TGS

Presentation of the 1st Quarter 2007 Results

May 3rd 2007

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

Arne Helland
Chief Financial Officer

Hank Hamilton
Chief Executive Officer

TGS-NOPEC Geophysical Company

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.

Operational Performance Q1-07 vs Q1-06

- A new interpretation of IFRS standards for 2005 caused recognition of some Late Sales closed in Q4 2005 to be deferred from Q4 2005 to Q1 2006
- Reported figures for Q1 2006 included Late Sales closed in Q4 2005 of MUSD 14.0 with a 98% gross margin (amortization only MUSD 0.2)
- We will present two comparisons:
  - Q1-07 vs reported Q1-06
  - Q1-07 vs Q1-06 operational (without deferred revenues & costs)
- Key: Level of Late Sales closed within Q1-07 vs within Q1-06

Q1 2007 Financial Highlights (YoY Reported)

- **Net Revenues 95.4 MUSD, up 6% from Q1 2006**
  - Net Late Sales 72.9 MUSD, down 4% from Q1 2006
  - Net Prefunding 18.1 MUSD, funding 55% of operational investments
  - Growth in EP, LP and contract revenues slowed by delayed vessel deliveries
- **Operational Investments up 31% from 25.3 MUSD to 33.1 MUSD**
- **Multi-Client Amortization rate 28%**
  - Same as reported for Q1 2006
- **EBIT 51.1 MUSD, up 4% from 49.1 MUSD in Q1 2006**
  - 54% of Net Revenues vs 55% reported in Q1-06
- **Net Income 34.0 MUSD up 4% from reported in Q1 2006**
- **EPS (fully diluted) $0.31 versus $0.30 reported in Q1 2006**

Q1 2007 Operational Financial Highlights

(comparison with ”operational” Q1-06 results)

- **Net Revenues up 26% from operational Q1 2006**
  - Net Late Sales up 18% from Q1 2006
  - Net Prefunding covering 55% of operational investments vs 39% prefunding in Q1 2006
- **Operational Investments up 31%**
- **Multi-Client Amortization rate 28%**
  - 33% in operational Q1 2006
- **EBIT up 39% from operational Q1 2006**
  - 54% of Net Revenues vs 48%
- **EPS (fully diluted) up 39% from operational Q1 2006**

Q1 2007 Profit & Loss (MUSD)

		Q1 2007	Q1 2006	Change	%
Gross Sales		**99.9**	93.0	6.9	7%
Income Sharing & Royalties		**(4.5)**	(3.3)	(1.2)	36%
Net Operating Revenues		**95.4**	89.7	5.7	6%
Materials		**0.7**	1.6	(0.9)	-56%
MC Amortization	28%	**25.4**	23.8	1.6	7%
Gross Margin		**69.3**	64.3	5.0	8%
Other Operating Expenses		**15.8**	13.6	2.2	16%
Cost of Stock Options		**1.1**	0.7	0.4	57%
Depreciation		**1.3**	0.9	0.4	45%
Operating Profit	54%	**51.1**	49.1	2.0	4%
Net Financial Items		**0.2**	(0.1)	0.3	-534%
Pre-tax Profit	54%	**51.3**	49.0	2.3	5%
Taxes		**17.3**	16.4	0.9	5%
Net Income	36%	**34.0**	32.6	1.4	4%
EPS, undiluted		**0.32**	0.31	0.0	3%
EPS, fully diluted		**0.31**	0.30	0.0	4%

Q1 2007 Cash Flow

	Q1 2007	Q1 2006
Payments from Sales Received	123.1	144.2
Operational Costs Paid	(12.5)	(13.9)
Gain/(Loss) from Currency Exchange	(2.0)	(1.0)
Taxes Paid	(10.4)	(14.5)
Operational Cash Flow	**98.2**	**114.8**
Investments in Fixed Assets	(7.7)	(0.4)
Payments for Acquired Multi-Client Products	(36.8)	(29.0)
Investments through Mergers and Acquisition	-	(7.2)
Interest Income	4.0	1.7
Net Change in Long-term Receivables	(0.1)	(3.6)
Net Change in Long-term loans	0.1	3.7
Interest Expense	(0.5)	(0.7)
Purchase of own Shares	-	-
Paid in Equity	2.3	3.2
Change in Cash Balance	**59.5**	**82.4**

Accounts Receivable per end Q1-07 total 105.1 MUSD vs 73.4 MUSD per end Q1-06.

