TGS

Presentation of the 4th Quarter 2005 Results February 9th 2006

Arne Helland
Chief Financial Officer

Hank Hamilton
Chief Executive Officer





Forward-Looking Statements

All statements is 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.



Q4 2005 Financial Highlights

- Net Revenues 89.3 MUSD
 - 30.8 MUSD (53%) up from Q4 2004
- MC Investments 35,5 MUSD
 - up 229% from 10,7 MUSD in Q4 2004
 - Prefunding 40% of Operational Investments (33.9 MUSD)
- Multi-Client Amortization Rate 36%
 - Vs. 41% Q4 2004
- EBIT 41.7 MUSD
 - Up 86% from Q4 2004 and is 47% of Net Revenues (38% in Q4 2004)
- **EPS** (fully Diluted): 1.05 USD, up 78% from Q4 2004



Q4 Actuals vs. Analysts Expectations

	Actual	Average	Actual vs	Actual vs			
(MUSD)	Q4 2005	Analysts	Consensus	Consensus	High	Low	Median
Net Revenue	89.3	89.4	-0.1	0%	91.1	88.9	89.3
EBIT	41.7	38.5	3.2	8%	41.5	34.5	39.1
Pre-tax Profit	42.2	38.4	3.8	10%	41.4	34.7	38.6
Net Income	28.5	26.2	2.3	9%	29.3	23.8	26.4
Earnings per Share *	1.09	1.01	0.09	9%	1.13	0.91	1.01

*Avg. number of shares (undiluted)

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Source: Reuters

Q4 2005 Profit & Loss (MUSD)

	Q4 2005	Q4 2004	Change	%	
Gross Sales	97.7	65.7	32.0	49%	
Income sharing & Royalties	-8.4	-7.2	-1.1	16%	
Net Operating Revenues	89.3	58.5	30.8	53%	
Materials	0.1	1.5	-1.4	-92%	
MCS Amortization 36%	31.3	22.8	8.4	37%	
Gross Margin	57.9	34.1	23.8	70%	
Other operating expenses	14.5	11.3	3.2	29%	
Cost of Stock Options	0.7	0.4	0.3	58%	
Depreciation	1.0	-0.1	1.1	-1801%	
Operating Profit 47%	41.7	22.5	19.2	86%	
Net Financial items	0.5	0.0	0.5	-2127%	
Pre-tax Profit 47%	42.2	22.5	19.8	88%	
Taxes	13.7	6.5	7.2	111%	
Net Income 32%	28.5	15.9	12.5	79%	
EPS, undiluted	1.09	0.63	0.5	73%	
EPS, fully diluted	1.05	0.59	0.5	78%	



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Q4 2005 Cash Flow Statement

	Q4 2005	Q4 2004
Payments From Sales Received	56.2	38.0
Payments for acquired seismic and well logs	-28.7	-10.8
Operational Cost Paid	-12.3	-11.3
Taxes Paid	-4.4	-2.2
Operational Cash Flow	10.9	13.6
Investments Fixed Assets	0.2	-0.1
Investments through Mergers and Acquisitions	0.0	0.0
Net Change in Long-term Receivables	0.9	0.0
Net Change in Loans	-0.3	0.2
Purchase of own Shares	0.0	0.0
Paid in Equity	0.2	3.0
Change in Cash Balance	12.0	16.7



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Year-To-Date Results



Full Year 2005 Financial Highlights

- Net Revenues 254.4 MUSD
 - up 48% (82.8 MUSD) from 2004
- Net Late Sales 204.8 MUSD
 - Increased 65% from 123.9 MUSD 2004
- MC Investments 105,5 MUSD
 - up 22% from 86,6 MUSD in 2004
 - Prefunding 40% of Operational Investments (103,8 MUSD)
- Multi-Client Amortization Rate 38%
 - Vs. 43% 2004
- Cash Flow from Operations positive 64.0 MUSD
 - Vs. 15.9 MUSD during 2004
- EBIT 108.5 MUSD
 - Up 89% from 2004 and is 43% of Net Revenues (33% in 2004)
- **EPS** (fully Diluted): 2.71 USD, up 90% from 2004



