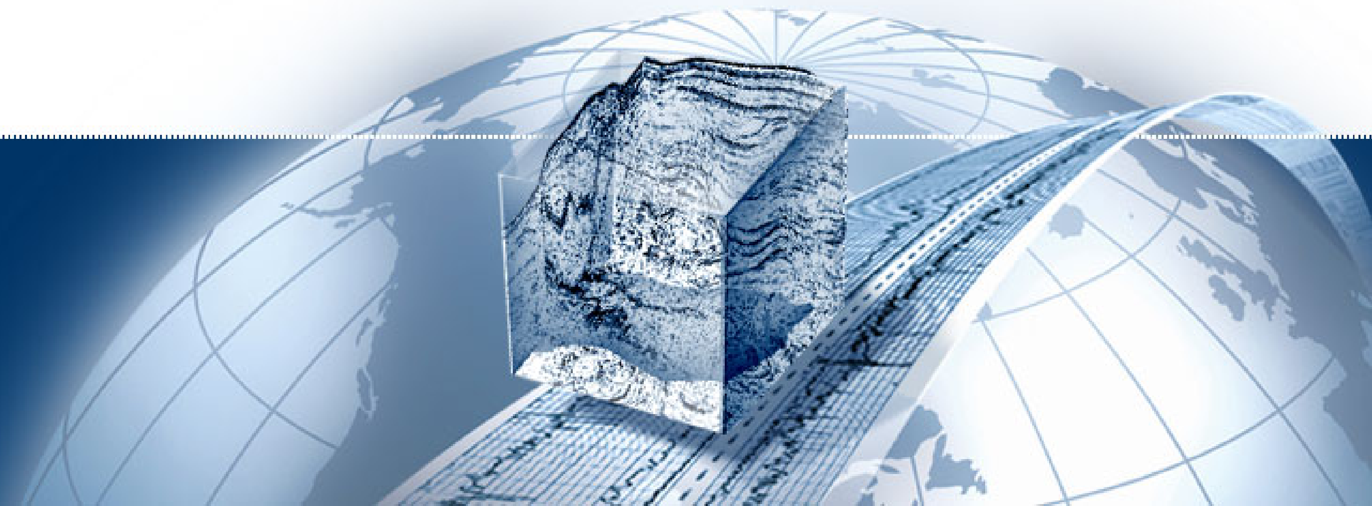
TGS

Presentation of the 3rd Quarter 2004 Results
November 11th 2004

Arne Helland
Chief Financial Officer

Hank Hamilton
Chief Executive Officer



TGS-NOPEC Geophysical Company

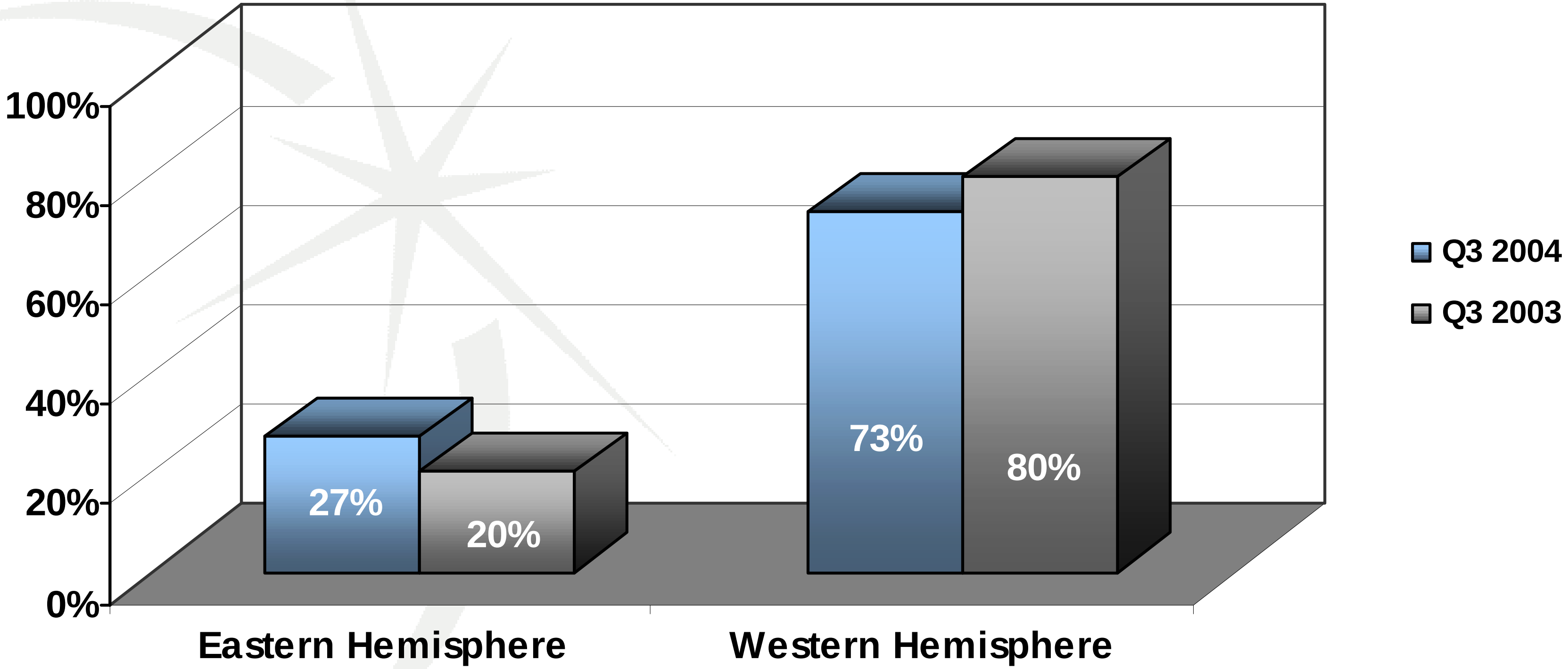
Q3 2004 Financial Highlights
- Consolidated

