

# TGS-NOPEC EARNINGS RELEASE

May 7, 2009



## 1st QUARTER 2009 RESULTS

### 1st QUARTER HIGHLIGHTS

- Gross revenues were 31% lower than in Q1 2008.
- Consolidated net revenues were USD 70.8 million, down 33% from the USD 105.2 million in Q1 2008.
- Gross late sales from the multi-client library totaled USD 41.5 million, down 42% from USD 72.0 million in Q1 2008. Net late sales of USD 29.9 million were 47% down from Q1 2008
- Net pre-funding revenues of USD 34.5 million increased 17% compared to Q1 2008 and funded 54% of the Company's operational investments into new multi-client products (USD 63.6 million).
- Operating profit (EBIT) was USD 19.8 million (28% of Net Revenues), down 58% from USD 46.6 million in Q1 2008.
- Cash flow from operations after taxes but before investments was USD 95.9 million, versus USD 151.6 million in Q1 2008.
- Earnings per share (fully diluted) were USD 0.13 versus USD 0.28 in Q1 2008.

*"Not surprisingly Q1 was extremely challenging for sales of geoscientific library data", TGS's CEO Hank Hamilton stated. "We are clearly seeing increased sales activity in recent weeks and we continue to remain optimistic about the longer term fundamentals for our sector. We also believe we are well positioned to take advantage of opportunities that these difficult cycles usually present."*

### REVENUE BREAKDOWN

TGS' largest business activity is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for 75% of the Company's business during the quarter. Geological Products and Services (GPS) accounted for 16% of net revenues in the 1st quarter. Other contract proprietary revenues represented the remaining 9% of net revenues.

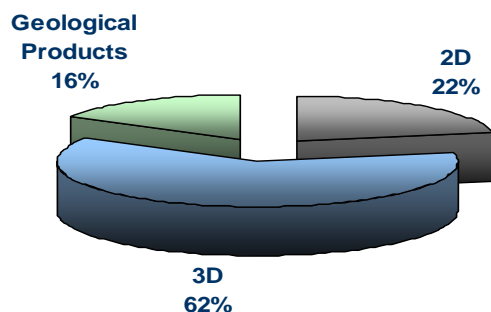
Consolidated net late sales after revenue sharing were down 47% compared to Q1 2008. Net pre-funding revenues totaled USD 34.5 million, funding 54% of the Company's operational investments into new multi-client products during Q1 (USD 63.6 million). Proprietary contract revenues totaled USD 6.4 million compared to USD 19.6 million in Q1 2008 as the Company used all contracted vessel capacity during this quarter to acquire its multi-client projects. The majority of the proprietary contract revenues came from processing services performed for clients on an exclusive basis.

|                               | Q1 2009     | Q1 2008 | Change | %    |
|-------------------------------|-------------|---------|--------|------|
| <b>Gross Sales</b>            | <b>86.7</b> | 125.2   | (38.5) | -31% |
| Income Sharing & Royalties    | (16.0)      | (20.0)  | 4.0    | -20% |
| <b>Net Operating Revenues</b> | <b>70.8</b> | 105.2   | (34.5) | -33% |

### Breakdown of Net Revenues by Geographical Region:

| Consolidated Net Revenues (in million USD) | Q1 2009 vs. Q1 2008 per Geographical Region |              |             |             |             |
|--|---|--------------|-------------|-------------|-------------|
|  | Q1 2009                                     | Q1 2008      | Q1 2009     | Q1 2008     | Change      |
| Eastern Hemisphere                         | 30.9  | 53.9         | 44%         | 51%         | -43%        |
| Western Hemisphere                         | 39.9  | 51.3         | 56%         | 49%         | -22%        |
| <b>Total</b>                               | <b>70.8</b>                                 | <b>105.2</b> | <b>100%</b> | <b>100%</b> | <b>-33%</b> |

## Q1 Net Revenues by Product Type:



## OPERATIONAL COSTS

The consolidated amortization charge associated with multi-client revenues was 51% of net multi-client revenues during Q1 2009 compared to 32% in Q1 2008. This rate does fluctuate from quarter to quarter, depending on the sales mix of projects. Of the multi-client seismic revenues recognized in Q1, only 3% came from fully written down surveys, and 87% came from work in progress that typically carries a higher amortization rate than the average blended rate from library sales.

