TGS EARNINGS RELEASE

5 August 2010

TGS

2nd QUARTER and 1st HALF 2010 RESULTS

2nd QUARTER HIGHLIGHTS

- Consolidated net revenues were USD 112.3 million, a decrease of 10% compared to Q2 2009.
- Net late sales totaled USD 64.6 million, down 24% from Q2 2009.
- Net pre-funding revenues were USD 43.0 million, up 27% from Q2 2009, funding 44% of the Company's operational investments into new multi-client products during Q2 (USD 97.1 million, up 25% from Q2 2009).
- Proprietary revenues of USD 4.7 million, down 20% from Q2 2009.
- Operating profit (EBIT) was USD 33.4 million (30% of Net Revenues), down 38% from Q2 2009. The operating costs in Q2 include non-recurring items of USD 5.7 million related to the termination of the Northern Genesis vessel charter.
- Cash flow from operations was USD 74.1 million, versus USD 44.5 million in Q2 2009.
- Earnings per share (fully diluted) were USD 0.18 compared to USD 0.39 in Q2 2009.

6 MONTHS FINANCIAL HIGHLIGHTS

- Consolidated net revenues were USD 260.6 million, an increase of 34% compared to H1-2009.
- Net late sales from the multi-client library totaled USD 138.0 million, up 21% from USD 114.4 million in 2009.
- Net pre-funding revenues were USD 112.6 million, up 65% from 2009, funding 58% of the Company's operational investments into new multi-client products during H1 (USD 193.3 million, up 37% from H1-2009).
- Proprietary revenues of USD 10.0 million, down 18% from H1 2009.
- Operating profit (EBIT) was USD 92.3 million (35% of Net Revenues), up 24% from USD 74.1 million in 2009.
- Cash flow from operations was USD 180.4 million, versus USD 140.4 million in 2009.
- Earnings per share (fully diluted) were USD 0.58 compared to USD 0.52 in for the same period in 2009.

"As previously noted, our sales in the second quarter were negatively affected by a delay in the announcement of Norway's 21st licensing round as well as some early effects of regulatory uncertainty in the U.S. Gulf of Mexico. In contrast, we have seen increased activity in other areas of operations and we continue to remain optimistic about the longer term fundamentals for our sector", TGS' CEO Robert Hobbs stated.

REVENUE BREAKDOWN

TGS' largest business activity is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for 85% 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 represented the remainder.

Consolidated net late sales were down 24% compared to Q2 2009. Net pre-funding revenues totaled USD 43.0 million, an increase of 27% from Q2 2009. The pre-funding revenues recognized in the second quarter funded 44% of the operational investments of USD 97.1 million in the multi-client library. During the first half of 2010, pre-funding amounted to USD 112.6 million (58% of operational investments) representing an increase of 65% over the same period of 2009. Proprietary contract and other revenues during the quarter totaled USD 4.7 million compared to USD 5.9 million in Q2 2009. For the 6 months ended June 2010, proprietary revenue totaled 10.0 million, down 18% from USD 12.3 million in the 1st half of 2009.

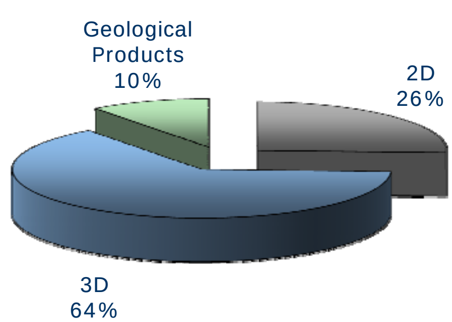
	Q2 2010	Q2 2009	Change	%	**6M 2010**	6M 2009	Change	%
Gross Sales	**137.9**	174.0	(36.1)	-21%	**313.3**	260.7	52.6	20%
Income Sharing & Royalties	**(25.6)**	(49.8)	24.2	-49%	**(52.7)**	(65.8)	13.1	-20%
Net Operating Revenues	**112.3**	124.1	(11.8)	-10%	**260.6**	194.9	65.7	34%

Breakdown of Net Revenues by Geographical Region:

Consolidated Net Revenues (in million USD)	Q2 2010	Q2 2009	Q2 2010	Q2 2009	Change
Eastern Hemisphere	50.6	57.7	45%	46%	-12%
Western Hemisphere	61.7	66.4	55%	54%	-7%
Total	112.3	124.1	100%	100%	-10%

Consolidated Net Revenues (in million USD)	6M 2010	6M 2009	6M 2010	6M 2009	Change
Eastern Hemisphere	123.9	88.6	48%	45%	40%
Western Hemisphere	136.7	106.3	52%	55%	29%
Total	260.6	194.9	100%	100%	34%

6 Months Net Revenues by Product Type:



OPERATIONAL COSTS

Amortization fluctuates from quarter to quarter, depending on the sales mix of projects. As a consequence of recent developments in the Gulf of Mexico, the Company has revised the revenue forecast of certain projects. These revisions led to an average amortization rate of 51% in Q2 2010 compared to 39% in the same period of 2009. The amortization rate for the first 6 months of 2010 was 49% compared to 43% in 1H-2009.

Cost of goods sold, proprietary and other (COGS) were USD 0.7 million for the quarter, USD 0.3 million lower than one year ago. Personnel costs expensed during the quarter were USD 10.6 million, a reduction of 23% from 2009 mainly due to lower bonus costs and cost saving measures put into place during 2009.

TGS recognized USD 5.7 million in non-recurring expenses related to the termination of the Northern Genesis vessel. The expenses related to the termination were recognized as other operating expenses (USD 1.93 million) and depreciation (USD 3.72 million).

EBIT and EBITDA

As a consequence of the items described above, operating profit (EBIT) for the quarter of USD 33.4 million was 38% lower than Q2 2009. The EBIT margin for the quarter was 30%. Reported EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) for the quarter ended 30 June was USD 94.1 million, which corresponds to 84% of net revenues, down 9% from USD 103.5 million in Q2 2009.

FINANCIAL ITEMS

TGS recorded an unrealized currency exchange loss of USD 1.7 million in Q2 2010.

The Company recorded a gain of USD 0.1 million 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).

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.

Management assesses that the operating consolidated tax rate is approximately 31%. A taxable exchange gain for the Parent Company related to the dividend accrual, which does not qualify as a gain for the Group according to IFRS, implies a high tax rate for the quarter. Together with reasons explained above, the tax rate reported for the quarter is at 41%.

NET INCOME AND EARNINGS PER SHARE (EPS)

Net income for Q2 2010 was USD 19.3 million (17% of net revenues), down 52% compared to Q2 2009. Quarterly earnings per share (EPS) were USD 0.18 fully diluted (USD 0.19 undiluted), a decrease of 53% from Q2 2009 EPS of USD 0.39 (USD 0.39 undiluted).

MULTI-CLIENT INVESTMENTS

The Company's operational investments in its data library during Q2 2010 were USD 97.1 million, 25% higher than in Q2 2009. The Company recognized USD 43.0 million in net pre-funding revenues in Q2, funding approximately 44% of its operational multi-client investments during the quarter. For the first 6 months of 2009, pre-funding revenues totaled USD 112.6 million, funding 58% of operational multi-client investments (USD 193.3 million).

THE MULTI-CLIENT DATA LIBRARY:

MUSD	Q2 2010	Q2 2009	6M 2010	6M 2009	2009	2008	2007
Beginning Net Book Value	453.2	366.0	424.3	335.0	335.0	217.4	195.6
Non-Operational Investments	2.9	-	2.9	-	-	-	1.6
Operational Investments	97.1	77.7	193.3	141.3	266.0	287.0	136.3
Amortization	(55.0)	(46.5)	(122.3)	(79.1)	(176.7)	(169.3)	(116.2)
Ending Net Book Value	498.2	397.2	498.2	397.2	424.3	335.0	217.4

MUSD	Q2 2010	Q2 2009	6M 2010	6M 2009	2009	2008	2007
Net MC Revenues	107.6	118.3	250.6	182.7	445.0	481.7	397.7
Change in MC Revenue	-9%	-2%	37%	-12%	-8%	21%	6%
Change in MC Investment	29%	-13%	39%	-6%	-7%	108%	1%
Amort. in % of Net MC Revs.	51%	39%	49%	43%	40%	35%	29%
Change in Net Book Value	10%	9%	17%	19%	27%	54%	11%

BALANCE SHEET & CASH FLOW

The net cash flow from operations for the quarter, after taxes, before investments, totaled USD 74.1 million compared to USD 44.5 million in Q2 2009. As of 30 June 2010, the Company's total cash holdings amounted to USD 172.0 million compared to USD 243.5 million at 31 December 2010.