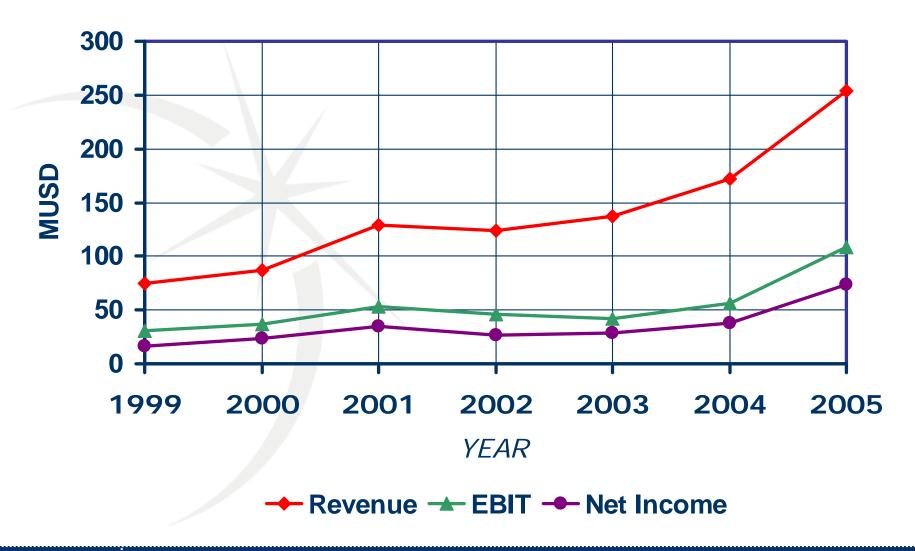
YTD 2005 Profit & Loss (MUSD)

	12 Months 2005	12 Months 2004	Change	%
Gross Sales	278.0	190.3	87.7	46%
Income sharing & Royalties	-23.6	-18.7	-4.9	26%
Net Operating Revenues	254.4	171.6	82.8	48%
Materials	0.8	4.0	-3.2	-79%
MCS Amortization 38%	94.4	70.3	24.0	34%
Gross Margin	159.2	97.3	61.9	64%
Other operating expenses	45.9	36.2	9.8	27%
Cost of Stock Options	2.0	1.5	0.5	35%
Depreciation	2.8	2.4	0.4	16%
Operating Profit 43%	108.5	57.2	51.2	89%
Net Financial items	1.2	-0.8	2.0	-251%
Pre-tax Profit 43%	109.7	56.4	53.2	94%
Taxes	36.4	18.1	18.4	102%
Net Income 29%	73.3	38.4	34.9	91%
EPS, undiluted	2.84	1.53	1.3	86%
EPS, fully diluted	2.71	1.43	1.3	90%



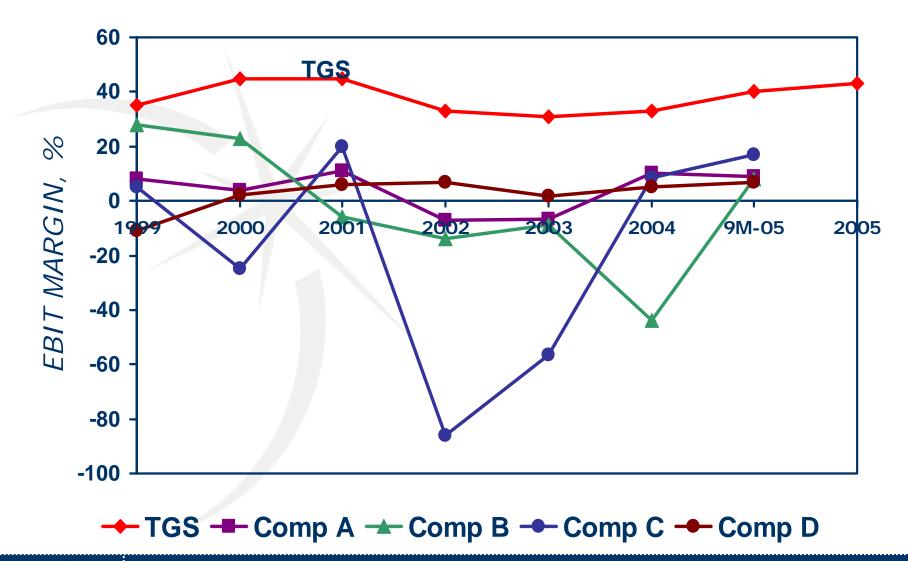
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TGS Revenue, EBIT, Net Income





