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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of November, 2004

General Company of Geophysics
(Translation of Registrant’s Name Into English)

1, rue Léon Migaux
91341 Massy
France
(33) 1 64 47 3000
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [X] Form 40-F [ ]

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes [ ] No [X]

(If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82 - )

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FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. We have based these forward-looking statements on our current views and assumptions about future events.

These forward-looking statements are subject to risks, uncertainties and assumptions we have made, including, among other things:

- changes in international economic and political conditions, and in particular in oil and gas prices;
- our ability to reduce costs;
- our ability to finance our operations on acceptable terms;
- the timely development and acceptance of our new products and services;
- the effects of competition;
- political, legal and other developments in foreign countries;
- the timing and extent of changes in exchange rates for non-U.S. currencies and interest rates;
- the accuracy of our assessment of risks related to acquisitions, projects and contracts, and whether these risks materialize;
- our ability to integrate successfully the businesses or assets we acquire;
- our ability to sell our seismic data library;
- our 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 our credit ratings for our debt obligations; and
- our success at managing the risks of the foregoing.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur.
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PART I

Item 1: FINANCIAL STATEMENTS

COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.

CONSOLIDATED BALANCE SHEETS

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2004 (Unaudited)</th>
<th>December 31, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>50.3</td>
<td>96.4</td>
</tr>
<tr>
<td>Trade accounts and notes receivable</td>
<td>180.2</td>
<td>165.5</td>
</tr>
<tr>
<td>Inventories and work-in-progress</td>
<td>79.3</td>
<td>64.0</td>
</tr>
<tr>
<td>Other current assets</td>
<td>53.0</td>
<td>57.9</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>362.8</strong></td>
<td><strong>383.8</strong></td>
</tr>
<tr>
<td>Long term receivable and other investments</td>
<td>36.1</td>
<td>41.5</td>
</tr>
<tr>
<td>Investments in and advances to companies under the equity method</td>
<td>37.0</td>
<td>33.0</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>212.9</td>
<td>216.0</td>
</tr>
<tr>
<td>Goodwill and intangible assets, net</td>
<td>222.8</td>
<td>205.1</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>871.6</strong></td>
<td><strong>879.4</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES AND SHAREHOLDERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>4.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>22.8</td>
<td>24.6</td>
</tr>
<tr>
<td>Trade accounts and notes payable</td>
<td>78.9</td>
<td>78.6</td>
</tr>
<tr>
<td>Accrued payroll costs</td>
<td>48.4</td>
<td>47.7</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>18.7</td>
<td>18.3</td>
</tr>
<tr>
<td>Advance billings to customers</td>
<td>8.9</td>
<td>16.9</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>39.0</td>
<td>44.8</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>221.6</strong></td>
<td><strong>234.1</strong></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>208.4</td>
<td>207.8</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>37.8</td>
<td>32.1</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td><strong>246.2</strong></td>
<td><strong>239.9</strong></td>
</tr>
<tr>
<td>Minority interest</td>
<td>7.6</td>
<td>8.8</td>
</tr>
<tr>
<td>Common stock, 24,498,368 shares authorized; 11,681,718 shares with a €2 nominal value issued and outstanding as of September 30, 2004; 11,680,718 at December 31, 2003</td>
<td>23.4</td>
<td>23.4</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>173.4</td>
<td>292.7</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>251.4</td>
<td>142.5</td>
</tr>
<tr>
<td>Net income (loss) for the period</td>
<td>(7.3)</td>
<td>(10.4)</td>
</tr>
<tr>
<td>Cumulative translation adjustment</td>
<td>(44.7)</td>
<td>(51.6)</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td><strong>396.2</strong></td>
<td><strong>396.6</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td><strong>871.6</strong></td>
<td><strong>879.4</strong></td>
</tr>
</tbody>
</table>

See notes to Consolidated Financial Statements

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COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

<table>
<thead>
<tr>
<th>Nine months ended September 30,</th>
<th>Three months ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>Operating revenues</td>
<td>488.2</td>
</tr>
<tr>
<td>Cost of operations</td>
<td>(389.5)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>98.7</td>
</tr>
<tr>
<td>Research and development expenses — net</td>
<td>(24.1)</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>(57.3)</td>
</tr>
<tr>
<td>Other revenues (expenses) — net</td>
<td>6.4</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>23.7</td>
</tr>
<tr>
<td>Interest and other financial income and expense — net</td>
<td>(16.7)</td>
</tr>
<tr>
<td>Exchange gains (losses) — net</td>
<td>0.9</td>
</tr>
<tr>
<td>Income (loss) from consolidated companies before income taxes</td>
<td>7.9</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(15.6)</td>
</tr>
<tr>
<td>Net income (loss) from consolidated companies</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Equity in income (losses) of investees</td>
<td>7.7</td>
</tr>
<tr>
<td>Goodwill amortization</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Net income (loss) before minority interest</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>(7.3)</td>
</tr>
<tr>
<td>Weighted average number of shares outstanding</td>
<td>11,681,218</td>
</tr>
<tr>
<td>Dilutive potential shares from stock-options</td>
<td>159,751</td>
</tr>
<tr>
<td>Dilutive weighted average number of shares outstanding</td>
<td>11,840,969</td>
</tr>
<tr>
<td>Net income (loss) per share</td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>(0.62)</td>
</tr>
<tr>
<td>Diluted</td>
<td>(0.62)</td>
</tr>
</tbody>
</table>

See notes to Consolidated Financial Statements

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COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<table>
<thead>
<tr>
<th>Nine months ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
</tr>
</tbody>
</table>

(in millions)

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>(7.3)</td>
<td>(24.5)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>51.7</td>
<td>57.8</td>
</tr>
<tr>
<td>Multi-client surveys amortization</td>
<td>43.1</td>
<td>64.8</td>
</tr>
<tr>
<td>Net loss (gain) on sale of assets</td>
<td>(2.6)</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>1.1</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Minority interest</td>
<td>0.9</td>
<td>—</td>
</tr>
<tr>
<td>Equity in income of investees, net of dividends</td>
<td>(2.9)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Increase (decrease) in other long-term liabilities</td>
<td>1.8</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Other non-cash items</td>
<td>13.2</td>
<td>(5.6)</td>
</tr>
<tr>
<td>Increase/decrease in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in trade accounts and notes receivable</td>
<td>(15.9)</td>
<td>12.6</td>
</tr>
<tr>
<td>(Increase) decrease in inventories and work in progress</td>
<td>(8.4)</td>
<td>0.6</td>
</tr>
<tr>
<td>(Increase) decrease in other current assets</td>
<td>15.7</td>
<td>55.3</td>
</tr>
<tr>
<td>Increase (decrease) in trade accounts and notes payable</td>
<td>(4.1)</td>
<td>(25.5)</td>
</tr>
<tr>
<td>Increase (decrease) in other current liabilities</td>
<td>(21.5)</td>
<td>7.9</td>
</tr>
</tbody>
</table>

Net cash provided by operating activities 64.8 135.8

Cash flows from investing activities

| Purchases of property, plant and equipment (a) | (29.5) | (21.9) |
| Investments in multi-client surveys            | (39.8) | (92.0) |
| Proceeds from sale of assets                   | 4.5 | 4.4 |
| Cash paid for acquired businesses, net of cash acquired | (27.9) | (2.0) |
| Investments in and advances to companies under the equity method | — | (0.6) |
| Increase (decrease) in other investments       | (0.3) | 2.3 |

Net cash used in investing activities (93.0) (109.8)

Cash flows from financing activities

| Repayment of long-term debt                  | (14.7) | (27.4) |
| Issuance of long-term debt                   | 7.2 | — |
| Repayment of capital lease obligations       | (11.1) | (10.3) |
| Government research grants received          | — | — |
| Government research grants repaid            | (1.1) | (0.3) |
| Increase (decrease) in bank overdrafts       | 1.4 | (1.3) |
| Net proceeds from capital increase           | — | — |
| Contribution from minority shareholders      | — | — |

Net cash provided by (used in) financing activities (18.3) (39.8)

Effects of exchange rate changes on cash 0.4 6.8

Net increase (decrease) in cash and cash equivalents (46.1) (7.0)

Cash and cash equivalents at beginning of year 96.4 116.6

Cash and cash equivalents at end of period 50.3 109.6

(a) Not including equipment acquired under capital leases 7.7 4.2

See notes to Consolidated Financial Statements

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### COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY**

<table>
<thead>
<tr>
<th></th>
<th>Number of shares</th>
<th>Share capital</th>
<th>Additional paid-in capital</th>
<th>Retained earnings</th>
<th>Cumulative translation adjustment</th>
<th>Total shareholders’ equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2003</strong></td>
<td>11,680,718</td>
<td>23.4</td>
<td>310.6</td>
<td>124.6</td>
<td>(21.1)</td>
<td>437.5</td>
</tr>
<tr>
<td><strong>Capital increase</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Foreign currency translation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other (a)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at December 31, 2003</strong></td>
<td>11,680,718</td>
<td>23.4</td>
<td>292.7</td>
<td>132.1</td>
<td>(51.6)</td>
<td>396.6</td>
</tr>
<tr>
<td><strong>Capital increase</strong></td>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Foreign currency translation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other (a)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at September 30, 2004 (Unaudited)</strong></td>
<td>11,681,718</td>
<td>23.4</td>
<td>173.4</td>
<td>244.1</td>
<td>(44.7)</td>
<td>396.2</td>
</tr>
</tbody>
</table>

(a) Deduction from issuance premium for allocation to the carry forward

See notes to Consolidated Financial Statements

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COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting principles applied by the Group in the preparation of the accompanying financial statements are in conformity with accounting principles generally accepted in France ("French GAAP") and comply with the regulation Number 99-02 approved by the decree dated June 22, 1999 of the French "Comité de la Réglementation Comptable".

The accompanying interim financial statements are also in conformity with the accounting principles applied to the Company’s annual consolidated statements, as set forth in the Company’s Annual Report on Form 20-F for the year ended December 31, 2003.

French GAAP differ in certain significant respects from accounting principles generally accepted in the United States ("U.S. GAAP"). Note 3 describes the principal differences between French GAAP and U.S. GAAP as they relate to CGG and its subsidiaries ("The Group") and reconcile net income and shareholders’ equity to U.S. GAAP as of and for the period ended September 30, 2004.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2—ANALYSIS BY OPERATING SEGMENT AND GEOGRAPHIC ZONE

The following tables present revenues by activity and geographic zone based on the location of the customer, operating income and identifiable assets by operating segment.

The Group principally services the oil and gas exploration and production industry and currently operates in two industry segments:

- Services, which consist of (i) land seismic acquisition, (ii) marine seismic acquisition, (iii) other geophysical acquisition, including activities not exclusively linked to oilfield services, and (iv) data processing and data management;
- Products, which consist of the manufacture and sale of equipment involved in seismic data acquisition, such as recording and transmission equipment and vibrators for use in land seismic acquisition, and software development and sales.

Revenues by activity

The following table sets forth our consolidated operating revenues by activity, and the percentage of total consolidated operating revenues represented thereby, during each of the periods stated:

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended September 30,</th>
<th>Three months ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004 (in millions of euros)</td>
<td>2003 (in millions of euros)</td>
</tr>
<tr>
<td></td>
<td>(except percentages)</td>
<td>(except percentages)</td>
</tr>
<tr>
<td>Land SBU</td>
<td>61.0</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>115.2</td>
<td>25%</td>
</tr>
<tr>
<td>Offshore SBU</td>
<td>134.5</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>117.3</td>
<td>26%</td>
</tr>
<tr>
<td>Processing &amp; Reservoir</td>
<td>76.4</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>84.2</td>
<td>19%</td>
</tr>
<tr>
<td>Services</td>
<td>216.3</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td>137.9</td>
<td>30%</td>
</tr>
<tr>
<td>Products</td>
<td>216.3</td>
<td>44%</td>
</tr>
<tr>
<td></td>
<td>137.9</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td>488.2</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>454.6</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>166.8</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>135.7</td>
<td>100%</td>
</tr>
</tbody>
</table>

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**Revenues by geographic zone**

**Analysis of operating revenues by origin**

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended September 30,</th>
<th>Three months ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>France</td>
<td>176.8</td>
<td>112.9</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>51.6</td>
<td>38.6</td>
</tr>
<tr>
<td>Asia-Pacific/Middle East</td>
<td>82.0</td>
<td>47.8</td>
</tr>
<tr>
<td>Africa</td>
<td>43.6</td>
<td>66.3</td>
</tr>
<tr>
<td>Americas</td>
<td>134.2</td>
<td>189.0</td>
</tr>
<tr>
<td>Total</td>
<td>488.2</td>
<td>454.6</td>
</tr>
</tbody>
</table>

**Analysis of operating revenues by location of customers**

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended September 30,</th>
<th>Three months ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>France</td>
<td>11.5</td>
<td>5.7</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>78.7</td>
<td>58.9</td>
</tr>
<tr>
<td>Asia-Pacific/Middle East</td>
<td>191.3</td>
<td>112.6</td>
</tr>
<tr>
<td>Africa</td>
<td>62.6</td>
<td>180.4</td>
</tr>
<tr>
<td>Americas</td>
<td>144.1</td>
<td>187.0</td>
</tr>
<tr>
<td>Total</td>
<td>488.2</td>
<td>454.6</td>
</tr>
</tbody>
</table>
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COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.

### Analysis by operating segment

<table>
<thead>
<tr>
<th>(in millions of euros)</th>
<th>Services</th>
<th>Products</th>
<th>Eliminations and Adjustments</th>
<th>Consolidated Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues from unaffiliated customers</strong></td>
<td>271.9</td>
<td>216.3</td>
<td>488.2</td>
<td>316.7</td>
</tr>
<tr>
<td>Inter-segment revenues</td>
<td>1.6</td>
<td>12.6</td>
<td>(14.2)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Operating revenues</strong></td>
<td>273.5</td>
<td>228.9</td>
<td>(14.2)</td>
<td>488.2</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(16.4)</td>
<td>45.5</td>
<td>(5.4)</td>
<td>23.7</td>
</tr>
<tr>
<td>Equity income (loss) of investees</td>
<td>7.3</td>
<td>0.4</td>
<td>—</td>
<td>7.7</td>
</tr>
<tr>
<td>Capital expenditures (c)</td>
<td>70.4</td>
<td>7.2</td>
<td>(0.6)</td>
<td>77.0</td>
</tr>
<tr>
<td>Depreciation and amortization (d)</td>
<td>85.1</td>
<td>13.4</td>
<td>(3.7)</td>
<td>94.8</td>
</tr>
<tr>
<td>Corporate assets amortization</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Identifiable assets</strong></td>
<td>537.7</td>
<td>266.9</td>
<td>(31.7)</td>
<td>772.9</td>
</tr>
<tr>
<td>Unallocated and corporate assets</td>
<td>98.7</td>
<td>—</td>
<td>—</td>
<td>152.8</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>871.6</td>
<td>906.6</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

(a) Includes €17.4 million related to the restructuring plan of our Land SBU as follows:

- €10.2 million related to the redundancy plan and other expenses,
- €7.2 million related to asset write-downs.

(b) Includes general corporate expenses of €10.1 million for the nine months ended September 30, 2004 and €8.0 million for the comparable period in 2003.

(c) Includes investments in multi-client surveys of €39.8 million for the nine months ended September 30, 2004 and €92.0 million for the comparable period in 2003, and equipment acquired under capital leases, of which there was €7.7 million in the nine months ended September 30, 2004 and €4.2 million for the comparable period in 2003.

(d) Includes multi-client amortization of €43.1 million for the nine months ended September 30, 2004 and €64.8 million for the comparable period in 2003, and goodwill amortization for our Services and Products segments of €0.7 million and €5.7 million, respectively, for the nine months ended September 30, 2004 and €2.6 million and €3.7 million, respectively, for the comparable period in 2003.

Goodwill amortization for Services segment includes €1.6 million write-down following the restructuring plan of our Land SBU in 2003.
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**COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.**

<table>
<thead>
<tr>
<th></th>
<th>Three months ended September 30, 2004</th>
<th>Three months ended September 30, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Services</td>
<td>Products</td>
</tr>
<tr>
<td>Revenues from unaffiliated customers</td>
<td>101.5</td>
<td>65.3</td>
</tr>
<tr>
<td>Inter-segment revenues</td>
<td>0.2</td>
<td>3.9</td>
</tr>
<tr>
<td>Operating revenues</td>
<td>101.7</td>
<td>69.2</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>1.6</td>
<td>11.7</td>
</tr>
</tbody>
</table>

- **Equity income (loss) of investees**
  - 2.9

- **Capital expenditures (c)**
  - 21.5

- **Depreciation and amortization (d)**
  - 28.3

- **Corporate assets amortization**
  - —

- **Investments in companies under equity method**
  - —

(a) Includes €17.4 million related to the restructuring plan of our Land SBU as follows:

- €10.2 million related to the redundancy plan and other expenses
- €7.2 million related to asset write-downs

(b) Includes general corporate expenses of €4.2 million for the three months ended September 30, 2004 and €2.7 million for the comparable period in 2003.

(c) Includes investments in multi-client surveys of €12.4 million for the three months ended September 30, 2004 and €25.3 million for the comparable period in 2003, and equipment acquired under capital leases, of which there was €0.2 million in the three months ended September 30, 2004 and none for the comparable period in 2003.

(d) Includes multi-client amortization of €14.9 million for the three months ended September 30, 2004 and €9.3 million for the comparable period in 2003, and goodwill amortization for our Services and Products segments of €0.2 million and €2.0 million, respectively, for the three months ended September 30, 2004 and €2.0 million and €1.3 million, respectively, for the comparable period in 2003.

Goodwill amortization for Services segment includes €1.6 million write-down following the restructuring plan of our Land SBU in 2003.
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COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.

NOTE 3—RECONCILIATION TO U.S. GAAP

A — SUMMARY OF DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES FOLLOWED BY THE GROUP AND U.S. GAAP

The accompanying consolidated financial statements have been prepared in accordance with French GAAP, which differ in certain significant respects from U.S. GAAP. These differences relate mainly to the following items, and the necessary adjustments are shown in the tables in section 3 B below.

Derivative instruments and hedging activity

Under French GAAP, derivative instruments used as hedges are not recognized in the balance sheet, and hedging gains and losses are recorded in the same period as the income or loss on the hedge transactions.

Under U.S. GAAP, beginning January 1, 2001 with the adoption of SFAS No. 133, all derivative instruments are recorded in the balance sheet at fair value. Specifically,

- hedge accounting may only be applied to hedges meeting strict criteria, and SFAS No. 133 defines new requirement for designation and documentation of hedging relationships as well as ongoing effectiveness assessments in order to use hedge accounting;
- for derivatives qualifying as hedges of future cash flows, the effective portion of changes in fair value is recorded temporarily in equity (Other Comprehensive Income), then recognized in earnings along with the related effects of the hedged items. Any ineffective portion of hedges is reported in earnings as it occurs;
- for derivatives qualifying as fair value hedges, changes in fair value of both the derivative and the hedged item are recognized in earnings;
- for embedded derivatives in long-term contracts in foreign currencies (primarily U.S. dollar), revenue and expenses with a non-U.S. client or supplier are recognized at the forward exchange rate negotiated at the beginning of the contract. The variation of fair market value of the embedded derivative foreign exchange contracts is recognized in earnings;
- if hedge accounting is not applied, changes in the fair value of derivative instruments are recorded in earnings.

Goodwill amortization and impairment

Under French GAAP, goodwill is amortized on a straight-line basis over its estimated useful life.

Under U.S. GAAP, before 31 December 2001, no difference was reported for goodwill accounting. Since 1 January 2002, however, goodwill is no longer amortized but remains at its carrying value as of December 31, 2001. Under the provisions of SFAS 142 “Goodwill and Other Intangible Assets”, goodwill is tested for impairment at least annually.

Available-for-sale securities

Under French GAAP, investment in equity securities are recorded at acquisition cost and an allowance is provided if management deems that there has been an other-than-temporary loss in fair value. Unrealized gains and temporary unrealized losses are not recognized. For equity securities, the allowance is evaluated based on the average of the market price in the last 30 days.

Under U.S. GAAP, investments in equity securities are classified into two categories and accounted as follows. Equity securities that are acquired and held principally for the purpose of sale in the near term are classified as “trading securities” and are reported at fair value, with unrealized gains and temporary losses excluded from earnings and reported in shareholder’s equity. In case of other-than-temporary loss in fair value, an allowance is recorded in earnings. Such allowance is evaluated based on the market price at the closing date translated at the closing rate.

Stock-based compensation

Under French GAAP, no compensation cost is recognized for stock options.

For U.S. GAAP purposes, the stock-based compensation plans qualify as fixed plans under U.S. GAAP, compensation cost is recorded under APB25 equal to the excess, if any, of the market price over the exercise price of the underlying shares at the date of grant.
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Income taxes

Under French GAAP, deferred tax assets or liabilities, related to non-monetary assets or liabilities that are remeasured from the local currency into the functional currency using historical exchange rates and that result from changes in exchange rates, are recognized.

Under U.S. GAAP, deferred tax liabilities or assets are not recognized for differences related to assets and liabilities that, under FASB Statement N°52, Foreign Currency Translation, are remeasured from the local currency into the functional currency using historical exchange rates and that result from changes in exchange rates.

Comprehensive income

Comprehensive income includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. In the consolidated financial statements, the concept of comprehensive income does not exist because French accounting principles do not authorize any change in equity corresponding to this definition other than net income and changes in the cumulative translation adjustment related to foreign subsidiaries.

In U.S. GAAP financial statements, comprehensive income and its components must be displayed in a statement of comprehensive income.

For the Group, this statements includes, in addition to net income:

- changes in the cumulative translation adjustment related to consolidated foreign subsidiaries,
- changes in the fair value of derivative instruments designed as cash flow hedges meeting the criteria established by SFAS 133,
- changes in the amount of the additional minimum pension liability due to actuarial losses.

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COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, S.A.

B — RECONCILIATION OF NET INCOME AND SHAREHOLDERS’ EQUITY TO U.S. GAAP

Consolidated Net Income

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2004 (Unaudited)</th>
<th>September 30, 2003 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) as reported in the Statement of Operations</td>
<td>(7.3)</td>
<td>(24.5)</td>
</tr>
<tr>
<td>Goodwill amortization</td>
<td>6.4</td>
<td>6.2</td>
</tr>
<tr>
<td>Available-for-sale securities</td>
<td>—</td>
<td>(2.8)</td>
</tr>
<tr>
<td>Stock options</td>
<td>(0.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>0.1</td>
<td>—</td>
</tr>
<tr>
<td>Derivative instruments and hedging activities</td>
<td>4.8</td>
<td>13.9</td>
</tr>
<tr>
<td><strong>Net income (loss) according to U.S. GAAP</strong></td>
<td><strong>3.9</strong></td>
<td><strong>(7.3)</strong></td>
</tr>
<tr>
<td>Weighted average number of shares outstanding</td>
<td>11,681,218</td>
<td>11,680,718</td>
</tr>
<tr>
<td>Dilutive potential shares from stock-options</td>
<td>159,751</td>
<td>169,900</td>
</tr>
<tr>
<td>Dilutive weighted average number of shares outstanding</td>
<td>11,840,969</td>
<td>11,850,618</td>
</tr>
</tbody>
</table>

Net income (loss) per share

<table>
<thead>
<tr>
<th>Description</th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30, 2004 (Unaudited)</td>
<td>0.33</td>
<td>(0.62)</td>
</tr>
<tr>
<td>December 31, 2003</td>
<td>(0.62)</td>
<td>(0.62)</td>
</tr>
</tbody>
</table>

Shareholders’ equity

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2004 (Unaudited)</th>
<th>December 31, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity as reported in the Consolidated Balance Sheets</td>
<td>396.2</td>
<td>396.6</td>
</tr>
<tr>
<td>Goodwill amortization</td>
<td>20.4</td>
<td>14.0</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>(7.0)</td>
<td>(7.1)</td>
</tr>
<tr>
<td>Stock options</td>
<td>(0.5)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Available-for-sale securities</td>
<td>(1.2)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Derivative instruments and hedging activities</td>
<td>4.4</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>7.9</td>
<td>12.0</td>
</tr>
<tr>
<td><strong>Shareholders’ equity according to U.S. GAAP(a)</strong></td>
<td><strong>420.2</strong></td>
<td><strong>413.4</strong></td>
</tr>
</tbody>
</table>

(a) including comprehensive income of €6.7 million as of September 30, 2004 and €(17.6) million as of December 31, 2003.

C — ADDITIONAL U.S. GAAP DISCLOSURES

In January 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation 46, Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51 (FIN 46). In December 2003, the FASB modified FIN 46 to make certain technical corrections and address certain implementation issues that had arisen. FIN 46 provides a new framework for identifying variable interest entities (VIEs) and determining when a company should include the assets, liabilities, non controlling interests and results of activities of a VIE in its consolidated financial statements.

