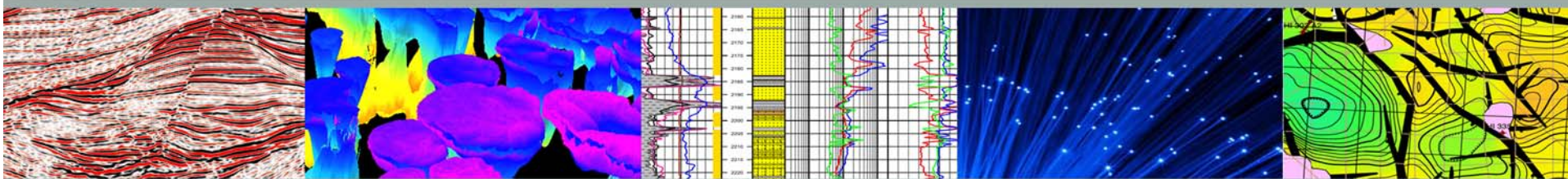


# Earnings Release Q4 2011

**Robert Hobbs**  
Chief Executive Officer

**Kristian K. Johansen**  
Chief Financial Officer



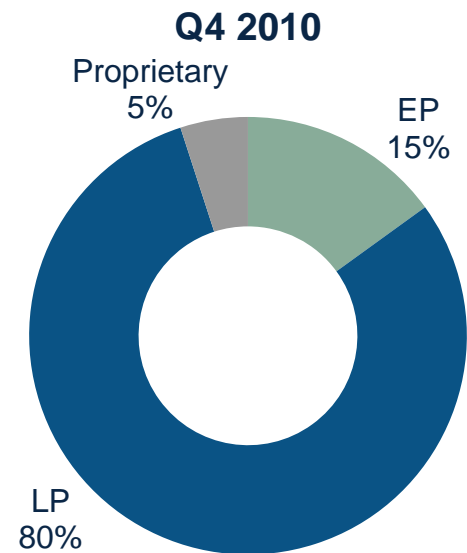
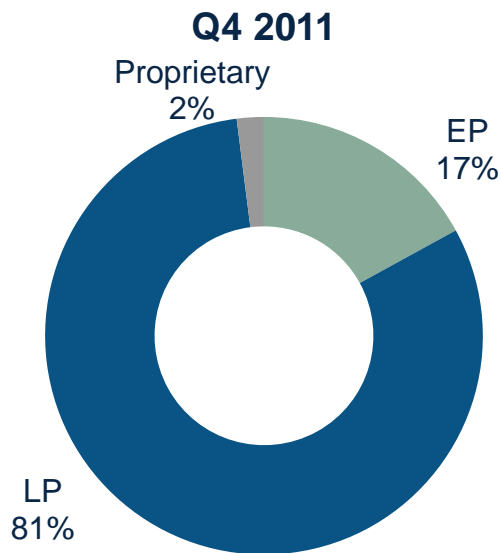
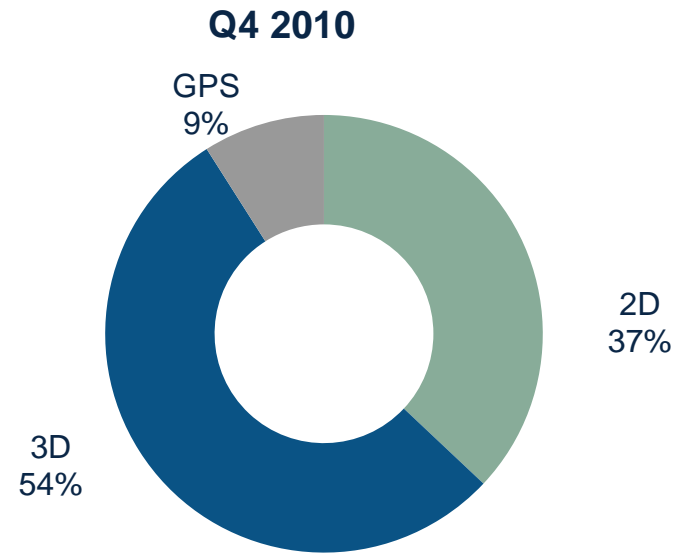
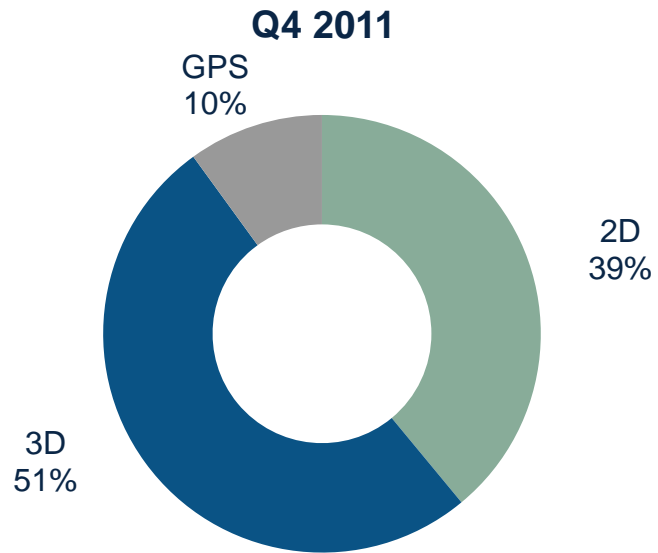
# Forward-Looking Statements

*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.*

## Q4 2011 Highlights

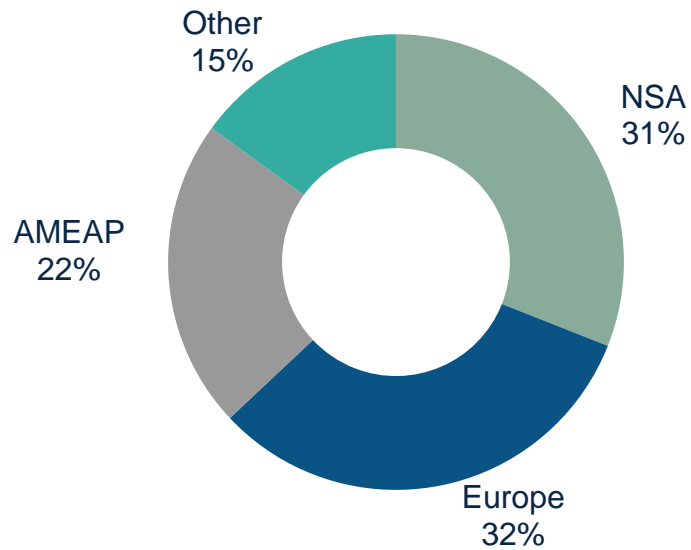
- Net revenues were 180.9 MUSD, up 2% from Q4 2010
- Operating profit for the quarter was 62.7 MUSD, 35% of net revenues, compared to 81.4 MUSD (46% of net revenues) in Q4 2010
  - Impairment of 19.5 MUSD recognized in Q4 on TGS' economic interest in the E&P Holding Group (Skeie Energy)
- Cash flow from operations before multi-client investments was 189.4 MUSD, up 59% from Q4 2010
- 2011 revenue guidance successfully realized
- Healthy 2012-outlook for seismic spending and all-time high backlog
- TGS proposes a dividend of NOK 6 per share for the 2011 accounting year

