



Q3 2017 Earnings Release

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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 2017 Highlights

- Q3 net revenues of 142 MUSD, up 25% from Q3 2016
 - Net late sales of 79 MUSD, up 18% from 67 MUSD in Q3 2016
 - Net pre-funding revenues of 62 MUSD were up 58% from Q3 2016, funding 54% of TGS' operational multi-client investments for the quarter
 - Operational multi-client investments of 114 MUSD in addition to 1 MUSD from risk sharing arrangements
- Operating profit for the quarter was 26 MUSD compared to 11 MUSD in Q3 2016
- Cash flow from operations at 86 MUSD compared to 91 MUSD in Q3 2016
 - Cash balance of 205 MUSD in addition to undrawn 75 MUSD Revolving Credit Facility
- Quarterly dividend maintained at USD 0.15 per share

Operational Highlights

Q3 2017 Operations

Atlantic Explorer JV

Ramform Tethys JV

Ramform Titan JV

Ramform Sterling JV

SCOOP/STACK Crew

Permian Crew

TDI Brooks Coring

Polar Empress

Polarcus Asima

Polarcus Alima

Polar Duchess

Polar Marquis

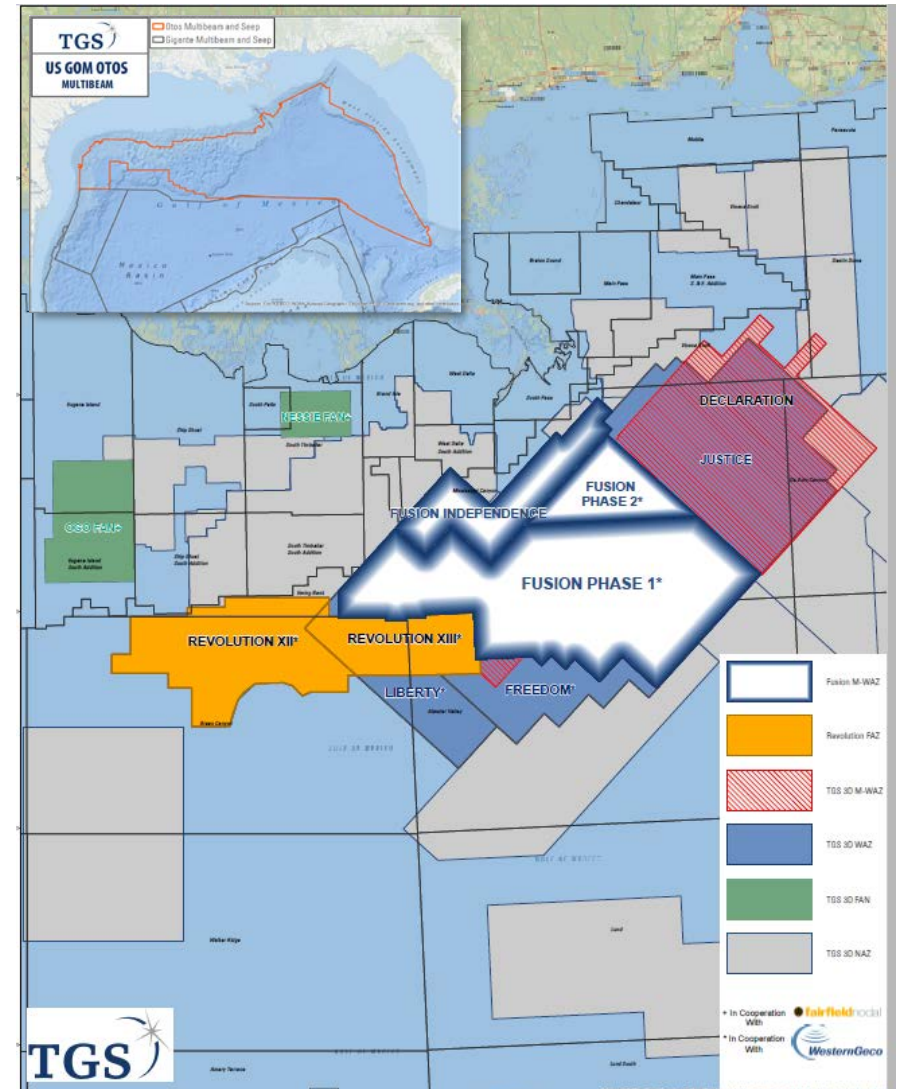
Q3 Activity – U.S. Gulf of Mexico

Fusion M-WAZ reimaging program

- M-WAZ reimaging program in collaboration with Schlumberger in Mississippi Canyon, Atwater Valley and Ewing bank areas
- ~27,000 km² (1,166 OCS blocks) 3D M-WAZ data previously acquired by TGS and Schlumberger between 2008 and 2012
- Reimaging is >70% complete with final data delivery mid-2018

Otos multibeam and seep study

- ~289,000 km² multibeam acquisition completed in early Q2; acquisition of 350 cores and associated advanced geochemistry analysis will complete in Q4
- Designed to mirror the successful Gigante multibeam and seep study in the Mexican GOM



Q3 Activity – 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

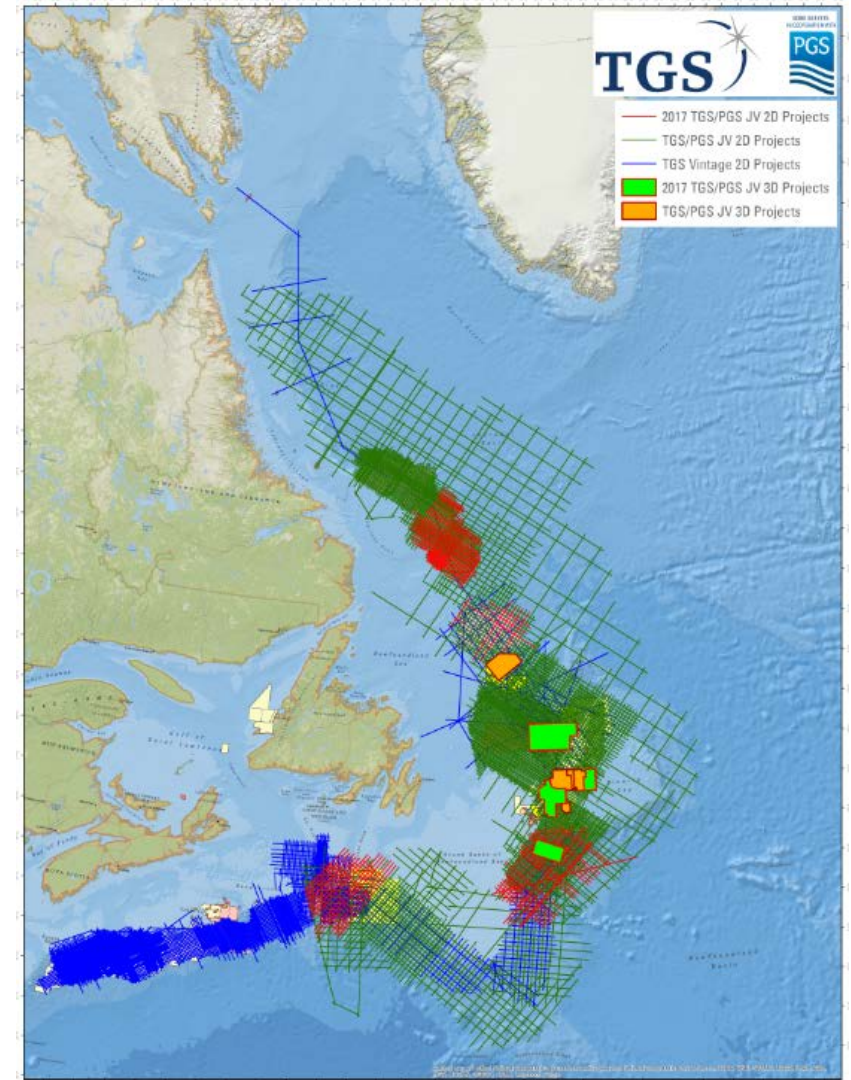
Newfoundland Labrador 3D

- ~18,000 km² multi-client 3D covering a mix of held and open acreage within the 2018 and 2019 Sectors of the Scheduled Land Tenure
 - Long Range 3D
 - East Flemish Pass 3D Phase II
 - Harbour Deep 3D
 - Cape Broyle 3D

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 29,250 km² 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



