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Counsel for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X		
In re:	:	Chapter 11
	:	
CGG HOLDING (U.S.) INC., et al.,	:	Case No. 17-11637 (MG)
	:	
Debtors.¹	:	(Jointly Administered)
	:	
-----X		

**NOTICE OF DEBTORS’ MOTION FOR ENTRY OF AN ORDER EXTENDING
THE EXCLUSIVE PERIODS DURING WHICH ONLY THE DEBTORS
MAY FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

PLEASE TAKE NOTICE that a hearing on the *Debtors’ Motion for Entry of an Order Extending the Exclusive Periods During Which Only the Debtors May File a Chapter 11 Plan and Solicit Acceptances Thereof*, dated October 11, 2017 (the “Motion”) of CGG Holding (U.S.) Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (each a “Debtor” and collectively, the “Debtors”), will be held before the Honorable Judge Martin Glenn, United States Bankruptcy Judge, in Room 523 of the United States Bankruptcy Court for

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: CGG Holding (U.S.) Inc. (6762); CGG Holding B.V. (4673); CGG Marine B.V. (1518); CGG Holding I (UK) Limited (2086); CGG Holding II (UK) Limited (2105); CGG Services (U.S.) Inc. (3790); Alitheia Resources Inc. (5147); Viking Maritime Inc. (7405); CGG Land (U.S.) Inc. (2437); Sercel, Inc. (6603); Sercel-GRC Corp. (1837); Sercel Canada Ltd. (9968); CGG Canada Services Ltd. (4132); and CGG Marine Resources Norge AS (7825). The location of the Debtors’ and their non-Debtor affiliates’ global corporate headquarters is Tour Maine-Montparnasse 33, Avenue du Maine, B.P. 191, 75755 Paris Cedex 15, France.

the Southern District of New York, One Bowling Green, New York, New York 10004 (the “Bankruptcy Court”) on **November 13, 2017 at 10:00 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections (the “Objections”) to the Application and the relief requested therein must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, and shall be filed with the Bankruptcy Court (a) by attorneys practicing in the Bankruptcy Court, including attorneys admitted *pro hac vice*, electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov), (b) by all other parties in interest, on a CD-ROM in text-searchable portable document format (pdf), with a hard copy delivered directly to chambers, in accordance with the customary practices of the Bankruptcy Court and General Order M-399, and served so as to be actually received no later than **November 6, 2017, at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”) upon the Notice Parties as defined in the Motion.

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard.

Dated: October 11, 2017
New York, New York

PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP

/s/ Alan W. Kornberg

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In re:	:	Chapter 11
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CGG HOLDING (U.S.) INC., et al.,	:	Case No. 17-11637 (MG)
	:	
Debtors.¹	:	(Jointly Administered)
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**DEBTORS’ MOTION FOR ENTRY OF AN ORDER EXTENDING
THE EXCLUSIVE PERIODS DURING WHICH ONLY THE DEBTORS
MAY FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

TO THE HONORABLE MARTIN GLENN,
UNITED STATES BANKRUPTCY JUDGE:

CGG Holding (U.S.) Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) hereby seek entry of an order pursuant to section 1121(d) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”) extending the Debtors’ exclusive periods to file a chapter 11 plan and to solicit

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: CGG Holding (U.S.) Inc. (6762); CGG Holding B.V. (4673); CGG Marine B.V. (1518); CGG Holding I (UK) Limited (2086); CGG Holding II (UK) Limited (2105); CGG Services (U.S.) Inc. (3790); Alitheia Resources Inc. (5147); Viking Maritime Inc. (7405); CGG Land (U.S.) Inc. (2437); Sercel, Inc. (6603); Sercel-GRC Corp. (1837); Sercel Canada Ltd. (9968); CGG Canada Services Ltd. (4132); and CGG Marine Resources Norge AS (7825). The location of the Debtors’ and their non-Debtor affiliates’ global corporate headquarters is Tour Maine-Montparnasse 33, Avenue du Maine, B.P. 191, 75755 Paris Cedex 15, France.

