

TGS-NOPEC Geophysical Company ASA

3rd Quarter 2002 Results

3rd Quarter 2002 Highlights

- ❖ Results are in line with the 3rd Quarter Preview issued by the Company on October 17th, but significantly below original guidance for the quarter.
- ❖ Total Net Revenues decreased 42% to NOK 160,7 million compared to Q3 2001. In USD, Net Revenues decreased approximately 30%.
- ❖ Operating Profit before non-recurring items was NOK 41,7 million, 26% of Net Revenues and down 63% from NOK 112,4 million in Q3 2001, due to lower Late Sales and the weaker USD.
- ❖ The Company restructured its long-term 2D vessel capacity by terminating the Northern Access charter in November 2002 and replacing it with a lower cost and more flexible agreement to access SMNG's fleet of vessels. This resulted in a non-cash, non-recurring write-down provision of NOK 38,0 million in Q3, but will provide an estimated future cash and accumulated P&L savings of USD 9,0 million.
- ❖ Earnings per Share after the write-down provision were NOK 0,07 (NOK 0,06 fully diluted) for Q3 2002, down 98% from NOK 2,96 (NOK 2,77) in Q3 2001.
- ❖ The Company secured a revolving credit facility of USD 15 million in early November 2002.

9 Months 2002 Highlights

- ❖ Net Revenues of NOK 735,2 million were down 7% compared to first nine months of 2001. On a USD basis, Net Revenues for the period increased 1% compared to 2001.
- ❖ Operating Profit before non-recurring items was NOK 291,6 million, representing 40% of Net Revenues.
- ❖ Net Income of NOK 171,8 million after non-recurring items represents 23% of Net Revenues, down 22% from first nine months of 2001.

"We experienced weaker Late Sales of multi-client products in all geographic markets during the 3rd quarter as oil companies take a 'wait and see' approach in the face of uncertainty about the global economy, the geopolitical situation, and the supply and demand fundamentals which will dictate longer term commodity prices," stated TGS-NOPEC's CEO Hank Hamilton. "This, combined with a cancellation of a major 3rd quarter transaction related to a merger between two oil companies caused the Company to significantly lower its previous guidance in the 3rd Quarter Preview, issued on October 17th."

Revenue Breakdown Consolidated

Quarterly Net Late Sales of NOK 91,3 million decreased 52% from Q3 2001 (NOK 189,0 million) primarily due to a lack of large scale Late Sales during this particular quarter. Net Late Sales accounted for 57% of Net Consolidated Revenues. Early Participant revenues totaled NOK 67,5 million, funding approximately 43% of the Company's investments into new Multi-Client products during Q3 (NOK 157,5 million). The Company conducted no proprietary contract work in the seismic segment during the quarter, while A2D earned proprietary contract revenues of NOK 1,9 million.

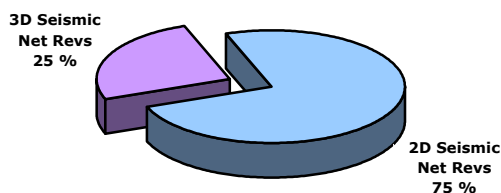
Geographical distribution of Net Revenues for 9 Months ended September 30

(In Mill NOK)	YTD 2002	YTD 2001	YTD 2002	YTD 2001	Change
Europe	117,4	166,6	16 %	21%	-30%
Africa, Middle East, Asia	46,2	153,3	6 %	19%	-70%
North & South America	544,7	470,8	74 %	60%	16%
A2D	26,9	-	4 %	-	-
Total	735,2	790,7	100 %	100%	-7%

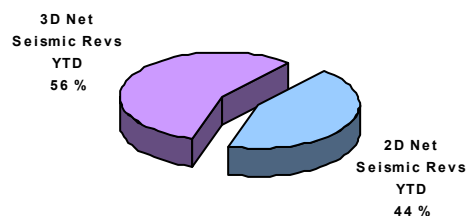
Net Revenues per Segment for 9 months ended Sep 30th

(In mill NOK)	YTD 2002	YTD 2001	YTD 2002	YTD 2001	Change
2D MCS Net Revs	302,0	440,3	41 %	56 %	-31 %
3D MCS Net Revs	398,5	328,7	54 %	42 %	21 %
A2D MC Net Revs	23,5	0,0	3 %	0 %	N/A
Total MCS Net Revs	724,0	769,0	98 %	97 %	-6 %
Proprietary Revs	11,2	21,8	2 %	3 %	-48 %
Total Net Revenues	735,2	790,7	100 %	100 %	-7 %

2D vs 3D Net Seismic Revenues Q3 2002



2D vs 3D Net Seismic Revenues YTD 2002



Operational Costs

The consolidated amortization charge associated with Net Multi-Client revenues was 40% during Q3 2002 compared to 40% in Q3 2001. This rate does fluctuate from quarter to quarter, depending on the sales mix of projects. The level is in line with management's expectations and guidance for the year.

