

Annual Report 2010



**Presented by the Board of Directors
to the Annual General Meeting of the Shareholders**

MAY 20, 2011

GEOREX SA

Capital : 1 588 678.51 euros

Head office : 145 rue Michel Carré – 95100 ARGENTEUIL

RCS B692037823

1- Highlights and Economic context and climate

The year 2010 has been a year of costs reduction, redefinition of the objectives, guidelines and ambitions of Georex. The price decrease between 10 and 20% initiated in 2009 marked also the revenues of 2010. No price increase was performed on the traditional activities of services of the group. However, new customer accounts on activities with higher technical value-added are growing since the last quarter of 2010 and continue during 2011. The slowdown has essentially affected Geonumeric activities. The sales of services of the group reached 7,678 K€ against 8,498 K€ in 2009, a decline of 9.6% (820 K€) compared to 2009.

The progress of the studies in the Paris Basin and the Tunisian contracts interested several companies during the year. In view of the separation of Poros from Georex in May 2010, and of the cash situation of Georex at December 31, 2009, the Board of Directors has proposed to the General Assembly of May 4, 2010 the payment of a dividend of 42.7 cents of euro per share (32 cents of euro in shares of Poros and 10.7 cents of euro in cash) against a dividend in cash of 10 cents of euro per share paid in respect of the results of 2009.

2-Change of accounting method

> *Changeover to IFRS*

By application of the EU Council Directive n°1606/2002 adopted on 19 July 2002 the consolidated accounts of the GEOREX group have been drawn up, since 2006, in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. Comparative information has been presented according to the principles defined in IFRS 1.

> *Modifications of the presentation of the accounts and evaluation methods*

No significant change was made in the presentation of the consolidated accounts as well as in the evaluation mode.

For purposes of consistency since 01/01/2009, the methods and durations of depreciation applied in the consolidated accounts are adopted for the individual accounts too.

3-Group accounts

>Consolidated activity

Consolidated group sales amounted to €7,678K in 2010, compared to €8,498K in 2009, and €10,402K in 2008.

> Activity by sector

The consolidated sales in 2010 are split into three main industry segments where the Group is developing its presence.

Change in sales by sector of activity:

| Sales (in €K) | 2010 | 2009 | 2008 | Change 2010-2009 |
|---------------------------------|--------------|--------------|---------------|------------------|
| Data Management | 3 541 | 4 254 | 5 245 | -16,8% |
| Subsurface | 4 067 | 4 060 | 5 085 | 0,2% |
| Training and Software | 68 | 184 | 72 | -63,0% |
| Miscellaneous | 2 | | | |
| Total Consolidated Sales | 7 678 | 8 498 | 10 402 | -9,6% |

> Consolidated income

The consolidated income statements of 2010, 2009 and 2008 are listed below:

| Consolidated Income Statements(in €K) | 2010 | 2009 | 2008 | Variation 2010-2009 |
|---------------------------------------|----------------|--------------|------------|------------------------|
| Sales | 7 678 | 8 498 | 10 402 | -9,6% |
| Operating Margin | - 565 | - 331 | 1 016 | 70,7% |
| Current Operating Income | - 1 354 | - 491 | 815 | 175,8% |
| Operating Income | - 1 361 | - 492 | 970 | 176,6% |
| Income Before Taxes | - 1 541 | - 466 | 947 | 230,7% |
| Consolidated Net Income | - 1 264 | - 457 | 626 | 176,6% |

Current operational result decreased by 863 K€. It is -1.354 K€ in 2010 against -491 K€ in 2009. This can be explained as follows:

- Decrease of the turnover : -820 K€
- Estimated liability under warranties on Letters of Credit in favour of Poros: -748 K€
- Amortization on fiscal adjustments : -97 K€
- Decrease of salary and related charges : +312 K€
- Decrease of other charges : +186 K€
- Increase of the self constructed capital asset: +132 K€
- Recovery on financial provision related to dissolution of Georex Norge: +80 K€
- Recovery on financial provision related to the Poros transfer: +92 K€

Variation of the operational result - 863 K€

From an analytical point of view, the decrease of 1.904 K € in the turnover is explained as follows:

| | |
|-----------------------|-------------------|
| -Site Operations: | -342 K€ (-10,5%) |
| -Document management: | -266 K€ (-47,1%) |
| -Digitizing: | -184 K€ (-26,8 %) |
| -Training&Software: | -116 K€ (-62,8%) |
| -Data loading: | -100 K€ (-5,1%) |
| -Transcription: | -95 K€ (-12,3%) |
| -Study Assistance: | +321K€ (+100%) |
| -Other activities: | -38 K€ (ND) |

The operational result for 2010 is -1.361 K€ against -492 K€ in 2009, declining by 869 K€.

The result before taxes is -1.541 K€, split as follows: dissolution of Georex Norge for -80 K€ and transfer of Poros for -92 K€ due to the distribution of shares of Poros as dividend to the Georex shareholders.

Corporate tax is +278 K€ in 2010 against -9 K€ for 2009 taking consideration the carry back of +181 K€.

The Net Consolidated Result, part of the Group, is -1,264 K€, against -457 K€ in 2009 and +626 K€ en 2008.