Balance Sheet – Key Figures

	3/31/2007	%	12/31/2006	%
Assets				
Cash	**330.1**	47%	**270.6**	40%
Other Current Assets	**109.7**	15%	**152.9**	23%
Total Current Assets	**439.8**	62%	**423.4**	63%
Intangible Assets & LT Receivables	**44.6**	6%	**42.8**	6%
MC Library	**205.0**	29%	**195.6**	29%
Fixed Assets	**20.3**	3%	**14.4**	2%
Total Assets	**709.7**	100%	**676.2**	100%
Liabilities				
Short-term debt	**-**	0%	**0.0**	0%
Current Liabilities	**106.8**	15%	**114.0**	17%
Long-term loans	**49.4**	7%	**48.3**	7%
Deferred Tax Liability	**39.1**	6%	**37.0**	5%
Equity	**514.4**	72%	**477.0**	71%

Cash in excess of interst-bearing debt **280.8** MUSD, **222.3** MUSD

Multi-Client Library

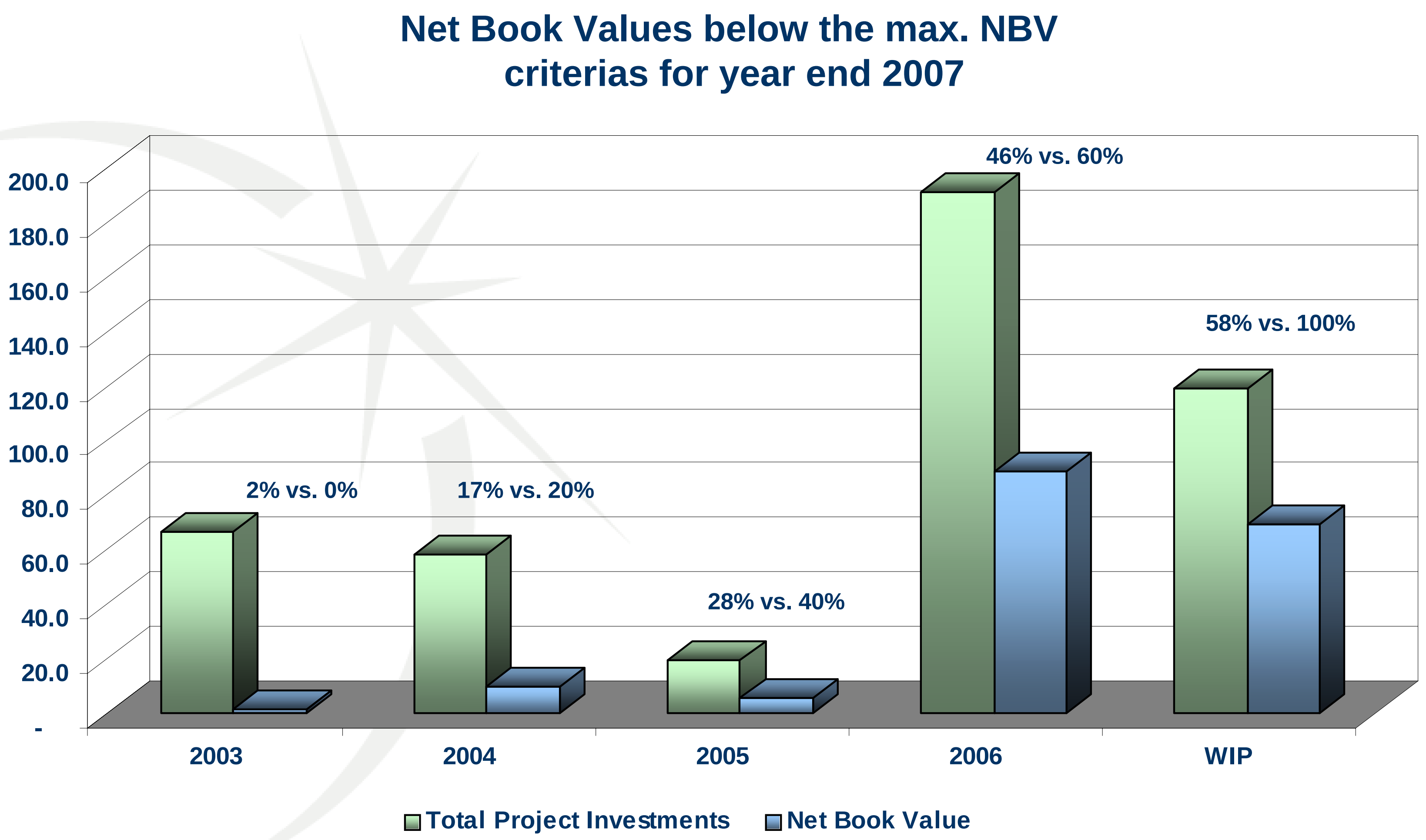
TGS-NOPEC Geophysical Company

MCS Accounting – Matching Principle

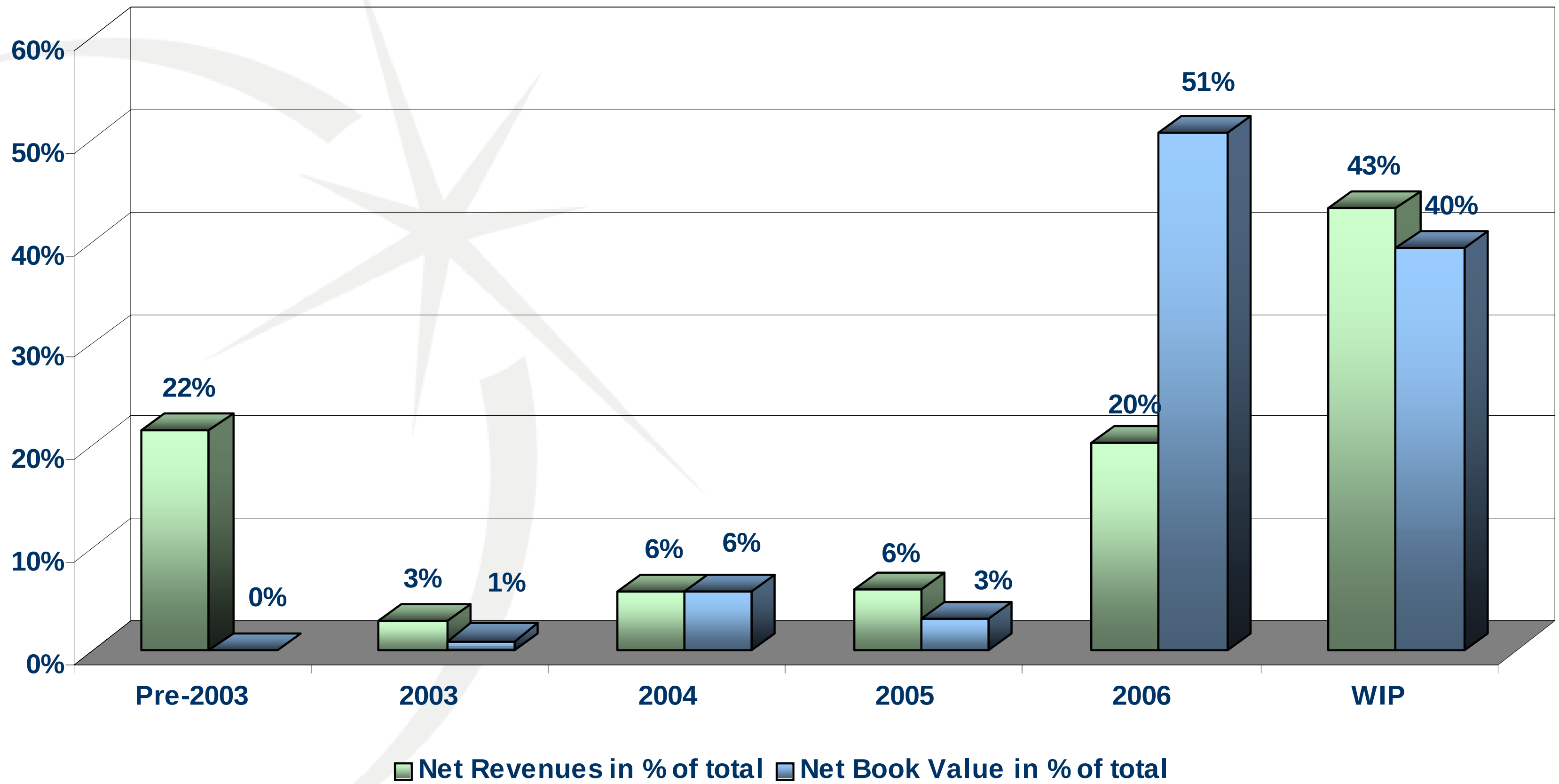
- **Accounting Standards recommend to match Revenues and Costs in time**
- **TGS capitalizes the direct costs of surveys as investments in the Balance Sheet and amortizes them over 5 years (including the first year – WIP) as a function of expected ratio Sales/Investment**
- **If sales are lower than 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 as of March 31st 2007



