

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION**

In re:

EXPRO HOLDINGS US INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 17-60179 (DRJ)

(Joint Administration Requested)

**DECLARATION OF JOHN MCALISTER IN SUPPORT
OF CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

I, Lewis John Woodburn McAlister, do hereby declare, under penalty of perjury, that:

1. I serve as the Group General Counsel and Corporate Secretary of Expro International Group Holdings Limited (“Expro International”), a privately held company organized under the laws of the United Kingdom that is the indirect parent for each of the affiliated debtors and debtors in possession in the above-captioned cases (each, a “Debtor,” and collectively, the “Debtors”). I have served in my current capacities since 2006 when I commenced employment with the company. In addition, I also serve as a director for many of the Debtors, including the lead Debtor identified in the caption above, Expro Holdings US Inc.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, if applicable, are as follows: Expro Holdings US, Inc. (9304); Expro International Group Holdings Ltd. (5169); Expro Holdings UK 2 Ltd. (5169); Expro Holdings UK 3 Ltd; Expro FinServices Sarl (5691); Expro US Finco LLC (7558); Expro Holdings UK 4 Ltd. (5167); Expro US Holdings, LLC (1005); Expro Americas, LLC (6756); Expro Holdings Australia 1 PTY Ltd. (4386); Expro Holdings Australia 2 PTY Ltd. (4387); Expro Group Australia PTY Ltd. (4495); Expro International Group Ltd. (4453); Exploration and Production Services (Holdings) Ltd (4457); Expro Holdings Norway AS (2951); Petrotech AS (5875); Petrotech BV (5888); Expro Norway AS (1675); PT Expro Indonesia (4491); Expro International Ltd. (4461); Expro Meters Inc. (1666); Expro Overseas Ltd. (4489); Expro Benelux Ltd. (4470); Expro do Brasil Servicos Ltda (5788); Expro Resources Ltd. (4472); Expro Eurasia Ltd. (4463); Expro North Sea Ltd. (4460); Expro (B) Sdn Bhd (BN) (4498); Expro Overseas Inc. (4481); Expro Gulf Ltd. (4486); Expro International BV (4476); Expro Group Canada Inc. (1672); Expro Trinidad Ltd.; Expro Tool S de R L de C.V. (1673); Expro Servicos S de R L de C.V. (1674); Expro Egypt LLC (6218); Exprotech Nigeria Ltd. (4478); Expro Worldwide BV (1668). The location of the Debtors’ headquarters is 14-16 Cross Street, 3rd Floor, Reading, Berkshire, RG1 1SN, United Kingdom.

2. Before joining Expro International, I was employed as a solicitor by Clifford Chance. I also worked in the legal department at certain other companies in the energy sector, including BG Group PLC, Lattice Group PLC and National Grid PLC. I hold a law degree from the University of Kent and was admitted as a Solicitor of the Senior Courts of England and Wales in 1993.

3. In my capacity as Group General Counsel, I am responsible for, among other things, overseeing the legal affairs of Debtor Expro International and its Debtor and non-Debtor subsidiaries (collectively, “Expro” or the “Group”). In this capacity, I have been extensively involved in the events leading up to the commencement of the chapter 11 cases by the Debtors (the “Chapter 11 Cases”). I have detailed knowledge of, and experience with, the business and financial affairs of the Group and the industry in which it operates.

4. Today (the “Petition Date”), each of the Debtors filed a voluntary petition seeking relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”). As described below, the Chapter 11 Cases have been commenced to implement a consensual financial restructuring with the support of supermajorities of both the Group’s secured creditors and the Group’s equity holders.

5. I submit this declaration in support of the chapter 11 petitions (the “Petitions”) and the relief requested by the Debtors in various motions and applications (collectively, the “First Day Motions”) filed contemporaneously herewith, and to provide an overview of the Group and its current circumstances. I have reviewed the Petitions and the First Day Motions, and believe that the relief sought therein is essential to ensure that the Debtors’ business continue to operate in the ordinary course during the pendency of these Chapter 11 Cases.

6. Except as otherwise indicated, the facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees with responsibility for the relevant business and corporate matters addressed in the First Day Motions, or my opinion based upon experience, knowledge and information concerning the Group and the industry in which it operates. I am authorized to submit this declaration on behalf of each Debtor, and if called upon to testify, I would testify competently to the facts set forth herein.

7. Section I of this declaration describes the Group's businesses, corporate structure, history and current indebtedness. Section II describes the Group's prepetition restructuring efforts and the events leading up to the filing of the Chapter 11 Cases. Section III provides information about the particular Debtors in these Chapter 11 Cases. Finally, Section IV sets forth relevant facts in support of the First Day Motions.

I. Overview of the Group

A. *Business Overview.*

8. Expro is a market-leading provider of specialized well flow management products and services to the oil and gas industry, with a specific focus on offshore, deepwater and other technically challenging environments. Expro's products and services help its customers in the oil and gas industry optimize production costs and maximize recoveries by measuring, improving, controlling and processing flow from high-value oil and gas wells. Expro has more than 40 years of experience assisting its customers in all aspects of well management, from exploration and appraisal ("E&A") through to mature field production optimization and eventual well abandonment.

9. Expro was founded in the U.K. in 1973 as a well testing company to help customers deliver oil in the U.K.'s North Sea. Over the next 20 years, Expro's operations

expanded into Europe, Sub-Saharan Africa, Asia and the Middle East through a combination of organic growth and targeted acquisitions. In the 1990s, Expro further expanded into the deepwater markets of North and Latin America, while also broadening the scope of its portfolio to include subsea, well intervention and production services. By the 2000s, Expro had made a number of key technology acquisitions that helped establish its position as a global leader in well flow management. Today, Expro employs more than 4,100 employees and more than 500 contractors who operate in over 50 countries. This global reach enables Expro to serve customers in all of the main hydrocarbon-producing areas around the world.

B. *Expro's Well Flow Management Services.*

10. Expro's well flow management services span the full lifecycle of oil and gas development, from initial exploration of potential sites, through development, production, and eventually abandonment of a site. At each stage, Expro provides its customers with a range of services and expertise to enhance the economic value of the customers' oil and gas assets by optimizing development costs and maximizing production. These services are organized into three key segments: well test and appraisal services; subsea completion and intervention services; and production services.

11. ***Well Test and Appraisal Segment.*** Well test services are used for the safe production, measurement and sampling of hydrocarbons from a well during E&A testing of a new field, the flowback and clean-up of a new well prior to production or in-line testing of a well during its production life. Well testing typically involves the measurement of production rates, recording of transient pressure data from the reservoir and sampling of reservoir fluids. Analyzing this information allows operators to estimate the reservoir size and recoverable hydrocarbon reserves. Well test services are provided on land and offshore, in both shallow and deepwater environments.

12. As an integrated well test provider, Expro also offers additional services including fluid sampling and analysis, wireless well monitoring, drill stem testing (“DST”) and PowerChoke™ services. This allows the Company to specialize in this area, particularly the well test and clean-up services for high rate gas condensate wells.

13. Expro is a market leader in this field, particularly in offshore well testing, and has conducted more than 1,000 E&A well tests since 1984. Altogether, Expro’s well test and appraisal segment generated approximately 44% of the Group’s overall revenues in the fiscal year ending March 2017.

14. *Subsea Completion and Well Intervention Segment.* Subsea completion and well intervention services are predominantly used following the drilling cycle of a well, to support final well construction activities. These services are also used on subsequent future interventions on wells, specifically for remedial well operations, typically to improve production performance.

15. Expro’s subsea, completion and intervention services include the provision of large bore subsea completion landing strings, Tubing Conveyed Perforating (“TCP”) services and well intervention services. A well completion string consists of the in-well tubulars and equipment needed for the safe production of hydrocarbons from the reservoir to the surface production facilities. Completion services are required to install the completion string in the well, with intervention services subsequently used to service and monitor the well’s performance.

16. As the leading provider of large bore subsea completion landing strings, Expro is a preferred supplier for many key clients, due to its technical capability and extensive track record. A subsea completion transforms a drilled well in to a producing well. It typically

comprises a lower completion, upper completion and subsea 'xmas tree' linked to a floating offshore vessel via a marine riser conduit. The subsea safety system allows the flow back and clean up of a well back to the surface, confirming the integrity of the completion installation. This provides a well control barrier ensuring no release of hydrocarbon to the environment, while providing an emergency disconnect in the event of an emergency.

17. Expro has the largest fleet of large bore landing strings in the industry and enjoys more than a 50% market share in this space. Expro's specialist subsea teams have an unparalleled track record, delivering over 1,800 subsea completions, interventions and workovers since 1998.

18. Expro is also a market leader in slickline services, performing on average over 6,000 wireline runs per month. The Company provides all types of slickline capability, from basic completion intervention applications to advanced cased hole services, supported by a range of highly competent well site experts. This is complemented by Expro's TCP services, comprising a wide range of in-house designed and engineered firing heads which perforate the rock to increase hydrocarbon flow from the reservoir, therefore optimizing performance from the well.

19. Expro's subsea completion and intervention segment generated approximately 44% of its overall revenues in the fiscal year ending March 2017.

20. ***Production Segment.*** Through this segment, Expro offers a variety of early production, production enhancement and well surveillance services.

21. The Company is a global market leader of early, fast track modular production units, which help customers to deliver early monetization from new or marginal field developments. For marginal fields, an Early Production Facility ("EPF") can provide a life of

field solution or enable companies to monetize an asset ahead of the permanent production plant being built. It also allows operators the opportunity to collect real-time production data, enabling them to appraise reservoir performance. This appraisal period can be achieved through either an Extended Well Test (EWT) or a longer term EPF, resulting in optimal design of the final permanent facilities.

22. Expro's production enhancement services are designed to maximize the production of hydrocarbons from wells in later life, revitalizing them to allow production by overcoming system limitations or barriers. This includes well unloading units or low pressure systems to improve production rates and extend the life of wells, seawater reinjection systems to maintain or increase reservoir pressure, produced water removal to reduce the burden of increased water cut on a production facility or pipeline and gas injection systems, to supply gas for pressure support in the reservoir or gas lift injection to improve or enhance production from individual wells.

23. Expro's metering and other well surveillance technologies monitor oil and gas data from wells to enable them to measure flow and characteristics of wells, to improve understanding of the well and optimize overall production performance.

24. This segment generated approximately 11% of Expro's overall revenues in the year ending March 2017.

25. ***Customers and Geographic Location.*** Expro has an extensive geographic footprint, with operations in more than 100 locations in approximately 50 different countries. This global footprint enables Expro to serve its diverse customer base of international and national oil companies as well as independent exploration and development companies all

around the world. The company enjoys a strong and stable relationship with many of the world's largest oil companies, some of which have been customers for decades.

26. Given this broad geographic presence, the Group organizes its operations into four operational regions: Europe & the Commonwealth of Independent States (CIS); Sub-Saharan Africa; Asia, Middle East & North Africa; and North & Latin America. Expro's revenues are historically diverse regionally, with each of these four geographic segments responsible for a material portion of Expro's overall revenues. In the fiscal year ending March 2017, operations in Asia, the Middle East & North Africa generated approximately 36% of the company's total revenues; Europe & CIS generated approximately 24% of total revenues; the Americas generated approximately 21% of total revenues; and Sub-Saharan Africa, 19%.

27. Within each of these regions, the Group operates in onshore, offshore and deepwater environments. While Expro offers a range of integrated products and services across the breadth of its portfolio, regional differences dictate particular areas of focus in certain markets. For the fiscal year ending March 2017, offshore operations generated approximately 68% of the Group's total revenues, of which deepwater operations accounted for 33% of the Group's revenues; and onshore operations generated just under 32% of total revenues.

28. ***Operational Structure.*** Expro's operations are delivered by region as described above. Within each region, Expro maintains a headquarters for management and support staff, who are, in turn, supported by a variety of different operational basis throughout the region. The company's registered office is in Reading, U.K., and it manages its Europe & CIS business from its Aberdeen, Scotland location; North America (where both the CEO and CFO are based) is run from a central office in Houston, Texas; operations in Asia, the Middle East & North Africa are run out of Dubai, United Arab Emirates and Kuala Lumpur, Malaysia; and Sub-Saharan Africa is

run from Accra, Ghana. Employees at each of these central offices are responsible for all day-to-day activity within that region, ranging from the delivery of products and services, to maintaining customer relationships, to securing and managing contracts, developing organizational capabilities and ensuring that operations are conducted safely and in full compliance with any legislative, internal and customer requirements.

29. In addition to these headquarters, Expro has more than 100 different operational bases and field offices around the world to support its network of employees, who primarily work on site at customers' well locations. Operations within each region are generally run out of these locations. For the year ending March 2017, approximately 40% of the company's employees worked in Asia and the Middle East, approximately 32% worked in Europe, approximately 18% in the Americas, and approximately 10% in Sub Saharan Africa.

30. These regional segments, in turn, are supported by product lines that are responsible for product development, research and development, service delivery standards and quality control for the company's different products and services. They are responsible for strategic decisions regarding particular product lines, ranging from the allocation of capacity on a global basis to the development or implementation of new products and services to general operational matters such as pricing and maintenance. By organizing this element of the business in this centralized fashion, Expro can ensure consistency across its operations and products to ensure quality service to its customers wherever located.

C. *Overview of the Group's Financial Position and Prepetition Debt Structure.*

31. The Group generated total consolidated operating revenues of approximately \$678 million for the fiscal year ending March 2017. Of the total revenues generated, each of the well testing and appraisal segment and the subsea completion segment generated approximately

44% of total revenues; the production services segment generated approximately 11% of total revenues.

32. As of the Petition Date, the Group had approximately \$1.4 billion in principal amount of total funded indebtedness comprised of: (i) approximately \$125 million in principal amount outstanding under a revolving credit facility; (ii) approximately \$1.261 billion in principal amount outstanding under a term loan facility; (iii) approximately \$18 million in principal outstanding under a mezzanine loan facility; and (iv) approximately \$20 million in capital lease and other obligations. In addition, as of the Petition Date, the Group had approximately \$23 million of contingent bid and performance bond liabilities, and an unfunded pension deficit of approximately \$66.5 million.

1. The Group's Bank Debt.

33. As of the Petition Date, the Group had approximately \$1.4 billion (principal amount) in bank debt outstanding under a revolving loan, a term loan and a mezzanine loan. Each of these is described immediately below.

34. **Senior Loan.** Debtors Expro US Finco LLC ("Finco") and Expro FinServices S.à.r.l. ("FinServices", and together with Finco, the "Senior Borrowers") are borrowers under that certain Credit Agreement dated as of September 2, 2014 (as amended and restated from time to time, the "Senior Credit Agreement") with HSBC Bank USA, National Association, as administrative agent (the "Senior Agent"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (in such capacity under the Senior Credit Agreement and the Mezzanine Credit Agreement (as defined below), the "Collateral Agent"). Expro US, Expro UK 3 and each of the other Debtors are guarantors under the Senior Credit Agreement.

35. The Senior Credit Agreement provides for both a multicurrency revolving credit facility (the "Revolver") and a secured term loan facility (the "Term Loan", and collectively with

the Revolving Facility, the “Senior Loan”). The obligations under the Senior Credit Agreement in respect of the Revolver and Term Loan rank *pari passu* and are secured by liens on substantially all of the Debtors’ U.S. assets and a substantial portion of the non-U.S. Debtors’ assets, including, without limitation, 100% of the equity interests of the Senior Borrowers and 100% of the equity interests of a substantial majority of the other Debtors (the “Prepetition Collateral”). The Senior Credit Agreement is governed by New York law.

