**UNITED STATES BANKRUPTCY COURT**
**SOUTHERN DISTRICT OF NEW YORK**

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| In re: | Chapter 11 |
| CGG HOLDING (U.S.) Inc., *et al.*, | Case No. 17-11637 (MG) |
| Debtors.[1] | (Jointly Administered) |

# DISCLOSURE STATEMENT FOR JOINT CHAPTER 11 PLAN OF REORGANIZATION OF CGG HOLDING (U.S.) INC. AND CERTAIN AFFILIATES

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Dated: August 25, 2017

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number or foreign jurisdictional equivalent, where applicable, are as follows: CGG Holding (U.S.) Inc. (6762); CGG Holding B.V. (0546); CGG Marine B.V. (6386); CGG Holding I (UK) Limited (3009); CGG Holding II (UK) Limited (1926); CGG Services (U.S.) Inc. (3790); Alitheia Resources Inc. (5147); Viking Maritime Inc. (7405); CGG Land (U.S.) Inc. (2437); Sercel Inc. (6603); Sercel-GRC Corp. (1837); Sercel Canada Ltd. (0001); CGG Canada Services Ltd. (4132); and CGG Marine Resources Norge AS (4989). The location of the Debtors' and their non-Debtor affiliates' global corporate headquarters is Tour Maine-Montparnasse 33, Avenue du Maine, B.P. 191, 75755 Paris Cedex 15, France.

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2 The Exhibits to the Safeguard Plan will be filed in the Plan Supplement.

# I. INTRODUCTION

## A. Overview

CGG HOLDING (U.S.) INC. ("Holding US") and certain of its affiliates, as debtors and debtors in possession in the above-captioned cases and plan proponents (collectively, the "Debtors"), and CGG S.A., a non-debtor and also a plan proponent ("CGG" together with the Debtors, the "Company" or "Plan Proponents"), are sending you this document and the accompanying materials (this "Disclosure Statement") because you are a creditor entitled to vote to approve the *Joint Chapter 11 Plan of Reorganization of CGG Holding (U.S.) Inc. and Certain Affiliates*, dated August 25, 2017, as the same may be amended from time to time (the "Plan"). The Plan is attached as Exhibit A.

All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan. To the extent that a definition of a term in the text of this Disclosure Statement and the definition of such term in the Plan are inconsistent, the definition included in the Plan shall control and govern.

The Plan Proponents are soliciting your vote to approve the Plan (the "Solicitation") *ONLY* upon the Court (i) approving this Disclosure Statement as containing adequate information and (ii) approving the solicitation of votes as being in compliance with sections 1125 and 1126(b) of the Bankruptcy Code.

The Plan is part of a comprehensive reorganization of the Company in France and the United States through plans approved (i) in the Safeguard and (ii) under chapter 11 of the Bankruptcy Code with respect to the Debtors. The Safeguard Plan is attached as Exhibit B.

The Restructuring Plans implement the Company's financial reorganization. CGG, along with the Debtors, is a plan proponent within the meaning of section 1129 of the Bankruptcy Code and will sponsor the Plan. By way of overview, the Plan provides for payment in full in Cash of all Administrative Claims, inclusive of Claims against any of the Debtors arising under section 503(b)(9) of the Bankruptcy Code and priority claims against the Debtors (subject to permitted installment payments for certain Priority Tax Claims).

In addition, the Restructuring Plans provide for the treatment of Allowed Claims against, and Interests in, the Plan Proponents as follows (all of the securities issuable under the Restructuring Plans are referred to in this Disclosure Statement as the "Securities"):

1. Secured Funded Debt Claims. Holders of Secured Funded Debt Claims will receive under the Restructuring Plans their pro rata share (based on the aggregate principal amount of the Secured Funded Debt Claims less the Termed Out French RCF Claims) of (x) New First Lien Notes and (y) the Secured Funded Debt Claims Cash Payment. Under the Safeguard Plan, as described therein, Holders of French RCF Claims had the option to elect to be termed-out under the Safeguard Plan instead of receiving their pro rata share of New First Lien Notes and the Secured Funded Debt Claims Cash Payment. As further discussed below, all Holders of French RCF Claims who made an election under the Safeguard Plan opted to receive their pro rata share of the New First Lien Notes and the Secured Funded Debt Claims Cash

Payment. Accordingly, as further described in Article V.A.1(c)(iii) of this Disclosure Statement, only Debtors with subrogated claims against CGG S.A., or Holders of French RCF Claims who fail to complete the necessary election paperwork or that are otherwise deemed to have elected a term-out of their claims under the Safeguard Plan, will receive such treatment.

Notwithstanding the foregoing, all Allowed Secured Funded Debt Claims may, at the election of CGG, be repaid in full in cash pursuant to a refinancing to occur on or prior to the Effective Date at the latest (but in any event, after the date of entry of the French Plan Sanction Order).

For the avoidance of doubt, on the Effective Date, the Debtors shall pay (i) all post-petition interest at the rate specified in the Final Cash Collateral Order owed to the Secured Finance Parties that remains accrued but unpaid as of the Effective Date and (ii) all other Adequate Protection Obligations and all other fees and expenses owed to the Secured Finance Parties under Article II.B of the Plan. Holders of Allowed US Secured Funded Debt Claims are entitled to payment in Cash of any accrued and unpaid interest and fees due, if any, on the Effective Date.

2. Senior Notes Claim; Senior Notes Accrued Interest Claims. In each case as more fully described in the Safeguard Plan, each Holder of an Allowed Senior Note and Senior Notes Accrued Interest Claim will receive the following treatment:

Under the Safeguard Plan, (i) conversion into New CGG Shares in the context of the Rights Issue, at a price equal to the Euro equivalent of $1.75 per New CGG Share with Warrants 2, by way of set-off against the Allowed Senior Notes Claims if, and to the extent that, the backstop of the Holders of Senior Notes is called and (ii) conversion into New CGG Shares in the context of the Senior Notes Equitization at a price equal to the Euro equivalent of $3.50 per New CGG Share, in each case in accordance with and subject to the Safeguard Plan.

Each Holder of an Allowed Senior Notes Accrued Interest Claim has the option to, in each case in accordance with and subject to the Safeguard Plan, (i) elect conversion of such Allowed Senior Notes Accrued Interest Claim into the New Second Lien Interest Notes in a principal amount of such Holder's pro rata share of $86 million or (ii) to retain their Claims, which will be repaid over 10 years from the date of the French Plan Sanction Order in accordance with the payment schedule provided for in the Safeguard Plan.

Holders of an Allowed Senior Notes Claims will receive under the Plan rights under the guarantees of the New Second Lien Notes (if they are entitled to such New Second Lien Notes under the New Second Lien Notes Private Placement Agreement) and the New Second Lien Interest Notes granted by the Guarantor Debtors (if they have opted to receive such New Second Lien Interest Notes) in each case in accordance with and subject to the Safeguard Plan.

3. Convertible Bond Claims. In accordance with and subject to the terms and conditions of the Safeguard Plan, Convertible Bond Claims will be converted into New CGG Shares. Convertible Bond Claims are not classified as (or in) a Class under the Plan, are not entitled to vote to accept or reject the Plan, and are not entitled to any distribution on account of

such Claims under the Plan. Each Holder of a Convertible Bond Claim is only entitled to receive the treatment provided for such Claim in the Safeguard Plan.

4. General Unsecured Claims. Holders of General Unsecured Claims will be paid in the ordinary course of the Debtors' business during the Chapter 11 Cases, or, to the extent not paid in the ordinary course of business, Reinstated.

5. Intercompany Claims and Intercompany Interests. Intercompany Claims and Intercompany Interest will be Reinstated.

6. Holders of CGG Shares. In accordance with and subject to the terms and conditions of the Safeguard Plan, holders of Existing CGG Shares will receive Warrants 1 and will receive preferential subscription rights to subscribe for the Euro equivalent of $125 million of New CGG Shares in the Rights Issue, subject to applicable securities laws. Holders of Existing CGG Shares are not classified as (or in) a Class under the Plan, are not entitled to vote to accept or reject the Plan, and are not entitled to any distribution on account of such Interests under the Plan.

The Plan does not provide for the substantive consolidation of any of the Debtors' estates. The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of the Court. Accordingly, the Plan constitutes a separate plan of reorganization for each Debtor in the Chapter 11 Cases.

**ONLY HOLDERS OF PREPETITION SECURED FUNDED DEBT CLAIMS (CLASSES 3 AND 4) AND PREPETITION SENIOR NOTES CLAIMS (CLASS 5) ARE ENTITLED TO VOTE ON THE PLAN AND ARE BEING SOLICITED UNDER THIS DISCLOSURE STATEMENT.**

**HOLDERS OF ALLOWED GENERAL UNSECURED CLAIMS WILL NOT BE IMPAIRED BY THE PLAN AND, AS A RESULT, THE RIGHT TO RECEIVE PAYMENT IN FULL ON ACCOUNT OF EXISTING OBLIGATIONS IS NOT ALTERED BY THE PLAN. DURING THE CHAPTER 11 CASES, THE PLAN PROPONENTS HAVE BEEN OPERATING AND INTEND TO CONTINUE OPERATING THEIR BUSINESSES IN THE ORDINARY COURSE.**

**RECOMMENDATION BY THE BOARD AND CREDITOR SUPPORT**

The board of directors of CGG and Holding US and the board of directors or the sole member of each of the affiliates of Holding US that are Debtors, have approved the transactions contemplated by the Restructuring Plans and recommend that all creditors whose votes are being solicited submit ballots to **accept** the Plan.

Holders of more than 77% in outstanding principal amount of the Secured Funded Debt Claims and 86% in outstanding principal amount of the Senior Notes Claims entitled to vote on the Plan have already committed, subject to certain terms and conditions, including receipt of this Disclosure Statement, to vote in favor of the Plan pursuant to a Lock-Up Agreement attached as Exhibit D. On July 28, 2017, the Holders of Secured Funded Debt Claims unanimously approved the Safeguard Plan in the Safeguard, and a 93.5% majority of the Holders of Senior Notes Claims and Holders of Convertible Bonds who cast a vote in the Safeguard also approved the Safeguard Plan.

The Plan Proponents believe that the Plan, together with the Safeguard Plan, provides the best restructuring alternative available to the Company. Together, the restructuring achieves:

- a 100% recovery to Allowed General Unsecured Claims and all creditors who are Unimpaired under the Plan;
- a new money infusion of up to $500 million;
- a principal reduction through an up to $150 million pay down and extension of the remaining terms of the prepetition secured funded debt; and
- deleveraging the Company's balance sheet by equitizing approximately $1.54 billion of prepetition Senior Notes and $403.5 million in prepetition Convertible Bonds.

Through the restructuring, the Plan Proponents expect to create a sustainable capital structure that will position the Company for success in the energy exploration, production and development industry.

In addition, the Company believes that the Financial Restructuring will maximize the value of its businesses and preserve the integrity of the Company's diverse business lines. Moreover, the Financial Restructuring provides a framework for the long-term sustainability of the Company's businesses for the benefit of its employees and customers and positions it well from a liquidity perspective.

**VOTING DEADLINE:**
**5:00 P.M. PREVAILING NEW YORK TIME ON SEPTEMBER 22, 2017**

(unless extended by the Plan Proponents)

**BENEFICIAL HOLDERS WHO HOLD THEIR CLAIMS THROUGH NOMINEES MUST RETURN SUCH BENEFICIAL HOLDER BALLOTS TO THEIR RESPECTIVE INTERMEDIARY RECORD OWNERS AS SOON AS POSSIBLE TO ALLOW SUFFICIENT TIME FOR INTERMEDIARY RECORD OWNERS TO VALIDATE AND INCLUDE THEIR VOTES ON A MASTER BALLOT AND RETURN SUCH MASTER BALLOTS TO THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.**

**FOR YOUR VOTE TO BE COUNTED, THE MASTER BALLOT SUBMITTED ON YOUR BEHALF TO YOUR NOMINEE MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.**

**IF YOU HOLD YOUR CLAIMS DIRECTLY, YOU MUST RETURN YOUR COMPLETED BALLOT TO THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.**

**THE PLAN PROPONENTS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS FOR THE PURPOSE OF SOLICITING VOTES TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING ALL ATTACHED EXHIBITS AND DOCUMENTS INCORPORATED INTO THIS DISCLOSURE STATEMENT, AS WELL AS THE RISK FACTORS DESCRIBED IN SECTION IX OF THIS DISCLOSURE STATEMENT.**

**HOLDERS OF SECURED FUNDED DEBT CLAIMS AND SENIOR NOTES CLAIMS HAVE SEPARATELY RECEIVED VOTING BALLOTS TO ACCEPT OR REJECT THE SAFEGUARD PLAN IN THE SAFEGUARD AND HAVE CAST SUCH BALLOTS. FOR THE AVOIDANCE OF DOUBT, HOLDERS OF SECURED FUNDED DEBT CLAIMS AND SENIOR NOTES CLAIMS WILL ALSO VOTE TO ACCEPT OR REJECT THE CHAPTER 11 PLAN IN THE CHAPTER 11 CASES.**

**UPON CONFIRMATION OF THE PLAN, CERTAIN OF THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, 15 U.S.C. SECTIONS 77A–77AA, TOGETHER WITH THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "SECURITIES ACT"), OR SIMILAR U.S. FEDERAL, STATE OR LOCAL LAWS TO PERSONS RESIDENT OR OTHERWISE LOCATED IN THE UNITED STATES IN RELIANCE ON THE EXEMPTION SET**

**FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE. OTHER SECURITIES MAY BE ISSUED PURSUANT TO OTHER APPLICABLE EXEMPTIONS UNDER THE U.S. FEDERAL AND APPLICABLE STATE AND LOCAL SECURITIES LAWS AND THE LAWS OF FOREIGN JURISDICTIONS, AS APPLICABLE. TO THE EXTENT EXEMPTIONS FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY CODE OR OTHER APPLICABLE LAWS DO NOT APPLY, THE SECURITIES MAY NOT BE OFFERED OR ISSUED TO PERSONS RESIDENT OR OTHERWISE LOCATED IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.**

**NO SECURITIES TO BE ISSUED PURSUANT TO THE PLAN HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL OR REGULATORY AUTHORITY WHETHER IN THE UNITED STATES, FRANCE OR ELSEWHERE. THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED FOR APPROVAL WITH THE SEC OR ANY STATE AUTHORITY AND NEITHER THE SEC NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. NEITHER THIS SOLICITATION NOR THIS DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.**

**THIS DISCLOSURE STATEMENT CONTAINS "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY SUCH AS "MAY," "EXPECT," "ANTICIPATE," "ESTIMATE" OR "CONTINUE" OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE PLAN PROPONENTS CONSIDER ALL STATEMENTS REGARDING ANTICIPATED OR FUTURE MATTERS TO BE FORWARD-LOOKING STATEMENTS.**

Forward-looking statements may include statements about:

- the impact of the current economic environment and oil and natural gas prices;
- the social, political and economic risks of the Company's global operations;
- the risks associated with activities operated through joint ventures in which the Company holds a minority interest;
- any write-downs of goodwill on the Company's balance sheet;

- the Company's ability to sell its seismic data library;
- exposure to foreign exchange rate risk;
- the Company's ability to finance its operations on acceptable terms;
- the impact of fluctuations in fuel costs on the Company's marine acquisition business;
- the weight of intra-group production on the Company's results of operations;
- the timely development and acceptance of the Company's new products and services;
- difficulties and costs in protecting intellectual property rights and exposure to infringement claims by others;
- ongoing operational risks and the Company's ability to have adequate insurance against such risks;
- the Company's liquidity and outlook;
- the implementation of the Restructuring Transactions;
- the level of capital expenditures by the oil and gas industry and changes in demand for seismic products and services;
- the client's ability to unilaterally delay or terminate certain contracts in its backlog;
- the effects of competition;
- difficulties in adapting the Company's fleet to changes in the seismic market;
- the seasonal nature of the Company's revenues;
- the costs of compliance with governmental regulation, including environmental, health and safety laws;
- the Company's ability to access the debt and equity markets during the periods covered by the forward-looking statements, which will depend on general market conditions and on the Company's credit ratings for its debt obligations;
- exposure to interest rate risk; and

- the Company's success at managing the foregoing risks.

**STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF THE REORGANIZED DEBTORS' OR CGG'S FUTURE PERFORMANCE. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE REORGANIZED DEBTORS' OR CGG'S ACTUAL PERFORMANCE OR ACHIEVEMENTS TO BE DIFFERENT FROM THOSE THEY MAY PROJECT, AND THE PLAN PROPONENTS UNDERTAKE NO OBLIGATION TO UPDATE THE PROJECTIONS MADE HEREIN, EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW. THE READER IS CAUTIONED THAT ALL FORWARD-LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE PRESENTED TO IN SUCH FORWARD-LOOKING STATEMENTS. THE LIQUIDATION ANALYSIS, PROJECTIONS AND OTHER INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ESTIMATES ONLY, AND THE VALUE OF THE PROPERTY DISTRIBUTED TO HOLDERS OF ALLOWED CLAIMS OR EQUITY INTERESTS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE, ANY ANALYSES, ESTIMATES OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE. FOR MORE INFORMATION REGARDING THE FACTORS THAT MAY CAUSE ACTUAL RESULTS TO DIFFER FROM THOSE PRESENTED IN THE FORWARD-LOOKING STATEMENTS, PLEASE REFER TO SECTION IX – CERTAIN RISK FACTORS TO BE CONSIDERED OF THIS DISCLOSURE STATEMENT AND "ITEM 3 – KEY INFORMATION – RISK FACTORS" OF THE ANNUAL REPORT ON FORM 20-F FOR THE YEAR ENDED DECEMBER 31, 2016 OF CGG, FILED WITH THE SEC AND INCORPORATED BY REFERENCE IN THIS DISCLOSURE STATEMENT.**

**HOLDERS OF ALLOWED GENERAL UNSECURED CLAIMS WILL NOT BE IMPAIRED BY THE PLAN AND, AS A RESULT, THE RIGHT TO RECEIVE PAYMENT IN FULL ON ACCOUNT OF SUCH OBLIGATIONS IS NOT ALTERED BY THE PLAN.**

**THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016 AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS.**

**ALL SECURITIES DESCRIBED HEREIN ARE EXPECTED TO BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS ("BLUE SKY LAWS"). THE PLAN PROPONENTS INTEND TO RELY ON THE FOLLOWING EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT AND BLUE SKY LAWS:**

- **SECTION 4(A)(2) OF THE SECURITIES ACT, AND REGULATION D PROMULGATED THEREUNDER, TO EXEMPT**

**FROM SUCH REGISTRATION THE OFFER AND ISSUANCE OF THE NEW SECOND LIEN NOTES AND WARRANTS 3 TO CERTAIN ELIGIBLE HOLDERS OF SENIOR NOTE CLAIMS IN THE NEW SECOND LIEN NOTES PRIVATE PLACEMENT.**

- **SECTION 1145 OF THE BANKRUPTCY CODE, IN RESPECT OF (1) THE ISSUANCE OF THE NEW FIRST LIEN NOTES TO HOLDERS OF SECURED FUNDED DEBT CLAIMS; (2) THE CONVERSION OF SENIOR NOTES CLAIMS INTO NEW CGG SHARES PURSUANT TO THE SAFEGUARD PLAN; AND (3) THE ISSUANCE OF NEW SECOND LIEN INTEREST NOTES TO HOLDERS OF SENIOR NOTES ACCRUED INTEREST CLAIMS.**

**TO THE EXTENT THAT THE PLAN PROPONENTS RELY ON A PRIVATE PLACEMENT EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT FOR THE OFFER AND ISSUANCE OF ANY SECURITIES, THOSE SECURITIES WILL BE SUBJECT TO RESTRICTIONS ON TRANSFER UNDER THE SECURITIES ACT AND MAY ONLY BE RESOLD OR OTHERWISE TRANSFERRED PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN THE CASE OF NEW CGG SHARES, SO LONG AS THE NEW CGG SHARES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(A)(3), THEY MAY NOT BE DEPOSITED IN ANY UNRESTRICTED DEPOSITARY RECEIPTS FACILITY ESTABLISHED OR MAINTAINED IN RESPECT OF THE NEW CGG SHARES (INCLUDING THE ADS FACILITY).**

**THE PLAN PROPONENTS RECOMMEND THAT POTENTIAL RECIPIENTS OF ANY NEW FIRST LIEN NOTES, NEW SECOND LIEN NOTES AND NEW CGG SHARES PURSUANT TO THE RESTRUCTURING PLANS CONSULT THEIR OWN LEGAL COUNSEL CONCERNING THE SECURITIES LAWS GOVERNING THE TRANSFERABILITY OF ANY SUCH NEW NOTES AND NEW STOCK.**

**NO LEGAL OR TAX ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. THE PLAN PROPONENTS URGE EACH HOLDER OF A CLAIM TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHER, THE COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE COURT'S APPROVAL OF THE MERITS OF THE PLAN OR A GUARANTEE BY THE COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.**

**THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE RESTRUCTURING PLANS, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES, THE**

**SAFEGUARD AND CERTAIN DOCUMENTS RELATED TO THE RESTRUCTURING PLANS THAT ARE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE OR THAT MAY BE FILED LATER WITH THE PLAN SUPPLEMENT. ALTHOUGH THE PLAN PROPONENTS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN AND CONTROL FOR ALL PURPOSES. EXCEPT AS OTHERWISE SPECIFICALLY NOTED, FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE PLAN PROPONENTS' MANAGEMENT. THE PLAN PROPONENTS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.**

**IN PREPARING THIS DISCLOSURE STATEMENT, THE PLAN PROPONENTS RELIED ON FINANCIAL DATA DERIVED FROM THE PLAN PROPONENTS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE PLAN PROPONENTS' BUSINESS. THE PLAN PROPONENTS' MANAGEMENT HAS REVIEWED THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE PLAN PROPONENTS HAVE USED THEIR REASONABLE BUSINESS JUDGMENT TO ENSURE THE ACCURACY OF THIS FINANCIAL INFORMATION, THE FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED (UNLESS OTHERWISE EXPRESSLY PROVIDED HEREIN) AND NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE PLAN PROPONENTS' BUSINESS AND ITS FUTURE RESULTS AND OPERATIONS. THE PLAN PROPONENTS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.**

**NEITHER THIS DISCLOSURE STATEMENT, THE PLAN, THE CONFIRMATION ORDER NOR THE PLAN SUPPLEMENT WAIVE ANY RIGHTS OF THE DEBTORS WITH RESPECT TO THE HOLDERS OF CLAIMS OR INTERESTS PRIOR TO THE EFFECTIVE DATE. RATHER, THIS DISCLOSURE STATEMENT SHALL CONSTITUTE A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO POTENTIAL CONTESTED MATTERS, POTENTIAL ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS.**

**NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR LITIGATION CLAIM OR PROJECTED OBJECTION TO A PARTICULAR CLAIM IS OR IS NOT IDENTIFIED IN THIS DISCLOSURE**

**STATEMENT. EXCEPT AS PROVIDED UNDER THE PLAN, THE PLAN PROPONENTS OR THE REORGANIZED DEBTORS AND CGG MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE CLAIMS AND CAUSES OF ACTION AND MAY OBJECT TO CLAIMS AFTER CONFIRMATION OR THE EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS ON THE TERMS SPECIFIED IN THE PLAN.**

**THE PLAN PROPONENTS ARE GENERALLY MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF WHERE FEASIBLE, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE PLAN PROPONENTS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE PLAN PROPONENTS HAVE NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS SENT. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE PLAN PROPONENTS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME, SUBJECT TO THE TERMS OF THE LOCK-UP AGREEMENT AND RESTRUCTURING SUPPORT AGREEMENT.**

**THE PLAN PROPONENTS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE PLAN PROPONENTS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE PLAN PROPONENTS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.**

**HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE COMPANY AND THEIR OWN ANALYSES OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. IMPORTANTLY, PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN A VOTING CLASS SHOULD REVIEW THE PLAN IN ITS ENTIRETY AND CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO.**

**IF THE PLAN IS CONFIRMED BY THE COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS (INCLUDING THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) AGAINST THE DEBTORS WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.**

**NOTWITHSTANDING ANY RIGHTS OF APPROVAL PURSUANT TO THE LOCK-UP AGREEMENT OR OTHERWISE AS TO THE FORM OR SUBSTANCE OF THIS DISCLOSURE STATEMENT, THE PLAN OR ANY OTHER DOCUMENT RELATING TO THE TRANSACTIONS CONTEMPLATED THEREUNDER, NONE OF THE CREDITORS WHO HAVE EXECUTED THE LOCK-UP AGREEMENT, OR THEIR RESPECTIVE REPRESENTATIVES, MEMBERS, FINANCIAL OR LEGAL ADVISORS OR AGENTS, HAS INDEPENDENTLY VERIFIED THE INFORMATION CONTAINED HEREIN OR TAKES ANY RESPONSIBILITY THEREFOR AND NONE OF THE FOREGOING ENTITIES OR PERSONS MAKES ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER CONCERNING THE INFORMATION CONTAINED HEREIN.**

**THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS REQUIRED TO BE SATISFIED FOR THE PLAN TO BECOME EFFECTIVE WILL BE SATISFIED (OR WAIVED).**

**ALL EXHIBITS TO THIS DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.**

### B. Who is Entitled to Vote

Under the Bankruptcy Code, only holders of claims or interests in "impaired" Classes are entitled to vote on the Plan (unless, for reasons discussed in more detail below, such holders are deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code). Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" unless (i) the Plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the Plan, among other things, cures all existing defaults (other than defaults resulting from the occurrence of bankruptcy events) and reinstates the maturity of such claim or interest as it existed before the default.

There are three (3) creditor groups entitled to vote on the Plan whose acceptances of the Plan are being solicited: the French RCF Claims (Class 3), the US Secured Funded Debt Claims (Class 4) and the Senior Notes Claims (Class 5).

**THE PLAN PROVIDES THAT HOLDERS OF IMPAIRED CLAIMS WHO DO NOT SUBMIT A BALLOT TO ACCEPT OR REJECT THE PLAN OR WHO REJECT THE PLAN BUT DO NOT OPT OUT OF THE RELEASE PROVISIONS OF THE PLAN ARE DEEMED TO HAVE GRANTED THE RELEASES THEREIN.**

The following table summarizes (i) the treatment of Claims and Interests in the Plan; (ii) which Classes are impaired by the Plan; (iii) which Classes are entitled to vote on the Plan; and (iv) the estimated recoveries for holders of Claims. The table is qualified in its entirety

by reference to the full text of the Restructuring Plans. For a more detailed summary of the terms and provisions of the Plan, *see* Article V of this Disclosure Statement. A detailed discussion of the analysis underlying the estimated recoveries, including the assumptions underlying such analysis, is set forth in the Valuation Analysis in Article VI and Exhibit E.

| Class | Claims and Interests | Status | Voting Rights | Distributions % Recovery |
|---|---|---|---|---|
| 1 | Other Priority Claims | Unimpaired | Not Entitled to Vote (Presumed to Accept) | Payment in Full.<br>100% |
| 2 | Other Secured Claims | Unimpaired | Not Entitled to Vote (Presumed to Accept) | Reinstatement or Payment in Full.<br>100% |
| 3 | French RCF Claims | Impaired | Entitled to Vote | In each case as more fully described in the Safeguard Plan, each Holder of an Allowed French RCF Claim will receive the following treatment:<br><br>Under the Safeguard Plan, each Holder of an Allowed French RCF Claim had the option to elect to receive (i) its pro rata share (based on the aggregate principal amount of the Secured Funded Debt Claims less any Termed Out French RCF Claims) of (x) New First Lien Notes and (y) the Secured Funded Debt Claims Cash Payment or have its Allowed French RCF Claim termed-out under the Safeguard Plan.<br><br>All Holders of French RCF Claims who made an election in the Safeguard elected to receive New First Lien Notes and their pro rata share of the Secured Funded Debt Claims Cash Payment.<br><br>Holders of Allowed French RCF Claims who will receive New First Lien Notes will receive, as distributions under the Plan, the New First Lien Notes and related guarantee and security packages.<br><br>Any Holders who are deemed to be termed out under the Safeguard Plan will receive as a distribution under the Plan rights under the Termed Out French RCF Claim Guarantees and Termed Out French RCF Claim Guarantee Documents, but only if such Holders enter into a New Additional Intercreditor Agreement and any other relevant document.<br><br>On the Effective Date, the French RCF Documents will be released and cancelled and all Claims arising thereunder released and discharged under the Plan and the Safeguard Plan (except for any Termed Out French RCF Claims which shall only be governed by the Safeguard Plan, the New Additional Intercreditor Agreement and the Termed Out French RCF Claim Guarantee Documents).<br><br>100% |
| 4 | US Secured Funded Debt Claims | Impaired | Entitled to Vote | Each Holder of an Allowed US Secured Funded Debt Claim will receive the following treatment:<br><br>Under the Plan, a pro rata share (based on the |

| Class | Claims and Interests | Status | Voting Rights | Distributions % Recovery |
|---|---|---|---|---|
| | | | | aggregate principal amount of the Secured Funded Debt Claims less any Termed Out French RCF Claims) of (i) New First Lien Notes and (ii) the Secured Funded Debt Claims Cash Payment; and<br><br>Under the Safeguard Plan, a guarantee and security package from CGG guaranteeing the New First Lien Notes.<br><br>100% |
| 5 | Senior Notes Claims and Senior Notes Accrued Interest Claims | Impaired | Entitled to Vote | In each case as more fully described in the Safeguard Plan, each Holder of an Allowed Senior Notes and Senior Notes Accrued Interest Claim will receive the following treatment:<br><br>Under the Safeguard Plan, (i) conversion into New CGG Shares in the context of the Rights Issue, at a price equal to the Euro equivalent of $1.75 per New CGG Share with Warrants 2, by way of set-off against the Allowed Senior Notes Claims if, and to the extent that, the backstop of the Holders of Senior Notes is called and (ii) conversion into New CGG Shares in the context of the Senior Notes Equitization at a price equal to the Euro equivalent of $3.50 per New CGG Share, in each case in accordance with and subject to the Safeguard Plan.<br><br>Each Holder of an Allowed Senior Notes Accrued Interest Claim had the option to, in each case in accordance with and subject to the Safeguard Plan, (i) elect conversion of such Allowed Senior Notes Accrued Interest Claim into the New Second Lien Interest Notes in a principal amount of such Holder's pro rata share of $86 million or (ii) to retain their Claims, which will be repaid over 10 years from the date of the French Plan Sanction Order in accordance with the payment schedule provided for in the Safeguard Plan.<br><br>Holders of an Allowed Senior Notes Claims will receive under the Plan rights under the guarantees of the New Second Lien Notes (if they are entitled to such New Second Lien Notes under the New Second Lien Notes Private Placement Agreement) and the New Second Lien Interest Notes granted by the Guarantor Debtors (if they have opted to receive such New Second Lien Interest Notes) in each case in accordance with and subject to the Safeguard Plan.<br><br>43.0% to 50.5% |
| 6 | General Unsecured Claims | Unimpaired | Not Entitled to Vote (Presumed to Accept) | Paid in Full in the ordinary course of business or Reinstatement (together with interest if provided for under the governing agreement) |

| Class | Claims and Interests | Status | Voting Rights | Distributions % Recovery |
|---|---|---|---|---|
| | | | | 100% |
| 7 | Intercompany Claims | Unimpaired | Not Entitled to Vote (Presumed to Accept) | Reinstatement, to the extent not otherwise satisfied under the Plan or paid in the ordinary course of business.<br><br>100% |
| 8 | Intercompany Interests | Unimpaired | Not Entitled to Vote (Presumed to Accept) | Reinstatement.<br><br>100% |

**WHERE TO FIND ADDITIONAL INFORMATION**: CGG currently files annual reports with, and submits other information to, the SEC. Copies of any document filed with or submitted to the SEC may be obtained by visiting the SEC website at http://www.sec.gov and performing a search under the "Company Filings" link. Each of the following filings and submissions is incorporated as if fully set forth herein and is a part of this Disclosure Statement:

- Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed with the SEC on May 1, 2017;
- Form 6-K containing CGG's unaudited interim financial statements for the quarter ended March 31, 2017, submitted to the SEC on May 12, 2017; and
- Form 6-K containing CGG's unaudited interim financial statements for the quarter and six-month period ended June 30, 2017, submitted to the SEC on July 28, 2017.