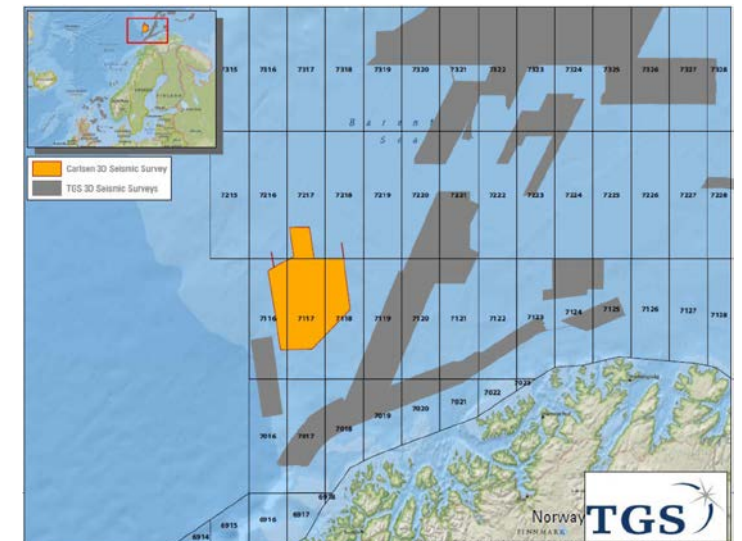
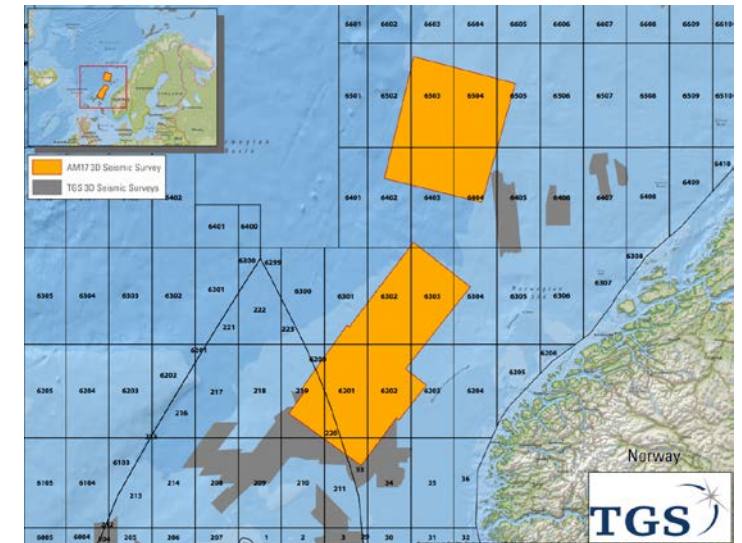
Q3 Activity – Norway

AM17 Atlantic Margin 3D

- 40,000 km² 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

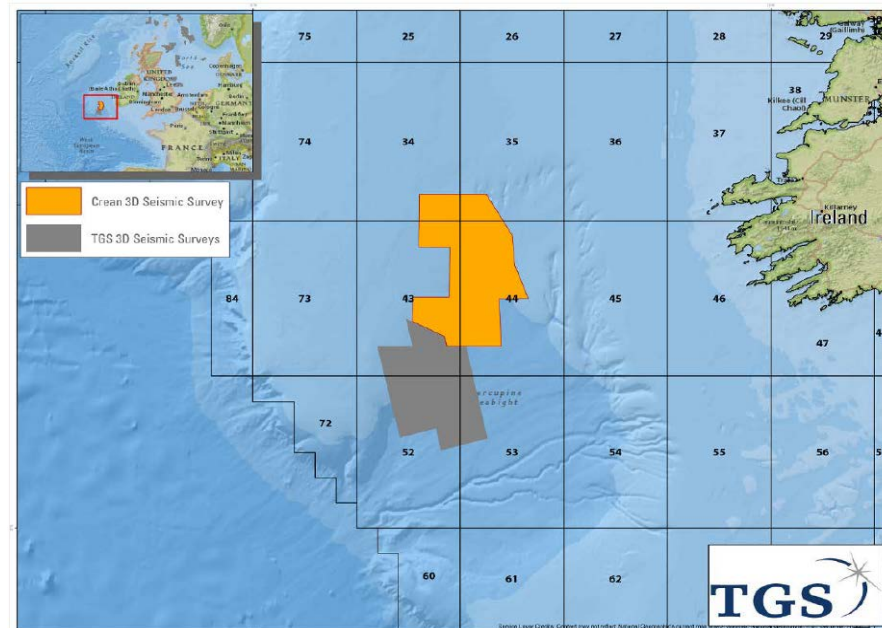
- 5,490 km² multi-client survey located in the Southwest Barents Sea
- Open acreage with blocks included in the 24th licensing round
- Acquisition completed in Q3 2017



Q3 Activity – Ireland

Crean 3D - Ireland

- ~5,400 km² 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 completed in October 2017



Q3 Activity - U.S. Land

West Kermit 3D

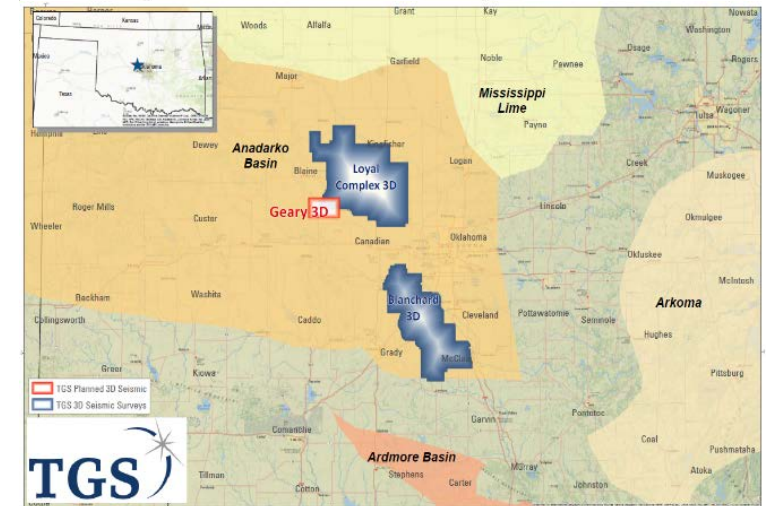
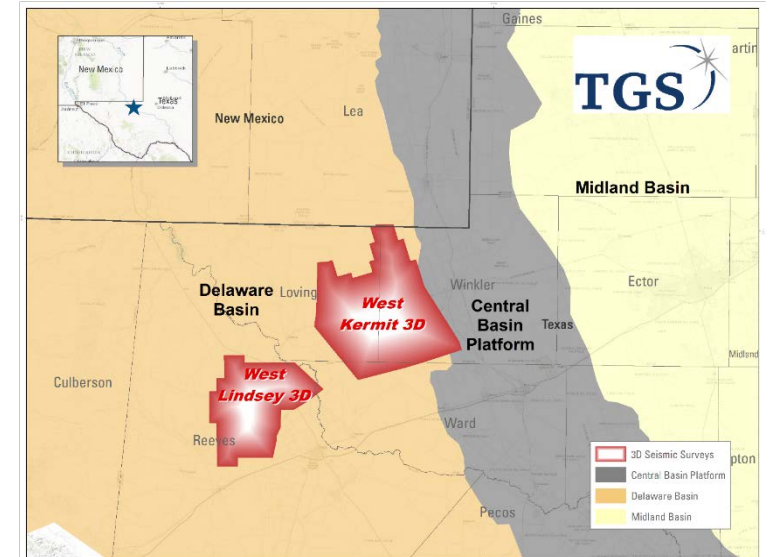
- 1,050 km² high-resolution 3D multi-client project in Loving and Winkler counties, TX, in the Delaware basin
- Data acquisition expected to complete in Q4 2017

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

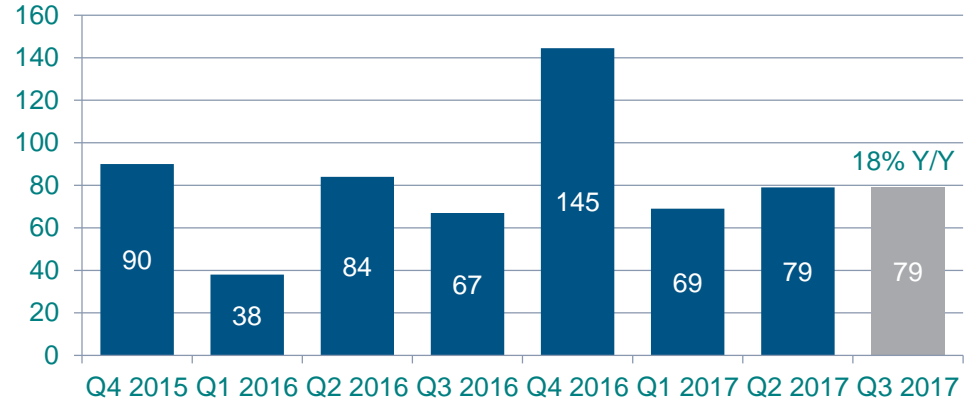
- Comprehensive Permian well database announced to clients in Q1 2017
- Expanded to ~460,000 wells in Q3 2017 (including validated well headers and digital LAS) supported by multiple interpretive products



