

TGS-NOPEC EARNINGS RELEASE

August 9th, 2007



2nd QUARTER 2007 RESULTS

2nd QUARTER HIGHLIGHTS

- Consolidated net revenues were USD 88.7 million, an increase of 7% compared to Q2 2006.
- Net late sales from the multi-client library totaled USD 50.3 million, down 18% from USD 61.5 million in Q2 2006.
- Operating profit (EBIT) was USD 37.6 million (42% of Net Revenues), down 17% from USD 45.3 million in Q2 2006.
- Cash flow from operations after taxes but before investments was USD 38.0 million, versus USD 9.2 million in Q2 2006.
- Earnings per share were USD 0.24, down 16% compared to USD 0.28 in Q2 2006.
- Finalized acquisition of Parallel Data Systems (PDS)
- Repurchased TGS shares in the amount of USD 25 million

6 MONTHS FINANCIAL HIGHLIGHTS

- Consolidated net revenues were USD 184.4 million, an increase of 7% compared to 2006.
- Net late sales from the multi-client library totaled USD 123.3 million, down 10% from USD 137.6 million in 2006.
- Operating profit (EBIT) was USD 88.7 million (48% of Net Revenues), down 6% from USD 94.4 million in 2006.
- Cash flow from operations after taxes but before investments was USD 136.2 million, versus USD 124.0 million in 2006.
- Earnings per share (undiluted) were USD 0.56, down 6% compared to USD 0.60 in for the same period in 2006.

"This quarter's results were negatively impacted by project delays stemming from late 3D vessel deliveries, the absence of any high impact late sales, and a less favorable mix of sales than in previous quarters", stated Chairman Claus Kampmann. "With the 3D vessels now in full operation, a healthy pipeline of sizeable late sales opportunities in front of us, and recent news of significant pre-funding for our first wide azimuth multi-client survey, our outlook is very positive."

MERGER ANNOUNCEMENT

On July 30, TGS and Wavefield Inseis ASA announced an agreement to merge the companies. The combined entity, to be renamed TGS Wavefield, will be one of the world's largest geophysical companies, equipped with a vast array of data, tools and technologies to meet the challenges presented by an increasingly sophisticated customer base.

CEO Hank Hamilton commented, *"The merger process is proceeding as planned. Response from customers, employees, and shareholders continues to be extremely supportive, and we are excited about the value proposition for all stakeholders."*

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. Well logs and integrated products (A2D and Aceca), accounted for 11% of net revenues in the 2nd quarter. Other contract proprietary revenues represented the remaining 14% of total revenues.

Multi-client and contract revenues were adversely affected by delayed deliveries of two newly rigged 3D vessels chartered by the Company. In addition, for the first time in several years the Company did not close a large-scale (~USD 10 million) Gulf of Mexico 3D library sale during the course of the quarter. As a result, net late sales were down 18% compared to Q2 2006. Net pre-funding revenues totaled USD 24.7 million, funding 76% of the Company's operational investments into new multi-client products during Q2 (USD 32.7 million). Proprietary contract and other revenues during the quarter totaled USD 13.7 million compared to USD 4.8 million in Q2 2006.

Beginning this quarter, we will cease to include the lines "Gross Sales" and "Income Sharing and Royalties" in the P&L statement, following advised reporting standards, and instead show this information in the table below:

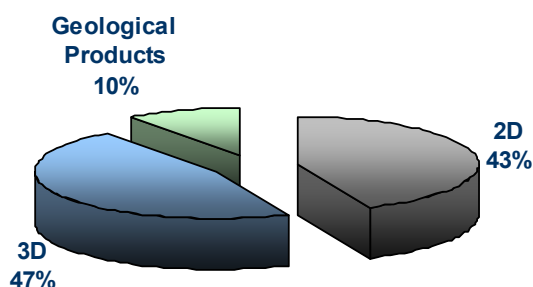
	Q2 2007	Q2 2006	Change	%	6M 2007	6M 2006	Change	%
Gross Sales	103.5	91.6	11.9	13%	203.4	184.6	18.8	10%
Income Sharing & Royalties	(14.8)	(9.0)	(5.8)	65%	(19.2)	(12.2)	(7.0)	57%
Net Operating Revenues	88.7	82.7	6.1	7%	184.2	172.4	11.8	7%

