



**Restart of Venezuela**  
*10 November 2023*

**MAUREL & PROM**

# Immediate restart of the activity of M&P's mixed company in Venezuela



## Agreements signed for the redevelopment of the asset

- ✓ Focus includes reinvestment in preserving asset integrity, maintaining personnel safety and well-being, and production growth
- ✓ The frailework agreement allows an increased involvement of M&P in the mixed company's operations and procurement, including the appointment of additional secondees in key positions
- ✓ Fully funded by the organic cash flow generation of the mixed company



## Agreements signed for the repayment of the debt

- ✓ Total amount of debt owed by PdVSA to M&P Iberoamerica (80% subsidiary of M&P): \$914 million
- ✓ To be recovered over time via the allocation of a set portion of the revenue of the mixed company
- ✓ Possible alternatives: use of a part of the funds to increase the exploitation area of the mixed company, accelerated monetisation at a discount



## Considerable upside potential

- ✓ Permit valid until 2041, with 422 million of barrels (gross) approved for development as of year-end 2022
- ✓ Current gross production potential of c.16,500 bopd, with a view to bring back production to 25,000 bopd by year-end 2024, ramping-up further thereafter

# Background to the agreements

- ✓ **On 17 October 2023, a comprehensive political agreement was reached between Venezuelan government and the Venezuelan opposition towards a roadmap for the 2024 presidential election**
- ✓ **On 18 October, the U.S.' Office of Foreign Assets Control ("OFAC") issued General License 44 ("GL 44") broadly licensing transactions in Venezuela's oil and gas sector**
- ✓ **The license applies equally to U.S. and non-U.S. persons and allows all transactions involving PdVSA or any other Government of Venezuela any entity that are related to oil or gas sector operations in Venezuela. This includes:**
  - All activities related to the production, lifting, sale or export of oil or gas from Venezuela, as well as the payment of taxes, royalties, costs, fees, dividends and profits
  - Financing and banking activities relating to the oil and gas sector
  - The payment of invoices for goods and services related to oil or gas sector operations
  - New investments in oil or gas sector operations
  - The delivery of oil and gas to creditors of the Government of Venezuela or PdVSA as debt repayment

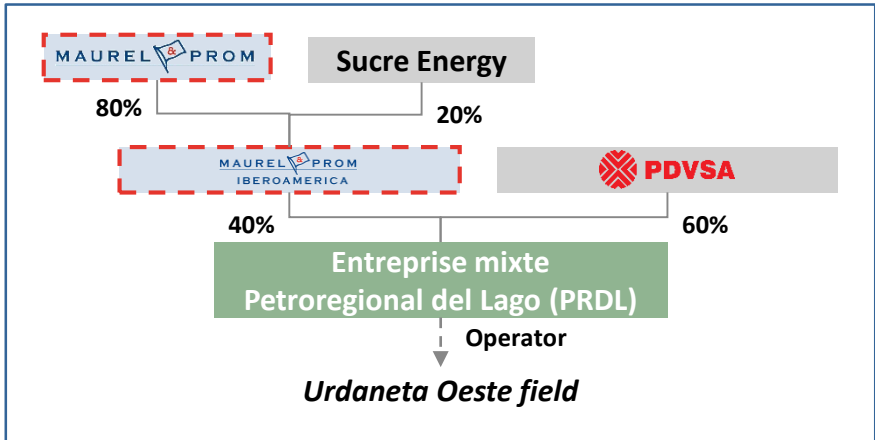
*The authorisations of the GL 44 are effective immediately and run to 18 April 2024*

