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**Presentation of the 4<sup>th</sup> Quarter 2004 Results**  
**February 10<sup>th</sup> 2005**

**Arne Helland**  
**Chief Financial Officer**

**Hank Hamilton**  
**Chief Executive Officer**



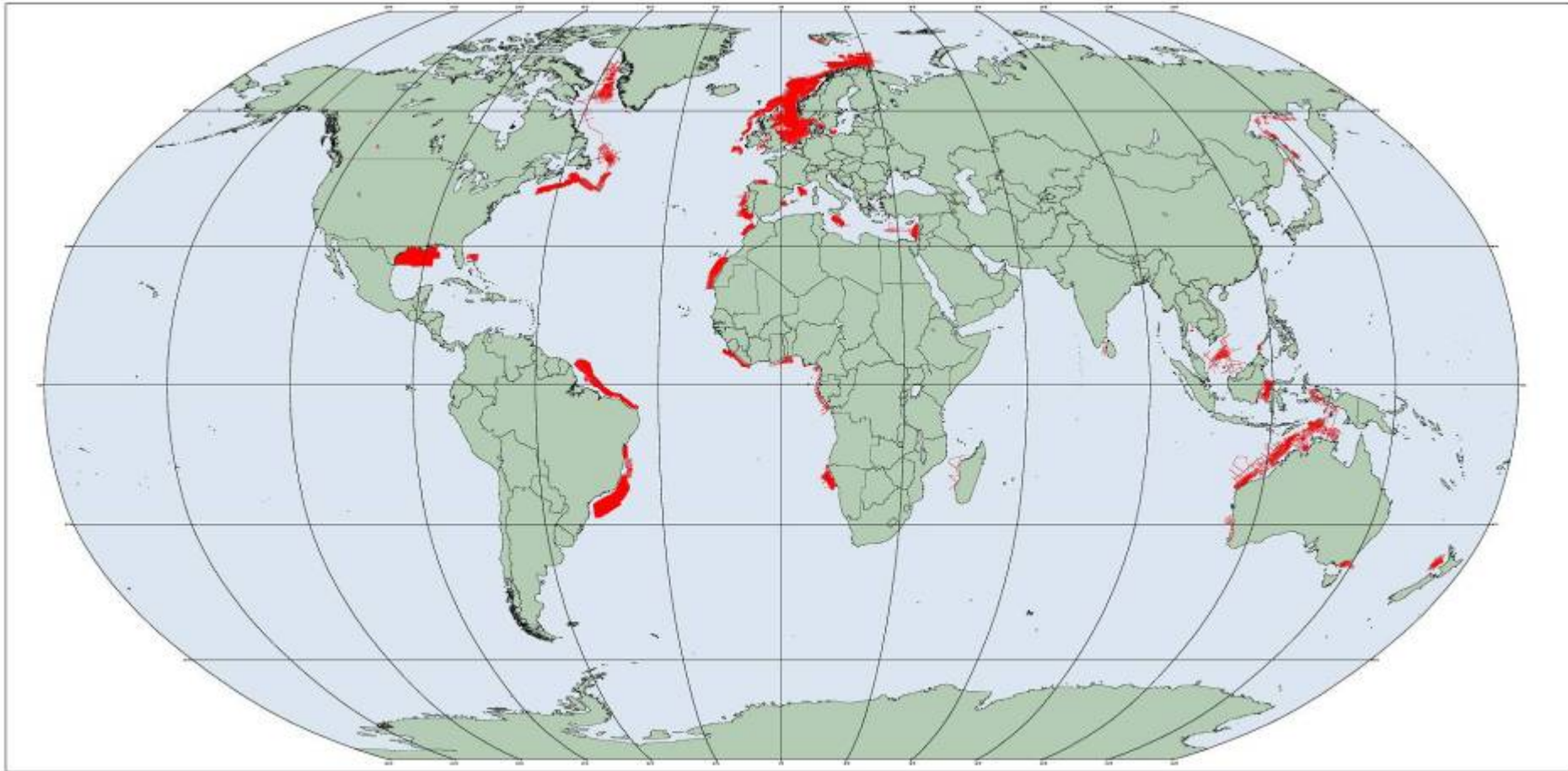
TGS-NOPEC Geophysical Company

A large, stylized graphic in the background showing a globe with a grid of latitude and longitude lines. A central 3D block of seismic data is superimposed on the globe, showing various geological layers and structures. The globe is rendered in shades of blue and white.

# Our Philosophy Drives Our Model..

- We believe value comes from controlling high quality multi-client data in the right place at the right time.
- Our Business Model is to:
  - Develop and market high-quality multi-client projects
  - Invest *selectively* in data, not equipment
  - Let project evaluation drive investment decisions
  - Utilize existing industry capacity and technology on an as-needed basis
  - Create derivative products to add value
- Our Investments Include Variety of 2D and 3D Projects from Frontier, Emerging, and Mature Markets.

# Multi-Client Seismic Library



**2.0 million km 2D and 72,000 km<sup>2</sup> 3D**

# Q4 2004 Actuals vs. Analysts Expectations

(MUSD)	Actual Q4 2004	Average Analysts	Actual vs Consensus	Actual vs Consensus	High	Low	Median
Net Revenue	<b>58.5</b>	56.9	<b>1.6</b>	<b>3%</b>	58.6	48.7	58.2
EBIT	<b>22.3</b>	21.2	<b>1.1</b>	<b>5%</b>	24.0	18.8	21.0
Pre-tax Profit	<b>22.3</b>	20.7	<b>1.6</b>	<b>8%</b>	23.9	18.5	20.5
Net Income	<b>16.0</b>	13.7	<b>2.3</b>	<b>17%</b>	14.8	12.5	13.8
Earnings per Share *	<b>0.63</b>	0.54	<b>0.09</b>	<b>17%</b>	0.59	0.50	0.55

