

Bonanza Creek Energy, Inc.
Form 424B3
June 03, 2013
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Filed Pursuant to Rule 424(b)(3)

SEC File No. 333-188774

PROSPECTUS

Bonanza Creek Energy, Inc.

Offer to Exchange

Up to \$300,000,000 aggregate principal amount of

6 ¾% Senior Notes due 2021

That have not been registered under the Securities Act of 1933

For

Up to \$300,000,000 aggregate principal amount of

6 ¾% Senior Notes due 2021

That have been registered under the Securities Act of 1933

We are offering to exchange \$300,000,000 aggregate principal amount of our outstanding, unregistered 6¾% Senior Notes due 2021 (the old notes) for an equivalent amount of registered 6¾% Senior Notes due 2021 (the new notes, and, together with the old notes, the notes).

Terms of the New Notes Offered in the Exchange Offer:

- The terms of the new notes are identical to the terms of the old notes, except that the new notes will be registered under the Securities Act of 1933, as amended (the Securities Act), and will not contain restrictions on transfer, registration rights or provisions for payment of special

interest.

Terms of the Exchange Offer:

- We will exchange the new notes for all outstanding old notes that are validly tendered and not withdrawn prior to the expiration or termination of the exchange offer.
- The exchange offer expires at 5:00 p.m., New York City time, on June 28, 2013, unless extended.
- Tenders of the old notes may be withdrawn at any time prior to the expiration of the exchange offer.
- The exchange of the new notes for the old notes will not be a taxable event for U.S. federal income tax purposes.
- The old notes are, and the new notes will be, guaranteed on a senior unsecured basis by each of our existing and future subsidiaries that incur or guarantee certain indebtedness including indebtedness under our revolving credit facility.

There is no established trading market for the new notes.

Each broker-dealer that receives the new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The accompanying letter of transmittal relating to the exchange offer states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for the old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

You should carefully consider the risk factors beginning on page 13 of this prospectus before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 3, 2013.

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. We are not making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus, as well as the information we previously filed with the Securities and Exchange Commission that is incorporated by reference herein, is accurate as of any date other than its respective date.

Unless indicated otherwise, in this prospectus or the context requires otherwise, all references to Bonanza Creek, company, us, we, our, or refer to Bonanza Creek Energy, Inc. and its consolidated subsidiaries.

This prospectus incorporates important business and financial information about us that is not included or delivered with this prospectus. Such information is available without charge to holders of the old notes upon written or oral request made to Bonanza Creek Energy, Inc., 410 17th Street, Suite 1400, Denver, Colorado 80202, Attention: General Counsel, (720) 440-6100. To obtain timely delivery of any requested information, holders of the old notes must request the information no later than five business days before the date the exchange offer expires.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web page site at www.sec.gov and at the investor page of our website at www.bonanzacrk.com. You also may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. Reports and other information concerning us can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Our common stock is listed and traded on the New York Stock Exchange under the trading symbol BCEI.

INCORPORATION BY REFERENCE

We incorporate by reference information into this prospectus, which means that we disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained expressly in this prospectus, and the information we file later with the SEC will automatically supersede the information contained or incorporated by reference herein. Any information furnished to the SEC under Items 2.02 or 7.01 or the exhibits relating to furnished items are not incorporated into or made part of this prospectus. You should not assume that the information included or incorporated by reference in this prospectus is current as of any date other than the date of the respective documents. We incorporate by reference the documents listed below:

Bonanza Creek filings with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (including the portions of our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 30, 2013 incorporated by reference therein);
- our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013; and

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- our Current Reports on Form 8-K filed with the SEC on January 28, 2013, February 4, 2013, March 29, 2013, April 5, 2013, April 11, 2013, May 3, 2013 and May 31, 2013.

Any additional information that we file under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this prospectus but prior to the termination of this exchange offer and that is deemed filed with the SEC, will automatically update and supersede this information and be automatically incorporated by reference herein. You may request a copy of all incorporated filings at no cost, by making written or telephone requests for such copies to:

Bonanza Creek Energy, Inc.