Contributions to consolidated net income:

| Companies | Income (€K) | Group Participation | Contribution to Consolidated Income Group share |
|----------------------------------|--------------|---------------------|---|
| Georex SA | -791 | NA | -791 |
| Georex Assistance Technique SAS | 127 | 99,99% | 127 |
| SCI Honoré de Balzac | 41 | 99,20% | 41 |
| Geonumeric SAS | -380 | 100,00% | -380 |
| Georex Services Tunisia | -9 | 99,90% | -9 |
| Geo-Form SAS | -140 | 100,00% | -140 |
| Georex UK Ltd | -73 | 100,00% | -73 |
| Poros SAS | -37 | 100,00% | -37 |
| Total Consolidated Income | -1264 | | -1264 |

>Scope of consolidation

| Companies | Date of integration into consolidation | Equity Value before provision (€K) | Contribution to Consolidated Income Group share |
|---------------------------------|--|------------------------------------|---|
| Georex Assistance Technique SAS | 01/01/97 | 973 | 99,99% |
| SCI Honoré de Balzac | 01/01/03 | 38 | 99,20% |
| Geonumeric SAS | 01/05/03 | 320 | 100,00% |
| Georex Tunisia Services SARL | 01/01/04 | 7 | 99,90% |
| Geo-Form SAS | 01/06/04 | 87 | 100,00% |
| Georex UK Ltd | 01/04/05 | 1 | 100,00% |
| Poros SAS (exit July,31th 2010) | 01/10/07 | | 100,00% |

>Income by sector of activity

| | | | | | | |
|---------------------------------------|---------------|---------------|-------------|--------------|------------|-------------|
| Data Management | -463 | -6,0% | -302 | -3,5% | 733 | 7,0% |
| Subsurface | -17 | -0,2% | -173 | -2,0% | 51 | 0,5% |
| Training and Software | -135 | -1,8% | 35 | 0,4% | 24 | 0,2% |
| Property | 51 | 0,7% | 60 | 0,7% | 53 | 0,5% |
| Norway | 0 | 0,0% | 0 | 0,0% | 0 | 0,0% |
| Holding * | -756 | -9,8% | -43 | -0,5% | -34 | -0,3% |
| Exploration & Exploitation | -34 | -0,4% | -69 | -0,8% | -12 | -0,1% |
| Total Current Operating Income | -1 354 | -17,6% | -491 | -5,8% | 815 | 7,8% |
| Net Income | | | | | | |
| Data Management | -375 | -4,9% | -328 | -3,9% | 527 | 5,1% |
| Subsurface | 39 | 0,5% | -175 | -2,1% | 24 | 0,2% |
| Training and Software | -140 | -1,8% | 30 | 0,4% | 8 | 0,1% |
| Property | 41 | 0,5% | 48 | 0,6% | 39 | 0,4% |
| Norway | 0 | 0,0% | 0 | 0,0% | -4 | 0,0% |
| Holding * | -791 | -10,3% | 45 | 0,5% | 44 | 0,4% |
| Exploration & Exploitation | -37 | -0,5% | -77 | -0,9% | -12 | -0,1% |
| Total Net Income | -1 264 | -16,5% | -457 | -5,4% | 626 | 6,0% |

* see P8 concerning the description of the provision on credit sant-by letters of Poros

>Income by geographical sector

| (in €K) | 2010 | | 2009 | | 2008 | |
|---------------------------------------|---------------|---------------|--------------|--------------|---------------|-------------|
| | Amount | Sales | Amount | Sales | Amount | Sales |
| Total Sales | 7 678 | | 8 498 | | 10 402 | |
| Current Operating Income | | | | | | |
| France | -1 264 | -16,5% | -491 | -6,4% | 779 | 9,2% |
| Tunisia | -9 | -0,1% | 24 | 0,3% | -41 | -0,5% |
| United Kingdom | -81 | -1,1% | -24 | -0,3% | 77 | 0,9% |
| Norway | 0 | 0,0% | 0 | 0,0% | 0 | 0,0% |
| Total Current Operating Income | -1 354 | -17,6% | -491 | -6,4% | 815 | 9,6% |
| Net income | | | | | | |
| France | -1 182 | -15,4% | -450 | -5,9% | 674 | 7,9% |
| Tunisia | -9 | -0,1% | 24 | 0,3% | -50 | -0,6% |
| United Kingdom | -73 | -1,0% | -31 | -0,4% | 6 | 0,1% |
| Norway | 0 | 0,0% | 0 | 0,0% | -4 | 0,0% |
| Total Net Income | -1 264 | -16,5% | -457 | -6,0% | 626 | 7,4% |

>Financial structure

The Group Balance Sheet is presented below:

| (in €K) | 2010 | 2009 | 2008 |
|----------------------------|--------------|--------------|--------------|
| Non-Current Assets | 1 584 | 1 751 | 1 845 |
| Current Assets | 4 602 | 5 467 | 6 614 |
| Share Capital | 2 153 | 4 501 | 5 249 |
| Minority interests | 2 | 1 | 2 |
| Non-Current Liabilities | 1 372 | 598 | 613 |
| Current Liabilities | 2 659 | 2 118 | 2 595 |
| Balance Sheet total | 6 186 | 7 218 | 8 459 |

>Non-current assets

Changes in our fixed (non-current) assets are set out below:

| | |
|---|----------------|
| Total non-current assets at start of year: | €1 751K |
| Total non-current assets at end of year: | €1 584K |
| Variation: | -€167K |

Intangible fixed assets

| | |
|---|-------|
| -Acquisitions | +€12K |
| -Sales or write-offs | -€67K |
| -change | -€7K |
| -Provision/withdrawals to amortisations | +€26K |

Tangible fixed assets

| | |
|---|--------|
| -Acquisitions | +€12K |
| -Sales or write-offs | -€42K |
| -Change | +€15K |
| -Perimeter variation | -€3K |
| -Depreciation/reversal on amortizations | -€196K |

Financial fixed assets

| | |
|--------------------------|------|
| -Loans | -€2K |
| -Deposits and guarantees | -€5K |

| | |
|----------------------------|--------------|
| Deferred tax assets | +€90K |
|----------------------------|--------------|

>Capital and reserves, Group share

The Group share of capital and reserves is €2,154K for 2010, €4,501K for 2009 and €5,249K for 2008. The main variations have as follows:

| | |
|------------------------------|----------|
| -2010 net income group share | -€1,264K |
| -Annual dividend paid | -€1,112K |
| -Miscellaneous | +€29K |

>Debts

Taking into account the net cash position in relation to financial debts, the Group is not indebted.

| (in €K) | 2010 | 2009 | 2008 |
|--------------------------|--------------|--------------|--------------|
| Loans due > one year | -277 | -289 | -339 |
| Loans due < one year | -97 | -53 | -51 |
| Available cash | 2 460 | 2 801 | 4 114 |
| Net Cash Position | 2 086 | 2 459 | 3 724 |

Available cash as of December 31, 2010 is €2.460K compared to €2.801K in 2009 and to €4.114K in 2008.

