CGGVERITAS SERVICES HOLDING (U.S.) INC.
Form F-4
September 27, 2011
Table of Contents

As filed with the Securities and Exchange Commission on September 27, 2011

Registration No. 333-[ ]

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Compagnie Générale de Géophysique-Veritas

(Exact Name of Registrant as Specified in its Charter)

CGG Veritas

(Translation of Registrant s Name Into English)

Republic of France	1382	Not Applicable
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Tour Maine Montparnasse

33 avenue de Maine

BP 191

75755 Paris Cedex 15

France

+33 1 64 47 45 00

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

CT Corporation System

111 Eighth Avenue

New York, New York 10011

(212) 894-8400

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Beatrice Place-Faget

Group General Counsel

Compagnie Générale de Géophysique-Veritas

Tour Maine Montparnasse

33 avenue de Maine

75755 Paris Cedex 15

France

+33 1 64 47 45 00

Luis Roth

Linklaters LLP

25, rue de Marignan

75008 Paris

France

+33 1 56 43 56 43

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earliest effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer:	x	Accelerated filers:	¨
Non-accelerated filer:	¨	Smaller reporting company:	¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price Per Senior Note(1)**	**Proposed Maximum Aggregate Offering Price(1)**	**Amount of Registration Fee(2)**
6 1/2% Senior Notes due 2021	$650,000,000	100%	$650,000,000	$75,465
Guarantees of 6 1/2% Senior Notes due 2021(3)	$650,000,000			(4)

(1) The notes being registered are being offered in exchange for 6 1/2% Senior Notes due 2021 previously sold in transactions exempt from registration under the Securities Act. The registration fee was computed based on the face value of the 6 1/2% Senior Notes due 2021 solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act.
(2) Calculated pursuant to Rule 457(f) under the Securities Act of 1933.
(3) The 6 1/2% Senior Notes due 2021 are unconditionally guaranteed, on a joint and several basis, by certain subsidiaries on a senior unsecured basis. No separate consideration will be paid in respect of these guarantees. See inside facing page for the registrant guarantors.
(4) Pursuant to Rule 457(n) under the Securities Act, no registration fee is required with respect to the guarantees.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants will file a further amendment which specifically states that this Registration Statement will thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement will become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Table of Additional Registrants

Name and Address, Including Zip Code and Telephone Number, Including Area Code, of Principal Executive Offices	State or Other Jurisdiction of Incorporation	I.R.S. Employer Identification No.
Alitheia Resources Inc. 10300 Town Park Drive Houston, Texas 77072 (832) 3518300	Delaware	56 2475147
CGG Canada Services Ltd. 450, 808-4th Avenue SW Calgary, Alberta TP3 E8 Canada (403) 266 1011	Alberta, Canada	N/A
CGG Marine Resources Norge A/S OH Bangs Vei 70 N-1363 Høvik Norway +47 67 11 34 72	Norway	N/A
CGGVeritas Land (U.S.) Inc. 10300 Town Park Drive Houston, Texas 77072 (832) 351 8300	Delaware	76 0542437
CGGVeritas Services Holding B.V. Schiphol Boulevard 299 1118 BH Shiphol - Airport	The Netherlands	N/A

The Netherlands +31 20 799 7654		
CGGVeritas Services Holding (U.S.) Inc. 10300 Town Park Drive Houston, Texas 77072 (832) 351 8300	Delaware	74 1813790
CGGVeritas Services (UK) Holding B.V. Schiphol Boulevard 299 1118 BH Schiphol Airport The Netherlands	The Netherlands	N/A
CGGVeritas Services (U.S.) Inc. 10300 Town Park Drive Houston, Texas 77072 (832) 351 8300	Delaware	20 8026762
Sercel Australia Pty Ltd. Level 5, Deutsche Bank Place 126 Philip Street Sydney, NSW, 2000 Australia +61 2 8832 5500	New South Wales, Australia	N/A
Sercel Canada Ltd. 1108 55th Avenue, NE Calgary, Alberta TZE 6Y Canada (403) 275 3544	New Brunswick, Canada	N/A

Table of Contents

Name and Address, Including Zip Code and Telephone Number, Including Area Code, of Principal Executive Offices	State or Other Jurisdiction of Incorporation	I.R.S. Employer Identification No.
Sercel, Inc. 17200 Park Row Houston, Texas 77084 (281) 492 6688	Oklahoma	73 1396603
Veritas Geophysical (Mexico) LLC c/o Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	Delaware	76 0670383
Veritas Investments Inc. c/o Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	Delaware	76 0569069
Viking Maritime Inc. c/o Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	Delaware	76 0677405

Table of Contents

Offer to Exchange All Outstanding

6 1/2% Initial Senior Notes due 2021

Guaranteed on a senior basis by certain subsidiaries

(U.S.$650,000,000 aggregate principal amount outstanding) for

6 1/2% Exchange Senior Notes due 2021

Guaranteed on a senior basis by certain subsidiaries

Compagnie Générale de Géophysique-Veritas

We are offering to exchange all of our outstanding unregistered 6 1/2% Senior Notes due 2021 issued on May 31, 2011 for new registered 6 1/2% Senior Notes due 2021. The outstanding notes and the new notes are sometimes collectively referred to as the notes. The terms of the new notes are identical to the terms of the outstanding notes except that the new notes are registered under the Securities Act of 1933 (the Securities Act) and, therefore, are freely transferable.

Please consider the following:

- You should carefully review the Risk Factors beginning on page 19 of this prospectus.
- Our offer to exchange outstanding notes for new notes will be open until 5:00 p.m., New York City time, on [ ], 2011, unless we extend the exchange offer.
- The exchange offer is not conditional upon any minimum aggregate principal amount of outstanding notes being tendered.
- Tenders of outstanding notes may be withdrawn any time prior to the expiration of the exchange offer.
- The exchange of outstanding notes for new notes will not be a taxable event for U.S. federal income tax purposes.
- You should also carefully review the procedures for tendering the outstanding notes beginning on page 49 of this prospectus.
- If you fail to tender your outstanding notes, you will continue to hold unregistered securities and your ability to transfer them could be adversely affected.
- No public market currently exists for the notes. Application has been made to admit the new notes to listing on the Luxembourg Stock Exchange and to trading on the Euro MTF market.

Information about the Notes:

The notes will mature on June 1, 2021.

We will pay interest on the notes semi-annually on June 1 and December 1 of each year, beginning December 1, 2011, at the rate of 6 1/2% per annum.

We may redeem the notes on or after June 1, 2016 at the redemption prices set forth on page 60 of this prospectus.

We have the option until June 1, 2014, to redeem up to 35% of the original aggregate principal amount of the notes originally issued and the notes with the net proceeds of certain types of equity offerings.

At any time prior to June 1, 2016, we may also redeem all or a part of the notes at a redemption price equal to 100% of the principal amount of the notes plus the applicable premium described in this prospectus.

We may also redeem all, but not fewer than all, of the notes at a redemption price equal to 100% of the principal amount of the notes in the event of certain changes affecting tax laws.

The notes are our senior unsecured obligations and will rank equally in right of payment with all of our other existing and future senior unsecured indebtedness and senior in right of payment to all our existing and future subordinated indebtedness.

The notes will be initially guaranteed on a senior unsecured basis by certain of our subsidiaries. The notes and the subsidiary guarantees will be effectively subordinated to all our secured obligations, all secured obligations of our subsidiaries that guarantee the notes and all obligations of our subsidiaries that do not guarantee the notes.

If we undergo a change of control or sell some of our assets, we may be required to offer to purchase notes from you.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is [ ], 2011

Table of Contents

TABLE OF CONTENTS

	Page
Where you can find more Information	i
Presentation of Information	ii
Incorporation by reference	ii
Forward-looking Statements	iv
Prospectus Summary	1
Summary of the Exchange Offer	9
Summary of the Terms of the New Notes	12
Summary Consolidated Financial Information	16
Risk Factors	19
Exchange Rates	39
Offering of the Outstanding Notes	40
Use of Proceeds	41
Description of Certain Indebtedness	42
The Exchange Offer	46
Description of the Notes	55
Outstanding Notes Registration Rights Agreement	98
Book Entry, Delivery and Form	100
Certain U.S. Federal Income Tax Consequences of the Exchange offer	102
Plan of Distribution	106
Legal Matters	108
Experts	108
Service of Process and Enforcement of Liabilities	108
General Information	109

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. You should rely only on the information or representations provided in this prospectus. We have not authorized any person to provide information other than that provided in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of this document.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934 (the Exchange Act) applicable to foreign private issuers. In accordance with the Exchange Act, we electronically file reports, including annual reports on Form 20-F and interim reports on Form 6-K, and other information with the Securities and Exchange Commission. You may obtain these reports and other information by sending a written request to CGGVeritas, Tour Maine-Montparnasse, 33 avenue de Maine, BP 191, 75755 Paris CEDEX 15, France, Attention: Investor Relations Officer, Telephone: +33 1 64 47 45 00.

You can inspect and copy these reports, and other information, without charge, at the Public Reference Room of the Commission located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The Commission also maintains an Internet site at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission. In addition, you can inspect

Table of Contents

material filed by us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which American Depositary Shares representing shares of our common stock are listed. As a foreign private issuer, we are not subject to the proxy rules under Section 14 or the short-swing insider profit disclosure rules under Section 16 of the Exchange Act.

All information referred to above will, for so long as the notes are listed on the Luxembourg Stock Exchange, also be available, without charge, at the specified office of the Paying Agent in Luxembourg during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this prospectus.

PRESENTATION OF INFORMATION

In this prospectus, references to United States or U.S. are to the United States of America, references to U.S. dollars , $ or U.S.$ are to United States dollars, references to France are to the Republic of France and references to euro or are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty Establishing the European Union.

Unless otherwise indicated, statements in this prospectus relating to market share, ranking and data are derived from management estimates based, in part, on independent industry publications, reports by market research firms or other published independent sources. Any discrepancies in any table between totals and the sums of the amounts listed in such table are due to rounding.

As used in this prospectus, CGG refers to Compagnie Générale de Géophysique and its subsidiaries before the merger between CGG and Veritas, except as otherwise indicated, Veritas refers to Veritas DGC Inc. and its subsidiaries before the merger between CGG and Veritas, except as otherwise indicated, and CGGVeritas , the Group , we , us and our refer to Compagnie Générale de Géophysique-Veritas and its subsidiaries, except as otherwise indicated.

INCORPORATION BY REFERENCE

The Commission allows us to incorporate by reference the information we file with the Commission in other documents, which means:

- incorporated documents are considered part of this prospectus;
- we can disclose important information to you by referring you to those documents; and
- information that we file with the Commission after the date of this prospectus automatically updates and supersedes this prospectus.

We incorporate by reference each of the following documents:

- our annual report on Form 20-F for the financial year ended December 31, 2010 filed with the Commission on April 21, 2010;
- our report on Form 6-K submitted to the Commission on May 2, 2011 with respect to our Joint Venture with Eidesvik Offshore;
- our report on Form 6-K submitted to the Commission on May 24, 2011 with respect to our Marine joint venture with Elnusa;
- our report on Form 6-K submitted to the Commission on May 24, 2011 with respect to our Marine joint venture with Petro Vietnam;

our report on Form 6-K submitted to the Commission on May 25, 2011 with respect to the completion of BrodSeis survey for Brunei Shell Petroleum Company;

our report on Form 6-K submitted to the Commission on May 25, 2011 with respect to Sercel s breaking of the seismic recording channel capacity barrier with the Giga Transverse;

our report on Form 6-K submitted to the Commission on May 25, 2011 with respect to the award of a seismic permit in the Gulf of Mexico;

our report on Form 6-K submitted to the Commission on May 26, 2011 with respect to the signing of the first BrodSeis contract in the Americas;

our report on Form 6-K submitted to the Commission on June 28, 2011 with respect to our five-year charter agreement with Bourbon for new support vessels;

our report on Form 6-K submitted to the Commission on July 12, 2011 with respect to our completion of a 3D BroadSeis seismic survey for Shell over deep water offshore Gabon.

our report on Form 6-K submitted to the Commission on July 12, 2011 with respect our vessel utilization and fleet allocation updates for the second quarter of 2011;

our report on Form 6-K submitted to the Commission on July 29, 2011 with respect to our strategic agreement with Spectrum;

our report on Form 6-K submitted to the Commission on July 29, 2011 announcing our second quarter 2011 results;

our report on Form 6-K submitted to the Commission on July 29, 2011 containing our unaudited interim financial statements for the six months ended June 30, 2011; and

our report on Form 6-K submitted to the Commission on September 19, 2011 announcing our listing on the Dow Jones Sustainability Europe Index (DJSI).

In addition, we incorporate by reference each of the following documents that we will file with the Commission after the date of this prospectus from now until the first anniversary of the effective date of the registration statement pertaining to the new notes:

reports filed under Section 13(a), 13(c) or 15(d) of the Exchange Act; and

any future reports filed on Form 6-K that indicate that they are incorporated by reference in this prospectus.

You may obtain a copy of any of the documents referred to above (excluding exhibits) at no cost by contacting us at the following address:

CGGVeritas

Tour Maine-Montparnasse

33 avenue de Maine

BP 191, 75755

Paris CEDEX 15 France

Attention: Investor Relations Officer

Telephone: +33 1 64 47 45 00

To obtain timely delivery, you must request any document no later than five business days before the date of the expiration of this exchange offer, meaning no later than [ ], 2011.

FORWARD-LOOKING STATEMENTS

This prospectus includes and incorporates by reference forward-looking statements within the meaning of the federal securities laws, which involve risks and uncertainties, including, without limitation, certain statements made in Item 4: Information on the Company and Item 5: Operating and Financial Review and Prospects in our 2010 annual report incorporated by reference herein. You can identify forward-looking statements because they contain words such as believes , expects , may , should , seeks , approximately , intends , plans , estimates , o similar expressions that relate to our strategy, plans or intentions. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We have based these forward-looking statements on our current views and assumptions about future events. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on the date of this prospectus.

