

GENERAL GEOPHYSICS CO

Form F-4/A

November 27, 2006

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As filed with the Securities and Exchange Commission on November 27, 2006

Registration No. 333-138033

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

Form F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Compagnie Générale de Géophysique

(Exact name of registrant as specified in its charter)

General Geophysics Company

(Translation of registrant's name into English)

Republic of France

*(State or other jurisdiction of
incorporation or organization)*

1382

*(Primary Standard Industrial
Classification Code Number)*

Not Applicable

*(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)*

With copies to:

Thierry Le Roux

**Group President and Chief Financial
Officer**

Compagnie Générale de Géophysique

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933 (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 earlier effective registration statement for the same offering.

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

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The information contained herein is subject to completion or amendment. No securities may be sold until a registration statement filed with the U.S. Securities and Exchange Commission is effective. This preliminary proxy statement/ prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful.

SUBJECT TO COMPLETION, DATED NOVEMBER 27, 2006

To the Stockholders of Veritas DGC Inc.:

You are cordially invited to attend a special meeting of stockholders of Veritas DGC Inc. scheduled for January 9, 2007 at 10:00 a.m., Houston time, at the offices of Veritas DGC, Inc., 10300 Town Park Drive, Houston, Texas 77072. At the special meeting, you will be asked to adopt our agreement and plan of merger, dated as of September 4, 2006, with Compagnie Générale de Géophysique and its wholly-owned subsidiaries, Volnay Acquisition Co. I and Volnay Acquisition Co. II, as this agreement may be amended from time to time, which is referred to as the merger agreement. In the merger, Volnay Acquisition Co. I will merge with and into Veritas, with Veritas surviving the merger as a wholly-owned subsidiary of CGG, immediately followed by Veritas merging with and into Volnay Acquisition Co. II, with Volnay Acquisition Co. II surviving the merger and continuing its corporate existence as a wholly-owned subsidiary of CGG. Immediately after the merger is effective, the combined company will be renamed CGG-Veritas.

Pursuant to the merger agreement, CGG will issue to Veritas stockholders up to approximately 49.8 million CGG ADSs, representing approximately 10.0 million CGG ordinary shares, and will pay to Veritas stockholders approximately \$1.6 billion in cash (based on the outstanding shares of Veritas common stock on July 31, 2006 and the maximum number of additional shares of Veritas common stock that may be issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options or the conversion of Veritas convertible senior bonds due 2024 or otherwise). Because the value of the per share merger consideration is determined in part based on the average of the closing prices of CGG ADSs on the New York Stock Exchange during a trading period that ends just prior to the effective time of the merger, the actual amount of cash or number of CGG ADSs that you will be entitled to receive for each share of Veritas common stock cannot be determined until the effective time of the merger and will not be known at the time of the Veritas special meeting to vote upon the merger agreement. The formula that will determine the amount of per share merger consideration that you will be entitled to receive is described on page 93 of this proxy statement/ prospectus. The tables on pages 3 and 96 of this proxy statement/ prospectus give calculations of the merger consideration that you will be entitled to receive over a hypothetical range of values for the CGG ADSs.

You may elect to receive either cash or CGG ADSs with respect to each share of Veritas common stock you hold, subject in each case to proration as set forth in the merger agreement and described in this proxy statement/ prospectus. **Regardless of whether you elect to receive cash, CGG ADSs or a combination of cash and CGG ADSs, or make no election, the merger agreement contains provisions designed to cause the value of the per share consideration you receive to be substantially equivalent.**

Each CGG ADS represents one-fifth of one CGG ordinary share, nominal value \$2 per share. CGG ADSs trade on the New York Stock Exchange under the symbol the GGY. We estimate that immediately after the effective time of the merger, former Veritas stockholders will hold CGG ADSs representing approximately 36% of the then-outstanding CGG ordinary shares (based on the outstanding shares of Veritas common stock on July 31, 2006 and the maximum number of additional shares of Veritas common stock that may be issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options or the conversion of Veritas convertible senior bonds due 2024 or otherwise).

The merger cannot be completed unless Veritas stockholders adopt the merger agreement by the affirmative vote of the holders of at least a majority of the shares of Veritas common stock outstanding on November 18, 2006 the record

date for the special meeting.

The Veritas board of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement and unanimously recommends that you vote FOR the proposal to adopt the merger agreement, which is described in detail in this proxy statement/ prospectus.

The accompanying proxy statement/ prospectus contains detailed information about the merger, the merger agreement and the Veritas special meeting. This document is also a prospectus for the CGG ordinary shares underlying the CGG ADSs that will be issued pursuant to the merger. **We encourage you to read this proxy statement/ prospectus carefully before voting, including the section entitled Risk Factors beginning on page 24. Your vote is very important.** Whether or not you plan to attend the Veritas special meeting, please take the time to submit your proxy by completing and mailing the enclosed proxy card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone. If your shares of Veritas common stock are held in street name, you must instruct your broker how to vote such shares.

Sincerely,

Thierry Pilenko
Chairman of the Board of Directors and
Chief Executive Officer
Veritas DGC Inc.

Neither the U.S. Securities and Exchange Commission nor any non-U.S. or state securities commission has approved or disapproved of the securities to be issued under this proxy statement/ prospectus or has passed upon the adequacy or accuracy of the disclosure in this proxy statement/ prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/ prospectus is dated [1], 2006, and is first being mailed to Veritas stockholders on or about [1], 2006.

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**Veritas DGC Inc.
10300 Town Park Drive
Houston, Texas 77072
NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON JANUARY 9, 2007**

To the Stockholders of Veritas DGC Inc.:

We will hold a special meeting of stockholders of Veritas on January 9, 2007 at 10:00 a.m., Houston time, at the offices of Veritas DGC, Inc., 10300 Town Park Drive, Houston, Texas 77072, for the following purposes:

1. to consider and vote on the proposal to adopt the Agreement and Plan of Merger, dated as of September 4, 2006 (which we refer to as the merger agreement), by and among Veritas, CGG, Volnay Acquisition Co. I and Volnay Acquisition Co. II, as this agreement may be amended from time to time; and

2. to transact any other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

Only Veritas stockholders of record at the close of business on November 18, 2006, the record date for the Veritas special meeting, are entitled to notice of, and to vote at, the Veritas special meeting and any adjournments or postponements of the Veritas special meeting.

The Veritas board of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement and unanimously recommends that you vote FOR the proposal to adopt the merger agreement, which is described in detail in this proxy statement/ prospectus.

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the meeting, please submit a proxy as soon as possible. To submit a proxy, call the toll-free telephone number listed on your proxy card, use the Internet as described in the instructions on the enclosed proxy card, or complete, sign, date and mail your proxy card. Submitting a proxy will assure that your vote is counted at the meeting if you do not attend in person. If your shares of Veritas common stock are held in street name by your broker or other nominee, only that holder can vote your shares of Veritas common stock and the vote cannot be cast unless you provide instructions to your broker. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares of Veritas common stock. You may revoke your proxy at any time before it is voted. Please review the proxy statement/ prospectus accompanying this notice for more complete information regarding the merger and the special meeting.

By Order of the Board of Directors of
Veritas DGC Inc.,

Larry L. Worden
Vice President, General Counsel and Secretary

Houston, Texas, [1], 2006

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ADDITIONAL INFORMATION

This proxy statement/ prospectus incorporates by reference important business and financial information about CGG and Veritas from documents that are not included or delivered with this proxy statement/ prospectus. See Additional Information Where You Can Find More Information beginning on page 190.

Documents incorporated by reference are available to you without charge upon your written or oral request, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this proxy statement/ prospectus. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate company.

Compagnie Générale de Géophysique
Tour Maine Montparnasse
33, avenue du Maine
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+33 1 64 47 45 00
Attention: Investor Relations
www.cgg.com

Veritas DGC Inc.
10300 Town Park Drive
Houston, Texas 77072
(832) 351-8300
Attention: Investor Relations
www.veritasdgc.com

In order for you to receive timely delivery of the documents in advance of the Veritas special meeting, CGG or Veritas, as applicable, should receive your request by no later than December 29, 2006.

You also may obtain these documents at the website of the U.S. Securities and Exchange Commission, which is referred to as the SEC, www.sec.gov, and you may obtain certain of these documents at CGG's website, www.cgg.com, by selecting Investors and then selecting Financial Reports, and at Veritas' website, www.veritasdgc.com, by selecting Investors, then selecting Financials and then selecting SEC Filings.

CGG and Veritas are expressly not incorporating by reference the contents of the websites of the SEC, CGG, Veritas or any other person into this proxy statement/ prospectus. CGG and Veritas are providing for your convenience only the information about how you can obtain certain documents that are incorporated by reference into this proxy statement/ prospectus at these websites.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form F-4 filed with the SEC by CGG (File No. 333-138033), constitutes a prospectus of CGG under Section 5 of the U.S. Securities Act of 1933, as amended, which is referred to as the Securities Act, with respect to the CGG ordinary shares underlying the CGG ADSs to be issued to Veritas stockholders pursuant to the merger. This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the U.S. Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, with respect to the special meeting of Veritas stockholders, at which Veritas stockholders will be asked to consider and vote upon a proposal to adopt the merger agreement.

CURRENCIES

In this proxy statement/ prospectus, unless otherwise specified or the context otherwise requires:

\$ and U.S. dollar each refer to the United States dollar;

and euro each refer to the euro, the single currency established for members of the European Economic and Monetary Union since January 1, 1999; and

NOK refers to Norwegian kroner.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE
VERITAS SPECIAL STOCKHOLDERS MEETING**

The following are some questions that you may have regarding the proposed merger being considered at the Veritas special meeting and brief answers to those questions. Veritas and CGG urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all the information that might be important to you. Additional important information is also contained in the annexes to, and the documents incorporated by reference in, this proxy statement/prospectus. Unless stated otherwise, all references in this proxy statement/prospectus to CGG are to Compagnie Générale de Géophysique, a société anonyme organized under the laws of the Republic of France; all references to Veritas are to Veritas DGC Inc., a Delaware corporation; all references to CGG-Veritas are to the combined company; and all references to the merger agreement are to the Agreement and Plan of Merger, dated as of September 4, 2006, by and among Veritas, CGG, Volnay Acquisition Co. I and Volnay Acquisition Co. II, a copy of which is attached as Annex A to this proxy statement/prospectus and is incorporated by reference herein.

Q: What is the proposed transaction?

A: CGG and Veritas have entered into a merger agreement, pursuant to which Volnay Acquisition Co. I will merge with and into Veritas, with Veritas surviving the merger as a wholly-owned subsidiary of CGG, immediately followed by Veritas merging with and into Volnay Acquisition Co. II, with Volnay Acquisition Co. II surviving the merger and continuing its corporate existence as a wholly-owned subsidiary of CGG (together, these transactions are referred to in this proxy statement/prospectus as the merger). CGG will be renamed CGG-Veritas immediately after the effective time of the merger.

Q: Why are CGG and Veritas proposing the merger?

A: The boards of directors of CGG and Veritas believe that the combination of CGG and Veritas will provide substantial strategic and financial benefits to the shareholders of both companies and will allow shareholders the opportunity to participate in a strong, pure-play seismic company offering a broad range of seismic services and, through Sercel, geophysical equipment, to the industry across all markets. To review the reasons for the merger in greater detail, see *The Merger Recommendation of the Veritas Board of Directors and Its Reasons for the Merger* and *The Merger CGG's Reasons for the Merger*.

Q: Why am I receiving this proxy statement/prospectus?

A: Veritas stockholders are being asked to adopt the merger agreement. Under the General Corporation Law of the State of Delaware, which governs Veritas, adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Veritas common stock entitled to vote. Accordingly, if a Veritas stockholder fails to vote, or if a Veritas stockholder abstains, that will have the same effect as a vote against adoption of the merger agreement. Your broker will **not** be able to vote shares of Veritas common stock held in street name unless you instruct your broker how to vote.

This proxy statement/prospectus contains important information about the proposed merger, the merger agreement and the Veritas special meeting, which you should read carefully before voting. The enclosed voting materials allow you to cause your shares of Veritas common stock to be voted without attending the Veritas special meeting in person.

Your vote is very important. You are encouraged to submit a proxy as soon as possible.

Q:

What is the amount of cash and/or the number of CGG ADSs that I will be entitled to receive for my shares of Veritas common stock?

A: Under the merger agreement, the actual amount of cash or number of CGG ADSs that you will be entitled to receive for each share of Veritas common stock you hold cannot be determined until the effective time of the merger. Those amounts will be determined based on a formula set forth in the merger agreement and described in this proxy statement/ prospectus. The per share consideration will be equal to the aggregate value of all CGG ADSs and cash being issued pursuant to the merger

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divided by the total number of shares of Veritas common stock outstanding immediately prior to the effective time of the merger. The value of the CGG ADSs for these purposes, or average CGG ADS value, as it is referred to in this proxy statement/ prospectus, will be the average of the closing prices of CGG ADSs on the New York Stock Exchange, referred to as the NYSE, as reported by *The Wall Street Journal* during the 20 consecutive trading day period during which the CGG ADSs are traded on the NYSE ending three calendar days before the effective time of the merger or, if such calendar day is not a trading day, then ending on the trading day immediately preceding such calendar day. There are tables on pages 3 and 96 of this proxy statement/ prospectus that set forth the per share cash consideration and the per ADS consideration that would be received by Veritas stockholders based on a range of hypothetical average CGG ADS values.

For a more complete description of what Veritas stockholders will be entitled to receive pursuant to the merger, see The Merger Agreement Merger Consideration.

Q: If I am a Veritas stockholder, when must I elect the type of merger consideration that I prefer to receive?

A: Holders of Veritas common stock who wish to elect the type of merger consideration they prefer to receive pursuant to the merger should carefully review and follow the instructions set forth in the election form provided to Veritas stockholders. These instructions require that a properly completed and signed election form along with your shares of Veritas common stock be received by the exchange agent by the election deadline, which is 5:00 p.m., New York City time, on January 10, 2007. If a Veritas stockholder does not submit a properly completed and signed election form to the exchange agent by the election deadline, then such stockholder will have no control over the type of merger consideration such stockholder will receive, and, consequently, will receive only cash, only CGG ADSs, or a combination of cash and CGG ADSs pursuant to the merger.

For a more complete description of what Veritas stockholders will be entitled to receive pursuant to the merger, see The Merger Agreement Merger Consideration.

Q: What is a CGG ADS?

A: An American Depositary Share, or ADS, is a security that allows shareholders in the United States to more easily hold and trade interests in foreign-based companies. ADSs are often evidenced by certificates known as American Depositary Receipts, or ADRs. CGG is a French company that issues ordinary shares that are similar in many respects to common stock of a U.S. company. Each CGG ADS represents one-fifth of one CGG ordinary share. CGG ordinary shares are quoted in euros on the Euronext Paris SA, which is the French national stock exchange. CGG ADSs represent certain rights with respect to the underlying CGG ordinary shares. See Description of the CGG American Depositary Shares.

Q: Are CGG ADSs publicly traded in the United States?

A: Yes. CGG ADSs are publicly traded in the United States and are listed on the NYSE under the trading symbol GGY.

Q: What are the implications of CGG being a foreign private issuer ?

A: CGG is subject to the reporting requirements under the Exchange Act applicable to foreign private issuers. CGG is required to file its annual report on Form 20-F with the SEC within six months after the end of each fiscal year. In addition, CGG must furnish reports on Form 6-K to the SEC regarding certain information required to be publicly disclosed by CGG in France or filed with Euronext Paris SA, or regarding information distributed or required to be distributed by CGG to its shareholders. CGG is exempt from certain rules under the Exchange Act,

including the proxy rules which impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. Moreover, CGG is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act; is not required to file financial statements prepared in accordance with U.S. GAAP (although it is required to reconcile its annual financial statements to U.S. GAAP); and is not required to comply with Regulation FD, which addresses certain restrictions on the selective disclosure of material information. In addition, among other matters,

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CGG's officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of CGG ordinary shares. If CGG or the combined company loses its status as a foreign private issuer, it will no longer be exempt from such rules and, among other things, will be required to file periodic reports and financial statements as if it were a company incorporated in the United States.

The covenants contained in CGG's outstanding 7 1/2% senior notes due 2015, referred to as the CGG senior notes, however, require CGG to furnish to the SEC a greater level of financial and non-financial information than the Exchange Act requires of foreign private issuers for so long as such notes remain outstanding. Specifically, CGG's current practice is to prepare financial statements on a quarterly basis and to furnish them under the Exchange Act on Form 6-K. CGG's current practice is also to prepare and furnish under the Exchange Act, together with such financial statements, disclosure with respect to its Operating and Financial Review and Prospects of the type described in Item 5 of SEC Form 20-F.

Q: What will happen in the proposed merger to stock options to purchase Veritas common stock and other stock-based awards that have been granted to employees, directors and consultants of Veritas or its affiliates?

A: Each option to purchase shares of Veritas common stock pursuant to any stock option plan, program or arrangement of Veritas (other than the Veritas 1992 Employee Non-Qualified Stock Option Plan) that is outstanding and unexercised immediately prior to the effective time of the merger, whether or not vested, will be cancelled and converted into a right to receive an amount in cash equal to the excess, if any, of the per share cash consideration in the merger over the exercise price per share under such option immediately prior to such cancellation and conversion (less any applicable withholding taxes). Each option to purchase shares of Veritas common stock pursuant to the Veritas 1992 Employee Non-Qualified Stock Option Plan which is outstanding and unexercised as of the effective time of the merger, whether or not vested, will be cancelled and no consideration will be paid in connection with such cancellation. Options that are currently outstanding and unexercised under that plan, however, may be exercised in accordance with their terms prior to the effective time of the merger.

All Veritas option plans, the Veritas 2001 Key Employee Restricted Stock Plan and any other plan providing for the issuance, transfer or grant of any capital stock of Veritas or any interest in respect of any capital stock of Veritas will be terminated as of the effective time of the merger.

Q: What will happen to Veritas convertible bonds in the merger?

A: Veritas floating rate convertible senior bonds due 2024 (referred to in this proxy statement/ prospectus as the convertible bonds) that are not converted by their holders into Veritas common stock prior to the merger will remain outstanding following the merger. After the effective time of the merger, the convertible bonds will become convertible for the merger consideration that a holder of shares of Veritas common stock that made no election would receive, which will not be determinable until after the election deadline.

A holder of the convertible bonds who converts into Veritas common stock prior to the election deadline may elect to receive cash or CGG ADSs or a combination of cash and CGG ADSs in the same manner as other Veritas stockholders, subject to the election procedures and proration mechanisms described in this proxy statement/ prospectus.

A holder of Veritas convertible bonds that wishes to have the right to make an election should tender his convertible bonds for conversion sufficiently in advance of the election deadline (in any event, no later than December 21, 2006) and return a properly completed election form prior to the election deadline of 5:00 p.m.

New York City time on January 10, 2007 with respect to the shares of Veritas common stock issued on conversion.

Q: What conditions are required to be fulfilled to complete the merger?

A: CGG and Veritas are not required to complete the merger unless certain specified conditions are satisfied or waived. These conditions include adoption by Veritas stockholders of the merger agreement,

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the approval by CGG shareholders of the issuance of CGG ordinary shares underlying the CGG ADSs to be issued pursuant to the merger and related matters, the effectiveness of the Form F-4 registration statement, of which this proxy statement/ prospectus constitutes a part, and of the Form F-6 registration statement, and the approval (visa) of the noted information by the AMF, relating to the CGG ordinary shares underlying the CGG ADSs to be issued in connection with the merger. There can be no assurance that such conditions will be satisfied. For a more complete summary of the conditions that must be satisfied or waived prior to the effective time of the merger, see *The Merger Agreement – Conditions to the Completion of the Merger* beginning on page 105.

Q: How will CGG finance the cash component of the merger?

A: CGG has entered into a senior secured bridge loan facility with Credit Suisse International, as sole and exclusive lead arranger and sole and exclusive bookrunner, of up to \$1.6 billion to be made available to CGG for the purposes of, among other things, financing the cash component of the merger consideration. The bridge loan facility may be drawn only in a single borrowing on the date of the merger and is payable in full by a single payment 18 months from the initial funding date, subject to a six-month extension at the sole option of a majority of lenders under the facility.

Under the bridge loan facility, CGG-Veritas is required to maintain certain financial covenants and is subject to affirmative and negative covenants that affect its ability, among other things, to borrow money, incur liens, dispose of assets and make acquisitions as further described under *CGG Recent Developments – Bridge Loan Facility* beginning on page 40. In addition, drawing under the bridge loan facility is conditioned upon certain conditions which, if not met and not waived by Credit Suisse International, will result in CGG being unable to draw funds under the bridge loan agreement and having to seek other financing to complete the merger. See *Risk Factors – Risks Related to the Combined Company’s Indebtedness*. If CGG is unable to draw funds under the commitment letter, it will have to seek other financing to complete the merger, which could be on terms that are less favorable to CGG.

Q: When do CGG and Veritas expect the merger to be completed?

A: CGG and Veritas are working to complete the merger as quickly as practicable. They currently expect the merger to be completed during the first quarter of 2007. However, neither CGG nor Veritas can predict the exact timing of the effective time of the merger because it is subject to certain conditions both within and beyond each of their control. See *The Merger Agreement – Conditions to the Completion of the Merger* beginning on page 105.

Q: Are Veritas stockholders entitled to appraisal rights?

A: If the merger is completed and any holder of Veritas common stock is required to receive cash (other than cash in lieu of fractional CGG ADSs) as consideration pursuant to the merger, holders of shares of Veritas common stock who do not vote in favor of the adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares, but only if they submit a written demand for such an appraisal prior to the vote on adoption of the merger agreement and they comply with the other Delaware law procedures and requirements explained in this proxy statement/ prospectus. See *Appraisal Rights* beginning on page 125.

Q: How does the Veritas board of directors recommend that Veritas stockholders vote?

A: The Veritas board of directors has determined that the execution and delivery of the merger agreement was advisable and the transactions contemplated by the merger agreement are in the best interests of the Veritas stockholders and unanimously recommends that Veritas stockholders vote **FOR** the proposal to adopt the merger

agreement. For a more complete description of the recommendation of the Veritas board of directors, see The Merger Recommendation of the Veritas Board of Directors and Its Reasons for the Merger beginning on page 51.

Q: When and where will the Veritas special meeting be held?

A: The Veritas special meeting will be held on January 9, 2007 at 10:00 a.m., Houston time, at the offices of Veritas DGC, Inc., 10300 Town Park Drive, Houston, Texas 77072.

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Q: Who can attend and vote at the Veritas special meeting?

A: All Veritas stockholders of record as of the close of business on November 18, 2006, the record date for the Veritas special meeting, are entitled to receive notice of and to vote at the Veritas special meeting.

Q: What do I need to do now?

A: After you have carefully read this proxy statement/ prospectus, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope or, if available, by submitting your proxy by telephone or through the Internet as soon as possible so that your shares of Veritas common stock will be represented and voted at the special meeting.

Please refer to your proxy card or the information forwarded by your broker or other nominee to see which options are available to you.

The Internet and telephone proxy submission procedures are designed to authenticate stockholders and to allow you to confirm that your instructions have been properly recorded.

The method by which you submit a proxy will in no way limit your right to vote at the Veritas special meeting if you later decide to attend the meeting in person. If your shares of Veritas common stock are held in the name of a broker or other nominee, you must obtain a proxy, executed in your favor, from the holder of record, to be able to vote at our special meeting.

All shares of Veritas common stock entitled to vote and represented by properly completed proxies received prior to the Veritas special meeting, and not revoked, will be voted at the Veritas special meeting as instructed on the proxies. **If you do not indicate how your shares of Veritas common stock should be voted on a matter, the shares of Veritas common stock represented by your properly completed proxy will be voted as the Veritas board of directors recommends and therefore FOR the adoption of the merger agreement.**

Q: If I am a Veritas stockholder, should I send in my stock certificates with my proxy card?

A: No. Please **DO NOT** send your Veritas stock certificates with your proxy card. Rather, prior to the election deadline, which is 5:00 p.m., New York City time, on January 10, 2007, you should send your Veritas common stock certificates to the exchange agent, together with your completed, signed election form. If your shares of Veritas common stock are held in street name by your broker or other nominee you should follow your broker's or other nominee's instructions for making an election with respect to your shares of Veritas common stock.

Q: Can I change my vote after I have delivered my proxy?

A: Yes. You may change your vote at any time before your proxy is voted at the Veritas special meeting. You can do this in any of the three following ways:

by sending a written notice to the Secretary of Veritas in time to be received before the Veritas special meeting stating that you would like to revoke your proxy;

by completing, signing and dating another proxy card and returning it by mail in time to be received before the Veritas special meeting or, if you submitted your proxy through the Internet or by telephone, by submitting a proxy card at a later date, in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

if you are a holder of record, by attending the special meeting and voting in person. Simply attending the Veritas special meeting without voting will not revoke your proxy or change your vote.

If your shares of Veritas common stock are held in an account at a broker or other nominee and you desire to change your vote, you should contact your broker or other nominee.

Q: What should I do if I receive more than one set of voting materials for the Veritas special meeting?

A: You may receive more than one set of voting materials for the Veritas special meeting, including multiple copies of this proxy statement/ prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares of Veritas common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares of Veritas common stock. If you are a holder of record and your shares of Veritas common stock are

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registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q: If my shares of Veritas common stock are held in street name by my broker or other nominee, will my broker or other nominee vote my shares of Veritas common stock for me?

A: Your broker will NOT vote your shares of Veritas common stock held in street name unless you instruct your broker how to vote. Such failure to vote will have the same effect as a vote AGAINST adoption of the merger agreement. You should therefore provide your broker or other nominee with instructions as to how to vote your shares of Veritas common stock.

Q: Who can answer my questions?

A: If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement/ prospectus, the enclosed proxy card, voting instructions or the election form, you should contact:

Mellon Investor Services LLC
480 Washington Boulevard
Jersey City, New Jersey 07310
Call toll-free: (866) 293-6622
Call collect (201) 680-6590
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SUMMARY

*The following is a summary that highlights information contained in this proxy statement/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement and the transactions contemplated by the merger agreement, CGG and Veritas encourage you to carefully read this entire proxy statement/prospectus, including the attached annexes. In addition, CGG and Veritas encourage you to read the information incorporated by reference into this proxy statement/prospectus, which includes important business and financial information about CGG and Veritas that has been filed with the SEC. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section entitled *Additional Information Where You Can Find More Information* on page 190.*

The Companies

Compagnie Générale de Géophysique. CGG is a leading manufacturer of geophysical equipment and international provider of geophysical services. Founded in France in 1931, it sells its geophysical equipment primarily to other geophysical service companies and provides geophysical services principally to oil and gas companies that use seismic imaging to help explore for, develop and manage oil and gas reserves by (i) identifying new areas where subsurface conditions are favorable for the accumulation of oil and gas; (ii) determining the size and structure of previously identified oil and gas fields; and (iii) optimizing development and production of oil and gas reserves (reservoir management).

CGG ADSs are traded on the NYSE under the trading symbol *GGY*. Each CGG ADS represents one-fifth of one CGG ordinary share. CGG ordinary shares are quoted on Euronext Paris SA under the trading symbol *GLE*.

CGG's principal executive offices are located at Tour Maine-Montparnasse, 33, avenue du Maine, BP 191, 75755 Paris, Cedex 15 France.

Veritas DGC Inc. Veritas is a leading provider of integrated geophysical information services to the petroleum industry worldwide. Its customers include major national and independent oil and gas companies that utilize geophysical technologies to: (i) identify new areas where subsurface conditions are favorable for the production of hydrocarbons; (ii) determine the size and structure of previously identified oil and gas fields; and (iii) optimize development and production of hydrocarbon reserves. Veritas and its predecessors have been in operation for more than 36 years.

Veritas common stock is traded on the NYSE under the symbol *VTS*.

Veritas's principal executive offices are located at 10300 Town Park Drive, Houston, Texas 77072.

Volnay Acquisition Co. I and Volnay Acquisition Co. II. Volnay Acquisition Co. I and Volnay Acquisition Co. II, are each wholly-owned subsidiaries of CGG and are each organized under the laws of the State of Delaware. Volnay Acquisition Co. I and Volnay Acquisition Co. II were formed on September 5, 2006 solely for the purpose of effecting the merger. Volnay Acquisition Co. I and Volnay Acquisition Co. II have not conducted any business operations other than activities incidental to their formation and in connection with the transactions contemplated by the merger agreement.

The principal executive offices of Volnay Acquisition Co. I and Volnay Acquisition Co. II are c/o Compagnie Générale de Géophysique, Tour Maine-Montparnasse, 33, avenue du Maine, BP 191, 75755, Paris, Cedex 15 France.

The Merger (see page 44)

CGG and Veritas have agreed to combine their businesses pursuant to the merger agreement described in this proxy statement/prospectus. Under the terms of the merger agreement, Volnay Acquisition Co. I will merge with and into Veritas, with Veritas surviving the merger as a wholly-owned subsidiary of CGG, immediately followed by Veritas merging with and into Volnay Acquisition Co. II, with Volnay Acquisition Co. II surviving the merger and continuing its corporate existence as a wholly-

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owned subsidiary of CGG. The combined company will be renamed CGG-Veritas immediately after the effective time of the merger.

The merger agreement is attached as Annex A to this proxy statement/ prospectus and is incorporated by reference herein. CGG and Veritas encourage you to read the merger agreement in its entirety because it is the legal document that governs the merger.

Merger Consideration (see page 92)

The merger agreement provides that at the effective time of the merger, each outstanding share of Veritas common stock will be converted into the right to receive either a number of CGG ADSs or an amount of cash, subject to the election and proration procedures described in this proxy statement/ prospectus. The actual amount of cash or number of CGG ADSs that you will be entitled to receive for each share of Veritas common stock you hold cannot be determined until the effective time of the merger. Those amounts will be determined based on the formula set forth in the merger agreement and described in The Merger Agreement Merger Consideration beginning on page 92 of this proxy statement/ prospectus. The formula is designed to substantially equalize the value of the consideration to be received for each share of Veritas common stock, at the time the calculation is made, regardless of whether you elect to receive cash, CGG ADSs or a combination of cash and CGG ADSs, or make no election. CGG and Veritas deemed this equalization mechanism to be desirable because the value of the CGG ADSs will fluctuate between September 4, 2006, the date the merger agreement was entered into, and the effective time of the merger. The value of the merger consideration to be received with respect to each share of Veritas common stock will be equal to \$37.00 plus approximately \$1.14 per \$1.00 of average CGG ADS value.

The aggregate amount of cash and the total number of CGG ADSs to be paid and issued, respectively, pursuant to the merger are fixed (in each case subject to upward adjustment in the event that any shares of Veritas common stock are issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options or conversion of Veritas convertible bonds or otherwise). Because the amount of cash and the number of CGG ADSs to be paid and issued, respectively, pursuant to the merger are fixed, the percentage of shares of Veritas common stock that will be exchanged for CGG ADSs and the percentage that will be exchanged for cash will depend upon the average CGG ADS value. The higher the average CGG ADS value is, the greater the percentage of shares of Veritas common stock that will be exchanged for CGG ADSs and the lower the average CGG ADS value is, the greater the percentage of shares of Veritas common stock that will be exchanged for cash.

For example, if the average CGG ADS value is \$30.00, a Veritas stockholder receiving CGG ADSs in exchange for shares of Veritas common stock would receive 2.373 CGG ADSs per share of Veritas common stock, with a value of \$71.20 per share based on that average CGG ADS value, and a Veritas stockholder receiving cash in exchange for shares of Veritas common stock would receive \$71.20 in cash per share of Veritas common stock. The exact proration of CGG ADSs and cash each Veritas stockholder will receive in exchange for such holder's shares of Veritas common stock is subject to the proration procedures described below. Based on an average CGG ADS value of \$30.00, approximately 48.03% of the outstanding shares of Veritas common stock would be exchanged for CGG ADSs, and approximately 51.97% would be exchanged for cash.

Assuming a hypothetical average CGG ADS value of \$33.33, which was the closing price of CGG ADSs on August 29, 2006, the merger would have a value of approximately \$75.00 per share of Veritas common stock. Assuming a hypothetical average CGG ADS value of \$39.73, which was the closing price of CGG ADSs on November 24, 2006, the last business day prior to the filing of this proxy statement/ prospectus, the merger would have a value of approximately \$82.29 per share of Veritas common stock. Assuming a hypothetical average CGG ADS value of \$36.80 based on the average of the per share closing prices of CGG ADSs as reported in *The Wall Street Journal* during the 20 consecutive trading day period ended on November 24, 2006 (which is three calendar days prior to the date of mailing of this proxy

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statement/ prospectus), the merger would have a value of approximately \$78.95 per share of Veritas common stock.

The following table sets forth, based on various hypothetical average CGG ADS values, the per share cash consideration and the per share CGG ADS consideration, as well as the value of such CGG ADS consideration based on the hypothetical average CGG ADS values. The table also shows the percentage of outstanding shares of Veritas common stock that would be converted into CGG ADSs and cash based on such average CGG ADS values.

Average CGG ADS Value	Per Share Cash Consideration	Per Share CGG ADS Consideration	Value of per Share CGG ADS Consideration(1)	Approximate Percentage of Merger Consideration	
				In ADSs	In Cash
\$30.00	\$71.20	2.3734	\$71.20	48.03%	51.97%
\$31.00	\$72.34	2.3336	\$72.34	48.85%	51.15%
\$32.00	\$73.48	2.2963	\$73.48	49.64%	50.36%
\$33.00	\$74.62	2.2613	\$74.62	50.41%	49.59%
\$34.00	\$75.76	2.2283	\$75.76	51.16%	48.84%
\$35.00	\$76.90	2.1972	\$76.90	51.88%	48.12%
\$36.00	\$78.04	2.1678	\$78.04	52.59%	47.41%
\$37.00	\$79.18	2.1400	\$79.18	53.27%	46.73%
\$38.00	\$80.32	2.1137	\$80.32	53.93%	46.07%
\$39.00	\$81.46	2.0888	\$81.46	54.58%	45.42%
\$40.00	\$82.60	2.0650	\$82.60	55.20%	44.80%
\$41.00	\$83.74	\$2.0425	\$83.74	55.81%	44.19%
\$42.00	\$84.88	\$2.0210	\$84.88	56.41%	43.59%
\$43.00	\$86.02	\$2.0005	\$86.02	56.99%	43.01%
\$44.00	\$87.16	\$1.9809	\$87.16	57.55%	42.45%
\$45.00	\$88.30	\$1.9623	\$88.30	58.10%	41.90%

Note:

(1) Based on the CGG ADS value.

The actual value of the cash consideration or number of CGG ADSs that you will be entitled to receive for each share of Veritas common stock you hold may differ from the hypothetical amounts shown in these examples because the actual amounts can only be determined at the effective time of the merger based on a formula set forth in the merger agreement and described in this proxy statement/ prospectus.

Following the effective time of the merger, Veritas stockholders are expected to own approximately 36% of CGG-Veritas on a fully diluted basis based on the outstanding shares of Veritas common stock on July 31, 2006 and the maximum number of additional shares of Veritas common stock that may be issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options or the conversion of the Veritas convertible bonds or otherwise.

No assurance can be given that the average value of CGG ADSs will be equivalent to the fair market value of CGG ADSs on the date that the merger consideration is received by a Veritas stockholder or at any other time. The actual fair market value of the CGG ADSs received by Veritas stockholders will depend upon the market price of CGG ADSs upon receipt, which may be higher or lower than the average CGG ADS value or the market price of CGG ADSs on the date the merger was announced, on the date this proxy statement/ prospectus is mailed to Veritas stockholders, on the date a Veritas stockholder makes an election with respect to the merger consideration, or on the date of the special meeting of Veritas stockholders.

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Election of Merger Consideration (see page 97)

You may elect to receive cash or, CGG ADSs in exchange for each of your shares of Veritas common stock. However, since CGG is delivering a fixed number of CGG ADSs and paying a fixed amount of cash (in each case subject to upward adjustment in the event that any shares of Veritas common stock are issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options, the conversion of Veritas convertible bonds or otherwise), you cannot be certain of receiving the form of consideration that you elect with respect to all of your shares of Veritas common stock. If the elections result in an oversubscription of the pool of cash or CGG ADSs, certain procedures for allocating cash and CGG ADSs among Veritas stockholders will be followed by the exchange agent. See The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration; Proration Proration beginning on page 101 of this proxy statement/ prospectus.

Completion and Delivery of the Election Form (see page 99)

You should have received an election form with instructions for making cash and CGG ADS elections. You should properly complete and deliver to the exchange agent your election form along with your stock certificates (or a properly completed notice of guaranteed delivery in lieu of the stock certificates). Do not send your stock certificates or election form with your proxy card.

Election forms and stock certificates (or a properly completed notice of guaranteed delivery in lieu of the stock certificates) must be received by the exchange agent by the election deadline, which is 5:00 p.m., New York City time, on January 10, 2007. Once you tender your stock certificates to the exchange agent, you may not transfer your shares of Veritas common stock until the merger is completed, unless you revoke your election by written notice to the exchange agent that is received prior to the election deadline.

If you fail to submit a properly completed election form, together with your stock certificates (or a properly completed notice of guaranteed delivery), prior to the election deadline, you will be deemed not to have made an election. As a holder making no election, you will be paid a value per share equivalent to the amount paid per share to holders making elections, but you may be paid in all cash, all CGG ADSs, or part cash and part CGG ADSs, depending on the remaining pool of cash and CGG ADSs available for paying merger consideration after honoring the elections that other Veritas stockholders have made.

If you own shares of Veritas common stock in street name through a broker or other nominee and you wish to make an election, you should seek instructions from the broker or other nominee holding your shares of Veritas common stock concerning how to make your election.

If the merger agreement is not adopted by Veritas stockholders, or the issuance of CGG ordinary shares underlying the CGG ADSs is not approved by CGG shareholders, stock certificates will be returned by the exchange agent by first class mail or through book-entry transfer (in the case of shares of Veritas common stock delivered in book-entry form to the exchange agent).

Treatment of Stock Options (see page 102)

Veritas intends to take such actions as are necessary to cause all stock options to purchase shares of Veritas common stock pursuant to any stock option plan, program or arrangement of Veritas (other than the Veritas 1992 Employee Non-Qualified Stock Option Plan) that are outstanding and unexercised at the effective time of the merger, whether or not vested, to be cancelled and converted into a right to receive an amount in cash equal to the excess, if any, of the per share cash consideration over the exercise price per share under such stock option immediately prior to such cancellation and conversion (less any applicable withholding taxes). Each option to purchase shares of Veritas common stock pursuant to the Veritas 1992 Employee Non-Qualified Stock Option Plan which is outstanding and unexercised as of the effective time of the merger, whether or not vested, will be cancelled and no consideration will be paid in connection with such cancellation. Options that are currently outstanding and unexercised under that plan, however, may be exercised in accordance with their terms prior to the effective time of the merger.

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All Veritas stock option plans and restricted stock plans will be terminated as of the effective time of the merger.

Treatment of Convertible Bonds (see page 102)

The outstanding Veritas floating rate convertible senior bonds due 2024 will be entitled, following the effective time of the merger, to receive upon conversion the merger consideration that a holder of shares of Veritas common stock that made no election would receive, which will not be determinable until the effective time. A holder of the convertible bonds who converts into shares of Veritas common stock prior to the election deadline may elect to receive cash or CGG ADSs or a combination of cash and CGG ADSs in the same manner as other Veritas stockholders, subject to the election procedures and proration mechanisms described in this proxy statement/prospectus.

A holder of Veritas convertible bonds that wishes to have the right to make an election should tender his convertible bonds for conversion sufficiently in advance of the election deadline (in any event, no later than December 21, 2006) and return a properly completed election form prior to the election deadline of 5:00 p.m. New York City time on January 10, 2007 with respect to the shares of Veritas common stock issued on conversion.

Recommendation of the Veritas Board of Directors (see page 51)

The Veritas board of directors has determined unanimously that the execution and delivery of the merger agreement is advisable and the transactions contemplated by the merger agreement are in the best interests of the Veritas stockholders, and has unanimously approved the merger agreement and the transactions contemplated by the merger agreement. The Veritas board of directors unanimously recommends that Veritas stockholders vote FOR the proposal to adopt the merger agreement.

Stockholders Entitled to Vote; Vote Required (see page 42)

You can vote at the Veritas special meeting if you owned shares of Veritas common stock at the close of business on November 18, 2006, which is referred to as the record date. On the record date, there were 36,193,953 shares of Veritas common stock outstanding and entitled to vote at the Veritas special meeting, held by approximately 732 holders of record. You may cast one vote for each share of Veritas common stock that you owned on the record date.

Abstentions will be counted in determining whether a quorum is present at the Veritas special meeting. However, an abstention will have the same effect as a vote against the proposal to adopt the merger agreement.

Your vote is very important. You are encouraged to vote as soon as possible. If you do not indicate how your shares of Veritas common stock should be voted on a matter, the shares of Veritas common stock represented by your properly completed proxy will be voted as the Veritas board of directors recommends and therefore FOR the adoption of the merger agreement.

Opinions of Financial Advisors (see pages 63 and 69)

Opinion of Veritas Financial Advisor

Goldman, Sachs & Co., which is referred to as Goldman Sachs, delivered its written opinion to the Veritas board of directors that, as of September 4, 2006 and based upon and subject to the factors and assumptions set forth therein, the per share ADS consideration and the per share cash consideration to be received by holders of the shares of Veritas common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated September 4, 2006, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this proxy statement/prospectus as Annex B. **Goldman Sachs**

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advisory services and opinion were provided for the information and assistance of the Veritas board of directors in connection with its consideration of the merger and such opinion does not constitute a recommendation as to how any holder of shares of Veritas common stock should vote or make any election with respect to such merger. Pursuant to an engagement letter between Veritas and Goldman Sachs, Veritas has agreed to pay Goldman Sachs a transaction fee that is contingent upon consummation of the merger and will be calculated based upon the final value of the merger consideration per share of Veritas common stock, subject to a minimum fee that will be paid only if the merger is consummated. Veritas estimates that the aggregate amount of the transaction fee would be approximately \$26 million, based upon the closing price of CGG ADSs as of November 20, 2006.

Opinion of CGG's Financial Advisors

Credit Suisse. In connection with the merger, Credit Suisse Securities (USA) LLC, which is referred to as Credit Suisse, delivered a written opinion, dated September 4, 2006, to the CGG board of directors as to the fairness, from a financial point of view, to CGG of the aggregate consideration to be paid by CGG in the merger. The full text of Credit Suisse's written opinion is attached to this proxy statement/ prospectus as Annex C. You are encouraged to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. **Credit Suisse's opinion was provided to the CGG board of directors in connection with its evaluation of the aggregate consideration payable by CGG in the merger, does not address any other aspect of the proposed merger and does not constitute a recommendation to any security holder as to how such security holder should vote or act on any matter relating to the merger.**

Rothschild. In connection with the merger, Rothschild, Inc., which is referred to as Rothschild, delivered a written opinion, dated as of September 4, 2006, to the CGG board of directors as to the fairness, from a financial point of view, to CGG of the aggregate consideration to be paid by CGG in the merger. The full text of Rothschild's written opinion is attached to this proxy statement/ prospectus as Annex D. You are encouraged to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. **Rothschild's opinion was provided to the CGG board of directors in connection with its evaluation of the aggregate consideration payable by CGG in the merger, does not address any other aspect of the proposed merger and does not constitute a recommendation to any security holder as to how such security holder should vote or act on any matter relating to the merger.**

Report of Lehman Brothers (see page 79)

The CGG board of directors engaged Lehman Brothers Europe Limited, which is referred to as Lehman Brothers, to deliver an independent financial assessment of the fairness to CGG, from a financial point of view, of the consideration to be paid by CGG upon consummation of the proposed merger, in accordance with a request from the French *Autorité des marchés financiers*, which is referred to herein as the AMF, that the CGG board of directors obtain such a report. Lehman Brothers delivered its report to the CGG board of directors in French and under French law. **An English translation of the Lehman Brothers report is attached to this proxy statement/prospectus as Annex E. The report is provided for informational purposes only and is qualified in its entirety by reference to the original French-language report filed with the AMF.** Lehman Brothers disclaims any responsibility for any errors or omissions in the translation. Lehman Brothers does not admit to being an independent expert under any rules or regulations applying to the merger, the French prospectus (*note d'opération*) or this proxy statement/prospectus (other than within the meaning of the rules of the AMF) or subject to rules applicable to experts in other contexts.

Lehman Brothers was engaged effective October 10, 2006 and delivered its report on November 9, 2006 (after the CGG and Veritas boards of directors had approved the merger agreement and the agreement had been executed by both companies), and therefore, neither board of directors considered Lehman Brothers report when making its decision to enter into the merger agreement. The Lehman

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Brothers report is directed to the CGG board of directors and does not constitute a recommendation to any shareholder as to how such shareholder should vote with respect to the merger.

Board of Directors After the Merger (see page 103)

At the meeting of its shareholders for the purpose of obtaining approval for the issuance of CGG ordinary shares underlying the CGG ADSs to be issued pursuant to the merger agreement, CGG will nominate up to five members of the Veritas board of directors (including Thierry Pilenko, chairman and CEO of Veritas) to the board of directors of the combined company effective as of, and conditioned upon, the occurrence of the effective time of the merger. Each nominee, if elected, will serve for a term of six years. After the effective time of the merger, the newly elected directors will serve on the board of the combined company together with the 10 current members of CGG's board of directors.

Name and Executive Offices of the Combined Company

New Corporate Name

Immediately after the effective time of the merger, CGG will be renamed CGG-Veritas.

Executive Offices

After the effective time of the merger, the executive offices of the combined company will be located in Paris, France, and the previous corporate headquarters of Veritas, located in Houston, Texas, will become the western hemisphere operating headquarters of the combined company.

Ownership of the Combined Company After the Merger

CGG will issue a maximum of approximately 49.8 million CGG ADSs pursuant to the merger, assuming exercise of all outstanding options to purchase shares of Veritas common stock and conversion of all Veritas convertible bonds into shares of Veritas common stock. After the effective time of the merger and based on the assumptions in the preceding sentence, Veritas stockholders will own approximately 36% of CGG-Veritas on a fully diluted basis based on the outstanding shares of Veritas common stock on July 31, 2006 (as disclosed in the merger agreement) and the maximum number of additional shares of Veritas common stock that may be issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options or the conversion of the Veritas convertible bonds or otherwise. Consequently, Veritas stockholders, as a general matter, will have less influence over the management and policies of CGG-Veritas than they currently exercise over the management and policies of Veritas.

Share Ownership of Directors and Executive Officers

At the close of business on November 18, 2006, the directors and executive officers of Veritas and their affiliates beneficially owned and were entitled to vote approximately 63,392 shares of Veritas common stock, collectively representing approximately 0.2% of the shares of Veritas common stock outstanding and entitled to vote on that date. The directors and executive officers of Veritas have each indicated that they expect to vote FOR the proposal to adopt the merger agreement.

Interests of the Directors and Executive Officers of Veritas in the Merger (see page 80)

In considering the recommendation of the Veritas board of directors with respect to the merger agreement, you should be aware that certain members of the Veritas board of directors and certain of Veritas' executive officers have interests in the transactions contemplated by the merger agreement that

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may be different than, or in addition to, the interests of Veritas stockholders generally. These interests include, among other things, the following:

up to four directors from Veritas' current board of directors in addition to Thierry Pilenko, Chairman and CEO of Veritas, will be invited by CGG to serve on the board of directors of the combined company after the effective time of the merger;

certain executive officers whose employment is terminated under certain circumstances after the effective time of the merger will be entitled to severance benefits;

certain executive officers and directors hold stock options and other stock-based awards granted under Veritas equity compensation plans which in some cases will vest upon adoption of the merger agreement by Veritas stockholders and in other cases will vest if their employment is terminated under certain circumstances after the effective time of the merger;

in any event, such stock options outstanding at the effective time of the merger will be cancelled and converted into a right to receive an amount in cash equal to the excess, if any, of the per share cash consideration over the exercise price per share under such stock option immediately prior to such cancellation and conversion (less any applicable withholding taxes);

certain of Veritas' current executive officers will be offered continued employment with the combined company after the effective time of the merger; and

directors and officers will be indemnified by the combined company with respect to acts or omissions by them in their capacities as such prior to the effective time of the merger.

The Veritas board of directors was aware of these interests and considered them, among other matters, in making its recommendation. See "The Merger - Recommendation of the Veritas Board of Directors and Its Reasons for the Merger" beginning on page 51.

Listing of CGG Ordinary Shares and CGG ADSs; Delisting and Deregistration of Shares of Veritas Common Stock (see page 91)

CGG will use its reasonable best efforts to cause the CGG ADSs to be issued in connection with the merger (and underlying CGG ordinary shares to be issued in connection with the merger) and to be approved for listing on the NYSE upon the effective time of the merger. Approval of the listing on the NYSE of the CGG ADSs to be issued pursuant to the merger is a condition to each party's obligation to complete the merger. If the merger is completed, shares of Veritas common stock and preferred stock rights associated with the common stock will be delisted from the NYSE and deregistered under the Exchange Act.

Appraisal Rights in the Merger (see pages 97 and 125)

In the event any holder of Veritas common stock is required to receive cash (other than cash in lieu of fractional CGG ADSs) as consideration pursuant to the merger, the shares of Veritas common stock outstanding immediately prior to the effective time of the merger and held by a holder who has not voted in favor of the adoption of the merger agreement and who has delivered a written demand for appraisal of such shares in accordance with Section 262 of the General Corporation Law of the State of Delaware, will not be converted into the right to receive the merger consideration, unless and until the dissenting holder fails to perfect or effectively withdraws or otherwise loses his or her right to appraisal and payment under the General Corporation Law of the State of Delaware. The holders of such shares will be entitled to seek an appraisal of such shares under Section 262 of the General Corporation Law of the State of Delaware. If, after the effective time of the merger, a dissenting stockholder fails to perfect or effectively withdraws or loses his or her right to appraisal, his or her shares of Veritas common stock will be treated as non-electing shares and be treated as if they had been converted as of the effective time of the merger into the right to receive the merger consideration without interest or dividends thereon.

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Conditions to Completion of the Merger (see page 105)

A number of conditions must be satisfied or waived, where legally permissible, before the proposed merger can be consummated. These include, among others:

adoption of the merger agreement by Veritas stockholders;

approval by CGG shareholders of the issuance of CGG ordinary shares underlying the CGG ADSs to be issued pursuant to the merger and certain related items;

the waiting period (and any extension thereof) applicable to the consummation of the merger under the Hart Scott Rodino Act, referred to as the HSR Act, having expired or been terminated (which occurred on October 25, 2006);

all required approvals by the European Commission applicable to the merger under applicable competition laws, including the EC Merger Regulation, having been obtained or any applicable waiting period thereunder having been terminated or having expired (although CGG and Veritas do not expect any such approvals by the European Commission will be required);

the receipt of certain other authorizations, consents, waiting periods and approvals of governmental entities in certain jurisdictions required to be obtained prior to consummation of the merger;

the effectiveness of the Form F-4 registration statement, of which this proxy statement/ prospectus constitutes a part, and of the Form F-6 registration statement, and no proceedings for such purpose pending before or threatened by the SEC, and the approval (*visa*) of the *note d information* by the AMF, relating to the CGG ordinary shares underlying the CGG ADSs to be issued in connection with the merger;

CGG ADSs issuable to the stockholders of Veritas pursuant to the merger and to the holders of the Veritas convertible debt (and, if required, the underlying CGG ordinary shares) will have been authorized for listing on the NYSE, subject to official notice of issuance, and the AMF and the Euronext Paris SA will have approved the listing of CGG ordinary shares to be issued in connection with the merger; and

the receipt of notification in writing by the Committee on Foreign Investment in the United States, which is referred to as the CFIUS, to CGG and Veritas that the CFIUS has determined not to investigate the transactions contemplated by the merger agreement (which occurred on November 16, 2006).

Neither CGG nor Veritas can give any assurance when or if all of the conditions to the merger will be either satisfied or waived or that the merger will occur as intended.

Regulatory Approvals Required for the Merger (see page 84)

The merger was subject to review by the Antitrust Division of the U.S. Department of Justice, which is referred to as the Antitrust Division, and the Federal Trade Commission, which is referred to as the FTC, under the HSR Act. The Antitrust Division terminated the waiting period imposed by the HSR Act on October 25, 2006. CGG and Veritas submitted a notice of the merger to the CFIUS, in accordance with the regulations implementing the Exon-Florio Amendment to the Defense Production Act of 1950, which is referred to as the Exon-Florio Amendment, and on November 16, 2006, the CFIUS issued a letter stating that had concluded its action, having found no national security issues sufficient to warrant further investigation. CGG and Veritas each conduct business in Norway and each submitted filings to the Norwegian antitrust authorities, but these authorities are deemed to have authorized the merger by not requesting the submission of a full notification. In addition, CGG and Veritas have each submitted filings to the Brazilian and UK antitrust authorities, though the approval of these authorities is not required to complete the merger.

The merger may also be subject to the regulatory requirements of other municipal, state, federal and foreign governmental agencies and authorities, including those relating to the offer and sale of securities.

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No Solicitation (see page 117)

Under the merger agreement, neither CGG nor Veritas is permitted:
to solicit, initiate, or knowingly encourage or facilitate the making of any inquiries regarding any other acquisition proposal; or

subject to certain exceptions, to disclose or provide any non-public information to any third party with respect to any such acquisition proposal, afford access to its properties, books or records to any third party that has made or is considering making such an acquisition proposal, or approve or recommend, or propose to approve or recommend, or enter into any agreement relating to such an acquisition proposal.

However, before receipt of the requisite approval by its stockholders, CGG or Veritas may engage in negotiations with a third party making an unsolicited, bona fide written acquisition proposal, provided that:

the board of directors of the party receiving the acquisition proposal has determined that such acquisition proposal constitutes, or is reasonably likely to result in, a superior proposal; and

the party receiving such acquisition proposal has complied with the terms of the merger agreement relating to acquisition proposals.

In addition, before receipt of the requisite approval by their respective stockholders, the board of directors of either CGG or Veritas may withdraw its recommendation or declaration of advisability of the merger agreement or recommend, adopt or approve another acquisition proposal if:

CGG or Veritas, as the case may be, receives a superior proposal; or

the board of directors determines in good faith that a failure to change its recommendation would reasonably be expected to be inconsistent with its fiduciary duties to CGG shareholders or Veritas stockholders, respectively.

Termination of the Merger Agreement (see page 121)

The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger by mutual written consent of CGG and Veritas. Either party will also have the right to terminate the merger agreement upon the occurrence of any of the following:

the failure to consummate the merger by April 15, 2007, provided that a party may not terminate upon occurrence of this event if such party's failure to fulfill its obligations has caused or resulted in the merger not occurring before such time;

the failure to obtain the necessary Veritas stockholder approval or CGG shareholder approval;

the existence of a law or regulation prohibiting the merger, or the entry of a final and non-appealable injunction or government order which prohibits or restricts the merger;

a material breach of the other party's representations, warranties or covenants that gives rise to a failure of certain conditions to closing (subject to a 45 day cure period, if the breach is capable of being cured);

if the other party's board of directors has failed to recommend the merger, or has withdrawn or modified in a manner adverse to the other party its recommendation of the merger, or has recommended or entered into an agreement with a person making an acquisition proposal; or

by CGG, if CGG is responding to an unsolicited hostile acquisition proposal to acquire at least 40% of the stock or assets of CGG.

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Termination Fee (see page 123)

Under the merger agreement, Veritas or CGG may be required to pay to the other a termination fee of \$85 million or an expense reimbursement of \$20 million if the merger agreement is terminated under certain circumstances. See The Merger Agreement Termination of the Merger Agreement and The Merger Agreement Termination of the Merger Agreement Termination Fees and Expenses.

Certain Material U.S. Federal Income Tax Consequences of the Merger (see page 86)

The merger is intended to qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended, for U.S. federal income tax purposes. In addition, the obligation of Veritas to consummate the merger is conditioned upon the receipt by Veritas of a tax opinion of its legal counsel or a ruling by the IRS (a request for which was filed with the IRS on October 6, 2006) that the merger will not be subject to Section 367(a)(1) of the Internal Revenue Code. Veritas expects to receive a response from the IRS to the ruling request before the election deadline on January 10, 2007 and will publicize the response in a press release. If the IRS rules that the merger will not be subject to Section 367(a)(1) of the Internal Revenue Code, we expect that the material U.S. federal income tax consequences of the merger to Veritas stockholders will be as follows:

If you exchange Veritas common stock solely for cash in the merger, you generally will recognize capital gain or loss equal to the difference between the amount of cash received and your tax basis in the stock surrendered.