Cost of goods sold, proprietary and other (COGS) were USD 0.4 million for the quarter, down from USD 9.6 million last year due to the lower proprietary contract activity. The personnel plus other operating costs were USD 15.1 million, down 21% from Q1 2008. This decrease is due to higher capitalization of processing costs related to multi-client projects and lower bonus costs accrued for Q1.

## EBIT and EBITDA

Operating profit (EBIT) for the quarter of USD 19.8 million represented 28% of net revenues. This was 58% lower than the USD 46.6 million reported in Q1 2008. EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the quarter ended March 31<sup>st</sup> was USD 54.6 million, 77% of net revenues, down 28% from USD 75.9 million in Q1 2008.

## FINANCIAL ITEMS

### Financial Income & Expense, Exchange gains/losses

To eliminate the currency risk associated with its NOK-denominated bond loan the Company entered into a derivative currency swap contract (see below under "Balance Sheet and Cash Flow"). Because of the accounting treatment of this swap contract under IFRS, a move in the USD/NOK exchange rate inflates the lines "Financial expense" and "Exchange gains/losses" which largely offset each other for this element.

### Loss/Gain on Financial Assets Held

The Company realized a financial gain of USD 0.3 million on the sale of its 10.1% holding in Wavefield-Inseis in January.

## 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. Financial losses or profits on Financial Assets valued at Fair Value through Profit and Loss and the cost of stock options are non-deductible and non-taxable. This method makes it difficult to predict tax charges on a quarterly or annual basis. Management assesses that the operating consolidated tax rate is approximately 32%. Due to the movement in the exchange rate between the USD and the NOK in Q1, the parent company, which pays its taxes in NOK, realized a taxable profit on intercompany accounts with its subsidiaries. This resulted in a consolidated tax rate of 37% for the quarter.

## **NET INCOME AND EARNINGS PER SHARE (EPS)**

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The net income for Q1 2009 was USD 13.2 million (19% of Net Revenues) compared to USD 29.0 million (28% of net revenues) in Q1 2008. Quarterly earnings per share (EPS) were USD 0.13 fully diluted (USD 0.13 undiluted), compared to Q1 2008 EPS of USD 0.28 (USD 0.28 undiluted).

## **MULTI-CLIENT INVESTMENTS**

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The Company's operational investments in its data library during Q1 2009 were USD 63.6 million, 4% higher than in Q1 2008. The Company recognized USD 34.5 million in net pre-funding revenues in Q1, funding approximately 54% of its operational multi-client investments during the quarter.

## **BALANCE SHEET & CASH FLOW**

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The net cash flow from operations for the quarter, after taxes, before investments, totaled USD 95.9 million compared to USD 151.6 million in Q1 2008. As of March 31, 2009, the Company's total cash holdings amounted to USD 228.6 million compared to USD 148.3 million at December 31, 2009.