Operational costs payable for the quarter, excluding materials, were NOK 45,2 million, up 18% from Q3 2001 (NOK 38,3 million) as a result of including A2D and offset by sharply lower employee bonus expenses and the move in the USD/NOK exchange rate. Costs of Materials were NOK 2,3 million, down from NOK 17,0 million in Q3 2001 due to the absence of seismic proprietary contract work in Q3 2002 and lower multi-client product sales volume.

Profit

Operating Profit for the quarter before non-recurring items was NOK 41,7 million, representing 26% of Net Revenues, a 63% decrease from Q3 2001 (NOK 112,4 million). The quarterly Pre-tax Profit after non-recurring items was NOK 3,5 million compared to the NOK 110,3 million reported in Q3 2001.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the three months ended September 30th was NOK 113,2 million, 70% of Net Revenues, down 49% from NOK 220,0 in Q3 2001.

Tax

The computed tax rate for Q3 2002 was 53,6% as the Norwegian parent company recorded a loss in Q3 from the NOK 38,0 million write-down provision of the Northern Access. The effective quarterly tax rate is a blend of the 35% tax rate in the US and the deductible tax rate of 28% on losses in Norway. The year-to-date computed tax rate is 35,0%.

Net Income and Earnings per Share (EPS)

Net Income for Q3 2002 after non-recurring items was NOK 1,6 million compared to the NOK 72,3 million reported in Q3 2001. Earnings per Share (EPS) were NOK 0,07 undiluted and NOK 0,06 fully diluted. EPS reported in Q3 2001 was NOK 2,96 per share (NOK 2,77 fully diluted). Year-to-date EPS after unusual items was NOK 6,99, down 22% from NOK 9,00 for the first nine months of 2001 (respectively, NOK 6,49 and NOK 8,51 fully diluted).

Effect of Change in NOK/USD Exchange Rate

Nearly all of the Company's operating revenues and approximately 80% of its operating costs are in USD. Thus, the Company's operations are not significantly impacted by changes in exchange rates between currencies. However, since TGS-NOPEC reports its financial results in NOK, shifts in the NOK/USD exchange rate impact the presented performance in NOK. By the end of Q3 2002, the NOK/USD exchange rate had dropped to 7,45 from 9,01 per December 31st, 2001.

The average exchange rate during Q3 2002 was 7,52, 16% lower than the 9,00 rate during Q3 2001. For the first nine months of 2002, the average exchange rate was 8,21, 9% lower than the 9,02 rate during the same period in 2001. Analysts and investors should be aware of the effects of the exchange rate on the figures presented. While the Company's NOK-reported revenues from the seismic segment (TGS-NOPEC without A2D) decreased 10% from NOK 790,7 million in the first nine months of 2001 to NOK 708,3 million during the same period in 2002, the USD revenues decreased only 3% from approximately USD 87,6 million in 2001 to approximately USD 85,1 million in 2002.

TGS-NOPEC will apply to the Oslo Stock Exchange for permission to report in USD beginning in Q1 2003 in order to better report the development of its business in its main operating currency.

Business Segments and Investments

TGS-NOPEC's main business is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for 87% of the Company's business during the quarter. A2D Technologies, a digital well log and solutions provider acquired in June, accounted for approximately 13% of Consolidated Net Revenues in the 3rd quarter. Integration of A2D into TGS-NOPEC is proceeding according to plan.

The Company invested approximately NOK 157,5 million (approximately USD 20,9 million) in its data library during Q3 2002. This was 33% more than in Q3 2001 in USD terms (NOK 141,6 million or USD 15,7 million). The Company recognized NOK 67,5 million in Net Early Participant Revenues in Q3, funding approximately 43% of its investments during the quarter.

