

TGS EARNINGS RELEASE

2nd QUARTER RESULTS

2nd QUARTER HIGHLIGHTS

- Consolidated net revenues were USD 205 million, compared to USD 210 million in Q2 2013.
- Net late sales totaled USD 137 million, down 12% from USD 155 million in Q2 2013.
- Net pre-funding revenues were USD 60 million, up 39% from Q2 2013, funding 52% of the Company's operational multi-client investments during Q2 (investments of USD 114 million, up 4% from Q2 2013).
- Proprietary revenues were USD 8 million, compared to USD 12 million in Q2 2013.
- Operating profit (EBIT) was USD 82 million (40% of net revenues), compared to USD 98 million (47% of net revenues) in Q2 2013.
- Cash flow from operations was USD 66 million, compared to USD 34 million in Q2 2013. In Q2 2013, the Company made an extraordinary tax payment of USD 58 million.
- Earnings per share (fully diluted) were USD 0.59, down from USD 0.66 in Q2 2013.

6 MONTHS FINANCIAL HIGHLIGHTS

- Consolidated net revenues were USD 427 million, up from USD 421 million in 2013.
- Net late sales from the multi-client library totaled USD 274 million, down 3% from USD 282 million in H1 2013.
- Net pre-funding revenues were USD 134 million, up 36% from 2013, funding 55% of the Company's operational multi-client investments during H1 (investments of USD 244 million, up 3% from 2013).
- Proprietary revenues were USD 19 million, compared to USD 41 million in 2013.
- Operating profit (EBIT) was USD 176 million (41% of net revenues), compared to USD 187 million (44% of net revenues) in 2013.
- Cash flow from operations was USD 289 million compared to USD 212 million in 2013, an increase of 36%.
- Earnings per share (fully diluted) were USD 1.25, compared to USD 1.24 in 2013.

"Despite restricted near-term exploration spending as well as the delayed announcement of the blocks for the Norwegian 23rd licensing round, TGS continues to deliver strong results. Both sales from the existing data library and customer commitments for new projects were strong and our backlog remains near an all-time high level. TGS continues to be well positioned to deliver the data needed by the industry to identify new reserves. TGS has a strong commitment to deliver shareholder returns through a combination of growth, dividends and share buy-backs" TGS' CEO Robert Hobbs stated.

KEY FIGURES

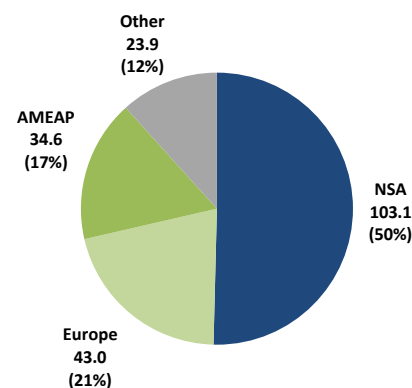
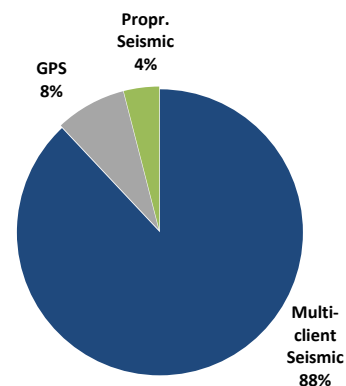
(All amounts in USD 1,000s)	Q2 2014	Q2 2013	YTD 2014	YTD 2013
Net operating revenues	204,542	209,770	426,864	420,949
EBIT	82,043	97,565	175,831	186,862
Pre-tax profit	83,868	94,949	180,981	181,784
Net income	61,344	68,209	129,361	128,552
EBIT margin	40%	47%	41%	44%
Return on capital employed	29%	34%	29%	34%
Equity ratio	76%	76%	76%	76%
MC library opening net book value	799,963	706,814	758,093	651,165
Investments in new projects	114,051	109,672	243,502	235,467
Amortization	(85,206)	(78,162)	(172,571)	(148,309)
Exchange rate adjustments	(50)	(1,147)	(267)	(1,147)
MC library ending net book value	828,757	737,176	828,757	737,176
Pre-funding % on operational investments	52%	39%	55%	42%

REVENUE BREAKDOWN

TGS' largest business activity is developing, managing, conducting and selling multi-client seismic surveys. This activity accounted for 88% of the Company's business during the quarter. Geological Products and Services (GPS) accounted for 8% of net revenues in the second quarter, while proprietary seismic revenues accounted for 4% of net revenues.

Net late sales for the quarter amounted to USD 137.0 million compared to USD 155.1 million in Q2 2013. Net late sales for the six months ended June 2014 were USD 274.4 million representing a decrease of 3% from the same period in 2013. Net pre-funding revenues in the quarter totaled USD 59.6 million, an increase of 39% from Q2 2013. The pre-funding revenues recognized in the second quarter funded 52% of the operational investments of USD 114.1 million in the multi-client library. During the first half of 2014, pre-funding amounted to USD 133.9 million (55% of operational investments) representing an increase of 36% over the same period in 2013. Proprietary contract revenues during the quarter totaled USD 8.0 million compared to USD 11.6 million in Q2 2013. For the six months ended June 2014, proprietary revenues totaled USD 18.6 million, compared to USD 40.5 million in 2013. The Company was involved in a proprietary 2D acquisition project in the first half of 2013 leading to the unusually high proprietary revenue levels during that period.