Source: TDN Finans

\* Number of shares adjusted

# Q4 2004 Financial Highlights

## - Consolidated

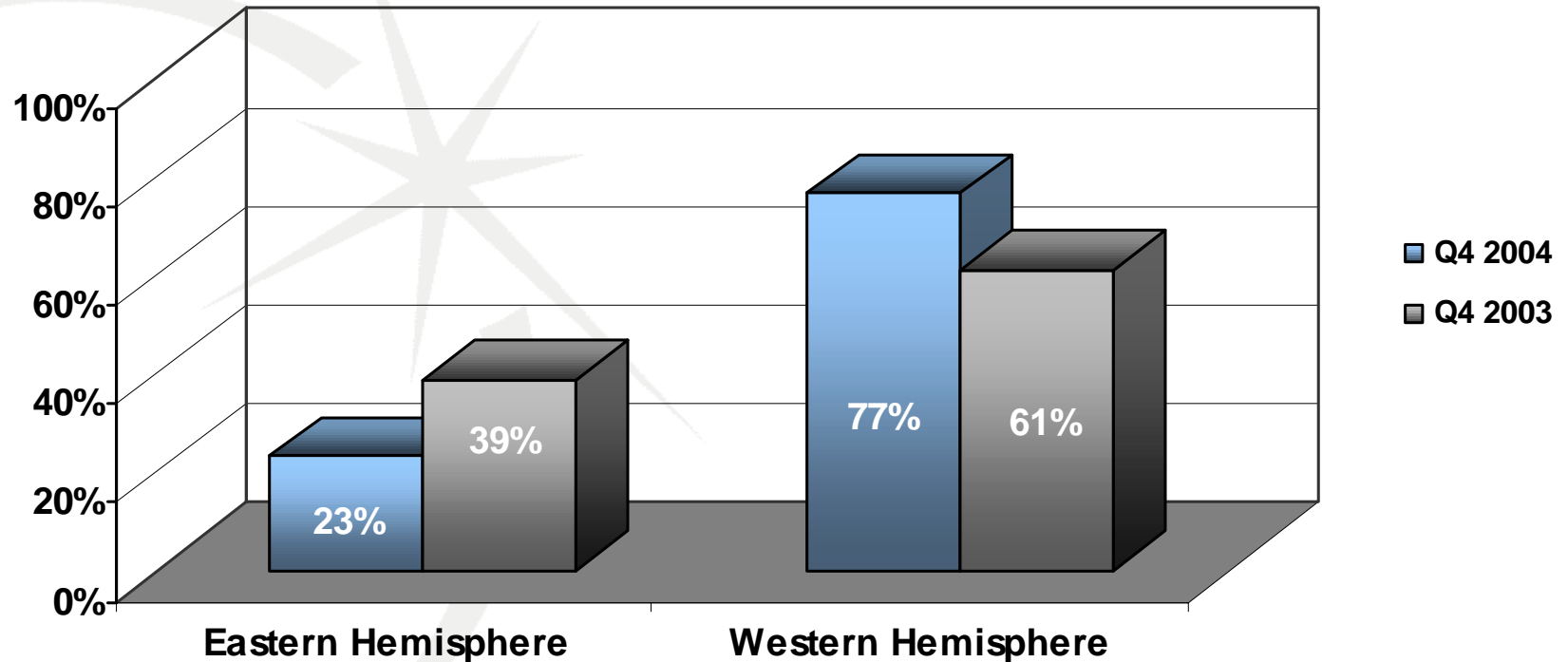
- **Net revenues 58.5 MUSD**
  - 12.4 MUSD (27%) up from Q4 2003
- **Net late sales 49.9 MUSD**
  - Increased 59% from 31.4 MUSD in Q4 2003
- **Operational investments slowed down to MUSD 10.7**
  - 48% funding
- **Multi-Client amortization rate 41%**
  - Vs. 49% in Q4 2003
- **Cash flow from operations positive 13.6 MUSD**
  - Versus 2.3 MUSD during Q4 2003
- **EBIT 22.3 MUSD**
  - Up 63% from Q4 2003 and is **38% of Net Revenue** (30% in Q4 2003)
- **EPS (Undiluted) : 63 cents, up 61% from Q4 2003**

# Q4 2004 Profit & Loss (MUSD)

		Q4 2004	Q4 2003	Change	%
<b>Gross Sales</b>		<b>65.7</b>	54.4	11.3	21%
Income sharing & Royalties		-7.2	-8.3	1.1	-13%
<b>Net Operating Revenues</b>		<b>58.5</b>	46.1	12.4	27%
Materials		1.5	0.8	0.7	95%
MCS Amortization	41%	22.8	22.5	0.3	1%
<b>Gross Margin</b>		<b>34.1</b>	22.8	11.3	50%
Other operating expenses		11.3	8.2	3.1	38%
Depreciation		0.6	1.0	-0.4	-43%
<b>EBIT (Bef Non-recurr. It.)</b>	38%	<b>22.3</b>	13.6	8.7	63%
Non-recurring items		0.0	0.0	0.0	
<b>Operating Profit</b>	38%	<b>22.3</b>	13.6	8.7	63%
Net Financial items		0.0	-0.6	0.6	-96%
<b>Pre-tax Profit</b>	38%	<b>22.3</b>	13.0	9.3	71%
Taxes	28%	6.3	3.3	3.0	92%
<b>Net Income</b>	27%	<b>16.0</b>	9.7	6.2	64%
EPS, undiluted		0.63	0.39	0.2	61%
<b>EPS, fully diluted</b>		<b>0.59</b>	0.37	0.2	62%

# Q4 Geographical Net Revenue Distribution

- Consolidated





# Q4 2004 Cash Flow Statement

Payments From Sales Received	38.0
Payments for acquired seismic and well logs	-10.8
Operational Cost Paid	-11.3
Taxes Paid	-2.2
<b>Operational Cash Flow</b>	<b>13.6</b>
Investments Fixed Assets	-0.1
Investments through Mergers and Acquisitions	0.0
Net Change in Long-term Receivables	0.0
Net Change in Loans	0.2
Paid in Equity	3.0
<b>Change in Cash Balance</b>	<b>16.7</b>

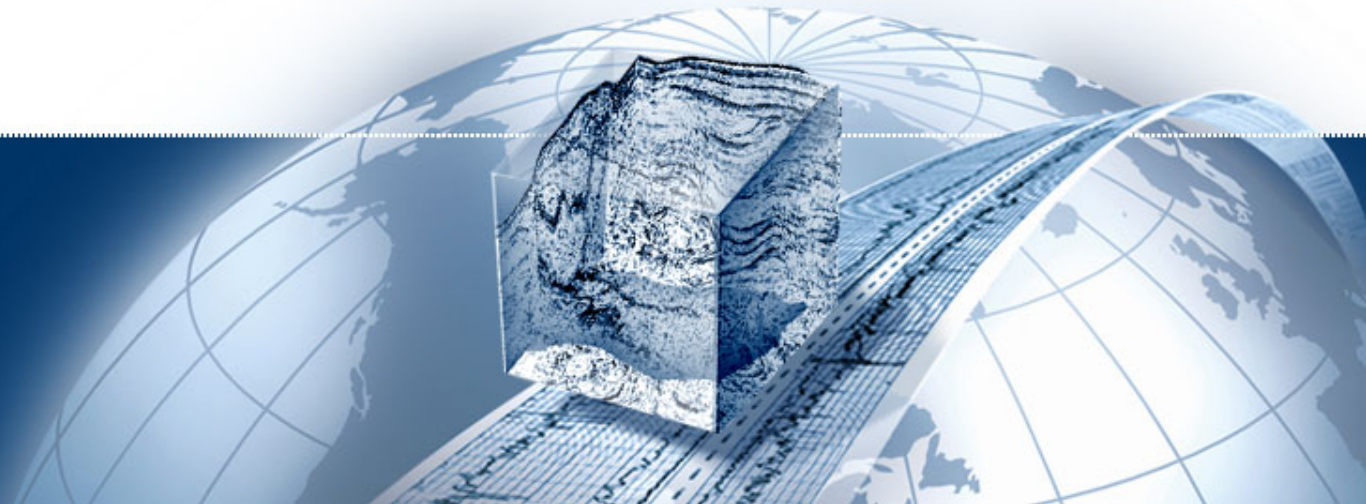


# 2004 Full Year Results

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# 2004 Actuals vs. Analysts Expectations

