



Presentation of the 3rd Quarter 2008 Results

October 30th 2008

A webcast of this presentation is available at www.tgsnopec.no

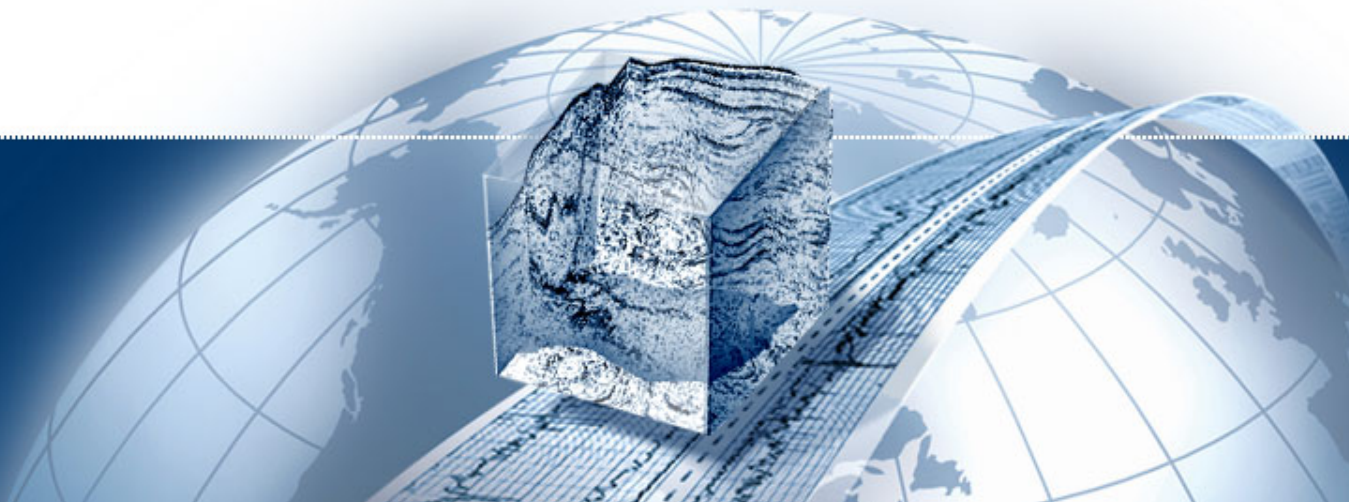
Arne Helland
Chief Financial Officer

Robert Hobbs
Chief Operating Officer

Hank Hamilton
Chief Executive Officer



TGS-NOPEC Geophysical Company



Forward-Looking Statements

All statements in this presentation 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 principle 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 for any reason.

Q3 2008 Non-Operational Items

Three non-operational items are recorded in the financial report of the quarter:

1) Due to the termination of merger with WAVE, the incurred merger costs of **USD 3.2 mill** have been expensed in Q3 under "Other Operational Costs" bringing EBIT margin down from the Operational 46% for Q3 to 44%.

2) Holding of Wavefield Shares:

- TGS holds 10.1% of Wavefield-Inseis ASA
- The WAVE shares closed at NOK 16.60 on September 30-08, bringing the unrealized loss on this holding to **USD 55.6 million** in Q3. This loss is not tax-deductible.
- Note : The Wave shares have further depreciated in value till now in Q4-2008.

Q3 2008 Non-Operational Items (continued)

3) Auction Rate Securities

- As discussed in note 14 in the 2007 Annual Report, TGS held USD 91.4 million as short term financial investments of excess cash per December 31, 2007.
- These securities have either a long maturity or none, but were traded in the US market as short-term investments as monthly auctions gave liquidity to them.
- Since the auctions began to fail late in February, TGS has redeemed USD 26.9 million of these and currently holds ARSs at face value USD 64,6 million
- The securities are held as "Available for Sale" under short-term assets
- During Q3, redemptions slowed down, and as a consequence of the credit crunch, these instruments have become illiquid at face value, only currently redeemable at face value by the issuer, as auctions continue to fail.
- A liquid secondary market exists, though, at a discount.
- TGS has received quotes for a sale for cash in this market and has chosen the "fair value" of the ARS investments to be set corresponding to offers received.
- This "street value" is 13% below face value, and an unrealized impairment of **USD 8.4 million** has been charged to financial costs in Q3

Q3 2008 Reported Financial Highlights

- **Net Revenues 170.8 MUSD, up 70% from Q3 2007**
 - Net Late Sales 97.4 MUSD, up 71% from Q3 2007
 - Proprietary Contract work MUSD 37.4, vs MUSD 18.0 in Q3 2007
- **Operational Investments up 160% from 31.0 MUSD in Q3 2007 to 80.6 MUSD supported by 45% prefunding (up 42% to MUSD 36.0)**
- **Multi-Client Amortization rate 35%**
- **Reported EBIT Margin (after USD 3.2 million merger costs) 44% of Net Revenues**
- **Other financial expenses USD 63.9 million, consisting of USD 55.6 million unrealized loss on WAVE shares and USD 8.4 million write-down of held ARS securities.**

Q3-2008 Operational Profit & Loss (MUSD)

(excludes merger costs, loss on Wave shares, writedown of ARS)

		Q3-2008	Q3-2007	Change	%
Gross Sales		208.2	110.3	97.9	89%
Income sharing & Royalties		-37.4	-9.9	-27.5	278%
Net Operating Revenues		170.8	100.3	70.5	70%
Materials		19.6	10.8	8.8	81%
MCS Amortization	35%	46.8	23.8	23.0	97%
Gross Margin	61%	104.4	65.7	38.7	59%
Other operating expenses		22.9	17.6	5.3	30%
Depreciation		2.5	3.0	-0.5	-17%
EBIT	46%	79.0	45.3	33.7	74%
Net Financial items		-2.2	-2.4	0.2	-8%
Pre-tax Profit	45%	76.7	42.9	33.8	79%
Taxes		24.8	16.1	8.7	54%
Net Income	30%	51.9	26.8	25.1	94%
EPS, undiluted		0.50	0.26	0.2	92%
EPS, fully diluted		0.50	0.25	0.3	100%

Q3 2008 REPORTED PROFIT & LOSS (MUSD)

(with Non-operational items)

		Q3 2008	Q3 2007	Change	%
Net Operating Revenues		170.8	100.3	70.5	70%
Materials		19.6	10.7	8.9	83%
MC Amortization	35%	46.8	23.8	23.0	97%
Gross Margin		104.4	65.8	38.5	59%
Other Operating Expenses		25.5	16.6	8.8	53%
Cost of Stock Options		0.7	0.9	(0.3)	-30%
Depreciation		2.5	3.0	(0.5)	-16%
Operating Profit	44%	75.8	45.3	30.5	67%
Net Financial Items		(66.2)	(2.4)	(63.8)	2686%
Pre-tax Profit	6%	9.6	42.9	(33.3)	-78%
Taxes		21.1	16.1	5.0	31%
Net Income	-7%	(11.5)	26.8	(38.3)	-143%
EPS, undiluted		(0.11)	0.26	(0.37)	-143%
EPS, fully diluted		(0.11)	0.25	(0.36)	-144%

Q3 2008 CASH FLOW (MUSD)

	Q3 2008	Q3 2007
Payments from Sales Received	102.5	115.2
Operational Costs Paid	(44.4)	(27.1)
Gain/(Loss) from Currency Exchange	4.5	(6.2)
Taxes Paid	(1.5)	(3.1)
Operational Cash Flow	61.2	78.8
Investments in Fixed Assets	(1.3)	(5.3)
Investments in Multi-Client	(48.3)	(41.0)
Other items	(4.4)	(10.6)
Net Change in Cash	7.2	21.9

“Other Items” includes buyback of TGS shares (9.8 MUSD)

9M 2008 Financial Highlights

- **Net Revenues 410.0 MUSD, up 44% from 9M 2007**
 - Prefunding Revenues up 57%
 - Net Late Sales up 29%
 - Proprietary Contract work MUSD 69.9 vs MUSD 36.0
- **Operational Investments up 138%**
 - from 96.8 MUSD 9M 2007 to 230.8 MUSD
 - supported by 46% prefunding
- **Multi-Client Amortization rate 34%**
- **EBIT Margin 46% of Net Revenues**
 - up 41% from 9M 2007
- **EPS (including non-operational items) \$0.53, down 35% from \$0.78 9M 2007**