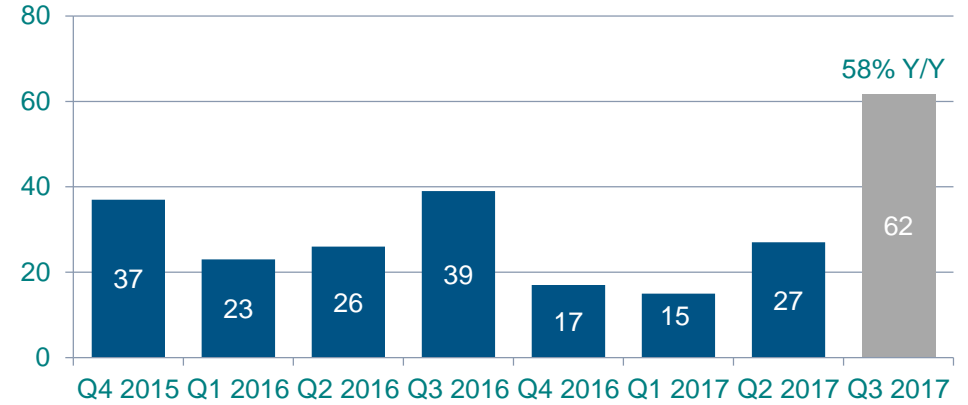
Financials

Net Revenues

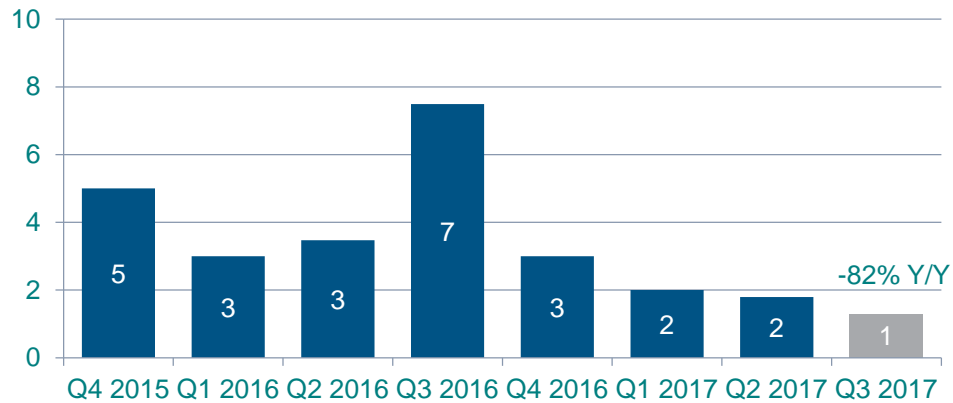
Late sales revenues



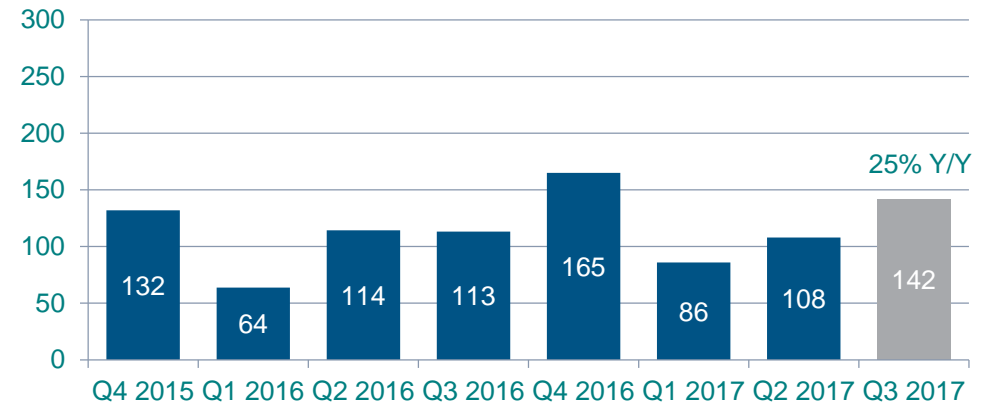
Prefunding revenues



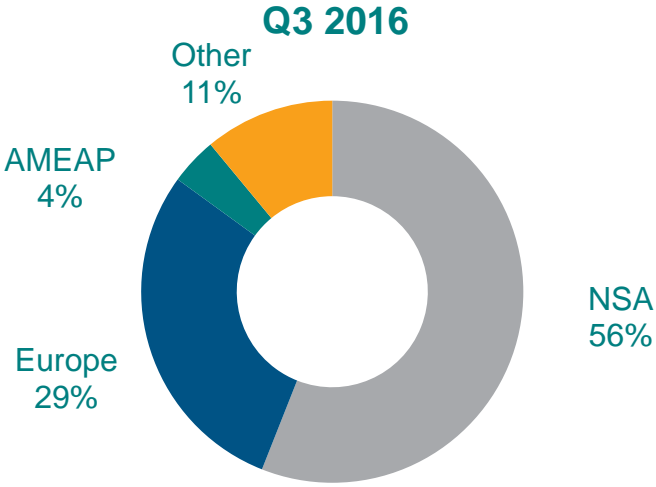
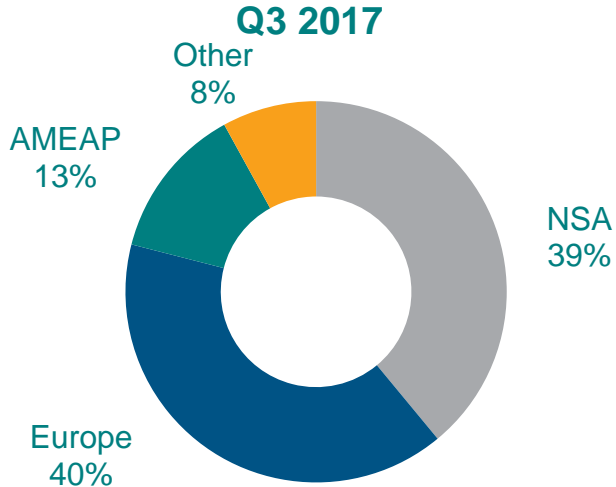
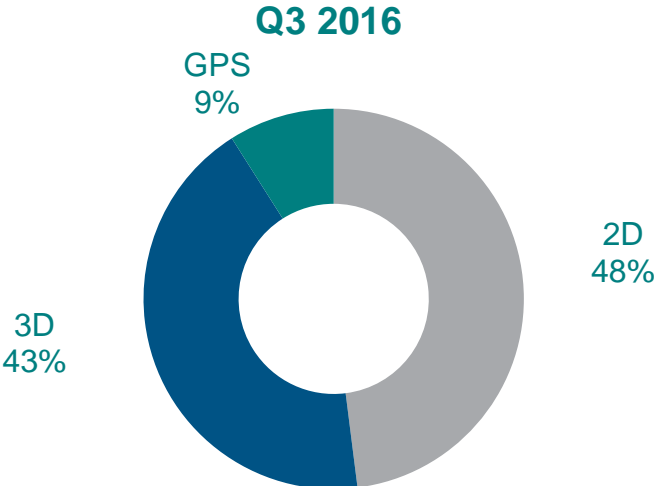
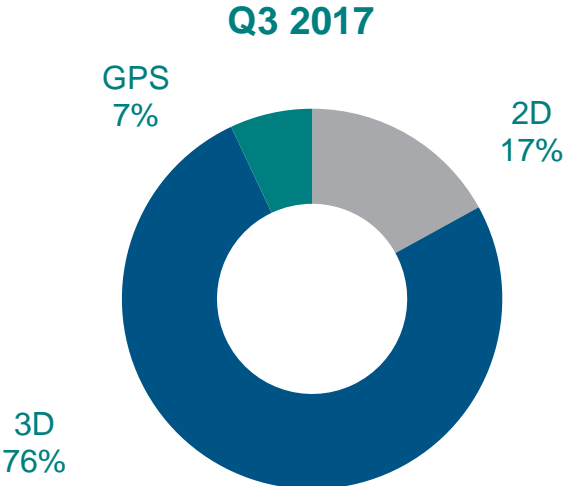
Proprietary revenues



