Paris, 18 March 2022
No. 06-22

2021 annual results

- **Financial performance progressing strongly thanks to the continued budget discipline in a favourable economic environment**
  - Sales totalled $500 million, up by 52% thanks to the increase in the average sale price of oil ($72.5/bbl compared with $40.1/bbl in 2020)
  - Strict operational and financial discipline in place, with opex and G&A maintained at 2020 levels
  - Net income was $121 million, at its highest level since 2011

- **Strong cash flow generation allowing for substantial deleveraging**
  - Operating cash flow was $280 million, and free cash flow stood at $108 million after payment of $100 million following the agreement with the Gabonese Republic
  - Net debt totalled $343 million at year's-end 2021, down by $112 million vs. 2020

- **Resumption of the dividend to return value created to shareholders**
  - The Board of Directors proposes the payment of a dividend of €0.07 per share, equivalent to $15 million in total, which is the maximum allowed under current provisions of the Term Loan
  - Subject to the removal of this restriction in case of completion of the refinancing of the Term Loan, the remuneration of shareholders will be increased to $30 million for the calendar year 2022

- **Active management of asset portfolio with a view to growth**
  - Preparations underway for a 3D seismic data acquisition campaign on the Ezanga permit in 2022
  - Reinforcement of the Group's presence in Colombia via the purchase of Frontera Energy's stake in M&P Colombia and the award of the VSM-4 licence
  - Divestment of the stake in Sawn Lake in Canada, as the development does not meet the Group's economic and environmental criteria

Audio conference for analysts and investors
M&P will hold an analyst/investor conference via an audio webcast in French and English, today at 10:00 a.m., followed by a Q&A session.

To attend this webcast live or listen to the recording, click the following link:
https://channel.royalcast.com/landingpage/maureletpromen/20220318_2/

Key financial indicators

in $mm	2021	2020	*Change*
Income statement			
Sales	**500**	**330**	***+52%***
Opex & G&A	-168	-164	
Royalties and production taxes	-77	-50	
Change in overlift/underlift position	25	-27	
Other	–	6	
EBITDA	**280**	**95**	***+195%***
Depreciation, amortisation and provisions and impairment of production assets	-107	-592	
Expenses on exploration assets	-0	-31	
Other	-16	-6	
Operating income	**158**	**-534**	***N/A***
Net financial expenses	-16	-11	
Income tax	-44	-29	
Share of income/loss of associates	23	-18	
Net income	**121**	**-592**	***N/A***
O/w net income before non-recurring items	136	*-54*	*N/A*
Cash flows			
Cash flow before income tax	280	91	
Income tax paid	-82	-35	
Operating cash flow before change in working capital	**198**	**56**	***+256%***
Change in working capital	82	53	
Operating cash flow	**280**	**109**	***+158%***
Development capex	-164	-46	
Exploration capex	–	-47	
M&A	-8	–	
Free cash flow	**108**	**16**	***+595%***
Net cost of debt	-96	-95	
Dividends received	15	12	
Dividends paid	–	–	
Other	1	5	
Change in cash position	**27**	**-63**	***N/A***
Opening cash	**168**	**231**	
Closing cash	**196**	**168**	

At its meeting of 17 March 2022, chaired by John Anis, the Board of Directors of the Maurel & Prom Group ("M&P" or "the Group") approved the audited financial statements[1] for the year ended 31 December 2021.

Olivier de Langavant, Chief Executive Officer of M&P, stated: *"The financial results for the year 2021 are up sharply, supported of course by the recovery in crude oil prices, but also thanks to the ongoing control of costs and expenses that we initiated in 2020. This enables us today to accelerate the pace of deleveraging, which remains as a priority objective, while at the same time reintroducing the dividend. This remuneration testifies to the discipline that we have shown in our capital allocation strategy and our pledge to immediately return value creation to shareholders. M&P is also preparing its future and its continuing development: in Gabon, where the extension of our exploration periods and the granting of new contractual terms allow us to envisage plans for future growth with serenity, and in Colombia, where we have recently reinforced our exploration portfolio. Finally, our withdrawal from the Sawn Lake asset in Canada shows our commitment to concentrate on projects that not only respect the Group's economic criteria, but are also in line with our environmental targets."*

Financial position

- **Comments on fiscal 2021**

Consolidated sales in 2021 amounted to $500 million, a year-on-year increase of 52%. This was mainly due to an average oil sale price during the period of $72.5/bbl, which was a sharp increase (81%) over 2020 ($40.1/bbl).