9M 2008 PROFIT & LOSS (MUSD)

		9M 2008	9M 2007	Change	%
Net Operating Revenues		410.0	284.5	125.6	44%
Materials		33.3	18.5	14.8	80%
MC Amortization	34%	113.9	74.9	39.0	52%
Gross Margin		262.8	191.0	71.8	38%
Other Operating Expenses		64.0	46.4	17.6	38%
Cost of Stock Options		2.0	3.1	(1.1)	-35%
Depreciation		7.8	7.5	0.3	4%
Operating Profit	46%	188.9	134.0	54.9	41%
Net Financial Items		(75.9)	(2.9)	(73.1)	2553%
Pre-tax Profit	28%	113.0	131.1	(18.1)	-14%
Taxes		57.9	45.0	12.9	29%
Net Income	13%	55.2	86.1	(31.0)	-36%
EPS, undiluted		0.53	0.82	(0.28)	-35%
EPS, fully diluted		0.53	0.80	(0.26)	-33%

9M 2008 CASH FLOW

	9M 2008	9M 2007
Payments from Sales Received	386.1	320.3
Operational Costs Paid	(98.2)	(67.5)
Gain/(Loss) from Currency Exchange	(0.5)	(10.8)
Taxes Paid	(46.9)	(27.0)
Operational Cash Flow	240.5	215.1
Investments in Fixed Assets	(4.1)	(17.1)
Investments in Multi-Client	(211.4)	(108.0)
Other items	9.4	(78.5)
Net Change in Cash	34.4	11.5

Balance Sheet – Key Figures

	9/30/2008	%	6/30/2008	%	12/31/2007	%
Assets						
Cash	116.4	12%	109.2	12%	82.0	10%
Investments Available for Sale	56.2	6%	70.2	8%	91.4	11%
Other Current Assets	307.3	33%	308.0	34%	326.8	38%
Total Current Assets	479.8	51%	487.4	54%	500.2	59%
Intangible Assets & LT Receivables	93.8	10%	94.7	10%	109.3	13%
MC Library	334.2	36%	300.4	33%	217.4	25%
Fixed Assets	26.7	3%	27.8	3%	25.8	3%
Total Assets	934.6	100%	910.4	100%	852.6	100%
Liabilities						
Current Liabilities	229.3	25%	182.0	20%	191.1	22%
Current Loans	51.3	5%	58.8	6%	-	0%
Non-Current Loans	0.0	0%	0.1	0%	55.9	7%
Deferred Tax Liability	38.4	4%	39.2	4%	37.8	4%
Equity	615.6	66%	630.3	69%	567.8	67%



Multi-Client Library

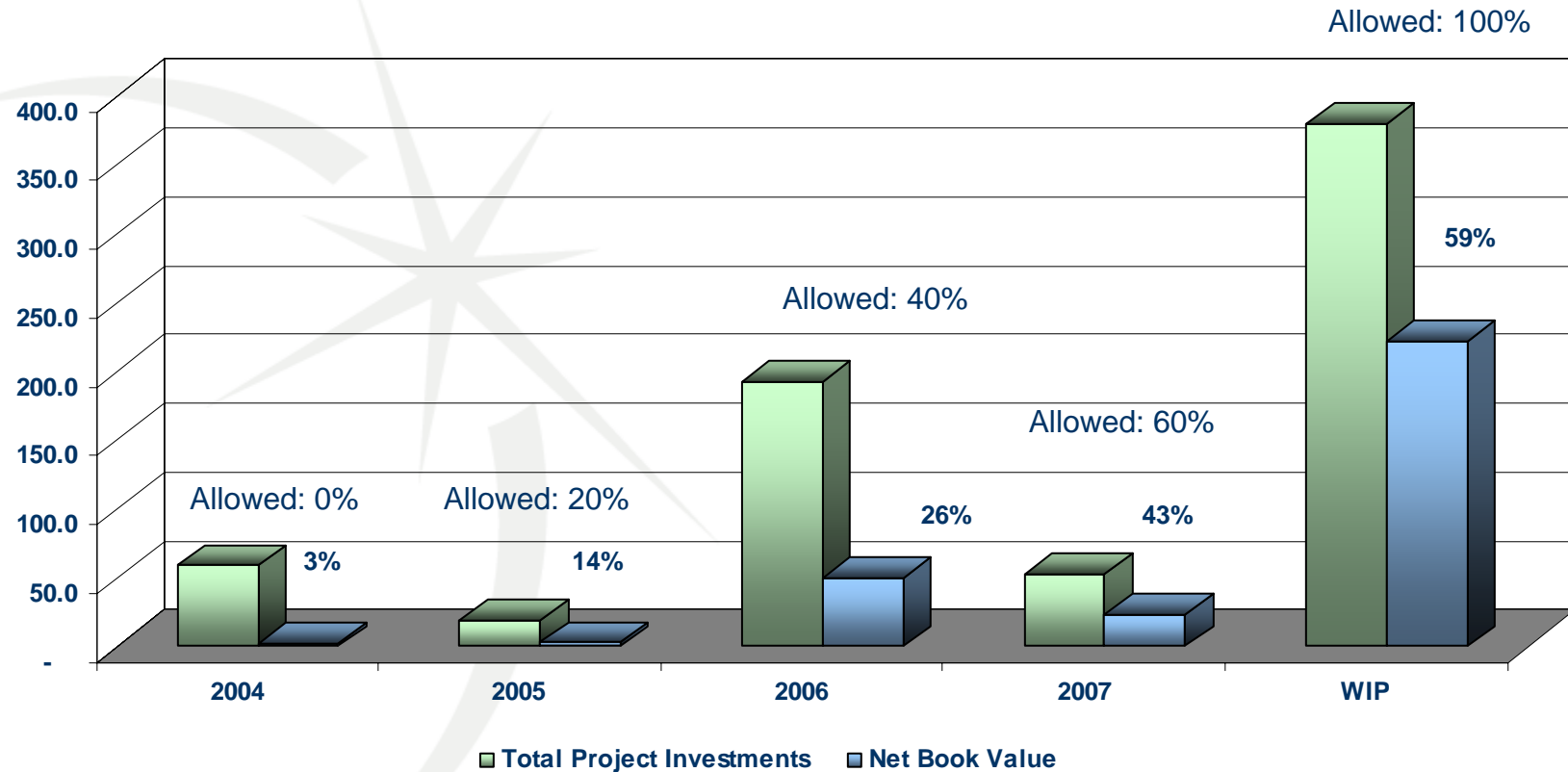
MCS Accounting – Matching Principle

- Accounting Standards recommend to match Revenues and Costs in time
- TGS 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

