A Key Sustainable Value in the E&P Chain
Agenda

- Introduction

- A Strategic Move Strengthening CGG’s Sustainable Value in the E&P Chain

- CGG ESG issues

- Conclusion: From Compliancy to Sustainable Strategy

- Annexes
Introduction
Accelerating the Transformation of the New CGG

Stronger Together

- Presence in over 40 countries and access to new markets
- 7500 + 2500 = highly skilled people & new expertise
- Integrated solutions in Geoscience from Equipment to Geology and Reservoir Characterization
- Our entire fleet: 20 vessels
- Strong brands & access to new clients
- 31 open and 12 dedicated Processing centers worldwide
- Access to 50,000 km² onshore and 470,000 km² offshore library
Becoming a Reservoir/Geoscience Company

Field Development Plan

Geology & Reservoir
- Geology analysis of basins
- Seismic Equipment
- Seismic Acquisition: Marine, Land & Airborne
- Interpretation
- Processing & Imaging
- Softwares and Services for Reservoir characterization
- Data Management

Drilling & Completion

Gathering & Processing

Transport & Marketing

Other

Fugro Geoscience Division

Exploration

Appraisal

Development

Production

Abandonment
Our New Organization

**Equipment**
- Full range of products and clear market leadership Onshore, Offshore and Downhole:
  - Technology leadership
  - Large installed base
  - A cornerstone for CGG integrated solutions

**Acquisition**
- Full range of seismic and other geophysical methods for acquisition:
  - Marine
  - Land
  - Airborne
  - *Seabed*

**Geology, Geophysics & Reservoir**
- Multi-Client Data Library:
  - Seismic, Grav-Mag, Geological
  - Exploration & Appraisal
  - Processing & Imaging
  - Geological Services
  - Satellite Mapping Services
  - Reservoir Software & Services
  - Data Management Services

- 9,800 Employees
- 70 locations worldwide

*Through the Seabed Geosolutions Joint Venture owned by Fugro 60% and CGG 40%
CGG 2012 Key Financial Figures (in million $)

- Revenue: $3,411m
- EBIT: $329m*
- EBITDAs: $1,005m*
- Capex: $737m
- Employees: 7,560
- Group Net Debt: $2,105m**

*Restated figures after the impact of non-recurring items related to the acquisition of Fugro Geoscience Division

**On a pro-forma basis, including all the elements related to the Fugro transaction, in particular the €975 million net cost of transaction before fees
A Strategic Move Strengthening CGG’s Sustainable Value in the E&P Chain
Oil & Gas Companies Exploration and Production Challenges

- **Exploration**
  - Increasingly difficult with the end of “easy oil”: challenging environments increase the cost of exploration

- **Production**
  - Rapid depletion of the reservoirs

- **Mounting pressure public pressure to conduct more responsible, well-controlled and risk-free exploration**
  - New “sensitive” exploration areas
  - Post Macondo new regulation framework
  - Public Image & Reputation
  - Investor community

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Excluding: Iraq, Nigeria and Venezuela. Source: IEA reports

Global OPEC spare capacity

Source: EIA, Morgan Stanley Research

As Complexity Increases, US Wells Are Becoming Significantly More Expensive to Drill

Dollar cost per foot of US O&G wells drilled
A Strategic Move Strengthening CGG’s Sustainable Value in the E&P Chain

In combining Seismic and Geosciences technologies, CGG will contribute to:

- Lower the cost of Production
- Reduce Drilling Costs and mitigate risks
- Limit environmental footprint
- Extend the life of the field
- Optimize reservoir production
- Predict the evolution of the reservoir
- Optimize well placement for less fracturing & drilling with reservoir characterization
- Leverage on historical experience in new territories

De-risking the exploration & drilling operations

Source: Apache JP Morgan Investor Meeting, December 8th 2010
Apache SPE Business Development Group presentation 19th January 2011

Global Drilling results vs Cumulative 3D Seismic

The Dukhan Field characterization to optimize the reservoir production
CGG’s ESG Issues
Focusing on the most critical issues with the ESG Materiality Matrix
HSE & Security Standards: Key for Operational Success

- Integrated Management System supported by a dedicated organization
  - 130 correspondents across the world
- Regular Monitoring of Local Practices through audits
  - HSE audits including Social Responsibility issues since 2010
  - Proprietary Real Time Web based Reporting
- Continuing Training program
  - HSE policy communicated to all stakeholders
  - Organized by CGG University and on sites
- Performance
  - 2012: LTIF 0.46/TRCF 2.76/ SR 0.01
Policies & Code of Conduct, Corruption and SD Governance: Identify, Manage and Mitigate risks

- Structured and disciplined approach to assessing and managing the uncertainties that the Group faces

- Each risk is linked to a corporate governance issue and monitored by its dedicated Board Committee

- Specific tools to identify the main risks of the Group: Group Risk Matrix, Human Risk Matrix and Scorecard Systems (Country and Subcontractors Risk Management) including SD issues

- Risks Assessment and Management are part of our activities’ project management

- Systems of Audits including SD issues to monitor our Entreprise Risk Management

<table>
<thead>
<tr>
<th>Risks Identification</th>
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<td>Operational</td>
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<td>Financial</td>
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<td>Communication</td>
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<td>Technologic</td>
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<td>HR</td>
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Governance and Board of Directors

