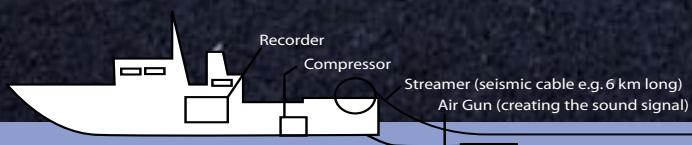


ANNUAL REPORT 2003

Global Geo Services ASA



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GGs IN BRIEF AND HIGHLIGHTS



MULTI CLIENT SALES

- PC-2000 sales to oil companies start picking up after long dry period
- Major sale of transferable PC-2000 licences to BGP in debt-for-licences swap

FINANCIAL RESTRUCTURING

- Major reduction of short term debt
- Significant reduction of total debt
- Dialogue with all main creditors
- Strong improvement of balance sheet

SHARES

- Large increase in liquidity in first part of 2004
- Increase in share price during first part of 2004



LETTER FROM THE CEO



Back in 1999, I was the first employee and also the first CEO of GGS, or Mid East Geophysical Alliance it as was called then. Together with Kjell G. Finstad, the original owner and founder of the company, I had spent time negotiating the contracts and partnerships that gave GGS its unique position in Iran. For nearly two years I had held other positions in GGS management when I returned to the CEO position in March 2004. During this period, especially Glyn Roberts has done first class work for the company and will continue to do so as manager of our UK office. I am looking forward to work with my old colleagues and the new Board that has been responsible for steering GGS through some very rugged waters.

As I am part of the GGS history, I cannot hide. I cannot say that all wrong things were done in the past, and that now everything is much better. I have got no-one else to point at or throw the blame at. But what I can say is that GGS is a very valuable company. It has got valuable assets and great opportunities. These assets and these opportunities have been in great danger. The danger is not completely gone, but for sure has been greatly reduced during 2003, thanks to efforts by the Board to restructure our financial situation and thanks to the sales efforts and hard work of the staff.

For GGS, 2003 has been a year focused on turning the company around. The financial situation at the beginning of the year was dramatic. The company had experienced more than one and a half years of near complete drought in the sales of its main product, the Persian Carpet. Imagine a telecom company if its clients decided not to make calls for a year. Or a champagne maker in a year without a single thing to celebrate – like 2002 for GGS.

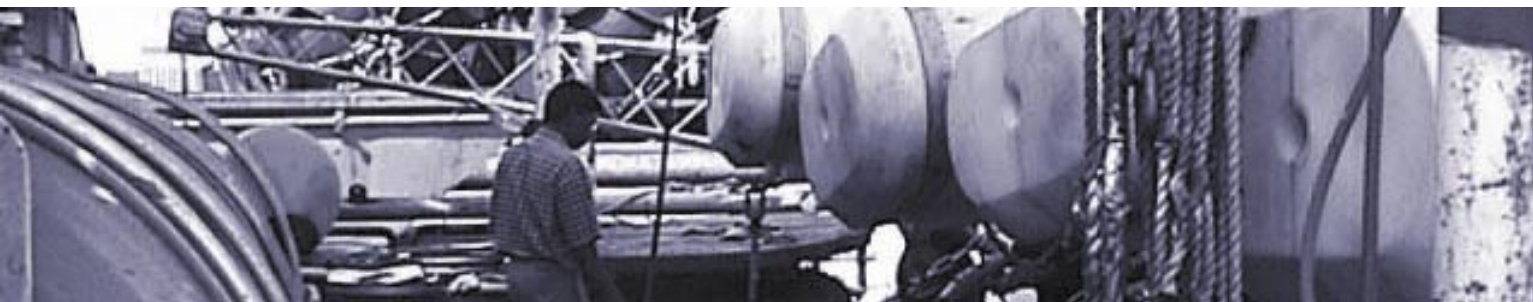
As a seismic company GGS was formed based on the Persian Carpet – a daring task, unique opportunity and a company maker. An eighty million dollar plus investment that was facilitated through equity raised in the capital market and as the first processed results became available, through sales to oil company clients.

The Persian Carpet covers the heart of the most prospective and oil rich basins in the world. It was collected based on an important exclusivity agreement,

made at a historic point in time when the Islamic Republic of Iran was starting to open up for foreign investment into its oil industry. Very limited frame-work was in place for the actual Exploration and Production activity in the region. The Iranians had developed a concept called the buy-back contract that was really designed to allow foreign companies to invest in the reconstruction of war-damaged an run-down oil fields as a service contractor for the National Iranian Oil Company. GGS and many oil companies were hoping for a rapid continuation of the opening process that would lead to arrangement of licensing rounds for exploration blocks based on internationally accepted Exploration and Production terms.

Based on this shared view of the future, a large number of clients purchased the PC-2000, even if they did not like the exploration environment in Iran. Each major sale of the Persian Carpet was and still is worth several million US dollars and total sales of PC-2000 reached about 40 million dollars, before the drought came. GGS was organised to be able to handle long and unpredictable intervals between sales. Two or three carpets sold per year will give a good running business and therefore the company would be prepared for quarters without major sales. But it was not prepared for six quarters in a row. A large debt had built up through the collection years from 99 to 02 in the Persian Gulf. With the flow of incoming cash stopped, it is an understatement to say that it became a challenge to manage the creditors.

Should we have foreseen the problems, and could they have been prevented? Investment in oil exploration in the Middle East means exposure to risk. That was well known. The GGS venture was only partly equity funded and depended on sales and on establishing a financial credit solution to work. Clearly GGS had a risk structure that could be vulnerable. And it proved to be, as many things happened more or less simultaneously. In the international arena, Iranian overtures to modernising the exploration and production terms stalled completely into a protracted series of negotiations for buy-back contracts that mostly lead nowhere. Then there were the terrorist attacks on September 11. There was the war in Afghanistan along Iran's north-eastern border. There was war and later



occupation and unrest in Iraq along Iran's eastern border. There has been a worsening crisis in the Israel-Palestine conflict. And there have been Iranian Parliamentary elections where a large number of members from the sitting parliament were not allowed to participate.

In Norway, we have had our local Enron affairs, the most important one is the case of the Finance-Credit company, a case which is still being processed in the Norwegian courts. The bank that suffered the biggest losses in this billion NOK blown-up accounts alleged fraud case, happened to also be the bank of GGS. So GGS's bank went down and was taken over by a large bank, and GGS perceived as part of a portfolio of problem clients. GGS had short term debt that it was unable to service in time as revenues were not coming. At this point in time when the company needed more and longer term credit facilities, what it faced was withdrawal of credit facilities and a demand for rapid repayment.

Just adding to the overall picture is the fact that the daughter company Triangle Equipment continued to require regular cash injections. And that GGS did not have incoming cash allowing for such injections. This was in spite of the promising achievement of producing the first NESCOS valves to be commercially installed in Brazil.

I have never been in doubt that the value of the assets of GGS by far exceeds its debt. Further that in a liquidation situation, the value of the assets could become dramatically reduced and all parties involved would loose. Fortunately a Board was elected in January 2003 that took the same view, and took on the task of uniting all creditors around a plan to realise those values. That work is accounted for in a separate letter from the Leader of the Board. Here and for me it is sufficient to give the conclusion. During 2003 the debt was reduced by NOK 130 million and agreements were made to reclassify an additional NOK 70 million from short term to long term debt. Going into 2004, GGS has a new and much strengthened platform from which to move ahead to address its challenges. These in my mind are:

- To move on and find permanent financial solutions
- To work out the strategy forward for the seismic core activity as well as for the well technology activity
- To make every effort to sell the multi client seismic data
- To move on and start new seismic projects that will add value to the company for its shareholders

GGS has built some very valuable assets in the Persian Gulf. Those assets have been protected during very critical times. Now it is time to take steps that will prove we are a company worthy of its name: a provider of global geo services to be taken very seriously.



Trond Christoffersen
CEO



REPORT OF THE BOARD OF DIRECTORS



1. Nature of the business and its location

Global Geo Services ASA (GGS) has as its main business collection and processing of seismic data, as well as marketing and sales of such data. GGS leases vessels and makes use of external personnel when conducting seismic surveys. In the seismic survey PC-2000, GGS covered the Iranian part of the Persian Gulf. The company has a 10 year monopoly until 2012 on sales of multi-client seismic data collected in this area. This gives GGS a great strategic position in the development of one of the world's most interesting offshore exploration areas.

The GGS group also develops drilling equipment through its subsidiary Triangle Equipment AS. Triangle Equipment AS focuses on increasing the extraction rate of the wells by using its intelligent well system. Triangle Equipment's valves allow oil companies an improved and more exact regulation of the production volume from the wells.

The mother company GGS is operated from its main office in Fagerstrand, Nesodden county. The company's organisation number is: 980.585.522. The subsidiary Triangle Equipment is located in Stavanger.

2. Organisational changes

When GGS' principal shareholder asked for an extraordinary general meeting in January 2003 to elect a new board of directors, the chairman of the board Erik Mauritzen and the board members Bjørn Havnes and Anders Utne decided to withdraw from their positions. The new board was elected on January 27th 2003 with Morten Andersen as chairman of the board and Egil Bergsager, Ivar B. Ramberg, Øyvind Hornæss and Kjell G. Finstad as board members. Glyn F. Roberts was appointed CEO following Anders Utne. After some organisational changes during the first quarter 2004, the management now consists of Trond Christoffersen as CEO, Morten Andersen as chairman of the board, and Egil Bergsager, Ivar B. Ramberg and Liu Tielong (representing the Chinese company BGP) as board members.

3. Economical and financial turnaround

When entering 2003, GGS was in an extremely difficult financial position. The company had 317 000 TNOK in

short-term liabilities as per December 31st 2002, and 309 000 TNOK were due within the first two months in 2003. Included was a short-term liability to BGP, a Chinese seismic company and former shareholder in GGS with 20.5 million USD (approximately 150 000 TNOK) outstanding as per December 31st 2002 for collected seismic data.

