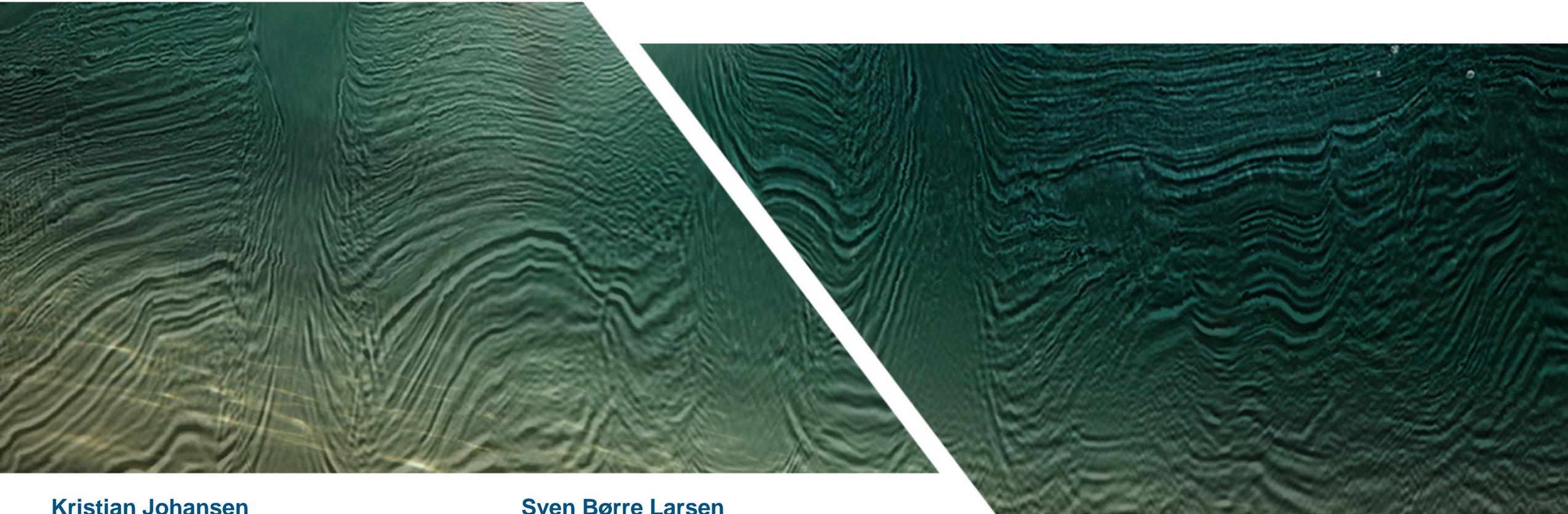




Q2 2018 Earnings Release



Kristian Johansen

CEO

2 August 2018

Sven Børre Larsen

CFO

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.

Q2 2018 Highlights

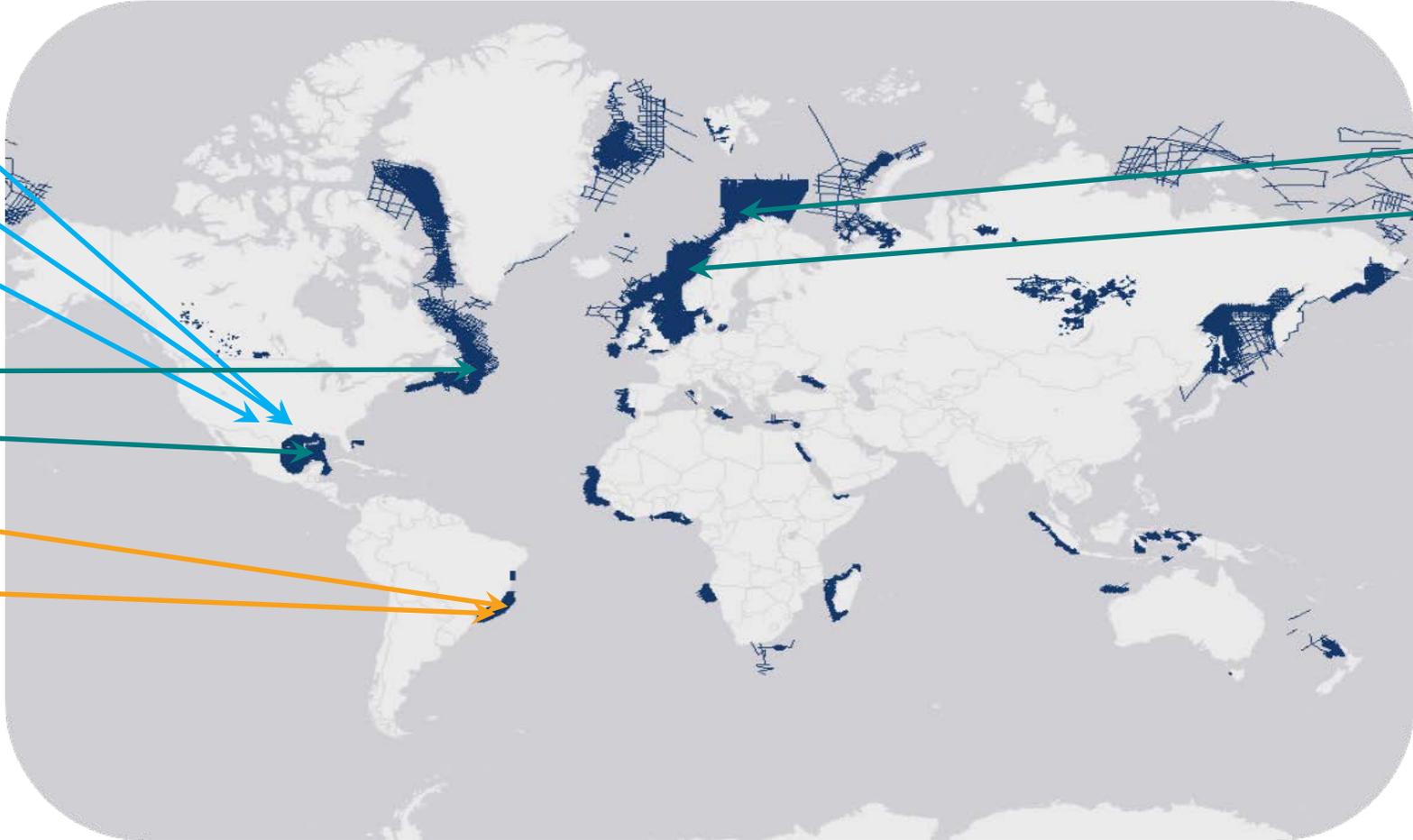
- Q2 net revenues of 158 MUSD, up 47% from 108 MUSD in Q2 2017
 - Net late sales of 136 MUSD, up 73% from 79 MUSD Q2 2017
 - Net pre-funding revenues of 21 MUSD were down from 27 MUSD in Q2 2017, funding 37% of TGS' operational multi-client investments for the quarter
 - Operational multi-client investments of 56 MUSD in addition to 4 MUSD from risk sharing arrangements
- Operating profit for the quarter was 54 MUSD compared to 18 MUSD in Q2 2017
- Free cash flow was 55 MUSD compared to 12 MUSD in Q2 2017
 - Cash balance of 338 MUSD at 30 June 2018 in addition to undrawn 75 MUSD Revolving Credit Facility
- Quarterly dividend maintained at USD 0.20 per share, up 33% from Q2 2017

Operational Highlights

Q2 2018 Operations

Western Hemisphere

- SCOOP/STACK Crew I
- SCOOP/STACK Crew II
- Permian Crew
- Ramform Hyperion JV
- Polarcus Asima
- Fugro Brasilis
- Fugro Searcher



Eastern Hemisphere

- Ramform Atlas JV
- Polarcus Adira

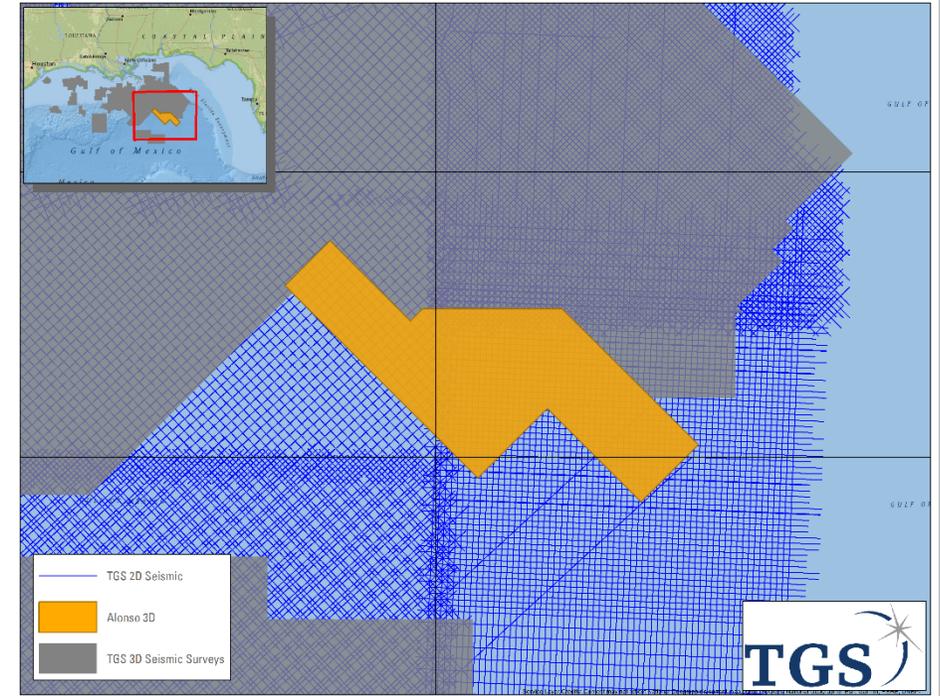
U.S. Gulf of Mexico

Q2 Activity

- **Alonso 3D:** 6,172 km² multi-client 3D located in the Atwater Valley and Lloyd Ridge protraction areas

GOM Market

- License rounds in March and August
- Acreage turnover and farm-ins
- Discoveries continue (Ballymore, Whale, Dover)
 - Break-even at ~\$50 or lower
- Synergies with Mexico GOM opportunities
- New technologies