acceptances thereof, through and including February 9, 2018 and April 10, 2018, respectively. In support of this motion (the “Motion”), the Debtors respectfully state as follows:

Preliminary Statement

1. Since the commencement of these chapter 11 cases less than four months ago, the Debtors have made extensive progress towards consummation of a plan of reorganization: they have successfully negotiated with their key constituencies regarding the terms of an agreed chapter 11 plan; they have filed the resulting plan and related disclosure statement, and all of the relevant exhibits, supplements and annexes thereto, with the Court; they have obtained this Court’s approval of their disclosure statement; and they have solicited votes on the plan from impaired creditors and received overwhelming acceptance thereof; and they have obtained this Court’s confirmation of the chapter 11 plan. All of this has been done in careful coordination with the Debtors’ affiliates, including their ultimate parent, CGG S.A., to ensure that the Debtors’ chapter 11 plan works in concert with the plan put forth by CGG S.A. in its concurrent restructuring proceeding in France to effectuate a single, integrated financial restructuring of the entire corporate group.

2. During this time, the Debtors have continued to manage their complex, global businesses and operations and have complied with the various obligations and requirements that the Bankruptcy Code imposes on them as debtors and debtors-in-possession. For these reasons, as described in detail below, an initial extension of the Debtors’ exclusive periods is more than justified under the circumstances.

Jurisdiction and Venue

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

Background

4. On June 14, 2017 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing the instant cases (the “Chapter 11 Cases”). The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. The Debtors’ Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. No trustee, examiner or official committee has been appointed in the Chapter 11 Cases.

5. Also on the Petition Date, the Debtors’ ultimate parent company, CGG S.A., a *société anonyme* organized under French law, opened a French restructuring proceeding known as a *procédure de sauvegarde* (a safeguard proceeding) and sought recognition of such proceeding from this Court by means of a chapter 15 case captioned *In re CGG S.A.*, Ch. 15 Case No. 17-11636 (MG) (Bankr. S.D.N.Y. June 14, 2017), filed by the foreign representative on behalf of CGG S.A. On July 13, 2017, the Court entered an order in the Chapter 15 Case recognizing the safeguard proceeding as a foreign main proceeding.

6. Further information regarding the Debtors’ businesses, their capital and debt structure and the events leading to the filing of the Chapter 11 Cases is contained in the *Declaration of Beatrice Place-Faget in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 3] (the “First Day Declaration”).

A. Development and Prosecution of the Chapter 11 Plan.

7. As described in the First Day Declaration, the Debtors and CGG S.A. (collectively, with their non-Debtor affiliates and subsidiaries, the “Group”) are utilizing the parallel restructuring proceedings in France and the U.S. to implement a comprehensive financial restructuring of the entire corporate Group (the “Restructuring”). The key terms of the

Restructuring were negotiated and agreed to in principle by a majority of the Group's secured creditors, a majority of the Group's high yield bondholders, and certain other financial creditors and shareholders of CGG S.A. prior to the Petition Date. The agreed terms of the Restructuring are set forth in that certain Lock-Up Agreement dated as of June 13, 2017 [Docket No. 19] (the "Lock-Up Agreement").

8. Pursuant to the Lock-Up Agreement, the Group's key constituencies have conditioned their ongoing support of the Debtors' restructuring efforts on the Debtors moving quickly and efficaciously through the Chapter 11 Cases. Specifically, the Lock-Up Agreement requires the Debtors to meet the following milestones, among others:

- Commencing the chapter 11 cases by June 30, 2017;
- Obtaining an acceptable interim cash collateral order by June 5, 2017;
- Filing an acceptable chapter 11 plan and disclosure statement by July 30, 2017;
- Obtaining an acceptable final cash collateral order by August 9, 2017;
- Filing schedules and statements by August 29, 2017;
- Obtaining an order approving the disclosure statement by August 29, 2017;
- Obtaining an order confirming the chapter 11 plan by November 7, 2017; and
- Emerging from chapter 11 by February 29, 2018.

