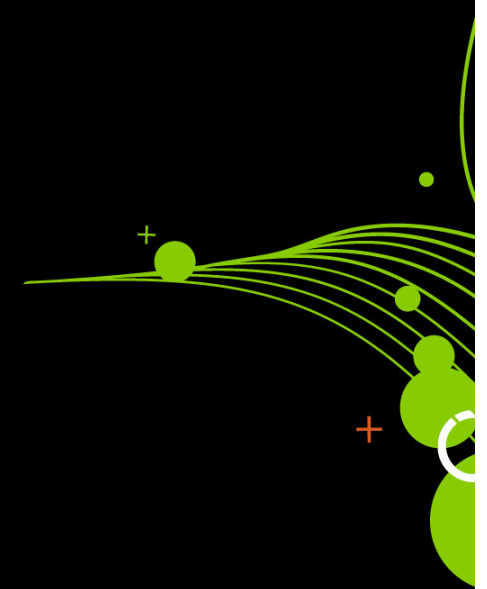




ION Geophysical Corp

November 2008





Transaction Overview



Transaction Overview

- On July 8, 2008 ION Geophysical Corporation (“ION” or the “Company”) announced that it had agreed to purchase all of the outstanding shares of ARAM Systems Ltd. and its affiliate, Canadian Seismic Rentals (“ARAM”)
 - Total transaction value of CAD\$350 million (US\$327 million)
 - Cash purchase consideration of \$275 million
 - ION common stock valued at the difference between CAD\$350 million and \$275 million
 - Jefferies provided a \$150 million commitment
 - ARAM manufactures, sells and rents analog seismic equipment to seismic data acquisition contractors
- On September 17, 2008, ION entered into an amended purchase agreement which obligated ION to:
 - Pay cash consideration of \$236 million
 - Issue \$35 million Senior Seller Note and \$10 million Subordinated Seller Note
 - Issue to ARAM 3,629,211 shares of ION common stock
- ION financed the cash component of the purchase price through
 - \$72 million drawn on its \$110 million Revolving Credit Facility
 - \$125 million of a Term Loan Facility
 - \$40 million of a Short Term Bridge Loan

Senior Secured Credit Facility

+

Borrower	ION Geophysical Corporation ("ION" or the "Borrower").
Facility.....	<p>\$235.0 million Senior Secured Credit Facility consisting of:</p> <ul style="list-style-type: none">■ \$110.0 million Senior Secured Revolving Credit Facility (the "Revolver").■ \$125.0 million Senior Secured Term Loan A (the "Term Loan A").
Revolver Letter of Credit Sub Limit	\$35.0 million.
Maturity	2013 (5 years).
Pricing.....	<ul style="list-style-type: none">■ Revolver: Leverage-based grid ranging from L + 187.5 to 287.5 bps. Pricing pro forma for the transactions: L + 237.5 bps.■ Term Loan A: Leverage-based grid ranging from L + 212.5 to 312.5 bps. Pricing pro forma for the transactions: L + 262.5 bps.
Use of Proceeds	Fund, in part, the acquisition of ARAM.
Guarantors	Guaranteed by all existing and future direct and indirect domestic material operating subsidiaries and domestic holding company subsidiaries with assets having a book value of \$50.0 million or more ("U.S. Guarantors"), subject to such guarantees capturing at least 85% in aggregate of the consolidated domestic assets of ION and its domestic subsidiaries.
Security	First-priority security interest in (a) 100% of the stock of all material U.S. Guarantors and 65% of ION International Holdings, LP (holding company for foreign subsidiaries) and (b) substantially all other assets of ION and the U.S. Guarantors.
Term Loan A Amortization ..	15% Year 1, 15% Year 2, 20% Year 3, 20% Year 4, 30% Year 5.
Financial Covenants	<ul style="list-style-type: none">■ Maximum Leverage Ratio of 2.50x.■ Minimum Fixed Charge Ratio of 1.25x.■ Minimum Tangible Net Worth of 80% of TNW at close plus (i) 50% of net income and (ii) 80% of net proceeds from any mandatorily convertible note and preferred or common stock issuances.



Investment Highlights

Leading Technology-Focused Seismic Solutions Company

- Leading seismic solutions company, providing advanced seismic data acquisition equipment, seismic software, and seismic planning / processing / interpretation services to national oil companies, major integrated and independent energy companies and diversified oil service companies
- Products and services are used to generate high-resolution images of the earth's subsurface in the exploration, exploitation, and production of oil and natural gas
- The combination of ARAM's products with ION's strong global sales and distribution network will strengthen ION's presence in land based seismic systems

Industry Leading "Game Changing" Technology Platform with Proprietary Products

- Acquisition of Concept Systems and GXT in 2004 vaulted ION into a position as the industry's premier seismic technology company, and complemented its existing seismic equipment manufacturing platform to create an integrated seismic provider that can tailor surveys and survey designs to customers' specific needs
- Extensive line of cutting edge proprietary products, including "game-changing" technology that positions the Company for the full-wave digital imaging era – new products include FireFly and VectorSeis Ocean (VSO)

Broad Portfolio with Products in Various Stages of Product Lifecycle

- Highly diversified product portfolio ranges from mature, stable business lines, to "fixer-uppers" that gain market share with new positioning, to game-changing technology that has transformative effects on its segment
- Significant past investments in research and development spending, the results of which are beginning to be realized, including the commercialization of the Firefly system in 2008
- ARAM's analog products are a perfect complement to ION's digital full-wave systems

Diverse Business Mix with Global Scale and Operations

- Multiple business lines, including a comprehensive portfolio of seismic systems and solutions with state-of-the-art seismic equipment, seismic data management solutions as well as seismic imaging solutions
- Ability to serve oil and gas customers in all major energy producing regions of the world from 14 strategically located offices throughout the world
- ARAM's land based product margins are significantly more than those of Scorpion, ION's land based wired product, due to superior product engineering. ARAM's low-cost production capabilities and expertise are potentially applicable to other ION segments



