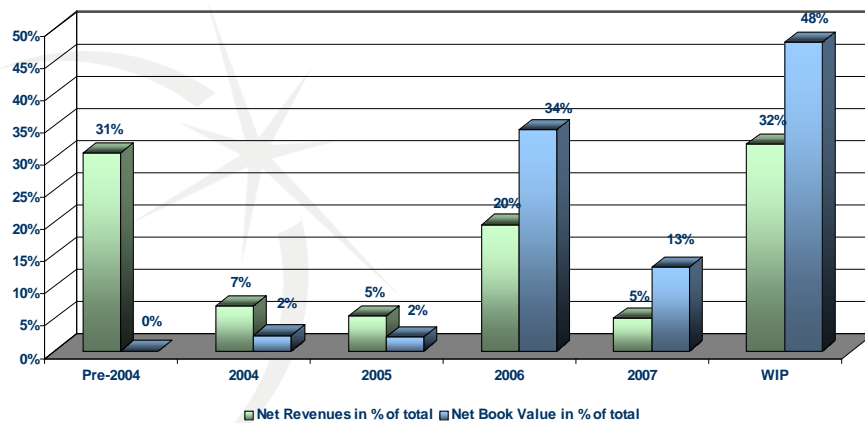


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Q4 2007 Multi-Client Net Revenues & Ending NBV

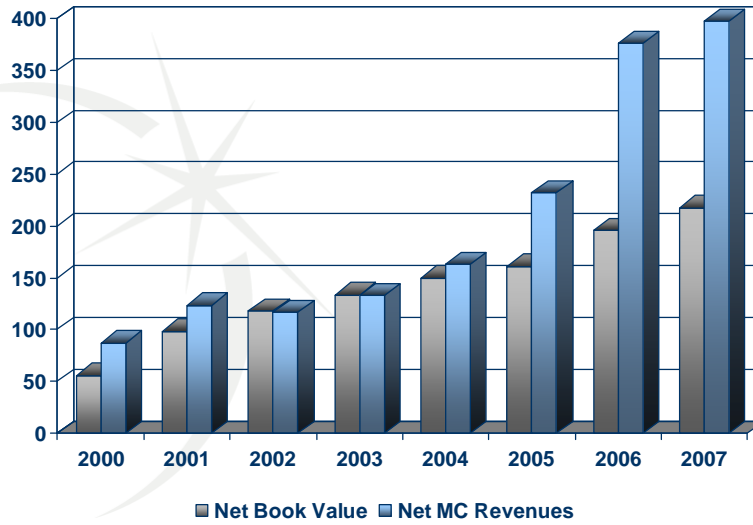
- Seismic Surveys



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Multi-Client Library Revenue vs. Ending NBV



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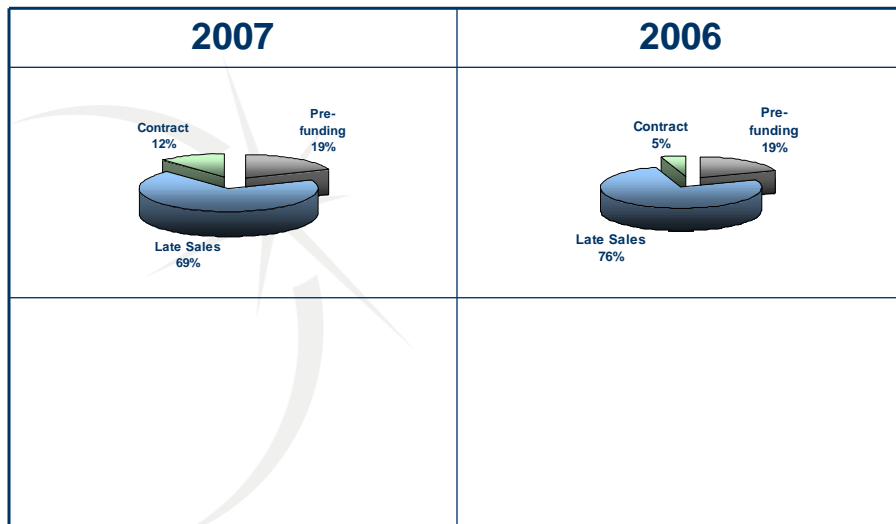
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Operations