Investments and Pre-funding for Q3 2002:

MNOK	MCS Seismic	A2D Well Logs	Total
Net Pre-funding Revs	60,3	7,2	67,5
MC Investment	150,2	7,3	157,5
Pre-funding in %	40 %	98 %	43 %

Balance Sheet

As of September 30th, 2002, the Company's total cash holdings amounted to NOK 121,8 million compared to NOK 150,5 million at June 30th, 2002. The Q3-2002 cash flow was negative NOK 28,7 million due to lower sales than expected and increased investments. Total interest bearing debt was NOK 105,0 million versus NOK 109,7 million per June 30th, 2002. The Company has secured a new Revolving Credit facility with its bank of USD 15,0 (approximately NOK 112,0) million for corporate purposes.

Total Equity per September 30th, 2002 was NOK 1,261,4 million, representing 75% of Total Assets.

Treasury Shares.

Following the purchase of A2D, the Company no longer holds any TGS-NOPEC shares.

The Multi-Client Seismic Library (TGS-NOPEC without A2D):

Million NOKs	Q3 2002	Q3 2001	9 months 2002	9 months 2001	Year 2001	Year 2000	Year 1999	Year 1998
Opening Balance	763,8	541,7	865,3	439,1	439,1	324,0	203,0	129,3
Effect Change USD/NOK	-0,1	-4,8	-43,4	-0,7	0,6			
Investment	150,1	141,6	300,1	419,5	818,9	370,8	300,8	193,5
Amortization	-61,2	-102,9	-269,4	-282,3	-393,3	-255,8	-179,8	-119,8
Net Book Value Ended	852,6	575,6	852,6	575,6	865,3	439,1	324,0	203,0

Key MCS Figures:	Q3 2002	Q3 2001	9 months 2002	9 months 2001	Year 2001	Year 2000	Year 1999	Year 1998
Net MCS Revenues for the period	139,6	257,3	700,5	768,9	1106,2	793,8	574,2	555,6
Change in MCS Revenue	-46 %	24 %	-9 %	56 %	39 %	38 %	3 %	13 %
Change in MCS Investment	6 %	2 %	-28 %	44 %	121 %	23 %	55 %	80 %
Amortization in % of Net MCS Revenues	44 %	40 %	38 %	37 %	36 %	33 %	31 %	22 %
Increase in NBV during the period	12 %	6 %	-1 %	31 %	97 %	36 %	60 %	57 %

The Multi-Client Well Log Library (A2D):

Million NOKs	Q3-02
Opening Balance	67,4
Reclass from Goodwill	4,5
Investment	7,3
Amortization	-2,2
Net Book Value ended	77,0

Following the review of the A2D Balance Sheet after purchase, a reclassification was made in the Balance Sheet between Goodwill and Well Log library, resulting in an increase of the library of NOK 4,5 million and a reduction of goodwill of the same amount.

Operational Highlights

The Company added over 38,000 kilometers of new 2D and approximately 1,100 square kilometers of new 3D data to its library of marketed surveys during the 3rd quarter. A total of eight different seismic vessels contributed to this effort. The most active areas for new acquisition were Canada, West Africa, Greenland, and Norway, where the Company acquired a 3D project with WesternGeco in the Barents Sea.

Following completion of a proof of concept pilot project earlier in the year, TGS-NOPEC officially launched Phase 50, a comprehensive 48,000-kilometer 2D project covering the Louisiana shelf in the Gulf of Mexico in October. This project is designed to improve imaging of the prospective deeper geology, and results of the pilot project have generated significant industry interest and pre-funding. Phase 50 is the first multi-client seismic project to include delivery of digital workstation ready (WSR) well logs with the seismic data. The package includes logs from 500 wells drilled within the survey area to depths of at least 15,000 feet.

The M/V Polar Search arrived in the Gulf of Mexico at the end of Q3 and began operations on a new 6,500-square kilometer 3D project in early October. The 280 OCS block "eMC 3D" project is an extension of the Company's highly successful Mississippi Canyon 3D survey. TGS-NOPEC has secured some pre-funding for this project in advance of the Early Participation deadline later in November.

A2D added 176,000 logs from 109,000 wells to its library of digital US well logs during the 3rd quarter and began the effort to build an international well log data base by adding logs from Sierra Leone, Portugal, and the East Coast

of Canada which will complement TGS-NOPEC's seismic offerings in the same areas. A2D was also awarded a significant proprietary contract to organize, scan, and digitize logs from 5,000 wells in Mexico's Northern Region.

