TGS

A Quarter Century of Growth

TGS-NOPEC Geophysical Company | 2004 Annual Report

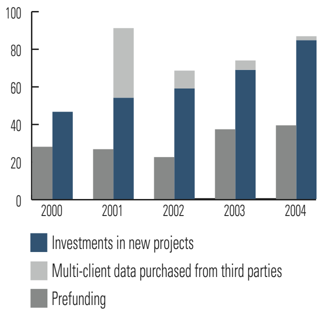
TABLE OF CONTENTS

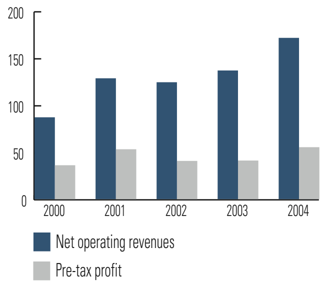
FINANCIAL HIGHLIGHTS

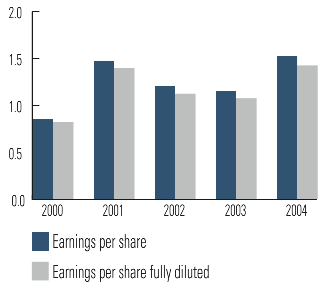
(in millions of USD apart from EPS and ratios)

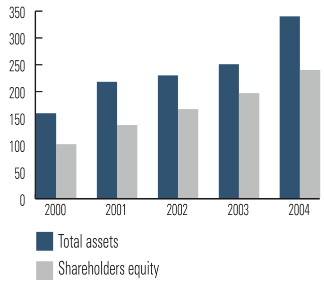
Year	2004	2003	2002	2001	2000
Net operating revenues	171.6	136.9	124.4	128.6	87.1
Operating profit	56.1	42.2	46.3	53.6	36.7
Loss on disposal of vessel			-5.1		
Pre-tax profit	55.3	41.1	40.7	53.1	36.1
Net income	38.1	28.4	29.6	35.9	20.8
EBIT	56.1	42.2	41.2	53.6	36.7
EBIT margin	33%	31%	33%	42%	42%
Net income margin	22%	21%	24%	28%	24%
Return on capital employed	24%	23%	25%	39%	34%
Earnings per share	1.52	1.15	1.20	1.47	0.85
Earnings per share fully diluted	1.42	1.07	1.12	1.39	0.82
Total assets	339.0	249.7	228.8	217.1	158.1
Shareholders equity	239.3	195.9	166.0	136.3	100.4
Equity ratio	71%	78%	73%	63%	64%

Multi-Client Library	2004	2003	2002	2001	2000
Opening net book value	133.2	117.8	98.2	55.5	40.1
Multi-Client data purchased from third parties	2.1	5.0	9.5	37.0	
Investments in new projects	84.5	68.7	58.8	53.9	46.4
Amortization	-70.3	-58.3	-48.7	-48.2	-30.9
Ending net book value	149.5	133.2	117.8	98.2	55.5
Prefunding % on operational investments	46%	54%	38%	49%	60%









LETTER TO THE SHAREHOLDERS

Dear Fellow Shareholder:

During 2004, oil and gas prices remained very strong, and at long last the seismic industry began to experience a meaningful improvement in demand as oil companies funneled more capital into exploration programs designed to organically grow or at least replace their hydrocarbon reserves currently being produced.

As a result of our steady and disciplined historical investment strategy, TGS-NOPEC was well positioned to capitalize on the market upswing, delivering an annual net revenue growth of 25% that far surpassed our published target of 15%. More importantly, we maintained our status as the clear industry leader in total return with a 33% operating profit margin and a 24% return on average capital employed. In the four years since 2000, both our net revenues and our net income have very nearly doubled.

We continued to lay the groundwork for future growth during 2004, increasing our operational investments in new multi-client products by 23% over 2003. And our customers continued to support this effort by supplying 46% pre-funding on our 2004 projects. We remained committed to a balanced portfolio-building approach by diversifying the inventory additions geographically in mature, emerging, and frontier basins as well as by product type, including 2D seismic, 3D seismic, digital well log, and regional interpretation products.

It is our fundamental belief that controlling a unique and high quality library of geoscientific data in the world's most attractive geological basins creates the best opportunity for long-term sustainable profitability in our industry. With this in mind, we purchased substantially all of the assets of NuTec Sciences' Energy Division in the summer of 2004. NuTec's proprietary technology and patented techniques in the rapidly developing field of seismic imaging are critical tools necessary to develop the best new seismic projects, rejuvenate aging seismic data assets, and offer customized data solutions from our library to our clients. In short, this acquisition keeps TGS-NOPEC squarely in the sweet spot of the data business.

As you will read in other sections of this annual report, 2004 marked the 25th year of successful operations for our company. A quarter century of total quality, a quarter century of growth, a quarter century of service, a quarter century of excellence. We are extremely grateful to our customers, our shareholders, and our employees for placing such long-term trust in us. While we strive to be the best in quality, service, and profitability, we realize this means we must be industry leaders in ethical conduct and transparent reporting. Doing business in the right way has been ingrained into our company culture from the very beginning, thanks in no small measure to the integrity and leadership of David Worthington, one of the original founders of TGS who retired from his position as Chairman of TGS-NOPEC in 2004. We are fortunate that Mr. Worthington continues to serve on our Board of Directors, providing insight, guidance, and a large dose of common sense to our direction.

As we enter 2005, we are encouraged by growing energy demand, by renewed focus on exploration for oil and gas, and by our strategically strong position. Yet we know that in the current environment we will be challenged to deliver in many, many ways. We will be challenged to find and secure the resources necessary to grow. We will be challenged to provide better images of subsurface geology. We will be challenged to perform faster and more efficiently. And we have the team to meet those challenges. We thank you for your support, and we cordially invite you to stick with us for the next 25 years.

Henry H. Hamilton III
Chief Executive Officer

Claus Kampmann
Chairman

Left:
Henry H. Hamilton III
Chief Executive Officer

Right:
Claus Kampmann
Chairman

CORPORATE TIMELINE

TGS

1981

Predecessor to TGS formed in US

First TGS 2D seismic program (Phase I) begins in Gulf of Mexico

1989

First TGS International program (Well Tie in Africa)

1990

First TGS 3D seismic program (East Cameron) begins in the Gulf of Mexico

1991

TGS and PGS form Calibre Seismic Company to acquire 3D multi-client surveys in Gulf of Mexico

Acquisition of first TGS Deepwater 3D program - East Breaks in the Gulf of Mexico

NOPEC

1981

First NOPEC 2D seismic program (Central Graben) begins in Norwegian sector of North Sea

Predecessor to NOPEC (Norwegian Petroleum Exploration Consultants) formed in Norway

First multi-client survey offshore Denmark conducted by NOPEC

1982

First NOPEC coast to coast survey between Norway and UK

First NOPEC coast to coast survey between UK and the Netherlands

1984

NOPEC opens an office in UK - Wimbledon

1986

NOPEC acquires first multi-client survey offshore Germany

1991

NOPEC acquired by PGS

1992

NOPEC opens an office in Australia - Perth

1993

First NOPEC International program in Namibia Q1

First NOPEC 3D seismic program begins in Norway (Q15)

1994

First NOPEC survey in Australia

1996

TGS begins shooting Phase 45 (World's largest 2D program) in deepwater Gulf of Mexico

PGS sells NOPEC to Norex Group

1997

First Eastern Gulf of Mexico 2D Program (Phase 46) begun by TGS

NOPEC becomes listed on the Oslo Stock Exchange

1998

Acquisition of Bedford Interactive Processing (BIPS) for 1.7 million GBP in cash and stock

TGSN shoots its first 2D seismic program in Russia (Sea of Okhotsk)

TGS and NOPEC merge

1999

TGSN first added to OBX on the OSE (top 25 most traded companies on OSE)

TGSN begins its first seismic program in Greenland

TGS begins acquisition of world's largest multi-client 2D project - Brazil

2000

TGSN receives Stockman Prize for the best investor relations performance among small companies on the OSE

TGSN conducts its first 3D pre-stack depth migration multi-client project

2001

Acquisition of Symtronix Corporation for $750,000 USD in cash and stock

TGSN acquires full ownership of eight 3D surveys previously held jointly with a partner for undisclosed cash and swap of interests in 4 other 3D surveys

TGSN acquires full ownership of Mississippi Canyon-3D survey and 435,000 kms of 2D data for $32 million USD from partners

TGSN revenues surpass $100 million USD

2002

Acquisition of A2D Technologies for $22 million USD in cash and stock

2003

TGSN begins reporting financial results in USD

Acquisition of Riley Electric Log, Inc. and perpetual license to other well log assets for $9 million USD

2004

Acquisition of NuTec Energy assets for $11.25 million USD in cash

YESTERDAY

In the spring of 1981, a small vessel, called the M/V Emerald, slowly maneuvered to a pre-designated location in the North Sea, southwest of Norway. On the fringe of the central Graben area, a 3,000-meter streamer slowly uncoiled behind the Emerald. Onboard, a crew of technicians, specialists, and geoscientists made preparations to begin the task at hand. With the vessel in position and the crew at the ready, the Emerald fired her airgun arrays and milliseconds later collected the first traces of the 2,011-kilometer seismic program. With that act, the “NOPEC” part of what would become TGS-NOPEC Geophysical began its voyage to a quarter century of growth and prosperity.

At about the same time in 1981, the predecessor to what would become the “TGS” part of TGS-NOPEC shot its first seismic survey, a 16,000-kilometer program in the Gulf of Mexico with the M/V Alpha.

On both sides of the Atlantic, the companies were simultaneously (and without the knowledge of each other) pioneering a new business model for seismic companies. Both strategically decided to focus on the acquisition and marketing of multi-client seismic surveys. Multi-client, or “spec,” seismic data had been acquired by other seismic companies before TGS or NOPEC, but in those cases the spec seismic was generally shot when the seismic company’s crews did not have any contract work to do. This often led to inferior quality seismic surveys and a poor reputation for spec data. The goal of the founders of TGS and NOPEC was to shoot data with the same high standards demanded by the oil companies for their own contract surveys. They believed that raising the quality standards would create a longer and more viable sales life for the surveys. In the Gulf of Mexico, the pure multi-client business was aided by the decision of the Minerals Management Service to go forward with area-wide lease sales beginning in 1983. The area-wide lease sales encouraged E&P companies to explore across large geographic regions, and this enhanced the attractiveness of the regional multi-client surveys being acquired by TGS. The generally soft energy market conditions and low E&P budgets that became commonplace in the mid-to-late 1980’s made the multi-client concept even more compelling. Oil companies could effectively stretch their exploration budgets by licensing high quality data at a substantial discount to the cost of shooting their own proprietary data.

Over the years, both predecessors of TGS-NOPEC grew to establish substantial databases of 2D and 3D seismic as well as related interpretation products. Both developed a reputation for quality multi-client seismic data in their respective markets. During the late 1980’s and early-mid 1990’s, each company experimented with surveys outside their core regions but both were generally too small to compete effectively outside their niche area. However, all that was to change in 1998 when the leaders of TGS and NOPEC developed a strategic plan to create a global multi-client seismic company by merging the two entities.

FROM THE BOARD

TGS-NOPEC Geophysical Company ASA (TGS) is a leading player in the global non-exclusive geoscientific data market, with ongoing operations in North and South America, Europe, Africa, Asia, and Australia. The Company's marketed seismic library contains approximately 2 million line kilometers of 2D data and approximately 72,000 square kilometers of 3D data. Its library of digital well logs consists of about 3.2 million log images from approximately 1.3 million wells. The Parent Company is located in Naersnes, Norway, and the main subsidiary in Houston, Texas, U.S.A. All financial statements in this report are presented on the basis of a "going concern" valuation, and the Board of Directors confirms that it is of the opinion that the prerequisites for such a valuation are indeed present. To the best of the Directors' knowledge, no subsequent events have occurred since December 31, 2004, that would alter the accounts as presented for 2004.

Results from Operations

For the full year, TGS-NOPEC's net revenues increased 25% from the previous year. Demand for seismic and digital well log data improved steadily throughout the course of the year, resulting in Company-record net revenues for the fourth quarter and the full year of 2004.

Throughout the year, TGS-NOPEC continued its determined strategy to plan, develop, and invest in discretionary, well-placed seismic surveys designed to complement its customers' exploration and development programs. Including data libraries purchased in M&A transactions, investments in the multi-client data library increased by 17% compared to 2003.