Multi-Client Library NBV in % of Investment

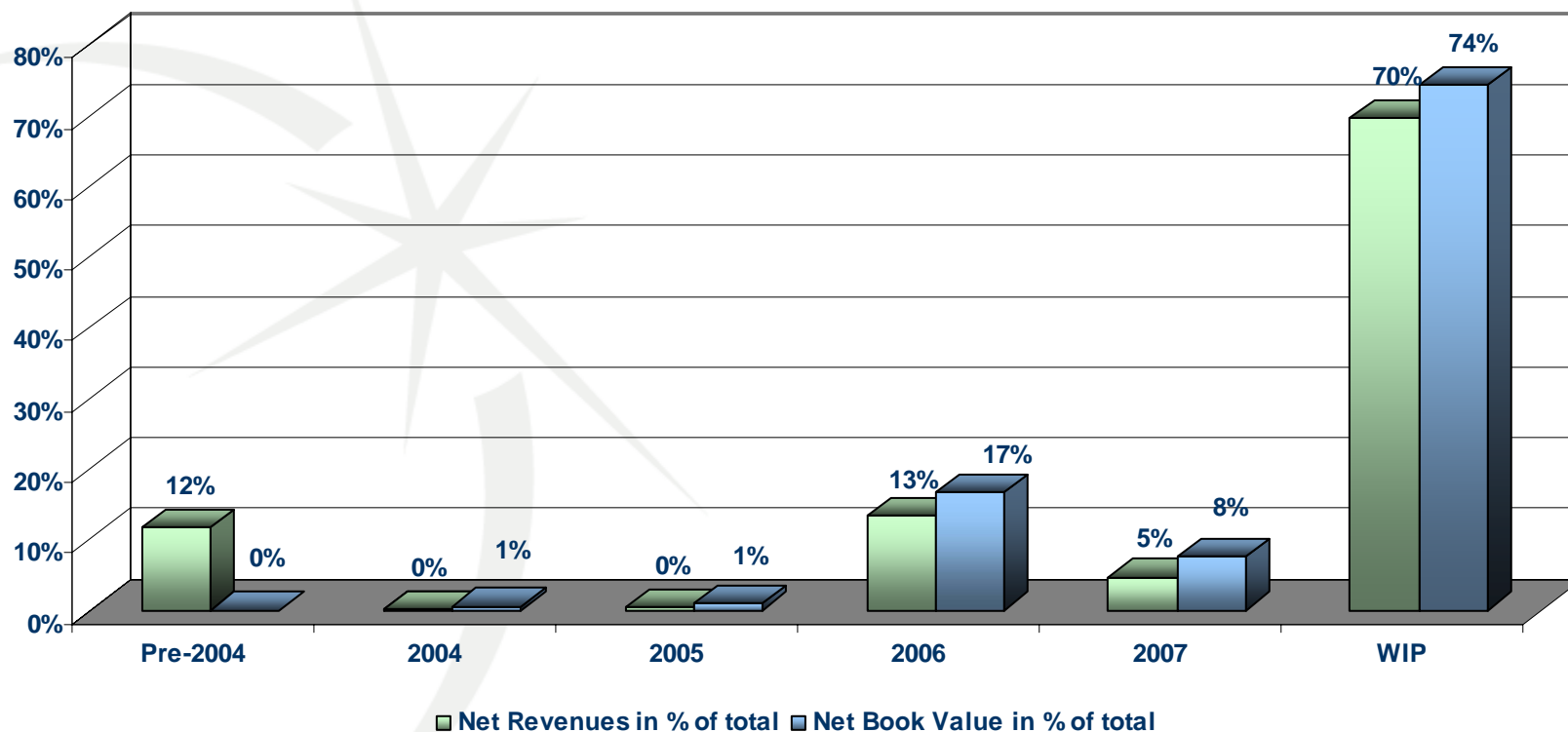
Seismic Surveys as of September 30th 2008