- **Net revenues 43,5 MUSD**
  - 11,5 MUSD (36%) up from Q3 2003
- **Net late sales 28,2 MUSD**
  - Increased 26% from 22,4MUSD in Q3 2003
- **Net EP sales 13,7 MUSD**
  - Funding 62% of operational investments vs. 46% Q3 2003
- **Proprietary contract revenues 1,5 MUSD**
  - Well log and TGS Imaging; no seismic acquisition contract work
- **EBIT 14,3 MUSD**
  - Up 55% from Q3 2003 and is 33% of Net Revenue (29% in Q3 2003)
- **EPS : 36 cents, up 61% from Q3 2003**

Q3 2004 Profit & Loss (MUSD)

		Q3 2004	Q3 2003	Change	%
Gross Sales		**47,6**	34,5	13,2	38 %
Income sharing & Royalties		**-4,2**	-2,5	-1,6	65 %
Net Operating Revenues		**43,5**	32,0	11,5	36 %
Materials		**0,4**	1,2	-0,8	-67 %
MCS Amortization	**43 %**	**17,9**	13,4	4,4	33 %
Gross Margin		**25,2**	17,3	7,9	46 %
Other operating expenses		**8,7**	7,1	1,6	22 %
Depreciation		**2,3**	1,0	1,3	124 %
Operating Profit (EBIT)	**33 %**	**14,3**	9,2	5,1	55 %
Net Financial items		**-0,9**	-0,3	-0,5	157 %
Pre-tax Profit	**31 %**	**13,4**	8,9	4,5	51 %
Taxes	**33 %**	**4,4**	3,4	1,0	31 %
Net Income	**21 %**	**9,0**	5,5	3,5	63 %
EPS, undiluted		**0,36**	0,22	0,1	61 %
EPS, fully diluted		**0,33**	0,21	0,1	61 %

Q3 Geographical Net Revenue Distribution
- Consolidated



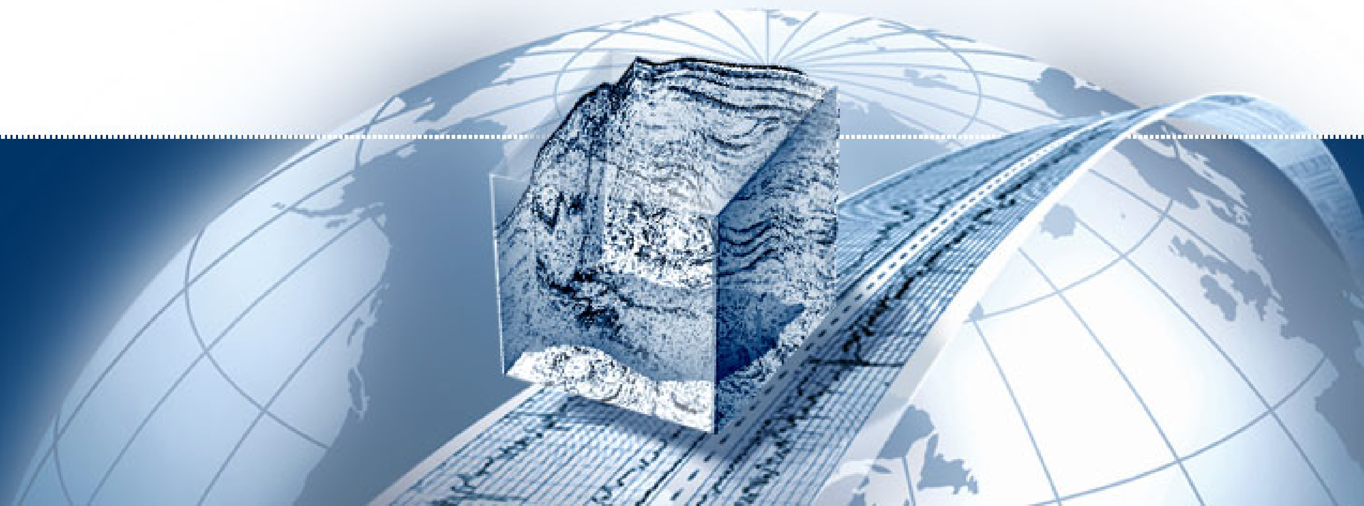
Q3 2004 Cash Flow Statement

Payments From Sales Received	**37.8**
Payments for acquired seismic and well logs	**-18.4**
Operational Cost Paid	**-9.6**
Taxes Paid	**-0.3**
Operational Cash Flow	**9.5**
Investments Fixed Assets	**-1.4**
Investments through Mergers and Acquisitions	**-10.9**
Net Change in Long-term Receivables	**1.0**
Net Change in Loans	**-0.4**
Paid in Equity	**0.4**
Change in Cash Balance	**-1.7**

