

TGS-NOPEC EARNINGS RELEASE

November 11, 2004



3rd QUARTER 2004 RESULTS

3rd QUARTER FINANCIAL HIGHLIGHTS

- Consolidated Net Revenues were USD 43.5 million, an increase of 36% compared to Q3 2003.
- Operating Profit (EBIT) was USD 14.3 million (33% of Net Revenues), up 55% from USD 9.2 million in Q3 2003.
- Net Pre-funding Revenues of USD 13.7 million covered 62% of operational multi-client investments compared to USD 7.0 million (covering 46% of investments) in Q3 2003.
- Net Late Sales from the multi-client library totaled USD 28.2 million, up 26% from USD 22.4 million in Q3 2003.
- Cash flow from operations after taxes was USD 9.5 million, versus USD 3.0 in Q3 2003.
- Earnings per Share (undiluted) were USD 0.36, up 61% compared to USD 0.22 in Q3 2003.

9 MONTHS FINANCIAL HIGHLIGHTS

- Consolidated Net Revenues were USD 113.2 million, 25% higher than the first nine months of 2003.
- Operating Profit (EBIT) was USD 33.8 million (30% of Net Revenues), up 18% from USD 28.5 million in 2003.
- Net Pre-funding Revenues of USD 34.1 million covered 46% of operational multi-client investments.
- Net Late Sales from the multi-client library totaled USD 74.0 million, up 15% from USD 64.1 million in 2003.
- Earnings per Share (undiluted) were USD 0.88, up 17% from USD 0.75 in 2003.

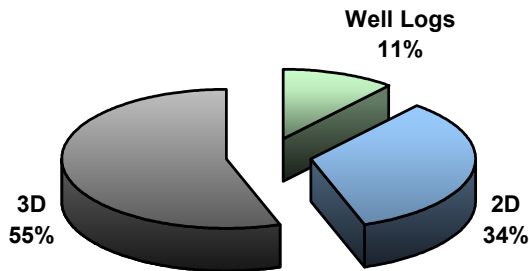
REVENUE BREAKDOWN

Consolidated gross late sales were USD 31.3 million, up 28% from last year, representing 66% of gross revenues for the quarter. Net late sales were up 26% compared to Q3 2003. Net pre-funding revenues totaled USD 13.7 million, funding 62% of the Company's operational investments into new multi-client products during Q3 (USD 22.2 million). Proprietary contract revenues during the quarter totaled USD 1.5 million compared to USD 2.5 million in Q3 2003. The Company did not perform any proprietary seismic acquisition work during the quarter, but had proprietary contract revenues in the well log segment (A2D) and the TGS imaging segment (NuTec).

Consolidated Net Revenues Q3 2004 vs. Q3 2003 per Geographical Region					
(in Million USD)	Q3 2004	Q3 2003	Q3 2004	Q3 2003	Change
Eastern Hemisphere	11.9	6.5	27%	20%	83%
Western Hemisphere	31.6	25.4	73%	80%	24%
Total	43.5	32.0	100%	100%	36%

Consolidated Net Revenues 9 Months 2004 vs. 9 Months 2003 per Geographical Region					
(in Million USD)	9 Months 2004	9 Months 2003	9 Months 2004	9 Months 2003	Change
Eastern Hemisphere	28.3	20.6	25%	23%	37%
Western Hemisphere	84.9	70.2	75%	77%	21%
Total	113.2	90.8	100%	100%	25%

Year-To-Date Net Revenues by Product Type:



OPERATIONAL COSTS

The consolidated amortization charge associated with net multi-client revenues was 43% during Q3 2004 compared to 46% in Q3 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 lower for the quarter as a direct consequence of no proprietary seismic acquisition contract activity. Personnel and other operating costs payable for the quarter, excluding materials, were USD 8.7 million, an increase of 22% from Q3 2003 (USD 7.1 million) as a result of higher employee profit-sharing bonuses as well as the higher cost base following the acquisitions of Riley and NuTec.

EBIT and EBITDA

Operating profit (EBIT) for the quarter of USD 14.3 million represented 33% of Net Revenues. This was 55% higher than the reported USD 9.2 million in Q3 2003. The quarterly pre-tax profit was USD 13.4 million, up 51% compared to USD 8.9 million reported in Q3 2003.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the three months ended September 30th was USD 34.3 million, 79% of Net Revenues, up 45% from USD 23.6 million in Q3 2003.

FINANCIAL ITEMS

The weaker USD versus the NOK during the quarter resulted in higher USD value of non-USD deferred tax liabilities of the Parent Company, and contributed to an exchange loss of USD 0.5 million during the quarter.

TAX

For the full year, TGS 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 Q3 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 Q3 2004 was USD 9.0 million (21% of Net Revenues) compared to USD 5.5 million from Q3 2003. Earnings per share (EPS) were USD 0.36 undiluted (USD 0.33 fully diluted), an increase of 61% from EPS reported for Q3 2003 of USD 0.22 per share (USD 0.21 fully diluted).

