

TGS-NOPEC Geophysical Company ASA

4th Quarter & Full Year 2002 Results

4th Quarter 2002 Highlights

- ❖ Consolidated Net Revenues totaled USD 35,8 million, a decrease of 13% compared to Q4 2001.
- ❖ In NOK, Net Revenues of NOK 261,9 million fell 28% compared to Q4 2001.
- ❖ Operating Profit (EBIT) was NOK 77,3 million, 29% of Net Revenues, down 57% from NOK 179,9 million in Q4 2001.
- ❖ Earnings per Share were NOK 2,01 (NOK 1,85 fully diluted) for Q4 2002, down 60% from NOK 4,99 (NOK 4,69) in Q4 2001.

Full Year 2002 Highlights

- ❖ Net Revenues of USD 124,4 million were down 3% compared to 2001. On a NOK basis, Net Revenues decreased 14% to NOK 997,1 million.
- ❖ Net Late Sales increased 2% to USD 99,2 million in 2002 from USD 97,1 million in 2001.
- ❖ Operating Profit (EBIT) before non-recurring items was NOK 368,9 million, representing 37% of Net Revenues.
- ❖ Earnings before interest, tax, depreciation and amortization (EBITDA) totaled NOK 789,6 million, (79% of Net Revenues), down 16% compared to 2001.
- ❖ Net Income of NOK 221,6 million after non-recurring items represented 22% of Net Revenues, down 35% from 2001.
- ❖ Earnings per Share were NOK 9,00 (NOK 8,36 fully diluted), down 36% from NOK 13,99 (NOK 13,23) in 2001.
- ❖ The A2D subsidiary was profitable for the year including the cost of goodwill amortization.

"We're very pleased to report quarterly revenues that increased 68% sequentially, exceeding our own expectations," stated TGS-NOPEC's CEO Hank Hamilton. "Late Sales in the North American region rebounded sharply during the 4th quarter. The integration of A2D well logs into our overall product portfolio is proceeding well. Despite continuing uncertain market conditions, the Company is moving into 2003 with positive momentum."

Revenue Breakdown Consolidated

Quarterly Net Late Sales of NOK 208,5 million increased 128% from the previous quarter, but decreased 29% from Q4 2001 (NOK 295,0 million). In USD, Net Late Sales totaled USD 28,5 million, a decrease of 14% from USD 33,1 in Q4 2001. Net Seismic Late Sales of USD 26,7 million accounted for 75% of Net Consolidated Revenues. Early Participant revenues totaled NOK 41,8 million, funding approximately 29% of the Company's investments into new Multi-Client products during Q4 (NOK 141,7 million). The Company earned proprietary contract revenues during the quarter of NOK 11,6 million. The corresponding proprietary contract revenues in Q4 2001 were NOK 27,7 million.

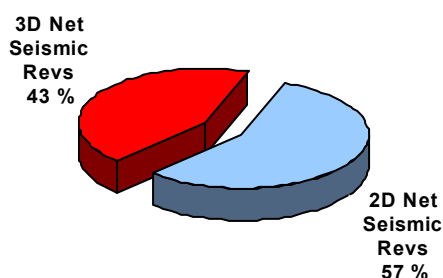
Net Revenues per Geographical Region (Full Year):

(In mill NOK)	2002	2001	2002	2001	Change
EUROPE	160,8	246,5	16 %	21 %	-35 %
AMEAP	70,6	176,3	7 %	15 %	-60 %
NSA	716,3	732,8	72 %	63 %	-2 %
A2D	49,5		5 %		N/A
Sum	997,1	1 155,6	100 %	100 %	-14 %

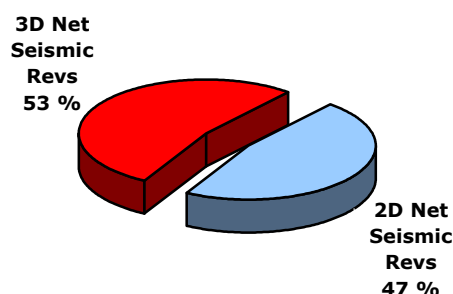
Net Revenues per Segment (Full Year):