# Net Revenue Breakdown

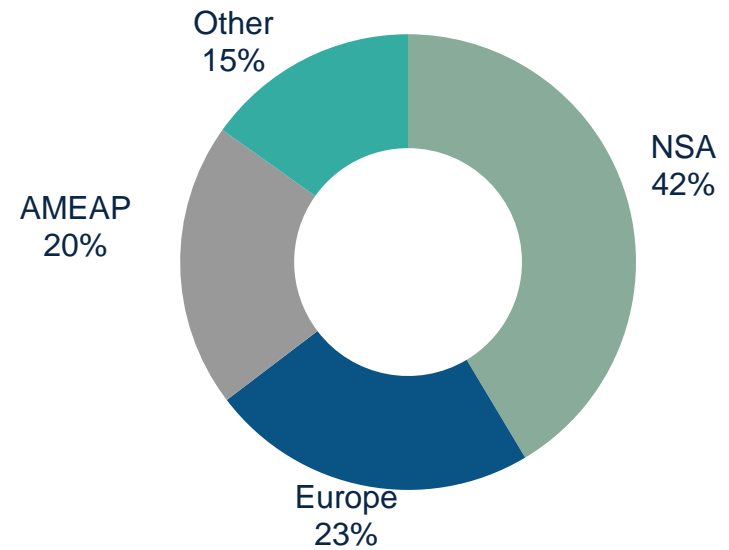


# Net Revenue Breakdown

Q4 2011



Q4 2010



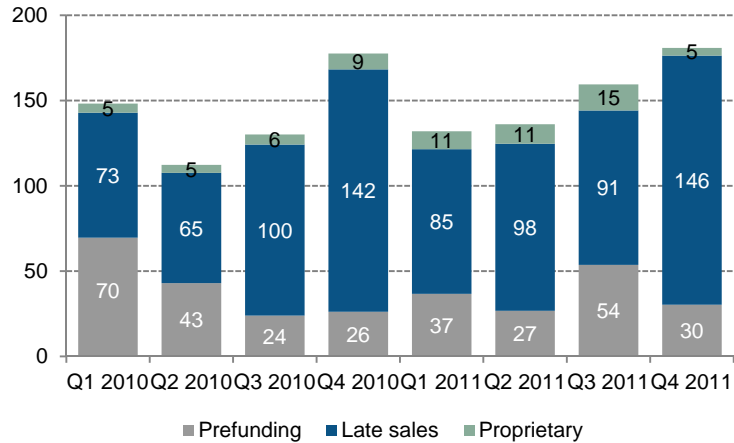
# Financials

**Kristian K. Johansen**  
Chief Financial Officer

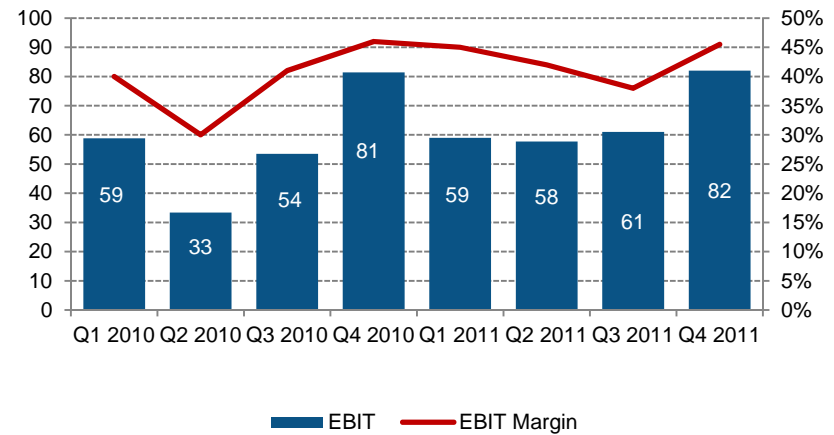


# Key Financials

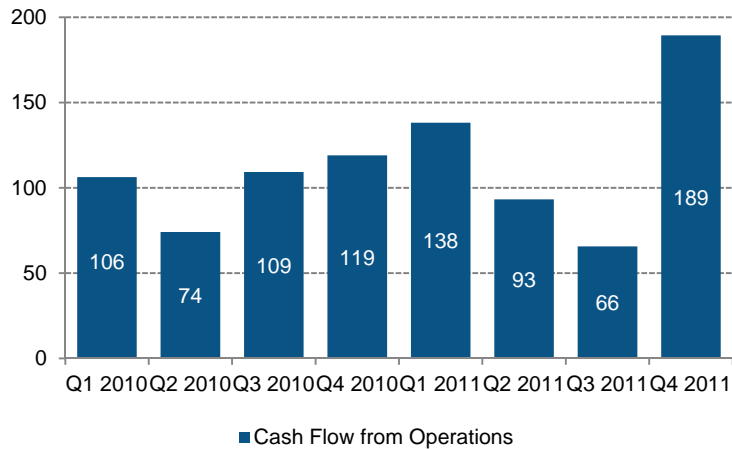
### Net Revenues



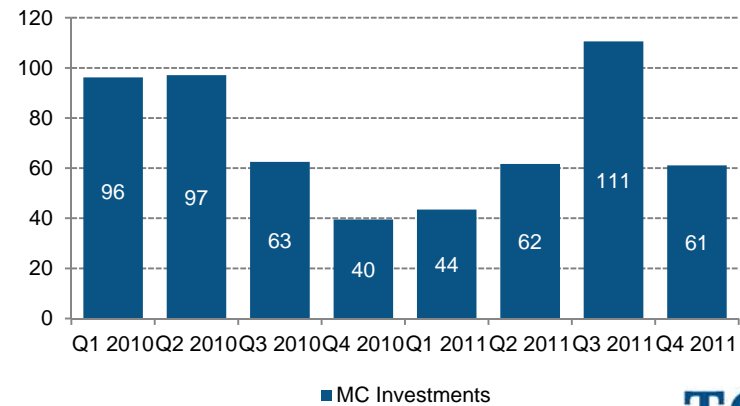
### EBIT before non-recurring items



### Cash Flow from Operations



### MC Investments



# Q4 2011 Income Statement

<i>USD million, except EPS</i>	Q4 2011	Q4 2010	Change in %
<b>Net operating revenues</b>	<b>181</b>	178	2%
Cost of goods sold - proprietary and other	0	3	-86%
Amortization of multi-client library	42% 74	68	8%
Gross margin	107	106	0%
Other operating expenses	42	23	78%
Cost of stock options	0.6	0.3	79%
Depreciation	2	1	36%
<b>Operating profit</b>	<b>35% 63</b>	81	-23%
Net financial items	(0)	(1)	-51%
<b>Profit before taxes</b>	<b>34% 62</b>	81	-23%
Tax expense	18	24	-25%
<b>Net income</b>	<b>24% 44</b>	57	-22%
EPS, Undiluted	0.43	0.55	-22%
EPS, Fully Diluted	0.43	0.54	-21%



# Q4 2011 Cash Flow Statement

<i>USD million</i>	Q4 2011	Q4 2010	Change in %
Received payments	213	150	41%
Payments for operational expenses	(23)	(23)	-2%
Net gain/(loss) from currency exchange	(1)	(1)	-57%
Paid taxes	(0)	(7)	-98%
<b>Operational cash flow</b>	<b>189</b>	<b>119</b>	<b>59%</b>
Investments in tangible fixed assets	(4)	(2)	64%
Investments in multi-client library	(115)	(34)	237%
Proceeds from sale of short-term investments	-	4	-100%
Interest received	1.2	0.1	776%
Interest paid	(0.1)	(0.0)	360%
Purchase of own shares	(7)	(8)	-6%
Proceeds from share offerings	1	1	-6%
<b>Change in cash balance</b>	<b>66</b>	<b>80</b>	<b>-18%</b>

# 2011 Income Statement

<i>USD million, except EPS</i>		12M 2011	12M 2010	Change in %
<b>Net operating revenues</b>		<b>609</b>	568	7%
Cost of goods sold - proprietary and other		13	5	164%
Amortization of multi-client library	43%	242	248	-3%
Gross margin		354	315	12%
Other operating expenses		104	76	37%
Cost of stock options		2	2	-16%
Depreciation		7	10	-29%
<b>Operating profit</b>	<b>40%</b>	<b>240</b>	227	6%
Net financial items		0.7	0.6	17%
<b>Profit before taxes</b>	<b>40%</b>	<b>241</b>	228	6%
Tax expense		70	72	-2%
<b>Net income</b>	<b>28%</b>	<b>171</b>	156	10%
EPS, Undiluted		1.67	1.52	10%
EPS, Fully Diluted		1.65	1.49	11%

# 2011 Cash Flow Statement

<i>USD million</i>	12M 2011	12M 2010	Change in %
Received payments	648	550	18%
Payments for operational expenses	(98)	(80)	22%
Net gain/(loss) from currency exchange	(2)	(1)	27%
Paid taxes	(62)	(60)	4%
<b>Operational cash flow</b>	<b>487</b>	<b>409</b>	19%
Investments in tangible fixed assets	(13)	(5)	171%
Investments in multi-client library	(283)	(271)	4%
Investments through mergers and acquisitions	(44)	(4)	1110%
Interest received	3	1	80%
Proceeds from sales of short-term investments	4	7	-38%
Interest paid	(0.2)	(0.0)	1195%
Dividend payments	(93)	(65)	44%
Purchase of own shares	(30)	(32)	-6%
Proceeds from share offerings	16	6	163%
<b>Change in cash balance</b>	<b>46</b>	<b>47</b>	-3%

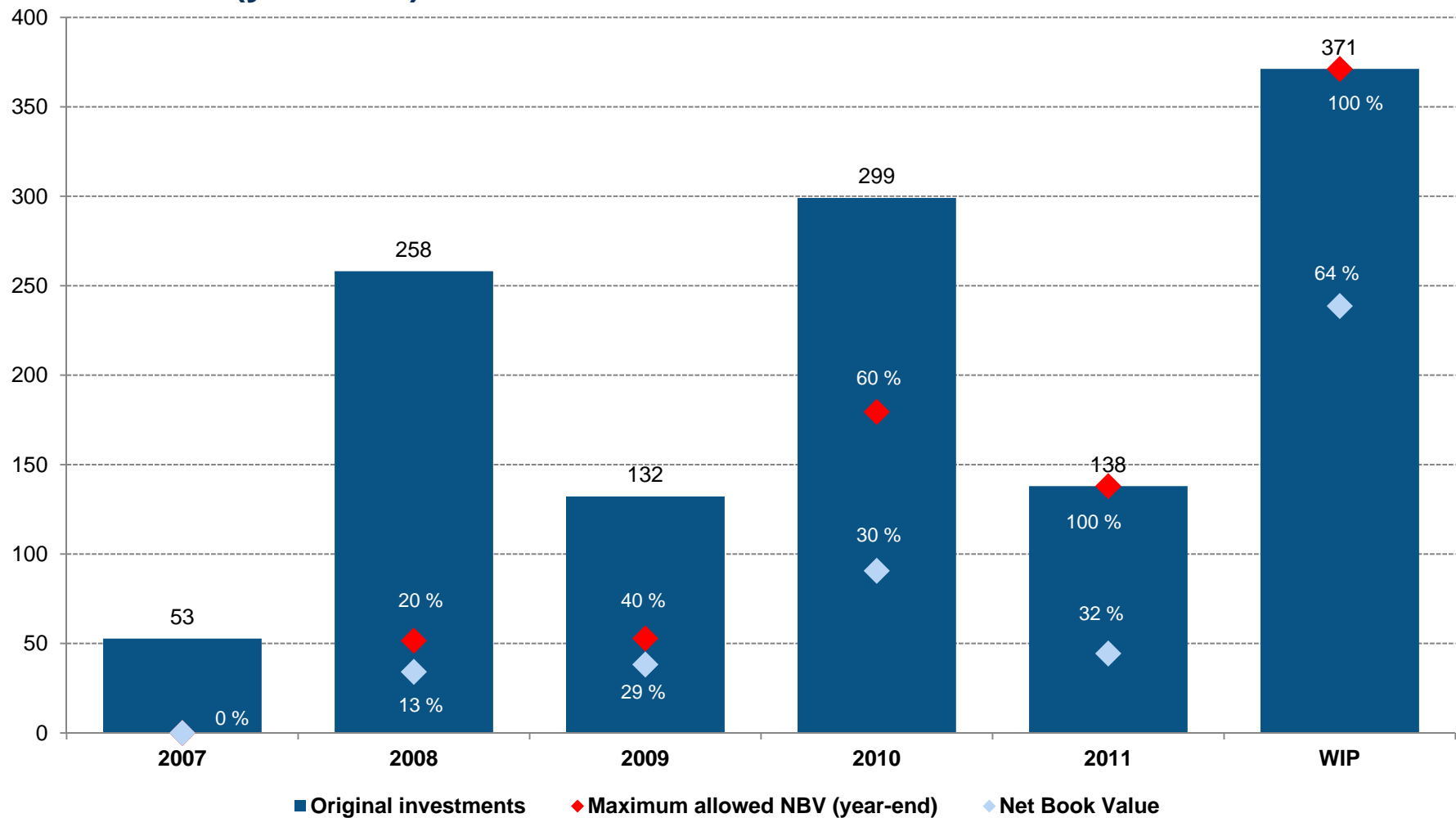
# Balance Sheet per 31.12.11

<i>USD million</i>	Q4 2011	Q3 2011	Change in %	Q4 2010	%
<b>Assets</b>					
Cash equivalents	336	270	24%	290	24%
Financial investments available for sale	19	18	4%	21	2%
Derivative financial instruments	-	0.1		0.4	0%
Other current assets	278	275	1%	291	24%
<b>Total current assets</b>	<b>632</b>	<b>563</b>	<b>12%</b>	<b>603</b>	<b>50%</b>
Intangible assets and deferred tax asset	149	146	2%	82	7%
Other non-current assets	14	42	-67%	42	3%
Multi-client library	511	524	-2%	476	39%
Fixed assets	20	18	8%	15	1%
<b>Total assets</b>	<b>1,326</b>	<b>1,293</b>	<b>3%</b>	<b>1,217</b>	<b>100%</b>
<b>Liabilities</b>					
Current liabilities	210	221	-5%	208	17%
Non-current liabilities	29	38	-22%	13	1%
Deferred tax liability	113	99	14%	88	7%
<b>Total liabilities</b>	<b>353</b>	<b>357</b>	<b>-1%</b>	<b>308</b>	<b>25%</b>
<b>Equity</b>	<b>973</b>	<b>935</b>	<b>4%</b>	<b>909</b>	<b>75%</b>
<b>Total liabilities and equity</b>	<b>1,326</b>	<b>1,293</b>	<b>3%</b>	<b>1,217</b>	<b>100%</b>

