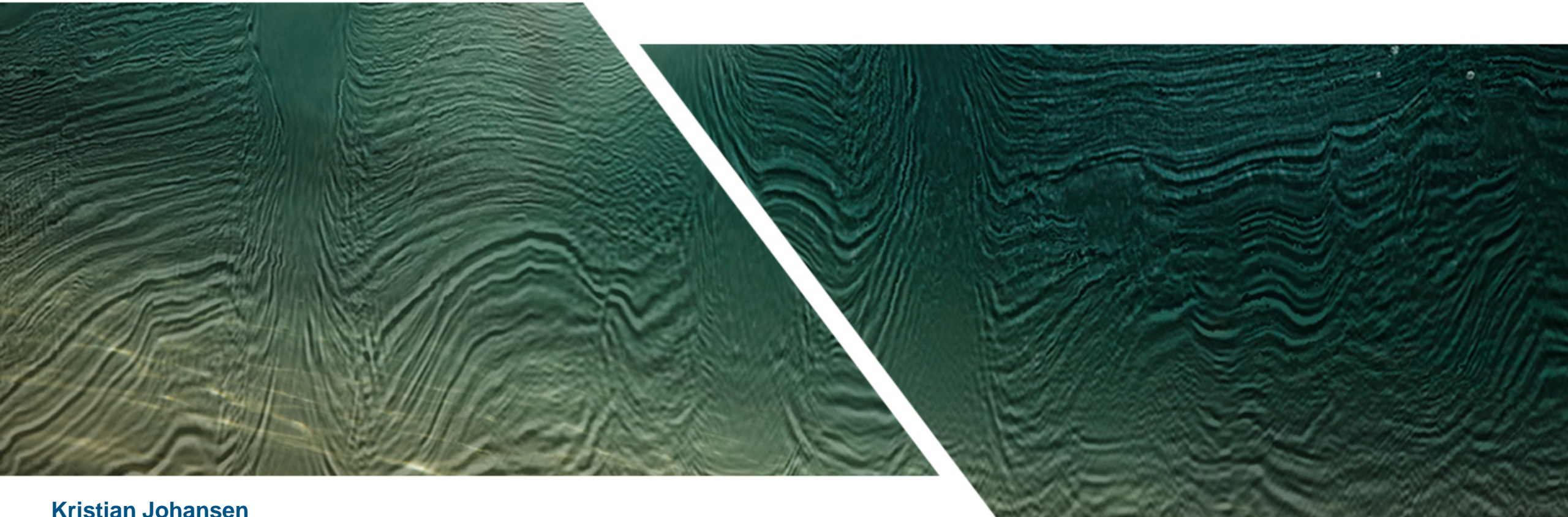# Company Presentation

2017 Barclays CEO Energy-Power Conference

Kristian Johansen
CEO
6 September 2017 – New York City

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.
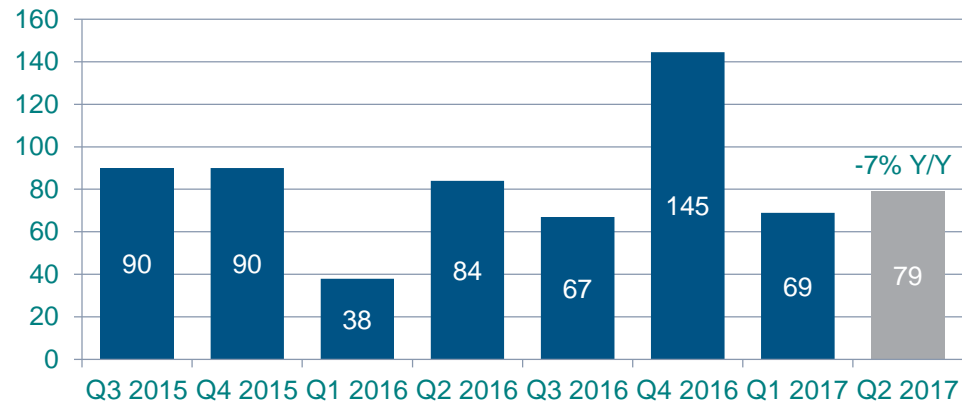
Brief 2017 Financial Status
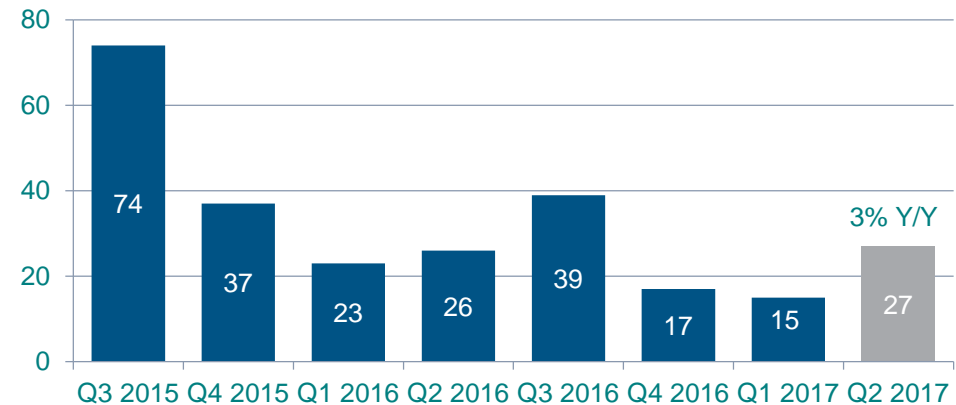
Financial highlights – H1 2017

- Net revenues of 194 MUSD, up 9% from H1 2016
    - Net late sales of 148 MUSD were up 21% from 122 MUSD in H1 2016
    - Net pre-funding revenues of 43 MUSD, down from 49 MUSD in H1 2016
    - Operational multi-client investments of 118 MUSD in addition to 7 MUSD from risk sharing arrangements

- Strong cash flow from operations of 238 MUSD compared to 154 MUSD in H1 2016
    - Cash balance of 239 MUSD in addition to undrawn 75 MUSD Revolving Credit Facility
    - Quarterly dividend maintained at USD 0.15 per share