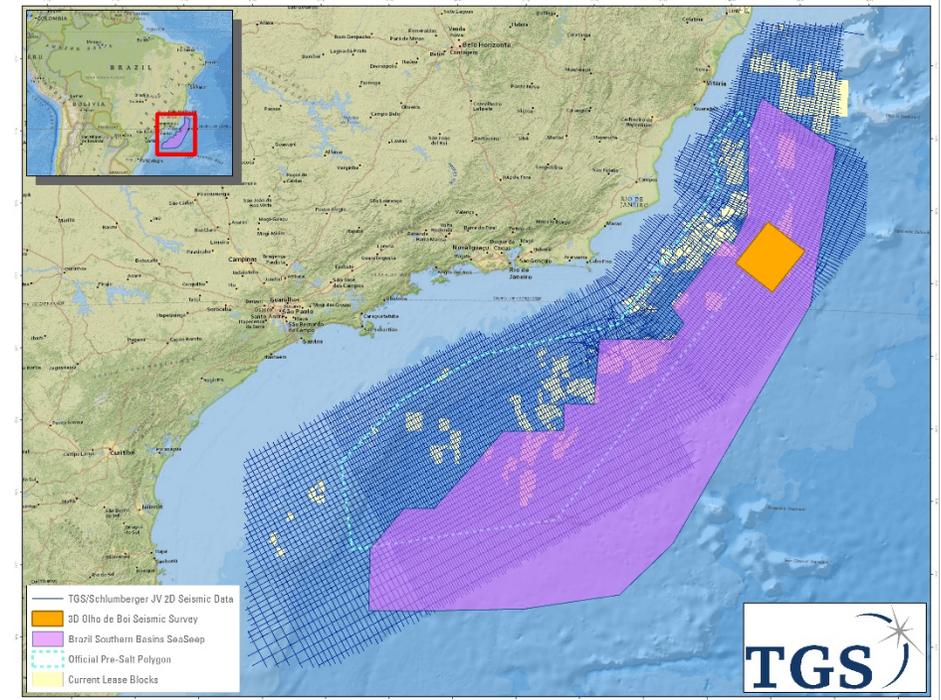
Brazil

Q2 Activity

- **Brazil Southern Basins SeaSeep:** 200,000 km² multi-client multibeam and seep study in the Campos and Santos Basins

Brazil Market

- License round transparency - calendar out to 2021
- Seismic permitting process becoming more streamlined
 - But environmental permit challenges remain
- Supermajor focus area leading to competitive bidding
- High degree of data saturation in core areas drives need for new technology



Norway/UK

Q2 Activity

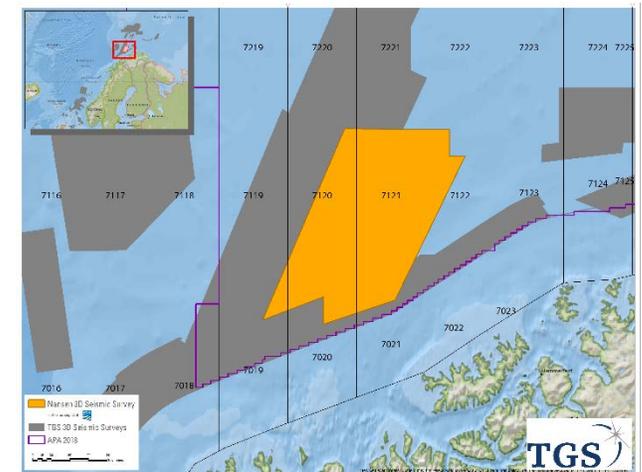
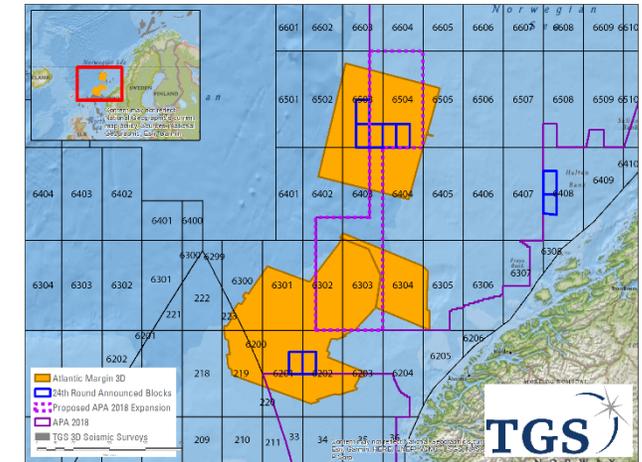
- **Atlantic Margin 3D:** 45,500 km² multi-client 3D located in central-southern Norwegian Sea
- **Nansen 3D:** 6,100 km² multi-client 3D in partnership with PGS, located in an active APA area of the Hammerfest Basin in the Barents Sea

New Project:

- **Erlend Wild West 3D:** 1,000 km² multi-client 3D in the UK West of Shetland region, tying into TGS EW12 3D data. Data being acquired during Q3 2018

Norway/UK Market

- Norwegian 24th Round awards triggered uplift bonuses in Q2
- Annual APA rounds in Norway / numbered rounds in UK
- Acreage turnover and farm-ins
- Increased number of exploration wells to be drilled



Q2 Activity – East Canada

Q2 Activity

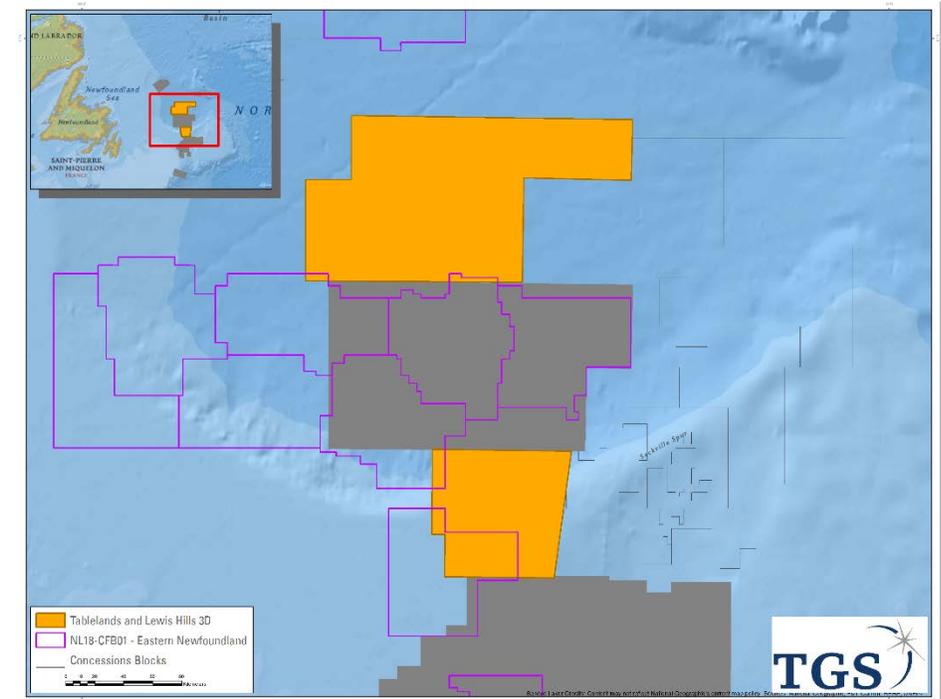
- **Tablelands 3D:** 8,000 km² multi-client 3D in partnership with PGS, located in Newfoundland area of the Flemish Pass and Orphan Basins

New Projects:

- **Lewis Hill 3D:** 3,400 km² multi-client 3D in partnership with PGS in the Newfoundland area of the Flemish Pass basin to be acquired in Q3
- **Harbour Deep 3D / Cape Broyle 3D:** 2,700 km² of data to be acquired to complete 2017 outlines

East Canada Market

- Scheduled Land Tenure system
- Stability and attractive fiscal regime promotes exploration
- High prospectivity (proven by high profile discoveries) in frontier geography
- E&P focus area, even through down cycle



Q2 Activity – North America Land

Q2 Activity

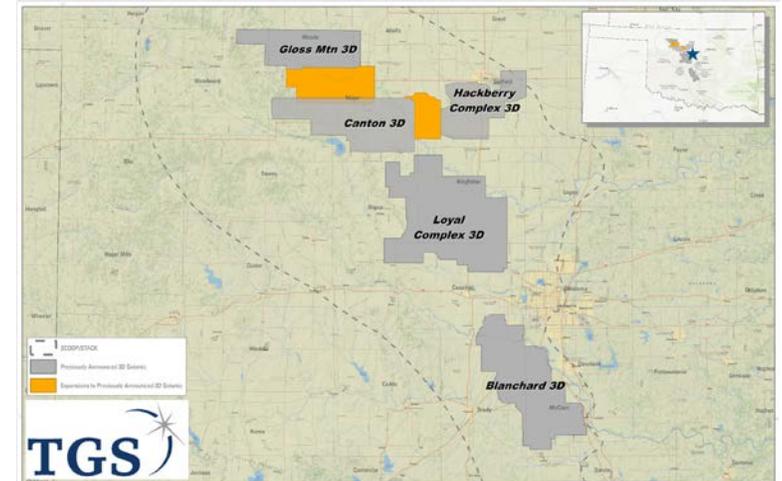
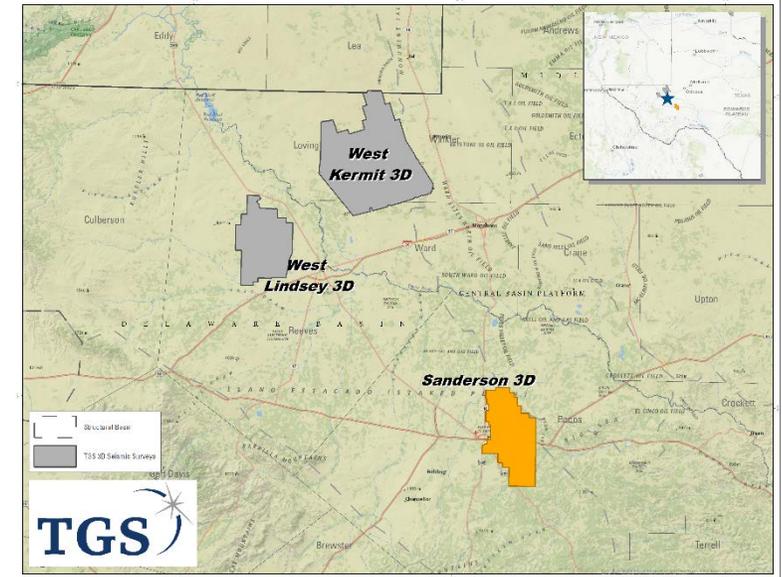
- **Sanderson 3D (Permian):** 464 km² high-resolution 3D multi-client project along the eastern flank of Delaware Basin - TGS' third 3D Permian survey
- **Hackberry Complex 3D (SCOOP/STACK):** 777 km² high-resolution 3D multi-client project in the Anadarko Basin
- **Canton 3D (SCOOP/STACK):** 1,166 km² high-resolution 3D multi-client project