In general, a VIE is a corporation, partnership, limited-liability corporation, trust or any other legal structure used to conduct activities or hold assets that either (1) has an insufficient amount of equity to carry out its principal activities without additional subordinated financial support, (2) has a group of equity owners that are unable to make significant decisions about its activities, or (3) has a group of equity owners that do not have the obligation to absorb losses or the right to receive returns generated by its operations.

FIN 46 requires a VIE to be consolidated if a party with an ownership, contractual or other financial interest in the VIE (a variable interest holder) is obligated to absorb a majority of the risk of loss from the VIE’s activities, is entitled to receive a majority of the VIE’s residual returns (if no party absorbs a majority of the VIE’s losses), or both. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all of the VIE’s assets, liabilities and non controlling interests at fair value and subsequently account for the VIE as if it were consolidated based
on majority voting interest. FIN 46 also requires disclosures about VIEs that the variable interest holder is not required to consolidate but in which it has a significant variable interest.

FIN 46 was effective immediately for VIEs created or entered into after January 31, 2003. The adoption of the provisions applicable to VIEs created or entered into after January 31, 2003 did not have a material impact on the Company’s financial statements. For VIEs created or entered into prior to February 1, 2003, consolidation under FIN 46 has become effective from January 1, 2004. The adoption of FIN 46 does not lead to any material impact.

On November 21, 2002, the Emerging Issues Task Force (EITF) reached a consensus on Issue No. 00-21, Accounting for Revenue Arrangements with Multiple Deliverables, regarding whether an arrangement involving multiple deliverables contains more than one unit of accounting and how arrangement consideration should be measured and allocated to the separate units of accounting in an arrangement. For contracts including multiple deliverables meeting the separation criteria of EITF 00-21, the Group allocates the total arrangement consideration to each separate unit of accounting based on the relative fair values of the deliverables in each unit of accounting and recognizes revenue based on the Group’s revenue recognition policy applicable to each separate unit of accounting. In general, EITF 00-21 limits the amount of revenue allocated to an individual deliverable under an agreement to the lesser of its relative fair value or the amount not contingent on the Group’s delivery of other elements under the agreement, regardless of the probability of the Group’s performance. For CGG, the provisions of this Issue become effective for the year beginning January 1, 2004. The adoption of EITF 00-21 does not lead to any material impact.

**Item 2: MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Factors Affecting Results of Operations**

We divide our businesses into two segments, geophysical services and geophysical products. Operationally, our Services segment is organized into three strategic business units, or SBUs:

- the Land SBU for land and shallow water seismic acquisition activities;
- the Offshore SBU for marine seismic acquisition and multi-client library sales; and
- the Processing & Reservoir SBU for seismic data processing, data management and reservoir studies.

Our Products segment includes primarily our equipment manufacturing subsidiaries comprising Sercel.

Overall demand for geophysical services is dependent upon spending by oil and gas companies for exploration, production development and field management activities. This spending depends in part on present and expected future oil and gas prices. Despite relatively high energy prices for the last four years, following the sharp drop of late 1998 and early 1999, the geophysical services market has not recovered in terms of either business volume or price to the levels preceding the 1998-1999 decline of oil and gas prices.

We believe that two fundamental factors have contributed to this unusual situation. First, global geopolitical uncertainty, particularly following the September 11, 2001 tragedy and further accentuated by the events in the Middle East during 2003, has not created the confidence and visibility that are essential in our clients’ long term decision-making processes, with many projects being delayed or cancelled. Second, given this difficult environment, geophysical services providers as a whole have not reacted efficiently, in particular in terms of capacity adjustment, which results in excess supply applying downward pricing pressure in the market. Nevertheless, we believe that the long-term outlook for the geophysical services sector remains fundamentally positive for a number of reasons:

- If they occur, renewed geopolitical stability and economic growth may gradually restore confidence and visibility in the market, improving the prospects for new projects by our clients.
- Economic growth, particularly in more active regions such as Asia, may generate increased energy demand and sustain both energy prices and exploration efforts in a context of diminishing reserves.
- The scope of application of geophysical services has considerably increased over the last few years as a result of significant research and development efforts and can now potentially be applied to the entire sequence of exploration/development/production as opposed to exploration only. This is particularly true with technologies such as 4D (time lapse seismic data). This could result in larger accessible markets for the geophysical industry.
- The depth and duration of the current contraction in the geophysical sector has gradually increased awareness.
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- among geophysical service providers of the need to improve the sector’s business model, which under current conditions creates little shareholder value.

Recent increases in the volume of demand in the offshore seismic segment may indicate that conditions are evolving positively in the near term. It is further confirmed by the fundamentals of the energy demand and supply which prompt Oil Companies to increase their exploration efforts to find new reserves.

We decided in September 2002 to take a 7.5% equity stake in the capital of one of our competitors, the Norwegian company Petroleum Geo Services ASA ("PGS"), for a total price of U.S.$7.0 million. Since then, we have supported PGS during its financial restructuring effort, in particular its need to reschedule and restructure its debt. The final stage of this process was reached on October 21, 2003, when a U.S. court approved the restructuring plan agreed upon between PGS and its creditors, clearing the way out of Chapter 11. As a result of the new capital structure and further to the exercise of options granted to CGG as both a supporting and common shareholder of PGS, we held 867,753 shares of PGS for a total investment of approximately U.S.$18 million or 4.3% of the new equity composed of 20,000,000 shares.

During December 2003, we sold 400,000 shares of PGS on the market, reducing our total holdings to 2.3%. In the context of our discussions with PGS with a view to merging the two companies’ seismic businesses, we made an offer, on September 1, 2004, for the acquisition of the PGS seismic business for a total consideration of U.S.$900 million, made up of U.S.$800 million in cash and U.S.$100 million in CCG shares. Given the negotiating gap existing between the parties, in particular concerning the valuation of the transaction and further exacerbated by the perception of a recently improving seismic market, we decided on October 5, 2004 to withdraw our offer and to pursue our exploration of strategic alternatives.

On November 2, 2004, we launched the issue of an aggregate amount of U.S.$84,980,000 subordinated bonds convertible into new ordinary shares of our company or redeemable into new shares and/or existing shares of our company and/or in cash. The issuance of these bonds is taking place solely outside of France and is reserved for Onex Partners LP, Onex American Holdings II LLC, Onex US Principals LP and CGG Executive Invesco, LLC.

Land SBU restructuring plan

Our results of operations have also been affected by growing operational risks in land acquisition, in addition to intense competitive pressure. This situation led us to reassess our geographical presence in certain land acquisition markets. We launched a restructuring program in September 2003 to substantially lower our fixed costs in this segment, which included a workforce reduction affecting 250 employees and the disposal of seismic acquisition inventories and assets for a total cost of €19 million.

In the nine months ended September 30, 2004, we have spent €10.7 million of a €12.1 million provision on our books at December 31, 2003. Both in terms of cost savings and operational reorganization, the restructuring plan progressing in conformity with the initial objectives.

Revenues and backlog

Our revenues for the nine months ended September 30, 2004 increased 7% compared with our revenues for the nine months ended September 30, 2003. Expressed in U.S. dollars, revenues increased 19% to U.S.$597.0 million from U.S.$503.1 million. The increase resulted primarily from our Products segment, which experienced a 73% increase in revenues in dollar terms (excluding intra-group sales) for the nine months ended September 30, 2004 compared to comparable period in 2003, and to a lesser extent from our Offshore SBUs. Revenues for the nine months ended September 30, 2004 for our Offshore SBUs increased in dollar terms by 27%, compared to the comparable period in 2003.

Our backlog as of November 1, 2004 was €342 million (U.S.$435 million), compared to €262 million (U.S.$305 million) as of November 1, 2003, representing a 31% increase in euros and a 43% increase in U.S. dollars.

Acquisitions and Disposals

On January 2, 2004, Sercel finalized the acquisition of the seismic equipment business of Thales Underwater Systems ("TUS"). Principally located in Australia, TUS develops and manufactures surface marine seismic acquisition systems, particularly solid streamers, and seabed marine seismic acquisition systems. The transaction was valued at €25 million, of which €21.7 million was paid in cash at the closing of the transaction, and generated goodwill of €19.8 million.

On January 8, 2004, Sercel acquired a 51% majority ownership in Hebei Junfeng Geophysical Co. Ltd., the provider of geophones and seismic cables for the Chinese seismic market. Hebei Junfeng Geophysical Co. Ltd., located in the Hebei province, was originally created by BGP, the largest Chinese geophysical services contractor. The transaction amounted to €9.8 million approximately and generated goodwill of €2.8 million. BGP will remain shareholder of the company along with the management, the employees, and XPEIC, a Chinese geophysical equipment company.

On February 19, 2004, Sercel acquired Orca Instrumentation, a French company that develops and markets marine instrumentation and underwater data transmission systems. Orca Instrumentation employs 15 people. The transaction amounted to €1.3 million.

On March 3, 2004, Sercel completed the acquisition of Createch Industrie, a French company specialized in borehole measurement tools, borehole seismic tools and permanent borehole sensors. The company is headquartered in the Paris area and employs 19 people. The transaction amounted to €1.9 million.

On September 23, 2004, the liquidation of Kantwell Overseas Shipping Co, which had owned the seismic vessel the “CGG Mistral” (which sank in December 2002), was completed. We recorded an exchange loss of €3.8 million under the item
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"Exchange gains (losses)-net".

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Critical Accounting Policies

Our significant accounting policies, which we have applied consistently in all material respects, are more fully described in Note 1 to our consolidated annual financial statements contained in our Annual Report for the year 2003 on Form 20-F. However, certain of our accounting policies are particularly important to the portrayal of our financial position and results of operations. As we must exercise significant judgment when we apply these policies, their application is subject to an inherent degree of uncertainty. We believe the following critical accounting policies require our more significant judgments and affect estimates used in the preparation of our consolidated financial statements.

Multi-client survey accounting

Multi-client surveys consist of seismic surveys to be licensed to customers on a non-exclusive basis. All costs directly incurred in acquiring, processing and otherwise completing seismic surveys are capitalized into the multi-client library. The multi-client library is stated at surveys costs described above less accumulated amortization or fair value if lower. We review the library for potential impairment for independent surveys on an ongoing basis.

Revenue recognition:

Revenues related to multi-client surveys result from pre-commitments and licenses after completion of the surveys (“after-sales”).

Pre-commitments – Generally, we obtain commitments from a limited number of customers before a seismic project is completed. These commitments cover part or all of the survey area blocks. In return for the commitment, the customer typically gains the ability to direct or influence the project specifications, advance access to data as it is being acquired, and favorable pricing.

We recognize pre-commitments as revenue based on the ratio of project cost incurred to total estimated project cost, which we believe reflects the physical progress of the project.

After sales – Generally, we grant a license entitling non-exclusive access to a complete and ready for use, specifically defined portion of our multi-client data library in exchange for a fixed and determinable payment. We recognize after sales revenue upon the client executing a valid license agreement and having been granted access to the data. Within thirty days of execution and access, the client may exercise our warranty that all the data conforms to technical specifications.

After sales volume agreements – We enter into a customer arrangement in which we agree to grant licenses to the customer for access to a specified number of blocks of the multi-client library. These arrangements typically enable the customer to select and access the specific blocks for a limited period of time. We recognize revenue when the blocks are selected and the client has been granted access to the data.

Amortization:

We amortize the multi-client surveys according to three different sets of parameters depending on the area or type of surveys considered:

- Gulf of Mexico surveys: amortized on the basis of 66.6% of revenues. Starting at the time of data delivery, a minimum straight-line depreciation scheme is applied on a three years period, should total accumulated depreciation from sales be below this minimum level;
- Rest of the world surveys: same as above except depreciation is 83.3% of revenues and straight-line depreciation is a five year period from data delivery;
- Long term strategic 2D surveys: amortization on sales according to the above area split and straight-line depreciation on a seven years period from data delivery.

Exclusive survey accounting (Proprietary / Contract services)

We perform seismic services for a specific customer. We recognize proprietary/contract revenue as the services are rendered. We evaluate the progress to date, in a manner generally consistent with the physical progress of the project, and recognize revenue based on the ratio of the project’s cost to date to the total project cost.

Other geophysical services

Revenue from our other geophysical services is recognized as the services are performed.

Goodwill amortization and impairment of long-lived assets

We amortize goodwill on a straight-line basis over future periods of benefit, as estimated by management, which may range from five to twenty years. We select the period of benefit based on the strategic significance of the asset acquired.

We assess the impairment of identifiable intangibles, long-lived assets and goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important that could trigger an impairment review
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include the following:

- significant underperformance relative to expected operating results based upon historical and/or projected data;
- significant changes in the manner of our use of the acquired assets or the strategy for our overall business; and
- significant negative industry or economic trends.

When we determine that the carrying value of intangibles, long-lived assets and goodwill may not be recoverable based upon the existence of one or more of the above indicators of impairment, we compare the carrying value of each group of autonomous assets (independent operating units or subsidiaries) with the undiscounted cash flows that they are expected to generate based upon our expectations of future economic and operating conditions. Should this comparison indicate that an asset is impaired, the write-down recognized is equivalent to the difference between carrying value and either value or the sum of discounted future cash flows.

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Three months ended September 30, 2004 compared with three months ended September 30, 2003

Operating Revenues

The following table sets forth our consolidated operating revenues by activity (excluding intra-group sales) and the percentage of total consolidated operating revenues represented thereby, during each of the periods stated:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions of euros, except percentages)</td>
<td></td>
</tr>
<tr>
<td>Land SBU</td>
<td>18.8</td>
<td>20.6</td>
</tr>
<tr>
<td>Offshore SBU</td>
<td>55.2</td>
<td>26.3</td>
</tr>
<tr>
<td>Processing &amp; Reservoir SBU</td>
<td>27.5</td>
<td>29.1</td>
</tr>
<tr>
<td>Services</td>
<td>101.5</td>
<td>76.0</td>
</tr>
<tr>
<td>Products</td>
<td>65.3</td>
<td>59.7</td>
</tr>
<tr>
<td>Total</td>
<td>166.8</td>
<td>135.7</td>
</tr>
</tbody>
</table>

Our consolidated operating revenues for the three months ended September 30, 2004 increased 23% to €166.8 million from €135.7 million for the comparable period in 2003. Because approximately 80% of our operating revenues were in U.S. dollars, the decrease in the value of the U.S. dollar had a negative impact on our operating revenues as expressed in euros in our financial statements. Expressed in U.S. dollars, our consolidated operating revenues increased 33% to U.S.$202.0 million for the three months ended September 30, 2004 from U.S.$151.6 million for the comparable period in 2003. This increase was primarily attributable to our Services segment, and to a lesser extent to our Products segment.

Services

Operating revenues for our Services segment (excluding internal sales) increased 34% to €101.5 million for the three months ended September 30, 2004 from €76.0 million for the comparable period in 2003. Expressed in U.S. dollars, operating revenues increased 45%. This increase was primarily attributable to our Offshore SBU.

Land SBU. Operating revenues for our Land SBU decreased by 8% to €18.8 million for the three months ended September 30, 2004 from €20.6 million for the comparable period in 2003. Expressed in US dollars, operating revenues decreased by 1% to U.S.$22.8 million from U.S.$23.0 million. On average, during the three months ended September 30, 2004 seven crews were in operation, the same level of activity as recorded during the comparable period in 2003.

Offshore SBU. Operating revenues for our Offshore SBU increased 110% to €55.2 million for the three months ended September 30, 2004 compared to €26.3 million for the comparable period in 2003. In U.S. dollar terms, operating revenues increased 127% to U.S.$66.8 million from U.S.$29.4 million. Multi-client data sales increased 147% to €25.9 million for the three months ended September 30, 2004 from €10.5 million for the comparable period in 2003. Exclusive contracts accounted for 81% of our seismic sales for the three months ended September 30, 2004 compared to 45% for the comparable period of 2003, but after sales increased significantly, primarily due to a new contract with a certain client in the Gulf of Mexico area.

Processing & Reservoir SBU. For the three months ended September 30, 2004, revenues from the Processing & Reservoir SBU were €27.5 million (U.S.$33.2 million), down 5% in Euros and stable in U.S. dollar terms compared to €29.1 million (U.S.$32.5 million) during the comparable period in 2003.

Products

Operating revenues for our Products segment increased 8% to €69.2 million for the three months ended September 30, 2004 from €63.8 million for the comparable period in 2003. Expressed in U.S. dollar terms, operating revenues increased 17% to U.S.$83.7 million from U.S.$71.3 million. Excluding intra-group sales, operating revenues increased 9% to €65.3 million compared to €59.7 million for the comparable period in 2003. Sales of land equipment were approximately at the same level as last year during the traditionally softer summer season, while sales of marine equipment almost doubled in dollars, as a combined result of stronger demand and sales realized by entities that we have acquired since January 1, 2004 (see “Acquisitions and disposals” above).

Operating Expenses

Cost of operations, including depreciation and amortization, increased 20% to €127.7 million for the three months ended September 30, 2004 from €106.4 million for the comparable period in 2003. As a percentage of operating revenues, cost of operations decreased to 77% in the three months ended September 30, 2004 compared to 78% in the comparable period in 2003. Because our revenues are more dollar-denominated than our costs of operations, a decrease in the value of the U.S. dollar against the euro decreases our revenues to a larger extent than our expenses. In the three months ended September 30, 2004, however, the exchange rate effect was offset by the distribution of our fixed costs over a greater revenue base than in the three months ended September 30, 2003, which decreased cost of operations as a percentage of operating revenues. Gross profit increased 33% to €39.1 million for the three months ended September 30, 2004 compared to €29.3 million for the comparable period in 2003.
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Research and development expenditures, net of government grants, increased by 25% to €8.4 million for the three months ended September 30, 2004 compared to €6.7 million for the comparable period in 2003, due to development efforts in our Products segment.

Selling, general and administrative expenses for the three months ended September 30, 2004 decreased 9% to €19.7 million from €21.7 million in the comparable period in 2003. This decrease is primarily attributable to costs savings resulting from our Land SBU restructuring plan begun in 2003. As a percentage of operating revenues, selling, general and administrative costs decreased to 12% for the three months ended September 30, 2004 compared to 16% for the comparable period in 2003.

Other expenses were €0.3 million for the three months ended September 30, 2004 compared to €18.1 million for the three months ended September 30, 2003. The amount for the three months ended September 30, 2003 included €17.4 million related to our Land SBU restructuring plan as follows, namely:

- €10.2 million related to the redundancy plan and other expenses,
- €7.2 million related to asset write-downs.

Operating Income (Loss)

We had operating income (before amortization of goodwill) of €10.7 million for the three months ended September 30, 2004 compared to an operating loss of €17.2 million for the comparable period in 2003 due primarily to operating income in our Services segment.

Operating income from our Services segment was €1.6 million in the three months ended September 30, 2004 compared to an operating loss of €30.0 million for the comparable period in 2003, which was due to provisions for the cost of our Land SBU restructuring plan as described above, which were recorded in the three months ended September 30, 2003, and several unfavorable factors. Our Services segment becomes profitable for this quarter. The increase in offshore acquisition prices, a good productivity of the vessels and a high level of after-sales from our multi-client library explain this performance in the three months ended September 30, 2004.

Operating income from our Products segment was €11.7 million in the three months ended September 30, 2004 compared to €13.8 million for the comparable period in 2003, due to the lower value of the dollar against the euro and a less favorable product mix.

Financial Income and Expenses, Net

Net financial expenses increased 39% to €5.0 million for the three months ended September 30, 2004 from €3.6 million for the comparable period in 2003. The increase is principally due to a €2.2 million reduction in the provision recorded as of September 30, 2003 for losses on PGS stock after the announcement of PGS’s proposed financial restructuring plan.

Foreign exchange losses were €3.2 million for the three months ended September 30, 2004, compared to a €0.7 million foreign exchange losses for the comparable period in 2003, due to a €3.8 million exchange loss on the liquidation of Kantwell Overseas Shipping Co., which occurred on September 23, 2004.

Equity in Income (Losses) of Investees

Income from investments accounted for under the equity method increased to €2.9 million for the three months ended September 30, 2004 from €0.9 million for the comparable period in 2003. Equity in income from Argas, our joint venture in Saudi Arabia, was €2.9 million for the three months ended September 30, 2004 compared to €1.0 million for the comparable period in 2003.

Income Taxes

Income taxes increased to €6.0 million for the three months ended September 30, 2004 from €1.7 million for the comparable period in 2003, which is principally attributable to an increase in our U.S. income tax due to the complete use of our net operating loss carry forwards in 2003.

We are not subject to a worldwide taxation system and the income tax paid in foreign countries, mainly based on revenues, does not generate comparable tax credits in France, our country of consolidated taxation.

Net Income (Loss)

Net loss for the three months ended September 30, 2004 was €3.2 million compared to net loss of €25.5 million for the comparable period of 2003.

Net loss for the three months ended September 30, 2003 included a goodwill write-down of €1.6 million related to our Land SBU.
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Nine months ended September 30, 2004 compared with nine months ended September 30, 2003

Operating Revenues

The following table sets forth our consolidated operating revenues by activity (excluding intra-group sales) and the percentage of total consolidated operating revenues represented thereby, during each of the periods stated:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in millions of euros, except percentages)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land SBU</td>
<td>61.0</td>
<td>12% 115.2</td>
</tr>
<tr>
<td>Offshore SBU</td>
<td>134.5</td>
<td>28% 117.3</td>
</tr>
<tr>
<td>Processing &amp; Reservoir SBU</td>
<td>76.4</td>
<td>16% 84.2</td>
</tr>
<tr>
<td>Services</td>
<td>271.9</td>
<td>56% 316.7</td>
</tr>
<tr>
<td>Products</td>
<td>216.3</td>
<td>44% 137.9</td>
</tr>
<tr>
<td>Total</td>
<td>488.2</td>
<td>100% 454.6</td>
</tr>
</tbody>
</table>

Our consolidated operating revenues for the nine months ended September 30, 2004 increased 7% to €488.2 million from €454.6 million for the comparable period in 2003. Expressed in U.S. dollar terms, our consolidated operating revenues increased 19% to U.S.$597.0 million from U.S.$503.1 million. The increase was primarily attributable to our Products segment, which offset a decline in our Services segment.

Services

Operating revenues for our Services segment (excluding intra-group sales) for the nine months ended September 30, 2004 decreased 14% to €271.9 million from €316.7 million for the comparable period in 2003. Expressed in U.S. dollar terms, operating revenues decreased 41% to U.S.$74.8 million from U.S.$126.9 million. This decrease was primarily due to our Land SBU.

Land SBU: Operating revenues for our Land SBU for the nine months ended September 30, 2004 decreased 47% to €61 million compared to €115.2 million for the comparable period in 2003. Expressed in U.S. dollar terms, operating revenues decreased 41% to U.S.$74.8 million from U.S.$126.9 million. This decrease resulted from the combined effects of our restructuring plan objectives to reduce our presence in certain regions and the continued low level of demand in this market segment. During the first nine months of 2004, 7 crews on average were in operation compared to 12 crews on average for the comparable period in 2003.

Offshore SBU: Operating revenues for our Offshore SBU for the nine months ended September 30, 2004 increased 15% to €134.5 million for the nine months ended September 30, 2004 compared to €117.3 million for the comparable period in 2003. In U.S. dollar terms, operating revenues increased 22% to U.S.$164.1 million from U.S.$129.6 million. Multi-client data sales decreased 22% to €66.4 million for the nine months ended September 30, 2004 from €85.1 million for the comparable period in 2003. Exclusive contracts accounted for 72% of our offshore sales for the nine months ended September 30, 2004 compared to 30% of comparable period in 2003 due to a shift towards more vessels on exclusive contracts in response to market demand, but after sales increased 79% mainly in the Gulf of Mexico area.

Processing & Reservoir SBU: Operating revenues for our Processing & Reservoir SBU for the nine months ended September 30, 2004 decreased 9% to €76.4 million from €84.2 million for the comparable period in 2003. Expressed in U.S. dollar terms, operating revenues was largely stable at U.S.$93.3 million.

Products

Operating revenues for our Products segment increased 51% to €228.9 million in the nine months ended September 30, 2004 from €152.0 million for the comparable period in 2003. Expressed in U.S. dollar terms, revenues increased 66% to U.S.$280.2 million from U.S. $168.9 million. Excluding intra-group sales, revenues increased 57% to €216.3 million for the nine months ended September 30, 2004 compared to €137.9 million for the comparable period in 2003. Sales realized by entities that we have acquired since January 1, 2004 (see “Acquisitions and disposals” above) contributed to about one third of the overall growth in dollars, but demand, sustained by the ongoing success of the 408UL land recording system and the growing acceptance of new products (digital sensors, Seal marine acquisition systems and Nomad vibrators) remained strong for land and marine products during the nine months ended September 30, 2004.

