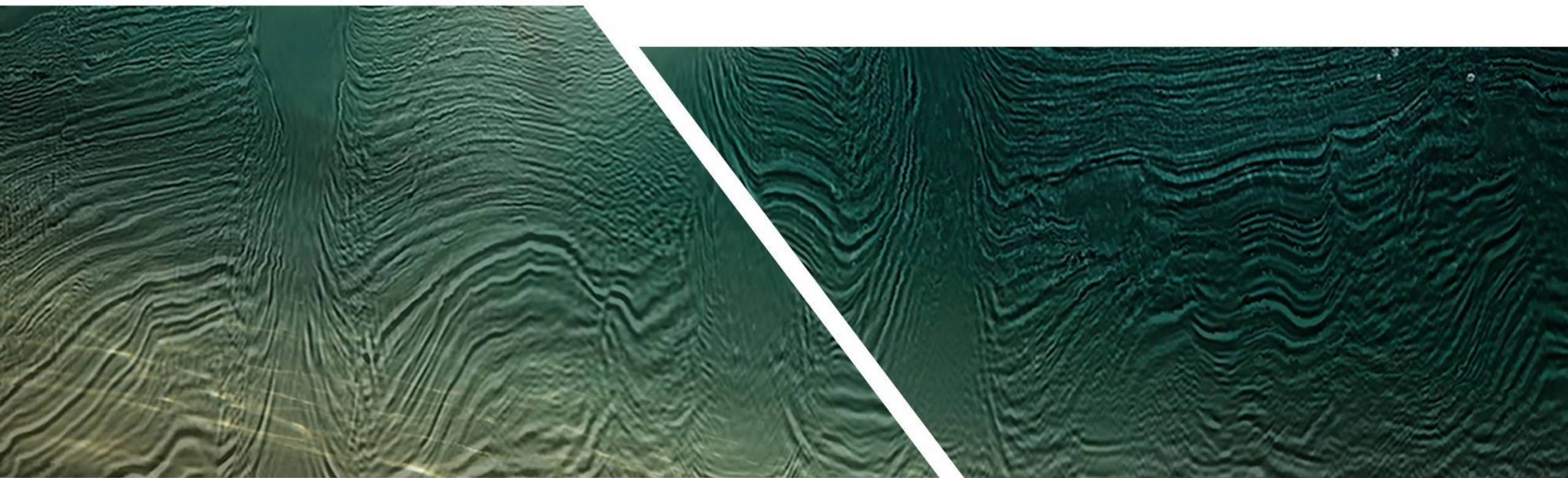




Q3 2019 Earnings Release



Kristian Johansen

CEO

Oslo, 30 October 2019

Dean Zuzic

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.

Q3 19 Highlights – Positive sales momentum

- Q3 2019 net revenues of USD 277 million, compared to USD 171 million in Q3 2018
 - Late sales of USD 213 million, 27% above Q2 19 and 57% above Q3 18
 - Pre-funding revenues of USD 61 million, 81% above Q3 2018
- Cash balance of USD 266 million at 30 September 2019 in addition to undrawn USD 100 million revolving credit facility
- Increased distribution to shareholders
 - Quarterly dividend maintained at USD 0.27 per share, up 35% from Q3 2018
 - Utilization of USD 29 million of USD 50 million share buy-back program
- Backlog remains strong
- Favorable developments in key markets for TGS, but volatility still high
- Acquisition of Spectrum completed, integration on track



Operational highlights

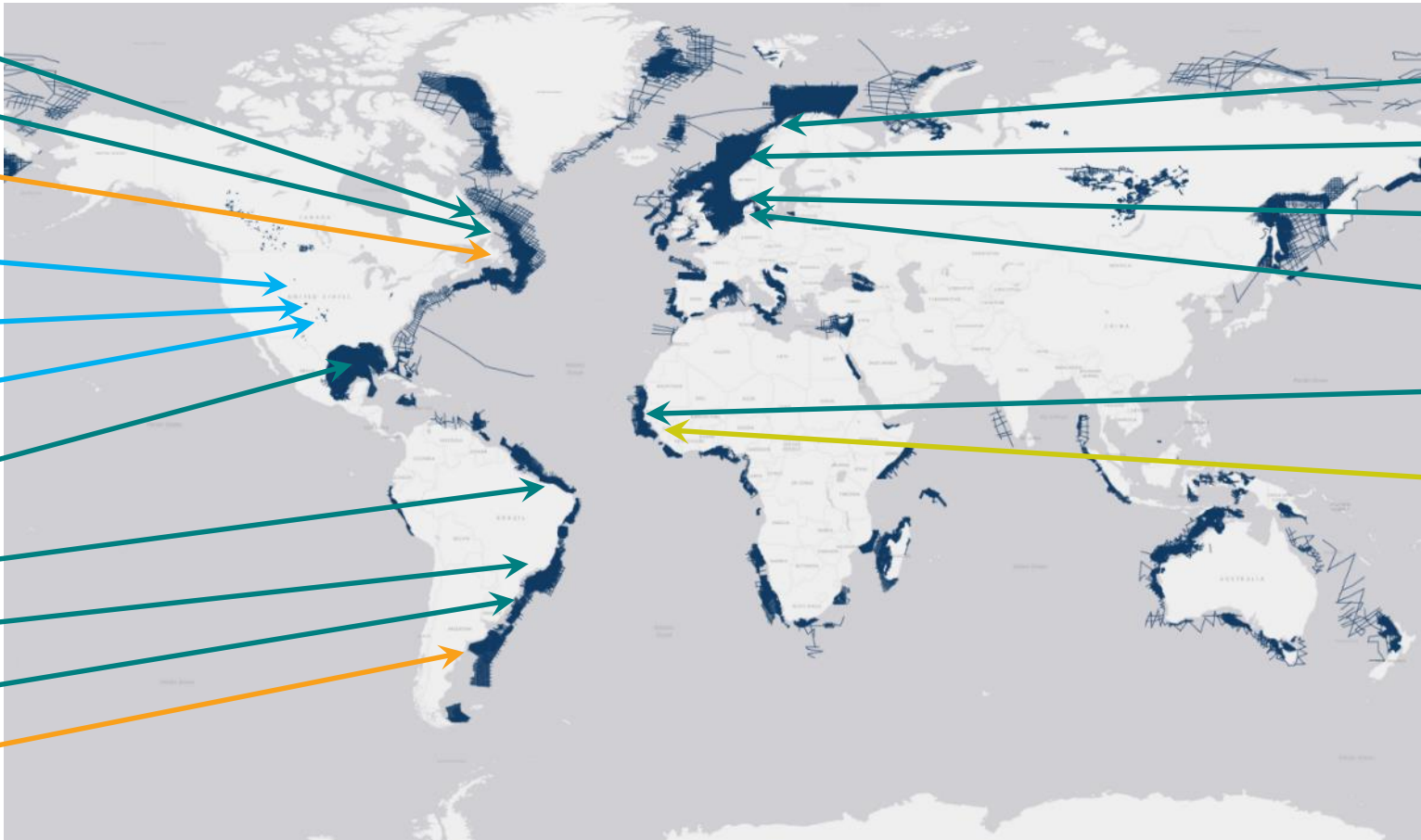
Q3 2019 Operations

Western Hemisphere

- Ramform Titan JV
- Ramform Atlas JV
- Atlantic Explorer JV
- PRB Crew
- SCOOP/STACK Crew I
- SCOOP/STACK Crew II
- MagseisFairfield crew JV
- Ivan Gubkin*
- Amazon Warrior
- HYSY 720
- BGP Pioneer JV*

Eastern Hemisphere

- Oceanic Sirius JV
- Polar Duchess
- Axxis crew JV
- Akademik Primakov*
- BGP Prospector JV
- M/V Gyre



* Spectrum projects that were committed prior to TGS-Spectrum transaction close that were active during Q3 2019

Q3 Activity – Brazil

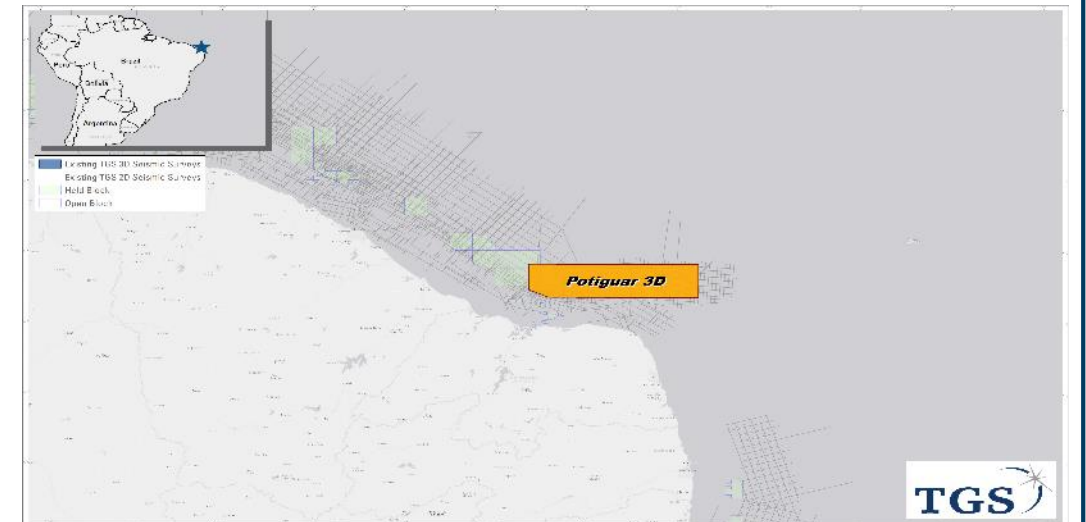
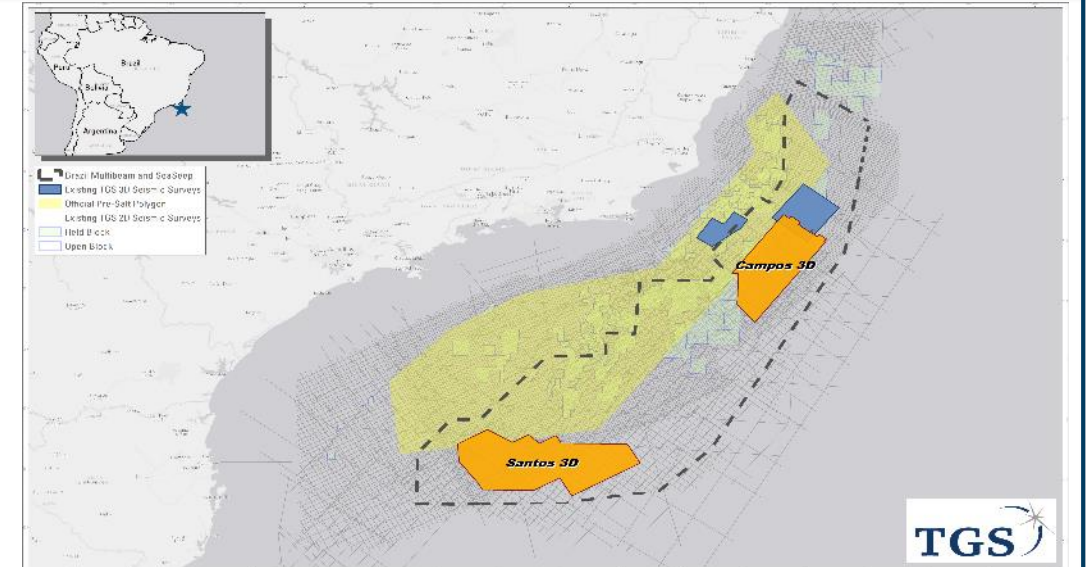
Q3 Activity

