



Q4 2015 Earnings Release

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CEO

2 February 2016

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Forward-Looking Statements

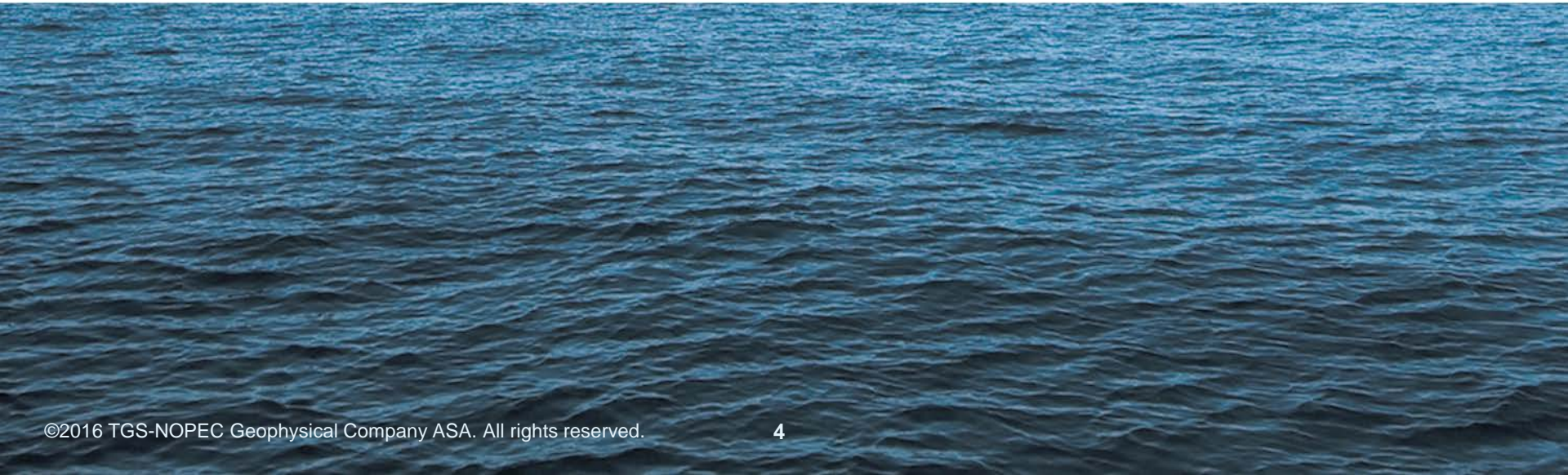
All statements in this presentation other than statements of historical fact, are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. These factors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

Q4 2015 Highlights

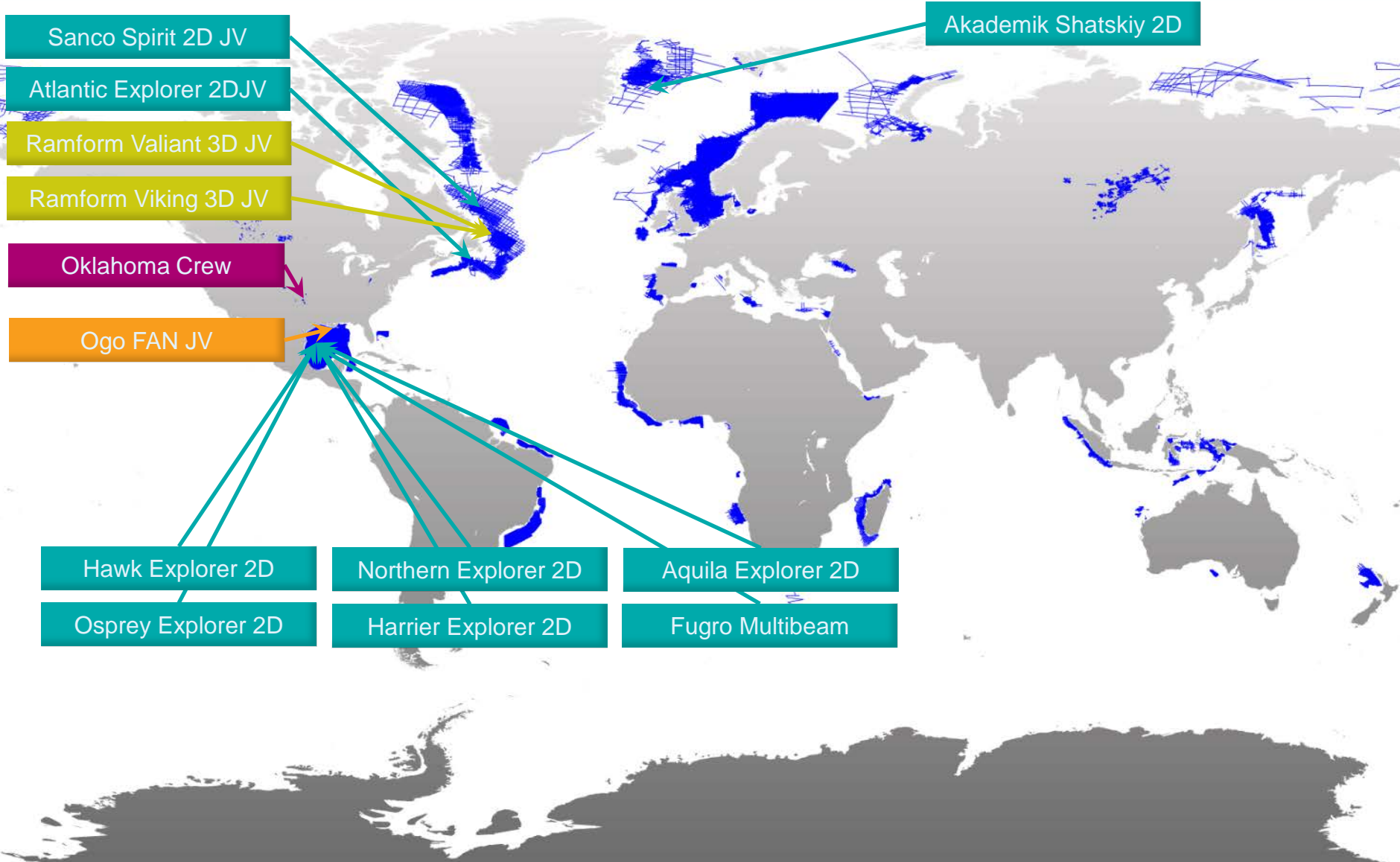
- Q4 net revenues of 132 MUSD compared to 298 MUSD in Q4 2014
 - Net late sales of 90 MUSD, down 60% from 226 MUSD in Q4 2014
 - Net pre-funding revenues of 37 MUSD were down 41% from Q4 2014, funding 42% of TGS' operational multi-client investments for the quarter (88 MUSD)
- Operating profit for the quarter was -140 MUSD compared to 47 MUSD in Q4 2014
 - Impairments of 161 MUSD
 - Restructuring costs of 10 MUSD and other provisions of 8 MUSD
- Cash flow from operations was 99 MUSD compared to 131 MUSD in Q4 2014
 - Cash balance of 163 MUSD at 31 December 2015 in addition to undrawn 75 MUSD Revolving Credit Facility
- Full Year 2015 net revenues of 612 MUSD compared to 915 MUSD in 2014
- Full Year 2015 operational investment of 502 MUSD (51% pre-funded)
- Full Year 2015 operating profit of -21 MUSD compared to 295 MUSD in 2014



