

TGS EARNINGS RELEASE

9 February 2012



4th QUARTER 2011 RESULTS

4th QUARTER HIGHLIGHTS

- Consolidated net revenues were USD 180.9 million, an increase of 2% compared to Q4 2010.
- Net late sales totaled USD 146.1 million, up 3% from Q4 2010.
- Net pre-funding revenues were USD 30.3 million, up 16% from Q4 2010, funding 50% of the Company's operational multi-client investments during Q4 (investments of USD 61.1 million, up 55% from Q4 2010).
- Proprietary revenues were USD 4.5 million, down 52% from Q4 2010.
- Operating profit (EBIT) was USD 62.7 million (35% of net revenues), compared to USD 81.4 million (46% of net revenues) in Q4 2010. Adjusted for non-recurring items, operating profit was USD 82.2 million (45% of net revenues).
- Cash flow from operations was USD 189.4 million, compared to USD 119.1 million in Q4 2010.
- Earnings per share (fully diluted) were USD 0.43, compared to 0.54 in Q4 2010.
- TGS' backlog amounted to USD 210.9 million at the end of Q4, representing the highest backlog figure in the history of the Company.

FULL YEAR 2011 FINANCIAL HIGHLIGHTS

- Consolidated net revenues were USD 608.6 million, an increase of 7% compared to 2010.
- Net late sales from the multi-client library totaled USD 419.5 million, up 10% from USD 380.3 million in 2010.
- Net pre-funding revenues were USD 147.4 million, down 9% from 2010, funding 53% of the Company's operational multi-client investments during 2011 (investments of USD 276.9 million, down 6% from 2010).
- Proprietary revenues were USD 41.7 million, up 65% from 2010.
- Operating profit (EBIT) was USD 240.4 million (40% of net revenues), compared to USD 227.1 million (40% of net revenues) in 2010.
- Cash flow from operations was USD 486.7 million, an increase of 19% from USD 408.8 million in 2010.
- Earnings per share (fully diluted) were USD 1.65 compared to USD 1.49 for the same period in 2010.

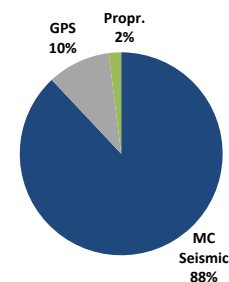
"We are pleased to have fulfilled our revenue guidance for 2011 despite delays in restarting operations and the lack of late-sale triggers in one of our key markets," TGS' CEO Robert Hobbs stated. "TGS showed impressive growth in other business sectors and is proud to report the highest quarterly revenues in the history of the Company. We enter 2012 in strong financial condition with an aggressive investment plan to capitalize on a healthy market outlook."

KEY FIGURES

(All amounts in USD 1,000s)	Q4 2011	Q4 2010	YTD 2011	YTD 2010
Net operating revenues	180,891	177,598	608,568	568,263
Operating profit	62,664	81,351	240,402	227,108
Pre-tax profit	62,357	80,720	241,146	227,745
Net income	44,213	56,585	170,688	155,783
EBIT	62,664	81,351	240,402	227,108
EBIT margin	35%	46%	40%	40%
Return on capital employed	25%	26%	25%	26%
Equity ratio	73%	75%	73%	75%
Multi-client library				
Opening net book value	523,664	503,258	475,698	424,282
Multi-client data purchased from third parties	-	1,100	-	4,000
Investments in new projects	61,134	39,489	276,942	295,289
Amortization	(73,667)	(68,150)	(241,509)	(247,874)
Ending net book value	511,131	475,698	511,131	475,698
Pre-funding % on operational investments	50%	66%	53%	55%

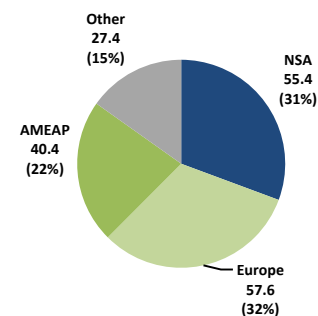
REVENUE BREAKDOWN

TGS' largest business activity is developing, managing, conducting and selling multi-client seismic surveys. This activity accounted for 88% of the Company's business during the quarter. Geological Products and Services (GPS) accounted for 10% of net revenues in the 4th quarter, while proprietary seismic revenues accounted for 2% of net revenues.