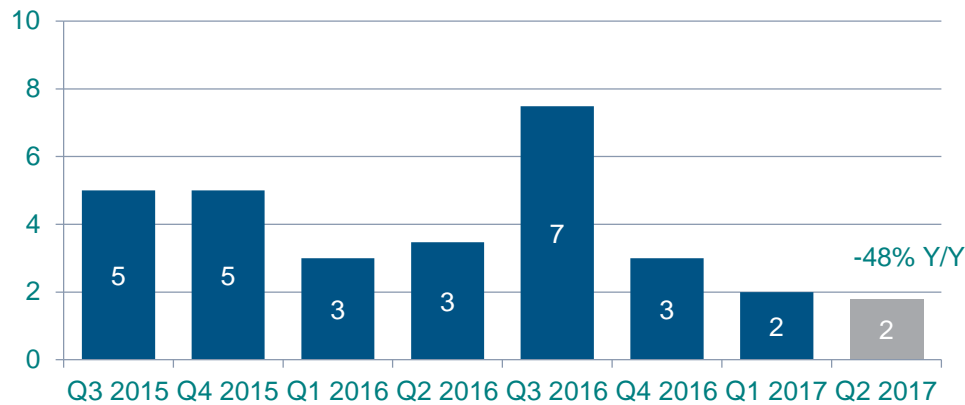- Order backlog increasing to 127 MUSD at 30 June 2017 from 51 MUSD at 31 December 2016
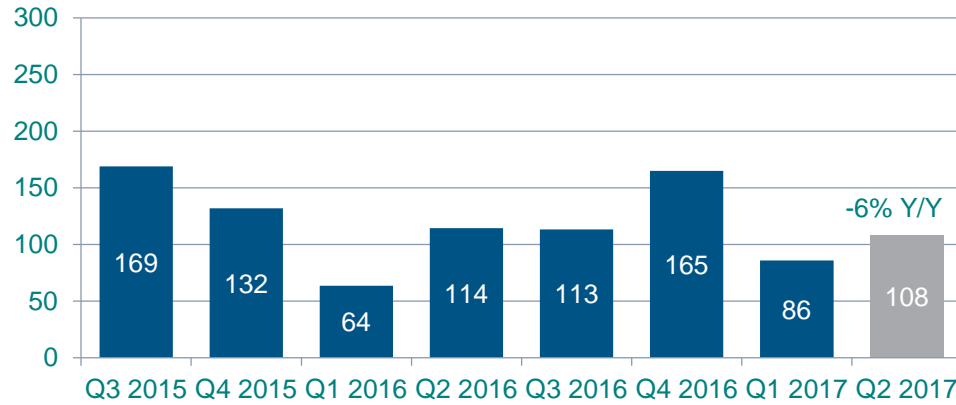
TGS

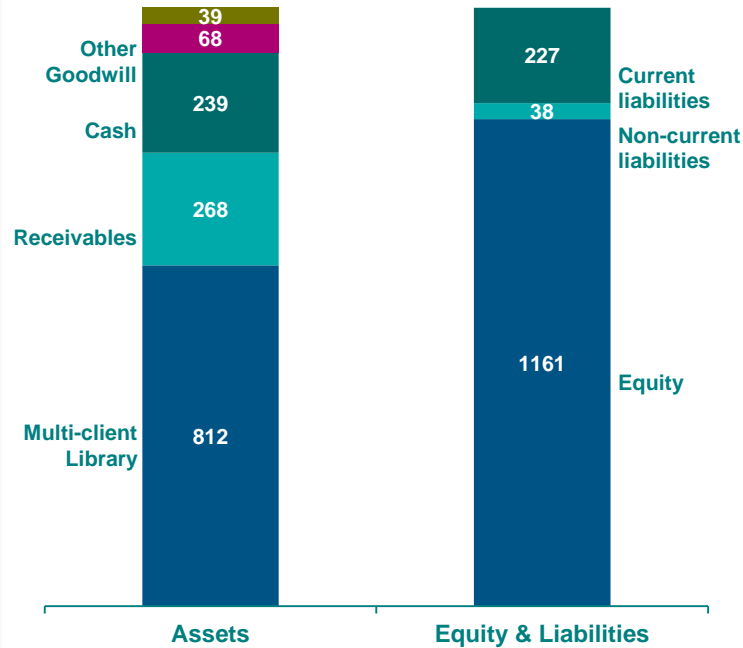# Net Revenues

Late sales revenues

Late sales revenues chart:
- Q3 2015: 90
- Q4 2015: 90
- Q1 2016: 38
- Q2 2016: 84
- Q3 2016: 67
- Q4 2016: 145
- Q1 2017: 69
- Q2 2017: 79 (-7% Y/Y)

Prefunding revenues

Prefunding revenues chart:
- Q3 2015: 74
- Q4 2015: 37
- Q1 2016: 23
- Q2 2016: 26
- Q3 2016: 39
- Q4 2016: 17
- Q1 2017: 15
- Q2 2017: 27 (3% Y/Y)

Proprietary revenues

Proprietary revenues chart:
- Q3 2015: 5
- Q4 2015: 5
- Q1 2016: 3
- Q2 2016: 3
- Q3 2016: 7
- Q4 2016: 3
- Q1 2017: 2
- Q2 2017: 2 (-48% Y/Y)

Total revenues

Total revenues chart:
- Q3 2015: 169
- Q4 2015: 132
- Q1 2016: 64
- Q2 2016: 114
- Q3 2016: 113
- Q4 2016: 165
- Q1 2017: 86
- Q2 2017: 108 (-6% Y/Y)

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Strong balance sheet and cash flow allow for continued dividends

Balance sheet 30 June 2017

Assets (left bar, top to bottom):
- Other: 39
- Goodwill: 68
- Cash: 239
- Receivables: 268
- Multi-client Library: 812

Equity & Liabilities (right bar, top to bottom):
- Current liabilities: 227
- Non-current liabilities: 38
- Equity: 1161

- Strong balance sheet supporting countercyclical investments and dividends

Free Cash Flow

MUSD by year: 2010, 2011, 2012, 2013, 2014, 2015, 2016, H1 2017

- Demonstrated ability to generate healthy cash flow

Dividend Yield (2010 – 2017)

Yield (on day of announcement) by Year of Payment:
- 2010: 3.7%
- 2011: 3.6%
- 2012: 4.0%
- 2013: 3.9%
- 2014: 4.9%
- 2015: 5.2%
- 2016*: 3.6%
- 2017*: 2.7%

