

TGS-NOPEC Geophysical Company ASA

2nd Quarter 2000 Results

2nd Quarter 2000 Financial Highlights

TGS-NOPEC reports a strong 22% increase in Net Revenues and a 178% increase in Operating Profit compared to Q2 1999. Operating Profit of NOK 65,5 million was 47% of Net Revenues compared to NOK 23,6 million (21% of Net Revenues) in Q2 1999. Gross consolidated Revenues were NOK 150,0 million, up 24% from NOK 120,5 million in Q2 1999, and Net Operating Revenues were NOK 139,0 million, up 22% from NOK 114,2 million in Q2 1999. Second quarter EBITDA from operations of NOK 103,0 million was 74% of Net Revenues, up 38% from the same period last year (NOK 74,8 million). Pretax Profit for the quarter was NOK 63,5 million, 46% of Net Revenues, compared to NOK 20,7 million during Q2 1999. Earnings per Share were NOK 1,70 (NOK 1,62 fully diluted) for Q2 2000 compared to NOK 0,57 in Q2 1999.

Revenue Breakdown

Net Late Sales of NOK 86,9 million increased 117% from Q2 1999 and accounted for 63% of Net Consolidated Revenues. Early Participant and other project related Revenues totaled NOK 48,7 million, funding 66% of the Company's investment into the Multi-client Library during the second quarter. Proprietary Contract Revenues amounted to NOK 3,4 million.

Operational Costs

The high Late Sales resulted in an amortization charge associated with Net Multi-Client revenues as low as 24% of Net Revenues compared to the average rate of 31% for the full year of 1999. The corresponding amortization rate for Q2 1999 was 40%. This rate will fluctuate from quarter to quarter, depending on the sales mix of projects. Out of this quarter's Late Sales a major portion came from surveys with low or fully amortized Book Value, thus triggering low or no amortization cost. Management expects the amortization rate to increase to stay between 30% and 40% of Net Revenues for 2000. The year-to-date amortization rate is 28% of Net Revenues compared to 30% for the first six months of 1999. Total operational costs payable for the quarter, including materials, were NOK 33,4 million compared to NOK 39,4 million in Q2 1999 primarily as a result of the stacking of the Odin Explorer in Q1 1999.

Profit

Operating Profit for the quarter was NOK 65,5 million, 47% of Net Revenues, a 178% increase over Q2 1999 (NOK 23,6). The Pre-tax Profit of NOK 63,5 million was 207% higher than the NOK 20,7 million reported in Q2 1999.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the three months ended June 30th, was NOK 103,0 million, 74% of Net Revenues compared to NOK 74,8 (66%) in Q2 1999.

Financial Items

The rate of exchange between the USD and the NOK changed from 8,47 on March 31st, 2000 to 8,56 on June 30th. In accordance with NGAAP, a non-cash exchange loss of NOK 1,9 million was recorded in the accounts regarding the USD 21,0 million loan per June 30th. In accordance with the payment schedule contracted with the bank, the Company paid the first installment on the loan on August 11th of USD 2,1 million.

Tax

During 1999, the Company earned profits largely in the USA with a 36% tax rate, while the Company's Norwegian operations suffered a tax loss (tax rate 28%) due to write-downs of vessels. The Company estimates a tax rate for year 2000 of no more than 35%, as the Norwegian legal entity per June 30th was operating profitably again.

Net Income and Earnings per Share (EPS)

Net Income for Q2 2000 was NOK 41,3 million, NOK 1,70 per share undiluted, and NOK 1,62 per share fully diluted, 203% higher than reported in Q2 1999; NOK 13,6 mill and EPS NOK 0,57 per share.

Business Segments and Investments

TGS-NOPEC's main business is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for virtually all of the Company's business during the first 6 months of 2000. Investments in

the data library totaled NOK 74,0 million for the second quarter, 18% lower than in Q2 1999. Total investments in the Multi-Client Library during the first six months of 2000 were NOK 157,5, an increase of 17% compared to NOK 134,2 million for the same period in 1999. The Company expects to ramp up its Multi-Client investments during Q3 2000, commencing its own 3D survey in UK waters in addition to increasing its 3D financial exposure in the Gulf of Mexico. The Company recognized NOK 48,7 million in Early Participant revenues during the quarter. Total pre-funding recognized represents 66% of total investments in Q2 2000.