EBIT Margin vs Peer Group





Balance Sheet - Key Figures

	Dec-05	%	Sep-05	%	Dec-04	%
Assets						
Cash	134.1	29%	122.0	29%	62.4	18%
Other Current Assets	129.9	28%	96.8	23%	91.4	26%
MC Library	160.6	35%	156.3	37%	149.5	43%
Total Current Assets	424.5	91%	375.2	90%	303.3	88%
Goodwill & Long Receiv.	21.1	5%	23.6	6%	28.5	8%
Fixed Assets	18.7	4%	19.1	5%	13.6	4%
Total Assets	464.3	100%	417.9	100%	345.3	100%
Liabilities						
Short-term debt	0.0	0%	0.0	0%	0.1	0%
Current Liabilities	60.9	13%	46.3	11%	45.1	13%
Long-term Loans	45.1	10%	46.8	11%	51.4	15%
Deferred Tax	29.4	6%	25.3	6%	9.1	3%
Equity	328.9	71%	299.5	72%	239.5	69%

Cash in excess of interest bearing debt 89.0 MUSD

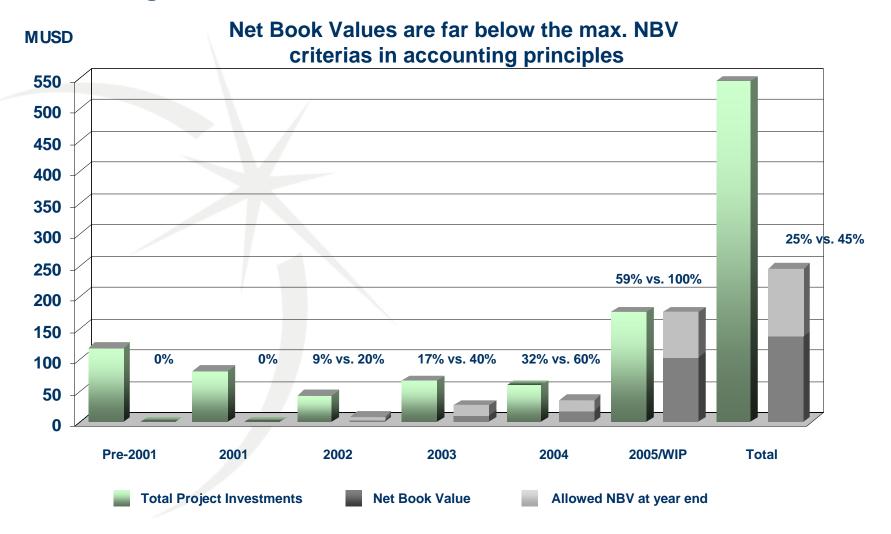


Multi-Client Library



Multi-Client Library NBV in % of Investment

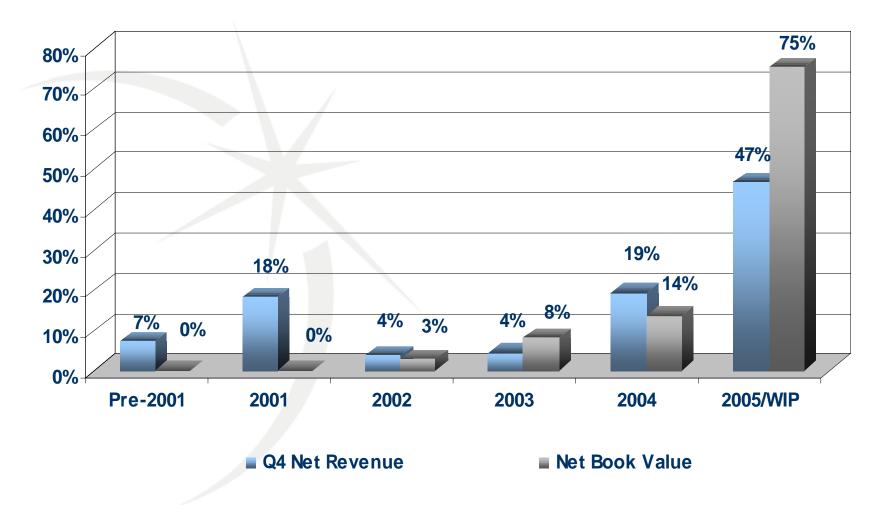
Seismic Segment - December 31, 2005





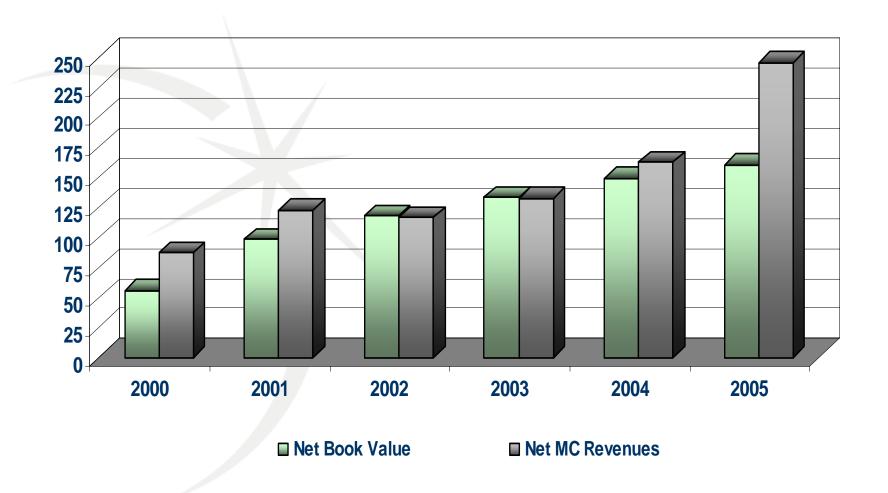
Q4 2005 Multi-Client Revenue & ending NBV