>Cash flow

Cash flow is broken down as follows:

| (in €K) | 2010 | 2009 | 2008 |
|-------------------------------------|-------------|---------------|------------|
| Cashflow generated by activities | -1 266 | -801 | 893 |
| Cashflow from investment operations | -37 | -172 | -220 |
| Cashflow from financial operations | 963 | -340 | -198 |
| Total | -340 | -1 313 | 475 |

The cashflow from financial operations of +€963K decomposes by a payment of dividends of -€1.112K, of a variation of the reserves of +€2.042K and loans of +€33K.

The resulting change in the net cash situation is -€340K compared to -€1.313K for 2009.

>Operating cash flow

Operating cash flow stands at -€366K for 2010 compared to -€184K for 2009 and +€865K in 2008.

>Research and Development

At the 31 December 2010, following the exit of Poros from the group, no research and development activities has been realised.

>Information on payment of vendors and customers in the consolidated accounts

split of vendors:

| in €K | delay <30 days | delay <60 days | delay <90 days | delay >90 days | Total |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|------------|
| Georex | 2 | 5 | 1 | | 8 |
| Georex Assistance Technique | | 131 | 28 | 23 | 182 |
| Geonumeric | | 21 | 18 | | 39 |
| Geo-Form | 1 | 8 | | | 9 |
| SCI Honoré de Balzac | | - | 15 | - | 15 |
| Georex Services Tunisa | | 7 | | | 7 |
| Georex UK | | 165 | 151 | | 316 |
| Total | 3 | 322 | 198 | 23 | 546 |

split of customers:

| in €K | delay <30 days | delay <60 days | delay <90 days | delay >90 days | Total |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| Georex | | | 73 | | 73 |
| Georex Assistance Technique | 343 | 250 | 58 | | 651 |
| Geonumeric | 472 | 142 | 134 | | 748 |
| Geo-Form | | | | | - |
| SCI Honoré de Balzac | | | | | - |
| Georex Services Tunisa | | 2 | | | 2 |
| Georex UK | 83 | 25 | 23 | | 131 |
| Total | 898 | 419 | 288 | - | 1 605 |

4-Individual accounts of the group holding company Georex SA

>Activity

Georex SA, the parent company of the Group, has no turnover for 2010. Georex SA activity consists in providing administrative and financial services to its subsidiaries. The company is not indebted at the closure of the year held a positive cash position of €930K.

>Profit

Operating profit amounted to -€82K for 2010 compared to -€50K for 2009 and to -€38K in 2008. Georex has not received dividends in 2010 while in 2009, dividends rose to 1,054 K€ and at 794 K€ en 2008. Current Operating Income before taxes rose to -€497K for 2010 compared to €989K in 2009 and €1.038K in 2008. NetIncome after taxes amounts to -€1.325 for 2010 compared to +€1 008K for 2009 and +€1.114K in 2008.

>Description of the main risks

Main risk of the parent company of the group is related to the assessment of the risks involving its subsidiaries. The valuation of investments and subsidiary current accounts was performed in relation to their net contribution to the group financial situation. This has led us to post the followings provisions for depreciation:

| Nature of Provisions | Provision at the beginning of the year | Provision 2010 | Provision Write-off 2010 | Provision at the end of the year |
|---|--|----------------|--------------------------|----------------------------------|
| Investments SCI des Jolys | 2 | | | 2 |
| Investments Geonumeric | - | 251 | | 251 |
| Investments Geo-Form SAS | 87 | | | 87 |
| Investments Georex UK | 1 | | | 1 |
| Investments Georex Norge AS | 15 | | 15 | - |
| Investments Poros | 92 | | 92 | - |
| Investments Georex Tunisia Services | 7 | | | 7 |
| Total Provisions on investments | 204 | 251 | 107 | 348 |
| Current Account Geo-Form | 15 | 139 | | 154 |
| Current Account Georex UK | 111 | 71 | | 182 |
| Current Account Georex Norge AS | 65 | | 65 | - |
| Current Account Georex Tunisia Services | 50 | | | 50 |
| Total Provisions on current accounts | 241 | 210 | 65 | 386 |
| negative net worth Georex Tunisia Services | 15 | 6 | | 21 |
| Total Provisions on negative net worth | 15 | 6 | - | 21 |
| Total | 460 | 467 | 172 | 755 |

The impact of these postings of the 2010 results is calculated as -€295K, corresponding to write-off of financial provisions of +€172K and, to financial provisions of €467K.

We also inform you that our client group Total represents more than 68.8% of the turnover of the fiscal year 2010. Furthermore, we draw particular attention to the fact that Georex, since March 03, 2009, guarantees 1 MUSD through the two letters of credit of stand-by edited to the attention of the bank (UBCI Tunis) in favour of the Tunisian State. These two letters of credit are intended to guarantee the work obligations of Poros in Kasserine and Telemzane prospecting permits. Poros must acquire 500 km of seismic data for an amount of minimum expenditure estimated at 3 MUSD. This work should be completed at the latest, in two years, and before the end of 2011. In the case that Georex abandons its participation in Poros, Georex would remain committed, as specified in the two commitment letters addressed to Bnp-Paribas Bank. This risk was taken in the accounts 2010 for 748 K€.

>Information on payment of vendors and customers in the individual accounts

We inform you on the split of vendors and customers:

| in €K | delay <30 days | delay <60 days | delay <90 days | delay >90 days | Total |
|-----------|----------------|----------------|----------------|----------------|-------|
| Vendors | 2 | 17 | 1 | | 20 |
| Customers | 15 | | 73 | 3 | 91 |

>Use of financial control and associated risk management

The company does not use financial instruments for the purposes of the assessment of its assets, liabilities, financial position and profit or loss. The company does not make use of hedging on transactions. The risks of price, credit and cash exposure is considered low.