36. The Revolver bears interest at the London Interbank Offered Rate (“LIBOR”), plus 3% per annum. The Term Loan bears interest at a rate of LIBOR plus 4.75% (subject to a 1% LIBOR floor). The Revolver matures on March 31, 2021 and the Term Loan matures on September 2, 2021, though both are subject to earlier springing maturity dates under certain conditions. The Senior Credit Agreement contains various financial maintenance covenants solely for the Revolver, including a minimum liquidity covenant that requires the Debtors to maintain at least \$25 million of available liquidity as of the last day of each fiscal quarter.

37. As of the Petition Date, approximately \$125 million in principal amount remains outstanding under the Revolver and approximately \$1.261 billion in principal amount remains outstanding under the Term Loan.

38. ***Mezzanine Loan.*** Debtor Expro Holdings UK 4 Limited is the borrower (“Expro UK 4” or the “Mezzanine Borrower”) under that certain mezzanine facility agreement dated as of July 14, 2008 (as amended and restated from time to time, the “Mezzanine Credit Agreement”) with The Bank of New York Mellon (London Branch) as the facility agent (the “Mezzanine Agent”) and HSBC Corporate Trustee Company (UK) Limited as security agent. The obligations under the Mezzanine Credit Agreement are guaranteed by certain of the Debtors and are secured by second-priority liens and security interests in the Prepetition Collateral. The

Mezzanine Facility matures on December 14, 2021 and bears both pay-in-kind (PIK) interest at a rate of LIBOR plus 8.50% and cash interest at a rate of 4.25%, for a cumulative rate of LIBOR plus 12.75% per annum.

39. The Mezzanine Credit Agreement was originally issued in the amount of \$725 million. As described below, however, the Group has substantially reduced its outstanding indebtedness under this facility through a combination of partial paydowns of principal and a debt-for-equity exchange. As a result of these transactions, as of the Petition Date, the total principal amount outstanding under the Mezzanine Loan was approximately \$18 million.

40. Notably, in connection with this debt-for-equity exchange in 2016, the converting lenders under the Mezzanine Loan directed the Mezzanine Agent to take all appropriate actions to effectuate a release of the liens securing the Mezzanine Loan; those lenders constituted the supermajority required by the Mezzanine Credit Agreement to release such liens. This transaction is described in further detail below.

41. ***Intercreditor Agreement.*** The respective rights and interests of the lenders under the Senior Loan and the Mezzanine Loan are governed by an Intercreditor Agreement, originally dated as of July 2008 (as amended and restated from time to time, including on September 2, 2014 (the “Intercreditor Agreement”) among Debtor Expro Holdings 2, Expro Holdings 3, and the agents under the Mezzanine Loan and the Senior Loan. Specifically, the Intercreditor Agreement governs the lenders’ respective rights and interests relating to, among other things, their rights to the Prepetition Collateral and their ability to exercise remedies in connection with an event of default. Additionally, the Intercreditor Agreement specifies certain terms in the event of a bankruptcy filing, including various enforcement, standstill and turnover provisions.

Pursuant to the Intercreditor Agreement, the debt under the Senior Creditor Agreement has priority over, and is senior in all respects, to the debt under the Mezzanine Credit Agreement.

2. Other Financing Arrangements and Indebtedness.

42. In addition to the foregoing, certain members of the Group are parties to other financing arrangements. These arrangements and facilities are described here solely to the extent they implicate one or more of the Debtors. Certain non-Debtor affiliates may be party to additional financing arrangements.

43. ***Bonding Obligations.*** In the ordinary course of business, the Group is required to provide various bid and performance bonds to potential and current contract counterparties. The Group may also be required to provide letters of credit to various taxing authorities in jurisdictions in which they operate. To facilitate these practices, the Debtors are party to certain bank guarantees and standby letter of credit facilities in the aggregate amount of \$25.27 million as well as a multi-currency overdraft, in each case, dated as of October 21, 2013, provided by HSBC Bank PLC (collectively, as amended and restated from time to time, the “Bonding Facilities”). Through these facilities, HSBC posts bonds on the Group’s behalf when and as may be required in the operation of the Group’s business.

44. Typically, these bonds are not collateralized; instead, they exist as contingent obligations until drawn by the bonding counterparty. The Bonding Facilities provide that, when any such bonds are drawn, the Group’s obligations in respect of such bonding obligations are treated like obligations under the Revolver. Bonds issued by HSBC under the Bonding Facilities typically are in place for a short period of time; as such, the bonding obligations outstanding at any given point in time fluctuate significantly. As of the Petition Date, the Group has approximately \$23 million outstanding in contingent bid and performance bond liabilities.

45. *Capital Lease and Other Obligations.* In the ordinary course of business, the Group leases certain machinery and equipment under various operating and capital leases. For the fiscal year ending in March 2017, the Group has approximately \$20 million in total capital lease obligations outstanding, with an average effective borrowing rate of 11.8%. These leases are generally structured on a fixed repayment basis, where payments increase in accordance with market rental rates.

46. *Affiliate Financing Arrangements and Intercompany Loans.* As described in detail in the Cash Management Motion (defined below), the Group maintains an integrated cash management system to manage the collection, transfer and disbursement of funds across the different legal entities within the Group, as directed and determined by the Group's treasury department. This system includes a variety of routine intercompany transactions. In particular, the Group maintains a notional pooling arrangement that allows the Group to simply and easily transfer funds between different accounts at different entities and manage intercompany credit risk. However, a significant number of the Group's bank accounts cannot participate in this cash pooling arrangement due to currency or other jurisdictional restrictions. As such, the Group also routinely transfers funds between accounts on a manual basis, generally in response to specific cash needs at particular entities.

47. As is common for large, multinational enterprises, members of the Group also routinely engage in business with one another, generating ordinary course intercompany claims arising from, among other things, the allocation of costs due to shared services, employees and equipment. These intercompany claims are settled through intercompany netting managed by the main cash pooling entity for the corporate Group, Debtor Exploration and Production Services (Holdings) Ltd. Finally, members of the Group routinely engage in intercompany loan

transactions with one another. Such financial transactions are entered into on documented, arm's-length terms on an as-needed basis and include, among other things, circumstances where funds received from third-party financing sources are on-lent from the borrower(s) to other members of the Group.

48. These intercompany financing arrangements are critical to the Debtors' business, particularly given the global reach of their operations. Continuation of these practices and procedures in the normal course during the pendency of these Chapter 11 Cases is essential to avoiding significant business disruptions. As such, the Debtors intend to continue these arrangements in the normal course of business, subject to the terms described in the Cash Management Motion.

49. ***Pension and Other Employee Obligations.*** As part of the compensation and benefits it offers to its employees, the Group currently maintains 6 active pension plans for employees located in the United Kingdom, Indonesia, the Netherlands and Norway (collectively, the "Pension Plans"). The Pension Plans are administered by various trustees who are responsible for investment and other management decisions regarding the Pension Plans. Of these Pension Plans, the defined benefit Pension Plan in the U.K. currently has a substantial actuarial funding deficit of approximately \$66.5 million. The Pension Plans and the Debtors' other obligations with respect to its employees are described in detail in the Wages Motion (defined herein).

50. In addition to the foregoing, the Debtors had approximately \$102 million in ordinary course trade debt owed to third parties (excluding affiliates, but including joint ventures) that was unpaid as of the Petition Date.

D. *Corporate History; Equity Ownership.*

51. As noted above, Expro was founded in 1973 in the U.K. to carry out well testing in the North Sea. Over the next three decades, Expro grew substantially through a combination of organic growth and targeted acquisitions, including the 2006 acquisition of PowerWell Services, a leading well flow management company. Expro was first listed on the London Stock Exchange in 1995.

52. In 2008, Expro received an unsolicited bid from its competitor Halliburton. This bid was ultimately rejected by Expro's board in favor of a competing bid from a private equity consortium for \$3.2 billion in cash, which was the largest leveraged buy-out in the U.K. in 2008. As a result of this transaction, Expro became wholly owned by a newly formed entity called Umbrellastream Ltd. Partnership Incorporated ("Umbrellastream"), which was, in turn, owned by three private equity firms, Goldman Sachs, AlpInvest Partners and Candover Partners Ltd., and certain members of Expro management and other investors.

53. In 2016, Expro equitized a substantial portion of its secured indebtedness as described below. As a result of this transaction, those mezzanine lenders that participated in the exchange received a controlling stake (in the aggregate) in the company. Furthermore, as part of this transaction, the corporate structure of the Group was simplified: Umbrellastream, among other legal entities, was wound up, leaving Expro International as the ultimate parent company of the Group.

54. As of the Petition Date, the Group's substantial equity owners include funds owned, managed or advised by Goldman Sachs, HPS, KKR, Candover/Arle and Park Square.

II. Events Leading to the Chapter 11 Cases

A. *Recent Industry Trends.*

55. Expro's performance is closely linked to market trends in the oil and gas industry and, in particular, capital and operating expenditures in the industry. The last few years, however, have seen a significant and sustained drop in oil and gas prices: from a high of more than \$115 per barrel in 2014, oil prices fell to a low of \$30 per barrel by January 2016. Since that time, prices remain low. As a result of this sustained market downturn, oil and gas companies around the world have dramatically curtailed capital and operating expenditures dedicated to oil and gas exploration, development and production. This, in turn, has caused a commensurate drop in demand for the products and services offered by Expro and its competitors.

56. Like other well flow management companies, Expro has experienced significant negative effects from this ongoing adverse market as its customers seek to cut capital and other expenditures. Accordingly, for the fiscal year ending March 2014 – before the drop in oil and gas prices – Expro had revenue of more than \$1.38 billion; for the fiscal year ending March 2017, Expro's operating revenues were down to \$678.6 million. This represents more than a 50% drop since 2014.

57. Notably, Expro has been particularly impacted by the extended downturn in oil and gas pricing and demand due to its focus on offshore and deepwater wells. Exploration, appraisal and development of these sites requires significantly greater upfront investment than onshore projects, and they also have a substantially longer period for return on investment. In an adverse market, oil and gas companies are reluctant to invest in these types of projects. Thus, over the last few years, these companies have increasingly deferred or delayed new offshore and deepwater projects in favor of maximizing returns at existing sites. As a result, while there have

been some improvements in the market generally since 2016, activity and expenditures in these areas continue to lag, and the rate of exploration and the development of new wells remains at an all time low.

B. *Prepetition Efforts to Combat Market Downturn.*

58. Expro has worked diligently to respond to this market downturn, and has undertaken extensive efforts on a number of different fronts. As described below, Expro has implemented broad cost-saving measures to reduce operating expenses while preserving operational capacity and revenue margins. Expro has also instituted a revised business strategy in response to changing industry and customer demands, seeking to optimize revenue from its existing products and services while pursuing new revenue opportunities. Additionally, Expro has significantly reduced its indebtedness through a combination of refinancings, equitizations, amendments to its debt documents, and capital raises.

59. As a result of these varied efforts, Expro has managed to maintain consistent revenue margins throughout this extended market downturn. For the fiscal year ending March 2014, Expro reported adjusted margins of 26%. Expro was able to maintain that adjusted margin for the next two fiscal years despite the continuation (and, indeed, worsening) of adverse market conditions. For the fiscal year ending March 2017, adjusted margins were still close to 20%. These efforts are described in detail immediately below.

1. *Cost-Cutting Initiatives*

60. Like many of its peers, Expro has initiated significant cost-saving measures in response to the ongoing market downturn. In doing so, Expro has prioritized protecting its operational capabilities so that it is well situated to respond when the market changes. Accordingly, these efforts have been highly strategic, focused in large part on the corporate level

and on the support side of the business in an effort to reduce overhead and eliminate inefficiencies without jeopardizing or impairing Expro's operational capabilities.

61. Specifically, to implement this strategy, Expro engaged in an extensive review of its global footprint at the outset of the industry downturn to identify inefficiencies across the business. That review led Expro to consolidate operations by eliminating a number of regional and field offices in favor of a more centralized approach. For example, during this extended downturn, Expro closed its regional headquarters in Latin America in favor of a single consolidated headquarters in Houston for both North America and Latin America. Similarly, Expro consolidated a large part of its support functions, including activities concerning accounts payable, financial reporting, supply chain management and IT, into a centralized location in Dubai. This shared service organization generates substantial cost savings and efficiencies for the Group by centralizing these operations and activities in a single location.

62. Expro has coupled these strategic efforts with broad scale cost-cutting measures. Among other things, Expro has reduced its permanent headcount by more than 28% since the beginning of the downturn (including substantial headcount reductions at the corporate level). Expro has also reassessed its employee compensation and benefits programs, including, among other things, its Pension Plans, and taken steps to appropriately manage costs and expenses in those areas. In particular, in December 2015, the Group ceased future accruals, for its UK Pension Plans, having previously closed them to new members, and made certain other adjustments to better manage existing deficits. As a result, the Group's contributions to the Pension Plans are now utilized to service existing obligations under the Pension Plans rather than address additional future commitments. Finally, Expro has implemented a variety of furlough programs to further reduce such costs on a temporary basis. Through these efforts, the Group

has recognized approximately \$300 million in direct and indirect personnel cost savings since 2014.

63. Expro's efforts to reduce costs have also included a global review of its supply chain and contractual arrangements that led to its renegotiation of pricing and other key terms wherever practicable. As part of this undertaking, Expro also analyzed its physical footprint and facilities, and renegotiated the terms of its leasing arrangements for many of its administrative offices, staff accommodations, operational facilities and warehouses throughout the world. Moreover, in a number of instances, this review led Expro to relocate facilities and change office locations to reduce its facility footprint and thereby realize cost efficiencies. In sum, Expro has endeavored to optimize the business by eliminating costs wherever possible, while preserving operational capacity.

2. Operational Adjustments.

64. During the market downturn, Expro also has implemented key operational initiatives to maximize revenue by deploying its products and services in new ways that better serve the demands of its customers. By way of example, during this period, as noted above, oil and gas companies have greatly reduced their investments in new project development, choosing instead to focus on managing and expanding established well fields. As a result, Expro has sought to prioritize those products and services that can be utilized by customers at existing sites rather than those necessary for new development. While this effort has involved the development of new products and services for use in these environments, it also involves adapting products for use at mature sites and finding new ways to deploy existing services.

65. This process has occurred in almost all aspects of the business. In addition to the necessary adjustments in product offerings, Expro has also reevaluated its sales and strategic approach. For example, in light of decreased investment in large-scale products and more

conservative business models, Expro has targeted small scale projects and new and more diverse customers, including a growing number of independent oil and gas companies. Expro also has endeavored to adopt a more collaborative approach with its partners to minimize risk and exposure.

66. While implementing these strategies, however, Expro has remained dedicated to its core markets and competencies. In particular, Expro has worked diligently to retain its market leading position in key segments, choosing to invest its capital and resources in those areas, rather than expanding into market segments that are not a part of the Group's core business or that would dilute the Group's competitive advantages.