Later information filed with or submitted to the SEC that updates information in the filings or submissions incorporated by reference will update and supersede that information.

## II. OVERVIEW OF THE COMPANY'S OPERATIONS

### A. Overview

CGG and its subsidiaries, including the Debtors (the "CGG Group") comprise a global geophysical and geoscience services company serving customers principally in the oil and gas exploration and production ("E&P") industry. The CGG Group is a recognized leader in the field, with more than 100 years of combined operating experience (through CGG Veritas and Fugro Geoscience) and a proven track record for technical innovation in geophysics and geology. It is a fully integrated geoscience company, capable of providing its clients with a wide range of data acquisition, processing and interpretation services, as well as related imaging and interpretation software that can be used in all aspects of their E&P activities, ranging from initial exploration of potential fields to the conclusion of oil and gas production. The CGG Group is also a global manufacturer of geophysical equipment. Altogether, the CGG Group has more than

50 locations worldwide, more than 30 separate data processing centers, and a workforce of more than 5,700 people, of whom more than 600 people are solely devoted to research and development ("R&D").

Additional information about the Plan Proponents' operations, capital structure and financial position are set forth in the (1) Safeguard Plan, and (2) the *Declaration of Beatrice Place-Faget in Support of Chapter 11 Petition and First Day Motions* [Docket No. 3], both of which are incorporated herein by reference as if fully set forth herein.

**B. Directors and Officers**

1. Directors. Under French law, CGG's board of directors determines CGG's business strategy and monitors its implementation. The board of directors deals with any issues relating to CGG's affairs, pursuant to the powers granted to it by law and the articles of association. CGG's board of directors currently consists of eleven (11) members elected by CGG's shareholders. Under French law, a Director may be an individual or a legal entity for which an individual is appointed as permanent representative.

The composition of the post-Effective Date board of directors or managers of the Reorganized Debtors will be disclosed prior to the Confirmation Hearing in accordance with section 1129(a)(5) of the Bankruptcy Code. The current members of CGG's board of directors are identified below.

**Mr. Remi Dorval** is a graduate of the École Centrale de Paris, the Institut d'Études Politiques and the École Nationale d'Administration. He has been Chairman of CGG's Board of Directors since June 4, 2014. He served as a civil Board member of the Direction des Hydrocarbures of the Industry Ministry from 1979 to 1984 and a civil Board member of the Direction du Trésor of the Economy and Finance Ministry from 1984 to 1986.

**Mr. Jean-Georges Malcor** is a graduate of the École Centrale de Paris, holds a Doctorate from the École supérieure des Mines de Paris and a Master in Science from Stanford University. He has been Chief Executive Officer of CGG SA since June 30, 2010 and a Director of CGG SA since May 4, 2011. He also serves as Chairman of the Board of Directors of Sercel Holding, and as a member of the Board of Directors of the Arabian Geophysical and Surveying Company (ARGAS), a company 49% held by CGG. He is also a Director, member of the Audit Committee and member of the Supervisory Board of STMicroelectronics (a company listed on Euronext Paris, the New York Stock Exchange and Borsa Italiana), a member of the Supervisory Board of Fives SA, General Manager of SCI l'Australe, Chairman of the Board of Directors of Universcience Partenaires, Director of Oceanides association and of the École Centrale Supélec, and an active member of EVOLEN and of Cluster Maritime Français.

**Mr. Loren Carroll** joined CGG's Board of Directors on January 12, 2007. Mr. Carroll had been a Director of Veritas since 2003. Mr. Carroll is currently a financial and strategic business consultant. Until his retirement in April 2006, Mr. Carroll was President and Chief Executive Officer of M-I Swaco LLC and was also Executive Vice President of Smith International, Inc. Mr. Carroll currently serves as Chairman of the Board of Directors of KBR Inc.

**Mr. Michael Daly** is a graduate of The University College of Wales, Leeds University (PhD) and Harvard Business School (PMD). Mr. Daly is a British geologist, oil and gas executive and academic. He joined the Geological Survey of Zambia in 1976, mapping the remote Muchinga Mountains of northeast Zambia. He began his business career with BP in 1986 as a research geologist. He currently serves as Senior Director at Macro Advisory Partners, Non-Executive Director with Tullow Oil, Visiting Professor in Earth Sciences at The University of Oxford and Director of Daly Advisory and Research Ltd.

**Ms. Anne Guérin, permanent representative of Bpifrance Participations**, is a graduate of ESCP EUROPE Business School. She joined Banque du Développement des PME in 1991, first in a regional office, setting up medium and long-term loans for SME's, and then in the Marketing Division at headquarters. In 2000 she joined Avenir Entreprises (Private Equity - Investment in small caps) where she was Investment Director until 2005. She currently also serves as Board member of VoisinMalin, a French non-profit organization working on social empowerment in poor districts.

**Mr. Didier Houssin** graduated from the École nationale d'administration and has a Master's degree in International Law from Université de Paris 1 - La Sorbonne. He also has a degree in Political Science from the Institut d'études politiques de Paris. On April 8, 2015, Didier Houssin was appointed Chairman and CEO of IFP Energies Nouvelles. Prior to that, in December 2012, he was appointed Director of Sustainable Energy Policy and Technology at the International Energy Agency (IEA). In that role, he was responsible for the development of low-carbon technologies and energy transition. He currently also serves as Chairman of Tuck Foundation (France) and Chairman of the ANCRE (Alliance Nationale de Coordination de la Recherche pour l'Énergie).

**Ms. Agnès Lemarchand** joined CGG's Board of Directors on September 21, 2012. She graduated from ENSCP (French engineering school) and holds a Master's degree from MIT (chemical engineering) and an MBA from INSEAD. She started her career in various positions within the Rhone-Poulenc group, where she worked from 1980 to 1985. In 1986, she was appointed Chief Executive Officer of Industrie Biologique Française, a company in the Health segment of the Rhone Poulenc Group in the U.S. She currently serves as Director and member of the Financial Statements Committee of Saint Gobain, and as member of the Board of Directors and the Audit Committee of Biomérieux (two companies listed on Euronext Paris). She is Chairman of Orchad SAS.

**Ms. Gilberte Lombard** joined CGG's Board of Directors on May 4, 2011. She held various financial positions at HSBC France (formerly Credit Commercial de France) from 1990 until her retirement in February 2011. She began her career as a financial analyst and then joined the M&A department of Credit Commercial de France. Ms. Lombard continues to serve as a member of the Supervisory Board, member of the Audit Committee and member of the Remuneration Committee of Zodiac Aerospace, and as Director, Chairman of the Remuneration Committee and member of the Strategic Committee of Robertet SA, two Euronext Paris-listed companies. She is a Director of the Vernet Retraite association. Ms. Lombard holds a Masters degree in Economic Sciences and is a graduate of the INSEAD Advanced Management Program.

**Ms. Hilde Myrberg** joined CGG's Board of Directors on May 4, 2011. Until her retirement in 2012, she held the positions of Senior Vice President of Corporate Governance and Compliance at Orkla ASA, a Norwegian company listed on the Oslo Stock Exchange which operates in branded consumer goods, aluminum solutions, materials, renewable energy and financial investments, where she also served as Secretary of the Board until her retirement in 2012. She now also serves as a Director of Norges Bank (the Central Bank of Norway and the Norwegian Bank Investment Management), as a Director of Nordic Mining ASA (listed on the Oslo Stock Exchange) and she is a member of the Nomination Committee of Det Norske Oljeselskap ASA (listed on the Oslo Stock Exchange) and NBT AS.

**Mr. Robert Semmens** is a private investor and adjunct professor of finance at the Leonard N. Stern School of Business (New York University). He holds a law degree from Northwestern University School of Law and an MBA in Finance and Accounting from the J.L. Kellogg Graduate School of Management at Northwestern University. He currently serves as a Director of MicroPharma Ltd (Canada) and Bronco Holdings LLC (USA).

**Ms. Kathleen Sendall** joined CGG's Board of Directors on May 5, 2010. She is a mechanical engineering graduate of Queen's University (Ontario), holds an Honorary Doctorate from the University of Calgary and is a graduate of the Western Executive Program. She began her career as a junior process engineer for Petro-Canada in 1978, and then was a project engineer for compressor station design and construction at Nova, an Alberta corporation for two years. She also serves as a Director of ENMAX, as trustee of the Ernest C. Manning Awards Foundation and as Chairman of the Board of Directors of Emission Reductions Alberta.

2. Executive Officers. Under French law and CGG's current articles of association (*statuts*), the Chief Executive Officer has full executive authority to manage its affairs and has full power to act on CGG's behalf and to represent it in dealings with third parties, subject only to (i) CGG's corporate purpose set forth in its articles of association, (ii) those powers expressly reserved by law to the Board of Directors or CGG's shareholders and (iii) limitations that the Board of Directors may resolve.

The following table sets forth the names of CGG's principal executive officers and their current positions:

| Name | Position |
|---|---|
| Jean-Georges Malcor | Chief Executive Officer |
| Stéphane-Paul Frydman | Group Chief Financial Officer |
| Pascal Rouiller | Chief Operating Officer |
| Sophie Zurquiyah | Chief Operating Officer |

**Mr. Stéphane-Paul Frydman**, 53, is a graduate of the *École Polytechnique* of Paris and the *École des Mines* of Paris. He has been Group Chief Financial Officer since January 2007 and served as Corporate Officer from February 29, 2012 to January 4, 2017. Before that time, he had been Group Controller, Treasurer and Deputy Chief Financial Officer since September 2005, Deputy Chief Financial Officer of the CGG Group since January 2004

and Vice President in charge of corporate financial affairs reporting to the Chief Financial Officer since December 2002. Prior to joining CGG, Mr. Frydman was, from April 2000 to November 2002, an Investor Officer of Butler Capital Partners, a private equity firm and from June 1997 to March 2000, Industrial Advisor to the French Minister of the Economy and Finances. Mr. Frydman is currently a Director of CGG Holding (U.S.) Inc. and Chairman of the Board of Directors of CGG International SA. He is in charge of the Finance and General Secretary Functions, as well as the Strategy and Investors' relations departments.

**Mr. Pascal Rouiller**, 63, is a graduate of the *École Centrale de Paris*. He served as Corporate Officer from February 29, 2012 to January 4, 2017. Before that time, Mr. Rouiller served as Vice President for the Asia-Pacific region from May 1992 to September 1995, then as Vice President of CGG's Product segment from October 1995 to December 1999. In 1999, he was appointed Chief Operating Officer of the Sercel Group and has acted as Chairman and Chief Executive Officer of Sercel SAS since September 2005. Mr. Rouiller is now Chairman of Sercel SAS, Sercel Holding SAS and CGG Services SAS, Chairman of the Board of Directors of Sercel (Beijing) Technological Services Co. Ltd. and of Sercel Australia Pty. Ltd., Chairman of the Board of Sercel Canada Ltd., Chairman of the Board of Directors of Hebei Sercel Junfeng Geophysical Prospecting Equipment Co. Ltd., Director of Sercel Singapore Private Ltd., Director and Chief Executive Officer of Sercel Inc., and Director of Seabed Geosolutions B.V. (a Dutch company 40% held by the CGG Group). He is in charge of the Acquisition and Equipment Business Lines and of Risk Management/HSE/Sustainable Development for the CGG Group.

**Ms. Sophie Zurquiyah**, 50, served as Corporate Officer from September 1, 2015 to January 4, 2017. She has also been Senior Executive Vice President, GGR segment since February 4, 2013. She joined CGG after 21 years in the oilfield services industry, working for Schlumberger in P&L and in positions covering R&D and Operations in France, the U.S. and Brazil. Her most recent roles include Chief Information Officer (CIO), President of Data and Consulting Services that provided Processing, Interpretation and Consulting services for most of Schlumberger's Business Lines, and Vice President of Sustaining Engineering that included all support and improvements to commercial products, services and technologies worldwide. She serves as Senior Executive Vice President of CGG Services (U.S.) Inc. She is in charge of the GGR Business Lines, Global Operational Excellence and Technology.

## III. KEY EVENTS LEADING TO COMMENCEMENT OF CHAPTER 11 CASES

CGG has suffered the effects of an adverse E&P market. In 2012, before oil prices dropped, CGG had total consolidated operating revenues of more than $3.41 billion; by 2015, that number had decreased to $2.1 billion, and for 2016, that number decreased further to $1.195 billion. CGG's annual consolidated revenues in 2016 were roughly a third of what they were in 2012. CGG's consolidated earnings have dropped similarly over this period: in 2012, CGG's earnings before interest and tax (EBIT) were $368 million; CGG has reported negative consolidated EBIT for each subsequent year since, including losses of $1.136 billion in 2015 and $404.7 million in 2016. Similarly, CGG's consolidated EBITDA has fallen from a high of $1.139 billion in 2013 to $273.6 million in 2016.

To combat this decline, starting in 2014, CGG began to implement a series of cost-saving measures. In 2015, these efforts were consolidated and formalized as a comprehensive "Transformation Plan" through which CGG refocused on its existing strengths, while divesting non-core and underperforming assets and eliminating general and administrative costs wherever possible.

In this context, CGG filed a petition with the Commercial Court of Paris to benefit from a safeguard proceeding (the "Safeguard"), which was opened by ruling of the Commercial Court of Paris (the "French Court") on June 14, 2017 (the "Opening Ruling"). Pursuant to the Opening Ruling, the French Court appointed:

- Mr. Jean-Pierre Bégon-Lours as Supervising Judge;
- the SELARL FHB, acting through Maître Hélène Bourbouloux, as judicial administrator with the mission to supervise the debtor in its management; and
- the SELAFA MJA, acting through Maître Lucile Jouve, as creditors' representative.

Because the Senior Notes are governed by the laws of the State of New York and such courts have jurisdiction over any disputes relating thereto, and because most of the Company's creditors are located in the United States, CGG also sought relief under Chapter 15 of the Bankruptcy Code ("Chapter 15") in order to have the Safeguard recognized in the United States. The foreign representative, on behalf of CGG, accordingly filed a petition for recognition of the Safeguard under Chapter 15 with the United States Bankruptcy Court for the Southern District of New York on June 14, 2017 in the case captioned *In re CGG S.A.*, Ch. 15 Case No. 17-11636 (MG) (Bankr. SDNY Jun. 14, 2017). The Court entered an order recognizing the Safeguard as a "foreign main proceeding" within the meaning of Chapter 15 of the Bankruptcy Code on July 13, 2017 [Docket No. 17].

Upon entry by the French court of the order sanctioning the Safeguard Plan, the foreign representative intends to seek recognition and enforcement of the French court's sanctioning order. The foreign representative currently intends to seek, among other things, (a) an injunction to prevent any stakeholder of CGG from challenging the Safeguard Plan or the French court sanctioning order in the United States, and (b) application of section 1145 of the Bankruptcy Code to CGG's issuance of certain securities and the issuance of warrants to CGG shareholders, and the issuance of New CGG Shares to Holders of Convertible Bonds of CGG located in the United States.

The Company is a highly integrated international group, both operationally and financially. Holding US, which CGG owns through CGG Holding BV, is the obligor under a substantial portion of the Company's prepetition secured debt. Specifically, Holding US is the primary obligor under the prepetition secured U.S. term loan and the prepetition secured U.S. revolver, both of which are guaranteed by CGG and certain of the Debtors. As a result, the Company's main assets are pledged to its prepetition secured lenders. In addition, Holding US and the other Guarantor Debtors guarantee the Senior Notes issued by CGG.

The location of the Debtors and the guarantors, the presence of cross-default clauses in the financial documentation and the security interests granted by various members of the Company required a comprehensive and coordinated legal protection strategy in order to preserve their value and to make the ongoing restructuring a success. Within this context, most (non-French) Debtors and guarantors filed the Chapter 11 Cases on June 14, 2017.

For the sake of completeness, one of CGG's subsidiaries, and also a guarantor of the prepetition secured facilities and the Senior Notes, Sercel Australia Pty Ltd ("Sercel Australia") entered creditors' voluntary liquidation on August 1, 2017, with Rob Smith and Matthew Caddy of the firm McGrathNicol being appointed as liquidators ("Liquidators"). The Liquidators have advised that Sercel Australia has ceased to operate and, at this stage, have not identified any realizable assets, other than cash at bank in the amount of circa AUD $60,000. Sercel Australia has not filed for Chapter 11 relief or commenced any insolvency proceedings outside of Australia. Upon completion of the liquidation, the Liquidators will seek to retire from their appointments to Sercel Australia and will request the Australian Securities and Investments Commission to proceed to deregister the company.

Additional information about the events leading to the Restructuring Proceedings can be found in the Safeguard Plan and the First Day Declaration.

## IV. ANTICIPATED EVENTS DURING CHAPTER 11 CASES

The Plan Proponents have been, and intend to continue, operating their businesses in the ordinary course during the Chapter 11 Cases as they had prior to the Petition Date.

### A. First and Second Day Pleadings

On the Petition Date and thereafter, the Debtors filed various motions and pleadings with the Court in the form of "first day" and "second day" pleadings to facilitate the Debtors' smooth transition into chapter 11.

On the Petition Date, the Court held a hearing to consider the first day pleadings (the "First Day Hearing") and on July 13, 2017, the Court held a hearing to consider the second day pleadings (the "Second Day Hearing").

The first and second day relief sought by the Debtors and approved by the Court is summarized below.

1. Cash Collateral. On the Petition Date, the Debtors filed a motion (the "Cash Collateral Motion") [Docket No. 16] with the Court to obtain authorization for the Debtor Loan Parties (as defined in the Cash Collateral Motion), among other things, to use the cash collateral of the Prepetition Secured Creditors (as defined therein) who have perfected liens and security interests therein (the "Cash Collateral") and to provide adequate protection to the Prepetition Secured Creditors for the use thereof.

The Debtors' ability to access and use cash collateral is essential to ensuring their continued operations during these Chapter 11 Cases. Absent access to Cash Collateral, the Debtors would not have adequate unencumbered cash on hand to pay critical operating expenses.

In consideration of the Debtor Loan Parties' use of the Cash Collateral, the Debtors have agreed to provide certain forms of adequate protection to the Prepetition Secured Creditors, including, among other things, (i) an agreement by the Debtors to operate within a specified budget; (ii) compliance with certain financial covenants and financial reporting requirements; (iii) payment of periodic cash payments to the Prepetition Secured Creditors; and (iv) payment of certain professional fees and expenses.

At the First Day Hearing, the Court approved the Debtor Loan Parties' use of Cash Collateral on an interim basis [Docket No. 21], and at the Second Day Hearing, the Court approved such use on a final basis [Docket No. 116].

2. Cash Management. On the Petition Date, the Debtors filed a motion to enable them to continue using their existing cash management system and existing bank accounts (the "Cash Management Motion") [Docket No. 11]. To lessen the impact of the Chapter 11 Cases on the Debtors' business, it is vital that the Debtors keep their cash management system in place and be authorized to pay related fees.

At the First Day Hearing, the Court approved the Cash Management Motion on an interim basis [Docket No. 34]; that interim relief was continued at the Second Day Hearing. The Court approved the Cash Management Motion on a second interim basis [Docket No. 115] and third interim basis [Docket No. 197]. The final hearing with respect to the Cash Management Motion is scheduled for September 20, 2017.

3. Critical Vendors. On the Petition Date, the Debtors filed a motion seeking authority to pay the prepetition claims of certain vendors, suppliers and service providers that are critical to the Debtors' business up to a maximum aggregate cap of $1.9 million (the "Critical Vendor Motion") [Docket No. 13]. At the First Day Hearing, the Court approved the Critical Vendor Motion on an interim basis, subject to an aggregate cap of $1.04 million prior to the final hearing [Docket No. 33], and at the Second Day Hearing, the Court approved the Critical Vendor Motion on a final basis [Docket No. 98].

4. Lienholders. On the Petition Date, the Debtors filed a motion seeking authority to pay prepetition claims of shippers, warehousemen, mechanics and materialmen who may have statutory liens against the Debtors' assets up to an aggregate cap of $700,000 (the "Lienholders Motion") [Docket No. 15]. At the First Day Hearing, the Court approved the Lienholders Motion on an interim basis, subject to an aggregate cap of $400,000 prior to the final hearing [Docket No. 22], and at the Second Day Hearing, the Court approved the Lienholders Motion on a final basis [Docket No. 103].

5. Foreign Creditors. On the Petition Date, the Debtors filed a motion seeking authority to pay prepetition claims of certain foreign creditors up to an aggregate cap of $600,000 (the "Foreign Creditor Motion") [Docket No. 14]. At the First Day Hearing, the Court approved the Foreign Creditor Motion on an interim basis, subject to an aggregate cap of $340,000 prior to the final hearing [Docket No. 27], and at the Second Day Hearing, the Court approved the Foreign Creditor Motion on a final basis [Docket No. 104].

6. Wages. On the Petition Date, the Debtors filed a motion seeking authority to pay or otherwise honor certain employee wages and benefits up to an aggregate cap of $4,516,000 (the "Wage Motion") [Docket No. 12]. At the First Day Hearing, the Court approved the Wage Motion on an interim basis, subject to an aggregate cap of $3,616,000 during the first twenty-one days after the Petition Date [Docket No. 32], and at the Second Day Hearing, the Court approved the Wage Motion on a final basis [Docket No. 107].

7. Taxes. On the Petition Date, the Debtors filed a motion seeking authority to pay all prepetition taxes and related fees, including all taxes and fees subsequently determined upon audit, or otherwise, to be owed for periods prior to the Petition Date (the "Taxes Motion") [Docket No. 9]. At the First Day Hearing, the Court approved the Taxes Motion on an interim basis [Docket No. 29], and at the Second Day Hearing, the Court approved the Taxes Motion on a final basis [Docket No. 108].

8. CGG Canada Services Ltd. as Foreign Representative. On the Petition Date, the Debtors filed a motion seeking authority for CGG Canada Services Ltd. to act as the foreign representative on behalf of itself and Sercel Canada Ltd. in proceedings under the *Companies' Creditors Arrangement Act* in Canada and to seek recognition of the Chapter 11 Cases in the Canadian proceedings (the "Foreign Representative Motion") [Docket No. 7]. At the First Day Hearing, the Court approved the Foreign Representative Motion [Docket No. 31].

9. Automatic Stay. On the Petition Date, the Debtors filed a motion confirming that the automatic stay applies to all persons wherever located (including outside of the United States) and such persons are prohibited from taking certain actions against the Debtors or their property (the "Automatic Stay Motion") [Docket No. 8]. At the First Day Hearing, the Court approved the Automatic Stay Motion [Docket No. 24].

10. Insurance. On the Petition Date, the Debtors filed a motion seeking authority to continue their existing insurance policies on an uninterrupted basis during the pendency of the Chapter 11 Cases and to continue their existing surety bonds and pay all amounts arising thereunder or in connection therewith (the "Insurance Motion") [Docket No. 10]. At the Second Day Hearing, the Court approved the Insurance Motion on a final basis [Docket No. 102].

11. Utilities. On June 16, 2017, the Debtors filed a motion seeking the entry of an order (a) prohibiting certain utility companies from altering, refusing or discontinuing utility services on account of prepetition invoices, (b) determining that the Debtors have provided each utility company with "adequate assurance of payment" and (c) establishing procedures for the determination of additional Adequate Assurance (as defined therein) and authorizing the Debtors to provide such Adequate Assurance (the "Utilities Motion") [Docket No. 47]. At the Second Day Hearing, the Court approved the Utilities Motion [Docket No. 100].

**B. Procedural and Administrative Motions**

To facilitate the smooth administration of the Chapter 11 Cases, the Debtors sought, and the Court granted, the following procedural and administrative orders: (a) joint

administration of the Chapter 11 Cases for procedural purposes [Docket No. 30], (b) appointment of Prime Clerk LLC as claims/noticing agent [Docket No. 28], (c) additional time to file statements of financial affairs and schedules of assets and liabilities [Docket No. 23], (d) waiver of requirement to file list of creditors on the Petition Date [Docket No. 25], and (e) scheduling initial case conference to be held at the Second Day Hearing [Docket No. 26].

1. Ordinary Course Professionals. In the Debtors' ordinary course of business, they employ professionals to render a wide variety of services related to matters such as corporate counseling, litigation, accounting, environmental compliance, health and safety compliance, tax and accounting matters, intellectual property, real estate and other services for the Debtors in relation to issues that have a direct and significant impact on the Debtors' day-to-day operations. To maintain the smooth functioning of the Debtors in these Chapter 11 Cases, it is essential that the Debtors continue the employment of these ordinary course professionals. Accordingly, on June 21, 2017, the Debtors filed a motion authorizing procedures for the retention and compensation of these ordinary course professionals and authorization to compensate such professionals without individual fee applications (the "Ordinary Course Professionals Motion") [Docket No. 45]. At the Second Day Hearing, the Court approved the Ordinary Course Professionals Motion [Docket No. 112].

2. Retention Applications. The Debtors filed several applications and have obtained authority to retain various professionals to facilitate the Debtors' discharge of their duties as debtors-in-possession under the Bankruptcy Code. The Court approved the following retention and employment applications:

- Prime Clerk LLC as administrative advisor [Docket No. 111];
- Paul, Weiss, Rifkind, Wharton & Garrison LLP as attorneys for the Debtors [Docket No. 109];
- AlixPartners, LLP as financial advisor to the Debtors [Docket No. 105]; and
- Lazard Frères & Co. LLC as the Debtors' investment banker [Docket No. 234].

At the Second Day Hearing, the Court approved procedures for the interim compensation and reimbursement of expenses for such retained professionals [Docket No. 101].

### C. Private Placement Motion

On June 21, 2017, the Debtors filed a motion (the "PPA Motion") seeking authorization to pay as administrative expenses certain expenses and indemnities arising under the Private Placement Agreement (defined below), which is an integral part of the New Money Issuances aspect of the Company's restructuring efforts. The Private Placement Agreement secures $375 million aggregate principal amount of new financing from the eligible holders of Senior Notes through a fully backstopped private placement of New Second Lien Notes and Warrants 3.

The Private Placement Agreement requires the Debtors who are party to the Private Placement Agreement to pay certain advisor fees and expenses as administrative expenses in the Chapter 11 Cases. The Debtors are only obligated for a portion of the overall consideration to be paid to the Commitment Parties (as defined therein), which consists of (a) the obligation to reimburse all advisors' reasonable fees, costs and expenses of the Ad Hoc Senior Noteholder Committee related to the Chapter 11 Cases in accordance with the Lock-Up Agreement, and (b) an indemnity in favor of the backstop parties, the other noteholders who elect to participate in the New Second Lien Notes Private Placement (as defined below) and the private placement agent for any and all losses (other than those stemming from the Safeguard or any insolvency proceedings in France or any other judicial proceedings in France) incurred in connection with or relating to the Private Placement Agreement or the transactions contemplated thereby.

By agreeing to pay such expenses and indemnities, the Debtors will obtain the benefit of the private placement offering to secure the $375 million aggregate principal amount of New Money Issuances financing, an integral part of the financial restructuring embodied in the Restructuring Plans.

At the Second Day Hearing, the Court approved the PPA Motion [Docket No. 106].

