



CGG

A French *société anonyme* with a board of directors
with a registered capital of €17,706,519
Registered office: Tour Maine Montparnasse, 33 Avenue du Maine – 75015 Paris
969 202 241 R.C.S. Paris

**SECURITIES NOTE SUPPLEMENT DATED OCTOBER 17, 2017
TO THE PROSPECTUS WHICH RECEIVED VISA N°17-551**

Made available to the public in connection with:

- the issuance and admission to trading on the regulated Euronext market in Paris (“Euronext Paris”) of up to 24,375,000 share subscription warrants (the “Warrants #1”) granted for free by CGG (the “Company” and, together with all of its consolidated subsidiaries, the “Group”) to all shareholders on the basis of one (1) Warrant #1 for one (1) existing share, which may result in the issuance of up to 32,500,000 new shares at the subscription price of three euros and twelve cents (€3.12) per new share;
- the issuance and admission to trading on Euronext Paris of up to 37,524,400 new shares (the “Creditor Shares 1”) issued as part of an increase in share capital with removal of the shareholders’ preferential subscription rights, in favor of (i) the holders of bonds convertible and/or exchangeable for new or existing shares, bearing interest at the rate of 1.75% and maturing on January 1, 2020, issued by the Company on June 26, 2015 (the “Convertible Bonds 2020”) and (ii) the holders of bonds convertible into and/or exchangeable for new or existing shares, bearing interest at the rate of 1.25% and maturing on January 1, 2019, issued by the Company on November 20, 2012 (the “Convertible Bonds 2019”) (the Convertible Bonds 2020 and the Convertible Bonds 2019 being hereinafter referred to collectively as the “Convertible Bonds”), that will be subscribed at their face value by way of set-off with the subscription price of ten euros and twenty-six cents (€10.26) per new share;
- the issuance and admission to trading on Euronext Paris of up to 496,794,900 new shares (the “Creditor Shares 2”) issued as part of a capital increase with removal of the shareholders’ preferential subscription rights, in favor of (i) the holders of high yield notes, bearing interest at the rate of 5.875% and maturing in 2020, issued by the Company on April 23, 2014 (the “Senior Notes 2020”), (ii) the holders of high yield notes, bearing interest at the rate of 6.5% and maturing in 2021, issued by the Company on May 31, 2011, January 20, 2017 and March 13, 2017 (the “Senior Notes 2021”) and (iii) the holders of high yield notes, bearing interest at the rate of 6.875% and maturing in 2022, issued by the Company on May 1, 2014 (the “Senior Notes 2022”) (the Senior Notes 2020, Senior Notes 2021 and Senior Notes 2022 being hereinafter referred to collectively as the “Senior Notes”), that will be subscribed at their face value by way of set-off with the subscription price of three euros and twelve cents (€3.12) per new share;
- the admission to trading on Euronext Paris of up to 123,817,300 new shares, with a subscription price of one euro cent (€0.01) per new share, resulting from the exercise of up to 123,817,300 share subscription warrants (the “Warrants #3”), granted for free by the Company to the subscribers of new second lien notes governed by New York State law (the “New Second Lien Notes”)
- the admission to trading on Euronext Paris of up to 7,738,600 new shares, with a subscription price of one euro cent (€0.01) per new share, resulting from the exercise of up to 7,738,600 share subscription warrants (the “Coordination Warrants”) granted for free by the Company to the members of the ad hoc committee of Senior Notes holders
- the admission to trading on Euronext Paris of up to 11,607,900 new shares, with a subscription price of one euro cent (€0.01) per new share, resulting from the exercise of up to 11,607,900 share subscription warrants (the “Backstop Warrants”) granted for free by the Company to the persons committed to backstop the subscription of the New Second Lien Notes and the Warrants #3, in accordance with the provisions of the private placement agreement dated June 26, 2017
- the admission to trading on Euronext Paris of the new shares to be issued upon exercise of the Warrants #1.