Balance Sheet

As of June 30, 2000, the Company's total cash holdings amounted to NOK 230,5 million, up from NOK 118,2 million on December 31st, 1999. Total interest bearing debt increased from NOK 202,8 million per December 31st, 1999 to NOK 246,3 per March 31st, 2000 as a result of the opening of a new long-term loan facility in February and drawn overdrafts per June 30th, 2000.

The sale of the M/V Odin Explorer was consummated on August 2nd, 2000 at the sales price contracted in December 1999. The vessel is carried in the Balance Sheet per June 30th, 2000 at sales price.

Total Equity per June 30th, 2000 was NOK 656,8 million, 60% of Total Assets.

The Multi-client Library:

| Million NOKs | | | 6 Months | 6 Months | Year | Year |
|----------------------|-------|-------|----------|----------|--------|--------|
| | Q2-00 | Q2-99 | 2000 | 1999 | 1999 | 1998 |
| Opening Balance | 359,0 | 218,5 | 324,0 | 203,0 | 203,0 | 129,3 |
| Investment | 74,0 | 89,7 | 157,5 | 134,2 | 300,8 | 193,5 |
| Amortization | -33,1 | -45,4 | 81,6 | -74,4 | -179,8 | -119,8 |
| Net Book Value Ended | 399,9 | 262,8 | 399,9 | 262,8 | 324,0 | 203,0 |

Key MCS figures:

| | | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|
| Net MCS Revenues for the period | 135,6 | 114,2 | 286,7 | 244,7 | 574,2 | 555,6 |
| Change in MCS Revenue | 19 % | -5 % | 17 % | -4 % | 3 % | 13 % |
| Change in investment in MCS | -18 % | 14 % | 17 % | 20 % | 55 % | 80 % |
| Amortization in % of Net Revenues | 24 % | 40 % | 28 % | 30 % | 31 % | 22 % |
| Increase in NBV during the period | 11 % | 20 % | 23 % | 29 % | 60 % | 57 % |

Operational Highlights

The Company added 37,000 kms of 2D and 1,600 square kms of 3D to its library of marketed surveys during the second quarter. The majority of this activity was concentrated in Brazil, Newfoundland, the Gulf of Mexico, Faroes/Shetland and Portugal. A total of eight different seismic vessels contributed to this effort.

Outlook

During the first six months of 2000, the Company has placed major emphasis on securing long-term volume purchase commitments from clients. These commitments will materialize into Late Sales or Pre-funding over the coming 18 to 24 months. Due to the variability of the Company's equity share in the portfolio of Multi-Client projects that may be purchased with these volume commitments, it is not possible to fully predict their impact on the Profit and Loss Account of TGS-NOPEC. Per June 30th, Gross Sales Commitments totaled in excess of NOK 250,0 million. Based on the historical records, Management conservatively estimates that between 33% and 50% of this amount will remain with TGS-NOPEC as Net Revenue.

The Company plans to increase activity on new surveys and new added value products from the existing library during the third quarter. The Company continues to actively develop a number of 3D projects in several geographic areas. Acquisition of the Company's first 100% owned 3D Multi-Client survey will commence in August, with data delivery to clients scheduled for December 2000.

While the seismic sector continues to strengthen, significant improvements in the market continue to lag the increased activity levels in other oilfield sectors. A number of major and large independent oil companies have publicly announced increased exploration and development spending plans for the remainder of 2000 as well as 2001. We expect a steadily growing share of this spending to flow into seismic purchases throughout the remainder of 2000 as our customers begin to rebuild their inventories of drillable prospects.

TGS-NOPEC is a leading global provider of non-exclusive seismic data and associated products to the oil and gas industry. TGS-NOPEC specializes in the planning, acquisition, processing, interpretation and marketing of non-exclusive surveys worldwide. The company places a strong emphasis on providing high-quality seismic data and the highest level of service to the industry. TGS-NOPEC also offers proprietary seismic acquisition and processing services, as well as gravity and aeromagnetic surveys.