### D. Timetable for Chapter 11 Cases

Under the Lock-up Agreement, the Plan Proponents agreed to certain milestones that govern the timing of the Chapter 11 Cases. Although the Plan Proponents will request that the Court grant the relief described below by the applicable dates, there can be no assurance that the Court will grant such relief:

| # | Milestone | Long-stop Date |
|---|---|---|
| 1 | CGG commences Safeguard (i.e. safeguard proceedings are opened in respect of CGG SA) | June 30, 2017 (Milestone met) |
| 2 | Debtors commence Chapter 11 Cases | June 30, 2017 (Milestone met) |
| 3 | Chapter 15 Case of CGG commenced | July 5, 2017 (Milestone met) |
| 4 | The Court shall enter an Order approving the Interim Cash Collateral Order in form and substance acceptable to the Ad Hoc Secured Lender Committee | July 5, 2017 (Milestone met) |
| 5 | Debtors jointly file Chapter 11 Plan and Disclosure Statement consistent with the Lock-Up Agreement and Term Sheet | July 30, 2017 (Milestone met) |
| 6 | The Court shall enter a Final Cash Collateral Order in form and | August 9, 2017 |

| # | Milestone | Long-stop Date |
|---|---|---|
| | substance acceptable to the Ad Hoc Secured Lender Committee | (Milestone met) |
| 7 | Debtors shall file their Schedules of Assets and Liabilities and Statements of Financial Affairs with the Court | August 29, 2017 (Milestone met) |
| 8 | The Court shall enter an order approving the adequacy of the Debtors' Disclosure Statement | August 29, 2017 (Milestone met) |
| 9 | Creditors classes (i.e. "*comités de créanciers*" and "*assemblée générale des obligataires*") approve the Safeguard Plan | September 8, 2017 (Milestone met) |
| 10 | CGG's shareholders approve all resolutions necessary to implement the Financial Restructuring | October 31, 2017 |
| 11 | The Court shall enter an order confirming the Debtors' Plan | November 7, 2017 |
| 12 | French Judgment Date: French Court gives its judgment in respect of the Safeguard Plan | December 7, 2017 |
| 13 | Restructuring Effective Date: the latest date by which all the restructuring transactions (including the issuances of the various financial instruments) have to be complete. | February 28, 2018 |

## V. SUMMARY OF RESTRUCTURING PLANS

This section of this Disclosure Statement summarizes the Plan and the Safeguard Plan. This summary is qualified in its entirety by reference to the Restructuring Plans.

### A. Chapter 11 Plan

THE FOLLOWING SUMMARIZES SOME OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN.

1. Classification and Treatment of Administrative Claims, Claims and Interests Under the Plan

(a) General. Only administrative expenses, claims and equity interests that are "allowed" may receive distributions under a chapter 11 plan. An "allowed" administrative expense, claim or equity interest simply means that the debtors agree, or in the event of a dispute, that the Court determines, that the administrative expense, claim or equity interest, including the amount thereof, is in fact a valid obligation of, or equity interest in, the Debtors.

The Bankruptcy Code also requires that, for purposes of treatment and voting, a chapter 11 plan divide the different claims against, and equity interests in, the Debtors into separate classes based upon their legal nature. Claims of a substantially similar legal nature are usually classified together, as are equity interests of a substantially similar legal nature. Because an entity may hold multiple claims and/or equity interests which give rise to different legal rights, the holders of such claims and/or equity interests may find themselves as members of multiple classes of claims and/or equity interests.

Under a chapter 11 plan, the separate classes of claims and equity interests must be designated either as "impaired" (altered by the plan in any way) or "unimpaired" (unaltered by the plan). If a class of claims or interests is "impaired," the Bankruptcy Code affords certain rights to the holders of such claims or interests, such as the right to vote on the plan (unless the plan provides for no distribution to the holder, in which case, the holder is deemed to reject the plan), and the right to receive an amount under the chapter 11 plan that is not less than the value that the holder would receive if the debtor were liquidated under chapter 7.

Under section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" unless, with respect to each claim or interest of such class, the plan (i) does not alter the legal, equitable or contractual rights of the holders of such claims or interests or (ii) notwithstanding the holders' right to receive accelerated payment of such claims or interests after the occurrence of a default, cures all defaults (other than those arising from, among other things, the debtor's insolvency or the commencement of a bankruptcy case), reinstates the maturity of the claims or interests in the class, compensates the holders of such claims or interests for any damages incurred as a result of their reasonable reliance upon any acceleration rights and does not otherwise alter their legal, equitable or contractual rights. Typically, this means that the holder of an unimpaired claim will receive on the later of the effective date of the plan of reorganization or the date on which amounts owing are due and payable, payment in full, in cash, with post-petition interest to the extent permitted and provided under the governing agreement between the parties (or, if there is no agreement, under applicable non-bankruptcy law), and the remainder of the debtor's obligations, if any, will be performed as they come due in accordance with their terms.

Pursuant to sections 1122 and 1123 of the Bankruptcy Code, the following designates the Classes of Claims and Interests in the Plan. A Claim or Interest is in a particular Class for purposes of voting on, and of receiving distributions pursuant to, the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class, and is classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class.

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims (which include Adequate Protection Claims and Accrued Professional Compensation Claims), Priority Tax Claims and Statutory Fees have not been classified, although the treatment for such Claims is set forth below.

(b) Unclassified Claims. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Statutory Fees and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III of the Plan.

(i) Administrative Claims. Except with respect to Administrative Claims that are Accrued Professional Compensation Claims, Adequate Protection Obligations or Substantial Contribution Claims, Administrative Claims will be paid in full in Cash in the ordinary course of the Debtors' business, in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions. Accordingly, no request for payment of such Claim need be Filed in these Chapter 11 Cases, and no bar date for such Claims will be set.

(ii) Adequate Protection Claims. On the Effective Date, the Adequate Protection Obligations shall be Allowed and shall not be subject to any avoidance, reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, objection or any other challenges under any applicable law or regulation by any Person. In full satisfaction, settlement, release and discharge of the Allowed Adequate Protection Obligations, the Secured Finance Parties shall be entitled to retain all payments made by the Debtors during the Chapter 11 Cases pursuant to the Cash Collateral Orders in respect of each of the Secured Finance Parties' respective Adequate Protection Obligations arising under the Cash Collateral Orders. On the Effective Date, all Liens and security interests granted to secure such obligations, whether in the Chapter 11 Cases or otherwise, shall be terminated and of no further force or effect, with no need of further Court approval, action or order.

(iii) Accrued Professional Compensation Claims. All final requests for payment of Accrued Professional Compensation Claims incurred during the period from the Petition Date through the Effective Date shall be Filed no later than thirty (30) calendar days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules and prior Court orders, the Allowed amounts of such Accrued Professional Compensation Claims shall be determined by the Court. The amount of Accrued Professional Compensation Claims owing to the Professionals shall be paid in Cash to such Professionals, when such Claims are Allowed by a Final Order, from the Professional Fee Escrow in the case of the Debtors' Professionals and by the Reorganized Debtors in the case of all other Professionals. To the extent that funds held in the Professional Fee Escrow are unable to satisfy the amount of Accrued Professional Compensation Claims owing to the Debtors' Professionals, such Professionals shall have an Allowed Administrative Claim for any such deficiency, which shall be satisfied by the Reorganized Debtors in accordance with Article II.A of the Plan. After all Accrued Professional Compensation Claims of the Debtors have been paid in full, the Final Order allowing such Accrued Professional Compensation Claims shall direct the escrow agent of the Professional Fee Escrow to return any excess amounts to the Reorganized Debtors.

(iv) Priority Tax Claims. Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in exchange for each Allowed Priority Tax Claim, each

Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. In the event an Allowed Priority Tax Claim is also a Secured Tax Claim, such Claim shall, to the extent it is Allowed, be treated as an Other Secured Claim if such Claim is not otherwise paid in full.

(v) Statutory Fees. All Statutory Fees due and payable prior to the Effective Date shall be paid by the Debtors. On and after the Effective Date, the Reorganized Debtors shall pay all Statutory Fees when due and payable, and shall file with the Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee and file quarterly reports until the earliest of that particular Debtor's case being closed, dismissed or converted to a case under chapter 7 of the Bankruptcy Code.

(c) Classified Claims and Interests. The treatment and voting rights provided to each Class for distribution purposes is set forth below.

(i) Class 1 – Other Priority Claims. Except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release and discharge of and in exchange for each Allowed Other Priority Claim, each such Holder shall receive payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim on the Effective Date or as soon thereafter as reasonably practicable (or, if payment is not then due, shall be paid in accordance with its terms) or pursuant to such other terms as may be agreed to by the Holder of an Allowed Other Priority Claim and the Debtors.

Class 1 is Unimpaired under the Plan. Each Holder of an Allowed Other Priority Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each Holder of an Allowed Other Priority Claim is not entitled to vote to accept or reject the Plan.

(ii) Class 2 – Other Secured Claims. On the Effective Date, except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release and discharge of and in exchange for each Allowed Other Secured Claim, each such holder shall receive either (i) payment in full in Cash of the unpaid portion of its Allowed Other Secured Claim on the Effective Date or as soon thereafter as reasonably practicable (or if payment is not then due, shall be paid in accordance with its terms), (ii) Reinstatement of its Claims or (iii) such other recovery necessary to satisfy section 1129 of the Bankruptcy Code.

Class 2 is Unimpaired under the Plan. Each holder of an Allowed Other Secured Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each holder of an Allowed Other Secured Claim is not entitled to vote to accept or reject the Plan.

(iii) Class 3 – French RCF Claims

(a) Allowance: The French RCF Claims shall be Allowed in accordance with and pursuant to the Safeguard Plan in the aggregate principal

amount of not less than $160,000,000 plus €124,600,000 (or U.S.$139,626,760), plus any accrued and unpaid interest under the French RCF Facility Agreement as of the Effective Date.

(b) Treatment: Holders of Allowed French RCF Claims had two treatment options under the Safeguard Plan. All Holders of Allowed French RCF Claims who made an election in the Safeguard elected Option 1 (described below) under the Safeguard Plan. However, certain Holders of Allowed French RCF Claims, including some of the Debtors with subrogated claims against CGG S.A., may be deemed to have elected Option 2 (described below) under the Safeguard Plan. Accordingly, both options are described in this Disclosure Statement and remain in the Plan even though Holders of Allowed French RCF Claims can no longer make an election with respect to their treatment under the Safeguard Plan.

Option 1. Under the Safeguard Plan, each Holder of an Allowed French RCF Claim that elects such treatment (a "Participating French RCF Lender") shall receive from CGG on account of its Allowed French RCF Claim in full and final satisfaction, compromise, settlement, release and discharge of the principal amount of such Allowed French RCF Claim, its pro rata share (based on the aggregate principal amount of the Allowed Secured Funded Debt Claims less the amount of any Termed Out French RCF Claims) of (x) the Secured Funded Debt Claims Cash Payment and (y) New First Lien Notes less the Secured Funded Debt Claims Cash Payment.

CGG Holding (U.S.) Inc. will issue the New First Lien Notes necessary to satisfy the Allowed French RCF Claims of Participating French RCF Lenders to CGG in partial payment of the Existing Intercompany Notes or to effect the Intercompany Purchase and CGG will direct CGG Holdings (U.S.) Inc. to directly distribute such New First Lien Notes to the Participating French RCF Lenders entitled thereto.

Holders of Allowed French RCF Claims who receive New First Lien Notes will receive as distributions under the Plan the New First Lien Notes and related guarantee and security packages.

Option 2. Holders of an Allowed French RCF Claim that fail to make the necessary arrangements to become a Participating French RCF Lender (a "Non-Participating French RCF Lender") shall, under the Safeguard Plan, have their unpaid principal and interest Claims under the French RCF Facility Agreement termed out over ten (10) years as from the date of entry of the French Plan Sanction Order (provided, however, that no default interest will accrue on the amounts which would be due during the enforcement of the Safeguard Plan) as follows: (i) maturity extended by 10 years and (ii) rescheduling of principal and interest payments to (x) 1% per year in each of years 1 and 2; (y) 5% per year in each of years 3 to 9; and (z) 63% in year 10.

Under the Plan, Non-Participating French RCF Lenders receive rights under the Termed Out French RCF Claim Guarantees and the Termed Out French RCF Claim Guarantee Documents; provided, however, that such lenders must execute a New Additional Intercreditor Agreement and any other relevant document to receive such rights.

Treatment Applicable Under Both Options. On the Effective Date, the French RCF Documents will be released and cancelled and all Claims arising thereunder released and discharged under the Plan and the Safeguard Plan (except for any Termed Out French RCF Claims which shall only be governed by the Safeguard Plan, the New Additional Intercreditor Agreement and the Termed Out French RCF Claim Guarantee Documents).

All Allowed French RCF Claims, may, however, at the election of CGG, be repaid in full in Cash (and concurrently with the payment in full in Cash of Allowed US Secured Funded Debt Claims) pursuant to a refinancing to occur on or prior to the Effective Date at the latest (but in any event, after the date of entry of the French Plan Sanction Order).

The Allowed French RCF Claims of any Debtor to which such Debtor is subrogated as a result of payments made by the Debtor on behalf of CGG during the Chapter 11 Cases shall be deemed to have elected Option 2 and shall receive the treatment accorded to Non-Participating French RCF Lenders; provided, however that any such Claims are subject to CGG's setoff rights, if any; and such Claims shall not benefit from any security or guarantee.

For the avoidance of doubt, on the Effective Date, the Debtors shall pay (i) all post-petition interest at the rate specified in the Final Cash Collateral Order owed to the Secured Finance Parties that remains accrued but unpaid as of the Effective Date and (ii) all other Adequate Protection Obligations and all other fees and expenses owed to the Secured Finance Parties under Article II.B of the Plan.

(c) Voting: Class 3 is Impaired under the Plan. Each Holder of an Allowed French RCF Claim is entitled to vote to accept or reject the Plan.

(iv) Class 4 – US Secured Funded Debt Claims

(a) Allowance: The US Secured Funded Debt Claims shall be Allowed in the aggregate principal amount of $499,779,680, comprising $161,933,711 in principal amount and $337,845,969 in principal amount of the US RCF Claim and the TLB Claim, respectively, plus any accrued and unpaid interest under the US RCF Credit Agreement and the TLB Credit Agreement as of the Effective Date.

(b) Treatment: On the Effective Date, in full and final satisfaction, compromise, settlement, release and discharge of the principal amount of each Allowed US Secured Funded Debt Claim, each Holder of an Allowed US Secured Funded Debt Claim shall receive under the Restructuring Plans its pro rata share (based on the aggregate principal amount of the Allowed Secured Funded Debt Claims less the amount of any Termed Out French RCF Claims) of:

(i) New First Lien Notes; and

(ii) Secured Funded Debt Claims Cash Payment.

The New First Lien Notes will be fully redeemable at par on or after the Effective Date, on the terms and conditions set forth in, and subject to, the New First Lien Notes Documents, including, without limitation, any fees, make-whole payments, or premiums set forth therein.

Notwithstanding the foregoing, all Allowed US Secured Funded Debt Claims may, at the election of CGG, be repaid in full in cash (and concurrently with the payment in full in Cash of all Allowed French RCF Claims) pursuant to a refinancing to occur on or prior to the Effective Date at the latest (but in any event, after the date of entry of the French Plan Sanction Order.)

For the avoidance of doubt, on the Effective Date, the Debtors shall pay (i) all post-petition interest at the rate specified in the Final Cash Collateral Order owed to the Secured Finance Parties that remains accrued but unpaid as of the Effective Date and (ii) all other Adequate Protection Obligations and all other fees and expenses owed to the Secured Finance Parties under Article II.B of the Plan. Holders of Allowed US Secured Funded Debt Claims are entitled to payment in Cash of any accrued and unpaid interest and fees due, if any, on the Effective Date.

(c) Voting: Class 4 is Impaired under the Plan. Each Holder of an Allowed US Secured Funded Debt Claim is entitled to vote to accept or reject the Plan.

(v) Class 5 – Senior Notes Claims and Senior Notes Accrued Interest Claims

(a) Allowance: The Senior Notes Claims shall be Allowed in accordance with and pursuant to the Safeguard Plan in the aggregate principal amount of $1,543,501,000, plus any accrued and unpaid interest under the Senior Notes as of the Reference Date; provided, however, that under the Safeguard Plan the Senior Notes will cease to accrue interest after the Reference Date, and no interest (including default interest, premium or other expenses or costs) shall accrue on the amounts between such date and the Effective Date; and provided further that under the Safeguard Plan, no default interest, premium or other expenses or costs shall accrue or be payable after the Petition Date.

(b) Treatment for Holders of Senior Notes Claims: In full and final satisfaction, compromise, settlement, release and discharge of each Allowed Senior Notes Claim, each Holder of an Allowed Senior Notes Claim shall receive pursuant to and subject to the Safeguard Plan:

(i) New CGG Shares with Warrants 2 in connection with the Rights Issue, at a price equal to the Euro equivalent of $1.75 per share of New CGG Share with Warrants 2, by way of set-off against the Allowed Senior Notes Claims if, and to the extent that, the backstop of the Holders of Senior Notes is called; and

(ii) New CGG Shares in the context of the Senior Notes Equitization, at a price per New CGG Shares equal to the Euro equivalent of $3.50.

Holders of Allowed Senior Notes Claims who receive New Second Lien Notes under the Safeguard Plan will receive rights under the Guarantor Debtors' secured guarantees of the New Second Lien Notes under the Plan (if they are entitled to such New Second Lien Notes under the New Second Lien Notes Private Placement Agreement). The New Second Lien Notes will be issued under the New Second Lien Notes Indenture and are intended to be fungible with the New Second Lien Interest Notes.

*Treatment for Holders of Senior Notes Accrued Interest Claims.* Pursuant to and in accordance with the Safeguard Plan, under the Safeguard Plan, each Holder of an Allowed Senior Notes Accrued Interest Claim has the option to (i) elect conversion of such Allowed Senior Notes Accrued Interest Claim into the New Second Lien Interest Notes in a principal amount of such holder's pro rata share of $86 million or (ii) to retain such Claim against CGG, which claim will be guaranteed by the Guarantor Debtors under the Plan and which Claim will be repaid by CGG under the Safeguard Plan over ten (10) years from the date of the French Plan Sanction Order pursuant to the following payment schedule: (a) 1% per year in each of years 1 and 2; (b) 5% per year in each of years 3 to 9; and (c) 63% in year 10 (and as further provided for in the Safeguard Plan).

Holders of Allowed Senior Notes Accrued Interest Claims who receive New Second Lien Interest Notes under the Safeguard Plan will receive rights under the Guarantor Debtors' secured guarantees of the New Second Lien Interest Notes under the Plan (if they have opted to receive such New Second Lien Interest Notes) in each case in accordance with and subject to the Safeguard Plan. The New Second Lien Interest Notes will be issued under the New Second Lien Notes Indenture and are intended to be fungible with the New Second Lien Notes.

(c) Voting: Class 5 is Impaired under the Plan. Each Holder of an Allowed Senior Notes Claim is entitled to vote to accept or reject the Plan.

(vi) Class 6 – General Unsecured Claims. General Unsecured Claims shall be paid in full in Cash (together with interest if provided for under the governing agreement) in the ordinary course of the Debtors' business, in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions, or Reinstated. Accordingly, no request for payment of a General Unsecured Claim need be Filed in these Chapter 11 Cases, and no bar date for such General Unsecured Claims will be set. Each Holder of an Allowed General Unsecured Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, no Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(vii) Class 7 – Intercompany Claims. On the Effective Date, all Intercompany Claims shall be Reinstated; provided, however, that the Existing Intercompany Notes shall only be Reinstated to the extent not satisfied and discharged by the Partial Intercompany Note Repayment. Class 7 is Unimpaired. Each Holder of an Intercompany Claim is therefore conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, no Holder of an Intercompany Claim is entitled to vote to accept or reject the Plan.

(viii) Class 8 – Intercompany Interests. On the Effective Date, each Intercompany Interest shall be Reinstated. Class 8 is Unimpaired under the Plan. Each Holder of an Intercompany Interest is conclusively presumed to have accepted the Plan pursuant to section 1126 of the Bankruptcy Code. Therefore, no Holder of an Intercompany Interest is entitled to vote to accept or reject the Plan.

2. Votes Solicited in Good Faith. Upon entry of the Confirmation Order, the Plan Proponents will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and, pursuant to section 1125(e) of the Bankruptcy Code, the Plan Proponents and each of the Lock-Up Agreement Support Parties and each of their respective Affiliates, agents, representatives, members, principals, equity holders (regardless of whether such interests are held directly or indirectly), officers, directors, partners (including both general and limited partners), managers, employees, advisors (including investment advisors) and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan, and, therefore, neither any of such parties or individuals nor the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale or purchase of the Securities offered and sold under the Plan.

3. Means for Implementing the Plan. On the Effective Date, the Debtors or the Reorganized Debtors, in each case subject to the consent of the Ad Hoc Committees, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (1) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable law; (4) the execution and delivery of the applicable documents included in the Plan Supplement, to the extent required by the Debtors, including, but not limited to, the Restructuring Documents where relevant; (5) all actions required of the Debtors or the Reorganized Debtors in connection with the Financial Restructuring to the extent implemented under the Safeguard Plan; and (6) all other actions that the applicable Entities determine to be necessary or appropriate, in the most tax efficient manner to the extent commercially reasonable, including making filings or recordings that may be required by applicable law.

CGG will implement certain Financial Restructuring transactions in accordance with the Safeguard Plan, including: (1) the issuance of the Warrants 1 and Coordination Warrants; (2) the Convertible Bond Equitization; (3) the Senior Notes Equitization; (4) the New Money Issuance (including the Warrants 2 and the Warrants 3 and the Backstop Warrants); (5) the issuance of New Second Lien Interest Notes; and (6) granting guarantees of the New First Lien Notes.

Unless the Court orders otherwise, within fourteen (14) days after any Estate is fully administered and the Court has discharged any trustee serving in the Chapter 11 Cases, the Reorganized Debtors will file and serve upon the U.S. Trustee a closing report substantially in the form available on the Court's website in accordance with Local Rule 3022-1.

4. Sources of Consideration for Plan Distributions. Consideration for Plan Distributions shall come from:

(a) US Secured Funded Debt Claims

On the Effective Date, CGG Holding (U.S.) Inc. and the other Guarantor Debtors and CGG shall enter into the New First Lien Notes Indenture, Reorganized CGG Holding (U.S.) Inc. shall issue the New First Lien Notes, and the Guarantor Debtors (other than CGG Holding (U.S.) Inc.) and CGG shall guarantee the New First Lien Notes, in full and final satisfaction of the US Secured Funded Debt Claims outstanding, less the Secured Funded Debt Claims Cash Payment. CGG Holding (U.S.) Inc. will execute the Secured Funded Debt Cash Payment Note and use the proceeds therefrom to fund the Secured Funded Debt Claims Cash Payment or effect the Intercompany Purchase. CGG, as Plan Proponent, will advance funding as needed for the Secured Funded Debt Claims Cash Payment to Reorganized CGG Holding (U.S.) Inc. pursuant to the Secured Funded Debt Cash Payment Note, or to effect an Intercompany Purchase, in either case using proceeds from the Rights Issue and the New Second Lien Notes Issue, as applicable.

On the Effective Date, the relevant Reorganized Debtors are authorized to execute and deliver the Secured Funded Debt Cash Payment Note, or to effect the Intercompany Purchase, the New First Lien Notes Indenture and the New First Lien Notes Indenture Required Documents, and all documents that serve to evidence and secure the Reorganized Debtors' obligations under the New First Lien Notes and perform their obligations thereunder, including the payment or reimbursement of any fees, expenses, losses, damages or indemnities, all of which shall constitute the legal, valid and binding obligations of the Reorganized Debtors on the Effective Date and shall be enforceable in accordance with their respective terms.

(b) French RCF Facility Claims

On the Effective Date, to effectuate the treatment in Article III.B.3 of the Plan for the Allowed French RCF Claims held by the Participating French RCF Lenders, Reorganized CGG Holding (U.S.) Inc. shall issue New First Lien Notes upon the instruction and at the direction of CGG to the Participating French RCF Lenders in accordance with the Safeguard Plan in payment of a portion of the Existing Intercompany Notes (the "Partial Intercompany Note Repayment") and/or for consideration paid by CGG consisting of the Intercompany Purchase. The amount repaid pursuant to the Partial Intercompany Note Repayment and/or the amount paid in Cash pursuant to Intercompany Purchase, to the extent applicable, will be equal to the "issue price," as determined for U.S. federal income tax purposes, of the New First Lien Notes issued, multiplied by the aggregate principal amount of New First Lien Notes issued to the Participating French RCF Lenders that hold Allowed French RCF Facility Claims. This issue price may not be available until up to fifteen (15) calendar days after the date of issuance. As a result, the Reorganized Debtors may not be able to quantify the amount of the Partial Intercompany Note Repayment or Intercompany Purchase, as applicable, for up to fifteen (15)

calendar days post-issuance of the New First Lien Notes. Notwithstanding any delay in determining the amount of consideration received pursuant to the Partial Intercompany Note Repayment and/or the Intercompany Purchase, the New First Lien Notes will have been issued by Reorganized CGG Holding (U.S.) Inc. for good and valuable consideration and will from the date of their issuance be valid and enforceable obligations of the Reorganized Debtors in accordance with their terms. On the Effective Date, to effectuate the treatment in Article III.B.3 of the Plan for the Allowed French RCF Claims held by any Non-Participating French RCF Lenders, the Guarantor Debtors shall be authorized to grant, as the case may be, the Termed Out French RCF Claim Guarantees in accordance with, and pursuant to, the Termed Out French RCF Claim Guarantee Documents.

On the Effective Date, CGG and Reorganized CGG Holding (U.S.) Inc. are authorized to make the Partial Intercompany Note Repayment or participate in the Intercompany Purchase, distribute the New First Lien Notes to the relevant Participating French RCF Lenders as instructed and directed by CGG and execute the Secured Funded Debt Cash Payment Note. The Reorganized Debtors are authorized to grant the Termed Out French RCF Claim Guarantees, and enter into, execute, and perform their obligations under the Termed Out French RCF Claim Guarantees and the Termed Out French RCF Claim Guarantee Documents and any other documents related thereto.

(c) New Second Lien Notes; New Second Lien Interest Notes

On the Effective Date, in accordance with and pursuant to the Restructuring Plans, CGG and the Debtors will consummate the issuance of (i) $375 million aggregate principal amount of New Second Lien Notes with the Warrants 3 and (ii) up to an aggregate principal amount of $86 million of New Second Lien Interest Notes. On the Effective Date, the Reorganized Debtors and CGG shall enter into the New Second Lien Notes Indenture and the Guarantor Debtors shall guarantee the New Second Lien Notes and the New Second Lien Interest Notes.

On the Effective Date, (a) the Reorganized Debtors are authorized to execute and deliver the New Second Lien Notes Indenture and the New Second Lien Notes Required Documents, and to perform their obligations thereunder, including the payment or reimbursement of any fees, expenses, losses, damages or indemnities and (b) subject to the occurrence of the Effective Date, the New Second Lien Notes Indenture and any and all New Second Lien Notes Required Documents shall constitute the legal, valid and binding obligations of the Reorganized Debtors and be enforceable in accordance with their respective terms.

(d) New Intercreditor Agreements

Among other things, the New First Lien Notes, the New Second Lien Notes, the New Second Lien Interest Notes, the Termed Out French RCF Claim Guarantees and the Termed Out French RCF Claim Guarantee Documents shall be subject to, and governed by, the New Intercreditor Agreements, including, for the avoidance of doubt, if there is a term out of any of the French RCF Claims pursuant to the Safeguard Plan, the New Additional Intercreditor Agreement.

5. Corporate Existence. Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation or other form of entity under applicable non-bankruptcy law with all the powers of such corporation or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, federal or applicable foreign law). For the avoidance of doubt, nothing in the Plan prevents, precludes or otherwise impairs the Reorganized Debtors, or any one of them, from merging, amalgamating or otherwise restructuring their legal entity form in accordance with applicable non-bankruptcy law after the Effective Date.

6. Vesting of Assets in the Reorganized Debtors. Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all property in each Estate, all Causes of Action and any property acquired by any of the Debtors (including Interests held by the Debtors in Non-Debtor Subsidiaries and Joint Ventures) pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances, except for Liens securing obligations under the New First Lien Notes, the New Second Lien Notes, the New Second Lien Interest Notes, the Termed Out French RCF Claim Guarantees and the Termed Out French RCF Claim Guarantee Documents. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire or dispose of property and compromise or settle any Claims, Interests or Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

7. Cancellation of Existing Securities and Agreements. Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, on the Restructuring Effective Date: (1) the obligations of the Debtors under the Secured Funded Debt Documents, the Senior Notes and the Indentures and any other certificate, share, note, bond, indenture, purchase right, option, warrant or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such certificates, notes or other instruments or documents evidencing indebtedness or obligations of, or Interest in, the Debtors that are specifically Reinstated pursuant to the Plan) shall be cancelled as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating or pertaining to any agreements, indentures, certificates of designation, bylaws or certificates or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, certificates, notes or other instruments evidencing indebtedness or obligations of or Interests in the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged; provided, however, that, in the cases of both

clauses (1) and (2) above, notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement (including the Intercreditor Agreements) that governs the rights of the Senior Notes Trustees, the Agents or any other Holder of a Claim shall continue in effect solely for purposes of: (a) enabling Holders of Allowed Claims to receive distributions under the Plan as provided therein and for enforcing any rights thereunder against parties other than the Debtors, the Reorganized Debtors, CGG or their Representatives; (b) allowing the Agents and the Senior Notes Trustees, as applicable, in accordance with Article VII of the Plan and subject to the Safeguard Plan, to make distributions to the Holders of the Secured Funded Debt Claims and the Senior Notes Claims; (c) permitting the Senior Notes Trustees to assert their respective charging liens; (d) allowing the Agents and the Senior Notes Trustees to maintain any right of priority of payment, indemnification, exculpation, contribution, subrogation or any other claim or entitlement they may have under the applicable Secured Funded Debt Documents and applicable Indentures (which shall survive and not be released, notwithstanding anything to the contrary contained in the Plan) other than against the Debtors or the Reorganized Debtors and CGG; (e) allowing the Agents and the Senior Notes Trustees to enforce any obligations owed to each of them under the Plan or the Confirmation Order; (f) permitting the Agents and the Senior Notes Trustees to appear before the Court, the French Court or any other court; (g) permitting the Agents and the Senior Notes Trustees to exercise rights and obligations relating to the interests of the applicable Secured Finance Parties and applicable Senior Noteholders, to the extent consistent with the Plan, the Confirmation Order and the Safeguard Plan; and (h) permitting the Agents and the Senior Notes Trustees to perform any functions that are necessary to effectuate the foregoing; provided, further, however, that the preceding provisos shall not affect the discharge of Claims pursuant to the Bankruptcy Code, the Confirmation Order or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under the Plan; provided, further, however, that nothing in this section shall effect a cancellation of any Existing CGG Shares or New CGG Shares, Warrants, Intercompany Interests, New First Lien Notes, New Second Lien Notes or New Second Lien Interest Notes, or the Termed Out French RCF Claim Guarantees or the Termed Out French RCF Claim Guarantee Documents.