The June 2010 Ordinary General Meeting approved a dividend of NOK 4 per share of outstanding common stock. The dividend payments of USD 64.7 million were made in June. It is also the stated intention of the Board to buy back TGS shares for up to USD 30 million out of which USD 9.9 million was used in the second quarter. The Company has so far in 2010 bought back shares for USD 17.1 million.

As of 30 June 2010 TGS held USD 29.9 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 received redemptions totaling USD 56.2 million of ARS at par value and USD 4.8 million at 93% of par value. Of the redemptions at par value, USD 1.7 million were redeemed in Q2 2010. TGS classifies its ARS as current financial investments available for sale. The market for these securities is still distressed. As TGS has no need to liquidate these securities within the near future at discounted prices, TGS has valued its ARS at "fair value" of USD 24.6 million based on a third party valuation that considered actual market trades as well as a discounted cash flow valuation method. Per 30 June 2010, the balance of the provision held between par value and "fair value" was USD 5.3 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 2010 was USD 825.7 million, representing 75% of total assets. A total of 90,000 new shares were issued during Q2 2010 in relation to stock options exercised by key employees in May. Further, the Company transferred 2,500 treasury shares to cover the exercise of options by key employees. During the quarter, the Company bought back 555,000 shares for the treasury. As of 30 June 2010 TGS holds 1,764,950 treasury shares, of which 950,450 treasury shares are in the process of being cancelled. The remaining treasury shares are held to cover future exercises of stock options.

LEGAL DISPUTES

TGS and Nordic Maritime Pte Ltd (Nordic Maritime) signed a settlement agreement on 1 June 2010 related to the material breach dispute between the two companies. As disclosed in TGS 2009 Annual Report, TGS made provision for costs associated with this dispute in the 2009 financials, and the net effect of the settlement on TGS 2010 financials is immaterial.

The settlement document was used to close the arbitration proceedings and released the bank guarantee raised by TGS. As of 30 June 2010, the parties had no claims against each other.

OPERATIONAL HIGHLIGHTS

Vessels under TGS' control through charter during all or parts of Q2 included three 2D vessels, two 3D vessels, and one 3D wide azimuth crew. Two 3D vessels and two 2D vessels chartered and operated by other survey partners were also active on TGS-owned projects during the quarter.

TGS has terminated the 2D charter of the *M/V Northern Genesis*. The five year charter began in March 2007 and was previously due to expire in March 2012. Conditions were agreed with the vessel owner for this early termination and will provide TGS with greater flexibility and significantly lower operating costs per unit of seismic data acquired using alternative vessels.

Western Hemisphere

Seismic acquisition continued on the Justice Wide Azimuth (WAZ) 3D project in the Gulf of Mexico with a three week hiatus due to the Deepwater Horizon Rig incident. During this period TGS utilized the WAZ crew to acquire additional data in the Freedom/Liberty WAZ area. Acquisition resumed on Justice on 21 May 2010 when conditions allowed for a return to the project area. The Justice project is a northeast expansion of the existing and contiguous Freedom and Liberty WAZ projects. The survey adds more than 7,800 km^2 of WAZ coverage to the TGS portfolio and covers portions of the hydrocarbon rich areas of Mississippi Canyon, Viosca Knoll, and De Soto Canyon. Acquisition of the project completed on 16 July 2010 and TGS now has more than 27,000 km^2 of WAZ 3D in its data library. These wide azimuth projects provide the industry with modern seismic imaging covering the most productive oil producing area of the deepwater Gulf of Mexico. Justice is owned 100% by TGS. Freedom and Liberty are jointly owned TGS/WesternGeco projects.

The Hernando Phase 2 3D time and depth migration in the Central Gulf of Mexico was completed and delivered to customers during the quarter.