Important factors that could cause actual results to differ materially from our expectations (cautionary statements) are disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All forward-looking information in this prospectus and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our actual results include:

- the impact of the current economic and credit environment;
- exposure to the credit risk of customers;
- the social, political and economic risks of our global operations;
- our ability to integrate successfully the businesses or assets we acquire;
- any write-downs of goodwill on our balance sheet;

our ability to sell our seismic data library;

exposure to foreign exchange rate risk;

our ability to finance our operations on acceptable terms;

exposure to fluctuations in fuel costs;

the timely development and acceptance of our new products and services;

ongoing operational risks and our ability to have adequate insurance against such risks;

Table of Contents

- difficulties and costs in protecting intellectual property rights and exposure to infringement claims by others;
- the level of capital expenditures by the oil and gas industry and changes in demand for seismic products and services;
- our clients ability to unilaterally terminate certain contracts in our backlog;
- the effects of competition;
- difficulties in adapting our fleet to changes in the seismic market;
- the seasonal nature of our revenues;
- the costs of compliance with governmental regulation, including environmental, health and safety laws;
- our substantial indebtedness and the restrictive covenants in our debt agreements;
- 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;
- exposure to interest rate risk; and
- our success at managing the foregoing risks.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in this prospectus, including those described in the Risk Factors section of this prospectus.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus to help you understand our business and the terms of the notes. You should carefully read all of this prospectus, including the consolidated financial statements and related notes, to understand fully our business and the terms of the notes, as well as some of the other considerations that may be important to you in making your investment decision. You should pay special attention to the Risk Factors section of this prospectus to determine whether an investment in the notes is appropriate for you.

Compagnie Générale de Géophysique-Veritas

We are a global participant in the geophysical seismic industry, as both a manufacturer of geophysical equipment and a provider of a wide range of services (including seismic data acquisition and related processing and interpretation software). Our operations are organized into two segments: Services and Equipment, in accordance with our internal reporting system, which we use to manage and measure our performance.

Our geophysical Equipment segment operates through our subsidiary Sercel, the market leader in the development and production of seismic acquisition systems and specialized equipment in the land and offshore seismic markets.

Our geophysical Services segment comprises the following divisions:

- marine contract: seismic data acquisition offshore undertaken by us on behalf of a specific client;
- land contract: seismic data acquisition for land, transition zones and shallow water undertaken by us on behalf of a specific client;
- processing, imaging and reservoir: processing, imaging and interpretation of geophysical data, data management and reservoir studies for clients; and
- multi-client land and marine: seismic data acquisition undertaken by us and licensed to a number of clients on a non-exclusive basis.

We had consolidated operating revenues of 2,186.1 million and 1,051.5 million and consolidated operating income of 67.2 million and 27.5 million for the year ended December 31, 2010 and the six months ended June 30, 2011, respectively. See Summary Financial Information .

We have more than 100 years of combined operating experience (through CGG and Veritas) and a recognized track record of technological leadership in the science of geophysics. We believe we are well placed to capitalize on the growing importance of seismic technology to enhance the exploration and production performance of our broad base of clients, which includes independent, international and national oil companies.

Compagnie Générale de Géophysique-Veritas is the parent company of the CGGVeritas group. We are a *société anonyme* incorporated under the laws of the Republic of France and operating under the French Commercial Code. Our registered office is at Tour Maine Montparnasse, 33, avenue du Maine, 75015 Paris, France.

Our Business

Our geophysical Services segment accounted for 72% and our geophysical Equipment segment accounted for 28% of our consolidated operating revenues for the year ended December 31, 2010 and for the six months ended June 30, 2011.

Table of Contents

The following table sets forth our consolidated operating revenues by activity in millions of euros or dollars, as the case may be, and the percentage of consolidated operating revenues represented thereby, for the periods indicated:

	Six months ended June 30,		Year ended December 31,			
	2011		2010		2009	
	(in millions, except percentages)					
Land contract	171.2	16%	286.9	13%	274.2	12%
Marine contract	313.7	30%	585.2	27%	774.4	35%
Multi-client	126.8	12%	402.1	19%	370.2	17%
Processing, imaging and reservoir	146.3	14%	292.7	13%	289.6	13%
Total Services	**758.1**	**72%**	**1,566.9**	**72%**	**1,708.4**	**77%**
Equipment	**293.4**	**28%**	**619.2**	**28%**	**524.8**	**23%**
Total	**1,051.5**	**100%**	**2,186.1**	**100%**	**2,233.2**	**100%**

We generate revenues (by location of customers) on a worldwide basis. For the year ended December 31, 2010, 27% of our consolidated operating revenues were from North America, 13% from South and Central Americas, 40% from Europe, Africa and the Middle East, and 20% from Asia Pacific. For the six months ended June 30, 2011, 21% of our consolidated operating revenues were from North America, 19% from South and Central Americas, 38% from Europe, Africa and the Middle East, and 22% from Asia Pacific.

The following table sets forth our consolidated operating revenues by region in millions of euros or dollars, as the case may be, and the percentage of consolidated operating revenues represented thereby, for the periods indicated:

	Six months ended June 30,		Year ended December 31,			
	2011		2010		2009	
	(in millions, except percentages)					
North America	217.2	21%	584.5	27%	501.5	22%
Central and South Americas	197.0	19%	296.1	13%	156.8	7%
Europe, Africa and Middle East	402.2	38%	866.8	40%	982.1	44%
Asia Pacific	235.0	22%	438.7	20%	592.8	27%
Total	**1,051.5**	**100%**	**2,186.1**	**100%**	**2,233.2**	**100%**

Services

Land

Land seismic acquisition includes all seismic surveying techniques where the recording sensor is either in direct contact with, or in close proximity to, the ground. Our land business line offers integrated services, including the acquisition and on site processing of seismic data on land, in transition zones and on the ocean floor (seabed surveys). We undertake land surveys on both a contract and multi-client basis.

We are a significant land seismic acquisition contractor worldwide, including in North America, and particularly in difficult terrain. Land contract activities accounted for 13% of our consolidated operating revenues in 2010 and 16% of our consolidated operating revenues for the six months ended June 30, 2011.

Marine

We provide a full range of 3D marine seismic services, principally in the Gulf of Mexico, the North Sea and off the coasts of West Africa and Brazil, as well as in the Asia-Pacific region.

2

We undertake both contract and multi-client marine seismic surveys. Contract surveys generally provide for us to be paid a fixed fee per square kilometer of data acquired. When we acquire marine seismic data on a contract basis, the customer contracts to pay for and directs the scope and extent of the survey and retains ownership of the data obtained. In regions where there is extensive petroleum exploration, such as Brazil, the Gulf of Mexico, West Africa, the Mediterranean Sea and the North Sea, we also undertake multi-client surveys, in which we fund the survey ourselves and retain ownership of the seismic data. This enables us to provide multiple companies access to the data by way of license. As a result, we have the potential to obtain multiple and higher revenues, while our customers who license the data have the opportunity to pay lower prices. The capacity to both acquire and process marine seismic data is an important element of our overall strategy to maintain and develop our leading position in marine seismic data acquisition and processing.

Total marine contract accounted for 27% of our consolidated operating revenues in 2010 and 30% of our consolidated operating revenues in the six months ended June 30, 2011.

We currently operate a combined fleet of 18 vessels, including eight high-capacity 3D vessels (with 12 or more streamers), seven 3D vessels (with 7 to 10 streamers), and three small capacity 3D/2D vessels. The *CGG Alizé*, *Oceanic Challenger*, *Symphony*, *Viking Vision*, *Viking Vanquish*, *Oceanic Endeavour* (formerly named *Geowave Endeavour*) and *Oceanic Vega* are each capable of deploying at least twelve streamers simultaneously. Most of our high-capacity 3D vessels are equipped with *Sentinel* solid streamers, which offer numerous advantages over fluid- or gel-filled streamers, such as the ability to work in rougher seas and to record more desirable frequencies with less noise and less downtime and also eliminate the risk of oil spills due to damages to streamers. In 2010, we continued performance upgrades, equipping four more vessels, the *Oceanic Vega*, *Veritas Viking II*, *Viking Vanquish* and *Oceanic Endeavour* (formerly named *Geowave Endeavour*), with the *Nautilus* system allowing us to control the lateral positioning of the towed streamers.

Processing, Imaging and Reservoir

We provide seismic data processing and reservoir services through our network of data processing centers and reservoir teams located around the world. Operating revenues from our Processing, Imaging and Reservoir business line accounted for 13% of our consolidated operating revenues in 2010 and 14% of our consolidated operating revenues for the six months ended June 30, 2011.

We process seismic data acquired by our land and marine seismic acquisition crews as well as seismic data acquired by non-affiliated third parties. Marine seismic data has been a significant source of the growth in demand for our data processing services. In addition, we reprocess previously processed data using new techniques to improve the quality of seismic images.

Equipment

We conduct our equipment development and production operations through Sercel and its subsidiaries. We believe Sercel is the market leader in the development and production of seismic acquisition systems and specialized equipment in the land and offshore seismic markets. Sercel is operated as an independent division and makes most of its sales (82% for 2010 and 76% for the six months ended June 30, 2011) to purchasers other than CGGVeritas. Sercel currently operates five seismic equipment manufacturing facilities, located in Nantes and Saint Gaudens in France, Houston, Singapore and Alfreton in England. In China, Sercel operates through Sercel-JunFeng Geophysical Equipment Co Ltd (JunFeng), based in Hebei, China, in which Sercel acquired a 51% equity stake in 2004, and through Sercel Junfeng s subsidiary Xian Sercel Petroleum Exploration Instrument Co. Ltd (Xian Sercel), which Sercel previously owned jointly with BGP and acquired full ownership of in November 2010. In addition, four sites in France (Toulouse, Les Ulis, Toulon and Brest) are dedicated to borehole tools, marine sources and submarine acoustic instrumentation, respectively.

Table of Contents

Total Equipment activities accounted for 28% of our consolidated operating revenues in 2010 and in the six months ended June 30, 2011.

We estimate that Sercel s market share in the seismic equipment market was approximately 60% as at both December 31, 2010 and June 30, 2011.

Industry Conditions

Overall demand for geophysical services and equipment is dependent on 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 and the ability of our customers, particularly the small independent oil and gas companies, to secure financing for their projects. On the seismic supply side, decisions for capacity adjustments are based on estimates of demand for seismic services in the coming months (for land crews) or in the next two to three years (for marine seismic vessels). As a result, the supply and demand balance in seismic services is affected by decisions that were made up to three years earlier. These decisions are based on projected demand and companies actual expense levels for the exploration of oil and gas. In this context, we believe that the short-term outlook for the geophysical services sector, particularly the marine segment, is characterized by a continuing recovery in demand that will eventually satisfy the current market overcapacity and trigger a price increase. We also believe that this continuing recovery in demand will sustain the current investment level in seismic equipment. Our short-term outlook is based on the following market analyses:

The strong recession experienced in geophysical services from mid-2008 to the end of 2009 led to a significant decrease in volume and prices, resulting in an overcapacity in marine and land seismic markets. At the end of 2009, there were clear signs that oil and gas companies would increase their exploration expenses, which would trigger a rebound in demand. Most seismic companies then accelerated the launch of new capacities or released vessels that had been removed from operation to anticipate the beginning of a new growth cycle. The Deepwater Horizon platform disaster in April 2010, which resulted in a huge oil spill in the Macondo oil field in the Gulf of Mexico, has severely reduced the demand for seismic studies in this part of the world. Demand in marine seismic grew elsewhere as expected, but not enough to offset the reduction in the number of vessels operating in the Gulf of Mexico. Consequently, a sustained imbalance between supply and demand continued through 2010 and prices stayed flat. Similarly, land seismic demand rebounded but without any effect on prices. This growth in volume has nevertheless benefited the equipment sector, both for marine equipment (with new vessels released into the market and upgrades of old vessels), and for land equipment (with an overall increase in the average number of channels per crew for denser acquisitions).

In 2011, we expect that oil and gas companies, supported by sustained higher oil prices, will continue to grow their exploration and production expenses with a stronger emphasis on exploration, leading to increased demand for both marine and land seismic surveys. In marine seismic, we expect that the current overcapacity will begin to decrease in the second half of the year. We expect that the land seismic market will stay vigorous in our key regions, including in winter in North America. We believe that processing, imaging and reservoir activity will benefit from the global increased activity in marine and from subsalt or sub-basalt offshore exploration. Multi-client activity will continue to be closely linked to the schedule of the bid rounds, and to the evolution of new regulations and issuance of permits in the Gulf of Mexico.

In the longer term, we believe that the outlook for both the geophysical services sector and the geophysical equipment segment is fundamentally positive for a number of reasons:

First, oil and gas companies (including both international and national oil companies) and the large oil and gas consuming nations have perceived a growing and potentially lasting imbalance between reserves and future demand for hydrocarbons. A rapid rise in world consumption requirements,

Table of Contents

particularly in China and India, resulted in a higher growth in demand for hydrocarbons than had been anticipated, despite the recent economic downturn. In response to this growth, we expect that oil and gas companies will continue to increase their exploration and production investments in order to improve existing reservoir and regularly replace reserves.

Second, we expect that the seismic services market will continue to benefit from this increased spending because seismic services are key components in both the search for new reserves (pure exploration (early cycle)) and the optimization of existing reservoirs (reservoir development, management and production (late cycle)). Significant technological developments in seismic equipment and services over the last decade have advanced the use of seismic technology in reservoir development and production, broadening its use over the lifecycle of reservoirs.

Each year, three to four million barrels of new oil have to be found in order to offset the declining rates of the existing reserves, and as such, in deeper and more and more complex geology. Gas production from shale rocks, where seismic studies are used to enhance the yield, has developed remarkably well in North America, and may expand to other continents. We expect these fundamental trends to continue to drive increased demand for high-end seismic equipment and services in the medium-term. We believe that we are in a strong position to benefit from these trends.