Year-To-Date Results

Arne Helland

Chief Financial Officer

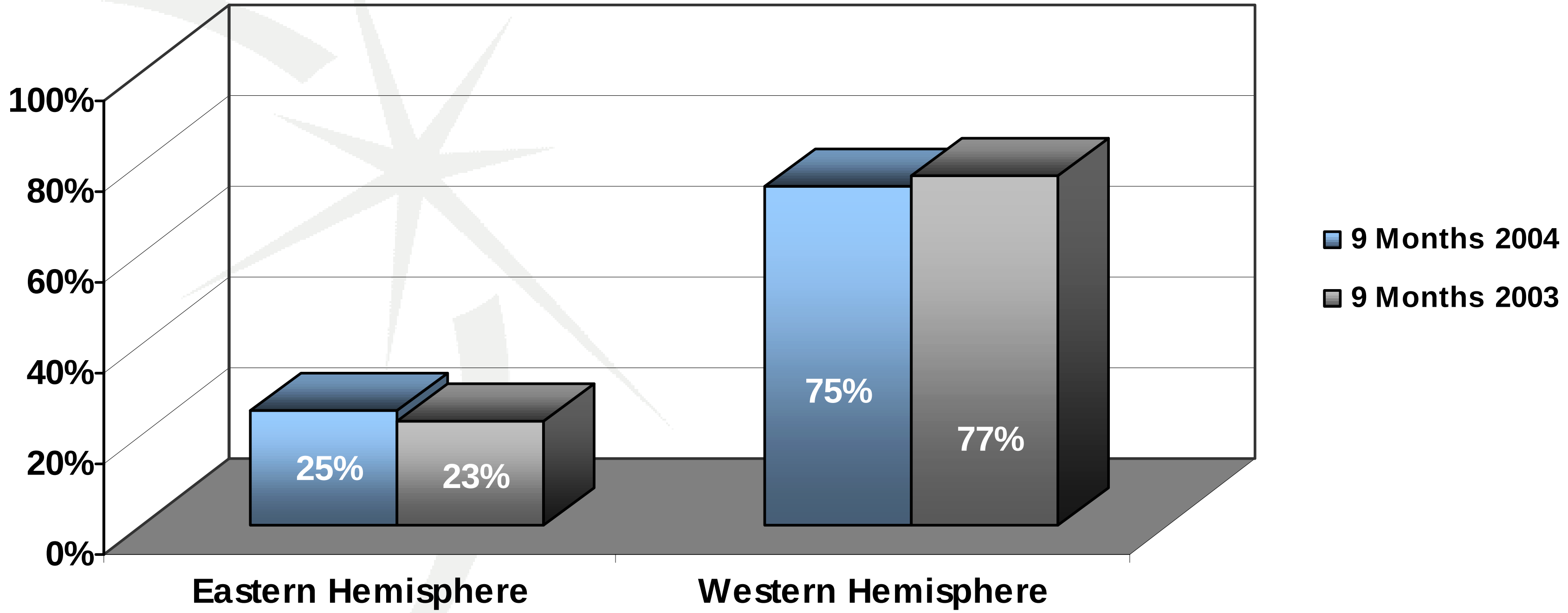


TGS-NOPEC Geophysical Company

YTD 2004 Financial Highlights
- Consolidated

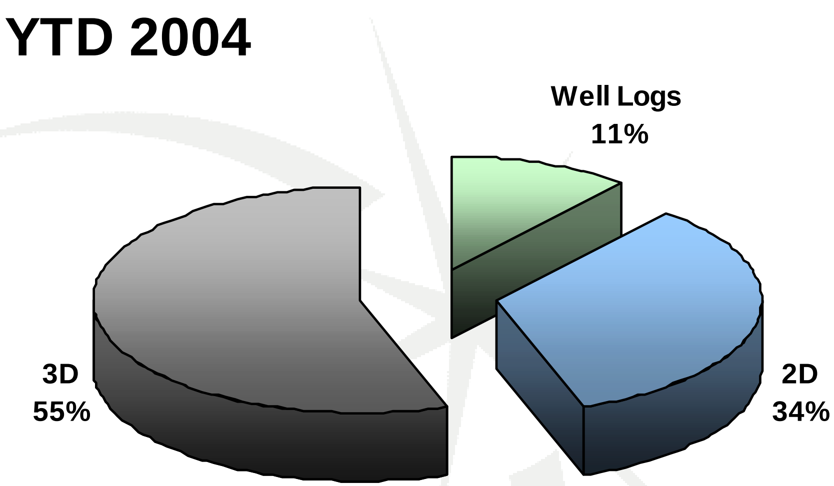
- **Net revenues 113,2 MUSD**
  - 22,3 MUSD (25%) up from YTD 2003
- **Net late sales 74,0 MUSD**
  - Increased 15% from 64,1 MUSD YTD 2003
- **Net EP sales 34,1 MUSD**
  - Funding 46% of operational investments vs. 50% YTD 2003
- **Operational investments up 61% YTD**
  - 73,7 MUSD vs. 45,9 MUSD first 9 months 2003
- **EBIT 33,8 MUSD**
  - 30% of Net Revenues. Increased 5,3 MUSD (18%) from YTD 2003
- **EPS : 88 cents, up 17% from 75 cents per share for 9 months 2003**