Operating Expenses

Cost of operations, including depreciation and amortization, increased 62% to €389.5 million for the nine months ended September 30, 2004 compared to €366.8 million for the comparable period in 2003. As a percentage of operating revenues, cost of operations decreased to 80% in the first nine months of 2004 compared to 81% in the first nine months of 2003. Gross profit increased 12% to €98.7 million for the nine months ended September 30, 2004 compared to €87.8 million for the comparable
Research and development expenditures, net of government grants, increased 26% to €24.1 million for the nine months ended September 30, 2004 compared to €19.2 million in the comparable prior period, due to development efforts in our Products segment.

Selling, general and administrative expenses decreased 4% to €57.3 million for the nine months ended September 30, 2004 compared to €59.8 million for the comparable period in 2003. This decrease is primarily attributable to costs savings resulting from our Land SBU restructuring plan begun in 2003. As a percentage of operating revenues, selling, general and administrative costs were 12% for the nine months ended September 30, 2004 compared to 13% in the comparable period in 2003.

**Operating Income (Loss)**

We had operating income for the nine months ended September 30, 2004 of €23.7 million compared to operating loss of €5.3 million for the comparable period in 2003. The improvement in operational result is explained by provisions for the cost of our Land SBU restructuring plan, which were recorded in the nine months ended September 30, 2003 and operational improvements achieved in the nine months ended September 30, 2004.

Operating loss from our Services segment was €16.4 million for the nine months ended September 30, 2004 compared to operating loss of €31.1 million for the comparable period in 2003. The increase in offshore acquisition prices, a good productivity of the vessels and a high level of after-sales from our multi-client library explain this performance in the nine months ended September 30, 2004.

Operating income from our Products segment was €45.5 million for the nine months ended September 30, 2004 compared to €30.4 million for the comparable period in 2003. This increase resulted from higher level of revenues, particularly in the three months ended March 31, 2004 and of a more favorable product mix despite the negative impact of the U.S. dollar/euro exchange rate.

Other revenues were €6.4 million for the nine months ended September 30, 2004 compared to expenses of €14.1 million for the comparable period in 2003, which included Land SBU restructuring costs of €17.4 million.

Other revenues for the nine months ended September 30, 2004 consisted principally of insurance proceeds of €1.8 million related to the seismic vessel “CGG Mistral”, and the sale of a building in France, which generated a gain of €2.2 million.

**Financial Income and Expenses, Net**

Net financial expenses increased 6% to €16.7 million in the nine months ended September 30, 2004 from €15.8 million for the comparable period in 2003.

Foreign exchange gain was €0.9 million for the nine months ended September 30, 2004 compared to a foreign exchange gain of €5.4 million for the comparable period in 2003. The €0.9 million exchange gain included a €3.8 million exchange loss on the liquidation of our subsidiary Kantwell Offshore Shipping Co. which was offset by favorable hedges.

**Equity in Income (Losses) of Investees**

Income from investments accounted for under the equity method increased to €7.7 million in the nine months ended September 30, 2004 from €5.8 million in the comparable period in 2003. Equity in income from Argas, our joint venture in Saudi Arabia, was €7.6 million for the nine months ended September 30, 2004 compared to €6.0 million for the comparable period in 2003.

**Income Taxes**

Income taxes increased to €15.6 million for the nine months ended September 30, 2004 from €8.4 million for the nine months ended September 30, 2003 due to an increase in our U.S. income tax resulting from the complete use of our net operating loss carry forwards in 2003 and high level of revenues in Offshore SBU activity.

We are not subject to a worldwide taxation system and the income tax paid in foreign countries, mainly based on revenues, does not generate comparable tax credits in France, our country of consolidated taxation.

**Net Income (Loss)**

Net loss for the nine months ended September 30, 2004 was €7.3 million compared to a net loss of €24.5 million for the comparable period in 2003.

Net loss for the nine months ended September 30, 2003 included a goodwill write-down of €1.6 million related to our Land SBU.
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Liquidity and Capital Resources

Our principal needs for capital are the funding of ongoing operations, capital expenditures, investments in our multi-client data library and acquisitions.

Operations

For the nine months ended September 30, 2004, our net cash provided by operating activities, before changes in working capital, was €99.0 million compared to €84.9 million for the comparable period in 2003. Changes in working capital in the nine months ended September 30, 2004 are negative €34.2 million compared to positive €50.9 million in the comparable period in 2003. On one hand, higher sales were realized in September 2004 increasing trade receivables at September 30, 2004 and, on the other hand, other current liabilities variance is due to the cash out of the restructuring provision amounting to €10.7 million. Moreover, excluding insurance indemnities received during the first nine months of 2003 related to the “CGG Mistral”, changes in working capital were positive €1.9 million during the first nine months of 2003.

Investing Activities

During the nine months ended September 30, 2004, we incurred capital expenditures of €37.2 million, including €7.7 million of equipment acquired under capital lease by CGG Marine related to the renewal of the charters for the seismic vessels Föhn and Harmattan (which leases include buy-back options), compared to €26.1 million for the nine months ended September 30, 2003. We also invested €39.8 million in our multi-client library, primarily in deepwater areas offshore in the Gulf of Mexico and Brazil. As of September 30, 2004, the net book value of our marine multi-client data library was €142.8 million compared to €146.9 million as of September 30, 2003.

Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2004 was negative €18.3 million, resulting principally from the repayment in the six months period ended June 30, 2004 of the U.S.$8.7 million bank facility we used to finance the streamers on the seismic vessel the “CGG Mistral”, which sank in December 2002.

Net debt corresponding to Long-term debt ($208.4 million), Current portion of long-term debt ($22.8 million), and Bank overdrafts ($4.9 million), less Cash and cash equivalents ($50.3 million), was €185.8 million as of September 30, 2004, €139.2 million as of December 31, 2003 and €152.6 million as of September 30, 2003. The ratio of net debt to equity increased to 47% as of September 30, 2004 compared to 35% as of December 31, 2003 and 39% as of September 30, 2003.

ORBDA for the nine months ended September 30, 2004 was €111.3 million compared to €122.7 million for the comparable period in 2003.

ORBDA for the three months ended September 30, 2004 was €40.5 million compared to €22.3 million for the comparable period in 2003.

“ORBDA” is defined as operating income (loss) excluding non-recurring revenues (expenses) plus depreciation, amortization and additions (deductions) to valuation allowances of assets and add-back of dividends received from equity companies. ORBDA is presented as additional information because we understand that it is one measure used by certain investors to determine our operating cash flow and historical ability to meet debt service and capital expenditure requirements. However, other companies may present ORBDA differently than we do. ORBDA is not a measure of financial performance under French GAAP or U.S. GAAP and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measures of performance derived in accordance with French GAAP or U.S. GAAP.

The following table presents a reconciliation of ORBDA to operating income for the periods indicated as follows:

<table>
<thead>
<tr>
<th>Nine months ended September 30</th>
<th>Three months ended September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>(in millions of euros)</td>
<td></td>
</tr>
<tr>
<td>ORBDA</td>
<td>111.3</td>
</tr>
<tr>
<td>Depreciation and amortization (excluding goodwill amortization)</td>
<td>(45.3)</td>
</tr>
<tr>
<td>Multi-client surveys amortization</td>
<td>(43.1)</td>
</tr>
<tr>
<td>Variation of current assets allowances</td>
<td>2.8</td>
</tr>
<tr>
<td>Dividends received from equity companies</td>
<td>(4.8)</td>
</tr>
<tr>
<td>Non recurring gains (losses)</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>23.7</td>
</tr>
</tbody>
</table>

For a more detailed description of our financing activities, see “Liquidity and Capital Resources” in our annual report on Form 20-F for the year ended December 31, 2003.
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Contractual Obligations

The following table sets forth our future cash obligations as of September 30, 2004:

<table>
<thead>
<tr>
<th>Payments Due by Period</th>
<th>Less than 1 year</th>
<th>2-3 years</th>
<th>4-5 years</th>
<th>After 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions of euros)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>6.5</td>
<td>5.3</td>
<td>184.8</td>
<td>1.6</td>
<td>198.2</td>
</tr>
<tr>
<td>Capital Lease Obligations</td>
<td>9.3</td>
<td>16.3</td>
<td>0.7</td>
<td>—</td>
<td>26.3</td>
</tr>
<tr>
<td>Operating Leases</td>
<td>40.0</td>
<td>35.3</td>
<td>15.0</td>
<td>1.7</td>
<td>92.0</td>
</tr>
<tr>
<td>Other Long-Term Obligations (bond interest)</td>
<td>19.3</td>
<td>28.9</td>
<td>19.3</td>
<td>—</td>
<td>67.5</td>
</tr>
<tr>
<td><strong>Total Contractual Cash Obligations</strong></td>
<td><strong>75.1</strong></td>
<td><strong>85.8</strong></td>
<td><strong>219.8</strong></td>
<td><strong>3.3</strong></td>
<td><strong>384.0</strong></td>
</tr>
</tbody>
</table>

Trend Information

Currency Fluctuations

Certain changes in operating revenues set forth in U.S. dollars in this section were derived by translating revenues recorded in euros at the average rate for the relevant period. Such information is presented in light of the fact that most of our revenues are denominated in U.S. dollars while our consolidated financial statements are presented in euros. Such changes are presented only in order to assist in an understanding of our operating revenues but are not part of our reported financial statements and may not be indicative of changes in our actual or anticipated operating revenues.

As a company that derives a substantial amount of its revenue from sales internationally, we are subject to risks relating to fluctuations in currency exchange rates. In the nine months ended September 30, 2004 and the years ended December 31, 2003 and 2002, over 90% of our operating revenues and approximately two-thirds of our operating expenses were denominated in currencies other than euros. These included U.S. dollars and, to a significantly lesser extent, other non-Euro Western European currencies, principally British pounds and Norwegian kroner. In addition, a significant portion of our revenues that were invoiced in euros related to contracts that were effectively priced in U.S. dollars, as the U.S. dollar often serves as the reference currency when bidding for contracts to provide geophysical services.

Fluctuations in the exchange rate of the euro against such other currencies, particularly the U.S. dollar, have had in the past and can be expected in future periods to have a significant effect upon our results of operations. Since we participate in competitive bids for data acquisition contracts that are denominated in U.S. dollars, an appreciation of the U.S. dollar against the euro improves our competitive position against that of other companies whose costs and expenses are denominated in U.S. dollars. For financial reporting purposes, such appreciation positively affects our reported results of operations since U.S. dollar-denominated earnings that are converted to euros are stated at an increased value. An appreciation of the euro against the U.S. dollar has the opposite effect. As a result, the Group’s sales and operating income are exposed to the effects of fluctuations in the value of the euro versus the U.S. dollar. In addition, our exposure to fluctuations in the euro / U.S. dollar exchange rate has considerably increased over the last few years due to increased sales outside of Europe.

We attempt to match foreign currency revenues and expenses in order to balance our net position of receivables and payables denominated in foreign currencies. For example, charter costs for our four chartered vessels, as well as our most important computer hardware leases, are denominated in U.S. dollars. Nevertheless, during the past five years such dollar-denominated expenses have not equaled dollar-denominated revenues, principally due to personnel costs payable in euros. We do not enter into forward foreign currency exchange contracts for trading purposes.

Seasonality

Our land and marine seismic acquisition activities are seasonal in nature. We generally experience decreased revenues in the first quarter of each year due to the effects of weather conditions in the Northern Hemisphere. Also, our principal clients are generally not prepared to fully commit their annual exploration budget to specific projects during the first quarter of the year. We have historically experienced higher levels of activity in our equipment manufacturing operations in the fourth quarter as our clients seek to fully deploy annual budgeted capital.
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Item 3: QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Because we operate internationally, we are exposed to general risks linked to operating abroad. The table below provides information about our market sensitive financial instruments and constitutes a “forward-looking statement”. Our major market risk exposures are changing interest rates and currency fluctuations. Our policy is to manage interest rates through use of a combination of fixed and floating rate debt. Interest rate swaps may be used to adjust interest rate exposures when appropriate, based upon market conditions. A portion of our current assets is denominated in foreign currencies, which exposes us to market risk associated with exchange rate movements. Our policy generally is to hedge major foreign currency cash exposures through foreign exchange forward contracts. These contracts are entered into with major financial institutions, thereby minimizing the risk of credit loss. All instruments are entered into for non-trading purposes.

The table below presents principal amounts and related weighted average interest rates by year of maturity for our debt obligations and our foreign exchange forward contracts, all of which mature in one year or less and their fair value as of September 30, 2004:

<table>
<thead>
<tr>
<th>Fair value (in € million)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Thereafter</th>
<th>Total</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate cap U.S. dollar</td>
<td>—</td>
<td></td>
<td></td>
<td>1.1</td>
<td>182.9</td>
<td>196.3</td>
<td></td>
</tr>
<tr>
<td>Capped rate</td>
<td>—%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. dollar</td>
<td>0.2</td>
<td>—</td>
<td>0.2</td>
<td>181.4</td>
<td>1.1</td>
<td>182.9</td>
<td>196.3</td>
</tr>
<tr>
<td>Average fixed rate</td>
<td>7.9%</td>
<td>—%</td>
<td>8%</td>
<td>10.6%</td>
<td>8.5%</td>
<td>10.6%</td>
<td></td>
</tr>
<tr>
<td>U.S. dollar</td>
<td>5.2</td>
<td>1.1</td>
<td>7.0</td>
<td>1.8</td>
<td>1.3</td>
<td>16.4</td>
<td>16.4</td>
</tr>
<tr>
<td>Average variable rate</td>
<td>2.9%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>2.6%</td>
<td>4.5%</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>Euro</td>
<td>6.6</td>
<td>1.6</td>
<td>3.1</td>
<td>1.0</td>
<td>—</td>
<td>12.4</td>
<td>11.9</td>
</tr>
<tr>
<td>Average fixed rate</td>
<td>6.4%</td>
<td>6.2%</td>
<td>6.3%</td>
<td>6.0%</td>
<td>—%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>Average variable rate</td>
<td>2.1</td>
<td>0.7</td>
<td>6.1</td>
<td>—</td>
<td>—</td>
<td>8.9</td>
<td>8.9</td>
</tr>
<tr>
<td>Other currencies</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>—%</td>
<td>—%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Average fixed rate</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>—</td>
<td>—</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Average variable rate</td>
<td>8.0%</td>
<td>7.1%</td>
<td>7.3%</td>
<td>—%</td>
<td>—%</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>Other currencies</td>
<td>0.9</td>
<td>0.2</td>
<td>0.9</td>
<td>0.1</td>
<td>0.1</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Average variable rate</td>
<td>23.4%</td>
<td>24.0%</td>
<td>23.5%</td>
<td>22.1%</td>
<td>7.2%</td>
<td>22.6%</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Foreign Exchange — Firm commitments

<table>
<thead>
<tr>
<th>Forward sales (in U.S.$)</th>
<th>141.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. dollars average rate</td>
<td>1.2156</td>
</tr>
<tr>
<td>Options — Puts (in U.S.$)</td>
<td>—</td>
</tr>
<tr>
<td>U.S. dollars average rate</td>
<td>—</td>
</tr>
</tbody>
</table>

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Item 4: CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation of the effectiveness of our disclosure controls and procedures, under the supervision of our management, including our Chief Executive Officer and our Chief Financial Officer. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that such controls and procedures are effective to ensure that information required to be disclosed in reports filed with or submitted to the SEC under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

There has been no change in our internal control over financial reporting during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1: LEGAL PROCEEDINGS

Not applicable

Item 2: UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS

<table>
<thead>
<tr>
<th></th>
<th>Total number of shares purchased</th>
<th>Average price paid per share</th>
<th>Total amount paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>July, 2004 (a)</td>
<td>33,096</td>
<td>€46.41</td>
<td>€1,535,956</td>
</tr>
<tr>
<td>August, 2004 (a)</td>
<td>43,079</td>
<td>€42.08</td>
<td>€1,812,745</td>
</tr>
<tr>
<td>September, 2004 (a)</td>
<td>30,261</td>
<td>€49.82</td>
<td>€1,507,459</td>
</tr>
<tr>
<td>TOTAL</td>
<td>106,436</td>
<td>€45.63</td>
<td>€4,856,160</td>
</tr>
</tbody>
</table>

(a) shares purchased as part of the 2004 program announced on April 14, 2004, approved by the Shareholders meeting dated May 13, 2004, authorizing purchases of shares up to 10% of the common stock of CGG at a maximum price of €80 per share; this program replaced the previous program announced on April 23, 2003.

Item 3: DEFAULTS UPON SENIOR SECURITIES

Not applicable.
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Item 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

A combined general meeting of shareholders (ordinary and extraordinary) ("the Meeting") was held on October 29, 2004.

At the Meeting, the appointment of a Director was voted on, and the relevant number of votes cast was as follows:

<table>
<thead>
<tr>
<th>Director</th>
<th>Term of office</th>
<th>Votes For</th>
<th>Votes Against</th>
<th>Abstain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew SHEINER</td>
<td>2010</td>
<td>6,909,596</td>
<td>810,591</td>
<td>0</td>
</tr>
</tbody>
</table>

Previous annual general meetings of shareholders duly elected the following directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert BRUNCK</td>
<td>2008</td>
</tr>
<tr>
<td>Olivier APPERT</td>
<td>2008</td>
</tr>
<tr>
<td>Patrick de la CHEVARDIERE</td>
<td>2010</td>
</tr>
<tr>
<td>Jean DUNAND</td>
<td>2007</td>
</tr>
<tr>
<td>Gérard FRIES</td>
<td>2008</td>
</tr>
<tr>
<td>Yves LESAGE</td>
<td>2009</td>
</tr>
<tr>
<td>John MAC WILLIAMS</td>
<td>2005</td>
</tr>
<tr>
<td>Christian MARBACH</td>
<td>2007</td>
</tr>
<tr>
<td>Robert SEMMENS</td>
<td>2005</td>
</tr>
<tr>
<td>Daniel VALOT</td>
<td>2006</td>
</tr>
</tbody>
</table>

Previous annual general meetings of shareholders elected the following auditors:

<table>
<thead>
<tr>
<th>Auditors</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAZARS &amp; GUERARD (Statutory auditor)</td>
</tr>
<tr>
<td>Patrick de CAMBOURG (substitute for MAZARS &amp; GUERARD)</td>
</tr>
<tr>
<td>BARBIER FRINAULT &amp; AUTRES (Statutory auditor)</td>
</tr>
<tr>
<td>Michel LEGER (substitute for BARBIER FRINAULT &amp; AUTRES)</td>
</tr>
</tbody>
</table>

The Meeting voted also (i) to approve the reserved issue of bonds in favour of Onex in the amount of U.S.$84,980,000 divided into 14,000 bonds of U.S.$6,070 each, convertible into new shares, redeemable for new shares and/or existing shares and/or in cash, the interests being paid into new shares and/or existing shares and/or in cash, (ii) to delegate power and authority to the Board of Directors to implement the issue, (iii) to delegate power and authority to the Board of Directors to increase the capital, reserving the subscription of the shares to be issued to members of a Company Savings Plan, (iv) to approve the creation of a new Article 13 of the Articles of Association allowing the board of directors to appoint observers.

The relevant votes cast were as follows:

<table>
<thead>
<tr>
<th>Reserved issue of bonds in favour of Onex</th>
<th>Votes For</th>
<th>Votes Against</th>
<th>Abstain</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,363,762</td>
<td>165</td>
<td>253,367</td>
<td></td>
</tr>
</tbody>
</table>

| Authorization to implement the issue       | 7,220,730 | 499,457       | 0       |

| Authorization to increase the capital, reserving the subscription of the shares to be issued to the members of a Company Savings Plan | 7,419,976 | 300,211       | 0       |

| Creation of Article 13 of the Articles of Association | 7,103,195 | 616,992       | 0       |
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Item 5: OTHER INFORMATION

Not applicable.

Item 6: EXHIBITS AND CURRENT REPORTS ON FORM 6-K

Exhibits

The following instruments and documents are included as Exhibits to this report. Exhibits incorporated by reference are so indicated.

<table>
<thead>
<tr>
<th>Exhibit No</th>
<th>Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1*</td>
<td>English translation of the Articles of Association (statuts) of CGG, as amended.</td>
</tr>
<tr>
<td>10.1*</td>
<td>Subscription Agreement, dated 27 September 2004, among CGG and Onex with respect to U.S.$84,980,000 7.75% Convertible Subordinated Bonds due 2012</td>
</tr>
<tr>
<td>10.2*</td>
<td>Registration Rights Agreement, dated 27 September 2004, among CGG and Onex with respect to U.S.$84,980,000 7.75% Convertible Subordinated Bonds due 2012</td>
</tr>
<tr>
<td>31.1*</td>
<td>Certificate issued by the CGG Chairman and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act</td>
</tr>
<tr>
<td>31.2*</td>
<td>Certificate issued by the CGG Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act</td>
</tr>
</tbody>
</table>

* Filed herewith.

Reports on Form 6-K

On September 2, 2004, we submitted a report on Form 6-K including a press release announcing our consolidated results for the second quarter of 2004.

On October 6, 2004, we submitted a report on Form 6-K including a press release announcing that CGG withdraws its offer to PGS.

On October 12, 2004, we submitted a report on Form 6-K including a press release announcing that CGG sets pace in wave equation market.

On October 20, 2004 we submitted a report on Form 6-K including a press release announcing that a Shareholders’ Meeting would be convened on October 29, 2004.

On November 2, 2004 we submitted a report on Form 6-K including a press release announcing that our shareholders had approved the reserved issue of subordinated bonds convertible into new ordinary shares or redeemable into new shares and/or existing shares and/or in cash in favour of Onex and had appointed Mr. Andrew Sheiner as new director of CGG.

On November 3, 2004, we submitted a report on Form 6-K including a press release announcing a reserved issue of subordinated bonds convertible into new ordinary shares or redeemable into new shares and/or existing shares and/or in cash.

On November 4, 2004 we submitted a report on Form 6-K including a press release announcing the CGG had been reconfirmed to run Shell in-house processing centers.
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, CGG has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

/s/ Michel Ponthus
Compagnie Générale de Géophysique
(Registrant)

/s/ Michel Ponthus
Michel Ponthus
Senior Executive Vice President
Finance & Human Resources and Chief Financial Officer

Date: November 16, 2004
Exhibit 3.1

COMPAGNIE GENERALE DE GEOPHYSIQUE

Public Company with a Registered Capital of € 23 363 436

Head Office : 1, rue Léon Migaux, Massy, Essonne

Trade Register Evry No. 969 202 241

ARTICLES OF ASSOCIATION
PART I
FORM — OBJECT — NAME — HEAD OFFICE — TERM

Article 1 — FORM OF THE CORPORATION
A Corporation has been formed between the holders of the shares hereinafter issued and those which may be issued subsequently, which Corporation shall be governed by the laws in force and these Articles of Association.

Article 2 — OBJECT
The corporate object is as follows:
Development and operation in any form and under any conditions whatsoever, of all and any business relating to the geophysical survey of the soil and subsoil in any all countries, on behalf of third parties or on its own behalf.
Direct or indirect participation in any business, firm or company whose object would be likely to promote the corporate object.
And, generally, any business, industrial, mining, financial, personal or real property operations relating directly or indirectly to the above object without limitation or reserve.

Article 3 — CORPORATE NAME
The corporate name is the following:
COMPAIGNIE GENERALE DE GEOPHYSIQUE

Article 4 — HEAD OFFICE
The Head Office is established at rue Léon Migaux No. 1, MASSY (Essonne), France.

It may be transferred to any other place in the same “département” (County) or to one of the adjacent “départements” by mere decision of the Board of Directors, subject to said decision being ratified by the earliest Ordinary Shareholders’ Meeting, and it may be transferred anywhere else by a decision of the Extraordinary Meeting.

Offices, agencies and branch offices may be established in any countries.

Article 5 — TERM
The Corporation has been founded for a term of ninety-nine years as from the date of its final incorporation, barring cases of early winding up or further extension, as provided for in these Articles of Association.
PART II

REGISTERED CAPITAL — SHARES

Article 6 — REGISTERED CAPITAL

1. The registered capital amounts to 23,363,436 euros divided into 11,681,718 shares of 2 euros each.

2. The registered capital may be increased either by the issuance of new shares or by raising the face value of existing shares.

   The new shares shall be paid up either in cash or by offsetting liquidated claims against the Corporation, or by drawing on reserves, earnings or share premiums, or by assets contributed in kind, or by conversion of debentures or bonds.

   The new shares are issued at their face value or at face value increased by a share premium; they can be either ordinary or preferential shares enjoying some advantages over the other shares and granting priority rights on earnings or assets, or any other indirect privilege.

   The Extraordinary Shareholders’ Meeting alone is entitled to decide an increase in capital, upon the Board of Director’s report. However, when the increase in capital is made by drawing on reserves, earnings or share premiums, the Shareholders’ Meeting deciding thereon deals with the matter under the requirements of quorum and majority of the Ordinary Shareholder’s Meetings.