# Information on M&P's mixed company in Venezuela

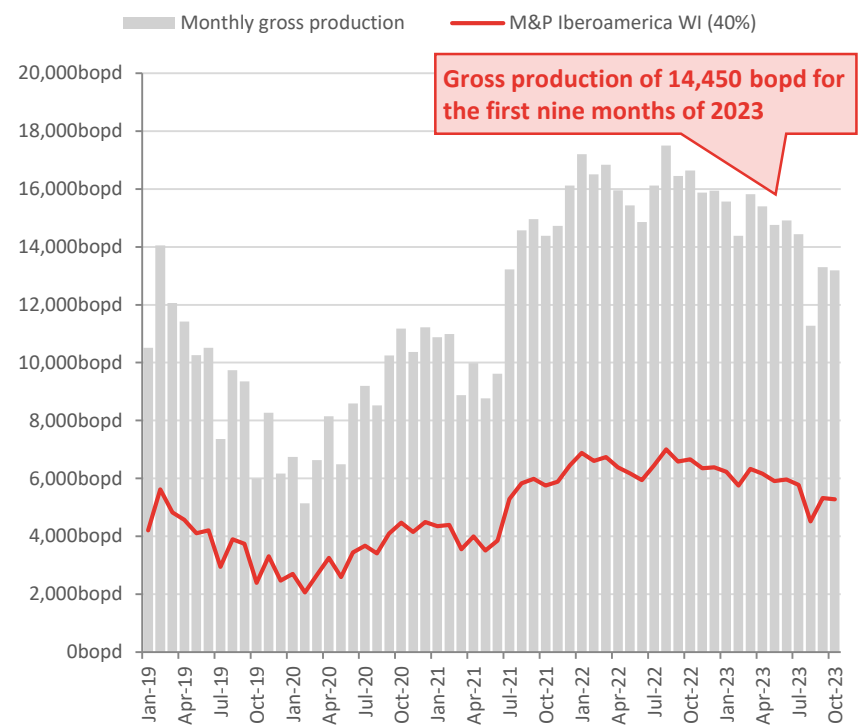
## Key figures

<p><b>13 billion barrels of stock tank original oil-in-place (STOOIP)</b> with a recovery factor of 2.5% as of end 2022 (332 million barrels produced)</p>	<p><b>422 million of barrels (gross) approved for development</b> until current licence expiry in 2041</p>
<p>Nominal capacity of the installed processing infrastructure: <b>70,000 bopd</b></p>	<p>Current gross production potential: <b>16,500 bopd</b></p>

## Ownership structure



## Production and key indicators for the last few years



	2018	2019	2020	2021	2022
Gross production (daily)	15.5kbopd	9.5kbopd	8.6kbopd	11.9kbopd	15.8kbopd
Gross production (total)	5.6mmbbls	3.5mmbbls	3.2mmbbls	4.4mmbbls	5.8mmbbls
Average oil sale price	\$63/bbl	\$52/bbl	\$34/bbl	\$55/bbl	\$86/bbl
Dividends to M&P Iberoamerica (40%)	\$63mm	\$45mm	\$18mm	\$23mm	\$71mm

# Repayment mechanisms for the \$914 million debt owed to M&P Iberoamerica



## Repayment over time

- ✓ Progressive recovery over time via the allocation of a set portion of the revenue of the mixed company
- ✓ No dividends will be paid to any shareholders of PRDL (both M&P Iberoamerica and PdVSA) for fiscal year 2023 onwards until all outstanding amount owed to M&P Iberoamerica has been paid off



## Ability to increase the size of the asset

- ✓ Some of the debt may be used to increase the exploitation area of the mixed company in Lake Maracaibo
- ✓ This could be done in particular via the inclusion of the Urdaneta Norte field (400 mmbbls of gross approved reserves for development) in the exploitation area of PRDL, which would substantially increase reserves and production for the mixed company
- ✓ This increase remains subject to customary approvals in Venezuela



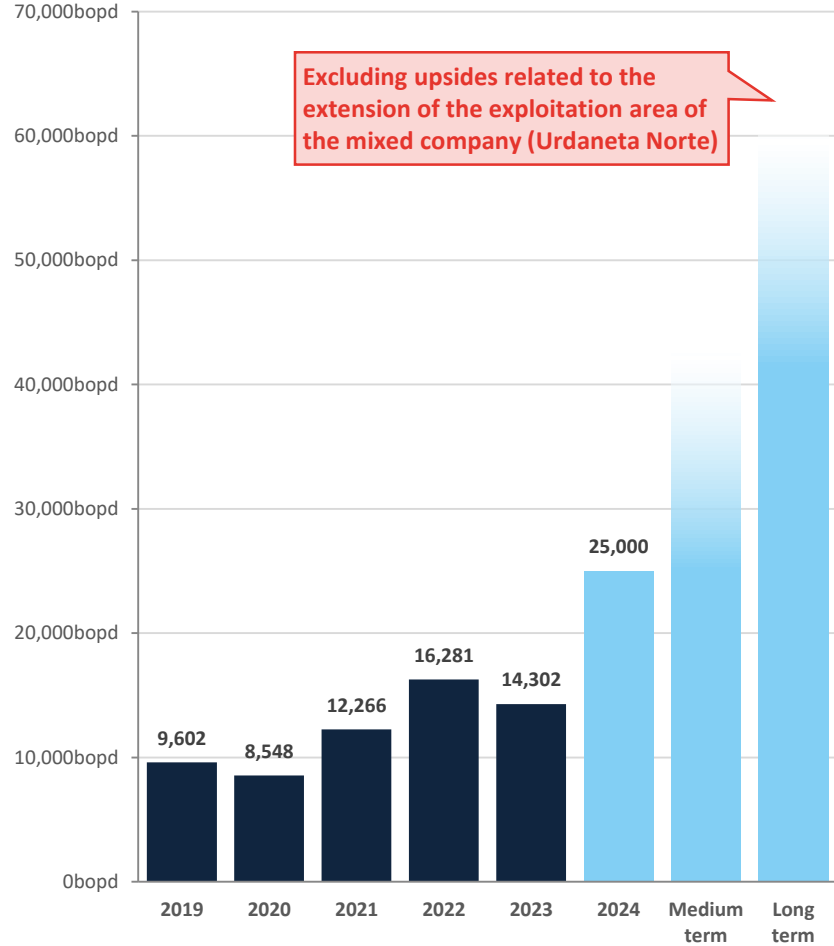
## Possible acceleration of the monetisation