Breakdown of Net Revenues by Geographical Region :

Consolidated Net Revenues Q2 2007 vs. Q2 2006 per Geographical Region					
(in million USD)	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Change
Eastern Hemisphere	43.4	31.6	49%	38%	37%
Western Hemisphere	45.4	51.1	51%	62%	-11%
Total	88.7	82.7	100%	100%	7%

Consolidated Net Revenues 6M 2007 vs. 6M 2006 per Geographical Region					
(in million USD)	6M 2007	6M 2006	6M 2007	6M 2006	Change
Eastern Hemisphere	69.3	45.3	38%	26%	53%
Western Hemisphere	114.9	127.1	62%	74%	-10%
Total	184.2	172.4	100%	100%	7%

YTD Net Revenues by Product Type:



OPERATIONAL COSTS

The consolidated amortization charge associated with multi-client revenues was 34% of net multi-client revenues during Q2 2007 compared to 25% in Q2 2006, representing an increase of USD 6.0 million. This rate does fluctuate from quarter to quarter, depending on the sales mix of projects. The higher amortization rate this quarter resulted from a higher contribution of pre-funding revenues with typically higher amortization rates and lower contribution from late sales of fully amortized projects. The amortization rate for the first 6 months of 2007 is 31%, in the middle of management's guidance (28-33%) for the full year.

Costs of materials were USD 7.1 million for the quarter, USD 6.7 million higher than one year ago as a direct consequence of increased activity on proprietary seismic acquisition, imaging and aeromagnetic contracts. Personnel and other operating costs expensed for the quarter, excluding materials, were USD 14.0 million, a decrease of 10% from Q2 2006 (USD 15.5 million), due to changes in cost accruals mainly on stock options and employee bonuses.

EBIT and EBITDA

Operating profit (EBIT) for the quarter of USD 37.6 million represented 42% of net revenues. This was 17% lower than the USD 45.3 million reported in Q2 2006. EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the quarter ended June 30th was USD 66.6 million, 75% of net revenues, up 1% from USD 66.2 million in Q2 2006.

TAX

For the full year, TGS reports 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. The tax charges are influenced not only from local profits, but also from fluctuations 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 charges a tax provision to the profit and loss statement during the second quarter based upon the flat local tax rate of calculated USD pre-tax profit in each company in the Group, assessed to be approximately 32% (revised down from 33% last quarter) on a consolidated basis.

NET INCOME AND EARNINGS PER SHARE (EPS)

Net income for Q2 2007 was USD 25.3 million (28% of net revenues) down 16% compared to USD 29.9 million (36% of net revenues) in Q2 2006. Quarterly earnings per share (EPS) were USD 0.23 fully diluted (USD 0.24 undiluted), a decrease of 16% from Q2 2006 EPS of USD 0.28 (USD 0.28 undiluted).

MULTI-CLIENT INVESTMENTS

The Company's operational investments in its data library during Q2 2007 were USD 32.7 million, 19% higher than in Q2 2006. The Company recognized USD 24.7 million in net pre-funding revenues in Q2, funding approximately 76% of its operational multi-client investments during the quarter. For the first 6 months of 2007, pre-funding revenues totaled USD 67.4 million, representing 65% of operational multi-client investments.

BALANCE SHEET & CASH FLOW

The net cash flow from operations for the quarter, after taxes, before investments, totaled USD 38.0 million compared to USD 9.2 million in Q2 2006. For 6 months 2007, cash flow from operations, after taxes, but before investments was USD 136.2 million, versus USD 124.0 million 2006.

During Q2 the Company used USD 25 million to repurchase shares and USD 58.2 million in cash to acquire Parallel Data Systems (PDS), a company specializing in high-tech seismic imaging. Total purchase price for PDS was USD 70.4 million, including USD 12.2 million in the form of repurchased TGS shares. Of the purchase price, USD 48 million was allocated to intangible assets and USD 18 million to goodwill. As of June 30th, 2007, the Company's total cash holdings amounted to USD 254.0 million compared to USD 330.1 million at March 31st, 2007.