3. Financing Initiatives

67. In parallel with these ongoing operational and cost-cutting strategies, Expro has also undertaken a number of initiatives to manage and reduce its existing indebtedness during the extended downturn. In addition to negotiating and implementing numerous amendments and modifications to its existing indebtedness, the Group has effectuated a number of key, material financial transactions that have significantly reduced its overall indebtedness and interest expense. These key transactions are described immediately below.

68. In September 2014, the company entered into the Senior Loan facility, thus gaining access to a new revolving credit facility and raising approximately \$1.28 billion (from a total loan amount of \$1.3 billion before an original issue discount). The proceeds of the facility were used to fully repay then-existing senior secured notes that accrued interest at a rate of 8.5% per annum and that were scheduled to mature in 2016; proceeds were also used to partially pay down the Mezzanine Loan in the amount of approximately \$115.8 million. Thus, through this transaction, Expro was able to reduce its annual interest expense, pay down part of its Mezzanine

Loan, and extend the maturity on material portions of its indebtedness. Expro also entered into an interest rate swap agreement at this time to protect itself from rate fluctuations.

69. Thereafter, in July 2015, the Group negotiated a material amendment to the Mezzanine Loan through which it amended certain terms to provide the Group with additional flexibility and, importantly, extended the maturity date to December 2021 under certain conditions. In connection with this amendment, Expro successfully raised significant additional capital from its equity owners. Specifically, in July 2015, Expro raised \$333 million of equity from its then-existing private equity owners. These funds were then contributed from Expro International to Expro UK 3 through a capital contribution. The Group used approximately \$284 million of the funds raised in this transaction to partially repay the Mezzanine Loan, thereby further reducing interest expense and indebtedness levels. The remaining funds raised through this transaction were used for general corporate liquidity.

70. Subsequently, in October 2016, the Group successfully implemented a debt-for-equity exchange through which it equitized substantially all of the remaining Mezzanine Loan (the "Mezzanine Restructuring"). Specifically, lenders holding approximately 98% of the then-outstanding obligations under the Mezzanine Credit Agreement exchanged their loans for equity interests in Expro International. Through this transaction, approximately \$784.3 million of debt under the Mezzanine Credit Agreement, including accrued PIK interest, was cancelled, resulting in an annualized cash interest savings of approximately \$40 million. The Mezzanine Restructuring also resulted in converting mezzanine holders obtaining a 70% stake in the company upon completion of the exchange.

71. As part of the Mezzanine Restructuring, the Mezzanine Credit Agreement and related documentation were amended to remove any financial maintenance covenants,

representations, information undertakings and events of default. In addition, the exchanging lenders, who constituted the supermajority required to release liens under the terms of the Mezzanine Credit Agreement, directed the Mezzanine Agent to take all action necessary to effectuate the release of such liens. As of the Petition Date, the lenders' direction to release such security interests remains pending.

72. Throughout this process, the Group engaged with its syndicated bank group to obtain various covenant relief and other modifications to the term of the Revolver to ensure continued access to liquidity. These efforts included: an amendment in July 2015, contemporaneously with the extension of the Mezzanine Loan maturity and the equity raise, to modify the Revolver's leverage test; and an amendment in January 2016 to adjust the maintenance covenants. Additionally, in December 2016, the Group further amended the terms of its Revolver to modify certain financial and non-financial covenants to aid Expro in managing its financial situation. As part of this amendment, the parties also agreed to extend the maturity date of the Revolver to 2021 under certain circumstances.

73. Finally, in December 2016, the Group successfully raised another \$100 million from its new equity owners in the form of a capital contribution to provide additional working capital to the company.

C. *Preparation for Chapter 11; Negotiations with Creditors.*

74. Despite these efforts, performance and liquidity further deteriorated as the overall industry downturn continued. Accordingly, management determined that – notwithstanding its ongoing cost-cutting efforts, the significant reduction in indebtedness that was achieved through the Mezzanine Restructuring and the significant new capital that its equity owners had provided to the business – further steps needed to be taken to enable the Group to successfully weather the ongoing downturn. Throughout 2017, management considered a variety of potential additional

transactions, including additional capital raises, the incurrence of new indebtedness, the divestiture of discrete assets and other potential M&A transactions.

75. By the fall of 2017, management was focused on implementing a further financial restructuring to address the Group's liquidity situation. In October, management began discussions with the Group's various stakeholders, including an *ad hoc* committee of lenders under the Senior Loan (the "Ad Hoc Lender Group") and certain key equity holders. Management was assisted in these negotiations by, among others, the Group's existing counsel at Freshfields and its financial advisors at Lazard Freres & Co. To maximize the Group's flexibility in terms of implementing a potential transaction, the Group subsequently retained Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul, Weiss") and Alvarez & Marsal ("A&M") to assist them in preparing for possible in-court restructuring proceedings. Aided by these various advisors, management worked diligently throughout the fall of 2017 to determine the best possible path forward for the Group and its stakeholders.

76. ***Agreement in Principle; Execution of Restructuring Support Agreement.*** On December 7, 2017, the Group entered into a restructuring support agreement (as amended from time to time, including on December 14, 2017, the "Restructuring Support Agreement" or "RSA") with members of the Ad Hoc Lender Group holding approximately 65% in the aggregate of the term loans outstanding under the Senior Loan² that outlines the terms of a comprehensive financial restructuring. The RSA envisions a balance sheet restructuring of the Group's funded indebtedness and an infusion of \$200 million in new money through a backstopped rights

² As noted above, under the terms of the chapter 11 plan, only those Senior Lenders who have agreed to be bound by the terms of the RSA are eligible to participate in the Rights Offering. Accordingly, as described below, prior to the Petition Date, other Senior Lenders were provided with the opportunity to join the RSA and therefore gain eligibility to participate in the Rights Offering. Specifically, the Senior Lenders were given until December 14, 2017 to join the RSA. As of the Petition Date, substantially all of the Senior Lenders have signed the RSA or joined thereto.

offering. The specific terms of the proposed transaction are detailed in a comprehensive term sheet (as amended from time to time, the “Term Sheet”) attached as an exhibit to the Restructuring Support Agreement, a copy of which is attached hereto as Exhibit C.

77. The key terms of the transaction described in the Term Sheet are as follows:

- **Senior Loan.** The Senior Lenders will receive their *pro rata* share of 100% of the equity in reorganized Expro (subject to dilution by the rights offering, the shares to be issued under a management incentive plan, and upon the exercise of the new warrants).
- **Mezzanine Loan.** If the class of Mezzanine Lenders votes in favor of the chapter 11 plan, the holder(s) in that class will receive its *pro rata* share of New A Warrants. The New A Warrants are 5-year warrants that are exercisable into up to 2% of the equity in reorganized Expro at a strike price implying an equity value of \$1.763 billion. If, however, the class does not vote in favor of the chapter 11 plan, the operative terms of the Intercreditor Agreement concerning turnover apply, and the Mezzanine Lenders will not receive a recovery.
- **General Unsecured Claims.** All trade and other unsecured claims will be unimpaired by the Chapter 11 Cases. These claims will ride through the Chapter 11 Cases and be paid in the ordinary course of business.
- **Equity Holders.** If (a) the class of existing shareholders of Expro International votes in favor of the chapter 11 plan and (b) shareholders holding more than 66.66% of the outstanding equity interests in Expro International sign the RSA and are not in breach of their obligations thereunder, existing shareholders will receive their *pro rata* share of New B Warrants. The New B Warrants are 5-year warrants exercisable into up to 7% of the equity in reorganized Expro at a strike price implying an equity value of \$1.763 billion. If, however, the class does not vote in favor of the chapter 11 plan or the requisite shareholders have not executed the RSA or are otherwise in breach thereof, then existing equity holders will not receive a recovery.
- **Rights Offering.** Reorganized Expro will raise \$200 million in new capital through a backstopped rights offering. The Rights Offering is open to all Senior Lenders who have executed or joined the RSA on or before December 14, 2017. Participants in the Rights Offering will receive approximately 27.5% of the equity of reorganized Expro in the aggregate.
- **Exit Financing.** Reorganized Expro will also seek to raise additional capital at emergence through a third-party marketing process in the form of a revolving credit facility in the amount of up to \$150 million, on terms to be

determined. Obtaining such new capital is not, however, a condition to effectiveness.

78. In connection with execution of the RSA and agreement on the foregoing restructuring terms, the Group and its advisors also reached agreement with the Ad Hoc Lender Committee regarding the financing that would be necessary to fund the chapter 11 cases. Specifically, in parallel with reaching agreement on the Term Sheet, the members of the Ad Hoc Lender Committee committed to provide the Debtors with a \$145 million delayed draw term loan debtor-in-possession financing facility (the "DIP Financing"). The DIP Financing has a 6 month term and standard covenants and terms. Amounts outstanding under the DIP Financing will bear interest, at the Debtors' option, (i) at the Base Rate plus 7.0% or (ii) at the Eurocurrency Rate plus 8.0%. The DIP Financing also provides for certain fees, including a 3% upfront cash fee, of which 2% is payable at closing and 1% is payable upon entry of a final order approving the DIP Financing. Moreover, the DIP Financing also provides the Debtors with bonding capacity to ensure that they can continue to issue performance bonds during the pendency of the cases in connection with, among other normal business operations, the submission of project bid, as well as the flexibility to continue to honor existing bonding obligations arising under the Prepetition Bonding Facility. Furthermore, the members of the Ad Hoc Lender Group also consented to the Debtors' use of their prepetition cash collateral for the pendency of the chapter 11 cases, and to the priming of their liens with the liens securing the DIP Financing. Importantly, the lenders' agreement regarding the use of cash collateral does not require the Debtors to make any principal or interest payments with respect to the Senior Loan during the chapter 11 cases.

79. Finally, as part of this comprehensive negotiation, Expro negotiated with the Ad Hoc Lender Group to ensure that the Rights Offering would be fully backstopped.³ The backstop provides for certain termination rights for both Expro International and the Backstop Parties, as well as a \$10 million termination fee for non-defaulting Backstop Parties in the event that the backstop is terminated due to certain breaches or in the event the Debtors enter into an alternative transaction. Accordingly, the Term Sheet also sets forth the terms on which the members of the Ad Hoc Lender Group have agreed to backstop the Rights Offering. In exchange for their backstop commitment (which is documented in the Restructuring Support Agreement), 25% of the total shares that are to be issued through the Rights Offering will be reserved for issuance to the backstop parties. The backstop parties will also receive a commitment premium of 5% of the total committed amount of the rights offering, payable in new common stock on the effective date of the chapter 11 plan; in the event the chapter 11 plan is not consummated because the Group has determined to pursue an alternative transaction that it determines is superior, the backstop parties shall be paid this commitment premium in cash.

80. The Restructuring Support Agreement documents the parties' commitment to the restructuring transaction described above. As such, it is an important component of the Debtors' restructuring efforts, and provides the Debtors with significant assurances regarding the ultimate success of its chapter 11 cases. In particular, by signing the RSA, the signing parties have agreed to support the restructuring process on the terms set forth in the Term Sheet and in the RSA. This includes an agreement by these parties to take any steps and actions that are reasonably necessary to implement the restructuring transaction, including voting in favor of the chapter 11 plan subject to receipt of appropriate solicitation materials, including the Debtors' chapter 11

³ Pursuant to the Chapter 11 Plan, as of and subject to the occurrence of the Effective Date and the payment of any applicable Cure Claims, any backstop commitment agreement shall be deemed assumed.

plan and accompanying disclosure statement. In exchange, the Group has agreed, among other things, that the key documents necessary to implement the transaction must be reasonably acceptable to a majority of the supporting stakeholders.

81. After the RSA was initially executed by the Ad Hoc Lender Committee on December 7, 2017, the parties continued to engage in further discussions with other key constituencies, including informal groups of Revolving Lenders and equity holders, in an effort to obtain broader support from the proposed restructuring transaction. As a result of these efforts, the parties agreed to amend the Term Sheet to, among other things, specify the scope of governance protections for minority shareholders that would apply to reorganized Expro upon consummation of the restructuring. As a result of those modifications to the deal terms, additional lenders and equity holders holding more than 98% of the outstanding preferred shares in Expro International (the “Supporting Shareholders”) agreed to be bound by the terms of the RSA. Accordingly, on December 12, 2017, an amended and restated RSA was executed by the Group, the Ad Hoc Lender Committee, certain other Senior Lenders who joined the RSA subsequent to its initial execution, and the Supporting Shareholders. In addition, following negotiations with the Mezzanine Lenders, on December 14, 2017, a further amended and restated RSA was executed to include that lender.

82. All told, as of the Petition Date, substantially all of the Group’s Senior Lenders, all of the Group’s Mezzanine Lenders, and approximately 98% of the Group’s equity owners have committed to support the proposed restructuring and these chapter 11 cases. This represents an overwhelming level of support, and will play a meaningful role in ensuring the success of these prepackaged cases.

83. ***Milestones; Solicitation Process.*** To minimize costs and the potential disruptions to the business that could result from the chapter 11 filings, the Debtors and their key constituencies made it a priority to minimize the duration of the chapter 11 cases. As a result, the RSA obligates the parties to work expeditiously to consummate the restructuring described in the Term Sheet and establishes a number of milestones (the “Milestones”) to govern that process, including the following:

- filing for chapter 11 by no later than December 19, 2017;
- filing a chapter 11 plan and disclosure statement on the Petition Date that are consistent with the Term Sheet and the RSA;
- obtaining an order confirming the chapter 11 plan and approving the disclosure statement no later than 60 days from the Petition Date; and
- consummating the restructuring pursuant to the chapter 11 plan no later than 15 days after entry of the confirmation order (*i.e.*, 75 days from the Petition Date).⁴

Accordingly, the Debtors are seeking authority to schedule a combined hearing to (i) approve the Disclosure Statement and (ii) consider confirmation of the Prepackaged Plan on or around January 25, 2018.

84. To abide by this schedule, the Debtors spent considerable time and effort in the period leading up to the Petition Date drafting and negotiating all of the material documents necessary to implement the agreed restructuring. This includes, among many other documents, a chapter 11 plan of reorganization (the “Chapter 11 Plan”) and all of the related documents, including the disclosure statement (the “Disclosure Statement”) and various exhibits thereto – all of which were substantially finalized prior to the Petition Date. Given this level of preparation

⁴ The RSA also imposes certain requirements affecting the DIP Financing, specifying that an interim order approving the DIP Financing must be entered within 5 days of the Petition Date and a final order within 35 days of the Petition Date. Other RSA milestones relate to the process for obtaining exit financing.

and support from the voting constituencies, the Debtors in fact were able to commence the solicitation process for their Chapter 11 Plan prior to the Petition Date.

85. Specifically, the Debtors launched their prepetition solicitation effort on December 15, 2017, and provided the Senior Lenders, the Mezzanine Lenders, and the equity holders with a package of materials to enable them to vote on the Chapter 11 Plan. These solicitation materials included, among other things, the Disclosure Statement, the Chapter 11 Plan, the various exhibits to those documents, a ballot, and instructions regarding the voting process. In those materials, the Debtors established December 22, 2017 as the deadline for the lender classes to vote on the Chapter 11 Plan and, in light of U.K. law, which requires a solicitation period of 28 days for equityholders, established January 17, 2018 as the deadline for equity holders to vote on the Chapter 11 Plan. Notably, because all other creditors, including general unsecured creditors, are unimpaired under the Chapter 11 Plan, the Debtors have not solicited – and do not intend to solicit – votes from any other creditor group.