Investment Highlights (cont'd)

Broad, Top Tier Customer Base

- Top customers include seismic data acquisition companies, national oil companies, major integrated oil companies, as well as major independent exploration and production companies
- Company's diversified seismic solutions platform creates significant cross-selling opportunities and an ability to upsell ARAM's customer base
- The positive ARAM brand image, known for excellent durability and compelling price/performance, strengthens ION's reputation as a leading seismic solutions provider

Favorable Long-Term Industry Dynamics

- Declines in the number and size of new discoveries, production decline rates in existing reservoirs, and increasing demand for hydrocarbons have cumulatively increased pressure on oil and gas companies to discover new fields as well as optimize the recovery factors of existing fields
- Harsher environments with marginal reserves result in increased finding and development costs – and thus increased demand for new seismic technology to reduce costs and improve efficiency

Experienced Senior Management Team and Operations Staff

- Management team is “cycle-tested” and has built a diversified seismic company with a broad array of products and services and game-changing technology platform
- Current ION management team will be strengthened by ARAM's management who will assume responsibility for the newly consolidated land seismic group

Experienced Senior Management Team

Robert P. Peebler
*President and
Chief Executive Officer*

- President and CEO since April 2003 and a member of Board of Directors since 1999
- Former Founder, President and Chief Executive Officer of Energy Virtual Partners, an asset development and management company for oil and gas properties
- Former Vice President of e-Business Strategy and Ventures of the Halliburton Company
- Former CEO of Landmark Graphics Corporation, a provider of workstation based software for oil and gas exploration and production, which was acquired by Halliburton
- 17 years with Schlumberger in various positions, including head of U.S. wireline operations and executive in charge of strategic marketing for the corporate energy services group

Brian Hanson
*Executive Vice President and
Chief Financial Officer*

- Executive Vice President and Chief Financial Officer since May 2006
- Former Executive Vice President and Chief Financial Officer of Alliance Imaging, Inc., a NYSE-listed provider of diagnostic imaging services to hospitals and other healthcare providers
- Former Vice President Finance of the Healthcare group from 1998 to 2002 and Chief Operating Officer from 2002 to 2003 at Fisher Scientific International Inc., a NYSE-listed manufacturer and supplier of scientific and healthcare products and services
- Former VP of Finance and CFO at Culligan Water Conditioning, an international manufacturer of water treatment products and producer and retailer of bottled water products

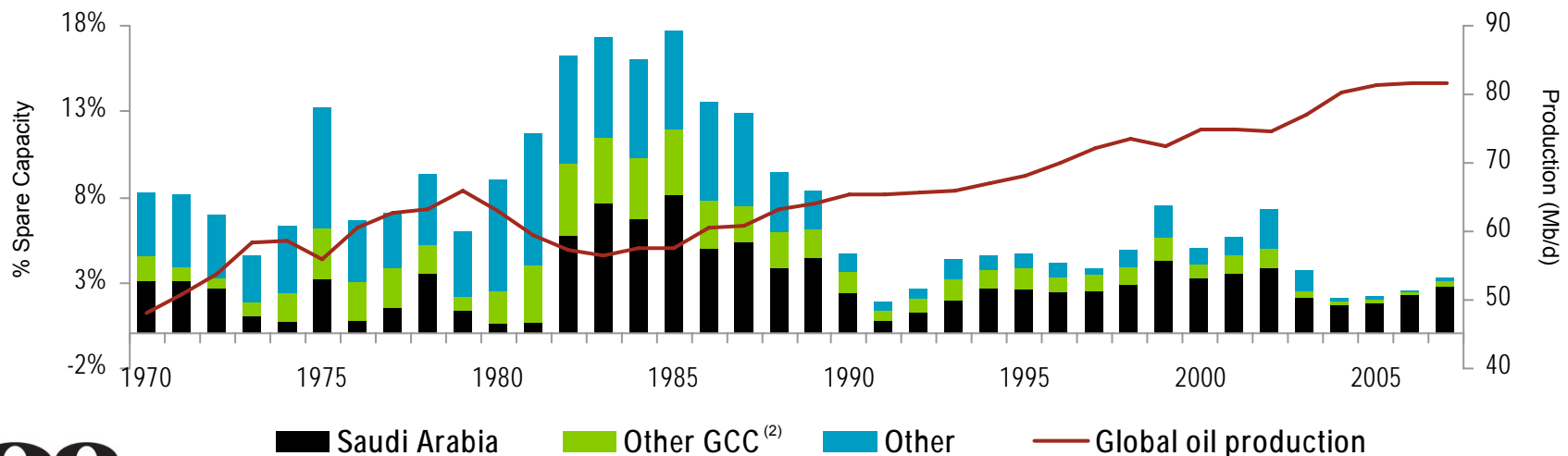


Industry Overview

Industry Dynamics

- Despite current hydrocarbon price volatility, the oil and gas industry is entering a long-term up cycle
 - Underinvestment in exploration and new technology has created a supply and demand imbalance that will take years to overcome
 - The daily global oil production of 85 million b/d, with an estimated spare production capacity of only 3.0 million b/d, a historical low
 - IEA estimates a 9.0% natural decline rate of production for existing oil fields
 - IEA further estimates that the average production-weighted decline rate worldwide is currently 6.7% and is projected to increase to 8.6% in 2030 if the industry invests \$350 billion annually in the upstream oil and gas sector
- In the early 1980's, the oil and gas industry entered the last major down cycle
 - The daily global oil production of approximately 60 million b/d, with an additional 14 million b/d of spare production capacity
 - Only four countries in the world, including the lower 48 U.S. states, Romania, Germany, reached peak production, or "peak oil"
 - Several major oil producing regions were just coming on line, the North Sea and Alaska included
 - It took an entire decade for global demand to catch up with the supply
 - By 1990, 18 countries had hit peak, including the North Sea and Alaska
- While a global recession may slow down demand in the short term, it will be challenging to overcome long-term decline rates

