

TGS-NOPEC EARNINGS RELEASE

August 12, 2004

2nd QUARTER 2004 RESULTS**2nd QUARTER FINANCIAL HIGHLIGHTS**

- Consolidated Net Revenues were USD 41.0 million, an increase of 45% compared to Q2 2003.
- Operating Profit (EBIT) was USD 12.9 million (32% of Net Revenues), up 53% from USD 8.4 million in Q2 2003.
- Net Pre-funding Revenues of USD 10.5 million covered 43% of operational multi-client investments.
- Net Late Sales from the multi-client library totaled USD 27.4 million, up 43% from USD 19.1 million in Q2 2003.
- Cash flow from operations after taxes was negative USD 19.4 million, versus USD 0.9 in Q2 2003.
- Earnings per Share (undiluted) were USD 0.32, up 44% compared to USD 0.23 in Q2 2003.

6 MONTHS FINANCIAL HIGHLIGHTS

- Consolidated Net Revenues were USD 69.7 million, 18% higher than the first six months of 2003.
- Operating Profit (EBIT) was USD 19.5 million (28% of Net Revenues), up 1% from USD 19.3 million in 2003.
- Net Pre-funding Revenues of USD 20.3 million covered 39% of operational multi-client investments.
- Net Late Sales from the multi-client library totaled USD 45.7 million, up 10% from USD 41.7 million in 2003.
- Earnings per Share (undiluted) were USD 0.53, the same as in 2003.

Hank Hamilton, CEO, stated, *"We are pleased to report improved quarterly results, helped by several large-scale customer purchases, an element that had been missing during our two previous quarters. We remain on track to achieve our 2004 financial targets."*

REVENUE BREAKDOWN

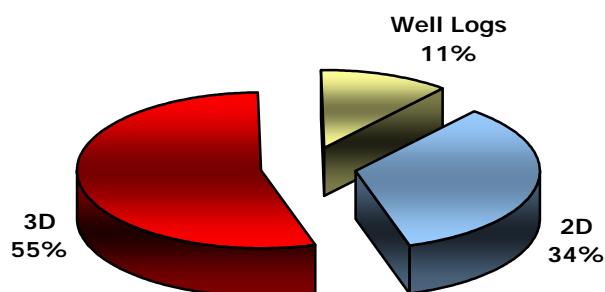
Consolidated Gross Late Sales were USD 30.9 million, up 41% from last year, representing 69% of Gross Revenues for the quarter. Net Late Sales were up 43% compared to Q2 2003. Net Pre-funding revenues totaled USD 10.5 million, funding 43% of the Company's operational investments into new multi-client products during Q2 (USD 24.2 million). The Company earned proprietary contract revenues during the quarter of USD 3.0 million compared to USD 0.9 million in Q2 2003.

Consolidated Net Revenues Q2 2004 vs. Q2 2003 per Geographical Region					
(in Million USD)	Q2 2004	Q2 2003	Q2 2004	Q2 2003	Change
Eastern Hemisphere	10.8	6.5	26%	23%	66%
Western Hemisphere	30.1	21.8	74%	77%	38%
Total	41.0	28.3	100%	100%	45%

Year-To-Date Revenue Segment Information:

Consolidated Net Revenues 6 Months 2004 vs. 6 Months 2003 per Geographical Region					
(in Million USD)	6 Months 2004	6 Months 2003	6 Months 2004	6 Months 2003	Change
Eastern Hemisphere	16.4	14.1	24%	24%	16%
Western Hemisphere	53.3	44.8	76%	76%	19%
Total	69.7	58.9	100%	100%	18%

Year-to-Date Net Revenues by Product Type



OPERATIONAL COSTS

The consolidated amortization charge associated with Net multi-client Revenues was 45% during Q2 2004 compared to 41% in Q2 2003. This rate does fluctuate from quarter to quarter, depending on the sales mix of projects. The amortization charge was 44% for the full year 2003. Management expects the average amortization rate for the full year 2004 to be in the range of 42-47% of Net Revenues.