*2016 and 2017 Dividend Yield annualized based on the weighted yield at the time of announcement of quarterly dividends
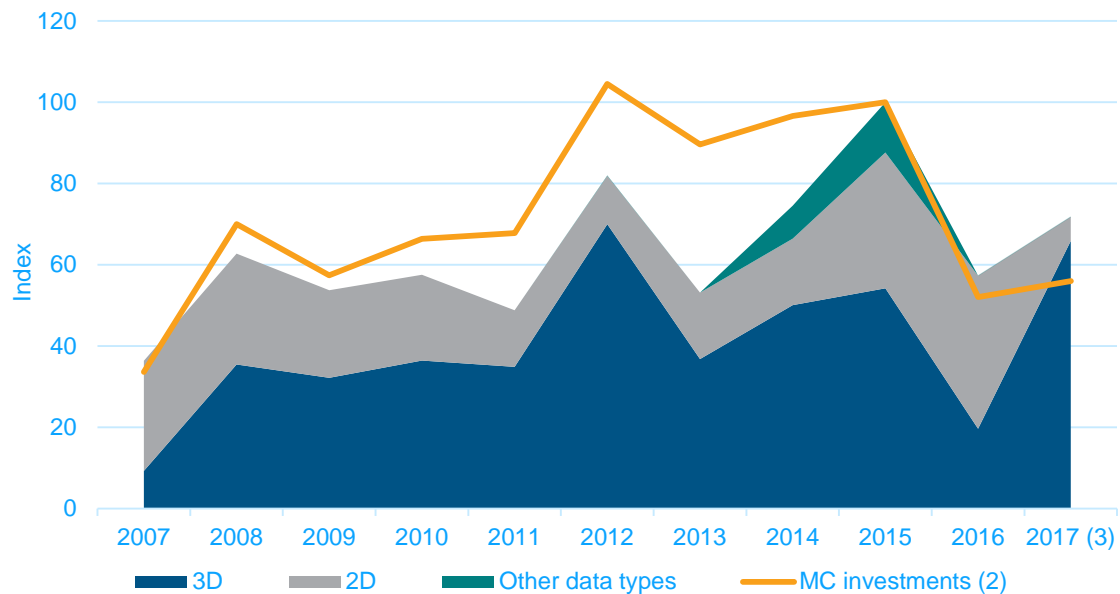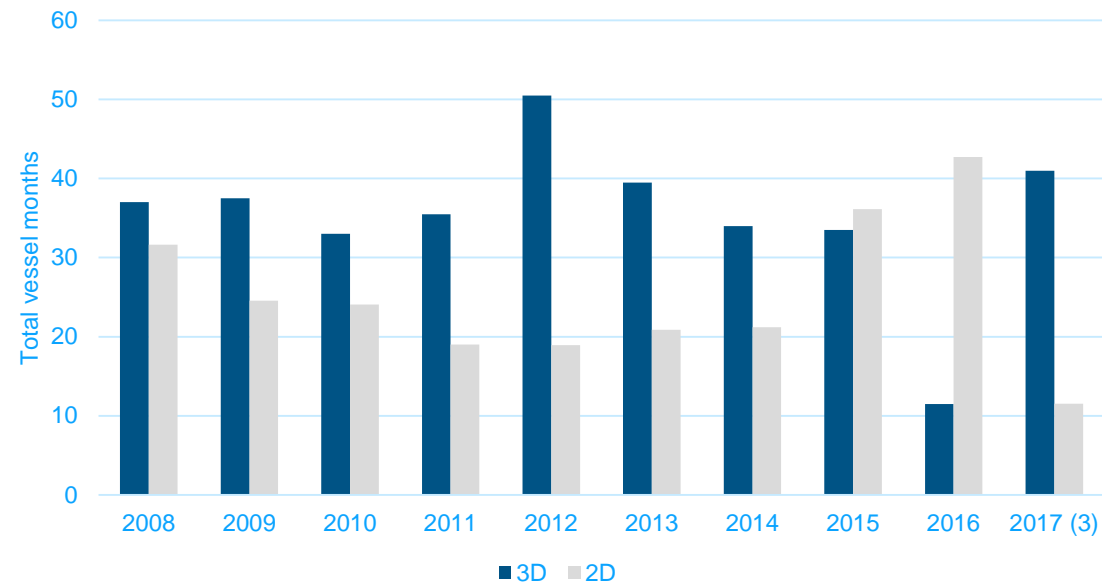
- Dividend payments maintained through the down-cycle

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Projects

Busy Acquisition Season at Record Low Unit Cost

Data acquisition volumes (1)

Legend: 3D | 2D | Other data types | MC investments (2)

- 3D data acquisition volumes close to all-time high in 2017
- Vessel related MC investments ~50% below 2012, which was the last time similar 3D volumes were acquired

Vessel months consumed by TGS

Legend: 3D | 2D

- TGS has committed more than 40 3D vessel months for 2017
- During the summer eight 3D vessels will be working on TGS projects – almost 30% of the active global fleet

1. Index 2015=100. Based on normalization between different data types. Excludes onshore and non-seismic data types.
2. Excluding processing
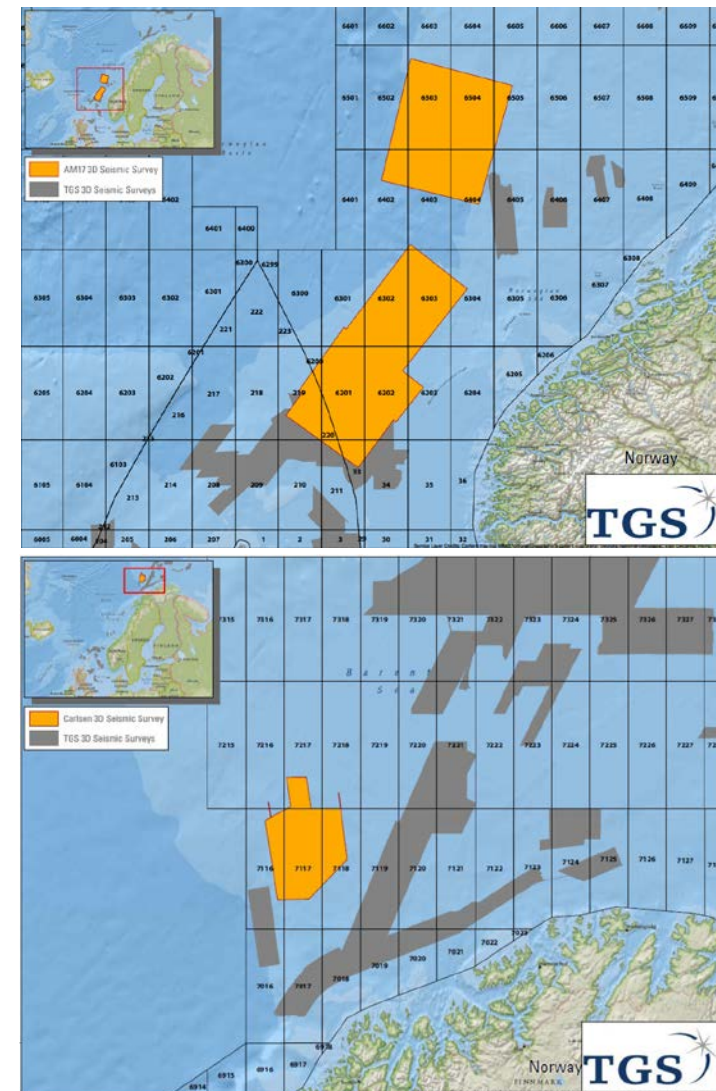3. Estimated based on current commitments for 2017

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Europe

AM17 Atlantic Margin 3D - Norway

- 40,000 km^2 project in the central-southern Norwegian Sea – largest 3D survey carried out by any company in Northern Europe

- Covers largely open blocks in a relatively under-explored area with limited drilling to date