Failure to satisfy any of these milestones permits the supporting stakeholders to terminate the Lock-Up Agreement. *See* Lock-Up Agmt. at § 12.1(b). Accordingly, the Debtors are pleased to report that they have met each and every one of the above milestones to date. In doing so, the Debtors have ensured the continued support of their key creditor constituencies for their restructuring efforts – support which is critical to the ultimate success of these Chapter 11 Cases.

9. In particular, since the Petition Date, the Debtors have made significant progress towards effectuating the Restructuring. On July 24, 2017, the Debtors filed their *Joint Chapter*

11 Plan of Reorganization of CGG Holding (U.S.) Inc. and Certain Affiliates (as amended from time to time, the “Chapter 11 Plan”)² and related disclosure statement (as amended from time to time, the “Disclosure Statement”). Thereafter, at an uncontested hearing on August 28, 2017, this Court approved the Disclosure Statement as containing “adequate information” within the meaning of section 1126 of the Bankruptcy Court and authorized the Debtors to commence solicitation on their Chapter 11 Plan. *See* Docket No. 126. Solicitation began promptly after entry of that order, and votes were due on September 22, 2017. Pursuant to the voting affidavit filed by the Debtors’ voting and claims agent, Prime Clerk, impaired creditors voted overwhelmingly in favor of the Chapter 11 Plan; specifically, the Chapter 11 Plan was accepted by 100% in both number and amount of the Debtors’ secured lenders in Classes 3 and 4 and more than 97% in both number and amount of the Debtors’ unsecured bondholders in Class 5. *See* Docket No. 281. Finally, at a largely uncontested hearing on October 10, 2017, this Court confirmed the Chapter 11 Plan – a mere four months into these Chapter 11 Cases.

10. The Chapter 11 Plan represents the culmination of the restructuring negotiations that the Group began in February of this year, and documents the terms of the Restructuring as set forth in the Lock-Up Agreement. Under the Chapter 11 Plan (and the parallel safeguard plan being pursued by CGG S.A.), the Group will extend the term of its secured indebtedness, equitize approximately \$2.0 billion of unsecured bond debt, and raise up to \$500 million of new debt and equity financing. Importantly, the Chapter 11 Plan leaves all other creditors and parties in interest unaffected: specifically, the Chapter 11 Plan provides for the assumption of all of the Debtors’ executory contracts and unexpired leases (except as specifically provided in the Chapter 11 Plan), and contemplates the payment in full in cash of all general unsecured creditors and

² Capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Chapter 11 Plan.

other unimpaired classes of creditors on the effective date of the Chapter 11 Plan, or as soon as possible thereafter. *See* Ch. 11 Plan at §§ III.B.6 (treatment of general unsecured creditors) & V.A (assumption of contracts and leases).

11. Because the Restructuring envisions a single financial restructuring for the Group, the Chapter 11 Plan does not – and cannot – stand alone. Instead, the Chapter 11 Plan is designed to work in tandem with the plan (the “Safeguard Plan”) presently being pursued by CGG S.A. The two plans thus share many common elements, including providing the same treatment for the Group’s secured lenders and unsecured bondholders. Similarly, the key exhibits to the Disclosure Statement, such as the valuation analysis, liquidation analysis, and financial outlook, consider and analyze the reorganized Debtors on an enterprise-level basis, together with the rest of the corporate Group. *See* Docket No. 218. And the documents included with the Debtors’ plan supplement, such as the indentures and other financial documents that the Group will enter into on the Effective Date, represent a single agreed set of implementation and ancillary documents that will be used to consummate both plans. *See* Docket No. 255. The Debtors have worked diligently with their non-Debtors affiliates as well as the Group’s various stakeholders to ensure that the Chapter 11 Plan works seamlessly with the Safeguard Plan to achieve this goal.

