

TGS-NOPEC Geophysical Company ASA

2nd Quarter 2000 Results

2nd Quarter 2000 Financial Highlights

TGS-NOPEC reports a strong 22% increase in Net Revenues and a 178% increase in Operating Profit compared to Q2 1999. Operating Profit of NOK 65,5 million was 47% of Net Revenues compared to NOK 23,6 million (21% of Net Revenues) in Q2 1999. Gross consolidated Revenues were NOK 150,0 million, up 24% from NOK 120,5 million in Q2 1999, and Net Operating Revenues were NOK 139,0 million, up 22% from NOK 114,2 million in Q2 1999. Second quarter EBITDA from operations of NOK 103,0 million was 74% of Net Revenues, up 38% from the same period last year (NOK 74,8 million). Pretax Profit for the quarter was NOK 63,5 million, 46% of Net Revenues, compared to NOK 20,7 million during Q2 1999. Earnings per Share were NOK 1,70 (NOK 1,62 fully diluted) for Q2 2000 compared to NOK 0,57 in Q2 1999.

Revenue Breakdown

Net Late Sales of NOK 86,9 million increased 117% from Q2 1999 and accounted for 63% of Net Consolidated Revenues. Early Participant and other project related Revenues totaled NOK 48,7 million, funding 66% of the Company's investment into the Multi-client Library during the second quarter. Proprietary Contract Revenues amounted to NOK 3,4 million.

Operational Costs

The high Late Sales resulted in an amortization charge associated with Net Multi-Client revenues as low as 24% of Net Revenues compared to the average rate of 31% for the full year of 1999. The corresponding amortization rate for Q2 1999 was 40%. This rate will fluctuate from quarter to quarter, depending on the sales mix of projects. Out of this quarter's Late Sales a major portion came from surveys with low or fully amortized Book Value, thus triggering low or no amortization cost. Management expects the amortization rate to increase to stay between 30% and 40% of Net Revenues for 2000. The year-to-date amortization rate is 28% of Net Revenues compared to 30% for the first six months of 1999. Total operational costs payable for the quarter, including materials, were NOK 33,4 million compared to NOK 39,4 million in Q2 1999 primarily as a result of the stacking of the Odin Explorer in Q1 1999.

Profit

Operating Profit for the quarter was NOK 65,5 million, 47% of Net Revenues, a 178% increase over Q2 1999 (NOK 23,6). The Pre-tax Profit of NOK 63,5 million was 207% higher than the NOK 20,7 million reported in Q2 1999.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the three months ended June 30th, was NOK 103,0 million, 74% of Net Revenues compared to NOK 74,8 (66%) in Q2 1999.

Financial Items

The rate of exchange between the USD and the NOK changed from 8,47 on March 31st, 2000 to 8,56 on June 30th. In accordance with NGAAP, a non-cash exchange loss of NOK 1,9 million was recorded in the accounts regarding the USD 21,0 million loan per June 30th. In accordance with the payment schedule contracted with the bank, the Company paid the first installment on the loan on August 11th of USD 2,1 million.

Tax

During 1999, the Company earned profits largely in the USA with a 36% tax rate, while the Company's Norwegian operations suffered a tax loss (tax rate 28%) due to write-downs of vessels. The Company estimates a tax rate for year 2000 of no more than 35%, as the Norwegian legal entity per June 30th was operating profitably again.

Net Income and Earnings per Share (EPS)

Net Income for Q2 2000 was NOK 41,3 million, NOK 1,70 per share undiluted, and NOK 1,62 per share fully diluted, 203% higher than reported in Q2 1999; NOK 13,6 mill and EPS NOK 0,57 per share.

Business Segments and Investments

TGS-NOPEC's main business is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for virtually all of the Company's business during the first 6 months of 2000. Investments in

the data library totaled NOK 74,0 million for the second quarter, 18% lower than in Q2 1999. Total investments in the Multi-Client Library during the first six months of 2000 were NOK 157,5, an increase of 17% compared to NOK 134,2 million for the same period in 1999. The Company expects to ramp up its Multi-Client investments during Q3 2000, commencing its own 3D survey in UK waters in addition to increasing its 3D financial exposure in the Gulf of Mexico. The Company recognized NOK 48,7 million in Early Participant revenues during the quarter. Total pre-funding recognized represents 66% of total investments in Q2 2000.

