

# ACTIVITY REPORT

2018 | 2019

# Summary

Message from the Chairman	— 2
Chief Executive Officer interview	— 4
Governance	— 6
Key events	— 10



## ACTIVITIES — 13

M&P key figures	— 14
Key dates	— 15
Business model	— 16
Assets portfolio	— 18
M&P in Gabon	— 20
M&P in Tanzania	— 22

## CSR POLICY — 25

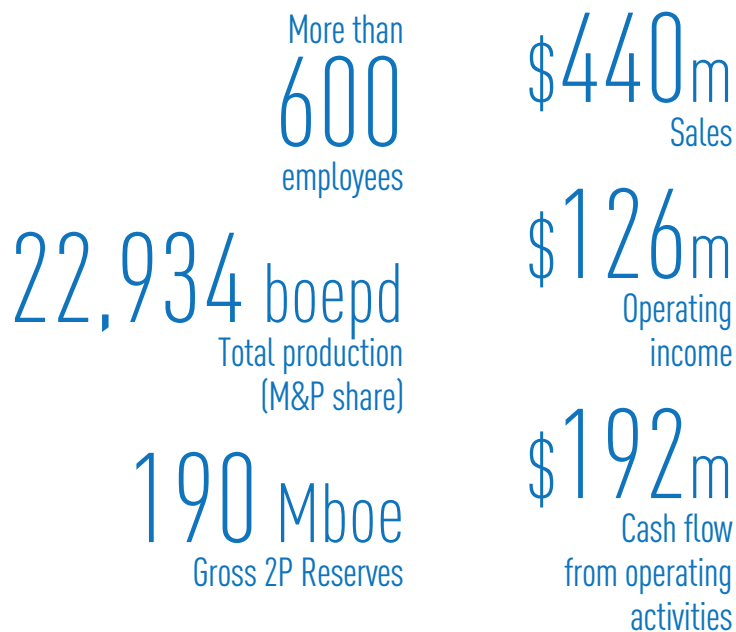
Social responsibility	— 27
Environmental responsibility	— 28
An exemplary governance	— 29

Market data	— 30
Key financial aggregates	— 31

**Maurel & Prom is an oil and gas exploration and production company listed on Euronext Paris.**

The international development platform of Indonesian oil group Pertamina since 2017, Maurel & Prom has a portfolio of high-potential assets located in Africa and Latin America. The Group also holds a significant stake in Seplat (20.46% M&P), one of the main operators in Nigeria listed on the London and Lagos stock exchanges.

# PROFILE



# Message from the Chairman

**Aussie B. Gautama**

Chairman of the Board of Directors



“We demonstrated our ability to seize external growth opportunities, which are a source of long-term value creation”

**Dear Shareholders,**

Fiscal year 2018 was a pivotal year for the redeployment of Maurel & Prom. We capitalised on the potential of our Gabonese asset by resuming development drilling and preparing for new exploration wells in southern Gabon, giving the Group a major organic growth driver that will generate future cash flow.

At the same time, we demonstrated our ability to seize external growth opportunities, which are a source of long-term value creation, signing two new projects in Angola and Venezuela at the end of 2018.

This long-term vision is also embodied in the Group's ongoing pursuit of operational excellence. The health and safety of our employees and protection of the environment are at the heart of our strategic decisions, particularly when we relaunch our development and exploration programme and pursue acquisitions.

The Group's excellent performance in 2018 and the initiatives undertaken allow us to look to 2019 with confidence, in the knowledge that we have the means to achieve profitable, sustainable growth.

Our goals, like the resources we have allocated, will remain firm in 2019, as we continue to improve our risk management practices.

The Board of Directors joins me in thanking you for your support. To that end, a dividend payment of \$10 million (approximately \$0.05 per share) in respect of fiscal year 2018 will be proposed to the General Shareholders' Meeting on June 13, 2019 so that Maurel & Prom shareholders can benefit from some of the value created by the company while still respecting the Group's contractual commitments to its creditors (maximum dividend of \$10 million per year until the end of 2020).

**&**



# Chief Executive Officer interview

**Michel Hochard**  
Chief Executive Officer



“We will continue to focus our efforts on achieving operational excellence and growth, most notably with the start of exploration drilling on the Kari and Nyanga-Mayombé permits in Gabon in 2019”

### What are your thoughts on 2018?

Fiscal year 2018 was marked by strong momentum in our growth strategy.

We relaunched a major development drilling programme in Gabon once our drilling capacity, operated for the most part by our drilling subsidiary Caroil, was back on track after a three-year halt. Our potential for organic growth will be boosted when exploration wells are spudded in southern Gabon following the completion of surveys, which are currently in the active phase.

Our acquisition of the 20% interest held by AJOCO in blocks 3/05 and 3/05A in Angola and our purchase of Shell's 40% interest in mixed company Petroregional del Lago in Venezuela, announced at the end of 2018, both mark an important step in our external growth strategy. We now have a more diversified portfolio with high-potential assets in regions where the Group has extensive operating experience.

Fiscal year 2018 also attests to the success of Maurel & Prom's transition as the Pertamina Group's international development platform.

### How would you sum up the past year in terms of financial performance?

The Group's performance improved in the context of a growth market. Sales rose by 10% to \$440 million, despite a drop in oil production volume in Gabon. EBITDA rose by 30% to \$245 million, while net income improved for the second consecutive year to reach \$62 million.

Against this backdrop, the Group maintained a solid cash position at \$280 million at 31 December 2018, an increase of \$20 million for the full year. This was despite sustained investment, such as the US\$143 million invested in existing assets and external growth.