(MUSD)	Actual 12 Months 2004	Average Analysts	Actual vs Consensus	Actual vs Consensus	High	Low	Median
Net Revenue	<b>171.6</b>	170.1	<b>1.5</b>	<b>1%</b>	171.8	161.9	171.4
EBIT	<b>56.1</b>	55.0	<b>1.1</b>	<b>2%</b>	57.8	52.5	54.8
Pre-tax Profit	<b>55.3</b>	53.7	<b>1.6</b>	<b>3%</b>	56.9	51.5	53.5
Net Income	<b>38.1</b>	35.8	<b>2.3</b>	<b>6%</b>	36.9	34.6	35.9
Earnings per Share *	<b>1.52</b>	1.43	<b>0.09</b>	<b>6%</b>	1.47	1.38	1.43

Source: TDN Finans

\* Number of shares adjusted

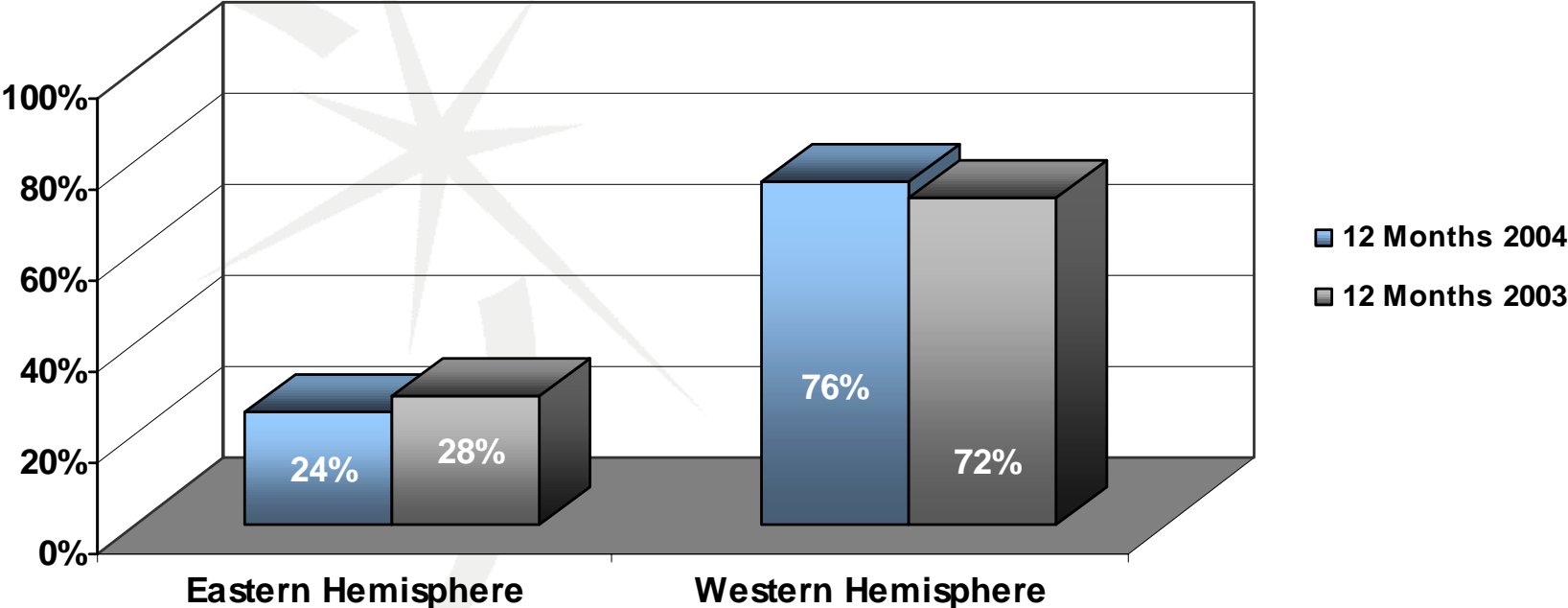
# 2004 Financial Highlights

## - Consolidated

- **Net revenues 171.6 MUSD**
  - 34.7 MUSD (25%) up from 2003
- **Net late sales 123.9 MUSD**
  - Increased 30% from 95.5 MUSD 2003
- **Operational investments up 23%**
  - 84.5 MUSD vs. 68.7 MUSD 2003
- **Net Pre-funding revenues 39.2 MUSD**
  - Funding 46% of operational investments vs. 54% 2003
- **EBIT 56.1 MUSD up 33%**
  - 33% of Net Revenues vs. 31% in 2003
- **EPS : 1.52 USD, up 33% from 1.15 USD per share for 2003**