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

Contacts for additional information

Hank Hamilton, CEO tel +1-713-860-2100

or

Arne Helland, CFO tel +47-31-29-20-00/+47-91-88-78-29

Naersnes, August 16th, 2000

The Board of Directors of TGS-NOPEC Geophysical Company ASA

TGS Nopec Geophysical Company ASA

| | 2nd Quarter 2000 | 2nd Quarter 1999 | 1st Half 2000 | 1st Half 1999 |
|----------------------------|-------------------------|-------------------------|----------------------|----------------------|
| NOK 1000 | | | | |
| Gross Revenues | 150 020 | 120 534 | 305 370 | 258 788 |
| Income Sharing | -10 983 | -6 363 | -13 750 | -14 058 |
| Net Revenues | 139 037 | 114 171 | 291 620 | 244 730 |
| Materials | 4 469 | 3 461 | 6 680 | 8 041 |
| Amortization MCS | 33 056 | 45 436 | 81 642 | 74 427 |
| Personnel Costs | 20 443 | 19 469 | 39 886 | 41 454 |
| Other Operating Costs | 11 122 | 16 434 | 22 820 | 33 342 |
| Depreciation | 4 412 | 5 774 | 8 695 | 9 822 |
| Unusual Items | | | | 7 400 |
| Operating Profit | 65 535 | 23 597 | 131 897 | 70 244 |
| Net Financial Items | -2 011 | -2 938 | -12 645 | -8 945 |
| Pre-tax Profit | 63 524 | 20 659 | 119 252 | 61 299 |
| Tax provision | 22 233 | 7 024 | 41 738 | 20 842 |
| Net Income | 41 291 | 13 635 | 77 514 | 40 457 |
| EPS undiluted | 1,70 | 0,57 | 3,20 | 1,69 |
| EPS fully diluted | 1,62 | 0,57 | 3,06 | 1,69 |
| Long-term Assets | | | 254 121 | 315 223 |
| Cash& Other current Assets | | | 842 901 | 623 973 |
| Total Assets | | | 1 097 022 | 939 196 |
| Equity | | | 656 766 | 490 311 |
| Long-term liabilities | | | 278 377 | 222 895 |
| Current liabilities | | | 161 879 | 225 990 |

TGS NOPEC Geophysical Company ASA

Consolidated Profit & Loss Accounts

| (All amounts in NOK 1000's unless noted otherwise) | | | | 6 Months | 6 Months | 12 Months |
|--|---------------|----------------|----------------|-----------------|-----------------|------------------|
| | | Q2 2000 | Q2 1999 | 2000 | 1999 | 1999 |
| <i>Operating Revenues</i> | | | | | | |
| Sales | | 150 020 | 120 534 | 305 370 | 258 788 | 617 300 |
| Income sharing & Royalties | | -10 983 | -6 363 | -13 750 | -14 058 | -29 803 |
| <i>Net Operating Revenues</i> | | 139 037 | 114 171 | 291 620 | 244 730 | 587 497 |
| <i>Operating expenses</i> | | | | | | |
| Materials | | 4 469 | 3 461 | 6 680 | 8 041 | 17 865 |
| Amortisation of Seismic Libra | | 33 056 | 45 436 | 81 642 | 74 427 | 179 775 |
| Personnel costs | | 20 443 | 19 469 | 39 886 | 41 454 | 70 731 |
| Other operating expenses | | 11 122 | 16 434 | 22 820 | 33 342 | 62 392 |
| Depreciation | | 4 412 | 5 774 | 8 695 | 9 822 | 19 543 |
| Unusual Items | | - | - | - | 7 400 | 29 616 |
| <i>Total operating expenses</i> | | 73 502 | 90 574 | 159 723 | 174 486 | 379 922 |
| Operating profit | | 65 535 | 23 597 | 131 897 | 70 244 | 207 575 |
| <i>Financial income and expenses</i> | | | | | | |
| Interest Income | | 3 226 | 2 501 | 5 144 | 4 651 | 10 608 |
| Interest Expense | | -4 444 | -3 441 | -9 116 | -7 597 | -17 471 |
| Exchange gains/losses | | -793 | -1 998 | -8 673 | -5 999 | -7 642 |
| <i>Net financial items</i> | | -2 011 | -2 938 | -12 645 | -8 945 | -14 505 |
| Profit before taxes | | 63 524 | 20 659 | 119 252 | 61 299 | 193 070 |
| Tax provision | | 22 233 | 7 024 | 41 738 | 20 842 | 73 886 |
| Net Income | | 41 291 | 13 635 | 77 514 | 40 457 | 119 184 |
| EPS NOK | undiluted | 1,70 | 0,57 | 3,20 | 1,69 | 4,97 |
| EPS NOK | fully diluted | 1,62 | 0,57 | 3,06 | 1,69 | 4,92 |

