

TGS-NOPEC EARNINGS RELEASE

May 6, 2004

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1st QUARTER 2004 RESULTS

HIGHLIGHTS

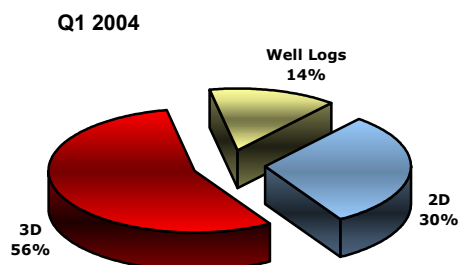
- Consolidated Net Revenues were USD 28,7 million, a decrease of 6% compared to Q1 2003.
- Operating Profit (EBIT) of USD 6,6 million (23% of Net Revenues) and was down 39% from USD 10,9 million in Q1 2003.
- Net Pre-funding Revenues of USD 9,9 million covered 36% of operational Multi-Client investments.
- Total backlog decreased 14% from Q4 2003 but was up 11% from one year ago to USD 25,0 million.
- Gross Late Sales from the Multi-Client library totaled USD 21,1 million, down 11% from USD 23,8 million in Q1 2003.
- Cash flow from operations after taxes was positive USD 12,2 million, slightly better than USD 12,0 in Q1 2003.
- Earnings per Share (undiluted) were USD 0,20, down 35% compared to USD 0,31 in Q1 2003.

REVENUE BREAKDOWN

Consolidated Gross Late Sales of USD 21,1 million represented 66% of total revenues for the quarter. Net Late Sales were down 19% compared to Q1 2003 as a result of an 11% reduction in Gross Late Sales and higher partner sharing. Net Early Participant revenues totaled USD 9,9 million, funding 36% of the Company's operational investments into new multi-client products during Q1 (USD 27,3 million). The Company earned proprietary contract revenues during the quarter of USD 0,6 million compared to USD 0,5 million in Q1 2003.

Consolidated Net Revenues Q1 2004 vs. Q1 2003 per Geographical Region					
(in Million USD)	Q1 2004	Q1 2003	Q1 2004	Q1 2003	Change
Eastern Hemisphere	5.6	7.6	19%	25%	-27%
Western Hemisphere	23.2	23.0	81%	75%	1%
Total	28.7	30.6	100%	100%	-6%

Revenue split per segment:



OPERATIONAL COSTS

The consolidated amortization charge associated with Net Multi-Client Revenues was 45% during Q1 2004 compared to 37% in Q1 2003. This rate does fluctuate from quarter to quarter, depending on the sales mix of projects. Management expects the average amortization rate for the full year 2004 to be in the range of 42-47% of Net Revenues.

Personnel and other operating costs payable for the quarter, excluding materials, were USD 8,0 million, an increase of 9% from Q1 2003 (USD 7,3 million) primarily due to the purchase of Riley and the associated increase of staff in the well log division.

EBIT and EBITDA

Operating Profit (EBIT) for the quarter was USD 6,6 million, representing 23% of Net Revenues. This was 39% lower than the reported USD 10,9 million in Q1 2003. The quarterly pre-tax profit was USD 7,5 million, down 32% compared to USD 11,0 million reported in Q1 2003.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the three months ended March 31st was USD 20,5 million, 71% of Net Revenues, down 12% from USD 23,1 million in Q1 2003.

FINANCIAL ITEMS

The strengthening USD versus the NOK during the quarter resulted in lower tax liabilities measured in USD of the Parent Company, and contributed to an unrealized exchange gain of USD 0,9 million during the quarter.