Seismic Segment





Multi-Client Library Revenue vs. Ending NBV



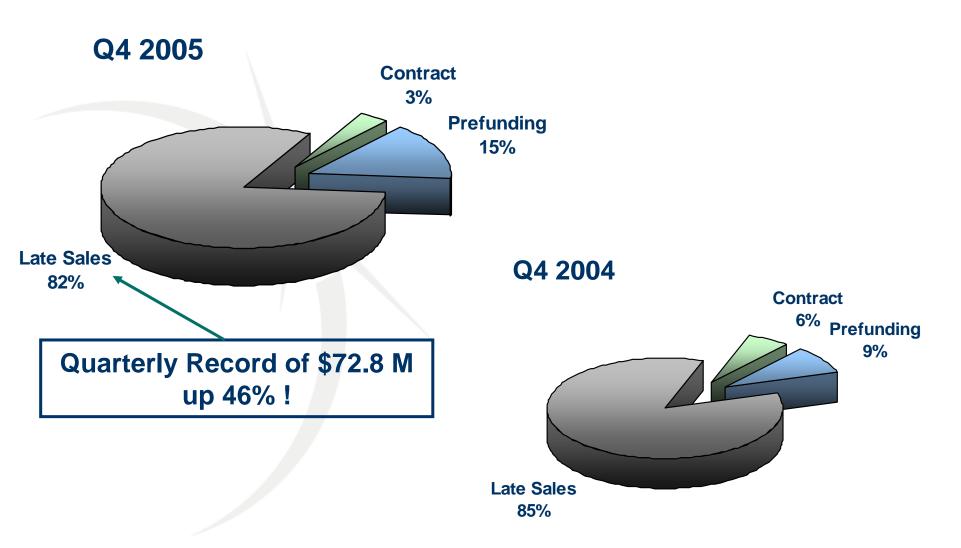


Operations & Outlook

Hank Hamilton
Chief Executive Officer



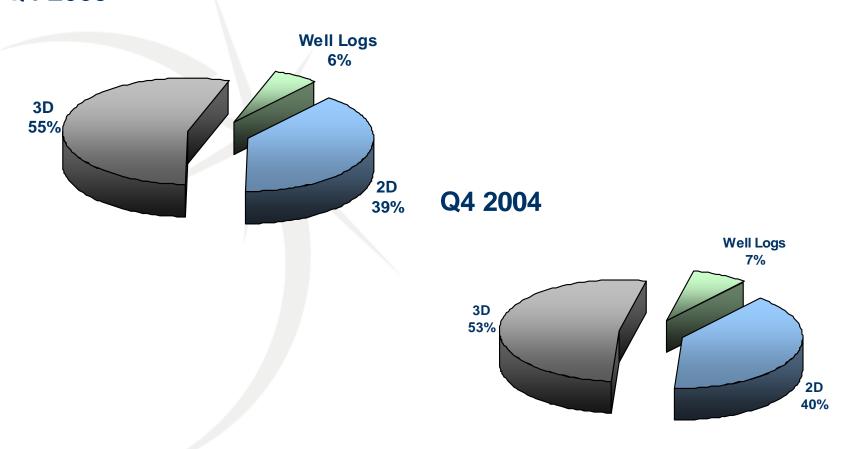
Net Revenue Breakdown



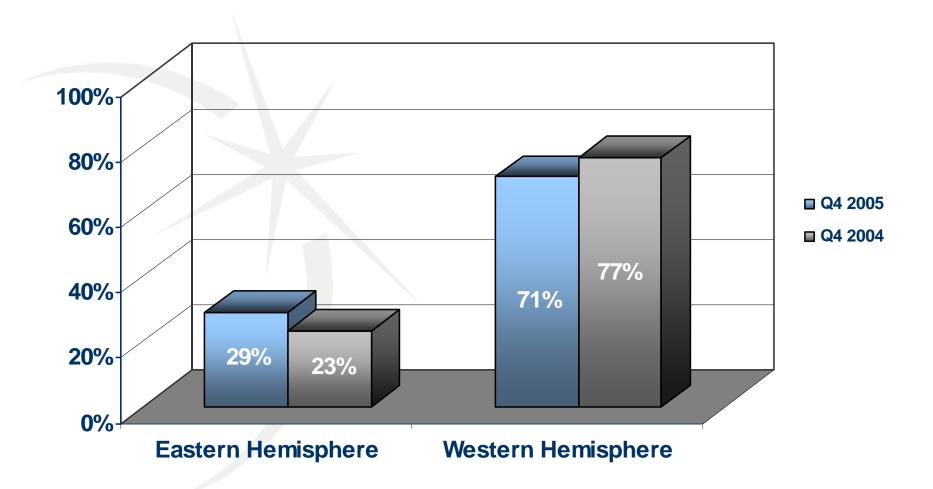


Net Revenues by Product Type

Q4 2005



Q4 Geographical Net Revenue Distribution

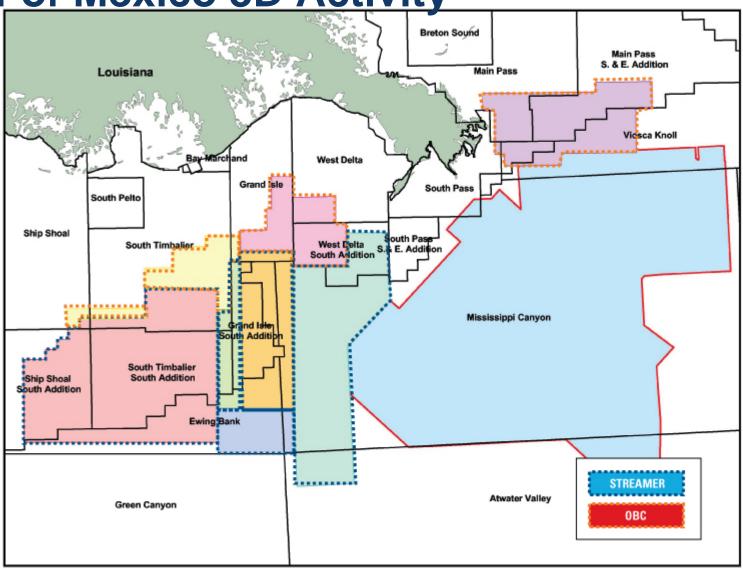




Operational Highlights