TGS NOPEC Geophysical Company ASA

Consolidated Balance Sheet

Balance sheet as at June 30, 2000

(All amounts in NOK 1000's unless noted otherwise)

30,06,2000

30,06,99

31,12,99

ASSETS

Long-term assets

Intangible assets

| | | | |
|----------|--------|--------|--------|
| Goodwill | 34 783 | 40 115 | 37 622 |
|----------|--------|--------|--------|

Fixed Assets

| | | | |
|-----------|--------|--------|--------|
| Buildings | 30 390 | 33 467 | 33 213 |
|-----------|--------|--------|--------|

| | | | |
|-------------------------|--------|--------|--------|
| Machinery and equipment | 25 431 | 22 474 | 21 628 |
|-------------------------|--------|--------|--------|

| | | | |
|---------|---------|---------|---------|
| Vessels | 162 844 | 214 780 | 172 726 |
|---------|---------|---------|---------|

Financial Assets

| | | | |
|--|-----|-------|---|
| Long term receivables, included pre-payments | 673 | 4 387 | - |
|--|-----|-------|---|

| | | | |
|-------------------------------|----------------|----------------|----------------|
| Total long-term assets | 254 121 | 315 223 | 265 189 |
|-------------------------------|----------------|----------------|----------------|

Current assets

Inventories

| | | | |
|----------------------------------|---------|---------|---------|
| Multiclient seismic Library, net | 399 931 | 262 847 | 324 042 |
|----------------------------------|---------|---------|---------|

Receivables

| | | | |
|---------------------|---------|---------|---------|
| Accounts receivable | 189 680 | 129 831 | 202 234 |
|---------------------|---------|---------|---------|

| | | | |
|------------------------------|--------|--------|--------|
| Other short term receivables | 22 778 | 46 974 | 38 986 |
|------------------------------|--------|--------|--------|

Cash and cash equivalents

| | | | |
|--|---------|---------|---------|
| Cash and cash equivalents (including money market funds) | 230 512 | 184 321 | 118 242 |
|--|---------|---------|---------|

| | | | |
|-----------------------------|----------------|----------------|----------------|
| Total current assets | 842 901 | 623 973 | 683 504 |
|-----------------------------|----------------|----------------|----------------|

| | | | |
|---------------------|------------------|----------------|----------------|
| TOTAL ASSETS | 1 097 022 | 939 196 | 948 693 |
|---------------------|------------------|----------------|----------------|

TGS NOPEC Geophysical Company ASA

Consolidated Balance Sheet

Balance sheet as at June 30, 2000

(All amounts in NOK 1000's unless noted otherwise)

| | 30,06,2000 | 30,06,99 | 31,12,99 |
|---|------------------|----------------|----------------|
| LIABILITIES AND EQUITY | | | |
| <i>Equity</i> | | | |
| Share capital | 24 317 | 24 001 | 24 009 |
| Other equity | 632 449 | 466 310 | 523 600 |
| Total equity | 656 766 | 490 311 | 547 609 |
| Provisions and liabilities | | | |
| <i>Provisions</i> | | | |
| Deferred tax liability | 52 001 | 23 491 | 46 525 |
| <i>Long term liabilities</i> | | | |
| Mortgage loans/secured loans | 189 871 | 152 032 | 142 461 |
| Capitalised lease liabilities | 36 505 | 47 372 | 41 486 |
| <i>Current liabilities</i> | | | |
| Short-term interest-bearing debt | 19 958 | 18 396 | 18 813 |
| Accounts payable and debt to partners | 89 398 | 158 849 | 94 299 |
| Taxes payable, withheld payroll tax, social security etc. | 4 522 | 6 593 | 11 997 |
| Other current liabilities | 48 001 | 42 152 | 45 503 |
| Total provisions and liabilities | 440 256 | 448 885 | 401 084 |
| TOTAL LIABILITIES AND EQUITY | 1 097 022 | 939 196 | 948 693 |