

## 1. Why did TGS acquire Spectrum?

**Answer:** The combination of both companies creates a greater value for all of our stakeholders. Per the press release on May 2, 2019, TGS acquired Spectrum:

- To establish a fourth main revenue generating hub and to accelerate growth in the South Atlantic region consistent with its stated strategic growth ambitions
- Spectrum owns the world's largest 2D library, which, combined with TGS' financial robustness, facilitates the acceleration of 3D investment plans
- To accelerate TGS' data and analytics strategy
- To implement significant cost synergies

## 2. What is the value of the acquisition to customers?

**Answer:**

- Together, we are a stronger and better oilfield services company with talented people offering our customers a strong foundation built on years of industry expertise and knowledge
- Building on TGS's values of quality and service, the transaction provides the following value to our stakeholders:
  - » Enhances our customer service
  - » Provides greater geographic coverage – we can be closer to our customers by being in more of the places they are
  - » Increases our ability to visualize and understand subsurface data with more 2D and 3D data
  - » Provides more G&G expertise under the same roof to utilize the expanded library to inform further investment and to extract maximum value from the data
  - » Builds on the momentum of enhancing our imaging quality and proficiencies and to further define TGS as a tier one organization through imaging expertise and data quality
  - » Builds on the momentum of providing data analytics solutions fit for our customers purposes

## 3. How much did TGS pay to acquire Spectrum?

**Answer:** The transaction cost was in the order of USD 400 million.

## 4. Did TGS assume any debt and, if so, what was that debt?

**Answer:** No. The entire transaction has been undertaken through the issuance of new TGS shares.

## 5. What will the management structure be of the merged company?

**Answer:** The new organization and management structure will be announced on August 29, 2019.

## 6. How do you think this merger will affect the stock price of TGS?

**Answer:** We firmly believe that the acquisition is value creative, both in terms of creating more business opportunities combined than the companies would have had separately and in terms of synergies. However, it is always hard to predict stock prices, as they are dependent on numerous factors outside our control.

## 7. Will the Spectrum brand be retained in any way?

**Answer:** Following a short period to manage the process, the Spectrum brand will be replaced with the TGS brand. Expect to see a fully integrated brand.

## 8. Will there be layoffs at either company?

**Answer:** As with any merger, there will be some duplication of roles and a need to right size the organization. However, we are positioning the company for further growth and people are key to reach our ambitions.

## 9. Will any offices of either company close?

**Answer:** The plan is to be operating as single company by January 1, 2020, co-located and a combined redesigned organization. Efforts will be considered to co-locate where TGS has duplicate offices.

## 10. Will there be any financial savings through the consolidation of the two companies?

**Answer:** TGS expects annual cost synergies from the transaction of USD 20 million.

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