(In mill NOK)	2002	2001	2002	2001	Change
2D MCS Net Revs	429,1	539,1	43 %	47 %	-20 %
3D MCS Net Revs	502,3	567,1	50 %	49 %	-11 %
A2D MC Net Revs	42,8		4 %		N/A
Total MCS Net Revs	974,3	1 106,2	98 %	96 %	-12 %
Proprietary Revs	22,8	49,5	2 %	4 %	-54 %
Sum	997,1	1 155,6	100 %	100 %	-14 %

2D vs 3D Net Seismic Revenues
Q4 2002



2D vs 3D Net Seismic Revenues
Full Year 2002



Operational Costs

The consolidated amortization charge associated with Net Multi-Client revenues was 49% during Q4 2002 compared to 33% in Q4 2001. This rate does fluctuate from quarter to quarter, depending on the sales mix of projects. The amortization rate in Q4 2002 was higher than expected due to the change in the USD/NOK exchange rate and lowered sales forecasts on certain projects. Future sales forecasts in USD were translated at NOK/USD 7,0 as at December 31st, 2002, while the same were translated at 7,5 as per September 30th, 2002. The amortization rate for the full year 2002 was 41% of Net Multi-Client Revenues (40% of Total Net Revenues), in line with management's guidance for the year.

Operational costs payable for the quarter, excluding materials, were NOK 46,9 million, down 9% from Q4 2001 (NOK 51,7 million) as a result of lower employee expenses and the move in the USD/NOK exchange rate partially offset by the addition of A2D costs. Costs of Materials were NOK 8,1 million, down from NOK 17,1 million in Q4 2001 due to lower seismic proprietary contract work in Q4 2002 and lower multi-client product sales volume.

Profit

Operating Profit for the quarter was NOK 77,3 million, representing 29% of Net Revenues, a 57% decrease from Q4 2001 (NOK 179,9 million). The quarterly Pre-tax Profit was NOK 79,4 million compared to NOK 178,0 million reported in Q4 2001.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the three months ended December 31st was NOK 206,9 million, 79% of Net Revenues, down 30% from NOK 296,0 in Q4 2001.

Tax

The computed tax rate for Q4 2002 was 37,2% as the Norwegian parent company recorded a loss in Q4. The effective quarterly tax rate is a blend of the 35% tax rate in the US and the deductible tax rate of 28% on losses in Norway. The computed tax rate for the 12 months ended December 31st, 2002 is 35,0%.

Net Income and Earnings per Share (EPS)

Net Income for Q4 2002 was NOK 49,8 million compared to the NOK 122,1 million reported in Q4 2001. Earnings per Share (EPS) were NOK 2,01 undiluted and NOK 1,85 fully diluted. Due to the sharp decline of the share price

on the Oslo Stock Exchange during the second half of 2002, only 16% (334,680) of the outstanding stock options issued to key employees (2,119,000) 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 NOK 1,98. EPS reported in Q4 2001 was NOK 4,99 per share (NOK 4,69 fully diluted). Full Year EPS after unusual items was NOK 9,00, down 36% from NOK 13,99 in 2001 (respectively, NOK 8,36 and NOK 13,23 fully diluted).

Effect of Change in NOK/USD Exchange Rate

Nearly all of the Company's operating revenues and approximately 80% of its operating costs are in USD. Thus, the Company's operations are not significantly impacted by changes in exchange rates between currencies. However, since TGS-NOPEC reports its financial results in NOK, shifts in the NOK/USD exchange rate impact the presented performance in NOK. By the end of Q4 2002, the NOK/USD exchange rate had dropped to 6,96 from 9,01 per December 31st, 2001.

The average exchange rate during Q4 2002 was 7,32, 18% lower than the 8,9 rate during Q4 2001. For the full year of 2002, the average exchange rate was 7,98, 11% lower than the 8,99 rate during 2001. While the Company's NOK-reported Net Revenues decreased 14% from NOK 1155,6 million in 2001 to NOK 997,1 million during 2002, the USD Net Revenues decreased only 3% from approximately USD 128,6 million in 2001 to approximately USD 124,4 million in 2002.

Beginning in Q1 2003 TGS-NOPEC will report its financial results in USD.

Business Segments and Investments

TGS-NOPEC's main business is developing, managing, conducting, and selling non-exclusive seismic surveys. This activity accounted for 91% of the Company's business during the quarter. A2D Technologies, a digital well log and solutions provider acquired in June, accounted for approximately 9% of Consolidated Net Revenues in the 4th quarter.

