ANNUAL REPORT 2013

MAUREL & PROM

THE GROUP'S BUSINESS MODEL

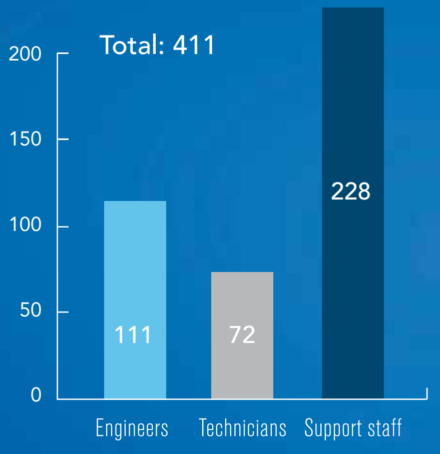
IMAGINE
Imagine oil systems

RESEARCH
Research oil plays

DISCOVER
Discover new marketable reserves

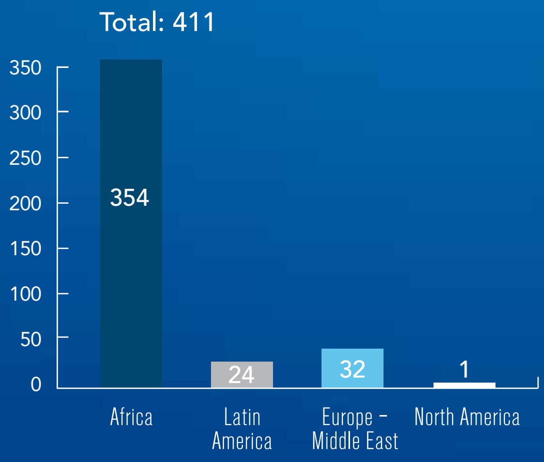
THE TEAMS

Breakdown by function in 2013



Geographic breakdown

(Registered workforce, all types of employment contract)



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Presentation of the Group

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Person responsible for the annual report and its updating

Etablissements Maurel & Prom
(hereinafter "Maurel & Prom" or the "Company")

Jean-François HÉNIN
is responsible for the financial information
and the Annual Report. His contact details are:

Monsieur Jean-François HÉNIN
Chairman and Chief Executive Officer

Maurel & Prom
51, rue d'Anjou – 75008 Paris, France
Telephone: 01 53 83 16 00
Fax: 01 53 83 16 04

Certification

"I hereby certify, after having taken every reasonable measure to this effect, that the information contained in this Annual Report is, to the best of my knowledge, accurate and does not contain any omission that could affect its scope.

I also hereby certify that, to the best of my knowledge, the financial statements have been prepared in compliance with applicable standards in France and accurately represent the assets, financial position and earnings of the Company and all companies included in the consolidation, and that this Annual Report including the management report presents a true picture of the progress of the business, earnings and financial position of the Company and of all companies included in the consolidation as well as a description of the main risks and uncertainties it faces.

I have obtained a completion of work letter from the Statutory Auditors, in which they indicate that they have verified the financial data and the financial statements contained in this document and have read the document in its entirety.

The historical financial data presented in the Annual Report are covered in the Statutory Auditors' reports, shown in paragraph 8 of said document.

The report on the 2013 consolidated financial statements contains the following observation:

In due respect of the opinion expressed above, we draw your attention to:

- *Note 1 "Overview" of the notes to the consolidated financial statements, which includes a reference to the "Ezanga" production sharing contract in Gabon, taken into consideration for the certification of the Group's reserves and the calculation of the depletion expense on Gabonese assets. The note states that, under current regulations, this contract must be formally promulgated by a decree of the Gabonese Republic.*
- *Note 4 "Intangible assets" of the notes to the consolidated financial statements, which shows in particular the net carrying value of the assets associated with the Bigwa-Rufiji-Mafia (BRM) permit in Tanzania and the Company's activities in Colombia. The note describes the methodology adopted by the Company for estimating the value of such intangible assets.*
- *Note 17 "Change in accounting method" concerning the recognition of sales according to the entitlements method.*

The report on the 2012 consolidated financial statements (appearing on page 214 of the 2012 Annual Report) contains the following observation:

In due respect of the opinion expressed above, we draw your attention to the following observation:

- *Note 4 "Intangible Assets" of the notes to the consolidated financial statements, which shows in particular the net carrying value of the assets associated with the Bigwa-Rufiji-Mafia (BRM) permit in Tanzania, the Etekamba permit in Gabon and activities in Colombia. The note describes the methodology adopted by the Company for estimating the value of its intangible assets;*
- *Note 7 of the notes to the consolidated financial statements, which describes the principles and the methods adopted for calculating the value of your Company's equity interests in Tuscany.*

The report on the 2012 company financial statements (appearing on page 247 of the 2012 Annual Report) contains the following observation:

In due respect of the opinion expressed above, we draw your attention to Note 3.2 "Financial Assets" of the notes to the annual financial statements, which explains the methods used for estimating the value of the Tuscany securities held by your company.

The report on the 2011 consolidated financial statements (appearing on page 198 of the 2011 Annual Report) is presented with no observations.

The report on the 2011 company financial statements (appearing on page 231 of the 2011 Annual Report) is presented with no observations.

Jean-François HÉNIN
Chairman and Chief Executive Officer
Paris, 29 April 2014

Persons responsible for auditing the financial statements

Incumbent Auditors	Date of first appointment	Duration of present mandate	Expiration of mandate
Daniel de Beaurepaire 119, avenue de Wagram 75017 Paris	General Shareholders' Meeting of 12 June 2008	Six years starting on 12 June 2008	At the end of the General Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2013
Ernst & Young Audit Represented by Patrick Cassoux Tour First – 1, place des Saisons 92400 Courbevoie	General Shareholders' Meeting of 27 June 1996	Six years starting on 12 June 2008	At the end of the General Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2013
Alternate auditors			
Société IAC 46, rue du Général Foy 75008 Paris	General Shareholders' Meeting of 27 June 1996	Six years starting on 12 June 2008	At the end of the General Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2013
Société Auditex 1, place des Saisons 92400 Courbevoie	General Shareholders' Meeting of 27 June 1996	Six years starting on 12 June 2008	At the end of the General Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2013

ANNUAL REPORT 2013

MAUREL & PROM

Etablissements Maurel & Prom
Public Limited Company with a Board of Directors
with capital of €93,579,827.11

Registered office: 51, rue d'Anjou – 75008 Paris, France
Tel.: 01 53 83 16 00 – Fax: 01 53 83 16 04
R.C.S. Paris 457 202 331 – Siret 457 202 331 00072

This 2013 Annual Report includes the annual financial report
as referred to in Article 222-3 of the AMF General Regulations

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Annual Report was filed with the Autorité des Marchés Financiers on 29 April 2014 pursuant to the provisions of Article 212-13 of its General Regulations. It may be used in support of a financial transaction if it includes the relevant transaction notice from the Autorité des Marchés Financiers. It was prepared by the issuer and is the responsibility of its signatories.

Incorporation by reference: pursuant to Article 28 of Regulation (EC) No 809/2004 of 29 April 2004, the reader is referred to prior Annual Reports with regard to certain information:

1 - for the 2011 fiscal year: the management report, consolidated and annual financial statements, including the reports of the Statutory Auditors on those statements, appear in the Annual Report, filed on 24 April 2012 with the Autorité des Marchés Financiers under number D. 12-0401 (in paragraphs 9.2.1 to 9.2.4);

2 - for the 2012 fiscal year: the management report, consolidated and annual financial statements, including the reports of the Statutory Auditors on those statements, appear in the Annual Report, filed on 29 April 2013 with the Autorité des Marchés Financiers under number D. 13-0452 (in paragraphs 8.2.1 to 8.2.4).

These documents are available on the websites of the Company (www.maureletprom.fr) and the Autorité des Marchés Financiers (www.amf-france.org).

02

HISTORY

15 years of success in the oil industry

1831

- Creation of the Company
- Development of shipping lines and trading posts in West Africa

1998/99

- Strategic refocusing around hydrocarbon exploration and production activities
- Entry into the Congo

2000

- Initial production from the Kouakouala deposit in the Congo

2001

- Investment in Cuba
- Sale of the drillship Energy Searcher
- Discovery of the M'Boundi deposit in the Congo

2003

- Development of M'Boundi in the Congo
- Creation of the drilling subsidiary Caroil

2004

- Change from a partnership limited by shares (société en commandite par actions) to a company with a management board and supervisory board
- Entry into Tanzania
- Share nominal value split by 10

2005

- Disengagement from shipping activity
- Entry into Gabon
- Entry into Colombia and Venezuela
- Entry into Sicily

2007

- Acquisition of three new exploration permits
- Discovery of the Ocelote field in Colombia
- Discovery of natural gas in Tanzania
- Sale of the M'Boundi and Kouakouala fields to ENI for US$1,434 million
- Production start-up at the Banio field in Gabon
- Change of governance structure to Board of Directors

2009

- Sale of Hocol Colombia for US$740 million
- Production start-up at Onal and Omko in Gabon
- Discovery of a new reservoir south-east of Onal in Gabon
- Discovery of the Omoc and Omgw fields in Gabon
- Investment in the assets of Artumas in Tanzania and Mozambique

2014

- Signature of a new exploration and production sharing contract in Gabon
- Signature of a strategic partnership with Ressources Québec

2013

- Increase in production in Gabon
- Sale of the Sabanero field in Colombia
- Formation of Saint-Aubin Energie as an investment joint venture with MPI (1/3 M&P)
- Entry into Myanmar
- Entry into Canada
- Takeover of Caroil Africa

2012

- Increase in production in Gabon
- Asset consolidation in East Africa

2011

- Production start-up at Omoc and Omoc-Nord in Gabon
- Sale of MP Venezuela
- Strategic alliance formed with Pacific Rubiales Energy in Colombia and Peru
- Sale of Caroil
- Distribution of Maurel & Prom Nigeria shares
- Production start-up at Sabanero in Colombia

2010

- Acquisition by Seplat (Nigerian company in which Maurel & Prom held a 45% stake) of interests in the OML 4, 38 and 41 permits
- Extension of the exploration area in Colombia
- Discovery of Sabanero
- Production start-up at Omgw and Ombg in Gabon (Gwedidi and Mbigou)
- Discovery of Omoc-Nord

2008

- Discovery of the Omko and Ombg fields in Gabon
- Production start-up at Ocelote
- Acquisition of new exploration permits in Colombia and Tanzania

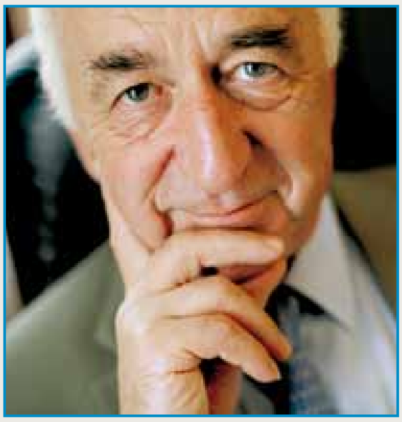
2006

- First certification of reserves by De Golyer & Mac Naughton
- Discovery of the Onal field in Gabon
- Entry into Syria
- Acquisition of seven new exploration permits

CHAIRMAN'S MESSAGE

JEAN-FRANÇOIS HÉNIN

Chairman and Chief Executive Officer



"The Group is proud of the renewed trust shown by the Gabonese authorities who have thus laid down the most effective basis for collaboration over the very long term. This agreement gives Maurel & Prom strategic mobility to build its future.

The year's results show remarkable growth in the Company's key figures in terms of sales, operating income and the increase in P1 reserves.

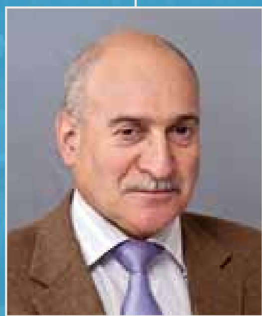
The year 2014 will test the value of our prospects in Mozambique, the results of which are potentially extremely significant for Maurel & Prom.

The Group's selection as the Government of Quebec's partner to test the potential of Anticosti Island gives the Company access to new assets that may be of fundamental importance technically as well as economically."

06

THE MANAGEMENT TEAM

Experience in support of growth



Jean Bié

Director of Exploration

Graduate of the Ecole Nationale Supérieure des Mines (Paris)

As an engineer and geophysicist at ELF, which became Total, he worked in the Exploration and Production division for 26 years, before becoming Chief Executive Officer of Total Nederland, then Total Gabon. He was the Purchasing Director of the Total group, before joining Maurel & Prom in January 2011 as Director of Exploration.

Years of professional experience
(in oil)

33 (33)

Philippe Corlay

Chief Operating Officer

Graduate of Hautes Etudes Industrielles (Lille) and the Ecole du Pétrole et des Moteurs

Engineer for Beicip-Franlab, Manager of the assisted hydrocarbons recovery project, Head of the Reservoir Department of Coparex, Manager of oil field activities, then Director of Production at Maurel & Prom since August 2007. In 2013, Philippe Corlay was appointed Chief Operating Officer.

39 (29)

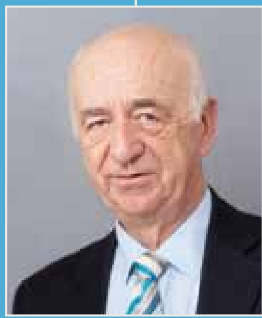
Michel Hochard

Chief Financial Officer

Graduate of the ICN Business School (Nancy) and Chartered Accountant

Internal auditor in the Finance Department of ELF Aquitaine, Head of the Finance Division for Africa & the Middle East, Director of Finance of the SNEAP, then of ELF Aquitaine production and of ELF E&P, delegated head of HR at ELF E&P, Director of Operations of PricewaterhouseCoopers BPO, member of the management committee of GEOS. Chief Financial Officer of Maurel & Prom since September 2007.

44 (14)



Jean-François Hénin

Chairman and Chief Executive Officer

Graduate of the IAE Sorbonne Business School (Paris) in Economics

Treasury and Foreign Exchange Director of Lyonnaise de Dépôts, Treasurer of Thomson CSF, Chief Executive Officer of Altus Finance, Vice-Chairman of the supervisory board of Altus Finance, Chairman and Chief Executive Officer of Electricité et Eaux de Madagascar (EEM). Since March 1996 he has been a manager, then Chairman of the management board, and then Chairman and Chief Executive Officer of Maurel & Prom.