TGS reorganized the company's imaging business during Q2. This reorganization will enhance the transfer of high-end imaging technology developed in the deep water Gulf of Mexico to other regions where geologic complexity demands advance imaging algorithms.

During Q2, TGS completed the acquisition of the directional survey business from P2 Energy Solution's Tobin business line. The transaction provides TGS with over 38,000 high quality directional surveys that can be sold immediately through the LOG-LINE Plus! e-commerce site. These directional surveys are a natural companion to TGS' industry leading digital well log database and are critical to providing customers with accurate 3D positioning of well bores in the subsurface. The acquisition also provides TGS with ongoing client initiated programs in several key regions.

Eastern Hemisphere

During Q2 TGS commenced two new multi-client 3D surveys with PGS as partner and vessel operator in the Northern Viking Graben (NVG10), offshore Norway and the East Shetland Basin (ESB10) offshore United Kingdom. Both NVG10 (3,500 km^2) and ESB10 (1,100 km^2) are extensions of projects initiated in 2009. TGS also commenced a fully owned multi-client 3D survey in the Moray Firth (MF10) on the United Kingdom Continental Shelf in the quarter. This 1,200 km^2 3D survey is being acquired by the Polarcus *Nadia*. Raw data from this project will be processed at TGS' imaging center in Bedford, England.

TGS, with partner Fugro, continued to build on the successful long offset 2D regional seismic survey in Norway, the United Kingdom, and Holland during Q2. TGS will acquire a total of 40,000 km of 2D as part of this program in 2010. After completion of the 2010 program, TGS will have over 250,000 km of modern long offset 2D library available for the customers in this region.

During Q2, TGS continued data acquisition in the Upper Transform Margin of West Africa with the completion of two additional 3D surveys in Liberia: the 5,144 km^2 block 8/9 with the Polarcus *Nadia* and the 3,750 km^2 survey with BGP's *Pioneer* over blocks 13 and 14. With the completion of these surveys, TGS has now acquired multi-client 3D seismic data over 90% (approximately 18,000 km^2) of the available acreage in Liberia's initial bid round of blocks 8 through 17.

The *M/V Northern Genesis* also completed acquisition of the Ghana/Togo Phase 2 2D survey of 4,900 km of regional 2D data in the second quarter of 2010. This survey brings TGS' regional 2D coverage to roughly 20,000 kms in the Ghana/Togo/Benin region of West Africa.

The Asia Pacific group completed almost 7,200 km of regional 2D data over three surveys in the frontier North and South Sumatra area of offshore Indonesia. The *M/V Mezen* completed all of these surveys and finished her commitment to TGS. The Perth Processing Center became operational in the second quarter and is working on completion of all of the recently acquired TGS data in the Asia Pacific region.

Backlog

TGS' backlog amounted to USD 98.1 million at the end of Q2, 22% below the level of one year ago, reflecting the completion of highly funded 3D surveys in the Gulf of Mexico and West Africa.

OUTLOOK

The end of Q2 marked an entry into a period of near-term uncertainty in the deepwater Gulf of Mexico, one of TGS' major markets. While we maintain a view that the long-term prospects for exploration in the deepwater Gulf of Mexico remain good as the basin serves as the major source of domestic energy for the United States, pending regulatory action has caused many customers to pause in making major financial decisions.

TGS is well-suited to adapt and manage periods of uncertainty due to its flexible business model and strong balance sheet. Through the remainder of 2010, TGS remains positioned to take advantage of the well-supplied vessel market by having no long-term commitments. The company's deepwater library remains attractive to industry and the recent announcements of promising 3D projects in established and frontier basins outside of the Gulf of Mexico support the further growth of our business.

As a result of revised forecasting related to the points above, TGS changes its guidance for investment and amortization for 2010. TGS expects to invest between USD 300 – 330 million (previously USD 270 – 300 million) and realize an amortization rate between 42-48% of revenues (previously 37-43%). TGS broadens its revenue guidance to USD 550-600 million, while maintaining prefunding of 50-60% for 2010. Contract revenues are still expected to be approximately 5% of total revenues.