Operational Highlights



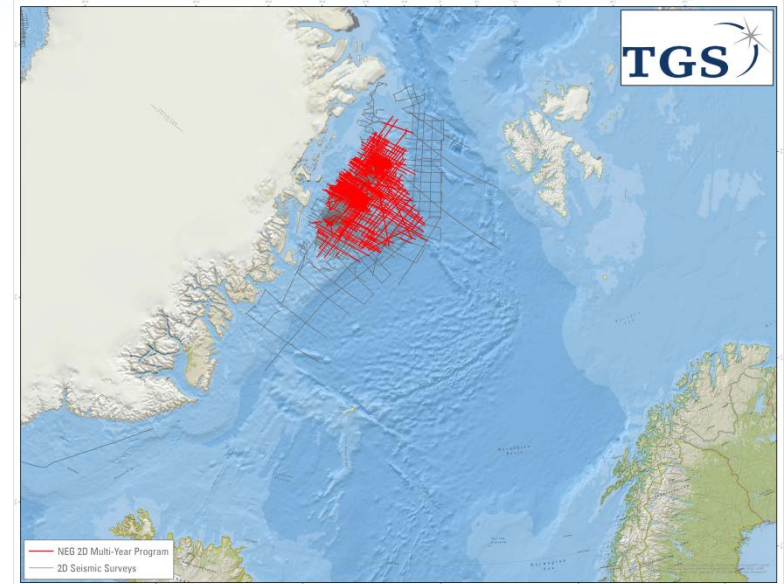
Q4 2015 Operations



Q4 Activity – Greenland & U.S GOM

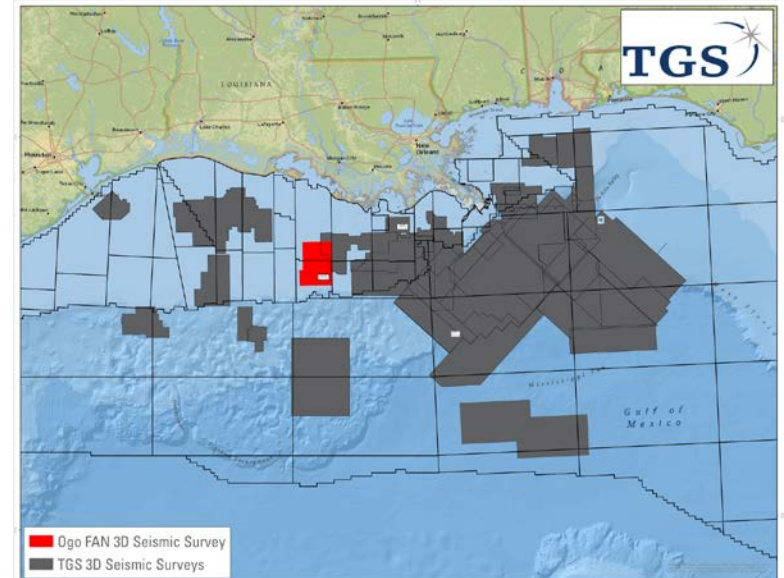
Greenland

- **NEG** – 14,500 km multi-client 2D survey
 - Second year of a multi-year, multi-client 2D program offshore Northeast Greenland
 - Ice-breaker vessel required for seismic operations
 - Very good operational performance resulted in acquisition of 7,300 km of data in 2015
 - 1,800 km remain to be acquired in 2016
 - On completion, TGS 2D library in the basin will be more than 36,000 km



U.S Central Gulf of Mexico

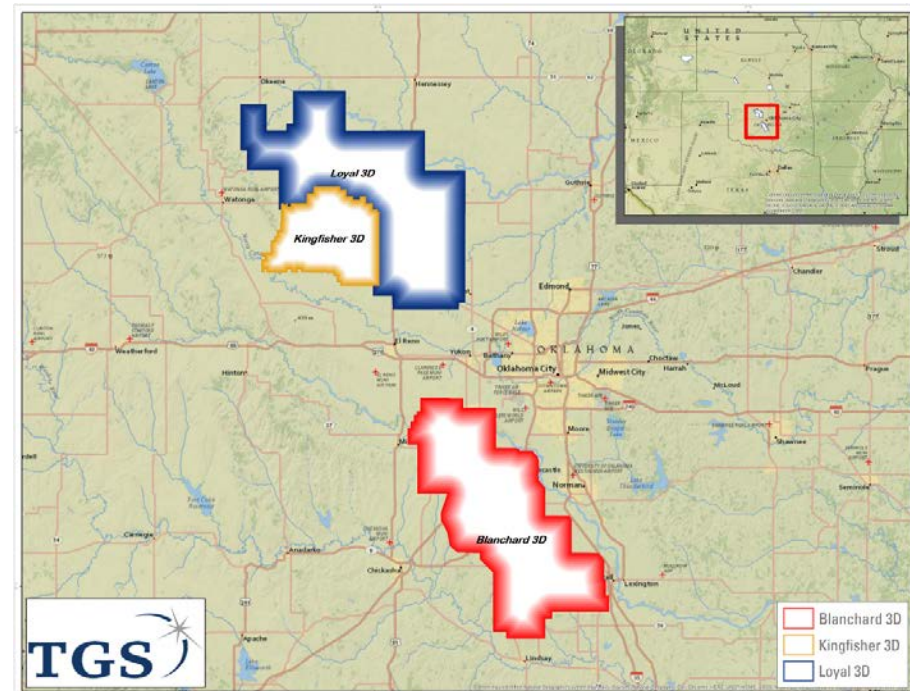
- **Ogo FAN™** - multi-client Full Azimuth Nodal survey
 - 136 shelf blocks over existing fields and exploratory acreage
 - Acquisition completed in Q4 2015
 - Part of multi-year collaboration agreement with FairfieldNodal



Q4 Activity – North America Onshore

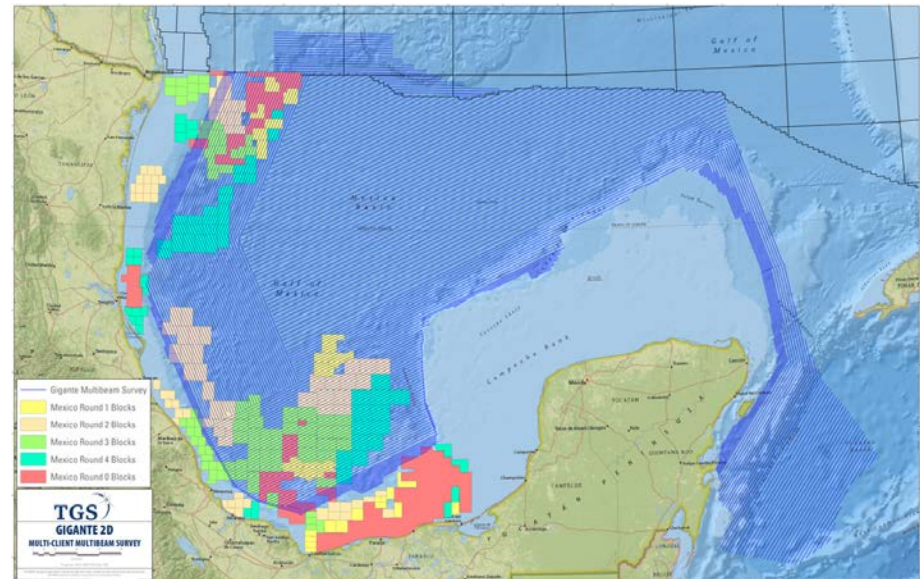
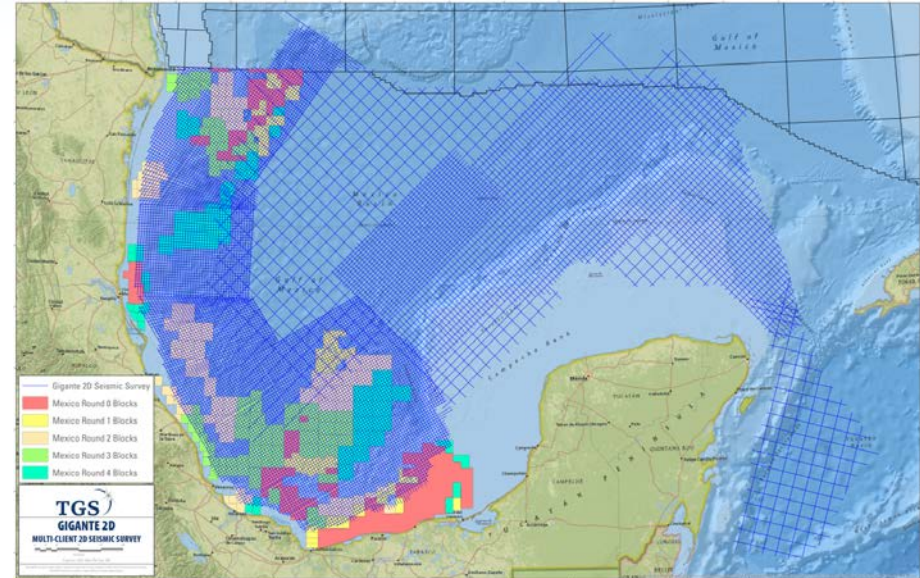
Oklahoma

- **Blanchard** – 1,100 km² 3D multi-client survey
 - Designed to image complex faulting and subsurface targets over the Mississippian through Devonian intervals
 - Located in the core of the South Central Oklahoma Oil Play (SCOOP), which targets the prolific Woodford Shale and also covers the recently announced overlying Springer Shale interval
 - Acquisition completed in Q4 2015
- **Kingfisher** – 500 km² 3D multi-client survey
 - Acquired existing onshore seismic survey from group of oil & gas companies
 - Located in the core of the oil window targeting the prolific Meramec, Cana Woodford, Woodford Shale, and Hunton intervals within the commonly referenced STACK play fairway in Oklahoma
 - Survey is adjacent to TGS' Loyal survey which will be merged to form one seamless dataset covering approximately 2,000 km²



