TGS EARNINGS RELEASE

6 May 2010

TGS

1st QUARTER 2010 RESULTS

1st QUARTER HIGHLIGHTS

- Consolidated net revenues were USD 148.2 million, up 109% from USD 70.8 million in Q1 2009.
- Gross late sales from the multi-client library totaled USD 96.1 million, up 132% from USD 41.5 million in Q1 2009. Net late sales of USD 73.4 million were 145% up from Q1 2009
- Net pre-funding revenues of USD 69.6 million increased 102% compared to Q1 2009 and funded 72% of the Company's operational investments into new multi-client products (USD 96.2 million).
- Operating profit (EBIT) was USD 58.8 million (40% of Net Revenues), up 197% from USD 19.8 million in Q1 2009.
- Cash flow from operations after taxes but before investments was USD 106.3 million, versus USD 95.9 million in Q1 2009.
- Earnings per share (fully diluted) were USD 0.40 versus USD 0.13 in Q1 2009.

"Our strong results in Q1 have further confirmed our view that our customers have returned to investing in high-quality data after a very challenging year for our industry in 2009," stated TGS' CEO Robert Hobbs. "Strong interest in our modern 3D and WAZ data in established plays such as the Gulf of Mexico has been augmented with increased interest in our new 2D and 3D data off West Africa as E&P companies continue to be drawn to this exciting new play."

REVENUE BREAKDOWN

TGS' largest business activity is developing, managing, conducting and selling non-exclusive seismic surveys. This activity accounted for 87% of the Company's business during the quarter. Geological Products and Services (GPS) accounted for 9% of net revenues in the 1st quarter. Other contract proprietary revenues represented the remaining 4% of net revenues.

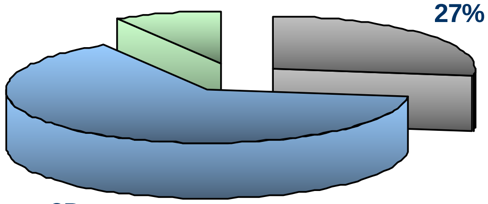
Consolidated net late sales after revenue sharing were up 145% compared to Q1 2009. Net pre-funding revenues totaled USD 69.6 million, funding 72% of the Company's operational investments into new multi-client products during Q1 (USD 96.2 million). Proprietary contract revenues totaled USD 5.3 million compared to USD 6.4 million in Q1 2009. The majority of the proprietary contract revenues came from processing services performed for clients on an exclusive basis.

	Q1 2010	Q1 2009	Change	%
Gross Sales	**175.4**	86.7	88.7	102%
Income Sharing & Royalties	**(27.1)**	(16.0)	(11.2)	70%
Net Operating Revenues	**148.2**	70.8	77.5	109%

Breakdown of Net Revenues by Geographical Region:

Consolidated Net Revenues Q1 2010 vs. Q1 2009 per Geographical Region					
(in million USD)	**Q1 2010**	**Q1 2009**	**Q1 2010**	**Q1 2009**	**Change**
Eastern Hemisphere	**73.3**	**30.9**	**49%**	**44%**	**137%**
Western Hemisphere	**75.0**	**39.9**	**51%**	**56%**	**88%**
Total	**148.2**	**70.8**	**100%**	**100%**	**109%**

Q1 Net Revenues by Product Type:



OPERATIONAL COSTS

The consolidated amortization charge associated with multi-client revenues was 47% of net multi-client revenues during Q1 2010 compared to 51% in Q1 2009. This rate does fluctuate from quarter to quarter, depending on the sales mix of projects. In Q1, a significant percentage of sales were from 3D projects in frontier basins that carry both high prefunding and high amortization. Cost of goods sold, proprietary and other (COGS) were USD 0.8 million for the quarter, up from USD 0.4 million the previous year. Personnel and other operating costs were USD 18.9 million, up 25% from Q1 2009. This increase is due to higher bonuses to employees as a result of the higher operating profit in Q1 2010 vs. Q1 2009 and expensed lay-up costs in connection with a period of idle time for the Northern Genesis, a 2D vessel under charter to TGS until 2012. The vessel returned to production on 20 February 2010.

