TGS EARNINGS RELEASE
4 August 2011

2nd QUARTER and 1st HALF 2011 RESULTS

2nd QUARTER HIGHLIGHTS

- Consolidated net revenues were USD 136.1 million, an increase of 21% compared to Q2 2010.
- Net late sales totaled USD 98.0 million, up 52% from Q2 2010.
- Net pre-funding revenues were USD 26.7 million, down 38% from Q2 2010, funding 43% of the Company's operational multi-client investments during Q2 (investments of USD 61.7 million, down 36% from Q2 2010).
- Proprietary revenues were USD 11.4 million, up 142% from Q2 2010.
- Operating profit (EBIT) was USD 57.7 million (42% of net revenues), compared to USD 33.4 million (30% of net revenues) in Q2 2010.
- Cash flow from operations was USD 93.3 million, up from USD 74.1 million in Q2 2010.
- Earnings per share (fully diluted) were USD 0.41, compared to 0.18 in Q2 2010.

6 MONTHS FINANCIAL HIGHLIGHTS

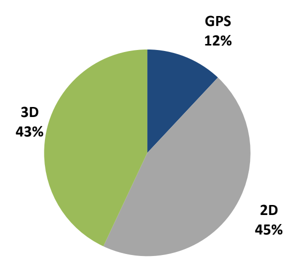
- Consolidated net revenues were USD 268.1 million, an increase of 3% compared to H1 2010.
- Net late sales from the multi-client library totaled USD 182.8 million, up 33% from USD 138.0 million in 2010.
- Net pre-funding revenues were USD 63.4 million, down 44% from 2010, funding 60% of the Company's operational multi-client investments during H1 (investments of USD 105.2 million, down 46% from 2010).
- Proprietary revenues were USD 21.9 million, up 118% from 2010.
- Operating profit (EBIT) was USD 116.7 million (44% of net revenues), compared to USD 92.3 million (35% of net revenues) in 2010.
- Cash flow from operations was USD 231.6 million, an increase of 28% from USD 180.4 million in 2010.
- Earnings per share (fully diluted) were USD 0.81 compared to USD 0.58 for the same period in 2010.

"Another strong quarter with revenue growth of 21% from last year," TGS' CEO Robert Hobbs stated. "We continue to see great demand for our existing library data and all business areas experienced growth in late sales compared to one year ago. We maintain our guidance for 2011."

KEY FIGURES

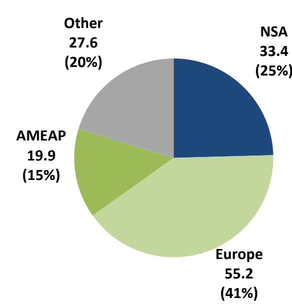
(All amounts in USD 1,000s)	Q2 2011	Q2 2010	YTD 2011	YTD 2010	2010
Net operating revenues	136,104	112,332	268,116	260,568	568,263
Operating profit	57,727	33,446	116,718	92,269	227,108
Pre-tax profit	59,154	32,498	117,450	92,727	227,745
Net income	42,535	19,290	84,107	61,294	155,783
EBIT	57,727	33,446	116,718	92,269	227,108
EBIT margin	42%	30%	44%	35%	40%
Return on capital employed	27%	28%	27%	28%	26%
Equity ratio	73%	75%	73%	75%	75%
Multi-client library					
Opening net book value	471,004	453,229	475,698	424,282	424,283
Multi-client data purchased from third parties	-	2,900	-	2,900	4,000
Investments in new projects	61,695	97,090	105,235	193,331	295,290
Amortization	(48,448)	(55,039)	(96,682)	(122,333)	(247,874)
Ending net book value	484,251	498,180	484,251	498,180	475,698
Pre-funding % on operational investments	43%	44%	60%	58%	55%

REVENUE BREAKDOWN



TGS' largest business activity is developing, managing, conducting and selling multi-client seismic surveys. This activity accounted for 80% of the Company's business during the quarter. Geological Products and Services (GPS) accounted for 12% of net revenues in the 2nd quarter, while proprietary seismic revenues accounted for 8% of net revenues.

Net late sales were up 52% compared to Q2 2010. Net pre-funding revenues totaled USD 26.7 million, a decrease of 38% from Q2 2010. The pre-funding revenues recognized in the second quarter funded 43% of the operational investments of USD 61.7 million in the multi-client library. During the first half of 2011, pre-funding amounted to 63.4 million (60% of operational investments) representing a decrease of 46% over the same period of 2010. As previously communicated, management expects investments to be weighted more to the second half of 2011, opposite the pattern of 2010, when investments were weighted more to the first half of the year. Proprietary contract revenues during the quarter totaled USD 11.4 million compared to USD 4.7 million in Q2 2010. For the 6 months ended June 2011, proprietary revenue totaled USD 21.9 million, up 118% from USD 10.0 million in the first half of 2010.



