



THE COMPANY

Input/Output, Inc. (NYSE: IO) is a technology-focused seismic solutions company that provides advanced acquisition equipment, software, and planning and seismic processing services to the global oil & gas industry. I/O technologies and services are used by E&P companies and seismic acquisition contractors in order to generate high-resolution images of the subsurface (think of it as a "CAT scan of the earth") during exploration, exploitation, and production operations.

INDUSTRY CONTEXT

Seismic imaging plays a fundamental role in hydrocarbon exploration and reservoir development by delineating structures, rock types, and fluid locations in the subsurface. Geoscientists interpret seismic data to identify new sources of hydrocarbons and pinpoint drilling locations for wells, which can be costly and high risk. As oil & gas reservoirs become harder to find and more expensive to develop and produce, the demand for advanced seismic imaging solutions continues to grow. In addition, seismic technologies are now being applied more broadly over the entire life cycle of a hydrocarbon reservoir to optimize production (referred to as 4D or time-lapse seismic).



OUR VISION

I/O is leading the oil & gas industry into the next seismic era, which we refer to as Digital, Full-wave. Legacy seismic technologies have proven to be enormously useful in hydrocarbon development, but are reaching their technical limits. In order to identify the oil & gas reservoirs necessary to satisfy the world's growing thirst for energy, a new generation of seismic solutions will be required. These digital, full-wave solutions - spanning hardware, software, and survey design and processing services - promise to extend the application of seismic technology across the reservoir life cycle by delivering higher resolution images at lower costs, and in shorter periods of time to the key decision-makers in the oil & gas companies.

OUR CUSTOMERS

I/O serves two primary customer segments:

- Oil & gas companies are the ultimate end-users of seismic data. Our clients - including supermajors, national oil companies, and independent producers - engage us directly to design seismic surveys and provide advanced processing services, purchase licenses to our seismic data libraries, or secure our program management services for integrated, end-to-end seismic imaging projects.
- Seismic contractors purchase our imaging equipment and software to acquire high-quality seismic data on behalf of

QUICK FACTS

- Approximately 40 years of experience in the seismic industry
- I/O was the first to develop a multi-component sensor (VectorSeis) and a multi-component cableless land platform (FireFly)
- Approximately 40% of our workforce is located outside of the United States

2006 MILESTONES

- Revenue of \$503.6 million, growing by more than 40% from 2005
- Launched 10,000 station FireFly field trial with BP
- Executed a \$29 million purchase order for the fourth VectorSeis Ocean system with RXT
- Won a \$60 million competitive tender with ONGC for a land acquisition system
- Launched Scorpion, our cable-based land acquisition system
- Delivered two new GXT BasinsSPANS, a basin-wide, ultra-deep seismic library, in India and the Arctic
- Won a tender for the largest full-wave processing project
- Commercialized the reverse time migration (RTM) processing technique

BENEFITS OF FULL-WAVE IMAGING

- Improves subsurface resolution
- Differentiates lithologies
- Tracks fluid movement
- Increases productivity
- Lessens impact on the environment

WHAT SETS US APART



I/O is unique both in what products and services it delivers, and how it delivers them. At least four items differentiate us from others in the seismic and exploration services industry:

Pursuit of full-wave seismic technology. I/O is driving a revolution in the technology platform used in subsurface imaging. While many in the industry slowly transition away from conventional, 30-year old technologies (centered upon analog recording of P-wave only data), the core of I/O's strategy centers upon accelerating the adoption of digital, full-wave imaging (capturing the full-seismic wavefield including both P-waves and S-waves). This approach delivers high definition images of the subsurface and enables geophysicists to better identify subtle structural, rock, and fluid-oriented features in the earth. Our award-winning VectorSeis[®] sensor and AZIM[™] processing technology are just two of several tools in I/O's full-wave arsenal that have earned accolades from oil & gas companies worldwide.

Quest to make 4D seismic a reality. Time-lapse (4D) seismic has been proven as a reservoir management tool. By acquiring successive seismic images on the same producing field, geophysicists can identify by-passed oil, optimize exploitation drilling investments, and better manage injection programs. The key to 4D seismic is repeatability, and the keys to repeatability are owned by I/O. Our Concept Systems team delivers a comprehensive portfolio of software and services to measure and assure the quality of the 4D acquisition, which includes accurately controlling the position of the towed streamer vessels, source energy systems and in-water recording cables.



Image-Driven[™] approach for value-added results. Full-wave imaging involves more than just the sensor. It encompasses the entire seismic workflow, from survey design to acquisition and data processing. Most seismic service companies move through the workflow with processing often constrained by survey design parameters and the technologies used to acquire the data. By contrast, the Image-Driven approach attacks the workflow in reverse. Our experts work closely with the oil & gas companies upfront to define the nature of the imaging challenge at hand, and then work backwards to select the appropriate mix of processing applications, acquisition technologies, and survey design parameters needed to optimize the image. The end result is a better image for our oil & gas customers.