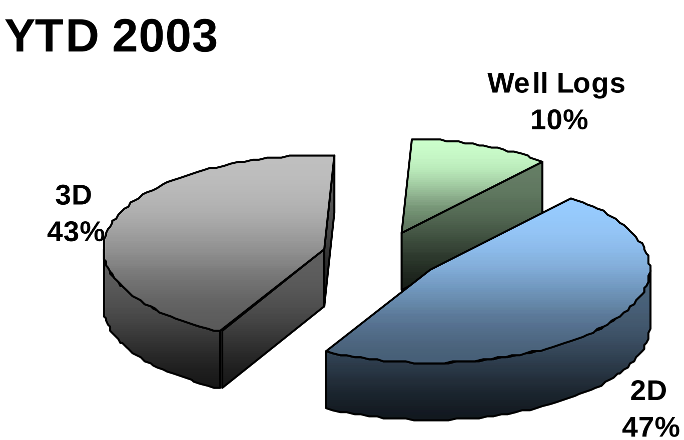
YTD Geographical Net Revenue Distribution
- Consolidated



YTD 2004 Net Revenues

- Per Segment





YTD 2004 Profit & Loss (MUSD)

		9 Months 2004	9 Months 2003	Change	%
Gross Sales		**124.6**	97.9	26.7	27%
Income sharing & Royalties		**-11.4**	-7.1	-4.4	62%
Net Operating Revenues		**113.2**	90.8	22.3	25%
Materials		**2.5**	1.8	0.7	38%
MCS Amortization	**44%**	**47.5**	35.8	11.7	33%
Gross Margin		**63.2**	53.2	10.0	19%
Other operating expenses		**24.9**	21.4	3.5	16%
Depreciation		**4.5**	3.3	1.2	35%
EBIT (Bef Non-recurr. It.)	**30%**	**33.8**	28.5	5.3	18%
Non-recurring items		**0.0**	0.0	0.0	
Operating Profit	**30%**	**33.8**	28.5	5.3	18%
Net Financial items		**-0.8**	-0.4	-0.3	77%
Pre-tax Profit	**29%**	**33.0**	28.1	4.9	18%
Taxes		**10.9**	9.4	1.5	16%
Net Income	**20%**	**22.1**	18.7	3.4	18%
EPS, undiluted		**0.88**	0.75	0.1	17%
EPS, fully diluted		**0.82**	0.71	0.1	17%

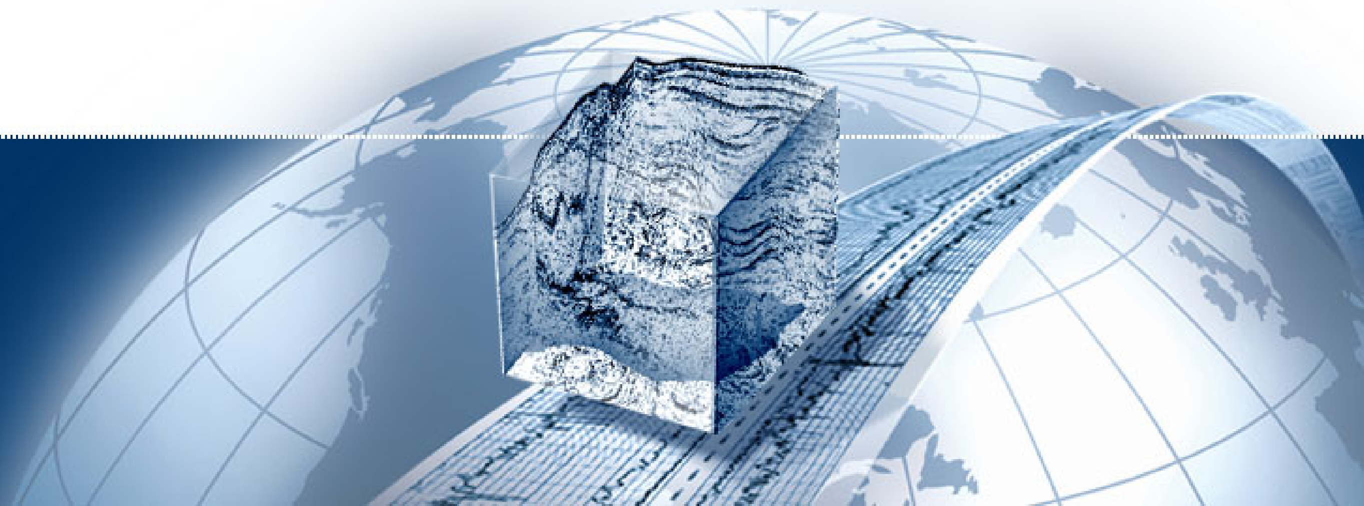
Balance Sheet – Key Figures

	sep.04	%	jun.04	%	des.03	%
Assets						
Cash	**46**	15 %	**47**	16 %	**18**	7 %
Other Current Assets	**71**	23 %	**65**	22 %	**71**	28 %
MC Library	**161**	51 %	**157**	53 %	**133**	53 %
Total Current Assets	**278**	88 %	**269**	91 %	**222**	89 %
Goodwill & Long Receiv.	**23**	7 %	**18**	6 %	**20**	8 %
Fixed Assets	**13**	4 %	**7**	2 %	**8**	3 %
Total Assets	**314**	100 %	**295**	100 %	**250**	100 %
Liabilities						
Short-term debt	**0**	0 %	**0**	0 %	**1**	0 %
Current Liabilities	**33**	10 %	**27**	9 %	**38**	15 %
Long-term Loans	**45**	14 %	**44**	15 %	**7**	3 %
Deferred Tax	**16**	5 %	**13**	4 %	**8**	3 %
Equity	**220**	70 %	**211**	72 %	**196**	78 %