Costs of materials were substantially higher for the quarter as a direct consequence of proprietary contract activity. Personnel and other operating costs payable for the quarter, excluding materials, were USD 8.2 million, an increase of 18% from Q2 2003 (USD 6.9 million) due to higher bonus costs, increased consultancy fees, franchise tax payment and the inclusion of Riley in the well log division.

EBIT and EBITDA

Operating Profit (EBIT) for the quarter was USD 12.9 million, representing 32% of Net Revenues. This was 53% higher than the reported USD 8.4 million in Q2 2003. The quarterly pre-tax profit was USD 12.1 million, up 47% compared to USD 8.2 million reported in Q2 2003.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the three months ended June 30th was USD 30.9 million, 76% of Net Revenues, up 48% from USD 20.9 million in Q2 2003.

FINANCIAL ITEMS

The strengthening USD versus the NOK during the quarter resulted in lower USD value of non-USD assets of the Parent Company, and contributed to a partly unrealized exchange loss of USD 0.6 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 currencies 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 Q2-2004 report, the tax charge would have been lower, giving a tax rate of 30% year-to-date.

NET INCOME AND EARNINGS PER SHARE (EPS)

Net Income for Q2 2004 was USD 8.1 million (20% of Net Revenues) compared to USD 5.5 million from Q2 2003. Earnings per Share (EPS) were USD 0.32 undiluted (USD 0.30 fully diluted), an increase of 44% from EPS reported for Q2 2003 of USD 0.23 per share (USD 0.21 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 84% of the Company's business during the quarter. A2D Technologies, a digital well log and solutions provider acquired in June 2002, accounted for 10% of consolidated Net Revenues in the 2nd quarter. Proprietary seismic contract work performed in Q2 2004 represented the remaining 6% of total revenues in Q2.

The Company's operational investments in its data library during Q2 2004 increased 47% compared to Q2 2003. Total investments were USD 25.5 million, out of which USD 1.3 million was related to the acquisition of Riley Electric Log. The corresponding investment in Q2 2003 was USD 16.5 million. The Company recognized USD 10.5 million in Net Pre-funding Revenues in Q2, funding approximately 43% of its operational multi-client investments during the quarter.

BALANCE SHEET & CASH FLOW

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 LIBOR plus 2%. The bonds are listed on the Oslo Stock Exchange.

The Company paid off the remaining USD 4.2 million balance of the term loan from its bank, Nordea, in May.

The net proceeds from the bond issue 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.

As of June 30th, 2004, the Company's total cash holdings amounted to USD 47.3 million compared to USD 28.0 million at March 31st, 2004. As a result of substantial investments in new surveys and back-end loaded Late Sales in the quarter, net cash flow from operating activities (including multi-client investments) was negative USD 19.4 million in Q2 2004. The main reasons for the negative cash flow are high payments for seismic services during the quarter and low collections from sales as the majority of the late sales occurred in June and will be collected after June 30th, 2004.

On July 2nd, 2004 TGS-NOPEC announced that the purchase of NuTec's oil-service related business and assets had been completed. This purchase is not reflected in the Q2 financial statements.

Total Equity per June 30th, 2004 was USD 210.8 million, representing 72% of Total Assets.

THE MULTI-CLIENT DATA LIBRARY:

MUSD	Q2 2004	Q2 2003	6 Months 2004	6 Months 2003	Year 2003	Year 2002	Year 2001	Year 2000
Opening Balance	148.4	120.8	133.2	117.8	117.8	98.2	55.5	40.0
In purchase price of A2D/Riley Investment	1.3	-	2.0	-	5.0	9.5	-	-
Amortization	(16.9)	(11.2)	(29.6)	(22.4)	(58.3)	(48.7)	(48.2)	(30.9)
Net Book Value Ended	157.0	126.1	157.0	126.1	133.2	117.8	98.2	55.5

KEY MULTI CLIENT FIGURES:

MUSD	Q2 2004	Q2 2003	6 Months 2004	6 Months 2003	Year 2003	Year 2002	Year 2001	Year 2000
Net MC Revenues	37.9	27.4	66.1	57.5	132.6	121.5	123.1	85.1
Change in MC Revenue	38%	(21%)	15%	(13%)	9%	(1%)	45%	14%
Change MC Investment	55%	63%	74%	71%	25%	(35%)	96%	21%
Amort% of Net MC Revs	45%	41%	45%	39%	44%	40%	39%	36%
Increase in NBV	6%	4%	18%	7%	13%	20%	77%	39%

