



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

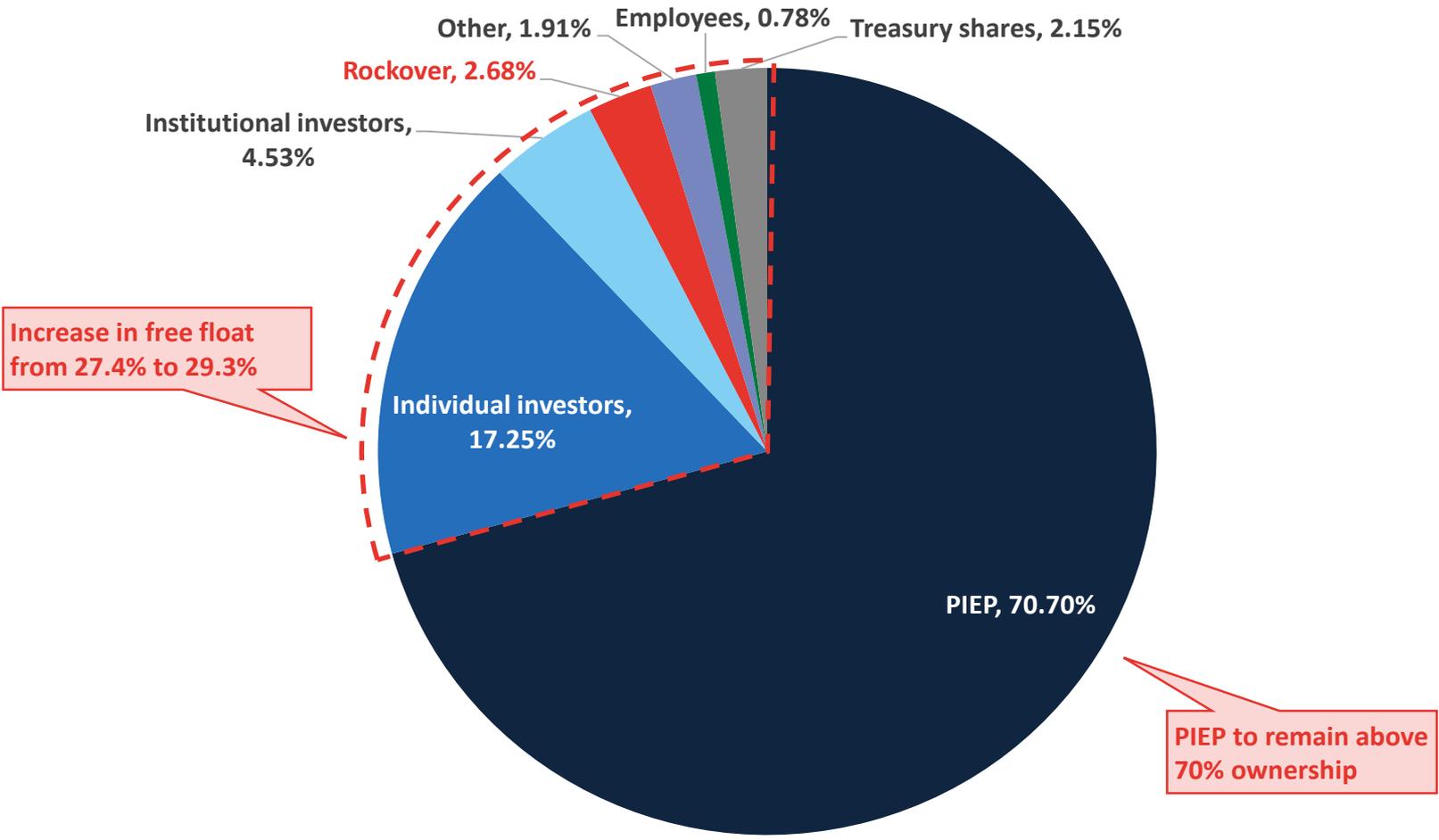
- ✓ Free float increase from 27.4% to 29.3%
- ✓ Potential enhancement of market liquidity in the future

Key terms of the transaction

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

- 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

