

Human Resources Department 2007-2008 Business Plan

Department Vision

To be recognized as professionals who are trusted, respected and regarded as the primary resource for human capital expertise, guidance, advice and counsel

Human Resource Business Partners

In order for a business support function to operate effectively, there needs to be in place a service delivery mechanism for the department's business plans and objectives. The Company has a corporate HR function that is designated as the primary strategic center of expertise and a service center to the rest of the organization. However, the overarching goal of the HR department is to be able to provide business support to the leadership and employees in all geographic areas and business units throughout the organization. The best way to accomplish this goal is through the assignment of local, operational, HR "business partners" (HRBP) to work with local management in the business units and the regions.

The regional HR Business Partners (HRBP) will be tasked with three functions. First, these individuals will provide front line HR support for local client groups including operational business units and local business support functions. Second, the incumbents will assist in the development, coordination and distribution of global HR programs, policies, and strategy. Finally, this role will collect and provide feedback from the regional client groups to the corporate HR function, which, in turn, can provide appropriate feedback to senior management.

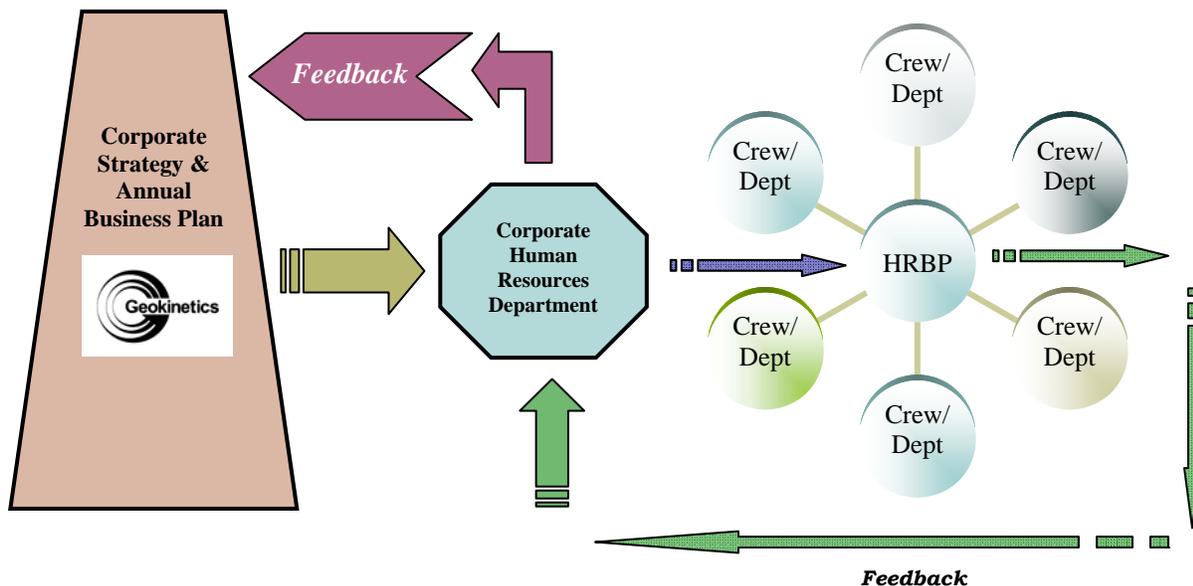


Figure 1: HR service delivery model with a regional or business unit HRBP

The HR department, through the HRBP and local administrative support, will strive to effectively deliver on our promises to our clients and seek to operate efficiently in our daily transactional work. This work includes:

- Enrollment and maintenance of local benefits programs
- Answering employee/management questions on processes and procedures
- Payroll audits
- Weekly/Monthly meetings with managers on business planning
- Personnel change forms and system changes
- Immigration issues for regional staff
- Policy interpretation for the region
- Assisting in yearly performance appraisal process
- Local training and maintenance of training database
- Yearly salary and bonus planning sessions for regional employees and managers
- Orientation/on-boarding for new hires and termination processing
- Answering company-related questions and providing general support to workforce

In order to achieve the greatest impact with the smallest number of business partner staff, we will seek to minimize the administrative portions of our work through the effective use of systems, temporary personnel, and leveraging the existing administrative support in local offices and the field.