- **Brazil Southern Basins SeaSeep:** >210,000 km² multibeam and coring project in Campos and Santos basins
- **Santos Basin 3D:** 22,500 km² multi-client 3D in the southern Santos Basin (scope of project expanded)
- **Campos Basin 3D:** 14,100 km² multi-client 3D in the Campos Basin in Brazil (scope of project expanded)
- **Potiguar 3D*:** 10,350 km² multi-client 3D in the Potiguar Basin

Brazil Market

- License round transparency – calendar out to 2021
- Seismic permitting process becoming more streamlined
- Supermajor focus area leading to competitive bidding

* Spectrum survey in which acquisition was completed in Q3 prior to TGS-Spectrum transaction close



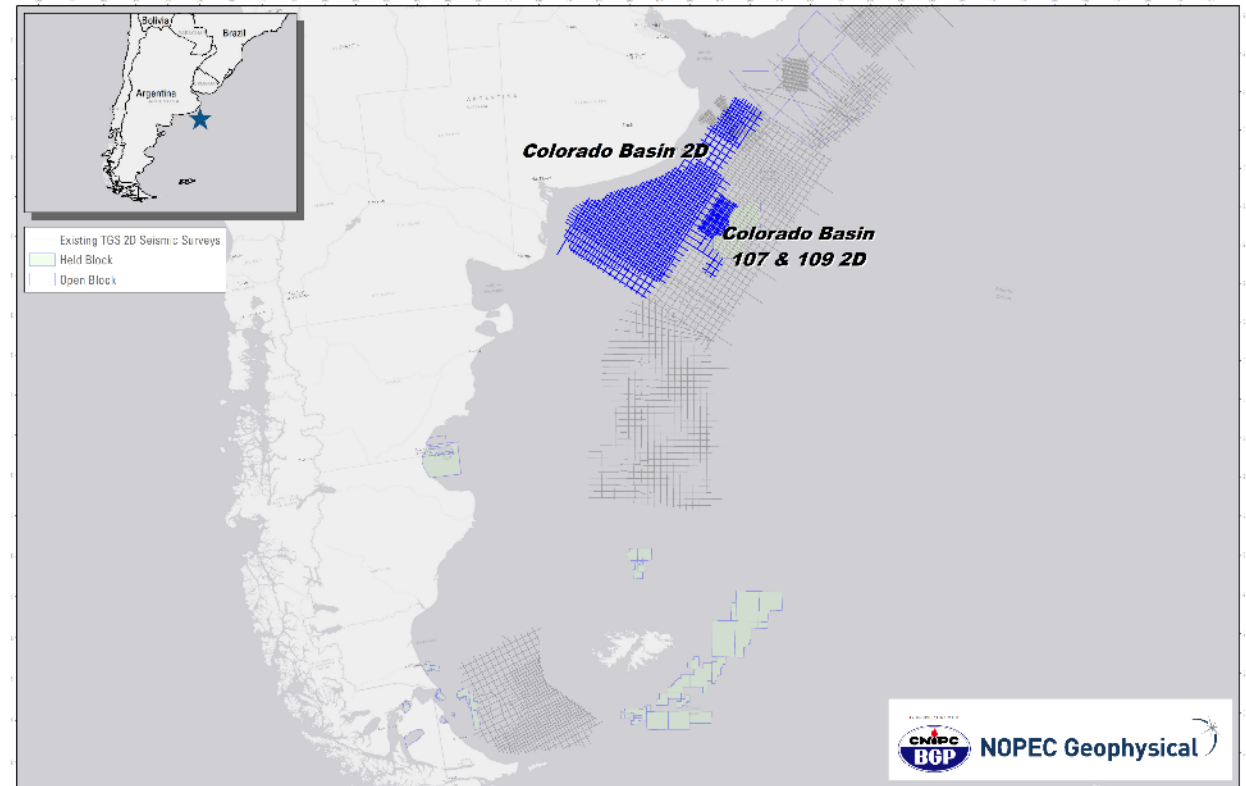
Q3 Activity – Argentina

Q3 Activity

- **Colorado Basin 2D***: 23,500 km multi-client 2D project in the Colorado Basin in partnership with BGP
- **Colorado Basin 107 & 109 2D**: 3,150 km multi-client 2D project in the Colorado Basin

Argentina Market

- Strong client interest remains even though political climate has stalled purchase activities
- Late purchase opportunities as grants for work commitments continue
- Central Bank of the Argentine Republic established a new exchange control regime due to recent economic and financial events



* Spectrum survey in which acquisition commenced prior to TGS-Spectrum transaction close and was completed in Q3 2019

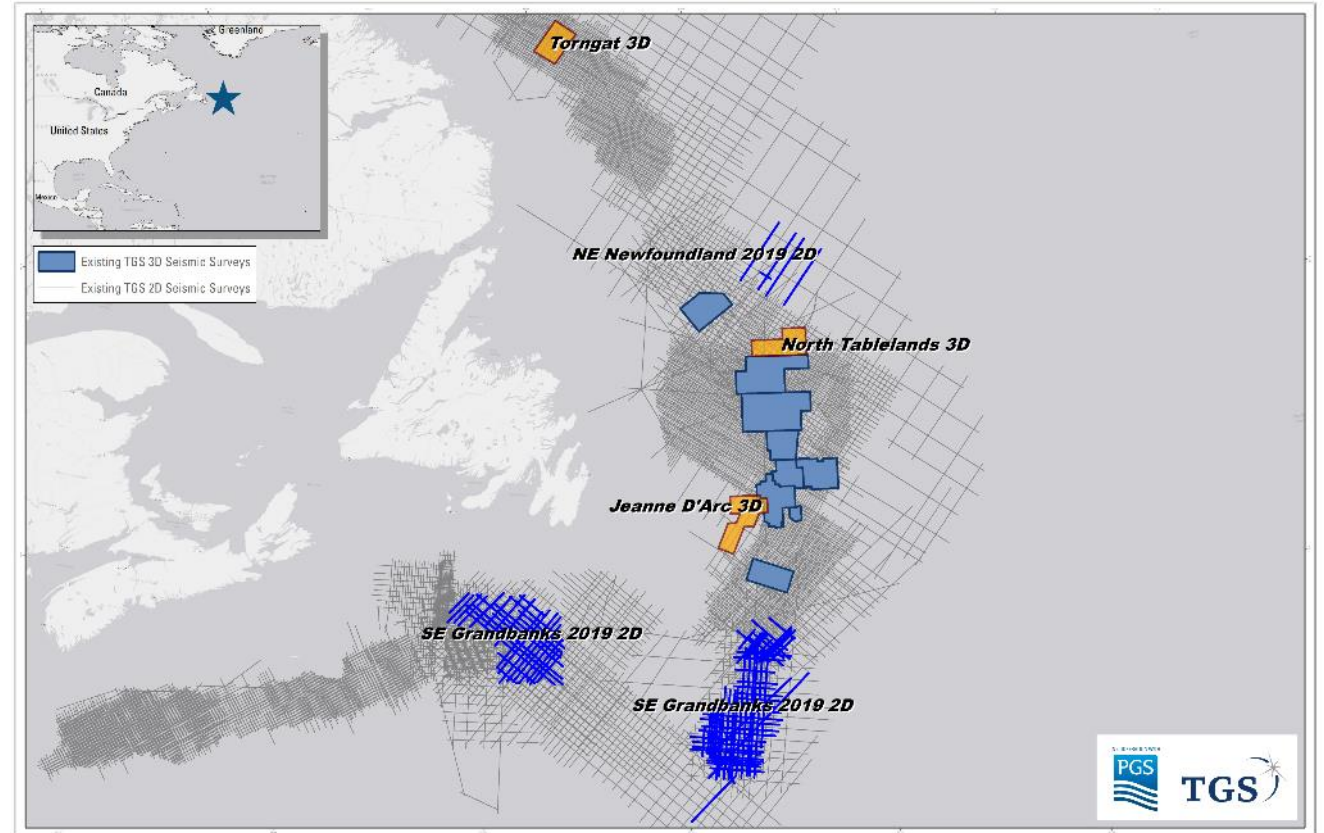
Q3 Activity – East Canada

Q3 Activity

- **Jeanne d'Arc 3D:** 4,449 km² multi-client 3D in Newfoundland, in collaboration with PGS
- **Torngat 3D:** 3,698 km² multi-client 3D in Labrador, in collaboration with PGS
- **North Tablelands 3D:** 4,608 km² multi-client 3D in Newfoundland, in collaboration with PGS
- **Southeast Grand Banks 2019 2D:** 10,519 km multi-client 2D in SE Grand Banks, in collaboration with PGS
- **NE Newfoundland Slope 2019 2D:** 576 km multi-client 2D in Newfoundland, in collaboration with PGS

East Canada Market

- Scheduled Land Tenure system
- Stability and attractive fiscal regime promotes exploration
- High prospectivity in frontier geography
- Multiple drilling campaigns starting in region, 2019-2021



