

TGS EARNINGS RELEASE

1 November 2012



3rd QUARTER RESULTS

3rd QUARTER HIGHLIGHTS

- Consolidated net revenues were USD 244.8 million, an increase of 53% compared to Q3 2011.
- Net late sales totaled USD 138.7 million, up 53% from Q3 2011.
- Net pre-funding revenues were USD 98.6 million, up 84% from Q3 2011, funding 72% of the Company's operational multi-client investments during Q3 (investments of USD 137.8 million, up 25% from Q3 2011).
- Proprietary revenues were USD 7.4 million, compared to USD 15.3 million in Q3 2011.
- Operating profit (EBIT) was USD 101.3 million (41% of net revenues), compared to USD 61.0 million (38% of net revenues) in Q3 2011.
- Cash flow from operations was USD 129.2 million, up from USD 65.7 million in Q3 2011.
- Earnings per share (fully diluted) were USD 0.71, compared to USD 0.41 in Q3 2011.

9 MONTHS FINANCIAL HIGHLIGHTS

- Consolidated net revenues were USD 650.8 million, an increase of 52% compared to the same period in 2011.
- Net late sales from the multi-client library totaled USD 360.1 million, up 32% from USD 273.4 million in 2011.
- Net pre-funding revenues were USD 273.2 million, up 133% from 2011, funding 68% of the Company's operational multi-client investments during the first nine months of 2012 (investments of USD 400.9 million, up 86% from 2011).
- Proprietary revenues were USD 17.5 million, compared to 37.2 million in 2011.
- Operating profit (EBIT) was USD 284.4 million (44% of net revenues), compared to USD 177.7 million (42% of net revenues) in 2011.
- Cash flow from operations was USD 420.0 million, an increase of 41% from USD 297.3 million in 2011.
- Earnings per share (fully diluted) were USD 1.95 compared to USD 1.22 for the same period in 2011.

"We are pleased to announce another record quarter both in terms of revenue and operating profit," TGS' CEO Robert Hobbs stated.

"Our customers are continuing to show strong interest in funding new surveys, and our existing library continues to perform well.

TGS' revised revenue guidance reflects a strong seismic market providing good opportunities for profitable growth."

KEY FIGURES

(All amounts in USD 1,000s)	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Net operating revenues	244,755	159,561	650,849	427,677
EBIT	101,315	61,019	284,433	177,738
Pre-tax profit	102,790	61,340	284,445	178,790
Net income	73,282	42,368	200,620	126,475
EBIT margin	41%	38%	44%	42%
Return on capital employed	33%	27%	33%	27%
Equity ratio	71%	72%	71%	72%
MC library opening net book value	636,980	484,251	511,131	475,698
Investments in new projects	137,822	110,573	400,895	215,808
MC data purchased from third parties*	2,000	-	27,638	-
Amortization	(105,561)	(71,160)	(268,423)	(167,842)
MC library ending net book value	671,241	523,664	671,241	523,664
Pre-funding % on operational investments	72%	49%	68%	54%

Multi-client data purchased from third parties based on a preliminary PPA of the Arcis transaction

