EARNINGS RELEASE

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FOR IMMEDIATE RELEASE
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Petroleum Geo-Services Releases First Quarter Results

Financial Highlights

- First quarter revenue increases by 32% over the 2001 first quarter
- First quarter Geophysical Operations revenue increases by 29% over the 2001 first quarter
- First quarter Production Operations revenue increases by 37% over the 2001 first quarter
- First quarter operating profit increases by 60% over the 2001 first quarter (before unusual items), primarily due to improvements in our Production Operations
- PGS secures a $250 million loan facility, with net proceeds used (i) to repay $225 million in senior notes which matured in March 2002 and (ii) for general corporate purposes
- PGS and Sinochem agree to extend the time period to close the Atlantis transaction

Operating Highlights

- PGS' onshore operations in the Middle East set world records for the number of shot points recorded both in one day and in one month by a single crew – the record-setting crew is also the world's largest, operating with over 480,000 geophones
- PGS' *Ramform Challenger* sets a new industry production record, operating in a 12-streamer HD3D™ mode and acquiring almost 4,000 CMP km in a single day
- PGS releases the first version of its Cube Manager™ data processing system to run fully on Linux-based PC clusters
- PGS enters into purchase commitments with Norsk Hydro and Statoil for an aggregate 70% share in Production License (PL) 038 on the Norwegian Continental Shelf of the North Sea
- Marine seismic contract backlog is at its highest level since 1998

Houston, Texas; Oslo, Norway; May 2, 2002: Petroleum Geo-Services ASA (NYSE: PGO; OSE: PGS) reported today first quarter revenue of $275.9 million, which was 32% greater than first quarter 2001 revenue. PGS' revenue mix between Geophysical Operations and Production Operations for the 2002 first quarter was 54% and 46%, respectively, compared to 55% and 45%, respectively, for the 2001 first quarter. A significant increase in Production Operations revenue due to production from all of our FPSOs in the 2002 first quarter was balanced by a significant increase in Geophysical Operations revenue due to a much-improved seismic market, resulting in only a slight change to our revenue mix between the 2002 and 2001 first quarters.

Operating profit was $41.7 million, compared to operating profit (before unusual items) of $26.0 million for the 2001 first quarter. The 60% increase in operating profit between the 2002 and

2001 first quarters was primarily attributable to our Production Operations. The 2002 first quarter operating profit margin was 15%, compared to 13% (before unusual items) for the 2001 first quarter.

Approximately $2.0 million of the increase in 2002 operating profit/operating profit margin was due to the cessation of goodwill amortization in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." We are developing our goodwill fair value calculations in accordance with SFAS No. 142 and have not yet determined the final impact of adopting this standard. Based on our projected operating cash flows, we currently believe that the impact will not be material to our financial position. Approximately 94% of our $214.6 million in goodwill balances as of March 31, 2002 related to Production Operations. Of the approximately $2.0 million in amortization charges recorded for the 2001 first quarter, $1.6 million related to our Production Operations.

The distribution by operating segment of our revenue and operating profit was as follows:

	Revenue		Operating profit before unusual items	
	Quarter ended March 31,		Quarter ended March 31,	
(In thousands of dollars)	2002	2001	2002	2001
Geophysical operations	$ 147,931	$ 114,908	$ 8,331	$ 7,426
Production operations	127,925	93,297	33,345	18,614
Total[1]	$ 275,856	$ 208,205	$ 41,676	$ 26,040

[1] Operating profit before unusual items for the quarter ending March 31, 2001 excludes the following unusual items (pre-tax): 1) $138.6 million gain related to the sale of Petrobank data management business and related software to Halliburton; and, 2) $16.3 million in reorganization and litigation costs.