Total revenues

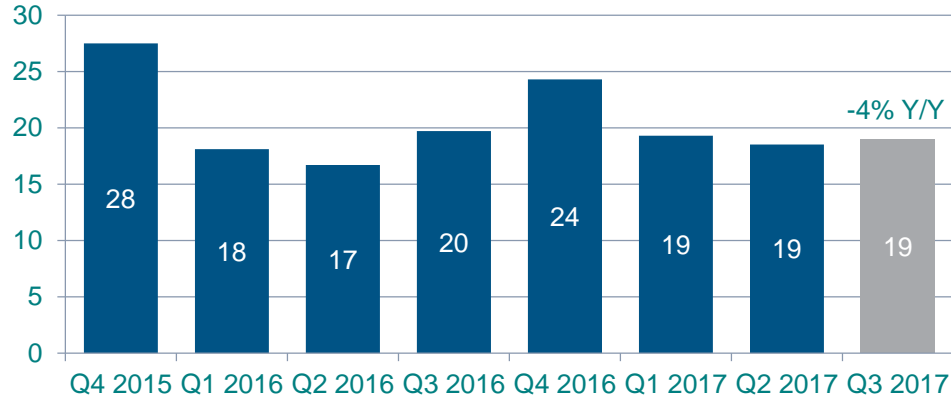


Net Revenue Breakdown



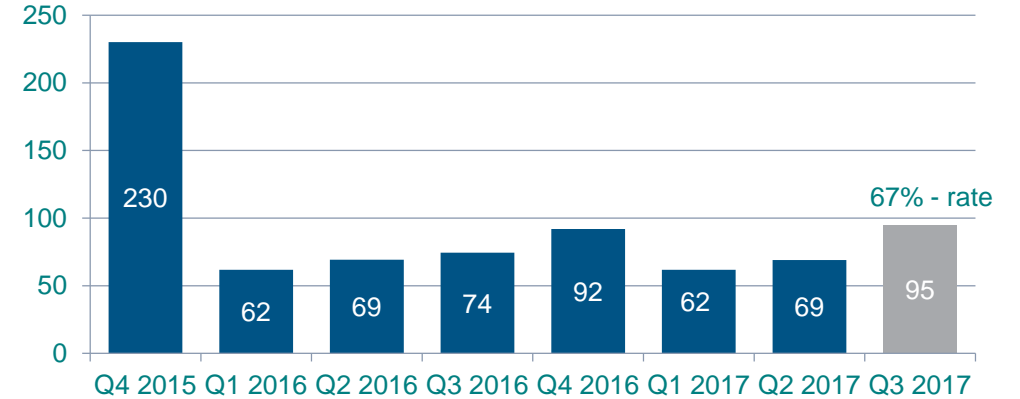
Operating Expenses, EBIT, Free Cash Flow

Operating expenses *

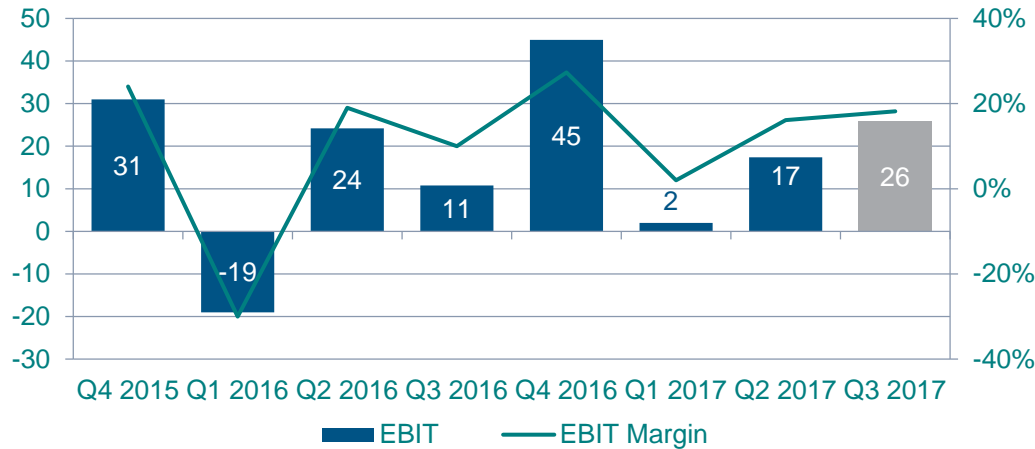


* Include personnel costs and other operating expenses. Adjusted for restructuring costs and larger impairments of operating items

Amortization and impairment

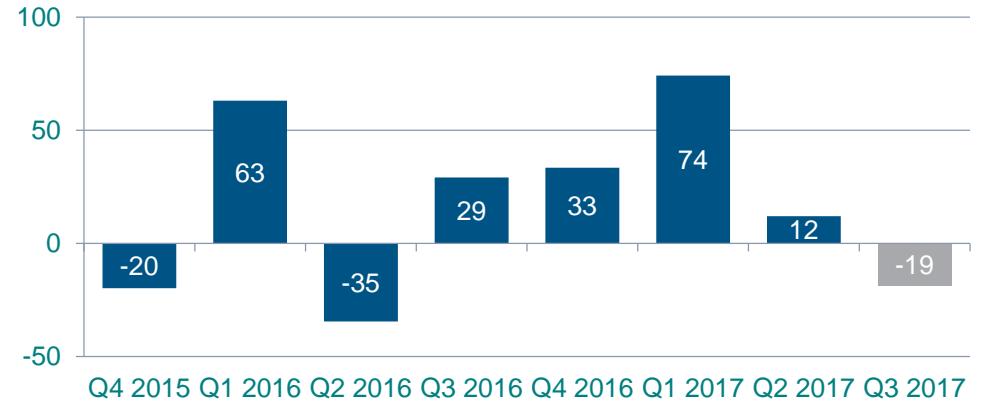


EBIT *



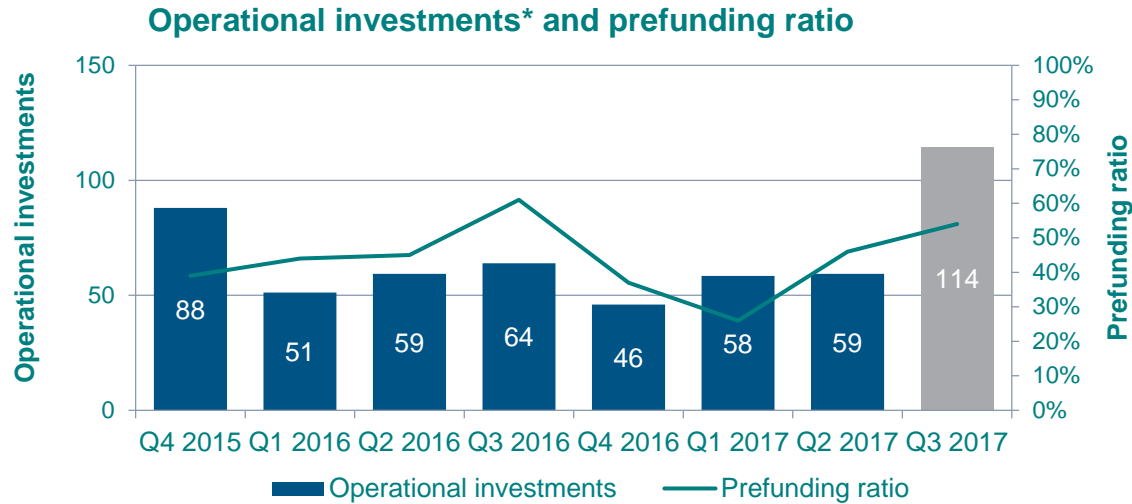
* Earnings before interest and taxes and excluding larger impairments and restructuring costs