### What are your priorities for 2019?

We will continue to focus our efforts on achieving operational excellence and growth, most notably with the start of exploration drilling on the Kari and Nyanga-Mayombé permits in Gabon in 2019. Operational excellence will depend on our ability to generate expected value and to protect not only the people and regions that host our activities, but also the interests of our other stakeholders. We have established a subsidiary that focuses solely on marketing our production, which will allow us to optimise the value of our crude oil. Our M&A teams are also continually scouting for any new opportunities that will help strengthen our business.

&

# Governance



The composition of Maurel & Prom's governance bodies meets the highest standards in terms of gender balance, independence and diversity, and is consistent with the recommendations of the AFEP-MEDEF Code.

## Board of Directors

The Board of Directors establishes the Company's business strategy and oversees its implementation. Subject to the powers directly assigned to shareholders' meetings, the Board shall be responsible for dealing with all matters concerning the efficient running of the Company and for making all related decisions, within the scope of the Company's corporate purpose. The Board of Directors shall conduct checks and controls as it deems appropriate.

**Denie S. Tampubolon**  
Director

**Ida Yusmiati**  
Director





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

**Carole Delorme  
d'Armaillé**  
Independent  
director

**Narendra  
Widjajanto**  
Director

**Roman Gozalo**  
Independent  
director

**Nathalie Delapalme**  
Independent  
director

## Management

### **Aussie B. Gautama**

Chairman of the Board of Directors

Aussie B. Gautama, an adviser to Pertamina's CEO on Exploration and Production activities since 2015, has more than 35 years' experience in the hydrocarbon sector, 30 of which were at TOTAL Group working, including from France, on various projects in Indonesia, Norway, Libya and Nigeria. A graduate of the Bandung Institute of Technology (Indonesia) in geology, Aussie B. Gautama has also received a solid international education at schools such as ENSPM and INSEAD. Since 10 April 2017 he has served as Chairman of Maurel & Prom's Board of Directors.



### **Michel Hochard**

Chief Executive Officer

Graduate of the Commercial Institute of Nancy (ICN) and qualified public accountant. Internal auditor then head of the Elf Aquitaine Finance Division for Africa and the Middle East, Finance Director of SNEAP (Société Nationale Elf Aquitaine Production) and then Elf Aquitaine Production. He was Deputy Director of Human Resources at Elf E&P and Director of Operations for PriceWaterhouseCoopers BPO. From September 2007 to May 2014, he was Chief Financial Officer of Maurel & Prom. He currently serves as Chief Executive Officer of the Group and director of the Seplat's board.



### **Philippe Corlay**

Chief Operating Officer

A graduate of Hautes Etudes Industrielles in Lille and the School of Petroleum and Engines, Philippe Corlay began his career in the Deposit Department of Beicip-Franlab before joining the French Petroleum Institute, where he became head of the Assisted Recovery Project Hydrocarbons. It is then the Coparex Technical Director from 1998 to 2003, when he joined Maurel & Prom where he takes responsibility for Production Manager in 2008 and the Director of Operations in 2013. He is currently Chief Operating Officer.

## Special committees

### Audit Committee

The Audit Committee assists the Board of Directors so that it has the information and resources needed to ensure the effectiveness of internal controls and the reliability of the financial information provided to shareholders and the financial markets.

#### Roman Gozalo

Chairman, independent director

#### Nathalie Delapalme

Independent director

#### Narendra Widjajanto

Director

### Risk Observatory

Working with the Audit Committee, the Risk Observatory monitors the effectiveness of the Company's internal control and risk management systems.

#### Carole Delorme d'Armaillé

Chairman, independent director

#### Nathalie Delapalme

Independent director

#### Roman Gozalo

Independent director

#### Yda Yusmiati

Director

### Appointments and Remuneration Committee

The main purpose of the Appointments and Compensation Committee is to:

- review the executive compensation policies implemented within the Group (amount of fixed compensation and methods for determining variable compensation);
- assess the performance of corporate officers and recommend compensation levels; and
- prepare any report that the Company is required to present on these matters.

#### Nathalie Delapalme

Chairman, independent director

#### Roman Gozalo

Independent director

#### Denie S. Tampubolon

Director



# Key events



## Gabon: Review of development projects

After a halt of almost three years, drilling activities in Gabon resumed in the first half of 2018, with a total of nine wells drilled during the year. After this initial phase, which restored the operating capacity of M&P's wholly owned drilling subsidiary Carolil, in 2019 operations will focus on more complex wells that have greater potential.



## Entry of M&P into Angola

At the end of October 2018, the Group signed an agreement to acquire AJOCO's 20% stake in two production and development blocks (Bloc 3/05 and Bloc 3/05A) located in shallow waters off the shores of Angola. This latest expansion into the Congo Basin, a region in which the Group has a historic foothold, will begin as soon as the administrative authorisations from the Angolan Ministry of Petroleum and concession holder Sonangol EP have been published.



### Operation Rockover: improving Ezanga's cash flow generation in Gabon

The Group entered Gabon in February 2005 when it purchased the assets of the Rockover and Masasa groups. At the time of the acquisition, the Group undertook to make "Deferred Payments" based on future production. At the end of 2018, the Group bought back the portion of those deferred payments held by Rockover for a consideration price of \$43 million, of which 25% of the Consideration was paid in cash (\$10.75 million) and 75% of the Consideration (\$32.25 million) was satisfied through the issuance of new Maurel & Prom shares as set-off, which was 2.68% of capital.

This transaction should allow M&P to save an estimated annual amount of between \$6 million and \$10 million in the coming years. Furthermore, the issuance of new shares increases the free float on the market and is expected to enhance the stock's liquidity.



