



TOGETHER, WE GET THE JOB DONE.



INOVA's FireFly Cableless System

Investor Education Series

Presented by Doug Allinson, Senior Vice President
July 2010

FORWARD-LOOKING STATEMENT



The information included herein contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Actual results may vary fundamentally from those described in these forward-looking statements.

All forward-looking statements reflect numerous assumptions and involve a number of risks and uncertainties.

These risks and uncertainties include risk factors that are disclosed by ION from time to time in its filings with the Securities and Exchange Commission.

- INOVA is a newly formed joint venture between BGP and ION Geophysical.
- Formed in early 2010 with the goal to create “*The land seismic equipment company of the 21st century*”.
- INOVA’s ownership:
 - 51% by BGP, a wholly owned subsidiary of China National Petroleum Corporation (CNPC)
 - 49% by ION Geophysical Corporation.
- ION contributed its land equipment portfolio and BGP contributed \$108 million cash for its stake in the joint venture.



Land Acquisition

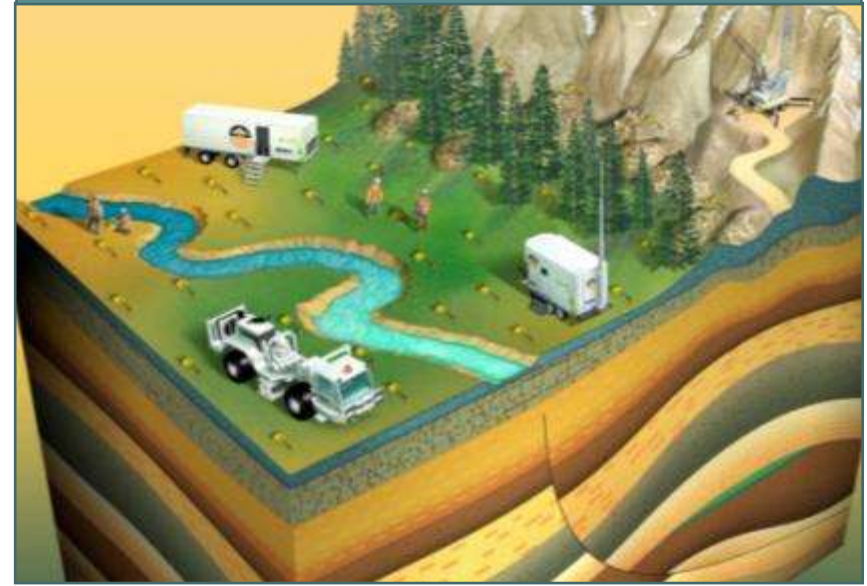
Two Methods - Cable-based & Cableless



Cable-based acquisition



Cableless acquisition



Land Acquisition Challenges

Limitations of the Traditional Cable-based System



Labor Intensive



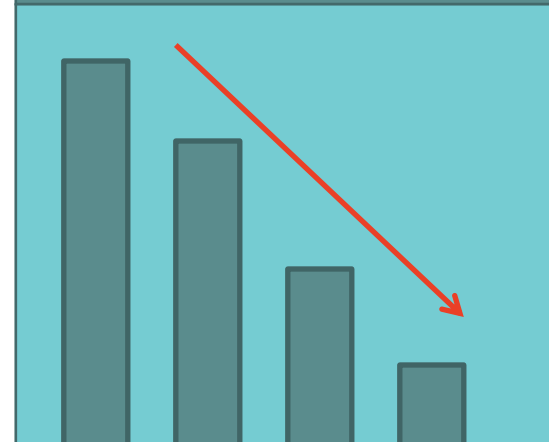
Lack of Flexibility



Cables Unreliable

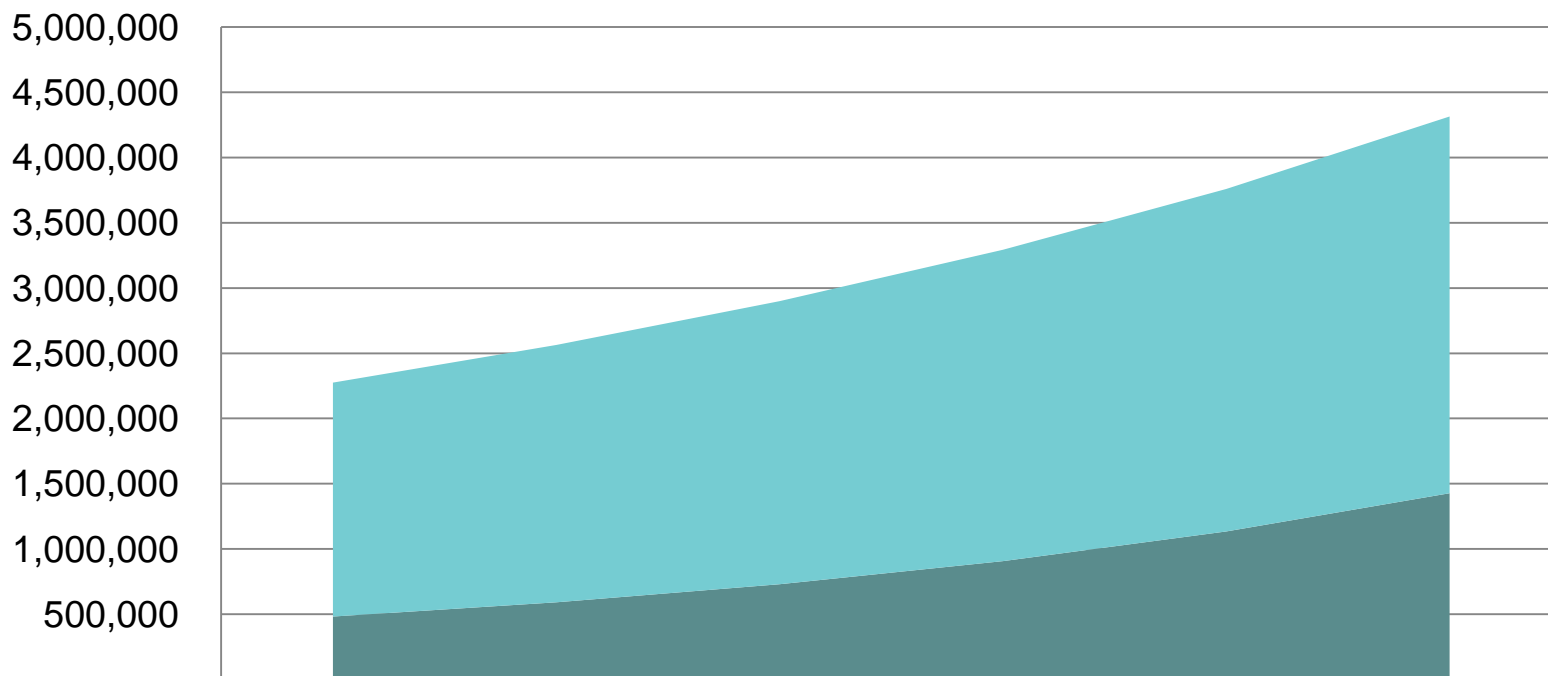


Poor Productivity



TOGETHER, WE GET THE JOB DONE.

Seismic Channel Growth



	2009	2010	2011	2012	2013	2014
■ Normal Channels	1,792,953	1,972,248	2,169,473	2,386,420	2,625,062	2,887,569
■ Supercrew Channels	481,960	591,261	729,850	906,757	1,134,203	1,427,197