- Several underlying blocks included in the 24th licensing round

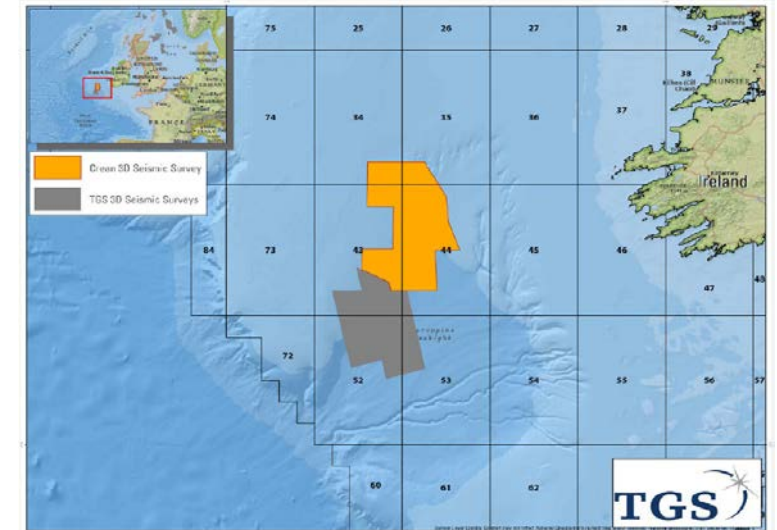- Acquisition in 2017 and 2018

Carlsen 3D - Norway

- 5,490 km^2 multi-client survey located in the Southwest Barents Sea

- Open acreage with blocks included in the 24th licensing round
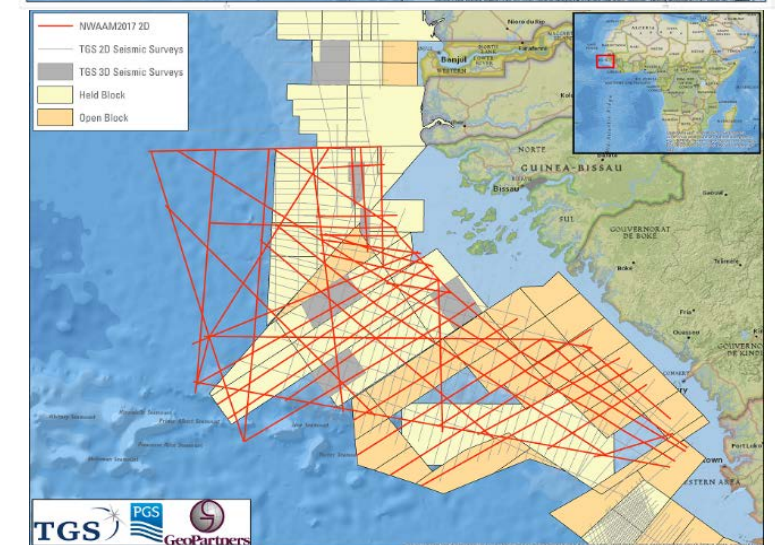
- Acquisition to complete in Q3 2017

Europe & Africa

Crean 3D - Ireland

- ~5,400 km^2 multi-client survey located in the South Porcupine Basin between the Porcupine High and the Irish Mainland Platform

- Adding to TGS's Atlantic Margin offering – building on the exploration success on the Newfoundland Labrador conjugate margin coupled with historical exploration in Atlantic Ireland

- Acquisition to complete in Q3 2017

NWAAM 2017 – North West Africa

- Extended to over 22,500 km of multi-client 2D seismic in partnership with PGS and GeoPartners; acquisition completed in Q2 2017

- Designed to infill, extend and complement the TGS NWAAM 2012 2D survey which helped with recent commercial discoveries in the MSGBC basin

- Confirms TGS commitment to the leading frontier basin in Africa, where TGS now has over 50,000 km of 2D data and 8,000 km^2 of 3D data

East Canada*

Newfoundland Labrador 2D – 2017 Season

- 22,000 km multi-client 2D survey infilling and extending existing JV data in the region; targeting 2019 and 2020 Sectors of the Scheduled Land Tenure
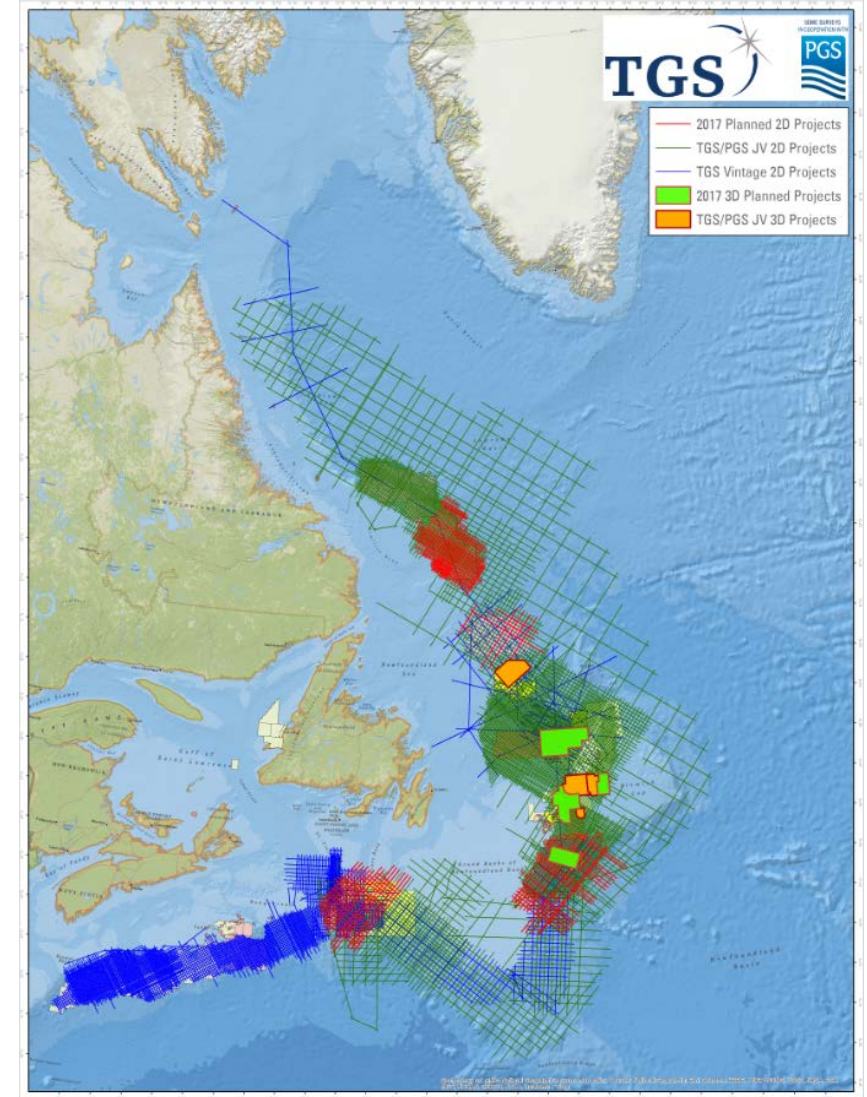
Newfoundland Labrador 3D

- Long Range 3D: ~9,100 km^2 multi-client survey over open acreage within 2018 Sector of the Scheduled Land Tenure

- East Flemish Pass 3D Phase II: ~1,950 km^2 multi-client survey extending the 3D survey that was acquired in 2016 in the Eastern Newfoundland region

- Harbour Deep 3D: ~5,000 km^2 multi-client survey in Eastern Newfoundland region covering a mix of held and open acreage within 2018 Sector of the Scheduled Land Tenure

- Cape Broyle 3D: ~3,500 km^2 multi-client survey in the South Eastern Newfoundland region comprising a mix of held and open acreage within the 2019 Sector of the Scheduled Land Tenure

Well positioned for future licensing rounds

- Following the most active year ever in this region, the TGS/PGS JV library will exceed 175,000 km of 2D data and 30,800 km^2 of 3D data in addition to 83,700 km of TGS vintage data, an expansive well log library and advanced multi-client interpretation products