Total Compensation Program

Salary Structure

The Company does not have a formal, uniform salary structure or program. This has resulted from the integrations that have taken place in the past two years. As part of the business service provided, the HR Department will use local market data to price individual positions in each region. Globally, individual positions will be slotted into a defined structure that is created in conjunction with senior leadership. As part of this structure, the HR team and senior management will define job families where similar positions can be grouped together for market pricing. This uniform structure will provide management and individuals with career paths and defined opportunities for advancement throughout the organization. Additionally, there will be a dual-career path process whereby employees may be promoted into management positions, or choose a technical career path and continue to operate as “high-level individual contributors.”

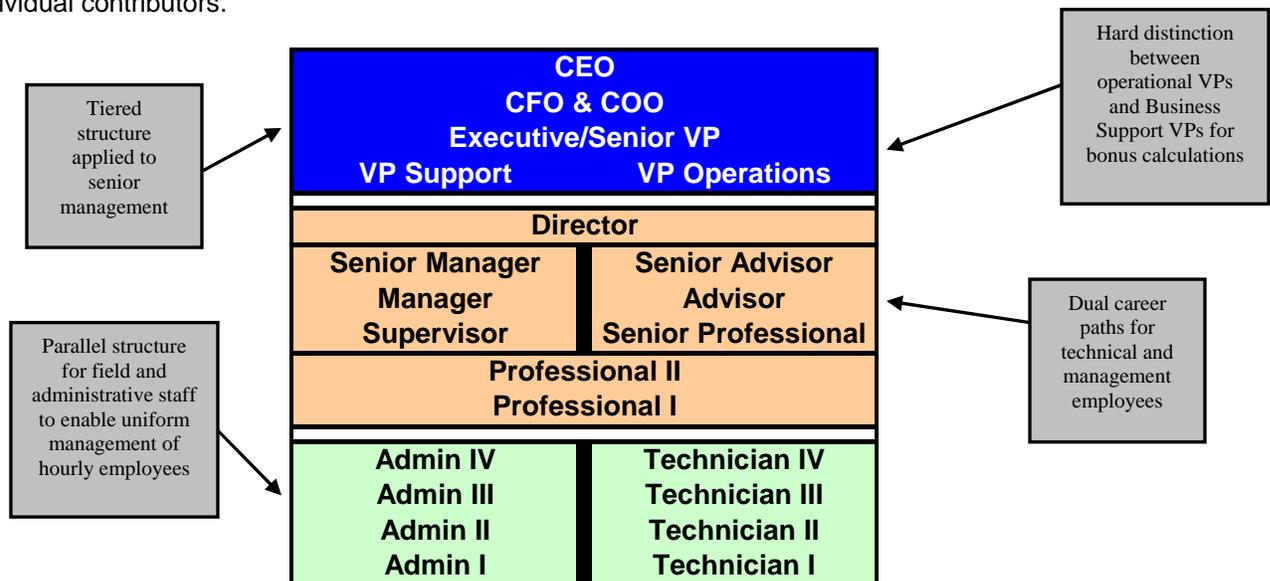


Figure 2: Sample structured career development path and position-leveling system

Bonus Plans

In reviewing the 2006 bonus program, it appears that there was no prescribed, mathematical methodology for distributing of the bonus pool. Most likely, this was due to historical bonus arrangements that needed to be taken into account in 2006, and because of the overall integration process. The HR department will assist executive management in moving the organization away from a general "bonus pool" and design a system of "bonus targets." These bonus targets will be a percentage of salary and will apply to all positions from entry-level professionals and technical staff, through executive management (see Figure 2).

Attainment of these bonus targets will be based on a combination of the employee's personal performance against defined goals, and the Company's performance against established key performance indicators (KPI). Management will set target KPI levels at the beginning of each year then benchmark performance against them throughout the year. Additionally, we will recommend that the Company designate threshold KPI levels for initial bonus payment (ex. 75% of target EBITDA) but balance these with escalators for overachievement on any KPI at the individual, business unit, or the corporate level.