In July 2004, the Company acquired substantially all of the energy division assets of NuTec Sciences, Inc for a total cash consideration of approximately USD 11.25 million. The acquisition provided TGS-NOPEC with leading edge seismic data processing capabilities including proprietary technology for pre-stack depth imaging. These resources enable TGS-NOPEC to enhance the value of its vast seismic database and to provide proprietary imaging services to oil and gas companies. The acquisition also provided TGS-NOPEC with ownership of NuTec's PRIMA™ software, a fully integrated seismic data processing and multi-volume visualization tool. The visualization module is a commercial application that is currently licensed to over 50 oil and gas companies.

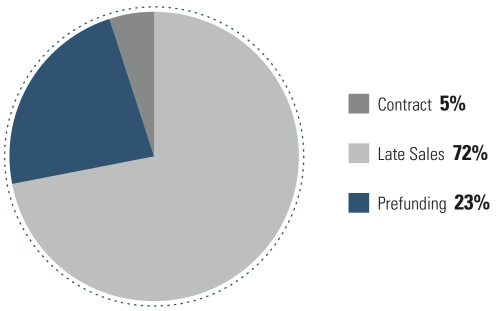
The Board is very pleased with the annual operational results. TGS-NOPEC continued to outperform its competitors in key measures impacting shareholder value including:

- Ratio of annual multi-client net revenues to average net book value of library: 1.15
- Operating Profit (EBIT) margin: 33%
- Return on Average Capital Employed (ROCE): 24%
- Interest-bearing debt: 13% of the Balance Sheet
- Shareholders Equity: 71% of the Balance Sheet

Segment Information

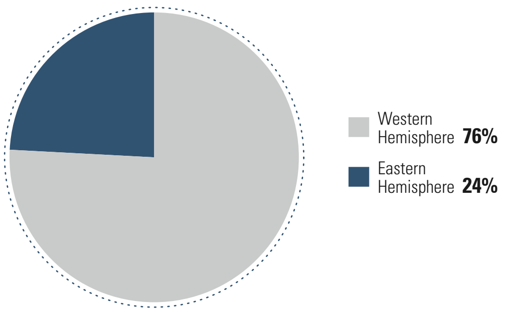
The Company's main business is developing, managing, and selling non-exclusive (or multi-client) geoscientific data. This activity accounted for 95% of the Company's business during the year 2004. Customer pre-funding of new projects reduces the Company's exposure, while late sales from the Company's library of data provide the bulk of its revenue stream. Net late sales increased 30% compared to 2003 and totaled USD 123.9 million, while pre-funding on new projects was 46% of the operational investments in multi-client data compared to 54% in 2003.

Net Revenues 2004



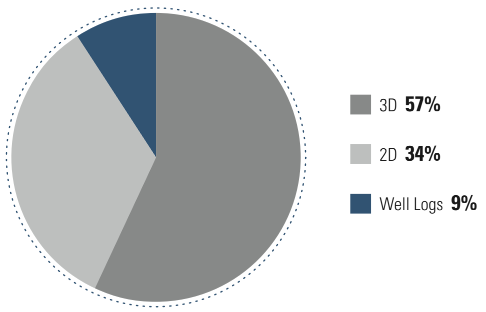
In North and South America, the Company's largest geographic market, net revenues grew 32% over 2003. In the Eastern Hemisphere, net revenues grew by 9%.

Net Revenues 2004



TGS-NOPEC continued to generate multi-client revenues from a well-balanced mix of 2D and 3D seismic projects. Well log revenues grew 30% compared to 2003 largely as a result of the well log inventory acquired in the purchase of Riley Electric Log, Inc in December 2003.

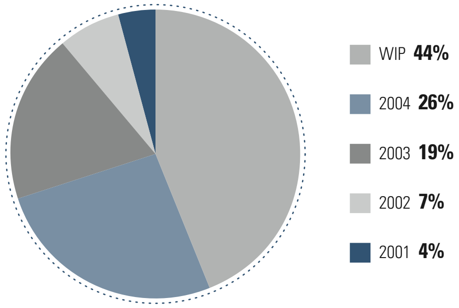
Net Multi-Client Revenues 2004



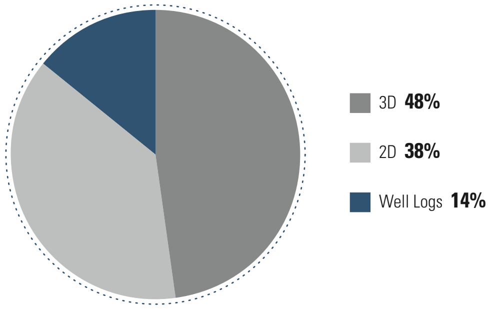
The Multi-Client Library

The Company's library of multi-client seismic and well log data is its largest single financial asset, with a net book value representing 44% of the total assets in the balance sheet. The seismic data, representing approximately 86% of the library's net book value, is amortized on a project-by-project basis as a function of sales. Minimum amortization criteria are applied if sales do not match expectations so that each project is fully amortized within a four-year period following its completion. Because of the Company's strong track record in delivering sales, the library has been amortized much faster than required by the minimum criteria. As a result, current net book value of the library is heavily weighted towards the newest, most modern projects. The well log data is depreciated on a straight-line basis over 7 years.

Net Book Value of Seismic Library by Year



Net Book Value of Library by Data Type



Vessel Commitments

The Company secures all seismic acquisition capacity from external providers and currently has the following long-term commitments:

The M/V Polar Search (3D) – (full operation charter expiring in September 2005)

Unspecified 12 vessel-months per year (2D) – (full operation hire from SMNG expiring end of 2005 with two optional 12-month extension periods)

The M/V Northern Explorer (2D) – (full operation charter for 18 months, starting May 1, 2005)

Organization and Staff

As of December 31, 2004, the Company had 294 employees in the USA, 28 employees in Norway, 22 employees in the UK, and 8 employees in Australia totaling 352 employees. The average number of employees during 2004 was 347.

The Company is organized with emphasis on regional responsibility through local management teams. The CEO and the corporate marketing function are based in Houston, while the CFO and corporate finance organization are located in Norway.

The Board considers the working environment in the Company to be excellent. The Board and management believe that employees of diversified gender, race, and nationality are treated equally within the Company, and have not seen it necessary to take special measures regarding this issue.

Investments, Capital and Financing

The Company is listed on the Main List on the Oslo Stock Exchange. No new equity was raised in the market during 2004. The Board does not anticipate any new equity issues during 2005, apart from issues of stock options to employees, unless to finance an acquisition of another company or a major business opportunity.

On April 28, 2004, the Company announced that it had successfully completed an offering of a five-year senior bond issue. The loan amount is limited to NOK 500 million, of which a first tranche of NOK 300 million was drawn on May 5 and swapped into USD 43.7 million. The bonds mature on May 5, 2009, and will bear interest on a per annum rate adjusted quarterly equaling 3 month LIBOR plus 2.085%. The bonds are listed on the Oslo Stock Exchange. The bond issue adds a new source of capital for TGS-NOPEC and strengthens its financial flexibility.

The Company repaid the balance of its previous USD 4.2 million term loan in May and elected to replace its USD 15.0 million revolving credit and USD 4.5 million overdraft facilities with a new bank overdraft facility of USD 10.0 million in December 2004. The new facility was undrawn as of December 31, 2004.

During 2004, the Company invested USD 86.6 million in its multi-client library and recorded USD 5.1 million in additional capital expenditures. Because of the extremely cyclical nature of the oil services industry, TGS-NOPEC's Board of Directors remains convinced that the Company's unique business model, a strong balance sheet and a strong cash position, are essential to its financial health and future growth. With this in mind, the Board will continue to carefully evaluate investment opportunities for growth. In addition, the Board may consider using cash reserves to repurchase its shares or bonds during 2005. The Board does not propose to issue a dividend for 2004. As of December 31, 2004, the Parent Company's free Equity was NOK 261 327 000.

Application of Profit

The Group profit of USD 38,077,000 is allocated to Other Equity. It is proposed that the Parent Company's net income be applied as follows:

Allocated to Other Equity	NOK 46 593 000
Total	NOK 46 593 000

Health, Safety and Environmental Issues

The Company interacts with the external environment through the collection of seismic data and operation of vessels. The Company continues to work actively on measures to minimize any impact on the environment and to keep operations within the limits of all appropriate regulations and public orders. No personnel injuries were registered during 2004, and absence due to sickness was less than 2% of the total work hours.

IFRS

TGS-NOPEC will begin reporting under the new International Financial Reporting Standard, IFRS, for Q1 2005. Under IFRS, the costs of stock options are to be expensed in the Profit and Loss statement. Intangible assets will no longer be depreciated, but be subject to an annual impairment test. Further information on IFRS is provided in the Notes to the Financial Statements.

Corporate Governance

After publishing the Code of Conduct during 2003, the Board adopted and implemented a formal compliance program in 2004. In addition, the Board developed and approved a new Rules of Procedure, designed to define the duties, tasks, and responsibilities of the Board as well as the Managing Director's duties to the Board.

Board Structure

The following committees, composed of the Company's independent directors, are established on the Board to monitor and guide certain activities:

Audit Committee	Compensation Committee
Rabbe Lund*	David W. Worthington*
Nils B. Gulnes	Nils B. Gulnes
Arne-K. Maeland	Claus Kampmann
	Rabbe Lund

Nominating & Corporate Governance Committee
Arne-K. Maeland*
David W. Worthington
Nils B. Gulnes

(*) – Designates Committee Chair

Outlook for 2005

The Board makes the following observations regarding the outlook for 2005:

- Oil companies continue to enjoy the benefits of robust oil and gas prices and plan to increase total exploration and production spending in 2005. Industry analysts predict between 6% and 15% spending growth. TGS-NOPEC management anticipates a similar growth rate in pure exploration spending.
- Seismic contractors are experiencing improved demand and the market for seismic vessels is tightening. Vessel contract rates in general have increased 10-20% from the "trough" levels in 2002 and 2003. TGS expects to pass these cost increases through to its customers on new projects.
- The Company plans to invest USD 80 – 90 million in its multi-client data library during 2005, roughly flat with 2004 investments of USD 86.6 million. TGS-NOPEC expects its average pre-funding to remain in the range of 45-55% of investments and its average annualized multi-client amortization rate to remain in the range of 42-47% of net revenues.
- Management forecasts an approximate 20% increase in net revenues for the full year 2005.

Houston, Texas, March 15, 2005.

Henry H. Hamilton III
CEO / Director

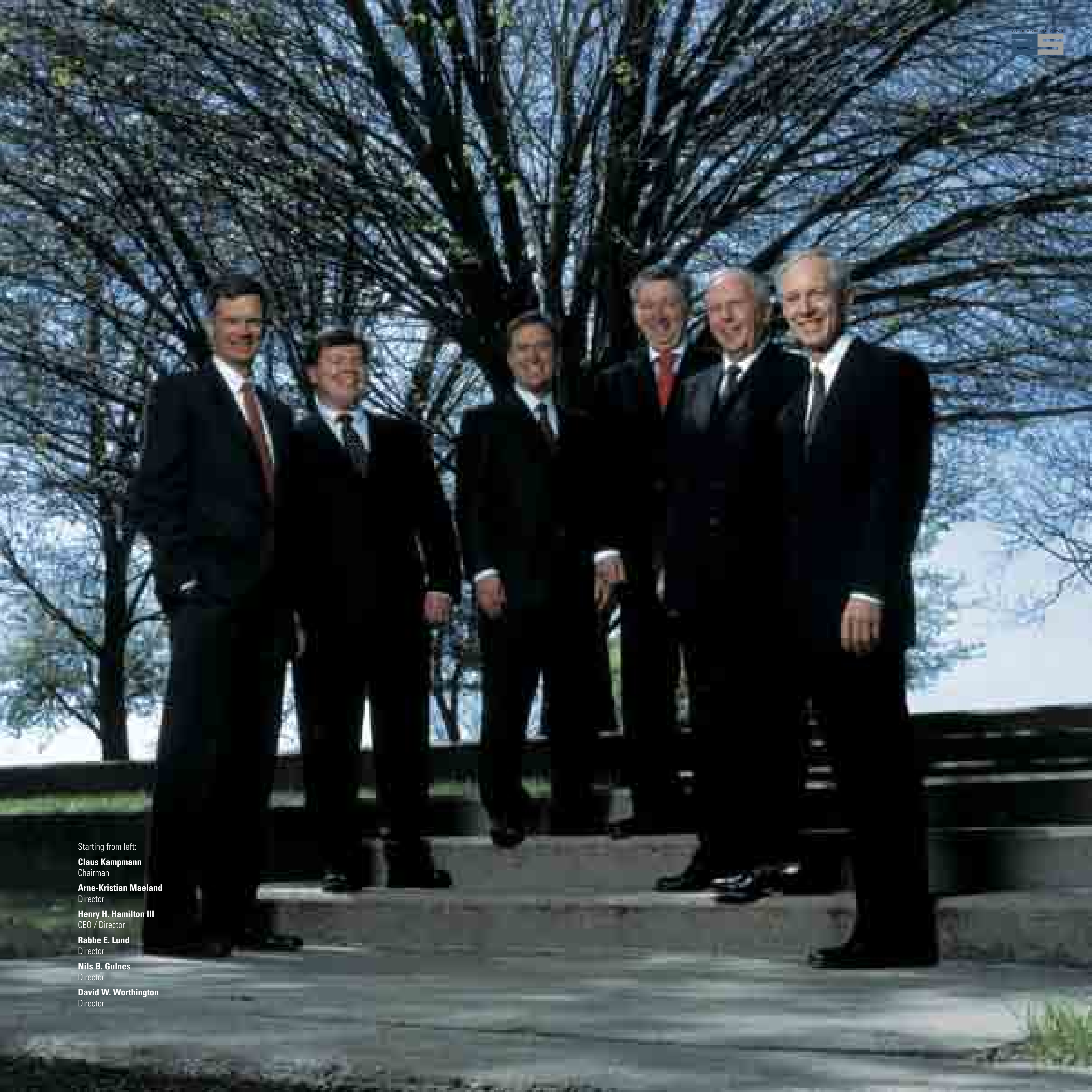
Claus Kampmann
Chairman

Arne-Kristian Maeland
Director

David W. Worthington
Director

Nils B. Gulnes
Director

Rabbe E. Lund
Director



Starting from left:

Claus Kampmann
Chairman

Arne-Kristian Maeland
Director

Henry H. Hamilton III
CEO / Director

Rabbe E. Lund
Director

Nils B. Gulnes
Director

David W. Worthington
Director

GROUP FINANCIALS

PROFIT AND LOSS | TGS-NOPEC GROUP

(All amounts in USD 1000's unless noted otherwise)

	Note	2004	2003	2002
Sales	10,11	**190,320**	152,345	132,099
Revenue Sharing		**-18,687**	-15,433	-7,665
Net operating Revenues		171,633	136,912	124,434
Materials		**3,999**	2,577	2,986
Amortization		**70,330**	58,320	48,707
Personnel Costs	13	**24,609**	19,614	14,968
Depreciation	3	**5,050**	4,298	3,560
Other Operating Expenses	6	**11,566**	9,946	7,954
Loss on Vessels				5,102
Operating Profit		56,079	42,157	41,157
Financial Income	14	**795**	233	723
Financial Expenses	14	**-1,602**	-1,312	-1,142
Profit before Taxes		55,272	41,078	40,738
Taxes	15	**17,195**	12,684	11,114
Net Income		38,077	28,393	29,624
Earnings per Share	8	**1.52**	1.15	1.20
Earnings per Share, diluted	8	**1.42**	1.07	1.12
Profit (loss) for the Year is allocated as follows:				
To Other Equity	7	**38,077**	28,393	29,624
Total Allocated		38,077	28,393	29,624

BALANCE SHEET | TGS-NOPEC GROUP

as of December 31, 2004

(All amounts in USD 1000's unless noted otherwise)

Assets, Equity and Liabilities	Note	2004	2003
Fixed Assets			
Intangible Fixed Assets			
Goodwill	3,4	20,175	16,166
Total Intangible Fixed Assets		20,175	16,166
Tangible Fixed Assets			
Land, Buildings and Other Property	3,4	3,719	3,917
Machinery and Equipment	3,4,6	9,868	3,991
Total Tangible Fixed Assets		13,587	7,908
Financial Fixed Assets			
Long Term Receivables and Prepayments	2	1,980	4,000
Total Financial Fixed Assets		1,980	4,000
Total Fixed Assets		35,742	28,074
Current Assets			
Multi-Client Library		149,474	133,237
Receivables			
Accounts Receivable	2	87,159	66,288
Other Receivables	2	4,240	4,396
Total Receivables		91,399	70,684
Cash and Cash Equivalents	1	62,381	17,724
Total Current Assets		303,254	221,645
Total Assets		338,996	249,719
Equity			
Paid-in Capital			
Share Capital	7,8,12	3,633	3,556
Share Premium Reserve	7	29,760	21,408
Total Paid-in Capital		33,393	24,964
Retained Earnings			
Other Equity	7	205,862	170,951
Total Retained Earnings		205,862	170,951
Total Equity		239,255	195,914
Liabilities			
Provisions			
Deferred Tax	15	9,023	7,692
Total Provisions		9,023	7,692
Other Long-Term Liabilities			
Debt to Financial Institutions	5	43,760	6,430
Capitalized Lease Liabilities		1,757	416
Total Long-Term Liabilities		45,517	6,846
Current Liabilities			
Bank Overdraft and Short-Term Loans	5	95	861
Accounts Payable		22,716	28,975
Taxes Payable	15	12,425	2,600
Other Short-Term Liabilities		9,965	6,831
Total Current Liabilities		45,201	39,267
Total Liabilities		99,741	53,805
Total Equity and Liabilities		338,996	249,719

Henry H. Hamilton III
CEO / Director

Claus Kampmann
Chairman

Arne-Kristian Maeland
Director

David W. Worthington
Director

Nils B. Gulnes
Director

Rabbe E. Lund
Director

CASH FLOW | TGS-NOPEC GROUP

(All amounts in USD 1000's unless noted otherwise)

	2004	2003	2002
Cash flow from operating activities			
Received payments from sales	151,037	129,191	123,364
Payments for purchased seismic and services	-88,452	-66,134	-91,845
Payments for salaries, pensions, social security tax	-24,609	-19,614	-14,968
Other operational costs	-12,397	-10,116	-7,954
Received interest and other financial income	1,407	233	723
Interest payments and other financial cost	-2,214	-506	-901
Taxes paid	-8,901	-14,859	-15,771
Payments from other operating activities and currency exchange differences			4,965
Net cash flow from operating activities 1)	15,871	18,195	-2,387
Cash flow from investing activities			
Investment in tangible assets including currency adjustments	-1,853	-1,400	
Investments through mergers and acquisitions	-13,504	-6,492	-14,500
Long term receivables	2,020	2,000	993
Net cash flow from investing activities	-13,336	-5,892	-13,507
Cash flow from financing activities			
Net change in short-term loans	-765	-6,536	6,500
New long term loans	43,732		
Repayment of long-term loans	-6,579	-6,529	-2,948
Paid-in-equity	5,733	408	215
Net cash flow from financing activities	42,122	-12,657	3,767
Net change in cash and cash equivalents	44,657	-354	-12,127
Cash and cash equivalents at the beginning of the period	17,724	18,078	30,205
Cash and cash equivalents at the end of the period	62,381	17,724	18,078

1) Reconciliation			
Profit before taxes	55,272	41,078	40,738
Depreciation	5,053	4,298	3,560
Loss on Vessels			5,102
Disposals at cost price		219	
Changes in inventory	-13,555	-12,248	-19,582
Changes in accounts receivables	-20,752	-8,183	-488
Changes in other receivables	156	462	-582
Changes in accounts payables	-6,259	13,979	-28,524
Changes in other balance sheet items	4,858	-6,551	13,160
Paid tax	-8,901	-14,859	-15,771
Net cash flow from operating activities	15,871	18,195	-2,387

GENERAL ACCOUNTING POLICIES

Reporting Currency

TGS-NOPEC started to report its consolidated financial reports in USD as from Q1 2003. Nearly 100% of the Group's revenues and the majority of the costs are in USD, meaning that USD is the Company's functional currency. TGS-NOPEC has converted the Consolidated Financial Statements for the year 2002 from NOK to USD as presented in this report for comparison purposes with the years 2003 and 2004. The conversion of the Financial Statements of the Parent Company and the other non-US entities for the year 2002 was done in accordance with the Recommendation made by Norwegian Accounting Standards in 2000 and in the following way:

1. Current assets (Multi-client library excepted) and all liabilities at Balance Sheet Dates have been translated into USD applying Balance Sheet Date exchange rates.
2. The Multi-client library and fixed assets have been converted to USD applying the historic exchange rates at the time of investment.
3. The quarterly average exchange rates between the USD/local currency have been applied for the P&L transactions.

The Parent Company continues to report in NOK to Norwegian Authorities, and the Financial Statements of the Parent Company in NOK are presented separately in this Annual Report.

The Parent Company's accounts are consolidated at each Balance Sheet date according to the above items 1 through 3 in USD.

General Accounting Policies

The financial statements are presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act, and Norwegian generally accepted accounting principles (NGAAP) in effect as of December 31, 2004, and consist of the Profit and Loss account, the Balance Sheet, the Cash Flow Statement, and Notes to the accounts. The required specification of the Balance Sheet and the Profit and Loss account is provided in the Notes to the accounts, thus making the notes an integral part of the financial statements.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting: comparability, continued operations, congruence, and prudence. Transactions are recorded at their value at the time of the transaction. Revenue is recognized when it is earned. Costs are expensed in the same period as the revenue to which they relate. Costs that cannot be directly related to revenue generation are expensed as incurred. Hedging and portfolio management are taken into account. The further accounting principles are commented upon below.

In cases where actual figures are not available at the time of the closing of the accounts, NGAAP require management to make estimates and assumptions that affect the Profit and Loss account as well as the Balance Sheet. The actual outcome may differ from these estimates.

Principles of Consolidation

Companies Consolidated

The consolidated financial statements include subsidiaries in which the Parent Company and its subsidiaries directly or indirectly have a controlling interest. A subsidiary is defined as an entity where the Parent Company directly or indirectly has a long-term, strategic ownership of more than 50 percent and a decisive vote. The statements show the Group's financial status, the result of the year's activity, and cash flows as one financial entity. Short-term investments, which form part of a trading portfolio, i.e., which are bought and sold on a continuous basis, are not consolidated. All the consolidated companies have applied the same accounting principles. Acquired subsidiaries are consolidated in the financial statements from the effective date TGS-NOPEC obtains a controlling interest. Subsidiaries sold are consolidated in the financial statements until the effective date of the sale agreement.

Successive share purchases in subsidiaries are consolidated using the fair value of the subsidiary's assets and debt from the time at which TGS-NOPEC obtains a controlling interest. Further acquisitions of ownership will not change the assessment of assets and debt in the consolidation; however, each transaction is treated separately for the purpose of determining goodwill to be recognized on that transaction.

Elimination of Shares in Subsidiaries

Acquisitions are accounted for using the purchase method. The excess of purchase price over the book value of the net assets is analysed and allocated to the respective assets according to the fair value. Any excess of the purchase price over the fair value of the net assets acquired is recorded as goodwill and amortized on a straight-line basis over its estimated useful life.

Elimination of Intercompany Transactions

All material intercompany accounts and transactions have been eliminated in the consolidation.

Subsidiaries with functional currency other than USD

The Balance Sheets of subsidiaries with functional currency other than USD are translated into USD using the year-end exchange rate. The Income Statement items are translated at the average exchange rate for each quarter of the year. Exchange rate differences arising from the translation of financial statements of such subsidiaries are recorded as a separate component of shareholders' equity. Variations from period to period in non USD balance sheet items due to movements of the exchange rate are charged to the P&L statement under "Financial Items."

The Group consists of:

TGS-NOPEC Geophysical Company ASA
– Parent company

TGS-NOPEC Invest AS (Norway)
– (subsidiary - 100 %)

Datman AS (Norway)
– (subsidiary - 100 %)

Nærsnes Eiendom AS (Norway)
– (subsidiary - 100 %)

ANS Baarsrudveien 2 (Norway)
– (subsidiary - 100 %)

TGS-NOPEC Geophysical Company (U.S.A.)
– (subsidiary - 100 %)

Symtronix Corporation (U.S.A.)
– (subsidiary - 100%)

A2D Technologies (U.S.A.)
– (100% owned by TGS-NOPEC Geophysical Company (U.S.A.)

Riley Electric Log Inc.
– (100% owned by A2D Technologies (U.S.A.)

TGS-NOPEC Geophysical Company (UK) LTD.
– (subsidiary - 100 %)

TGS-NOPEC Geophysical Company PTY Ltd (Australia)
– (subsidiary - 100 %)

Rimnio Shipping Ltd, (Cyprus)
– (subsidiary - 100 %)

Joint Ventures

A joint venture is characterised by two or more participants having joint control of the business. Joint ventures are accounted for according to the proportionate consolidation method.