Except as expressly provided in the Plan and Confirmation Order, on the Restructuring Effective Date, each of the Senior Notes Trustees and the Agents and their respective agents, successors and assigns shall be fully discharged of all of the duties and obligations under the applicable Indentures and Secured Funded Debt Documents.

8. Corporate Action. On the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved by the Court in all respects, including, as applicable: (1) the execution and delivery of the Restructuring Documents and any related instruments, agreements, guarantees, filings or other related documents; (2) the implementation of the Restructuring Transactions; (3) the consummation of the Partial Intercompany Note Repayment or Intercompany Purchase, as applicable; and (4) all other actions contemplated by the Plan (whether to occur before, on or after the Effective Date). On the Effective Date, all matters provided for in the Plan involving the corporate structure of the other Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security Holders, directors or officers of the Debtors or the Reorganized Debtors.

On or (as applicable) before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors shall be authorized and (as applicable) directed to issue, execute and deliver the agreements, documents, securities and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including the Restructuring Documents and any and all other agreements, documents, securities and instruments relating to the foregoing, to the extent not previously authorized by the Court. The authorizations and approvals contemplated by Article IV.G of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

9. New Organizational Documents. To the extent required under the Plan or applicable non-bankruptcy law, the Reorganized Debtors shall file their respective New Organizational Documents with the applicable Secretaries of State or other applicable authorities in their respective states, provinces or countries of incorporation or formation in accordance with the corporate laws of the respective states, provinces or countries of incorporation or formation. To the extent required, pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents of the Reorganized Debtors will prohibit the issuance of non-voting equity securities.

10. Directors and Officers of the Reorganized Debtors. On the Effective Date, all managers, directors and other members of the existing boards or governance bodies of the Debtors (unless such Persons have resigned or been dismissed in accordance with applicable law), as applicable, shall continue to hold office and shall continue to have authority from and after such time, solely to the extent not expressly excluded in the roster of the applicable New Boards. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in advance of the Confirmation Hearing the identity and affiliations of the individuals serving (or selected to serve) on the New Boards, as well as those Persons who are serving (or will serve) as officers of any of the Reorganized Debtors, if any. If any director to be appointed to a New Board or an officer is an "insider" as defined under the Bankruptcy Code, the nature of any compensation to be paid to such director or officer from and after the Effective Date will also be disclosed. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

11. Effectuating Documents; Further Transactions. On and after the Effective Date, the Reorganized Debtors, and the officers and members of the New Boards thereof, are authorized to and may issue, execute, deliver, file or record such contracts, Securities, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan, the Securities issued pursuant to the Plan, including the New First Lien Notes, the New Second Lien Notes, the New Second Lien Interest Notes, the Warrants, the New CGG Shares and the Termed Out French RCF Claim Guarantees, in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations or consents, except those expressly required pursuant to the Plan.

12. Exemption from Certain Taxes and Fees. Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan (including under any of the

Restructuring Documents and related documents) shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee or governmental assessment. Such exemption under section 1146(a) of the Bankruptcy Code specifically applies, without limitation, to: (1) the creation and recording of any mortgage, deed of trust, Lien or other security interest (including, among other things, those contemplated under the New First Lien Notes Indenture Required Documents and the New Second Lien Notes Indenture Required Documents); (2) the making or assignment of any lease or sublease; (3) any Restructuring Transaction; (4) the issuance, distribution and/or sale of any Securities of the Debtors or the Reorganized Debtors; and (5) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including: (a) any merger agreements, (b) agreements of consolidation, restructuring, disposition, liquidation or dissolution, (c) deeds, (d) bills of sale or (e) assignments executed in connection with any Restructuring Transaction occurring under the Plan.

13. Preservation of Causes of Action. In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article IV(L) of the Plan, unless expressly stated otherwise in the Plan, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and such rights to commence, prosecute or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement or this Disclosure Statement to any Causes of Action against it as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against it. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan or Plan Supplement**. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Court order, the Debtors or Reorganized Debtors, as applicable, expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action upon or as a consequence of the Confirmation or Consummation of the Plan.

In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided in the Plan, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtors, through their authorized agents or representatives, retain and have the exclusive right, authority and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw or litigate to judgment any such Causes of Action, and to decline to do any of the

foregoing without the consent or approval of any third party or further notice to or action, order or approval of the Court.

14. Employee and Retiree Benefits. All employment, severance, retirement, indemnification and other similar employee-related agreements or arrangements in place as of the Effective Date with the Debtors shall be assumed by the Reorganized Debtors and shall remain in place after the Effective Date, as may be amended by agreement between the beneficiaries of such agreements, plans or arrangements, on the one hand and the Debtors, on the other hand, or, after the Effective Date, by agreement with the Reorganized Debtors, and the Reorganized Debtors will continue to honor such agreements, arrangements, programs and plans. Nothing in the Plan shall limit, diminish or otherwise alter the Reorganized Debtors' defenses, Claims, Causes of Action or other rights with respect to any such contracts, agreements, policies, programs and plans. Pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

15. Claims Administration Responsibilities. Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors shall have the sole authority: (1) to File, withdraw or litigate to judgment objections to or disputes regarding Claims; and (2) to settle or compromise any Claim without any further notice to or action, order or approval by the Court.

16. Treatment of Executory Contracts and Unexpired Leases.

(a) Assumption and Rejection of Executory Contracts and Unexpired Leases. On the Effective Date, except as otherwise provided in the Plan, all Executory Contracts or Unexpired Leases shall be deemed assumed by the Reorganized Debtors in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code.

The Confirmation Order shall constitute a Court order approving the assumptions of such Executory Contracts or Unexpired Leases as set forth in the Plan pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Court order, but not assigned to a third party before the Effective Date, shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Court authorizing and providing for its assumption under applicable federal law.

To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption of such Executory Contract or Unexpired Lease (including any "change of control" provision), such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

(b) Cure of Defaults for Assumed Executory Contracts and Unexpired Leases. Any Cure Claims shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code by payment of the Cure Claim in Cash on the Effective Date, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any Cure Claim or (2) any other matter pertaining to assumption, the payments on the Cure Claim required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption.

At least 14 calendar days before the Confirmation Hearing, the Debtors shall distribute, or cause to be distributed, Cure Notices of proposed assumption and proposed amounts of Cure Claims to the applicable third parties. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served and actually received by the Debtors at least seven (7) calendar days before the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount. In any case, if the Court determines that an Allowed Cure Claim with respect to any Executory Contract or Unexpired Lease is greater than the amount set forth in the applicable Cure Notice, the Debtors or Reorganized Debtors, as applicable, will have the right to move to reject such Executory Contract or Unexpired Lease.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease.

(c) Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases. Notwithstanding any non-bankruptcy law to the contrary, the Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased, or services previously received, by the contracting Debtors from counterparties to rejected or repudiated Executory Contracts or Unexpired Leases.

(d) Indemnification Obligations. Except to the extent inconsistent with the Plan, the obligation of each Debtor to indemnify any individual who is serving or has served as one of such Debtor's directors, officers or employees on or after the Petition Date will be deemed and treated as Executory Contracts that are assumed by each Reorganized Debtor pursuant to the Plan as of the Effective Date on the terms provided in the applicable certificates of incorporation, bylaws or similar constituent documents, by statutory law or by written agreement, policies or procedures of or with such Debtor. Accordingly, such indemnification obligations will survive and be unaffected by entry of the Confirmation Order, regardless of whether such indemnification is owed for an act or event occurring before or after the Petition Date; provided, however, that none of the Reorganized Debtors shall amend or restate any New Organizational Documents before or after the Effective Date to terminate or adversely affect any such indemnification obligations.

(e) Release of Avoidance Actions. On the Effective Date, the Debtors, on behalf of themselves and their estates, shall release any and all Avoidance Actions and the Debtors and the Reorganized Debtors, and any of their successors or assigns, and any Entity acting on behalf of the Debtors or the Reorganized Debtors, shall be deemed to have waived the right to pursue any and all Avoidance Actions, except for Avoidance Actions brought as counterclaims or defenses to Causes of Action asserted against the Debtors.

(f) Insurance Policies. Notwithstanding anything to the contrary in the Plan: (a) on the Effective Date, each Reorganized Debtor shall assume all the Insurance Contracts to which it is a party or is otherwise obligated to an Insurer, each in its entirety pursuant to sections 105 and 365 of the Bankruptcy Code; (b) all Insurance Contracts and all obligations and liabilities of the Debtors (and, after the Effective Date, of the Reorganized Debtors) thereunder, whether arising before or after the Effective Date, shall survive and shall not be amended, modified, waived, released, discharged or impaired by the Plan; (c) the Plan shall not alter, modify, amend, affect, impair or prejudice the legal, equitable or contractual rights, obligations, or defenses of the Insurers, the Debtors (or, after the Effective Date, the Reorganized Debtors), or any other individual or entity, as applicable, under any Insurance Contracts; (d) nothing alters or modifies the duty, if any, that Insurers have to pay claims covered by the Insurance Contracts and their right to seek payment or reimbursement from the Debtors (or after the Effective Date, the Reorganized Debtors) or to draw on any collateral or security therefor; (e) the claims of the Insurers arising (whether before or after the Effective Date) under the Insurance Contracts (i) are actual and necessary expenses of the Debtors' estates (or the Reorganized Debtors, as applicable), (ii) shall be paid in full in the ordinary course of businesses, whether as an Allowed Administrative Claim under section 503(b)(1)(A) of the Bankruptcy Code or otherwise, regardless of when such amounts are or shall become liquidated, due or paid, and (iii) shall not be discharged or released by the Plan; (f) the Insurers do not need to file or serve any objection to a proposed Cure Claim and are not subject to the bar date governing Cure Claims or Administrative Claims; and (g) the automatic stay of Bankruptcy Code section 362(a) and the injunctions set forth in Article VIII.F of the Plan, if and to the extent applicable, shall be deemed lifted without further order of this Court, solely to permit: (I) claimants with valid workers' compensation claims or direct action claims against an Insurer under applicable non-bankruptcy law to proceed with their claims; (II) the Insurers to administer, handle, defend, settle, and/or pay, in the ordinary course of business and without further order of this Court, (A) workers' compensation claims, (B) claims where a claimant asserts a direct claim against any Insurer under applicable non-bankruptcy law, or an order has been entered by this Court granting a claimant relief from the automatic stay to proceed with its claim, and (C) all costs in relation to each of the foregoing; (III) the Insurers to draw against any or all of the collateral or security provided by or on behalf of the Debtors (or the Reorganized Debtors, as applicable) at any time and to hold the proceeds thereof as security for the obligations of the Debtors (and the Reorganized Debtors, as applicable) and/or apply such proceeds to the obligations of the Debtors (and the Reorganized Debtors, as applicable) under the applicable Insurance Contracts, in each case pursuant to and in accordance with the applicable Insurance Contract; and (IV) the Insurers to cancel any Insurance Contracts, and take other actions relating thereto, to the extent permissible under applicable non-bankruptcy law, and in accordance with the terms of the Insurance Contracts. For the avoidance of doubt, nothing in the Plan expands or broadens the rights of the Insurers or creates any new rights under the Insurance Contracts.

For the avoidance of doubt, and without limiting the foregoing, the Debtors' D&O Liability Insurance Policies also shall be Reinstated under the Plan to the fullest extent possible under applicable law. Notwithstanding anything in the Plan to the contrary, effective as of the Effective Date, the Reorganized Debtors shall be deemed to have assumed all D&O Liability Insurance Policies with respect to the Debtors' directors, managers, officers and employees serving on or prior to the Effective Date pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order will constitute the Court's approval of the Reorganized Debtors' assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan and no Proof of Claim, Administrative Claim or objection to Cure Claim need be filed with respect thereto.

(g) Modifications, Amendments, Supplements, Restatements or Other Agreements. Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of any such Executory Contract or Unexpired Lease or the validity, priority or amount of any Claims that may arise in connection therewith.

(h) Contracts and Leases Entered into After the Petition Date. Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) that have not been rejected as of the date of Confirmation will survive and remain unaffected by entry of the Confirmation Order.

17. Treatment of General Unsecured Claims. General Unsecured Claims will be paid in full in Cash (together with interest if provided for under the governing agreement) in the ordinary course of the Debtors' business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions, or Reinstated. The Debtors will resolve any dispute regarding the amount of a General Unsecured Claim in the ordinary course of the Debtors' business, and in accordance with the terms and conditions of the agreements governing such Claims. In the event that the Debtors and the Holder of any disputed General Unsecured Claim are unable to resolve such dispute in accordance with the governing documents (if any), then the Debtors or the

Reorganized Debtors shall move the Court to resolve such dispute. Holders of General Unsecured Claims accordingly are not required to file a Proof of Claim and no such parties should file a Proof of Claim.

**The Confirmation Order will constitute an order of the Court disallowing without prejudice any Proof of Claim Filed in the Chapter 11 Cases without the need for any objection by the Reorganized Debtors or any further notice to or action, order or approval of the Court.**

(a) Delivery of Distributions and Undeliverable or Unclaimed Distributions.

(i) Delivery of Distributions on Account of Secured Funded Debt Claims. Except as otherwise provided in the Plan, the Safeguard Plan or reasonably requested by a Collateral Agent, all distributions to Holders of Secured Funded Debt Claims (other than the Secured Funded Debt Claims Cash Payment) shall be deemed completed when made to the applicable Collateral Agent, each of which shall be deemed to be the Holder of the applicable Secured Funded Debt Claims for which it serves as Collateral Agent for purposes of such distributions hereunder. Each Collateral Agent shall hold or direct such distributions for the benefit of the applicable Holders of Allowed Secured Funded Debt Claims. As soon as practicable in accordance with the requirements set forth in Article VII of the Plan, each Collateral Agent shall arrange to deliver such distributions to or on behalf of the applicable Holders of Allowed Secured Funded Debt Claims. Except as otherwise provided in the Plan, the Safeguard Plan or reasonably requested by an Administrative Agent, all distributions of the Secured Funded Debt Claims Cash Payment to Holders of Secured Funded Debt Claims shall be deemed completed when made to the applicable Administrative Agent, each of which shall be deemed to be the Holder of the applicable Secured Funded Debt Claims for which it serves as Administrative Agent for purposes of distribution of the Secured Funded Debt Claims Cash Payment hereunder. Each Administrative Agent shall hold or direct the distribution of the Secured Funded Debt Claims Cash Payment for the benefit of the applicable Holders of Allowed Secured Funded Debt Claims. As soon as practicable, in accordance with the requirements set forth in Article VII of the Plan, each Administrative Agent shall arrange to deliver the Secured Funded Debt Claims Cash Payment to or on behalf of the applicable Holders of Allowed Secured Funded Debt Claims. New First Lien Notes purchased by CGG pursuant to the Intercompany Partial Note Repayment or the Intercompany Purchase shall be issued to Participating French RCF Lenders by Reorganized CGG Holding (U.S.) Inc. upon the instruction of and as directed by CGG in accordance with the Safeguard Plan.

(ii) Delivery of Distributions on Account of Senior Notes Claims. All distributions to Holders of Senior Notes Claims shall be made under the Safeguard Plan pursuant to the procedures established in the Safeguard Plan and its schedules.

(b) Exchange Rate. Solely for the purposes of the Plan, any Claim against the Debtors in non-U.S. currency will be converted into U.S. dollars on the basis of the Reuters USD/EUR exchange rate applicable at midday (Paris time) on June 14, 2017 (i.e., €1 = USD 1.1206).

(c) Securities Registration Exemption. Pursuant to section 1145 of the Bankruptcy Code, the issuance of Securities by the Plan Proponents as contemplated by the Plan is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution or sale of Securities. The Securities issued by the Plan Proponents pursuant to section 1145 of the Bankruptcy Code (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (b) are freely tradable and transferable by any initial recipient thereof that (i) is not an "affiliate" of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "affiliate" within 90 calendar days of such transfer, (iii) has not acquired the Securities from an "affiliate" within one year of such transfer and (iv) is not an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code.

Should the Reorganized Debtors elect on or after the Effective Date to reflect any ownership of the Securities through the facilities of the DTC, Euroclear or Clearstream, the Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of transfers of the Securities under applicable U.S. federal, state or local securities laws.

The DTC, Euroclear or Clearstream shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the Securities are exempt from registration and/or eligible for DTC, Euroclear or Clearstream book-entry delivery, settlement and depository services.

Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, the DTC, Euroclear or Clearstream) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New First Lien Notes, the New Second Lien Notes or the New Second Lien Interest Notes are exempt from registration and/or eligible for DTC, Euroclear or Clearstream book-entry delivery, settlement and depository services, other than as requested by the Senior Noteholders pursuant to the Private Placement Agreement.

(d) Compliance with Tax Requirements/Allocations. In connection with the Plan, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support and other spousal awards, liens and encumbrances.

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest as Allowed under the Plan.

(i) Applicability of Insurance Policies. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors, the Reorganized Debtors or any Entity may hold against any other Entity, including Insurers, nor shall anything contained herein constitute or be deemed a waiver of any rights or defenses under any Insurance Contracts, including any coverage defenses held by Insurers.

18. Release, Injunction and Related Provisions.

(a) Discharge of Claims and Termination of Interests. Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument or other agreement or document created pursuant to the Plan, including the Plan Supplement documents, the distributions, rights and treatment that are provided in the Plan shall be in complete satisfaction, discharge and release, effective as of the Effective Date, of Claims and Causes of Action of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, whether known or unknown, against liabilities of, liens on, obligations of, rights against, and interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, including demands, liabilities and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not the Holder of such a Claim has accepted the Plan. Any default or "event of default" by the Debtors or Affiliates with respect to any Claim that existed immediately before or on account of the Filing of the Chapter 11 Cases, the Safeguard or the Chapter 15 Case shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims subject to the Effective Date occurring.

(b) Release of Liens. **Except as otherwise specifically provided in the Plan, the New First Lien Notes Indenture, the New First Lien Notes Indenture Required Documents, the New Second Lien Notes Indenture, the New Second Lien Notes Indenture Required Documents, the New Intercreditor Agreements, the Termed Out French RCF Claim Guarantee Documents or any related documents (including in connection with any express written amendment of any mortgage, deed of trust, Lien, pledge or other security interest thereunder), or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date (except for any Termed Out French RCF Claims), all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any**

**further approval or order of the Court and without any action or Filing being required to be made by the Debtors. In addition, on or after the Effective Date, at the request and expense of the Debtors or the Reorganized Debtors, the Collateral Agents shall execute and deliver all documents reasonably requested by the Debtors, Reorganized Debtors, the New First Lien Notes Trustee or the New Second Lien Notes Trustee to evidence the release of such mortgages, deeds of trust, Liens, pledges and other security interests (including as required under the laws of other jurisdictions for non-U.S. security interests) and shall authorize the Reorganized Debtors to file UCC-3 termination statements (to the extent applicable) with respect thereto.**

(c) Debtor Release. Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, including with respect to Intercompany Claims, the Partial Intercompany Note Repayment, the Intercompany Purchase, and the Intercompany Interests for good and valuable consideration, on and after the Effective Date, and to the extent permitted by applicable law, each Released Party is deemed expressly, unconditionally, generally and individually and collectively with the Released Parties, acquitted, released and discharged by the Debtors, the Reorganized Debtors and the Estates, each on behalf of itself and its predecessors, successors and assigns, subsidiaries, affiliates, current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors and other professionals, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any Claims arising or asserted under any of the Secured Funded Debt Documents or the Indentures, any derivative Claims asserted or assertable on behalf of the Debtors, any Claims asserted or assertable on behalf of any Holder of any Claim against or Interest in the Debtors and any Claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereinafter arising, in law, equity, contract, tort or otherwise, by statute or otherwise, that the Debtors, the Reorganized Debtors or the Estates (whether individually or collectively), ever had, now has or hereafter can, shall or may have based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring efforts, the Debtors' intercompany transactions (including dividends paid), any preference or avoidance claim pursuant to sections 544, 547, 548, 549, 550 and 551 of the Bankruptcy Code, the purchase, sale or rescission of, or any other transaction relating to, any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is affected by or classified in the Plan, the restructuring of Claims and Interests before or during the Restructuring Transactions implemented by the Plan or any other transaction or other arrangement with the Debtors whether before or during the Restructuring Transactions, the negotiation, formulation or preparation of the Restructuring Transactions, the Restructuring Documents, the Plan, the Plan Supplement, this Disclosure Statement or any related agreements, any asset purchase agreement, instruments or other documents (including, for the avoidance of doubt, providing any legal opinion requested by any entity regarding any transaction, contract, instrument, document or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with this Disclosure Statement, the Plan, the Chapter 11 Cases, the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the

distribution of property under the Plan, or any other related agreement, or upon any other act or omission, transaction, agreement, event or other occurrence taking place or arising on or before the Effective Date related or relating to any of the foregoing, except for any act or omission that constitutes fraud, gross negligence or willful misconduct as determined by a Final Order of a court of competent jurisdiction (all such Claims as described herein, collectively, the "Released Claims"); provided, however, that nothing in the foregoing shall result in any of the Debtors' officers and directors waiving any indemnification Claims against the Debtors or any of their insurance carriers or any rights as beneficiaries of any insurance policies, which indemnification obligations and insurance policies shall be assumed by the Reorganized Debtors; and provided further, however, that nothing in the Plan shall limit the liability of attorneys to their respective clients pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct.

Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any of the Restructuring Transactions or any document, instrument or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Court's finding that the Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by the Debtors, the Reorganized Debtors and the Estates; (3) in the best interests of the Debtors, the Estates and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Reorganized Debtors, or the Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release. For the avoidance of doubt, any Claim by the Debtors against CGG for subrogation or a subrogated claim against CGG under the Secured Funded Debt Documents shall not be discharged or released hereunder.

(d) Third Party Release. **Except as otherwise provided in the Plan, for good and valuable consideration, as of the Effective Date and to the fullest extent authorized by applicable law, each Releasing Party expressly, unconditionally, generally and individually and collectively with the Releasing Parties releases, acquits and discharges the Released Parties from any and all Released Claims; provided, however, that nothing in the foregoing shall result in any of the Debtors' officers and directors waiving any indemnification Claims against the Debtors or any of their Insurers or any rights as beneficiaries of any Insurance Contracts, which indemnification obligations and Insurance Contracts shall be assumed by the Reorganized Debtors in accordance with the Plan; and provided further, however, that nothing in the Plan shall limit the liability of attorneys to their respective clients pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any of the Restructuring Transactions or any document, instrument or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.**

**Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under**

**the Plan, any of the Restructuring Transactions or any document, instrument or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes, by reference, each of the related provisions and definitions contained under the Plan, and, further, shall constitute the Court's finding that the Third Party Release is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of the Claims released by the Third-Party Release; (5) in the best interests of the Debtors and their Estates; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to any of the Releasing Parties asserting any claim or Cause of Action released pursuant to the Third-Party Release.**

(e) Exculpation. **Except as otherwise specifically provided in the Plan, no Released Party shall have or incur, and each Released Party is hereby released and exculpated from, any Exculpated Claim; provided, however, that the foregoing "Exculpation" shall have no effect on the liability of any entity that results from any such act or omission that is determined by a Final Order to have constituted fraud, gross negligence or willful misconduct. The Released Parties have participated in any and all activities potentially underlying any Exculpated Claim in good faith and in compliance with the applicable laws.**

(f) Injunction. **Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold or may hold Claims or Interests that have been released, discharged or are subject to exculpation pursuant to Article VIII of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Non-Debtor Subsidiaries, the Reorganized Debtors or the Released Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting or enforcing any lien or encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan. Notwithstanding anything to the contrary in the foregoing, the injunction does not enjoin any party under the Plan or under any document, instrument or agreement (including those attached to this Disclosure Statement or included in the Plan Supplement) executed to implement the Plan from bringing an action to enforce the terms of the Plan or such document, instrument or agreement (including those attached to this Disclosure Statement or included in the Plan Supplement) executed to implement the Plan.**

(g) Waiver of Statutory Limitations on Releases. **Each Releasing Party in each of the releases contained in the Plan expressly acknowledges that although ordinarily a general release may not extend to Claims which the Releasing Party does not know or suspect to exist in its favor, which if known by it may have materially affected its settlement with the party released, each Releasing Party has carefully considered and taken into account in determining to enter into the above releases the possible existence of such unknown losses or Claims. Without limiting the generality of the foregoing, each Releasing Party expressly waives any and all rights conferred upon it by any statute or rule of law which provides that a release does not extend to Claims which the claimant does not know or suspect to exist in its favor at the time of executing the release, which if known by it might have materially affected its settlement with the Released Party, including the provisions of California Civil Code Section 1542. The releases contained in the Plan are effective regardless of whether those released matters are presently known, unknown, suspected or unsuspected, foreseen or unforeseen.**

(h) Protection Against Discriminatory Treatment. Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the United States Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend or refuse to renew a license, permit, charter, franchise or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge) or has not paid a debt that is dischargeable in the Chapter 11 Cases.

(i) Subordination. Except as otherwise provided in the Plan, any distributions under the Plan to Holders shall be received and retained free from any obligations to hold or transfer the same to any other holder and shall not be subject to levy, garnishment, attachment or other legal process by any holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from and after the Effective Date from enforcing or attempting to enforce any contractual, legal or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

Subject to entry of the Confirmation Order, the allowance, classification and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise, except as specifically provided for under the Plan.

(j) Setoffs. Except as otherwise provided in the Plan or in the Safeguard Plan (including its schedules), and subject to applicable law, the Debtors or Reorganized Debtors may, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a

Claim, set off against any Allowed Claim (which setoff shall be made against the Allowed Claim, not against any distributions to be made under the Plan with respect to such Allowed Claim), any Claims, rights and Causes of Action of any nature that such Debtor may hold against the Holder of such Allowed Claim, to the extent such Claims, rights or Causes of Action against such Holder have not been otherwise released, waived, relinquished, exculpated, compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise), and any distribution to which a Holder is entitled under the Plan shall be made on account of the Claim, as reduced after application of the setoff described above; provided, however, that for the avoidance of doubt, the Debtors and the Reorganized Debtors may not set off against any Allowed Secured Funded Debt Claims or Allowed Senior Notes Claims unless expressly contemplated by the Reorganization Documents, and then only in accordance therewith. In no event shall any Holder of Claims be entitled to set off any Claim against any Claim, right or Cause of Action of the Debtors unless such Holder obtains entry of a Final Order entered by the Court authorizing such setoff or unless such setoff is otherwise agreed to in writing by the Debtors and a Holder of a Claim; provided, however, that, where there is no written agreement between the Debtors and a Holder of a Claim authorizing such setoff, nothing under the Plan shall prejudice or be deemed to have prejudiced the Debtors' rights to assert that any Holder's setoff rights were required to have been asserted by motion to the Court prior to the Effective Date.

19. Conditions Precedent to Confirmation and Consummation of the Plan

(a) Conditions Precedent to Confirmation. It shall be a condition to confirmation of the Plan that the Confirmation Order shall be in form and substance reasonably satisfactory to the Debtors, the Ad Hoc Committees and CGG, and shall have been entered and be in full force and effect.

(b) Conditions Precedent to the Effective Date.

It shall be a condition to Consummation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C of the Plan):

(i) The Confirmation Order shall have been entered by the Court and shall not have been stayed;

(ii) The French Plan Sanction Order shall have been entered by the French Court and shall not have been stayed;

(iii) The Chapter 15 Enforcement Order shall have been entered in the Chapter 15 Case and shall not have been stayed;

(iv) The Professional Fee Escrow shall have been established and funded in Cash in accordance with the Plan;

(v) The Administrative Claims of the Secured Finance Parties have been paid in full in Cash, including any post-petition interest at the rate specified in the Final Cash Collateral Order owed to the Secured Finance Parties that remains accrued but unpaid as of the Effective Date, and Adequate Protection Obligations and all other fees and expenses

payable under Article II.B of the Plan have been satisfied in full in Cash, including all unpaid fees and expenses of the Agents, the Ad Hoc Secured Lender Committee and their respective professionals that are payable under the Cash Collateral Orders or under the Secured Funded Debt Documents.