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

M&P Trading, a subsidiary established in 2018, will market the oil volumes produced by M&P Gabon. The first lifting is scheduled for end-March 2019. A first cargo of 619,950 barrels of Rabi Light quality was lifted by M&P Trading at the Cap Lopez terminal in Gabon on March 31, 2019. M&P Trading replaces TOTSA, the Total group's trading company, as the buyer of the M&P Gabon subsidiary's crude oil after TOTSA spent 10 years in the role. In the long term, this entity is expected to market oil volumes for all of the Group's subsidiaries.

### Return to Venezuela

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, which operates the Urdaneta West oil field located at Lake Maracaibo, Venezuela. This asset, already in production and offering significant development potential, is a key part of Maurel & Prom's growth strategy, which focuses on high-potential opportunities in the regions and countries in which the Group has operating experience. This transaction was completed on December 20, 2018.







# ACTIVITIES

# M&P key figures

In 2018, Maurel & Prom improved performance in a strong market. The resumption of development drilling activities in Gabon as well as new projects in Angola and Venezuela also reflect the dynamism of the Group's growth strategy in 2018.

## EHS-S

0

Number of  
Fatalities (FAT)

0.98

Lost Time  
Injury Frequency  
(LTIF)

2.46

Total Recordable  
Injury Rate  
(TRIR)

## FINANCES

\$192m

Cash flow  
from operating  
activities

\$440m

Sales

\$245m

EBITDA

\$139m

Operating  
income

\$280m

Cash position  
at 31/12/2018

68.8 \$/b

Average sale  
price of oil

## OPERATIONS

190 Mboe

Gross 2P Reserves

22,934 boepd

Total production  
(M&P share)

20,342 bopd

Operated oil  
production in Gabon

83.2 Mcfpd

Operated gas  
production in Tanzania

# Key dates

MAUREL & PROM

**1831**

Creation of Maurel & Prom, an operator of shipping lines between France and West Africa

**2001**

Discovery of the M'Boundi field in Congo

**2004/2005**

Entry in Gabon and Tanzania  
Entry into Colombia and Venezuela through the purchase of Hocol

**2006/2007**

Discovery of Onal in Gabon and Ocelote in Colombia  
Sale of M'Boundi and Kouakouala to ENI in Congo  
Entry into Peru

**2008/2009**

Sale of Hocol Colombia to Ecopetrol

**2010**

Entry into Nigeria with Seplat

**2011**

Spin-off of Maurel & Prom Nigeria (MPN), later renamed MPI

Sale of M&P Venezuela

**2013**

Sale of Sabanero in Colombia  
Entry into Canada

**2014**

Signature of a new production sharing agreement (PSA) at Ezanga in Gabon<sup>(1)</sup>

Signature of a gas sale agreement in Tanzania

**2015**

Merger-absorption of MPI

**2016**

Launch of Pertamina Group's takeover bid for M&P shares

**2017**

Closing of the takeover bid by the Pertamina Group (72.65% of M&P)

Refinancing of M&P entire debt

**2018**

Entry into Angola  
Acquisition of Shell's stake in the Urdaneta West field in Venezuela  
Capital increase reserved for Rockover (2.68% of M&P's share)



(1) Exploration and Production Sharing Agreement.

# Business model

## NATURAL RESOURCES

- Presence in **9 countries**
- Historical presence in **Africa** and **Latin America**
- Attributable 2P reserves of **190mboe** all operated
- Portfolio of both oil and gas assets
- **High growth potential** thanks to ongoing exploration campaigns: Gabon, Namibia, France, Sicily

## PEOPLE

- **652 employees** across Africa, Europe and Latin America including **196 recruited in 2018**
- **Trained workforce** with relentless focus on HSSE
- **90% local employees** in operating subsidiaries in Gabon and Tanzania
- **70% technicians and engineers**, 30% management and administration

## COMPETENCES

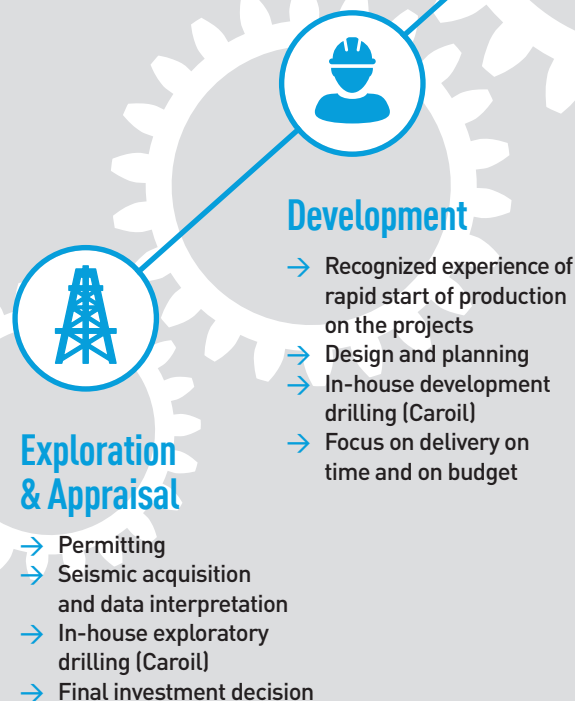
- Exploration track record with **2 major oil discoveries** in Congo basin over the last 15 years (M'Boundi, Onal)
- **Proven development expertise** in a variety of environments: Congo, Gabon, Colombia, Nigeria and Tanzania
- **Experienced operator** with current production capacity in excess of 40,000 boepd
- **Strong M&A capabilities** with 2 transactions announced in 2018