08

TERRITORIES

Close to 100 000 km² of exploration areas
In 12 countries
On 4 continents

(at the date of filing the annual report)

Canada

Via Saint-Aubin Énergie (1/3 M&P)

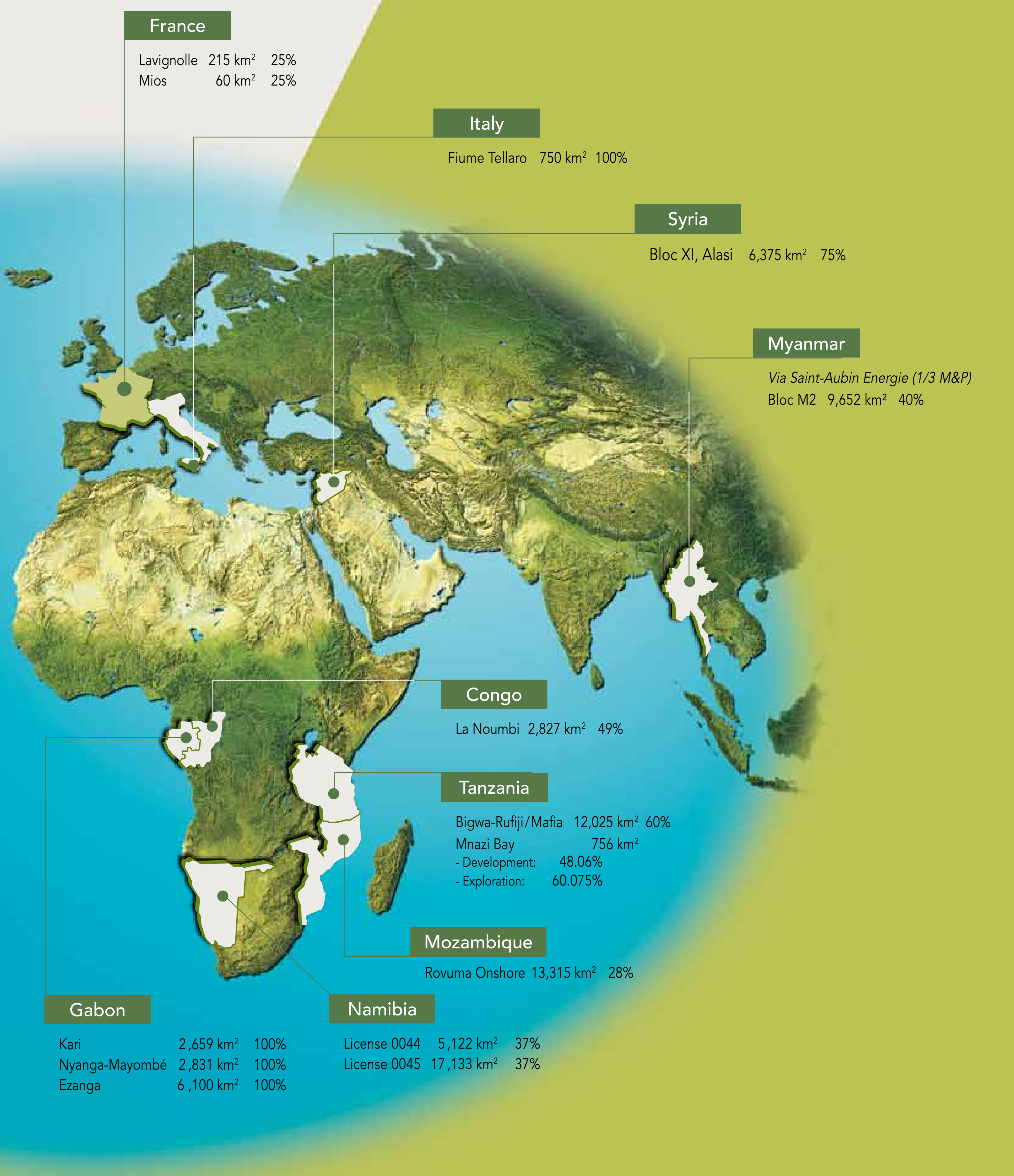
Gaspé Peninsula (13 permits)	1,892 km²	50%
Alberta (12 permits)	31 km²	25%
Anticosti Island	6,195.6 km²	21,7%

Colombia

Muisca	2,320 km²	50%
COR-15	1,194 km²	50%
CPO-17	2,104 km²	25%

Peru

Bloc 116	6,600 km²	50%


France
Lavignolle 215 km² 25%
Mios 60 km² 25%
Italy
Fiume Tellaro 750 km² 100%
Syria
Bloc XI, Alasi 6,375 km² 75%
Myanmar
Via Saint-Aubin Energie (1/3 M&P)
Bloc M2 9,652 km² 40%
Congo
La Noumbi 2,827 km² 49%
Tanzania
Bigwa-Rufiji/Mafia 12,025 km² 60%
Mnazi Bay 756 km²
- Development: 48.06%
- Exploration: 60.075%
Mozambique
Rovuma Onshore 13,315 km² 28%
Gabon
Kari 2,659 km² 100%
Nyanga-Mayombé 2,831 km² 100%
Ezanga 6,100 km² 100%
Namibia
License 0044 5,122 km² 37%
License 0045 17,133 km² 37%

THE YEAR 2013 IN NUMBERS

Key financial data for the Group

In €M

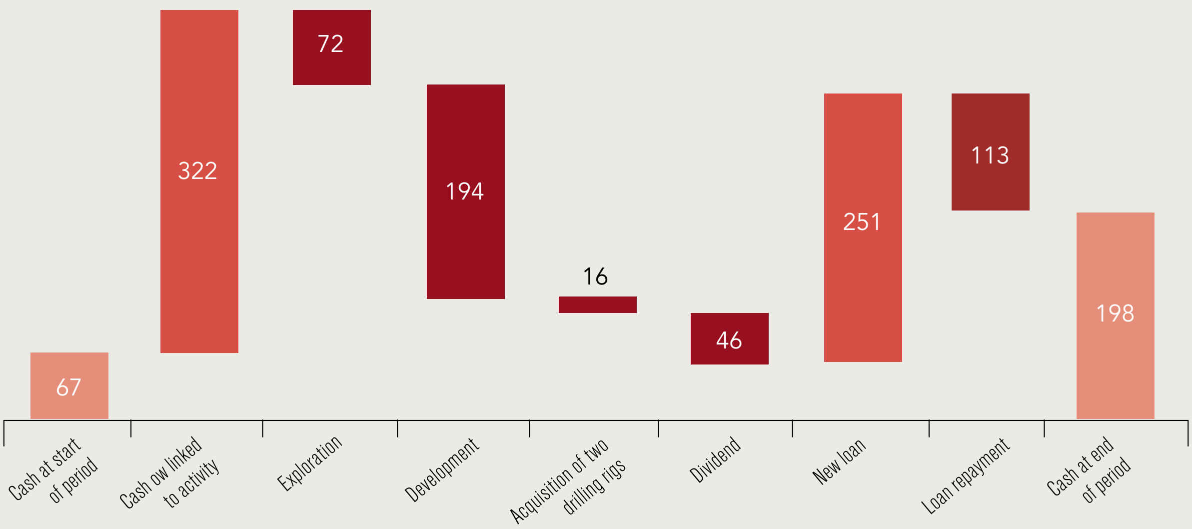
	2013	2012*	Chg.	Comments
SALES	580.3	451.5	+29%	Increase in production
Operating income	312.4	185.5	+68%	Amortisation adjustment based on new reserves. Increase in production
INCREASE IN PRODUCTION	-67,2	-42,4	n/s	Cost of debt stable Impact of €/US$ exchange rate
NET INCOME	62.5	40.8	+53%	
INVESTMENTS	283.0	295.2	-4%	Investments stable
CASH AT END OF PERIOD	198.1	67.2	n/a	
P1 RESERVES**	141.7	54.2	+161%	Development plan reaches maturity Application of the terms of the new CEPP in Gabon
P1+P2 reserves**	184.0	194.8	-6%	Reserves stable after taking 2013 production into account

* Restated to reflect the change in accounting method

** After application of the new Ezanga exploration and production sharing contract (CEPP) in 2013 based on certified reserves on 1 January 2014

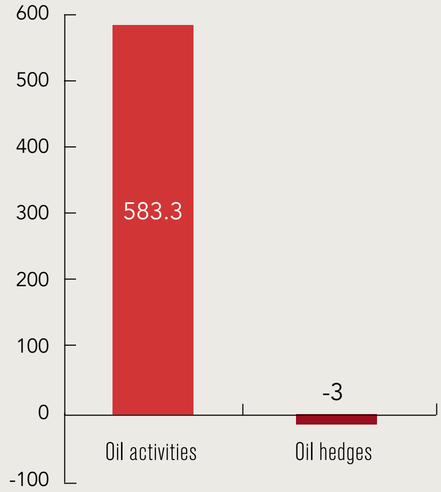
Change in cash and cash equivalents in 2013

In €M



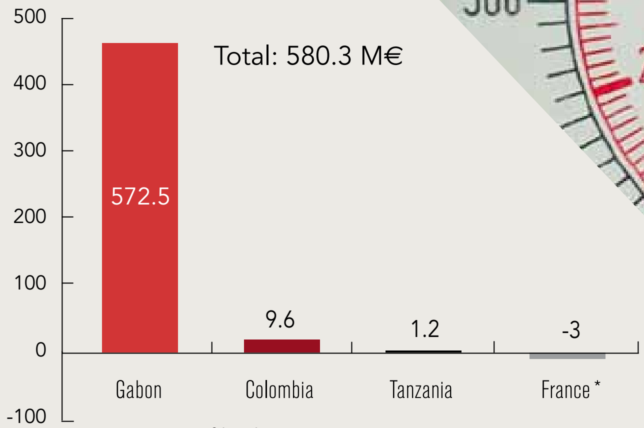
Sales by activity

In €M



Sales by geographic region

In €M



* *Impact of hedges.*

Oil reserves

(M&P share net of royalties)

The certified reserves at 1/1/2014 reflect the application of the new contractual terms of the EZANGA exploration and production sharing contract over a 20-year lifetime.

Exclusive Exploitation Authorisation	Interests at 1/1/2014	P1	P2	2P = P1+P2	P3	3P = P1+P2+P3
Onal	80%	80.6	20.7	101.3	23.9	125.2
Omko	80%	3.4	4.5	8.0	4.4	12.4
Ombg	80%	1.3	0.3	1.6	0.6	2.2
Omgw	80%	11.3	2.9	14.3	5.5	19.8
Omoc-Nord	80%	40.1	3.0	43.1	6.7	49.8
Omoc	80%	4.9	10.5	15.4	6.2	21.7
Banio	100%	-	0.4	0.4	-	0.4
TOTAL		141.7	42.3	184	47.4	231

At 01/01/2013, reserves in Gabon totalled 194.8 Mbbls, and production in that country in fiscal year 2013 was 7.1 Mbbls net of royalties. The level of reserves was 187.7 Mbbls before the application of the new contract, and 184.1 Mbbls after the application of the new terms.

The application of these new, more stringent terms is offset by the longer duration of the contracts, which allows for more rational investment planning to maximise the oil recovery rate. This partly explains the significant increase (+161%) in P1 reserves: from 54.2 to 141.7 Mbbls.

At 01/01/2014, P1 proven reserves represented 77% of certified P1+P2 reserves, compared to 28% at 01/01/2013.

Gas resources

(M&P share net of royalties)

Once a gas sales contract is signed by all parties, the gas resources at the Mnazi Bay permit will be reclassified as reserves, as they will be commercially exploitable. Based on a report drawn up by RPS-APA and dated 30 September 2007, these resources amount to 294 Bscf, or 52.5 Mboe (C1+C2). C3 resources at this field were 433 Bscf, or 77 Mboe.

SIGNIFICANT EVENTS

Increase in production in Gabon
Group asset diversication

FISCAL YEAR 2013

Increase in production in Gabon

The Group's investments in development projects significantly increased production potential. Gross field output reached 29,000 bopd at the end of December 2013 despite production being reduced for 60 days in the fourth quarter (averaging 24,210 bopd) at the request of pipeline operator Total to allow for maintenance work.

Sales averaged 19,580 bopd in 2013, compared to 15,541 bopd in 2012, a +26% increase.

The target of 35,000 bopd by the end of 2014 should be achieved during the second half of 2014.

Group asset diversication

Sale of Sabanero:
The Group's stake (through its 50.001%-owned subsidiary Maurel & Prom Colombia) in the Sabanero field was sold on 1 September 2013 to Meta Petroleum Corporation, a wholly owned subsidiary of Pacific Rubiales Energy (PRE). The total value of the transaction was US$104 million, paid in the form of a US$94 million debt to PRE plus a US$10 million cash payment to Etablissements Maurel & Prom.

Formation of Saint-Aubin Energie as an investment joint venture with MPI:
This company is one third owned by Maurel & Prom and two thirds by MPI. Under the terms of this partnership, new development projects will first be proposed to the joint venture which will be responsible for their fulfilment, with each of the two shareholding companies being free to develop its own traditional field of activity. In 2013, Saint-Aubin Energie signed one partnership in Myanmar and two partnerships in Canada. ...

2014 OUTLOOK

New exploration and production sharing contract in Gabon

The new "Ezanga" permit, which replaces the Omoueyi permit, was awarded to Maurel & Prom Gabon by the Republic of Gabon through a contract signed on 10 January 2014.

The corresponding exploration and production sharing contract renews the five existing Exclusive Exploitation Authorisations for a period of 20 years. The possibility of a further 20-year extension is also under consideration.

Under current regulations, this new contract as well as the five Exclusive Exploitation Authorisations will be applicable once they have been formally promulgated by a decree of the Republic of Gabon.

Takeover of Caroil's African assets:
Maurel & Prom bought the entire share capital of Caroil (with the exception of its South American activities) from Tuscany International Drilling Inc. (a Canadian company listed on the Toronto Stock Exchange, TSX: TID) and sold its 109 million shares in Tuscany. Maurel & Prom also took on US$50 million of Tuscany's debt at a reduced interest rate. As part of the transaction, Maurel & Prom acquired two drilling rigs belonging to Tuscany for a total cost of US$23 million.

2014 production

In Gabon, production will reach 35,000 bopd in the second half of 2014. This figure corresponds to the routing capacity that Total has allocated for production from the Ezanga fields. This level should be maintained for approximately ten years, which represents an ideal balance between maximising recovery rates, the economic conditions at the fields and routing capacities.

