



Q3 2015 Earnings Release

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CEO

23 October 2015

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Forward-Looking Statements

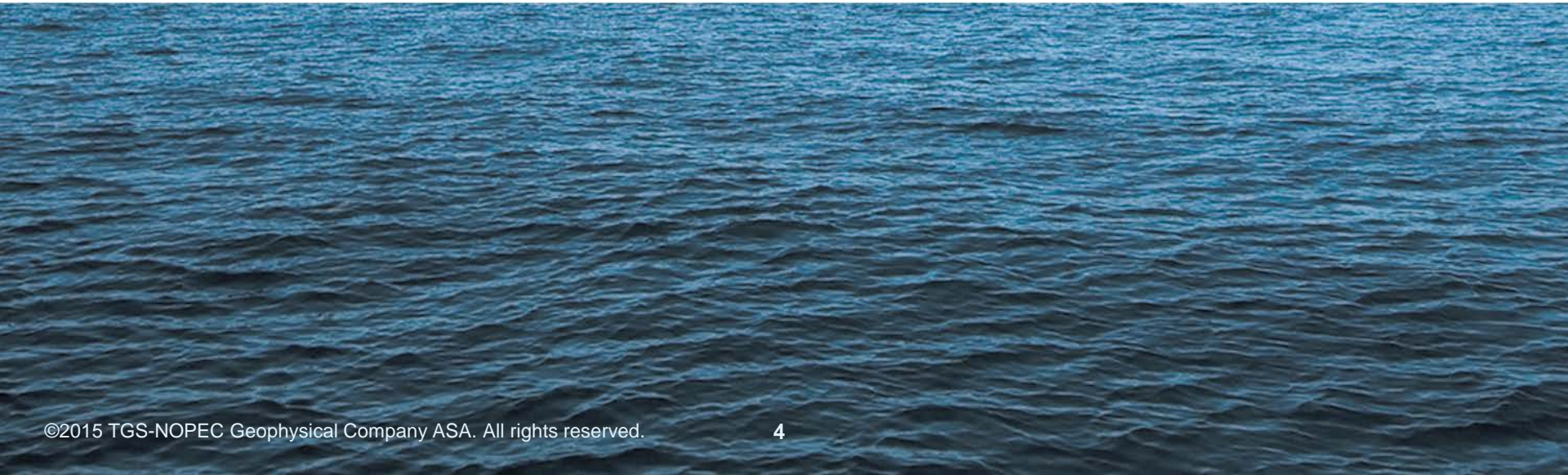
All statements in this presentation other than statements of historical fact, are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. These factors 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 2015 Highlights

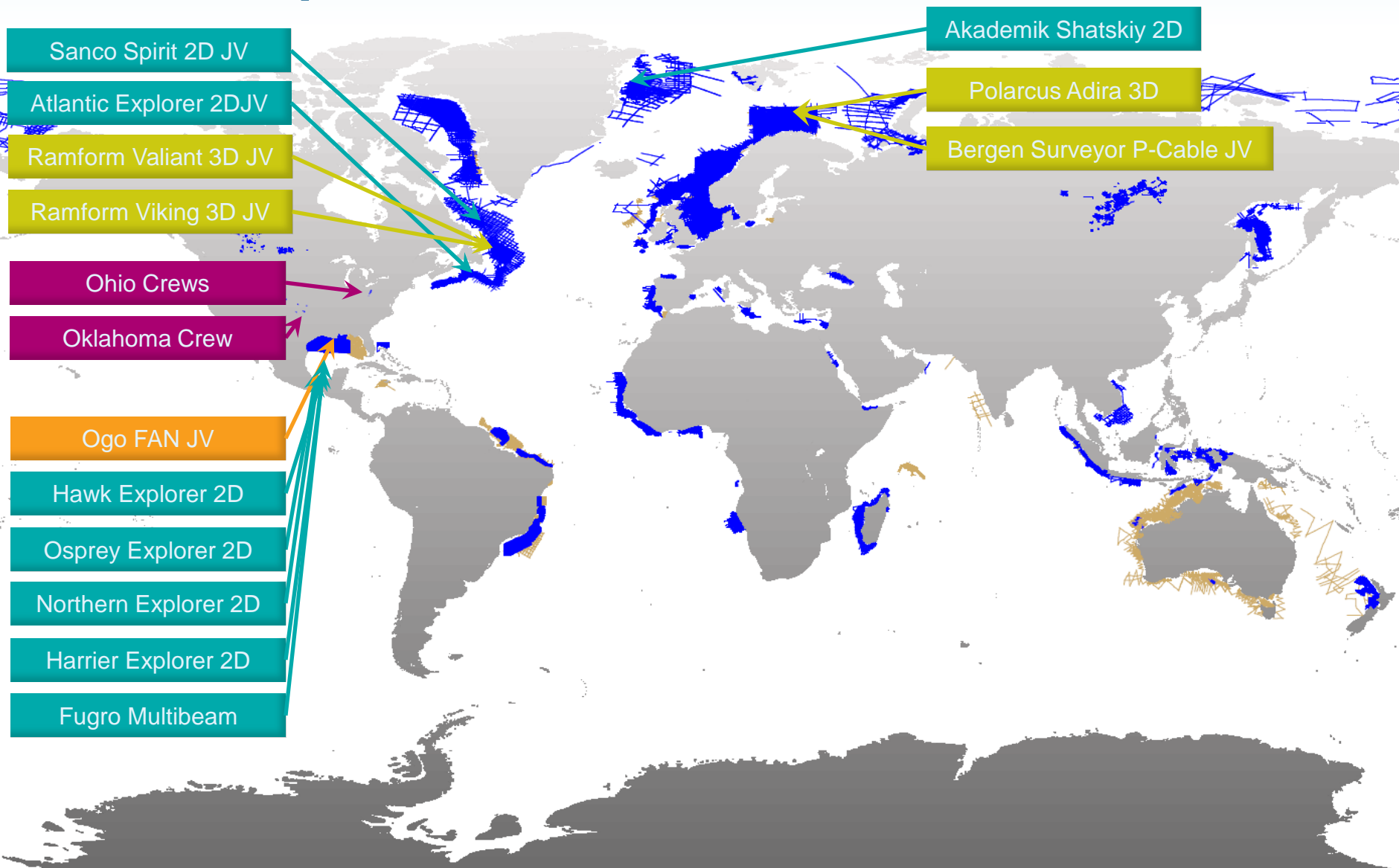
- Q3 Net revenues of 169 MUSD compared to 190 MUSD in Q3 2014
 - Net late sales of 90 MUSD, down 31% from 130 MUSD in Q3 2014
 - Net pre-funding revenues of 74 MUSD were up 45% from Q3 2014, funding 55% of TGS' operational multi-client investments for the quarter (135 MUSD)
- Operating profit for the quarter was 46 MUSD, 27% of net revenues, compared to 71 MUSD (38% of net revenues) in Q3 2014
- Cash flow from operations was 121 MUSD compared to 187 MUSD in Q3 2014
 - Cash balance of 191 MUSD at 30 September 2015
- One 3D vessel, five 2D vessels, one multibeam crew and three land crews operating under TGS contract in Q3 2015
 - TGS was also a participant in two 3D seismic, two 2D seismic, one 3D ocean bottom seismic, and one P-Cable™ joint venture projects