TGS' reporting structure is broken down in the following seismic business segments; North and South America, Europe, Africa, Middle East and Asia Pacific. In addition to these areas, several business units are aggregated to form "Other segments." These segments include GPS Well Data, GPS Interpretations, Global Services and Imaging. Sales from North and South America totaled USD 33.4 million in Q2 2011 (40.4 in Q2 2010) which corresponds to 25% of total sales for the quarter (36% in Q2 2010). Sales from Europe amounted to USD 55.2 million (30.9 in Q2 2010), while Africa, Middle-East and Asia Pacific had total sales of USD 19.9 million in Q2 2011 (17.9 in Q2 2010). All seismic business segments experienced growth in late sales compared to Q2 2010.

OPERATIONAL COSTS

The amortization of the multi-client library for Q2 2011 amounted to USD 48.4 million (55.0 in Q2 2010) which corresponds to 39% (51% in Q2 2010) of the total revenues from the multi-client library for the quarter. Amortization fluctuates from quarter to quarter, depending on the sales mix of projects. The amortization rate for the first 6 months of 2011 was 39% compared to 49% in H1 2010. In Q2 2011, 15% of total revenues came from pre-2007 vintages which are fully written off the books in line with the Company's amortization policy.

Cost of goods sold (COGS) were USD 3.6 million for the quarter, USD 2.9 million higher than one year ago. The increase is due to higher proprietary acquisition activity. Personnel and other operating costs expensed during the quarter were USD 23.9 million, an increase of 42% from 2010, mainly due to transaction costs related to the Stingray acquisition (USD 1.4 million), increased costs related to employee incentive schemes (USD 2.3 million) and a provision for account receivables impairment (USD 2.1 million).

EBITDA AND EBIT

Reported EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) for the quarter ended 30 June 2011 was USD 108.2 million, which corresponds to 79% of net revenues, up 15% from USD 94.1 million in Q2 2010. Operating profit (EBIT) for the quarter amounts to USD 57.7 million compared to USD 33.4 million in Q2 2010.

FINANCIAL ITEMS

TGS recorded an unrealized currency exchange gain of USD 0.2 million in Q2 2011.

The Company recorded a financial gain of USD 0.6 million in Q2 2011 through net financial items related to the financial investments available for sale as a result of the redemptions at par value realized on some of the Company's holdings of auction rate securities (ARS).

The Company recorded a financial loss of USD 0.1 million in Q2 2011 related to changes in fair value of a financial derivative.

TAX

For the full year, TGS reports tax charges in accordance with the Accounting Standard IAS 12. Tax charges are computed based on the USD value relating to the appropriate tax provisions according to local tax regulations and currencies in each jurisdiction. The tax charges are influenced not only from local profits, but also from fluctuations in exchange rates between the local currencies and USD. The cost of stock options is non-deductible and non-taxable in some jurisdictions. This method makes it difficult to predict tax charges on a quarterly or annual basis.

In some tax jurisdictions, the Company receives a tax deduction in respect of remuneration paid as stock options. The Company recognizes an expense for employee services in accordance with IFRS 2 which is based on the fair value of the award at the date of the grant.

Following a positive outcome of a tax litigation with the State of Texas, TGS will be refunded USD 3.2 million. Together with a taxable exchange loss for the Parent Company related to the dividend accrual, which does not qualify as a loss for the Group according to IFRS, this implies a low tax rate for the quarter. The tax rate reported for Q2 2011 is 28%.

Management assesses that the normalized operating consolidated tax rate is approximately 31%.

NET INCOME AND EARNINGS PER SHARE (EPS)

Net income for Q2 2011 was USD 42.5 million (31% of net revenues), up 121% compared to Q2 2010. Quarterly earnings per share (EPS) were USD 0.41 fully diluted (USD 0.42 undiluted), an increase of 123% from Q2 2010 EPS of USD 0.18 (USD 0.19 undiluted).

MULTI-CLIENT INVESTMENTS AND LIBRARY

The Company's operational investments in its data library during Q2 2011 were USD 61.7 million, 36% lower than in Q2 2010. The Company recognized USD 26.7 million in net pre-funding revenues in Q2 2011, funding 43% of its operational multi-client investments during the quarter. For the first 6 months of 2010, pre-funding revenues totaled USD 63.4 million, funding 60% of operational multi-client investments (USD 105.2 million).