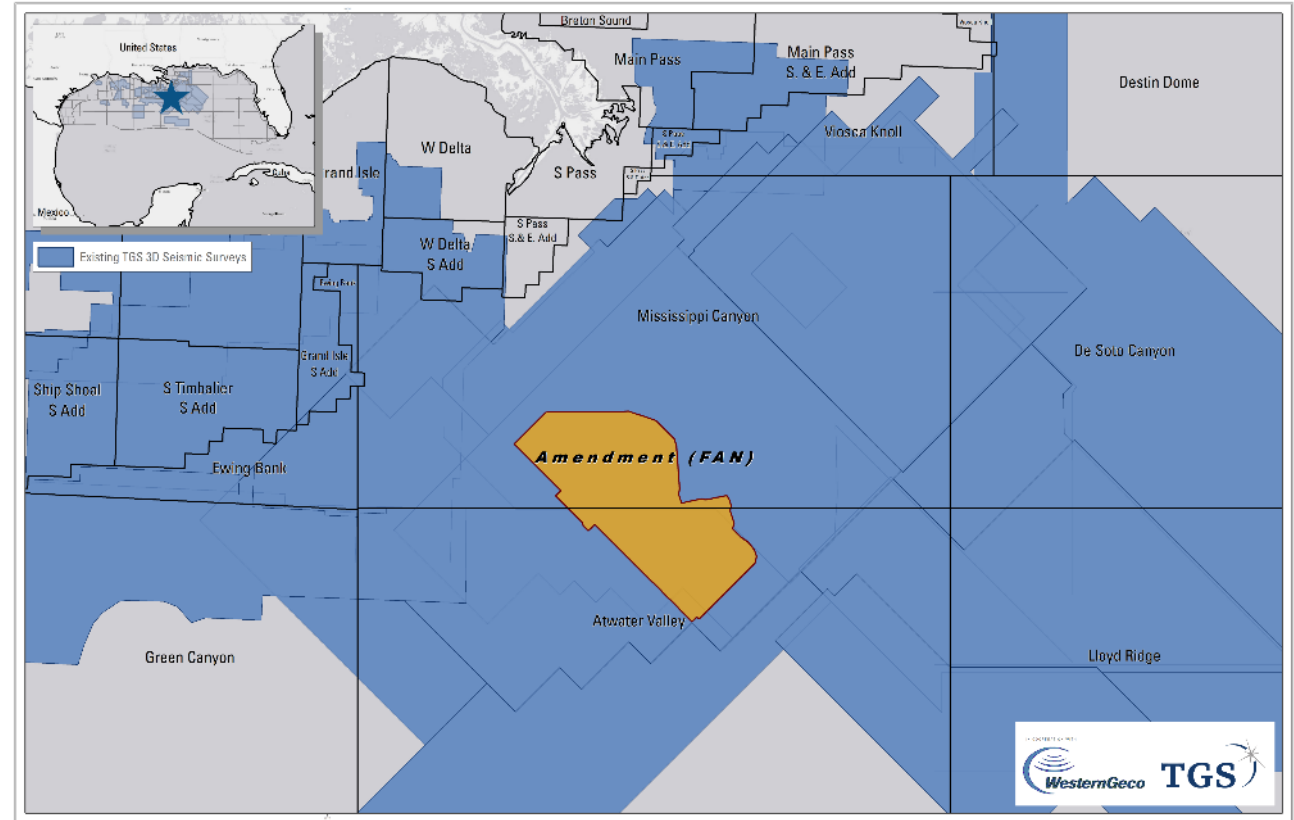
Q3 Activity – U.S. Gulf of Mexico

Q3 Activity

- **Amendment Phase 1:** 2,758 km² multi-client ocean-bottom node project, in collaboration with WesternGeco
 - Largest deep water node survey in the GOM
 - Ultra-long 40km offset full azimuth data – another industry first for an area this size
 - Initial results look very promising

U.S Gulf of Mexico Market

- License rounds in March and August
- Acreage turnover and farm-ins
- Sparse node surveys expected to deliver a new generation of exploration data



Q3 Activity – North West Africa

New Projects

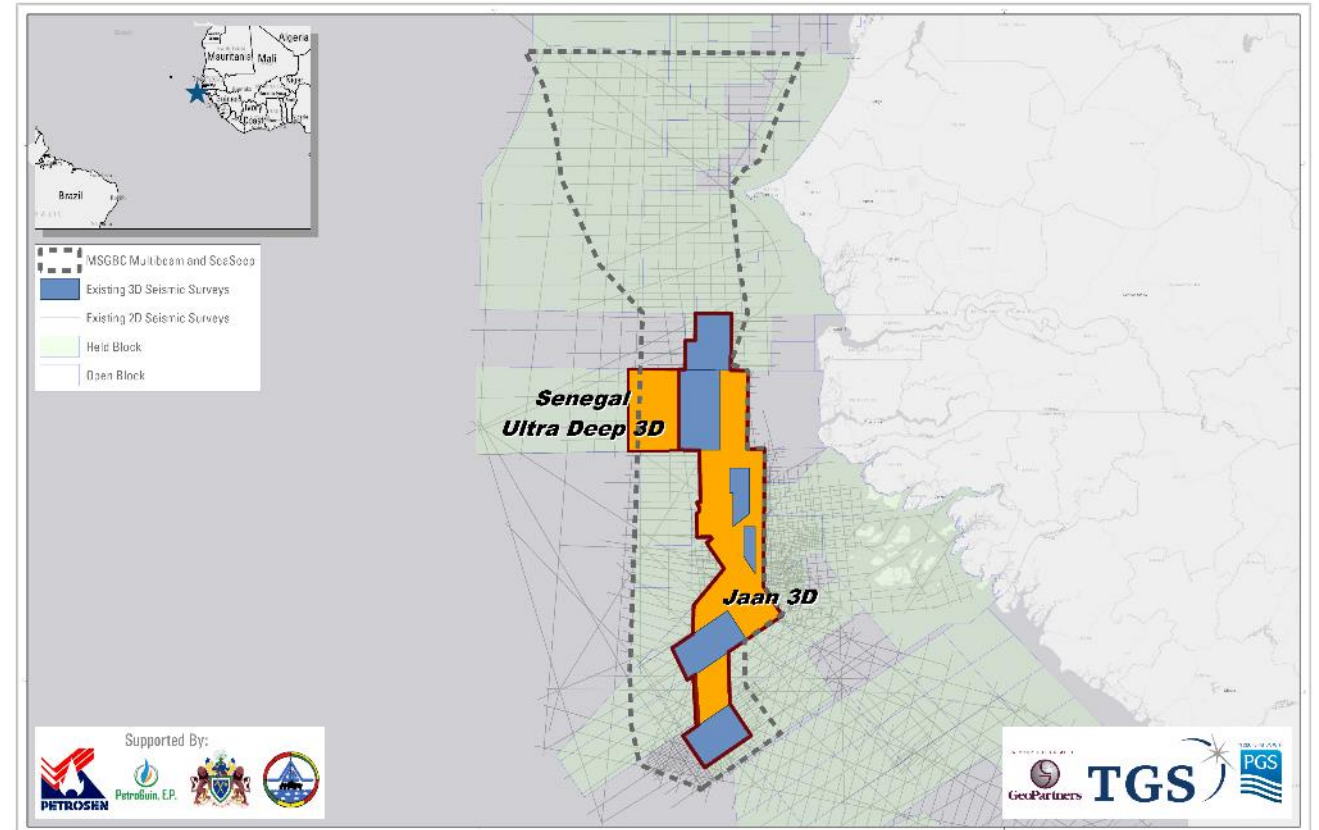
- **Senegal Ultra-Deep:** Offshore 3D multi-client survey covers over 4,500 km² in the MSGBC Basin, offshore north-west Africa. Survey is in partnership with GeoPartners and has the full support of the national oil company, Petrosen

Q3 Activity

- **MSGBC SeaSeep:** 113,500 km² multi-client regional SeaSeep project on the North West African Atlantic Margin
- **Jaan 3D:** 28,300 km² multi-client 3D project in the southern portion of the MSGBC Basin in partnership with PGS and GeoPartners
 - 11,135 km² new acquisition, complemented by reprocessing and full pre-stack merging of existing multi-client 3D

NW Africa Market

- Recent farm-in transactions in the basin and indication of a Senegalese license round are stimulating interest



Q3 Activity – Norway & UK

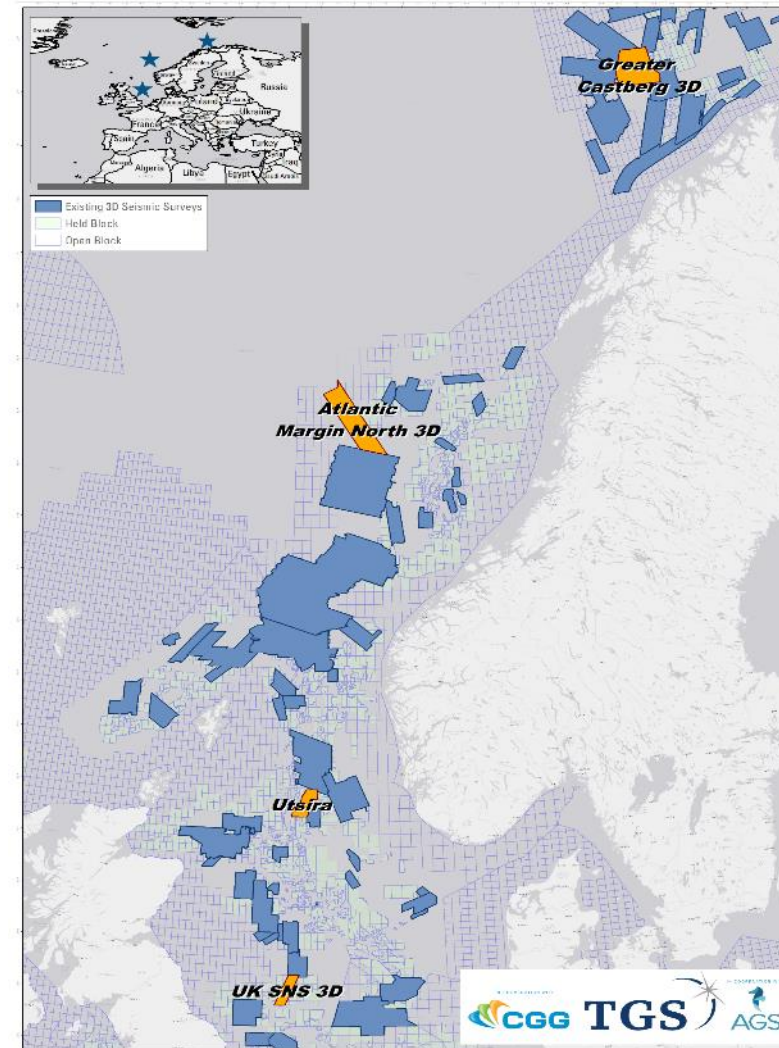
Q3 Activity

- **Utsira:** 1,584 km² multi-client node project in the Norwegian North Sea, in collaboration with Axxis Geo Solutions
- **Atlantic Margin 2019 3D:** 5,950 km² multi-client 3D project in the Norwegian Sea
- **Greater Castberg 2019 3D:** 5,151 km² multi-client TopSeis 3D project in the Barents Sea, in collaboration with CGG
- **UK SNS 3D*:** 1,332 km² multi-client 3D project in the UK southern North Sea

Norway & UK

- Annual APA round applications in Norway
- UK 32nd Offshore Licensing Round opened

* Spectrum survey in which acquisition was completed in Q3 2019 prior to TGS-Spectrum transaction close



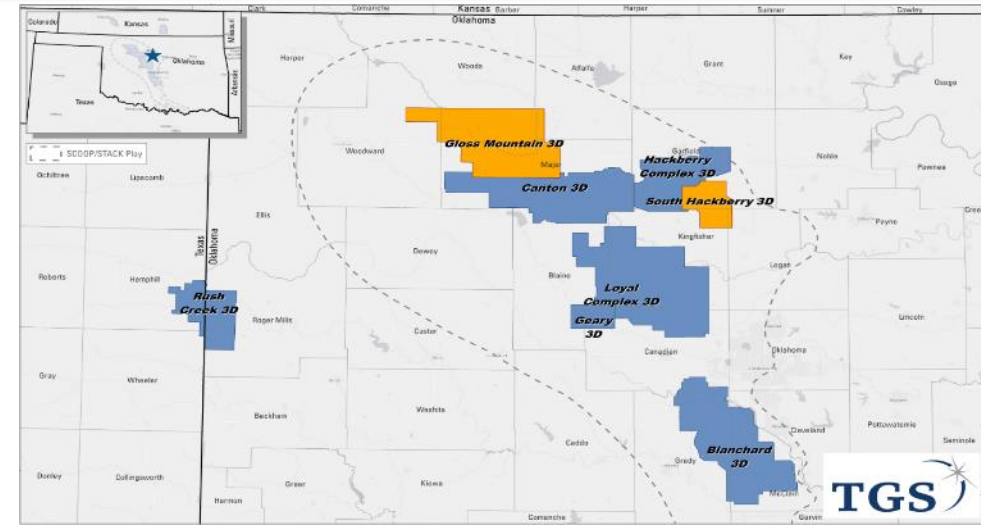
Q3 Activity – North America Land

Q3 Activity

- **Gloss Mountain 3D:** 1,500 km² high-resolution 3D multi-client project in the Anadarko Basin
- **South Hackberry 3D:** 350 km² 3D multi-client project in the Anadarko Basin, which when merged with TGS' Hackberry Complex 3D will encompass ~1,060 km²
- **Railgun 3D:** 680 km² high-resolution 3D multi-client project in the Powder River Basin