Robert Hobbs
Chief Operating Officer



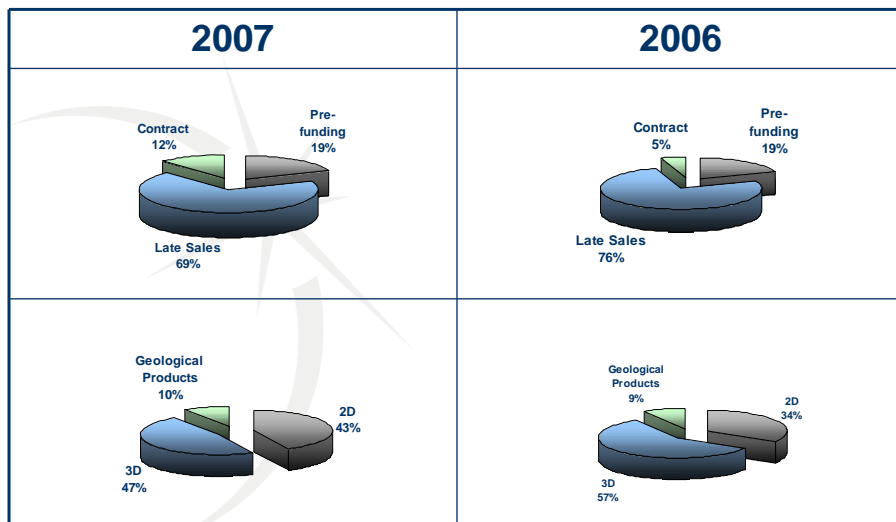
2007 vs. 2006 Net Revenue Breakdown



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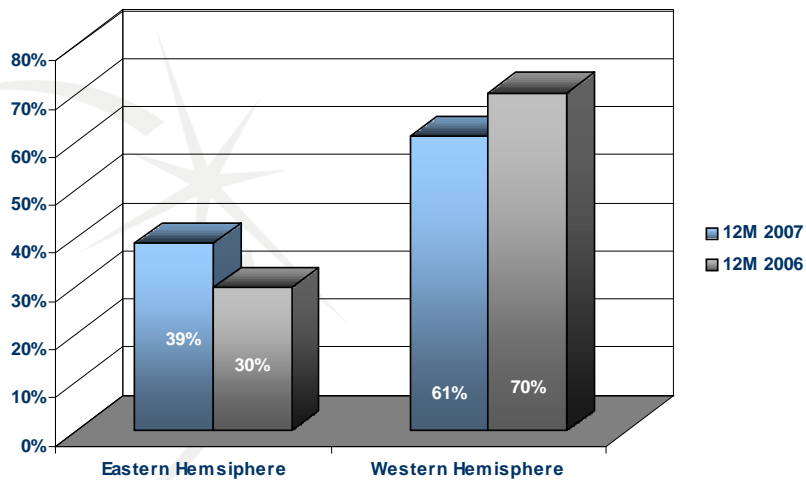
2007 vs. 2006 Net Revenue Breakdown



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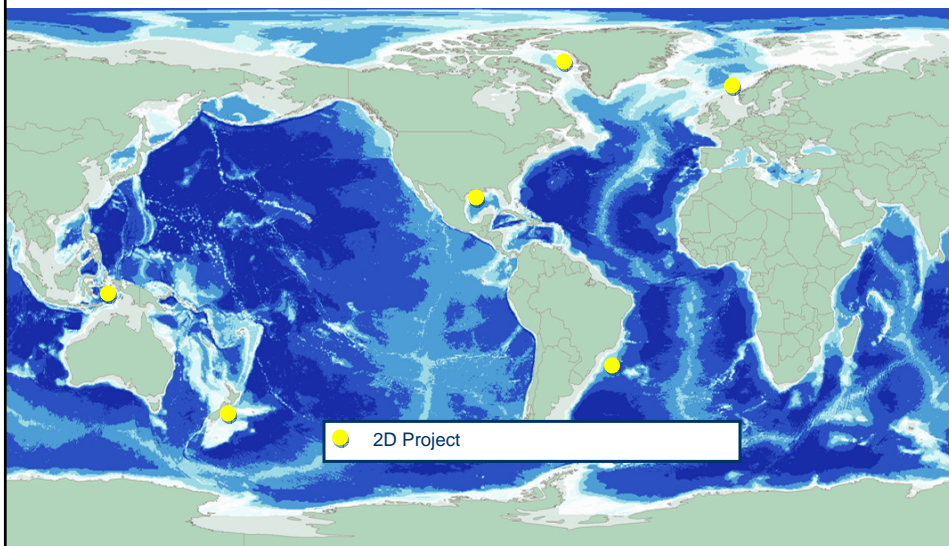
2007 Geographical Net Revenue Breakdown