If you exchange Veritas common stock solely for CGG ADSs in the merger, you will not recognize any gain or loss, except to the extent of the cash you receive in lieu of a fractional CGG ADS.

If you exchange Veritas common stock for a combination of cash and CGG ADSs in the merger, you generally will recognize gain (but not loss). The gain you recognize generally will equal the lesser of (1) the excess of the sum of the cash and the fair market value of the CGG ADSs received over your tax basis in the Veritas common stock surrendered, or (2) the amount of cash received.

Your holding period for the CGG ADSs received in the merger generally will include your holding period for the Veritas common stock exchanged in the merger.

Please refer to The Merger Certain Material U.S. Federal Income Tax Consequences beginning on page 86 of this proxy statement/prospectus for a more complete discussion of the U.S. federal income tax consequences of the merger. Determining the actual tax consequences of the merger to you may be complex and will depend on your specific situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you.

Accounting Treatment (see page 90)

CGG will account for the merger using the purchase method under International Financial Reporting Standards as adopted by the European Union, referred to as IFRS.

Payment of Dividends (see page 182)

CGG

CGG does not currently pay dividends on its ordinary shares. Dividend payments by CGG may be limited by the terms of the CGG senior notes.

Veritas

Veritas does not currently pay cash dividends on its common stock. The merger agreement generally provides that Veritas may not declare, set aside or pay any dividend prior to the effective time of the merger or the termination of the merger agreement.

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Comparison of Rights of Veritas Stockholders and CGG Shareholders (see page 171)

As a result of the merger, some or all of your shares of Veritas common stock may be all or partly converted into the right to receive cash or CGG ADSs representing CGG ordinary shares. Because Veritas is a corporation organized under the laws of Delaware and CGG is a *société anonyme* organized under the laws of the Republic of France, there are material differences between the rights of Veritas stockholders and the rights of holders of CGG ordinary shares. These differences are described in detail under Comparison of Rights of Veritas Stockholders and CGG Shareholders. The rights of holders of CGG ADSs differ from the rights of holders of CGG ordinary shares and are described under Description of the CGG American Depositary Shares.

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SELECTED HISTORICAL FINANCIAL AND OPERATING INFORMATION OF CGG

In accordance with regulation adopted by the European Union in July 2002, all companies incorporated under the laws of one of the member states of the European Union and whose securities are publicly traded within the European Union are required to prepare their consolidated financial statements for the fiscal year that started on or after January 1, 2005, on the basis of accounting standards issued by the International Accounting Standards Board. Therefore, in accordance with these requirements, CGG converted from using French generally accepted accounting principles to IFRS, as adopted by the European Union. As a first-time adopter of IFRS at January 1, 2005, CGG has followed the specific requirements described in IFRS 1, *First Time Adoption of IFRS*. The options selected for the purpose of the transition to IFRS are described in the notes to CGG's 2005 audited consolidated financial statements appearing in CGG's 2005 Form 20-F, which is incorporated into this proxy statement/ prospectus by reference. Effects of the transition on the balance sheet at January 1, 2004, the statement of income for the year ended December 31, 2004 and the balance sheet at December 31, 2004 are presented and discussed in Note 30 to CGG's 2005 audited consolidated financial statements appearing in CGG's 2005 Form 20-F.

The tables below set forth CGG's selected consolidated financial and operating data:

as of and for each of the six-month periods ended June 30, 2006 and 2005 in accordance with both IFRS and U.S. GAAP;

as of and for each of the two years in the period ended December 31, 2005 in accordance with IFRS; and

as of and for each of the five years in the period ended December 31, 2005 in accordance with U.S. GAAP.

The tables should be read in conjunction with, and are qualified in their entirety by reference to, CGG's consolidated annual financial statements and Operating and Financial Review and Prospects in CGG's 2005 Form 20-F and CGG's consolidated interim financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations in the CGG current report on Form 6-K submitted to the SEC on September 5, 2006, both incorporated by reference in this proxy statement/ prospectus. All interim financial data are unaudited.

The differences between IFRS and U.S. GAAP as they relate to CGG, and the reconciliation of net income and shareholders' equity to U.S. GAAP for the years ended December 31, 2005 and 2004 and for the six month periods ended June 30, 2006 and 2005 are described in Note 31 to CGG's audited consolidated financial statements included in the CGG 2005 Form 20-F and Note 17 to CGG's unaudited interim consolidated financial statements as of and for the six month period ended June 30, 2006 included in CGG's current report on Form 6-K submitted to the SEC on September 9, 2006, respectively, both of which are incorporated by reference in this proxy statement/ prospectus.

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	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,	
	2006	2005	2005	2004
	(In millions except for per share and ratio data)			
<i>Amounts in accordance with IFRS:</i>				
Statement of Operations Data:				
Operating revenues	634.5	387.0	869.9	687.4
Other revenues from ordinary activities	0.9	0.8	1.9	0.4
Cost of operations	(420.4)	(298.2)	(670.0)	(554.0)
Gross profit	215.0	89.6	201.8	133.8
Research and development expenses, net	(18.4)	(14.8)	(31.1)	(28.8)
Selling, general and administrative expenses	(60.3)	(41.9)	(91.2)	(78.6)
Other revenues (expenses)	9.8	(0.8)	(4.4)	19.3
Operating income	146.1	32.1	75.1	45.7
Cost of financial debt, net	(13.1)	(19.6)	(42.3)	(27.8)
Derivative and other expenses on convertible bonds	(23.0)	(14.7)	(11.5)	(23.5)
Other financial income (loss)	(6.6)	0.7	(14.5)	0.8
Income taxes	(33.0)	(14.8)	(26.6)	(10.9)
Equity in income of affiliates	5.8	6.7	13.0	10.3
Net income (loss)	76.2	(9.6)	(6.8)	(5.4)
Attributable to minority interests	0.9		(1.0)	(1.0)
Attributable to shareholders	75.3	(9.6)	(7.8)	(6.4)
Net income (loss) per share:				
Basic(1)	4.37	(0.82)	(0.64)	(0.55)
Diluted(2)	4.28	(0.82)	(0.64)	(0.55)
Balance sheet:				
Cash and cash equivalents	206.4	113.1	112.4	130.6
Working capital(3)	219.8	130.2	154.1	116.4
Property, plant & equipment, net	484.8	232.6	480.1	204.1
Multi-client surveys	79.4	113.8	93.6	124.5
Total assets	1,673.6	1,036.1	1,565.1	971.2
Financial debt(4)	431.7	246.6	400.3	249.6
Shareholders' equity	802.6	407.5	698.5	393.2
Other financial historical data and other ratios:				
ORBDA(5)	237.6	99.6	229.5	172.8
Capital expenditures (Property, plant & equipment)(6)	94.5	49.7	125.1	49.8
Capital expenditures for multi-client surveys	26.5	15.0	32.0	51.1
Net financial debt(7)	242.5	142.3	297.2	121.8
Financial debt(4)/ ORBDA (5)	1.8x	2.5x	1.7x	1.4x
Net indebtedness(7)/ ORBDA (5)	1.0x	1.4x	1.3x	0.7x
ORBDA (5)/ Net financial expenses	18.1x	5.1x	5.4x	6.2x

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	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
(In millions except for per share and ratio data)							
Amounts in accordance with U.S. GAAP:							
Statement of Operations Data:							
Operating revenues	642.0	398.8	860.8	709.5	645.6	719.0	795.0
Operating income	144.2	28.5	61.9	55.0	42.7	81.9	48.6
Net income (loss)	42.6	7.3	8.3	(20.2)	3.1	15.1	9.3
Per share amounts:							
Basic common stock holder(1)	2.47	0.62	0.69	(1.73)	0.27	1.29	0.80
Diluted common stock holder(8)	2.42	0.55	0.67	(1.73)	0.26	1.29	0.80
Balance sheet:							
Total assets	1,677.7	1,047.9	1,573.8	975.8	924.2	1,036.8	1,008.0
Financial debt(4)	438.4	254.0	416.7	266.5	232.4	307.8	279.5
Stockholders equity	759.7	399.6	689.5	372.2	413.4	431.0	456.4
Operational data (end of period):							
Land teams in operations	11	11	11	8	12	14	12
Operational streamers(9)	52	40	46	39	42	42	48
Data processing centers	29	26	27	26	26	26	26

Notes:

- (1) Basic per share amounts under IFRS and U.S. GAAP have been calculated on the basis of 17,219,465 issued and outstanding CGG ordinary shares in the six month period ended June 30, 2006, 11,736,024 issued and outstanding CGG ordinary shares in the six month period ended June 30, 2005, 12,095,925 issued and outstanding CGG ordinary shares in 2005 and 11,681,406 issued and outstanding CGG ordinary shares in 2004. Basic per share amounts under U.S. GAAP have been calculated on the basis of 11,680,718 issued and outstanding CGG ordinary shares in 2003 and 2002 and 11,609,393 issued and outstanding CGG ordinary shares in 2001.
- (2) Diluted per share amount under IFRS has been calculated on the basis of 17,583,926 issued and outstanding CGG ordinary shares in the six month period ended June 30, 2006, 11,736,024 issued and outstanding CGG ordinary shares in the six month period ended June 30, 2005, 12,095,925 issued and outstanding shares in 2005 and 11,681,406 issued and outstanding CGG ordinary shares in 2004. For the six-month period ended June 30, 2005, the effect of convertible bonds was anti-dilutive.
- (3) Consists of trade accounts and notes receivable, 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, current provisions and other current liabilities.
- (4) Financial debt means total financial debt including current maturities, capital leases and accrued interest but excluding bank overdrafts.
- (5)

A discussion of ORBDA (Operating Result Before Depreciation and Amortization, previously denominated Adjusted EBITDA), including a reconciliation to net cash provided by operating activities, is found in Item 5 Operating and Financial Review and Prospects Liquidity and Capital Resources included in the CGG 2005 Form 20-F incorporated herein by reference.

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

The following table presents a reconciliation of capital expenditures to purchases of property, plant and equipment and equipment acquired under capital lease for the periods indicated:

	For the Six Months Ended June 30,		For the Year Ended December 31,	
	2006	2005	2005	2004
	(In millions)			
<i>Purchase of property, plant and equipment</i>	94.3	36.5	107.7	41.1
Equipment acquired under capital lease	0.2	13.2	17.4	8.7
Capital expenditures	94.5	49.7	125.1	49.8

(7) Net financial debt means bank overdrafts, financial debt including current portion (including capital lease debt) net of cash and cash equivalents.

(8) Diluted per share amounts under U.S. GAAP have been calculated on the basis of 17,583,926 issued and outstanding CGG ordinary shares in the six month period ended June 30, 2006, 13,325,731 issued and outstanding CGG ordinary shares in the six month period ended June 30, 2005, 12,378,209 issued and outstanding CGG ordinary shares in 2005, 11,681,406 issued and outstanding CGG ordinary shares in 2004, 11,760,630 issued and outstanding CGG ordinary shares in 2003, 11,680,718 issued and outstanding CGG ordinary shares in 2002 and 11,609,393 issued and outstanding CGG ordinary shares in 2001. In 2002 and 2001, the effects of stock options were not dilutive (as a result of applying the treasury stock method).

(9) Data includes Exploration Resources ASA's streamers (from and including December 31, 2005) and excludes streamers of vessels in transit or dry-dock.

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The table below sets forth selected consolidated financial data for Veritas for the fiscal years ended July 31, 2002 through July 31, 2006 in accordance with U.S. GAAP. The selected consolidated financial data are qualified by reference to, and should be read in conjunction with, the consolidated financial statements of Veritas and its subsidiaries as of July 31, 2006 and 2005, and for each of the three years in the period ended July 31, 2006, and report on the effectiveness of internal control over financial reporting as of July 31, 2006, which are incorporated into this proxy statement/ prospectus by reference to Item 8 Consolidated Financial Statements and Supplementary Data of Veritas annual report on Form 10-K for the fiscal year ended July 31, 2006, which is referred to as the Veritas 2006 Form 10-K.

	For the Year Ended July 31,				
	2006(1)	2005(2)	2004(3)	2003(4)	2002(5)
	(In \$ thousands, except per share amount)				
Statement of Operations Data:					
Revenues	\$ 822,188	\$ 634,026	\$ 564,469	\$ 501,821	\$ 452,183
Operating income (loss)	132,879	64,241	27,770	(12,112)	(833)
Net income (loss)	82,231	83,001	5,221	(59,097)	(24,051)
Net income (loss) per common share basic	2.33	2.45	0.16	(1.77)	(0.74)
Net income (loss) per common share diluted	2.08	2.37	0.15	(1.77)	(0.74)
Balance Sheet Data (at period end):					
Total assets	\$ 1,158,030	\$ 966,598	\$ 776,246	\$ 790,945	\$ 781,403
Long-term debt (including current maturities)	155,000	155,000	155,000	194,225	140,000

Notes:

- (1) Includes a gain on involuntary conversion of assets of \$2.0 million.
- (2) Includes a gain on involuntary conversion of assets of \$9.9 million and a release of deferred tax valuation allowances of \$36.9 million.
- (3) Includes charges of \$22.1 million related to a change in multi-client accounting policies and \$7.4 million related to debt refinancing. The change in multi-client accounting policies may affect the comparability between periods and is more fully described in Note 1 of the Notes to Consolidated Financial Statements in the Veritas 2006 10-K, which is incorporated by reference into this proxy statement/ prospectus.
- (4) Includes charges of \$39.3 million for goodwill impairment, \$4.9 million for impairment of a multi-client survey, \$7.6 million loss related to the sale of Veritas (RC) software operations and \$21.0 million related to deferred tax asset valuation allowances.
- (5) Includes charges of \$55.3 million for impairment of multi-client surveys, \$14.6 million for costs of a terminated merger and \$6.5 million valuation allowance for deferred tax assets.

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SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following selected unaudited pro forma condensed combined financial information, which gives effect to the merger, is presented in millions of euros and reflects pro forma financial results of the merger of CGG and Veritas using the purchase method of accounting under IFRS and U.S. GAAP.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not indicative of the income (loss) from operating activities or the financial condition of the combined company that would have been achieved had the merger been completed during the periods presented, nor is the unaudited pro forma condensed combined selected financial information indicative of the future operating results or financial position of CGG-Veritas. The unaudited pro forma condensed combined financial information does not reflect any cost savings or other synergies that may result from the merger. The unaudited pro forma condensed combined financial information does not reflect any special items such as payments pursuant to contractual change-of-control provisions or restructuring and integration costs that may be incurred as a result of the merger. In addition, the financial effects of any actions described in the sections entitled *The Merger*, *CGG's Reasons for the Merger* and *The Merger Recommendation of the Veritas Board of Directors and Its Reasons for the Merger*, such as synergies or the effect of asset dispositions, if any, that may be required by regulatory authorities, cannot currently be determined and therefore are not reflected in the selected unaudited pro forma condensed combined financial information.

CGG reports its financial results in euros and in conformity with IFRS, with a reconciliation to U.S. GAAP. Veritas reports its financial results in U.S. dollars and in conformity with U.S. GAAP. IFRS differs from U.S. GAAP in certain significant respects. For a discussion of significant differences between U.S. GAAP and IFRS as they relate to CGG's consolidated financial statements and a reconciliation to U.S. GAAP of CGG's net income and shareholders equity for 2005 and 2004, see Note 31 to CGG's audited consolidated financial statements included in CGG's 2005 Form 20-F, which is incorporated by reference into this proxy statement/prospectus.

The selected unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with the unaudited proforma condensed combined financial information and the related notes included elsewhere in this proxy statement/prospectus, and the respective consolidated financial statements of CGG as at and for the year ended December 31, 2005 and at and for the six-month period ended June 30, 2006 and the consolidated financial statements of Veritas at and for the year ended July 31, 2006, each of which is incorporated by reference into this proxy statement/prospectus, and the consolidated financial statements of Veritas as of and for the six-months periods ended January 31, 2005 and 2006.

The selected unaudited pro forma condensed combined financial information is based on preliminary estimates and assumptions, which CGG believes to be reasonable. In the selected unaudited pro forma condensed combined financial information, the cash to be paid and CGG ADSs to be issued as merger consideration for Veritas shares of common stock have been allocated to the Veritas assets and liabilities based upon preliminary estimates by the management of CGG of their respective fair values as at the date of the merger. Any difference between the fair value of the merger consideration and the fair value of the Veritas assets and liabilities has been recorded as goodwill. Definitive allocations will be performed after the effective time of the merger. Accordingly, the purchase price allocation pro forma adjustments are preliminary and have been made solely for the purpose of preparing the unaudited pro forma condensed

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combined financial information and are subject to revision based on the final determination of fair value after the effective time of the merger.

At and for the Six Months Ended June 30, 2006		At and for the Year Ended December 31, 2005	
(US\$) ⁽¹⁾	()	(US\$) ⁽¹⁾	()

(in millions, except per share data)

IFRS**Statement of Income Data in accordance with IFRS**

Combined pro forma operating revenues	1,239.0	969.6	1,763.4	1,489.1
Combined pro forma gross profit	361.0	282.5	346.0	292.2
Combined pro forma operating income (loss)	239.2	187.1	148.9	125.7
Combined pro forma net income attributable to shareholders	81.3	63.5	(38.6)	(32.6)
Earnings per share basic	3.08	2.41	(1.81)	(1.53)
Earnings per share diluted	3.03	2.37	(1.81)	(1.53)

Balance sheet Data in accordance with IFRS

Total assets	5,503.5	4,306.7	5,125.9	4,328.6
Shareholders equity attributable to shareholders	2,526.2	1,976.8	2,325.7	1,963.9
Cash, cash equivalents and marketable securities	407.9	319.2	138.1	116.6
Current portion of long-term debt	46.1	36.1	183.9	155.3
Bonds and Notes issued and long-term debt	1,990.9	1,558.0	1,773.2	1,497.4

U.S. GAAP**Statement of Income Data in accordance with U.S. GAAP**

Combined pro forma operating revenues	1,245.4	974.6	1,746.0	1,474.4
Combined pro forma gross profit	366.9	287.1	341.4	288.3
Combined pro forma operating income (loss)	229.8	179.8	125.3	105.8
Combined pro forma net income attributable to shareholders	34.9	27.2	(17.8)	(15.0)
Earnings per share basic	1.32	1.03	(0.83)	(0.70)
Earnings per share diluted	1.30	1.02	(0.83)	(0.70)

Balance sheet Data in accordance with U.S. GAAP

Total assets	5,536.6	4,332.5	5,158.5	4,356.1
Shareholders equity attributable to shareholders	2,476.8	1,938.2	2,320.6	1,959.7
Cash, cash equivalents and marketable securities	407.9	319.2	138.1	116.6
Current portion of long-term debt	50.0	39.1	190.3	160.7
Bonds and Notes issued and long-term debt	2,019.1	1,580.0	1,798.6	1,518.8

Note:

(1) The period-end rate is the noon buying rate on the last business day of the applicable period.

Table of Contents**UNAUDITED COMPARATIVE PER SHARE DATA**

The following table summarizes unaudited per share data for CGG and Veritas on a historical basis, on an equivalent pro forma combined basis for Veritas and on a pro forma combined basis for the combined company. It has been assumed for purposes of the pro forma financial information provided below that the merger was completed on January 1, 2005 for statement of income purposes, and on December 31, 2005 for balance sheet purposes. The following information should be read in conjunction with the audited consolidated financial statements of CGG and Veritas as of and for the years ended December 31, 2005 and July 31, 2006, respectively, and the unaudited consolidated financial statements of CGG for the six months ended June 30, 2006, each of which is incorporated by reference into this proxy statement/ prospectus, and with the information under Unaudited Pro Forma Condensed Combined Financial Information and related notes included elsewhere in this proxy statement/ prospectus. The pro forma information presented below is for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have been achieved if the merger had been completed as of the beginning of the period presented, nor is it necessarily indicative of the future operating results or financial position of the combined company.

	CGG Historical IFRS	CGG Historical U.S. GAAP	Veritas Historical U.S. GAAP(2)(5)	Veritas Pro Forma Equivalents U.S. GAAP(4)	CGG and Veritas Pro Forma IFRS(3)	CGG and Veritas Pro Forma U.S. GAAP(3)
(in euros)						
For the six months ended June 30, 2006 (per share)						
Income (loss) from continuing operations						
Basic	4.37	2.47	0.86	0.46	2.41	1.03
Diluted	4.28	2.42	0.78	0.46	2.37	1.02
Dividends declared						
Book value at period end(1)	46.61	44.12	15.59	33.00	74.81	73.35
For the year ended December 31, 2005 (per share)						
Income (loss) from continuing operations						
Basic	(0.64)	0.69	2.45	(0.32)	(1.53)	(0.70)
Diluted	(0.64)	0.67	2.31	(0.32)	(1.53)	(0.70)
Dividends declared						
Book value at period end(1)	57.74	57.0	14.89	41.4	92.20	92.00

Notes:

(1) Book value per share is calculated by dividing shareholders' equity by the weighted average number of shares outstanding over the period.

(2) Translated at the noon buying rate on June 30, 2006 of \$1.2779 per 1.00.

- (3) The pro forma combined income (loss) from continuing operations per share is calculated by dividing the pro forma income (loss) from continuing operations before non-recurring items by the pro forma weighted average number of shares outstanding over the period.
- (4) Veritas equivalent pro forma combined per share amounts are calculated by multiplying the pro forma combined per share amounts by an assumed exchange ratio of 2.25, the number of CGG ADSs that would be exchanged for each share of Veritas common stock pursuant to the merger, based on the price per CGG ADS of \$33.33, which was the closing price on August 29, 2006, and dividing the result by five, the number of CGG ADSs per CGG ordinary share.
- (5) Periods used for Veritas historical information consist of the six months ended July 31, 2006 and the twelve months ended January 31, 2006.

Table of Contents**COMPARATIVE CGG AND VERITAS MARKET PRICE DATA AND DIVIDEND INFORMATION**

CGG ordinary shares are listed on the Eurolist of Euronext Paris SA under the symbol GLE and CGG ADSs are listed on the NYSE under the symbol GGY. Shares of Veritas common stock are listed on the NYSE under the symbol VTS. The following table presents closing prices for CGG ADSs and Veritas common stock on September 1, 2006, the last trading day before the public announcement of the execution of the merger agreement by CGG and Veritas, and November 24, 2006, the latest practicable trading day before the date of this proxy statement/prospectus. For illustrative purposes, the following table also provides Veritas equivalent per share information on those dates, as determined by multiplying the closing prices of CGG ADSs on those dates by 2.2522 and 2.1819, each representing the number of CGG ADSs that Veritas stockholders electing to receive CGG ADSs would receive pursuant to the merger for each share of Veritas common stock, based on (1) a hypothetical average CGG ADS value of \$33.27, which was the closing price of CGG ADSs on September 1, 2006, and (2) a hypothetical average CGG ADS value of \$35.51 based on the volume-weighted average of the trading sale prices per CGG ADS during the 20 consecutive trading days ending on November 24, 2006, respectively, and assuming no adjustment for oversubscriptions. The merger consideration will be based on a formula designed to substantially equalize the value of the consideration to be received for each share of Veritas common stock, at the time the calculation is made, regardless of whether you elect to receive cash, CGG ADSs or a combination of cash and CGG ADSs, or make no election. See The Merger Agreement Merger Consideration beginning on page 92 of this proxy statement/prospectus.

	CGG ADSs	Veritas Common Stock	Veritas Equivalent Per Share Common Stock
September 1, 2006	\$ 33.27	\$ 62.18	\$ 74.93
November 24, 2006	\$ 39.73	\$ 77.44	\$ 77.49

The table below sets forth, for the calendar quarters indicated, the high and low sale prices per CGG ADS and per share of Veritas common stock on the NYSE. No dividends have been declared on CGG ADSs and on Veritas common stock for the calendar quarters indicated.

Calendar Year	CGG ADSs		Veritas Common Stock	
	High	Low	High	Low
2004				
First Quarter	\$ 10.10	\$ 7.85	\$ 20.70	\$ 10.60
Second Quarter	12.41	8.80	23.15	17.85
Third Quarter	13.82	9.40	24.68	19.88
Fourth Quarter	14.03	11.38	23.64	19.89
2005				
First Quarter	\$ 18.96	\$ 13.35	\$ 29.96	\$ 20.26
Second Quarter	17.91	15.10	31.51	24.44
Third Quarter	20.90	16.52	37.05	27.75
Fourth Quarter	21.05	16.57	39.00	29.48
2006				
First Quarter	\$ 29.24	\$ 18.60	\$ 46.26	38.07
Second Quarter	40.50	28.35	53.90	43.81

Third Quarter	35.65	29.25	70.07	49.39
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CGG and Veritas urge you to obtain current market quotations for CGG ADSs and Veritas common stock before making any decision regarding the merger.

Table of Contents**CAPITALIZATION AND INDEBTEDNESS**

The tables contained in this section are provided in accordance with French law and regulations applicable to prospectuses relating to the offering of securities. Since these tables are being made available in the French prospectus (*note d'opération*) relating to the CGG ordinary shares to be issued in connection with the merger, a translation of these tables is included in this proxy statement/ prospectus. The tables were prepared solely to comply with French regulations in connection with the information to be contained in prospectuses.

The following tables set forth the unaudited consolidated capitalization and indebtedness of CGG, as derived from CGG's unaudited consolidated financial statements as of September 30, 2006 and June 30, 2006 under IFRS, which are incorporated by reference into this proxy statement/ prospectus.

	CGG September 30, 2006 (IFRS) (unaudited)	CGG June 30, 2006 (IFRS) (unaudited)
	(in millions)	(in millions)
Short-term debt and current portion of long-term debt	54.9	35.7
guaranteed		
secured	30.7	31.0
unguaranteed / unsecured	24.2	4.7
Bonds and other long-term debt	386.8	393.3
guaranteed		
secured	124.1	134.7
unguaranteed / unsecured	262.7	258.6
Financial debt, gross (A)	441.7	429.0
guaranteed		
secured	154.8	165.7
unguaranteed / unsecured	286.9	263.3
Shareholders' equity (B)	850.5	802.6
Common stock	35.0	35.0
Additional paid-in capital	390.7	389.5
Accumulated earnings	317.3	314.7
Treasury stock	2.6	2.4
Net income (loss) for the period attributable to the Group	119.8	75.3
Income and expense recognized directly in equity	3.6	6.4
Cumulative translation adjustment	(18.5)	(20.7)
TOTAL (A) + (B)	1,292.2	1,231.6

	CGG September 30, 2006 (IFRS) (unaudited)	CGG June 30, 2006 (IFRS) (unaudited)
	(in millions)	(in millions)
Cash, cash equivalents and marketable securities (A)	168.7	206.4
Cash and cash equivalents	80.1	119.6
Marketable securities	88.6	86.8
Current portion of financial debt (B)	(54.9)	(38.3)

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Bank loans current portion	(37.5)	(25.9)
Capital leases current portion	(9.2)	(9.7)
Bonds current portion		
Accrued interest	(8.2)	(2.7)
Financial debt (C)	(386.8)	(393.3)
Bank loans long-term portion	(81.9)	(80.5)
Capital leases long-term portion	(49.8)	(58.5)
Bonds long-term portion	(255.1)	(254.3)
TOTAL (A) + (B) + (C)	(273.0)	(225.2)

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The following tables set forth the unaudited consolidated capitalization and indebtedness of Veritas, as derived from Veritas consolidated annual financial statements as of July 31, 2006 under U.S. GAAP, which are incorporated by reference into this proxy statement/prospectus.

	Veritas July 31, 2006 (US GAAP) (unaudited)
	(in millions of dollars)
Financial debt, gross (A)	155.0
Financial debt current portion	155.0
guaranteed	
secured	
unguaranteed / unsecured	155.0
Financial debt long-term portion	
- guaranteed	
- secured	
- unguaranteed / unsecured	
Shareholders equity (B)	710.5
Common stock	0.4
Additional paid-in capital	492.4
Accumulated earnings	228.3
Treasury stock	(23.0)
Minimum pension liability	(9.4)
Cumulative translation adjustment	21.8
TOTAL (A) + (B)	865.5

	Veritas July 31, 2006 (US GAAP) (unaudited)
	(in millions of dollars)
Cash, cash equivalents and marketable securities (A)	401.9
Cash and cash equivalents	401.9
Marketable securities	
Financial debt, gross (B)	(155.0)
TOTAL (A) + (B)	246.9

Statement on Net Working Capital

Under French laws and regulations applicable to the offering of securities, CGG is required to make certain certifications with respect to its net working capital. Because such certifications are being made available in the French prospectus (*note d'opération*) relating to the CGG ordinary shares to be issued in connection with the merger, an English translation of such certifications is included in this proxy statement/prospectus.

CGG certifies that, in its view, the CGG consolidated net working capital is sufficient to meet its current obligations for the 12-month period as of the date of the French prospectus. CGG also certifies that, in its view, the consolidated net working capital of the combined company after the completion of the merger is sufficient to meet its current obligations for the 12-month period as of [1], 2006, the date of the French prospectus.

Table of Contents**EXCHANGE RATE INFORMATION**

The following table shows, for the periods indicated, information concerning the exchange rate between the U.S. dollar and the euro. This information is provided solely for your information, and CGG and Veritas do not represent that euros could be converted into U.S. dollars at these rates or at any other rate. These rates are not the rates used by CGG in the preparation of its consolidated financial statements incorporated by reference into this proxy statement/ prospectus.

The data provided in the following table is expressed in U.S. dollars per euro and is based on noon buying rates published by the Federal Reserve Bank of New York for the euro. On September 1, 2006, the last trading day before the public disclosure of the execution of the merger agreement by CGG and Veritas, the exchange rate between the U.S. dollar and the euro expressed in U.S. dollars per euro was 1.00 = \$1.2833. On November 24, 2006, the most recent practicable day prior to the date of this proxy statement/ prospectus, the exchange rate was 1.00 = \$1.3081.

	Period-End Rate(1)	Average Rate(2)	High	Low
Recent Monthly Data				
November 2006 (through November 24, 2006)	\$ 1.3081	\$ 1.2821	\$ 1.3081	\$ 1.2705
October 2006	1.2773	1.2617	1.2773	1.2502
September 2006	1.2687	1.2722	1.2833	1.2648
August 2006	1.2793	1.2810	1.2914	1.2735
July 2006	1.2764	1.2681	1.2822	1.2529
June 2006	1.2779	1.2661	1.2953	1.2522
May 2006	1.2833	1.2767	1.2888	1.2607
Interim Period Data				
Six months ended June 30, 2006	1.2779	1.2399	1.2953	1.1860
Annual Data (Year Ended December 31,)				
2005	1.1842	1.2400	1.3476	1.1667
2004	1.3538	1.2478	1.3625	1.1801
2003	1.2597	1.1411	1.2597	1.0361
2002	1.0485	0.9495	1.0485	0.8594
2001	0.8901	0.8909	0.9535	0.8370

Notes:

- (1) The period-end rate is the noon buying rate on the last business day of the applicable period.
- (2) The average rate for each monthly period was calculated by taking the simple average of the daily noon buying rates, as published by the Federal Reserve Bank of New York. The average rate for each interim period and annual period was calculated by taking the simple average of the noon buying rates on the last business day of each month during the relevant period.

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RISK FACTORS

In addition to the other information included or incorporated by reference in this proxy statement/prospectus, including the matters addressed under Cautionary Statement Concerning Forward-Looking Statements, you should carefully consider the following risks before deciding whether to vote for adoption of the merger agreement. In addition, you should read and consider the risks associated with the businesses of each of CGG and Veritas in deciding whether to vote to adopt the merger agreement because these risks will relate to CGG-Veritas after the merger. Certain of these risks can be found in CGG's 2005 Form 20-F, which is incorporated by reference into this proxy statement/prospectus, and in Veritas' 2006 Form 10-K, which is incorporated by reference into this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See Additional Information Where You Can Find More Information.

Risk Factors Relating to the Merger

Because the market price of CGG ADSs will fluctuate, Veritas stockholders cannot be sure of the value of the merger consideration they will receive.

Upon the effective time of the merger, each share of Veritas common stock will be converted into the right to receive merger consideration consisting of CGG ADSs or cash pursuant to the terms of the merger agreement, meaning that each Veritas stockholder may elect to receive his or her merger consideration entirely in cash, entirely in CGG ADSs, or a combination of cash and CGG ADSs, subject to the proration procedures described herein and in the merger agreement. The value of the merger consideration to be received by Veritas stockholders will be based in part on the average of the per share closing sales price of CGG ADSs on the NYSE during the 20 consecutive trading day valuation period ending on the third calendar day prior to the effective time of the merger. This average price may vary from the market price of CGG ADSs on the date the merger was announced, on the date that this proxy statement/prospectus is mailed to Veritas stockholders, on the date of closing, on the date you make an election with respect to the merger consideration or on the date of the special meeting of Veritas stockholders.

Because CGG is issuing a fixed number of CGG ADSs and a fixed amount of cash as part of the merger consideration (in each case subject to upward adjustment in the event that any shares of Veritas common stock are issued in accordance with the merger agreement pursuant to the exercise of Veritas outstanding stock options or conversion of Veritas convertible bonds or otherwise), and because the provisions of the merger agreement operate to substantially equalize the value of the consideration to be received for each share of Veritas common stock at the time the calculation is made, any change in the price of CGG ADSs prior to the effective time of the merger will affect the value of the merger consideration that you will be entitled to receive upon the effective time of the merger, regardless of whether you elect to receive cash, CGG ADSs or a combination of cash and CGG ADSs, or do not make an election.

Changes in the price of CGG ADSs may result from a variety of factors, including:

market reaction to the announcement of the merger and market assessment of its likelihood to be consummated;

changes in oil and natural gas prices;

changes in the respective businesses, operations and prospects of CGG and Veritas, including CGG's and Veritas ability to meet earnings estimates;

governmental or litigation developments or regulatory considerations affecting CGG or Veritas or the industry generally; and

general business, market or economic conditions.

Many of these factors are beyond the control of CGG and Veritas.

Table of Contents***Veritas stockholders may receive a form or combination of consideration different from what they elect.***

While each Veritas stockholder may elect to receive all cash, all CGG ADSs or a combination of cash and CGG ADSs pursuant to the merger, the pools of cash and CGG ADSs available for all Veritas stockholders will be fixed amounts (in each case subject to upward adjustment in the event that any shares of Veritas common stock are issued in accordance with the merger agreement pursuant to the exercise of Veritas outstanding stock options or conversion of Veritas convertible bonds or otherwise). Accordingly, depending on the elections made by other Veritas stockholders and the average of the per share closing sales price of CGG ADSs on the NYSE during the 20 consecutive trading day valuation period ending on the third calendar day prior to the effective time of the merger, you may receive a proportion of cash and/or CGG ADSs that is different from what you elected. If a Veritas stockholder does not submit a properly completed and signed election form to the exchange agent by the election deadline of 5:00 p.m. New York City time on January 10, 2007, then such stockholder will have no control over the type of merger consideration such stockholder may receive, and, consequently, may receive only cash, only CGG ADSs, or a combination of cash and CGG ADSs pursuant to the merger.

If you tender shares of Veritas common stock to make an election, you will not be able to sell those shares unless you revoke your election prior to the election deadline.

If you want to make an election with respect to the type of merger consideration you receive, you must deliver your stock certificates (or follow the procedures for guaranteed delivery) and a properly completed and signed election form to the exchange agent no later than the election deadline of 5:00 p.m. New York City time on January 10, 2007. You will not be able to sell any shares of Veritas common stock that you have delivered until you receive cash or CGG ADSs pursuant to the merger unless you revoke your election before the deadline by providing written notice to the exchange agent. In the time between delivery of your shares of Veritas common stock and the closing of the merger, the market price of Veritas common stock or CGG ADSs may decrease, and you might otherwise want to sell your shares of Veritas common stock to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment.

Necessary consents and approvals from government entities may delay or prevent the closing of the merger or have a material adverse effect on CGG-Veritas.

The merger is conditioned upon, among other things, the effectiveness of the Form F-4 registration statement, of which this proxy statement/ prospectus constitutes a part, and of the Form F-6 registration statement, and the approval (visa) of the note d information by the AMF, relating to the CGG ordinary shares underlying the CGG ADSs to be issued in connection with the merger. As a result, stockholders face the risk that, if the effectiveness and approval are not obtained, the closing of the merger would be delayed for a significant period of time or the merger would not be completed.

Although the merger is deemed authorized by the Norwegian antitrust authority, the HSR waiting period for the merger has terminated and the CFIUS has concluded action having found no national security issues sufficient to warrant further investigation, CGG and Veritas have each submitted filings to the Brazilian and UK antitrust authorities that remain outstanding. CGG and Veritas have also answered questions posed by the Australian antitrust authority. While the approval of these authorities is not required to complete the merger, the authorities may prohibit the integration of CGG and Veritas between the effective time of the merger and the date of receipt of these approvals and as part of the approvals may impose remedies that could materially adversely affect the business or financial condition of the combined company. Governmental authorities may require divestitures relating to operations or assets of CGG-Veritas, or commitments from CGG-Veritas that may have a negative impact on the businesses and operations of the combined company, or may reduce the anticipated benefits of the merger. See The Merger Agreement Conditions to the Consummation of the Merger Antitrust Approvals.

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Any delay in completing the merger may substantially reduce the benefits expected to be obtained from the merger.

In addition to obtaining the required regulatory clearances and approvals, the merger is subject to a number of other conditions beyond the control of Veritas and CGG that may prevent, delay or otherwise materially adversely affect its completion. See The Merger Agreement Conditions to Completion of the Merger. CGG and Veritas cannot predict whether and when these other conditions will be satisfied. Further, the requirements for obtaining the required clearances and approvals could delay the effective time of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger may materially adversely affect the synergies and other benefits that CGG and Veritas expect to achieve if the merger and the integration of their respective businesses is completed within the expected timeframe.

CGG and Veritas will incur substantial transaction and merger-related costs in connection with the merger.

CGG and Veritas expect to incur a number of non-recurring transaction fees and other costs associated with completing the merger, combining the operations of the two companies and achieving desired synergies. These fees and costs will be substantial. Additional unanticipated costs may be incurred in the integration of the businesses of CGG and Veritas. Although CGG and Veritas expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of their businesses will offset the incremental transaction and merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

The businesses and technologies of CGG and Veritas, as well as other businesses or technologies that the combined company may acquire, may be difficult to integrate, disrupt the combined company's business, dilute shareholder value or divert management attention.

Risks the combined company could face with respect to the combination between CGG and Veritas, as well as other recent and future acquisitions include:

difficulties in the integration of the operations, technologies, products and personnel of the acquired company;

diversion of management's attention away from other business concerns; and

the assumption of any undisclosed or other potential liabilities of the acquired company.

In addition to the proposed merger with Veritas, CGG has undertaken several recent acquisitions, including the purchase of several manufacturers of seismic products in 2004 that expanded Sercel's product line, the acquisition of Exploration Resources ASA, a Norwegian company, in September 2005 and the acquisition by Sercel of Vibration Technologies Limited, a Scottish company, on September 28, 2006. The risks associated with acquisitions could have a material adverse effect upon the combined company's business, financial condition and results of operations.

The pendency of the merger could materially adversely affect the future business and operations of Veritas or CGG.

In connection with the pending merger, some customers and strategic partners of each of Veritas and CGG may delay or defer decisions relating to their ongoing and future relationships with Veritas or CGG, which could negatively affect revenues, earnings and cash flows of Veritas or CGG, as well as the market prices of shares of Veritas common stock or CGG ADSs, regardless of whether the merger is completed.

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Directors and executive officers of Veritas may have potential conflicts of interest in recommending that you vote to adopt the merger agreement.

Executive officers of Veritas negotiated the terms of the merger agreement and the Veritas board of directors unanimously approved the merger agreement and unanimously recommends that you vote in favor of the proposal to adopt the merger agreement. These directors and executive officers may have interests in the merger that are different from, or in addition to or in conflict with, yours. You should take into account such interests when you consider the Veritas board of directors' recommendation that you vote for adoption of the merger agreement.

These interests include:

the continued employment of certain executive officers of Veritas by CGG-Veritas;

the continued positions of certain directors of Veritas as directors of CGG-Veritas;

employment agreements with certain executive officers of Veritas, which may require lump sum payments within two years after a change of control of Veritas;

the accelerated vesting of, and payment in the merger with respect to, certain restricted stock units and stock options and lapse of restrictions on restricted shares for certain directors and executive officers; and

the indemnification of former Veritas directors and officers by the combined company described under "The Merger - Interests of the Directors and Executive Officers of Veritas in the Merger - Indemnification and Insurance."

As a result of these interests, these directors and executive officers may be more likely to support and to vote to adopt the merger agreement than if they did not have these interests. For a discussion of the interests of directors and executive officers in the merger, see "The Merger - Interests of the Directors and Executive Officers of Veritas in the Merger."

In certain circumstances, the merger agreement requires payment of a termination fee of \$85 million by Veritas to CGG and, under certain circumstances, Veritas must allow CGG three business days to match any alternative acquisition proposal prior to any change in the Veritas board's recommendation. These terms could affect the decisions of a third party proposing an alternative transaction to the merger.

Under the merger agreement, Veritas may be required to pay to CGG a termination fee of \$85 million if the merger agreement is terminated under certain circumstances. Should the merger agreement be terminated in circumstances under which such a termination fee is payable, the payment of this fee could have material and adverse consequences to Veritas' financial condition and operations after such time. Additionally, under the merger agreement, in the event of a superior acquisition proposal being made to Veritas by another party, Veritas must allow CGG a three business day period to make a revised proposal in response to the superior acquisition proposal, prior to which the Veritas board of directors may not change its recommendation with respect to the merger agreement. Even if the Veritas board of directors changes its recommendation of the merger, Veritas is required under the merger agreement to submit the merger agreement to its stockholders for adoption unless CGG decides to terminate the merger agreement. These terms could affect the structure, pricing and terms proposed by other parties seeking to acquire or merge with Veritas, and could make it more difficult for another party to make a superior acquisition proposal for Veritas. For a description of the termination rights of each party and the termination fee payable by Veritas under the merger agreement, see "The Merger Agreement - Termination of the Merger Agreement."

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Risk Factors Relating to CGG-Veritas Following the Merger

The combined company may fail to realize the anticipated synergies and other benefits expected from the merger, which may materially adversely affect the value of CGG ordinary shares and CGG ADSs after the effective time of the merger.

The merger involves the integration of CGG and Veritas, two companies that have previously operated independently and as competitors. CGG and Veritas entered into the merger agreement with the expectation that, among other things, the merger would enable the combined company to achieve expected cost synergies from having one rather than two public companies as well as the redeployment of support resources towards operations and premises rationalization.

Delays encountered by the combined company in the transition process could have a material adverse effect on the revenues, expenses, operating results and financial condition of the combined company. Although CGG and Veritas expect to realize significant benefits from the merger, there can be no assurance that CGG-Veritas will actually achieve these anticipated benefits.

The value of the CGG ordinary shares and the CGG ADSs following the effective time of the merger may be affected by the ability of the combined company to achieve the benefits expected to result from the effective time of the merger. Achieving the benefits of the merger will depend in part upon meeting the challenges inherent in the successful combination and integration of global business enterprises of the size and scope of CGG and Veritas and the possible resulting diversion of management attention for an extended period of time. There can be no assurance that the combined company will meet these challenges and that such diversion will not negatively affect the operations of the combined company following the merger.

Uncertainties associated with the merger may cause a loss of employees and may otherwise materially adversely affect the future business and operations of CGG-Veritas.

CGG-Veritas' future results of operations will depend in part upon its ability to retain existing highly skilled and qualified employees of CGG and Veritas and to attract new employees. A number of CGG's and Veritas' employees are highly skilled scientists and highly trained technicians, and failure by the combined company to continue to attract and retain such individuals could materially adversely affect its ability to compete in the geophysical services industry. In addition, current and prospective employees of CGG and Veritas may experience uncertainty about their post-merger roles with CGG-Veritas following the effective time of the merger. This uncertainty may materially adversely affect the ability of each of CGG and Veritas to attract and retain key management, sales, marketing, technical and other personnel. In addition, key employees may depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with CGG-Veritas following the merger. Accordingly, no assurance can be given that CGG-Veritas will be able to attract or retain key employees of CGG and Veritas to the same extent that CGG and Veritas have been able to attract or retain their own employees in the past.

CGG and Veritas 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, such as the present, when demand for seismic services is relatively high. A limited number of such skilled personnel is available, and demand from other companies may limit the combined company's ability to fill its human resources needs. Any inability of CGG-Veritas following the effective time of the merger to hire, train and retain a sufficient number of qualified employees could impair its ability to manage and maintain its business and to develop and protect its know-how. In addition, CGG-Veritas' success will depend to a significant extent upon the abilities and efforts of members of its senior management, the loss of whom could materially adversely affect its business.

Table of Contents***The trading price of CGG ADSs may be affected by factors different from those affecting the price of shares of Veritas common stock.***

At the effective time of the merger, holders of shares of Veritas common stock may become holders of CGG ADSs. The results of operations of the combined company, as well as the trading price of CGG ADSs after the effective time of the merger, may be affected by factors different from those currently affecting Veritas results of operations and the trading price of shares of Veritas common stock. For a discussion of the businesses of CGG and Veritas and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/ prospectus and referred to under Additional Information Where You Can Find More Information.

Because some existing holders of CGG ordinary shares are entitled to two votes for every share they hold, the percentage of the voting rights of the combined company that you will own immediately after the effective time of the merger will be less than the percentage of the outstanding share capital of the combined company that you will own.

Under CGG's articles of association and bylaws (*statuts*), holders of CGG ordinary shares who have held their shares in the same registered name for at least two consecutive years have the right to two votes for every share so held. In general, the CGG ordinary shares underlying CGG ADSs will be held in bearer form unless the holder thereof notifies the depositary in writing that the CGG ordinary shares should be held in registered form. As a result, new holders of CGG ordinary shares (including CGG ordinary shares represented by CGG ADSs), including former holders of shares of Veritas common stock who receive CGG ADSs pursuant to the merger, will qualify to obtain double-voting rights only after holding those CGG ADSs in the same registered name for two years after giving such notice. As of September 30, 2006, 1,412,798 CGG ordinary shares carried double-voting rights, representing approximately 8% of CGG's outstanding share capital and approximately 15% of CGG's voting rights. If the merger is consummated, immediately after the effective time of the merger, former holders of shares of Veritas common stock are expected to own approximately 36% of the combined company's outstanding share capital and approximately 35% of the combined company's voting rights (based on the outstanding shares of Veritas common stock on July 31, 2006 and the maximum number of additional shares of Veritas common stock that may be issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options or the conversion of the Veritas convertible bonds or otherwise). Therefore, because some existing holders of CGG ordinary shares currently have double voting rights and you will not be eligible for double voting rights under CGG's articles of association until a later time (if at all), the percentage of the combined company's voting rights that you will have immediately after the effective time of the merger will be less than the percentage of the combined company's outstanding share capital that you own immediately after the effective time of the merger.

CGG is a foreign private issuer under the Exchange Act and the rules and regulations of the SEC and, thus, is exempt from certain rules and requirements under the Exchange Act and is permitted to file less information with the SEC than a company incorporated in the United States or a non-foreign private issuer.

As a foreign private issuer under the Exchange Act, CGG is exempt from certain rules and requirements under the Exchange Act, including the proxy rules, which impose certain disclosure and procedural requirements for proxy solicitations. Moreover, CGG is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies with securities registered under the Exchange Act; is not required to file financial statements prepared in accordance with U.S. GAAP (although it is required to reconcile its financial statements to U.S. GAAP); and is not required to comply with Regulation FD, which imposes certain restrictions on the selective disclosure of material information. In addition, CGG's officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of CGG ordinary shares. Accordingly, although the covenants contained in CGG's senior notes require CGG to furnish to the SEC a greater

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level of financial and non-financial information than the Exchange Act requires of foreign private issuers for so long as such senior notes remain outstanding, after the effective time of the merger, if you continue to hold CGG ADSs and for so long as the combined company remains a foreign private issuer, you may receive less information about the combined company than you currently receive about Veritas, and be afforded less protection under the U.S. federal securities laws than you are currently afforded. See Questions and Answers About the Merger and the Veritas Special Stockholders Meeting What are the implications of CGG being a foreign private issuer? . If the combined company loses its status as a foreign private issuer, it will no longer be exempt from such rules and, among other things, will be required to file periodic reports and financial statements as if it were a company incorporated in the United States. The costs incurred in fulfilling these additional regulatory requirements could be substantial.

The combined company's results of operations may be significantly affected by currency fluctuations.

The combined company will derive a substantial amount of its revenues from sales internationally, subjecting it to risks relating to fluctuations in currency exchange rates. The combined company's revenues and expenses will be denominated in currencies including the euro, the U.S. dollar and, to a significantly lesser extent, other non-euro Western European currencies, principally the British pound and the Norwegian kroner. Historically, a significant portion of CGG's 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. CGG's exposure to fluctuations in the euro/ U.S. dollar exchange rate has increased considerably over the last few years due to increased sales outside of Europe.

Fluctuations in the exchange rate of the euro against such other currencies, particularly the U.S. dollar, can be expected in future periods to have a significant effect upon the combined company's results of operations, which will be reported in euros. Since the combined company will participate in competitive bids for data acquisition contracts that are denominated in U.S. dollars, a depreciation of the U.S. dollar against the euro harms its competitive position against companies whose costs and expenses are denominated in U.S. dollars. For financial reporting purposes, such depreciation will negatively affect the combined company's reported results of operations since U.S. dollar-denominated earnings that are converted to euros are stated at a decreased value. While CGG has in the past attempted to reduce the risks associated with such exchange rate fluctuations through its hedging policy, neither CGG nor Veritas can assure you that the combined company will be effective or that fluctuations in the values of the currencies in which it operates will not materially adversely affect its future results of operations.

CGG and Veritas have had losses in the past and cannot assure that the combined company will be profitable in the future.

CGG recorded net losses in 2004 and 2005 (attributable to shareholders) of 6.4 million and 7.8 million, respectively, although excluding the accounting impact under IFRS of its 7.75% subordinated convertible bonds due 2012 denominated in U.S. dollars, its net income would have been positive. Veritas recorded a net loss of \$59.1 million in its fiscal year 2003. Neither CGG nor Veritas can assure you that the combined company will be profitable in the future.

The combined company will be subject to risks related to its international operations that could harm its business and results of operations.

With operations worldwide, and with a majority of its revenues likely to be derived outside of the United States and Western Europe, including in emerging markets, CGG-Veritas' business and results of operations will be subject to various risks inherent in international operations. These risks include:

instability of foreign economies and governments;

risks of war, terrorism, civil disturbance, seizure, renegotiation or nullification of existing contracts; and

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foreign exchange restrictions, sanctions and other laws and policies affecting taxation, trade and investment.

The combined company will be exposed to these risks in all of its foreign operations to some degree, and its exposure could be material to its financial condition and results of operations in emerging markets where the political and legal environment is less stable.

While the combined company expects to carry insurance against political risks associated with such operations in amounts they consider appropriate in accordance with industry practices, neither CGG nor Veritas can assure you that the combined company will not be subject to material adverse developments with respect to its international operations or that its coverage will be adequate to cover it 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 the combined company's ability to compete globally. In addition, non-U.S. persons employed by the combined company's separately incorporated non-U.S. entities will conduct business in some foreign jurisdictions that have been subject to U.S. trade embargoes and sanctions by the U.S. Office of Foreign Assets Control. CGG and Veritas have typically generated revenue in these countries through the performance of data processing, reservoir consulting services and the sale of software licenses and software maintenance. CGG and Veritas have relations with customers in these countries which are current and ongoing. CGG and Veritas do, and the combined company will, have procedures in place to conduct these operations in compliance with applicable U.S. laws. However, failure to comply with U.S. laws on foreign operations could result in material fines and penalties, damage to the combined company's reputation, and a reduction in the value of CGG ordinary shares and CGG ADSs. In addition, the combined company's activities in these countries could reduce demand for its securities among certain investors.

CGG, Veritas and certain of their respective subsidiaries and affiliated entities also conduct business in countries which experience government corruption and in countries subject to U.S. government sanctions. They are committed, and they expect the combined company to be committed, to doing business in accordance with all applicable laws and their codes of ethics, but there is a risk that the combined company, its subsidiaries or affiliated entities or its respective officers, directors, employees and agents may take action in violation of applicable laws, including the Foreign Corrupt Practices Act of 1977 or laws administered by the U.S. Office of Foreign Assets Control. Any such violations could result in substantial civil and/or criminal penalties and might materially adversely affect the combined company's business and results of operations or financial condition.

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

CGG-Veritas will invest significant amounts of money in acquiring and processing seismic data that it will own. By making such investments, the combined company exposes itself to risks that:

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 its control. In addition, the timing of these sales is unpredictable and sales can vary greatly from period to period. Technological or regulatory changes or other developments could also materially adversely affect the value of the data;

value of its multi-client data could be significantly adversely affected if any material adverse change occurred in the general prospects for oil and gas exploration, development and production activities in the areas where it acquires multi-client data; and

reduction in the market value of such data will require the combined company to write down its recorded value, which could have a significant material adverse effect on its results of operations.

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For example, in its fiscal years 2003 and 2002, Veritas incurred \$4.9 million and \$55.3 million, respectively, in impairment charges related to surveys which generated relatively low levels of sales in its multi-client library. These surveys were found to be impaired for various reasons, including slow acreage turnover in the case of U.S. land surveys, a border dispute in the case of a Shetland-Faroes survey and excessive acquisition cost in the case of a Gulf of Mexico survey. In addition, a decision by the Norwegian government on March 31, 2006 not to award exploration-production licenses in the area where one of CGG's surveys is located (Moere) changed CGG's previous estimate of future sales, and caused this 4.6 million survey to be fully depreciated at March 31, 2006. Additionally, each of the individual surveys of CGG-Veritas will have a minimum book life based on its location, so particular surveys may be subject to significant amortization even though sales of licenses associated with that survey are weak or non-existent, thus reducing profits of the combined company.

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

It will be difficult for the combined company to predict with certainty its 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, the combined company may extend the length of payment terms it grants to customers or increase its inventories substantially. The combined company may therefore be subject to significant and rapid increases in its working capital needs that it may have difficulty financing on satisfactory terms, or at all, due to limitations in its debt agreements.

Technological changes and new products and services are frequently introduced in the market, and the combined company's technology could be rendered obsolete by these introductions or it 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 CGG's and Veritas' products and services, particularly in CGG's equipment manufacturing and data processing and geosciences sectors. The combined company's success will depend to a significant extent upon its ability to develop and produce new and enhanced products and services on a cost-effective and timely basis in accordance with industry demands. While the combined company will commit substantial resources to research and development, neither CGG nor Veritas can assure you that the combined company will not 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 inherently carries the risk of obsolescence with respect to the combined company's older products. Neither CGG nor Veritas can assure you that new and enhanced products and services, if introduced, will gain market acceptance or will not be materially adversely affected by technological changes or product or service introductions by one of the combined company's competitors.

The combined company will depend on proprietary technology and will be exposed to risks associated with the misappropriation or infringement of that technology.

The results of operations of CGG-Veritas will depend in part upon its proprietary technology. The combined company will rely on a combination of patents, trademarks and trade secret laws to establish and protect its proprietary technology. CGG currently holds or has applied for 118 patents and Veritas currently holds or has applied for 15 patents in various countries for products and processes. These patents last between four and twenty years, depending on the date of filing and the protection accorded by each country. In addition, the combined company will enter into confidentiality and license agreements with its employees, customers and potential customers and limit access to and distribution of its technology. However, neither CGG nor Veritas can assure you that actions the combined company takes to protect its proprietary rights will be adequate to protect this technology or to deter the misappropriation or independent third-party development of its technology. Although neither CGG nor Veritas has been

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involved in any material litigation regarding its intellectual property rights or the possible infringement of intellectual property rights of others, it cannot assure you that such litigation will not be brought 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 the combined company's ability to pursue third parties that misappropriate its proprietary technology.

The combined company will rely on significant customers, so the loss of a single customer or a few customers could have a material adverse effect on its operating revenues and business.

A relatively small number of clients will account for a significant percentage of the combined company's revenues. The loss of a significant amount of the business of any of these clients could have a material adverse effect on the combined company's operating revenues and business.

The nature of the combined company's business will subject it to significant ongoing operating risks for which it may not have adequate insurance or for which it may not be able to procure adequate insurance on economical terms, if at all.