# 2004 Geographical Net Revenue Distribution

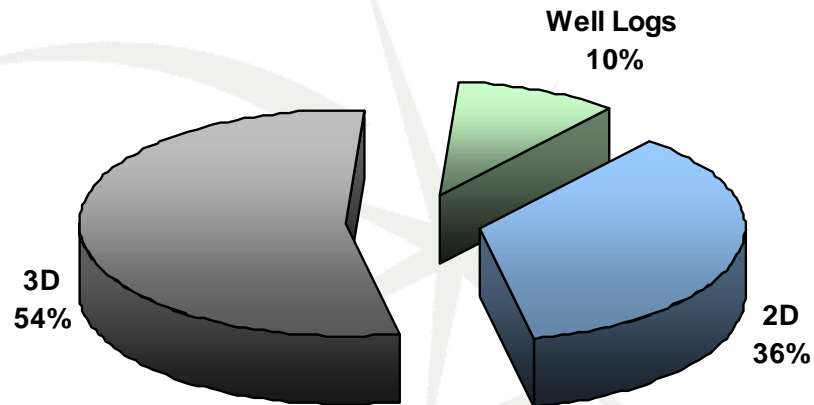
- Consolidated



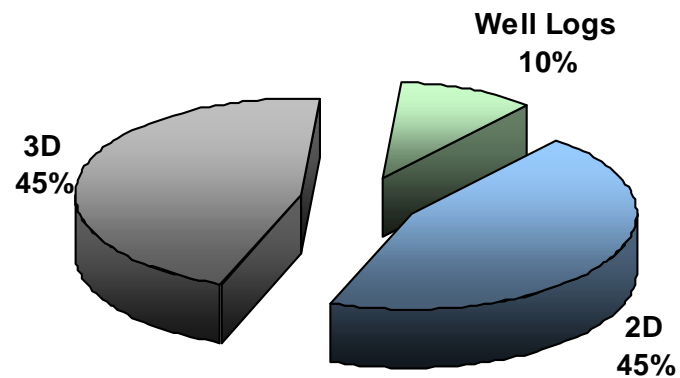
# 2004 Net Revenues

- Per Segment

2004



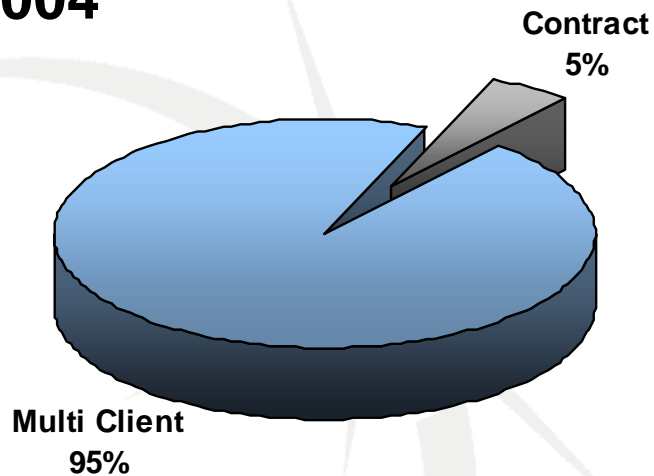
2003



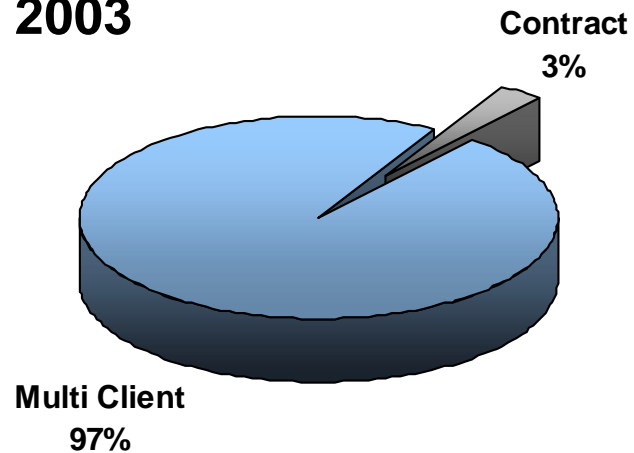
# 2004 Net Revenues

- By Business Model

2004



2003



# 2004 Profit & Loss (MUSD)

		12 Months 2004	12 Months 2003	Change	%
<b>Gross Sales</b>		<b>190.3</b>	152.3	38.0	25%
Income sharing & Royalties		-18.7	-15.4	-3.3	21%
<b>Net Operating Revenues</b>		<b>171.6</b>	136.9	34.7	25%
Materials		4.0	2.6	1.4	55%
MCS Amortization	<b>43%</b>	<b>70.3</b>	58.3	12.0	21%
<b>Gross Margin</b>		<b>97.3</b>	76.0	21.3	28%
Other operating expenses		36.2	29.6	6.6	22%
Depreciation		5.1	4.3	0.8	18%
<b>EBIT (Bef Non-recurr. It.)</b>	<b>33%</b>	<b>56.1</b>	42.2	13.9	33%
Non-recurring items		0.0	0.0	0.0	
<b>Operating Profit</b>	<b>33%</b>	<b>56.1</b>	42.2	13.9	33%
Net Financial items		-0.8	-1.1	0.3	-25%
<b>Pre-tax Profit</b>	<b>32%</b>	<b>55.3</b>	41.1	14.2	35%
Taxes	<b>31%</b>	<b>17.2</b>	12.7	4.5	36%
<b>Net Income</b>	<b>22%</b>	<b>38.1</b>	28.4	9.7	34%
EPS, undiluted		1.52	1.15	0.4	33%
<b>EPS, fully diluted</b>		<b>1.42</b>	1.07	0.3	32%



# Balance Sheet – Key Figures

	<b>Dec-04</b>	<b>%</b>	<b>Sep-04</b>	<b>%</b>	<b>Dec-03</b>	<b>%</b>
<b>Assets</b>						
Cash	<b>62</b>	18%	<b>46</b>	15%	<b>18</b>	7%
Other Current Assets	<b>91</b>	27%	<b>71</b>	23%	<b>71</b>	28%
MC Library	<b>149</b>	44%	<b>161</b>	51%	<b>133</b>	53%
<b>Total Current Assets</b>	<b>303</b>	89%	<b>278</b>	88%	<b>222</b>	89%
Goodwill & Long Receiv.	<b>22</b>	7%	<b>23</b>	7%	<b>20</b>	8%
Fixed Assets	<b>14</b>	4%	<b>13</b>	4%	<b>8</b>	3%
<b>Total Assets</b>	<b>339</b>	100%	<b>314</b>	100%	<b>250</b>	100%
<b>Liabilities</b>						
Short-term debt	<b>0</b>	0%	<b>0</b>	0%	<b>1</b>	0%
Current Liabilities	<b>45</b>	13%	<b>33</b>	10%	<b>38</b>	15%
Long-term Loans	<b>45</b>	13%	<b>45</b>	14%	<b>7</b>	3%
Deferred Tax	<b>9</b>	3%	<b>16</b>	5%	<b>8</b>	3%
<b>Equity</b>	<b>239</b>	71%	<b>220</b>	70%	<b>196</b>	78%

