

TGS-NOPEC

*Presentation of 3rd Quarter 2003 Results
November 13th, 2003*

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Chief Financial Officer

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Exploring a World of Opportunities

Presentation Outline

- **Q3 2003 Financial Results**
- **Current Operations and Activity**
- **Outlook**

Q3 2003 Results vs Analysts Expectations*

(MUSD)	Actual Q3 2003	Average Analysts	Actual vs		High	Low	Median
			Consensus	Consensus			
Net Revenue	32,0	34,0	-2,0	-6 %	39,2	29	34,5
EBIT	9,2	10,8	-1,6	-15 %	13,3	8	10,9
Pre-tax Profit	8,9	10,8	-1,9	-18 %	13,3	8	10,8
Net Income	5,5	7,2	-1,7	-24 %	8,7	5,2	7,4
Earnings per Share	0,22	0,29	-0,07	-24 %	0,35	0,21	0,30

Q3 2003 Financial Highlights

- Consolidated

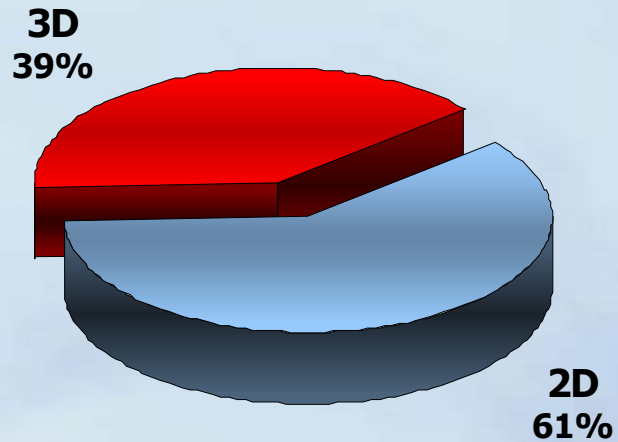
- Net Revenues 32,0 MUSD
 - Increased 50% from Q3 2002
- Net Late Sales 22,4 MUSD
 - Increased 99% from Q3 2002
- Net Pre-funding 7,0 MUSD
 - funding 46% of investments in seismic and well logs (USD 15,2 mill)
- Proprietary Contract Revenues 2,5 MUSD
- EBITDA 23,6 MUSD, 74% of Net Revenues
- MC Amortization rate 46%
- Free Cash Flow from Operations 3,0 MUSD

Q3 2003 Profit & Loss (MUSD)

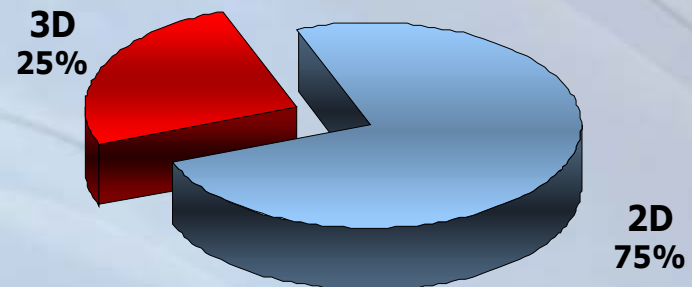
		Q3 2003	Q3 2002	Change	%
Gross Sales		34,5	22,7	11,8	52 %
Income sharing & Royalties		-2,5	-1,3	-1,2	92 %
Net Operating Revenues		32,0	21,4	10,6	50 %
Materials		1,2	0,3	0,9	305 %
MCS Amortization	46 %	13,4	8,3	5,1	61 %
Gross Margin		17,3	12,7	4,6	36 %
Other operating expenses		7,1	6,0	1,1	19 %
Depreciation		1,0	1,1	0,0	-4 %
EBIT Bef. Non-recurr.it	29 %	9,2	5,7	3,5	62 %
Non-recurring Items		0,0	5,1	-5,1	100 %
Operating Profit	29 %	9,2	0,6	8,6	1448 %
Net financial items		-0,3	-0,2	-0,2	119 %
Pre-tax Profit	28 %	8,9	0,4	8,4	1916 %
Taxes		3,4	0,2	3,1	1264 %
Net Income	17 %	5,5	0,2	5,3	2743 %
EPS Undiluted		0,22	0,01	0,21	2100 %
EPS, fully diluted		0,21	0,01	0,20	2000 %