- ✓ M&P Iberoamerica may request for an acceleration of a part of the debt repayment via the allocation of oil cargoes by PdVSA to be marketed directly by M&P
- ✓ In that case, only a portion of the sales proceeds would be allocated to M&P Iberoamerica, although 100% of the value of these cargoes would be deducted from the outstanding debt

# Agreements for the redevelopment of the Urdaneta Oeste field

- ✓ **Framework agreement enabling the mixed company to redevelop the field**
  - Focus includes reinvestment in preserving asset integrity, maintaining personnel safety and well-being, and production growth
  - M&P will be entitled to second a number of additional individuals in the mixed company, including the general manager
  - M&P will also be in charge of some key operations and processes within the mixed company, including procurement
  
- ✓ **Waterfall mechanism assigning specific percentages of the mixed company's revenues**
  - Payment of taxes and royalties, funding of operating and capital expenditures, as well as debt repayment to M&P Iberoamerica
  - All operating and capital expenditures will be funded via organic cash flow generation.
  
- ✓ **Continued ramp-up of production**
  - M&P expects to ramp up the gross production potential back to 25,000 bopd by year-end 2024 thanks to targeted well interventions and surface repairs and optimisations
  - Additional drilling will then be required for the further increase in production planned thereafter

**Historical production and targets (gross)**





# Update on the Group's activity

## Production guidance (M&P working interest) given in March 2023:

- Gabon: 15,600 bopd
- Angola: 3,400 bopd
- Tanzania: 43.2 mmcf

## Key indicators for the first nine months of 2023

		Q1 2023	Q2 2023	Q3 2023	9 months 2023	9 months 2022	Change 2023 vs. 2022
<b>M&amp;P working interest production</b>							
Gabon (oil)	bopd	15,839	15,719	15,574	<b>15,710</b>	14,308	+10%
Angola (oil)	bopd	3,424	4,097	4,341	<b>3,957</b>	3,832	+3%
Tanzania (gas)	mmcf	46.7	47.6	54.5	<b>49.7</b>	43.3	+15%
<b>Total</b>	<b>boepd</b>	<b>27,054</b>	<b>27,755</b>	<b>29,003</b>	<b>27,944</b>	<b>25,359</b>	<b>+10%</b>
<b>Average sale price</b>							
Oil	\$/bbl	75.2	74.0	83.3	<b>77.8</b>	105.5	-26%
Gas	\$/mmBtu	3.76	3.77	3.76	<b>3.76</b>	3.50	+8%
<b>Sales</b>							
Gabon	\$mm	105	106	121	<b>332</b>	403	-18%
Angola	\$mm	19	22	27	<b>68</b>	83	-19%
Tanzania	\$mm	18	18	13	<b>49</b>	50	-0%
<b>Valued production</b>	<b>\$mm</b>	<b>142</b>	<b>147</b>	<b>160</b>	<b>449</b>	<b>536</b>	<b>-16%</b>
Drilling activities	\$mm	5	6	6	<b>17</b>	5	
Third-party oil marketing	\$mm	-	-	26	<b>26</b>	-	
Restatement for lifting imbalances and inventory revaluation	\$mm	42	-43	3	<b>2</b>	-34	
<b>Consolidated sales</b>	<b>\$mm</b>	<b>190</b>	<b>109</b>	<b>196</b>	<b>495</b>	<b>506</b>	<b>-2%</b>

### For the first nine months of 2023:

- M&P's working interest production: 27,944 bopd (+10%)
- Average oil sale price: \$77.8/bbl (-26%)
- Valued production: \$449 million (-16%)
- Sales: \$495 million (-2%)

### Further deleveraging and redistribution to shareholders:

- Net debt of \$181 million at 30 September 2023, down \$19 million over the first nine months of 2023 (\$200 million at 31 December 2022)
- Dividend of €0.23 per share (\$49 million) paid in early July

### Update on ongoing acquisitions:

- In Gabon, discussions with authorities are underway to obtain the necessary approvals to finalise the acquisition of Assala announced on 15 August; completion of the transaction is expected between the end of Q4 2023 and Q1 2024, following the receipt of the CEMAC approval
- In Tanzania, negotiations are continuing with TPDC to reach an agreement in order to complete the acquisition of Wentworth Resources; the current offer has a longstop date as at 31 December 2023