Operational Highlights



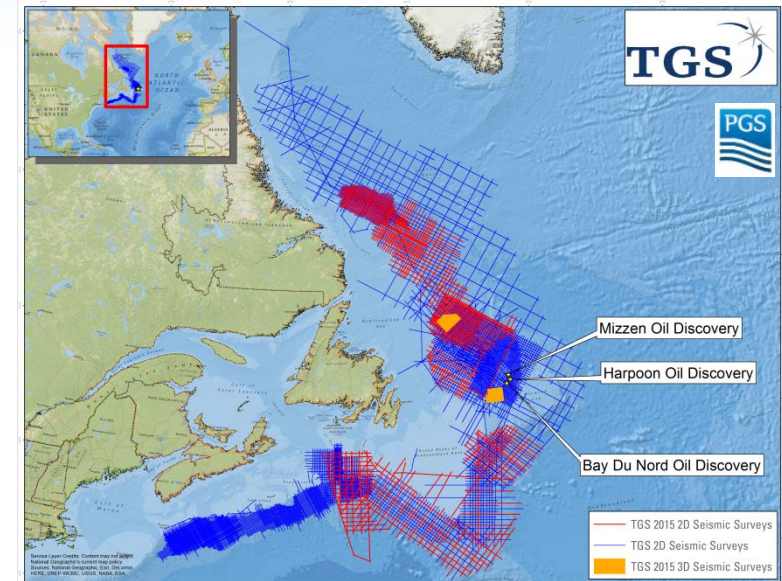
Q3 2015 Operations



Q3 Activity – North America

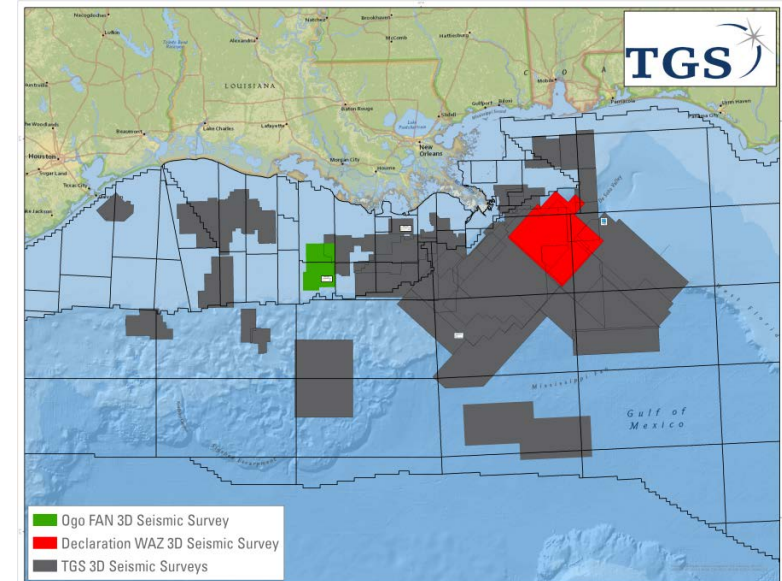
East Canada

- **Flemish Pass** – 4,372 km² multi-client 3D survey
 - TGS' first 3D acquisition offshore East Canada in partnership with PGS
 - Acquisition completed in mid-October 2015 with final data available to clients in Q3 2016
- **NE Newfoundland** – 4,800 km² multi-client 3D survey
 - Survey in partnership with PGS covers Areas of Interest (AOIs) released to industry by regional authorities
 - Acquisition expected to complete in late October 2015 with final data available to clients ahead of the Q4 2016 license round
- **SE Grand Banks / S Labrador / NE Newfoundland** – 28,000 km multi-client 2D surveys
 - Continuation of multi-year investment in partnership with PGS covering future AOIs
 - TGS JV library now exceeds 112,000 km of modern 2D data in this region in addition to 83,700 km of TGS vintage data



U.S Central Gulf of Mexico

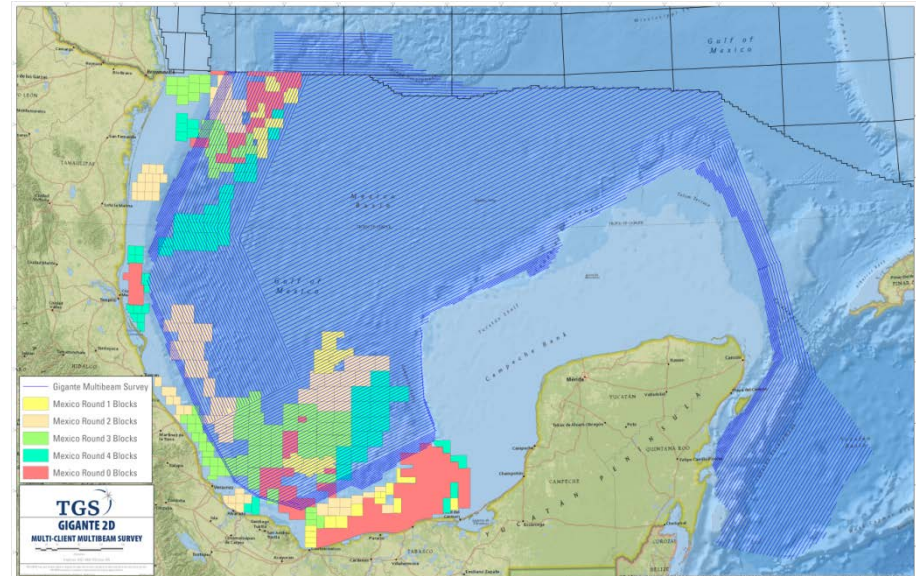
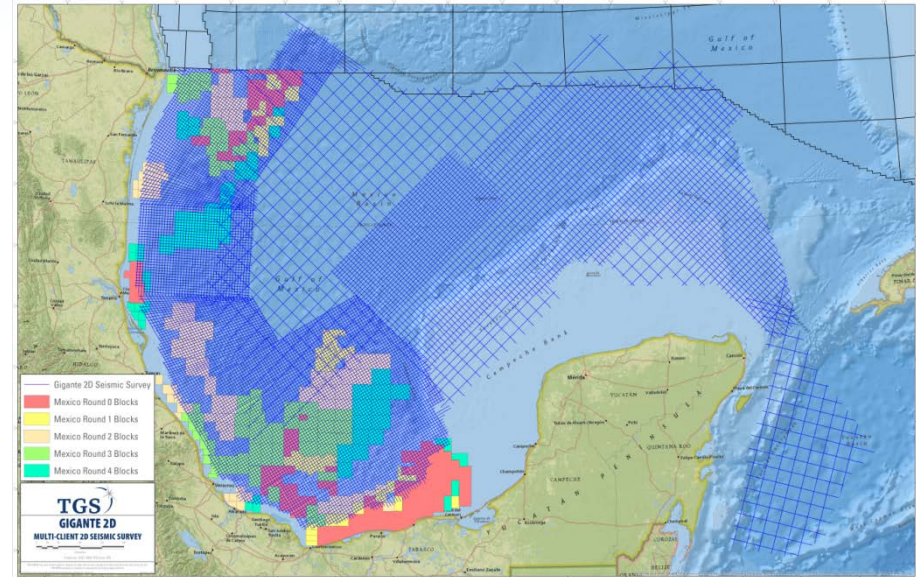
- **Ogo FANTM** - multi-client Full Azimuth Nodal survey
 - 136 shelf blocks over existing fields and exploratory acreage
 - Acquisition expected to complete during Q4 2015
 - Part of multi-year collaboration agreement with FairfieldNodal



Q3 Activity – Mexico

Mexico

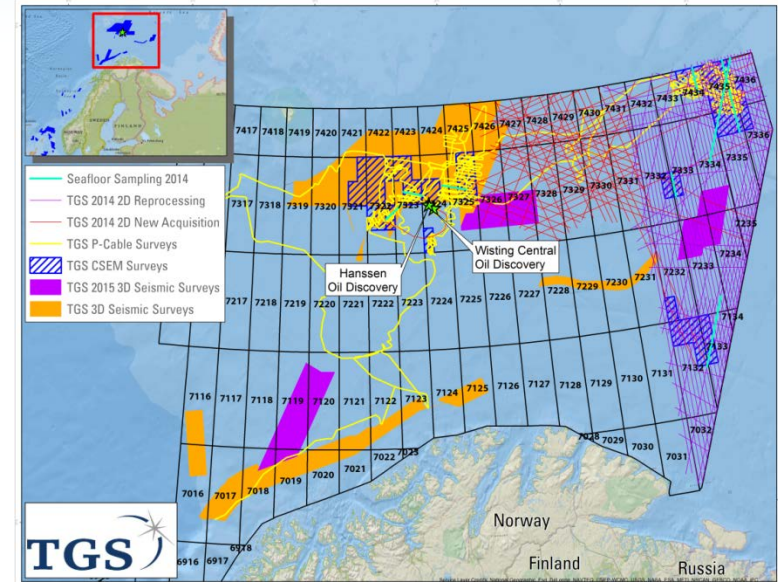
- **Gigante 2D** – 186,000 km multi-client 2D survey
 - Regional 2D survey commenced in Q2 2015 and expected to complete in mid-2016
 - Survey includes world class producing trends such as the Perdido fold belt and Campeche Bay
 - Line ties will be made to the US Gulf of Mexico regional grids previously acquired by TGS
 - 4 vessels were active on this survey during Q3 with a 5th vessel due to arrive in Mexico early November 2015
- **Gigante Multibeam, Coring, and Geochemical Surveys**
 - Survey will cover approximately 600,000 km² of deepwater sector of the Mexican Gulf of Mexico
 - Interpretation of data will integrate with the seismic survey
 - Acquisition commenced in U.S. waters in Q3 2015 with operations moving into Mexico in Q4 2015



Q3 Activity – Europe

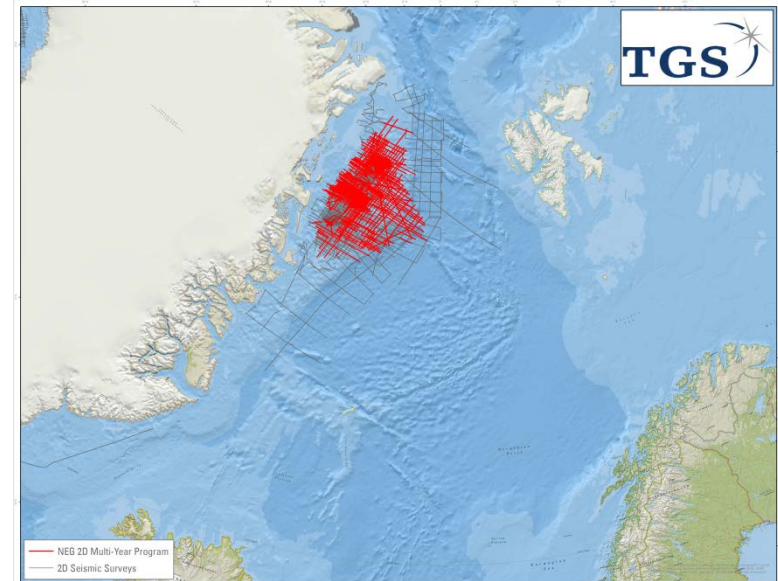
Barents Sea

- **Hjalmar** – 3,000 km² multi-client 3D survey
 - Acquisition completed in Q3 2015
 - Extends TGS 3D data coverage in the Hoop area to over 25,000 km²
- **Barents P-Cable™ 2015** - 500 km² multi-client 3D survey
 - Acquisition of high resolution survey completed in Q3 2015
 - Further expansion of partnership with WGP