Cash in excess of interest bearing debt 0,3 MUSD

Multi-Client Library

Arne Helland
Chief Financial Officer



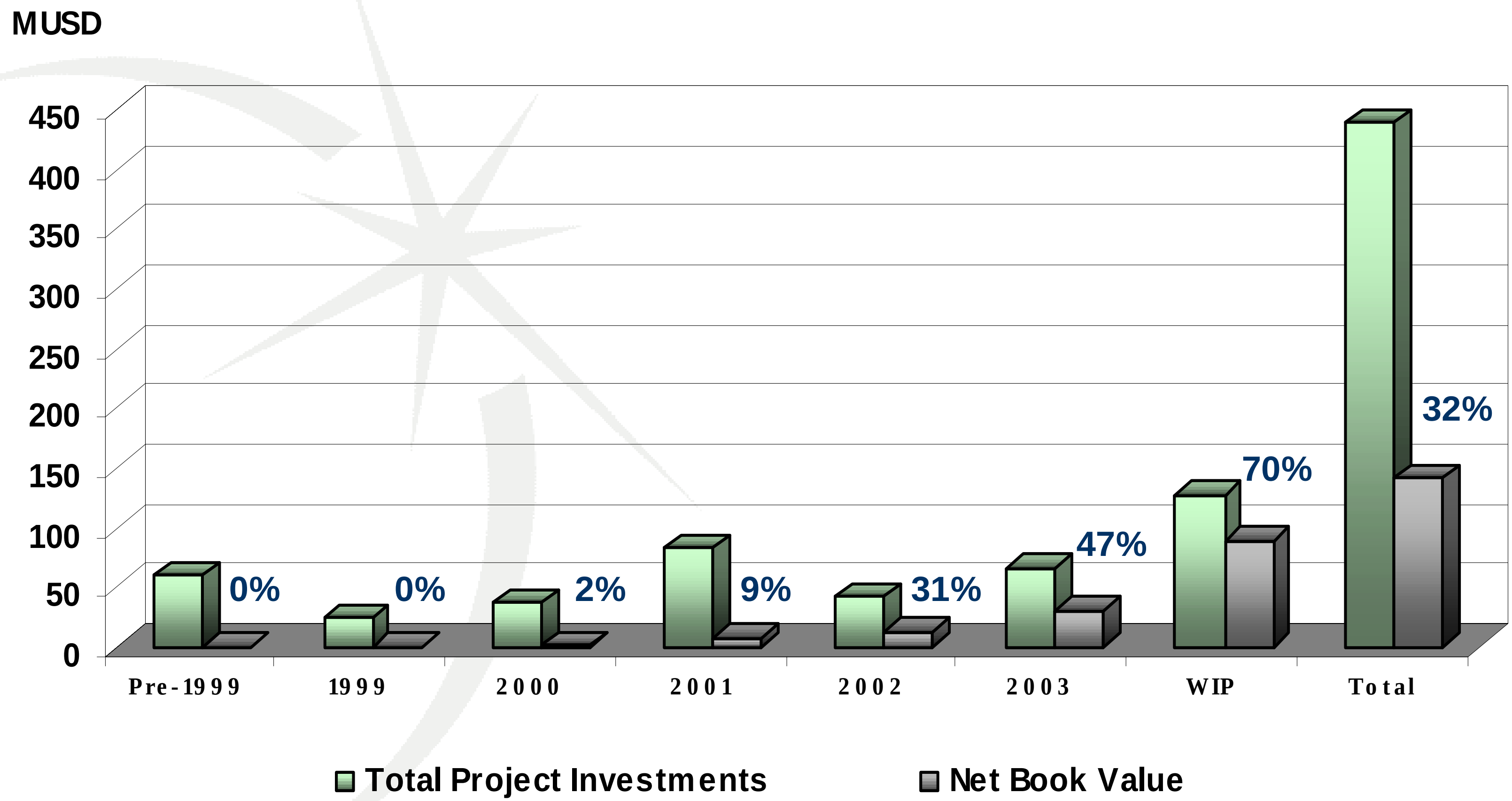
TGS-NOPEC Geophysical Company

MCS Accounting – Matching Principle

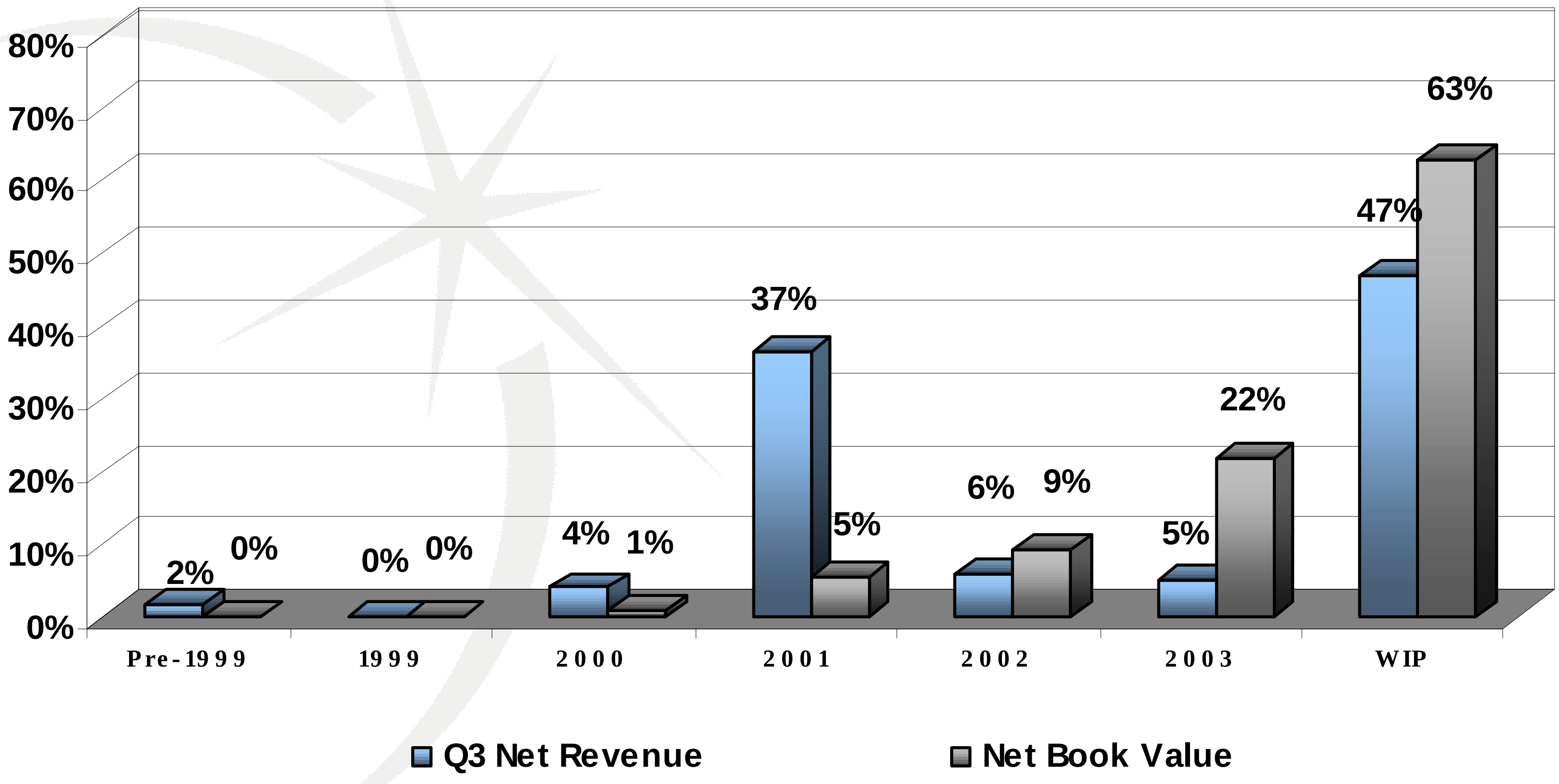
- **Accounting Standards recommend to match Revenues and Costs in time**