(vi) Unless the Allowed Secured Funded Debt Claims have been, at the election of CGG, repaid in full in Cash pursuant to a refinancing to occur on or prior to the Effective Date at the latest, the New First Lien Notes Indenture and the New First Lien Notes Required Documents have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent to the issuance of the New First Lien Notes shall have been waived or satisfied in accordance with the terms thereof;

(vii) The New Second Lien Notes Indenture and the New Second Lien Notes Required Documents related thereto shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent to the issuance of the New Second Lien Notes and New Second Lien Interest Notes shall have been waived or satisfied in accordance with the terms of the New Second Lien Notes Indenture;

(viii) Unless there are no Termed Out French RCF Claims, or all Allowed French RCF Claims have been, at the election of CGG, repaid in full (and concurrently with the payment in full in Cash of Allowed US Secured Funded Debt Claims) pursuant to a refinancing to occur or prior to the Effective Date at the latest, the Termed Out French RCF Claim Guarantee Documents shall have been executed and delivered by the Debtors;

(ix) All of the conditions to consummation of the Safeguard Plan (including its schedules) and the various transactions contemplated therein shall have been waived, satisfied or completed;

(x) The Debtors shall have received any authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions or documents that are necessary to implement the Plan and that are required by law, regulation or order; and

(xi) All actions and all agreements, instruments or other documents necessary to implement the Plan shall have been effected or executed and delivered by all of the Entities that are parties thereto, and all conditions precedent to the consummation of such agreements, instruments or other documents shall have been waived or satisfied in accordance with their terms thereof and to the extent applicable, the closing of such agreements, instruments or other documents shall have occurred.

It is intended that the Effective Date is the same date and occurs at the same time as the Restructuring Effective Date as such term is defined in the Safeguard Plan and the Lock-Up Agreement.

(c) Waiver of Conditions. The conditions to the Effective Date of the Plan may be waived by the Debtors (other than the conditions relating to the entry of the Confirmation Order, the French Plan Sanction Order and the Chapter 15 Enforcement Order) with the consent of the Ad Hoc Committees subject to the terms of the Lock-Up Agreement,

without notice, leave or order of the Court or any formal action other than proceedings to confirm or consummate the Plan.

(d) Substantial Consummation. "Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

(e) Effect of Non-Occurrence of Conditions to the Effective Date. If the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Class of Claims), assumption of Executory Contracts or Unexpired Leases effected by the Plan and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan or the Disclosure Statement shall (a) constitute a waiver or release of any Claims or rights of the Plan Proponents, (b) prejudice in any manner the rights of the Debtors or any other Person or Entity, or (c) constitute a representation, acknowledgement, offer or undertaking of any sort by the Debtors or any other Person or Entity.

20. Modification, Revocation or Withdrawal of the Plan

(a) Modification and Amendments. Subject to the limitations contained under the Plan, the Plan Proponents reserve the right (subject to the Lock-Up Agreement and the Private Placement Agreement) to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan (including, for the avoidance of doubt, repaying in full in Cash all Allowed Secured Funded Debt Claims in Cash, at the election of CGG, pursuant to a refinancing to occur on or prior to the Effective Date at the latest (but in any event, after the date of entry of the French Plan Sanction Order)). Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Plan Proponents expressly reserve their rights, with the consent of the Ad Hoc Committees, to alter, amend or materially modify the Plan with respect to the Debtors, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Court to so alter, amend or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, this Disclosure Statement or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan.

(b) Effect of Confirmation on Modifications. Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof, with the consent of the Ad Hoc Committees, are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

(c) Revocation or Withdrawal of the Plan. The Debtors reserve the right, with the consent of the Ad Hoc Committees, to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if Confirmation and Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Class of Claims), assumption of Executory Contracts or Unexpired

Leases effected by the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void; and (3) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims, (ii) prejudice in any manner the rights of the Debtors or any other Entity, including the Holders of Claims or the Non-Debtors, or (iii) constitute an acknowledgement, offer or undertaking of any sort by the Debtors or any other Entity, including the Non-Debtors.

21. Retention of Jurisdiction. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate or establish the priority, Secured or unsecured status or amount of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount or allowance of Claims;

(b) decide and resolve all matters related to the granting and denying, in whole or in part, of any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

(c) resolve any matters related to: (a) the assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable in any manner and to hear, determine and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims; (b) any dispute regarding whether a contract or lease is or was executory or expired; and (c) any other issue related to an Executory Contract or Unexpired Lease;

(d) ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

(e) adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

(f) adjudicate, decide or resolve any and all matters related to Causes of Action;

(g) adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;

(h) enter and implement such orders as may be necessary or appropriate to execute, implement or consummate the provisions of the Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan or this Disclosure Statement;

(i) enter and enforce any order for the sale of property pursuant to section 363, 1123 or 1146(a) of the Bankruptcy Code;

(j) resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with the Consummation, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

(k) issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

(l) resolve any cases, controversies, suits, disputes or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations and other provisions contained in Article VIII of the Plan, and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

(m) resolve any cases, controversies, suits, disputes or Causes of Action with respect to the payment of General Unsecured Claims by the Debtors or the Reorganized Debtors;

(n) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

(o) determine any other matters that may arise in connection with or relate to the Plan, this Disclosure Statement, the Confirmation Order or the Plan Supplement; provided, however, that the Court shall not retain jurisdiction over disputes (i) concerning documents contained in the Plan Supplement that have a jurisdictional, forum selection or dispute resolution clause that refers disputes to a different court or (ii) concerning the Safeguard Plan;

(p) adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated in the Plan, subject to the proviso in sub-paragraph (o) above;

(q) consider any modifications of the Plan, to cure any defect or omission or to reconcile any inconsistency in any Court order, including the Confirmation Order;

(r) determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

(s) hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(t) grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

(u) hear and determine all disputes involving the existence, nature or scope of the release provisions set forth in the Plan;

(v) enforce all orders previously entered by the Court;

(w) hear any other matter not inconsistent with the Bankruptcy Code;

(x) enter an order concluding or closing the Chapter 11 Cases; and

(y) enforce the injunction, release and exculpation provisions set forth in Article VIII of the Plan.

**B. Safeguard Plan**

The Debtors' Chapter 11 Plan and CGG's Safeguard Plan require that the Chapter 11 Cases be coordinated with the Safeguard Plan pursuant to a global timetable that accounts for the deadlines and constraints of each procedure. For purposes of this section, capitalized terms used but not defined herein have the meanings ascribed to such terms in the Safeguard Plan.

1. Summary of the Safeguard Plan. The Safeguard Plan effects the following principal restructuring objectives:

(a) Full equitization of (i) the amounts due under the Senior Notes, except for $86 million of accrued interest; and (ii) the amounts due under the Convertible Bonds, except for accrued interest in an amount in euros equivalent to $5 million;

(b) Unless such claims are refinanced and paid in full and in cash on or prior to the Reference Date, the "exchange" of the claims under the Secured Loans (other than the interest and fees (other than default interest and penalties) which shall be paid in cash and the Upfront Pay Down (as defined below)) into 5-year maturity notes with a bullet repayment at maturity, governed by New York law and issued by Holding US, with an interest rate equal to (i) a cash coupon of floating LIBOR (subject to a floor of 1.0%) plus 6.50% per annum, and (ii) with respect to the PIK interest, a rate between 0 and 2.50% per annum based on the aggregate principal amount outstanding of such new notes immediately after the Restructuring Effective Date. A partial upfront pay-down in cash up to a maximum amount of $150 million (the "Upfront Pay Down" or as defined in the Plan, the Secured Funded Debt Claims Cash Payment) may also be made to the secured lenders in certain circumstances;

(c) Provision of New Money Issuances up to a maximum amount of $500 million as follows:

(i) an amount in euros equivalent to $125 million, by way of a share capital increase through distribution to CGG's shareholders of preferential subscription rights to subscribe for New CGG Shares with Warrants 2. The subscription to the share capital increase is backstopped by DNCA for an amount equivalent in euros of $80 million, and then, at the election of the Company, by other significant shareholders that execute a restructuring support agreement no later than 21 days prior to the shareholders' general meeting. The remaining amount is backstopped by the Senior Noteholders by way of set-off of Senior Notes claims;

(ii) $375 million aggregate principal amount of New Second Lien Notes plus Warrants 3. Approximately 86% of the New Second Lien Notes

have been committed to be subscribed for in accordance with the Private Placement Agreement. The remaining approximately 14% is backstopped in full and in cash by the members of the Ad Hoc Senior Noteholder Committee (or their authorized transferees under the Private Placement Agreement).

The terms and conditions of such issuance are detailed in the New Second Lien Private Placement Agreement, the execution of which was authorized by order of the Commercial Court of Paris dated June 23, 2017.

2. Liabilities Subject to Compromise Under the Safeguard Plan.

(a) Liabilities affected by the Safeguard Plan. The Safeguard Plan provides for amendments of the repayment terms of the claims held by creditors under the following agreements:

- French RCF;
- Senior Notes;
- Convertible Bonds;
- Guarantees granted by the Company for the repayment of the amounts under the US RCF and the TLB 2019; and
- Guarantees granted by the Guarantor Companies under the French RCF and/or the Senior Notes and/or the US RCF and the TLB 2019; provided, however, that the subrogation claims of the Guarantor Company(ies) for payment of interest, fees or any amount under the French RCF Credit Agreement due during the post-filing period in the Safeguard will be subrogated to the rights of the French RCF Lenders and their claims deemed to have elected Option 2 under the Safeguard Plan with respect to claim distributions, shall not benefit from any security interest or guarantee to which Termed Out French RCF Lenders are eligible (subject to the execution of the Additional Intercreditor Agreement), and are subject to setoff.

(b) Liabilities not affected by the Safeguard Plan. The Safeguard Plan does not provide for amendments to the repayment terms of certain creditors, or provide for a full repayment in cash of their claims upon sanctioning of the Safeguard Plan subject to the admission of their claims, namely the creditors under:

- The tax integration;
- The operational Guarantees;
- The Financial Lease;

- The suppliers' liabilities; and

- The intra-group liabilities (except the claims of the Guarantor Companies under the guarantees mentioned above); provided, however, that the intragroup claims, whose final maturity is December 31, 2018, will not be amended and will be repaid in accordance with the contractual provisions in force as at the Opening Ruling of the Safeguard.

Creditors whose claims are not affected by the Safeguard Plan will not participate in the vote on the Safeguard Plan within the Lenders' Committee, the BGM or in the suppliers' committee, pursuant to articles L.626-30-2 and L.626-32 of the French *Code de commerce*, and will not be consulted by the Creditors' Representative within the individual consultation process in accordance with article L.626-5 of the French *Code de commerce*.

3. Governance of CGG After Completion of the Restructuring. Subject to the vote of the general meeting of CGG's shareholders, the structure and composition of CGG's board of directors following the Restructuring will be determined in consultation with DNCA and the members of the Ad Hoc Senior Noteholder Committee who have become and remain shareholders of the Company.

The structure and composition of the board shall comply with the AFEP-MEDEF Code and be determined as soon as practicable, but in any case no later than three (3) months after the Restructuring Effective Date.

4. Summary of the Steps and Implementation Transactions of the Restructuring. The table below summarizes the sequence of the main steps and transactions of the Restructuring provided for in the Safeguard Plan; provided, however, that (i) they shall occur upon the Restructuring Effective Date at the latest, and (ii) the settlement and delivery of the issuance of certain financial instruments may occur simultaneously:

| | **STEPS**[3] | **Sections of the Safeguard Plan** |
|---|---|---|
| 1 | Share capital reduction of the Company | Section 4.5.1 |
| 2 | Grant of Warrants 1 at no cost to Historical Shareholders | Section 4.5.2 |
| 3 | Rights Issue with preferential subscription rights in favor of Historical Shareholders by way of issuance of new Shares with Warrants 2 | Section 4.4.1 |
| 4 | Equitization of the Convertible Bonds | Section 4.3.3.1 |
| 5 | Equitization of the Senior Notes | Section 4.3.2.1 |
| 6 | Exchange of the claims under the Secured Loans for claims under the New First Lien Secured Notes, subject to the Upfront Pay Down in point 9 | Section 4.3.1.1(b) |

[3] These steps do not take into account the potential term out of certain claims over ten (10) years.

| STEPS[3] | | Sections of the Safeguard Plan |
|---|---|---|
| | below | |
| 7 | New Second Lien Notes and Warrants 3 Issue | Section 4.4.2 |
| 8 | New Second Lien Interest Notes Issue | Section 4.3.2.2.1 |
| 9 | Secured Loans Upfront Pay Down | Section 4.3.1.1(a) |
| 10 | Backstop Warrants Issue | Section 4.4.2(b) |
| 11 | Coordination Warrants Issue | Section 4.6 |
| 12 | Accrued Interest Payments | Sections 4.3.2.2 and 4.3.3.2 |

5. Duration of the Safeguard Plan. Given that certain liabilities are subject to a term-out option over 10 years, CGG is asking the Commercial Court of Paris to hold and rule that the duration of the Safeguard Plan shall be 10 years as from the ruling sanctioning the Safeguard Plan.

6. Conditions Precedent to the Sanctioning of the Safeguard Plan. The sanctioning of the Safeguard Plan by the Commercial Court of Paris is subject to satisfaction of all the following conditions precedent:

(a) The approval of the Safeguard Plan by the Lenders' Committee pursuant to the conditions set forth in article L.626-30-2 of the French *Code de commerce*;

(b) The approval of the Safeguard Plan by the BGM pursuant to the conditions set forth in article L.626-32 of the French *Code de commerce*;

(c) The approval of the general meeting of the Company's shareholders of the resolutions enabling the implementation of the Safeguard Plan; and

(d) Confirmation by the Court of the Chapter 11 Plan.

7. Conditions precedent to the implementation of the Safeguard Plan. The implementation of the Safeguard Plan is subject to the satisfaction of the following conditions precedent:

(a) The sanctioning of the Safeguard Plan by the Commercial Court of Paris;

(b) The confirmation by the Court of the Chapter 11 Plan and the recognition of the ruling sanctioning the Safeguard Plan in the Chapter 15 Case, the enforcement of which is not stayed;

(c) Obtaining an opinion from an independent financial expert (*expert indépendant*) appointed by CGG confirming that the Restructuring Equity Steps are fair from a financial perspective in accordance with the *Autorité des Marchés Financiers* General Regulation;

(d) Obtaining all prior regulatory authorizations as may be required for the Company to implement the Restructuring (including the visa of the *Autorité des Marchés Financiers* on the financial instruments issuance prospectuses);

(e) Unless the members of the Ad Hoc Senior Noteholder Committee waive such condition or agree to make it less constraining, in particular because they consider they do not act in concert, the obtaining of a final waiver from the *Autorité des Marchés Financiers* in favor of the members of the Ad Hoc Senior Noteholder Committee not to launch a mandatory tender offer pursuant to article 234-9, 2° of the *Autorité des Marchés Financiers* General Regulation, cleared of any possible challenge (either in the absence of any challenge within 10 days of the publication of such waiver or after a ruling rendered by the Court of Appeal of Paris in the event of a challenge thereon within the 10-day period);

(f) The satisfaction of all the conditions precedent provided for in the restructuring implementation documents, including in particular the New First Lien Secured Notes Indenture, the New Second Lien Notes Indenture, the New Second Lien Interest Notes Indenture and the various terms and conditions of the Warrants; and

(g) The settlement and delivery of the Restructuring Equity Steps prior to February 28, 2018, or any subsequent date which would be set in accordance with the provisions of the Lock-up Agreement and the Restructuring Support Agreement.

### C. Key Events in the Safeguard to Date; Safeguard Timeline

1. Creditor Vote. As noted above, CGG filed a petition with the French Court to open the Safeguard. In its Opening Ruling, the French Court appointed:

- Mr. Jean-Pierre Bégon-Lours as Supervising Judge;
- the SELARL FHB, acting through Maître Hélène Bourbouloux, as judicial administrator with the mission to supervise the debtor in its management; and
- the SELAFA MJA, acting through Maître Lucile Jouve, as creditors' representative.

In accordance with the rules applying to the Safeguard under French law, a vote of the committee of credit institutions and assimilated entities (the "Lenders' Committee") and a bondholders' general meeting (the "BGM") was held on July 28, 2017. At such meetings, the Lenders' Committee unanimously approved the Safeguard Plan, and a 93.5% majority of the Holders of Senior Notes Claims and Holders of Convertible Bonds Claims who cast a vote at the BGM also approved the Safeguard Plan. Accordingly, the requisite threshold of creditors has voted to approve the Safeguard Plan.

2. Safeguard Timeline. Other significant milestones in the Safeguard, and for the sanctioning of the Safeguard Plan, include:

- *By October 31, 2017* at the latest: the Company's shareholders' extraordinary general meeting at which approval by the appropriate majority of the shareholders of the resolutions necessary to implement the Safeguard Plan will be sought;

- *By December 7, 2017* at the latest: sanctioning of the Safeguard Plan by the Commercial Court of Paris; and

- *By February 28, 2018* at the latest: the Restructuring Effective Date, once all the Restructuring transactions have been completed.

3. Actions Taken by Certain Holders of Convertible Bonds in the Safeguard. Under French law, members of each of the Lenders' Committee and/or of the BGM can challenge the composition and the function or vote of respectively, the Lenders' Committee and/or the BGM within ten (10) days of the vote thereof.[4]

On August 4, 2017, an informal group of convertible bondholders (the "Convertible Bondholder Group") filed a recourse (i.e., an objection) against the vote of the BGM on the Safeguard Plan. In its objection, the Convertible Bondholder Group alleged that the Safeguard Plan treats Holders of Convertible Bonds unfairly in comparison with the Holders of Senior Notes. More precisely, the Convertible Bondholder Group argues that the difference in the treatment of the Senior Notes and the Convertible Bonds within the BGM and under the Safeguard Plan is not justified. Under French law, a safeguard plan may provide for differences in the treatment of creditors within a lenders' committee or a bondholders' general meeting if the difference in the situation of the creditors so justifies.

The French Court will examine the Convertible Bondholder Group's challenge at the same hearing as the one at which the French Court will rule on the Safeguard Plan, during which hearing the French Court will assess in particular whether the interests of all of the creditors are sufficiently protected under the Safeguard Plan. It is impossible to predict how the French Court will rule. The failure to obtain a French Sanction Order by December 7, 2017 gives rise to a termination event under the Lock-Up Agreement.

The Plan Proponents believe that the Convertible Bondholder Group's actions in the Safeguard would likely only impact the Chapter 11 Cases insofar as the Convertible Bondholder Group's actions prevent the French Court from sanctioning the Safeguard Plan. Because the French Court's sanction of the Safeguard Plan is a condition precedent to the effectiveness of the Plan, if the Convertible Bondholder Group succeeds in preventing implementation of the Safeguard Plan, then the Plan similarly would not become effective (even if it is approved by the Court prior to the French Court hearing with respect to the Safeguard Plan). However, the Convertible Bondholder Group's pleadings in the Safeguard should not prevent the Court from confirming the Plan.

4 Articles R. 626-63 and L. 626-34-1 of the French Commercial Code.

## VI. VALUATION OF THE DEBTORS

In conjunction with formulating the Plan and the Safeguard Plan, the Company determined that it was necessary to estimate a consolidated value on a going-concern basis (the "Enterprise Value"). Accordingly, the Company, with the assistance of Lazard, its financial advisor, has prepared the valuation attached as Exhibit E (the "Valuation Analysis").

THE VALUATIONS SET FORTH HEREIN REPRESENT ESTIMATED DISTRIBUTABLE VALUE FOR THE COMPANY AND DO NOT NECESSARILY REFLECT VALUES THAT COULD BE ATTAINABLE IN THE PUBLIC OR PRIVATE MARKETS. THE VALUE OF THE NEW CGG SHARES DOES NOT PURPORT TO BE AN ESTIMATE OF THE POST-REORGANIZATION MARKET VALUE OF THE COMPANY.

The following briefly summarizes certain financial analyses performed by Lazard to arrive at its estimate of the hypothetical Enterprise Value, including a discounted cash flow analysis and publicly traded company analysis. Lazard performed certain procedures, including each of the financial analyses described below, and reviewed the assumptions with the Plan Proponents' management on which such analyses were based and other factors, including the projected financial results of Reorganized CGG and the Reorganized Debtors.

### A. Discounted Cash Flow Analysis

The Discounted Cash Flow ("DCF") analysis is a forward-looking enterprise valuation methodology that relates the value of an asset or business to the present value of expected future cash flows to be generated by that asset or business. The DCF methodology discounts projected future cash flows by the business's weighted average cost of capital (the "WACC"). The WACC reflects the estimated blended rate of return that debt and equity investors would require to invest in the business based on a long-term industry median capital structure. The DCF analysis calculates the Enterprise Value by measuring the present value of Reorganized CGG's unlevered after-tax free cash flows based on the Financial Projections during the Projection Period, plus an estimate of the value of CGG beyond the Projection Period, known as the terminal value. The terminal value is derived by applying a perpetuity growth rate for Reorganized CGG's terminal year unlevered free cash flow. Lazard also considered calculating the terminal value by applying a multiple to Reorganized CGG's projected EBITDA in the terminal year, discounted back to the present by the WACC.

To estimate the WACC, Lazard used the implied cost of equity and the implied after-tax cost of debt for Reorganized CGG, assuming a targeted long-term debt-to-total capitalization ratio consistent with Reorganized CGG's expected capital structure over the forecast period post-emergence. Lazard calculated the cost of equity based on the "Capital Asset Pricing Model" which assumes that the required equity return is a function of the risk-free cost of capital and the correlation of a publicly traded stock's performance to the return on the broader market. To estimate the cost of debt, Lazard estimated Reorganized CGG's blended cost of debt based on Reorganized CGG's expected capital structure and credit profile over the forecast period post-emergence. In determining terminal value, Lazard relied upon a range of long-term growth rates, and compared perpetuity growth rates that incorporated various perspectives of growth for companies in the Plan Proponents' business sector.

The estimated cash flows and estimated WACC of Reorganized CGG are used to derive a potential value. Analyzing the results of such an estimate is not purely mathematical, but instead involves complex considerations and judgments concerning potential variances in the projected financial and operating characteristics of Reorganized CGG, as well as other factors that could affect the future prospects and cost of capital considerations for the Company.

Lazard performed the DCF calculation based on the unlevered after-tax free cash flows for the Projection Period. Lazard utilized the Company's publicly available guidance range as the primary input. Beginning with earnings before interest and taxes, the analysis taxes this figure at an assumed rate of 33.3% until 2019 and 28.0% thereafter to calculate an unlevered net income figure. The analysis then adds back the non-cash operating expense of depreciation and amortization. In addition, other factors affecting free cash flow are taken into account, such as the change in working capital, as well as capital expenditures, all of which do not affect the income statement and therefore require separate adjustments in the calculation of unlevered after-tax free cash flows.

**B. Publicly Traded Company Analysis**

A publicly traded company analysis estimates value based on a comparison of the target company's financial statistics with the financial statistics of public companies that are similar to the target company. The analysis establishes a benchmark for asset valuation by deriving the value of "comparable" assets, standardized using a common financial metric. The analysis includes a detailed multi-year financial comparison of each company's income statement, balance sheet and cash flow statement. In addition, each company's performance, profitability, margins, leverage and business trends are also examined. Based on these analyses, a number of financial multiples and ratios are calculated to gauge each company's relative performance and valuation. A key factor to this approach is the selection of companies with relatively similar business and operational characteristics to the target company. Criteria for selecting comparable companies for the analysis include, among other relevant characteristics, similar lines of businesses, business risks, growth prospects, maturity of businesses, market presence, size, and scale of operations. The selection of truly comparable companies is often difficult and subject to limitations due to sample size and the availability of meaningful market-based information.

The underlying concept of the publicly traded company analysis is to develop a premise for relative value, which, when coupled with other approaches, presents a foundation for determining firm value. In determining an estimate for the Enterprise Value using this valuation approach, Lazard principally focused on comparable companies in the geophysical services and equipment industry space. While none of these companies are perfectly comparable to Reorganized CGG, the application of the trading multiples of these companies to various financial metrics of Reorganized CGG presents a reasonable indication of its Enterprise Value

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES PERFORMED BY LAZARD. THE PREPARATION OF A VALUATION ESTIMATE INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE

PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ESTIMATE IS NOT READILY SUITABLE TO SUMMARY DESCRIPTION. IN PERFORMING THESE ANALYSES, LAZARD AND THE COMPANY MADE NUMEROUS ASSUMPTIONS WITH RESPECT TO INDUSTRY PERFORMANCE, BUSINESS AND ECONOMIC CONDITIONS AND OTHER MATTERS. THE ANALYSES PERFORMED BY LAZARD ARE NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN SUGGESTED BY SUCH ANALYSES.

## VII. TRANSFER RESTRICTIONS AND CONSEQUENCES UNDER FEDERAL SECURITIES LAWS

No registration statement will be filed under the Securities Act or pursuant to any state securities laws with respect to the offer and distribution of Securities under or in connection with the Plan. The Plan Proponents believe that the provisions of section 1145(a)(1) of the Bankruptcy Code will exempt the issuance and distribution of Securities (other than (i) the $375 million aggregate principal amount of New Second Lien Notes and Warrants 3 being issued in the New Second Lien Notes Private Placement, (ii) the New CGG Shares with Warrants 2 being issued pursuant to the Rights Issue with preferential subscription rights in favor of Historical Shareholders, (iii) the Backstop Warrants and (iv) the Coordination Warrants) issued under or in connection with the Plan (the "1145 Securities") from federal and state securities registration requirements. The 1145 Securities issued to affiliates of the Company will be treated as issued pursuant to section 1145(a)(1), but will be subject to the restrictions on resale of securities held by affiliates of an issuer. Persons to whom the 1145 Securities are issued are also subject to restrictions on resale to the extent they are deemed an "issuer," an "underwriter" or a "dealer" with respect to such 1145 Securities, as further described below. The (i) $375 million aggregate principal amount of New Second Lien Notes and Warrants 3 being issued pursuant to the New Second Lien Notes Private Placement, (ii) New CGG Shares with Warrants 2 being issued pursuant to the Rights Issue with preferential subscription rights in favor of Historical Shareholders, (iii) Backstop Warrants and (iv) Coordination Warrants will be offered and sold pursuant to an exemption from Securities Act registration under Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder.

### A. Bankruptcy Code Exemptions from Registration Requirements.

1. Securities Issued in Reliance on Section 1145 of the Bankruptcy Code. Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under Section 5 of the Securities Act and state laws if three principal requirements are satisfied:

- first, the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor or of a successor to the debtor under the plan;
- second, the recipients of the securities must each hold a prepetition or administrative expense claim against the debtor or an interest in the debtor; and

- third, the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor or such affiliate, or principally in such exchange and partly for cash or other property.

The offer and issuance of the 1145 Securities are exempt under section 1145(a)(1) of the Bankruptcy Code because (i) each type of 1145 Security is being offered and sold under the Plan and is a security of a Debtor or an affiliate of a Debtor participating in a joint plan with a Debtor (CGG, which is reorganizing pursuant to the Safeguard Plan, to be recognized in the U.S. in the Chapter 15 Case through the Chapter 15 Enforcement Order); and (ii) each type of 1145 Security is being issued entirely in exchange for claims against or interests in a Debtor or its affiliate, CGG. The following offers and sales of 1145 Securities under the Plan are therefore eligible for the section 1145(a)(1) exemption from registration:

- the issuance of New First Lien Notes to holders of Secured Funded Debt Claims;

- the conversion of Senior Notes Claims into shares of New CGG Shares pursuant to the Safeguard Plan; and

- the issuance of New Second Lien Interest Notes to holders of Senior Notes Accrued Interest Claims.

The exemptions provided for in section 1145 of the Bankruptcy Code do not apply to an entity that is deemed an "underwriter" as such term is defined in section 1145(b) of the Bankruptcy Code. Section 1145(b) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer":

- purchases a claim against, an interest in, or a claim for administrative expense against, the debtor, with a view to distributing any security received in exchange for such a claim or interest ("accumulators");

- offers to sell securities offered under a plan for the holders of such securities ("distributors");

- offers to buy securities from the holders of such securities, if the offer to buy is (i) with a view to distributing such securities and (ii) made under a distribution agreement; or

- is an "issuer" with respect to the securities, as the term "issuer" is defined in section 2(a)(11) of the Securities Act, which includes affiliates of the issuer, defined as persons who are in a relationship of "control" with the issuer.

Persons who are not deemed "underwriters" may generally resell the securities they receive that comply with the requirements of section 1145(a)(1) of the Bankruptcy Code without registration under the Securities Act or other applicable law. Persons deemed

"underwriters" may sell such securities without Securities Act registration only pursuant to exemptions from registration under the Securities Act and other applicable law.

2. Subsequent Transfers of 1145 Securities. Section 1145(c) of the Bankruptcy Code provides that securities issued pursuant to section 1145(a)(1) of the Bankruptcy Code are deemed to have been issued in a public offering. In general, therefore, resales of and subsequent transactions in the 1145 Securities will be exempt from registration under the Securities Act pursuant to section 4(a)(1) of the Securities Act, unless the holder thereof is deemed to be an "issuer," an "underwriter" or a "dealer" with respect to such securities. For these purposes, an "issuer" includes any "affiliate" of the issuer, defined as a person directly or indirectly controlling, controlled by or under common control with the issuer. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

A "dealer," as defined in section 2(a)(12) of the Securities Act, is any person who engages either for all or part of his or her time, directly or indirectly, as agent, broker or principal, in the business of offering, buying, selling or otherwise dealing or trading in securities issued by another person. Whether or not any particular person would be deemed to be an "issuer" (including an "affiliate") of the Company or an "underwriter" or a "dealer" with respect to any 1145 Securities will depend upon various facts and circumstances applicable to that person.

