

**To the bondholders in:**

**NO 001 0674047 - 8.00% Oceanic Champion AS Senior Secured Bond Issue  
2013/2020**

10 January 2017

### **Company update**

Reference is made to the CGG announcements on 8 November 2016 (3q accounts release) and of 5 January 2017 (update on 4q 2016 performance) wherein CGG advises that a process has been initiated with vessel owners/suppliers and financial creditors to improve cost level and their overall financial position with effect from Q1 2017.

Pursuant thereto discussions has been held between representatives of CGG , on behalf of Exploration Investment Resources II AS ("**Charterer**") in its capacity of being the guarantor for the charter party, and Oceanic Champion AS ("**Owner**"), and a proposal implying a reduced charter rate and settlement of a balance by receipt of bonds executed by CGG, has been presented by CGG (on behalf of the Charterer and in its capacity as guarantor) in a meeting last week and followed up in writing thereafter. The proposal has so far neither been discussed in nor accepted by the board of the Owner.

A reduced charter rate as suggested by CGG will have a direct effect on "Oceanic Champion" 's ability to comply with the existing interest and installment schedule under the bond loan (ISIN NO 0010674047). The Owner is therefore developing a proposal to bond holders for a revised repayment schedule of the installments on the bond loan, and expect to be able to present that for bondholders by mid- January 2017. Subsequent thereto a bondholder meeting will be summoned with the proposal to approve revised repayment terms for the bond loan (ISIN NO 0010674047).

As of today the Charterer has met its obligations under the charter party – including payment of the charter hire for January 2017 – and the Owner is providing the service under the charter party according to the terms and provisions of the charter party.

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