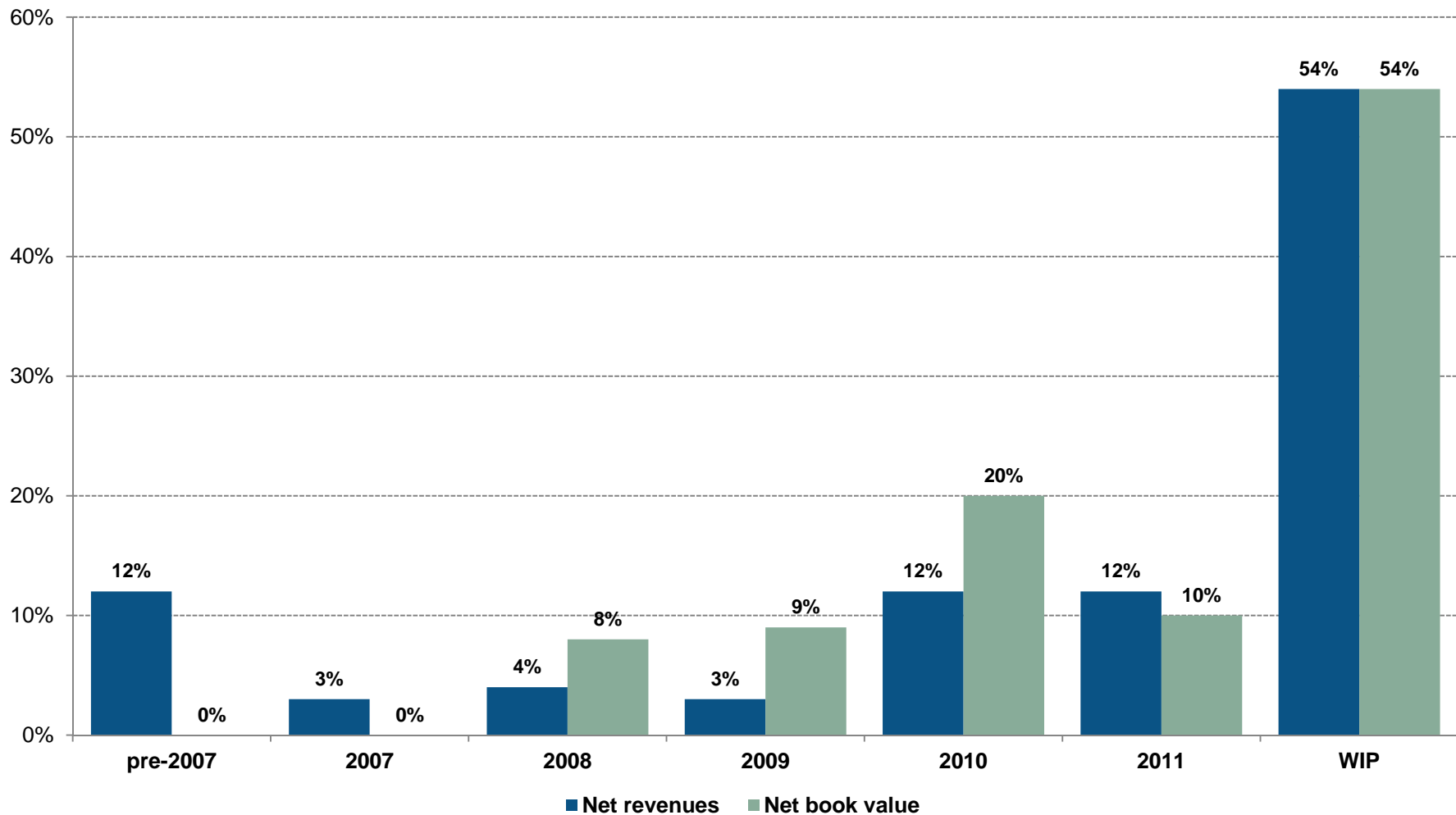
*The Company holds no interest-bearing debt*

# Investments per Vintage

Net Book Value (NBV) in % of original investment (year-end) vs allowed maximum % (year-end)