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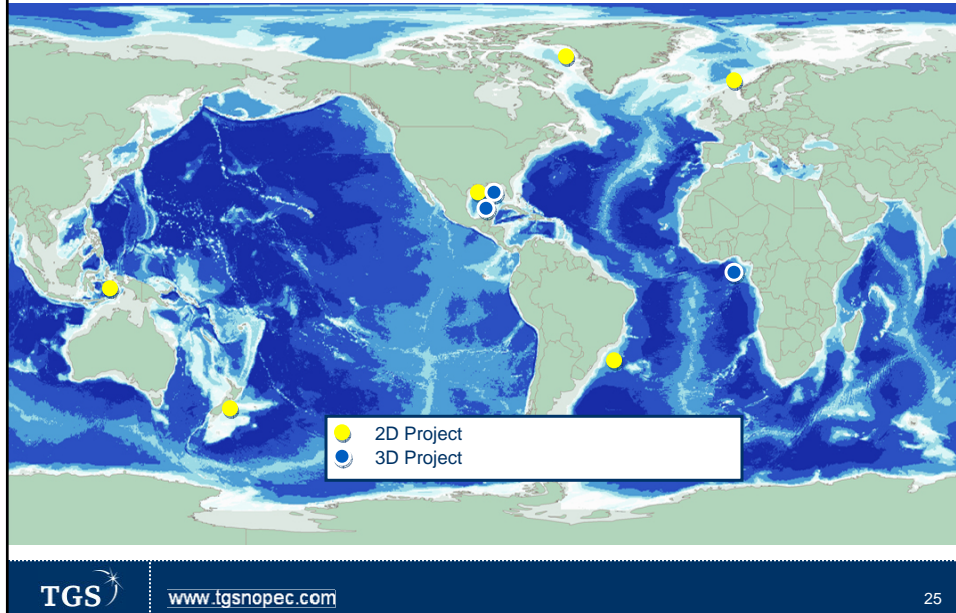
Operational Review