B. Progress in Other Aspects of the Chapter 11 Cases.

12. The Debtors and their advisors have also made substantial progress in other aspects of these Chapter 11 Cases since the Petition Date. In particular, the Debtors have devoted considerable time and attention to ensuring the successful operation of the businesses during the Chapter 11 Cases and meeting their various obligations under the Bankruptcy Code as debtors in possession. These efforts include the following:

13. First Day Relief. At a hearing on the Petition Date, the Debtors obtained authority from this Court to, among other things, (i) continue to utilize their centralized cash management system [Docket No. 34], (ii) pay employee wages, payroll taxes and certain other employee benefits [Docket No. 32], (iii) pay sales and use taxes [Docket No. 29], and (iv) pay the pre-petition claims of certain critical trade vendors, foreign trade vendors, shippers, and warehousemen [Docket Nos. 33, 27 & 22]. In addition, the Court approved a stipulation regarding the consensual use of cash collateral during the Chapter 11 Cases [Docket No. 21]. This “first day” relief enabled a smooth transition into chapter 11 with a minimal disruption to the Debtors’ operations and customers.

14. Second Day Relief; Professional Retentions. Since the Petition Date, the Debtors have obtained entry of final orders approving substantially all of the relief approved on the first day of the Chapter 11 Cases. *See e.g.* Docket Nos. 98, 102, 103, 104, 107, 108, and 110.³ The Debtors have also successfully retained or employed various professionals whose services are critical to the success of the Chapter 11 Cases and to the formulation and prosecution of the Chapter 11 Plan. This includes the retention and/or employment of (i) ordinary course professionals [Docket No. 112], (ii) Paul, Weiss, Rifkind, Wharton & Garrison, LLP as bankruptcy counsel [Docket No. 109], (iii) AlixPartners LLP, as financial advisors [Docket No. 105], (iv) Lazard Freres & Co. LLC, as investment banker [Docket No. 234], and (v) Prime Clerk LLC, as claims and noticing agent [Docket No. 28]. Notably, the Debtors were able to obtain all of the foregoing relief without any formal objections being filed, a result that necessitated considerable time and effort by the Debtors and their advisors in negotiating with

³ A final hearing on the Debtors’ cash management motion [Docket No. 11] has been postponed; the Debtors continue to have interim authorization to use their existing cash management system. *See* Docket Nos. 34, 115, 197 & 268.

various constituencies to address their stated concerns regarding the relief requested by the Debtors in these motions and applications.

15. Business Operations; Vendor Relationships. Consistent with the various relief provided in the first and second day motions, the Debtors have worked diligently to stabilize the business since the Petition Date. In particular, the Debtors have expended considerable time and effort working with their vendors and customers to ensure the continued smooth operation of the businesses. This has included, among other efforts, ongoing discussions and analyses regarding which vendors should be entitled to priority payment under the Debtors' various critical vendor motions. In addition, the Debtors successfully negotiated with their secured lenders regarding the consensual use of cash collateral to fund ongoing operations during these Chapter 11 Cases. On July 28, 2017, this Court entered a final order approving the use of cash collateral and the adequate protection arrangements offered to the Debtors' secured lenders. *See* Docket No. 165. Since that time, the Debtors have worked carefully to ensure that they comply with each requirement of those arrangements and order including, among others, the various reporting obligations and compliance with a 13-week rolling budget. Finally, the Debtors have requested and obtained authority from this Court to pay certain amounts due to a contract counterparty in connection with an existing secured financing arrangement relating to the purchase of marine equipment. *See* Docket No. 322. This request was made as part of the Debtors' ongoing effort to ensure the continued smooth operation of the business.

16. Schedule of Assets and Liabilities; Statement of Financial Affairs. On July 28, 2017, the Debtors filed their schedules of assets and liabilities and statement of financial affairs. *See* Docket Nos. 137-163, 203. Given the size and complexity of these Debtors, including the global nature of their business operations, the filing of these voluminous documents in such a

short period of time is a meaningful accomplishment. Collecting this extensive data involved substantial time and effort from myriad individuals throughout the Debtors' organization and from the team from AlixPartners, among many others.