   In the event of capital increase in cash, the old capital shall first be fully paid up, and the shareholders are entitled to the preferential allotment of new stock granted to them by law.

3. Earnings and reserves other than the legal reserve may be assigned to amortization of the Corporation’s capital by decision of the Extraordinary Shareholder’s Meeting. Said amortization may be carried out only by equal repayment on each share of same class, and does not involve any reduction of the capital.

4. The Extraordinary Shareholders’ Meeting may also decide or authorize the reduction of the corporation’s registered capital for any reason and in any way whatsoever, especially by reason of losses or by means of partial refund or purchase of the shares, by reduction of their number or face value, but under no circumstances should the reduction of capital affect shareholder’s equality.

Article 7 — SHARES

1. Fully paid up shares are either registered shares or bearer shares, at the shareholder’s option.

   They are subject to entry in an account under the terms and procedures provided by law.

   Said account is kept by the Corporation or a representative appointed by the Corporation if securities are requested in the registered form; it is kept by an authorized trustee if securities are requested in the form of bearer shares.

   The Corporation may at any time make use of the legal and regulatory provisions for the purpose of identifying the owners of shares granting immediately or at a later date a voting right in Shareholders’ meetings.
2. Share assignment is finalized through account-to-account transfer.

Shares that are not fully paid up by the amounts due are not assignable.

Any shareholder holding directly or indirectly a portion amounting to 2 percent of the stock capital or of the voting rights or a multiple of this percentage shall give notice to the Company of the number of shares or voting rights he holds, within five stock exchange days of the date one of these thresholds was exceeded. In the event of failure to comply with this notification requirement, and upon request of one or several shareholders holding at least 2 percent of the capital, recorded in the minutes of the Meeting, those shares in excess that should have been declared shall be deprived of their voting rights from the date of said Meeting and for any other subsequent Meeting to be held until the expiry of a 2-year period following the date on which the required notification of the passing of the threshold will have been regularized.

Similarly, any shareholder whose shareholding is reduced below one of these thresholds shall give notice thereof to the Corporation within the same 5-day period.

3. Shares are indivisible with regard to the Corporation. Co-owners of jointly held shares are bound to have themselves represented by only one of the two shareholders or by a sole proxy; in the event of disagreement, such proxy shall be appointed by the president of the Commercial Court deciding the case in Chambers at the request of the first mover of the contending co-owners.

The voting right is exercised by the owner of securities held in pledge or as security, i.e. by the usufructuary at the Ordinary Shareholder’s Meetings, and by the bare-owner at the Extraordinary Shareholder’s Meeting.

4. At the time of application, it is compulsory that shares applied for in cash be fully paid up by at least one quarter of their face value and, as the case may be, by the entire share premium.

The share value surplus is payable from time to time, within a maximum period of five years as from the day when the increase of capital became final, at the times and under the terms specified by the Board of Directors.

Shareholders are given notice of calls for funds at least fifteen days before the time specified for each payment, either by registered letter sent to the shareholders or by a notice published in a legal announcement gazette of the Head Office district.

Sums due on the value of the shares not fully paid up yield a day-by-day interest calculated at a rate of seven percent (7%) as from the date of their failing due, without there being any need for legal action or formal summons to pay.

To obtain payment of the fraction of shares not fully paid up and called, the Corporation is entitled to forced execution, action for guarantee and penalties as provided by law.

5. Every share is entitled to a portion of earnings and ownership of the capital stock in proportion to the amount of stock it represents.

Any shares, both old and new, are fully assimilated when they bear same bonus, provided they are of same type and of same nominal stock paid up for the same value. In the event of dividend distribution as in the event of full or part reimbursement of their nominal stock, they receive the same net value, any taxes and duties they may be liable to being evenly distributed among them.

Ownership of a share implies de jure adhesion to the Corporation’s Articles of Association and to the decisions of the Shareholder’s Meeting.

Any rights and duties attached to a share follow the share certificate and pass into the hands of the new owner, whoever he may be.
The heirs, assigns or creditors of a shareholder may not, for any reason whatsoever, require that seals be affixed to the Corporation’s assets or property, or demand the partition or sale by auction thereof, or meddle in any way whatsoever in the acts of its management; in order to exercise their rights, they must abide by the corporate accounts and decisions made by the Shareholders’ Meeting.

The shareholders are responsible for the corporation’s liabilities only up to the face value of the shares they hold.

Whenever it is necessary to hold several shares to exercise any right whatsoever, in the case of exchange, pooling or allotment of shares, or as a result of an increase or reduction of capital, a merger or any other transaction concerning the Corporation, the holders of isolated shares or of a number of shares less than that required, may exercise said rights, provided only they arrange to pool and, as the case may be, purchase or sell the required number of share certificates.

PART III
MANAGEMENT OF THE CORPORATION

Article 8 — BOARD OF DIRECTORS

1. The Corporation is managed by a Board of at least six members and at most fifteen members appointed during the Corporation’s lifetime by the Ordinary Shareholders’ Meeting, unless a decision increases this maximum to a higher number in the event of merger.

2. A legal entity may be duly appointed as a Director.

When appointed, any such legal entity must appoint a permanent representative who is bound by the same conditions and duties and incurs the same liabilities just as if he were a director in his own name, without prejudice to the joint liability of the legal entity which he represents. If the legal entity dismisses its representative, it must proceed to his replacement at the same time.

3. In the event of vacancy by decease or by the resignation of one or several directors, the Board of Directors may — between two Shareholder’s Meetings — make temporary appointments.

The director appointed in replacement of another director remains in office only for the term remaining to run of his predecessor’s term of office.

When the number of directors has fallen below the legal minimum required, the remaining directors must immediately convene the Ordinary Shareholder’s Meeting with a view to completing membership of the Board.

When the number of directors has fallen below the number required by the Articles of Association — without however being less than the legal minimum — the Board of Directors must proceed to make temporary appointments with a view to completing its membership within a period of three months from the day the vacancy occurred.

Any temporary appointments made the Board are subject to ratification by the earliest Ordinary Shareholders’ Meeting. Failing ratification, the decisions made and the acts accomplished previously by the Board shall remain nonetheless valid.
4. The directors are appointed for a six-year term.

The office of a director comes to an end at the end of the Ordinary Shareholders’ Meeting deciding on the last financial statements and held within the year during which said term of office expires.

The Board is renewed every year by an adequate number of members so that the term of office of each director shall not exceed six years. Renewal takes place by order of seniority of appointment.

Directors are always eligible for re-election.

They may be dismissed at any time by the Ordinary Shareholders’ Meeting.

5. Throughout his term of office, each director must own at least one share.

6. The Board of Directors determines the strategy of the Company and sees its implementation. Subject to the powers expressly attributed to shareholders’ meetings, and within the limits of the purpose of the Company, it considers any question relating to the proper functioning of the Company and by discussion settle the affairs which concern it.

The Board of Directors carries out any controls and checks it deems necessary. The Chairman or the Chief Executive Officer of the company must provide each Director with all documents and information necessary for the accomplishment of his mission.

7. The Board of Directors may confer on one or more of its Members or on third parties, whether they are shareholders or not, any special mandates for one or more specific objectives. It may decide to create committees responsible for examining questions which it or its Chairman submit to them for their opinion. It will establish the composition and the attributions of committees which exercise their activity under its authority.

**Article 9 — RESOLUTIONS OF THE BOARD OF DIRECTORS**

1. From among its members, the Board of Directors elects a chairman who must be a natural person. The Board decides the amount of his compensation.

The chairman is appointed for a period which may not exceed that of his office as a director. He is eligible for re-election.

The Board may dismiss him at any time.

The Chairman’s office comes to an end at the latest after the annual Ordinary Shareholders’ Meeting following the date on which he reaches the age of 65. However, the Board of Directors may further extend the office of the Chairman, once or several times for a total period not to exceed three years.

The Chairman organises and directs the Board’s work on which he reports to the General Meeting. He ensures that the organs of the Company function properly and in particular makes sure that the Directors are able to carry out their mission.

If it deems appropriate, the Board also appoints one or several vice-chairmen selected from among its members.

Should the Chairman, vice-chairman (or vice-chairmen) happen to be absent, the Board shall appoint, for each meeting, one of the members present to carry out the duties of chairman.

Should the Chairman die or be temporarily indisposed, the Board of Directors may delegate a Member of the Board to carry out the function of Chairman.

Furthermore, the Board appoints a Secretary, who need not be one of the shareholders.

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2. The Board of Directors meets when summoned to do so by the Chairman, as often as required in the Company’s interests, either at the Head Office or in any other place indicated in the summons.

When a meeting has not been held for more than two months, at least one third of the Members of the Board may request the Chairman to convene a meeting with a predetermined agenda. The Managing Director may also ask the Chairman to convene a meeting of the Board of Directors with a predetermined agenda.

Any director may give by a written document a proxy to another director to represent him at a Board Meeting. Each director may have only one power of attorney in a single meeting. The actual presence of at least half the members of the Board is required for the resolutions to be valid.

The Board of Directors may, in an internal regulation, provides for, within the limits and conditions stated by the applicable laws, that the directors participating to a meeting through video-conference means, as specified by the relevant regulations, shall be deemed present for the calculation of the relevant quorum and majority rules. This peculiar disposition does not apply to decisions which in accordance with the Commercial Code require the effective presence of a majority of the Board members.

Resolutions are carried by a majority of votes of the members attending or represented. In case of equal voting, the Chairman of the Board has a casting vote; however, should the meeting be chaired by a person other than the Chairman of the Board, then the chairman of the meeting does not have a casting vote.

An attendance book is kept which is signed by the directors participating in the meeting of the Board and which mentions, if necessary, the participation of a Member of the Board by means of a visio-conference.

The directors, as well as any person likely to attend the board meetings are bound to secrecy with regard to any information of a confidential nature and supplied as such by the Chairman of the Board.

3. The resolutions of the Board of Directors are recorded by minutes entered in a special minute-book or on loose sheets, in accordance with regulations.

The minutes are signed by the chairman of the meeting and by at least one director. In case of prevention of the chairman of the meeting, the minutes are signed by at least two directors.

Copies or abstracts of the minutes of resolutions are validly certified by the Chairman of the Board, one managing director temporarily delegated to take over the duties of chairman or an authorized representative qualified for this purpose.

The number of directors in office and also their presence or representation at a meeting of the Board of Directors, is adequately evidenced by the production of a copy or abstract of said minutes.

Article 10 — GENERAL MANAGEMENT

1. Principles of organisation:

In accordance with the legal provisions, the general management of the Company will be assumed under his responsibility either by the Chairman of the Board of Directors or by another natural person, whether he is a Member of the Board or not, who is appointed by the Board of Directors with the title of Chief Executive Officer.

The choice between these two means of exercising general management will be made by the Board of Directors, who must inform the shareholders and third parties of this, in accordance with the law.
The deliberations of the Board of Directors relating to the choice of the means of exercising general management will be taken on a majority vote by the Members of the Board who are present or represented.

The option selected by the Board of Directors must be retained for a period that may not be less than one year.

At the end of the period set by the Board of Directors, the Board must once more deliberate on the means of exercising general management.

Should the management of the Company be assumed by the Chairman of the Board the following dispositions relating to the Chief Executive Officer will apply to him.

2. The Chief Executive Officer

The Board of Directors will establish the duration of the mandate of the Chief Executive Officer and determine his remuneration. Should the function of Chief Executive Officer be assumed by the Chairman of the Board of Directors, the Chief Executive Officer will be appointed for the duration of his mandate as Chairman.

The functions of Chief Executive Officer will terminate at the latest at the end of the ordinary general meeting which follows the date on which he reaches the age of 65 years. However, the Board of Directors may extend the Chief Executive Officer’s term of office beyond this limit, all at once or on several occasions, for a total duration that may not exceed three years.

The Chief Executive Officer may be revoked at any time by the Board of Directors. Should the Chief Executive Officer not assume the functions of Chairman of the Board of Directors, his revocation may give rise to damages and interest, if the decision is taken without due cause.

The Chief Executive Officer represents the Company in its relationships with third parties and may delegate to any special representative he chooses part of his powers.

Within the legal limits, the Chief Executive Officer is invested with the most extensive powers to act in the Company’s name under all circumstances. However, with regard to the in-house rules and without this limitation being enforceable against third parties, the Board of Directors may limit the extent of his powers.

3. Chief Operating Officers:

At the proposal of the Chief Executive Officer, whether this function is assumed by the Chairman of the board of Directors or by another person, The Board of Directors may appoint one or more natural persons, whether they are Members of the Board or not, in charge of assisting the Chief Executive Officer, with the title of Chief Operating Officers.

The maximum number of Chief Operating Officers is fixed at five.

In agreement with the Chief Executive Officer, the Board of Directors will determine the extent and duration of the powers granted to the Chief Operating Officers.

The functions of a Chief Operating Officer will be terminated at the end of the ordinary general meeting which follows the date on which he reaches the age of 65 years. However, the Board of Directors may, on a proposal from the Chief Executive Officer extend the term of office of the Chief Operating Officer, all at once or on several occasions, beyond this limit one or more times, for a total duration that may not exceed three years.
The Chief Operating Officer holds the same powers as the Chief Executive Officer vis à vis third parties.

The Board of Directors will determine the remuneration of the Chief Operating Officers.

Should the functions of the Chief Executive Officer cease or be impeded, the Chief Operating Officers retain their functions and attributions until a new Chief Executive Officer is appointed, unless the board of Directors decides otherwise.

The Chief Operating Officers may be revoked at any time by the Board of Directors on a proposal by the Chief Executive Officer.

4. Acts concerning the Company are signed either by the Chief Executive Officer or by a Chief Operating Officer or by any special holder of a power of attorney.

**Article 11 — BOARD MEMBERS’ COMPENSATION**

The Shareholders’ Meeting may allow the Directors an annual fixed sum as attendance fees, the amount of which remains unchanged until further decision.

The Board allocates these attendance fees between its members in the manner it deems appropriate.

**Article 12 — REGULATED AGREEMENTS**

1. The agreements referred to in Article L.225-38 of the Commercial Code are subject to the prior consent of the Board of Directors and to approval by the Shareholders’ Meeting under the provisions of law.

These provisions are not applicable to agreements bearing on routine transactions, which are concluded under normal conditions.

2. It is forbidden to directors other than legal entities to take out loans with the Corporation in any form whatsoever or to have the Corporation grant them an overdraft in current account or otherwise; it is also forbidden to have the Corporation stand surety for them or back their commitments in respect of third parties.

The same prohibition applies to Managing Directors and to permanent representatives of legal entity-directors. It also applies to the spouses, ascendants or descendants of the persons referred to in this paragraph and also to any trustee.

**Article 13 — OBSERVERS**

The board of directors may appoint one or several Observers to a maximum number of 3.

In case of a vacancy resulting from death or resignation of one or several Observers, the board of directors may proceed to appointments on a temporary basis.

The Observers shall be appointed for a 6 year period ending at the end of the general meeting convened to approve the financial statements of the latest fiscal year and held within the year during which their tenure lapse.

The Observers are convened to the board of directors’ meetings and will take part in the discussions in an advisory capacity, however their absence cannot render such discussions void.
PART IV

SHAREHOLDERS’ MEETINGS

Article 14 — GENERAL RULES

1. The shareholders meet every year at an Ordinary Shareholders’ Meeting, on the day and at the time and place indicated in the notice of convening; said meeting takes place within the first six months following the closing of the financial year, subject to the extension of this period by order of the Presiding Judge of the Commercial Court deciding on petition or request.

The ordinary Shareholders’ Meeting may furthermore be convened extraordinarily.

The extraordinary Shareholders’ Meeting is convened whenever it is required to amend these Articles of Association.

2. The Shareholders’ Meeting is convened by the Board of Directors.

The Board is bound to convene a Shareholder’s Meeting when requested to do so by a group of shareholders representing at least one quarter of the Corporation’s stock capital. In that case, the call should be sent out at the latest during the same month as the registered letter is sent by the shareholders wishing to convene the meeting.

The Shareholders’ Meeting may also be convened by the Auditors or by an attorney-in-fact appointed by the Courts in the cases provided for by law.

The Shareholders’ Meeting meets at the head office or at any other place as may be indicated in the notice of convening.

3. The Shareholders’ Meetings shall be convened under the terms and within the periods provided by law.

4. The agenda shall be prepared by the author of the notice of convening. However, one or more shareholders representing at least the percentage of stock capital provided for by law, are entitled to require that draft resolutions be put on the agenda under the terms provided by law.

The meeting cannot consider a matter that has not been put on the agenda. However, it may under circumstances dismiss one or more directors and provide for their replacement.

5. The Board of Directors shall either send off or make available to the shareholders any documents provided by law.

6. The Shareholders’ Meeting is composed of all the shareholders, whatever the number of shares they hold.

The right of assisting in Meetings for the owners of registered shares depends on the registration of the shareholder or the intermediary envisaged in Article L.228-1 of the Commercial Code in the shares account of the Company five days before the meeting and for the owners of bearer shares to the transmission, within the same period, to the places indicated on the notice of convocation, of a certificate from an authorised financial intermediary confirming the unavailability of the shares registered in the account up to the date of the General Meeting.

A shareholder may be represented by another shareholder or by his spouse, and if he is a non-resident he may, in addition, be represented by a registered intermediary; in this respect, the representative must justify his mandate.
Any shareholder may receive the powers of attorney given by other shareholders with a view to being represented at a Meeting, without any other limits than those established by the legal provisions specifying the maximum number of votes to be used by the same person, both in his/her own name and as a proxy.

The legal representatives of shareholders who are disqualified by law and natural persons representing legal entities which are shareholders may attend the Meetings, whether they are themselves shareholders or not.

Each shareholder has as many votes as the shares he possesses or represents subject to the provisions set out below.

As from May 22 1997, a double voting right is allocated to all registered and fully paid-up shares registered in the name of the same holder for at least two years.

In the event of an increase in capital by incorporation of reserves, profits or paid in capital, this double voting right is granted as soon as they are issued, to registered shares allocated free to a shareholder at the rate of the former shares for which he benefits from this right.

The double voting right ceases ipso jure for any share having been subject to a conversion to the bearer or a transfer of ownership subject to exceptions provided for by law.

Any shareholder can vote by mail, using a form prepared and sent to the Corporation as provided by law.

Any voting forms received by the Corporation less than three days before the day of a Shareholders’ meeting shall not be taken into consideration.

Any shareholder attending a Shareholders’ Meeting will not be entitled to vote through a proxy or by mail.

Any shareholder may also, if the Board of Directors or its Chairman allows at the time of the convocation to a general meeting, assist this meeting via visio-conference or by electronic telecommunication or tele-transmission means subject to and in accordance with the conditions laid down by the legislation or the regulations in force. This shareholder is then considered to be present at this meeting when calculating the quorum and the majority.

7. The Shareholders’ Meeting is presided over by the Chairman of the Board or, in his absence, by the person or one of the persons who convened the Meeting.

In the event a meeting has been called by the Auditors, a court-appointed proxy or the liquidators, the meeting shall be chaired by the person or one of the persons calling the meeting.

The duties of scrutineers are carried out by the two members of the Meeting having the largest number of voting rights and accepting said duties.

The officers’ committee appoints a secretary, who need not be a shareholder.

An attendance sheet shall be kept and initialed by the shareholders or their proxies ; it shall be certified true by the members of the officers’ committee and deposited at the head office.

8. The resolutions of the Shareholders’ Meeting are recorded in Minutes which are signed by the members of the officers’ committee. The minutes are entered in a special minute-book or in a loose-leaf ledger or binder, in accordance with legal regulations.

Copies or abstracts of the minutes of the Shareholders’ Meetings are validly certified true by the Chairman of the Board or by a director carrying out the duties of Managing Director. They may also be certified true by the Secretary to the Meeting.
9. The Shareholders’ Meeting, regularly formed, represents all the shareholders without any exception; its resolutions are binding upon all shareholders, even those who were absent, dissenting or legally disqualified.

**Article 15 — ORDINARY SHAREHOLDERS’ MEETINGS**

1. In order to decide validly, the Ordinary Shareholders’ Meeting must be composed of a number of shareholders representing at least one quarter of the shares entitled to vote; failing this, the Shareholders’ Meeting shall be convened again. At such second Meeting, the resolutions are validly carried whatever the number of shareholders represented, but they may concern only matters put on the agenda of the first Meeting.

   Decisions are made by a majority of the voting rights held by the shareholders that are attending or represented.

2. The Ordinary Shareholders Meetings hears the reports of the Board of Directors and of the Auditors; It discusses, approves or adjusts the financial statements, determines the dividends and directors’ fees, appoints or dismisses directors and auditors, gives them full discharge for performance of their duties, ratifies cooptations of directors, decides on any covenants subject to prior consent, cancels any covenants made without prior consent, grants authority to the Board of Directors for acts exceeding the powers granted to it and considers any proposals carried on its agenda that do not fall within the powers of the Extraordinary Shareholders’ Meeting.

**Article 16 — EXTRAORDINARY SHAREHOLDERS’ MEETINGS**

1. Extraordinary Shareholders’ Meetings are only formed regularly and may validly proceed only as far as they are composed of a number of shareholders representing one third of the shares entitled to vote on first call, and one quarter of said shares on second call.

   Failing the latter quorum, the second meeting may be extended by maximum two months; it decides with the same quorum.

   Decisions are made at a majority of two-thirds of the voting rights held by the shareholders that are attending or represented.

   The Extraordinary Shareholders’ Meeting may amend the Articles of Association in all or any of their provisions, provided that they do not increase the shareholders’ liabilities, excepting the shareholders’ obligation to buy or sell fractions in the case of share pooling, increase or reduction of capital, merger or split.

   In particular, the Extraordinary Meeting may change the Corporation’s nationality under the provisions laid down by the law, or it may change the Corporation’s life, decide its merger or split with another company or companies, wind it up before due date, transform it into a corporation of any other type under the terms and conditions provided by law.

   **PART V**

   **AUDITORS**

**Article 17 — APPOINTMENT AND DUTIES OF THE AUDITORS**

Under the provisions of law, the Ordinary Shareholders’ Meeting appoints at least two auditors and, if necessary, one or more deputy Auditors.

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The Auditors are vested with the duties and powers conferred on them by law.

Their compensation is determined according to the regulations in force.

PART VI

FINANCIAL STATEMENTS AND APPROPRIATION OR DISTRIBUTION OF EARNINGS

Article 18 — FINANCIAL STATEMENTS

The Corporation’s fiscal year starts on January first and ends on December thirty-first.

At the close of every financial year, the Board of Directors draws up an inventory of the various items of assets and liabilities existing at that date.

The Board also prepares the financial statements, including the balance sheet, profit & loss statement and a note to the financial statements and, if case may be, consolidated financial statements including a consolidated balance-sheet and profit & loss statement and a note to the financial statements.

The Board prepares a report about the Corporation’s position in the last fiscal year and, if case may be, that of the group of companies controlled by the Corporation, about their predictable development, the major events that have occurred since the closing of the fiscal year, and their research and development efforts.

Said documents are made available to the Auditors under the terms provided for by law.

In the cases provided by law, the Board shall also prepare financial management documents that are to be analyzed in reports about the Corporation’s development.

Article 19 — EARNINGS

Out of the earnings of the fiscal year, reduced if necessary by previous losses, at least five percent shall be first appropriated to form the reserve fund required by law, until said reserve fund has reached one tenth of the stock capital.

The balance, increased by retained earnings, if any, forms the distributable earnings.

Any amounts that the Shareholders’ Meeting would decide, either on proposal by the Board or by its own decision, to allocate to one or more general or special reserve funds or to carry forward, shall be withdrawn from said earnings.

The balance shall be distributed among the shareholders as a dividend.

The terms and conditions for the payment of dividends are determined by the Shareholders’ Meeting or, failing such, by the Board of Directors.

The Shareholders’ meeting deciding on the financial statements is entitled to give each shareholder, for the dividend or part of the dividend to be distributed or for any advance payments on a dividend, the choice between payment of the dividend in cash or in stock.

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PART VII

WINDING UP — LIQUIDATION — DISPUTES

Article 20 — WINDING UP — LIQUIDATION

On the expiry of the term provided for by the Articles of Association, or in case of early winding-up for any reason whatsoever, the Shareholders’ Meeting or, if case may be, the Commercial Court, specifies the liquidation procedure, appoints one or more liquidators and specifies their powers.

Subject to the restrictions provided by Law, the Liquidators have the most extensive powers for the purpose of realizing, even by amicable agreement, all of the Corporation’s assets and wiping out its liabilities. On grounds of a resolution of the Extraordinary Shareholders’ Meeting, they may make contribution or agree to the transfer of the whole of the property and assets, rights, shares and bonds of the liquidated corporation.

The net proceeds of liquidation after settlement of liabilities shall be used to entirely reimburse the stock capital fully paid up and not redeemed, any surplus being distributed either in cash or securities among the shareholders.