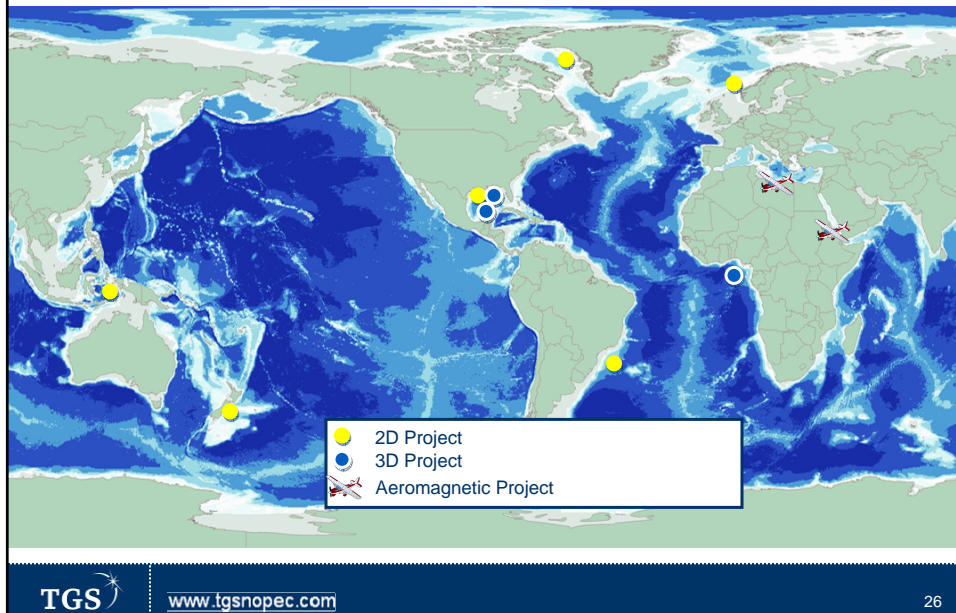
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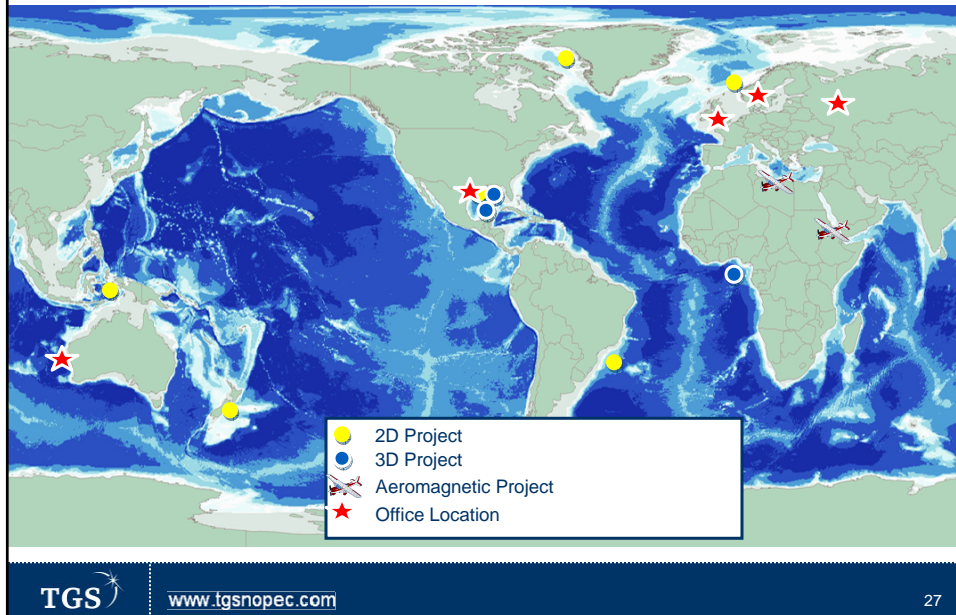
Operational Review



Operational Review



Operational Review

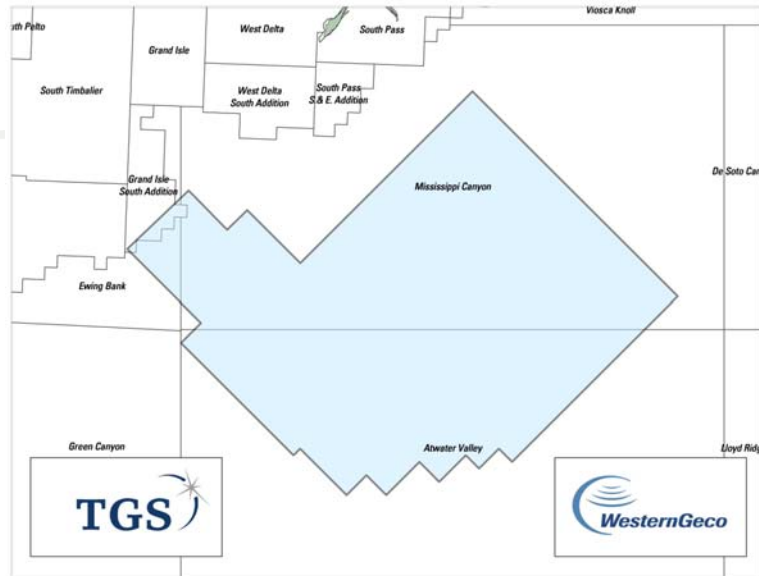


Operational Highlights

North and South America

- Completed the Stanley 3D Survey in the GOM (384 Blocks)
- Commenced Eastern GOM Phase 51 2D Program (28,000 Km)
- Increasing contract processing work to over 6500 km² of project work utilizing state-of-the-art imaging technology, including anisotropic Kirchhoff PSDM
- Commenced a large 2D PSDM reprocessing project in deepwater Brazil
- Secured substantial pre-funding on *mcWAZ* 3D

mcWAZ Freedom



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Europe

- Significant growth of programs in the Baffin Bay off Greenland and on the North Sea Renaissance 2D survey



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Africa, Middle East, Asia/Pacific

- Completed contract 3D in Ghana followed by a non-exclusive 3D in Equatorial Guinea
- Continued Indonesia Frontier Basins Regional Project
- Discoverer 2 performed well on a large 2D contract project offshore New Zealand that will be completed at end of Q1