The HR Department will develop a recommendation for the revised program and also work closely with senior management on a transition process from the historical bonus practices. Initially, we want to transition employees off the EBITDA sharing program and onto the "*Bonus Target-KPI*" program. For these individuals with prohibitive agreements in place, we will look at off-setting the adjustments by providing long term incentives or simply waiting until the renewal process for employment agreements. In the longer-term, we will refine our KPIs to include additionally metrics (ex. Safety, EPS, etc.) that drive business performance and further the Company's annual business plan.

Compensation Project

The HR Department will work with the Compensation Committee, senior management, and key functional leaders on developing a total compensation program that will serve the Company going forward.

Phase I:

- Development of *Total Comp Philosophy & Policy*
- Revision of the senior and executive management bonus plan
- Obtaining global salary data

Phase II:

- Defining benchmark jobs, global locations, and job capsules
- Completion of initial job leveling
- Pricing the jobs listed in the data sheet
- Finalize bonus program for regular staff and line management

Phase III:

- Reviewing benchmark data and slotting incumbents
- Finalizing salary plans, grades, and bonus levels
- Working with local management and HRBPs on yearly adjustment cycle
- Implementing adjustments (April 1, 2008)

We will be developing a quasi-parallel structure for senior management. Using a tiered approach, we can group senior management in the business support and operations groups who have similar scope of control and delegations of authority. Managers may be compensated slightly differently depending upon their placement in the business support or operations in terms of base salary and bonus potential. However, all similarly situated managers will be placed on the same variable and LTI plans. Additionally, similarly leveled managers across the business functions will have consistently managed severance programs and uniform pay practices applied to them.

Benefits Administration

Presently, the Company is has a self-funded benefits plan for the domestic workforce. Each location has a local benefits program in place, presumably in accordance with local customs and regulations. Additionally, the HR team uses a broker to provide benefits for our third country national workforce. We will continue with these programs and look to improve synergies with our benefits providers, our systems, and our brokers. We will also look at more effective communication to employees and potential recruits, as benefits are a cornerstone to our total compensation philosophy and program.

Payroll

The corporate finance team handles the payroll for all domestic, local nationals, and third country nationals. Absent a change in this reporting structure, our goal will be to develop sound internal controls for the HR portion of the payroll function. By the end of the year (2007) we need local payroll offices to provide corporate HR with monthly payroll reports and backup documentation for all out of cycle salary adjustments and payroll exceptions. The HR team would then notify the corporate treasurer that the funds can be released to the local payrolls. Additionally, the global payroll function should be handled (where necessary) from Houston, in support of the regions without sufficient staff level to handle this function.

In the event that the HR department begins management of the payroll function, we will continue with this plan, but include streamlining processes, creating objective measures of performance, leveraging present staff as systems administrators for our employee database, and reviewing for synergistic hiring in our approach to future growth in the department.

Workforce Planning

Workforce planning should be an integral part of the strategic planning process. It should also be tied closely with the development and implementation of the Company's annual business plan. After the Company identifies objectives and goals regarding growth and future development, management must forecast staffing needs consistent with these objectives. The cost and benefits of human capital should be the focus of any long-range plan, as headcount is a central measure in the budgeting process. It is the human resources department's function to support growth in the workforce where the business plan demands it, and restrict hiring where management seeks to hire for unapproved positions or fails to follow the Company's guidelines with respect to hiring.

Organizational Analysis/Design

In order for an organization to function efficiently, there needs to be a solid organizational structure in place. While companies may vary in rigidity of their structures, every company has some of level of formal or informal structure and hierarchy. The more attention given to developing and supporting an effective organizational structure, the more efficient the operations should perform. Therefore, the HR Department will immediately begin to work with operations on developing an effective organizational structure during the remainder of 2007. After this is completed, we will use continuous process improvement techniques to refine the structure as the Company grows.

Training & Development

Workforce training and development are critical functions that are needed by the organization. During my conversations with various leaders from different departments, I have received requests for numerous types and levels of training. These have ranged from executive management training, to compliance policies and procedures, to basic accounting and personnel management. Because the organization is still relatively immature in the business life cycle, I believe that the training and development needs should be addressed in phases over the next two to three years, with priority placed on getting the fundamental training modules to our line management and leadership in our field operations.

