TGS-NOPEC Geophysical Company ASA

2nd Quarter 2003 Results

"Second quarter results were slightly below our expectations as a result of lower late sales from our library, but we are still on plan on a year-to-date basis", stated TGS-NOPEC's CEO Hank Hamilton. *"On a positive note, pre-funding levels on our new programs have improved over last year and our backlog increased for the 3rd consecutive quarter. Based on scheduled delivery of new projects, upcoming license rounds, and strong oil company cash flows, our outlook for late sales is improving."*

2nd Quarter 2003 Highlights

- **Consolidated Net Revenues were USD 28,3 million, a decrease of 18% compared to Q2 2002.**
- **Net Pre-funding Revenues totaled USD 8,3 million, up 75% from Q2 2002 (USD 4,7 million).**
- **Total backlog increased 5% to USD 23,8 million.**
- **Gross Late Sales from the Multi-Client library totaled USD 21,9 million, down 30% from USD 31,4 million in Q2 2002.**
- **Operating Profit (EBIT) was USD 8,4 million, 30% of Net Revenues, down 46% from USD 15,6 million in Q2 2002.**
- **Total Equity ended June 30th, 2003 was USD 179,8, representing 82% of total assets.**

6 Months 2003 Highlights

- **Consolidated Net Revenues were USD 58,9 million, down 13% compared to first six months of 2002.**
- **Investments in the Multi-Client library were USD 30,7 million with 52% Pre-funding coverage, compared to USD 17,9 million with 43% Pre-funding in the first six months of 2002.**
- **Total backlog increased 26% over the first six months of 2003.**
- **Operating Profit (EBIT) of USD 19,3 million was 33% of Net Revenues, down 39% compared to first six months of 2002.**
- **Free cash flow was a positive USD 12,9 million.**

Revenue Breakdown

Consolidated Gross Late Sales of USD 21,9 million represented 70% of total revenues for the quarter. Unusually high Revenue Sharing with partners brought the Net Late Sales level down 36% compared to Q2 2002. Net Early Participant revenues totaled USD 8,3 million, funding approximately 50% of the Company's investments into new Multi-Client products during Q2 (USD 16,5 million). The Company earned proprietary contract revenues during the quarter of USD 0,9 million compared to USD 0,2 million in Q2 2002.

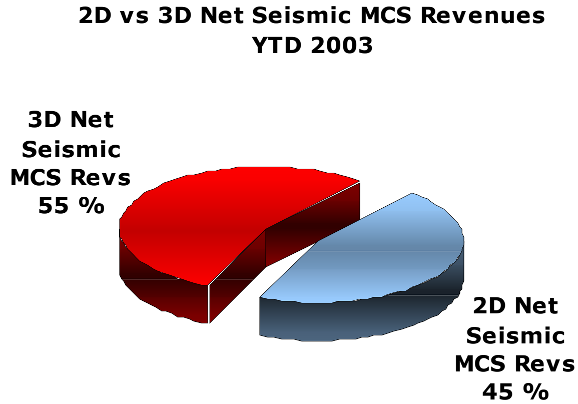
Consolidated Net Revs Q2 2003 vs Q2 2002 per Geographical region

(In mill USD)	Q2 2003	Q2 2002	Q2 2003	Q2 2002	*Change*
Eastern Hemisphere	6,5	5,4	23 %	16 %	20 %
Western Hemisphere	21,8	29,2	77 %	84 %	-26 %
Sum	28,3	34,7	100 %	100 %	-18 %

Year-to-Date Revenue Segment Information:

Consolidated Net Revs YTD 2003 vs 2002 per Geographical region

(In mill USD)	YTD 2003	YTD 2002	YTD 2003	YTD 2002	*Change*
Eastern Hemisphere	14,1	12,3	24 %	18 %	15 %
Western Hemisphere	44,8	55,0	76 %	82 %	-19 %
Sum	58,9	67,3	100 %	100 %	-13 %



Operational Costs
The consolidated amortization charge associated with Net Multi-Client revenues was 41% during Q2 2003 compared to 35% in Q2 2002. This rate does fluctuate from quarter to quarter, depending on the sales mix of projects. Management retains its previous guidance of an average amortization rate for the full year 2003 in the range of 39-44% of Net Revenues.