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Operational Highlights

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Well Logs & Integrated Products

- Reached 5,000,000 wells in online log library

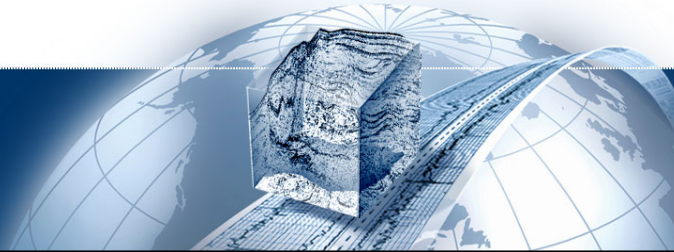


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Outlook

Hank Hamilton
Chief Executive Officer



Merger Process

- Pursuing completion of agreed merger through arbitration process as described in merger plan
- Court hearing unlikely to be scheduled before August
- Final decision most probably October/November
- Conducting business as usual in interim period



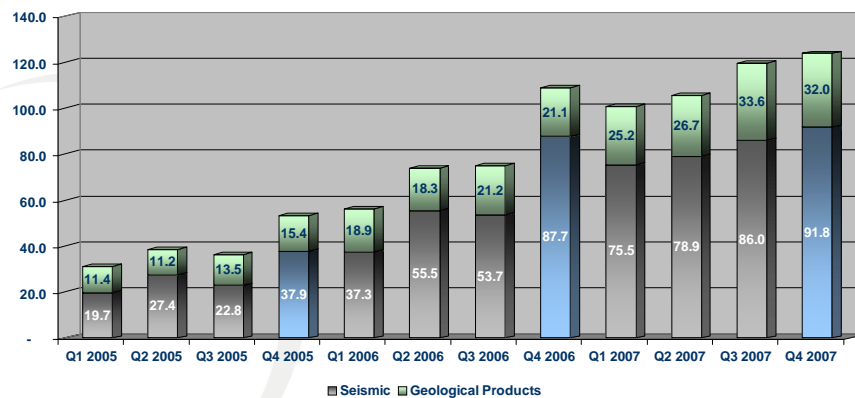
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Market Conditions & Outlook

- Reserves replacement high priority
- Exploration spend continues to rise
- Frontier areas get more attention
- Higher technology solutions for mature areas
- Vessel market very tight for '08 and probably '09

Backlog



Positioned for Growth!

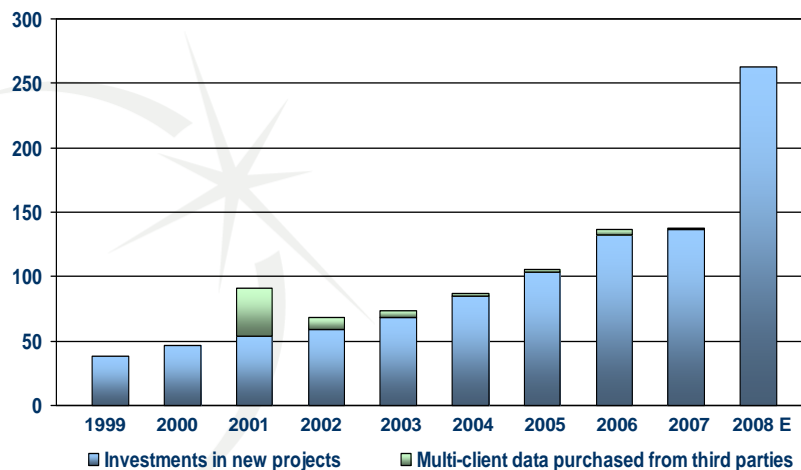
- Two chartered 3D vessels to operate full year
- 50% share of massive new wide azimuth project
- OBC crew for new GoM shelf 3D project
- Five 2D vessels for all or part of 2008
- Capacity & plans for large multi-client reprocessing projects
- Doubling investments in well log database – higher value products



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Investments in Multi-Client Library



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TGS 2008 Expectations (stand alone)

- **Multi-Client Investments USD 250 – 275 million**
- **Average Pre-funding 50 – 60%**
- **Average Multi-Client Amortization rate 32 – 37%**
- **Net Revenues USD 550 – 580 million**
- **Contract Revenues 10 – 15% of Total Revenues**