>Fiscal integration

The scope of integration is composed of Georex SA and the following subsidiaries:

- Georex Assistance Technique SAS
- Geonumeric SAS
- Geo-Form SAS

>Distribution of capital and elements likely to have influence in the event of a takeover bid

To satisfy the requirements of articles L233-13 and L255-100-3 of the French Commercial Code, we draw your attention to the following elements:

Evolution of capital over the last five years

| (in K€) | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|------------------|------------------|------------------|------------------|------------------|
| Number of shares comprising the capital at start of year | 2 604 391 | 2 604 391 | 2 604 117 | 2 604 117 | 98 491 |
| Number of shares created during year | 0 | 0 | 274 | 0 | 2 505 626 |
| -by a 25-for-one split of the nominal | | | | | 2 363 784 |
| -by capital increase | | | | | 139 867 |
| -through exercise of share subscription options | | | 274 | | 1 975 |
| Number of shares comprising the capital at end of year | 2 604 391 | 2 604 391 | 2 604 391 | 2 604 117 | 2 604 117 |
| | 1 588 679 | 1 588 679 | 1 588 679 | 1 588 511 | 1 588 511 |

>Information concerning share subscription or purchase options (article L.225-184)

Plan N°1:

At the Board of Directors meeting on May 31, 2006 it was decided to allocate 246 228 shares subscription options to employees and management of the Georex group. No options were exercised during 2010 and 216.803 options were withdrawn due to the end of period intervened the 1st June 2010. Since the beginning of the scheme, the number of share subscriptions taken up by exercising options during the 2006 financial year amounts to 1 975 shares, for a global subscription price of €4 285.75 (€1 204.75 in nominal share value and €3081 in issue premiums).

| Scheme N°1 | 2010 | 2009 | 2008 | 2007 | 2006 | Total |
|------------------------------|-----------------|---------------|----------------|---------------|----------------|----------|
| Options attributed | | | | | 246 228 | 246 228 |
| Options exercised | | | | | -1 975 | -1 975 |
| Options withdrawn | -216 803 | -4 850 | -11 425 | -7 725 | -3 450 | -244 253 |
| Total to be exercised | -216 803 | -4 850 | -11 425 | -7 725 | 240 803 | 0 |

Plan N°2:

At the Board of Directors meeting on April 24, 2008 it was decided to allocate 11 175 shares subscription options to employees of the Georex group. No options were exercised during 2010 and 5.609 options were withdrawn due to the beneficiaries of these options leaving the Group. Since the beginning of the scheme, 274 new shares were created, for a global subscription price of €594.58 (€167.14 in nominal share value and €427.44 in issue premiums). The number of remaining options is 9 863. The subscription price is €2.17 per share.

| Scheme N°2 | 2010 | 2009 | 2008 | Total |
|------------------------------|---------------|-------------|---------------|--------------|
| Options attributed | | | 11 175 | 11 175 |
| Options exercised | | | -274 | -274 |
| Options withdrawn | -5 609 | -411 | -627 | -6 647 |
| Total to be exercised | -5 609 | -411 | 10 274 | 4 254 |

The date of the end of the exercise period is the April 24, 2012, which corresponds to the end of the blocking period defined in the plan.

>Monitoring delegations at the end of the year granted in the framework of capital increases (article L225-100)

There is no current delegation in 2010.

>Comparative table of last five financial years

RESULTS OF LAST FIVE YEARS (€)

| Date of closure | 31/12/2010 | 31/12/2009 | 31/12/2008 | 31/12/2007 | 31/12/2006 |
|---|------------------|------------------|------------------|------------------|------------------|
| Length of year (months) | 12 | 12 | 12 | 12 | 12 |
| CAPITAL AT END OF YEAR | 1 588 679 | 1 588 679 | 1 588 679 | 1 588 511 | 1 588 511 |
| Share capital | | | | | |
| Number of shares | | | | | |
| - ordinary | 2 604 391 | 2 604 391 | 2 604 391 | 2 604 117 | 2 604 117 |
| Maximum number of shares to create | | | | | |
| OPERATIONS AND RESULTS | | | | | |
| Sales excl. VAT | 0 | 0 | 0 | 0 | 3 825 |
| Operating income before taxes, profit sharing, amortizations and provisions | -198 247 | 1 094 461 | 951 468 | 459 046 | 614 918 |
| Income tax on profits | 3 509 | -13 233 | 29 225 | 59 202 | 110 833 |
| Depreciation and other provisions | 1 122 821 | 99 954 | -191 456 | -86 194 | 12 098 |
| Net income | -1 324 577 | 1 007 740 | 1 113 698 | 486 037 | 491 987 |
| Distributed earnings | 0 | 1 112 075 | 260 439 | 260 412 | 208 329 |
| EARNINGS PER SHARE | | | | | |
| Earnings after taxes & participation, before depreciation and provisions | -0,08 | 0,43 | 0,35 | 0,15 | 0,19 |
| Earnings after taxes, participation, depreciation and provisions | -0,51 | 0,39 | 0,43 | 0,19 | 0,19 |
| Dividend distributed | 0,00 | 0,43 | 0,10 | 0,10 | 0,08 |
| PERSONNEL | | | | | |
| Average staff population | 5 | 5 | 7 | 8 | 9 |
| Salary costs | 457 055 | 458 292 | 544 116 | 544 201 | 561 357 |
| Sums paid in benefits (social security, social projects...) | 190 990 | 188 385 | 225 354 | 221 165 | 226 968 |

>Amount of non-tax deductible expenses

The amount of non tax-deductible expenses under the terms of articles 223 paragraph 4 and 39-4 of the French Tax Code (CGI) amounts to €9,076.79.