Onshore Market

- Geologic complexity in the resource play space creating additional opportunities to utilize seismic data to help maximize returns
- M&A driving acreage turnover in some basins





Financials

TGS/SPU consolidated

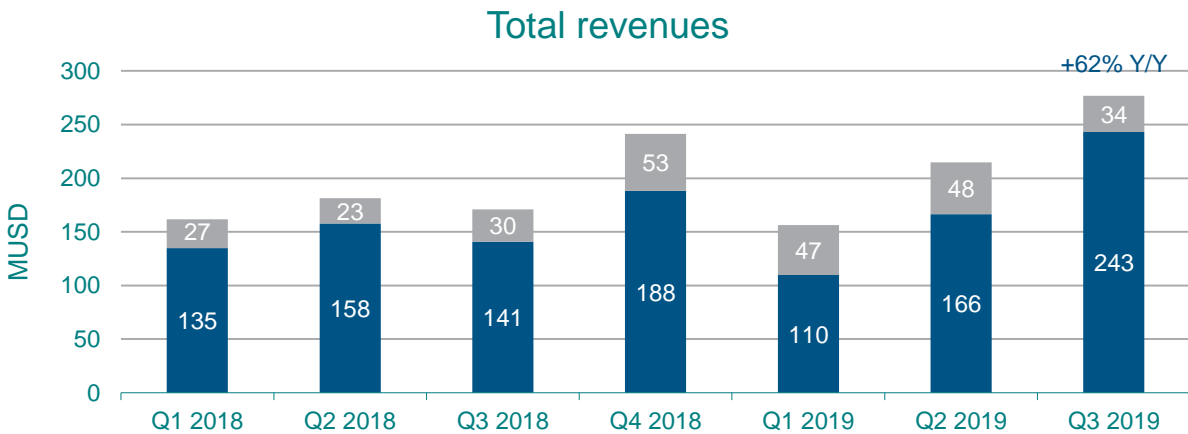
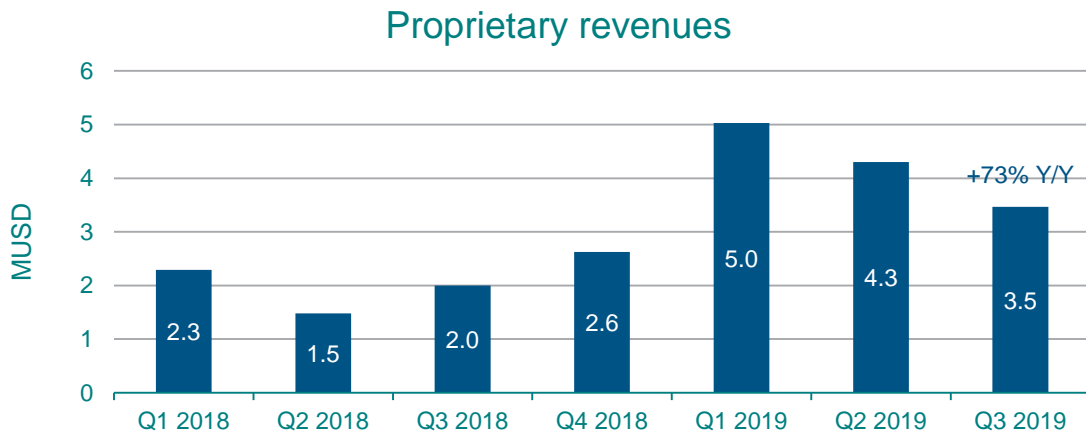
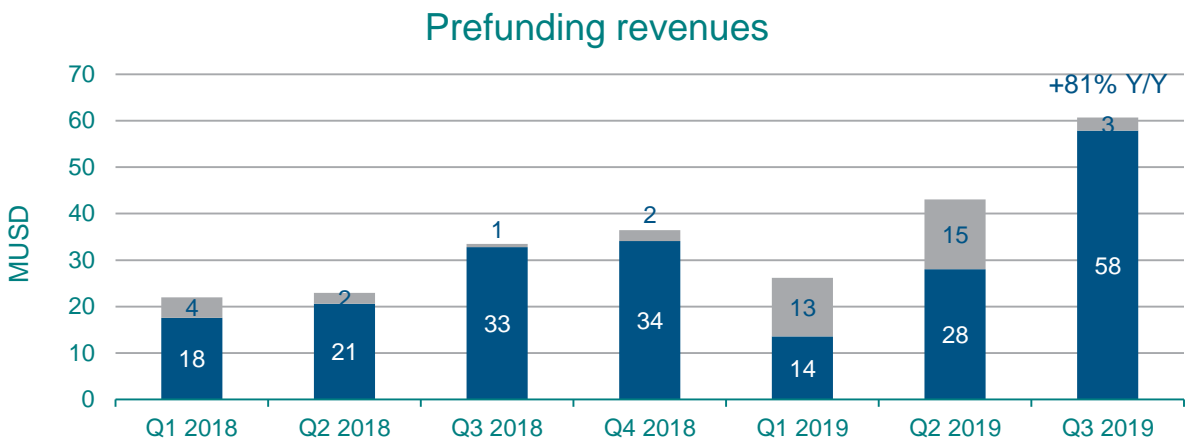
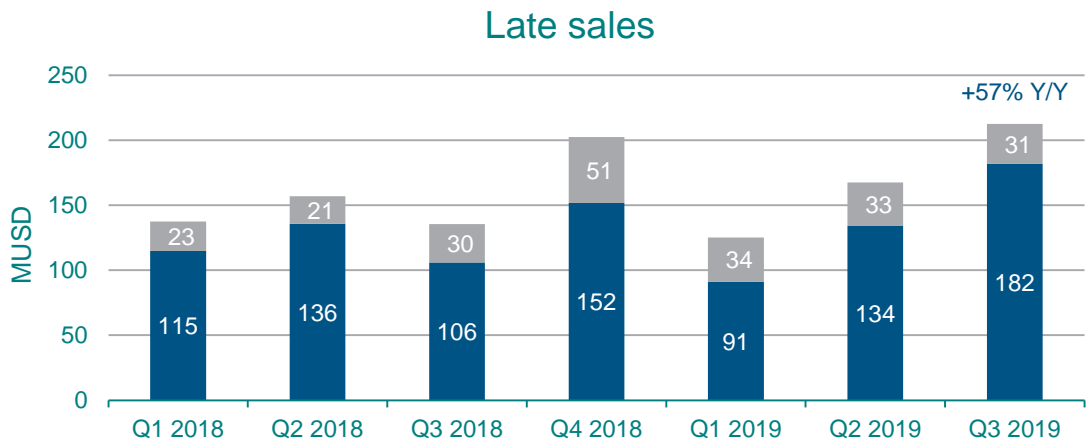
- The accounting standard IFRS 3 applies to transaction that meets the definition of a business combination.
- As the transaction was effective from 14 August 2019, the sales and costs from the “Spectrum Group” for the period 15 August to 30 September 2019 is reflected in the TGS Q3 IFRS statement of financial position and in TGS' statement of comprehensive income.
- The sales and cost from the «Spectrum Group» is reflected in the TGS Q3 earnings release presentation from **July 1** (*referred to as TGS/SPU consolidated*).
- Provides the best picture of the performance and value creation of the business and the TGS Group.
 - TGS Group will continue to use the previous Percentage-of-Completion-method for internal segment and management reporting

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

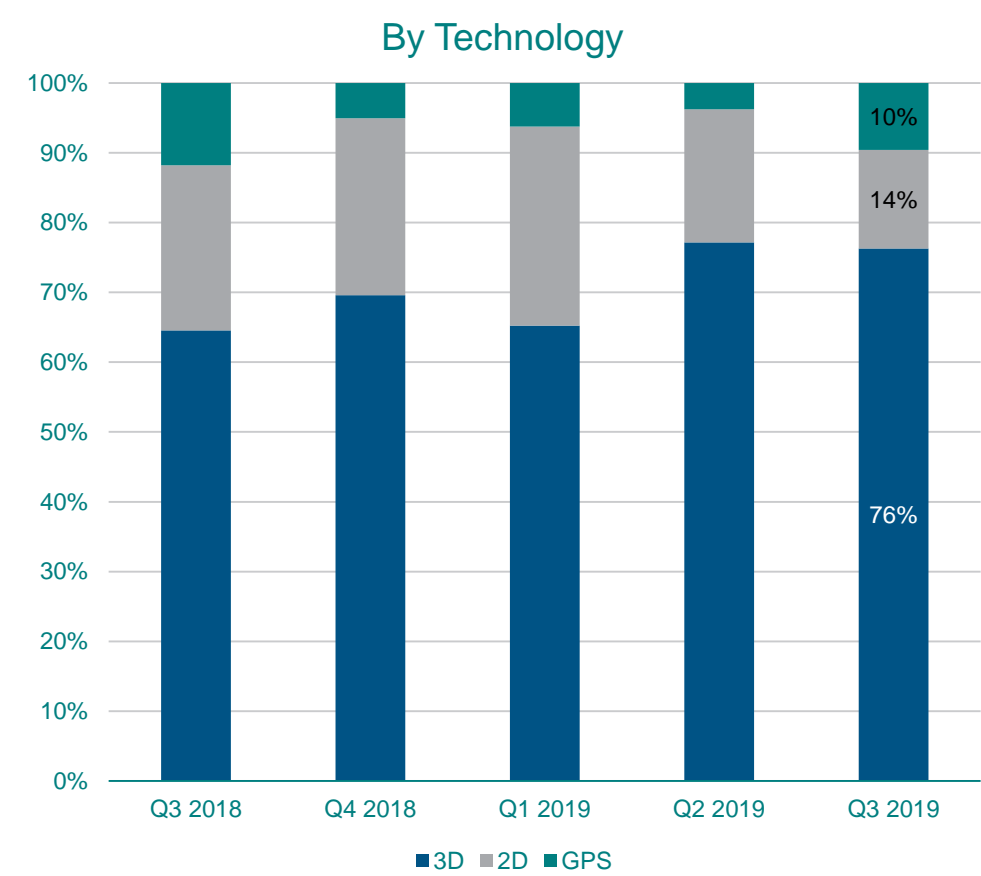
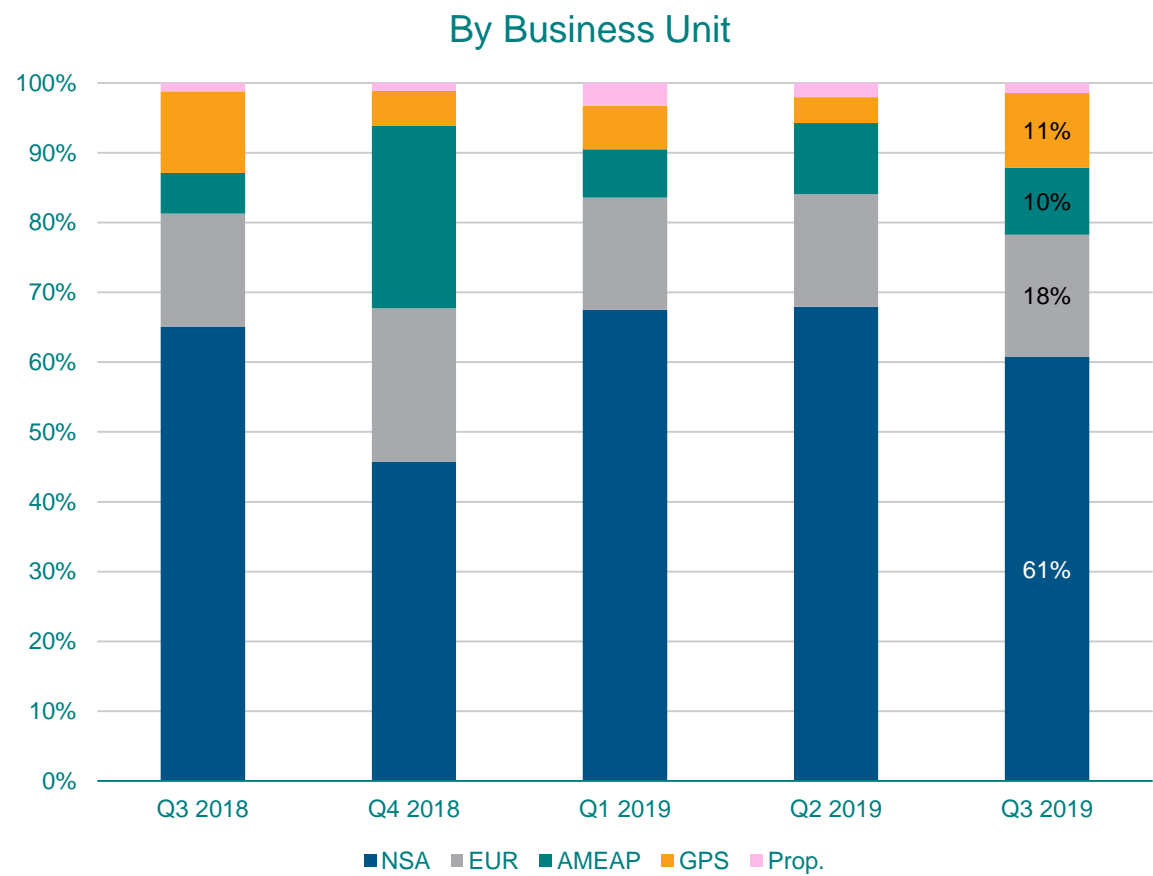
TGS/SPU Consolidated (Q1 2018 – Q3 2019)