Net late sales were up 3% compared to Q4 2010. Net pre-funding revenues totaled USD 30.3 million, an increase of 16% from Q4 2010. The pre-funding revenues recognized in the fourth quarter funded 50% of the operational investments of USD 61.1 million in the multi-client library. During 2011, pre-funding amounted to 147.4 million (53% of operational investments) representing a decrease of 9% compared to 2010. Proprietary contract revenues during the quarter totaled USD 4.5 million compared to USD 9.3 million in Q4 2010. For 2011, proprietary revenue totaled USD 41.7 million, up 65% from USD 25.2 million in 2010.

TGS' reporting structure is broken down in the following seismic business segments: North and South America; Europe; and Africa, Middle East, Asia Pacific. In addition to these areas, several business units are aggregated to form "Other segments." These segments include GPS Well Data, GPS Interpretation, Global Services, Imaging and Stingray. Sales from North and South America totaled USD 55.4 million in Q4 2011 (72.8 in Q4 2010) which corresponds to 31% of total sales for the quarter (41% in Q4 2010). Sales from Europe amounted to USD 57.6 million (41.7 in Q4 2010), while Africa, Middle-East and Asia Pacific had total sales of USD 40.4 million in Q4 2011 (36.4 in Q4 2010).



OPERATIONAL COSTS

The amortization of the multi-client library for Q4 2011 amounted to USD 73.7 million (68.2 in Q4 2010) which corresponds to 42% (40% in Q4 2010) of the total revenues from the multi-client library. Amortization fluctuates from quarter to quarter, depending on the sales mix of projects. In Q4 2011, 12% of total revenues came from pre-2007 vintages which are fully written off the books in line with the Company's amortization policy. The amortization rate for the 12 months of 2011 was 43% compared to 46% in 2010.

Cost of goods sold (COGS) were USD 0.4 million for the quarter, USD 2.6 million lower than one year ago. The decrease is due to lower proprietary project activity. Personnel and other operating costs expensed during the quarter were USD 41.7 million, an increase of 78% from 2010, mainly due to an impairment of USD 19.5 million following an updated fair value assessment of TGS' economic interest in the E&P Holding Group (Skeie Energy). See note 5 for further details about the impairment charges.

EBITDA AND EBIT

Reported EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) for the quarter ended 31 December 2011 was USD 138.1 million, which corresponds to 76% of net revenues, down 8% from USD 150.8 million in Q4 2010. Operating profit (EBIT) for the quarter amounts to USD 62.7 million compared to USD 81.4 million in Q4 2010. Adjusted for non-recurring items, operating profit was USD 82.2 million (45% of net revenues).

FINANCIAL ITEMS

TGS recorded an unrealized currency exchange loss of USD 0.5 million in Q4 2011.

The Company recorded a financial loss of USD 0.8 million in Q4 2011 through net financial items related to the Company's holdings of auction rate securities (ARS).

The Company recorded a financial loss of USD 0.1 million in Q4 2011 related to changes in fair value of a financial derivative related to a convertible loan mentioned in note 5.

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 30% last year. For the full year the tax rate is 29% compared to 32% last year. The low tax rate for the full year is mainly due to a tax refund in Q2 2011 following a positive outcome of a tax litigation with the State of Texas. In addition, a taxable exchange loss for the Parent Company related to the dividend accrual, which did not qualify as a taxable loss for the Group according to IFRS, did reduce the consolidated tax rate.

NET INCOME AND EARNINGS PER SHARE (EPS)

Net income for Q4 2011 was USD 44.2 million (24% of net revenues), down 22% compared to Q4 2010. Quarterly earnings per share (EPS) were USD 0.43 fully diluted (USD 0.43 undiluted), a decrease of 21% from Q4 2010 EPS of USD 0.54 (USD 0.55 undiluted).

MULTI-CLIENT INVESTMENTS AND LIBRARY

The Company's operational investments in its data library during Q4 2011 were USD 61.1 million, 55% higher than in Q4 2010. The Company recognized USD 30.3 million in net pre-funding revenues in Q4 2011, funding 50% of its operational multi-client investments during the quarter. For 2011, pre-funding revenues totaled USD 147.4 million, funding 53% of operational multi-client investments (USD 276.9 million).