# Q4 Net Revenues vs. Net Book Value per Vintage

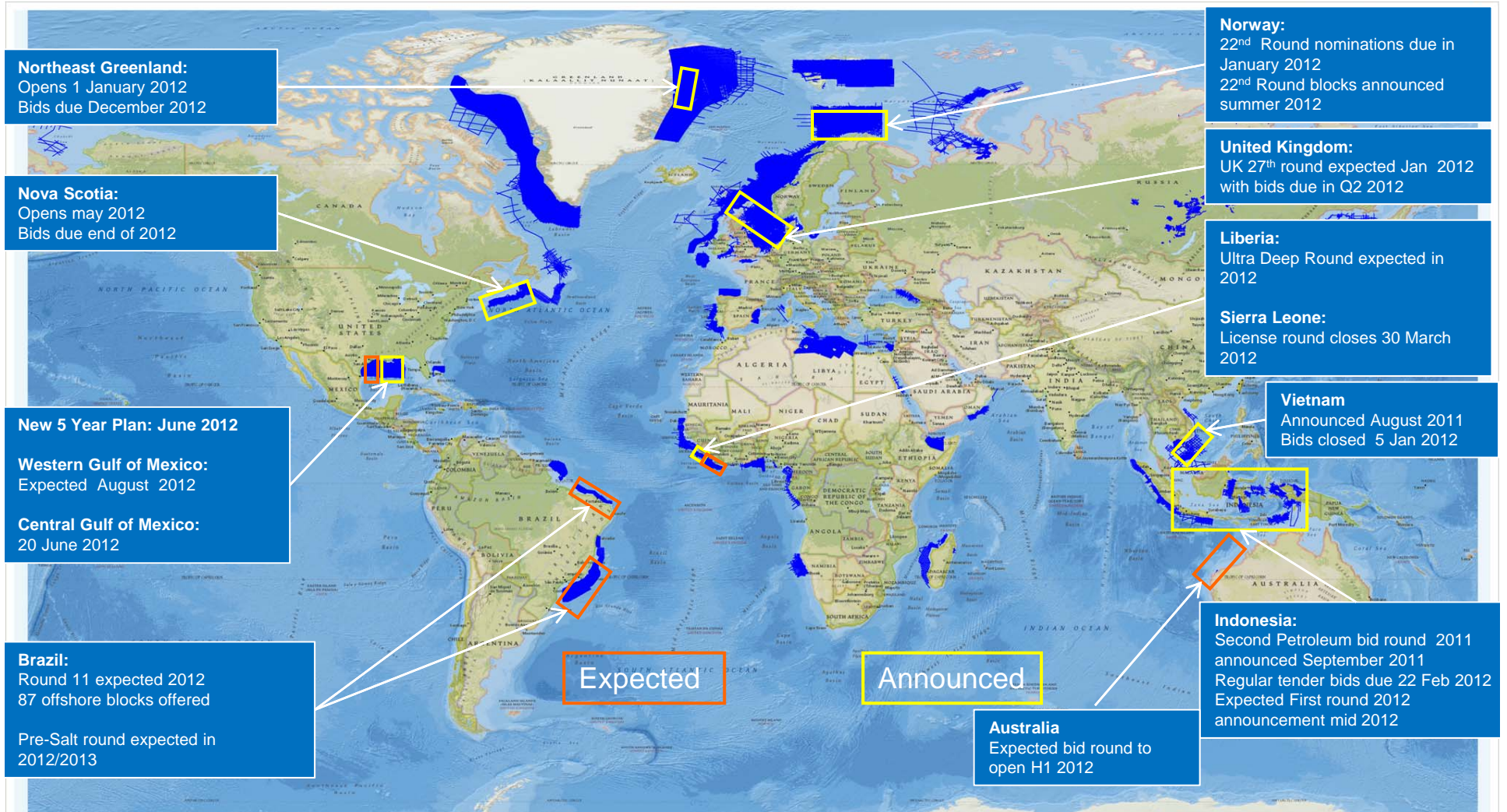


# Operational Highlights

**Robert Hobbs**  
Chief Executive Officer

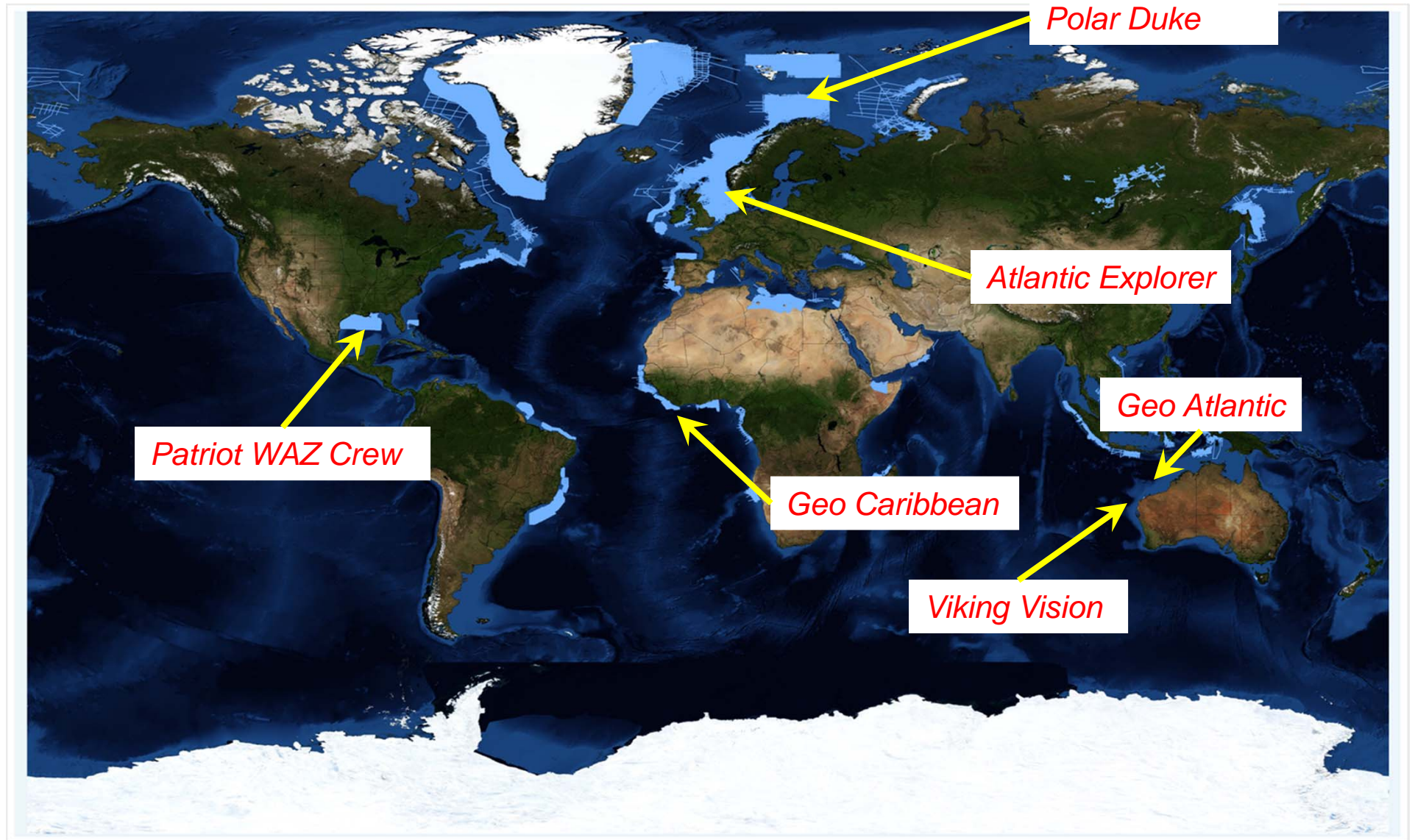


# License Round Activity and TGS Positioning

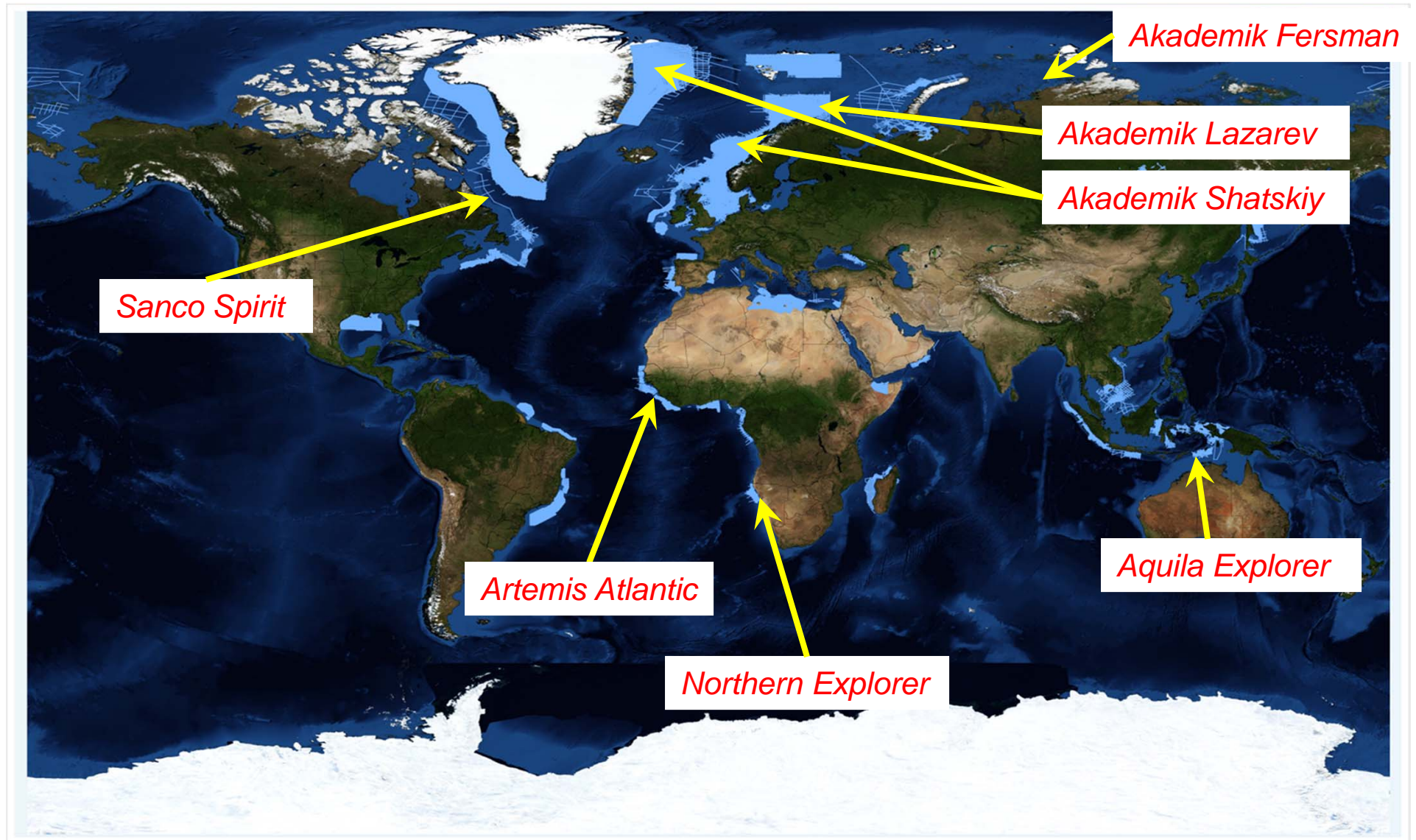




## Q4 2011 - 3D Operations



## Q4 2011 - 2D Operations



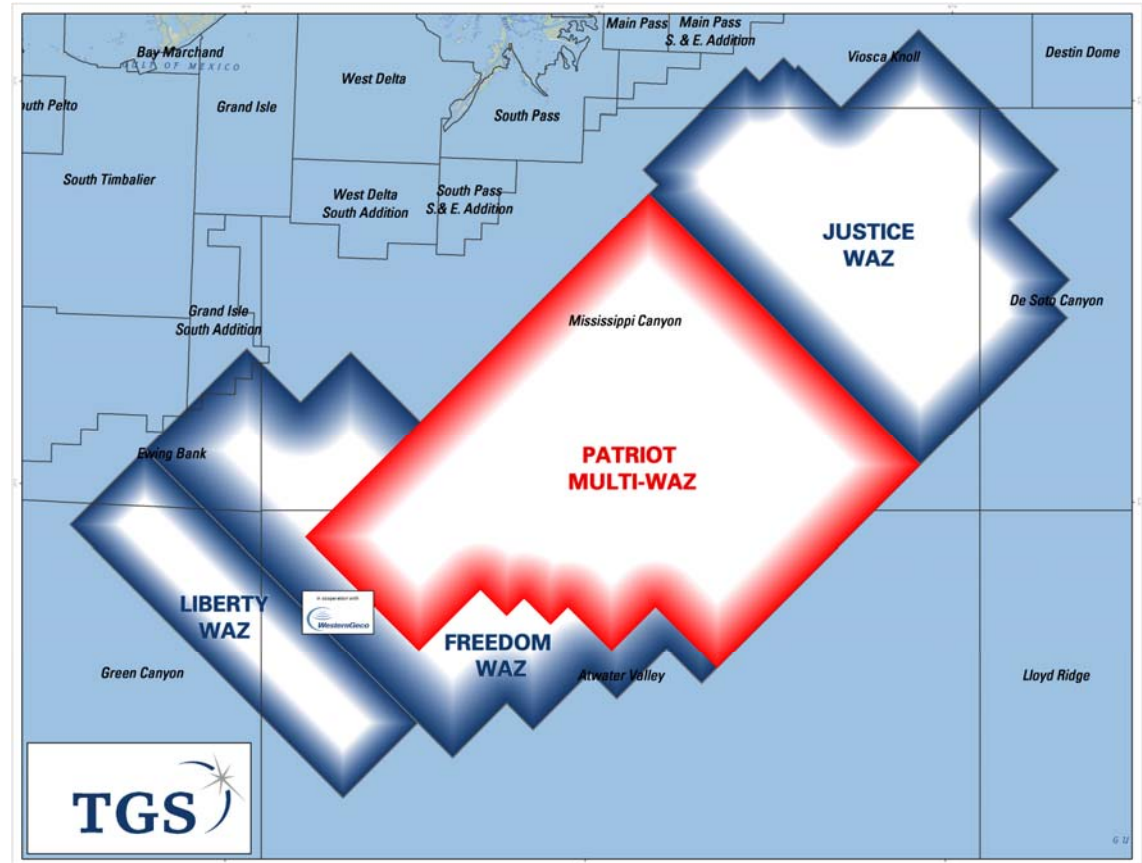
# Constitution Wide Azimuth Complex

## Existing surveys

- Freedom – 16,610 km<sup>2</sup>
- Liberty – 3,094 km<sup>2</sup>
- Justice – 7,911 km<sup>2</sup>

## 2012 plans

- Patriot - 11,665 km<sup>2</sup>
  - Acquisition commenced in December, 2011
  - Multi-WAZ survey
    - Acquired 90 degrees to original survey and integrated through processing
    - Additional acquisition increases illumination of sub-salt regions
    - Survey provides multi-level customer participation based on the complexity of the target
    - Alternative solution to circle shooting and Rich Azimuth projects