Relief Requested

17. By this Motion, the Debtors seek entry of an order pursuant to Section 1121(d) of the Bankruptcy Code (i) extending the period during which the Debtors have the exclusive right to file a chapter 11 plan by 120 days, through and including February 9, 2018, and (ii) extending the period during which the Debtors have the exclusive right to solicit acceptances thereof for an additional sixty (60) days after the expiration of such period, through and including April 10, 2018 (collectively, the "Exclusive Periods").⁴ This is the Debtors' first request for an extension of their Exclusive Periods, and is made without prejudice to the Debtors' right to seek further extensions of their Exclusive Periods.

Basis for Relief Requested

A. Standard for Relief.

18. Section 1121(d) of the Bankruptcy Code permits a bankruptcy court to extend a debtor's exclusive periods for "cause." 11 U.S.C. § 1121(d)(1). Courts in this district have identified a number of factors that are relevant in deciding whether "cause" exists under section 1121(d). These factors include:

- the existence of good faith progress toward reorganization;
- the fact that the debtors are paying their bills as they come due;

⁴ Because the Debtors have filed their Chapter 11 Plan, in accordance with section 1121(c)(3) of the Bankruptcy Code, the Debtors now enjoy the exclusive right to prosecute a chapter 11 plan until December 11, 2017, the date that is 180 days after the Petition Date. Moreover, the Debtors have in fact already obtained acceptance of their Chapter 11 Plan from each impaired class in accordance with that provision. However, to avoid any confusion in this regard and to preserve their exclusive ability to file and solicit acceptances for a chapter 11 plan, the Debtors are filing the instant Motion at the present time.

- the size and complexity of the cases;
- the necessity of sufficient time to permit the debtors to negotiate a plan of reorganization and prepare adequate information to allow a creditor to determine whether to accept such plan;
- whether the debtors have demonstrated reasonable prospects for filing a viable plan;
- whether the debtors have made progress in negotiations with their creditors;
- the amount of time that has elapsed in the cases (and whether this is the debtors' first extension request);
- whether the debtors are seeking an extension of exclusivity to pressure creditors to submit to the debtors' reorganization demands; and
- whether an unresolved contingency exists.

In re Adelpia Commc'ns Corp, 352 B.R. 578, 587 (Bankr. S.D.N.Y. 2006); *see also In re Borders Grp., Inc.*, 460 B.R. 818, 821-22 (Bankr. S.D.N.Y. 2011); *In re GMG Capital Partners III, L.P.*, 503 B.R. 596, 600-01 (Bankr. S.D.N.Y. 2014). Not all of these factors will be relevant in every case, and cause may be found on the basis of less than all factors. *See, e.g., In re Express One Int'l, Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996) (extension granted based on four factors); *In re Texaco Inc.*, 76 B.R. 322, 327 (Bankr. S.D.N.Y. 1987) (size and complexity provide sufficient cause to extend exclusivity); *In re Global Crossing Ltd.*, 295 B.R. 726, 747 (Bankr. S.D.N.Y. 2003) (finding good cause for an extension of exclusivity where “[t]he Debtors want to preserve exclusivity not to take advantage of their creditors, but to preserve the benefits of a consensual Plan that their creditors endorsed.”).

19. Courts have broad discretion in reviewing these factors and considering a request to extend a debtor's exclusive periods. *See, e.g., In re Borders Grp.*, 460 B.R. at 822 (citing *In re Adelpia Commc'ns.*, 352 B.R. at 586). Generally speaking, as long as debtors give the court

“no reason to believe that they are abusing their exclusivity rights . . . [a] requested extension of exclusivity . . . should be granted.” *In re Global Crossing*, 295 B.R. at 730.

B. Cause Exists to Extend the Debtors’ Exclusive Periods.

20. The facts and circumstances of these Chapter 11 Cases clearly demonstrate that sufficient cause exists to extend the Exclusive Periods.