Global Oil Production vs. Spare Capacity ⁽¹⁾



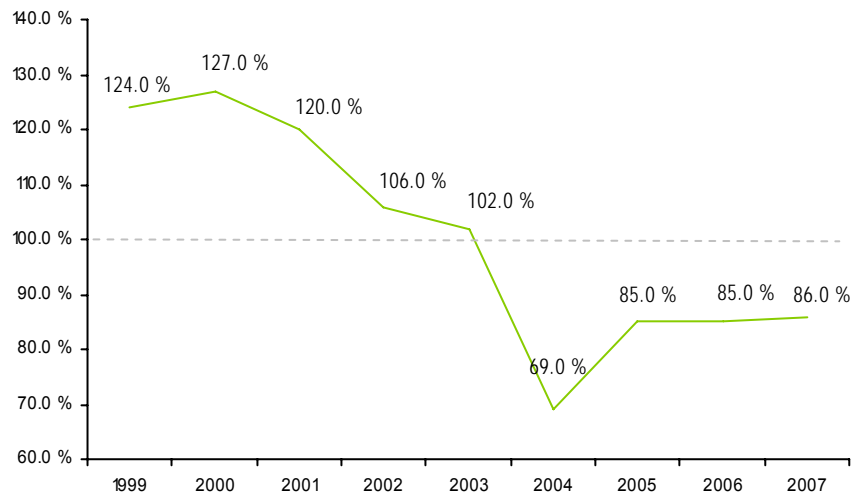
(1) Source: BP Statistical Review of World Energy.

(2) Gulf Cooperation Council, an organization promoting stability and economic cooperation among Persian Gulf nations. Its members are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

Oil and Gas Companies are Struggling to Replace Reserves

- Current investment cycle is expected to be an extended cycle with key challenges and fundamental changes in the oil and gas industry
- Oil and gas companies are challenged to increase production and replace declining reserves
 - Marginal reserves and production being found in harsher environments / deeper water / deeper formations
 - Revisit existing areas with new technologies
 - Optimize reservoir management, maximize recovery rates
 - Heightens focus on advanced imaging to reduce costs and increase efficiency

Organic Reserve Replacement Ratio



TECHNOLOGY will be both the short and long-term solution

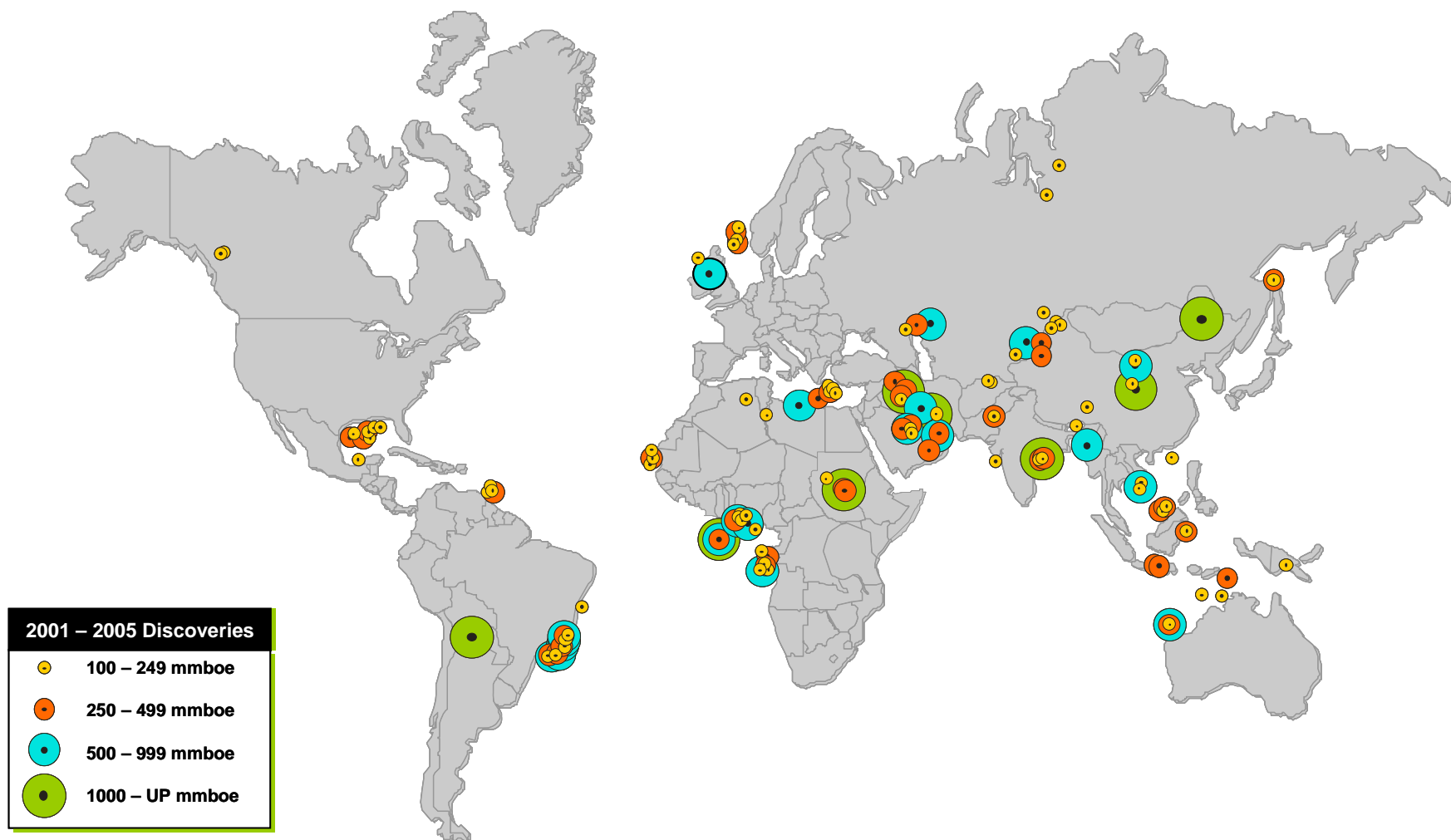


Source: Herolds.