MUSD	Q2 2011	Q2 2010	6M 2011	6M 2010	2010	2009	2008
Beginning net book value	471.0	453.2	475.7	424.3	424.3	335.0	217.4
Non-operational investments	-	2.9	-	2.9	4.0	-	-
Operational investments	61.7	97.1	105.2	193.3	295.3	266.0	287.0
Amortization	(48.4)	(55.0)	(96.7)	(122.3)	(247.9)	(176.7)	(169.3)
Ending net book value	484.3	498.2	484.3	498.2	475.7	424.3	335.0

MUSD	Q2 2011	Q2 2010	6M 2011	6M 2010	2010	2009	2008
Net MC revenues	124.7	107.6	246.3	250.6	543.0	445.0	481.7
Change in MC revenue	16%	-9%	-2%	37%	22%	-8%	21%
Change in MC investment	-38%	29%	-46%	39%	13%	-7%	108%
Amort. in % of net MC revs.	39%	51%	39%	49%	46%	40%	35%
Change in net book value	3%	10%	3%	17%	12%	27%	54%

BALANCE SHEET AND CASH FLOW

The net cash flow from operations for the quarter, after taxes, before investments, totaled USD 93.3 million compared to USD 74.1 million in Q2 2010. As of 30 June 2011, the Company's total cash holdings amounted to USD 288.1 million compared to USD 290.2 million at 31 December 2010.

The June 2011 Ordinary General Meeting approved a dividend of NOK 5 per share of outstanding common stock. The dividend payments of USD 93.4 million were made in June 2011. It is also the stated intention of the Board to buy back TGS shares of up to USD 30 million out of which USD 15.1 million was used in the second quarter.

On 18 April 2011, the Stingray acquisition was completed. An initial payment of USD 45 million was made, and incremental payments of up to USD 35 million will be due in the future based on the success of commercializing the technology. The notes to the interim financial statements describe the fair value analysis of the acquisition.

As of 30 June 2011, TGS held USD 21.7 million in Auction Rate Securities (ARS), all in AAA-rated closed-end funds. The market began experiencing failed auctions in February 2008. Since experiencing the first failed auction, TGS has redeemed a total of USD 65.0 million of ARS at par value and USD 4.8 million at 93% of par value. Of the redemptions at par value, USD 4.1 million were redeemed in Q2 2011. TGS classifies its ARS as current financial investments available for sale and has valued its ARS at fair value of USD 18.3 million. Per 30 June 2011, the balance of the provision held between par value and fair value was USD 3.4 million.

The Company has sufficient cash and financial capacity to finance its operations and other known potential liabilities without selling the ARS. TGS intends however, to sell these given the right opportunities.

The Company believes that no impairment to goodwill and other intangible assets exists.

TGS currently does not have any interest bearing debt.

Total equity per 30 June 2011 was USD 898.5 million, representing 73% of total assets. A total of 178,750 new shares were issued during Q2 2011 in relation to stock options exercised by key employees in May 2011. Further, the Company transferred 44,250 treasury shares to cover the exercise of options by key employees. During the quarter, the Company bought back 579,600 shares for the treasury. As of 30 June 2011 TGS holds 2,008,701 treasury shares, of which 741,701 shares are in the process of being cancelled. The remaining treasury shares are held to cover future exercises of stock options and remuneration to Board members.

BACKLOG

TGS' backlog amounted to USD 124.4 million at the end of Q2, an increase of 13% from last quarter and 27% above the level of one year ago.

OPERATIONAL HIGHLIGHTS

Vessels under TGS' control through charter during all or parts of Q2 included one 2D vessel, four 3D vessels and one wide azimuth crew. An additional three 2D vessels and one 3D vessel were involved in joint ventures with others during Q2.

Western Hemisphere

The final version of the Liberty wide azimuth (WAZ) project was delivered to customers in Q2 2011. This 3,000 km^2 multi-client (MC) project is the second of two jointly owned TGS/WesternGeco WAZ projects in the Gulf of Mexico.

TGS chartered a WAZ crew to complete the remaining 7% of acquisition of the Justice WAZ project. This project was suspended in Q3 2010 due to the Macondo accident. Justice is 100% owned by TGS. Combined with the Freedom and Liberty WAZ projects, TGS has ownership of over 27,000 km^2 of MC WAZ data in the most prolific area of the Gulf of Mexico. Processing of the entire Justice survey is expected to complete in early 2012.