The completion of the foregoing transactions remains subject to:

- the approval by the Company’s extraordinary general meeting of shareholders which is scheduled to convene on October 31, 2017 of the resolutions required to implement the draft safeguard plan, in particular those relating to the share capital reduction by reducing the unit par value of the Company’s shares to one euro cent (€0.01);

- the abovementioned share capital reduction being effectively carried out;
- the sanctioning of the draft safeguard plan approved by both the committee of banks and assimilated creditors, and the sole general meeting of bondholders on July 28, 2017, by the Commercial Court of Paris; according to the current contemplated provisional timetable, the court should examine the request for the sanctioning of the draft safeguard plan on November 6, 2017;
- confirmation by the relevant US Court of the “Chapter 11” plan and the recognition of the ruling sanctioning the draft safeguard plan within the framework of the “Chapter 15” proceedings the enforcement of which is not stayed;
- the obtaining of the AMF *visa* on the prospectus relating to the Rights Issue with PSR, which share capital increase is tentatively scheduled to take place in December 2017, with settlement and delivery scheduled for January 2018;
- the satisfaction of all conditions precedent provided for in the implementation documents of the restructuring, which includes notably the indenture of the new first lien notes, the indenture of the New Second Lien Notes and the new interest second lien notes, or the terms and conditions of the various warrants.

The settlement and delivery of all the issuances of Warrants #1, Warrants #3, Creditor Shares 1, Creditor Shares 2, Coordination Warrants, and Backstop Warrants will occur concomitantly with the settlement and delivery of the issue, with shareholders’ preferential subscription rights, of new shares with warrants, subject to satisfaction of all the above-mentioned conditions precedent.

The issuances provided for under the draft safeguard plan and the Chapter 11 plan shall be regarded as a whole; if one of them could not be implemented, none of them would be implemented.

All of the foregoing nominal values and amounts have been calculated under the assumption of the completion of the share capital reduction by means of the diminution of the par value of the Company’s shares to one euro cent (€0.01) submitted for approval to the Company’s general meeting of shareholders scheduled to convene on October 31, 2017.



Visa of the French Financial Markets Authority

In accordance with articles L. 412-1 and L. 621-8 of the French Monetary and Financial Code and its own General Regulations, including articles 211-1 to 216-1, the Financial Markets Authority has granted *visa* no.17-559 as of October 17, 2017 on this securities note supplement to the prospectus approved by the Financial Markets Authority on October 13, 2017 under *visa* no. 17-551. This securities note supplement was prepared by the issuer, under the responsibility of its signatories.

In accordance with article L. 621-8-1-I of the French Monetary and Financial Code, the *visa* was granted after the AMF had ascertained that “*the document is complete and comprehensible, and the information it contains is consistent.*” It does not imply either an approval of the appropriateness of the transaction or the authentic nature of the accounting and financial documents submitted.

The prospectus (“**Prospectus**”) comprises:

- the CGG registration document (*document de référence*), filed with the Financial Markets Authority (“**AMF**”) on May 1, 2017 under number D.17-0486 (the “**Registration Document**”);
- the update of the Company’s Registration Document filed with the AMF on October 13, 2017 under number D.17-0486-A01 (the “**Registration Document Update**”);
- the securities note approved by the AMF on October 13, 2017 under *visa* no.17-551 (the “**Securities Note**”);
- a summary of the Prospectus (included in the Securities Note); and
- this securities note supplement (the “**Securities Note Supplement**”), which includes the supplement to the summary of the Prospectus.

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

CONTENTS

1.	RESPONSIBLE PERSONS	1
1.1.	Persons responsible for the Prospectus	1
1.2.	Statement by the persons responsible for the Prospectus.....	1
1.3.	Person responsible for investor relations.....	1
1.4.	Investor Contact.....	1
3.	BASIC INFORMATION.....	2
3.4.	Context and terms of the financial restructuring of the Company.....	2

GENERAL COMMENTS

The capitalized terms used in the Securities Note Supplement that are not otherwise defined, shall have the meanings ascribed to them in the Prospectus.

