

## Results for the first half of 2021

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- **Sharp improvement in the Group's financial results**

- Sales up 32% to \$188 million (\$142 million in H1 2020), significant rise in EBITDA to \$117 million (\$18 million in H1 2020), and net income before non-recurring items of \$33 million (-\$61 million in H1 2020)
- M&P's working interest production of 25,182 boepd in H1, including 15,189 bopd on the Ezanga permit in Gabon before resumption of development drilling in mid-July
- Average sale price of oil up to \$63.0/bbl, a sharp increase from the previous year (\$34.6/bbl H1 2020 and \$45.5/bbl in H2 2020)

- **Cash generation up and continuing cost control**

- Financial discipline maintained: opex & G&A of \$77 million in H1 2021, versus \$86 million in H1 2020 and \$78 million in H2 2020
- \$101 million in cash flow from operating activities before change in working capital; \$40 million in free cash flow, despite a -\$42 million change in working capital (only two liftings over the period)
- Net debt down to \$413 million at 30 June 2021 (versus \$455 million at 31 December 2020) thanks to a \$41 million debt repayment during the period and a stable cash position (\$167 million at 30 June 2021)
- Agreements being finalized with the Gabonese authorities to find a constructive and mutually satisfactory solution to various financial cases related to Maurel & Prom, and in particular the issue of the \$43 million currently held in escrow

- **Resumption of development operations**

- Development drilling on the Ezanga permit resumed in mid-July in parallel with a stimulation campaign on existing wells to restore the production potential of the fields
- Ongoing workover campaign in Angola to support production from blocks 3/05 and 3/05A

**Main financial aggregates for the first half of 2021**

<i>in \$m</i>	<b>H1 2021</b>	<b>H1 2020</b>	<b>Change</b>
<b>Income statement</b>			
<b>Sales</b>	<b>188</b>	<b>142</b>	<b>32%</b>
Opex & G&A	-77	-86	
Royalties and production taxes	-37	-21	
Change in overlift/underlift position	43	-24	
Other	0	6	
<b>EBITDA</b>	<b>117</b>	<b>18</b>	<b>549%</b>
Depreciation, amortisation and provisions and impairment on assets in production and development	-43	-539	
Expenses and impairment of exploration assets	0	-30	
Other	-1	-2	
<b>Operating income</b>	<b>74</b>	<b>-553</b>	<b>N/A</b>
Financial income	-13	-12	
Income tax	-36	-8	
Share of income/loss of associates	7	-33	
<b>Net income</b>	<b>32</b>	<b>-606</b>	<b>N/A</b>
<i>O/w net income before non-recurring items</i>	<i>33</i>	<i>-61</i>	<i>N/A</i>
<b>Cash flows</b>			
Cash flow before income tax	118	17	
Income tax paid	-16	-16	
<b>Operating cash flow before change in working capital</b>	<b>101</b>	<b>1</b>	<b>N/A</b>
Change in working capital requirement	-44	94	
<b>Cash flow from operating activities</b>	<b>57</b>	<b>96</b>	<b>-39%</b>
Development capex	-19	-26	
Exploration capex	-	-45	
M&A	-	-	
<b>Free cash flow</b>	<b>38</b>	<b>25</b>	<b>52%</b>
Net cost of debt	-46	-49	
Dividends received	9	6	
Dividends paid	-	-	
Other	-2	0	
<b>Change in cash position</b>	<b>-1</b>	<b>-19</b>	<b>N/A</b>
<b>Opening cash</b>	<b>168</b>	<b>231</b>	
<b>Closing cash</b>	<b>167</b>	<b>212</b>	

At its meeting of 3 August 2021, chaired by John Anis, the Board of Directors of the Maurel & Prom Group (“M&P” or “the Group”) approved the financial statements for the year ended 30 June 2021.

Olivier de Langavant, Chief Executive Officer at Maurel & Prom, stated: *“The efforts undertaken last year as part of the adaptation and cost reduction plan have allowed the Group to take full advantage of the rise in crude prices and report a major improvement in its financial results for this first half. The objective now is to maximise this performance by increasing production, particularly through development drilling in Gabon which resumed in July.”*

## **Financial performance**

The Group’s valued production (income from production activities, excluding lifting imbalances and inventory revaluation) was \$204 million in H1 2021, up 31% from H1 2020 (\$156 million). The restatement of lifting imbalances net of inventory revaluation resulted in a negative impact of \$16 million in the first half of the year. The Group’s consolidated sales for first-half consequently stood at \$188 million, up 32% from H1 in 2020.

Thanks to strict cost control measures, operating expenses and and G&A were kept at their H2 2020 level, coming in at -\$77 million (versus -\$86 million in H1 2020 and -\$78 million in H2 2020). The increase in prices took royalties and production taxes to -\$37 million (-\$21 million in H1 2020).

After accounting for the change in underlift position (\$43 million), EBITDA stood at \$117 million for H1 2021, versus \$18 million in H1 2020.

Depreciation and amortisation charges amounted to \$43 million for H1 2021, down sharply from H1 2020 (-\$66 million for current items, -\$539 million in total including impairment and value losses), due to a one-time impairment charge recorded in fiscal year 2020.