The newly elected board gave the following statement regarding the company's situation in the 2002 report of the board of directors: "This financial situation is unsatisfactory, and the company intends to improve its finances in 2003." To reach this goal, the board established a strategy to unite all parties involved behind continued operations for the company, as this was considered the most favourable solution for all parties. This strategy was based upon a thorough evaluation leading to a conclusion stating that the company possesses significant values through the seismic library in the Persian Gulf generally and through the so-called "uplift" clauses, especially in the already established sales agreements. The uplift clauses mean that the customers are obliged to make considerable extra payments to GGS if certain success criterias are met, i.e. the customers are allotted an exploration-license or starts production of hydrocarbons within the PC-2000 area. Most of the company's short-term lenders also have a significant block of shares in GGS. By realising the company's values and potential over time, GGS aims to pay all creditors and at the same time rebuild the shareholders' value.

At the beginning of the year, the costs related to the long term charter of M/V Geomariner were the company's largest current costs. Through an agreement signed with the owner of the vessel in February 2003, the company's current costs were considerably reduced due to a suspension of the charter and the company's charter commitments were postponed in time. The vessel has as of the second half of 2003 been leased to a third party and has not been charged to the company's liquidity during this period.

Throughout 2003 the company has kept a close dialogue with its lenders. A number of agreements have been made prolonging the short-term loans.



On June 19th 2003, the company signed an agreement with BGP that over time would imply a significant reduction in the company's interests costs and under certain conditions lead to that BGP would convert debt for 1 million USD to shares and get one representative in GGS' board. On November 19th 2003, GGS reported entering into a Memorandum of Understanding with BGP stating that BGP would buy 6 transferable licenses for PC-2000 for a minimum value of 12 million USD. The settlement was made through an equivalent reduction of BGP's outstanding claim to GGS and a conversion of the outstanding short-term debt to long-term debt with a date of payment until March 31st 2006. Liu Tielong from BGP was elected to the board on December 12th 2003. The conversion of debt to shares was performed at a board meeting on December 15th 2003 and booked along with the sale amounting to 12 million USD in the fourth quarter 2003.

In the beginning of 2003, the company had 306 million NOK in short-term liabilities and 11 million NOK in tax debt. By the end of the year, the company had 118 million NOK in short-term liabilities and no tax debt. The board expresses great content with the reduction of short-term liabilities and tax debt amounting to 199 million NOK, whereof NOK 66 million (9.9 million USD) has been converted from short-term to long-term liabilities. Financial costs are expected to be more than halved from 2003 to 2004. This financial restructuring will give the company a much stronger foundation for continued activities in 2004 than the company had when entering 2003.

4. Activities in 2003

During the summer 2002, GGS finished the collection of seismic data in the company's main project; PC-2000. The company had also collected detailed data on a promising prospect in the Iranian part of the Persian Gulf and completed big 3D collection projects. For PC-2000 sales, GGS receives the whole revenue until costs are covered, thereafter revenue sharing with Iranian parties sets in and the company keeps about 40 per cent of additional revenues.

In 2003, the company has concentrated all its strengths and used all its available resources on financial restructuring, and has therefore not invested in any

new muliti-client seismic projects during the year. As a part of the preparations before a planned increase in seismic activity, GGS reported in October 2003 signing an agreement with North-Korea's national oil company that under certain conditions will give GGS 12 years exclusive seismic rights in North-Korea. A minor seismic project was performed in the fourth quarter 2003 offshore North Korea for an international oil company.

In 2003 GGS sold PC-2000 data for the amount of 160 million NOK compared to 4 million NOK in 2002. Of total sales for 2003, 80 million NOK came from sales to ordinary customers and 80 million NOK from sales to BGP settled through a reduction of BGP's outstanding claim to GGS. In 2003 the Iranian government held an Exploration Round in which 8 blocks were announced for licensing in the Persian Gulf. The positive after-effect of this exploration for the sale of PC-2000 was less than GGS had hoped for, because it did not imply improved exploration conditions for the oil companies. The board is content with the sale of PC-2000 in 2003, considering the continued turbulent situation in the Middle East including the effects of the war in Iraq.

In 2003, GGS' subsidiary Triangle Equipment AS (TE) has not had any revenue and has been working with an overextended liquidity. The company's operating loss was 15.4 million NOK in 2003. The company worked towards attracting external investors during the second half of 2003, but did not succeed. The company has therefore been in immediate liquidity problems several times during the year. Based on this, and although the board in GGS has great belief in TE's main products; the NESCOs and the MRS valves, the board has decided to write down the value of patent rights and the shares in the subsidiary to zero when preparing the financial statement for the third quarter 2003.

5. Company's position and operating results

The board is pleased with the improvement of the company's results in 2003. The board especially points out the improved balance and debt situation for the company where short-term debt is reduced from 317 million NOK to 118 million NOK, where 66 million NOK of the reduction relates to the conversion of short-term liabilities to long-term liabilities.



REPORT OF THE BOARD OF DIRECTORS



In 2003 the company's sales were 160 million NOK, up from 130 million NOK in 2002. In 2002, 95 per cent of the revenue came from contractual seismic sales, while the sale of multi-client seismic was insignificant. In 2003, 97 per cent of the revenue came from the company's existing library of multi-client seismic data, where approximately equal parts came from of ordinary new sales and the sale to BGP with settlement through reduction of BGP's outstanding claim to GGS. In 2003 the company's operating profit was -50 million NOK (-173 million NOK for the group), up from -118 million NOK in 2002 (-150 million NOK for the group). In 2003 the company's net profit was -162 million NOK (-189 million NOK for the group), down from -160 million NOK in 2002 (-149 million NOK for the group).

In 2003 the shares in Triangle Equipment and the patent rights for the amount of approximately 100 million NOK were written down, and an amortisation made of the company's seismic library of 170 million NOK, up from 91 million NOK in 2002. The company's operations were cash positive with an EBITDA equal to 120 million NOK (107 million NOK for the group). Even without the sale to BGP with settlement through reduction BGP's of outstanding claim to GGS, the company's EBITDA would have been positive with 40 million NOK (27 million NOK for the group). After this and in co-operation with TE's bank, delivery of a NESPOS system to Brasil has been financed. TE will therefore get its first significant commercial revenues during the first half of 2004.

6. Continued operation

The company's annual accounts have been prepared on the basis of continued operation. The board of directors and the CEO confirm that this premise is real. In its continuing evaluation, the board of directors has been considering current sales as well as future sales, with the necessary precaution, and adjusted this to the re-negotiations of the company's total financing.

As a consequence of the company's debt liabilities and the work connected to the gradual reduction of debt, the company's monetary situation has kept on being difficult in 2003. Even though the company has succeeded with its financial restructuring, the company still has a considerable debt and the board anticipates

that the positive dialog between the company and its lenders will continue.

As for the valuation of the items in the annual accounts, the board of directors has in no way doubts that the conditions for continued operations are fulfilled. It is the board of directors' opinion that the accounts as they are presented for the accounting year 2003 provide an accurate picture of the company's position and operating results. Except the information in the annual accounts, the board of directors knows of no other circumstance with respect to market conditions and price development that is relevant to an evaluation of the company. Following the end of the accounting year, no circumstances of relevance to an evaluation of the company's position and results have arisen which are not taken into consideration in the annual settlement of accounts.

The company has generally a very small cash reserve, and the company's difficult monetary situation makes that the board of directors still expects to spend a considerable amount of company revenues on paying off the creditors. It has been established a practise where the company's short-term liabilities' due dates mainly are postponed in time varying from 1 to 12 months. Even though the dialog between GGS and the creditors is positive, there is an uncertainty related to no binding agreement on prolongation of the loans at the finishing of the accounts being made. The board of directors considers that expected sales and expected uplift-revenues from already signed contracts give a basis for continued operations and payment of the company's debt.

During 2003 and the first part of 2004 important decisions have been made in Iran which strengthen future earnings potential. These are presentations and decisions regarding laws that make combined exploration and production contracts with oil companies possible, and also presentation and commenced processing of bills which will free contract negotiations from the existing Buy-Back format. This will make it possible to sign contracts based upon internationally accepted conditions. The board of directors thus have a positive assessment of the long-term sales potential for GGS' main assets.



7. Valuation of seismic data and patent rights

There are uncertainties in the valuation of multi-client seismic data because of the long-time aspect under varying market conditions. As for the company's seismic data in Iran, the political instability and war threat in the area as well as undecided license conditions make precise verification of entered values impossible. In a forced situation the real values must be expected to be lower than the entered values. The board assesses the risk concerning forced sales to be considerably reduced through the financial restructuring that has taken place during 2003. The book value of the group's patent rights is in 2003 written down to zero. The board expresses nevertheless that the goal is to realise positive values within this business segment.

8. Working environment

The company has six employees and a good working environment. No serious injuries or accidents linked to GGS' operation have been recorded. Work-related sick leave is approximately 5 per cent in 2003.

The company has 17 per cent female employees and no female board members. The company emphasizes equality between genders, and does not consider the situation to be satisfactorily. The company believes that it is important to increase the female representation in the management and will attach importance to increase the share of women at possible future expansions or replacements of staff.

9. External environment

The company's activities do not directly pollute the external environment, although they may affect the

environment through the collection of seismic data. The company co-operates with subcontractors in avoiding any form of environmental impact, and operates in accordance with appropriate legislation and regulations.

10. Future development

GGS had a positive development in sales for PC-2000 from 2002 to 2003. The board believes that additional revenue can arise through uplift from allotments based on the exploration in 2003 and from new sales related to a new announcement of blocks in the Persian Gulf, based upon the improved exploration conditions the Iranian government now has offered oil companies that want to conduct explorations onshore.

The board acknowledges the uncertainty described in section 6 above related to liquidity, debt prolongation and the dependence on future sales. Nevertheless the board believes that GGS now has a financial platform making it possible to look ahead towards new challenges and with greater focus on developing the operational aspects of the company. In such a phase, different strategies will be evaluated, including the continuation of today's operations, development of the company through organic growth, but also the possibility of strategic solutions involving other actors.

11. Proposal for the application of losses

The board of directors suggests that the losses of the year, amounting to NOK 161.66 million are covered with a transfer from the profit fund.

The company has no free equity as per 31.12.03.