General Principles

Receivables and debt payable within one year of the closing of the accounts are classified as current assets/liabilities. Current assets other than the multi-client seismic library are recorded at the lower of acquisition cost and fair value. Fair value is defined as the estimated future sales price reduced by expected sales costs. Short-term liabilities are recorded at fair value. Other assets are classified as fixed assets. Fixed assets are recorded in the accounts at historical cost, net of accumulated depreciation. Fixed assets held for sale which suffer a decline in value which is not temporary, are written down to estimate net realizable value.

NGAAP provides certain exceptions to the basic assessment and valuation principles. Comments to these exceptions can be found in the respective notes to the accounts. In applying the basic accounting principles and presenting transactions and other issues, a "substance over form" view is taken. Contingent losses which are probable and quantifiable are expensed.

A breakdown into business segments is presented in the Notes to the accounts, based on the Company's internal management and reporting structure as well as the evaluation of risk and earning potential. As the geographical split of revenues is important to the understanding of Company operations, a breakdown per geographical market in which the Company operates is also presented. The figures have been reconciled with the Profit and Loss account and the Balance Sheet.

Principles of Assessment

Revenue and Cost Recognition

Revenue is recognized when it is earned. Usually this is at the time of the transaction, and revenue recognition follows the transaction principle. By agreement, the Company shares certain multi-client revenue with other companies. Accordingly, operating revenue is presented gross and reduced by the portion shared. Revenue from U.S. joint ventures is recognized according to the proportionate consolidation. Costs are recognized in accordance with the matching principle. Revenue and amortization of multi-client seismic in progress at the Balance Sheet date is recognized on a percentage of completion basis, measured according to percentage of the Company's estimated total investment in the survey incurred at the Balance Sheet date.

Inventories

The multi-client seismic and well log library includes completed and in-progress geophysical data to be licensed on a non-exclusive basis to oil and gas exploration and production companies. The direct costs related to data collection and processing are included in the inventory value. In addition, indirect costs are added on a general basis. The inventory balance also includes the cost of geophysical data purchased from third parties.

The inventory of multi-client seismic is presented at cost, reduced by accumulated amortization. Amortization is recorded as revenue is recognized for each project, in proportion to the percentage of revenue recognized to the estimated total revenue from that project. The revenue estimates are updated every six months.

When establishing amortization rates for the multi-client seismic library, the management base their view on estimated future sales for each individual survey. Estimates are adjusted over time with the development of the market. The amortization expense recognized may vary considerably from one period to another depending on the actual mix of projects sold and changes to estimates.

A minimum amortization is applied: the maximum net book value of the individual survey one year after the year of completion is 60% of original cost. The minimum cumulative amortization increases by 20% of cost each year thereafter, with the result that each survey is fully amortized in the Balance Sheet by the end of the fourth year following the year of its completion.

The inventory of multi-client well logs in A2D Technologies is presented at cost, reduced by accumulated amortization. Amortization is recorded as a straight-line amortization over seven years.

Goodwill

The goodwill of the Company relates to the take-over of operations and companies. The goodwill is amortized on a straight-line basis in the Income Statement over a period of ten years. This will change as from 2005 when the Company will adopt the IFRS accounting standards, see below. The transaction "merging" NOPEC International ASA with TGS – CALIBRE Geophysical Company in June 1998 was accounted for as "pooling-of-interest" in accordance with NGAAP as it was a combination of two substantially equal companies. Accordingly, no goodwill was recognized on the transaction.

Fixed Assets and Principles of Depreciation

Fixed assets are presented at historical cost less accumulated depreciation and write down. If the fair value of a fixed asset is lower than book value, the fixed asset will be written down to fair value. Depreciation is determined in light of the asset's economic life, varying from 3 to 50 years. Purchases which are expected to have a technical and economic life of at least three years are capitalized as fixed assets. Depreciation begins when the fixed assets are placed in service.

Exchange Rate Adjustments

Liquid assets, receivables and liabilities are translated at the exchange rate on the Balance Sheet date.

Development Costs

Development costs are expensed as incurred.

Income Taxes

Tax expense includes taxes payable and the net change in the deferred tax. Deferred tax in the Balance Sheet is measured on the basis of the temporary differences. The actual nominal tax rate is used on the tax charges arising in the various countries. According to NGAAP and IAS 12, the tax charge computation in the functional currency is to be made as a function of local profits in local currencies and the effect of changes in exchange rates on the accounts; Balance Sheet and P&L. The element of unforeseeable movements in the exchange rates makes the consolidated tax rate difficult to predict and compare from one period to the other.

Pensions

The Group operates defined-contribution plans in Norway, UK, and in the U.S.A. (401k), and covers superannuation in Australia. Contributions are charged to the Profit and Loss account as they become payable.

Leasing

Lease contracts are classified as capital or operational. A capital lease is a contract that transfers the main risk and rewards attributable to the ownership of an asset to the lessee. A capital lease is accounted for as if the asset is purchased and depreciated accordingly, and the lease obligation is accounted for as an interest-bearing liability. All other lease contracts are classified as operational leases. Payments made under these contracts are expensed as paid.

Accounts Receivable and Other Receivables

Receivables are presented at face value, reduced by any amounts expected to be uncollectible.

Cash Flow Statement

The Cash Flow statement is compiled using the direct method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding three months that can with no material exchange rate exposure be exchanged for cash.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Transition to International Financial Reporting Standards (IFRS)

As of January 1, 2005, the consolidated accounts of TGS-NOPEC Group will comply with International Financial Reporting Standards (IFRS) endorsed by the European Union and Norway.

Impact of conversion on consolidated group financial statements

These financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). The differences between IFRS and NGAAP identified having a significant effect on the consolidated financial statements are summarized below. The summary should not be taken as an exhaustive list of all the differences between IFRS and NGAAP that potentially have an impact upon the consolidated financial statements. The Company has attempted to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

It is not yet possible to quantify accurately the cost to expense in the IFRS-restated 2004 accounts for the Employee Stock Option Scheme. The consolidated financial performance and financial position as disclosed in these financial statements may be significantly different when determined in accordance with IFRS.

The major differences between NGAAP and IFRS identified as having a significant effect on the consolidated financial statements of TGS-NOPEC are as follows:

• Employee Stock Option Scheme. Under IFRS, the costs of the stock options are to be expensed in the P&L statement.

• Amortization of Goodwill. Under IFRS, amortization of goodwill has been abolished. Instead, an annual test for impairment shall be performed.

• Presentation of the Balance Sheet. Certain changes in the Presentation of the Balance Sheet.

IFRS conversion plan: The Company's interim report for Q1 2005 to be issued on May 4th, 2005, will be under IFRS with comparable statements for Q1 2004 under the same.

Notes to the Financial Statements

(All amounts in USD 1000's unless noted otherwise)

TGS-NOPEC GROUP

Note 1 - Restrictions on Bank Accounts

USD 323 of Cash and Cash Equivalents is restricted to meet the liability arising from payroll taxes withheld.

Note 2 - Accounts Receivable and Other Receivables

Receivables are stated in the balance sheet at net realizable value. The Group expects to collect the full balance of receivables per December 31, 2004. Realised losses on trade receivables in 2004 amounted to USD 2.

As part of the redelivery of the vessel Northern Access and the signing of a long-term agreement for vessel capacity with SMNG in 2002, the Parent sold seismic equipment to SMNG. The USD 8.0 million receivable from this sale is paid down by SMNG over 4 years. Balance per December 31, 2004 was USD 3.98 million.

Note 3 - Fixed Assets

Acquisition Cost and Depreciation:	Machinery Plant and Equipment	Goodwill	Buildings*	Total
Cost as of January 1, 2004**	13,948	23,628	6,036	43,612
+ additions during the year	9,681	6,670		16,351
- disposals during the year***	-240		-11	-251
Cost as of December 31, 2004	23,388	30,298	6,025	59,711
Accumulated depreciation as of January 1, 2004**	9,926	7,462	2,078	19,466
+ depreciation for the year	3,652	2,624	234	6,510
Correction		37		37
- accumulated depreciation on disposals	-57		-6	-63
Accumulated depreciation as of December 31, 2004	13,521	10,123	2,306	25,949
Net book value as of December 31, 2004	9,868	20,175	3,719	33,762
of which capitalized to Multi-Client Library/in Materials	1,460			1,460
% depreciation	33%	10%	2%	
Assumed financial life time	3 years	10 years*****	50 years	

Specification of Goodwill:	Bips	Datman	Symtronix	ASA	A2D	NuTec	Total
Cost as of January 1, 2004 **	2,450	1,506	593	3,073	16,006		23,628
+ additions during the year						6,670	6,670
Cost as of December 31, 2004	2,450	1,506	593	3,073	16,006	6,670	30,298
Accumulated depreciation as of January 1, 2004 **	1,173	715	493	2,305	2,776		7,462
+ depreciation for the year****	333	205	81	307	1,501	198	2,624
Correction					37		37
Accumulated depreciation as of December 31, 2004	1,506	920	573	2,612	4,313	198	10,123
Net book value as of December 31, 2004	945	586	19	461	11,693	6,472	20,175

* The Company owns buildings at Naernes (Norway), Bedford (UK) and in Oklahoma City (USA).
** Affected by changes in exchange rates vs USD.
*** Profit on disposal during the year was USD 24.
*****Goodwill paid for in acquisitions of companies is depreciated over the first 10 years after the date of the acquisition in accordance with NGAAP.
As from January 1, 2005, applying IFRS, this Goodwill will no longer be depreciated but be subject to annual impairment tests.

Note 4 - Purchase of NuTec Sciences, Inc.

TGS acquired substantially all of the energy division assets of NuTec Sciences Inc. for USD 11.25 million in July 2004.
The new assets are included in the financial statements of TGS as of Q3 2004.

Note 5 - Debt, Mortgages, Guarantees, etc.

The following liabilities are secured by collateral:	2004	2003	2002
Debt to banks (in Parent company)		6,300	19,100
Other (in subsidiaries)	123	351	375
Total	123	6,651	19,475

Book value of the assets used as collateral:	2004	2003	2002
Accounts receivable	11,979	11,027	8,348
Multi-Client seismic library	140,707	116,467	99,369
Machinery, equipment	639	369	1,651
Buildings	525	3,661	3,595
Cash deposits		67	
Total	153,850	131,589	112,963

Loan Agreements and Terms (in Parent Company) as per December 31, 2004:
Multi Currency Bank Overdraft Facility: Limit USD 10.0 million. Terms: US Fed Funds Daily Effective Rate + 0.75% per annum on drawn currency amounts. Facility fee: 0,1% per annum on the total facility amount.
Bond Loan: The Company issued bonds totalling NOK 300 million in May, 2004. The bonds will mature on May 9, 2009. The NOK debt has been swapped to USD 43.7 million and costs 3 month LIBOR plus 2.085% per annum.
The Company does not have debt maturing later than 5 years after the Balance Sheet Date.

Note 6 - Lease Obligations

Future minimum payments for capital and operating leases with lease terms in excess of one year at December 31, 2004 are as follows for the Group:

Year	Operating leases	Capital leases
2005	1,042	1,140
2006	656	572
2007	547	46
2008	473	
2009	473	
2010	427	
2011-2013	412	

Note 7 - Equity and Shareholder Authorizations

7.1 Equity Reconciliation for 2004	
Opening balance as of January 1, 2004	195,914
Capital increase during 2004	5,733
Profit for the year	38,077
Other Changes	-470
Closing balance as of December 31, 2004	239,255

7.2 Free Standing Warrants

Shareholders' Resolution to issue Warrants to key Employees

On June 16, 2004, the shareholders resolved to issue free standing warrants in connection with a stock option plan for employees. Employees have to-date subscribed for 225,000 warrants and the maximum share capital increase under this resolution can be 500,000 shares. The warrants issued can be exchanged for shares until June 16, 2009. The shareholders' resolution to issue stock options authorizes the Board to grant further options to employees until June 30, 2005, for which warrants may be issued and subscribed for by June 30, 2005.

7.3 Shareholders' Authorization to the Board to issue Shares in the Company

The Board is authorized to issue a total of 5,004,125 new shares in connection with mergers & acquisitions and to employees in connection with stock option plans. This authorization expires June 16, 2005. As of December 31, 2004, in total 202,250 new shares have been issued under this authority, of which all were issued in connection with exercise of stock options.

7.4 Shareholders' Authorization to the Board to buy back Shares in the Company

The Board is also authorized to acquire, on behalf of the Company, an aggregate number of the Company's shares for an aggregate face value of NOK 15,0 million provided that the total amount of owned own shares at no time exceeds 10% of the Company's share capital. This authorization expires on June 16, 2005.