The combined company's seismic data acquisition activities, particularly in deepwater marine areas, are often conducted under harsh weather and other hazardous conditions. These operations are subject to risks of loss to property and injury to personnel from fires, accidental explosions, ice floes and high seas. These types of events could result in loss from business interruption, delay, equipment destruction or liability. CGG and Veritas expect that the combined company will carry insurance against the destruction of or damage to its seismic equipment and against business interruption for its data processing activities in amounts it considers appropriate in accordance with industry practice. However, neither CGG nor Veritas can assure you that CGG-Veritas' insurance coverage will be adequate in all circumstances or against all hazards, or that the combined company will be able to maintain adequate insurance coverage in the future at commercially reasonable rates or on acceptable terms.

Compliance with internal controls procedures and evaluations and attestation requirements will require significant efforts and resources and may result in the identification of significant deficiencies or material weaknesses of CGG.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, CGG will be required, for 2006, as a foreign private issuer, to perform an evaluation of its internal controls over financial reporting and have its independent auditors publicly disclose their conclusions regarding such evaluation. CGG began in 2006 to establish procedures in order to comply with Section 404 in the timeframe permitted under the regulations of the SEC, although as of the date of this proxy statement/prospectus, CGG has not yet finalized these procedures. CGG and Veritas expect that establishing procedures and ensuring compliance with these requirements will be a substantial and time-consuming process. If CGG fails to complete these procedures and the required evaluation in a timely manner, or if its independent auditors cannot attest to its evaluation in a timely manner, it could be subject to regulatory review and penalties that may result in a loss of public confidence in its internal controls. In addition, CGG may uncover significant deficiencies or material weaknesses in its internal controls. Measures taken by it to remedy these issues may require significant efforts, dedicated time and expenses, as well as the commitment of significant managerial resources. Each of these circumstances may have a material adverse effect on the combined company's business, ability to raise financing for its business, financial condition and results of operations or the market price of the CGG ADSs.

Risks Related to the Industry

The combined company will depend on capital expenditures by the oil and gas industry, and reductions in such expenditures in the future may have a material adverse effect on its business.

Demand for the products and services of CGG and Veritas has historically been dependent upon the level of capital expenditures by oil and gas companies for exploration, production and development

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activities. These expenditures are significantly influenced by oil and gas prices and by expectations regarding future oil and gas prices. Oil 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 oil and gas and certain other factors beyond the combined company's control. Lower or volatile oil and gas prices tend to limit the demand for seismic services and products.

Factors affecting the prices of oil and gas include:

demand for oil, natural gas and natural gas liquids;

worldwide political, military and economic conditions, including political developments in the Middle East, economic growth levels and the ability of OPEC to set and maintain production levels and prices for oil;

levels of oil and gas production;

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.

Although oil and gas prices are currently at or near historical highs, which generally increases demand for seismic products and services, the markets for oil and gas historically have been volatile and are likely to continue to be so in the future.

CGG and Veritas believe that global geopolitical uncertainty or uncertainty in the Middle Eastern producing regions (where both CGG and Veritas are particularly active) could lead oil companies to suddenly delay or cancel current geophysical projects. Any events that affect worldwide oil and gas supply, demand or prices or that generate uncertainty in the market could reduce exploration and development activities and materially adversely affect the operations of the combined company. Neither CGG nor Veritas can assure you as to future oil and gas prices or the resulting level of industry spending for exploration, production and development activities.

The combined company will be subject to intense competition, which could limit its ability to maintain or increase its market share or to maintain its prices at profitable levels.

Most of CGG's and Veritas' contracts are, and most of the combined company's contracts will be, obtained through a competitive bidding process, which is standard for the seismic services industry in which they operate. Competitive factors in recent years have included price, crew availability, technological expertise and reputation for quality, safety and dependability. While no single company will compete with the combined company in all of its segments, CGG-Veritas will be subject to intense competition in each of its segments. The combined company will compete with large, international companies as well as smaller, local companies. In addition, it will compete with major service providers and government-sponsored enterprises and affiliates. Some of the combined company's competitors will operate more data acquisition crews than it does and have substantially 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 in the future (or do not reduce capacity if demand decreases), the excess supply in the seismic services market could apply downward pressure on prices.

CGG-Veritas will have high levels of fixed costs that will be incurred regardless of its level of business activity.

The business of the combined company will have high fixed costs. As a result, downtime or low productivity due to reduced demand, weather interruptions, equipment failures or other causes could result

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in significant operating losses. Low utilization rates may hamper its ability to recover the cost of necessary capital investments.

The land and marine seismic acquisition revenues of CGG-Veritas may vary significantly during the year.

The combined company's land and marine seismic acquisition revenues will be partially seasonal in nature. The offshore 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 usually 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 relative to their exploration expenses, the timing of the receipt and commencement of contracts for data acquisition, the timing of offshore lease sales and the effect of such timing on the demand for geophysical activities and the timing of sales of licenses to geophysical data in its multi-client data library, which may be significant and which are not typically made in a linear or consistent pattern. Together with the combined company's high fixed costs, these revenue fluctuations could produce unexpected material adverse effects on the results of operations in any fiscal period.

The combined company's business will be subject to governmental regulation, which may materially adversely affect its future operations.

The combined company's operations will be subject to a variety of federal, provincial, state, foreign and local laws and regulations, including environmental laws. The combined company will need to invest financial and managerial resources to comply with these laws and related permit requirements. Failure to timely obtain the required permits may result in crew downtime and operating losses. Because laws and regulations change frequently, CGG and Veritas cannot predict the impact of government regulations on the future operations of the combined company. The adoption of laws and regulations that have the effect of curtailing exploration by oil and gas companies could also materially adversely affect the operations of the combined company by reducing the demand for its geophysical products and services.

Risks Related to the Combined Company's Indebtedness***CGG-Veritas' substantial debt after the effective time of the merger could materially adversely affect its financial health and prevent it from fulfilling its obligations.***

CGG-Veritas will have a significant amount of debt after the effective time of the merger. As of June 30, 2006, on a pro forma basis to reflect the merger and CGG's borrowing under the bridge loan facility to finance the cash component of the merger consideration and assuming the bridge loan facility is fully drawn, the combined company's total financial debt, total assets and shareholders' equity would have been 1,611 million, 4,307 million and 1,977 million, respectively, under IFRS. CGG may also enter into arrangements to borrow the cash amounts that CGG-Veritas will be required to pay to holders of Veritas convertible bonds who convert after the merger, which cash amounts CGG estimates could be as much as \$165 million (depending on the extent to which the merger consideration that a holder of Veritas no election shares would receive consists of cash assuming a hypothetical average CGG ADS value of \$33.33, which was the closing price of CGG ADSs on August 29, 2006). The maximum cash amount will increase as the average CGG ADS value increases.

CGG-Veritas' substantial debt could have important consequences. In particular, it could:

- increase its vulnerability to general adverse economic and industry conditions;

- require it to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes;

- limit its flexibility in planning for, or reacting to, changes in its businesses and the industries in which it will operate;

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place it at a competitive disadvantage compared to its competitors that have less debt; and

limit, along with the financial and other restrictive covenants of its indebtedness, among other things, its ability to borrow additional funds.

CGG s and Veritas debt agreements contain restrictive covenants that may limit the ability of CGG-Veritas to respond to changes in market conditions or pursue business opportunities.

The indentures governing CGG s senior notes and Veritas convertible notes and the agreements governing both companies syndicated credit facilities (including the \$1.6 billion bridge loan facility expected to finance the cash component of the merger consideration) contain restrictive covenants that will limit the combined company s ability and the ability of certain of its subsidiaries to, among other things:

incur or guarantee additional indebtedness or issue preferred shares;

pay dividends or make other distributions;

purchase equity interests or redeem subordinated indebtedness early;

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.

Complying with the restrictions contained in some of these covenants will require the combined company to meet certain ratios and tests, notably with respect to consolidated interest coverage, total assets, net debt, equity and net income. The requirement that CGG-Veritas comply with these provisions may materially adversely affect its ability to react to changes in market conditions, take advantage of business opportunities it believes to be desirable, obtain future financing, fund needed capital expenditures, finance its equipment purchases, increase research and development expenditures, or withstand a continuing or future downturn in its business.

If CGG-Veritas is unable to comply with the restrictions and covenants in the indentures and debt agreements governing CGG s and Veritas notes and other debt, there could be a default under the terms of these indentures and agreements, which could result in an acceleration of payment of funds that CGG and Veritas have borrowed.

If CGG-Veritas is unable to comply with the restrictions and covenants in the indentures governing CGG s and Veritas notes or in current or future debt agreements, there could be a default under the terms of these indentures and agreements. CGG-Veritas ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond its control. As a result, CGG-Veritas cannot assure you that CGG-Veritas will be able to comply with these restrictions and covenants or meet these 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, the assets of CGG-Veritas might not be sufficient to repay in full all of its outstanding indebtedness and CGG-Veritas may be unable to find alternative financing. Even if CGG-Veritas could obtain alternative financing, it might not be on terms that are favorable or acceptable.

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If CGG is unable to draw funds under its bridge loan facility, it will have to seek other financing to complete the merger, which financing may not be available or may be on less favorable terms.

CGG has entered into a senior secured bridge loan facility with Credit Suisse International, as sole and exclusive lead arranger and sole and exclusive bookrunner, of up to \$1.6 billion to be made available to CGG and/or one or more of its subsidiaries reasonably acceptable to Credit Suisse International for purposes of, among other things, financing the cash portion of the merger consideration. See CGG Recent Developments Bridge Loan Facility. CGG's ability to draw on the bridge loan facility is subject to the satisfaction of certain conditions. Although CGG expects that it will be able to draw on the bridge loan facility, in the event CGG is unable to do so, CGG will be forced to seek substitute financing to raise the necessary funds to pay the cash portion of the merger consideration. Such substitute financing may be unavailable or may be on terms that are less favorable to CGG than under the bridge loan facility. Under the merger agreement, CGG's obligation to consummate the merger is not conditioned upon receipt or availability of financing.

CGG-Veritas must repay its borrowings under the bridge loan facility within 18 to 24 months after the effective time of the merger, and replacement financing may not be available or may be on unfavorable terms to CGG-Veritas.

CGG's senior secured bridge loan facility of up to \$1.6 billion for the purpose of, among other things, financing the cash portion of the merger consideration, must be repaid in full by CGG-Veritas in a single payment 18 months from the initial funding date, subject to a six-month extension at the sole option of a majority of lenders under the bridge loan facility. CGG currently intends to refinance amounts drawn under the bridge loan facility with borrowings by CGG-Veritas under new credit facilities and the proceeds of other debt. However, neither CGG nor Veritas can assure you that CGG-Veritas will be able to borrow amounts sufficient to refinance the bridge loan facility or repay the bridge loan facility when it becomes due. If CGG-Veritas is unable to refinance its borrowings under the bridge loan facility, it may have to restructure its indebtedness, sell assets, reduce or delay capital investments or raise additional capital. CGG-Veritas may also issue equity, which could be dilutive to CGG-Veritas shareholders. Neither CGG nor Veritas can assure you that any debt restructuring would be possible, that any assets could be sold or, if sold, the timing of the sales and the amount of proceeds realized from those sales, or that alternative financing could be obtained. Even if alternative financing is available to CGG-Veritas, it may be on terms that are not favorable to CGG-Veritas and/or its shareholders and may be less favorable than under the bridge loan facility.

Rating agencies could downgrade their corporate or debt ratings for CGG or Veritas before the effective time of the merger or CGG-Veritas after the effective time of the merger. Such downgrades could have a material adverse effect on the cost of financing.

Some rating agencies that provide corporate ratings on CGG or Veritas or provide ratings on their debts may downgrade their corporate or debt ratings with respect to one company or both companies in light of the pending merger and the financing thereof. In addition, some rating agencies may give a lower corporate or debt rating to CGG-Veritas after the effective time of the merger than to either CGG or Veritas before the merger. A downgrade could materially adversely affect the ability of CGG-Veritas to finance their operations, including increasing the cost of obtaining financing under existing or future facilities or debt securities.

CGG-Veritas and its subsidiaries may incur substantially more debt.

CGG-Veritas and its subsidiaries may incur substantial additional debt (including secured debt) in the future. As of September 30, 2006, CGG had no outstanding borrowings under its U.S. \$60 million syndicated credit facility (which has since been permanently reduced to U.S. \$20 million and which is expected to be terminated before the effective time of the merger), and had availability under all other credit facilities totaling 10.9 million. As of July 31, 2006, Veritas had no borrowing and \$3.8 million of outstanding letters of credit under its revolving credit facility, leaving \$81.2 million available under its

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revolving credit facility. In addition, CGG will borrow approximately \$1.6 billion under its bridge loan facility to finance the cash component of the merger consideration and expects to increase the amount of availability under its revolving credit facility. CGG may also enter into arrangements to borrow the cash amounts that CGG-Veritas will be required to pay to holders of Veritas convertible bonds who convert after the merger, which cash amounts CGG estimates could be as much as \$165 million (depending on the extent to which the merger consideration that a holder of Veritas no election shares would receive consists of cash assuming a hypothetical average CGG ADS value of \$33.33, which was the closing price of CGG ADSs on August 29, 2006). The maximum cash amount will increase as the average CGG ADS value increases. If new debt is added to the current debt levels of CGG, Veritas and their respective subsidiaries, the related risks for the combined company could intensify.

To service its indebtedness, the combined company will require a significant amount of cash, and its ability to generate cash will depend on many factors beyond its control.

CGG-Veritas' ability to make payments on and to refinance its indebtedness, and to fund planned capital expenditures will partly depend on its 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 its control.

Neither CGG nor Veritas can assure you that the combined company will generate sufficient cash flow from operations, that it will realize operating improvements on schedule or that future borrowings will be available to it in an amount sufficient to enable it to service and repay its indebtedness or to fund its other liquidity needs. If it is unable to satisfy its debt obligations, it may have to undertake alternative financing plans, such as refinancing or restructuring its indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Neither CGG nor Veritas can 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, or that additional financing could be obtained on acceptable terms.

CGG-Veritas' results of operation could be materially adversely affected by changes in interest rates.

The combined company's sources of liquidity include credit facilities and debt securities which are or may be subject to variable interest rates. In particular, CGG's \$1.6 billion bridge loan facility to finance the cash component of the merger consideration charges interest based on U.S. dollar LIBOR. As a result, the combined company's interest expenses could increase significantly if short-term interest rates increase.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/ prospectus, including information included or incorporated by reference in this proxy statement/ prospectus, may contain certain forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Generally, the words expects, anticipates, targets, goals, projects, intentions, plans, believes, seeks, estimates, variations of such words and similar expressions identify forward-looking statements and any statements regarding the benefits of the merger, or CGG's or Veritas' future financial condition, results of operations and business are also forward-looking statements. Without limiting the generality of the preceding sentence, certain statements contained in the sections The Merger Background of the Merger, The Merger Recommendation of the Veritas Board of Directors and Its Reasons for the Merger and The Merger CGG's Reasons for the Merger constitute forward-looking statements.

These forward-looking statements involve certain risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, the following factors:

- the ability to consummate the merger;
- the ability to draw on the bridge loan facility;
- the ability to finance operations on acceptable terms;
- difficulties and delays in obtaining regulatory approvals for the merger;
- difficulties and delays in achieving synergies and cost savings;
- potential difficulties in meeting conditions set forth in the merger agreement;
- changes in international economic and political conditions, and in particular in oil and gas prices;
- exposure to the credit risk of customers;
- the social, political and economic risks of the global operations of CGG and Veritas;
- the costs and risks associated with pension and post-retirement benefit obligations;
- the complexity of products sold;
- changes to existing regulations or technical standards;
- existing and future litigation;
- difficulties and costs in protecting intellectual property rights and exposure to infringement claims by others; and
- compliance with environmental, health and safety laws.

Any forward-looking statements in this proxy statement/ prospectus are not guarantees of future performance, and actual results, developments and business decisions may differ from those contemplated by those forward-looking statements, possibly materially. Except as otherwise required by applicable law, CGG and Veritas disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section. See also Additional Information Where You Can Find More Information.

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CGG RECENT DEVELOPMENTS

CGG Ardiseis

On March 27, 2006, CGG signed a Memorandum of Understanding with Industrialization & Energy Services Company (TAQA), its long-term Saudi Arabian partner in Argas (Arabian Geophysical and Surveying Company), which is 51% owned by TAQA and 49% by CGG. Following this agreement, on June 24, 2006, TAQA acquired 49% of the capital of CGG Ardiseis, a newly formed CGG subsidiary dedicated to land and shallow water seismic data acquisition in the Middle East, and CGG retained a 51% interest. CGG Ardiseis, whose headquarters are located in Dubai, provides its clients with the complete range of CGG land and shallow water seismic acquisition services, focusing on Eye-D, the latest CGG technology for full 3D seismic imaging. As part of the agreement, CGG Ardiseis activities in the Gulf Cooperation Council countries are exclusively operated by Argas.

CGG Third Quarter Financial Results

On November 15, 2006, CGG issued a press release reporting its financial results for the three months and nine months ended September 30, 2006, a copy of which was furnished to the SEC on Form 6-K on the same day and is incorporated by reference in this proxy statement/ prospectus.

Backlog

CGG's backlog at November 1, 2006 was U.S.\$1,101 million compared to U.S.\$756 million at November 1, 2005.

Bridge Loan Facility

On November 22, 2006, CGG entered into a senior secured bridge loan facility with Credit Suisse International, as sole and exclusive lead arranger and sole and exclusive bookrunner, of up to \$1.6 billion to be made available to CGG for the purposes of:

financing the cash component of the merger consideration,

repaying certain existing debt of Veritas, and

paying the fees and expenses incurred in connection with the foregoing.

The bridge loan facility may be drawn only in a single borrowing on the date of the merger and is payable in full by CGG-Veritas in a single payment 18 months from the initial funding date, subject to a six-month extension at the sole option of a majority of the lenders under the bridge loan facility. The commitment of Credit Suisse International will be held open until the earlier of the termination of the merger agreement, the consummation of the merger, or 5:00 p.m., London time, on April 15, 2007.

The bridge loan facility is guaranteed by all subsidiaries of CGG that have guaranteed CGG's senior notes, Volnay Acquisition Co. I, Volnay Acquisition Co. II and any future guarantors of CGG's senior notes or future refinancing facilities. CGG will pledge first-priority security in the shares of Volnay Acquisition Co. I and Volnay Acquisition Co. II, as well as material first-tier subsidiaries of Veritas, provided that no more than 66% of the voting equity interest of non-U.S. subsidiaries of Veritas will be required to be pledged as security to the extent that the pledge of any greater percentage would result in adverse tax consequences.

Borrowings under the bridge loan facility bear interest at the rate of LIBOR plus (i) the base margin (described below) during the first nine months after the funding of the bridge loan facility, (ii) the base margin plus 1.00% during the first three-month period thereafter and (iii) the base margin plus 2.00% during the remaining period (if any) to the maturity date. The base margin is based on the ratings of the bridge loan facility, or if the bridge loan facility is not rated, upon the ratings of CGG's senior notes, with a range from 3.75% to 5.50%.

CGG-Veritas is required to repay the principal upon a change of control of CGG or the sale of substantially all of the business of CGG and its subsidiaries (including, after the effective time of the

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merger, Veritas and its subsidiaries), and, subject to certain exceptions, with proceeds from disposals, debt issuances and insurance proceeds.

CGG-Veritas is required to adhere to certain financial covenants, including:

minimum operating results before interest and depreciation (ORBDA) to total net interest costs;

maximum total net debt to ORBDA; and

minimum ORBDA minus capital expenditure to total net interest costs.

CGG-Veritas is subject to affirmative and negative covenants that affect its ability, among other things, to borrow money, incur liens, dispose of assets and make acquisitions. Events of default under the bridge loan facility include, among other things, payment and covenant breaches, insolvency of CGG-Veritas or its subsidiaries and any material adverse change.

Drawing under the bridge loan facility is conditioned upon, among other things:

consummation of the merger substantially simultaneously with the closing of the bridge loan facility in accordance with applicable law and on the terms described in the merger agreement, with no material term or condition of the merger agreement having been waived or amended in any respect that is adverse to the interests of the lenders under the bridge loan facility without the consent of Credit Suisse International;

there not having occurred any event, change or condition since July 31, 2005 that, individually or in the aggregate, has had, or could reasonably be expected to have a material adverse effect on Veritas and its subsidiaries;

the provision of certain of CGG's and Veritas' audited and unaudited consolidated financial statements; and

the execution and/or delivery of definitive financing documentation.

If any of these conditions is not met and is not waived by Credit Suisse International, CGG will be unable to draw funds under the bridge loan agreement and will have to seek other financing to complete the merger. See Risk Factors Risks Related to the Combined Company's Indebtedness. Any such other financing could be on terms that are less favorable to CGG.

CGG intends to replace or refinance the bridge loan facility with between \$800 million and \$1 billion of financing pursuant to senior secured credit facilities and to refinance any remaining portion of the bridge loan facility with the proceeds of other debt. No commitment letters have been executed with respect to any replacement or refinancing of the bridge loan facility. No assurances can be given as to whether CGG-Veritas will be able to replace or refinance the bridge loan facility or as to what the terms of any such refinancing or replacement might be.

CGG may also enter into arrangements to borrow the cash amounts that CGG-Veritas will be required to pay to holders of Veritas convertible bonds who convert after the merger, which cash amounts CGG estimates could be as much as \$165 million (depending on the extent to which the merger consideration that a holder of Veritas no election shares would receive consists of cash assuming a hypothetical average CGG ADS value of \$33.33, which was the closing price of CGG ADSs on August 29, 2006). The maximum cash amount will increase as the average CGG ADS value increases.

CGG's existing \$60 million (currently amortized to \$20 million) syndicated revolving credit facility terminates on March 12, 2007 and is expected to be terminated before the effective time of the merger, if earlier.

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THE VERITAS SPECIAL MEETING

Date, Time, Place and Purpose of the Veritas Special Meeting

The special meeting of Veritas stockholders will be held on January 9, 2007, at 10:00 a.m., Houston time, at the offices of Veritas DGC, Inc., 10300 Town Park Drive, Houston, Texas 77072. The purpose of the Veritas special meeting is:

to consider and vote on the proposal to adopt the merger agreement; and

to transact any other business as may properly come before the Veritas special meeting or any adjournment or postponement of the Veritas special meeting.

The Veritas board of directors unanimously recommends that you vote FOR the proposal to adopt the merger agreement. For the reasons for this recommendation, see The Merger Recommendation of the Veritas Board of Directors and Its Reasons for the Merger.

Who Can Vote at the Veritas Special Meeting

Only holders of record of Veritas common stock at the close of business on November 18, 2006, the record date, are entitled to notice of, and to vote at, the Veritas special meeting. As of that date, there were 36,193,953 shares of Veritas common stock outstanding and entitled to vote at the Veritas special meeting, held by approximately 732 stockholders of record. Each share of Veritas common stock is entitled to one vote at the Veritas special meeting.

Vote Required for Approval; Quorum

The affirmative vote of the holders of a majority of the shares of Veritas common stock entitled to vote at the special meeting outstanding as of the record date, voting as single class, either in person or by proxy, is necessary for the adoption of the merger agreement.

The holders of a majority of the total number of outstanding shares of Veritas common stock entitled to vote as of the record date, represented either in person or by proxy, will constitute a quorum at the Veritas special meeting for the conduct of business.

Adjournments

If no quorum of Veritas stockholders is present in person or by proxy at the Veritas special meeting, the Veritas special meeting may be adjourned from time to time until a quorum is present or represented. In addition, adjournments of the Veritas special meeting may be made for the purpose of soliciting additional proxies in favor of the proposal. However, no proxy that is voted against a proposal described in this proxy statement/prospectus will be voted in favor of adjournment of the Veritas special meeting for the purpose of soliciting additional proxies.

Manner of Voting

If you are a Veritas stockholder, you may submit your vote for or against the proposal submitted at the Veritas special meeting in person or by proxy. You may be able to submit a proxy in the following ways:

Internet. You may submit a proxy over the Internet by going to the website listed on your proxy card. Once at the website, follow the instructions to submit a proxy.

Telephone. You may submit a proxy using the toll-free number listed on your proxy card. Easy-to-follow voice prompts will help you and confirm that your submission instructions have been followed.

Mail. You may submit a proxy by signing, dating and returning your proxy card in the pre-addressed postage-paid envelope provided.

Please refer to your proxy card or the information forwarded by your bank, broker or other nominee to see which options are available to you.

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The Internet and telephone proxy submission procedures are designed to authenticate stockholders and to allow you to confirm that your instructions have been properly recorded.

The method by which you submit a proxy will in no way limit your right to vote at the Veritas special meeting if you later decide to attend the meeting in person. If your shares of Veritas common stock are held in the name of a bank, broker or other nominee, you must obtain a proxy, executed in your favor, from the holder of record, to be able to vote at the Veritas special meeting.

All shares of Veritas common stock entitled to vote and represented by properly completed proxies received prior to the Veritas special meeting, and not revoked, will be voted at the Veritas special meeting as instructed on the proxies. **If you do not indicate how your shares of Veritas common stock should be voted on a matter, the shares of Veritas common stock represented by your properly completed proxy will be voted as the Veritas board of directors recommends and therefore, FOR the adoption of the merger agreement.**

Revoking a Proxy

You may revoke your proxy at any time before it is exercised by timely delivering a properly executed, later-dated proxy (including over the Internet or telephone) or by voting by ballot at the Veritas special meeting. Simply attending the Veritas special meeting without voting will not revoke your proxy.

Shares Held in Street Name

If your shares of Veritas common stock are held in an account at a bank, broker or other nominee and you wish to vote, you must return your voting instructions to the bank, broker or other nominee.

If you own shares of Veritas common stock through a bank, broker or other nominee and attend the Veritas special meeting, you should bring a letter from your bank, broker or other nominee identifying you as the beneficial owner of such shares of Veritas common stock and authorizing you to vote.

Your broker will NOT vote your shares of Veritas common stock held in street name unless you instruct your broker how to vote. Such failure to vote will have the same effect as a vote AGAINST adoption of the merger agreement. You should therefore provide your bank, broker or other nominee with instructions as to how to vote your shares of Veritas common stock.

Tabulation of the Votes

Veritas has appointed Mellon Investor Services LLC to serve as the Inspector of Election for the Veritas special meeting. Mellon Investor Services will independently tabulate affirmative and negative votes and abstentions.

Solicitation

Veritas will pay the cost of soliciting proxies. Directors, officers and employees of Veritas and CGG may solicit proxies on behalf of Veritas in person or by telephone, facsimile or other means. Veritas has engaged Mellon Investor Services to assist it in the distribution and solicitation of proxies. Veritas has agreed to pay Mellon Investor Services a fee of \$7,500 plus payment of certain fees and expenses for its services as information agent and a fee of \$11,500 plus payment of certain fees and expenses for its services to solicit proxies.

In accordance with the regulations of the SEC and the NYSE, Veritas also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of shares of Veritas common stock.

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THE MERGER

The following is a description of the material aspects of the merger. While CGG and Veritas believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. CGG and Veritas encourage you to carefully read this entire proxy statement/prospectus, including the merger agreement attached to this proxy statement/prospectus as Annex A and incorporated by reference herein, for a more complete understanding of the merger.

General

Each of the CGG and Veritas board of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement. In the merger, Volnay Acquisition Co. I will merge with and into Veritas, with Veritas surviving the merger as a wholly-owned subsidiary of CGG, immediately followed by Veritas merging with and into Volnay Acquisition Co. II, with Volnay Acquisition Co. II surviving the merger and continuing its corporate existence as a wholly-owned subsidiary of CGG. The combined company will be renamed CGG-Veritas immediately after the effective time of the merger. Veritas stockholders will receive the merger consideration described below under The Merger Agreement Merger Consideration.

Background of the Merger

CGG and Veritas have in the past expressed their views that the seismic industry should consolidate and that the benefits of such consolidation would include synergies for the consolidating entities and strengthening of the seismic industry. During the past two years, Veritas has periodically received informal inquiries from other companies in the seismic industry, including CGG, and has made informal inquiries of other companies in the seismic industry, including CGG, concerning possible consolidation opportunities. In addition, each of CGG and Veritas from time to time has evaluated and sought potential consolidating transactions that would further their respective strategic objectives. In November 2001, Veritas and Petroleum Geo-Services ASA (referred to as PGS) entered into an agreement to merge with each other, but the merger was abandoned in July 2002. In September 2004, CGG offered to purchase PGS seismic business, which offer was rejected by PGS board of directors. CGG acquired Exploration Resources ASA, a Norwegian provider of marine seismic acquisition services in a series of transactions in September and October 2005. In April 2006, Schlumberger acquired the remaining 30% joint venture interest held by Baker Hughes Incorporated in WesternGeco for \$2.4 billion, making Schlumberger Limited the sole owner of the world's largest seismic services company. Against this industry backdrop, the boards of directors of CGG and Veritas continually reviewed their respective companies' results of operations and competitive positions in the industry, as well as their strategic alternatives.

On April 26, 2006, Robert Brunck, the chairman and chief executive officer of CGG, telephoned Thierry Pilenko, the chairman and chief executive officer of Veritas, and scheduled for May 10, 2006 a video conference between them to discuss the merits of a possible transaction between the two companies. CGG retained Credit Suisse and Rothschild to act as its financial advisors and Skadden, Arps, Slate, Meagher & Flom LLP, which is referred to as Skadden, and Willkie Farr and Gallagher LLP, which is referred to as Willkie, and Linklaters, to act as its legal advisors in connection with these discussions.

As part of its regular review of strategic alternatives, the CGG strategic planning committee, with audit committee members in attendance, met on May 10, 2006 in advance of the video conference with Veritas to discuss a possible transaction between CGG and Veritas. At that meeting, the committee determined that it believed such a transaction could be strategically favorable for a number of reasons, including complementary business strengths between the organizations, global reach, economies of scale and management and employee compatibility.

On May 10, 2006 Messrs. Brunck and Pilenko held a video conference that included Thierry Le Roux, group president and chief financial officer of CGG, and Mark E. Baldwin, executive vice president, chief financial officer and treasurer of Veritas, as participants. Veritas indicated that it planned to conduct an internal strategic analysis, including the potential benefits of a transaction with CGG or other seismic

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services providers, during the next two to three weeks. During the succeeding weeks, members of Veritas' senior management conducted this analysis. On May 30, 2006, Mr. Baldwin informed Mr. Le Roux that completion of this internal strategic analysis had been postponed to June 9, 2006.

On June 1, 2006, Veritas issued a press release announcing that it had entered into a letter of intent with Matco Capital Ltd, referred to as Matco, to sell its land seismic acquisition business.

On June 13, 2006, Mr. Brunck met with Mr. Pilenko in Vienna, Austria during an industry convention (EAGE) to explain CGG's views regarding the need for and the benefits of industry consolidation and the merits of a transaction involving CGG and Veritas. Mr. Pilenko told Mr. Brunck that he intended to present to the Veritas board of directors as soon as possible management's analysis of Veritas' strategic alternatives as well as the rationale for Veritas remaining as an independent company.

On June 16, 2006, the Veritas board of directors met and discussed recent developments within the seismic industry, including Schlumberger's acquisition of the minority interest in WesternGeco and PGS' announcement of the de-merger of its production business. The Veritas board of directors discussed management's strategic analysis of potential consolidation transactions with various industry participants as well as the future prospects of Veritas if it remained as an independent company. Based on this discussion, the Veritas board of directors determined that it believed the prospects of Veritas were better as an independent company than if it entered into a strategic transaction with another industry participant. As a result, the Veritas board of directors instructed management not to pursue informal discussions about a potential transaction at that time. Mr. Pilenko called Mr. Brunck on June 17, 2006 to inform him of this decision and indicated that he expected that Veritas would take the same approach with anyone contacting Veritas with respect to a similar transaction. Mr. Pilenko also called the chief executive officer of one other company that is a participant in the seismic industry, which is referred to herein as Company A, to convey the same message to him. Mr. Pilenko had recently had periodic informal discussions with the chief executive officer of Company A concerning consolidation opportunities in the industry.

On June 26, 2006, the CGG strategic planning committee, with audit committee members in attendance, met by telephone. CGG's financial advisors also participated on the call. The committee further discussed the strategic rationale for a CGG-Veritas transaction and potential transaction considerations. CGG determined to send an unsolicited friendly proposal to the Veritas board of directors. On June 27, 2006, at the direction of CGG, a representative of Credit Suisse contacted James Gibbs, the lead director of the Veritas board of directors. Mr. Gibbs, when contacted, indicated that it was the duty of the Veritas board of directors to consider any proposal that might create value for shareholders and any proposal made would, therefore, be considered by the board of directors.

The CGG strategic planning committee, with audit committee members in attendance, met again on July 6, 2006 to discuss the contemplated transaction and reviewed a draft of the proposal to be sent to Veritas.

On July 12, 2006, the CGG board of directors, together with CGG's management, financial advisors and legal advisor, Willkie, met to discuss the terms and characteristics of an acquisition of Veritas, including Veritas' business operations, the strategic rationale for the contemplated transaction and the expected synergies that might be realized in a transaction. At this meeting, the CGG board of directors authorized Mr. Brunck to further pursue the potential acquisition proposal with Veritas in accordance with the terms presented to the board and as outlined in CGG's proposal letter. The CGG board also instructed that Mr. Brunck keep the CGG strategic planning and audit committees regularly informed of the evolution of the discussions with Veritas and that definitive terms for the transaction would have to be approved by the CGG board.

Later that day, Mr. Brunck faxed the proposal letter addressed to Mr. Pilenko and to Larry L. Worden, Veritas' vice president, general counsel and secretary. This letter presented CGG's non-binding proposal to offer 1.25 CGG ADSs and \$22 in cash in exchange for each outstanding share of Veritas common stock, indicating a per share value of \$65, representing a 32% premium over the one-month average closing price of Veritas' common stock as of July 11, 2006. Under the proposal, CGG ADSs and

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cash would make up approximately 66% and 34% of total consideration, respectively, with an aggregate Veritas equity value of \$2.8 billion based on the closing price of CGG ADSs on July 11, 2006 and assuming 43.2 million fully diluted shares of Veritas common stock outstanding. The letter also noted that Credit Suisse was prepared to provide a financing commitment so that the transaction would not be subject to a financing contingency, that the combined company would be expected to include substantial Veritas representation on the board and that Veritas management would be expected to play an important role in the combined organization.

On July 13, 2006, Veritas contacted Vinson & Elkins L.L.P., its regular corporate counsel, which is referred to as Vinson & Elkins, and requested that Vinson & Elkins act as its legal advisors in connection with the proposal received from CGG and any related matters.

On July 14, 2006, the Veritas board of directors met to discuss the proposal received from CGG. The board of directors authorized management to engage an investment banking firm to serve as Veritas financial advisor in connection with the proposal and the potential transaction with CGG. The board of directors also requested management to make a recommendation to the board of directors as to the names of a limited number of other participants in the seismic industry which might be interested in and capable of entering into a similar transaction with Veritas.

On July 16, 2006, Veritas engaged Goldman, Sachs & Co., which is referred to as Goldman Sachs, as its financial advisor with respect to the proposal received from CGG and any related matters.

On July 21, 2006, the Veritas board of directors met again to discuss matters related to a possible transaction with CGG. At this meeting of the board of directors, representatives of Goldman Sachs made a presentation regarding other potential participants in the seismic industry which would likely be interested in and capable of making a competing proposal. The Veritas board of directors then authorized management to inform CGG that the board of directors was undertaking a careful review of its proposal and to contact Company A and another participant in the seismic industry, which is referred to as Company B, to gauge both companies interest in making a competing proposal.

That same day, Mr. Pilenko contacted the chief executive officers of Company A and Company B, as instructed, to gauge those companies interest in entering into discussions with Veritas that might lead to a transaction with Veritas. Neither chief executive officer was informed that Veritas had received a proposal from CGG or the terms of that proposal. On July 25, 2006, the chief executive officer of Company A called Mr. Pilenko and expressed an interest in entering discussions with Veritas and, on July 26, 2006, the chief executive officer of Company B responded similarly.

Mr. Pilenko had a number of conversations with the chief executive officer of Company A regarding the content and timing of discussions between Veritas and such company, and he and Mr. Pilenko agreed tentatively to hold initial discussions in Houston the week of August 14 at which each company s management would make a presentation regarding their respective businesses.

On July 27, 2006, Mr. Worden distributed a form of confidentiality agreement to representatives of each of CGG and Company A. Mr. Pilenko contacted the chief executive officer of Company B by email on the same day inquiring as to whom the form of confidentiality should be sent.

On July 28, 2006, the Veritas board of directors met and agreed that Veritas should enter into a confidentiality agreement with CGG and begin discussions regarding a potential transaction with CGG in order to better understand the potential benefits and risks of the proposal, but rejected the inclusion of any exclusivity provision in the confidentiality agreement. The Veritas board of directors also authorized management to enter into similar confidentiality agreements with each of Company A and Company B.

On July 31, 2006, Messrs. Brunck, Pilenko, Le Roux, Baldwin and Stéphane-Paul Frydman, CGG group controller, treasurer and deputy chief financial officer, spoke by telephone to discuss timing for negotiation of CGG s proposed transaction and the details of a confidentiality agreement proposed to be entered into between CGG and Veritas. Mr. Pilenko stated that the board of directors of Veritas was giving serious consideration to CGG s offer. Mr. Pilenko suggested that CGG and Veritas enter into a

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confidentiality agreement but indicated that the Veritas board of directors was unwilling to grant exclusivity to CGG until such time as the Veritas board of directors decided to proceed with attempting to negotiate a transaction. The companies agreed that their respective financial advisors would discuss a potential transaction and that both management teams would meet in Houston the following week. Mr. Pilenko also indicated that the Veritas board of directors planned to meet during the week of August 20, 2006 to discuss the proposal and to receive advice from its financial and legal advisors.

Also on July 31, 2006, the chief executive officer of Company B called Mr. Pilenko and informed him that, after further consideration, Company B would not participate in discussions with Veritas or make a proposal.

On August 1, 2006, Mr. Le Roux sent Mr. Pilenko a draft timetable for negotiation, signing and announcement of the CGG proposed transaction.

On August 3, 2006, CGG and Veritas entered into a confidentiality agreement and began to conduct detailed due diligence. On the same day, Veritas also entered into a similar agreement with Company A.

During the first week of August 2006, Mr. Pilenko and Mr. Brunck spoke periodically to discuss possible transaction structures, the exchange ratio and key governance and employee matters presented by CGG's proposed transaction. Certain of these discussions took place through CGG's and Veritas's respective financial advisors.

On August 8, 2006, Mr. Brunck met with Mr. Pilenko in Houston to discuss social and organizational matters related to the proposed transaction, including the possible composition of the combined company's board of directors and the general transaction process.

On August 9, 2006, Messrs. Brunck and Le Roux, together with Christophe Pettenati-Auzière, president, CGG Geophysical Services and Mr. Frydman met in Houston with members of Veritas's management, including Messrs. Pilenko, Baldwin, Worden, Timothy L. Wells, president and chief operating officer, and Hovey Cox, vice president marketing. At this meeting, the members of Veritas's management made a presentation regarding the Veritas group and the members of CGG's management made a presentation regarding the CGG group and discussed key aspects of CGG's proposal, including the strategic rationale, potential synergies and proposed consideration. Also present at this meeting were representatives of the respective financial advisors of CGG and Veritas. That same day, Mr. Le Roux met with Mr. Pilenko to discuss further the social and organizational matters and timing of the proposed transaction. At these meetings, Veritas's management, including Mr. Pilenko, informed CGG that CGG should revise its offer, which it regarded as serious but not compelling. Mr. Le Roux indicated to Mr. Pilenko that such a revised offer would probably be forthcoming on or around August 21, 2006.

On August 11, 2006, CGG, through its legal advisor Skadden, delivered a draft merger agreement to Veritas, through its legal advisor Vinson & Elkins, for review and negotiation. From August 11, 2006 through September 4, 2006, personnel from CGG, and its legal advisors, Skadden, Willkie and Linklaters, on the one hand, and Veritas and Vinson & Elkins, on the other hand, continued to review, revise and negotiate the draft merger agreement. The respective financial advisors of CGG and Veritas also participated in these negotiations. Over this same period, due diligence discussions were held among representatives of CGG and, including discussions regarding the accounting impact of the transaction on the combined entity, including, among other topics, the potential effects of accretion or dilution on various financial measures.

On August 14, 2006, members of Veritas's management, including Messrs. Pilenko, Baldwin, Worden, and Wells, met in Houston with members of management of Company A to provide a management presentation to the chief executive officer and management team of Company A and discussed with that company and its financial advisors the general terms of and rationale for a possible combination. Later that evening, Mr. Pilenko had dinner with the chief executive officer of Company A and discussed with him a number of items, including synergies, structuring of the transaction and of a combined company and next steps to be taken in the process.

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On August 16, Mr. Pilenko called Mr. Brunck to inform him that Veritas had solicited a proposal from a third party after Veritas had received CGG's offer on July 12, 2006 and that Veritas expected to receive such a proposal at any time. On that same day, Mr. Pilenko called the chief executive officer of the Company A and reminded him that the process was competitive and that Veritas needed to receive any proposal that Company A wished to make as soon as possible.

On August 17, 2006, Mr. Brunck sent a letter to Mr. Pilenko acknowledging that CGG had been informed that Veritas was expecting to receive a proposal from another party and announcing that, as a result, CGG was preparing an improved proposal to be delivered to Veritas in the near future. The same day, Mr. Pilenko called Mr. Brunck to discuss various matters related to a potential transaction, including the exchange of due diligence information between CGG and Veritas, antitrust procedures, purchase accounting, the composition of the combined company's board of directors, and the timing and process for entering into and closing the proposed transaction. During that conversation, Mr. Pilenko also stated that the Veritas board of directors would meet on August 28, 2006 to consider the possibility of selling the company, which decision would depend on such matters as, principally, the best interests of the shareholders of Veritas, which would focus on value, the acquisition price and identity of the acquirer. Mr. Pilenko also stated that he believed if the Veritas board of directors authorized moving forward, it would want to move quickly.

On August 22, 2006, CGG's strategic planning committee, with audit committee members and CGG's management and financial advisors also in attendance, met and were updated by Mr. Brunck on the status of CGG's discussions with Veritas and reviewed, with the assistance of CGG's financial advisors, the potential financial impact of the proposed transaction on CGG. At this meeting, a revised offer price was reconsidered in light of the additional information provided by Veritas under the confidentiality agreement, the negotiation process and the potential financial impact of the proposed transaction on CGG. Mr. Brunck informed the strategic planning committee that he believed that an agreement could be reached within a \$72 to \$75 per share range. On such basis, it was then decided to start at the lower end of the range and propose a revised non-binding offer, subject to final approval of the CGG board of directors, of 1.30 CGG ADSs and \$28 in cash for each outstanding share of Veritas common stock, providing an indicative per share value of \$72 for outstanding Veritas shares based on the closing price of CGG ADSs on August 21, 2006, representing a 30% premium over the one month average closing price of Veritas' common stock as of August 21, 2006, with CGG ADSs and cash making up approximately 61% and 39% of the total consideration, respectively, for an aggregate value of approximately \$3.0 billion, and assuming 41.5 million fully diluted shares of Veritas common stock outstanding. The revised non-binding offer would also retain the mechanism of the original draft merger agreement permitting Veritas shareholders to elect to receive cash or stock, subject to proration, and reiterate the points from CGG's prior offer letter regarding the financing commitment and board representation and management participation of Veritas in the combined company. Later that day, Mr. Brunck faxed to Mr. Worden a revised offer addressed to Mr. Pilenko and containing the terms of such proposal.

On August 24, 2006, Company A's chief executive officer contacted Mr. Pilenko by telephone and informed him that at the management presentation and discussions to be held the following day in Houston, Company A intended to present an offer under the terms of which it would propose to purchase all of the outstanding shares of Veritas. The offer discussed on the telephone was for an indicative price per Veritas share that was less than the offer by CGG, but represented consideration consisting of one-half cash and one-half Company A stock.

On August 25, members of management of Company A made a presentation in Houston to members of Veritas management, including Messrs. Pilenko, Baldwin, Worden, and Wells, describing the business of that company and the possible synergies which could be realized by a business combination of Company A and Veritas. Subsequent to the meeting, the chief executive officer of Company A delivered to Mr. Pilenko an offer to purchase all of the outstanding shares of Veritas on the terms discussed the previous day. Mr. Pilenko informed the chief executive officer of Company A (without mentioning the terms of the CGG offer or the fact that CGG had made an offer) that the offer appeared to be inferior

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from a financial point of view to an offer Veritas currently had in hand. Mr. Pilenko also informed the chief executive officer of Company A that his company's offer needed to be improved if it wished to continue discussions with Veritas.

On August 28, 2006, before the meeting of the Veritas board of directors, CGG sent to Veritas the commitment letter executed by Credit Suisse for the provision of a \$1.2 billion financing for CGG's proposed transaction.

On August 28, the Veritas board of directors met and discussed with Veritas' management and its financial and legal advisors the terms of the offers received from CGG and Company A and the relative merits of each offer. At the conclusion of the meeting, the board instructed management to contact both CGG and Company A and ask them for improved offers. In the case of the CGG offer, the board was interested not only in increasing the aggregate value of the consideration, but also in increasing the relative percentage of cash consideration compared to stock consideration.

On August 29, 2006, Mr. Brunck and Mr. Pilenko discussed the outcome of the Veritas board meeting of August 28, 2006. Mr. Pilenko indicated that the Veritas board of directors had determined that it would enter into a transaction if the offer was compelling. Mr. Pilenko indicated that, based on all of the terms and conditions of the offers and the potential benefits and risks of transactions with the different parties, CGG's offer and the Company A offer that Veritas' board of directors had received were competitive with one another and that Company A's offer had a significantly stronger cash component. Mr. Pilenko noted that he was nevertheless authorized to grant CGG a period of exclusive negotiations if CGG could revise its offer to \$76 per Veritas share and 50% cash. Mr. Pilenko stated that if the CGG offer was improved and exclusivity granted, Veritas was prepared to work with CGG to seek to negotiate and execute an agreement and announce the transaction the following week.

Also on August 29, 2006, following a further informal discussion between Messrs. Brunck and Pilenko, Mr. Pilenko stated his belief that CGG would be able to secure exclusive negotiations with an offer of \$75 per share, of which \$37 per share would be paid in cash. Mr. Brunck stated that he would respond to Mr. Pilenko by August 30, 2006.

On August 30, 2006, CGG's strategic planning committee, with members of the audit committee and CGG's management and financial advisors in attendance, met and received from Mr. Brunck an update on the status of his discussions with Veritas. Mr. Brunck informed them that CGG intended to submit a revised non-binding offer on the terms discussed between Messrs. Brunck and Pilenko on August 29, 2006. Mr. Brunck delivered to Veritas a revised offer letter on August 30, 2006. Under the terms of that revised offer, CGG offered to pay 1.14 CGG ADSs and \$37 in cash for each outstanding share of Veritas common stock, a per share indicative value of \$75 per Veritas share based on the closing price of \$33.33 per CGG ADS on August 29, 2006, representing a 35% premium over the one month average closing price of Veritas' common stock as of August 29, 2006, and with ADSs and cash making up approximately 51% and 49% of the total merger consideration, respectively, for an aggregate value of \$3.12 billion, assuming 41.6 million fully diluted outstanding shares of Veritas common stock. The revised offer letter also noted that CGG would retain the mechanism in the draft agreement which would permit Veritas shareholders to elect to receive cash or stock, subject to proration. CGG reiterated the points from its prior offer letters regarding the financing commitment and board representation and management participation of Veritas in the combined company. In addition, CGG provided an updated commitment letter executed by Credit Suisse for the provision of a \$1.6 billion financing. Finally, CGG stated that it wished to be in a position to announce a transaction by September 6, 2006, prior to the reporting of CGG's half-year results.

Also, on August 30, 2006, Mr. Pilenko again spoke to the chief executive officer of Company A shortly before the board of directors of Company A was to meet to consider increasing its offer. Mr. Pilenko indicated to him that in order to receive continued consideration, Veritas needed Company A's best offer. Later the same day, Company A submitted to Veritas an improved offer. The offer had an indicative value per Veritas share that was less than the CGG offer.

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After receipt of the improved offer letter from CGG, Veritas agreed to enter into exclusive negotiations with CGG and, on August 30, 2006, Veritas and CGG executed an exclusivity agreement granting CGG a period of exclusive negotiations with Veritas until September 8, 2006. Mr. Pilenko and Mr. Brunck spoke by telephone that day to discuss the management of the combined company and other corporate culture and workforce integration issues.

On August 30, 2006, Mr. Pilenko called the chief executive officer of Company A and informed him that Veritas had agreed to enter into exclusive negotiations with another party until September 8, 2006.

From August 31, 2006 through September 3, 2006, representatives of CGG, including Messrs. Frydman and Le Roux and Beatrice Place-Faget, Vice President Corporate Legal Affairs of CGG, together with CGG's legal and financial advisors, met to negotiate the merger agreement with representatives of Veritas, including Messrs. Pilenko and Baldwin, as well as with representatives of Goldman Sachs and Vinson & Elkins. Over the same period, Messrs. Brunck and Pilenko were in regular contact.

On September 1, 2006, as part of the ongoing due diligence effort, CGG and Veritas conducted additional financial due diligence through a meeting in Houston that was attended by Mr. Frydman, other members of the accounting and consolidation department of CGG, Mr. Baldwin, members of the accounting and tax department of Veritas, as well as representatives of the financial advisors of Veritas and CGG. Members of the accounting and consolidation department of CGG participated in the meeting by conference call. A representative of PricewaterhouseCoopers, independent accountants of Veritas, and a representative of Ernst & Young, independent accountants of CGG, were present by telephone during this meeting.

On September 4, the strategic planning committee of CGG, with audit committee members in attendance, met to discuss the organization of the combined company and its governance.

On September 4, 2006, the CGG board of directors held a meeting, together with CGG's management and legal and financial advisors, to review the proposed merger and the terms of the merger agreement. At this meeting, Credit Suisse reviewed with the CGG board of directors Credit Suisse's financial analyses regarding the aggregate consideration to be paid by CGG in the merger and rendered to the CGG board an oral opinion, which opinion was confirmed by delivery of a written opinion dated September 4, 2006, to the effect that, as of that date and based on and subject to the matters described in its opinion, the aggregate consideration was fair, from a financial point of view, to CGG. Rothschild also reviewed with the Rothschild's financial analyses and rendered its oral opinion to the CGG board, which opinion was confirmed by delivery of a written opinion dated September 4, 2006 to the effect that, as of that date and subject to the matters described in its opinion, the amount of the aggregate consideration to be paid by CGG in the merger was fair, from a financial point of view, to CGG. At the conclusion of the meeting, the CGG board of directors unanimously approved the merger agreement and the transactions contemplated by the merger agreement and recommended approval of the share issuance by its shareholders.

On September 4, 2006, the board of directors of Veritas held a meeting to review the terms of the merger agreement. During this meeting, representatives of Veritas' management reviewed for the Veritas board of directors their due diligence and views on the transaction and representatives of Vinson & Elkins reviewed again for the board of directors the terms and conditions of the merger agreement. Also during the meeting, representatives of Goldman Sachs presented their financial analyses regarding the contemplated transaction. Goldman Sachs then delivered to the Veritas board of directors its oral opinion, subsequently confirmed by delivery of a written opinion dated September 4, 2006 to the effect that, as of that date and subject to the factors and assumptions set forth therein, the per share ADS consideration and the per share cash consideration to be received by the holders of the shares of Veritas common stock, taken in the aggregate, pursuant to the merger agreement, was fair from a financial point of view to such holders (See The Merger Opinion of Veritas Financial Advisor). Following deliberations, the Veritas board of directors resolved unanimously that the contemplated merger represented a transaction that was

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in the best interests of Veritas stockholders and approved the merger agreement and resolved unanimously to recommend that Veritas stockholders vote in favor of adoption of the merger agreement.

At the same meeting on September 4, 2006, the Veritas board of directors voted to terminate further discussions and the letter of intent with Matco Capital regarding the sale of possible sale of Veritas land seismic acquisition business.

The merger agreement was executed by officers of CGG and Veritas on September 4, 2006.

On September 5, 2006, before the opening of business in Paris, CGG and Veritas issued a joint press release announcing that they had entered into a definitive merger agreement and setting forth the principal terms thereof. On the same day, Veritas announced that it terminated discussions with Matco for the sale of its land seismic acquisition business.

Recommendation of the Veritas Board of Directors and Its Reasons for the Merger

By unanimous vote, the Veritas board of directors, at a meeting held on September 4, 2006, determined that the execution and delivery of the merger agreement was advisable and the transactions contemplated by the merger agreement were in the best interest of the Veritas stockholders and approved and adopted the merger agreement and the transactions contemplated thereby, including the merger. **The Veritas board of directors unanimously recommends that the Veritas stockholders vote for the proposal to adopt the merger agreement at the Veritas special meeting.**

In reaching this decision, the Veritas board of directors consulted with Veritas management and its financial and legal advisors and considered a variety of factors, including the material factors described below. In light of the number and wide variety of factors considered in connection with its evaluation of the transaction, the Veritas board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its determination. The Veritas board of directors viewed its position as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors may have given different weight to different factors. This explanation of Veritas reasons for the proposed merger and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under Cautionary Statement Concerning Forward-Looking Statements.

Financial Considerations

The Veritas board of directors considered a number of financial factors pertaining to the merger as generally supporting its decision to enter into the merger agreement, including the following:

the financial terms of the transaction, including:

an implied purchase price per share of Veritas common stock of \$74.93 per share based on the closing price of CGG's ADSs on August 29, 2006, which represented an implied premium of 34.7% over Veritas 30-day average closing price of \$56.69 for the period ended August 29, 2006;

the ability of the Veritas stockholders to elect to receive cash or ADS consideration, subject to proration, thereby giving the stockholders of Veritas the opportunity to choose between participation in the combined company or liquidity; and

the significant cash portion of the merger consideration that helps protect against significant diminution in the value of the transaction as a result of any diminution in the value of CGG ADSs between signing and closing;

the expected pre-tax synergies that could result from the merger;

that following discussions with other potential acquirors, the offer made by CGG was determined to be the highest and best acquisition proposal; and

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the financial analysis and opinion of Goldman Sachs, Veritas' financial advisor, that, as of September 4, 2006, and based upon and subject to the factors and assumptions set forth in its opinion, the per share ADS consideration and the per share cash consideration to be received by holders of Veritas common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders.

Strategic Considerations

The Veritas board of directors also considered a number of factors pertaining to the strategic rationale for the merger as generally supporting its decision to enter into the merger agreement, including the following:

its expectation that the combined company would be a leading provider of seismic technologies and services, with:

complementary, recent vintage, well-positioned seismic data libraries;

a large marine seismic fleet with a balanced distribution of fully owned and chartered vessels;

strong local relationships in differentiated land seismic markets;

some of the best personnel in the seismic industry; and

a deep and broad range of expertise and technology in the processing and imaging sector;
that the combined company is expected to be the largest pure-play seismic company in the world; and

its expectation that the larger size of the combined company would enable it to:

take advantage of economies of scale and worldwide capacity as well as greater financial strengths;

benefit from a larger customer base and increased geographic presence;

offer a broad variety of technology and services solutions to its customers; and

offer customers greater breadth of staff expertise.

Other Transaction Considerations

The Veritas board of directors also considered a number of additional factors as generally supporting its decision to enter into the merger agreement, including the following:

the terms of the merger agreement and the structure of the transaction, including the conditions to each company's obligations to complete the merger;

the absence of any financing condition and the fact that CGG has represented in the merger agreement that it will have sufficient funds available (through existing sources of financing and the signed commitment letter from Credit Suisse International) to consummate the merger and the other transactions contemplated by the merger agreement;

the ability of Veritas and CGG to complete the merger, including their ability to obtain the necessary regulatory approvals and their obligations to attempt to obtain those approvals;

the information governing CGG's and Veritas' respective businesses and financial results, including the results of Veritas' due diligence investigation of CGG;

the fact that the merger agreement imposes limitations on the ability of CGG to solicit offers for the acquisition of CGG as well as the possibility that CGG could be required to pay a termination fee of \$85.0 million in certain circumstances;

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that the terms of the merger agreement, including the termination fee, would not preclude a proposal for an alternative transaction involving Veritas;

the ability under the merger agreement of Veritas under certain circumstances to provide non-public information to, and engage in discussions with, third parties that propose an alternative transaction; and

the terms of the merger agreement permit the board of directors of Veritas to change or withdraw its recommendation of the merger to Veritas stockholders if, among other reasons, the board of directors determines in good faith that an unsolicited offer is an acquisition proposal that is superior for Veritas stockholders from a financial point of view.