In response to customer demand in the unconventional shale plays of the US, TGS' Geological Products and Services division expanded its formation tops database into the Eagle Ford and Niobrara shale plays. A new MC interpretive project was also started in Brazil during the quarter.

Eastern Hemisphere

TGS commenced a very active data acquisition season during Q2 in Europe.

The Company chartered the *Oceanic Challenger* to complete a MC 3D survey in the Moray Firth that was started in 2010. The vessel then started an extension of this survey as part of its Moray Firth 2011 program. Upon completion in Q3, the two Moray Firth surveys will total 4,500 km^2.

The Company returned to the Barents Sea with the *Polar Duke* to extend the Hoop Fault Complex 3D survey. When complete, a total of 7,180 km^2 of MC 3D data from the 2009 through 2011 campaigns will be available to customers in this promising region of the Barents Sea. Processed data from this year's campaign will be available for clients before the anticipated Norway 22nd exploration round.

TGS, in partnership with PGS, commenced acquisition of a new MC 3D survey in the North Viking Graben of the North Sea. The partnership is utilizing the *Atlantic Explorer* with PGS Geostreamer technology to acquire the 1,130 km^2 survey. When complete in Q3, the partnership will have acquired over 5,800 km^2 of MC 3D data in this region.

TGS continued acquisition of its successful multi-year long-offset regional 2D program in partnership with Fugro. The *Bergen Surveyor* was utilized in the West of Shetlands region of the North Sea, the *Akademik Shatskiy* was utilized in the Norwegian Sea, and the *Akademik Lasarev* acquired data for the program in the Barents Sea. When operations are complete in 2011, the partnership will have added 25,600 km to a total program size of approximately 280,500 km.

The Company announced the commencement of a 42,000 km airborne gravity, magnetic and seep survey in southeast Greenland. The survey is the first TGS survey to use Seepfinder technology to detect oil seeps on the sea surface. On completion of this survey, TGS will own 311,000 km of airborne data in Greenland.

In West Africa, TGS completed the Benin Blocks 5/6 MC 3D survey early in Q2 2011. This survey, totaling approximately 4,000 km^2, is currently being processed by TGS and will be complete in Q4 2011. Also in the highly prospective West Africa region, TGS announced a new multi-country MC 2D survey in partnership with Dolphin Geophysical Ltd. The survey will total 20,000 km and data deliveries are scheduled to begin in late 2011 with total project completion in 2012.

In the Asia Pacific region, TGS completed acquisition of Phase 2 of the Tarakan Basin MC 3D survey. This 1,820 km^2 survey is TGS' second MC 3D survey in Indonesia. Also in Indonesia, TGS completed acquisition of two MC 2D surveys in Q2. These surveys in the East Misool and North Cenderwasih Bay regions added over 3,420 km of MC 2D to TGS' extensive Indonesian database.

OTHER MATTERS

In Q2 2011, TGS announced the acquisition of Stingray Geophysical. This acquisition positions TGS as a key player in the permanent reservoir monitoring market. Stingray, founded in 2006, utilizes fiber-optic sensing technology to monitor changes in oil and gas reservoirs as the fields are produced. The technology is designed to enable TGS' customers to more efficiently develop their reservoirs. See Note 6 to the interim financial statements for the accounting effects and purchase price allocation of the transaction.

TGS refers to the release of 9 February 2011 announcing authority from the Board of Directors to the Company on a plan to repurchase shares in accordance with existing regulations at Oslo Børs. The Company seeks to repurchase stock in order to reduce its outstanding shares. The shares will be purchased from the open market and in accordance with the Safe Harbour provisions of the EU Commission Regulations for buy-back programs. Shares may be purchased within a price range of NOK 100 to NOK 200 per common share. The Company may acquire a total number of shares corresponding to an amount of up to USD 30 million. The plan to repurchase stock started 6 May 2011 and will continue up to and including 31 December 2011. During the period up to 30 June 2011, the Company has purchased approximately USD 15 million of shares as part of this program.

OUTLOOK

As illustrated by the much improved late sales over the same period in 2010 and increased backlog, business conditions continue to improve in TGS' markets. Demand for high-quality geoscientific data makes TGS' unique products attractive to the market, which isevident in the outstanding sales performance during Q2 2011.

As previously communicated, TGS investments are expected to increase in the second half of 2011. Vessel capacity to complete these investments continues to be available and the Company has announced several new vessel charters during the second quarter that will enable higher seismic acquisition activity in the second half of 2011. New charters are still signed at favorable rates for TGS.