Article 21 — DISPUTES

Any disputes likely to arise during the lifetime of the Corporation or during its liquidation, either between the shareholders and the Corporation or among the shareholders themselves, in relation to, or on account of corporate affairs, are referred to the jurisdiction of the Competent Courts in the judicial area of the Corporate Head Office.

To this effect, in case of dispute, each shareholder shall elect domicile within the judicial area of the aforementioned Courts, and any and all summons or notices will be validly and regularly served to this domicile.

Failing election of domicile, all and any summons or notices shall be validly served to the office of the Public Prosecutor (District Attorney) attached to the District Court (“Tribunal de Grande Instance”) of the place of the Corporate Head Office.

Updated November 2nd, 2004

Certified true copy,

/s/ Michel Ponthus
Michel PONTHUS
Secretary
Exhibit 10.1

SUBSCRIPTION AGREEMENT

among

COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE

and

ONEX PARTNERS LP

ONEX AMERICAN HOLDINGS II LLC

ONEX US PRINCIPALS LP

CGG EXECUTIVE INVESTCO, LLC

ONEX CORPORATION

US$ 84,980,000 7.75% Convertible Subordinated Bonds due 2012

Dated 27 September 2004

Confidential material has been redacted where indicated by the following symbol: [*]
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THIS SUBSCRIPTION AGREEMENT (the “Agreement”) is made on 27 September 2004

AMONG:

(1) COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE, a French société anonyme with a share capital of 23,363,436 euros having its registered office at 1, rue Léon Migaux-Massy, 91300 with registered number 969 202 241 RCS Evry (the “Company”), and

(2) ONEX PARTNERS LP, a limited partnership organised under the laws of Delaware with its registered office at 1209, Orange Street, Wilmington, Delaware 19801, U.S.A. c/o The Corporation Trust Company,

(3) ONEX AMERICAN HOLDINGS II LLC, a limited liability company organised under the laws of Delaware with its registered office at 15, East Dover Street, Dover (Kent County), Delaware 19901, U.S.A.,

(4) ONEX US PRINCIPALS LP, a limited partnership organised under the laws of Delaware with its registered office at United Corporate Services, 15 E. North Street, Dover, Delaware 19901, U.S.A.,

(5) CGG EXECUTIVE INVECTCO, LLC, a limited liability company organised under the laws of Delaware with its registered office at 874, Walker Road, Suite C, Dover (Kent County), Delaware, 19904, U.S.A.,

(6) ONEX CORPORATION, a corporation organised under the laws of the Province of Ontario with its registered office at 161, Bay Street, P.O. Box 700, Toronto, Ontario M5J 2S1, Canada (“Onex”) (Onex Corporation being a party to this Agreement solely with respect to sections 5.1, 5.3, 5.4 and 8.1).

The parties mentioned under (2) to (5) above shall be referred to collectively as the “Subscribers” and individually as a “Subscriber”.

PREAMBLE

WHEREAS, on 20 September 2004, the Board of Directors of the Company approved in principle the issuance to the Subscribers of US$ 84,980,000 nominal amount 7.75% Convertible Subordinated Bonds due 2012 (the “Bonds”), which Bonds are convertible into new ordinary shares with a 2 euros par value of the Company (each a “Share”) and are redeemable in cash or, in certain circumstances, at the option of the Company at Maturity, for new and/or existing Shares;
WHEREAS, the issuance of the Bonds by the Company to the Subscribers is subject to a number of conditions, and in particular, the approval by the shareholders of the Company at the Shareholders’ Meeting (as defined in section 3.1.2); and

WHEREAS, the purpose of this Agreement is to define the terms and conditions of the subscription of the Bonds by the Subscribers.

THE PARTIES HEREBY AGREE as follows:

1. DEFINITIONS

In this Agreement:

1.1 Terms beginning with capitalised letters shall have the meaning given to them in the Terms and Conditions (as defined in section 2.2) save for the terms expressly defined in this Agreement.

1.2 A reference to a section or schedule, unless the context otherwise requires, is a reference to a section or schedule to this Agreement.

1.3 An expression of notice, agreement, waiver or satisfaction, pursuant to the terms of this Agreement, by one Subscriber will constitute notice, agreement, waiver or satisfaction for all the Subscribers.

1.4 The headings and sub-titles are for information purposes only and have no bearing on the interpretation of this Agreement.

2. ISSUE OF THE BONDS AND SUBSCRIPTION

2.1 On the Issue Date (as defined in section 4.1), upon the terms and subject to the conditions of this Agreement, the Company agrees to issue to the Subscribers, and the Subscribers undertake to subscribe for, the Bonds for the Subscription Price (as defined in section 4.2) in accordance with the allocation set forth in schedule A.

2.2 The Company and the Subscribers each agree that the terms and conditions of the Bonds (the “Terms and Conditions”), if and when issued in accordance with the terms and subject to the conditions of this Agreement, shall be the terms and conditions set forth in schedule B (the “Draft Terms and Conditions”) together with any amendments or modifications expressly and specifically required (a) by the Autorité des Marches Financiers (the “AMF”) or (b) by reason of any change in laws and regulations coming into force prior to the Issue Date.
3. CONDITIONS PRECEDENT TO THE ISSUE AND SUBSCRIPTION OF THE BONDS

3.1 Mutual Conditions

The obligation of the Company to issue the Bonds to the Subscribers and the obligation of the Subscribers to subscribe and pay for the Bonds shall be subject to the prior satisfaction or waiver by each of the Company and the Subscribers of the following conditions:

3.1.1 the receipt of all governmental and regulatory approvals necessary for the issuance of the Bonds to the Subscribers and the issuance of Shares pursuant to the Bonds, including the approval by the AMF (visa) on the Note d'Opération (the “Note d'Opération”) filed with the AMF on 20 September 2004 and all approvals required to permit the issuance and listing on the first market (Premier Marché) of Euronext Paris S.A. of up to 4,599,900 Shares as soon as (i) the Bonds are converted in whole or in part into Shares in accordance with the Terms and Conditions (“Conversion of Bonds”), (ii) the Bonds are redeemed by the Company at maturity in accordance with the Terms and Conditions through the issuance of new Shares (“Redemption of Bonds”), or (iii) Shares are issued by the Company for purposes of paying interest which has accrued on the Bonds in accordance with the Terms and Conditions (“Share Interest Payment”);

3.1.2 the approval by shareholders of the Company at the ordinary and extraordinary general meeting of the shareholders of the Company held in accordance with section 7.1 hereof (the “Shareholders’ Meeting”) of (a) the issuance of the Bonds to the Subscribers and the issuance of Shares pursuant to the Bonds, (b) the creation and reservation of the Shares into which the Bonds may be converted, redeemed or issued as payment of interest, in favour of the holders of the Bonds, and (c) the corresponding suppression of shareholders’ preferential subscription rights on the Bonds and the Shares into which the Bonds may be converted, redeemed or issued as payment of interest; and

3.1.3 (i) there shall not be in effect any statute, regulation, order, decree or judgment in any jurisdiction which makes illegal or enjoins or prevents any of the matters set forth in section 3.1.2; and (ii) there shall not have been commenced by any unrelated third party, and be continuing, any action, proceedings or order which seeks to prevent or enjoin the completion of any of the matters referred to in section 3.1.2 and/or any action required to be taken by the Board of Directors in order to cause the issuance of the Bonds to the Subscribers.

3.2 Company’s Conditions

The obligation of the Company to issue the Bonds to the Subscribers shall be subject to prior satisfaction of the following further conditions, either of which may be waived in whole or in part by the Company:

3.2.1 the Subscribers shall have paid the Subscription Price (as defined in section 4.2) to the Company on the Issue Date in accordance with the terms and subject to the conditions of this Agreement;
3.2.2 there shall have been no amendments or modifications to any of sections 3.2 to 3.8, inclusive, 5.1 to 5.7, inclusive, 6.1 or 6.2 of the Draft Terms and Conditions that are, individually or in the aggregate, adverse to the Company from a financial point of view; provided, however, that the Company shall be entitled to the benefit of this condition only if the Company has fully complied with its covenants in section 7.7;

3.2.3 the representations and warranties of the Subscribers set out in section 6.2 of this Agreement shall be true and accurate in all respects as though expressly made at and as of the Issue Date; and

3.2.4 the Subscribers shall have delivered to the Company a certificate signed by the Officers of the Subscribers in the form set out in schedule C.

3.3 Subscriber’s Conditions

The obligation of the Subscribers to subscribe for the Bonds shall be subject to the prior satisfaction of the following further conditions, any of which may be waived in whole or in part by the Subscribers:

3.3.1 the Company shall have delivered to the Subscribers all of the documents and information specified in schedule D in form and in substance satisfactory to the Subscribers;

3.3.2 (a) the Company shall have complied with its obligations pursuant to section 7.4 below and (b) the Subscribers shall be reasonably satisfied with the results of their due diligence investigations (conditions (a) and (b) will be deemed to have been satisfied if the Subscribers shall not have notified the Company to the contrary in writing or prior to 22 October 2004);

3.3.3 no material adverse change shall have occurred in the business, affairs, assets, financial performance or condition or prospects of the Company or of the Group (as defined in section 6.1.1) (a “Material Adverse Event”) between 1 September 2004 and the Issue Date;

3.3.4 there shall not have been any change in national or international financial, political or economic conditions, currency exchange rates, exchange controls or banking and capital markets conditions as would be likely to materially prejudice dealings in the Shares or the value of the Shares, the rights of the Subscribers under the Bonds, the value of the Bonds or the obligations of the Company under the Bonds;

3.3.5 the representations and warranties of the Company set out in section 6.1 shall be true and accurate in all respects as though expressly made at and as of the Issue Date;

3.3.6 the Company shall have satisfied all of the covenants on its part to be performed or satisfied hereunder on or before the Issue Date;
3.3.7 all third-party approvals required under any credit facility, indenture, contractual or other obligation binding or affecting the Company in connection with the issuance of the Bonds to the Subscribers and the issuance of Shares upon conversion of the Bonds shall have been received on terms satisfactory to the Subscribers;

3.3.8 the Company shall have delivered to the Subscribers a certificate signed by an Officer of the Company in the form set out in schedule E;

3.3.9 Mr. Andrew J. Sheiner shall have been elected to the Board of Directors of the Company, such appointment becoming effective upon the payment by the Subscribers of the Subscription Price to the Company;

3.3.10 the Registration Rights Agreement executed and delivered by the Company in the form set out in schedule F (the “Registration Rights Agreement”) shall remain in full force and effect;

3.3.11 the Subscribers shall have received legal opinions from counsel to the Company, the substantial forms of which are set out in schedules G and H, that are reasonably satisfactory in form and scope to the Subscribers; and

3.3.12 there shall have been no amendments or modifications to any of sections 3.2 to 3.8, inclusive, 5.1 to 5.7, inclusive, 6.1 or 6.2 of the Draft Terms and Conditions that are, individually or in the aggregate, adverse to the Subscribers from a financial point of view (including, for clarity, provisions in respect of timing and process).

The Subscribers shall promptly notify the Company if they have conclusively determined that one or more of the conditions set forth in this section 3.3 will not be satisfied by the Company on the Issue Date or waived by the Subscribers.

3.4 Failure to Satisfy Conditions Precedent

3.4.1 Except as otherwise agreed upon by the Subscribers and the Company, if the mutual conditions referred to in section 3.1 have not been satisfied (or waived in whole or in part by both the Subscribers and the Company, in writing), either the Subscribers or the Company can terminate this Agreement and, as a result, the Subscribers will cease to have any obligation to subscribe to the Bonds and the Company will cease to have any obligation to issue the Bonds.

3.4.2 Except as otherwise waived in whole or in part by the Subscribers in writing on or before the Issue Date, if the conditions precedent set forth in section 3.3 have not been satisfied and the Subscribers have so notified the Company, the Subscribers can terminate this Agreement and, as a result, the Subscribers will cease to have any obligation to subscribe to the Bonds and the Company will cease to have any obligation to issue the Bonds.

3.4.3 Except as otherwise waived in whole or in part by the Company in writing on or before the Issue Date, if the condition precedent set forth in section 3.2 has not been satisfied and the Company has so notified the Subscribers, the Company
can terminate this Agreement and, as a result, the Subscribers will cease to have any obligation to subscribe to the Bonds and the Company will cease to have any obligation to issue the Bonds.

3.4.4 If the Subscribers or the Company terminate this Agreement pursuant to sections 3.4.1, 3.4.2 or 3.4.3 above, each party shall cease to have any obligation or liability to each other under this Agreement, except as described in sections 5.3 and 14.4.

4. PAYMENT OF THE SUBSCRIPTION PRICE

4.1 The issue of the Bonds shall take place on the day (the “Issue Date”) that is (i) three (3) Business Days after the later of the date of the Shareholders’ Meeting and the date that all required regulatory approvals for the issuance of the Bonds and the issuance of Shares upon conversion of the Bonds have been obtained by the Company or (ii) such other date agreed upon by the Company and the Subscribers in writing; provided that in no event shall the Issue Date be any later than 31 December 2004. If the Issue Date does not occur on or prior to 31 December 2004, this Agreement will terminate automatically on 1 January 2005, except as described in sections 5.3 and 14.4. The Issue Date shall be a Business Day and shall be notified by the Company to the Subscribers no later than three (3) Business Days prior to such date.

4.2 On the Issue Date, and in accordance with the terms and subject to the conditions of this Agreement, the Subscribers shall pay to the Company in US Dollars an aggregate amount equal to 100% of the principal amount of the Bonds (being US$ 84,980,000) (the “Subscription Price”) and the Company shall issue the Bonds to the Subscriber in accordance with the allocation set forth in schedule A.

4.3 Payment Terms

4.3.1 The Subscription Price will be paid into an account of the Company denominated in US Dollars in accordance with the transfer instructions to be delivered to the Subscribers not later than three (3) Business Days prior to the Issue Date.

4.3.2 The Company shall ensure that promptly following the issue of the Bonds the necessary recordings are made in the shareholders’ register held by BNP Paribas Securities Services acting on behalf of the Company.

5. ARRANGEMENT FEE AND EXPENSES

5.1 The Company undertakes to pay, upon subscription of the Bonds by the Subscribers, to Onex a cash arrangement fee equal to US$ [*].

5.2 Furthermore, the Company, upon subscription of the Bonds by the Subscribers, shall on demand pay in cash to the Subscribers the amount of all reasonable and duly evidenced out-of-pocket costs and expenses incurred by the Subscribers in connection with the transactions contemplated by this Agreement up to a maximum amount of US$ [*] (including legal fees incurred up to the Issue Date).
5.3 In the event that the condition precedent in section 3.1.2 is not satisfied as at the Latest Approval Date (as defined in section 7.1), then, provided that the Subscribers have not delivered to the Company prior to the earlier of the date of the Shareholders’ Meeting and the Latest Approval Date written notice that they have conclusively determined that one or more of the conditions set forth in section 3.3 will not be satisfied by the Company on the Issue Date or waived by the Subscribers, the Company shall pay or cause to be paid a breakage fee of US$ 5,500,000 in cash to Onex (the “Breakage Fee”) within five (5) Business Days after the earlier of:

5.3.1 the date of the Shareholders’ Meeting;

5.3.2 29 October 2004, if the Latest Approval Date (as defined in section 7.1) is not extended in accordance with section 7.1;

5.3.3 30 November 2004, if the Latest Approval Date is extended in accordance with section 7.1 (other than clause (i) thereof, in which case clause 5.3.1 above shall apply) to a date that is after 29 October 2004 and on or before 30 November 2004; and

5.3.4 31 December 2004, if the Latest Approval Date is extended in accordance with section 7.1 to a date that is after 30 November 2004 and on or before 31 December 2004.

In the event the Company pays or causes to be paid the Breakage Fee in accordance with the provisions of this section 5.3, the Company shall not be liable to the Subscribers for the reimbursement of the Subscribers’ out-of-pocket expenses as described in section 5.2, nor for any other form of liability or payment of damages, indemnification, compensation of losses, costs and/or expenses to the benefit of the Subscribers, which the Subscribers expressly acknowledge and agree, and the Subscribers shall be deemed to waive any right of action against the Company as well as any right under this Agreement, including any right to damages or any form of indemnification from the Company for any reason whatsoever in connection with or in relation to this Agreement or the transactions contemplated therein, in all cases other than as provided in section 12.4. This Agreement shall automatically terminate upon payment of the Breakage Fee, save for this section 5.3 and sections 12 (to the extent provided in section 12.4), 13, 14 (excluding section 14.4), 16, 17 and 18.

5.4 All consideration due from the Company under this Agreement shall be deemed to be exclusive of any value added tax ("VAT"). If VAT is chargeable thereon, an amount equal to such VAT (in addition to the consideration in respect of which it is chargeable) shall be paid to the Subscribers or to Onex, as applicable, in addition to and at the same time as the relevant consideration.

5.5 Where this Agreement requires the Company to reimburse the Subscribers for any costs or expenses incurred by the Subscribers, the Company shall also at the same time pay and indemnify the Subscribers against all VAT incurred by the Subscribers in respect of the costs or expenses save to the extent that the Subscribers are entitled to repayment or credit in respect of such VAT.
6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Company

The Company represents and warrants to the Subscribers and agrees with the Subscribers, as follows:

6.1.1 Corporate Existence and Power

The Company and each of the companies controlled by it within the meaning of Article L.233-3 of the Code de commerce (collectively hereinafter the “Subsidiaries” and, individually, a “Subsidiary”, and the Company and its Subsidiaries collectively hereinafter the “Group”) are duly organised and validly existing pursuant to laws and regulations currently in effect and are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and possess, both in France and abroad, all material permits, licenses, approvals and authorizations that are necessary to conduct their respective businesses. The Company is registered with the commercial and companies registry of Evry under no. 969 202 241, its bylaws have been approved in compliance with all applicable law and the members of its Board of Directors and the chairman of such Board of Directors have been duly appointed and perform their respective duties in compliance with French law.

6.1.2 The Company has a share capital as of the date hereof of 23,363,436 euros represented by 11,681,718 ordinary shares of the same class giving their holders identical rights and all of the issued and outstanding share capital of the Company has been validly issued and is fully paid.

6.1.3 Except as set forth in the Document de Référence filed with the AMF on 10 May 2004 and all subsequent publicly filed updates and amendments thereto (the “Document de Référence”), the Company’s annual report on Form 20-F for the year ended 31 December 2003 (the “CGG 20-F”) and Schedule I, there are no outstanding shares, securities, options, commitments, instruments or warrants giving access to a portion of the capital or voting rights of the Company nor any other undertakings to issue such shares, securities, options, commitments, instruments or warrants.

6.1.4 Enforceability

This Agreement, the Terms and Conditions and the Registration Rights Agreement have been duly authorized and, when executed and delivered by the Company, will constitute valid and legally binding agreements which shall be enforceable against the Company in accordance with their terms.
6.1.5 Validity of Bonds and Shares

(a) On the Issue Date, the Bonds will have been validly authorised by the requisite corporate approvals including all necessary approvals of the Board of Directors and the shareholders of the Company;

(b) On the Issue Date, subject to the payment of the Subscription Price by the Subscribers, the Bonds will be validly issued and will constitute binding obligations of the Company enforceable in accordance with the Terms and Conditions;

(c) As of the date of this Agreement, the Board of Directors has taken all actions presently within its power and required by law to cause the issuance of the Bonds to the Subscribers;

(d) Upon completion of the issuance of the Bonds, the Bonds shall be validly issued, freely transferable and fully paid and there are not at the date of this Agreement and there shall not be at the Issue Date any options, commitments, warrants or other subscription, purchase, pre-emption rights or third-party rights with respect to the Bonds;

(e) On the Issue Date, the Bonds shall be issued entirely outside France; and

(f) The Shares to be issued upon conversion, or issued or delivered upon redemption or payment of interest of the Bonds have been duly authorised by the Company and are, in the case of existing Shares and in the case of new Shares will be upon their issuance, validly issued and fully paid and free from any right of pledge or usufruct, preferential subscription right (droit préférentiel de souscription) or priority subscription period (délai de priorité).

6.1.6 Compliance with Law

(a) The Company has not since 1 January 2003 violated the continuous disclosure provisions provided by any law, regulation or stock exchange rule applicable to the Company.

(b) Neither the Company nor any of its Subsidiaries has since 1 January 2003 violated any applicable provision of any law, regulation or stock exchange rule not referred to in paragraph (a) above, except for violations of laws, regulations or rules that have not had and will not have, individually or in the aggregate, a Material Adverse Effect (as defined in section 6.1.8).

6.1.7 Compliance of Contemplated Transactions with Agreements, By-Laws and Laws

(a) The Company has all third-party approvals required under any credit facility, indenture, contractual or other obligation binding or affecting the Company in connection with (A) the issuance of the Bonds to the Subscribers and (B) the issuance of Shares upon conversion of the Bonds;
(b) The issuance, subscription, conversion and transfer of the Bonds, the use of the proceeds therefrom, the execution and performance of this Agreement and the Registration Rights Agreement by the Company and the performance by the Company of its obligations pursuant to the Terms and Conditions (x) do not and shall not violate any legislation, regulation or decision applicable to the Company or any of its Subsidiaries, or the provisions of its or their by-laws (y) do not and shall not constitute a breach of any indenture, mortgage, deed of trust, loan agreement (including but not limited to the revolving credit facility agreement (the “Senior Credit Facility”) dated 12 March 2004 by and between the Company as principal company, the Company, CGG Marine and Sercel as borrowers, Natexis Banques Populaires as arranger, Natexis Banques Populaires as agent and the Lenders (as such term is used in the Senior Credit Facility) and the Indenture (the “Indenture”) dated as of 22 November 2002, among the Company, any Guarantors (as such term is used in the Indenture) and The Chase Manhattan Bank as trustee, relating to the Company’s Series A and Series B 10-5/8% Senior Notes due 2007 or other agreement or other instrument binding upon the Company or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company except in such case as would not have a Material Adverse Effect, and (z) do not and shall not constitute an event of default allowing any creditor to accelerate any indebtedness for borrowed money contracted or guaranteed by the Company or any of its Subsidiaries.

(c) Except for the approval (visa) of the AMF on the Note d’Opération, no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required to be obtained by the Company for the performance by the Company of its obligations under this Agreement, the Registration Rights Agreement and the Bonds or for the consummation by the Company of the transactions contemplated by this Agreement;

(d) The issuance of the Bonds hereunder, in accordance with the terms and subject to the conditions of this Agreement, outside of France does not require any decision, publication, notice or authorization to or by the Company or any administrative authority, other than such as have been obtained or shall be obtained by the Company by the Issue Date; and

(e) All the Shares that are to be delivered pursuant to the Terms and Conditions shall be capable of being immediately listed on Euronext Paris S.A. and shall be so listed when delivered.

6.1.8 Default; Compliance

(a) Since 1 January 2004, no event has occurred or circumstance arisen that, had the Bonds already been issued, would (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other
requirement) constitute an event described under section 3.6 or 3.7 of the Terms and Conditions;

(b) Neither the Company nor any of its Subsidiaries is in default in the performance of or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement (including but not limited to the Senior Credit Facility and the Indenture), lease or other agreement or instrument to which it is a party or by which it may be bound or to which any of its properties may be subject, for which the failure to perform or observe (i) has had or would be likely to have a material adverse effect on the business, affairs, assets, financial performance or condition, or prospects of the Company or of the Group, taken as a whole, or (ii) materially adversely affects or would be likely to materially adversely affect the capacity of the Company to perform its obligations under the Bonds and this Agreement (both (i) and (ii), a “Material Adverse Effect”);

6.1.9 Financial Statements
The audited consolidated and statutory financial statements of the Company for the fiscal years ended 31 December 2003, 2002 and 2001 (the “Annual Accounts”) as certified by the statutory auditors of the Company as they appear (or are incorporated by reference) in the Document de Référence and the audited consolidated financial statements for the fiscal years ended 31 December 2003, 2002 and 2001 (the “20-F Annual Accounts”) as they appear in the CGG 20-F give a true and fair view of the financial position of the Company and its consolidated Subsidiaries and of their financial results as at the dates on which such accounts were closed; the Annual Accounts and the 20-F Annual Accounts have been prepared in conformity with generally accepted accounting principles in France; the Annual Accounts and the 20-F Annual Accounts have been certified by the Company’s statutory auditors as required under French and U.S. law, respectively.

6.1.10 No Material Change
Since 1 January 2004 (or in the case of subclause (5) below, 1 September 2004), and except as set forth in the Document de Référence and the CGG 20-F, (1) there has been no variation in the total amount of the share capital and the premiums related to the share capital of the Company nor have the reserves been distributed except as may occur as a result of the exercise of a stock option issued pursuant to the stock option plans described in the Document de Référence; (2) no securities or options exercisable either presently or in the future for shares of the Company have been granted other than with respect to the issuance of the Bonds; (3) except, with respect to this subclause (3) only, for any transaction or agreement entered into or action taken with respect to Petroleum Geo-Services ASA after the date of this Agreement but on or before the Issue Date, neither the Company nor any of its Subsidiaries has entered into any transactions, other than those entered into in the ordinary course of
business, which, individually or in the aggregate, would be material for the Company or the Group; (4) neither the Company nor any of its Subsidiaries has sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree which has or would reasonably be expected to have a Material Adverse Effect; (5) there has not occurred any Material Adverse Event; and (6) there has been no significant change in the methods used by the Company to establish its audited consolidated and statutory financial statements.