The distribution of our revenue by region was as follows:

	Quarter ended March 31, 2002		Quarter ended March 31, 2001	
(In thousands of dollars, except percentages)	Revenue	Percentage	Revenue	Percentage
North and South America	$ 72,604	26%	$ 61,591	30%
Europe, Africa and Middle East	189,186	69%	131,309	63%
Asia Pacific	14,066	5%	15,305	7%
Total	$ 275,856	100%	$ 208,205	100%

Net income was $7.6 million and diluted earnings per share was $0.07. These net income statistics compared to the 2001 first quarter as follows:

(In thousands of dollars)	Quarter ended March 31, 2002	2001
Net income (loss) from ordinary operations	$ 5,237	$ (2,904)
Effect of unusual items, net of tax	-----	87,049
Effect of tax equalization swaps, net of tax	2,372	(7,656)
One-time tax gains	-----	14,400
Net income	$ 7,609	$ 90,889

Comparing net income from ordinary operations, the 2002 first quarter improved over the 2001 first quarter by $8.1 million, or 280%, due to the increase in operating profit discussed above as well as a 5% reduction in net financial expense. Comparable diluted earnings (loss) per share was $0.05 and ($0.03) for the 2002 and 2001 first quarters, respectively.

Reidar Michaelsen, Chairman of the Board and Chief Executive Officer, stated, "We feel that our 2002 fiscal year got off to a good start with this first quarter. We are especially pleased to see another consecutive quarter of significant revenue growth in our Geophysical Operations, and take this continued growth to be an indication of our strong performance in an improving international marine seismic market. The backlog level within our Geophysical Operations continues to build across most of our service lines. Our Production Operations contract commitments are supported by very high levels of uptime performance and strong efforts to secure follow-on work."

Michaelsen went on to say, "Our agreement with Sinochem to extend the period to complete the sale of Atlantis to May 28, 2002 addresses the complications that we have had in resolving certain closing conditions which require third-party action. While we are disappointed with the delay in completing the sale, we remain committed to doing everything possible to fulfill the conditions to closing."

Review of Geophysical Operations

The distribution of our Geophysical Operations revenue across the services that we provide was as follows:

	Revenue	
	Quarter ended March 31,	
(In thousands of dollars)	2002	2001
Marine seismic	$ 101,575	$ 75,651
Land seismic	34,083	25,357
Data processing, reservoir consultants & other	12,273	13,900
Total	$ 147,931	$ 114,908

Geophysical Operations revenue totaled $147.9 million, which was 29% greater than the $114.9 million of 2001 first quarter revenue. Excluding data management revenue from the 2001 first quarter, Geophysical Operations revenue was 32% greater in the 2002 first quarter. This increase resulted from improved levels of multi-client pre-funding and an increase in contract activity, as discussed below.

The 34% increases in both marine and land seismic revenue between the 2002 and 2001 first quarters reflected a higher utilization of crews in a strengthening international seismic market.

Contract seismic revenue (both marine and land) for the first quarter was $63.8 million, which was 45% greater than the $44.0 million of 2001 first quarter revenue. The bulk of our contract work for the 2002 first quarter was performed offshore West Africa and India, in the North Sea and onshore in Alaska and Saudi Arabia.

Multi-client seismic revenue (both marine and land) for the first quarter was $72.2 million, which was 25% greater than the $57.9 million in the 2001 first quarter. First quarter multi-client pre-funding revenue of $43.4 million was 48% higher than the $29.3 million of 2001 first quarter revenue, with new projects primarily being performed offshore West Africa, Brazil and the Philippines and onshore in Alaska. A substantial portion of the pre-funding revenue increase was attributable to work performed offshore Brazil in the Campos and Espirito Santos basins. This work utilized our patented Continuous Long Offset technology and delivered 25-meter line spacing with up to eight kilometer offsets. First quarter multi-client late sales of $28.8 million were basically equivalent to late sales for the 2001 first quarter.