The market for seismic products in the Gulf of Mexico remains challenged due to delayed permitting for seismic surveys in certain parts of the basin. In addition, customer interest in new seismic investment continues to be cautious due to uncertainty in the timing of approvals for new exploration wells and development plans. In terms of new license rounds, the BOEMRE has indicated the intention to hold rounds starting in late 2011. The market still awaits formal announcement confirming the timing of these rounds.

TGS management's expectations for the full year 2011 remain as follows: multi-client library investments of USD 280–330 million, average pre-funding in the range of 55-65% of investments, an average annualized multi-client amortization rate in the range of 41-47% of net revenues, net revenues in the range of USD 600–650 million and proprietary contract revenues of approximately 5% of total net revenues.

Asker, 3 August 2011
The Board of Directors of TGS-NOPEC Geophysical Company ASA

ABOUT TGS

TGS-NOPEC Geophysical Company (TGS) provides multi-client geoscience data and services to Oil and Gas Exploration and Production companies around the globe. TGS' geophysical and geological data products include multi-client seismic libraries, permanent reservoir monitoring, magnetic and gravity data, the industry's largest global database of digital well logs and regional interpretive products. TGS also provides high-end depth imaging services to help resolve complex seismic imaging problems.

TGS-NOPEC Geophysical Company ASA is listed on the Oslo Stock Exchange (OSLO:TGS).
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Interim Statement of Comprehensive Income

(All amounts in USD 1,000s unless noted otherwise)	Note	2011 Q2 Unaudited	2010 Q2 Unaudited	2011 YTD Unaudited	2010 YTD Unaudited
Net operating revenues	4	**136,104**	**112,332**	**268,116**	**260,568**
Operating expenses					
Cost of goods sold - proprietary and other		3,602	739	7,547	1,532
Amortization of multi-client library		48,448	55,039	96,682	122,333
Personnel costs		14,651	10,570	28,372	23,416
Cost of stock options		420	670	843	1,494
Other operating expenses		9,272	6,278	14,445	12,354
Depreciation and amortization		1,984	5,592	3,508	7,170
Total operating expenses		**78,378**	**78,887**	**151,397**	**168,299**
Operating profit	4	**57,727**	**33,446**	**116,718**	**92,269**
Financial income and expenses					
Financial income		714	629	906	909
Financial expense		-67	-3	-97	13
Exchange gains/losses		232	-1,701	-1,050	-592
Gain on financial assets		549	128	972	128
Net financial items		**1,428**	**-947**	**731**	**458**
Profit before taxes		**59,154**	**32,498**	**117,450**	**92,727**
Tax expense		16,619	13,208	33,343	31,433
Net income		**42,535**	**19,290**	**84,107**	**61,294**
EPS USD		**0.42**	**0.19**	**0.82**	**0.60**
EPS USD, fully diluted		**0.41**	**0.18**	**0.81**	**0.58**
Other comprehensive income:					
Exchange differences on translation of foreign operations		-389	-588	157	-452
Net (loss)/gain on available-for-sale financial assets		393	-128	393	-38
Other comprehensive income for the period, net of tax		4	-716	549	-489
Total comprehensive income for the period, net of tax		42,540	18,575	84,657	60,804

Interim Consolidated Balance Sheet

(All amounts in USD 1,000s)	Note	2011 30-Jun Unaudited	2011 31-Mar Unaudited	2010 31-Dec Audited
ASSETS				
Non-current assets				
Goodwill		86,401	45,837	45,837
Multi-client library		484,251	471,004	475,698
Other intangible non-current assets		49,632	21,463	23,614
Deferred tax asset		14,373	11,074	12,052
Buildings		810	775	780
Machinery and equipment		18,175	15,565	14,465
Other non-current assets	7	41,744	41,744	41,744
Total non-current assets		**695,385**	**607,461**	**614,189**
Current assets				
Financial investments available for sale		18,312	21,123	21,123
Derivative financial instruments	7	191	281	384
Accounts receivable		209,787	207,237	285,247
Other short-term receivables		14,245	6,687	5,788
Cash equivalents		288,141	385,183	290,185
Total current assets		**530,675**	**620,511**	**602,727**
TOTAL ASSETS		**1,226,060**	**1,227,973**	**1,216,916**
EQUITY AND LIABILITIES				
Equity				
Share capital		3,659	3,673	3,651
Other equity		894,834	956,640	905,120
Total equity	3	**898,493**	**960,314**	**908,771**
Non-current liabilities				
Other non-current liabilities		37,683	12,715	12,715
Deferred tax liability		84,874	79,477	87,687
Total non-current liabilities		**122,557**	**92,192**	**100,402**
Current liabilities				
Accounts payable and debt to partners		87,856	83,095	112,845
Taxes payable, withheld payroll tax, social security		38,602	31,361	39,669
Other current liabilities		78,551	61,010	55,229
Total current liabilities		**205,010**	**175,466**	**207,743**
TOTAL EQUITY AND LIABILITIES		**1,226,060**	**1,227,973**	**1,216,916**