6.1.11 Indebtedness

The total “net debt” of the Company, as defined and set forth on page 35 of the CGG 20-F, has not materially changed since 31 December 2003, except for the increase linked to the financing necessary to the acquisitions made by Sercel described in Section 7.1.a of the Document de Référence filed with the AMF on 10 May 2004, the aggregate amount of such financing being 33.9 million euros.

6.1.12 Litigation

Except as set forth in the Document de Référence and the CGG 20-F, neither the Company nor any of its Subsidiaries is involved in, has received written notice of or, to the best of the Company’s knowledge, has been threatened to become involved in, any administrative or arbitration proceeding that has, or is likely to have, taken alone or together with other proceedings, a Material Adverse Effect.

6.1.13 Note d’Opération, Document de Référence and CGG 20-F

As of their respective dates, the information contained in the Note d’Opération and the Document de Référence is true and accurate and includes, to the extent required by applicable laws and regulations, all the information required for investors to form a judgment on the value of the assets and liabilities, the business, the financial situation, the financial results and the future prospects of the Company and its Subsidiaries and nothing has been omitted which would affect the reliability of this information. As of 1 June 2004, the information contained in the CGG 20-F was true and complete in all material respects and did not contain any untrue statement of a material fact and did not omit to state a material fact required by applicable law or regulation to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances under which they were made.

6.1.14 No Manipulation of Securities Prices

Neither the Company nor any of its Subsidiaries has taken or will take, directly or indirectly, any action designed to, or that constitutes or might reasonably be expected to, cause or result in manipulation of the price of any security of the Company to facilitate the issuance, or resale of the Bonds.
6.1.15 Investment Company Act

The Company is not and, after giving effect to the issuance of the Bonds and applying the net proceeds thereof, will not be an “investment company”, or an entity “controlled” by an “investment company”, as such terms are defined in the United States Investment Company Act of 1940, as amended.

6.1.16 PFIC

The Company was not a “passive foreign investment company” (“PFIC”) within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986 as amended, for the year ended 31 December 2003, and taking into account the proceeds from the issuance of Bonds believes that it will not become a PFIC for the year ended 31 December 2004 and does not expect to become a PFIC for any future taxable year.

6.1.17 No General Solicitation in the U.S.

Neither the Company, nor any affiliate of the Company (as defined in Rule 501(b) of the U.S. Securities Act of 1933, as amended (the “Securities Act”)), nor any person acting on its or their behalf has offered or sold the Bonds or the Shares to be issued upon Conversion of Bonds, Redemption of Bonds or Share Interest Payment by means of any general solicitation or general advertising as those terms are used in Regulation D under the Securities Act or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act.

6.1.18 Directed Selling Efforts

Neither the Company nor any affiliate (as defined in Rule 405 under the Securities Act) has engaged or will engage in any directed selling efforts (within the meaning of Regulation S of the Securities Act) with respect to the Bonds or the Shares to be issued or delivered upon Conversion of Bonds, Redemption of Bonds or Share Interest Payment.

6.1.19 Foreign Issuer

The Company is a “foreign issuer” as such term is defined in Rule 902(c) of Regulation S of the Securities Act.

6.1.20 No Substantial U.S. Market Interest

The Company reasonably believes that there is no “Substantial U.S. market interest” within the meaning of Rule 902(j) of Regulation S of the Securities Act in the Company’s debt securities or Shares.

6.1.21 No Integration with Other Offerings

Within the preceding six months neither the Company, nor any of its affiliates (as defined in Rule 501(b) of the Securities Act), nor any other person acting on its or their behalf has offered or sold to any person any bonds, or any securities
of the same or a similar class as the Bonds or Shares, other than Bonds offered or sold to the Subscribers hereunder. The Company will take reasonable precautions designed to ensure that any offer or sale, direct or indirect, in the United States or to any U.S. person (as defined in Rule 902 of Regulation S of the Securities Act) of any Bonds, Shares or any substantially similar security issued by the Company, within six months subsequent to the date on which the distribution of the Bonds has been completed, is made under restrictions and other circumstances reasonably designed not to affect the status of the offer of the Bonds and the Shares to be issued upon Conversion of Bonds, Redemption of Bonds or Share Interest Payment as transactions exempt from the registration provisions of the Securities Act, other than such actions as are contemplated by the Registration Rights Agreement.

6.1.22 Registration under the Securities Act

(a) Except as provided for in the registration rights agreements dated as of (x) 10 December 1999 between The Beacon Group Energy Investment Fund II, L.P. and the Company, (y) 22 November 2000 between the Company, RBC Dominion Securities Corporation, Salomon Brothers International Limited, Credit Lyonnais and CIBC World Markets Corp. and (z) 8 February 2002 between the Company and RBC Dominion Securities Corporation and Salomon Smith Barney, Inc., there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company (i) to offer or sell Shares to or for such person or (ii) to file a registration statement under the Securities Act, or a prospectus or similar document under the securities laws of any country other than the U.S., with respect to any securities of the Company;

(b) Subject to the accuracy of the representations and warranties of the Subscribers contained in sections 6.2.4, 6.2.8, 6.2.9, 6.2.10, 6.2.11, 9.6 and 9.7, the Securities Act does not require that the Bonds be registered thereunder to permit the offer, sale and delivery of the Bonds in the manner contemplated by this Agreement and the Terms and Conditions; and

(c) Subject to the accuracy of the representations and warranties of the Subscribers contained in sections 6.2.4, 6.2.8, 6.2.9, 6.2.10, 6.2.11, 9.6 and 9.7, the Securities Act does not require that the Shares issuable upon a Conversion of Bonds, Redemption of Bonds or Share Interest Payment be registered under the Securities Act.

6.1.23 Stamp Taxes

No registration, stamp, documentary, issue, transfer, stock exchange or other tax or duty (other than fixed duties and stamp taxes, the amount of which is nominal) is payable in France in connection with the creation, issue or delivery of the Bonds or the execution, performance and enforcement of this Agreement.
or the Terms and Conditions and with the creation, issue or delivery of the Shares (including upon the payment of interests on the Bonds by way of the delivery or issuance of Shares).

6.1.24 Withholding

Provided that the Subscribers do not hold any Shares in the Company, the Company is not required under the laws of France to make any deduction for or on account of any tax, levy, impost, duty, withholding, assessment or governmental charge of whatever nature levied, imposed, collected, withheld, deducted or assessed by the Republic of France or a political subdivision or other authority thereof or therein having power to tax (a “Tax”) from any payment of principal or interest under the Bonds regardless of whether these payments are made in cash or in Shares.

6.1.25 Payment of Taxes

Except in each case as would not have a Material Adverse Effect, each of the Company and its Subsidiaries have filed all tax returns which have been required to be filed and have paid all taxes shown thereon and all assessments received by them or any of them to the extent that such taxes have become due and are not being contested in good faith, and there is no tax deficiency which has been or is expected to be asserted or threatened against the Company or any of its Subsidiaries.

6.2 Representations and Warranties of the Subscribers

The Subscribers represent and warrant to the Company that:

6.2.1 Onex Partners LP and Onex US Principals LP are limited partnerships duly organised and validly existing under the laws of Delaware and Onex American Holdings II LLC and CGG Executive Investco, LLC are limited liability companies organised under the laws of Delaware.

6.2.2 This Agreement has been duly authorized, executed and delivered by or on behalf of each of the Subscribers and shall be binding on and enforceable against the Subscribers in accordance with its terms.

6.2.3 The execution and delivery by the Subscribers of, and the performance by the Subscribers of their obligations under, this Agreement will not contravene (i) any applicable law, (ii) the constating documents or limited partnership agreement governing the affairs of the relevant Subscriber, or (iii) any agreement or other instrument binding upon any of the Subscribers or any judgment, order or decree of any governmental body, agency or court having jurisdiction over any of the Subscribers.

6.2.4 Neither the Subscribers nor any of their affiliates (as defined in Rule 405 under the Securities Act) or any person acting on behalf of any of them has engaged or will engage in any directed selling efforts (within the meaning of Regulation S
of the Securities Act) with respect to the Bonds or the Shares to be issued upon Conversion of Bonds, Redemption of Bonds or Share Interest Payment.

6.2.5 No Subscriber is a French resident for French taxation purposes or has its effective seat of management in France and no Subscriber has or will allocate the Bonds (and/or the returns thereon) to a French branch or subsidiary it may have.

6.2.6 No Subscriber is holding any shares of the Company.

6.2.7 The Subscribers have, or have access to, the necessary financial means in order to fully subscribe and pay for the Bonds.

6.2.8 The Subscribers are each “accredited investors” as defined in Rule 501(a) of Regulation D under the Securities Act and the Subscribers are also knowledgeable, sophisticated and experienced in making, and are qualified to make, decisions with respect to an investment decision like that involved in the purchase of the Bonds and are not acquiring the Bonds, the Shares to be issued upon Conversion of Bonds, Redemption of Bonds or Share Interest Payment with a view to their distribution.

6.2.9 The Subscribers understand that (i) their acquisition of the Bonds pursuant to this Agreement and, subject to the provisions of the Registration Rights Agreement, the Shares to be issued upon Conversion of Bonds, Redemption of Bonds or Share Interest Payment, have not been registered under the Securities Act or registered or qualified under any state securities law, (ii) the Bonds and, subject to the provisions of the Registration Rights Agreement, the Shares to be issued on Conversion of Bonds, Redemption of Bonds or Share Interest Payment are “restricted securities” under the federal securities laws inasmuch as they are being acquired or will be acquired from the Company in transactions not involving a public offering and (iii) the Shares to be issued on Conversion of the Bonds, Redemption of Bonds or Share Interest Payment, therefore cannot be resold, and agrees that it will not resell the Bonds, the Shares to be issued on Conversion of the Bonds Redemption of Bonds or Share Interest Payment, unless they are registered under the Securities Act or pursuant to an exemption from registration. In connection herewith, the Subscribers represent that they are familiar with SEC Rule 144, as presently in effect, and understand the resale limitations imposed thereby and by the Securities Act.

6.2.10 Each Subscriber represents and agrees that neither it nor any of its affiliates (as defined in Rule 501(b) of the Securities Act) nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer and sale of the Bonds, or the Shares to be issued upon Conversion of Bonds, Redemption of Bonds or Share Interest Payment in the United States.

6.2.11 Each Subscriber undertakes that, insofar as the Shares to be issued or delivered on Conversion of Bonds, Redemption of Bonds or Share Interest Payment are
“restricted securities” as defined in Rule 144(a)(3) under the Securities Act, it will not deposit any such Shares in any unrestricted American depositary receipt facility of the Company, including, without limitation, the Company’s American Depositary Receipt Facility maintained by The Bank New York.

6.2.12 No consent, approval, authorization or order of, or qualification with, any governmental body or agency is required to be obtained by the Subscribers for the performance by the Subscribers of their obligations under this Agreement, the Registration Rights Agreement and the Bonds or for the consummation by the Subscribers of the transactions contemplated by this Agreement.

7. COVENANTS OF THE COMPANY

The Company covenants with the Subscribers as follows:

7.1 The Company will convene the Shareholders’ Meeting within the time contemplated in this section 7.1, shall use its reasonable best efforts to obtain a quorum of shareholders on first call, and shall propose and recommend to the Shareholders’ Meeting, inter alia, the following:

7.1.1 the approval by shareholders of the Company at the Shareholders’ Meeting of (a) the issuance of the Bonds to the Subscribers and the issuance of Shares pursuant to the Bonds, (b) the creation and reservation of the Shares into which the Bonds may be converted, redeemed or issued as payment of interest, in favour of the holders of the Bonds, (c) the corresponding suppression of shareholders’ preferential subscription rights on the Bonds and the Shares into which the Bonds may be converted, redeemed or issued as payment of interest, (d) the corresponding delegation to the Board of Directors to complete the issuance of Bonds to the Subscribers, and (e) the amendment of the by-laws (statuts) of the Company to permit the appointment of observers (censeurs);

7.1.2 the election of Mr. Andrew J. Sheiner to the Board of Directors of the Company;

7.1.3 The agenda of the Shareholders’ Meeting shall also contain a proposal for the approval of an offering of Shares in accordance with Art. L. 443-5 of the French Labor Code.

The Shareholders’ Meeting shall be held on 29 October 2004 (on first call) or such later date (i) on or before 15 November 2004 (on second call) as may be required by the Subscribers or the Company due solely to a failure to achieve quorum at the Shareholders’ Meeting convened on first call on a date not later than 29 October 2004, (ii) or before 30 November 2004 as may be required by either the Subscribers or the Company due solely to a delay by the AMF in issuing its approval (visa) on the Note d’Opération or (iii) on or before 31 December 2004 as the Subscribers may agree in writing in their sole and absolute discretion. The date by which the Shareholders’ Meeting is required by this section 7.1 to be held is herein referred to as the “Latest Approval Date.”
7.2 The Company shall prepare and file the Note d’Opération (including an update of the Document de Référence) provided for in section 3.1.1 and use its reasonable best efforts to obtain the registration (visa) of the AMF needed to issue the Bonds in accordance with the Terms and Conditions by no later than 28 October 2004.

7.3 If, following publication of the Note d’Opération and the Document de Référence and prior to the Issue Date, any event shall occur or condition exist as a result of which it is required as a matter of French law to amend or supplement the Note d’Opération and the Document de Référence, in order to make the statements therein not misleading or in order for the Note d’Opération and Document de Référence to comply with applicable law, the Company shall promptly notify the Subscribers and prepare and furnish, at its own expense, to the Subscribers, an amended Note d’Opération and Document de Référence.

7.4 Between the date of this Agreement and 22 October 2004, for the purposes of due diligence of the Subscribers, the Company shall permit the Subscribers and the advisors of the Subscribers whose identity shall be notified to the Company reasonable access during business hours to such members of the Company’s management team and to such business, financial, legal, human resources, marketing and other information, and such facilities and assets of the Company, as the Subscribers may reasonably request and is reasonably necessary and customary in this type of transaction. This obligation is subject to (i) any confidentiality undertaking entered into by the Company with unrelated third parties, provided that the Company shall use its reasonable best efforts to promptly obtain any required consent to permit the disclosure of information that is subject to such undertaking and (ii) applicable laws and regulations (including guidelines from the AMF) regarding the disclosure of material information.

7.5 The Company shall use the proceeds of the Subscription Price for general corporate purposes as determined in its sole discretion.

7.6 The Company shall seek and use its reasonable best efforts to obtain, on terms satisfactory to the Subscribers in their sole and absolute discretion, (i) all third-party approvals required under any credit facility, indenture, contractual or other obligation binding or affecting the Company in connection with the issuance of the Bonds to the Subscribers and the issuance of Shares upon conversion of the Bonds and (ii) all regulatory approvals required to be obtained by the Company in connection with the issuance of the Bonds to the Subscribers and the issuance of Shares upon conversion of the Bonds.

7.7 The Company shall use its reasonable best efforts to obtain the approval of the AMF to issue the Bonds on the Terms of Conditions that would result in the satisfaction of the conditions set forth in sections 3.2.2 and 3.3.12;

7.8 The Company will not, and will not cause or permit any of its Subsidiaries to enter into or approve any transaction or matter or take any other action that would cause any of the representations and warranties of the Company hereunder to be untrue or any of the conditions herein to be unsatisfied as at the Issue Date or that would render the transactions contemplated hereby incapable of completion on the terms set forth.
7.9 Transferability of Shares

7.9.1 All of the Shares to be delivered upon a Conversion of Bonds, Redemption of Bonds or Share Interest Payment will be, when delivered, fully paid, free and clear of any charges, liens or encumbrances and freely transferable;

7.9.2 At the time of the delivery of Shares, upon a Conversion of Bonds, Redemption of Bonds or Share Interest Payment, as the case may be, there will exist no options, commitments, warrants or other subscription, purchase or third-party rights with regard to such Shares; and

7.9.3 The Company will be, immediately prior to any Redemption of Bonds or Share Interest Payment pursuant to which the Company will deliver existing Shares to the holder of the Bonds, the sole owner of, with full legal title to, all the existing Shares that will be delivered upon Redemption of Bonds or Share Interest Payment.

7.10 In connection with the issuance of Shares to be issued upon Conversion of Bonds, neither the Company nor any person acting on its behalf will take any action which would result in the Shares to be issued upon Conversion of Bonds being exchanged by the Company other than with the Company’s existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange.

8. MUTUAL COVENANTS

8.1 If the Company intends to make all or any part of any payment due upon a Redemption of Bonds or Share Interest Payment by the delivery of Shares, then each of the Company and its Subsidiaries, the Subscribers and Onex shall, and Onex and the Subscribers shall cause their Affiliates (as defined in section 10.4) to, refrain from trading the Shares from the next Business Day after the date of notice that Shares will be delivered until the date on which calculation of the payment amount is to be determined. It is specified for the avoidance of doubt that this provision will not apply to any market making activity carried out on a discretionary basis by an investment service provider acting on behalf of the Company or any of its Subsidiaries.

9. COVENANTS OF THE SUBSCRIBERS

9.1 Prior to the second anniversary of the Issue Date, the Subscribers together with their Affiliates will not acquire Shares such that they would be required under applicable French law to make an offer for all of the Shares that they do not then own. This provision shall lapse if a public offer is filed by an acquirer not affiliated nor acting in concert with the Subscribers with a view to acquiring all of the Shares and all equity related securities of the Company.

9.2 Upon and after the Issue Date, the Subscribers together with their Affiliates undertake not to transfer any Bonds to an entity which holds Shares in the Company and further undertake not to hold Shares and Bonds for a period of more than five (5) Business Days.
9.3 The Subscribers shall deliver to the Company on the Issue Date a certificate of limited partnership with respect to Onex Partners LP and Onex US Principals LP and a certificate of formation with respect to Onex American Holdings II LLC and CGG Executive Investco, LLC.

9.4 The Subscribers shall deliver to the Company on the Issue Date a certificate confirming that the Subscribers do not hold any shares in the Company as of the Issue Date.

9.5 The Subscribers shall deliver to the Company on the date hereof and on the Issue Date the certificate set out in schedule J confirming the power of the signatories to the Agreement and the Registration Rights Agreement acting on behalf of the Subscribers.

9.6 Each Subscriber undertakes that if, at some future time, it wishes to offer, sell, pledge, transfer or otherwise dispose of any of the Bonds or Shares to be issued on Conversion of Bonds, Redemption of Bonds or Share Interest Payment, it will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of any of the Bonds or such Shares except in compliance with the Securities Act, applicable state securities laws and the respective rules and regulations promulgated thereunder and if:

(a) the Bonds or such Shares are sold in accordance with Regulation S under the Securities Act;

(b) the Bonds or such Shares, if sold in the United States, are sold another “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act or a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, in a transaction not involving a public offering under the Securities Act;

(c) the Bonds or such Shares, if sold in the United States, are sold pursuant to the exemption provided by Rule 144 under the Securities Act; or

(d) the Bonds or such Shares, if sold in the United States, are sold pursuant to an effective registration statement under the Securities Act.

9.7 Each Subscriber undertakes that in connection with any transfer referred to in clause 9.6(b), it shall obtain from the transferee an executed letter in the form of Annex A to the Terms and Conditions and deliver the same to the Fiscal Agent prior to any such transfer, and that any such transfer shall be in a minimum of US$ 500,000 nominal value of Bonds (or the equivalent amount in Shares).

10. GOVERNANCE

10.1 The Subscribers are entitled to propose the appointment of one member of the Board of Directors of the Company (subject to proportional increase if the Board of Directors of the Company increases in size beyond 11 members). The Subscribers have proposed the appointment of Mr. Andrew J. Sheiner as member of the Board of Directors of the Company (the “Subscriber Board Member”). The Board of Directors of the Company has approved such proposal and undertakes to propose and recommend the appointment of Mr. Andrew J. Sheiner for approval at the Shareholders’ Meeting. The Subscriber Board Member will be entitled to a seat on the strategy committee and to remain on such
committee, or any committee with similar duties and responsibilities subject to the provisions of sections 10.3 and 10.4.

10.2 In the event that the Subscriber Board Member is incapacitated, dies, resigns, retires or is removed by the Subscribers during his mandate, the Subscribers shall be entitled to propose at a shareholders’ meeting of the Company or, if practically possible, at a meeting of the Board of Directors, the appointment of a new Subscriber Board Member. For this purpose, the Subscribers shall advise the identity of the new Subscriber Board Member to the Company five (5) Business Days before the meeting of the Board of Directors convening the shareholders’ meeting (or the meeting of the Board of Directors, as the case may be) at which it wishes to propose the appointment of the new Subscriber Board Member. Subject to sections 10.3 and 10.4, the Subscribers shall further be entitled to propose the renewal of the mandate of the Subscriber Board Member(s) or the appointment of a new Subscriber Board Member.

10.3 In the event the Company appoints additional directors so that the number of members composing the Board of Directors exceeds 11 members (including the Subscriber Board Member), then the Subscribers shall be entitled to nominate a total number of members equal to the greater of one and the number (F) determined in accordance with the following formula (rounded down if F includes a fractional amount that is less than 0.5 and rounded up if F includes a fractional amount that is 0.5 or greater):

\[ F = \left\lceil \frac{1}{3710.01.23.00Y00959BOT[E/O EDGAR 2} \right\rfloor \]

10.4 In the event that the aggregate of (a) the nominal amount of Bonds then held by the Subscribers and each of the corporations, partnerships, trusts, or unincorporated organizations of each Subscribers that such Subscriber, directly or indirectly, controls, or is controlled by or is under common control with such entity (“control” for the foregoing purposes being defined as the power derived from holding, directly or indirectly, a majority of the voting rights of an entity other than a limited partnership or, in the case of a limited partnership, a majority of the voting rights of the general partner thereof) (collectively hereinafter the “Affiliates”), (b) the product of the number of Shares then held by the Subscribers and their Affiliates that were received upon a Redemption of Bonds or Share Interest Payment and the Current Market Value as determined for purposes of each such payment, (c) the product of the number of Shares then held by the Subscribers and their Affiliates that were received upon a Conversion of Bonds and the effective conversion price per Share at which they were issued and (d) the product of the number of any other Shares then held by the Subscribers and their Affiliates and by their respective gross purchases prices is less than US$ 30 million, then the entitlement referred to in sections 10.1 and 10.3 will lapse and the Subscriber shall cause the Subscriber Board Member(s) to consent to removal.

10.5 To the extent that the Subscribers do not exercise their common right to propose the appointment of one or, if applicable, more members of the Board of Directors of the Company, the Subscribers shall nevertheless be entitled to appoint one observer (“censeur”) who shall have the right to attend all meetings of the Board of Directors of the Company. The observer shall be entitled to receive all the same materials and information as the members of the Board of Directors receive in respect of a particular
meeting of the Board of Directors. The provisions of sections 10.2 to 10.4 above shall apply *mutatis mutandis* to the Subscribers’ entitlement to appoint an observer.

### 11. TAX

The Company shall pay and, within five (5) Business Days of demand, indemnify the Subscribers against, any duly evidenced cost, loss or liability that the Subscribers incur in relation to any stamp duty, registration or other similar Tax payable in connection with the issue of the Bonds, the conversion or reimbursement of the Bonds or the payment of interest thereon, the entry into, performance and enforcement of this Agreement and the issue and/or delivery of Shares resulting from a Conversion of Bonds, Redemption of Bonds or Share Interest Payment.

### 12. INDEMNIFICATION

12.1 The Subscribers will indemnify and hold harmless the Company against any and all loss, liability, claim, damage and expense (including, without limitation, reasonable legal fees and other expenses incurred in connection with any suit, action, proceeding or investigation or any claim asserted, as such fees and expenses are incurred) whatsoever, as incurred, arising out of or relating to or resulting from any breach of the Subscribers’ representations, warranties and covenants under this Agreement.