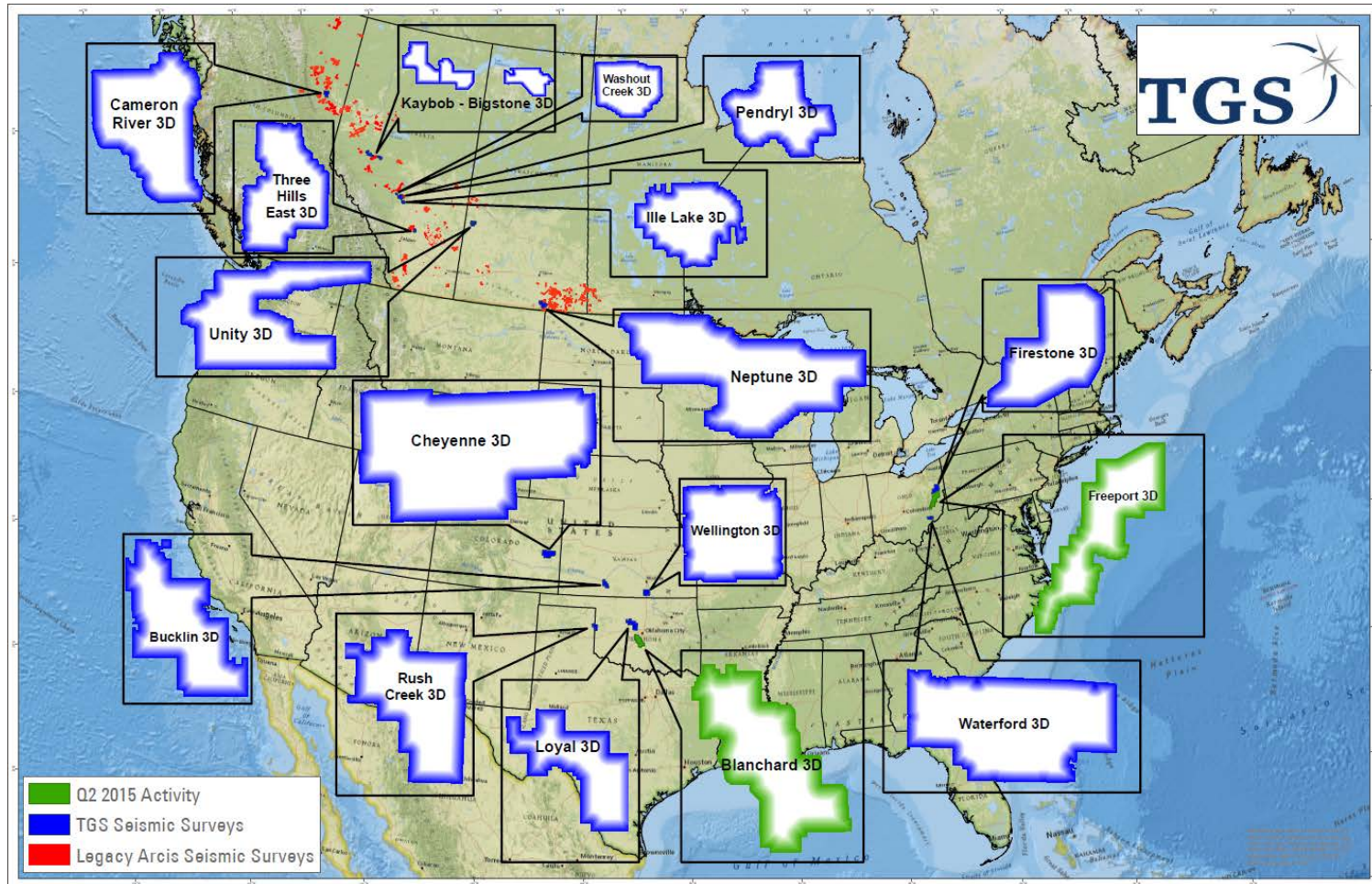


Greenland

- **NEG** – 14,500 km multi-client 2D survey
 - Second year of a multi-year, multi-client 2D program offshore Northeast Greenland
 - Very good ice conditions and operational performance resulted in acquisition of 7,300 km of data in Q3 2015
 - On completion, TGS 2D library in the basin will be more than 36,000 km



Q3 Activity – North America Onshore



- **Freeport - 1,777 km² 3D multi-client survey**

- Utica play, central Ohio
- Acquisition completed in Q3 2015

- **Blanchard – 1,100 km² 3D multi-client survey**

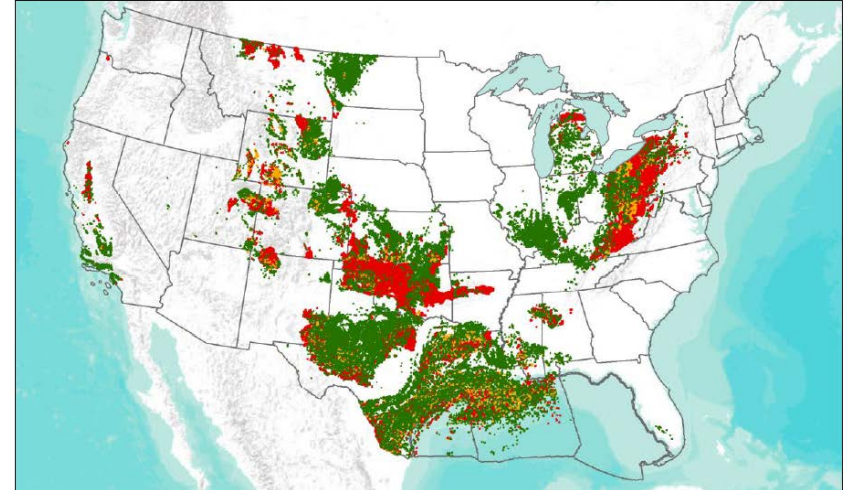
- South Central Oklahoma Oil Play (SCOOP), Oklahoma
- Acquisition will complete in Q4 2015

Enhancing Value through Technology

Digital Petrodata

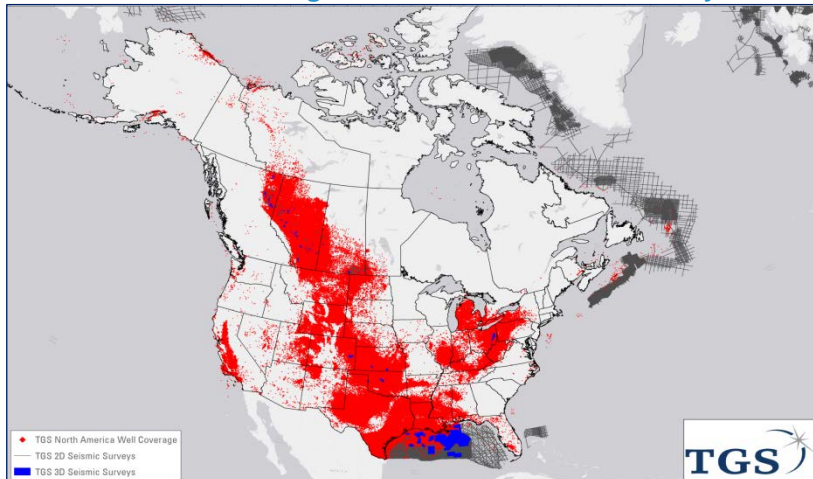
- GIS technology company purchased for 2 MUSD in October 2015
- Main Products include
 - GIS Field/Pool/Formation Database
 - GEONEWS™ GIS News Database
- Complements existing GPS business
- Adds value to TGS Longbow software platform