TGS' reporting structure is broken down in the following seismic business segments; North and South America (NSA), Europe (EUR) and Africa, Middle East and Asia Pacific (AMEAP). In addition to these areas, several business units are aggregated to form an "Other" segment. This segment includes GPS Well Data, GPS Interpretations, Global Services, Imaging and Permanent Reservoir Monitoring. The Company's land seismic projects in North America are reported under the business segment NSA.



Sales from NSA totaled USD 103.1 million in Q2 2014 (USD 76.7 million in Q2 2013). Sales from EUR amounted to USD 43.0 million in Q2 2014 (USD 80.4 million in Q2 2013), while AMEAP had total sales of USD 34.6 million in Q2 2014 (USD 27.1 million in Q2 2013).

OPERATIONAL COSTS

The amortization of the multi-client library for Q2 2014 amounted to USD 85.2 million, (USD 78.2 million in Q2 2013) which corresponds to 43% (39% in Q2 2013) of the net revenues from the multi-client library for the quarter. Amortization fluctuates from quarter to quarter, depending on the sales mix of projects. The amortization rate for the first six months of 2014 was 42% compared to 39% in H1 2013. In Q2 2014, 11% of net multi-client revenues came from pre-2010 vintages which are fully amortized in line with the Company's amortization policy.

Cost of goods sold (COGS) were USD 0.4 million for the quarter, compared to USD 2.0 million in Q2 2013. The decrease is due to lower proprietary vessel activity in Q2 2014 compared to Q2 2013. Personnel costs expensed during the quarter were USD 21.2 million compared to USD 16.9 million in Q2 2013. The increase is mainly due to higher costs related to employee incentive schemes. Part of this remuneration cost is related to the development of the TGS share price. A negative development in the share price in Q2 2013 caused this cost item to be negative (USD -2.1 million) for the quarter while the corresponding cost in Q2 2014 was USD 0.1 million. Other operating expenses were USD 10.3 million, which is a slight reduction from USD 10.6 million in Q2 2013.

EBITDA AND EBIT

Reported EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) for the quarter ended 30 June 2014 was USD 171.3 million, which corresponds to 84% of net revenues, down 4% from USD 179.1 million in Q2 2013. Operating profit (EBIT) for the quarter amounts to USD 82.0 million which is down from USD 97.6 million in Q2 2013.

FINANCIAL ITEMS

TGS recorded a currency exchange loss of USD 0.5 million in Q2 2014, which is mainly due to unrealized losses related to translating local currency bank accounts into USD.

TAX

For the full year, TGS reports tax charges in accordance with the Accounting Standard IAS 12. Tax charges are computed based on the USD value relating to the appropriate tax provisions according to local tax regulations and currencies in each jurisdiction. The tax charges are influenced not only from local profits, but also from fluctuations in exchange rates between the local currencies and USD. This method makes it difficult to predict tax charges on a quarterly or annual basis. TGS' largest operating entity is a Norwegian tax resident. Accordingly, the tax calculations are performed in NOK. Based on the resolution received from the Norwegian Tax Authorities in May 2013, TGS changed its methods for calculating taxes. A consequence of the resolution is increased volatility in temporary differences between reported tax and actual tax payments which leads to higher currency exchange exposure. Currency effects within the current year are classified as tax expenses.

In some tax jurisdictions, the Company receives a tax deduction in respect of remuneration paid as stock options. The Company recognizes an expense for employee services in accordance with IFRS 2 which is based on the fair value of the award at the date of the grant.

Management assesses that the normalized operating consolidated tax rate is approximately 30%. The tax rate reported for the quarter is at 27% compared to 28% last year. The low tax rate in Q2 2014 is due to both an unrealized taxable exchange loss for the Parent Company related to the dividend accrual, which does not qualify as a taxable loss for the Group according to IFRS and to changes in temporary differences in Norway measured in NOK. The translation of the NOK tax calculation into USD has implied a foreign currency gain classified as tax expense.

NET INCOME AND EARNINGS PER SHARE (EPS)

Net income for Q2 2014 was USD 61.3 million (30% of net revenues), down from USD 68.2 million in Q2 2013. Quarterly earnings per share (EPS) were USD 0.59 fully diluted (USD 0.60 undiluted), which is down 10% from Q2 2013.

MULTI-CLIENT INVESTMENTS AND LIBRARY

MUSD	Q2 2014	Q2 2013	6M 2014	6M 2013	2013	2012	2011
Beginning net book value	800.0	706.8	758.1	651.2	651.2	511.1	475.7
Non-operational investments	-	-	-	-	-	31.1	-
Operational investments	114.1	109.7	243.5	235.5	438.9	496.2	276.9
Amortization	(85.2)	(78.2)	(172.6)	(148.3)	(329.8)	(387.3)	(241.5)
Exchange Rate Adjustment	(0.1)	(1.1)	(0.3)	(1.1)	(2.1)	-	-
Ending net book value	828.8	737.2	828.8	737.2	758.1	651.2	511.1