12.2 The Company will indemnify and hold harmless the Subscribers against any and all loss, liability, claim, damage and expense (including, without limitation, reasonable legal fees and other expenses incurred in connection with any suit, action, proceeding or investigation or any claim asserted, as such fees and expenses are incurred) whatsoever, as incurred, arising out of or relating to or resulting from:

- 12.2.1 any breach of any of the Company’s representations, warranties and covenants under this Agreement; or
- 12.2.2 any untrue statement of a material fact contained or alleged to be contained in the CGG 20-F or the Note d’Opération or the Document de Référence or caused by any omission or alleged omission to state therein a material fact required by applicable law or regulation to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

12.3 Promptly after (x) receipt by an indemnified party under section 12.1 or 12.2 above of notice of the commencement by a third party of any action in respect of which a claim is to be made against an indemnifying party under such section or (y) the indemnified party becoming aware of any fact that the indemnified party reasonably expects may give rise to a claim by the indemnified party under section 12.1 or 12.2 above (whether in respect of a third party claim or otherwise), such indemnified party shall notify the indemnifying party in writing; provided that the omission so to notify the indemnifying party or any delay in so notifying shall not relieve the indemnifying party from liability hereunder, except to the extent that the indemnifying party is materially prejudiced by such omission or delay. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in the defence of such action and, to
the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof provided that (i) it proceeds with such defense on a timely basis, (ii) the assumption of defense does not conflict with the interests of the indemnified party, (iii) counsel selected by the indemnifying party is reasonably satisfactory to such indemnified party (which shall not, except with the consent of the indemnified party, be counsel to the indemnifying party). After notice from the indemnifying party to such indemnified party of its election so to assume the defense of any such action (and for such time as the conditions set forth in clauses (i), (ii) and (iii) above continue to be satisfied), the indemnifying party shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation and the reasonable costs of complying with its discovery and other continuing obligations in respect of such action. No indemnifying party shall, without the written consent of the relevant indemnified party, such consent not to be unreasonably withheld, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, such consent not to be unreasonably withheld, but if settled with such consent or if there shall be a final judgment for the plaintiff, the indemnifying party shall continue to be obliged hereunder to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. If the indemnifying party shall not have provided its written consent to any settlement proposed to be accepted by the indemnified party, the indemnifying party shall, at the option of the indemnified party upon written notice and to the extent that it has not already done so, assume the defense of any such action.

12.4 Upon payment of the Breakage Fee by the Company to Onex in accordance with section 5.3, neither the Subscriber nor the Company will be entitled to any right to indemnification pursuant to this section 12 other than (a) in respect of claims made or actions or proceedings commenced by any third party and (b) in respect of claims arising from any breach on or after the payment of the Breakage Fee by (x) the Company or the Subscriber of their respective obligations under section 16, or (y) the Company of its obligations under section 17 hereof.
13. NOTICES

13.1 Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, overnight delivery service such as DHL, or if sent by facsimile transmission with confirmation of receipt addressed as follows or to such other address as the relevant party shall have given notice of pursuant hereto:

If to the Subscribers, to :

    c/o Onex Partners LP
    c/o Onex Advisors Partners LP
    161, Bay Street, P.O. Box 700
    Toronto, Ontario, Canada M5J 2S1
    Attention: Nigel Wright/Andrew Sheiner
    Tel: + 1 (416) 362 7711
    Fax: + 1 (416) 362 5765

With a copy to:

    Shearman & Sterling LLP
    114 avenue des Champs Elysées
    75008 Paris, France
    Attention: Sami Toutounji
    Tel: + 33 1 53 89 70 00
    Fax: + 33 1 53 89 70 70

If to the Company, to:

    Compagnie Générale de Géophysique
    Tour Maine-Montparnasse
    33, avenue du Maine
    75755 Paris Cedex 15 France
    Attention: Michel Ponthus/Béatrice Place-Faget
    Tel: + 33 1 64 47 45 00
    Fax: + 33 1 64 47 34 29

With a copy to:

    Linklaters
    25, rue de Marignan
    75008 Paris, France
    Attention: Thomas N. O’Neill III
    Tel: + 33 1 43 56 43 43
    Fax: + 33 1 43 59 41 96

All such notices and other communications shall be deemed to have been given (w) if by personal delivery, on the day of such delivery; (x) if by registered or certified mail, on the seventh day after the mailing thereof; (y) if by overnight delivery service such as DHL, on the next business day after the mailing thereof; and (z) if by fax, on the next day following the day on which such fax was sent with receipt thereof confirmed by answer back.
14. MISCELLANEOUS

14.1 Should any clause or section of this Agreement be void, unenforceable, illegal or inapplicable, all other clauses or sections shall remain valid and binding on the parties. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

14.2 The schedules to this Agreement form an integral part of this Agreement.

14.3 The fact that the Subscribers or the Company have not exercised any right to which they are entitled under this Agreement, as well as any delay by the Subscribers or the Company in the exercise of the said rights, does not amount to a waiver of such rights, even where such omission or delay is the fault of the party who is entitled to such right. Similarly, the partial exercise of any right or the use of only one of the proceedings available to the Subscribers or the Company shall not prevent the Subscribers or the Company from fully exercising that right or exhausting all available proceedings. The remedies envisaged in this Agreement do not exclude recourse to legal proceedings (except as provided for in section 5.3).

14.4 The provisions of this Agreement shall remain in full force and effect after the signing thereof and the completion of the issue and delivery of the Bonds to the Subscribers on the Issue Date. In case of termination of this Agreement in accordance with its terms, sections 5.3, 6 (Representations and Warranties), 12 (Indemnification), 13 (Notices), 16 (Confidentiality), 17 (Exclusivity) and 18 (Governing Law and Jurisdiction) in this Agreement shall remain in full force and effect (it being understood that the representations and warranties in section 6 are given only as of the date of this Agreement and the Issue Date), provided that upon payment of the Breakage Fee by the Company to Onex in accordance with section 5.3, the provisions of section 5.3 will prevail to the extent of any inconsistency with this section 14.4.

14.5 This Agreement shall not confer any rights or remedies upon any party other than the parties to this Agreement and their respective successors and permitted assignees or transferees.
15. SUBSTITUTION OF SUBSCRIBERS

At any time after the Issue Date, the Subscribers shall have the right to nominate, by written notice to the Company, an Affiliate of the Subscribers or a related co-investor acquiring Bonds from any Subscriber or any subsequent transferee contemplated by this section 15 to succeed to and be substituted for the continuing rights and obligations of the Subscribers under this Agreement (a “Substitution”) with such effect as if such nominated Affiliate or related co-investor of the Subscribers had been named as a Subscriber herein, provided that sections 9.1, 6.2 (Representations and Warranties of the Subscribers), 12 (Indemnification), 13 (Notices), 16 (Confidentiality) and 18 (Governing Law and Jurisdiction) shall remain in full force and effect with respect to any Subscriber after a Substitution (but for the avoidance of doubt, shall also bind the successor Affiliate or related co-investor). As from the date of such Substitution, subject to the preceding sentence, any Subscriber that ceases to hold any Bonds shall be relieved of its obligations hereunder to the extent included in such Substitution, and such obligations shall be fully vested in the successor Affiliate or related co-investor.

16. CONFIDENTIALITY

Except (x) with the prior written consent of the other parties hereto or (y) if the information is otherwise publicly available, including in any filing required by law or otherwise made with any governmental or regulatory authority or stock exchange, unless such information was made publicly available by either the Company or the Subscribers in breach of this Agreement, the Company and the Subscribers shall not disclose the content of this Agreement, nor the transactions contemplated in this Agreement and the information received in this context to any third party except to their Affiliates, business partners, consultants, financial and legal advisors, members of their respective boards of directors and of their Affiliates and except insofar as is required by applicable law, regulations, legal process or the rules or requirements of any relevant securities, regulatory authority or stock exchange (each, a “Required Disclosure”). Prior to any Required Disclosure, the party that is required to make the disclosure shall inform the other party to the extent reasonably possible and permissible. The parties will use their reasonable best efforts to coordinate any disclosure, including any Required Disclosure, such that the information being provided is consistent as to scope and content. This Agreement and the terms of this Agreement may be disclosed by the Company to any financial institution lending monies to the Company or with a view to obtain such financing so long as such financial institutions agree in writing and on similar terms as contained in this section 16 to maintain the content of this Agreement confidential.
17. EXCLUSIVITY

For the period commencing on the date hereof and ending 26 November 2004, the Company shall not, directly or indirectly, (i) effect or offer, propose or agree to effect any sale of equity or equity-linked securities in connection with financing a transaction involving the Company and Petroleum Geo-Services, (ii) solicit or respond to inquiries, offers, requests or proposals in respect of any such potential transaction or matter or (iii) take any step in furtherance of or assist or encourage any person in respect of or in connection with any of the foregoing, in each case, without first informing the Subscribers.

18. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the French Republic, and the parties irrevocably submit to the Commercial Court of Paris (Tribunal de Commerce de Paris), which shall have exclusive jurisdiction to hear and decide any suit, action, dispute or proceeding relating to this Agreement (“Proceedings”), and for this purpose each party irrevocably submits to the jurisdiction of the Tribunal de Commerce de Paris. Each party waives any objection it might at any time have to the Tribunal de Commerce de Paris being nominated as the forum to hear and decide Proceedings, and agrees not to claim that the Tribunal de Commerce de Paris is not an appropriate or convenient forum.

19. OTHER AGREEMENTS

This Agreement supersedes any previous agreement between the Company and the Subscribers in relation to its subject matter, and in particular the term sheet executed on 1 September 2004.

IN WITNESS of which this Agreement has been duly executed in Paris in two (2) originals and two (2) sets of schedules on the date first above written.
IN WITNESS of which this Agreement has been duly executed in Paris in two (2) originals and two (2) sets of schedules on the date first above written.

COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE

By: /s/ Robert Brunck
Title: Chairman and Chief Executive Officer

CGG EXECUTIVE INVESTCO, LLC

By: /s/ Robert M. Le Blanc
Name: Robert M. Le Blanc
Title: Director

By: /s/ Donald West
Name: Donald West
Title: Director

ONEX PARTNERS LP,
by Onex Partners GP LP, its general partner
by Onex Partners Manager GP LP, its agent,
by Onex Partners Manager GP Inc., its general partner

By: /s/ Robert M. Le Blanc
Name: Robert M. Le Blanc
Title: Managing Director

By: /s/ Eric J. Rosen
Name: Eric J. Rosen
Title: Director

By: /s/ Donald West
Name: Donald West
Title: Director

ONEX CORPORATION

By: /s/ Nigel S. Wright
Name: Nigel S. Wright
Title: Managing Director

By: /s/ Eric J. Rosen
Name: Eric J. Rosen
Title: Director

By: /s/ Andrew J. Sheiner
Name: Andrew J. Sheiner
Title: Managing Director

By: /s/ Donald West
Name: Donald West
Title: Director

(solely with respect to sections 5.1, 5.3, 5.4 and 8.1)
Exhibit 10.2

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

among

COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE

and

ONEX PARTNERS LP
ONEX AMERICAN HOLDINGS II LLC
ONEX US PRINCIPALS LP
CGG EXECUTIVE INVESTCO, LLC

Dated 27 September 2004
REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this “Agreement”), is made as of the 27th day of September, 2004, among:

1. COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE ("CGG"), a French société anonyme with a share capital of 23,363,436 euros having its registered office at 1, rue Léon Migué-Massy, 91300 with registered number 969 202 241 RCS Evry; and

2. ONEX PARTNERS L.P., a limited partnership organised under the laws of Delaware, with its registered office at 1209 Orange Street, Wilmington, Delaware 19801, U.S.A. c/o The Corporation Trust Company,

3. ONEX AMERICAN HOLDINGS II LLC, a limited liability company organised under the laws of Delaware with its registered office at 15 E. North Street, Dover, Delaware 19901, U.S.A.,

4. ONEX US PRINCIPALS L.P., a limited partnership organised under the laws of Delaware with its registered office at United Corporate Services, 15 E. North Street, Dover, Delaware 19901, U.S.A.,

5. CGG EXECUTIVE INVESTOP, LLC, a limited liability company organised under the laws of Delaware with its registered office at 874, Walker Road, Suite C, Dover (Kent County), Delaware, 19904, U.S.A.

The parties mentioned under (2) to (5) above, and one or more of their affiliated entities and co-investors, shall be referred to collectively as the “Subscribers”.

RECITALS:

A. CGG and the Subscribers are parties to a subscription agreement, dated [*] September 2004 (the “Subscription Agreement”) whereby the Subscribers have agreed to acquire from CGG US$ 84,980,000 nominal amount 7.75% convertible subordinated bonds due 2012 (the “Bonds”) convertible into ordinary shares of CGG (the “Acquisition”);

B. The Subscribers wish to provide for certain matters relating to their ownership of the Bonds and the registration under certain circumstances of the CGG Shares (as defined below) into which the Bonds are convertible.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein, the parties agree as follows:

ARTICLE I

PURPOSE AND IMPLEMENTATION

1.1 Purpose. The purpose of this Agreement is to provide for the granting of certain rights to (i) the Subscribers and (ii) holders from time to time of at least US$ 15 million in principal amount of the Bonds (“Qualified Holders”).

ARTICLE II

DEFINITIONS AND INTERPRETATION

2.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

“Acquisition” shall have the meaning specified in the recitals.
“ADSs” shall mean American Depositary Shares.

“Affiliate” shall mean, with respect to any party hereto, a Person controlled directly or indirectly by such party or controlling directly or indirectly such party or directly or indirectly under the same control as such party, and the term “control” shall have the meaning set forth in Rule 405 of the Securities Act (as defined below).

“Agreement” means this Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“AMF” shall mean the French Autorité des Marchés Financiers.

“Closing Date” shall mean the date of closing of the Acquisition.

“CGG Shares” shall mean the ordinary shares of CGG, nominal value 2 euros per share, and any shares into which such shares may be converted or exchanged and any securities issued or distributed in respect thereof by way of stock dividend, stock split or other distribution, recapitalization or reclassification.

“Demand Request” shall have the meaning specified in Section 3.3(a).

“Exchange Act” shall mean the U.S. Securities Exchange Act of 1934, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

“Holder” shall mean the Subscribers and any Qualified Holders existing from time to time.

“Holder’s Counsel” shall mean counsel selected pursuant to Section 3.6 to represent the Holders.

“Indemnified Party” shall have the meaning specified in Section 3.5(a).

“Majority Affiliate” shall mean, with respect to any party hereto, a Person controlled directly or indirectly by such party or controlling directly or indirectly such party or directly or indirectly under the same control as such party, and the term “control” shall mean the power derived from holding a majority of the voting rights of a Person other than a limited partnership or from holding a majority of the voting rights of the general partner of a Person that is a limited partnership.

“Other Demand Holders” shall mean any Person who, pursuant to an agreement entered into with CGG, has the right to request CGG to act to permit a listing or public offering of all or part of such Person’s CGG Shares.

“Person” shall mean a natural person, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other entity or organization.

“Qualified Holder” shall have the meaning specified in Section 1.1.

“Registration Expenses” shall mean any and all expenses incident to performance of or compliance with the provisions of Article III of this Agreement or any underwriting agreement entered into in accordance therewith, including, without limitation, (i) all registration, application, qualification and listing fees and filing quotation fees of the SEC, a stock exchange or the National Association of Securities Dealers, Inc. (the “NASD”) (including, if applicable, the fees and expenses

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of any "qualified independent underwriter", as such term is defined in the By-laws of the NASD, and of its counsel), (ii) all reasonable fees and expenses of complying with securities or blue sky laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (iii) all reasonable road show, printing, messenger and delivery expenses, (iv) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange pursuant to Section 3.4(g) and all rating agency fees, (v) the fees and disbursements of counsel in each relevant jurisdiction for CGG and of its independent public accountants, including the expenses of any special audits and/or "cold comfort" letters required by or incident to such performance and compliance, (vi) the reasonable fees and disbursements of counsel selected pursuant to Section 3.6 in connection with each such registration, (vii) all fees and disbursements of underwriters customarily paid by the issuers or sellers of securities, including liability insurance if CGG so desires or if the underwriters so require, and the reasonable fees and expenses of any special experts retained in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, (viii) all reasonable fees and expenses incurred in connection with the creation of ADSs, including the reasonable fees and disbursements of the depositary for such ADSs that the depositary is not otherwise required to pay, and (ix) other reasonable out-of-pocket expenses of the Subscribers.

"Registration Statement" shall mean any registration statement (including a Shelf Registration Statement or a registration statement covering ADSs) of CGG that covers any Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Registrable Securities" shall mean any CGG Shares which are, prior to listing or public offering, issuable upon conversion, exercise, exchange, interest payment or principal repayment of the Bonds. For purposes of this Agreement, any Registrable Securities will cease to be Registrable Securities when (a) the Registration Statement in respect of such Registrable Securities has been declared effective by the SEC and such Registrable Securities have been disposed of pursuant to such Registration Statement, (b) such Registrable Securities may be offered and sold pursuant to Rule 144 (or any similar provision then in effect) under the Securities Act without registration, (c) such Registrable Securities are sold by a Person in a transaction in which rights under the provisions of this Agreement are not assigned in accordance with this Agreement, or (d) such Registrable Securities cease to be outstanding.

"Rules" shall have the meaning specified in Section 5.8.

"Securities Act" shall mean the U.S. Securities Act of 1933, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

"Shelf Registration Statement" shall have the meaning specified in Section 3.3(b).

"SEC" shall mean the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

"Transfer" shall mean a transfer, sale, assignment, hypothecation or other disposition, whether directly or indirectly pursuant to the creation of a derivative security or otherwise, or the grant of an option or other right.

2.2 Interpretation.

(a) Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation".
(b) The words “hereof”, “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified.

(c) The meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(d) A reference to Subscribers or any party to any other agreement or document shall include the Subscribers’ or party’s successors and permitted assigns.

(e) A reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

ARTICLE III
REGISTRATION RIGHTS

3.1 Listings and Public Offerings.

The terms and conditions governing a listing or public offering of CGG Shares are set forth below.

3.2 Incidental Registrations (“Piggyback Rights”).

(a) Notification of Right to Include Registrable Securities. If CGG at any time after the date hereof proposes to register securities of any such class of securities for sale under the Securities Act (other than a registration on Form S-4, F-4 or S-8, or any successor or other forms promulgated for similar purposes, or otherwise for securities to be offered in a transaction of the type referred to in Rule 145 under the Securities Act or to employees of CGG pursuant to any employee benefit plan, respectively), whether or not for sale for its own account, CGG will, at each such time, give prompt written notice to all Holders of its Registrable Securities of its intention to do so and of such Holders’ rights under this Section 3.2.

(b) Exercise of Right to Include Registrable Securities. Upon the written request of any such Holder made within 15 days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by such Holder), CGG will use its reasonable best efforts to take such steps as are necessary or appropriate to effect the registration under the Securities Act (provided that the form proposed to be used would also permit the registration of such Registrable Securities, and the filing of the registration statement is to be on CGG’s behalf and/or behalf of selling Holders or the general registration of CGG shares for cash) of all Registrable Securities which it has so requested to register by the Holders thereof; provided that if such registration involves an underwritten offering by CGG, all Holders requesting to be included in such registration as provided herein must sell their Registrable Securities to the underwriters selected by CGG on the same terms and conditions as apply to CGG and complete and execute all customary questionnaires, powers of attorney, custody arrangements, indemnities, underwriting agreements and/or other documents reasonably required under the terms of such underwriting arrangements, except for such differences, including any with respect to indemnification

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and liability insurance, as may be customary or appropriate in combined primary and secondary offerings.

(c) Withdrawal from Listing/Public Offering. If a registration requested pursuant to this Section 3.2 involves an underwritten public offering, any Holder requesting to be included in such registration may elect in writing by providing at least two business days prior notice from the first date on which the SEC grants effectiveness to a preliminary or final Registration Statement, not to register such Registrable Securities in connection with such registration.

If at any time after giving written notice of its intention to register any securities and prior to the effective date of the Registration Statement, CGG shall determine for any reason not to proceed with the proposed registration of the securities, if any, to be sold by it, CGG will give prompt written notice of such determination to each Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith) and (ii) in the case of a determination to delay such registration of its equity securities, shall be permitted to delay the registration of such Registrable Securities for the same period as the delay in registering such other equity securities.

(d) Expenses. CGG will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 3.2.

(e) Priority in Incidental Registrations. If a registration pursuant to this Section 3.2 involves an underwritten offering and the managing underwriter advises CGG in writing that, in its opinion, the number of securities to be included in such registration exceeds the number which can be sold in such offering, so as to be reasonably likely to have an adverse effect on the price or distribution of the securities offered in such offering or the timing of such offering, then CGG will include in such registration:

(i) first, in the event such underwritten offering is being made at the request of Other Demand Holders, 100% of the securities, if any, requested to be included by such Other Demand Holders (the “Other Demand Holders Securities”);

(ii) second, 100% of the securities, if any, CGG proposes to sell on its own behalf;

(iii) third, the number of Registrable Securities which the Holders have requested to be included in such registration which, in the opinion of such managing underwriter, can be sold without having the adverse effect referred to above, which number shall be allocated first to each Subscriber that is a requesting Holder (and, if such number is less than the requested number, allocated among the Subscribers as they may direct or, failing such direction, prorata according to the number requested by each of them, respectively) and second, pro rata among all other requesting Holders, such pro rata amount to be determined by multiplying:

(x) the aggregate number of Registrable Securities that may be included in such registration without the adverse effect referred to above by

(y) a fraction, the numerator of which is the number of Registrable Securities requested by the Holder to be included in such registration and the denominator of which is the aggregate number of Registrable Securities requested to be included in such registration.

3.3 Registration on Request (“Demand Rights”).

(a) Request by a Demand Party. Upon the written request of a Subscriber requesting that CGG act to permit a listing or public offering of all or part of the Subscriber’s Registrable Securities (a “Demand Request”) under the laws of the United States (such actions relating to such requested listing or public offering collectively referred to as “registration” in this Section 3.3) and specifying the amount and intended method of disposition thereof, CGG will use its
reasonable best efforts to effect the registration of such Registrable Securities, as expeditiously as possible.

Notwithstanding the foregoing, CGG shall not be obligated to effect a listing or public offering or file any Registration Statement relating to any registration request under this Section 3.3(a):

(i) unless the reasonably anticipated aggregate price to the public of the Registrable Securities to be offered pursuant to such offering is equal to at least US$ 20 million at the time of such request;
(ii) within a period of six months after: (x) the effective date of any Registration Statement relating to any registration request under this Section 3.3 or relating to any registration effected under Section 3.2, (y) the date of any other registration request under this Section 3.3, or (z) the date the Subscribers were given the opportunity to register Registrable Securities pursuant to Section 3.2 hereof;
(iii) if with respect thereto the managing underwriter, the SEC or the laws, rules and regulations thereof would require the conduct of an audit other than the regular audit conducted by CGG at the end of its fiscal year, in which case the filing may be delayed until the timely completion of such regular audit;
(iv) if CGG is in possession of material non-public information and the board of directors of CGG determines in good faith that disclosure of such information would not be in the best interests of CGG and its shareholders, in which case the filing of the Registration Statement may be delayed until the earlier of the second business day after such conditions shall have ceased to exist and the 90th day after receipt by CGG of the written request from the Subscriber(s) to register Registrable Securities under this Section 3.3; or
(v) if on the date of receipt of the Demand Request the Exchange Trading Volume Threshold (as defined in and determined in accordance with the terms and conditions of the Bonds) has not been satisfied as of the last date of determination thereof under the terms of the Bonds.

(b) Shelf Registration Requests. So long as CGG is eligible to use SEC Form F-3, or any successor or other forms promulgated for similar purposes, upon the written request of any Subscriber (or, with the consent of any Subscriber, the written request of any Qualified Holder) requesting that CGG file with the SEC a continuous registration statement pursuant to Rule 415 under the Securities Act (or any successor rule or regulation thereto) (together with the prospectus included therein, all amendments and supplements thereto and all exhibits and materials incorporated by reference therein, the “Shelf Registration Statement”) with respect to the resale of the Registrable Securities in the United States (a “Shelf Registration Request”), CGG will use its reasonable best efforts to file a Shelf Registration Statement within ninety (90) days of receipt of the Shelf Registration Request, and will use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective by the SEC within 180 days of receipt of the Shelf Registration Request; provided, however, that CGG shall have no obligation to file a Shelf Registration Statement pursuant to this clause if the Exchange Trading Volume Threshold (as defined in and determined in accordance with the terms and conditions of the Bonds) has not been satisfied on the last date of determination thereof under the terms of the Bonds on any regulated stock exchange in the United States. Each Shelf Registration Statement filed in connection with a Shelf Registration Request shall cover all of the Registrable Securities issuable upon conversion of the Bonds. CGG will use its reasonable best efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 3.4 hereof until the earlier of:

(i) the second anniversary of the effective date of such Shelf Registration Statement;
(ii) such time as all of the Registrable Securities have been sold pursuant to an effective registration statement, transferred pursuant to Rule 144 under the Securities Act or otherwise transferred in a manner that results in such Registrable Securities no
longer being subject to transfer restrictions under the Securities Act and no longer necessitating a restrictive legend regarding Securities Act registration; and

(iii) such time when all of the Registrable Securities (as from the date of issuance) are eligible for resale pursuant to Rule 144(k) under the Securities Act or any successor rule or regulation thereto.

(c) Number of Requests. Subject to the limitations above, the Subscribers shall have, in aggregate, three (3) Demand Requests. In addition, the Holders shall collectively have a total of two (2) Shelf Registration Requests.