GIS Field/Pool/Formation Database

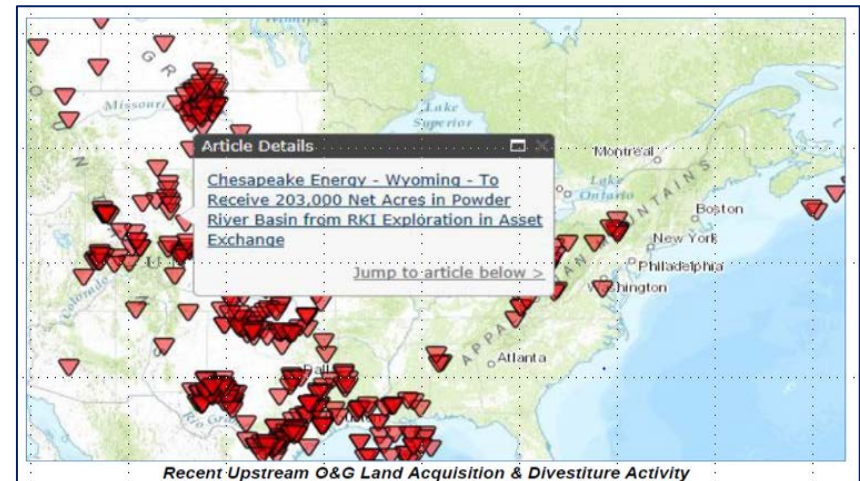


United States Oil and Gas Fields (40,000+) based on Annual GOR

TGS North America Digital Well Data & Seismic Library

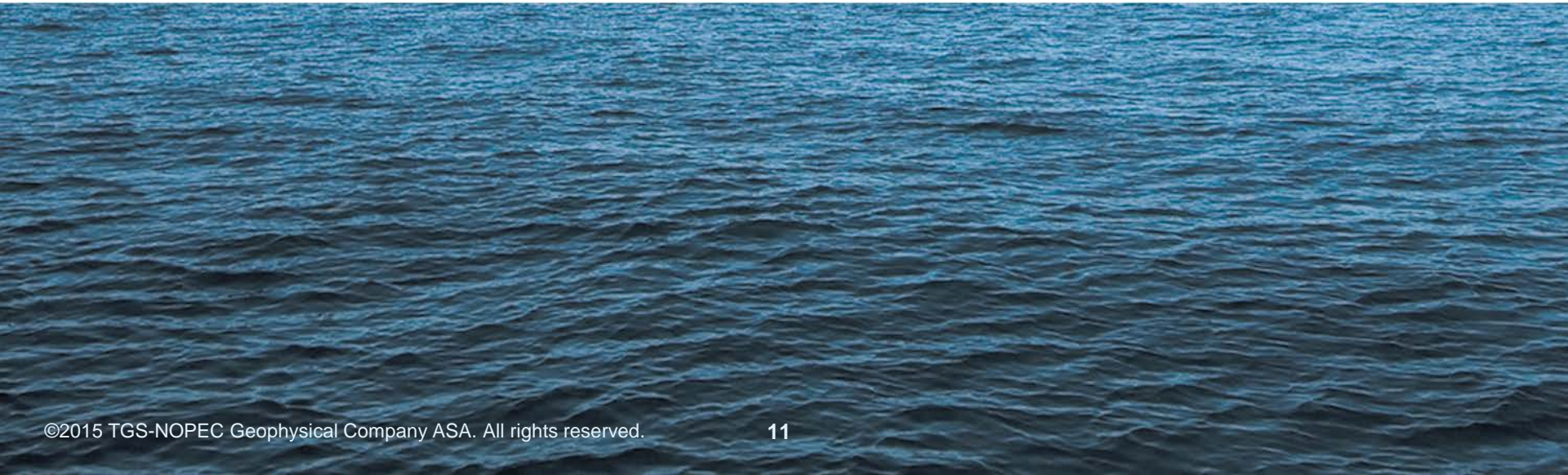


GEONEWS



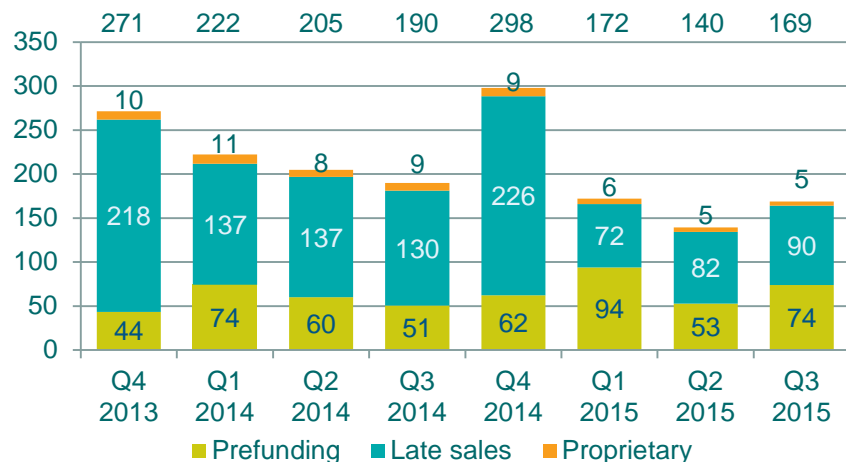


Financials

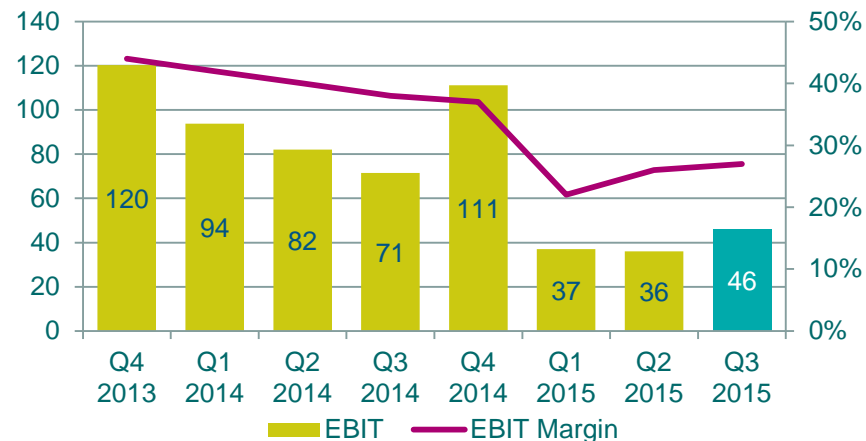


Key Financials

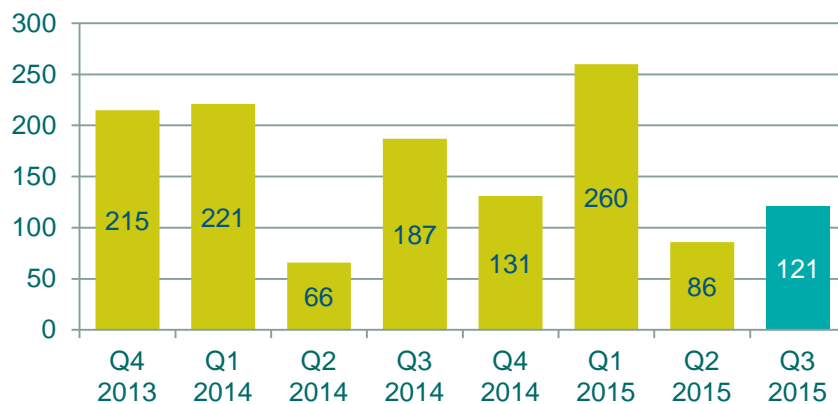
Net Revenues



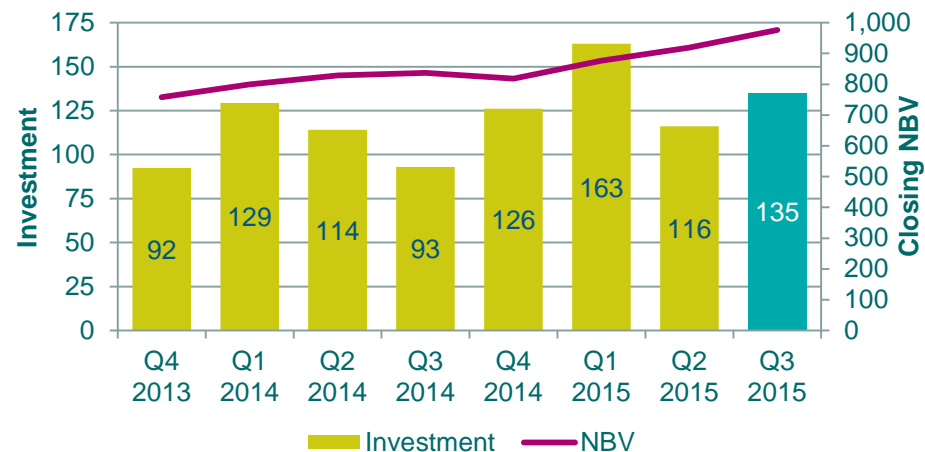
EBIT before non-recurring items



Cash Flow from Operations

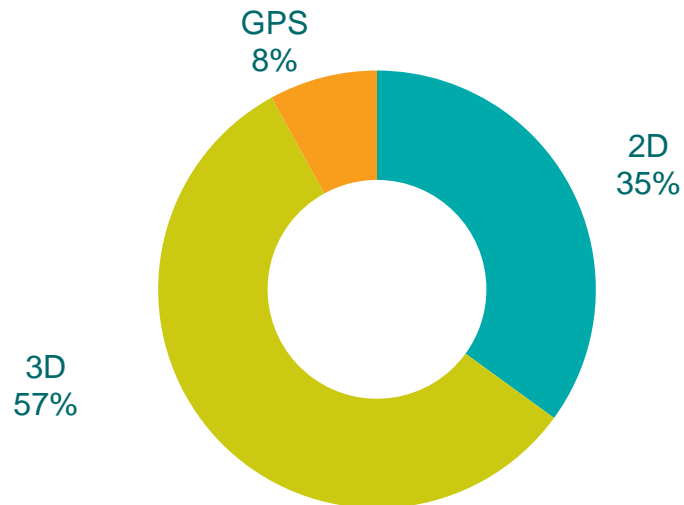


Multi-client NBV and Investments (operational)