EBIT and EBITDA

Operating profit (EBIT) for the quarter of USD 58.8 million represented 40% of net revenues. This was 197% higher than the USD 19.8 million reported in Q1 2009. EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the quarter ended 31 March 2010 was USD 127.7 million, 86% of net revenues, up 134% from USD 54.6 million in Q1 2009.

FINANCIAL ITEMS

The Company recognized an exchange gain of USD 1.1 million during Q1 2010.

Loss/Gain on Financial Assets Held

The Company recorded a financial gain of USD 0.1 million on its holdings of Auction Rate Securities (ARS) through other comprehensive income during Q1 2010.

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. Financial losses or profits on Financial Assets held for sale and the cost of stock options are 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%. For the reasons explained above, the tax rate reported for the quarter is 30%.

NET INCOME AND EARNINGS PER SHARE (EPS)

The net income for Q1 2010 was USD 42.0 million (28% of Net Revenues) compared to USD 13.2 million (19% of net revenues) in Q1 2009. Quarterly earnings per share (EPS) were USD 0.40 fully diluted (USD 0.41 undiluted), compared to Q1 2009 EPS of USD 0.13 (USD 0.13 undiluted).

MULTI-CLIENT INVESTMENTS

The Company's operational investments in its data library during Q1 2010 were USD 96.2 million, 51% higher than in Q1 2009. The Company recognized USD 69.6 million in net pre-funding revenues in Q1, funding approximately 72% of its operational multi-client investments during the quarter.

THE MULTI-CLIENT LIBRARY:

MUSD	Q1 2010	Q1 2009	2009	2008	2007
Beginning Net Book Value	424.3	335.0	335.0	217.4	195.6
Non-Operational Investments	-	-	-	-	1.6
Operational Investments	96.2	63.6	266.0	287.0	136.3
Amortization	(67.3)	(32.6)	(176.7)	(169.3)	(116.2)
Ending Net Book Value	453.2	366.0	424.3	335.0	217.4

MUSD	Q1 2010	Q1 2009	2009	2008	2007
Net MC Revenues	142.9	64.4	445.0	481.7	397.7
Change in MC Revenue	122%	-25%	-8%	21%	6%
Change in MC Investment	51%	4%	-7%	108%	1%
Amort. in % of Net MC Revs.	47%	51%	40%	35%	29%
Change in Net Book Value	7%	9%	27%	54%	11%

BALANCE SHEET & CASH FLOW

The net cash flow from operations for the quarter, after taxes, before investments, totaled USD 106.3 million compared to USD 95.9 million in Q1 2009. As of 31 March 2010, the Company's total cash holdings amounted to USD 281.9 million compared to USD 243.5 million at 31 December 2010.

As of 31 March 2010 TGS held USD 31.6 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 54.5 million of ARS at par value and USD 4.8 million at 93% of par value. Of these, USD 0.9 million were redeemed in Q1 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 26.4 million based on a third party valuation that considered actual market trades as well as a discounted cash flow valuation method. Per 31 March 2010, the balance of the provision held between par value and "fair value" was USD 5.2 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 31 March 2010 was USD 879.4 million, representing 75% of total assets. A total of 250,000 new shares were issued during Q1 2010 in relation to stock options exercised by key employees in March. TGS now holds 1,217,250 treasury shares. In March, the Company used 65,500 treasury shares to cover the exercise of options by employees. Also in March, the Company bought back 335,000 shares for the treasury.

The Board of Directors has proposed to the shareholders at the June 2010 Ordinary General Meeting a dividend of NOK 4 per share of outstanding common stock, of which NOK 2 per share is a non-recurring distribution. It is also the stated intention of the Board to buy back TGS shares for up to USD 30 million (out of which USD 7.2 million was used in Q1) during 2010.

LEGAL DISPUTES

TGS terminated a charter in December 2008 due to material breach of the contract by the vessel provider. TGS is of the opinion that the termination was fully justified due to non-performance of the vessel. As previously noted, the vessel provider filed for arbitration in June 2009 and hearings are expected to start in November 2010.

OPERATIONAL HIGHLIGHTS

Vessels under TGS' control through charter during all or parts of Q1 included three 2D vessels, two 3D vessels, and one 3D wide azimuth crew.