Q4 Activity – Mexico

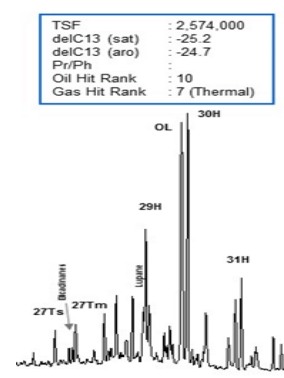
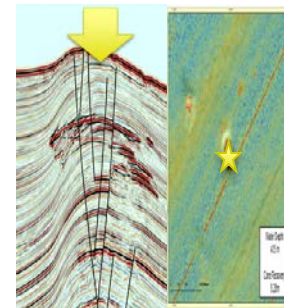
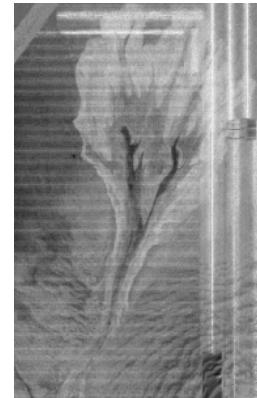
- **Gigante 2D** – 186,000 km multi-client 2D survey
 - Regional 2D survey commenced in Q2 2015 and expected to complete in mid-2016
 - Survey includes world class producing trends such as the Perdido fold belt and Campeche Bay
 - Line ties will be made to the US Gulf of Mexico regional grids previously acquired by TGS
 - 5 vessels were active on this survey during Q4, expect to use 4 vessels on this survey through first half of 2016
 - >93,000 km (50%) of survey acquired with >57,000 km of fast track products available covering the proposed licensing rounds in the Campeche, Perdido and Mexican Ridges regions
- **Gigante Multibeam, Coring, and Geochemical Surveys**
 - 600,000 km² survey commenced in 2015 and expected to complete in H2 2016
 - Survey will cover deepwater sector of the Mexican Gulf of Mexico
 - Interpretation of data will integrate with the seismic survey
 - Multibeam acquisition is >12% complete with coring activities commencing in January



Enhancing Value through Technology

Complementary Exploration Technologies

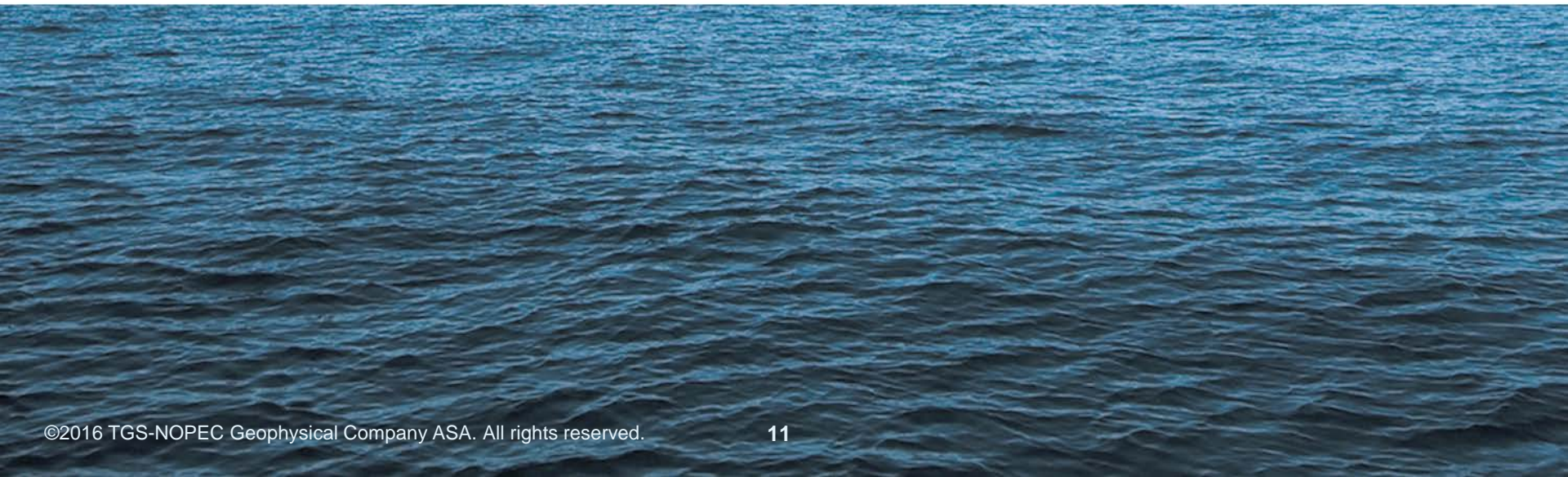
- **Multibeam** – sonar used to image seeps on the sea bottom and gas plumes in the water column
- **Coring** – 6 meter samples gathered from bathymetrically identified seeps
- **Jumbo Piston Cores** – 20 meter cores for geologic age and sedimentation rates
- **Heat flow Cores** – to constrain thermal maturity models
- **Geochemical Analysis** – performed on cores to determine character of the hydrocarbon seep
- An important frontier exploration tool:
 - Valuable information on the structural overprint of underlying geology
 - Validate active petroleum systems
 - Determine hydrocarbon grade early in exploration phase
 - Facilitate understanding of sediment flow
- Data will integrate with the seismic survey, well data and regional interpretation studies