Asker, 4 August 2010
The Board of Directors of TGS-NOPEC Geophysical Company ASA

TGS-NOPEC Geophysical Company ASA is listed on the Oslo Stock Exchange (OSLO: TGS).
Web-site: www.tgsnopec.com

CONTACTS FOR ADDITIONAL INFORMATION

Kristian Johansen, CFO **tel +47-66-76-99-31**
Karen El-Tawil, VP Business Development **tel +1-713-860-2102**

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All statements in this earnings release 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.

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Interim Statement of Comprehensive Income

(All amounts in USD 1000's unless noted otherwise)	2010 Q2	2009 Q2	2010 YTD	2009 YTD
Net operating revenues	**112,332**	**124,150**	**260,568**	**194,911**
Operating expenses				
Cost of goods sold - proprietary and other	739	1,031	1,532	1,391
Amortization of multi-client library	55,039	46,504	122,333	79,086
Personnel costs	10,570	13,681	23,416	23,353
Cost of stock options	670	690	1,494	1,375
Other operating expenses	6,278	5,224	12,354	10,669
Depreciation and amortization	5,592	2,700	7,170	4,913
Total operating expenses	**78,887**	**69,831**	**168,299**	**120,788**
Operating profit	**33,446**	**54,319**	**92,269**	**74,123**
Financial income and expenses				
Financial income	629	73	909	2,005
Financial expense	-3	-15	13	-475
Exchange gains/losses	-1,701	1,764	-592	1,235
Loss/gain on financial assets	128	1,370	128	1,626
Net financial items	**-947**	**3,192**	**458**	**4,391**
Profit before taxes	**32,498**	**57,511**	**92,727**	**78,515**
Tax expense	13,208	17,231	31,433	25,068
Net income	**19,290**	**40,279**	**61,294**	**53,447**
EPS USD	**0.19**	**0.39**	**0.60**	**0.52**
EPS USD, fully diluted	**0.18**	**0.39**	**0.58**	**0.52**
Other comprehensive income:				
Exchange differences on translation of foreign operations	-588	1,679	-452	1,839
Net (loss)/gain on available-for-sale financial assets	-128	-240	-38	-206
Other comprehensive income (loss) for the period, net of tax	-716	1,439	-489	1,633
Total comprehensive income for the period, net of tax*	18,575	41,719	60,804	55,080
* Attributable to equity holders of the parent				

Interim Consolidated Balance Sheet

(All amounts in USD 1000's)	2010 30-Jun	2010 31-Mar	2009 31-Dec
ASSETS			
Non-current assets			
Goodwill	45,821	45,725	45,495
Multi-client library	498,180	453,229	424,282
Other intangible non-current assets	27,982	31,253	34,682
Deferred tax asset	10,679	10,205	8,158
Buildings	772	791	1,044
Machinery and equipment	14,902	19,086	20,111
Non-current receivables including pre-payments	-	-	1
Total non-current assets	**598,336**	**560,287**	**533,772**
Current assets			
Financial investments available for sale	24,649	26,419	27,201
Accounts receivable	294,639	291,853	327,107
Other short term receivables	14,652	14,666	12,704
Cash equivalents	171,953	281,878	243,493
Total current assets	**505,893**	**614,815**	**610,505**
TOTAL ASSETS	**1,104,229**	**1,175,102**	**1,144,278**
EQUITY AND LIABILITIES			
Equity			
Share capital	3,681	3,699	3,700
Other equity	822,027	875,702	836,155
Total equity	**825,708**	**879,402**	**839,856**
Non-current liabilities			
Deferred tax liability	74,006	69,797	72,790
Total non-current liabilities	**74,006**	**69,797**	**72,790**
Current liabilities			
Accounts payable and debt to partners	119,158	123,505	138,249
Taxes payable, withheld payroll tax, social security	31,960	37,406	41,452
Other current liabilities	53,397	64,993	51,932
Total current liabilities	**204,514**	**225,904**	**231,632**
TOTAL EQUITY AND LIABILITIES	**1,104,229**	**1,175,102**	**1,144,278**