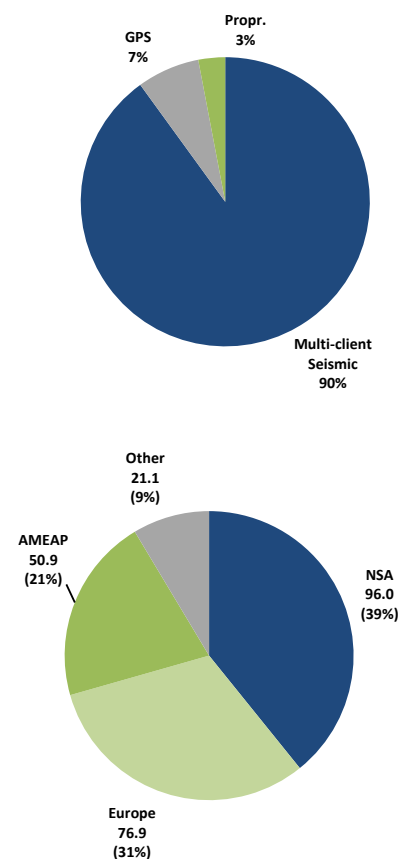
REVENUE BREAKDOWN

TGS' largest business activity is developing, managing, conducting and selling multi-client seismic surveys. This activity accounted for 90% of the Company's business during the quarter. Geological Products and Services (GPS) accounted for 7% of net revenues in the 3rd quarter, while proprietary seismic revenues accounted for 3% of net revenues.

Net late sales were up 53% compared to Q3 2011. Net pre-funding revenues totaled USD 98.6 million, an increase of 84% from Q3 2011. The pre-funding revenues recognized in the third quarter funded 72% of the operational investments of USD 137.8 million in the multi-client library. During the first nine months of 2012, pre-funding amounted to 273.2 million (68% of operational investments) representing an increase of 133% over the same period of 2011. Proprietary contract revenues during the quarter totaled USD 7.4 million compared to USD 15.3 million in Q3 2011. For the nine months ended September 2012, proprietary revenue totaled USD 17.5 million, compared to USD 37.2 million in 2011.

TGS' reporting structure is broken down in the following seismic business segments: North and South America (NSA), Europe (EUR), and Africa, Middle East and Asia Pacific (AMEAP). In addition to these areas, several business units are aggregated to form "Other segments." These segments include GPS Well Data, GPS Interpretations, Global Services, Imaging and Permanent Reservoir Monitoring. The Company's land seismic projects in North America are reported under the geographic region, NSA.

Sales from NSA totaled USD 96.0 million in Q3 2012 (45.2 in Q3 2011). Sales from EUR amounted to USD 76.9 million (61.9 in Q3 2011), while AMEAP had total sales of USD 50.9 million in Q3 2012 (28.0 in Q3 2011).



OPERATIONAL COSTS

The amortization of the multi-client library for Q3 2012 amounted to USD 105.6 million (USD 71.2 million in Q3 2011) which corresponds to 44% (49% in Q3 2011) of the total revenues from the multi-client library for the quarter. Amortization fluctuates from quarter to quarter, depending on the sales mix of projects. The amortization rate for the first nine months of 2012 was 42% compared to 43% in 2011. In Q3 2012, 6% of total revenues came from pre-2008 vintages which are fully written off the books in line with the Company's amortization policy.

Cost of goods sold (COGS) were USD 1.4 million for the quarter, compared to USD 5.2 million in Q3 2011. The lower COGS is due to lower proprietary acquisition activity in the quarter. Personnel and other operating costs expensed during the quarter were USD 31.5 million, an increase of 59% from 2011, mainly due to increased costs related to employee incentive schemes and operating expenses from Arcis Seismic Solutions Corporation which was acquired by TGS in June 2012.

EBITDA AND EBIT

Reported EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) for the quarter ended 30 September 2012 was USD 210.9 million, which corresponds to 86% of net revenues, up 58% from USD 133.9 million in Q3 2011. Operating profit (EBIT) for the quarter amounts to USD 101.3 million up 65 % from USD 61.0 million in Q3 2011.

FINANCIAL ITEMS

TGS recorded an unrealized currency exchange gain of USD 0.5 million in Q3 2012.

TAX

For the full year, TGS reports tax charges in accordance with the Accounting Standard IAS 12. Tax charges are computed based on the USD value relating to the appropriate tax provisions according to local tax regulations and currencies in each jurisdiction. The tax charges are influenced not only from local profits, but also from fluctuations in exchange rates between the local currencies and USD. The cost of stock options is non-deductible and non-taxable in some jurisdictions. This method makes it difficult to predict tax charges on a quarterly or annual basis.