Q3 2D/3D Net Multi-Client Revenues - Seismic Segment

Q3 2003



Q3 2002



9 Months 2003 Financial Highlights

- Consolidated

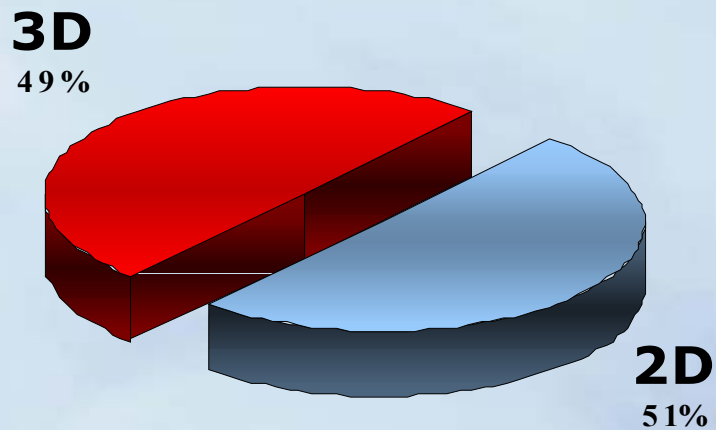
- **Total Net Revenues up 2% compared to 9 Months 2002**
- Net Late Sales down 8%
- Operational Investments in MC library MUSD 45,9 million, up 16% from 9 Months 2002
- Pre-funding 50% compared to 42% last year
- Amortization rate 41%
- Free Cash Flow from Operations MUSD 15,9 million
- Equity 82% of Assets

9 Months 2003 Profit & Loss (MUSD)

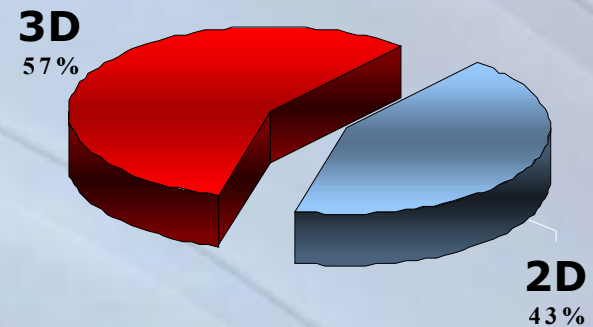
	9 Months 2003	9 Months 2002	Change	%
Gross Sales	97,9	94,2	3,7	4 %
Income sharing & Royalties	-7,1	-5,6	-1,5	27 %
Net Operating Revenues	90,8	88,7	2,2	2 %
Materials	1,8	1,9	-0,1	-4 %
MCS Amortization 41 %	35,8	30,7	5,1	17 %
Gross Margin	53,2	56,1	-2,8	-5 %
Other operating expenses	21,4	16,5	4,9	29 %
Depreciation	3,3	2,4	0,9	39 %
EBIT Bef. Non-recurr.it 31 %	28,5	37,1	-8,6	-23 %
Non-recurring Items	0,0	5,1	-5,1	100 %
Operating Profit 31 %	28,5	32,0	-3,5	-11 %
Net financial items	-0,4	-0,1	-0,4	533 %
Pre-tax Profit 31 %	28,1	32,0	-3,9	-12 %
Taxes	9,4	11,1	-1,8	-16 %
Net Income 21 %	18,7	20,8	-2,2	-10 %
EPS Undiluted	0,75	0,85	-0,10	-12 %
EPS, fully diluted	0,71	0,79	-0,08	-10 %