Operating expenses and G&A stood at $168 million and were largely kept at their 2020 level ($164 million), demonstrating the sustainability of the measures introduced under the adaptation plan implemented in March 2020 with the aim of significantly reducing the Group's expenses. Royalties and production taxes increased significantly ($77 million compared to $50 million in 2020) due to their proportionality to sale prices. The Group also recorded a positive change in the overlift/underlift position for $25 million, due to a favourable lifting programme in the second half of 2021.

EBITDA therefore came in at $280 million, an increase of 195% compared to the previous fiscal year ($95 million). Depreciation and amortisation charges amounted to $107 million in 2021, versus $114 million (excluding exceptional items) in 2020. Current operating income stood at $158 million, after taking into account expenses of $16 million, mostly related to workover expenses in Angola that were impaired immediately.

Net financial expenses on the income statement amounted to $16 million for 2021.

M&P's share of income from equity associates was $23 million, corresponding almost exclusively to its 20.46% stake in Seplat Energy.

The Group's net income for 2021 was $121 million, while net income before non-recurring items was $136 million, versus negative $54 million in 2020.

[1] The financial statements have been audited and certified without qualification

Cash flow from operating activities before change in working capital was $198 million (versus $56 million in 2020). After change in working capital (positive impact of $82 million), cash flow from operating activities was $280 million.

There was a substantial increase in development capex once operations resumed. It stood at $164 million (compared to $46 million in 2020), of which $97 million was for M&P's share in the $100-million comprehensive agreement entered into with the Gabonese Republic in November 2021. The remainder was mainly split between development operations that had resumed on the Ezanga asset in Gabon ($40 million, of which $21 million was drilling) and operations in Angola ($22 million).

Free cash flow for fiscal 2021 stood at $108 million.

In terms of financing flows, the debt expense was relatively unchanged at $96 million versus $95 million in 2020. Of this, $84 million was for loan repayments ($75 million for bank borrowings and $9 million for the Shareholder Loan) and $12 million for cost of debt. In 2021 M&P received $15 million in dividends, net of taxes, from its 20.46% stake in Seplat Energy.

As at 31 December 2021, M&P's cash position stood at $196 million, a year-on-year increase of $27 million. Debt at 31 December 2021 amounted to $539 million (nominal value), i.e. a net debt of $343 million (versus $455 million at 31 December 2020).

- **Borrowing and financing**

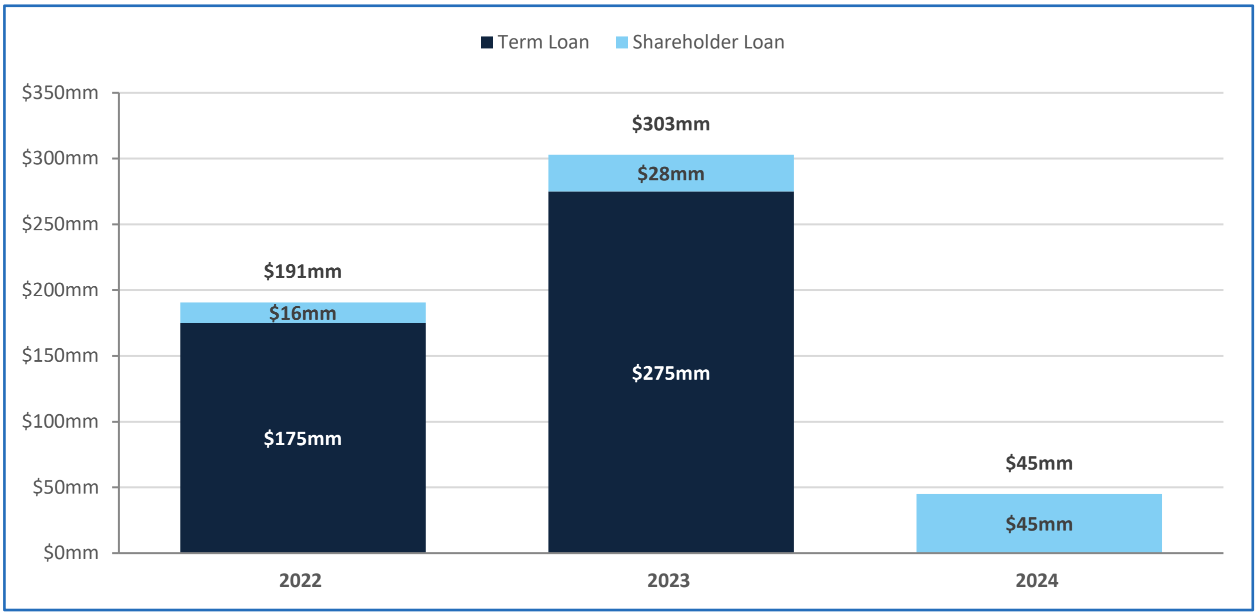
The Group's gross debt as at 31 December 2021 amounted to $539 million, i.e., net debt of $343 million after taking into account the cash position ($196 million). This net debt was $112 million lower than at the end of 2020, when it stood at $455 million.