Interim Consolidated Statement of Cash flow

(All amounts in USD 1000's)	2010 Q2	2009 Q2	2010 YTD	2009 YTD
Cash flow from operating activities:				
Received payments	116,987	76,685	267,512	206,780
Payments for salaries, pensions, social security tax	-13,022	-1,427	-27,119	-16,495
Other operational costs	-5,081	-13,460	-11,951	-19,264
Net gain/(loss) on currency exchange	-1,701	1,764	-592	1,235
Paid taxes	-23,085	-19,074	-47,441	-31,832
Net cash flow from operating activities 1)	**74,098**	**44,488**	**180,409**	**140,423**
Cash flow from investing activities:				
Investment in tangible fixed assets	-1,001	-216	-2,039	-1,805
Investments in multi-client library	-108,056	-52,406	-172,655	-100,980
Investment through Mergers and Acquisitions	-3,625	-	-3,625	-
Net change in short-term financial investments	1,700	6,850	2,625	39,952
Interest Income	613	1,048	909	1,801
Net cash flow from investing activities	**-110,369**	**-44,724**	**-174,785**	**-61,032**
Cash flow from financing activites:				
Net change in short-term loans	-	-44,809	-	-44,091
Net change in long-term loans	-	-1	-	-4
Interest Expense	-1	-8	-2	-463
Dividend payments	-64,742	-	-64,742	-
Purchase of own shares	-9,899	-	-17,105	-
Proceeds from share offerings	988	1,205	4,686	1,609
Net cash flow from financing activites	**-73,654**	**-43,613**	**-77,163**	**-42,949**
Net change in cash equivalents	**-109,925**	**-43,849**	**-71,539**	**36,442**
Cash and cash equivalents at the beginning of period	281,878	228,597	243,493	148,306
Cash and cash equivalents at the end of period	**171,953**	**184,749**	**171,953**	**184,749**
1) Reconciliation				
Profit before taxes	32,498	57,511	92,727	78,515
Depreciation/Amortization	60,630	49,204	129,503	83,999
Changes in accounts receivables	-2,787	-42,128	32,468	12,714
Changes in other receivables	3,599	2,028	1,700	8,484
Changes in other balance sheet items	3,244	-3,052	-28,549	-11,456
Paid tax	-23,085	-19,074	-47,441	-31,832
Net cash flow from operating activities	**74,098**	**44,488**	**180,409**	**140,423**

Interim Consolidated Statement of Changes in Equity

(All amounts in USD 1000's)	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 2009	**3,855**	**-181**	**32,248**	**12,780**	**699**	**-10,518**	**622,180**	**661,064**
Net Income	-	-	-	-	-	-	53,447	**53,447**
Other Comprehensive Income	-	-	-	-	-206	1,839	-	**1,633**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-206**	**1,839**	**53,447**	**55,080**
Paid-in-Equity	13	-	1,596	-	-	-	-	**1,609**
Cost of stock options	-	-	-	1,375	-	-	-	**1,375**
Closing balance per 30 June 2009	**3,868**	**-181**	**33,844**	**14,155**	**493**	**-8,679**	**675,627**	**719,127**

(All amounts in USD 1000's)	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	-	**-489**
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**
Dividend provisions	-	-	-	-	-	-	-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 2 August 2010

				Shares	%
1	FOLKETRYGDFONDET	NORWAY		10,323,350	10%
2	STATE STREET BANK AND TRUST CO.	U.S.A.	NOM	5,354,431	5%
3	PARETO AKSJE NORGE	NORWAY		4,581,300	4%
4	JPMORGAN CHASE BANK	GREAT BRITAIN	NOM	3,917,757	4%
5	THE NORTHERN TRUST COMPANY SUB	NORWAY	NOM	2,820,000	3%
6	CLEARSTREAM BANKING S.A.	LUXEMBOURG	NOM	2,461,261	2%
7	PARETO AKTIV	NORWAY		2,206,000	2%
8	BANK OF NEW YORK MELLON	U.S.A.	NOM	2,041,302	2%
9	BANK OF NEW YORK MELLON	U.S.A.	NOM	2,007,112	2%
10	HAMILTON, HENRY HAYWOOD	U.S.A.		2,000,000	2%
10 Largest				**37,712,513**	**37%**
Total Shares Outstanding *				**102,637,325**	**100%**

Average number of shares outstanding for Current Quarter *

Average number of shares outstanding during the quarter	102,818,738
Average number of shares fully diluted during the quarter	104,527,115

* Shares outstanding net of shares held in treasury (1,764,950 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 2009. None of the new accounting standards or amendments that came into effect from 1 January 2010 had a significant impact in the first half of 2010. The annual report for 2009 is available on www.tgsnopec.com.