Cash in excess of interest bearing debt    **16.8 MUSD**

# 2004 Cash Flow Statement

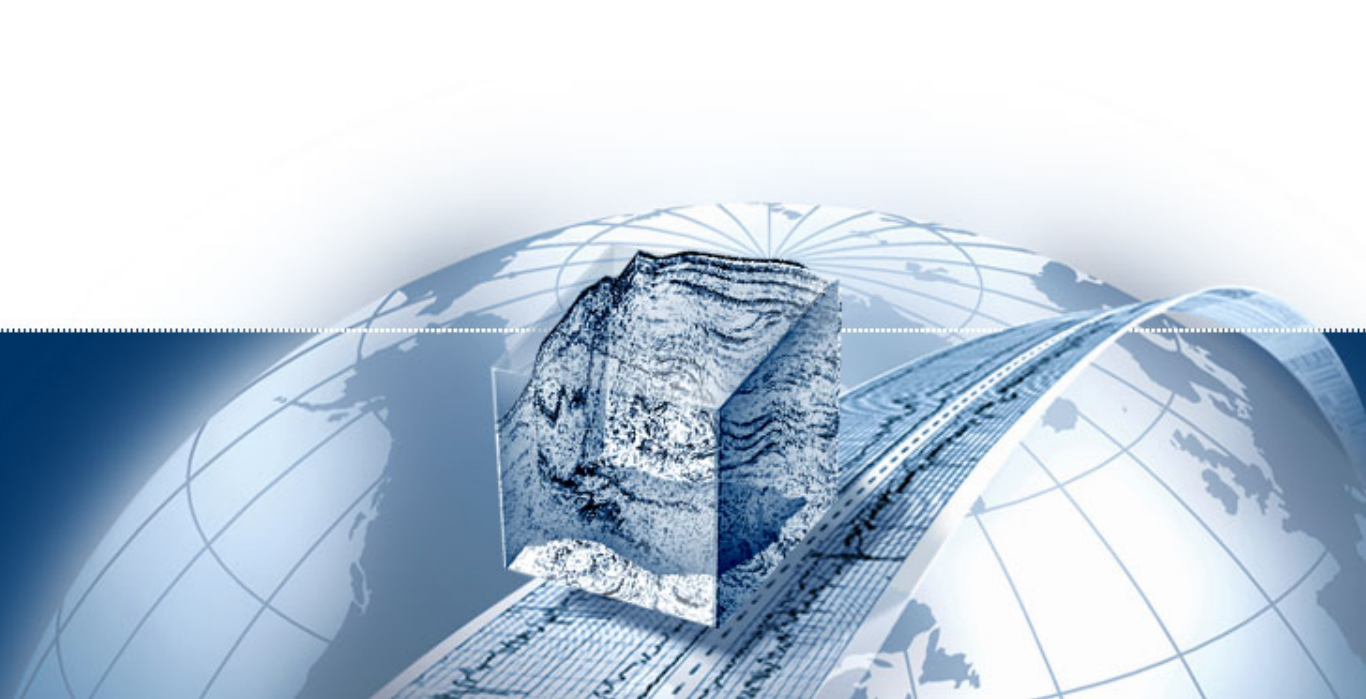
Payments From Sales Received	151.0
Payments for acquired seismic and well logs	-88.5
Operational Cost Paid	-37.8
Taxes Paid	-8.9
<b>Operational Cash Flow</b>	<b>15.9</b>
Investments Fixed Assets	-1.9
Investments through Mergers and Acquisitions	-13.5
Net Change in Long-term Receivables	2.0
Net Change in Loans	36.4
Paid in Equity	5.7
<b>Change in Cash Balance</b>	<b>44.7</b>

# Multi-Client Library

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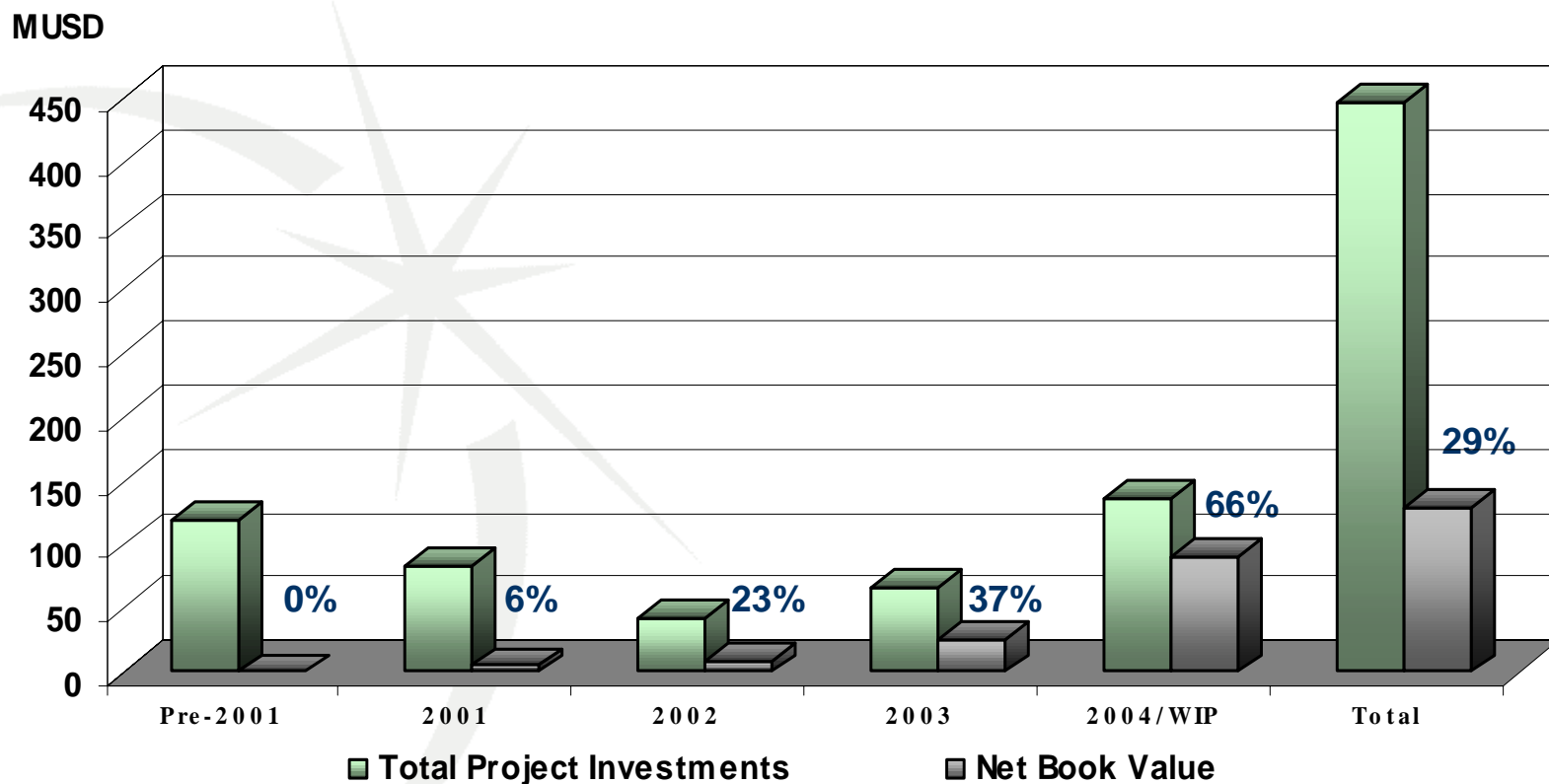