# Australia – An Area of Growth

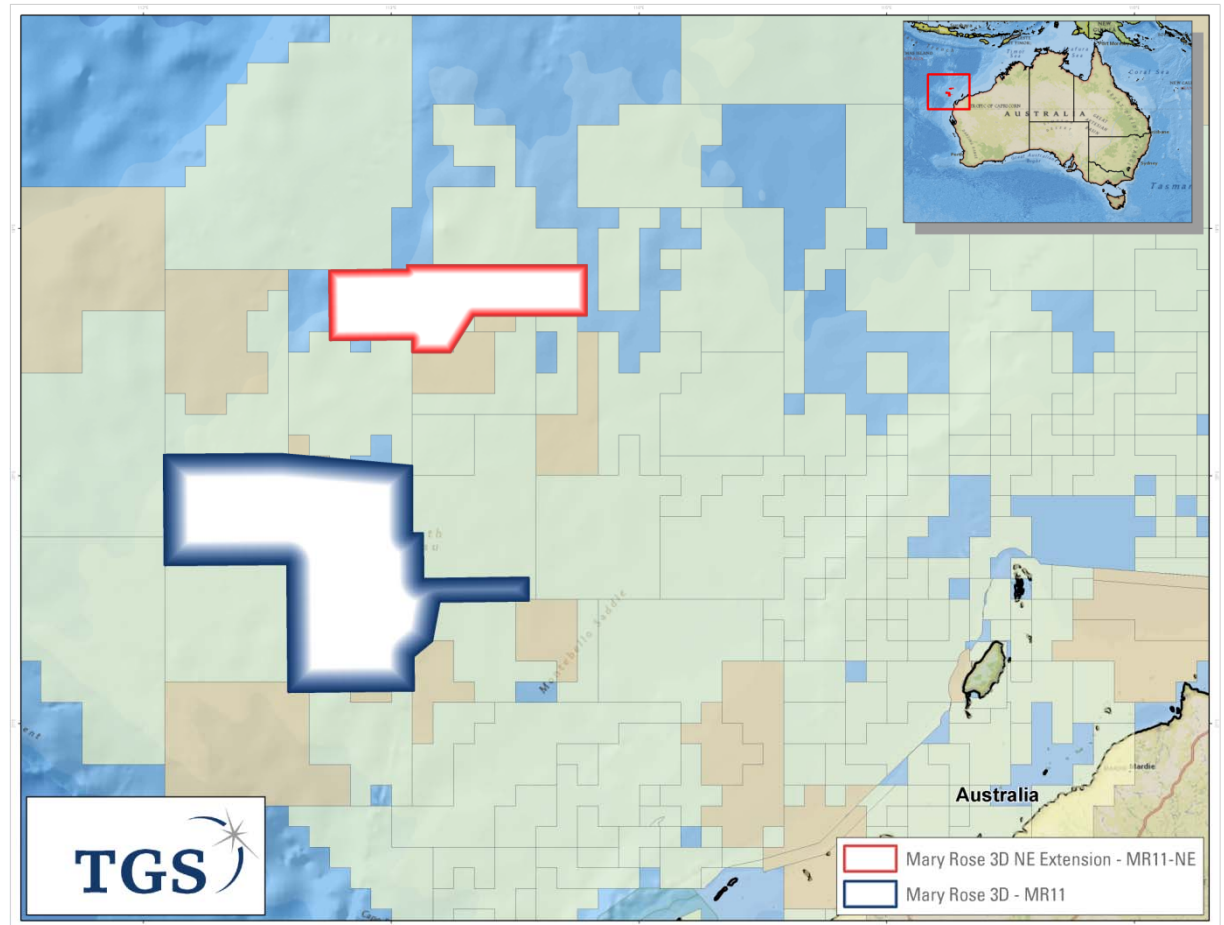
Mary Rose - 9,700 km<sup>2</sup>

- Acquisition commenced in November 2011

Mary Rose NE – 3,100 km<sup>2</sup>

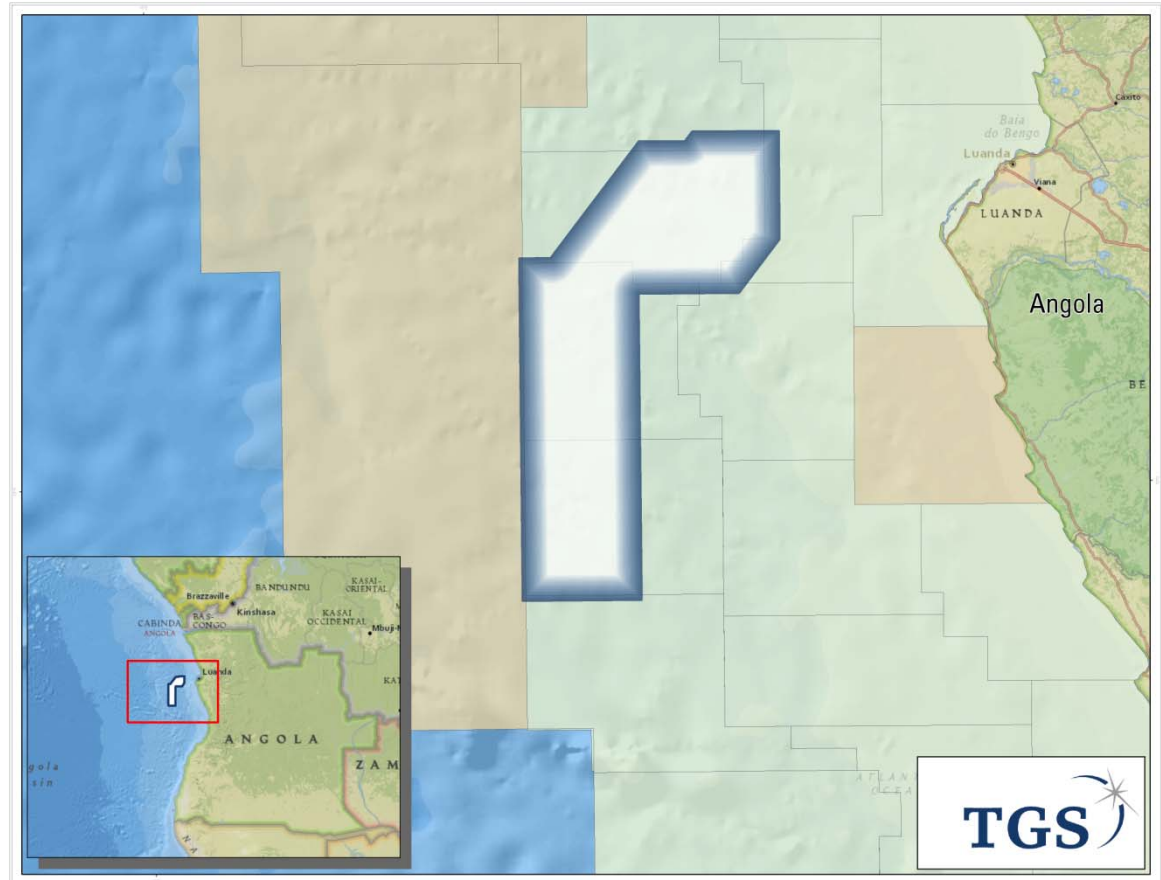
- Acquisition commenced in December 2011

Additional programs in development for 2012



# TGS Enters Angola Market

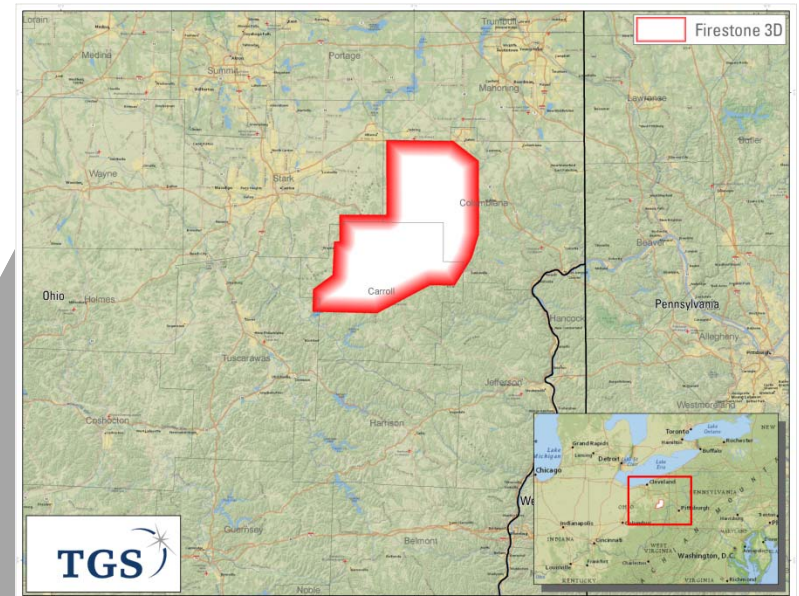
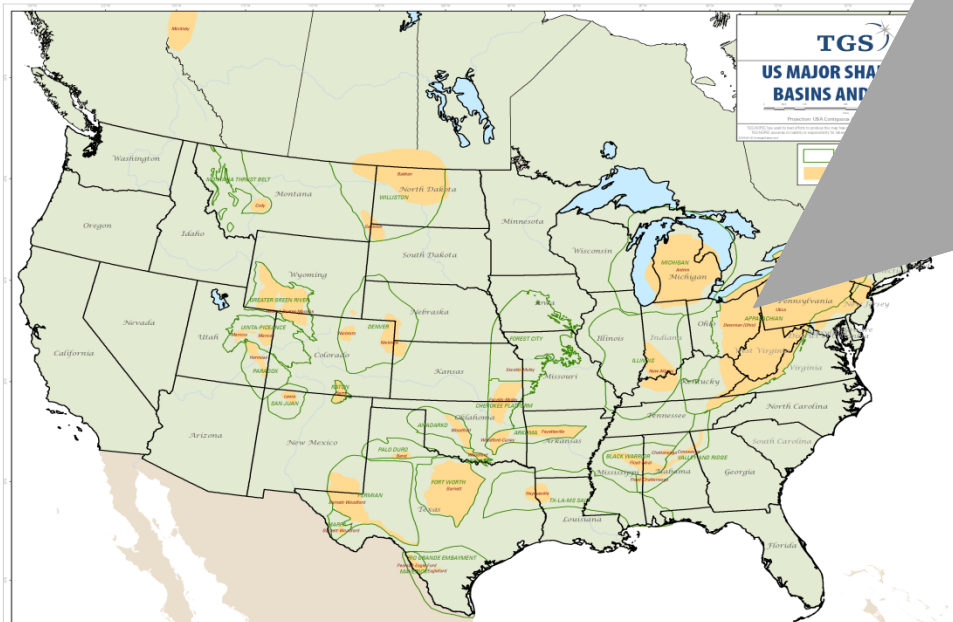
- Angola is the 2<sup>nd</sup> largest oil producer in Africa
- 3D data totaling 12,500 km<sup>2</sup>
- Covering deep water blocks 35, 36 and 37
- Highly prospective pre-salt blocks recently awarded by state-owned Sonangol
- Data acquisition commenced January 2012



# Growth in Onshore US Market

## Firestone 3D

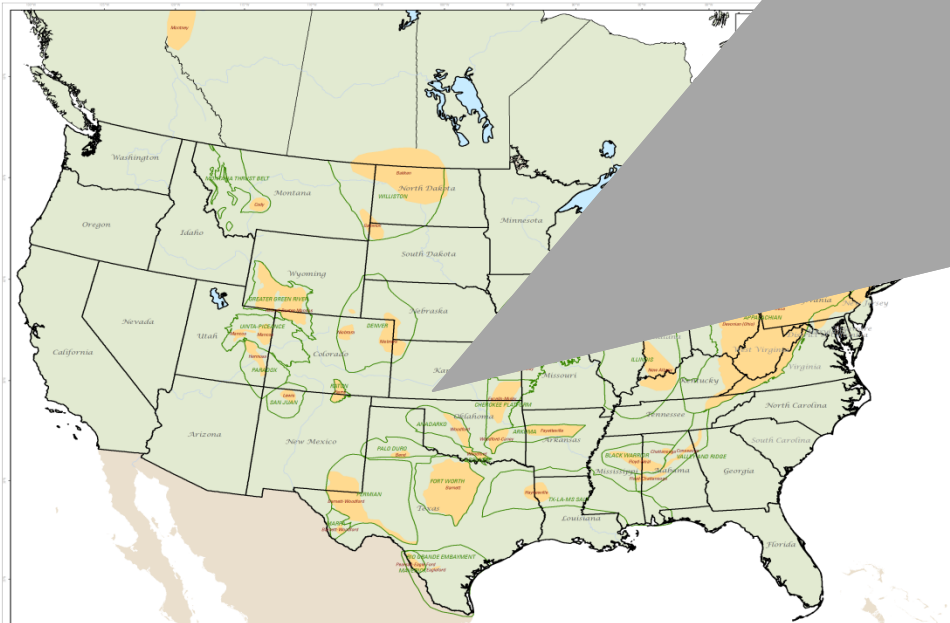
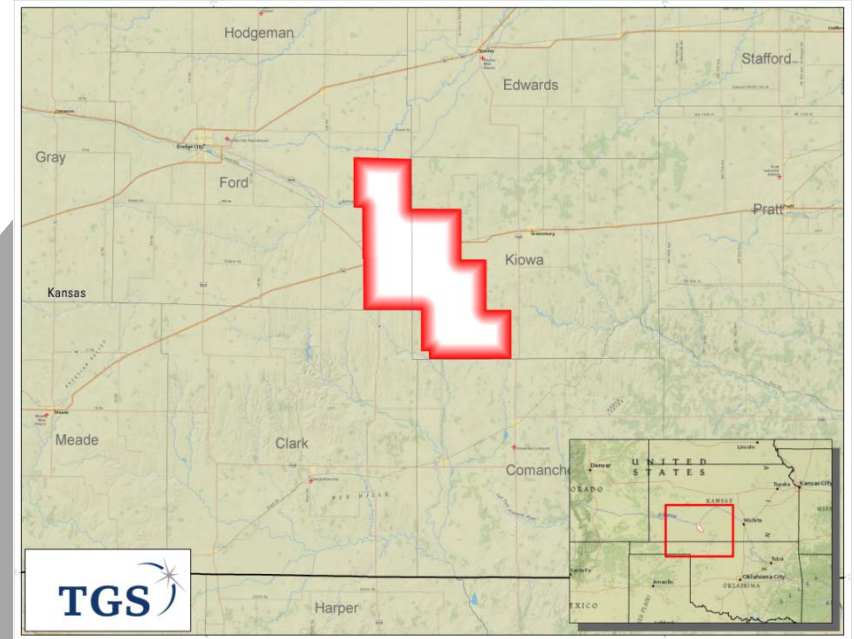
- Expanded to 1,040 km<sup>2</sup>
- Designed to illuminate the Utica Shale Play
- Acquisition to commence Q1 2012