In Tanzania, production is currently limited to supplying gas to a local plant. The Company is negotiating with the Tanzanian authorities to supply 80 million cubic feet per day, at a sale price of US$3/MMscf, for a commercialisation phase due to start in early 2015.

In Alberta, Canada, (through its stake in Saint-Aubin Energie), steam circulation has begun at the SAGD pilot project. The results of this phase will be interpreted to allow the operator to carry out a series of additional drilling operations.

Diversification of assets

Maurel & Prom, the Government of Quebec (through its subsidiary Ressources Québec) and its local partners (Pétrolia and Corridor Resources) have signed an agreement to undertaken an oil exploration programme on Quebec's Anticosti Island. Pétrolia, the project operator, will be relying on the Group's technical expertise.

The equity interests of the partners in the joint venture will be as follows:

Ressources Québec	35.0%
Pétrolia	21.7%
Maurel & Prom	21.7%
Corridor Resources	21.7%

New US$200 million line of credit set up

At the end of 2013, the Company signed a credit facility with a bank consortium for up to US$200 million.

KNOW-HOW

1. Seismic data acquisition
2. Well drilling
3. Well completion
4. Storage
5. Evacuation pipeline

In 15 years

the Group has designed oil and gas systems, drilled around 100 exploration-assessment wells with a significant success rate, and discovered very large oil fields at a reduced cost.

Rapid decision-making

Capacity to develop large oil elds

M’Boundi > 300 Mbbls,
Onal + satellites > 250 Mbbls
and Ocelote > 50 Mbbls

Dependable, sustainable and responsible relations

with local governments and communities.

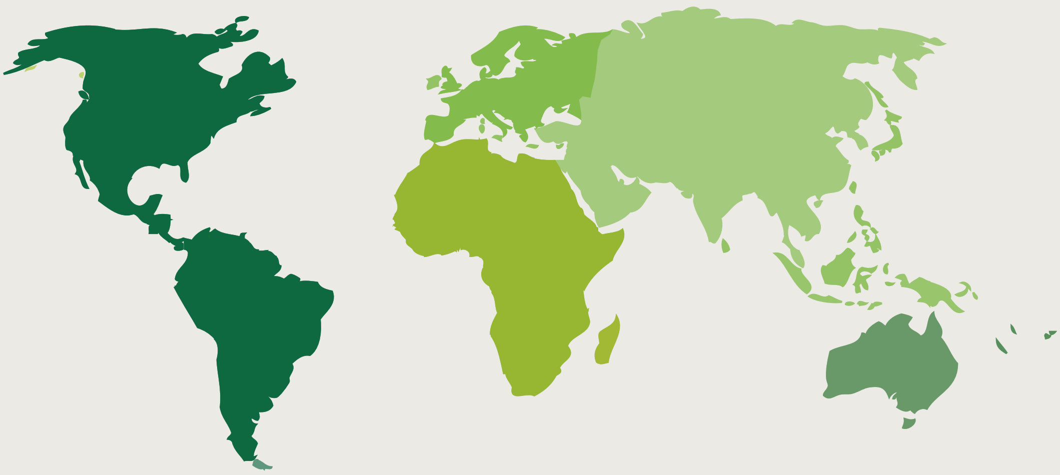
SUSTAINABLE DEVELOPMENT

Details of all of the Group's actions are given in Chapter 4 of this report, "Corporate social and environmental responsibility of the Company".

This proactive and transparent approach is dictated by the risks present in the vast majority of operations undertaken by the Group in the area of hydrocarbon exploration and production in all the countries in which it operates.

This will is reflected in the code of conduct developed and implemented within the Group for many years now.

Maurel & Prom and its subsidiaries are therefore continuing with their commitment and actions in various areas, including the improvement of working methods, control of risks and impacts on the environment and on mankind, in the utmost respect of local regulations and populations.



THE STOCK EXCHANGE

121,530,169 actions at 31 December 2013 including 5,589,040 treasury shares (4.60% of capital)

Changes in market price

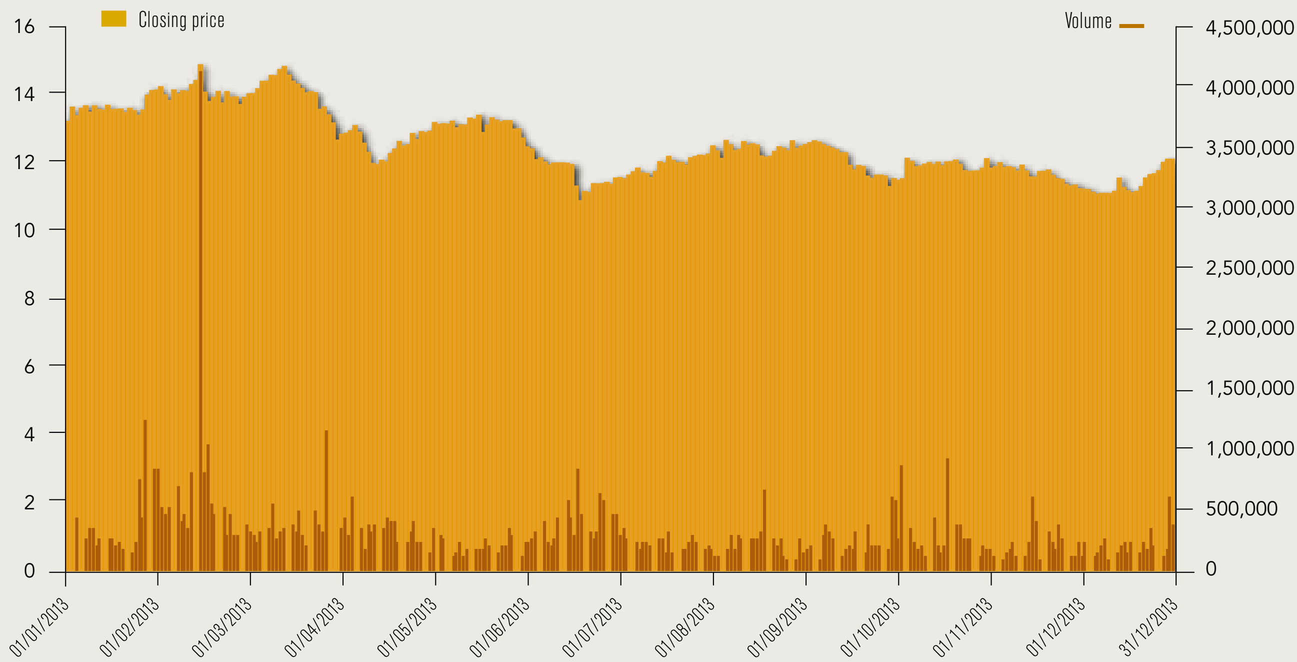
- average daily volume in 2013: 327,695 shares
- market capitalisation at 31 December 2013: €1,477,199,204.19 at €12.155 per share (based on 121,530,169 shares)

Market price performance for the year 2013

- lowest price: €10.875, reached on 24 June 2013
- highest price: €15.050, reached on 18 February 2013
- price at 31 December 2013: €12.155

CHANGES IN THE SHARE PRICE

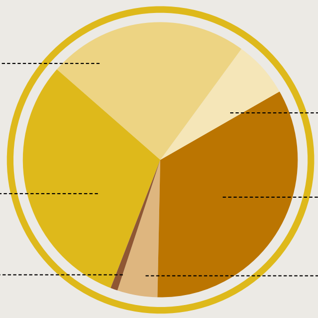
up to 31 December 2013



MAUREL & PROM is eligible for the PEA-PME investment scheme in France

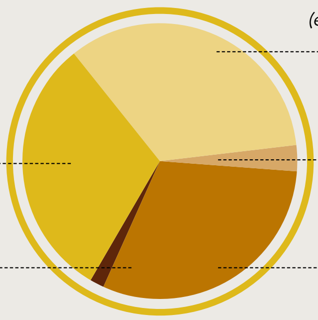
Breakdown of shareholders

at 31/12/2013



Geographic breakdown

at 31/12/2013



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FINANCIAL POSITION

Contents

1

FINANCIAL POSITION

1.1. Financial summary of fiscal year 2013

1.1.1.

Consolidated financial statements

The following table shows the key financial data for the Group:

In millions of euros	2013	2012*
€/US$ exchange rate	1.328	1.285
SALES	580	452
INCOME FROM PRODUCTION ACTIVITIES	352	240
OPERATING INCOME	312	186
of which income from disposals	-	-
Financial income	(67)	(42)
Income before tax	245	143
Net income from consolidated companies	110	46
Equity associates	(45)	(5)
Net income from discontinued activities	(3)	-
NET INCOME, GROUP SHARE	63	41
of which disposals	-	-
CASH AT START OF PERIOD	67	61
CASH AT END OF PERIOD	198	67

* *Restated to reflect the change in accounting method*

Change in accounting method: the Group no longer recognises sales at the point that the oil is collected, from terminals but when the oil is delivered to those terminals. Sales figures are adjusted by whether the Group has over-collected (in which case the Group recognises a debt to its partners), or under-collected (in which case the Group recognises a receivable).

This new method will enable better comparability of the Group's financial data with that of other companies in the sector, as well as better comparability of financial performance from year to year, especially in the event that there are significant variances in collections at the end of the fiscal year.

1.1.1.1. Activity

Activity in fiscal year 2013 focused mainly on increasing production in Gabon and diversifying the asset portfolio.

Increase in production in Gabon

The Group's investments in development projects significantly increased production potential. Gross field output reached 29,000 bopd at the end of December 2013, despite production being reduced for 60 days in the fourth quarter (averaging 24,210 bopd) at the request of the pipeline operator Total to allow for maintenance work.

Sales averaged 19,580 bopd in 2013, compared to 15,541 bopd in 2012, a +26% increase.

Group asset diversification

Sale of Sabanero: On 1 September 2013, Maurel & Prom (which holds 50.001% of Maurel & Prom Colombia BV) sold its stake in the Sabanero field to Meta Petroleum Corporation, a wholly owned subsidiary of Pacific Rubiales Energy (PRE). The total amount of the transaction was US$104 million, consisting of the cancellation of a US$94 million debt to PRE, and a cash payment of US$10 million to Maurel & Prom.

Formation of Saint-Aubin Energie as an investment joint venture with MPI: Maurel & Prom and MPI have established a partnership through Saint-Aubin Energie, one third of which is owned by Maurel & Prom and two thirds by MPI.

Under the terms of this partnership, the two groups' new development projects outside of their traditional sphere of activity will first be proposed to the joint venture which will be responsible for their fulfilment, with each of the two shareholding companies being free to develop its own traditional field of activity.

Saint-Aubin Energie therefore combines the acknowledged technical expertise of Maurel & Prom and the financial resources of MPI. Moreover, human resources are made available to the joint venture by Maurel & Prom, under the terms of a service agreement.

Three projects were started in 2013 under this partnership: one in Myanmar and two in Canada.

In Myanmar, MP East Asia, a wholly owned subsidiary of Saint-Aubin Energie, took a 40% stake in May 2013 in the M2 offshore exploration block operated by PetroVietnam. A first exploration well was drilled and revealed the presence of gas.

In Quebec, MP Quebec Energy, a wholly owned subsidiary of Saint-Aubin Energie, signed a 50/50 partnership agreement with Pétrolia in July 2013 to develop thirteen hydrocarbon prospecting permits in the Gaspé Peninsula. Although the prospection targets are in unconventional reservoirs, this does not preclude the presence of conventional deposits. A first well was drilled in 2013.

In the province of Alberta, Canada, Saint-Aubin Energie signed an agreement with Deep Well Oil & Gas to acquire a 20% stake in Deep Well Oil & Gas as well as for the sale of half of the equity interests that Deep Well Oil & Gas holds in 12 blocks in the Peace River oil sands of Alberta, and an option on 56 other blocks for which Deep Well Oil & Gas is the operator. Deep Well Oil & Gas was paid US$22 million under this agreement.

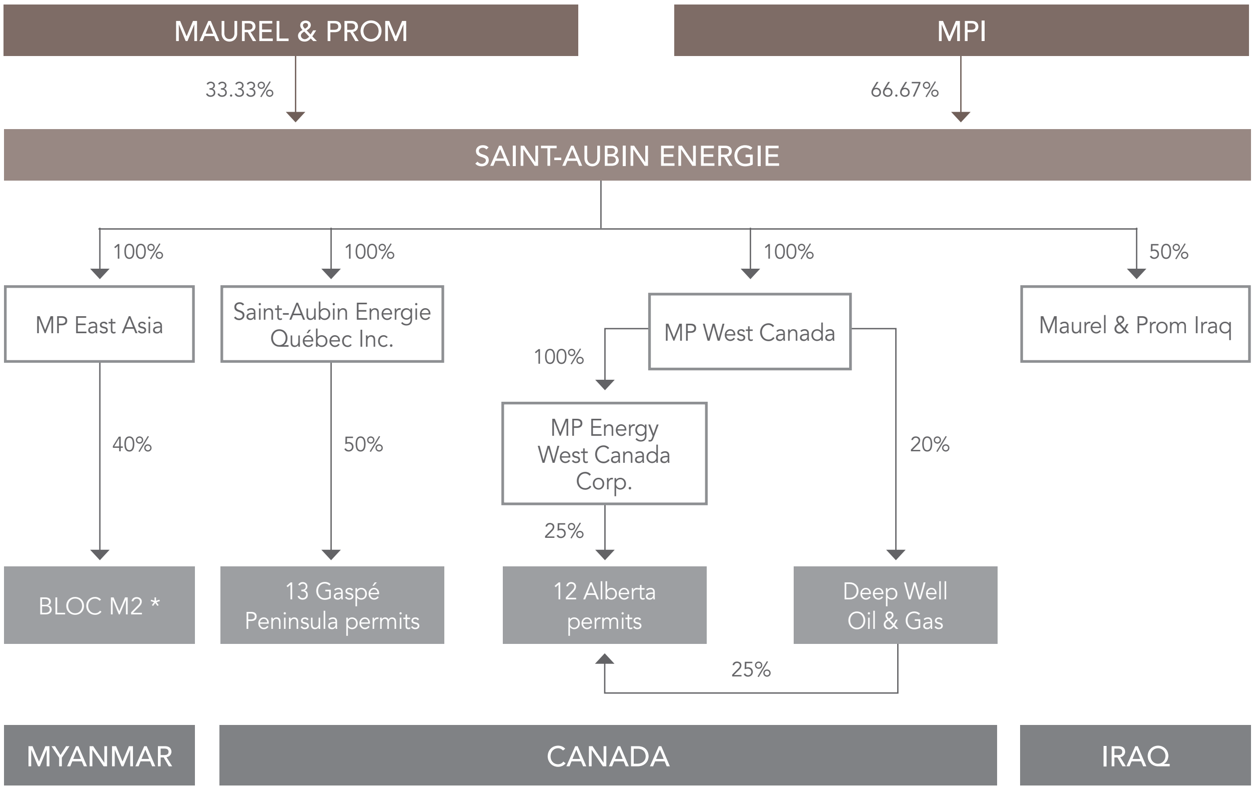
Through a pilot project, the work undertaken in 2013 consisted of demonstrating the feasibility of a steam-assisted gravity drainage project (SAGD) that could lead to production starting in early 2014.