# MCS Accounting – Matching Principle

- **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

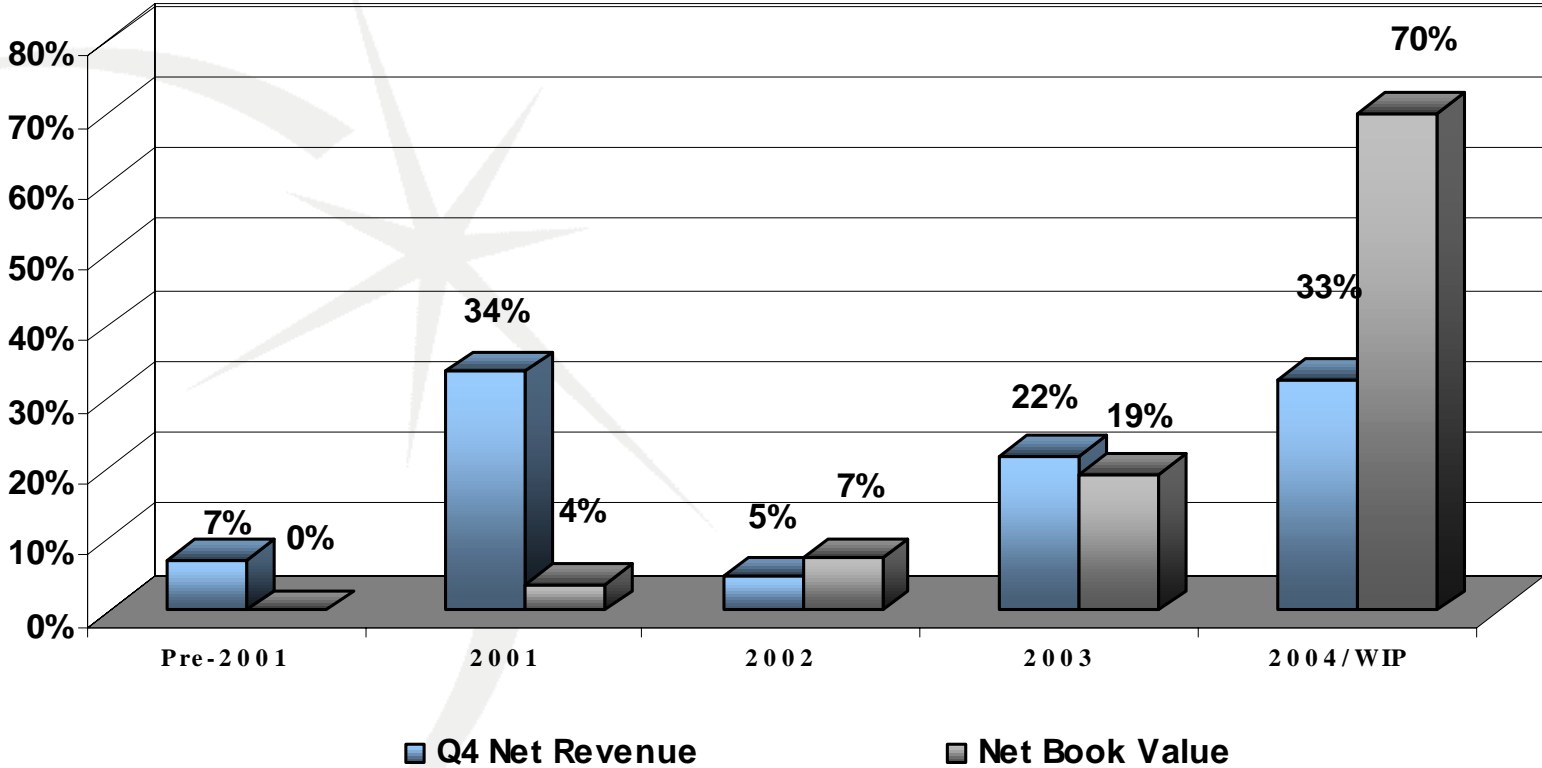
# Multi-Client Library NBV in % of Investment

## - Seismic Segment – December 31, 2004



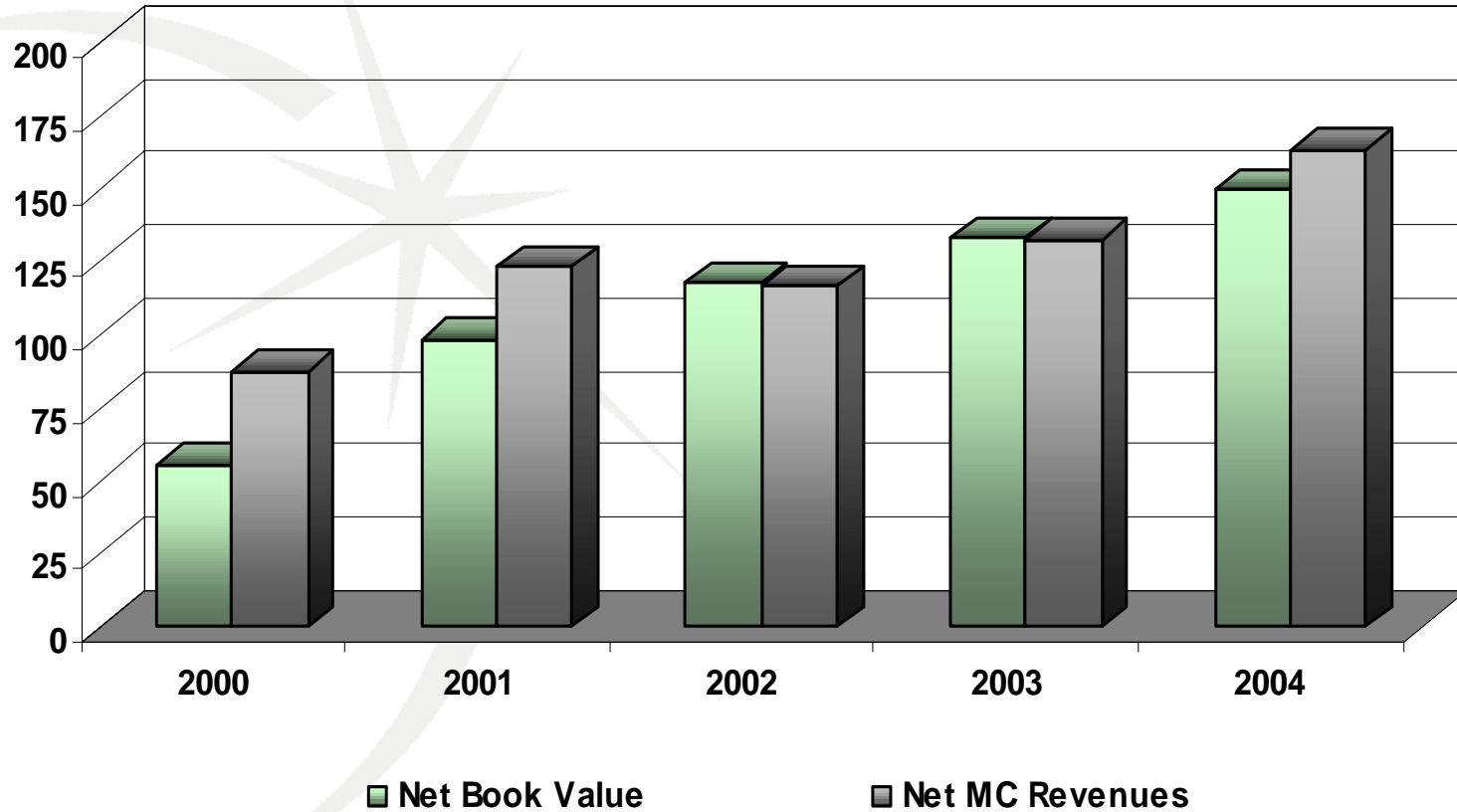
# Q4 2004 Multi-Client Revenues & ending NBV