TAX

For the full year, TGS-NOPEC will report tax charges in accordance with the Accounting Standard IAS 12. Under this method, 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. After the change of functional currency from Norwegian Kroner to US Dollars the tax charges are influenced not only from local profits, but also fluctuate with changes in exchange rates between the local currency and USD. This method makes it more difficult to predict tax charges on a quarterly or annual basis. Management has therefore decided to continue the principles applied in the interim reporting of the first 3 quarters of 2003, and charge a tax provision to the P&L statement based upon the flat local tax rate of calculated USD pre-tax profit in each company in the Group. On a consolidated basis, management assesses this to be approximately 33%. Had the IAS 12 principle been applied in this Q1-2004 report, the tax charge would have been approximately USD 0,2 million higher, giving a tax rate of 36%.

NET INCOME AND EARNINGS PER SHARE (EPS)

Net Income for Q1 2004 was USD 5,0 million (17% of Net Revenues) compared to the USD 7,7 million from Q1 2003. Earnings per Share (EPS) were USD 0,20 undiluted and USD 0,19 fully diluted. This is down 35% and 34% respectively from EPS reported for Q1 2003 of USD 0,31 per share (USD 0,28 fully diluted).

BUSINESS SEGMENTS AND INVESTMENTS

TGS-NOPEC's main business is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for 86% of the Company's business during the quarter. A2D Technologies, a digital well log and solutions provider acquired in June 2002, accounted for the remaining 14% of consolidated Net Revenues in the 1st quarter. No proprietary seismic contract work was performed in Q1 2004.

The Company's investments in its data library during Q1 2004 increased 97% compared to Q1 2003. Total investments were USD 27,9 million, out of which USD 0,7 million was related to the acquisition of Riley Electric Log. The corresponding investment in Q1 2003 was USD 14,2 million. The Company recognized USD 9,9 million in Net Early Participant Revenues in Q1, funding approximately 36% of its operational multi-client investments during the quarter.

BALANCE SHEET & CASH FLOW

As of March 31st, 2004, the Company's total cash holdings amounted to USD 27,7 million compared to USD 17,7 million at December 31st, 2003. Net cash flow from operating activities (including Multi-Client investments) and after tax payments was USD 12,2 million in Q1 2004, up from USD 12,0 during Q1 2003.

Total Equity per March 31st, 2004 was USD 202,4 million, representing 82% of Total Assets.

On April 28th, 2004, TGS-NOPEC announced that it had successfully completed an offering of a five-year senior bond issue. The loan amount is limited to NOK 500 mill, of which a first tranche of NOK 300 million was drawn on May 5th and exchanged into USD 43,7 million. The bonds mature on May 5th 2009, and will bear interest on a per annum rate adjusted quarterly equaling 3 month NIBOR plus 2%. The Company has applied to list the bonds on the Oslo Stock Exchange.

The net proceeds from the loan will be used to finance TGS-NOPEC's activities and secure liquidity for the Company to act on opportunities in the market. The bond issue adds a new source of capital for TGS-NOPEC and strengthens its financial flexibility.

THE MULTI-CLIENT DATA LIBRARY:

MUSD	Q1 2004	Q1 2003	3 Months 2004	3 Months 2003	Year 2003	Year 2002	Year 2001	Year 2000
Opening Balance	133.2	117.8	133.2	117.8	117.8	98.2	55.5	40.0
In purchase price of A2D						9.5		
In purchase price of Riley Investment	0.7		0.7		5.0			
Amortization	27.3	14.2	27.3	14.2	68.7	58.8	90.9	46.4
Net Book Value Ended	12.7	11.2	12.7	11.2	58.3	48.7	48.2	30.9
	148.4	120.8	148.4	120.8	133.2	117.8	98.2	55.5

KEY MULTI CLIENT FIGURES:

MUSD	Q1 2004	Q1 2003	3 Months 2004	3 Months 2003	Year 2003	Year 2002	Year 2001	Year 2000
Net MC Revenues	28.1	30.1	28.1	30.1	132.6	121.5	123.1	85.1
Change in MC Revenue	-7%	-5%	-7%	-5%	9%	-1%	45%	14%
Change MC Investment	97%	82%	97%	82%	25%	-35%	96%	21%
Amort% of Net MC Revs	45%	37%	45%	37%	44%	40%	39%	36%
Increase in NBV	11%	3%	11%	3%	13%	20%	77%	39%