Our Strategy

We intend to continue to strengthen our competitive position in the global geophysical services and equipment markets by capitalizing on growth opportunities resulting from both the application of new technologies in every sector of the oil and gas business (from exploration to production and reservoir management) and from our worldwide presence.

To achieve this objective, we have adopted the following strategies:

Actively respond to the current market environment.

The volatile and adverse global market and economic conditions commencing in late 2008 and the decreased level of capital expenditures by oil and gas companies adversely affected demand for seismic products and services in 2009. Demand started to recover in 2010 as exploration expenses of oil and gas companies began to increase again. In response to market conditions, we focused on reducing costs across the organization. We adjusted our fleet capacity by decommissioning and removing vessels in 2009 and 2010 and by postponing to 2010 and 2011 the deliveries of the new builds ordered in 2007. In addition, to meet current and future market demand, in particular for increased streamers per vessel, we upgraded one vessel in 2010 and two vessels in the six months ended June 30, 2011. We plan to upgrade one additional vessel in 2012. See Services Marine Business Line Marine Seismic Acquisition Fleet contained in Item 4 of the Company s Form 20-F for the year ended December 31, 2010 dated April 21, 2011.

In addition, we are taking a disciplined approach to capital spending in order to focus on our priority of free cash flow generation. We stabilized capital spending on our multi-client library in 2010 at a level that we plan to maintain in 2011. We are also maintaining strong research and development spending levels and further increasing our focus on leadership in advanced technology.

Focus on growth areas for geophysical services.

We believe that our proprietary equipment and software provide us with a competitive advantage in specific growth markets, such as data acquisition in transition zones and difficult terrain, where recent technological advances have made seismic acquisition more feasible. We intend to focus on developing our technological

Table of Contents

capabilities in emerging markets for geophysical services, such as reservoir appraisal and production monitoring. We also believe that we have unique experience and expertise in complex land seismic acquisition projects in both desert and arctic regions. Furthermore, we believe our geographic footprint will allow us to respond to the growing demand for seismic imaging and reservoir solutions.

We also intend to maintain our position in the marine and land seismic market for multi-client data by developing our multi-client data library. We believe that a strong position in this market segment enhances our global competitive position and may provide opportunities for continuing future sales. In developing our multi-client data library, we carefully select survey opportunities in order to maximize our return on investment. We also intend to apply the latest advances in depth imaging technology to a selected part of our existing library.

Given the growing importance of geophysics in reservoir characterization, we intend to further develop the synergies between our data processing and reservoir services. This approach places us in a better position to meet the requirements of our clients with an extensive range of integrated services. With the increasing use of wide-azimuth and high resolution surveys and the growing demand for advanced imaging capabilities, we also intend to increase our processing capability in developing disciplines, such as reservoir description and monitoring, including wide-azimuth, multi-component and 4D studies. We also plan to continue promoting and developing our dedicated processing centers within our clients offices and developing our regional centers. We opened our thirteenth dedicated processing center in September 2010 for Maersk Oil in Copenhagen.

We also intend to set up targeted partnerships through joint-ventures (JVs) in order to address specific market segments or to gain a privileged access to high potential local geographical markets. These include a JV with Gardline in the site survey segment established in May 2010, a JV with Petrovietnam Technical Services Corporation (PTSC) for the Vietnamese offshore market announced in December 2010, a JV with PT Elnusa Tbk (Elnusa) for the Indonesian offshore market announced in February 2011 and a JV with JSC Geotech Holding (Geotech) for the Russian offshore market announced in February 2011.

Develop technological synergies for products and capitalize on new generation equipment.

We believe Sercel is the leading manufacturer of land, marine and subsea geophysical equipment. We plan to continue developing synergies among the technologies available to Sercel and to capitalize fully on our position as a market leader. Through our research and development, we seek to improve existing products and maintain an active new product development program in all segments of the geophysical equipment market (land, marine and ocean-bottom).

Develop and utilize innovative technology.

The significant technological developments in seismic services over the last decade have produced a marked change in the sector. The development of 4D and wide-azimuth techniques (providing time lapse views and enhanced illumination of the reservoir as well as improved image resolution) now allows operators to better locate and monitor reservoir performance. This possibility broadens the use of seismic techniques from pure exploration (early cycle) into a tool for reservoir development, management and production (late cycle). Importantly, these techniques require more vessel time than traditional data acquisition. For example, three to six times more vessel time is required to shoot wide-azimuth data than is required for traditional 3D.

Launching BroadSeis was our main technological event in 2010. This technique improves considerably the quality of data acquired by streamers by widening the range of recorded frequencies. When less attenuated, low frequencies allow for clearer images much deeper into the earth, whereas high frequencies enhance the image resolution at a level never attained before. BroadSeis relies on the combination of three differentiation factors developed by us: (i) the Sercel solid streamer, the most quiet in the market; (ii) an original acquisition set-up based on a specific positioning of streamers at variable depth in water; and (iii) innovative processing algorithms

that are adapted to this specific acquisition configuration. Patent applications have been filed for the different components to ensure we maintain exclusive rights over this technique. Around ten test acquisitions were carried out in 2010, most of them in association with customers, which we believe indicates a real interest for this new technology. The industrialization phase of BroadSeis will now enable us to quickly expand the use of this process, which will be a key differentiation factor for our marine acquisition business in 2011.

We believe that growth in demand for geophysical services will continue to be driven in part by the development of new technologies. The industry is increasingly demanding clearer seismic imaging and better visibility, particularly underneath salt layers. We expect multi-azimuth, wide azimuth, multi-component (3C/4C) surveys and time-lapse (4D) surveys to become increasingly important for new production-related applications, particularly in the marine sector, and expect specialized recording equipment for difficult terrain to become more important in land seismic data acquisition, particularly in transition zones, shallow water and arctic areas. We believe that to remain competitive, geophysical services companies will need to combine advanced data acquisition technology with consistently improving processing capacity in order to reduce further delivery times for seismic services.

Our strategy is to continue our high level of investment in research and development to reinforce our technological leadership. We also intend to take advantage of our full range of integrated services to enhance our position as a market leader in:

- land and transition zone seismic data acquisition systems and know-how;
- innovative marine and seabed acquisition systems and services;
- seismic data processing and reservoir services; and
- manufacturing of land, marine and subsea data acquisition equipment.

Emphasize client service.

We believe it is important to operate in close proximity to our clients to develop a better understanding of their individual needs and to add measurable value to their business processes. We respond to these needs by creating new products or product enhancements that improve the quality of data and reduce the data delivery time to clients. We believe that our regional multi-client and dedicated data processing centers in our clients offices provide us with an advantage in identifying contract opportunities, optimizing service to clients and developing products responsive to new market demands, such as seismic techniques applied to reservoir management. We believe that we are well positioned to benefit from the industry trend towards increased outsourcing. This trend is leading oil and gas companies to place greater emphasis on relationships and service quality (including health, safety and protection of the environment) in their selection of third party service providers, including geophysical services providers.

Provide integrated services.

We are committed to providing clients with a full array of seismic data services, from acquisition and processing to data interpretation and management. We believe that integration of compatible technology and equipment increases the accuracy of data acquisition and processing, enhances the quality of our client service and thereby improves productivity in oil and gas exploration and production. Our clients increasingly seek integrated solutions to better evaluate known reserves and improve the ratio of recoverable hydrocarbons from producing fields. We are continuing to develop our ability to provide geosciences solutions through a combination of various exploration and production services, including technical data management, reservoir characterization and interpretation of well information.

Develop well-positioned data libraries.

We intend to take advantage of our recent vintage, well-positioned seismic data libraries and will capitalize on our strong experience in the wide azimuth technology. The industry s growing interest in wide-azimuth technology to explore complex geological environments has translated into high pre-funding levels for our Walker Ridge, Green Canyon, Garden Banks and Three Corners surveys in the Gulf of Mexico. Onshore, our land library offers additional potential in North America, particularly in the shale gas. Our seismic data library is a strength in a market where a global library portfolio is increasingly attractive to clients.

Develop reservoir applications.

Historically, seismic data was mainly used by oil and gas companies for exploration purposes and later became a recognized tool for field development and reservoir management. We are now progressively extending our core business towards compiling and analyzing seismic data of existing reservoirs. Through high-resolution images and our expertise in 4D seismic and permanent monitoring, we aim to assist hydrocarbon producers in better characterizing and predicting the static properties and dynamic behavior of their reservoirs.

Enhance our cash liquidity position.

We are also taking steps to enhance our cash liquidity position, increase our flexibility under our credit facilities, extend our existing debt maturities, and bolster our balance sheet in an uncertain global economic environment. To those ends, we redeemed U.S.$460 million aggregate principal amount of our $7^1/_2$% Senior Notes due 2015 on March 1, 2011 with the proceeds of our OCEANE convertible bonds and redeemed the remaining U.S.$70 million aggregate principal amount of the $7^1/_2$% Senior Notes due 2015 on June 30, 2011 with a portion of the proceeds we received from the outstanding notes.

In addition, we amended our U.S. senior facilities on July 15, 2010 and we amended our French revolving facility on November 4, 2010. These amendments increased our flexibility under the financial covenants by modifying the interest coverage and leverage ratios, and extended some of our debt maturities. In consideration of these additional amendments, we increased by 100 points basis the applicable percentage for borrowings under the tranche of the U.S. senior facilities whose maturity was extended and we increased the applicable percentage for borrowing under the French revolving facility by 25 basis points (which may be further adjusted based on our corporate ratings). See Description of Certain Indebtedness .

We used a portion of the proceeds of the outstanding notes to repay in full the term loan B facility under our U.S. senior facilities.

Table of Contents

SUMMARY OF THE EXCHANGE OFFER

On May 31, 2011, we completed a private offering of the outstanding notes outside the United States in reliance on Regulation S under the Securities Act and to certain qualified institutional buyers within the United States in reliance on Rule 144A under the Securities Act. We entered into a registration rights agreement with the initial purchasers in the private offering of the outstanding notes in which we agreed to deliver to you this prospectus and to complete the exchange offer within 210 days after the date we issued the outstanding notes. You are entitled to exchange in the exchange offer your outstanding notes for new notes with substantially identical terms.

You should read the discussion under the headings Summary of the Terms of the New Notes beginning on page 12 and Description of the Notes beginning on page 55 for further information regarding the new notes.

We summarize the terms of the exchange offer below. You should read the discussion under the heading The Exchange Offer beginning on page 46 for further information regarding the exchange offer and resale of the new notes.

The Exchange Offer	We are offering to exchange up to U.S.$650 million aggregate principal amount of new notes for up to U.S.$650 million aggregate principal amount of the outstanding notes. Outstanding notes may be exchanged only in integral multiples of U.S.$1,000.
Expiration Date	The Exchange Offer will expire at 5:00 p.m., New York City time, on [ ], 2011, or such later date and time to which we extend it.
Withdrawal of Tenders	You may withdraw your tender of outstanding notes prior to the expiration date, unless previously accepted for exchange. We will return to you, without charge, promptly after the expiration or termination of the exchange offer any outstanding notes that you tendered but that were not accepted for exchange.
Conditions to the Exchange Offer	We will not be required to accept outstanding notes for exchange if the exchange offer would be unlawful or would violate any interpretation of the staff of the Commission. The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered. Please read the section The Exchange Offer Conditions to the Exchange Offer beginning on page 48 for more information regarding the conditions to the exchange offer.
Procedures for Tendering Outstanding Notes	If your outstanding notes are held through The Depository Trust Company (DTC) and you wish to participate in the exchange offer, you may do so through the automated tender offer program of DTC. If you tender under this program, you will agree to be bound by the letter of transmittal that we are providing with this prospectus as though you had signed the letter of transmittal. By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:
	any new note you receive will be acquired in the ordinary course of your business;

- you have no arrangement or understanding with any person to participate in the distribution of the outstanding notes or the new notes;
- you are not engaged in and do not intend to engage in the distribution of the new notes;
- if you are a broker-dealer that will receive new notes for your own account in exchange for outstanding notes, that the outstanding notes to be exchanged for new notes were acquired by you as a result of market-making or other trading activities and you will deliver a prospectus, as required by law, in connection with any resale of such new notes; and
- you are not our affiliate, as defined in Rule 405 of the Securities Act, nor a broker-dealer tendering outstanding notes acquired directly from us for your own account.

Special Procedures for Beneficial Owners

If you own a beneficial interest in outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender the outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf.

Guaranteed Delivery Procedures

If you wish to tender your outstanding notes and cannot comply, prior to the expiration date, with the applicable procedures under the automated tender program of DTC, you must tender your outstanding notes according to the guaranteed delivery procedures described in The Exchange Offer Guaranteed Delivery Procedures beginning on page 52.

Certain U.S. Federal Income Tax Considerations

The exchange of outstanding notes for new notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read Certain U.S. Federal Income Tax Consequences of the Exchange Offer beginning on page 102.

Use of Proceeds

We will not receive any cash proceeds from the issuance of new notes.

Table of Contents

The Exchange Agent

We have appointed The Bank of New York Mellon as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for the notice of guaranteed delivery to the exchange agent addressed as follows:

For Delivery by Mail, Overnight Delivery or Delivery By Hand:

The Bank of New York Mellon, as Exchange Agent

101 Barclay Street, Floor 4E

Global Corporate Trust

New York, NY 10286

Attention: [ ]

Telephone: [ ]

The Bank of New York Mellon, in each of its capacities including, but not limited to, Trustee, Principal Paying Agent, Registrar and exchange agent, has not participated in the preparation of this prospectus and assumes no responsibility for its content.

Right Under Registration Rights Agreement	If we fail to complete the exchange offer as required by the registration rights agreement, we will be obligated to pay liquidated damages to holders of the outstanding notes. Please read Outstanding Notes Registration Rights Agreement beginning on page 98 for more information regarding your rights as a holder of outstanding notes.
Listing	Application has been made for the new notes to be listed on the Euro MTF market of the Luxembourg Stock Exchange.
Governing Law	New York.
Trustee and Principal Paying Agent	The Bank of New York Mellon.
Luxembourg Paying Agent	Dexia Banque Internationale à Luxembourg.