Free cash flow *

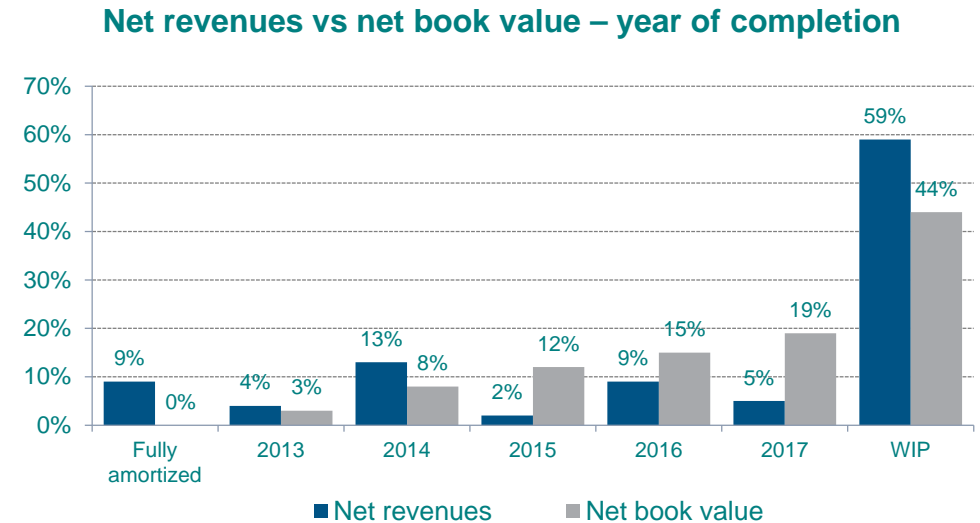
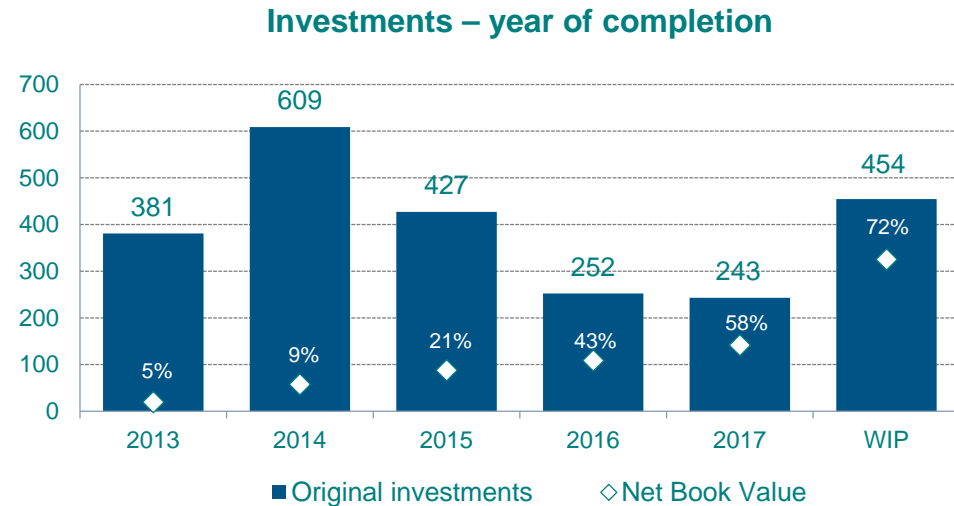
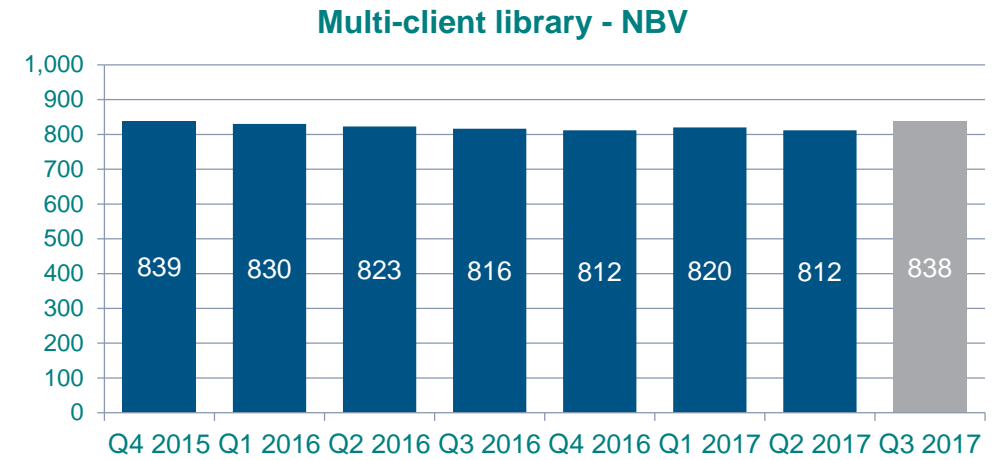


* Defined as cash flow from operational activities minus operational cash investments in multi-client projects

Multi-Client Library



*Operational investments excluding risk-sharing arrangements



Q3 2017 Income Statement

USD million, except EPS	Q3 2017	Q3 2016	Change in %
Net revenues	142	113	25%
Cost of goods sold – proprietary and other	0.2	5	-97%
Amortization of multi-client library	95	74	27%
Gross margin	47	34	38%
Personnel costs	13	12	10%
Other operating expenses	6	8	-23%
Cost of stock options	0.1	0.2	-75%
Depreciation	2	3	-37%
Operating profit	26	11	140%
Net financial items	1	2	-48%
Profit before taxes	27	13	108%
Taxes	18	11	56%
Net Income	9	2	441%
EPS, Undiluted	0.09	0.02	441%
EPS, Fully Diluted	0.09	0.02	441%

Q3 2017 Cash Flow Statement

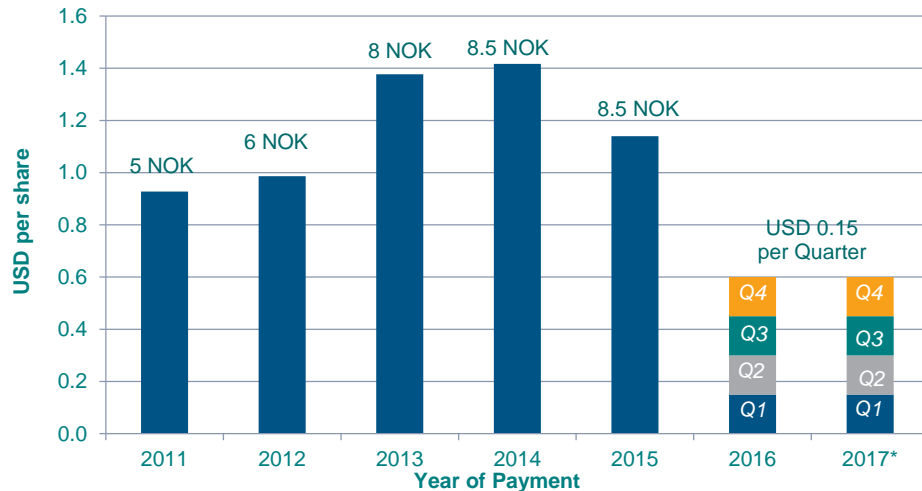
USD million	Q3 2017	Q3 2016	Change in %
Received payments from customers	115	110	4%
Payments for operational expenses	(26)	(25)	-4%
Paid taxes	(2)	6	-141%
Operational cash flow	86	91	-6%
Investments in tangible and intangible assets	(1)	(2)	15%
Investments in multi-client library	(105)	(62)	-69%
Interest received	0.8	0.7	18%
Interest paid	(0.04)	(0.03)	-52%
Dividend payments	(15)	(17)	9%
Proceeds from share issuances	-	-	N/A
Change in cash balance	-35	11	-411%

Balance Sheet

USD million	Q3 2017	Q2 2017	Change in %	Q4 2016
Assets				
Cash and cash equivalents	205	239	-14%	191
Other current assets	272	268	1%	353
Total current assets	477	508	-6%	544
Intangible assets and deferred tax asset	82	84	-2%	86
Other non-current assets	0.5	2	-73%	11
Multi-client library	838	812	3%	812
Fixed assets	21	21	-3%	23
Total Assets	1,418	1,426	-1%	1,477
Liabilities				
Current liabilities	223	227	-2%	262
Non-current liabilities	5	5	-8%	6
Deferred tax liability	33	33	-1%	39
Total Liabilities	261	265	-2%	307
Equity	1,157	1,161	0%	1,169
Total Liabilities and Equity	1,418	1,426	-1%	1,477

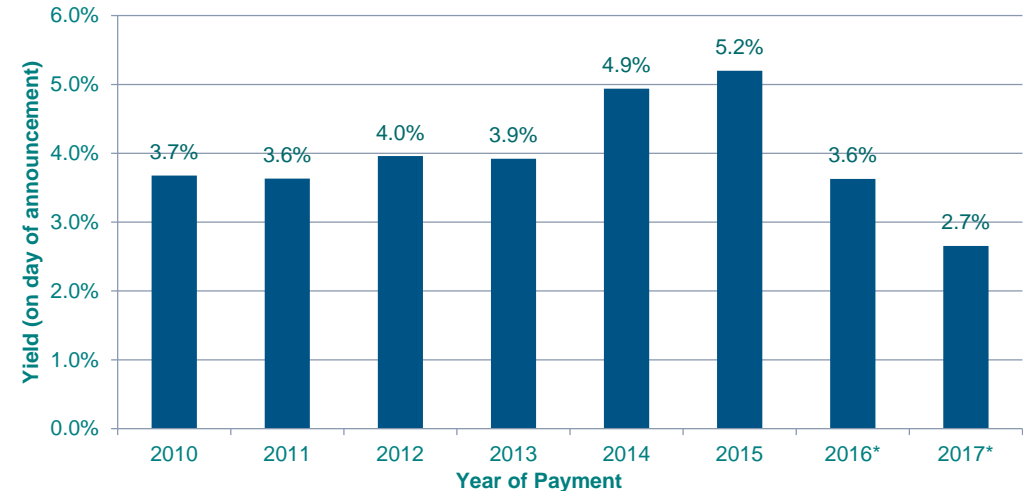
Dividend stable at USD 0.15 per share

Dividend Paid* (2010 – 2017)