Vintages still carrying a Net Book Value



Q3 2008 Multi-Client Net Revenues & Ending NBV

- Seismic Surveys

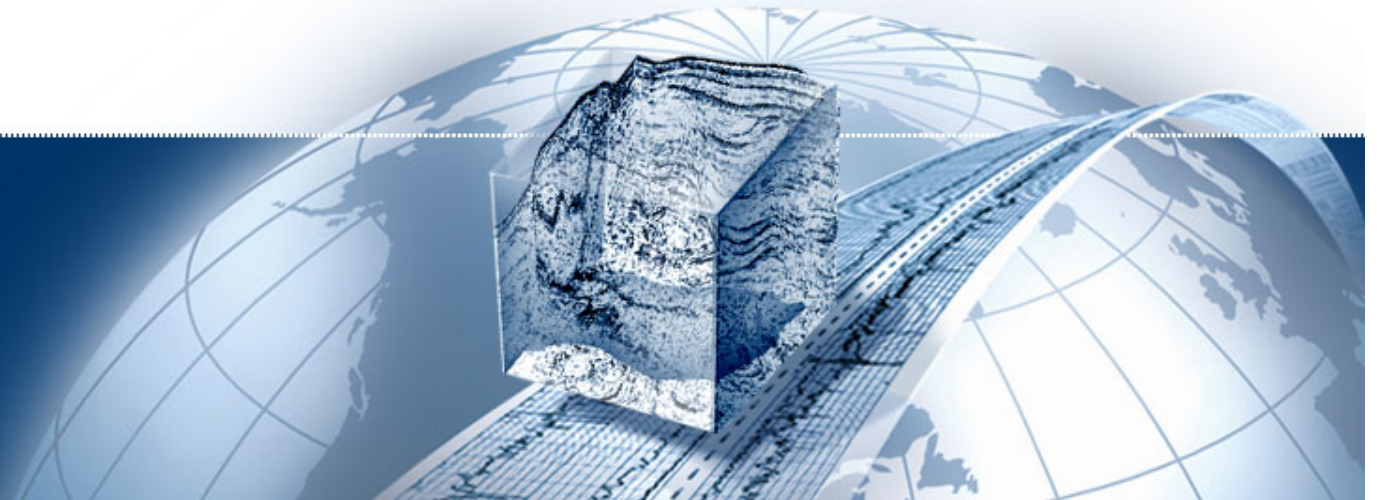


Operations

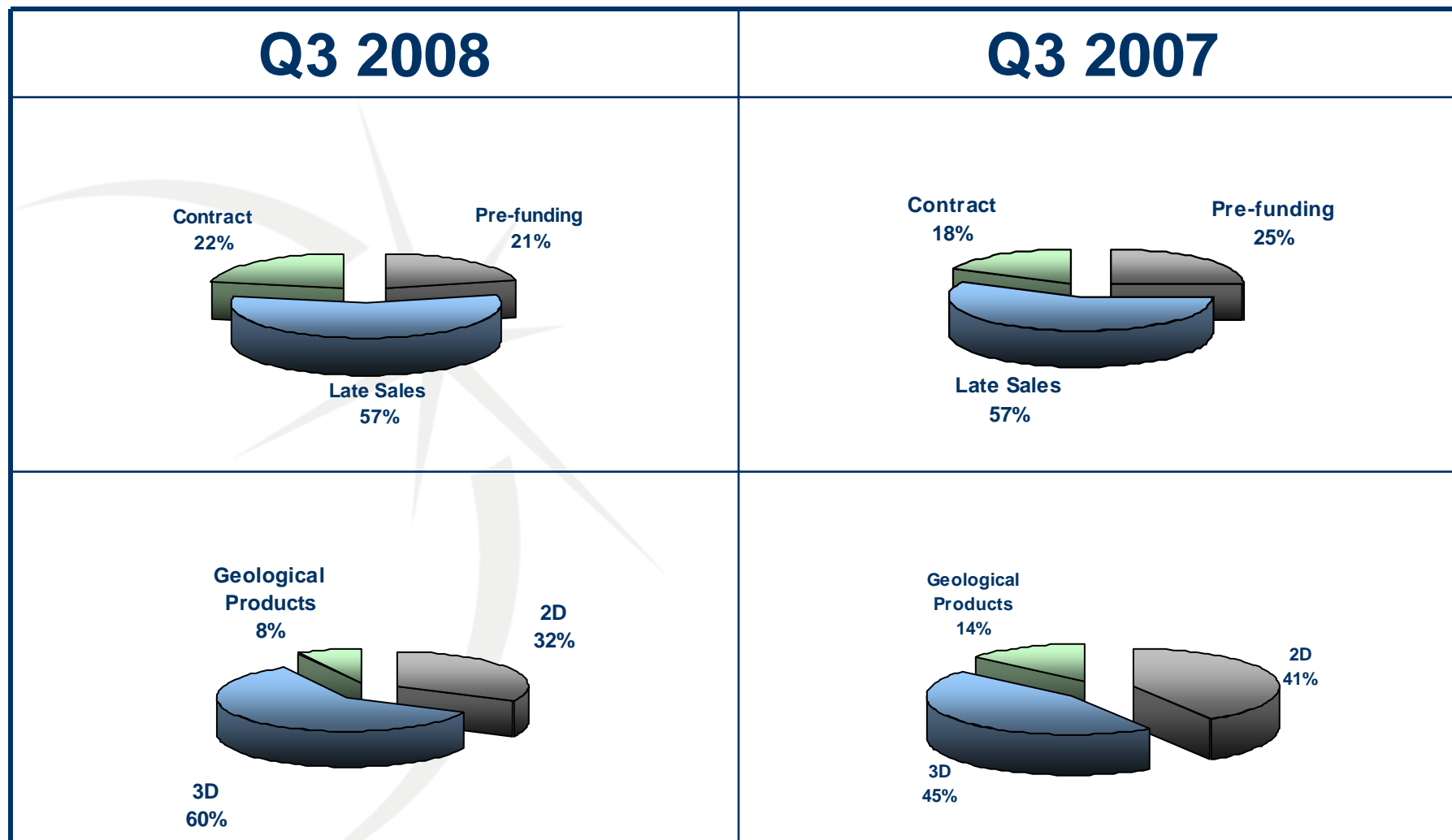
Robert Hobbs
Chief Operating Officer



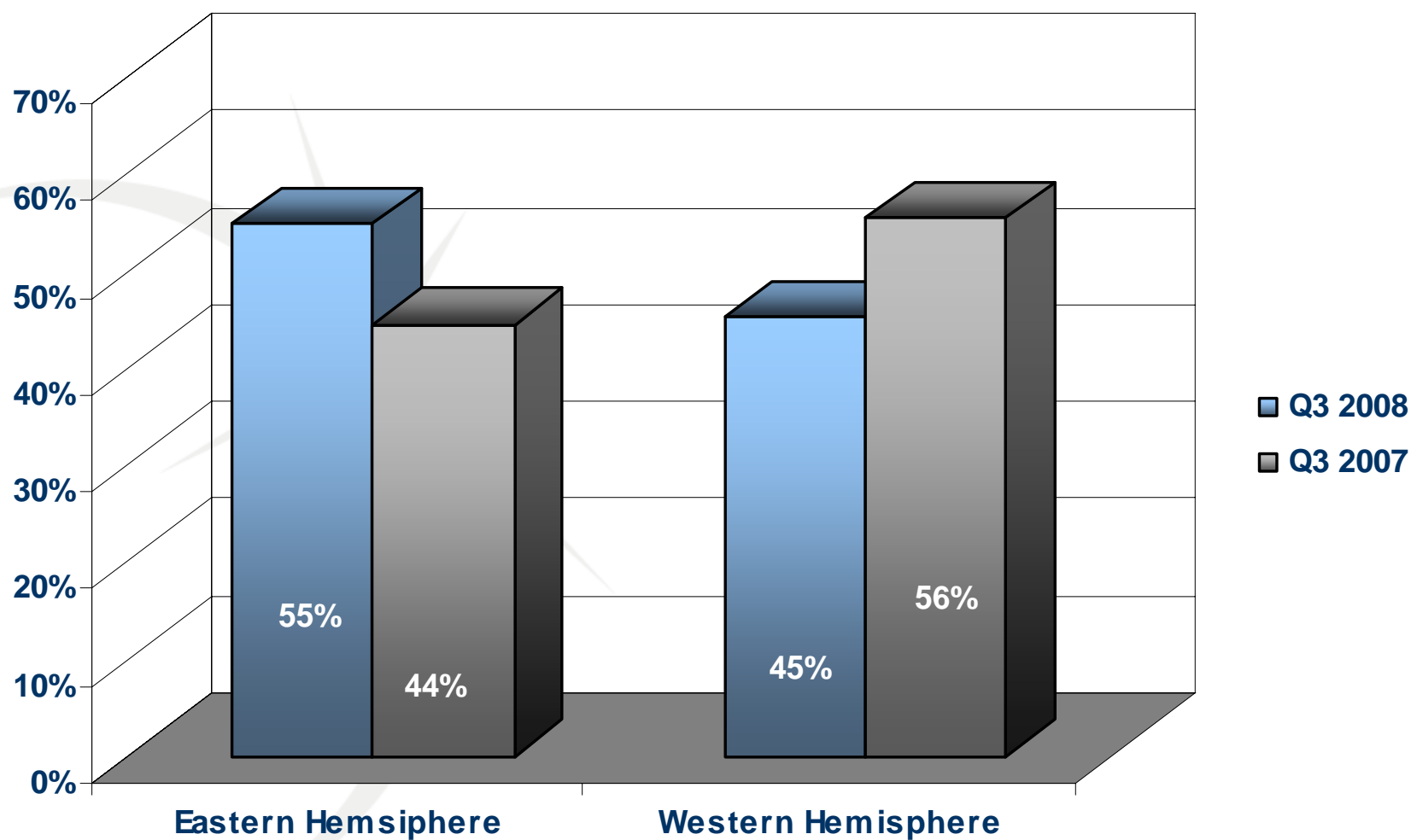
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Q3 2008 vs. Q3 2007 Net Revenue Breakdown



Q3 2008 Geographical Net Revenue Breakdown



Q3 Operations

2D

- Northern Genesis
- Geolog Nalivkin
- Mezen
- Nordic Venturer
- Discoverer II

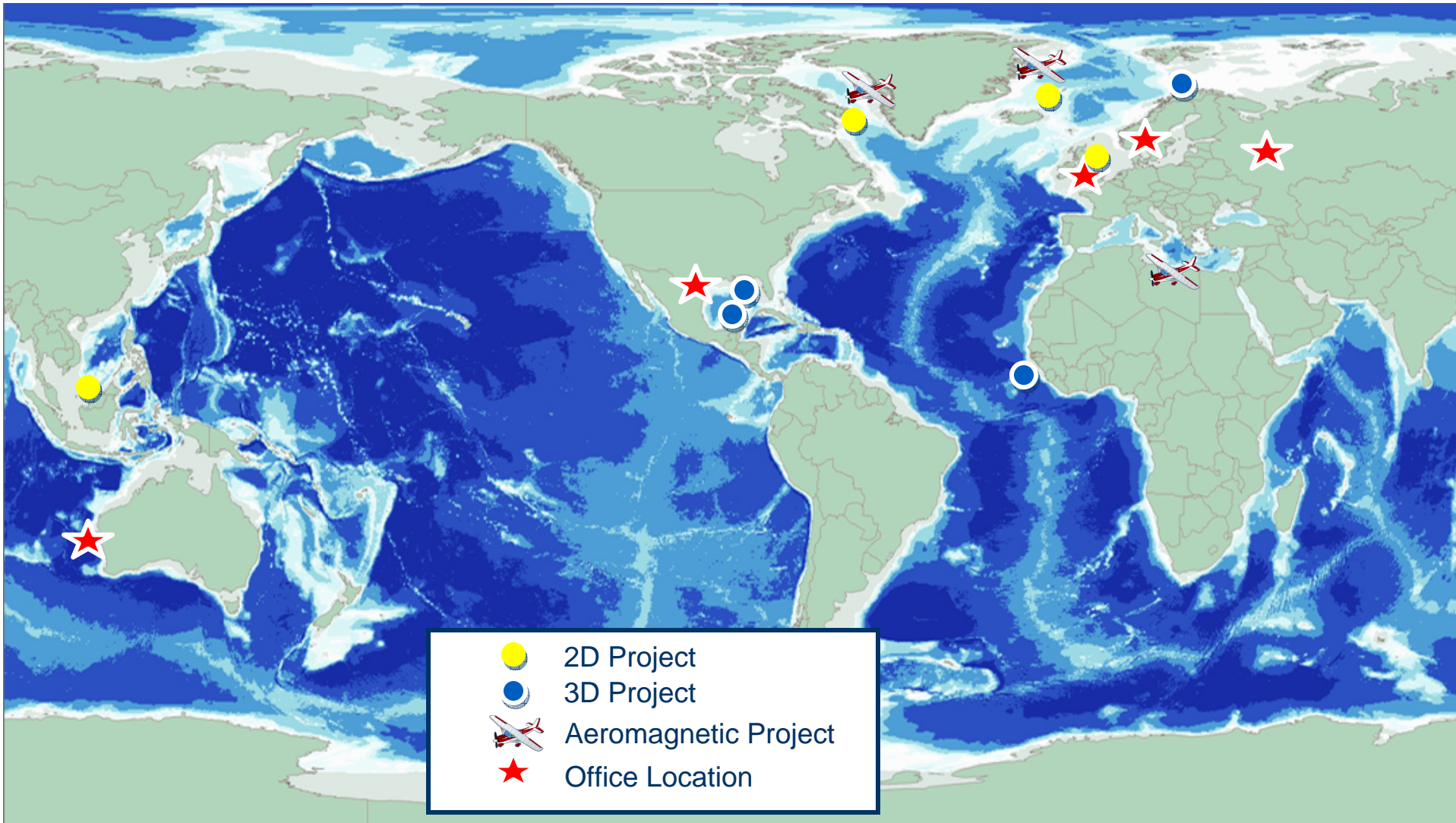
3D/OBC

- GeoBarents
- BGP Pioneer
- RXT

Operations Chartered by Partners

- WesternGeco Wide-Azimuth
 - GOM Freedom Project
- Fugro 2D Fleet (4)
 - Renaissance 2D Program (North Sea / Barents Sea / NE Greenland)