Notwithstanding the provisions of section 1145(b) of the Bankruptcy Code regarding accumulators and distributors, the staff of the SEC has taken the position that resales of securities distributed under a plan of reorganization by accumulators and distributors of securities who are not affiliates of the issuer of such securities are exempt from registration under the Securities Act if effected in "ordinary trading transactions." The Staff of the Division of Corporation Finance of the SEC (the "Staff") has indicated in this context that a transaction by such non-affiliates may be considered an "ordinary trading transaction" if it is made on a national securities exchange or in the over-the-counter market and does not involve any of the following factors:

- (i) concerted action by the recipients of securities issued under a plan in connection with the sale of such securities or (ii) concerted action by distributors on behalf of one or more such recipients in connection with such sales;

- the use of informational documents concerning the offering of the securities prepared or used to assist in the resale of such securities, other than a bankruptcy court-approved disclosure statement and supplements thereto, and documents filed with the SEC pursuant to the Securities Exchange Act of 1934; or

- the payment of special compensation to brokers and dealers in connection with the sale of such securities designed as a special incentive to the resale of such securities (other than the compensation that would be paid

> pursuant to arm's-length negotiations between a seller and a broker or dealer, each acting unilaterally, not greater than the compensation that would be paid for a routine similar-sized sale of similar securities of a similar issuer).

The Staff has not provided any guidance for privately arranged trades. The views of the Staff on these matters have not been sought by the Plan Proponents and, therefore, no assurance can be given regarding the proper application of the "ordinary trading transaction" exemption described above. Any person intending to rely on such exemption is urged to consult their counsel as to the applicability thereof to their circumstances. The 1145 Securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of those states. However, the availability of such state exemptions depends on the securities laws of each state, and holders of Claims may wish to consult with their own legal advisors regarding the availability of these exemptions in their particular circumstances.

3. Subsequent Transfers of 1145 Securities Issued to Affiliates. Any 1145 Securities issued under the Plan to affiliates of the Debtors will be subject to restrictions on resale. Affiliates of the Debtors for these purposes will generally include its directors and officers and its controlling stockholders. While there is no precise definition of a "controlling" stockholder, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns 10% or more of a class of securities of a reorganized debtor may be presumed to be a "controlling person" of the debtor.

The Staff has indicated that a "safe harbor" under Rule 144 under the Securities Act is available for the immediate resale of securities issued under a plan of reorganization to affiliates of the issuing debtor that would otherwise be unrestricted under the Securities Act. The Rule 144 safe harbor should therefore be available for resales of the 1145 Securities issued to affiliates under the Plan. The availability of the Rule 144 safe harbor is conditioned on the public availability of certain information concerning the issuer and imposes on selling stockholders certain volume limitations and certain manner of sale and notice requirements.

4. Application of Section 1145 Exemption to Certain CGG Securities. Section 1145(a) may also exempt from registration CGG's issuance of Warrants 1 to CGG shareholders and New CGG Shares issued in exchange for the Convertible Bond Claims. CGG will seek application of section 1145 of the Bankruptcy Code to the Warrants 1 and to the New CGG Shares being issued in exchange for full and final satisfaction and discharge of such Holders' Convertible Bond Claims in the Chapter 15 Case. If section 1145 of the Bankruptcy Code is found not to apply to the issuance of these Securities, the issuance will be carried out pursuant to another exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

**GIVEN THE COMPLEX NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER, ISSUER, AFFILIATE OR DEALER, THE PLAN PROPONENTS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE IN SECURITIES TO BE DISTRIBUTED PURSUANT TO OR IN CONNECTION WITH THE PLAN. THE PLAN PROPONENTS RECOMMEND THAT HOLDERS OF CLAIMS CONSULT THEIR**

**OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.**

### B. New Second Lien Notes Private Placement.

The $375 million aggregate principal amount of New Second Lien Notes and Warrants 3 being offered and sold pursuant to the New Second Lien Notes Private Placement under the Private Placement Agreement are being offered and issued to eligible holders of Senior Note Claims pursuant to an exemption from Securities Act registration pursuant to Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder and exemptions under applicable state securities laws. Upon such issuance, the New Second Lien Notes and Warrants 3 issued in the New Second Lien Notes Private Placement will be "restricted securities" for purposes of Rule 144 under the Securities Act. In addition, upon exercise of Warrants 3, New CGG Shares issuable upon such exercise may also be "restricted securities" for purposes of Rule 144 under the Securities Act. Any "restricted securities" for purposes of Rule 144 may only be resold pursuant to applicable exemptions from Securities Act registration. Holders of such New Second Lien Notes and Warrants 3 should consult their own counsel concerning resale of the New Second Lien Notes, Warrants 3 or New CGG Shares issuable upon exercise of Warrants 3. Any affiliates of the Debtors that receive such New Second Lien Notes or Warrants 3 (or New CGG Shares upon exercise thereof) may be subject to additional restrictions on resale pursuant to Rule 144.

Because the New Second Lien Notes issued in exchange for Senior Notes Accrued Interest Claims are 1145 Securities, they will not be "restricted securities" for purposes of Rule 144. Please refer to the discussion above under subsections A.2. and A.3. for more information.

## VIII. CERTAIN TAX CONSEQUENCES OF THE PLAN

### A. Certain U.S. Federal Income Tax Considerations

A summary description of certain U.S. federal income tax consequences of the Plan is provided below. This description is for informational purposes only and, due to a lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various tax consequences of the Plan as discussed herein. Only the principal consequences of the Plan for the Debtors and those holders that are entitled to vote to accept or reject the Plan are described below. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan. No rulings or determinations of the United States Internal Revenue Service (the "IRS") or any other tax authorities have been sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding on the IRS or such other authorities. As a result, there can be no assurance that the IRS will not disagree with or challenge any of the conclusions we have reached and described herein. In addition, a significant amount of time may elapse between the date of this Disclosure Statement and the receipt of a final distribution under the Plan. Events occurring after the date of this Disclosure Statement, including changes in law and changes in administrative positions, could affect the U.S. federal income tax consequences of the Plan. No representations are being made regarding the particular tax consequences of the confirmation and consummation of the Plan to

the Debtors or any holder. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed herein.

Except as otherwise specifically stated herein, this summary does not address any estate or gift tax consequences of the Plan or tax consequences of the Plan under any state, local or non-U.S. laws. Furthermore, this discussion does not address all tax considerations that might be relevant to particular holders in light of their personal circumstances. In addition, this description of certain U.S. federal income tax consequences does not address all of the tax considerations that may be relevant to special classes of holders, such as: financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies, persons holding Claims as part of a hedging, integrated or conversion transaction, constructive sale or "straddle," U.S. expatriates, persons subject to the alternative minimum tax (the "AMT"), dealers or traders in securities or currencies, persons subject to an additional tax on net investment income and U.S. holders (defined below) whose functional currency is not the U.S. dollar. This summary does not address any holders other than the holders of Secured Funded Debt Claims and Senior Notes Claims and does not address holders of Termed Out French RCF Claims.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a claim who is for U.S. federal income tax purposes: (1) an individual citizen or resident of the United States; (2) a corporation created or organized under the laws of the United States or any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

For purposes of this discussion, a "Non-U.S. holder" is a beneficial owner of a claim who is: (1) a nonresident alien individual; (2) a non-U.S. corporation; or (3) a trust or estate that in either case is not subject to U.S. federal income tax on income or gain.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes or other pass-through entity is a holder, the tax treatment of a partner or other owner will generally depend upon the status of the partner (or other owner) and the activities of the entity or arrangement. A partner (or other owner) of a partnership or other pass-through entity that is a holder should consult its own tax advisor regarding the tax consequences of the Plan based on such holder's particular situation.

The following discussion is based upon the Internal Revenue Code of 1986, as amended (the "Tax Code"), U.S. judicial decisions, administrative pronouncements and existing and proposed Treasury Regulations, all as in effect as of the date hereof. All of the preceding authorities are subject to change, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below.

This discussion assumes that CGG does not elect to repay in full in cash the French RCF Claims, and, as such, the consequences of such election to holders of such Claims are not addressed herein.

This discussion assumes that the Claims and the New First Lien Notes are held as "capital assets" (generally, property held for investment) for U.S. federal income tax purposes and that the various debt and other arrangements to which the Debtors are parties will be respected for U.S. federal income tax purposes in accordance with their form.

**The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder and no opinion or representation is made with respect to the U.S. federal income tax consequences to any such holder. Holders are urged to consult their own tax advisors regarding the application of U.S. federal, state and local tax laws, as well as any applicable non-U.S. tax laws, based on their particular situation.**

### B. U.S. Federal Income Tax Consequences to the Holding US Group

1. Cancellation of Indebtedness Income. It is anticipated that the exchange of a US RCF Claim or TLB Claim, as applicable, for cash and New First Lien Notes could result in the cancellation of a portion of the outstanding indebtedness of Holding US and its subsidiaries (the "Holding US Group"). In general, the discharge of a debt obligation in exchange for an amount of cash and other property having a fair market value less than the "adjusted issue price" of the debt that is discharged gives rise to COD income to the debtor. However, COD income is not taxable to the debtor if the debt discharge occurs pursuant to a title 11 bankruptcy case. The Tax Code provides that a debtor in bankruptcy will exclude its COD income from gross income, and requires the debtor to, subject to certain limitations, reduce its tax attributes – such as net operating loss ("NOL") carryforwards, current year operating losses, tax credits, and tax basis in assets – by the amount of the excluded COD income. The reduction in tax attributes occurs at the beginning of the taxable year following the taxable year in which the discharge occurs. Any excess COD income over the amount of available tax attributes is not subject to U.S. federal income tax.

The Holding US Group will not be required to include any COD income in gross income because the discharge of its indebtedness will occur pursuant to a bankruptcy case under title 11. Because a portion of the Holding US Group's outstanding indebtedness will be satisfied in exchange for property other than cash under the Plan, the amount of COD income, and accordingly, the amount of tax attributes required to be reduced, will depend in part on the fair market value of the New First Lien Notes. This value cannot be known with certainty until after the Effective Date; as such, it is currently unclear whether and to what extent, if any, the Holding US Group will be required to reduce its tax attributes.

2. Net Operating Losses – Section 382. The Holding US Group anticipates that it will experience an "ownership change" (within the meaning of Section 382 of the Tax Code) on the Effective Date as a result of the issuance of New CGG Shares and Warrants to certain holders pursuant to the Safeguard Plan. As a result, the Holding US Group's ability to use pre-Effective Date NOLs that are not already subject to limitation under Section 382 of the Tax Code and other tax attributes to offset its income in any post-Effective Date taxable year (including the portion of the taxable year of the ownership change following the Effective Date) to which such a carryforward is made generally (subject to various exceptions and adjustments, some of which are described below) will be limited to the sum of (a) a regular annual limitation

(prorated for the portion of the taxable year of the ownership change following the Effective Date), and (b) any carryforward of unused amounts described in (a) from prior years. Section 383 of the Tax Code applies a similar limitation to capital loss carryforwards and tax credits and as a result the Holding US Group's ability to use its capital carry forwards and tax credits would be similarly limited.

Section 382 of the Tax Code may also limit the Holding US Group's ability to use "net unrealized built-in losses" (i.e., losses and deductions that have economically accrued prior to, but remain unrecognized as of, the Effective Date) to offset future income. Moreover, the Holding US Group's NOLs will be subject to further limitations if the Holding US Group experiences additional future ownership changes or if it does not continue its business enterprise for at least two years following the Effective Date. If, however, the Holding US Group has an unrealized built-in-gain as of the Effective Date, any built-in-gains recognized, or deemed recognized, during the following five years generally will increase the annual limitation in the year recognized (but only up to the amount of the net unrealized built-in-gain as of the Effective Date), such that the Holding US Group would be permitted to use its pre-change losses against such built-in-gain income in addition to its regular allowance.

The application of Section 382 of the Tax Code will be materially different from that described above if the Holding US Group is subject to the special rules for corporations in bankruptcy provided in Section 382(l)(5) of the Tax Code. The Holding US Group generally would qualify for the special rules provided in Section 382(l)(5) of the Tax Code if the historic holders of CGG Common Stock and certain holders of the Holding US Group's debt, taken together, own equity interests representing at least 50% of the voting power and equity value of the Holding US Group following consummation of the transactions under the Plan. In that case, the Holding US Group's ability to use its pre-Effective Date NOLs would not be limited as described in the preceding paragraph. However, several other limitations would apply to the Holding US Group under Section 382(l)(5), including (a) the Holding US Group's NOLs would be calculated without taking into account deductions for interest paid or accrued in the portion of the current tax year ending on the Effective Date and all other tax years ending during the three-year period prior to the current tax year with respect to the debt securities that are exchanged pursuant to the Plan, and (b) if the Holding US Group undergoes another ownership change within two years after the Effective Date, the Holding US Group's section 382 limitation following that ownership change will be zero. It is uncertain whether the provisions of Section 382(l)(5) will be available and, if available, how they would apply to the Holding US Group, in the case of the ownership change that is expected to occur as a result of the confirmation of the Plan. If the Holding US Group qualifies for the special rule under Section 382(l)(5), the use of the Holding US Group's NOLs will be subject to Section 382(l)(5) of the Tax Code unless the Holding US Group affirmatively elects for the provisions not to apply. The Holding US Group has not yet determined whether, if it qualifies for the special rules under Section 382(l)(5), it would be advantageous for Section 382(l)(5) to apply to the ownership change resulting from consummation of the Plan, or whether the Holding US Group will elect not to have the provisions of Section 382(l)(5) apply to the ownership change arising from the consummation of the Plan.

If the Holding US Group does not qualify for, or elects not to apply, the special rule under Section 382(l)(5) of the Tax Code described above, the provisions of Section 382(l)(6)

applicable to corporations under the jurisdiction of a bankruptcy court may apply in calculating the annual Section 382 limitation. Under this rule, the limitation will be calculated by reference to the lesser of the value of the Holding US Group's equity (with certain adjustments) immediately after the ownership change or the value of the Holding US Group's assets (determined without regard to liabilities) immediately before the ownership change. Although such calculation may increase the annual Section 382 limitation, the Holding US Group's use of any NOLs or other tax attributes, including tax credits, remaining after implementation of the Plan may still be substantially limited after an ownership change.

3. Alternative Minimum Tax. In general, the AMT is imposed on a corporation's alternative minimum taxable income ("AMTI") at a 20% rate to the extent that such tax exceeds the corporation's regular federal taxable income for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. In particular, even though a corporation might otherwise be able to offset all of its taxable income for regular federal income tax purposes by available NOL carryforwards, a corporation is generally entitled to offset no more than 90% of its AMTI with NOL carryforwards (as recomputed for AMT purposes). Accordingly, usage of the Holding US Group's NOLs may be subject to limitations for AMT purposes in addition to any other limitations that may apply.

In addition, if a corporation (or consolidated group) undergoes an ownership change and is in a "net unrealized built-in loss" position on the date of the ownership change, the corporation's (or group's) aggregate tax basis in its assets may be reduced for certain AMT purposes to reflect the fair market value of such assets as of the date of the ownership change. Accordingly, if the Holding US Group is in a net unrealized loss position on the Effective Date, the tax benefits attributable to its basis in assets may be reduced for AMT purposes.

Any AMT that the Holding US Group pays generally will be allowed as a nonrefundable credit against its regular federal income tax liability in future taxable years when the Holding US Group is no longer subject to AMT.

### C. Tax Considerations for U.S. Holders

The following discusses certain U.S. federal income tax consequences of the transactions contemplated by the Plan to U.S. holders of the Secured Funded Debt Claims and certain U.S. holders of the Senior Note Claims. U.S. holders should consult their own tax advisors for information that may be relevant to their particular situations and circumstances and the particular tax consequences to them of the transactions contemplated by the Plan.

1. Tax Consequences for Holders Exchanging Claims under the Plan. The U.S. federal income tax consequences to a U.S. holder (including the character, timing and amount of income, gain or loss recognized) will depend upon, among other things, (a) the manner in which such U.S. holder acquired a Claim; (b) the length of time that such U.S. holder has held the Claim; (c) whether such U.S. holder acquired the Claim at a discount; (d) whether such U.S. holder has taken a bad debt deduction with respect to the Claim (or any portion thereof) in current or prior years; (e) whether such U.S. holder has previously included in taxable income accrued but unpaid interest with respect to the Claim; (f) such U.S. holder's method of

accounting; (g) whether the Claim is an installment obligation for U.S. federal income tax purposes; (h) the type of consideration that such U.S. holder receives under the Plan and (i) whether the debt obligation underlying any Claim exchanged in the plan or any debt instrument received pursuant to the Plan is a "security" for U.S. federal income tax purposes. This discussion assumes that a U.S. holder has not taken a bad debt deduction with respect to a Claim (or any portion thereof) in the current or any prior year and that such Claim did not become completely or partially worthless in a prior taxable year.

Whether a debt instrument constitutes a "security" for U.S. federal income tax purposes is determined based on all the relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable or contingent, and whether such payments are made on a current basis or accrued. The Debtors intend to take the position and this discussion assumes that because the debt obligations underlying the US RCF Claims and the TLB Claims were issued for U.S. federal income tax purposes with a maturity of less than five years, the debt obligations underlying such Claims are not treated as "securities" under the applicable guidance.

(a) General U.S. Federal Income Tax Consequences for U.S. Holders of US RCF Claims, French RCF Claims or TLB Claims Exchanging such Claims for Cash and New First Lien Notes. This discussion assumes that CGG does not elect to repay in full in cash the US RCF Claims and TLB Claims. If CGG were to exercise this election, the U.S. federal income tax consequences to the U.S. holders of US RCF Claims and TLB Claims would generally be consistent with those described under "*Ownership and Disposition of New First Lien Notes - (e) Sale, Exchange, Redemption or other Taxable Disposition of New First Lien Notes*" as applied to the debt obligations underlying the RCF Claims and TLB Claims.

Pursuant to the Plan, in full satisfaction and discharge of their Claims, U.S. holders of a US RCF Claim, French RCF Claim or TLB Claim, as applicable, are expected to receive New First Lien Notes and cash in exchange for such Claims, unless in the case of a holder of a French RCF Claim, such holder is deemed to elect to have its claims termed out. The Company intends to take the position that the exchange of Claims for New First Lien Notes will constitute a significant modification of the Claims and therefore, a U.S. holder will recognize gain or loss in full upon the exchange unless such exchange qualifies as a tax-free recapitalization under Section 368(a)(1)(E) of the Tax Code. Because the debt obligations underlying the French RCF Claims were not issued by Holding US, the exchange of French RCF Claims for New First Lien Notes cannot qualify as a recapitalization. In order for the exchange of US RCF Claims or TLB Claims, as applicable, to qualify as a recapitalization, the debt obligations underlying the US RCF Claims or TLB Claims, as applicable, and the New First Lien Notes, must both be treated as "securities" under the relevant provisions of the Tax Code. As discussed above, we assume that the debt obligations underlying US RCF Claims and TLB

Claims are not securities. Accordingly, in general, a U.S. holder of a US RCF Claim, French RCF Claim or TLB Claim, as applicable, will recognize gain or loss in an amount equal to the difference, if any, between (i) the sum of (A) the amount of any cash received in satisfaction of its US RCF Claims, French RCF Claims or TLB Claims, as applicable, and (B) the "issue price" of any New First Lien Notes, (other than any New First Lien Notes received in exchange for any US RCF Claim, French RCF Claim or TLB Claim, as applicable, for accrued but unpaid interest) and (ii) the U.S. holder's adjusted tax basis in such Claim (other than any New First Lien Notes received in exchange for any US RCF Claim, French RCF Claim or TLB Claim, as applicable, for accrued but unpaid interest). *See* (d) below, "*Payment for Accrued but Unpaid Interest*" for a discussion of the treatment of payments for accrued but unpaid interest.

Generally, a U.S. holder's adjusted tax basis in a Claim will be equal to the cost of the Claim to such U.S. holder, (1) increased by (a) any OID previously included in income and (b) any market discount previously included in income by such U.S. holder pursuant to an election to include market discount in gross income currently as it accrues, and (2) reduced by (a) any cash payments received on the Claim other than payments of qualified stated interest, and (b) any amortizable bond premium that the U.S. holder has previously deducted.

Generally, any gain or loss recognized by a U.S. holder of a US RCF Claim, French RCF Claim or TLB Claim will be long-term capital gain or loss if such U.S. holder held such Claim as a capital asset and held such Claim for more than one year, unless such U.S. holder had accrued market discount with respect to such a Claim (*see* discussion below in (c), *"Market Discount"*) or previously claimed a bad debt deduction (*see* discussion below in (d), *"Bad Debt Deduction"*).

A U.S. holder's tax basis in the New First Lien Notes will equal the issue price of the New First Lien Notes and such U.S. holder's holding period in the New First Lien Notes will begin on the day after the day of the exchange.

**U.S. holders are urged to consult their own tax advisors as to the amount and character of any gain or loss that such U.S. holder may recognize for U.S. federal income tax purposes in the exchange.**

(b) Treatment of U.S. Holders of Senior Note Claims. The U.S. holders of Senior Note Claims hold guarantee claims against the Debtors for the unpaid principal and interest on their Senior Notes. In full satisfaction and discharge of such guarantee Claims, such U.S. holders will have the principal portion of such Claims satisfied with an instrument issued pursuant to the Safeguard Plan that is not guaranteed by the Debtors and will have the interest portion of such Claims satisfied with an instrument issued pursuant to the Safeguard Plan that is guaranteed by the Debtors, which guarantee will be subordinated to certain other obligations of the Debtors. The changes to the guarantee arrangements with the Debtors occurring pursuant to the Plan are not expected to have independent U.S. federal income tax consequences to the U.S. holders of the Senior Note Claims.

**U.S. holders of the Senior Note Claims are urged to consult their own tax advisors as to the tax consequences of the Plan based on their particular circumstances.**

(c) Market Discount. The market discount provisions of the Tax Code may apply to certain U.S. holders of Claims. In general, a debt obligation other than a debt obligation with a fixed maturity of one year or less that is acquired by a U.S. holder in the secondary market (or, in certain circumstances, upon original issuance) is a "market discount bond" as to that U.S. holder if its stated redemption price at maturity (or, in the case of a debt obligation having original issue discount, the revised issue price) exceeds the adjusted tax basis of the bond in the U.S. holder's hand immediately after its acquisition by at least 0.25 percent of the debt obligation's stated principal amount, multiplied by the number of remaining complete years to maturity. Gain recognized by a U.S. holder with respect to a "market discount bond" will generally be treated as ordinary income to the extent of the market discount accrued on such bond during the holder's period of ownership, unless the U.S. holder elected to include accrued market discount in taxable income currently. A U.S. holder of a market discount bond may be required under the market discount rules of the Tax Code to defer deduction of all or a portion of the interest on indebtedness incurred or maintained to acquire or carry the bond. In such circumstances, the U.S. holder may be allowed to deduct such interest, in whole or in part, on the disposition of such bond.

(d) Payment for Accrued but Unpaid Interest. Under the Plan, some property and cash may be distributed or deemed distributed to certain U.S. holders of Claims with respect to their Claims for accrued interest. U.S. holders of Claims for accrued interest that have not previously included such accrued interest in taxable income will be required to recognize ordinary income equal to the fair market value of the property received with respect to such Claims for accrued interest. Conversely, a U.S. holder generally recognizes a deductible loss to the extent that any accrued interest was previously included in income and is not paid in full. Pursuant to the Plan, the Debtors will allocate for U.S. federal income tax purposes all distributions in respect of any Claim first to the principal amount of such Claim, and thereafter to accrued but unpaid interest. Certain legislative history indicates that an allocation of consideration between principal and interest provided for in a bankruptcy plan of reorganization is binding for U.S. federal income tax purposes. However, no assurance can be given that the IRS will not challenge such allocation. If a distribution with respect to a Claim is entirely allocated to the principal amount of such Claim, a U.S. holder may be entitled to claim a loss to the extent of any accrued but unpaid interest on the Claim that was previously included in the U.S. holder's gross income.

**U.S. holders are urged to consult their own tax advisor regarding the particular U.S. federal income tax consequences to them of the treatment of accrued but unpaid interest, as well as the character of any loss claimed with respect to accrued but unpaid interest previously included in gross income.**

(e) Bad Debt Deduction. If, under the Plan, a U.S. holder receives an amount in exchange for a Claim that is less than such U.S. holder's tax basis in such Claim, such U.S. holder may be entitled in the year of receipt (or in an earlier year) to a bad debt deduction in some amount under Section 166(a) of the Tax Code. The rules governing the character, timing and amount of bad debt deductions vary according to the particular facts and circumstances of the holder, the obligor, the instrument or claim and the transaction establishing the loss with respect to which a deduction is claimed.

**U.S. holders are urged to consult their tax advisors with respect to their ability to take, and the amount and character of, such a deduction.**

2. Ownership and Disposition of New First Lien Notes.

(a) Characterization of the New First Lien Notes. In certain circumstances, the Debtors may redeem, or be obligated to redeem, the New First Lien Notes at an amount in excess of their stated principal amount. The Debtors believe that, based on all the facts and circumstances of the New First Lien Notes, the possibility of paying such redemption premium does not result in the New First Lien Notes being treated as contingent payment debt instruments ("CPDIs") under the applicable Treasury regulations (the "CPDI Regulations") and the Debtors do not intend to treat the New First Lien Notes as CPDIs. This determination, however, is not binding on the IRS, and if the IRS were to challenge this determination, a U.S. holder may be required to accrue income on its New First Lien Notes in excess of stated interest, and to treat as ordinary income rather than capital gain any gain realized on the taxable disposition of New First Lien Notes. In the event that the New First Lien Notes were treated as CPDIs, it would affect the amount and timing and character of the income or gain that a U.S. holder recognizes. U.S. holders are urged to consult their tax advisors regarding the potential application to the New First Lien Notes of the CPDI Regulations and the consequences thereof. The remainder of this discussion assumes that the New First Lien Notes will not be treated as CPDIs.

(b) Issue Price of New First Lien Notes. For U.S. federal income tax purposes, the "issue price" of the New First Lien Notes depends on whether the New First Lien Notes or the debt obligations underlying the Claims which were exchanged therefor (the "Exchanged Claims") are deemed to be "publicly traded" within the meaning of applicable Treasury Regulations. The New First Lien Notes or the Exchanged Claims will be treated as "traded on an established market" if, at any time during the 31-day period ending fifteen (15) days after the issue date (i) there is a sales price for the claims that is reasonably available, (ii) there are one or more firm quotes for the claims or (iii) there are one or more indicative quotes for the claims, each as determined under applicable Treasury Regulations. From the information currently available, the Debtors believe that the Exchanged Claims and the New First Lien Notes will be considered publicly traded within the relevant time period under the rules of the applicable Treasury Regulations. If the New First Lien Notes issued in the Plan are publicly traded, then the issue price of such New First Lien Notes would equal the trading price of the New First Lien Notes at the time of consummation of the Plan. If the New First Lien Notes issued under the Plan are not publicly traded but Exchanged Claims are publicly traded, then the issue price of such New First Lien Notes would be based on the fair market value of the Exchanged Claims at the time of the consummation of the Plan.

(c) Original Issue Discount. A note with a term that exceeds one year will constitute a discount note issued with original issue discount ("OID") if the stated redemption price at maturity of the note exceeds its issue price by an amount equal to or more than the *de minimis* amount of ¼ of 1 percent of the "stated redemption price at maturity" multiplied by the number of complete years from the issue date of the note to its maturity. The "issue price" of a New First Lien Note is determined as described under (b) above, "*Issue Price of New First Lien Notes*." The "stated redemption price at maturity" of a New First Lien Note is

the total of all payments provided by the New First Lien Note that are not payments of "qualified stated interest." Generally, an interest payment on a debt obligation is "qualified stated interest" if it is one of a series of stated interest payments that are unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain variable rates, applied to the outstanding principal amount of the note.

It is not currently known whether the New First Lien Notes will be issued with OID. If, however, the stated redemption price of a New First Lien Note exceeds its issue price by an amount equal to or more than a *de minimis* amount, because the New First Lien Note is issued at a discount or because the New First Lien Note pays interest in-kind, a holder will be required to treat such excess amount as OID, which is treated for U.S. federal income tax purposes as accruing over the term of the New First Lien Note as interest income to such holder regardless of such holder's regular method of accounting. Thus, a holder would be required to include OID in income in advance of the receipt of the cash to which such OID is attributable, and generally will have to include in income increasingly greater amounts of OID over the life of the New First Lien Notes. The amount of OID includible in income by a U.S. holder of a New First Lien Note is the sum of the daily portions of OID with respect to the New First Lien Note for each day during the taxable year or portion of the taxable year on which the U.S. holder holds the New First Lien Note. The daily portion of OID is determined by allocating to each day of an accrual period (generally, the period between interest payments or compounding dates) a pro rata portion of the OID allocable to such accrual period. Accrual periods with respect to a New First Lien Note may be of any length selected by the U.S. holder and may vary in length over the term of the New First Lien Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the New First Lien Note occurs on either the final or first day of an accrual period. The amount of OID that will accrue during an accrual period is the product of the "adjusted issue price" of a New First Lien Note at the beginning of the accrual period multiplied by the yield-to-maturity of the New First Lien Note (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less the amount of any qualified stated interest allocable to such accrual period. The "adjusted issue price" of a New First Lien Note at the beginning of an accrual period will equal its issue price, determined as described under (b) above, "*Issue Price of New First Lien Notes*," increased by the aggregate amount of OID that has accrued on the New First Lien Note in all prior accrual periods, and decreased by any payments made during all prior accrual periods of amounts included in the stated redemption price at maturity of the New First Lien Notes.

In compliance with Treasury Regulations, if the Debtors determine that the New First Lien Notes have OID, the Debtors will provide certain information to holders that is relevant to determining the amount of OID in each accrual period.

(d) Payments of Interest. Any payments of qualified stated interest on the New First Lien Notes will generally be taxed to a holder as ordinary income at the time that it is paid or accrued in accordance with such holder's method of accounting for U.S. federal income tax purposes.