86. Contemporaneously with the filing of this declaration and the various First Day Motions, the Debtors have also filed a motion to establish procedures for the solicitation and plan objection process (the “Solicitation Motion”). Given the milestones established by the RSA and the Debtors’ commencement of solicitation prior to the Petition Date, in the Solicitation Motion, the Debtors have also sought (i) conditional approval from the Bankruptcy Court regarding the adequacy of the information contained in the Disclosure Statement and other solicitation materials and (ii) a combined hearing regarding the adequacy of the information contained in the Disclosure Statement and confirmation of the Chapter 11 Plan. Finally, the Solicitation Motion also proposes to provide parties in interest with notice of the commencement of these Chapter 11 Cases and with notice of this combined hearing by means of a single, comprehensive notice.

87. In the Solicitation Motion, the Debtors have proposed the following schedule for the solicitation and plan confirmation process, which is consistent with the milestones established by the RSA:

| | |
|--|-------------------|
| Voting Record Date | December 13, 2017 |
| Commencement of Solicitation | December 15, 2017 |
| Petition Date | December 18, 2017 |
| Distribution of Combined Notice | December 20, 2017 |
| Voting Deadline for Claims | December 22, 2017 |
| Plan Supplement Deadline | January 17, 2018 |
| Voting Deadline for Interests | January 17, 2018 |
| Objection Deadline | January 19, 2018 |
| Reply Deadline | January 23, 2018 |
| Combined Hearing | January 25, 2018 |

To meet the RSA milestones and this proposed schedule, the Debtors intend to have the Solicitation Motion heard at the first hearing in these Chapter 11 Cases. I understand that the relief requested in the Solicitation Motion, including the presentation of this motion at the first day hearing, is consistent with standard practice regarding such “prepackaged” chapter 11 cases. Moreover, I believe that the proposed schedule for these Chapter 11 Cases as dictated by the RSA milestones is in the best interests of the estates and parties in interest as it will minimize the disruption to the business that may be caused by the filing, and will reduce the costs associated with a lengthy stay in chapter 11. Furthermore, given the highly consensual nature of this proceeding, and the limited categories of parties who will be impacted by the Chapter 11 Plan, I believe that an expedited notice and solicitation period is appropriate under the circumstances.

88. Finally, in conjunction with the launch of the solicitation process in the days leading up to the Petition Date, the board of directors of Expro International and each subsidiary board for the other Debtors approved and authorized the filing of these chapter 11 cases and the

other steps necessary to implement the proposed restructuring, having determined that it was in the best interests of each of the Debtors and its respective stakeholders to implement the agreed financial restructuring in this manner. Thereafter, each of the Debtors filed its chapter 11 petition to commence these Chapter 11 Cases.

III. Overview of the Debtor Entities

89. As noted above, the Debtors are borrowers or guarantors under the funded indebtedness that will be restructured through these proceedings. These entities generate substantially all of the Group's total revenue and are the legal owners of substantially all of the Group's material assets. They also employ substantially all of the Group's total employees. Nevertheless, the Debtors constitute approximately three quarters of the legal entities that comprise the Group. For the Court's convenience, attached as Exhibit A is a simplified chart that reflects the corporate organization of the Debtors in these Chapter 11 Cases. Additionally, a brief description of the material Debtors in these Chapter 11 Cases is provided below. For the Court's convenience, the Debtors are categorized as: (i) holding companies; (ii) operating companies; and (iii) regional operating entities.

A. *The Material Holding Company Debtors.*

90. Debtor Expro International is the ultimate parent of all of the other Debtor entities. It is a holding company organized under U.K. law that is privately held by various shareholders, including Goldman Sachs, HPS, KKR, Candover/Arle, and Park Square. Expro International is not a party to the Senior Loan or the Mezzanine Loan. It does not have material assets other than equity interests in its various subsidiaries; it does not have employees.

91. Debtor Expro Holding UK 3 Limited ("Expro UK 3") is an indirect subsidiary of Expro International and the direct or indirect parent of substantially all of the other Debtors. It is also a guarantor under the Senior Loan and the Mezzanine Loan. Expro UK 3 is a holding

company organized under U.K. law with no material assets other than its equity interests in various Debtor and non-Debtor subsidiaries; it does not have employees.

92. Expro UK 3 is also the direct parent of each of the three borrower entities: Expro UK 4; Expro US Finco; and Expro FinServices. Specifically, Expro UK 4 Limited is the borrower under the Mezzanine Loan (and is also a guarantor under the Senior Loan). Expro Finco and Expro FinServices are the borrowers under the Senior Loan (but do not guarantee the Mezzanine Loan). Each of these entities is a holding company with no material assets other than its equity interests in various Debtor and non-Debtor subsidiaries; none has employees.

93. Finally, the lead Debtor in these Chapter 11 Cases is Expro Holdings US Inc. ("Expro US"). Expro US is the main holding company in the United States and a direct subsidiary of Expro UK 4; it is also the direct or indirect parent of certain US operating entities. Expro US is a guarantor under the Senior Loan and the Mezzanine Loan. As a holding company, it does not have significant assets other than its equity interests in various subsidiaries; it does not have employees.

B. *The Material Operating Company Debtors.*

94. Debtor Expro North Sea Ltd is the original legal entity in the corporate group. It remains a key operating entity in the U.K., and acts as the central legal entity for the Group's European and CIS operations. Expro North Sea has significant assets, including intellectual property assets related to the Group's subsea business. Expro North Sea employs approximately 800 employees in the U.K., including certain of the Group's senior executives.

95. Debtor Expro Americas LLC ("Expro America") is the primary operating company in the United States. Amongst other activities, it conducts offshore well testing in the Americas. Expro America has approximately 400 employees, including certain of the Group's senior executives who work out of the Group's American headquarters in Houston.

96. In addition to these two entities, Debtors Expro Gulf Ltd, Expro International BV, Expro Worldwide BV and Expro Resources Ltd all conduct material operations for the Group. These entities generally serve as the contract parties for substantially all of the Group's material contracts, including the Group's project bids, and maintain material assets. Among other things, Expro Resources Ltd is the owner of various equipment and materials which it leases to its affiliated operating entities on an as-needed basis.

97. Finally, Debtor Exploration and Production Services (Holdings) Ltd. ("Expro Services") acts as the treasury center for the Group and is the primary cash pooling entity for the Group. All Group entities, to the extent permitted under applicable law, have an intercompany netting agreement with Expro Services to manage cash flow throughout the Group. It does not have employees, as this treasury function is managed by individuals who are employed by other Debtor entities, including Expro North Sea.

C. *Regional Entities.*

98. Given the global nature of the Group's operations, the Group has legal entities incorporated in many different jurisdictions around the world. In many instances, it is necessary for the Group to maintain a legal presence and/or physical office in the jurisdiction in which it is performing services. Substantially all of the direct subsidiaries of Debtors Expro Services and Debtor Expro BV fall within this category. These legal entities may have a small number of employees who work from the local office and are generally citizens of the given local country; generally speaking, however, these legal entities will not have material assets or contracts other than those necessary to operate in its specific location.⁵

⁵ For similar reasons, the Group also has two joint ventures with local companies in China and Vietnam, respectively, to facilitate operations in those locations. Debtor Expro International BV has a 49% stake in PV Drilling Expro International Company Limited in Vietnam and Debtor Exploration and Production Services (Holdings) Ltd. has a 50% stake in COSL-Expro Testing Services (Tianjin) Co. Ltd. in China.

IV. First Day Motions

99. As a result of my first-hand experience, and through my review of various materials and information, discussions with members of the Debtors' management, and discussions with the Debtors' outside advisors, I have formed opinions as to (a) the necessity of obtaining the relief sought by the Debtors in the First Day Motions described below, and (b) the immediate and irreparable harm to which the Debtors and their businesses will be exposed unless the relief requested in the First Day Motions is granted without delay. A list of the First Day Motions is annexed hereto as Exhibit B.

100. I submit this Declaration in support of the Petitions and the First Day Motions filed with the Court in these cases and as described below.

101. I have reviewed each of the First Day Motions (including the exhibits and schedules attached thereto) and, to the best of my knowledge, believe the facts set forth therein are true and correct. This representation is based upon information and belief and through my review of various materials and information, as well as my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would, based on the foregoing, testify competently to the facts set forth in each of the First Day Motions.

102. The relief sought in the First Day Motions is critical to the success of these chapter 11 cases. The First Day Motions will maximize value for the Debtors' estates and stakeholders by reducing unnecessary disruption and minimizing any adverse effects caused by the chapter 11 filings on the Debtors' businesses and operations. As described more fully below, the Debtors, in consultation with their professionals, have carefully tailored the relief requested in the First Day Motions to ensure the Debtors' immediate operational needs are met, and that the Debtors suffer no immediate and irreparable harm. For the reasons set forth below, I believe

that the relief requested in each of the First Day Motions is appropriate under the circumstances and should be granted by the Court.

103. ***Motion for Joint Administration of Related Chapter 11 Cases.*** By this motion, the Debtors seek authorization to jointly administer these Chapter 11 Cases for procedural purposes only. Many of the motions, applications, hearings and orders that will arise in these Chapter 11 Cases will jointly affect each Debtor. Thus, the Debtors believe it is appropriate to jointly administer these cases, thereby reducing fees and costs, avoiding needless duplicative filings and enabling a more efficient and economical administration of the Chapter 11 Cases. Furthermore, I understand that creditors' rights will not be adversely affected as this motion seeks only administrative, not substantive, consolidation of the estates.

104. ***Motion Enforcing and Restating Automatic Stay and Ipso Facto Provisions.*** By this motion, the Debtors seek entry of an order confirming the applicability of the various protections afforded to the Debtors by the Bankruptcy Code, including, most especially, the automatic stay set forth in section 362 of the Bankruptcy Code. Despite the self-executing and global nature of these protections, I understand that not all parties affected or potentially affected by the commencement of a chapter 11 case are aware of, comprehensively understand or will abide by these provisions. The Debtors' advisors have counseled that it is often necessary to advise third parties of the existence, scope, and effect of these sections through a separate order, particularly when the debtor is engaged in operations around the globe and where many of the debtors' creditors are located in foreign jurisdictions – as is the case here.

105. The Debtors intend to use this order to help their creditors and other interested parties understand the consequences of the Chapter 11 Cases and thereby ensure that the Debtors' assets are protected. Absent entry of such an order, I believe that creditors in foreign

jurisdictions may take actions that violate the Bankruptcy Code and directly harm the Debtors' operations. Entry of such an order will be greatly beneficial to the estates in reducing the likelihood of such actions and in preventing the Debtors from having to expend time and resources applying to foreign courts to enjoin such creditor actions on an individual basis. Moreover, entry of this order will not harm any party in interest as I understand that it seeks only confirmation of the protections that are afforded automatically to a debtor upon a filing.

106. *Motion to Honor Counterparty Contracts.* By this motion, the Debtors seek entry of an order authorizing the Debtors to continue to perform under their existing third-party contracts in the ordinary course of business and to enter into new contracts without further Court order. In the ordinary course of business, the Debtors and their non-Debtor affiliates routinely enter into contracts with a wide variety of third-party vendors, suppliers, customers and other critical counterparties. While I understand that these contracts will not be terminated or otherwise altered by the filing of these chapter 11 cases, and that their terms will continue to be enforceable, a significant percentage of the Debtors' contracts are with foreign counterparties – and, frequently, are governed by foreign law. Many of these counterparties are likely unfamiliar with the ability of a debtor-in-possession to continue its operations during a chapter 11 proceeding and may question the impact of this filing on the efficacy of their contracts. Absent clear directives from the Court on these matters, the Debtors' contract counterparties may refuse to provide services under contract terms or, in the case of the Debtors' customers, may stop paying the Debtors for the services being provided. These parties may also be hesitant to enter into new contracts with the Debtors, which could seriously harm the business.

107. Accordingly, like the automatic stay order described above, the Debtors intend to use this order to help their creditors and other interested parties understand the consequences of

the Chapter 11 Cases and thereby ensure that the Debtors' ongoing business contracts remain in place. Absent entry of such an order, I believe that contract counterparties located in foreign jurisdictions may refuse to perform under such contracts or enter into new contracts with the Debtors, causing direct harm to the Debtors' operations. Entry of such an order will aid the estates in managing the expectations of their contract counterparties. Moreover, entry of this order will not harm any party in interest as I understand that it seeks only confirmation of the operation of the Bankruptcy Code and the ability of debtor-in-possession to operate in the ordinary course during such proceedings.

108. *Motion to Approve Continued Use of Cash Management System.* By this motion (the "Cash Management Motion"), the Debtors seek entry of an interim and final order: (i) authorizing and approving the Debtors to continue using their existing cash management system; (ii) authorizing the Debtors to continue using prepetition bank accounts and existing checks; (iii) waiving the requirements of section 345(b) of the Bankruptcy Code on an interim basis with respect to the Debtors' deposit and investment practices; and (iv) granting administrative expense priority to the Debtors' intercompany transactions and loans.

109. To lessen the impact of the chapter 11 filings on the Debtors' business, it is vital that the Debtors keep their cash management system in place and be authorized to pay outstanding fees owed in relation to the Debtors' bank accounts, such as payments to third-party vendors whose services are critical for the uninterrupted operation of the cash management system. As described above, the Group operates a comprehensive cash management system: any disruption to that system would severely impair the operations of the Debtors and their non-Debtor affiliates and ability of those parties to optimize their business performance to the

detriment of all parties in interest. Accordingly, the Debtors request approval of the relief requested in the Cash Management Motion.

110. *Motion for Authority to Pay Prepetition Wages and Continue Benefits.* By this motion (the “Wages Motion”), the Debtors seek entry of an interim and final order: (i) authorizing the Debtors to pay or otherwise honor all prepetition employee obligations; (ii) authorizing, but not directing, the Debtors to continue in the ordinary course of business their employee programs; and (iii) authorizing and directing applicable banks and other financial institutions to honor and pay all checks and transfers drawn on the Debtors’ bank accounts to make the foregoing payments.

111. As described in detail in the Wages Motion, the Debtors have more than 4,000 employees and a significant number of contractors. This Workforce generally relies exclusively on the compensation and benefits provided by or funded by the Debtors to continue to pay their daily living expenses, and will be exposed to significant financial difficulties if the Debtors are not permitted to pay these obligations. The Debtors believe that if they are unable to honor all such obligations immediately, morale and loyalty will be jeopardized at a time when the support of these individuals is crucial.

112. Moreover, a stable Workforce is critical to the uninterrupted continuation of the Debtors’ business and the preservation and maximization of the value of the Debtors’ estates during these Chapter 11 Cases. Any significant number of departures or deterioration in morale among the Debtors’ Workforce at this time will immediately and substantially adversely impact the Debtors’ efforts in chapter 11 and result in immediate and irreparable harm to the Debtors’ estates and creditors. There is a real, immediate risk that if the Debtors are not authorized to continue to honor their prepetition obligations to these parties in the ordinary course, the

employees and independent contractors would no longer support and maintain the operations of the Debtors, thereby crippling them. Consequently, the Debtors strongly believe it is critical that they be permitted to pay prepetition wages and continue with their ordinary course personnel policies, programs and procedures, including, but not limited to, maintenance of workers' compensation programs and health care programs, that were in effect prior to the Petition Date.