YTD 2D/3D Net Multi-Client Revenues - Seismic Segment

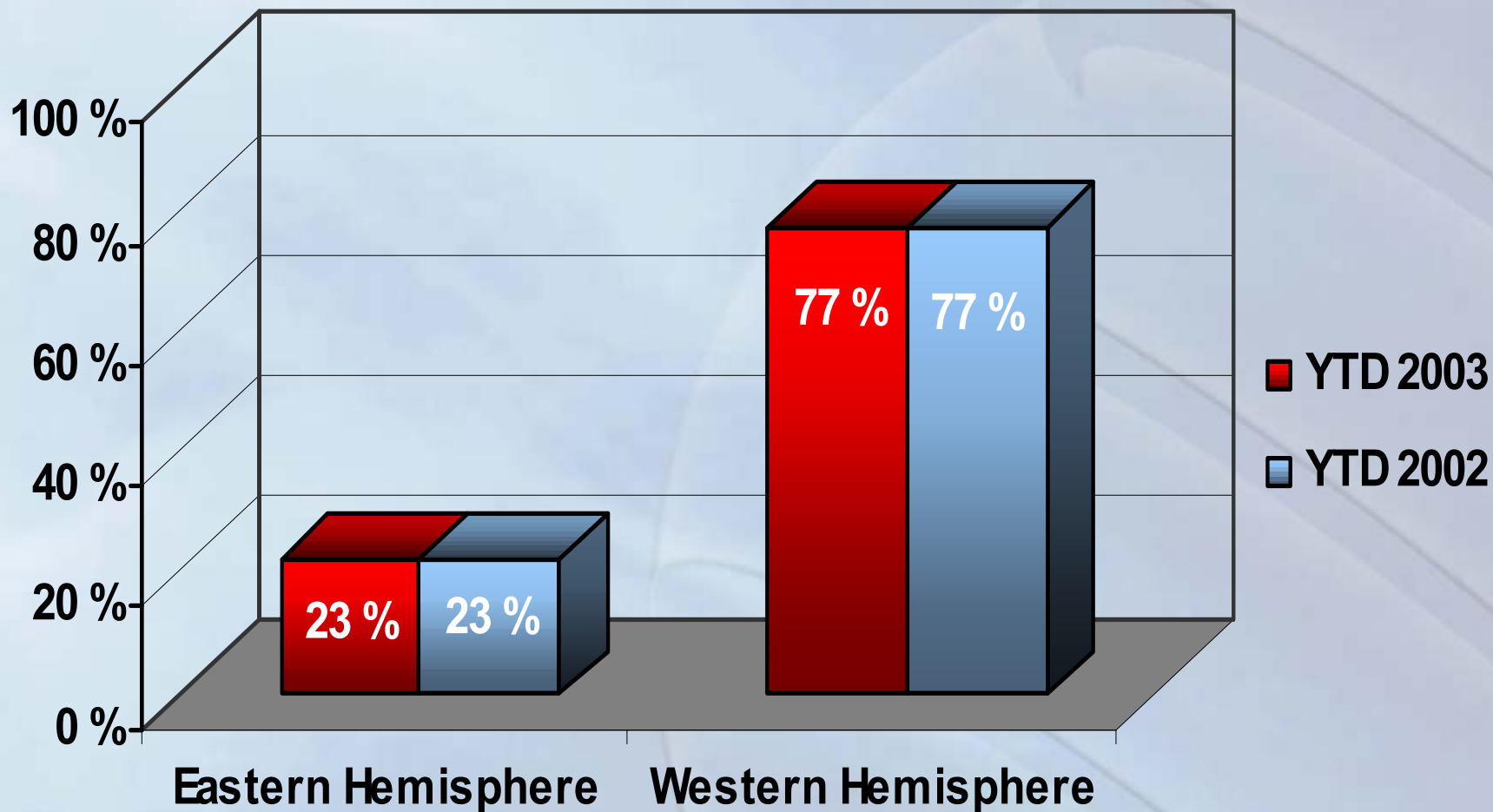
YTD 2003



YTD 2002



YTD Geographical Net Revenue Distribution - Consolidated

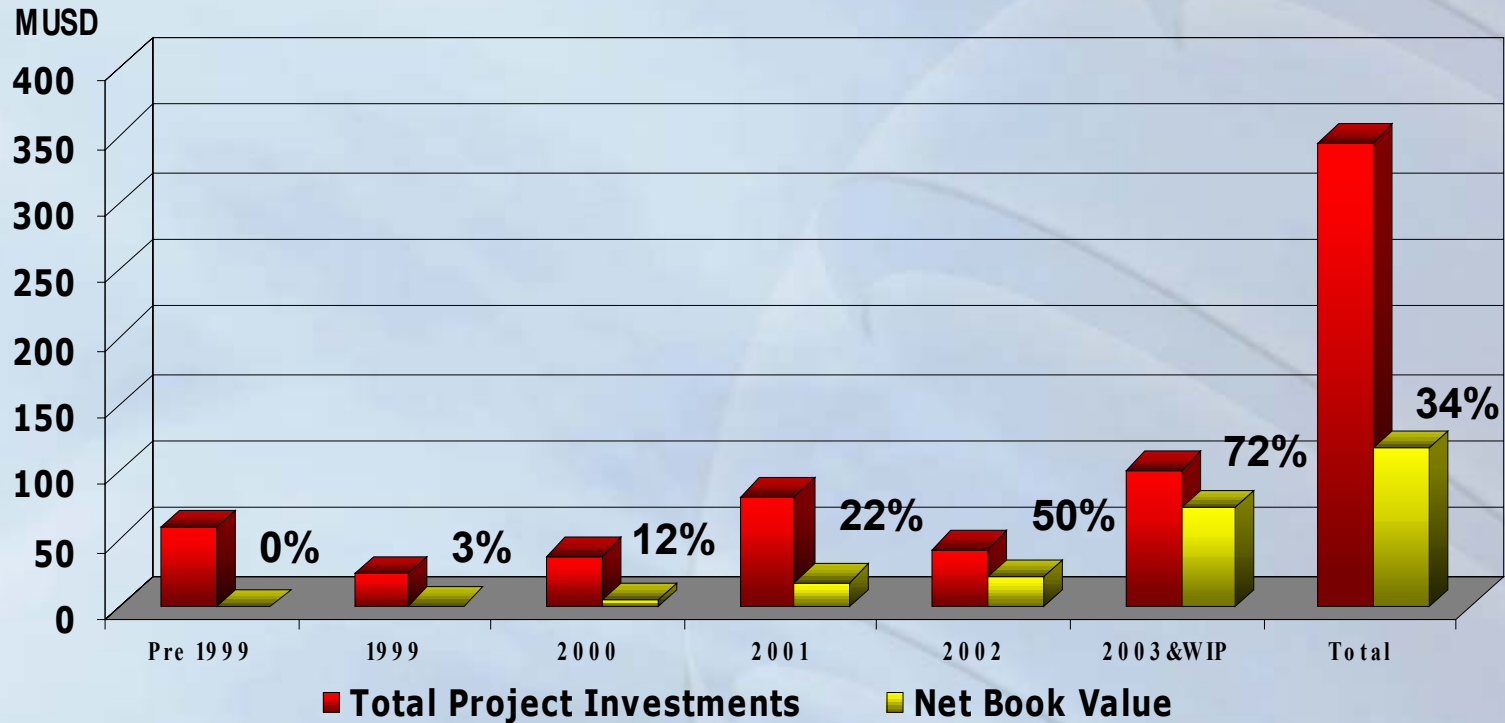


MCS Accounting – Matching Principle

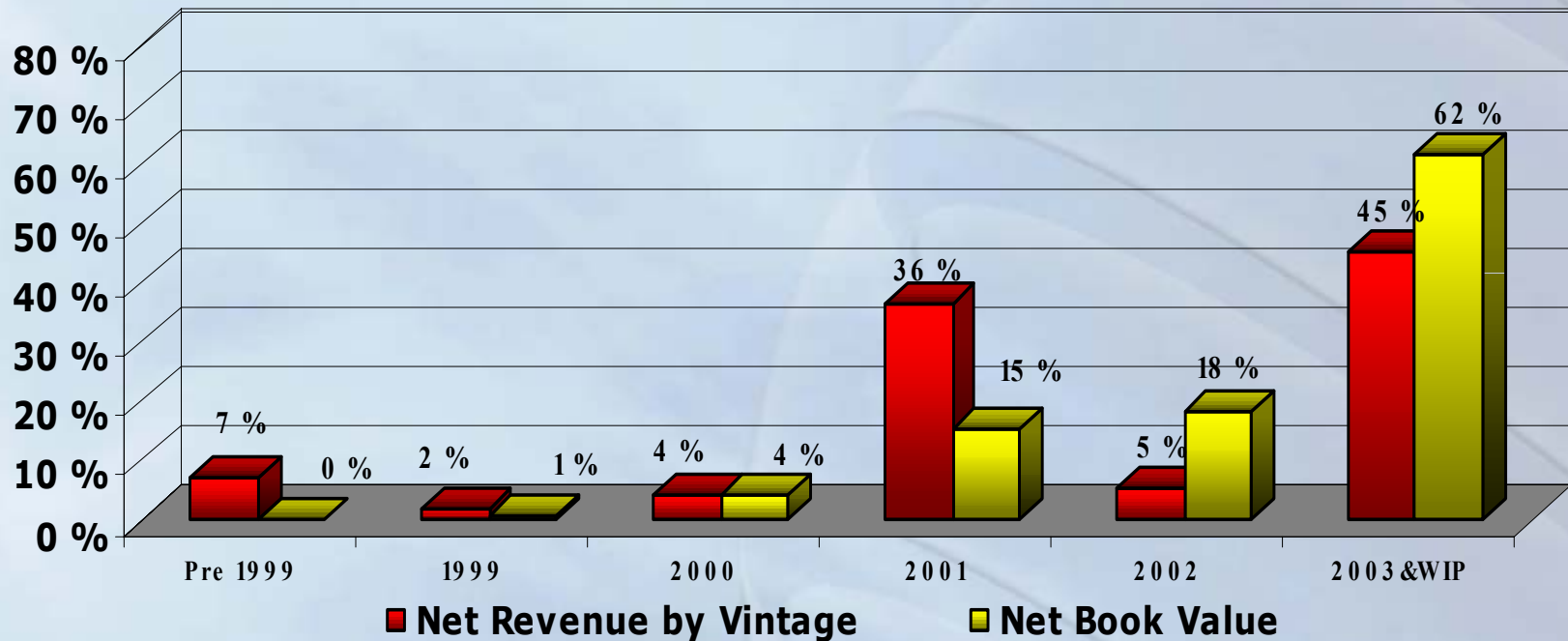
- Accounting Standards recommend to match Revenues and Costs in time
- TGS-NOPEC capitalizes the direct costs of surveys as investments in the Balance Sheet and amortizes them over 5 years (including the first year – WiP) as a function of expected ratio Sales/Investment
- If sales are lower than expectations, a minimum amortization kicks in:
 - Maximum NBV one year after completion is 60%, then 40%, then 20%, then zero
 - At the end of the fourth year after survey completion, each survey is fully amortized
- The application of such rules varies from company to company, some allowing for longer lifetimes and less amortization in the first years.

Multi-Client Library NBV in % of Original Investment

– Seismic Segment – September 30, 2003



Q3 2003 Multi-Client Net Revenues & NBV Per Vintage - Seismic Segment



- Only 5% of the NBV relates to surveys older than 2001
- These vintages generated 13% of the revenue

Balance Sheet - Key Figures

(MUSD)	Sep-03	%	June-03	%	Dec-02	%
Assets						
Cash	20	9 %	19	9 %	18	8 %
Other Current Assets	51	23 %	47	21 %	63	28 %
MC Library	128	56 %	126	57 %	118	52 %
Total Current Assets	200	88 %	192	87 %	199	87 %
Goodwill & Long Receiv	20	9 %	21	10 %	22	10 %
Fixed Assets	7	3 %	7	3 %	7	3 %
Total Assets	226	100 %	220	100 %	229	100 %
Liabilities						
Short-term debt	0	0 %	0	0 %	7	3 %
Current Liab	28	12 %	24	11 %	36	16 %
Long term Loans	7	3 %	9	4 %	15	6 %
Deferred tax	6	3 %	7	3 %	2	1 %
Equity	185	82 %	180	82 %	169	74 %

Cash in excess of Interest bearing debt MUSD 13,5 (Sep-03)