>Conventions covered by article L225-38 of the Commercial code (in Euros)

| Elements | Sums invoiced by Georex to Georex Assistance Technique | Sums invoiced by Georex Assistance Technique to Georex |
|--------------------|--|--|
| Provision of staff | 218 699 | |
| General expenses | 124 563 | |
| Management costs | 17 163 | |
| Total | 360 425 | 0 |

| Elements | Sums invoiced by Georex to Geonumeric SAS | Sums invoiced by Geonumeric SAS to Georex |
|------------------------------|--|---|
| Provision of staff | 244 082 | |
| Technical services | | 14 818 |
| General expenses | 139 020 | |
| Management costs | 19 155 | |
| Interest on current accounts | 32 454 | |
| Total | 434 710 | 14 818 |

| Elements | Sums invoiced by Georex to SCI Honoré de Balzac | Sums invoiced by SCI Honoré de Balzac to Georex |
|----------------|--|---|
| Office rentals | | 40 283 |
| Rental charges | | 13 842 |
| Total | 0 | 54 125 |

| Elements | Sums invoiced by Georex to Geo-form | Sums invoiced by Geo- form to Georex |
|------------------------------|--|---|
| Provision of staff | 4 881 | |
| Sponsorship | | 11 076 |
| General expenses | 9 283 | |
| Management costs | 383 | |
| Interest on current accounts | 5 175 | |
| Total | 19 722 | 11 076 |

| Elements | Sums invoiced by Georex to Georex UK Ltd | Sums invoiced by Georex UK to Georex |
|------------------------------|---|---|
| Provision of staff | 71 142 | |
| Management costs | 3 557 | |
| Interest on current accounts | 8 447 | |
| Total | 83 146 | 0 |

| Elements | Sums invoiced by Georex to Georex Tunisia Services | Sums invoiced by Georex Tunisia Services to Georex |
|------------------------------|---|--|
| Provision of staff | 8 214 | |
| Management costs | 411 | |
| Interest on current accounts | 1 859 | |
| Total | 10 483 | 0 |

| Elements | Sums invoiced by Georex to Poros | Sums invoiced by Poros to Georex |
|---------------------------------|-------------------------------------|-------------------------------------|
| Provision of staff | 115 335 | |
| Fees on credit stand-by letters | 3 749 | |
| General expenses | 21 480 | |
| Interest on current accounts | 3 754 | 0 |
| Total | 144 318 | 0 |
| Total | 1 052 804 | 80 019 |

>Capital structure

Georex SA share capital amounts to €1 588 678.51 issued in 2 604 391 shares of €0.61 each.

By application of article L233-13 of the commercial code, we indicate below the identities of shareholders, natural or legal persons holding a number of shares equal to more than one twentieth, one tenth, one fifth, one third, one half or two thirds of the capital or voting rights issued by the company, and the number of shares they possess:

| | 2010 | | 2009 | |
|-------------------|------------------|---------------|------------------|---------------|
| | Shares | Capital | Shares | Capital |
| AS HOLDING AS | 587 550 | 22,6% | 587 550 | 22,6% |
| S.P.T.I. SA | 365 217 | 14,0% | 365 217 | 14,0% |
| HV HOLDING AS | 293 750 | 11,3% | 293 750 | 11,3% |
| MR SUNDVALL RUNE | 259 700 | 10,0% | 259 700 | 10,0% |
| MR SUNDVALL AUDAR | 205 495 | 7,9% | 205 495 | 7,9% |
| Others < 5% | 892 679 | 34,3% | 892 679 | 34,3% |
| Total | 2 604 391 | 100,0% | 2 604 391 | 100,0% |

>Employee stock ownership

No shares of Georex have been acquired by or allocated to employees under a plan of an employee reward scheme or participation in growth programme. On the last day of the financial year, 7 Group employees held 19 236 shares and voting rights, for a total of 0.74% of the capital. No shares are held by company employees or by employees of companies related to Georex SA under the terms of article L225-180 of the Commercial Code, within a company savings plan (L443-1 to 443-9 of the Employment Code) and company mutual investment fund (FCPE -Law n° 88-1201 of 23 December 1988). In addition, no shares are held by employees within a company savings plan (PEE) or mutual investment fund (FCPE).

5-Stock market information

>Georex SA share market

GEOREX shares are listed on the free OTC market in Paris under the number FR0000057945. The number of shares as of December 31, 2010 amounts to 2 604 391. During 2010, no shares were created.

>Evolution of share price in 2010

The number of shares exchanged registered in the Marché Libre during the 2010 financial year was 127 984, an average of 1 306 shares per session. The total capital exchanged amounted to €270K, an average of €3K per session, for an average price of €2.11. On December 31, 2010 the share price was at €1.50, representing a market capitalisation of €3 907K.

Share price in 2010:

| MONTH | Nb Shares traded | Amounts traded in €K | average price | latest price |
|--------------|------------------|----------------------|---------------|--------------|
| January | 2 420 | 5 | 2,18 | 2,16 |
| February | 4 448 | 10 | 2,26 | 2,29 |
| March | 27 436 | 55 | 2,00 | 2,00 |
| April | 48 152 | 113 | 2,35 | 2,26 |
| May | 12 816 | 29 | 2,25 | 1,95 |
| June | 6 800 | 14 | 2,09 | 2,23 |
| July | 4 849 | 9 | 1,91 | 1,77 |
| August | 2 150 | 4 | 1,88 | 1,75 |
| September | 4 320 | 7 | 1,67 | 1,59 |
| October | 2 118 | 4 | 1,71 | 1,63 |
| November | 8 605 | 14 | 1,63 | 1,55 |
| December | 3 870 | 6 | 1,49 | 1,50 |
| Total | 127 984 | 270 | | |

* Informations detailed above results from Euronext

6-Subsidiaries

>Acquisitions

There has been no acquisition

>Disposals

POROS subsidiary was transferred by dividend distribution in shares of POROS to the GEOREX' shareholders on July 31, 2010. The shareholders of Georex received in 2010 an additional value of that of Georex, in an area independent of the service activities.