OPERATIONAL HIGHLIGHTS

The Company added approximately 17,000 kilometers of new 2D and 1,200 square kilometers of new 3D data to its library of marketed seismic surveys during the 2nd quarter. A total of six different seismic vessels contributed to this effort. All of the new 3D acquisition was located in the US Gulf of Mexico on the "Deep Resolve" project, where the Company completed the OBC (ocean bottom cable) operation in mid-May, but continued operations with a two-vessel streamer crew for the full quarter. TGS-NOPEC also completed acquisition on a new 9,300-kilometer 2D seismic survey in the Natuna Sea in waters of both Indonesian and Vietnamese jurisdiction, and began acquiring a 23,000-kilometer expansion of the North Sea Renaissance 2D project that was initiated in 2003.

A2D added 130,000 logs from 53,000 wells to its digital well log library, bringing its owned inventory to 1.93 million digital well log images from approximately 931,000 wells. In June, A2D began work for the U.S. Minerals Management Service as the official contractor for collecting and distributing U.S. Outer Continental Shelf processed well log data to the public.

OUTLOOK

The Company's backlog for new seismic projects was USD 13.5 million per June 30th, 2004, 6% lower than one year ago. A2D backlog decreased during the quarter from USD 9.8 million to USD 9.4 million, but remained level with one year ago. Total Company backlog decreased 8% during the quarter and stands at USD 23.0 million at the end of Q2, 3% lower than one year ago.

Integration of NuTec's operations into TGS-NOPEC is well underway. As previously disclosed, a large majority of NuTec's current processing backlog is composed of TGS-NOPEC's Deep Resolve 3D and Mississippi Canyon 3D PSTM Revival reprocessing. As a result, the increase in TGS-NOPEC's 3rd party external net revenues resulting directly from NuTec's contract processing activities will be in the range of USD 1.5 to 2.0 million for the second half of 2004.

The Company expects to slow the pace of investments in its multi-client library during the next two quarters and anticipates that full year multi-client investments will be at the high end of the previously guided USD 75 – 80 million range, while the annual pre-funding ratio will be towards the lower end of the previously guided 45-55% range. The Company's expectations for amortization

rate (42 – 47%) and net revenue growth (~15%) remain unchanged. Management expects cash flow from operations to be positive during Q3 and Q4 and for the full 12 months of 2004.

CONTACTS FOR ADDITIONAL INFORMATION

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Naersnes, August 11th, 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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TGS-NOPEC Geophysical Company ASA

Consolidated Profit & Loss Accounts

			6 Months	6 Months
(All amounts in USD 1000's unless noted otherwise)	Q2 2004	Q2 2003	2004	2003
<i>Operating Revenues</i>				
Sales	44 884	31 429	76 980	63 443
Income sharing	-3 926	-3 133	-7 286	-4 562
Net Operating Revenues	40 958	28 296	69 694	58 881
<i>Operating expenses</i>				
Materials	1 825	486	2 103	588
Amortization of Multi-Client Data Library	16 912	11 230	29 649	22 401
Personnel costs	5 436	4 930	10 715	9 710
Other operating expenses	2 766	2 003	5 487	4 567
Depreciation	1 110	1 222	2 223	2 313
Loss on disposal of vessel	0	0	0	0
Total operating expenses	28 049	19 870	50 177	39 580
Operating profit	12 908	8 426	19 516	19 301
<i>Financial income and expenses</i>				
Interest Income	80	63	150	137
Interest Expense	-272	-154	-357	-317
Exchange gains/losses	-579	-92	295	76
Net financial items	-770	-183	88	-104
Profit before taxes	12 138	8 243	19 605	19 198
Tax provision	4 006	2 724	6 470	6 026
Net Income	8 133	5 519	13 135	13 172
EPS USD	0,32	0,23	0,53	0,53
EPS USD, fully diluted	0,30	0,21	0,49	0,50