## - Seismic Segment



# Total Multi-Client Revenues & ending NBV

A Proven Sales Performer





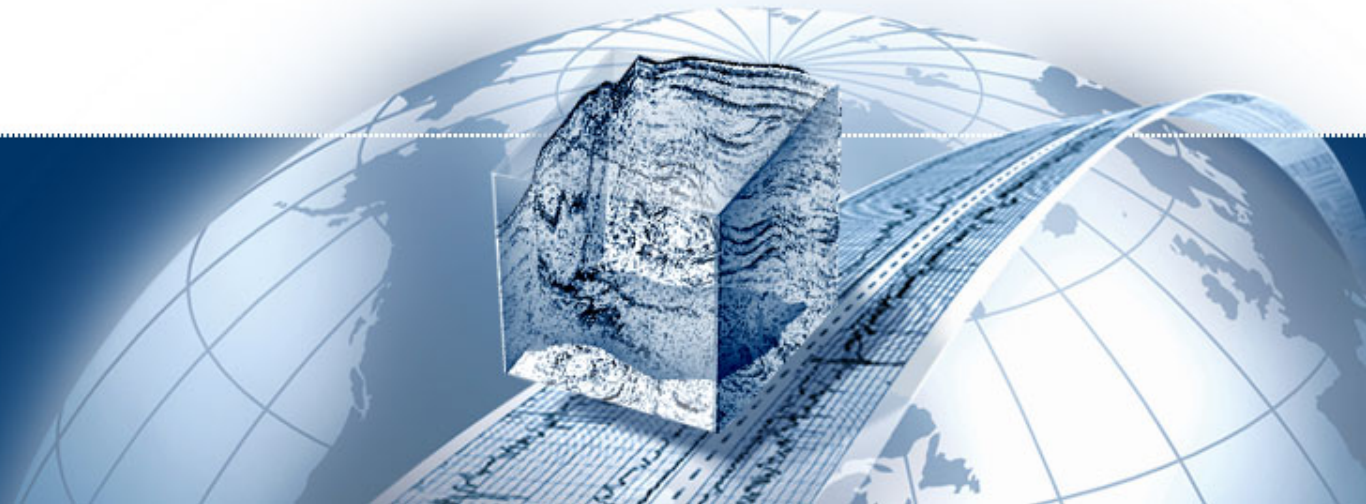
# Operations & Outlook

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**Hank Hamilton**  
**Chief Executive Officer**



TGS-NOPEC Geophysical Company



# Late Sales in Q4

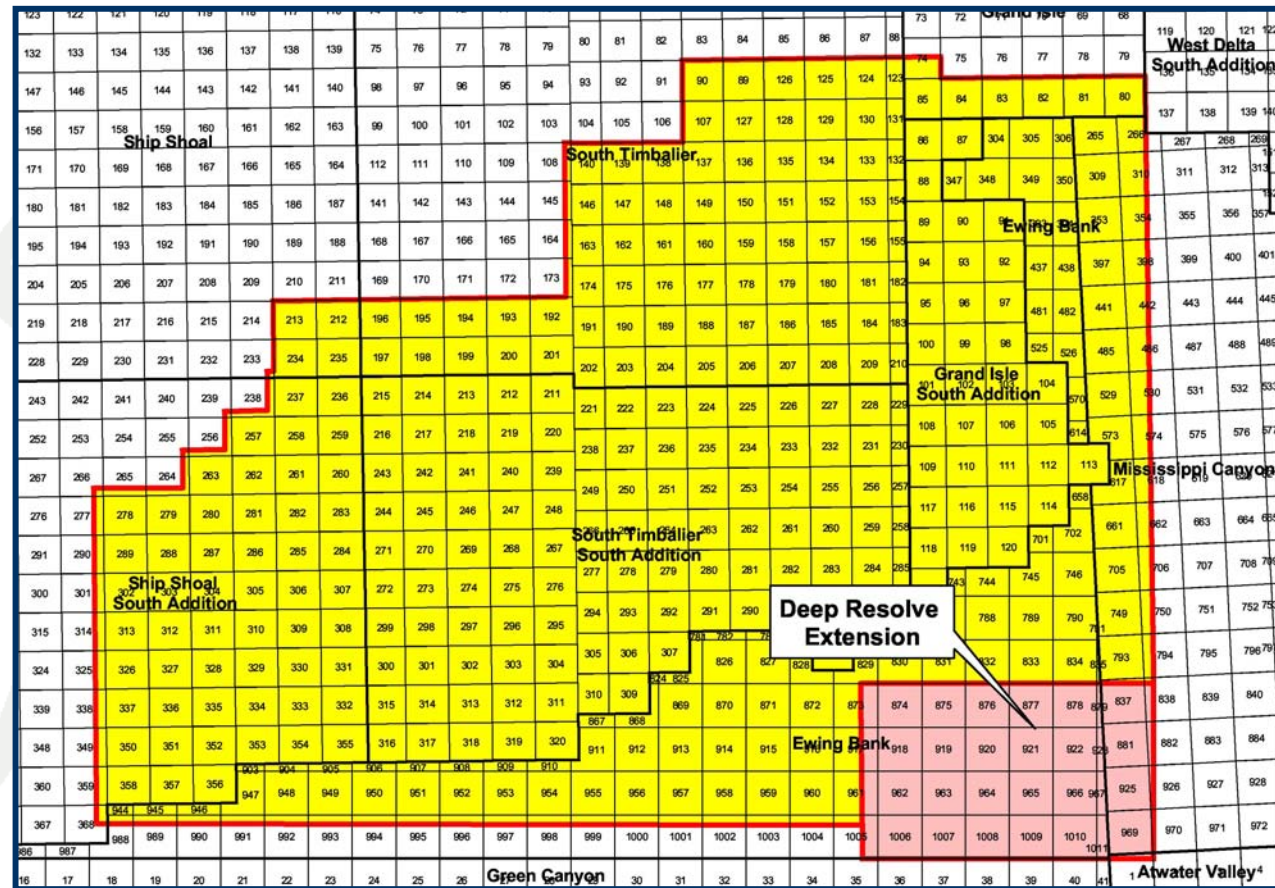
- **All time high of \$49.9 million, up 59% from a year ago**
- **Accounted for 85% of total net revenues**
- **Strongest regions: Gulf of Mexico and Europe**
- **Characterized by:**
  - **Continued increase in activity among “super-majors”**
  - **Renewed interest in exploration frontier areas**