The "virtual contractor" business model of GXT. I/O offers a unique business model within the seismic services industry. Although the company does not own any vessels, crews or heavy assets, I/O can provide the same end-to-end imaging services as a fully integrated contractor. Through a service known as ISS (Integrated Seismic Solutions), I/O's GX Technology group provides full-scope seismic services (including survey design, technology selection, field acquisition, processing, and final image rendering). By working in partnership with experienced seismic contractors in ISS projects, I/O aligns with the priorities and objectives of our customers, focuses on the value-added elements of the seismic workflow, and delivers our solutions with minimal capital intensity and asset utilization burden.



GX TECHNOLOGY

CORPORATE OFFICERS

Robert (Bob) P. Peebler
President & CEO

R. Brian Hansen
Executive Vice President & CFO

James (Jim) Hollis
Executive Vice President & COO,
I/O Solutions Division

Chris M. Friedemann
Senior Vice President, Corporate Marketing

David L. Roland
Senior Vice President, General Counsel &
Corporate Secretary

Michael L. Morrison
Vice President, Controller & CAO



GLOBAL WORKFORCE

I/O has nearly 1,380 employees (including 1,015 full-time associates, 282 temporary employees, and 80 contract workers) who operate from 23 facilities in 12 separate countries.

- **AMERICAS**
Calgary, Caracas, Dallas, Denver, Houston (2), New Orleans, Ponca City (Oklahoma), Port-of-Spain (Trinidad),
- **ASIA PACIFIC**
Beijing (China)
- **EUROPE**
Bergen (Norway), Moscow, United Kingdom (5), Voorschoten (Holland)
- **AFRICA AND THE MIDDLE EAST**
Luanda (Angola), Jebel Ali (UAE), Port Harcourt (Nigeria), Dubai (UAE)

MAJOR OFFERINGS



The hardware, software, and value-added services provided by I/O can be grouped into six major categories:

Survey design software & services. Software products and advisory services help our customers design their seismic surveys and make the tradeoffs between subsurface image quality and cost. The company has a special competence in designing surveys for the most challenging imaging applications, including full-wave seismic surveys, imaging projects in desert and Arctic environments, and time-lapse (4D) programs.

Land imaging systems. The company offers the full suite of equipment necessary to acquire seismic data onshore, including vibrator energy systems, energy source controllers, analog geophones, digital full-wave sensors, and high-productivity land recording systems. Our flagship product is VectorSeis, the leading full-wave sensor in the seismic market. VectorSeis contains three MEMS accelerometer chips that capture a superior seismic signal while enabling significant productivity improvements in the most challenging onshore acquisition environments. Scorpion, our cable-based platform, and FireFly, our cableless platform, are revolutionizing land imaging. Both systems support cost-effective, densely sampled, full-wave acquisition to help our customers address the most challenging environments.

Marine imaging systems. I/O is one of the leading providers of seismic imaging systems and software for both towed streamer and seabed acquisition. I/O's comprehensive toolkit allows for one-stop shopping when outfitting modern streamer vessels or ocean bottom cable (OBC) crews, or when designing and implementing marine 4D programs. Our offerings span streamer positioning and control systems, sources and source control systems, streamer acquisition systems, VectorSeis-based seabed acquisition systems, marine acquisition software, and data integration and quality-assurance services.

Advanced processing services. By reputation, our GX Technology (GXT) group is one of the most technologically advanced seismic imaging teams in the industry. GXT operates processing service centers in Europe, West Africa, and the Americas from which it undertakes complex imaging projects for oil & gas companies operating in both the marine and land environments. GXT competencies in advanced imaging include data conditioning, pre-stack depth migration (PreSDM), reverse time migration (RTM), tomographic and azimuthal velocity model building, and reservoir fracture detection. The GXT group has a large research effort in the rapidly emerging areas of converted wave and full-wave imaging, including the effects of subsurface anisotropy on recorded seismic data.

Integrated Seismic Solutions (ISS). Where seismic data does not exist or is not sufficient to meet an oil & gas company's imaging objectives, GXT offers ISS, a start-to-finish, integrated imaging solution that includes survey design and planning, acquisition project management, advanced processing services, and final image rendering. ISS is unique in that GXT outsources field acquisition to experienced seismic contractors, thereby utilizing existing industry acquisition capacity while enabling GXT to focus on the most value-adding elements of the seismic program. Within an ISS program, GXT acts as project originator, "virtual contractor," and advanced imaging services provider.

