



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 980 464 989
Organisasjonsform: Aksjeselskap
Foretaksnavn: CGG MARINE RESOURCES NORGE AS
Forretningsadresse: Lilleakerveien 6A
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Kenneth Nyhus Hanssen
Dato for fastsettelse av årsregnskapet: 20.06.2018

Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 19.11.2020



Resultatregnskap

Beløp i: USD	Note	2017	2016
RESULTATREGNSKAP			
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		786	745
Annen driftskostnad		32 488	71 366
Sum kostnader		33 274	72 111
Driftsresultat		-33 274	-72 111
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		3 615 311	833 374
Annen finansinntekt		395	714
Sum finansinntekter		3 615 706	834 088
Nedskrivning av finansielle eiendeler		96 250 001	40 938 499
Annen rentekostnad		16 058 519	82
Annen finanskostnad		-133	90
Sum finanskostnader		112 308 387	40 938 671
Netto finans		-108 692 681	-40 104 583
Ordinært resultat før skattekostnad		-108 725 955	-40 176 694
Skattekostnad på ordinært resultat			78 485
Ordinært resultat etter skattekostnad		-108 725 955	-40 255 179
Årsresultat		-108 725 955	-40 255 179
Årsresultat etter minoritetsinteresser		-108 725 955	-40 255 179
Totalresultat		-108 725 955	-40 255 179
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-108 725 955	-40 255 179
Sum overføringer og disponeringer		-108 725 955	-40 255 179



Balanse

Beløp i: USD	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		48 945 001	48 945 002
Lån til tilknyttet selskap og felles kontrollert virksomhet		15 760 664	
Sum finansielle anleggsmidler		64 705 665	48 945 002
Sum anleggsmidler		64 705 665	48 945 002
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		1 443 752	
Andre fordringer		1 231 990	
Sum fordringer		2 675 742	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		127 676	35 124
Sum bankinnskudd, kontanter og lignende		127 676	35 124
Sum omløpsmidler		2 803 418	35 125
SUM EIENDELER		67 509 083	48 980 127
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		2 501 618	1 340 919
Beholdning av egne aksjer		222 927 855	99 088 554
Sum innskutt egenkapital		225 429 473	100 429 473



Balanse

Beløp i: USD	Note	2017	2016
Opptjent egenkapital			
Annen egenkapital		-157 939 499	-49 213 544
Sum opptjent egenkapital		-157 939 499	-49 213 544
Sum egenkapital		67 489 973	51 215 929
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		19 110	11 774
Skyldige offentlige avgifter			-5 328
Annen kortsiktig gjeld			-2 242 249
Sum kortsiktig gjeld		19 110	-2 235 802
Sum gjeld		19 110	-2 235 802
SUM EGENKAPITAL OG GJELD		67 509 083	48 980 127



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of CGG Marine Resources Norge AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CGG Marine Resources Norge AS, which comprise the balance sheet as at 31 December 2017, the statement of comprehensive income and statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2017 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Managing Director (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 22 June 2018
ERNST & YOUNG AS

Asbjørn Rødal
State Authorised Public Accountant (Norway)



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 29.09.2011	Vår dato 14.10.2011
Telefon 22078139	Deres referanse Marianne Lefdal	Vår referanse 2011/951234

CGG VERIT AS SERVICES (NORWAY) AS
Carl Konows gate 34
5162 LAKSEVÅG

Dispensasjon fra kravet om årsregnskap og årsberetning på norsk språk for CGG Veritas

Det vises til deres brev av 29. september 2011 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Søknaden gjelder for følgende selskaper;

Wavefield Inseis AS	org. nr. 983 811 310
CGG Marine Resources Norge AS	org. nr. 980 464 989
CGG Veritas Services (Norway) AS	org. nr. 987 264 020
Exploration Vessels Resources AS	org. nr. 953 047 225
Exploration Investment Resources II AS	org. nr. 984 670 303
Exploration Vessel Resources II AS	org. nr. 996 311 341
Multifield Geophysics AS	org. nr. 990 886 482
CGG Veritas International SA (NUF)	org. nr. 985 625 794
CGG Veritas Services Norge (NUF)	org. nr. 985 846 855