■ SPU ■ TGS

Net Revenues Breakdown

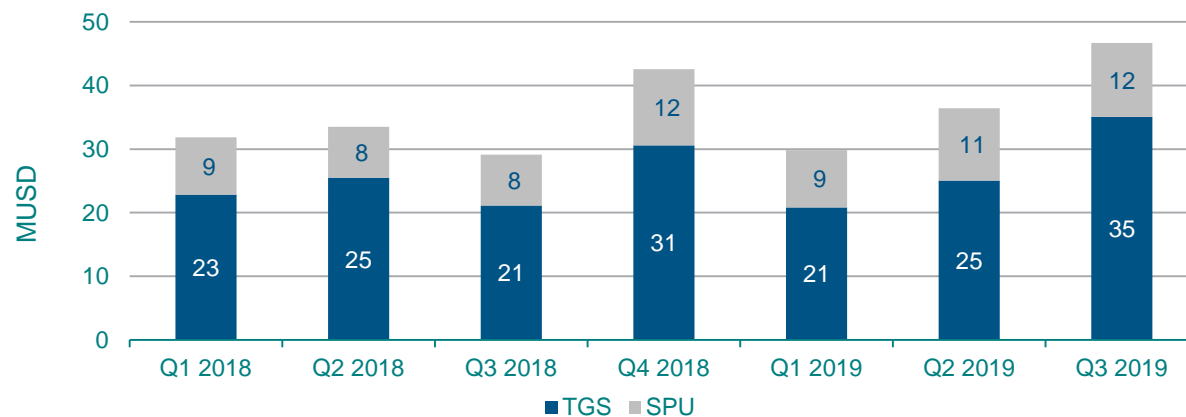
TGS/SPU Consolidated (Q3 2018 – Q3 2019)



Operating Expenses, EBIT, Free Cash Flow

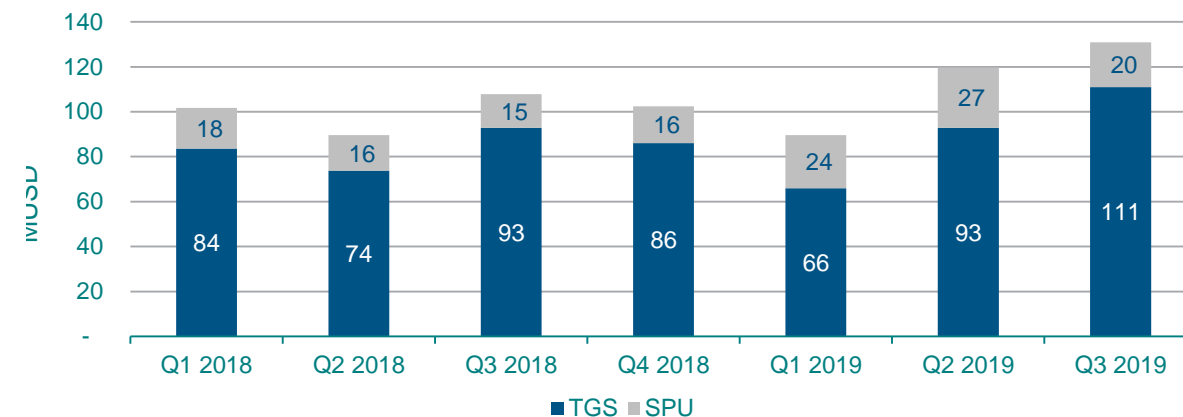
TGS/SPU Consolidated (Q1 2018 – Q3 2019)

Operating costs¹

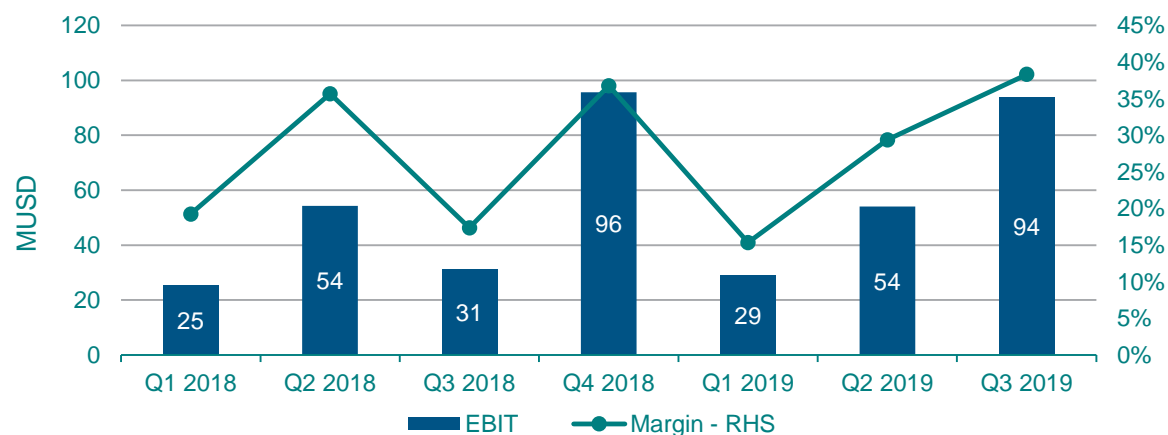


1. Personnel costs and other operating expenses excluding restructuring charges, transaction costs and larger impairments of operating items