- **TGS capitalizes the direct costs of surveys as investments in the Balance Sheet and amortizes them over 5 years (including the first year – WIP) as a function of expected ratio Sales/Investment**
- **If sales are lower than 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 – September 30,2004



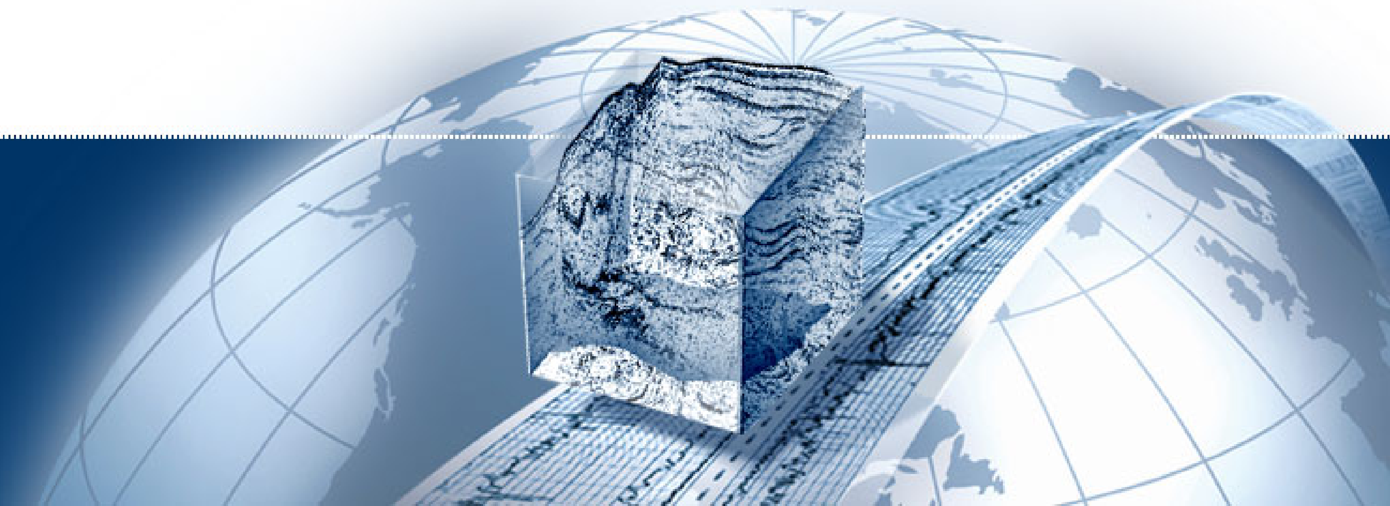
Q3 2004 Multi-Client Revenues & ending NBV
- Seismic Segment



