Paris, 14 March 2023
N° 08-23

2022 annual results

- **Strong operational performance and increased profitability in a favourable oil price environment**
    - M&P's working interest production in 2022 was stable at 25,584 boepd
    - Sales totalled $676 million, an increase of 35%, in line with the increase in the average sale price of oil ($97.8/bbl compared with $72.5/bbl in 2021)
    - EBITDA of $443 million and recurring net income of $211 million, up 58% and 55% respectively

- **Strong cash flow generation through continued cost discipline**
    - Operating and administrative expenses at their lowest since the adaptation plan was introduced in 2020; over $100 million in cumulative savings over three years
    - Free cash flow of $198 million for the year ($275 million excluding M&A)

- **Continued deleveraging and very strong financial position**
    - Net debt of $200 million as at 31 December 2022, down $143 million over the year despite external growth transactions ($78 million) and the dividend ($29 million)
    - Debt refinanced in 2022, offering visibility and favourable terms until 2028

- **Closing of the acquisition of Wentworth Resources expected between Q2 and Q3 2023**
    - Approval of Wentworth Resources shareholders obtained on 23 January 2023
    - Completion of the acquisition subject to the approval of the Tanzanian authorities

- **Immediate redistribution of the value created to shareholders**
    - Dividend of €0.14 per share ($29 million) paid in July 2022 for 2021
    - Dividend of €0.23 per share ($50 million) submitted to shareholders' vote for 2022

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/maureletpromfr/20230314_1/

Key financial indicators

in $ million	2022	2021	*Change*
Income statement			
Sales	**676**	**500**	***+35%***
Opex & G&A	-161	-168	
Royalties and production taxes	-85	-77	
Change in overlift/underlift position	13	25	
Other	–	–	
EBITDA	**443**	**280**	***+58%***
Depreciation, amortisation and provisions and impairment of production assets	-85	-107	
Expenses on exploration assets	-1	-0	
Other	-4	-16	
Operating income	**352**	**158**	***+124%***
Net financial expenses	-23	-16	
Income tax	-145	-44	
Share of income/loss of associates	22	23	
Net income	**206**	**121**	***+71%***
O/w net income before non-recurring items	211	136	*+55%*
Cash flows			
Cash flow before income tax	444	280	
Income tax paid	-112	-82	
Operating cash flow before change in working capital	**331**	**198**	***+67%***
Change in working capital requirement	34	82	
Operating cash flow	**366**	**280**	***+31%***
Development capex	-92	-164	
Exploration capex	-11	–	
M&A	-78	-8	
Dividends received	12	15	
Free cash flow	**198**	**123**	***+61%***
Net debt service	-224	-96	
Dividends paid	-29	–	
Other	-2	1	
Change in cash position	**-58**	**27**	***N/A***
Cash and debt			
Closing cash	138	196	
Closing gross debt	337	539	
Closing net debt	**200**	**343**	***-42%***

At its meeting of 13 March 2023, 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 2022.

Olivier de Langavant, Chief Executive Officer of M&P, stated: *"For the second year in a row, the Group's financial results have seen significant improvement. This is obviously linked to macroeconomic circumstances and the high crude oil price environment, especially in the first half of 2022. However, our cost discipline has also played a key role in a context of high inflation. The resulting strong cash flow generation has allowed us to pursue our capital allocation strategy: deleveraging, growth, and distribution. Firstly, deleveraging, with net debt now below $200 million. Growth, including the purchase of the new C18 Maghèna drilling rig for Caroil in Gabon as well as the ongoing acquisition of Wentworth Resources to increase our presence in Tanzania. Finally, distribution to shareholders, with a new dividend of €0.23 per share proposed for fiscal year 2022, after the dividend of €0.14 per share paid for fiscal year 2021. This sharp increase is a testament to our commitment to return value creation to shareholders, whilst continuing to steadfastly develop the Group."*

Financial position

- **Comments on fiscal 2022**

Consolidated sales in 2022 amounted to $676 million, an increase of 35% compared to fiscal year 2021 ($500 million). This increase is in line with the increase in the average sale price of oil from $72.5/bbl in 2021 to $97.8/bbl in 2022.

Operating and administrative expenses amounted to $161 million, the lowest level in recent years ($180 million in 2019, $164 million in 2020, and $168 million in 2021). This demonstrates the sustainability of the measures taken to significantly and sustainably reduce the Group's costs and expenses. Royalties and production taxes increased significantly ($85 million compared to $77 million in 2021) due to their proportionality to sale prices. The positive change in the overlift/underlift position has resulted in a gain of $13 million.