In some tax jurisdictions, the Company receives a tax deduction in respect of remuneration paid as stock options. The Company recognizes an expense for employee services in accordance with IFRS 2 which is based on the fair value of the award at the date of the grant.

Management assesses that the normalized operating consolidated tax rate is approximately 31%. The tax rate reported for the quarter is at 29% compared to 31% last year. The low tax rate for the quarter is primarily caused by permanent differences and relatively higher taxable profits in jurisdictions with lower tax rate than TGS' normalized operating consolidated tax rate.

NET INCOME AND EARNINGS PER SHARE (EPS)

Net income for Q3 2012 was USD 73.3 million (30% of net revenues), up 73% compared to Q3 2011. Quarterly earnings per share (EPS) were USD 0.71 fully diluted (USD 0.72 undiluted), an increase of 73% from Q3 2011.

MULTI-CLIENT INVESTMENTS AND LIBRARY

The Company's operational investments in its data library during Q3 2012 were USD 137.8 million, 25% higher than in Q3 2011. In addition, TGS purchased well-log data from third parties in Q3 for a total consideration of USD 2.0 million. The Company recognized USD 98.6 million in net pre-funding revenues in Q3 2012, funding 72% of its operational multi-client investments during the quarter. For the first nine months of 2012, pre-funding revenues totaled USD 273.2 million, funding 68% of operational multi-client investments (USD 400.9 million).

MUSD	Q3 2012	Q3 2011	9M 2012	9M 2011	2011	2010	2009
Beginning net book value	637.0	484.3	511.1	475.7	475.7	424.3	335.0
Non-operational investments	2.0	-	27.6	-	-	4.0	-
Operational investments	137.8	110.6	400.9	215.8	276.9	295.3	266.0
Amortization	(105.6)	(71.2)	(268.4)	(167.8)	(241.5)	(247.9)	(176.7)
Ending net book value	671.2	523.7	671.2	523.7	511.1	475.7	424.3

MUSD	Q3 2012	Q3 2011	9M 2012	9M 2011	2011	2010	2009
Net MC revenues	237.3	144.2	633.3	390.5	566.9	543.0	445.0
Change in MC revenue	65%	16%	62%	4%	4%	22%	-8%
Change in MC investment	26%	77%	99%	-17%	-7%	13%	-7%
Amort. in % of net MC revs.	44%	49%	42%	43%	43%	46%	40%
Change in net book value	5%	8%	31%	8%	7%	12%	27%

BALANCE SHEET AND CASH FLOW

The net cash flow from operations for the quarter, after taxes, before investments, totaled USD 129.2 million compared to USD 65.7 million in Q3 2011. As of 30 September 2012, the Company's total cash holdings amounted to USD 204.8 million compared to USD 335.7 million at 31 December 2011.

As of 30 September 2012, TGS held USD 3.7 million in Auction Rate Securities (ARS), all in AAA-rated closed-end funds. TGS classifies its ARS as current financial investments available for sale and has valued its ARS at fair value of USD 3.7 million. Per 30 September 2012, the balance of the provision held between par value and fair value was USD 1.2 million.

The Company has sufficient cash and financial capacity to finance its operations and other known potential liabilities without selling the ARS. TGS intends however, to sell these given the right opportunities.

The Company believes that no impairment to goodwill and other intangible assets exists.

TGS currently does not have any interest bearing debt.

Total equity per 30 September 2012 was USD 1,083.6 million, representing 71% of total assets. A total of 82,000 new shares were issued during Q3 2012 in relation to stock options exercised by key employees in August 2012. The shareholders decided at the Annual General Meeting on 5 June 2012 to cancel 194,650 treasury shares held at that date. Following a mandatory eight week waiting period, the shares were cancelled during Q3. As of 30 September 2012 TGS holds 1,386,200 treasury shares.