Attention: General Counsel

410 17th Street, Suite 1400

Denver, CO 80202

Phone: (720) 440-6100

ir@bonanzacrk.com

You should rely only on the information incorporated by reference or provided in this filing. If information in incorporated documents conflicts with information in this prospectus, you should rely on the most recent information. If information in an incorporated document conflicts with information in another incorporated document, you should rely on the most recent incorporated document. You should not assume that the information in this prospectus or any document incorporated by reference is accurate as of any date other than the date of those documents. We have not authorized anyone else to provide you with any information.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus, including information in documents incorporated by reference, contains various statements, including those that express belief, expectation or intention, as well as those that are not statements of historic fact, that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. When used in this prospectus the words could, believe, anticipate, intend, estimate, expect, may, continue, predict, po and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements include statements related to, among other things:

- reserves estimates;
- estimated production for 2013;
- amount and allocation of forecasted capital expenditures and plans for funding capital expenditures and operating expenses;
- ability to modify future capital expenditures;
- the Wattenberg Field being the most prospective area of the Niobrara formation;
- compliance with debt covenants;
- ability to satisfy obligations related to ongoing operations;
- compliance with government regulations;

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- impact from the lack of available gathering systems and processing facilities;
- natural gas, oil and NGL prices and factors affecting the volatility of such prices;
- impact of lower commodity prices;
- the ability to use derivative instruments to manage commodity price risk;
- plans to drill or participate in wells;
- loss of any purchaser of our products;
- our estimated revenues and losses;
- the timing and success of specific projects;
- outcomes and effects of litigation, claims and disputes;
- our business strategy;
- our ability to replace oil and natural gas reserves;
- impact of recently issued accounting pronouncements;
- our financial position;

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- our cash flow and liquidity; and
- other statements concerning our operations, economic performance and financial condition.

We have based these forward-looking statements on certain assumptions and analyses we have made in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining actual future results. The actual results or developments anticipated by these forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, and may not be realized or, even if substantially realized, may not have the expected consequences. Actual results could differ materially from those expressed or implied in the forward-looking statements.

Factors that could cause actual results to differ materially include, but are not limited to, the following:

- the risk factors discussed in this prospectus;
- declines or volatility in the prices we receive for our oil, liquids and natural gas;
- general economic conditions, whether internationally, nationally or in the regional and local market areas in which we do business;
- the continuing global economic slowdown that has and may continue to adversely affect consumption of oil and natural gas by businesses and consumers;
- ability of our customers to meet their obligations to us;
- our ability to generate sufficient cash flow from operations, borrowings or other sources to enable us to fully develop our undeveloped acreage positions;
- the presence or recoverability of estimated oil and natural gas reserves and the actual future production rates and associated costs;

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- uncertainties associated with estimates of proved oil and gas reserves and, in particular, probable and possible resources;
- the possibility that the industry may be subject to future regulatory or legislative actions (including additional taxes and changes in environmental regulation);
- environmental risks;
- seasonal weather conditions and lease stipulations;
- drilling and operating risks, including the risks associated with the employment of horizontal drilling techniques;
- ability to acquire adequate supplies of water for drilling operations;
- availability of oilfield equipment, services and personnel;
- exploration and development risks;
- competition in the oil and natural gas industry;
- management's ability to execute our plans to meet our goals;

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- risks related to our derivative instruments;
- our ability to retain key members of our senior management and key technical employees;
- ability to maintain effective internal controls;
- access to adequate gathering systems and pipeline take-away capacity to execute our drilling program;
- our ability to secure firm transportation for oil and natural gas we produce and to sell the oil and natural gas at market prices;
- costs and other risks associated with perfecting title for mineral rights in some of our properties;
- continued hostilities in the Middle East and other sustained military campaigns or acts of terrorism or sabotage; and
- other economic, competitive, governmental, legislative, regulatory, geopolitical and technological factors that may negatively impact our businesses, operations or pricing.

All forward-looking statements speak only as of the date of this prospectus. We disclaim any obligation to update or revise these statements unless required by law, and you should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this prospectus are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under **Risk Factors** and elsewhere in this prospectus and in the section entitled **Risk Factors** included in our Annual Report on Form 10-K for the year ended December 31, 2012. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

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PROSPECTUS SUMMARY

This summary does not contain all the information that may be important to you. You should read the following summary together with the more detailed information appearing elsewhere in or incorporated by reference in this prospectus, including the section titled "Risk Factors" and the financial statements and related notes incorporated by reference herein. All references to the "notes" refer to both the old notes and the new notes, except as otherwise indicated.