MUSD	Q2 2014	Q2 2013	6M 2014	6M 2013	2013	2012	2011
Net MC revenues	196.6	198.2	408.2	380.4	824.1	902.0	566.9
Change in MC revenue	-1%	-5%	7%	-4%	-9%	59%	4%
Change in MC investment	4%	-42%	3%	-19%	-17%	90%	-7%
Amort. in % of net MC revs.	43%	39%	42%	39%	40%	43%	43%
Change in net book value	4%	4%	9%	13%	16%	27%	7%

Exchange rate adjustments are related to libraries with functional currencies other than USD

BALANCE SHEET AND CASH FLOW

The net cash flow from operations for the quarter, after taxes, before investments, totaled USD 65.5 million compared to USD 33.6 million in Q2 2013. A dividend of USD 125.5 million for the 2013 accounting year was paid on 18 June 2014, while dividend withholding taxes of approximately USD 19 million will be paid during July 2014. As of 30 June 2014, the Company's total cash holdings amounted to USD 208.1 million compared to USD 280.7 million at 31 December 2013.

As of 30 June 2014, TGS held USD 4.9 million in Auction Rate Securities (ARS), all in AAA-rated closed-end funds. These securities were sold at par value on 2 July 2014.

The Company has not recognized any impairment to goodwill or other intangible assets during Q2 2014.

TGS currently does not have any interest bearing debt.

Total equity per 30 June 2014 was USD 1,279.8 million, representing 76% of total assets. A total of 37,250 new shares were issued during Q2 2014 in relation to stock options exercised by key employees in May 2014. Further, the Company distributed 8,250 treasury shares to Board members in June 2014. As of 30 June 2014, TGS held 1,522,950 treasury shares.

BACKLOG

TGS' backlog amounted to USD 223.9 million at the end of Q2 2014, an increase of 21% from Q2 2013 and 5% higher than last quarter. The increase is partly due to the signed customer pre-commitments for a multi-year 2D program offshore Northeast Greenland scheduled to commence in August 2014.

OPERATIONAL HIGHLIGHTS

Vessels under TGS' control through charter during all or parts of Q2 included four 3D vessels and one 2D vessel. TGS was also a participant in one 2D marine joint venture project, one CSEM joint venture project, and one high resolution P-Cable™ marine joint venture project. In addition, one land crew was operated under TGS control in Q2.

North and South America

During Q2, TGS completed the acquisition of the 6,700 km² Francisco 3D survey in the Central Gulf of Mexico. On this survey, TGS is utilizing its Clari-Fi™ processing technology to provide broadband data to its customers.

TGS, in partnership with PGS, commenced acquisition of a 30,000 km 2D survey off the coast of Newfoundland-Labrador. In Q3, a second 2D vessel will join in this survey. This program is a continuation of a multi-year effort to supply much-needed seismic coverage in a very prospective region that has recently been opened to the industry for tendering.

In the onshore, TGS completed recording of the 440 km² Rush Creek 3D survey in the Granite Wash play on the Texas-Oklahoma border. TGS also commenced permitting and surveying in preparation to start recording two new Utica Shale surveys in eastern Ohio. These surveys were announced in Q1 and recording is scheduled to commence in Q3 and Q4.

Europe and Russia

During Q2, TGS continued acquisition of a 3,100 km² extension to its Hoop Fault Complex 3D survey. Customer interest remains high in the Hoop area of the North-central Barents Sea in the wake of recent exploration success in this area and preparation for the 23rd Norwegian Exploration Round. TGS also commenced the acquisition of the 9,300 km NBR14 2D survey in the Norwegian Barents Sea. The survey will cover the Eastern part of the Norwegian Barents Sea, including the newly opened area in the former disputed Norway-Russia zone. Finally, the Company commenced a new 2,500 km² 3D survey in the Brendan Basin in the West of Shetland area of the North Sea. This survey expands TGS' 3D coverage in this highly prospective region to 17,500 km².

In Q2, the Company entered into a new product line through the acquisition of a series of small high-resolution 3D surveys in the Norwegian Barents Sea. Collectively, these surveys total 500 km² and are focused on blocks due to be offered in the Norwegian 23rd Exploration Round. This project is in partnership with WGP Survey Ltd and utilizes their High-resolution 3D P-Cable™ technology.

In partnership with EMGS, TGS commenced a series of electromagnetic surveys in the Norwegian Barents Sea. The surveys cover four blocks in the Hoop area and a total of 14 new blocks in the southeastern Barents Sea expected to be offered in the Norwegian 23rd Exploration License Round.

Africa, Middle East and Asia Pacific

During Q2, TGS completed acquisition of an 8,300 km² 3D survey in the Great Australian Bight south of Australia. The survey, called Nerites is designed to image frontier acreage recently awarded to a major oil company by the government of Australia.

Other Segments

The Geologic Products and Services Division continued the growth of TGS' well log data library with the addition of 43,457 new digital well logs, 4,557 new enhanced digital well logs and 2,670 directional surveys to the database.

OTHER MATTERS

The Annual General Meeting (AGM) on 3 June, 2014, approved the payment of a dividend of NOK 8.5 per share of outstanding common stock from the Company's 2013 earnings. The dividend was paid to the shareholders who were registered shareholders as of 3 June 2014. The shares in TGS were quoted ex-dividend from 4 June 2014. The dividend was paid on 18 June 2014. The AGM also approved to cancel 406,186 treasury shares held at that date. The cancellation became effective in late July 2014.