SUMMARY OF THE TERMS OF THE NEW NOTES

Securities Offered

U.S.$650,000,000 aggregate principal amount of 6 1/2% Exchange Senior Notes due 2021.

Maturity

June 1, 2021.

Interest Payment Dates

We will pay interest on the notes semi-annually in arrears on June 1 and December 1 of each year, commencing December 1, 2011.

Guarantees

Initially, the notes will be guaranteed on a senior unsecured basis by CGGVeritas Services Holding B.V., CGGVeritas Services (UK) Holding B.V., CGGVeritas Services Holding (U.S.) Inc., CGGVeritas Land (U.S.) Inc., CGGVeritas Services (U.S.) Inc., Veritas Investments Inc., Viking Maritime Inc., Veritas Geophysical (Mexico) LLC, Alitheia Resources Inc., CGG Canada Services Ltd. and CGG Marine Resources Norge A/S (the Services Guarantors), and Sercel Inc., Sercel Canada Ltd. and Sercel Australia Pty Ltd. (the Equipment Guarantors , and together with the Services Guarantors, the Initial Guarantors). Our other subsidiaries, including CGGVeritas Services (Norway), will not initially guarantee the notes and, in certain circumstances, we may elect to have certain guarantors released from their guarantees of the notes.

The Services Guarantors (excluding their subsidiaries that have not guaranteed the notes) generated, before consolidation entries, 594.2 million of revenues, 57.3 million of operating income and 713.0 million of net income in the year ended December 31, 2010 and held 4,877.4 million of total assets before consolidation entries as at December 31, 2010. The Services Guarantors (excluding their subsidiaries that have not guaranteed the notes) generated, before consolidation entries, 210.6 million of revenues, 12.8 million of operating income and 116.9 million of net income in the six month period ended June 30, 2011 and held 4,930.3 million of total assets before consolidation entries as at June 30, 2011.

The Equipment Guarantors (excluding their subsidiaries that have not guaranteed the notes) generated, before consolidation entries, 389.2 million of revenues, 101.2 million of operating income and 74.8 million of net income in the year ended December 31, 2010 and held 350.1 million of total assets before consolidation entries as at December 31, 2010. The Equipment Guarantors (excluding their subsidiaries that have not guaranteed the notes) generated, before consolidation entries, 208.8 million of revenues, 61.2 million of operating income and 42.0 million of net income in the six month period ended June 30, 2011 and held 226.6 million of total assets before consolidation entries as at June 30, 2011.

Ranking

The notes will be our senior unsecured obligations, ranking equally in right of payment with all our other existing and future senior unsecured indebtedness, including our other senior notes, and senior

Table of Contents

in right of payment to all our existing and future subordinated indebtedness. The notes and the subsidiary guarantees will be effectively subordinated to all our secured obligations and all secured obligations of the subsidiaries that guarantee the notes, including any indebtedness under the revolving facility of our U.S. senior facilities or under the French revolving facility, to the extent of the value of the collateral. In addition, the notes will be effectively subordinated to all current and future indebtedness and other obligations, including trade payables, of our subsidiaries that do not guarantee the notes. As of June 30, 2011, we had 159 million of outstanding indebtedness, including accrued interest, effectively senior to the notes, of which 129 million was secured. The indenture permits us and our subsidiaries to incur additional indebtedness (including additional secured indebtedness), subject to certain conditions. See Description of Certain Indebtedness .

Optional Redemption

We may redeem all or a part of the notes at any time on or after June 1, 2016 at the redemption prices described in this prospectus. We may redeem up to 35% of the aggregate principal amount of the notes prior to June 1, 2014 using the proceeds of certain equity offerings. At any time prior to June 1, 2016, we may redeem all or part of the notes at a redemption price equal to 100% of the principal amount of the notes plus the applicable premium described in this prospectus.

Change of Control

If we undergo a change of control, each holder may require us to repurchase all or a portion of the notes held by such holder at 101% of the principal amount thereof, plus accrued and unpaid interest.

Redemption for Changes in Tax Law

We will be required to pay additional amounts to the holders of the notes to compensate them for any amounts deducted from payments to them in respect of the notes on account of certain taxes and other governmental charges. If we become obliged to pay such additional amounts as a result of a change in law, the notes will be subject to redemption, in whole but not in part, at our option at a price equal to 100% of the principal amount of the notes.

Certain Covenants and Events of Default

The indenture governing the notes contains certain covenants and events of default that, among other things, limit our ability and that of certain of our subsidiaries to:

- incur or guarantee additional indebtedness or issue preferred shares;
- pay dividends or make other distributions;
- purchase equity interests or redeem subordinated indebtedness prior to its maturity;
- create or incur certain liens;
- create or incur restrictions on the ability to pay dividends or make other payments to us;

13

- enter into transactions with affiliates;
- issue or sell capital stock of subsidiaries;
- engage in sale-and-leaseback transactions; and
- sell assets or merge or consolidate with another company.

All of these limitations are subject to a number of important qualifications and exceptions. In addition, the starting dates for the calculation of the availability under the various baskets relating to restricted payments are the same as those under the indentures governing our existing senior notes, namely either January 1, 2005 or April 28, 2005 (depending on the particular basket).

If at any time the notes receive ratings of BBB- or higher from Standard & Poor s Ratings Services (Standard & Poor s) and Baa3 or higher from Moody s Investors Service, Inc. (Moody s), and no default or event of default has occurred and is continuing, certain restrictions, covenants and events of default will cease to be applicable to the notes for so long as the notes maintain such ratings.

For further information regarding the new notes, see Description of the Notes .

Principal Executive Office

Our headquarters are located at Tour Maine-Montparnasse, 33 avenue du Maine, BP 191, 75755 Paris Cedex 15, France, and our telephone number is +33 1 64 47 45 00.

Risk Factors

See Risk Factors beginning on page 19 for a discussion of certain factors to be considered in connection with an investment in the new notes.

Table of Contents

SUMMARY FINANCIAL INFORMATION

The following summary historical consolidated financial information as at and for the three years ended December 31, 2010 is derived from our consolidated audited financial statements, which were audited by Ernst & Young et Autres and Mazars and are included in our 2010 annual report incorporated by reference in this prospectus. The following summary financial information as at and for the six month periods ended June 30, 2011 and 2010 is unaudited and is derived from our unaudited financial statements included in our current report on Form 6-K submitted to the Commission on July 29, 2011 and incorporated by reference in this prospectus. The unaudited financial statements include all adjustments, consisting of normal recurring accruals, which we consider necessary for a fair presentation of our financial position and results of operations for these periods. The results of operations for the interim periods presented below are not necessarily indicative of the results for the full fiscal year.

The summary financial data included below should be read in conjunction with, and are qualified in their entirety by reference to, our consolidated financial statements included elsewhere or incorporated by reference in this prospectus and Item 5: Operating and Financial Review and Prospects in our 2010 annual report incorporated by reference in this prospectus and Item 2: Management s Discussion and Analysis of Financial Condition and Results of Operations in our current report on Form 6-K submitted to the Commission on July 29, 2011 and incorporated by reference in this prospectus. Our consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

	As at and for the six months ended June 30,		As at and for the year ended December 31,		
	2011 (unaudited)	2010 (unaudited)	2010	2009	2008
	(in millions of euros except for per share data and ratios)				
Statement of operations data:					
Operating revenues	1,051.5	996.0	2,186.1	2,233.2	2,602.5
Other income from ordinary activities	1.2	1.6	3.3	7.5	1.7
Total income from ordinary activities	**1,052.7**	**997.6**	**2,189.4**	**2,240.7**	**2,604.2**
Cost of operations	(909.9)	(791.8)	(1,746.3)	(1,710.5)	(1,722.5)
Gross profit	**142.8**	**205.8**	**443.1**	**530.2**	**881.7**
Research and development expenses, net	(27.0)	(28.1)	(57.0)	(62.1)	(43.8)
Marketing and selling expenses	(28.6)	(30.8)	(61.7)	(60.6)	(59.5)
General and administrative expenses	(68.1)	(96.5)	(168.4)	(182.7)	(196.6)
Other revenues (expenses), net	8.4	4.4	(88.8)	(167.8)	(36.4)
Impairment of goodwill				(217.6)	(4.8)
Operating income	**27.5**	**54.8**	**67.2**	**(160.6)**	**540.6**
Expenses related to financial debt	(68.7)	(51.7)	(107.9)	(107.7)	(93.0)
Income provided by cash and cash equivalents	0.9	1.4	2.4	2.5	9.2
Cost of financial debt, net	**(67.8)**	**(50.3)**	**(105.5)**	**(105.2)**	**(83.8)**
Other financial income (loss)	(13.1)	15.3	8.5	(11.2)	(11.5)
Income (loss) of consolidated companies before income taxes	**(53.4)**	**19.8**	**(29.8)**	**(277.0)**	**445.3**
Deferred taxes on currency translation	4.5	(2.5)	(6.6)	5.0	(7.8)
Other income taxes	(9.6)	(8.6)	(6.9)	4.8	(100.5)
Total income taxes	**(5.1)**	**(11.1)**	**(13.5)**	**9.8**	**(108.3)**
Net income (loss) from consolidated companies	**(58.5)**	**8.7**	**(43.3)**	**(267.2)**	**337.0**
Share of income (loss) in companies accounted for under equity method	5.5	(2.1)	(0.7)	8.3	3.0

Table of Contents

	As at and for the six months ended June 30,		As at and for the year ended December 31,		
	2011 (unaudited)	2010 (unaudited)	2010	2009	2008
	(in millions of euros except for per share data and ratios)				
Net income (loss)	**(53.0)**	**6.6**	**(44.0)**	**(258.9)**	**340.0**
Attributable to:					
Shareholders	(58.0)	0.4	(54.6)	(264.3)	332.8
Non-controlling interests	5.0	7.0	10.6	5.4	7.2
Net income (loss) per share:					
Basic[1]	(0.38)		(0.36)	(1.75)	2.41
Diluted[2]	(0.38)		(0.36)	(1.75)	2.39
Balance sheet data:					
Cash and cash equivalents	359.9	360.1	335.9	480.3	516.9
Working capital[3]	371.0	505.4	508.2	393.5	458.0
Property, plant & equipment, net	828.1	759.8	781.7	677.7	822.4
Multi-client surveys, net	412.0	602.8	451.2	469.1	535.6
Goodwill	1,865.9	2,184.4	2,012.0	1,868.1	2,055.1
Total assets	4,966.8	5,521.8	5,324.4	4,921.2	5,634.2
Gross financial debt[4]	1392.5	1,543.1	1,485.6	1,399.0	1,546.0
Shareholders equity	2,612.9	3,060.0	2,812.1	2,661.3	2,960.1
Other financial historical data and other ratios:					
EBITDAS[5]	222.2	253.7	596.2	658.9	1,058.4
Capital expenditures (property, plant & equipment)[6]	111.8	86.4	210.4	170.1	155.4
Capital expenditures for multi-client surveys	63.6	128.0	219.3	229.3	343.4
Net financial debt[7]	1,032.6	1,183.0	1,149.7	918.7	1,029.1
Gross financial debt[4]/EBITDAS[5]	6.3x	6.1x	2.5x	2.1x	1.5x
Net financial debt[7]/EBITDAS[5]	4.6x	4.7x	1.9x	1.4x	1.0x
EBITDAS[5]/Cost of financial debt, net	3.3x	5.0x	5.7x	6.3x	12.6x
Ratio of earnings to fixed charges	0.2x	1.4x	0.7x	(1.6x)	5.8x

Notes:

(1) Basic per share amounts have been calculated on the basis of 151,684,340 and 151,275,968 weighted average outstanding shares for the six months ended June 30, 2011 and 2010, respectively. Basic per share amounts have been calculated on the basis of 151,342,529, 150,864,476 and 137,910,388 weighted average outstanding shares in 2010, 2009 and 2008, respectively. Basic per share amounts before 2008 have been restated in order to reflect our five for one stock split effective as of June 3, 2008.

(2) Diluted per share amounts have been calculated on the basis of 151,684,340 and 151,275,968 weighted average outstanding shares for the six months ended June 30, 2011 and 2010, respectively. Diluted per share amounts have been calculated on the basis of 151,342,529, 158,864,476 and 139,064,883 weighted average outstanding shares in 2010, 2009 and 2008, respectively. Diluted per share amounts before 2008 have been restated in order to reflect our five for one stock split effective as of June 3, 2008.

(3) Working capital is defined as net trade accounts and notes receivable, net inventories and work-in-progress, tax assets, other current assets and assets held for sale less trade accounts and notes payable, accrued payroll costs, income tax payable, advance billings to customers, deferred income, current provisions and other current liabilities.

(4) Gross financial debt is defined as bank overdrafts plus current portion of financial debt plus financial debt.

(5) EBITDAS is defined as earnings before interest, tax, depreciation, amortization and share-based compensation cost. Share-based compensation includes both stock options and shares issued under our share allocation plans. EBITDAS 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 EBITDAS and similar measures differently than we do. EBITDAS is not a measure of financial performance under IFRS and should not be considered as an

Table of Contents

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 IFRS.

(6) Capital expenditures is defined as purchases of property, plant and equipment plus equipment acquired under capital lease and suppliers of fixed assets.

(7) Net financial debt is defined as gross financial debt less cash and cash equivalents. Net financial debt is presented as additional information because we understand that certain investors believe that netting cash against debt provides a clearer picture of the financial liability exposure. However, other companies may present net financial debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS.