New Projects:

- **Gloss Mountain 3D (SCOOP/STACK):** Expanded to 1,500 km², to be acquired in Q4 2018 and Q1 2019
- **Canton 3D extension (SCOOP/STACK):** Expanded to 1,400 km², to be completed Q1 2019
- **Dawson Phase 2 3D (Canada):** Expanded by another 150 km² to cover a total of 428 km², to be acquired in Q4 2018

Onshore Market

- Geological complexity in some plays - maximizing productivity from horizontals to minimize break even cost
- Acreage turnover and farm-ins



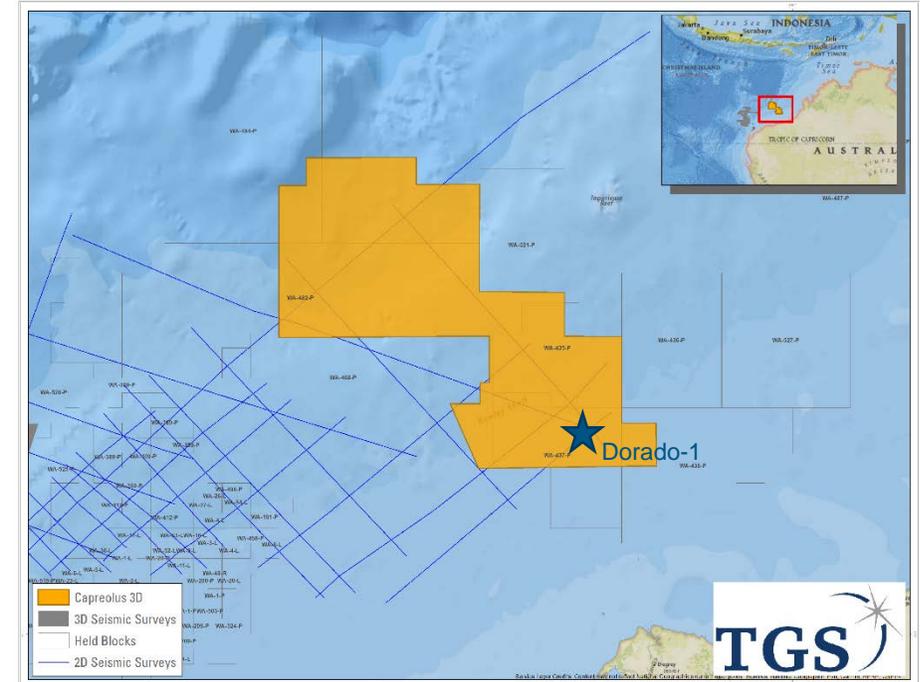
Library M&A - Capreolus 3D

Capreolus 3D

- Purchased from Polarcus with closing expected in August
- 22,130 km² 3D survey over underexplored Beagle and Bedout sub-basin, offshore north-west Australia
- Complementary to TGS' extensive 3D database in the neighboring Carnarvon Basin

NW Australia market

- Quadrant Energy and Carnarvon Petroleum exploration success with Dorado-1 well - gross hydrocarbon package of 96.1m and a net pay thickness of 76.9m in highly porous and permeable sands.



Financials

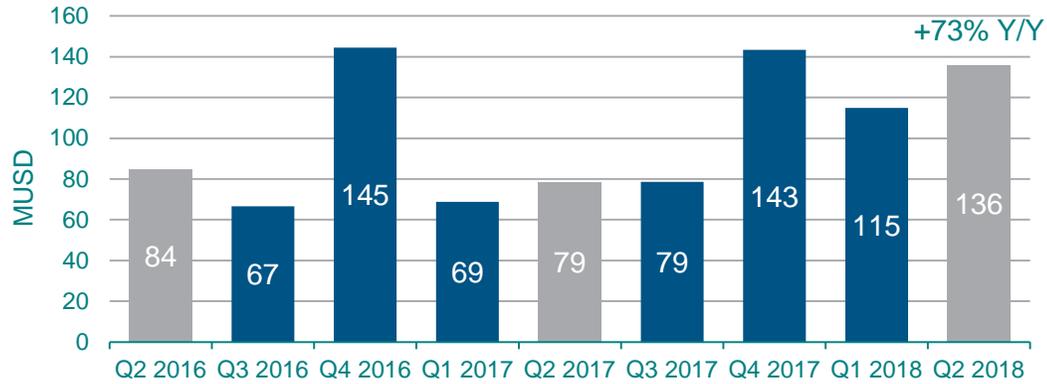
Implementation of IFRS 15

- The accounting standard IFRS 15 regarding revenue recognition implemented from 1 January 2018
- Implications for TGS
 - Recognition of revenues related to Multi-client projects postponed until projects are delivered to customers
 - No amortization until completion of the project
 - No impact on sales from the library of completed surveys
- Internal reporting
 - TGS will continue to use the previous Percentage-of-Completion-method for internal segment and management reporting (referred to as *Segment Reporting*)
 - Provides the best picture of the performance and value creation of the business
- External reporting
 - Two sets of accounts: *Segment Reporting* and *IFRS Reporting*
 - Main focus in external communication will be on *Segment Reporting*