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TGS-NOPEC Geophysical Company ASA

Consolidated Balance Sheet

(All amounts in USD 1000's unless noted otherwise)	30.06.2004	30.06.2003	31.12.2003
ASSETS			
Long-term assets			
<i>Intangible assets</i>			
Goodwill	14 923	15 429	16 166
<i>Fixed Assets</i>			
Buildings	3 874	3 356	3 917
Machinery and equipment	3 450	3 606	3 991
<i>Financial Assets</i>			
Long term receivables, included pre-payments	2 980	5 333	4 000
Total long-term assets	25 227	27 724	28 074
Current assets			
<i>Inventories</i>			
Multi-Client Data Library, net	157 036	126 091	133 237
<i>Receivables</i>			
Accounts receivable	57 538	42 271	66 288
Other short term receivables	7 561	4 592	4 396
<i>Cash and cash equivalents</i>			
Cash and cash equivalents	47 279	19 318	17 724
Total current assets	269 415	192 272	221 645
TOTAL ASSETS	294 642	219 996	249 719

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

(All amounts in USD 1000's unless noted otherwise)	30.06.2004	30.06.2003	31.12.2003
LIABILITIES AND EQUITY			
<i>Equity</i>			
Share capital	3 601	3 549	3 556
Other equity	207 204	176 241	192 358
Total equity	210 804	179 790	195 914
Provisions and liabilities			
<i>Provisions</i>			
Deferred tax liability	13 026	6 687	7 692
<i>Long term liabilities</i>			
Mortgage loans/secured loans	43 783	8 546	6 430
Capitalized lease liabilities	323	577	416
<i>Current liabilities</i>			
Short-term interest-bearing debt	103	136	861
Accounts payable and debt to partners	21 927	17 452	28 975
Taxes payable, withheld payroll tax, social security	234	2	2 600
Other current liabilities	4 442	6 806	6 831
Total provisions and liabilities	83 838	40 206	53 805
TOTAL LIABILITIES AND EQUITY	294 642	219 996	249 719

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TGS-NOPEC Geophysical Company ASA

Consolidated Cash flow Statement

			6 Months	6 Months
(All amounts in USD 1000's unless noted otherwise)	Q2 2004	Q2 2003	2004	2003
<i>Cash flow from operating activities:</i>				
Received payments from sales	21 155	30 935	75 278	74 979
Payments for acquired seismic and well logs	-28 476	-18 193	-59 195	-38 406
Payments for salaries, pensions, social security tax and tax deducted	-5 436	-4 930	-10 715	-9 710
Other operational costs	-3 319	-2 071	-6 318	-4 738
Received interest and other financial income	80	63	1 024	137
Interest payments and other financial cost	-850	-154	-936	-317
Paid tax and government taxes	-2 553	-4 744	-6 363	-9 045
Net cash flow from operating activities	-19 399	906	-7 225	12 900
<i>Cash flow from investing activities:</i>				
Received payments from fixed assets	0	0	0	0
Investment in tangible fixed assets	-245	-331	-403	-814
Investment in Riley (2003) and A2D (2002)	-1 282	0	-2 607	0
Net change in long term receivables	261	334	1 020	667
Net cash flow from investing activities	-1 266	3	-1 990	-147
<i>Cash flow from financing activities:</i>				
Net change in short term loans	-72	-23	-758	-7 261
Net change in long term loans	39 455	24	37 260	-4 252
Paid in equity	826	0	2 268	0
Net cash flow from financing activities	40 210	1	38 770	-11 513
Net change in cash and cash equivalents	19 545	910	29 555	1 240
Cash and cash equivalents at the beginning of period	27 734	18 408	17 724	18 078
Cash and cash equivalents at the end of period	47 280	19 318	47 280	19 318

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Equity Reconciliation per June 30th 2004

(All amounts in USD 1000's unless noted otherwise)	30.06.2004
Opening Balance 1/1/2004	195 914
Changes in share capital during the year	2 268
Net Income	13 135
Effect of change in exchange rates and other items	-513
Closing balance per June 30th 2004	210 804