As of March 31, 2009 TGS held USD 53.8 million in Auction Rate Securities (ARS) comprised of USD 5.5 million of AA-rated municipal bonds and USD 50.3 million of AAA-rated closed-end funds. An ARS is an instrument for which the interest rate is reset when the instrument trades, typically every 7, 28, or 35 days, through a descending price auction. When an ARS is up for trade, buyers submit a bid and the lowest rate necessary to sell the last available share establishes the clearing rate. If there are not enough buyers, then a failed auction occurs. A failed auction is not a default; the holder of the ARS continues to hold the security and receive interest payments at the failed rate – a maximum rate defined by the issuer. The most significant impact of a failed auction is a loss of liquidity; the security for which an auction has failed will continue to pay interest and be auctioned every 7, 28 or 35 days until there are buyers, the issuer calls the security for redemption, the issuer establishes a different form of financing to replace the security or the security matures. TGS began experiencing failed auctions in February, 2008, but has experienced no loss of principal. Since experiencing the first failed auction, TGS has received redemptions totaling USD 37.4 million of ARS at par value. Of these, USD 26.8 million were redeemed prior to September 30<sup>th</sup>, USD 5.5 million during Q4 2008, and USD 5.0 million in Q1 2009. TGS classifies its ARS as current financial investments available for sale. The market for these securities is still distressed. As TGS has no need to liquidate these securities within the near future at discounted prices, TGS has valued its ARS at "fair value" of USD 46.5 million based on a third party valuation that considered actual market trades as well as a discounted cash flow valuation method.

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.

The Company issued in 2004 a five year 300 MNOK bond loan. In accordance with IAS 39 the loan was measured at amortized cost and is was recognized as a current liability in the balance sheet (USD 44.9 million at March 31<sup>st</sup>, 2009). To eliminate the currency risk associated with the NOK bond loan the Company at the same time entered into a derivative currency swap contract that fixed the amount to be repaid at maturity at USD 43.7 million. As the Company does not apply hedge accounting for the transaction the fair value of the derivative instrument (USD 1.2 million) is in accordance with IAS 39 recognized as "Other Current Assets" in the balance sheet at March 31<sup>st</sup> 2009. The bond loan matured and was repaid in full on May 5<sup>th</sup> 2009 with no net effect to the income statement in Q2.

Total equity per March 31<sup>st</sup>, 2009 was USD 675.5 million, representing 73% of total assets. A total of 90,000 new shares were issued during Q1 2009 in relation to stock options exercised by key employees. TGS holds 4,054,900 treasury shares.

## POTENTIAL LEGAL DISPUTES

In January 2009, TGS received a letter from the legal advisor of a former vessel provider, with which TGS terminated a charter in December 2008 due to material breach of the contract by the vessel provider. In the letter, the supplier disputes TGS' grounds to terminate the contract and reserves its rights to commence legal proceedings. TGS is of the opinion that the termination was in full right due to non-performance of the vessel. TGS has not provided for any potential loss from this dispute.

TGS is in the process of commencing arbitration to collect overdue payment from a client. A provision of USD 4.0 million for potential bad debt was made in Q4 2008. In Q1 the Company realized a loss on receivables of USD 0.3 million against this provision. As of March 31<sup>st</sup> the provision held in the balance sheet was USD 3.7 million.

## THE MULTI-CLIENT LIBRARY:

| MUSD                        | Q1 2009 | Q1 2008 | 2008    | 2007    | 2006    |
|-----------------------------|---------|---------|---------|---------|---------|
| Beginning Net Book Value    | 335.0   | 217.4   | 217.4   | 195.6   | 160.8   |
| Non-Operational Investments | -       | -       | -       | 1.6     | 4.5     |
| Operational Investments     | 63.6    | 61.3    | 287.0   | 136.3   | 131.9   |
| Amortization                | (32.6)  | (27.0)  | (169.3) | (116.2) | (101.7) |
| Ending Net Book Value       | 366.0   | 251.6   | 335.0   | 217.4   | 195.6   |

| MUSD                        | Q1 2009 | Q1 2008 | 2008  | 2007  | 2006  |
|-----------------------------|---------|---------|-------|-------|-------|
| Net MC Revenues             | 64.4    | 85.6    | 481.7 | 397.7 | 376.5 |
| Change in MC Revenue        | -25%    | -6%     | 21%   | 6%    | 62%   |
| Change in MC Investment     | 4%      | 76%     | 108%  | 1%    | 29%   |
| Amort. in % of Net MC Revs. | 51%     | 32%     | 35%   | 29%   | 27%   |
| Change in Net Book Value    | 9%      | 16%     | 54%   | 11%   | 22%   |

## OPERATIONAL HIGHLIGHTS

During Q1, vessels under TGS's control through charter included two 2D vessels and two 3D vessels. A 3D OBC crew completed a charter with TGS early in the quarter. The company also had one wide-azimuth crew chartered and operated by WesternGeco working on a jointly-owned TGS/WesternGeco project.