Personnel and other operating costs payable for the quarter, excluding materials, were USD 6,9 million, an increase of 23% from Q2 2002 (USD 5,6 million) mainly as a result of the addition of A2D costs. Costs of Materials were USD 0,5 million, down from USD 0,6 million in Q2 2002 as the lower cost on deliverables on lower late sales more than compensated the cost of the seismic proprietary contract work in Q2 2003.

Profit
Operating Profit for the quarter was USD 8,4 million, representing 30% of Net Revenues, a 46% decrease from Q2 2002 (USD 15,6 million). The quarterly Pre-tax Profit was USD 8,2 million compared to USD 15,7 million reported in Q2 2002.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the three months ended June 30th was USD 20,9 million, 74% of Net Revenues, down 27% from USD 28,5 million in Q2 2002.

Tax
The computed tax rate for Q2 2003 was 33%.

Net Income and Earnings per Share (EPS)
Net Income for Q2 2003 was USD 5,5 million (20% of Net Revenues) compared to the USD 10,2 million reported in Q2 2002. Earnings per Share (EPS) were USD 0,22 undiluted and USD 0,21 fully diluted. Due to the decline of the share price on the Oslo Stock Exchange during the second half of 2002, only 22% (344,418) of the outstanding stock options issued to key employees had an exercise price lower than the traded share price during the quarter. Had the Company adjusted for this, the EPS per share, fully diluted would have been USD 0,22. EPS reported in Q2 2002 was USD 0,42 per share (USD 0,39 fully diluted).

Business Segments and Investments
TGS-NOPEC's main business is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for 86% of the Company's business during the quarter. A2D Technologies, a digital well log and solutions provider acquired in June, accounted for approximately 12% of Consolidated Net Revenues in the 2nd quarter. A2D revenues and pre-tax profit increased from Q1 2003 to Q2 2003. Proprietary seismic contract revenues made up the remaining 2% of Consolidated Net Revenues.

The Company invested approximately USD 16,5 million in its data library during Q2 2003, an increase of 63% compared to Q2 2002 (USD 10,1 million) when excluding the acquisition of A2D Technologies in Q2 2002. The

Company recognized USD 8,3 million in Net Early Participant Revenues in Q2, funding approximately 50% of its investments during the quarter.

Balance Sheet & Cash Flow
As of June 30th, 2003, the Company's total cash holdings amounted to USD 19,3 million compared to USD 18,4 million at March 30th, 2003. Net cash flow from operating activities (including Multi-Client investments) was USD 0,9 million in Q2 2003. Total interest bearing debt was USD 9,3 million as of June 30th, 2003. At the end of the 2nd quarter, the Company had unused revolving credit and bank overdraft facilities totaling USD 19,5 million.

Total Equity per June 30th, 2003 was USD 179,8 million, representing 82% of Total Assets.

The Multi-Client Library:

MUSD	**Q2 2003**	Q2 2002	**6 months 2003**	6 months 2002	Year 2002	Year 2001	Year 2000
Opening Balance	**120,8**	95,8	**117,8**	98,2	98,2	55,5	40,0
In purchase price of A2D		9,5		9,5	9,5		
Investment	**16,5**	10,1	**30,7**	17,9	58,8	90,9	46,4
Amortization	**11,2**	12,1	**22,4**	22,4	48,7	48,2	30,9
Net Book Value Ended	**126,1**	103,2	**126,1**	103,2	117,8	98,2	55,5

Key Multi Client figures:

MUSD	**Q2 2003**	Q2 2002	**6 months 2003**	6 months 2002	Year 2002	Year 2001	Year 2000
Net MC Revenues	**27,4**	34,5	**57,5**	66,2	121,5	123,1	85,1
Change in MC Revenue	**-21 %**	17 %	**-13 %**	17 %	-1 %	45 %	14 %
Change MC Investment	**63 %**	-42 %	**71 %**	-42 %	-35 %	96 %	21 %
Amort% of Net MC Revs	**41 %**	35 %	**39 %**	34 %	40 %	39 %	36 %
Increase in NBV	**4 %**	8 %	**7 %**	5 %	20 %	77 %	39 %