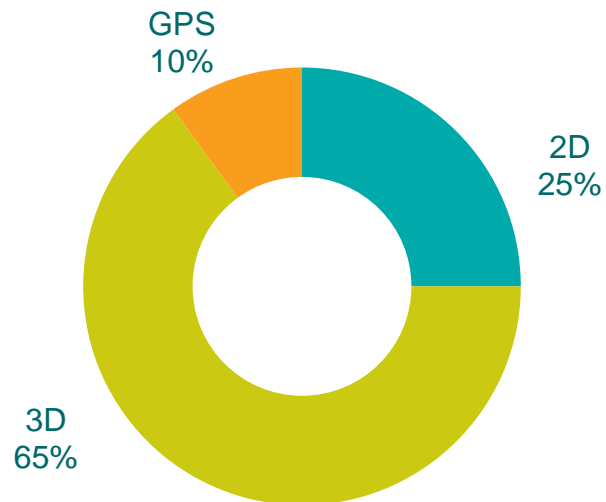


Net Revenue Breakdown

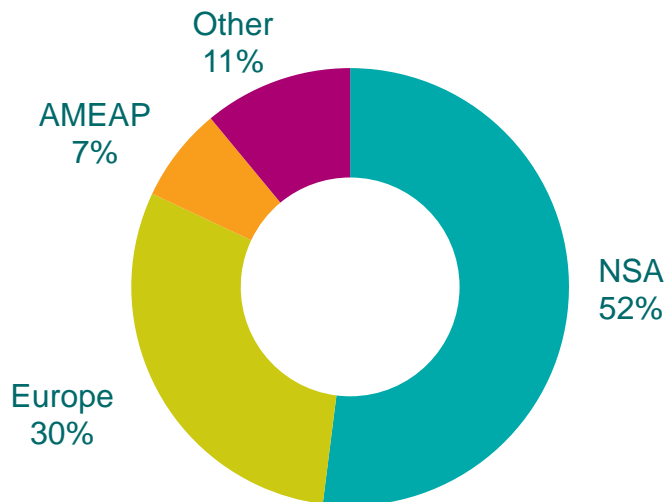
Q3 2015



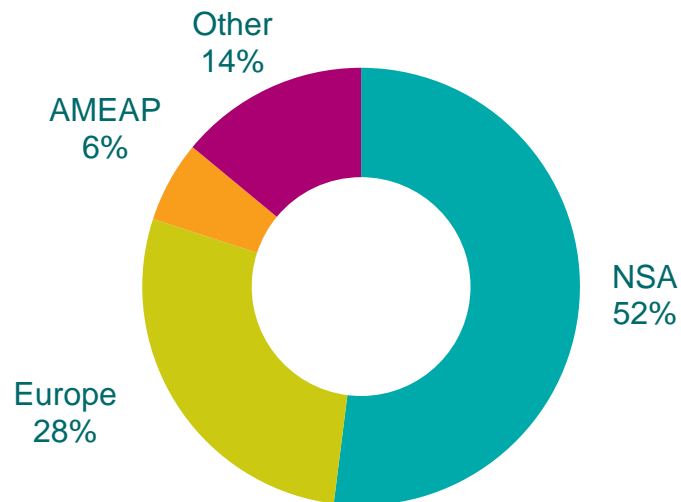
Q3 2014



Q3 2015



Q3 2014



Q3 2015 Income Statement

USD million, except EPS		Q3 2015	Q3 2014	Change in %
Net revenues		169	190	-11%
Cost of goods sold – proprietary and other		0.1	0.1	-52%
Amortization of multi-client library	60%	99	81	22%
Gross margin		71	109	-35%
Personnel costs		14	20	-28%
Other operating expenses		8	11	-33%
Cost of stock options		0.1	1	-92%
Depreciation		3	4	-34%
Operating profit	27%	46	71	-36%
Net financial items		-2	0.2	-958%
Profit before taxes	26%	44	72	-39%
Taxes		4	17	-79%
Net Income	24%	40	55	-27%
EPS, Undiluted		0.40	0.54	-26%
EPS, Fully Diluted		0.39	0.53	-26%

YTD 2015 Income Statement

USD million, except EPS		YTD 2015	YTD 2014	Change in %
Net revenues		481	617	-22%
Cost of goods sold – proprietary and other		0.6	3	-79%
Amortization of multi-client library	60%	277	254	9%
Gross margin		203	360	-44%
Personnel costs		48	65	-27%
Other operating expenses		25	32	-21%
Cost of stock options		2	4	-62%
Depreciation		10	12	-19%
Operating profit	25%	119	247	-52%
Net financial items		-2	5	-129%
Profit before taxes	24%	117	253	-54%
Taxes		24	69	-65%
Net Income	19%	93	184	-49%
EPS, Undiluted		0.92	1.80	-49%
EPS, Fully Diluted		0.91	1.78	-49%

Q3 2015 Cash Flow Statement

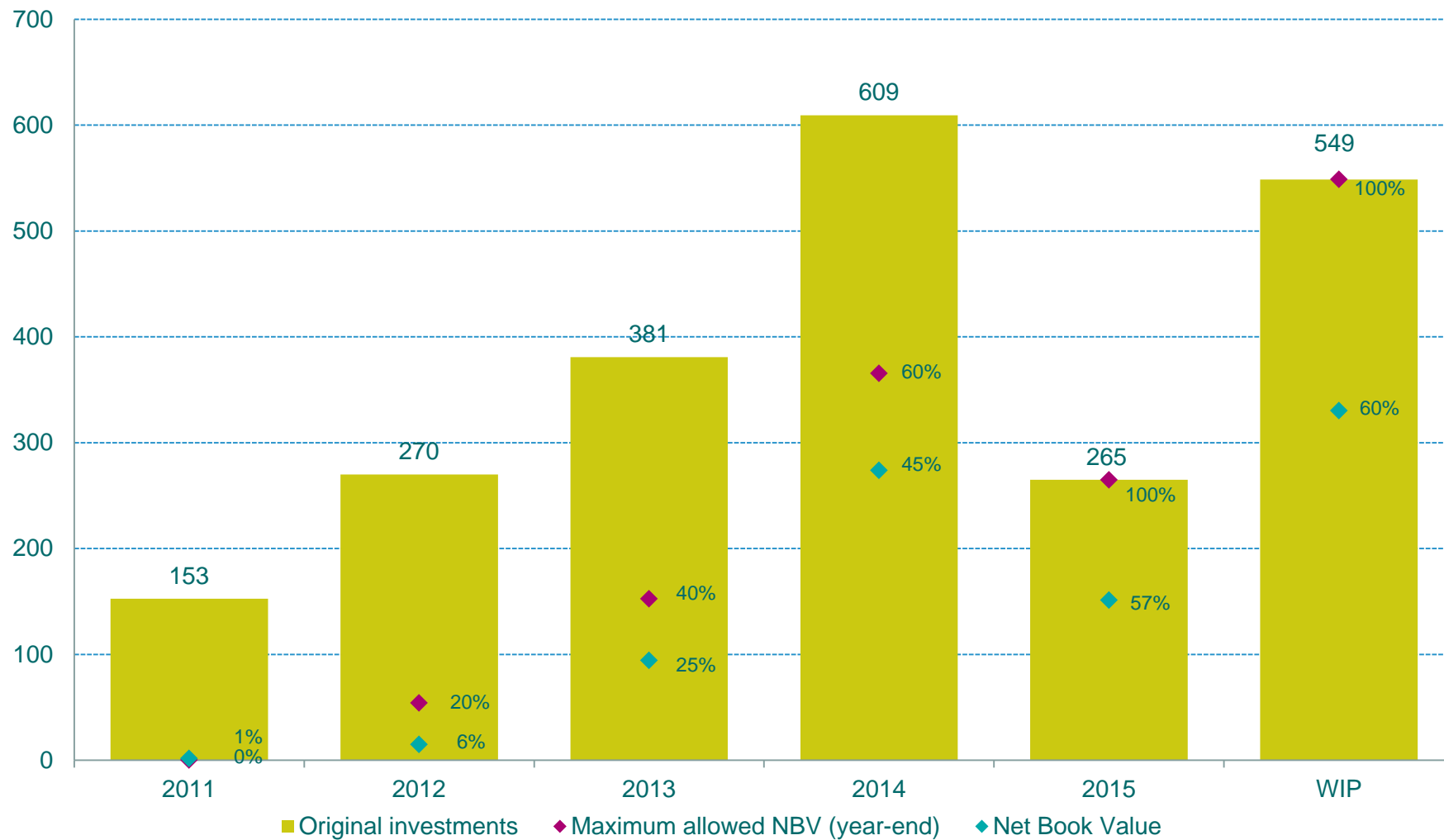
USD million	Q3 2015	Q3 2014	Change in %
Received payments from customers	145	225	-35%
Payments for operational expenses	(23)	(35)	35%
Paid taxes	(1)	(3)	58%
Operational cash flow	121	187	-35%
Investments in tangible and intangible assets	(1)	(3)	64%
Investments in multi-client library	(72)	(101)	28%
Investments through mergers and acquisitions	(19)	-	N/A
Proceeds from sale of short-term investments	-	5	-100%
Interest received	1	0.7	76%
Interest paid	(0.1)	(0.01)	-1060%
Dividend payments	(14)	(19)	26%
Purchase of treasury shares	-	(12)	N/A
Proceeds from share issuances	2	1	17%
Change in cash balance	17	59	-70%