The Securities Note Supplement has been prepared pursuant to the provisions of article 212-25 of the AMF General Regulation and incorporates the Prospectus by reference. The Securities Note Supplement supplements the Prospectus and shall be read in conjunction with it.

Unless otherwise noted in this Securities Note Supplement, no other new significant fact occurred since the date of the *visa* of the AMF on the Prospectus on October 13, 2017.

The Securities Note Supplement sets out hereafter the sections of the Prospectus which are modified. The other information contained in the Prospectus remains unchanged.

SUPPLEMENT TO THE SUMMARY OF THE PROSPECTUS

The information contained in the summary of the Prospectus remains unchanged, except for paragraph B.4a of this summary, which is modified and must be read as follows:

<p>B.4a</p>	<p>Main recent trends with effects on the issuer and its lines of business</p>	<p><u>Financial restructuring</u></p> <p><i><u>Discussions with the stakeholders</u></i></p> <p>[Text unchanged, subject to the following addition]</p> <p>It is specified that the US Court has, on October 16, 2017, entered an order confirming the Chapter 11 plan.</p> <p><i><u>Undertakings of the Company and certain of its creditors in the framework of the safeguard proceedings</u></i></p> <p>(i) Undertakings of the Company</p> <p>Bpifrance Participations (which held, as of September 30, 2017, 9.35% of the share capital and 10.90% of the voting rights of the Company) has undertaken to vote in favor of the resolutions required to implement the Financial Restructuring Plan at the general meeting of shareholders convened on October 31, 2017, in light of the following undertakings made by the Company on October 16, 2017:</p> <ul style="list-style-type: none"> – absence of any form of disposal of its significant assets until December 31, 2019, unless with the prior authorization of the Commercial Court of Paris; – confirmation that the business plan does not provide for any form of disposal of significant assets held in France or abroad, including by its direct or indirect subsidiaries; should such disposals be likely to result in a substantial change to the means or goals of the draft safeguard plan, the Company would have to request the prior authorization from the Commercial Court of Paris; the Company will keep the necessary flexibility to take an active part, as the case may be, in the potential consolidation or other form of evolution that may occur in the seismic acquisition market; – absence of any social or industrial restructuring contemplated in France; more precisely, unless otherwise authorized by the Commercial Court of Paris, no implementation of any redundancy plan of the Company in France until December 31, 2019, and maintaining of the decision centers currently located in France for the Company and the French law subsidiaries it controls, including the Company's registered office until December 31, 2022; and – absence of any measure to oppose the governance undertakings made by the Signatory Creditors (as defined below) and discussed hereafter, and participation of Bpifrance Participations in the discussions that will take place notably with the Signatory Creditors with respect to the new composition of the Company's board of directors. <p>The Company will request that the Commercial Court of Paris acknowledge the aforementioned undertakings in its ruling sanctioning the safeguard plan.</p>
--------------------	---	--