The Company issued in 2004 a five year 300 MNOK bond loan that in accordance with IAS 39 is measured at amortized cost and recognized as a non-current liability in the balance sheet (USD 50.6 million at June 30th, 2007). 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 fixes 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 is in accordance with IAS 39 recognized as a separate non-current asset and included under the line item "Non-current receivables including pre-payments" in the balance sheet.

Total equity per June 30th, 2007 was USD 528.6 million, representing 73% of total assets. The issuance of new shares during Q2 2007 was solely a result of employees' exercise of stock options. TGS shareholders approved a resolution at the Annual Meeting in June to delete all held treasury shares. As this process is still formally underway, the earnings per share (EPS) reported in Q2 are based on the total shares outstanding less 1,259,103 treasury shares held.

THE MULTI-CLIENT DATA LIBRARY:

MUSD	Q2 2007	Q2 2006	6M 2007	6M 2006	2006	2005	2004
Beginning Net Book Value	205.0	165.8	195.6	160.8	160.8	149.5	133.2
Non-Operational Investments	-	-	1.6	3.5	4.5	1.6	2.1
Operational Investments	32.7	27.4	65.8	52.6	131.9	103.8	84.5
Amortization	(25.8)	(19.8)	(51.2)	(43.6)	(101.7)	(94.1)	(70.3)
Ending Net Book Value	211.8	173.3	211.8	173.3	195.6	160.8	149.5

KEY MULTI CLIENT FIGURES:

MUSD	Q2 2007	Q2 2006	6M 2007	6M 2006	2006	2005	2004
Net MC Revenues	75.0	77.9	166.1	163.9	376.5	232.1	163.1
Change in MC Revenue	4%	45%	1%	79%	62%	42%	23%
Change in MC Investment	19%	26%	20%	49%	29%	22%	17%
Amort. in % of Net MC Revs.	34%	25%	31%	27%	27%	41%	43%
Change in Net Book Value	3%	5%	8%	8%	22%	8%	12%

OPERATIONAL HIGHLIGHTS

In the Gulf of Mexico TGS completed acquisition of its East Delta ocean bottom cable 3D survey and launched a project to create another new pre-stack depth migrated product on its Mississippi Canyon 3D survey utilizing a new turning-wave Kirchhoff algorithm combined with sub-salt tomography. Completion of the Stanley 3D project was again delayed as the Geo Barents did not arrive in the Gulf of Mexico until late July.

In Africa TGS started a large, regional aeromagnetic survey on a proprietary contract basis for a national oil company. The Company also began a multi-client 3D seismic acquisition project utilizing the BGP Pioneer, but production was halted after a week of operations due to damages to the ship's propeller and propulsion system. Following repairs, the vessel re-mobilized for a proprietary contract at the end of July.

Two 2D seismic vessels and two bathymetric survey vessels continued operations in Q2 on the super-regional Indonesia Frontier Basins project and three more 2D vessels operated in northwest Europe on the 2007 North Sea Renaissance campaign as well as two smaller projects offshore Ireland.

TGS' backlog for new seismic projects and services was USD 78.9 million per June 30th, 2007. This was 5% higher than one quarter ago and 42% higher than one year ago. Well log and integrated products (A2D and Aceca) backlog increased 6% during the quarter to USD 26.7 million, 46% higher than one year ago. Total Company backlog increased 5% during the quarter and stands at USD 105.6 million at the end of the year, 43% higher than one year ago.

OUTLOOK

The demand for geoscientific products and new imaging technologies continues to grow. With the two chartered 3D vessels now in operation, both our sales momentum and our forward visibility have improved. In addition we have recently secured substantial pre-funding for our first multi-client wide azimuth 3D survey, scheduled to commence during the 4th quarter of this year.

As a result of increasing levels of industry support for current and planned multi-client projects, TGS management is raising its expectations for average pre-funding for the full year 2007 to 60-70% of investments, up from the 50-60% previously communicated. We continue to expect multi-client library investments of USD 160-170 million, an average annualized multi-client amortization rate in the range of 28-33% of net revenues, and net revenue growth in the range of 15-20%.