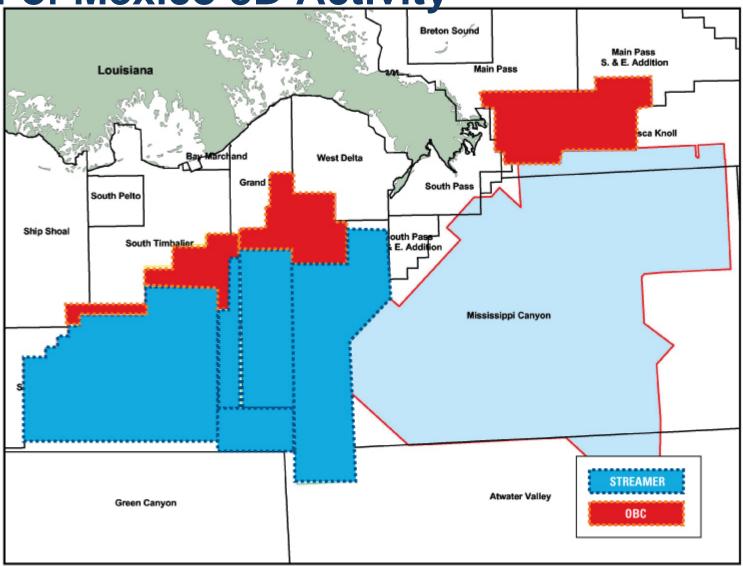
- Continued acquisition of Sophie's Link 3D in GoM
- Completed acquisition of 2D projects in North Sea,
 Greenland, Sakhalin, and Celtic Sea
- Launched new 2D project offshore Madagascar
- A2D earned record quarterly revenues and identified an additional 400,000 logs in the Riley inventory to be converted
- Purchased exclusive rights to 131,000 kms
 reprocessed 2D seismic offshore Norway from Tokking