In fiscal 2021, M&P repaid $84 million in debt, which included $75 million for the Term Loan ($450 million drawn at 31 December 2020) and $9 million for the Shareholder Loan ($89 million drawn at 31 December 2020). The amount to be repaid in 2021 is $191 million, which includes $175 million for the Term Loan.

Aside from its robust cash position, M&P has access to additional liquidity thanks to the undrawn $100-million tranche of the Shareholder Loan.

M&P is currently (as at March 2022) working on refinancing its Term Loan beyond its December 2023 term, mainly to spread the maturities due in 2023 over a longer term (particularly the $275-million Term Loan). M&P is examining the most advantageous options available to it under current market conditions, knowing that the maturities scheduled for 2022 are entirely sustainable, even without refinancing, especially in view of current crude oil prices.

Debt repayment profile at 31 December 2021:



- **Operating and financial forecasts for 2022**

The Group expects M&P's working interest production to reach 26,000 boepd in 2022, including:

- 16,000 boepd in Gabon (equivalent to gross production of 20,000 bopd at Ezanga)
- 38.5 mmcfd (equivalent to gross production of 80.0 mmcfd at Mnazi Bay)
- 3,600 bopd in Angola (equivalent to gross production of 18,000 bopd on Block 3/05)

With these production assumptions, the forecasts for cash flow from operating activities in 2022 under various Brent price assumptions[2] are as follows:

- $70/bbl: $250 million
- $80/bbl: $290 million
- $90/bbl: $330 million

Other significant cash outflows budgeted for the year, for a total of $355 million:

- Development capex: $95 million
  - $75 million in Gabon
  - $5 million in Tanzania
  - $15 million in Angola (non-operated)
- Exploration investments: Contingent budget of $60 million, including in particular:
  - The acquisition of 3D seismic data for the Ezanga permit in Gabon
  - The drilling of two wells on the COR-15 permit in Colombia
- Financing: $200 million (in the absence of refinancing):
  - $188 million in debt repayment
  - $12 million in net cost of debt

M&P's internal forecasts for the next 12 months indicate that the Group will be in a position to carry on with its business activities and maintain sufficient liquidity. In addition to its cash on hand ($196 million at 31 December 2021), and even assuming a lower oil price environment, M&P has access if necessary to $100 million in immediate liquidity via the undrawn portion of its Shareholder Loan.

[2] Average price assumption for the period March-December 2022

- **Proposed dividend**

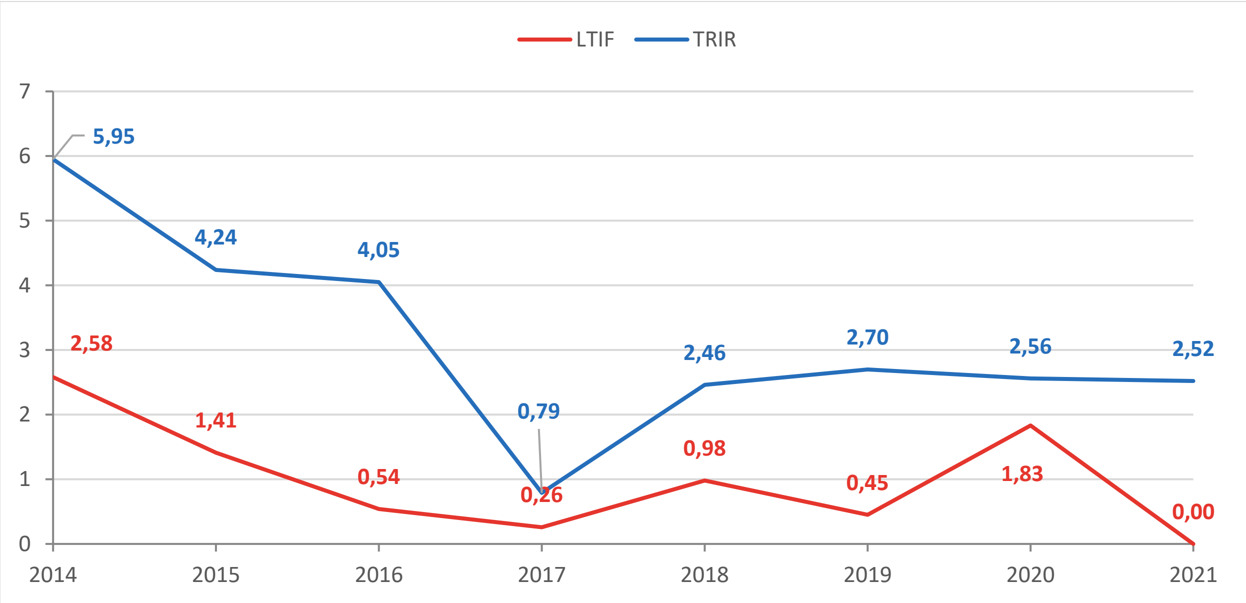
After examining the Group's financial situation and its performance during fiscal 2021, the Board of Directors proposes to pay a dividend of €0.07 per share, equivalent to a total payment of $15 million, which is the maximum currently permitted under the restrictions attached to the Bank loan.