EBITDA came in at $443 million, an increase of 58% compared to the previous fiscal year ($280 million). Depreciation and amortisation charges amounted to $85 million in 2022, versus $107 million in 2021. Current operating income amounted to $352 million.

The net financial expenses shown in the income statement amounted to $23 million for 2022, up from $16 million in 2021, due in particular to the rise in interest rates.

In addition to the increase in gross price, the surge in income tax ($145 million in 2022 compared to $44 million in 2021) results from the progressive depreciation of the VAT receivable of $56 million as they are being recovered as cost oil, as permitted under the agreement signed with the Gabonese Republic in November 2021.

M&P's share in net income from equity associates was $22 million, and corresponds almost exclusively to the 20.46% stake in Seplat Energy.

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

Net income for fiscal year 2022 amounted to $206 million, an increase of 71% compared to 2021 ($121 million). Recurring net income (excluding extraordinary items) was $211 million, an increase of 55%.

Before changes in working capital, cash flow from operating activities was $331 million (compared with $198 million in 2021). After taking into account changes in working capital (positive impact of $34 million), the operating cash flow reached $366 million.

Development capex amounted to $92 million, compared to $164 million in the previous year (including $97 million for M&P's share of the comprehensive agreement signed with the Gabonese Republic in November 2021). These investments included $67 million for development activities on the Ezanga asset in Gabon, $9 million for activities in Angola, and $15 million for the Caroil drilling subsidiary, covering in particular the purchase of a new C18 Maghèna drilling rig.

Exploration capex amounted to $11 million, of which $10 million corresponded to the drilling campaign on the COR-15 licence in Colombia.

Asset acquisition expenditure was $78 million in 2022, of which $76 million corresponded to the placement in an escrow account of the amount required to complete the acquisition of Wentworth Resources announced in December 2022.

In 2022, M&P received $12 million in dividends, net of taxes, from its 20.46% stake in Seplat Energy.

Free cash flow (now calculated after dividends received) for fiscal year 2022 therefore amounted to $198 million, an increase of 61% compared to 2021 ($123 million).

In terms of financing flows, the debt service amounted to $224 million, including $201 million in repayments ($195 million in bank loans and $6 million in shareholder loans) and $22 million in debt costs.

Finally, M&P distributed $29 million in dividends in 2022, €0.14 per share, paid in July 2022.

- **Borrowing and financing**

The cash position at the close of 31 December 2022 was $138 million (31 December 2021: $196 million). This amount excludes $76 million placed on escrow as part of the offer announced on 5 December 2022 for Wentworth Resources, which is therefore already fully provisioned.