Gulf of Mexico 3D Activity





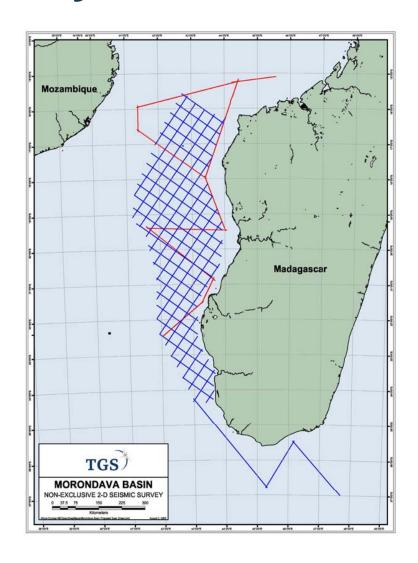
Gulf of Mexico 3D Activity





Morondava Basin Survey

- ~2,200 km 2D seismic, gravity and magnetic data acquired in 2001
- ~10,000 km 2D seismic, gravity and magnetic data launched in Q4-2005
- Supported with pre-funding from multiple oil companies
- Data will be available ~ 6 months
 prior to a late 2006 concession round



Merger & Acquisition Milestones

TGS-NOPEC merger

June 1998

BiPS acquisition

October 1998

Symtronix acquisition

March 2001

Partner buyouts (GoM 2D & 3D)

December 2001

A2D acquisition

June 2002

Riley acquisition

December 2003

NuTec acquisition

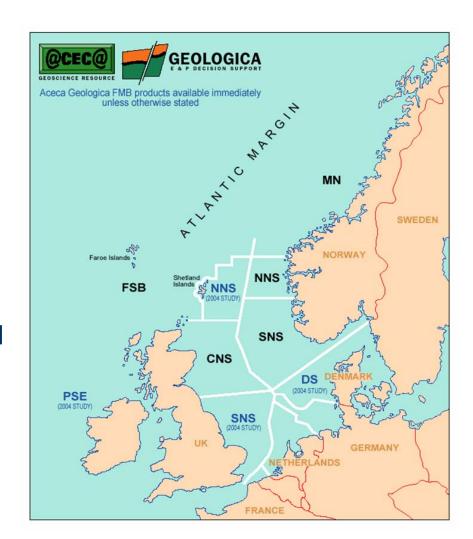
July 2004

Aceca acquisition

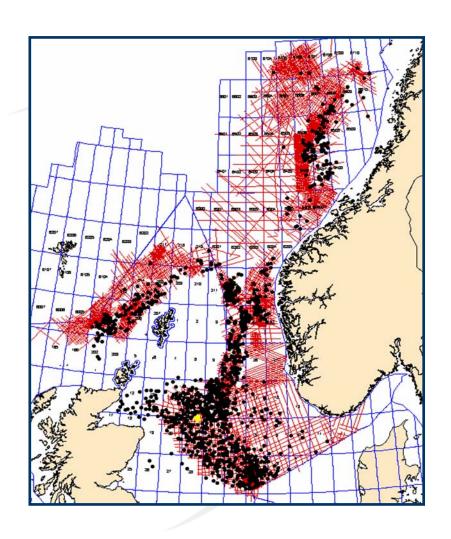
January 2006

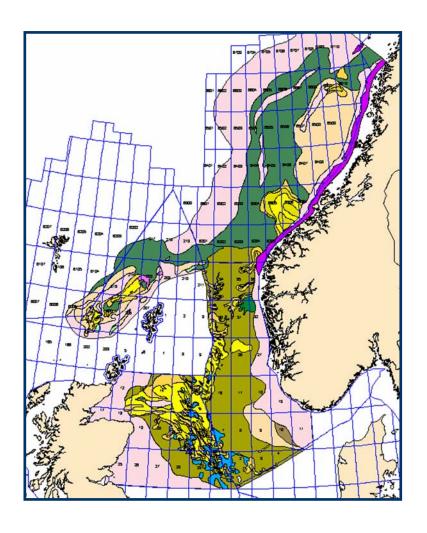
Aceca

- Primary business is creating multi-client integrated interpretation studies
- Focus has been NW Europe
- Product packages include wellbore based stratigraphy correlated with seismic in a unique facies map browser (FMB) viewer.