Seismic data libraries. On many multi-client ISS programs, GXT retains the title to the data and is free to license it to others. The majority of the data libraries licensed by GXT consist of ultra-deep 2D lines that oil & gas companies use to better evaluate the evolution of regional petroleum systems. Known as BasinSPANS, these ultra-deep 2D data libraries currently exist for the Gulf of Mexico, offshore Canada, offshore Trinidad, offshore Colombia, offshore India, and offshore West Africa. More Basin-SPANS are planned in key petroleum provinces around the world.

TRADING HISTORY

- Listed on the NYSE
- (Ticker: IO) in 1994
- \$972 million market capitalization (as of 9-March-2007) based upon 79.89 million shares outstanding
- Annual revenues of \$503.6 million (fiscal year ending December 31, 2006)



ACQUISITION HISTORY

Over the years, I/O has acquired proven technology and service companies to complement our existing solutions and to enhance our strategic growth initiatives. Major transactions over the last decade include:

GX Technology (2004) - advanced seismic data processing and imaging services, focusing on imaging projects offshore

Concept Systems (2004) - data integration software, field services, and 4D consulting

AXIS Geophysics (2002) - advanced seismic data processing and imaging services, focusing on imaging projects onshore

Pelton (2001) - energy source control systems for land acquisition

DigiCOURSE (1998) - marine streamer positioning and control systems

Green Mountain Geophysics (1997) - survey design and planning software

The Exploration Products Group of Western Geophysical (1995) - marine recording systems, land energy source systems, and Sensor branded geophones

Tescorp (1994) - cables and connectors for land and marine acquisition



Robert (Bob) Peebler
President & Chief Executive Officer, I/O

Bob has been President and Chief Executive Officer of I/O since April 2003 and a member of the Board of Directors since 1999. Before joining I/O on a full-time basis, Bob was the founder, President and Chief Executive Officer of Energy Virtual Partners (EVP), an asset development and management company for oil and gas properties. Prior to EVP, Bob was Vice President of e-Business Strategy and Ventures of the Halliburton Company, a leading provider of products and services to the petroleum and energy industries. Bob joined Halliburton in 1998 when Halliburton acquired Landmark Graphics, the leading provider of workstation-based software for oil and gas exploration & production, where he had been CEO since 1992. Bob began his career with Schlumberger in wireline operations and spent 17 years with the company in positions including head of U.S. wireline operations and executive in charge of strategic marketing for the corporate energy services group. Bob holds a Bachelor of Science in Electrical Engineering from the University of Kansas.



R. Brian Hanson
Executive Vice President & Chief Financial Officer, I/O

R. Brian Hanson has been our Executive Vice President and Chief Financial Officer since May 2006. Prior to joining I/O, Mr. Hanson served as the 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, from July 2004 until November 2005. From 1998 to 2003, Mr. Hanson held a variety of positions at Fisher Scientific International Inc., a NYSE-listed manufacturer and supplier of scientific and healthcare products and services, including Vice President Finance of the Healthcare group from 1998 to 2002 and Chief Operating Officer from 2002 to 2003. From 1986 until 1998, Mr. Hanson served in various positions with Culligan Water Conditioning, an international manufacturer of water treatment products and producer and retailer of bottled water products, most recently as Vice President of Finance and Chief Financial Officer. Mr. Hanson received a bachelors degree in engineering from the University of New Brunswick and an MBA degree from Concordia University in Montreal.



James (Jim) Hollis
Executive Vice President, Chief Operating Officer, I/O Solutions Division

Jim Hollis has been Executive Vice President and Chief Operating Officer of the I/O Solutions Division since its formation in January 2007 and has been with the company since August 2003. As the senior operating executive in I/O Solutions, Jim is accountable for delivering on the growth and financial plans for four strategic business units – FireFly; Seabed Imaging; GX Technology data processing; and Integrated Seismic Solutions. Before being appointed the first leader of the newly formed Solutions division, Jim's I/O roles included Vice President, FireFly New Ventures and Vice President, Land Imaging Systems. Prior to joining I/O, Jim was General Manager of Exploration and Development Solutions for Landmark Graphics, a Halliburton subsidiary. During his tenure at Landmark, Jim held various senior management positions in product development, marketing, and operations in locations ranging from Denver to Kuala Lumpur. Jim holds a Bachelor of Science in Geophysics from the University of California, Santa Barbara and a Master of Science in Geophysics from the University of Utah.

MORE INFORMATION

Chris M. Friedemann - SVP, Corporate Marketing
+1 281 879 3690, chris.friedemann@i-o.com

Kelly Kline - Director, Corp. Mktg. Communications
+1 281 879 3593, kelly.kline@i-o.com

CORPORATE HEADQUARTERS 2101 CityWest Blvd., Building III, Suite 400, Houston, Texas 77042 USA
Tel. +1 281 933 3339 Fax +1 281 879 3626