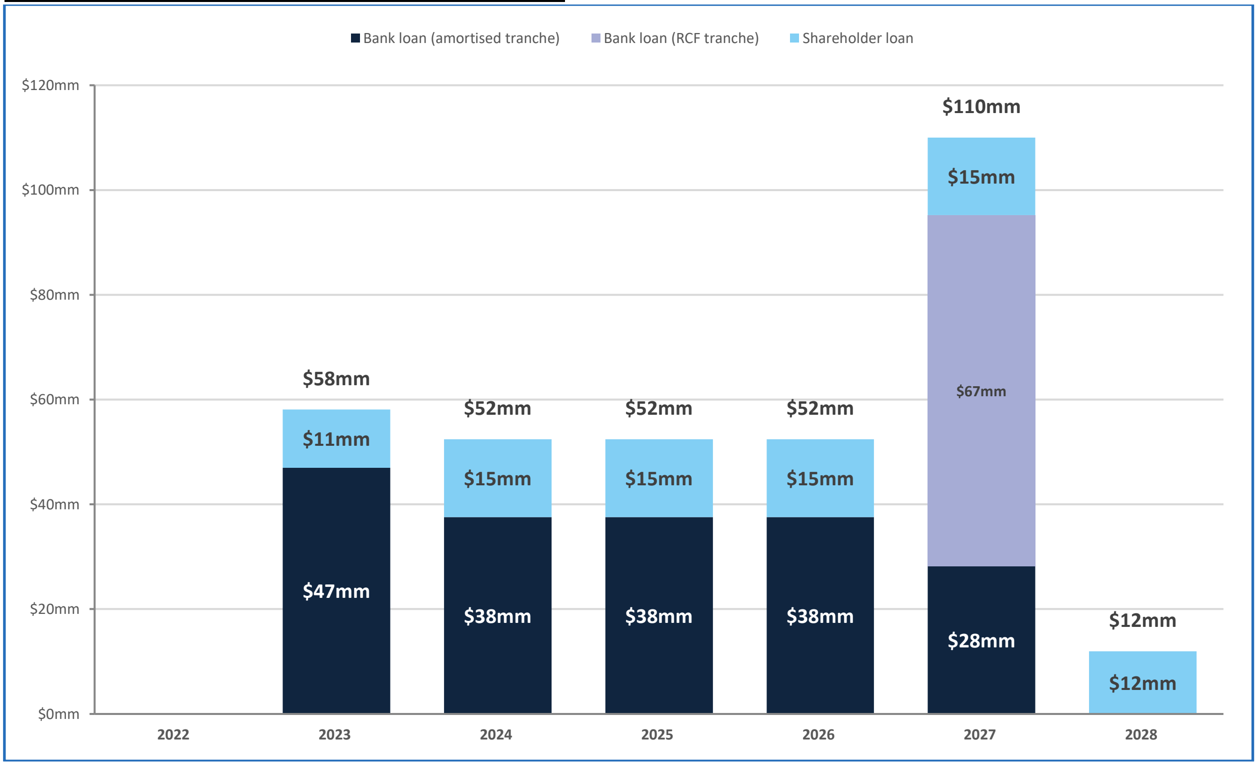
During fiscal year 2022, M&P repaid a total of $201 million in gross debt, reducing its gross debt to $337 million at 31 December 2022, of which $255 million under the bank loan (RCF of $67 million fully drawn at 31 December 2022) and $82 million under the shareholder loan. It is worth noting that gross debt has been reduced by more than half over the past three years, from $700 million at the end of 2019.

Over fiscal year 2022, net debt decreased by $143 million to $200 million, compared to $343 million at 31 December 2021.

With the refinancing concluded in May 2022 and effective from July 2022, M&P continues to have financing at favourable rates (SOFR + spread (0.11%) + 2.00% for the $188 million amortised tranche of the bank loan, and SOFR + spread (0.11%) + 2.25% for the $67 million RCF tranche), for a term now extended to 2027. The first quarterly repayment of the bank loan is due in April 2023.

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

<u>Debt repayment profile at 31 December 2022:</u>



<u>Key terms of the refinanced debt facilities at 31 December 2022:</u>

	Bank loan Amortising portion	Bank loan RCF tranche	Shareholder loan
Amount drawn	$188 million	$67 million	$82 million (+ $100 million available)
Interest rate	SOFR + spread (0.11%) + 2.00%	SOFR + spread (0.11%) + 2.25% (0.675% on the undrawn portion)	SOFR + spread (0.11%) + 2.10%
Repayments	18 quarterly instalments	At maturity	22 quarterly instalments
First deadline	Q2 2023	–	Q2 2023
Last instalment	Q3 2027	Q3 2027	Q3 2028

- **Operating and financial forecasts for 2023**

The Group expects M&P's working interest production to reach 26,200 boepd in 2023, including:

- 15,600 bopd in Gabon (equivalent to gross production of 19,500 bopd at Ezanga)
- 43.2 mmcfd (equivalent to gross production of 90.0 mmcfd at Mnazi Bay)
- 3,400 bopd in Angola (equivalent to gross production of 17,000 bopd on Block 3/05)

With these production assumptions, the forecasts for cash flow from operating activities in 2023 under various Brent price assumptions are as follows:

- <u>At $70/bbl:</u> $260 million
- <u>At $80/bbl:</u> $310 million
- <u>At $90/bbl:</u> $360 million

Other significant cash outflows budgeted for the year, for a total of $273 million:

- Development investments: $100 million, allocated as follows:
  - $85 million in Gabon
  - $5 million in Tanzania
  - $10 million in Angola (non-operated)
- Exploration investments: Budget of $45 million, including $35 million contingent, including:
  - The end of the drilling campaign on the COR-15 permit in Colombia (completed in February 2023)
  - The potential acquisition of 3D seismic data for the Ezanga permit in Gabon
- Financing: $128 million, allocated as follows:
  - $58 million in debt repayments
  - $20 million in net cost of debt
  - $50 million in dividends

This guidance is given on a constant scope basis, excluding the potential impact of the ongoing acquisition of Wentworth Resources.