21. *First and foremost*, this is the Debtors’ **first** request for an extension of their Exclusive Periods. Yet in the short time that has passed since the commencement of these Chapter 11 Cases, the Debtors have made substantial progress towards confirmation of a plan of reorganization: they successfully negotiated and filed a Chapter 11 Plan that is supported by their key constituents; they have obtained this Court’s approval of the related Disclosure Statement as containing “adequate information” within the meaning of section 1126 of the Bankruptcy Court; and they have successfully solicited votes on the Chapter 11 Plan; and they have obtained this Court’s approval of the Chapter 11 Plan.

22. The process through which the Debtors have achieved these significant milestones has been almost entirely consensual: the Disclosure Statement hearing was uncontested; and no stakeholder objected to confirmation of the Chapter 11 Plan. This lack of substantive objection to the proposed Restructuring, coupled with the overwhelmingly successful vote on the Chapter 11 Plan, clearly reveals the high level of support that the Chapter 11 Plan enjoys. It is also clear evidence of the meaningful consensus that has been reached among the Debtors and their various constituencies, and the Debtors’ commitment and the effort they have expended working with various parties in interest to address and resolve their concerns. Together with the advanced stage of the plan process, there can be no question about the Debtors’ good faith negotiations with creditors and substantial progress towards a successful reorganization since the Petition

Date. This alone constitutes ample cause for granting the requested extension of the Exclusive Periods.

23. *Second*, the Chapter 11 Cases are indisputably large and complex. The Debtors comprise 14 entities within a corporate group of more than 130 distinct legal entities and branches. As of the Petition Date, the Group had approximately \$2.868 billion in funded debt and more than 5,700 employees; the Group has more than 50 locations worldwide. Moreover, by virtue of the Group's corporate structure and organization, the business and operations of the Debtor entities are closely integrated with the businesses and operations of the non-Debtor Group entities around the world. Managing the ongoing operation of the Debtors' businesses while in chapter 11 has been an extensive undertaking – particularly for those aspects of the business that are located in foreign jurisdictions, where employees, customers and/or vendors may be unfamiliar with the chapter 11 process. Yet despite this, the Debtors have been able to manage vendor and customer expectations, including through the utilization of a Court-approved critical vendor program, manage ongoing liquidity through the successful negotiation of the consensual use of the lenders' cash collateral, and comply with various Bankruptcy Code requirements, including by filing voluminous schedules and statements within the first 45 days of the cases. Given the size and complexity of these Chapter 11 Cases, these accomplishments are substantial and more than justify the requested extension of exclusivity.

24. Furthermore, the interrelated nature of the Group's operations and the proposed Restructuring adds significantly to the complexity of the Chapter 11 Plan process itself. To draft and move forward with the Chapter 11 Plan, the Debtors have worked in careful concert with the rest of the corporate Group, including CGG S.A., and their respective advisors, to ensure that the Chapter 11 Plan and the Safeguard Plan are properly coordinated. This includes coordination of

the treatment of stakeholders thereunder, the process by which these respective plans are considered by the applicable courts and affected stakeholders, and the timing thereof, among many other elements. The existence of CGG S.A.'s safeguard proceeding, and the parties' intention to consummate a single Restructuring transaction through two coordinated proceedings by different corporate entities, in different countries, under different restructuring regimes, makes these Chapter 11 Cases unique in many ways – and undeniably complex. It is therefore more than appropriate to provide the Debtors with additional time to continue to work through these complexities in coordination with their parent company.

25. *Third*, the Debtors are not seeking the requested extension to pressure or otherwise prejudice creditors. To the contrary, the Debtors are seeking an extension to ensure they have sufficient time to consummate a confirmed Chapter 11 Plan that will, among myriad other benefits, pay unsecured creditors in full. However, to achieve that goal, further time is needed as material contingencies and conditions to effectiveness of the Chapter 11 Plan remain unsatisfied.