### Western Hemisphere

In early March, TGS resumed acquisition on the *Freedom* wide azimuth multi-client (MC) 3D survey in the Mississippi Canyon and Atwater Valley areas of the deepwater Gulf of Mexico. Data acquisition recommenced with a more efficient dual 10-streamer vessel configuration, yielding more data per boat pass than the single streamer vessel crew utilized in 2008. Acquisition of the survey was 58% complete at the end of the quarter.

In Q1, TGS continued acquisition of its Hernando 3D survey in the De Soto Canyon area of the Gulf of Mexico. In March TGS announced a cooperation agreement with Petroleum Geo-Services ASA (PGS) to combine the Hernando 3D survey with an adjacent PGS survey into one large, seamless, 3D multi-client project. This agreement expanded TGS' ownership to a 365 OCS block area (8,500 km<sup>2</sup>) from the originally-planned 300 blocks (6,900 km<sup>2</sup>). Acquisition and processing of the survey is approximately 65% complete.

TGS completed work on an ocean bottom cable (OBC) 3D survey on the Gulf of Mexico shelf under a charter agreement with RXT in Q1. This data is currently being processed by TGS and final volumes will be delivered to clients in Q2.

TGS' clients have continued to recognize the value of the company's processing technologies as critical to solving their most complex subsurface imaging challenges. In Q1, TGS completed a 3D anisotropic Kirchhoff depth migration project covering over 1470 OCS blocks (32,000 km<sup>2</sup>) on the Gulf of Mexico shelf and slope. This reprocessing of TGS' 3D seismic data library utilized over 800 well logs from the company's well data library to arrive at a better and more accurate image of the subsurface.

Capitalizing on its successful underwriting program, TGS's Geological Products Division continued to increase its production of LAS formatted digital well logs, creating this higher value product on over 30,000 new wells in Q1.

### **Eastern Hemisphere**

In Q1, TGS continued an active acquisition season in West Africa by acquiring approximately 2700 km<sup>2</sup> of multi-client 3D offshore Liberia during the quarter. This highly funded survey, expected to be complete in Q2, will expand TGS's Liberia 3D data coverage to 9000 km<sup>2</sup> of modern 3D over one of the most active exploration plays in recent years.

The Company continued acquisition on a 10,000 km multi-client 2D survey offshore Ghana, expanding its originally planned 8,600 km project and tying a number of important successful exploration wells in the western part of the country. TGS plans to extend the survey to image this attractive exploration play in offshore blocks of adjacent countries.

In Southeast Asia, TGS commenced a 5,600 km 2D multi-client survey off the northwest coast of Sumatra Indonesia with substantial industry funding. This project was completed early in Q2 and the vessel moved to the next phase of the survey off of the southwest coast of Sumatra.

### **Backlog**

TGS's backlog stood at USD 132.0 million at the end of Q1, 8% above the level of one year ago.

## **OUTLOOK**

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Historically TGS has earned 70-80% of its revenues from late sales of library data. These sales are "lumpy" in nature, have very low visibility and are difficult to accurately forecast. In the current environment this forecasting is an even more challenging task. Sales activity has increased since the beginning of the year and the pipeline of sizeable sales opportunities is steadily increasing. Last week's announcement of block awards in Norway's 20<sup>th</sup> licensing round will have a positive impact in the near term.

TGS management's expectations for the full year 2009 remain as follows: multi-client library investments of USD 230–270 million, average pre-funding in the range of 45-55% of investments, an average annualized multi-client amortization rate in the range of 35-40% of net revenues, net revenues in the range of USD 470–530 million, and proprietary contract revenues in the range of 5-10% of total net revenues. In line with its lower revenue forecast for 2009 compared to 2008, the Company has implemented a plan to reduce operating expenses beginning in Q2. However, the Company will continue to evaluate opportunities to increase multi-client investments and grow its market share during the year based on client interest and other economic indicators.