Images courtesy of Fugro and TDI Brooks International

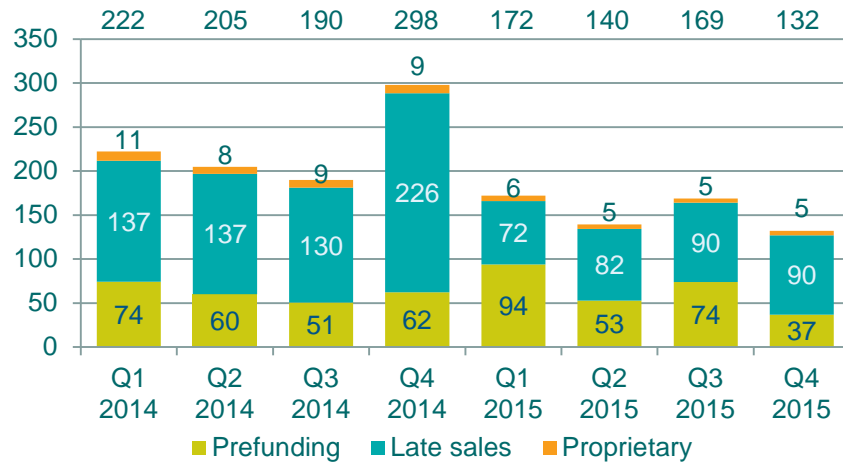


Financials

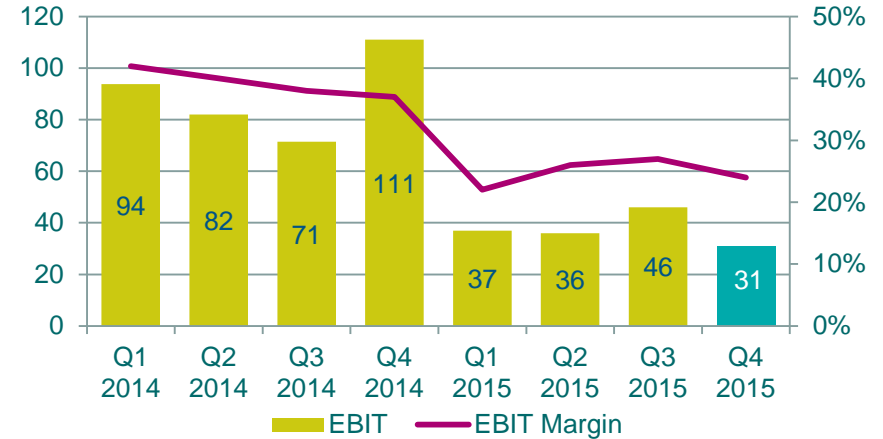


Key Financials

Net Revenues

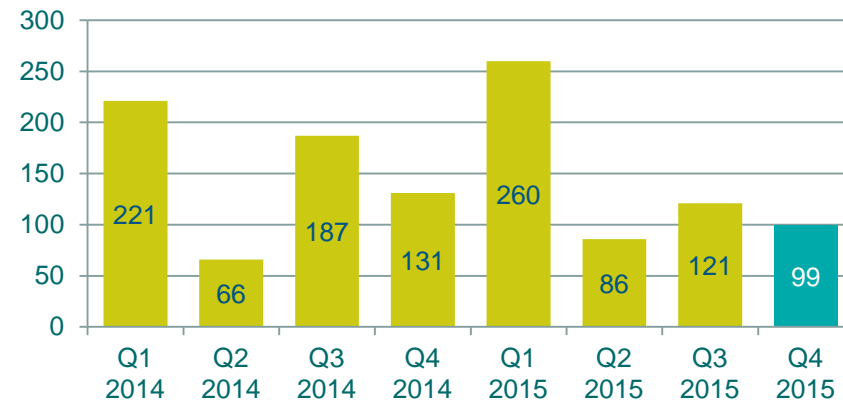


EBIT before non-recurring items*

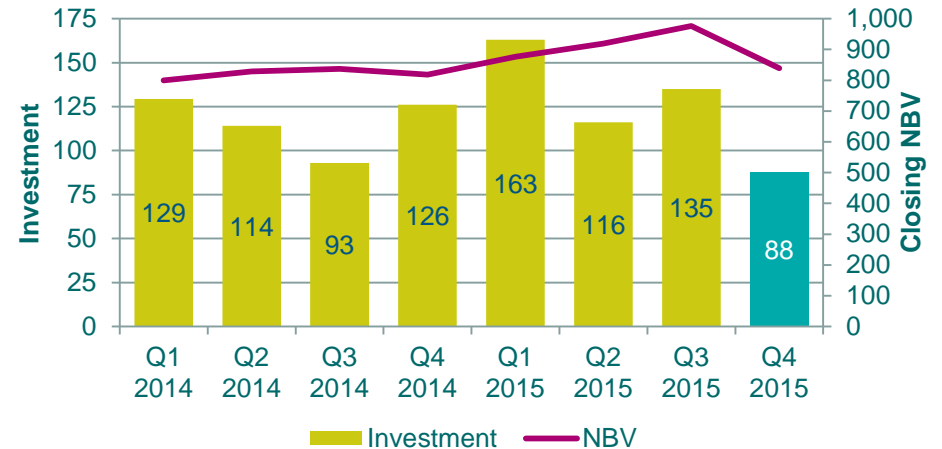


* Q4 2015 adjusted for multi-client impairments of USD 161 million and restructuring costs of USD 10 million

Cash Flow from Operations

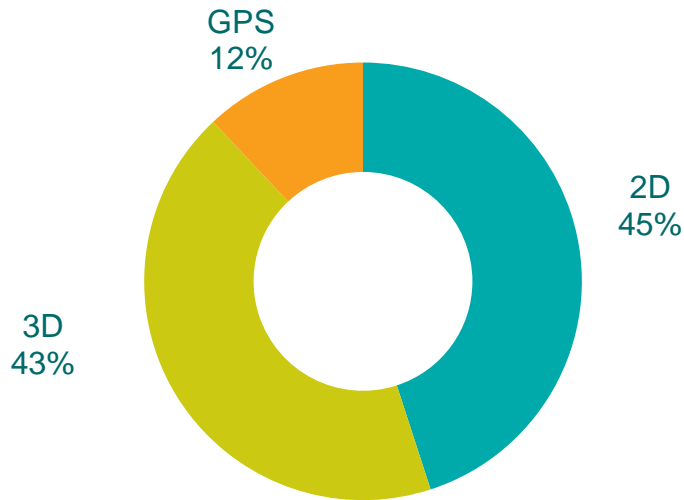


Multi-client NBV and Investments (operational)

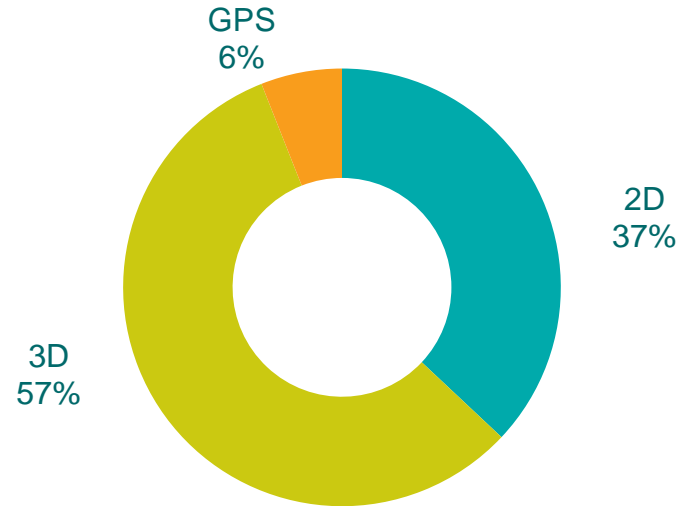


Net Revenue Breakdown

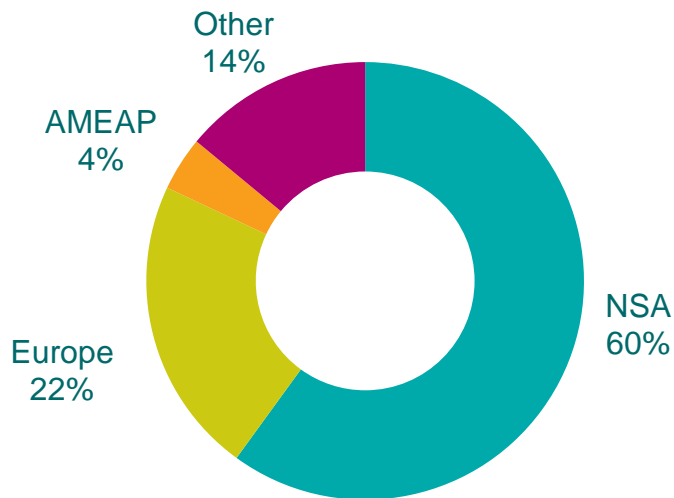
Q4 2015



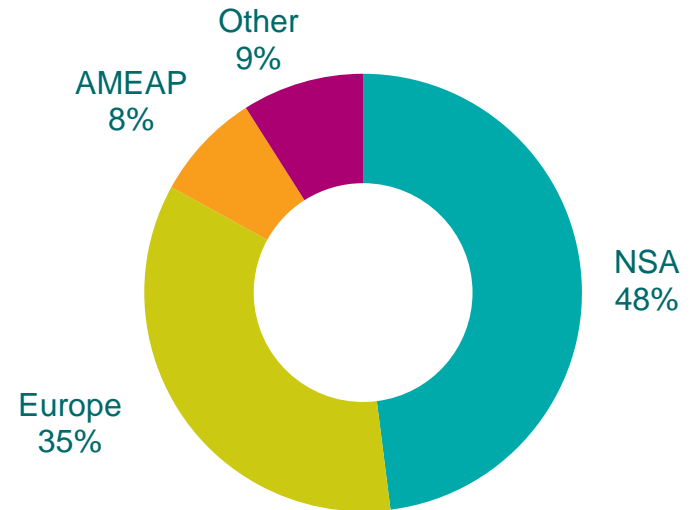
Q4 2014



Q4 2015



Q4 2014



Q4 2015 Income Statement

USD million, except EPS		Q4 2015	Q4 2014	Change in %
Net revenues		132	298	-56%
Cost of goods sold – proprietary and other		0.4	1	-65%
Amortization of multi-client library *	181%	230	143	61%
Gross margin		(99)	154	-164%
Personnel costs		15	23	-33%
Other operating expenses		22	24	-7%
Cost of stock options		0.2	1	-75%
Impairment of Reservoir Solutions		-	54	-100%
Depreciation		3	5	-30%
Operating profit	-106%	(140)	47	-396%
Net financial items		(2)	(12)	85%
Profit before taxes	-107%	(142)	36	-497%
Taxes		(20)	4	-650%
Net Income	-92%	(122)	32	-479%
EPS, Undiluted		(1.20)	0.32	-480%
EPS, Fully Diluted		(1.19)	0.31	-480%

* Amortization includes non-recurring impairments of USD 161 million

Q4 2015 Cash Flow Statement

USD million	Q4 2015	Q4 2014	Change in %
Received payments from customers	140	166	-16%
Payments for operational expenses	(24)	(35)	32%
Paid taxes	(17)	0.4	-4404%
Operational cash flow	99	131	-25%
Investments in tangible and intangible assets	(1)	(6)	81%
Investments in multi-client library	(119)	(117)	-2%
Investments through mergers and acquisitions	(8)	-	N/A
Interest received	0.8	1	-31%
Interest paid	(0.1)	(0.5)	82%
Purchase of treasury shares	-	(8)	N/A
Proceeds from share issuances	0.8	0.3	128%
Change in cash balance	(27)	1	-2189%

YTD 2015 Income Statement

USD million, except EPS		YTD 2015	YTD 2014	Change in %
Net revenues		612	915	-33%
Cost of goods sold – proprietary and other		1	4	-75%
Amortization of multi-client library *	86%	507	397	28%
Gross margin		104	514	-80%
Personnel costs		63	88	-28%
Other operating expenses		47	56	-15%
Cost of stock options		2	5	-64%
Impairment of Reservoir Solutions		-	54	N/A
Depreciation		13	16	-22%
Operating profit	-3%	(21)	295	-107%
Net financial items		(3)	(6)	47%
Profit before taxes	-4%	(25)	288	-108%
Taxes		4	72	-95%
Net Income	-5%	(28)	216	-113%
EPS, Undiluted		(0.28)	2.12	-113%
EPS, Fully Diluted		(0.28)	2.09	-113%