- HSE/DD Committee
- Audit Committee
- Technology Committee
- Appointment and Remuneration Committee

Evaluation et Gestion des Risques « Management System »
Local Content & Local Communities: Contributing to the Economic Development of the « Hosting » Countries

- **Local employment & Local purchase**
  - Favoring local employment especially for long term projects
  - Purchasing Code of Conduct
  - HSE Training
  - Sharing of skills and know-how
  - Long-term partnerships with our local JVs

- **Community Relationship Management Plan (CRMP)**
  - Identification of our activity’s social impact on local communities
  - Use of tools to “map” local stakeholders and to open a dialogue with them
  - Development of indicators to monitor our social performance

Example of a Communication to inform the communities of CGGVeritas operations
Footprint & Ecoconception : Going Beyond Regulation

- **Environmental Policy**
  - Tailored Environmental Risk Assessment & Environmental Management Plan
  - Promote environmental best practices
  - Train, inform and mobilize employees

- **Environmental criteria included in the product development cycle**
  - Technology innovation to produce eco-friendly equipment
  - “Product end-of-life" recycling offer for clients

- **Mitigation of transient disturbance**
  - Minimizing soil and seabed disturbance
  - Monitoring fauna’ displacements and change of behaviour patterns
  - Joint Industry Program to address knowledge gaps on E&P offshore's impact on marine life
CGG Fleet Profile

**Vessel profile**
- 2 New X-Bow vessels meeting DNV-Clean Notation
- All 3D high capacity vessels equipped with solid streamers
- Use of marine diesel oil
- Compliant with international convention MARPOL (concerning sea pollution)
- Permanent installation on board to treat water and to separate wastes
- Performance indicator: Marine Fuel Efficiency index (CMP-kms/m³ of fuel) = 44 in 2012
Training & Equal Opportunity

- RH priorities: Attract and retain talents
  - Recruitment: long-term relationships with schools and universities worldwide
  - Significant intern mobility opportunities
  - Identification of « key potentials »
  - Competitive remuneration based on an average of competitors remuneration and Energy sector
  - Training: CGG University promotes individual development and professionalism

- Social Dialogue
  - Worldwide commitment to ensure the representation of employees and the respect of non-discrimination
  - Regular Employee satisfaction survey

- Integrity and Commitment
  - Our focus on performance and passion for innovation are powered by people and delivered with integrity
  - Promoting best practices inside the Group
  - E-learning sessions of our Code of Ethics and our Business Code of Conduct

CGG at Crawley STEMfest, an educational roadshow for young students

CGG University Centers across the world
Conclusion: From Compliancy to Sustainable Strategy
We Launch Initiatives to Go Beyond Regulation

- Protect the “hosting countries” wealth
  - Participation of Ethnologists and Biologists to our surveys

- Marine: Reducing Fuel Consumption
  - Evaluating the potential of an organic additive X-Bee

- Land: Taking into account the operation environment
  - *Desert Environment*: Reducing the water consumption by installing smart grid and raising employees and local people awareness with posters
  - *Forest Environment*: Respecting the food-chain law by designing non-straight seismic lines and by replanting trees

- Processing: Reducing the Use of Air Conditioning
  - Use of “oil bath” to cool down the computers
  - Eco-cool free-air cooling systems
Conclusion

2011: Our SD strategy based on 80 years of experience is recognized by clients, local population, employees and investors.

2012: We are committed to respect our sustainable roadmap in reducing our footprint and going along with our clients to develop a more responsible E&P activity and launch our ESG Materiality Matrix.

2013: A year of developing our SD reporting notably with SD indicators and launching our 1st SD report.
Thank you
Annexes
Summary of the Oil and Gas Field Development Lifecycle

1. Seismic Equipment & Services
   - Land & Marine data acquisition
   - Data Processing
   - 4% of E&P budget ($16bn)

2. Contract Drilling
3. Drilling-Related Products & Services
   - 4. Formation Evaluation
5. Completion & Stimulation Services
6. Infrastructure Installation
7. Production & Well Maintenance
8. Oilfield Equipment
9. Logistics
We Apply our own Standards Based on the Industry Standards (OGP and IAGC)

Example: Regional Marine Mammal Mitigation Guidelines Implemented During Seismic Surveys: Some countries have defined Guidelines and others don't: problems of non consistent regulation

Our Group Standards

- Observer Requirement: 2-3 MMO
- Required Observation: 30 min
- Source Exclusion zone: 500m
- Ramp up Operations: Yes
- Night-time Source use: Permitted
- Use of Passive Acoustics: Integration on several vessels

USA/GOM Mitigation Measures

- Observer Requirement: 2 MMO
- Required Observation: 30 min
- Source Exclusion zone: 500m
- Ramp up Operations: Yes but not at night
- Night-time Source use: Permitted
- Use of Passive Acoustics: Encouraged

Australia Mitigation Measures

- Observer Requirement: independent MMO
- Required Observation: 30 min
- Source Exclusion zone: 500m-1000m
- Ramp up Operations: Yes
- Night-time Source use: Infra-Red binoculars
- Use of Passive Acoustics: Not required

UK Mitigation Measures

- Observer Requirement: 1-2 MMO
- Required Observation: 30 min
- Source Exclusion zone: 500m
- Ramp up Operations: Yes
- Night-time Source use: Permitted
- Use of Passive Acoustics: During hours of darkness, or low visibility