Fagerstrand 31. December 2003 / 11. June 2004

Morten Andersen
Chairman of the Board

Liu Tielong

Ivar Ramberg

Egil Bergsager

Trond Christoffersen
Chief Executive Officer

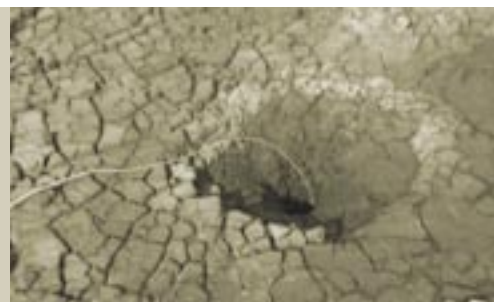


CONSOLIDATED PROFIT AND LOSS ACCOUNT



PROFIT AND LOSS	Note	GROUP			GGG ASA		
NOK 1000		2003	2002	2001	2003	2002	2001
Operating income							
Revenue MCS		159 919	3 688	250 336	159 919	3 688	250 336
Revenue Contract Seismic		5 105	124 031	103 481	5 105	124 031	103 481
Revenue Other		87	2 605	26	-	2 575	238
Total revenue	1	165 111	130 325	353 843	165 024	130 295	354 055
Operating expenses							
Expenses Contract Seismic	13	(7 659)	(103 963)	(87 545)	(7 659)	(103 963)	(87 545)
Payroll expenses	3	(14 336)	(10 060)	(18 689)	(7 482)	(1 430)	(13 274)
Amortisation	5	(169 778)	(90 872)	(81 024)	(169 778)	(90 872)	(81 024)
Depreciations	5	(12 009)	(21 844)	(1 126)	(25)	(9 590)	(671)
Write-down patents	5	(99 297)	-	-	-	-	-
Other operating expenses	18	(35 871)	(53 996)	(35 520)	(30 204)	(42 894)	(15 735)
Total operating expenses		(338 950)	(280 736)	(223 904)	(215 148)	(248 749)	(198 249)
Operating profit		(173 839)	(150 411)	129 939	(50 125)	(118 454)	155 806
Financial income and expenses							
Interest income		600	1 400	1 413	514	2 059	4 188
Exchange gain		16 067	68 709	4 928	16 067	67 890	4 928
Interest expenses		(29 688)	(27 299)	(16 396)	(26 202)	(26 284)	(16 396)
Write-down financial items	17	-	-	-	(100 000)	(46 937)	-
Exchange loss		(1 914)	(38 801)	(5 129)	(1 914)	(38 801)	(5 129)
Other financial items		-	(310)	(3 197)	-	-	(5 827)
Net financial items		(14 935)	3 698	(18 382)	(111 536)	(42 073)	(18 236)
Profit before tax		(188 774)	(146 713)	111 557	(161 660)	(160 527)	137 569
Tax	4	-	(2 155)	(31 245)	-	325	(38 541)
Net profit		(188 774)	(148 868)	80 312	(161 660)	(160 202)	99 028
Transferrals							
Retained earnings	9	(27 114)	(99 453)	80 313	-	(110 787)	99 028
Share premium reserve	9	(161 660)	(49 415)	-	(161 660)	(49 415)	-
Total transferrals		(188 774)	(148 868)	80 313	(161 660)	(160 202)	99 028
Earnings/loss (-) per share	12	(6,05)	(4,98)	2,96	-	-	-
Diluted earnings/loss (-) per share	12	-	-	2,93	-	-	-
Average basic shares outstanding		31 200 000	29 907 671	27 175 753	31 200 000	29 907 671	27 175 753
Average diluted shares outstanding		31 640 662	30 887 671	27 447 418	31 640 662	30 887 671	27 447 418

CONSOLIDATED BALANCE SHEET



BALANCE	Note	GROUP			GGS ASA		
NOK 1000		2003	2002	2001	2003	2002	2001
ASSETS							
Fixed assets							
Immaterial assets							
Deferred tax benefit	4	-	-	2 155	-	-	-
Patent rights	5	-	108 324	120 360	-	-	-
Multi-client library	5	375 025	519 367	497 055	375 025	519 367	497 055
Total immaterial assets		375 025	627 691	619 570	375 025	519 367	497 055
Property, plant and equipment							
Property, plant and equipment	5	567	1 801	11 467	524	1 572	11 019
Total property, plant and equipment		567	1 801	11 467	524	1 572	11 019
Financial fixed assets							
Shares in subsidiaries	17	-	-	-	-	100 000	146 937
Other receivables	6	11 882	15 417	38 023	11 882	15 417	38 023
Total financial fixed assets		11 882	15 417	38 023	11 882	115 417	184 960
Total fixed assets		387 474	644 909	669 060	387 431	636 356	693 034
Current assets							
Inventory	7	4 402	3 178	1 828	-	-	-
Account receivable	11	18 771	56 831	218 988	18 771	56 131	217 970
Other receivables	6	864	827	2 513	59	23	2 236
Loans to group companies		-	-	-	-	-	30 278
Cash and cash equivalents	8	614	2 189	2 203	426	1 300	1 174
Total current assets		24 651	63 026	225 532	19 256	57 454	251 658
TOTAL ASSETS		412 125	707 935	894 592	406 686	693 809	944 692

CONSOLIDATED BALANCE SHEET



LIABILITIES AND EQUITY

Paid-in equity							
Share capital	9,10	3 281	3 120	2 855	3 281	3 120	2 855
Premium fund	9	218 170	373 265	385 773	218 170	373 265	385 773
Not registered capital increase		1 011	-	-	1 011	-	-
Total paid-in equity		222 461	376 385	388 628	222 461	376 385	388 628
Earned equity							
Other equity	9	(35 529)	(8 416)	92 072	-	-	110 787
Total equity		186 932	367 969	480 700	222 461	376 385	499 415
Long-term liabilities							
Deferred tax	4	-	-	-	-	-	325
Deferred revenue		5 950	7 475	7 650	-	-	-
Other long-term liabilities		78 277	4 000	3 864	66 211	-	-
Total long-term liabilities		84 227	11 475	11 514	66 211	-	325
Short-term liabilities							
Short-term debt	2,11,15	82 089	257 909	123 526	71 706	246 826	105 367
Group contribution		-	-	-	2 989	11 166	65 191
Payable tax	4	-	11 185	15 791	-	11 185	16 826
Other short-term liabilities	15	58 878	59 398	263 061	43 318	48 248	257 568
Total short-term liabilities		140 967	328 491	402 378	118 013	317 424	444 952
TOTAL LIABILITIES AND EQUITY		412 125	707 935	894 592	406 686	693 809	944 692

Fagerstrand, 31. December 2003 / 11. June 2004

Morten Andersen
Chairman of the Board

Liu Tielong

Ivar Ramberg

Egil Bergsager

Trond Christoffersen
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOW



CASH FLOW	GROUP			GGG ASA		
NOK 1000	2003	2002	2001	2003	2002	2001
Cash flow from operating activities						
Profit/loss before tax	-188 774	-146 713	111 558	-161 660	-160 527	137 569
Depreciation, amortisation and write-down	281 084	112 717	82 150	169 803	100 462	81 695
Write-down of shares	-	-	-	100 000	46 937	-
Payable tax of the period	-	-5 641	-	-	-5 641	-
Changes in working capital	-68 157	115 794	52 652	-75 127	118 812	55 320
Cash flow from operating activities	24 153	76 157	246 360	33 016	100 043	274 584
Cash flow from investing activities						
Investments in property, plant and equipment	-293	-158	-12 170	-277	-158	-11 145
Investments in shares	-	-	-5 000	-	-	-5 000
Investments in multi-client library	-25 436	-113 184	-277 033	-25 436	-113 184	-277 033
Cash flow from investing activities	-25 729	-113 342	-294 203	-25 713	-113 342	-293 178
Cash flow from financing activities						
Paid-in share capital	-	37 172	-	-	37 172	-
Loans to group companies	-	-	-	-8 177	-23 747	-30 278
Loans to others	-	-	-11 715	-	-	-11 715
Cash flow from financing activities	-	37 172	-11 715	-8 177	13 425	-41 993
Changes in cash	-1 576	-13	-59 558	-874	126	-60 587
Cash at the start of the period	2 190	2 203	61 761	1 300	1 174	61 761
Cash at the end of the period	614	2 190	2 203	426	1 300	1 174



ACCOUNTING PRINCIPLES

The annual report has been prepared in accordance with the Public Limited Liability Companies Act, the Accounting Act and generally accepted accounting principles in Norway as per 31st of December 2003.

The financial statements are based on the fundamental principles of historic cost accounting, comparability, continued operations, all-inclusive income and prudence. Transactions are reported at their value at the time of the transaction. Revenues are recorded when they are earned, and costs are matched against the revenue to which they relate. Costs which cannot be directly related to revenue are charged as expenses.

The preparation of the accounts requires that the management of the company prepares estimates and assumptions which influence the value of the items presented in the financial statements at the same time as any conditional gains or liabilities are taken into consideration. Such estimates and assumptions may have a significant impact on the revenues and expenses indicated for certain periods. The real value of such items may vary from the estimates.

Consolidation principles

The consolidated accounts include the parent company, Global Geo Services ASA, and the subsidiary, Triangle Equipment AS. The consolidated accounts have been prepared according to uniform principles, so the subsidiary follows the same accounting principles as the parent company. Intra-company transactions, receivables and liabilities have been eliminated.

When subsidiaries are acquired, the cost price of shares in the parent company is set off against the subsidiary's equity at the time of acquisition. The difference between the cost price and the net book value of assets in the subsidiary at the time of acquisition is ascribed to the assets to which the added value is linked – up to the market value of said assets. That portion of the cost price which cannot be ascribed to specific assets represents goodwill.

Principle for foreign currency translation

Assets and liabilities are translated according to the exchange rate on the balance sheet date.

Revenue and cost recognition

Revenue is recognised when it is earned. For ongoing surveys, revenue is recognised according to the degree of the data collection completion (completion level). Calculation of the completion level is based on the size of encountered costs compared to estimated total costs for the entire survey. When the vast majority of the seismic data is collected, the survey is defined as completed and the time of revenue recognition is altered to delivery. The defined time of survey completion is also of importance for calculation of potential minimum amortisation later on.