Table of Contents

RISK FACTORS

An investment in the notes involves risks. Before investing in the notes, you should carefully consider the following risk factors and all information contained in this prospectus. Additional risks and uncertainties of which we are not aware or that we believe are immaterial may also adversely affect our business, financial condition, liquidity, results of operations or prospects. If any of these events occur, our business, financial condition, liquidity, results of operations or prospects could be materially and adversely affected. If that happens, we may not be able to pay interest or principal on the notes when due and you could lose all or part of your investment.

Risks related to our business

Current economic uncertainty and the volatility of oil and natural gas prices could have a significant adverse effect on our financial condition, our results of operations, our cash flows and our ability to borrow.

Global market and economic conditions are uncertain and volatile. In the past, economic contractions and uncertainty have weakened demand and lowered prices for oil and natural gas, resulting in a reduction in the levels of exploration for hydrocarbons and demand for our products and services. See Risks related to our industry The volume of our business depends on the level of capital expenditures by the oil and gas industry, and reductions in such expenditures may have a material adverse effect on our business.

Uncertainty about the global economy has had and is likely to continue to have a significant adverse impact on commercial performance and financial condition of many companies, which may affect some of our customers and suppliers. The current economic climate may lead customers to cancel or delay orders or leave suppliers unable to provide goods and services as agreed. These developments could have a material adverse effect on our business, results of operations, financial condition and cash flows.

It is difficult to predict how long the current economic conditions will persist, whether they will deteriorate further, and which of our products and services will be adversely affected. We may have impairment losses as events or changes in circumstances occur which reduce the fair value of an asset below its carrying amount. As a result, these conditions could adversely affect our financial condition and results of operations, and we may be subject to increased disputes and litigation because of these events and issues.

Turmoil in the credit markets, such as was experienced in recent periods, could also adversely affect us and our customers. Limited access to external funding has in the past caused some customers to reduce their capital spending to levels supported by their internal cash flow. Some companies have found their access to liquidity constrained or subject to more onerous terms. In this context, there can be no assurance that our customers will be able to borrow money on a timely basis or on reasonable terms, which could have a negative impact on their demand for our products, and impair the ability of our customers to pay us for our products and services on a timely basis, or at all.

In addition, the potential impact on the liquidity of major financial institutions may limit our ability to fund our business strategy through borrowings under either existing or new debt facilities in the public or private markets and on terms we believe to be reasonable. Persistent volatility in the financial markets could have a material adverse effect on our ability to refinance all or a portion of our indebtedness and to otherwise fund our operational requirements. See Risks related to our indebtedness To service our indebtedness, we require a significant amount of cash, and our ability to generate cash will depend on many factors beyond our control.

We are subject to risks related to our international operations that could harm our business and results of operations.

With operations worldwide, including in emerging markets, our business and results of operations are subject to various risks inherent in international operations. These risks include:

- Instability of foreign economies and governments, which can cause investment in capital projects by our potential clients to be withdrawn or delayed, reducing or eliminating the viability of some markets for our services;

- Risks of war, uprisings, riots, terrorism and civil disturbance, which can make it unsafe to continue operations, adversely affect both budgets and schedules and expose us to losses;

- Risk of piracy, which may result in the delay or termination of customer contracts in affected areas;

- Seizure, expropriation, nationalization or detention of assets, renegotiation or nullification of existing contracts;

- Foreign exchange restrictions, import/export quotas, sanctions and other laws and policies affecting taxation, trade and investment; and

- Availability of suitable personnel and equipment, which can be affected by government policy, or changes in policy that limit the importation of qualified crew members or specialized equipment in areas where local resources are insufficient.

We are exposed to these risks in all of our foreign operations to some degree, and such exposure could be material to our financial condition and results of operations in emerging markets where the political and legal environment is less stable.

We cannot assure you that we will not be subject to material adverse developments with respect to our international operations or that any insurance coverage we have will be adequate to compensate us for any losses arising from such risks.

Revenue generating activities in certain foreign countries may require prior United States government approval in the form of an export license and may otherwise be subject to tariffs and import/export restrictions. These laws can change over time and may result in limitations on our ability to compete globally. In addition, non-U.S. persons employed by our separately incorporated non-U.S. entities may conduct business in some foreign jurisdictions that are subject to U.S. trade embargoes and sanctions by the U.S. Office of Foreign Assets Control, including Cuba, Iran, Sudan and Syria, which have been designated by the U.S. government as state sponsors of terrorism. We have typically generated revenue in these countries through the performance of marine surveys, the provision of data processing and reservoir consulting services and the sale of software licenses and software maintenance. We have current and ongoing relationships with customers in these countries. We have procedures in place to conduct these operations in compliance with applicable U.S. laws. However, failure to comply with U.S. laws on equipment and services exports could result in material fines and penalties and damage to our reputation. In addition, our presence in these countries could reduce demand for our securities among certain investors.

Certain of our clients and certain tax, social security or customs authorities may request that we or certain of our subsidiaries post performance bonds or guarantees issued by banks or insurance companies, including in the form of stand-by letters of credit, in order to guarantee our legal or contractual obligations. We cannot assure you that we will be able to provide these bonds or guarantees in the amounts or durations required or for the benefit of the necessary parties. Our failure to comply with these requests could reduce our capacity to conduct business or perform our contracts. In addition, if we do provide these bonds or guarantees, our clients or the relevant authorities may call them under circumstances that we believe to be improper, and we may not be able to challenge such actions effectively in local courts.

We and certain of our subsidiaries and affiliated entities also conduct business in countries where there is government corruption. We are committed to doing business in accordance with all applicable laws and our codes of ethics, but there is a risk that we, our subsidiaries or affiliated entities or their respective officers, directors, employees or agents may act in violation of our codes and applicable laws, including the Foreign Corrupt Practices Act of 1977 or any laws enforced by the U.S. Office of Foreign assets control. Any such violations could result in substantial civil and criminal penalties and might materially adversely affect our business and results of operations or financial condition.

Table of Contents

We are subject to certain risks related to acquisitions, and these risks may materially adversely affect our business, financial condition and operating results.

In the past we have grown by acquisitions, some of which, such as the merger with Veritas in 2007 or the acquisition of Wavefield in 2008, were quite significant. Such transactions, whether completed, pending or likely to be completed in the future, present various financial and management-related risks that can be material, such as integration of the acquired businesses in a cost-effective manner; implementation of a combined business strategy; diversion of management s attention; outstanding or unforeseen legal, regulatory, contractual, labor or other issues arising from the acquisitions; additional capital expenditure requirements; retention of customers; combination of different company and management cultures; operations in new geographic markets; the need for more extensive management coordination; and retention, hiring and training of key personnel. Should any of these risks associated with acquisitions materialize, they could have a material adverse effect on our business, financial condition and results of operations.

We may need to write down goodwill from our balance sheet.

We have been involved in a number of business combinations in the past, leading to the recognition of large amounts of goodwill on our balance sheet. Goodwill on our balance sheet totaled 2,012.0 million as of December 31, 2010 and 1,865.9 million as of June 30, 2011. Goodwill is allocated to cash generating units (CGUs) as described in note 11 to our consolidated financial statements for the year ended December 31, 2010 incorporated by reference in this prospectus. The recoverable amount of a CGU is estimated at each balance sheet date and is generally determined on the basis of a group-wide estimate of future cash flows expected from the CGU in question. The estimate takes into account, in particular, the removal from service of certain assets used in our business (such as decommissioning or coldstacking vessels) or any significant underperformance in cash generation relative to previously expected results, which may arise, for example, from the underperformance of certain assets, a deterioration in industry conditions or a decline in the economic environment. At each balance sheet date, if we expect that a CGU s recoverable amount will fall below the amount of goodwill recorded on the balance sheet, we may write down that goodwill in part or in whole. Such a write-down would not in itself have an impact on cash flow, but could have a substantial negative impact on our operating income and net income, and as a result, on our shareholders equity and net debt/equity ratio.

We invest significant amounts of money in acquiring and processing seismic data for multi-client surveys and for our data library without knowing precisely how much of the data we will be able to sell or when and at what price we will be able to sell the data.

We invest significant amounts of money in acquiring and processing seismic data that we own. By making such investments, we are exposed to the following risks:

- We may not fully recover the costs of acquiring and processing the data through future sales. The amounts of these data sales are uncertain and depend on a variety of factors, many of which are beyond our control. In addition, the timing of these sales is unpredictable, and sales can vary greatly from period to period. Additionally, each of our individual surveys has a limited book life based on its location, so a particular survey may be subject to significant amortization even though sales of licenses associated with that survey are weak or non-existent, thus reducing our profits.

- Technological or regulatory changes or other developments could also materially adversely affect the value of the data. Regulatory changes that affect the ability of our customers to develop exploration programs (such as limitation on drillings), either generally or in a specific location where we have acquired seismic data, could materially adversely affect the value of the seismic data contained in our library. Technology changes could also make existing data obsolete.

- The value of our multi-client data could be significantly adversely affected if any material adverse change occurs in the general prospects for oil and gas exploration, development and production activities in the areas where we acquire multi-client data or more generally.

Table of Contents

Any reduction in the market value of such data will require us to write down its recorded value, which could have a material adverse effect on our results of operations. In the fourth quarter of 2010, we recorded an impairment loss of 70.4 million (U.S.$94 million) on the Gulf of Mexico narrow-azimuth library further to the Macondo oil field spill and on the Canadian land library as a result of the medium-term perspectives of the North American conventional gas market.

Our results of operations may be significantly affected by currency fluctuations.

We derive a substantial portion of our revenues from international sales, subjecting us to risks relating to fluctuations in currency exchange rates. Our revenues and expenses are mainly denominated in U.S. dollars and euros, and to a significantly lesser extent, in Canadian dollars, Brazilian reais, Australian dollars, Norwegian kroner and British pounds. Historically, 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 will have in the future a significant effect upon our results of operations, which are reported in euros. For financial reporting purposes, depreciation of the U.S. dollar against the euro will negatively affect our reported results of operations since U.S. dollar-denominated earnings that are converted to euros are stated at a decreased value. Moreover, and in addition to the impact of the conversion of the U.S. dollar at a decreased value, since we participate in competitive bids for data acquisition contracts that are denominated in U.S. dollars, the depreciation of the U.S. dollar against the euro harms our competitive position against companies whose costs and expenses are denominated to a greater extent in U.S. dollars. While we attempt to reduce the risks associated with such exchange rate fluctuations through our hedging policy we cannot assure you that we will maintain our profitability level or that fluctuations in the values of the currencies in which we operate will not materially adversely affect our future results of operations. As of the date of this prospectus, our annual fixed expenses in euros are equal to approximately 400 million and as a consequence, an unfavorable variation of U.S.$0.1 in the exchange rate between the U.S. dollar and the euro would reduce our operating income and our shareholders equity by approximately U.S.$40 million. As of June 30, 2011 we and our subsidiaries whose functional currency is the euro had dollar-denominated assets and liabilities of U.S.$2,407 million and U.S.$2,397 million, respectively. Our net balance sheet exchange rate exposure was thus U.S.$10 million before hedging and, after taking into account hedging arrangements of U.S.$41 million, our dollar-denominated liabilities exceeded our dollar-denominated assets by U.S.$31 million. As a result of our compliance with IAS 12 (Income Taxes), our results of operation are also exposed to the effect of exchange rate variations on our deferred tax amounts when the functional currency for an entity that owns an asset is not the same as the currency used for taxation purposes.

Our working capital needs are difficult to forecast and may vary significantly, which could result in additional financing requirements that we may not be able to meet on satisfactory terms, or at all.

It is difficult for us to predict with certainty our working capital needs. This difficulty is due primarily to working capital requirements related to the marine seismic acquisition business and related to the development and introduction of new lines of geophysical equipment products. For example, under specific circumstances, we may have to extend the length of payment terms we grant to customers or may increase our inventories substantially. We may therefore be subject to significant and rapid increases in our working capital needs that we may have difficulty financing on satisfactory terms, or at all, due notably to limitations in our debt agreements.

Our results of operations may be affected by fluctuations in fuel costs.

Our marine acquisition business, with a fleet of 18 seismic vessels, generates significant fuel costs, which we estimate will be approximately U.S.$200 million for 2011 based on a budget assumption of the price of crude oil at U.S.$90 per barrel. Fuel costs can vary significantly depending on the supply location, local regulations and the price per barrel of crude oil at a given time. Only a portion of this variation can be contractually charged to or

Table of Contents

negotiated with the client. We therefore estimate that an increase by U.S.$10 of the average annual price per barrel of crude oil would trigger an increase of our fuel costs resulting in a negative impact of approximately U.S.$15 million on our operating income.

Technological changes and new products and services are frequently introduced in the market, and our technology could be rendered obsolete by these introductions, or we may not be able to develop and produce new and enhanced products on a cost-effective and timely basis.

Technology changes rapidly in the seismic industry, and new and enhanced products are frequently introduced in the market for our products and services, particularly in our equipment manufacturing and data processing and geosciences sectors. Our success depends to a significant extent upon our ability to develop and produce new and enhanced products and services on a cost-effective and timely basis in accordance with industry demands. While we commit substantial resources to research and development, we may encounter resource constraints or technical or other difficulties that could delay the introduction of new and enhanced products and services in the future. In addition, the continuing development of new products risks making our older products obsolete. New and enhanced products and services, if introduced, may not gain market acceptance and may be materially adversely affected by technological changes or product or service introductions by one of our competitors.

We depend on proprietary technology and are exposed to risks associated with the misappropriation or infringement of that technology.

Our ability to maintain or increase prices for our products and services depends in part on our ability to differentiate the value delivered by our products and services from those delivered by our competitors. Our proprietary technology plays an important role in this differentiation. We rely on a combination of patents, trademarks and trade secret laws to establish and protect our proprietary technology. Patents last up to 20 years, depending on the date of filing and the protection accorded by each country. In addition, we enter into confidentiality and license agreements with our employees, customers and potential customers which limit access to and distribution of our technology. However, actions that we take to protect our proprietary rights may not be adequate to deter the misappropriation or independent third-party development of our technology. We are currently engaged in litigation in the United States in respect of digital sensor (DSU) technology used in several of Sercel s seismic data acquisition products. See Legal Proceedings contained in Item 4 of the Company s Form 20-F for the year ended December 31, 2010 dated April 21, 2011. Although we do not believe that any current litigation involving our intellectual property rights or the intellectual rights of others will have a material impact on us, such litigation may take place in the future. In addition, the laws of certain foreign countries do not protect proprietary rights to the same extent as either the laws of France or the laws of the United States, which may limit our ability to pursue third parties that misappropriate our proprietary technology.