Operational Highlights
The Company added approximately 17,000 kilometers of new 2D and 1,900 square kilometers of new 3D data to its library of marketed seismic surveys during the 2nd quarter. A total of five different seismic vessels contributed to this effort. The most active area by far for new acquisition was the US Gulf of Mexico, followed by the North Sea. In June, the Company began acquisition on its 2003 Eastern Canada program. Activity on value-added reprocessing products remained at very high levels during the quarter, primarily in the US Gulf of Mexico with the 100,000-kilometer Phase 45 deepwater 2D (PSTM and PSDM) and the 34,000-kilometer Phase 48 Texas long-offset 2D PSTM.

A2D added 65,000 logs from 30,000 wells to its LOG-LINE Plus! library, bringing the total inventory to nearly 1,6 million digital well log images from approximately 750,000 wells. A2D also secured substantial industry underwriting for several "Work-Station Ready" (WSR) well log programs in the Gulf of Mexico that complement TGS-NOPEC's newest and most active seismic projects in the area. The WSR product is A2D's highest value offering. .

Outlook
Despite the fact that the Company recognized a high level of pre-funding revenues (USD 8,3 million) during Q2, its backlog for new seismic projects increased 10% to USD 14,4 million per June 30th, 2003 from USD 13,1 million at the end of the 1st quarter. A2D backlog remained stable at USD 9,4 million compared to USD 9,5 million per March 31st. Total backlog at the end of Q2 stands at USD 23,8 million.

At the end of July 2003 TGS-NOPEC elected to let its long-term charter agreement for the 2D vessel M/V Zephyr-1 expire after utilizing the vessel continuously for nearly seven years. The Company continues to access 2D vessel capacity under its flexible charter agreement with SMNG as well as from other providers on a project-by-project basis.

TGS-NOPEC continues to expect its overall market in 2003 to remain flat compared to 2002 levels on an annualized basis. We now expect our annual multi-client investments to be towards the lower end of the USD 70 – 80 million range in our previously issued guidance for 2003. We plan to continue to concentrate these investments in the North American market in the near term. Based on upcoming licensing rounds, recent dialogue with our customers, and the scheduled delivery of several large projects during the second half of this year, we reiterate our expectation of approximately 10% net revenue growth for the full year 2003 over 2002.

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Naersnes, August 6th, 2003
The Board of Directors of TGS-NOPEC Geophysical Company ASA

TGS-NOPEC Geophysical Company ASA

Consolidated Profit & Loss Accounts

(All amounts in USD 1000's unless noted otherwise)	Q2 2003	Q2 2002	6 Months YTD 2003	6 Months YTD 2002	12 Months 2002
Operating Revenues					
Sales	31 429	36 764	63 443	71 545	132 099
Income sharing & Royalties	-3 133	-2 097	-4 562	-4 249	-7 665
Net Operating Revenues	**28 296**	**34 667**	**58 881**	**67 296**	**124 434**
Operating expenses					
Materials	486	591	588	1 575	2 986
Amortisation of Seismic Library	11 230	12 107	22 401	22 382	48 707
Personnel costs	4 930	3 408	9 710	6 908	14 968
Other operating expenses	2 003	2 191	4 567	3 641	7 954
Depreciation	1 222	749	2 313	1 343	3 560
Unusual items	-	-	-	-	5 102
Total operating expenses	**19 870**	**19 045**	**39 580**	**35 848**	**83 277**
Operating profit	**8 426**	**15 622**	**19 301**	**31 447**	**41 157**
Financial income and expenses					
Interest Income	63	174	137	447	723
Interest Expense	-154	-191	-317	-370	-901
Exchange gains/losses	-92	106	76	8	-241
Net financial items	**-183**	**89**	**-104**	**85**	**-419**
Profit before taxes	**8 243**	**15 711**	**19 198**	**31 532**	**40 738**
Tax provision	2 724	5 505	6 026	10 887	14 578
Net Income	**5 519**	**10 206**	**13 172**	**20 645**	**26 160**
EPS USD undiluted	0,22	0,42	0,53	0,84	1,06
EPS USD fully diluted	0,21	0,39	0,50	0,79	0,99