* Amortization includes non-recurring impairments of USD 161 million in Q4 2015

YTD 2015 Cash Flow Statement

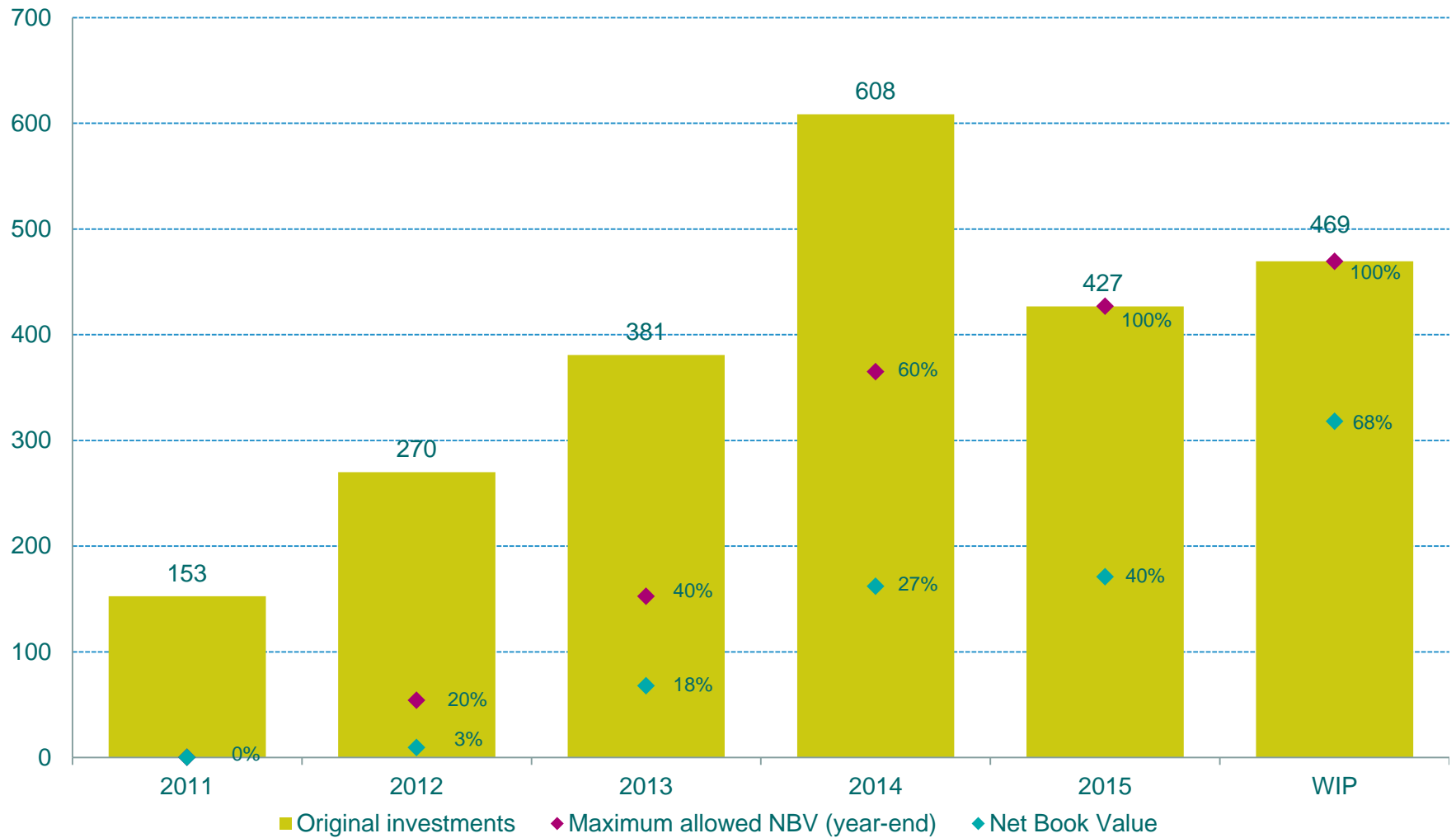
USD million	YTD 2015	YTD 2014	Change in %
Received payments from customers	764	859	-11%
Payments for operational expenses	(103)	(140)	26%
Paid taxes	(94)	(114)	18%
Operational cash flow	567	605	-6%
Investments in tangible and intangible assets	(7)	(27)	73%
Investments in multi-client library	(504)	(437)	-15%
Investments through mergers and acquisitions	(26)	-	N/A
Proceeds from sale of short-term investments	-	5	N/A
Payments made to acquire debt instruments	(5)	-	N/A
Interest received	6	6	-2%
Interest paid	(0.2)	(0.8)	78%
Dividend payments	(113)	(145)	22%
Purchase of treasury shares	(5)	(24)	80%
Proceeds from share issuances	4	3	38%
Change in cash balance	(84)	(15)	-477%

Balance Sheet

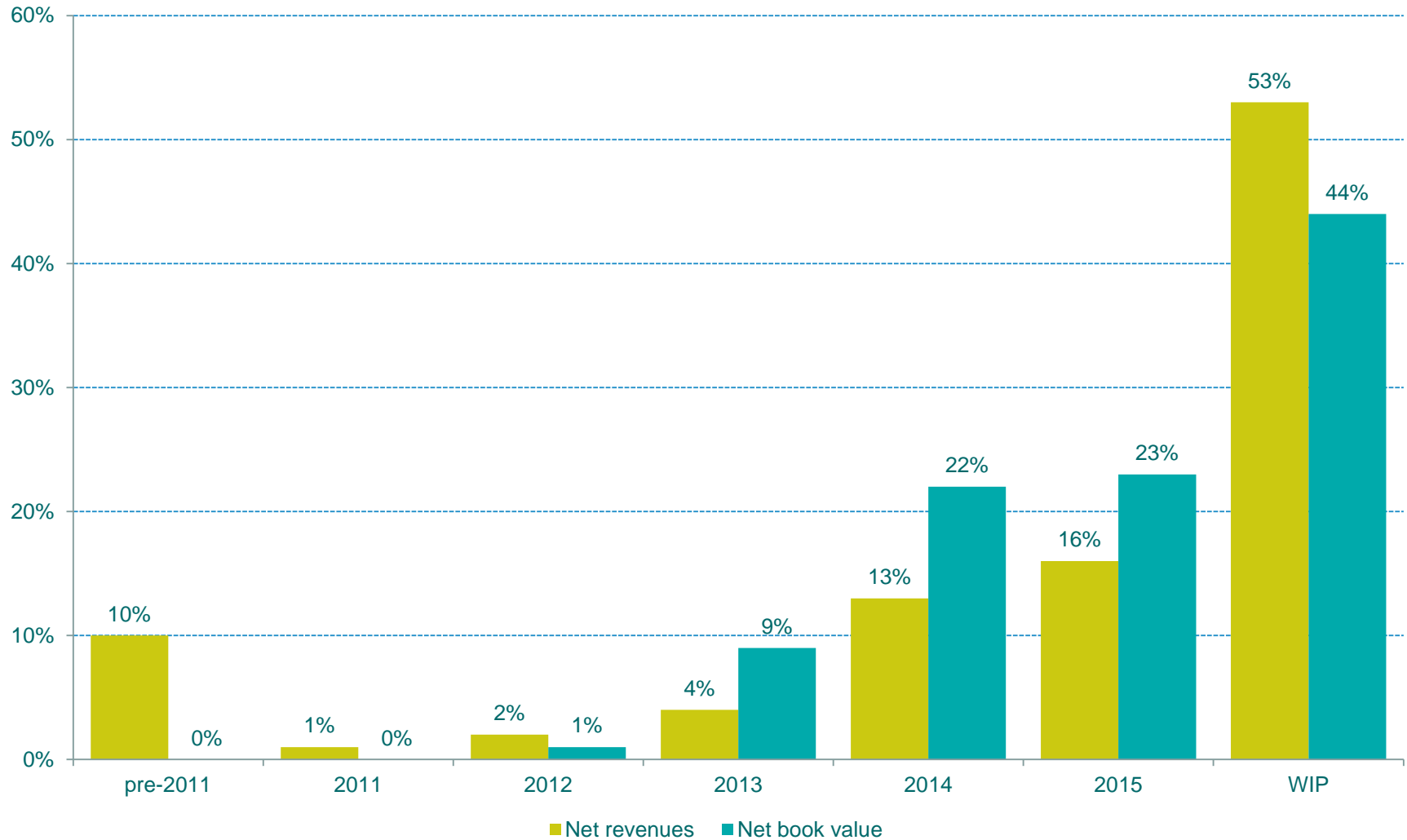
USD million	Q4 2015	Q3 2015	Change in %	Q4 2014
Assets				
Cash and cash equivalents	163	191	-15%	256
Other current assets	308	328	-6%	521
Total current assets	471	519	-9%	778
Intangible assets and deferred tax asset	90	82	9%	85
Other non-current assets	25	19	32%	44
Multi-client library	839	976	-14%	818
Fixed assets	30	33	-10%	43
Total Assets	1,455	1,630	-11%	1,768
Liabilities				
Current liabilities	218	273	-20%	393
Non-current liabilities	6	2	282%	7
Deferred tax liability	33	36	-10%	29
Total Liabilities	257	311	-17%	428
Equity	1,198	1,319	-9%	1,339
Total Liabilities and Equity	1,455	1,630	-11%	1,768