The Company announced on 6 February a 2014 buyback program of USD 30 million. The shares will be purchased from the open market and in accordance with the Safe Harbour provisions of the EU Commission Regulations for buy-back programs. The plan to repurchase stock started 7 February 2014 and will continue up to and including 31 December 2014. TGS has purchased 115,000 shares as part of this program for a total value of USD 3.4 million and expects to purchase additional shares during Q3 and Q4.

OUTLOOK

Recently published surveys indicate global E&P spending growth of mid-single digit percentages for 2014. There is, however, some near-term uncertainty in how seismic spending will be impacted by conditions in 2014, as several energy companies have indicated an intention to reduce exploration spending in the year. Further, companies that are indicating 2014 increases in exploration spending largely seem to be national oil companies, many of which operate in markets where TGS does not participate.

Despite this continued near-term uncertainty, TGS believes the long-term future of its business and particularly the Company's focused asset light multi-client model is strong. Energy companies continue to demand higher resolution subsurface images in mature basins and new regional data in frontier basins to guide their exploration efforts. Companies exploring and producing unconventional shale plays continue to seek high quality wellbore based information to guide their petrophysical analysis. TGS' customers see the economic value of the multi-client business model and are increasingly comfortable accessing their geoscience data through this method.

TGS has secured a significant amount of the necessary capacity to execute on its investment plan in 2014. At this time, the Company expects adequate available additional land and marine crew capacity in the market to execute on its investment plans.

For 2014, TGS' guidance remains as follows:

- multi-client library investments of USD 390-460 million,
- average pre-funding in the range of 45-55% of investments,
- an average annualized multi-client amortization rate in the range of 40-46% of net revenues,
- net revenues in the range of USD 870-950 million, and
- proprietary contract revenues of approximately 5% of total net revenues.

Asker, 30 July 2014

The Board of Directors of TGS-NOPEC Geophysical Company ASA

ABOUT TGS

TGS provides multi-client geoscience data to oil and gas Exploration and Production companies worldwide. In addition to extensive global geophysical and geological data libraries that include multi-client seismic data, magnetic and gravity data, digital well logs, production data and directional surveys, TGS also offers advanced processing and imaging services, interpretation products, permanent reservoir monitoring and data integration solutions.

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

TGS sponsored American Depositary Shares trade on the U.S. over-the-counter market under the symbol "TGSGY".

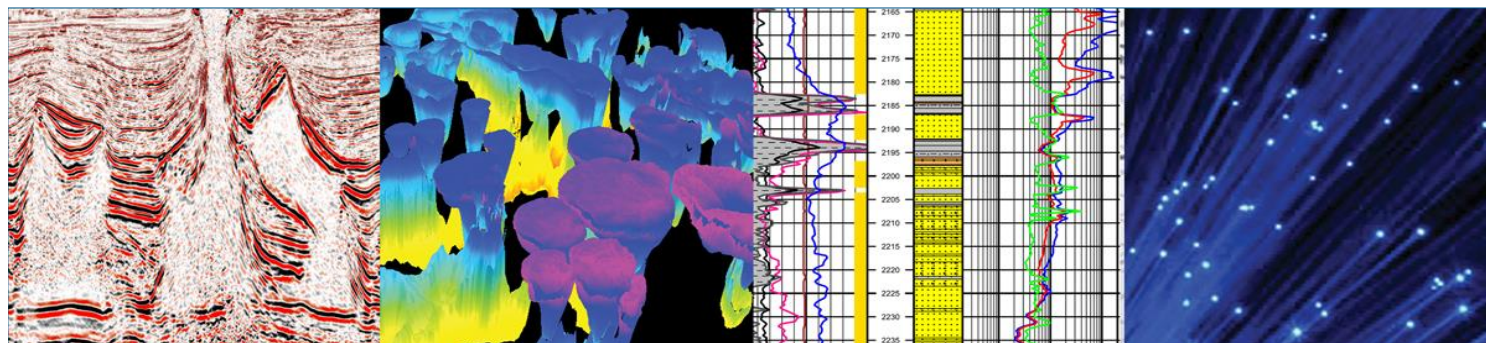
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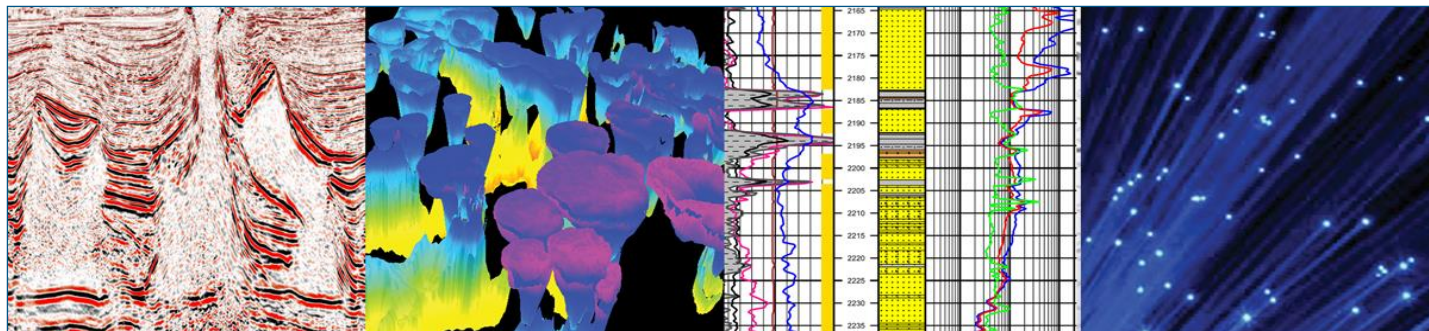
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All statements in this earnings release other than statements of historical fact are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. These factors include TGS' reliance on a cyclical industry and principal customers, TGS' ability to continue to expand markets for licensing of data, and TGS' ability to acquire and process data products at costs commensurate with profitability. Actual results may differ materially from those expected or projected in the forward-looking statements. TGS undertakes no responsibility or obligation to update or alter forward-looking statements.