Balance Sheet

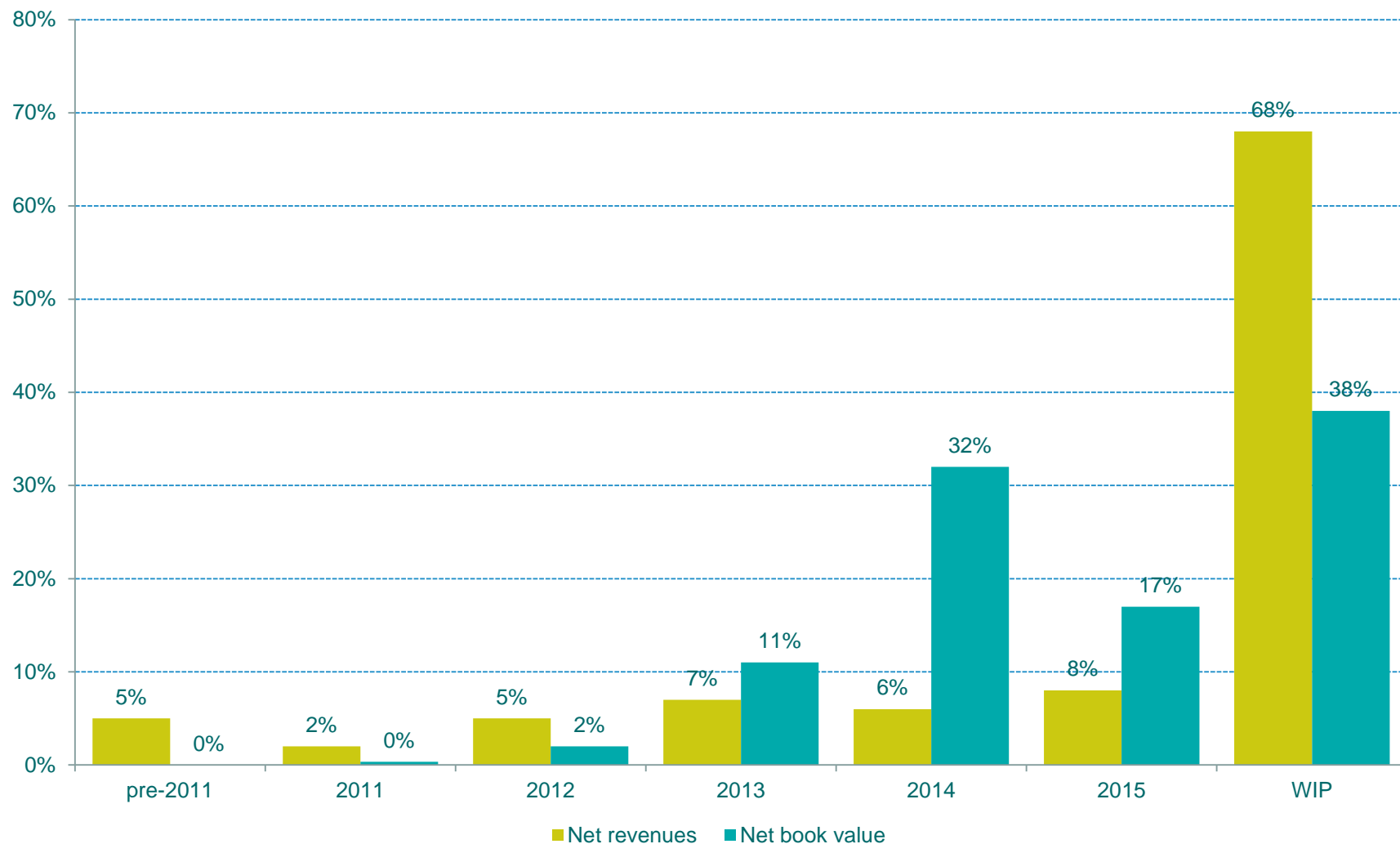
USD million	Q3 2015	Q2 2015	Change in %	Q4 2014
Assets				
Cash and cash equivalents	191	176	9%	256
Other current assets	328	308	6%	521
Total current assets	519	484	7%	778
Intangible assets and deferred tax asset	82	82	0%	85
Other non-current assets	19	25	-25%	44
Multi-client library	976	919	6%	818
Fixed assets	33	36	-7%	43
Total Assets	1,630	1,546	5%	1,768
Liabilities				
Current liabilities	273	234	17%	393
Non-current liabilities	2	4	-54%	7
Deferred tax liability	36	31	16%	29
Total Liabilities	311	269	16%	428
Equity	1,319	1,277	3%	1,339
Total Liabilities and Equity	1,630	1,546	5%	1,768

The Company holds no interest-bearing debt

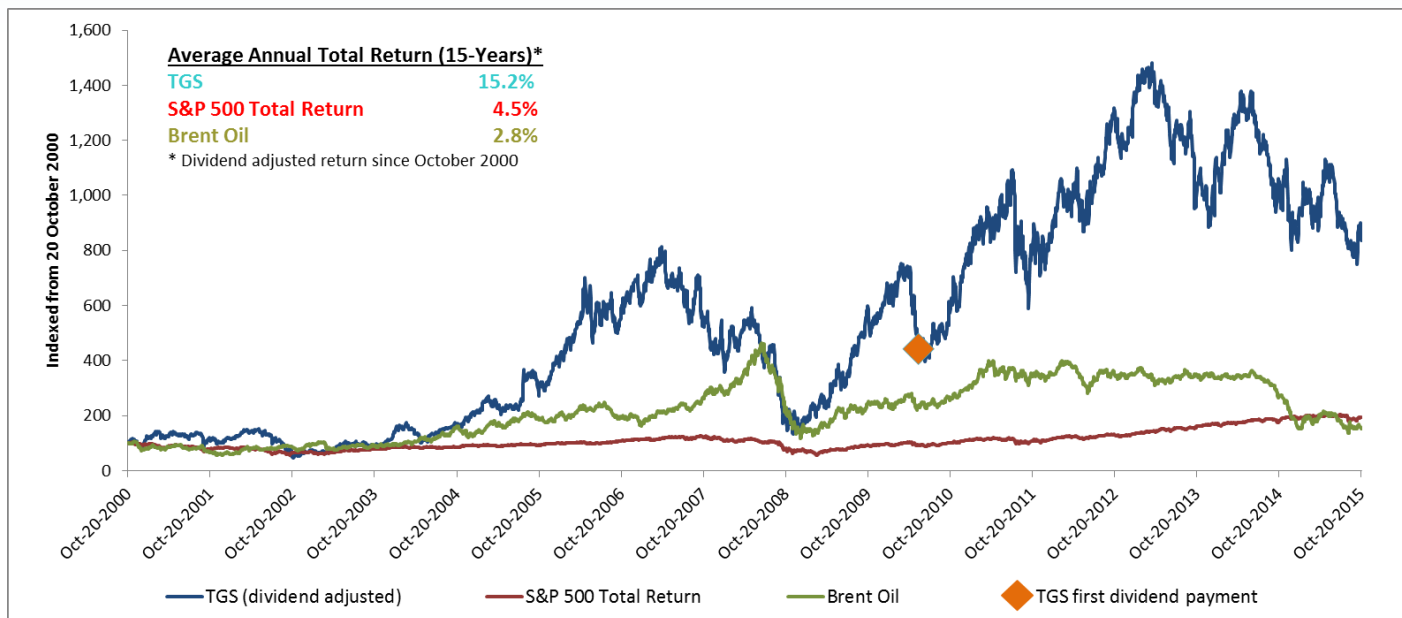
Investments per Vintage



Net Revenues vs. Net Book Value per Vintage



Strong Cash Generation Delivers Shareholder Value



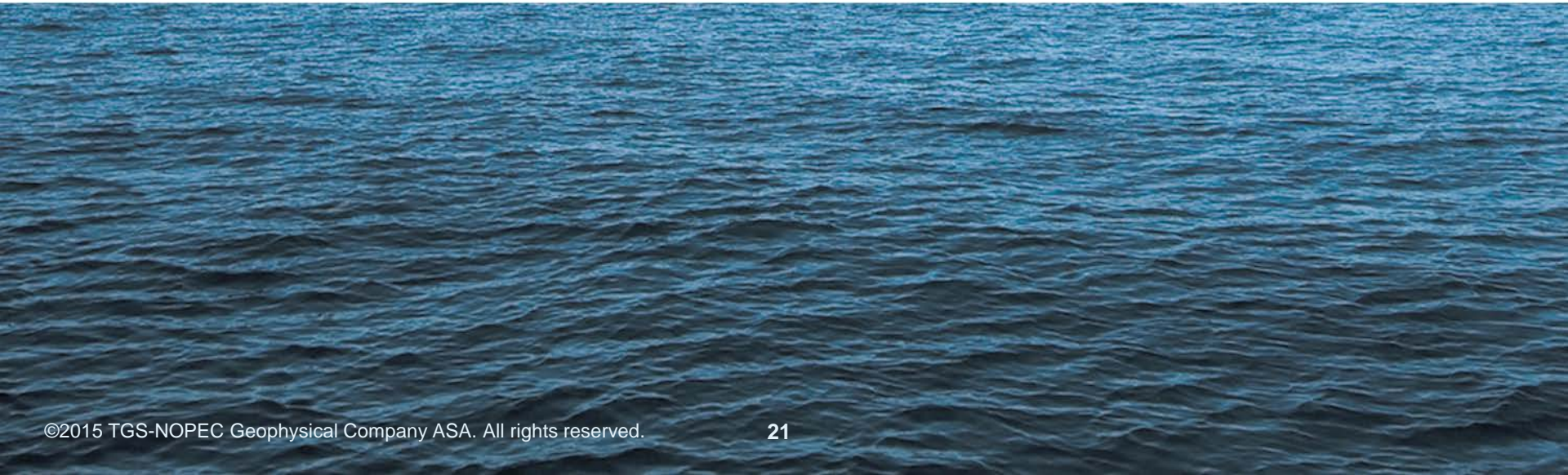
Source: S&P
Capital IQ

- Shareholder authorization to distribute quarterly dividend payments from Q1 2016
 - The ex-dividend date will normally be seven days after the announcement of the dividend in connection with the release of quarterly financial statements*
 - Payment date 14 days after the ex-dividend date
 - 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
- NOK 8.5 dividend (113 MUSD) paid in 2015 (ex-dividend on 7 May 2015 and paid on 21 May 2015)
- 30 MUSD share buy back program completed in Q1 2015

