

2018 Annual Results

- **Improved performance in a favourable economic environment**
 - EBITDA up by 30% at US\$245 million
 - Marked growth in net income at US\$62 million
 - Strong cash position: US\$280 million as of 31 December 2018

- **Implementation of the growth strategy**
 - Resumption of development drilling in Gabon
 - Asset acquisitions in Angola and Venezuela
 - Purchase of Rockover's deferred payments
 - Preparation of 2019 exploration programme
 - Establishment of M&P Trading, an entity dedicated to marketing the Group's oil production

- **Proposed dividend distribution of US\$10 million**

FINANCIAL COMMUNICATION

Maurel & Prom will hold an analyst/investor conference via an audio webcast, today at 9.30 am, followed by a Q&A session.

<https://www.maureletprom.fr/en/article/fy-2018-audio-webcast-21-mars-2019-a-9h30>

- **Main financial aggregates**

<i>in \$ million</i>	2018	2017	<i>Change</i>
Income statement			
Sales	440	401	+10%
EBITDA	245	189	+30%
<i>as % of sales</i>	56%	47%	
Operating income	126	65	+94%
Financial expenses	-27	-83	
Taxes	-68	-31	
Share of income/loss of associates	31	56	
Consolidated net income	62	7	
Cash flows			
Cash flow from operating activities	+192	+185	+3%
Operating investments	-150	-38	
Financing	-22	-91	
Change in cash position	20	56	
Closing cash position (including bank loans)	280	259	+8%

At its meeting of 20 March 2019, chaired by Aussie B. Gautama, the Board of Directors of the Maurel & Prom Group approved the financial statements for the period ended 31 December 2018.

Commenting on these results, Michel Hochard, Maurel & Prom's Chief Executive Officer, said:

"The resumption of development drilling in Gabon and new projects in Angola and Venezuela are part of our growth strategy and underline Maurel & Prom's successful transformation into the development platform of the Pertamina group.

Against a backdrop of rising Brent prices in 2018, the Group posted net income of US\$62 million and a 30% improvement in EBITDA to US\$245 million despite pipeline issues encountered during the year in Gabon. In 2019, we will maintain our organic growth objectives for Gabon, with development drilling of high potential wells on the Ezanga permit and exploration drilling in the south of the country which, we hope, will increase value creation of our the Gabonese asset base in the medium term. Finally, we will naturally continue to review any growth opportunities that may help further develop our business."

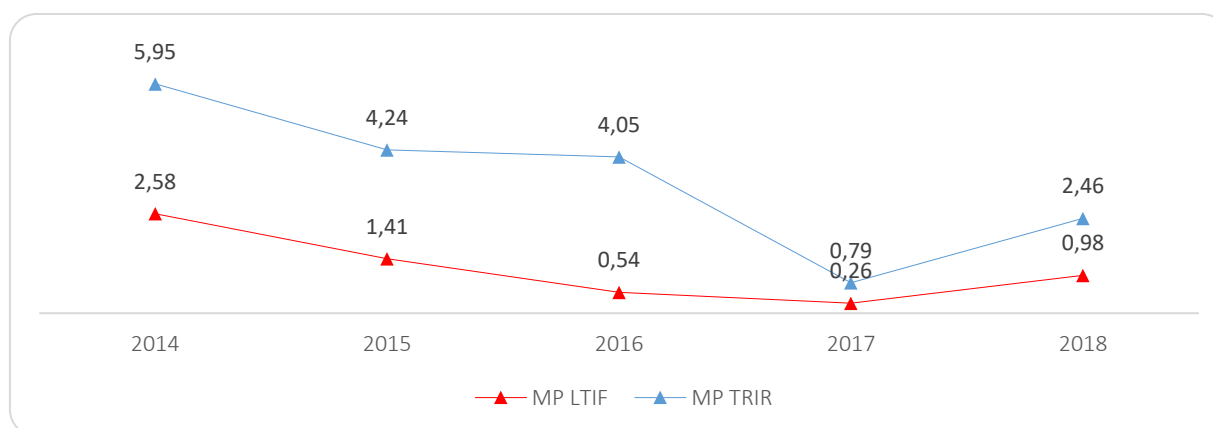
2018 Activity

- **Health and Safety: key performance indicators**

In 2018, the resumption of drilling activities on the Ezanga permit in Gabon, which had been suspended for almost three years due to the drop in oil prices, had an impact on key performance indicators:

- LTIF (Lost Time Injury Frequency): 0.98
- TRIR (Total Recordable Injury Rate): 2.46

The Group is committed to a continuous improvement approach and aims in 2019 to improve its HSE practices (methods, training, risk identification, resources adapted to ambitious objectives, etc) to sustainably promote the health and safety in the workplace of all its employees and to protect the environment.



Lost Time Injury Frequency (LTIF): frequency rate of injuries with work stoppage per million hours worked
Total Recordable Injury Rate (TRIR): frequency rate of so-called "recordable injuries" per million hours worked

- **Improved performance in a strong market**

The continuing increase in oil prices in 2018, with the average sale price of oil at US\$68.8/bbl in 2018 compared with US\$53.0/bbl over the 2017 fiscal year, helped generate sales of US\$440 million in 2018, a year-on-year increase of 10%.

This favourable economic environment thus offset the fall in oil production volumes in Gabon due to evacuation issues on the pipeline connecting the Ezanga facilities to the Cap Lopez export terminal (20,342 bopd for working interest in 2018 versus 24,963 bopd in 2017).

In addition to its oil production in Gabon, the Group posted a major increase in its gas production in Tanzania to 83.2 MMcfpd at 100% in 2018, a 69% increase over the previous year.

EBITDA was up 30% at US\$245 million thanks to the control of operating expenses and the improved performance from Tanzania which contributed markedly. **Operating income** stood at US\$126 million.

Financial expenses in 2018 (-US\$27 million) were mainly linked to the net cost of debt which totalled -US\$24 million. The Group's refinancing in US dollars at the end of 2017 led to a significant reduction in its exposure to foreign exchange risk. Foreign exchange losses stood at US\$2.5 million in 2018 versus US\$32.7 million in 2017.

The **Group's share in income from equity associates** was US\$31 million compared with US\$56 million in 2017, despite an improvement in Seplat's operating performance (20.46% M&P) in 2018. Seplat's net income was particularly high in 2017 due to the recognition of deferred tax income.

After taking into account all of the above factors, **net income** increased sharply to US\$62 million.

The Group's **cash flow from operating activities** in 2018 was US\$192 million. The majority of these funds were reinvested in existing assets (US\$93 million) and external growth projects (US\$60 million).

At 31 December 2018, the Group's **cash position** stood at US\$280 million, an increase of US\$20 million. The Group's **consolidated gross debt** at 31 December 2018 amounted to US\$698 million, i.e. **net debt** of US\$418 million.

- **Significant events**

In October 2018, the Group signed an agreement to acquire AJOCO's 20% interest in two production and development blocks (Block 3/05 and Block 3/05A) in shallow waters off the shores of Angola. A deposit of \$2 million was paid prior to the effective closing of this acquisition, which will take place upon publication of administrative authorisations.

In December 2018, the Group completed the acquisition of the 40% interest held by Shell Exploration and Production Investments B.V. ("Shell") in Petroregional del Lago (the "PRDL Mixed Company"), which operates the Urdaneta West field located at Lake Maracaibo, Venezuela. The total consideration for the acquisition of Shell's shares in the Mixed Company was €70 million, funded from Maurel & Prom's existing cash resources and composed as follows:

- €47 million which were paid at the closing of the acquisition, and
- €23 million payable in December 2019, on the anniversary date of the closing of the acquisition.

Moreover, in October 2018, the Group bought from Rockover commitments related to the purchase of Gabon assets in 2005. The Group entered Gabon in February 2005 by purchasing assets from the Rockover and Masasa groups. During this acquisition, the Group committed to making deferred payments based on future production.

In 2018, the Group bought back these commitments from Rockover for a consideration price of US\$43 million:

- 25% of the Consideration was paid in cash (US\$10.75 million);
- 75% of the Consideration (US\$32.25 million) was paid through the issuance of new Maurel & Prom shares as compensation.