		<p>(ii) Undertakings of certain Senior Notes holders creditors</p> <p>Each of (i) Attestor Capital LLP¹, (ii) Boussard & Gavaudan Asset Management LP², and (iii) DNCA Finance, Oralie Patrimoine and DNCA Invest SICAV³ (each, a « Signatory Creditor ») agreed, on October 16, 2017, upon request from the <i>Direction Générale des Entreprises</i>, to have the Commercial Court of Paris acknowledge, in its ruling sanctioning the safeguard plan, the undertakings below to:</p> <ul style="list-style-type: none"> – have Bpifrance Participations involved in the discussions that will be notably held with each of the Signatory Creditors regarding the Company’s board of directors’ new composition, in accordance with the provisions of the Lock-up Agreement entered into by the Company on June 13, 2017; – vote, during the first ordinary shareholders' meeting of the Company that will occur after the closing of the financial restructuring, in favor of the designation as director of candidates which will have been agreed between the Company’s current board of directors and the relevant Signatory Creditor in the context of the above referred process; – absence of representation of a Signatory Creditor (including its affiliates or related persons) on the Company’s board of directors, unless it (i) holds 10% or more of the Company’s share capital or (ii) demonstrates the existence of fiduciary duties (including the duties of the relevant funds’ management companies to manage the money entrusted to them by investors in the best interest of such investors); – vote in favor of any draft resolutions and, if necessary, submit any draft resolutions to the shareholders’ meeting in order to maintain the Company’s board of directors composed of 60% of independent directors and that such composition of the board continues to reflect, in accordance with the current situation, the diversity of geographical origins of the members of the board of directors, while complying with the Company’s registered office location; – vote in favor of any draft resolutions and, if necessary, submit any draft resolutions to the shareholders’ meeting in order to ensure that the Company’s articles of association provide that any chief executive officer (<i>directeur général</i>) succeeding, as the case may be, the current chief executive officer (<i>directeur général</i>), will have his main place of residence located in France. <p>The above mentioned undertakings of each of the Signatory Creditors will become effective when all the transactions provided by the safeguard plan are completed (with the exception of the first undertaking which shall take effect as from countersignature of the letter by the Signatory Creditors). The undertakings will remain valid until December 31, 2019, subject to the corresponding Signatory Creditor remaining a shareholder of the Company.</p> <p>The trustee in charge of overseeing the implementation of the plan (<i>commissaire à l’exécution du plan</i>) will issue a yearly report on the compliance with the undertakings of the Signatory Creditors and the Company described above, in accordance with applicable laws and regulations.</p> <p>Each of the Signatory Creditors declared that it does not act in concert with any other Signatory Creditor, with Bpifrance Participations, or with any other third party.</p>
--	--	---

¹ Attestor Capital LLP and the funds, entities or accounts managed or advised directly or indirectly by it or its affiliates, hold Senior Notes for a total amount of \$118,918,787 and do not hold any share or Convertible Bonds of the Company.

² Boussard & Gavaudan Asset Management LP and the funds, entities or accounts managed or advised directly or indirectly by it or its affiliates, hold Senior Notes for a total amount of \$173,971,173 and Convertible Bonds for a total amount of €23,314,383. However, they do not hold any share of the Company.

³ DNCA Finance, Oralie Patrimoine and DNCA Invest SICAV, and the funds, entities or accounts managed or advised directly or indirectly by it or its affiliates, hold (i) approximately 5.5% of the total amount in principal of the Senior Notes, (ii) approximately 20.7% of the total amount in principal of the Convertible Bonds, and (iii) approximately 7.9% of the share capital of the Company.

1. RESPONSIBLE PERSONS

1.1. Persons responsible for the Prospectus

Jean-Georges Malcor, *Directeur Général* (Chief Executive Officer)

Stéphane-Paul Frydman, *Directeur Financier* (Chief Financial Officer)

1.2. Statement by the persons responsible for the Prospectus

“We hereby certify after having taken all reasonable measures to that effect that the information contained in this Securities Note Supplement is, to the best of our knowledge, consistent with the facts and free of omissions which could affect its scope.

We have received a completion letter from the statutory auditors, in which they state that they have read the entire Prospectus and this Securities Note Supplement.”

October 17, 2017

M. Jean-Georges Malcor
Directeur Général

M. Stéphane-Paul Frydman
Directeur Financier

1.3. Person responsible for investor relations

M. Stéphane-Paul Frydman
Directeur Financier
CGG
Tour Maine Montparnasse
33 avenue du Maine
75015 Paris

1.4. Investor Contact

Mme Catherine Leveau
CGG
Tour Maine Montparnasse
33 avenue du Maine
75015 Paris
Tél. : +33 1 64 47 34 89
E-mail : invrelparis@cgg.com

3. BASIC INFORMATION

3.4. Context and terms of the financial restructuring of the Company

Discussions with the stakeholders

[Text unchanged, subject to the following addition]

It is specified that the US Court has, on October 16, 2017, entered an order confirming the Chapter 11 plan.