Risks

The Veritas board of directors also identified and considered a number of uncertainties, risks and other potentially negative factors, including the following:

the significant risks and expenses inherent in combining and successfully integrating two companies, especially since the businesses currently reside in different national jurisdictions;

the size of the premium represented by the merger consideration relative to the pre-announcement value of Veritas common stock might be reduced or eliminated by a decline in value of CGG's ADSs through the time the merger is consummated;

the potential downward pressure on the value of the Veritas common stock prior to the consummation of the merger and on the value of the CGG ADSs after consummation of the merger due to U.S. shareholders selling their shares because they are either prohibited from or otherwise desire not to hold securities of a foreign issuer;

as of June 30, 2006, on a pro forma basis to reflect the merger and CGG's borrowings under the bridge loan facility to finance the cash component of the merger consideration and assuming the bridge loan facility is fully drawn, the combined company's total financial debt, total assets and stockholders' equity would have been 1,611 million, 4,307 million and 1,977 million, respectively, under IFRS.

stockholders of Veritas who receive stock pursuant to the merger would receive ADSs issued by a foreign company instead of common stock of a domestic company;

because some existing holders of CGG ordinary shares may be entitled to two votes for every share they hold if they held such shares for at least two years, the percentage of the voting rights of Veritas stockholders in the combined company following the merger could be less than the percentage of the outstanding share capital of the combined company received by Veritas stockholders pursuant to the merger;

the risk that the expected synergies and other benefits of the merger might not be fully achieved or may not be achieved within the timeframes expected;

the possibility that regulatory or governmental authorities might seek to impose conditions on or otherwise prevent or delay the merger (and that the merger ultimately may not be completed as a result of material burdensome conditions imposed by regulatory authorities or otherwise);

certain of Veritas' directors and officers may have interests in the merger as individuals that are in addition to, or that may be different from, the interests of the Veritas stockholders (see [Interests of the Directors and Executive Officers of Veritas in the Merger](#));

the terms of the merger agreement that create a strong commitment on the part of Veritas to complete the merger;

the limitations on Veritas' ability to solicit other offers as well as the possibility that it could be required to pay an \$85.0 million termination fee in certain circumstances;

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the fees and expenses associated with completing the merger;

the risk that either the Veritas stockholders or the CGG shareholders may fail to approve the merger;

the possibility that Veritas would be required to pay to CGG a \$20.0 million fee as a reasonable estimate of CGG's expenses if the Veritas stockholders do not approve the merger;

the risk that the merger may not be completed and the possible adverse implications for investor relations, management credibility and employee morale under such circumstances;

the risk that a significant number of Veritas stockholders that receive CGG ADSs as merger consideration may cease to hold such CGG ADSs for so long as the combined company remains a foreign private issuer or a company whose executive offices are not in the United States and that is not incorporated in the United States;

the fact that, for U.S. federal income tax purposes, the cash portion of the merger consideration would be taxable to Veritas' stockholders;

the risk that the merger might not be completed, the potential impact of the restrictions under the merger agreement on Veritas' ability to take certain actions during the period prior to the closing of the merger (which may delay or prevent Veritas from undertaking business opportunities that may arise pending completion of the merger), the potential for diversion of management and employee attention and for increased employee attrition during that period and the potential effect of these on Veritas' business and relations with customers and service providers; and

the risks of the type and nature described above under Risk Factors.

The Veritas board of directors weighed the potential benefits, advantages and opportunities of a merger and the risks of not pursuing a transaction with CGG against the risks and challenges inherent in the proposed merger. The Veritas board of directors realized that there can be no assurance about future results, including results expected or considered in the factors listed above. However, the Veritas board of directors concluded that the potential benefits outweighed the risks of consummating the merger with CGG.

After taking into account these and other factors, the Veritas board of directors unanimously determined that the merger agreement was advisable and the transactions contemplated by the merger agreement were in the best interest of the Veritas stockholders, approved the merger with CGG and the other transactions contemplated by the merger agreement, and approved and adopted the merger agreement.

CGG's Reasons for the Merger

By unanimous vote at a meeting held on September 4, 2006, the CGG board of directors determined that the merger agreement and the transactions contemplated by the merger agreement were advisable and in the best interests of the CGG shareholders and approved and adopted the merger agreement and the transactions contemplated thereby, including the merger.

In reaching its conclusion to approve the merger and the merger agreement and recommend that CGG shareholders vote for approval of the issuance of CGG ordinary shares underlying the CGG ADSs in connection with the merger, the issuance of CGG ADSs for delivery upon exercise of outstanding Veritas stock options, convertible debt and equity-based awards and the election of up to five Veritas directors, including Thierry Pilenko, currently chairman and CEO of Veritas, to the board of directors of the combined company (effective as of, and conditioned on, the occurrence of the effective time of the merger), all as required pursuant to the merger agreement, the CGG board of directors considered a number of factors:

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Strategic Considerations

The CGG board of directors considered a number of factors pertaining to the strategic rationale for the merger as generally supporting its decision to enter into the merger agreement, including the following:

the combination of CGG and Veritas will take place in a strong business environment. Decreasing reserves of oil and gas companies have been coupled with growing energy consumption sustained by long-term demand, particularly in China and India. This environment has created a need to accelerate the pace of exploration in new areas, to revisit existing exploration areas with new technologies and to optimize reservoir management to maximize recovery rates. Seismic technology plays a key role in this process and CGG-Veritas, with its combined technology and worldwide geographic fit, is expected to be well positioned to compete to lead and meet the industry's needs;

the combination of CGG and Veritas will create a strong global pure-play seismic company, offering a broad range of seismic services, and, through Sercel, geophysical equipment to the industry across all markets. The business, geographic and client complementarities of CGG and Veritas are expected to respond to the growing demand for seismic imaging and reservoir solutions. CGG-Veritas is expected to be well positioned to provide an improved technological advanced product offering in seismic services as most oil and gas companies attempt to replace diminishing reserves in a more complex exploration environment, to strengthen long-term relationships with a broad range of clients and to improve financial performance through business cycles;

the combination of CGG and Veritas will bring together two companies with strong technological foundations in the geophysical services and equipment market. Both CGG and Veritas have a long tradition in providing seismic services both onshore and offshore. In particular, Veritas' strong offshore positions will effectively complete the repositioning to offshore that CGG has been implementing during the last few years. Both companies already use a broad range of Sercel technologies for their data acquisition activities, thereby providing a homogeneous equipment base for the combined CGG-Veritas. In addition, Veritas' strong focus on North America fits well with CGG's international presence. Combining the two customer bases is expected to provide a good balance between national oil companies (a strong position of CGG), major oil and gas operators (a strong position of both CGG and Veritas) and U.S.-based operators, both majors and independent (a strong position of Veritas). The combined technology and know-how of the two companies will strengthen research and development capabilities to best serve the CGG-Veritas client base with a broader range of technologies that CGG-Veritas will be able to deliver more rapidly to the market;

the addition of Veritas' fleet of seven vessels will create a combined seismic services business operating the world's leading seismic fleet of 20 vessels, including 14 high capacity 3D vessels. Capacity in the combined fleet is well balanced between large (more than 10 streamers), medium (six to eight streamers) and smaller sizes, with all vessels equipped with Sercel's solid or fluid streamers. The combined fleet will provide highly flexible fleet management potential with a balanced distribution of fully owned, chartered, new built and significantly depreciated capacity. Additionally, most of the vessels in the combined fleet have been recently equipped with relatively new technology which will provide CGG-Veritas with a fleet that can be managed without significant investments in the near term;

multi-client services will benefit from two complementary, recent vintage, well-positioned seismic data libraries. For example, offshore, the Veritas library will bring to CGG complementary data in the Gulf of Mexico, with Veritas data library being positioned in the Western and Central Gulf while CGG's data library is in the Central and Eastern Gulf. Data merging from the CGG and Veritas libraries will provide potential for cross imaging enhancement and value creation. Onshore, Veritas' land library offers additional potential in North America. All these benefits take place in a market where a global library portfolio is increasingly attractive to clients;

CGG's and Veritas' respective offerings for land acquisition services represent strong geographical and technological complementarities for high-end positioning and further development of local

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partnerships. Veritas' strong presence in the western hemisphere, in particular North America, complements CGG's main geographic footprint in the eastern hemisphere and its strong focus on the Middle East. In addition, CGG's and Veritas' technological complementarities will enhance CGG-Veritas' land offering, ranging from exploration seismic to field seismic monitoring;

CGG's and Veritas' respective positions in data processing and imaging as well as the skills and reputation of their experts and geoscientists, will allow CGG-Veritas to create the industry reference in this segment, with particular strengths in advanced technologies such as depth imaging, 4D processing and reservoir characterization as well as a close link with clients through dedicated centers;

the merger will not affect Sercel's open technology approach. Sercel will pursue its strategy of maintaining leading edge technology, offering new generations of differentiating products and focusing on key markets; and

with a combined workforce of approximately 7,000 staff operating worldwide, including Sercel, CGG-Veritas will, through continued innovation, be an industry leader in seismic technology, services and equipment with a broad base of customers including independent, international and national oil companies.

Financial Considerations

The CGG board of directors also considered a number of financial factors pertaining to the merger as generally supporting its decision to enter into the merger agreement, including the following:

the merger is expected to result in pre-tax cost and expense savings of approximately \$65 million per year.

Two-thirds of the estimated synergies are anticipated to be achieved within the first year following the merger, with the full synergies expected the year after. CGG expects the synergies to arise from various areas, such as having one public company (CGG-Veritas) instead of two once Veritas common stock is deregistered with the SEC and delisted from the NYSE, the redeployment of support resources towards operations, the rationalization of premises, better utilization of vessels with less transit time between regions and additional revenue potential through the combined multi-client libraries. Implementation costs are estimated at approximately \$20 million in non-recurring expenses (approximately 30% of cost synergies), with 80% occurring in the first year following the merger and 20% in the second year;

in light of perspectives in the seismic market that lead CGG-Veritas to anticipate strong cash flow in the medium-term, CGG believes that it is appropriate and consistent with both the optimization of shareholder value and the maintenance of a strong balance sheet structure to leverage the acquisition with up to \$1.5 billion of additional debt; and

the merger is expected to have a positive impact on 2008 earnings per share of CGG-Veritas, and a broadly neutral impact on 2007 cash earnings per share of CGG-Veritas (cash earnings meaning earnings adjusted to exclude, with related tax impact, all merger integration costs, additional depreciation and amortization of assets resulting from the proration of the purchase price, and other non-recurring items as described in the unaudited pro forma condensed combined financial information and related notes included elsewhere in this proxy statement/prospectus).

Other Transaction Considerations

The CGG board of directors also considered a number of additional factors as generally supporting its decision to enter into the merger agreement, including the following:

the information concerning CGG's and Veritas' respective businesses and financial results, including the results of CGG's due diligence investigation of Veritas;

CGG's management's assessment that it can, working with Veritas managers and employees, effectively and efficiently integrate the Veritas businesses with the corresponding CGG businesses;

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the fact that the board of directors of CGG-Veritas will include representation of former CGG and Veritas stockholders including Thierry Pilenko, currently chairman and CEO of Veritas, who will be proposed for appointment as one of the combined company's new directors;

the fact that the executive offices of CGG-Veritas will be located in France;

the fact that CGG employees will have the opportunity to work across a larger company and benefit from the better competitive position of the combined company;

the separate opinions of CGG's financial advisors, Credit Suisse and Rothschild, to the CGG board of directors as to the fairness, from a financial point of view and as of the date of such opinions, to CGG of the aggregate consideration to be paid by CGG in the merger, as more fully described below under "Opinions of CGG's Financial Advisors" and attached as Annex C and D, respectively;

the terms of the merger agreement that create a strong commitment on the part of Veritas to complete the merger; and

the fact that CGG can terminate the merger agreement in the event of antitrust or other governmental proceedings to require CGG and/or Veritas to materially divest or limit their respective operations.

Risks

The CGG board of directors also identified and considered a number of uncertainties, risks and other potentially negative factors, including the following:

the risks of integrating the operations of two businesses the size of Veritas and CGG, including the risks that integration costs may be greater, and synergy benefits lower, than anticipated by CGG's or Veritas' management;

the risk that the value of CGG-Veritas ordinary shares and CGG-Veritas ADSs following completion of the merger may be adversely affected if CGG-Veritas fails to realize the anticipated cost savings, revenue enhancements and other benefits expected from the merger, or if there are delays in the integration process;

the risk that the current strong seismic cycle might be shorter than currently anticipated by the overall industry;

the risk that regulatory agencies may not approve the merger or may impose terms and conditions on their approvals that adversely affect the future financial results of CGG-Veritas;

the terms of the merger agreement that create a strong commitment on the part of CGG to complete the merger;

the fact that CGG's obligation to consummate the merger is not conditioned upon the receipt of financing;

the risk that the merger might not be completed and the possible adverse implications for investor relations, management credibility and employee morale under such circumstances; and

the risks of the type and nature described above under "Risk Factors."

The CGG board of directors recognized that there can be no assurance about future results, including results expected or considered in the factors listed above. The CGG board of directors concluded, however, that the potential advantages of the merger outweighed its risks.

The foregoing discussion of the information and factors considered by the CGG board of directors is not exhaustive, but includes the material factors considered by it. The CGG board of directors did not quantify or assign relative weights to the specific factors considered in reaching the determination to recommend that CGG shareholders vote for approval of the issuance of CGG ordinary shares and CGG

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ADSs required to be issued pursuant to the merger agreement. In addition, individual directors may have given different weights to different factors. This explanation of CGG's reasons for the proposed merger and all other information presented in this section is forward-looking in nature and, therefore should be read in light of the factors discussed under Cautionary Statement Concerning Forward-Looking Statements.

After careful consideration, the CGG board of directors unanimously resolved that the merger and the other transactions contemplated by the merger agreement, including the issuance of CGG ordinary shares and CGG ADSs, are advisable and approved the merger agreement.

Financial Analysis of the Merger Consideration

Under applicable French law and regulations, the French prospectus (*note d'opération*) relating to the CGG ordinary shares to be issued in connection with the merger must include an assessment of the exchange ratio by the CGG board of directors using a multi-criteria financial analysis. Since this financial analysis has been made available in the French prospectus, a translation of the financial analysis is included in this proxy statement/prospectus. The financial analysis was performed solely to comply with French regulations in connection with the preparation of the French prospectus relating to the CGG ordinary shares to be issued in connection with the merger.

The following is a translation from the French of the original disclosure regarding the financial analysis of the exchange ratio by the CGG board of directors as set forth in the French prospectus relating to the CGG ordinary shares to be issued in connection with the merger. Certain terminology has been conformed to the defined terms used in this proxy statement/prospectus and certain typographical conventions have been conformed to United States usage.

Terms of the Transaction Proposed to Veritas Stockholders

The value of the merger consideration that CGG is offering Veritas stockholders for each share of Veritas common stock will be equal to \$37.00 plus approximately \$1.14 per \$1.00 of average CGG ADS value (see The Merger Agreement Merger Consideration for a description of average CGG ADS value).

Veritas stockholders may elect to receive the merger consideration either in cash, in CGG ADSs or in a combination of cash and CGG ADSs. Regardless of the elections of Veritas shareholders, the aggregate consideration paid by CGG for the acquisition of all of Veritas' share capital at the closing date (including shares of Veritas common stock that may be issued before the closing date pursuant to the exercise of outstanding Veritas stock options or the conversion of Veritas' convertible senior bonds or otherwise) will not exceed \$1.6 billion in cash and 49.8 million newly issued CGG ADSs.

Assuming a hypothetical average CGG ADS value of \$33.33, which was the closing price of CGG ADSs on August 29, 2006 (the last NYSE trading day before the merger was submitted to the Veritas board of directors), the merger consideration would be equal to \$75.00 per share of Veritas common stock (1.14 multiplied by \$33.33, plus \$37.00), representing a 33.5% premium over the closing price of Veritas' common stock on August 29, 2006 of \$56.16. On that same date, the implied exchange ratio of the merger was 2.2501 CGG ADSs per share of Veritas common stock (\$75.00 divided by \$33.33).

The merger consideration had a value of \$[] per share of Veritas common stock on November [], 2006, the latest practicable trading day before the visa date of the French prospectus.

The financial analysis of the merger presented in this section was prepared by reference to the merger consideration, defined as \$1.14 per \$1.00 of average CGG ADS value plus US\$37.00 in cash for each share of Veritas common stock.

Table of Contents**Financial Analysis of the Merger Consideration: Evaluation Criteria*****Preliminary Information***

The valuation methods used in the multi-criteria analysis of the terms of the merger are based on the analyses usually applied in connection with similar transactions, namely:

share price;

trading multiples for comparable listed companies;

multiples in comparable transactions; and

discounted future cash flows.

The forecasted financial results of Veritas were derived from internal projections of Veritas management for the fiscal year 2006 (ended July 31) and projections of CGG management for the fiscal year 2007 and thereafter.

CGG ordinary shares are listed on the Eurolist by Euronext Paris under the symbol `GLE` and trade in ADS form on the New York Stock Exchange under the symbol `GGY`. Shares of Veritas common stock are listed on the New York Stock Exchange under the symbol `VTS`. CGG and Veritas regularly publish their financial results on a quarterly basis. The two companies' shares benefit from wide coverage by equity research analysts following the seismic sector. CGG and Veritas shares are also characterized by a sufficiently large daily trading volume on their respective stock exchanges for the corresponding market prices to be considered relevant.

Financial Analysis of the Merger Consideration***Share Prices***

The table below presents the premium offered by CGG per share of Veritas common stock based on (i) the merger consideration, calculated on the basis of the closing price of CGG ADSs on September 1, 2006 (the last NYSE trading day before the announcement of the merger on September 5, 2006) and August 29, 2006 (the last NYSE trading day before the merger was submitted to the Veritas board of directors) and the volume-weighted average CGG ADS price over several different reference periods ended August 29, 2006 and (ii) the closing price of shares of Veritas common stock on the same dates and for the same periods.

	CGG ADS Price	Veritas Share Price	Implied Merger Consideration Value	Implied Exchange Ratio	Premium/ (Discount)
	(US\$)	(US\$)	(US\$)		
September 1, 2006(1)	33.27	62.18	74.93	2.2521	20.5%
August 29, 2006	33.33	56.16	75.00	2.2501	33.5%
1-month average(2)(3)	34.10	55.73	75.88	2.2249	36.1%
2-month average(2)(3)	33.58	53.83	75.28	2.2420	39.8%
3-month average(2)(3)	34.30	50.97	76.10	2.2188	49.3%
6-month average(2)(3)	33.34	49.33	75.00	2.2499	52.1%
9-month average(2)(3)	30.71	46.62	72.01	2.3449	54.5%
12-month average(2)(3)	26.28	44.05	66.96	2.5478	52.0%
12-month high(3)	40.50	57.27	83.17	2.0536	45.2%
12-month low(3)	16.57	29.48	55.89	3.3730	89.6%

Source: Datastream

Notes:

(1) Closing price on the last NYSE trading day before the announcement of the merger.

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(2) Volume-weighted average over the period.

(3) Period ended August 29, 2006.

Considering the strong increase in the average share prices of companies in the seismic sector during the period prior to the announcement of the merger (for example, the S&P 500 Oil & Gas Equipment & Services index increased by almost 35% during the 12 months ended August 29, 2006), share prices in more recent periods were given greater importance. On the basis of closing prices for CGG ADSs and Veritas shares on August 29, 2006, the volume-weighted average monthly prices ended that date, and the prices available for the two companies preceding the announcement of the merger (September 1, 2006), the merger consideration represents a premium between of between 20.5% and 36.1%.

Comparable Listed Companies

This analysis consists of determining the premium offered by CGG per share of Veritas common stock based on (i) the merger consideration, calculated using the closing price of CGG ADSs on August 29, 2006 and on the last NYSE trading day preceding the announcement of the merger (September 1, 2006) and the volume-weighted average CGG ADS price in the month ended August 29, 2006 and (ii) the value of a share of Veritas common stock implied by applying valuation multiples from a sample of comparable listed companies to the forecasted financial results of Veritas.

The sample of comparable listed companies used is Petroleum Geo-Services, TGS Nopec and Input/ Output.

The multiple of enterprise value over EBITDA net of multi-client library amortization (referred to hereafter as net EBITDA and defined as consolidated operating income before amortization of goodwill and exceptional items plus net depreciation and amortization of tangible assets excluding multi-client library amortization) was employed as it allows one to take into account, inter alia, the impact of different multi-client investment policies adopted by each company. Revenue multiples were not used because they do not take into account the different profitability levels of the companies considered. Net income multiples were also excluded because differing financial structures, interest charges and tax rates among the different companies in the sample did not allow for a direct comparison.

Given the date in 2006 when the merger was announced (September 5, 2006) and the fact that listed companies are valued by the market primarily on the basis of their expected future performance, multiples of 2007 estimated results were emphasized.

To calculate valuation trading multiples, the enterprise value was defined as market capitalization on the last NYSE trading day before the announcement of the merger plus net financial debt plus minority interests (at book value).

For the selected comparable listed companies, the net EBITDA forecasts, reflecting the consensus of financial analysts, were determined from (i) analysts' estimates as available from the I/ B/ E/ S database and/or (ii) where the estimates from I/ B/ E/ S were incomplete, the research reports for each company available before the announcement of the merger (using, for each analyst, the most recent published research report containing a sufficient level of detail).

The average multiple of enterprise value over estimated 2007 net EBITDA of 8.4 times was calculated on the basis of comparable companies' share closing prices on August 29, 2006.

The value per share of Veritas common stock of \$60.41 obtained by applying that multiple to the estimated 2007 financial results of Veritas is compared to the merger consideration in the table below.

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	CGG ADS Price	Implied Merger Consideration Value	Premium/ (Discount)
	(US\$)	(US\$)	
September 1, 2006(1)	33.27	74.93	24.0%
August 9, 2006	33.33	75.00	24.2%
1-month average(2)(3)	34.10	75.88	25.6%

Source: Datastream**Notes:**

(1) Closing price on the last NYSE trading day before the announcement of the merger.

(2) Volume-weighted average over the period.

(3) Period ended August 29, 2006.

Based on the volume-weighted average price for CGG ADSs for the month before the announcement of the merger, the merger consideration implies a premium of between 24.0% and 25.6% relative to the value per share of Veritas common stock implied by the application of the average multiple of enterprise value over estimated 2007 net EBITDA of comparable companies.

Comparable Transactions

This analysis consists of determining the premium offered by CGG per share of Veritas common stock based on (i) the merger consideration, calculated on the basis of the closing price for CGG ADSs on August 29, 2006 and on the last NYSE trading day before the announcement of the merger (September 1, 2006) and the volume-weighted average CGG ADS price in the month ended August 29, 2006 and (ii) the value of the Veritas ordinary share implied by applying the valuation multiples from a sample of comparable transactions in the seismic sector and more generally in the oil services sector to Veritas' historical financial results.

The table below presents the sample of selected comparable transactions.

Date of Announcement	Acquiror	Target
April 20, 2006	Schlumberger Ltd.	Western Geco
November 15, 2004	Siem Offshore Inc.	Subsea 7, Inc.
August 12, 2004	National-Oilwell, Inc.	Varco International, Inc.
February 20, 2002	BJ Services Company	DSCA, Inc.
July 1, 2001	Technip SA	Coflexip SA

As with the analysis of comparable listed companies, the multiple of historical enterprise value over net EBITDA was used.

The table below presents the premium based on (i) the merger consideration, calculated on the basis of the closing price for CGG ADSs price on September 1, 2006 and August 29, 2006 and the volume-weighted average CGG ADS price in the month ended August 29, 2006, and (ii) the value of a share of Veritas common stock of \$71.78 implied by applying the average multiple of enterprise value over net EBITDA of 15.3 times to the financial results of Veritas for 2006 (year ended July 31).

	CGG ADS Price	Implied Merger Consideration Value	Premium/ (Discount)
	(US\$)	(US\$)	
September 1, 2006(1)	33.27	74.93	4.4%
August 9, 2006	33.33	75.00	4.5%
1-month average(2)(3)	34.10	75.88	5.7%

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(1) Closing price on the last NYSE trading day before the announcement of the merger.

(2) Volume-weighted average over the period.

(3) Period ended August 29, 2006.

Based on the volume-weighted CGG ADS price in the month before the announcement of the merger, the merger consideration implies a premium of between 4.4% and 5.7% compared to the value per share of Veritas common stock implied by applying the average multiple of comparable transactions to the net EBITDA of Veritas for the year ended July 31, 2006.

Discounted Future Cash Flows

This analysis consists of determining the premium offered by CGG per share of Veritas common stock based on (i) the merger consideration, calculated on the basis of the closing price for CGG ADSs on September 1, 2006 and August 29, 2006 and on the volume-weighted average CGG ADS price in the month ended August 29, 2006 and (ii) the value of each share of Veritas common stock implied by discounting future Veritas cash flows.

Free future cash flows after taxes were estimated through 2011 as being equal to EBITDA, net of multi-client library amortization, after taking into account tax on operating income, variations in working capital requirements, industrial investments and investments in multi-client surveys. The terminal value after 2011 was calculated by applying to the estimated free cash flow in 2011 a constant growth-rate range of 3.0% to 4.0% for the two companies and a discount rate for both companies ranging from 9.0% to 10.0%.

This analysis was conducted both before and after taking into account cost savings and operational synergies anticipated by CGG management in connection with the proposed merger. Pre-tax synergies are estimated by CGG at \$43 million in 2007 and \$65 million from 2008, with exceptional implementation costs of \$16 million in 2007 and \$4 million in 2008.

Before taking into account expected synergies, this method produces a range of values per Veritas ordinary share of \$59.97 to \$77.73. After taking into account expected synergies, this method produces a range of values per Veritas ordinary share of \$68.24 to \$87.03.

The table below presents the premium based on (i) the merger consideration, calculated on the basis of the closing price for CGG ADSs on September 1, 2006 and on August 29, 2006 and the volume-weighted averaged CGG ADS price in the month ended August 29, 2006, and (ii) the range of values of a share of Veritas common stock implied by the discounting of future free cash flows before and after taking synergies into account.

	CGG ADS Price (US\$)	Implied Merger Consideration Value (US\$)	Premium/(Discount)	
			Before Synergies	After Synergies
September 1, 2006(1)	33.27	74.93	(3.6)% - 24.9%	(13.9)% - 9.8%
August 29, 2006	33.33	75.00	(3.5)% - 25.1%	(13.8)% - 9.9%
1-month average(2)(3)	34.10	75.88	(2.4)% - 26.5%	(12.8)% - 11.2%

Source: Datastream**Notes:**

- (1) Closing price on the last NYSE trading day before the announcement of the merger.
- (2) Volume-weighted average over the period.
- (3) Period ended August 29, 2006.

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On the basis of the CGG ADS price during the month before the announcement of the merger, the merger consideration implies a premium (discount) of between (3.6%) and 26.5% with respect to the value per share of Veritas common stock implied by the discounting of future free cash flows before taking into account synergies and a premium (discount) of between (13.9%) and 11.2% after taking into account synergies.

Summary of Financial Analysis of the Offer

The table below presents a summary of the different methods employed.

Method	Premium/(Discount)
Share prices	20.5% - 36.1%
September 1, 2006(1)	20.5%
August 29, 2006	33.5%
1-month average as of August 29, 2006	36.1%
Comparable listed companies	24.0% - 25.6%
Comparable transactions	4.4% - 5.7%
Discounted free future cash flows before taking synergies into account	(3.6)% - 26.5%
Discounted free future cash flows after taking synergies into account	(13.9)% - 11.2%

Note:

(1) Closing price on the last NYSE trading day before the announcement of the merger.

Criteria not Taken into Consideration

The following methods were not considered relevant in evaluating the terms of the merger:

Book value of net assets;

Adjusted net assets; and

Analysts' target price.

Book value of net assets. This method was not applied because the value of seismic companies is not necessarily reflected in the historical value of their assets.

Adjusted net assets. This approach, which is typically used to value holding companies with minority stakes in diversified businesses, applies neither to CGG nor Veritas, which are companies whose principal business is in the seismic sector and the majority of whose primary subsidiaries are wholly-owned.

Analysts' target price. Because analysts' target prices rely on a multi-criteria approach, this method was considered redundant with the multi-criteria approach used in the financial analysis of the merger.

Opinion of Veritas' Financial Advisor

Goldman Sachs rendered its opinion to the Veritas board of directors that, as of September 4, 2006, and based upon and subject to the factors and assumptions set forth therein, the per share ADS consideration and the per share cash consideration to be received by holders of the shares of Veritas common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated September 4, 2006, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the Veritas board of directors in connection with its consideration of the merger and such opinion does not constitute a recommendation as to how any holder of shares of Veritas common stock should vote or make any election with respect to such merger.

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In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to stockholders and annual reports on Form 10-K of Veritas for the five fiscal years ended July 31, 2005;

annual reports to shareholders and annual reports on Form 20-F of CGG for the five years ended December 31, 2005;

certain interim reports to stockholders and quarterly reports on Form 10-Q of Veritas;

certain interim reports to shareholders of CGG;

certain other communications from Veritas and CGG to their respective shareholders; and

certain internal financial analyses and forecasts for Veritas prepared by its management and certain internal financial analyses and forecasts for CGG prepared by its management, as reviewed and approved by the management of Veritas for use by Goldman Sachs in connection with its opinion, including certain cost savings and operating synergies projected by the management of CGG to result from the merger, as reviewed and approved by the management of Veritas for use by Goldman Sachs in connection with its opinion.

Goldman Sachs also held discussions with members of the senior management of Veritas regarding their assessment of the past and current business operations, financial condition and future prospects of Veritas and with members of the senior managements of Veritas and CGG regarding their assessment of the strategic rationale for, and the potential benefits of, the merger and the past and current business operations, financial condition and future prospects of CGG. In addition, Goldman Sachs reviewed the reported price and trading activity for shares of Veritas common stock and CGG ADSs, compared certain financial and stock market information for Veritas and CGG with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the oil field services industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as Goldman Sachs considered appropriate.

Goldman Sachs relied upon the accuracy and completeness of all of the financial, legal, accounting, tax and other information discussed with or reviewed by it and assumed such accuracy and completeness for purposes of rendering the opinion described above. In that regard, Goldman Sachs assumed that the forecasts, including the synergies, prepared by the management of Veritas and CGG, as the case may be, have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of Veritas and CGG, as the case may be. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Veritas or CGG or any of their respective subsidiaries and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Veritas or CGG or on the expected benefits of the merger in any way meaningful to its analysis.

Goldman Sachs' opinion does not address the underlying business decision of Veritas to engage in the merger nor is Goldman Sachs expressing any opinion as to the prices at which CGG ADSs will trade at any time. Goldman Sachs' opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, September 4, 2006.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the Veritas board of directors in connection with rendering the opinion described above. The following summary, however, does not

purport to be a complete description of the financial analyses performed by

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Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before September 4, 2006, and is not necessarily indicative of current market conditions.

Selected Companies Analysis. Goldman Sachs reviewed and compared certain financial information for Veritas to corresponding financial information and public market multiples for the following publicly traded corporations in the oil field services industry:

CGG;

Petroleum Geo-Services ASA;

Schlumberger Limited; and

TGS-NOPEC Geophysical Company ASA.

Although none of the selected companies is directly comparable to Veritas, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Veritas.

Goldman Sachs also calculated and compared various financial multiples for Veritas based on financial data it obtained from filings with the SEC, press releases, estimates provided by the Institutional Brokerage Estimate System, or IBES, Veritas common stock closing price on September 1, 2006, Veritas common stock closing price on August 29, 2006 and the implied \$74.93 value per share of Veritas common stock to be paid in the merger (calculated based on 1.14 multiplied by \$33.27 (the closing price of CGG ADSs on September 1, 2006) plus \$37.00 in cash). Goldman Sachs also calculated and compared various financial multiples for the selected companies based on financial data it obtained from SEC filings, press releases, IBES estimates and the selected companies common stock closing prices on September 1, 2006.

With respect to Veritas and the selected companies, Goldman Sachs calculated:
price as a multiple of estimated earnings per share, or EPS, for 2006 and 2007;

price as a multiple of estimated cash flow per share for 2006 and 2007; and

price as a multiple of estimated adjusted cash flow per share for 2006 and 2007.
The following table presents the results of this analysis:

Price as a Multiple of	Selected Companies			Veritas			
	Range	Mean	Median	As of 09/01(1)	As of 08/29(1)	As of 08/29-IBES(2)	At \$74.93(1)
2006E EPS	13.5x- 21.4x	16.4x	15.4x	24.0x	21.7x	23.4x	29.0x
2007E EPS	9.0x-16.7x	12.8x	12.8x	23.5x	21.2x	19.7x	28.3x
2006E Cash Flow per Share	7.2x-14.7x	9.2x	7.4x	6.0x	5.4x	5.9x	7.2x
2007E Cash Flow per Share	5.8x-11.8x	7.6x	6.4x	N/A	N/A	4.9x	N/A
2006E Adjusted Cash Flow per Share(3)	9.2x-15.2x	11.8x	11.4x	16.0x	14.4x	15.3x	19.3x
2007E Adjusted Cash Flow per Share(3)	7.7x-12.0x	9.6x	9.4x	N/A	N/A	13.4x	N/A

- (1) Multiples based on calendarized IBES estimates.
- (2) Multiples based on IBES fiscal year estimates.
- (3) Adjusted cash flow per share excludes add-back of amortization of multi-client libraries. Multi-client amortization per Wall Street Research.

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In addition, with respect to Veritas and the selected companies, Goldman Sachs calculated:

enterprise value, which is the market value of common equity (based on fully diluted shares outstanding) plus the book value of debt, plus preferred interest, plus minority interest, less cash, as a multiple of estimated earnings before interest, taxes, depreciation and amortization, or EBITDA, for 2006 and 2007; and

enterprise value as a multiple of estimated adjusted EBITDA for 2006 and 2007.

The following table presents the results of this analysis:

Enterprise Value as a Multiple of:	Selected Companies			Veritas			
	Range	Mean	Median	As of 09/01(1)	As of 08/29(1)	As of 08/29-IBES(2)	At \$74.93(1)
2006E EBITDA	5.7x-11.8x	7.4x	6.1x	5.2x	4.6x	5.1x	6.4x
2007E EBITDA	4.6x- 9.6x	6.2x	5.4x	4.7x	4.2x	4.0x	5.8x
2006E Adjusted EBITDA(3)	7.5x-12.1x	8.9x	7.9x	10.7x	9.4x	10.6x	13.2x
2007E Adjusted EBITDA(3)	5.6x- 9.8x	7.4x	7.1x	10.4x	9.2x	8.2x	12.9x

(1) Multiples based on calendarized IBES estimates.

(2) Multiples based on IBES fiscal year estimates.

(3) Adjusted EBITDA excludes add-back of amortization of multi-client libraries. Multi-client amortization per Wall Street Research.

Discounted Future Share Price Analysis. Goldman Sachs performed illustrative analyses of the present value of the future stock price of Veritas using financial forecasts prepared by the management of Veritas. Goldman Sachs first calculated implied per share future values for shares of Veritas common stock for the mid-year of each fiscal year 2008 and 2009 by applying price to forward adjusted cash flow per share multiples ranging from 12.4x to 14.4x to estimates prepared by Veritas management of fiscal years 2008-2009 adjusted cash flow per share. Goldman Sachs then calculated the present values of the implied per share future values for Veritas common stock by discounting the implied per share future values from January 31, 2008, and January 31, 2009, to September 1, 2006, using discount rates ranging from 10.0% to 12.0%. This analysis resulted in a range of implied present values of \$58.58 to \$71.04 per share of Veritas common stock. Goldman Sachs conducted this same analysis based on estimates prepared by Veritas management of fiscal years 2008-2009 adjusted EBITDA by applying price to forward adjusted EBITDA multiples ranging from 7.2x to 9.2x to estimates prepared by Veritas management of fiscal years 2008-2009 adjusted EBITDA. This analysis resulted in a range of implied present values of \$51.65 to \$68.65 per share of Veritas common stock.

Discounted Cash Flow Analysis. Goldman Sachs performed an illustrative discounted cash flow analysis on Veritas using Veritas management forecasts. Goldman Sachs calculated illustrative terminal value indications per share of Veritas common stock using illustrative terminal value indications at the end of fiscal year 2009 based on last twelve-month multiples ranging from 8.0x estimated 2009 adjusted EBITDA to 10.0x estimated 2009 adjusted EBITDA. These illustrative terminal value indications and cash flows were then discounted to calculate illustrative indications of present values using discount rates ranging from 10.0% to 12.0%. The following table presents the results of this analysis:

**Illustrative Per Share
Value Indications**

Veritas

\$

58.50 - \$73.21

In addition, Goldman Sachs calculated illustrative terminal value indications per share of Veritas common stock using illustrative forward terminal value indications at the end of fiscal year 2008 based on multiples ranging from 7.0x estimated 2009 adjusted EBITDA to 9.0x estimated 2009 adjusted EBITDA. These illustrative terminal value indications and cash flows were then discounted to calculate illustrative

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indications of present values using discount rates ranging from 10.0% to 12.0%. The following table presents the results of this analysis:

	Illustrative Per Share Value Indications
Veritas	\$ 53.89 - \$68.75

Premium Analysis. Goldman Sachs reviewed the historical trading prices and volumes for the shares of Veritas common stock for the three-year period ended September 1, 2006. In addition, Goldman Sachs analyzed the implied \$74.93 value per share of Veritas common stock to be paid in the merger (calculated based on 1.14 multiplied by \$33.27 (the closing price of CGG ADSs on September 1, 2006) plus \$37.00 in cash) in relation to various spot and average trading prices for Veritas common stock.

This analysis indicated that the implied price per share of Veritas common stock to be paid to Veritas stockholders pursuant to the merger represented:

a premium of 20.5% based on the closing price on September 1, 2006 of \$62.18 per share;

a premium of 33.4% based on the closing price on August 29, 2006 of \$56.16 per share;

a premium of 20.5% based on the latest fifty-two-week high market closing price as of September 1, 2006 of \$62.18 per share;

a premium of 154.2% based on the latest fifty-two-week low market closing price as of September 1, 2006 of \$29.48 per share;

a premium of 28.4% based on the latest one-week average market price as of September 1, 2006 of \$58.37 per share;

a premium of 33.2% based on the latest one-month average market price as of September 1, 2006 of \$56.25 per share;

a premium of 42.9% based on the latest three-month average market price as of September 1, 2006 of \$52.45 per share;

a premium of 51.1% based on the latest six-month average market price as of September 1, 2006 of \$49.58 per share;

a premium of 73.5% based on the latest one-year average market price as of September 1, 2006 of \$43.18 per share;

a premium of 167.5% based on the latest three-year average market price as of September 1, 2006 of \$28.01 per share; and

a premium of 20.5% based on the all time high closing price of \$62.18 per share on September 1, 2006.

Pro Forma Merger Analysis. Goldman Sachs prepared illustrative pro forma analyses of the potential financial impact of the merger using estimates for Veritas prepared by Veritas management, and estimates for CGG and synergies estimates prepared by CGG's management, as reviewed and approved by the management of Veritas for use by Goldman Sachs. Goldman Sachs compared the projected 2007 EPS of CGG, on a stand-alone basis, to the

projected 2007 EPS of CGG, on a GAAP and cash basis, following the merger. Cash EPS ignores the effect of any incremental depreciation and amortization as a result of the merger due to asset write-ups. Based on such analyses, the impact of the proposed merger to CGG, on a stand-alone basis, would be dilutive to the projected 2007 EPS on a GAAP basis and approximately neutral to projected 2007 EPS on a cash basis. Goldman Sachs also compared the 2007 projected cash flow per CGG ordinary share, on a stand-alone basis, to the projected 2007 cash flow per CGG ordinary share following the merger. Based on such analyses, the proposed merger would be accretive to the projected 2007 cash flow per CGG ordinary share, on a stand-alone basis.

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The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Veritas or CGG or the contemplated merger.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to the Veritas board of directors as to the fairness from a financial point of view to the holders of Veritas common stock, taken in the aggregate, of the per share ADS consideration and the per share cash consideration. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Veritas, CGG, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecasts.

The merger consideration was determined through arm's-length negotiations between Veritas and CGG and was approved by the Veritas board of directors. Goldman Sachs provided advice to Veritas during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Veritas or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the merger.

As described above, Goldman Sachs' opinion to the Veritas board of directors was one of many factors taken into consideration by the Veritas board of directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex B.

Goldman Sachs and its affiliates, as part of their investment banking business, are continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions as well as for estate, corporate and other purposes. Goldman Sachs has acted as financial advisor to Veritas in connection with, and has participated in certain of the negotiations leading to, the merger contemplated by the merger agreement. Goldman Sachs also may provide investment banking services to Veritas and CGG in the future. In connection with the above-described investment banking services Goldman Sachs may receive compensation.

Goldman Sachs is a full-service securities firm engaged, either directly or through its affiliates, in securities trading, investment management, financial planning and benefits counseling, risk management, hedging, financing and brokerage activities for both companies and individuals. In the ordinary course of these activities, Goldman Sachs and its affiliates may provide such service to Veritas, CGG and their respective affiliates, actively trade the debt and equity securities of Veritas and CGG (or related derivative securities) for their own account and for the accounts of their customers and at any time hold long and short positions of such securities.

The Veritas board of directors selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to a letter agreement, dated July 16, 2006, Veritas engaged Goldman Sachs to act as its financial advisor in connection with the contemplated merger. Pursuant to the terms of this engagement letter, Veritas has agreed to pay Goldman Sachs a transaction fee that is contingent upon consummation of the merger and will be calculated based upon the final value of the merger consideration per share of Veritas common stock, subject to a minimum fee that will be paid only if the merger is consummated.

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Veritas estimates that the aggregate amount of the transaction fee would be approximately \$26.0 million based upon the closing price of CGG ADSs as of November 20, 2006. In addition, Veritas has agreed to reimburse Goldman Sachs for its expenses and to indemnify Goldman Sachs against certain liabilities arising out of its engagement.

Opinions of CGG's Financial Advisors***Opinion of Credit Suisse***

CGG retained Credit Suisse to act as CGG's financial advisor in connection with the merger. In connection with Credit Suisse's engagement, CGG requested that Credit Suisse evaluate the fairness, from a financial point of view, to CGG of the aggregate consideration to be paid by CGG in the merger. On September 4, 2006, the CGG board of directors met to review the proposed merger and the terms of the merger agreement. During this meeting, Credit Suisse reviewed with the board certain financial analyses as described below and rendered its oral opinion to the CGG board, which opinion was confirmed by delivery of a written opinion dated September 4, 2006 to the effect that, as of that date and based on and subject to the matters described in its opinion, the aggregate consideration to be paid by CGG in the merger was fair, from a financial point of view, to CGG.

The full text of Credit Suisse's written opinion, dated September 4, 2006, to the CGG board of directors, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the scope of the review undertaken by Credit Suisse in rendering its opinion, is attached as Annex C and is incorporated into this proxy statement/ prospectus by reference in its entirety. You are encouraged to read this opinion carefully in its entirety. Credit Suisse's opinion was provided to the CGG board of directors for its information in connection with its evaluation of the aggregate consideration payable by CGG in the merger and relates only to the fairness of the aggregate consideration from a financial point of view to CGG, does not address any other aspect of the proposed merger and does not constitute a recommendation to any securityholder as to how such securityholder should vote or act on any matter relating to the merger. The summary of Credit Suisse's opinion in this proxy statement/ prospectus is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Credit Suisse reviewed a draft dated September 4, 2006 of the merger agreement and certain publicly available business and financial information relating to CGG and Veritas. Credit Suisse also reviewed certain other information relating to CGG and Veritas, including financial forecasts and estimates relating to CGG and Veritas, provided to or discussed with Credit Suisse by CGG and Veritas and met with the managements of CGG and Veritas to discuss the business and prospects of CGG and Veritas, respectively. Credit Suisse also considered certain financial and stock market data of CGG and Veritas and compared that data with similar data for other publicly held companies in businesses Credit Suisse deemed similar to those of CGG and Veritas and considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which have been effected or announced. Credit Suisse also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which it deemed relevant.

In connection with its review, Credit Suisse did not assume any responsibility for independent verification of any of the foregoing information and relied on such information being complete and accurate in all material respects. The financial forecasts relating to Veritas which Credit Suisse was provided were prepared by the management of Veritas (and adjusted by the management of CGG) through calendar year 2007 and were prepared by the management of CGG for calendar years 2008 through 2011. With respect to the financial forecasts and estimates for CGG and Veritas that Credit Suisse reviewed, Credit Suisse was advised, and assumed, that such forecasts and estimates for CGG were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of CGG as to the future financial performance of CGG and that such forecasts (including adjustments to such forecasts) and estimates for Veritas were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of CGG and Veritas, as the case may be, as to the future financial performance of Veritas and the other matters covered by such forecasts

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and estimates. With respect to the estimates provided to Credit Suisse by the management of CGG as to the cost savings and synergies anticipated to result from the merger, Credit Suisse was advised by the management of CGG, and assumed, that such estimates were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of CGG. Credit Suisse assumed, with CGG's consent, that the financial results (including potential cost savings and synergies) reflected in the forecasts and estimates that Credit Suisse reviewed would be realized in the amounts and at the times indicated in all respects material to Credit Suisse's analyses. Credit Suisse also assumed, with CGG's consent, that the total number of shares of Veritas common stock outstanding immediately prior to the effective time of the merger of Volnay Acquisition Co. I with Veritas would not vary materially from the estimate provided by Veritas to CGG.

Credit Suisse assumed, with CGG's consent, that the merger would qualify for federal income tax purposes as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended. Credit Suisse also assumed, with CGG's consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on CGG, Veritas or the contemplated benefits of the merger, that the merger would be consummated in accordance with the terms of the merger agreement, without waiver, modification or amendment of any material term, condition or agreement of the merger agreement and that Veritas would not effect any other material disposition or acquisition transactions. Representatives of CGG advised Credit Suisse, and Credit Suisse further assumed that the merger agreement, when executed, would conform to the draft reviewed by Credit Suisse in all respects material to its analyses.

In addition, Credit Suisse was not requested to, and did not, make an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of CGG or Veritas, nor was Credit Suisse furnished with any such evaluations or appraisals. Credit Suisse's opinion addressed only the fairness, from a financial point of view and as of the date of the opinion, to CGG of the aggregate consideration to be paid by CGG in the merger and did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise. Credit Suisse's opinion was necessarily based upon information made available to it as of the date of the opinion and financial, economic, market and other conditions as they existed and could be evaluated on the date of the opinion. Credit Suisse's opinion also was based on certain assumptions as to industry cycles for oil and gas service businesses, which are subject to significant volatility and which, if different than as assumed, could have a material impact on Credit Suisse's analyses. Credit Suisse did not express any opinion as to what the value of CGG ADSs or the underlying CGG ordinary shares represented by CGG ADSs would be when issued to the holders of shares of Veritas common stock or the prices at which CGG ADSs or CGG ordinary shares would trade at any time. Credit Suisse's opinion did not address the relative merits of the merger as compared to alternative transactions or strategies that might be available to CGG, nor does it address the underlying business decision of CGG to proceed with the merger. Except as described above, CGG imposed no other limitations on Credit Suisse with respect to the investigations made or procedures followed in rendering the opinion.

In preparing its opinion, Credit Suisse performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse's analyses described below is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. Credit Suisse arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

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In its analyses, Credit Suisse considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of CGG and Veritas. No company, transaction or business used in Credit Suisse's analyses as a comparison is identical to CGG or Veritas or the proposed merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Credit Suisse's analyses are inherently subject to substantial uncertainty.

Credit Suisse was not requested to, and it did not, recommend the specific consideration payable in the proposed merger, which consideration was determined between CGG and Veritas, and the decision to enter into the merger was solely that of the CGG board of directors. Credit Suisse's opinion and financial analyses were only one of many factors considered by the CGG board of directors in its evaluation of the proposed merger and should not be viewed as determinative of the views of the CGG board of directors or CGG's management with respect to the merger or the aggregate consideration. Credit Suisse's opinion and financial analyses were not prepared for the purposes of, or with a view toward compliance with, Article 262-1 of the General Regulations of the AMF and its Instruction No. 2006-08 dated July 25, 2006 on independent expertise. Credit Suisse assumes no responsibility for the description of its opinion or analyses or any other references to Credit Suisse or such opinion or analyses in the Lehman Brothers report attached hereto as Annex E.

The following is a summary of the material financial analyses reviewed with the CGG board of directors in connection with Credit Suisse's opinion dated September 4, 2006. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse's financial analyses.** For purposes of this summary of Credit Suisse's analyses, the term implied per share value of the aggregate consideration payable in the merger refers to the estimated per share value of the aggregate consideration to be paid by CGG in the merger of \$74.93 based on the per share closing price of CGG ADSs on September 1, 2006 of \$33.27 and the estimate provided by Veritas to CGG of the total number of shares of Veritas common stock outstanding immediately prior to the effective time of the merger of Volnay Acquisition Co. I with Veritas.

Veritas Financial Analyses***Discounted Cash Flow Analysis.***

Credit Suisse performed a discounted cash flow analysis of Veritas to calculate the estimated present value of the unlevered, after-tax free cash flows, calculated as earnings before interest, deferred taxes, depreciation and amortization (including multi-client amortization, referred to as MCA) and after taking into account changes in working capital and capital expenditures, that Veritas could generate from August 1, 2006 through fiscal year 2011, both before and after giving effect to potential cost savings and synergies anticipated by CGG's management to result from the proposed merger. Estimated fiscal years 2006 and 2007 financial data of Veritas were based on internal estimates of Veritas' management as adjusted by CGG's management, and estimated financial data of Veritas for fiscal years 2008 through 2011 were based on estimates of CGG's management. Credit Suisse calculated terminal values of Veritas by applying to Veritas' fiscal year 2011 estimated unlevered, after-tax free cash flow a range of perpetuity growth rates of 3.0% to 4.0%. The present value of the cash flows and terminal values were calculated

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using discount rates ranging from 9.0% to 10.0%. This analysis indicated the following implied per share equity reference ranges for Veritas both before and after giving effect to potential cost savings and synergies resulting from the merger, as compared to the implied per share value of the aggregate consideration payable in the merger:

Implied Per Share Equity Reference Ranges for Veritas

Without Cost Savings and Synergies	With Cost Saving and Synergies	Implied Per Share Value of the Aggregate Consideration Payable in the Merger
\$ 59.67 - \$77.39	\$ 68.00 - \$86.74	\$74.93

Selected Public Company Analysis.

Credit Suisse reviewed financial and stock market information of Veritas, CGG and the following three selected publicly traded companies in the oil and gas services industry:

Petroleum Geo-Services ASA

Input/ Output, Inc.

TGS-NOPEC Geophysical Company ASA

Credit Suisse reviewed, among other things, enterprise values of the selected companies as a multiple of calendar years 2006 and 2007 estimated earnings before interest, taxes, depreciation and amortization, referred to as EBITDA, after MCA. Credit Suisse also reviewed market values of the selected companies as multiples of calendar years 2006 and 2007 estimated net income and estimated after-tax cash flow, calculated as earnings before deferred taxes, depreciation and amortization (including MCA). Credit Suisse then applied a range of selected multiples of such financial data derived from the selected companies to corresponding financial data of Veritas. All multiples were based on closing stock prices on September 1, 2006. Estimated financial data of the selected companies were based on publicly available research analysts' estimates. Estimated financial data of Veritas were based on internal estimates of Veritas' management as adjusted by CGG's management. This analysis indicated the following implied per share equity reference range for Veritas, as compared to the implied per share value of the aggregate consideration payable in the merger:

**Implied Per Share Equity
Reference Range for Veritas**

\$ 52.92 - \$64.33

**Implied Per Share Value of the Aggregate
Consideration Payable in the Merger**

\$74.93

Selected Transactions Analysis.

Credit Suisse reviewed the transaction values of the following 11 selected transactions in the oil and gas services industry:

Acquiror**Target**

Schlumberger N.V.
SEACOR Holdings Inc.
National-Oilwell, Inc.
BJ Services Company
Veritas
Technip SA

Baker Hughes Incorporated (WesternGeco)
Seabulk International, Inc.
Varco International, Inc.
Great Lakes Chemical Corporation/ OSCA, Inc.
Petroleum Geo-Services ASA
Coflexip SA

Tuboscope Inc.
Schlumberger N.V.
Baker Hughes Incorporated
EVI, Inc.
Halliburton Company

Varco International, Inc.
Camco International, Inc.
Western Atlas Inc.
Weatherford Enterra, Inc.
Dresser Industries, Inc.

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Credit Suisse reviewed, among other things, transaction values of the selected transactions as a multiple of latest 12 months EBITDA. Credit Suisse then applied a range of selected latest 12 months EBITDA multiples derived from the selected transactions to Veritas' fiscal year ended July 31, 2006 estimated EBITDA after MCA. Financial data of the selected transactions were based on publicly available information at the time of announcement of the relevant transactions. Estimated financial data of Veritas were based on internal estimates of Veritas' management. This analysis indicated the following implied per share equity reference range for Veritas, as compared to the implied per share value of the aggregate consideration payable in the merger:

**Implied Per Share Equity
Reference Range for Veritas**

\$ 57.49 - \$68.90

**Implied Per Share Value of the Aggregate
Consideration Payable in the Merger**

\$74.93

CGG Financial Analyses

Discounted Cash Flow Analysis.

Credit Suisse performed a discounted cash flow analysis of CGG to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that CGG could generate from July 1, 2006 through fiscal year 2011 based on internal estimates of CGG's management. Credit Suisse calculated terminal values of CGG by applying to CGG's fiscal year 2011 estimated unlevered, after-tax free cash flow a range of perpetuity growth rates of 3.5% to 4.5%. The present value of the cash flows and terminal values were calculated using discount rates ranging from 10.0% to 11.0%. This analysis indicated the following implied per share reference range for CGG ADSs, as compared to the per share closing price of CGG ADSs on September 1, 2006:

**Implied Per Share Reference
Range for CGG ADSs**

\$ 32.96 - \$44.19

**Per Share Closing Price of CGG
ADSs on September 1, 2006**

\$33.27

Selected Public Company Analysis.

Credit Suisse reviewed financial and stock market information of CGG, Veritas and the selected publicly traded companies in the oil and gas services industry referred to above under the heading Veritas Financial Analyses Selected Public Company Analysis. Credit Suisse reviewed, among other things, enterprise values of the selected companies as a multiple of calendar years 2006 and 2007 estimated EBITDA after MCA. Credit Suisse also reviewed market values of the selected companies as multiples of calendar years 2006 and 2007 estimated net income and estimated after-tax cash flow. Credit Suisse then applied a range of selected multiples of such financial data derived from the selected companies to corresponding financial data of CGG. All multiples were based on closing stock prices on September 1, 2006. Estimated financial data of the selected companies were based on publicly available research analysts' estimates. Estimated financial data of CGG were based on internal estimates of CGG's management. This analysis indicated the following implied per share reference range for CGG ADSs, as compared to the per share closing price of CGG ADSs on September 1, 2006:

**Implied Per Share Reference
Range for CGG ADSs**

\$ 32.10 - \$38.75

**Per Share Closing Price of CGG
ADSs on September 1, 2006**

\$33.27

Selected Transactions Analysis.

Credit Suisse reviewed the transaction values of the selected transactions in the oil and gas services industry referred to above under the heading Veritas Financial Analyses Selected Transaction Analysis. Credit Suisse

reviewed, among other things, transaction values of the selected transactions as a multiple of latest 12 months EBITDA. Credit Suisse then applied a range of selected latest 12 months EBITDA multiples derived from the selected transactions to CGG's latest 12 months ended June 30, 2006 estimated EBITDA after MCA. Financial data of the selected transactions were based on publicly

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available information at the time of announcement of the relevant transactions. Estimated financial data of CGG were based on internal estimates of CGG's management. This analysis indicated the following implied per share reference range for CGG ADSs, as compared to the per share closing price of CGG ADSs on September 1, 2006:

Implied Per Share Reference Range for CGG ADSs	Per Share Closing Price of CGG ADSs on September 1, 2006
\$ 42.63 - \$54.27	\$33.27

Miscellaneous

CGG selected Credit Suisse based on Credit Suisse's qualifications, experience and reputation, and its familiarity with CGG and its business. Credit Suisse is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

From time to time, Credit Suisse and its affiliates in the past have provided, currently are providing and in the future may provide investment banking and other financial services to CGG unrelated to the proposed merger, for which Credit Suisse and its affiliates have received, and would expect to receive, compensation. In addition, Credit Suisse and certain of its affiliates will be participating in the financing for the merger, for which Credit Suisse and such affiliates will receive compensation. See CGG Recent Developments Bridge Loan Facility. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for its and its affiliates' own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of CGG and Veritas, as well as provide investment banking and other financial services to such companies.