Western Hemisphere

Seismic acquisition was initiated on the Justice Wide Azimuth (WAZ) 3D project in the Gulf of Mexico during the first quarter. 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. On 20 April 2010 the Deepwater Horizon Drilling rig, located in the central portion of the Justice survey caught fire. The WAZ seismic crew, operated by WesternGeco under charter to TGS were some of the first vessels on the scene of the incident to render assistance. Within 24 hours after the incident, the vessels were released to return to work on the Justice project. On 30 April 2010, the WAZ crew were advised to leave the area of the project due to concerns regarding the application of chemical dispersants on the water surface. The crew has mobilized to an area adjacent to TGS' previously acquired WAZ surveys to collect data for a project that has attracted significant customer interest and was planned for later acquisition. The WAZ crew will return to Justice and resume acquisition on that project as soon as conditions warrant. Upon completion of Justice, TGS will have 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. The Freedom and Liberty projects are jointly owned on a 50/50 basis with WesternGeco.

The Hernando Phase 1 3D time and depth migration, a jointly owned TGS/PGS project in the Central Gulf of Mexico, was completed and delivered to customers during the quarter. Processing of Phase 2 of this project will be completed in Q2.

The final phase of the Southern Brazil 2D pre-stack depth migration reprocessing project was completed during Q2. This modern 2D depth migrated survey includes over 127,500 km of data over one of the most prolific basins of offshore Brazil. This is a jointly owned TGS/WesternGeco project. TGS continues to innovate in its processing business to deliver the highest quality seismic imaging to our customers. The company completed a major upgrade of its Houston computing facility during Q1 and saw the number of proprietary WAZ processing jobs increase to record levels during the quarter as customers increasingly recognize TGS' top-tier processing technology.

In addition to adding over 39,000 LAS well logs to the North American library, the TGS Geological Products and Services Division commenced an expansion of its successful Facies Map Browser interpretation product by launching new work in the Browse Basin of Australia. This product is the first of its type in the Asia Pacific region and is supported by industry funding.

Eastern Hemisphere

During Q1, data processing was completed on a number of new European surveys including approximately 40,000 km long offset 2D in Norway, 15,000 km of 2D in Baffin Bay of West Greenland, 10,000 km of reprocessed 2D data in the West of Shetlands region and 2,600 km^2 of 3D from Hoop Fault Complex in the Barents Sea off Norway. Projects acquired as part of a joint venture between TGS and PGS including 1,600 km^2 of 3D from East Shetland Basin in the UK and 660 km^2 of 3D from Northern Viking Graben in Norwegian North Sea were delivered to customers during the quarter.

During the quarter, a large data reprocessing project was launched including 50,000 km long offset 2D data from both UK and Norwegian Atlantic margin areas. Up to 20,000 km of this reprocessed data will be available to the industry to assist in the evaluation of blocks to be included in the Norwegian 21st license round.

In the first quarter of 2010, TGS remained extremely active in the transform margin region offshore West Africa. Acquisition of the 15,000 km Liberia Ultra Deep survey was completed in March. In addition, a 1,200 km 2D survey that extends TGS' coverage in Ghana was completed and another 4,900 km Ghana/Togo infill program was initiated. TGS has now acquired one of industry's most comprehensive regional 2D programs in Ghana and neighboring countries. In Liberia, the 1900 km^2 Block 14 3D survey was completed and 3D acquisition continues on Blocks 8 and 9 (5,200 km^2). With the completion of Blocks 8 and 9 in Q2, TGS will have acquired approximately 17,000 km^2 in Upper Liberia.

In the Asia Pacific region, acquisition of two 2D surveys was completed in Indonesia: the 2,300 km South Sulawati and the 640 km Halmahera programs. These surveys are part of an Indonesia 2D acquisition season that will involve five projects in total. The 3,700 km South Java reconnaissance survey is currently underway and will be completed in the second quarter of 2010. All of the Indonesian projects will be processed out of TGS' Perth office at its new data imaging center.

Backlog

TGS' backlog stood at USD 107.6 million at the end of Q1, 18% below the level of one year ago. This decrease in backlog was due to the record amount of data acquisition activity on highly prefunded surveys in Q1 2010.

OUTLOOK

TGS' performance during Q1 indicates that the market for multi-client data is in recovery. Our high level of investment in Q1, supported by high levels of pre-funding, was reinforced by late sales that were much improved over one year ago. The company will continue to be able to take advantage of vessels chartered under attractive rates. As communicated in the Q4 earnings release, current committed 3D capacity will be utilized to fulfill the company's guided investments for the year, and TGS' flexible asset light business model will continue to allow the company to take advantage of significant newbuild vessel capacity expected to come out in 2010.