*Quarterly Dividends, defined in USD from 2016
Historical NOK dividends converted to USD using FX rate on ex-dividend date

Dividend Yield (2010 – 2017)



*2016 and 2017 Dividend Yield annualized based on the weighted yield at the time of announcement of quarterly dividends

- Shareholder authorization to distribute quarterly dividend payments
 - Aim to keep a stable quarterly dividend through the year
 - Actual quarterly dividend level paid will be subject to continuous evaluation of market outlook, cash flow expectations and balance sheet development
- Q4 2017: USD 0.15 per share to be paid on 16 November 2017
 - Shares will trade ex-dividend on 2 November 2017

Outlook

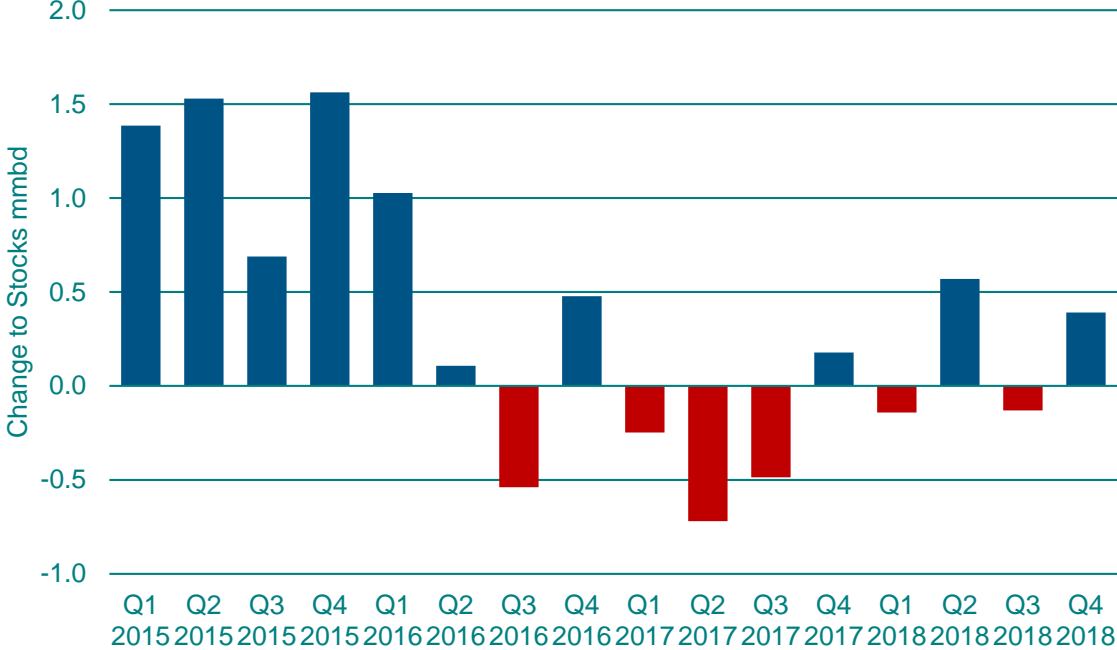
Oil market uncertainty to persist in the short-term

Brent oil price



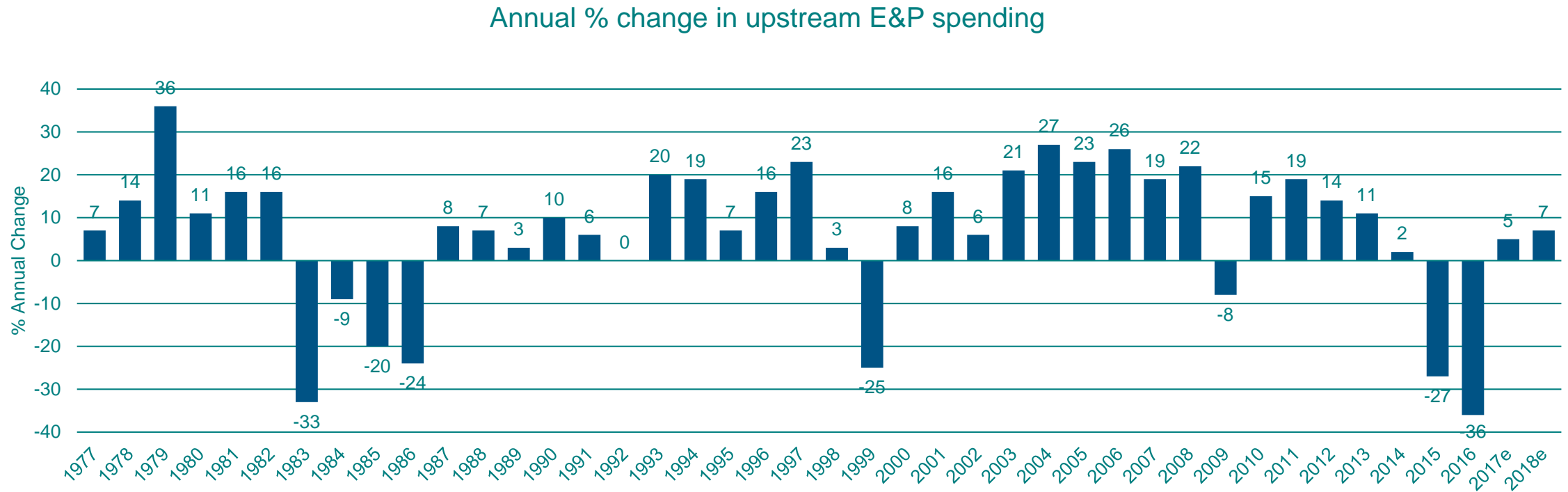
Source: EIA, October 2017

Global liquid production / consumption balance



Source: EIA Short Term Energy Outlook, October 2017

Early indications of modest E&P spending growth in 2018

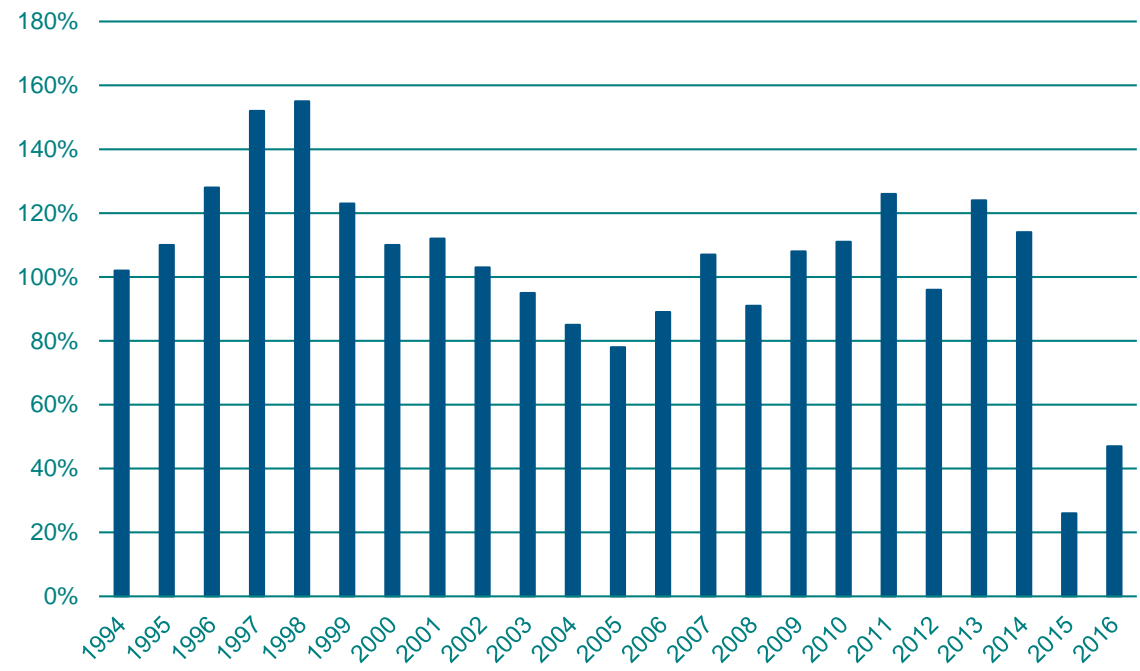


Source: SEB Equity Research, Annual E&P spending survey, 2017

- Most market analysts expect E&P spending growth of 0 to 10% in 2018
- Flattish development in offshore spending expected – but substantial variation (i.e. uncertainty) in estimates