BUSINESS SEGMENTS AND INVESTMENTS

TGS' largest business segment is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for 87% of the Company's business during the quarter. A2D, a digital well log and solutions provider acquired in June 2002, accounted for 11% of consolidated net revenues in the 3rd quarter. Proprietary contract seismic data processing performed by TGS Imaging (formerly NuTec) in Q3 2004 represented the remaining 2% of total revenues in Q3.

The Company's operational investments in its data library during Q3 2004 increased 47% compared to Q3 2003. Operational investments were USD 22.2 million. The corresponding investment in Q3 2003 was USD 15.2 million. The Company recognized USD 13.7 million in net pre-funding revenues in Q3, funding approximately 62% of its operational multi-client investments during the quarter.

BALANCE SHEET & CASH FLOW

In line with previous guidance, the net cash flow from operating activities (including multi-client investments) for the quarter was positive, totaling USD 9,5 million. The Company paid USD 10,8 million for the purchase of NuTec Energy's assets early in July. As of September 30th, 2004, the Company's total cash holdings amounted to USD 45.6 million compared to USD 47.3 million at June 30th, 2004.

Total equity per September 30th, 2004 was USD 220.2 million, representing 70% of total assets.

THE MULTI-CLIENT DATA LIBRARY:

MUSD	Q3 2004	Q3 2003	9 Months 2004	9 Months 2003	Year 2003	Year 2002	Year 2001	Year 2000
Opening Balance	157.0	126.1	133.2	117.8	117.8	98.2	55.5	40.0
In purchase price of A2D/Riley Investment	0.1	-	2.0	-	5.0	9.5	-	-
Amortization	22.2	15.2	73.7	45.9	68.7	58.8	90.9	46.4
	(17.9)	(13.4)	(47.5)	(35.8)	(58.3)	(48.7)	(48.2)	(30.9)
Net Book Value Ended	161.5	127.9	161.5	127.9	133.2	117.8	98.2	55.5

KEY MULTI CLIENT FIGURES:

MUSD	Q3 2004	Q3 2003	9 Months 2004	Q3 2003	Year 2003	Year 2002	Year 2001	Year 2000
Net MC Revenues	42.0	29.5	108.0	87.0	132.6	121.5	123.1	85.1
Change in MC Revenue	42%	40%	24%	-1%	9%	-1%	45%	14%
Change MC Investment	47%	-29%	65%	16%	25%	-35%	96%	21%
Amort% of Net MC Revs	43%	46%	44%	41%	44%	40%	39%	36%
Increase in NBV	3%	1%	21%	9%	13%	20%	77%	39%

OPERATIONAL HIGHLIGHTS

TGS added approximately 25,000 kilometers of new 2D and 850 square kilometers of new 3D data to its library of marketed seismic surveys in the 3rd quarter. A total of six different seismic vessels contributed to this effort. All of the 3D acquisition was conducted in the US Gulf of Mexico on the "Deep Resolve" project, where pre-funding was secured during the quarter to expand the project to 7,400 square kilometers and to launch a full 3D pre-stack depth migration project over the entire survey. TGS also completed acquisition on its new 9,700-kilometer Sakhalin and 5,000-kilometer Makassar Straits 2D projects, while significantly expanding its North Sea Renaissance long offset 2D program.

A2D completed the process of cataloging all of the Riley U.S. and Divestco Canadian well logs into its LogLine+ database, bringing its commercially available North American library to over 4 million well logs from approximately 1.8 million wells. Approximately 3.1 million digital well log images are currently available, and the remaining 900,000 hard copy logs are scheduled to be converted to digital image format over the next 18 months.

OUTLOOK

The Company's backlog for new seismic projects and services was USD 20,8 million per September 30th, 2004, 25% higher than one year ago. A2D backlog decreased during the quarter from USD 9.4 million to USD 8.6 million, 12% lower than one year ago. Total Company backlog increased 28% during the quarter and stands at USD 29,4 million at the end of the 3rd quarter, 11% higher than one year ago.

The Company expects to further slow the pace of investments in its multi-client library during the 4th quarter since most of its 2004 2D projects were completed in the 3rd quarter and its chartered 3D vessel spent a significant part of October in dry-dock for routine maintenance. Full year multi-client investments are now expected to slightly exceed the high end of the previously guided USD 75 – 80 million range, while the annual pre-funding ratio will remain in the previously guided 45-55% range. The Company's expectations for amortization rate (42 – 47%) and net revenue growth (~15% exclusive of NuTec's contract revenue contribution) remain unchanged. Management expects cash flow from operations to remain positive during the 4th quarter and for the full 12 months of 2004.