Initially, the HR team will work with QHSE, Accounting, IT, and senior management on the development of a 2-3 day course for field management and other critical personnel. Essentially, the goal of this training will be twofold. First, we want to provide a good business foundation to the organization's leadership to help them run more effectively and autonomously. Second, the training it will provide a generation of leaders with an understanding of how the Company's expects a "Geokinetics Leader" to conduct business, address their employees, and handle their individual operations.

The HR department's goal will be to extend training and development beyond the line management and into the corporate and senior management ranks. However, due to resource limitations, we do not expect that this will be something that corporate HR can provide during the immediate business year. Instead, we intend to augment our services with use of selected training vendors that can be utilized by individuals or departments on an "as needed" basis. By focusing our internal (fixed cost) resources on the areas of greatest need and simplest requirements, and outsourcing our more robust (but limited in demand) training requirements, we should be able to better control costs in this area for the long term.

Performance Management

The Company completed its first cycle with a performance management tool at the end of 2006. In 2007, we will review this tool and work on aligning it to the total compensation and the career development programs that will be put in place over the next six to nine months. Only after we are able to align the current tool with the other programs, we will look at refining and reengineering the program.

Recruitment

As a general rule, tactical recruitment is handled by managers, regional administrative personnel, and corporate HR staff. The goal for Q4 2007 will be to have the corporate HR recruitment personnel and the regional HRBPs working with regional/functional management and the regional controllers on the yearly headcount projections and long range business plan. Position recruitment initiation and offer letters will be handled by the HRBPs in conjunction with the corporate HR team. Offer letters for all senior and international management positions will be handled by the corporate HR team.

In order to provide more support in this area, the HR Department will be implementing a "recruitment management system" (RMS) globally. The RMS will include an applicant tracking system, careers website, and internal mobility solution. The applicant tracking system allows HR staff to post open positions to our corporate website, advertise on external websites (ex. Careerbuilder.com), and manage resumes through a single portal. The careers website will give the Company a "web presence" and a consistent employer brand across the globe. The key stone will be the internal mobility solution. This system will allow employees to post for openings internally, but also create a longer term database of our employees' skills and experience. The longer term goal with this system will be to create a process whereby a manager can have a resource for staffing special projects with the most qualified internal personnel.

Additionally, the department will provide support on interviewing teams as requested by hiring managers through the HRBP or the corporate recruitment personnel. This support will include a variety of service levels (depending on the type of positions) from presentation of benefits information, to behavioral interviewing for fit within the organization, to technical interviewing (when appropriate). Other matters, such as temporary administrative support and contingent workforce agreements will be handled by the corporate HR team in order to support of line management and to ensure that the vendor agreements are aligned globally with our Company's standard business practices. All recruiting agreements (headhunters) will be negotiated and/or retained by the US HR team in support of our global recruitment efforts.

Succession Planning

Succession planning identifies and grooms candidates for future openings in key positions due to lost leadership, new markets or new environments. Succession planning is a part of a series of integrated

human resources systems linking forecasting, career planning and development, assessment and performance appraisal.

The primary task of succession planning is to plan a sequence of personnel moves so that candidates for key positions are known in advance of actual need. This prior identification permits opportunities for mentoring and developmental activities to improve a manager's readiness to succeed to specific positions. It also provides concrete decision-making information needed to minimize the chance of poor choices or the adverse impacts of unplanned vacancies that can disrupt the continuity of management.

The Human Resources Department will take the lead on assisting management in the area of succession planning. While our initial work will be with executive management on planning for senior management, we will also work with managers to identify "high-potential" individuals in all departments across the organization. We will ensure that these high potential individuals are properly trained, developed, and compensated (preferably with longer term incentive plans), so that they are ready and available to step in to leadership roles within the organization.

Integration

Many business journals and books have been written addressing the idea that most business acquisitions "fail," because they do not add the shareholder value promised, and in some cases, actually make both companies worse than before. When acquiring another company, management focuses on the financial gains that consolidation of operations and economies of scale will bring. However, many companies spend all their time and focus on the business and financial components of the integration process, and fail to address and manage the system and human capital integration.