* In JV with PGS

TGS / PGS

- 2017 Planned 2D Projects
- TGS/PGS JV 2D Projects
- TGS Vintage 2D Projects
- 2017 3D Planned Projects
- TGS/PGS JV 3D Projects
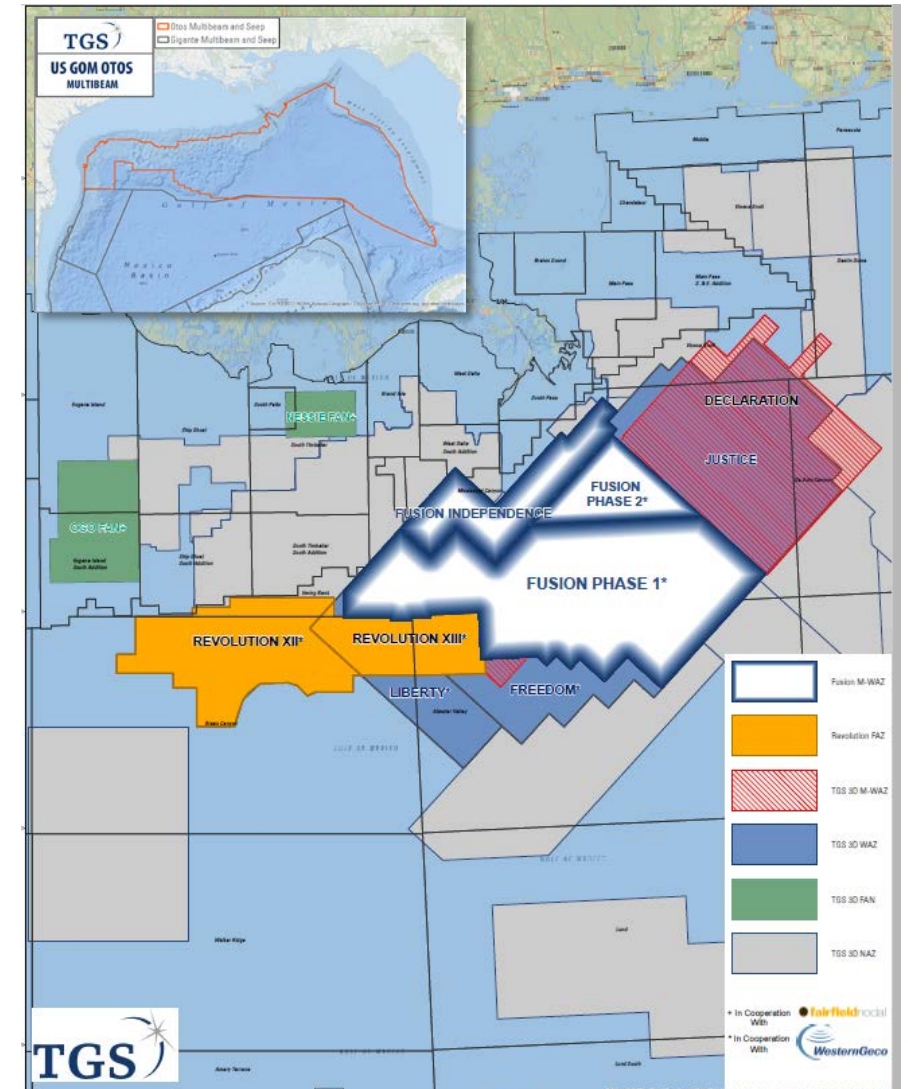
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U.S. Gulf of Mexico

Revolution XII/XIII

- ~7,150 km^2 (306 OCS blocks) multi-client full-azimuth survey in collaboration with Schlumberger in Green Canyon, Atwater Valley and Ewing Bank areas
- Dual Coil Shooting Acquisition completed in early Q2

Fusion M-WAZ reimaging program

- M-WAZ reimaging program in collaboration with Schlumberger in Mississippi Canyon, Atwater Valley and Ewing bank areas
- Expanded to ~27,000 km^2 (1,166 OCS blocks) with industry funding
- Reimaging is 50% complete with final data delivery mid-2018

Otos multibeam and seep study

- ~289,000 km^2 multibeam acquisition completed in early Q2; acquisition of 350 cores and associated advanced geochemistry analysis underway
- Designed to mirror the successful Gigante multibeam and seep study in the Mexican GOM

U.S. Land

West Kermit 3D

- 1,050 km² high-resolution 3D multi-client project in Loving and Winkler counties, TX, in the Delaware basin

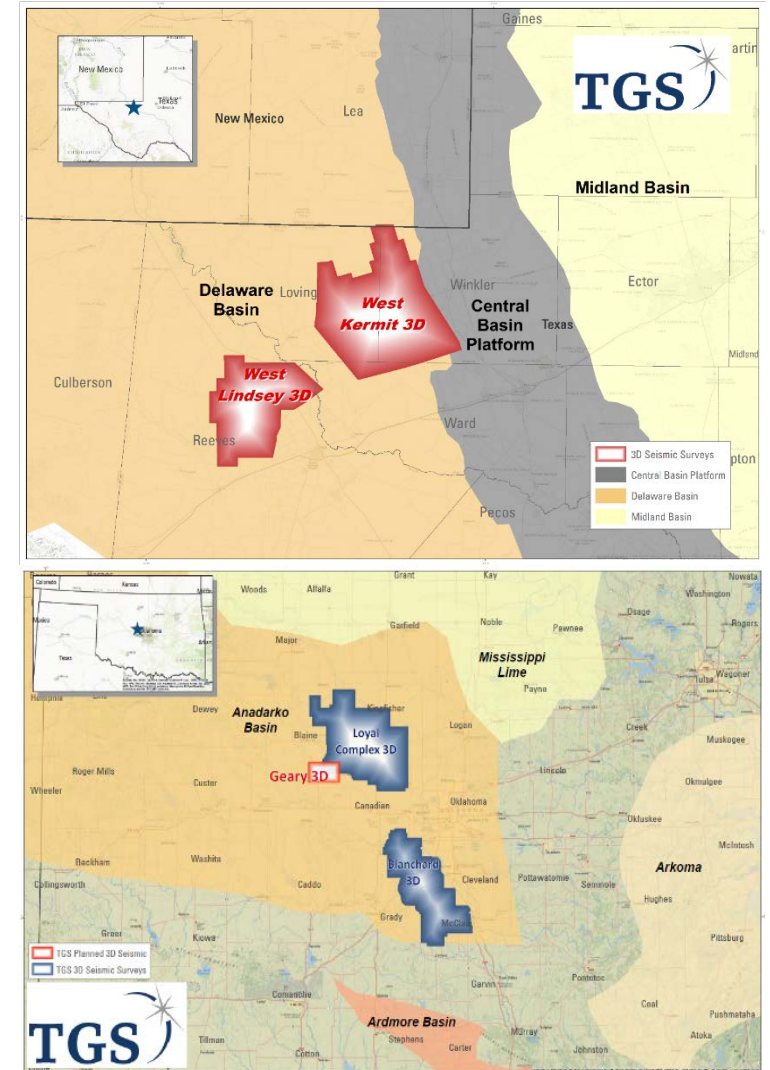- Data acquisition expected to complete in early Q4 2017

West Lindsey 3D

- 520 km² high-resolution 3D multi-client project to the southwest of the West Kermit survey, predominantly in Reeves County, TX

- Data acquisition expected to complete in Q4 2017

Geary 3D

- 200 km² high-resolution 3D multi-client project in the SCOOP & STACK play in the Anadarko Basin, OK