Multi-client amortization was $44.8 million, which was 17% greater than the $38.4 of amortization for the 2001 first quarter and reflected the weighting of our 2002 sales to more highly pre-funded multi-client surveys. The average multi-client amortization rate for the 2002 first quarter was 62%, compared to 66% for the 2001 first quarter. We have not recorded any forced amortization during the 2002 first quarter. We will monitor sales estimates by survey/survey pool as the year progresses. Based on the specific surveys which ultimately generate sales, we will accrue forced amortization as necessary to reduce slower-moving surveys to the required book value at December 31, 2002.

Geophysical Operations operating profit was $8.3 million, which was 12% greater than comparable operating profit of $7.4 million for the 2001 first quarter. Geophysical Operations carried an operating profit margin of 6%, consistent with the operating profit margin for the 2001 first quarter. The flat operating profit margin between the 2002 and 2001 first quarters reflected the increased variable costs that accompanied the revenue increase and the increase in lower-margin land revenue.

Geophysical Operations backlog continues to build. Our marine seismic contract backlog was at its highest level since 1998, while our significant land seismic contract backlog demonstrates our success in significantly expanding this line of business since its 1997 inception. In addition to our "traditional" seismic crews, our more specialized crews are carrying a substantial portion of our backlog: our four-component crew in the North Sea is booked through October 2002 and our other multi-component crew is booked on 2C work in Africa and on a combination of 4C/2C work in the Middle East through February 2003. Our data processing operations have secured third-party contract backlog at March 31, 2002 that is approximately 30% higher than the prior year's backlog and at a level equivalent to approximately 75% of total 2001 data processing contract revenue.

Review of Production Operations

The distribution of our Production Operations revenue and operating profit (loss) across the services that we provide was as follows:

	Revenue		Operating profit (loss) before unusual items	
	Quarter ended March 31,		Quarter ended March 31,	
(In thousands of dollars)	2002	2001	2002	2001
FPSO Operations:				
Petrojarl I....................................	$ 15,063	$ ----	$ 4,627	$ ----
Petrojarl Foinaven.......................	34,118	28,836	18,534	14,405
Ramform Banff [1]	9,766	----	(1,150)	----
Petrojarl Varg.............................	20,260	20,499	12,121	10,877
Other FPSO [2]	34	8,586	(584)	(118)
FPSO operations	79,241	57,921	33,548	25,164
Production Services	44,191	35,325	375	(22)
Other [3]	4,493	51	(578)	(6,528)
Total	$ 127,925	$ 93,297	$ 33,345	$ 18,614

[1] Includes an $8.2 million loss contract accrual reversal for the quarter ended March 31, 2002.

[2] Includes revenue and operating profit for several FPSO shuttle tankers that were leased into the spot market for the quarter ended March 31, 2001 while the associated FPSO vessels were out of service for upgrading.

[3] Consists primarily of our oil and gas exploration and production activities, including our Atlantis subsidiary.

Production Operations revenue totaled $127.9 million, which was 37% greater than the $93.3 million of 2001 first quarter revenue.

The FPSO revenue increases between the first quarters of 2002 and 2001 largely reflected the completed status of PGS' upgrade projects for *Ramform Banff* and *Petrojarl I* (these upgrade projects were in progress throughout the 2001 first quarter) and the production capacity upgrade on the *Petrojarl Foinaven* (this project increased the maximum throughput capacity from 144,000 to 180,000 barrels of liquid per day). The increase in other revenue between the 2002 and 2001 first quarters reflected the fact that first production from our oil and gas assets began at the end of 2001; we are in the process of selling these oil and gas assets, as discussed further below.