The Company invested approximately NOK 141,7 million (approximately USD 19,4 million) in its data library during Q4 2002. This was 21% more in USD terms than in Q4 2001, eliminating the USD 32 million partner buyout transaction in Q4 2001. The Company recognized NOK 41,8 million in Net Early Participant Revenues in Q4, funding approximately 29% of its investments during the quarter. For the full year 2002, the average pre-funding level was 38%.

Balance Sheet

As of December 31st, 2002, the Company's total cash holdings amounted to NOK 121,9 million compared to NOK 121,8 million at September 30th, 2002. The Q4-2002 operational cash flow was negative NOK 37,6 million due to the combination of low sales in Q3-2002 and Q4-2002 sales that were heavily skewed towards the end of the quarter. Accordingly, accounts receivable increased 15% to NOK 410 million during the quarter. The falling NOK/USD exchange rate also weakened the NOK-reported cash flow. The Company secured a revolving credit facility of USD 15,0 million in November, and drew USD 6,5 million (NOK 45,2 million) on this during the quarter. The Company expects to have positive operational cash flow in Q1-2003. Total interest bearing debt was NOK 140,8 million versus NOK 105,0 million per September 30th, 2002.

Total Equity per December 31st, 2002 was NOK 1 266,9 million, representing 74% of Total Assets.

The Multi-Client Seismic Library (TGS-NOPEC without A2D):

Million NOKs	Q4 2002	Q4 2001	Year 2002	Year 2001	Year 2000	Year 1999	Year 1998
Opening Balance	852,6	575,6	865,3	439,1	324,0	203,0	129,3
Effect Change USD/NOK	(11,5)	(0,9)	(55,0)	0,6			
Investment	136,8	401,7	436,9	818,9	370,8	300,8	193,5
Amortization	(118,7)	(111,0)	(388,1)	(393,3)	(255,8)	(179,8)	(119,8)
Net Book Value Ended	859,2	865,3	859,2	865,3	439,1	324,0	203,0

Key MCS figures:

Key MCS Figures:	Q4 2002	Q4 2001	Year 2002	Year 2001	Year 2000	Year 1999	Year 1998
Net MCS Revenues	231,0	337,2	931,4	1106,2	793,8	574,2	555,6
Change in MCS Revenue	-31 %	23 %	-16 %	39 %	38 %	3 %	13 %
Change MCS Investment	-66 %	403 %	-47 %	121 %	23 %	55 %	80 %
Amort% of Net MCS Revs	51 %	33 %	42 %	36 %	32 %	31 %	22 %
Increase in NBV	1 %	50 %	-1 %	97 %	36 %	60 %	57 %

The Multi-Client Well Log Library (A2D):

Million NOKs	Q4-02
Opening Balance	77,0
Effect Change USD/NOK	-5,1
Investment	4,9
Amortization	-2,9
Net Book Value ended	73,9

Operational Highlights

The Company added approximately 15,000 kilometers of new 2D and 2,000 square kilometers of new 3D data to its library of marketed seismic surveys during the 4th quarter. A total of eight different seismic vessels contributed to this effort. The most active areas for new acquisition were the US Gulf of Mexico, Canada, and West Africa. Based on continued strong demand for value-added reprocessing products, TGS-NOPEC launched major pre-stack time migration (PSTM) and pre-stack depth migration (PSDM) reprocessing projects on its Phase 45 deepwater 2D survey in the Gulf of Mexico (90,000 kilometers) as well as a significant new phase of PSDM reprocessing in Brazil (7,800 kilometers). The Phase 50 2D program and the newly reprocessed Louisiana Renaissance 3D program, both located in the mature shallow water shelf area in the Gulf of Mexico, continued to gain momentum as oil companies intensify their efforts to locate "Deep Gas" targets in a proven province.

A2D added 127,000 logs from 50,000 wells to its library of digital US well logs during the 4th quarter and continued the effort to build an international well log data base by adding logs from offshore Congo, Gabon, and Cameroon. The total library now contains over 1,4 million digital well logs from nearly 700,000 wells. A2D announced the industry's first subscription program for depth calibrated smartRASTER well logs, allowing the Company to generate recurring and predictable revenue streams for this product. World Oil magazine awarded A2D's LOG-LINE Plus ! as the industry's Best Database / Data Management Solution at its 2002 Next Generation inaugural program in October.