CGG has agreed to pay Credit Suisse for its financial advisory services in connection with the merger an aggregate fee currently estimated to be \$11.0 million, a significant portion of which is contingent upon the consummation of the merger. A portion of such fee became payable upon delivery of Credit Suisse's opinion. In addition, CGG has agreed to reimburse Credit Suisse for its reasonable expenses, including fees and expenses of legal counsel and any other advisor retained by Credit Suisse, and to indemnify Credit Suisse and related parties against certain liabilities and other items, including liabilities under the federal securities laws, arising out of its engagement.

Opinion of Rothschild Inc.

CGG retained Rothschild to serve as financial advisor to CGG in connection with the merger. In connection with this engagement, the CGG board of directors requested that Rothschild evaluate the fairness to CGG, from a financial point of view, of the amount of the total consideration to be delivered by CGG in respect of all outstanding common stock of Veritas, pursuant to the merger agreement. For purposes of its opinion, Rothschild assumed that total consideration equating to \$74.93 per share will be delivered by CGG in respect of Veritas common stock (the

Consideration) pursuant to the terms and subject to the conditions set forth in the merger agreement. On September 4, 2006, Rothschild orally expressed to the CGG board of directors its opinion, confirmed by delivery of a written opinion to the CGG board of directors, dated as of September 4, 2006, to the effect that, based upon the assumptions made and matters considered and in reliance thereon, as of the date of such opinion, the amount of the consideration to be delivered by CGG in respect of each share of Veritas common stock pursuant to the merger was fair to CGG from a financial point of view.

The full text of Rothschild's written opinion dated September 4, 2006, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this proxy statement/prospectus as Annex D and the summary of Rothschild's opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of such

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opinion. We encourage stockholders to read this opinion carefully and in its entirety. Rothschild's opinion was provided for the information of the CGG board of directors in connection with its evaluation of the merger, did not constitute a recommendation to the CGG board of directors to approve the merger, and does not constitute a recommendation to any stockholder as to how such stockholder should vote with respect to the merger or any other matter. Rothschild's opinion does not address, and Rothschild expressed no view as to, the merits of the underlying decision by CGG to engage in the merger or any aspect of the merger other than the amount of the Consideration.

In arriving at its opinion, Rothschild, among other things:

reviewed the financial terms and conditions of the draft of the merger agreement dated September 3, 2006;

reviewed certain publicly available business and financial information relating to CGG and Veritas that Rothschild deemed to be relevant;

reviewed certain unaudited financial statements relating to each of CGG and Veritas and certain other financial and operating data, including financial forecasts, concerning their respective businesses provided to or discussed with Rothschild by management;

held discussions with management of each of CGG and Veritas regarding the past and current operations and financial condition and prospects of the respective companies;

reviewed the reported price and trading activity for the shares of Veritas common stock;

compared certain financial performance information for each of CGG and Veritas with similar information for certain publicly traded companies that Rothschild deemed to be relevant;

reviewed, to the extent publicly available, the financial terms of certain transactions that Rothschild deemed to be relevant; and

considered such other factors and information as Rothschild deemed appropriate.

In the course of its analysis and in rendering its opinion, Rothschild did not assume any obligation independently to verify any of the financial or other information utilized or considered by Rothschild in formulating its opinion and relied on such information, including all information that was provided to Rothschild by CGG or Veritas, being accurate and complete in all material respects. Rothschild did not make any review of and did not seek or obtain advice of legal counsel regarding legal matters relating to CGG and Veritas, and understood that CGG has relied and will rely only on the advice of its legal counsel as to such matters. With respect to the financial forecasts for CGG and Veritas provided to or otherwise discussed with Rothschild, including the expected cost savings and other potential synergies projected to result from the merger and the amount, timing and achievability thereof, Rothschild was advised, and assumed, that these forecasts and information, including as to such expected cost savings and other potential synergies, were reasonably prepared on bases reflecting the best available estimates and judgments of the management of CGG or Veritas as to the future financial performance of the respective companies and the other matters covered thereby. Rothschild also assumed that such expected cost savings and other potential synergies projected by CGG management to result from the merger will be realized as so projected and Rothschild expressed no view as to the reasonableness of these forecasts and projections or the assumptions on which they are based.

Rothschild assumed that there had not occurred any material change in the assets, financial condition, results of operations, business or prospects of CGG or Veritas since the respective dates of the most recent financial statements or other financial and business information relating to CGG and Veritas that were made available to Rothschild. Rothschild further assumed, in all respects material to Rothschild's analysis, that the representations and warranties of the parties contained in the merger agreement are true and correct, that each of the parties to the merger agreement will perform all of the covenants and agreements to be performed by it under the merger agreement, and that the

merger would be consummated in all material respects in accordance with the terms and conditions described in the merger agreement

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(including without limitation qualification as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code) without any waiver or modification thereof. Rothschild also assumed that the material governmental, regulatory or other consents and approvals required in connection with the consummation of the merger would be obtained without any effect adverse on CGG or Veritas on the expected benefits of the merger in any way meaningful to Rothschild's analysis.

Rothschild did not assume responsibility for making an independent evaluation, appraisal or physical inspection of any of the assets or liabilities (contingent or otherwise) of CGG or Veritas, nor was Rothschild provided with the results of any such evaluation, appraisal or inspection. Rothschild assumed that the final merger agreement would be the same as the September 3, 2006 draft of the merger agreement that was reviewed by Rothschild in rendering its opinion. Rothschild's opinion was necessarily based on economic, monetary and market and other conditions as in effect on, and the information made available to Rothschild as of, the date of its opinion. Accordingly, although developments subsequent to the date of Rothschild's opinion may affect its opinion, Rothschild has not assumed any obligation to update, revise or reaffirm its opinion.

The type and amount of consideration payable pursuant to the merger agreement was determined through negotiation between CGG and Veritas and the decision to approve the merger was solely that of CGG and its board of directors. While Rothschild provided advice to CGG during its negotiations with Veritas, Rothschild did not, however, recommend to CGG or the CGG board of directors any specific amount of consideration to be paid in the merger. In addition, Rothschild expressed no opinion as to the price at which CGG ordinary shares or CGG ADSs may trade at any time. Rothschild's opinion to the CGG board, and the financial analyses performed in that connection, were not prepared for purposes of Article 262-1 of the General Regulations of the AMF and its Instruction no. 2006-08 dated July 25, 2006 on independent expertise or with a view to compliance with such regulations or the requirements of any other regulatory authority. Rothschild assumes no responsibility for any description of, or reference to, Rothschild, its opinion or its financial analyses included in the Lehman Brothers report attached hereto as Annex E.

Summary of Rothschild's Financial Analyses

The following is a summary of the material financial analyses reviewed by Rothschild with the CGG board of directors in connection with the rendering of its opinion. The summary of these analyses is not a comprehensive description of all analyses and factors considered by Rothschild. Certain of the information in this section is presented in tabular form. In order to understand the financial analyses performed by Rothschild, these tables must be read together with the text of each summary. Considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Rothschild's opinions.

Rothschild performed a variety of financial and comparative analyses for purposes of rendering its opinion and no one method of analysis should be regarded as critical to the overall conclusion reached by Rothschild. Each method of analysis has inherent strengths and weaknesses, and the nature of the available information may further affect the value of any particular analysis. The preparation of an opinion such as this is a complex process and is not necessarily susceptible to partial analysis or summary description. The conclusion reached by Rothschild is based on all analyses and factors taken as a whole and also on application of Rothschild's experience and judgment, and such conclusion may involve significant elements of subjective judgment and qualitative analysis. Rothschild believes that selecting any portion of its analyses, without considering all of them, would create an incomplete view of the process underlying its analyses and opinion. In its analyses, Rothschild considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of CGG, Veritas and Rothschild. No company, transaction or business referred to in those analyses for comparative purposes is identical to CGG or Veritas or the proposed merger, and an evaluation of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other

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factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed.

Rothschild prepared these analyses for purposes of Rothschild providing its opinion to the CGG board of directors as to the fairness to CGG from a financial point of view of the amount of the consideration to be paid by CGG in the merger. The estimates contained in Rothschild's analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Rothschild's analyses and estimates are inherently subject to substantial uncertainty and Rothschild does not assume responsibility if future results are materially different from those reflected in any analysis.

Rothschild's opinion and analyses were only one of many factors considered by the CGG board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the CGG board of directors or management with respect to the merger.

Comparable Companies Analysis

Using information obtained by Rothschild from public filings, estimates of the Institutional Brokers Estimate System (IBES), Datastream and brokers reports, Rothschild compared certain financial measures and metrics of Veritas to those of the following publicly traded companies that generally have certain similar operating and financial characteristics to Veritas. The financial measures and metrics included Enterprise Value (EV) as a multiple of earnings before interest, taxes, depreciation and amortization (EBITDA), EBITDA after Multi-Client Amortization (MCA), and earnings before interest and taxes (EBIT), as estimated by Veritas and CGG management for calendar year 2006 and projected by CGG management for calendar year 2007. The companies (the Selected Companies), considered comparable in certain respects, consisted of:

Petroleum Geo-Services ASA

TGS NOPEC Geophysical Company ASA

Seitel

Fugro

This analysis indicated a reference range of implied values per share as summarized below and as compared to the assumed total consideration equating to \$74.93 per share. The following analysis does not include a control premium.

	Reference Range of Implied Values per Share		Assumed Total Consideration per Share in Merger
EV/ EBITDA	\$49.44 to \$68.83 (excluding Fugro)	\$	74.93
EV/ EBITDA after MCA	\$43.43 to \$66.06	\$	74.93
EV/ EBIT	\$40.60 to \$72.83	\$	74.93

EBITDA after MCA takes into account amortization of the large capital expenditures incurred to build the multi-client library and realize revenues and operating profits.

Rothschild selected the Selected Companies because they have certain similar operating and financial characteristics to Veritas. However, because of the inherent differences between the business, operations and prospects of Veritas and the business, operations and prospects of the Selected Companies, no company is directly comparable to Veritas. As a result, these analyses are not purely mathematical, but also take into account differences in financial and operating characteristics of the subject companies and other factors that could affect the ratios that

were considered by Rothschild for the Selected Companies as

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compared to those for Veritas. Rothschild noted, among other things, that current trading prices for companies such as the Selected Companies do not intrinsically include a control premium.

Selected Precedent Transactions Analysis

Using information obtained by Rothschild from public filings, press releases and third party research reports, Rothschild reviewed and compared the multiple of EV to LTM EBITDA after MCA agreed to be paid in nine acquisition transactions involving companies that Rothschild, based on its experience with merger and acquisition transactions, deemed relevant to arriving at its opinion. LTM refers to the last twelve-month period for which financial data for the company at issue has been reported. Rothschild reviewed the following transactions:

Date Announced	Acquiror	Target
April 20, 2006	Schlumberger Ltd.	WesternGeco
March 16, 2005	SEACOR Holdings Inc.	Seabulk International, Inc.
August 29, 2005	Compagnie Générale de Géophysique	Exploration Resources ASA
November 15, 2004	Siem Offshore Inc.	Subsea 7 Inc.
September 1, 2004	Compagnie Générale de Géophysique	Petroleum Geo-Services (Seismic Business)
August 12, 2004	National-Oilwell, Inc.	Varco International, Inc.
February 20, 2002	BJ Services Company	OSCA Inc.
November 26, 2001	Veritas DGC Inc.	Petroleum Geo-Services ASA
July 1, 2001	Technip SA	Coflexip SA

This analysis, based on multiples for selected transactions, indicated a reference range of implied values per share of \$56.00 to \$79.09 per share.

EV/ LTM EBITDA after MCA data takes into account amortization of the large capital expenditures incurred to build the Multi-Client library and realize revenues and operating profits.

Rothschild selected the precedent transactions on the basis of various factors, including size and similarity of the line of business of the relevant entities. However, no precedent transaction is identical to the merger. As a result, these analyses are not purely mathematical, but also take into account differences in financial and operating characteristics of the subject companies and other factors that could affect the transactions referred to as precedent. Rothschild noted, among other things, that precedent transactions typically include control premiums paid by the acquiror.

Discounted Cash Flow Analysis

As part of its analysis, and in order to refer to an estimated implied present value reference range for Veritas common stock, Rothschild also prepared discounted cash flow analyses for Veritas of unlevered, after-tax free cash flows based on CGG's management projections for the period from September 1, 2006 through December 31, 2006 and for the calendar years ended December 31, 2007 through December 31, 2010. These management projections were discounted using discount rates ranging from 10.0% to 12.0%, based on estimates related to the weighted average costs of capital for companies in businesses similar to Veritas and CGG. The analysis also used assumed terminal values which were calculated as terminal multiples ranging from 10.0x Veritas estimated EBITDA after MCA to 12.0x Veritas estimated EBITDA after MCA.

Based on the projections and assumptions set forth above, the discounted cash flow analysis of Veritas yielded an implied valuation range for shares of Veritas common stock of \$59.42 to \$72.20 per share. With the inclusion of expected cost savings and other potential synergies projected by CGG management to result from the merger, as well as management's estimates of the implementation costs to realize such cost savings and other potential synergies and preliminary estimates of the transaction costs to consummate the

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merger, the valuation yielded an implied valuation reference range for shares of Veritas common stock of \$70.99 to \$86.76 per share.

Miscellaneous

Under the terms of Rothschild's engagement by CGG, CGG agreed to pay Rothschild a fee upon delivery of its opinion, as well as certain additional fees for its services, in an aggregate amount currently estimated at \$11 million, a significant portion of which is contingent upon consummation of the merger. CGG has also agreed to reimburse Rothschild for reasonable expenses incurred by Rothschild in performing its services, including fees and expenses of its legal counsel, and to indemnify Rothschild and related persons against liabilities, including liabilities under the federal securities laws, arising out of its engagement.

CGG selected Rothschild as financial advisor to CGG based on Rothschild's qualifications, experience and reputation and its familiarity with CGG and its business. Rothschild is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, restructurings, private placements and other matters.

Rothschild or its affiliates have in the past performed certain investment banking services for CGG and received customary fees for such services. In the ordinary course of business, Rothschild or its affiliates may trade the securities of CGG and/or Veritas for its own and their own accounts or for the accounts of customers and may at any time hold a long or short position in such securities.

Report of Lehman Brothers

Given the significant nature of the proposed merger, on September 18, 2006, the AMF requested that the CGG board of directors obtain an independent financial assessment of the fairness to CGG, from a financial point of view, of the consideration to be paid by CGG upon consummation of the proposed merger. Therefore, the CGG board of directors engaged Lehman Brothers, effective October 10, 2006 as an independent financial expert within the meaning of the rules of the AMF to deliver the report as requested by the AMF. Lehman Brothers does not admit to being an independent expert under any rules or regulations applying to the merger, the French prospectus (*note d'opération*) or this proxy statement/prospectus (other than the applicable rules of the AMF) or subject to rules applicable to experts in other contexts.

Lehman Brothers is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The CGG board of directors selected Lehman Brothers because of its expertise, reputation and familiarity with the oil services industry and because its investment banking professionals have substantial experience in transactions comparable to the merger.

As compensation for Lehman Brothers' delivery of its report, CGG has agreed to pay Lehman Brothers 300,000 (approximately \$392,430) upon the delivery of the report. In addition, CGG has agreed to reimburse Lehman Brothers for reasonable out-of-pocket expenses incurred in preparing the report and to indemnify Lehman Brothers for certain liabilities that may arise out of its engagement by CGG and the rendering of the report. These amounts are payable without regard to whether the proposed merger is consummated.

Lehman Brothers was engaged by the CGG board of directors after it and the Veritas board of directors had approved the merger agreement and the agreement had been executed by both companies. Therefore, neither the CGG nor the Veritas board of directors considered Lehman Brothers' report when making its decision to enter into the merger agreement.

In the ordinary course of its business, Lehman Brothers and its affiliates may actively trade in the debt or equity securities of CGG and Veritas for their own accounts and for the accounts of their

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customers and, accordingly, may at any time hold a long or short position in such securities. In addition, in the last two years, an affiliate of Lehman Brothers holding convertible bonds issued by CGG participated in the negotiation of a debt restructuring in its capacity as a convertible bond holder, and an affiliate of Lehman Brothers acted as sole bookrunner in a sale by a CGG investor of its CGG shares.

On November 9, 2006, Lehman Brothers delivered its report to the CGG board of directors that, based on public and other information made available to Lehman Brothers by CGG, various assumptions made by CGG (in particular, assumptions made concerning the level of synergies expected to result from the consummation of the proposed merger) and the features of the merger described in Lehman Brothers' written report, the value as of November 9, 2006 of the consideration to be paid by CGG upon the consummation of the proposed merger was fair to CGG from a financial point of view. Lehman Brothers' report, dated November 9, 2006, was delivered in French and is governed by French law.

An English translation from the original French text of Lehman Brothers' report, as set forth in the French prospectus, is attached to this proxy statement/prospectus as Annex E. The translation is included in this proxy statement/prospectus because the report is available in the French prospectus relating to the merger of CGG and Veritas and the shares to be issued in the merger.

The English translation of the report attached to this proxy statement/prospectus is provided for informational purposes only and is qualified in its entirety by reference to the original French-language report filed with the AMF. Lehman Brothers disclaims any responsibility for any errors or omissions in the translation.

You are encouraged to read the English translation of Lehman Brothers' report in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations to the review undertaken. Lehman Brothers' report is directed to the CGG board of directors and does not constitute a recommendation to any shareholder as to how such shareholder should vote with respect to the merger.

Interests of the Directors and Executive Officers of Veritas in the Merger

In considering the recommendation of the Veritas board of directors with respect to the merger agreement, you should be aware that some of Veritas' directors and executive officers have interests in the merger and have arrangements that may be different from, or in addition to, those of the Veritas stockholders generally. These interests and arrangements may be deemed to create potential conflicts of interest. The Veritas board of directors was aware of these interests and considered them, among other matters, in making its recommendation.

Board of Directors

Up to five members of the Veritas board of directors may be appointed to the board of directors of the combined company. In particular, Thierry Pilenko, Chairman and Chief Executive Officer of Veritas, will be proposed for appointment as one of the combined company's new directors.

Employment Agreements

Veritas has employment agreements with each of Messrs. Thierry Pilenko, Timothy L. Wells, Mark E. Baldwin, Dennis S. Baldwin, Vincent M. Thielen and Larry L. Worden. In the event of a termination without cause by Veritas or by the executive officer for good reason (as defined in the agreement) within two years (three years, in the case of Mr. Pilenko) after a change of control of Veritas (or before a change in control in Veritas but following commencement of discussions with a third person that ultimately results in such a change in control), each executive officer is entitled to a lump sum payment under his employment agreement equal to the following number times the sum of his annual base salary and annual bonus (measured at the highest of the employee's current target bonus, the average of his bonuses over the preceding three-year period or his most recent bonus for the preceding fiscal year): Messrs. Pilenko, Wells and M. Baldwin three; and Messrs. Thielen, D Baldwin, and Worden two. In

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addition, all options to purchase Veritas common stock granted to such executive officers will immediately become exercisable and all restrictions on restricted shares of Veritas granted to such executive officers will immediately lapse, except restricted shares granted pursuant to the 2006 Long Term Incentive Plan, as described below. Further, if immediately prior to the date of termination the executive officer was covered under Veritas group health coverage, Veritas will also provide to the executive (and his spouse and eligible dependents, if then enrolled), the right to continued participation at active employee rates in Veritas group health plans (or a cash payment in lieu thereof) for 18 months following such termination. Veritas has also agreed to provide a gross up payment to each such executive officer to make the executive officer whole as to the effect of any excise taxes that may be triggered with respect to payments of benefits that are contingent on a change in control of Veritas. The consummation of the merger will constitute a change in control under these employment agreements. Messrs. Pilenko, Wells, M. Baldwin, D. Baldwin, Thielen and Worden would be entitled to receive aggregate severance payments of approximately \$12.8 million if the change in control provisions were triggered and their employment is terminated without cause by Veritas or by the executive officers for good reason, including gross up amounts.

Continuing Employment with CGG

Certain of Veritas current executive officers will be offered continued employment with the combined company after the effective time of the merger. In particular, CGG and Veritas have announced that Timothy L. Wells will serve as President of Western Hemisphere Geophysical Services.

Stock Options

Veritas non-employee directors, executive officers and other key employees participate in Veritas stock option plans under which stock options have been granted. Immediately prior to the effective time of merger, each stock option granted by Veritas to purchase shares of Veritas common stock pursuant to any stock option plan (other than the Veritas 1992 Employee Non-Qualified Stock Option Plan) that is outstanding and unexercised immediately prior to the effective time of the merger, whether or not vested, will be cancelled and converted into the right to receive, for each share of Veritas common stock subject to such stock option immediately prior to such cancellation and conversion, an amount in cash equal to the excess, if any, of the per share cash consideration (as defined in the merger agreement) over the exercise price per share under such stock option immediately prior to such cancellation and conversion (less any applicable withholding taxes). Each option to purchase shares of Veritas common stock pursuant to the Veritas 1992 Employee Non-Qualified Stock Option Plan which is outstanding and unexercised as of the effective time of the merger, whether or not vested, will be cancelled and no consideration will be paid in connection with such cancellation. Options that are currently outstanding and unexercised under that plan, however, may be exercised in accordance with their terms prior to the effective time of the merger.

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The following table sets forth, as of November 15, 2006, the number of shares subject to vested or unvested stock options held by Veritas directors and executive officers and the estimated value of such shares based on the closing price of Veritas of \$77.44 per share on November 24, 2006:

Name	Title	Options Outstanding	Options Vested as of 10/31/2006	Options Unvested as of 10/31/2006	Estimated Value Received for Options Upon Merger
Loren K. Carroll	Director	21,000	21,000	0	\$ 1,307,550
Clayton P. Cormier	Director	16,000	16,000	0	753,213
James R. Gibbs	Director	36,250	36,250	0	2,002,488
Jan Rask	Director	37,500	37,500	0	2,162,366
Yoram Shoham	Director	16,000	11,000	5,000	780,600
David F. Work	Director	16,000	13,500	2,500	853,206
Terence K. Young	Director	16,000	11,000	5,000	785,700
Thierry Pilenko	Director, Chairman and Chief Executive Officer	157,500	92,500	65,000	9,093,450
Timothy L. Wells	President and Chief Operating Officer	72,505	52,996	19,509	3,941,207
Mark E. Baldwin	Executive Vice President, Chief Financial Officer and Treasurer	15,000	5,000	10,000	682,500
Dennis S. Baldwin	Vice President, Corporate Controller	5,000	1,666	3,334	227,500
Larry L. Worden	Vice President, General Counsel and Secretary	33,282	25,348	7,934	1,841,762
Vincent M. Thielen	Vice President, Business Development	20,291	13,857	6,434	1,153,857

Restricted Stock

Pursuant to their terms, all shares of restricted Veritas common stock held by Veritas directors and executive officers that are outstanding but unvested prior to the effective time of the merger, except restricted shares granted

under Veritas long-term incentive plan for fiscal year 2006, referred to herein as the LTIP (described below), will become fully vested. Pursuant to the merger, these shares will be treated in the same manner as other shares of Veritas common stock.

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The following table sets forth, as of November 15, 2006, the number of shares of restricted Veritas common stock held by Veritas directors and executive officers and the estimated value of such shares based on the closing price of Veritas common stock of \$77.44 per share on November 24, 2006:

Name	Title	Shares of Restricted Stock Held	Estimated Value of Restricted Shares
Thierry Pilenko	Director, Chairman and CEO	16,953	\$ 1,312,840
Timothy L. Wells	President and Chief Operating Officer	11,041	855,015
Mark E. Baldwin	Executive Vice President, Chief Financial Officer and Treasurer	10,947	847,736
Larry L. Worden	Vice President, General Counsel and Secretary	3,278	253,848
Dennis S. Baldwin	Vice President, Controller	3,927	304,107
Vincent M. Thielen	Vice President, Business Development	2,260	175,014

LTIP Shares

Under the LTIP, certain stock options and shares of restricted stock were granted to 18 officers and senior managers of Veritas. The stock options granted under the LTIP will become fully vested and cashed out in connection with the merger, as described on page 102. The restricted shares will fully vest on July 31, 2008, assuming the holder continues his employment or service relationship with CGG-Veritas through that date. If the holder of restricted shares dies or is terminated after the effective time of the merger but before July 31, 2008 for reasons other than cause or if he resigns for good reason, as defined in his restricted stock award agreement, his restricted shares will immediately vest. If the holder is terminated or resigns prior to July 31, 2008 for any other reason, he will forfeit his restricted shares to CGG-Veritas without receiving consideration.

Deferred Share Units

One of Veritas non-employee directors, James R. Gibbs, currently holds 2,000 Veritas deferred share units that are fully vested. Each such deferred share unit converts into one share of Veritas common stock upon the earlier of the director's termination as a Veritas director or the occurrence of a change in control of Veritas.

Pursuant to the merger, these deferred share units will be issued to Mr. Gibbs in CGG ADSs based on the same conversion ratio as is used to convert shares of Veritas common stock to CGG ADSs.

Deferred Compensation Plans

Veritas maintains various deferred compensation plans, through which its executive officers and certain employees defer the receipt of compensation and receive contributions from Veritas, including a 401(k) plan, a Canadian registered retirement savings plan and, as discussed below, a non-qualified deferred compensation plan maintained for a select group of management and highly compensated employees. None of these plans provide for enhancement or acceleration of benefits upon a change in control of Veritas. The merger agreement provides that CGG may make such amendments, if any, to the deferred compensation plans as may reasonably be required by law or be advisable in order to minimize liability for any additional taxes that might be imposed under Section 409A of the Code in the absence of such an amendment.

Veritas maintains a non-qualified deferred compensation plan through which its executive officers and certain highly compensated employees may defer not less than 1% nor more than 50% of their base compensation and/or not less than 1% up to 100% of incentive bonus or commissions. Under the terms of the plan, Veritas may match contributions made by participants in the plan but to date has not done so. Amounts deferred by participants are fully vested and are held in trust by a third party trustee to be

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invested as participants direct; however, Veritas is the sole owner of the trust. While plan participants have contractual claims against Veritas for the payment of plan benefits, they have no specific interest in any assets held by the trust. It is currently Veritas' intent to terminate the plan effective immediately prior to the merger and cause the third-party trustee to distribute all funds owed to participants in accordance with the terms of the plan and applicable law.

Indemnification and Insurance

The merger agreement provides that, for a period of six years following the effective time of the merger, CGG-Veritas and Volnay Acquisition Co. II shall, jointly and severally, indemnify, defend and hold harmless the present and former officers, directors, employees and agents of Veritas in such capacities to the fullest extent that Veritas would have been required to do so in accordance with the provisions of each indemnification or similar agreement or arrangement with Veritas. CGG and Volnay Acquisition Co. II agree that all rights to exculpation, advancement of expenses and indemnification for acts or omissions occurring prior to the merger now existing in favor of the current and former officers and directors of Veritas as provided in the certificate of incorporation, bylaws or any material contract of Veritas, will survive the merger and continue in full force and effect in accordance with their terms.

The merger agreement further provides that, for a period of six years following the merger, CGG and the combined company shall take all necessary actions to ensure that CGG's directors' and officers' liability insurance continues to cover each officer and director of Veritas, in each case so long as they remain employed or retained by CGG as an officer or director. CGG will also maintain a tail directors' and officers' liability insurance from an insurance carrier with the same or better credit rating as Veritas' current insurance carrier, with a claims period of six years from the merger, with respect to the directors and officers of Veritas who are currently covered by Veritas existing directors' and officers' liability insurance with respect to claims arising from facts or events that occurred before the merger, in an amount and scope and on terms and conditions no less favorable to such directors and officers than those in effect at the signing of the merger agreement. However, CGG-Veritas will not be obligated to make annual premium payments for this insurance to the extent that the premiums exceed 200% of the per annum rate of premium currently paid by Veritas for such insurance on the date of the merger agreement per policy year of coverage. In the event that the aggregate premium for such insurance exceeds such maximum amount, CGG-Veritas shall purchase as much coverage per policy year as reasonably obtainable for such maximum amount.

Conditions to the Consummation of the Merger

Antitrust Approvals

United States. The merger is subject to the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. Under the Hart-Scott-Rodino Act, the merger may not be consummated until notifications have been given and certain information has been furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission (FTC) and the applicable waiting period has expired or been terminated.

CGG and Veritas filed on September 25, 2006 the requisite Pre-Merger Notification and Report Forms under the Hart-Scott-Rodino Act with the Antitrust Division and the FTC. The Antitrust Division terminated the waiting period on October 25, 2006.

Brazil. CGG and Veritas each conduct business in Brazil. Law n°8.884, of June 11, 1994, in force under the Brazilian System for the Defense of Competition, requires notification to and approval by the Brazilian Administrative Council for Economic Defense (CADE) of mergers and acquisitions involving parties with combined market share on a relevant market in Brazil exceeding specified thresholds. CGG and Veritas each submitted filings with the CADE on September 26, 2006.

Norway. CGG and Veritas each conduct business in Norway. The Norwegian merger control legislation in Chapter 4 of the Norwegian Competition Act of March 5, 2004 N°12 and in the

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Regulation Notification of Concentration of April 28, 2004 requires notification to and prior approval by the Norwegian Competition Authority (NCA) of mergers and acquisitions involving parties with aggregate revenues in Norway exceeding certain thresholds. As a result, CGG and Veritas each submitted filings with the NCA. The NCA has not requested the submission of a complete notification within the standardized notification review period. As a result, the merger is deemed authorized.

Other Jurisdictions. The merger may also require notification to, and filings with, certain authorities in other jurisdictions where CGG and Veritas currently operate. CGG and Veritas will make any required filings, and if deemed in CGG's and Veritas' interests, any voluntary filings, with the appropriate governmental authorities as promptly as practicable.

As CGG and Veritas each conduct business in the United Kingdom, they made a voluntary filing (by way of informal submission), with the UK merger authority on November 6, 2006. In addition, CGG and Veritas made a voluntary filing with the Australian Foreign Investment Review Board on October 25, 2006, which was cleared on November 22, 2006. The companies also replied on November 22, 2006 to a request for information from the Australian Competition Authority.

There can be no assurance that the merger will not be challenged on antitrust or competition grounds or, if a challenge is made, what the outcome would be. The Antitrust Division, the FTC, any U.S. state and other applicable regulatory bodies may challenge the merger on antitrust or competition grounds at any time, including after the expiration or termination of the Hart-Scott-Rodino waiting period or other applicable process, as they may deem necessary or desirable or in the public interest. Accordingly, at any time before or after the completion of the merger, any such party could take action under the antitrust laws, including, without limitation, by seeking to enjoin the effective time of the merger or permitting completion subject to regulatory concessions or conditions. Private parties may also seek to take legal action under antitrust laws under certain circumstances.

Other Regulatory Procedures

The merger may be subject to certain regulatory requirements of other municipal, state, federal and foreign governmental agencies and authorities, including those relating to the offer and sale of securities. CGG and Veritas are currently working to evaluate and comply in all material respects with these requirements, as appropriate, and do not currently anticipate that they will hinder, delay or restrict completion of the merger.

It is possible that one or more of the regulatory approvals required to complete the merger will not be obtained on a timely basis or at all. In addition, it is possible that any of the governmental entities with which filings are made may seek regulatory concessions as conditions for granting approval of the merger. Under the merger agreement, CGG and Veritas have each agreed to use its reasonable best efforts to complete the merger, including to gain clearance from antitrust and competition authorities and obtain other required approvals. For this purpose, each of CGG and Veritas has agreed to commit to certain divestitures or restrictions, if necessary, that after the effective time of the merger would limit the combined company's freedom of action with respect to, or its ability to retain, one or more of its businesses, product lines or assets. See The Merger Agreement—Covenants.

Although CGG and Veritas do not expect regulatory authorities to raise any significant objections to the merger, they cannot be certain that they will obtain all required regulatory approvals or that these approvals will not contain terms, conditions or restrictions that would be detrimental to the combined company after the effective time of the merger. CGG and Veritas have not yet obtained any of the governmental or regulatory approvals required to complete the merger.

Exon-Florio/ CFIUS

Pursuant to the Exon-Florio Amendment to the Defense Production Act of 1950, 50 U.S.C. App. §2170, as amended, on October 16, 2006, CGG and Veritas filed jointly a voluntary notification with the Committee on Foreign Investment in the United States (the CFIUS) regarding the merger and its

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implications for the U.S. operations of CGG and Veritas. On November 16, 2006, the CFIUS issued a letter stating that it had concluded its action, having found no national security issues sufficient to warrant further investigation.

Certain Material U.S. Federal Income Tax Consequences

General

The following is a general discussion of certain material U.S. federal income tax consequences of the merger that may be relevant to you if you hold shares of Veritas common stock as a capital asset and are:

an individual citizen or resident of the United States;

a corporation or other entity taxable as a corporation created in or organized under the laws of the United States or any political subdivision thereof;

an estate the income of which is subject to U.S. federal income tax without regard to its source; or

a trust if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust.

This discussion is addressed only to Veritas stockholders who exchange shares of Veritas common stock for either CGG ADSs, cash or a combination of both in the merger. Holders of Veritas warrants or convertible debt obligations should consult their tax advisors as to the tax consequences to them of the merger.

This discussion is not intended to be a complete analysis and does not address all potential tax consequences that may be relevant to you. Moreover, this discussion does not apply to you if you are subject to special treatment under the Internal Revenue Code of 1986, as amended, including, without limitation, because you are:

a foreign person or entity;

a tax-exempt organization, financial institution, mutual fund, dealer or broker in securities or insurance company;

a trader who elects to mark its securities to market for U.S. federal income tax purposes;

a person who holds shares of Veritas common stock as part of an integrated investment such as a straddle, hedge, constructive sale, conversion transaction or other risk reduction transaction;

a person who holds shares of Veritas common stock in an individual retirement or other tax-deferred account;

a person whose functional currency is not the U.S. dollar;

an individual who received shares of Veritas common stock, or who acquires CGG ADSs or CGG ordinary shares, pursuant to the exercise of employee stock options or otherwise as compensation or in connection with the performance of services;

a partnership or other flow-through entity (including an S corporation or a limited liability company treated as a partnership for U.S. federal income tax purposes) and persons who hold an interest in such entities; or

a person subject to the alternative minimum tax.

In addition, this discussion does not address the tax consequences to you if you will become a five-percent transferee shareholder of CGG within the meaning of the applicable Treasury Regulations under Section 367 of the Internal Revenue Code. In general, a five-percent transferee shareholder is a person who holds shares of Veritas common stock and will own directly, indirectly or constructively through attribution rules, at least five percent of either the total voting power or total value of CGG ordinary

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shares immediately after the merger. If you believe you could become a five-percent transferee shareholder of CGG, you should consult your tax advisor about the special rules and time-sensitive tax procedures, including the requirement to file a gain recognition agreement, that might apply regarding your ability to obtain non-recognition treatment in the merger. The tax opinion to be provided by Vinson & Elkins or the ruling requested of the IRS (the receipt of which by Veritas is a condition to the obligation of Veritas to consummate the merger, as discussed below) will assume that any shareholder who is a five-percent transferee shareholder with respect to CGG within the meaning of the applicable Treasury Regulations under Section 367 of the Internal Revenue Code will in timely and proper manner file the gain recognition agreement described in such Treasury Regulations.

If a partnership, or other entity or arrangement treated as a partnership for U.S. federal income tax purposes, exchanges its shares of Veritas common stock in the merger, the tax treatment of a partner in the partnership will depend upon the status of that partner and the activities of the partnership. Partners in a partnership that intends to exchange its shares of Veritas common stock in the merger should consult their tax advisors as to the particular U.S. federal income tax consequences applicable to them.

This discussion also does not address the tax consequences of the merger under foreign, state, local or other tax laws. The following discussion is based on existing U.S. federal income tax law, including the provisions of the Internal Revenue Code, the Treasury Regulations thereunder, IRS rulings, judicial decisions and other administrative pronouncements, all as in effect on the date of this proxy statement/prospectus. Neither CGG nor Veritas can provide any assurance that future legislative, administrative or judicial changes or interpretations will not affect the accuracy of the statements or conclusions set forth below. Any future change in the U.S. federal income tax law or interpretation thereof could apply retroactively and could affect the accuracy of the following discussion. In addition, neither CGG nor Veritas can assure you that the IRS will agree with the conclusions expressed herein.

You are strongly urged to consult your tax advisor as to the U.S. federal income tax consequences of the merger, including the income tax consequences arising from your own facts and circumstances, and as to any estate, gift, state, local or non-U.S. tax consequences, including French tax consequences, arising out of the merger and the ownership and disposition of CGG ADSs and/or CGG ordinary shares.

Certain U.S. Federal Income Tax Consequences of the Merger

The obligation of Veritas and CGG to consummate the merger is conditioned upon the receipt of tax opinions, reasonably satisfactory in form and in substance, dated the effective time of the merger, from Vinson & Elkins and Skadden, respectively, that the merger will be treated for U.S. federal income tax purposes as a reorganization qualifying under the provisions of Section 368(a) of the Internal Revenue Code.

Under Section 367(a)(1) of the Internal Revenue Code, a transaction qualifying as a tax-free reorganization pursuant to Section 368(a) of the Internal Revenue Code in which a U.S. person exchanges stock of a U.S. corporation for stock of foreign corporation will nevertheless be fully taxable to such U.S. person unless the transaction qualifies for an exception. The obligation of Veritas to consummate the merger is conditioned upon the receipt by Veritas of a tax opinion from Vinson & Elkins or of a ruling from the IRS, for which Veritas filed a formal request on October 6, 2006, that the transfer of shares of Veritas common stock to CGG by Veritas shareholders pursuant to the merger will not be subject to Section 367(a)(1) of the Internal Revenue Code.

The tax opinions described above will be based on certain facts, representations, covenants and assumptions, including representations of CGG and Veritas, and that the parties will comply with certain reporting obligations under the Internal Revenue Code. This discussion and the tax opinions are not binding on the IRS or any court and do not preclude the IRS or a court from reaching a contrary conclusion. Therefore, while CGG and Veritas believe that the merger will be treated as a tax-free reorganization under Section 368(a) of the Internal Revenue Code, no assurance can be provided that the IRS will agree with this conclusion. Moreover, there can be no assurance that Veritas will obtain the ruling from the IRS or the opinion from Vinson & Elkins described above, to the effect that the merger

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will not be subject to Section 367(a)(1) of the Internal Revenue Code. Veritas expects to receive a response from the IRS to the ruling request before the election deadline on January 10, 2007 and will publicize the response in a press release.

The following discussion regarding the U.S. federal income tax consequences of the merger assumes that the merger will be consummated as described in the merger agreement and this proxy statement/prospectus and that, following the effective time of the merger, CGG will cause Volnay Acquisition Co. II to comply with certain reporting requirements set forth in Treasury Regulations under Section 367 of the Internal Revenue Code. Assuming further that the merger is treated as a reorganization under Section 368(a) of the Internal Revenue Code and that your transfer of shares of Veritas common stock to CGG pursuant to the merger will not be subject to Section 367(a)(1) of the Internal Revenue Code, the following tax consequences will result:

If you exchange all of your shares of Veritas common stock solely for shares of CGG ADSs in the merger, you will not recognize any gain or loss (except with respect to cash received in lieu of a fractional share of a CGG ADS, as discussed below).

If you exchange your shares of Veritas common stock solely for cash in the merger, you generally will recognize capital gain or loss equal to the difference between the amount of cash received and your tax basis in the shares of Veritas common stock. If, however, you own, or are treated as owning, CGG ADSs after the merger, the amount of cash you receive might be treated as a dividend (discussed below).

If you exchange your shares of Veritas common stock for a combination of CGG ADSs and cash, you generally will recognize capital gain (but not loss) in the merger. Any such gain recognized will equal the lesser of (1) the excess, if any, of (a) the sum of the amount of cash (excluding any cash received instead of a fractional share) and the fair market value of the CGG ADSs you receive in the merger over (b) your adjusted tax basis in the shares of Veritas common stock you exchanged and (2) the amount of cash you receive in the merger (excluding cash received instead of a fractional share, as discussed below). For this purpose, you must calculate gain or loss separately for each identifiable block (that is, stock acquired at the same time for the same price) of shares of Veritas common stock you exchange.

The aggregate tax basis of any CGG ADSs you receive in exchange for your shares of Veritas common stock in the merger (before reduction for the basis in any fractional share of CGG ADSs for which you receive cash) will be the same as the aggregate tax basis of your shares of Veritas common stock, decreased by the amount of cash you receive in the merger (excluding any cash received in lieu of a fractional share) and increased by the amount of gain or dividend income you recognize in the merger (excluding any gain recognized as a result of cash received in lieu of a fractional share).

The holding period of any CGG ADSs you receive in the merger generally will include the holding period of the shares of Veritas common stock you exchanged for such CGG ADSs.

If you have differing bases or holding periods in respect to your shares of shares of Veritas common stock, you should consult your tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular CGG ADSs received in the merger.

Because CGG will not issue any fractional CGG ADSs in the merger, if you exchange shares of Veritas common stock in the merger and would otherwise have received a fraction of a CGG ADS, you will receive cash. Any cash you receive in lieu of a fractional CGG ADS should be treated as received in exchange of that interest for cash. The amount of any capital gain or loss attributable to the deemed sale will be equal to the amount of cash received with respect to the fractional interest less the ratable portion of the tax basis of the shares of Veritas common stock surrendered that is allocated to the fractional interest.

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If you are an individual, any gain you recognize generally will be subject to U.S. federal income tax at a maximum 15% rate if your holding period in the shares of Veritas common stock is more than one year on the date of completion of the merger. The deductibility of capital losses is subject to limitations.

If, after the merger, you own, or are treated as owning, CGG ADSs, it is possible that your gain recognized in the merger will be treated as a dividend rather than as capital gain. In general, the treatment of such gain will depend upon whether and to what extent the exchange reduces your deemed percentage stock ownership of CGG, which is determined by treating you as if you first exchanged all of your shares of Veritas common stock solely for CGG ADSs and then CGG immediately redeemed a portion of the CGG ADSs in exchange for the cash you actually receive. Gain recognized in the deemed redemption generally will be treated as capital gain if the deemed redemption is (1) substantially disproportionate with respect to you (that is, in general, if your deemed percentage stock ownership in CGG was reduced in the deemed redemption by at least 20%) or (2) not essentially equivalent to a dividend, which requires a meaningful reduction in your deemed stock ownership of CGG. In applying the above tests, you will, under the constructive ownership rules, be deemed to own not only stock that you actually own, but also stock that is owned by certain related persons and entities or that you or such persons or entities have the right to acquire pursuant to an option. The IRS has ruled that a stockholder in a publicly held corporation whose relative stock interest is minimal and who exercises no control with respect to corporate affairs is generally considered to have a meaningful reduction if that stockholder has any reduction in its percentage stock ownership under the above analysis. Thus, any stockholder in this situation generally should recognize capital gain. These rules are complex and dependent upon the specific factual circumstances particular to each holder. You should consult your tax advisor as to the application of these rules to your particular facts.

If the IRS were successfully to challenge the qualification of the merger as a reorganization, you would generally be required to recognize gain or loss equal to the difference between your adjusted tax basis in the shares of Veritas common stock you surrender in the merger and an amount equal to any cash received plus the fair market value, as of the effective time of the merger, of any CGG ADSs received or to be received in the merger. Generally, in such event, your tax basis in the CGG ADSs you received in the merger would equal their fair market value as of the date of the merger, and your holding period for the CGG ADSs would begin on the day after the merger.

U.S. Information Reporting and Backup Withholding

If you receive CGG ADSs in the merger, you will be required (i) to file a statement with your U.S. federal income tax return providing a complete statement of all facts pertinent to the non-recognition of gain or loss upon your exchange of shares of Veritas common stock, including the tax basis in the shares of Veritas common stock that you surrendered and the fair market value of the CGG ADSs and any cash you received in the merger and (ii) to retain permanent records of these facts relating to the merger. Additionally, you may be subject to a backup withholding tax at the rate of 28% with respect to any cash received in the merger in lieu of fractional CGG ADSs, unless you (1) are a corporation or come within certain other exempt categories or (2) provide a correct taxpayer identification number and otherwise comply with applicable requirements of the backup withholding rules. To prevent backup withholding on payments made to you pursuant to the merger, you must provide the exchange agent with your correct taxpayer identification number by completing an IRS Form W-9 or a substitute Form W-9. If you do not provide your correct taxpayer identification number, you may be subject to penalties imposed by the IRS in addition to backup withholding. Any amounts withheld under these rules may be credited against your U.S. federal income tax liability if you file proper documentation with the IRS.

Certain U.S. Federal Income Tax Consequences of Holding CGG ADSs

CGG's 2005 Form 20-F, which is incorporated by reference into this proxy statement/prospectus, contains a description of certain U.S. federal income tax consequences related to holding CGG ADSs,

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including the treatment of dividends paid with respect to CGG ADSs. The description contained in CGG's 2005 Form 20-F, however, is only a summary and does not purport to be a complete analysis of all potential tax effects resulting from the ownership of CGG ADSs (including, for example, tax consequences for holders who are subject to special treatment under U.S. federal income tax law).

Certain French Income Tax Consequences of the Merger

If you are not a resident of France, you will not be subject to French tax on the exchange of your shares of Veritas common stock for CGG ADSs in the merger, provided that you do not have a permanent establishment or a fixed base in France to which your shares of Veritas common stock may be attributed. If you are a resident of France or if you hold your stock through a permanent establishment or fixed base in France, you should consult your tax advisor.

The material French tax consequences relating to the ownership of CGG ADSs are summarized in CGG's 2005 Form 20-F, which is incorporated by reference into this proxy statement/prospectus.

Accounting Treatment

Due to the listing of CGG's securities on the Euronext Paris SA and in accordance with EC Regulation No. 1606/2002 of July 19, 2002, the 2005 annual consolidated financial statements of CGG and its subsidiaries were prepared in accordance with IFRS. In accordance with the rules and regulations of the SEC, CGG reconciles the financial statements it files with the SEC to U.S. GAAP.

CGG intends to account for the merger as a business combination applying the purchase method of accounting as defined by IFRS 3, *Business combinations*, or IFRS 3. In accordance with this method, the acquirer purchases net assets and recognizes at fair value the assets acquired and liabilities and contingent liabilities assumed, including those not previously recognized by the acquired entity. The measurement of the acquirer's assets and liabilities is not affected by the transaction.

Because the purchase method views a business combination from the acquirer's perspective, it assumes that one of the parties to the transaction can be identified as the acquirer. Based on the analysis of all factors set forth in IFRS 3, paragraphs 19 to 21, including the relative ownership of CGG shareholders and Veritas stockholders in the combined company upon completion of the merger, the relative fair value of CGG and Veritas and the issuance by CGG of CGG ADSs and underlying ordinary shares in connection with the merger, CGG's management has concluded that, under IFRS, CGG will be considered the acquirer and Veritas the acquiree. Concerning the accounting treatment under U.S. GAAP, CGG's management has carefully considered all of the factors in paragraph 17 of FASB Statement No. 141, *Business Combinations*, or SFAS 141, including the relative ownership of CGG shareholders and Veritas stockholders in the combined company upon completion of the merger, the fact that the combined company will be incorporated in France with its executive offices in Paris, and the composition of the combined company's board of directors, and has concluded that, under U.S. GAAP, the merger will also be treated as an acquisition of Veritas by CGG. See Note 6 to the unaudited pro forma condensed combined financial information of CGG and Veritas included elsewhere in this proxy statement/prospectus.

As defined by IFRS 3, the cost of the business combination will be measured as the aggregate of: (i) the cash paid by CGG, (ii) the market value at the effective time of the merger of CGG ADSs issued to holders of Veritas common stock, (iii) any cash consideration paid to the Veritas stockholders and (iv) any costs directly attributable to the business combination.

Under U.S. GAAP, as defined by EITF Issue No. 99-12, *Determination of the Measurement Date for the Market Price of Acquirer Securities Issued in a Purchase Business Combination*, the purchase price will be based on (i) the market price of CGG's ADSs over a reasonable period of time before and after the terms of the business combination were agreed to and announced (September 5, 2006), (ii) any cash consideration paid to the Veritas stockholders and (iii) any costs directly attributable to the business combination.

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The excess of the cost of the business combination over CGG's interest in the net fair value of Veritas' identifiable assets, liabilities and contingent liabilities will be accounted for as goodwill.

In applying this method, the measurement of Veritas' acquired assets and liabilities assumed could differ materially from their carrying value in Veritas' books.

When it reconciles its financial statements to U.S. GAAP, CGG will also account for the merger using the purchase method of accounting for combinations as defined by SFAS 141.

Under both IFRS and U.S. GAAP, Veritas will be fully consolidated by CGG.

Listing of CGG Ordinary Shares and ADSs

CGG will use its reasonable best efforts to cause the CGG ADSs to be issued in connection with the merger (and underlying CGG ordinary shares) to be approved for listing on the NYSE upon the completion of the merger.

Approval of the listing on the NYSE of the CGG ADSs to be issued pursuant to the merger is a condition to each party's obligation to complete the merger.

Delisting and Deregistration of Veritas Common Stock

If the merger is completed, Veritas common stock and the preferred stock rights associated with the common stock will be delisted from the NYSE and deregistered under the Exchange Act.

Restrictions on Sales of CGG ADSs Received in the Merger

The CGG ADSs to be issued in connection with the merger will be registered under the Securities Act and will be freely transferable, except for CGG ADSs issued to any person who is deemed to be an affiliate of Veritas under the Securities Act at the time of the Veritas special meeting. Persons who may be deemed to be affiliates of Veritas prior to the merger include individuals or entities that control, are controlled by, or are under common control with, Veritas prior to the merger, and may include officers and directors, as well as significant stockholders of Veritas prior to the merger. Affiliates of Veritas prior to the merger may not sell any of the CGG ADSs received by them in connection with the merger except pursuant to:

an effective registration statement under the Securities Act covering the resale of those shares;

an exemption under paragraph (d) of Rule 145 under the Securities Act; or

any other applicable exemption under the Securities Act.

Veritas has agreed to use its reasonable best efforts to cause each person identified as an affiliate of Veritas at the time of the Veritas special meeting to deliver, on or prior to the effective time of the merger, a letter agreement providing, among other things, that such person agrees not to transfer any CGG ADSs received pursuant to the merger in violation of the Securities Act. Persons identified as affiliates will be unable to exchange their Veritas common stock for the merger consideration until they execute such letter agreement.

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THE MERGER AGREEMENT

The following summary describes selected material provisions of the merger agreement, which is attached as Annex A to this proxy statement/prospectus and is incorporated by reference herein. This summary may not contain all of the information about the merger agreement that is important to you. You are encouraged to carefully read the merger agreement in its entirety.

The merger agreement has been included to provide you with information regarding its terms. It is not intended to provide any other factual information about CGG or Veritas. Such information can be found elsewhere in this proxy statement/prospectus and in the public filings that CGG and Veritas make with the SEC, which are available without charge through the SEC's website at <http://www.sec.gov>.

*The representations and warranties described below and included in the merger agreement were made by each of CGG and Veritas to the other. These representations and warranties were made as of specific dates and are subject to important exceptions and limitations, including a contractual standard of materiality different from that generally applicable under federal securities laws. In addition, the representations and warranties may have been included in the merger agreement for the purpose of allocating risk between CGG and Veritas, rather than to establish matters as facts. The merger agreement is described in this proxy statement/prospectus and attached as Annex A hereto only to provide you with information regarding its terms and conditions, and not to provide any other factual information regarding CGG, Veritas or their respective businesses. Accordingly, you should not rely on the representations and warranties in the merger agreement as characterizations of the actual state of facts about CGG or Veritas, and you should read the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus for information regarding CGG and Veritas and their respective businesses. See *Additional Information Where You Can Find More Information*.*

Structure of the Merger

Pursuant to the terms and subject to the conditions of the merger agreement, at the effective time, Volnay Acquisition Co. I, a wholly-owned subsidiary of CGG, will merge with and into Veritas, and immediately thereafter, Veritas will, in a second merger, merge with and into Volnay Acquisition Co. II, another wholly-owned subsidiary of CGG, with Volnay Acquisition Co. II continuing its corporate existence and surviving the merger as a wholly-owned subsidiary of CGG.

Effective Time of the Merger

The closing of the merger and the other transactions contemplated by the merger agreement will occur no later than the second business day after all of the conditions to the completion of the merger contained in the merger agreement have been satisfied or waived, or at such other time as CGG and Veritas may agree. Contemporaneously with, or as soon as practicable after the closing, the appropriate parties will file a certificate of merger with the Secretary of State of the State of Delaware. The merger will become effective upon the filing of the certificate of merger or at such other time as CGG and Veritas agree in writing and specify in the certificate of merger.

Merger Consideration

The merger agreement provides that at the effective time of the merger each share of Veritas common stock issued and outstanding immediately prior to the effective time will be converted into the right to receive either a number of CGG ADSs or an amount of cash as described below.

Veritas stockholders will have the right to elect to receive either cash or CGG ADSs with respect to each share of Veritas common stock they hold, meaning that each Veritas stockholder may elect to receive his or her merger consideration entirely in cash, entirely in CGG ADSs or in a combination of cash and

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CGG ADSs, subject in each case to the proration procedures described below. See Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration; Proration Election Procedure and Proration. The number of CGG ADSs to be received for each share of Veritas common stock being converted into CGG ADSs are referred herein to as the per share ADS consideration, and the amount of cash to be received for each share of Veritas common stock being converted into cash are referred to herein as the per share cash consideration.

Based on the number of shares of Veritas common stock outstanding on July 31, 2006, CGG would issue approximately 41 million ADSs and pay approximately \$1.33 billion in cash pursuant to the merger. Those amounts will be adjusted upwards depending on the actual number of shares of Veritas common stock outstanding at the effective time of the merger, which will increase if Veritas issues any shares in accordance with the terms of the merger agreement, such as through the issuance of stock options or conversion of the Veritas convertible bonds. Based on the outstanding shares of Veritas common stock on July 31, 2006 and the maximum number of additional shares of Veritas common stock that may be issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options or the conversion of the Veritas convertible bonds or otherwise, the aggregate number of ADSs that CGG would issue pursuant to the merger is approximately 49.8 million and the aggregate amount that CGG would pay in cash is approximately \$1.61 billion.

Holders of Veritas convertible bonds who do not convert prior to the election deadline will be entitled to receive upon conversion the merger consideration that a holder of no election shares would receive pursuant to the merger. See Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration; and Proration Election Procedure. If such consideration consists entirely of CGG ADSs, CGG will be required to issue, upon conversion of Veritas convertible bonds, up to 10.0 million more CGG ADSs than if the convertible bondholders had converted prior to the merger date (although the cash portion of the maximum merger consideration set out above would be correspondingly reduced). If such consideration consists entirely of cash, CGG will be required to pay, upon conversion of Veritas convertible bonds, up to \$165 million more cash than if the convertible bondholders had converted prior to the merger date (although the ADS portion of the maximum merger consideration set out above would be correspondingly reduced).

The amount of the per share ADS consideration or per share cash consideration that will be paid to Veritas stockholders for each share of Veritas common stock cannot be determined until the effective time of the merger because, as detailed below, the per share ADS consideration and per share cash consideration are calculated based on the market price for the CGG ADSs over a trading period that ends three calendar days before the effective time of the merger. CGG will issue a press release that discloses the amount of the per share ADS consideration and the amount of the per share cash consideration once such amounts are known.

Subject to the proration procedures described below, the per share cash consideration that will be paid for each share of Veritas common stock in respect of which a cash election is made will be the amount calculated by dividing the aggregate consideration by the total common stock amount. The discussion also includes references to that amount as the per share consideration.

The aggregate consideration is the dollar amount of the sum of:

the product of (1) the aggregate number of CGG ADSs that CGG will issue pursuant to the merger (which is generally the product of 2.2501 and 50.664% of the total common stock amount) and (2) the average CGG ADS value (referred to in the merger agreement as the final parent depository share price), and

the aggregate amount of cash CGG will pay pursuant to the merger (which is generally the product of (1) 49.336% of the total common stock amount and (2) \$75.00). This aggregate amount of cash is referred to as the total cash amount.

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The average CGG ADS value is the average of the per share closing prices of CGG ADSs on the NYSE as reported in *The Wall Street Journal* during the 20 consecutive trading day period during which the CGG ADSs are traded on the NYSE ending on the third calendar day immediately prior to the effective time of the merger (or, if such calendar day is not a trading day, ending on the trading day immediately preceding such calendar day). This 20 consecutive trading day period is referred to as the valuation period.

The total common stock amount is the total number of shares of Veritas common stock outstanding immediately prior to the effective time of the merger; provided that, for purposes of determining the aggregate consideration, the total common stock amount will not exceed the sum of 35,985,254 (the number of shares of Veritas common stock outstanding on July 31, 2006, a cut-off date used in the merger agreement for purposes of this determination) and the number of shares of Veritas common stock permitted to be issued by Veritas prior to the merger under the terms of the merger agreement, including through the issuance of stock options or through the conversion of the Veritas convertible bonds.