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Selskapene er direkte eller indirekte eiet 100 % av det franske børsnoterte selskapet CGG Veritas SA med unntak for Multifield Geophysics AS som er eiet med 90,9 % og CGG Veritas International SA og CGG Veritas Services Norge som er norskregistrerte utenlandske foretak. Konsernspiss er det franske selskapet Compagnie Générale de Géophysique -Veritas. Konsernet er en av verdens største leverandører av geofysiske tjenester samt utstyr til bruk i geofysikkindustrien. Konsernet opererer i mange sektorer globalt, der engelsk er det klart dominerende språket og det daglige arbeidsspråket derfor også er engelsk. Morselskapets aksjonærer er i all hovedsak utenlandske personer eller selskaper, og morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Den norske versjonen av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering om det skal gis dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er eiet av et fransk selskap og aksjonærene forstår ikke norsk språk. Morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. Videre er det vektlagt at selskapets virksomhet er utpreget internasjonal og arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



CGG Marine Resources Norge AS

Org nr. 980 464 989

Oslo (Norway)

Financial Report 2017



Annual report

1 Operations and locations

CGG Marine Resources Norge AS (the "Company") is a limited liability company, registered in Norway. All issued shares of the Company are held by CGG S.A, Paris (France). CGG S.A. together with its subsidiaries and associates forms the CGG Group ("CGG" or "Group"). The Company has its seat in Oslo, Norway.

CGG is a fully integrated Geoscience company providing geological, geophysical and reservoir capabilities to its broad base of customers primarily from the global oil and gas industry. Through its three complementary business segments of Equipment, Contractual Data Acquisition and Geology, Geophysics & Reservoir (GGR), CGG brings value across all aspects of natural resource exploration and exploitation.

CGG is listed on the Euronext (Compartment C) Paris (ISIN Code FR000013181864) and the New York Stock Exchange (NYSE) (in the form of American Depositary Shares) (NYSE: CGG).

The Company is a holding company. In the context of financing CGG, the Company has been designated as a guarantor under various financing agreements. This was still the case as of 31 December 2017.

2 Significant events

The Company is heavily impacted by the global market situation in the Marine seismic acquisition market. This market has proven to be more difficult over the past year as the global oil industry is reducing their spending on Exploration & Production. This leads to postponements and cancellation of projects combined with a strong focus on reducing prices.

Marine Restructuring

In April 2017, the Group entered into agreements with, amongst others, Eidesvik Shipping AS ("Eidesvik") in order to change the ownership structure of our marine fleet and restructure the related financial obligations under the Nordic credit facility related thereto (the "Marine Restructuring").

Under these agreements, the Company contributed its shares held in CGG Geo Vessels AS (renamed Geo Vessels AS), which owns five vessels (*Geo Coral*, *Geo Caribbean*, *Geo Celtic*, *CGG Alizé* and *Oceanic Challenger*), to its fully owned affiliate Exploration Investment Resources II AS. The shares held by the latter in CGG Geo Vessels AS, as well as in Eidesvik Seismic Vessels AS, and Oceanic Seismic Vessels AS, were then sold to Global Seismic Shipping AS, a company organized under the laws of Norway which is 50% owned by the Company and 50% owned by Eidesvik. Since then, Global Seismic Shipping AS holds 100% of the shares of Geo Vessels AS, Eidesvik Seismic Vessels AS, and Oceanic Seismic Vessels AS.

As a result of the Marine Restructuring, the Company took impairment on the shares in subsidiaries of USD 84 million in 2017 (2016: USD 41 million) based upon an assessment of the future income of the operation of the fleet. As a part of the reorganisation of the Group and restructuring process the company also had to record a loss on sale of shares of USD 12,5 million, compared to zero in 2016.

The Company has a long term loan to an affiliated entity, the carrying value on the long term receivable have been impaired with USD 15,0 million to reflect the present value of the loan.

Financial Restructuring

On 3 March 2017, CGG SA, the top holding company of the CGG Group and the shareholder of the Company, entered into a financial restructuring process with the aim of significantly reducing the debt levels and related cash interest costs to align them with its cash flows.



On 2 June 2017, CGG SA announced that an agreement-in-principle has been reached with key financial creditors.