The temporary interruption of the Justice WAZ survey due to the Deepwater Horizon incident will delay the recognition of revenue associated with the Justice survey until TGS is able to return the crew back to the project. Management is monitoring the situation very closely and will issue updates on the situation as warranted. As of this date, management and the Board do not expect that the incident will change the annual guidance issued to the market in February. As such, TGS management's expectations for the full year 2010 remain as follows: multi-client library investments of USD 270–300 million, average pre-funding in the range of 50-60% of investments, an average annualized multi-client amortization rate in the range of 37-43% of net revenues, net revenues in the range of USD 560–600 million, and proprietary contract revenues of approximately 5% of total net revenues. The Company will continue to evaluate opportunities to increase multi-client investments and grow its market share during the year based on client interest and other economic indicators.

Asker, 5 May 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

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This interim Financial Report has been prepared applying the IAS 34 "Interim Financial Reporting" principles. The accounting principles adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements.

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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 Q1	2009 Q1
Net Operating Revenues	**148,236**	**70,761**
Operating expenses		
Cost of goods sold - Proprietary and Other	794	360
Amortization of Multi-Client Data Library	67,295	32,583
Personnel costs	12,846	9,671
Cost of stock options	824	685
Other operating expenses	6,075	5,445
Depreciation and Amortization	1,578	2,213
Total operating expenses	**89,413**	**50,957**
Operating profit	**58,823**	**19,805**
Financial income and expenses		
Financial income	297	1,932
Financial expense	-	-460
Exchange gains/losses	1,109	-529
Loss/Gain on Financial Assets	-	256
Net financial items	**1,406**	**1,199**
Profit before taxes	**60,229**	**21,004**
Tax expense	18,225	7,837
Net Income	**42,004**	**13,167**
EPS USD	**0.41**	**0.13**
EPS USD, fully diluted	**0.40**	**0.13**
Other comprehensive income:		
Exchange differences on translation of foreign operations	136	160
Net gain on available-for-sale financial assets	90	34
Other comprehensive income for the period, net of tax	226	194
Total comprehensive income for the period, net of tax*	42,230	13,361
* Attributable to equity holders of the parent		

Interim Consolidated Balance Sheet

(All amounts in USD 1000's)	2010 31-Mar	2009 31-Dec
ASSETS		
Non-Current Assets		
Goodwill	45,725	45,495
Multi-Client Library	453,229	424,282
Other Intangible non-current assets	31,253	34,682
Deferred Tax Asset	10,205	8,158
Buildings	791	1,044
Machinery and Equipment	19,086	20,111
Non-current receivables including pre-payments	-	1
Total non-current assets	**560,287**	**533,772**
Current assets		
Financial Investments Available for Sale	26,419	27,201
Accounts receivable	291,853	327,107
Other short term receivables	14,666	12,704
Cash equivalents	281,878	243,493
Total current assets	**614,815**	**610,505**
TOTAL ASSETS	**1,175,102**	**1,144,278**
EQUITY AND LIABILITIES		
Equity		
Share capital	3,699	3,700
Other equity	875,702	836,155
Total equity	**879,402**	**839,856**
Non-current liabilities		
Deferred tax liability	69,797	72,790
Total non-current liabilities	**69,797**	**72,790**
Current liabilities		
Accounts payable and debt to partners	123,505	138,249
Taxes payable, withheld payroll tax, social security	37,406	41,452
Other current liabilities	64,993	51,932
Total current liabilities	**225,904**	**231,632**
TOTAL EQUITY AND LIABILITIES	**1,175,102**	**1,144,278**