Amortization and impairments

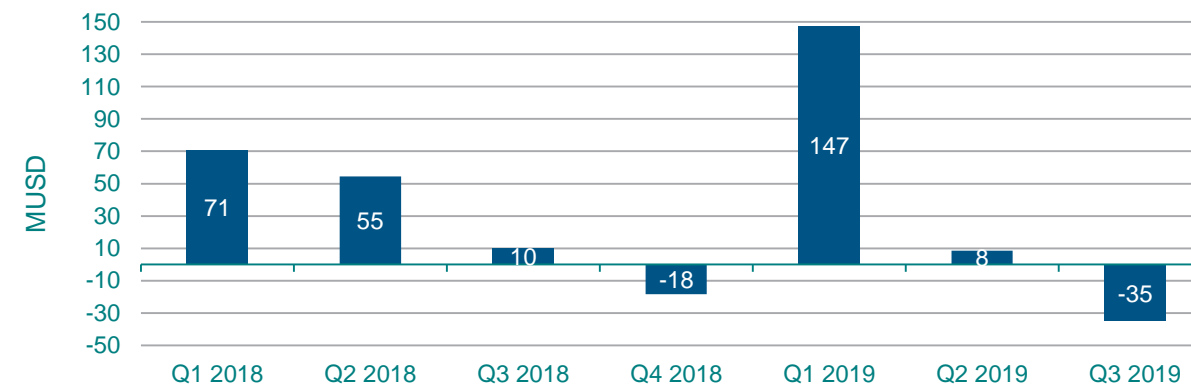


EBIT²



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

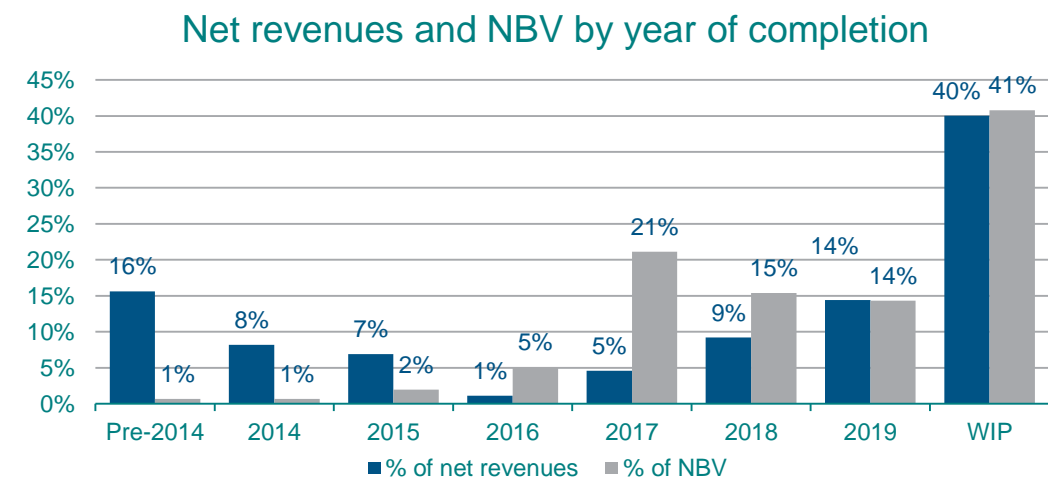
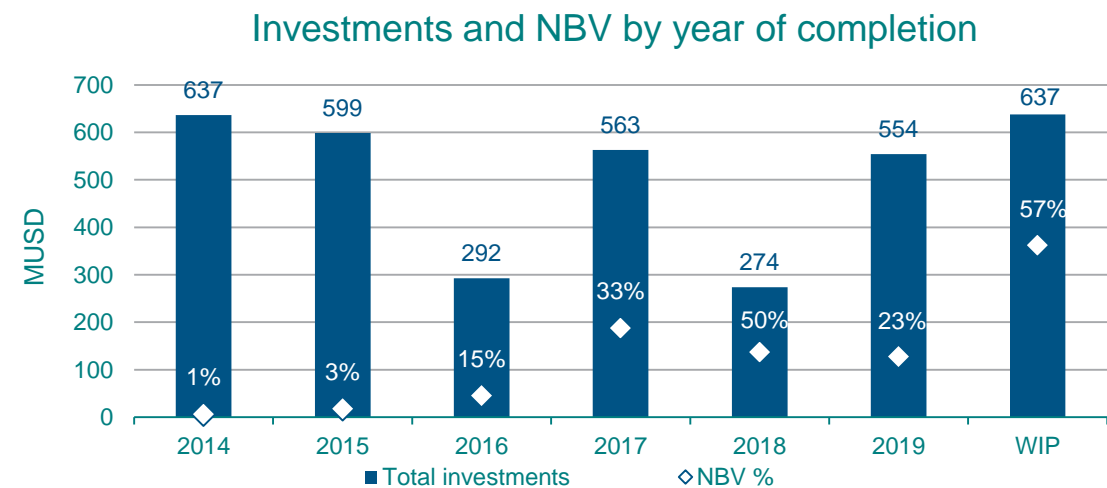
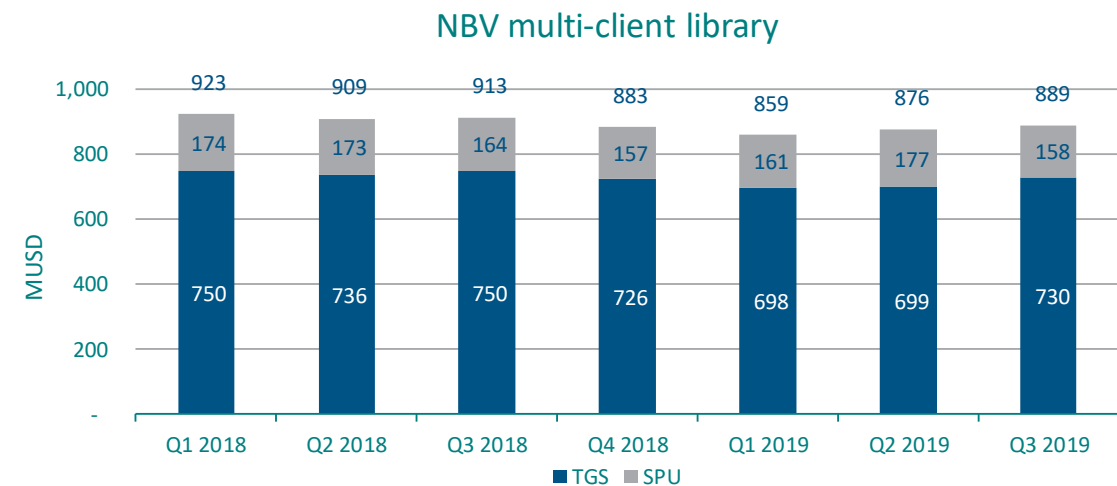
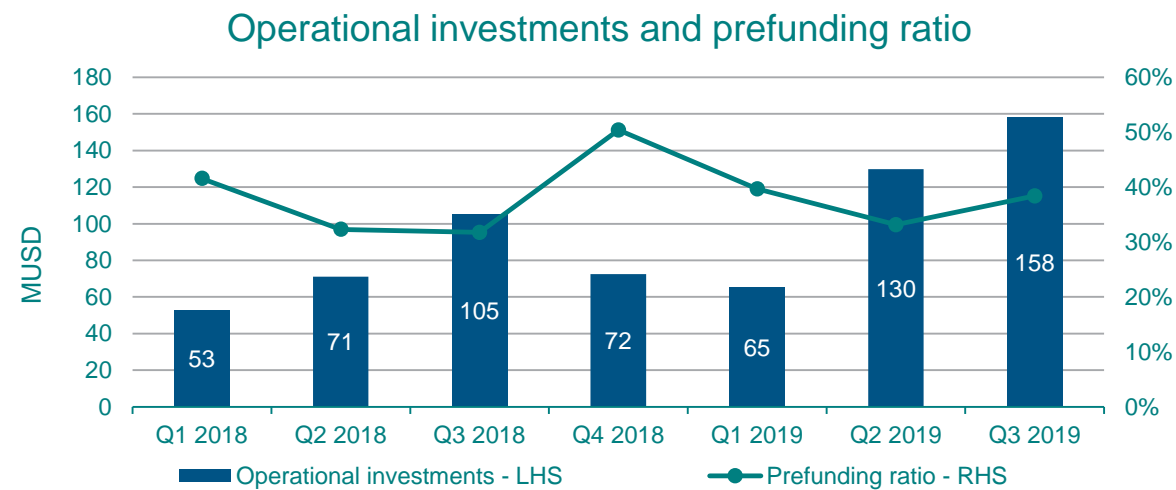
Free Cash Flow³



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

Multi-Client Library

TGS/SPU Consolidated (Q1 2018 – Q3 2019)



Income Statement

TGS/SPU Consolidated

(MUSD)		Q3 2019	Q3 2018	Change
Net operating revenues		276.7	171.0	62%
Cost of goods sold		0.1	0.1	36%
Personnel cost		33.2	17.8	87%
Other operational costs		14.5	10.9	33%
Cost of stock options		0.0	0.5	NA
EBITDA	83%	228.9	141.8	61%
Amortization of multi-client library		130.9	107.9	21%
Depreciation		4.2	2.7	55%
Operating result	34%	93.9	31.2	201%
Interest income		1.6	3.9	-58%
Interest expense		-1.0	-0.7	38%
Exchange gains/losses		-2.8	-3.1	-9%
Other financial income		-0.7	-0.2	294%
Result before taxes	33%	91.0	31.2	192%
Tax cost	20%	18.2	13.7	33%
Net income	26%	72.8	17.4	317%
EPS (USD)		0.66	0.16	301%
EPS fully diluted (USD)		0.65	0.16	301%

Balance Sheet

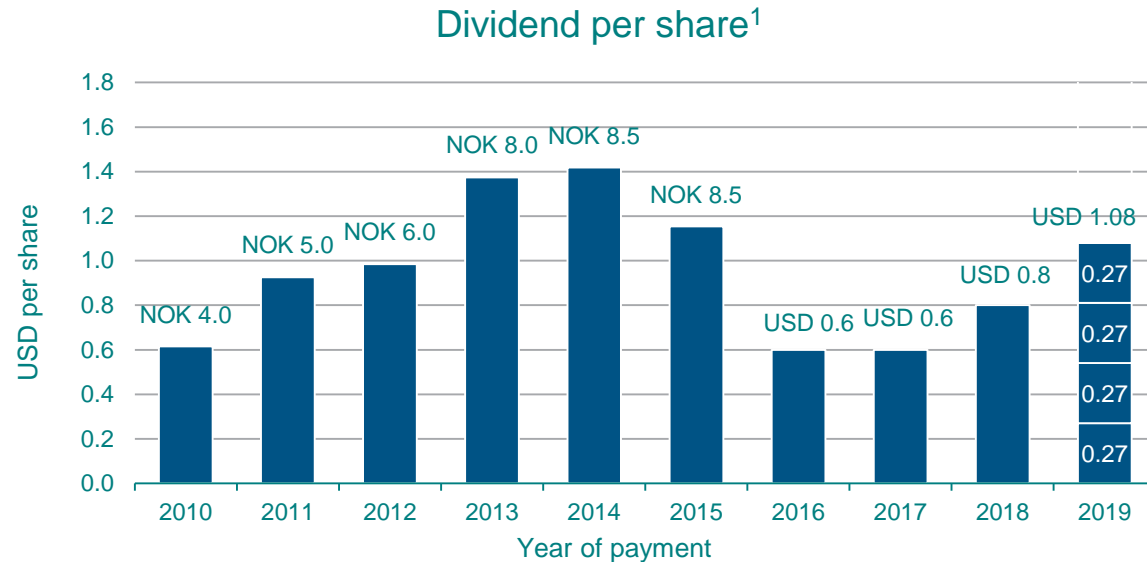
Segment Reporting

Balance sheet	Q3 2019	Q3 2018	Change
Goodwill	284.8	67.9	319%
Multi-client library	888.5	749.6	19%
Deferred tax asset	14.5	0.7	2029%
Other non-current assets	84.5	28.2	200%
Total non-current assets	1,272.3	846.4	50%
Cash and cash equivalents	265.5	322.2	-18%
Other current assets	586.7	275.7	113%
Total current assets	852.2	597.8	43%
TOTAL ASSETS	2,124.5	1,444.3	47%
Total equity	1,618.8	1,221.8	32%
Deferred taxes	55.4	18.8	195%
Non-current liabilities	32.3	4.8	576%
Total non-current liabilities	87.7	23.6	272%
Taxes payable, withheld payroll tax, social security	48.9	50.9	-4%
Other current liabilities	369.1	148.0	149%
Total current liabilities	417.9	198.9	110%
TOTAL EQUITY AND LIABILITIES	2,124.5	1,444.3	47%

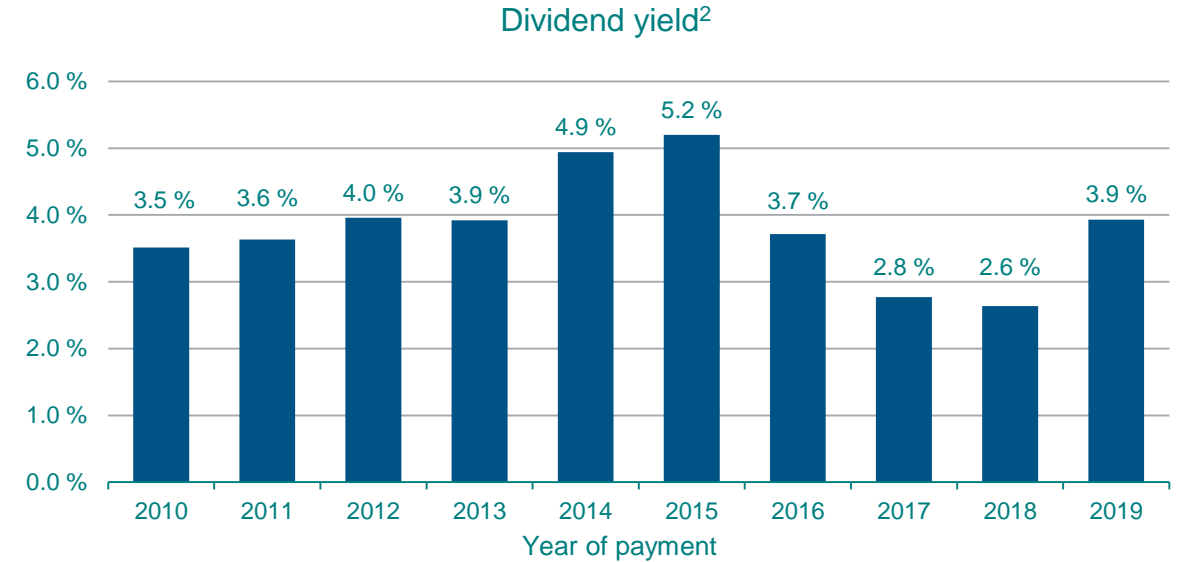
Cash Flow Statement

(MUSD)	Q3 2019	Q3 2018	Change
Received payments	131.1	128.8	2%
Payments for operational expenses	-48.8	-32.3	51%
Paid taxes	-11.8	-0.4	n/a
Net cash flow from operating activities	70.5	96.1	-27%
Investment in tangible fixed assets	-6.4	-2.2	189%
Investments in multi-client library	-106.1	-85.8	24%
Investments through mergers and acquisitions	14.6	-6.5	n/a
Interest income	0.0	3.8	n/a
Net Cash Flow from investing activities	-97.9	-90.7	8%
Interest expense	-1.4	-0.3	n/a
Payment of dividends	-30.1	-20.5	47%
Payment of interest bearing debt	-16.2	0.0	n/a
Paid in equity/purchase of own shares	-11.6	0.0	n/a
Net cash flow from financing activities	-59.4	-20.8	186%
Net change in cash and cash equivalents	-86.7	-15.4	465%