Undertakings of the Company and certain of its creditors in the framework of the safeguard proceedings

(i) Undertakings of the Company

Bpifrance Participations (which held, as of September 30, 2017, 9.35% of the share capital and 10.90% of the voting rights of the Company) has undertaken to vote in favor of the resolutions required to implement the Financial Restructuring Plan at the general meeting of shareholders convened on October 31, 2017, in light of the undertakings made by the Company, upon authorization from its Board of directors, in a letter dated October 16, 2017 sent to the supervising judge of the Paris Commercial Court (*juge commissaire*) and to the judicial administrator (*administrateur judiciaire*). Pursuant to such letter, the Company:

- undertook to refrain from any form of disposal of its significant assets until December 31, 2019, pursuant to article L. 626-14 of the French Commercial Code, as such disposals are not provided for by its three-year business plan (the “**Business Plan**”); consequently should such disposals appear necessary due to the evolution of market conditions that would impede implementation of the Business Plan, the Company would have to request the prior authorization of the Commercial Court of Paris;
- confirmed that the Business Plan does not provide for any form of disposal of significant assets held in France or abroad, including by its direct or indirect subsidiaries either; should the disposal of such significant assets be foreseen and likely to result in a substantial change to the means or goals of the draft safeguard plan, the Company would have to request the prior authorization from the Commercial Court of Paris, pursuant to article L.626-26 of the French Commercial Code; the Company will keep the necessary flexibility to take an active part, as the case may be, in the potential consolidation or other form of evolution that may occur in the seismic acquisition market;
- confirmed that pursuant to the draft safeguard plan and in light of the underlying market assumptions of its Business Plan, no social or industrial restructuring is contemplated in France, it being noted that its strategic transformation plan, whose implementation was completed by the end of 2016, has already led to the reduction of the group’s workforce by half as compared to the end of 2013; more precisely, unless otherwise authorized by the Commercial Court of Paris, the Company undertook to refrain from any redundancy plan in France until December 31, 2019 and to maintain, and to do what is necessary for the French law subsidiaries it controls within the meaning of article L.233-3 of the French Commercial Code to maintain the decision centers currently located in France, including the Company’s registered office until December 31, 2022; and
- undertook (i) not to take any measure to oppose the governance undertakings made by the Signatory Creditors (as defined below), it being specified however, that the Company assumes no responsibility, and the safeguard plan will not be at risk of being terminated pursuant to articles L.626-25 and L.626-27 of the French Commercial Code in the event one or more third parties separate from the Signatory Creditors were to hold a sufficient number of voting rights to impose a composition of the board of directors of the Company that would differ from the one provided for under these undertakings, and (ii) to have Bpifrance Participations participate in the discussions that will take place notably with the Signatory Creditors with respect to the new composition of the Company’s board of directors, in accordance with the provisions of the Lock-up Agreement entered into by the Company on June 13, 2017.

The Company will request that the Commercial Court of Paris acknowledge the aforementioned undertakings in its ruling sanctioning the safeguard plan.

Subject to such acknowledgment by the Court, the trustee in charge of overseeing the implementation of the plan (*commissaire à l’exécution du plan*), to be appointed by the Commercial Court of Paris, will issue a yearly report on the compliance with the undertakings that the Company makes under the safeguard plan and this letter; any breach may potentially lead to the termination of the safeguard plan, in accordance with applicable laws and regulations. In accordance with article L. 626-26 of the French Code de commerce, any substantial change in the

goals or the means of the safeguard plan can only be decided by the Court, further to a report by the *commissaire à l'exécution du plan*.