Bonanza Creek Energy, Inc.

We are an independent energy company engaged in the acquisition, exploration, development and production of onshore oil and associated liquids-rich natural gas in the United States. Our oil and liquids-weighted assets are concentrated primarily in the Wattenberg Field in Colorado and the Dorcheat Macedonia Field in southern Arkansas. For additional information about our business, operations and financial results, see the documents listed under "Where You Can Find More Information."

Our principal executive offices are located at 410 17th Street, Suite 1400, Denver, Colorado 80202. The telephone number at our principal executive offices is (720) 440-6100.

Risk Factors

You should carefully consider the information set forth in this prospectus, including information and documents incorporated by reference, prior to participating in the exchange offer. In particular, you should evaluate the specific factors set forth in the section entitled "Risk Factors" for an explanation of certain risks of investing in the new notes before tendering any old notes. For a description of risks related to our industry and business, you should also evaluate the specific risk factors set forth under the heading "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2012 and, to the extent applicable, any subsequently filed reports, which are incorporated by reference in this prospectus.

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The Exchange Offer

On April 9, 2013, we completed a private offering of \$300.0 million aggregate principal amount of the old notes. As part of the private offering, we entered into a registration rights agreement with the initial purchasers in which we agreed, among other things, to deliver this prospectus to you and to use commercially reasonable efforts to consummate the exchange offer for the old notes. The following is a summary of the exchange offer.

Old Notes	6¾% Senior Notes due 2021, which were issued on April 9, 2013.
New Notes	6¾% Senior Notes due 2021. The terms of the new notes are substantially identical to those terms of the outstanding old notes, except that the transfer restrictions, registration rights and special interest provisions relating to the old notes will not apply to the new notes.
The Exchange Offer	<p>We are offering to exchange up to \$300.0 million aggregate principal amount of our new notes that have been registered under the Securities Act for a like principal amount of our outstanding old notes that have not been registered under the Securities Act to satisfy our obligations under the registration rights agreement.</p> <p>The new notes will evidence the same debt as the corresponding old notes and will be issued under, and be entitled to the benefits of, the same indenture that governs the old notes. Holders of the old notes do not have any appraisal or dissenter's rights in connection with the exchange offer. Because the new notes will be registered, the new notes will not be subject to transfer restrictions, and holders of old notes that have tendered, and had their old notes accepted, in the exchange offer will have no registration rights.</p> <p>Old notes tendered in the exchange offer must be in denominations of principal amount of \$2,000 and integral multiples of \$1,000 in excess of \$2,000.</p>
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on June 28, 2013 unless we decide to extend it.
Conditions to the Exchange Offer	The exchange offer is subject to certain customary conditions, which we may waive. The registration rights agreement does not require us to accept old notes for exchange if the exchange offer or the making of any exchange by a holder of the old notes would violate any applicable law or interpretation of the staff of the Securities and Exchange Commission, which we refer to as the SEC. A minimum aggregate principal amount of old notes being tendered is not a condition to the exchange offer.
Procedures for Tendering Old Notes	<p>Unless you comply with the procedures described under the caption The Exchange Offer Exchange Offer Procedures, you must do one of the following on or prior to the expiration of the exchange offer to participate in the exchange offer:</p> <ul style="list-style-type: none"> • tender your old notes by sending the certificates for your old notes, in proper form for transfer, a properly completed and duly executed letter of transmittal, with any required signature guarantees, and all other documents required by the letter of transmittal, to Wells Fargo, National Association, as exchange agent, at one of the addresses listed below under the caption The Exchange Offer Exchange Agent; or • tender your old notes by using the book-entry transfer procedures described below and transmitting a properly completed and duly executed letter of transmittal, with any required signature guarantees, or an agent's message instead of the letter of transmittal, to the exchange agent. In order for a book-entry transfer to constitute a valid tender of your old notes in the exchange offer, Wells Fargo,

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National Association, as exchange agent, must receive a confirmation of book-entry transfer of your old notes into the exchange agent's account at The Depository Trust Company, which we call DTC, prior to the expiration of the exchange offer. For more information regarding the use of book-entry transfer procedures, including a description of the required agent's message, see the discussion below under the caption "The Exchange Offer Book-Entry Transfers."