Land Acquisition

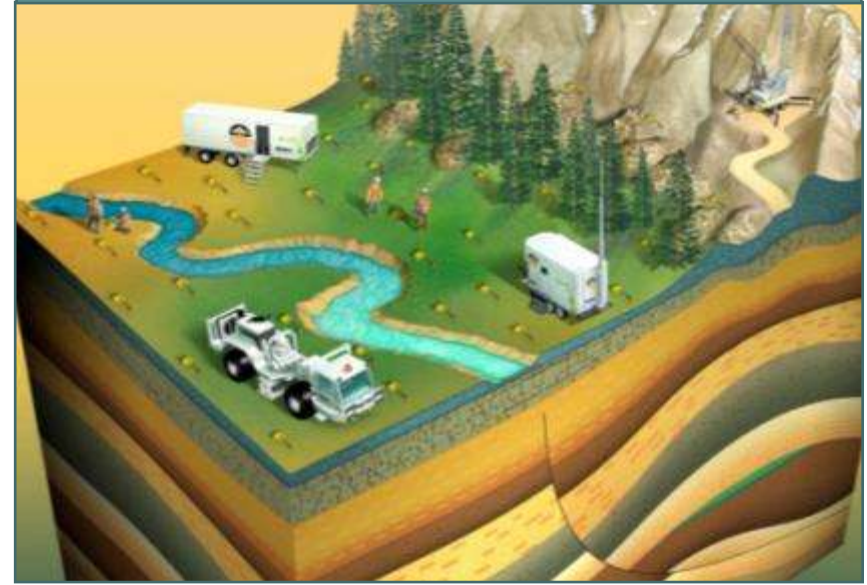
Two Methods – Cable-based & Cableless



Cable-based acquisition



Cableless acquisition

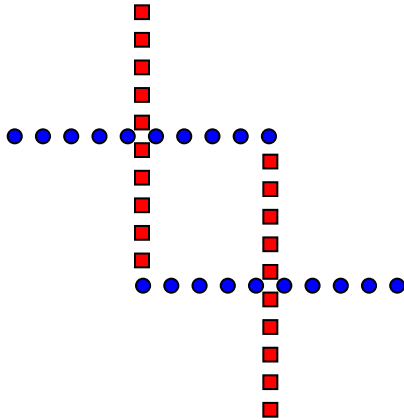


Benefits of Cableless

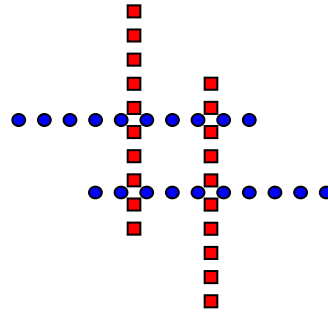
Improved Imaging Quality



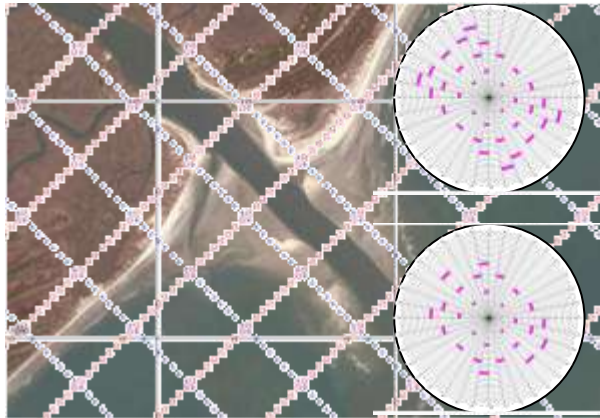
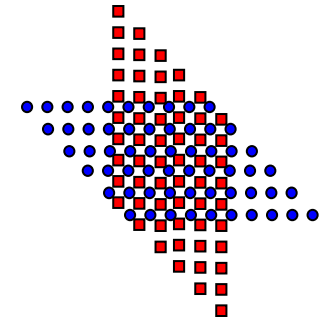
Traditionally sampled