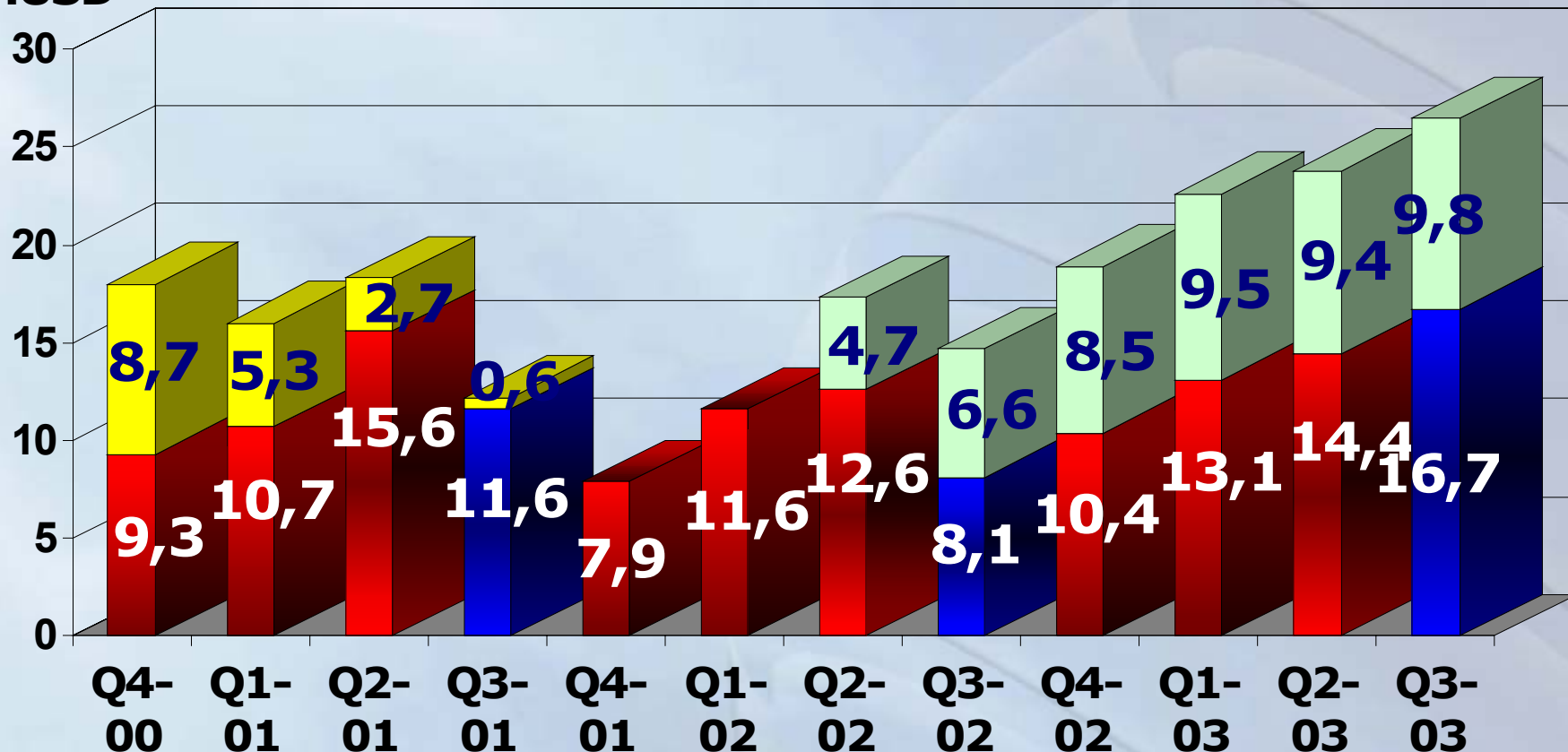
Q3 2003 Cash Flow Statement

Payments From Sales Received	27,4
Investments MC	-16,3
Operational Costs Paid	-4,9
Operational Cash Flow (pre-tax)	6,2
Investments Fixed Assets	-0,2
Downpayments Loans	-2,2
Taxes Paid	-3,1
Other Balance Sheet changes	0,5
Change in Cash Balance	1,2