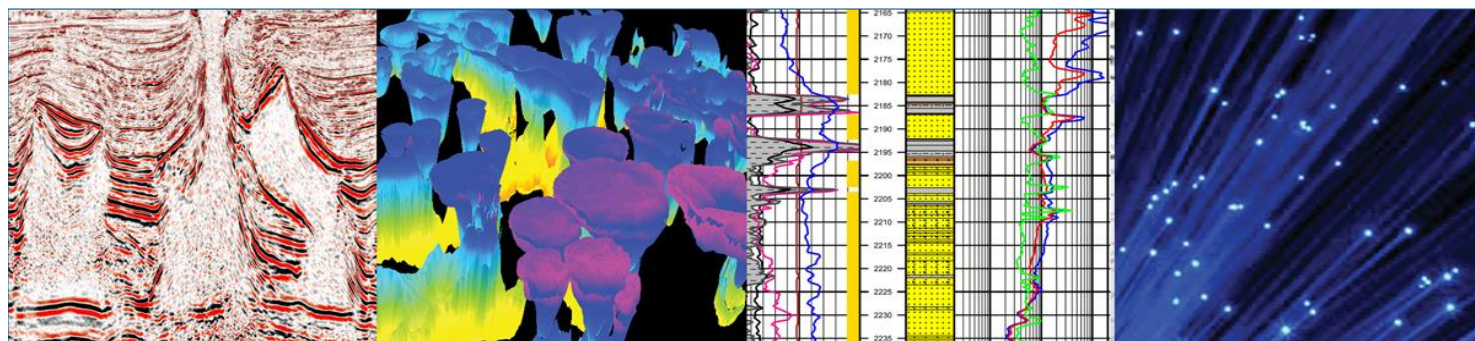
Interim Statement of Comprehensive Income

(All amounts in USD 1,000s unless noted otherwise)	Note	2014 Q2 Unaudited	2013 Q2 Unaudited	2014 YTD Unaudited	2013 YTD Unaudited
Net operating revenues	4	204,542	209,770	426,864	420,949
<i>Operating expenses</i>					
Cost of goods sold - proprietary and other		360	2,033	2,797	17,949
Amortization of multi-client library		85,206	78,162	172,571	148,309
Personnel costs		21,164	16,894	45,344	38,833
Cost of stock options		1,405	1,072	2,769	2,169
Other operating expenses		10,340	10,622	20,078	19,938
Depreciation and amortization		4,024	3,423	7,474	6,888
Total operating expenses		122,499	112,206	251,033	234,087
Operating profit	4	82,043	97,565	175,831	186,862
<i>Financial income and expenses</i>					
Financial income		2,530	1,861	3,804	3,641
Financial expense		-251	-3,266	-360	-3,349
Other financial items		-454	-1,211	1,706	-5,369
Net financial items		1,825	-2,616	5,150	-5,078
Profit before taxes		83,868	94,949	180,981	181,784
Tax expense		22,524	26,740	51,620	53,232
Net income		61,344	68,209	129,361	128,552
EPS USD		0.60	0.67	1.27	1.26
EPS USD, fully diluted		0.59	0.66	1.25	1.24
<i>Other comprehensive income:</i>					
Exchange differences on translation of foreign operations		4,058	-1,993	701	-4,316
Net (loss)/gain on available-for-sale financial assets		655	-	655	-
Other comprehensive income for the period, net of tax		4,712	-1,993	1,355	-4,316
Total comprehensive income for the period, net of tax		66,056	66,216	130,716	124,237