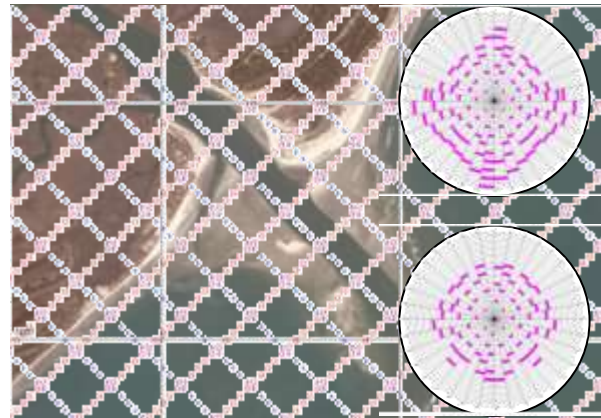
Densely sampled



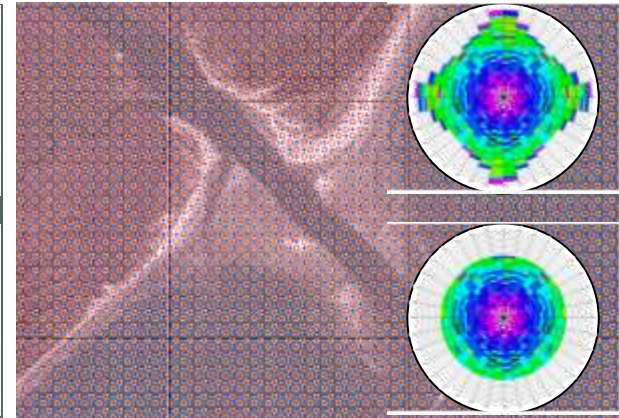
Fully sampled



1 kilometer



1 kilometer



1 kilometer

Analog 'barrier island' depositional system

TOGETHER, WE GET THE JOB DONE.

Benefits of Cableless

Improved Productivity



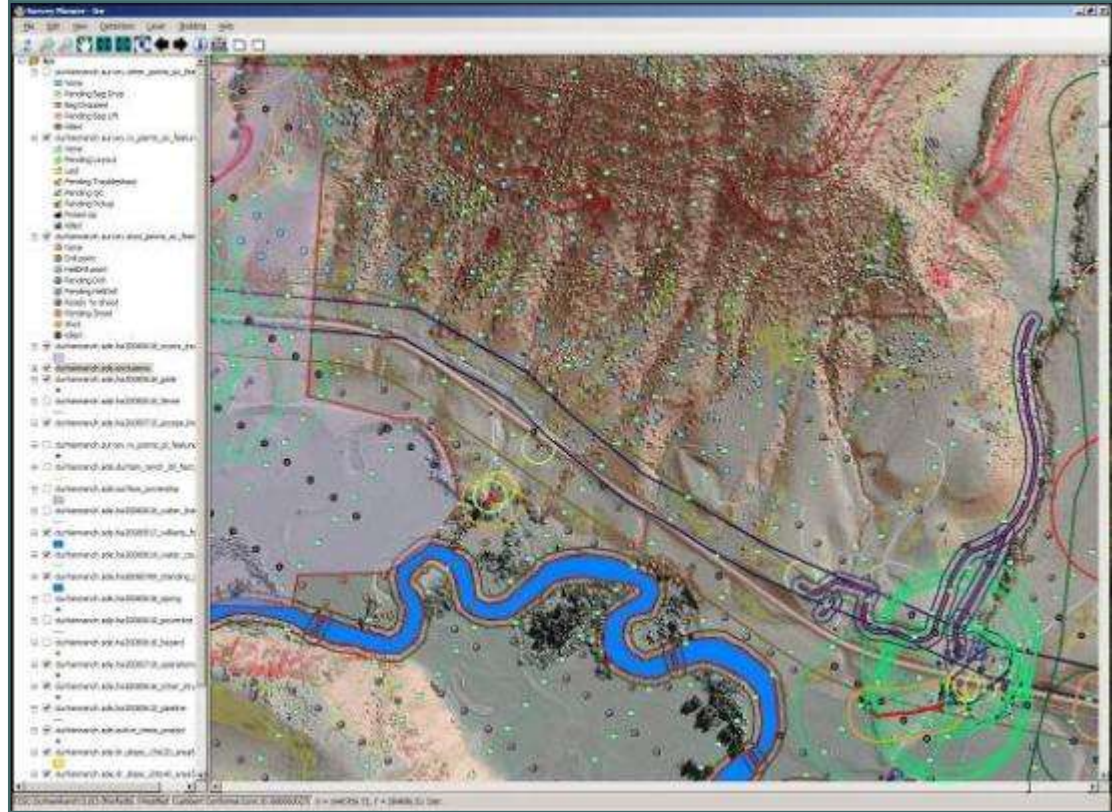
Traditional Surveying

Slow, inaccurate & manpower intensive



Stakeless Surveying with FireFly

Accurate and highly automated via Connex



Benefits of Cableless

Accessing Restricted Areas



TOGETHER, WE GET THE JOB DONE.

Benefits of Cableless

Reduced HSE (Health, Safety & Environment) Risk



TOGETHER, WE GET THE JOB DONE.

Cableless Acquisition with FireFly

Key Components of the Ecosystem



Watch the video on ION's [YouTube Channel](#).