## FINANCIAL CAPITAL

- Backing of Indonesian national oil company **Pertamina**
- More than **25,000 retail shareholders**
- Strong balance sheet with **\$2.5bn total assets** and **\$1.1bn equity**
- **Favourable financing conditions** with cost of debt (Libor +1.5%) significantly below peers
- Over **\$160m invested** in organic projects and external growth in 2018

# Explore, develop

MAUREL & PROM





# and operate



## Portfolio management decision

- Production optimisation and further reserves development
- Partial or complete monetisation: Farm-out, straight sale, IPO



## Production

- Operatorship of the assets
- Focus on production growth and cost control
- Production profile optimisation to maximise value
- Committed to highest standards EHS-S practices
- Maximising value *via* own trading platform

## VALUE CREATION FOR ALL STAKEHOLDERS

### HOST COUNTRIES

- Contributing to local economy
- \$117m paid in taxes and royalties in 2018

### LOCAL COMMUNITIES

- 436 indirect jobs generated by M&P activity in Gabon around Onal operations in 2018
- 11 social projects conducted to date by M&P in Tanzania (seven schools, a dispensary, roads...)
- Group contractual commitments to local communities: \$8.2m in Gabon in 2018

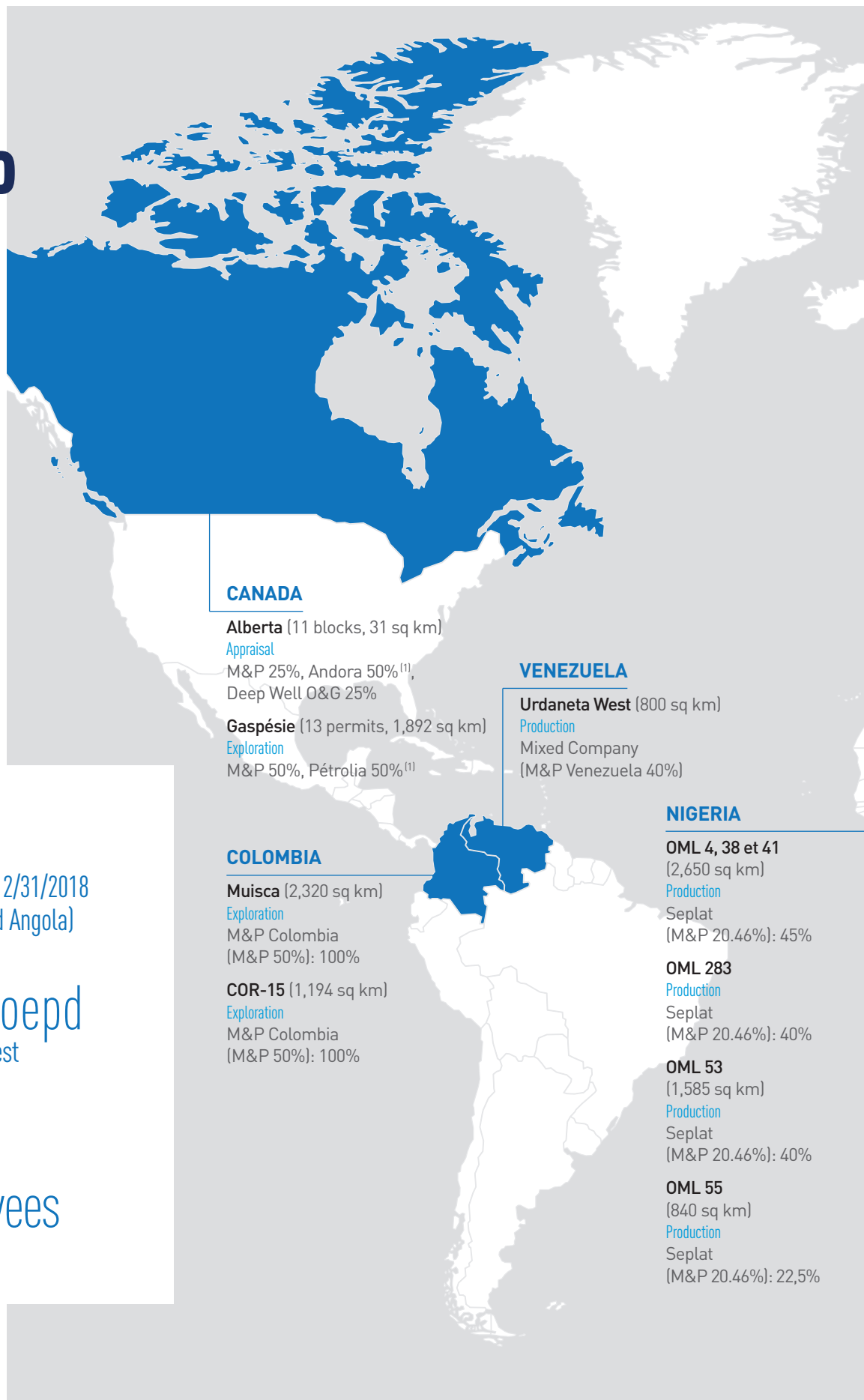
### EMPLOYEES

- Long term improvement in EHS-S over last 5 years
- Ongoing process of ISO certification
- +10,000 hours of external and internal training for Group employees in 2018
- \$67mm paid in employee compensation in 2018

### SHAREHOLDERS

- Delivering growth as the international development platform of Pertamina
- Announcement of entry or re-entry in 2 countries in 2018 (Venezuela and Angola)
- 30% increase in EBITDA in 2018
- Proposed payment of a dividend in 2019
- A- score obtained on the CDP Climate questionnaire in 2018