Subject to the proration procedure described below, the per share ADS consideration to be paid for each share of Veritas common stock in respect of which an ADS election is made will be the number of CGG ADSs equal to the exchange ratio, which is the number obtained by dividing the per share consideration by the average CGG ADS value.

The formula described above is designed to substantially equalize the value of the consideration to be received for each share of Veritas common stock pursuant to the merger at the time the calculation is made regardless of whether a Veritas stockholder elects to receive cash, CGG ADSs or a combination of cash and CGG ADSs. CGG and Veritas deemed this equalization mechanism to be desirable because the value of the CGG ADSs will fluctuate between September 4, 2006, the date the parties entered into the merger agreement and the effective time of the merger. The value of the merger consideration to be received with respect to each share of Veritas common stock will be equal to \$37.00 plus approximately \$1.14 per \$1.00 of average CGG ADS value. However, because the value of the CGG ADSs will continue to fluctuate between the time the per share consideration is calculated and the time that the merger consideration is received by Veritas stockholders, the value of the per share ADS consideration actually received by a Veritas stockholder may differ from the value of the per share ADS consideration at the time of the calculation.

The formula is also designed to fix the amount of cash and the number of CGG ADSs to be paid and issued, respectively, pursuant to the merger (in each case subject to upward adjustment in the event that any shares of Veritas common stock are issued in accordance with the merger agreement pursuant to the exercise of outstanding Veritas stock options or conversion of Veritas convertible bonds or otherwise). Because the amount of cash and the number of CGG ADSs to be paid and issued, respectively, pursuant to the merger are fixed, the percentage of shares of Veritas common stock that will be exchanged for CGG ADSs and the percentage that will be exchanged for cash will depend upon the average CGG ADS value. The higher the average CGG ADS value, the greater the percentage of shares of Veritas common stock that will be exchanged for CGG ADSs and the lower the average CGG ADS value, the greater the percentage of shares of Veritas common stock that will be exchanged for cash.

For example, if the average CGG ADS value is \$30.00, a Veritas stockholder receiving CGG ADSs in exchange for shares of Veritas common stock would receive 2.373 CGG ADSs per share of Veritas common stock, having a value of approximately \$71.20 per share based on such average CGG ADS value, and a Veritas stockholder receiving cash in exchange for shares of Veritas common stock would receive \$71.20 in cash per share of Veritas common stock, subject in each case to the proration procedures described below. Based on an average CGG ADS value of \$30.00, approximately 48.03% of the outstanding shares of Veritas common stock would be exchanged for CGG ADSs, and approximately 51.97% would be exchanged for cash.

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The greater the average CGG ADS value, the lesser the number of shares of Veritas common stock that will be exchanged for cash and the greater the number of shares that will be exchanged for CGG ADSs. For example, if the average CGG ADS value is \$35.00, then approximately 48.12% of the outstanding shares of Veritas common stock would be exchanged for cash, and approximately 51.88% would be exchanged for CGG ADSs. If the average CGG ADS value is \$35.00, a Veritas stockholder receiving CGG ADSs would receive 2.1972 CGG ADSs per share of Veritas common stock having a value of approximately \$76.90 per share based on such average CGG ADS value, and a Veritas stockholder receiving cash would receive \$76.90 in cash per share of Veritas common stock, subject in each case to the proration procedures described below.

Conversely, the lower the average CGG ADS value, the greater the number of shares of Veritas common stock that will be exchanged for cash and the lesser the number of shares that will be exchanged for CGG ADSs. For example, if the average CGG ADS value is \$25.00, then approximately 56.49% of the outstanding shares of Veritas common stock would be exchanged for cash, and approximately 43.51% would be exchanged for CGG ADSs. If the average CGG ADS value is \$25.00, a Veritas stockholder receiving CGG ADSs would receive 2.6201 CGG ADSs per share of Veritas common stock having a value, based on such average CGG ADS value, of \$65.50 per share (assuming the market price of the CGG ADSs remained constant from the end of the valuation period through the effective time of the merger), and a Veritas stockholder receiving cash would receive \$65.50 in cash per share of Veritas common stock, subject in each case to the proration procedures described below.

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The following table sets forth, based on various hypothetical average CGG ADS values, the per share cash consideration and the per share ADS consideration, as well as the value of such per share ADS consideration based on the hypothetical average CGG ADS values. The table also shows the percentage of outstanding shares of Veritas common stock that would be converted into CGG ADSs and cash based on such average CGG ADS value. The table is based on the assumption that no Veritas stock options have been exercised and no Veritas convertible bonds have been converted following the date of this proxy statement/ prospectus and prior to the effective time of the merger, that no additional shares of Veritas common stock are otherwise issued following the date of this proxy statement/ prospectus and that the number of exchangeable shares of Veritas common stock is 35,985,254 (the number of shares of Veritas common stock outstanding on July 31, 2006). To the extent that the number of shares of Veritas common stock outstanding increases in accordance with the merger agreement (whether as a result of the exercise of outstanding Veritas stock options or conversion of Veritas convertible bonds or otherwise), the number of shares of Veritas common stock exchanged for merger consideration will increase and the aggregate transaction value will increase, but there will be no change in the per share ADS consideration or per share cash consideration. Each additional share of Veritas common stock will increase the aggregate transaction value by approximately 1.14 CGG ADSs and \$37.00 in cash.

Average CGG ADS Value	Per Share Cash Consideration	Per Share ADS Consideration	Value of per Share ADS Consideration(1)	Approximate Percentage of Merger Consideration	
				In ADSs	In Cash
\$ 30.00	\$ 71.20	2.3734	\$ 71.20	48.03%	51.97%
\$ 30.50	\$ 71.77	2.3532	\$ 71.77	48.44%	51.56%
\$ 31.00	\$ 72.34	2.3336	\$ 72.34	48.85%	51.15%
\$ 31.50	\$ 72.91	2.3147	\$ 72.91	49.25%	50.75%
\$ 32.00	\$ 73.48	2.2963	\$ 73.48	49.64%	50.36%
\$ 32.50	\$ 74.05	2.2785	\$ 74.05	50.03%	49.97%
\$ 33.00	\$ 74.62	2.2613	\$ 74.62	50.41%	49.59%
\$ 33.50	\$ 75.19	2.2445	\$ 75.19	50.79%	49.21%
\$ 34.00	\$ 75.76	2.2283	\$ 75.76	51.16%	48.84%
\$ 34.50	\$ 76.33	2.2125	\$ 76.33	51.52%	48.48%
\$ 35.00	\$ 76.90	2.1972	\$ 76.90	51.88%	48.12%
\$ 35.50	\$ 77.47	2.1823	\$ 77.47	52.24%	47.76%
\$ 36.00	\$ 78.04	2.1678	\$ 78.04	52.59%	47.41%
\$ 36.50	\$ 78.61	2.1537	\$ 78.61	52.93%	47.07%
\$ 37.00	\$ 79.18	2.1400	\$ 79.18	53.27%	46.73%
\$ 37.50	\$ 79.75	2.1267	\$ 79.75	53.60%	46.40%
\$ 38.00	\$ 80.32	2.1137	\$ 80.32	53.93%	46.07%
\$ 38.50	\$ 80.89	2.1011	\$ 80.89	54.26%	45.74%
\$ 39.00	\$ 81.46	2.0888	\$ 81.46	54.58%	45.42%
\$ 39.50	\$ 82.03	2.0767	\$ 82.03	54.89%	45.11%
\$ 40.00	\$ 82.60	2.0650	\$ 82.60	55.20%	44.80%
\$ 41.00	\$ 83.74	2.0425	\$ 83.74	55.81%	44.19%
\$ 41.50	\$ 84.31	2.0316	\$ 84.31	56.11%	43.89%
\$ 42.00	\$ 84.88	2.0210	\$ 84.88	56.41%	43.59%
\$ 42.50	\$ 85.45	2.0106	\$ 85.45	56.70%	43.30%
\$ 43.00	\$ 86.02	2.0005	\$ 86.02	56.99%	43.01%
\$ 43.50	\$ 86.59	1.9906	\$ 86.59	57.27%	42.73%
\$ 44.00	\$ 87.16	1.9809	\$ 87.16	57.55%	42.45%

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\$	44.50	\$	87.73	1.9715	\$	87.73	57.82%	42.18%
\$	45.00	\$	88.30	1.9623	\$	88.30	58.10%	41.90%

(1) Based on the hypothetical average CGG ADS values.

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The actual value of the cash consideration or number of CGG ADSs that you will receive for each share of Veritas common stock you hold may differ from the hypothetical amounts shown in this example because the actual amounts can only be determined after the effective time of the merger based on a formula set forth in the merger agreement and described in this proxy statement/ prospectus. CGG will issue a press release that discloses the amount of the per share ADS consideration and the amount of the per share cash consideration once such amounts are known. See Risk Factors Because the market price of CGG ADSs will fluctuate, Veritas stockholders cannot be sure of the value of the merger consideration they will receive.

No assurance can be given that the current fair market value of CGG ADSs will be equivalent to the fair market value of CGG ADSs on the date that the merger consideration is received by a Veritas stockholder or at any other time. The actual fair market value of the CGG ADSs received by Veritas stockholders depends upon the fair market value of CGG ADSs upon receipt, which may be higher or lower than the average CGG ADS value or the market price of CGG ADSs on the date the merger was announced, on the date that this proxy statement/ prospectus is mailed to Veritas stockholders, on the date a Veritas stockholder makes an election with respect to the merger consideration, or on the date of the special meeting of Veritas stockholders.

If, between the date of the merger agreement and the effective time of the merger, the CGG ADSs are changed into a different number or class of shares by reason of reclassification, split-up, combination, exchange of shares or similar readjustment, or a stock dividend is declared with a record date within that period, appropriate adjustments will be made to the per share cash consideration and the per share ADS consideration.

No fractional CGG ADSs will be issued to any holder of Veritas common stock in connection with the merger. For each fractional ADS that would otherwise be issued, CGG will pay cash in an amount equal to the fraction multiplied by the average of the closing sale prices of CGG ADSs on the NYSE as reported by *The Wall Street Journal* for the five trading days immediately preceding the date on which the merger occurs. No interest will be paid or accrued on cash payable in lieu of fractional CGG ADSs.

Appraisal Rights

In the event any holder of Veritas common stock is required to receive cash (other than cash in lieu of fractional CGG ADSs) as consideration in the merger, the shares of Veritas common stock outstanding immediately prior to the effective time of the merger and held by a holder who has not voted in favor of, or consented in writing to, the adoption of the merger agreement and who has delivered a written demand for appraisal of such shares in accordance with Section 262 of the General Corporation Law of the State of Delaware will not be converted into the right to receive the merger consideration, but such holder will be entitled to seek an appraisal of such shares under the General Corporation Law of the State of Delaware, unless and until the dissenting holder fails to perfect or effectively withdraws or otherwise loses his or her right to appraisal and payment under the General Corporation Law of the State of Delaware. If, after the effective time of the merger, a dissenting stockholder fails to perfect or effectively withdraws or loses his or her right to appraisal, his or her shares of Veritas common stock will be treated as if they had been converted as of the effective time of the merger into the right to receive the merger consideration without interest or dividends thereon. A copy of Section 262 of the General Corporation Law of the State of Delaware, which sets forth the appraisal rights, is attached hereto as Annex F.

Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration; Proration

The conversion of shares of Veritas common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as reasonably practicable after the effective time of the merger, The Bank of New York, as exchange agent, will exchange certificates formerly representing shares of Veritas common stock for merger consideration to be received in the merger pursuant to the merger agreement.

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Exchange Procedures

Prior to the effective time of the merger, CGG will deposit with The Bank of New York (the depositary for CGG ADSs and the exchange agent in connection with the merger) the number of CGG ordinary shares equal to one-fifth of the aggregate number of CGG ADSs to be issued as merger consideration, and sufficient cash for the benefit of holders of shares of Veritas common stock to be converted into the merger consideration.

Soon after the effective time of the merger, the exchange agent will send a letter of transmittal to each person who was a Veritas stockholder at the effective time of the merger who has not previously and properly surrendered certificates representing shares of Veritas common stock to the exchange agent in connection with an election as described below. This mailing will contain instructions on how to surrender certificates formerly representing shares of Veritas common stock (if these certificates have not already been surrendered) in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

If certificates formerly representing shares of Veritas common stock are presented for transfer after the effective time of the merger, they will be exchanged for the merger consideration into which the shares of Veritas common stock formerly represented by that certificate shall have been converted.

Distributions with Respect to Unexchanged Veritas Common Stock

After the effective time of the merger, holders of shares of Veritas common stock will be entitled to dividends and other distributions payable with a record date after the effective time of the merger with respect to the number of CGG ADSs (or the underlying CGG ordinary shares) to which they are entitled upon exchange of their shares of Veritas common stock, without interest, but they will not be paid any dividends or other distributions on such CGG ADSs (or the underlying CGG ordinary shares) until they surrender their shares of Veritas common stock to the exchange agent in accordance with the exchange agent's instructions. After the effective time of the merger, there will be no transfers on the stock transfer books of Veritas of any shares of Veritas common stock.

Fractional Shares

Fractional CGG ADSs will not be delivered pursuant to the merger. Instead, each holder of shares of Veritas common stock who would otherwise be entitled to receive a fractional CGG ADS pursuant to the merger will be entitled to receive a cash payment, in lieu thereof, in an amount equal to the product of (1) the average of the closing sale prices of CGG ADSs on the NYSE as reported by *The Wall Street Journal* for the five trading days immediately preceding the effective time of the merger and (2) the fraction of a CGG ADS which such holder would otherwise be entitled to receive.

Termination of Exchange Fund

Any portion of the merger consideration, or dividends payable pursuant to the merger agreement, made available to the exchange agent that remains unclaimed by holders of shares of Veritas common stock for nine months after the effective time of the merger will be returned to CGG. Thereafter, a holder of Veritas common stock must look only to CGG for payment of the merger consideration to which the holder is entitled under the terms of the merger agreement. Any amounts remaining unclaimed by holders of shares of Veritas common stock three years after the effective time of the merger (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become the property of any governmental authority) will become the property of CGG free and clear of any liens.

Lost Stock Certificates

If a certificate formerly representing shares of Veritas common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement

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upon receipt of appropriate evidence as to that loss, theft or destruction, appropriate evidence as to the ownership of that certificate by the claimant, and appropriate and customary indemnification.

Withholding

Each of CGG, the combined corporation and the exchange agent will be entitled to deduct and withhold from the merger consideration payable to any Veritas stockholder the amounts it is required to deduct and withhold under the Internal Revenue Code or any state, local or foreign tax law. Withheld amounts will be treated for all purposes of the merger as having been paid to the Veritas stockholders from whom they were withheld.

Adjustments to Prevent Dilution

The merger consideration will be adjusted to provide holders of shares of Veritas common stock the same economic effect contemplated by the merger agreement if at any time between the signing and closing of the merger, there is any change in the outstanding shares of capital stock of Veritas or CGG, by reason of any reclassification, recapitalization, stock split or combination, exchange or readjustment, or stock dividend with a record date during such period. CGG may not take any action prior to the effective time of the merger that would cause each CGG ADS to represent more or less than one-fifth of one CGG ordinary share.

Election Procedure

Subject to the proration mechanism described below, each Veritas stockholder may elect to receive cash or CGG ADSs with respect to each of his or her shares of Veritas common stock.

Cash Election Shares. Stockholders who elect to receive cash for some or all of their shares of Veritas common stock will receive the per share cash consideration in respect of that portion of such holder's shares of Veritas common stock equal to such holder's cash election, subject to the proration mechanism described below. In this discussion, the shares of Veritas common stock for which cash elections have been made are referred to as cash election shares.

ADS Election Shares. Stockholders who elect to receive CGG ADSs for some or all of their shares of Veritas common stock will receive the per share ADS consideration in respect of that portion of such holder's shares of Veritas common stock equal to such holder's ADS election, subject to the proration mechanism described below. In this discussion, the shares for which ADS elections have been made are referred to as ADS election shares.

No Election Shares. Veritas stockholders who do not make a valid election will be deemed to have made no election with respect to those shares of Veritas common stock. Veritas stockholders who are deemed to have made no election with respect to some or all of their shares will receive the per share ADS consideration unless there is an oversubscription of the ADS consideration, in which case they may receive the per share cash consideration for some or all of those shares of Veritas common stock. In this discussion, the shares of Veritas common stock with respect to which stockholders have made no election are referred to as no election shares. See Proration beginning on page 101 of this proxy statement/ prospectus.

For example, assuming a Veritas stockholder holds 100 shares of Veritas common stock (and that the average CGG ADS value is \$32.50), if such stockholder made:

a cash election with respect to all the shares he or she would receive approximately \$7,405 in cash;

an ADS election with respect to all the shares he or she would receive 227 CGG ADSs (and cash in lieu of 0.85 of a fractional CGG ADS); and

a cash election with respect to some of the shares and an ADS election with respect to some of the shares, he or she would receive approximately \$74.05 for each cash election share and 2.2785 CGG ADSs for each ADS election share. Assuming 50 cash election shares and 50 ADS election shares,

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the Veritas stockholder would receive approximately \$3,702.50 in cash, 113 CGG ADSs and cash in lieu of 0.925 of a fractional CGG ADS.

The actual proration of cash and ADSs would be subject in each case to the proration procedures described under the heading **Proration** beginning on page 101 of this proxy statement/ prospectus.

A fixed number of CGG ADSs will be issued and a fixed amount of cash will be paid pursuant to the merger. Accordingly, there is no assurance that a holder of shares of Veritas common stock will receive the form of consideration that the holder elects with respect to any or all shares of Veritas common stock held by that holder. If the elections result in an oversubscription with respect to shares of Veritas common stock that would otherwise receive either the per share ADS consideration or the per share cash consideration, the procedures for allocating CGG ADSs and cash described below under **Proration will be followed by the exchange agent. See **Risk Factors** Veritas stockholders may receive a form or combination of consideration different from what they elect.**

Election Form. Each Veritas stockholder received an election form and other appropriate and customary transmittal materials. Each election form allows the holder to specify that the holder (1) elects to receive the per share ADS consideration for all of such holder's Veritas shares, (2) elects to receive the per share cash consideration for all of such holder's Veritas shares or (3) elects to receive a combination of per share ADS consideration and per share cash consideration. CGG will also make available forms of election to persons who become holders of shares of Veritas common stock subsequent to the record date for the Veritas special meeting up until the close of business on the business day prior to the election deadline. To receive an election form, please contact the information agent, Mellon Investor Services, at (866) 293-6622 or call collect (201) 680-6590.

Holders of shares of Veritas common stock who wish to elect the type of merger consideration they will receive pursuant to the merger should carefully review and follow the instructions set forth in the election form. Shares of Veritas common stock as to which the holder has not made a valid election prior to the election deadline, which is 5:00 p.m., New York City time, on January 10, 2007, will be deemed no election shares.

To make an election, a holder of shares of Veritas common stock must submit a properly completed election form and stock certificates so that it is actually received by the exchange agent at or prior to the election deadline in accordance with the instructions on the election form. An election form will be properly completed only if accompanied by certificates representing all shares of Veritas common stock covered by the election form (or a properly completed notice of guaranteed delivery) in lieu of stock certificates. If a Veritas stockholder cannot deliver his or her stock certificates to the exchange agent by the election deadline, a stockholder may deliver a notice of guaranteed delivery promising to deliver his or her stock certificates, as described in the election form, so long as (1) the guarantee of delivery is from a firm which is a member of the NYSE or another registered national securities exchange or a commercial bank or trust company having an office in the United States and (2) the actual stock certificates are in fact delivered to the exchange agent by the time set forth in the guarantee of delivery. If you own shares of Veritas common stock in street name by your broker or other nominee and you wish to make an election, you should seek instructions from the broker or other nominee holding your shares of Veritas common stock concerning how to make your election.

An election may be revoked or changed by the person submitting the election form prior to the election deadline. In the event of a revocation of an election, the exchange agent will, upon receiving a written request from the holder of shares of Veritas common stock making a revocation, return the certificates of Veritas common stock submitted by that holder, and that holder will be deemed to have made no election. The exchange agent will have reasonable discretion to determine whether any election, revocation or change has been properly or timely made and to disregard immaterial defects in the election forms, and any good faith decisions of the exchange agent regarding these matters will be binding and conclusive. Neither CGG nor the exchange agent will be under any obligation to notify any person of any defects in an election form. If you instructed a broker to submit an election for your shares, you must follow your broker's directions for changing those instructions.

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Shares of Veritas common stock as to which the holder has not made a valid election prior to the election deadline, including as a result of revocation, will be deemed no election shares. If it is determined that any purported cash election or ADS election was not properly made, the purported election will be deemed to be of no force or effect and the holder making the purported election will be deemed not to have made an election for these purposes, unless a proper election is subsequently made on a timely basis.

Proration

A fixed total number of CGG ADSs will be issued and a fixed total amount of cash will be paid pursuant to the merger, in each case subject to upward adjustment in the event that any shares of Veritas common stock are issued in accordance with the merger agreement pursuant to outstanding Veritas stock options, Veritas convertible bonds or otherwise. If the elections of all of the Veritas stockholders result in an oversubscription of the pool of cash or CGG ADSs, the pool of cash or CGG ADSs will not be increased. Rather, the exchange agent will allocate between cash and CGG ADSs in the manner described below. Accordingly, there is no assurance that you will receive the form or combination of consideration that you elect with respect to all of the shares of Veritas common stock you hold. See Risk Factors Veritas stockholders may receive a form or combination of consideration different from what they elect.

Oversubscription of the Cash Consideration. If the aggregate cash amount that would be paid upon the conversion in the merger of the cash election shares is more than the total cash amount, then:

all ADS election shares and no election shares will be converted into the right to receive the per share ADS consideration;

the exchange agent will then select from among the cash election shares, by a pro rata selection process, a sufficient number of cash election shares and switch them to ADS election shares such that the aggregate cash amount that will be paid pursuant to the merger equals as closely as practicable the total cash amount;

all cash election shares selected by the exchange agent through the pro rata selection process described above will be converted into the right to receive the per share ADS consideration; and

the cash election shares that have not been selected by the exchange agent to be converted into the per share ADS consideration will be converted into the right to receive the per share cash consideration.

Oversubscription of the ADS Consideration. If the aggregate cash amount that would be paid upon the conversion in the merger of the cash election shares is less than the total cash amount, then:

all cash election shares will be converted into the right to receive the per share cash consideration;

the exchange agent will then select from among the no election shares and then, if necessary, from among the ADS election shares, in each case by a pro rata selection process, a sufficient number of ADS election shares and switch them to cash election shares such that the aggregate cash amount that will be paid pursuant to the merger equals as closely as practicable the total cash amount;

all no election and ADS election shares selected by the exchange agent through the pro rata selection process described above will be converted into the right to receive the per share cash consideration; and

the ADS election shares and any no election shares that have not been selected by the exchange agent to be converted into the per share cash consideration will be converted into the right to receive the per share ADS consideration.

CGG will cause the exchange agent to carry out the proration described above based on calculations prepared by CGG within five business days after the election deadline, unless the merger has not been completed, in which case the proration will be completed as soon as practicable after the effective time of the merger. The exchange agent will use an equitable pro rata allocation process to be mutually determined by Veritas and CGG.

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Because the United States federal income tax consequences of receiving cash or CGG ADSs, or both cash and CGG ADSs, will differ, Veritas stockholders are urged to read carefully the information set forth under the heading **Certain Material U.S. Federal Income Tax Consequences** and to consult their tax advisors for a full understanding of the merger's tax consequences to them. In addition, because the ADS consideration can fluctuate in value from the determination made during the valuation period, the economic value per share received by Veritas stockholders who receive the ADS consideration may, as the date of receipt by them, be more or less than the amount of cash consideration per share received by Veritas stockholders who receive cash consideration.

Dividends and Distributions

Until you surrender your Veritas stock certificates for exchange, any dividends or other distributions declared after the effective time with respect to CGG ADSs into which any of your shares of Veritas common stock may have been converted will accrue, but will not be paid. When you surrender your certificates, CGG will pay any unpaid dividends or other distributions, without interest.

Treatment of Stock Options

Veritas and CGG intend to amend the merger agreement to provide that all stock options to acquire shares of Veritas common stock under the Veritas stock option plans, (including Veritas 1992 Non-Employee Director Stock Option Plan, 2001 Key Employee Non-Qualified Stock Option Plan and Share Incentive Plan) that are outstanding and unexercised prior to the effective time of the merger, whether or not vested, will be canceled and converted into the right to receive the following consideration. Holders of Veritas unexercised, outstanding stock options will be entitled to receive, for each share of Veritas common stock subject to a stock option immediately prior to the cancellation and conversion, an amount in cash equal to the excess, if any, of the per share cash consideration over the exercise price per share under the stock option immediately prior to the cancellation and conversion, less applicable taxes. CGG will pay to Veritas the aggregate amount required to be paid to Veritas stock option holders pursuant to these provisions on or promptly after the effective time of the merger time and will cause Veritas to pay to Veritas stock option holders, by a wire transfer of immediately available funds, the amounts to which they are entitled. Each option to purchase shares of Veritas common stock pursuant to the Veritas 1992 Employee Non-Qualified Stock Option Plan which is outstanding and unexercised as of the effective time of the merger, whether or not vested, will be cancelled and no consideration will be paid in connection with such cancellation. Options that are currently outstanding and unexercised under that plan, however, may be exercised in accordance with their terms prior to the effective time of the merger.

All Veritas stock option plans and any other plan providing for the issuance, transfer or grant of any capital stock of Veritas will terminate as of the effective time of the merger.

A holder of Veritas stock options who wishes to have the right to elect whether and to what extent he wishes to receive cash or shares of CGG ADSs in the merger may, if permitted by the terms of the relevant stock option plan, exercise his or her stock options, to the extent then vested and exercisable, in accordance with the relevant plan sufficiently in advance of the election deadline and return a properly completed election form prior to the election deadline of 5:00 p.m. New York time on January 10, 2007 with respect to the shares of Veritas common stock issued on exercise. As to any outstanding unvested options, which are not exercisable in this manner (except outstanding options under the Veritas 1992 Employee Non-Qualified Stock Option Plan), the cancellation and cash payment described above will apply.

Treatment of Convertible Bonds

Pursuant to the merger agreement and Section 10.11 of the indenture, dated as of March 3, 2004 by and between Veritas and U.S. Bank National Association, as trustee, governing the Veritas convertible bonds, the outstanding Veritas convertible bonds will, following the merger and the execution of a supplemental indenture, remain outstanding and be entitled to receive upon conversion the merger

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consideration that a holder of no election shares would receive, which will not be determinable until after the election deadline. In such case, the conversion of the bonds will be deemed to take place solely into shares of Veritas common stock, without any cash repayment of the principal.

A holder of the convertible bonds who converts into shares of Veritas common stock pursuant to Section 10.01 of the indenture prior to the election deadline may elect to receive cash or ADSs or a combination of cash and ADSs in the same manner as other Veritas stockholders, subject to the election procedures and proration mechanisms described in this proxy statement/ prospectus. A holder of shares of Veritas convertible bonds that wishes to have the right to make an election should tender his convertible bonds for conversion sufficiently in advance of the election deadline and return a properly completed election form prior to the election deadline of 5:00 p.m. New York time on January 10, 2007, with respect to the shares of Veritas common stock issued on conversion.

A holder of Veritas convertible bonds who wishes to receive Veritas shares before the election deadline must tender his convertible bonds for conversion no later than December 21, 2006. Under section 10.02(b) of the indenture governing the convertible bonds (filed as Exhibit 4.2 to the current report on Form 8-K filed by Veritas with the SEC on March 3, 2004), holders of convertible bonds do not become record holders of Veritas stock until, at the earliest, the determination date. Under section 10.14 of the indenture, the determination date is defined as the 10th trading day on the NYSE beginning on the second trading day on the NYSE following the day the relevant convertible bonds are tendered for conversion. If a bondholder tenders his convertible bonds for conversion on December 21, 2006, the ten trading day period will begin on December 26, 2006 and will end on January 9, 2006.

Corporate Governance Matters

Appointment of Directors

CGG will take all necessary corporate action to increase the size of the CGG board of directors by up to five members and to appoint Veritas directors immediately following the effective time of the merger to fill the vacancies on the CGG board of directors created by such increase. CGG, through the CGG board of directors and subject to the CGG board's fiduciary duties to the shareholders of CGG, will take all necessary action to recommend that Veritas directors be elected to the CGG board of directors in the circular of CGG relating to the first annual meeting of the shareholders of CGG following the closing of the merger.

At the meeting of CGG shareholders for the purpose of obtaining approval to the issuance of CGG ordinary shares underlying the CGG ADSs to be issued pursuant to the merger agreement, CGG will nominate up to five Veritas directors (including Thierry Pilenko, chairman and CEO of Veritas) to the board of directors of the combined company effective as of, and conditioned upon, the occurrence of the effective time of the merger. Each nominee, if elected, will serve for a term of six years. Following the effective time of the merger, the newly elected directors will serve on the board of directors of the combined company together with the current members of the CGG board of directors.

Representations and Warranties

The merger agreement contains representations and warranties made by each of the parties regarding aspects of their respective businesses, financial condition and structure, as well as other facts pertinent to the merger. Each of Veritas, on the one hand, and CGG, Volnay Acquisition Co. I and Volnay Acquisition Co. II, on the other hand, has made representations and warranties to the other in the merger agreement with respect to some or all of the following subject matters:

corporate existence, good standing and qualification to conduct business;

capitalization, including ownership of subsidiary capital stock and the absence of restrictions or encumbrances with respect to capital stock of any subsidiary;

corporate power and authorization to enter into and carry out the obligations of the merger agreement and the enforceability of the merger agreement;

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absence of any conflict or violation of organizational documents, third party agreements or law or regulation as a result of entering into and carrying out the obligations of the merger agreement;

governmental, third party and regulatory approvals or consents required to complete the merger;

filings and reports with the SEC and financial information;

absence of certain changes, events or circumstances;

absence of undisclosed liabilities;

accuracy of the information supplied for inclusion in this proxy statement/ prospectus;

employee benefit plans and ERISA;

litigation, government orders, judgments and decrees;

compliance with laws;

intellectual property;

material contracts;

tax matters;

property and operating equipment;

transactions with affiliates;

derivative and hedging transactions;

disclosure controls and procedures;

investment company status;

OFAC;

recommendations of merger by boards of directors;

required vote by stockholders;

fees payable to brokers in connection with the merger; and

no other representations or warranties.

Veritas has made additional representations and warranties to CGG in the merger agreement with respect to the following subject matters:

environmental matters;

insurance;

labor and employment matters;

the merger will not result in the grant of any rights to any person under Veritas' rights agreement; and

opinion of financial advisor.

CGG has made additional representations and warranties to Veritas in the merger agreement with respect to the following matters:

a commitment letter for financing will be obtained;

ownership of company common stock; and

takeover statutes.

Certain representations and warranties of CGG and Veritas are qualified as to materiality or as to material adverse effect, which when used with respect to CGG and Veritas means, as the case may be, a material adverse effect on the business, results of operations or condition (financial or other) of such party and its subsidiaries taken as a whole, except to the extent arising or resulting from or caused by, any of the following, which will be excluded from consideration:

any change in laws of general applicability or interpretations these laws by courts or governmental entities;

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changes attributable to or resulting from changes in general industry conditions or general economic conditions, except to the extent that any of these changes affects CGG or Veritas to a greater extent than other companies that are similarly situated in the industry;

changes and effects attributable to the announcement or pendency of the merger agreement or the transactions contemplated, by the merger agreement;

the failure of such party to meet internal or analysts' expectations or projections; and

compliance by CGG and Veritas with the terms of the merger agreement or the merger or the other transactions contemplated by the merger agreement.

Conditions to the Completion of the Merger

The completion of the merger is subject to various conditions. While it is anticipated that all of these conditions will be satisfied, there can be no assurance as to whether or when all of the conditions will be satisfied or, where permissible, waived.

Conditions to Each Party's Obligations

Each party's obligation to complete the merger is subject to the satisfaction or waiver of the following conditions: adoption by Veritas stockholders of the merger agreement;

approval by CGG shareholders of the issuance of CGG ordinary shares pursuant to the merger, and the election of the Veritas directors to the board of directors of CGG;

absence of any statute, rule, order, decree or regulation, and of any action taken by any court or other governmental entity which temporarily, preliminarily or permanently restrains, precludes, enjoins or otherwise prohibits the consummation of the merger or makes the merger illegal;

the waiting period (and any extension thereof) applicable to the consummation of the merger under the HSR Act will have expired or been terminated (which occurred on October 25, 2006);

all required approvals by the European Commission applicable to the merger under applicable competition laws, including the EC Merger Regulation, will have been obtained or any applicable waiting period thereunder will have been terminated or will have expired (although CGG and Veritas do not expect any such approvals by the European Commission will be required);

the receipt of all consents, authorizations, waiting periods and approvals of all governmental entities in certain jurisdictions required to be obtained prior to consummation of the merger;

effectiveness of the F-4 registration statement, of which this proxy statement/ prospectus constitutes a part, and of the F-6 registration statement, and absence of any stop order or proceedings for such purpose pending before or threatened by the SEC, and the approval (*visa*) of the *note d'information* by the AMF relating to the CGG ordinary shares to be issued at the effective time of the merger; and

CGG ADSs (and, if required, the underlying shares of CGG ordinary shares) issuable to the stockholders of Veritas pursuant to the merger and to the holders of the Veritas convertible debt will have been authorized for listing on the NYSE, subject to official notice of issuance, and the AMF and the Euronext Paris SA will have approved the listing of CGG ordinary shares to be issued at the effective time of the merger.

Additional Conditions to Veritas' Obligations

The obligation of Veritas to complete the merger is subject to the satisfaction or waiver of the following conditions:

accuracy of CGG s, Volnay Acquisition Co. I s and Volnay Acquisition Co. II s representations and warranties contained in the merger agreement both at and as of the date of the merger agreement and at and as of the closing date of the merger, as if made at and as of the closing date of the merger (except to the extent expressly made as of an earlier date, in which case as of such date), except where, in the case of all representations and warranties, the failure to be accurate

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individually or in the aggregate has not had, and would not be reasonably likely to have or result in, a material adverse effect on CGG other than CGG's representations and warranties related to its capitalization, corporate power and authority, and the validity of the merger agreement, which must be accurate at and as of the closing date in all respects;

the performance in all material respects by CGG, Volnay Acquisition Co. I and Volnay Acquisition Co. II of their respective obligations contained in the merger agreement;

absence of any suit, action or proceeding by any court or other governmental entity seeking to restrain, preclude, enjoin or prohibit the merger or any of the other transactions contemplated by the merger agreement;

the receipt by Veritas of an opinion of its counsel, dated as of the closing date of the merger, to the effect that the merger will be treated as a reorganization under Section 368(a) of the Internal Revenue Code and that each transfer of Veritas common stock to CGG will not be subject to Section 367(a)(1) of the Internal Revenue Code; and

CGG will have deposited in the exchange fund cash and CGG ADSs in an amount sufficient to permit payment of the aggregate merger consideration.

Additional Conditions to CGG's, Volnay Acquisition Co. I's and Volnay Acquisition Co. II's Obligations

The obligations of CGG, Volnay Acquisition Co. I and Volnay Acquisition Co. II to complete the merger are subject to the satisfaction or waiver of the following conditions:

accuracy of Veritas' representations and warranties contained in the merger agreement both at and as of the date of the merger agreement and at and as of the closing date of the merger, as if made at and as of the closing date of the merger (except to the extent expressly made as of an earlier date, in which case as of such date), except where, in the case of all representations and warranties, the failure to be accurate individually or in the aggregate has not had, and would not be reasonably likely to have or result in, a material adverse effect on Veritas other than Veritas' representations and warranties related to its capitalization, corporate power and authority, and the validity of the merger agreement, which must be accurate at and as of the closing date in all respects;

the performance in all material respects by Veritas of its obligations contained in the merger agreement;

absence of any suit, action or proceeding by any court or other governmental entity seeking to (1) restrain, preclude, enjoin or prohibit the merger or any of the other transactions contemplated by the merger agreement, or (2) prohibit or limit in any respect the ownership or operation of any of the parties to the merger agreement or any of their respective affiliates of any portion of the business or assets of Veritas and its subsidiaries, or to require any person to dispose of or hold separate any portion of the business or assets of Veritas and its subsidiaries, as a result of the merger or any of the other transactions contemplated by the merger agreement, in any case which would constitute a burdensome condition;

the receipt by CGG of an opinion of its counsel, dated the closing date of the merger, to the effect that the merger will be treated as a reorganization under Section 368(a) of the Internal Revenue Code;

each of the competition and governmental approvals in certain jurisdictions has been obtained without the imposition of any burdensome conditions or restrictions; and

at or prior to the effective time of the merger, the CFIUS will have notified CGG in writing that it has determined not to investigate the transactions contemplated by the merger agreement (which occurred on November 16, 2006).

Conduct of Business Pending the Merger

Operations of Veritas

Veritas has agreed that it will, and will cause its subsidiaries to, during the period from the date of the merger agreement until the effective time of the merger or the date, if any, on which the merger

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agreement is terminated, except as expressly contemplated or permitted by the merger agreement, required by applicable law, or agreed to in writing by CGG:

conduct the business of Veritas and its subsidiaries only in the ordinary course substantially consistent with past practice;

use its reasonable best efforts to preserve intact its business organization and goodwill and the business organization and goodwill of its subsidiaries; and

use its reasonable best efforts to keep available the services of its current officers and key employees and preserve and maintain existing relations with key customers, suppliers, officers, employees and creditors.

Veritas has also agreed that it will not, and will not permit any of its subsidiaries to, during the period from the date of the merger agreement until the effective time of the merger or the date, if any, on which the merger agreement is terminated, except as expressly contemplated or permitted by the merger agreement, required by applicable law, or agreed to in writing by CGG:

enter into any new line of business, incur or commit to any capital expenditures, or any obligations or liabilities in connection with any capital expenditures other than capital expenditures and obligations or liabilities incurred or committed to in an amount not greater in the aggregate than, and during the same time period set forth in, Veritas current capital budget reviewed by the board of directors of Veritas which has been furnished to CGG, other than capital expenditures to repair lost or damaged property or equipment in the ordinary course of business substantially consistent with past practice (though Veritas may prepare and provide to CGG a revised capital budget that the parties agree to negotiate in good faith to approve if the closing has not occurred by January 15, 2007);

amend its certificate of incorporation or bylaws or similar organizational documents;

declare, set aside or pay any dividend or other distribution, whether payable in cash, stock or any other property or right, with respect to its capital stock;

except that Veritas may permit any direct or indirect wholly-owned subsidiary to do any of the following:

issue its common stock pursuant to the Veritas convertible debt, stock options, employee stock purchase plan, deferred share units or LTIP plan;

issue capital stock or other equity interests to Veritas or any other wholly-owned subsidiary of Veritas;

issue LTIP shares pursuant to LTIP awards made prior to the date of the merger agreement;

issuances pursuant to the Veritas rights agreement; and

if the merger has not been consummated on or prior to December 31, 2006, Veritas may grant options to employees in such amounts, and on such terms and conditions, as shall be reasonably acceptable to CGG; redeem, purchase or otherwise acquire any of its own capital stock, unless such repurchases, redemptions or acquisitions are required under the terms of its capital stock, other outstanding securities, its benefit plans or employment agreements;

except for normal increases in the ordinary course of business consistent with past practice (or, with respect to employees, in connection with promotions on a basis consistent with past practice), grant any increase in the compensation or benefits payable or to become payable by Veritas or any of its

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subsidiaries to any former or current director, officer or employee of Veritas or any of its subsidiaries: except as required to comply with applicable law or any agreement in existence on the date of the merger agreement or as provided in the merger agreement, adopt, enter into, amend or otherwise increase, or accelerate the payment or vesting of the amounts, benefits or rights payable or accrued or to become payable or accrued under, any Veritas benefit plan (other than amendments to minimize liability for any additional taxes that may be imposed under Section 409A of the Internal Revenue Code in the absence of such amendment and other than entry into employment agreements with new hires in the ordinary course of business consistent with past practice);

enter into employment agreements or, except in accordance with existing contracts or agreements, grant any severance or termination pay to any officer, director or employee of Veritas or any of its subsidiaries (other than grants to new hires in the ordinary course consistent with past practice);

change its methods of accounting in effect as of July 31, 2005, except in accordance with changes in U.S. GAAP as concurred to by Veritas independent auditors or as disclosed in the specified Veritas SEC disclosure;

acquire any business organization, division or business by merger, consolidation, purchase of an equity interest or assets, or by any other manner, or acquire any assets (other than in the ordinary course of business substantially consistent with past practice);

sell, lease, exchange, transfer or otherwise dispose of, or agree to sell, lease, exchange, transfer or otherwise dispose of, any material assets except for (1) the licensing of data or commercial software in the ordinary course of business substantially consistent with past practice, (2) any sale, lease or disposition pursuant to agreements existing on the date of the merger agreement and entered into in the ordinary course of business or disclosed in Veritas disclosure letter, (3) sales of surplus or obsolete equipment in the ordinary course of business substantially consistent with past practice or (4) any sale, lease or disposition in an arms length transaction, for not materially less than fair market value and not in excess of \$1.0 million individually or \$25.0 million in the aggregate;

mortgage, pledge, hypothecate, grant any security interest in, or otherwise subject any of its assets to any liens, subject to limited exceptions;

pay, discharge or satisfy any material claims (including claims of stockholders), liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise) where such payment, discharge or satisfaction would require any material payment except for the payment, discharge or satisfaction of liabilities or obligations in accordance with the terms of agreements in effect on the date of the merger agreement or entered into after the date of the merger agreement in the ordinary course of business substantially consistent with past practice, and except for any payments, discharges or settlements relating to any litigation that do not exceed \$1.0 million individually or \$10.0 million in the aggregate;

engage in any transaction with (except pursuant to agreements in effect at the time of the merger agreement), or enter into any agreement, arrangement, or understanding with, directly or indirectly, any of Veritas affiliates (not including any employees of Veritas or any of its subsidiaries, other than the directors and executive officers thereof);

change any tax method of accounting, make or change any material tax election, amend any tax return in any material respect or settle or compromise any material tax liability, other than as required by law or in the ordinary course of business substantially consistent with past practice;

take any action that would reasonably be expected to result in (1) any of the conditions to the merger not being satisfied or (2) a material adverse effect on Veritas;

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adopt or enter into a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Veritas or any of its subsidiaries (other than the merger) or any agreement relating to an acquisition proposal (except certain confidentiality agreements);

incur or assume any long-term debt or incur or assume any short-term indebtedness, except for short-term indebtedness in the ordinary course of business substantially consistent with past practice and in no event exceeding \$10.0 million in the aggregate;

modify the terms of any material indebtedness or other liability to increase Veritas' obligations with respect to such indebtedness;

assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person (other than a wholly-owned subsidiary of Veritas), except in the ordinary course of business substantially consistent with past practice and in no event exceeding \$10.0 million in the aggregate;

make any loans, advances or capital contributions to, or investments in, any other person (other than to wholly-owned subsidiaries of Veritas, or by wholly-owned subsidiaries to Veritas, or customary loans or advances to employees in accordance with past practice and short-term investments of cash substantially consistent with past cash management practices);

enter into any material commitment or transaction, except in the ordinary course of business substantially consistent with past practice and in no event exceeding \$5.0 million in the aggregate;

enter into any agreement, understanding or commitment that materially limits Veritas', the combined company's or any of each of Veritas' or the combined company's subsidiaries' ability to compete in or conduct any business or line of business, including geographic limitations on Veritas' or any of its subsidiaries' activities;

terminate any material contract to which it is a party or waive or assign any of its rights or claims in a manner that is materially adverse to Veritas, except in the ordinary course of business consistent with past practice;

enter into any material joint venture, partnership or other similar arrangement or materially amend or modify in an adverse manner the terms of (or waive any material rights under) any existing material joint venture, partnership or other similar arrangement (other than any such action between its wholly-owned subsidiaries); or

enter into an agreement, contract, commitment or arrangement to take any of the prohibited actions described above.

Operations of CGG

CGG has agreed that it will, and will cause its subsidiaries to, conduct the business of CGG and its subsidiaries only in the ordinary course substantially consistent with past practices; provided, however, that the foregoing will not be deemed (1) to prohibit CGG or any of its subsidiaries from engaging in any acquisition or divestiture transaction that would not reasonably be expected to materially impair, delay or prevent the consummation of the transactions contemplated by the merger agreement or (2) to prohibit CGG from taking any action in response to an unsolicited proposal to acquire directly or indirectly all or any substantial portion of the assets or equity of CGG or any of its subsidiaries.

CGG has also agreed that it will not, during the period from the date of the merger agreement until the effective time of the merger or the date, if any, on which the merger agreement is terminated, except

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as expressly contemplated or permitted by the merger agreement, required by applicable law, or agreed to in writing by Veritas:

declare, set aside or pay any extraordinary, special or other dividend or distribution, whether payable in cash, stock or any other property or right, with respect to its capital stock or other equity interests (except for wholly-owned subsidiaries of CGG);

issue, grant, sell, transfer or distribute to any employee of CGG or any of its subsidiaries any options, warrants, calls, commitments or rights of any kind to acquire any CGG ordinary shares, other than in the ordinary course of business substantially consistent with past practices;

redeem, purchase or otherwise acquire directly or indirectly any of CGG's capital stock, except for repurchases, redemptions or acquisitions (1) required by the terms of CGG's capital stock or any securities outstanding on the date of the merger agreement, (2) contemplated by any CGG plan existing on the date of the merger agreement or (3) pursuant to arrangements described in CGG's disclosure letter;

change its methods of accounting in effect at December 31, 2005, except in accordance with changes in IFRS or applicable law as concurred to by CGG's independent auditors;

amend its articles of association or by-laws in a manner that adversely affects the terms of the CGG ordinary shares;

adopt or enter into a plan of complete or partial liquidation or dissolution;

take any action that would reasonably be expected to result in (1) any of the conditions to the merger not being satisfied or (2) a material adverse effect on CGG;

make any material change to any tax method of accounting, make or change any material tax election, amend any material return or settle or compromise any material tax liability, except where such action would not have a material effect on the tax position of CGG and its subsidiaries taken as a whole; and

enter into an agreement, contract, commitment or arrangement to do any of the foregoing.

Covenants

Access to Information and Properties

During the period prior to the effective time of the merger, upon reasonable notice and subject to applicable laws relating to the exchange of information, CGG and Veritas and their respective subsidiaries will afford to the authorized representatives of the other party reasonable access, during normal business hours, to all of their properties, offices, contracts, books, commitments, records, data and personnel. During this period, each party will make available to the other parties all information concerning its business, properties and personnel as the other parties may reasonably request. No party or any of its subsidiaries will be required to provide access to or to disclose information if such access or disclosure would violate or prejudice the rights of its customers, jeopardize any attorney-client privilege or contravene any law or binding agreement entered into prior to the date of the merger agreement. CGG and Veritas will make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

From the date of the merger agreement until the effective time of the merger, CGG and its authorized representatives, including engineers, advisors and consultants, lenders and financing sources, may enter all or any portion of Veritas' real property in order to investigate and assess the environmental condition of the real property, or the assets or the businesses of Veritas or any of its subsidiaries. The

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investigation may include a Phase I environmental site assessment, or similar or related non-invasive investigation. Veritas and its subsidiaries will:

cooperate with CGG in conducting any such investigation;

allow CGG reasonable access to Veritas and its subsidiaries respective businesses, real property and assets;

grant full permission to conduct any such investigation;

provide to CGG all plans, soil or surface or ground water tests or reports, any environmental investigation results, reports or assessments previously or contemporaneously conducted or prepared by or on behalf of Veritas, its subsidiaries, or any of their predecessors, that are in the possession of Veritas or any of its subsidiaries or are reasonably available to them from any agent, consultant, contractor or other third party service provider; and

provide all information relating to environmental matters regarding Veritas and its subsidiaries respective businesses, real property and assets that are in their possession of or reasonably available to them.

Veritas will use commercially reasonable efforts to cause each owner of Veritas vessels subject to Veritas charter to allow CGG to inspect the vessels at any reasonable time and at CGG's expense, provided that such inspection will be conducted in a manner that does not unreasonably interfere with the operation of the vessels. Any such inspection may include the opening up of the machinery and equipment. Veritas will advise CGG upon request of the location and whereabouts of each vessel to facilitate such an inspection.

Further Action; Reasonable Best Efforts

Each of the parties to the merger agreement will use its reasonable best efforts to take all actions necessary, proper or advisable to consummate the transactions contemplated by the merger agreement, including using reasonable best efforts to satisfy the conditions precedent to the obligations of any of the parties to obtain all necessary authorizations, consents and approvals, and to effect all necessary registrations and filings, and to obtain financing for the merger.

Each of the parties to the merger agreement will furnish to the other parties such necessary information and reasonable assistance as such other parties may reasonably request and provide the other parties with copies of all filings made by such party with any governmental entity (except for filings available publicly on the SEC's EDGAR system) or any other information supplied by such party to a governmental entity in connection with the merger agreement and the transactions contemplated thereby; however, neither party is obligated to share any document submitted to a governmental entity that reflects the negotiations between the parties or the valuation of some or all of any party's business.

Each of CGG, Volnay Acquisition Co. I, Volnay Acquisition Co. II and Veritas will use their respective reasonable best efforts and will cooperate with the other parties to resolve any objections that may be asserted with respect to the transactions contemplated by the merger agreement under the laws, rules, guidelines or regulations of any governmental entity. Veritas and CGG will file notification and report forms under the HSR Act with the FTC and the Antitrust Division of the Department of Justice, or Antitrust Division, and file any voluntary filings or other notifications required to be filed under the Exon-Florio Amendment with the CFIUS, and in each case will use reasonable best efforts to respond as promptly as practicable to all inquiries received from the FTC, the Antitrust Division or the CFIUS for additional information or documentation.

If at any time after the effective time of the merger, any further action is necessary or desirable to carry out the purposes of the merger agreement, the proper officers and/or directors of the combined corporation will take all such necessary action.

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All of the parties to the merger agreement will use reasonable best efforts to prevent the entry of, and to cause to be discharged or vacated, any order or injunction of a governmental entity precluding, restraining, enjoining or prohibiting consummation of the merger.

None of CGG, Volnay Acquisition Co. I or Volnay Acquisition Co. II will be required to accept, as a condition to obtaining any required approval or resolving any objection of any governmental entity, any requirement to divest or hold separate or in trust (or the imposition of any other condition or restriction with respect to) any assets or operations of CGG, Volnay Acquisition Co. I or Volnay Acquisition Co. II or any of their respective affiliates or any of the respective businesses of CGG or any of its subsidiaries, including assets or intellectual property rights of Veritas, in each case, which constitutes a burdensome condition, meaning any requirement, condition or restriction that, individually or in the aggregate with all other requirements, conditions and restrictions, is reasonably likely to (1) be materially burdensome to CGG, (2) be materially burdensome to Veritas, (3) materially diminish the value of CGG's business or (4) materially diminish the value of Veritas' business.

Disclosure Documents

Veritas and CGG will cooperate with one another (1) in connection with the preparation of this proxy statement/prospectus, the related registration statement and the necessary CGG corporate documents, (2) in determining whether any action by or in respect of, or filing with, any governmental entity is required, or any consents, approvals or waivers are required to be obtained from the parties to any material contracts, in connection with the consummation of the transactions contemplated by the merger agreement and (3) in seeking any such actions, consents, approvals or waivers or making any such filings, furnishing information required in connection therewith or with this proxy statement/prospectus and the related registration statement and the necessary CGG corporate documents and seeking timely to obtain any such actions, consents, approvals or waivers. Veritas may make such reasonable payments and agree to such reasonable modifications or amendments in order to obtain such consents, approvals or waivers that are required to be from the parties to any material contracts in connection with the consummation of the transactions contemplated by the merger agreement. Each of Veritas and CGG shall use reasonable best efforts to have this proxy statement/prospectus declared effective by the SEC as promptly as practicable. Veritas and CGG will provide the other party copies of any written comments and advise the other party of any oral comments with respect to this proxy statement/prospectus and the necessary CGG corporate documents received by any governmental entity. The parties shall cooperate and provide the other with a reasonable opportunity to review and comment on any amendment or supplement to this proxy statement/prospectus and the necessary CGG corporate documents prior to filing such documents with any governmental entity, and will provide each other with a copy of all such filings made with such entity.

If at any time prior to the effective time of the merger, any event or circumstance relating to Veritas, CGG, Volnay Acquisition Co. I and Volnay Acquisition Co. II or any of their respective affiliates, officers or directors, is discovered by such parties that should be set forth in an amendment or supplement to this proxy statement/prospectus, such party will promptly inform the other parties thereof in writing. No filing of, or amendment or supplement to, this proxy statement/prospectus and the necessary CGG corporate documents will be made by Veritas or CGG without the consent of the other party. CGG and Veritas have further agreed to use their reasonable best efforts to have such documents declared effective as promptly as practicable.

Stockholders Meetings

Veritas, acting through the Veritas board of directors, will, on a date mutually agreed between Veritas and CGG, which date shall be as soon as practicable and in no event later than 45 days following the date upon which this proxy statement/prospectus becomes effective and the French *note d'information* is approved by the AMF, take all action necessary, in accordance with its certificate of incorporation and bylaws and with applicable law, to duly call, give notice of, convene and hold a meeting of Veritas stockholders for the purpose of considering and taking action upon this merger agreement. Subject to certain exceptions, the Veritas board of directors will (1) recommend adoption of the merger agreement

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and (2) use its reasonable best efforts to solicit and obtain such adoption. Even if the Veritas board of directors withdraws, amends or modifies its recommendation, the merger agreement will be submitted to Veritas stockholders at a special meeting for the purpose of adopting the merger agreement.

CGG, acting through the CGG board of directors, will, on a date mutually agreed between Veritas and CGG, which date shall be as soon as practicable and in no event later than 45 days following the date upon which this proxy statement/prospectus becomes effective and the French *note d information* is approved by the AMF, take all action necessary, in accordance with its articles of association and by-laws and with applicable law, to promptly convene and hold an extraordinary meeting of its shareholders. Subject to certain exceptions, the CGG board of directors will (1) recommend approval of the issuance of the CGG ordinary shares underlying the CGG ADSs and (2) use its reasonable best efforts to solicit and obtain such approval. In connection with such meeting, CGG will use its reasonable best efforts to obtain the approval of CGG shareholders to issue the CGG ordinary shares underlying the CGG ADSs and will otherwise comply with all legal requirements applicable to such meeting. Even if the CGG board of directors withdraws, amends or modifies its recommendation, the merger agreement will be submitted to CGG shareholders at an extraordinary meeting for the purpose of approving the issuance of the CGG ordinary shares underlying the CGG ADSs.

Notwithstanding the obligations of the respective boards of directors of the parties described in the preceding paragraph, the board of directors of either party will be permitted to not recommend or to withdraw or modify in a manner adverse to the other party its recommendation that its stockholders vote in favor of the transactions contemplated by the merger agreement, or recommend any superior proposal but only if all of the conditions described in *No Solicitation of Alternative Transactions* are satisfied.

The merger agreement requires each of Veritas and CGG board of directors to use its reasonable efforts to obtain the approval of its stockholders in connection with the merger (subject to the ability of its board of directors to withdraw or modify its recommendation as described above) and to comply with all applicable legal requirements with respect to its stockholders meeting. Regardless of whether its board of directors has effected a change in recommendation, each party will submit the transactions contemplated by the merger agreement for approval by their respective stockholders.

Notification of Certain Matters

Each of Veritas, on the one hand, and CGG, Volnay Acquisition Co. I and Volnay Acquisition Co. II, on the other hand, will give prompt notice to the other of any fact, event or circumstance known to such party that is reasonably likely, individually or taken together with all other facts, events and circumstances known to such party, to result in a material adverse effect on such party.

Directors and Officers Insurance and Indemnification

The merger agreement provides that, for a period of six years following the merger, CGG and the combined company shall, jointly and severally, indemnify, defend and hold harmless the present and former officers, directors, employees and agents of Veritas in such capacities to the fullest extent that Veritas would have been required to do so in accordance with the provisions of each indemnification or similar agreement or arrangement with Veritas. CGG and the combined company agree that all rights to exculpation, advancement of expenses and indemnification for acts or omissions occurring prior to the effective time of the merger now existing in favor of the current and former officers and directors of Veritas as provided in the certificate of incorporation, bylaws or any material contract of Veritas, will survive the merger and continue in full force and effect in accordance with their terms.