26. For example, it is a condition precedent to the effective date of the Chapter 11 Plan that the Safeguard Plan has been approved and that all conditions to consummation of the Safeguard Plan have been waived, satisfied or completed. *See* Ch. 11 Plan at Article IX.B, 2 & 9. Yet while CGG S.A. has made good progress towards consummation of its Safeguard Plan, key events in that process have not yet occurred. In particular, the French process requires that the Safeguard Plan be approved by CGG S.A.'s public equityholders, and the general shareholders' meeting to consider the safeguard plan is scheduled for October 31, 2017. Furthermore, the French court overseeing the safeguard proceeding will not convene a hearing regarding approval of the Safeguard Plan until after the shareholders' vote has occurred.

27. Consistent with the basic premise of the Restructuring, the Debtors cannot consummate their Chapter 11 Plan and emerge from chapter 11 until and unless CGG S.A. is also ready to consummate its plan. *See* Ch. 11 Plan at Article IX.B (“It is intended that the Effective Date is the same date and occurs at the same time as the Restructuring Effective Date as such term is defined in the Safeguard Plan and the Lock-Up Agreement.”). The Debtors therefore submit that an extension of the Exclusive Periods is appropriate to allow the Safeguard Plan to be approved and for the Chapter 11 Plan’s contingencies to be resolved.

28. In the meantime, the Debtors are taking all appropriate steps to manage their business operations while in chapter 11 and are working diligently to comply with the cash collateral budget and ensure they are able to pay their bills as they come due. As such, no creditor or party in interest will be prejudiced by the requested extension. Indeed, the Debtors’ requested extension of the Exclusive Periods is consistent with the timeframe envisioned by the parties at the outset of the Restructuring: the Lock-Up Agreement contemplates emergence in February 2018; and the cash collateral order entered by this Court similarly establishes a “Termination Date” in February 2018. [Docket No. 165 at ¶ 18]. Accordingly, the additional time requested by the Debtors herein is fully consistent with the parties’ expectations and publicly available information, and should not be prejudicial in any way.

Compliance with Local Rules

29. Pursuant to Rule 9006-2 of the Local Rules for the Bankruptcy Court for the Southern District of New York (the “Local Rules”), this Motion has been filed before the expiration of the initial period of time prescribed by section 1121(b) and (c) of the Bankruptcy Code. Accordingly, pursuant to Local Rule 9006-2, the Debtors’ exclusive periods are automatically extended until the Court rules on the Motion.

Notice

30. Notice of this Motion will be provided to: (i) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014 (Attn: Andrea B. Schwartz); (ii) counsel to the administrative agent for the Second Amendment and Restatement of the Multicurrency Revolving Facility Agreement, dated February 4, 2016, as amended from time to time, entered into by CGG S.A. as borrower and certain of the Debtors as guarantors; (iii) counsel to the administrative agent under the Amended and Restated Credit Agreement, dated January 10, 2016, as amended from time to time, entered into by CGG Holding (U.S.) Inc. as borrower and certain of the Debtors and CGG S.A. as guarantors; (iv) counsel to the administrative agent under the Term Loan Credit Agreement, dated November 19, 2015, as amended from time to time, entered into by CGG Holding (U.S.) Inc. as borrower and certain of the Debtors and CGG S.A. as guarantors; (v) counsel to the indenture trustee under the 5.875% Senior Unsecured Notes due 2020, issued by CGG S.A. as borrower and guaranteed by each of the Debtors; (vi) counsel to the indenture trustee under the 6.5% Senior Unsecured Notes due 2021, issued by CGG S.A. as borrower and guaranteed by each of the Debtors; (vii) counsel to the indenture trustee under the 6.875% Senior Unsecured Notes due 2022, issued by CGG S.A. as borrower and guaranteed by each of the Debtors; (viii) counsel to the Ad Hoc Noteholder Group, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: John Longmire and Weston Eguchi); (ix) counsel to the ad hoc secured lender group, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Stephen Hessler and Anthony Grossi); (x) counsel to DNCA, Orrick Herrington & Sutcliffe, 31, Avenue Pierre 1er de Serbie, Paris 75782 Cedex 16 France (Attn: Saam Golshani); (xi) counsel for the Foreign Representative in CGG S.A.'s chapter 15 proceeding, Linklaters LLP, 1345 Avenue of the Americas, New York, New York 10105 (Attn: Margot B. Schonholtz,