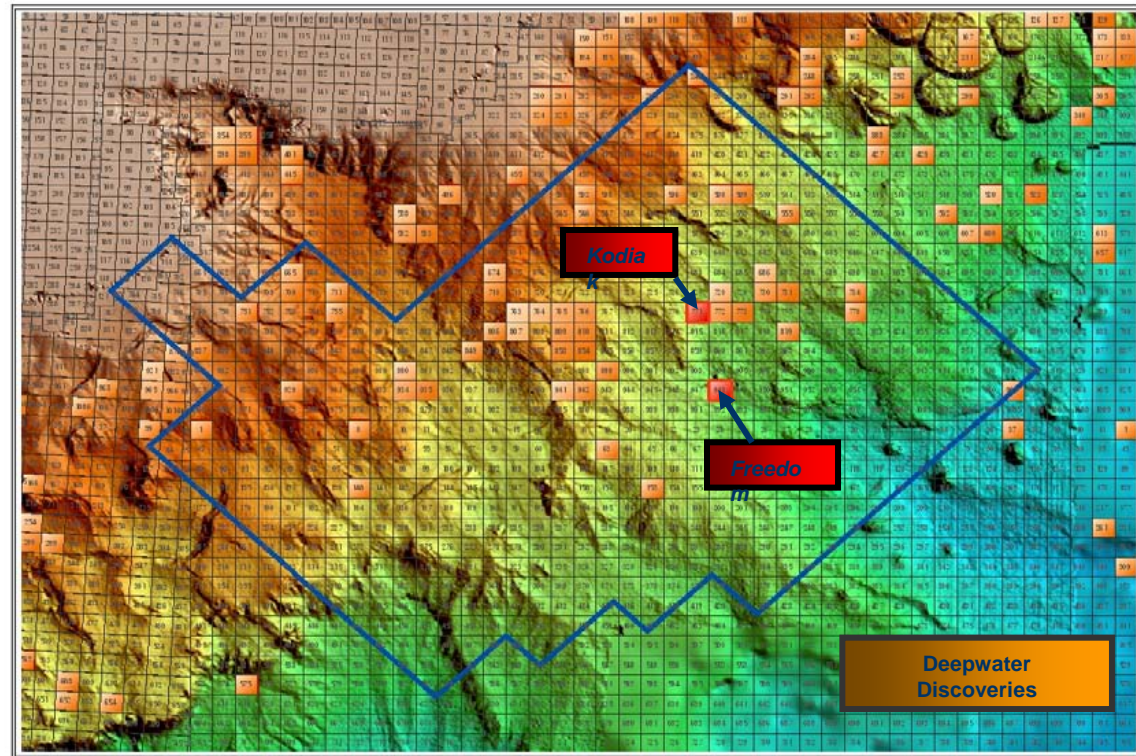
Q3 Operational Review



North America

● MC Freedom WAZ Project

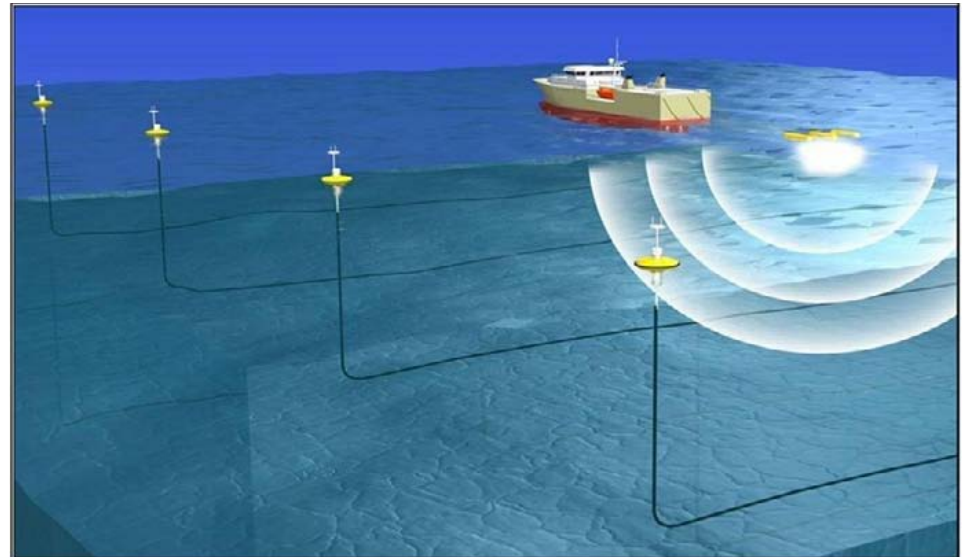
- Acquisition on schedule (47% Complete)
- Break in acquisition from early October
- Return to a dual-receiver vessel crew in February
- Recent announced discoveries in central portion of survey



North America

- **Cameron SAD 3D OBC**

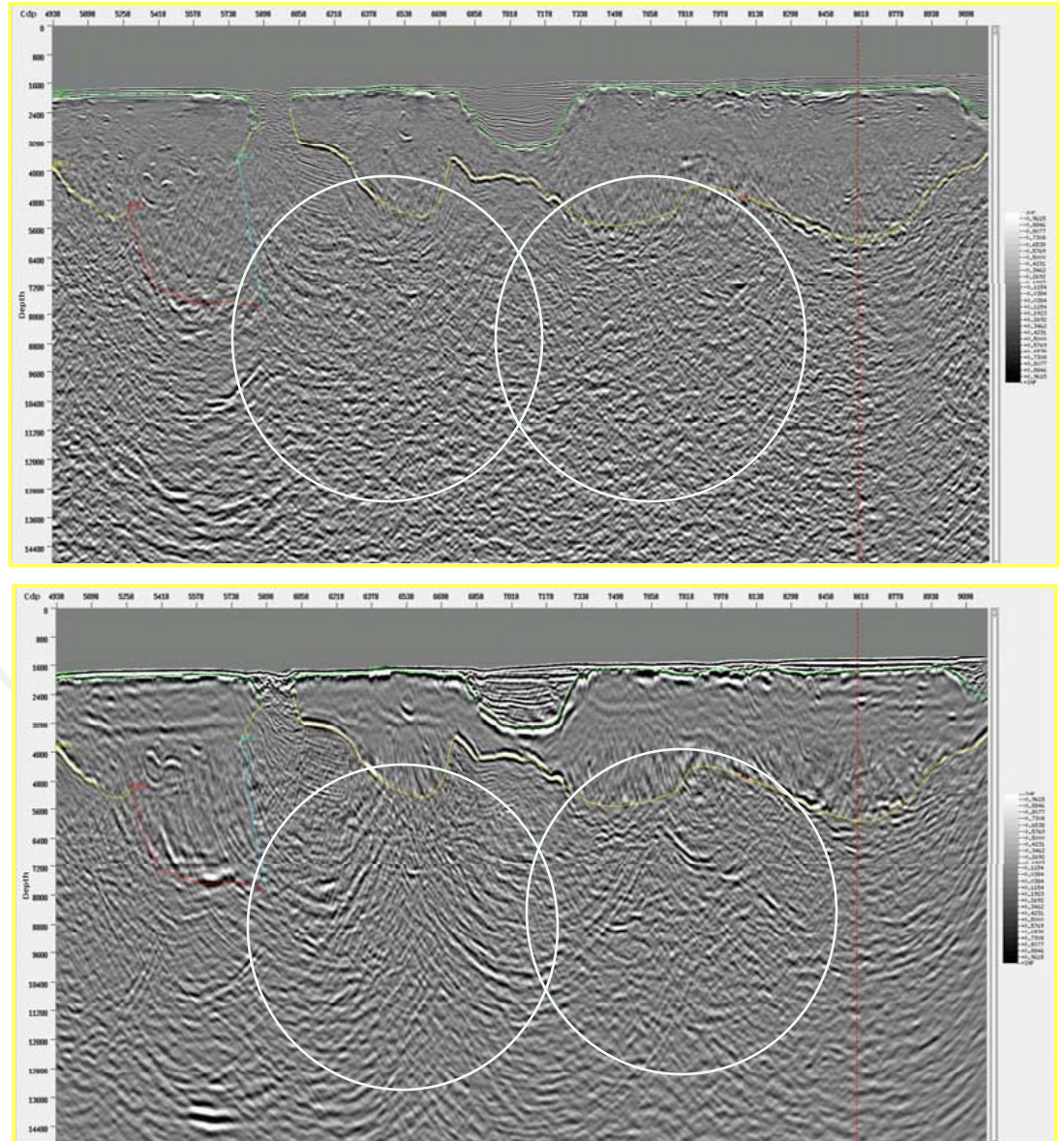
- Continued acquisition of 2200 km² 3D OBC survey in East and West Cameron in the Gulf of Mexico