- Survey positioned in the high-value liquids phase of the Utica Play
- Location of significant recent land turnover

# Western Expansion in Onshore US - Bucklin

- 710 km<sup>2</sup> of 3D data
- Designed to illuminate the Mississippi Lime Oil Play
- Located in Ford and Kiowa Counties, Kansas



TGS' second onshore multi-client project in an unconventional reservoir

# Continued High Activity in NW Europe

## Norway 22<sup>nd</sup> Round in 2012

### Vessels under contract

#### M/V Polar Duchess

- Commence in April 2012
- Approximate duration of 6 months

#### M/V Armani

- Commence in April 2012
- Approximate duration of 5 months

### TGS 3D database

#### Moray Firth 3D

- 1,950 km<sup>2</sup> acquired in 2011

#### North Viking Graben 3D

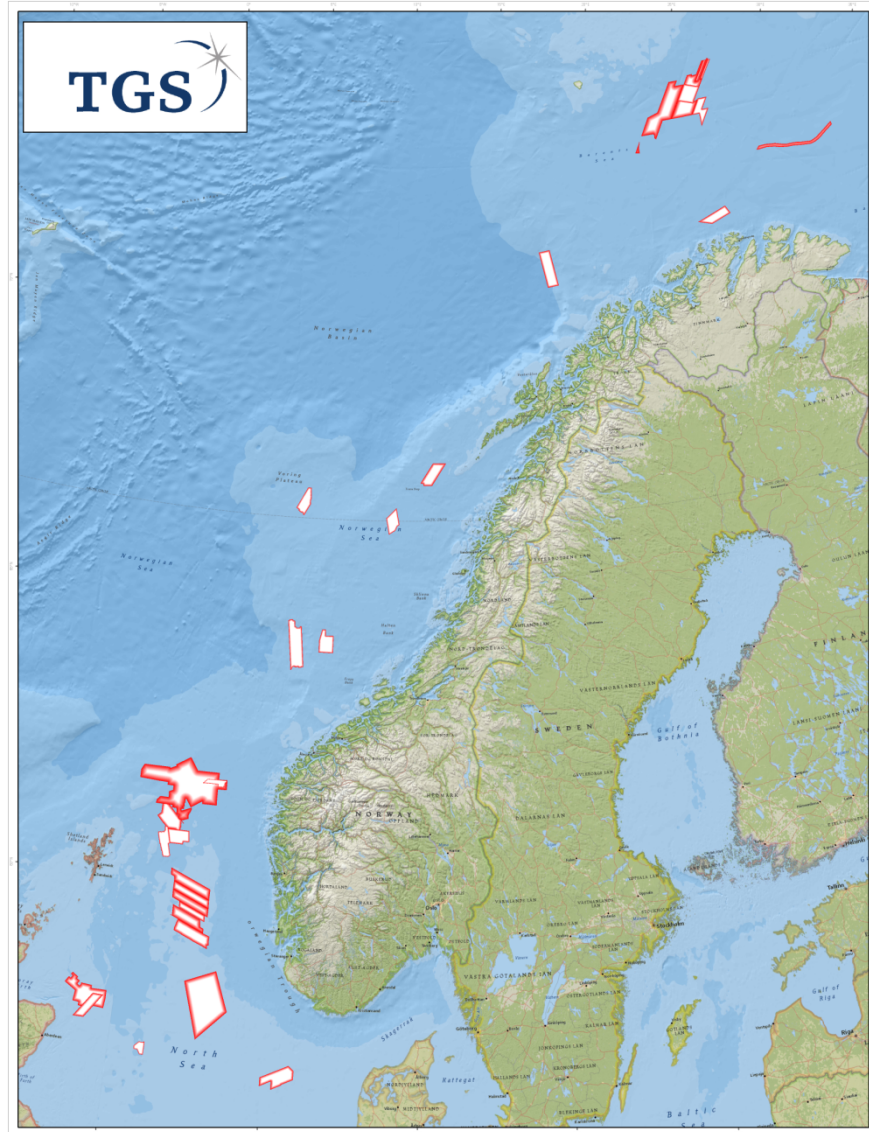
- 2,777 km<sup>2</sup> acquired in 2011
- Partnership with PGS

#### Northern North Sea 3D

- 9,515 km<sup>2</sup> acquired in 2011

#### Hoop Fault Complex 3D

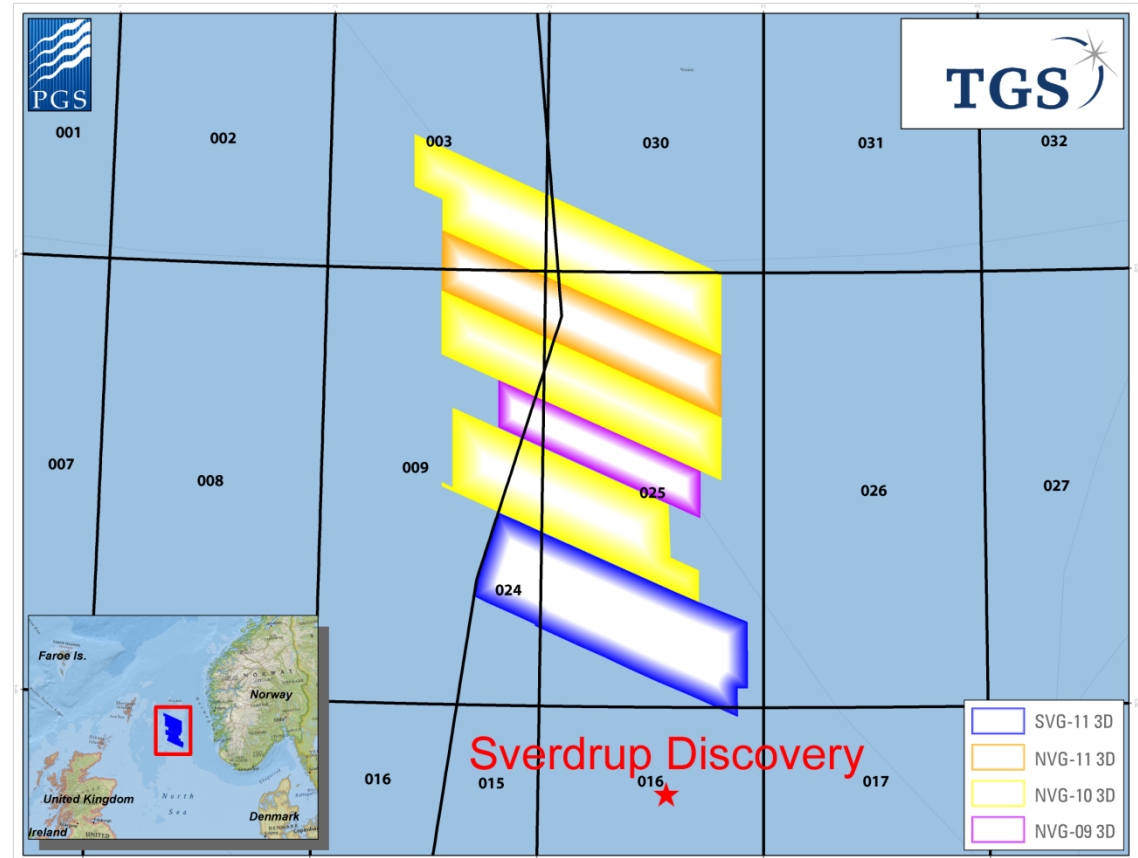
- 4,417 km<sup>2</sup> acquired in 2011



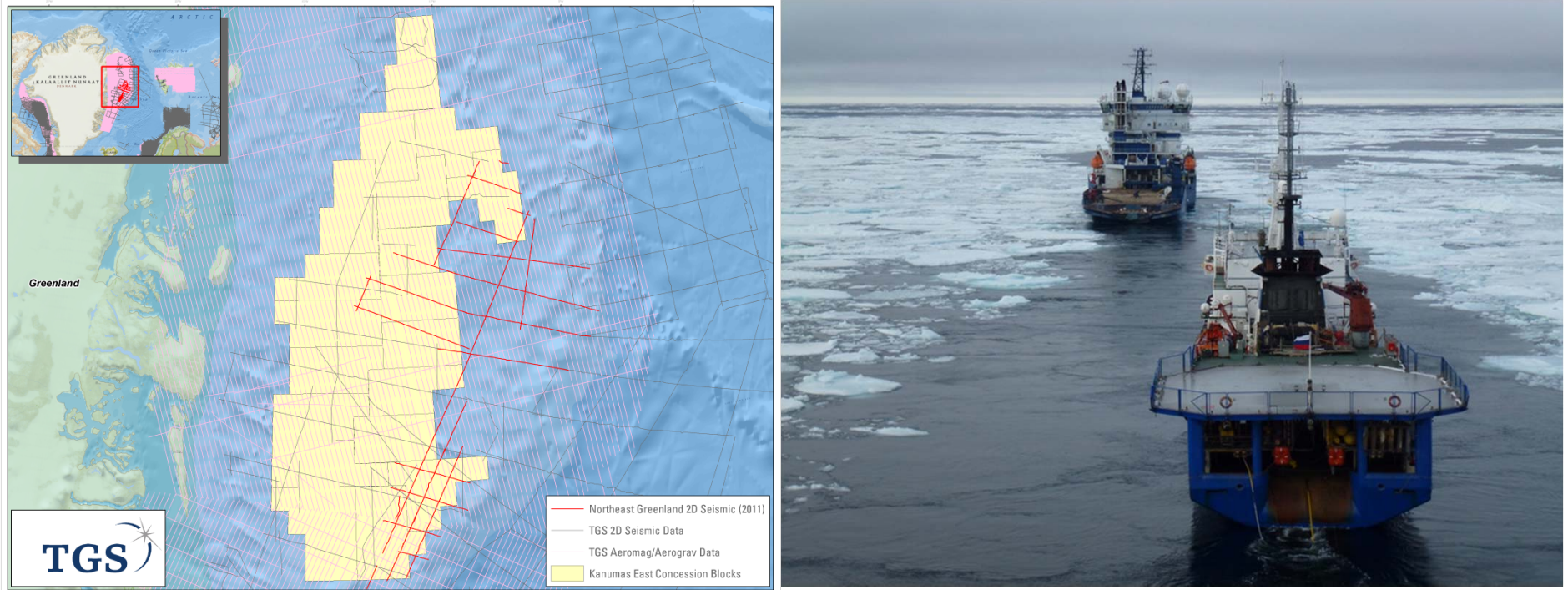


# North and South Viking Graben

- Multi-year 3D seismic project in one of the most prolific areas of the North Sea
- Located near recent Sverdrup discovery (Avaldsnes)
- Project totals 6,857 km<sup>2</sup>
- Acquired utilizing GeoStreamer<sup>®</sup> technology in partnership with PGS