The Company holds no interest-bearing debt

Investments per Vintage



Net Revenues vs. Net Book Value per Vintage



New amortization policy

- Due to an amendment to IAS 38 Intangible assets, the amortization method for the seismic multi-client libraries will change with effect from 1 January 2016:
 - During the work in progress (WIP) phase, amortization will continue to be based on total cost versus forecasted total revenues of the project.
 - After a project is completed, a straight-line amortization is applied. The straight-line amortization will be assigned over a remaining useful life, which for most projects is expected to be 4 years. The straight-line amortization will be distributed evenly through the financial year independently of sales during the quarters.

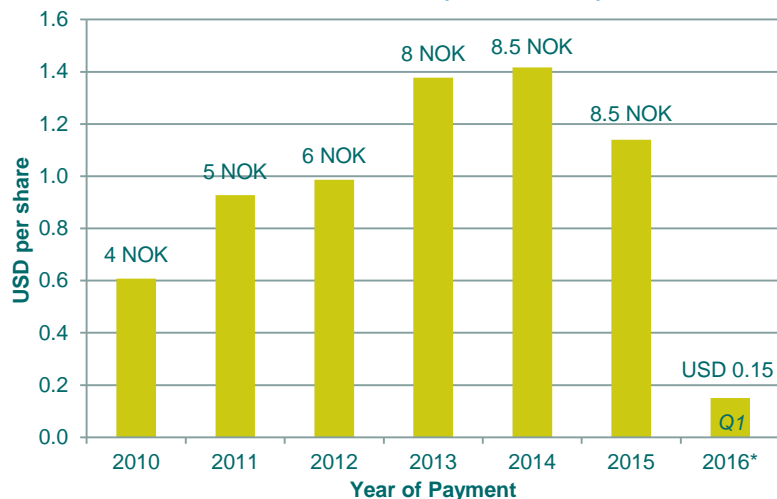
- TGS expects amortization of approximately 290 MUSD in 2016

- Case Study:
 - 20 MUSD Investment
 - 40 MUSD Forecast Sales

	WIP	Vintage Yr 1	Vintage Yr 2	Vintage Yr 3	Vintage Yr 4
Sales MUSD	10.0	10.0	8.0	8.0	4.0
Amortization Method	Sales Based (50%)	Straight Line	Straight Line	Straight Line	Straight Line
Amortization MUSD	5.0	3.75	3.75	3.75	3.75
Gross Profit MUSD	5.0	6.25	4.25	4.25	0.25

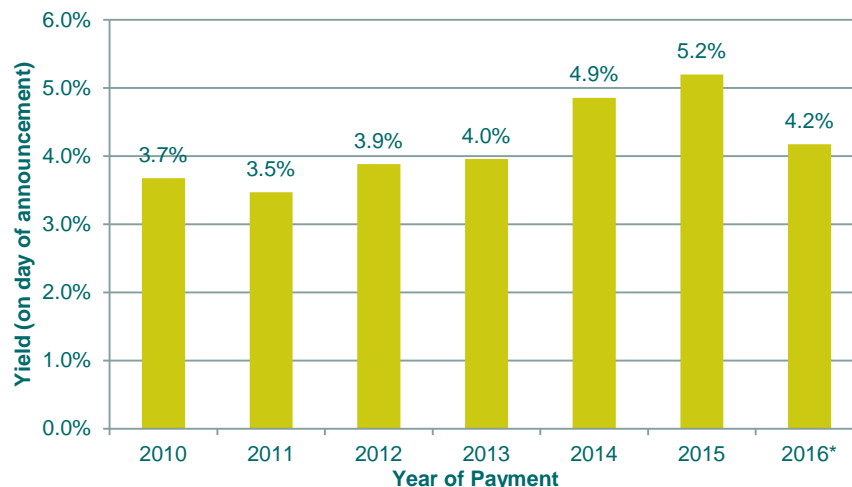
Strong Cash Generation Delivers Shareholder Value

Dividend Paid* (2010 – 2016)



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

Dividend Yield (2010 – 2016)



*2016 Dividend Yield (based on assumption of flat quarterly dividends which is subject to continuous evaluation)

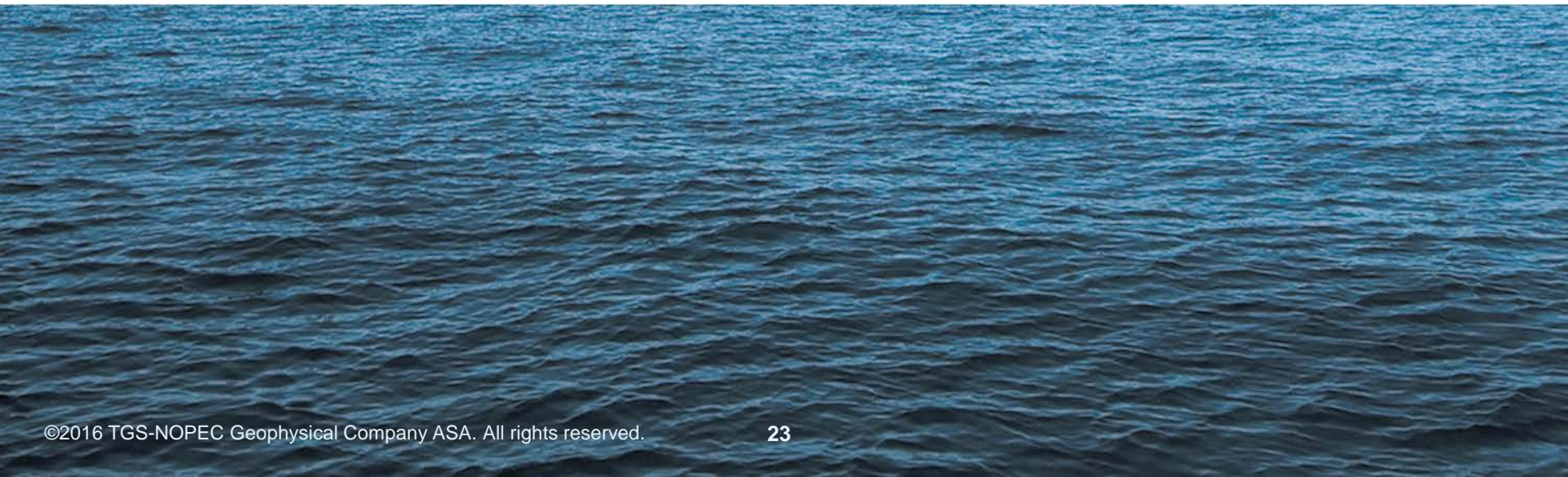
- Shareholder authorization to distribute quarterly dividend payments from Q1 2016
 - The ex-dividend date will normally be seven days after the announcement of the dividend in connection with the release of quarterly financial statements*
 - Payment date 14 days after the ex-dividend date
 - Aim to 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

- USD 0.15 per share dividend (NOK 1.30) to be paid on 23 February 2016 (shares will trade ex-dividend on 9 February)