- **Proposed dividend**

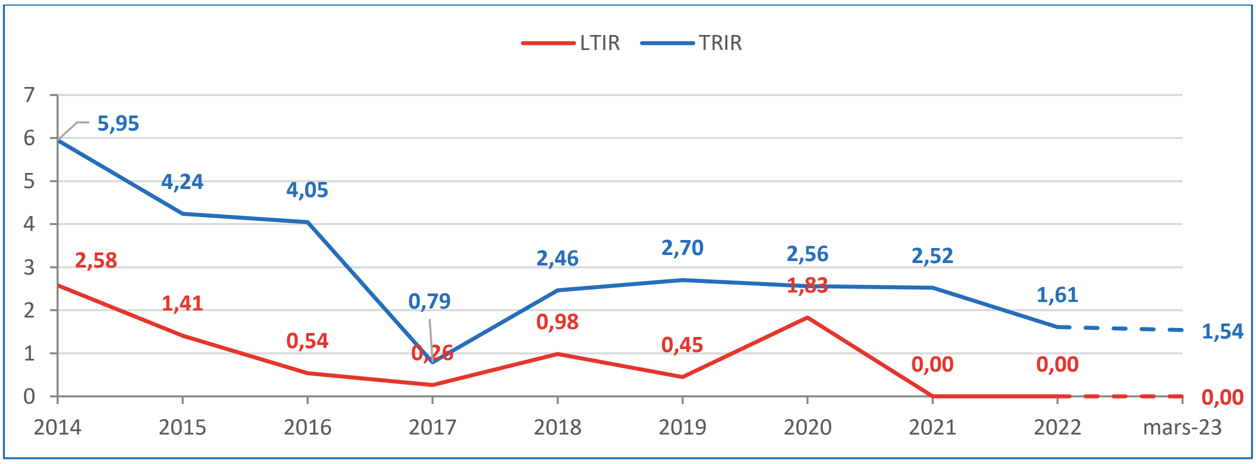
After reviewing the Group's financial situation and its performance for the year 2022, the Board of Directors proposes to pay a dividend of €0.23 per share, for a total amount of $50 million.

This amount of €0.23 per share represents an increase of 64% compared to the €0.14 dividend paid in 2022 for financial year 2021. This reflects the significant improvement in the Group's financial performance and demonstrates its desire to immediately return to creating value for shareholders.

2022 activity

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

For the second year in a row, the lost time injury rate ("LTIR") rate was nil. The total recordable injury Rate ("TRIR") per million hours worked was 1.61, compared to 2.52 in 2021.