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

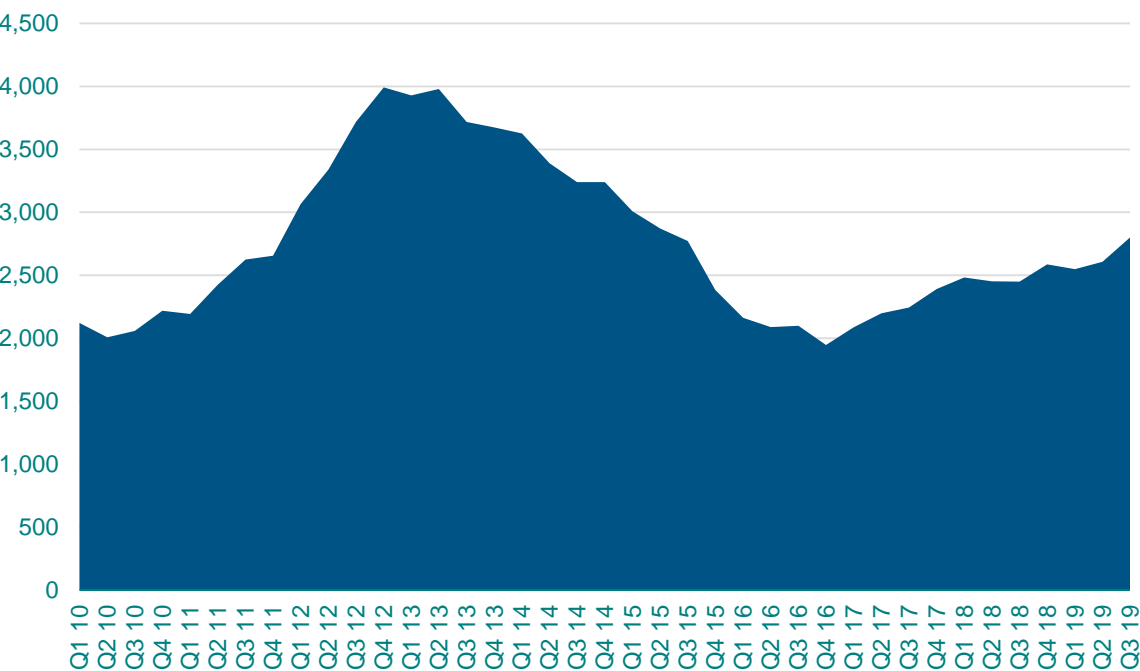
- Quarterly dividend of USD 0.27 per share to be paid in Q4 2019
 - Ex-date 6 November 2019
 - Payment date 20 November 2019
- Share re-purchase program
 - USD 29 million utilized
 - Up to USD 50 million to be repurchased before AGM in May 2020, repurchases to restart
 - 545,370 shares bought back in Q3 19 at an average price of NOK 215.4 per share
 - Total repurchases of 1,145,370 shares at an average price of NOK 222.3 per share



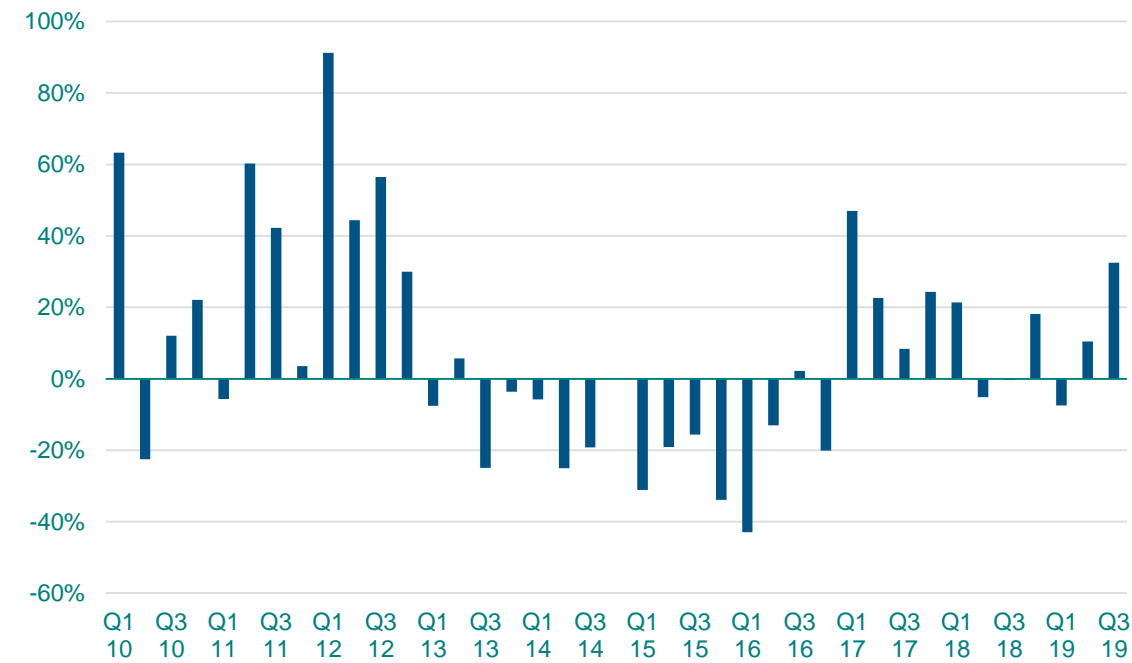
Outlook

Market continues to improve – but volatility still high

Aggregate multi-client revenues¹
Last 12 months



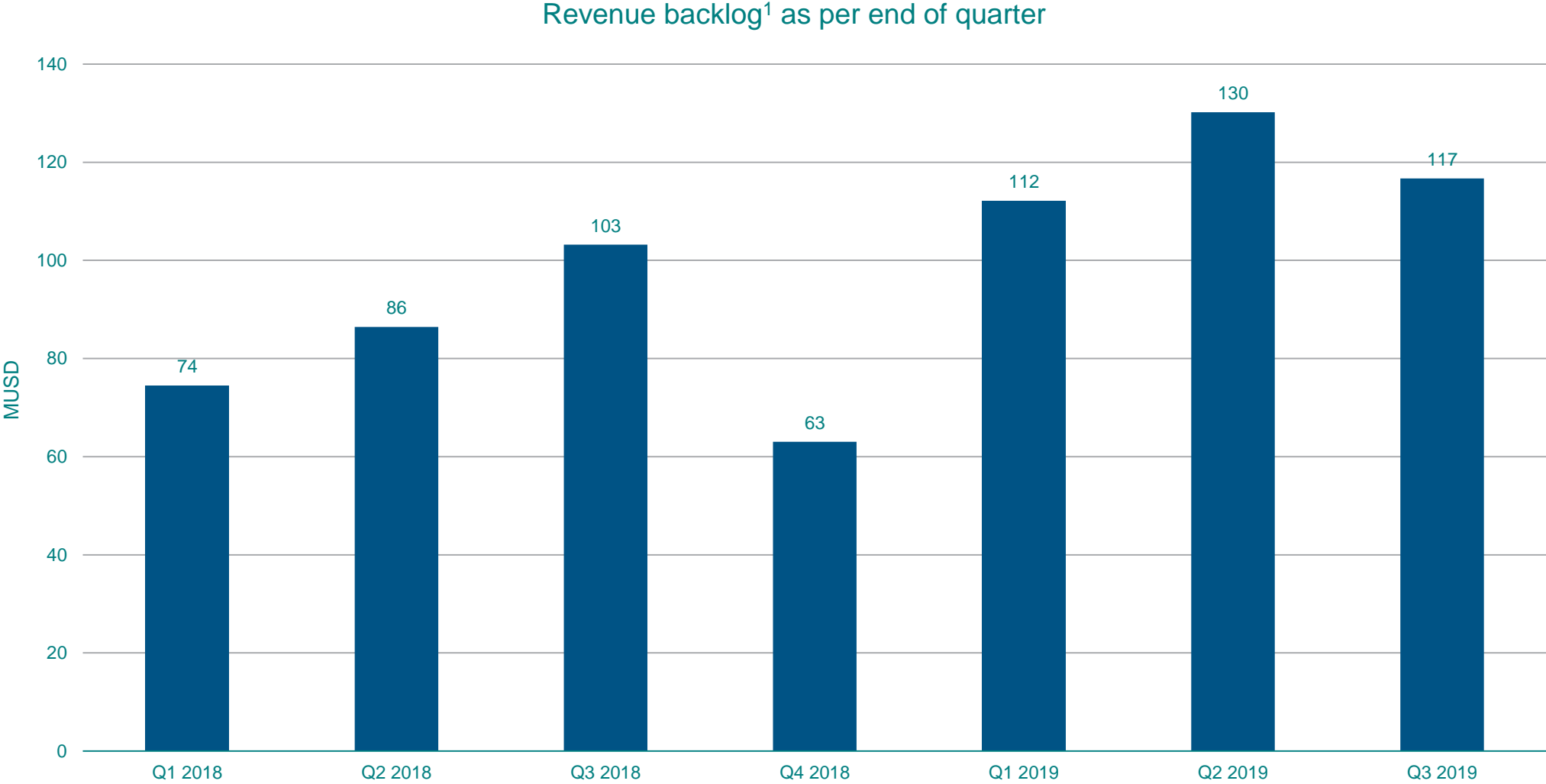
Y/Y change aggregate multi-client revenues¹



1. Includes TGS, PGS, WG, CGG, SPU, PLCS, ION. Those who have not yet reported Q3 19 revenues are included with the weighted average growth rate of the others