On 14 June 2017 CGG SA announced that following execution of legally binding agreements in support of the terms of the agreement-in-principle with key financial creditors announced in 2 June 2017, it has begun legal processes to implement a comprehensive pre-arranged restructuring, with the opening of a *Sauvegarde* proceeding in France and Chapter 11 and Chapter 15 filing in the U.S.

In that context, all guarantor companies under various financing agreements (including CGG Marine Resources Norge AS) entered into a Chapter 11 process on the same day, in order to preserve their liquidity as well as the value of the business.

On 1 December 2017, the Commercial Court of Paris approved the safeguard plan of CGG. On 21 December 2017, the US Bankruptcy Court recognized this ruling of the Commercial Court of Paris within the context of the Chapter 15 proceedings, approving its safeguard plan. The US Bankruptcy Court's order gives full force and effect to the French Court's approval ruling and prohibits CGG's creditors from taking any action inconsistent with the safeguard plan in the United States. This order marked the final US in-court milestone before completion of the financial restructuring of the CGG group that was to take place prior to 28 February 2018.

On 21 February 2018 CGG and the guarantor subsidiaries (including CGG Marine Resources Norge AS) emerged from Chapter 11 and finalized the implementation of the Group's financial restructuring plan.

Further to this financial restructuring, the Company is no longer a guarantor under the Group's financing agreements. However, the shares of the Company are pledged to the benefit of the Group's creditors.

3 Going concern assumption

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2018 and the Group's long-term strategic forecasts, and as of the date of signing these financial statements CGG and the guarantor subsidiaries (including CGG Marine Resources Norge AS) are no longer under Chapter 11 process in the US and *Sauvegarde* proceeding in France.

4 Future development

The assets held by the subsidiaries of the Company are operating in the high end of the exploration market capacity, hence the Board does assess that the Company is well positioned once the market rebounds.

5 Comments related to the financial statements

The net profit decreased from a loss of USD 40.2 million in 2016 to a loss of USD 108.8 million in 2017.

Total cash flow from operating activities was USD 0.3 million in 2017 compared to USD 2.0 million in 2016.

The Company's liquidity reserve as of 31 December 2017 amounted to USD 128 thousand compared to USD 35 thousand in 2016. The Company has access to cash through the CGG cash pooling and has at year end 2017 a receivable of USD 1.2 million to this pool compared to USD 2.2 million in 2016.

Total assets at yearend 2017 were USD 67.5 million, compared to USD 51.2 million last year. The equity ratio was 100 % as of 31 December 2017, compared to 100 % the year before.

The Company has not directly taken part in any activities related to research and development in 2017 or 2016.



6 Risk analysis

General

During the normal course of business, the Company uses various financial instruments that expose the Company to interest rate, liquidity, exchange rate, credit and fair value risks. These relate to financial instruments that are reported on the balance sheet. If the counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amount of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

Interest rate risk

The Company has no loan and is not exposed to changes in interests.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its liabilities on time. This risk is mitigated by having immediate access to funds within the Group.

Exchange rate risk

The Company's financing is denominated in USD. Exposure to exchange rates risk can arise in cases where the Company would need to settle a current tax liability, which is denominated in NOK.

Credit risk

As a holding company, the company is not exposed to credit risk.

Fair value risk

The fair value of most of the financial instruments stated on the balance sheet, including current assets as well as current liabilities and ownership in subsidiaries approximates their carrying amounts.

7 The working environment and the employees

There were no employees in the Company at the end of 2017 or 2016.

8 Environmental report

The Company is a holding company, with no operational activity.

However, the Company owns shares in companies which own or operate seismic vessels. These vessels are sophisticated and modern vessels with high technical standards. Operational routines are optimized with the technical concepts to prevent damage and accidents on personnel, environment and equipment. Operation of seismic vessels will always have some emission and the risk of unfortunate incidents cannot be eliminated.

The fuel and lubricants are under the responsibility of the charterer which is operating the vessel.

9 Gender equality

The Group aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion and recruiting. The Board consists of one



women and one man. The position as chairman is held by a woman.

10 Allocation of profit

The Board proposes that the loss for the year ended 31 December 2017, USD 108.7 million is allocated from other equity.