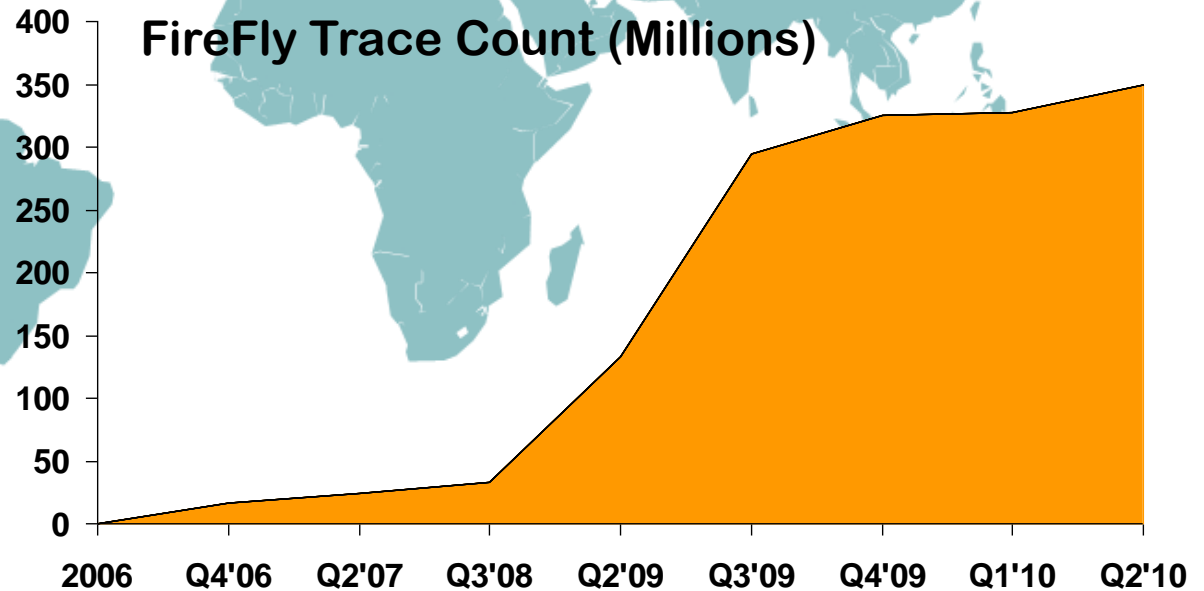
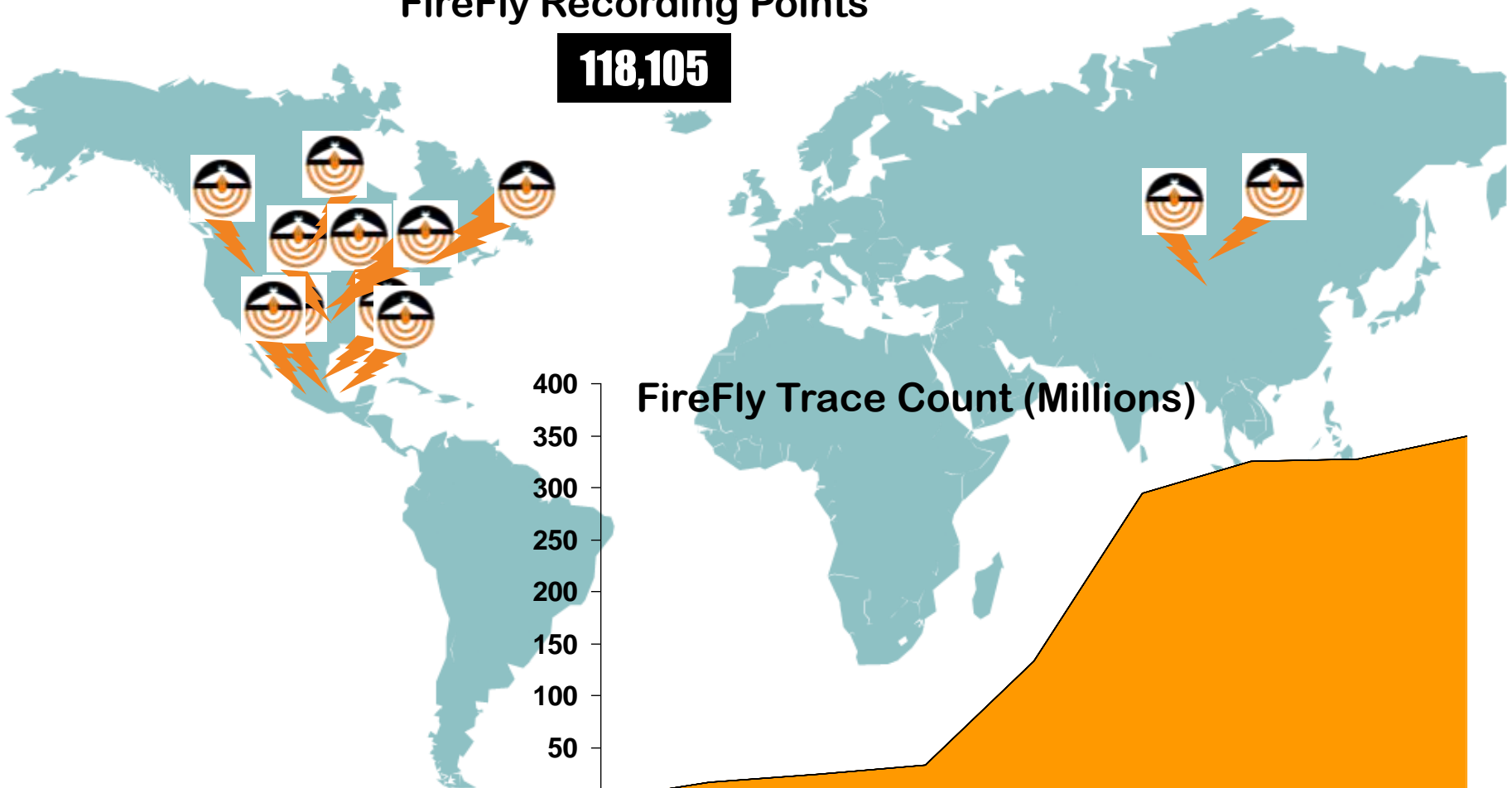
Sequence of FireFly Deployments