Q1 2007 Multi-Client Net Revenues & Ending NBV
- Seismic Segment



Operations & Outlook

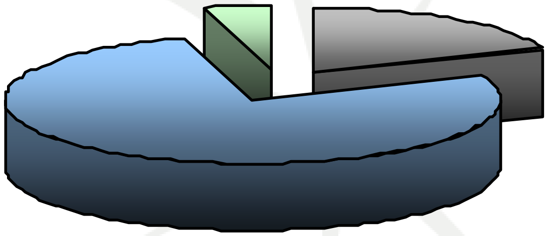
Hank Hamilton
Chief Executive Officer

TGS

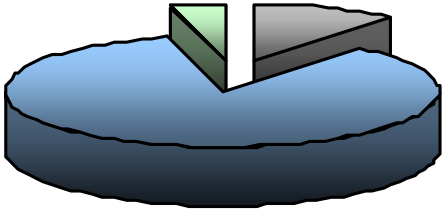
TGS-NOPEC Geophysical Company

Net Revenue Breakdown

Q1 2007

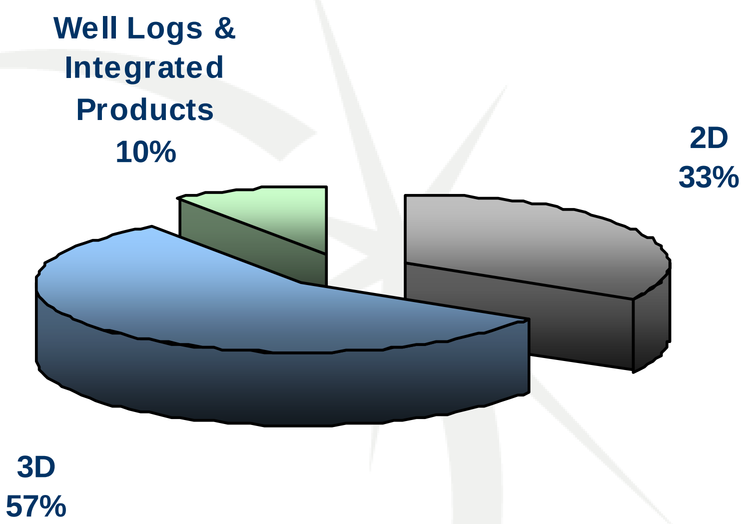


Q1 2006

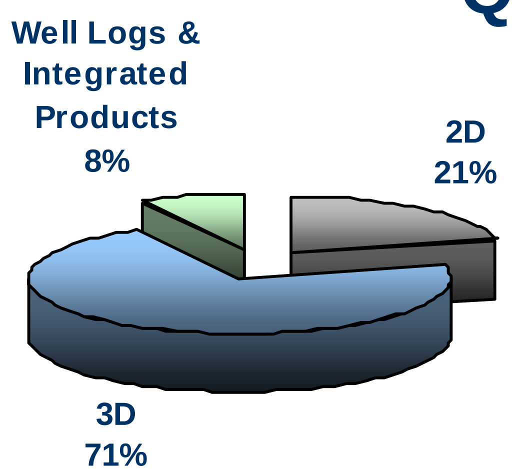


Net Revenues by Product Type

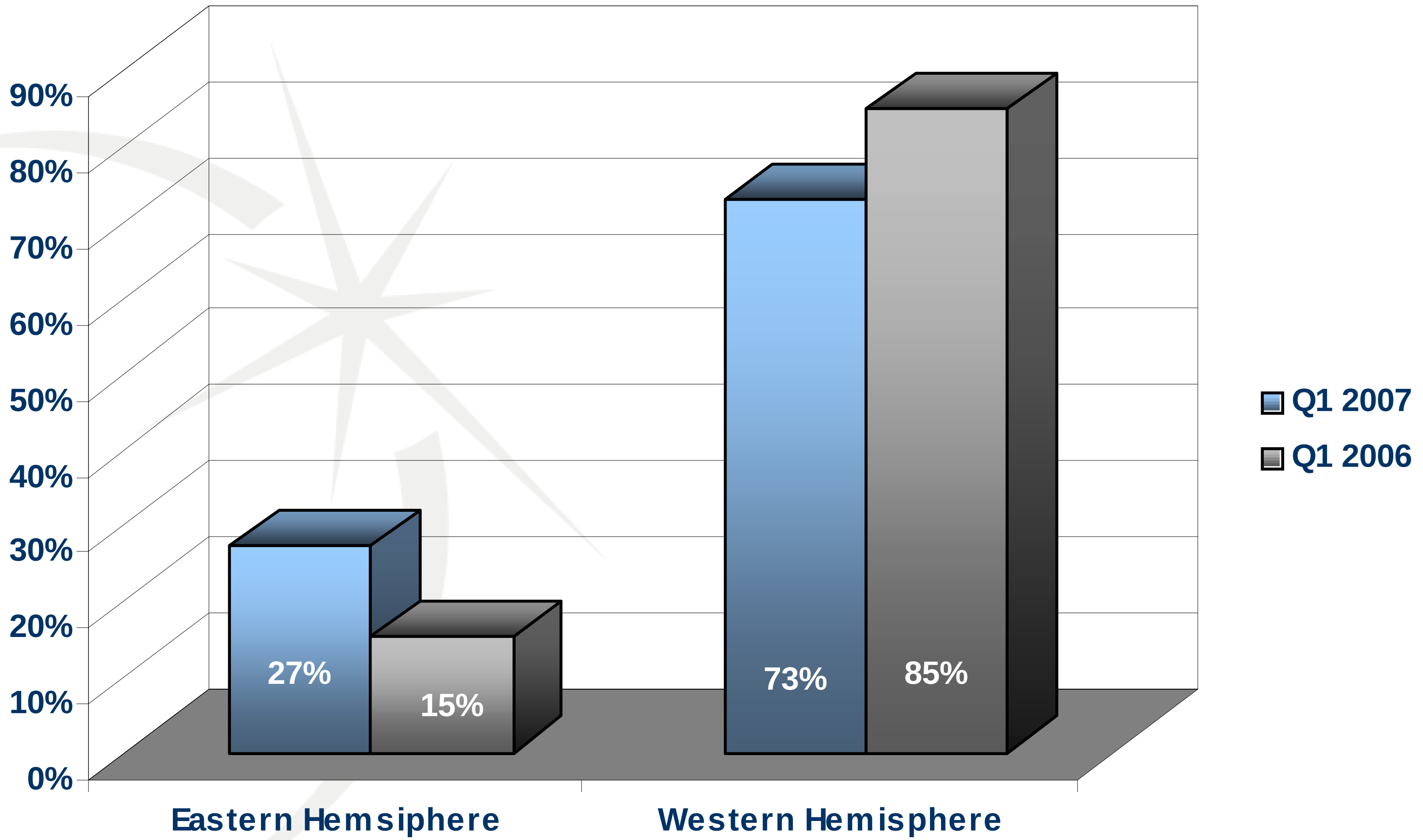
Q1 2007



Q1 2006



Q1 Geographical Net Revenue Breakdown



Operational Highlights

Delayed Delivery of Newly Rigged 3D Vessels

- Geo Barents (GoM): Dec ’06 to June ‘07
- BGP Pioneer (Africa & Europe): Jan to May ‘07

Western Hemisphere

- Continued acquisition of East Delta 3D
- Delivered Phase 1 of Stanley 3D (PSTM & PSDM)
- Started 44,000-kilometer 2D PSDM reprocessing in Brazil

Eastern Hemisphere

- Initiated Indonesia Frontier Basins “Mega-Project”
- Acquired two multi-client 2D projects in AME