Interim Consolidated Statement of Cash Flow

(All amounts in USD 1000's)	2010 Q1	2009 Q1
Cash flow from operating activities:		
Received payments	150,525	130,095
Payments for salaries, pensions, social security tax	-14,098	-15,068
Other operational costs	-6,869	-5,805
Net gain/(loss) on currency exchange	1,109	-529
Paid taxes	-24,355	-12,758
Net cash flow from operating activities [1)]	**106,311**	**95,935**
Cash flow from investing activities:		
Investment in tangible fixed assets	-1,038	-1,589
Investments in multi-client library	-64,599	-48,574
Net change in short-term financial investments	925	33,102
Interest Income	297	753
Net cash flow from investing activities	**-64,415**	**-16,308**
Cash flow from financing activites:		
Net change in short-term loans	-	718
Net change in long-term loans	-	-3
Interest Expense	-	-455
Purchase of own shares	-7,206	-
Proceeds from share offerings	3,695	404
Net cash flow from financing activites	**-3,511**	**664**
Net change in cash and cash equivalents	**38,385**	**80,291**
Cash and cash equivalents at the beginning of period	243,493	148,306
Cash and cash equivalents at the end of period	**281,878**	**228,596**
1) Reconciliation		
Profit before taxes	60,229	21,004
Depreciation/amortization	68,873	34,795
Changes in accounts receivables	35,255	54,842
Changes in other receivables	-1,899	6,456
Changes in other balance sheet items	-31,792	-8,404
Paid tax	-24,355	-12,758
Net cash flow from operating activities	**106,311**	**95,935**

TGS EARNINGS RELEASE

6 May 2010

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 2010	**3,737**	**-37**	**36,657**	**15,798**	**502**	**-8,226**	**791,424**	**839,856**
Net Income	-	-	-	-	-	-	42,004	**42,004**
Other Comprehensive Income	-	-	-	-	90	136	-	**226**
Total Comprehensive Income	-	-	-	-	-	136	42,004	**42,230**
Paid-in-Equity	11	-	2,900	-	-	-	-	**2,911**
Purchase of own shares	-	-14	-	-	-	-	-7,192	**-7,206**
Distribution of own shares	-	3	-	-	-	-	785	**787**
Cost of stock options	-	-	-	824	-	-	-	**824**
Closing balance 31 March 2010	**3,748**	**-49**	**39,557**	**16,622**	**592**	**-8,090**	**827,021**	**879,402**

Largest Shareholders per 4 May 2010

				Shares	%
1	FOLKETRYGDFONDET	NORWAY		10,373,350	10%
2	STATE STREET BANK AND TRUST CO.	U.S.A.	NOM	7,195,002	7%
3	PARETO AKSJE NORGE	NORWAY		3,882,200	4%
4	JPMORGAN CHASE BANK	GREAT BRITAIN	NOM	3,780,555	4%
5	THE NORTHERN TRUST COMPANY SUB	NORWAY	NOM	2,470,000	2%
6	CLEARSTREAM BANKING S.A.	LUXEMBOURG	NOM	2,323,205	2%
7	BANK OF NEW YORK MELLON	U.S.A.	NOM	2,201,041	2%
8	HAMILTON , HENRY HAYWOOD	U.S.A.		2,000,000	2%
9	PARETO AKTIV	NORWAY		1,879,200	2%
10	UBS AG, LONDON BRANCH	GREAT BRITAIN	NOM	1,852,549	2%
10 Largest				**37,957,102**	**37%**
Total Shares Outstanding *				**103,095,025**	**100%**

Average number of shares outstanding for Current Quarter *

Average number of shares outstanding during the quarter	103,138,236
Average number of shares fully diluted during the quarter	105,415,831

* Shares outstanding net of shares held in treasury (1.217.250 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 quarter of 2010. The annual report for 2009 is available on www.tgsnopec.com.

Note 3 Share Capital and Equity

As of 31 March 2010 the Company had 104,312,275 shares outstanding at NOK 0.25 per share, of which 1,217,250 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 the Company bought back 335,000 shares.

The Board of Directors has proposed to the shareholders at the June 2010 Ordinary General Meeting a dividend of NOK 4 per share for outstanding common stock.

Note 4 Segment information

2010 Q1	North & South America	Europe & Russia	Africa, Middle East & Asia / Pacific	Other segments	Consolidated
Net external revenues	52,449	25,257	46,306	24,224	**148,236**

2009 Q1	North & South America	Europe & Russia	Africa, Middle East & Asia / Pacific	Other segments	Consolidated
Net external revenues	21,186	8,771	20,761	20,043	**70,761**

There are no intersegment revenues between the reportable operating segments.

The Group does not allocate all cost items to its reportable operating segments during the year. Hence, operating profit per segment is not reported in the interim financial report.