# Northeast Greenland Project



- 2011 program added 1,800 km of new seismic data
- Data acquired for lease round due to close December 2012
- Operationally challenging however meticulous planning made for acquisition success

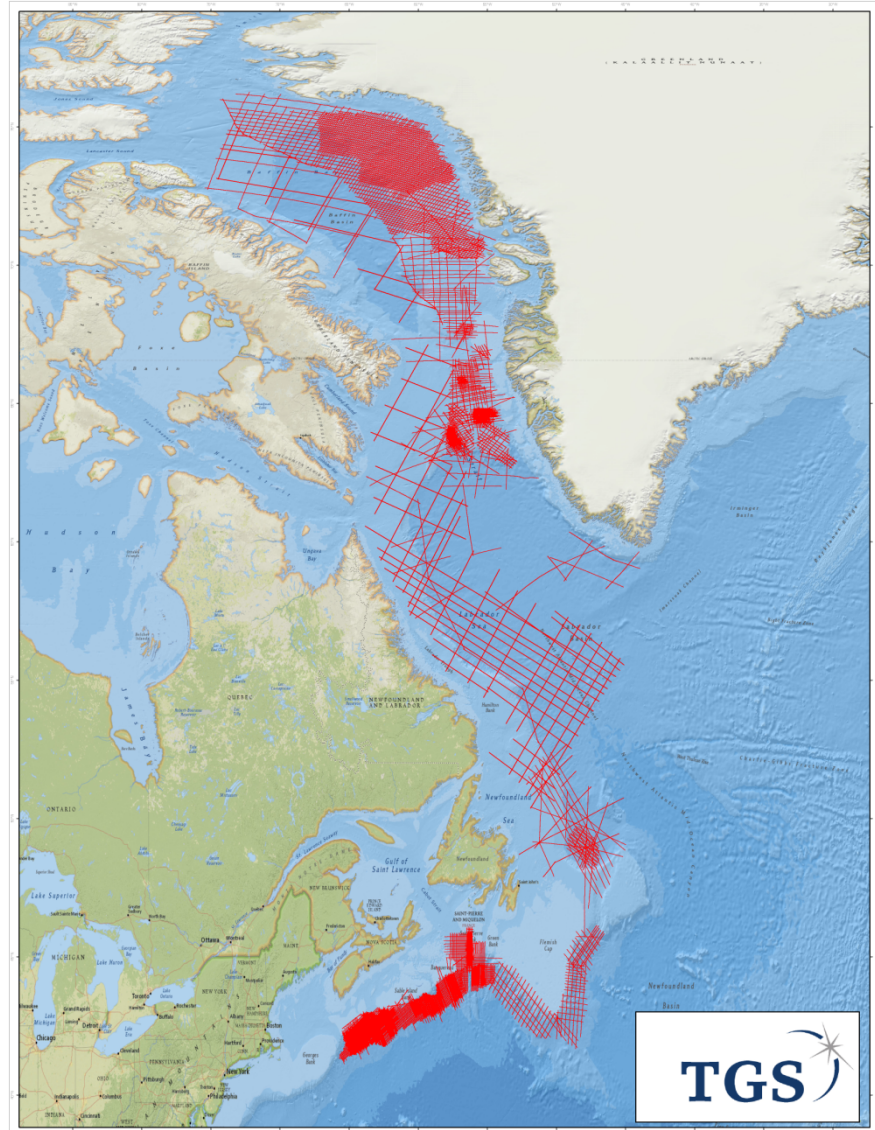
# Canada and Greenland

## Eastern Canada

- 22,000 km multi-client 2D survey in the Labrador Sea began in 2011
- Partnership with PGS and uses GeoStreamer® technology
- Vessel will return in 2012 to acquire the remaining 11,300 km

## West Greenland

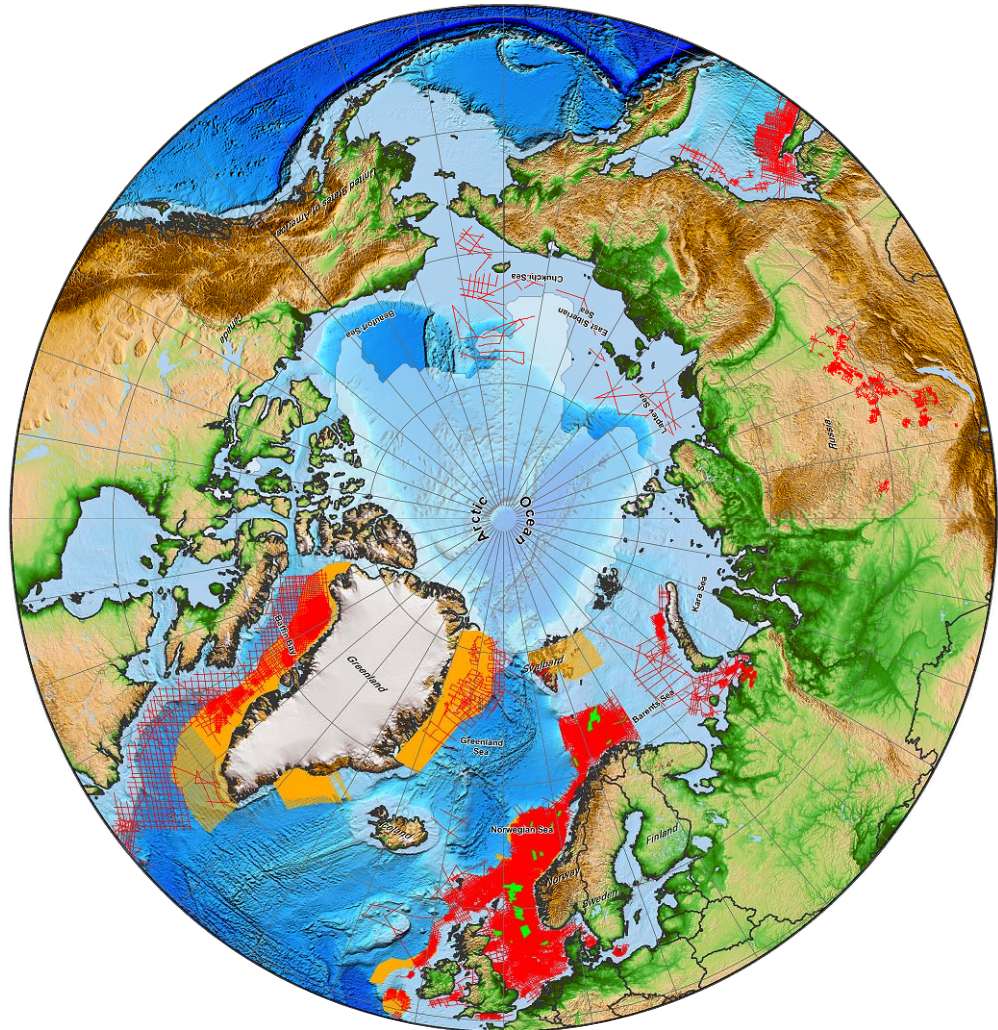
- Dominant West Greenland Data Owner
  - ~100,000 km of 2D acquired since 1999



# Arctic

## TGS Data Available in:

- Laptev Sea
  - 3,855 km acquired in 2011
- East Siberian Sea
  - 1,300 km acquired in 2011
- Barents Sea
  - 5,384 km<sup>2</sup> acquired in 2011
- Norwegian Sea
  - 17,632 km acquired in 2011
- Sea of Greenland
- Baffin Bay
- Offshore Canada
- Sea of Okhotsk
- Kara Sea
- Chukchi Sea



# Outlook

**Robert Hobbs**  
Chief Executive Officer



# E&P Spending Increase Expected in 2012

## Barclays' E&P spending survey 2012

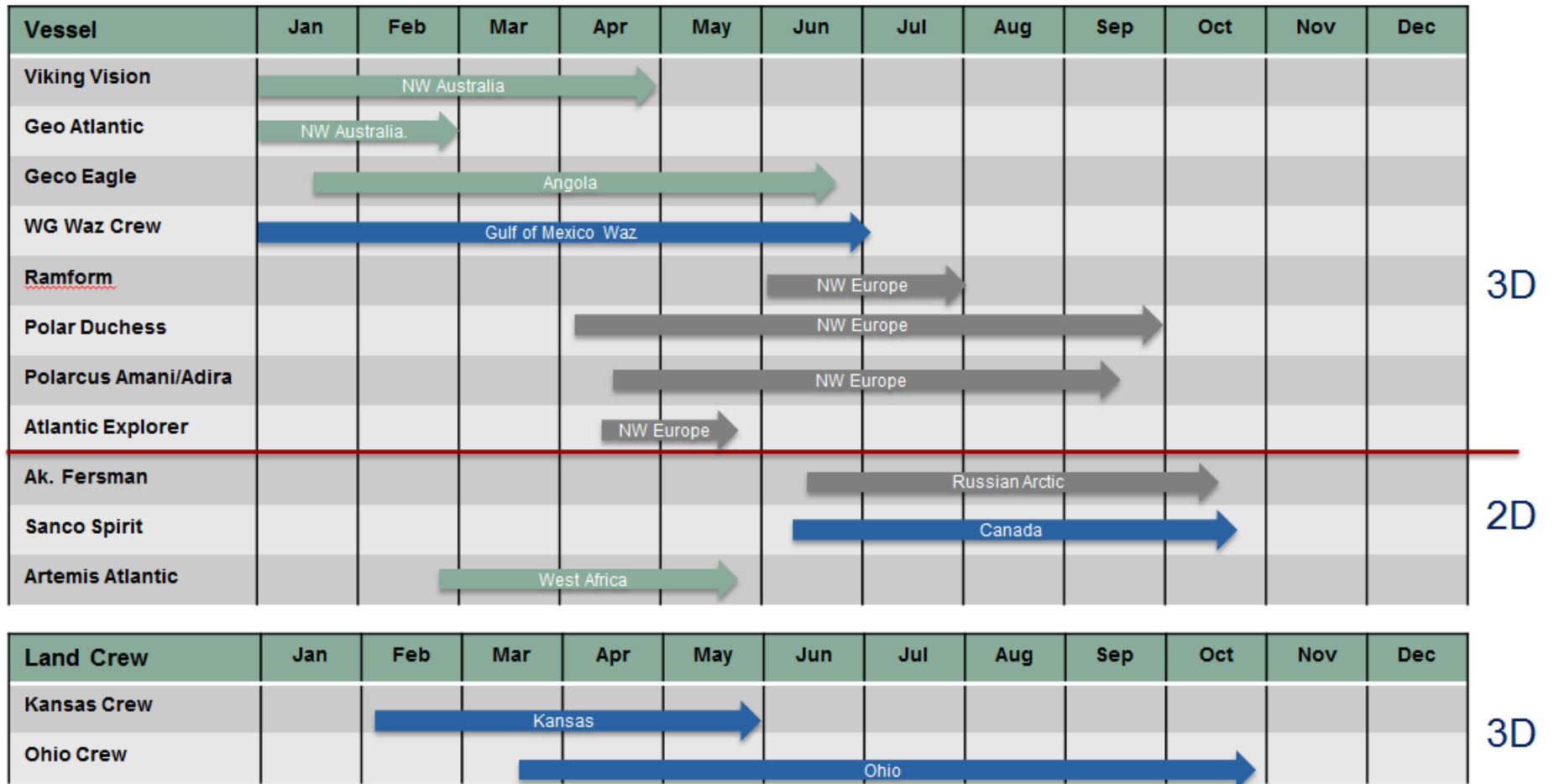
- Roughly 350 oil and gas companies worldwide surveyed about their spending intentions for 2012
- According to the survey, global E&P spending in 2012 is expected to increase 10% to USD 598 billion, versus USD 544 billion in 2011
- Acceleration expected to be led by increased expenditures internationally (up 11%), in addition to solid growth in North America (up 8% y/y)