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

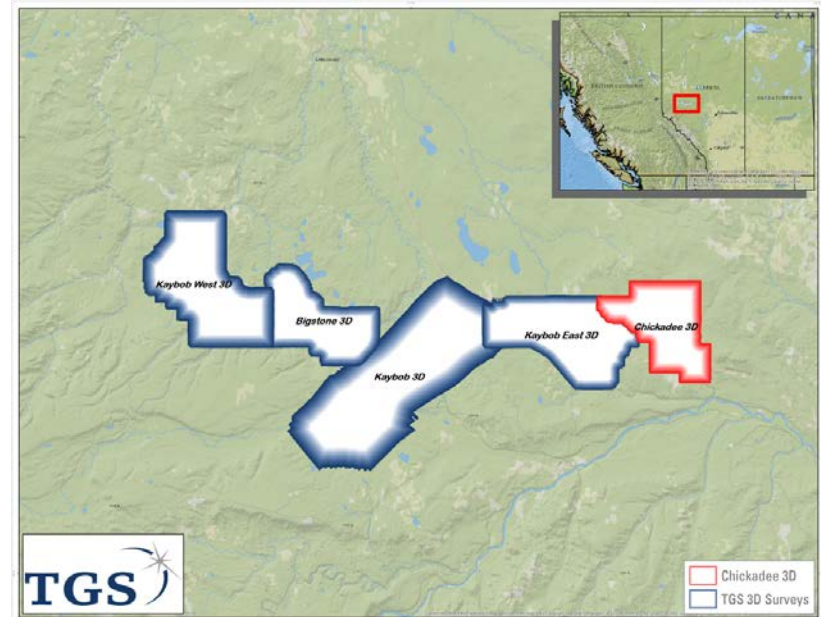


Outlook

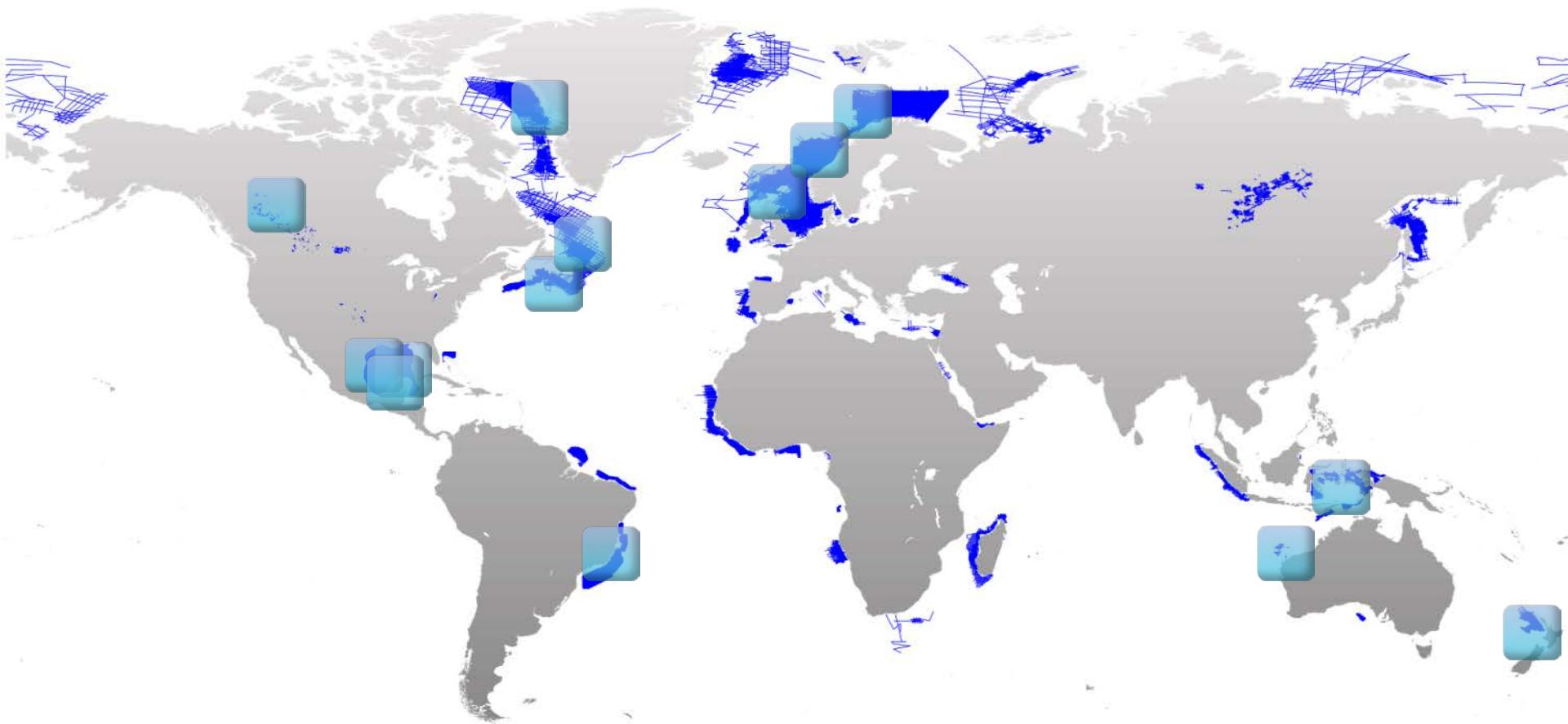


Challenging Market for Exploration

- 2015 proved to be a very challenging year for E&P industry, with global E&P spending declining by 20-30%
- Low oil prices continue to put pressure on oil company returns and several large players have guided further spending reductions in 2016
- Higher uncertainty than usual with respect to late sales which are normally heavily dependent on oil companies' E&P spending. TGS expects 2016 late sales to move in line with or slightly better than general E&P spending trends
- Expect multi-client investments of approximately 220 MUSD in 2016 (down >50% from 2015)
- **Chickadee** – 190 km² 3D multi-client survey announced in January 2016
 - Full-azimuth multi-component (3C) data
 - Eastwards expansion of TGS' successful Kaybob-Bigstone surveys in the Duvernay fairway, West Central Alberta
 - Building on track record with clients and extending TGS' dominance in area of high activity
 - Acquisition commenced in Q1 2016



License Round Activity and TGS Positioning



North & South America

- Central GOM – Mar 2016 (5-Year Plan)
- Western GOM – Aug 2016 (5-Year Plan)
- Newfoundland & Labrador – Nov 2016 (Scheduled Land Tenure)
- Nova Scotia – Q4 2016 (3-Year Rolling Plan)
- Canada Onshore – at least monthly
- Brazil - next round expected 2016/17
- Mexico – Round 1(L04) in 2016, 3 more rounds proposed by 2019

Africa, Middle East, Asia Pacific

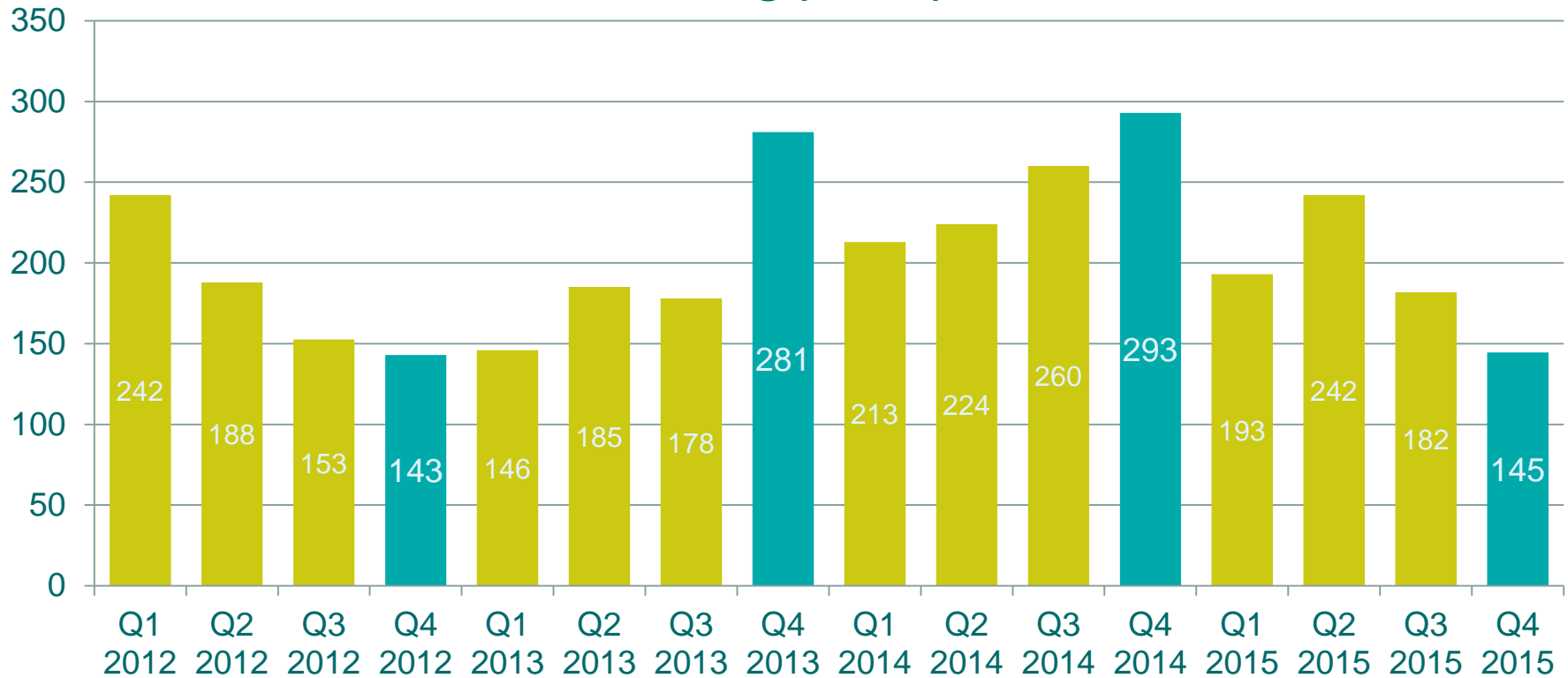
- Ongoing uncertainty on timing of African licensing rounds
- Australia – Feb & Apr 2016 (bids due)
- New Zealand – Mar 2016 (Block Offer launch)
- Indonesia – 2016 (bids due)