All of our FPSO vessels are producing with high uptime-performance. Production from *Petrojarl Foinaven* averaged 110,000 barrels of oil per day during the 2002 first quarter, and we expect this production level to be sustained over the remainder of the year. Production from *Petrojarl I* averaged 38,000 barrels of oil per day during the quarter, which is in line with the contract's production profile. We are compensated on a straight day-rate for production from *Petrojarl Varg*, and therefore do not currently realize any incremental benefits from the production level. On completion of the purchase of a 70% share in PL 038, we will acquire upside potential on any future production opportunities on the license, as well as the opportunity to extend our current production engagement for *Petrojarl Varg* (the current production on the Varg field is within PL 038). We have recently acquired 3D seismic data over certain areas of the license in order to

enhance our understanding of the geology and prospectivity of these areas and are evaluating several development options, including a full or partial sale of our share. As consideration for our 70% share, we will assume a portion of the fields' abandonment costs. The license purchase is contingent on the approval of Norwegian authorities and is expected to close during the 2002 third quarter. On completion of the purchase, our partner will be the Norwegian government's State Direct Financial Interest.

Although *Ramform Banff* operated with 99% uptime performance during the quarter, it only produced oil at an average rate of approximately 11,000 barrels per day due to low production rates from the reservoir and certain well testing activities. As a result of this reservoir underperformance, the *Ramform Banff* generated an operating loss of $8.9 million during the 2002 first quarter; this operating loss was offset by the reversal of $8.2 million in loss contract accrual. (In the 2000 fourth quarter we provided a $25.0 million loss accrual related to anticipated losses from *Ramform Banff*, and the $8.2 million reversed this quarter was the remainder of that accrual). Based on available information, we believe that *Ramform Banff* will continue to generate significant operating losses through at least the 2002 third quarter. We expect that a new well will be drilled on the Banff field during 2002 and any incremental production from this new well will help offset any losses under the existing Banff contract. However, the future production from such a well is difficult to estimate at this time and we cannot make any assurances of future profitability on the Banff contract. In order to improve the *Ramform Banff*'s financial performance, we are marketing the FPSO vessel for other opportunities in the North Sea and in the Gulf of Mexico which are better suited to its current production capacity. At the same time, we are evaluating alternative production solutions for the Banff field. As of March 31, 2002, we have not provided for any future losses on the Banff contract due to the uncertainty surrounding the potential redeployment of *Ramform Banff* and replacement production solution for the Banff field. We will re-evaluate the need for additional loss contract accruals in future periods, based on the status of the reservoir's performance and our commitments for *Ramform Banff*.

Production Operations operating profit was $33.3 million, which was 79% greater than comparable operating profit of $18.6 million for the 2001 first quarter. Production Operations carried an operating profit margin of 26%, compared to 20% for the 2001 first quarter.

Financial Condition

Capital Requirements

The majority of our capital requirements consist of capital expenditures related to:

- seismic vessels and equipment
- FPSO vessels and equipment
- investments in our multi-client library
- computer processing and reservoir monitoring equipment

A substantial amount of our capital expenditures and investment in multi-client library is discretionary. In 2001 and 2000, our capital requirements related not only to normal ongoing equipment replacement and refurbishment needs, but also to significant upgrades on three of our

FPSO vessels. During 2002, we expect to spend approximately $45.0 million on upgrades of our geophysical assets and $15.0 million on our production assets (approximately $11.5 million of which represents the final payment on the *Petrojarl I* upgrade). The majority of our 2002 capital expenditures related to Atlantis are expected to be reimbursed when the transaction with Sinochem is completed.

Capital expenditures of $26.9 million for the 2002 first quarter consisted of $15.6 million related to our Geophysical Operations and $11.3 million related to our Production Operations (including $10.3 million on the *Petrojarl I*, as discussed above). The capital expenditures of $83.9 million for the 2001 first quarter included $81.4 million related to the FPSO upgrade projects discussed above.

During the 2002 first quarter, our cash investment in multi-client library was $72.5 million. The northern hemisphere winter season (when the North Sea market is effectively closed) is normally the period of our maximum multi-client investment. Due to our strong contract market position in West Africa during this winter season (the 2001 fourth quarter and the 2002 first quarter), we have been able to be highly selective in our multi-client investment and, as a result, incurred a lower level of gross investment in multi-client data in the 2002 first quarter than in the 2001 first quarter. The substantially higher level of pre-funding recognized during this same 2002 period has reduced our level of new multi-client investment still further. Overall, we added approximately 20% less to our multi-client library net book value during the 2002 first quarter than in the 2001 first quarter. Our multi-client investment reflected our evaluation of the future market demand for non-exclusive surveys in these areas –- we believe that our multi-client library provides oil and gas companies with an immediately available, cost-effective product that allows their investment efforts to be focused on readily identifiable exploration and development opportunities.