Note 3 Share capital and equity

As of 30 June 2010 the Company had 104,402,275 shares outstanding at NOK 0.25 per share, of which 1,764,950 were held treasury shares.

On 2 March 2010, employees exercised 315,500 share options. A total of 250,000 new shares were issued, while 65,500 treasury shares were used to cover the exercise.

On 11 March 2010 and on 10 May 2010, the Company bought back 335,000 shares and 555,000 shares, respectively.

On 28 May 2010, employees exercised 92,500 share options. A total of 90,000 new shares were issued, while 2,500 treasury shares were used to cover the exercise.

Treasury shares were used to cover the distribution of 4,800 shares to board members on 7 June 2010.

The Annual General Meeting on 3 June 2010 approved a dividend of NOK 4 per share for outstanding common stock. Dividend payments of USD 64.7 million were made to shareholders on 27 June 2010.

On 3 June 2010, the Annual General Meeting also approved a reduction of share capital by cancellation of 950,450 treasury shares. The cancellation has not yet come into effect due to the ongoing disclosure period.

Note 4 Segment information

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”.

As the Company has changed the composition of reportable segments during 2010, the corresponding interim information for 2009 has not been restated as the cost to develop it is considered to be excessive.

Note 5 Contingent liabilities

On 1 June 2010 the Company and Nordic Maritime Pte Ltd signed a settlement agreement related to a material breach dispute between the two companies. The Company has reached a settlement in which it has paid USD 2.5 million to Nordic Maritime Pte Ltd.

As disclosed in TGS 2009 Annual Report, the Company made provision for costs associated with this dispute in the 2009 financial statements.

Note 6 Related parties

No material transactions with related parties took place during the first half of 2010.

Note 7 Accounts receivable

Per 30 June 2010, accounts receivables totaling USD 28.9 million, net to the Company, were secured by conversion rights to equity.

Note 8 Business combinations

On 15 June 2010 the Company purchased certain assets of P2 Energy Solutions (P2ES), a privately held company in the United States specializing in software, data and services for the oil and gas industry. The total compensation paid was USD 3.6 million in cash.

Assets Acquired	Previous carrying value in P2ES	PPA	USD Fair Value
Multi-client library	-	2,900	2,900
Intangible assets		620	620
Goodwill	-	105	105
Total assets acquired	-	3,625	3,625

Purchase Price Analysis	
Purchase price	3,625
Carrying value in P2ES	-
Net additional value	3,625
P2ES Multi-client library 1)	2,900
P2ES Software 2)	300
P2ES Non-compete agreements 3)	320
Total identified values	3,520
Goodwill	105

The excess values of the acquisition identified at time of purchase:

1) Multi-client library: Represents the fair value of the directional surveys acquired. Directional surveys are a summary of geometric information that provides a detailed 3D view of a well's path in the subsurface.
2) Software: Represents the fair value of the acquired software that will be used by the TGS Group to process and display directional surveys. This software contains certain code protected as trade secrets by the Company.
3) Non-compete agreements: Fair value of three non-compete agreements legally restricting two key employees and P2ES from competing with TGS in any business activity related to the directional survey business any where in the world for 2, 3 and 5 years.

Note 9 Termination of vessel charter

On 30 June 2010 the Company terminated a charter for the vessel "Northern Genesis". Following the termination, a termination fee incurred. The Company also had other intangible assets and seismic equipment related to the vessel charter. Impairment of the intangible assets, the seismic equipment, the termination fee and other expenses related to the vessel termination amount to USD 5.7 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 2010 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, 4 August 2010

Henry H. Hamilton III (Board Chairman)	Colette Lewiner	Elisabeth Harstad
Mark Leonard	Bengt Lie Hansen	Robert Hobbs (CEO)