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Special Procedures for Beneficial Owners	<p>If you are a beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your old notes in the exchange offer, you should promptly contact the person in whose name the old notes are registered and instruct that person to tender on your behalf.</p> <p>If you wish to tender in the exchange offer on your own behalf, prior to completing and executing the letter of transmittal and delivering the certificates for your old notes, you must either make appropriate arrangements to register ownership of the old notes in your name or obtain a properly completed bond power from the person in whose name the old notes are registered.</p>
Withdrawal; Non-Acceptance	<p>You may withdraw any old notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on June 28, 2013. If we decide for any reason not to accept any old notes tendered for exchange, the old notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of old notes tendered by book-entry transfer into the exchange agent's account at DTC, any withdrawn or unaccepted old notes will be credited to the tendering holder's account at DTC. For further information regarding the withdrawal of tendered old notes, please read "The Exchange Offer - Withdrawal Rights."</p>
United States Federal Income Tax Consequences	<p>The exchange of the old notes for new notes in the exchange offer will not be a taxable transaction for United States federal income tax purposes. See the discussion under the caption "Certain U.S. Federal Income Tax Consequences" for more information regarding the tax consequences to you of the exchange offer.</p>
Use of Proceeds	<p>We will not receive any proceeds from the exchange offer.</p>
Fees and Expenses	<p>We will pay all of our expenses incident to the exchange offer.</p>
Exchange Agent	<p>We have appointed Wells Fargo, National Association, as exchange agent for the exchange offer. You can find the address, telephone number and fax number of the exchange agent under the caption "The Exchange Offer - Exchange Agent."</p>
Resales of New Notes	<p>Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties that are not related to us, we believe that the new notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act so long as:</p> <ul style="list-style-type: none">• you are acquiring the new notes in the exchange offer in the ordinary course of your business;• you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in the distribution, as defined in

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the Securities Act, of the Exchange Notes you will receive in the exchange offer;

- you are not our affiliate as defined in Rule 405 under the Securities Act; and
- you are not a broker-dealer tendering old notes acquired directly from us for your account.

By tendering your old notes as described in The Exchange Offer Exchange Offer Procedures, you will be making representations to this effect. If you fail to satisfy any of these conditions, you cannot rely on the position of the SEC set forth in the no-action letters referred to above and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the new notes.

We base our belief on interpretations by the SEC staff in no-action letters issued to other issuers in exchange offer like ours. We cannot guarantee that the SEC would make a similar decision about our exchange offer. If our belief is wrong, you could incur liability under the Securities Act. We will not protect you against any loss incurred as a result of this liability under the Securities Act.

Each broker-dealer that receives new notes for its own account in exchange for old notes, where such new notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the new notes. We have agreed that, for a period of up to 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

Consequences of Not Exchanging Your Old Notes

If you do not exchange your old notes in the exchange offer, you will no longer be able to require us to register your old notes under the Securities Act, except in the limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer your old notes unless we have registered the old notes under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.

For information regarding the consequences of not tendering your old notes and our obligation to file a registration statement, please read The Exchange Offer Consequences of Exchanging or Failing to Exchange Old Notes and Description of the New Notes.

Terms of the New Notes

The terms of the new notes and those of the outstanding old notes are substantially identical, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes. As a result, the new notes will not bear legends restricting their transfer and will not have the benefit of the registration rights and special interest provisions contained in the old notes. The new notes represent the same debt as the old notes for which they are being exchanged.

The following is a summary of the terms of the new notes. It may not contain all the information that is important to you. For a more detailed description of the new notes, please read Description of the New Notes.

Issuer	-26.0	-29.3	5.1	-20.3	4.1
<i>Corporate and Elimination</i>	-45.5	-31.6	-33.8	-21.5	-26.1

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Financial Items	-59.0	-54.6	-23.2	-37.6	-17.8
Income Tax	-8.1	-5.3	-2.7	-3.6	-2.2
Deferred Tax on Currency					
Translation	5.2	1.1	0.4	0.7	0.2
Income from Equity Investments	2.0	5.6	-3.2	4.0	-2.3
Net Income	-36.9	-37.7	8.3	-26.0	6.2
Earnings per share () / per ADS (\$)	-0.27	-0.27	0.02	-0.19	0.01
EBITDAs	159.8	152.4	166.4	104.9	128.0
<i>Sercel</i>	<i>108.1</i>	<i>89.8</i>	<i>77.7</i>	<i>61.6</i>	<i>59.7</i>
<i>Services</i>	<i>95.1</i>	<i>93.3</i>	<i>120.2</i>	<i>64.3</i>	<i>92.4</i>
Industrial Capex	79.4	99.6	77.7	70.3	59.1
Multi-client Capex	44.5	44.9	85.7	31.0	65.8