OPERATIONAL HIGHLIGHTS

The Company added approximately 9,000 kilometers of new 2D and 2,000 square kilometers of new 3D data to its library of marketed seismic surveys during the 1st quarter. A total of six different seismic vessels contributed to this effort. Most of the new acquisition was located in the US Gulf of Mexico, where the Company employed for the full quarter a two-vessel streamer crew and an OBC (ocean bottom cable) crew to accelerate and further expand its "Deep Resolve" long offset 3D project. TGS-NOPEC also commenced acquisition on a new 9,300-kilometer 2D seismic survey in the Natuna Sea in waters of both Indonesian and Vietnamese jurisdiction, and announced a new project in Russia's Sea of Okhotsk as well as a large expansion of the North Sea Renaissance project, both to be conducted this summer.

A2D added 100,000 logs from 64,000 wells to its digital well log library, bringing its owned inventory to 1,8 million digital well log images from approximately 879,000 wells. In addition, A2D has commercialized the Canadian data it licensed in conjunction with the Riley acquisition, consisting of 1,1 million digital well log images from 300,000 wells.

OUTLOOK

The Company's backlog for new seismic projects was USD 15,3 million per March 31st, 2004, 16% higher than one year ago, but 20% below the USD 19,1 million backlog on December 31st, 2003. A2D backlog slightly decreased from USD 10,1 million on December 31st, 2003 to USD 9,8 million as the new inventory from Riley helped to fill a number of outstanding orders. Total Company backlog decreased 14% during the quarter and stands at USD 25,0 million at the end of Q1, 11% higher than one year ago.

Although revenues were weaker than expected in the 1st quarter due to a lack of "large scale" late sales, the Company continues to see strong interest in and provide price quotations on large-scale data packages. While it is not possible to predict the exact magnitude and timing of late sale purchases in the short term, management still projects an approximate 15% increase in net revenues for the full year 2004.

CONTACTS FOR ADDITIONAL INFORMATION

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Naersnes, May 5th, 2004

The Board of Directors of TGS-NOPEC Geophysical Company ASA

This interim Financial Report has been prepared applying the same accounting principles as applied in the Company's Annual Reports and complies with the Norwegian Accounting Standard NRS 11.

All statements in this press release other than statements of historical fact are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions. These include TGS-NOPEC's reliance on a cyclical industry and principal customers, the company's ability to continue to expand markets for licensing of data, and the company's ability to acquire and process data products at costs commensurate with profitability. Actual results may differ materially from those expected or projected. TGS-NOPEC undertakes no responsibility to update forward-looking statements.

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Consolidated Profit & Loss Accounts

			12 Months
(All amounts in USD 1000's unless noted otherwise)	Q1 2004	Q1 2003	2003
<i>Operating Revenues</i>			
Sales	32 095	32 014	152 345
Income sharing	-3 359	-1 429	-15 433
Net Operating Revenues	28 736	30 585	136 912
<i>Operating expenses</i>			
Materials	278	102	2 577
Amortization of Multi-Client Data Library	12 737	11 171	58 320
Personnel costs	5 279	4 780	19 614
Other operating expenses	2 721	2 565	9 946
Depreciation	1 112	1 091	4 298
Loss on disposal of vessel			
Total operating expenses	22 128	19 709	94 755
Operating profit	6 608	10 875	42 157
<i>Financial income and expenses</i>			
Interest Income	72	75	233
Interest Expense	-86	-163	-506
Exchange gains/losses	873	168	-806
Net financial items	859	80	-1 079
Profit before taxes	7 467	10 955	41 078
Tax provision	2 464	3 303	12 684
Net Income	5 003	7 652	28 393
EPS USD	0,20	0,31	1,15
EPS USD, fully diluted	0,19	0,28	1,07