The nature of our business subjects us to significant ongoing operating risks for which we may not have adequate insurance or for which we may not be able to procure adequate insurance on acceptable terms, if at all.

We are exposed to significant ongoing operating risks:

- Our seismic data acquisition activities, particularly in deepwater marine areas, are often conducted under harsh weather and other hazardous operating conditions, including the detonation of dynamite. These operations are subject to the risk of downtime or reduced productivity, as well as to the risks of loss to property and injury to personnel resulting from fires, accidental explosions, mechanical failure, spills, collisions, stranding, ice floes, high seas and natural disasters. In addition to losses caused by human errors and accidents, we may also be subject to losses resulting from, among other things, war, terrorist activities, piracy, political instability, business interruption, strikes and weather events;

- Our extensive range of seismic products and services exposes us to litigation and legal proceedings including those related to product liability, personal injury and contract liability; and

Table of Contents

We produce and sell highly complex products and we cannot assure you that our extensive product development, manufacturing controls and testing will be adequate and sufficient to detect all defects, errors, failures, and quality issues that could affect our customers and result in claims against us or result in order cancellations or delays in market acceptance.

We have put in place insurance coverage against operating hazards, including product liability claims and personal injury claims, damage, destruction or business interruption related to our equipment, data processing centers, manufacturing centers and other facilities to the extent deemed prudent by our management and in amounts we consider appropriate in accordance with industry practice. Whenever possible, we obtain agreements from customers that limit our liability.

However, we cannot assure you that the nature and amount of insurance will be sufficient to fully indemnify us against liabilities arising from pending and future claims or that our insurance coverage will be adequate in all circumstances or against all hazards, and that we will be able to maintain adequate insurance coverage in the future at commercially reasonable rates or on acceptable terms.

Disruptions to our supply chain may adversely affect our ability to deliver our products and services to our customers.

Our supply chain is a complex network of internal and external organizations responsible for the supply, manufacture and logistics supporting our products and services around the world. We are vulnerable to disruptions in this supply chain from changes in government regulations, tax and currency changes, strikes, boycotts and other disruptive events as well as from unavailability of critical resources. These disruptions may have an adverse impact on our ability to deliver products and services to our customers.

Our failure to attract and retain qualified employees may materially adversely affect our future business and operations.

Our future results of operations will depend in part upon our ability to retain our existing highly skilled and qualified employees and to attract new employees. A number of our employees are highly skilled scientists and technicians. We compete with other seismic products and services companies and, to a lesser extent, companies in the oil industry for skilled geophysical and seismic personnel, particularly in times when demand for seismic services is relatively high. A limited number of such skilled personnel is available, and demand from other companies may limit our ability to fill our human resources needs. If we are unable to hire, train and retain a sufficient number of qualified employees, this could impair our ability to compete in the geophysical services industry and to develop and protect our know-how. Our success also depends to a significant extent upon the abilities and efforts of members of our senior management, the loss of whom could materially adversely affect our business and results of operations.

CGGVeritas has had losses in the past and there is no assurance of our profitability for the future.

We have experienced losses in the past. In 2007 and 2008, our net profit attributable to shareholders amounted to 245.5 million and 332.8 million, respectively. In 2009 and 2010, we recorded a net loss attributable to shareholders of 264.3 million and 54.6 million, respectively. There is therefore no assurance as to our profitability for the future.

Risks related to our industry:

The volume of our business depends on the level of capital expenditures by the oil and gas industry, and reductions in such expenditures may have a material adverse effect on our business.

Demand for our products and services has historically been dependent upon the level of capital expenditures by oil and gas companies for exploration, production and development activities. These expenditures are significantly influenced by hydrocarbons prices and by expectations regarding future hydrocarbons prices. Oil

Table of Contents

and gas prices may fluctuate based on relatively minor changes in the supply of and demand for oil and gas, expectations regarding future supply of, and demand for, hydrocarbons and certain other factors beyond our control. Lower or volatile oil and gas prices tend to limit the demand for seismic services and products.

Factors affecting the prices of hydrocarbons (and, consequently, demand for our products and services) include:

- Demand for hydrocarbons;
- Worldwide political, military and economic conditions, including political developments in the Middle East, economic growth levels, the availability of financing and the ability of OPEC to set and maintain production levels and prices for oil;
- Laws or regulations restricting the use of fossil fuels or taxing such fuels and governmental policies regarding atmospheric emissions and use of alternative energy;
- Levels of oil and gas production;
- The rate of decline of existing and new oil and gas reserves;
- The availability and discovery rate of new oil and natural gas reserves;
- Oil and gas inventory levels;
- The price and availability of alternative fuels;
- Policies of governments regarding the exploration for and production and development of oil and gas reserves in their territories; and
- Global weather conditions, with warmer temperatures decreasing demand for products such as heating oil and with hurricanes and monsoons that can affect oil and gas operations over a wide area.

Increases in oil and natural gas prices may not increase demand for our services or otherwise have a positive effect on our financial condition or results of operations. Previously forecasted trends in oil and gas exploration and development activities may not continue and demand for our products may not reflect the level of activity in the industry. For example, at the end of 2009, there were clear signs that oil and gas companies would increase their exploration expenses, which would trigger a rebound in demand. Most seismic companies then accelerated the launch of new capacities or released vessels that had been removed from operation to anticipate the beginning of a new growth cycle. The Deepwater Horizon platform disaster in April 2010, which resulted in a huge oil spill in the Macondo oil field in the Gulf of Mexico, has severely reduced the demand for seismic studies in this part of the world. Demand in marine seismic grew elsewhere as expected, but not enough to offset the reduction in the number of vessels operating in the Gulf of Mexico. Consequently, a sustained imbalance between supply and demand continued through 2010 and prices remained flat.

Our backlog includes contracts that can be unilaterally terminated at the client s option.

In accordance with industry practice, contracts for the provision of seismic services typically can be canceled at the sole discretion of the client without payment of significant cancellation costs to the service provider.

As a result, even if contracts are recorded in backlog, there can be no assurance that such contracts will be wholly executed by us and generate actual revenue, or even that the total costs already incurred by us in connection with the contract would be covered in full pursuant to any cancellation clause.

We are subject to intense competition in the markets where we carry out our operations, which could limit our ability to maintain or increase our market share or maintain our prices at profitable levels.

Most of our contracts are obtained through a competitive bidding process, which is standard for the seismic services industry in which we operate. Competitive factors in recent years have included price, crew availability,

technological expertise and reputation for quality, safety and dependability. While no single company competes with us in all of our segments, we are subject to intense competition in each of our segments. We compete with large, international companies as well as smaller, local companies. In addition, we compete with major service providers and government-sponsored enterprises and affiliates. Some of our competitors operate more data acquisition crews than we do and have greater financial and other resources. These and other competitors may be better positioned to withstand and adjust more quickly to volatile market conditions, such as fluctuations in oil and gas prices and production levels, as well as changes in government regulations. In addition, if geophysical service competitors increase their capacity (or do not reduce capacity if demand decreases), the excess supply in the seismic services market could apply downward pressure on prices. The negative effects of the competitive environment in which we operate could have a material adverse effect on our results of operations.

We have taken significant measures to adapt our fleet to changes in the seismic market, and we may take temporary additional measures in the future that could impose one-time charges.

In order to adjust to reduced demand in the seismic market and to reposition our fleet toward the high end of that market (more than 10 streamers), we decided in 2009 to reduce our fleet capacity to 18 vessels by decommissioning nine medium-capacity 2D and 3D vessels. This decommissioning program was fully completed as of September 30, 2010. In 2010, we began implementing a propulsion and streamer upgrade plan in respect of four vessels (*Viking Vanquish*, *Oceanic Phoenix* (formerly named *Geowave Master*), *Oceanic Endeavour* (formerly named *Geowave Endeavour*) and *Geowave Champion*) to increase their capacity to 12 streamers. All of these upgrades have been completed except for the *Geowave Champion*, which will be dry docked and removed from the market for approximately three to four months in 2012. Over 2011, we estimate that our vessel upgrade plan will lead to a reduction in our vessel availability rate of approximately five points. In an effort to reposition the 3D fleet toward high-capacity vessels, we intend to terminate our charter contract for the eight streamer *Commander* vessel prior to its scheduled expiration in 2013. Conditions in the seismic market could lead us to further adjust our marine acquisition capacity on a temporary basis, for example by cold stacking some of our vessels, which could trigger additional one-time charges.

We have high levels of fixed costs that are incurred regardless of our level of business activity.

We have high fixed costs and data acquisition activities that require substantial capital expenditures. As a result, downtime or low productivity due to reduced demand, weather interruptions, equipment failures, permit delays or other circumstances impacting our ability to collect revenue could result in significant operating losses.

The revenues we derive from land and marine seismic data acquisition vary significantly during the year.

Our land and marine seismic data acquisition revenues are partially seasonal in nature. The marine data acquisition business is, by its nature, exposed to unproductive interim periods due to necessary repairs or transit time from one operational zone to another during which revenue is not recognized. Other factors that cause variations from quarter to quarter include the effects of weather conditions in a given operating area, the internal budgeting process of some important clients for their exploration expenses, and the time needed to mobilize production means or obtain the administrative authorizations necessary to commence data acquisition contracts.

Our business is subject to governmental regulation, which may adversely affect our future operations.

Our operations are subject to a variety of international, federal, provincial, state, foreign and local laws and regulations, including environmental, health and safety and labor laws. We invest financial and managerial resources to maintain compliance with these laws and related permit requirements. Our failure to do so could result in fines or penalties, enforcement actions, claims for personal injury or property damages, or obligations to investigate and remediate contamination. Failure to obtain the required permits on a timely basis may also prevent us from operating in some cases, resulting in crew downtime and operating losses. Moreover, if applicable laws and regulations, including environmental, health and safety requirements, or the interpretation or

enforcement thereof, become more stringent in the future, we could incur capital or operating costs beyond those currently anticipated. The adoption of laws and regulations that directly or indirectly curtail exploration by oil and gas companies could also materially adversely affect our operations by reducing the demand for our geophysical products and services.

We may be affected by new environmental laws or regulations intended to limit or reduce emissions of gases, such as carbon dioxide and methane, which may be contributing to climate change, that may impact our operations or, more generally, the production and demand for fossil fuels such as oil and gas. The European Union has already established greenhouse gas regulations, and many other countries, including the United States, are in the process of doing so. This could cause us to incur additional direct or indirect costs resulting from our suppliers incurring additional compliance costs that get passed on to us or that reduce our customers demand for our products or services.

In the United States, new regulations governing oil and gas exploration and development are being put in place following the Deepwater Horizon platform disaster in the Gulf of Mexico. These new regulations may have a significant financial impact on oil and gas companies that wish to carry out exploration and development projects in deep water Gulf of Mexico. Our client mix could be altered with the disappearance of small- and medium-sized players, which could decrease our sales of multi-client data. In the short term, as a result of the implementation of new regulations, the United States government has postponed and may further postpone lease sales of blocs identified for March 2011 and August 2011 until late 2011 or 2012, which could have an effect on the profile of multi-client sales in 2011.

Risks related to our indebtedness

Our substantial debt could adversely affect our financial health and prevent us from fulfilling our obligations.

We have a significant amount of debt. As of December 31, 2010, our net financial debt (which we define as gross financial debt less cash and cash equivalents), total assets and shareholders equity were 1,149.7 million, 5,324 million and 2,812 million, respectively. As of June 30, 2011, our net financial debt, total assets and shareholders equity were 1,032.6 million, 4,966.8 million and 2,612.9 million, respectively. We cannot assure you that we will be able to generate sufficient cash to service our debt or sufficient earnings to cover fixed charges in future years.

Our substantial debt could have important consequences. In particular, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our businesses and the industries in which we operate;
- place us at a competitive disadvantage compared to competitors that have less debt; and
- limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds.

Our debt agreements contain restrictive covenants that may limit our ability to respond to changes in market conditions or pursue business opportunities.

The indentures governing our senior notes (including the outstanding notes) and the agreements governing our U.S. senior facilities and French revolving facility contain restrictive covenants that limit our ability and the ability of certain of our subsidiaries to, among other things:

- incur or guarantee additional indebtedness or issue preferred shares;

- pay dividends or make other distributions;
- purchase equity interests or reimburse subordinated debt prior to its maturity;
- create or incur certain liens;
- enter into transactions with affiliates;
- issue or sell capital stock of subsidiaries;
- engage in sale-and-leaseback transactions; and
- sell assets or merge or consolidate with another company.

The covenants included in the indentures governing the notes and the agreements governing our U.S. senior facilities and our French revolving facility are subject to significant exceptions. For example, the starting dates for the calculation of the availability under the various baskets relating to restricted payments in the indenture governing the outstanding notes are the same as those under the indentures governing our existing senior notes, namely either January 1, 2005 or April 28, 2005 (depending on the particular basket).

Complying with the restrictions contained in some of these covenants requires us to meet certain ratios and tests, relating notably to interest coverage, net indebtedness, and net result. The requirement that we comply with these provisions may materially adversely affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures, or withstand a continuing or future downturn in our business.