\$ in Millions	2011E	2012E	% Change
US Spending	111,735	122,444	10%
Canada Spending	36,076	37,260	3%
<b>Total North America</b>	<b>147,811</b>	<b>159,704</b>	<b>8%</b>
Supermajors (Int'l Spending)	88,750	97,500	10%
Latin America	63,261	76,453	21%
Africa	26,338	29,941	14%
Europe	36,187	40,976	13%
Middle East	21,548	24,220	12%
Russia	38,675	43,374	12%
India, Asia and Australia	90,565	97,243	7%
North American Independents (Int'l)	20,402	20,971	3%
FSU / CIS	1,288	1,835	42%
Other	9,694	6,307	-35%
<b>Total International</b>	<b>396,707</b>	<b>438,819</b>	<b>11%</b>
<b>Worldwide E&amp;P spending</b>	<b>544,518</b>	<b>598,523</b>	<b>10%</b>

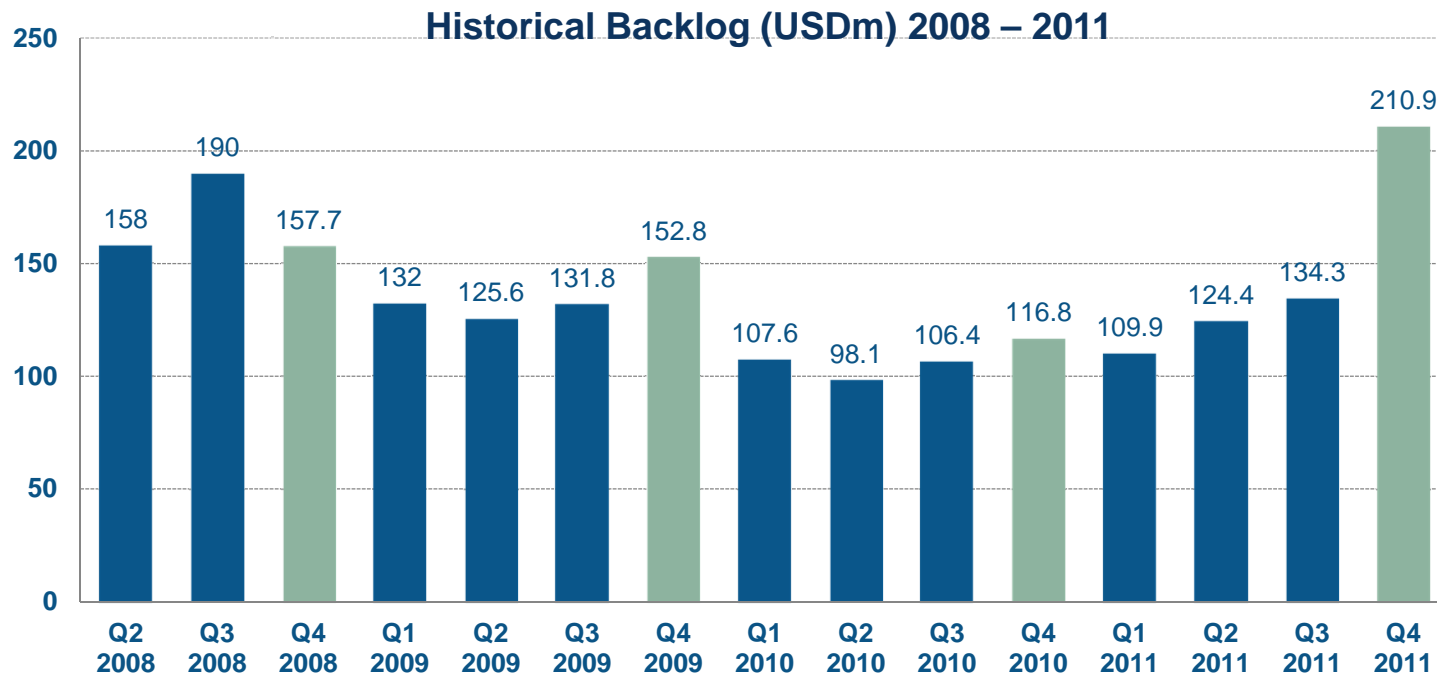
Source: Barclays Capital December 2011

# Acquisition Capacity Secured

 EUR    
  NSA    
  AMEAP



# Backlog



- TGS enters 2012 with the highest backlog in company history providing increased revenue visibility
- Prefunding commitments on 3D-survey in Angola effective from January 2012 will provide additional support to the backlog



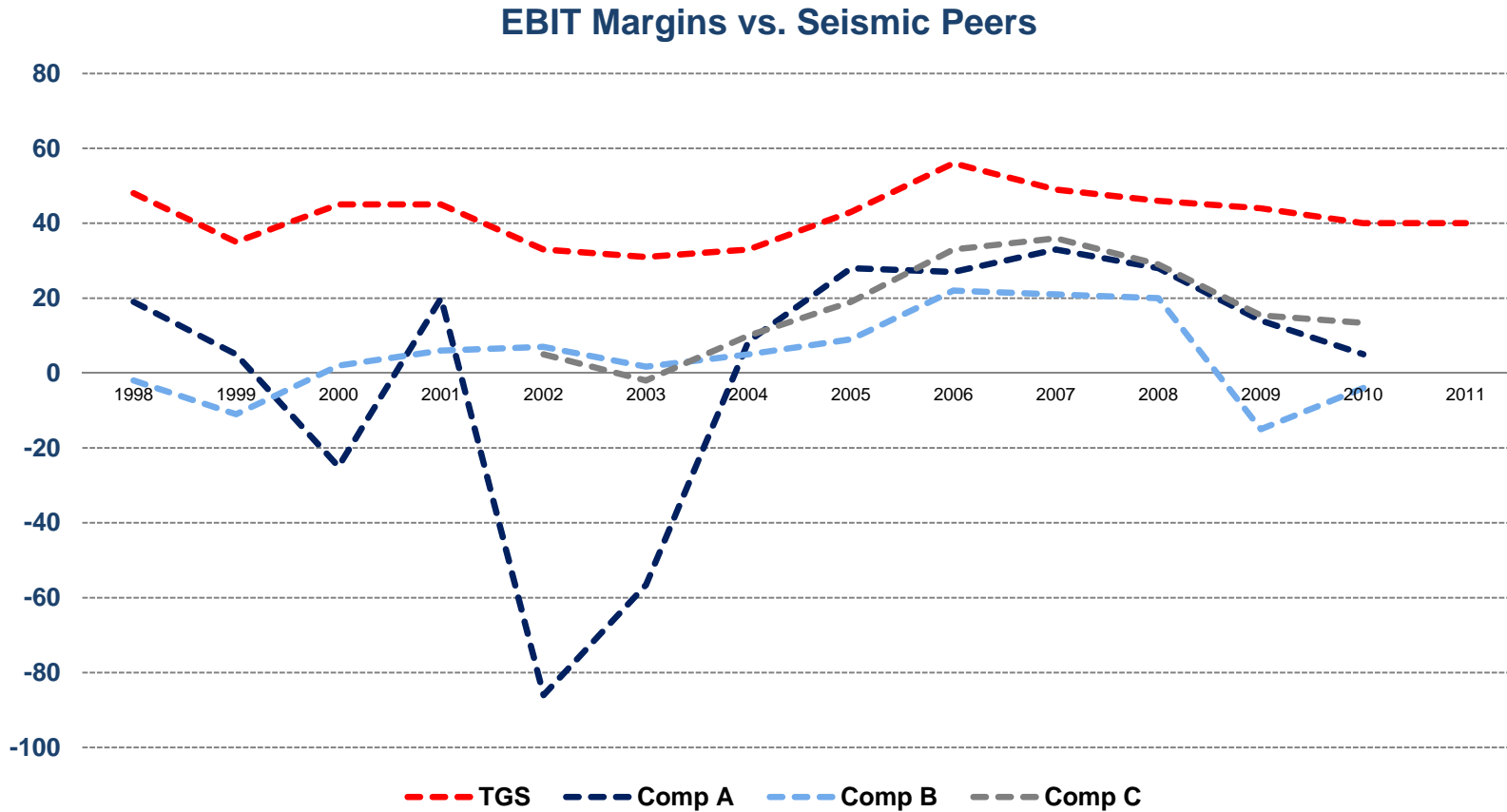
# Summary

- Market outlook
  - 2011 revenue guidance successfully realized
  - Healthy 2012-outlook for E&P and seismic spending
  - Lease sales in key geographic markets expected to trigger continued growth in late sales
    - However, continued recovery of Gulf of Mexico market is important
- Pipeline of investment opportunities is strong for 2012
  - All-time high backlog
  - Major 3D opportunities in attractive new plays supports growth plans
  - Vessel capacity remains adequate to execute plan

## 2012 Guidance

- Multi-client investments 315 – 365 MUSD
- Average pre-funding 50 – 60%
- Average multi-client amortization rate 41 – 47%
- Net revenues 700 – 760 MUSD
- Contract revenues approximately 5% of total revenues

# TGS Performs in all Cycles



**Thank You**

[www.tgsnopec.com](http://www.tgsnopec.com)