Esq., Robert H. Trust, Esq., and Christopher J. Hunker, Esq.); (xiii) the Internal Revenue Service; (xiv) the Securities and Exchange Commission; (xiv) the United States Attorney's Office for the Southern District of New York; (xv) NYS Department of Taxation and Finance, Building 9, W A Harriman Campus, Albany NY 12227 (Attn: Office of Counsel); (xvi) those parties who have filed a Notice of Appearance and Request for Papers in these Chapter 11 Cases; and (xvii) the holders of the thirty (30) largest unsecured claims against the Debtors, on a consolidated basis (collectively, the "Notice Parties"). Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(b). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

31. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request the entry of the Proposed Order attached hereto as Exhibit A granting the relief requested herein and such other and further relief as is just and proper.

Dated: October 11, 2017
New York, New York

PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP

/s/ Alan W. Kornberg

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*Counsel for Debtors and
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EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	: Chapter 11
	: :
CGG HOLDING (U.S.) INC., et al.,	: Case No. 17-11637 (MG)
	: :
Debtors.¹	: (Jointly Administered)
	: :
-----X	

**ORDER PURSUANT TO SECTION 1121(d) OF THE BANKRUPTCY CODE
EXTENDING THE EXCLUSIVE PERIODS DURING WHICH THE DEBTORS
MAY FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

Upon the Motion² of CGG Holding (U.S.) Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) for entry of an order pursuant to section 1121(d) of title 11 of the United States Code (the “Bankruptcy Code”), extending the exclusive periods in which the Debtors may file a chapter 11 plan and solicit acceptances thereof through and including February 9, 2018 and April 10, 2018, respectively, all as more fully described in the Motion; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of the Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and a hearing having been held to consider the relief requested in the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: CGG Holding (U.S.) Inc. (6762); CGG Holding B.V. (4673); CGG Marine B.V. (1518); CGG Holding I (UK) Limited (2086); CGG Holding II (UK) Limited (2105); CGG Services (U.S.) Inc. (3790); Alitheia Resources Inc. (5147); Viking Maritime Inc. (7405); CGG Land (U.S.) Inc. (2437); Sercel, Inc. (6603); Sercel-GRC Corp. (1837); Sercel Canada Ltd. (9968); CGG Canada Services Ltd. (4132); and CGG Marine Resources Norge AS (7825). The location of the Debtors’ and their non-Debtor affiliates’ global corporate headquarters is Tour Maine-Montparnasse 33, Avenue du Maine, B.P. 191, 75755 Paris Cedex 15, France.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Motion; and upon the record of the hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and that the legal and factual bases set forth in the Motion having established just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is GRANTED to the extent provided herein.
2. Pursuant to section 1121(d) of the Bankruptcy Code, the Debtors' exclusive period in which to file a chapter 11 plan is extended through and including February 9, 2018.
3. Pursuant to section 1121(d) of the Bankruptcy Code, the Debtors' exclusive period in which to solicit acceptances of a chapter 11 plan is extended through and including April 10, 2018.
4. Nothing herein shall prejudice (a) the Debtors' right to seek further extensions of the Exclusive Periods as may be necessary or appropriate or (b) the right of any party in interest to seek to reduce the Exclusive Periods for cause in accordance with section 1121(d) of the Bankruptcy Code.
5. Notwithstanding Federal Rule of Bankruptcy Procedure 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
6. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.
7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: _____, 2017
New York, New York

UNITED STATES BANKRUPTCY JUDGE