



**Buyback of Rockover's rights**  
*12 December 2018*

# Speakers



**Aussie B. Gautama**  
Chairman of the Board of Directors



**Michel Hochard**  
Chief Executive Officer



**Patrick Deygas**  
Chief Financial Officer



**Alain Torre**  
General Secretary

- Maurel & Prom (“M&P”) entered Gabon on 14 February 2005 through the acquisition of Rockover Oil & Gas Limited from Rockover Energy Limited (“Rockover”) and the Mayfair Trustees Limited (acting as trustee of the Masasa Trust)
- In addition to a cash amount paid on closing of the sale, M&P undertook to make deferred payments (“compléments de prix”) dependent on the actual future production from the areas where the assets were located (the "Deferred Payments")
- Rockover currently receives an annual amount of approximately \$3.5mm, which will increase to c.\$10mm once the 80 million barrels production threshold has been met (expected by year-end 2019)
- On 7 November 2018, M&P announced that it has entered into an agreement with Rockover to acquire their share of Deferred Payments for a total consideration of \$43mm:
  - 25% of the consideration (\$10.75 million) to be paid in cash
  - 75% of the consideration (\$32.25 million) to be satisfied through the issuance of 5,373,209 new ordinary shares in Maurel & Prom to be subscribed for by Rockover by way of set off (“Compensation de Créance”)
- **The Extraordinary General Meeting is held today to seek approval for the issuance of the shares to Rockover**

# The transaction is beneficial to M&P and its shareholders

## Consideration justified by fundamental value

- ✓ Transaction consideration of \$43mm based on discounted cash flow (DCF) valuation
- ✓ M&P retains full value upside beyond current oil price and production levels

## Free cash flow accretive

- ✓ Allows M&P to save an annual cash amount of \$6mm to \$10mm, net of taxes
- ✓ Limited cash outflow (\$10.75mm) due to share issuance consideration
- ✓ Accretive on a free cash flow per share basis
- ✓ Helps preserve cash flow generation, especially post desaturation of recoverable cost pool

## Capital increase at a premium to current share price

- ✓ Issuance price calculated based on share price performance in Q3/Q4 2018, which limits dilution for existing shareholders
- ✓ Issuance price of €5.182

## Increases free float and enhances market liquidity

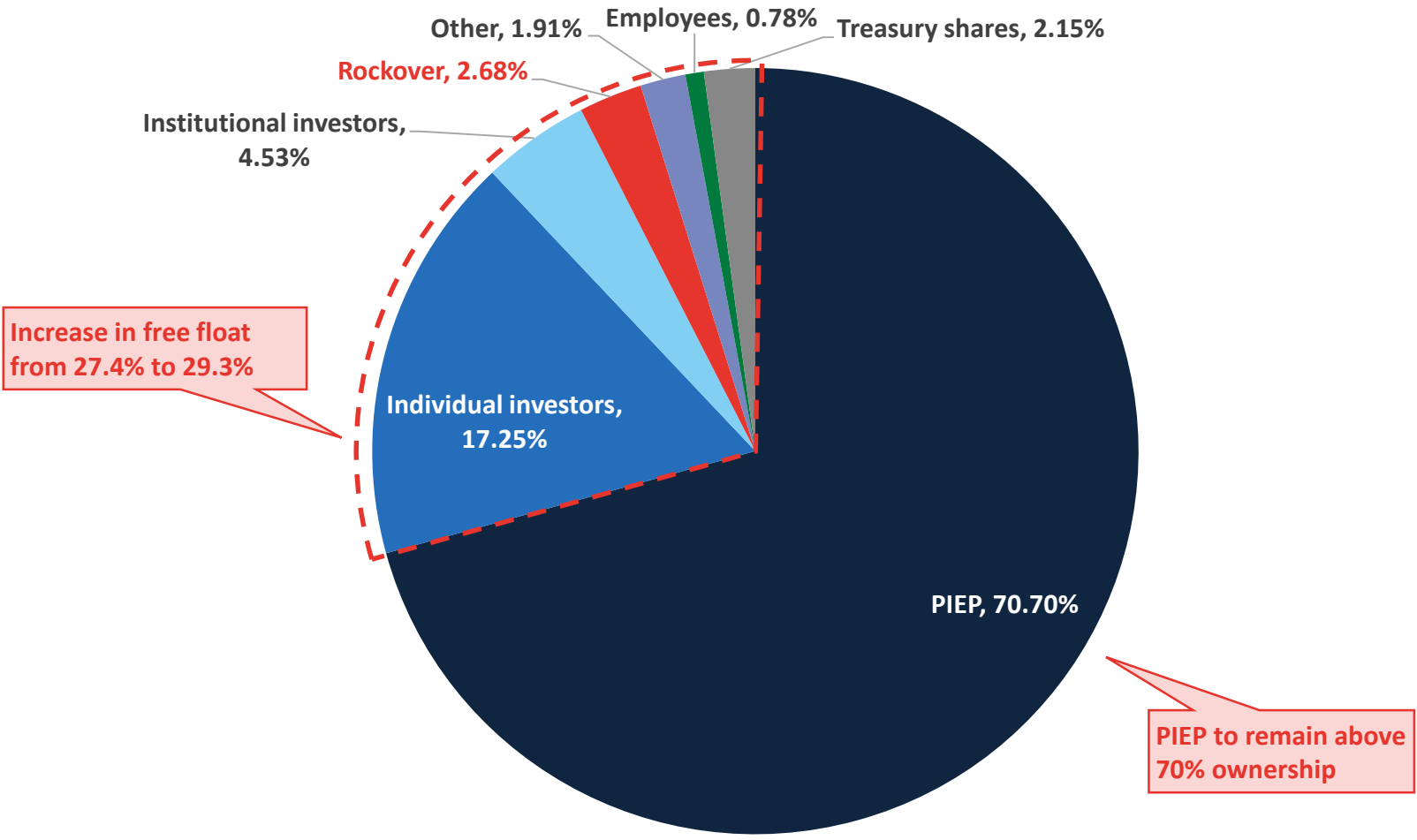
- ✓ Free float increase from 27.4% to 29.3%
- ✓ Potential enhancement of market liquidity in the future

# Key terms of the transaction

<b>Consideration paid to Rockover</b>	<b>\$43.00mm</b>
<i>Less portion of consideration paid in cash (25%)</i>	<i>\$10.75mm</i>
<b>Portion of consideration paid in shares</b>	<b>\$32.25mm</b>
<i>Issuance price</i>	<b>€5.182 @ 1.158 USD/EUR FX rate</b> <i>\$6.002</i>
<b>Number of shares to be issued</b>	<b>5,373,209</b>
<i>Number of shares outstanding pre transaction</i>	<i>195,340,313</i>
<i>Proforma number of shares</i>	<i>200,713,522</i>
<b>Issued shares as % of proforma share capital</b>	<b>2.68%</b>

- M&P and Rockover agreed to use a **share price of €5.182 for the share issuance**
  - Based on average M&P share price over the 60 days prior to 29 October 2018
  - FX rate of \$1.158 for €1 based on same time period
- The agreement also provides for some restrictions on the transfer of the new shares issued on the market until 30 June 2019

# Proforma shareholding post transaction



Thank you for your attention

