

1. 1st half year results TGS-NOPEC.

The Board of Directors is pleased with the financial results for the first half of 1998. Despite the low oil price environment during the second quarter, the company reports net income above what was achieved in the 1st half of 1997.

Total turnover in 1st half of 1998 for the combined company amounts to NOK 280 million, as opposed to NOK 332 million for 1997. Earnings before interest and taxes is NOK 121 million, an increase of NOK 10 million compared to 1997. Profit before taxes is NOK 122 million, a slight increase compared with last year.

After the merger, the total asset value is NOK 715 million, of which current assets are NOK 548 million. Cash in bank and accounts receivable amount to NOK 268 million, which means that the company has a very strong cash position.

Total equity is NOK 307 million, equivalent to approx. 43%.

Taken into account that the company has only collected multi-client seismic this year, the Board of Directors is very pleased with the profitability of 1st half 1998.

2. Operational news

TGS-NOPEC added significantly to its global data library in the first half of 1998 with 34,000 km of 2D and 1,600 sq. km of 3D in North America, 9,500 km of 2D and 635 sq. km of 3D in the North Sea, and 13,500 km of 2D in the Far East.

The North Sea and Far East 2D data has mainly been acquired using Zephyr-1 and owned vessel Odin Explorer. The North American 2D data has been acquired using 2-3 chartered 2D vessels. The 3D data has been acquired using chartered capacity.

Approximately 20,000 km of 2D data has been processed by BiPS in Bedford UK, which is expected to be taken over by TGS-NOPEC following a letter of intent being signed during second quarter 1998.

The conversion work on Northern Access, the first of TGS-NOPEC's two new seismic vessels, is progressing according to plan and the vessel will come onstream during the third quarter as previously reported.

Profit and loss account

(All amounts in NOK 000's unless noted otherwise)

	2.Q 1998	2.Q 1997	01.01.98. - 30.06.98.	01.01.97. - 30.06.97.
<i>Operating Income</i>				
Sales	124,446	183,636	280,017	332,024
Income sharing	-4,852	-62,977	-19,056	-77,722
Loss on investments and assets sales	-	-	-	-
Royalties etc.	-	-	-6,801	-
<i>Total operating income</i>	119,594	120,659	254,160	254,302
<i>Operating expenses</i>				
Materials	26,472	45,477	44,753	75,817
Personnel costs	22,397	16,320	45,656	34,698
Other operating expenses	12,767	5,984	34,749	26,014
Depreciation	5,037	1,728	7,686	5,856
<i>Total operating expenses</i>	66,673	79,509	132,844	142,385
Operating profit	52,921	41,151	121,316	111,916
<i>Financial income and expenses</i>				
Financial income	3,244	2,418	6,088	15,755
Financial expenses	-4,754	-7,467	-5,206	-7,334
<i>Net financial items</i>	-1,510	-5,048	882	8,421
Profit before taxes	51,411	36,102	122,198	120,337
Estimated Taxes	17,718	13,870	41,553	38,099
PROFIT FOR THE YEAR	33,693	22,232	80,645	82,238

Balance sheet as of 30.06.

(All amounts in NOK 000's unless noted otherwise)

30/06/98

ASSETS

Current assets

Cash and cash equivalents (including money market funds)	146,077
Accounts receivables	121,842
Shares	-
Intergroup receivables	-
Receivables from parent company	4,325
Other short term receivables	41,174
Share of current assets in ANS Baarsrudveien 2	2,807
Multiclient seismic, net	232,392
<i>Total current assets</i>	548,618

Fixed assets

Investments in subsidiaries	-
Other long term receivables, included pre-payment	9,032
Share of fixed assets in ANS Baarsrudveien 2	54
Goodwill	28,652
Vessels	76,497
Equipment to ships	204
Machinery, plant and equipment	18,730
Buildings	33,507
<i>Total fixed assets</i>	166,677

TOTAL ASSETS **715,295**

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LIABILITIES AND EQUITY

Current liabilities	-
Withheld payroll tax, social security etc.	18,538
Taxes payable	16,046
Accounts payable	136,997
Other current liabilities	85,155
Share of current liabilities in ANS Baarsrudveien 2	2,732
Cash held for customers	-
Deferred revenue	-
Paid in due to public share offering	-
<i>Total current liabilities</i>	259,467
	-
Long term liabilities	-
Deferred tax liability	23,687
Mortgage loans/secured loans	106,688
Share of long term liabilities in ANS Baarsrudveien 2	-
Other long term liabilities	18,521
<i>Total long term liabilities</i>	148,896
	-
<i>Equity</i>	-
Share capital	23,498
Other equity	283,434
<i>Total equity</i>	306,931
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TOTAL LIABILITIES AND EQUITY	715,295

For additional information, please contact Manager Trond Christoffersen on telephone no. + 47 31292000.

Nærsnes, 17th August 1998

The Board of Directors of TGS-NOPEC Geophysical Company ASA