Note 8 - Earnings per Share (EPS)

The Company has issued stock options as described in Note 13. The effect of the issuance of the stock options upon the Company's diluted earnings per share is disclosed below.

	2004	2003	2002
Profit for the year	38,077	28,393	29,624
Average number of shares outstanding (thousands)	25,072	24,778	24,629
Earnings per share	1.52	1.15	1.20
Diluted earnings per share	1.42	1.07	1.12
Number of ordinary shares used to calculate diluted EPS	26,874	26,476	26,498

Note 9 - Related Parties

No material transactions took place during 2004 with related parties.

Note 10 - Segment Information

During 2004, approximately 36% of Net revenues resulted from 2D seismic, 54% from 3D seismic, and 10% from well logs. Approximately 95% of the Company's Net revenues came from the Multi-Client market, and 5% from the proprietary market.

Note 11 - Geographical Information

	2004		2003	
Revenues per region	Western Hemisphere	Eastern Hemisphere	Western Hemisphere	Eastern Hemisphere
Net revenues	129,701	41,931	98,298	38,623
In % of total Net operating Revenues	76%	24%	72%	28%

Note 12 - The Largest Shareholders in TGS-NOPEC Geophysical Company ASA as of December 31, 2004, as registered with VPS:

Name	Account type	Shares	Proportion of shares	Proportion of votes
Folketrygdfondet		2,421,000	9.6 %	9.6 %
Morgan Stanley & Co. Inc.	Nominee	1,529,686	6.0 %	6.0 %
Goldman Sachs International	Nominee	1,498,715	5.9 %	5.9 %
State Street Bank & Trust Co.	Nominee	968,019	3.8 %	3.8 %
Mellon Bank as Agent for Clients	Nominee	639,120	2.5 %	2.5 %
Vital Forsikring ASA		628,122	2.5 %	2.5 %
State Street Bank & Trust Co.	Nominee	589,699	2.3 %	2.3 %
Odin Norge		564,545	2.2 %	2.2 %
Henry H. Hamilton III, (CEO/Director)		550,000	2.2 %	2.2 %
Odin Norden		517,850	2.0 %	2.0 %
David W. Worthington (Director)		503,296	2.0 %	2.0 %
JPMorgan Chase Bank		498,040	2.0 %	2.0 %
Storebrand livsforsikring ASA		413,500	1.6 %	1.6 %
Verdipapirfondet Avanse Norge, NOR		402,839	1.6 %	1.6 %
Steven E. Lambert		390,000	1.5 %	1.5 %
Verdipapirfond Pareto Aksje Norge		365,400	1.4 %	1.4 %
Skagen Vekst		340,000	1.3 %	1.3 %
DNB Nor Norge		312,200	1.2 %	1.2 %
Citibank, N.A.	Nominee	303,980	1.2 %	1.2 %
Bank of New York, Brussels Branch	Nominee	302,250	1.2 %	1.2 %
		13,738,261	54.2 %	54.2 %
Total number of shares outstanding (par value NOK 1,00 per share)		25,332,882		

Norwegian-owned shares were 12,750,075 shares, representing 50% of shares outstanding.

Shares and Options owned by the Chief Executive Officer and members of the Board as of December 31, 2004:

Name	Title	Total number of shares	Number of options
Claus Kampmann	Chairman	10,900	
Henry H. Hamilton III	CEO / Director	550,000	115,000
David W. Worthington	Director	503,296	
Arne K. Maeland	Director	24,900	
Nils B. Gulnes	Director	1,900	
Rabbe E. Lund	Director	1,900	

The number of shares reported for each individual also includes shares held by a company controlled by him, his spouse, or by children under 18 years of age.

Note 13 - Salaries / Number of Employees / Benefits / Employee Loans / Pensions

Payroll and related cost:	2004	2003
Payroll	25,253	19,948
Social security costs	2,109	1,663
Pension costs	944	562
Other employee related costs	2,233	1,397
- Salaries capitalized to MC library	-5,931	-3,956
Payroll and related cost	24,609	19,614

Average number of employees in 2004 was 347.

The Company has a profit sharing plan for all employees following a six month trial employment.
The profit sharing (bonus) is payable quarterly, and is calculated as a function of pre-tax profit vs budget and the individual employee's employment conditions.

Directors' fees paid to the Board of Directors during 2004 were NOK 850,000 in cash plus 4,950 shares of Company stock. The four non-executive Directors each received NOK 150,000 in cash plus 900 shares, and the Chairman received NOK 250,000 in cash plus 1,350 shares. The trading value of the share at hand-over was NOK 125.-, giving the stock portion of Directors' fees a total value of NOK 619,000. The four non-executive Directors received an additional total of NOK 300,000 for committee work. In addition, the Chairman's fee from 2003 of NOK 225,000 was paid in 2004. The Directors, apart from the CEO, do not participate in any bonus or profit sharing plan. Total remuneration paid to the CEO during 2004 was USD 931, out of which USD 450 was salary and USD 481 bonus. The CEO's bonus plan entitles him to a 1.25% of the Company's annual pre-tax profit above USD 10 million before bonus charges. The CEO participates in the pension plan for US employees. The maximum amount payable to the CEO in case of termination of employment amounts to 3 years base salary spread over an ensuing 3 year period. The maximum amount payable in case of termination following a "Change of Control" event is 3 years' gross compensation.

The details of the stock options outstanding to the CEO (115,000 options) and to other key employees are disclosed in the table below.

Outstanding Stock Options/Warrants granted to Employees as of December 31, 2004:

# Options	Exercise Dates	Holders	Price/Conditions	Granted
132,500	See below*	Key Employees	NOK 116,50. Warrants expiring on June 7, 2005	6/7/2000
445,000	See below**	Key Employees	NOK 142,00. Warrants expiring on June 13, 2006	6/13/2001
50,000	See below***	Henry H. Hamilton III	NOK 121,00. Warrants expiring on June 11, 2007	6/11/2002
407,000	See below***	Key Employees	NOK 121,00. Warrants expiring on June 11, 2007	6/11/2002
40,000	See below****	Henry H. Hamilton III	NOK 83,25. Warrants expiring on June 18, 2008	8/14/2003
374,500	See below****	Key Employees	NOK 83,25. Warrants expiring on June 18, 2008	8/14/2003
25,000	See below*****	Henry H. Hamilton III	NOK 120,00. Warrants expiring on June 16, 2009	8/19/2004
200,000	See below*****	Key Employees	NOK 120,00. Warrants expiring on June 16, 2009	8/19/2004
1,674,000				

* The holders may request shares issued in exchange for the warrants as follows:
100% beginning June 8, 2004 less previously exercised

**The holders may request shares issued in exchange for the warrants as follows:
Up to 75% beginning June 13, 2004 less previously exercised
100% beginning June 13, 2005 less previously exercised

*** The holders may request shares issued in exchange for the warrants as follows:
Up to 50% beginning June 12, 2004 less previously exercised
Up to 75% beginning June 12, 2005 less previously exercised
100% beginning June 12, 2006 less previously exercised

****The holders may request shares issued in exchange for the warrants as follows:
Up to 50% beginning August 14, 2005 less previously exercised
Up to 75% beginning August 14, 2006 less previously exercised
100% beginning August 14, 2007 less previously exercised

***** The holders may request shares issued in exchange for the warrants as follows:
Up to 25% beginning August 19, 2005
Up to 50% beginning August 19, 2006 less previously exercised
Up to 75% beginning August 19, 2007 less previously exercised
100% beginning August 19, 2008 less previously exercised

All stock options become exercisable immediately should a change of control as defined in the stock option plans occur. Employees can only exercise options/exchange warrants for shares to the extent the options/warrants are earned and exercisable in cases where the employment is terminated by the employee or the Company (other than summary dismissal in which case the right to exercise options terminates).

Auditors' fee.

The audit fee for 2004 for the Group was USD 160. The fees for other services provided by the auditor totalled USD 68.

Note 14 - Financial Items

Financial income/expense:	2004	2003	2002
Interest income	533	233	723
Other financial income	262		
Sum Financial Income	795	233	723
Interest expense	-1,602	-506	-901
Other financial expenses		-806	-241
Sum Financial Expense	-1,602	-1,312	-1,142
Net financial items	-807	-1,080	-419

Note 15 - Taxes

Total tax expense for the year:	2004	2003	2002
Current tax on net income	15,921	12,732	16,589
Deferred tax - changes	1,332	3,260	-3,847
Balance sheet effect of change in exchange rate	-553	-3,308	-1,628
Tax outside Norway	495		
Total tax expense for the year	17,195	12,684	11,114
Effective average tax rate	31%	31%	27%

Specification of Basis for Deferred Taxes:

Offsetting differences:	2004	2003
Fixed assets	-9,698	-9,961
Current assets	93,013	81,170
Liabilities		
Loss carry forward	-51,448	-44,231
Total	31,866	26,978
Deferred tax liability/deferred tax asset	9,023	7,691
Average deferred tax rate	29%	29%
Total current taxes payable	12,425	2,600

Taxes payable in the balance sheet are lower than taxes payable for the year. This is due to the fact that in the U.S.A. taxes are payable in advance.

Note 16 - Risk Exposure to Currency Exchange Rate Fluctuations and Interest Levels

Major portions of the Group revenues and costs are in US dollars. All of the Group's loan financing is in US dollars. Due to this, the Company's operational exposure to exchange rate fluctuation is low. However, as the Parent Company Accounts are presented in Norwegian Kroner, fluctuations between the NOK and the USD impact the quarterly and annual reported figures in the form of currency exchange gains or losses under Financial Items. The tax burden in USD is also impacted by this. The Bond Loan was swapped from NOK to USD and from base 3 month NIBOR to base 3 month LIBOR in May 2004. Changes in the LIBOR interest rate will affect the interests payable on the loan (See Note 5). The Company has no other financial derivatives in use per December 31, 2004.

TODAY

The present company, TGS-NOPEC Geophysical Company ASA ("Company"), was formed in June 1998 by the merger of TGS-CALIBRE Geophysical Company and NOPEC International ASA. The strategic reasoning behind the merger was to give the Company the scale it needed to effectively market multi-client surveys on a worldwide basis. The merger also gave TGS-NOPEC the economic wherewithal to begin acquiring surveys that it owned completely. Prior to this time, the Company had generally taken on partners to significantly reduce financial risk. This historical strategy had indeed reduced financial risk but also limited the upside performance. Since the Company had a great track record in developing profitable surveys, TGS-NOPEC's new board believed that the best growth opportunities would come from organic investments in additions to the data library. Management's first execution of this strategy began in the fall of 1998 with a 2D project (Phase 49) in the Gulf of Mexico. Other fully owned 2D projects soon followed. The investment strategy proved successful for 2D and the Company extended the strategy to 3D projects, beginning in 2001. Today, the majority of TGS-NOPEC's seismic projects are 100% owned by the Company. The footprint of the seismic database covers many of the world's prospective hydrocarbon basins offshore and includes approximately 2 million kilometers of 2D seismic and 72 thousand square kilometers of 3D seismic.

Not all of TGS-NOPEC's growth has been organic. Since the merger in 1998, the Company acquired Bedford Interactive Processing (BIPS) in late 1998, Symtronix Corporation in 2001, A2D Technologies in 2002, Riley Electric Log Inc. in 2003, and the energy division assets of NuTec Sciences in 2004. The BIPS acquisition brought needed data processing resources to help process/reprocess the Company's seismic data sets. The Symtronix Corporation acquisition provided additional data management capabilities that allowed TGS-NOPEC to broaden its service offering to clients. The addition of NuTec's assets in 2004 added advanced depth imaging capabilities to TGS-NOPEC's repertoire and a viable third-party processing services and software business to the Company. Finally, the A2D and Riley acquisitions added a completely different data type to the Company's multi-client inventory: digital well log information. E&P companies use well log data to calibrate seismic data to known geologic conditions that have been discovered in various well bores. So the combination of seismic and well log data is a natural fit. Following the A2D and Riley acquisitions, TGS is now the largest owner of digital well log information in North America. The database contains virtually all of the commercially viable well logs in North America, onshore and offshore.