Backlog in Seismic & Well Log Segments

- At end of Quarter

MUSD

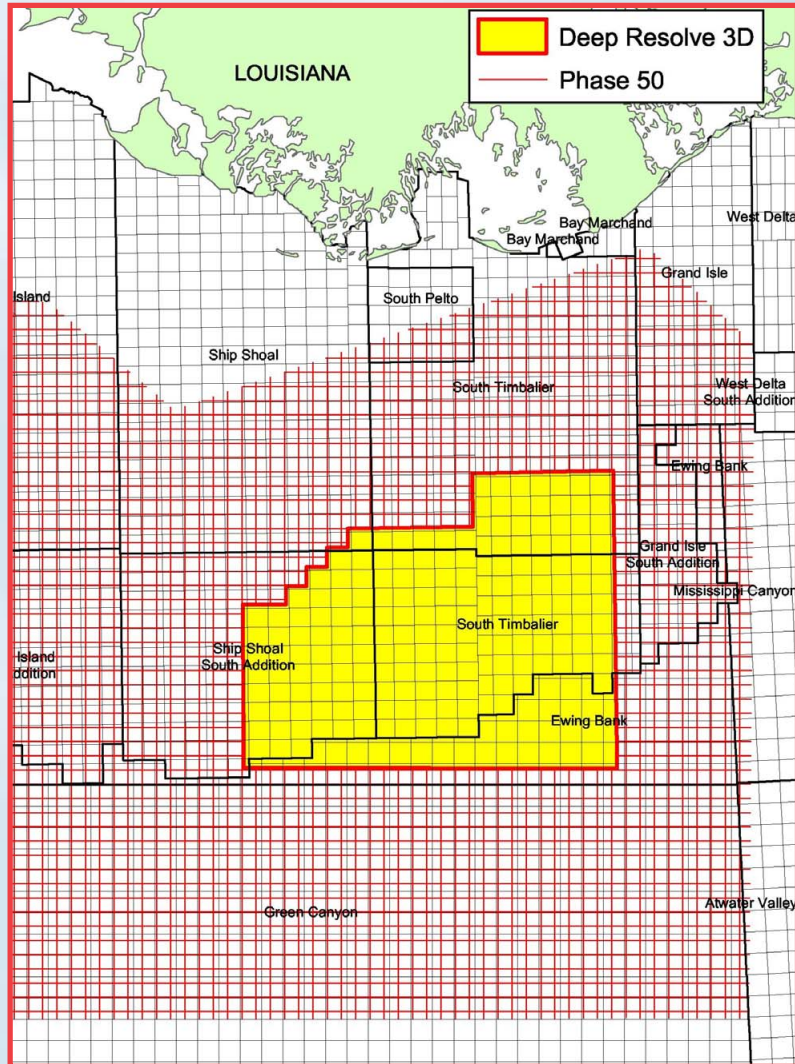


■ Seismic Backlog ■ Flinders MCS 3D ■ A2D

Operational Highlights

- 80% of Q3 sales came from surveys in North & South America with particular strength in the US Gulf of Mexico
- Continued progress with A2D integration, success in selling workstation-ready (WSR) logs with seismic data
- Additions to the library focused primarily in the Gulf of Mexico, followed by Eastern Canada and Greenland
- Completed acquisition of Phase 50 (45,500 kms) 2D at the end of October, on track to complete delivery by the end of the year
- Completed acquisition of the deepwater eMC 3D in September, final delivery scheduled for January 2004
- Launched a new 3D project, “Deep Resolve”

