CGG

Press Release

Instruments to be issued as part of CGG's financial restructuring plan

- **Indication of the number of instruments to be issued as part of the financial restructuring plan:** subject to the satisfaction of the settlement and delivery conditions, the following securities will be issued as part of the financial restructuring plan:
  - 71,932,731 new shares of the Company (the "**New Shares**") each with one warrant attached (the "**Warrants #2**" and together with the New Shares, the "**ABSA**"),
  - 35,311,528 Creditor Shares 1 resulting from the equitization of the Convertible Bonds,
  - 449,197,594 Creditor Shares 2 resulting from the equitization of the Senior Notes,
  - 22,133,149 Warrants #1 allocated for free to the shareholders of CGG,
  - 113,585,276 Warrants #3 in favor of the subscribers to the Second Lien Notes,
  - 7,099,079 Coordination Warrants allocated for free to the members of the ad hoc committee of holders of Senior Notes,
  - 10,648,619 Backstop Warrants allocated for free to the members of the ad hoc committee of holders of Senior Notes.

Paris, France – February 12, 2018

Further to the announcement of the results of the capital increase with preferential subscription rights (the "**Rights Issue with PSR**"), CGG announces the number of shares and instruments giving access to the share capital that will be issued as part of its financial restructuring plan, subject to the conditions to the settlement and delivery described below being satisfied (or waived):

- 71,932,731 New Shares each with one Warrants #2;
- 35,311,528 new shares resulting from the equitization of the Convertible Bonds (the "**Creditor Shares 1**"),
- 449,197,594 new shares resulting from the equitization of the Senior Notes (the "**Creditor Shares 2**"),
- 22,133,149 warrants allocated for free to the shareholders of CGG (the "**Warrants #1**"),
- 113,585,276 warrants allocated for free in favor of the subscribers to the Second Lien Notes (the "**Warrants #3**"),

- 7,099,079 warrants allocated for free to the members of the ad hoc committee of holders of Senior Notes (the "**Coordination Warrants**"),
- 10,648,619 warrants allocated for free to the members of the ad hoc committee of holders of Senior Notes (the "**Backstop Warrants**").

Dilution

Impact of the transaction on shareholders' interest

Following implementation of the transactions provided for in the financial restructuring plan, the issuance of the New Shares, the Creditor Shares 1, the Creditor Shares 2 and the new shares to be issued upon exercise of the Warrants #1, the Warrants #2, the Warrants #3, the Coordination Warrants and the Backstop Warrants would have the following impact on the equity interest of a shareholder with 1% of the Company's shares outstanding prior to the launch of the Rights Issue with PSR:

	Shareholders' interest (in %)	
	Non-diluted basis	**Diluted basis(1)**
Interest before settlement and delivery of the transactions provided for in the financial restructuring plan Outstanding number of shares is 22,133,149 as of February 12, 2018	1.00	0.981
After the issue of 687,774,827 new shares under the Rights Issue with PSR, the Creditor Shares 1 and Creditor Shares 2, and the new shares resulting from the exercise of all Warrants #3, Coordination Warrants and Backstop Warrants, but before the exercise of Warrants #1 and Warrants #2	0.133	0.132
After the issue of 765,207,517 new shares under the Rights Issue with PSR, the Creditor Shares 1, the Creditor Shares 2 and the new shares resulting from the exercise of all Warrants #1, Warrants #2, Warrants #3, Coordination Warrants and Backstop Warrants	0.218	0.218

(1) *If all 425,362 exercisable and non-exercisable stock options are exercised.*

Tables of shareholders' interest after financial restructuring:

After the implementation of the transactions contemplated in the financial restructuring plan, the share capital would be allocated as follows:

	Portion held by the shareholders and the entities having exercised preferential subscription rights	Portion held by the Senior Noteholders	Portion held by the holders of Convertible Bonds
After the issue of the New Shares, the Creditor Shares 1, the Creditor Shares 2 and the new shares resulting from the exercise of the Warrants #3, Coordination Warrants and Backstop Warrants but before the exercise of Warrants #1 and Warrants #2	13.3%	81.8%	5.0%
After the issue of the New Shares, the Creditor Shares 1, the Creditor Shares 2 and the new shares resulting from the exercise of Warrants #1, Warrants #2, Warrants #3, Coordination Warrants and Backstop Warrants	21.8%	73.7%	4.5%

Following the issuance of New Shares, Creditor Shares 1 and Creditor Shares 2, the Company's share capital will amount to €5,785,750.02, divided into 578,575,002 shares with a par value of €0.01 per share.

Settlement and Delivery

The settlement and delivery of the New Shares and Warrants #2, as well as of the Creditor Shares 1, Creditor Shares 2, Warrants #1, Warrants #3, Coordination Warrants and Backstop Warrants, are scheduled for 21 February 2018, subject to the satisfaction of the conditions to the settlement and delivery set out below. The admission to trading on Euronext Paris of the New Shares, Warrants #2, as well as Creditor Shares 1, Creditor Shares 2 and Warrants #1 will take place on the same date.