Interim Consolidated Statement of Cash flow

(All amounts in USD 1,000s)	2011 Q2 Unaudited	2010 Q2 Unaudited	2011 YTD Unaudited	2010 YTD Unaudited
Cash flow from operating activities:				
Received payments	136,608	116,987	334,688	267,512
Payments for salaries, pensions, social security tax	-13,526	-13,022	-29,631	-27,119
Other operational costs	-10,806	-5,081	-19,892	-11,951
Net gain/(loss) on currency exchange	231	-1,701	-1,050	-592
Paid taxes	-19,165	-23,085	-52,541	-47,441
Net cash flow from operating activities 1)	**93,341**	**74,098**	**231,573**	**180,409**
Cash flow from investing activities:				
Investment in tangible fixed assets	-4,362	-1,001	-7,240	-2,039
Investments in multi-client library	-42,585	-108,056	-92,104	-172,655
Investment through mergers and acquisitions, net of cash acquired	-43,851	-3,625	-43,851	-3,625
Net change in short-term financial investments	4,050	1,700	4,050	2,625
Interest received	714	613	906	909
Net cash flow from investing activities	**-86,034**	**-110,369**	**-138,239**	**-174,785**
Cash flow from financing activites:				
Interest paid	-68	-1	-97	-2
Dividend payments	-93,407	-64,742	-93,407	-64,742
Purchase of own shares	-15,074	-9,899	-15,074	-17,105
Proceeds from share offerings	4,197	988	13,200	4,686
Net cash flow from financing activites	**-104,352**	**-73,654**	**-95,378**	**-77,163**
Net change in cash equivalents	**-97,043**	**-109,925**	**-2,042**	**-71,539**
Cash and cash equivalents at the beginning of period	385,184	281,878	290,184	243,493
Cash and cash equivalents at the end of period	**288,141**	**171,953**	**288,141**	**171,953**
1) Reconciliation				
Profit before taxes	59,154	32,498	117,450	92,727
Depreciation/Amortization	50,432	60,630	100,190	129,503
Changes in accounts receivables	-2,549	-2,787	75,461	32,468
Changes in other receivables	-3,368	3,599	-3,952	1,700
Changes in other balance sheet items	8,837	3,244	-5,035	-28,549
Paid taxes	-19,165	-23,085	-52,541	-47,441
Net cash flow from operating activities	**93,341**	**74,098**	**231,573**	**180,409**

Interim Consolidated Statement of Changes in Equity

(All amounts in USD 1,000s)	Share-Capital	Own Shares Held	Share Premium Reserve	Other Paid-In Equity	Available for Sale Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
Opening balance 1 January 2011	**3,714**	**-63**	**40,894**	**18,244**	**611**	**-8,393**	**853,764**	**908,771**
Net income	-	-	-	-	-	-	84,107	**84,107**
Other comprehensive income	-	-	-	-	393	157	-	**549**
Total comprehensive income	**-**	**-**	**-**	**-**	**393**	**157**	**84,107**	**84,657**
Paid-in-equity	27	-	11,312	-	-	-	-	**11,340**
Purchase of own shares	-	-26	-	-	-	-	-15,048	**-15,074**
Distribution of own shares	-	8	-	-	-	-	1,852	**1,860**
Cost of stock options	-	-	-	843	-	-	-	**843**
Dividends	-	-	-	-	-	-	-95,388	**-95,388**
Deferred tax asset related to stock options	-	-	-	-	-	-	1,485	**1,485**
Closing balance per 30 June 2011	**3,741**	**-82**	**52,206**	**19,087**	**1,004**	**-8,236**	**829,288**	**898,493**

(All amounts in USD 1,000s)	Share-Capital	Own Shares Held	Share Premium Reserve	Other Paid-In Equity	Available for Sale Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
Opening balance 1 January 2010	**3,737**	**-37**	**36,657**	**15,798**	**502**	**-8,226**	**791,424**	**839,856**
Net income	-	-	-	-	-	-	61,294	**61,294**
Other comprehensive income	-	-	-	-	-38	-452	-	**-491**
Total comprehensive income	**-**	**-**	**-**	**-**	**-38**	**-452**	**61,294**	**60,804**
Paid-in-equity	14	-	3,799	-	-	-	-	**3,813**
Purchase of own shares	-	-37	-	-	-	-	-17,068	**-17,105**
Distribution of own shares	-	3	-	-	-	-	869	**873**
Cost of stock options	-	-	-	1,494	-	-	-	**1,494**
Dividends	-	-	-	-	-	-	-64,027	**-64,027**
Closing balance per 30 June 2010	**3,752**	**-71**	**40,456**	**17,292**	**464**	**-8,678**	**772,492**	**825,708**