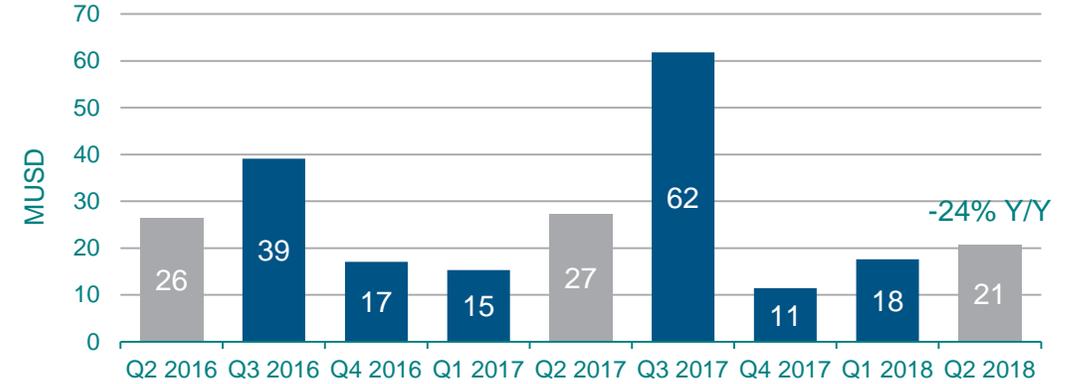
Net Revenues

Segment Reporting

Late sales



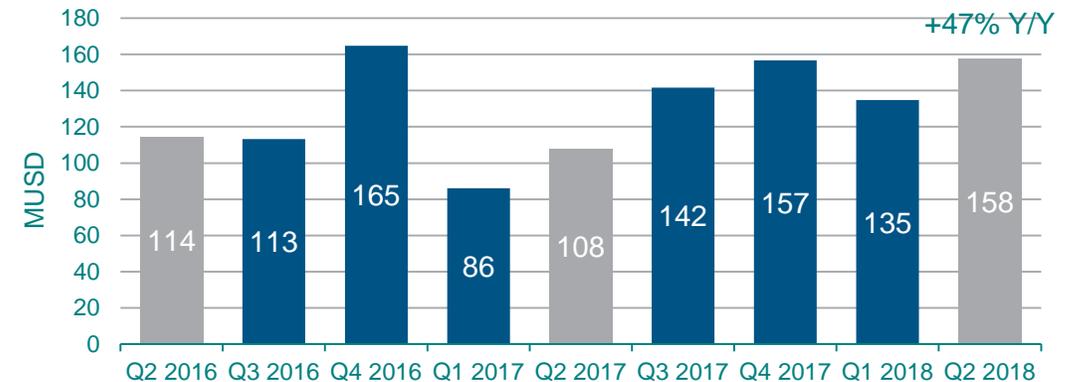
Prefunding revenues



Proprietary revenues



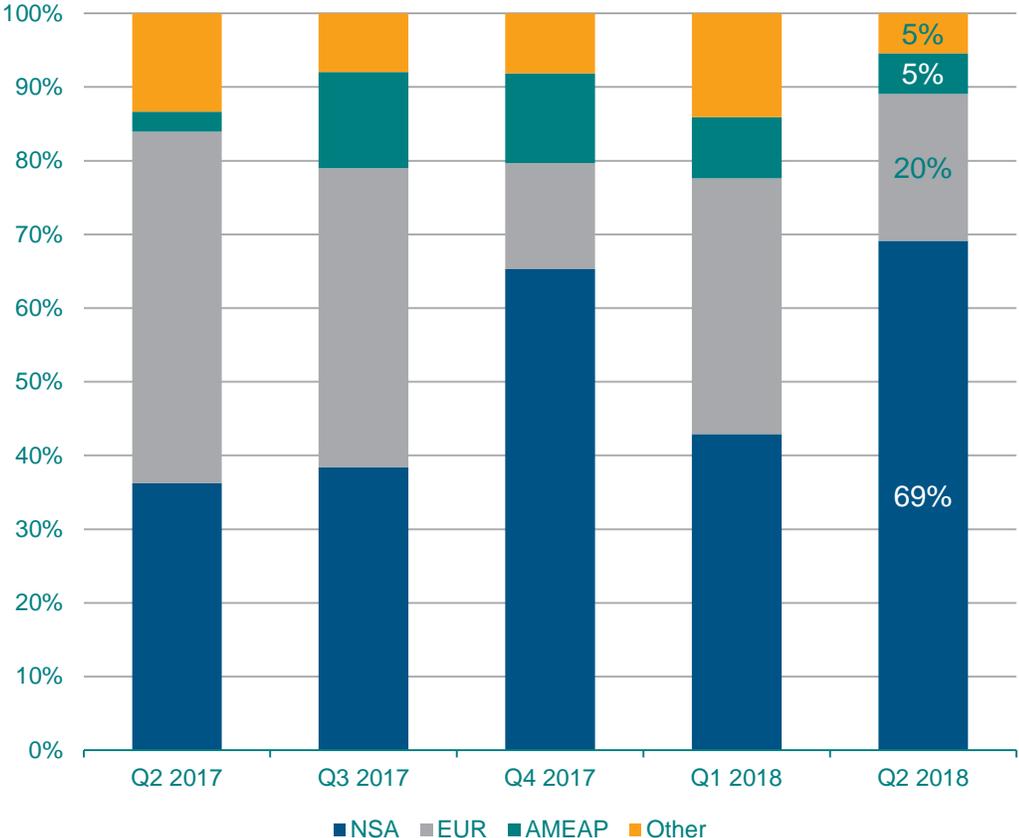
Total revenues



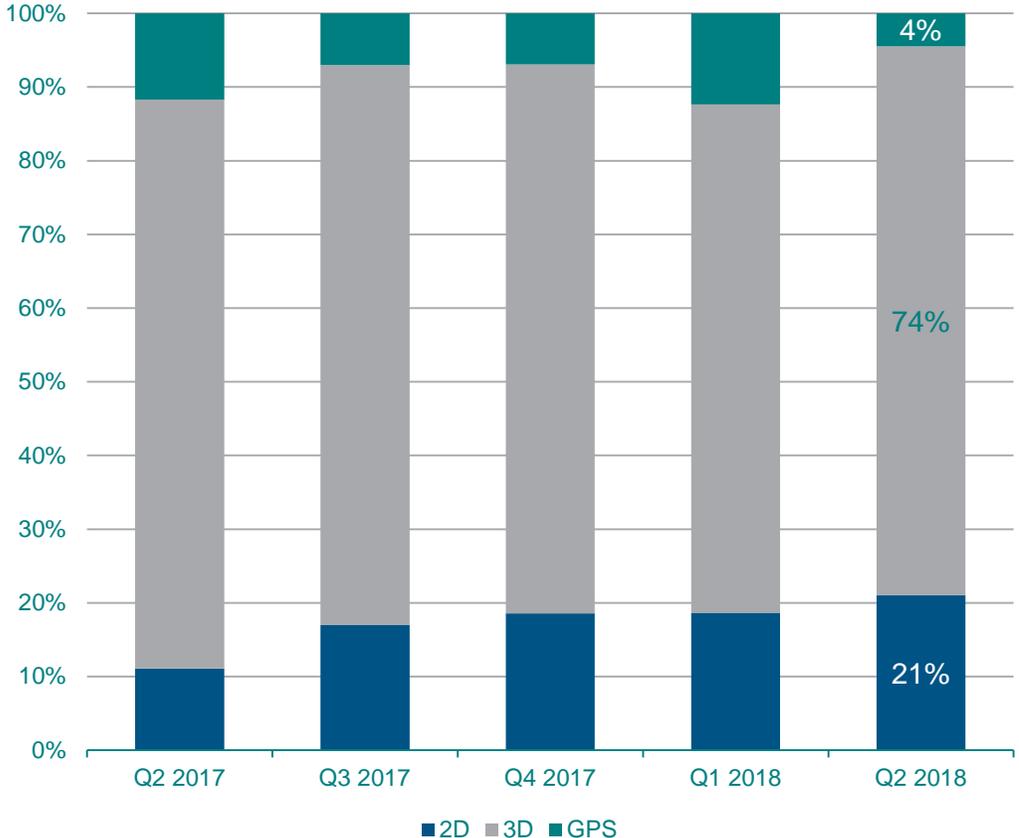
Net Revenues Breakdown

Segment Reporting

By Business Unit



By Technology



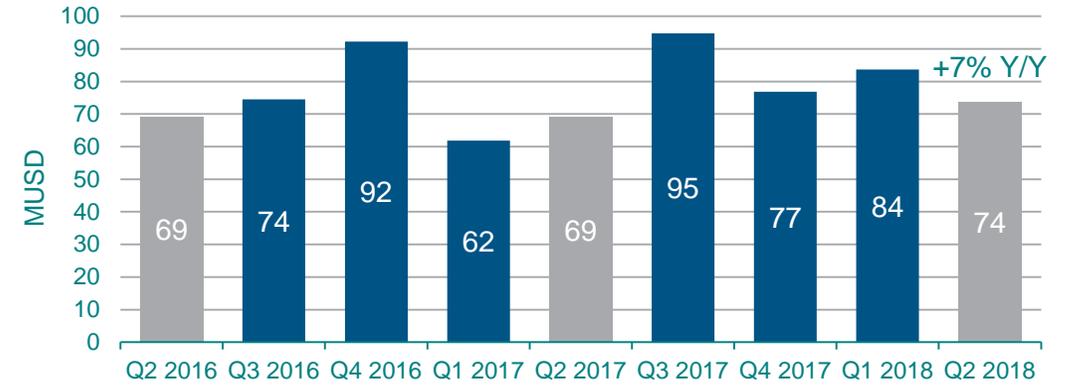
Operating Expenses, EBIT, Free Cash Flow

Segment Reporting

Operating costs¹

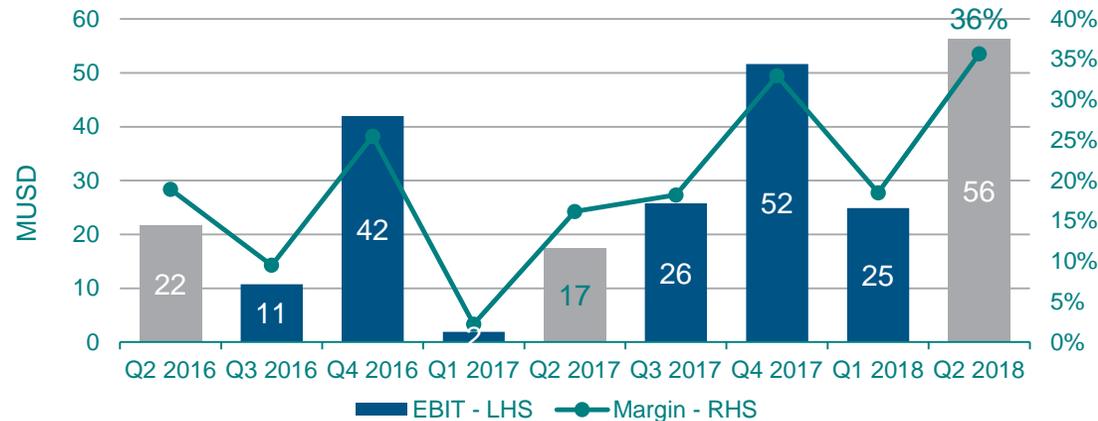


Amortization and impairments



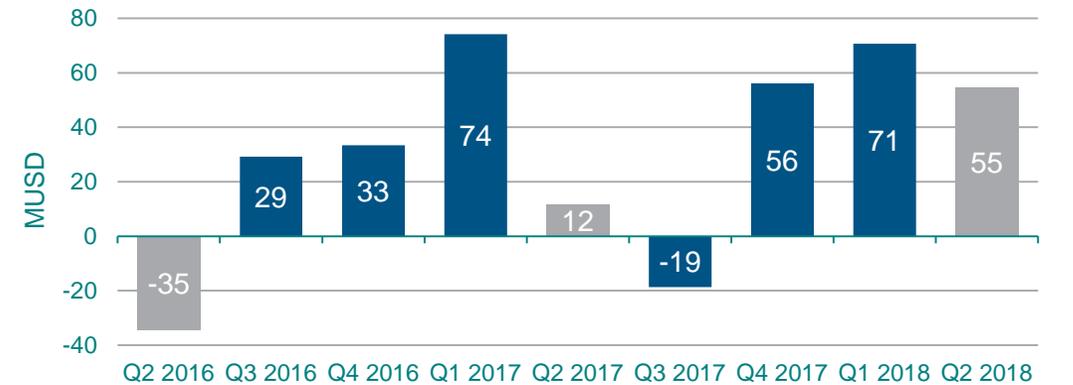
1. Personnel costs and other operating expenses excluding restructuring charges and larger impairments of operating items

EBIT²



2. Earnings before interest and taxes excluding restructuring charges and larger impairments of operating items

Free Cash Flow³

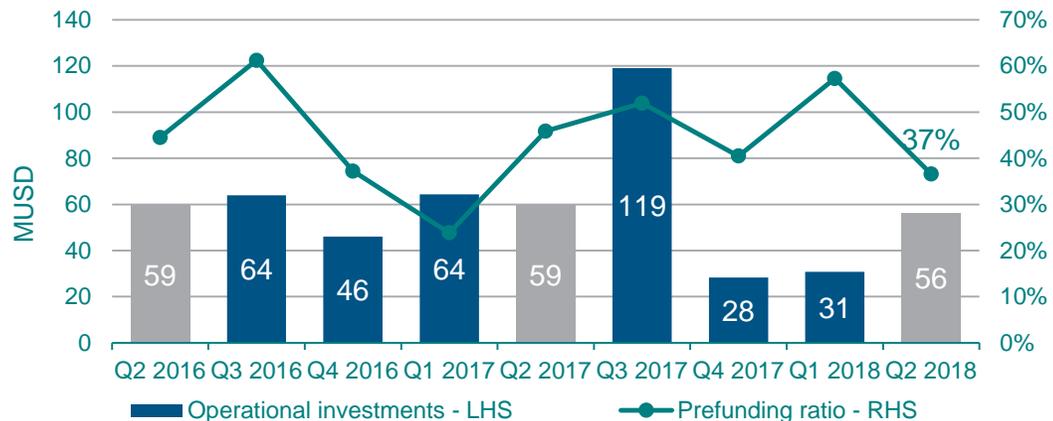


3. Cash flow from operations minus operational investments in multi-client projects

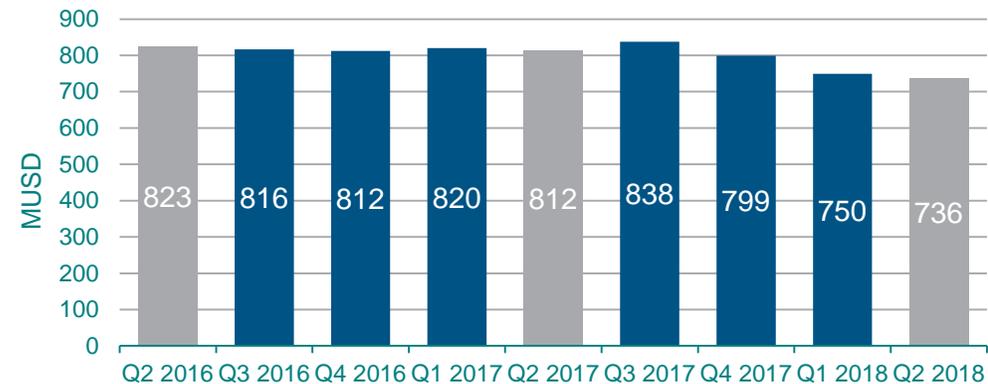
Multi-client Library

Segment Reporting

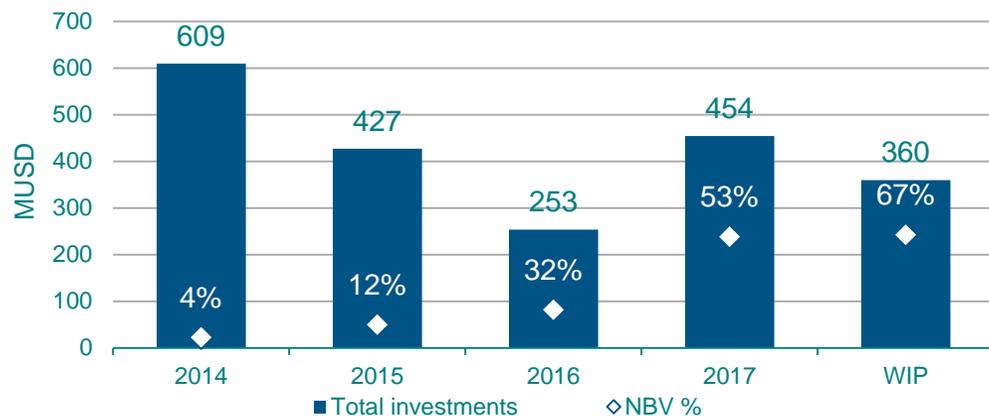
Operational investments and prefunding ratio