For ongoing surveys, a part of the revenue is set aside as not earned revenue. This delay in the revenue recognition is made to avoid premature revenue recognition considering the risk related to actual time of delivery, non-payment and other operational risks during the finishing and processing phase of a survey.

The company recognises revenue from sales of seismic data for finished projects at the time of delivery. The process up to delivery of seismic data normally includes collection, processing and delivery. Delivery of seismic data can be dependent on getting necessary permissions from the relevant authorities and cannot be made until such permissions are obtained.

Balance sheet classification

Expenses are charged in accordance with the Matching Principle. Current assets and short-term liabilities include items which are due within one year, as well as items which are related to the product life cycle. Other items are classified as fixed



assets/long-term liabilities. Current assets are valued at the lowest of acquisition cost and fair market value. Short-term liabilities are capitalised at face value at the time the liability was incurred. Fixed assets are valued at acquisition cost, but depreciated to fair market value if the loss of value is not expected to be temporary. Long-term liabilities are capitalised at face value at the time the liability was incurred.

Other receivables under financial fixed assets are reclassified from current assets to fixed assets. The corresponding figures are equivalently reclassified.

Inventory

Stocks of purchased goods are valued at the lowest of average acquisition cost and fair market value. Depreciations are made with regards to foreseeable obsolescence.

Intangible assets

Research and development costs are charged as expenses. Depreciation of patent rights will be carried out in accordance with the unit-of-output method, but minimum depreciation through expected economical life-span will be carried out until the patent rights generate sales.

As per December 31st 2003, the patent rights are written down to 0.

Depreciable assets

Depreciable fixed assets are recorded on the balance sheet at cost price less ordinary depreciation. Depreciation is calculated using the straight-line method over the assets' calculated lifetime. Expenses related to major replacement and renewal programmes are capitalised, while minor replacements, renewals, maintenance and repairs are charged to expenses.

Multi-client library

The multi-client library comprises finished projects or projects still being worked on, that can be licensed to more than one buyer. All direct and indirect costs related to collection of data, processing, and completion of seismic projects are capitalised.

The multi-client seismic library is capitalised at cost less accumulated amortisation. Amortisation is calculated in relation to accrued revenues for each survey as a percentage of the estimated total revenues for each project. Revenue estimates are revised continually. When determining amortisation rates, management considers estimated future sales, which could differ over time as market conditions change. Amortisation of the multi-client library may therefore fluctuate in line with actual revenues received and total estimated revenue.

In addition, the company will apply a minimum amortisation policy. Maximum net book value of the individual survey one year after completion will be 60 per cent of cost. After this point, the minimum amortisation represents 20 per cent of cost over the following three years. Minimum amortisation is calculated on an annual basis.

Depreciation of assets

Book values of fixed assets, intangible assets and financial fixed assets are evaluated by considering a decrease in value when events or a change in circumstances indicates a permanent decrease in value. The evaluation is based upon a comparison of the asset's market value and the book value. A possible write-down is booked as the difference between the asset's book value and the market value.



Receivables

Accounts receivable and other receivables are recorded on the balance sheet at face value. Provisions for bad debts are made on the basis of an individual evaluation of the receivable concerned.

Leases

The company has entered into several lease agreements. All of these are classified as operational. See note 13.

Development support

The subsidiary receives development support. Development support which is not related to royalty obligations, and where the expenses the support is intended to cover has been carried to expenses, is recorded as a cost reduction during the same period. Another type of development support applies to development projects for new technology where commercialisation of the technology incurs an obligation to pay royalties etc. to the provider of the support. Such support is not taken to income in the year the support is received, but is recorded as deferred revenue under long-term liabilities. At such time as the technology is sold, the item will be taken to income as a cost reduction at the same rate as the royalties are paid. If the technology concerned does not prove to be commercially viable, the support will be recorded as a cost reduction at that time.

Share based remuneration

Options in GGS represent a right for employees and management to subscribe for shares in GGS within a stated future date to an agreed subscription rate (subscription right). A possible positive intrinsic value at the time of allotment is charged as a payroll expense over the time of acquirement. Options are usually awarded with a subscription rate which either exceeds or equals the share price at the time of allotment, i.e. without intrinsic value. Social security tax related to the taxable benefit for the concessionary is charged as an expense over the time of acquirement based on the degree of acquirement and intrinsic value on the balance-sheet day.

Taxes

Tax expenses recorded in the profit and loss account comprise both taxes payable and changes in deferred tax. Deferred tax is calculated at 28 per cent on the basis of the temporary differences between accounting profit and taxable profit, as well as losses carried forward for the purposes of tax assessment at the end of the accounting year. Tax increasing and tax decreasing temporary differences which reverse or may reverse during the same period are set off against each other and recorded at net value.

The deferred tax benefit is not capitalised in the accounts, because the management states that a future tax benefit is most likely not realizable.

Note 1 - Corporate Structure and segment information

Global Geo Services ASA provides geophysical services, including collection, processing, sales and marketing of seismic data. The activities are primarily located in the Persian Gulf and the Sea of Oman.

Global Geo Services ASA owns 87,25 % of Triangle Equipment A/S. The company's main project is the development of a system to complement 'intelligent' oil wells. Related products include zone isolation packages for split reservoirs, rotational flow control sleeves and sensor systems for the monitoring of reservoir characteristics. These products are defined as development projects.

Revenues from geophysical activities are made in the Middle-East, except for revenues of NOK 7,7 million and an



operational profit of NOK 0 which are made in The Far East. The table below shows results for geophysical services (GGS) and well solutions (TE).

In NOK 1.000				Well solutions 2003	Well solutions 2002	Well solutions 2001
Gross operating revenue	165 024	130 295	354 055	87	30	-212
Depreciation, amortisation and write-down	-169 803	-100 462	-81 695	-111 281	-12 254	-455
Operating expenses	-45 345	-148 287	-116 554	-12 521	-19 733	-25 200
Operating profit/loss	-50 125	-118 454	155 806	-123 714	-31 957	-25 867
Finance expenses	-11 535	4 864	-18 236	-3 400	-1 166	-145
Profit before tax	-61 660	-113 590	137 569	-127 114	-33 123	-26 010

Table 1 - Segment information

Note 2 – Financial market risk

The group supplies its products to the international oil industry. This means that revenues and expenses are mainly designated in USD. The group's debt liabilities are in both NOK and USD. The company will evaluate the expediency of hedging contracts to reduce its currency exposure.

As per December 31st 2003, the company's liabilities in foreign currencies amounts to 18 278 772 USD and 84 981 GBP. Receivables in foreign currencies amounts to 4 130 533 USD. The company has not made any hedging transactions.

During 2003, the company has re-negotiated its financing. It has been a conversion of short-term liabilities into long-term liabilities of TNOK 66.211.

Note 3 – Salaries and other remuneration

Salaries and other compensation to employees

In NOK 1000	Group 2003	Group 2002	Group 2001	GGS 2003	GGS 2002	GGS 2001
Salaries	12 341	13 272	9 324	6 433	5 853	4 623
Bonus set aside	-	-5 414	7 240	-	-5 414	7 240
Employer's National Insurance Contribution	1 779	1 641	1 893	1 005	588	1 230
Other compensation	216	561	232	44	403	181
Total	14 336	10 060	18 689	7 482	1 430	13 274
Average no. of employees	16	26	16	8	8	6

Table 2 – Salaries and other compensation for the employees

NOTES



The company has established a bonus scheme for its employees. The scheme, which also applied in 2001 and 2002, means that employees qualify for a bonus if the company achieves a return on equity in excess of a stipulated level. This criterion was not met in 2003 and nothing is set aside for payment of bonuses in 2002 or 2003. The board set the total bonus for 2001 to TNOK 1.827.

On October 27th 2003 the Board agreed to reward Kjell G. Finstad, Anders Finstad and Trond Christoffersen with an extra half of their monthly salary due to their prominent work during a very difficult period for the company. For the same reason, the Board agreed to reward the Chairman of the Board Morten Andersen with an extra month's fee.

In NOK 1000	Group 2003	Group 2002	Group 2001	GGs 2003	GGs 2002	GGs 2001
Auditing	530	475	394	505	430	350
Other auditing related services	377	296	209	359	253	108
Tax compliance	55	43	40	45	33	25
Total	962	814	643	909	716	483

Table 3 – Auditor's remuneration, VAT excluded

As of 31st of December 2003, the company had no pension obligations.

Salary and compensation to the CEO and board of directors

In NOK 1000	Group 2003	Group 2002	Group 2001	GGs 2003	GGs 2002	GGs 2001
Salary, CEO	1 972	1 957	1 678	1 185	1 243	872
Other compensation, CEO	20	106	79	-	91	71
Fees and remuneration, board members	1 075	1 260	160	700	1 260	160
Consultant's fee to the Chairman of Board	1 500	-	-	1 500	-	-
Total	4 567	3 323	1 918	3 385	2 594	1 103

Table 4 – Salary and compensation to the CEO and board of directors

Salary, CEO in the table above consists of monthly fees for 1 month and accrued compensation for 3 months for Anders T. Utne plus monthly fees for 11 months for Glyn F. Roberts. Fees and remuneration for board members consist of approved fee for 2001 and 2002 and accrued fee for 2003. The fee for the Chairman of the Board in GGS ASA is TNOK 200 per year.

The consultant agreement with the chairman of the board can be cancelled by either party with a termination fee to the chairman of TNOK 375 corresponding to 3 months compensation. If GGS is in default with payments, the chairman has a right to terminate the agreement with a termination fee equal to the fee for the 6 preceeding months.



Realizable from year	Options contract		2004	2005	Total
	2002	2003			
Call price NOK per share	22,15	2,30	6,56	-	-
CEO	23 333	73 333	23 334	-	120 000
Chairman of the Board	-	324 000*	73 000	73 000	470 000
Other Board members	66 666	308 333	103 335	60 000	538 334
Other employees	44 998	225 000	45 002	-	315 000
Other	18 333	18 333	18 334	-	55 000
Total	153 330	948 999	263 005	133 000	1 498 334

Table 5 – Share option agreements

* 200 000 of these options have a call price equal to the mean of the share price on Oslo Stock Exchange in December 2003.

The market price on the balance-sheet day was NOK 2,14.