The subsidiary GEOREX NORGE has been dissolved and removed from the Norway trade registration in 2010.

There has been no other assignment of participation in the elapsed fiscal year.

>Comparison of 2010/2009 sales and profits of subsidiaries and their subsidiaries

| Company | Consolidation method | Sales before taxes | | Income for the year | | Net equity | | Observations |
|---|----------------------|--------------------|-------|---------------------|-------|------------|-------|-----------------------------|
| | | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | |
| Holding | | | | | | | | |
| Georex SA | GI | 0 | 0 | -1 325 | 1 008 | 2 187 | 4 624 | |
| Technical services France | | | | | | | | |
| Georex Assistance Technique SAS | GI | 3 069 | 2 920 | 135 | -140 | 1 609 | 1 474 | |
| Geo-Form SAS | GI | 68 | 184 | -139 | 23 | -154 | -15 | |
| Geonumeric SAS | GI | 3 425 | 4 149 | -342 | -373 | 68 | 410 | |
| Technical services rest of world | | | | | | | | |
| Geonumeric SARL (Tunisia)* | GI | 115 | 104 | -6 | 29 | -71 | -65 | |
| Georex UK Ltd* | GI | 998 | 1 140 | -71 | -29 | -182 | -111 | |
| Oil&Gas Projects | | | | | | | | |
| Poros SAS | GI | 0 | 0 | -38 | -76 | | 8 | Sorti du groupe le 31/07/10 |
| Property | | | | | | | | |
| SCI Honoré de Balzac | GI | 2 | 0 | 48 | 55 | 204 | 156 | |
| Norway project | | | | | | | | |
| Georex Norge AS* | GI | 0 | 0 | 0 | 0 | | -69 | Dissolution |
| Other | | | | | | | | |
| SCI des Jolys | NA | 0 | 0 | 0 | 0 | | | Dormant |

GI: Global integration, NA: Not applicable

* Exchange rate used on 31 December of each year

The subsidiaries Geonumeric, Geo-Form, Georex Tunisia Services and Georex UK will need to be recapitalized in 2011 to continue their activities and allow their capital to be greater than half of their nominal capital.

7-Events taking place after December 31, 2010

> Outlook 2011

1-Georex Services

The company continues on the guidelines of development defined in 2010, the establishment of partnerships with national societies, the increase of the number of corporate customers, the offer of digital reconstruction of analog data and the digital storage solutions. Excluding exceptional events, the improvement will occur in 2011 with a situation in balance after two years of losses and reductions in expenses and costs.

Forecast turnover in 2011, lie between 8 M€ and 9.5 M€ with a backlog at March 17, 2011, to 4.9 M€. Forecast of net sales for the first quarter of 2011 is of the order of 2 M€. With signed and negotiating contracts the sales rise to 6.6 M€.

The effort in 2011 focuses then primarily on increasing volumes and high technical value added contracts.

Dans ce sens la société procède à la mise en place d'un poste de direction commercial Europe pour les filiales françaises et d'un poste de développement pour l'Afrique ouest et d'un poste de responsable international des ventes pour les opérations de puits et la supervision de sonde. In that sense, the company is setting up commercial manager position for the European market of the French subsidiaries, a position of development for West Africa and a Manager position of international sales for well Operations and well site supervision.

8-Labour information

>Average staff numbers, equivalent to full time

| Average Year | 2010 | 2009 | 2008 |
|-------------------------------------|-----------|-----------|-----------|
| Data Management | 54 | 57 | 57 |
| Subsurface | 18 | 19 | 26 |
| Training and Software | 2 | 2 | 2 |
| Norway | | | |
| Holding | 5 | 5 | 7 |
| Consolidated Group Personnel | 79 | 83 | 92 |

>Registered staff on December 31, 2010

| Group | 2010 | | 2009 | | 2008 | |
|--------------|-----------|---------------|-----------|---------------|-----------|---------------|
| Technicians | 20 | 27,8% | 25 | 30,1% | 30 | 34,5% |
| Engineers | 52 | 72,2% | 58 | 69,9% | 57 | 65,5% |
| TOTAL | 72 | 100,0% | 83 | 100,0% | 87 | 100,0% |

The Group employees force is made with 47 men and 25 women.

In 2010, the Group recruited 10 new employees (8 engineers and 2 technicians); 6 permanent contract and 4 on schedule contracts were signed. Moreover, 21 left the group (16 engineers and 5 technicians equivalent to 17 permanent contracts and 4 on schedules contracts).

>Split by type of contract

At the end of 2010, the Group has 70 permanent positions and 2 on schedule positions.

>Average age and seniority

For each of the main technical areas, the average age and seniority have as follows:

| Activity | 2010 | | 2009 | | 2008 | |
|-----------------------|-------------|-----------|-------------|-----------|-------------|-----------|
| | Average Age | Seniority | Average Age | Seniority | Average Age | Seniority |
| Data Management | 41,7 | 9,5 | 40,6 | 8,3 | 37,7 | 4,8 |
| Subsurface | 39,1 | 5,2 | 44,1 | 6,8 | 39,2 | 5,9 |
| Training and Software | 47,6 | 6,5 | 46,6 | 5,5 | 50,3 | 3,0 |

>Personnel under part-time employment

On December 31, 2010, the Group employed 3 technicians on a part-time basis, corresponding to 1.5 full time positions.

>External personnel

The charge for sub-contractors rose at €2 076K, equivalent to 13 man-years in 2010 against €1 795K in 2009 (equivalent to 12 man-years).

>Staff reduction plan

In 2010, le Group proceeded to 2 layoffs.

> Organisation of work time

Companies registered in France apply labour rules based on the 35 hour week schedule, either in the form of annual modulation (IC modality 2) or on the basis of 35 hours per week (IC modality 1 and ETAM). Staff working on a 35-hour basis per week may be asked to work 37 hours or 39 hours per week. This overtime is compensated by the RTT system (day off in lieu). In international subsidiaries, the labour regulations provided under local national legislation are respected.