113. *Motion for Entry into DIP Financing and Use of Cash Collateral.* By this motion (the "DIP Motion"), the Debtors seek entry of interim and final orders: (i) authorizing the Debtors to obtain senior secured super-priority postpetition financing; (ii) authorizing use of cash collateral ("Cash Collateral"); (iii) granting priming liens, priority liens, and superpriority claims to the DIP Lenders (as defined in the motion); (iv) granting adequate protection; and (v) granting related relief.

114. As described above, as part of their comprehensive restructuring agreement, as embodied in the RSA and accompanying Term Sheet, the Debtors have negotiated with certain members of the Ad Hoc Lender Group to obtain postpetition financing (the "DIP Financing") to fund the Debtors' operations during these Chapter 11 Cases. The DIP Financing and the other related agreements regarding the use of Cash Collateral and adequate protection (collectively, the "DIP Documents") are the result of extensive negotiations with the Ad Hoc Lender Group, conducted in good faith and at arm's length. The Debtors and their advisors believe that the proposed DIP Financing is the only viable option available to the Debtors, and the Debtors have therefore negotiated to obtain the DIP Financing on the best and most realistic terms available. The circumstances of these Chapter 11 Cases necessitate postpetition financing under section 364(c) and (d) of the Bankruptcy Code, and the DIP Financing offered by these lenders reflects the sound exercise of the Debtors' business judgment.

115. The Debtors have been and are unable to obtain sufficient and otherwise viable financing without granting priming liens pursuant to section 364(d) of the Bankruptcy Code. [Specifically, none of the alternative financing sources that the Debtors contacted through Lazard expressed an interest in providing DIP financing on either a junior or a non-consensual priming basis. Accordingly, the Debtors propose to obtain the DIP Financing by providing, among other things, superpriority claims, security interests, and liens pursuant to sections 364(c)(1), (2), (3), and (d) of the Bankruptcy Code.

116. The Debtors also require the use of Cash Collateral to ensure that they have the liquidity necessary to fund their ordinary course business operations and the administration of these Chapter 11 Cases while effectuating the restructuring transaction. Without the ability to use Cash Collateral, the Debtors' liquidity needs would not be satisfied, jeopardizing the Debtors' ability to successfully reorganize. Thus, the use of Cash Collateral is imperative to the success of these Chapter 11 Cases.

117. Approval of the DIP Financing and the use of Cash Collateral will provide immediate access to capital that is needed to, among other things, pay employees and vendors while minimizing disruptions to day-to-day businesses, thereby preserving and maximizing the value of the Debtors' estates. Absent the DIP Financing, the Debtors' operations would come to a halt, resulting in irreparable harm to their businesses and their going-concern value. Importantly, the relief requested in the DIP Motion also reflects an agreement between the Debtors and the affected Senior Lenders regarding the use of cash collateral during these Chapter 11 Cases and is, therefore, consensual.

118. Accordingly, for these reasons, I believe that the relief requested in the DIP Motion is in the best interest of the Debtors, their estates and creditors, and all parties in interest.

119. ***Motion for Authority to Continue Insurance and Pay Prepetition Claims.*** By this motion, the Debtors seek authority to continue their existing insurance policies and surety arrangements and to pay premiums and other amounts arising thereunder, including any prepetition amounts. Maintaining the existing insurance programs is necessary to preserve the value of the estates and the Debtors' business. Any lapse or disruption in insurance coverage, could result in immediate and severe consequences for the business, as well as the value of the Secured Lenders' collateral. Absent sufficient and continuing insurance coverage, the Debtors may also be exposed to substantial liability and may be unable to operate in certain key jurisdictions.

120. ***Motion for Authority to Pay Prepetition Taxes.*** By this motion, the Debtors seek authority to pay taxes, fees, assessments and other charges to applicable taxing authorities in the ordinary course of business, including any prepetition amounts that may be due. The Debtors' failure to pay certain taxes and fees when due may adversely affect their business operations. Depending on the relevant jurisdiction, tax authorities may have the ability to initiate audits if taxes and fees are not timely paid. Similarly, tax authorities may attempt to suspend the Debtors' operations, seek to lift the automatic stay, or even seek to hold the Debtors' directors and officers personally liable for any unpaid amounts. Moreover, I understand that certain taxes and fees may give rise to tax liens and some or all may be entitled to priority, which would therefore require that these amounts be paid in full.

121. ***Motion to Establish Utility Procedures.*** By this motion, the Debtors seek entry of an order prohibiting utility companies from altering, refusing, or discontinuing utility services and to establish procedures for determining adequate assurance of payment. In the ordinary course of their businesses, the Debtors obtain electricity, natural gas, water, water disposal,

telecommunications, and other similar services. Uninterrupted utility services are vital to the continued operation of the Debtors' businesses and, consequently, to the success of their Chapter 11 Cases. The relief requested in this motion will ensure that the Debtors' business operations will not be disrupted and will provide domestic utility companies⁶ and the Debtors with an orderly, fair procedure for determining adequate assurance of payment as required by the Bankruptcy Code.

122. *Motion to Authorize Payment of Prepetition Trade Claims.* By this motion, the Debtors seek authority to pay the prepetition claims of all prepetition trade creditors, including vendors, suppliers, and service providers, in the ordinary course of business. The Debtors estimate that, as of the Petition Date, the total outstanding trade claims is approximately \$102 million. The Debtors believe that this authority is consistent with the premise of these consensual, pre-packaged Chapter 11 Cases that the financial restructuring cause as little disruption to the business as practicable. Indeed, under the Chapter 11 Plan filed contemporaneously herewith, the Debtors have proposed to pay in full all prepetition claims in the ordinary course of business after emergence. Thus, the relief requested in this motion affects the timing of such payments, and not the amounts that these creditors would receive.

123. Moreover, of this amount of prepetition trade debt, the Debtors estimate that approximately \$43 million is owed to parties who could assert liens in the event of non-payment; approximately \$38 million is owed to parties located in foreign jurisdictions; and approximately \$13 million is owed to parties who would qualify for priority treatment under section 503(b)(9)

⁶ Given the number of foreign utility providers currently providing service to the Debtors who are likely to be unfamiliar with the Bankruptcy Code's specific provisions concerning utility providers, the Debtors have proposed to limit the procedures in this motion to domestic utility providers. The Debtors have proposed that foreign utility providers will have their prepetition claims paid under the trade motion described immediately below.

of the Bankruptcy Code. Accordingly, ample justifications exist for the payment of these claim during the pendency of these Chapter 11 Cases.

124. In particular, given the global nature of the Debtors' business, the Debtors routinely incur obligations to foreign vendors, service providers, independent contractors and other business counterparties around the world. Thus, a substantial amount of the Debtors' total prepetition trade debt is owed to foreign creditors. As noted above, it is likely that many of these foreign creditors will be unfamiliar with the chapter 11 process and may refuse to continue doing business with the Group absent payment of outstanding amounts. They could also place the Debtors at risk of asset seizures, lien filings, and other "self-help" remedies by the foreign creditors in foreign jurisdictions where the Debtors' ability to enforce the automatic stay under section 362 of the Bankruptcy Code may be limited. The relief requested in this motion is therefore intended to prevent any such disruption to the business caused by this type of action by such creditors, which would cause immediate harm to the Debtors and their estates.

125. Similarly, given the nature of the Debtors' business, the Debtors rely heavily on shipping, logistics, and other services to transport a variety of materials, products, equipment and supplies to and from the Debtors' customers and vendors. The Debtors also routinely rely on warehousemen to repair, process, and store materials as well as mechanics and materialmen who perform services for the Debtors. Accordingly, a substantial amount of the Debtors' total prepetition trade debt is owed to various parties who could refuse to release goods of the Debtors that are in their control and possession or who could assert liens on the Debtors' property. In the event these parties exercised such remedies, the Debtors' operations would suffer immediate and irreparable harm because they would be unable to use the machinery, equipment, and inventory in their daily operations or deliver goods en route to their customers.

126. ***Motion to Authorize Filing of a Consolidated List of Creditors.*** By this motion, the Debtors seek entry of an order authorizing them to file a consolidated list of their 35 largest unsecured creditors, to redact certain personal information, and to approve the form and manner of notifying the creditors of these chapter 11 cases. Given the interrelated nature of the Debtors' business operations, the preparation of separate lists of creditors for each Debtor would be expensive, time consuming, and administratively burdensome; as such, utilizing a consolidated list of key creditors will help alleviate these burdens and costs, while reducing the possibility of duplicative service. In this motion, the Debtors also seek to serve a single notice of commencement on the creditors and seek approval of the form thereof. The proposed form of notice of commencement has been consolidated with the notice regarding the Disclosure Statement and plan process as described in the Solicitation Motion. The Debtors believe that combining these critical notices into one document will avoid unnecessary costs and potential confusion associated with serving multiple notices to the parties listed on the Debtors' voluminous Creditor Matrix. Accordingly, the Debtors believe that filing a consolidated list of creditors and serving a single notice of commencement combined with the solicitation notice will maximize efficiency and assist in an orderly transition into chapter 11.

127. ***Application to Appoint Prime Clerk as Claims and Noticing Agent.*** By this application, the Debtors seek entry of an order authorizing the appointment of Prime Clerk as the Claims and Noticing Agent in these Chapter 11 Cases. Upon information and belief, Prime Clerk is an experienced claims agent and is frequently used by debtors in large chapter 11 cases, and I believe Prime Clerk is well qualified to serve as the Claims and Noticing Agent in these Chapter 11 Cases. The employment of Prime Clerk will provide the Clerk of the Court and the Debtors with efficient management of the claims and noticing processes in these Chapter 11

Cases, which will allow the Debtors' management and professionals to focus their attention more closely on the Debtors' overall chapter 11 efforts.

V. Conclusion

In conclusion, for the reasons stated herein and in each of the First Day Motions filed concurrently or in connection with the commencement of these cases, I respectfully request that each of the First Day Motions be granted in its entirety, together with such other and further relief as this Court deems just and proper.

I certify under penalty of perjury that, based upon my knowledge, information and belief as set forth in this Declaration, the foregoing is true and correct.

/s/ John McAlister _____

John McAlister
Group General Counsel

EXHIBIT A

Organization Chart

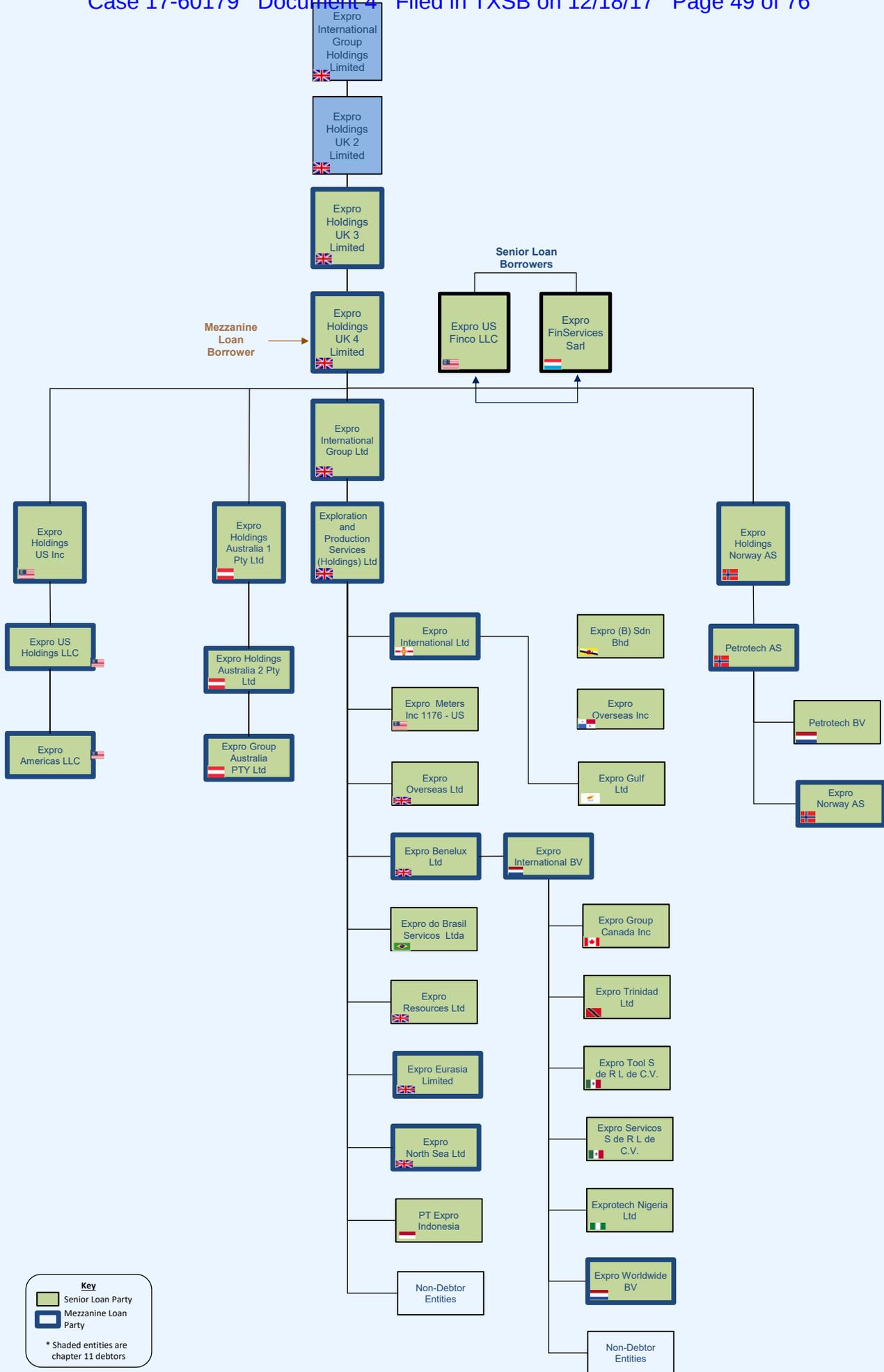


EXHIBIT B

List of First Day Motions

| | List of First Day Motions |
|-----|---|
| 1. | <i>Joint Administration Motion</i> |
| 2. | <i>Waiver of Notice Rules Motion</i> |
| 3. | <i>Automatic Stay Motion</i> |
| 4. | <i>Contract Enforcement Motion</i> |
| 5. | <i>DIP Financing/Cash Collateral Motion</i> |
| 6. | <i>Cash Management Motion</i> |
| 7. | <i>Wages Motion</i> |
| 8. | <i>Insurance Motion</i> |
| 9. | <i>Taxes Motion</i> |
| 10. | <i>Utilities Motion</i> |
| 11. | <i>All Trade Motion</i> |
| 12. | <i>Notice and Claims Agent Motion</i> |

EXHIBIT C

Restructuring Term Sheet

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN AND IN THE RESTRUCTURING SUPPORT AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES HERETO.

RESTRUCTURING TERM SHEET

INTRODUCTION

This term sheet (this “**Term Sheet**”)¹ describes the terms of a restructuring of Expro Holdings UK 3 Ltd. (“**Holdings**”),² a limited company organized under the laws of the United Kingdom and certain of its directly- and indirectly-owned subsidiaries listed on **Exhibit B** hereto (collectively, the “**Debtors**” and such restructuring, the “**Restructuring**”).