# Assets portfolio



## CANADA

**Alberta** (11 blocks, 31 sq km)

Appraisal

M&P 25%, Andora 50%<sup>(1)</sup>,  
Deep Well O&G 25%

**Gaspésie** (13 permits, 1,892 sq km)

Exploration

M&P 50%, Pétrolia 50%<sup>(1)</sup>

## VENEZUELA

**Urdaneta West** (800 sq km)

Production

Mixed Company

(M&P Venezuela 40%)

## COLOMBIA

**Muisca** (2,320 sq km)

Exploration

M&P Colombia  
(M&P 50%): 100%

**COR-15** (1,194 sq km)

Exploration

M&P Colombia  
(M&P 50%): 100%

## NIGERIA

**OML 4, 38 et 41**

(2,650 sq km)

Production

Seplat  
(M&P 20.46%): 45%

**OML 283**

Production

Seplat  
(M&P 20.46%): 40%

**OML 53**

(1,585 sq km)

Production

Seplat  
(M&P 20.46%): 40%

**OML 55**

(840 sq km)

Production

Seplat  
(M&P 20.46%): 22,5%

190 Mboe

Gross 2P reserves as of 12/31/2018  
(excluding Venezuela and Angola)

22,934 boepd

M&P total working interest  
production in 2018

More than

600 employees  
of which 90% in Africa

(1) Operator.  
(2) Pending closing.

## A portfolio of high-potential assets focused on Africa and Latin America

### FRANCE

**Mios** (60 sq km)  
M&P 100%

### ITALY

**Fiume Tellaro** (750 sq km)  
M&P 100%

### GABON

**Ezanga** (5,608 sq km)  
Production  
M&P 80%<sup>(1)</sup>, Tullow 7.5%,  
Gabonese Republic 12.5%  
Exploration  
M&P 100%<sup>(1)</sup>

**Kari** (2,659 sq km)  
Exploration  
M&P 100%

**Nyanga-Mayombé** (2,831 sq km)  
Exploration  
M&P 100%

### TANZANIA

**Bigwa-Rufiji/  
Mafia** (12,025 sq km)  
Exploration  
M&P 60%

**Mnazi Bay** (756 sq km)  
Exploration  
M&P 60%<sup>(1)</sup>, Wentworth 40%  
Development/Production  
M&P 48.06%,  
Wentworth 31.94%, TPDC 20%

### ANGOLA<sup>(2)</sup>

**Bloc 3/05** (23 sq km)  
Production  
M&P 20%

**Bloc 3/05A** (83 sq km)  
Appraisal  
M&P 20%

### NAMIBIA

**PEL-44** (5,122 sq km)  
Exploration  
M&P 42.5%<sup>(1)</sup>, AziNam 42.5%,  
National Petroleum  
Corporation of Namibia 8%,  
Livingstone Mining Resource  
Development 4%, Frontier  
Mineral Resources 3%

**PEL-45** (17,133 sq km)  
Exploration  
M&P 42.5%<sup>(1)</sup>, AziNam 42.5%,  
National Petroleum  
Corporation of Namibia 8%,  
Livingstone Mining Resource  
Development 4%, Frontier  
Mineral Resources 3%

# M&P in Gabon

Maurel & Prom has operated in Gabon since 2005 and today is the country's fourth largest oil operator with more than 300 employees working in hydrocarbon exploration, development/appraisal and production.

Production operated by Maurel & Prom Gabon in 2018 (100%) stood at 20,342 bopd (16,273 bopd as M&P's working interest), below target due to the restricted volume routed via the pipeline connecting the Ezanga facilities to the Cap Lopez export terminal. The year also saw the resumption of drilling on the Ezanga permit with a total of nine wells drilled.

372 employees  
as of December 31, 2018

151,1 Mbbbl  
Gross 2P reserves  
(M&P working interest)

20,342 bopd  
Operated production  
in 2018

4<sup>th</sup>  
largest oil operator in the country

2005

Entry into Gabon

2006

Discovery of the Onal field

2008

Discovery of the Omko and  
Mbigou fields

2009

Start of production on Onal

Discovery of the Omoc and  
Gwedidi fields

2014

New PSA<sup>(1)</sup> (20 years  
+ additional 20-year period)

2015

Discovery of the Mabounda  
and Niembi fields

“Our goal is to increase our efforts in terms of ramping up our development programme and drilling future exploration wells so we can support M&P Gabon's production profile whilst ensuring compliance with the highest EHS-S standards.”