BACKLOG

TGS' backlog amounted to USD 152.6 million at the end of Q3, a reduction of 19% from last quarter and 14% above the level of one year ago. The backlog is reduced due to high investments in Q3 in projects that represented a significant backlog at the beginning of the quarter.

OPERATIONAL HIGHLIGHTS

Vessels under TGS' control through charter during all or parts of Q3 included five 3D vessels and one wide azimuth marine crew. Three land crews were also contracted and working for TGS during Q3. Joint venture operations with industry partners during the quarter included one 3D marine crew and five 2D marine crews.

North and South America

During Q3, TGS completed the 3,350 km² wide azimuth (WAZ) Independence project in the Mississippi Canyon area of the Central U.S. Gulf of Mexico. The initial acquisition of this survey, which is 100% owned by TGS, was interrupted in 2010 due to the Macondo oil spill and related cleanup activity. Acquisition of this project resumed in May 2012.

TGS completed the multi-year Labrador Sea 2D seismic program, offshore Eastern Canada in a joint venture with PGS. Data acquired during the two-season program totals 22,118 km. After completion of this program, the seismic vessel commenced acquisition of an additional multi-year 2D seismic program in the Flemish Pass-Orphan Basin area, offshore Newfoundland. The program is expected to total 20,000 km and will take two seasons to acquire.

In the onshore U.S., TGS continued acquisition of the Firestone and Wellington programs in eastern Ohio and southern Kansas. During the quarter, the Company commenced the first 3D seismic survey onshore Canada through its newly acquired subsidiary, Arcis Seismic Solutions. This project, Neptune South, will total 218 km² in the Williston Basin southwest Saskatchewan.

During Q3, TGS announced the award of a proprietary 2D seismic program from Colombia's Agencia de Hidrocarburos (ANH). This program will total 10,000 km and will commence in Q4.

Europe and Russia

During Q3, TGS concluded the 2012 acquisition season on its northwest Europe long offset 2D campaign in partnership with Fugro. Additions to this multi-year program were 8,886 km in the West of Shetlands Basin and 14,634 km in the Norwegian Barents Sea. Two 2D vessels were utilized during the quarter for these projects.

TGS commenced a 3,000 km 2D program in partnership with Fugro in Northeast Greenland. This program, in addition to previous multi-client acquisition will allow the Company to offer more than 7,500 km of new 2D seismic data in this attractive basin. The Company also commenced acquisition of a 7,300 km 2D seismic survey in the Laptev and East Siberian Seas of the Russian Arctic. Acquisition of this survey will be complete in Q4.

In Q3, TGS completed acquisition of the 4,080 km² EOTW 3D survey in the northern North Sea. This season's activity completes a data set that is now 10,000 km² in size in this high-potential play. Also during the quarter, the Company completed seismic acquisition on the 2,755 km Faroe/Shetland Basin 2D in partnership with PGS.

Finally, TGS completed acquisition of the 3,300 km² EB12 survey in the Erlend Basin of the northern North Sea shelf. Following completion of this survey, the Company commenced acquisition of the 1,520 km² Erlend West Survey in Quads 208 and 217 of the Faroe Shetlands Basin. This survey was completed in Q4.

Africa, Middle East and Asia Pacific

TGS continued data acquisition on the 12,500 km² 3D survey offshore Angola during Q3. This survey is designed to image highly prospective deep water pre-salt blocks that are thought to have similar geology to the hydrocarbon rich basins offshore Brazil.

During Q3, TGS, in partnership with Dolphin Geophysical commenced a 11,250 km 2D seismic survey offshore Mauritania. This survey is the second phase of the successful NWAAM 2D multi-client program. Acquisition is scheduled to be complete in Q4.

TGS announced its fourth multi-client 3D survey in the Exmouth Plateau offshore northwest Australia. Acquisition of this 2,536 km² survey, Honeycombs, is now completed at the end of October 2012.