Saint-Aubin Energie has committed to invest up to US$40 million in the pilot plant and, if the results lead to a decision to continue development, to potentially increase its financial investment to US$110 million.

Saint-Aubin Energie's share in this project is carried by its wholly owned subsidiary, MP West Canada.

In August 2013, Maurel & Prom Iraq, a 50:50 subsidiary of Saint-Aubin Energie and PIA Consulting, was selected by the Iraqi authorities to participate in upcoming permit allocations. This qualification could allow the Group to access very significant oil and gas resources.

Financial summary of fiscal year 2013 /



** Myanmar Oil and Gas Entreprise (MOGE), a company wholly owned by the Republic of the Union of Myanmar, is entitled to a 20% snap-back on the permit in the event of a commercial discovery*

Acquisition of Caroil: Maurel & Prom, which held a 29.05% stake in Tuscany International Drilling Inc. (an oil drilling company listed on the Toronto Stock Exchange in Canada), bought Tuscany's African operations carried by its subsidiary Caroil, a former Maurel & Prom drilling subsidiary sold to Tuscany in 2011. Caroil currently has a portfolio of nine rigs operating primarily in Gabon, the Congo and Tanzania.

This transaction was concluded under the following terms:

Transferred to Tuscany:

- Maurel & Prom's 29.05% stake in Tuscany.

Acquired by Maurel & Prom:

- all shares in Caroil;
- a syndicated bank loan led by Crédit Suisse in the amount of US$50 million. Taking on this liability reduces Tuscany's outstanding loans from this syndicate.

The stake in Caroil and the US$50 million loan taken up have been lodged in the wholly owned Dutch subsidiary Maurel & Prom Drilling Services BV.

Furthermore, along with this transaction, Maurel & Prom acquired two drilling rigs from Tuscany for the total price of US$23 million, 60% of which (US$15.6 million) was paid in the fourth quarter of 2013, and the balance in January 2014.

1.1.1.2. Sales

The Group's consolidated sales totalled €580.3 million, a 29% increase on fiscal year 2012 (€452 million) after restatement to reflect the change in accounting method.

This improvement, which began in 2010, reflects the increased production and higher volumes sold in Gabon and should continue throughout fiscal year 2014.

PRODUCTION DATA IN BARRELS OF OIL EQUIVALENT PER DAY (BOPD) IN GABON AND COLOMBIA FOR FISCAL YEAR 2013

bopd	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013	2012	*Chg. 13/12*
PRODUCTION AT 100%	21,580	24,968	27,714	24,210	24,634	18,955	*+30%*
Gabon	20,753	24,138	26,466	24,210	23,908	17,693	
Colombia	827	830	1,248	0	726	1,262	
M&P SHARE	18,029	20,954	23,161	20,579	20,707	15,688	*+32%*
Gabon	17,640	20,564	22,537	20,579	20,344	15,057	
Colombia	389	390	624	0	363	631	
ENTITLEMENTS	17,052	19,818	21,878	19,439	19,560	14,776	*+32%*
Gabon	16,663	19,428	21,291	19,439	19,219	14,224	
Colombia	389	390	587	0	341	552	
PRODUCTION SOLD	15,034	22,542	22,091	18,585	19,580	15,541	*+26%*

Oil hedges put in place by the Group had a limited effect (-€3 million). To date, there are no more hedges on oil prices.

1.1.1.2.1. Sales by activity

In millions of euros	2013	2012*	2011*
Oil activities	583.3	467.9	433.3
Oil hedges	-3.0	-16.4	-42.3

** Restated to reflect the change in accounting method*

1.1.1.2.2. Sales by geographic region

In millions of euros	2013	2012*	2011*
Gabon	572.5	450.1	432.4
Colombia	9.6	16.8	
Tanzania	1.2	1	0.7
Congo	-	-	0.2
France**	-3	-16.4	-42.3
TOTAL	580.3	451.5	391.0

**Restated to reflect the change in accounting method*

*** Impact of hedges*

1.1.1.3. Operating income

Operating income was €312 million in fiscal year 2013, up 68% on fiscal year 2012 (€186 million) after restatement to reflect the change in accounting method.

In millions of euros	31/12/2013	31/12/2012*
Sales	580	452
Gross margin	479	366
Gross operating surplus	421	323
Amortisation and depreciation of depletion and other impairment	(69)	(83)
INCOME FROM PRODUCTION ACTIVITIES	352	240
as % of sales	*61%*	*53%*
Impairment of exploration and production assets	(28)	(42)
Income from asset disposals	(13)	-
Other operating items	2	(13)
OPERATING INCOME	312	186
as % of sales	*54 %*	*41 %*

** Restated to reflect the change in accounting method*

The improvement in income from production activities was mainly due to higher volumes being sold in Gabon, in an environment of steady sale prices (-3%).

The marked improvement in margins is due to:

- the increase in production;
- the fall in exploration costs recognised as expenses, reflecting the less extensive exploration programme in 2013; and
- the significant increase in P1 reserves (141.7 Mbbls as at 1 January 2014 compared to 54.2 Mbbls as at 1 January 2013) which led to the recognition of amortisation and depreciation provisions on a broader basis.

Income from disposals was a loss of -€13 million, corresponding to the sale of 50% of the Sabanero field in Colombia.

1.1.1.4. Financial income

Financial income for the period was a loss of -€67 million, mainly reflecting the Group's financing expenses via convertible bonds (OCEANE 2014 and 2015) and the US$350 million line of credit (Senior Secured Facility) set up in November 2012 and drawn down on 25 January 2013.

As part of the purchase of Caroil from Tuscany, Maurel & Prom took on US$50 million of Tuscany's debt following an agreement with Crédit Suisse. This loan, taken out on 23 December 2013, is repayable in full on 23 December 2018 and bears interest at the rate of LIBOR +2%.

1.1.1.5. Net income

Income before tax was €245 million, with the tax expense of €135 million consisting of a deferred tax expense of €95 million, plus notional current tax of €40 million relating to activity in Gabon.

The Tuscany International Drilling securities representing the 29.05% stake that Maurel & Prom had acquired in that company were all sold during the fiscal year. As at 31 December 2013, the Group had no equity associates remaining in its consolidation scope. The impact of this sale was -€45 million.

Consolidated net income, Group share, thus amounted to €63 million for fiscal year 2013, compared to €41 million for fiscal year 2012 after restatement to reflect the change in accounting method.

1.1.1.6. Balance sheet

The balance sheet total at 31 December 2013 was €1,891 million, compared to €1,647 million at 31 December 2012 (after the restatement for change in accounting method), an increase of €244 million. Shareholders' equity, Group share, at 31 December 2013 was €765 million, compared to €771 million at 31 December 2012, a decline of €6 million after restatement to reflect the change in accounting method.

1.1.1.7. Investments

Total investments in 2013 amounted to €283 million (compared to €295 million in 2012, a decline of €12 million).

The following table shows the investments made in 2013 per country.

In millions of euros	Gabon	Colombia	Tanzania	Canada	Congo	Myanmar	Mozambique	Other	Total
Development	185	7	-	-	-	-	-	3	194
Exploration	15	9	21	3	7	10	5	1	71
Other	-	-	-	-	-	-	-	17	17

In Colombia, all the investments made were financed by Pacific Rubiales Energy. In Peru, as it relates to oil financing, it is not recognised under assets.

The "Other" row corresponds to the acquisition by Maurel & Prom of two drilling rigs, as part of its purchase of Caroil Africa from Tuscany.

1.1.1.8. Cash flow

At 31 December 2013, Maurel & Prom had cash of €198 million (compared to €67 million at 31 December 2012, an increase of €131 million). Changes in cash during fiscal year 2013 reflected:

- cash generation through operating activities (+€348 million);
- payments related to investments (-€283 million);
- dividend payment (€46 million);
- draw-down of the facility set up in Gabon in the amount of US$350 million (€266.5 million); and
- repayment of the RBL (as defined in paragraph 1.4.1 of this Annual Report) drawn down in the amount of US$130 million (€98 million) and of the BGFI line of credit (€15 million).

1.1.1.9. Intra-Group relations

The table below shows the Group's principal financial aggregates and their distribution between its main subsidiaries at the close of fiscal year 2013:

Value in consolidation (excluding dividends) *In thousands of euros*	Colombia Peru	Gabon	Drilling	Other	Listed company	Consolidated total
Fixed assets (including goodwill)	80,582	1,103,701	68,975	141,202	2,442	1,396,903
Financial debt *	20	252,514	32,253	-	367,060	651,847
Cash position on the balance sheet **	8,504	63,700	-5,663	3,528	127,984	198,053
Cash flow linked to activity	278	51,026	-	53,358	243,172	347,833
Dividends paid in the fiscal year and reverting to the listed company	-	-	-	-	-46,207	-46,207

* *Excluding bank overdrafts presented in net cash*
** *Cash net of bank overdrafts*

Transactions between Maurel & Prom and its subsidiaries are for various purposes (service provision, current account agreements, etc.). The financial flows covered by regulated agreements are presented in the Statutory Auditors' Report appearing in paragraph 8.3 of this Annual Report.

Jean-François Hénin, Chairman and Chief Executive Officer of Maurel & Prom, also holds management roles in some of the Group's subsidiaries as indicated in paragraph 3.2.1.2 of this Annual Report.

1.1.2.

Company financial statements

The company financial statements for fiscal year 2013 were marked by the following events:

- distribution of a dividend of €45 million by the subsidiary Maurel & Prom West Africa, an intermediary holding company which carries the Group's interests in Gabon, which had itself previously benefited from a dividend of €47.4 million distributed by its subsidiary Maurel & Prom Gabon as part of the latter's allocation of 2012 income. These dividends reflect the ramping up of Gabonese activity within the Group;
- Maurel & Prom set up Saint-Aubin Energie as an investment joint venture with MPI. Three projects were started in 2013 under this partnership: one in Myanmar and two in Canada;

- acquisition of Caroil: Maurel & Prom, which held a 29.05% stake in Tuscany International Drilling Inc. (an oil drilling company listed on the Toronto Stock Exchange in Canada), bought Tuscany's African operations carried by its subsidiary Caroil, a former Maurel & Prom drilling subsidiary sold to Tuscany in 2011. Caroil currently has a portfolio of nine rigs operating primarily in Gabon, the Congo and Tanzania; and
- a new US$200 million line of credit set up on 20 December 2013 with a banking consortium including Natixis, Calyon and Investment Bank expiring in December 2015. This package was to repay, if necessary, the OCEANE 2014 bonds by their maturity on 31 July 2014.

Sales in 2013 amounted to €13.3 million and correspond to services and studies provided to the Company's subsidiaries.

Operating expenses as at 31 December 2013 amounted to €39.7 million compared to €69.2 million in fiscal year 2012. This drop mainly corresponded to receivables due to subsidiaries (having not been written off) and the reduction in provisions for receivables.

Financial income for fiscal year 2013 was a €3 million loss compared to positive income of €68.8 million in 2012. This drop was principally due to the subsidiary Maurel & Prom Gabon paying a smaller dividend in 2013 than in 2012, but also by the impact of exchange differences and a provision on the Colombian subsidiary.

Non-recurring income in fiscal year 2013 was a loss of €43.3 million due to a loss of €60 million on the sale of shares held in Tuscany International Drilling as part of the takeover of Caroil, and the recognition of €25 million following the inclusion of the results of former Company entities which have since been shut down.

Net income for fiscal year 2013 was a loss of €64.6 million versus a profit of €46.6 million the previous year.

The balance sheet total for fiscal year 2013 was €686 million versus €882 million for fiscal year 2012. Shareholders' equity at 31 December 2013 was €230 million compared to €345 million the previous year.

1.2. Group oil and gas reserves and resources

The Group's reserves correspond to volumes of hydrocarbons revealed by discovery and delineation wells that can be operated commercially. P1 (proven), P2 (probable) and P3 (possible) oil reserves net of royalties were evaluated by DeGolyer and MacNaughton on 1 January 2014.

In line with the Group's historical standards, reserves and resources are presented as Maurel & Prom's share, net of royalties and before taxes specific to each type of contract (production sharing, concession, etc.).

Oil reserves

The certified reserves at 1 January 2014 reflect the application of the new contractual terms of the Ezanga production sharing contract over a 20-year lifetime.

Exclusive Exploitation Authorisation	Interests at 1 January 2014	P1	P2	2P = P1+P2	P3	3P = P1+P2+P3
Onal	80%	80.6	20.7	101.3	23.9	125.2
Omko	80%	3.4	4.5	8.0	4.4	12.4
Ombg	80%	1.3	0.3	1.6	0.6	2.2
Omgw	80%	11.3	2.9	14.3	5.5	19.8
Omoc-Nord	80%	40.1	3.0	43.1	6.7	49.8
Omoc	80%	4.9	10.5	15.4	6.2	21.7
Banio	100%	0	0.4	0.4	0	0.4
TOTAL		141.7	42.3	184	47.4	231

At 1 January 2013, reserves in Gabon totalled 194.8 Mbbls, and production in that country in fiscal year 2013 was 7.1 Mbbls net of royalties. Reserves were 187.7 Mbbls before the application of the new contract, and 184.1 Mbbls after the application of the new terms.

The application of these new, more stringent terms is offset by the longer duration of the contracts, which allows for more rational investment planning to maximise the oil recovery rate. This partly explains the significant increase (+161%) in P1 reserves in relation to the P1 reserves in Gabon at 1 January 2013: from 54.2 to 141.7 Mbbls.