- Data acquisition expected to complete in Q4 2017

Permian Well Database

- Comprehensive Permian well database announced to clients in Q1 2017

- Expanded to over 458,000 wells in Q2 2017 (including validated well headers and digital LAS) supported by multiple interpretive products
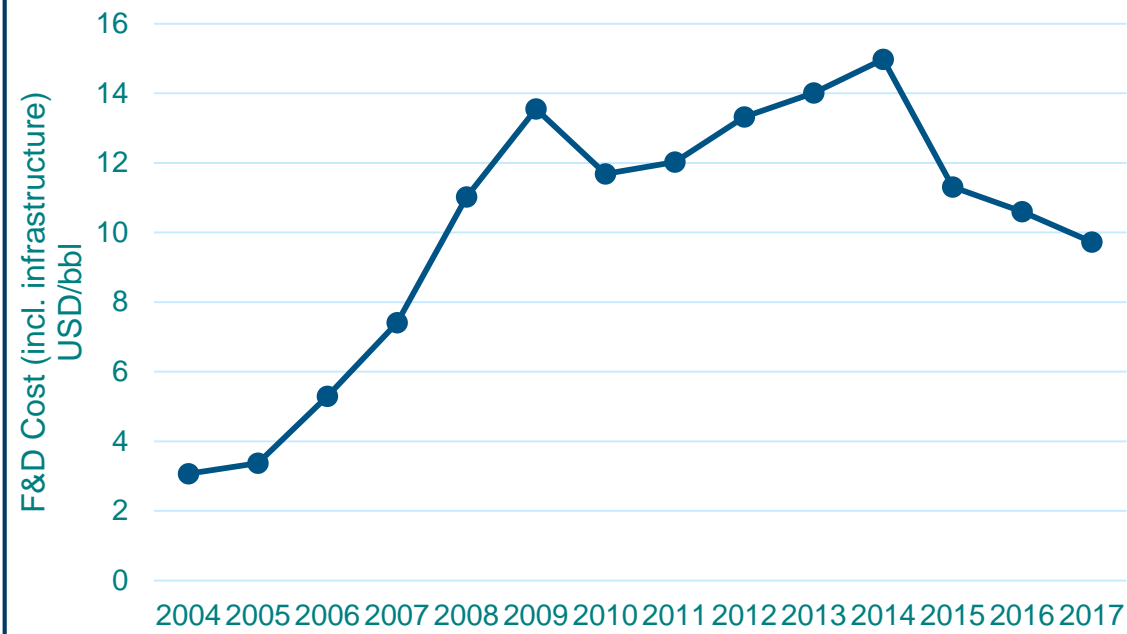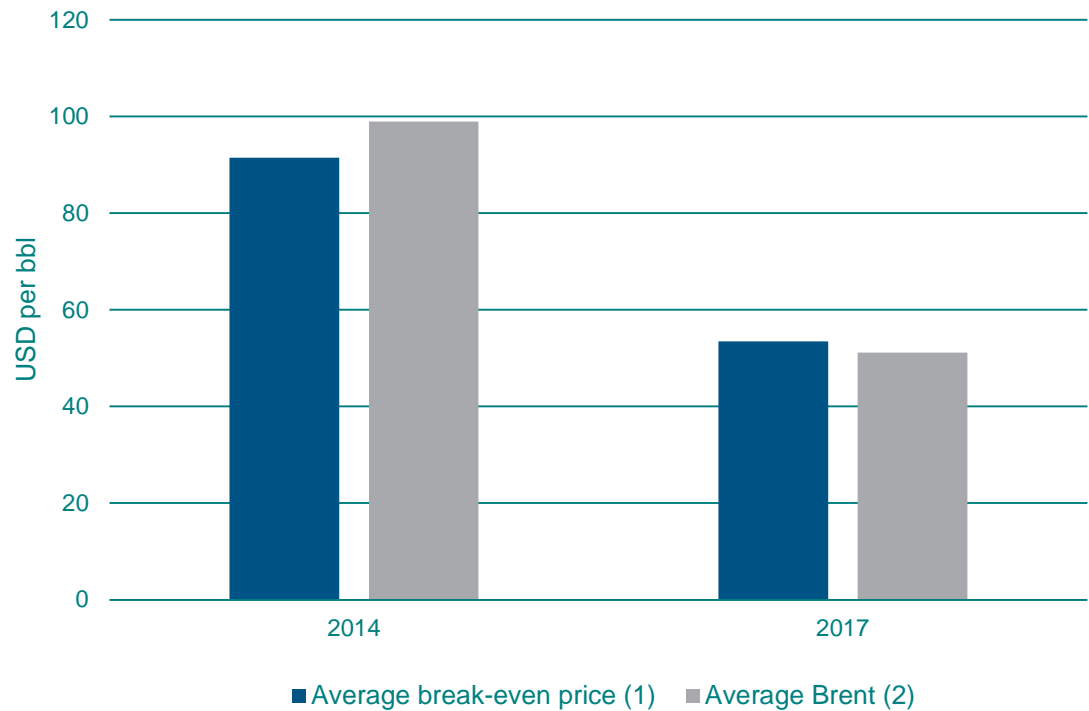
Outlook

Cost is coming down

Deepwater project F&D cost back to 2008 level

F&D Cost (incl. infrastructure) USD/bbl

Source: Goldman Sachs

Oil companies' cash flow break-even price versus Brent

USD per bbl

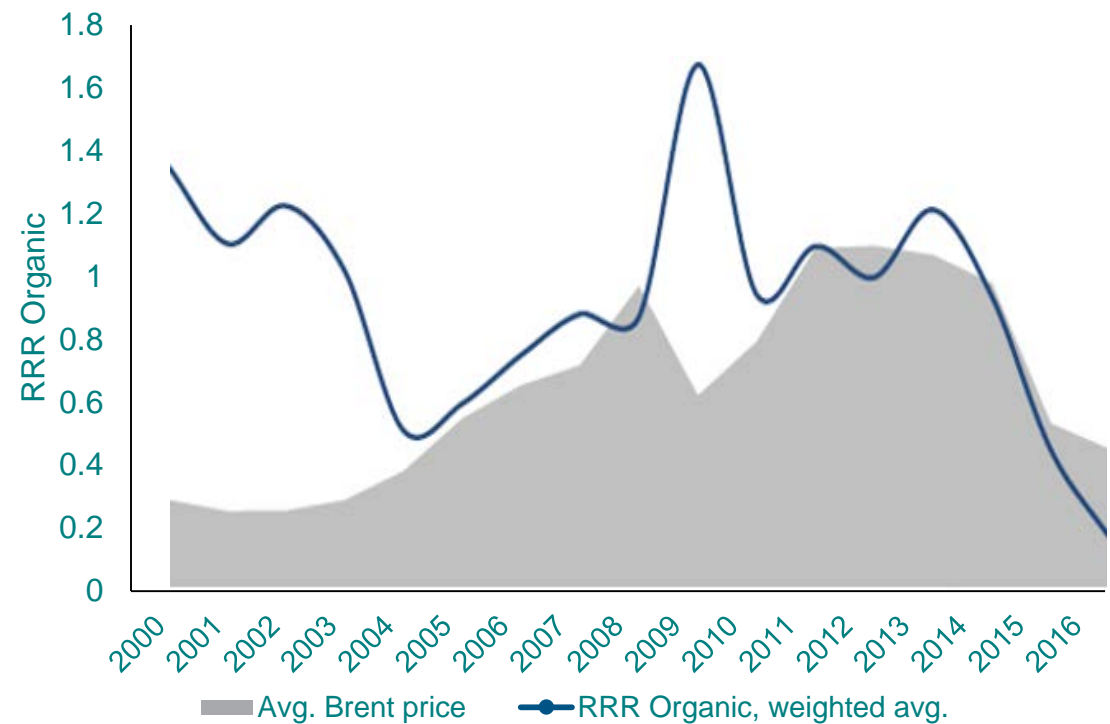■ Average break-even price (1)   ■ Average Brent (2)