North America

● Multi-client Depth Imaging

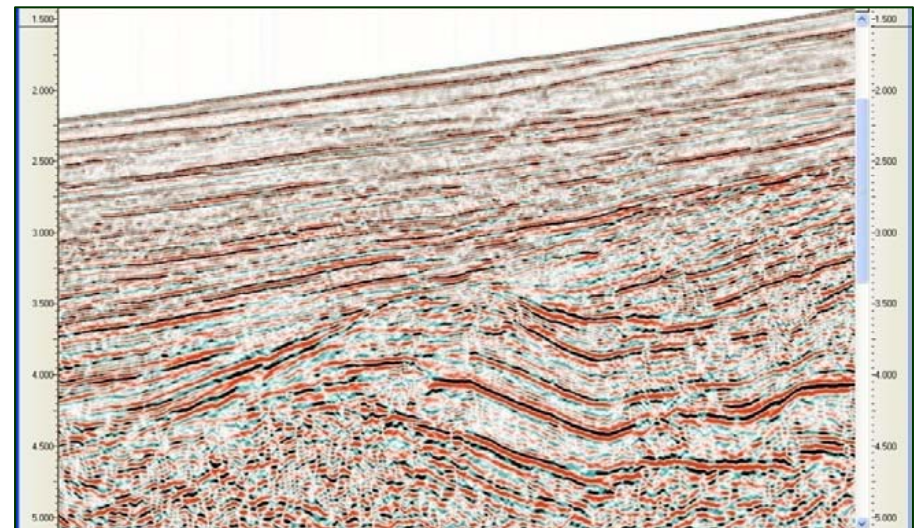
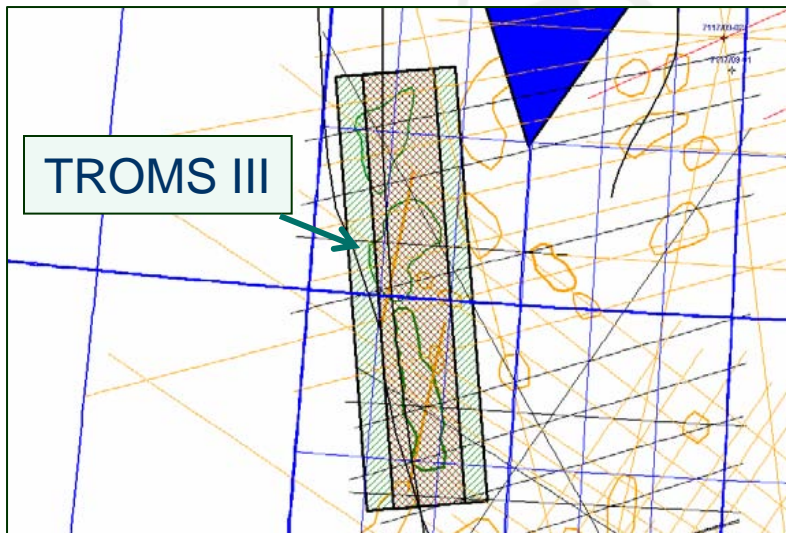
- Sophie's Link 3D anisotropic PSDM project for deep shelf plays
- Stanley RTM Project (295 OCS Blocks in Green Canyon/Walker Ridge)
- Project upgrade attracts additional funds from current licensees as well as encourages new sales of underlying data



Eastern Hemisphere

● Europe

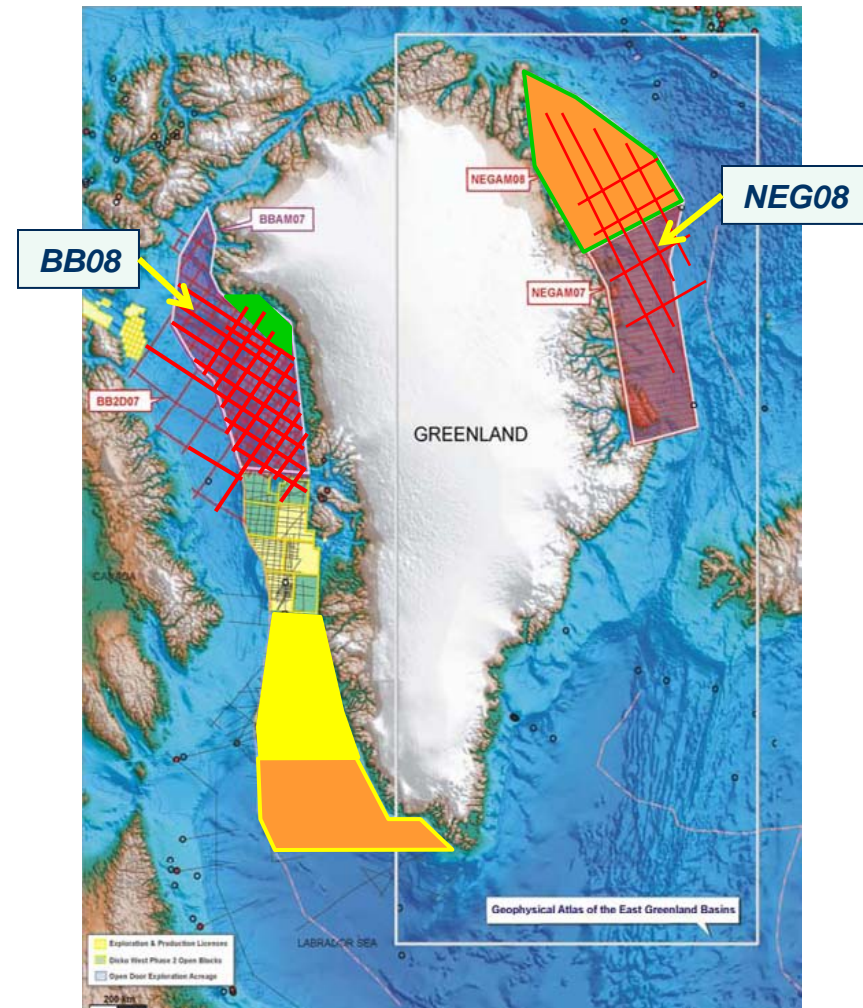
- 2008 Regional 2D Renaissance Campaign
 - North Sea (UK and Norway): 11,000 km
 - Norwegian Sea: 19,000 km
 - Barents Sea: 19,000 km
- 1273 km² of Contract 3D in Barents Sea
- TROMS III MC 3D Survey completed (1500 km²)
 - Data products available for 20th Round evaluation