Christian Koubdje  
General Manager, M&P Gabon

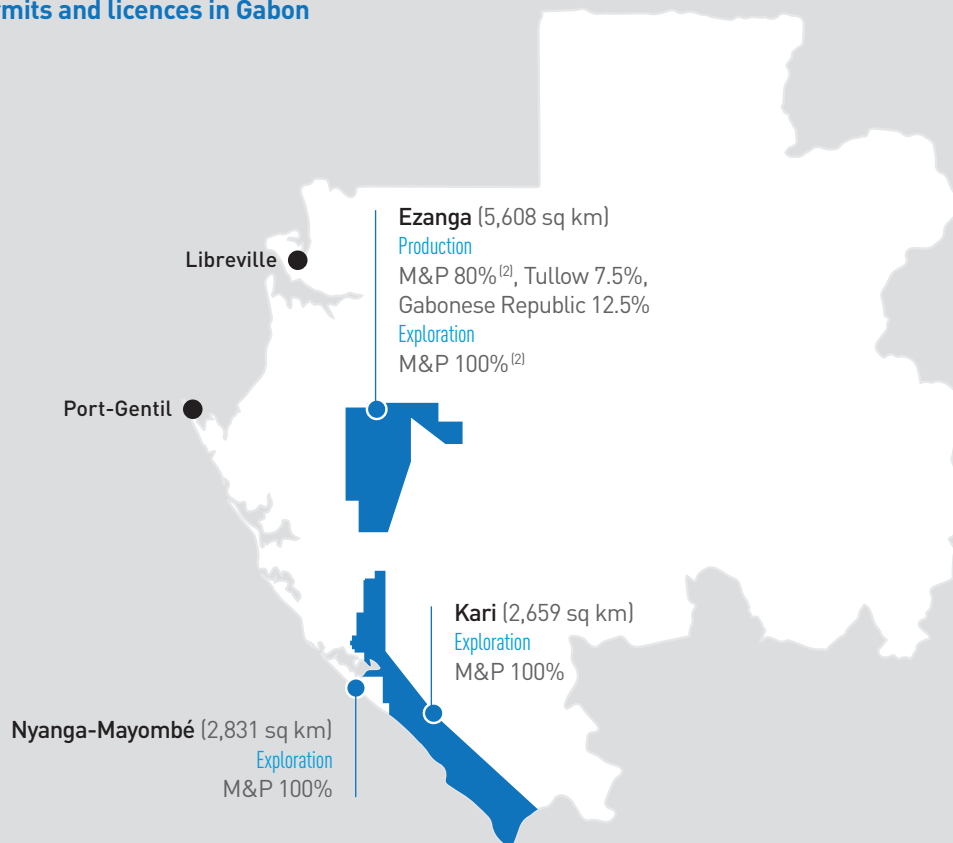


## Resumption of drilling and return to exploration

M&P Gabon resumed its drilling activities in 2018 after they had been halted for almost three years due to the drop in oil prices. The programme includes 11 development wells and three sidetracks. In total, nine wells were drilled in 2018 and the programme will continue in 2019 with the drilling of wells with high potential. Exploration wells on the Kari and Nyanga-Mayombé permits located in southern Gabon will be drilled in 2019.

(1) Production Sharing Agreement.  
(2) Operator.

## M&P permits and licences in Gabon



## Operated oil production in Gabon (in bopd)



### A strong citizen commitment

The citizen's commitment to the subsidiary in Gabon is reflected each year by the creation of jobs reserved for the populations living near its facilities and managed by the subsidiary, so that these jobs benefit the greatest number. The subsidiary defines with its parts stakeholders and implements community projects with high social impact and intended to continue. These projects give people living near the operating areas access to healthcare, drinking water and electricity.

### 10 years of production on Ezanga

In late February 2009, the Group began production at the Onal field on the Ezanga permit in Gabon, less than three years after drilling its first exploration well in the region.



# M&P in Tanzania

Maurel & Prom has operated in Tanzania since 2005 and was one of the forerunners in operating an area of the country estimated to have significant gas potential.

As a leading onshore operator with a strong reputation among Tanzanian authorities and local stakeholders, M&P Tanzania now produces almost 65% of the gas used to generate power in the country, or approximately 35% of Tanzania's total power generation.

95 employees  
as of December 31, 2018

231.6 Bcf  
Gross in 2P reserves  
(M&P working interest)

83.2 Mcfpd  
Operated production  
in 2018

2004

Entry into Tanzania

2009

M&P becomes the operator of the Mnazi Bay permit

2014

Signature of a gas sales agreement with the national company TPDC

2015

First gas delivery to Dar es Salaam

2016

Continued growth in demand for gas

“We help all our employees achieve operational excellence and put sustainable development at the heart of our training programmes.”