(d) Expenses. The Registration Expenses in connection with the registration of Registrable Securities under Section 3.3(a) and 3.3(b) shall be paid by CGG.

(e) Selection of Underwriters. If a requested registration pursuant to Section 3.3(a) involves an underwritten offering, the requesting Subscribers shall have the right to select the investment banker or bankers and managers to administer the offering, provided that such investment banker or bankers and managers shall be reasonably satisfactory to CGG.

(f) Priority in Requested Registrations. If a requested registration pursuant to this Section 3.3 involves an underwritten offering and the managing underwriter (or a majority of them if more than one) advises CGG in writing that, in its reasonable opinion, the number of securities requested to be included in such registration exceeds the number which can be sold in such offering so as to be reasonably likely to have an adverse effect on the price or distribution of the securities offered in such offering or the timing of such offering, then CGG will include in such registration such number of Registrable Securities requested to be included in such registration, excluding any securities sought to be included by other security holders under incidental registration rights agreements they have with CGG, which, in the reasonable opinion of such managing underwriter(s), can be sold without having the adverse effect referred to above. If the number of Registrable Securities requested to be included in such registration is less than the number which, in the reasonable opinion of the managing underwriter(s), can be sold without the adverse effect referred to above, CGG may include in such registration securities of the same class up to the number of such securities that, in the reasonable opinion of the underwriter, can be sold without having such adverse effect.

(g) Additional Rights. CGG will not grant or permit any registration rights to any Person (a) on terms that are inconsistent herewith, provided that any agreement granting registration rights that provides for the entering into by the Company of an agreement on customary terms to prohibit the Company from offering or selling securities for a specified period of time following the completion of an underwritten offering shall not be considered to be inconsistent with this Agreement, or (b) on terms that are more favourable, as a whole, than those contained in this Agreement without offering to amend the terms hereof so that they are no longer less favourable, as a whole, than those granted to such Person.

3.4 Registration Procedures. If and whenever it is required to file a Registration Statement or to use its reasonable best efforts to effect or cause the registration (including, where applicable, the shelf registration pursuant to Section 3.3(b) hereof) of any Registrable Securities under the Securities Act as provided in this Agreement, CGG shall, as expeditiously as possible:

(a) Filing of prospectus: prepare and file and, in the case of ADSs, cause to be filed, with the SEC, in any event within 90 days after receiving a Demand Request or Shelf Registration Request, as the case may be, a Registration Statement covering such Registrable Securities and use its reasonable best efforts to cause such Registration Statement to become effective, as the case may be; provided that CGG may discontinue any registration of its securities which is being effected pursuant to Section 3.2 at any time prior to the effective date of the Registration Statement, as the case may be, relating thereto (and, in such event, CGG shall pay the Registration
Expenses incurred in connection therewith); provided, further, that before filing any Registration Statement or any amendments or supplements thereto, CGG will furnish to Holder’s Counsel, copies of all documents proposed to be filed, which documents will be subject to the review and approval of Holder’s Counsel, such approval not to be unreasonably withheld and to be deemed received if no comments are sent by Holder’s Counsel to CGG or its counsel within five (5) business days of confirmed receipt;

(b) Filing of amendments to prospectus: prepare and file with the SEC such amendments and supplements to each Registration Statement as may be necessary to keep it effective for a period not in excess of 270 days (or, in the case of a Shelf Registration Statement filed pursuant to Section 3.3(b), not in excess of two (2) years from the date of effectiveness of such registration statement) and to comply with the provisions of the Securities Act and the Exchange Act and the rules and regulations of the SEC thereunder with respect to the disposition of all securities covered by such Registration Statement, during such period in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such Registration Statement; provided that before filing any Registration Statement with the SEC, or any amendments or supplements thereto, CGG will furnish to Holder’s Counsel copies of all documents proposed to be filed, which documents will be subject to the review and approval of Holder’s Counsel, such approval not to be unreasonably withheld and to be deemed received if no comments are sent by Holder’s Counsel to CGG or its counsel within five (5) business days of confirmed receipt;

(c) Availability to Holders of copies of offering documents: furnish to each selling Holder of such Registrable Securities such number of copies of each Registration Statement and amendment and supplement thereto (in each case including all exhibits filed therewith, including any documents incorporated by reference), such number of copies of any prospectus included in it (including each preliminary prospectus and summary prospectus) in conformity with the requirements of the Securities Act, and such other documents as such selling Holder may reasonably request in order to facilitate the disposition of the Registrable Securities by such selling Holder;

(d) Other necessary or advisable acts for disposition of the Registrable Securities: use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions within the United States and Puerto Rico as the selling Holders shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable the selling Holders to consummate the disposition in such jurisdictions of the Registrable Securities owned by such selling Holders, except that CGG shall not for any such purpose be required (i) to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this clause (d), it would be obligated to be so qualified, (ii) to subject itself to taxation in any such jurisdiction or (iii) to consent to general service of process in any such jurisdiction;

(e) Notification and implementation of corrections to disclosure: promptly notify each selling Holder of such Registrable Securities at any time (i) when a prospectus relating thereto is required to be delivered under the Securities Act within the appropriate period mentioned in clause (b) of this Section 3.4, (ii) if, between the effective date of a Registration Statement and closing of any sale of Registrable Securities covered thereby, the representations and warranties of CGG contained in the underwriting agreement, securities sales agreement or other similar agreement relating to an offering of such Registrable Securities cease to be true and correct in all material respects; or (iii) upon CGG becoming aware that any Registration Statement includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such selling Holder, promptly prepare and furnish to such selling Holder a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such Registration Statement shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the
circumstances then existing; provided, however, if (A) the full Board of Directors of CGG, having consulted with counsel regarding CGG’s disclosure obligations under applicable law to the extent that the Board deems appropriate, determines in good faith that it is in the best interests of CGG not to disclose the existence of or facts surrounding any proposed or pending material corporate transaction involving CGG or any of its subsidiaries, and (B) CGG notifies the Holders, pursuant to Section 5.4 hereof, within five (5) business days after such Board of Directors makes such determination, CGG may allow the Shelf Registration Statement to fail to be effective and usable as a result of such nondisclosure for up to 120 days during the period of effectiveness required by Section 3.4 hereof, but in no event may CGG allow a Shelf Registration Statement to fail to be effective and usable as a result of such nondisclosure for more than an aggregate of 120 days in any twelve-month period.

(f) Compliance with regulations; earnings statement: otherwise comply with all applicable rules and regulations of the SEC and make available to its security holders, as soon as reasonably practicable (but not more than eighteen months) after the earliest effective date or approval date of the registration statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(g) Listing; transfer agent: (i) use its reasonable best efforts to list such Registrable Securities on any securities exchange on which CGG’s Shares or ADSs representing CGG’s Shares are then listed if such Registrable Securities are not already so listed and if such listing is then permitted under the rules of such exchange; and (ii) use its reasonable best efforts to provide a transfer agent and registrar for such Registrable Securities not later than the effective date or approval date of any Registration Statement, as the case may be;

(h) Entry into underwriting and other customary agreements: use its reasonable best efforts to enter into such customary agreements (including an underwriting agreement in customary form), which may include indemnification provisions in favor of underwriters and other persons in addition to, or in substitution for the provisions of Section 3.5 hereof, and take such other actions as the Holders or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(i) Creation of ADSs: if requested by a selling Holder, create additional ADSs representing the same number of underlying shares per ADS as the ADSs that previously were created and issued;

(j) Procurement of comfort letter: use its reasonable best efforts to obtain a “cold comfort” letter or letters and updates thereof from the independent certified public accountants of CGG in customary form and covering matters of the type customarily covered by “cold comfort” letters and such attestations as the selling Holders shall reasonably request dated the date of effectiveness of the Shelf Registration Statement;

(k) Due diligence review: make available, in a reasonably prompt manner, for inspection during reasonable business hours by the selling Holders of such Registrable Securities, by any underwriter participating in any disposition with respect to such Registrable Securities and by any attorney or accountant retained by the selling Holder or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of CGG, and cause all of CGG’s officers, directors and employees to supply all information reasonably requested by the selling Holders, or any such underwriter, attorney or accountant in connection with such registration statement or statements in each case as is customary for similar due diligence exercises; provided that such information shall not be available for any such Holder who does not agree in writing to hold such information in confidence on customary terms and subject to customary exceptions and exclusions; provided, in any event, that any such confidentiality agreement will not restrict any such Holder from satisfying its own disclosure obligations or restrict such Holder’s ability to sell their Registrable Securities;
(l) Notification of effectiveness, any comments of the SEC or any stop order: notify Holder’s Counsel and the managing underwriter or agent, promptly, and confirm the notice in writing (i) when any Registration Statement, or any post-effective amendment thereto, shall have become effective or any supplement to any prospectus or any amendment to any prospectus shall have been filed, (ii) of the receipt of any comments from the SEC, (iii) of any request of the SEC to amend any Registration Statement or amend or supplement any prospectus or for additional information, and (iv) of the issuance by the SEC of any stop order suspending the effectiveness of any Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of any Registration Statement, for offering or sale in any jurisdiction, or of the institution or threatening of any proceedings for any of such purposes;

(m) Prevention of stop orders: make every reasonable effort to prevent the issuance of any stop order suspending the effectiveness of any Registration Statement or of any order preventing or suspending the use of any preliminary prospectus and, if any such order is issued, to use its reasonable efforts to obtain the withdrawal of such order at the earliest possible moment and provide prompt notice to each Holder of the withdrawal of such order;

(n) Incorporation of information in prospectus supplement as reasonably requested: if requested by the managing underwriter or agent or a selling Holder, promptly incorporate and, in the case of ADSs, cause to be incorporated in a prospectus supplement or post-effective amendment such information as the managing underwriter or agent or a selling Holder reasonably requests to be included therein, including, without limitation, with respect to the number of Registrable Securities being sold to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make and, in the case of ADSs, cause to be made all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment;

(o) Delivery of Registrable Securities: cooperate with the selling Holders and the managing underwriter or agent or depositary, if any, to facilitate the timely preparation and delivery of the Registrable Securities, including the removal of any restrictive legends, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent or depositary, if any, or such Holders may request;

(p) Opinion of CGG’s counsel: obtain for delivery to each selling Holder and to the underwriter or agent or depositary, if any, an opinion or opinions from counsel for CGG in customary form and in form, substance and scope reasonably satisfactory to the selling Holders, and to each of the underwriters or agents or depositary and their counsel dated the date of effectiveness of the Shelf Registration Statement; and

(q) NASD filing: cooperate with the selling Holders and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD or equivalent non U.S. body or authority.

CGG may require each selling Holder of Registrable Securities as to which any registration is being effected to furnish CGG with such information regarding such selling Holder and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as CGG may from time to time reasonably request in writing.

Each Holder of Registrable Securities agrees that, upon receipt of any notice from CGG of the happening of any event of the kind described in clause (e) of this Section 3.4 (notification and implementation of corrections to disclosure), such Holder will keep such notice confidential and forthwith discontinue disposition of Registrable Securities pursuant to any
Registration Statement until such Holder’s receipt of the copies of the supplemented or amended prospectus contemplated by clause (e) of this Section 3.4, and, if so directed by CGG, such Holder will deliver to CGG (at CGG’s expense) all copies, other than permanent file copies then in such Holder’s possession, of any prospectus or other document covering such Registrable Securities current at the time of receipt of such notice. In the event CGG shall give any such notice, the period mentioned in clause (b) of this Section 3.4 shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to clause (e) of this Section 3.4 and including the date when each selling Holder shall have received the copies of the supplemented or amended prospectus contemplated by clause (e) of this Section 3.4.

3.5 Indemnification.

(a) Indemnification by CGG. In the event of any registration or qualification of any securities of CGG under the Securities Act pursuant to Section 3.2 or 3.3, CGG will indemnify and hold harmless, to the extent permitted by law, the seller of any Registrable Securities in such public offering and/or covered by any Registration Statement, each affiliate of such seller and their respective directors and officers, each other Person who participates as an underwriter in the offering, subscription or sale of such securities and each other Person, if any, who controls such seller or any such underwriter within the meaning of the Securities Act (each, an “Indemnified Party”), against any and all losses, claims, damages or liabilities, joint or several, and expenses, as incurred (including reasonable attorney’s fees and reimbursements and reasonable expenses of investigation) to which such Indemnified Party may become subject under the Securities Act, at common law or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings in respect thereof, whether or not such Indemnified Party is a party thereto) arise out of or are based upon (a) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading, and CGG will reimburse such Indemnified Party for any legal or any other expenses reasonably incurred by it in connection with investigating or defending against any such loss, claim, liability, action or proceeding; provided that CGG shall not be liable to any Indemnified Party in any such case to the extent that such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such Registration Statement, or amendment or supplement thereto or in any such preliminary, final or summary prospectus in reliance upon and in conformity in all respects with written information relating to such seller or underwriter, or such seller’s or such underwriter’s affiliates, directors, officers or controlling Persons or the proposed distribution, furnished to CGG through an instrument duly executed by such seller or underwriter specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any Indemnified Party and shall survive the transfer of such securities by such seller.

(b) Indemnification by the Holders. In the event of any registration or qualification of any securities of CGG under the Securities Act pursuant to Section 3.2 or 3.3, the Holder of any Registrable Securities in such public offering and/or covered by any Registration Statement will indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 3.5(a)) CGG or any of its affiliates, directors, officers or controlling Persons and all other prospective sellers with respect to (a) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity in all respects with written information relating to such seller or underwriter, or such seller’s or such underwriter’s affiliates, directors, officers or controlling Persons or the proposed distribution, furnished to CGG through an instrument duly executed by such seller or underwriter specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any Indemnified Party and shall survive the transfer of such securities by such seller.
executed by such selling Holder specifically stating that it is for use in the preparation of such Registration Statement, preliminary, final or summary prospectus or amendment or supplement, other required document or filing or a document incorporated by reference into any of the foregoing. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of CGG or any of its affiliates, directors, officers or controlling Persons and shall survive the transfer of such securities by the selling Holders. In no event shall the liability of any selling Holder of Registrable Securities hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Notices of Claims, etc. Promptly after receipt by an Indemnified Party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 3.5, such Indemnified Party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided that the failure of the Indemnified Party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the foregoing provisions of this Section 3.5, except to the extent that such failure is materially prejudicial to the Indemnifying Party. In case any such action is brought against an Indemnified Party, unless in such Indemnified Party’s reasonable judgment a conflict of interest between such Indemnified Party and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the indemnifying party to such Indemnified Party of its election so to assume the defense thereof, the indemnifying party will not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof, the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

(d) Contribution. If the indemnification provided for in this Section 3.5 from the indemnifying party is unavailable to an Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and Indemnified Parties in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative fault referred to in clause (i) above but also other relevant equitable considerations. The relative fault of such indemnifying party and Indemnified Parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or Indemnified Parties, and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party under this Section 3.5(d) as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 3.5(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act or, if an offering is occurring primarily in another jurisdiction,
under the comparable provisions of the laws, rules and regulations of such jurisdiction) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 3.5, notify such party or parties from whom contribution may be sought, but the failure to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 3.5 or otherwise, except to the extent it or they have been prejudiced by such failure. No party shall be liable for contribution with respect to any action or claim settled without its prior written consent; provided that such written consent was not unreasonably withheld.

(e) Other Indemnification. Indemnification similar to that specified in the preceding subdivisions of this Section 3.5 (with appropriate modifications) shall be given by CGG and each selling Holder with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act including the laws, rules and regulations of any non-U.S. jurisdiction in which the securities of CGG are listed for trading.

(f) Non-Exclusivity. The obligations of the parties under this Section 3.5 shall be in addition to any liability that any party may otherwise have to any other party.

3.6 Selection of Counsel. In connection with any registration of Registrable Securities pursuant to this Agreement, the selling Holders may select one counsel (which counsel shall be selected by the Holders holding a majority interest of the Registrable Securities being registered), provided that such counsel shall be reasonably satisfactory to CGG.

3.7 Rule 144. CGG hereby covenants with the Holders that if and to the extent CGG shall be required to do so under the Exchange Act, it will timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including, but not limited to, the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the SEC under the Securities Act) and shall take such further action as the Holders may reasonably request, all to the extent required from time to time to enable the Holders to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC. Upon the request of the Holders, CGG shall deliver to the Holders a written statement as to whether CGG has complied with such requirements.

3.8 Holdback. If any registration of Registrable Securities shall be in connection with an underwritten public offering, the Subscribers agree not to effect any public sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, or otherwise transfer, directly or indirectly, the economic consequences of ownership of any equity securities of CGG, or of any security convertible into or exchangeable or exercisable for any equity security of CGG (in each case, other than as part of such underwritten public offering), within 10 days before or such period not to exceed 135 days as the underwriting agreement may require (or such lesser period as the managing underwriters may permit) after the effective date of such registration (except as part of such registration), and CGG hereby also so agrees and agrees to use its reasonable best efforts to cause each other holder of any equity security, or of any security convertible into or exchangeable or exercisable for any equity security of CGG purchased from CGG or any of its affiliates (at any time other than in a public offering) to so agree.
ARTICLE IV

COOPERATION

4.1 Non-Public Offers and Sales by the Subscribers of Registrable Securities. Upon the request of any Subscriber, CGG will use its best efforts to do and perform and cause to be done such further acts and things as may be reasonably required or customary to facilitate the offer and sale by such Subscriber of the Registrable Securities in transactions not involving any public offering.

4.2 Offers and Sales by the Subscribers of the Bonds. Upon the request of any Subscriber(s), CGG will use its best efforts in order to facilitate the sale by such Subscriber(s) of the Bonds in any non-public transaction or non-public transaction outside the U.S. in accordance with Regulation S of the Securities Act involving, in aggregate, at least US$ 20 million in principal amount of the Bonds. Among other things, CGG shall cause its management team to participate in any road show meetings or other presentations, meetings or conference calls as such Subscriber(s) may reasonably request.

ARTICLE V

MISCELLANEOUS

5.1 Assignment. The Subscribers may (i) assign at any time all their rights and obligations under this Agreement to one or more Majority Affiliates and (ii) without limiting the foregoing clause (i), transfer their rights to benefit from one registration upon demand to any Person provided such Person purchases all of the Registrable Securities of the Subscribers (the “Transferee Holder”). The Transferee Holder will be entitled to all the rights and will be subject to all of the obligations of the Subscribers pursuant to this Agreement, except for the rights set forth in Sections 4.1 and 4.2 of this Agreement and except that the Transferee Holder shall only be entitled to make one Demand Request. No assignment, except as provided in this Section 5.1, may be carried out without the consent of CGG.

5.2 Third Party Beneficiaries. Any Person that is a Qualified Holder shall be a third party beneficiary under this Agreement, and shall benefit from the rights provided to Qualified Holders hereunder as if such Person were a party to this Agreement.

5.3 Effectiveness; Termination. This Agreement shall become effective on the Closing Date and shall terminate and be of no further force or effect upon the earlier of (i) the written agreement of all parties hereto and (ii) the tenth anniversary of the Closing Date. The Subscribers and CGG agree to the disclosure of this Agreement to the SEC and the AMF, if so required to give it full operation.
5.4 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, overnight delivery service such as DHL or if sent by facsimile transmission with confirmation of receipt addressed as follows or to such other address as the relevant party shall have given notice of pursuant hereto:

If to the Subscribers, to:  
c/o Onex Partners LP  
c/o Onex Advisors Partners LP  
161 Bay Street, P.O. Box 700  
Toronto, Ontario, Canada M5J 2S1  
Attention: Nigel Wright / Andrew Sheiner  
Tel: +1 (416) 362 7711  
Fax: +1 (416) 362 5765

With a copy to:  
Shearman & Sterling LLP  
114 avenue des Champs Elysées  
75008 Paris, France  
Attention: Sami Toutounji  
Tel: +33 1 53 89 70 00  
Fax: +33 1 53 89 70 70

If to CGG, to:  
Compagnie Générale de Géophysique  
Tour Maine-Montparnasse  
33, avenue du Maine  
75755 Paris Cedex 15  
France  
Attention: Michel Ponthus / Béatrice Place-Faget  
Tel: +33 1 64 47 45 00  
Fax: +33 1 64 47 34 29

With a copy to:  
Linklaters  
25, rue de Marignan  
75008 Paris, France  
Attention: Thomas N. O’Neill III  
Tel: +33 1 56 43 56 43  
Fax: +33 1 43 43 41 96

All such notices and other communications shall be deemed to have been given (w) if by personal delivery, on the day of such delivery; (x) if by registered or certified mail, on the seventh day after the sending thereof; (y) if by overnight delivery service such as DHL, on the next business day after the mailing thereof; and (z) if by fax, on the next day following the day on which such fax was sent, provided that a copy is also sent by registered or certified mail.

5.5 Entire Agreement. This Agreement represents the entire understanding and agreement of the parties hereto and supersedes all prior agreements, understandings and arrangements (whether written or oral) among the parties hereto with respect to the subject matter hereof. Each party hereto acknowledges that it has not made or relied on any representation or warranty other than those specifically set forth herein.
5.6 Section Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

5.7 Applicable Law. This Agreement shall be governed by and shall be construed in accordance with the laws of New York.

5.8 Arbitration. Each party hereto hereby irrevocably agrees to submit any dispute, controversy or claim arising out of or relating to the interpretation, validity or breach of this Agreement or any instruments executed by the parties in connection herewith to arbitration in Paris to be conducted in accordance with the then-existing international arbitration rules of the International Chamber of Commerce (the “Rules”). In resolving any such dispute, controversy or claim, the parties hereto intend that New York law will apply, without regard to the conflict of laws principles thereof. The parties hereto agree that the arbitration proceedings will be conducted and all documents related thereto will be submitted in English (or, if any relevant original documentation is in French, such documentation may be submitted in French). The arbitration proceedings will be conducted before a panel of three arbitrators to be chosen in accordance with the Rules. The decision of the panel will be final, binding and nonappealable.

5.9 Waiver; Amendment.

(a) This Agreement may not be amended, modified, supplemented or changed, and no provision hereof may be waived, except in a writing duly executed on behalf of each party hereto.

(b) No failure or delay by any party in exercising any powers, right or privilege under this Agreement shall operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other power, right or privilege.

5.10 Severability. Should any provision of this Agreement be invalid or unenforceable, in whole or in part, or should any provision later become invalid or unenforceable, this shall not affect the validity of the remaining provisions of this Agreement which shall not be affected and shall remain in full force and effect. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

5.11 Counterparts. This Agreement shall be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

5.12 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

5.13 Specific Performance. Each of the parties to this Agreement acknowledges and agrees that money damages would not be a sufficient remedy for any breach of any of the provisions of Article III of this Agreement, and that in addition to all other remedies which the non-breaching parties may have, the non-breaching parties will be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach.

5.14 Further Assurances. The parties hereto will sign such further documents, cause such further meetings to be held, adopt such resolutions and do and perform and cause to be done such further acts and things as may be necessary in order to give full effect to this Agreement and every provision thereof.
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

**COMPAGNIE GÉNÉRALE DE GÉOPHYSIQUE**

/s/ ROBERT BRUNCK  
Name: Robert Brunck  
Title: Chairman and Chief Executive Officer

**ONEX PARTNERS LP,**  
by Onex Partners GP LP, its general partner  
by Onex Partners Manager GP LP, its agent,  
by Onex Partners Manager GP Inc., its general partner

/s/ ROBERT M. LE BLANC  
Name: Robert M. Le Blanc  
Title: Managing Director

/s/ ERIC. J. ROSEN  
Name: Eric J. Rosen  
Title: Managing Director

**ONEX AMERICAN HOLDINGS II LLC**

/s/ ERIC J. ROSEN  
Name: Eric J. Rosen  
Title: Director

/s/ DONALD WEST  
Name: Donald West  
Title: Director

**ONEX US PRINCIPALS LP**  
by Onex American Holdings GP LLC, its general partner

/s/ ERIC J. ROSEN  
Name: Eric J. Rosen  
Title: Director

/s/ DONALD WEST  
Name: Donald West  
Title: Director

**CGG EXECUTIVE INVESTCO, LLC**

/s/ ROBERT M. LE BLANC  
Name: Robert M. Le Blanc  
Title: Director
/s/ DONALD WEST
Name: Donald West
Title: Director
I, Robert Brunck, Chairman and Chief Executive Officer of the Company certify that:

1. I have reviewed this report on Form 6-K of Compagnie Générale de Géophysique;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [reserved]

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: November 16, 2004

By: /s/ ROBERT BRUNCK
    Robert Brunck
    Chairman and Chief Executive Officer
I, Michel Ponthus, Senior Executive Vice President Human Resources & Finance, Chief Financial Officer of the Company certify that:

1. I have reviewed this report on Form 6-K of Compagnie Générale de Géophysique;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [reserved]

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: November 16, 2004

By: /s/ MICHEL PONTHUS
Michel PONTHUS
Senior Executive Vice President Human Resources & Finance,
Chief Financial Officer

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