Note: The sample comprises AHC, BG, BP, CVS, COP, ENI, XOM, MRO, NHY, OMV, PCA, REP, RD/S, STO and TOT.

Business Increasingly International

Location of Discoveries > 100 MMBOE

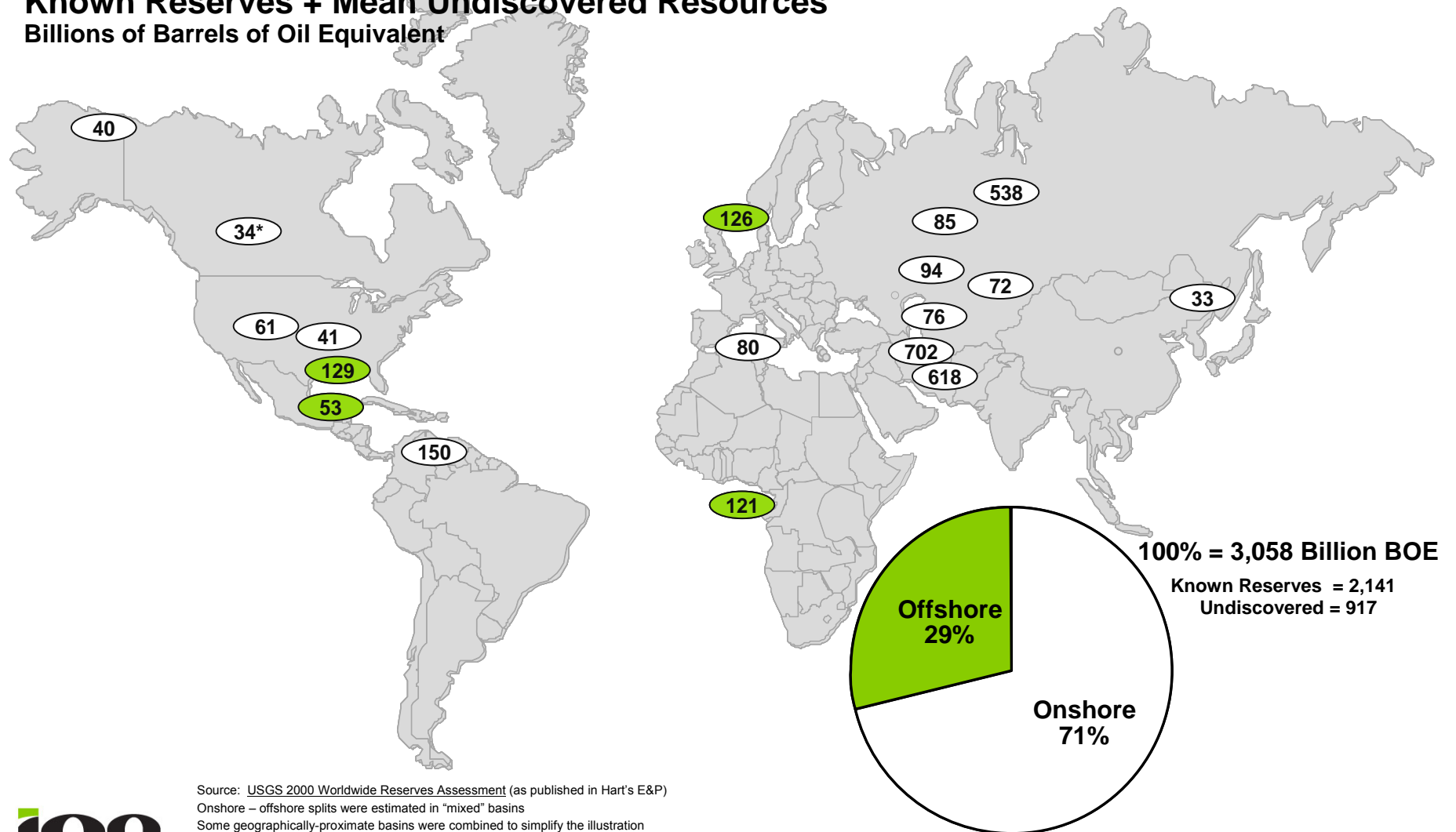


Majority of Global Resource Base is Onshore

Hydrocarbon Distribution in the Top 25 Basins

Known Reserves + Mean Undiscovered Resources

Billions of Barrels of Oil Equivalent



Source: USGS 2000 Worldwide Reserves Assessment (as published in Hart's E&P)