Cumulative Recording Since 2006



FireFly Recording Points

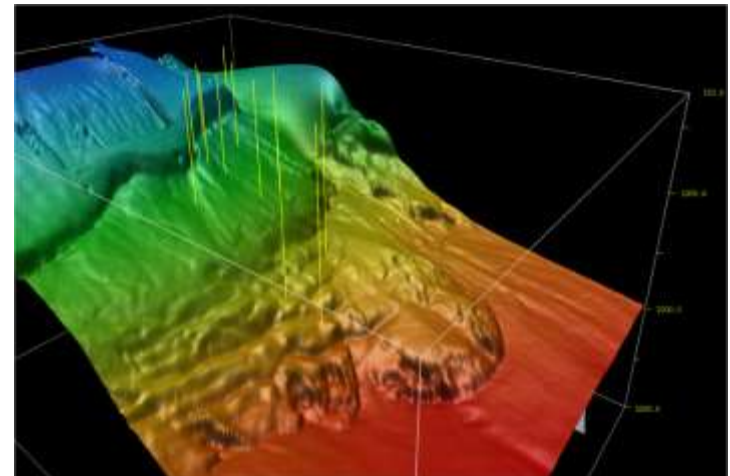
118,105



Cableless Land Seismic Segment is Small Today



- Cableless systems are primarily utilized for infill programs or areas that would prove cost prohibitive for cable-based acquisition.
- At present, we estimate this segment is approximately less than 5% of seismic programs today.
- FireFly has played an integral part in capturing seismic data in producing oil and gas fields due specifically to the image quality associated with full-wave data.
- Full-wave data has played a major role in delineating existing reserves and optimizing well placements.



Go-Forward Strategies



- Continue to enhance FireFly's flexibility and functionality
- Develop integration pathways for cableless acquisition to function with cable-based and autonomous node recording systems
- Continue to pursue opportunities in production fields where image quality is imperative
- Ensure optimal productivity for geophysical service providers by evolving cableless acquisition technology for today's environment
- Continue supporting rental purchases of FireFly and work with ION's Integrated Seismic Solution's team on shale initiatives