### **Asker, May 6<sup>th</sup>, 2009**

The Board of Directors of TGS-NOPEC Geophysical Company ASA

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

Web-site: [www.tgsnopec.com](http://www.tgsnopec.com)

## **CONTACTS FOR ADDITIONAL INFORMATION**

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*This interim Financial Report has been prepared applying the IAS 34 "Interim Financial Reporting" principles. The accounting principles adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements.*

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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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# TGS-NOPEC EARNINGS RELEASE

May 7, 2009



TGS-NOPEC Geophysical Company ASA

## Interim Consolidated Income Statement

|   | 2009<br>Q1    | 2008<br>Q1     |
|---|---------------|----------------|
| (All amounts in USD 1000's unless noted otherwise)                  |               |                |
| <b>Net Operating Revenues</b>                                       | <b>70,761</b> | <b>105,226</b> |
| <i>Operating expenses</i>   |               |                |
| COGS - Proprietary and Other  | 360           | 9,602          |
| Amortization of Multi-Client Data Library                           | 32,583        | 27,018         |
| Personnel costs   | 9,671         | 13,832         |
| Cost of stock options   | 685           | 707            |
| Other operating expenses  | 5,445         | 5,218          |
| Depreciation and Amortization                                       | 2,213         | 2,246          |
| <b>Total operating expenses</b>                                     | <b>50,957</b> | <b>58,623</b>  |
| <b>Operating profit</b>   | <b>19,805</b> | <b>46,603</b>  |
| <i>Financial income and expenses</i>                                |               |                |
| Financial income  | 1,932         | 5,455          |
| Financial expense   | -460          | -790           |
| Exchange gains/losses   | -529          | -3,766         |
| Loss/Gain on Financial Assets at Fair Value Through Profit & Loss   | 256           | -4,530         |
| <b>Net financial items</b>  | <b>1,199</b>  | <b>-3,631</b>  |
| <b>Profit before taxes</b>  | <b>21,004</b> | <b>42,972</b>  |
| Tax expense   | 7,837         | 13,977         |
| <b>Net Income</b>   | <b>13,167</b> | <b>28,995</b>  |
| EPS USD   | 0.13          | 0.28           |
| EPS USD, fully diluted  | 0.13          | 0.28           |
| <b>Other comprehensive income:</b>                                  |               |                |
| Exchange differences on translation of foreign operations           | 160           | 554            |
| Net (loss)/gain on available-for-sale financial assets              | 34            | -              |
| <b>Other comprehensive income (loss) for the period, net of tax</b> | <b>194</b>    | <b>554</b>     |
| <b>Total comprehensive income for the period, net of tax*</b>       | <b>13,361</b> | <b>29,549</b>  |
| * Attributable to equity holders of the parent                      |               |                |

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TGS-NOPEC Geophysical Company ASA

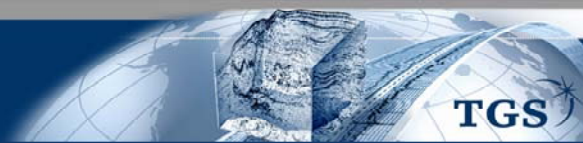
## Interim Consolidated Statement of Financial Position

