

**SPECIAL REPORT OF THE BOARD OF DIRECTORS
TO THE COMBINED GENERAL SHAREHOLDERS' MEETING
(ORDINARY AND EXTRAORDINARY)
OF THE COMPANY ETABLISSEMENTS MAUREL & PROM,
OF JUNE 13TH 2019
CONCERNING THE ALLOCATION OF FREE SHARES**

The present report is prepared in accordance with Article L. 225-197-4 of the French Commercial Code to account to the General Shareholders' Meeting, called on June 13th 2019, for the allocation of free shares made during the past financial year ending December 31st, 2018 in (i) Etablissements Maurel & Prom ("**Maurel & Prom**"), (ii) companies which are bound to Maurel & Prom in accordance with Article L. 225-180 of the French Commercial Code and (iii) companies controlled by Maurel & Prom as defined in Article L. 233-16 of the French Commercial Code (together with Maurel & Prom, the "**Maurel & Prom Group**").

a) Allocation of free shares to Maurel & Prom corporate officers

According to the Article L. 225-197-4 of the French Commercial Code, here below are mentioned the number and the value of the shares, which have been freely allocated by Maurel & Prom, in 2018, to its corporate officers:

- No shares were allocate shares to Michel HOCHARD, Chief Executive Officer.

b) Allocation of free shares to Maurel & Prom employees

According to Article L. 225-197-4 of the French Commercial Code, here below are mentioned the number and the value of the shares which have been freely allocated, in 2018, to each of the ten employees of the Maurel & Prom Group, whose number of shares freely allocated are the highest.

The following shares have been freely allocated by Maurel & Prom to its employees:

- 14,500 shares to Philippe CORLAY.
- 12,000 shares to Olivier POIX.
- 11,500 shares to Andang BACTHIAR
- 9,500 shares to Pablo LIEMANN.
- 6,000 shares to Alain TORRE.
- 6,000 shares to Patrick DEYGAS.
- 5,000 shares to André SIMONNOT.
- 3,000 shares to Caroline MARIA.
- 2,850 shares to Jérôme DOUANE
- 2,600 shares to Frédéric ASSOULINE.

For the 3rd August's plan, the acquisition periods (date when the beneficiary becomes definitively owner of the free shares) is realized by third part each year during three year, part 1 : one is of one (1) year from August 3rd 2018, that is to say until August 3rd 2019, part 2 : one (1) year from August 3rd 2019, that is to say until August 3rd 2020, part 3 : one (1) year from August 3rd 2020, that is to say until August 3rd 2021.

The retention period (period later than the acquisition period during which the beneficiary has to keep possession the free share) is realized by third part each year during three year, is of one (1) year from the date of acquisition, part 1 : August 3rd 2019,, that is to say until August 3rd 2020, part 2 : August 3rd 2020,, that is to say until August 3rd 2021, part 3 : August 3rd 2021,, that is to say until August 3rd 2022.

It is specified that the acquisition of these shares is conditional upon active employment within the group at the vesting date and performance conditions, which will be assessed annually by the Board of Directors of the Company, on the recommendation of the Appointments and Compensation Committee of the Company and evaluated over a reference period.

Overall, Maurel & Prom allocated 157,700 free shares during the year 2018.

- 47,600 shares of Maurel & Prom have been freely allocated to 20 employees of its subsidiaries.
- 37,150 shares of Maurel & Prom have been freely allocated to 14 others employees.

The value (on the date of the allocation) of this free allocation implemented of 157,700 shares in one plan (3 August 2018), is of 6.23 euros per share, giving a total for this free shares plan of 982,471 euros for 31 December 2018 fiscal year end.

No allocation of free shares was done by other entities of the Maurel & Prom Group during this period.

The Board of Directors - April 24th of 2019.

Aussie B. GAUTAMA
Chairman of the Board of Directors