In 2010, we amended our U.S. senior facilities and our French revolving facility, which now require that we meet the following ratios:

- a maximum ratio of total net debt to EBITDAS of 2.75:1 at the end of each quarter for the 12-month testing period ending December 31, 2011; 2.50:1 at the end of each quarter for the 12-month testing period ending December 31, 2012; 2.25:1 at the end of each quarter for the 12-month testing period ending December 31, 2013; 2.00:1 at the end of each quarter for the 12-month testing period ending December 31, 2014; 1.75:1 at the end of each quarter for the 12-month testing period ending December 31, 2015; and
- a minimum ratio of EBITDA to total interest costs of 3.50:1 at the end of each quarter for the 12-month testing period ended December 31, 2012; 4.00:1 at the end of each quarter for the 12-month testing period ending December 31, 2013; 4.50:1 at the end of each quarter for the 12-month testing period ending December 31, 2014; 5.00:1 at the end of each quarter for the 12-month testing period ending December 31, 2015.

If we are unable to comply with the restrictions and covenants in the indentures governing our senior notes, the agreements governing our U.S. senior facilities and French revolving facility and other current and future debt agreements, there could be a default under the terms of these indentures and agreements, which could result in an acceleration of repayment.

If we are unable to comply with the restrictions and covenants in the indentures governing our senior notes or in other current or future debt agreements, including those governing our U.S. senior facilities and the French revolving facility, there could be a default under the terms of these indentures and agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet such financial ratios and tests. In the event of a default under these agreements, lenders could terminate their commitments to lend or accelerate the loans and declare all amounts borrowed due and payable. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, our assets

28

Table of Contents

might not be sufficient to repay in full all of our outstanding indebtedness and we may be unable to find alternative financing. Even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us.

We and our subsidiaries may incur substantially more debt.

We and our subsidiaries may incur substantial additional debt (including secured debt) in the future. The terms of the indentures governing our senior notes and the agreements governing our U.S. senior facilities, our French revolving facility and our other existing senior indebtedness limit, but do not prohibit, us and our subsidiaries from doing so. As of June 30, 2011, we had drawn 20 million (U.S.$27 million) under our French revolving facility, and we had long-term confirmed and undrawn credit lines amounting to 216 million. If new debt is added to our current debt levels, the related risks for us could intensify.

To service our indebtedness, we require a significant amount of cash, and our ability to generate cash will depend on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, and to fund planned capital expenditures depends in part on our ability to generate cash in the future. This ability is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that we will generate sufficient cash flow from operations that we will realize operating improvements on schedule or that future borrowings will be available to us in an amount sufficient to enable us to service and repay our indebtedness or to fund our other liquidity needs. If we are unable to satisfy our debt obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing or debt restructuring would be possible, that any assets could be sold or that, if sold, the timing of the sales and the amount of proceeds realized from those sales would be favorable to us or that additional financing could be obtained on acceptable terms. Disruptions in the capital and credit markets, as have been experienced since 2008, could adversely affect our ability to meet our liquidity needs or to refinance our indebtedness, including our ability to draw on our existing credit facilities or enter into new credit facilities. Banks that are party to our existing credit facilities may not be able to meet their funding commitments to us if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from us and other borrowers within a short period of time.

Increases in interest rates could adversely affect our results of operations.

A significant proportion of our debt consists of fixed-rate bonds, along with some fixed-rate finance leases and fixed-rate medium-term bank credit facilities with variable maturities. This debt is not exposed to interest rate fluctuations. However, drawings under our credit facilities incur interest at variable rates that are reset at each interest period (generally between one and 12 months). As a result, our interest expenses on this debt vary in line with movements in short-term interest rates. In particular, our U.S. senior facilities are subject to interest based on U.S. dollar LIBOR with a 1.50% floor.

Table of Contents

The following table shows our variable interest rate exposure by maturity as of December 31, 2010 and June 30, 2011.

	Overnight to 1 year	1 to 5 years (in millions of euros)	More than 5 years
December 31, 2010			
Financial liabilities[1]	(27)	(392)	
Financial assets[2]	179		
Net position before hedging[3]	152	(392)	
Off-balance sheet position			
June 30, 2011			
Financial liabilities[1]	(45)	(43)	
Financial assets [2]	198		
Net position before hedging[3]	153	(43)	

Notes:

(1) Excluding bank overdrafts and accrued interest but including employee profit-sharing
(2) Invested cash and equivalents
(3) Net assets/(liabilities)

As of June 30, 2011, our variable-rate assets (net of liabilities) due in less than one year totaled 153 million. We used a portion of the proceeds of the outstanding notes to repay in full the term loan B facility under our U.S. senior facilities and a portion to redeem the remaining principal amount outstanding under our 7^{1}/2% Senior Notes due 2015.

Risks related to the notes

Your right to receive payments on the notes is effectively junior to most of our existing indebtedness and possibly all of our future borrowings.

The notes effectively rank behind all of our secured indebtedness, to the extent of the value of assets which secure such indebtedness, including borrowings under our U.S. senior facilities and our French revolving facility. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of an entity that has secured obligations, holders of secured indebtedness will have prior claims to our assets or the relevant guarantor s assets that constitute their collateral.

Only certain of our subsidiaries will initially guarantee the notes. Our other subsidiaries have no obligation to pay amounts due on the notes and will not initially guarantee the notes. As a result, the notes are structurally subordinated to existing and future third party indebtedness and other liabilities, including trade payables, of those non-guarantor subsidiaries. The Initial Guarantors (excluding their subsidiaries that have not guaranteed the notes) generated, before consolidation entries, 983.4 million of revenue, 158.5 million of operating income and 787.8 million of net income in the year ended December 31, 2010 and held 5,227.5 million of total assets (before consolidation entries) as at December 31, 2010. The Initial Guarantors (excluding their subsidiaries that have not guaranteed the notes) generated, before consolidation entries, 423.4 million of revenue, 78.0 million of operating income and 162.9 million of net income in the six months ended June 30, 2011 and held 5,160.7 million of total assets (before consolidation entries) as at June 30, 2011. The Initial Guarantors represented 45% and 40% of our consolidated revenues in the year ended December 31, 2010 and the six-month period ended June 30, 2011, respectively.

In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to us, our subsidiaries or our respective properties, holders of the notes will participate with our trade creditors and all other

holders of our senior unsecured indebtedness in the assets remaining. In any of these cases, we may not have sufficient funds to pay all of our creditors, and holders of the notes may receive less, ratably, than the holders of secured debt.

As of June 30, 2011, we had 159 million of outstanding indebtedness, including accrued interest, effectively senior to the notes, of which 129 million was secured.

We will rely in part on our subsidiaries for funds necessary to meet our financial obligations, including the notes.

We conduct a significant proportion of our activities through our subsidiaries. We will depend in part on those subsidiaries for dividends and other payments to generate the funds necessary to meet our financial obligations, including the payment of principal and interest on the notes. We cannot assure you that the earnings from, or other available assets of, these operating subsidiaries, together with our own operations, will be sufficient to enable us to pay principal or interest on the notes when due.

Although the occurrence of specific change of control events affecting us will permit you to require us to repurchase your notes, we may not be able to repurchase your notes.

Upon the occurrence of specific change of control events affecting us, you will have the right to require us to repurchase your notes at 101% of their principal amount, plus accrued and unpaid interest. Our ability to repurchase your notes upon such a change of control event would be limited by our access to funds at the time of the repurchase and the terms of our debt agreements, which agreements could restrict or prohibit such a repurchase. Upon a change of control event, we may be required immediately to repay the outstanding principal, any accrued interest on and any other amounts owed by us under our U.S. senior facilities and our French revolving facility. The source of funds for these repayments would be our available cash or cash generated from other sources. However, we cannot assure you that we will have sufficient funds available upon a change of control to make these repayments and any required repurchases of tendered notes.

French insolvency laws may not be as favorable to you as the insolvency laws of the United States or other countries.

We conduct a part of our business activity in France and, to the extent that the center of our main interests is deemed to be in France, we could be subject to French insolvency proceedings affecting creditors, including court-assisted pre-insolvency proceedings (*mandat ad hoc* proceedings or conciliation proceedings (*procédure de conciliation*)), court-controlled insolvency proceedings (safeguard proceedings (*procédure de sauvegarde*), an accelerated financial safeguard procedure (*procédure de sauvegarde financiere accelérée* or *SFA*) and reorganization or liquidation proceedings (*redressement ou liquidation judiciaire*)). In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the notes. The following is a general discussion of insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the notes.

Grace periods

In addition to insolvency laws discussed below, you could, like any other creditor, be subject to Article 1244-1 of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil proceeding involving the debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate) or that payments made shall first be

allocated to repayment of principal. A court order made under Article 1244-1 of the *Code civil* will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the court.

Court-assisted pre-insolvency proceedings

Pre-insolvency proceedings may only be initiated by the debtor company itself, in its sole discretion, provided that it experiences or anticipates legal, economic or financial difficulties (i) while still being able to pay its debts as they fall due out of its available assets (i.e. the company is not in *cessation des paiements*) in case of *mandat ad hoc* or conciliation proceedings, or (ii) while being in *cessation des paiements* for less than 45 days in case of conciliation proceedings only.

Mandat ad hoc and conciliation proceedings are informal proceedings carried out under the supervision of the president of the court. The competent court will appoint a trustee (as the case may be, a *mandataire ad hoc* or a *conciliateur*) in order to help the debtor reach an agreement with its creditors in particular by reducing or rescheduling its indebtedness. The debtor may propose, in the filing for the commencement of the proceedings, the appointment of a particular person as trustee. Such proceedings are non-binding since the court-appointed trustee has no power to force the parties to accept a deal.

Mandat ad hoc proceedings. Such proceedings are confidential. The agreement reached by the parties (if any) will be reviewed by the court but, unlike in conciliation proceedings, French law does not provide for specific consequences attached to such review. There is no time limit for the duration of *mandat ad hoc* proceedings.

Conciliation proceedings. Conciliation proceedings may last up to five months.

If an agreement is reached among the parties in the context of *conciliation* proceedings, any individual proceedings by creditors with respect to the claims included in the conciliation agreement are suspended. The agreement may be either recognized (*constaté*) by the president of the court or, at the request of the debtor (and provided that certain conditions are satisfied), sanctioned (*homologué*) by the court.

While recognition (*constatation*) of the agreement by the president of the court does not entail any specific consequences, other than to render the agreement immediately enforceable and binding upon the parties thereto, sanction (*homologation*) by the court has the following consequences:

- creditors who, as part of the sanctioned agreement, provide new money or goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity) will enjoy priority of payment over all pre-petition and post-petition claims (other than certain post-petition employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings; or

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* cannot be determined by the court as of a date earlier than the date of the sanction of the agreement, except in case of fraud.

The Company retains the right to petition for debt rescheduling pursuant to article 1244-1 described above.

The conciliation proceedings will be a mandatory preliminary step of the SFA proceedings described below. A draft plan is negotiated in respect of the conciliation proceedings, which is supported by a large majority of creditors without reaching unanimity.

Table of Contents

Court-controlled insolvency proceedings

The following French insolvency proceedings may be initiated by or against a company in France:

(a) safeguard proceedings (*procédure de sauvegarde)* or SFA proceedings*,* if such company, while not being in *cessation des paiements*, is facing difficulties which it cannot overcome. The SFA proceedings, which are an accelerated revision of safeguard proceedings, will be available to debtors facing financial indebtedness and having already negotiated in the context of conciliation proceedings a draft plan supported by a large majority of its creditors so that its adoption will be likely in such SFA proceedings, it being noted that the SFA proceeding will essentially follow the same rules as those applicable to safeguard proceedings, subject to some differences. The most significant differences are mentioned below; or

(b) judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings if such company is in *cessation des paiements*.

The proceedings may be initiated before the relevant court:

in the event of (a) above, upon petition by the company only; and

in the event of (b) above, on the court s own initiative or upon petition by the company, any creditor or the public prosecutor.

While a company does not have an obligation to apply for safeguard or SFA proceedings, it is required to petition for the opening of judicial reorganization or judicial liquidation proceedings within 45 days of becoming unable to pay its due debt out of its available assets. If it does not, and has not petitioned the relevant court for the opening of such proceedings or is not in conciliation proceedings, directors and, as the case may be, *de facto* managers of the company, are subject to civil liability.

A court-appointed administrator, whose name can be suggested by the debtor, investigates the business of the company during an initial observation period, which may last for up to 12 months (plus an additional six months under exceptional circumstances). In SFA proceedings, such period is reduced to one month (renewable once). In safeguard proceedings, the administrator s mission is limited to either supervising the debtor s management or primarily assisting it, in particular, preparing a safeguard plan of the company. In SFA proceedings, the conciliator will usually be appointed administrator, to the extent that its name appears on the administrator s list. In judicial reorganization proceedings, the administrator s mission is usually to assist the management and to make proposals for the reorganization of the company, which proposals may include the sale of all or part of the company s business to a third party. At the end of the observation period, if it considers that the company can survive as a going-concern, the court will adopt a safeguard or reorganization plan, which may only entail a partial investiture of assets rather than the entire business to a third party. Unlike in safeguard proceedings, at the end of the observation period of judicial reorganization proceedings and as an alternative to the reorganization plan, the court may determine that all or part of the business should be sold to purchasers who have submitted bids. If the court considers that the company cannot be rescued, it will decide its liquidation by SFA proceedings. If no plan is adopted within the statutory time frame, the court will terminate the proceeding, in which case the debtors may request the opening of new insolvency or pre-insolvency proceedings, as appropriate. At any time during this observation period, the court can order the liquidation of the company if its rescue has become manifestly impossible.

Creditors committees and adoption of the safeguard or reorganization plan. In the case of large companies (with more than 150 employees or turnover greater than 20 million), two creditors committees (one for credit institutions having a claim against the debtor and the other for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor s suppliers) have to be established. To be eligible to vote, claims must be notified by the debtor to the administrator and certified by the debtor s statutory auditors.

If there are any outstanding debt securities in the form of obligations (such as bonds or notes), a general meeting gathering all holders of such debt securities will be established whether or not there are different

Table of Contents

issuances and no matter what the applicable law of those obligations is (the bondholders general meeting). The outstanding notes constitute obligations for purposes of a safeguard or reorganization proceeding.