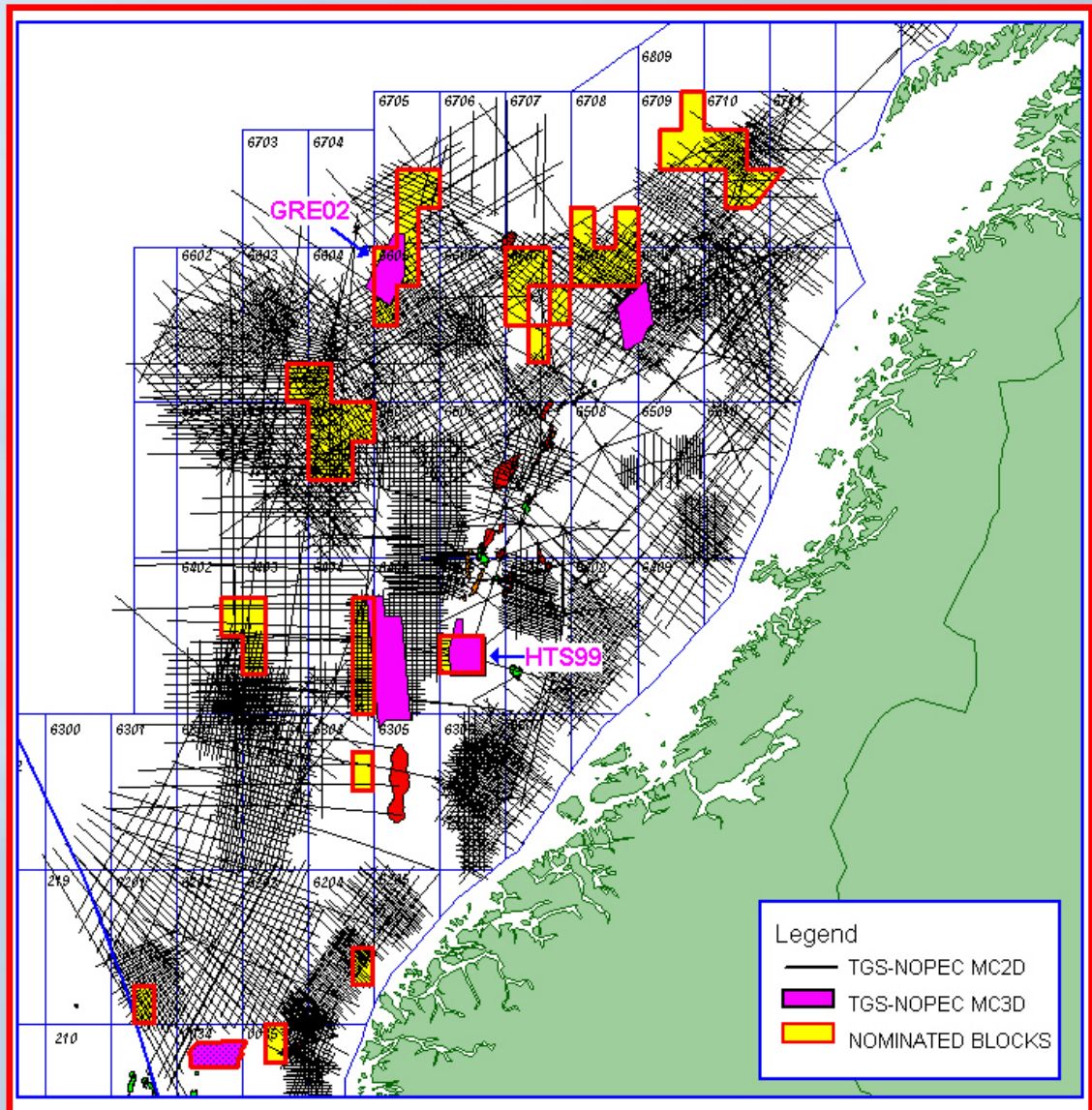
Deep Resolve 3D



- First new generation shelf 3D based on Phase 50 long offset 2D survey
- 5,000 sq kms, ~ 225 OCS blocks
- Improved technology: 9,000 meter offsets
- Complex operation due to obstructions in area: 2-vessel streamer crew plus an OBC crew for the most congested areas
- Acquisition started in Sept '03, will take in excess of 1 year

18th Round - Norway

- Excellent 2D coverage
- At least two 3D's relevant so far
- Expected final block announcements in December '03
- Awards before summer 2004



Purchase of Riley Electric Log

- Signed LOI with Divestco Inc to purchase the shares of its subsidiary Riley Electric Log plus a license to additional software and data assets
- Purchase price \$9 million, expected to close by year end
- Plan to merge these assets into A2D Technologies
- Riley owns the most comprehensive and complete set of hard copy well logs in the US, over 3 million
- Main value drivers:
 - Feedstock for completion of the US digital well log library, enhancing the value of our “Total Well Log Solution”
 - Large-scale entry into the market for Canadian well logs, 1.2 million images

Outlook & Expectations

- Commodity prices remain well above levels budgeted by oil companies. While oil company cash flows are excellent, they remain cautious and selective about exploration spending.
- Based on our expectations of:
 - a traditional Q4 sales upswing
 - scheduled delivery of large new projects
 - anticipated interest for Norway's 18th Round

We continue to forecast full year net revenue growth of 10%
- Should the announcement of blocks for the 18th Round be delayed until late December, we could experience some slippage of expected sales into 2004.