Subject to the removal of this restriction in case of completion of the refinancing of the Term Loan, the remuneration of shareholders will be increased to $30 million for the calendar year 2022.

2021 activity

- **Environment, Health, Safety and Security (EHS-S) performance**

The Lost Time Injury Frequency ("LTIF") rate was 0 in 2021, versus 1.83 in 2020. The Total Recordable Incident Rate ("TRIR") was 2.52.



- **Highlights of the fiscal year**

Like the previous year, 2021 was characterised by the effects of the Covid-19 pandemic. The Group took all necessary steps to ensure business continuity, in full compliance with the recommendations of the relevant health authorities. At operational sites, measures exceeding recommendations have been implemented to ensure business continuity, which so far has not been in question since the outbreak began.

After a volatile and bearish 2020, crude oil prices experienced a sustained and almost uninterrupted increase over the course of 2021. Brent began the year at around $50/bbl, finishing at just below $80/bbl at end-December. It averaged $70/bbl over the full year, versus $40/bbl in 2020. There were two main reasons behind this sharp increase. One was the earlier- and stronger-than-expected economic recovery from the pandemic, and the other was the relative weakness of global oil production in a context of marked underinvestment.

From an operational standpoint, M&P paid close attention in 2021 to the sustainability of the efforts undertaken as part of the adaptation and cost reduction plan, which was rolled out in 2020. Cost-reduction initiatives were ongoing and there was little change in the level of operating expenses and G&A ($168 million in 2021 vs $164 million in 2020). This financial discipline did not, however, exclude capital expenditure. In that regard, a drilling campaign and stimulation operations on existing wells got under way in summer 2021 on the Ezanga asset to support the fields' production potential.

In Gabon, M&P and the Gabonese Republic signed a comprehensive agreement in November 2021 settling a number of outstanding issues between the parties. Under this agreement, the parties approved the immediate release to the Gabonese Republic of the $43 million that had been placed in an escrow account for pre-2018 carrying costs on the Ezanga permit, as well as the payment of an additional sum of $57 million to the Gabonese Republic.

In return, the agreement provided for:

- The signature of an amendment to the Production Sharing Contract ("PSC") on the Ezanga permit (M&P being the operator with an 80% working interest), which included changing certain terms and extending the exploration period to 2026;
- The signature of new PSCs for the Kari and Nyanga-Mayombé regions (M&P being the operator with a 100% working interest) and for which the exploration periods will now run until 2029;
- The establishment of a mechanism by which M&P will, over time, recover certain receivables (amounting to $98 million at 30 September 2021).

This mutually beneficial agreement reflects M&P's long-term commitment in Gabon, and its economic effects are already being felt through changes to the fiscal terms on the Ezanga permit.

The Group's policy is to manage its exploration and appraisal asset portfolio dynamically. To that end, in 2021 and early 2022, M&P cemented its presence in Colombia before disposing of its operations in Canada:

- In Colombia, the Group acquired the 50% stake previously held by Frontera Energy in M&P Colombia (owner of the COR-15 asset, for which the drilling of two exploration wells is scheduled), before being awarded the VSM-4 licence during the "Ronda Colombia 2021" exploration licensing round in December 2021;
- In Canada, M&P sold its 25% stake in the Sawn Lake project in March 2022 to its partner Andora, which already owned 50% of the asset and is the operator. M&P decided to exit Canada after concluding that development of the asset would not meet its economic and environmental criteria.