Aceca Multi-Client Products

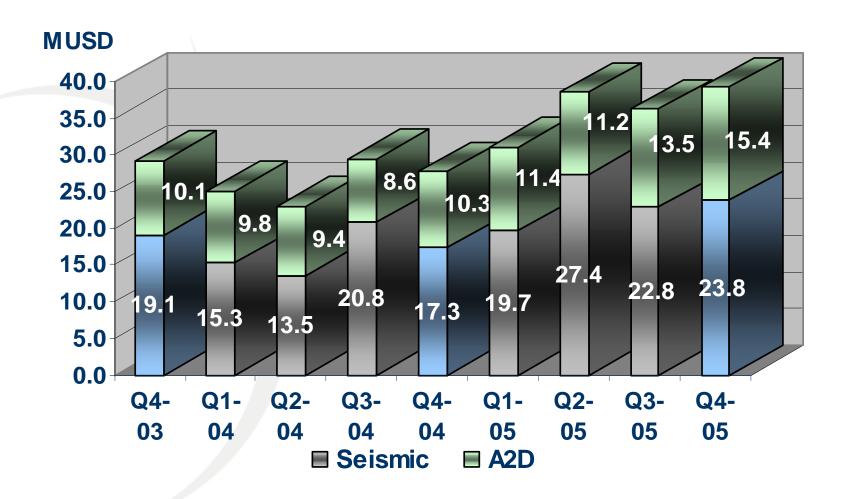






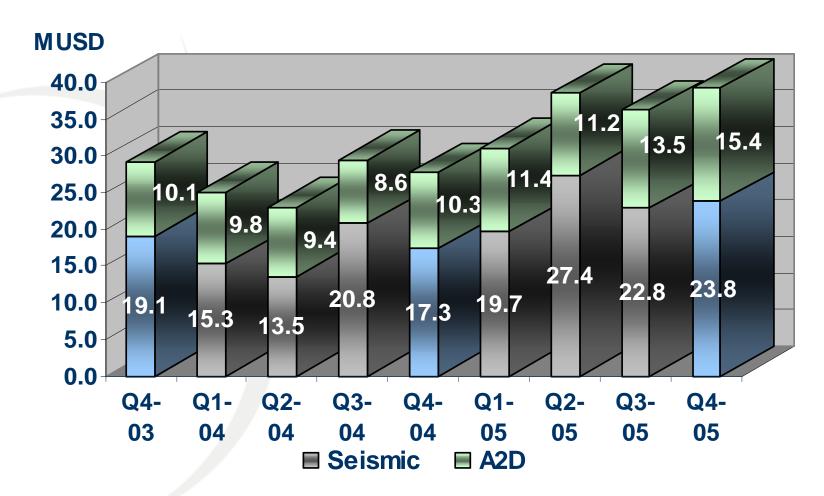
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Backlog