20 June 2017

Marianne Lefdal
Chairman of the Board/ Managing Director

Yves Louis P. Goulard
Board member



Statement of comprehensive income

(US dollar, thousand)	Notes	2017	2016
Other operating expenses, net		<u>(33)</u>	<u>(72)</u>
Operating result		<u>(33)</u>	<u>(72)</u>
Interest and other financial income	3	3 616	834
Interest costs and similar costs		(1 059)	
Impairment long-term intercompany loan	10	(15 000)	-
Impairment loss on participating interests	4	(83 800)	(40 938)
Loss on sale of shares	4	<u>(12 450)</u>	<u>-</u>
Financial result		<u>(108 693)</u>	<u>(40 104)</u>
Profit before taxation		<u>(108 726)</u>	<u>(40 176)</u>
Income tax expense	8	-	79
Income for the year		<u>(108 726)</u>	<u>(40 255)</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(108 726)	(40 255)
Allocation of total comprehensive income	6		
Transferred from other equity		<u>(108 726)</u>	<u>(40 255)</u>
Total allocations and equity transfers		<u>(108 726)</u>	<u>(40 255)</u>




Statement of financial position as at 31. December

(US Dollar thousand)	Notes	2017	2016
Financial non-current assets			
Participating interests in affiliated entities	4	48 945	48 945
Total financial non-current assets		<u>48 945</u>	<u>48 945</u>
Total non-current assets		<u>48 945</u>	<u>48 945</u>
Long term receivables from affiliated entity	10	15 761	0
Current assets			
Account receivable from subsidiaries		1 444	0
Other receivables		0	5
Cash advance to affiliated entity		1 232	2 242
Cash and cash equivalents	5	128	35
Total current assets		<u>2 803</u>	<u>2 282</u>
Total current assets		<u>2 803</u>	<u>2 282</u>
TOTAL ASSETS		<u>67 509</u>	<u>51 227</u>
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders equity			
Share capital (10,000 shares at NOK 30,000)	6	2 502	1 341
Share premium	6	64 988	49 875
Total paid-in capital		<u>67 490</u>	<u>51 216</u>
Total shareholders equity		<u>67 490</u>	<u>51 216</u>
Liabilities			
Current liabilities			
Accounts payable		19	12
Total current liabilities		<u>19</u>	<u>12</u>
Total liabilities		<u>19</u>	<u>12</u>
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		<u>67 509</u>	<u>51 227</u>
		0	0

20 June 2018


Marianne Lefdal
Chairman of the Board / Managing Director


Yves Louis P. Goulard
Board member



Cash Flow Statement

(Usb) (in thousand)	2017	2016
Operating activities		
Income/loss for the year	(108 726)	(40 255)
Loss on sale of shares	12 450	-
Impairment loss	98 801	40 938
Interest income	(761)	-
Increase/decrease in accounts receivable	(1 444)	-
Increase/decrease in accounts payable	7	(9)
Changes in other receivables and other liabilities	5	1 338
Net cash provided by operating activities	332	2 011
Investing activities		
Capital increase in subsidiary	(1 250)	-
Net cash consumed by investing activities	(1 250)	-
Financing activities		
Group contribution received	-	1 364
Changes in cash advance from affiliated entity	1 010	(3 349)
Cash provided by financing activities	1 010	(1 985)
Net change in cash equivalents	92	26
Cash equivalents at 01.01	35	9
Cash equivalents as at 31.12	128	35



CGG Marine Resources Norge AS

Notes to the Financial Statements

Note 1 Description of Company and operations

CGG Marine Resources Norge AS (the "Company") is a limited liability company, registered in Norway. All Issued shares of the Company are held by CGG SA, Paris (France). CGG SA together with its subsidiaries and associates forms the CGG Group ("CGG" or "Group"). The Company has its seat at Oslo (Norway).

CGG is a fully integrated Geoscience company providing geological, geophysical and reservoir capabilities to its broad base of customers primarily from the global oil and gas industry. Through its three complementary business segments of Equipment, Contractual Data Acquisition and Geology, Geophysics & Reservoir (GGR), CGG brings value across all aspects of natural resource exploration and exploitation.