Largest Shareholders per 1 August 2011

				Shares	%
1	FOLKETRYGDFONDET	NORWAY		9,533,391	9.2%
2	STATE STREET BANK AN A/C CLIENT OMNIBUS	U.S.A	NOM	6,227,956	6.0%
3	CLEARSTREAM BANKING	LUXEMBOURG	NOM	3,902,565	3.8%
4	JPMORGAN CHASE BANK SPECIAL TREATY	GREAT BRITAIN	NOM	3,818,006	3.7%
5	PARETO AKSJE NORGE	NORWAY		3,775,706	3.6%
6	THE NORTHERN TRUST C ACCOUNT TREATY	GREAT BRITAIN	NOM	2,820,000	2.7%
7	EGERTON CAPITAL LTD c/o HSBC Bank PLC	GREAT BRITAIN		2,640,484	2.5%
8	BANK OF NEW YORK MEL S/A MELLON NOMINEE 1	U.S.A	NOM	2,482,459	2.4%
9	TGS NOPEC GEOPHYSICAL COMPANY	NORWAY		2,008,701	1.9%
10	BANK OF NEW YORK MEL S/A BNYM AS EMEA ASI	U.S.A	NOM	1,989,783	1.9%
10 Largest				**39,199,051**	**38%**
Total Shares Outstanding *				**102,083,624**	**100%**

Average number of shares outstanding for Current Quarter *

Average number of shares outstanding during the quarter	102,225,767
Average number of shares fully diluted during the quarter	103,447,698

* Shares outstanding net of shares held in treasury (2,008,701 TGS shares), composed of average outstanding TGS shares during the full quarter

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1 General information

TGS-NOPEC Geophysical Company ASA (the Company) is a public limited company listed on the Oslo Stock Exchange. The address of its registered office is Hagaløkkveien 13, 1383 Asker, Norway.

Note 2 Basis for Preparation

The condensed consolidated interim financial statements of the TGS Group have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with annual financial statements for 2010. None of the new accounting standards or amendments that came into effect from 1 January 2011 had a significant impact in the first half of 2011. The annual report for 2010 is available on www.tgsnopec.com.

Note 3 Share capital and equity

Ordinary shares	Number of shares
1 January 2011	**103,485,825**
4 March 2011, shares issued for cash on exercise of stock options	427,750
27 May 2011, shares issued for cash on exercise of stock options	178,750
30 June 2011	**104,092,325**

Treasury shares	Number of shares
1 January 2011	**1,567,151**
4 March 2011, treasury shares transferred to cover exercise of stock options	(85,000)
10 May 2011, shares bought back	68,000
11 May 2011, shares bought back	78,000
12 May 2011, shares bought back	125,000
13 May 2011, shares bought back	85,000
23 May 2011, shares bought back	45,000
24 May 2011, shares bought back	47,000
25 May 2011, shares bought back	51,600
26 May 2011, shares bought back	30,000
27 May 2011, shares bought back	10,000
27 May 2011, treasury shares transferred to cover exercise of stock options	(44,250)
30 May 2011, shares bought back	15,000
31 May 2011, shares bought back	25,000
7 June 2011, distribution of shares to board members	(8,800)
30 June 2011	**2,008,701**

The Annual General Meeting on 7 June 2011 approved a dividend of NOK 5 per share for outstanding common stock. Dividend payments of USD 93.4 million were made to shareholders on 22 June 2011.

Note 4 Segment information

2011 Q2	**North & South America**	**Europe & Russia**	**Africa, Middle East & Asia / Pacific**	**Other segments / Corporate costs**	**Consolidated**
Net external revenues	33,444	55,232	19,858	27,570	**136,104**
Operating profit	19,490	29,863	6,591	1,783	**57,727**

2011 YTD	**North & South America**	**Europe & Russia**	**Africa, Middle East & Asia / Pacific**	**Other segments / Corporate costs**	**Consolidated**
Net external revenues	75,677	76,866	61,258	54,315	**268,116**
Operating profit	44,020	41,696	23,162	7,840	**116,718**

2010 Q2	**North & South America**	**Europe & Russia**	**Africa, Middle East & Asia / Pacific**	**Other segments / Corporate costs**	**Consolidated**
Net external revenues	40,395	30,918	17,918	23,101	**112,332**
Operating profit	11,613	18,462	4,195	-825	**33,446**

2010 YTD	**North & South America**	**Europe & Russia**	**Africa, Middle East & Asia / Pacific**	**Other segments / Corporate costs**	**Consolidated**
Net external revenues	92,844	56,087	64,224	47,413	**260,568**
Operating profit	39,148	36,497	15,749	875	**92,269**

There are no intersegment revenues between the reportable operating segments.