The board can issue up to 1 500 000 options in the company. Board members can be awarded with up to 30 000 options per year and the chairman of the board up to 40.000 options.

For 2003, the strike price for awarded and outstanding options for employees and board members is NOK 2.30 for a total of 948 999 options. The strike price for other options is determined in the year they may be exercised. The strike price is equal to the average price of the first five days of trading on the stock exchange after the interim accounts for the last year is announced.

The options expire 5 years after they are awarded and at the 1st of November 2005 as the latest. One third of the options may be exercised from 1st January 2002, and a third may be exercised from 1st January 2003. The remaining third may be exercised from 1st January 2004. Those options which are not exercised upon the above-mentioned dates will continue to run. The exercise of options shall, as a general rule, be conditional on the individual still being employed by the company or a member of its board of directors on the date the options are exercised.

The implementation of the share option program assumes that the company either purchases a corresponding number of its own shares or issues new shares. The company may only purchase its own shares if the AGM has given the board of director's authority to do so, see section 9-4 of the Public Limited Liability Companies Act.





Note 4 – Taxes

TAX EXPENSES:

In NOK 1000	Group 2003	Group 2002	GGs 2001	GGs 2003	GGs 2002	GGs 2001
Taxes payable	-	-	35 079	-	-	35 079
Change in deferred tax expenses	-	-2 155	-3 834	-	-325	3 462
Total tax expenses	-	-2 155	31 245	-	-325	38 541

TAX PAYABLE:

In NOK 1000	Group 2003	Group 2002	Group 2001	GGs 2003	GGs 2002	GGs 2001
Profit before tax	-188 774	-146 713	11 558	-161 660	-160 527	137 570
Permanent differences	-42	-11 872	103	745	-2 210	78
Taxable loss realisation of shares	-12 750	-	-	-12 750	-	-
Depreciation of shares	-	-	-	100 000	46 937	-
Depreciation of patent rights, Group	108 324	12 036	-	-	-	-
Change in temporary differences	6 117	7 926	17 381	-564	7 881	18 669
Received contribution from the Group	-	-	-	-	-	-65 191
Loss carried forward	-	-	-68 949	-	-	-31 033
Basis, payable taxes	-87 125	-138 624	60 093	-74 229	-107 920	60 093
Tax 28%	-	-	16 826	-	-	16 826

SPECIFICATION OF THE BASIS FOR DEFERRED TAXES:

In NOK 1000	Group 2003	Group 2002	GGs 2001	GGs 2003	GGs 2002	GGs 2001
Fixed assets	-6 939	-7 254	4 303	-6 375	-6 720	1 161
Current assets	-6 432	-	-	219	-	-
Shares in subsidiaries	-	-	-	-87 250	-46 937	-
Research and development	-12 000	-12 000	-12 000	-	-	-
Loss carried forward	-225 750	-138 624	-	-182 149	-107 920	-
Total	-251 121	-157 877	-7 697	-275 555	-114 640	1 161
Deferred tax benefit, 28%	-70 314	-44 206	-2 155	-77 155	-32 099	325

Table 6 – Taxes



The group operates in Iranian territorial waters in connection with the collection of seismic data for the PC-2000 project. The business activities undertaken by the group are not normally liable for taxes in Iran. However, if a tax liability in relation to Iran should arise, the Iranian national oil company (NIOC) is contractually bound to bear the tax expense within a specified framework. In addition, the group operates off the coasts of other countries in the Persian Gulf in connection with contract seismic surveying operations. If a tax liability with regard to these countries should arise, the group will seek a corresponding tax deduction from its Norwegian tax expenses. No provisions for any such tax liabilities have been made.

The company has not capitalised the deferred tax benefit for 2003 in its accounts. Deferred tax benefit is the value of taxable losses and other tax-positions. These positions will have a value only if the company achieves revenue that is bigger than the booked value of the seismic library and the company's future costs. Thus, the value of the tax advantage is significantly less secure than the value of the seismic library. If the sales-situation alters, the value can be capitalised later.

The loss carried forward expires in the period 2011-2013.

The Government's Tax Reform Proposal (Stortingsmelding 29) from March 26th 2004, suggests that company shareholders no longer can deduct losses from realisation of shares. If the Tax Reform is passed, this implies that a possible loss from a realisation of the subsidiary Triangle Equipment's shares will not yield any tax deduction for GGS.

Note 5 – Property, plant and equipment, and immaterial assets

The Group

In NOK 1000	Fixtures and equipment	Seismic library	Patent rights
Acquisition cost 01.01.03	13 291	711 092	120 360
Additions	293	25 436	-
Disposals	1 300	-	-
Acquisition cost 31.12.03	12 284	736 528	-
Accumulated depreciation/amortisation 31.12.03	-5 127	-361 504	-21 063
Accumulated write down 31.12.03	-6 590	-	-99 297
Net book value 31.12.03	567	375 025	-
Depreciation/amortisation for the year	-2 982	-169 778	-9 027
Write down for the year	-	-	-99 297
Lifetime	3-5 years	4 years	10 years

Table 7a – Property, plant and equipment, and immaterial assets



Global Geo Services ASA

In NOK 1000	Seismic library	Fixtures and equipment
Acquisition cost 01.01.03	711 092	11 851
Additions	25 436	277
Disposals	-	1 300
Acquisition cost 31.12.03	736 528	10 828
Accumulated depreciation 31.12.03	-361 504	-3 714
Accumulated write down 31.12.03	-	-6 590
Net book value 31.12.03	375 025	524
Depreciation for the year	-169 778	-25
Write down for the year	-	-
Lifetime	4 years	3-5 years

Table 7b – Property, plants and equipment, and immaterial assets

No changes have been made in the depreciation or amortisation plan in relation to previous years. There are no major discrepancies between expected economic lifetime and the depreciation plan. No leasing agreements have been capitalised. Patent rights were fully depreciated in 2003.

The fundamental agreements related to PC-2000 define sharing of revenues with Iranian companies and authorities after Global Geo services have covered its expenses. When its costs have been covered, Global Geo Services will be entitled to about 40 per cent of net sales revenues from PC-2000.

Valuation of multi-client seismic data may be inaccurate due to the fact that the data are realised over a longer time period and under varying market conditions. For the company's seismic data in Iran, the war threat in the area, as well as unclear licensing conditions, attach some uncertainty to the entered figures. In a possible forced situation, the real values are expected to be much lower than the entered values. A possible total sale of the total seismic library depends on approval from Iranian officials.

Note 6 – Accounts receivable and other receivables

Accounts receivable and other receivables are included on the balance sheet at net realisable value. TNOK 861 has been set aside for losses of receivables as per 31st of December 2003.

Other short-term receivables (GGS) TNOK 59 relate to loans to employees. Other long-term receivables (GGS) of the amount of TNOK 11.882 relate to loans to one of the seismic survey vessels that the company rents. The loan is being repaid in accordance with the agreed repayment plan.



Note 7 – Inventory

The company's inventory comprises the following sub-groups:

In NOK 1000	2003	2002	2001
Goods in progress	-	1 494	144
Raw materials	4 402	1 683	1 684
Stock of goods	4 402	3 178	1 828

Table 8 – Inventory

The inventory concerns the subsidiary – Triangle Equipment AS

Note 8 – Bank deposits, cash and cash equivalents

As per 31st of December 2003 the company had tied cash deposits in the form of compulsory employees' tax deductions in the amount of TNOK 504.

Note 9 – Equity

Global Geo Services ASA – development of equity

In NOK 1000	Share capital'	Not registered share capital	Premium fond	Other equity	Total
Equity 31.12.02	3 120	-	373 265	-	376 385
Debt conversion	161	-	6 565	-	6 726
Not registered debt conversion	-	1 011	-	-	1 011
Result for the year	-	-	-161 660	-	-161 660
Equity 31.12.03	3 281	1 011	218 170	-	222 461

The Group – development in equity

In NOK 1000	Share capital	Not registered share capital	Premium fond	Other equity	Total
Equity 31.12.02	3 120	-	373 265	-8 416	367 969
Debt conversion	161	-	6 565	-	6 726
Not registered debt conversion	-	1 011	-	-	1 011
Result for the year	-	-	-161 660	-27 114	-188 774
Equity 31.12.03	3 281	1 011	218 170	-35 530	186 932

Table 9 – Development in equity



Note 10 – Share capital and shareholder information

The registered share capital in the company is NOK 3.120.000 divided among 31.200.000 shares, each having a nominal value of NOK 0.10. The share capital is fully paid up. All shares give the same rights in the company. In addition 1.605.850 shares were subscribed and under registration, so the total amount of shares as per 31.12.2003 including shares under registration was 32.805.850.

Shareholder	No. of shares	%
Bygg og Eiendomsutvikling AS, dets konkursbo (*)	3 919 499	11,95 %
Den norske Bank ASA	3 800 000	11,58 %
BGP International Equipment (M.E)	1 605 850	4,90 %
Chrimago A/S	1 354 137	4,13 %
Spencer Finance Corporation Inc.	1 331 986	4,06 %
Voldberg, Tore Aksel	1 100 400	3,35 %
Skips AS Tudor	976 688	2,98 %
Tossan A/S	815 785	2,49 %
Skandinaviska Enskilda Banken	797 486	2,43 %
Korsgaard, Haakon	580 000	1,77 %
Investhon A/S	493 814	1,51 %
First Securities ASA	466 000	1,42 %
Rongevær, Otto	450 000	1,37 %
Tine Pensjonskasse	429 283	1,31 %
Jonica Enterprises Ltd.	413 487	1,26 %
Matspecialen AS	403 000	1,23 %
Helio A/S	387 000	1,18 %
Wilh Wilhelmsen ASA	332 725	1,01 %
Nordea Bank Denmark AS	281 549	0,86 %
Sandnes Investering ASA	250 338	0,76 %
No of shares, 20 largest shareholders	20 189 027	61,54 %
Other shareholders	12 616 823	38,46 %

Table 10 – The 20 largest shareholders as of 31.12.03

*) Former owned by Øyvind Hornæss

The company did not own any of its own shares as of 31st of December 2003.