The merger agreement further provides that, for a period of six years following the merger, CGG and the combined company shall take all necessary actions to ensure that CGG's directors and officers liability insurance continues to cover each officer and director of Veritas, in each case so long as they remain employed or retained by CGG or the combined company as an officer or director. CGG will also maintain a tail directors and officers liability insurance from an insurance carrier with the same or better credit rating as Veritas' current insurance carrier, with a claims period of six years from the effective time

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of the merger, with respect to the directors and officers of Veritas and its subsidiaries who are currently covered by Veritas existing directors and officers liability insurance with respect to claims arising from facts or events that occurred before the effective time of the merger, in an amount and scope and on terms and conditions no less favorable to such directors and officers than those in effect at the signing of the merger agreement. However, CGG-Veritas will not be obligated to make annual premium payments for this insurance to the extent that the premiums exceed 200% of the per annum rate of premium currently paid by Veritas for such insurance on the date of the merger agreement per policy year of coverage. In the event that the aggregate premium for such insurance exceeds such maximum amount, CGG-Veritas shall purchase as much coverage per policy year as reasonably obtainable for such maximum amount.

Publicity

None of the Veritas, CGG, Volnay Acquisition Co. I or Volnay Acquisition Co. II, nor any of their respective affiliates, will issue or cause the publication of any press release or other announcement with respect to the merger, the merger agreement or the other transactions contemplated by the merger agreement without the prior consultation of the other party, except as may be required by law or by any listing agreement with, or regulation of, any U.S. or foreign securities exchange or regulatory authority if all reasonable best efforts have been made to consult with the other party. In addition, Veritas will to the extent reasonably practicable consult with CGG regarding the form and content of any public disclosure of any material developments or matters involving Veritas, including earnings releases, reasonably in advance of publication or release.

Financing

CGG will use reasonable best efforts to obtain and effectuate the financing of the merger. CGG will use reasonable best effort to keep Veritas reasonably informed with respect to all material developments concerning the financing of the merger contemplated by the commitment letter. Without the prior written consent of Veritas, CGG will not amend or alter, or agree to amend or alter, the commitment letter in any manner that would reasonably be expected to impair, delay or prevent the consummation of the transactions contemplated by the merger agreement. CGG will use commercially reasonable efforts to enforce its rights under the commitment letter.

Veritas and its subsidiaries and their respective officers and employees will use reasonable best efforts to cause their advisors and accountants to provide reasonable and customary cooperation with CGG and its affiliates in connection with the arrangement of the financing of the merger that CGG deems necessary in its reasonable discretion to fund the merger, including participation in meetings, due diligence sessions, road shows, rating agency presentations, the preparation of offering memoranda, private placement memoranda, prospectuses, rating agency presentations, other marketing material and similar documents, obtaining comfort letters from Veritas accountants and obtaining legal opinions from Veritas outside counsel.

In conjunction with the obtaining of any such financing, Veritas agrees, at the reasonable request of CGG, to call for prepayment or redemption, or to prepay or redeem, or to attempt to renegotiate the terms of its then existing indebtedness for borrowed money, subject to certain limitations.

Neither Veritas nor any of its subsidiaries will be required to pay any commitment or other similar fee or incur any other liability or obligation in connection with the financing of the merger prior to the effective time of the merger. CGG will indemnify and hold harmless Veritas and its respective officers, directors and other representatives from and against any and all losses or damages suffered or incurred by them in connection with the arrangement of the financing of the merger and any information (other than information relating to the Veritas provided by Veritas to CGG for use in any information memoranda or marketing materials) utilized in connection with the financing of the merger.

Table of Contents***Stock Exchange Listing***

CGG has agreed to use its reasonable best efforts to (1) cause the CGG ADSs (and, if required, the underlying CGG ordinary shares) to be issued pursuant to the merger to be listed on the NYSE, subject to official notice of issuance and (2) obtain the approval (*visa*) of the AMF on the prospectus relating to CGG ordinary shares and the approval of Euronext Paris SA to the listing of CGG ordinary shares, in each case to be issued at the effective time of the merger (so that the listing of CGG ordinary shares takes place at the effective time of the merger, or as soon as practicable thereafter) as part of the transactions contemplated by the merger agreement, subject to official notice of issuance.

Employee Benefits

The merger agreement provides that during the period from the closing date of the merger to the first anniversary thereof, CGG will, and will cause its affiliates to, continue to provide to each person who is employed by Veritas or any of its subsidiaries immediately prior to the effective time of the merger, the compensation (including cash compensation and incentive and bonus opportunities, but excluding equity-based compensation) as in effect immediately prior to the effective time the merger and benefits (including but not limited to employee welfare benefit plans and vacation, paid time-off and severance) and similar plans as such compensation arrangements and plans were in effect immediately prior to the effective time of the merger. However, CGG-Veritas may change any benefit plan during the one year period after the effective date of the merger if the benefits under the plan after the change are at least as valuable as the benefits under the plan prior to the change. With respect to Veritas or its affiliates employees in the U.S., CGG has also agreed to maintain the Veritas severance policy for the first 12 months following the closing date of the merger and severance benefits will be triggered if the combined company terminates such an employee's employment other than for cause or CGG fails to honor the employee compensation and benefits covenants described above, in either case within 12 months of the merger date. Severance benefits for non-U.S. employees will be determined under applicable laws. CGG has also agreed to waive pre-existing conditions, exclusions, waiting periods and certain other requirements, provide credit for co-payments and deductibles paid for the plan year in which the merger occurs and generally recognize prior service and accruals (other than defined benefit pension plan accruals) with Veritas prior to the effective time of the merger for purposes of CGG employee benefit plans.

Appointment of Directors

CGG will take all necessary corporate action to increase the size of the CGG board of directors by up to five members and to appoint certain Veritas directors to fill the vacancies on the Veritas board of directors created by such increase after the effective time of the merger. CGG, through the CGG board of directors and subject to fiduciary duties to CGG shareholders, will take all necessary action to recommend that such Veritas directors be elected to the CGG board of directors in the circular of CGG relating to the first annual meeting of the shareholders of CGG following the closing of the merger.

Rights Agreement

Veritas board will take such action as is necessary to terminate the Veritas rights agreement and the Veritas preferred stock purchase rights immediately prior to the effective time of the merger and to render the Veritas preferred stock purchase rights inapplicable to the merger and the other transactions contemplated by the merger agreement.

Certain Tax Matters

The merger agreement is intended to constitute a plan of reorganization within the meaning of Treasury Regulation Section 1.368-2(g). Each of Veritas and CGG have agreed that they will use their reasonable best efforts to cause the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and have further agreed that they will not take, or fail to

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take, any action that would reasonably be expected to cause the merger to fail to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code or cause stockholders of Veritas to recognize gain pursuant to Section 367(a)(1) of the Internal Revenue Code.

In connection with the merger, CGG will file all required information with its tax returns and maintain all records required for tax purposes. CGG and Veritas will cooperate in the preparation, execution and filing of all tax returns and related documents.

Supplemental Indenture

Prior to the effective time of the merger, Veritas will execute and deliver to U.S. Bank National Association, as trustee, a supplemental indenture pursuant to and in accordance with the terms of Sections 5.01 and 10.11 of the indenture, dated March 3, 2004, related to the convertible bonds.

Veritas Employee Share Purchase Plan (ESPP)

The merger agreement provides that the offering period (as defined in the ESPP) that began on August 31, 2006 under the ESPP would continue through the date on which it was expected to expire in accordance with the terms of the ESPP in effect on the date of the merger agreement (i.e., the last trading day on or before October 31, 2006). Under the merger agreement, (1) no person was permitted to elect to increase his or her payroll deductions or other contributions to purchase shares of Veritas common stock for such offering period after the date of the merger agreement; and (2) Veritas agreed not to commence any new offering periods under the ESPP on or after the date of the merger agreement. Prior to the effective time of the merger, Veritas will take any and all actions necessary to cause the ESPP to be terminated effective as of the last day of the offering period that was underway as of the date of the merger agreement.

Section 16 Matters

Prior to the closing date of the merger, CGG and Veritas, and their respective boards of directors, will use their reasonable best efforts to take all actions to cause any dispositions of shares of Veritas common stock (including derivative securities with respect to shares of Veritas common stock) or acquisitions of CGG ordinary shares (including derivative securities with respect to CGG ordinary shares) resulting from the transactions contemplated by the merger agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act to be exempt from Section 16(b) of the Exchange Act under Rule 16b-3 promulgated under the Exchange Act in accordance with the terms and conditions set forth in that certain No-Action Letter, dated January 12, 1999, issued by the SEC to Skadden, Arps, Slate, Meagher & Flom LLP.

Affiliates Letter

Prior to the date of the Veritas special meeting, Veritas will deliver to CGG a list of names and addresses of those persons who are, in the opinion of Veritas, as of the time of the Veritas special meeting, affiliates of Veritas within the meaning of Rule 145 under the Securities Act. Veritas will provide to CGG such information and documents as CGG will reasonably request for purposes of reviewing such list. There will be added to such list the names and addresses of any other person subsequently identified by either CGG or Veritas as a person who may be deemed to be such an affiliate of Veritas.

Veritas will exercise its commercially reasonable efforts to deliver to CGG, prior to the date of the Veritas special meeting, from each affiliate of Veritas identified in the foregoing list, a letter dated as of the closing date of the merger an affiliates letter. CGG will not be required to maintain the effectiveness of the Form F-4 or any other registration statement under the Securities Act for the purposes of resale of CGG ADSs (or CGG ordinary shares underlying such CGG ADSs) by such affiliates received pursuant to the merger and CGG may direct the exchange agent not to issue certificates representing CGG ADSs (or CGG ordinary shares underlying such CGG ADSs) received by any such affiliate until CGG has received from such person an affiliates letter. CGG may issue certificates representing CGG ADSs (or

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CGG ordinary shares underlying such CGG ADSs) received by such affiliates bearing a customary legend regarding applicable Securities Act restrictions and the merger agreement.

Volnay Acquisition Co. I and II

Volnay Acquisition Co. I and Volnay Acquisition Co. II were formed solely for the purpose of effecting the transactions contemplated by the merger agreement, and Volnay Acquisition Co. I and Volnay Acquisition Co. II will not (and CGG will not permit Volnay Acquisition Co. I and Volnay Acquisition Co. II to) conduct any business or acquire any assets (other than as contemplated by the merger agreement) prior to the effective time of the merger.

No Solicitation of Alternative Transactions

The merger agreement provides, subject to limited exceptions described below, that each of Veritas and CGG will not, and will cause its subsidiaries and representatives not to:

directly or indirectly initiate, solicit or knowingly encourage or facilitate (including by way of furnishing non-public information) any inquiries regarding or the making of any proposal that constitutes, or may reasonably be expected to lead to, any acquisition proposal (as defined below);

participate or engage in any discussions or negotiations with, or disclose any non-public information relating to itself or any of its subsidiaries, or afford access to its properties, books or records to any person that has made or that it knows or has reason to believe is contemplating making an acquisition proposal; or

accept an acquisition proposal or enter into any agreement (other than a confidentiality agreement in certain circumstances that contains specified terms) that (1) provides for, constitutes or relates to any acquisition proposal or (2) requires or causes either Veritas or CGG to respectively abandon, terminate or fail to consummate the merger or the other transactions contemplated by the merger agreement.

The merger agreement permits Veritas and CGG to take and disclose to their respective stockholders a position with respect to an acquisition proposal from a third party to the extent required under applicable federal securities laws or other applicable law. If either Veritas or CGG receives a written acquisition proposal at any time prior to obtaining, in the case of Veritas, the required Veritas stockholder vote adopting the merger agreement, or in the case of CGG, the CGG shareholder vote approving the issuance of CGG ordinary shares pursuant to the merger, then that party and its respective board of directors may participate and engage in negotiations with, furnish non-public information to, and afford access to its properties, books or records to, the third party making the acquisition proposal if:

the acquisition proposal was not solicited, initiated, knowingly encouraged or facilitated by that party, its subsidiaries, or any of its officers or directors, investment bankers, attorneys, accountants, financial advisors, agents or other representatives after the date of the merger agreement;

the board of directors of the party that received the acquisition proposal determines in good faith, after consultation with its financial advisors, that such acquisition proposal constitutes or is reasonably likely to result in a superior proposal (as defined below);

the board of directors of the party that received the acquisition proposal determines in good faith, after consultation with its outside legal counsel, that the failure to participate in such negotiations or discussions or to furnish such information or data to such third party would be reasonably expected to be inconsistent with the fiduciary duties under applicable law of such party's board of directors; and

the person making the acquisition proposal has entered into a confidentiality agreement on specified terms with the party that received the acquisition proposal.

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Veritas Ability to Make an Adverse Recommendation Change in Response to a Superior Proposal

At any time prior to obtaining the required Veritas stockholder vote adopting the merger agreement, and subject to Veritas compliance at all times with the non-solicitation provisions described above, and with its obligation to submit the merger agreement to the Veritas stockholders for adoption at the special meeting, the board of directors of Veritas may make an adverse recommendation change (as defined below) in response to a superior proposal if:

three business days before making such adverse recommendation change, Veritas provides written notice to CGG

(a notice of superior proposal) that:

advises CGG that the board of directors of Veritas or any of its committees has received a superior proposal with respect to Veritas,

specifies the material terms and conditions of the superior proposal, and

identifies the person or group making such superior proposal; and

in the event that CGG proposes any alternative transaction during such three business day period, the board of directors of Veritas determines in good faith, (1) after consultation with its financial advisors and outside legal counsel, that such alternative transaction is not at least as favorable to Veritas and its stockholders from a financial point of view as the superior proposal, taking into account all financial, legal and regulatory terms and conditions of the alternative transaction proposed by CGG and (2) after consultation with its outside legal counsel, that its failure to make an adverse recommendation change would be reasonably expected to be inconsistent with its fiduciary duties under applicable law.

Veritas has also agreed to:

advise CGG in writing of the receipt of any acquisition proposal or any request for information received from any person that has made or that Veritas reasonably believes may be contemplating an acquisition proposal, or any inquiry, discussions or negotiations with respect to any acquisition proposal, the material terms and conditions of any request, acquisition proposal, inquiry, discussions or negotiations, and the identity of the person or group making any request or acquisition proposal or with whom any discussions or negotiations are taking place;

provide CGG any non-public information concerning Veritas provided to any other person or group in connection with any acquisition proposal that was not previously provided to CGG and copies of any written materials received from that person or group;

keep CGG fully informed of the status of any acquisition proposals (including any material changes to any terms and conditions); and

not release any third party from, or waive any provisions of, any confidentiality or standstill agreement to which Veritas is a party.

Veritas Ability to Make an Adverse Recommendation Change other than in Response to a Superior Proposal

At any time prior to obtaining the required Veritas stockholder vote adopting the merger agreement, and subject to Veritas compliance at all times with the non-solicitation provisions described above, and with its obligations to submit the merger agreement to the Veritas stockholders for adoption at the special meeting, the board of directors of Veritas may make an adverse recommendation change if the board of directors of Veritas:

provides written notice to CGG (a notice of change) that:

advises CGG that the board of directors of Veritas is contemplating making an adverse recommendation change, and

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specifies the material facts and information constituting the basis for such contemplated determination; and determines in good faith:

after consultation with its outside legal counsel, that the failure to make an adverse recommendation change would be reasonably expected to be inconsistent with its fiduciary duties to the stockholders of Veritas, and

that the reasons for making the adverse recommendation change are independent of any pending acquisition proposal;

provided, however, that:

the board of directors of Veritas may not make such an adverse recommendation change until the third business day after receipt by CGG of a notice of change, and

during the three business day period, Veritas will, at the request of CGG, negotiate in good faith with respect to any changes to the merger agreement which would allow the board of directors of Veritas to not make the adverse recommendation change consistent with its fiduciary duties.

CGG's Ability to Make an Adverse Recommendation Change in Response to a Superior Proposal

At any time prior to obtaining the required CGG shareholder vote approving the issuance of CGG ordinary shares pursuant to the merger, and subject to CGG's compliance at all times with the non-solicitation provisions described above, and with its obligations to submit the issuance of CGG ordinary shares pursuant to the merger to the CGG shareholders for approval at the special meeting, the board of directors of CGG may make an adverse recommendation change in response to a superior proposal if:

three business days before making such adverse recommendation change, CGG provides a notice of superior proposal to Veritas that:

advises Veritas that the board of directors of CGG or any of its committees has received a superior proposal with respect to CGG,

specifies the material terms and conditions of the superior proposal, and

identifies the person or group making such superior proposal; and

in the event that Veritas proposes any alternative transaction, during such three business day period, the board of directors of CGG determines in good faith, (1) after consultation with its financial advisors and outside legal counsel, that such alternative transaction is not at least as favorable to CGG and its shareholders from a financial point of view as the superior proposal, taking into account all financial, legal and regulatory terms and conditions of the alternative transaction proposed by Veritas and (2) after consultation with its outside legal counsel, that its failure to make an adverse recommendation change would be reasonably expected to be inconsistent with its fiduciary duties under applicable law.

CGG has also agreed to:

advise Veritas in writing of the receipt of any acquisition proposal or any request for information received from any person that has made or that Veritas reasonably believes may be contemplating an acquisition proposal, or any inquiry, discussions or negotiations with respect to any acquisition proposal, the material terms and conditions of any request, acquisition proposal, inquiry, discussions or negotiations, and the identity of the person or group making any request or acquisition proposal or with whom any discussions or negotiations are taking place;

provide Veritas any non-public information concerning CGG provided to any other person or group in connection with any acquisition proposal that was not previously provided to Veritas and copies of any written materials received from that person or group;

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keep Veritas fully informed of the status of any acquisition proposals (including any material changes to any terms and conditions); and

not release any third party from, or waive any provisions of, any confidentiality or standstill agreement to which CGG is a party.

CGG's Ability to Make an Adverse Recommendation Change Other Than in Response to a Superior Proposal

At any time prior to obtaining the required CGG shareholder vote approving the issuance of CGG ordinary shares pursuant to the merger, and subject to CGG's compliance at all times with the non-solicitation provisions described above, and with its obligation to submit the issuance of CGG ordinary shares pursuant to the merger to the CGG shareholders for approval at the special meeting, the board of directors of CGG may make an adverse recommendation change if the board of directors of CGG:

provides a notice of change to Veritas that:

advises Veritas that the board of directors of CGG is contemplating making an adverse recommendation change, and

specifies the material facts and information constituting the basis for such contemplated determination; and determines in good faith:

after consultation with its outside legal counsel that the failure to make an adverse recommendation change would be reasonably expected to be inconsistent with its fiduciary duties to the shareholders of CGG, and

that the reasons for making the adverse recommendation change are independent of any pending acquisition proposal;

provided, however, that:

the board of directors of CGG may not make such an adverse recommendation change until the third business day after receipt of a notice of change by Veritas, and

during the three business day period, CGG will, at the request of Veritas, negotiate in good faith with respect to any changes to the merger agreement which would allow the board of directors of CGG to not make the adverse recommendation change consistent with its fiduciary duties.

Acquisition Proposal. For purposes of this proxy statement/ prospectus, the term acquisition proposal means, with respect to Veritas or CGG, any bona fide proposal for the:

direct or indirect acquisition or purchase of a business or assets that generates or constitutes 15% or more of the net revenues, net income or the assets (based on fair market value) of such party and its subsidiaries, taken as a whole;

direct or indirect acquisition or purchase of 15% or more of any class of equity securities or capital stock of such party or any of its subsidiaries whose business generates or constitutes 15% or more of the net revenues, net income or assets of such party and its subsidiaries, taken as a whole; or

merger, consolidation, restructuring, transfer of assets or other business combination, sale of shares of capital stock, tender offer, exchange offer, recapitalization, stock repurchase program or other similar transaction that if consummated would result in any person beneficially owning 15% or more of any class of equity securities of such party or any of its subsidiaries whose business generates or constitutes 15% or more of the net revenues, net income or assets of such party and its subsidiaries, taken as a whole, other than the transactions contemplated by the merger agreement.

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Superior Proposal. For purposes of this proxy statement/ prospectus, the term superior proposal, with respect to Veritas or CGG, means:

any bona fide written acquisition proposal that was not initiated, solicited, facilitated or knowingly encouraged by such party or any of its subsidiaries or any of their respective representatives, made by a third party to purchase all of the outstanding equity securities or capital stock of such party or all of the businesses and assets of such party and its subsidiaries pursuant to a tender offer, exchange offer, merger or asset purchase; and

the terms of the offer are superior to such party and its stockholders (in their capacity as stockholders) from a financial point of view as compared to the transactions contemplated by the merger agreement and to any alternative transaction or changes to the terms of the merger agreement proposed by any other party to the merger agreement as determined in good faith by a majority of the board of directors of such party (after the board of directors of such party consults with its financial advisors and takes into account all financial, legal and regulatory matters, including the terms and conditions of the acquisition proposal and the merger agreement, including any changes to the terms of the merger agreement offered by any other party to the merger agreement in response to the superior proposal, as well as any conditions to and expected timing of consummation, and any risks of non-consummation, of the acquisition proposal).

Adverse Recommendation Change. For purposes of this proxy statement/ prospectus, the term adverse recommendation change means, with respect to Veritas or CGG, a direct or indirect action or public proposal made by its board of directors or a committee of its board of directors to:

withdraw (or amend or modify in a manner adverse to the other party) its approval, recommendation or declaration of advisability of the merger agreement, the merger or the other transactions contemplated by the merger agreement; or

recommend, adopt or approve any acquisition proposal.

Termination of the Merger Agreement

General

The merger agreement may be terminated by written notice at any time prior to the effective time of the merger in any of the following ways:

by mutual written consent of CGG and Veritas;

by either CGG or Veritas:

if the merger is not completed on or before April 15, 2007, unless the failure of the party seeking to terminate the merger agreement to fulfill any material obligation under the merger agreement has been the cause of, or resulted in the failure of the merger to have been completed on or before this date,

if any court or other governmental entity having jurisdiction over any party to the merger agreement will have issued a statute, rule, order, decree or regulation or taken any other action (which CGG and Veritas will use their reasonable best efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the consummation of the merger or making the merger illegal and such statute, rule, order, decree, regulation or other action has become final and nonappealable, provided that the right to terminate the merger agreement pursuant to this provision may not be exercised by a party whose failure to fulfill any material obligations under the merger agreement has been the cause of or resulted in such action or who is then in material breach of its obligation to use reasonable best efforts to complete the merger,

if the Veritas stockholders fail to adopt the merger agreement by the requisite vote. This right to terminate is not available to Veritas if it has (i) breached any of its obligations relating to non-solicitation of alternative transactions described above and an acquisition proposal with respect to

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Veritas has been publicly proposed or any person has announced its intention to make an acquisition proposal or such intention has otherwise become known generally to Veritas stockholders or (ii) breached any of its obligations relating to completing this proxy statement/ prospectus and convening a Veritas stockholders meeting as described above under Further Action; Reasonable Best Efforts

if there has been a breach of or failure to perform in any material respect any of the representations, warranties, covenants or agreements set forth in the merger agreement on the part of Veritas on the one hand, or CGG, Volnay I or Volnay II, on the other hand, which would give rise to the failure of the condition to closing related to accuracy of the representations and warranties and performance of the covenants in the merger agreement and which is incapable of being cured or has not been cured within 45 days following receipt by the breaching party of written notice of such breach from the terminating party, or

if the CGG shareholders fail to approve the issuance of CGG shares pursuant to the merger, provided that this right to terminate is not available to CGG if it has (i) breached any of its obligations relating to non-solicitation of alternative transactions described above and an acquisition proposal with respect to CGG has been publicly proposed or any person has announced its intention to make an acquisition proposal or such intention has otherwise become known generally to CGG s shareholders or (ii) breached any of its obligations relating to completing this proxy statement/ prospectus and convening a shareholders meeting described above under Further Action; Reasonable Best Efforts;

by CGG if, prior to obtaining the required vote of the Veritas stockholders adopting the merger agreement: Veritas or its board of directors has entered into an agreement with respect to an acquisition proposal (other than a permissible confidentiality agreement) or approved or recommended, or, in the case of a committee, proposed to the Veritas board of directors to approve or recommend, an acquisition proposal (as defined above under No Solicitation of Alternative Transactions),

Veritas or its board of directors or any committee thereof has resolved to do any of the foregoing, or

an adverse recommendation change has occurred with respect to Veritas (whether or not in response to a superior proposal) or the Veritas board of directors or any committee thereof has resolved to make such an adverse recommendation change;

by CGG, upon written notice to Veritas, if CGG takes any action to defeat or otherwise seek to forestall an unsolicited hostile acquisition proposal to acquire not less than 40% of CGG, which action would result in a breach or violation of any of CGG s material obligations under the merger agreement and any of the conditions to the merger not being satisfied, except that CGG will not be permitted to terminate the merger agreement if, prior to the time such unsolicited hostile acquisition proposal was made, CGG was in breach of any of its obligations relating to non-solicitation of alternative transactions under the merger agreement; or

by Veritas if, prior to obtaining the required vote of the CGG shareholders approving the issuance of the CGG shares pursuant to the merger:

CGG or its board of directors has entered into an agreement with respect to an acquisition proposal (other than a permissible confidentiality agreement) or, approved or recommended, or, in the case of a committee, proposed to the CGG board of directors to approve or recommend, an acquisition proposal,

CGG or its board of directors or any of its committees has resolved to do any of the foregoing, or

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an adverse recommendation change has occurred with respect to CGG (whether or not in response to a superior proposal) or the CGG board of directors or any committee thereof has resolved to make such an adverse recommendation change.

Termination Fees and Expenses

Except for the termination fees set forth in the merger agreement and as described below, all costs and expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring such costs or expenses.

Veritas must pay CGG a termination fee of \$85 million if:

the merger agreement is terminated by CGG due to Veritas entering into an agreement with respect to any acquisition proposal (other than certain confidentiality agreements) or an adverse recommendation change by Veritas; or

the merger agreement is terminated by either CGG or Veritas for failure to close the merger on or before April 15, 2007 or because the Veritas stockholders failed to adopt the merger agreement by the required vote, and an acquisition proposal with respect to Veritas has been publicly proposed by any person (other than by CGG or any of its respective affiliates) or any person publicly has announced its intention (whether or not conditional) to make such acquisition proposal or such intention has otherwise become known to Veritas stockholders generally, and

within 12 months after termination of the merger agreement, Veritas or any of its subsidiaries enters into any definitive agreement providing for an acquisition proposal.

Veritas must pay an expense payment of \$20.0 million to CGG if Veritas stockholders fail to adopt the merger agreement by the requisite vote.

CGG must pay Veritas a termination fee of \$85 million if:

the merger agreement is terminated by Veritas due to CGG entering into an agreement with respect to any acquisition proposal (other than certain confidentiality agreements) or an adverse recommendation change by CGG;

the merger agreement is terminated by either CGG or Veritas for failure to close the merger on or before April 15, 2007 or because the CGG shareholders failed to approve the issuance of the CGG ordinary shares underlying the CGG ADSs, and

an acquisition proposal with respect to CGG has been publicly proposed by any person (other than by Veritas or any of its respective affiliates) or any person publicly has announced its intention (whether or not conditional) to make such acquisition proposal or such intention has otherwise become known to CGG's shareholders generally, and

within 12 months after termination of the merger agreement, CGG or any of its subsidiaries enters into any definitive agreement providing for an acquisition proposal; or

CGG takes any action to defeat or otherwise seek to forestall an unsolicited hostile acquisition proposal with respect to CGG, which would result in a breach or violation of any of CGG's material obligations under the merger agreement and any of the conditions to the merger not being satisfied and thereafter CGG or Veritas terminates the merger agreement, then, upon such termination by CGG or Veritas, as Veritas's sole and exclusive remedy, CGG will pay to Veritas \$85 million as liquidated damages, and no other fees, expenses or damages will be payable by CGG in respect thereof.

CGG must pay an expense payment of \$20.0 million to Veritas if CGG shareholders fail to approve the issuance of CGG shares pursuant to the merger.

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For purposes of this subsection Termination Fees and Expenses, the term acquisition proposal shall have the meaning assigned to such term under No Solicitation of Alternative Transactions above, except that all references to 15% therein are deemed to be references to 40% for the purposes of this subsection.

Effect of Termination

In the event of the termination of the merger agreement as described above, written notice must be given by the terminating party to the other parties specifying the provision of the merger agreement pursuant to which such termination is made, and except as described in this paragraph, the merger agreement will become null and void after the expiration of any applicable period following such notice. In the event of the termination of the merger agreement, there will be no liability on the part of CGG, Volnay Acquisition Co. I or Volnay Acquisition Co. II, on the one hand or Veritas on the other, except as described above under Termination Fees and Expenses above and except with respect to the requirement to comply with the confidentiality agreement; provided that no party will be relieved from any liability with respect to any willful breach of any obligation under the merger agreement.

Table of Contents**APPRAISAL RIGHTS**

In the event the holders of shares of Veritas common stock are required to receive cash (other than cash in lieu of fractional CGG ADSs) as consideration pursuant to the merger, holders of shares of Veritas common stock who do not vote in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the General Corporation Law of the State of Delaware. In the event the holders of shares of Veritas common stock are not required to receive any portion of the merger consideration in cash (other than cash in lieu of fractional CGG ADSs), they will not be entitled to assert appraisal rights under Section 262.

The following discussion is not a complete statement of the law pertaining to appraisal rights under the General Corporation Law of the State of Delaware and is qualified in its entirety by the full text of Section 262 which is attached to this proxy statement/ prospectus as Annex F. The following summary does not constitute any legal or other advice nor does it constitute a recommendation that stockholders exercise their appraisal rights, if any, under Section 262. All references in Section 262 and in this summary to a stockholder are to the record holder of the shares of common stock of Veritas as to which appraisal rights are asserted. A person having a beneficial interest in shares of common stock of Veritas held of record in the name of another person, such as a broker, fiduciary, depositary or other nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect appraisal rights, if available.

In the event the holders of shares of Veritas common stock are required to receive cash in exchange for their shares pursuant to the merger, under Section 262, holders shares of common stock of Veritas who do not vote in favor of the adoption of the merger agreement and who otherwise follow the procedures set forth in Section 262 will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of the shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, as determined by the court.

Under Section 262, where a merger agreement is to be submitted for adoption at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders entitled to appraisal rights that appraisal rights are available and include in the notice a copy of Section 262. To the extent appraisal rights are available in connection with the merger, this proxy statement/ prospectus shall constitute the notice, and the full text of Section 262 is attached to this proxy statement as Annex F. In the event appraisal rights are available in connection with the merger, any holder of common stock of Veritas who wishes to exercise appraisal rights, or who wishes to preserve such holder's right to do so, should review the following discussion and Annex F carefully because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights. Moreover, because of the complexity of the procedures for exercising the right to seek appraisal of shares of common stock, Veritas believes that if a stockholder considers exercising such rights, such stockholder should seek the advice of legal counsel.

Filing Written Demand

Any holder of common stock of Veritas wishing to exercise appraisal rights must deliver to Veritas, before the vote on the adoption of the merger agreement at the special meeting at which the proposal to adopt the merger agreement will be submitted to the stockholders, a written demand for the appraisal of the stockholder's shares, and that stockholder must not vote in favor of the adoption of the merger agreement. A holder of shares of common stock of Veritas wishing to exercise appraisal rights must hold of record the shares on the date the written demand for appraisal is made and must continue to hold the shares of record through the effective time of the merger, since appraisal rights will be lost if the shares are transferred prior to the effective time of the merger. The holder must not vote in favor of the adoption of the merger agreement. A proxy that is submitted and does not contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement, and it will constitute a waiver of the

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stockholder's right of appraisal and will nullify any previously delivered written demand for appraisal. Therefore, a stockholder who submits a proxy and who wishes to exercise appraisal rights must submit a proxy containing instructions to vote against the adoption of the merger agreement or abstain from voting on the adoption of the merger agreement. Neither voting against the adoption of the merger agreement, nor abstaining from voting or failing to vote on the proposal to adopt the merger agreement will in and of itself constitute a written demand for appraisal satisfying the requirements of Section 262. The written demand for appraisal must be in addition to and separate from any proxy or vote on the adoption of the merger agreement. The demand must reasonably inform Veritas of the identity of the holder as well as the intention of the holder to demand an appraisal of the fair value of the shares held by the holder. A stockholder's failure to make the written demand prior to the taking of the vote on the adoption of the merger agreement at the special meeting of Veritas stockholders will constitute a waiver of appraisal rights.

If appraisal rights are available in connection with the merger, only a holder of record of shares of Veritas common stock is entitled to assert appraisal rights for the shares registered in that holder's name. A demand for appraisal in respect of shares of common stock of Veritas should be executed by or on behalf of the holder of record, fully and correctly, as the holder's name appears on the holder's stock certificates, should specify the holder's name and mailing address and the number of shares registered in the holder's name and must state that the person intends thereby to demand appraisal of the holder's shares in connection with the merger. If the shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of the demand should be made in that capacity, and if the shares are owned of record by more than one person, as in a joint tenancy and tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including an agent for two or more joint owners, may execute a demand for appraisal on behalf of a holder or record; however, the agent must identify the record owner or owners and expressly disclose that, in executing the demand, the agent is acting as agent for the record owner or owners. If the shares are held in street name by a broker, bank or nominee, the broker, bank or nominee may exercise appraisal rights with respect to the shares held for one or more beneficial owners while not exercising the rights with respect to the shares held for other beneficial owners; in such case, however, the written demand should set forth the number of shares as to which appraisal is sought and where no number of shares is expressly mentioned the demand will be presumed to cover all shares of common stock of Veritas held in the name of the record owner. Stockholders who hold their shares in brokerage accounts or other nominee forms and who wish to exercise appraisal rights are urged to consult with their brokers to determine the appropriate procedures for the making of a demand for appraisal by such a nominee.

All written demands for appraisal pursuant to Section 262 should be sent or delivered to Veritas at 10300 Town Park Drive, Houston, Texas 77072, Attention: Corporate Secretary.

Any holder of common stock of Veritas may withdraw his, her or its demand for appraisal and accept the consideration offered pursuant to the merger agreement by delivering to Veritas, as the surviving corporation, a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than 60 days after the effective date of the merger will require written approval of the surviving corporation. No appraisal proceeding in the Delaware Court of Chancery will be dismissed without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Court deems just. If the surviving corporation does not approve a request to withdraw a demand for appraisal when that approval is required, or if the Delaware Court of Chancery does not approve the dismissal of an appraisal proceeding, the stockholder will be entitled to receive only the appraised value determined in any such appraisal proceeding, which value could be less than, equal to or more than the consideration being offered pursuant to the merger agreement.

Notice by the Surviving Corporation

If appraisal rights are available in connection with the merger, within ten days after the effective time of the merger, the surviving corporation must notify each holder of common stock of Veritas who has made a written demand for appraisal pursuant to Section 262, and who has not voted in favor of the adoption of the merger agreement, that the merger has become effective.

Table of Contents**Filing a Petition for Appraisal**

Within 120 days after the effective time of the merger, but not thereafter, the surviving corporation or any holder of common stock of Veritas who has so complied with Section 262 and is entitled to appraisal rights under Section 262 may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares held by all dissenting holders. The surviving corporation is under no obligation to and has no present intention to file a petition and holders should not assume that the surviving corporation will file a petition. Accordingly, it is the obligation of the holders of common stock of Veritas to initiate all necessary action to perfect their appraisal rights in respect of shares of common stock of Veritas within the time prescribed in Section 262.

Within 120 days after the effective time of the merger, any holder of common stock of Veritas who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares not voted in favor of the adoption of the merger agreement and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. The statement must be mailed within ten days after a written request therefor has been received by the surviving corporation or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for an appraisal is timely filed by a holder of shares of common stock of Veritas and a copy thereof is served upon the surviving corporation, the surviving corporation will then be obligated within 20 days to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares and with whom agreements as to the value of their shares have not been reached. After notice to the stockholders as required by the court, the Delaware Court of Chancery is empowered to conduct a hearing on the petition to determine those stockholders who have complied with Section 262 and who have become entitled to appraisal rights thereunder. The Delaware Court of Chancery may require the stockholders who demanded payment for their shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceeding; and if any stockholder fails to comply with the direction, the Court of Chancery may dismiss the proceedings as to the stockholder.

Determination of Fair Value

After determining the holders of common stock of Veritas entitled to appraisal, the Delaware Court of Chancery will appraise the fair value of their shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining fair value and, if applicable, a fair rate of interest, the Court of Chancery of Delaware will take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Supreme Court of Delaware discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods that are generally considered acceptable in the financial community and otherwise admissible in court should be considered, and that fair price obviously requires consideration of all relevant factors involving the value of a company. The Delaware Supreme Court stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the merger. In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Supreme Court of Delaware also stated that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.

Stockholders considering seeking appraisal should be aware that the fair value of their shares as so determined could be more than, the same as or less than the consideration they would receive pursuant to

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the merger if they did not seek appraisal of their shares and that an investment banking opinion as to the fairness from a financial point of view of the consideration payable in a merger is not an opinion as to fair value under Section 262. Although Veritas believes that the merger consideration is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery, and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the merger consideration. Neither Veritas nor CGG anticipate offering more than the applicable merger consideration to any stockholder of Veritas exercising appraisal rights, and reserve the right to assert, in any appraisal proceeding, that for purposes of Section 262, the fair value of a share of common stock of Veritas is less than the applicable merger consideration, and that the methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered in the appraisal proceedings. In addition, Delaware courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenter's exclusive remedy. The Delaware Court of Chancery will also determine the amount of interest, if any, to be paid upon the amounts to be received by persons whose shares of common stock of Veritas have been appraised. If a petition for appraisal is not timely filed, then the right to an appraisal will cease. The costs of the action (which do not include attorneys fees or the fees and expenses of experts) may be determined by the Court and taxed upon the parties as the Court deems equitable under the circumstances. The Court may also order that all or a portion of the expenses incurred by a stockholder in connection with an appraisal, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, be charged pro rata against the value of all the shares entitled to be appraised.

If any stockholder who demands appraisal of shares of common stock of Veritas under Section 262 fails to perfect, or successfully withdraws or loses, such holder's right to appraisal, the stockholder's shares of common stock of Veritas will be deemed to have been converted at the effective time of the merger into the right to receive the merger consideration applicable to no election shares. A stockholder will fail to perfect, or effectively lose or withdraw, the holder's right to appraisal if no petition for appraisal is filed within 120 days after the effective time of the merger or if the stockholder delivers to the surviving corporation a written withdrawal of the holder's demand for appraisal and an acceptance of the merger consideration in accordance with Section 262.

From and after the effective time of the merger, no dissenting stockholder shall have any rights of a stockholder of Veritas with respect to that holder's shares for any purpose, except to receive payment of fair value and to receive payment of dividends or other distributions on the holder's shares of common stock of Veritas, if any, payable to stockholders of Veritas of record as of a time prior to the effective time of the merger; *provided, however*, that if a dissenting stockholder delivers to the surviving company a written withdrawal of the demand for an appraisal within 60 days after the effective time of the merger or subsequently with the written approval of the surviving company, then the right of that dissenting stockholder to an appraisal will cease and the dissenting stockholder will be entitled to receive only the merger consideration. Once a petition for appraisal is filed with the Delaware court, the appraisal proceeding may not be dismissed as to any stockholder of Veritas without the approval of the court.

Failure to comply strictly with all of the procedures set forth in Section 262 of the Delaware General Corporation Law will result in the loss of a stockholder's statutory appraisal rights. Consequently, any stockholder wishing to exercise appraisal rights is urged to consult legal counsel before attempting to exercise those rights.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined balance sheets and unaudited pro forma condensed combined statements of income are presented in millions of euros and reflect the combination of CGG and Veritas using the purchase method under IFRS and U.S. GAAP at and for the twelve-month period ended December 31, 2005 and at and for the six-month period ended June 30, 2006. The differences between IFRS and US GAAP are described in Note 2.

The pro forma adjustments are based upon available information and certain assumptions that CGG believes to be reasonable, including the assumptions that pursuant to the merger agreement:

based on the closing price of CGG ADSs on August 29, 2006, each outstanding share of Veritas common stock will be converted into the right to receive either (i) 2.25 CGG ADSs (with respect to 50.664% of Veritas total common stock) or (ii) U.S.\$75.00 in cash (with respect to 49.336% of Veritas total common stock);

the cash consideration to be paid by CGG will be financed by a U.S.\$1.6 billion bridge credit facility which will be drawn in an amount of U.S.\$1.5 billion at the effective time of the merger, which facility is fully committed by a bank at an interest rate of LIBOR plus 3.75% and with corresponding borrowing fees of 1.25% and an 18-month maturity;

each employee option to purchase shares of Veritas common stock pursuant to any stock option plan, program or arrangement of Veritas outstanding at the time of the merger, whether or not vested, will be cancelled and converted into the right to receive, for each share of Veritas common stock subject to such option, an amount in cash equal to the excess, if any of U.S.\$75.00 over the exercise price per share under such option (less any applicable withholding taxes); and

Veritas floating rate convertible bonds due 2024 are assumed to be converted at the merger date and the corresponding new outstanding shares of Veritas issued pursuant to the conversion will be included in the shares of common stock of Veritas subject to the merger.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not indicative of the income (loss) from operating activities or the financial condition of the combined company that would have been achieved had the merger been completed during the periods presented, nor are the unaudited pro forma condensed combined financial information indicative of the future operating results or financial position of CGG-Veritas. The unaudited pro forma condensed combined financial information does not reflect any cost savings or other synergies that may result from the merger. The unaudited pro forma condensed combined financial information does not reflect any special items such as payments pursuant to contractual change-of-control provisions or restructuring and integration costs that may be incurred as a result of the merger. In addition, the financial effects of any actions described in the sections entitled *The Merger*, *CGG's Reasons for the Merger* and *The Merger Recommendation of the Veritas Board of Directors and Its Reasons for the Merger*, such as synergies or the effect of asset dispositions, if any, that may be required by regulatory authorities, cannot currently be determined and therefore are not reflected in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with the respective consolidated financial statements of CGG at and for the year ended December 31, 2005 and at and for the six-month period ended June 30, 2006 and the consolidated financial statements of Veritas at and for the year ended July 31, 2006, and the consolidated financial statements of Veritas as of and for the six-months periods ended January 31, 2005 and 2006, each of which is incorporated by reference into this proxy statement/prospectus.

The unaudited pro forma condensed combined financial information is based on preliminary estimates and assumptions, which CGG believes to be reasonable. In the unaudited pro forma condensed combined financial information, the cash to be paid and CGG ADSs to be issued as merger consideration for Veritas shares of common stock have been allocated to the Veritas assets and liabilities based upon preliminary estimates by the management of

CGG of their respective fair values at the date of the merger. Any difference between the consideration paid and the fair value of the Veritas assets and liabilities has been recorded as goodwill. Definitive allocations will be performed after the effective time of the merger. Accordingly, the purchase price allocation pro forma adjustments are preliminary and have been made solely for the purpose of preparing the unaudited pro forma condensed combined financial information and are subject to revision based on the final determination of fair value after the effective time of the merger.

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**CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AT DECEMBER 31, 2005 UNDER IFRS**

	Historical CGG IFRS at December 31, 2005 Note 1	Historical Veritas U.S. GAAP at January 31, 2006 Note 1 (Unaudited) (In millions of euros except per share data)	Pro Forma Adjustments at December 31, 2005 Notes 2, 3 and 4 (Unaudited)	Combined Pro Forma Balance Sheet at December 31, 2005 IFRS (Unaudited)
ASSETS				
Cash and cash equivalents	112.4	223.4	(219.2)	116.6
Current assets, net	492.1	217.9	(18.4)	691.6
Total current assets	604.5	441.3	(237.6)	808.2
Intangible assets, net	136.3	248.1	232.7	617.1
Goodwill	252.9		1,894.6	2,147.5
Other non-current assets, net	571.4	172.0	12.4	755.8
Total non-current assets	960.6	420.1	2,139.7	3,520.4
TOTAL ASSETS	1,565.1	861.4	1,902.1	4,328.6
LIABILITIES AND SHAREHOLDERS EQUITY				
Bank overdrafts	9.3			9.3
Current portion of financial debt	157.9	132.0	(134.6)	155.3
Current liabilities	338.0	139.9	(9.8)	468.1
Total current liabilities	505.2	271.9	(144.4)	632.7
Financial debt	242.4		1,255.0	1,497.4
Derivative on convertible bonds	11.3			11.3
Other non-current liabilities	96.0	34.6	81.0	211.6
Total non-current liabilities	349.7	34.6	1,336.0	1,720.3
Total shareholders equity	698.5	554.9	710.5	1,963.9
Minority interests	11.7			11.7
Total shareholders equity and minority interests	710.2	554.9	710.5	1,975.6

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,565.1	861.4	1,902.1	4,328.6
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Table of Contents**PRO FORMA ADJUSTMENTS TO THE UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AT DECEMBER 31, 2005 UNDER IFRS**

		Pro Forma Consistency Adjustments	Ref.	Pro Forma Purchase Allocation Adjustments	Ref.	Pro Forma Other Adjustments	Ref.	Pro Forma Adjustments to Balance Sheet at December 31, 2005 (Unaudited)
		Note 2 (Unaudited)		Note 3 (Unaudited)		Note 4 (Unaudited)		
				(In millions of euros)				
ASSETS								
Cash and cash equivalents				3.2.5				(219.2)
Current assets, net	2.3, 2.4, 2.6	(10.3)				(8.1)		(18.4)
Total current assets		(10.3)				(8.1)		(237.6)
Intangible assets, net	2.3, 2.8	9.8		3.2.1				232.7
Goodwill				3.2.1				1,894.6
Other non-current assets, net	2.3, 2.4, 2.6	(7.0)		3.2.1				12.4
Total non-current assets		2.8						2,139.7
TOTAL ASSETS		(7.5)				(8.1)		1,902.1
LIABILITIES AND SHAREHOLDERS EQUITY								
Current portion of financial debt	2.3	(3.2)		3.1				(134.6)
Current liabilities	2.3, 2.6	(1.2)				(8.1)		(9.8)
Total current liabilities		(4.4)				(8.1)		(144.4)
Financial debt				3.2.3				1,255.0
Other non-current liabilities	2.3, 2.5, 2.8	2.2		3.2.1				81.0
Total non-current liabilities		2.2						1,336.8
Total shareholders equity		(5.3)						715.8
TOTAL LIABILITIES AND SHAREHOLDERS		(7.5)				(8.1)		1,902.1

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**CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED
STATEMENT OF INCOME FOR THE TWELVE-MONTH PERIOD ENDED
DECEMBER 31, 2005 UNDER IFRS**

	Historical CGG 12 Months Ended December 31, 2005 IFRS Note 1	Historical Exploration Resources and Related Pro Forma Adjustments 8 Months Ended August 31, 2005 IFRS Note 1 (Unaudited)	Historical Veritas 12 Months Ended January 31, 2006 U.S. GAAP Note 1 (Unaudited)	Pro Forma Adjustments Veritas 12 Months Ended December 31, 2005 IFRS Notes 2, 3 and 4 (Unaudited)	Combined Pro Forma Income Statement 12 Months Ended December 31, 2005 IFRS (Unaudited)
	(In millions of euros except per share data)				
Operating revenues	869.9	68.7	579.6	(29.1)	1,489.1
Other income from ordinary activities	1.9				1.9
Total income from ordinary activities	871.8	68.7	579.6	(29.1)	1,491.0
Cost of operations	(670.0)	(69.7)	(453.2)	(5.9)	(1,198.8)
Gross profit	201.8	(1.0)	126.4	(35.0)	292.2
Research and development expenses net	(31.1)		(16.5)	5.0	(42.6)
Selling, general and administrative expenses	(91.2)	(5.8)	(30.0)	(2.4)	(129.4)
Other revenues (expenses) net	(4.4)			9.9	5.5
Operating income	75.1	(6.8)	79.9	(22.5)	125.7
Interest, other financial income and expense, net, exchange gains and losses, net and others	(56.8)	(11.3)	12.8	(127.1)	(182.4)
Variance on derivative of convertible bonds	(11.5)				(11.5)
	6.8	(18.1)	92.7	(149.6)	(68.2)

**Income (loss) of
consolidated companies
before income taxes**

Income taxes	(26.6)	3.9	(6.1)	52.4	23.6
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**Net Income (loss) of
consolidated companies**

	(19.8)	(14.2)	86.6	(97.2)	(44.6)
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Equity in income of affiliates	13.0				13.0
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Net income (loss)	(6.8)	(14.2)	86.6	(97.2)	(31.6)
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Attributable to:

shareholders	(7.8)	(14.2)	86.6	(97.2)	(32.6)
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minority interests	1.0				1.0
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Weighted average number of outstanding shares	12,095,925			9,204,094	21,300,019
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Weighted average number of potential shares	12,095,925			9,204,094	21,300,019
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Earnings per share:

basic	(0.64)				(1.53)
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diluted	(0.64)				(1.53)
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**PRO FORMA ADJUSTMENTS TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
STATEMENT OF INCOME FOR THE TWELVE-MONTH PERIOD ENDED
DECEMBER 31, 2005 UNDER IFRS**

	Ref.	Pro Forma Adjustments Under IFRS	Ref.	Pro Forma Purchase Allocation Adjustments	Ref.	Pro Forma Other Adjustments	Pro Forma Adjustments to Income Statement 12 Months Ended December 31, 2005 IFRS (Unaudited)
		Note 2 (Unaudited)		Note 3 (Unaudited)		Note 4 (Unaudited)	
(In millions of euros)							
Operating revenues	2.6	3.1	2.7	(2.4)		(29.8)	(29.1)
Other income from ordinary activities							
Total income from ordinary activities		3.1		(2.4)		(29.8)	(29.1)
Cost of operations	2.1, 2.4, 2.5, 2.6	7.1	3.3.1, 3.3.4	(32.0)		19.0	(5.9)
Gross profit		10.2		(34.4)		(10.8)	(35.0)
Research and development expenses net	2.8	5.0					5.0
Selling, general and administrative expenses			3.3.1, 3.3.4	(2.4)			(2.4)
Other revenues (expenses) net	2.2, 2.6	9.9					9.9
Operating income		25.1		(36.8)		(10.8)	(22.5)
Interest, other financial income and expense, net, exchange gains and losses, net and others	2.2	(9.6)	3.3.2, 3.3.3	(117.5)			(127.1)
Income (loss) of consolidated companies before income taxes		15.5		(154.3)		(10.8)	(149.6)
Income taxes		(5.4)	3.3.5	54.0		3.8	52.4

Net income (loss)	10.1	(100.3)	(7.0)	(97.2)
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**CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AT JUNE 30, 2006 UNDER IFRS**

	Historical CGG IFRS at June 30, 2006	Historical Veritas U.S. GAAP at July 31, 2006	Pro Forma Adjustments at June 30, 2006	Combined Pro Forma Balance Sheet at June 30, 2006 IFRS
	Note 1 (Unaudited)	Note 1 (Unaudited)	Notes 2, 3 and 4 (Unaudited)	(Unaudited)
	(In millions of euros)			
ASSETS				
Cash and cash equivalents	206.4	316.1	(203.3)	319.2
Current assets, net	531.6	200.0	(10.9)	720.7
Total current assets	738.0	516.1	(214.2)	1,039.9
Intangible assets, net	122.2	233.3	212.7	568.2
Goodwill	238.5		1,714.9	1,953.4
Other non-current assets, net	574.9	161.5	8.8	745.2
Total non-current assets	935.6	394.8	1,936.4	3,266.8
TOTAL ASSETS	1,673.6	910.9	1,722.2	4,306.7
LIABILITIES AND SHAREHOLDERS EQUITY				
Bank overdrafts	17.2			17.2
Current portion of financial debt	38.3	122.7	(124.9)	36.1
Current liabilities	311.8	202.1	(6.4)	507.5
Total current liabilities	367.3	324.8	(131.3)	560.8
Financial debt	393.4		1,164.6	1,558.0
Other non-current liabilities	87.4	27.2	73.6	188.2
Total non-current liabilities	480.8	27.2	1,238.2	1,746.2
Total shareholders equity	802.6	558.9	615.3	1,976.8
Minority interests	22.9			22.9
Total shareholders equity and minority interests	825.5	558.9	615.3	1,999.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,673.6	910.9	1,722.2	4,306.7

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**PRO FORMA ADJUSTMENTS TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
BALANCE SHEET AT JUNE 30, 2006 UNDER IFRS**

		Pro Forma Consistency		Pro Forma Purchase Allocation		Pro Forma Other	Pro Forma Adjustments to Balance Sheet at June 30, 2006
	Ref.	Adjustments	Ref.	Adjustments	Ref.	Adjustments	
		Note 2 (Unaudited)		Note 3 (Unaudited)		Note 4 (Unaudited)	(Unaudited)
(In millions of euros)							
ASSETS							
Cash and cash equivalents			3.2.5	(203.3)			(203.3)
Current assets, net	2.3, 2.4, 2.6	(8.8)				(2.1)	(10.9)
Total current assets		(8.8)		(203.3)		(2.1)	(214.2)
Intangible assets, net	2.3, 2.8	5.8	3.2.1	206.9			212.7
Goodwill			3.2.1	1,714.9			1,714.9
Other non-current assets, net	2.3, 2.4, 2.6	(9.3)	3.2.1	18.1			8.8
Total non-current assets		(3.5)		1,939.9			1,936.4
TOTAL ASSETS		(12.3)		1,736.6		(2.1)	1,722.2
LIABILITIES AND SHAREHOLDERS EQUITY							
Current portion of financial debt	2.3	(3.0)	3.1	(121.9)			(124.9)
Current liabilities	2.3, 2.6	(4.1)		(0.2)		(2.1)	(6.4)
Total current liabilities		(7.1)		(122.1)		(2.1)	(131.3)
Financial debt			3.2.3	1,164.6			1,164.6
Other non-current liabilities	2.3, 2.5, 2.8	0.4	3.2.1	73.2			73.6
Total non-current liabilities		0.4		1,237.8			1,238.2
Total shareholders equity		(5.6)		620.9			615.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		(12.3)		1,736.6		(2.1)	1,722.2

Table of Contents**CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2006 UNDER IFRS**

	Historical CGG	Historical Veritas	Pro Forma	Combined Pro
	6 months ended	6 Months	Adjustments	Forma
	June 30, 2006	Ended	6 Months Ended	Statement of
	IFRS	July 31,	June 30, 2006	Income Ended
	IFRS	2006	IFRS	June 30, 2006
	Note 1	Note 1	Notes 2, 3 and 4	Note 1
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(In millions of euros except per share data)			
Operating revenues	634.5	339.1	(4.0)	969.6
Other income from ordinary activities	0.9			0.9
Total income from ordinary activities	635.4	339.1	(4.0)	970.5
Cost of operations	(420.4)	(260.5)	(7.1)	(688.0)
Gross profit	215.0	78.6	(11.1)	282.5
Research and development expenses net	(18.4)	(10.0)	3.0	(25.4)
Selling, general and administrative expenses	(60.3)	(18.6)	(0.7)	(79.6)
Other revenues (expenses) net	9.8		(0.2)	9.6
Operating income	146.1	50.0	(9.0)	187.1
Interest, other financial income and expense, net, exchange gains and losses, net and others	(19.7)	2.2	(58.7)	(76.2)
Derivative of convertible bonds and related costs	(23.0)			(23.0)
Income (loss) of consolidated companies before income taxes	103.4	52.2	(67.7)	87.9
Income taxes	(33.0)	(20.0)	23.7	(29.3)
Net Income (loss) of consolidated companies	70.4	32.2	(44.0)	58.6
Equity in income of affiliates	5.8			5.8

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Net income (loss)	76.2	32.2	(44.0)	64.4
Attributable to:				
shareholders	75.3	32.2	(44.0)	63.5
minority interests	0.9			0.9
Weighted average number of outstanding shares	17,219,465		9,204,094	26,423,559
Weighted average number of potential shares	17,583,926		9,204,094	26,788,020
Earnings per share:				
basic	4.37			2.41
diluted	4.28			2.37

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**PRO FORMA ADJUSTMENTS TO THE UNAUDITED PRO FORMA CONDENSED
COMBINED STATEMENT OF INCOME FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2006 UNDER IFRS**