Other Segments

The Geologic Products and Services Division continued the growth of TGS' well log data library with the addition of 52,200 new well logs and 7,600 directional surveys to the database. During the quarter, TGS also grew substantially into the Canadian market by adding approximately 700,000 onshore Canadian wells to the library. TGS' Imaging business continued to develop state-of-the-art technology for the Company's seismic library and for proprietary customers. The Company rolled out its Clari-Fi™ Broadband processing technology designed to remove source/receiver ghost notches and enhance seismic bandwidth.

OTHER MATTERS

On 15 June 2012, TGS completed the acquisition of Calgary-based Arcis Seismic Solutions Corporation (Arcis.) The Enterprise value (EV) of the transaction was USD 72 million. Arcis was a privately owned geophysical company founded in 1996 with a head office located in Calgary, Alberta Canada. As a wholly-owned subsidiary of TGS, Arcis will continue to invest in multi-client projects in Canada, provide proprietary imaging services to external customers worldwide and will play a vital role in the processing of TGS' own multi-client surveys. The Arcis acquisition will allow TGS to grow into the onshore multi-client and imaging business in Canada and other markets served by Arcis. The acquisition was consolidated into TGS accounts with effect from 1 July 2012. Arcis is reported under the North and South America (NSA) business segment.

TGS has been awarded the Stockman Prize for 2012. The prize is awarded annually by the Norwegian Society of Financial Analysts to the listed company that has provided the best information to the finance market. TGS won the 2012 award in the open class, which included all companies listed on the Oslo Stock Exchange. Norwegian brokerage businesses, large institutions and the Norwegian Society of Financial Analysts' members are involved in the nomination and voting process. In their assessment of the companies, the analysts evaluate the quality of the annual report, interim reports, corporate compliance, other publications, presentations and responsiveness to inquiries, amongst other things.

OUTLOOK

TGS' financial performance in 2012 further confirms a strong market showing an increasing demand for seismic data. In Q3, the Company executed on an aggressive investment plan supported by our customer's increased exploration activity in new and mature plays. Q4 will see a normal seasonal decline as activity ends in northwest Europe. TGS believes that the Company's high quality worldwide data library, solid financial position and highly flexible business model enable the Company to continue to deliver profitable growth built on a foundation of strong investment opportunities. These factors together with a positive outlook for seismic spending, allowed TGS to further increase its' revenue guidance for 2012 on 8 October.

For 2012, the revised full year guidance is as follows:

- Multi-client library investments of USD 425-475 million,
- Average pre-funding in the range of 60-70% of investments,
- Average multi-client amortization rate in the range of 41-47% of net revenues,
- Net revenues in the range of USD 870-910 million, and
- Proprietary contract revenues of less than 5% of total net revenues.

TGS will publish its full-year 2013 guidance during the second week of January 2013. Further details will be announced during Q4 2012.

Houston, 31 October 2012

The Board of Directors of TGS-NOPEC Geophysical Company ASA

ABOUT TGS

TGS provides multi-client geoscience data to oil and gas Exploration and Production companies worldwide. In addition to extensive global geophysical and geological data libraries that include multi-client seismic data, magnetic and gravity data, digital well logs, production data and directional surveys, TGS also offers advanced processing and imaging services, interpretation products, permanent reservoir monitoring and data integration solutions.

TGS-NOPEC Geophysical Company ASA is listed on the Oslo Stock Exchange (OSLO:TGS).

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All statements in this earnings release 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.