NOTES



Shares owned by the board of directors and CEO

	No. of shares	%
Glyn F. Roberts	16 223	0,05 %
Morten Andersen	0	0,00 %
Hornnæss, Øyvind	0	0,00 %
Ramberg, Ivar B.	25 549	0,08 %
Finstad, Kjell G.	36 666	0,11 %
BGP International Equipment *	1 605 850	4,90 %
Egil Bergsager	4 728	0,01 %
Trond Christoffersen **	235 276	0,72 %

Table 11 – Shares owned by the board of directors and the CEO

* Liu Tielong is a member of the board in GGS and represents BGP International Equipment.

** Trond Christoffersen became CEO on February 29th 2004.

On the 30th of June 2003, the company's AGM voted on to grant the board of directors the authority to purchase the company's own shares. The authority is valid for a period of 18 months from that date. The authority has not been exercised.





Note 11 – Secured debts, guarantees, etc

As per 31st of December 2003 GGS had debts to credit institutions amounting to TNOK 16 688. This liability is secured by liens on the company's total receivables and the company's seismic data. The corresponding figure for the group as a whole was TNOK 27 071.

In addition, as of 31st of December 2003 the company had TNOK 51 812 in interest bearing liabilities with security in the company's seismic data and the company's total receivables. Entered value of the company's receivables was TNOK 18 771. Entered value of the company's seismic data was TNOK 375 025.

For further information see note 17.

Note 12 – Profit per share

As described in Note 3, the company has issued share options. The effect of potential shares has not been considered to the negative result. Therefore the result is not shown for diluted shares.

Profit for the year	Average no. of shares	Profit per share	No. of shares diluted	Profit per diluted share
-188 774	31 200 000	-6,05	31 640 662	-

Table 12 – Profit per share

Note 13 – Commitments

The company has operational leasing commitments which expire on different dates up until 2005. As per 31st of December 2003 future minimum fees related to non-terminable operational leasing contracts are:

In NOK 1000	Seismic ship GeoMariner	Rent	Other equipment
2004	45 340	537	11
2005	45 340	537	
2006	22 670	537	
2007		134	

Table 13 – Commitments

The table of rental commitments above is based on having the seismic vessel GeoMariner in production. If the ship should be laid-up or rented out to a third party of the boat owner, the rent and periods will be altered so that monthly costs are reduced or dropped, while the rental commitment is postponed in time.

Rent for Geo Mariner amounts to TNOK 15 180 in 2003 and TNOK 73 525 in 2002.



Note 14 – Related party transactions

In 2003 the company rented office space in Fagerstrand Næringsbygg A/S which is controlled by Kjell G. Finstad. For the accounting year 2003, the rental fee amounted to TNOK 537.

The company has also rented office space in London and bought processing-, interpretation- and other services from Continuum Resources UK Ltd, which is controlled by Kjell G. Finstad. For 2003, the fees amounted to TNOK 3 965.

The company has bought consulting services from Valkyrie Invest, controlled by Øyvind Hornæss. For the accounting year of 2003 these services amount to a total of TNOK 300.

To secure the operation in the subsidiary Triangle Equipment and to cover other short-term requirements, the company has entered short-term loan agreements with Valkyrie Invest, where Øyvind Hornæss is Chairman of the Board (loan amount TNOK 2.500), and with Trond Christoffersen (loan amount TNOK 660). For the accounting year of 2003 the costs of the loan agreement with Valkyrie Invest was TNOK 500 plus 12,78 per cent of the shares in Triangle Equipment and NOK 0 for the loan agreement with Trond Christoffersen. At year end there was TNOK 1 000 left to pay to Valkyrie Invest and TNOK 0 to Trond Christoffersen.

GGs has entered into an agreement with the Singapore registered company Continuity Solutions Pty Ltd (CSPL) regarding agent services in connection with the company's project in North-Korea and marketing of PC-2000 in the Far East. Trond Christoffersen, Morten Andersen and Kjell G. Finstad have an option to purchase in all 49.9 per cent of CSPL.

Note 15 – Short term liability

(In NOK 1 000)	Group 2003	Group 2002	Group 2001	GGs ASA 2003	GGs ASA 2002	GGs ASA 2001
Short term debt to						
Bank	-27 071	-45 933	-32 655	-16 688	-34 850	-27 035
Shareholders	-51 680	-60 124	-78 333	-51 680	-60 124	-78 339
BGP *	-	-143 047	-	-	-143 047	-
Deferred revenue	-3 338	-8 805	-	-3 338	-8 805	-
Other short term debt	-	-	-12 538	-	-	7
Total short term debt	-82 089	-257 909	-123 526	-71 706	-246 826	-105 367
Other short term debt to						
Suppliers	-48 167	-51 294	-259 774	-35 602	-41 414	-247 959
Other short term debt	-10 711	-8 104	-3 287	-7 716	-6 834	-9 609
Total other short term debt	-58 878	-59 398	-263 061	-43 318	-48 248	-257 568

* Supplier liabilities to BGP (2001) are converted to short-term loans in 2001 and in 2002. In 2003 the short-term loans were converted to long-term loans.

Table 14 – Short term liabilities



The company has converted TNOK 66 211 from short-term to long-term liabilities during 2003. The short-term liabilities are considerably reduced during 2003. The company is working persistently towards improved liquidity and a sounder financial situation.

Note 16 – Events after the balance-sheet day

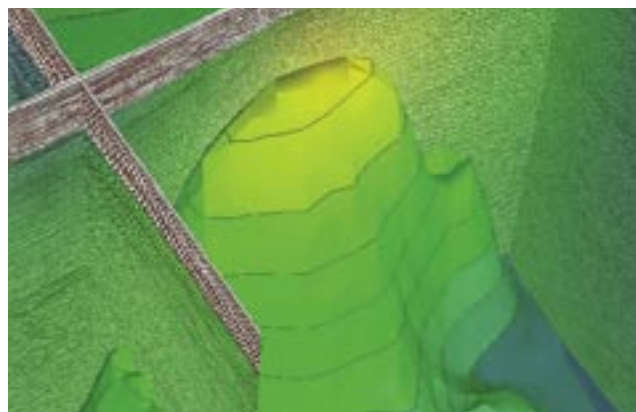
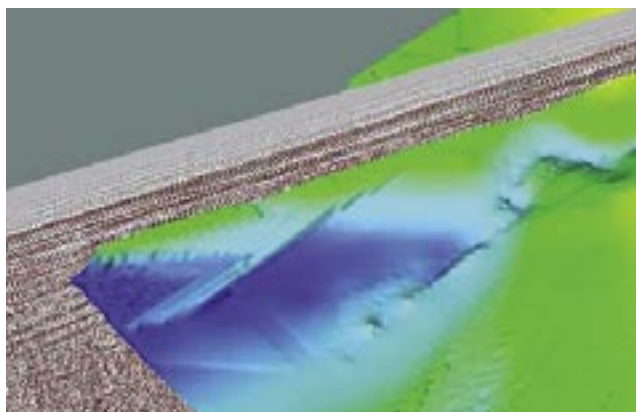
Øyvind Hornnæss resigned as board member 23rd of January 2004.

Kjell G. Finstad resigned as board member 3rd of February 2004. At the same time, the company entered a long-term agreement with Mr. Finstad stating that he will continue working for the company as a consultant. Mr. Finstad's main focus will be marketing and sales of seismic data and the development of new seismic projects. The agreement implies a minimum liability for the company over 5 years of the amount TNOK 5 400. If the sale exceeds the defined minimum values, this liability will be replaced by commissions, which in PC-2000's case will be between 3,25 and 4,25 per cent of gross sale.

Trond Christoffersen replaced Glyn F. Roberts as CEO the 29th of February 2004.

In January 2004 the company has guaranteed for TNOK 5 000 in extra draft facility for Triangle Equipment to Sandnes Sparebank. The facility was used in connection with the completion of TE's delivery of NESCOS-valves to Brasil.

The company has continued the current negotiations with their lenders aiming to extend short-term loan agreements near due date. Such extensions have as a routine been given for periods varying from 1 month at a time to 1 year. At the rendering of accounts negotiations regarding overdue loans are taking place with Skips AS, Tudor and ThonInvest. The company assumes that agreements will be made in these negotiations as they have by all previous due dates.





Note 17 – Subsidiaries

(IN NOK 1.000)

Company	Office location	Shareholding	Equity 31.12.2003	Profit for the year
Triangle Equipment AS	Stavanger	87,25 %	-35 529	-18 790
Entered value of subsidiary as of 01.01.03		100 000		
Depreciation		100 000		
Entered value of subsidiary as of 31.12.03		0		

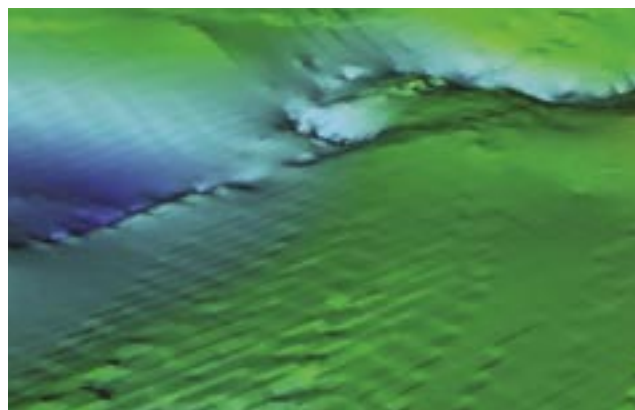
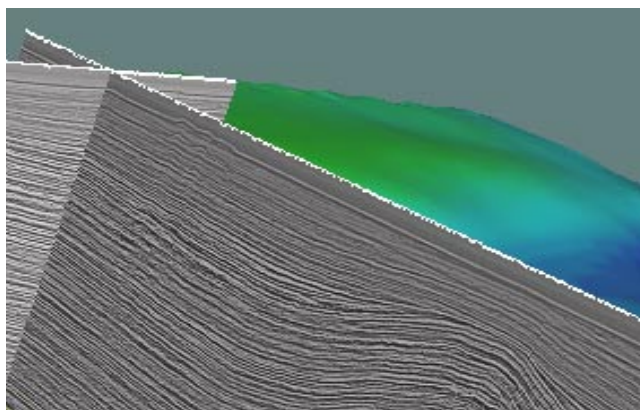
Table 15 – Subsidiaries

Global Geo Services ASA has guaranteed for TNOK 10 000 in draft facilities for Triangle Equipment AS.