CONTACTS FOR ADDITIONAL INFORMATION

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Naersnes, November 10th, 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

			9 Months	9 Months
(All amounts in USD 1000's unless noted otherwise)	Q3 2004	Q3 2003	2004	2003
<i>Operating Revenues</i>				
Sales	47 645	34 482	124 625	97 925
Income sharing	-4 158	-2 523	-11 444	-7 085
Net Operating Revenues	43 487	31 960	113 181	90 841
<i>Operating expenses</i>				
Materials	399	1 220	2 503	1 809
Amortization of Multi-Client Data Library	17 852	13 406	47 501	35 807
Personnel costs	6 211	4 857	16 926	14 567
Other operating expenses	2 490	2 253	7 977	6 821
Depreciation	2 270	1 013	4 493	3 326
Total operating expenses	29 222	22 750	79 399	62 329
Operating profit	14 266	9 210	33 782	28 511
<i>Financial income and expenses</i>				
Interest Income	139	39	289	176
Interest Expense	-501	-115	-859	-432
Exchange gains/losses	-508	-263	-213	-187
Net financial items	-871	-339	-782	-443
Profit before taxes	13 395	8 871	33 000	28 069
Tax provision	4 420	3 375	10 890	9 401
Net Income	8 975	5 496	22 110	18 667
EPS USD	0,36	0,22	0,88	0,75
EPS USD, fully diluted	0,33	0,21	0,82	0,71

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TGS-NOPEC Geophysical Company ASA

Consolidated Balance Sheet

(All amounts in USD 1000's unless noted otherwise)	30.09.2004	30.09.2003	31.12.2003
ASSETS			
Long-term assets			
<i>Intangible assets</i>			
Goodwill	20 792	14 900	16 166
<i>Fixed Assets</i>			
Buildings	3 801	3 310	3 917
Machinery, Equipment and Software	9 594	3 320	3 991
<i>Financial Assets</i>			
Long term receivables, included pre-payments	1 980	4 833	4 000
Total long-term assets	36 167	26 363	28 074
Current assets			
<i>Inventories</i>			
Multi-Client Data Library, net	161 487	127 888	133 237
<i>Receivables</i>			
Accounts receivable	65 388	46 947	66 288
Other short term receivables	5 533	4 516	4 396
<i>Cash and cash equivalents</i>			
Cash and cash equivalents	45 640	20 493	17 724
Total current assets	278 049	199 843	221 645
TOTAL ASSETS	314 216	226 206	249 719

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TGS-NOPEC Geophysical Company ASA

Consolidated Balance Sheet

(All amounts in USD 1000's unless noted otherwise)	30.09.2004	30.09.2003	31.12.2003
LIABILITIES AND EQUITY			
<i>Equity</i>			
Share capital	3 606	3 549	3 556
Other equity	216 633	181 844	192 358
Total equity	220 239	185 394	195 914
Provisions and liabilities			
<i>Provisions</i>			
Deferred tax liability	15 971	6 065	7 692
<i>Long term liabilities</i>			
Mortgage loans/secured loans	43 770	6 446	6 430
Capitalized lease liabilities	1 448	497	416
<i>Current liabilities</i>			
Short-term interest-bearing debt	152	100	861
Accounts payable and debt to partners	23 372	18 511	28 975
Taxes payable, withheld payroll tax, social security	1 420	934	2 600
Other current liabilities	7 845	8 260	6 831
Total provisions and liabilities	93 978	40 813	53 805
TOTAL LIABILITIES AND EQUITY	314 216	226 206	249 719

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TGS-NOPEC Geophysical Company ASA

Consolidated Cash flow Statement

	Q3 2004	Q3 2003	9 Months 2004	9 Months 2003
(All amounts in USD 1000's unless noted otherwise)				
Cash flow from operating activities:				
Received payments from sales	37 784	27 361	113 062	102 340
Payments for acquired seismic and well logs	-18 416	-14 047	-77 612	-52 454
Payments for salaries, pensions, social security tax and tax deducted	-6 211	-4 857	-16 926	-14 567
Other operational costs	-2 490	-2 253	-8 808	-6 991
Received interest and other financial income	139	39	1 163	176
Interest payments and other financial items	-1 009	-115	-1 945	-432
Paid taxes	-290	-3 085	-6 652	-12 130
Net cash flow from operating activities	9 507	3 043	2 281	15 942
Cash flow from investing activities:				
Received payments from fixed assets	85	0	85	0
Investment in tangible fixed assets	-1 399	-153	-1 802	-965
Investment through Mergers and Acquisitions	-10 897	0	-13 503	0
Net change in long term receivables	1 000	500	2 020	1 167
Net cash flow from investing activities	-11 211	347	-13 201	202
Cash flow from financing activities:				
Net change in short term loans	49	-36	-709	-7 297
Net change in long term loans	-406	-2 180	36 854	-6 432
Paid in equity	422	0	2 689	0
Net cash flow from financing activities	65	-2 215	38 834	-13 729
Net change in cash and cash equivalents	-1 639	1 175	27 917	2 415
Cash and cash equivalents at the beginning of period	47 279	19 318	17 724	18 078
Cash and cash equivalents at the end of period	45 641	20 493	45 641	20 493

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Equity Reconciliation per September 30th 2004

(All amounts in USD 1000's unless noted otherwise)	30.09.2004
Opening Balance 1/1/2004	195 914
Paid in Equity	2 689
Net Income	22 110
Effect of change in exchange rates and other items	-475
Closing balance per September 30th 2004	220 239