>Split by nature of absence

The numbers below are expressed in percentage of managed staff in full-time equivalents as of December 31, 2010:

| Absence in % | 2010 | 2009 | 2008 |
|----------------------------------|------------|------------|------------|
| Sickness | 2,2 | 1,5 | 0,9 |
| Work and Travel related accident | | | |
| Maternity leave | 1,4 | 0,5 | 0,6 |
| Paternity leave | | 0,1 | 0,1 |
| TOTAL | 3,6 | 2,2 | 1,5 |

>Progression of salaries

| in €K | 2010 | 2009 | 2008 | Variation |
|--------------------|-------|-------|-------|-----------|
| Total salary costs | 5 212 | 5 471 | 5 994 | -4,73% |
| Participation | - | - | 95 | |

>Handicapped employees

In 2010, the Group did not employ handicapped staff.

>Training

In 2010, the Group proposed training to 1of its employees, for a total of 28 hours and an investment of €2.4K (salary costs included).

>Recruitment difficulties

The Group did not encounter significant difficulties in the recruitment.

9-Environmental responsibility policy

The activities undertaken by the Group have no major environmental impact due to the nature of our business, knowing that the company activities could not be deemed as carrying an important risk.

10-Information on technological risk

The group has identified no major risks related to technological advances.

11-Company officers

In compliance with article L225-102-1, we provide the following information:

>The amount of total remuneration and benefits of all types paid to the company officers over the financial year, by the company and the companies controlled under the terms of article L233-16

| Mandate | Function | Salaries (€K) | Bonuses | Benefits in kind | Directors fees | Nb of stock options |
|----------|----------|---------------|---------|------------------|----------------|---------------------|
| Chairman | Chairman | 144 | 100 | 12 | 7 | 0 |

>Commitment made by the company to the benefit of its company officers in the event of their departure from the Group

The Board of Directors meeting on 2 February 2006 agreed to grant the Chairman an indemnity equal to one year's remuneration and benefits in the event he is removed from his functions.

>The list of company officers and positions held in all companies by each company officer during the financial year.

| NAME | Company | Function |
|---------------------|---------------------------------|------------------------------------|
| BASSIAS YANNIS | Georex SA | Chairman |
| BASSIAS YANNIS | Georex Succursale du Congo | Chairman |
| BASSIAS YANNIS | Georex Assistance Technique SAS | Chairman |
| BASSIAS YANNIS | Geonumeric SAS | Chairman |
| BASSIAS YANNIS | Georex UK Ltd | Director |
| BASSIAS YANNIS | Poros SAS | Chairman |
| BASSIAS YANNIS | Poros Succursale Tunisie | Chairman |
| FORREST IAN | Georex SA | Director |
| FORREST IAN | Belmore Resources Holdings Plc | Chairman |
| FORREST IAN | Polymet Mining Corporation | Director |
| FORREST IAN | Mgold Resources Inc | Chairman |
| FORREST IAN | Poros SAS | Member of the Managing Board |
| DE LACHARRIERE PAUL | Georex SA | Director |
| DE LACHARRIERE PAUL | UGE | Director |
| DE LACHARRIERE PAUL | SPTI | Member of the non executive |
| DE LACHARRIERE PAUL | SNC Nationale Bourgoin | Managing Director |
| DE LACHARRIERE PAUL | SNC Guiers Vif | Managing Director |
| DE LACHARRIERE PAUL | SNC Le moulin de St Nazaire | Managing Director |
| DE LACHARRIERE PAUL | Elysées Energies Vertes | Chairman |
| DE LACHARRIERE PAUL | Elysol 26 à 35 | Managing Director |
| DE LACHARRIERE PAUL | Marsot Développement | Chairman |
| SUNDVALL AUDAR | Georex SA | Director |
| SUNDVALL AUDAR | AS Holding AS | Director |
| SUNDVALL AUDAR | Prinsessegt AS | Director |
| SUNDVALL AUDAR | R Sundvall Eiendom AS | Director |
| SUNDVALL AUDAR | Hammerfestgt 1 AS | Director |
| SUNDVALL AUDAR | A Sundvall AS | Chairman |
| SUNDVALL AUDAR | Poros SAS | Member of the Managing Board |
| VOIGT HARALD | Georex SA | Director |
| VOIGT HARALD | Idex SAS | Director |
| BAILLARD LAURENT | Georex SA | Director (resignation the 3/11/10) |
| BAILLARD LAURENT | SCI Honoré de Balzac | Chairman |
| BAILLARD LAURENT | Georex UK Ltd | Director (resignation the 3/11/10) |
| VROMANT DENIS | Georex SA | Director (resignation le 9/11/10) |

12-Attribution of GEOREX SA profits

Net loss for the year amounts to -€1 324 576.70, to which the previous balance brought forward of €1 244 091.07 must be added, making a total of -€80 485.63, that we propose to put in totality in retained earnings.

In compliance with the requirements of article 243B of the CGI Tax Code, we state that:

- the entire volume of dividends perceived by individual shareholders is eligible to the 40% allowance provided for by the article 158-3 2° of the CGI Tax Code;
- dividends distributed for the past three financial years are given below.

| | Net dividend | |
|------|--------------|----------------|
| | per share | global |
| 2007 | 0,100 € | 260 411,70 € |
| 2008 | 0,100 € | 260 439,10 € |
| 2009 | 0,427 € | 1 112 074,96 € |

13-Director's fees

We propose that you fix the amount of Directors fees allocated to the Board of Directors for 2010 at €42.000.