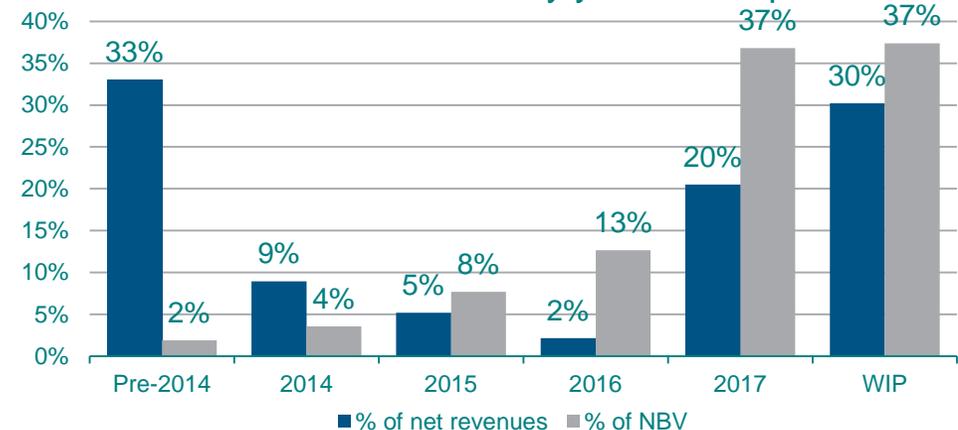
NBV multi-client library



Investments and NBV by year of completion



Net revenues and NBV by year of completion



Income Statement

Segment Reporting

(MUSD)		Q2 2018	Q2 2017	Change
Net operating revenues		157.8	107.7	47%
Cost of goods sold		0.1	0.3	-64%
Amortization of multi-client library		73.7	69.0	7%
Gross margin	53%	84.0	38.4	119%
Personnel cost		18.4	11.8	56%
Other operational costs		9.2	6.0	53%
Cost of stock options		0.0	0.1	-100%
Depreciation		2.2	2.4	-7%
Operating result	34%	54.2	18.1	199%
Net financial items		1.6	-1.1	n/a
Result before taxes	35%	55.9	17.0	229%
Tax cost	17%	9.6	7.4	30%
Net income	29%	46.3	9.6	382%
EPS (USD)		0.45	0.09	380%
EPS fully diluted (USD)		0.45	0.09	379%

Cash Flow Statement

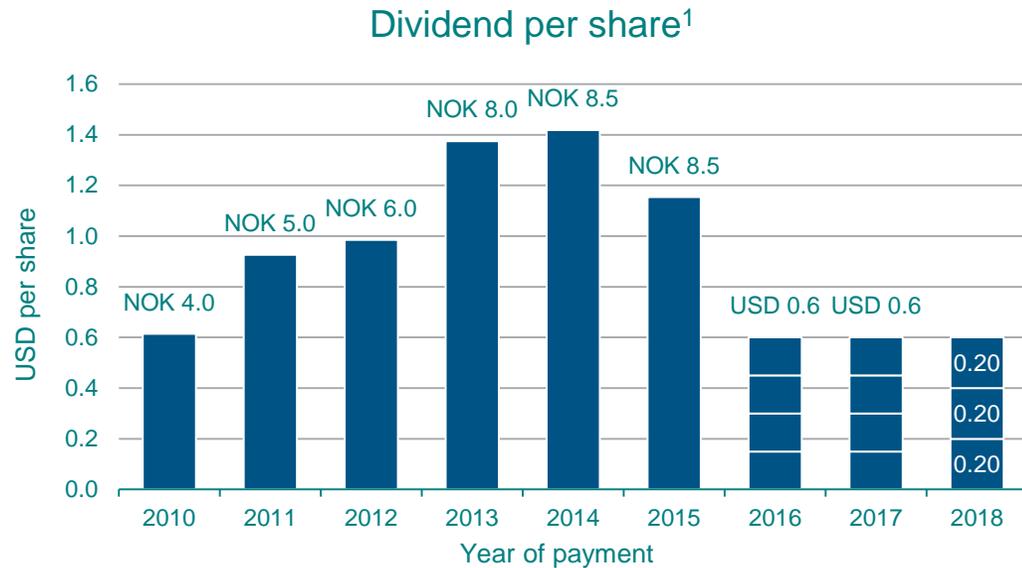
(MUSD)	Q2 2018	Q2 2017	Change
Received payments	163.4	73.9	121%
Payments for operational expenses	-29.3	-18.3	60%
Paid taxes	-6.1	-2.4	154%
Net cash flow from operating activities	127.9	53.1	141%
Investment in tangible fixed assets	-1.0	-3.0	-66%
Investments in multi-client library	-73.3	-41.4	77%
Investments through mergers and acquisitions	0.0	-4.5	-100%
Interest income	1.2	0.2	381%
Net Cash Flow from investing activities	-73.1	-48.6	50%
Net change in loans	0.0	0.0	n/a
Interest expense	-0.3	-0.1	201%
Payment of dividends	-22.0	-15.3	44%
Paid in equity	3.2	2.5	31%
Net cash flow from financing activities	-19.0	-12.9	47%
Net change in cash and cash equivalents	35.8	-8.4	n/a

Balance Sheet

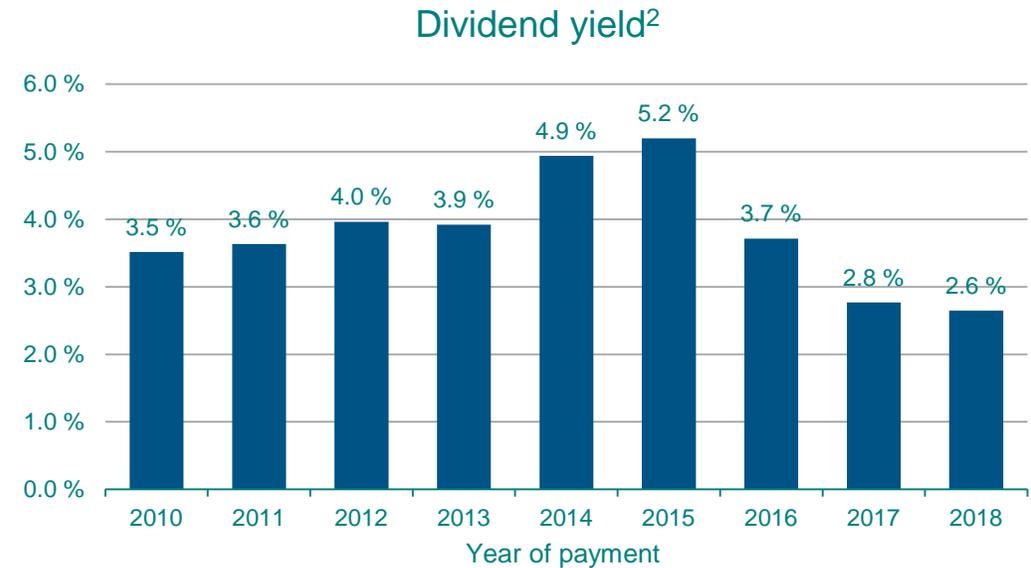
Segment Reporting

(MUSD)	Q2 2018	Q2 2017	Change	Q4 2017
Goodwill	67.9	67.9	0%	67.9
Multi-client library	735.8	812.2	-9%	799.0
Deferred tax asset	2.2	6.8	-67%	4.4
Other non-current assets	27.8	31.9	-13%	29.2
Total non-current assets	833.7	918.8	-9%	900.5
Cash and cash equivalents	337.5	239.3	41%	249.9
Other current assets	264.5	268.3	-1%	273.6
Total current assets	602.0	507.6	19%	523.6
TOTAL ASSETS	1,435.7	1,426.4	1%	1,424.1
Total equity	1,225.7	1,160.9	6%	1,200.1
Deferred taxes	18.2	32.9	-45%	23.7
Non-current liabilities	4.9	5.3	-7%	5.3
Total non-current liabilities	23.1	38.2	-40%	29.1
Taxes payable, withheld payroll tax, social security	45.9	11.4	302%	0.0
Other current liabilities	141.1	215.9	-35%	194.9
Total current liabilities	187.0	227.3	-18%	194.9
TOTAL EQUITY AND LIABILITIES	1,435.7	1,426.4	1%	1,424.1

Dividends



1. Quarterly dividends defined in USD from 2016. Annual dividends defined in NOK prior to 2016 – converted to USD with the FX rate at the ex-dividend dates