The Restructuring will be accomplished through: (a) the commencement of cases (the “**Chapter 11 Cases**”) under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the Bankruptcy Court (as defined herein) to implement on a prepackaged basis the chapter 11 plan of reorganization described herein and otherwise in form and substance acceptable to the Debtors and the Required Supporting Creditors and in form and substance reasonably acceptable to the Majority Supporting Equityholders to the extent required by the RSA (the “**Plan**”).

This Term Sheet is being agreed to in connection with entry by the Debtors and the Supporting Creditors into that certain Restructuring Support Agreement, dated as of December 7, 2017 (as may be amended, supplemented or otherwise modified from time to time pursuant to the terms thereof, the “**RSA**”). Pursuant to the RSA, the parties thereto have agreed to support the transactions contemplated herein and therein.

This Term Sheet does not include a description of all of the terms, conditions, and other provisions that are to be contained in the definitive documentation governing the Restructuring, which remain subject to negotiation and completion in accordance with the RSA and applicable bankruptcy law. The documents executed to effectuate the Restructuring will not contain any material terms or conditions that are inconsistent in any material respect with this Term Sheet or the RSA.

OVERVIEW OF THE RESTRUCTURING

In general, the Restructuring contemplates that:

- (a) The Debtors will implement the Restructuring in the Bankruptcy Court pursuant to the Plan on the terms set forth in this Term Sheet.

¹ Capitalized terms used but not otherwise defined in this Term Sheet are given the meanings ascribed to such terms in **Exhibit A**.

² In the event that the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time, Expro International Group Holdings Limited (“**EIGHL**”) will be “Holdings.”

- (b) The Commitment Parties have agreed to (i) consent to the use of their cash collateral to fund the Chapter 11 Cases and (ii) backstop a \$200 million new money rights offering (the “**Rights Offering**”).
- (c) Certain Commitment Parties (the “**DIP Lenders**”) have agreed to provide a \$125 million new money debtor-in-possession financing facility (the “**DIP Facility**”).
- (d) The Debtors or the Reorganized Debtors, as applicable, will raise through a customary third-party marketing process either a senior secured or unsecured revolving credit facility to provide working capital and satisfy bonding requirements to be arranged and provided by one or more commercial lending institutions in an aggregate available amount of up to \$150 million (the “**Exit Revolving Facility**”).
- (e) On the Effective Date, holders of DIP Facility Claims will receive repayment in full, in cash.
- (f) On the Effective Date, holders of First Lien Credit Agreement Claims will receive their Pro Rata share of: 100% of the New Common Stock, subject to dilution on account of the Management Incentive Plan, the Rights Offering, the New Warrants and the Backstop Commitment Fee.
- (g) General Unsecured Creditors, which include trade creditors and certain other unsecured creditors, will be left in place and unimpaired.
- (h) On the Effective Date, if Class 5 votes in favor of the Plan, holders of Mezzanine Loan Facility Claims will receive their Pro Rata share of the New A Warrants and holders of First Lien Credit Agreement Claims shall waive their turnover rights under the Intercreditor Agreement.
- (i) On the Effective Date, if the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time, the Required Supporting Equityholders are not in breach of the RSA and Class 8 votes in favor of the Plan, the holders of Interests in Holdings will receive their Pro Rata share of the New B Warrants in accordance with the priorities set forth in the amended Articles of Association of Expro International Group Holdings Limited (“**EIGHL**”).

This Term Sheet incorporates the rules of construction as set forth in section 102 of the Bankruptcy Code.

GENERAL PROVISIONS REGARDING THE RESTRUCTURING

| | |
|---------------------|---|
| DIP Facility | <p>The DIP Lenders shall provide a senior secured superpriority delayed draw term loan facility in an aggregate principal amount of up to \$125 million. The DIP Facility shall be available in up to four (4) drawings, with the first such drawing to occur on the closing date of the DIP Facility in an aggregate principal amount of \$50 million and each of the remaining three such drawings to be in an aggregate principal amount of no less than \$25 million.</p> <p>The material terms of the DIP Facility are set forth in the term sheet attached hereto as Exhibit C (the “DIP Facility Term Sheet”).</p> |
|---------------------|---|

| | |
|---------------------------------------|---|
| <p>Rights Offering</p> | <p>The Commitment Parties shall backstop a \$200 million new money Rights Offering to be consummated on the Effective Date for 27.586% of the fully diluted New Common Stock (excluding New Common Stock issued as the Backstop Commitment Fee) prior to taking into account the Management Incentive Plan, the New Warrants, and otherwise on the terms set forth in the Backstop Commitment Agreement to be entered into by the Debtors and the Commitment Parties, in form and substance acceptable to the Debtors and the Required Backstop Parties (including all schedules and exhibits thereto, the “<u>Backstop Commitment Agreement</u>”). Twenty-five percent (25%) of the Rights Offering will be reserved for the Backstop Parties and the Subscription Rights for the remaining seventy-five percent (75%) of the Rights Offering will be offered to each First Lien Lender that (i) is an Accredited Investor or qualified institutional buyer, (ii) makes other customary private placement representations and warranties and (iii) that is a party to the RSA as of the RSA Effective Time or executes a joinder to the RSA within five business (5) days of the RSA Effective Time on a Pro Rata basis based on the First Lien Credit Agreement Claims beneficially held by such First Lien Lender as of the Rights Offering Cutoff Time, which Subscription Rights shall not be detachable from (and will be transferable or assignable with) the First Lien Credit Agreement Claims associated therewith. The Backstop Commitment Agreement shall provide for, among other things, a commitment premium of 5% of the \$200 million committed amount of the Rights Offering (the “<u>Backstop Commitment Fee</u>”) payable in New Common Stock at the same price per share as the Rights Offering to the Commitment Parties on the Effective Date.</p> <p>The material terms of the Backstop Commitment Agreement are set forth in the term sheet attached hereto as <u>Exhibit D</u> (the “<u>Backstop Commitment Agreement Term Sheet</u>”).</p> |
| <p>Exit Revolving Facility</p> | <p>The Debtors or the Reorganized Debtors, as applicable, shall use commercially reasonable efforts to raise either a senior secured or unsecured revolving credit facility with an aggregate combined commitment amount of no more than \$150 million (as outlined below) to be arranged and provided by one or more commercial lending institutions, and shall comply with the Exit Revolving Facility Milestones. To the extent it is a senior secured facility, the Exit Revolving Facility shall have the same collateral as provided under the First Lien Credit Agreement. The Exit Revolving Facility shall be subject to a customary marketing process for facilities of this type.</p> <p>The Exit Revolving Facility shall (i) provide the Reorganized Debtors with incremental revolving credit capacity of up to \$100 million and (ii) support the Reorganized Debtors’ bonding requirements in an amount up to \$50 million, <u>provided</u> that such amount may be increased with the consent of the Required Supporting Creditors (such consent not to be unreasonably withheld).</p> <p>The material terms of the Exit Revolving Facility are set forth in the term sheet attached hereto as <u>Exhibit E</u> (the “<u>Exit Revolving Facility Term</u>”).</p> |

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| | Sheet”). |
| Existing Bonding Facility | <p>The Debtors shall use commercially reasonable efforts to increase the Existing Bonding Facility by \$25 million during the Chapter 11 Cases and to continue the Existing Bonding Facility on terms to be determined and in an amount not to exceed \$50 million.</p> <p>The Debtors and the DIP Lenders reserve the right to modify the DIP Facility to roll the Existing Bonding Facility into the DIP Facility.</p> |
| New A Warrants | <p>On the Effective Date, if Class 5 votes in favor of the Plan, the Debtors will issue 5-year warrants convertible into up to 2% of the New Common Stock at a strike price based on total equity value of \$1.763 billion (the “New A Warrants”). The documentation for the New A Warrants will be included in the Plan Supplement and shall be in form and substance acceptable to the Debtors, the Commitment Parties and if the holder(s) of the Mezzanine Loan Facility Claims becomes a party to the RSA, such holder(s).</p> |
| New B Warrants | <p>On the Effective Date, if the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time, the Required Supporting Equityholders are not in breach of the RSA and Class 8 votes in favor of the Plan, the Debtors will issue 5-year warrants convertible into up to 7% of the New Common Stock at a strike price based on total equity value of \$1.763 billion (the “New B Warrants” and, together with the New A Warrants, the “New Warrants”). The documentation for the New B Warrants will be included in the Plan Supplement and shall be in form and substance acceptable to the Debtors, the Commitment Parties and the majority of the shareholders that became party to the RSA.</p> |

TREATMENT OF CLAIMS AND INTERESTS OF THE DEBTORS UNDER THE PLAN

| Class No. | Type of Claim | Treatment | Impairment / Voting |
|---------------------------------------|------------------------------|---|----------------------------|
| Unclassified Non-Voting Claims | | | |
| N/A | DIP Facility Claims | On the Effective Date, each Holder of an Allowed DIP Facility Claim shall receive, in full satisfaction of its Claim, payment in full in cash. | N/A |
| N/A | Administrative Claims | Except to the extent that a Holder of an Allowed Administrative Claim and the Debtor against which such Allowed Administrative Claim is asserted agree to less favorable treatment for such Holder, each Holder of an Allowed Administrative Claim shall receive, in full satisfaction of its Claim, payment in full in cash in the ordinary course of the Debtors’ business. | N/A |
| N/A | Priority Tax Claims | Except to the extent that a Holder of an Allowed Priority Tax Claim and the Debtor against which such Allowed | N/A |

| | | | |
|---|---|--|-------------------------------|
| | | Priority Tax Claim is asserted agree to less favorable treatment for such Holder, each Holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of its Claim, treatment in a manner consistent with section 1129(a)(9)(C) of the Bankruptcy Code. | |
| Classified Claims and Interests of the Debtors | | | |
| Class 1 | Other Secured Claims | On the Effective Date, in full satisfaction of each Allowed Other Secured Claim, each Holder thereof shall receive, at the option of the applicable Debtor, with the consent (such consent not to be unreasonably withheld) of the Required Supporting Creditors: (a) payment in full in cash on the Effective Date or as soon thereafter as reasonably practicable (or if payment is not then due, shall be paid in accordance with its terms); (b) the collateral securing its Allowed Other Secured Claim; (c) Reinstatement of its Allowed Other Secured Claim; or (d) such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code. | Unimpaired; deemed to accept. |
| Class 2 | Other Priority Claims | On the Effective Date or as soon thereafter as reasonably practicable (or, if payment is not then due, shall be paid in accordance with its terms), in full satisfaction of each Allowed Other Priority Claim, each Holder thereof shall receive payment in full in cash. | Unimpaired; deemed to accept. |
| Class 3 | First Lien Credit Agreement Claims | On the Effective Date, in full satisfaction of each First Lien Credit Agreement Claim, each Holder thereof shall receive: its Pro Rata share of 100% of the New Common Stock, subject to dilution on account of the Management Incentive Plan, the Rights Offering, the New Warrants and the Backstop Commitment Fee. | Impaired; entitled to vote. |
| Class 4 | General Unsecured Claims | The legal, equitable, and contractual rights of the holders of General Unsecured Claims are unaltered by the Plan. Except to the extent that a Holder of a General Unsecured Claim agrees to different treatment, on and after the Effective Date, the Debtors will continue to pay or dispute each General Unsecured Claim in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions, as if the Chapter 11 Cases had never been commenced. | Unimpaired; deemed to accept. |

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| Class 5 | Mezzanine Loan Facility Claims | <p>All Mezzanine Loan Facility Claims will be canceled, released, and extinguished as of the Effective Date, and will be of no further force or effect.</p> <p>On the Effective Date, each holder of Mezzanine Loan Facility Claims shall receive (a) if Class 5 has timely voted in favor of the Plan, its Pro Rata share of the New A Warrants and holders of First Lien Credit Agreement Claims shall waive their turnover rights under the Intercreditor Agreement or (b) if Class 5 has not timely in voted in favor of the Plan, payment in full in cash, with such recovery subject to turnover to the holders of First Lien Credit Agreement Claims pursuant to the Intercreditor Agreement.³</p> | Entitled to vote. |
| Class 6 | Intercompany Claims | On the Effective Date, each Intercompany Claim shall be adjusted, Reinstated, or discharged to the extent determined to be appropriate and tax efficient by the Debtors or the Reorganized Debtors, as applicable, with the consent (such consent not to be unreasonably withheld) of the Required Supporting Creditors. | Unimpaired; deemed to accept. |
| Class 7 | Interests in Debtors other than Holdings | On the Effective Date, Interests in the Debtors other than Holdings shall be Reinstated. | Unimpaired; deemed to accept. |
| Class 8 | Interests in Holdings | <p>All Interests in Holdings will be transferred, canceled, released, and/or extinguished, as applicable, as of the Effective Date, and will be of no further force or effect.</p> <p>On the Effective Date, each holder of Interests in Holdings shall receive (a) if the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time, the Required Supporting Equityholders are not in breach of the RSA and Class 8 votes in favor of the Plan, its Pro Rata share of the New B Warrants in accordance with the priorities set forth in the amended Articles of Association of EIGHL or (b) if Class 8 has not timely in voted in favor of the Plan, no distribution.</p> | Impaired; entitled to vote. |

³ The Plan and Confirmation Order shall provide that any distributions to holders of Mezzanine Loan Facility Claims shall be turned over to holders of First Lien Credit Agreement Claims pursuant to the Intercreditor Agreement and deemed contributed by such holders of First Lien Credit Agreement Claims to the Reorganized Debtors on the Effective Date.

| <u>GENERAL PROVISIONS REGARDING THE PLAN</u> | |
|---|--|
| Subordination | Unless otherwise expressly provided herein, the classification and treatment of Claims under the Plan shall conform to the respective contractual, legal, and equitable subordination rights of such Claims, and any such rights shall be settled, compromised, and released pursuant to the Plan. |
| Restructuring Transactions | <p>The Confirmation Order shall be deemed to authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including any Exit Revolving Facility, the Rights Offering and the issuance of New Common Stock, all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Restructuring (collectively, the “Restructuring Transactions”). On the Effective Date, the Debtors, as applicable, shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Restructuring.</p> <p>The corporate structure of the Reorganized Debtors shall be agreed to by Debtors and Required Supporting Creditors.</p> |
| Cancellation/Satisfaction of Notes, Instruments, Certificates, and Other Documents | On the Effective Date, except to the extent otherwise provided in this Term Sheet or the Plan, all notes, instruments, certificates, and other documents evidencing Claims or Interests, including credit agreements and indentures, shall be canceled and/or deemed satisfied and the obligations of the Debtors thereunder or in any way related thereto shall be deemed satisfied in full and discharged. |
| Executory Contracts and Unexpired Leases | The Plan will provide that all of the Debtors’ executory contracts and unexpired leases not previously rejected will be deemed assumed pursuant to section 365 of the Bankruptcy Code as of the Effective Date. |
| Retention of Jurisdiction | The Plan will provide for the retention of jurisdiction by the Bankruptcy Court for usual and customary matters. |
| Discharge of Claims and Termination of Interests | Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to |

| | |
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| | <p>section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the Holder of such a Claim or Interest has accepted the Plan. Any default or “event of default” by the Debtors or Affiliates with respect to any Claim or Interest that existed immediately before or on account of the filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.</p> |
| <p>Releases by the Debtors</p> | <p>Pursuant to section 1123(b) of the Bankruptcy Code, to the fullest extent permitted by applicable law, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, pursuant to the Confirmation Order and on and after the Effective Date, the Released Parties and their respective property are conclusively, absolutely, unconditionally, irrevocably, and forever deemed released, acquitted and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Causes of Action, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereinafter arising, in law, equity, contract, tort, or otherwise, by statute, violations of federal or state securities law or otherwise that the Debtors, the Reorganized Debtors, or their Estates or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or any other Entity, based on or relating to, or in any manner arising from or in connection with, in whole or in part, the Debtors, their Affiliates, the Reorganized Debtors, the Chapter 11 Cases, the Debtors’ in- or out-of-court restructuring efforts, intercompany transactions, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the First Lien Credit Agreement Documents or the Mezzanine Credit Agreement Documents, the negotiation, formulation, preparation, dissemination, or filing of the Plan, the RSA, the Plan Supplement, the Disclosure Statement, the Rights Offering Documents, the DIP Facility, the Exit Facilities, and any related agreements, instruments, term sheets or other documents contemplated by the foregoing or appropriate to effectuate the foregoing, the pursuit of Confirmation, the pursuit of Consummation, and any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to any of the foregoing, except for any act or omission that constitutes fraud, gross negligence or willful misconduct as determined by a final order of a court of competent jurisdiction (all such claims and liabilities as described herein, collectively, the “Released Claims”); <u>provided, however</u>, that any holder of a Claim or Interest that opts out of the releases contained in the Plan or otherwise objects to the Plan or any portion or aspect thereof, including the releases in the Plan, shall not be a “Released Party”; <u>provided, further</u>, that nothing</p> |