Interim Statement of Comprehensive Income

(All amounts in USD 1,000s unless noted otherwise)	Note	2012 Q3 Unaudited	2011 Q3 Unaudited	2012 YTD Unaudited	2011 YTD Unaudited
Net operating revenues	4	244,755	159,561	650,849	427,677
<i>Operating expenses</i>					
Cost of goods sold - proprietary and other		1,361	5,173	2,214	12,720
Amortization of multi-client library		105,561	71,160	268,423	167,842
Personnel costs		23,409	13,958	59,730	42,331
Cost of stock options		950	604	2,300	1,447
Other operating expenses		8,136	5,923	24,849	20,368
Depreciation and amortization		4,023	1,724	8,898	5,232
Total operating expenses		143,441	98,542	366,415	249,939
Operating profit	4	101,315	61,019	284,433	177,738
<i>Financial income and expenses</i>					
Financial income		1,074	596	3,013	1,629
Financial expense		-118	-80	-483	-177
Other financial items		520	-196	-2,518	-401
Net financial items		1,475	320	11	1,052
Profit before taxes		102,790	61,340	284,445	178,790
Tax expense		29,508	18,972	83,825	52,314
Net income		73,282	42,368	200,620	126,475
EPS USD		0.72	0.42	1.97	1.24
EPS USD, fully diluted		0.71	0.41	1.95	1.22
<i>Other comprehensive income:</i>					
Exchange differences on translation of foreign operations		3,705	-177	3,638	-20
Net (loss)/gain on available-for-sale financial assets		-	-73	-1,748	320
Other comprehensive income for the period, net of tax		3,705	-249	1,890	299
Total comprehensive income for the period, net of tax		76,987	42,119	202,510	126,775

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Interim Consolidated Balance Sheet

(All amounts in USD 1,000s)	Note	2012 30-Sep Unaudited	2012 30-Jun Unaudited	2011 31-Dec Audited
ASSETS				
Non-current assets				
Goodwill		112,659	111,614	86,401
Multi-client library		671,241	636,980	511,131
Other intangible non-current assets		60,470	61,769	46,731
Deferred tax asset		18,733	21,165	23,137
Buildings		4,239	4,186	816
Machinery and equipment		26,607	28,220	18,746
Other non-current assets		16,762	16,582	13,814
Total non-current assets		910,710	880,516	700,774
Current assets				
Financial investments available for sale		3,689	3,689	18,963
Accounts receivable		184,471	167,416	148,503
Accrued revenues		180,065	126,415	103,493
Other short-term receivables		39,422	47,555	25,739
Cash equivalents		204,803	221,755	335,709
Total current assets		612,450	566,830	632,407
TOTAL ASSETS		1,523,160	1,447,346	1,333,182
EQUITY AND LIABILITIES				
Equity				
Share capital		3,650	3,641	3,713
Other equity		1,079,992	998,732	969,308
Total equity	3	1,083,642	1,002,373	973,021
Non-current liabilities				
Other non-current liabilities		32,583	34,703	29,253
Deferred tax liability		100,230	99,360	113,047
Total non-current liabilities		132,813	134,063	142,300
Current liabilities				
Accounts payable and debt to partners		145,450	134,917	101,000
Taxes payable, withheld payroll tax, social security		60,041	60,465	50,731
Other current liabilities		101,213	115,527	66,130
Total current liabilities		306,705	310,910	217,861
TOTAL EQUITY AND LIABILITIES		1,523,160	1,447,346	1,333,182

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Interim Consolidated Statement of Cash flow

