

Results for the first half of 2023

- **Production up and financial performance in line with changes in the price of crude**
 - M&P's working interest production of 27,406 boepd, up 9% and 5% compared to the first and second six months of 2022 respectively (25,126 boepd and 26,053 boepd)
 - Sales of \$299 million in the first half of 2023, down 16% compared to the first half of 2022 (\$355 million), caused by the marked fall (29%) in the average sale price of oil over the period (\$74.8/bbl against \$105.0/bbl)
 - Continued cost discipline in spite of the inflationary environment: limited increase in opex & G&A which reached \$88 million against \$84 million in the first half of 2022
 - EBITDA \$164 million; net income \$53 million; net current income (excluding non-recurring items) \$70 million
- **Net debt down again in spite of an unfavourable change in the working capital requirement**
 - Cash flow from operating activities \$87 million (\$127 million before change in the working capital requirement)
 - Free cash flow of \$38 million
 - Net debt of \$178 million as at 30 June 2023, down \$21 million over the half year (\$200 million as at 31 December 2022)
- **Pursuit of growth and return of value to shareholders**
 - M&P's discussions with a view to the acquisition of Assala Energy are well advanced and shareholders will be informed of progress in due course
 - Ongoing discussions with Tanzanian authorities to obtain approval for the acquisition of Wentworth Resources
 - Dividend of €0.23 per share (for a total amount of \$49 million) paid post half-year closing at the start of July 2023.

Key financial indicators

<i>in \$ million</i>	H1 2023	H1 2022	Change
Income statement			
Sales	299	355	-16%
Opex & G&A	-88	-84	
Royalties and production taxes	-37	-45	
Change in overlift/underlift position	-9	25	
Other	–	–	
EBITDA	164	250	-34%
Depreciation, amortisation and provisions and impairment of production assets	-54	-40	
Expenses on exploration assets	-12	-1	
Other	-5	-4	
Operating income	93	205	-54%
Net financial expenses	-7	-17	
Income tax	-51	-68	
Share of income/loss of associates	17	17	
Net income	53	138	-62%
<i>O/w net income before non-recurring items</i>	<i>70</i>	<i>143</i>	<i>-51%</i>
Cash flows			
Cash flow before income tax	160	250	
Income tax paid	-33	-54	
Operating cash flow before change in working capital	127	196	-35%
Change in working capital requirement	-40	3	
Operating cash flow	87	199	-56%
Development capex	-57	-44	
Exploration investments	-5	–	
M&A	–	–	
Dividends received	13	6	
Free cash flow	38	161	-77%
Net debt service	-39	-105	
Dividends paid	–	–	
Other	0	-2	
Change in cash position	-1	54	N/A
Cash and debt			
	30/06/2023	31/12/2022	
Closing cash	137	138	
Gross debt at closing	315	337	
Net debt at closing	178	200	-11%

At its meeting of 3 August 2023, chaired by John Anis, the Board of Directors of the Maurel & Prom Group (“M&P” or “the Group”) approved the financial statements for the half year ended 30 June 2023.

Olivier de Langavant, Chief Executive Officer at Maurel & Prom, stated: “As expected, the Group’s financial results for the first half of 2023 are naturally less than those for the same period last year, as the price environment has returned to a more normal level after the significant volatility encountered in 2022. However, this does not in any way obscure the excellent operational and financial health of the Group. Production is increasing and costs continue to be under control in spite of the high rate of inflation affecting the sector. M&P is consolidating its position on certain assets, with the extension of the Block 3/05 licence in Angola for example, while moving away from those which do not fit with its capital allocation policy. This explains the exit from the deepwater exploration licences in Namibia in particular. In compliance with its ESG rules and commitments, the Group continues to work actively to build its future and its growth through major development projects, while ensuring the redistribution of value created to shareholders, as shown by the dividend of €0.23 per share paid at the beginning of July, up 64% compared to the previous year.”

Financial performance

The Group’s consolidated sales for the first six months amounted to \$299 million, 16% lower than for the first six months of 2022 (\$355 million), in line with the fall in the average sale price of oil (\$74.8/bbl compared to \$105/bbl; i.e. a drop of 29%.

Opex & G&A were \$88 million over the period, a limited increase of 5% compared to their level in the first half of 2022 (\$84 million). Royalties and production taxes were \$37 million.

EBITDA was \$164 million Depreciation and amortisation charges stood at \$54 million. Expenses on exploration assets of \$12 million correspond to drilling expenses incurred on the COR-15 permit in Colombia (\$5 million) as well as impairment of Namibian assets (\$7 million) following return of the exploration licences to the authorities. Current operating income amounted to \$93 million.

Net of financial expense (structurally negative at \$7million), income tax (\$51 million), and the share of income from equity associates (\$17 million, mainly referring to the 20.46% stake in Seplat Energy), the Group’s net income fell to \$53 million in the first half of 2023. Current net income, excluding exploration expenses in particular, amounted to \$70 million.

Turning to cash flows, operating activities generated \$127 million in the first half.2023, before the change in working capital requirement. The change in working capital requirement had a negative impact of \$40 million over the period, caused in particular by an increase in receivables from SOGARA, the Gabon national refining company, amounting to \$24 million as at 30 June 2023. A memorandum of understanding was signed with the Republic of Gabon in July 2023, providing for recovery of the receivable via a mechanism for charging to the recoverable costs of Ezanga with no financial loss.