In Venezuela, due to international sanctions against PDVSA, operations conducted by the Group in relation to its stake in Petroregional del Lago ("PRDL") are strictly limited to maintenance related to the safety of staff and assets, and to environmental protection. Consequently, no contribution to M&P's net income has been recognised, despite the fact that the asset is still in production (gross production of 11,954 bopd in 2021, or 4,782 bopd theoretically for the 40% consolidated stake held by M&P) and still has development potential. In addition, M&P is currently working on the possibility to lift oil with respect to sums owed by PRDL and corresponding to past dividends.

- **Production activities**

		Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	2020	*Change 2021 vs 2020*
M&P working interest production								
Gabon (oil)	bopd	15,120	15,256	15,104	16,668	**15,540**	16,896	*-8%*
Angola (oil)	bopd	3,333	3,786	3,698	2,848	**3,416**	3,933	*-13%*
Tanzania (gas)	MMcfd	40.7	36.5	35.6	44.0	**39.2**	31.5	*+25%*
Total	**boepd**	**25,240**	**25,124**	**24,738**	**26,847**	**25,490**	**26,076**	***-2%***

In fiscal 2021, M&P's working interest production stood at 25,490 boepd, a 2% increase over 2020 (26,076 boepd).

In Gabon, M&P's working interest oil production (80%) on the Ezanga permit was 15,540 bopd (gross production: 19,425 bopd) for the year. The drop in crude prices and production cuts under OPEC quotas led M&P to limit its working interest production on the Ezanga permit to 15,200 bopd (gross production: 19,000 bopd) up to first quarter 2021. Field production increased again at the end of 2021, after development operations resumed in July 2021 (development drilling and stimulation operations on existing wells).

In Tanzania, M&P's working interest gas production (48.06%) on the Mnazi Bay permit stood at 39.2 mmcfd (gross production: 81.6 mmcfd) for 2021, up 25% from 2020. This was just short of the annual production record achieved in 2018 (40.0 mmcfd for M&P working interest), demonstrating the steady nature of Tanzania's demand for gas.

In Angola, M&P working interest production (20%) in Block 3/05 in 2021 was 3,416 bopd (gross production: 17,079 bopd), a year-on-year decline of 13%. Production was affected in the second half of the year by maintenance operations carried out between end-October and mid-November.

- **Exploration and appraisal activities**

Exploration and appraisal activities resumed in 2021 after being paused in 2020 due to the outbreak of Covid-19 and the application in March 2020 of the adaptation and cost reduction plan.

- **Gabon**

Under a comprehensive agreement entered into with the Gabonese Republic in November 2021, the Group was granted an extension to the exploration periods for its three assets in Gabon. The Ezanga permit will now expire in 2026, while the Kari and Nyanga-Mayombé permits will expire in 2029.

M&P is currently preparing a 3D seismic data acquisition campaign for the Ezanga permit, which is expected to take place in 2022. This will be used to identify opportunities for development in the vicinity of fields currently in production. This campaign is intended to ensure the continuing development of the asset, thanks in particular to the visibility provided by the agreement reached with the Gabonese authorities in November 2021.

- **Colombia**

Following the finalisation of the agreement concluded in Q4 2021 with PRE-PSIE Coöperatief, a wholly owned subsidiary of Frontera Energy, M&P strengthened its position in Colombia. It now owns 100% of M&P Colombia, which holds the COR-15 and Muisca exploration permits. Plans are in place to drill two shallow exploration wells on the COR-15 permit in 2022.

Meanwhile, in the "Ronda Colombia 2021" exploration licensing round, M&P was awarded the permit for VSM-4, located in the upper part of the Rio Magdalena valley (*Valle Superior del Magdalena*), in December 2021. The contract for the block was officially signed on 21 January 2022. In consideration for being granted a six-year exploration licence, M&P has agreed to drill an exploration well. M&P has already identified a potential prospect on this block, which is in close proximity to several permits currently in production and to existing infrastructure**.**

- **France**

The production test that began in the first half of 2021 on the Mios permit was still ongoing in March 2022. The Group is awaiting a response from the French authorities as to whether it will be granted a concession to continue operating the licence.