(All amounts in USD 1,000s)	2012 Q3 Unaudited	2011 Q3 Unaudited	2012 YTD Unaudited	2011 YTD Unaudited
Cash flow from operating activities:				
Received payments	175,565	100,557	570,080	435,245
Payments for salaries, pensions, social security tax	-20,258	-14,351	-52,534	-43,982
Other operational costs	-9,498	-11,096	-27,064	-30,988
Net gain/(loss) on currency exchange	-1,408	-254	-2,969	-1,304
Paid taxes	-15,212	-9,137	-67,504	-61,678
Net cash flow from operating activities 1)	129,190	65,719	420,010	297,293
Cash flow from investing activities:				
Investments in tangible fixed assets and in intangible assets	-2,975	-2,099	-17,255	-9,339
Investments in multi-client library	-146,881	-76,537	-378,111	-168,641
Investment through mergers and acquisitions, net of cash acquired	-	-	-75,750	-43,851
Proceeds from sale of short-term financial investments	-	150	16,450	4,200
Interest received	960	576	2,629	1,482
Net cash flow from investing activities	-148,896	-77,910	-452,037	-216,149
Cash flow from financing activities:				
Interest paid	-67	-80	-370	-177
Dividend payments	-	-	-103,325	-93,407
Purchase of own shares	-	-7,618	-	-22,692
Proceeds from share offerings	2,823	1,627	4,817	14,827
Net cash flow from financing activities	2,756	-6,071	-98,878	-101,449
Net change in cash equivalents	-16,952	-18,260	-130,906	-20,303
Cash and cash equivalents at the beginning of period	221,755	288,141	335,709	290,185
Cash and cash equivalents at the end of period	204,803	269,879	204,803	269,879
1) Reconciliation				
Profit before taxes	102,790	61,340	284,445	178,790
Depreciation/Amortization	109,584	72,883	277,321	173,073
Net gain/loss on foreign currency transactions and balances	909	-	909	-
Changes in accounts receivables	-70,127	-50,013	-106,966	25,448
Changes in other receivables	3,730	1,034	1,634	-2,918
Changes in other balance sheet items	-2,485	-10,387	30,171	-15,422
Paid taxes	-15,212	-9,137	-67,504	-61,678
Net cash flow from operating activities	129,190	65,719	420,010	297,293

Interim Consolidated Statement of Changes in Equity

(All amounts in USD 1,000s)	Share-Capital	Own Shares Held	Share Premium Reserve	Other Paid-In Equity	Available for Sale Reserve	Foreign Currency		Retained Earnings	Total Equity
						Translation Reserve			
Opening balance 1 January 2012	3,713	-76	53,256	20,310	1,960	-8,593		902,451	973,021
Net income	-	-	-	-	-	-		200,620	200,620
Other comprehensive income	-	-	-	-	-1,748	3,638		-	1,890
Total comprehensive income	-	-	-	-	-1,748	3,638		200,620	202,510
Paid-in-equity	6	-	1,869	-	-	-		-	1,874
Distribution of own shares	-	8	-	-	-	-		2,934	2,942
Cost of stock options	-	-	-	2,300	-	-		-	2,300
Dividends	-	-	-	-	-	-		-99,911	-99,911
Deferred tax asset related to stock options	-	-	-	-	-	-		906	906
Cancellation of treasury shares	-9	9	-	-	-	-		-	-
Closing balance per 30 September 2012	3,710	-59	55,125	22,610	212	-4,955		1,007,000	1,083,642

(All amounts in USD 1,000s)	Share-Capital	Own Shares Held	Share Premium Reserve	Other Paid-In Equity	Available for Sale Reserve	Foreign Currency		Retained Earnings	Total Equity
						Translation Reserve			
Opening balance 1 January 2011	3,714	-63	40,894	18,244	611	-8,393		853,764	908,771
Net income	-	-	-	-	-	-		126,475	126,475
Other comprehensive income	-	-	-	-	320	-20		-	299
Total comprehensive income	-	-	-	-	320	-20		126,475	126,775
Paid-in-equity	30	-	12,064	-	-	-		-	12,094
Purchase of own shares	-	-42	-	-	-	-		-22,650	-22,692
Distribution of own shares	-	9	-	-	-	-		2,724	2,733
Cost of stock options	-	-	-	1,447	-	-		-	1,447
Dividends	-	-	-	-	-	-		-95,388	-95,388
Deferred tax asset related to stock options	-	-	-	-	-	-		1,485	1,485
Cancellation of treasury shares	-32	32	-	-	-	-		-	-
Closing balance per 30 September 2011	3,711	-64	52,958	19,691	931	-8,413		866,411	935,224