Source: WoodMac

1. Base-case estimate of Brent price required to remain cash flow neutral (accumulate no additional debt) between 2017 and 2019 for more than 50 of the world's leading oil companies, as estimated by Wood Mackenzie. Includes upstream costs and pro-rated shareholder distributions. Excludes downstream cash flow
2. Year-to-date for 2017
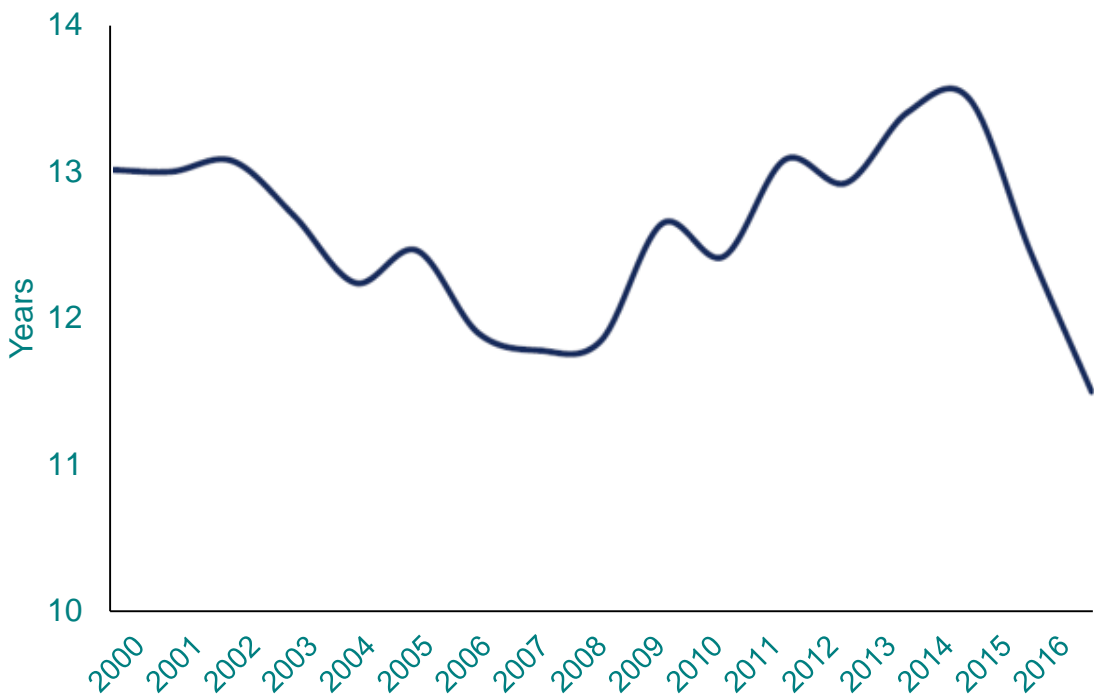
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Reserve replacement ratio and reserve life unsustainably low

Reserve replacement ratio and avg. Brent

Average run rate life of current reserves

Legend: Avg. Brent price — RRR Organic, weighted avg.

Source: Pareto Securities

Oil price uncertainty persists

Global liquid production / consumption balance

Multi-client revenues of the key seismic players[1], y/y

Source: EIA Short Term Energy Outlook, August 2017

1. TGS, WesternGeco, PGS, CGG, Polarcus

Source: Barclays

Spending volatile between quarters despite slight underlying improvement

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Backlog increase of 24% relative to Q2 2016
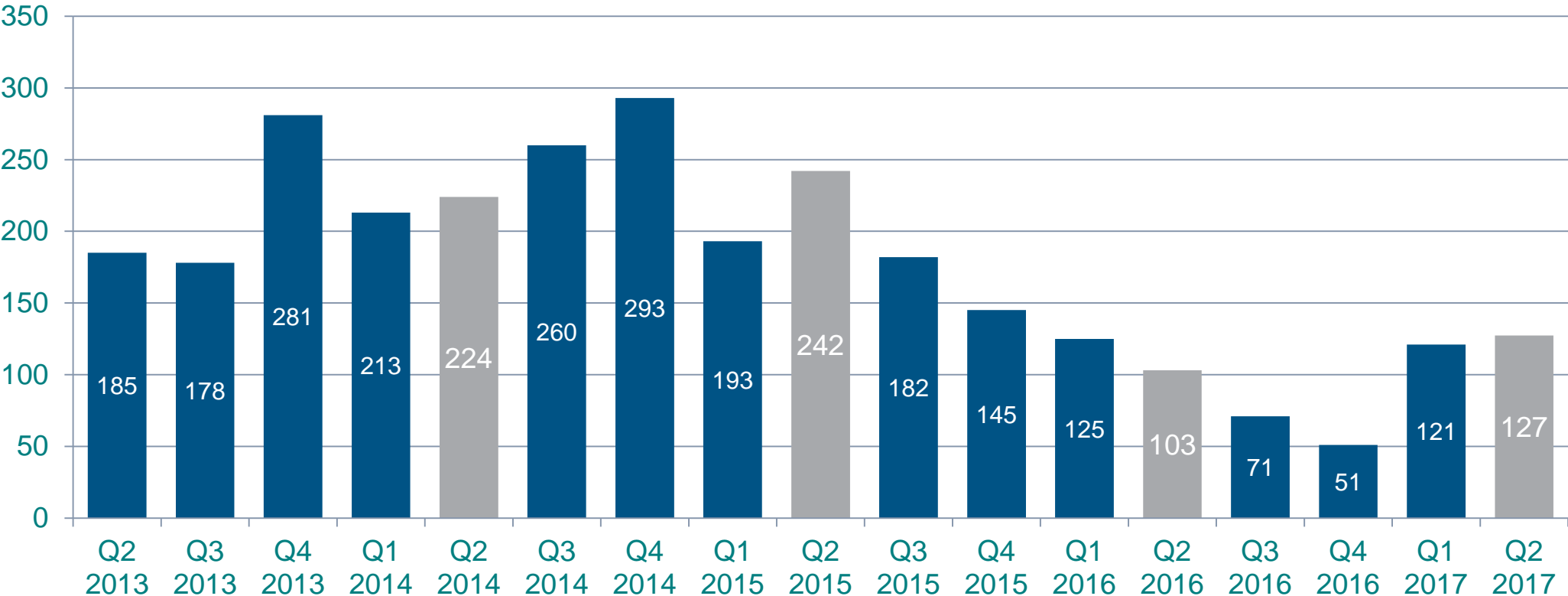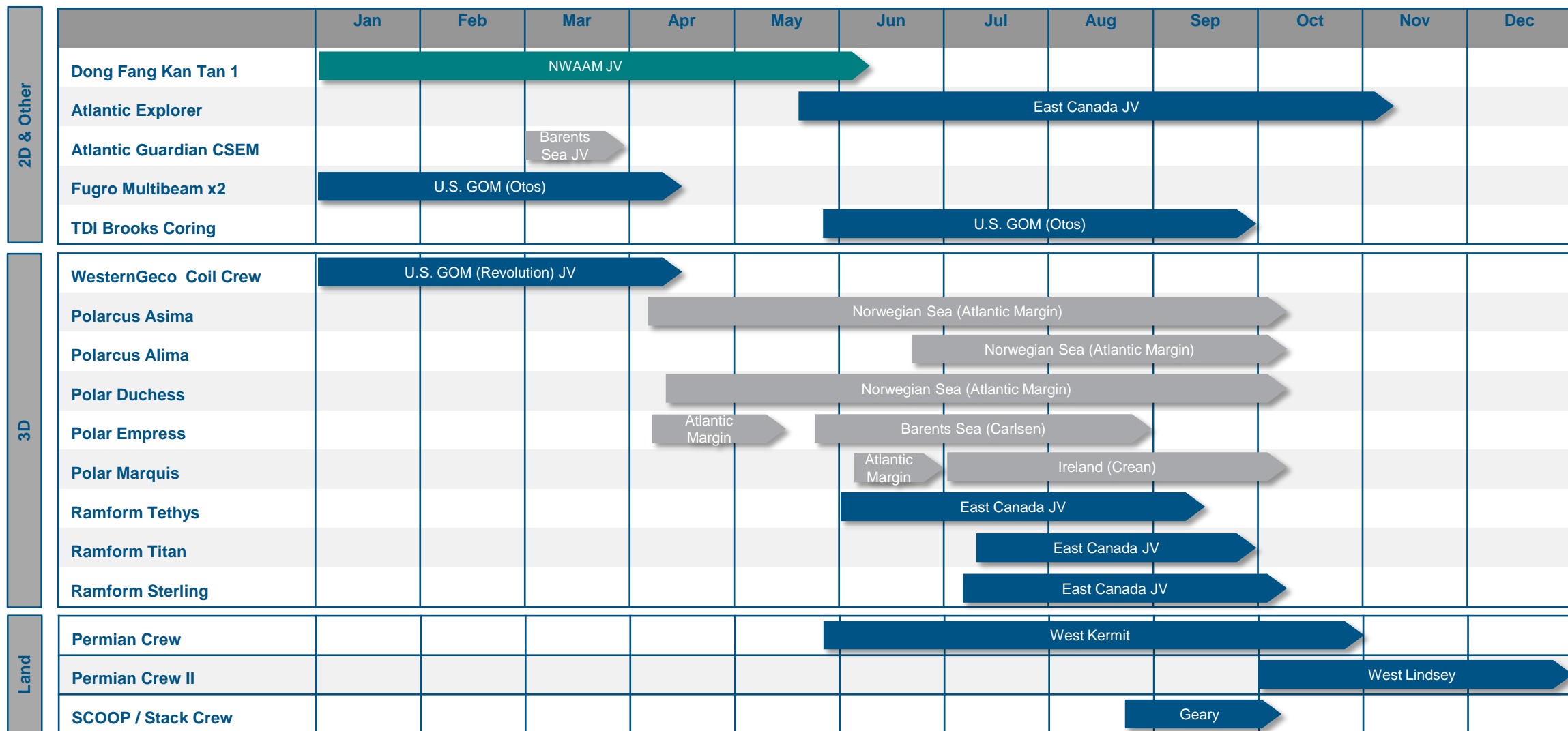