Conditions to the settlement and delivery

The transactions provided for under the safeguard plan and the Chapter 11 plan (including the Rights Issue with PSR) are regarded as a whole so that if any of them cannot be implemented, none of them will be implemented. The settlement and delivery of the Rights Issue with PSR must occur (i) before February 28, 2018 (or any later date as may be determined in accordance with the terms of the lock-up agreement entered into by the Company on 13 June 2017 (the "**Lock-Up Agreement**") and the restructuring support agreement which provides for the backstop commitment of the DNCA Entities (the "**Restructuring Support Agreement**")) and (ii) concurrently with the settlement and delivery of the Creditor Shares 1, Creditor Shares 2, Warrants #1, Second Lien Notes, Warrants #3, Backstop Warrants and Coordination Warrants.

In addition, the settlement and delivery of the Rights Issue with PSR and, more generally, the completion of the financial restructuring plan of which it forms part, remain subject to (i) the satisfaction (or waiver), prior to the settlement and delivery of the Rights Issue with PSR, of certain conditions precedent set forth in the private placement agreement dated 26 June 2017 (the "**Private Placement Agreement**"), and in the conveyancing instruments for the issuance of the New First Lien Notes and Second Lien Notes as well as (ii) the absence of termination of the Private Placement Agreement or the Lock-Up Agreement.

Information to the public

The issue of the Creditor Shares 1, Creditor Shares 2, Warrants #1, Warrants #3, Backstop Warrants and Coordination Warrants has been described in a prospectus (the "**Prospectus n°1**") which comprises the Registration Document of CGG, the update n°1 of the Company's Registration Document filed with the AMF on 13 October 2017 under number D.17-0486-A01, the securities note which was approved by the AMF on 13 October 2017 under visa number 17-551, the summary of the Prospectus n°1 (included in the securities note), and the supplementary note referred to by the AMF on 17 October 2017 under number 17-559, which contains a supplement to the summary of Prospectus n° 1.

The issue of the ABSA is the subject of a prospectus (the "**Prospectus n°2**") which comprises the Registration Document of CGG, filed with the AMF on 1 May 2017 under number D.17-0486 (the "**Registration Document**"), the update n°1 of the Registration Document filed with the AMF on 13 October 2017 under number D.17-0486-A01 and update n°2 of the Registration Document filed with the AMF on 16 January 2018 under number D.17-0486-A02 (together, the "**Registration Document Updates**"), of the securities note approved by the AMF on 16 January 2018 under number 18-018 (the "**Securities Note**"), and of the summary of Prospectus n°2 (included in the Securities Note).

Copies of the Prospectus n°1 and the Prospectus n°2 can be obtained free of charge from the registered office of CGG, Tour Maine Montparnasse 33, avenue du Maine – 75015 Paris, the Company's website (www.cgg.com) and the AMF website (www.amf-france.org).

CGG draws the public's attention to the risk factors described in chapter 3 of the Registration Document, chapter 3 of the Registration Document Updates and chapter 2 of the Securities Note.

Furthermore, the appeal lodged by four holders of Convertible Bonds, namely Delta Alternative Management, Schelcher Prince Gestion, La Financière de l'Europe and HMG Finance, against the judgment dated December 1, 2017 which declared their claims against the draft safeguard plan inadmissible and approved on the safeguard plan, will be examined by the Paris Court of Appeal at the oral hearing on 29 March 2018.

Mr. Jean Gatty, acting in his capacity as representative of the holders of Convertible Bonds, as well as JG Capital Management, acting as management company of the JG Partners fund, holder of Convertible Bonds, have withdrawn the third-party opposition they had filed against the judgment approving the safeguard plan rendered by the Commercial Court of Paris on December 1, 2017.

For the purpose of this press release:

"**Convertible Bonds**" means, together, (i) the convertible bonds (*obligations à option de conversion et/ou d'échange en actions nouvelles ou existantes*), bearing interest at a rate of 1.75% and maturing on 1 January 2020, issued by the Company on 26 June 2015, and (ii) the convertible bonds (*obligations à option de conversion et/ou d'échange en actions nouvelles ou existantes*), bearing interest at a rate of 1.25% and maturing on 1 January 2019, issued by the Company on 20 November 2012;

"**Senior Notes**" means, together, (i) the high yield notes, bearing interest at a rate of 5.875% and maturing in 2020, issued by the Company on 23 April 2014, (ii) the high yield notes, bearing interest at a rate of 6.5% and maturing in 2021, issued by the Company on 31 May 2011, 20 January 2017 and 13 March 2017, and (iii) the high yield notes, bearing interest at a rate of 6.875% and maturing in 2022, issued by the Company on 1 May 2014.

About CGG:

CGG (www.cgg.com) is a fully integrated Geoscience company providing leading geological, geophysical and reservoir capabilities to its broad base of customers primarily from the global oil and gas industry. Through its three complementary businesses of Equipment, Acquisition and Geology, Geophysics & Reservoir (GGR), CGG brings value across all aspects of natural resource exploration and exploitation. CGG employs around 5,300 people around the world, all with a Passion for Geoscience and working together to deliver the best solutions to its customers.

CGG is listed on the Euronext Paris SA (ISIN: 0013181864) and the New York Stock Exchange (in the form of American Depositary Shares. NYSE: CGG).

Contacts

Group Communications
Christophe Barnini
Tel: + 33 1 64 47 38 11
E-Mail: : invrelparis@cgg.com

Investor Relations
Catherine Leveau
Tel: +33 1 64 47 34 89
E-mail: : invrelparis@cgg.com

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