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| | <p>in the foregoing shall result in any of the Debtors' officers and directors waiving any Claims arising under employment or severance agreements (after giving effect to any modifications contemplated by the Plan) or indemnification Claims against the Debtors or any of their insurers or any rights as beneficiaries of any insurance policies, which indemnification obligations and insurance policies shall be assumed by the Reorganized Debtors in accordance with the Plan.</p> |
| <p>Releases by Holders of Claims and Interests</p> | <p>To the fullest extent permitted by applicable law, as of the Effective Date, each of the Releasing Parties (regardless of whether a Releasing Party is a Released Party) shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and acquitted each of the Released Parties and their respective property from any and all Released Claims; <u>provided, however</u>, that any holder of a Claim or Interest that opts out of the releases contained in the Plan or otherwise objects to the Plan or any portion or aspect thereof, including the releases in the Plan, shall not be a "Released Party"; <u>provided, further</u>, that nothing in the foregoing shall result in any of the Debtors' officers and directors waiving any Claims arising under employment or severance agreements (after giving effect to any modifications contemplated by the Plan) indemnification Claims against the Debtors or any of their insurers or any rights as beneficiaries of any insurance policies, which indemnification obligations and insurance policies shall be assumed by the Reorganized Debtors in accordance with the Plan.</p> |
| <p>Exculpation</p> | <p>Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the RSA and related prepetition transactions, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release or other agreement or document created or entered into in connection with, or contemplated by, the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, except for claims related to any act or omission that is determined in a final order to have constituted actual fraud or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.</p> |
| <p>Injunction</p> | <p>Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold claims or interests that</p> |

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| | <p>have been released, discharged, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims or interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such claims or interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims or interests unless such Holder has filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a claim or interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.</p> |
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OTHER MATERIAL PROVISIONS REGARDING THE RESTRUCTURING

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| <p>Management Incentive Plan</p> | <p>Within 90 days after the Effective Date, the Reorganized Debtors shall implement a management incentive plan (the “<u>Management Incentive Plan</u>”) that shall provide for up to 10% of the New Common Stock, on a fully diluted basis, to be available for issuance pursuant to equity or equity-based incentive awards to management and other key employees of the Reorganized Debtors after the Effective Date. Before the Effective Date, the Supporting Creditors shall engage a compensation consultant to assist with the design and negotiation of the Management Incentive Plan. The key terms and conditions of the Management Incentive Plan, including form of awards, vesting terms, and allocation of awards shall be determined and approved by the New Board after the Effective Date.</p> |
| <p>Existing Employment Agreements</p> | <p>Existing employment agreements with the executive management team (the “<u>EMT</u>”) shall be replaced with new agreements or modified to the extent acceptable to the Commitment Parties and the EMT, which new agreements and modifications shall be negotiated by the EMT and the Commitment Parties in good faith prior to the Petition Date.</p> <p>All other existing employment agreements shall be assumed, <u>provided</u> that such agreements do not contain or provide for change of control payments, accelerated vesting in connection with a change of control or any similar provision (or are modified to eliminate such provisions).</p> |

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| <p>Retention Plans</p> | <p><u>Existing Retention Plan</u>: The Debtors’ existing retention plan and the letter agreements granting awards thereunder (collectively, the “Existing Retention Plan”) shall be assumed under the Plan; <u>provided</u> that the Existing Retention Plan shall be amended such that the Restructuring will not constitute a “Change in Control” thereunder and awards will not accelerate or become due and payable as a result of or in connection with confirmation or consummation of the Plan; <u>provided</u>, further payments that would otherwise be made under the Existing Retention Plan in December 2017 to employees other than the EMT will instead be rolled into the KERP as described below.</p> <p><u>Key Employee Retention Plan</u>: The EMT will not participate in or receive payments under the proposed Key Employee Retention Plan (the “KERP”). Awards may be made to certain employees as previously disclosed to the Commitment Parties. Non-EMT employees that would otherwise receive a payment under the Existing Retention Plan in December 2017 will waive such payment in exchange for payments under the KERP. KERP awards will be paid by the Reorganized Debtors 50% at emergence and 50% six (6) months after the Effective Date (at the same time the third tranche of Existing Retention Plan awards will be paid), subject to continued employment on such date, subject to accelerated payment on termination without cause or resignation for good reason.</p> |
| <p>Claims of the Debtors</p> | <p>The Reorganized Debtors shall retain all rights to commence and pursue any Causes of Action of the Debtors, other than any Causes of Action released by the Debtors pursuant to the release and exculpation provisions outlined in this Term Sheet.</p> <p>Prior to consummation of the Plan, the Debtors shall not settle, compromise or discharge any Cause of Action that is not agreed to be released pursuant to this Term Sheet without the consent of the Required Supporting Creditors (such consent not to be unreasonably withheld).</p> |
| <p>Additional Plan Provisions and Documentation</p> | <p>The Plan shall contain other customary provisions for chapter 11 plans of this type. The Plan and all supporting and implementing documentation (including all briefs and other pleadings filed in support thereof, all documents filed as part of the Plan Supplement, and the Confirmation Order) shall be in form and substance acceptable to the Debtors and the Required Supporting Creditors and in form and substance reasonably acceptable to the Majority Supporting Equityholders to the extent required by the RSA.</p> |
| <p>Conditions Precedent to Restructuring</p> | <p>The following shall be conditions to the Effective Date (the “Conditions Precedent”):</p> <p>(a) the Bankruptcy Court shall have entered the Confirmation Order, which shall be in form and substance acceptable to the Debtors and the Required Supporting Creditors, and shall:</p> <p>(i) authorize the Debtors to take all actions necessary to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures, and other agreements or</p> |

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| | <p>documents created in connection with the Plan;</p> <ul style="list-style-type: none"> (ii) decree that the provisions of the Confirmation Order and the Plan are nonseverable and mutually dependent; (iii) authorize the Debtors, as applicable/necessary, to: <ul style="list-style-type: none"> (a) implement the Restructuring Transactions, including the Rights Offering; (b) distribute the New Common Stock pursuant to the exemption from registration under the Securities Act provided by section 1145 of the Bankruptcy Code or other exemption from such registration or pursuant to one or more registration statements; (c) make all distributions and issuances as required under the Plan, including cash, the New Warrants and the New Common Stock; and (d) enter into any agreements, transactions, and sales of property as set forth in the Plan Supplement, including the Exit Facilities and the Management Incentive Plan; (iv) authorize the implementation of the Plan in accordance with its terms; and (v) provide that, pursuant to section 1146 of the Bankruptcy Code, the assignment or surrender of any lease or sublease, and the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax; and <ul style="list-style-type: none"> (b) the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan; (c) the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein (and any amendment thereto) shall have been filed with the Bankruptcy Court in a manner consistent in all material respects with the RSA, this Term Sheet, and the Plan and shall be in form and substance acceptable to the Debtors and the Required Supporting Creditors and in form and substance reasonably acceptable to the Majority Supporting Equityholders to the extent required by the RSA; (d) the RSA shall remain in full force and effect; (e) the Bankruptcy Court shall have entered the Interim DIP Order and either (i) the Bankruptcy Court shall have entered the Final DIP Order or (ii) with the consent of the Required Lenders, all obligations under the DIP Credit Agreement shall have been paid in full; (f) all professional fees and expenses of retained professionals required to be approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay such fees and expenses |
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| | <p>after the Effective Date have been placed in a professional fee escrow account pending approval by the Bankruptcy Court;</p> <p>(g) all reasonable and documented out-of-pocket fees and expenses of the First Lien Credit Agreement Administrative Agent and the First Lien Lender Group (as defined in the RSA) (which fees and expenses in respect of professionals shall be limited to the fees and expenses of one counsel for the First Lien Credit Agreement Administrative Agent, Davis Polk & Wardwell LLP, Rothschild Inc., and Calash Limited, as counsel, financial advisor, and economic advisor, respectively, to the First Lien Lender Group, one local counsel for the First Lien Credit Agreement Administrative Agent and one local counsel for the First Lien Lender Group in each jurisdiction where local counsel is required), and any compensation and/or board consultants reasonably retained by the First Lien Lender Group in connection with the RSA, the Restructuring Documents (as defined in the RSA) and the transactions contemplated hereby and thereby shall have been paid in full; <u>provided</u> that no fees or expenses of counsel to the First Lien Credit Agreement Administrative Agent shall be paid in connection with acts taken thereby to directly or indirectly object to, delay, postpone, challenge or oppose the Restructuring;</p> <p>(h) if the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time, the Required Supporting Equityholders are not in breach of the RSA and Class 8 votes in favor of the Plan, all reasonable and documented out-of-pocket fees and expenses up to a cap of \$2 million in the aggregate of that certain group (the “Ad Hoc Equity Group”) of holders of Interests in EIGHL (including, but not limited to, the fees and expenses of Kirkland & Ellis LLP, Houlihan Lokey, Inc. or the members of the Ad Hoc Equity Group); and</p> <p>(i) the Debtors shall have implemented the Restructuring Transactions, including the Rights Offering, and all transactions contemplated by this Term Sheet, in a manner consistent in all respects with the RSA, this Term Sheet, and the Plan.</p> |
| <p>Waiver of Conditions Precedent to the Effective Date</p> | <p>The Debtors, with the prior written consent of the Required Supporting Creditors and, to the extent required by the RSA, the Majority Supporting Equityholders, may waive any one or more of the Conditions Precedent to the Effective Date.</p> |

| <u>CORPORATE GOVERNANCE PROVISIONS EXEMPTION</u> | |
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| <p>Governance</p> | <p>The board of directors of Reorganized Expro (the “New Board”) shall be appointed by the Required Supporting Creditors, in consultation with the Reorganized Debtors’ management, and the identities of directors on the New Board shall be set forth in the Plan Supplement, to the extent known at the time of filing; <u>provided, however</u> that the Reorganized Debtors’ chief executive officer shall be a member of the New Board and the remainder of the New Board shall be appointed in compliance</p> |

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| | <p>with section 1129(a)(5) of the Bankruptcy Code.</p> <p>Corporate governance for the Reorganized Debtors, including charters, bylaws, operating agreements, or other organization documents, as applicable (the “New Constitutional Documents”), shall be consistent with this Term Sheet and section 1123(a)(6) of the Bankruptcy Code (as applicable) and documentation therefor shall be included in the Plan Supplement and otherwise acceptable to the Debtors and the Required Supporting Creditors.</p> <p>The New Constitutional Documents shall contain the following minority shareholder protections:</p> <ul style="list-style-type: none"> (a) the New Ordinary Shares shall be unlisted but shall otherwise be freely transferable (subject to drag-along and tag-along rights as set forth below) for any holder of New Ordinary Shares (together with any affiliates thereof), subject to applicable securities law restrictions, with no “right of first offer” or “right of first refusal” restrictions; (b) customary drag-along and tag-along rights in connection with transfer of (or series of related transactions constituting a transfer of) 50% or more of the New Ordinary Shares; (c) preemptive rights subject to customary exceptions; (d) holders of New Ordinary Shares and potential purchasers thereof shall have access to information in a Company-controlled data room, the terms of such access and extent of such information to be determined by the Reorganized Debtors; and (e) any transaction with a holder of New Ordinary Shares which is an affiliate of the Reorganized Debtors shall be either (1) at arm’s length or (2) approved by members of the New Board comprised of the members thereof who are not affiliated with a party to such transaction. |
| <p>Exemption from SEC Registration</p> | <p>The issuance of all securities under the Plan will be exempt from SEC registration under applicable law.</p> |

[Exhibits follow.]