During March 2002, we secured a $250.0 million short-term credit facility from a group of international banks. The facility matures in December 2002; however we must make a mandatory pre-payment of $175.0 million from the proceeds of the Atlantis sale. The credit facility carries an interest rate equal to LIBOR plus 0.65%, which escalates to LIBOR plus 1.0% by June 1, 2002. If the $175.0 million pre-payment is not made by August 31, 2002, then the interest rate escalates further to LIBOR plus 1.5% from September 1, 2002 until maturity. The net proceeds from this credit facility were used to repay $225.0 million of senior unsecured notes (which matured in March 2002) and for general corporate purposes. During the 2002 first quarter, we repaid approximately $31.0 million in redeemable preferred securities related to our 2001 multi-client library securitization (from the proceeds of multi-client sales recognized during the 2001 fourth quarter).

During the 2002 first quarter, we drew an additional $20.0 million on our $430.0 million committed revolving credit facility. At March 31, 2002, we had $70.0 million available under this facility. This unsecured revolving credit facility bears interest at a LIBOR-based rate plus a margin of either 0.35% per year or 0.40% per year, depending on our level of indebtedness. We also had approximately $40.0 million available under various uncommitted lines of credit as of March 31, 2002.

Agreement to Extend Period for Atlantis Sale

Together with Sinochem, we have agreed to extend the period to close the Atlantis sale originally set forth in the January 22, 2002 definitive sale agreement. Although we have fulfilled several of the closing conditions required by the agreement, certain closing conditions require third-party actions that have not been obtained to date. The extension binds PGS to the agreement

through June 28, 2002, although Sinochem has the right under the extension to withdraw from the agreement if the sale has not closed by May 27, 2002. Should the parties be unable to finalize this transaction, PGS will continue to develop the Atlantis properties until such time as another buyer can be identified.

Outlook

The following statements are forward-looking, and actual results may differ materially. These statements do not include the potential impact of any acquisition, disposition, merger or joint venture that could occur in the future, except for the proposed sale of our Atlantis subsidiary.

Based on the current business environment, industry conditions, and management assumptions regarding asset deployment, we currently believe that PGS will earn between $0.30 and $0.35 per share from ordinary operations during 2002, and roughly $0.60 per share in 2003. Our guidance is affected by many factors, which are described in further detail in our filings with the U.S. Securities and Exchange Commission. Some of the key factors included in the above earnings per share guidance are:

- consideration of ongoing operating losses from the Banff contract for the remainder of 2002, with an expectation of some recovery in 2003
- our efforts to reduce outstanding debt and operating costs
- execution of our data sales program to reduce our exposure to forced amortization charges under our multi-client accounting policy – our current earnings guidance includes approximately $20.0 million in potential forced amortization charges for 2002, and we have assumed no forced amortization charges for 2003

Our guidance does not currently include potential effects of the following factors:

- adoption of SFAS No. 142, since we have not yet completed our fair value calculations related to our goodwill and other intangibles balances
- future foreign currency exchange rate fluctuations, (primarily fluctuations in the exchange ratio between the U.S. dollar and Norwegian kroner) and the resulting fair value effects on our tax equalization swap contracts and the related income tax expense or income tax benefit

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Petroleum Geo-Services' first quarter earnings conference call is scheduled for May 2, 2002 at 9:30 a.m. Eastern Time. Interested parties may listen to the conference call on Petroleum Geo-Services' web site at www.pgs.com. PGS suggests that you connect with the site at least fifteen minutes prior to the live, listen-only webcast of the conference call to ensure adequate time for any software download that may be needed to hear the call. There will be a digital replay of the conference call beginning at 11:30 a.m. Eastern Time on the day of the call through, May 9, 2002 at +1-888-562-6884, or +1-402-220-6536 for international callers.