Outlook

The Company's backlog of secured pre-funding for new seismic projects decreased 36% in USD terms to USD 8,1 million per September 30th, 2002 from USD 12,6 million at the end of the 2nd quarter. Since the end of the 3rd quarter, the Company has secured an additional USD 2,2 million in unrecognized pre-funding. A2D backlog per September 30th, 2002 increased 40% during the quarter, up to NOK 49,0 from NOK 35,0 million per June 30th. Global oil prices remained steady during the quarter. North American natural gas production levels dropped 5-6% year-over-year in the third quarter, as drilling remained depressed. Prices have moved up to around the USD 4 per mcf level. Oil companies appear to be using their improved cash flow to reduce debt and buy back shares, while waiting for uncertainties about the world economy and geopolitical unrest to become clearer. As a result, it is now very difficult to predict when exploration spending will increase and thus, visibility for the next few quarters remains poor. The seismic industry has been severely impacted by these trends in the last few months.

TGS-NOPEC revised its full year 2002 forecast in the 3rd Quarter Preview, issued on October 17th. The Company expects 4th Quarter revenues to improve substantially over 3rd Quarter levels, but to remain approximately 25% below the record high revenues achieved in the 4th Quarter of 2001. This implies a decline of 5-10% in full year 2002 USD Net Revenues compared to 2001. Management has implemented a cost reduction plan to minimize the impact on earnings. In addition, Management clearly recognizes the need to promptly publish any necessary updates to quarterly guidance, and has taken steps to speed up and improve its internal reporting routines accordingly.

The Company recently surveyed its Gulf of Mexico customers and found that approximately 80% of exploration companies expect seismic spending to remain flat, 15% expect seismic spending to increase, and 5% expect seismic spending to decline in 2003 as compared to 2002. In addition, one of the super-majors has indicated that it plans to increase global seismic spending in 2003 by 5%.

TGS-NOPEC's Board of Directors remains convinced that the Company's unique business model, a strong balance sheet, and a strong cash position are essential to financial health and future growth. With this in mind, the Board will continue to carefully evaluate investment opportunities for growth as well as share repurchases based on cash flow development. The Board does not at this time intend to declare a dividend.

TGS-NOPEC is a leading global provider of multi-client geoscience data and associated products and services to the oil and gas industry. TGS-NOPEC specializes in the planning, acquisition, processing, interpretation and marketing of non-exclusive seismic surveys worldwide. A2D Technologies, a wholly owned subsidiary, pioneered the delivery of digital well log data over the Internet and currently offers a one-of-a-kind integrated solution for well log data sourcing, well log data management, and well log correlation. The TGS-NOPEC group places a strong emphasis on providing high-quality data and the highest level of service to the industry.

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

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Naersnes, November 6th, 2002

The Board of Directors of TGS-NOPEC Geophysical Company ASA

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.

TGS-NOPEC Geophysical Company ASA

Consolidated Profit & Loss Accounts

			9 Months	9 Months	12 Months	
(All amounts in NOK 1000's unless noted otherwise)	Q3 2002	Q3 2001	2002	2001	2001	
<i>Operating Revenues</i>						
Sales	170 609	322 779	781 443	881 625	1 298 982	
Income sharing & Royalties	-9 888	-47 539	-46 231	-90 900	-143 355	
Net Operating Revenues	160 721	275 240	735 212	790 725	1 155 626	
<i>Operating expenses</i>						
Materials	2 267	16 967	15 874	31 767	48 915	
Amortisation of Seismic Library	63 476	102 889	273 167	282 276	393 280	
Personnel costs	26 154	24 454	86 569	81 298	115 345	
Other operating expenses	19 055	13 835	50 010	38 975	56 690	
Depreciation	8 061	4 666	18 010	13 168	18 262	
Non-recurring Items	38 000	-	38 000	-	-	
<i>Total operating expenses</i>	157 012	162 811	481 630	447 484	632 492	
Operating profit	3 709	112 429	253 582	343 241	523 134	
<i>Financial income and expenses</i>						
Interest Income	1 086	4 411	4 943	13 236	15 918	
Interest Expense	-1 183	-6 337	-4 344	-17 377	-20 268	
Exchange gains/losses	-100	-251	9 900	-1 365	-3 009	
<i>Net financial items</i>	-197	-2 177	10 499	-5 506	-7 359	
Profit before taxes	3 512	110 252	264 081	337 735	515 775	
Tax provision	1 884	37 971	92 306	118 015	173 926	
Net Income	1 628	72 281	171 775	219 721	341 849	
EPS NOK	undiluted	0,07	2,96	6,99	9,00	13,99
EPS NOK	fully diluted	0,06	2,77	6,49	8,51	13,23