	Ref.	Pro Forma Adjustments Under IFRS	Ref.	Pro Forma Purchase Allocation Adjustments	Ref.	Pro Forma Other Adjustments	Pro Forma Adjustments to Statement of Income 6 Months Ended June 30, 2006 IFRS
		Note 2 (Unaudited)		Note 3 (Unaudited)		Note 4 (Unaudited)	(Unaudited)
(In millions of euros)							
Operating revenues	2.6	2.7	2.7	(0.2)		(6.5)	(4.0)
Other income from ordinary activities							
Total income from ordinary activities		2.7		(0.2)		(6.5)	(4.0)
Cost of operations	2.1, 2.4, 2.5, 2.6	4.8	3.3.1, 3.3.4	(15.8)		3.9	(7.1)
Gross profit		7.5		(16.0)		(2.6)	(11.1)
Research and development expenses net	2.8	3.0					3.0
Selling, general and administrative expenses			3.3.1, 3.3.4	(0.7)			(0.7)
Other revenues (expenses) net	2.6	(0.2)					(0.2)
Operating income		10.3		(16.7)		(2.6)	(9.0)
Interest, other financial income and expense, net, exchange gains and losses, net and others			3.3.2, 3.3.3	(58.7)			(58.7)
Income (loss) of consolidated companies before		10.3		(75.4)		(2.6)	(67.7)

income taxes					
Income taxes	(3.6)	3.3.5	26.4	0.9	23.7
Net income (loss)	6.7		(49.0)	(1.7)	(44.0)
Attributable to:					
shareholders	6.7		(49.0)	(1.7)	(44.0)
minority interests					

Table of Contents**CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AT DECEMBER 31, 2005 UNDER U.S. GAAP**

	Historical CGG U.S. GAAP at December 31, 2005 Note 1	Historical Veritas U.S. GAAP at January 31, 2006 Note 1 (Unaudited) (In millions of euros)	Pro Forma Adjustments at December 31, 2005 Notes 2, 3 and 4 (Unaudited)	Combined Pro Forma Balance Sheet at December 31, 2005 U.S. GAAP (Unaudited)
ASSETS				
Cash and cash equivalents	112.4	223.4	(219.2)	116.6
Current assets, net	496.1	217.9	8.5	722.5
Total current assets	608.5	441.3	(210.7)	839.1
Intangible assets, net	107.0	248.1	223.0	578.1
Goodwill	255.4		1,889.1	2,144.5
Other non-current assets, net	602.9	172.0	19.5	794.4
Total non-current assets	965.3	420.1	2,131.6	3,517.0
TOTAL ASSETS	1,573.8	861.4	1,920.9	4,356.1
LIABILITIES AND SHAREHOLDERS EQUITY				
Bank overdrafts	9.3			9.3
Current portion of financial debt	160.1	132.0	(131.4)	160.7
Current liabilities	340.5	139.9	(8.5)	471.9
Total current liabilities	509.9	271.9	(139.9)	641.9
Financial debt	247.3		1,271.5	1,518.8
Derivative on convertible bonds	11.3			11.3
Other non-current liabilities	104.1	34.6	74.0	212.7
Total non-current liabilities	362.7	34.6	1,345.5	1,742.8
Total shareholders equity	689.5	554.9	715.3	1,959.7
Minority interests	11.7			11.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,573.8	861.4	1,920.9	4,356.1

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**PRO FORMA ADJUSTMENTS TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
BALANCE SHEET AT DECEMBER 31, 2005 UNDER U.S. GAAP**

	Ref.	Pro Forma Purchase Allocation Adjustments	Ref.	Pro Forma Other Adjustments	Pro Forma Adjustments to Balance Sheet at December 31, 2005
			Note 3 (Unaudited) (Unaudited) (In millions of euros)		Note 4 (Unaudited)
ASSETS					
Cash and cash equivalents	3.2.5	(219.2)			(219.2)
Current assets, net	3.2.3	16.6		(8.1)	8.5
Total current assets		(202.6)		(8.1)	(210.7)
Intangible assets, net	3.2.1	223.0			223.0
Goodwill	3.2.1	1,889.1			1,889.1
Other non-current assets, net	3.2.1	19.5			19.5
Total non-current assets		2,131.6			2,131.6
TOTAL ASSETS		1,929.0		(8.1)	1,920.9
LIABILITIES AND SHAREHOLDERS EQUITY					
Current portion of financial debt	3.1	(131.4)			(131.4)
Current liabilities	3.2	(0.4)		(8.1)	(8.5)
Total current liabilities		(131.8)		(8.1)	(139.9)
Financial debt	3.2.3	1,271.5			1,271.5
Other non-current liabilities	3.2.1	74.0			74.0
Total non-current liabilities		1,345.5			1,345.5
Total shareholders equity		715.3			715.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		1,929.0		(8.1)	1,920.9

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**CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED
STATEMENT OF INCOME FOR THE TWELVE-MONTH PERIOD ENDED
DECEMBER 31, 2005 UNDER U.S. GAAP**

	Historical CGG 12 Months Ended December 31, 2005 U.S. GAAP	Historical Exploration Resources and Related Pro Forma Adjustments 8 Months Ended August 31, 2005 U.S. GAAP	Historical Veritas 12 Months Ended January 31, 2006 U.S. GAAP	Pro Forma Adjustments Veritas 12 Months Ended December 31, 2005 U.S. GAAP	Combined Pro Forma Income Statement 12 Months Ended December 31, 2005 U.S. GAAP
	Note 1	Note 1	Note 1	Notes 2, 3 and 4	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(In millions of euros except per share data)			
Operating revenues	860.8	63.8	579.6	(29.8)	1,474.4
Cost of operations	(665.4)	(68.8)	(453.2)	1.3	(1,186.1)
Gross profit	195.4	(5.0)	126.4	(28.5)	288.3
Research and development expenses net	(39.3)		(16.5)		(55.8)
Selling, general and administrative expenses	(92.7)	(8.4)	(30.0)	(3.7)	(134.8)
Other revenues (expenses) net	(1.5)			9.6	8.1
Operating income	61.9	(13.4)	79.9	(22.6)	105.8
Interest, other financial income and expense, net, exchange gains and losses, net and others	(31.9)	(4.6)	12.8	(127.1)	(150.8)
Variance on derivative of convertible bonds	(11.5)				(11.5)
Equity in income of affiliates	13.0				13.0
Income (loss) of consolidated companies before income taxes and minority interests	31.5	(18.0)	92.7	(149.7)	(43.5)
Income taxes	(22.2)	5.2	(6.1)	52.4	29.3
Minority interests	(1.0)	0.2			(0.8)
Net income (loss)	8.3	(12.6)	86.6	(97.3)	(15.0)
Weighted average number of outstanding shares	12,095,925			9,204,094	21,300,019

Weighted average number of potential shares	12,357,779	9,204,094	21,561,873
Earnings per share:			
basic	0.69		(0.70)
diluted	0.67		(0.70)

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**PRO FORMA ADJUSTMENTS TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
STATEMENT OF INCOME FOR THE TWELVE-MONTH PERIOD
ENDED DECEMBER 31, 2005 UNDER U.S. GAAP**

		Pro Forma Consistency Adjustments Under Ref. U.S. GAAP		Pro Forma Purchase Allocation Adjustments Ref.	Pro Forma Other Adjustments Ref.	Pro Forma Adjustments to Income Statement 12 Months Ended December 31, 2005 U.S. GAAP
		Note 2 (Unaudited)		Note 3 (Unaudited)	Note 4 (Unaudited)	(Unaudited)
(In millions of euros)						
Operating revenues					(29.8)	(29.8)
Cost of operations	2.1	12.8	3.3.1	(30.5)	19.0	1.3
Gross profit		12.8		(30.5)	(10.8)	(28.5)
Selling, general and administrative expenses			3.3.1	(3.7)		(3.7)
Other revenues (expenses) net	2.2	9.6				9.6
Operating income		22.4		(34.2)	(10.8)	(22.6)
Interest, other financial income and expense, net, exchange gains and losses, net and others	2.2	(9.6)	3.3.2, 3.3.3	(117.5)		(127.1)
Income (loss) of consolidated companies before income taxes and minority interests		12.8		(151.7)	(10.8)	(149.7)
Income taxes		(4.5)	3.3.5	53.1	3.8	52.4
Net income (loss)		8.3		(98.6)	(7.0)	(97.3)

Table of Contents**CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AT JUNE 30, 2006 UNDER U.S. GAAP**

	Historical CGG	Historical Veritas	Pro Forma	Combined Pro Forma Balance Sheet at June 30, 2006 U.S. GAAP
	U.S. GAAP at	U.S. GAAP at	Adjustments at	
	June 30, 2006	July 31, 2006	June 30, 2006 Notes	
	Note 1 (Unaudited)	Note 1 (Unaudited)	Notes 2, 3 and 4 (Unaudited)	(Unaudited)
	(In millions of euros)			
ASSETS				
Cash and cash equivalents	206.4	316.1	(203.3)	319.2
Current assets, net	531.6	200.0	13.2	744.8
Total current assets	738.0	516.1	(190.1)	1,064.0
Intangible assets, net	90.7	233.3	206.9	530.9
Goodwill	251.8		1,709.2	1,961.0
Other non-current assets, net	597.2	161.5	18.1	776.6
Total non-current assets	939.7	394.8	1,934.1	3,268.5
TOTAL ASSETS	1,677.7	910.9	1,743.9	4,332.5
LIABILITIES AND SHAREHOLDERS EQUITY				
Bank overdrafts	17.2			17.2
Current portion of financial debt	38.3	122.7	(121.9)	39.1
Current liabilities	339.8	202.1	(2.3)	539.6
Total current liabilities	395.3	324.8	(124.2)	595.9
Financial debt	400.1		1,179.9	1,580.0
Other non-current liabilities	99.7	27.2	68.6	195.5
Total non-current liabilities	499.8	27.2	1,248.5	1,775.5
Total shareholders equity	759.7	558.9	619.6	1,938.2
Minority interests	22.9			22.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,677.7	910.9	1,743.9	4,332.5

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**PRO FORMA ADJUSTMENTS TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
BALANCE SHEET AT JUNE 30, 2006 UNDER U.S. GAAP**

		Pro Forma Purchase Allocation		Pro Forma Other Adjustments	Pro Forma Adjustments to Balance Sheet at June 30, 2006
	Ref.	Adjustments	Ref.	Adjustments	
		Note 3 (Unaudited)		Note 4 (Unaudited)	(Unaudited)
		(In millions of euros)			
ASSETS					
Cash and cash equivalents	3.2.5	(203.3)			(203.3)
Current assets, net	3.2.3	15.3		(2.1)	13.2
Total current assets		(188.0)		(2.1)	(190.1)
Intangible assets, net	3.2.1	206.9			206.9
Goodwill	3.2.1	1,709.1			1,709.1
Other non-current assets, net	3.2.1	18.1			18.1
Total non-current assets		1,934.1			1,934.1
TOTAL ASSETS		1,746.1		(2.1)	1,743.9
LIABILITIES AND SHAREHOLDERS EQUITY					
Current portion of financial debt	3.1	(121.9)			(121.9)
Current liabilities	3.2	(0.2)		(2.1)	(2.3)
Total current liabilities		(122.1)		(2.1)	(124.2)
Financial debt	3.2.3	1,179.9			1,179.9
Other non-current liabilities	3.2.1	68.6			68.6
Total non-current liabilities		1,248.5			1,248.5
Total shareholders equity		619.6			619.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		1,746.1		(2.1)	1,743.9

Table of Contents**CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2006 UNDER U.S. GAAP**

	Historical CGG	Historical Veritas	Pro Forma Adjustments	Combined Pro Forma
	6 Months Ended June 30, 2006 U.S. GAAP	6 Months Ended July 31, 2006 U.S. GAAP	6 Months Ended June 30, 2006 U.S. GAAP	Statement of Income Ended June 30, 2006 U.S. GAAP
	Note 1 (Unaudited)	Note 1 (Unaudited)	Notes 2, 3 and 4 (Unaudited)	(Unaudited)
	(In millions of euros except per share data)			
Operating revenues	642.0	339.1	(6.5)	974.6
Cost of operations	(420.9)	(260.5)	(6.1)	(687.5)
Gross profit	221.1	78.6	(12.6)	287.1
Research and development expenses net	(23.7)	(10.0)		(33.7)
Selling, general and administrative expenses	(60.6)	(18.6)	(1.8)	(81.0)
Other revenues (expenses) net	7.4			7.4
Operating income	144.2	50.0	(14.4)	179.8
Interest, other financial income and expense, net, exchange gains and losses, net and others	(53.7)	2.2	(58.8)	(110.3)
Derivative of convertible bonds and related costs	(23.0)			(23.0)
Equity in income of affiliates	5.8			5.8
Income (loss) of consolidated companies before income taxes and minority interests	73.3	52.2	(73.2)	52.3
Income taxes	(29.8)	(20.0)	25.7	(24.1)
Minority interests	(0.9)			(0.9)
Net income (loss)	42.6	32.2	(47.5)	27.3
Weighted average number of outstanding shares	17,219,465		9,204,094	26,423,559
Weighted average number of potential shares	17,583,926		9,204,094	26,788,020
Earnings per share:				
basic	2.47			1.03

diluted	2.42	1.02
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Table of Contents**PRO FORMA ADJUSTMENTS TO THE UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME UNDER U.S. GAAP FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2006**

	Pro Forma Consistency Adjustments Under		Pro Forma Purchase Allocation Adjustments		Pro Forma Other Adjustments	Pro Forma Adjustments to Statement of Income 6 Months Ended June 30, 2006	
	Ref.	U.S. GAAP	Ref.	Adjustments	Ref. Adjustments	U.S. GAAP	
		Note 2 (Unaudited)		Note 3 (Unaudited)		Note 4 (Unaudited)	
				(In millions of euros)		(Unaudited)	
Operating revenues						(6.5)	(6.5)
Cost of operations	2.1	5.6	3.3.1	(15.6)		3.9	(6.1)
Gross profit		5.6		(15.6)		(2.6)	(12.6)
Selling, general and administrative expenses			3.3.1	(1.8)			(1.8)
Operating income		5.6		(17.4)		(2.6)	(14.4)
Interest, other financial income and expense, net, exchange gains and losses, net and others			3.3.2, 3.3.3	(58.8)			(58.8)
Income (loss) of consolidated companies before income taxes and minority interests		5.6		(76.2)		(2.6)	(73.2)
Income taxes		(2.0)	3.3.5	26.8		0.9	25.7
Net income (loss)		3.6		(49.4)		(1.7)	(47.5)

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NOTES TO CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION AT DECEMBER 31, 2005 AND AT JUNE 30, 2006 UNDER IFRS AND U.S. GAAP

Note 1 Description of transaction and basis of presentation

Description of transaction

The merger is described in the section entitled "The Merger" contained elsewhere in this proxy statement/prospectus.

Basis of presentation

Pro forma adjustments related to the unaudited pro forma condensed combined statement of income are computed assuming the merger was completed on the first day of the earliest fiscal year presented (that is, January 1, 2005 for each of the unaudited pro forma condensed combined statement of income presented).

Pro forma adjustments related to the unaudited pro forma condensed combined balance sheet are computed assuming the merger was completed at the balance sheet date (that is December 31, 2005 for the unaudited pro forma condensed combined balance sheet presented at December 31, 2005, and June 30, 2006 for the unaudited pro forma condensed combined balance sheet presented at June 30, 2006).

All pro forma adjustments are directly attributable to the merger, except for the adjustments related to Exploration Resources, and can be estimated reliably. The unaudited pro forma condensed combined financial information does not reflect any costs savings that may be realizable from the elimination of certain expenses or from synergies.

There are certain differences in the way in which CGG and Veritas present items on their respective statements of income under U.S. GAAP. As a result certain items reported under "Other income (expenses)" in Veritas' statement of income have been reclassified in the IFRS and the US GAAP unaudited pro forma condensed combined financial information to comply with CGG's accounting presentation.

Balances and transactions between CGG and Veritas at and for the periods presented were eliminated as intercompany transactions, assuming the merger was completed from January 1, 2005.

The CGG ADS price used to compute the estimated fair value of the CGG ADSs to be issued in the merger is based on the average closing price of a CGG ADS for the period beginning two days before and ending two days after the date the merger was officially announced (September 5, 2006). However, the actual measurement date for the value of CGG ADSs under IFRS will occur at the effective time of the merger. For each U.S.\$1.0 increase or decrease in the price of an CGG ADS, the value of the CGG ADSs to be issued in the merger, computed pursuant to the terms of the merger agreement would increase or decrease by approximately U.S.\$46 million, with a corresponding increase or decrease to goodwill.

Historical financial statements and currency translation

CGG's historical financial statements at and for the fiscal year ended December 31, 2005 are presented in euros and are derived from CGG's audited consolidated financial statement included in CGG'S 2005 20-F, which is incorporated by reference into this proxy statement/prospectus.

CGG's historical financial statements at and for the six months period ended June 30, 2006 are presented in euros and are derived from CGG's unaudited consolidated financial statement included in CGG'S 6-K, furnished to the SEC on September 5, 2006, which is incorporated by reference into this proxy statement/prospectus.

Veritas historical financial statements at and for the twelve months period ended January 31, 2006 are presented in U.S. dollars and are derived from Veritas' audited financial statements included in

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**NOTES TO CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL INFORMATION AT DECEMBER 31, 2005 AND AT JUNE 30, 2006 UNDER IFRS AND
U.S. GAAP (Continued)**

Veritas 10-K at July 31, 2006, filed with the SEC on October 4, 2006, and from Veritas unaudited financial statements at and for the six months period ended January 31, 2006.

All data related to Veritas historical balance sheet at January 31, 2006 and the pro forma adjustments to the balance sheet at December 31, 2005 are translated into euros at CGG's closing rate at December 31, 2005 of 1.00 = U.S.\$1.1797.

All data related to Veritas historical statement of income for the twelve months period ended January 31, 2006 and the pro forma adjustments to the statement of income for the twelve months period ended December 31, 2005 are translated into euros at CGG's average rate for this period of 1.00 = U.S.\$1.2418.

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**NOTES TO CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL INFORMATION AT DECEMBER 31, 2005 AND AT JUNE 30, 2006 UNDER IFRS AND
U.S. GAAP (Continued)**

Combined Historical Veritas U.S. GAAP Statement of Income for the twelve months period ended January 31, 2006

	Historical Veritas 12 Months Ended July 31, 2005 U.S. GAAP (In millions of U.S. dollars) (A)	Historical Veritas 6 Months Ended January 31, 2005 U.S. GAAP (In millions of U.S. dollars) (B) (unaudited)	Historical Veritas 6 Months Ended January 31, 2006 U.S. GAAP (In millions of U.S. dollars) (C) (unaudited)	Historical Veritas 12 Months Ended January 31, 2006 U.S. GAAP (In millions of U.S. dollars) (A) - (B) + (C) (unaudited)	Historical Veritas 12 Months Ended January 31, 2006 U.S. GAAP (in millions of euros) (unaudited)
Operating revenues	634.0	321.8	407.5	719.7	579.6
Cost of operations	(519.0)	(260.9)	(304.6)	(562.7)	(453.2)
Gross profit	115.0	60.9	102.9	157.0	126.4
Research and development expenses net	(18.9)	(9.1)	(10.7)	(20.5)	(16.5)
Selling, general and administrative expenses	(31.9)	(15.0)	(20.4)	(37.3)	(30.0)
Operating income	64.2	36.8	71.8	99.2	79.9
Interest, other financial income and expense, net, exchange gains and losses, net and others	12.0	(0.1)	3.8	15.9	12.8
Income of consolidated companies before income taxes and minority interests	76.2	36.7	75.6	115.1	92.7
Income taxes	6.8	(18.4)	(32.8)	(7.6)	(6.1)
Net income	83.0	18.3	42.8	107.5	86.6
Net income (loss)	83.0	18.3	42.8	107.5	86.6
Weighted average number of outstanding shares (in thousands)	33,843				34,393
	35,054				36,442

Weighted average number
of potential shares (in
thousands)

Earning per share:

basic	2.45	2.52
diluted	2.37	2.38

The purpose of this schedule is to reflect Veritas' statement of income for the twelve month period ended January 31, 2006. The schedule is not intended to be a U.S. GAAP presentation of Veritas' results and is presented to reflect twelve months of results for purposes of comparison with CGG's calendar year presentation.

Certain items included in Veritas' annual statements of income for the fiscal year ended July 31, 2006 are derived from annual calculations including net pension and post-retirement benefit obligations,

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**NOTES TO CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL INFORMATION AT DECEMBER 31, 2005 AND AT JUNE 30, 2006 UNDER IFRS AND
U.S. GAAP (Continued)**

employee incentive awards and income taxes, among other items. This schedule does not consider the impact of how these items would have been different had the fiscal year ended on December 31, 2005.

Veritas historical financial statements at and for the six months period ended July 31, 2006 are presented in U.S. dollars and are derived from Veritas audited financial statements included in Veritas annual report on Form 10-K for the fiscal year ended July 31, 2006, which is incorporated by reference into this proxy statement/prospectus, as shown in the table below.

All data related to Veritas historical balance sheet at July 31, 2006 and the pro forma adjustments to the balance sheet at June 30, 2006 are translated into euros at CGG's closing rate at June 30, 2006 of 1.00 = U.S.\$1.2713.

All data related to Veritas historical statement of income for the six months period ended July 31, 2006 and the pro forma adjustments to the statement of income for the six months period ended June 30, 2006 are translated into euros at CGG's average rate for this period of 1.00 = U.S.\$1.2230.

Combined Historical Veritas U.S. GAAP Statement of Income for the six months period ended July 31, 2006

	Historical Veritas 12 Months Ended July 31, 2006 U.S. GAAP	Historical Veritas 6 Months Ended January 31, 2006 U.S. GAAP	Historical Veritas 6 Months Ended July 31, 2006 U.S. GAAP	Historical Veritas 6 Months Ended July 31, 2006 U.S. GAAP
	(in millions of U.S. dollars) (A)	(in millions of U.S. dollars) (B) (unaudited)	(in millions of U.S. dollars) (A) - (B) (unaudited)	(in millions of euros) (unaudited)
Operating revenues	822.2	407.5	414.7	339.1
Cost of operations	(623.2)	(304.6)	(318.6)	(260.5)
Gross profit	199.0	102.9	96.1	78.6
Research and development expenses net	(22.9)	(10.7)	(12.2)	(10.0)
Selling, general and administrative expenses	(43.2)	(20.4)	(22.8)	(18.6)
Operating income	132.9	71.8	61.1	50.0
Interest, other financial income and expense, net, exchange gains and losses, net and others	6.5	3.8	2.7	2.2
Income (loss) of consolidated companies before income taxes and minority interests	139.4	75.6	63.8	52.2
Income taxes	(57.2)	(32.8)	(24.4)	(20.0)
Net income	82.2	42.8	39.4	32.2
Net income (loss)	82.2	42.8	39.4	32.2

Weighted average number of outstanding shares (in thousands)	35,260	35,673
Weighted average number of potential shares (in thousands)	39,623	39,607
Earning per share:		
basic	2.33	0.90
diluted	2.08	0.81
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**NOTES TO CGG AND VERITAS UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL INFORMATION AT DECEMBER 31, 2005 AND AT JUNE 30, 2006 UNDER IFRS AND
U.S. GAAP (Continued)**

At September 1, 2005, Exploration Resources was consolidated into CGG's consolidated financial statements ended December 31, 2005, as described in CGG's 2005 20-F.

The pro forma income statement for the eight months ended August 31, 2005 of Exploration Resources has been derived from the U.S. GAAP income statement of Exploration Resources for the eight months ended August 31, 2005 and from the related pro forma adjustments, included in CGG's registration statement on Form F-4 filed with the SEC on June 1, 2006.

The U.S. GAAP income statement of Exploration Resources for the eight months ended August 31, 2005 and the related pro forma adjustments have been translated at an average exchange rate of NOK 8.0839 per euro.

Combined Historical Exploration Resources U.S. GAAP Statement of Income and related Pro forma Adjustments for the eight months period ended August 31, 2005

	Historical Exploration Resources 8 Months ended August 31, 2005 U.S. GAAP (Unaudited)	Purchase Accounting Exploration Resources 8 Months ended August 31, 2005 U.S. GAAP (Unaudited)	Other Adjustments Exploration Resources 8 Months ended August 31, 2005 U.S. GAAP (Unaudited)	Historical Exploration Resources and Related Pro forma Adjustments 8 Months ended August 31, 2005 U.S. GAAP (Unaudited)
	(In millions of euros)			
Operating revenues	66.3		(2.5)	63.8
Cost of operations	(58.7)	(10.0)	(0.1)	(68.8)
Gross profit	7.6	(10.0)	(2.6)	(5.0)
Selling, general and administrative expenses	(8.4)			(8.4)
Operating income	(0.8)	(10.0)	(2.6)	(13.4)
Interest, other financial income and expense, net, exchange gains and losses, net and others	1.1		(5.7)	(4.6)
Income (loss) of consolidated companies before income taxes and minority interests	0.3	(10.0)	(8.3)	(18.0)
Income taxes	(1.2)	2.8	3.6	5.2
Minority interests	0.6		(0.4)	0.2
Net income (loss)	(0.3)	(7.2)	(5.1)	(12.6)

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The pro forma income statement for the eight months ended August 31, 2005 of Exploration Resources has been derived from the IFRS income statement of Exploration Resources for the nine months ended September 30, 2005, adjusted by the month of September 2005 already consolidated in CGG's consolidated financial statements at December 31, 2005 and from the related pro forma adjustments, as described in CGG's Form 6-K report submitted to the SEC on November 18, 2005. The IFRS income statement of Exploration Resources for the eight months ended August 31, 2005 and the related pro forma adjustments have been translated at an average exchange rate of NOK 8.0839 per euro.

Combined Historical Exploration Resources IFRS Statement of Income and related Pro forma Adjustments for the eight months period ended August 31, 2005

	Historical Exploration Resources 9 Months IFRS ended September 30, 2005 (Unaudited)	Purchase Accounting Exploration Resources 8 Months IFRS ended September 30, 2005 (Unaudited)	Other Pro Forma Adjustments Exploration Resources (a) IFRS (Unaudited)	Historical Exploration Resources and Related Pro Forma Adjustments 8 Months ended August 31, 2005 IFRS (Unaudited)
	(In millions of euros)			
Operating revenues	78.6		(9.9)	68.7
Cost of operations	(67.4)	(9.4)	7.1	(69.7)
Gross profit	11.2	(9.4)	(2.8)	(1.0)
Selling, general and administrative expenses	(6.3)		0.5	(5.8)
Operating income	4.9	(9.4)	(2.3)	(6.8)
Interest, other financial income and expense, net, exchange gains and losses, net and others	(2.1)		(9.2)	(11.3)
Income (loss) of consolidated companies before income taxes	2.8	(9.4)	(11.5)	(18.1)
Income taxes	0.4	2.6	0.9	3.9
Net income (loss)	3.2	(6.8)	(10.6)	(14.2)
attributable to shareholders	3.8	(7.5)	(10.5)	(14.2)
attributable to minority interests	(0.6)	0.7	(0.1)	

- (a) Adjustments include the deduction of the income statement for the month of September 2005 for Exploration Resources.

Note 2 Adjustments to Veritas historical financial statements to ensure consistency of accounting principles with CGG s historical financial statements under IFRS and U.S. GAAP

The unaudited pro forma condensed combined financial information under IFRS and U.S. GAAP includes adjustments to Veritas historical financial statements for the following differences between the accounting principles applied under IFRS and U.S. GAAP in CGG s financial statements and the accounting principles applied under U.S. GAAP in Veritas financial statements.

The deferred tax effect of these adjustments was computed at an estimated tax rate of 35%.

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2.1. Adjustment on multi-client surveys amortization of Veritas

CGG amortizes multi-client surveys over the period during which the data is expected to be marketed using a pro-rata method based on recognized revenues as a percentage of total estimated sales (such estimation relies on the historical sales track record). In this respect, CGG uses three different sets of parameters depending on the area or type of surveys considered:

Gulf of Mexico surveys are amortized on the basis of 66.6% of revenues. Starting at the time of data delivery, a minimum straight-line depreciation scheme is applied on a three-year period, should total accumulated depreciation from the 66.6% of revenues amortization method below this minimum level;

Rest of the world surveys: same as above except depreciation is 83.3% of revenues and straight-line depreciation is over a five-year period from data delivery; and

Long-term strategic 2D surveys are amortized on the basis of revenues according to the above area split and straight-line depreciation on a seven-year period from data delivery.

Veritas amortizes multi-client sales based upon the greater of the percentage of total costs to total estimated sales for the first five years multiplied by actual sales (sales forecast method) or five years straight-line amortization from the date of survey completion.

If Veritas had applied the same estimate of economic life as CGG for the minimum straight-line depreciation for its surveys in Gulf of Mexico and for its 2D surveys, multi-clients surveys would have supported a higher amortization before January 31, 2005, and a lower amortization after January 31, 2005. The amortization expense on multi-client surveys would have been 32.5 million (U.S.\$40.3 million) instead of 45.3 million (U.S.\$56.3 million) for the twelve month period ended January 31, 2006 and 16.9 million (U.S.\$20.7 million) instead of 22.5 million (U.S.\$27.5 million) for the six months period ended July 31, 2006. The amortization expense of multi-clients surveys was thus adjusted by 12.8 million (U.S.\$16.0 million) for the twelve months period ended January 31, 2006 and 5.6 million (U.S.\$6.8 million) for the six months period ended July 31, 2006 in Cost of operations in the IFRS and U.S. GAAP condensed combined income statement.

2.2 Reclassification of specific items in the statement of income of Veritas

Certain items reported under Other income (expenses) in Veritas statement of income, corresponding to a gain on the involuntary conversion of assets amounting to 9.6 million (U.S.\$11.9 million) for the twelve months period ended December 31, 2005 have been reclassified in the IFRS and US GAAP unaudited pro forma condensed combined statements of income to comply with CGG's accounting presentation.

The unaudited pro forma condensed combined financial information under IFRS also includes adjustments to Veritas historical financial statements for the following differences between the accounting principles applied under IFRS in CGG's financial statements and the accounting principles applied under U.S. GAAP in Veritas financial statements.

2.3 Reclassification of specific items in the balance sheet of Veritas (IFRS)

Under IFRS, software is presented as an intangible asset in the balance sheet. Software presented in non-current assets in Veritas historical balance sheet has been reclassified to intangible assets in the IFRS pro-forma condensed, combined and unaudited balance sheet for 4.6 million (U.S.\$5.4 million) at December 31, 2005 and for 2.9 million (U.S.\$3.7 million) at June 30, 2006.

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Under IFRS, deferred tax is presented as a non-current item in the balance sheet. Deferred tax assets presented in current assets in Veritas historical balance sheet have been reclassified to non-current assets in the IFRS pro forma condensed, combined and unaudited balance sheet for 9.2 million (U.S.\$10.8 million) at December 31, 2005 and for 6.5 million (U.S.\$8.2 million) at June 30, 2006. Deferred tax liabilities presented in current liabilities in Veritas historical balance sheet have been reclassified to non-current liabilities in the IFRS pro forma condensed, combined and unaudited balance sheet for 4.5 million (U.S.\$5.3 million) at December 31, 2005 and for 4.2 million (U.S.\$5.3 million) at June 30, 2006.

Under IFRS, debt issuing costs are presented as a reduction of financial debt in the balance sheet. Debt issuance costs presented in current assets in Veritas historical balance sheet have been reclassified as a reduction of the current portion of financial debt in the IFRS pro forma condensed, combined and unaudited balance sheet for 1.0 million (U.S.\$1.2 million) and debt issuing costs presented in non-current assets in Veritas historical balance sheet have been reclassified as a reduction of the current portion of financial debt in the IFRS pro forma condensed, combined and unaudited balance sheet for 2.2 million (U.S.\$2.6 million) at December 31, 2005. Debt issuing costs presented in current assets in Veritas historical balance sheet have been reclassified as a reduction of the current portion of financial debt in the IFRS pro forma condensed, combined and unaudited balance sheet for 1.1 million (U.S.\$1.4 million) and debt issuing costs presented in non-current assets in Veritas historical balance sheet have been reclassified as a reduction of the current portion of financial debt in the IFRS pro forma condensed, combined and unaudited balance sheet for 1.9 million (U.S.\$2.4 million) at June 30, 2006.

2.4 Cancellation of deferred charges in Veritas financial statements (IFRS)

Deferred charges are not allowed under IFRS. Variance on deferred charges included in Veritas balance sheets is recognized in the income statement as expense for 2.8 million (U.S.\$3.5 million) for the twelve months ended December 31, 2005 as income and for 1.6 million (U.S.\$1.9 million) for the six months ended June 30, 2006. As of December 31, 2005 and June 30, 2006, deferred charges were 9.6 million (U.S.\$11.3 million) and 7.2 million (U.S.\$9.4 million), respectively.

2.5 Veritas actuarial gain and losses recorded directly in equity (IFRS)

CGG opted under IFRS for recognition of actuarial gains and losses directly in equity. Veritas cumulative actuarial gains and losses on the UK pension plan are recognized directly in equity for U.S.\$9 million at January 31, 2006 and July 31, 2006 and the corresponding amortization is cancelled in the pro forma income statement for 0.5 million (U.S.\$0.6 million) for the twelve months ended December 31, 2005 and for 0.2 million (U.S.\$0.3 million) for the six months ended June 30, 2006.

2.6 Application of proportional method to two Veritas subsidiaries (IFRS)

Under IFRS, subsidiaries on which the parent company exercises a joint control are recorded using the proportional method in the consolidated financial statements. CGG's preliminary assessment of the control of two Veritas subsidiaries is that these subsidiaries are jointly controlled by Veritas and CGG has therefore consolidated those subsidiaries into the IFRS pro forma information using the proportional method. They were accounted for under the equity method under US GAAP. The effect of accounting for those entities using the proportional method under IFRS is an increase of 3.1 million (U.S.\$3.9 million) on Operating revenues and an increase of 3.4 million (U.S.\$4.2 million) on Cost of sales for the twelve months period ending December 31, 2005 and an increase of 2.8 million (U.S.\$3.4 million) on Operating revenues and an increase of 2.5 million (U.S.\$3.1 million) on Cost of sales for the six months period ending June 30, 2006 in the pro forma condensed, combined and unaudited income statement.

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2.7 Cancellation of deferred revenues in Veritas financial statements (IFRS)

Under U.S. GAAP, revenues that are not fixed and determinable are not recognized in the income statement but deferred. Under IFRS, revenues that can be estimated reliably can be recognized as items in the income statement. The variance of deferred revenues that can be reliably estimable included in Veritas balance sheets is recognized as revenues in the pro forma income statement for a negative impact of 2.4 million (U.S. \$3.0 million) for the twelve months ended December 31, 2005 and for a negative impact of 0.2 million (U.S. \$0.3 million) for the six months ended June 30, 2006. As of December 31, 2005 and June 30, 2006, deferred revenues were 7.3 million (U.S.\$8.6 million) and 6.5 million (U.S.\$8.3 million), respectively.

2.8 Capitalization of development costs (IFRS)

Based on a preliminary estimate of CGG's management, some development costs were capitalized, amounting to 5.0 million (U.S. \$6.2 million) for the twelve months period ending December 31, 2005 and 3.0 million (U.S. \$3.7 million) for the six months period ending June 30, 2005.

Note 3 Pro forma adjustments on Purchase Price Computation and Purchase Price Allocation**3.1 Purchase Price Computation and Purchase Price Allocation****3.1.1 Purchase Price Computation**

The preliminary estimate of the computation of the purchase price under IFRS and U.S. GAAP is as follows:

Number of Veritas common stock outstanding at July 31, 2006	35,985,254
Number of shares of Veritas common stock to be issued upon the conversion of Veritas outstanding Convertible Senior Notes due 2024(1)	4,383,604
Number of shares of Veritas common stock reserved for the issuance upon the conversion of Deferred Shares Units	2,000
Total number of shares of Veritas common stock at July 31, 2006	40,370,858
Ratio to be applied for shares of Veritas common stock to be exchanged for CGG ADSs	50.664%
Shares of Veritas common stock to be exchanged for CGG ADSs at July 31, 2006	20,453,491
Exchange ratio per Veritas share	2.25 CGG ADSs
Total number of CGG ADSs to be issued	46,020,356
Multiplied by CGG's average ADS price (in U.S. dollars) for the period beginning two days before and ending two days after the September 5, 2006 (the date the merger was announced), as an estimate of the ADS price at the effective date of the merger	U.S.\$ 32.44

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	in millions (except share data)	
	U.S.\$	
Fair value of CGG ADSs issued (A)	1,493	1,174
Total number of Veritas common stock at July 31, 2006	40,370,858	
Ratio to be applied for shares of Veritas common stock to be exchanged for cash	49.336%	
Shares of Veritas common stock to be exchanged for cash at July 31, 2006	19,917,366	
Cash paid per Veritas share	75	
Fair value of compensation paid (B) (in millions of U.S. dollars)	1,494	1,175
Total consideration given in exchange for Veritas shares(A)+(B)	2,987	2,349
Cash paid in exchange for Veritas outstanding stock options	65	51
Estimated transaction costs(2)	25	19
Estimated purchase price	3,077	2,419

(1) Convertible Senior Notes due 2024

At July 31, 2006, Veritas notes payable consisted of U.S.\$155.0 million of Convertible Senior Notes due 2024, corresponding to 155,000 notes with U.S.\$1,000 nominal value. The Convertible Senior Notes bear interest at a per annum rate which equals the three-month LIBOR rate, adjusted quarterly, minus a spread of 0.75%. The interest rate of the notes, from June 15, 2006 through September 14, 2006, was 4.58%, based on a LIBOR rate of 5.33%. For fiscal 2006, the weighted average interest rate on the notes was 3.66%. The notes will mature on March 15, 2024 and may not be redeemed by Veritas prior to March 20, 2009. Holders of the notes may require Veritas to repurchase some, or all, of the notes on March 15, 2009, 2014 and 2019. They could also require repurchase upon a change of control (as defined in the indenture under which the Convertible Senior Notes were issued).

Under certain circumstances and at the option of the holder, the Convertible Senior Notes are convertible prior to the maturity date into cash and shares of Veritas common stock. These circumstances include:

1. the closing sale price of Veritas common stock is over 120% of the conversion price, which is currently U.S.\$24.03 (with 120% being U.S.\$28.84) for 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the fiscal quarter preceding the quarter in which the conversion occurs;
2. if Veritas calls the notes for redemption (which may occur at any time after March 20, 2009) and the redemption has not occurred;
3. the occurrence of a five consecutive trading day period in which the trading price of the notes was less than 95% of the closing sale price of Veritas common stock on such day multiplied by the conversion ratio; or
4. the occurrence of specified corporate transactions.

Should any of these circumstances occur, the Convertible Senior Notes would be convertible at the then current stock price times the conversion ratio of 41.6146. This amount would be payable in cash equal to the principal amount of the notes, the par value adjusted for dividends or other equity

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transactions, and the additional amount payable in shares of Veritas common stock. This settlement method is prescribed in the indenture and is not at the discretion of any party.

Since the beginning of the second fiscal quarter of 2006, the Convertible Senior Notes are convertible as the stock price remained greater than 120% of the Conversion Price for at least 20 trading days in the period of 30 consecutive trading days ending on October 31, 2005. As a consequence, noteholders have the conversion privilege to convert their convertible notes at any time prior to the merger so long as the Veritas stock price remained greater than 120% of the Conversion Price for at least 20 trading days.

Any convertible notes that are not converted prior to the effective time of the merger or put to the surviving company by the noteholder for repurchase upon a change of control will remain outstanding prior to the merger. In this case, the convertible notes indenture provides that the holder of each convertible note then outstanding shall have the right to convert such convertible note into the kind and amount of cash or securities receivable upon such merger by a holder of the number of shares of Veritas common stock deliverable upon conversion of such convertible note solely into Veritas common stock at the then applicable conversion price immediately prior to such merger. As a consequence, the outstanding convertible bonds will be convertible after the merger into the merger consideration that a non-electing holder Veritas common stock would receive, which may be cash, CGG ADSs or a combination of cash and CGG ADSs.

CGG has assumed for pro forma purposes that all convertible notes would be converted into shares of Veritas common stock at the effective date of the merger. If all noteholders exercise their right to convert when the Veritas stock price is U.S.\$75, then the amount payable by Veritas on conversion is U.S.\$155 million (131.4 million at December 31, 2005 and 121.9 million at June 30, 2006) in cash plus the issuance of 4,383,604 shares of Veritas common stock. The 4,383,604 shares of Veritas common stock are included in the purchase price computation and the repayment of the principal amount of the notes is included in the pro forma adjustments on the balance sheet.

(2) Direct transaction costs

CGG's estimated direct transaction costs amount to U.S.\$25 million (19 million) under IFRS and U.S. GAAP before tax. Veritas costs are expensed as incurred. The estimated cost of issuing CGG ADSs has not been taken into account.

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3.1.2 Purchase Price Allocation

	As of July 31, 2006			
	U.S. GAAP (\$)	U.S. GAAP ()	IFRS (\$)	IFRS ()
	(in millions)			
Net book value of net assets acquired at July 31, 2006	711	559	709	557
Allocation of purchase price:				
Acquired technologies and in-process research and development(1)	39	31	39	31
Acquired customer relationship(2)	90	71	90	71
Reassessment of multi-client library(3)	74	58	74	58
Reassessment of property, plant & equipment(4)	26	20	26	20
Favorable contracts(5)	60	47	60	47
Deferred taxes on the above adjustments(6)	(96)	(76)	(101)	(79)
Goodwill (residual balance not allocated)	2,173	1,709	2,180	1,714
Estimated purchase price	3,077	2,419	3,077	2,419

(1) Acquired technologies (useful life of 5 years) and in-process research and development

The fair value of Veritas technologies and in-process research and development is based upon the preliminary estimates of CGG management. The fair values of Veritas technologies and identifiable intangible assets are based on global estimated discounted net cash flows and are classified as intangible assets in the balance sheet. In-process research and development is preliminary estimated to be U.S.\$16 million and would be immediately expensed at the date of acquisition but not for pro forma purposes. This charge has been excluded from the pro forma adjustments as it is of a non-recurring nature.

(2) Acquired customer relationship (useful life of 20 years)

The fair value of Veritas customer relationship is based on preliminary estimated Veritas excess earnings, excluding any potential synergy with CGG. Customer relationships are classified as intangible assets in the balance sheet.

(3) Reassessment of multi-client library (maximum useful life of 5 years)

The fair value of Veritas multi-client library is based upon the preliminary estimates of CGG management. The estimated fair value of Veritas multi-client library was determined utilizing a discounted cashflow method, and is classified as intangible assets in the balance sheet.

(4) Reassessment of property, plant & equipment

The fair value of Veritas property, plant and equipment is based upon the preliminary estimates of CGG management. The fair value of Veritas property, plant and equipment is based on estimate market value of seismic equipment.

(5) Favorable contracts (weighted average remaining life of 6 years)

The fair value of Veritas favorable contracts correspond to the difference on economic conditions between Veritas existing vessels charters conditions and general market conditions of vessels charters at the date of acquisition.

Favorable contracts are classified as intangible assets in the balance sheet.

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(6) Deferred taxes on the above adjustments

Deferred tax on the above adjustments have been computed at a U.S. tax rate of 35%. In the definitive purchase price allocation and through the detailed analysis of each asset according to the location of such asset, the deferred tax asset will be computed for each asset at the related tax rate of the country in which it is located, that might be different from that of United States.

Under IFRS, the acquired in-process R&D identified in the business combination has been recognized in the balance sheet as an intangible asset with the related deferred tax liability whereas, under U.S. GAAP, it was expensed at the date of acquisition on a gross basis in accordance with EITF 96-7 Accounting for Deferred Taxes on In-Process Research and Development Activities acquired in a Purchase Business Combination .

(7) Deferred revenues

In connection with the purchase price allocation, under U.S. GAAP, deferred revenues that represent a legal performance obligation should be valued at their fair value. CGG management has estimated that the carrying amount of deferred revenues is at fair value.

(8) Pre-acquisition contingencies

There are no significant contingent liabilities, therefore none has been taken into account in the preliminary purchase price allocation.

3.2 Pro forma adjustments on the unaudited pro forma combined balance sheet under IFRS and U.S. GAAP

3.2.1 Allocation of purchase price

The allocation of the estimated purchase price has been adjusted to reflect the difference between the estimated U.S. GAAP book value and the fair value of Veritas net assets, and also the accrual of estimated direct transaction costs of U.S.\$25 million (21 million at December 31, 2005 and 20 million at June 30, 2006) million before tax.

To account for differences between the U.S. GAAP book value and the fair value of Veritas net assets, U.S. GAAP pro forma adjustments have been made to record:

	At December 31, 2005		At June 30, 2006
	(in U.S.\$ millions)	(in millions)	(in millions)
Identifiable intangible assets	263	222.9	206.9
Identifiable tangible assets	26	22.0	20.4
Additional goodwill			
at December 31, 2005	2,229	1,889.2	
at June 30, 2006	2,173		1,709.2
Deferred taxes on the above adjustments	95	80.9	75.0

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To account for differences between the IFRS book value and the fair value of Veritas net assets, adjustments have been made to record:

	At December 31, 2005		At June 30, 2006
	(in U.S.\$ millions)	(in millions)	(in millions)
Identifiable intangible assets	263	222.9	206.9
Identifiable tangible assets	26	22.0	20.4
Additional goodwill			
at December 31, 2005	2,235	1,894.6	
at June 30, 2006	2,180		1,714.9
Deferred taxes on the above adjustments	101	85.7	79.5

3.2.2 Adjustments to shareholders' equity

Adjustments have been made to adjust the IFRS and U.S. GAAP shareholders' equity for the following purposes: to remove the historical balance of Veritas for an amount of U.S.\$655 million (554.8 million) at December 31, 2005 and of U.S.\$711 million (558.9 million) at June 30, 2006;

to cancel deferred revenues that do not correspond to a performance obligation for an amount of U.S.\$9 million before tax and U.S.\$5 million (4.7 million at December 31, 2006 and 4.2 million at June 30, 2006); and

to record the amounts related to the issuance of CGG's ADSs in the merger for an amount of U.S.\$1,493 million (1,265.4 million at December 31, 2005 and 1,174.2 million at June 30, 2006).

In addition, adjustments have been made to adjust IFRS shareholders' equity to cancel the minimum liability component on the UK pension plan recorded in U.S. GAAP Veritas' financial statements.

3.2.3 Financing of the acquisition

A U.S.\$1,600 million bridge loan facility, with an 18-months maturity, would be drawn by \$1,500 million for the financing of the part of the acquisition price to be paid in cash, with an interest rate based on LIBOR plus a 3.75 additional margin. The issuance cost related to this facility have been estimated at U.S.\$19.5 million.

3.2.4 Share-based payment adjustments

As indicated in the merger agreement, each option granted by Veritas, which is outstanding and unexercised immediately prior to the merger effective date, whether vested or not vested, shall be cancelled and converted into the right to receive an amount in cash equal to the excess, if any, of the cash paid in exchange for shares of Veritas common stock (i.e. U.S.\$75.0) over the exercise price per share. The corresponding payment amounts to an estimated U.S.\$65 million and contributes to the purchase price.

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3.2.5 *Net effect of pro forma adjustment on cash*

The net effect of pro forma adjustments on cash is:

Cash-out for purchase price as disclosed in 3.1.1	
Compensation paid for Veritas shares	(U.S.\$1,494.0 million)
Cash paid in exchange for Veritas outstanding stock options	(U.S.\$65.0 million)
Estimated transaction costs	(U.S.\$25.0 million)
Cash-out for reimbursement of Convertible Notes due 2024 as disclosed in 3.1.1(1)	(U.S.\$155.0 million)
Cash-in for financing of the acquisition as disclosed in 3.2.3	
Amount drawn on the U.S.\$1,600 million bridge facility	U.S.\$1,500.0 million
Less issuance costs paid on the bridge loan facility	(U.S.\$19.5 million)
Total net effect of pro forma adjustments on cash	(U.S.\$258.5 million)

The net effect on pro forma adjustments on cash is a cash-out of U.S.\$258.5 million that corresponds to a cash-out of 219.1 million on the pro forma condensed, combined and unaudited balance sheet at December 31, 2005 for both U.S. GAAP and IFRS and a cash-out of 203.3 million in the pro forma condensed, combined and unaudited balance sheet at June 30, 2006 for both U.S. GAAP and IFRS.

3.3 *Pro forma adjustments on the unaudited pro forma combined statement of income under IFRS and U.S. GAAP*

3.3.1 *Amortization of tangible and intangible assets at fair value*

An adjustment has been made under U.S. GAAP to record the amortization expense related to the fair value of identifiable fixed assets from the purchase price for approximately 30.5 million (U.S.\$38 million) as cost of operations (for technologies, multi-client surveys and property, plant and equipment) and 3.7 million (U.S.\$4.5 million) as selling expenses (for customer relationships) for the twelve months period ended December 31, 2005, and for approximately 15.5 million (U.S.\$19 million) as cost of operations (for technologies, multi-client surveys and property, plant and equipment) and 1.9 million (U.S.\$2.3 million) as selling expenses (for customer relationships) for the six months period ended June 30, 2006, in the U.S. GAAP pro forma condensed combined and unaudited income statement.

An adjustment has been made under IFRS to record the amortization expense related to the fair value of identifiable fixed assets from the purchase price for approximately 33.2 million (U.S.\$41.2 million) as cost of operations (for technologies, multi-client surveys and property, plant and equipment) and 3.6 million (U.S.\$4.5 million) as selling expenses (for customer relationships) for the twelve months period ended December 31, 2005, and for approximately 16.8 million (U.S.\$20.6 million) as cost of operations (for technologies, multi-client surveys and property, plant and equipment) and 1.9 million (U.S.\$2.3 million) as selling expenses (for customer relationships) for the six months period ended June 30, 2006 in the pro forma condensed, combined and unaudited income statement.

3.3.2 *Interests costs and amortization of issuance costs related to the financing of the acquisition*

Based on an estimated LIBOR+3.75% corresponding to a 9.1% interest rate at the date of the commitment on financing for both periods, an adjustment has been recognized for an estimated interest cost of approximately 110.3 million (U.S.\$137.1 million) for the twelve months period ended December 31, 2005, and for approximately 56 million (U.S.\$68.6 million) for the six months period ended June 30, 2006, has been recorded in the respective statements of income as Interests expense. Had the interest rate been higher by 1/8%, the interest cost would have been increased by 1.5 million (U.S.\$1.9 million) for the twelve months period ended December 31, 2005 and 0.8 million

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(U.S.\$0.9 million) for the six months period ended June 30, 2006. The effect on net income would have been a reduction of net income by 1.0 million (U.S.\$1.2 million) for the twelve months period ended December 31, 2005 and 0.5 million (U.S.\$0.6 million) for the six months period ended June 30, 2006.

Had the interest rate been lower by 1/8%, the interest cost would have been decreased by 1.5 million (U.S.\$1.9 million) for the twelve months period ended December 31, 2005 and 0.8 million (U.S.\$0.9 million) for the six months period ended June 30, 2006. The effect on net income would have been an increase of net income by 1.0 million (U.S.\$1.2 million) for the twelve months period ended December 31, 2005 and 0.5 million (U.S.\$0.6 million) for the six months period ended June 30, 2006.

Additionally, based on issuing fees estimated to U.S.\$19.5 million for the bridge loan to be issued, an estimated amortization expense of approximately 10.5 million (U.S.\$13 million) for the twelve months period ended December 31, 2005, and for approximately 5.4 million (U.S.\$6.5 million) for the six months period ended June 30, 2006, has been recorded in the respective statements of income as Interests expenses. The bridge loan would be refinanced by long-term debt to be issued when the merger would be effective. The corresponding issuing fees will then be amortized over the new maturity of this long-term debt, but for pro forma purposes, the new maturity can not be determined at the date of preparing the unaudited consolidated pro forma financial information.

3.3.3 Interests costs on convertible bonds

As CGG has assumed that the convertible bonds were converted prior to the merger, CGG has cancelled the related interests expense of approximately 3.4 million (U.S.\$4.2 million) for the twelve months period ended December 31, 2005, and for approximately 2.6 million (U.S.\$3.2 million) for the six months period ended June 30, 2006, in the pro forma adjustments.

3.3.4 Share-based payment adjustments

As indicated in the merger agreement, each employee option granted by Veritas, which is outstanding and unexercised immediately prior to the merger effective date, whether vested or not vested, shall be cancelled and converted into the right to receive an amount in cash equal to the excess, if any, of the cash paid in exchange for Veritas share (i.e. U.S.\$75.0) over the exercise price per share. The corresponding payment amounts to an estimated U.S.\$65 million and contributes to the purchase price.

As a consequence all Veritas stock-options are assumed to be cancelled at the merger effective date. For IFRS pro forma purposes only, the related compensation costs booked in Veritas historical financial statements have been removed in the pro forma unaudited condensed combined statements of income, for 1.2 million (U.S.\$1.5 million) in cost of sales and for 1.3 million (U.S.\$1.6 million) in general and administrative expenses for the twelve months period ended December 31, 2005 and for 1.1 million (U.S.\$1.3 million) in cost of sales and for 1.2 million (U.S.\$1.5 million) in general and administrative expenses.

3.3.5 Deferred taxes effect

The effect on deferred taxes of the IFRS pro forma adjustments, computed at the U.S. tax rate of 35% for both periods, is a net decrease of 54.0 million (U.S.\$67.0 million) of the Income tax expense for the twelve months period ended December 31, 2005 and a net decrease of 26.4 million (U.S.\$32.3 million) of the Income tax expense for the six months period ended June 30, 2006 in the respective pro forma condensed combined statements of income under IFRS.

The effect on deferred taxes of the U.S. GAAP pro forma adjustments, computed at the U.S. tax rate of 35% for both periods, is a net decrease of 53.1 million (U.S.\$65.9 million) of the Income tax

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FINANCIAL INFORMATION AT DECEMBER 31, 2005 AND AT JUNE 30, 2006 UNDER IFRS AND
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expense for the twelve months period ended December 31, 2005 and a net decrease of 26.6 million (U.S.\$32.6 million) of the Income tax expense for the six months period ended June 30, 2006 in the respective pro forma condensed combined statements of income under U.S. GAAP.

Note 4 Other Pro forma adjustments

Other pro forma adjustments correspond mainly to elimination of intercompany transactions between CGG and Veritas assuming the merger would have been effective at January 1, 2005 for the twelve months period ended December 31, 2005, and at January 1, 2006 for the six months period ended June 30, 2006, in the pro forma adjustments.

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CONTRACTS BETWEEN CGG AND VERITAS PRIOR TO THE MERGER

From time to time in the ordinary course of business, CGG or its subsidiaries enter into contracts with Veritas or its subsidiaries. These contracts include purchases of seismic equipment from CGG's subsidiary, Sercel, contracts for the acquisition of offline seismic data, seismic data processing software agreements, license agreements, non-disclosure agreements, cooperation agreements and other commercial agreements. Many of these contracts have been substantially performed, but have confidentiality, indemnity or other continuing obligations.

In addition, CGG has entered into the merger agreement with Veritas and customary confidentiality agreements executed in connection with the parties' negotiation of the transactions contemplated by the merger agreement.

CGG intends to offer certain of Veritas' current executive officers continued employment with the combined company after the effective time of the merger. See "The Merger - Interests of the Directors and Executive Officers of Veritas in the Merger - Continuing Employment with CGG."

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The Bank of New York, as depositary, will register and deliver CGG American Depositary Shares, also referred to as ADSs. Each ADS represents one-fifth of one ordinary share (or a right to receive one-fifth of one ordinary share) deposited with the principal Paris office of Crédit Agricole Indosuez, BNP Paribas, Banque Worms, Société Générale or Credit Lyonnais, as custodian for the depositary. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The depositary's corporate trust office at which the ADSs will be administered is located at 101 Barclay Street, New York, New York 10286. The Bank of New York's principal executive office is located at One Wall Street, New York, New York 10286.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the Direct Registration System, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are an ADS registered holder. This description assumes you are an ADS registered holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS registered holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

The Direct Registration System, or DRS, is a system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements sent by the depositary to the registered holders of uncertificated ADSs.

As an ADS holder, CGG will not treat you as one of its shareholders and you will not have any shareholder rights provided by French law. The depositary will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS registered holder rights. A deposit agreement among CGG, the depositary and you, as an ADS registered holder, and all other persons indirectly holding ADSs sets out an ADS registered holder's rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. Directions on how to obtain copies of those documents are provided in the section **Additional Information** **Where You Can Find More Information** beginning on page 190 of this proxy statement/ prospectus.

Dividends and Other Distributions***How will you receive dividends and other distributions on the shares?***

The depositary has agreed to pay to registered ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent.

Cash. The depositary will convert any cash dividend or other cash distribution CGG pays on the ADSs into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS registered holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS registered holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See **The Merger** **Certain Material U.S. Federal Income Tax Consequences** beginning on page 86 of this proxy statement/ prospectus. It will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. *If the*

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exchange rates fluctuate during a time when the depositary cannot convert the fore