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Petroleum Geo-Services is a technologically focused oilfield service company principally involved in two businesses: Geophysical Operations and Production Operations. PGS acquires,

processes and markets 3D, time-lapse and multi-component seismic data. These data are used by oil and gas companies in the exploration for new reserves, the development of existing reservoirs, and the management of producing oil and gas fields. PGS' advanced geophysical technologies allow oil and gas companies to better characterize and monitor their reservoirs in order to enhance production and ultimate recovery of hydrocarbons. In its Production Operations business, PGS owns four floating production, storage and offloading systems ("FPSOs") and operates numerous offshore production facilities for oil and gas companies. FPSOs permit oil and gas companies to produce from offshore fields more quickly and cost effectively. PGS operates on a worldwide basis with headquarters in Oslo, Norway and Houston, Texas.

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This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The forward-looking statements contained herein include statements about future financial and operating results of the Company, including the impact of the Company's goodwill fair value calculations on its financial position, production levels of the Company's FPSOs for the remainder of 2002, expected capital expenditures during 2002 and earnings projections for 2002 and 2003. These statements are not guarantees of future performance, involve certain risks, uncertainties, and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Therefore, actual outcomes and results may differ materially from what is expressed herein. In any forward-looking statement in which the Company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement or expectation or belief will result or be achieved or accomplished. Economic, business, competitive and/or regulatory factors affecting PGS' businesses generally, including, among others, prices of oil and natural gas and expectations about future prices, could cause actual results to differ materially from those described in the forward-looking statements. Such forward-looking statements are also subject to certain risks and uncertainties described in this press release or disclosed by the Company in its filings with the Securities and Exchange Commission.

- FINANCIAL TABLES TO FOLLOW -

To access more information, visit our web site: www.pgs.com

Petroleum Geo-Services ASA
Consolidated Statements of Operations (1), (7)

(In thousands of dollars, except for share data)	Quarter ended March 31, 2002 (unaudited)	Quarter ended March 31, 2001 (restated) (unaudited)	Year ended December 31, 2001 (unaudited)
Revenue	$ 275 856	$ 208 205	$ 1 052 628
Cost of sales	138 528	100 733	535 999
Depreciation and amortization (2)	76 013	60 459	334 506
Research and technology costs	712	756	3 752
Selling, general and administrative costs	18 927	20 217	78 305
Unusual items, net (3)	-	(122 349)	(105 912)
Total operating expenses	234 180	59 816	846 650
Operating profit	41 676	148 389	205 978
Financial expense, net (4)	(34 266)	(36 178)	(143 179)
Other income (loss), net	(1 431)	(819)	(4 548)
Income before income taxes	5 979	111 392	58 251
Provision for income taxes (5)	742	12 847	41 540
Gain (loss) on tax equalization swap contracts, net of tax (6)	2 372	(7 656)	(12 258)
Net income	**$ 7 609**	**$ 90 889**	**$ 4 453**
Basic earnings per share	$ 0,07	$ 0,89	$ 0,04
Diluted earnings per share	$ 0,07	$ 0,89	$ 0,04
Basic shares outstanding	103 345 987	102 347 987	102 768 283
Diluted shares outstanding	103 345 987	102 362 158	102 788 055

The accompanying notes are an integral part of these consolidated financial statements.