Operations & Outlook

Hank Hamilton

Chief Executive Officer



TGS-NOPEC Geophysical Company

Late Sales in Q3

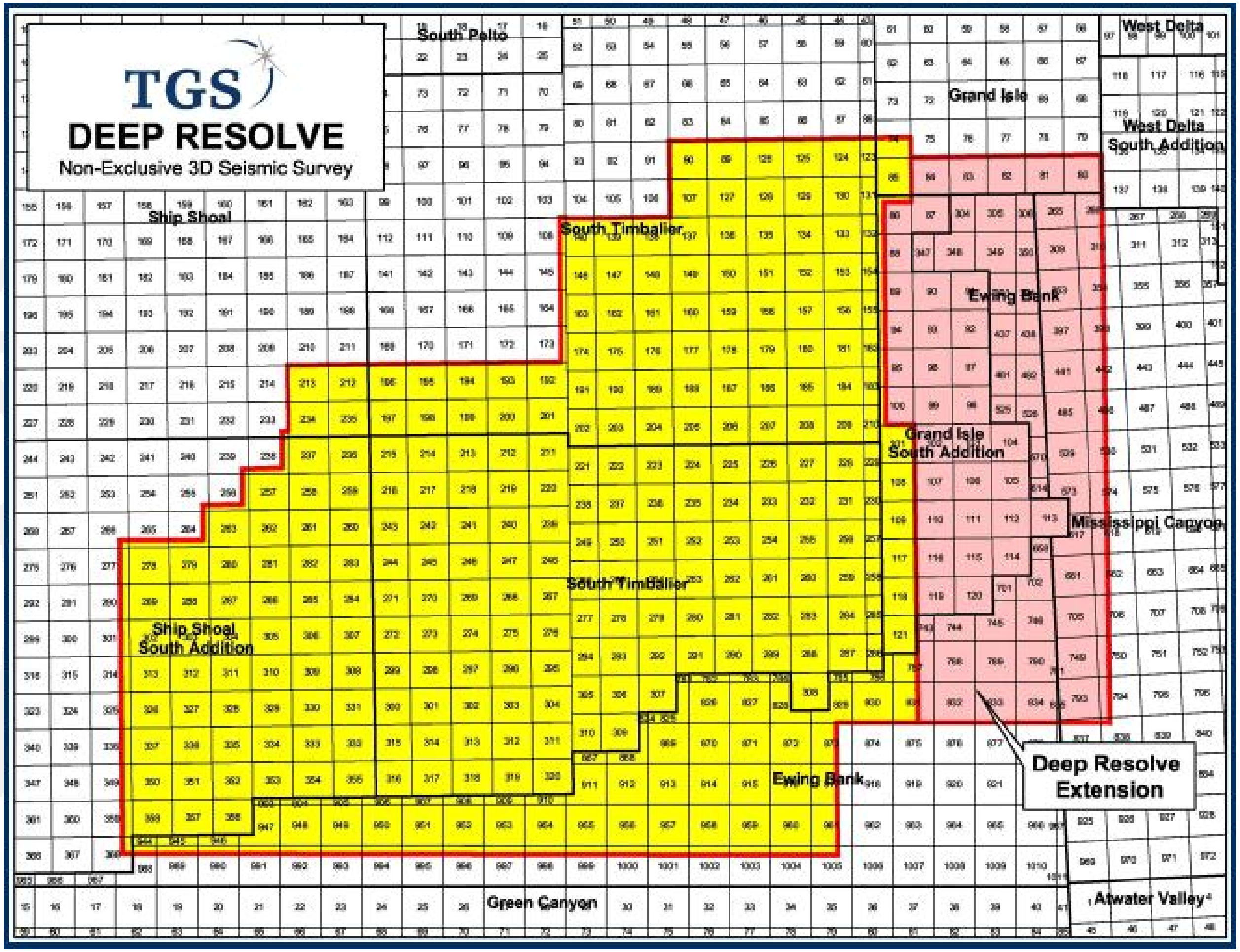
- Improved 3% sequentially and 26% year-over-year
- Accounted for 65% of total net revenues
- Strongest regions: Gulf of Mexico and Europe
- Included a normal distribution of “large-scale” purchase commitments