# Operational Highlights

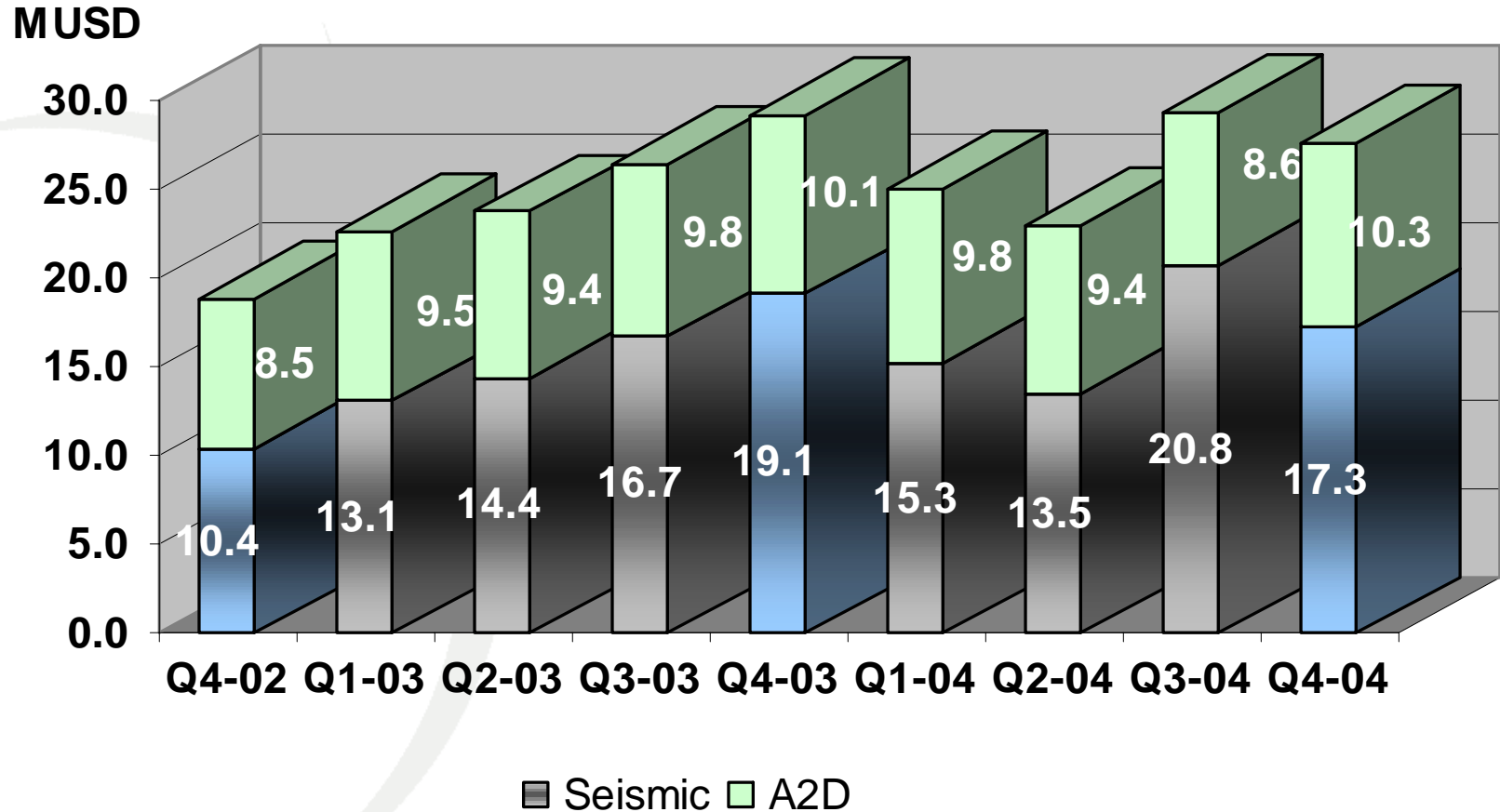
- **Completed acquisition of 2004 2D projects in early October**
- **Delivered 14,000 sq km Mississippi Canyon “Revival” 3D PSTM reprocessing project in December**
- **Continued acquisition of Deep Resolve 3D**
- **A2D completed the integration of Riley Electric Log and achieved target of 30% annual revenue growth**

# Deep Resolve 3D – Gulf of Mexico

- Expanded again to 8,400 sq kms
- Now nearly double originally announced size
- Deliveries of processed data started in Jan '05
- Full volume PSDM processing project now underway in parallel



# Backlog



Have experienced positive development in seismic backlog since year end

# Key 2005 Licensing Rounds for TGS

- Central & Eastern GoM Lease Sale: March 2005
- Sierra Leone: closes April 2005
- Nigeria: closes May 2005
- Western GoM Lease Sale: August 2005
- Norway (Areas of Pre-defined Acreage): October 2005
- Indonesia (Makassar Straits & Natuna Sea): closes October 2005
- Brazil Round 7: October 2005
- Madagascar: December 2005
- Norway 19<sup>th</sup> Round: Expect block announcements in June 2005 and applications due in very late 2005 or early 2006



# Market Conditions & Outlook

- **Excellent oil company financial results with strong cash flows and reduced debt levels.**
- **Most industry surveys point to an increase in E & P expenditures from oil companies in 2005 ( 6 to 15% ).**
- **TGS expects Exploration spending increases to keep pace with total E & P spending.**
- **Seismic companies see improving demand and the market for vessels is tightening.**



# Vessel Situation for TGS

- **Exercised option to extend charter of 3D vessel Polar Search through September 2005**
- **Very good progress in securing 2D vessel capacity necessary to achieve 2005 plan**
- **Current vessel prices are 10 – 20% above “trough” levels of 2002 – 03.**
- **Expect to pass through vessel price increases to customers on new projects.**

# TGS 2005 Expectations

- **Multi-client library investments of USD 80 – 90 million**
- **Average annual pre-funding of 45 – 55 % of investments**
- **Average annual amortization rate of 42 – 47 % of net multi-client revenues**
- **~20% increase in Net Revenues over 2004**