Europe / Russia

- Norway APA – Jan 2016 (awards offered)
- Norway 23rd Round – Mid 2016 (awards due)
- UK 29th Round – 2016 (expected)
- Greenland – Dec 2016, 2017, 2018 (bids due)

Backlog

Historical Backlog (MUSD) 2012 - 2015

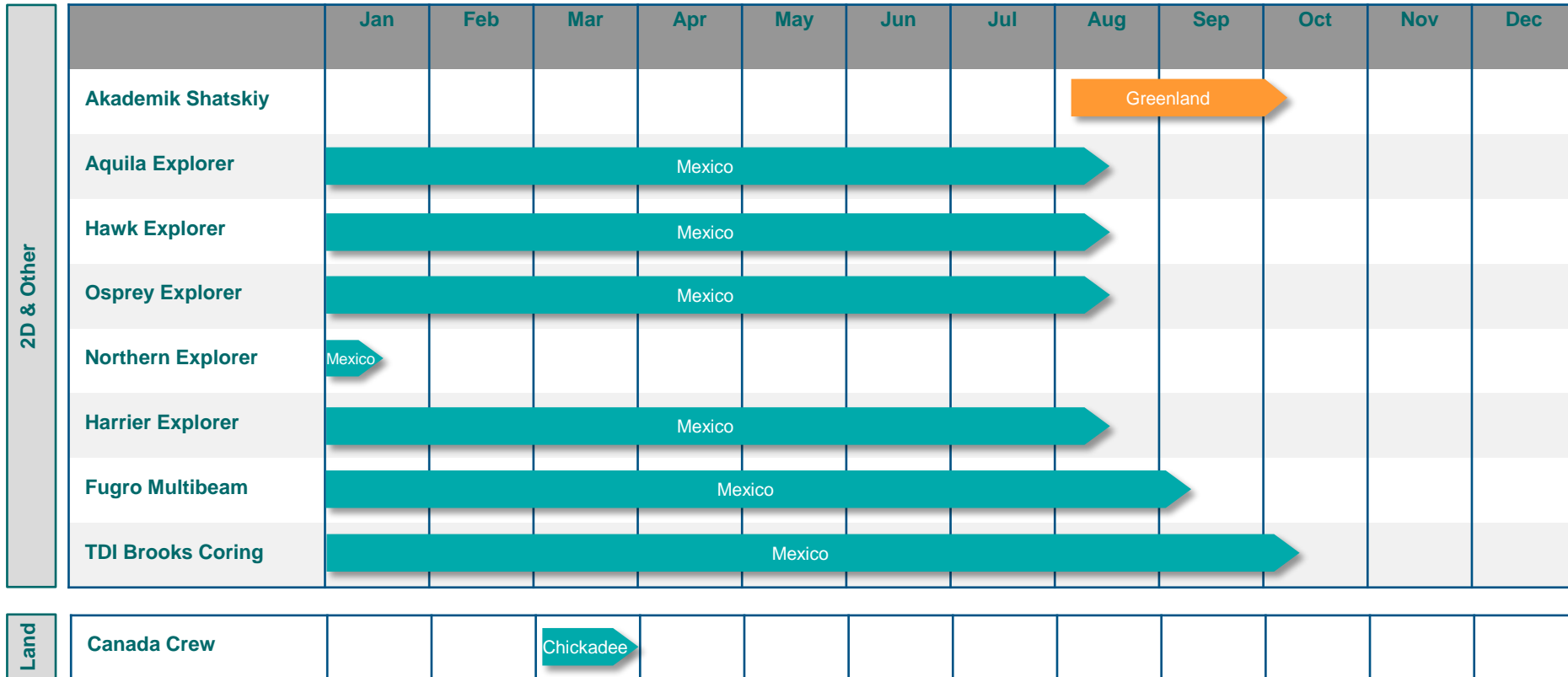


2016 Projects Schedule

→ NSA

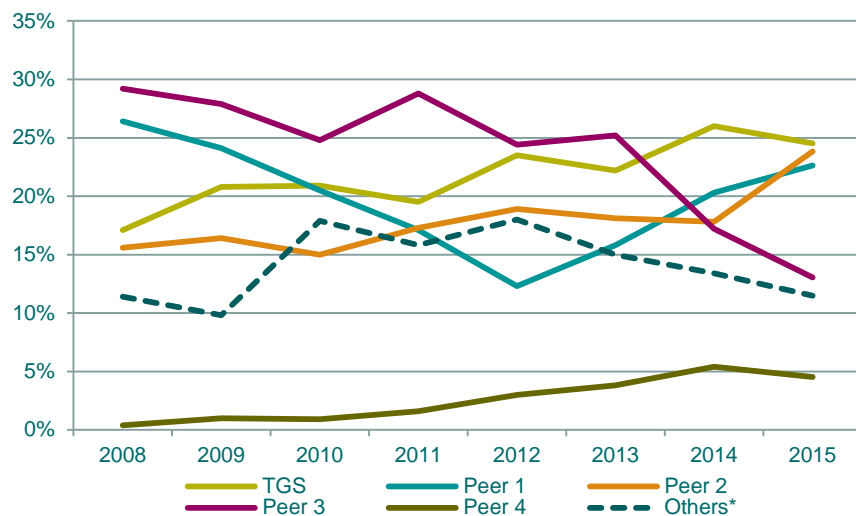
→ EUR

→ AMEAP

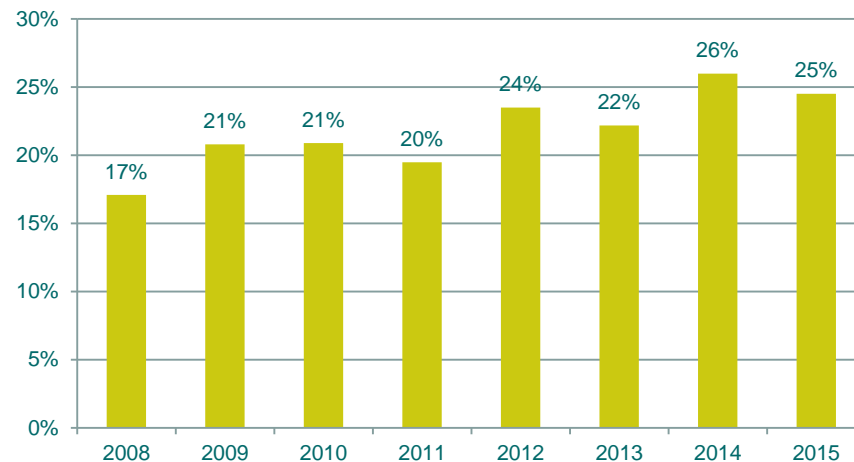


TGS Strategy

Multi-client Market Share



TGS Multi-client Market Share



Source: Company data, Peer Reports and Analyst estimates

TGS approach during down cycle:

- **Asset-light, focused**
 - Strong balance sheet
 - 163 MUSD cash at 31 Dec 2015
 - 75 MUSD Revolving Credit Facility
 - 145 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

Summary

- Q4 net revenues of 132 MUSD
- Full Year 2015 net revenues of 612 MUSD
- Full Year 2015 operational investment of 502 MUSD (51% pre-funded)
- Full Year 2015 operating profit of -21 MUSD following impairments, restructuring costs and other provisions
- Challenging seismic market with further reductions in oil company spending expected in 2016
 - Measures implemented to improve competitiveness and support operational cash flow
 - 2016 multi-client investments expected to be reduced by more than 50%
- However, long-term future of asset-light, focused multi-client business remains strong
 - TGS has a backlog of 145 MUSD
 - Cash balance of 163 MUSD at 31 December 2015 in addition to undrawn 75 MUSD Revolving Credit Facility
 - Counter-cyclical investment with disciplined focus on investment quality positions TGS benefit when market recovers and grow market share
- Guidance for 2016
 - TGS expects multi-client investments of approximately 220 MUSD
 - Multi-client investments are expected to be prefunded 45 to 50%



Thank you

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