Outlook

The Company's backlog of secured pre-funding for new seismic projects increased 28% in USD terms to USD 10,4 million per December 31st, 2002 from USD 8,1 million at the end of the 3rd quarter. Since the end of the 4th quarter, the Company has secured an additional USD 2,3 million in unrecognized pre-funding for seismic projects. A2D backlog per December 31st, 2002 increased 29% to USD 8,5 million from USD 6,6 million per September 30th.

Global oil prices climbed higher during the quarter. North American natural gas production levels again dropped an estimated 5-6% year-over-year in the fourth quarter. Natural gas prices have steadily increased to well above the USD 5 per mcf level. The US active rig count moved up in early February to its highest level in over a year. This and the recent backlog increases experienced by TGS-NOPEC may be positive early indicators that exploration spending in the US is starting to creep upwards again.

Given the current global tensions surrounding Iraq, forecasting market developments in the oil services sector is a difficult task. At this stage, TGS-NOPEC expects its overall market in 2003 to remain flat compared to 2002 levels. The Company expects to continue to grow its market share and projects an approximate 10% increase in USD Net

Revenues for the full year 2003. Revenues are likely to be slightly lower during the first half of 2003 compared to the same period in 2002, but higher during the second half of 2003 when compared to the same period in 2002. Investments in multi-client data during 2003 are expected to be in the range of USD 70 – 80 million compared to approximately USD 65 million in 2002. We expect average annual pre-funding in excess of 40% in 2003 compared to 38% in 2002. Average annual amortization rates are expected to fall in the range of 39-44% in 2003 compared to 41% in 2002.

As a result of steadily increasing investments in our data library over the past five years, we expect Late Sales from that library to continue to constitute the majority of our revenues. Due to the inherently volatile nature of Late Sales from quarter to quarter, TGS-NOPEC has decided to discontinue its practice of issuing specific quarterly revenue guidance.

TGS-NOPEC's Board of Directors proposes not to issue a dividend for 2002.

TGS-NOPEC is a leading global provider of multi-client geoscience data and associated products and services to the oil and gas industry. TGS-NOPEC specializes in the planning, acquisition, processing, interpretation and marketing of non-exclusive seismic surveys worldwide. A2D Technologies, a wholly owned subsidiary, pioneered the delivery of digital well log data over the Internet and currently offers a one-of-a-kind integrated solution for well log data sourcing, well log data management, and well log correlation. The TGS-NOPEC group places a strong emphasis on providing high-quality data and the highest level of service to the industry.

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

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Naersnes, February 12th, 2003

The Board of Directors of TGS-NOPEC Geophysical Company ASA

All statements in this press release other than statements of historical fact are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions. These include TGS-NOPEC's reliance on a cyclical industry and principal customers, the company's ability to continue to expand markets for licensing of data, and the company's ability to acquire and process data products at costs commensurate with profitability. Actual results may differ materially from those expected or projected. TGS-NOPEC undertakes no responsibility to update forward-looking statements.

TGS-NOPEC Geophysical Company ASA

Consolidated Profit & Loss Accounts

(All amounts in NOK 1000's unless noted otherwise)	Q4 2002	Q4 2001	12 Months 2002	12 Months 2001	
<i>Operating Revenues</i>					
Sales	277 260	417 356	1 058 703	1 298 982	
Income sharing & Royalties	-15 382	-52 455	-61 613	-143 355	
Net Operating Revenues	261 878	364 901	997 090	1 155 626	
<i>Operating expenses</i>					
Materials	8 119	17 148	23 993	48 915	
Amortisation of Seismic Library	121 617	111 005	394 785	393 280	
Personnel costs	33 302	34 047	119 871	115 345	
Other operating expenses	13 593	17 715	63 603	56 690	
Depreciation	7 910	5 094	25 920	18 262	
Non-recurring Items	-	-	38 000	-	
<i>Total operating expenses</i>	184 542	185 008	666 172	632 492	
Operating profit	77 336	179 893	330 918	523 134	
<i>Financial income and expenses</i>					
Interest Income	960	2 682	5 903	15 918	
Interest Expense	-2 732	-2 891	-7 076	-20 268	
Exchange gains/losses	3 785	-1 645	13 684	-3 009	
<i>Net financial items</i>	2 013	-1 853	12 512	-7 359	
Profit before taxes	79 350	178 040	343 430	515 775	
Tax provision	29 517	55 912	121 823	173 926	
Net Income	49 832	122 128	221 607	341 849	
EPS NOK	undiluted	2,01	4,99	9,00	13,99
EPS NOK	fully diluted	1,85	4,69	8,36	13,23