First Half 2011 Financial Results**Group Revenue**

Group Revenue was up 10% in \$ year-on-year (6% in), reflecting the continued strong demand for Sercel equipment and the progressive strengthening of the seismic services market. Group Revenue was seasonally down 5% compared to the second half of 2010.

In millions	Second Half 2010 (\$)	First Half 2011 (\$)	First Half 2010 (\$)	First Half 2011 ()	First Half 2010 ()
Group Revenue	1 561	1 478	1 343	1 052	996
Sercel Revenue	531	541	469	385	350
Services Revenue	1 112	1 066	971	758	719
<i>Eliminations</i>	-81	-129	-97	-91	-72
Marine contract	380	441	398	314	295
Land contract	188	241	193	171	143
Processing	202	206	187	146	139
Multi-client	342	178	192	127	142
MC marine	255	123	134	87	99
MC land	87	56	59	40	43

Group EBITDAs was \$312 million (222 million), a margin of 21%.

In millions	Second Half 2010 (\$)	First Half 2011 (\$)	First Half 2010 (\$)	First Half 2011 ()	First Half 2010 ()
Group EBITDAs	482	312	342	222	254
<i>margin</i>	<i>31%</i>	<i>21%</i>	<i>25%</i>	<i>21%</i>	<i>25%</i>
Sercel EBITDAs	201	198	139	141	104
<i>margin</i>	<i>38%</i>	<i>37%</i>	<i>30%</i>	<i>37%</i>	<i>30%</i>
Services EBITDAs	323	188	257	134	190
<i>margin</i>	<i>29%</i>	<i>18%</i>	<i>26%</i>	<i>18%</i>	<i>26%</i>

Group Operating Income was \$39 million (28 million), a margin of 3%.

In millions	Second Half 2010 (\$)	First Half 2011 (\$)	First Half 2010 (\$)	First Half 2011 ()	First Half 2010 ()
Group Operating Income	146	39	74	28	55
<i>margin</i>	<i>9%</i>	<i>3%</i>	<i>5%</i>	<i>3%</i>	<i>5%</i>
Sercel Op. Income	175	171	115	122	86
<i>margin</i>	<i>33%</i>	<i>32%</i>	<i>25%</i>	<i>32%</i>	<i>25%</i>
Services Op. Income	18	-55	19	-39	14
<i>margin</i>	<i>2%</i>	<i>-5%</i>	<i>2%</i>	<i>-5%</i>	<i>2%</i>

Financial Charges

Financial charges were \$114 million (81 million) including:

\$72 million of recurring cost of debt.

\$42 million of one-off charges: \$25 million in the first quarter and \$17 million in the second quarter.

Net Income was a loss of \$75 million (53 million).

Net Income attributable to owners of CGGVeritas was negative at \$82 million (58 million), after the impact of minority interests of \$8 million, resulting in a negative EPS of - 0.38 per ordinary share and -\$0.54 per ADS.

Cash Flow

Cash Flow from Operations

Cash flow from operations was \$366 million (261 million) up 57% year-on-year.

Capex

Global Capex was \$268 million (191 million) in the first half of the year, a reduction of 11% year-on-year.

Industrial Capex was \$179 million (127 million), an increase of 38% year-on-year.

Multi-client Capex was \$89 million (64 million), a reduction of 48% year-on-year with a 75% prefunding rate.

In million \$	Second Half		First Half	
	2010	2011	2010	2011
Capex	289	268	302	302
Industrial	171	179	129	129
Multi-client	119	89	173	173

Free Cash Flow

After interest expenses paid during the first half, net free cash flow was positive at \$58 million (41 million).

Balance Sheet

Net Debt to Equity Ratio

On May 31st 2011, we issued a \$650 million principal amount of 6.5% Senior Notes due 2021. The notes were issued at a price of 96.45% of their principal amount, resulting in a yield of 7.0%.