MUSD	Q4 2011	Q4 2010	2011	2010	2009	2008
Beginning net book value	523.7	503.3	475.7	424.3	335.0	217.4
Non-operational investments	-	1.1	-	4.0	-	-
Operational investments	61.1	39.5	276.9	295.3	266.0	287.0
Amortization	(73.7)	(68.1)	(241.5)	(247.9)	(176.7)	(169.3)
Ending net book value	511.1	475.7	511.1	475.7	424.3	335.0

MUSD	Q4 2011	Q4 2010	2011	2010	2009	2008
Net MC revenues	176.4	168.3	566.9	543.0	445.0	481.7
Change in MC revenue	5%	14%	4%	22%	-8%	21%
Change in MC investment	51%	9%	-7%	13%	-7%	108%
Amort. in % of net MC revs.	42%	40%	43%	46%	40%	35%
Change in net book value	-2%	-5%	7%	12%	27%	54%

BALANCE SHEET AND CASH FLOW

The net cash flow from operations for the quarter, after taxes, before investments, totaled USD 189.4 million compared to USD 119.1 million in Q4 2010. As of 31 December 2011, the Company's total cash holdings amounted to USD 335.7 million compared to USD 290.2 million at 31 December 2010.

TGS has bought back shares for USD 30.0 million in 2011 which was in line with the stated intention from the Board. In the fourth quarter, a total of USD 7.3 million was used on share buy-backs.

As of 31 December 2011, TGS held USD 21.5 million in Auction Rate Securities (ARS), all in AAA-rated closed-end funds. The market began experiencing failed auctions in February 2008. Since experiencing the first failed auction, TGS has redeemed a total of USD 65.1 million of ARS at par value and USD 4.8 million at 93% of par value. No redemptions were made during Q4 2011. TGS classifies its ARS as current financial investments available for sale and has valued its ARS at fair value of USD 19.0 million. Per 31 December 2011, the balance of the provision held between par value and fair value was USD 2.5 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 31 December 2011 was USD 973.0 million, representing 73% of total assets. A total of 22,000 new shares were issued during Q4 2011 in relation to stock options exercised by key employees in November 2011. Further, the Company transferred 52,250 treasury shares to cover the exercise of options by key employees. During the quarter, the Company bought back 320,000 shares for the treasury. As of 31 December 2011 TGS holds 1,816,250 treasury shares.

BACKLOG

TGS' backlog amounted to USD 210.9 million at the end of Q4, an increase of 57% from last quarter and 81% above the level of one year ago. The backlog at the end of Q4 represents the highest figure in the history of the Company.

OPERATIONAL HIGHLIGHTS

Vessels under TGS' control through charter during all or parts of Q4 included two 2D vessels and four 3D vessels. An additional four 2D vessels, one 3D vessel, and one wide-azimuth crew were involved in joint ventures with others during Q4.

North and South America

The acquisition of Patriot, an 11,655 km² wide azimuth (WAZ) survey, was started in December 2011. This orthogonal WAZ survey will be integrated with the existing Freedom WAZ data set through processing, providing a more enhanced subsurface image below salt sheets in the Mississippi Canyon area of the Gulf of Mexico. Upon completion of Patriot, the TGS portfolio of WAZ coverage will exceed 39,000 km². This project, and the underlying Freedom data, is a partnership with WesternGeco.

The first phase of TGS' multi-client (MC) 2D survey offshore Labrador-Newfoundland was completed late in October. This first phase, consisting of 10,700 km of data is expected to be followed by a second phase of approximately 11,300 km, in the 2012 acquisition season. This project is being completed in partnership with PGS.

Permitting and surveying continued on Firestone, TGS' new 3D MC survey in the Utica Shale play of the onshore US. Recording on this 1,040 km² survey is scheduled to commence in Q1 2012.

Europe and Russia

During the quarter, work continued on the joint project with PGS in the Viking Graben. By the end of the 2011 acquisition season, a total of 6,857 km² had been acquired on this multi-year project. This data set is close to the recent Sverdrup discovery on the Viking Margin.

The *M/V Polar Duke* acquired 1,055 km² of a new 3D program along the Nordkapp Platform Margin Fault in the Norwegian Barents Sea. TGS will return in 2012 to finalize the program which is located near several nominated blocks for the Norwegian 22nd Exploration Round.