*Q2 – Q4 2016 dividends subject to AGM authorization on 10 May 2016

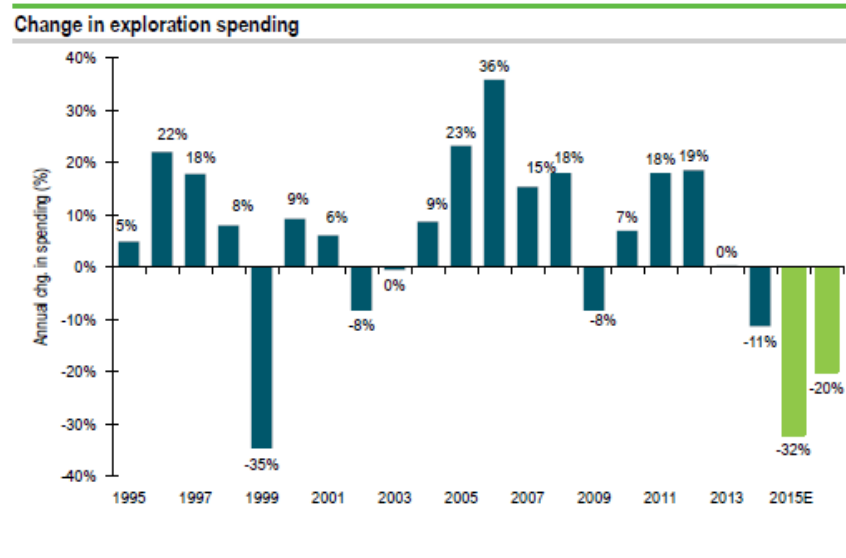


Outlook



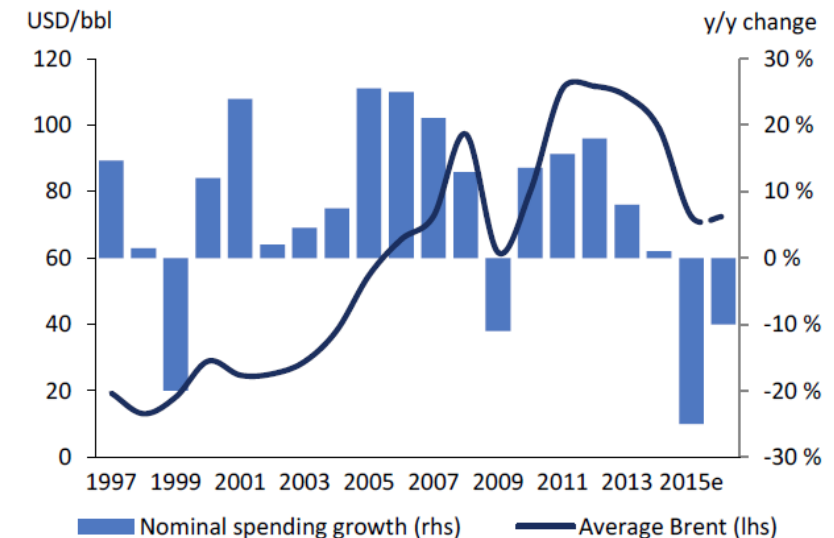
Outlook

The demand for seismic data has continued to weaken during the first nine months of the year and there are few signs that a recovery may be imminent



Source: SEB

E&P spending down 25% in 2015e

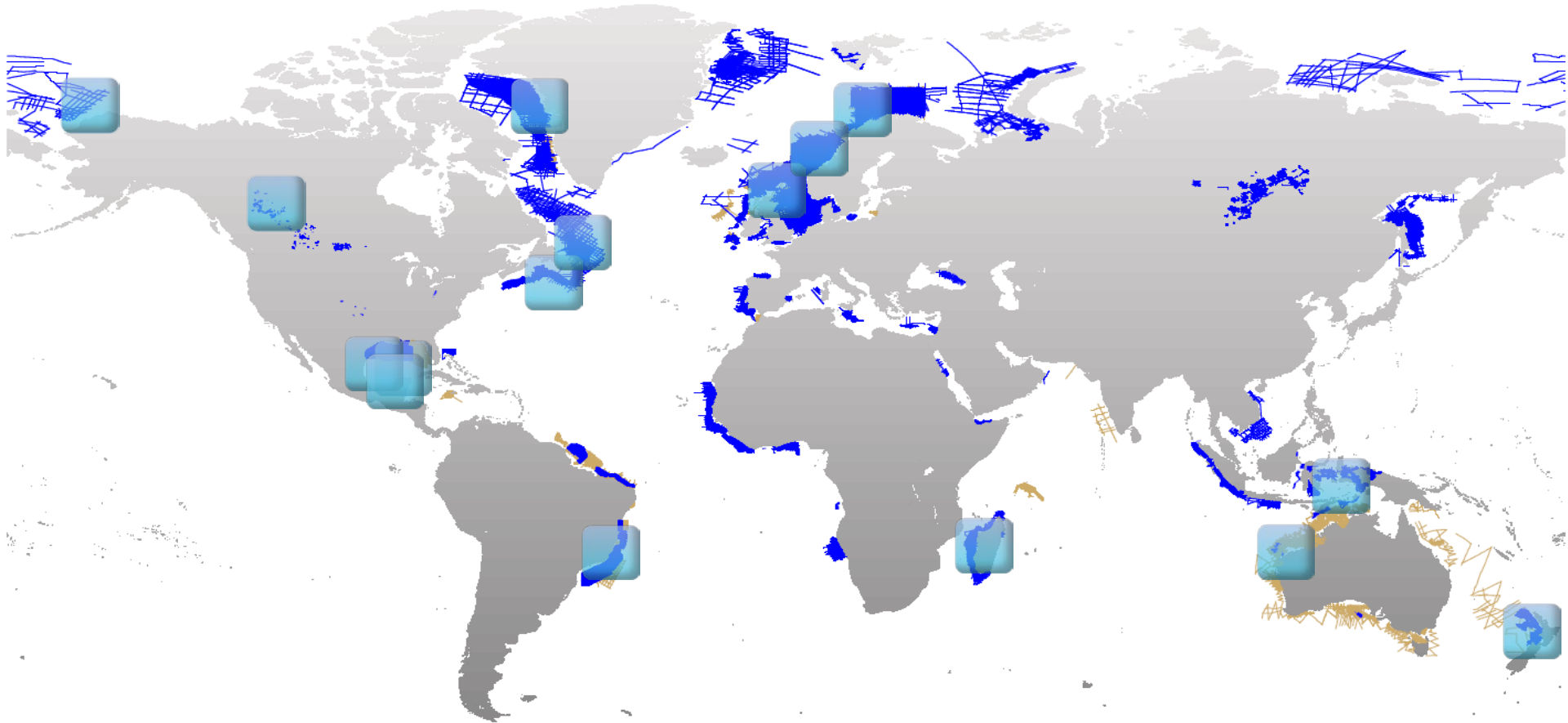


Source: Pareto Securities

TGS approach during down cycle:

- **Asset-light, focused**
 - Strong balance sheet
 - 191 MUSD cash at end Q3 2015
 - 182 MUSD backlog
- **Counter-cyclical**
 - Attractive vessel rates
 - Turnkey contracts & risk transfer
 - M&A opportunities
- **Maintain discipline**
 - Cost Reduction Program
 - Strict Prefunding hurdles
 - Focus on investment quality

License Round Activity and TGS Positioning



North & South America

- Central GOM – Mar 2016 (5-Year Plan)
- Western GOM – Aug 2016 (5-Year Plan)
- Alaska Offshore – cancelled (expected to be in next 5-Year Plan)
- Newfoundland & Labrador – Nov 2015 (bids due, Scheduled Land Tenure)
- Nova Scotia – Oct 2015 (bids due, 3-Year Rolling Plan)
- Canada Onshore – at least monthly
- Brazil 13th Round - closed Oct 2015 (next round expected 2016/17)
- Mexico – Round 1 phased across 2015, 3 more rounds proposed by 2019