Largest Shareholders per 26 October 2012

		Shares	%	
1	FOLKETRYGDFONDET	NORWAY	8,052,002	7.9%
2	STATE STREET BANK AND TRUST CO.	U.S.A.	6,828,641	6.7%
3	JPMORGAN CHASE BANK	GREAT BRITAIN	3,790,431	3.7%
4	CLEARSTREAM BANKING S.A.	LUXEMBOURG	3,649,819	3.6%
5	JPMORGAN CHASE BANK	GREAT BRITAIN	2,946,576	2.9%
6	BANK OF NEW YORK MELLON	U.S.A.	2,694,182	2.6%
7	BNYM AS EMEA ASIA 25 OMNIBUS	U.S.A.	2,565,207	2.5%
8	PARETO AKSJE NORGE	NORWAY	2,478,656	2.4%
9	JPMORGAN CHASE BANK	GREAT BRITAIN	2,222,029	2.2%
10	EGERTON CAPITAL LTD	GREAT BRITAIN	1,687,281	1.7%
10 Largest			36,914,824	36%
Total Shares Outstanding *			101,980,774	100%

* Total shares outstanding are net of shares held in treasury

Average number of shares outstanding for Current Quarter *

Average number of shares outstanding during the quarter	101,867,274
Average number of shares fully diluted during the quarter	103,007,474

* Shares outstanding net of shares held in treasury (1,386,200 TGS shares), composed of average outstanding TGS shares during the full quarter

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**Note 1 General information**

TGS-NOPEC Geophysical Company ASA (the Company) is a public limited company listed on the Oslo Stock Exchange. The address of its registered office is Lensmannsliia 4, 1386 Asker, Norway.

Note 2 Basis for Preparation

The condensed consolidated interim financial statements of the TGS Group have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements for 2011. None of the new accounting standards or amendments that came into effect from 1 January 2012 had a significant impact during the first nine months of 2012. The annual report for 2011 is available on www.tgs.com.

Note 3 Share capital and equity

Ordinary shares	Number of shares
1 January 2012	103,424,374
29 February 2012, shares issued for cash on exercise of stock options	50,250
21 May 2012, shares issued for cash on exercise of stock options	5,000
16 August 2012, cancellation of treasury shares held	(194,650)
22 August 2012, shares issued for cash on exercise of stock options	82,000
30 September 2012	103,366,974

Treasury shares	Number of shares
1 January 2012	1,816,250
23 February 2012, treasury shares transferred to cover exercise of stock options	(75,250)
18 May 2012, treasury shares transferred to cover exercise of stock options	(8,750)
6 June 2012, distribution of shares to board members	(6,400)
16 August 2012, treasury shares transferred to cover exercise of stock options	(145,000)
16 August 2012, cancellation of treasury shares held	(194,650)
30 September 2012	1,386,200

The Annual General Meeting on 5 June 2012 approved a dividend of NOK 6 per share for outstanding common stock. Dividend payments of USD 103.3 million were made to shareholders on 20 June 2012.

Note 4 Segment information

	North & South America	Europe & Russia	Africa, Middle East & Asia/Pacific	Other segments/ Corporate costs	Consolidated
2012 Q3					
Net external revenues	95,955	76,862	50,851	21,088	244,755
Operating profit	44,936	46,574	19,996	-10,191	101,315
2012 YTD					
Net external revenues	235,629	161,488	185,172	68,559	650,849
Operating profit	129,024	94,300	81,559	-20,449	284,433
2011 Q3					
Net external revenues	45,210	61,916	28,005	24,430	159,561
Operating profit	23,183	29,414	7,208	1,214	61,019
2011 YTD					
Net external revenues	120,887	138,783	89,325	78,681	427,677
Operating profit	67,203	71,111	30,433	8,991	177,738

There are no intersegment revenues between the reportable operating segments.

The Company does not allocate all cost items to its reportable operating segments during the year. Unallocated cost items are reported as "Other segments/Corporate costs".