



NEWS RELEASE

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FOR IMMEDIATE RELEASE

GEOSPACE TECHNOLOGIES ANNOUNCES CUSTOMER INTENTION TO CANCEL OBX RENTAL CONTRACT DUE TO BUSINESS DELAYS

Houston, Texas – March 27, 2019 – Geospace Technologies (NASDAQ: GEOS) today announced that it has received notice from a customer that, as a result of business delays, it is unable to take delivery of 5,000 OBX stations and related equipment scheduled for delivery on April 15, 2019. If the customer does not take delivery by April 15, 2019, Geospace will recognize revenue of \$1.3 million in its second quarter ending March 31, 2019 representing a non-refundable upfront deposit it received from the customer in 2018. Geospace announced the signing of this contract on August 30, 2018 and estimates the contract would have generated approximately \$8 million of rental revenue over the contract’s minimum rental term of 180 days.

“While we are disappointed to hear this news, we believe our OBX marine nodal products remain in high demand and we are currently evaluating several opportunities to deploy these OBX stations in the coming months,” said Walter “Rick” Wheeler, President and Chief Executive Officer. “We believe the customer who cancelled will be back in the marketplace during the next twelve months and we hope to be able to supply their marine nodal product needs at that time.”

About Geospace Technologies

Geospace principally designs and manufactures seismic instruments and equipment. We primarily market our seismic products to the oil and gas industry to locate, characterize and monitor hydrocarbon producing reservoirs. We also market our seismic products to other industries for vibration monitoring, border and perimeter security and various geotechnical applications. We design and manufacture other products of a non-seismic nature, including water meter products, imaging equipment and offshore cables.

Forward Looking Statements

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “intend”, “expect”, “plan”, “budget”, “forecast”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “evaluating” or similar words. Statements that contain these words should be read carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial position or state other forward-looking information. Examples of forward-looking statements include, among others, statements that we make regarding our expected operating results, the adoption and sale of our products in various geographic regions, anticipated levels of capital expenditures and the sources of funding therefore, and our strategy for growth, product development, market position, financial results and the provision of accounting reserves. These forward-looking statements reflect our current judgment about future events and trends based on the information currently available to us. However, there will likely be events in the future that we are not able to predict or control. The factors listed under the caption “Risk Factors” and elsewhere in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, which are on file with the Securities and Exchange Commission, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Such examples include, but are not limited to, decreases in commodity price levels, which could reduce demand for our products, the failure of our products to achieve market acceptance, despite substantial investment by us, our sensitivity to short term backlog, delayed or cancelled customer orders, product obsolescence resulting from poor industry conditions or new technologies, bad debt write-offs associated with customer accounts, and lack of further orders for our OBX systems. The occurrence of the events described in these risk factors and elsewhere in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q could have a material adverse effect on our business, results of operations and financial position, and actual events and results of operations may vary materially from our current expectations. We assume no obligation to revise or update any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future developments or otherwise.