At 1 January 2014, P1 proven reserves represented 77% of certified P1+P2 reserves, compared to 28% at 1 January 2013.

Gas resources

Once a gas sales contract is signed by all parties, the gas resources at the Mnazi Bay permit will be reclassified as reserves, as they will be commercially exploitable. Based on a report drawn up by RPS-APA and dated 30 September 2007, these resources amount to 294 Bscf, or 52.5 Mboe (C1+C2). C3 resources at this field were 433 Bscf, or 77 Mboe.

Additional exploration potential

The factors mentioned above do not take into account the potential linked to the exploration activities being carried out in all our regions.

Glossary:

***Tscf:** trillion cubic feet*

***Bscf:** billion cubic feet*

***Mboe:** million barrels of oil equivalent*

***Mbbl:** millions of barrels*

The energy conversion factor used is: 1 barrel of oil = 5,610 cubic feet of gas.

***P1 (proven) reserves:** Gas and oil reserves "reasonably certain" of being produced using current technology, at current prices, with current commercial terms and government consent. In the industry, these are also known as P1 reserves, or P90 reserves as they have at least a 90% chance of being put into production.*

***P2 (probable) reserves:** Gas and oil reserves "reasonably probable" of being produced using current techniques, at current prices, with current commercial terms and government consent. In the industry, these are also known as P2 reserves, or P50 reserves as they have at least a 50% chance of being put into production.*

***P3 (possible) reserves:** Gas and oil reserves that "have a chance of being developed in favourable circumstances". In the industry, these are also known as P3 reserves, or P10 reserves as they have at least a 10% chance of being put into production.*

***C1+C2 resources:** Recoverable quantities of hydrocarbons associated with fields that have been discovered but not yet developed and/or connected to a production centre or for which there is no approved budget.*

1.3. Investments

1.3.1.

Principal investments made during the last three years

The table below summarises the investments relating to the Group's fixed assets made in the last three years:

In thousands of euros	2013			2012			2011		
	Production	Exploration	Total	Production	Exploration	Total	Production	Exploration	Total
OIL ACTIVITIES	193,872	71,551	265,423	205,635	88,944	294,579	88,550	91,704	180,254
Gabon	186,335	14,806	201,141	153,326	42,071	195,397	81,081	51,779	132,860
Congo	104	6,785	6,889	37	3,321	3,358	62	1,208	1,270
Colombia	6,603	9,372	15,975	47,092	20,040	67,132	4,041	25,625	29,666
Tanzania	830	20,998	21,828	5,152	12,362	17,514	1,447	5,921	7,368
Mozambique	-	5,039	5,039	-	6,015	6,015	-	1,050	1,050
Namibia	-	669	669	-	2,341	2,341	-	-	-
Peru	-	165	165	-	1,887	1,887	-	1,816	1,816
Syria	-	249	249	-	900	900	-	1,794	1,794
Nigeria	-	-	-	-	-	-	1,910	-	1,910
Sicily	-	-	-	28	7	35	9	-	9
France	-	-	-	-	-	-	-	2,511	2,511
Myanmar	-	10,009	10,009	-	-	-	-	-	-
Canada	-	3,283	3,283	-	-	-	-	-	-
OIL SERVICES	-		17,204	-	-	-	-	-	10,998
OTHER ACTIVITIES	-		614	-	-	623	-	-	234
TOTAL	-		283,065	-	-	295,202	-	-	191,486

This data has not been restated for discontinued activities, if any.

The investments made in fiscal year 2013 are shown in paragraph 1.1.1.7 of this Annual Report.

1.3.2.

Principal investments in progress

Investments in progress at 31 December 2013 amounted to €17.2 million and related to the acquisition of two drilling rigs as part of the agreement to take over Caroil's African activities.

1.3.3.

Principal investments considered

Planned exploration investment for 2014 is in the region of €75 million (US$101 million). These projects may be reviewed over the course of the year depending on the results of studies and drilling undertaken.

The €186 million (US$251 million) investment for production and development scheduled for 2014 mainly relates to Gabon and Tanzania.

1.4. Borrowing and financing

1.4.1.

Borrowing conditions and financing structure

Bonds

OCEANE 2015 bonds

On 28 July 2010, the Company issued 5,511,812 bonds that are convertible or exchangeable for new or existing shares (OCEANE) with a nominal value of €12.70 per OCEANE, maturing on 31 July 2015, at a rate of 7.125%, with a total gross value of €70 million. Conversions or exchanges may be made at any time at a ratio of 1.19 shares for one OCEANE 2015 bond.

The bond-based borrowing was initially entered as a financial debt at its amortised cost, i.e. €64 million. This amortised cost was determined by discounting the future contractual cash flow at the effective interest rate of 9.292%.

The main purpose of the 2015 OCEANE bond issue, which is reserved for qualified investors, is to help fund Seplat's acquisition of 45% of the OML 4, 38 and 41 permits, in which Maurel & Prom was initially a 45% shareholder.

At 31 December 2013, the accrued interest expense for OCEANE 2015 bonds was €2.5 million in the consolidated financial statements.

OCEANE 2014 bonds

On 7 July 2009, the Company issued 19,074,519 OCEANE bonds with a nominal value of €15.60 per bond, maturing on 31 July 2014, at a rate of 7.125%, with a total gross value of €298 million, including €12 million in issue costs.

Conversions or exchanges may be made at any time at a ratio of 1.22 shares for one OCEANE 2014 bond.

This issue enabled the OCEANE 2010 bonds to be repaid.

At 31 December 2013, the accrued interest expense for OCEANE 2014 bonds was €12.2 million in the consolidated financial statements.

Other Borrowings and Financial Debt

Reserve based loan / Credit Agreement

On 30 January 2009, the Company entered into a new loan agreement with a consortium of four banks (BNP Paribas, Calyon, Natixis and Standard Bank) for up to US$255 million, guaranteed by the pledge of the oil reserves in Gabon ("Reserve Based Loan" or "RBL"). The RBL was subsequently modified by three amendments dated 29 May 2009, 18 December 2009 and 21 October 2010. The amendment of 21 October 2010 was to increase the total committed amount of the RBL to US$330 million. In accordance with the RBL amortisation and depreciation plan, the draw-down ceiling at 31 December 2012 was US$198 million. As at 31 December 2012, the amount drawn on the RBL was US$130 million (€98.53 million).

The remaining balance outstanding on the RBL (and on the BGFI loan of €15 million) was repaid in full on 25 January 2013 by partly drawing on sums borrowed under the Credit Agreement (details of which are given below). The sureties granted for the RBL were also released.

On 5 November 2012, Maurel & Prom Gabon entered into an agreement with a consortium of seven international banks (Natixis, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Standard Bank Plc, Standard Chartered Bank, Rand Merchant Bank and Nedbank Ltd) and Canada's export agency (Export Development Canada) for a senior loan facility with a maximum amount of US$350 million (the "Credit Agreement"). The sums made available under the Credit Agreement have been drawn down in full.

This Credit Agreement is guaranteed by the Company and its French subsidiary Maurel & Prom West Africa. The following sureties have also been granted as part of the Credit Agreement:

- a pledge of receivables agreed by Maurel & Prom Gabon as part of the contract for the sale of "Rabi Light" crude oil concluded between the Company and Socap International Limited on 25 July 2008 (i) as amended by addendum no 1 dated 9 March 2009 and by addendum no 2 dated 10 April 2010 whereby the Company gave up all of its rights and obligations under that contract to sell oil to Maurel & Prom Gabon and (ii) as transferred by Socap International Limited to Totsa Total Oil Trading SA on 1 January 2012;
- a pledge of the receivables agreed by Maurel & Prom Gabon under the contract for the sale of crude oil concluded between Maurel & Prom Gabon and Société Gabonaise de Raffinage on 4 February 2011;
- a pledge of the receivables agreed by Maurel & Prom Gabon as part of the intra-Group loans granted by Maurel & Prom Gabon to the Company under the cash pooling agreements;
- a pledge of the bank account balance agreed by the Company on the latter's collection account;
- a pledge of the bank account balance agreed by Maurel & Prom West Africa on the latter's collection account;
- a pledge of the bank account balance agreed by Maurel & Prom Gabon on the latter's collection account;
- a pledge of the bank account balance agreed by Maurel & Prom Gabon on the latter's collection account denominated in CFA francs;
- a pledge of the Maurel & Prom Gabon shares held by Maurel & Prom West Africa;
- a pledge of the Maurel & Prom West Africa shares held by the Company; and
- the transfer, in the form of a guarantee, of the respective entitlements held by Maurel & Prom Gabon, the Company and Maurel & Prom West Africa under any (i) hedge agreement, (ii) insurance policy and (iii) future oil sale contract on the underlying assets concluded between Maurel & Prom Gabon and any party authorised to carry out extractions.

The sums made available under the Credit Agreement must be used to:

- lend the Company the necessary funds to repay the RBL;
- finance Maurel & Prom Gabon's investments in the underlying assets; and
- finance Maurel & Prom Gabon's general requirements, including granting loans to any member company of the Group.

The Credit Agreement includes an amortisation schedule that stipulates that the final repayment should be made on 31 December 2017.

Maurel & Prom Gabon will have to pay interest on the loan, on predetermined due dates, at a rate equal to the LIBOR plus mandatory costs as well as a margin of between 3.5% and 4% per year. This margin varies depending on the credit usage ratio (3.50% when the usage ratio is less than or equal to 50%, 3.75% when more than 50% and less than or equal to 75%, and 4% when more than 75%). Interest will be calculated per three-month period, unless specified otherwise.

Off-balance-sheet commitments as at 31 December 2013 are detailed in Note 24 to the Company's consolidated financial statements, appended to this Annual Report.

New US$200 million bank facility set up

On 20 December 2013, the Company signed an agreement with a consortium of five international banks (Natixis, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Standard Bank and Standard Chartered Bank) for a credit facility of up to US$200 million (the "Bank Facility").

The following sureties have also been granted as part of the Bank Facility:

- subordinated pledges covering assets subject to certain sureties ("Senior Pledges") granted under the Credit Agreement;
- a pledge of receivables agreed by the Company as part of the intra-Group loans that it has granted to its subsidiaries, notably under cash pooling agreements;
- a pledge of the bank account balance agreed by the Company on the latter's distribution account; and
- three pledges of receivables agreed by the Company, Maurel & Prom Gabon and Maurel & Prom West Africa in the form of a refundable deposit against the beneficiaries of the Senior Pledges, in the event that the latter are overpaid should the Senior Pledges be enforced.

The sums made available under the Bank Facility must be used to allow the Company, if need be, to make a single drawdown for the amortisation of the OCEANE 2014 bonds on their normal maturity date of 31 July 2014 or earlier. However, in the event of early amortisation of the OCEANE 2014 bonds, (i) the Company must first use its available cash before using the Bank Facility and (ii) in the event that not all of the OCEANE 2014 bonds are amortised early, the unused portion of the Bank Facility must be assigned to a special (cash collateral) account and used to repay the OCEANE 2014 balance outstanding on the normal amortisation date, i.e. 31 July 2014.

The Bank Facility must be repaid in full on 31 December 2015. The Company must pay the interest on the loan, on the set due dates, at the LIBOR rate (or EURIBOR rate if the drawdown is in euros), plus mandatory costs, plus a margin of 4.5% a year until 31 July 2014. After that date, this margin will be increased periodically by 0.5% for every six-month period. Interest will be calculated per three-month period, unless otherwise agreed between the Company and the lenders.

1.4.2.

Restrictions on the use of capital having a significant effect on operations

Under the terms of the Credit Agreement, Maurel & Prom Gabon undertakes to respect certain financial ratios as at 30 June and 31 December of each year:

- the ratio of Group consolidated current assets/current debt is to be at least 1.10; and
- the debt ratio of Group consolidated debt/income (before interest, taxes, amortisation, depreciation and impairment excluding the impact of foreign exchange gains and losses), calculated on the 12-month period preceding the observation period, must not exceed 3.00.

In addition, the debt service coverage ratio must be at least 1.30 for each six-month period. Maurel & Prom Gabon's entitlements on oil production from the fields included in the Omoueyi production sharing contract (now called Ezanga) must not be less than the net production level set out in the Credit Agreement, and Maurel & Prom Gabon must not cease to hold the majority of the entitlements in this production sharing contract.

Under the terms of the Credit Agreement (subject to certain exceptions), Maurel & Prom Gabon and Maurel & Prom West Africa are not authorised to (i) issue a guarantee on their assets; (ii) bear additional financial debt; or (iii) take out new loans. Maurel & Prom Gabon also undertakes not to (x) issue guarantees to any person or entity and not to (y) sell all or some of its underlying assets with the consequence that production falls below the threshold set in the Credit Agreement.

In terms of guarantees, a subordinated guarantee may be granted for issues of debt securities or bonds made by the Company provided that such a guarantee is expressly subordinated to the debt of the Credit Agreement lenders and that the maturity date of said borrowings or bonds is later than the final repayment date of the Credit Agreement.

Under the terms of the Bank Facility, the Company agrees to comply with certain financial ratios at Group level until 31 December 2015:

- the ratio of Group consolidated current assets / current debt is to be at least 1.10:1.00; and
- the ratio of Group consolidated net debt / annualised earnings (before interest, taxes, depreciation, amortisation and exploration expenses) must not exceed 3.00:1.00.

Under the terms of the Bank Facility, subject to certain exceptions, the Company is not authorised (and must ensure that its subsidiaries also comply) (i) to pledge its assets as collateral, (ii) to incur additional financial debt or (iii) to sell all or part of the underlying assets. Subject to certain exceptions, the Company also agrees, in its own name and on behalf of Maurel & Prom Gabon and Maurel & Prom West Africa, not to (x) take out new loans and (y) give guarantees to anyone. Furthermore, the Company agrees to ensure that Maurel & Prom Gabon maintains the minimum level of production specified in the Bank Facility.

1.5. Trends and outlook

1.5.1. Events occurring after closing

New production sharing contract in Gabon

The Republic of Gabon decided to grant a new permit called "Ezanga" to Maurel & Prom Gabon to replace the "Omoueyi" permit in order to meet the new development objectives of the oil sector.

This permit covers some 6,100 km^2 and includes a large part of the coordinates of the former Omoueyi permit.

The corresponding exploration and production sharing contract includes two exploration periods and re-allocates to Maurel & Prom Gabon the five existing Exclusive Exploitation Authorisations for a 20-year period, with the potential to extend for a further 20 years if economic conditions allow it. It should be noted that after the first 10-year period, certain clauses of the contract may be amended if changes in general global economic conditions so require.