In Q4 TGS completed two long offset 2D programs in partnership with Fugro in the Norwegian Sea and Norwegian Barents Sea. The *M/V Akademik Shatskiy* added 9,737 km new long offset 2D data in Norwegian Sea, and *M/V Akademik Lasarev* added 8,700 km long offset 2D data in the Barents Sea during the 2011 acquisition season.

During Q4, TGS completed an 1,800 km 2D program in offshore Northeast Greenland with the *M/V Akademik Shatskiy*. The data acquisition in this operationally challenging region was supported by the ice breaker *M/V Fennica*. The program is a joint TGS/Fugro project and the data is being processed by TGS.

The Company's other 2D operation in Northwest Europe involved the *M/V Akademik Fersman* which completed 5,050 km of MC 2D during early Q4 in the Laptev and East Siberian Sea of the Russian arctic in partnership with DMNG. Acquisition is planned to continue in the summer of 2012 when weather conditions permit.

Africa, Middle East and Asia/Pacific

In West Africa, TGS completed the acquisition of a 1,052 km² 3D project offshore Sierra Leone with the *M/V Geo Caribbean*. Also in Northwest Africa, the Company continued collection of its NWAAM 2D MC survey in partnership with Dolphin Geophysical. By the end of the quarter, the partnership had completed the acquisition of just over 15,000 km. Finally, the Company completed a 9,059 km 2D survey covering the northern Walvis Basin of offshore Namibia. Data from this survey will be available to customers in Q1 2012.

TGS commenced the Mary Rose and Mary Rose NE 3D surveys in the Exmouth Plateau offshore Northwest Australia. Combined, these surveys will total more than 12,000 km² of MC 3D data in a highly prospective region of Australia. In the Asia/Pacific region, TGS also completed a 2D survey in the Matahari area of eastern Indonesia. The 1,500 km survey compliments TGS' existing data library in the Sahul Platform and Timor Trough areas.

Other Segments

The Geologic Products and Services Division added a new MC interpretation study in the Bonaparte Basin of Western Australia to its library. In addition, the division marked the addition of over 175,000 LAS well logs to its library in 2011. This is the largest single year addition of high-end well logs to the Company's library in history.

OTHER MATTERS

At its meeting today, the Board of Directors decided to propose to the shareholders at the June 2012 Annual General Meeting a dividend of NOK 6 per share. In addition, the Company has authority to buy back shares in the market in accordance with existing regulations at Oslo Stock Exchange.

OUTLOOK

High oil prices and announced increased E&P budgets from TGS' customers will provide a foundation for further growth of revenue in 2012. The pipeline of investment opportunities is promising and TGS enters 2012 with a historically high backlog. The Gulf of Mexico continues to be an important market for TGS and the pace of recovery in that market will be important for the industry in 2012. In January 2012, the US authorities announced a license round for the Central Gulf of Mexico scheduled on 20 June 2012. This round and other license rounds such as Norway's 22nd Exploration Round are expected to be important late sales triggers for TGS.

For 2012, TGS guides as follows:

- Multi-client library investments of USD 315-365 million,
- Average pre-funding in the range of 50-60% of investments,
- An average annualized multi-client amortization rate in the range of 41-47% of net revenues,
- Net revenues in the range of USD 700-760 million, and
- Proprietary contract revenues of approximately 5% of total net revenues.

Asker, 8 February 2012

The Board of Directors of TGS-NOPEC Geophysical Company ASA

ABOUT TGS

TGS-NOPEC Geophysical Company (TGS) provides multi-client geoscience data and services to Oil and Gas Exploration and Production companies around the globe. TGS' geophysical and geological data products include multi-client seismic libraries, permanent reservoir monitoring, magnetic and gravity data, the industry's largest global database of digital well logs and regional interpretive products. TGS also provides high-end depth imaging services to help resolve complex seismic imaging problems.

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.