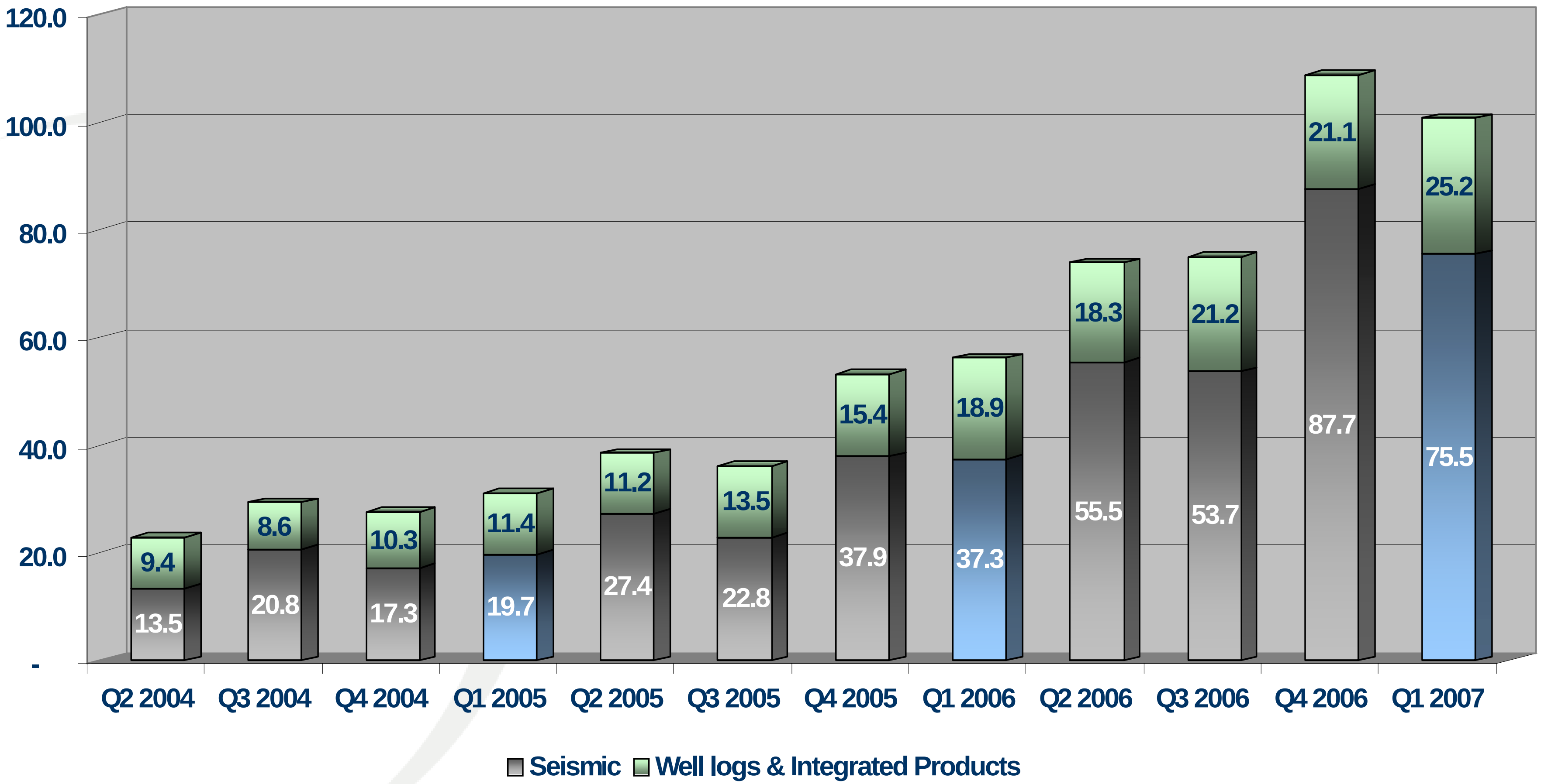
Well Logs & Integrated Products

- Signed 5-year subscription agreement for smartRASTER well logs
- Secured pre-funding for interpretation updates: Europe & GoM deep shelf

Imaging – Parallel Data Systems

- Entered definitive agreement to acquire PDS subject to regulatory approvals

Backlog



120.0
100.0
80.0
60.0
40.0
20.0
-
Q2 2004
Q3 2004
Q4 2004
Q1 2005
Q2 2005
Q3 2005
Q4 2005
Q1 2006
Q2 2006
Q3 2006
Q4 2006
Q1 2007
13.5
9.4
20.8
8.6
17.3
10.3
19.7
11.4
27.4
11.2
22.8
13.5
37.9
15.4
37.3
18.9
55.5
18.3
53.7
21.2
87.7
21.1
75.5
25.2
Seismic
Well logs & Integrated Products

Outlook & Expectations

- Demand for geoscientific services & products remains strong
- MC investments will begin to ramp up seasonally in Q2:
  - Continuation of Eastern Delta 3D & resumption of Stanley 3D
  - Continuation of Indonesia Frontier Basins (2 2D, 2 multibeam)
  - Start of 2007 NSR 2D campaign (3 vessels)
  - Start of 3D in West Africa
- Original 2007 expectations remain unchanged:
  - MC Library investments: USD 175 – 185 million
  - Average pre-funding: 50 – 60% of investments
  - Average amortization rate: 28 – 33% of net revenues
  - Annual net revenue growth: 20 - 25%