The Company does not allocate all cost items to its reportable operating segments during the year. Unallocated cost items are reported as “Other segments/Corporate costs”.

Note 5 Related parties

On 19 May 2011, members of the board and of the executive management exercised 159,000 options and sold the same number of shares. No other material transactions with related parties took place during the second quarter of 2011.

Note 6 Business combinations

On 18 April 2011 the Company acquired 100% of the shares in Stingray Geophysical Ltd, a privately held company in United Kingdom. Stingray holds a license to commercialize fibre-optic sensing technology for seismic Permanent Reservoir Monitoring and some other oil and gas applications. The acquisition will provide TGS with a strong position in the growing market of Permanent Reservoir Monitoring.

The allocation of the purchase price of Stingray has been based upon preliminary fair value studies. Estimates and assumptions are subject to change upon management's review of the final valuations.

	Fair value recognized on acquisition
Assets	
Other intangible assets (technology)	30,916
Deferred tax asset	5,138
Machinery and equipment	69
Other current receivables	266
Cash and cash equivalents	1,149
	37,538
Liabilities	
Deferred tax liability	(6,121)
Other current liabilities	(2,012)
	(8,133)
Total identifiable net assets at fair value	**29,405**
Goodwill arising on acquisition	40,563
Purchase consideration transferred	**69,968**

The goodwill of USD 40.6 million comprises the value of expected synergies arising from the transaction, add-on values from the technologies and values related to the current workforce of Stingray. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition, Stingray has represented a net loss before tax of USD 1.0 million to the consolidated statement of comprehensive income. No revenues are recognized during this period. If the combination had taken place at the beginning of the year, revenues would have been USD 0.1 million and the net loss before tax would have been USD 3.4 million.

Purchase consideration	
Cash paid	45,000
Contingent consideration liability	24,968
Total consideration	**69,968**

Analysis of cash flows on acquisition:	
Transaction costs of the acquisiton	(1,362)
Net cash acquired with the subsidiary	1,149
Net cash flow on acquisition	**(213)**

The transaction costs of USD 1.4 million have been expensed and are included in other operating expenses.

As part of the purchase agreement with the previous owners of Stingray, a contingent consideration has been agreed. There will be additional cash payments to the previous owners of Stingray of:

1. USD 14.0 million (Tranche 1), if awarded a contract to furnish and install a permanent reservoir monitoring system within 2 years from completing the transaction.
2. USD 14.0 million (Tranche 2), if completing the installation of the equipment as well as acquisition of data from reservoir(s) comprised by a qualifying contract. The final shot point of data must be completed within 3 years from the date of execution of the underlying agreement.
3. USD 7.0 million (Tranche 3), conditional upon a subsequent acquisition of data over the reservoir(s) originally shot as part of fulfillment of Trance 2. The acquisition must be completed within 3 years from the date of execution of the underlying agreement.

As at the acquisition date, the fair value of the contingent consideration was estimated at USD 25.0 million.

No changes have been made to the fair value of the contingent consideration after the acquisition date.

Note 7 Other non-current assets

Other non-current assets comprise two interest bearing convertible loans to the E&P Holding Group (former Skeie Energy). The two loan agreements of USD 21.0 million and USD 21.1 million matured on 31 December 2010 and will mature on 31 December 2014, respectively. The loan that matured on 31 December 2010 is currently convertible, and the Company is entitled to convert all or part of the loan into equity. Accordingly, the loan agreement has an embedded derivative that requires separate recognition.

The embedded derivative has been carried at fair value through profit or loss and is recognized as “Derivative financial instruments”. The effect of profit or loss in Q2 2011 amounts to USD 0.1 million.

Responsibility Statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2011 has been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by EU, and additional requirements found in the Norwegian Securities Trading Act, and gives a true and fair view of the Company's consolidated assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Asker, 3 August 2011

Hank Hamilton (Board Chairman)	Colette Lewiner	Elisabeth Harstad
Mark Leonard	Bengt Lie Hansen	Vicki Messer
Robert Hobbs (CEO)		