Balance Sheet

As of June 30, 2000, the Company's total cash holdings amounted to NOK 230,5 million, up from NOK 118,2 million on December 31st, 1999. Total interest bearing debt increased from NOK 202,8 million per December 31st, 1999 to NOK 246,3 per March 31st, 2000 as a result of the opening of a new long-term loan facility in February and drawn overdrafts per June 30th, 2000.

The sale of the M/V Odin Explorer was consummated on August 2nd, 2000 at the sales price contracted in December 1999. The vessel is carried in the Balance Sheet per June 30th, 2000 at sales price.

Total Equity per June 30th, 2000 was NOK 656,8 million, 60% of Total Assets.

The Multi-client Library:

Million NOKs			6 Months	6 Months	Year	Year
	Q2-00	Q2-99	2000	1999	1999	1998
Opening Balance	359,0	218,5	324,0	203,0	203,0	129,3
Investment	74,0	89,7	157,5	134,2	300,8	193,5
Amortization	-33,1	-45,4	81,6	-74,4	-179,8	-119,8
Net Book Value Ended	399,9	262,8	399,9	262,8	324,0	203,0

Key MCS figures:

Net MCS Revenues for the period	135,6	114,2	286,7	244,7	574,2	555,6
Change in MCS Revenue	19 %	-5 %	17 %	-4 %	3 %	13 %
Change in investment in MCS	-18 %	14 %	17 %	20 %	55 %	80 %
Amortization in % of Net Revenues	24 %	40 %	28 %	30 %	31 %	22 %
Increase in NBV during the period	11 %	20 %	23 %	29 %	60 %	57 %

Operational Highlights

The Company added 37,000 kms of 2D and 1,600 square kms of 3D to its library of marketed surveys during the second quarter. The majority of this activity was concentrated in Brazil, Newfoundland, the Gulf of Mexico, Faroes/Shetland and Portugal. A total of eight different seismic vessels contributed to this effort.

Outlook

During the first six months of 2000, the Company has placed major emphasis on securing long-term volume purchase commitments from clients. These commitments will materialize into Late Sales or Pre-funding over the coming 18 to 24 months. Due to the variability of the Company's equity share in the portfolio of Multi-Client projects that may be purchased with these volume commitments, it is not possible to fully predict their impact on the Profit and Loss Account of TGS-NOPEC. Per June 30th, Gross Sales Commitments totaled in excess of NOK 250,0 million. Based on the historical records, Management conservatively estimates that between 33% and 50% of this amount will remain with TGS-NOPEC as Net Revenue.

The Company plans to increase activity on new surveys and new added value products from the existing library during the third quarter. The Company continues to actively develop a number of 3D projects in several geographic areas. Acquisition of the Company's first 100% owned 3D Multi-Client survey will commence in August, with data delivery to clients scheduled for December 2000.

While the seismic sector continues to strengthen, significant improvements in the market continue to lag the increased activity levels in other oilfield sectors. A number of major and large independent oil companies have publicly announced increased exploration and development spending plans for the remainder of 2000 as well as 2001. We expect a steadily growing share of this spending to flow into seismic purchases throughout the remainder of 2000 as our customers begin to rebuild their inventories of drillable prospects.

TGS-NOPEC is a leading global provider of non-exclusive seismic data and associated products to the oil and gas industry. TGS-NOPEC specializes in the planning, acquisition, processing, interpretation and marketing of non-exclusive surveys worldwide. The company places a strong emphasis on providing high-quality seismic data and the highest level of service to the industry. TGS-NOPEC also offers proprietary seismic acquisition and processing services, as well as gravity and aeromagnetic surveys.

TGS-NOPEC is listed on the Oslo Stock Exchange (OSLO:TGS).

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Naersnes, August 16th, 2000

The Board of Directors of TGS-NOPEC Geophysical Company ASA

TGS Nopec Geophysical Company ASA

	2nd Quarter 2000	2nd Quarter 1999	1st Half 2000	1st Half 1999
NOK 1000				
Gross Revenues	150 020	120 534	305 370	258 788
Income Sharing	-10 983	-6 363	-13 750	-14 058
Net Revenues	139 037	114 171	291 620	244 730
Materials	4 469	3 461	6 680	8 041
Amortization MCS	33 056	45 436	81 642	74 427
Personnel Costs	20 443	19 469	39 886	41 454
Other Operating Costs	11 122	16 434	22 820	33 342
Depreciation	4 412	5 774	8 695	9 822
Unusual Items				7 400
Operating Profit	65 535	23 597	131 897	70 244
Net Financial Items	-2 011	-2 938	-12 645	-8 945
Pre-tax Profit	63 524	20 659	119 252	61 299
Tax provision	22 233	7 024	41 738	20 842
Net Income	41 291	13 635	77 514	40 457
EPS undiluted	1,70	0,57	3,20	1,69
EPS fully diluted	1,62	0,57	3,06	1,69
Long-term Assets			254 121	315 223
Cash& Other current Assets			842 901	623 973
Total Assets			1 097 022	939 196
Equity			656 766	490 311
Long-term liabilities			278 377	222 895
Current liabilities			161 879	225 990