Eastern Hemisphere

● Greenland

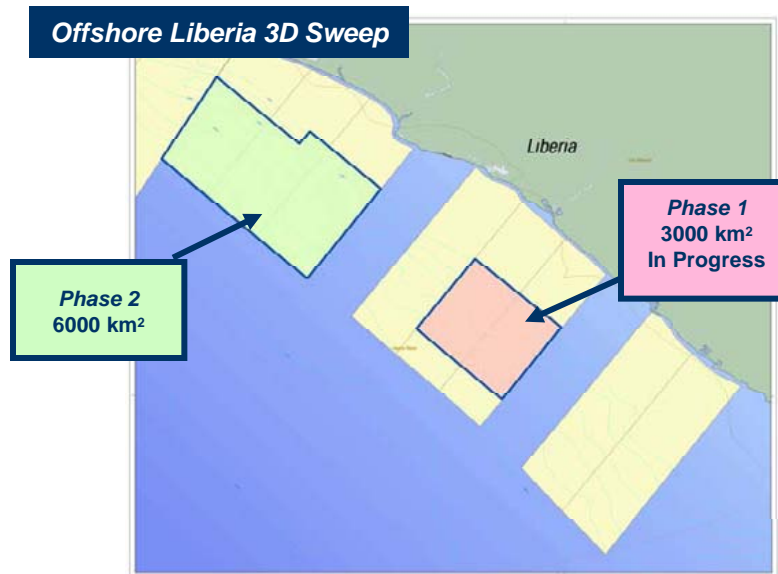
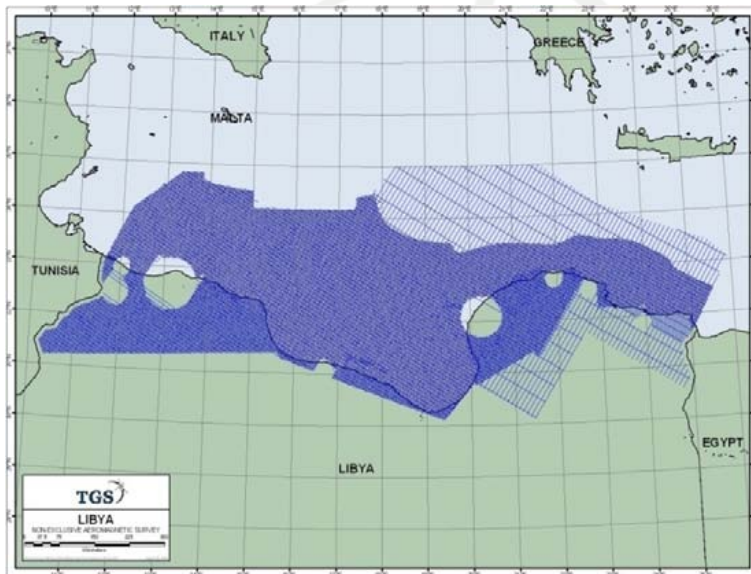
- Acquired 8300 km of MC 2D data in the Baffin Bay supplementing TGS' extensive BB07 program
- Acquired 2,700 km of MC 2D off Northeast Greenland
- Commenced a 50,000 km² aeromagnetic program in Ungava East and Labrador Sea



Eastern Hemisphere

● Africa/Middle East/Asia Pacific

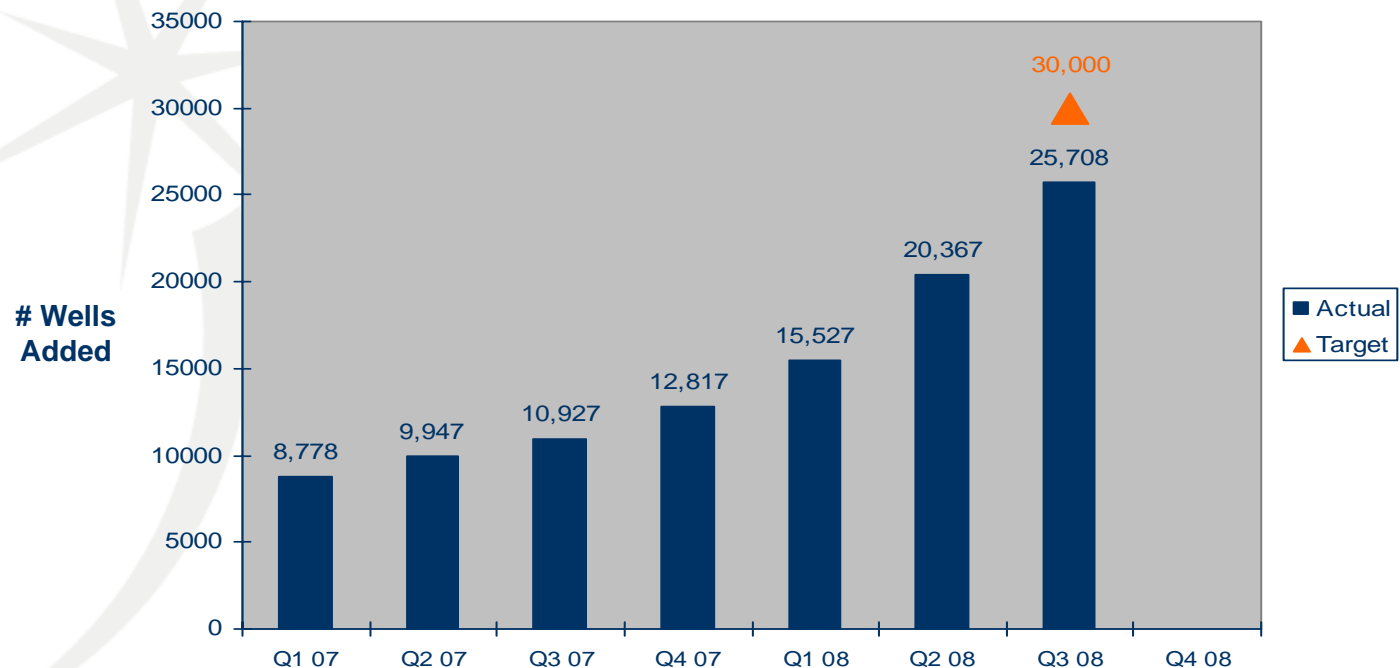
- Regional SE Asia 2D MC to be completed in Q4 of 2008 (12,900 km)
- Completed a 245,000 km Aeromagnetic/AeroGravity survey of offshore and northern onshore basins of Libya
- Commenced a 9000 km² MC 3D survey of offshore Liberia



Geological Products Division

Well Logs

- Wells added to TGS' LAS digital well library were up 135% over the same period one year ago