CGG is listed on the Euronext (Compartment C) Paris (ISIN Code FR000013181864) and the New York Stock Exchange (NYSE) (in the form of American Depositary Shares) (NYSE: CGG).

In the context of financing CGG, the Company has been designated as a guarantor under various financing agreements.

The Company is a holding company. In the context of financing CGG, the Company has been designated as a guarantor under various financing

Note 2 Summary of significant accounting policies

General

The financial statements have been prepared in accordance with Simplified IFRS. In summary these Simplified IFRS require the application of the (de-) recognition and measurement requirements of IFRS and the application of the presentation and disclosure requirements in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting policies. Simplified IFRS, unlike IFRS (IAS 10 par. 12 and 13), provides the option to treat management's decision after the reporting date regarding tax group contribution as well as the declaration of dividends as adjusting events. This simplification has been used in the preparation of these financial statements.

The financial statements are presented in USD, the Company's functional and reporting currency.

The Company's ultimate shareholder CGG SA prepares consolidated financial statements in accordance with International Financial Reporting Standards. These consolidated financial statements are available at www.cgg.com and are deposited at the Chamber of Commerce in Paris (France) and at Lillekervelen 6 A, 0283 Oslo (Norway). In accordance with the Norwegian Accounting Act the Company can choose not to prepare its own consolidated financial statements, and has chosen not to.

Basis of preparation

The financial statements have been prepared under the historical cost convention. Unless mentioned otherwise, assets and liabilities are stated at nominal value, income and expenses are determined and reported on an accrual basis.

Classification of assets and liabilities

Assets intended to serve the Company beyond the current period are presented as non-current. All other assets (including the portion of long-term receivables due within one year) are presented as current.

Non-current liabilities include amounts due beyond one year.

Foreign currency

Transactions denominated in currencies other than USD are recorded at the closing rate of the preceding month. Monetary assets and liabilities denominated in currencies other than USD are revalued at year-end exchange rates and any resulting unrealised exchange gains and losses are included in income.

Estimates

The preparation of financial statements in accordance with simplified IFRS requires management to make estimates, assumptions and judgment that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. As a holding company the main assets in the company is ownership in subsidiaries. The value of these ownerships are first checked against equity in the subsidiaries and then value in use.

Revenue

Revenues are recognised when they can be measured reliably, and when it is likely that the economic benefits associated with the transaction will flow to the entity, which is at the point that such revenues have been realised or are considered realisable.

Tangible assets

Tangible assets are carried at historical cost less accumulated depreciation and impairment charges. Tangible assets include vessels (hull, capitalised dry-dock and rigging expenditures) and equipment (maritime equipment mounted to the vessel). Capitalised dry-dock and rigging expenditures include expenditures that are directly attributable to the project.

Depreciation is recorded on a straight-line basis:



Hull and capitalised rigging expenditures	30 years
Capitalised dry-dock rigging expenditures	30 months
Marine equipment	8-15 years

Tangible assets are tested for impairment if there are any indicators and written down to lower recoverable amounts in the event of a non-temporary diminution of value.

Participating interests

Participating interests are recorded at cost or at lower recoverable values. If the equity at yearend defend the recorded value of the participating interest from last year no additional assessment done. If equity is lower a detailed value in use calc is prepared based on future operational activity.

Account receivables

Accounts receivable are stated at nominal value less an allowance for non-recoverable amounts.

Bank deposits

Bank deposits are deposits held at call with banks.

Taxation

Taxes on income are recognised in the same period as the revenue and the expenses to which these relate. Taxes on income are determined in the lawful currency of the jurisdiction the Company is subject to tax (pre-dominantly NOK).

Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Deferred taxation is provided for using the asset and liability method of accounting for income taxes based on provisions of enacted tax laws.

Recognition is given to deferred tax asset and liability for the expected future consequences of events that have been recognised in either the financial statements or tax returns. Expected future events are taken into consideration in estimating these tax consequences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax asset is reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax asset and deferred tax liability are presented net in the statement of financial position.

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources embodying economic benefits (that can be reliably determined) will be required to settle the obligation.

Contingent liabilities

Contingent liabilities are disclosed in these financial statements unless occurrence is remote.