After taking into account \$57 million development capex (including \$33 million of drilling development expenditure in Gabon), \$5 million exploration capex (relating to drilling operations in Colombia) and \$13 million received in dividends in relation to the 20.46% holding in Seplat Energy, free cash flow before financing stood at \$38 million.

Net debt service was \$39 million, including \$23 million repayment of principal. The change in cash position was therefore -\$1 million.

Available liquidity as at 30 June 2023 was \$137 million (compared to \$138 million as at 31 December 2022) and covered only the cash position, as the \$67 million RCF tranche was fully drawn. This excludes the sum placed in escrow as part of the offer announced on 5 December 2022 for Wentworth Resources, which amounted to \$81 million as at 30 June 2023.

Gross debt amounted to \$315 million at 31 March 2023, including \$236 million in a bank loan and \$79 million in a shareholder loan. The first quarterly maturities on both instruments since the 2022 refinancing were paid in April 2023, for a total amount of \$23 million (\$19 million for the bank loan and \$4 million for the shareholder loan).

Net debt therefore amounted to \$178 million at 30 June 2023, a decrease of \$21 million compared to 31 December 2022 (\$200 million).

Production activities

		Q1 2023	Q2 2023	H1 2023	H1 2022	H2 2022	Change H1 2023 vs. H1 2022 H2 2022	
M&P working interest production								
Gabon (oil)	b/j	15,839	15,719	15,779	13,828	15,451	+14%	+2%
Angola (oil)	b/j	3,424	4,097	3,763	3,902	3,580	-4%	+5%
Tanzania (gas)	Mpc/j	46.7	47.6	47.2	44.4	42.1	+6%	+12%
Total	bep/j	27,054	27,755	27,406	25,126	26,053	+9%	+5%
Average sale price								
Oil	\$/bbl	75.2	74.0	74.8	105.0	90.5	-29%	-17%
Gas	\$/mmBtu	3.76	3.77	3.77	3.50	3.51	+8%	+7%

- **Gabon**

M&P's working interest oil production (80%) on the Ezanga permit stood at 15,779 bopd for the first half of 2023, an increase of 2% compared to the second half of 2022.

- **Tanzania**

M&P's working interest gas production (48.06%) on the Mnazi Bay permit was 47.2 mmcf/d for the first half of 2023, up 12% from the second half of 2022.

- **Angola**

M&P working interest production from Blocks 3/05A and 3/05 (20%) in the first half of 2023 was 3,763 bopd, an increase of 5% on the second half of 2022.

Following publication of the decree of approval on 10 May, the licence of Block 3/05 has now been extended from 2025 to 2040. Discussions between the operator of the block and the regulator with a view to finalising the improved tax terms associated with the extension of the licence have successfully concluded and implementation of the terms is now pending validation by the authorities.

Exploration activities

- **Namibia**

M&P launched a farm-out process in November 2022 with a view to finding a partner for exploration licences PEL-44 and PEL-45, operated by M&P with an 85% working interest. The process ended during the first half of 2023 without resulting in any offers from companies invited to examine technical data on the two assets.

M&P therefore decided not to apply to enter the next exploration phase, which includes drilling obligations, and the licences for both PEL-44 and PEL-45 expired on 15 June 2023. This marks the end of the Group's operations in Namibia.

- **Colombia**

After exploratory drilling operations on the COR-15 permit ended in February 2023, M&P analysed the data collected to determine the prospectivity remaining on the permit. This exercise did not enable identification of any new significant targets, in an asset for which the Group is now free of any obligation for works.

Drilling activities

- **Gabon**

The C18 Maghèna drilling rig newly acquired by the Group and operated by Caroil was commissioned in March 2023 and is currently carrying out the drilling campaign on the Ezanga permit.

As part of its drilling services for third parties, in June 2023 Caroil signed an agreement with Perenco for a five-month drilling campaign starting in Q4 2023, for which the C3 drilling rig is currently being upgraded. The C16 drilling rig continues to be deployed on the drilling campaign for Assala Energy in the south of the country.

Information on the possible offer for Assala Energy Holdings Ltd

Following our announcement on 14 June 2023 regarding a possible offer for Assala Energy Holdings ("Assala"), M&P confirms that it remains in advanced discussions with the shareholders of Assala with respect to the proposed acquisition of all the shares of Assala (the "Proposed

Acquisition"). Assala is an onshore oil company in Gabon, active in production (upstream), transport and storage (midstream), with working interest production of approximately 45,000 bopd in 2022.

There can be no assurance that agreement between the parties will be reached on final terms and that the Proposed Acquisition will complete.

M&P will update shareholders as to progress made in relation to the Proposed Acquisition in due course.

Information on the current offer for Wentworth Resources

On 23 February 2023, Wentworth Resources shareholders approved M&P's offer by voting in favour of the Scheme at the Court Meeting and in favour of its implementation at the General Shareholders' Meeting.

As part of the approvals process for this transaction as detailed in Part III of the Scheme Document, M&P requires approvals of Tanzania's Fair Competition Commission (the "FCC"). The FCC issued a decision notice that M&P's application shall not be determined at this time and will be marked closed by the FCC. M&P is consulting with the relevant Tanzanian government stakeholders in order to find a solution and bring the acquisition to a successful conclusion. M&P is also consulting with relevant Tanzanian government stakeholders about national oil and gas company TPDC's demand to exercise a right of first refusal to the acquisition.

The completion of the acquisition of Wentworth Resources remains subject to these approvals by the Tanzanian authorities, which is expected in the second half of 2023. M&P will communicate on this subject in due course.

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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