The Gabonese Republic thus sees its stake in the profits from the exploitation of oil resources rebalanced in its favour, mainly by having its share in the permit raised from 15% to 20% and a proportional increase in mining royalties.

The priority given to actions addressing the challenges of sustainable development is expressed in the PID/PIH mechanism and by the reinforcement of "social responsibility" in which Maurel & Prom, already a proactive player in this area, intends to be an exemplary partner.

Under current regulations, this new agreement as well as the five Exclusive Exploitation Authorisations must be formally promulgated by a decree of the President of the Republic of Gabon.

Asset diversification

Saint-Aubin Energie (1/3 owned by Maurel & Prom and 2/3 by MPI) announced the signing on 1 April 2014 of an agreement relating to the creation of a joint venture, in partnership with Ressources Québec, Pétrolia and Corridor Resources.

The equity interests in the joint venture are as follows:

• Ressources Québec	35,0%
• Pétrolia	21.7%
• Corridor Resources	21.7%
• Saint-Aubin Energie	21.7%

This joint venture holds exploration permits on Anticosti Island, Quebec. The first phase of reconnaissance work, amounting to US$55 million at 100%, will begin in summer 2014 and should be completed within two years.

The selection of Saint-Aubin Energie as the government of Quebec's partner to test the island's potential gives the Company access to new assets that may be of fundamental importance. This is a major step forward in the Group's strategic positioning in non-conventional hydrocarbons, which represent three quarters of the oil and gas resources available to humanity.

1.5.2.

Changes in the Company’s activity

2014 production

In Gabon, production in the first quarter of 2014 is currently limited by a maintenance work programme in progress at the existing wells. It will resume in the second quarter of 2014 to reach 35,000 bopd in the second half of 2014. This figure corresponds to the routing capacity that Total has allocated for production from the Ezanga fields. This level should be maintained for approximately ten years, which represents an ideal balance between maximising recovery rates, the economic conditions at the fields and routing capacities.

In Tanzania, production is currently limited to supplying gas to a local plant. The Company is negotiating with the Tanzanian authorities to supply 80 million cubic feet per day, at a sale price of US$3/MMscf, for a commercialisation phase due to start in early 2015.

In Alberta, Canada, (through its stake in Saint-Aubin Energie), steam circulation has begun at the SAGD pilot project. The results of this phase will be interpreted to allow the operator to carry out a series of additional drilling operations. This pilot project is expected to start producing oil in the second half of 2014.

2014 exploration

The exploration programme that began in early December 2013 with the drilling of Balsa-1, the results of which are currently being analysed, will continue throughout 2014.

- in Colombia, the operator of the CPO 17 permit, Hocol, is scheduled to drill two appraisal wells at the Dorcas discovery, as well as three stratigraphic wells at the Godric discovery;
- in Peru, drilling of the Fortuna-1 well, operated by Pacific Rubiales Energy, began in March 2014;
- in Mozambique, the operator Anadarko is scheduled to drill two exploration wells on the Rovuma onshore permit. Drilling of the first wells should begin in June 2014. If successful, the benefits for the Group may be massive;
- in Namibia, the interpretation of 2D seismic data has been completed, while 3D seismic data acquisition is in the planning stage and could begin in the fourth quarter of 2014;
- in Tanzania, on the Mnazi Bay permit, 2D seismic data acquisition is currently under way. The purpose of this activity is to increase the reserves already available at the Mnazi Bay field. Seismic investigation will then continue with additional data acquisitions on the Bigwa-Rufiji-Mafia permit;
- in Gabon, a 2D seismic campaign is currently under way on the Nyanga Mayombe permit. Once the respective data from the recent 3D and 2D seismic campaigns on the Ezanga and Kari permits have been interpreted, exploration drilling should begin in September 2014;
- in Myanmar, (Saint-Aubin Energie stake), the operator PetroVietnam will drill a second exploration well in the second half of 2014. The first well drilled has revealed non-commercially exploitable volumes of gas at this stage.

1.6. Large contracts

On 10 January 2014 the Company entered into an exploration and production sharing contract with the Republic of Gabon, which re-allocates to Maurel & Prom Gabon the five existing Exclusive Exploitation Authorisations for a 20-year period, with the potential to extend for a further 20 years if economic conditions allow it. The terms and conditions of this contract are described in paragraph 1.5.1 of this Annual Report.

On 5 November 2012, Maurel & Prom Gabon entered into an agreement with a consortium of seven international banks (Natixis, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Standard Bank Plc, Standard Chartered Bank, Rand Merchant Bank and Nedbank Ltd) and Canada's export agency (Export Development Canada) for a senior loan facility with a maximum amount of US$350 million (the "Credit Agreement"). The terms and conditions of the Credit Agreement are described in paragraphs 1.4.1 and 1.4.2 of this Annual Report.

On 20 December 2013, the Company signed a bank facility with a bank consortium for up to US$200 million (the "Bank Facility"). This package is to cover, if necessary, the redemption of OCEANE 2014 bonds by their maturity on 31 July 2014. Any amounts drawn on this facility will have to be repaid by 31 December 2015. The terms and conditions of the Bank Facility are described in paragraphs 1.4.1 and 1.4.2 of this Annual Report.

In Gabon, the Group, through its subsidiary Maurel & Prom Gabon, only maintains a major direct customer relationship with Socap International Limited, a subsidiary of the Total group, for all sales intended for export, and with SOGARA for sales intended to meet the needs of the Gabonese domestic market. Socap International Limited extracts and sells crude oil from the Onal field in Gabon. Given Socap's credit quality, the Company does not consider there to be a customer risk. Trade receivables from Socap amounted to €75.5 million (US$104.1 million) at the end of 2013. They were settled in January 2014. Sales in 2013 with Socap International Limited amounted to €493 million or 85% of Group sales before the impact of cash flow hedges.

A factoring agreement has been established with BGFI in order to regulate the financial flows with SOGARA.

Apart from these contracts and others signed in the course of its normal activities, the Company has not entered into any significant agreements.

1.7. Financial information

1.7.1.

Historical financial information

The management report, the consolidated and the annual financial statements for the years ending 31 December 2011 and 31 December 2012, including the Statutory Auditors' reports on these documents, appear, respectively, in the Annual Reports filed on 24 April 2012 with the Autorité des Marchés Financiers (AMF) under number D.12-0401 and on 29 April 2013 under number D.13.0452, which are incorporated by reference in this Annual Report.

1.7.2.

Verification of historical financial information

For verifications of historical financial information, please see the Statutory Auditors' reports on the individual company and consolidated financial statements appearing in the notes to this Annual Report and the previous Annual Reports mentioned in paragraph 1.7.1 above.

1.7.3.

Other information featured in the Annual Report, verified by the Statutory Auditors

The Statutory Auditors' reports on the report of the Chairman of the Board of Directors and on the regulated agreements can be found in the notes to this Annual Report.

2 RISK FACTORS

Hydrocarbon exploration and production requires high levels of investment and is associated with a high risk of loss of the capital invested, due mainly to risks associated with the geographic, economic, legal or political factors described hereinafter. In addition to risks specific to the oil industry, there are also risk factors relating to the Group's own industrial and commercial activity.

Consequently, investors, before deciding to invest, and shareholders are invited to examine all the information contained in this Annual Report, including the risks described below. If they arise, these are the risks that, at the date of filing this Annual Report, could have a significant adverse impact on the Group, its activity, its financial position and/or its earnings, and that are significant when making investment decisions.

2.1. Risks linked to the Group's oil and gas exploration and production activities

2.1.1.

Risks linked to the regulatory procedure for obtaining and renewing certain permits

The Group's oil and gas exploration and exploitation activities are subject to the various regulations that apply in this sector (Oil code, law relating to hydrocarbon exploitation) in each of the countries in which the Group undertakes this activity, particularly as regards the granting of mining rights or the obligations concerning minimum work programmes.

The context of oil and gas activities, particularly production sharing procedures, operational decisions, recognising and limiting oil costs, certain tax issues in connection with operations and rules of cooperation between the Group and its partners who hold oil or gas exploration or operating permits, on the one hand, and the host country, on the other hand, are generally defined in a production sharing contract ("PSC") entered into by these parties and the host country.

Furthermore, a "Joint Operating Agreement" (or "JOA") generally defines the relationship between parties other than the host government.

In addition to the PSCs, permits are granted by the host government authorising the Group to carry out its hydrocarbon exploration and production activities. The duration of these permits is limited, with renewal periods. They also carry obligations regarding surface area rehabilitation during the exploration period.

In the first quarter of 2014, the Republic of Gabon decided to provide the Group with a new permit called "Ezanga" to replace the Omoueyi exploration and production sharing contract and the related exclusive exploitation authorisations, for a period of 20 years and with the potential to extend for a further 20 years if economic conditions allow it. This new permit is subject to approval by a decree of the President of the Gabonese Republic.

The impact on the conditions for the use of oil permits that could arise from a downturn in the political or economic situation, or tighter regulations or conditions for obtaining permits in one or more of the countries in which the Group currently holds oil exploration or operating permits, is difficult to quantify.

Lastly, with respect to Gabon, the country in which the Group carries out most of its production (98% of Group sales before the impact of cash flow hedges), the Mining Code review currently underway could have an adverse impact on the terms and conditions applicable to any new contracts or permits concluded by the Company or awarded to it, as well as to its current contracts when they come up for renewal.

2.1.2.

Risks linked to the appraisal of reserves

Reserves at 1 January 2014, as presented in paragraph 1.2 of this Annual Report (p. 31), have been assessed by external evaluators on the basis of economic conditions and by using existing geological and engineering data to estimate the quantities of hydrocarbons that can be produced. The evaluation process involves subjective judgments and subsequent reviews may be required as more information is obtained about the deposits.

2.1.3.

Risks linked to the exploration and renewal of reserves

Exploration activity that relies on the discovery and extraction of hydrocarbons requires major preliminary operations to be undertaken. Geological and seismic analyses are therefore conducted prior to exploration drilling. Operations of this type make it possible to decide on the location of exploration drilling, to transition to the production start-up phase or to decide whether to pursue exploration. At the time these operations are launched, there are still numerous uncertainties about the quality of the hydrocarbons and the feasibility of their extraction.

The hydrocarbons sought when obtaining permits and carrying out drilling may be absent, or in insufficient quantities to be commercially viable.

Consequently, the many uncertainties that remain in the exploration phase mean that the Group cannot ensure that the investments made will be profitable enough.

In addition, knowledge of reserves can sometimes be unpredictable and may only be acquired gradually during the course of exploration. In addition, the practical conditions and costs may vary during the phase of exploration for reserves.

It is therefore impossible to guarantee that new oil or gas resources will be discovered in sufficient quantities to replace existing reserves or to allow the Group to recover all of the capital invested in exploration activities and to ensure the profitability of the investments made.

In order to limit the technical risks related to exploration, exploration programmes are validated upstream based on technical criteria before being submitted to the Company's Board of Directors for approval. In 2013 the Group also established and expanded a partnership with MPI to develop outside its traditional sphere of activity while limiting its financial risk.

2.1.4.

Risks linked to hydrocarbon production capacity

When the estimate of hydrocarbon reserves and the economic analysis justify the development of a discovery, the reserves may, during production, turn out to be lower than predicted, and thus compromise the economics of the operation.

In addition, developing a hydrocarbon production field requires significant investments to build facilities, drill production or injection wells and implement advanced technologies to extract and produce hydrocarbons with complex properties over the duration of the permit, and generally over several decades.

Making these investments and implementing these technologies, generally under difficult conditions, can result in uncertainties about the amount of investment necessary and the operating costs, and have a negative impact that lowers the expected results.

Lastly, the Group's oil or gas production may be restricted, delayed or cancelled due to a number of factors internal or external to the Group; in particular, malfunctions of production or hydrocarbon routing facilities, administrative delays especially in the approval of development projects by host countries, shortages, delays in the delivery of equipment and materials and adverse weather conditions. Such factors may have an impact on the Group's cash flow and results.

In order to limit the risks of underestimating investments or production costs and avoid delays in completion:

- all development projects are validated in technical and financial terms before being submitted to the Company's Board of Directors for approval;
- dedicated teams are put in place for each major project; and
- risks are continually assessed on the basis of technical and financial reports and indicators to measure how effectively projects are progressing.

2.1.5.

Political risks

Part of the Group's activities and hydrocarbon reserves are in countries that may in some cases be considered to harbour risks of political or economic instability. In one or more of these countries, the Group could face risks in the future such as the expropriation or nationalisation of its assets, the breach or renegotiation of PSCs, exchange control restrictions, losses due to armed conflict or terrorist groups, or other problems arising from these countries' political or economic instability. In addition, in order to further their policy of energy independence, some countries in which the Group operates may in future decide to establish or strengthen measures aimed at promoting the emergence of their own home-grown companies in this sector (on this point, see for example the formation in Gabon in December 2012 of a national oil company, the Gabon Oil Company, tasked with controlling Gabon's state interests in Gabonese oil and oil exploration companies). Such a policy could lead to increased participation by the host state in this sector.

As at the date of this Annual Report, the Group carries out most of its production in Gabon (98% of Group sales before the impact of cash flow hedges). This makes the Group dependent on the economic and political developments in Gabon, especially as far as hydrocarbon production levels are concerned. The Gabonese Republic has renewed its trust in the Group by granting it a new permit called "Ezanga", which largely incorporates the terms of the former Omoueyi permit. This new permit is valid for a period of 20 years and can be extended for a further 20 years if economic conditions allow. Under this new permit, the Republic of Gabon's stake has been increased from 15% to 20% with an adjustment of their share of mining royalties. This new permit is subject to approval by a decree of the President of the Gabonese Republic.

It is also worth noting that Gabon is an emerging country with significantly higher political and economic risks and risks to personal and material safety than in more developed countries, which exposes the Group to the risks mentioned in the first paragraph above in particular. The political transition following the election of President Ali Bongo as Head of State in August 2009 was relatively smooth, although the announcement of the results had initially provoked a protest movement. The ruling Gabonese Democratic Party retained a large majority in the legislative elections in December 2011. Faced with active opposition and serious social unrest, and with the aim of strengthening its legitimacy, the President launched a modernisation programme aimed at improving the governance of the country.

In order to limit political risks, the Group is diversifying its exploration and production programmes across multiple countries and, within those countries, the Group strives to maintain a discreet presence by emphasising its skills. In this respect, the partnership that the Group has established with MPI allowed it to develop activities in geographic regions in which it was not yet present, such as Canada or Myanmar.

