

# TGS NOPEC Geophysical Company ASA

## INFORMATION TO THE OSLO STOCK EXCHANGE

### 3<sup>rd</sup> Quarter 1998 Results

#### 3<sup>rd</sup> Quarter 1998

**TGS NOPEC is pleased to be able to report increased profit margins for the three months ended September 30<sup>th</sup>, 1998.** Despite lower Operating Revenues for the third quarter 1998 compared to the same period in 1997, the Pre-tax profit for the quarter increased by 5% from NOK 67,1million in 1997 to NOK 70,7 million for the three months ended September 30<sup>th</sup>, 1998.

Net Operating revenues were 22% lower than during the same period last year; NOK 124,6 million compared to NOK 159,5 million in 1997. A major reason for the higher revenues in the third quarter of 1997 was the partial deployment of the vessels on proprietary contract seismic for clients, while the vessels during the third quarter of 1998 were utilized solely for multi-client projects.

The Company increased its cash holdings during the 3<sup>rd</sup> quarter to NOK 213,7 million from NOK 146,1 million per June 30<sup>th</sup>, 1998.

#### 9 months 1998

For the nine months ended September 30<sup>th</sup>, Net Operating Revenues were NOK 378,7 million, 8% down from NOK 413,8 million last year.

Operating Profit was 50% of Net Operating Revenues; NOK 189,2 million, compared to NOK 186,4 million for the same period last year.

Pre-tax profit for the nine months ended September 1998 was NOK 192,9 million compared to NOK 187,5 million for the same period of 1997.

#### Earnings Per Share (EPS)

The Net Income of NOK 127,8 million correspond to an EPS of NOK 5,37 after tax for the first 9 months of 1998.

#### Operations.

During the 3<sup>rd</sup> quarter of 1998, TGS NOPEC added to the multi-client seismic library a total of 39,800 km of 2D, out of which approximately 8,200 kms were acquired by the Odin Explorer in the Far East, approximately 7,700 in the North Sea by Zephyr-1 and approximately 23,900 Kms in North America by chartered 2D vessels.

Leaving the yard late in September, the Company's new seismic vessel, the NORTHERN ACCESS started acquisition of 2D data in the North Sea early in October. The vessel steamed over to the Gulf of Mexico early in November.

On October 27<sup>th</sup>, BIPS (Bedford Interactive Processing Services) in the UK was purchased by TGS NOPEC with effect as per January 1<sup>st</sup>, 1998. The financial result for the year will be included in the 4<sup>th</sup> Quarter 1998 Report.

Contacts for additional information (tel. +47 31 29 20 00):

Trond Christoffersen, Manager

Arne Helland, Acting CFO

Nærnes, November 17<sup>th</sup>, 1998

The Board of Directors of TGS NOPEC Geophysical Company ASA

# TGS NOPEC Geophysical Company ASA

## Consolidated Profit & Loss Accounts

Profit and loss account (All amounts in NOK 000')	3.Q 1998	3.Q 1997	01.01.98. - 30.09.98.	01.01.97. - 30.09.97.
<i>Operating Revenues</i>				
Sales	126 086	176 774	406 103	508 798
Income sharing & Royalties	-1 505	-17 307	-27 361	-95 030
<b>Net Operating Revenues</b>	<b>124 581</b>	<b>159 467</b>	<b>378 741</b>	<b>413 768</b>
<i>Operating expenses</i>				
Materials	16 601	40 011	61 354	115 828
Personnel costs	25 477	23 293	71 133	57 991
Other operating expenses	9 705	18 665	44 454	44 680
Depreciation	4 884	3 024	12 571	8 881
<b>Total operating expenses</b>	<b>56 668</b>	<b>84 993</b>	<b>189 511</b>	<b>227 379</b>
<b>Operating profit</b>	<b>67 914</b>	<b>74 473</b>	<b>189 230</b>	<b>186 390</b>
<i>Financial income and expenses</i>				
Financial income	5 349	4 615	11 437	20 370
Financial expenses	-2 531	-11 975	-7 737	-19 309
<b>Net financial items</b>	<b>2 818</b>	<b>-7 360</b>	<b>3 700</b>	<b>1 061</b>
<b>Profit before taxes</b>	<b>70 732</b>	<b>67 113</b>	<b>192 930</b>	<b>187 450</b>
Estimated Taxes	23 553	17 426	65 106	55 525
<b>Net Income</b>	<b>47 179</b>	<b>49 687</b>	<b>127 824</b>	<b>131 926</b>

# TGS NOPEC Geophysical Company ASA

## Consolidated Balance Sheet

	30.09.98	31.12.97
<b>Balance sheet as at September 30th, 1998</b>		
<hr/> <small>(All amounts in NOK 000's unless noted otherwise)</small> <hr/>		
<b>ASSETS</b>		
<i>Current assets</i>		
Cash and cash equivalents (including money market funds)	213 741	246 562
Accounts receivables	72 180	194 038
Other short term receivables	37 466	21 380
Multiclient seismic, net	217 647	165 588
<i>Total current assets</i>	<b>541 033</b>	<b>627 568</b>
<i>Fixed assets</i>		
Investments in subsidiaries		
Other long term receivables, included pre-payment	8 591	808
Goodwill	27 422	17 000
Vessels	128 088	38 400
Machinery and equipment	21 113	10 882
Buildings	33 602	28 658
<i>Total fixed assets</i>	<b>218 817</b>	<b>95 748</b>
<b>TOTAL ASSETS</b>	<b>759 850</b>	<b>723 316</b>
<b>LIABILITIES AND EQUITY</b>		
<i>Current liabilities</i>		
Withheld payroll tax, social security etc.	23 286	4 941
Taxes payable	38 575	13 212
Accounts payable	96 231	80 589
Other current liabilities	91 569	140 352
<i>Total current liabilities</i>	<b>249 661</b>	<b>239 094</b>
<i>Long term liabilities</i>		
Deferred tax liability	23 841	23 643
Mortgage loans/secured loans	100 949	109 632
Other long term liabilities	18 517	58 778
<i>Total long term liabilities</i>	<b>143 307</b>	<b>192 053</b>
<i>Equity</i>		
Share capital	23 788	23 497
Other equity	343 093	268 672
<i>Total equity</i>	<b>366 881</b>	<b>292 169</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>759 850</b>	<b>723 316</b>