PROFIT AND LOSS | PARENT COMPANY ONLY

(All amounts in NOK 1000's unless noted otherwise)

	Note	2004	2003	2002
Sales	10,11	**660,635**	528,618	345,106
Revenue Sharing		**-82,477**	-39,263	-37,367
Net operating Revenues		**578,158**	489,355	307,739
Materials		**22,411**	16,201	19,813
Amortization		**416,577**	364,511	208,909
Personnel Costs	13	**30,084**	23,286	19,745
Depreciation	4	**4,411**	5,539	4,758
Other Operating Expenses	7	**66,712**	59,177	29,227
Loss on Vessels				38,000
Operating Profit		**37,964**	20,642	-12,713
Financial Income	14	**126,195**	61,881	117,492
Financial Expenses	14	**-92,633**	-50,043	-58,673
Profit before Taxes		**71,526**	32,480	46,106
Taxes	15	**24,933**	9,182	13,286
Net Income		**46,593**	23,298	32,821
Profit (loss) for the Year is allocated as follows:				
To Other Equity	8	**46,593**	23,298	32,821
Total Allocated		**46,593**	23,298	32,821

BALANCE SHEET | PARENT COMPANY ONLY

as of December 31, 2004

(All amounts in NOK 1000's unless noted otherwise)

Assets, Equity and Liabilities	Note	2004	2003
Fixed Assets			
Intangible Fixed Assets			
Goodwill	4	3,000	5,000
Total Intangible Fixed Assets		3,000	5,000
Tangible Fixed Assets			
Land, Buildings and Other Property	4,5	20,383	21,088
Machinery and Equipment	4,7	1,981	3,634
Total Tangible Fixed Assets		22,364	24,722
Financial Fixed Assets			
Investments in Subsidiaries	3	26,957	42,633
Long Term Receivables and Prepayments	2	11,958	26,700
Total Financial Fixed Assets		38,915	69,333
Total Fixed Assets		64,278	99,055
Current Assets			
Multi-Client Library		849,673	777,415
Receivables			
Accounts Receivable	2	204,939	121,834
Current Receivables Group Companies		23,485	9,598
Other Receivables	2	19,735	23,739
Total Receivables		248,159	155,171
Cash and Cash Equivalents	1	67,241	28,688
Total Current Assets		1,165,074	961,274
Total Assets		1,229,352	1,060,329
Equity			
Paid in Capital			
Share Capital	8,12	25,333	24,825
Share Premium Reserve	8	179,708	142,895
Total Paid-in Capital		205,041	167,720
Retained Earnings			
Other Equity	8	264,328	217,734
Total Retained Earnings		264,328	217,734
Total Equity		469,369	385,455
Liabilities			
Provisions			
Deferred Tax	15	104,260	79,336
Total Provisions		104,260	79,336
Other Long-Term Liabilities			
Debt to Financial Institutions	6	264,079	42,053
Capitalized Lease Liabilities	7	515	2,761
Total Long-Term Liabilities		264,593	44,814
Current Liabilities			
Accounts Payable		83,584	58,564
Current Liabilities Subsidiaries		302,941	470,707
Social Security, VAT and other Duties		3,237	2,474
Other Short-Term Liabilities		1,368	18,981
Total Current Liabilities		391,130	550,725
Total Liabilities		759,983	674,875
Total Equity and Liabilities		1,229,352	1,060,329

Henry H. Hamilton III
CEO / Director

Claus Kampmann
Chairman

Arne-Kristian Maeland
Director

David W. Worthington
Director

Nils B. Gulnes
Director

Rabbe E. Lund
Director

CASH FLOW | PARENT COMPANY ONLY

(All amounts in NOK 1000's unless noted otherwise)

	2004	2003	2002
Cash flow from operating activities			
Received payments from sales	485,171	435,338	405,549
Payments for purchased seismic and services	-500,723	-423,908	-432,188
Payments for salaries, pensions, social security tax	-30,084	-23,286	-19,745
Received interest and other financial income	1,782	352	1,404
Interest payments and other financial cost	-16,114	-10,279	-17,214
Payments from other operating activities and currency exchange differences	-23,262	-69,518	27,801
Net cash flow from operating activities 1)	-83,230	-91,301	-34,393
Cash flow from investing activities			
Received payments from fixed assets	275	940	140
Investment in tangible assets including currency adjustments	-327	-477	-2,083
Long term receivables	14,742	15,039	8,962
Net cash flow from investing activities	14,690	15,502	7,019
Cash flow from financing activities			
Net change in short-term loans	-185,927	148,741	44,461
New long term loans	300,000		
Down payment of long-term loans	-44,299	-47,991	-34,177
Paid-in-equity	37,321	2,723	1,497
Net cash flow from financing activities	107,094	103,472	11,781
Net change in cash and cash equivalents	38,553	27,675	-15,593
Cash and cash equivalents at the beginning of the period	28,688	1,013	16,606
Cash and cash equivalents at the end of the period	67,241	28,688	1,013

1) Reconciliation			
Profit before taxes	71,526	32,480	46,106
Depreciation	4,411	5,539	4,758
Loss on Disposal		265	38,000
Changes in inventory	-72,258	-85,657	-157,747
Changes in accounts receivables	-83,105	-58,743	91,489
Changes in other receivables	-9,883	4,726	6,321
Changes in accounts payables	25,020	10,059	-45,719
Changes in other balance sheet items	-18,940	31	-17,601
Net cash flow from operating activities	-83,230	-91,301	-34,393

Notes to the Financial Statements

(All amounts in NOK 1000's unless noted otherwise)

PARENT COMPANY ONLY

Note 1 - Restrictions on Bank Accounts

NOK 1 575 of Cash and Cash Equivalents is restricted to meet the liability arising from payroll taxes withheld.

Note 2 - Accounts Receivable and Other Receivables

Receivables are stated in the balance sheet at net realizable value.
The Company expects to collect the full balance of receivables per December 31, 2004.
No realised losses on trade receivables in 2004.

As part of the redelivery of the vessel Northern Access and the signing of a long-term agreement for vessel capacity with SMNG in 2002, the Company sold seismic equipment to SMNG. The USD 8,0 million from this sale is paid down by SMNG over 4 years. Balance per December 31, 2004 was USD 3,98 million.

Note 3 - Investments in Subsidiaries

December 31, 2004 the Parent Company had the following investments in subsidiaries:

Included in the Balance Sheet as:	Share capital of company	No. of shares	Nominal value	Balance sheet value	Owner-ship held
Datman AS (Naersnes, Norway)	200	200	NOK 1000	7,146	100%
TGS-NOPEC Geophysical Company (Houston, U.S.A.)	USD 1	1,000	USD 1	11,286	100%
TGS-NOPEC Geophysical Company Ltd. (Bedford, UK)	GBP 50.1	50,100	GBP 1	8,360	100%
Naersnes Eiendom AS (Naersnes, Norway)	100	100,000	NOK 1	0.001	100%
ANS Baardsrudveien 2 (Naersnes, Norway)				54	100%
Riminio Shipping Ltd. (Limassol, Cyprus)	C£ 1	1,000	C£ 1		100%
TGS-NOPEC INVEST AS (Naersnes, Norway)	100	100,000	NOK 1	111	100%
TGS-NOPEC Geophysical Comp. PTY Ltd (Perth, Australia)	AUD 0,001	1	AUD 1	0.005	100%
Symtronix Corporation (Houston, U.S.A.)	USD 0,8	800,000	USD 0,001		100%
Balance sheet value				26,957	

Note 4 - Fixed Assets

Acquisition cost and depreciation:	Machinery, Plant and Equipment	Goodwill	Buildings***	Total
Cost as of January 1, 2004	22,341	20,000	32,301	74,642
+ additions during the year	327			327
- disposals during the year*	-275			-275
Cost as of December 31, 2004	22,394	20,000	32,301	74,695
Accumulated depreciation as of January 1, 2004	18,707	15,000	11,213	44,920
+ depreciation for the year	1,706	2,000	705	4,411
- accumulated depreciation on disposals				
Accumulated depreciation as of December 31, 2004	20,413	17,000	11,918	49,331
Net book value as of December 31, 2004	1,981	3,000	20,383	25,364
Straight-line depreciation percentage	33%	10%	2%	
Assumed financial life time	3 years	10 years**	50 years	

* There were no gain or loss on disposal during the year.
** Goodwill paid for in acquisitions of companies is depreciated over the first 10 years after the date of the acquisition in accordance with NGAAP.
As from January 2005, applying IFRS, this Goodwill will no longer be depreciated but be subject to annual impairment tests.
*** The Company owns an office building at Naersnes, Norway.

Note 5 - Investment in Unlimited Partnerships (ANS)

The Company owns 100% of ANS Baardsrudveien 2. Ninety-nine percent of its interest is directly held, and the remaining one percent interest is indirectly held through the Company's 100% ownership of Naersnes Eiendom AS. The sole business activity of Naersnes Eiendom AS is its ownership interest in ANS Baardsrudveien 2. Therefore, the Company has directly consolidated ANS Baardsrudveien 2 in its accounts.

Note 6 - Debt, Mortgages, Guarantees etc.

The following liabilities are secured by collateral:	2004	2003	2002
Debt to banks		42,053	133,045
Total		42,053	133,045

Book value of the assets used as collateral:	2004	2003	2002
Accounts receivable	71,832	73,065	57,738
Multi-Client seismic library	849,674	777,415	691,758
Machinery, equipment	1,981		5,996
Buildings		21,088	21,793
Total	923,486	871,568	777,285

Loan Agreements and terms:
See Note 5 to the Group's Consolidated Accounts.

Note 7 - Lease Obligations

The Parent company has no operating lease commitments expiring after December 31, 2004.
Rental expense for operating leases was NOK 3 for the year ended December 31, 2004.
The Parent company has capital lease commitments expiring 1st quarter 2005.
Rental expense for capital leases was NOK 2 235 for the year ended December 31, 2004.
Future minimum payments for capital and operating leases at December 31, 2004 are as follows:

Year	Operating leases	Capital leases
2005		515

Note 8 - Equity and Shareholder Authorizations

Equity Reconciliation for 2004	Share capital	Premium fund	Earned equity in Parent Company	Equity in Parent Company
Opening balance January 1, 2004	24,825	142,895	217,735	385,455
Capital increase during 2004	508	36,813		37,321
Profit for the year			46,593	46,593
Closing balance December 31, 2004	25,333	179,708	264,328	469,369

Note 9 - Related Parties

No material transactions took place during 2004 with related parties.

Note 10 - Segment Information

During 2004 approximately 59% of Net revenues resulted from 2D seismic, and 41% from 3D seismic.
Approximately 96% of the Parent's Net revenues came from the Multi-Client market, and 4% from the proprietary market.

Note 11 - Geographical Information

	2004		2003	
Revenues per region	Western Hemisphere	Eastern Hemisphere	Western Hemisphere	Eastern Hemisphere
Net revenues	265,953	312,206	243,847	245,508
In % of total Net operating Revenues	46%	54%	50%	50%

Note 12 - The Largest Shareholders in TGS-NOPEC Geophysical Company ASA as of December 31, 2004 as registered with VPS:

See Note 12 to the Group's Consolidated Accounts.

Note 13 - Salaries / Number of Employees / Benefits / Employee Loans / Pensions

Payroll and related cost:	2004	2003
Payroll	24,020	20,051
Social security costs	6,281	4,137
Pension costs	845	846
Other employee related costs	337	252
- Salaries capitalized to MC Library	-1,400	-2,000
Payroll and related cost	30,084	23,286

Average number of employees in 2004 was 26.

For further information of Benefits, see Note 13 in the Group's Consolidated Accounts.

Auditors' fee.

The audit fee for 2004 for the Parent Company was NOK 300. The fees for other services provided by the auditor totalled NOK 208.

Note 14 - Financial Items

Financial income/expense:	2004	2003	2002
Interest income	1,782	352	1,404
Group contribution	2,946	4,607	2,812
Other financial income	121,467	56,923	113,276
Sum Financial Income	126,195	61,881	117,492
Interest expense	-7,587	-2,777	-6,635
Interest expense subsidiaries	-8,527	-7,502	-10,579
Other financial expenses	-76,519	-39,764	-41,460
Sum Financial Expense	-92,633	-50,043	-58,673
Net Financial Items	33,562	11,839	58,818

Note 15 - Taxes

Current tax:	2004	2003	2002
Profit before taxes and extraordinary items	71,526	32,480	46,106
Permanent differences	8,141	136	82
Changes in temporary differences	-55,746	-68,449	-127,346
Writedown shares			9,348
Additional taxable profit ANS	236	205	201
Tax-loss carried forward applied	-24,158		
Basis for current tax	0	-35,629	-71,609

Total tax expense for the year:	2004	2003	2002
Deferred tax - changes	24,924	9,182	13,286
Tax outside Norway	8		
Total tax expense for the year	24,933	9,182	13,286
Effective average tax rate	35%*	28%	29%

Specification of basis for deferred taxes:

Offsetting differences:	2004	2003
Fixed assets	-21,187	-32,191
Current assets	658,007	604,154
Liabilities		
Loss carry forward	-264,464	-288,622
Total	372,356	283,342
Deferred tax liability/deferred tax asset	104,260	79,336
Average deferred tax rate	28%	28%

Explanation of total tax expense versus nominal taxrate on pre-tax profit :

	2004
Tax calculated using nominal taxrate on pre-tax profit:	20,027
Effect of permanent differences	2,280
Effect of non-deductable write-down of shares*	2,617
Adjustment prior years	8
Total tax expense recorded in P&L Statement	24,933

* The Parent Company has written down the value of the shares in subsidiaries in line with the Goodwill depreciation. As of 2004, this is no longer tax deductible.