Cash flow statement

The cash flow statement is prepared using the indirect method.

As a holding-company in Norway the cash related operational activity are limited. Cash related to purchase and financing of ownership of shares in subsidiaries will be the main activity.

Events after the reporting period

Events providing evidence of conditions that existed at the end of the reporting period and occurring after the reporting period and before authorisation of the financial statements through the management board are reflected in the financial statements.



Note 3 Financial items, net

	2017	2016
Guarantee fee charged to affiliated entity (see note 14)	2 855	833
Group interest income	761	-
Foreign currency gains	0	1
Total interest and similar income	3 616	834
Interest expense to affiliated entity (see note 10 and 11)	-	-
Loss on sale of shares	(12 450)	-
Impairment loss on participating interests	(83 800)	(40 938)
Financial Items, net	(92 634)	(40 104)



Note 4 Participating interest in affiliated entities

The historic cost and key financial figures for 2017 are as follows:

	Acquired	Registered Office	Value share	Ownership share
Exploration Investment Resources II AS	2009	Oslo	100 %	100 %

In 2016 Exploration Vessel Resources AS merged with Exploration Investment Resources II AS

In 2017, as a part of the CGG financial restructuring plan (see annual report), the Company contributed its shares in CGG Geo Vessels AS to its subsidiary Exploration Investment Resources II AS.

Financial Information

The Company carries interests at historic cost, key financial information and historic cost are as follows:

(US dollar thousand)	Income	Equity	Historic cost	Carrying amount
Exploration Investment Resources II AS	67 416	51 388	415 450	48 945

In 2017, the Company recorded an USD 83.800k (2016: USD 40,055k) impairment on its participating interest in Exploration Investment Resources II AS. As a part of the Marine restructuring in 2017, the Company contributed its shares in CGG Geo Vessels AS to Exploration Investment Resources II AS. This transaction was done at market value, the increased investment in Exploration Investment Resources II AS was USD 83,8 million, while the value of the CGG Geo Vessels AS shares sold were USD 96,3 million, giving a net loss of USD 12,5 million in 2017 related to the contribution of shares.

To determine the carrying value in the subsidiaries a Value in use calculation have been prepared.

Note 5 Bank deposits

The Company has no restrictions on its bank deposits.

Note 6 Shareholders' equity

The share capital of the Company as at 31 December 2017 is NOK 20,000,000 (USD 2,501,618) and consists of 100 shares with a nominal value of NOK 200,000 per share. All shares have equal rights.

(US dollar thousand)	Share capital	Share premium	Other paid-in capital	Other equity	Total equity
Balance at 1 January 2016	1 341	88 870			90 211
Group contribution received				1 260	1 260
Dividend					-
Capital increase					-
Result for the year				(40 255)	(40 255)
Reclassification					-
Balance at 31 December 2016	1 341	88 870	0	-38 995	51 216
Group contribution received					-
Dividend					-
Capital increase	1 161	123 839			125 000
Result for the year				(108 726)	(108 726)
Reclassification					-
Balance at 31 December 2017	2 502	212 709	-	(147 721)	67 490

After adoption of its 2015 financial statement, the Company received group contribution from Geomar NUF for USD 1.260k



Note 7 Cash advance payable to affiliated entity

Prior to the second quarter of 2017, the Company was part to a cash advance agreement with CGG Holding B.V., the Hague (the Netherlands) allowing the Company to invest or to draw from this facility. Interest is settled quarterly at LIBOR+ 3% for amounts drawn and LIBOR for amounts Invested.

As from the second quarter of 2017, a new cash advance agreement was entered into with CGG Services (NL) B.V., the Hague (the Netherlands). The set up and terms are the same as under prior agreement with CGG Holding B.V.