Onshore – offshore splits were estimated in "mixed" basins

Some geographically-proximate basins were combined to simplify the illustration

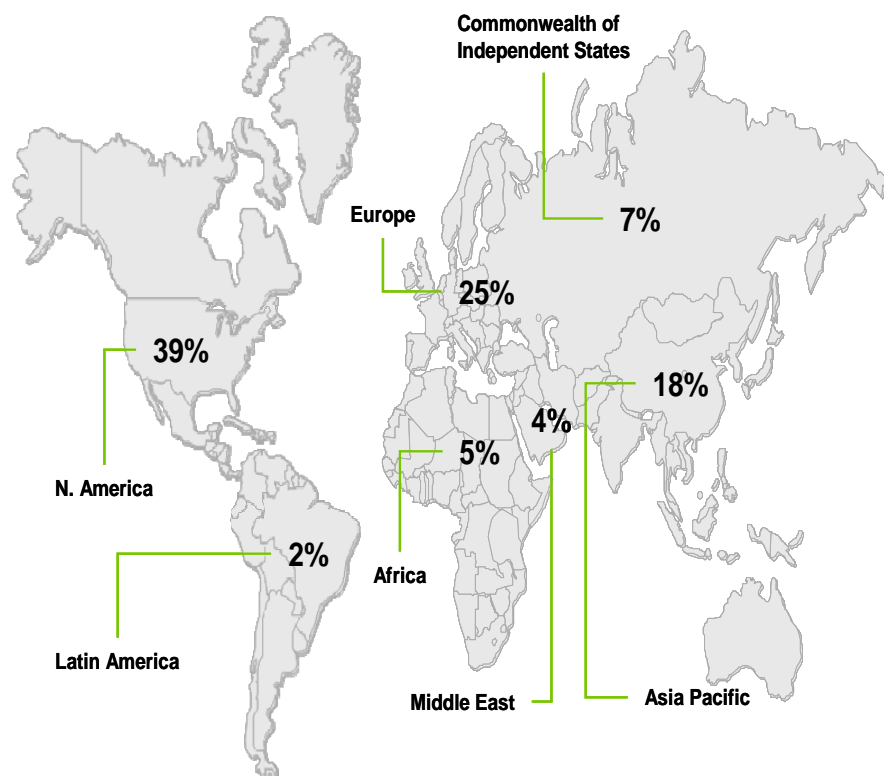
* Western Canada excludes tar sands and heavy oil (assessment was for conventional resources only)

ION Overview



ION is a Global Technology-Driven Seismic Solutions Provider

Mix of Business by Location (Percentage of 2007 Revenue)



Note: All figures do not reflect full-year effect of ARAM acquisition, unless indicated as Pro Forma.

Land Imaging Systems

Land Acquisition Systems



Firefly

World's First Cable-less Recording System

- Better image-high density/full-wave
- Reduced cycle time
- Higher productivity-lower costs
- Improved HSE - better access



Scorpion

Cabled Recording System

- Maximizes seismic crew productivity
- Ensures error-free recording
- Enables full-wave imaging
- Scalable to high channel count surveys

Vibrators and Energy Sources



X-VIB / ADV-IV Vibrator Vehicles

- Standard for vibrator products
- ADV-IV is the industry workhorse
- X-VIB reduces environmental impact of seismic process



Pelton Source Controllers Energy Source Controllers

- Maximizes field acquisition efficiency
- Meets demands of complex survey designs
- Capable of controlling up to 32 vibrators simultaneously

Geophone



SM-24 Geophone Analog Sensor

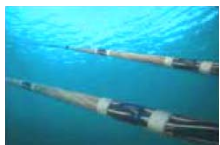
- High durability saves customers from costly repairs and minimizes survey down times



ARAM's land-based analog products will complement existing product portfolio

Marine Imaging Systems

Towed Streamer Acquisition Systems



DigiSTREAMER
Marine Streamer

- Based on noise-dampening, solid section streamer technology to maximize signal quality
- System improves both productivity and quality control
- Commercialized Q2 '08

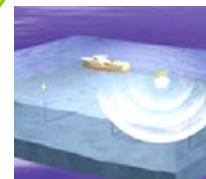
Marine Positioning Systems



DigiBird and DigiFIN
Marine Positioning System

- Includes streamer cable depth control devices, compasses, acoustic positioning systems and other auxiliary sensors
- Increases accuracy and repeatability for 4D surveys and optimizes survey coverage
- The DigiBird and DigiFIN advanced streamer command and control systems allow for finer sampling of seismic data and improved subsurface images

Ocean Bottom Acquisition Systems

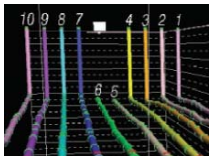


VectorSeis Ocean
Redeployable Seabed System

- Cost-effective, full-wave data acquisition equipment
- Including VectorSeis digital full-wave sensors, a buoyed recorder and a patented noise-reducing cable system
- Exclusivity agreement with Reservoir Exploration Technology

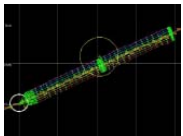
Data Management Solutions

Marine Imaging



SPECTRA
Streamer Software

- Currently installed on more than 50 seismic vessels worldwide
- Incorporates position quality control, navigation processing and binning



Orca
"Next Generation"
Streamer Software

- Includes modules designed to manage the acquisition of complex surveys including Wide Azimuth Towed Streamer and time-lapse 4-D surveys
- Several major seismic contractors now adopting the technology for their new, high-end seismic vessels

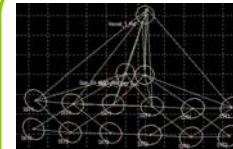
Seabed Imaging



GATOR
OBC Software

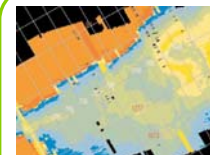
- Provides real-time, multi-vessel positioning and data management solutions for ocean-bottom, shallow-water, and transition zone crews
- Blends advanced positioning and data management features to ensure optimal image quality, time-lapse repeatability, and operational efficiency

Post-Survey Analysis Tools



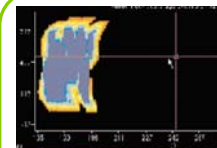
SPRINT
Marine Survey
Software

- Navigation processing and quality control software for marine geophysical surveys



REFLEX
Seismic Survey
Software

- Software for navigation and seismic survey control



SWAT
Web-based Survey
Software

- Software for remote web-based analysis of survey progress and quality assurance of data acquisition