Petroleum Geo-Services ASA
Consolidated Balance Sheets (1), (9), (10)

(In thousands of dollars, except for share data)	March 31, 2002 (unaudited)	December 31, 2001 (unaudited)
Assets		
Cash and cash equivalents	$ 86 034	$ 107 296
Accounts receivable, net	261 690	254 174
Other current assets	101 186	99 478
Oil and gas assets and other assets held for sale (7)	204 024	184 399
Total current assets	652 934	645 347
Multi-client library, net (8)	956 235	918 072
Property and equipment, net	2 267 761	2 282 004
Goodwill and other long-term assets, net	436 212	457 383
Total assets	**$ 4 313 142**	**$ 4 302 806**
Liabilities and Shareholders' Equity		
Current portion of long-term debt and capital lease obligations	$ 269 465	$ 247 157
Short-term debt and other liabilities held for sale (7)	39 809	34 816
Accounts payable and accrued expenses	273 982	293 765
Income taxes payable	15 183	16 921
Total current liabilities	598 439	592 659
Long-term debt and capital lease obligations	1 975 322	1 945 254
Other long-term liabilities	24 122	25 355
Deferred income taxes	73 503	73 503
Total liabilities	2 671 386	2 636 771
Commitments and contingencies		
Guaranteed preferred beneficial interest in PGS junior subordinated debt securities (4)	141 300	141 000
Mandatorily redeemable cumulative preferred stock related to multi-client securitization	132 331	163 588
Shareholders' equity:		
Common stock, par value NOK 5; issued & outstanding 103,345,987 shares at March 31, 2002 and December 31, 2001	71 089	71 089
Additional paid-in capital	1 225 115	1 225 115
Retained earnings	106 472	98 863
Accumulated other comprehensive loss	(34 551)	(33 620)
Total shareholders' equity	1 368 125	1 361 447
Total liabilities and shareholders' equity	**$ 4 313 142**	**$ 4 302 806**

The accompanying notes are an integral part of these consolidated financial statements.

Petroleum Geo-Services ASA
Consolidated Statements of Cash Flows (1)

	Quarter ended March 31,		Year ended December 31,
	2002	2001	2001
		(restated)	
(In thousands of dollars)	(unaudited)	(unaudited)	(unaudited)
Cash flows from operating activities:			
Net income	$ 7 609	$ 90 889	$ 4 453
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization charged to expense	76 013	60 459	334 506
Non-cash unusual items and gain on sale of subsidiary, net	-	(122 349)	(97 027)
Cash effects related to assets and liabilities held for sale (7)	2 891	(76)	(3 613)
Provision (benefit) for deferred income taxes	20 661	(3 895)	22 114
Working capital changes and other items	(16 655)	44 163	(52 344)
Net cash provided by operating activities	90 519	69 191	208 089
Cash flows from investing activities:			
Investment in multi-client library	(72 542)	(74 796)	(230 166)
Capital expenditures	(26 850)	(83 863)	(185 520)
Development of assets held for sale (7)	(14 286)	(11 208)	(54 103)
Sale of subsidiary	-	175 000	175 000
Other items, net	(605)	(1 268)	(19 485)
Net cash (used in)/provided by investing activities	(114 283)	3 865	(314 274)
Cash flows from financing activities:			
Net proceeds from issuance of subsidiary preferred stock	-	-	234 285
Redemption of preferred stock	(31 017)	-	(77 280)
Repayment of long-term debt	(228 031)	(1 456)	(11 414)
Principal payments under capital lease obligations	(4 068)	(2 392)	(7 806)
Net increase (decrease) in revolving and short-term debt	270 000	(57 843)	(5 667)
Net payments under tax equalization swap contracts	(11 459)	(22 158)	(64 575)
Other items, net	7 130	-	816
Net cash provided by/(used in) financing activities	2 555	(83 849)	68 359
Effect of exchange rate changes in cash and cash equivalents	(53)	(131)	(93)
Net (decrease) increase in cash and cash equivalents	(21 262)	(10 924)	(37 919)
Cash and cash equivalents at beginning of period	107 296	145 215	145 215
Cash and cash equivalents at end of period	**$ 86 034**	**$ 134 291**	**$ 107 296**

The accompanying notes are an integral part of these consolidated financial statements.