Christophe Maitre  
General Manager, M&P Tanzania

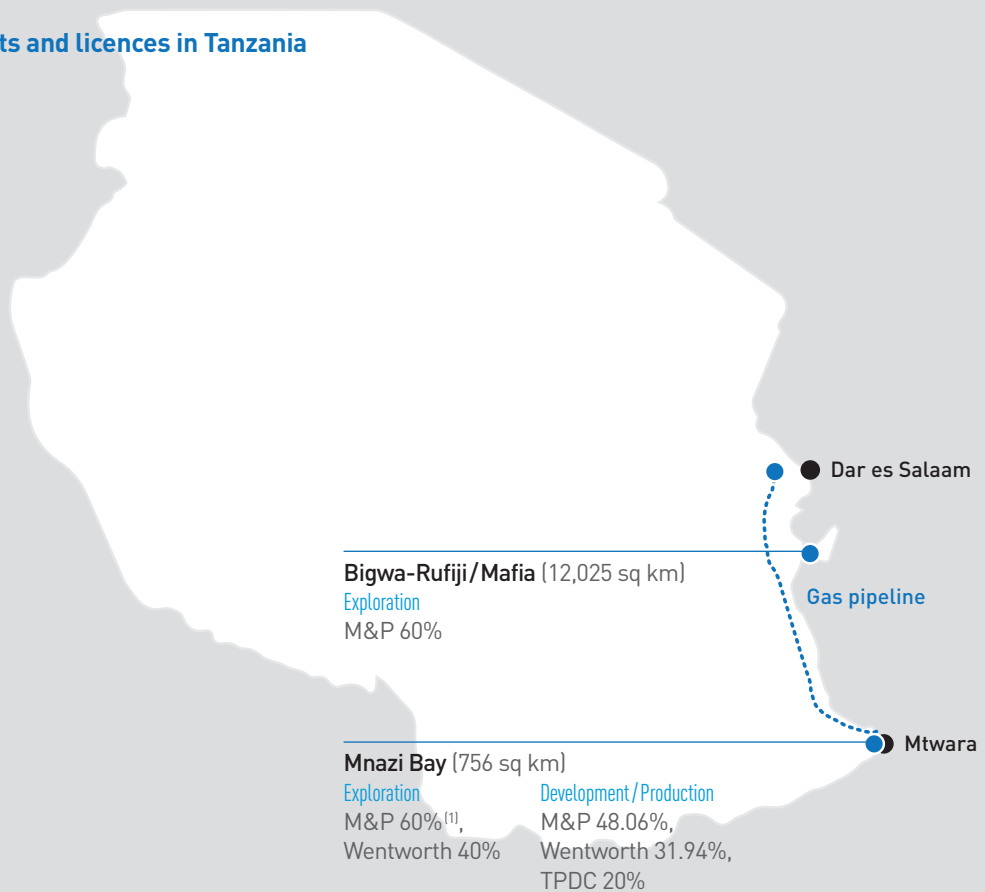


## A successful local HR policy

Maurel & Prom is one of Tanzania's leading industrial players thanks to the commitment and expertise of its local teams. M&P Tanzania's proactive HR policy has resulted in socially responsible practices that focus on skills development, raising awareness around sustainable development and gender diversity. With regard to the latter, 25% of M&P Tanzania's workforce is female (up from 10% in 2010), with two-thirds holding senior positions.

(1) Exploration and Production Sharing Agreement.  
(2) Operator.

## M&P permits and licences in Tanzania



## Operated gas production in Tanzania *(in Mcfpd)*



## M&P Tanzania: an active player in the local community

In addition to its contractual commitments, M&P Tanzania contributes to local economic life by developing sustainable education and healthcare programmes in the areas around its facilities (Mnazi Bay, Mtwara and BRM). These initiatives are run in consultation with local communities and have already led to the construction of more than forty buildings (schools, clinics, nurseries, etc.) to improve the lives of those living near the Mnazi Bay, BRM and Mandawa permits. In 2018, M&P Tanzania continued its commitment to schools in the Mtwara region and helped build a classroom and clinic in the village of Msimbati.







# CSR POLICY

# CSR policy

The commitment to and quest for continuous improvement are a pillar of the M&P's corporate culture and one of the levers for its future growth.

The Maurel & Prom Group's mission, as an oil and gas operator, is to add value to the potential natural resources entrusted to it by the host countries, while upholding respect for people and the environment. As such, on a daily basis Maurel & Prom undertakes to achieve industrial and financial objectives, ensure the health, safety and security of people and property, protect the environment, contribute to the development of the regions that host its activities, and act as a model of governance in compliance with the agreements entered into with its host countries.

"The certification process for the Group's facilities in Gabon and Tanzania demonstrates the progress made by the teams in achieving the highest standards of environmental protection and personal health and safety. The same continuous improvement approach applies to our corporate commitments"

**Jérôme Douane**

Head of Group EHS-S



## The Maurel & Prom Group's focuses for sustainable development

- **Be** an investor and a long-term partner
- **Contribute** sustainably to local development
- Continuously **improve** EHS-S performance
- **Prevent, manage and remedy** local impacts on the environment
- **Control** climate risks
- **Promote** the principles of conduct of the Maurel & Prom Group



## Social responsibility

Maurel & Prom conducts and manages its exploration and production activities at a local level. The Maurel & Prom Group's **recruitment policy** is guided by the insourcing of skilled trades, the transfer and sharing of skills through in-house training, and filling management positions locally for all levels of responsibility. Maurel & Prom bases the recruitment of its employees around **explicit and non-discriminatory criteria** and ensures **equal opportunities** for all employees at all stages of their professional career.

Maurel & Prom seeks to continuously **improve the health and safety conditions** of the people working at its facilities by monitoring EHS-S performance indicators at the most senior levels within the Group.

In recent years, the Maurel & Prom has restructured and strengthened the **EHS-S function**, updated its **operating management system (OMS) in accordance with IOGP recommendations**, and organised knowledge-sharing between its subsidiaries. EHS-S performance is led by **a Group-level EHS-S executive committee**.

In addition to the business opportunities offered locally by upstream oil activities, the Group implements **sustainable development programmes for local communities** living near to its facilities.

**\$8.2m**  
Group contractual commitments to local communities in Gabon in 2018



In Gabon, on the Ezanga permit, the Gabonese subsidiary completed a series of **community projects** in 2018 to support the village of Allonah, including the renovation of a care home and a clinic, the provision of medical equipment and medicines, the electrification of the village and the installation of four new drinking water wells.

**29%**  
of women in the Tanzanian subsidiary's workforce in 2019 (15% in 2010)



Each year, the subsidiary in **Tanzania** supports local development by funding and managing projects that contribute to improving access to education, healthcare, water and energy. The challenge is significant for local development.

The Group highlighted the role played by the female staff of its Tanzanian subsidiary in a report entitled "**Femmes de terrain** (Women in the field)", which is available on the Company's website.

## Environmental responsibility

The environmental footprint of the Group's activities is measured, monitored and audited frequently in accordance with local regulations or industry practices.

Facilities located near or within protected natural parks require operations to be adapted to the specific features of the natural environment. In Tanzania, the Mnazi Bay-Ruvuma estuary became a protected natural park in 2000, long after the first gas discoveries. The Group's facilities in Tanzania, which are located in the marine park, must strive not to create light pollution during the turtle egg-laying and whale breeding seasons.



The Group invests in the area of environmental protection for the efficiency of its operations.

In Gabon, in order to monitor water quality, Maurel & Prom built in 2012 a water treatment plant to process waste water from drilling. In 2017, the Gabonese subsidiary built a waste disposal facility at the Onal site. To improve the energy efficiency of its activities, the subsidiary uses the natural gas associated with its oil production to power its platforms.



The Group voluntarily subscribes to national or international initiatives that help to limit the direct or indirect environmental impacts of its activity.