Asker, August 8th, 2007

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

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 for the year ended 31 December 2006 except for revenue being presented net of partner share instead of gross.

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 Geophysical Company ASA

Consolidated Profit & Loss Accounts

(All amounts in USD 1000's unless noted otherwise)	2007 Q2	2006 Q2	2007 YTD	2006 YTD
Net Operating Revenues	88,731	82,671	184,160	172,372
<i>Operating expenses</i>				
Materials	7,055	324	7,779	1,963
Amortization of Multi-Client Data Library	25,804	19,840	51,196	43,590
Personnel costs	9,507	11,016	21,097	21,249
Cost of stock options	1,097	724	2,152	1,396
Other operating expenses	4,470	4,444	8,715	7,837
Depreciation and Amortization	3,192	972	4,521	1,889
Total operating expenses	51,125	37,322	95,461	77,924
Operating profit	37,607	45,349	88,699	94,448
<i>Financial income and expenses</i>				
Financial income	4,679	2,085	8,654	3,803
Financial expense	-1,229	-1,015	-1,714	-1,751
Exchange gains/losses	-4,156	-1,563	-7,427	-2,596
Net financial items	-705	-494	-486	-544
Profit before taxes	36,901	44,855	88,213	93,904
Tax expense	11,636	14,945	28,917	31,353
Net Income	25,266	29,910	59,296	62,551
EPS USD	0.24	0.28	0.56	0.60
EPS USD, fully diluted	0.23	0.28	0.55	0.58

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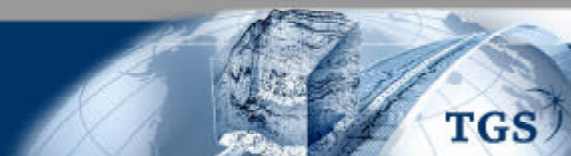


TGS-NOPEC Geophysical Company ASA Consolidated Balance Sheet

	2007 30-Jun	2007 31-Mar	2006 31-Dec
(All amounts in USD 1000's)			
ASSETS			
Non-Current Assets			
<i>Intangible non-current assets</i>			
Goodwill	45,784	27,770	27,770
Multi-Client Data Library, net	211,814	204,953	195,572
Other Intangible non-current assets	50,008	3,246	3,417
Deferred Tax Asset	7,651	7,217	6,397
<i>Tangible non-current assets</i>			
Buildings	2,498	2,453	2,415
Machinery and Equipment	22,560	17,835	11,999
<i>Financial Assets</i>			
Non-current receivables including pre-payments	8,175	6,359	5,223
Total non-current assets	348,491	269,833	252,793
Current assets			
<i>Receivables</i>			
Accounts receivable	120,905	105,106	145,066
Other short term receivables	5,190	4,632	7,788
<i>Cash and cash equivalents</i>			
Cash and cash equivalents	254,036	330,108	270,585
Total current assets	380,131	439,846	423,439
TOTAL ASSETS	728,622	709,678	676,232

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TGS-NOPEC Geophysical Company ASA

Consolidated Balance Sheet

(All amounts in USD 1000's)	2007 30-Jun	2007 31-Mar	2006 31-Dec
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	3,805	3,827	3,808
Other equity	524,815	510,578	473,231
Total equity	528,620	514,405	477,039
Provisions and liabilities			
<i>Provisions</i>			
Deferred tax liability	43,168	39,137	36,952
<i>Non-current liabilities</i>			
Non-current loans	50,629	49,002	47,734
Capitalized lease liabilities	279	351	535
<i>Current liabilities</i>			
Accounts payable and debt to partners	46,571	42,030	51,013
Taxes payable, withheld payroll tax, social security	28,180	32,367	24,632
Other current liabilities	31,174	32,385	38,327
Total provisions and liabilities	200,002	195,273	199,193
TOTAL EQUITY AND LIABILITIES	728,622	709,678	676,232

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TGS-NOPEC Geophysical Company ASA