SYNTHESIS OF THE AUTHORIZATIONS AND DELEGATIONS

| Situation at December 31, 2010 | Duration | Expiry Date | Nominal Maximum amount | Used Rights |
|---|-----------|---------------|------------------------|-------------|
| Issues to the company's employees Scheme N°1 | | | | |
| Stock options (price with rebate of 20%) | 48 months | 01 June 2010 | 150 199,08 € | 1 204,75 € |
| Issues to the company's employees Scheme N°2 | | | | |
| Stock options (price with rebate of 20%) | 48 months | 24 April 2012 | 6 816,75 € | 167,14 € |

FEES OF THE AUDITORS AND THE ACCOUNTANTS FOR 2009 AND 2010

2010

| In euro | Bartolomé BALLESTEROS-PEREZ (*) France | MOYNIHAN & CO UK | CFG (Georex Tunisia) Tunisia | MKP (Poros) Tunisia |
|--|---|---------------------|---------------------------------|------------------------|
| AUDIT | | | | |
| Certification of the accounts | 80 416 | 5 605 | | 5 409 |
| Sub-total | 80 416 | 5 605 | 0 | 5 409 |
| Other services nonrelated to the audit | 5 168 | 1 529 | 2 508 | 0 |
| TOTAL | 85 584 | 7 134 | 2 508 | 5 409 |

2009

| In euro | Bartolomé BALLESTEROS-PEREZ (*) France | MOYNIHAN & CO UK | COFIGEST/CFG (Georex Tunisia) Tunisia | MKP (Poros) Tunisia |
|--|---|---------------------|--|------------------------|
| AUDIT | | | | |
| Certification of the accounts | 74 500 | 3 329 | | |
| Sub-total | 74 500 | 3 329 | 0 | 0 |
| Other services nonrelated to the audit | 706 | 1 522 | 2 384 | 0 |
| TOTAL | 75 206 | 4 851 | 2 384 | 0 |

(*) Auditor for consolidated accounts for the group

RESOLUTIONS PROPOSED TO THE GENERAL MEETING 2010

FIRST RESOLUTION

After the reading of the management report drawn up by the Board of Directors concerning the accounts closed on 31 December 2010 and of the Statutory Auditors' report on the execution of its mission during this financial year, the General Meeting approves the accounts, the management report and the Auditors' report as published and all the operations they report.

As a result, it gives discharge to the directors of their management for the preceding financial year.

SECOND RESOLUTION

The General Meeting approves the assignment of the results. Accordingly, the losses for the year amounting to 1,324,576.70 euros are assigned on the carry forward.

THIRD RESOLUTION

According to the article 243 of the general Code of the taxes, the General Meeting took note that the dividends distributed in the last three years were the following:

| YEAR | NB OF SHARES | DIVIDENDS PER SHARE |
|-------------|---------------------|----------------------------|
| 31/12/2009 | 2,604,391 | 0.427 € |
| 31/12/2008 | 2,604,391 | 0.10 € |
| 31/12/2007 | 2,604,117 | 0.10 € |

The General Meeting recognizes having been informed of the faculty available to persons domiciled fiscally in France, of who the dividends paid are eligible for this allowance, to opt for the Taxability of these revenues to a fixed levy at source by 18%. This option must be made during every collection. It is irrevocable and cannot be exercised a posteriori.

FOURTH RESOLUTION

After the reading of the special report of the Statutory Auditors on the conventions governed by Article 225-38 of the Commercial Code, the General Meeting declares its approval of the aforementioned conventions.

FIFTH RESOLUTION

On the proposition of the Board of Directors, the General Meeting renews the mandate of Mr. Paul Ladreit de Lacharrière in the position of Director for a period of six years, coming to an end at the General Meeting to approve the accounts of the 2016 financial year.

SIXTH RESOLUTION

The General Meeting approves the sum of forty two thousand euros to be distributed among the Board of Directors as Directors' fees.

SEVENTH RESOLUTION

The General Meeting grants all powers to the bearer of an original, a certified copy or a certified extract of the report of this Meeting to execute all legally-required deposits and formalities.

The shareholders justifying the possession or the representation of the fraction of the authorized capital required, by article 128 of the decree of March 23, 1967, will be able to send, by registered mail, to the headquarters of the company a request for registration, on the agenda of this Meeting, of draft resolutions, accompanied by an exposed brief of the reasons.

The requests for registration of draft resolutions on the agenda of this Meeting must be sent as from the date of the publication of the notice and up to twenty-five days before the Meeting, this time being however twenty days as from the publication of the notice when this one is published more than forty-five days before the Meeting.

If no modification would be made on the agenda above, this opinion will be worth opinion of convocation.

The written questions can be addressed by electronic way to the following address: lbailard@georex.com

Any shareholder, whatever the number of shares owned, has the right to attend this Meeting personally or to be represented by another shareholder or his spouse, or to vote there by correspondence.

To assist to or to be represented, the owners of registered shares must have their registered titles counts at least three days before the Meeting. They will not have any requirement to fill and will be allowed at the General Meeting on simple justification of their identity.

All the preliminary documents of convocation, to which will be joined the forms of proxy and of vote by correspondence will be transmitted by mail to the shareholders.

The votes by correspondence will be taken into account only for the forms, supplemented and signed, arrived at the headquarter of the company, at least three days before the date of the Meeting, by postal way or fax (00-33-1-34-34-47-40).

In accordance with the law, all the documents which must be communicated to the General Meetings will be held, within the legal times, at the disposal of the shareholders, to the headquarter of the company.



Company with a capital of €1,588,679

Headquarter : «Les Algorithmes» - Bât. Platon - 145 rue Michel Carré - 95100 Argenteuil –
France »

R.C.S. PONTOISE B 692 037 823

ANNUAL GENERAL MEETING

May 20, 2011

REQUEST OF COMPLEMENTARY DOCUMENTS

(Art. R. 225-81 4° du Code de commerce)

I undersigned.....

Living at

Owner of.....shares

ask to forward me to the following address:

.....
.....
.....

documents indicated in the article R. 225-83 du Code de commerce

At

Date

Signature

NB - Any registred shareholder can ask to profit from the provisions of article R. 225-88 du Code de commerce.