Dividend

The Board of Directors has decided to propose at the next Annual General Meeting, which will be held on 13 June 2019, the payment of a dividend of US\$10 million (equivalent to c.US\$0.05 per share) for the financial year 2018.

This dividend proposal, the first since 2013, aims to return to Maurel & Prom shareholders some of the value created by the company, while complying the Group's contractual commitments with respect to its creditors (maximum dividend of US\$10 million per year until the end of 2020).

Outlook for 2019

- **Gabon: Continuation of development drilling**

The 2018 development drilling programme helped restore the operating capacity of M&P's wholly owned drilling subsidiary Caroil. Activity will increase in the 2019 programme, focusing on more complex wells with greater potential.

- **2019/2020 exploration programme**

Maurel & Prom will conduct a sustained exploration programme in 2019/2020:

- In Gabon, drilling of exploration wells on the Kari and Nyanga-Mayombé permits, located in southern Gabon, will take place in the second half of 2019.
- In Namibia, current exploration studies on the PEL-44 offshore permit are promising. A decision to go next exploration phase will be made in the second semester of 2019; next phase will include drilling of an exploration well.
- In France, drilling of the CDN-2 delineation well on the Mios permit began on 20 February 2019.
- In Sicily, the acquisition of seismic data on the Fiume Tellaro permit is scheduled for summer 2019.

- **New projects**

In Angola, the period for possible pre-emptions on the acquisition of the 20% interest held by AJOCO in offshore Blocks 3/05 and 3/05A came to an end in December 2018. The completion of this acquisition is now dependent on the receipt of administrative authorisations from the Angolan Ministry of Petroleum and concession holder Sonangol EP.

On 3 December 2018, Maurel & Prom Venezuela, S.L.U. ("Maurel & Prom Venezuela") acquired 40% of the capital of Petroregional del Lago, S.A. ("Petroregional del Lago") held by Shell Exploration and Investments, B.V.. Maurel & Prom has obtained approval from the Ministry of Petroleum for the transfer of the 40% interest in Petroregional del Lago, in accordance with applicable regulations for the transfer of shares in mixed companies between private investors. This transaction was completed on 20 December 2018.

- **M&P Trading: marketing of the Group's oil production**

The Group will market oil volumes produced by M&P Gabon via its new entity M&P Trading (wholly owned by M&P), with a first lifting scheduled for end-March 2019.

In the long term, this entity is expected to market oil volumes for all of the Group's subsidiaries, allowing M&P to maximise value creation

PEA-PME eligibility

Pursuant to eligibility criteria for French "PEA-PME" investment schemes (equity savings plans for SMEs) set out in Articles L.221-32-2 and D.221-113-5 of the French Monetary and Financial Code applicable to companies whose shares are admitted for trading on a regulated market, Maurel & Prom shares may no longer be included in PEA-PME accounts.

Existing Maurel & Prom shareholders benefit from a grandfather clause which allows them to keep their shares in PEA-PME saving schemes.

Other information

On 17 March 2019, during the drilling of the OMOC-901 well, a collapse of an underground cavity has caused the ground to subside and damaged the drilling rig. This incident happened early in the drilling process and has not caused any injury, nor triggered pollution or other harm to the environment and the local communities.

The consolidated financial statements at 31 December 2018, approved by the Board of Directors on 20 March 2019, are available on the Company's website (www.maureletprom.fr). The consolidated financial statements have been audited. The certification report will be issued at the end of April 2019 once the annual report has been finalised.

Next publication:

18 April 2019: Sales for the first quarter of 2019, released before the markets open

French		English	
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	bbbl	barrel
barils d'huile par jour	b/j	bopd	barrels of oil per day
milliers de barils	kb	Mbbbl	1,000 barrels
millions de barils	Mb	MMbbbl	1,000 Mbbbl = 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 Mbbbl = million barrels of oil equivalent

For more information, visit 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.

Maurel & Prom is listed for trading on Euronext Paris
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