These committees and the bondholders general meeting will be consulted on the safeguard or reorganization plan drafted by the debtor s management during the observation period.

In the first instance, the plan must be approved by each of the two creditors committees. Each committee must announce whether its members approve or reject such plan within 30 days of its proposal by the debtor. Such approval requires the affirmative vote of the members of each committee holding at least two-thirds of the amounts of the claims held by members of such committee that participated in such vote.

Following the approval of the plan by the two creditors committees, the plan will be submitted for approval to the bondholders general meeting. The approval of the plan at such meeting requires the affirmative vote of the bondholders representing at least two-thirds of the principal amount of the obligations held by creditors who voted in the bondholders general meeting.

In SFA proceedings, an accelerated and simplified consultation process will be implemented; since the proceeding will have an impact on the sole debtor s financial creditors and not its suppliers, only the credit institutions committee (which excludes the suppliers committee) and, as the case may be, the bondholders general meeting, will be convened to vote on the draft plan within eight days from the delivery thereof.

Following approval by the creditors committees and the bondholders general meeting, the plan has to be approved by the relevant court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected. Once approved by the relevant court, the safeguard or reorganization plan accepted by the committees and the bondholders general meeting will be binding on all the members of the committees and all bondholders (including those who voted against the adoption of the plan). A safeguard or reorganization plan may include debt deferrals, debt write-offs and debt-to-equity swaps. The plan also takes into account intercreditor subordination agreements entered into prior to the opening of the proceedings.

With respect to creditors who are not members of the committees, in the event no committees are established, they will be consulted on an individual or collective basis. In the event any of the committees or the bondholders general meeting has refused to give its consent to the plan, the plan cannot be approved by the court and the procedure relating to the consultation of the creditors will be re-implemented and follow the same route applicable to creditors that are not members of either committee. In those circumstances, the court has the right to accept or reduce debt deferrals or write-offs and sanctions debt-to-equity swaps with respect to the claims of creditors who have consented to such measures, but it may only impose uniform debt deferrals (with interest for debts with an initial maturity of more than one year) for a maximum period of 10 years with respect to the claims of non-consenting creditors.

The hardening period (période suspecte) in judicial reorganization and liquidation proceedings. The date when the debtor becomes unable to pay its due debts with its liquid assets is deemed to be the date of the court decision commencing the judicial reorganization or judicial liquidation proceedings. However, in the decision commencing judicial reorganization or liquidation proceedings or in a subsequent decision, a court may decide that the date when the debtor became unable to pay its debts as they became due with its liquid assets be deemed to be an earlier date of up to 18 months prior to the court decision commencing the proceedings. The date when the debtor became in *cessation des paiements* is important because it marks the beginning of the hardening period (*période suspecte*). Certain transactions entered into by the debtor during the suspect period are, by law, void or voidable.

Void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made

34

Table of Contents

in a manner which is not commonly used in the ordinary course of business, security granted for debts previously incurred, and provisional measures, unless the right of attachment or seizure predates the date of suspension of payments and share options granted or sold during the hardening period.

Voidable transactions include (i) transactions entered into, (ii) payments made when due or (iii) certain provisional and final attachment measures taken, in each case, if such actions are taken after the debtor was in *cessation des payments* and the party dealing with the debtor knew that the debtor was in *cessation des payments* at the time. Transactions relating to the transfer of assets for no consideration are also voidable when carried out during the six-month period prior to the beginning of the hardening period.

Accelerated Financial Safeguard

Pursuant to a recent banking and financial regulation law n°2010-1249 dated 22 October 2010, the debtor which is in the course of Conciliation proceedings may request the opening of Accelerated Financial Safeguard proceedings. The Accelerated Financial Safeguard has been designed to treat quickly purely financial difficulties of large companies (with more than 150 employees or turnover greater than 20 million). It therefore does not impact suppliers payables, but only the debt owed to financial institutions and, if any, to bondholders (*i.e.*: debts towards credit institutions which are eligible to creditor s committees and debts towards bondholders, which are eligible to the bondholders general assembly described hereabove), which is the subject of an automatic stay and is to be dealt with by the Safeguard plan, while the company can keep trading normally, thus reducing significantly the impact of a Safeguard on operational companies.

The Accelerated Financial Safeguard is only available to companies which have failed to agree on a restructuring plan on a unanimous basis in the context of Conciliation proceedings.

To be eligible to the Accelerated Financial Safeguard, the debtor must fulfill three conditions:

- as is the case for regular Safeguard proceedings, the debtor must (i) not be in cessation of payment and (ii) face difficulties which it is not in a position to overcome;

- the debtor must be subject to ongoing conciliation proceedings when it applies for the opening of the Accelerated Financial Safeguard;

- in the context of Conciliation proceedings, the debtor must have prepared a draft safeguard plan, the purpose of which must be to safeguard its operations in the long run, and which is likely to be supported by financial creditors (*i.e.*: credit institutions which are eligible to creditor s committees and bondholders, which are eligible to the bondholders general assembly described hereabove), representing a 2/3rd majority of its financial indebtedness.

Where Accelerated Financial Safeguard is opened, the credit institution committee and the bondholders general assembly are convened and are required to vote on the proposed Safeguard plan in a delay which is reduced from 15 days (minimum delay in the regular Safeguard) to eight days.

For their claim to be taken into account in the Safeguard plan, creditor members of the committee of credit institutions and bondholders must file a proof of claim within 2 months from the publication of the judgment opening the proceedings as this is the case for regular Safeguard proceedings. However, if creditor members of the committee of credit institutions and the bondholders general assembly do not file their claims within the above-mentioned two month period, their claims are assumed to have been filed according to the list of claims elaborated by the debtor and certified by its statutory auditors, which has to be provided to the Court at the opening of the proceedings.

The total duration of the Accelerated Financial Safeguard (*i.e.*: the period between the judgement opening the Accelerated Financial Safeguard and the judgment adopting the plan) is one month, unless the Court decides to extend it by an additional month.

Table of Contents

Status of creditors during accelerated financial safeguard, safeguard, judicial reorganization or judicial liquidation proceedings. As a general rule, creditors domiciled in France whose debts arose prior to the commencement of insolvency proceedings must file a proof of claim (*déclaration de créances*) with the creditors representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales;* this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are, except with respect to very limited exceptions, precluded from receiving distributions made in connection with the insolvency proceedings. Employees are not subject to such limitations and are preferential creditors under French law. By exception, the proof of claim filing process for the financial creditors that participated in the conciliation proceedings is simplified in SFA proceedings. The debtor will file with the clerk s office of the relevant court a list of their claims, whose details will be provided for by the creditors representative to the concerned creditors. The claims so listed will be deemed to be filed as proof of claim, subject to any update, unless any such creditor files another proof of claim within the statutory time period.

From the date of the court decision commencing the insolvency proceedings, the debtor is prohibited from paying debts which arose prior to this date, subject to specified exceptions which essentially cover the set-off of related debts and payments, authorized by the supervising judge to recover assets for which recovery is justified by the continued operation of the business. During this period, creditors are prevented from initiating any individual legal action against the debtor with respect to any claim arising prior to the court decision commencing the insolvency proceedings if the objective of such legal action is:

- to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due); or

- to terminate or cancel a contract for non-payment of amounts owed by the creditor.

They are also barred from taking any action against the debtor, including enforcing security interests.

In the context of Accelerated Financial Safeguard, the above rules would only apply to the creditors that are subject to the Accelerated Financial Safeguard (credit institutions that are eligible to creditors committees and bondholders, which are eligible to participate in the bondholders general assembly described above).

By exception, in the SFA proceedings, the suppliers will not be affected by the stay resulting from the opening of the proceedings. Their claims, including those incurred prior to the opening judgment, will keep being repaid under the contractual terms.

Contractual provisions such as those contained in the indenture that would accelerate the payment of the debtor s obligations upon the occurrence of certain insolvency events are not enforceable under French law. The opening of liquidation proceedings does, however, automatically accelerate the maturity of all of the debtor s obligations, unless the court allows the business to continue for a period of no more than three months (renewable once) if it considers that a sale of part or all of the business is possible. In this case, the debtor s obligations are deemed mature on the day the court approves the sale of the business.

The administrator may also request the termination (except for employment contracts) or, provided that the debtor fully performs its post-petition contractual obligations, continuation of on-going contracts.

If the court adopts a safeguard plan or a reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan (over a maximum period of ten years). The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the court adopts a plan for the sale of the business (*plan de cession*), the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferential creditors, including employees, officials appointed by the insolvency court, creditors who, as part of the sanctioned conciliation agreement, have provided new money or goods or services, post-petition creditors, certain secured creditors in the event of liquidation proceedings and the French Treasury.

Courts, under certain circumstances, may void the guarantees of the notes provided by certain of our subsidiaries.

Our creditors or the creditors of one or more guarantors of the notes or a liquidator, administrator or other controller appointed to a guarantor could challenge the guarantees as fraudulent transfers, conveyances, preferences, insolvent transactions or uncommercial transactions or on other grounds (including because of the absence of a corporate benefit to the guarantor or due to financial assistance principles) under applicable U.S. federal or state law, applicable Dutch law, applicable Canadian federal or provincial law, applicable Australian law, applicable Norwegian law or the applicable law governing the country of incorporation of any future guarantors. While the relevant laws vary from one jurisdiction to another, the entering into the guarantees by certain of our subsidiaries could be found to be a fraudulent transfer, conveyance, preference, insolvent transaction or uncommercial transaction or otherwise void or unenforceable if a court were to determine that, for example, one or more of the following apply to the provision of the guarantee:

- a guarantor delivered its guarantee with the intent to defeat, hinder, delay, defraud or otherwise interfere with its existing or future creditors;
- the guarantor did not receive fair consideration or benefit for the delivery of the guarantee and the guarantor was insolvent at the time it delivered the guarantee;
- the guarantor delivered its guarantee in contravention of laws relating to the provision of financial assistance;
- the guarantor was insolvent at the time of execution of the guarantee or was rendered insolvent by reason of its execution of the guarantee or the observance of its obligations under the guarantee;
- a reasonable person in the guarantor s circumstances would not have entered into the transaction having regard to the benefits (if any) to the guarantor, the detriment to the guarantor and the respective benefits to other parties;
- the guarantor was engaged, or was about to engage, in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business;
- the guarantor intended to incur, or believed it would incur, debts beyond its ability to pay the debts as they matured;
- the guarantor was a defendant in an action for money damage or had a judgment for money damages docketed against it (if, in either case, after final judgment, the judgment is unsatisfied); or
- the availability of certain equitable remedies that are in the discretion of the courts.

To the extent a court voids a guarantee as a fraudulent transfer, preference, insolvent transaction or uncommercial transaction or conveyance or holds it unenforceable for any other reason, holders of notes would cease to have any direct claim against the guarantor that delivered the guarantee. If a court were to take this action, the guarantor s assets would, in certain jurisdictions, be applied first to satisfy the guarantor s liabilities, including trade payables and preferred stock claims, if any, before any portion of its assets could be distributed to us to be applied to the payment of the notes. We cannot assure you that a guarantor s remaining assets would be sufficient to satisfy the claims of the holders of notes relating to any voided portions of the guarantees. In other jurisdictions (such as Australia), if a guarantee is so voided or held

unenforceable, you will cease to have any claim against the guarantor.

Table of Contents

Because we are organized under the laws of France, you may be unable to recover in civil proceedings for U.S. securities laws violations.

Judgments of U.S. courts, including those predicated on the civil liability provisions of the federal securities laws of the United States, may not be enforceable in French courts. As a result, holders of notes who obtain a judgment against us in the United States may not be able to require us to pay the amount of the judgment. It may not be possible for holders to effect service of process within the United States upon our directors and officers or to enforce against these persons, or us, judgments of United States courts predicated upon civil liability provisions of the federal securities laws of the United States. See Service of Process and Enforcement of Liabilities .

A trading market for the notes may not develop.

The new notes are a new issue of securities with no established trading market. The liquidity of any market for the notes will depend upon the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors, including general declines or disruptions in the markets for debt securities. Although we have applied to admit the new notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF, a liquid trading market may not develop or continue to exist for the notes.

The outstanding notes were issued with original issue discount for U.S. federal income tax purposes and consequently the new notes will be treated as issued with original issue discount for U.S. federal income tax purposes.

The outstanding notes were issued with original issue discount equal to the excess of the stated principal amount of the notes over the issue price. Consequently, the new notes will be considered to be issued with original issue discount for U.S. federal income tax purposes.

Accordingly, a U.S. holder must include a portion of the original issue discount in gross income as interest in each taxable year or portion thereof in which the U.S. holder holds the notes, even if the U.S. holder has not received a cash payment in respect of the original issue discount. See Certain U.S. Federal Income Tax Consequences of the Exchange Offer for a summary of the application of the original issue discount rules.

Table of Contents

EXCHANGE RATES

The following table sets forth, for the periods and dates indicated, certain information concerning the exchange rates for the euro expressed in U.S. dollars per euro. Information concerning the U.S. dollar exchange rate is based on the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Board (the Noon Buying Rate). Such rates are provided solely for convenience and no representation is made that euro were, could have been, or could be, converted into U.S. dollars at these rates or at any other rate. Such rates were not used by us in the preparation of our audited and unaudited consolidated financial statements included elsewhere or incorporated by reference in this prospectus. The Noon Buying Rate on September 23, 2011 was U.S.$1.3518 per euro.

	Dollars per euro exchange rate			
	Period-End[1]	**Average[2]**	**High**	**Low**
Year ended December 31,				
2010	1.3269	1.3261	1.4536	1.1959
2009	1.4332	1.3935	1.5100	1.2547
2008	1.3919	1.4695	1.6010	1.2446
2007	1.4603	1.3797	1.4862	1.2904
2006	1.3197	1.2661	1.3327	1.1860
Six months ended June 30,				
2011	1.4523	1.4055	1.4875	1.2944
2010	1.2291	1.3267	1.4536	