Seismic Imaging Solutions

Seismic Data Processing Services



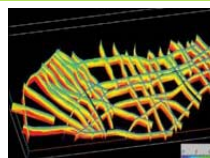
GXT Imaging Solutions

- Most sophisticated depth imaging projects includes targets that are at extreme depths, obscured by salt or gas clouds, or defined by complex structure and stratigraphy
- Reverse Time Migration (RTM) Technology

AXIS Geophysics Group

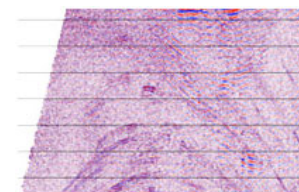
- Focuses on advanced seismic data processing for stratigraphically complex onshore environments
- Proprietary data processing technique, AZIMTM, better accounts for the anisotropic effects of the earth, which tend to distort seismic images

Integrated Seismic Solutions (ISS)



- Manage the entire seismic process, from survey planning and design to data acquisition and management through pre-processing and final subsurface imaging
- Where seismic data does not exist or is not sufficient to meet oil & gas company's imaging objectives, GXT offers start-to-finish multi-client projects
- Focuses on the technologically intensive components of the image development process and data processing and interpretation, and outsources the logistics component
- Customers pre-fund the data acquisition costs resulting in an asset-light business model

Seismic Data Libraries



- Consisting of non-exclusive marine and ocean bottom data from around the world
- GXT's excellence in advanced image processing, including noise removal, velocity modeling, and pre-stack time and depth migration (PreSTM and PreSDM), guarantees our customers receive highly differentiated images to help them make informed decisions regarding exploration acreage and future development programs

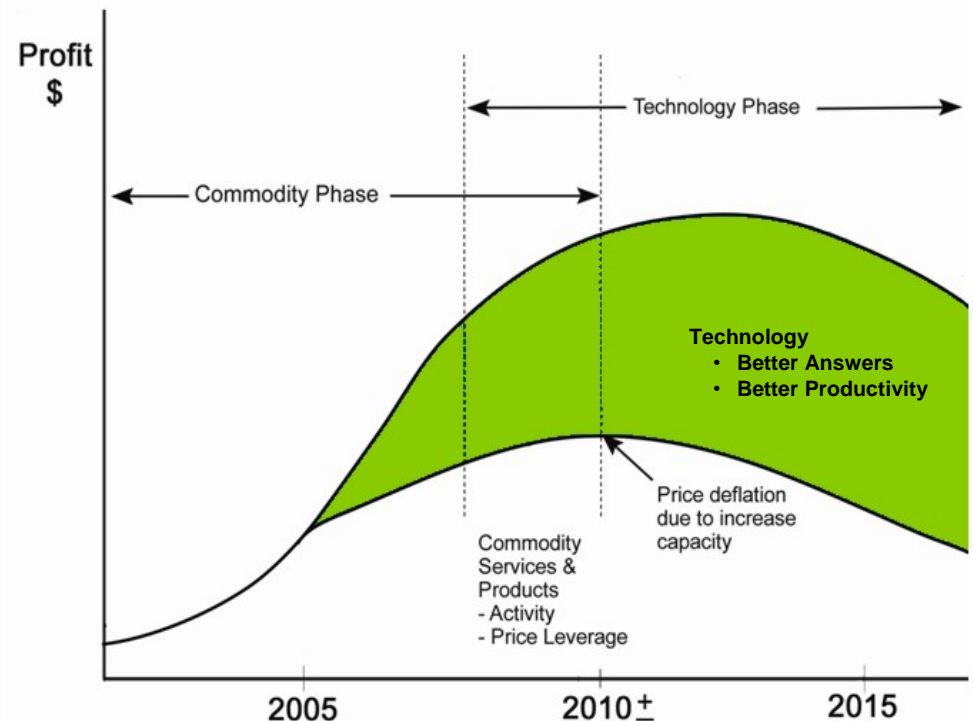
Technology Focus

- We are in a “long cycle” where technology will become the main driver of profitability
- Since 2003, we have repositioned our strategy and portfolio to capitalize on these trends
- Benefited from the rising tide in the industry....but have re-invested much of the profits in R&D
- Expect to begin capturing the payback on our game-changing investments in 2008 & 2009...
- ...and believe we are building a technology differentiated company with long term earnings power, a 21st Century Reservoir Imaging Company