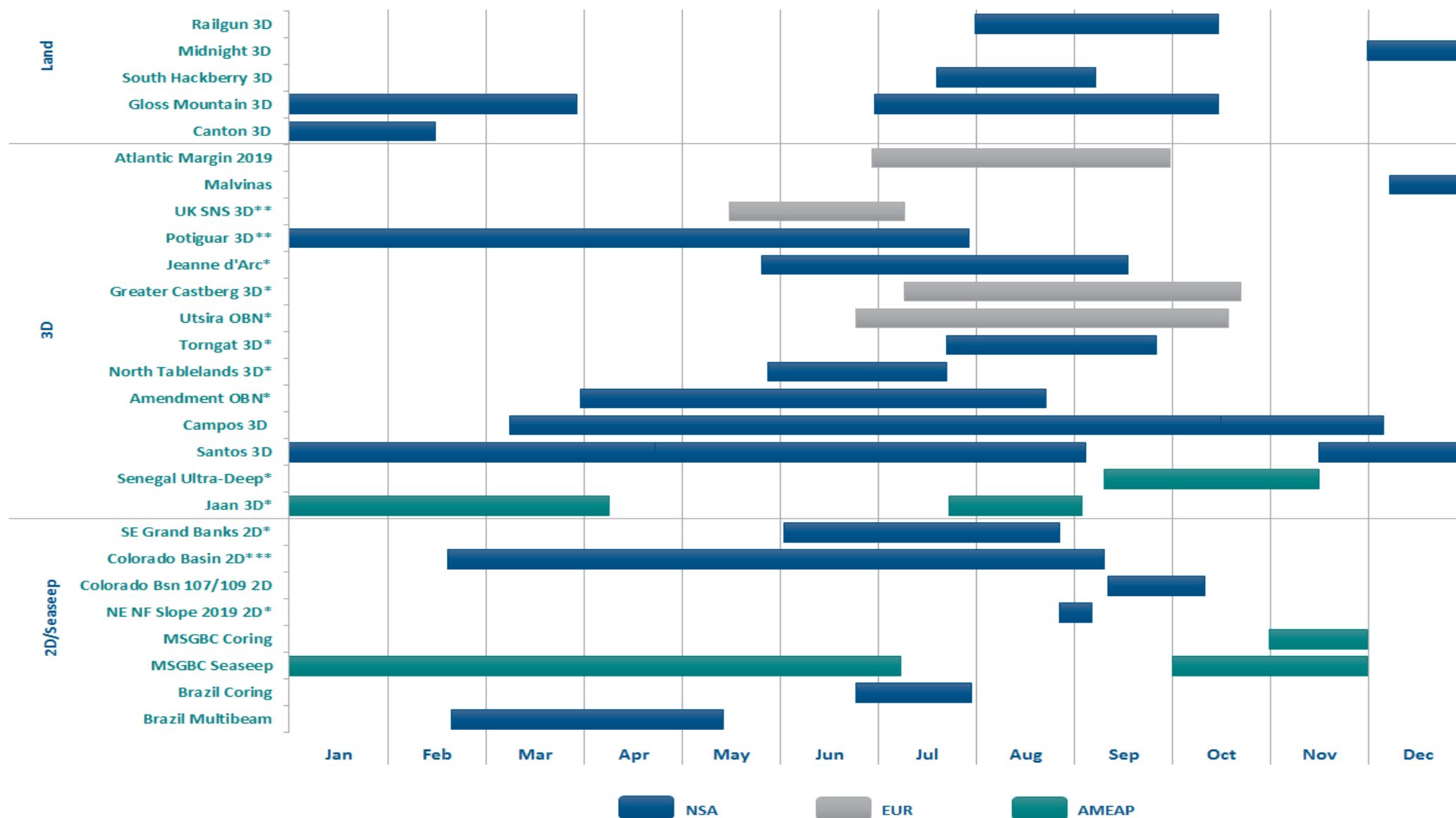
Source: TGS, Company reports

Backlog



1. Sales committed by customers but not yet recognized in the Segment Reporting accounts

2019 Project Schedule



* JV projects ** Spectrum projects that were committed prior to TGS-Spectrum transaction close that were active during Q3 2019 *** Both * and **

Adjusted financial guidance for the year¹

- Growth in multi-client investments of approximately 40%
- Pre-funding of new multi-client investments expected to be 35-40%
- Amortization to be slightly above 2018 level

¹ Adjustment made to reflect the combined company

Q3 19 Summary

- Q3 2019 net revenues of USD 277 million, compared to USD 171 million in Q3 2018
- Solid cash balance of USD 266 million at 30 September 2019 in addition to undrawn USD 100 million revolving credit facility
- Increased distribution to shareholders
- Continued strong order backlog
- Market outlook continues to improve, but volatility still high
- Acquisition of Spectrum completed – integration on track

Thank you



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Appendix

Income Statement

IFRS

(MUSD)		Q3 2019	Q3 2018	Change
Net operating revenues		162.1	132.9	22%
Cost of goods sold		0.1	0.1	36%
Personnel cost		28.7	14.8	94%
Other operational costs		10.4	6.3	64%
EBITDA	76%	122.9	111.7	10%
Amortization of multi-client library		63.8	63.9	0%
Depreciation		3.8	2.2	71%
Operating result	34%	55.2	45.5	21%
Interest income		1.6	3.8	-58%
Interest expense		-0.8	-0.3	192%
Exchange gains/losses		-1.4	0.3	n/a
Other financial income		-0.5	0.1	n/a
Result before taxes	33%	54.1	49.5	9%
Tax cost	25%	13.8	16.3	-16%
Net income	25%	40.3	33.2	21%
EPS (USD)		0.36	0.32	12%
EPS fully diluted (USD)		0.36	0.32	13%

Balance Sheet

IFRS

Balance sheet	Q3 2019	Q3 2018	Change	Q4 2018
Goodwill	284.8	67.9	319%	67.9
Multi-client library	1,124.7	902.6	25%	870.5
Deferred tax asset	14.9	0.7	2093%	0.9
Other non-current assets	82.3	28.2	192%	31.4
Total non-current assets	1,506.7	999.4	51%	970.7
Cash and cash equivalents	265.5	322.2	-18%	273.5
Other current assets	579.2	275.7	110%	380.2
Total current assets	844.7	597.8	41%	653.7
TOTAL ASSETS	2,351.4	1,597.3	47%	1,624.4
Total equity	1,520.0	1,144.5	33%	1,251.7
Deferred taxes	40.1	10.2	294%	29.3
Non-current liabilities	32.3	4.8	576%	5.0
Total non-current liabilities	72.5	15.0	384%	34.3
Taxes payable, withheld payroll tax, social security	39.5	47.1	-16%	27.1
Other current liabilities	719.4	390.7	84%	311.4
Total current liabilities	758.9	437.8	73%	338.5
TOTAL EQUITY AND LIABILITIES	2,351.4	1,597.3	47%	1,624.4

Reconciliation

Segment reporting/IFRS

Impact on Income Statement

(All amounts in USD 1,000s)	Q3 2019 As reported	Adjustments	Q3 2019 Segment
Net revenues	162,086	101,782	263,868
Amortization and impairment of multi-client library	63,815	54,795	118,610
Total operating expenses	106,839	54,795	161,634
Taxes	13,782	6,119	19,901
Net income	40,255	41,137	81,392

(All amounts in USD 1,000s)	YTD 2019 As reported	Adjustments	YTD 2019 Segment
Net revenues	366,765	173,323	540,087
Amortization and impairment of multi-client library	206,606	70,784	277,390
Total operating expenses	307,348	70,784	378,132
Taxes	21,300	19,414	40,713
Net income	42,727	83,395	126,122

Impact on Balance Sheet

(All amounts in USD 1,000s)	30-Sep-19 As reported	Adjustments	30-Sep-19 Segment
Multi-client library	1,124,748	-236,237	888,512
Deferred tax asset	14,927	-435	14,491
Total non-current assets	1,508,959	-236,672	1,272,287
Current assets	842,430	9,771	852,201
Total current assets	842,430	9,771	852,201

Equity	1,520,006	98,805	1,618,811
Deferred taxes	40,137	15,312	55,449
Non current liabilities	32,336	0	32,336
Total non-current liabilities	72,473	15,312	87,785
Accounts payable and debt to partners	21,498	97,603	119,101
Taxes payable, withheld payroll tax, social security	39,481	9,390	48,871
Other current liabilities	697,930	-448,011	249,919
Total current liabilities	758,910	-341,018	417,892

Historical Income Statement

Segment reporting – TGS/Spectrum consolidated

Segment (MUSD)	Q2 2019 Consolidated	Q1 2019 Consolidated	Q4 2018 Consolidated	Q3 2018 Consolidated	Q2 2018 Consolidated	Q1 2018 Consolidated
Net operating revenues	214.7	156.4	241.4	171.0	181.3	161.7
Cost of goods sold	-0.1	1.1	0.3	0.1	0.1	0.1
Personnel cost	21.4	20.2	26.7	17.8	24.4	19.1
Other operational costs	20.6	9.2	16.2	10.9	11.1	13.5
Cost of stock options	0.0	1.3	-1.6	0.5	1.5	0.5
EBITDA	172.8	124.6	199.8	141.8	144.3	128.4
Amortization of multi-client library	119.6	89.6	102.4	107.9	89.6	101.7
Depreciation	5.2	6.0	2.6	2.7	2.4	2.5
Operating result	48.0	29.0	94.8	31.2	52.2	24.2
Interest income	2.1	2.8	1.5	3.9	1.3	0.6
Interest expense	-1.0	-1.0	-0.9	-0.7	-0.9	-0.3
Exchange gains/losses	-2.0	-0.5	1.0	-3.1	-0.8	-1.2
Other financial income	-0.6	3.6	-0.6	-0.2	0.1	-0.1
Result before taxes	46.6	33.9	95.9	31.2	51.9	23.3
Tax cost	20.4	8.8	13.4	13.7	10.1	10.2
Net income	26.2	25.1	82.4	17.4	41.9	13.1

Historical Income Statement

IFRS – TGS/Spectrum consolidated

IFRS (MUSD)	Q2 2019 Consolidated	Q1 2019 Consolidated	Q4 2018 Consolidated	Q3 2018 Consolidated	Q2 2018 Consolidated	Q1 2018 Consolidated
Net operating revenues	139.5	145.5	330.2	160.9	147.2	114.7
Cost of goods sold	-0.1	1.1	0.3	0.1	0.1	0.1
Personnel cost	21.4	20.2	26.7	17.8	24.4	19.1
Other operational costs	20.6	9.2	16.2	10.9	11.1	13.5
Cost of stock options	0.0	1.3	-1.6	0.5	1.5	0.5
EBITDA	97.6	113.7	288.6	131.7	110.2	81.4
Amortization of multi-client library	87.9	93.0	111.5	78.3	71.4	78.1
Depreciation	5.2	6.0	2.6	2.7	2.4	2.5
Operating result	4.5	14.7	174.4	50.7	36.4	0.8
Interest income	2.1	2.8	1.5	3.9	1.3	0.6
Interest expense	-1.0	-1.0	-0.9	-0.7	-0.9	-0.3
Exchange gains/losses	-2.0	-0.5	1.0	-3.1	-0.8	-1.2
Other financial income	-0.6	3.6	-0.6	-0.2	0.2	-0.1
Result before taxes	3.1	19.6	175.5	50.6	36.1	-0.1
Tax cost	7.1	5.0	27.4	18.5	8.0	10.4
Net income	-4.0	14.6	148.1	32.1	28.1	-10.5