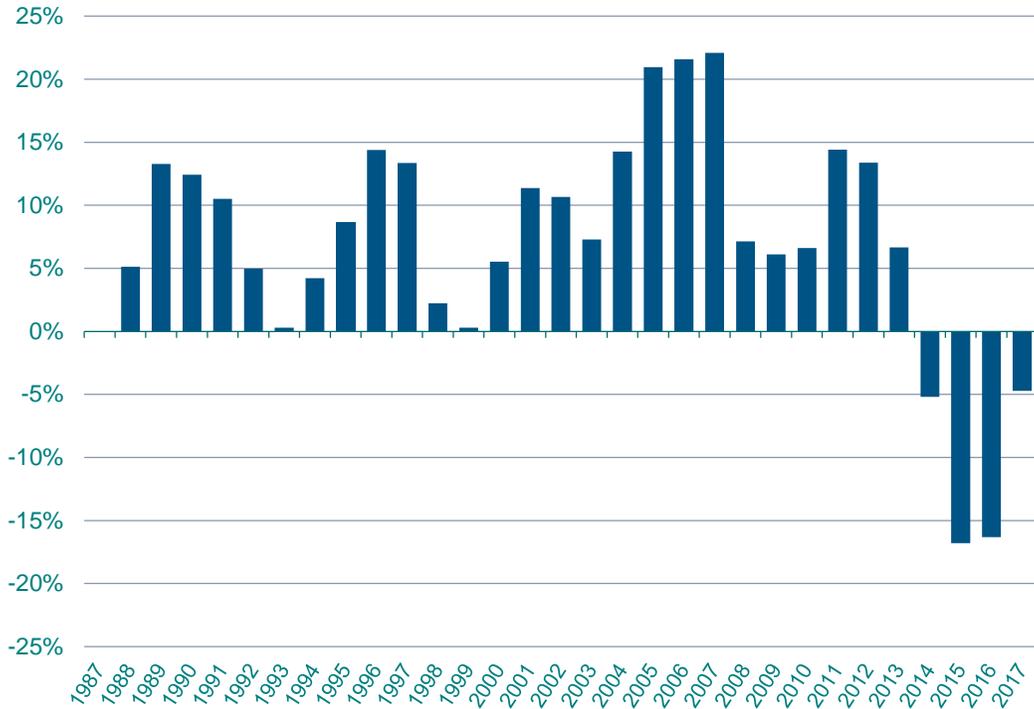
2. Yield based on share price at date of announcing the dividend. From 2016-18 yield is calculated using the average of the quarterly payments

- Quarterly dividend of USD 0.20 per share to be paid in Q3 2018
 - Ex-date 9 August 2018
 - Payment date 23 August 2018
- TGS aims to pay a cash dividend that is in line with its long-term underlying cash flow
 - Ambition 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

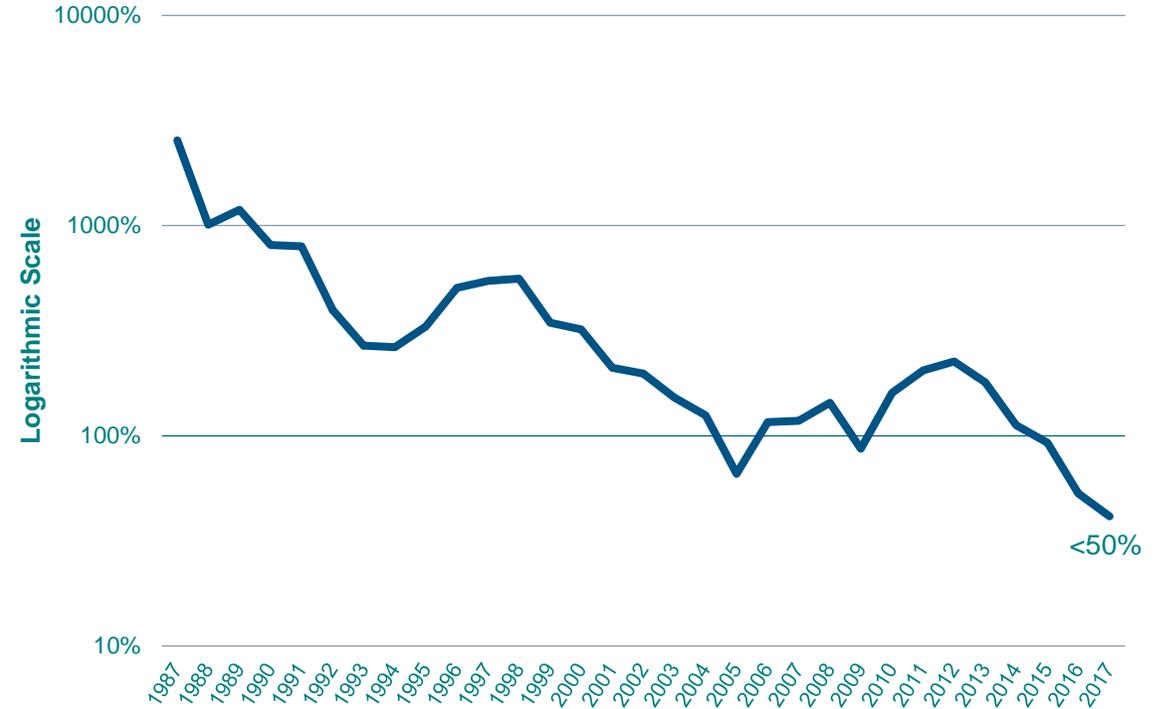
Outlook

Reserve replacement challenge

Global E&P Spending Y/Y %(3-Yr Avg)



Deepwater Liquids Reserve Replacement (3-Yr Avg)

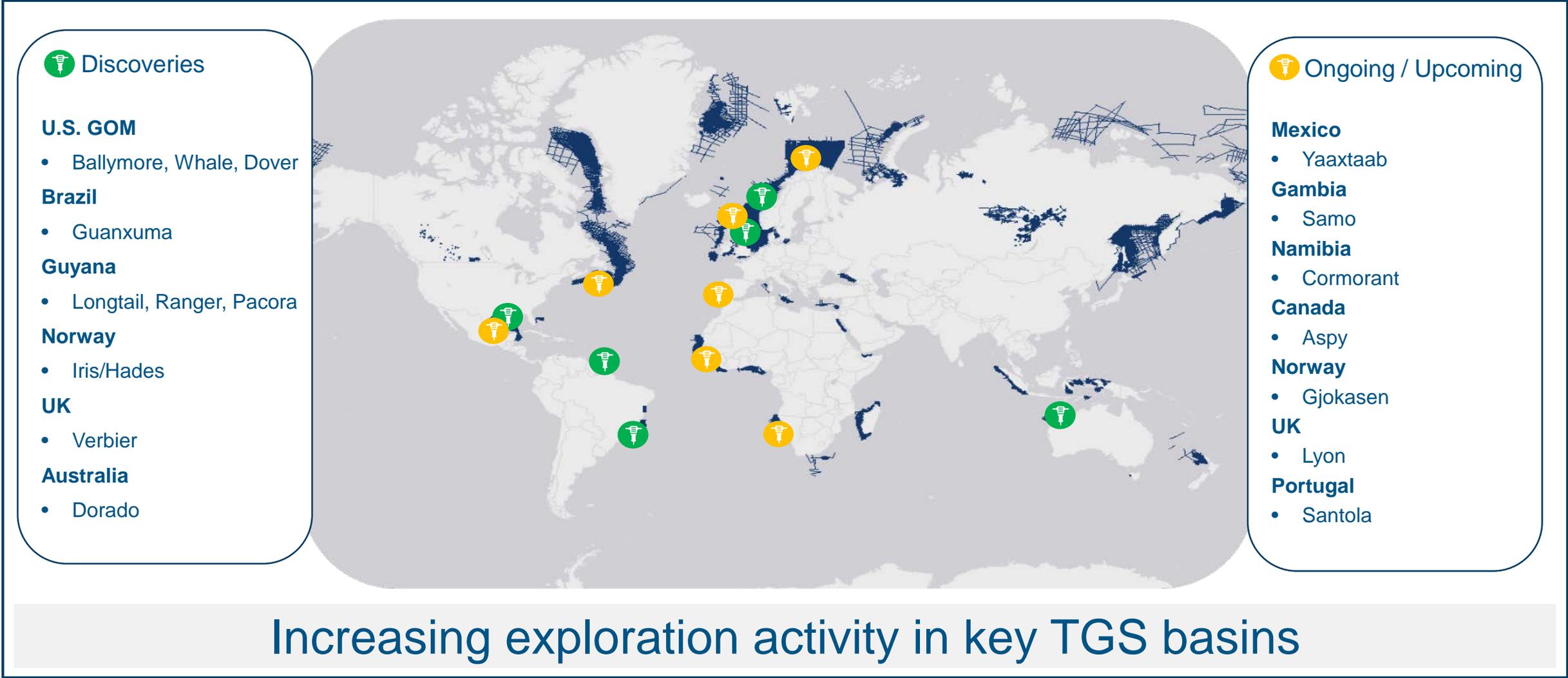


Source: Barclays PC Oil Roadmap, July 2018

Slump in E&P spending...