(ii) Undertakings of certain Senior Notes holders creditors

Each of (i) Attestor Capital LLP⁴, (ii) Boussard & Gavaudan Asset Management LP⁵, and (iii) DNCA Finance, Oralie Patrimoine and DNCA Invest SICAV⁶ (each, a « **Signatory Creditor** ») agreed, on October 16, 2017, upon request from the *Direction Générale des Entreprises*, to have the Commercial Court of Paris acknowledge, in its ruling sanctioning the safeguard plan, the undertakings below to:

- have Bpifrance Participations involved in the discussions that will be notably held with each of the Signatory Creditors regarding the Company's board of directors' new composition, in accordance with the provisions of the Lock-up Agreement entered into by the Company on June 13, 2017;
- vote, during the first ordinary shareholders' meeting of the Company that will occur after the closing of the financial restructuring, in favor of the designation as director of candidates which will have been agreed between the Company's current board of directors and the relevant Signatory Creditor in the context of the above referred process;
- neither the relevant Signatory Creditor nor its affiliates or related persons shall be represented on the Company's board of directors unless such Signatory Creditor or the funds, entities or accounts managed or advised directly or indirectly by it or its affiliates (i) holds together 10% or more of the Company's share capital or (ii) demonstrates the existence of fiduciary duties (including the duties of the relevant funds' management companies to manage the money entrusted to them by investors in the best interest of such investors);
- vote in favor of any draft resolutions and, if necessary and subject to holding a sufficient shareholding in compliance with article L. 225-105 of the French Commercial Code, to submit any draft resolutions to the shareholders' meeting in order to maintain the Company's board of directors composed of 60% of independent directors and that such composition of the board continues to reflect, in accordance with the current situation, the diversity of geographical origins of the members of the board of directors, while complying with the Company's registered office location;
- vote in favor of any draft resolutions and, if necessary and subject to holding a sufficient shareholding in compliance with article L. 225-105 of the French Commercial Code, to submit any draft resolutions to the shareholders' meeting in order to ensure that the Company's articles of association provide that any chief executive officer (*directeur général*) succeeding, as the case may be, the current chief executive officer (*directeur général*), will have his main place of residence located in France.

The above mentioned undertakings of each of the Signatory Creditors will become effective when all the transactions provided by the safeguard plan are completed (with the exception of the first undertaking which shall take effect as from countersignature of the letter by the Signatory Creditors). The undertakings will remain valid until December 31, 2019, subject to the corresponding Signatory Creditor remaining a shareholder of the Company, it being specified that no undertaking to keep shares of the Company has been entered into.

Subject to acknowledgment by the Commercial Court of Paris, the trustee in charge of overseeing the implementation of the plan (*commissaire à l'exécution du plan*), to be appointed by the Commercial Court of Paris, will issue a yearly report on the compliance with the undertakings that the Signatory Creditors make under the above mentioned letters; any breach potentially leading to the termination of the safeguard plan, in accordance with applicable laws and regulations.

Each of the Signatory Creditors declared that it does not act in concert with any other Signatory Creditor, with Bpifrance Participations, or with any other third party.

⁴ Attestor Capital LLP and the funds, entities or accounts managed or advised directly or indirectly by it or its affiliates, hold Senior Notes for a total amount of \$118,918,787 and do not hold any share or Convertible Bonds of the Company.

⁵ Boussard & Gavaudan Asset Management LP and the funds, entities or accounts managed or advised directly or indirectly by it or its affiliates, hold Senior Notes for a total amount of \$173,971,173 and Convertible Bonds for a total amount of €23,314,383. However, they do not hold any share of the Company.

⁶ DNCA Finance, Oralie Patrimoine and DNCA Invest SICAV, and the funds, entities or accounts managed or advised directly or indirectly by it or its affiliates, hold (i) approximately 5.5% of the total amount in principal of the Senior Notes, (ii) approximately 20.7% of the total amount in principal of the Convertible Bonds, and (iii) approximately 7.9% of the share capital of the Company.