TGS-NOPEC Geophysical Company ASA

Consolidated Balance Sheet

Balance sheet as at December 31, 2002

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

31.12.2002

31.12.2001

ASSETS

Long-term assets

Intangible assets

Goodwill	115 120	31 965
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Fixed Assets

Buildings	26 673	27 653
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Machinery and equipment	28 309	26 447
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Vessels	-	116 613
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Financial Assets

Long term receivables, included pre-payments	41 794	8 962
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Total long-term assets	211 896	211 641
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Current assets

Inventories

Multiclient seismic Library, net	933 098	865 317
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Receivables

Accounts receivable	408 985	518 532
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Other short term receivables	33 827	20 483
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Prepaid taxes	-	8 973
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Cash and cash equivalents

Cash and cash equivalents (including money market funds)	121 888	272 250
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Total current assets	1 497 798	1 685 556
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TOTAL ASSETS

1 709 694

1 897 197

TGS-NOPEC Geophysical Company ASA

Consolidated Balance Sheet

Balance sheet as at December 31, 2002

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

31.12.2002

31.12.2001

LIABILITIES AND EQUITY

Equity

Share capital	24 778	24 474
Other equity	1 242 073	1 155 297
Total equity	1 266 851	1 179 771

Provisions and liabilities

Provisions

Deferred tax liability	46 609	63 365
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Long term liabilities

Mortgage loans/secured loans	89 133	136 471
Capitalised lease liabilities	5 109	18 434

Current liabilities

Short-term interest-bearing debt	46 527	285
Accounts payable and debt to partners	104 458	392 191
Taxes payable, withheld payroll tax, social security et	55 969	30 825
Other current liabilities	95 037	75 856

Total provisions and liabilities	442 842	717 427
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TOTAL LIABILITIES AND EQUITY	1 709 694	1 897 197
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TGS-NOPEC Geophysical Company ASA

Consolidated Cashflow Statement

(All amounts in NOK 1000's unless noted otherwise)	12 Months		12 Months
	Q4 2002	2002	2001
<i>Cashflow from operating activities:</i>			
Received payments from sales	209 144	1 110 909	1 012 387
Payments for acquired seismic and services	-167 100	-774 340	-573 709
Payments for salaries, pensions, social security tax and tax deducted	-33 302	-119 871	-115 345
Received interest and other financial income	960	5 903	15 918
Interest payments and other financial cost	-2 732	-7 076	-23 277
Paid tax and government taxes	-551	-104 462	-162 375
Payments for other operating activities	-6 054	-32 377	-47 116
Currency exchange difference	-37 975	-149 176	
Net cash flow from operating activities	-37 610	-70 490	106 483
<i>Cash flow from investing activities:</i>			
Investment in tangible fixed assets	-1 455	-10 187	-15 818
Investment in A2D		-103 581	
Adjustment to cost price for one of the vessels			5 799
Net change in long term receivables	4 929	8 962	-8 962
Net cash flow from investing activities	3 474	-104 806	-18 981
<i>Cash flow from financing activities:</i>			
Net change in short term loans	44 461	44 461	
Repayment of long term loans	-3 848	-34 177	-51 220
Purchase of own shares			-577
Received payments due to share offering		41 814	2 915
Currency exchange differences	-6 406	-27 164	9 027
Net cash flow from financing activities	34 207	24 934	-39 855
Net change in cash and cash equivalents	71	-150 362	47 647
Cash and cash equivalents at the beginning of period	121 817	272 250	224 603
Cash and cash equivalents at the end of period	121 888	121 888	272 250

TGS-NOPEC Geophysical Company ASA

Equity Reconciliation per December 2002

Equity for the Group

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

Opening balance 01.01.02	1 179 771
Changes in share capital and premium fund	41 814
Profit for the year	221 607
Effect of change in exchange rates	-176 341
Closing balance per December 2002	1 266 851