....has exacerbated reserve replacement challenge

Strong alignment between TGS data and exploration activity



High activity related to acreage turnover and farm-ins



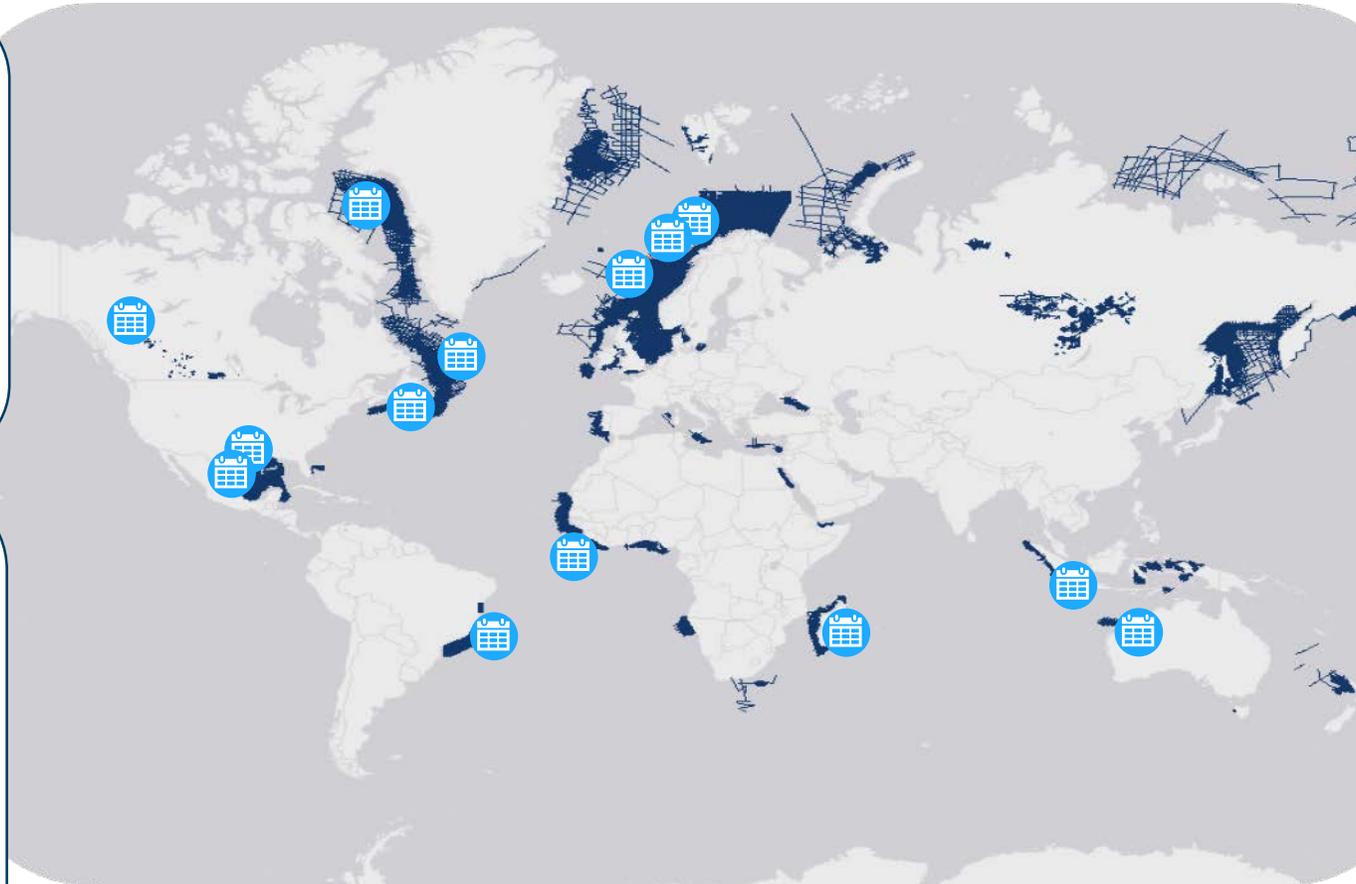
License Round Activity

North America

- Central & Western GOM
Mar & Aug (2017-22 Plan)
- Newfoundland Labrador
Nov 2018 (bids due)
- Nova Scotia
Dec 2018 (3-Year Rolling Plan)
- Canada Onshore
Monthly

Latin America

- Brazil 5th Pre Salt Round
Sep 2018 (bids due)
- Brazil Permanent Offer Process
Nov 2018 (continuous)
- Brazil 16th Round
2019 (planned)
- Mexico Round 3.2 (onshore) &
3.3 (unconventional)
delayed to Feb 2019
- Mexico Round 4
2019 (planned)



Europe

- Norway APA
Sep 2018 (bids due)
- Norway 24th Round
Jun 2018 (awards announced)
- UK 31st Round
Nov 2018 (bids due)
- Greenland
Dec 2018 (bids due)

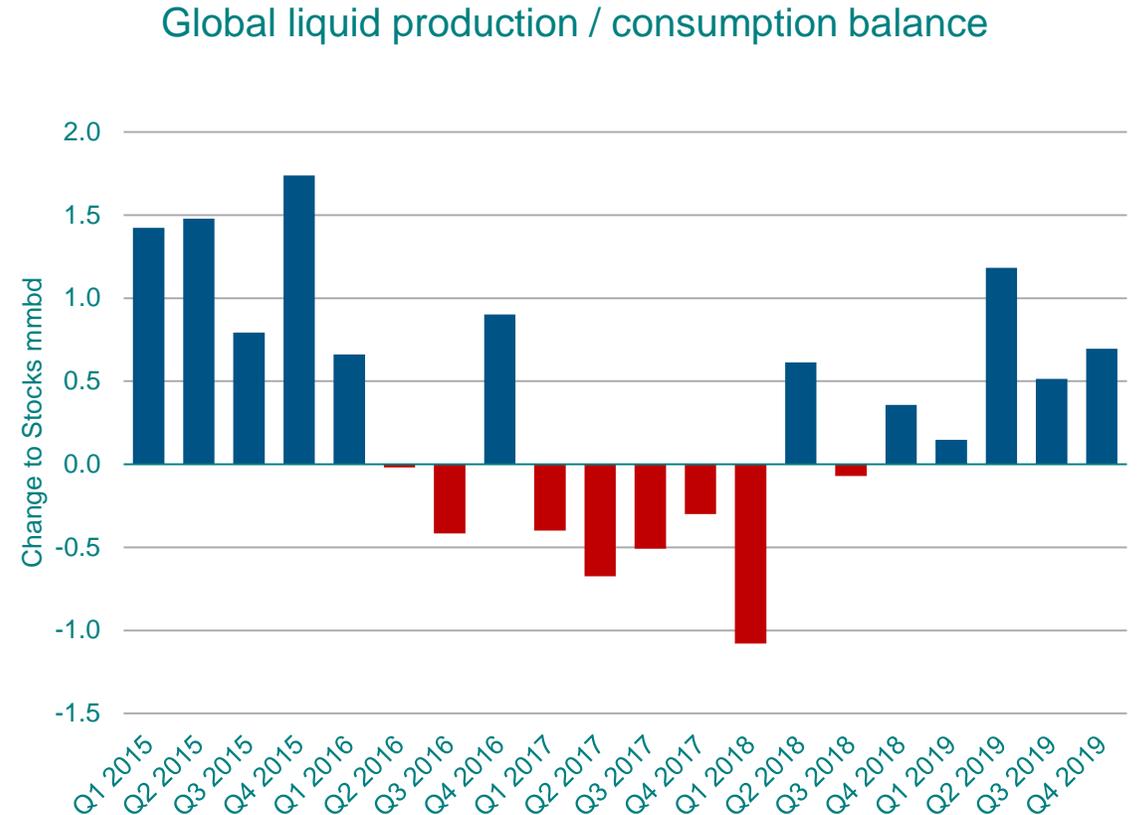
Africa, Middle East, Asia Pacific

- Sierra Leone 4th Round
Sep 2018 (bids due)
- Madagascar 2018
H2 2018 (announcement expected)
- Australia 2018 Area
Oct 2018 / Feb 2019 (bids due)
- Indonesia 2018 Round 2
H2 2018 (announcement expected)

Good alignment with TGS library

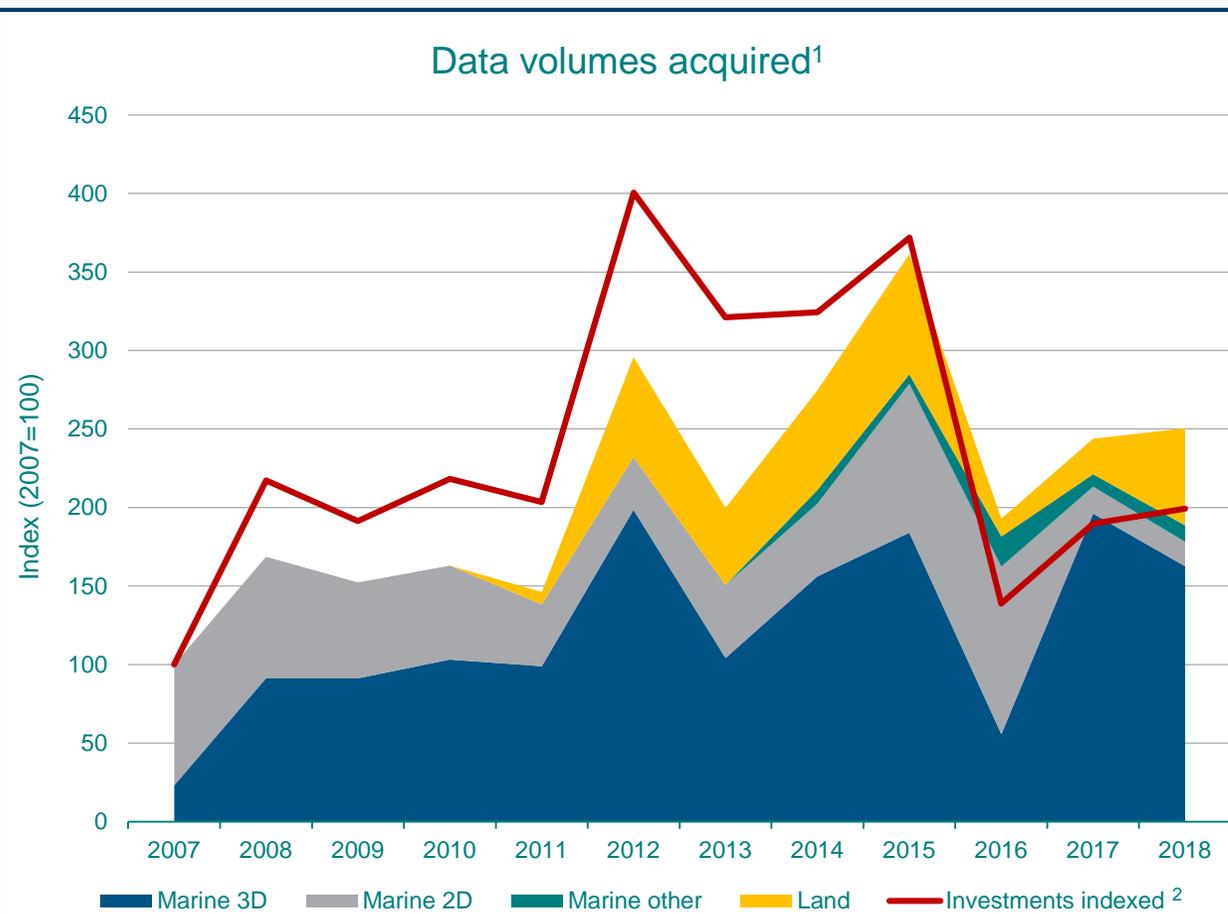
Continued market volatility but with an upward trend

- Positive global demand outlook
- Venezuela production continues to decline
- U.S. sanctions on Iran
- Low spare capacity among OPEC members
- Pipeline constraints in Permian
- New Permian infrastructure on-stream in mid-2019
- Record U.S. production level expected in 2018 with further growth expected in 2019
- OPEC / Russia production increase expected to balance most of Venezuela and Iran reductions
- Trade war / tariffs impact on economic growth



