

Consolidated results at 30 June 2018

- **Solid operating performance in a context of favourable prices**
 - Sales up by 14% to €196m (US\$237m)
 - EBITDA up by 27% to €99m (US\$120m)
 - Operating income showing a profit of €53m (US\$64m)
 - Financial income showing major improvement from -€54m (-US\$65m) to -€8m (-US\$10m)
 - Income from equity associates (Seplat) rose to €9m (US\$11m)
 - Sharp increase in net income to €20m (US\$24m)

- **Strengthening of the balance sheet**
 - Reduction in net debt of -€28m in H1 2018
 - Cash position up by €49m to €265m

Main financial aggregates at 30 June 2018:

<i>in €m</i>	H1 2018	H1 2017	<i>Change</i>
Sales	196	172	14%
EBITDA	99	78	27%
<i>as % of sales</i>	51%	45%	
Operating income	53	19	
Financial income	-8	-54	
Share of income/loss of associates	9	-6	
Consolidated net income	20	-56	
Net cash flow from operating activities	76	79	
Net cash position at the end of period	265	216	41%

At its meeting of 3 August 2018, chaired by Aussie B. Gautama, the Board of Directors of the Maurel & Prom Group approved the consolidated financial statements for the period ended 30 June 2018.

Michel Hochard, Maurel & Prom's Chief Executive Officer, said:

"In a more favourable economic environment, Maurel & Prom saw an improvement in its results in the first half of 2018, which was reflected in the sharp increase (+27%) in our EBITDA to €99 million. In the second half of the year we will be focusing our efforts on our drilling programme in Gabon and our organic and external growth opportunities."

Significant events

- **Safety at Work: our priority**

As of June 30, 2018, the key indicators for the period are:

- Number of Fatalities (FAT) : 0⁽¹⁾
- Lost Time Injury Frequency (LTIF) : 0.50⁽¹⁾
- Total Recordable Injury Rate (TRIR) : 1.76⁽¹⁾

⁽¹⁾ Based on 4 million hours worked

These indicators are to be correlated with the resumption of drilling activities on the Ezanga permit since the beginning of the year, for which a strengthening of the EHS-S processes for safety has been specifically developed. However, the Group recorded a number of incidents during the second quarter of 2018, leading us to reinforce our corrective and preventive actions.

- **Operations**

Operated oil production in Gabon in first-half 2018 stood at 21,561 bopd, or 17,249 bopd for M&P's working interest.

Gas production in Tanzania reached new highs in the first half and posted output of 79.3 MMcf/d at 100%, or 38.1 MMcf/d for M&P's working interest. Since February 2018, the average operated production level has exceeded 80 MMcf/d, rising steadily to reach a record level of 89 MMcf/d in June 2018.

In the first half of 2018, **exploration activities** focused on preparation for drilling in Gabon, which is expected to begin at the end of 2018. In addition, a complementary seismic survey was carried out in Namibia on licenses 44 and 45.

- **Finances**

Brent prices continued to rise in the first half of 2018. The average sale price of oil produced in Gabon was US\$69.2/bbl in the first half of 2018, 36% higher than in the first half of 2017. This price increase resulted in **consolidated sales**⁽²⁾ of €196 million, up by 14% over the first half of 2017, despite a 13% drop in production in Gabon due to limited evacuation of oil volumes in the export pipeline, as requested by the operator, following pressure increases in the export pipeline from Cap Lopez. After consultation with other users, the level of production is gradually being restored (21,577 bopd in July).

The favourable price environment had a positive impact on the Group's margins. The **EBITDA margin** rose from 45% of sales in the first half of 2017 to 51% in the first half of 2018. **Current operating income** amounted to €56 million in H1 2018, a clear improvement over H1 2017. As for the Group's **operating income**, this amounted to €53 million in H1 2018 versus €19 million in H1 2017.

⁽²⁾ The entry into force of IFRS 15, mandatory from 1 January 2018, led the Group to change the way it recognises sales. Instead of being based on the Group's entitlements on the production delivered to the oil terminals ("entitlement method"), they are now calculated on the basis of liftings during the period. In accordance with IFRS 15, this change in accounting method was applied prospectively, without restating comparative periods. The effect on sales in first-half 2018 in Gabon was positive to the tune of some US\$18 million, with lifted volumes exceeding production.

Financial income for first-half 2018 showed a loss of €8 million, which included in particular a net borrowing cost of -€9 million. The Group's refinancing in US dollars at the end of 2017 led to a significant reduction in the Group's exposure to foreign exchange risk. Foreign exchange income was a positive €1 million for the period, versus a loss of €33 million at 30 June 2017.

Income from equity associates stood at €9 million, reflecting the sharp improvement in Seplat's financial results (20.46% M&P) in H1 2018 following the return of its hydrocarbon production to the levels achieved before a force majeure was declared on the Transforcados export terminal (Nigeria) and higher gas production. Note that Seplat's investments in equity associates amounting to €134 million do not reflect the market value of M&P's share, which stood at €187 million at 30 June 2018.

After taking into account the above elements and a tax liability of €34 million, the Group's consolidated **net income** at 30 June 2018 was €20 million.

The Group's **cash flow from operating activities** amounted to €77 million in H1 2018. This was primarily used to finance investments of €31 million, for the most part in Gabon on the Ezanga production permit, and for interest payments on borrowings amounting to €7 million.

At 30 June 2018, the Group's **cash position** stood at €265 million and its **net debt** at €335 million.

The financial report as at 30 June 2018 is available on the Company's website at www.maureletprom.fr

	French		English	
	Million	M	m	Million
	pieds cubes	pc	cf	cubic feet
	pieds cubes par jour	pc/j	cfpd	cubic feet per day
	milliers de pieds cubes	kpc	Mcf	1,000 cubic feet
	millions de pieds cubes	Mpc	MMcf	1,000 Mcf = million cubic feet
	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
	milliers de barils	kb	Mbbl	1,000 barrels
	millions de barils	Mb	MMbbl	1,000 Mbbl = 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
	milliers de barils équivalent pétrole	kbep	Mboe	1,000 barrels of oil equivalent
	millions de barils équivalent pétrole	Mbep	MMboe	1,000 Mbbl = million barrels of oil equivalent

For more information, visit www.maureletprom.fr

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Maurel & Prom is listed for trading on Euronext Paris
CAC All-Share – CAC Oil & Gas – Next 150 - PEA-PME and SRD eligible
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