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Consolidated Balance Sheet

(All amounts in USD 1000's unless noted otherwise)	31.03.2004	31.03.2003	31.12.2003
ASSETS			
Long-term assets			
<i>Intangible assets</i>			
Goodwill	15 548	15 957	16 166
<i>Fixed Assets</i>			
Buildings	3 874	3 391	3 917
Machinery and equipment	3 689	3 934	3 991
<i>Financial Assets</i>			
Long term receivables, included pre-payments	3 241	5 667	4 000
Total long-term assets	26 353	28 949	28 074
Current assets			
<i>Inventories</i>			
Multi-Client Data Library, net	148 434	120 849	133 237
<i>Receivables</i>			
Accounts receivable	40 554	44 367	66 288
Other short term receivables	4 743	5 135	4 396
<i>Cash and cash equivalents</i>			
Cash and cash equivalents	27 734	18 408	17 724
Total current assets	221 465	188 759	221 645
TOTAL ASSETS	247 818	217 708	249 719

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**TGS-NOPEC Geophysical Company ASA
Consolidated Balance Sheet**

(All amounts in USD 1000's unless noted otherwise)	31.03.2004	31.03.2003	31.12.2003
LIABILITIES AND EQUITY			
<i>Equity</i>			
Share capital	3 585	3 417	3 556
Other equity	198 807	171 174	192 358
Total equity	202 392	174 591	195 914
Provisions and liabilities			
<i>Provisions</i>			
Deferred tax liability	7 726	4 265	7 692
<i>Long term liabilities</i>			
Mortgage loans/secured loans	4 289	8 443	6 430
Capitalized lease liabilities	361	656	416
<i>Current liabilities</i>			
Short-term interest-bearing debt	174	159	861
Accounts payable and debt to partners	23 671	16 589	28 975
Taxes payable, withheld payroll tax, social security	1 221	4 443	2 600
Other current liabilities	7 984	8 561	6 831
Total provisions and liabilities	45 426	43 116	53 805
TOTAL LIABILITIES AND EQUITY	247 818	217 708	249 719

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Consolidated Cash flow Statement

	Q1 2004	Q1 2003	12 Months YTD 2003
(All amounts in USD 1000's unless noted otherwise)			
Cash flow from operating activities:			
Received payments from sales	54 123	44 044	129 185
Payments for acquired seismic, services and other operational costs	-33 718	-12 638	-79 550
Payments for salaries, pensions, social security tax and tax deducted	-5 279	-4 815	-19 664
Received interest and other financial income	944	75	232
Interest payments and other financial cost	-86	-163	-506
Paid tax and government taxes	-3 810	-4 302	-11 407
Payments for other oper. activities and currency diff.	0	-10 207	
Net cash flow from operating activities	12 174	11 994	18 290
Cash flow from investing activities:			
Received payments from fixed assets	0	0	
Investment in tangible fixed assets	-158	-483	-1 495
Investment in Riley (2003) and A2D (2002)	-1 325	0	-6 492
Net change in long term receivables	759	333	2 000
Net cash flow from investing activities	-724	-150	-5 987
Cash flow from financing activities:			
Net change in short term loans	-687	-7 238	-6 535
Net change in long term loans	-2 195	-4 276	-6 530
Paid in equity	1 442	0	408
Net cash flow from financing activities	-1 440	-11 514	-12 657
Net change in cash and cash equivalents	10 010	330	-354
Cash and cash equivalents at the beginning of period	17 724	18 078	18 078
Cash and cash equivalents at the end of period	27 734	18 408	17 724

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Equity Reconciliation per March 31st 2004

(All amounts in USD 1000's unless noted otherwise)	2004
Opening Balance	195 914
Changes in share capital during the year	1 442
Net Income	5 003
Effect of change in exchange rates and other items	33
Closing balance per March 31st 2004	202 392