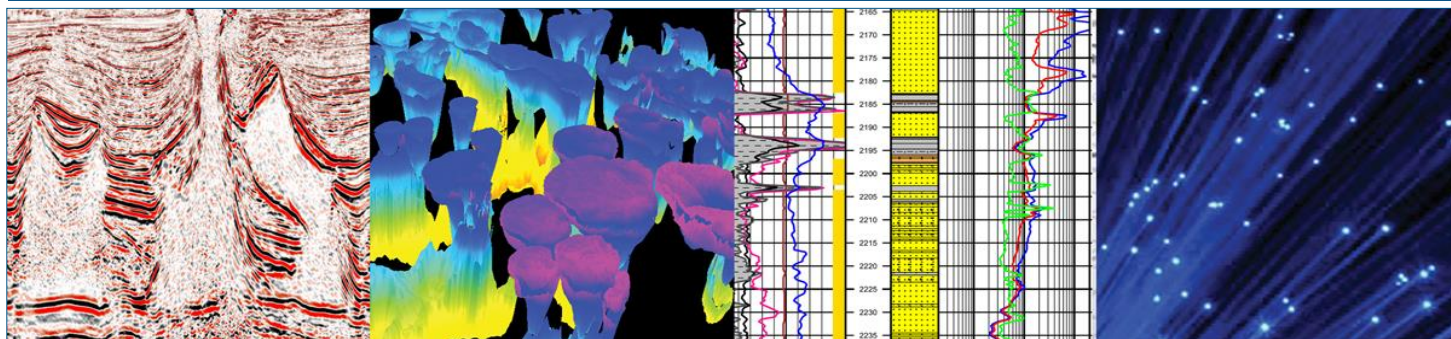
Interim Consolidated Balance Sheet

(All amounts in USD 1,000s)	Note	2014 30-Jun Unaudited	2013 30-Jun Unaudited	2013 31-Dec Audited
ASSETS				
Non-current assets				
Goodwill		84,851	85,260	84,764
Multi-client library		828,757	737,176	758,093
Other intangible non-current assets	6	42,330	54,771	46,751
Deferred tax asset		10,961	11,246	6,645
Buildings		10,394	5,305	9,924
Machinery and equipment		45,217	39,331	42,877
Other non-current assets		56,192	16,794	56,018
Total non-current assets		1,078,701	949,882	1,005,072
Current assets				
Financial investments available for sale		4,875	3,689	3,868
Accounts receivable		183,531	235,630	234,339
Accrued revenues		167,791	137,905	172,493
Other short-term receivables		43,162	30,355	39,798
Cash and cash equivalents		208,052	172,411	280,688
Total current assets		607,411	579,990	731,186
TOTAL ASSETS		1,686,112	1,529,872	1,736,257
EQUITY AND LIABILITIES				
Equity				
Share capital		3,653	3,660	3,654
Other equity		1,276,151	1,152,620	1,289,325
Total equity	3	1,279,804	1,156,280	1,292,979
Non-current liabilities				
Other non-current liabilities	6	17,014	4,285	16,698
Deferred tax liability		68,764	60,682	85,052
Total non-current liabilities		85,778	64,967	101,751
Current liabilities				
Accounts payable and debt to partners		141,273	157,717	160,795
Taxes payable, withheld payroll tax, social security		70,872	71,946	80,651
Other current liabilities		108,385	78,963	100,081
Total current liabilities		320,529	308,626	341,527
TOTAL EQUITY AND LIABILITIES		1,686,112	1,529,872	1,736,257



Interim Consolidated Statement of Cash flow

(All amounts in USD 1,000s)	2014 Q2 Unaudited	2013 Q2 Unaudited	2014 YTD Unaudited	2013 YTD Unaudited
Cash flow from operating activities:				
Received payments from customers	162,794	152,891	469,661	415,351
Payments for salaries, pensions, social security tax	-22,115	-18,304	-46,603	-41,456
Other operational costs	-10,700	-12,655	-22,875	-37,887
Paid taxes	-64,465	-88,366	-111,470	-123,921
Net cash flow from operating activities¹	65,515	33,565	288,714	212,086
Cash flow from investing activities:				
Investments in tangible and intangible assets	-9,203	-14,524	-17,858	-25,197
Investments in multi-client library	-92,279	-116,866	-219,359	-213,172
Interest received	3,269	2,745	3,943	3,773
Net cash flow from investing activities	-98,213	-128,645	-233,274	-234,596
Cash flow from financing activities:				
Interest paid	-230	-3,223	-288	-3,275
Dividend payments	-125,518	-142,164	-125,518	-142,164
Purchase of own shares	-	-	-3,431	-
Proceeds from share offerings	753	534	1,162	1,687
Net cash flow from financing activities	-124,995	-144,853	-128,075	-143,752
Net change in cash and cash equivalents	-157,693	-239,933	-72,636	-166,263
Cash and cash equivalents at the beginning of period	365,745	412,341	280,688	338,673
Cash and cash equivalents at the end of period	208,052	172,411	208,052	172,411
1) Reconciliation				
Profit before taxes	83,868	94,949	180,981	181,784
Depreciation/amortization/impairment	89,231	81,585	180,046	155,197
Changes in accounts receivables and accrued revenues	-36,582	-69,367	55,782	37,323
Changes in other receivables	-13,702	6,725	-13,519	-137
Changes in other balance sheet items	7,165	8,041	-3,106	-38,161
Paid taxes	-64,465	-88,366	-111,470	-123,921
Net cash flow from operating activities	65,515	33,565	288,714	212,086