A View on Energy Cycles

Technology-intensive Providers Benefit in Long Up-Cycles



Our Strategy

Evolution to Broad-Based Seismic Solutions Provider



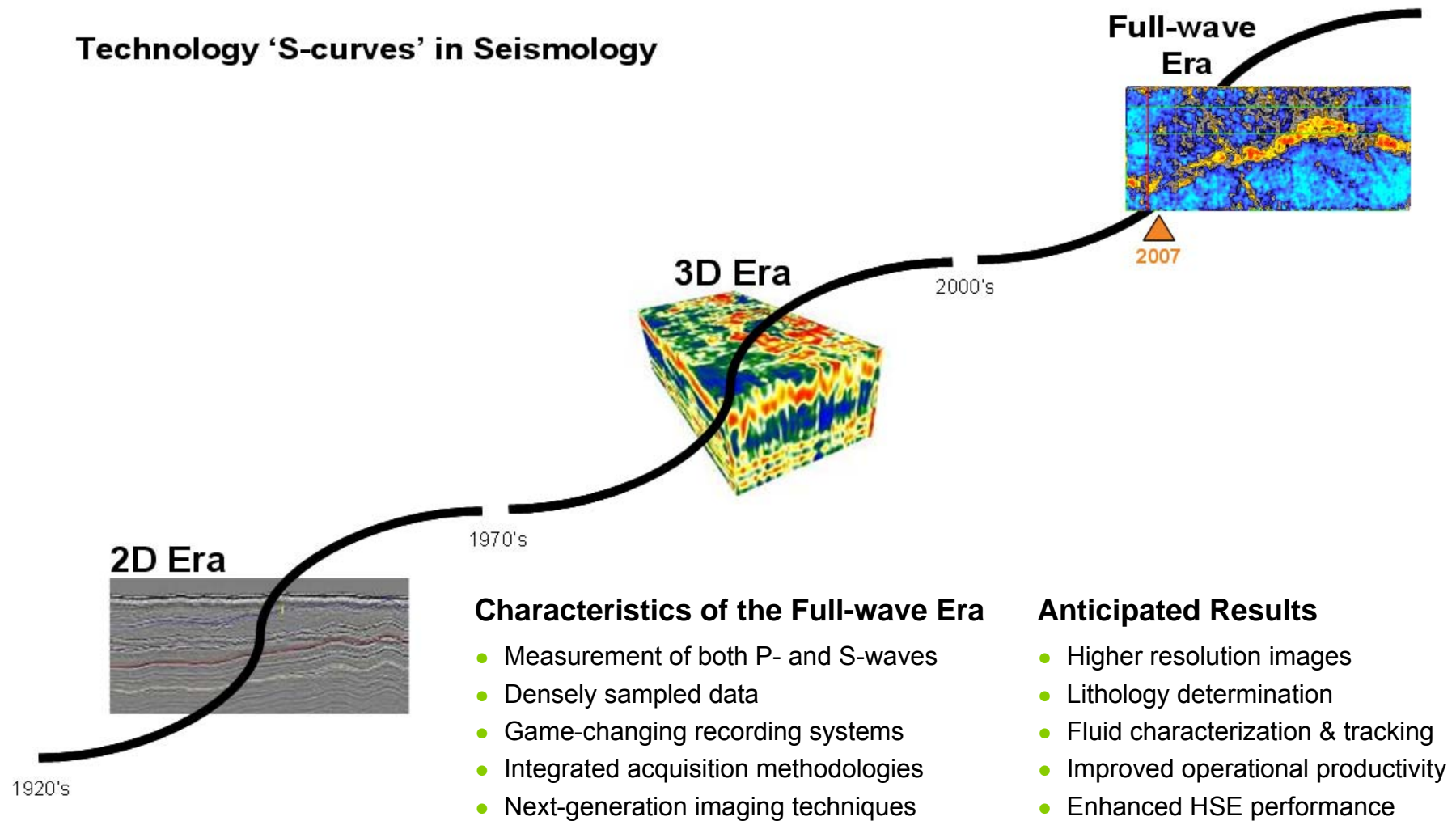
- Approach the business as a portfolio of three segments
 - **Mature businesses:** Benefit from the 'rising tide'
 - **"Fixer-uppers":** Gain market share with enhanced and upgraded products/positioning
 - **Game-changers:** Transform their segments (the largest drivers of customer (and ION) value and the main focus of R&D spend)
- For the game-changers:
 - Better answers for a lower cost
 - Shorter "full-cycle" times
- Exploit the emerging reservoir opportunities
 - Increasing exploration + reservoir characterization + 4D

Key Steps to Enable Our Strategy:

- ARAM acquisition strengthens land-based acquisition systems in the more mature end of the lifecycle
- Funding strategic R&D, introducing products with launch partners
 - VSO + DigiFin + VectorSeis + FireFly
 - JV for 4D, BP/Apache Alliance
- Acquired GX Technology (GXT) and Concept Systems (2004)
 - GX Technology Corporation (GXT) – advanced seismic data imaging solutions services and seismic data libraries for the marine environment
 - Concept Systems – integrated planning, navigation, and data management software and solutions for towed streamer and seabed operations

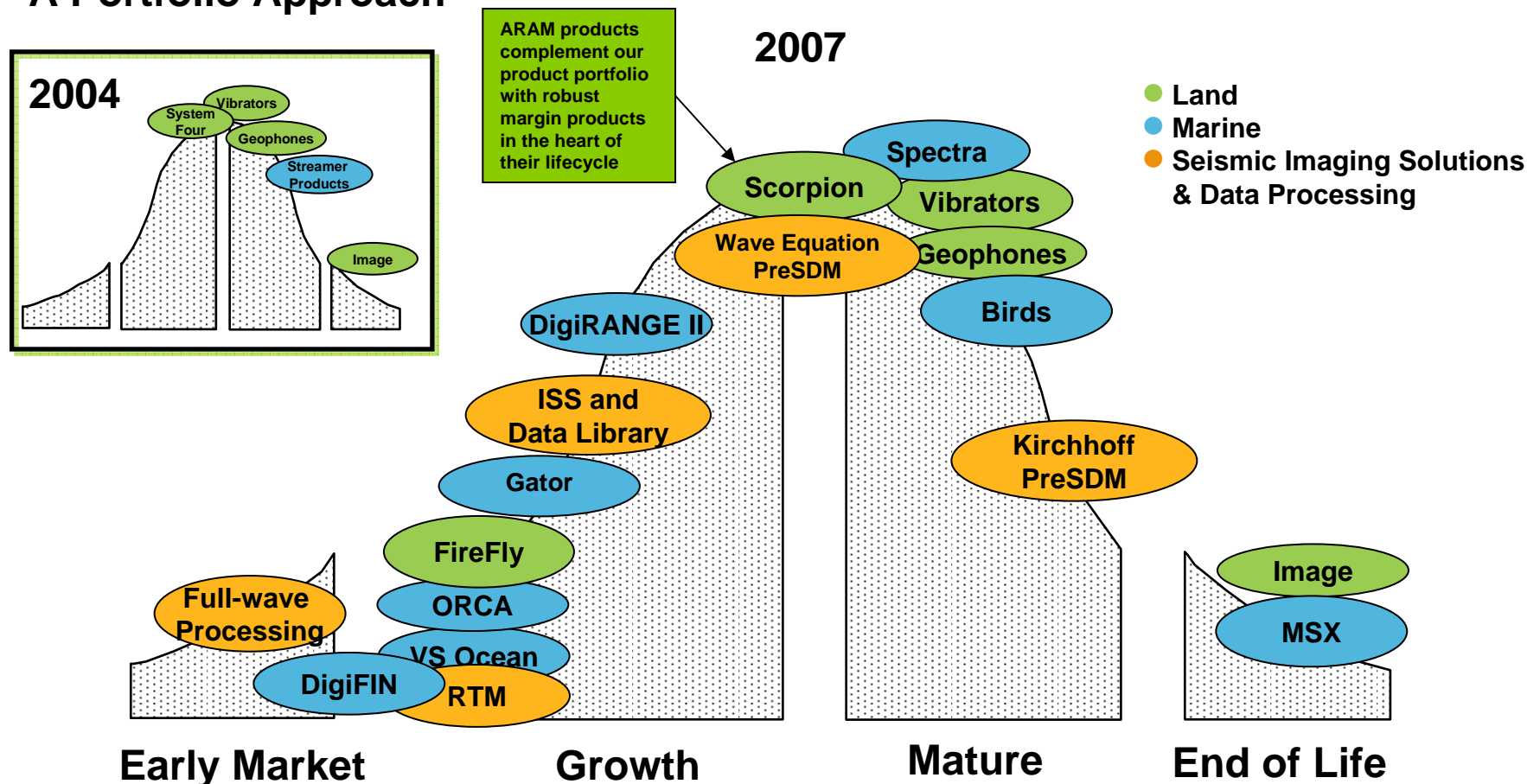
The Third Era of Seismic Imaging: Digital Full-Wave Imaging

