



Shearwater signs binding term-sheet with CGG for high-end seismic vessels and creation of global leader in streamer technology

BERGEN, 4 June 2019—Shearwater GeoServices Holding AS (Shearwater) today signed a binding term-sheet with CGG S.A. (CGG) for a strategic partnership for marine seismic acquisition services and creation of a new streamer technology company.

The term-sheet covers the purchase of five high-end streamer vessels jointly owned by CGG Marine Resources Norge AS and Eidesvik Offshore ASA by Shearwater, with mutual commitments of securing CGG access to strategic vessel capacity for future multiclient projects while securing Shearwater a commitment of cashflow and activity for multiple years. Additionally, the term-sheet covers the creation of a technology partnership, under the Sercel brand name and CGG's majority ownership, for the development, manufacturing, commercialisation and support of marine streamer seismic acquisition systems.

CGG will continue to operate the vessels and execute on-going acquisition contracts and customer commitments until deal closure.

"This transaction allows us to strengthen our position as a leading full-service marine geophysical company and a long-term industrial partner to our customers worldwide," said Irene Waage Basili, the CEO of Shearwater. "We are very pleased to partner with CGG and Sercel to create a preferred provider of state-of-the-art streamer technology to deliver the highest possible data quality to our customers."

"Through this partnership, we will collaborate with CGG, the leading provider of marine towed geophysical equipment to the open market known for their success in commercialising their products. This will enable us to bring our streamer technologies to the market faster, better and more cost efficiently," said Irene Waage Basili.

It is the intention of both companies to execute final transaction agreements before the end of June with closing planned before year-end. The final transaction agreements are subject to approval by lenders of Global Seismic Shipping AS (GSS), the ship-owning company jointly held by CGG and Eidesvik Offshore ASA, and a final agreement between CGG and Eidesvik Offshore ASA.

The completion of the transaction is subject to approvals by the competent authorities and other customary conditions in relevant countries, including work council consultation.

"We are delighted to enter into a strategic partnership with Shearwater and create the leader in marine streamer equipment under the Sercel brand with the combination of our proprietary technologies," said Sophie Zurquiyah, CEO of CGG. "Shearwater's modern fleet, global scale, and efficient acquisition operations will also support CGG's multiclient projects and provide more flexibility to execute our long-term asset light multiclient strategy."

The term-sheet includes agreements for a five-year utilization commitment for an annual minimum of two vessel-years over the period. The agreement for vessel capacity will ensure CGG access to strategic capacity for its future multiclient projects through Shearwater's global fleet of 16 high-end 3D vessels. Following this transaction Shearwater will have a fleet of 23 vessels, including three OBS MPVs and two dedicated source vessels

At the same time, it will provide Shearwater with a guaranteed cash flow and activity level, resulting in a greatly improved visibility and more robust business models for both companies. The vessel acquisition will be a pure asset transfer, which will include the five high-end units and two additional



legacy vessels. Shearwater will assume the net liabilities associated with the vessels at time of completion. Shearwater will also take over five complete streamer sets owned by CGG.

Carnegie and DNB Markets acts as financial advisor to Shearwater in connection with the transaction and Arntzen de Besche Advokatfirma AS acts as legal advisor. Nordea acts as financial adviser to CGG, and Linklaters and Thommessen as legal advisers.

About Shearwater GeoServices Holding AS:

Shearwater GeoServices Holding AS is a global, customer-focused and technology-driven provider of marine geophysical services. The company has the world's largest fleet of high-end seismic vessels and a portfolio of proprietary technologies and software that provide customers with a full-range of geophysical acquisition techniques, effective surveys and high-quality data. Shearwater has close to 600 employees, an industry-leading cost position and a strong balance sheet. Headquartered in Bergen, Norway, Shearwater is owned by RASMUSSENGRUPPEN AS, GC Rieber Shipping ASA and Schlumberger Norge AS.

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 business segments of Equipment, Acquisition and Geology, Geophysics & Reservoir (GGR), CGG brings value across all aspects of natural resource exploration and exploitation. CGG employs around 5,100 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).

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