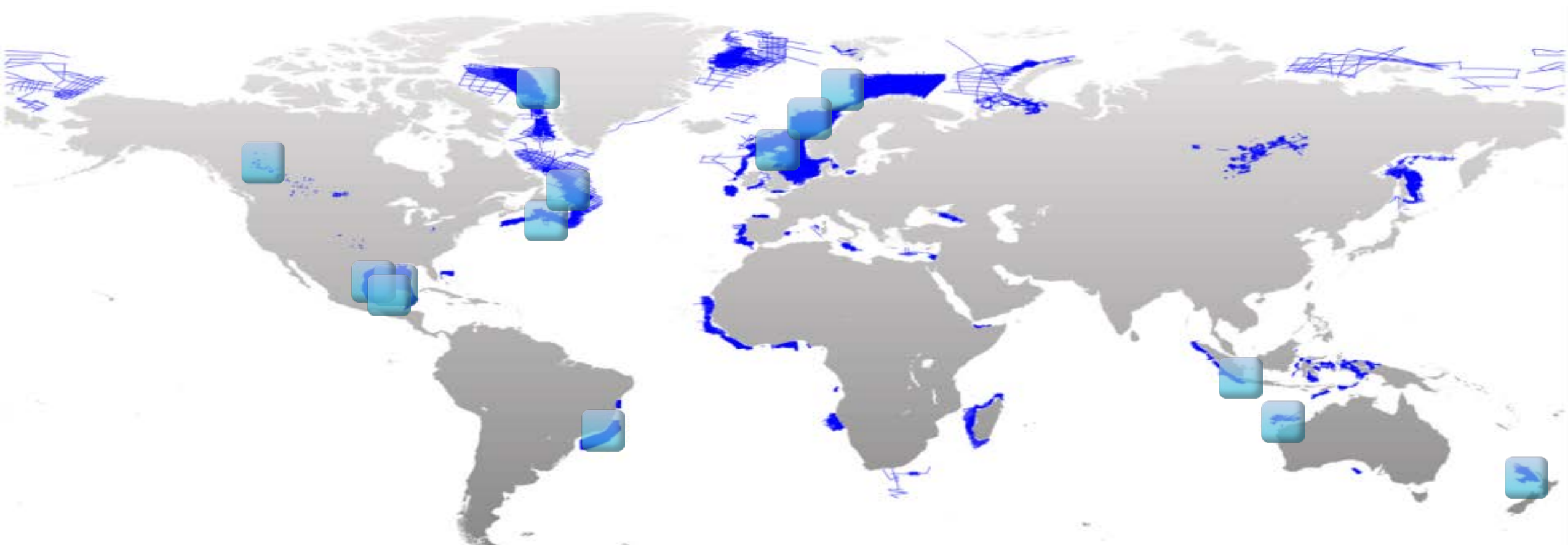Historical Backlog (MUSD) 2013 - 2017

2017 Projects Schedule*

→ NSA   → EUR   → AMEAP

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2D & Other	Dong Fang Kan Tan 1	NWAAM JV →											
	Atlantic Explorer						East Canada JV →						
	Atlantic Guardian CSEM			Barents Sea JV									
	Fugro Multibeam x2	U.S. GOM (Otos) →											
	TDI Brooks Coring						U.S. GOM (Otos) →						
3D	WesternGeco Coil Crew	U.S. GOM (Revolution) JV →											
	Polarcus Asima				Norwegian Sea (Atlantic Margin)								
	Polarcus Alima						Norwegian Sea (Atlantic Margin)						
	Polar Duchess				Norwegian Sea (Atlantic Margin)								
	Polar Empress			Atlantic Margin		Barents Sea (Carlsen)							
	Polar Marquis				Atlantic Margin	Ireland (Crean)							
	Ramform Tethys						East Canada JV →						
	Ramform Titan							East Canada JV →					
	Ramform Sterling							East Canada JV →					
Land	Permian Crew						West Kermit →						
	Permian Crew II										West Lindsey →		
	SCOOP / Stack Crew							Geary →					

*Acquisition schedule excludes Fusion M-WAZ Reprocessing, other processing projects and GPS investments

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License Round Activity and TGS Positioning

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Summary

- Delivering according to plan
  - YTD net revenues of 194 MUSD (an increase of 9% from last year)
  - YTD EBIT of 20 MUSD (compared to 0.3 MUSD last year)

- Solid Balance Sheet Backing TGS strategy
  - Cash balance of 239 MUSD in addition to undrawn 75 MUSD Revolving Credit Facility

- Record high Q3 data acquisition activity at all-time low unit cost

- Market continues to be challenging and volatile in the near term, but several triggers for long term improvement

- 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

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Thank you