| (All amounts in USD 1000's)                            | 2009<br>31-Mar | 2008<br>31-Dec |
|--|----------------|----------------|
| <b>ASSETS</b>  |                |                |
| <b>Non-Current Assets</b>                              |                |                |
| Goodwill   | 45,493         | 45,493         |
| Multi-Client Data Library, net                         | 365,980        | 334,998        |
| Other Intangible non-current assets                    | 43,789         | 44,249         |
| Deferred Tax Asset                                     | 5,762          | 8,373          |
| Buildings  | 1,179          | 882            |
| Machinery and Equipment                                | 18,533         | 21,812         |
| Non-current receivables including pre-payments         | 11             | 1,033          |
| <b>Total non-current assets</b>                        | <b>480,747</b> | <b>456,839</b> |
| <b>Current assets</b>                                  |                |                |
| Financial Assets at Fair Value Through Profit and Loss | -              | 28,102         |
| Financial Investments Available for Sale               | 46,527         | 51,098         |
| Accounts receivable                                    | 143,771        | 234,491        |
| Other short term receivables                           | 18,775         | 34,107         |
| Cash equivalents                                       | 228,596        | 148,306        |
| Current asset held for sale                            | 1,200          | 1,373          |
| <b>Total current assets</b>                            | <b>438,870</b> | <b>497,478</b> |
| <b>TOTAL ASSETS</b>                                    | <b>919,618</b> | <b>954,317</b> |
| <b>EQUITY AND LIABILITIES</b>                          |                |                |
| <b>Equity</b>  |                |                |
| Share capital  | 3,677          | 3,674          |
| Other equity   | 671,837        | 657,389        |
| <b>Total equity</b>                                    | <b>675,514</b> | <b>661,063</b> |
| <b>Non-current liabilities</b>                         |                |                |
| Deferred tax liability                                 | 56,117         | 55,729         |
| Capitalized lease liabilities                          | 4              | 6              |
| <b>Total non-current liabilities</b>                   | <b>56,121</b>  | <b>55,735</b>  |
| <b>Current liabilities</b>                             |                |                |
| Accounts payable and debt to partners                  | 62,782         | 92,011         |
| Taxes payable, withheld payroll tax, social security   | 31,670         | 46,300         |
| Current interest-bearing loans                         | 44,910         | 42,864         |
| Other current liabilities                              | 48,621         | 56,344         |
| <b>Total current liabilities</b>                       | <b>187,983</b> | <b>237,519</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                    | <b>919,618</b> | <b>954,317</b> |



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TGS-NOPEC Geophysical Company ASA

## Consolidated Cash flow Statement

|  | 2009<br>Q1     | 2008<br>Q1     |
|--|----------------|----------------|
| (All amounts in USD 1000's)                          |                |                |
| <b>Cash flow from operating activities:</b>          |                |                |
| Received payments                                    | 130,095        | 198,038        |
| Payments for salaries, pensions, social security tax | -15,068        | -10,617        |
| Other operational costs                              | -5,805         | -14,819        |
| Net gain/(loss) on Currency Exchange                 | -529           | -3,766         |
| Paid taxes   | -12,758        | -17,241        |
| <b>Net cash flow from operating activities 1)</b>    | <b>95,935</b>  | <b>151,595</b> |
| <b>Cash flow from investing activities:</b>          |                |                |
| Received payments from fixed assets                  | -              | -              |
| Investment in tangible fixed assets                  | -1,589         | -2,011         |
| Investments in seismic and well logs                 | -48,574        | -73,885        |
| Investment through Mergers and Acquisitions          | -              | -              |
| Net change in Short-term financial investments       | 33,102         | -12,820        |
| Net change in non-current receivables                | -              | -              |
| Interest Income                                      | 753            | 5,455          |
| <b>Net cash flow from investing activities</b>       | <b>-16,308</b> | <b>-83,261</b> |
| <b>Cash flow from financing activities:</b>          |                |                |
| Net change in current loans                          | 718            | -              |
| Net change in non-current loans                      | -3             | -106           |
| Interest Expense                                     | -455           | -790           |
| Purchase of treasury shares                          | -              | -2,980         |
| Paid in equity                                       | 404            | 605            |
| <b>Net cash flow from financing activities</b>       | <b>664</b>     | <b>-3,271</b>  |
| <b>Net change in cash equivalents</b>                | <b>80,291</b>  | <b>65,063</b>  |
| Cash equivalents at the beginning of period          | 148,306        | 81,951         |
| <b>Cash equivalents at the end of period</b>         | <b>228,596</b> | <b>147,014</b> |
| <b>1) Reconciliation</b>                             |                |                |
| Profit before taxes                                  | 21,004         | 42,972         |
| Depreciation/Amortization                            | 34,795         | 29,265         |
| Changes in accounts receivables                      | 54,842         | 116,218        |
| Changes in other receivables                         | 6,456          | -13,390        |
| Changes in other balance sheet items                 | -8,404         | -6,229         |
| Paid tax   | -12,758        | -17,241        |
| <b>Net cash flow from operating activities</b>       | <b>95,935</b>  | <b>151,595</b> |