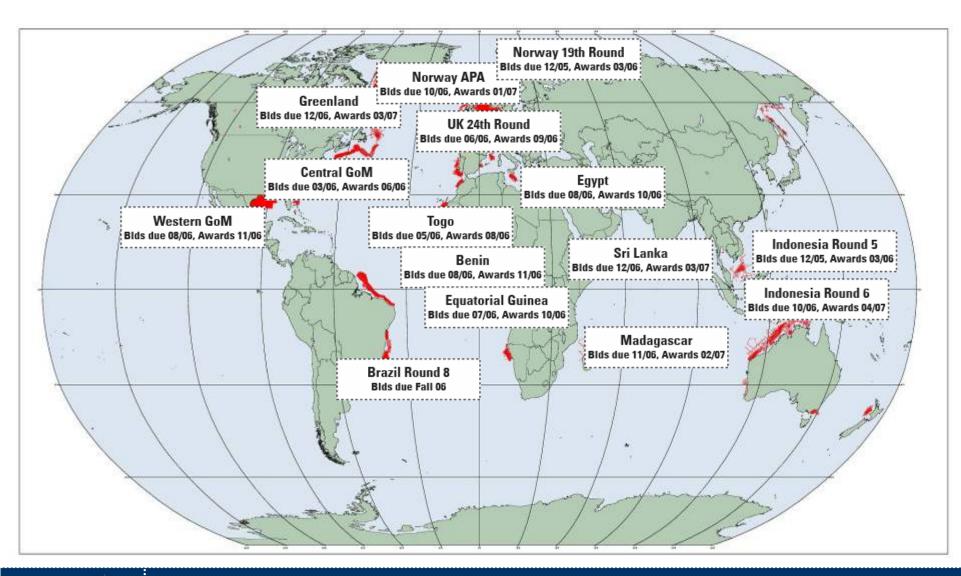
Backlog



Have experienced positive development in backlog since year end

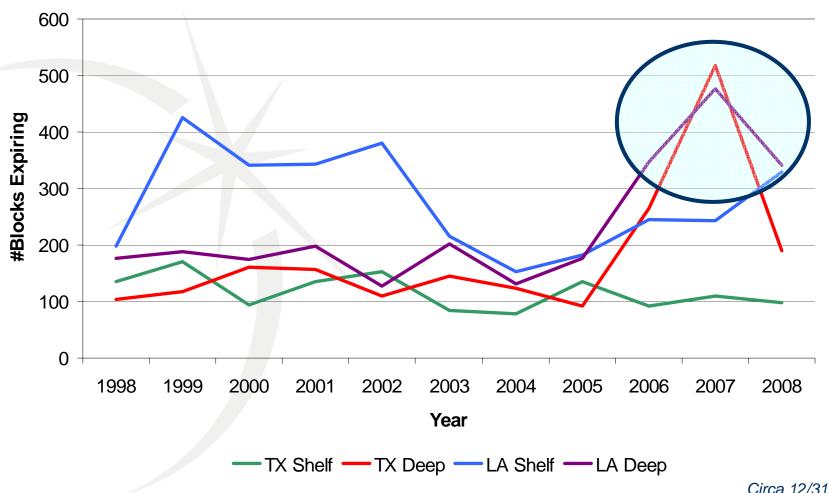


License Rounds - 2006





Scheduled Lease Expirations - GOM





Circa 12/31/2005

Market Conditions & Outlook

- Replacement of reserves is a priority!
- Most industry surveys point to an increase in E & P expenditures of 15-20%.
- Exploration spending increases should keep pace with total E & P spending.
- Seismic companies have excellent backlog with most marine crews booked at attractive rates for 2006.
- Most seismic companies plan to increase MC investments in 2006-07.

Market Situation for Vessels

- Supply for 2006 is tight
- New and existing players are bringing significant new capacity to the market:
 - 3D vessel count: 36 in spring 2005 to 50 in mid 2007, 39% growth
 - 3D streamer count: ~50% growth over same period
 - 2D vessel count: 25 in early 2005 to 30 in mid 2006, 20% growth



TGS Vessel Situation

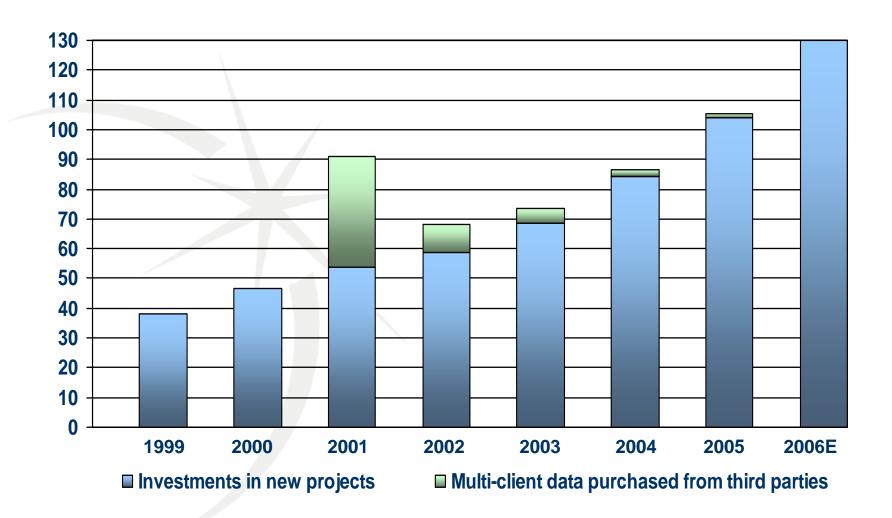
- Two 3D crews under contract for portions of 2006, one more secured by LOI for portions of 2006
- Five 2D crews secured for portions of 2006
- Pricing: Majority of crews secured at same rates as 2005, others at moderate price increases
- In summary, TGS is well-positioned to execute its 2006 investment plan

TGS 2006 Expectations

Multi-client library investments of USD 125 - 135 million



Investments in Multi-Client Library





TGS 2006 Expectations

- Multi-client library investments of USD 125 135 million
- Average annual pre-funding of 40 50 % of investments
- Average annual amortization rate of 37 42 % of net multi-client revenues
- 25 30 % increase in Net Revenues over 2005