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Interim Statement of Comprehensive Income

(All amounts in USD 1,000s unless noted otherwise)	Note	2011 Q4 Unaudited	2010 Q4 Unaudited	2011 YTD Unaudited	2010 YTD Audited
Net operating revenues	4	180,891	177,598	608,568	568,263
<i>Operating expenses</i>					
Cost of goods sold - proprietary and other		442	3,060	13,162	4,977
Amortization of multi-client library		73,667	68,150	241,509	247,874
Personnel costs		16,078	16,915	58,409	52,897
Cost of stock options		620	347	2,066	2,446
Other operating expenses	5	25,666	6,483	46,035	23,176
Depreciation and amortization		1,753	1,293	6,985	9,785
Total operating expenses		118,227	96,246	368,166	341,155
Operating profit	4	62,664	81,351	240,402	227,108
<i>Financial income and expenses</i>					
Financial income		1,192	137	2,684	2,689
Financial expense		-69	-40	-246	-44
Exchange gains/losses		-511	-1,177	-1,815	-1,391
Net gain on financial assets		-919	448	121	-617
Net financial items		-307	-632	744	637
Profit before taxes		62,357	80,720	241,146	227,745
Tax expense		18,144	24,134	70,458	71,962
Net income		44,213	56,585	170,688	155,783
EPS USD		0.43	0.55	1.67	1.52
EPS USD, fully diluted		0.43	0.54	1.65	1.49
<i>Other comprehensive income:</i>					
Exchange differences on translation of foreign operations		-180	-1,035	-200	-167
Net (loss)/gain on available-for-sale financial assets		1,029	147	1,349	109
Other comprehensive income for the period, net of tax		849	-888	1,149	-58
Total comprehensive income for the period, net of tax		45,062	55,697	171,837	155,725

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Interim Consolidated Balance Sheet

(All amounts in USD 1,000s)	Note	2011 31-Dec Unaudited	2011 30-Sep Unaudited	2010 31-Dec Audited
ASSETS				
Non-current assets				
Goodwill		86,401	86,401	45,837
Multi-client library		511,131	523,664	475,698
Other intangible non-current assets		46,731	47,127	23,614
Deferred tax asset		15,517	12,617	12,052
Buildings		816	803	780
Machinery and equipment		18,746	17,324	14,465
Other non-current assets	5	13,814	41,744	41,744
Total non-current assets		693,154	729,679	614,189
Current assets				
Financial investments available for sale		18,963	18,169	21,123
Derivative financial instruments	5	0	125	384
Accounts receivable		251,996	259,799	285,247
Other short-term receivables		25,739	15,039	5,788
Cash equivalents		335,709	269,879	290,185
Total current assets		632,407	563,011	602,727
TOTAL ASSETS		1,325,562	1,292,690	1,216,916
EQUITY AND LIABILITIES				
Equity				
Share capital		3,636	3,647	3,651
Other equity		969,385	931,577	905,120
Total equity	3	973,021	935,224	908,771
Non-current liabilities				
Other non-current liabilities	5	29,253	37,683	12,715
Deferred tax liability		113,047	98,831	87,687
Total non-current liabilities		142,300	136,515	100,402
Current liabilities				
Accounts payable and debt to partners		101,000	113,627	112,845
Taxes payable, withheld payroll tax, social security		43,111	21,848	39,669
Other current liabilities		66,130	85,478	55,229
Total current liabilities		210,241	220,952	207,743
TOTAL EQUITY AND LIABILITIES		1,325,562	1,292,690	1,216,916

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Interim Consolidated Statement of Cash flow

(All amounts in USD 1,000s)	2011 Q4 Unaudited	2010 Q4 Unaudited	2011 YTD Unaudited	2010 YTD Audited
<i>Cash flow from operating activities:</i>				
Received payments	212,815	150,469	648,060	549,597
Payments for salaries, pensions, social security tax	-15,334	-14,326	-59,316	-52,452
Other operational costs	-7,409	-8,952	-38,397	-27,404
Net gain/(loss) on currency exchange	-511	-1,178	-1,815	-1,392
Paid taxes	-144	-6,952	-61,822	-59,562
Net cash flow from operating activities 1)	189,418	119,061	486,711	408,787
<i>Cash flow from investing activities:</i>				
Received payments from sale of tangible assets	-	375	-	375
Investments in tangible fixed assets	-3,739	-2,656	-13,078	-5,201
Investments in multi-client library	-114,576	-33,996	-283,217	-271,323
Investment through mergers and acquisitions, net of cash acquired	-	-	-43,851	-3,625
Proceeds from sale of short-term financial investments	-	4,200	4,200	6,825
Interest received	1,192	136	2,674	1,488
Net cash flow from investing activities	-117,123	-31,941	-333,272	-271,461
<i>Cash flow from financing activities:</i>				
Interest paid	-69	-15	-246	-19
Dividend payments	-	-	-93,407	-64,742
Purchase of own shares	-7,339	-7,802	-30,031	-31,879
Proceeds from share offerings	941	1,004	15,768	6,004
Net cash flow from financing activities	-6,467	-6,813	-107,916	-90,636
Net change in cash equivalents	65,830	80,309	45,525	46,692
Cash and cash equivalents at the beginning of period	269,879	209,876	290,185	243,493
Cash and cash equivalents at the end of period	335,708	290,185	335,708	290,185
<i>1) Reconciliation</i>				
Profit before taxes	62,357	80,720	241,146	227,745
Depreciation/Amortization	75,421	69,442	248,494	257,659
Impairment of long-term receivable (net)	19,500	-	19,500	-
Changes in accounts receivables	7,803	-29,421	33,251	-268
Changes in other receivables	-11,481	193	-14,399	2,324
Changes in other balance sheet items	35,964	5,079	20,542	-19,111
Paid taxes	-144	-6,952	-61,822	-59,562
Net cash flow from operating activities	189,418	119,061	486,711	408,787