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## TGS-NOPEC Geophysical Company ASA

| <b>Equity Reconciliation (All amounts in USD 1000's)</b> | Share-Capital | Own Shares Held | Share Premium Reserve | Other Reserves | Currency Effects | Retained Earnings | Total Equity |
|--|---------------|-----------------|-----------------------|----------------|------------------|-------------------|--------------|
| <b>Opening Balance January 1st</b>                       | 3,855         | -181            | 29,467                | 13,480         | -10,518          | 624,961           | 661,063      |
| Net Income   |               |                 |                       |                |                  | 13,167            | 13,167       |
| Other Comprehensive Income                               |               |                 |                       | 34             | 160              |                   | 194          |
| <b>Total Comprehensive Income</b>                        | -             | -               | -                     | 34             | 160              | 13,167            | 13,361       |
| Paid-in-Equity   | 3             |                 | 401                   |                |                  |                   | 404          |
| Cost of stock options                                    |               |                 |                       | 685            |                  |                   | 685          |
| <b>Closing balance per March 31st</b>                    | 3,858         | -181            | 29,868                | 14,199         | -10,358          | 638,128           | 675,514      |

## Largest Shareholders per April 29th 2009

|                                   |   |               | Shares             | %           |
|-----------------------------------|---|---------------|--------------------|-------------|
| 1                                 | FOLKETRYGDFONDET JP MORGAN CHASE BANK     | NORWAY        | 8,433,250          | 8%          |
| 2                                 | STATE STREET BANK AN A/C CLIENT OMNIBUS F | U.S.A.        | 6,658,076          | 6%          |
| 3                                 | PARETO AKSJE NORGE                        | NORWAY        | 3,682,600          | 4%          |
| 4                                 | JPMORGAN CHASE BANK SPECIAL TREATY LENDI  | GREAT BRITAIN | 2,882,715          | 3%          |
| 5                                 | VERDIPAPIRFOND ODIN                       | NORWAY        | 2,289,800          | 2%          |
| 6                                 | CLEARSTREAM BANKING CID DEPT, FRANKFURT   | LUXEMBOURG    | 2,283,942          | 2%          |
| 7                                 | STATE STREET BANK AN A/C WEST NON-TREATY  | NORWAY        | 2,108,171          | 2%          |
| 8                                 | HAMILTON HENRY HAYWOOD                    | U.S.A.        | 2,000,000          | 2%          |
| 9                                 | PARETO AKTIV                              | NORWAY        | 1,969,300          | 2%          |
| 10                                | GOLDMAN SACHS INT. - SECURITY CLIENT SEGR | GREAT BRITAIN | 1,969,197          | 2%          |
| <b>10 Largest</b>                 |   |               | <b>34,277,051</b>  | <b>33%</b>  |
| <b>Total Shares Outstanding *</b> |   |               | <b>102,554,900</b> | <b>100%</b> |

## Average number of shares outstanding for Current Quarter \*

|   |             |
|---|-------------|
| Average number of shares outstanding during the quarter   | 102,486,136 |
| Average number of shares fully diluted during the quarter | 102,787,289 |

\* Shares outstanding net of shares held in treasury (4.054.900 TGS shares), composed of average outstanding TGS shares during the full quarter