TGS NOPEC Geophysical Company ASA

Consolidated Profit & Loss Accounts

(All amounts in NOK 1000's unless noted otherwise)				6 Months	6 Months	12 Months
		Q2 2000	Q2 1999	2000	1999	1999
<i>Operating Revenues</i>						
Sales		150 020	120 534	305 370	258 788	617 300
Income sharing & Royalties		-10 983	-6 363	-13 750	-14 058	-29 803
Net Operating Revenues		139 037	114 171	291 620	244 730	587 497
<i>Operating expenses</i>						
Materials		4 469	3 461	6 680	8 041	17 865
Amortisation of Seismic Libra		33 056	45 436	81 642	74 427	179 775
Personnel costs		20 443	19 469	39 886	41 454	70 731
Other operating expenses		11 122	16 434	22 820	33 342	62 392
Depreciation		4 412	5 774	8 695	9 822	19 543
Unusual Items		-	-	-	7 400	29 616
Total operating expenses		73 502	90 574	159 723	174 486	379 922
Operating profit		65 535	23 597	131 897	70 244	207 575
<i>Financial income and expenses</i>						
Interest Income		3 226	2 501	5 144	4 651	10 608
Interest Expense		-4 444	-3 441	-9 116	-7 597	-17 471
Exchange gains/losses		-793	-1 998	-8 673	-5 999	-7 642
Net financial items		-2 011	-2 938	-12 645	-8 945	-14 505
Profit before taxes		63 524	20 659	119 252	61 299	193 070
Tax provision		22 233	7 024	41 738	20 842	73 886
Net Income		41 291	13 635	77 514	40 457	119 184
EPS NOK	undiluted	1,70	0,57	3,20	1,69	4,97
EPS NOK	fully diluted	1,62	0,57	3,06	1,69	4,92

TGS NOPEC Geophysical Company ASA

Consolidated Balance Sheet

Balance sheet as at June 30, 2000

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

30,06,2000

30,06,99

31,12,99

ASSETS

Long-term assets

Intangible assets

Goodwill	34 783	40 115	37 622
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Fixed Assets

Buildings	30 390	33 467	33 213
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Machinery and equipment	25 431	22 474	21 628
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Vessels	162 844	214 780	172 726
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Financial Assets

Long term receivables, included pre-payments	673	4 387	-
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Total long-term assets	254 121	315 223	265 189
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Current assets

Inventories

Multiclient seismic Library, net	399 931	262 847	324 042
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Receivables

Accounts receivable	189 680	129 831	202 234
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Other short term receivables	22 778	46 974	38 986
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Cash and cash equivalents

Cash and cash equivalents (including money market funds)	230 512	184 321	118 242
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Total current assets	842 901	623 973	683 504
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TOTAL ASSETS	1 097 022	939 196	948 693
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Consolidated Balance Sheet

Balance sheet as at June 30, 2000

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

	30,06,2000	30,06,99	31,12,99
LIABILITIES AND EQUITY			
<i>Equity</i>			
Share capital	24 317	24 001	24 009
Other equity	632 449	466 310	523 600
Total equity	656 766	490 311	547 609
Provisions and liabilities			
<i>Provisions</i>			
Deferred tax liability	52 001	23 491	46 525
<i>Long term liabilities</i>			
Mortgage loans/secured loans	189 871	152 032	142 461
Capitalised lease liabilities	36 505	47 372	41 486
<i>Current liabilities</i>			
Short-term interest-bearing debt	19 958	18 396	18 813
Accounts payable and debt to partners	89 398	158 849	94 299
Taxes payable, withheld payroll tax, social security etc.	4 522	6 593	11 997
Other current liabilities	48 001	42 152	45 503
Total provisions and liabilities	440 256	448 885	401 084
TOTAL LIABILITIES AND EQUITY	1 097 022	939 196	948 693