Note 18 – Other operational expenses

In NOK 1000	Group	GGS
Office expenses	1 706	1 706
External services	7 831	7 831
Chartercosts	15 195	15 195
Other expenses	11 139	5 472
Total other operational expenses	35 871	30 204

Table 16- Other operational expenses



AUDITOR'S REPORT



To the Annual Shareholders' Meeting of
Global Geo Services ASA

Auditor's report for 2003

We have audited the annual financial statements of Global Geo Services ASA as of 31 December 2003, showing a loss of NOK 161,7 million for the parent company and a loss of NOK 188,8 million for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the consolidated accounts. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Chief Executive Officer. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2003, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its duty to properly register and document the accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and comply with law and regulations.

Without qualifying our opinion, we draw attention to the fact that due to the Company's and Group's weak liquidity situation and unsatisfactory financing of its activities, there is substantial doubt whether the Company and Group will be able to continue as a going concern. Realized value from a potential forced sale of the Company's and Group's assets, including multi-client library, would be significantly lower than book value. The matter is described in the financial statements and the Director's report.

Oslo, June 2004
Ernst & Young AS

Ernst Alsaker, State Authorised Public Accountant (Norway)

Note: The translation to English has been prepared for information purposes only.

THE GLOBAL GEO SERVICES MARKET



An interview with Egil Bergsager

Egil Bergsager has been a member of the GGS Board of Directors for more than a year. He has broad experience from the seismic industry as: Director of the Petroleum Directorate, Corporate Vice President of GECO and member of the Board of Directors of TGS-NOPEC.

Multi Client seismic is all about planning, collecting and marketing seismic data to several oil companies. It is a risky and competitive business, but very rewarding if successful. The winners are companies with geologists who can find the prospective areas, geophysicists able to apply optimal technology, network securing the necessary permissions needed from authorities, access to oil companies and perhaps most important of all; optimal timing of the surveys related to concession rounds etc., which calls for political competence.

GGS possess the competences needed, and has demonstrated ability to move fast and shown that with a small organisation, it can manage large projects like PC 2000 which is the largest multi client survey in the world.

Knowing a track record that includes the Persian Carpet, we have to say; it sounds like high risk.

Risk is about knowledge and risk management. GGS

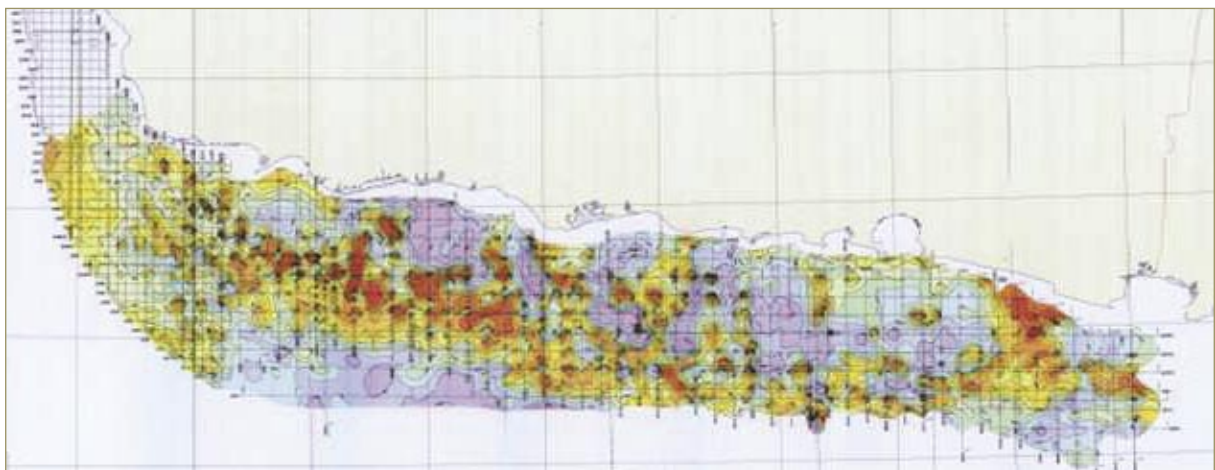
has now implemented strict procedures requiring pre-funding to start a survey. Future projects will face a thorough approval process.

We have to be able to see the less obvious exploration opportunities. This is in a way to be acting as a scout for the oil companies. The best deals are not advertised on big boards along the highway. Networking in the exploration community is vital. A seismic project can become successful in many ways. One way is to match a good project with the right taker. Sometimes this is a big oil company. Sometimes it is a small one. You have to know the preferences and capabilities of the potential clients.

After nearly two years of very low activity, can we expect an explosion of new GGS surveys all over the world?

We have a significant and varied portfolio of exciting projects. Some are only on the drawing table while others are in an advanced stage of negotiation. Following a very difficult year in 2002, last year showed significant improvement. I expect we will be able to start several new projects in 2004 and 2005.

The seismic market has remained tough and making money within Multi Client seismic is not necessarily easy any more (if it ever were). Are there any developments in how to generate extra income?



Multi Clients sales will continue to be the basic concept. Significant extra profit from the Persian Carpet by the uplift model which has been applied, is expected. Such models have been used in the industry before, especially in connection with Multi Client 3D data, but for the PC-2000 it has been applied on a large scale as a model for large volumes of 2D data. If a significant portion of the payment from the client is tied to his success, we believe the total payments from the client can become bigger. Creative ideas related to the success of the clients, may secure income beyond that from traditional sales.

Supplementary products, special processing and G&G consultancy can add value. Contract work can generate income and lower the risk for GGS., and in special cases, the seismic contractor may be partly paid, by the clients future petroleum production.

I believe the global market within seismic in general and multi client seismic in particular, is at the beginning of a significant up turn. High oil prices, access to many new areas and countries combined with relatively low exploration activities the last years and economic growth calling for increasing energy demand in large nations like China and India, are the main reasons for my assumptions.

The opportunities are ample, and I think GGS after the financial reconstruction, is in a position to develop very profitable projects and thereby increase the value for our share holders.



Egil Bergsager

LETTER FROM THE LEADER OF THE BOARD



Late January 2003 I was called up by Frode Finnøy, partner in the Steenstrup Stordrange law firm, who asked if I was ready for a challenge: the position as Chairman of the Board of GGS. I knew next to nothing about GGS, but accepted after a few quick inquiries.

The previous Board had been facing tough stands by the secured creditors and was considering seeking protection from the creditors through the Norwegian equivalent of Chapter 11, and/or conversion of debt to equity and raising equity at share-prices that would probably reduce the ownership of previous share-holders to near zero.

My task was to see if there was a way to protect both the interest of the creditors and the interest of the shareholders. There was not much time available, because the market confidence was at an all time low with share-price just above 2 NOK or only 10 % of the introduction price when listed late December 2000. For a company having assets that had cost 80 million dollars of investment, a market cap of only 20 % of that meant pricing in of a high risk of bankruptcy. The secured creditors were considering to pull the plug, collect remaining receivables and carry out a forced sale of the library.

But getting to know GGS, I realised that the company had extremely valuable assets – mainly the precious Persian Carpet. Not only with a sales potential, but with remarkable clauses in the contracts with existing clients. Existing oil company clients are contractually obliged to pay GGS more than 100 million dollars if they get awarded exploration or productions licences in the Persian Gulf or start petroleum production. The client list is consisting of top international oil companies. They have already spent tens of millions of dollars to buy from GGS and use the Persian Carpet, and their goal is exactly to get such licences and start petroleum production. It certainly seems worth waiting for some of these values to mature and get realised, compared with knocking GGS over and collect just a small fraction through a forced sale.

So we managed to build a common platform with all main creditors. The message was and still is, that everybody is best served by allowing GGS to keep

working to realise its potential. In this way everybody can get their money back and, very importantly, there will also be value for the shareholders. And the fact that all the main creditors were also shareholders, probably helped make this message come through.

So spring 2003, GGS was allowed some extension time but not a lot. Luckily, just before the bell was about to ring, we got firm proof of the sales potential of the Persian Carpet – a new client for the Persian Carpet willing to pay more than 4 million dollars immediately and also commit to a considerable uplift if successful in getting an E&P licence in the Persian Gulf. Since this point in time, I think we have had the secured creditors on side.

Next challenge was taking care of the unsecured creditors, most important without comparison was BGP with more than 20 million dollars outstanding. The goal was to find a win-win solution that would also be acceptable to secured creditors. To make a long story short: by the efforts of both parties we found such a solution. BGP got 6 transferable licences for the Persian Carpet at a good price. BGP has a reasonable chance to convert these licences to cash or other assets through selling them on to Chinese



Morten Andersen
Chairman of the Board





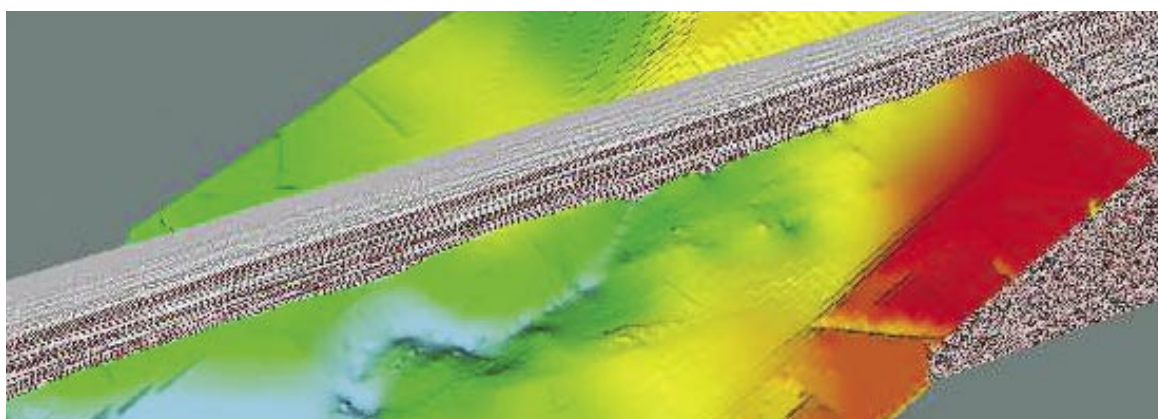
or other Far East oil companies. GGS has reasonable constraints on the reselling of these licences and also a significant upside should they generate more for BGP than the agreed price of 12 million dollars. BGP may get values earlier than they would have otherwise, given their position in GGS line of creditors, while GGS got its short term debt reduced by 12 million dollars and has negotiated serviceable terms for remaining debt.