(e) Sale, Exchange, Redemption or other Taxable Disposition of New First Lien Notes. Upon the sale, retirement or other taxable disposition of a New First Lien Note, holders generally will recognize gain or loss in an amount equal to the difference

between the sum of cash plus the fair market value of any property received (other than any amount received that is attributable to accrued but unpaid interest not previously included in income, which will be taxable as ordinary interest income) and such holder's adjusted tax basis in the New First Lien Note. A holder generally will recognize capital gain or loss if such holder disposes of a New First Lien Note in a sale, exchange, redemption or other taxable disposition. Any capital gain or loss will be long-term capital gain or loss if at the time of the sale, exchange, retirement or other taxable disposition of the New First Lien Note, the holder held the New First Lien Note for more than one year. Long-term capital gains of individual taxpayers are generally subject to tax at favorable tax rates. The deductibility of capital losses is subject to limitations.

3. Information Reporting and Backup Withholding. Certain payments, including distributions or payments in respect of Claims pursuant to the Plan and payments of principal, premium, if any, or interest, including OID, on the New First Lien Notes, generally are subject to information reporting by the payor to the IRS. Moreover, such reportable payments are subject to backup withholding under certain circumstances. Under the backup withholding rules set forth in the Tax Code, if a U.S. holder is receiving a payment or distribution of cash or other property pursuant to the Plan, such U.S. holder may be subject to backup withholding with respect to such payment or distribution unless such U.S. holder: (i) is an exempt recipient, such as a corporation, and when required, can demonstrate this exemption, or (ii) timely provides a correct U.S. taxpayer identification number and makes certain certifications under penalties of perjury.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. holder's U.S. federal income tax liability, and a U.S. holder may obtain a refund of excess amounts withheld under the backup withholding tax rules by timely filing an appropriate claim for refund with the IRS.

**D. Tax Considerations for Non-U.S. Holders**

This subsection applies to Non-U.S. holders.

This discussion assumes that CGG does not elect to repay in full in cash the US RCF Claims and TLB Claims. If CGG were to exercise this election, the U.S. federal income tax consequences to the Non-U.S. holders of US RCF Claims and TLB Claims would generally be consistent with those described under "*Ownership and Disposition of New First Lien Notes – (b) Sale, Exchange or Disposition of New First Lien Notes*" as applied to the debt obligations underlying the RCF Claims and TLB Claims.

The rules governing U.S. federal income taxation of Non-U.S. holders are complex. Non-U.S. holders are urged to consult with their own tax advisors to determine the effect of U.S. federal, state, local and non-U.S. income tax laws, as well as treaties, with regard to their participation in the transactions contemplated by the Plan and ownership of New First Lien Notes, including any reporting requirements.

1. Tax Consequences for Non-U.S. Holders Exchanging Claims under the Plan.

(a) Gain Characterized as Capital Gain. Subject to the discussions below in respect of backup withholding and FATCA, Non-U.S. holders generally would not be subject to U.S. federal income tax on any gain recognized in the exchange of a US RCF Claim, French RCF Claim or TLB Claim, as applicable, for New First Lien Notes and cash, unless:

- the gain is "effectively connected" with a Non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment that such Non-U.S. holder maintains); in which case such gain would be subject to U.S. federal income tax on a net income basis generally in the same manner as if such Non-U.S. holder were a U.S. Holder; or

- a Non-U.S. holder is an individual that is present in the United States for 183 or more days during the taxable year in which the gain is realized and certain other conditions exist; in which case the gain would be subject to U.S. federal income tax at a rate of 30% (or a lower rate under an applicable treaty), which may be offset by U.S. source capital losses, provided such Non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

If a Non-U.S. holder is a corporate Non-U.S. holder, "effectively connected" gains recognized by such Non-U.S. holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if such Non-U.S. holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

(b) Gain Characterized as Interest. Subject to the discussion below concerning backup withholding and FATCA, payments of interest on a French RCF Claim (including OID, if any) to a Non-U.S. holder generally will not be subject to U.S. federal income tax or withholding tax unless such interest is effectively connected with the conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment maintained by a Non-U.S. holder), in which case, such interest generally would be subject to U.S. federal income tax on a net income basis generally in the same manner as if such Non-U.S. holder were a U.S. holder. A Non-U.S. holder that is a foreign corporation may also be subject to an additional 30% branch profits tax (or lower applicable treaty rate).

2. Subject to the discussion below concerning backup withholding and FATCA, payments of interest on a US RCF Claim or TLB claim, as applicable (including OID, if any), to a Non-U.S. holder generally will not be subject to U.S. federal income tax or withholding tax unless such Non-U.S. holder falls into one of the exceptions described below under "*Ownership and Disposition of New First Lien Notes – Payments of Interest on New First Lien Notes.*"

(a) Payments of Interest on New First Lien Notes. Subject to the discussion below concerning backup withholding and FATCA, payments of interest on a New First Lien Note (including OID, if any) to a Non-U.S. holder generally will not be subject to U.S. federal income tax or withholding tax, if:

- such Non-U.S. holder does not own, actually or constructively, for U.S. federal income tax purposes, 10% or more of the total combined voting power of all classes of the voting stock of the Debtors after application of certain attribution rules;
- such Non-U.S. holder is not, for U.S. federal income tax purposes, a controlled foreign corporation related, directly or indirectly, to the Debtors through stock ownership under applicable rules of the Tax Code;
- such Non-U.S. holder is not a bank receiving interest described in Section 881(c)(3)(A) of the Tax Code; and
- the certification requirement, as described below, is fulfilled with respect to the beneficial owner of the New First Lien Note.

The certification requirement referred to above will be fulfilled if either (A) such Non-U.S. holder provides to the Debtors or their paying agent an IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor forms), signed under penalties of perjury, that includes such Non-U.S. holder's name and address and a certification as to its non-U.S. status, or (B) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business holds the New First Lien Note on behalf of the beneficial owner and provides a statement to the Debtors or their paying agent, signed under penalties of perjury, in which the organization, bank or financial institution certifies that it has received an IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor forms) from the non-U.S. beneficial owner or from another financial institution acting on behalf of such beneficial owner and furnishes the Debtors or their paying agent with a copy thereof and otherwise complies with the applicable IRS requirements. Other methods might be available to satisfy the certification requirements described above, depending on a Non-U.S. holder's particular circumstances.

The gross amount of payments of interest that do not qualify for the exception from withholding described above (the "portfolio interest exemption") will be subject to U.S. withholding tax at a rate of 30% unless (A) such Non-U.S. holder provides a properly completed IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor forms) claiming an exemption from or reduction in withholding under an applicable tax treaty, or (B) such interest is effectively connected with the conduct of a United States trade or business (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment maintained by a Non-U.S. holder) and such Non-U.S. holder provides a properly completed IRS Form W-8ECI (or successor form), in which case, such interest generally would be subject to U.S. federal income

tax on a net income basis generally in the same manner as if such Non-U.S. holder were a U.S. holder. A Non-U.S. holder that is a foreign corporation may also be subject to an additional 30% branch profits tax (or lower applicable treaty rate).

(b) Sale, Exchange or Disposition of New First Lien Notes. Subject to the discussion below concerning backup withholding and FATCA, a Non-U.S. holder generally will not recognize any gain or loss realized on the sale, exchange or other taxable disposition of New First Lien Notes for U.S. federal income tax purposes, unless such Non-U.S. holder falls into one of the exceptions described above under "*Tax Consequences for Non-U.S. Holders Exchanging Claims under the Plan – Gain Characterized as Capital Gain*."

3. Information Reporting and Backup Withholding. Certain payments, including distributions or payments in respect of Claims pursuant to the Plan and payments of principal, premium, if any, or interest, including OID, on the New First Lien Notes generally are subject to information reporting by the payor to the IRS and may be subject to backup withholding in certain circumstances.

However, backup withholding tax will not apply to payments of interest by the Debtors or their paying agent if the certification requirements described above under "*Ownership of New First Lien Notes – Payments of Interest on New First Lien Notes*" are satisfied or a Non-U.S. holder otherwise establishes such Non-U.S. holder's eligibility for an exemption, provided that the Debtors or their paying agent, as the case may be, does not have actual knowledge or reason to know that such Non-U.S. holder is a U.S. person. However, the Debtors and other payors would be required to report payments of interest on the New First Lien Notes on IRS Form 1042-S even if the payments are not otherwise subject to information reporting requirements.

Payments on the sale, exchange or other disposition of a share of a New First Lien Note made to or through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting. However, if such broker is for U.S. federal income tax purposes:

- a U.S. person,
- a controlled foreign corporation,
- a foreign person 50% or more of whose gross income is effectively connected with a U.S. trade or business for a specified three-year period, or
- a foreign partnership with certain connections to the United States,

then information reporting will be required unless the broker has in its records documentary evidence that the beneficial owner is not a U.S. person and certain other conditions are met or the beneficial owner otherwise establishes an exemption. Backup withholding may apply to any payment that such broker is required to report if the broker has actual knowledge or reason to know that the payee is a U.S. person. Payments to or through the U.S. office of a broker will be

subject to backup withholding and information reporting unless the beneficial owner certifies, under penalties of perjury, that it is not a U.S. person, or otherwise establishes an exemption.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a Non-U.S. holder's U.S. federal income tax liability and may entitle such Non-U.S. holder to a refund, provided that the required information is timely furnished to the IRS. Non-U.S. holders should consult their tax advisor regarding the application of information reporting and backup withholding in their particular situation, the availability of an exemption from backup withholding and the procedure for obtaining such an exemption, if available.

### E. FATCA

Provisions of the Tax Code, commonly referred to as "FATCA," impose withholding of 30% on payments of interest (including any OID) on debt instruments and (for dispositions after December 31, 2018) on proceeds of sales, exchanges, retirements or other taxable dispositions of debt instruments to "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities (whether such foreign financial institutions or other entities are beneficial owners or intermediaries) unless various U.S. information reporting, due diligence and other requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail a significant administrative burden). Holders should consult their own tax advisors regarding how these rules may apply to the distributions or payments in respect of Claims and to their investment in the New First Lien Notes. In the event any withholding would be required pursuant to FATCA with respect to payments on the New First Lien Notes, no person will be required to pay additional amounts as a result of the withholding.

## IX. CERTAIN RISK FACTORS TO BE CONSIDERED

Prior to voting to accept or reject the Plan, holders of Claims should read and carefully consider the risk factors set forth below, in addition to the information set forth in this Disclosure Statement and the attachments, exhibits, or documents incorporated by reference hereto. The factors below should not be regarded as the only risks associated with the Plan or its implementation. Documents filed with the SEC may contain important risk factors that differ from those discussed below, and such risk factors are incorporated as if fully set forth herein and are a part of this Disclosure Statement. Copies of any document filed with the SEC may be obtained by visiting the SEC website at http://www.sec.gov.

### A. Certain Restructuring Law Considerations

1. CGG's Shareholders May Not Vote in Favor of the Proposals Contained in the Safeguard Plan in Relation to the Modification of CGG's Share Capital and/or the Bylaws. CGG's existing shareholders are entitled to vote in favor of, or reject, the proposals contained in the Safeguard Plan in relation to the modification of CGG's share capital and/or bylaws in the

Safeguard. Shareholders vote at a general meeting of CGG's shareholders convened after votes of creditors on the Safeguard Plan have been solicited. The filing of the Safeguard Plan with the French Court is subject to the approval by the general meeting of CGG's shareholders of the resolutions enabling the implementation of the Safeguard Plan. The French Court cannot sanction the Safeguard Plan if CGG's shareholders do not pass all the resolutions enabling the implementation of the Safeguard Plan by the requisite majority. While the Restructuring Plans enjoy support by a substantial majority of the Company's secured and unsecured funded debtholders, there can be no assurances that CGG's shareholders will vote in favor of the above-mentioned resolutions and the outcome of their votes is impossible to predict. Because the sanction and consummation of the Safeguard Plan is a condition precedent to the effectiveness of the Plan, the Plan may not go effective if CGG's shareholders vote against the Safeguard Plan.

2. Holders of Convertible Bonds May Successfully Challenge the Fairness Vote by the BGM on the Safeguard Plan in the Safeguard. As discussed in Article V.C.3 of this Disclosure Statement, the Convertible Bondholder Group contested the BGM and the fairness of the Safeguard Plan in the Safeguard. The French Court will rule on the Convertible Bondholder Group's challenge at the Sanction Hearing. While the Plan Proponents believe that the Safeguard Plan complies with French law and does not treat Holders of Convertible Bonds unfairly, the French Court may nonetheless agree with the Convertible Bondholder Group and sustain its objection. In that case, the Safeguard Plan would not be sanctioned as currently drafted.

Because the French Court's sanction of the Safeguard Plan is a condition precedent to the effectiveness of the Plan, if the Convertible Bondholder Group succeeds in preventing implementation of the Safeguard Plan, then the Plan similarly would not become effective (even if it is approved by the Court prior to the French Court hearing with respect to the Safeguard Plan). Accordingly, if that happens, the Plan, even if confirmed, will not become effective. It is impossible to predict how the French Court will rule. In addition, the failure to obtain a French Sanction Order by December 7, 2017 gives rise to a termination event under the Lock-Up Agreement.

3. Effect of Restructuring Proceedings. While the Plan Proponents believe that the Chapter 11 Cases will be of short duration and will not be materially disruptive to their businesses, the Plan Proponents cannot be certain that this will be the case. Although the Plan and the Safeguard Plan are intended to effectuate a coordinated financial restructuring of the Company, and enjoy substantial support from the requisite majorities of the Company's secured and unsecured funded debtholders, it is impossible to predict with certainty the amount of time that one or more of the Plan Proponents may spend in bankruptcy or under court supervision, or to assure parties in interest that the Restructuring Plans will be confirmed. Even if confirmed on a timely basis, court proceedings to confirm the Restructuring Plans could have an adverse effect on the Company's businesses. Among other things, it is possible that the Restructuring Proceedings could adversely affect the Company's relationships with its key vendors, employees, and customers. The proceedings also involve additional expense and may divert some of the attention of the Company's management away from business operations.

4. Risk of Non-Confirmation of Plan under the Bankruptcy Code. Although the Plan Proponents believe that the Plan will satisfy all requirements necessary for confirmation

by the Court, there can be no assurance that the Court will reach the same conclusion or that modifications to the Plan will not be required for confirmation, or that such modifications would not necessitate re-solicitation of votes. Moreover, the Plan Proponents can make no assurances that they will receive the requisite acceptances to confirm the Plan, and even if all voting Classes vote in favor of the Plan or the requirements for "cramdown" are met with respect to any Class that rejected the Plan, the Court, which may exercise substantial discretion as a court of equity, may choose not to confirm the Plan. If the Plan is not confirmed, it is unclear what distributions holders of Claims ultimately would receive with respect to their Claims under a subsequent plan of reorganization.

5. Non-Consensual Confirmation. In the event that any impaired class of Claims does not accept or is deemed not to accept a plan of reorganization, the Court may nevertheless confirm such plan at the Plan Proponents' request if at least one impaired class has accepted the Plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the Plan, the Court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. Should any Class vote to reject the Plan, then these requirements must be satisfied with respect to such rejecting Classes. The Plan Proponents believe that the Plan satisfies these requirements.

6. Risk of Non-Occurrence of Effective Date. There can be no assurance as to the timing of the Effective Date. If the conditions precedent to the Effective Date set forth in the Plan have not occurred or have not been waived as set forth in Article IX(C) of the Plan, then the Confirmation Order may be vacated, in which event no distributions would be made under the Plan, the Plan Proponents and all holders of Claims would be restored to the status quo as of the day immediately preceding the Confirmation Date, and the Plan Proponents' obligations with respect to Claims would remain unchanged. Notably, the conditions precedent include certain events tied to the Safeguard, and other events relating to CGG, over which the Plan Proponents have no control. Moreover, absent an extension, the Lock-Up Agreement may be terminated by the Supporting Creditors if the Effective Date does not occur by February 28, 2018. The Plan Proponents cannot assure that the conditions precedent to the Plan's effectiveness will occur or be waived by such date.

7. Risk of Termination of Lock-Up Agreement. The Lock-Up Agreement contains provisions that give the Plan Support Parties the ability to terminate the Lock-Up Agreement if certain conditions are not satisfied, including the failure to achieve certain milestones. Termination of the Lock-Up Agreement could result in protracted Chapter 11 Cases and Safeguard, which could significantly and detrimentally impact the Plan Proponents' relationships with vendors, suppliers, employees and major customers.

8. Conversion into Chapter 7 Cases. If no plan of reorganization can be confirmed, or if the Court otherwise finds that it would be in the best interests of holders of Claims, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. *See* Article XII(C) hereof, as well as the Liquidation Analysis attached hereto as

Exhibit F, for a discussion of the effects that a chapter 7 liquidation would have on the recoveries to holders of Claims.

9. The Cash Collateral May Be Insufficient to Fund the Debtors' Business Operations, or May Be Unavailable if the Debtors Do Not Comply with the Terms of the Cash Collateral Order. Although the Plan Proponents project that they will have sufficient liquidity to operate their businesses through the Effective Date, there can be no assurance that the revenue generated by the Company's business operations and the cash made available to the Debtors under the cash collateral order will be sufficient to fund the Company's operations. The Company does not currently have financing available to it in the form of a debtor-in-possession credit facility or DIP facility. In the event that revenue flows are not sufficient to meet the Company's liquidity requirements, the Company may be required to seek such financing. There can be no assurance that such additional financing would be available or, if available, offered on terms that are acceptable to the Company or the Court. If, for one or more reasons, the Company is unable to obtain such additional financing, the Company's business and assets may be subject to liquidation under chapter 7 of the Bankruptcy Code and the Company may cease to continue as a going concern.

The cash collateral order provides for affirmative and negative covenants applicable to the Company, including negative covenants restricting the ability of the Debtors and their subsidiaries to incur additional indebtedness, grant liens, as well as financial covenants applicable to the Debtors including compliance with a budget. There can be no assurance that the Company will be able to comply with these covenants and meet its obligations as they become due or to comply with the other terms and conditions of the Cash Collateral Orders.

Any Event of Default under the Cash Collateral Orders could result in a default of the Company's obligations under the Lock-Up Agreement, which could imperil the Plan Proponents' ability to confirm the Plan.

10. Impact of the Chapter 11 Case on the Debtors. The Chapter 11 Cases may affect the Debtors' relationships with, and their ability to negotiate favorable terms with, creditors, customers, vendors, employees and other personnel and counterparties. While the Debtors expect to continue normal operations, public perception of their continued viability may affect, among other things, the desire of new and existing customers to enter into or continue their agreements or arrangements with the Debtors. The failure to maintain any of these important relationships could adversely affect the Debtors' business, financial condition and results of operations.

Because of the public disclosure of the Chapter 11 Cases and concerns foreign vendors may have about the Debtors' liquidity, the Debtors' ability to maintain normal credit terms with vendors may be impaired. Also, the Debtors' transactions that are outside of the ordinary course of business are generally subject to the approval of the Court, which may limit the Debtors' ability to respond on a timely basis to certain events or take advantage of certain opportunities. As a result, the effect that the Chapter 11 Cases will have on the Plan Proponents' businesses, financial conditions and results of operations cannot be accurately predicted or quantified at this time.

Additionally, the terms of the Cash Collateral Orders limit the Debtors' ability to undertake certain business initiatives. These limitations include, among other things, the Debtors' ability to: (a) sell assets outside the normal course of business; (b) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; (c) grant liens; and (d) finance their operations, investments or other capital needs or to engage in other business activities that would be in the Debtors' interest.

11. The Plan and Safeguard Plan Are Based Upon Assumptions the Plan Proponents Developed Which May Prove Incorrect and Could Render the Plans Unsuccessful. The Financial Restructuring affects both the Plan Proponents' capital structure and the ownership structure and operation of their businesses and reflects assumptions and analyses based on the Plan Proponents' experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Plan Proponents consider appropriate under the circumstances. The Plan also depends on the successful implementation and execution of the Safeguard Plan and the reorganization of CGG in the Safeguard and recognition of such restructuring in the Chapter 15 Case.

Whether actual future results and developments will be consistent with the Debtors' and CGG's expectations and assumptions depends on a number of factors, including but not limited to (a) the ability to implement the changes to the Company's capital structure; (b) the ability to obtain adequate liquidity and financing sources; (c) the ability to maintain customers' confidence in the Company's viability as a continuing entity and to attract and retain sufficient business from them; (d) the ability to retain key employees and (e) the overall strength and stability of general economic conditions of the oil and gas industries, in the United States, France and global markets generally. The failure of any of these factors could materially adversely affect the successful reorganization of the Debtors' and CGG's businesses.

In addition, the feasibility of the Plan for confirmation purposes under the Bankruptcy Code relies on financial projections, including with respect to revenues, EBITDA, debt service and cash flow. Financial forecasts are necessarily speculative, and it is likely that one or more of the assumptions and estimates that are the basis of these financial forecasts will not be accurate.

The Company expects that its actual financial condition and results of operations may differ, perhaps materially, from what was anticipated. Consequently, there can be no assurance that the results or developments contemplated by any plan of reorganization the Debtors or CGG may implement will occur or, even if they do occur, that they will have the anticipated effects on the Debtors, CGG and their respective subsidiaries or their businesses or operations. The failure of any such results or developments to materialize as anticipated could materially adversely affect the successful execution of the Restructuring Plans.

12. Projections and Other Forward-Looking Statements Are Not Assured, and Actual Results May Vary. Certain of the information contained in this Disclosure Statement is, by nature, forward-looking, and contains estimates and assumptions which might ultimately prove to be incorrect, and contains projections which may be materially different from actual future experiences. There are uncertainties associated with any projections and estimates, and

they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various Classes that might be allowed.

**B. Risks Relating to the Company's Business**

1. Post-Effective Date Indebtedness. Following the Effective Date, the Company will have outstanding secured indebtedness under the New First Lien Notes, New Second Lien Notes and New Second Lien Interest Notes. CGG Holding (U.S.) Inc. is the primary obligor on the New First Lien Notes, which the other Guarantor Debtors and CGG guarantee on a secured basis. CGG is the primary obligor on the New Second Lien Notes and the New Second Lien Interest Notes, which the Guarantor Debtors guarantee on a secured basis. In addition, under the Safeguard Plan, CGG is liable on account of Termed Out French RCF Claims, if any, and the Senior Notes Accrued Interest Claims. The individual Debtors and CGG's ability to service their debt will depend, among other things, on each entity's and the Company's future operating performance, which depends partly on economic, financial, competitive and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may not be able to generate sufficient cash from operations to meet their debt service obligations as well as to fund necessary capital expenditures and investments in research and development. This, in turn, could have an adverse effect on the ability of the Company to grow its business and achieve profitability.

2. The Company's Business Is Subject to a Number of Risks Beyond Its Control. Global market and economic conditions are uncertain and volatile. In recent periods, economic contractions and uncertainty have weakened demand for oil and natural gas while the introduction of new production capacities has increased supply, resulting in lower prices, and consequently a reduction in the levels of exploration for hydrocarbons and demand for the Company's products and services. These developments have had a significant adverse effect on the Company's business, revenue and liquidity. It is difficult to predict how long the current economic conditions and imbalance between supply and demand will persist, whether oil prices will remain at a low level, whether the current market conditions will deteriorate further, and which of the Company's products and services may be adversely affected.

The reduction in demand for the Company's products and services and the resulting pressure on pricing in the Company's industry could continue to negatively affect its business, results of operations, financial condition and cash flows. The Company has had in the past and may have in the future impairment losses as events or changes in circumstances occur that reduce the fair value of an asset below its book value.

Uncertainty about the general economic situation and/or the mid-term level of hydrocarbons prices has had and is likely to continue to have a significant adverse impact on the commercial performance and financial condition of many companies, which may affect some of the Company's customers and suppliers. The current economic and energy industry climate may lead customers to cancel or delay orders or leave suppliers unable to provide goods and services as agreed. The Company's government clients may face budget deficits that prohibit them from funding proposed and existing projects or that cause them to exercise their right to terminate contracts with little or no prior notice. If the Company's suppliers, vendors, subcontractors or other counterparties are unable to perform their obligations to the Company's customers, the

Company may be required to provide additional services or make alternate arrangements on less favorable terms with other parties to ensure adequate performance and delivery of service to its customers.

3. Additional Risks to Business and Operations. A discussion of additional risks to the Company's operations, businesses and financial performance is set forth in the Form 20-F for the period ending December 31, 2016, and in other filings CGG has made with the SEC, all of which are incorporated herein by reference. CGG's filings with the SEC are available at the Company's website at www.cgg.com or on the website maintained by the SEC at www.sec.gov.

### C. Factors Relating to Securities to Be Issued Under the Restructuring Plans Generally

1. No Current Public Market for Securities. There is currently no market for the New First Lien Notes, New Second Lien Notes and the Warrants, and there can be no assurance as to the development or liquidity of any market for any such securities. Therefore, there can be no assurance that any of these Securities will be tradable or liquid at any time after the Effective Date. If a trading market does not develop or is not maintained, holders of the foregoing Securities may experience difficulty in reselling such securities or may be unable to sell them at all. Even if such a market were to exist, such securities could trade at prices higher or lower than the estimated value set forth in this Disclosure Statement, depending upon many factors including, without limitation, prevailing interest rates, markets for similar securities, industry conditions, and the performance of, and investor expectations for, the Reorganized Debtors. Accordingly, holders of these Securities may bear certain risks associated with holding securities for an indefinite period of time. Securities issued under the Plan may also be subject to restrictions on transfer imposed under applicable securities laws.

To the extent that the Plan Proponents rely on private placement exemptions from registration under the Securities Act (that is, if section 1145 of the Bankruptcy Code is not relied upon) for the offer and issuance of any Securities, those Securities (and in the case of Warrants, the underlying shares) upon issuance will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and will be subject to restrictions on transfer under the Securities Act. Accordingly, any such Securities (and in the case of Warrants, the underlying shares) may only be resold or otherwise transferred pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and, in the case of New CGG Shares, so long as the New CGG Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, they may not be deposited in any unrestricted depositary receipts facility established or maintained in respect of the New CGG Shares (including the ADS Facility). One such exemption for resale of such Securities is Rule 144, which would be available following the lapse of the applicable holding period and subject to the manner of sale and reporting conditions of the Rule, depending upon whether or not the seller was or is an affiliate of CGG. No representation is made as to the availability of the exemption provided by Rule 144. New CGG Shares, so long as they are "restricted securities," may not be sold on any securities exchange in the United States, including the New York Stock Exchange (notwithstanding that the CGG ADSs trade on such exchange).

2. Potential Dilution. The ownership percentage represented by New CGG Shares will be subject to dilution from any other shares that may be issued post-emergence, including through the exercise of the Warrants and the conversion or exercise of any other options, warrants, convertible securities, exercisable securities, or other securities that may be issued post-emergence.

In the future, similar to all companies, additional equity financings or other share issuances by any of the Reorganized Debtors or Reorganized CGG could adversely affect the value of the New CGG Shares. The amount and dilutive effect of any of the foregoing could be material.

3. The Company May Recognize a Significant Amount of Cancellation of Indebtedness ("COD") Income as a Result of the Consummation of the Safeguard Plan. It is anticipated that the exchange of certain Claims for Cash and New First Lien Notes could result in the cancellation of a portion of the Debtors' outstanding indebtedness. Because a portion of the Debtors' outstanding indebtedness will be satisfied in exchange for property other than Cash under the Plan, the amount of COD income, and accordingly, the amount of tax attributes required to be reduced, will depend in part on the fair market value of that property. This value cannot be known with certainty until after the Effective Date. Accordingly, it is currently unclear whether and to what extent, if any, the Debtors will be required to reduce their tax attributes.

4. Insufficient Cash Flow to Meet Debt Obligations. On the Effective Date, on a consolidated basis, it is expected that the Reorganized Debtors and Reorganized CGG will have total secured indebtedness of approximately up to $1.26 billion, which is expected to consist of the New First Lien Secured Notes, Termed Out French RCF Claims (if any), and New Second Lien Notes, including New Second Lien Notes issued in satisfaction of Senior Notes Accrued Interest Claims. This level of expected indebtedness and the funds required to service such debt could, among other things, make it more difficult for the Reorganized Debtors and Reorganized CGG to satisfy their obligations under such indebtedness, increasing the risk that they may default on such debt obligations.

The Reorganized Debtors' and Reorganized CGG's earnings and cash flow may vary significantly from year to year. Additionally, the Reorganized Debtors' and Reorganized CGG's future cash flow may be insufficient to meet their debt obligations and commitments. Any insufficiency could negatively impact the Reorganized Debtors' and Reorganized CGG's business. A range of economic, competitive, business, and industry factors will affect the Reorganized Debtors' and Reorganized CGG's future financial performance and, as a result, their ability to generate cash flow from operations and to pay their debt. Many of these factors are beyond the Reorganized Debtors' and Reorganized CGG's control.

If the Reorganized Debtors or Reorganized CGG do not generate enough cash flow from operations to satisfy their debt obligations, they may have to undertake alternative financing plans, such as:

- Refinancing or restructuring debt;

- Selling assets;
- Reducing or delaying capital investments; or
- Seeking to raise additional capital.

It cannot be assured, however, that undertaking alternative financing plans, if necessary, would allow the Reorganized Debtors or Reorganized CGG to meet their debt obligations. An inability to generate sufficient cash flow to satisfy their debt obligations or to obtain alternative financing could materially and adversely affect the Reorganized Debtors' or Reorganized CGG's ability to make payments on the New First Lien Notes, the New Second Lien Notes, the Termed Out French RCF Claims, if any, or the termed-out Senior Notes Accrued Interest Claim, as well as the Reorganized Debtors' or Reorganized CGG's business, financial condition, results of operations, and prospects.