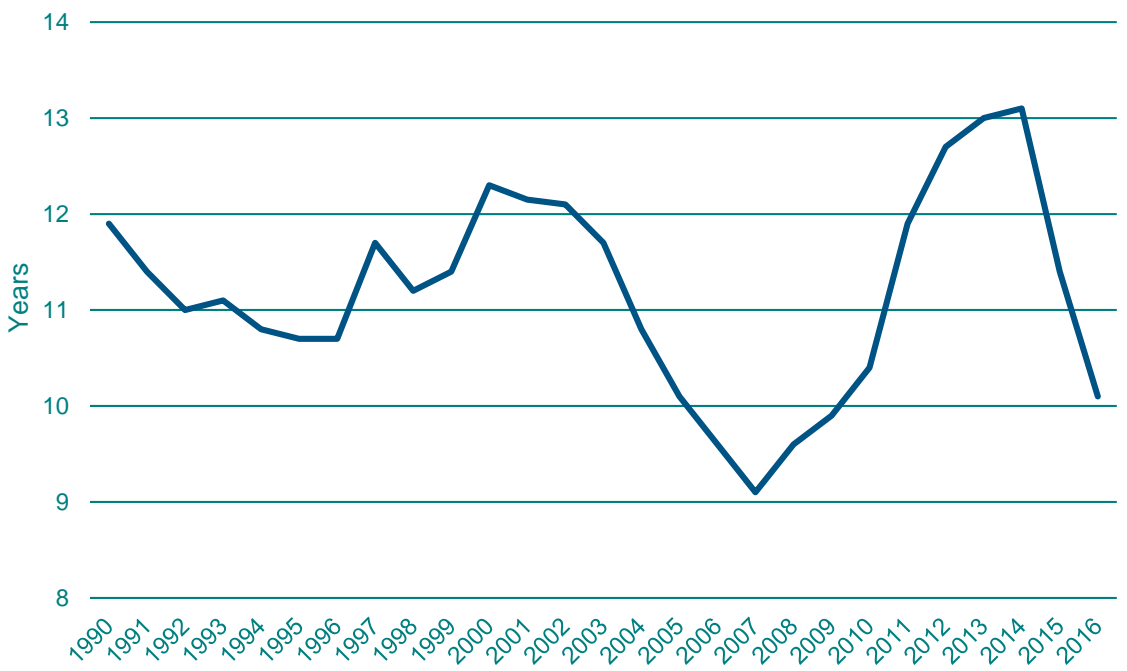
Current exploration activity not sustainable