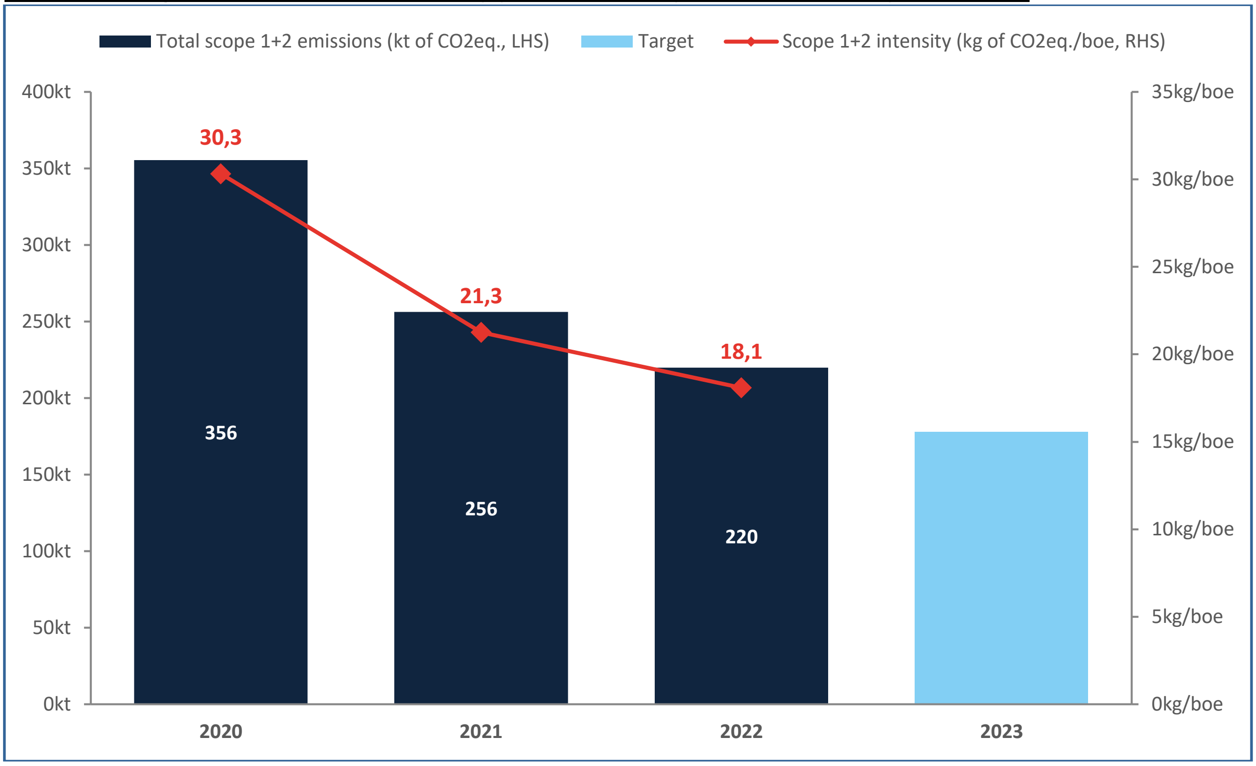


Note: Lost Time Injury Rate (LTIR) and Total Recordable Injury Rate (TRIR) are calculated per million hours worked

As part of its decarbonisation policy, the Group implemented a number of measures in 2022 to reduce its greenhouse gas emissions. This includes, for example, the connection of the well platforms to the Onal power plant grid on the Ezanga permit in Gabon. Thanks to these initiatives, greenhouse gas emissions (scope 1 and 2) on operated assets in production stood at 220kt of CO_2 equivalent, down 14% compared to 2021 (256kt). Compared to 2020, the impact of flaring is down by 47%, and that of venting by 54%, both ahead of the long-term objectives respectively defined by the Group in 2021 and 2022.

The carbon intensity (scope 1 and 2) of the Group's operated production stands at 18.1kg of CO_2 equivalent per barrel, down 15% compared to 2021 (21.3kg) and 40% compared to 2020 (30.3kg).

<u>Greenhouse gas emissions and intensity per barrel of operated assets in production:</u>



Note: Greenhouse gas emissions for previous years have been adjusted to take into account the new calculation methodology including venting

- **Production activities**

		Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	2021	*Change 2022 vs. 2021*
M&P working interest production								
Gabon (oil)	bopd	14,222	13,439	15,253	15,650	**14,646**	15,540	*-6%*
Angola (oil)	bopd	3,856	3,916	3,695	3,465	**3,732**	3,416	*+9%*
Tanzania (gas)	mmcfd	47.3	41.5	41.3	43.0	**43.2**	39.2	*+10%*
Total	**boepd**	**25,966**	**24,257**	**25,824**	**26,283**	**25,584**	**25,490**	***+0%***

In fiscal 2022, M&P’s working interest production stood at 25,584 boepd, stable compared to 2021 (25,490 boepd).

In Gabon, M&P’s working interest oil production (80%) on the Ezanga permit was 14,646 bopd (gross production: 18,308 bopd) for 2022. Average production for the year is therefore 6% lower than in 2021, mainly due to the disruption caused by the incident at the end of April at the Cap Lopez export terminal, the situation having returned to normal in the third quarter. The well stimulation campaign that began in the fourth quarter of 2022 finished in early 2023. Tangible results are visible, with a significant increase in the field's production potential, which is now above 21,000 bopd.

In Tanzania, M&P’s working interest gas production (48.06%) on the Mnazi Bay permit stood at 43.2 mmcfd (total production: 90.0 mmcfd) for 2022, up 10% from 2021, which was already a record year.

In Angola, M&P’s working interest production (20%) from Block 3/05 in 2022 is 3,732 bopd (gross production: 18,660 bopd), up 9% from 2021. Discussions on extending the licence beyond its current term in June 2025 are now well underway. It is expected that the licence extension will be accompanied by new tax terms that will enhance the economics of the permit.