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	Reserve		
Opening balance 1 January 2011	3,714	-63	40,894	18,244	611	-8,393		853,764	908,771
Net income	-	-	-	-	-	-		170,688	170,688
Other comprehensive income	-	-	-	-	1,349	-200		-	1,149
Total comprehensive income	-	-	-	-	1,349	-200		170,688	171,837
Paid-in-equity	31	-	12,362	-	-	-		-	12,393
Purchase of own shares	-	-56	-	-	-	-		-29,975	-30,031
Distribution of own shares	-	4	-	-	-	-		3,369	3,373
Cost of stock options	-	-	-	2,066	-	-		-	2,066
Dividends	-	-	-	-	-	-		-95,388	-95,388
Cancellation of treasury shares	-32	32	-	-	-	-		-	-
Closing balance per 31 December 2011	3,712	-84	53,256	20,310	1,960	-8,593		902,459	973,021

(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	Reserve		
Opening balance 1 January 2010	3,737	-37	36,657	15,798	502	-8,226		791,424	839,856
Net income	-	-	-	-	-	-		155,783	155,783
Other comprehensive income	-	-	-	-	109	-167		-	-58
Total comprehensive income	-	-	-	-	109	-167		155,783	155,725
Paid-in-equity	16	-	4,237	-	-	-		-	4,253
Purchase of own shares	-	-73	-	-	-	-		-31,805	-31,878
Distribution of own shares	-	8	-	-	-	-		2,206	2,214
Cost of stock options	-	-	-	2,446	-	-		-	2,446
Dividends	-	-	-	-	-	-		-64,027	-64,027
Cancellation of treasury shares	-39	39	-	-	-	-		-	-
Deferred tax asset related to stock options	-	-	-	-	-	-		183	183
Closing balance per 31 December 2010	3,714	-64	40,894	18,244	611	-8,393		853,764	908,771

Largest Shareholders per 1 February 2012

	Shares	%
1 FOLKETRYGDFONDET	9,079,343	8.9%
2 STATE STREET BANK AND TRUST CO.	6,308,055	6.2%
3 CLEARSTREAM BANKING S.A.	4,072,674	4.0%
4 JPMORGAN CHASE BANK	3,803,760	3.7%
5 PARETO AKSJE NORGE	3,613,156	3.6%
6 THE NORTHERN TRUST COMPANY SUB	2,820,000	2.8%
7 BANK OF NEW YORK MELLON	2,235,180	2.2%
8 BNYM AS EMEA ASIA 25 OMNIBUS	2,165,020	2.1%
9 STATE STREET BANK AND TRUST CO	2,005,643	2.0%
10 STATE STREET BANK & TRUST CO.	1,821,337	1.8%
10 Largest	37,924,168	37%
Total Shares Outstanding *	101,608,124	100%

Average number of shares outstanding for Current Quarter *

Average number of shares outstanding during the quarter	101,698,184
Average number of shares fully diluted during the quarter	103,163,215

* Shares outstanding net of shares held in treasury (1,816,250 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 Hagaløkkveien 13, 1383 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 annual financial statements for 2010. None of the new accounting standards or amendments that came into effect from 1 January 2011 had a significant impact in 2011. The annual report for 2010 is available on www.tgsnopec.com.