5. Defects in Collateral Securing the New Secured Facilities. The indebtedness under the New First Lien Notes, New Second Lien Notes, the New Second Lien Interest Notes and Termed Out French RCF Claims, if any, will be secured, subject to certain exceptions and permitted liens, on a first and second priority basis, as applicable, by security interests in the principal assets of the Debtors and CGG (henceforth, the "Collateral"). The Collateral securing this secured debt may be subject to exceptions, defects, encumbrances, liens and other imperfections. Accordingly, it cannot be assured that the remaining proceeds from a sale of the Collateral would be sufficient to repay holders of the secured funded debt securities all amounts owed under them. The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, the ability to sell Collateral in an orderly manner, general economic conditions, the availability of buyers, the Reorganized Debtors' failure to implement their business strategy, and similar factors. The amount received upon a sale of Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time, and the timing and manner of the sale. By its nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. In the event of a subsequent foreclosure, liquidation, bankruptcy, or similar proceeding, it cannot be assured that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay the Reorganized Debtors' obligations under the new secured funded debt, in full or at all. There can also be no assurance that the Collateral will be saleable, and, even if saleable, the timing of its liquidation would be uncertain. Accordingly, there may not be sufficient Collateral to pay all or any of the amounts due on the Reorganized Debtors' new secured funded debt.

6. Failure to Perfect Security Interests in Collateral. The failure to properly perfect liens on the Collateral could adversely affect the collateral agent's ability to enforce its rights with respect to the Collateral for the benefit of the holders of the Reorganized Debtors' secured funded debt. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest or lien can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the collateral agent will monitor, or that the Reorganized Debtors will inform the trustee or the collateral agent of, the future acquisition of property and rights that constitute Collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired Collateral. The collateral agent has no obligation to monitor the acquisition of additional

property or rights that constitute Collateral or the perfection of any security interests therein. Such failure may result in the loss of the practical benefits of the liens thereon or of the priority of the liens securing the notes against third parties.

7. Casualty Risk of Collateral. The Reorganized Debtors will be obligated under the various secured funded debt documents and instruments to maintain adequate insurance or otherwise insure against hazards as is customarily done by companies having assets of a similar nature in the same or similar localities. There are, however, certain losses that may either be uninsurable or not economically insurable, in whole or in part. As a result, it is possible that the insurance proceeds will not compensate the Reorganized Debtors fully for losses. If there is a total or partial loss of any of the pledged Collateral, the insurance proceeds received may be insufficient to satisfy the secured obligations of the Reorganized Debtors or Reorganized CGG.

8. Any Future Pledge of Collateral Might Be Avoidable in a Subsequent Bankruptcy by the Reorganized Debtors. Any future pledge of Collateral in favor of the collateral agent, including pursuant to security documents delivered after the date of the New First Lien Notes, the New Second Lien Notes and the date on which any French RCF Claims are termed out, might be avoidable by the pledgor (as a subsequent debtor in possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the securities under the secured funded debt to receive a greater recovery than if the pledge had not been given, and a U.S. bankruptcy case in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period. Similar or longer reachback periods may exist if a case or proceeding is commenced under the insolvency laws of a non-U.S. jurisdiction with similar legal principles.

9. Risk Related to Termed Out French RCF Claims and Termed Out French RCF Claim Guarantees. The Termed Out French RCF Claims have a maturity date and interest rate that are materially less favorable to Holders than are the terms of the New First Lien Notes that Participating French RCF Lenders will receive under the Restructuring Plans. In addition, the liens securing the Termed Out French RCF Claim Guarantees will share pari passu with the liens securing the New First Lien Notes and will be secured by the same collateral pool as that securing the New First Lien Notes. As a result, the aggregate value of the collateral securing the Termed Out French RCF Claim Guarantees may be materially less than the value of the collateral pool that had secured the French RCF Facility Agreement under the French RCF Documents. Moreover, the French RCF Documents will be discharged and released under the Restructuring Plans, and the Safeguard Plan will be the sole agreement documenting the contractual obligations of CGG in respect of the Termed Out French RCF Claims, if any. Finally, Non-Participating French Lenders will not receive any portion of the Secured Fund Debt Claims Cash Payment under the Restructuring Plans.

### D. Additional Factors

1. Debtors Could Withdraw Plan. Subject to the terms of, and without prejudice to, the rights of any party to the Lock-Up Agreement, the Plan may be revoked or withdrawn prior to the Confirmation Date by the Debtors.

2. Plan Proponents Have No Duty to Update. The statements contained in this Disclosure Statement are made by the Plan Proponents as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Plan Proponents have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Court.

3. No Representations Outside This Disclosure Statement Are Authorized. No representations concerning or related to the Plan Proponents, the Chapter 11 Cases, or the Plan are authorized by the Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than those contained in, or included with, this Disclosure Statement should not be relied upon in making the decision to accept or reject the Plan.

4. No Legal or Tax Advice Is Provided by this Disclosure Statement. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Creditor should consult its own legal counsel and accountant as to legal, tax, and other matters concerning its Claim. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

5. No Representation Made. Nothing contained herein or in the Plan shall constitute a representation of the tax or other legal effects of the Plan on the Plan Proponents or holders of Claims.

6. Certain Tax Consequences. For a discussion of certain tax considerations to the Debtors and certain holders of Claims in connection with the implementation of the Plan, see Article VIII hereof.

## X. VOTING PROCEDURES AND REQUIREMENTS

### A. Voting Instructions and Voting Deadline

Only holders of Class 3 Claims (French RCF Claims), Class 4 Claims (US Secured Funded Debt Claims), and Class 5 Claims (Senior Notes Claims) (the Claims and Holders of Claims in Classes 3 through 5, the "Voting Claims" and the "Voting Holders" respectively) are entitled to vote to accept or reject the Plan. The Debtors are providing copies of this Disclosure Statement (including all exhibits and appendices) and related materials and a ballot (collectively, a "Solicitation Package") to record holders of the Voting Claims.

Each ballot contains detailed voting instructions. Each ballot also sets forth in detail, among other things, the deadlines, procedures, and instructions for voting to accept or reject the Plan, the Voting Record Date for voting purposes, and the applicable standards for tabulating ballots. The record date for determining which holders are entitled to vote on the Plan is August 28, 2017.

Please complete the information requested on the ballot, sign, date and indicate your vote on the ballot, and return the completed ballot either (i) via electronic, online transmission through the E-Ballot platform on Prime Clerk LLC's (the "Voting Agent") website;

or (ii) by overnight courier or hand delivery in the enclosed pre-addressed postage-paid envelope to:

CGG Ballot Processing
c/o Prime Clerk, LLC
830 Third Avenue, 3rd Floor
New York, NY 10022

– or –

Ballots must be properly submitted via, and in accordance with the instructions set forth on, Prime Clerk, LLC's E-Ballot platform on the Restructuring Information Website:

https://cases.primeclerk.com/CGG

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT NO LATER THAN SEPTEMBER 22, 2017 AT 5:00 P.M. EASTERN TIME (THE "VOTING DEADLINE").

ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR WHICH INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL BE COUNTED AS AN ACCEPTANCE.

If you are a Voting holder and you did not receive a ballot, received a damaged ballot or lost your ballot, or if you have any questions concerning the procedures for voting on the Plan, please contact (a) the Voting Agent in writing at CGG Ballot Processing, c/o Prime Clerk, LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, or (b) the Debtors' restructuring hotline at (844) 721-3891 (toll free) or (347) 338-6512 (international) or (c) via email at CGGballots@primeclerk.com.

### B. Parties Entitled to Vote

Pursuant to the provisions of the Bankruptcy Code, only holders of allowed claims or equity interests in classes of claims or equity interests that are impaired and that are not deemed to have rejected a proposed plan are entitled to vote to accept or reject such proposed plan. Classes of claims or equity interests in which the holders of claims or equity interests are unimpaired under a chapter 11 plan are deemed to have accepted such plan and are not entitled to vote to accept or reject the plan. For a detailed description of the treatment of Claims under the Plan, see Article V(A)(1) of this Disclosure Statement.

The Plan Proponents will request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code as necessary. Section 1129(b) of the Bankruptcy Code permits the confirmation of a chapter 11 plan notwithstanding the rejection of such plan by one or more impaired classes of claims or equity interests. Under section 1129(b), a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each rejecting class. For a more detailed description of the requirements for confirmation of a nonconsensual plan, see Article XI(C)(2) of this Disclosure Statement.

Claims in the Voting Classes of the Plan are impaired and Voting Holders in such Classes will receive distributions under the Plan. As a result, Voting Holders are entitled to vote to accept or reject the Plan. Claims in all other Classes are unimpaired and the Holders of such claims are deemed to accept the Plan.

### C. Agreements Upon Furnishing Ballots

The delivery of an accepting ballot pursuant to one of the procedures set forth above will constitute the agreement of the creditor with respect to such ballot to accept (i) all of the terms of, and conditions to, this Solicitation; and (ii) the terms of the Plan including the injunction, releases and exculpations set forth in Article VIII therein. All parties in interest retain their right to object to confirmation of the Plan, subject to any applicable terms of the Lock-Up Agreement.

### D. Change of Vote

Except as provided in the Lock-Up Agreement, any party who has previously submitted to the Voting Agent prior to the Voting Deadline a properly completed ballot may revoke such ballot and change its vote by submitting to the Voting Agent prior to the Voting Deadline a subsequent, properly completed ballot for acceptance or rejection of the Plan.

### E. Waivers of Defects, Irregularities, etc.

Unless otherwise directed by the Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance and revocation or withdrawals of ballots will be determined by the Voting Agent and/or the Plan Proponents, as applicable, in their sole discretion, which determination will be final and binding. The Plan Proponents reserve the right to reject any and all ballots submitted by any of their respective creditors not in proper form, the acceptance of which would, in the opinion of the Plan Proponents or their counsel, as applicable, be unlawful. The Plan Proponents further reserve their respective rights to waive any defects or irregularities or conditions of delivery as to any particular ballot by any of their creditors. The interpretation (including the ballot and the respective instructions thereto) by the applicable Debtor, unless otherwise directed by the Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of ballots must be cured within such time as the Plan Proponents (or the Court) determines. Neither the Plan Proponents nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

### F. Miscellaneous

The Plan Proponents, in their sole discretion, may request that the Voting Agent attempt to contact such voters to cure any such defects in the ballots. If you return more than one ballot voting different Voting Claims, the ballots are not voted in the same manner and you do not correct this before the Voting Deadline, the last ballot submitted will be the ballot counted.

An otherwise properly executed ballot that attempts to partially accept and partially reject the Plan will likewise not be counted.

The ballots provided to Voting Holders will reflect the principal amount of such Voting Holder's Claim; however, when tabulating votes, the Voting Agent may adjust the amount of such Voting Holder's Claim by multiplying the principal amount by a factor that reflects all amounts accrued between the Voting Record Date and the Petition Date including, without limitation, interest.

Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have been received, only holders of the Voting Claims, as applicable, who actually vote will be counted.

Except as provided below, unless the ballot is timely submitted to the Voting Agent before the Voting Deadline together with any other documents required by such ballot, the Plan Proponents may, in their sole discretion, reject such ballot as invalid, and therefore decline to utilize it in connection with seeking confirmation of the Plan.

## XI. CONFIRMATION OF PLAN

### A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Court to hold a confirmation hearing upon appropriate notice to all required parties. Notice of the Confirmation Hearing will be provided to all known creditors or their representatives. The Confirmation Hearing may be adjourned from time to time by the Court without further notice except for the announcement of the continuation date made at the Confirmation Hearing, at any subsequent continued Confirmation Hearing, or pursuant to a notice filed on the docket for the Chapter 11 Cases.

### B. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules and the Local Rules, must set forth the name of the objector, the nature and amount of Claims held or asserted by the objector against the Debtors' estates or properties, the basis for the objection and the specific grounds therefor, and must be filed with the Court, with a copy to the chambers of the Hon. Martin Glenn, United States Bankruptcy Judge, together with proof of service thereof, and served upon the following parties, including such other parties as the Court may order:

(a) The Debtors at:

CGG S.A.
Tour Maine Montparnasse
33, avenue du Maine
75015 Paris, France
Fax: +33 1 64 47 34 29

E-mail: beatrice.place-faget@CGG.com

Attention: General Counsel

(b) Office of the U.S. Trustee at:

Office of the U.S. Trustee for Region 2
U.S. Federal Office Building
201 Varick Street, Suite 1006
New York, NY 10014
Fax: +1 212 668 2361
E-mail: andrea.b.schwartz@usdoj.gov

Attention: Andrea B. Schwartz

(c) Counsel to the Debtors at:

Linklaters LLP
25 rue de Marignan
75008 Paris, France
Fax: +33 1 43 59 41 96
E-mail: luis.roth@linklaters.com
kathryn.merryfield@linklaters.com
aymar.demauleon@linklaters.com

Attention: Luis Roth
Kathryn Merryfield
Aymar de Mauléon

- and -

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Fax: +1 212 492 0545
E-mail: akornberg@paulweiss.com
bhermann@paulweiss.com
lshumejda@paulweiss.com
ctobler@paulweiss.com

Attention: Alan W. Kornberg
Brian S. Hermann
Lauren Shumejda
Claudia R. Tobler

(d) U.S. Counsel to the Holders of Secured Funded Debt Claims at:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Fax: +1 212 446 4900
E-mail: stephen.hessler@kirkland.com
anthony.grossi@kirkland.com

Attention: Stephen E. Hessler, P.C.
Anthony Grossi

(e) U.S. Counsel to the Holders of Senior Notes Claims and Senior Notes Accrued Interest Claims at:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Fax: +1 212 728 8111
E-mail: jlongmire@willkie.com
weguchi@willkie.com
jkim@willkie.com

Attention: John C. Longmire
Weston T. Eguchi
Ji Hun Kim

**UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE COURT.**

## C. Requirements for Confirmation of Plan

### 1. Requirements of Section 1129(a) of the Bankruptcy Code

(a) General Requirements. At the Confirmation Hearing, the Court will determine whether the confirmation requirements specified in section 1129(a) of the Bankruptcy Code have been satisfied including, without limitation, whether:

(i) the Plan complies with the applicable provisions of the Bankruptcy Code;

(ii) the Debtors have complied with the applicable provisions of the Bankruptcy Code;

(iii) the Plan has been proposed in good faith and not by any means forbidden by law;

(iv) any payment made or promised by the Debtors or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and

incident to the Chapter 11 Cases, has been disclosed to the Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Court as reasonable;

(v) the Debtors have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the Reorganized Debtors, an affiliate of the Debtors participating in a Plan with the Debtors, or a successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of holders of Claims and Interests and with public policy, and the Debtors have disclosed the identity of any insider who will be employed or retained by the Reorganized Debtors, and the nature of any compensation for such insider;

(vi) with respect to each Class of Claims or Interests, each holder of an impaired Claim has either accepted the Plan or will receive or retain under the Plan, on account of such holder's Claim, property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date of the Plan under chapter 7 of the Bankruptcy Code;

(vii) except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code (as discussed further below), each Class of Claims either accepted the Plan or is not impaired under the Plan;

(viii) except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that administrative expenses and priority Claims, other than priority tax Claims, will be paid in full on the Effective Date, and that priority tax Claims will receive either payment in full on the Effective Date or deferred cash payments over a period not exceeding five years after the Commencement Date, of a value, as of the Effective Date of the Plan, equal to the allowed amount of such Claims;

(ix) at least one Class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such Class;

(x) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan; and

(xi) all fees payable under section 1930 of title 28, as determined by the Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

(b) Best Interests Test. As noted above, with respect to each impaired class of claims and equity interests, confirmation of a plan requires that each such holder either (i) accept the plan or (ii) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the debtors were liquidated under chapter 7 of the Bankruptcy Code. This requirement is referred to as the "best interests test."

This test requires a Court to determine what the holders of allowed claims and allowed equity interests in each impaired class would receive from a liquidation of the debtor's assets and properties in the context of a liquidation under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the value of the distributions from the proceeds of the liquidation of the debtor's assets and properties (after subtracting the amounts attributable to the aforesaid claims) is then compared with the value offered to such classes of claims and equity interests under the plan.

A liquidation analysis (the "Liquidation Analysis") has been prepared solely for purposes of estimating proceeds available in a liquidation under chapter 7 of the Bankruptcy Code ("Chapter 7") of the Debtor's estates and is attached as Exhibit F to this Disclosure Statement. The Liquidation Analysis is based on a number of estimates and assumptions that are inherently subject to significant economic, competitive and operational uncertainties and contingencies that are beyond the control of the Debtors or a trustee under Chapter 7. Further, the actual amounts of claims against the Debtors' estates could vary materially from the estimates set forth in the Liquidation Analysis, depending on, among other things, the claims asserted during Chapter 7. Accordingly, while the information contained in the Liquidation Analysis is necessarily presented with numerical specificity, the Plan Proponents cannot assure you that the values assumed would be realized or the claims estimates assumed would not change if the Debtors were in fact liquidated, nor can assurances be made that the Court would accept this analysis or concur with these assumptions in making its determination under section 1129(a) of the Bankruptcy Code.

As set forth in detail on the Liquidation Analysis, the Plan Proponents believe that the Plan will produce a greater recovery for the holders of Claims than would be achieved in a Chapter 7 liquidation. Consequently, the Plan Proponents believe that the Plan, which provides for the continuation of the Debtors' businesses, will provide a substantially greater ultimate return to the holders of Claims than would a Chapter 7 liquidation.

(c) Feasibility. Pursuant to section 1129(a)(11) of the Bankruptcy Code, among other things, the Court must determine that confirmation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Plan Proponents or any successors to the Debtors under the Plan. This condition is often referred to as the "feasibility" of the Plan. The Plan Proponents believe that the Plan satisfies this requirement.

For purposes of determining whether the Plan meets this requirement, the Plan Proponents' management prepared a projected financial outlook. These financial outlooks, and the assumptions on which they are based, are annexed hereto as Exhibit G (the "Financial Outlook"). Based upon the Financial Outlook, the Plan Proponents believe that the Reorganized Debtors will be able to make all payments required pursuant to the Plan, and therefore, that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization. The Reorganized Debtors also believe that they will be able to repay or refinance on commercially reasonable terms any and all of the indebtedness under the Plan at or prior to the maturity of such indebtedness.

The Financial Outlook should be read in conjunction with the assumptions, qualifications, and explanations set forth in this Disclosure Statement and in the Plan in their

entirety, along with the Safeguard Plan, and the historical consolidated financial statements (including the notes and schedules thereto) and other financial information set forth in CGG's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and other reports filed by CGG with the SEC prior to the Court's approval of this Disclosure Statement. These filings are available by visiting the SEC's website at http://www.sec.gov.

The Plan Proponents prepared the Financial Outlook based upon, among other things, the anticipated future financial condition and results of operations of the Reorganized Debtors and CGG. CGG does not, as a matter of course, publish their business plans, strategies, projections, or their anticipated results of operations or financial condition, or that of the Debtors. Accordingly, the Company does not intend to update or otherwise revise the Financial Outlook, or to include such information in documents required to be filed with the SEC or otherwise make such information public to reflect events or circumstances existing or arising after the date of this Disclosure Statement or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error.

THE FINANCIAL OUTLOOK WAS NOT PREPARED TO COMPLY WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE FINANCIAL ACCOUNTING STANDARDS BOARD. THE PLAN PROPONENTS' INDEPENDENT ACCOUNTANTS HAVE NEITHER EXAMINED NOR COMPILED THE ACCOMPANYING FINANCIAL OUTLOOK AND ACCORDINGLY DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT TO THE FINANCIAL OUTLOOK, ASSUME NO RESPONSIBILITY FOR THE FINANCIAL OUTLOOK AND DISCLAIM ANY ASSOCIATION WITH THE FINANCIAL OUTLOOK. EXCEPT AS MAY OTHERWISE BE PROVIDED IN THE PLAN OR THIS DISCLOSURE STATEMENT, THE PLAN PROPONENTS DO NOT INTEND TO UPDATE OR OTHERWISE REVISE THESE FINANCIAL PROJECTIONS TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE OF THIS DISCLOSURE STATEMENT OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

THE FINANCIAL OUTLOOK, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, IS NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT, THOUGH CONSIDERED REASONABLE BY CGG AND THE DEBTORS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH WILL BE BEYOND THE COMPANY AND THE REORGANIZED DEBTORS' CONTROL. THE PLAN PROPONENTS CAUTION THAT NO REPRESENTATIONS CAN BE OR ARE MADE AS TO THE ACCURACY OF THE FINANCIAL OUTLOOK OR TO CGG AND THE REORGANIZED DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL BE INCORRECT. MOREOVER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE OUTLOOK WAS PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS MAY AFFECT FINANCIAL RESULTS IN A MATERIAL AND POSSIBLY ADVERSE MANNER. THE FINANCIAL OUTLOOK, THEREFORE, MAY NOT BE RELIED UPON AS

A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. SEE ARTICLE IX, "CERTAIN RISK FACTORS TO BE CONSIDERED."

IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE FINANCIAL OUTLOOK AND SHOULD CONSULT WITH THEIR OWN ADVISORS.

(d) Equitable Distribution of Voting Power. On or before the Effective Date, pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, the organizational documents for the Debtors shall be amended as necessary to satisfy the provisions of the Bankruptcy Code and shall include, among other things, pursuant to section 1123(a)(6) of the Bankruptcy Code, (i) a provision prohibiting the issuance of non-voting equity securities and (ii) a provision setting forth an appropriate distribution of voting power among classes of equity securities possessing voting power.

2. Additional Requirements for Non-Consensual Confirmation. In the event that any impaired Class of Claims does not accept or is deemed to reject the Plan, the Court may still confirm the Plan at the request of the Plan Proponents if, as to each impaired Class of Claims that has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Classes of Claims or Interests, pursuant to section 1129(b) of the Bankruptcy Code. Both of these requirements are in addition to other requirements established by case law interpreting the statutory requirements.

(a) Unfair Discrimination Test. The "no unfair discrimination" test applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under the Plan. A chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting Class are treated in a manner consistent with the treatment of other Classes whose legal rights are substantially similar to those of the dissenting Class and if no Class of Claims or Interests receives more than it legally is entitled to receive for its Claims or Interests. This test does not require that the treatment be the same or equivalent, but that such treatment be "fair."

The Plan Proponents believe the Plan satisfies the "unfair discrimination" test. Claims of equal priority are receiving comparable treatment and such treatment is fair under the circumstances.

(b) Fair and Equitable Test. The "fair and equitable" test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the allowed amount of the claims in such class. As to dissenting classes, the test sets different standards depending on the type of claims in such class. The Plan Proponents believe that the Plan satisfies the "fair and equitable" test as further explained below.

(i) Secured Creditors. The Bankruptcy Code provides that each holder of an impaired secured claim either (i) retains its liens on the property to the extent of the allowed amount of its secured claim and receives deferred cash payments having a value,

as of the effective date, of at least the allowed amount of such claim, or (ii) has the right to credit bid the amount of its claim if its property is sold and retains its liens on the proceeds of the sale (or if sold, on the proceeds thereof) or (iii) receives the "indubitable equivalent" of its allowed secured claim. The Plan provides that Holders of impaired secured Claims in Classes 3 and 4 shall receive, on account of such Allowed Claims, their share of (i) New First Lien Notes after giving effect to the $150 million cash payment of the Secured Debt; and (ii) with respect to Holders of French RCF Claims in Class 3, an option to reinstate their claims in the Amended RCF Facility.

(ii) Unsecured Creditors. The Bankruptcy Code provides that either (i) each holder of an impaired unsecured claim receives or retains under the plan of reorganization, property of a value equal to the amount of its allowed claim or (ii) the holders of claims and equity interests that are junior to the claims of the dissenting class will not receive any property under the plan of reorganization. The Plan provides that all holders of Senior Notes Claims in Class 5, by agreement of such Holders, will receive their share of rights under the guarantees of the New Second Lien Interest Notes issued by the Guarantor Debtors, as well as equitization of part of the Senior Notes Claims pursuant to the Senior Notes Equitization. The Plan further provides that all Holders of general unsecured claims in Class 6 will be reinstated and unimpaired. Accordingly, the Plan meets the "fair and equitable" test with respect to unsecured Claims.

(iii) Equity Interests. With respect to a class of equity interests, each of the Debtors is a direct or indirect subsidiary of CGG. Accordingly, each Debtor's equity interests are held by another Debtor and/or an affiliate of a Debtor. The Plan provides that Equity Interests will be reinstated and that the CGG Group's corporate ownership structure will remain unchanged. Accordingly, the Plan meets the "fair and equitable" test with respect to those Interests.

## XII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Plan Proponents have evaluated several alternatives to the Plan. After studying these alternatives, the Plan Proponents have concluded that the Plan is the best alternative and will maximize recoveries to parties in interest, assuming confirmation and consummation of the Plan. If the Plan is not confirmed and consummated, the alternatives to the Plan are (i) the preparation and presentation of an alternative plan of reorganization, (ii) a sale of some or all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code, or (iii) a liquidation under chapter 7 of the Bankruptcy Code.

### A. Alternative Plan of Reorganization

If the Plan is not confirmed, the Debtors (or if the Debtors' exclusive period in which to file a plan of reorganization has expired, any other party in interest) could attempt to formulate a different plan. Such a plan might involve either a reorganization and continuation of the Debtors' business or an orderly liquidation of its assets. The Plan Proponents, however, submit that the Plan, as described herein, enables their creditors to realize the most value under the circumstances.

### B. Sale Under Section 363 of the Bankruptcy Code

If the Plan is not confirmed, the Plan Proponents could seek from the Court, after notice and a hearing, authorization to sell their assets under section 363 of the Bankruptcy Code. Holders of Voting Claims in Classes 3 and 4 would be entitled to credit bid on any property to which their security interest is attached, and to offset their Claims against the purchase price of the property. Alternatively, the security interests in the Debtors' assets held by Holders of Voting Claims in Classes 3 and 4 would attach to the proceeds of any sale of the Debtors' assets. After these Claims are satisfied, the remaining funds could be used to pay Holders of Claims in Class 5 and Class 6. Upon analysis and consideration of this alternative, the Plan Proponents do not believe a sale of their assets under section 363 of the Bankruptcy Code would yield a higher recovery for holders of Claims than the Plan.

### C. Liquidation Under Chapter 7 or Applicable Non-Bankruptcy Law

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under Chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The Liquidation Analysis sets forth the effect a Chapter 7 liquidation would have on the recovery of holders of allowed Claims and Interests.

As noted in the Liquidation Analysis, the Plan Proponents believe that liquidation under Chapter 7 would result in lower distributions to creditors than those provided for under the Plan. Among other things, the value that the Debtors expect to obtain from their assets in a Chapter 7 liquidation, instead of continuing as a going concern as provided in the Plan, would be materially less. A Chapter 7 liquidation would also generate more unsecured claims against the Debtors' estates from, among other things, damages related to rejected contracts. In addition, a Chapter 7 liquidation would result in a delay from the conversion of the cases and the additional administrative expenses associated with the appointment of a trustee and the trustee's retention of professionals, who would be required to become familiar with the many legal and factual issues in the Debtors' Chapter 11 Cases.

## XIII. MISCELLANEOUS PROVISIONS

### A. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h) or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the final versions of the documents contained in the Plan Supplement and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors and any and all Holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases and injunctions described in the Plan, each Entity acquiring property under the Plan or the Confirmation Order and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims and debts shall be as fixed, adjusted or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan.

**B. Additional Documents**

On or before the Effective Date, the Debtors may File with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors and all Holders of Claims receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

**C. Reservation of Rights**

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Court shall enter the Confirmation Order. Neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, this Disclosure Statement, the Confirmation Order or the Plan Supplement waives any rights of the Debtors with respect to the Holders of Claims or Interests prior to the Effective Date.

**D. Successors and Assigns**

The rights, benefits and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiary or guardian, if any, of each Entity.

**E. Term of Injunctions or Stays**

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to section 105 or 362 of the Bankruptcy Code or any order of the Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

**F. Entire Agreement**

Except as otherwise indicated, the Plan, the Confirmation Order, the Safeguard Plan, the Restructuring Documents, the Plan Supplement and documents related thereto supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects, all of which have become merged and integrated into the Plan, the Safeguard Plan, the Restructuring Documents, the Plan Supplement and the documents related thereto.

**G. Exhibits**

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the

Debtors' restructuring website at https://cases.primeclerk.com/cgg/ or the Court's website at http://www.nysb.uscourts.gov/.

### H. Nonseverability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Debtors, may alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such terms or provision shall then be applicable as altered or interpreted; provided, however, that any such alteration or interpretation shall be acceptable to the Debtors and the Ad Hoc Committees and the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (3) nonseverable and mutually dependent.

### I. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Plan Proponents will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Plan Proponents and each of the Lock-Up Agreement Support Parties and each of their respective Affiliates, agents, representatives, members, principals, equity holders (regardless of whether such interests are held directly or indirectly), officers, directors, partners (including both general and limited partners), managers, employees, advisors (including investment advisors) and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale and purchase of Securities offered and sold under the Plan, and, therefore, neither any of such parties or individuals nor the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale or purchase of the Securities offered and sold under the Plan.

### J. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Court to close the Chapter 11 Cases.

## XIV. CONCLUSION AND RECOMMENDATION

The Debtors believe the Plan is in the best interests of all stakeholders and urge the Holders of Voting Classes to vote in favor thereof.

Dated: August 25, 2017
New York, New York

CGG HOLDING (U.S.) INC.
(for itself and on behalf of each of its subsidiary debtors as Debtors and Debtors in Possession)

*/s/ Chad Meintel*
Chad Meintel
Head of Legal Affairs – North America
CGG Holding (U.S.) Inc.

CGG HOLDING B.V.
(for itself and on behalf of each of its subsidiary debtors as Debtors and Debtors in Possession)

*/s/ Beatrice Place-Faget*
Beatrice Place-Faget
Managing Director
CGG Holding B.V.

CGG S.A.

*/s/Jean-Georges MALCOR*
Jean-Georges MALCOR
Chief Executive Officer
CGG S.A.