Note 16 - Risk exposure to currency exchange rate fluctuations and interest levels:

See Note 16 to the Group accounts.

KPMG AS

P.O. Box 57
N-4064 Stavanger

Petroleumsveien 6
N-4033 Stavanger

Telephone +47 51 57 82 00
Fax +47 51 57 12 29
www.kpmg.no
Enterprise NO 935 174 627 MVA

To the Annual Shareholders' Meeting of TGS NOPEC GEOPHYSICAL COMPANY ASA

AUDITOR'S REPORT FOR 2004

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of TGS NOPEC GEOPHYSICAL COMPANY ASA as of 31 December 2004, showing a profit of NOK 46.593.000 for the parent company and a profit of USD 38.077.000 for the group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards and practices an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion,

- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2004, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its obligation in respect of registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit is consistent with the financial statements and comply with the law and regulations.

Stavanger, 15 March 2005
KPMG AS

Aage K. Seldal
State Authorised Public Accountant

Note: This translation of the Norwegian statutory Audit Report has been prepared for information purposes only

CORPORATE GOVERNANCE

TGS-NOPEC actively promotes a culture designed to build confidence and trust among its stakeholders. Key elements of this culture include open and honest communication, a well-developed system of controls and policies, and a compliance program.

The Company emphasizes independence and integrity in all matters between its Board of Directors, management, and shareholders. These same principles of independence and integrity also apply in business relations with all interest groups, including customers, suppliers and other business partners. As guidelines for its board members and employees, TGS-NOPEC has developed a Statement of Values and a Code of Corporate Conduct, both available for viewing at www.tgsnopec.com/company/corporate_governance.asp

The Board of Directors

The Board of Directors currently consists of 6 members elected by the shareholders. The constitution of the Board reflects a strong background that balances specific industry experience with broader industrial, financial and organizational experience. The CEO is also a member of the Board. All the Directors are shareholders of TGS-NOPEC.

The Board normally meets six times each year, but may hold additional meetings if circumstances so dictate. On at least a monthly basis the CEO updates the entire Board on the financial progress of the Company as well as other significant matters. The Board operates under specific rules of procedure.

A brief background description for each board member is listed below:

Claus Kampmann, Chairman.
Age 55. Past President Geco-Prakla, VP Personnel Schlumberger Ltd. First Elected in 2002, became Chairman in 2004.

David Worthington, Director.
Age 63. An original founder of TGS in the 1980's after thirteen years with Shell Oil Company. First elected in 1998 and was Chairman from 1999 till 2004.

Henry H. Hamilton III, CEO/Director.
Age 45. Shell Oil Company, Former VP & GM of North and South America for Schlumberger's Geco-Prakla. Joined TGS as CEO in 1995. First elected in 1998.

Arne-Kristian Maeland, Director.
Age 51. Phillips Petroleum, Geco Geophysical, co-founder and CFO of VMETRO. First elected in 2001.

Nils B. Gulnes, Director.
Age 69. Former Deputy Director General, Norwegian Ministry of Industry, Oilsection, Senior VP at Den norske Creditbank, Managing Director of Amerada Hess Norway. Currently Lawyer at Lawfirm Grette DA. First elected in 2002.

Rabbe E. Lund, Director.
Age 59. International Monetary Fund, Norwegian Ministry of Oil & Energy, Saga Petroleum. Currently President and Partner at Intellectual Capital Group. First elected in 2002.

Board Committees

The board members have formed the following independent committees:

- Audit Committee
- Compensation Committee
- Nominating & Corporate Governance Committee

Each committee operates under a defined charter that may be viewed at www.tgsnopec.com/company/corporate_governance.asp The constitution of each individual committee is described in the Report from the Board of Directors.

Compensation of Directors

Remuneration to the Board of Directors should in general be designed to attract and retain an optimal Board structure in a competitive environment. Procedurally, the Directors' fee is proposed by the Board and determined by the shareholders at the annual general meeting each year. For 2004, the Directors' compensation was composed of both a fixed fee and a number of restricted shares in the Company. Independent Directors serving on committees received an additional fixed fee for this work.

Shareholders and Shareholders' Rights

- One Class of Shares. The Company has only one class of shares and each share gives the right to one vote at the General Assembly. There are no voting restrictions. The Board puts emphasis on, to the extent possible, disclosing and describing the topics of the agenda and the proposed resolutions in the call for the assembly to allow the shareholders to prepare beforehand.
- Limitations on Trade. There are certain time restrictions to trading of a limited number of shares for a small number of employees who are former owners of A2D Technologies. In addition, the independent members of the Board have received restricted shares as part of their compensation, which must be held for a least one year before they can be traded. There are no other limitations to trading of shares from the Company's side, other than Insider Trading Rules for employees and Board members.
- The General Assembly. The Company's General Assembly is open for all shareholders, and any shareholder not attending the General Assembly can give proxy to vote on his/her behalf. Forms of Proxy are sent to the shareholders together with the call for the assembly. The proceedings in the General Assembly follow the agenda outlined in the call. Shareholders who wish to raise a topic in the General Assembly have the possibility to do so, but must then notify the Board of Directors of this in writing and in reasonable time before the call for the assembly is dispatched. The General Assembly may not decide for a higher dividend than the Board of Directors has proposed for that year. It is not at this point accepted that the shareholders can participate in the annual meeting or vote through the internet.

As of March 15, 2005 the Board has the following shareholder authorizations:

- To issue free-standing warrants securing stock options for key employees.
- To issue up to 5,004,125 new shares in the company (expires on June 16, 2005).
- To buy back up to 10% of the Company's outstanding shares (expires on June 16, 2005).

For further information on these shareholder authorizations, please refer to note 7 to the Financial Statements.

Equity and Dividend Policy

See the Board of Directors report on page 8 in this annual report.

Compensation of Key Employees

TGS-NOPEC compensates its employees according to market conditions that are reviewed on an annual basis by the Compensation committee. Compensation includes base salary, insurance and retirement benefit programs, a profit-sharing bonus plan based on performance, and in certain cases a stock option plan. For further details please refer to Note 13.

The directors, apart from the CEO, do not participate in any bonus, profit-sharing, or stock option plan.

Audit

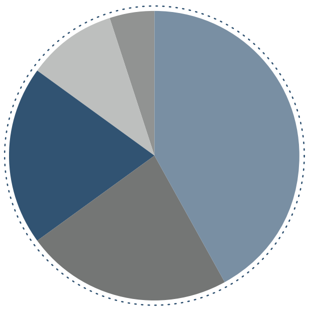
The external auditor presents his report to the Board of Directors at the board meeting that deals with the annual accounts. Independent of the Company's management, the Audit Committee meets annually with the partner of the Company's external audit firm. The auditor's fee is determined at the annual general meeting (see Note 13 to the Financial Statements for Auditor's compensation for 2004).

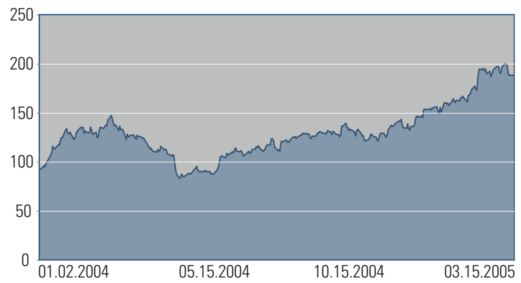
INVESTOR RELATIONS

Shares of TGS-NOPEC are publicly traded on the Main List of the Oslo Stock Exchange under the ticker symbol TGS. The share is a member of the OBX index, which consists of the 25 most actively traded shares at the Oslo Stock Exchange. The Company also has 300 MNOK (face value) of bonds listed on the OSE under the symbol TGS01.

As of March 15, 2005, TGS had 25,779,632 publicly traded shares with a market capitalization of NOK 4.8 billion. The share appreciated significantly during 2004, beginning the year at 92 kroner and ending at 155 kroner. As of March 15th, 2005, the share price was at 188 kroner. Ownership of TGS shares is widely distributed internationally.

Shareholding distribution on value held of TGS-NOPEC per March 15, 2005.





Our investor relations policy is designed to inform the stock market and all shareholders of the Company's activities and status in a timely and accurate manner. The Company submits quarterly and annual financial reports to the OSE as well as any interim information of significance for assessing the Company's value. This information, as well as much additional information about TGS, is available via the Company's website, www.tgsnopec.com.

TGS places great emphasis on providing the same information to all investors, and all press releases are published in English only. The Company's quarterly earnings presentations are recorded and made available as webcasts or PowerPoint presentations in real time. Company executives also make international presentations and road shows throughout the year to inform existing and potential investors about TGS.

Please feel free to contact us if you would like to learn more about TGS.

US: John A. Adamick
VP Business Development
Tel: + 1 713 860 2100
jada@tgsnopec.com

Norway: Arne Helland
Chief Financial Officer
Tel: + 47 31 29 20 00
Tel: + 47 91 88 78 29
arne@tgsnopec.no

Norway: (right)
Arne Helland
Chief Financial Officer

US: (left)
John A. Adamick
VP Business Development

TOMORROW

The hallmarks of success for TGS-NOPEC over the last 25 years have been high quality data, exemplary service, and reasonable costs all achieved within the framework of a multi-client business model. And it is with a continued commitment to these core values that TGS-NOPEC charts its path for the next 25 years and beyond. TGS-NOPEC will continue to strategically grow its library of multi-client products worldwide and expand service offerings to its clients. And the process will continue to be opportunistic and customer driven, with a long-term view towards building the number one provider of geoscientific data to the energy industry.

All statements in this Annual Report 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 principal 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.

SEISMIC SURVEY

1980
- DK-80 Survey

1981
- Phase 1 and 2 Acquisition
- Central Graben Tie Survey
- Regional Tie Denmark Survey
- Sorrell Basin Survey
- NH81 Survey
- RTD-81K Survey

1982
- RTDI-82 Survey
- SJR 82 Survey

1983
- Phase 3 Acquisition
- Phase 4 Acquisition
- South Viking Trough Survey
- NRGS-84/B-83 Survey
- Central North Sea Tie Extension Survey
- North West Shetland Survey

1984
- Phase 5 Acquisition
- Phase 6 Acquisition
- Phase 7 Acquisition
- Phase 8 Acquisition
- Mid Norway Detail (MND-84) Survey
- Norwegian Detail Four Survey
- Norwegian Detail Three Survey
- Northern North Sea Tie Survey
- Norwegian Detail Two Survey
- Norwegian Detail One Survey

1985
- Phase 10 Acquisition
- Phase 11 Acquisition
- Phase 12 Acquisition
- Phase 15 Acquisition
- Svalbard Survey
- Møre 1 Statoil Survey (ST8503)
- East Coast Detail Survey

1986
- Phase16 Acquisition
- Phase 17 Acquisition
- Finnmark West Survey
- Nordland 3 Statoil Survey (ST8604)
- Nordland 3 Survey
- Mid Norway Tie (MNT-86) Survey
- Nordland 4 (N4-86) Survey
- Selje High (SEH-86) Survey
- Dense Grid Mapping 1 Survey
- Northern North Sea Tie Infill Survey
- Norwegian Detail Seven Survey
- UK Detail Two Survey
- Central North Sea Tie Survey
- Skagerrak Survey
- Norwegian Detail Six Survey
- Norwegian Danish Border Survey
- Southern North Sea Tie Infill Survey
- Germany Regional Survey
- East Coast Detail Shallow-Water Survey
- East Coast Detail Infill Survey
- Phase 18 Acquisition
- Strategic Blocks Survey

1987
- Phase19 Acquisition
- Phase 20 Acquisition
- Phase 23 Acquisition
- Phase 25 Acquisition
- Phase 27 Acquisition
- Phase 24 Acquisition
- Loppa Ridge Infil 1987 Survey
- Shell Finnmark East Survey
- Norwegian Detail Eight Survey
- Stord Basin Group Survey
- Block 16/3 Survey
- Border Blocks Survey
- Seventh Round Relenquishment Survey

