

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name ION Geophysical Corporation		2 Issuer's employer identification number (EIN) 22-2286646	
3 Name of contact for additional information Jamey Seely	4 Telephone No. of contact (281) 552-3011	5 Email address of contact info@iongeo.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2105 CityWest Blvd., Suite 400		7 City, town, or post office, state, and Zip code of contact Houston, TX 77042	
8 Date of action February 4, 2016	9 Classification and description Common Stock		
10 CUSIP number 462044207	11 Serial number(s)	12 Ticker symbol IO	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On February 4, 2016, ION Geophysical Corporation ("ION") undertook a reverse stock split by issuing 1 share of common stock ("new common shares") in exchange for 15 outstanding shares of common stock ("old common shares") (collectively, the "recapitalization"), resulting in ION having a total of 10,567,558 new common shares outstanding immediately after the recapitalization.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The recapitalization is a reverse stock split of ION's old common shares which will be treated as a tax free reorganization under IRC Section 368(a)(1)(E). Under IRC Section 358(a), the shareholder's aggregate tax basis in the new common shares received, including fractional shares, pursuant to the recapitalization will equal the aggregate tax basis in the old common shares surrendered in the transaction. Shareholders who would otherwise receive a fractional share, received a cash payment in lieu of such fractional share.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The shareholder's tax basis in the old common shares must be allocated to the new common shares (or allocable portions thereof) received in a manner that reflects, to the greatest extent possible, the basis in the old common shares that were acquired on the same date and at the same price. To the extent it is not possible to allocate the tax basis in this manner, the aggregate tax basis in the old common shares surrendered must be allocated to the new common shares (or allocable portions thereof) received in a manner that minimizes the disparity in the holding periods of the old common shares whose basis is allocated to any particular new common shares.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sections 368(a), 354(a), 358(a) and 1001.

18 Can any resulting loss be recognized? ▶ As the recapitalization qualifies as a tax free reorganization, no loss may be recognized. In the case of payment received in lieu of fractional shares, subject to other relevant facts and rules regarding loss recognition limitations, a loss may qualify for recognition where the tax basis allocated to the fractional shares was greater than the cash payment received for those same fractional shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year for the recapitalization is the tax year during which the recapitalization occurred (ie., 2016 for calendar year taxpayers).

The tax treatment of a stockholder may vary depending upon the particular facts and circumstances of the stockholder. Each stockholder is urged to consult with the stockholder's own tax advisor with respect to the consequences of the reverse stock split.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Jamey S. Seely* Date ▶ February 10, 2016
Print your name ▶ Jamey S. Seely Title ▶ EVP, General Counsel and Corp Sec

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.