- **Canada**

In March 2022, M&P finalised the sale of its 25% interest in the Sawn Lake project in Alberta to Andora Energy Corporation ("Andora"), which already owned 50% of the asset and is the operator. In consideration for a payment to Andora of $0.5 million, M&P has transferred all of its financial commitments pertaining to Sawn Lake, and particularly those related to site abandonment costs. M&P has also agreed to grant an exclusivity period to discuss the potential direct or indirect acquisition by Andora of M&P's 19.57% stake in Deep Well oil & Gas, Inc., whose subsidiaries collectively hold a 25% participating interest in the Sawn Lake project.

Although the production pilot conducted between 2014 and 2016 provided encouraging technical results, development of the Sawn Lake project is not part of M&P's strategy. Firstly, the economics of the project are adversely affected by local crude oil price dynamics, with substantial discounts relative to global crude benchmarks. Secondly, the project's carbon intensity, particularly greenhouse gas emissions generated by the production of steam required for the oil recovery technique known as "SAGD" (steam-assisted gravity drainage), is incompatible with the Group's investment criteria.

The sale marks the end of the Group's operations in Canada.

- **Drilling services**

The Group provides drilling services through its wholly owned subsidiary Caroil. After a reorganisation in 2020 as part of the adaptation and cost reduction plan, Caroil's management functions were relocated to its operational headquarters in Pau, France. Caroil also offers training in drilling activities in both France and Gabon.

The resumption of drilling activities on the Ezanga permit saw the restart of the C3 rig. Five wells were drilled in the second half of 2021 and the drilling campaign has been continued into 2022.

In Gabon, operations at Caroil S.A.S., which were previously run by a Gabonese branch of the French parent company, were transferred to a new Gabon-based company set up in the context of a partial asset contribution. The new company, Caroil Drilling Solution S.A., is still wholly owned by Caroil S.A.S.

Additionally, a letter of intent was signed in March 2022 with a third-party operator for the execution of a drilling programme including in particular a firm commitment for five wells.

Group reserves as at 31 December 2021

The Group's reserves correspond to the volumes of technically recoverable hydrocarbons on permits where production is currently underway—proportionate to the Group's share of interest in those permits—plus those revealed by discovery and delineation wells that can be operated commercially. These reserves were certified as at 31 December 2021 by DeGolyer and MacNaughton in Gabon and Angola, and by RPS Energy in Tanzania.

The Group's 2P reserves stood at 171.2 mmboe at 31 December 2021, of which 108.8 mmboe are proven reserves (1P).

2P reserves for M&P's working interest:

	Oil (mmbbls) Gabon	Oil (mmbbls) Angola	Gas (bcf) Tanzania	**mmboe Group total**
31/12/2020	***132.4***	***14.6***	***214.0***	***182.7***[3]
Production	*-5.7*	*-1.4*	*-13.8*	*-9.3*
Revision	*-3.2*	*+0.4*	*+4.0*	*-2.1*
31/12/2021	**123.5**	**13.7**	**204.3**	**171.2**
O/w 1P reserves	*79.6*	*11.4*	*106.5*	*108.8*
As a % of 2P	*64%*	*83%*	*52%*	*64%*

Note that these figures do not take into account M&P's 20.46% interest in Seplat Energy, one of Nigeria's main operators listed on the London and Lagos stock exchanges. As a reminder, Seplat Energy's 2P reserves were 449 mmboe[4] at 31 December 2021 (i.e. 92 mmboe for M&P's 20.46% interest).

In addition, due to international sanctions against Venezuela's state oil company PDVSA, the activity associated with M&P's interest in PRDL is, for the time being, limited to operations related solely to the safety of staff and assets, and to environmental protection. Accordingly, no reserves have been recognised for this interest.

[3] 2P reserves at 31 December 2020 were restated by 0.2 mmbbls corresponding to the Mios permit in France, for which the certification of reserves was not renewed for the 2021 fiscal year

[4] Gas to oil conversion ratio of 6bcf per mmboe

Français			Anglais
pieds cubes	pc	cf	cubic feet
millions de pieds cubes par jour	Mpc/j	mmcfd	million cubic feet per day
milliards de pieds cubes	Gpc	bcf	billion cubic feet
baril	B	bbl	barrel
barils d'huile par jour	b/j	bopd	barrels of oil per day
millions de barils	Mb	mmbbls	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
millions de barils équivalent pétrole	Mbep	mmboe	million barrels of oil equivalent

For more information, please visit www.maureletprom.fr/en/

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