Africa, Middle East, Asia Pacific

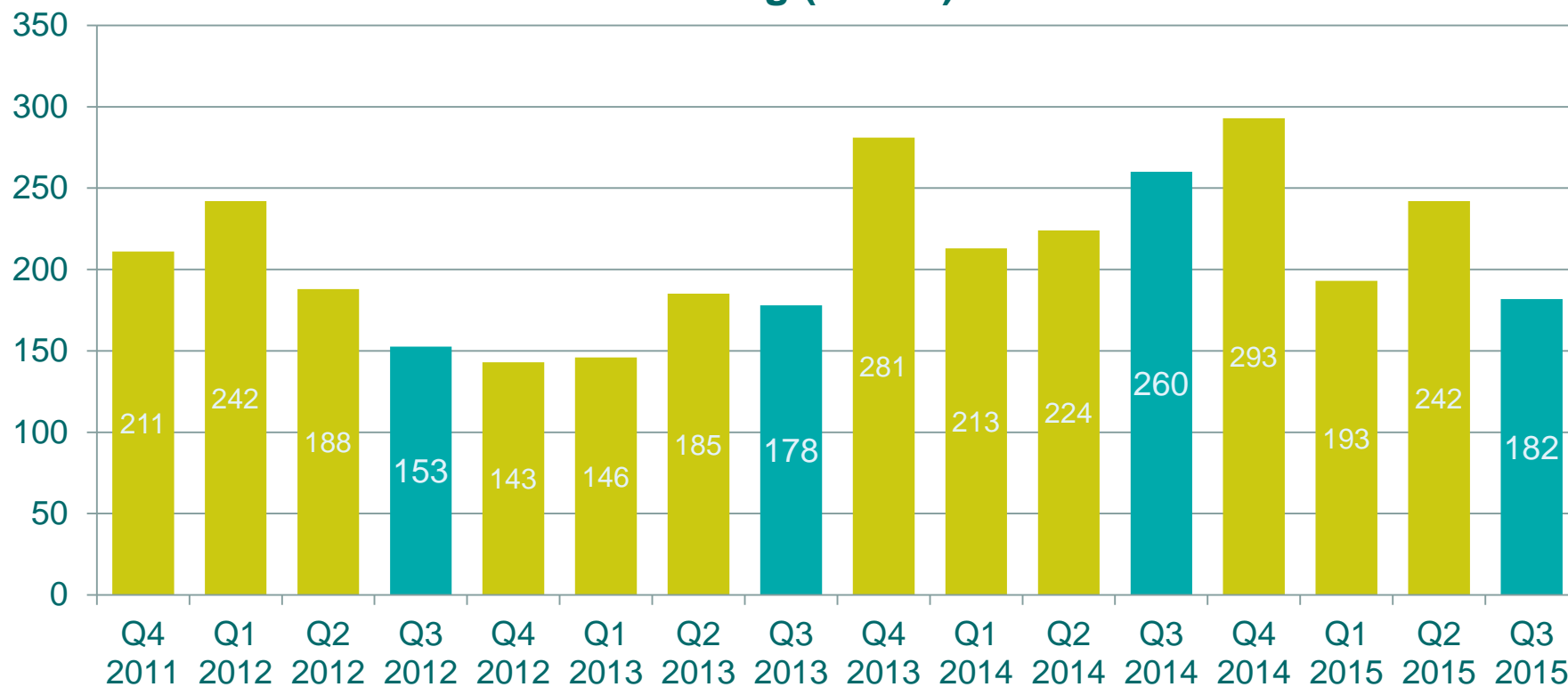
- Madagascar – postponed (now expected 2016)
- Australia – Oct 2015, Feb & Apr 2016 (bids due)
- New Zealand – 2016 (consultation underway)
- Indonesia – 2016 (announced)

Europe / Russia

- Norway APA – early 2016 (awards due)
- Norway 23rd Round – Dec 2015 (bids due)
- United Kingdom – 2016 (expected)
- Greenland – Dec 2016, 2017, 2018 (bids due)

Backlog

Historical Backlog (MUSD) 2011 - 2015

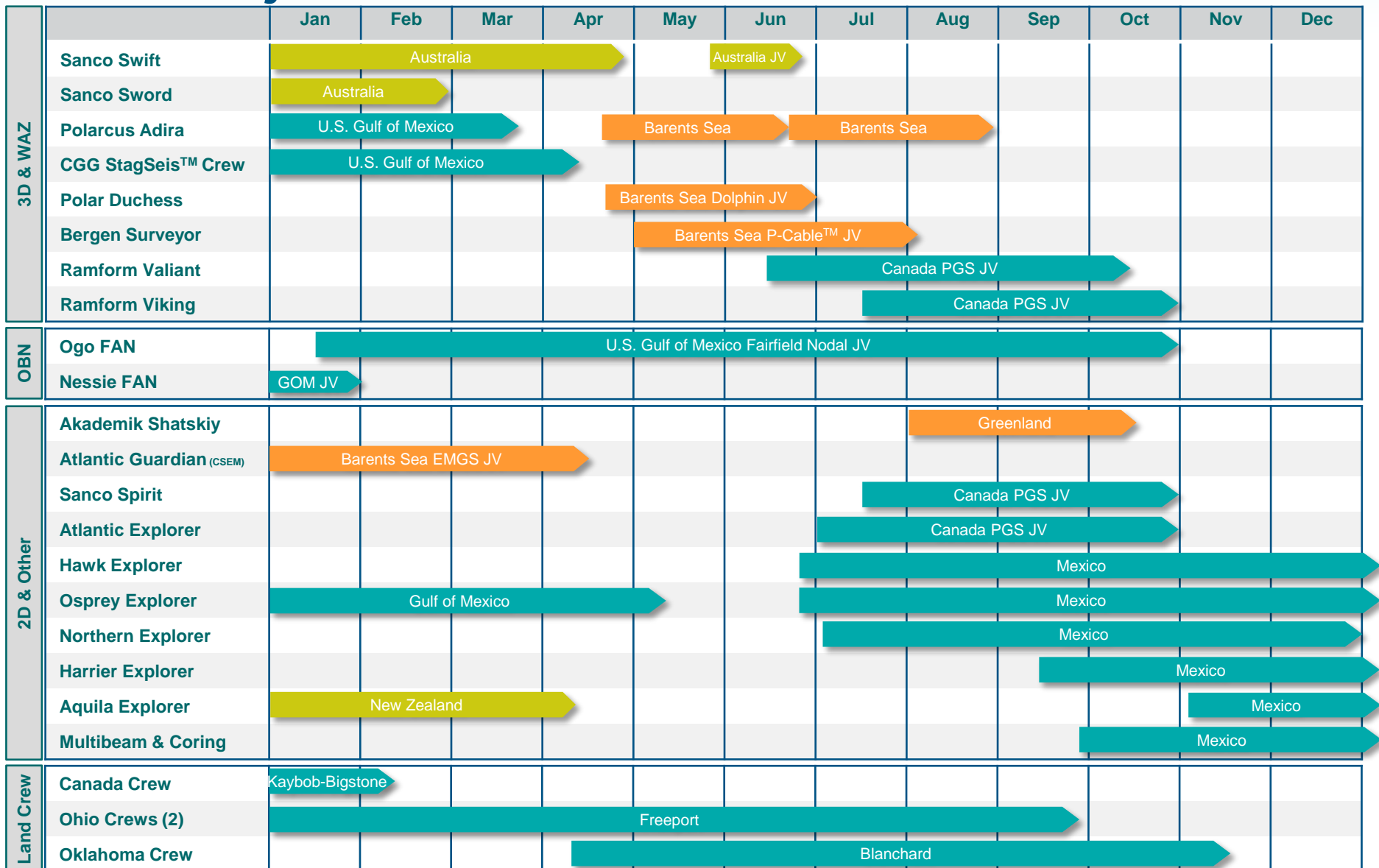


2015 Projects Schedule

→ NSA

→ EUR

→ AMEAP

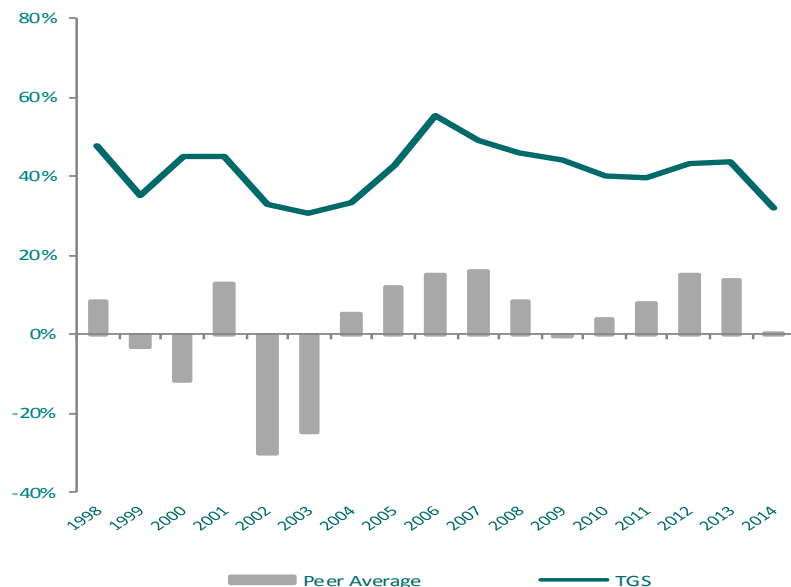


Summary

- Q3 net revenues of 169 MUSD
- Q3 operating profit of 46 MUSD, 27% of net revenues
- Q3 multi-client operational investment of 135 MUSD
- Challenging seismic market with few signs that a recovery may be imminent
 - Cost Reduction Program implemented in Q1 2015
 - Further review of cost base under way with the aim of realizing additional cost reductions from the beginning of next year.
- However, long-term future of asset-light, focused multi-client business remains strong
 - TGS has a backlog of 182 MUSD
 - Cash balance of 191 MUSD at 30 September 2015
 - Quarterly dividends scheduled starting Q1 2016
- Guidance for 2015 (investment guidance revised on 30 July 2015)
 - TGS expects multi-client investments of approximately 490 MUSD and additional Capex of 15 MUSD
 - TGS expects revenues of approximately 630 MUSD

TGS Performs in all Cycles

EBIT margin vs. Seismic peers



Return on Capital Employed



- Average EBIT margin above 40% - stable EBIT – performance through the cycles
- ROCE significantly above WACC – substantial value creation in any industry cycle

*Peer group includes CGG, Spectrum, Geokinetics, ION Geophysical, PGS, Dolphin, Polarcus



Thank you

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