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Consolidated Balance Sheet

Balance sheet as at June 30, 2003

(All amounts in USD 1000's unless noted otherwise)	30.06.2003	30.06.2002	31.12.2002
ASSETS			
Long-term assets			
Intangible assets			
Goodwill	15 429	18 174	16 486
Fixed Assets			
Buildings	3 356	4 049	3 456
Machinery and equipment	3 606	3 092	3 949
Vessels	-	14 411	-
Financial Assets			
Long term receivables, included pre-payments	5 333	842	6 000
Total long-term assets	**27 724**	**40 568**	**29 891**
Current assets			
Inventories			
Multiclient seismic Library, net	126 091	103 231	117 822
Receivables			
Accounts receivable	42 271	47 439	58 105
Other short term receivables	4 592	2 647	4 858
Prepaid taxes			
Cash and cash equivalents			
Cash and cash equivalents (including money market funds)	19 318	20 395	18 078
Total current assets	**192 272**	**173 712**	**198 863**
TOTAL ASSETS	**219 996**	**214 279**	**228 754**

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Consolidated Balance Sheet

Balance sheet as at June 30, 2003

(All amounts in USD 1000's unless noted otherwise)	30.06.2003	30.06.2002	31.12.2002
LIABILITIES AND EQUITY			
Equity			
Share capital	3 549	3 318	3 549
Other equity	176 241	159 622	165 184
Total equity	**179 790**	**162 940**	**168 733**
Provisions and liabilities			
Provisions			
Deferred tax liability	6 687	7 352	1 673
Long term liabilities			
Mortgage loans/secured loans	8 546	13 835	13 990
Capitalised lease liabilities	577	1 463	733
Current liabilities			
Short-term interest-bearing debt	136	381	7 397
Accounts payable and debt to partners	17 452	16 718	14 996
Taxes payable, withheld payroll tax, social security	2	129	8 035
Other current liabilities	6 806	11 460	13 197
Total provisions and liabilities	**40 206**	**51 338**	**60 021**
TOTAL LIABILITIES AND EQUITY	**219 996**	**214 279**	**228 754**

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Consolidated Cashflow Statement

			6 Months	6 Months	12 Months
(All amounts in USD 1000's unless noted otherwise)	**Q2 2003**	**Q2 2002**	**2003**	**2002**	**2002**
Cashflow from operating activities:					
Received payments from sales	30 935	29 563	74 979	77 100	123 364
Payments for acquired seismic and services	-16 095	-24 314	-28 802	-55 752	-99 799
Payments for salaries, pensions, social security tax ar	-4 930	-3 407	-9 710	-6 907	-14 968
Received interest and other financial income	63	174	137	447	723
Interest payments and other financial cost	-154	-191	-317	-370	-901
Paid tax and government taxes	-4 744	-11 569	-9 045	-14 307	-15 771
Payments for other oper. activities and currency diff.	-4 169	8 054	-14 342	5 485	4 965
Net cash flow from operating activities	**906**	**-1 690**	**12 900**	**5 696**	**-2 387**
Cash flow from investing activities:					
Received payments from fixed assets				180	
Investment in tangible fixed assets	-331		-814		0
Investment in A2D		-14 500		-14 500	-14 500
Net change in long term receivables	334	23	667	153	993
Net cash flow from investing activities	**3**	**-14 477**	**-147**	**-14 167**	**-13 507**
Cash flow from financing activites:					
Net change in short term loans	-23	355	-7 261	355	6 500
Net change in long term loans	24	262	-4 252	-1 909	-2 948
Paid in equity	0	1 374		215	215
Net cash flow from financing activites	**1**	**1 991**	**-11 513**	**-1 339**	**3 767**
Net change in cash and cash equivalents	910	-14 176	1 240	-9 810	-12 127
Cash and cash equivalents at the beginning of period	18 408	34 571	18 078	30 205	30 205
Cash and cash equivalents at the end of period	**19 318**	**20 395**	**19 318**	**20 395**	**18 078**

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Equity Reconciliation per June 2003

Equity for the Group

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

Opening balance 01.01.03	168 733
Profit for the year	13 172
Effect of change in exchange rates and other items	-2 115
Closing balance per June 2003	**179 790**