Operational Highlights

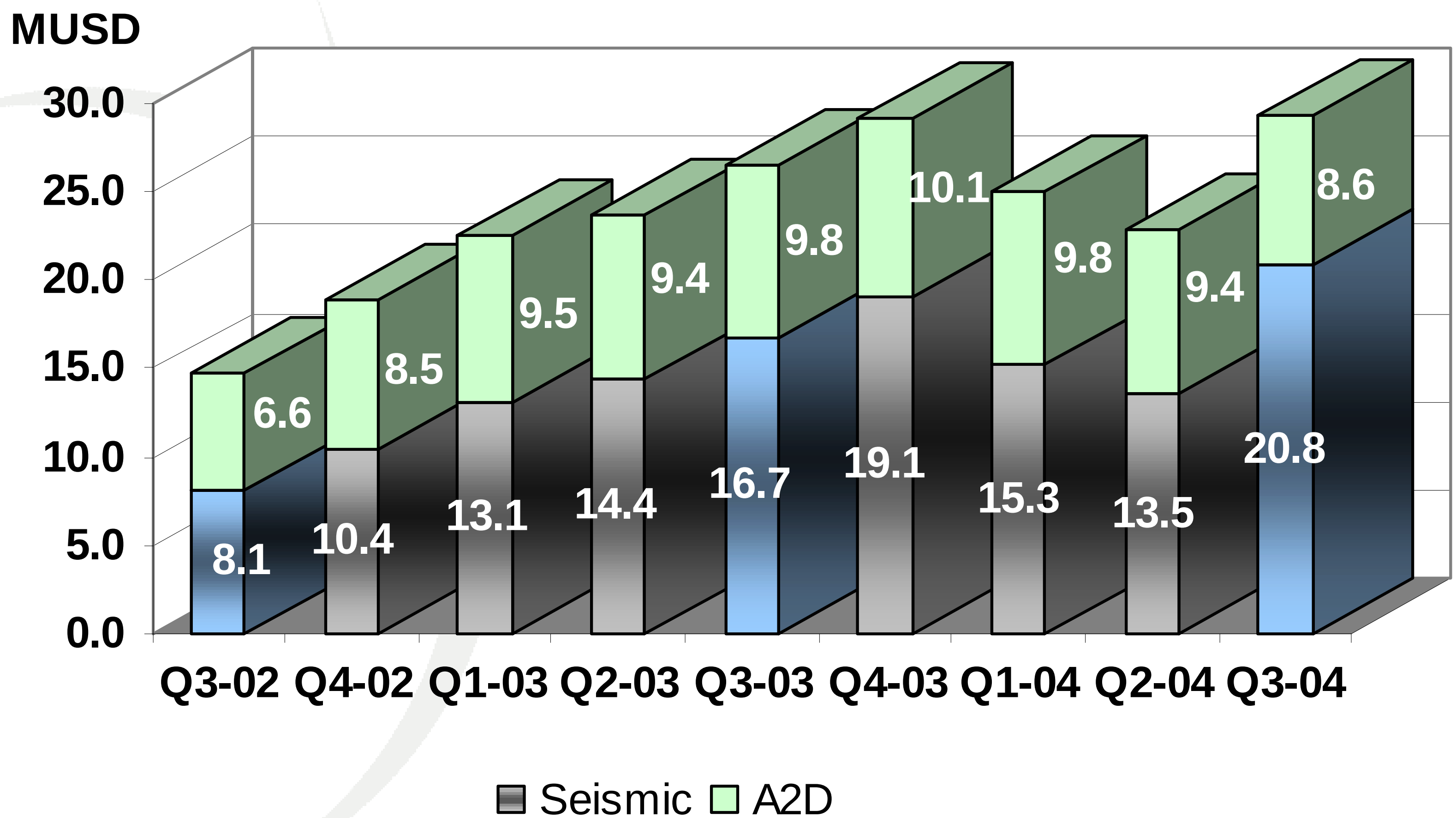
- **Completed acquisition of 3 significant 2D projects:**
  - Russian Sea of Okhotsk – 9,700 kms
  - Circum-Makassar Infill (Indonesia) – 5,000 kms
  - Expansion of North Sea Renaissance – 17,700 kms in summer season
- **Completed cataloging of all Riley US and Divestco Canadian well logs into LogLine+ database**
  - North American library now over 4 million logs from 1.8 million wells
  - ~ 3.1 million digital well log image files currently available
- **Former NuTec assets integrated into TGS Imaging**
  - Throughput capacity increased by 50%
  - Secured additional PSDM backlog
- **Secured pre-funding for expansion of Deep Resolve 3D**

Gulf of Mexico Deep Resolve 3D

- Expanded again to 7,400 sq kms
- Now ~50% larger than originally announced
- Processed results demonstrate better resolution at all depths
- Pre-funding secured for full volume PSDM



Backlog



MUSD
30.0
25.0
20.0
15.0
10.0
5.0
0.0
6.6
8.5
9.5
9.4
9.8
10.1
9.8
9.4
8.6
8.1
10.4
13.1
14.4
16.7
19.1
15.3
13.5
20.8
Q3-02
Q4-02
Q1-03
Q2-03
Q3-03
Q4-03
Q1-04
Q2-04
Q3-04
Seismic
A2D

Outlook & Expectations

- Market conditions continue to improve as customers gain confidence that higher oil prices are here ”for a while”
- Visibility of late sales is still an issue on a quarter-to-quarter basis
- Rate of investment in multi-client library will further slow in Q4 due to seasonal factors. Total 2004 operational investments expected to be slightly above the previously guided USD 75 – 80 million range
- Pre-funding ratio expected to remain within the previously guided range (45 – 55%)
- Operational cash flow expected to continue to be positive for Q4 & the full year 2004
- Continue to forecast full year net revenue growth of 15% exclusive of NuTec contract revenue contribution