Technology 'S-curves' in Seismology



Diversified Technology Portfolio with Products in Various Stages of the Product Lifecycle

A Portfolio Approach



Significant Investments in R&D 2003-2007



ARAM Overview



ARAM Overview

- ARAM manufactures, sells and rents analog seismic equipment to seismic data acquisition contractors
 - Reliable, backwards compatible products that minimize client capital expenditures and operating costs and maximize operational efficiency
 - Provides comprehensive post-purchase support that ranges from repairs to training to site visitation
 - Products can be fully integrated with a wide range of peripherals, including peripherals sold by third parties, to form complete analog seismic data acquisition systems for use onshore and in transition zones
- Offices in Calgary, Houston, Moscow and Dubai
- Founded in 1972 by Don Chamberlain as Geo-X Systems Ltd., a seismic data processing firm
 - Over the next 30 years, it became the largest independent seismic data processing company in Canada
 - Today, it is the second largest independent supplier of land seismic equipment with several hundreds of thousands of channels deployed worldwide
- Derived 83% of 2007 revenue from manufacturing and 17% from rental services
- RAM (Remote Acquisition Module): Acquires analog seismic data from geophones and transmits data digitally to central system
 - Product Lines: ARIES I, ARIES II (shipping Q3 '08), ARIES MC (Multi-Component), ARIES TZ (Transition Zone)
 - Central Recording System (CRS): Collects data acquired by RAM
 - TAP: Retransmits data from RAMs to the CRS
 - Cables: Connects geophones to RAMs and TAPS to CRS
 - Others: NetLink, Network Test Units, Batteries and Chargers



Strategic Rationale

+

Proven Success In Land Based Seismic Equipment

- Cable-based system market will continue to be strong for the foreseeable future due to normal diffusion of new technology and the price differential
- Combination of ARAM's products with ION's strong global regional organization make ION a much better competitor against Sercel who has over 80% share in some markets
- Provides ION with a competitive, high quality and high reliability, low-cost analog product line

ARAM Business Operational Excellence

- Long track record of success and growth
- Margins are higher than those of Scorpion product line (ION's cable-based system)
- Low-cost production capabilities and expertise are potentially applicable to other ION product lines
- State-of-the-art automated manufacturing processes

Brand and Customer Awareness

- Positive ARIES brand awareness (excellent durability and compelling price/performance)
- Strong reputation for delivering excellent customer service and customer-centric philosophy

Financial Impact

- Adds a platform of income and cash flow generation that creates stand-alone value and improves ION's current scale and visibility
- Accretive transaction even without including potential synergies

Potential Synergies

- Opportunity to leverage ION's international footprint and channel capabilities to rapidly expand sales internationally in regions where ARAM has just begun to make inroads
- Ability to up-sell ION services and products (e.g., FireFly) into ARAM's customer base
- Consolidation of R&D in cable-based system and ability curtail investment in Scorpion
- Consolidation in cable system supply chain and field service and support, headcount as appropriate
- Rental business model represents a new business model for possibility other ION products (e.g., FireFly)
- Ability to integrate a VectorSeis in ARAM's analog product to create a low cost full-wave digital product

Talent

- Chris Chamberlain is a seasoned executive capable of eventually driving success across all of Land Imaging Systems Segment
- Expertise in low cost manufacturing and R&D that ION can leverage



Conclusion



Investment Highlights

**Experienced Senior
Management
Team and
Operations Staff**

**Leading Technology-
Focused Seismic
Solutions Company**

**Industry Leading
“Game Changing”
Technology Platform
with
Proprietary Products**

**Favorable Industry
Dynamics**



C H A R G E D W I T H I N N O V A T I O N

**Broad Portfolio with
Products in Various
Stages of
Product Lifecycle**

**Broad, Top Tier
Customer Base**

**Strong Pro Forma
Credit Profile with
Synergy Upside**

**Diverse Business
Mix with Global
Scale & Operations**