2.1.6.

Risks linked to competition

The Group faces competition from other oil companies to acquire rights on oil permits for the exploration and production of hydrocarbons. Due to its positioning and its size, the main competitors of the Group are "junior" or "mid-size" oil companies.

In keeping with oil industry practices (in exploration activity, in particular), the Group often partners with other oil companies as part of the process for obtaining permits from the competent authorities, particularly with a view to sharing the costs associated with such processes.

2.1.7.

Industrial and environmental risks

The Group faces industrial and environmental risks that are specific to the oil and gas industry. Among these risks are eruptions of crude oil or natural gas, cave-ins of well heads, spills or leaks of hydrocarbons leading to risks of toxicity, fires or explosions.

All these events are capable of damaging or destroying the hydrocarbon wells in production as well as the surrounding facilities, endangering human lives or property, leading to business interruptions and causing environmental damage with certain direct consequences for the health and economic wellbeing of local communities.

In order to limit industrial and environmental risks, the Group has put in place an HSE (health, safety and environment) policy described in Chapter 4 of this Annual Report. The Group also hedges against certain risks through specific insurance policies (see paragraph 2.4. of this Annual Report, p. 55).

In its oil activities, the Group pays constant attention to preventing industrial and environmental risks and takes the utmost care to respect the regulatory constraints of the countries in which it operates.

It also constantly monitors national and international legal and regulatory developments concerning industrial and environmental risks. Furthermore, the Group constantly seeks to improve its safety, security and risk prevention mechanisms on the production sites.

Systematic impact studies

In accordance with the applicable regulations in the countries in which the Group operates, it conducts systematic impact studies before starting any specific work, to examine and assess the safety risks and the impact on the environment. In order to identify, quantify and prevent the occurrence of such risks, the Group relies on its own expertise, as well as on external experts approved by the governments of the countries involved.

Approval of surface facilities

The Group seeks to obtain the competent ministry's approval with regard to the safety of its surface facilities. This approval may also be required by the Group's insurers and/or by the local government (civil security).

Approval and permission to install pipelines

In compliance with the host country's regulations, the Group carries out the preliminary studies necessary to obtain the authorisations and approvals needed to install pipelines to route the hydrocarbons that have been produced.

Standards

In its drilling operations, the Group applies the API (American Petroleum Institute) standards. Its production facilities are designed according to the recommendations of American insurance companies (GE GAP Guidelines) and its systems and equipment comply with French or international standards, depending on the area in question (API, ISO, ASME, NF, etc.). The Group is also governed by radio and satellite communication standards and obtains the relevant authorisations required by the host country.

Safety procedures

The Group has developed its HSE management system by implementing a decentralised HSE policy based on rules recognised by the International Association of Oil & Gas Producers (OGP). A Group-wide reference manual has been developed to enable each subsidiary to set its own HSE rules and for its main operating subsidiaries to assemble their own in-house HSE expertise. As part of the HSE management system, Group employees benefit from an HSE awareness and training policy aimed at constantly improving safety and risk prevention. The Group is constantly making improvements in terms of the prevention of industrial and environmental risks. It strives to develop its oil activities while improving the management and operating rules concerning the safety of people, facilities and intellectual property.

Site restoration

The Group has a policy of restoring exploration sites (dry wells) to their original state once operations are completed. Furthermore, due to the nature of its activities, the Group will normally be required to bear the costs of restoring sites that have been affected by operations and oil routing equipment. Each year, the Group evaluates and if necessary updates the provisions it has established to cover the future costs of dismantling and restoring the sites.

2.1.8.

Risks linked to the possible dependence of the Group on customers, suppliers or subcontractors

As the Group does not have its own marketing structure, it has to enter into agreements with companies specialising in this field.

The Group believes that it does not incur any counterparty risk, as its production is sold to leading oil groups such as Socap (Total group) in Gabon. A factoring agreement has been established with BGFI in order to regulate the financial flows with SOGARA.

However, the routing of production to Gabon is dependent on the proper functioning of Total's facilities.

The table below shows the Group's share of the sales made with the Group's top customer and top five customers:

	2013	2012	2011
Top customer as a percentage of total sales	85%	89%	91%
Top five customers as a percentage of total sales	100%	100%	100%

The following table shows the Group's share of purchases and capital outlays to its top supplier, top five suppliers and top ten suppliers:

	2013	2012	2011
Top supplier as a percentage of total purchases and capital outlays	10%	13%	7%
Top five suppliers as a percentage of total purchases and capital outlays	39%	41%	27%
Top ten suppliers as a percentage of total purchases and capital outlays	53%	56%	36%

2.2. Financial risks

2.2.1.

Risks of fluctuations in hydrocarbon prices

The economy, the oil and gas industry and in particular its profitability are very sensitive to the price of hydrocarbons expressed in US dollars.

The Group's cash flows and future results are strongly impacted by changes in the price of hydrocarbons expressed in US dollars.

In order to limit the risk of exposure to fluctuations in oil and gas prices, the Group has, as part of the management of "RBL" lines of credit made available to the Group, hedged a portion of its future production against any decrease in prices, thereby taking advantage of any rise in these prices on the unhedged portion of production.

Hedging transactions

In order to hedge against commodity risks, the Group has set up cash flow hedges on the quality of Brent, accounting for its hydrocarbon production in Gabon.

Type of commitments

There are two types of derivatives used to reduce exposure to the risk of changes in hydrocarbon prices:

- "swaps" of sales of crude for a given volume and over a given period at a given sale price per barrel; and
- more sophisticated products that combine sales of swaps and options to set the barrel sale price of crude while benefiting to a certain extent from favourable market conditions.

Although they are used for economic hedging, when these derivative products display certain optional characteristics they may be fully or partially ineligible for hedge accounting treatment under IFRS. For this reason, the economic hedging portfolio includes hedge derivatives that are treated as trading instruments for accounting purposes.

The derivative instruments in place in 2013 covered an average of 2,333 bopd, specifically 1,500 bopd in January and February and then 2,500 bopd from March onwards. Only 500 bopd of the total was for hedge accounting purposes. All the hedges had expired by the end of December 2013. No derivative contracts have been entered into in 2014.

Authorisation and tracking of commitments

Transactions are set up at the decision of the Chairman and Chief Executive Officer and confirmed by the two required signatories, the Chairman and Chief Executive Officer and the Chief Financial Officer of the Group. Reporting, which is updated after each transaction, allows the structure of the positions to be checked. The transactions are recorded in the systems by the Treasury Department and confirmed by the Accounting Department.

Sensitivity analysis of the oil derivatives portfolio at 31 December 2013

The accounting treatment applicable to future cash flow hedges can be summarised as follows:

- the instruments are initially recognised at fair value;
- at the closing date, the change in fair value corresponding to the effective portion of the hedges is recognised under recyclable shareholders' equity; the change in fair value corresponding to the ineffective portion is recognised under financial income and expenses; and
- the change in fair value recognised under equity is recycled through income (other operating expenses and income) either when the hedged element impacts upon income, or when the contract expires.

The fair value of the instruments taken out by the Group is determined according to appraisals by independent experts.

As these are trading transactions, liquidations at expiry as well as changes in the fair value of current operations are recognised with a counterpart in financial income.

The table below shows the sensitivity of derivatives in the portfolio to fluctuations in the price of Brent in 2013:

In US$ M	2013 Impact on income	2013 Impact on Shareholders' equity
PRICE DECREASE SCENARIO (10%)		
Cash flow hedges (CFH)	+0.2	N/A
Fair value hedges (FVH)	N/A	N/A
Contracts not allocated (trading)	N/S	N/A
PRICE INCREASE SCENARIO (10%)		
Cash flow hedges (CFH)	-0.2	N/A
Fair value hedges (FVH)	N/A	N/A
Contracts not allocated (trading)	N/S	N/A

Impact on consolidated net income of the change in the barrel price of oil during 2013

The average sale price of Gabonese production was US$108.7 in 2013 (versus US$111.7 in 2012). This decline in the sale price had a negative impact on 2013 consolidated net income in the order of €13 million.

2.2.2.

Foreign exchange risk

Although the Group's reporting currency is the euro, its operating currency is the US dollar since sales, the major portion of operating expenses and a significant part of investments, are denominated in this currency. Consequently, the Group's accounts are highly sensitive to the €/US$ exchange rate.

The impact on consolidated income and shareholders' equity as at 31 December 2013 of a 10% rise or fall in the €/US$ exchange rate is shown below (in millions of euros):

	Impact on pre-tax income		Impact on exchange gain/loss (shareholders' equity)	
	10% rise in €/US$ rate	10% fall in €/US$ rate	10% rise in €/US$ rate	10% fall in €/US$ rate
€M	-40.7	29.6	-63.8	78.3
TOTAL	-40.7	29.6	-63.8	78.3

With respect to the impact of the change in the €/US$ exchange rate on Group income during the first half of 2013, the restatement of the Group's currency positions at the period-end €/US$ rate of 1.3791 produced a net foreign exchange loss of €18.7 million.

In order to limit its exposure to foreign exchange risk, from time to time the Group uses hedging strategies that use derivative instruments (currency futures and foreign exchange options) and maintains a portion of its cash and cash equivalents in US dollars in order to finance fore-seeable investment expenses in US dollars.

There were no foreign exchange transactions as at 31 December 2013.

The Company's consolidated foreign exchange position at 31 December 2013 was US$455 million, which is broken down as follows (in US$ million):

	Assets and liabilities	Foreign currency commitments	Net position before hedge	Financial hedging instruments	Net position after hedge
Trade receivables and payables	1,412		1,412		1,412
Non-current financial assets	-		-		-
Other current assets	-		-		-
Derivative instruments	-		-		-
Other creditors and miscellaneous liabilities	-1,128		-1,128		-1,128
Cash and cash equivalents	171		171		171
US$ EXPOSURE (IN US$ M)	455	-	455	-	455

Foreign exchange risks are detailed in Note 26 to the consolidated financial statements (p. 221 of this Annual Report).

2.2.3.

Liquidity risk

As with any industrial and commercial activity, the Group is exposed to a risk of insufficient liquidity or to a risk that its financing strategy is inadequate.

To deal with this risk, the Group maintains a balance between debt and equity on the one hand, and indebtedness and its ability to repay on the other, in compliance with ratios that are usually considered cautious.

The financing options are reviewed and validated by the Company's Board of Directors, the Group's cash is centralised and the sources of financing are diversified.

A report on the sources of financing available at 31 December 2013 and the main covenants appears in note 15 to the consolidated financial statements for the period ending 31 December 2013 (p. 199 of the Annual Report). A summary of the financing statement is shown in paragraph 1.4.1 of this Annual Report (p. 34).

Given the volatility of commodity prices and exchange rates, the Group's budget is updated semi-annually and cash-flow simulations that account for adverse changes are sent at least monthly, and whenever requested by the Group's management.

The Group's debt ratios at 31 December 2013 were as follows:

- consolidated debt/equity: 59%; and
- current assets/current liabilities: 86%.

The breakdown of financial liabilities by contractual maturity is shown in the table below (in thousands of euros):

BREAKDOWN OF FINANCIAL LIABILITIES BY CONTRACTUAL MATURITY

	2013	2014		2015		2016		2017		2018	
	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal
Bonds	367,562	26,189	297,562	4,987	70,000						
US$350 million facility	253,789	10,051	83,388	5,963	87,013	2,763	48,582	899	34,805	-	-
US$50 million loan	36,256	816	-	816	-	816	-	816	-	816	36,256
Current bank borrowings	10,345	-	-	-	-	-	-	-	-	-	-
Debts on lease financing	2,912	251	150	237	165	222	180	205	196	186	215
Other borrowings and financial debt	303,299	11,118	83,538	7,016	87,178	3,800	48,762	1,920	35,001	1,002	36,471
Derivative instruments	-	-	-	-	-	-	-	-	-	-	-
TOTAL	670,861	37,307	381,100	12,003	157,178	3,800	48,762	1,920	35,001	1,002	36,471

Notes: loans denominated in US dollars were converted into euros at the €/US$ closing rate on 31 December 2013 of 1.3791. Contractual flows not updated.

As at 31 December 2013, the Group had US$200 million of unused drawdown capacity, as well as cash and cash equivalents amounting to €208.4 million. To the best of the Company's knowledge, there are no limitations or restrictions on raising cash from the Group's subsidiaries.

The Company has conducted a specific review of its liquidity risk and future maturity dates, and considers that it is able to meet its contractual maturities.

The Company does not feel that it would have any particular difficulty in obtaining financing terms at least similar to those currently in place.

Also, as at 31 December 2013, the Company was in compliance with the financial ratios specified in the Credit Agreement (see paragraph 1.4.2 of this Annual Report).

Finally, it should be noted that:

- as part of the Company's acquisition of the African drilling activities of Tuscany International Drilling, and the Company's sale of its stake in Tuscany International Drilling (see paragraph 1.1.1.1 of this Annual Report, p.24, and following a credit agreement with Crédit Suisse, on 23 December 2013 the Company took on US$50 million of Tuscany International Drilling's bank debt with a 5-year maturity date; and
- on 20 December 2013, the Company arranged a Line of Credit with a bank consortium up to a maximum of US$200 million (see paragraph 1.4.1 of this Annual Report, p.34).

2.2.4.

Interest rate risk

The Group's borrowing terms and financing structure are detailed in paragraph 1.4.1 of this Annual Report (p.34).

Like any company that uses external lines of credit and investments of available cash, the Group is exposed to an interest rate risk.

The Group's consolidated gross debt at 31 December 2013 was €662.2 million. This consisted mainly of two OCEANE fixed-rate convertible bond borrowings amounting to principal plus accrued interest totalling €367.1 million and a variable-rate debt consisting of a new line of credit (Senior Secured Facility) of US$350 million (€249.6 million) and a loan of US$50 million (€36.3 million) over 5 years repayable in full (see paragraph 1.4.1 of this Annual Report, p.34). An increase of 1 point in interest rates would result in an additional interest expense of €2.9 million per year recorded [under income].

A significant portion of cash (US$176.4 million) is held in variable interest rate sight deposits. A 1% rise in interest rates would result in additional income of €1.7 million.

Interest rate risk is detailed in Note 26 to the consolidated financial statements (p.221 of this 2013 Annual Report).

2.2.5.