Note 8 Taxation

	2017	2016		
Current income tax :				
Income/(loss) before taxation	(108 726)	(40 176)		
Permanent differences - Loss on sale of shares	12 450	(77)		
Permanent differences - Investment Impairment	83 800	40 938		
Permanent differences - Dividend from affiliated entities		-		
Change in temporary differences	16 111	(2 322)		
Translation differences	(3 635)	1 637		
Taxable profit/(loss)	0	-		
Income tax payable for current period 24% (25%)	0	-		
<i>Income Tax expense</i>				
Current income tax payable	-	-		
Change in deferred tax	-	-		
Income tax expense	-	-		
<i>Reconciliation from nominal to effective income tax rate</i>				
Profit/(loss) before tax	(108 726)	(40 176)		
Expected income tax expense at 24% (25%)	(26 094)	(10 044)		
Deviation	26 094	10 044		
<i>Explanations of deviations:</i>				
Permanent difference - Investment impairment	(872)	409		
Permanent differences - Loss on sale of shares	2 988	(19)		
Translation differences	20 112	10 235		
Valuation allowance	3 867	(580)		
Total	26 094	10 044		
<i>Specification of temporary differences</i>				
	2 017	2 016		
	Benefit	Liability	Benefit	Liability
Tangible assets	6 926		8 241	
Gain/loss account	2 904		3 455	
Discount on loan	15 948		-	
Losses	22 993		21 373	
Interest	8 504		8 095	
Total	67 275		41 164	
Valuation allowance	(37 275)		(41 164)	
Net deferred benefit/liability in the balance sheet 23% (2016: 24%)	-		-	

Note 9 Audit fees

Remuneration to Ernst & Young AS and their associates is USD 24,375 (2016: USD 31,810). All amounts are exclusive VAT.

Note 10 Related party transactions

Other companies in the Group are classified as related parties. In the ordinary course of business the Company enters into transactions with affiliated and associated companies (see notes 3 and 7). These transactions are at arms' lengths terms.

The Company is included in the VAT group registration of CGG Services (Norway) AS, in Oslo (Norway).

On April 20, 2017 the company entered into a USD 30 million term loan agreement with affiliated entity CGG Services (Norway) AS. Interest rate is 1 % per annum and the loan fully matures 1. May 2027.

The loan has been revalued to reflect the true value of the loan, this has ended in a reduction in present value of the loan by USD 15M



Note 11 Staff

As at 31 December 2016 and 2017, the Company had no employees. The Company is not required to have an occupational pension plan.

Note 12 Board remuneration

No member of the Board of Directors of the Company received any remuneration in the capacity as a member of the Board of Director.

Note 13 Financial risk

General

During the normal course of business, the Company uses various financial instruments that expose the Company to interest rate, liquidity, exchange rate, credit and fair value risks. These relate to financial instruments that are reported in the balance sheet. If the counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amount of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its liabilities on time. This risk is mitigated by having immediate access to funds within the Group.

Exchange rate risk

The Company's financing as well as revenues are denominated in USD. Exposure to exchange rates risk can arise in cases where the Company would need to settle a current tax liability, which is denominated in NOK.

Credit risk

The Company has very limited exposure to credit risk as under the terms of the rental agreements with affiliated entities, monthly rental fees are due within 30 days.

Fair value risk

The fair value of most of the financial instruments stated on the balance sheet, including current assets as well as current liabilities and ownership in subsidiaries approximates their carrying amounts.

Note 14 Exchange rates

Rates of exchange ("RoE") are as follows:

ROE (USD/EUR)	Q4 2016	Average 2016	Q4 2017	Average 2017	Q1 2018
	8,8206	8,4162	8,6200	8,2630	8,2050

Note 15 Events after the end of the reporting period

On 1 December 2017, the Commercial Court of Paris approved the safeguard plan of CGG. On 21 December 2017, the US Bankruptcy Court recognized this ruling of the Commercial Court of Paris within the context of the Chapter 15 proceedings, approving its safeguard plan. The US Bankruptcy Court's order gives full force and effect to the French Court's approval ruling and prohibits CGG's creditors from taking any action inconsistent with the safeguard plan in the United States. This order marked the final US in-court milestone before completion of the financial restructuring of the CGG group that was to take place prior to 28 February 2018.

On 21 February 2018 CGG and the guarantor subsidiaries (including CGG Marine Resources Norge AS) emerged from Chapter 11 and finalized the implementation of the Group's financial restructuring plan.

Further to this financial restructuring, the Company is no longer a guarantor under the Group's financing agreements. However, the shares of the Company are pledged to the benefit of the Group's creditors.