We used the net proceeds of this offering to repay in full the Term Loan B facility and to redeem the remaining \$70 million principal amount of the 7 1/2% Senior Notes due 2015.

Group gross debt was up to \$2.013 billion (1.393 billion) at the end of June 2011.

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Group net debt was up to \$1.492 billion (1.033 billion), with \$520 million (360 million) in available cash. Consequently, the net debt to equity ratio was 40% at the end of June.

First Half 2011 Comparisons with First Half 2010

Consolidated Income Statement In millions	First Half		First Half	
	2011 (\$)	2010 (\$)	2011 (€)	2010 (€)
<i>Exchange rate euro/dollar</i>	1.406	1.348	1.406	1.348
Operating Revenue	1 477.9	1 343.0	1 051.5	996.0
<i>Sercel</i>	541.4	469.0	385.4	349.5
<i>Services</i>	1 065.6	970.9	758.1	718.8
<i>Elimination</i>	-129.1	-97.0	-92.0	-72.3
Gross Profit	200.7	277.4	142.8	205.8
Operating Income	38.6	73.8	27.5	54.8
<i>Sercel</i>	170.9	115.4	121.6	86.0
<i>Services</i>	-55.1	19.2	-39.2	14.2
<i>Corporate and Elimination</i>	-77.2	-60.8	-54.9	-45.4
Financial Items	-113.7	-47.1	-80.9	-35.0
Income Tax	-13.4	-11.7	-9.6	-8.6
Deferred Tax on Currency Translation	6.3	-3.4	4.5	-2.5
Income from Equity Investments	7.7	-2.8	5.5	-2.1
Net Income	-74.5	8.8	-53.0	6.6
Earnings per share (€) / per ADS (\$)	-0.54	0.00	-0.38	0.00
EBITDAs	312.2	341.9	222.1	253.6
<i>Sercel</i>	198.0	139.4	140.9	103.9
<i>Services</i>	188.4	257.0	134.0	190.3
Industrial Capex	179.0	129.3	127.4	96.0
Multi-client Capex	89.4	172.6	63.6	128.0

Other Information:

A French language conference call is scheduled today at 10:00am (Paris), 9:00am (London).

To take part in the French language conference, simply dial in 5 to 10 minutes prior to the scheduled start time.

- France call-in	+33 1 70 77 09 22
- International call-in	+44 203 367 94 59
- Replay	+33 1 72 00 15 01 & +44 203 367 94 60

Code: 273902 #

An English language conference call is scheduled today at 3:00pm (Paris), 2:00pm (London), 8:00am (US CT), 9:00am (US ET).

To take part in the English language conference, simply dial in 5 to 10 minutes prior to the scheduled start time.

- US Toll-Free	1-877-317-6789
- International call-in	1-412-317-6789
- Replay	1-877-344-7529 & 1-412-317-0088

Code: 451944

Copies of the presentation and detailed financial results will be posted on the CGGVeritas website at www.cggveritas.com and can be downloaded.

These conference calls will be broadcast live on the CGGVeritas website at www.cggveritas.com and a replay will be available for two weeks thereafter.

About CGGVeritas

CGGVeritas (www.cggveritas.com) is a leading international pure-play geophysical company delivering a wide range of technologies, services and equipment through Sercel, to its broad base of customers mainly throughout the global oil and gas industry. CGGVeritas is listed on the Euronext Paris (ISIN: 0000120164) and the New York Stock Exchange (in the form of American Depositary Shares, NYSE: CGV).

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The information included herein contains certain forward-looking statements within the meaning of Section 27A of the securities act of 1933 and section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect numerous assumptions and involve a number of risks and uncertainties as disclosed by the Company from time to time in its filings with the Securities and Exchange Commission. Actual results may vary materially.

THIS FORM 6-K REPORT IS HEREBY INCORPORATED BY REFERENCE INTO THE PROSPECTUS CONTAINED IN CGG VERITAS REGISTRATION STATEMENT ON FORM S-8 (REGISTRATION STATEMENT NO. 333-150384) AND SHALL BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Compagnie Générale de Géophysique Veritas has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

July 29th, 2011

By /s/ Gerard CHAMBOVET
Gerard CHAMBOVET
EVP General Secretary