Source: EIA Short Term Energy Outlook, July 2018

Adding high data volumes at record low unit costs

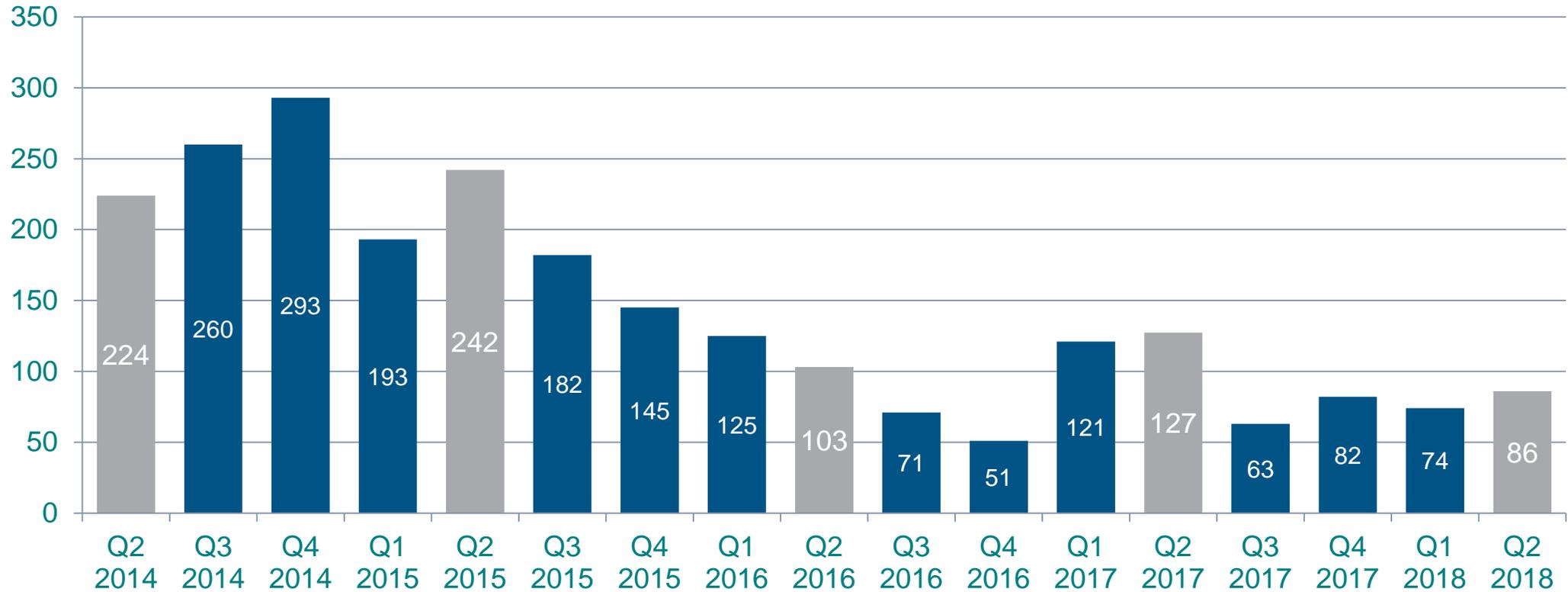


- TGS has taken advantage of the market downturn to acquire large amounts of data at record low unit costs
- Positions the company well for an improved market with higher pricing for data
- 2018:
 - Slight decline in marine volumes – compensated by increase onshore
 - Approximately 80% of guided investments committed currently

1. Adjusted for mix in different data types from year to year by applying normalization factors, i.e. more advanced data types weigh more per unit than less advanced data.
2. Seismic acquisition investments. Excludes investments related to processing.

Backlog

Historical Backlog (MUSD) 2014 - 2018

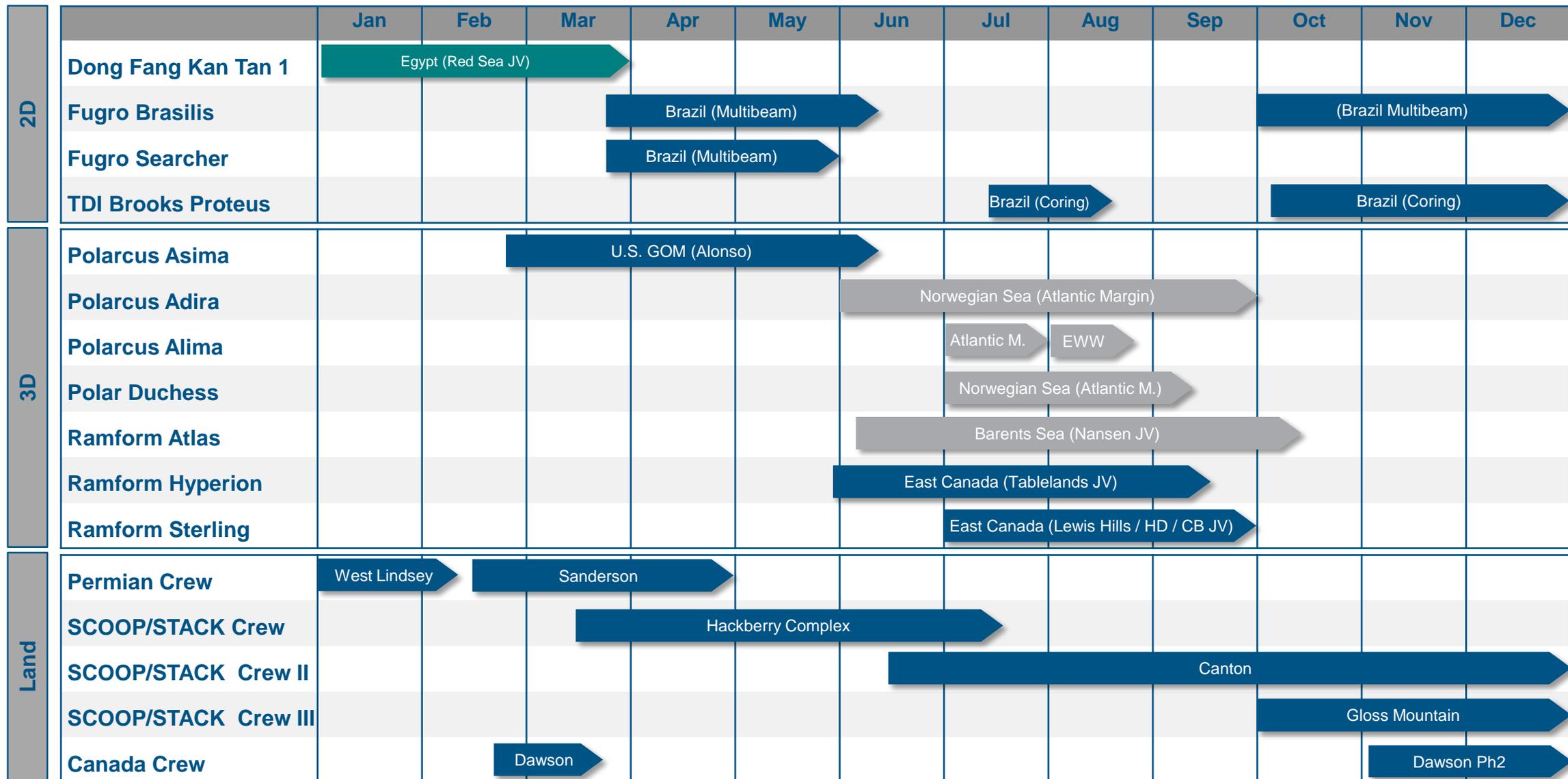


2018 Projects Schedule*

NSA

EUR

AMEAP



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

Q2 2018 Summary

- Another strong quarter for TGS
 - Net revenues of 158 MUSD
 - EBIT of 54 MUSD – EBIT margin of 34%
 - Free cash flow of 55 MUSD - cash balance of 338 MUSD
- 2018 guidance unchanged:
 - New multi-client investments of approximately USD 260 million
 - Pre-funding of new multi-client investments expected to be approximately 45%-50%
 - Amortization expected to be approximately USD 310 million
- At the current stage of the cyclical upturn, growth is driven by cash flow and acreage turnover – next phase to be driven by budget increases and new projects

Appendix

Income Statement

IFRS Reporting

(MUSD)		Q2 2018	Q2 2017	Change
Net operating revenues		121.5	107.7	13%
Cost of goods sold		0.1	0.3	-64%
Amortization of multi-client library		53.3	69.0	-23%
Gross margin	56%	68.1	38.4	78%
Personnel cost		18.4	11.8	56%
Other operational costs		9.2	6.0	53%
Cost of stock options		0.0	0.1	-100%
Depreciation		2.2	2.4	-7%
Operating result	32%	38.3	18.1	112%
Net financial items		1.7	-1.1	n/a
Result before taxes	33%	40.0	17.0	135%
Tax cost	8%	9.6	7.4	30%
Net income	25%	30.4	9.6	217%
EPS (USD)		0.30	0.09	216%
EPS fully diluted (USD)		0.29	0.09	215%

Balance Sheet

IFRS Reporting

(MUSD)	Q2 2018	Q2 2017	Change	Q4 2017
Goodwill	67.9	67.9	0%	67.9
Multi-client library	846.3	812.2	4%	799.0
Deferred tax asset	2.2	6.8	-67%	4.4
Other non-current assets	27.8	31.9	-13%	29.2
Total non-current assets	944.2	918.8	3%	900.5
Cash and cash equivalents	337.5	239.3	41%	249.9
Other current assets	264.5	268.3	-1%	273.6
Total current assets	602.0	507.6	19%	523.6
TOTAL ASSETS	1,546.2	1,426.4	8%	1,424.1
Total equity	1,138.1	1,160.9	-2%	1,200.1
Deferred taxes	6.6	32.9	-80%	23.7
Non-current liabilities	4.9	5.3	-7%	5.4
Total non-current liabilities	11.5	38.2	-70%	29.1
Taxes payable, withheld payroll tax, social security	42.2	11.4	269%	25.2
Other current liabilities	354.4	215.9	64%	169.7
Total current liabilities	396.6	227.3	75%	194.9
TOTAL EQUITY AND LIABILITIES	1,546.2	1,426.4	8%	1,424.1

Reconciliation

Segment Reporting versus IFRS Reporting

Q2 2018 Income Statement (MUSD)	Segment Reporting	Diff. Reporting	IFRS
Net revenues	157.8	-36.3	121.5
Amortization and impairment of multi-client library	73.7	-20.4	53.3
Total operating expenses	103.6	-20.4	83.2
Net income	46.3	-15.9	30.4

Q2 2018 Balance sheet (MUSD)	Segment Reporting	Diff. Reporting	IFRS
Multi-client library	735.8	110.5	846.3
Total non-current assets	833.7	110.5	944.2
Other equity	1,221.7	-87.3	1,134.4
Total equity	1,225.7	-87.6	1,138.1
Non-current liabilities			
Deferred taxes	18.2	-11.5	6.6
Total non-current liabilities	21.1	-11.6	9.5
Accounts payable and debt to partners	101.0	-55.7	45.2
Taxes payable, withheld payroll tax, social security	45.9	-3.7	42.2
Other current liabilities	40.1	269.1	309.2
Total current liabilities	187.0	209.6	396.6

Thank you



www.TGS.com