Interim Consolidated Statement of Changes in Equity

(All amounts in USD 1,000s)	Share-Capital	Own Shares Held	Share Premium Reserve	Other Paid-In Equity	Available for Sale Reserve	Foreign Currency		Retained Earnings	Total Equity
						Translation Reserve			
Opening balance 1 January 2014	3,716	-62	57,206	27,924	328	-12,475		1,216,341	1,292,979
Net income	-	-	-	-	-	-	-	129,361	129,361
Other comprehensive income	-	-	-	-	655	701	-	-	1,355
Total comprehensive income	-	-	-	-	655	701		129,361	130,716
Paid-in-equity	3	-	901	-	-	-	-	-	904
Distribution of treasury shares	-	0.4	-	-	-	-	-	258	258
Purchase of treasury shares	-	-5	-	-	-	-	-	-3,426	-3,431
Cost of stock options	-	-	-	2,769	-	-	-	-	2,769
Dividends	-	-	-	-	-	-	-	-144,786	-144,786
Deferred tax asset related to stock options	-	-	-	-	-	-	-	395	395
Closing balance per 30 June 2014	3,719	-66	58,107	30,693	983	-11,774		1,198,142	1,279,804

(All amounts in USD 1,000s)	Share-Capital	Own Shares Held	Share Premium Reserve	Other Paid-In Equity	Available for Sale Reserve	Foreign Currency		Retained Earnings	Total Equity
						Translation Reserve			
Opening balance 1 January 2013	3,712	-57	56,008	23,595	212	-6,491		1,091,380	1,168,360
Net income	-	-	-	-	-	-	-	128,552	128,552
Other comprehensive income	-	-	-	-	-	-4,316	-	-	-4,316
Total comprehensive income	-	-	-	-	-1,748	-4,316		128,552	124,237
Paid-in-equity	1	-	332	-	-	-	-	-	333
Distribution of own shares	-	3	-	-	-	-	-	1,351	1,354
Cost of stock options	-	-	-	2,169	-	-	-	-	2,169
Dividends	-	-	-	-	-	-	-	-140,029	-140,029
Deferred tax asset related to stock options	-	-	-	-	-	-	-	-146	-146
Closing balance per 30 June 2013	3,713	-54	56,340	25,764	212	-10,807		1,081,108	1,156,280

Largest Shareholders per 28 July 2014

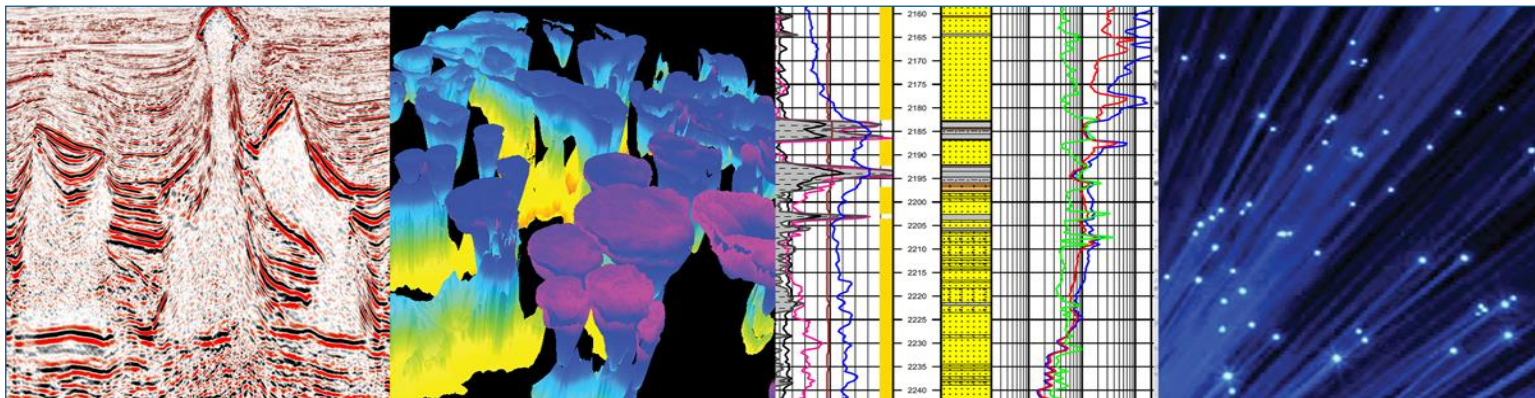
			Shares	%
1	J.P. MORGAN LUXEMBOURG S.A.	GREAT BRITAIN	5,723,739	5.6%
2	FOLKETRYGDFONDET	NORWAY	5,320,741	5.2%
3	STATE STREET BANK & TRUST COMPANY	U.S.A.	4,928,147	4.8%
4	APG AIFMD (TAX)	U.S.A.	4,570,653	4.5%
5	J.P. MORGAN CHASE BANK N.A. LONDON	GREAT BRITAIN	3,872,350	3.8%
6	CLEARSTREAM BANKING S.A.	LUXEMBOURG	3,386,778	3.3%
7	STATE STREET BANK AND TRUST CO.	U.S.A.	3,016,816	3.0%
8	RBC INVESTOR SERVICES TRUST	GREAT BRITAIN	2,663,979	2.6%
9	J.P. MORGAN CHASE BANK N.A. LONDON	GREAT BRITAIN	2,461,727	2.4%
10	PARETO AKSJE NORGE	NORWAY	2,252,433	2.2%
10 Largest			38,197,363	37%
Total Shares Outstanding *			102,067,524	100%

* Total shares outstanding are net of shares held in treasury

Average number of shares outstanding for Current Quarter *

Average number of shares outstanding during the quarter	102,143,120
Average number of shares fully diluted during the quarter	103,524,035

* Shares outstanding net of shares held in treasury (1,522,950 TGS shares), composed of average outstanding TGS shares during the full quarter



Note 1 General information

TGS-NOPEC Geophysical Company ASA (the Company) is a public limited company listed on the Oslo Stock Exchange. The address of its registered office is Lensmannsliia 4, 1386 Asker, Norway.