Financial income was -\$13 million in H1 2021, while the share of income from equity associates was \$7 million, mainly from the 20.46% interest in Seplat.

Net income totalled \$32 million in first-half 2021, versus -\$606 million for the same period in 2020. Adjusted for non-recurring items, recurring net income was \$33 million, versus -\$61 million in H1 2020.

From a cash flow perspective, cash flow from operating activities in H1 2021 amounted to \$57 million, despite cash consumption of \$44 million resulting from the increase in working capital requirement caused by the underlift position. Free cash flow stood at \$38 million, after taking into account -\$19 million in development capex outlaid during the period, primarily in Gabon.

M&P’s cash position at 30 June 2021 was \$167 million, unchanged from 31 December 2020 (\$168 million) due to just two liftings during the period. M&P also repaid \$41 million in debt in H1 2021, reducing its total debt to \$580 million. At end-June 2021, net debt stood at \$413 million, versus \$455 million at 31 December 2020.

As announced in the first quarter 2021 press release, the sum of \$43 million corresponding to the debt owed by Gabon Oil Company (GOC) to M&P in respect of pre-2018 carrying costs remains frozen in an escrow account. Agreements are being finalised with the Gabonese authorities to find a positive and constructive resolution to this situation, and also to other matters currently ongoing with the Gabonese Republic.

## Production activities

		Q1 2021	Q2 2021	H1 2021	H1 2020	H2 2020	H1 2021 vs H1 2020 H2 2020	
<b>M&amp;P working interest production</b>								
Gabon (oil)	bopd	15,120	15,256	<b>15,189</b>	18,134	15,671	-16%	-3%
Angola (oil)	bopd	3,333	3,786	<b>3,561</b>	4,108	3,759	-13%	-5%
Tanzania (gas)	mmcf	40.7	36.5	<b>38.6</b>	28.0	34.9	+38%	+11%
<b>Total</b>	<b>boepd</b>	<b>25,240</b>	<b>25,124</b>	<b>25,182</b>	<b>26,917</b>	<b>25,243</b>	<b>-6%</b>	<b>-0%</b>
<b>Average sale price</b>								
Oil	\$/bbl	57.3	68.5	<b>63.0</b>	34.6	45.5	+82%	+38%
Gas	\$/mmBtu	3.34	3.35	<b>3.35</b>	3.32	3.31	+1%	+1%

- **Gabon**

M&P's working interest oil production (80%) on the Ezanga permit was 15,189 bopd (gross production: 18,986 bopd) in H1 2021, stable compared with the production level of H2 2020 (15,671 bopd for M&P working interest). The lack of drilling since March 2020 adversely affected the fields' production potential, which currently stands at around 21,000 bopd (gross).

After production cuts imposed under OPEC quotas came to an end, M&P resumed development drilling in the middle of July, which is expected to significantly increase the production potential. A campaign of stimulation operations also began in mid-July to optimise the production and injectivity of some existing wells.

- **Tanzania**

M&P's working interest gas production (48.06%) on the Mnazi Bay permit stood at 38.6 mmcf (gross production: 80.30 mmcf) for H1 2021, up 38% from H1 2020 and up 11% from H2 2020. The low seasonal demand usually observed during the rainy season (which more or less coincides with Q2) did not materialise this year, and M&P's working interest production came in at 36.5 mmcf in Q2 2021, versus 25.4 mmcf in Q2 2020.

- **Angola**

M&P's working interest production (20%) in Block 3/05 in H1 2021 was 3,561 bopd (gross production: 17,804 bopd). Output from the asset rose sharply in Q2 2021 (up 14% from Q1 2021) following the completion of maintenance work, which had caused operations to be suspended or significantly reduced at the end of February and throughout March.

Workover operations are currently ongoing, which should in particular see production resume on Block 3/05A.

Français		Anglais	
pieds cubes	pc	cf	cubic feet
millions de pieds cubes par jour	Mpc/j	mmcfd	million cubic feet per day
milliards de pieds cubes	Gpc	bcf	billion cubic feet
baril	B	bbl	barrel
barils d'huile par jour	b/j	bopd	barrels of oil per day
millions de barils	Mb	mmbbls	million barrels
barils équivalent pétrole	bep	boe	barrels of oil equivalent
barils équivalent pétrole par jour	bep/j	boepd	barrels of oil equivalent per day
millions de barils équivalent pétrole	Mbep	mmbpe	million barrels of oil equivalent

For more information, visit [www.maureletprom.fr](http://www.maureletprom.fr)

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*This document may contain forward-looking statements regarding the financial position, results, business and industrial strategy of Maurel & Prom. By nature, forward-looking statements contain risks and uncertainties to the extent that they are based on events or circumstances that may or may not happen in the future. These projections are based on assumptions we believe to be reasonable, but which may prove to be incorrect and which depend on a number of risk factors, such as fluctuations in crude oil prices, changes in exchange rates, uncertainties related to the valuation of our oil reserves, actual rates of oil production and the related costs, operational problems, political stability, legislative or regulatory reforms, or even wars, terrorism and sabotage.*

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