Organic replacement ratio



Source: SEB Equity Research

Average reserve life large integrated oil companies*



* Exxon, Shell, BP, Chevron, Total, ENI, ConocoPhillips, Repsol, Statoil

Source: Carnegie



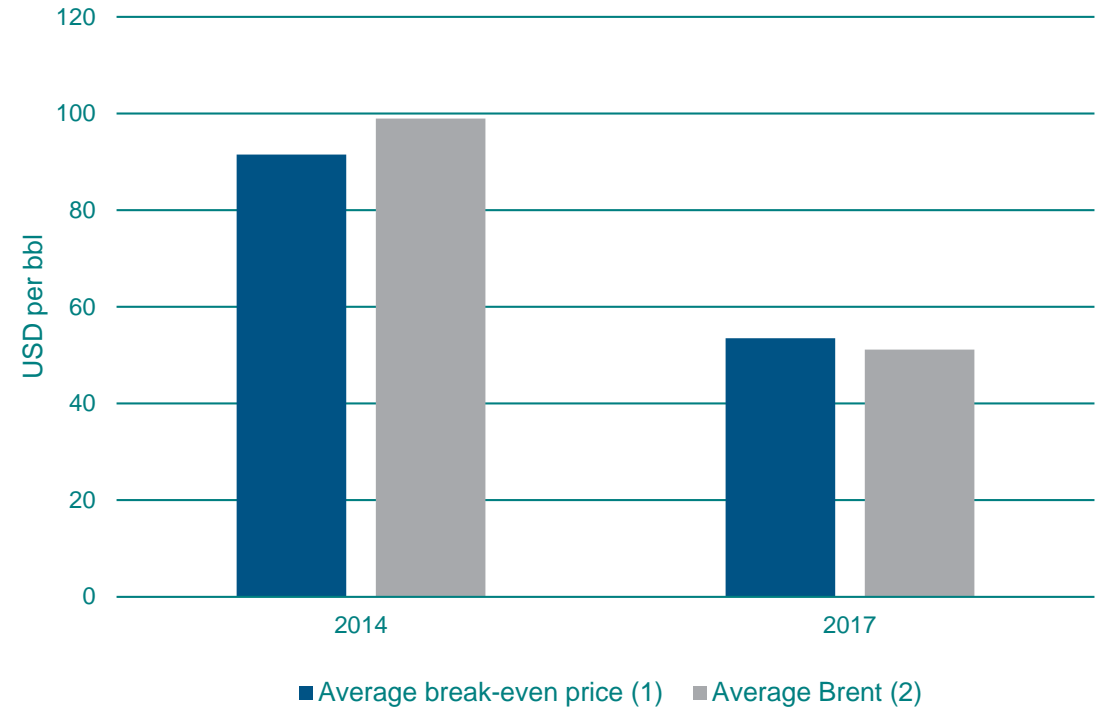
Upstream cost is coming down

Deepwater F&D cost back to 2008 level



Source: Goldman Sachs

Oil companies' cash flow break-even price versus Brent

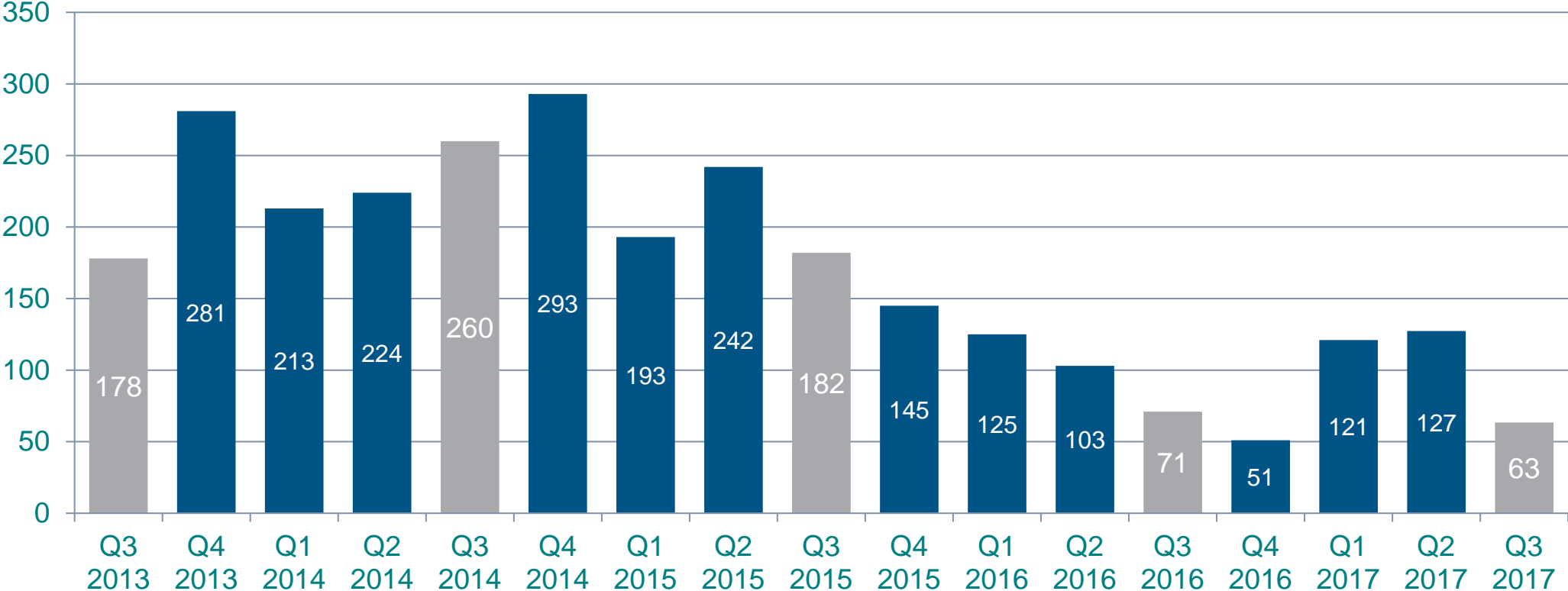


Source: WoodMac

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

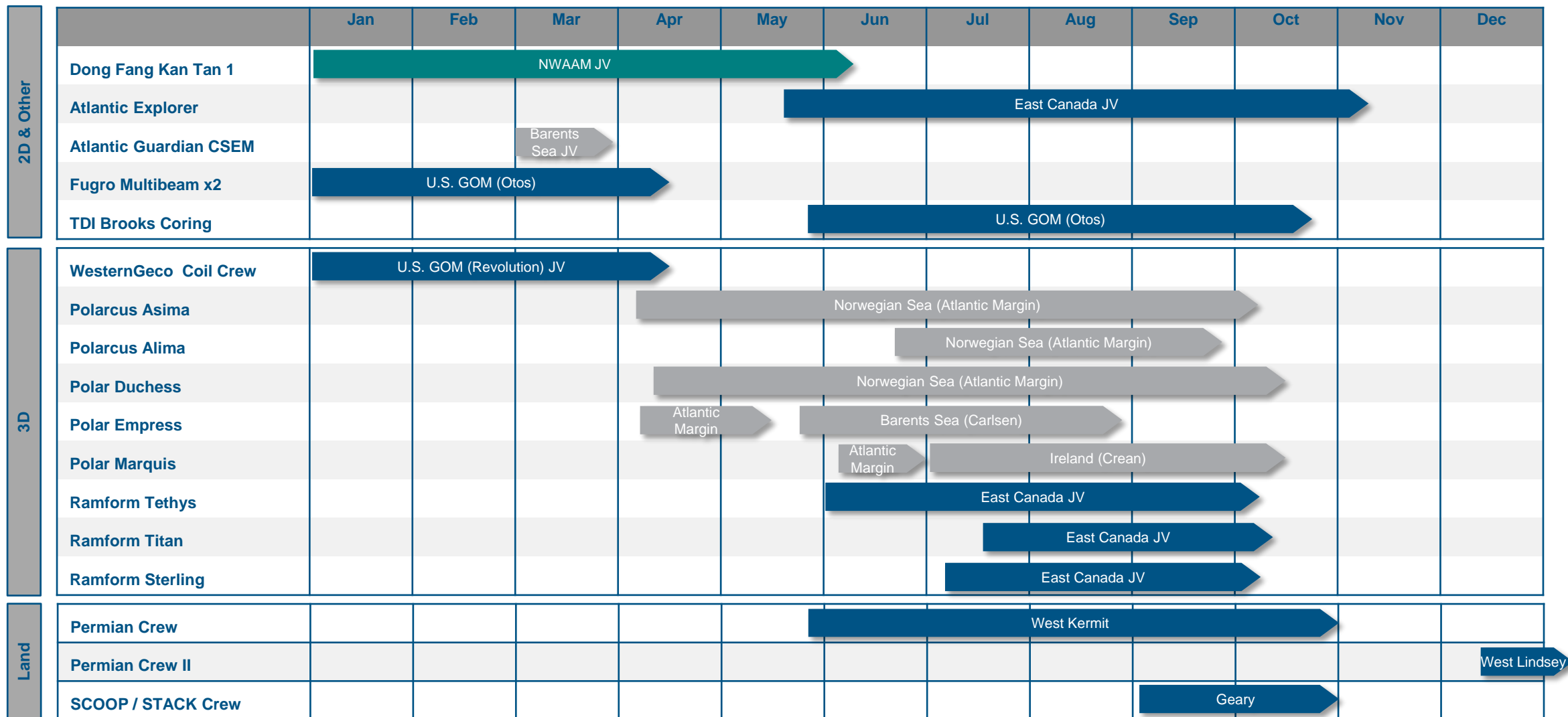
Backlog down following busy quarter

Historical Backlog (MUSD) 2013 - 2017



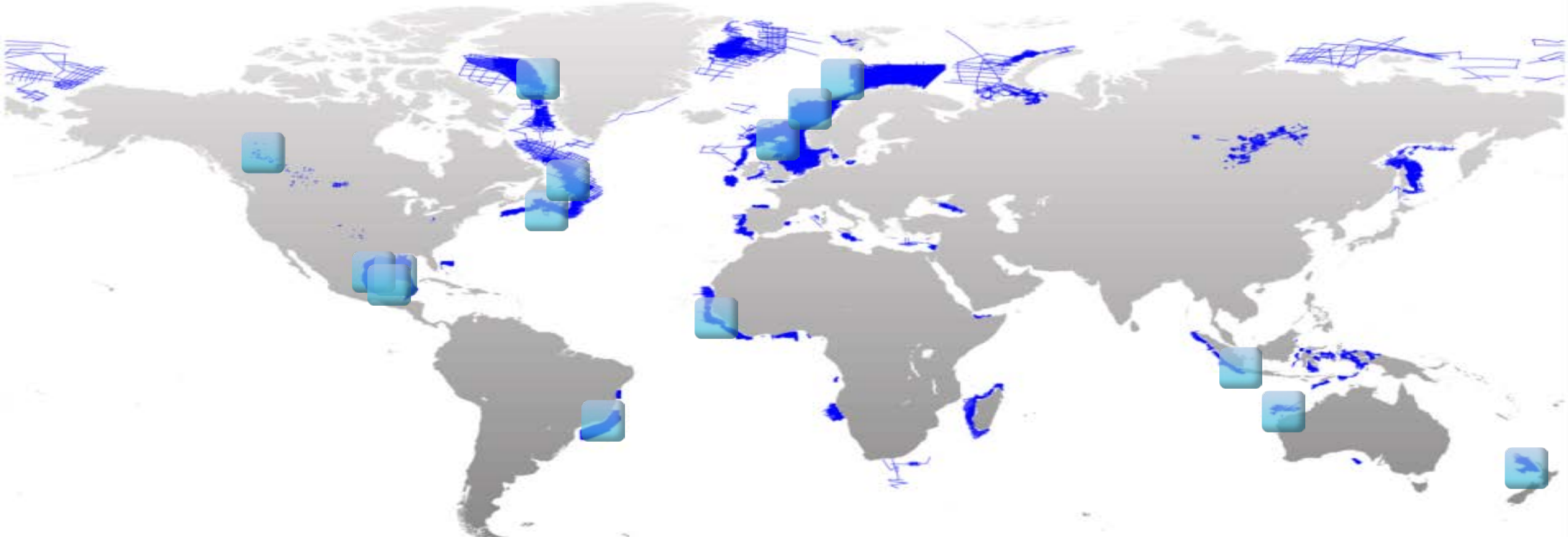
2017 Projects Schedule*

➔ NSA ➔ EUR ➔ AMEAP



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

License Round Activity and TGS Positioning



North & South America

- Central & Western GOM – Mar & Aug (2017-22 Plan)
- Newfoundland Labrador – 2017 round delayed; call for 2018 nominations open
- Nova Scotia – Dec 2017 (3-Year Rolling Plan)
- Canada Onshore – at least monthly
- Brazil Pre-salt rounds - Oct 2017; 15th Round - H1 2018
- Mexico Round 2.4 (deep water)- Jan 2018; Round 3.1 (shallow) – Mar 2018

Africa, Middle East, Asia Pacific

- Ongoing uncertainty on timing of African licensing rounds
- Australia – Feb & Mar 2018 (bids due)
- New Zealand – May 2018 (nominations due)
- Indonesia – Nov 2017 (bids due)

Europe / Russia

- Norway APA – early 2018 (awards due)
- Norway 24th Round – Nov 2017 (bids due)
- UK 30th Round – Nov 2017 (bids due)
- Greenland – Dec 2017 & 2018 (bids due)

Summary

- Q3 net revenues of 142 MUSD
- Q3 EBIT of 26 MUSD
- Cash balance of 205 MUSD in addition to undrawn 75 MUSD Revolving Credit Facility
- Quarterly dividend maintained at USD 0.15 per share

- Oil market uncertainty to persist in short-term
- 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

- 2017 guidance (as updated 23 May 2017):
 - New multi-client investments of approximately USD 260 million
 - Additional multi-client investments expected from sales of existing surveys with risk sharing arrangements
 - Pre-funding of new multi-client investments expected to be approximately 40%-45%

Thank you



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