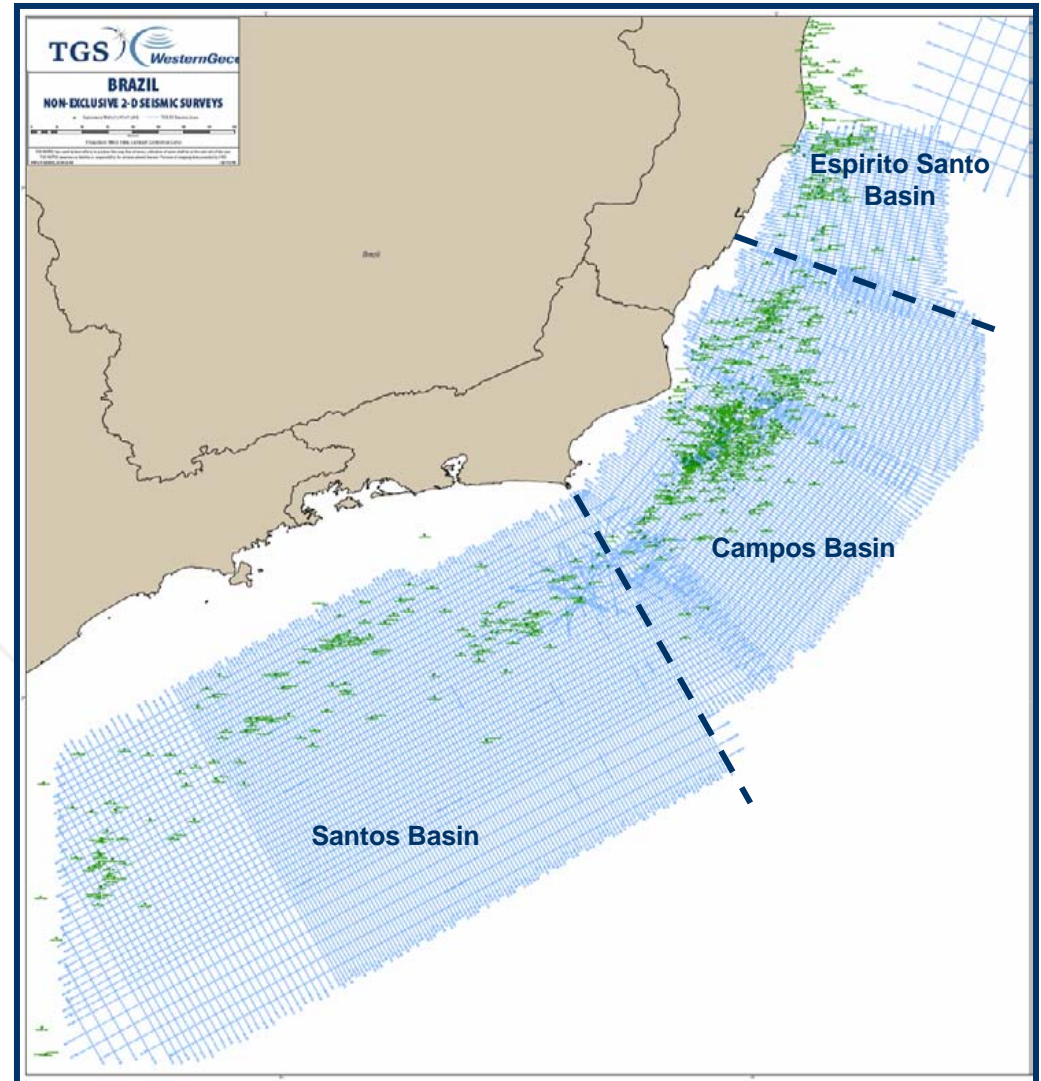


Southern Offshore Brazil Projects 2008-2009

Santos Basin –
PSTM FMB
PSDM FMB
PSDM Structure

Campos Basin –
PSTM FMB

Espirito Santo Basin –
PSTM FMB



2009 Vessel Commitments

2D

- Northern Genesis
- Mezen
- Nordic Venturer

3D

- GeoBarents (Option)
- BGP Pioneer (Q3 and Q4)
- BOS Arctic

Operations Chartered by Partners

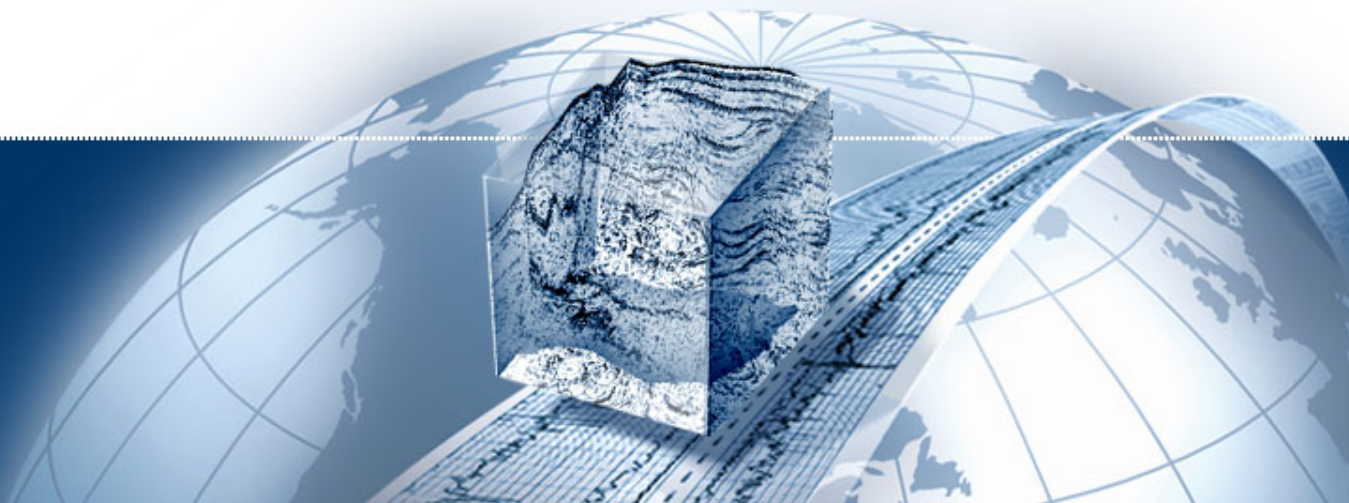
- WesternGeco Wide-Azimuth
 - GOM Freedom Project (July expected completion)

Outlook

Hank Hamilton
Chief Executive Officer



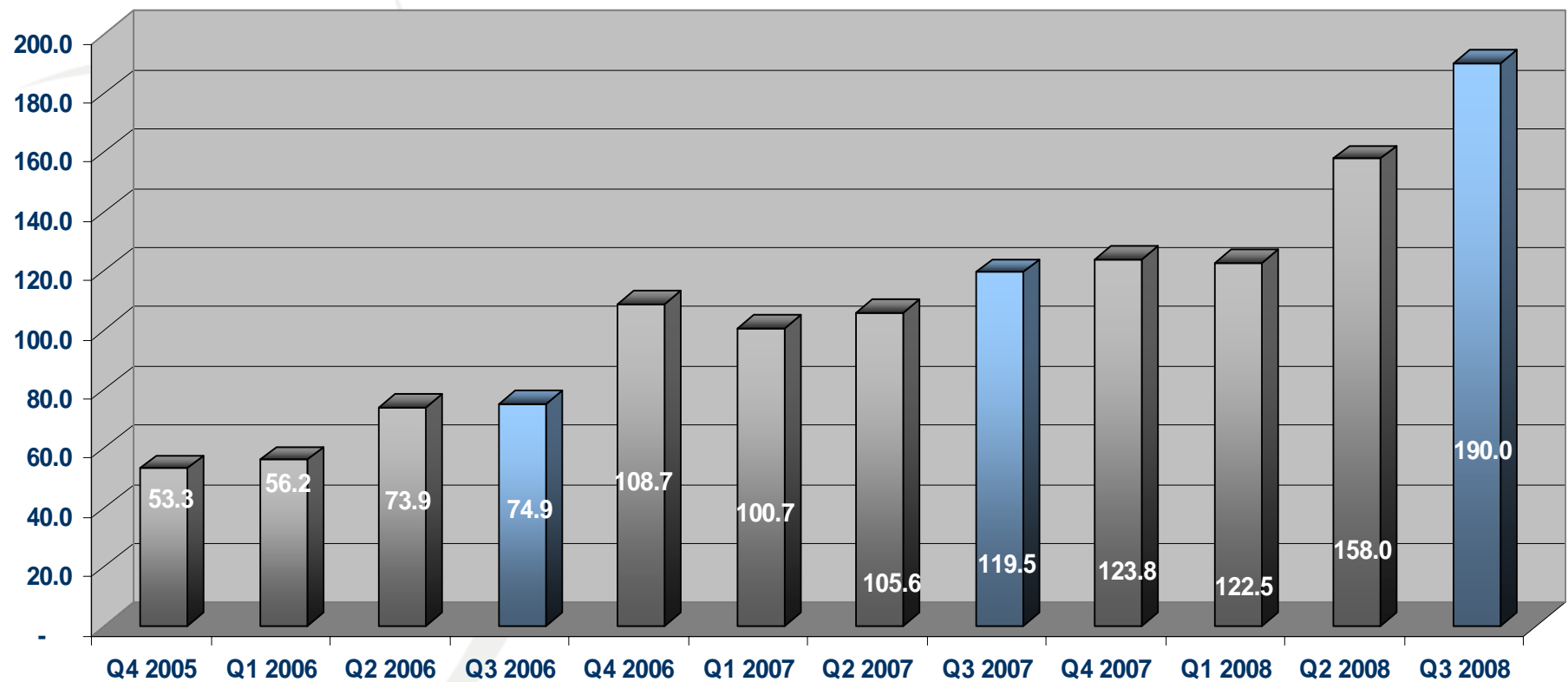
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Arbitration Process

- **Shareholders voted to terminate merger**
- **Pursuing damages of \$550 million through arbitration**
- **Hearings scheduled November 3–13 and January 5-9**
- **Final decision expected February 2009**

Backlog



Market Outlook

- Customer activity not reduced (yet)
- Financial turmoil and economic slowdown likely to impact future growth
- Rates for 2D and 3D vessel have peaked, availability improving
- TGS business model and balance sheet – valuable assets
- Cautious but opportunistic approach to new investment

Expectations

- **Year-to-date revenues well ahead of our expectations**
- **MC investments will decline in Q4**
 - Gulf of Mexico OBC survey completed early October
 - Temporary interruption of WAZ acquisition until Q1 2009
- **Q4 has always been our highest revenue quarter – Late sales!**
- **Full year expectations updated**
 - Multi-Client Investments USD 275 – 300 million (USD 250 – 275 million)
 - Average Pre-funding 45 – 55% (50 – 60%)
 - Average Multi-Client Amortization rate 32 – 37% (unchanged)
 - Net Revenues USD 560 – 590 million (USD 550 – 580 million)
 - Contract Revenues 10 – 15% of Total Revenues (unchanged)