Note 3 Share capital and equity

Ordinary shares	Number of shares
1 January 2011	103,485,825
4 March 2011, shares issued for cash on exercise of stock options	427,750
27 May 2011, shares issued for cash on exercise of stock options	178,750
23 August 2011, shares issued for cash on exercise of stock options	51,750
23 August 2011, cancellation of 741,701 treasury shares	(741,701)
22 November 2011, shares issued for cash on exercise of stock options	22,000
31 December 2011	103,424,374

Treasury shares	Number of shares
1 January 2011	1,567,151
4 March 2011, treasury shares transferred to cover exercise of stock options	(85,000)
10 May 2011, shares bought back	68,000
11 May 2011, shares bought back	78,000
12 May 2011, shares bought back	125,000
13 May 2011, shares bought back	85,000
23 May 2011, shares bought back	45,000
24 May 2011, shares bought back	47,000
25 May 2011, shares bought back	51,600
26 May 2011, shares bought back	30,000
27 May 2011, shares bought back	10,000
27 May 2011, treasury shares transferred to cover exercise of stock options	(44,250)
30 May 2011, shares bought back	15,000
31 May 2011, shares bought back	25,000
7 June 2011, distribution of shares to board members	(8,800)
5 August 2011, shares bought back	95,000
8 August 2011, shares bought back	110,000
9 August 2011, shares bought back	25,000
10 August 2011, shares bought back	30,000
11 August 2011, shares bought back	25,000
12 August 2011, shares bought back	25,000
15 August 2011, shares bought back	25,000
16 August 2011, shares bought back	14,000
18 August 2011, treasury shares transferred to cover exercise of stock options	(67,500)
23 August 2011, cancellation of 741,701 treasury shares	(741,701)
4 November 2011, shares bought back	75,000
7 November 2011, shares bought back	50,000
8 November 2011, shares bought back	75,000
9 November 2011, shares bought back	75,000
10 November 2011, shares bought back	45,000
23 November 2011, treasury shares transferred to cover exercise of stock options	(52,250)
31 December 2011	1,816,250

The Annual General Meeting on 7 June 2011 approved a dividend of NOK 5 per share for outstanding common stock. Dividend payments of USD 93.4 million were made to shareholders on 22 June 2011.

Note 4 Segment information

2011 Q4	North & South America	Europe & Russia	Africa, Middle East & Asia/Pacific	Other segments/ Corporate costs	Consolidated
Net external revenues	55,415	57,614	40,413	27,449	180,891
Operating profit	32,066	13,089	14,304	3,205	62,664
2011 YTD	North & South America	Europe & Russia	Africa, Middle East & Asia/Pacific	Other segments/ Corporate costs	Consolidated
Net external revenues	176,302	196,397	129,738	106,131	608,568
Operating profit	99,283	84,272	44,737	12,110	240,402

2010 Q4	North & South America	Europe & Russia	Africa, Middle East & Asia/Pacific	Other segments/ Corporate costs	Consolidated
Net external revenues	72,810	41,679	36,385	26,725	177,598
Operating profit	48,888	23,362	5,043	4,058	81,351

2010 YTD	North & South America	Europe & Russia	Africa, Middle East & Asia/Pacific	Other segments/ Corporate costs	Consolidated
Net external revenues	207,309	144,509	118,006	98,439	568,263
Operating profit	107,847	85,610	23,550	10,101	227,108

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".

Note 5 Other non-current assets

Other non-current assets comprise two loans to the E&P Holding AS and Skeie Energy AS of USD 21.0 million and USD 21.1 million, gross to the Company. Following the restructuring agreements signed on 23 December 2011, TGS has decided, subject to the raising of new equity in Skeie Energy AS and a restructuring of the E&P Holding Group's indebtedness, to convert its outstanding loan to Skeie Energy of USD 21.1 million to equity during the first half of 2012.

E&P Holding AS will not undertake any future business activities, but will pursue a structured process of collecting outstanding receivables.

Based on the restructuring agreements, the Company has reconsidered the fair value of the loans and the related revenue share agreements. The effect of profit or loss in Q4 2011 amounts to USD 19.5 million, and TGS' net exposure to the E&P Holding Group is at USD 9.5 million per 31 December 2011.

The embedded derivative related to the loan agreements has been carried at fair value through profit or loss and has been recognized as "Derivative financial instruments". The effect of profit or loss in Q4 2011 amounts to USD 0.1 million.