- **Exploration and appraisal activities**

Colombia

In Colombia, drilling operations on the Zorro-1 exploration wells on the COR-15 permit were launched in November 2022 and completed in early January 2023. The well encountered oil indications in the Guadalupe formations, the main objective of the drilling, and Lower Socha, from which a 20° API oil sample was taken. However, the production test conducted on Lower Socha only produced formation water. Consequently, it was decided to abandon the well, which was done in January 2023.

The second Oveja-1 well, drilled in sequence with the Zorro-1 well, reached its final depth of 884 metres in nine days. Oveja-1 found the Lower Socha reservoir at a depth of 670 metres, with oil shows comparable to those of Zorro-1. The various measurements carried out did not indicate the presence of producible hydrocarbons, and the abandonment of the well was completed in early February 2023.

The final total cost of this two-well exploration programme was $15 million, of which M&P financed $8 million. These two wells mark the end of M&P’s commitment activity within the COR-15 permit. Further studies and a full analysis of the results will be carried out before deciding on the future of the licence. Also in Colombia, M&P retains the VSM-4 exploration licence in the upper Magdalena Valley; a major anticline structure has been identified on this 970 sq km licence in the vicinity of eight oil and gas fields, including the San Francisco field. Drilling is expected to begin in 2024.

Gabon

In Gabon, a 3D seismic data acquisition campaign was initially planned for 2022 in the southern part of the Ezanga permit. This is still under study, with a final schedule yet to be confirmed.

- **Drilling services**

Wholly-owned drilling subsidiary Caroil is currently active in Gabon with the C3 and C16 rigs.

The C3 rig continues to operate as part of the development drilling campaign on the Ezanga licence, where 15 wells were drilled in 2022. The C16 rig restarted operations in August 2022 and drilled 2 wells during the year under contract to Assala Energy.

To cope with the complexity of upcoming operations on the Ezanga field and to replace the C3 rig, Caroil acquired a new high-tech drilling rig (C18 Maghèna) which is expected to enter service in March 2023 in Gabon.

- **Other highlights of the fiscal year**

Offer for Wentworth Resources

On 5 December 2022, M&P and Wentworth Resources ("Wentworth") jointly announced that they had reached agreement on the terms of a recommended acquisition of Wentworth by M&P for a cash consideration of 32,5 pence per share, or approximately $76 million. Wentworth's only asset (excluding its $30 million cash balance as at 1 November 2022) is its 31.94% direct and indirect interest in the Mnazi Bay gas asset in Tanzania, operated by M&P. If the acquisition is completed, M&P's stake in Mnazi Bay will increase from 48.06% to 80%.

Wentworth Resources published the Scheme Document for the acquisition on 25 January 2023. On 23 February 2023, the requisite majority of shareholders voted to approve the Scheme at the Court Meeting and to pass the resolution to amend Wentworth's articles of association and to implement the Scheme at the General Meeting.

The completion of the acquisition of Wentworth remains subject to the approval of the Tanzanian authorities, which is currently expected between Q2 and Q3 2023. M&P will communicate on this subject in due course.

Presence in Venezuela

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 16,281 bopd in 2022, or 6,512 bopd theoretically for the 40% consolidated stake held by M&P) and still has development potential.

In addition, M&P has entered into negotiations with the Venezuelan government to obtain a new operating framework similar to that of Chevron. In early December 2022 and with the approval of the US government, Chevron signed an agreement with the Venezuelan authorities allowing for the payment of debts owed by PDVSA as well as enhanced control over the operations of their joint venture with PDVSA, particularly in the areas of procurement, cash management and crude sales.

Group reserves as at 31 December 2022

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 2022 by DeGolyer and MacNaughton in Gabon and Angola, and by RPS Energy in Tanzania.

The Group's 2P reserves stood at 173.2 mmboe at 31 December 2022, of which 108.5 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**
31/12/2021	**123.5**	**13.7**	**204.3**	**171.2**
Production	*-5.3*	*-1.4*	*-15.8*	*-9.3*
Revision	*+2.6*	*+5.7*	*+17.7*	*+11.2*
31/12/2022	**120.8**	**18.0**	**206.2**	**173.2**
O/w 1P reserves	*77.1*	*15.5*	*96.2*	*108.5*
As a % of 2P	*64%*	*86%*	*47%*	*63%*

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's 2P reserves were 430 mmboe (206 million barrels of oil and 1,343 billion cubic feet of gas) at 31 December 2022, i.e. 88 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.

MAUREL & PROM

Français			English
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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