TGS-NOPEC Geophysical Company ASA

Consolidated Balance Sheet

Balance sheet as at September 30, 2002

(All amounts in NOK 1000's unless noted otherwise)	30.09.2002	30.09.2001	31.12.2001
ASSETS			
Long-term assets			
<i>Intangible assets</i>			
Goodwill	125 126	33 349	31 965
<i>Fixed Assets</i>			
Buildings	31 448	29 484	27 653
Machinery and equipment	22 599	24 224	26 447
Vessels	65 792	121 065	116 613
<i>Financial Assets</i>			
Long term receivables, included pre-payments	4 929	-	8 962
Total long-term assets	249 894	208 121	211 641
Current assets			
<i>Inventories</i>			
Multiclient seismic Library, net	929 630	575 600	865 317
<i>Receivables</i>			
Accounts receivable	356 207	340 236	518 532
Other short term receivables	16 255	29 395	20 483
Prepaid taxes	-	8 973	8 973
<i>Cash and cash equivalents</i>			
Cash and cash equivalents (including money market funds)	121 817	318 683	272 250
Total current assets	1 423 910	1 272 887	1 685 556
TOTAL ASSETS	1 673 804	1 481 008	1 897 197

TGS-NOPEC Geophysical Company ASA

Consolidated Balance Sheet

Balance sheet as at September 30, 2002

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

30.09.2002

30.09.2001

31.12.2001

LIABILITIES AND EQUITY

Equity

Share capital	24 778	24 427	24 474
Other equity	1 236 624	1 002 007	1 155 297
Total equity	1 261 402	1 026 434	1 179 771

Provisions and liabilities

Provisions

Deferred tax liability	62 619	76 073	63 365
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Long term liabilities

Mortgage loans/secured loans	96 362	136 562	136 471
Capitalised lease liabilities	6 972	21 553	18 434

Current liabilities

Short-term interest-bearing debt	1 616	481	285
Accounts payable and debt to partners	138 354	152 958	392 191
Taxes payable, withheld payroll tax, social security etc	10 992	745	30 825
Other current liabilities	95 487	66 202	75 856

Total provisions and liabilities	412 402	454 574	717 427
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TOTAL LIABILITIES AND EQUITY	1 673 804	1 481 008	1 897 197
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TGS-NOPEC Geophysical Company ASA

Consolidated Cashflow Statement

	12 Months	
(All amounts in NOK 1000's unless noted otherwise)	Q3 2002	2001
<i>Cashflow from operating activities:</i>		
Received payments from sales	164 541	1 012 387
Payments for acquired seismic and services	-141 015	-573 709
Payments for salaries, pensions, social security tax and tax deducted	-26 154	-115 345
Received interest and other financial income	1 086	15 918
Interest payments and other financial cost	-1 183	-23 277
Paid tax and government taxes	-3 695	-162 375
Payments for other operating activities	-16 199	-47 116
Net cash flow from operating activities	-22 619	106 483
<i>Cash flow from investing activities:</i>		
Investment in tangible fixed assets	-3 292	-15 818
Investment in A2D		
Adjustment to cost price for one of the vessels		5 799
Net change in long term receivables	1 344	-8 962
Net cash flow from investing activities	-1 948	-18 981
<i>Cash flow from financing activities:</i>		
Repayment of long term loans	-3 545	-51 220
Purchase of own shares		-577
Received payments due to share offering		2 915
Currency exchange differences	-597	9 027
Net cash flow from financing activities	-4 142	-39 855
Net change in cash and cash equivalents	-28 709	47 647
Cash and cash equivalents at the beginning of period	150 526	224 603
Cash and cash equivalents at the end of period	121 817	272 250

TGS-NOPEC Geophysical Company ASA

Equity Reconciliation per September 2002

Equity for the Group

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

Opening balance 01.01.02	1 179 771
Changes in share capital and premium fund	41 814
Profit for the year	171 775
Effect of change in exchange rates	-131 958
Closing balance per September 2002	1 261 402