Consolidated Cash flow Statement

(All amounts in USD 1000's)	2007 Q2	2006 Q2	2007 YTD	2006 YTD
Cash flow from operating activities:				
Received payments from sales	81,934	42,812	205,083	187,060
Payments for salaries, pensions, social security tax and tax deducted	-15,660	-9,128	-23,898	-19,678
Other operational costs	-12,249	-4,444	-16,494	-7,837
Net gain/(loss) on Currency Exchange and Other Financial Items	-2,548	-1,563	-4,569	-2,596
Paid taxes	-13,470	-18,484	-23,882	-32,956
Net cash flow from operating activities 1)	38,008	9,192	136,239	123,993
Cash flow from investing activities:				
Received payments from fixed assets	0	0	0	910
Investment in tangible fixed assets	-4,132	-1,416	-11,794	-2,767
Investments in seismic and well logs	-30,179	-33,845	-66,943	-62,842
Investment through Mergers and Acquisitions	-58,151	0	-58,151	-7,238
Net change in non-current receivables	-120	-489	-241	-4,048
Interest Income	4,679	2,085	8,654	3,803
Net cash flow from investing activities	-87,903	-33,666	-128,474	-72,182
Cash flow from financing activities:				
Net change in current loans	0	0	0	0
Net change in non-current loans	-141	-1,053	-72	2,676
Interest Expense	-1,229	-1,015	-1,714	-1,751
Purchase of treasury shares	-25,159	0	-25,159	0
Paid in equity	352	1,173	2,630	4,326
Net cash flow from financing activities	-26,177	-895	-24,314	5,250
Net change in cash and cash equivalents	-76,071	-25,368	-16,550	57,062
Cash and cash equivalents at the beginning of period	330,108	216,499	270,585	134,069
Cash and cash equivalents at the end of period	254,036	191,130	254,036	191,131
1) Reconciliation				
Profit before taxes	36,901	44,855	88,213	93,904
Depreciation/Amortization	28,996	20,812	55,717	45,479
Loss/Gain from sale of fixed asset	0	-572	0	-572
Changes in accounts receivables	-15,487	-36,882	24,473	17,188
Changes in other receivables	-547	-7,153	2,608	-6,677
Changes in other balance sheet items	1,615	6,616	-10,890	7,626
Paid tax	-13,470	-18,484	-23,882	-32,956
Net cash flow from operating activities	38,008	9,192	136,239	123,993

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TGS-NOPEC Geophysical Company ASA

Equity Reconciliation (All amounts in USD 1000's)		2007
Opening Balance January 1st		477,039
Paid in Equity		2,630
Purchase of treasury shares		-25,158
Distribution of treasury shares		12,225
Net Income		59,296
Cost of stock options under IFRS		2,152
Effect of change in exchange rates and other items		436
Closing balance per June 30th		528,620

Largest Shareholders per July 31st 2007

			Shares	%
1	STATE STREET BANK AND TRUST CO.	U.S.A.	9,259,576	9 %
2	FOLKETRYGDFONDET	NORWAY	6,518,350	6 %
3	BANK OF NEW YORK, BRUSSELS BRANCH	BELGIUM	5,454,620	5 %
4	JPMORGAN CHASE BANK	GREAT BRITAIN	3,202,875	3 %
5	PARETO AKSJE NORGE	NORWAY	2,430,800	2 %
6	PGGM	GREAT BRITAIN	2,326,440	2 %
7	WORTHINGTON, DAVID W.	U.S.A.	2,018,124	2 %
8	HAMILTON, HENRY H.	U.S.A.	2,000,000	2 %
9	CITIGROUP GLOBAL MARKETS LTD.	GREAT BRITAIN	1,919,991	2 %
10	MELLON BANK AS AGENT FOR CLIENTS	U.S.A.	1,812,804	2 %
10 Largest			36,943,580	35 %
Total Shares Outstanding *			105,696,550	100 %

Shareholders per Country per July 31st 2007

	Shares	%
NORWAY	29,238,867	28 %
GREAT BRITAIN	29,678,450	28 %
U.S.A.	28,743,196	27 %
BELGIUM	8,369,319	8 %
OTHER	9,666,718	9 %
Total Shares Outstanding *	105,696,550	100 %

Average number of shares outstanding for Current Quarter *

Average number of shares outstanding during the quarter	105,864,416
Average number of shares fully diluted during the quarter	108,398,227

* Shares outstanding net of treasury shares held in treasury (1.259.103)