Gabon is a country rich in wetlands whose resources must be conserved and used rationally. Maurel & Prom Gabon supports the establishment of a management committee for the Ramsar site at Bas Ogooué (Ezanga and Kari permit) in order to preserve this precious ecosystem for people and nature and has been its vice-chair since 2017.

**M&P Gabon** contributes to the establishment of wildlife inventories in the Gamba Complex of Protected Areas, in collaboration with the Smithsonian Conservation Biology Institute and the WWF, as part of the Prolab anti-poaching programme and in connection with an impact study conducted by the subsidiary. This work is exceptional in both its scope and the importance of **protecting the large mammals** present in this area to save the species.



## An exemplary governance

Depending on the opportunities offered in the countries in which the Group operates, Maurel & Prom participates in sustainable development and anti-corruption initiatives, such as the **Extractive Industries Transparency Initiative (EITI)**. “**Publish What You Pay**”: in its financial statements, the Maurel & Prom Group publishes details of the payments made to the governments of the countries in which the Group operates.

The Group is structuring itself to be able to meet the **new transparency obligations in environmental and social matters**.

The Group does **not engage in lobbying**.

Since 2013, the Maurel & Prom Group has responded to the **CDP’s climate change questionnaire**. The Group was awarded an **A- grade** in 2018, making it one of the leading companies.

The Group reaffirms the **values and principles of conduct** that must guide the actions of managers, executives, employees and anyone representing the Group.

The Maurel & Prom **Code of Conduct** includes anti-corruption guidelines in accordance with the laws, regulations and standards relating to the fight against corruption. These include the guidelines resulting from the Sapin II Act in France, the US Foreign Corrupt Practices Act and the UK Bribery Act 2010. The Group prohibits all forms of corruption and prescribes measures to prevent and identify acts of corruption within the Group.

The Code of Conduct also affirms the Group’s commitment to uphold the **Universal Declaration of Human Rights**, the **ILO Fundamental Conventions**, the **OECD Guidelines for Multinational Enterprises**, as well as the **recommendations of the World Bank**.

Since their adoption, the principles of conduct have been communicated to all staff, and **176 employees** in five countries have received training in the Group’s principles of conduct and anti-corruption rules.

### 2018: Adoption of a CSR action plan



# Market data

## Stock information

### Listing

Euronext Paris

### ISIN code

FR0000051070

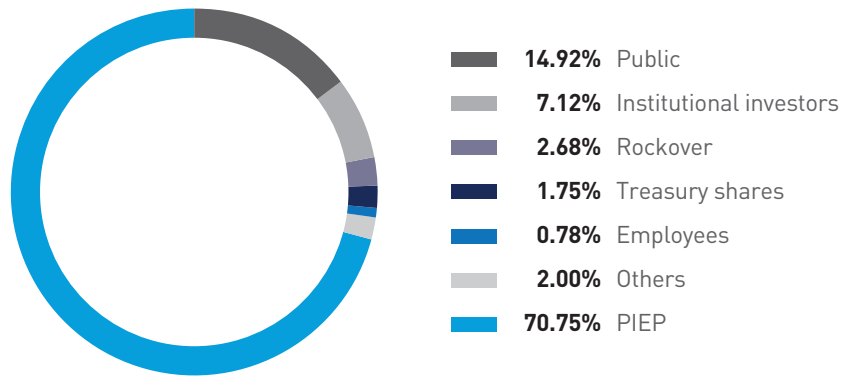
### Share capital

200,713,522 shares outstanding includes 3,521,081 treasury shares

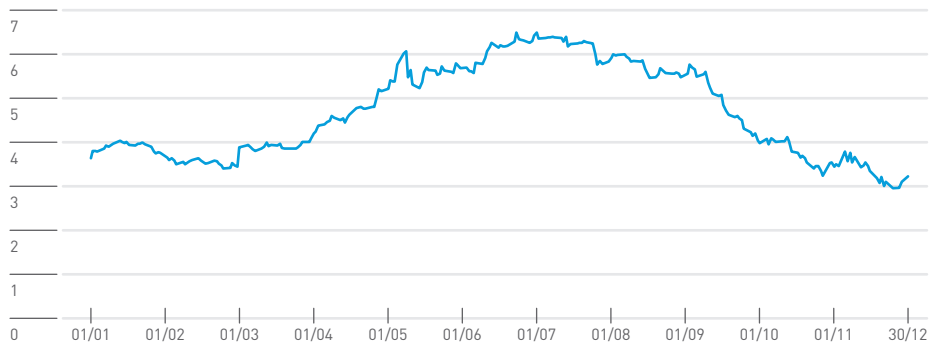
### Indices

CAC Small,  
CAC Mid&Small,  
CAC All Tradable

## Shareholding as of December 31, 2018



## M&P share price in 2018 *(in euros)*



# Key financial aggregates

## Income statement

<i>(as of December 31, in m\$)</i>	<b>2018</b>	<b>2017</b>	Change
<b>Sales</b>	<b>440</b>	<b>401</b>	+10%
EBITDA	245	189	+30%
<i>as % of sales</i>	<i>56%</i>	<i>47%</i>	
<b>Operating income</b>	<b>126</b>	<b>65</b>	+94%
Financial expenses	-27	-83	
Taxes	-68	-31	
Share of income/loss of associates	31	56	
<b>Consolidated net income</b>	<b>62</b>	<b>7</b>	

## Cash flows

<i>(as of December 31, in m\$)</i>	<b>2018</b>	<b>2017</b>	Change
Cash flow from operating activities	+192	+185	+3%
Operating investments	-150	-38	
Financing	-22	-91	
<b>Change in cash position</b>	<b>20</b>	<b>56</b>	
<b>Closing cash position</b> (including bank loans)	<b>280</b>	<b>259</b>	+8%





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