EXHIBIT A to Term Sheet**DEFINITIONS**

| Term | Definition |
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| Accredited Investor | As defined in the RSA. |
| Administrative Claim | A Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date until and including the Effective Date of preserving the Estates and operating the Debtors' businesses; (b) Allowed Professional Claims; and (c) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code. |
| Ad Hoc Equity Group | As defined in the Term Sheet. |
| Affiliate | As defined in section 101(2) of the Bankruptcy Code and shall include any directly and indirectly-owned subsidiaries of Holdings that are not Debtors in the Chapter 11 Cases (the " non-Debtor Subsidiaries "). |
| Allowed | As to a Claim or an Interest, a Claim or an Interest allowed under the Plan, under the Bankruptcy Code, or by a final order, as applicable. For the avoidance of doubt, (a) there is no requirement to file a Proof of Claim (or move the Bankruptcy Court for allowance) to be an Allowed Claim under the Plan, and (b) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable nonbankruptcy law. |
| Backstop Commitment Agreement | As defined in the Term Sheet. |
| Backstop Commitment Agreement Term Sheet | As defined in the Term Sheet. |
| Backstop Commitment Fee | As defined in the Term Sheet. |
| Backstop Parties | As defined in the Backstop Commitment Agreement Term Sheet. |
| Bankruptcy Code | As defined in the Term Sheet. |
| Bankruptcy Court | The United States Bankruptcy Court for a district to be agreed by the Debtors and the Commitment Parties. |
| Cause of Action | Any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or Interests; |

| Term | Definition |
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| | (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code. |
| Chapter 11 Cases | As defined in the Term Sheet. |
| Claim | Any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors. |
| Class | A category of Holders of Claims or Interests pursuant to section 1122(a) of the Bankruptcy Code. |
| Commitment Parties | Certain funds and/or accounts managed, advised or subadvised by Angelo, Gordon & Co. L.P., Oak Hill Advisors L.P., HPS Investment Partners, LLC (for and on behalf of certain funds and/or accounts managed, advised or controlled by it or its subsidiaries or affiliates), Elliott Management Corporation, Fidelity Management & Research Company and Alcentra Limited, or, in each case, one of their respective affiliates, that are Supporting Creditors. |
| Conditions Precedent | As defined in the Term Sheet. |
| Confirmation | Entry of the Confirmation Order on the docket of the Chapter 11 Cases. |
| Confirmation Date | The date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021 |
| Confirmation Hearing | The hearing(s) before the Bankruptcy Court under section 1128 of the Bankruptcy Code at which the Debtors seek entry of the Confirmation Order. |
| Confirmation Order | The order of the Bankruptcy Court confirming the Plan under section 1129 of the Bankruptcy Code, which order shall be in form and substance acceptable to the Debtors and the Required Supporting Creditors and in form and substance reasonably acceptable to the Majority Supporting Equityholders to the extent required by the RSA. |
| Consummation | The occurrence of the Effective Date. |
| Debtors | As defined in the Term Sheet. |
| DIP Agent | That certain administrative agent under the DIP Facility Loan Agreement. |
| DIP Credit Agreement | As defined in the RSA. |
| DIP Facility | As defined in the Term Sheet. |
| DIP Facility Claim | Any Claim held by the DIP Lenders or the DIP Agent arising under or related to the DIP Facility Loan Agreement or the DIP Facility Order, including any and all fees, interest paid in kind, and accrued but unpaid interest and fees arising under the DIP Facility Loan Agreement |

| Term | Definition |
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| DIP Facility Loan Agreement | That certain debtor-in-possession credit agreement as approved by the DIP Facility Order, which shall contain terms consistent in all respects with the DIP Facility Term Sheet and otherwise in form and substance acceptable to the Debtors and the Required Lenders. |
| DIP Facility Order | Collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Facility Loan Agreement and access the DIP Facility, which shall be in form and substance acceptable to the Debtors and the Required Lenders. |
| DIP Facility Term Sheet | As defined in the Term Sheet. |
| DIP Lenders | As defined in the Term Sheet. |
| Disclosure Statement | The disclosure statement for the Plan, including all exhibits and schedules thereto, which shall be in form and substance acceptable to the Debtors and the Required Supporting Creditors. |
| Effective Date | The date that is the first Business Day after the Confirmation Date on which all Conditions Precedent have been satisfied or waived in accordance with the Plan. |
| EMT | As defined in the Term Sheet. |
| Entity | As defined in section 101(15) of the Bankruptcy Code. |
| Estate | The estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor's Chapter 11 Case. |
| Exculpated Parties | Collectively, and in each case in its capacity as such: (a) the Debtors; (b) any official committees appointed in the Chapter 11 Cases and each of their respective members; (c) the DIP Lenders; (d) the DIP Agent; (e) the Supporting Creditors; (f) the First Lien Credit Agreement Administrative Agent; (g) the Backstop Parties; (h) the Commitment Parties; (i) to the extent the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time, the Required Supporting Equityholders are not in breach of the RSA and Class 8 votes in favor of the Plan, holders of Interests in Holdings; and (j) with respect to each of the foregoing Entities in clauses (a) through (i), such Entity and its current and former Affiliates, and such Entity's and its current and former Affiliates' current and former equity holders, subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such. |
| Existing Bonding Facility | The \$1.5 million multi-currency overdraft and the \$30 million bank guarantees and standby letters of credit facilities, in each case, dated as of October 21, 2013, as amended and restated from time to time, provided by HSBC Bank PLC. |

| Term | Definition |
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| Existing Retention Plan | As defined in the Term Sheet. |
| Exit Revolving Facility | As defined in the Term Sheet. |
| Exit Revolving Facility Milestones | As defined in the RSA. |
| Exit Revolving Facility Term Sheet | As defined in the Term Sheet. |
| First Lien Credit Agreement | That certain Credit Agreement, dated as of September 2, 2014, among Expro Holdings UK 3 Limited as parent, Expro Finservices S.à.r.l. as borrower, Expro US Finco LLC as Co-Borrower, the other borrowers and guarantors party thereto, HSBC Bank USA, N.A. as administrative agent, and the other agents and lenders party thereto. |
| First Lien Credit Agreement Administrative Agent | HSBC Bank USA, National Association, in its capacity as successor administrative agent pursuant to the First Lien Credit Facility Documents, its successors, assigns, or any replacement agent appointed pursuant to the terms of the First Lien Credit Agreement. |
| First Lien Credit Agreement Claim | As defined in the RSA. |
| First Lien Credit Agreement Documents | Collectively, the First Lien Credit Agreement, each other Loan Document (as defined in the First Lien Credit Agreement), and all other agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, and other security documents). |
| First Lien Lender | As defined in the RSA. |
| First Lien Lender Group | As defined in the RSA. |
| General Unsecured Claims | Any Claim other than an Administrative Claim, a Professional Claim, a Secured Tax Claim, an Other Secured Claim, a Priority Tax Claim, an Other Priority Claim, a First Lien Credit Agreement Claim, a Mezzanine Loan Facility Claim or a DIP Facility Claim. For the avoidance of doubt, General Unsecured Claims do not include any Mezzanine Loan Facility Claims or any claims arising from the Company's existing employment and/or severance agreements. |
| Governmental Unit | As defined in section 101(27) of the Bankruptcy Code. |
| Holder | An Entity holding a Claim or Interest, as applicable. |
| Holdings | Expro Holdings UK 3 Limited, or to the extent that the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time, EIGHL, or any entity that is an affiliate or successor thereto by merger, sale or otherwise. |

| Term | Definition |
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| Impaired | With respect to any Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code. |
| Intercompany Claim | A Claim held by a Debtor or an Affiliate against a Debtor or an Affiliate. |
| Intercreditor Agreement | That certain Amended and Restated Intercreditor Agreement dated 2 September 2014 and originally dated 14 July 2008, by and between Expro Holdings UK 3 Limited, as parent, Expro Holdings UK 4 Limited as company, the other Debtors party thereto, HSBC Bank USA, N.A. as senior agent, and the other agents and lenders party thereto. |
| Interest | Any Equity Security (as defined in section 101(16) of the Bankruptcy Code) in any Debtor and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor. |
| KERP | As defined in the Term Sheet. |
| Loan Parties | Collectively, each Borrower and each Guarantor under the First Lien Credit Agreement. |
| Majority Supporting Equityholders | As defined in the RSA. |
| Management Incentive Plan | As defined in the Term Sheet. |
| Mezzanine Credit Agreement | That certain mezzanine facility agreement between Expro Holdings UK 3 Limited and Expro Holdings UK 4 Limited originally dated July 14, 2008 and as amended and restated on August 13, 2008 and as further, amended and restated. |
| Mezzanine Credit Agreement Documents | The Finance Documents as defined in the Mezzanine Credit Agreement. |
| Mezzanine Lender | Each lender under the Mezzanine Credit Agreement. |
| Mezzanine Loan Facility Claims | Any Claims arising under, derived from or based upon the Mezzanine Credit Agreement. |
| New Board | As defined in the Term Sheet. |
| New Common Stock | The common stock or ordinary shares of Reorganized Expro. |
| New A Warrants | As defined in the Term Sheet. |
| New B Warrants | As defined in the Term Sheet. |
| New Warrants | As defined in the Term Sheet. |

| Term | Definition |
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| New Constitutional Documents | As defined in the Term Sheet. |
| Non-Debtor Subsidiary | As defined in the Term Sheet. |
| Other Priority Claim | Any Claim other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code. |
| Other Secured Claim | Any Secured Claim, including any Secured Tax Claim, other than a First Lien Credit Agreement Claim, a Mezzanine Loan Facility Claim or a DIP Facility Claim. For the avoidance of doubt, "Other Secured Claims" includes any Claim arising under, derived from, or based upon any letter of credit issued in favor of one or more Debtors, the reimbursement obligation for which is either secured by a Lien on collateral or is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code. |
| Petition Date | The date on which the Chapter 11 Cases were commenced. |
| Plan | As defined in the Term Sheet. |
| Plan Supplement | Any compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan, which shall be filed by the Debtors no later than 7 days before the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, and additional documents filed with the Bankruptcy Court prior to the Effective Date as amendments to the Plan Supplement, each of which shall be consistent in all respects with, and shall otherwise contain, the terms and conditions set forth in the RSA and Term Sheet, where applicable, and shall be in form and substance acceptable to the Debtors and the Required Supporting Creditors. |
| Plan Value | As defined in the Term Sheet. |
| Priority Tax Claim | Any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code. |
| Pro Rata | The proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class. |
| Professional Claim | A Claim by a professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code. |
| Proof of Claim | A proof of Claim filed against any of the Debtors in the Chapter 11 Cases by the applicable Bar Date, if any. |
| Reinstated | With respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired in accordance with section 1124 of the Bankruptcy Code. |

| Term | Definition |
|----------------------------------|---|
| Released Parties | Collectively, and in each case in its capacity as such: (a) the Debtors and the Reorganized Debtors; (b) the Supporting Creditors; (c) the Commitment Parties; (d) the Backstop Parties, (e) the First Lien Credit Agreement Administrative Agent; (f) the DIP Lenders; (g) the DIP Agent; (h) to the extent the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time, the Required Supporting Equityholders are not in breach of the RSA and Class 8 votes in favor of the Plan, holders of Interests in Holdings; (i) to the extent Class 5 votes to accept the Plan, the Mezzanine Lenders and each of the foregoing entities in clauses (a) through (i), such Entity and its current and former Affiliates and subsidiaries, and such Entities' and their current and former Affiliates' and subsidiaries' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; <u>provided</u> that any holder of a Claim or Interest that opts out of the releases contained in the Plan or otherwise objects to the Plan or any portion or aspect thereof, including the releases in the Plan, or is otherwise not a Releasing Party shall not be a "Released Party." |
| Releasing Parties | Collectively, (a) any Released Party; (b) all Holders of Claims and Interests that are deemed to accept the Plan; (c) all Holders of Claims who either (i) vote to accept or (ii) receive a ballot but abstain from voting on the Plan; (d) all Holders of Claims entitled to vote who vote to reject the Plan that do not elect on their Ballot to opt-out of the release granted pursuant the Plan; (e) all other Holders of Claims or Interests to the extent permitted by law; and each of the foregoing entities in clauses (a) through (e), such Entity and its current and former Affiliates and subsidiaries, and such Entities' and their current and former Affiliates' and subsidiaries' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly; <u>provided, however</u> , that this shall not include holders of Interests unless such holders are also Released Parties), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such collectively. |
| Reorganized Expro | Holdings, or any successor or assign, by merger, consolidation, or otherwise, on or after the Effective Date. |
| Reorganized Debtors | A Debtor, or any successor or assign thereto, by merger, consolidation, or otherwise, on and after the Effective Date. |
| Required Backstop Parties | As defined in the Backstop Commitment Agreement Term Sheet. |

| Term | Definition |
|--|---|
| Required Lenders | As defined in the DIP Term Sheet. |
| Required Supporting Creditors | Any matter requiring the agreement, waiver, consent or approval of the Required Supporting Creditors shall require the agreement, waiver, consent or approval of (i) Commitment Parties holding more than 66.66% of the First Lien Credit Agreement Claims held by the Commitment Parties and (ii) Supporting Creditors holding more than 50.1% of the First Lien Credit Agreement Claims held by the Supporting Creditors. |
| Required Supporting Equityholders | Holders of Interests in EIGHL holding more than 66.66% of the aggregate amount of Interests outstanding in EIGHL. |
| Restructuring | As defined in the Introduction. |
| Restructuring Transactions | As defined in the Term Sheet. |
| Rights Offering | As defined in the Term Sheet. |
| Rights Offering Cutoff Time | As defined in the RSA. |
| Rights Offering Documents | The Backstop Commitment Agreement, the Rights Offering Procedures (as defined in the Backstop Commitment Agreement Term Sheet) and all other definitive documentation relating to the Rights Offering. |
| Rights Offering Procedures | The procedures governing the Rights Offering attached as an exhibit to the Backstop Commitment Agreement. |
| Rights Offering Shares | The shares of New Common Stock distributed pursuant to and in accordance with the Rights Offering. |
| RSA | As defined in the Term Sheet. |
| RSA Effective Time | As defined in the RSA. |
| SEC | The Securities and Exchange Commission. |
| Secured | When referring to a Claim: (a) secured by a Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code. |
| Secured Tax Claim | Any Secured Claim that, absent its Secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties. |
| Securities Act | The Securities Act of 1933, as amended, 15 U.S.C. §§ 77a–77aa, or any similar federal, state, or local law. |

| Term | Definition |
|--|---|
| Subscription Record Date | The date and time that is mutually agreed between the Company and the Required Backstop Parties, for the determination of the holders entitled to participate in the Rights Offering, <u>provided</u> that the Subscription Record Date shall not be earlier than ten (10) business days before the Confirmation Hearing. |
| Subscription Rights | The rights to purchase Rights Offering Shares as set forth in the Rights Offering Procedures. |
| Supporting Creditors | As defined in the RSA. |
| Supporting Creditor Termination Event | As defined in the RSA. |
| Supporting Equityholders | As defined in the RSA. |
| Supporting Equityholder Termination Event | As defined in the RSA. |
| Term Sheet | As defined in the Introduction. |
| Unimpaired | With respect to a Class of Claims or Interests, a Class of Claims or Interests that is not Impaired. |

EXHIBIT B to Term Sheet

DEBTORS

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| EXPRO HOLDINGS UK 3 LTD. | EXPRO METERS INC. |
| EXPRO FINSERVICES S.à r.l. | EXPRO OVERSEAS LTD. |
| EXPRO US FINCO LLC | EXPRO BENELUX LTD. |
| EXPRO HOLDINGS US, INC. | EXPRO DO BRASIL SERVICOS LTDA* |
| EXPRO HOLDINGS UK 4 LTD. | EXPRO RESOURCES LTD. |
| EXPRO US HOLDINGS, LLC | EXPRO EURASIA LTD. |
| EXPRO AMERICAS, LLC | EXPRO NORTH SEA LTD. |
| EXPRO HOLDINGS AUSTRALIA 1 PTY LTD. | EXPRO (B) SENDIRIAN BERHAD |
| EXPRO HOLDINGS AUSTRALIA 2 PTY LTD. | EXPRO OVERSEAS INC. |
| EXPRO GROUP AUSTRALIA PTY LTD. | EXPRO GULF LTD. |
| EXPRO INTERNATIONAL GROUP LTD. | EXPRO INTERNATIONAL BV |
| EXPLORATION AND PRODUCTION SERVICES (HOLDINGS) LTD. | EXPRO GROUP CANADA INC. |
| EXPRO HOLDINGS NORWAY AS | EXPRO TRINIDAD LTD. |
| PETROTECH AS | EXPRO TOOL S. DE R.L. DE C.V.* |
| PETROTECH BV | EXPRO SERVICOS S. DE R.L. DE C.V.* |
| EXPRO NORWAY AS | EXPROTECH NIGERIA LTD.* |
| PT EXPRO INDONESIA* | EXPRO WORLDWIDE BV |
| | EXPRO INTERNATIONAL LTD. |
| | EXPRO INTERNATIONAL GROUP HOLDINGS LTD.** |
| | EXPRO HOLDINGS UK 2 LTD.** |

* These entities may not be filers on the Petition Date.

** These entities will be Debtors in the event that the Required Supporting Equityholders execute the RSA within five (5) days of the RSA Effective Time.