As part of the deal, BGP became the third largest shareholder of GGS by conversion of another one million dollars of debt to shares at market rate plus a premium. Liu Tielong of BGP was elected a Board member of GGS in December 2003, and I hope in the future, GGS will have the possibility to cooperate with BGP to the mutual benefit of both companies. BGP is mainly a land seismic company and probably the world's largest and certainly the world's fastest

expanding. Good relations with such a company, can only be a good thing.

In any case, at the end of the year GGS had proved a capability to turn around. The strategy of Board is to continue on the path where we have set out in 2003. In short this means three things: Continued focus on improving the balance sheet. Develop the plan for where GGS shall be in 2-3 years from now. And last but not least: maximum sales effort.

I hope we can report further progress in all these respects at the next cross-road.



TRIANGLE EQUIPMENT AS



In May 2001, GGS acquired Triangle Equipment for NOK 5 million in cash plus 3.8 million GGS shares. From that time until today Triangle Equipment has continued the development of its patented production valves for use in oil wells.

The valves are available in two versions: NESCOS is surface controlled for use in the rapidly emerging "smart well"-market, typically sub-sea, while MRS is the lower cost alternative allowing for choking of wells in both onshore and offshore applications.

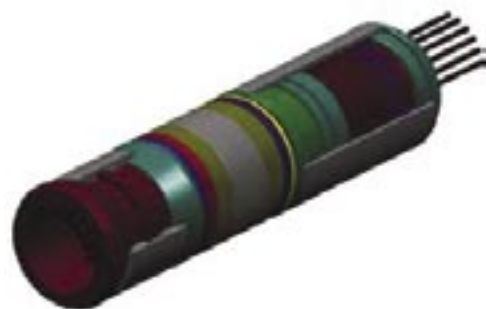
Triangle Equipment is beginning to get recognition in parts of its market that the valves have a superior design and have important features that can be offered by none of the competitors. The valves have a potential of taking large market shares and also creating a new market if they are successfully field proven. The delivery of the first NESCOS system to Brasil in the first half of 2004 is an important

milestone on the way to becoming accepted by the market.

During 2003, GGS, in a period of severe cash-flow problems, investigated various strategic solutions for Triangle Equipment, including the possibility of an outright sale. As no solution was found, a write down was made in the third quarter of 2003.

But after successfully financing the production and delivery of NESCOS to Brasil, the focus has now shifted back to developing the company. The Triangle Equipment team has proven competence, spirit and quality of work. That provides hope for growing the value of the company.

The strategy forward may include seeking alliances with partners in the oil service industry and possibly co-operation with other down-hole equipment providers with complementary products and services.



SHAREHOLDER INFORMATION



GGs shares

Global Geo Services ASA was listed on the Oslo Stock Exchange's SMB list on 27. December 2000.

As of 31 December 2003 the company's share capital amounted to NOK 3,280,585, distributed among 32,805,850 shares with a nominal value of NOK 0.10. The number of shares outstanding increased with 160,585 in connection with conversion of debt to equity in December 2003.

On the 15 December 2003 USD 1million of debt to BGP International Equipment M.E. Fze was converted to 1,605,850 shares at a rate of NOK 4.19/share. On the 7 January 2004 a debt of USD 0.15 million to Sealantic Co Fze was converted to 240,880 shares at NOK 4.20/share. On the 11 May 2004 a debt of USD 0.406 million to Sealantic Co. Fze was converted to 406,450 shares at NOK 6.84/share. Total share capital after these conversions will be NOK 3,345,318 distributed among 33,453,180 shares.

Share price development and liquidity

At its launch in December 2000, the price of the GGS share was NOK 20.00. The highest closing price achieved each year since then was NOK 36.30 (3 March 2001), NOK 21.40 (23 January 2002), NOK 4.30 (3 February 2003). The average closing price in 2003 was NOK 2.44. The highest price achieved during the 5 first months of 2004 was NOK 7.16 (3 March 2004) and the average closing price has been NOK 4.41 in this period.

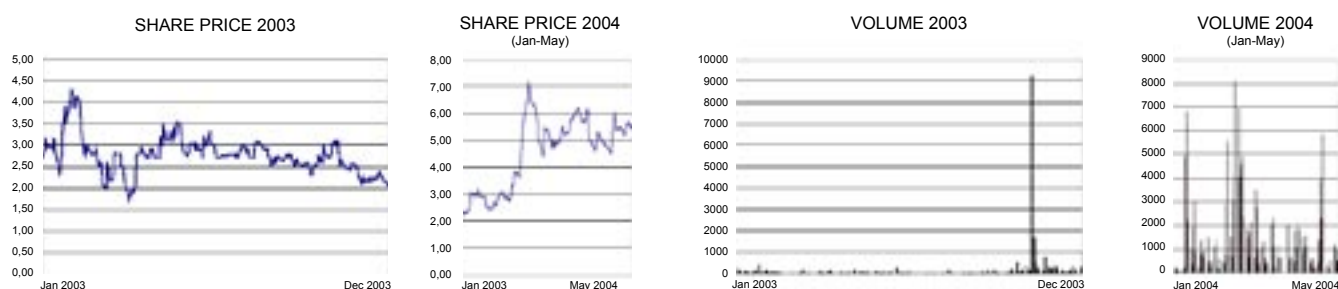
27.0 million shares were traded in the course of 2003, which gives an annual turnover rate of around 87 per cent, and an average number of share traded per day of 108.6 thousand. During the first 5 months of 2004 150.1 million shares were traded, which corresponds to an average number of shares traded per day of 1.486 million and would correspond to an annual turnover rate of around 1,090 per cent.

Shareholder and information policy

GGs aims to ensure the best possible pricing and liquidity for the company's shares. The goal is over time to give shareholders an attractive return on their investment in the company. Such return can come from increase in value of the shares or dividend payouts.

The company's share price at any given time is a result of the market's on-going evaluation of the value of the company. This evaluation is affected, among other things, by the company's financial results, its future outlook and the liquidity of its shares. GGS will ensure that information relevant to the market's evaluation of the company is made available to the whole investment market simultaneously.

Through its information activity, GGS shall contribute to making the company's business idea, concept and development opportunities more widely known and understood in the market.





Shareholders

As of 31.12.2003 GGS had 1 249 shareholders. The 20 largest shareholders were:

Shareholder	No. of shares	%
Bygg og Eiendomsutvikling AS, dets konkursbo (*)	3 919 499	11,95 %
Den norske Bank ASA	3 800 000	11,58 %
BGP International Equipment (M.E)	1 605 850	4,90 %
Chrimago A/S	1 354 137	4,13 %
Spencer Finance Corporation Inc.	1 331 986	4,06 %
Voldberg, Tore Aksel	1 100 400	3,35 %
Skips AS Tudor	976 688	2,98 %
Tossan A/S	815 785	2,49 %
Skandinaviska Enskilda Banken	797 486	2,43 %
Korsgaard, Haakon	580 000	1,77 %
Investhon A/S	493 814	1,51 %
First Securities ASA	466 000	1,42 %
Rongevær, Otto	450 000	1,37 %
Tine Pensjonskasse	429 283	1,31 %
Jonica Enterprises Ltd.	413 487	1,26 %
Matspecialen AS	403 000	1,23 %
Helio A/S	387 000	1,18 %
Wilh Wilhelmsen ASA	332 725	1,01 %
Nordea Bank Denmark AS	281 549	0,86 %
Sandnes Investerings ASA	250 338	0,76 %
No of shares, 20 largest shareholders	20 189 027	61,54 %
Other shareholders	12 616 823	38,46 %

*) Formerly owned by Øyvind Hornæss

The company did not own any of its own shares as of 31st of December 2003.

Shares owned by members of the Board and Senior Management

As of 31 December 2003 the members of the Board and the CEO controlled the following shares and options

	No. of shares	%	No. of options
Glyn F. Roberts	16 223	0,05 %	120 000
Morten Andersen	0	0,00 %	470 000
Hornnæss, Øyvind	0	0,00 %	30 000
Ramberg, Ivar B.	25 549	0,08 %	163 334
Finstad, Kjell G.	36 666	0,11 %	180 000
Liu Tielong / BGP International Equipment *	1 605 850	4,90 %	25 000
Egil Bergsager	4 728	0,01 %	140 000
Trond Christoffersen **	235 276	0,72 %	180 000

* Liu Tielong is a member of the board in GGS and represents BGP International Equipment.

** Trond Christoffersen became CEO on February 29th 2004.



BOARD



Morten Andersen
Chairman of the Board



Trond Christoffersen
Chief Executive Officer



Egil Bergsager



Ivar Ramberg



Liu Tielong



GGG CONTACTS & ADDRESSES

NORWAY:

Global Geo Services ASA
Fagerstrandbakken 59
1454 Fagerstrand, Norway
Telephone: +47 66964880
Telefax: +47 66964881
E-mail: post@ggs.biz
Web: www.ggs.biz

UNITED KINGDOM:

Global Geo Services
14 Caves Lane
Bedford
MK40 3DR, United Kingdom
Telephone: +44 1234 353887
Telefax: + 44 1234 358275
E-mail: glyn@globalgeoservices.co.uk

TRIANGLE EQUIPMENT AS

Fabrikkveien 9
4033 Stavanger
Norway
Telephone: +47 51816969
Telefax: + 47 51816968
E-mail: triangle@triangle.no
Web: www.teq.no

MANAGEMENT:

Leader of the Board
Chief Executive Officer
Manager Marketing/ New Ventures

Morten Andersen
Trond Christoffersen
Kjell G. Finstad

ma@ggs.biz
tc@ggs.biz
kgf@ggs.biz

UK OFFICE:

Manager

Glyn F. Roberts

glyn@globalgeoservices.co.uk

Global Geo Services ASA, Fagerstrandbakken 59, N-1454 Fagerstrand