Note 2 Basis for Preparation

The condensed consolidated interim financial statements of the TGS Group have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements for 2013. None of the new accounting standards or amendments that came into effect from 1 January 2014 had a significant impact during the first six months of 2014. The annual report for 2013 is available on www.tgs.com.

Note 3 Share capital and equity

Ordinary shares	Number of shares
1 January 2014	103,521,724
25 February 2014, shares issued for cash on exercise of stock options	31,500
14 May 2014, shares issued for cash on exercise of stock options	37,250
30 June 2014	103,590,474

Treasury shares	Number of shares
1 January 2014	1,416,200
18 February 2014, shares bought back	15,000
25 February 2014, shares bought back	15,000
27 February 2014, shares bought back	5,000
3 March 2014, shares bought back	15,000
5 March 2014, shares bought back	15,000
13 March 2014, shares bought back	15,000
14 March 2014, shares bought back	15,000
17 March 2014, shares bought back	10,000
20 March 2014, shares bought back	10,000
4 June 2014, distribution of shares to board members	(8,250)
30 June 2014	1,522,950

The Annual General Meeting on 3 June 2014 approved a dividend of NOK 8.5 per share for outstanding common stock. Dividend payments of USD 125.5 million were made to the shareholders on 18 June 2014.

The Annual General Meeting on 3 June 2014 did also approve to cancel 406,186 treasury shares held at that date. The cancellation became effective in late July 2014.

Note 4 Segment information

	North & South America	Europe & Russia	Africa, Middle East & Asia/Pacific	Other segments/ Corporate costs	Consolidated
2014 Q2					
Net external revenues	103,051	43,007	34,599	23,886	204,542
Operating profit	74,132	23,358	-2,663	-12,784	82,043
2014 YTD					
Net external revenues	203,054	84,553	90,340	48,917	426,864
Operating profit	144,330	50,035	6,302	-24,835	175,831
2013 Q2					
Net external revenues	76,667	80,429	27,067	25,607	209,770
Operating profit	56,195	38,360	7,774	-4,765	97,565
2013 YTD					
Net external revenues	211,166	108,075	55,247	46,460	420,949
Operating profit	136,110	52,178	16,981	-18,407	186,862

There are no intersegment revenues between the reportable operating segments.

The Company does not allocate all cost items to its reportable operating segments during the year. Unallocated cost items are reported as "Other segments/Corporate costs".

Note 5 Related parties

On 8 May 2014, members of the executive management exercised 23,750 options and sold the same number of shares. No other material transactions with related parties took place during the second quarter of 2014.

Note 6 Loans to the E&P Holding Group – Økokrim investigation

On 6 May 2014, Økokrim, the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime, presented a criminal charge against TGS for violation of the Norwegian Tax Assessment Act and the Norwegian Securities Trading Act related to a contract entered into with Skeie Energy AS, later known as E&P Holding AS, in 2009.

The charge claims that TGS contributed to an unwarranted tax refund through the Norwegian Petroleum Tax Act, related to this specific license of seismic data to Skeie Energy. Skeie Energy purchased a license to existing TGS multi-client data mainly in the North Sea and the Barents Sea. In addition, the company prefunded a large 3D survey in the Hoop area of the Barents Sea. These surveys have since been licensed to multiple customers.

The payment for the transaction was made through a combination of cash payment and two loans of a total value of gross USD 42.1 million (net USD 29.4 million) which matured at year end 2010. Due to Skeie Energy's failed attempt to raise new capital, the loans were not repaid according to the agreement at the maturity date. TGS has actively tried to collect its receivables from Skeie Energy in the period since default and has recognized an impairment of USD 19.9 million in 2011, such that the remaining net value of the loans are currently at USD 9.5 million.

Based on the information currently available to TGS, the fair value estimates of the loans remain unchanged at USD 9.5 million.

Note 7 Tax treatment of multi-client projects

During Q2 2014, TGS has reached a settlement with the Norwegian Tax Authorities which implies that taxable revenue recognition and depreciation of multi-client projects should not commence until the final product is ready for delivery to a client. Further, the multi-client projects' depreciation rates for tax purposes will follow the depreciation profile in the financial statements.

The settlement will not have any impact on the tax expenses except for foreign gains/losses resulting from calculating taxes in NOK and translating them into USD. As part of the settlement, it was agreed that both parties will carry their own legal expenses.

Responsibility Statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2014 has been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by EU, and additional requirements found in the Norwegian Securities Trading Act, and gives a true and fair view of the Company’s consolidated assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Asker, 30 July 2014

Hank Hamilton (Board Chairman)

Colette Lewiner

Elisabeth Harstad

Tor Magne Lønnum

Mark Leonard

Bengt Lie Hansen

Vicki Messer

Robert Hobbs (CEO)