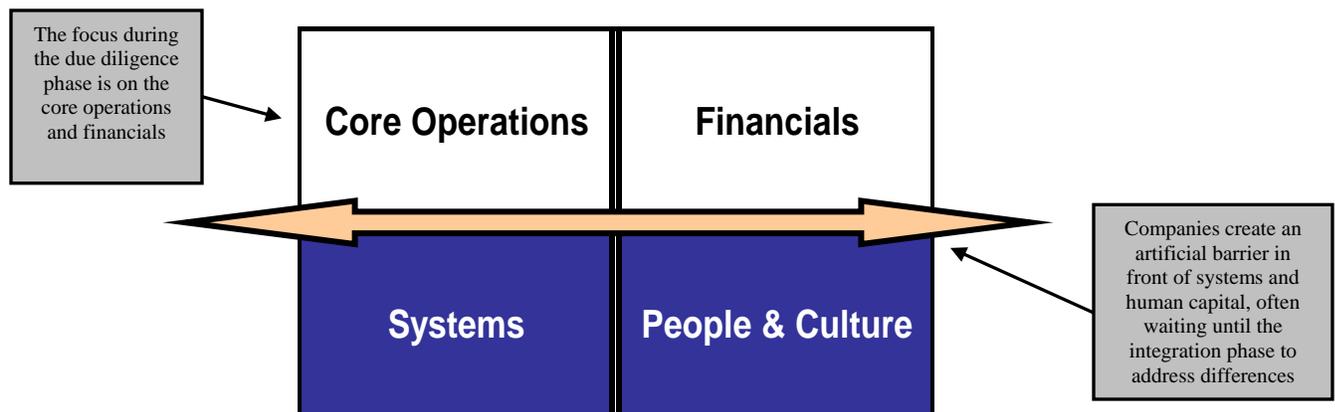


Figure 3: Mergers can fail because companies do not consider the system and human capital components

There are many lingering issues in our company's current integration process. However, adding structure and consistency to the Company's human capital practices and system may resolve many of the issues. Therefore, I believe that many of the items on the HR business plan, once executed, will address many of the current integration issues. However, senior management will continue to actively consider and focus on integration as a topic and a goal. With future deals potentially arising at any time, the HR department will need to be aware of successful integration methods and continue to build systems and process that support efficient and effective corporate integrations.

Administration

Records Management

The corporate HR team handles the records for the local office. However, the long term goal of the department is threefold. The first goal is to transfer copies of critical HR records to the corporate office to create a centralized repository. Second, other critical business documents need to be provided to the US office as part of our internal controls. Third, there should be a system in place that will allow the global records for finance and HR to be handled and stored at or near the corporate office in Houston. The global records management process can be accomplished in three phases.

Phase I:

- Establishment of space needs and processes for intake and storage
- Creation of records management infrastructure (staff, management, handling procedures, etc)

Phase II:

- Transfer of local records
- Transfer of global HR records

Phase III:

- Development of formal record retention schedule (with SOX compliance and legal assistance)
- Ongoing maintenance and process review

Policies & Procedures

The US Policy Handbook has been completed and distributed. However, the international policy handbook needs to be finalized. Additionally, we are in the process of finalizing and communicating the Code of Business Conduct and Patent & Secrecy agreements to the organization.

HRIS

Global companies require systems to coordinate information access and flow around the world. Working with corporate IT and Finance, the corporate HR team will work on evaluating systems and developing a business case for an enterprise resources planning system for the Company. In the interim, we will evaluate using local payroll and training databases as an alternative.

Risk Management

The department has been handling the corporate insurance program. The present HR staff is uniquely qualified to continue to handle this function for the next 6-9 months. In the mid to longer term, we will hire a mid-level manager for benefits or compensation who can also become familiar with the day-to-day supervision of the risk management function.

The corporate HR/Risk Management group will also handle global employment law compliance, by working with regional leadership, local HRBPs, and employment counsel on minimizing risks related to employment. This includes review and standardization of employment agreements to conform to the Company's internal requirements and local employment regulations. We will also ensure that any workplace complaints or reductions in force are properly investigated and reviewed.

Additional Projects

- Service Award Program
- Mobility/Travel
- Domestic & International Relocation
- Ex-pats/Immigration
- Tuition reimbursement
- General administration