1988
- Phase 21 Acquisition
- Phase 30 Acquisition
- Phase 31 Acquisition
- Phase 32 Acquisition
- Phase 33 Acquisition
- Mid Norway Tie (MNT-88) Survey
- Phase 34 Acquisition
- Halten Detail 1 (HD1-88) Survey
- Dense Grid Mapping 2 (DGM2-88) Survey
- Frøya Detail (FRD-88) Survey
- Møre Dip (MD) Survey
- Norwegian Detail Ten Survey
- North Viking Graben Tie Survey
- Norther North Sea Tie Infill Survey
- Norwegian Detail Nine Survey
- Farsund Sub Basin Survey
- Central North Sea Tie Connection Survey
- Central Graben Survey
- East Coast Detail Extension Survey

1989
- Phase 26 Acquisition
- AR-1 (Africa) Acquisition
- Hitra Rogn (HR-89) Survey Bgins
- Florø Terrace Detail Survey
- Tampen Spur East (TSE-89) Survey
- Sogn Spur Detail Survey
- East Shetland Basin Tie Survey
- Viking Graben Super Tie Survey
- Viking Graben Detail Survey
- Central Area Super Tie Survey

1990
- Phase 38 Acquisition
- Phase 41 Acquisition
- Frøya Detail Extension (FRDE-90) Survey
- North East Shetland Tie (NEST-90) Survey
- Gullfaks Spur Detail Survey
- South Oseberg Terrance Detail Survey
- 12th Round Detail Block Survey
- East Cameron 3D
- Phase 10 Reprocessed Completed

1991
- AR-2 (Africa) Acquisition
- Halten West (HW-91) Survey
- Frøya High (FH) Survey
- Frøya High Margin (FHM-91) Survey
- Tampen West Survey
- Tampen Spur Detail Survey
- Sogn Spur Detail Infill Survey
- Sogn Spur East Survey
- Sogn Spur West Survye
- Sele Hight North Survey
- Norwegian Detail Six Infill Survey
- Border Blocks Infill Survey
- A-B Tie Survey
- North West Ireland Survey
- West Shetland Detail Survey
- Brazos 3D
- East Breaks 3D

1992
- Nordland 7 Survey
- Nordland 6 Tertiary (N6T-92) Survey
- Nordland 6 (N6-92) Survey
- Mangus Embayment Detail (MED-92) Survey
- Sogn Graben Tertiary (SGT-92) Survey
- Phase 43 Acquisition
- Garden Banks 3D
- Mid Norway Tie (MNT-92) Survey
- Møre Dip Infill (MDI-92) Survey
- Møre Tertiary (MD) Survey
- Tampen North West (TNW-92) Survey
- North Open Sea Acerage (NOA92) Survey
- North Viking Graben Tie Infill Survey
- Gas Basin Detail Survey
- Cardigan Bay Detail Survey
- South West Shetland Survey
- East Shetland Basin Detail Survey
- North Sea Detail Survey
- Carnarvon Basin Tie Infill Survey
- Arafura Basin Reconnissance Survey
- South Timbalier 3D Begins
- Ship Shoal 3D Begins
- Namibia NSR-92

1993
- Ribban Basin (RB-93) Survey
- Træn Basin Margin Survey (TBM-93)
- Halten North-West (HNW-93) Survey
- Norland Rige Infill (NRI-93) Survey
- Lomre Terrance Margin Survey
- Central Viking Graben Tie Survey
- Jæren High South Survey
- West of Hebrides Regional Survey
- Cannin Basin Tie Survey
- Browse Basin Tie Survey
- Timor Sea Tie Survey
- ECV 3D
- West Cameron 3D
- SS/ST 3D
- STX 3D

1994
- Phase 44 Acquisition
- High Island 3D
- TGS-13 3D
- Utrost Hight (UH-94) Survey
- Voring Basin Tie (VBT-94) Survey
- Nordland 6 South Tertiary (N6ST-94) Survey
- Nordland 5 Survey
- Nordland I & III Cretaceous (N1N3C-94) Survey
- Trøndelag Platform N.E. (TPNE-94) Survey
- Vega High (VH-94) Survey
- Vikna Ridge North (VRN-94) Survey
- Shetland Faroes Detail Survey
- Carnarvon Basin Tie Infill Extension Survey
- Browse Basin Tie Infill Survey
- Malita Graben Tie Survey
- Ship Shoal North SN 3D
- Brazos 3D Begins
- High Island South 3D
- Phase 13, 3D survey became part of LA Ren
- Texas Renaissance

1995
- Phase 44b Acquisition
- Fles Fault Complex (FFC95) Survey
- Rås Sub-Basin Detail (RSD95) Survey
- Vøring Møre Tie (VMT95) Survey
- Cameron South 3D
- MC3D Block34/1,2&3 Survey
- Southeast Asia Supertie
- Stord Basin Detail Survey
- Shetland Faroes Extension Survey
- South East Asia Supertie Survey
- Carnarvon Cretaceous Tertiary Tie Survey
- Vulcan Teriary Tie Survey

1996
- Phase 45 Acquisition
- Saga Survey (SG96)
- Nordland 2 Nordland 3 Tertiary Survey
- Vøring 2 Regional (V2R96) Survey
- Møre West Tertiary (MWT96) Survey
- Stord Basin Detail Extension Survey
- ECV North 3D
- South Timbalier 3D North
- West Cameron North 3D
- West Cameron "C" 3D
- South East Tertiary Survey
- Central Graben Margin East Survey
- Southern Rockall Trough Survey
- North Rockall Trough Detail Survey
- North Shetland Basin Survey
- Yampi Shelf Tie Survey

1997
- Phase 46 Acquisition
- Phase 49 Acquisition
- Viosca Knoll
- Outer Møre Vøring (OMV98) Survey
- Halten Terrace (HT97) Survey
- Sørvestland High Detail Survey
- MC3D Quadrant Four Survey
- Porcupine Sea Bright Survey
- North Faroes Survey
- Browse Basin High Resolution Survey
- East Petrel Survey

1998
- Phase 47 Acquisition
- NS-100 98 Acquisition
- Eastern Gulf (1-3) 3D
- Pangaea 3D Reprocessing
- Naglfar Gjallar Infill (NGI98) Survey
- Gjallar Ridge South (GRS98/99) Survey
- Gjallar Ridge South Infill (GRSI99) Survey
- Rås South West (RSW98) Survey
- Klakk Fault-Zone West (KFW98) Survey
- Møre South (MS98) Survey
- Viking Graben North Tie Survey
- Tertiary Tie Survey
- Horda Platform South Survey
- Sørvestland High Detail Extension Infill Survey
- Sørvestland High Detail Extension Survey
- Germany Survey
- Sea of Okhotsk Survey
- East Indonesia Regional Survey
- Beagle Deep Regional Survey
- Jacaranda Regional Survey

1999
- Greenland 99
- Mahakam Delta
- Garden Banks 3 3D
- Camamu / Almeda Jequitinhonha Acquisition
- Cumuruxatiba Espirito Santo Acquisition
- Leviathan Phase I & II
- Santos / Campos Espirito Santo
- Mississippi Canyon 3D
- NS-100 99 Acquisition
- Northern Nordland Ridge Survey
- Ytreholmen Fault Zone (YFZ99) Survey
- Barreirinhas 2D Survey
- Potiguar/Ceara Acquisition
- LC-100 Survey Acquired
- Foz-Do Amazonas / Para-Maranhao Acquisition
- FSB Survey
- VSS99 Survey
- Halten Terrace South (HTS99) Survey
- Møre North West (MNW99) Survey
- Møre South Infill (MSI99) Survey
- Denmark South Survey

2000
- Liberia 2D Acquisition
- Phase 48 Acquisition
- Offshore Morocco (RS00) Acquisition
- Sierra Leone 2D Acquisition
- NF-101 Acquisition
- SOR-Vestnaget SOR Survey
- Nordland VII Infill Survey
- Harstad Basin Survey
- Gjallar Vigrid Fles Survy
- South West Fles Survey
- Gjaller Vigrid Fles (GVF2000) Survey
- South West Fles (SWF2000) Survey
- Klakk Fault West Infill (KFWI00) Survey
- Egersund Basin South Survey
- East Shetland Basin MC3D Survey
- Finders 3D Survey
- Greenland 2000
- Kangamiut Ridge 2000 Sissimiut
- West 2000

2001
- Texas Renaissance Reprocessing
- GRC-01 Survey Acquired
- Madagascar/Mozambique Survey
- Lebanon 2002 2D Survey Acquisition
- Rhone Maritime (RM-01)
- Cantabrian Sea (CS-01)
- South Gulf of Valencia (SGV-01)
- Malta Sicily Channel 2D Survey
- Malta Medina Bank 2D Survey
- Barents Sea South Survey
- More Voring Reprocessed (MV01RE) Survey
- Grip High (GH01) Survey
- Danmark AGIP Survey
- Matahari Survey
- Greenland-Canada 2001
- Greenland 2001
- Sri Lanka Survey
- Circum Makassar Survey
- Astrolabe Survey

2002
- LC-105 & NS-103 Acquisition
- LS-108, OB-102 & OB-107 Acquisition
- OB-102 & OB-107 (2002) Acquisition
- Boujdour 2D Acquisition
- Nigeria 2D Acquisition
- Dakhla 2D Acquisition
- Phase 50 Acquisition
- Portugal Deep 2002 Survey
- Western Mediterranean Regional 2002 (WMR-02)
- Barents Sea East Survey
- Gjallar East 2002 (GRE-02) Survey
- Iceland Survey
- Måsøy Fault 2002
- Germany 2002
- Eastern Mississippi Canyon (eMC) 3D
- Disko West 2002
- Greenland-Canada 2002
- Greenland 2002
- Kap Farvel 2002
- Gipsland Basin Reprocessed

2003
- Blake Plateau Survey
- West Africa Well Tie 2D Acquisition
- NS-109 Acquisition
- OB-102 & OB-107 (2003) Acquisition
- North Sea Rennisance Pilot
- N2N3T96 Reprocessed 2003
- Deep Resolve 3D
- LA Renaissance 3D Re-Processing
- Basin of Lady Franklin 2003
- Fylla Basin South East 2003
- Greenland 2003
- Kap Farvel 2003
- Kangamiut West 2003
- Perth Basin Reprocessed

2004
- North Sea Rennisance 2004
- Sakhalin Survey
- Deep Resolve 3D Extension
- Circum Makassar Strait 2004 Survey (CM04)
- Mississippi Canyon 3D Depth Processing Project
- Cote D'Ivoir 3D Survey
- Heimdall Survey

* Unless noted otherwise, the surveys listed in this timeline represent the year seismic data acquisition began.

CONTACT US

www.tgsnopec.com

USA

TGS-NOPEC Geophysical Company
2500 CityWest Boulevard Suite 2000
Houston, TX 77042 USA
tel: +1 713 860 2100
fax: +1 713 334 3308
email:tgs@tgsnopec.com

NORWAY

TGS-NOPEC Geophysical Company ASA
Baarsrudveien 2
N-3478 Naersnes Norway
tel: + 47 31 29 20 00
fax: + 47 31 29 20 10
email:tgsnopec@tgsnopec.no

UK

TGS-NOPEC Geophysical Company (UK) Limited
Graylaw House
21/21A Goldington Road
Bedford MK40 3JY, UK
tel: + 44 (0) 1234 272122
fax: + 44 (0) 1234 325956
email:tgsn@tgsnopec.co.uk

AUSTRALIA

TGS-NOPEC Geophysical Company Pty Ltd
Level 5, MLC House
1100 Hay Street
West Perth, WA 6005 Australia
tel: + 61 8 9480 0000
fax: + 61 8 9321 5312
email:contact@tgsnopec.com.au

A2D Technologies, Inc.
2345 Atascocita Road
Humble, TX 77396 USA
tel: +1 281 319 4944
fax: +1 281 319 4945
email:a2d@a2d.com

A2D Technologies, Inc.
1010 Common Street Suite 1705
New Orleans, LA 70112 USA
tel: +1 504 524 3450
fax: +1 504 524 3454
email:a2d@a2d.com

A2D Technologies, Inc.
7608 N. Harvey Avenue
Oklahoma City, OK 73113-2460 USA
tel: +1 405 848 4407
fax: +1 405 848 4036
email:a2d@a2d.com

TGS

TGS-NOPEC Geophysical Company | 2004 Annual Report | www.tgsnopec.com