Equity risk

Overview

Now that the Company's shares have been admitted for trading on a regulated market, it is worth noting that (i) the market for them may offer only limited liquidity and be highly volatile, and (ii) the potentially heavy volumes being sold may adversely impact their market price.

Risk involving the Company's shares

Successive share redemption plans have been put in place since 12 January 2005. As at 31 December 2013, the Company held 5,589,040 treasury shares with a gross carrying value of €70.86 million compared to a market value of €64.20 million. The difference between the gross and net values has no impact on the consolidated financial statements and is provisioned in the company financial statements. A decrease of 10% in the value of these securities would have a negative impact of €6.40 million on the Company's earnings.

In view of the above, the Company does not consider there to be an equity risk and has not therefore used a specific hedging instrument.

Risk involving other companies' shares

On 23 December 2013, the Company sold its 29.05% stake in Tuscany International Drilling, a Canadian company listed on the Toronto Stock Exchange.

The terms of this transaction are explained in paragraph 1.1.1.1 of this Annual Report, p.24.

2.2.6.

Counterparty risk

The Group is exposed to counterparty risk with respect to:

- loans and credit granted to customers and other third parties as part of its operating activities; and
- investment, hedging and financing transactions made with banks or financial institutions.

The Company estimates that the first risk is limited to the extent that the Group's customers are generally internationally renowned oil companies, recognised independents or national operators with which the Group has had business relations for a long time. When this is not the case, the Group conducts an in-depth examination of the solvency of its counterparties.

As part of its activities, which may be conducted through partnerships, the Group applies a rigorous selection policy for its partners.

The Company deems that the second risk is also limited to the extent that the Group's significant financial transactions are only handled by several leading banking and financial establishments. No issues involving counterparties were encountered in fiscal year 2013.

2.3. Legal risk

2.3.1.

Legal risks associated with the hydrocarbon sector

The Group's oil and gas exploration and operating activity is strictly governed by the various regulations applicable to this sector (Oil code, law on hydrocarbon exploitation) in each of the countries in which the Group undertakes this activity, particularly with respect to the allocation of mining rights, the durations and legal conditions of operations, which focus on the obligations for minimum work programmes and, if applicable, the contractual procedures for sharing production (described in the PSCs).

The oil and gas sector often represents a significant economic weight in the countries in which the Group operates, and it may be subject to the payment of royalties, taxes and duties that are higher than other economic sectors.

A downturn in the political or economic situation, a tightening of oil or tax regulations, or of the conditions for obtaining or using permits in one or more countries in which the Group currently holds oil exploration or operating permits, presents a risk that is difficult to evaluate in terms of its impact on the Group's activity and on the valuation and the profitability of the assets that may be concerned.

As indicated in paragraph 2.1.1 of this Annual Report (p. 43), with respect to Gabon, the country in which the Group carries out most of its production (98% of Group sales before the impact of cash hedges), the Gabonese Mining Code review currently in progress could have an adverse impact on the terms and conditions applicable to any new contracts concluded by the Company or any permits granted to it, as well as to its current contracts when they come up for renewal.

To limit the legal and tax risks linked to the oil sector, the Group tries to establish adequate relations both with the local authorities and communities in the countries in which it operates.

2.3.2.

Risks for the Company in the event of a change of control and ownership

The Group draws the attention of investors to the fact that the OCEANE 2014 and OCEANE 2015 bonds, described in paragraph 1.4.1 of this Annual Report (p. 34), each contain a change in control clause, stipulating that any bearer may request the early repayment of his/her bonds in cash in the event of a change in control of the Company.

The Credit Agreement and the Bank Facility, described in paragraph 1.4.1 of this Annual Report (p. 34), also contain a «change of control» clause whereby the lenders, by majority vote, can cancel the credit arrangements granted to the Company and require it to repay each outstanding line of credit immediately, in the event of a change of control of the Company.

Above all, the Group draws the attention of investors to the regulatory and contractual environment inherent to the Group's activities in the hydrocarbon sector, described in paragraph 2.3.3 of this Annual Report, which, in certain jurisdictions, includes provisions that may apply in the event of a change of control of the Company (notably in Gabon, Tanzania, the Congo and Mozambique).

With respect to Gabon, pursuant to Decree 0673/04/MECIT dated 16 May 2011 relating to the application of the investment charter to foreign investments in the Republic of Gabon, the direct or indirect acquisition, by a foreign investor, of control of a company which has its registered office in Gabon and which carries out activities related to the research and exploitation of mines and hydrocarbons, is subject to prior authorisation by the Gabonese Minister for the Economy, who has two months from the date on which the authorisation request is received to rule on it. The authorisation may, in certain circumstances, be accompanied by conditions aimed at ensuring that the proposed investment does not harm national interests. If the authorisation is refused, the Minister must explain the reasons for doing so. If a foreign investment is found to have been made in violation of these provisions, activity will be immediately suspended until authorisation is obtained.

Such regulatory or contractual constraints are generally applicable to players in the industry. However, the following observations should be made:

- change in control clauses are not all of equal importance and should be assessed according to several criteria, such as penalties for failure to comply (suspension of activity, invalidity of the transfer of control, right of pre-emption or call for additional guarantees), local practice (notably the frequency of objections effectively made in practice by the relevant government body), the identity and financial resources of the new controlling shareholder (certain authorisations are more concerned with defending national interests) and, above all, the proportion represented by the Company's activities exercised in the respective jurisdiction out of all activities exercised by the Company;
- in some jurisdictions, contracts concluded with the government authorities contain a stabilisation clause preventing the application of a regulation, when it is less favourable for the investor, which postdates the regulation in force on the date that the contract was concluded; and
- lastly, even if the penalty for failure to comply with the change in control clause is the suspension of activity in the jurisdictions in question or the transfer of control being rendered invalid, the Group emphasises that these penalties are, to its knowledge, rarely applied in practice, and are more often than not subject to discussions with the competent authorities. With this in mind, the Group strives to maintain good relations with the authorities in the countries in which it operates.

2.3.3.

Legal risks linked to the regulatory framework of exploration and production activities in the hydrocarbon sector

The Group carries out oil and gas exploration and production activities in a very large number of countries and is therefore subject to a large number of regulations, particularly with regard to the allocation of mining rights, the durations and legal conditions of operations, which focus on the obligations for minimum work programmes and, if any, the contractual procedures for sharing production.

The specific risks related to the existence, in most countries in which the Group operates, of legal, regulatory or contractual provisions that may apply in the event of a change of control of the Company, are detailed in paragraph 2.3.2 of this Annual Report (p. 54).

2.3.4.

Risks linked to unresolved disputes

The Group is involved in various procedures and claims in the normal course of its activities. The Group's disputes and the risks of dispute of which it is aware are set out in paragraph 7.2 of this Annual Report (p. 151).

2.3.5.

Risks linked to claims not covered by insurance

In addition to traditional risk cover insurance, the Group has taken out insurance policies that are specific to its business and to the nature and location of its assets. The policy for risk insurance cover is set out in paragraph 2.4 of this Annual Report (p. 55).

The Group deems that the cover provided by the policies it has taken out is reasonably suited to the risks incurred as part of the Group's ongoing activities. Discontinuity in hydrocarbon production operations on a field or in a country, for whatever reason, is not covered by business interruption insurance.

2.4. Insurance

The Group has taken out the following insurance:

- civil liability of executive officers;
- fire, storm, natural disaster and water damage;
- theft and vandalism, glass damage; and
- civil liability for offices, not including professional civil liability, and basic legal protection.

In addition to this traditional risk cover insurance, the Group has taken out insurance policies that are specific to its business and to the nature and location of its assets.

The Company regularly reviews its policies (coverage and premiums) in consultation with a specialist broker as part of a uniform Group programme for corporate third party liability and property damage, as well as the third party liability of corporate officers and executives.

Insurance policies related to oil activities cover:

- risks of damage to oil facilities, including the pipeline network and drilling rigs that are reimbursed up to their declared value, risks of real losses of assets that are covered up to their replacement value and risks of pollution related to drilling operations; and
- risks of general and civil liability up to US$50 million per claim.

The total amount of insurance premiums per year paid by the Group is in the order of €1.6 million for the period from 1 March 2013 to 28 February 2014, based on a €/US$ exchange rate of 1.33.

To date, the Company has not taken out business interruption cover.

As part of its oil exploration, production and development work, the Group risks causing environmental damage resulting, for example, from collapses, eruptions, pollution, leaks, fires and explosions of oil wells and surrounding facilities. Damage of this type is covered by policies providing "Energy Package" type cover. Agreements signed with the subcontractors and service providers used by the Group also contain an obligation for these subcontractors and service providers to take out insurance for an amount that covers their civil liability under the agreement in question.

3 CORPORATE GOVERNANCE

/ Chairman of the Board of Directors' report pursuant to Article L. 225-37 of the French Commercial Code /

The report of the Chairman of the Board of Directors, prepared in accordance with Article L. 225-37 of the French Commercial Code, covers, for the year 2013, the information relating to the composition of the Board of Directors and the conditions for the preparation and organisation of the work of the Board of Directors, the application of the principle of gender equality within the Board, the internal control and risk management procedures put in place by the Company, potential limits on the powers granted by the Board of Directors to the Chairman and Chief Executive Officer, the principles and rules applicable to the calculation of compensation and benefits of any kind for corporate officers as well as any special provision relating to the participation of shareholders at the General Shareholders' Meeting. This report was prepared by the Chairman of the Board of Directors based on the contributions from the Company's administrative, financial and legal support services including the Audit and Risk Committee, the Appointments and Compensation Committee and the General Secretary.

This report was approved by the Board of Directors on 23 April 2014.

3.1. Statement on corporate governance

The Company has confirmed that the AFEP-MEDEF Corporate Governance Code, as revised in June 2013, is the corporate governance code it voluntarily complies with, as defined by Article L. 225-37 of the French Commercial Code. The AFEP-MEDEF Corporate Governance Code is available on the websites of AFEP (www.afep.com) and MEDEF (www.medef.com).

In accordance with the "apply or explain" rule of Article L. 225-37 of the French Commercial Code and Article 25.1 of the AFEP-MEDEF Corporate Governance Code, the Company considers that, with the exception of factors disclosed and explained in full in the following table, the Company complies with the recommendations of that code.

10.4 Assessment of the Board of Directors *"It is recommended that non-executive directors meet periodically without executive or internal directors attending. The Bylaws of the Board of Directors should provide for a meeting of this type once a year, at which the performance of the Chairman, the Chief Executive Officer or Deputy Chief Executive Officers could be assessed and future management could be discussed."*	At the Board of Directors' meeting of 28 August 2013, the directors decided, without the Chairman and Chief Executive Officer attending, to increase his compensation which had remained unchanged since 2007 and thus indirectly made an assessment of the Chairman and Chief Executive Officer's performance. However, the Bylaws of the Company's Board of Directors do not mention the holding of regular meetings without the presence of executive or internal directors. The Bylaws of the Board of Directors of the Company will therefore soon be amended with regard to this point to provide for one meeting a year, without executive or internal directors attending, at which the performance of the executive corporate officers will be assessed and future management will be discussed. ...

...

14. Term of office for directors

"Although not required by law, it is essential that the Articles of Association or the Bylaws set a minimum number of corporate actions that each company director must personally undertake."

20. Directors' code of ethics

"In the absence of legal provisions to the contrary, a director must be a shareholder in his/her own right and hold a significantly large number of shares to justify the attendance fees received: if he/she does not own those shares when he/she takes up his/her post, he/she must use his/her attendance fees to purchase them."

The Board of Directors' meeting discussed adopting the principle that each director should personally hold a significant number of shares in the Company, if necessary by using the attendance fees each receives to purchase shares in the Company. The Board of Directors, however, decided not to adopt this principle in its Bylaws and gave each director the option to freely acquire shares in the Company.

18.1 The Compensation Committee

"It must not include executive corporate officers and a majority must be independent directors."

Christian Bellon de Chassy is a former independent director of the Company and, since his term of office ended on 29 June 2011, he has held the position of observer on the Board of Directors. The Company therefore considers him to have all the qualities required, including independence, to be a member of the Appointments and Compensation Committee and to perform the functions of its Chairman.

3.2. Administration and management of Maurel & Prom

3.2.1.

Administration, executive management and management bodies

Jean-François Hénin, appointed Chairman of the Board of Directors at the close of the General Shareholders' Meeting of 14 June 2007, had his term of office as Chairman renewed by the Board once on 20 May 2010, when he was given the additional title of Chief Executive Officer, and again on 13 June 2013.

3.2.1.1. Composition of the Board of Directors, executive management and management

3.2.1.1.1. Board of Directors and executive management

The Board of Directors is composed of at least three members and at most twelve members, appointed by the Ordinary General Shareholders' Meeting, barring legal exception in the case of mergers. The members of the Board of Directors may be re-elected.

The number of Board members over the age of seventy may not exceed one-third of the members in office.

The General Shareholders' Meeting of 13 June 2013 renewed the directorships of Jean-François Hénin and Emmanuel de Marion de Glatigny for a further three-year period, which will end at the close of the General Shareholders' Meeting called in 2016 to approve the financial statements for the fiscal year ending 31 December 2015.

In accordance with Law 2011-103 of 27 January 2011 on balanced male/female representation on boards of directors and supervisory boards, the proportion of women on the Board of Directors needs to be 20% by 2014 and 40% by 2017. Furthermore, the AFEP-MEDEF Corporate Governance Code requires the Company to ensure that at least 20% of its Board members are female within three years from 20 May 2010 (the date of the Company's General Shareholders' Meeting in 2010), i.e. by the legally imposed deadline.

Since 27 March 2013, two women, Nathalie Delapalme and Carole Delorme d'Armaillé, sit on the Company's Board of Directors. As the Board is made up of eight directors, women therefore constitute more than 20% of the Board (25%), in accordance with Law No 2011-103 of 27 January 2011 and the AFEP-MEDEF Corporate Governance Code.

The composition of the Board of Directors at 31 December 2013 was as follows:

Members of the Board	Date of appointment	Date on which term of office expires	Fonctions	Comments
Jean-François Hénin	13 June 2013	General Shareholders' Meeting called to approve the financial statements for 2015	Chairman and Chief Executive Officer	Jean-François Hénin's term of office was renewed by the General Shareholders' Meeting of 13 June 2013. The Board of Directors meeting of 13 June 2013 also renewed his functions as Chairman and Chief Executive Officer of the Company for the term of his directorship, it being understood that he must cease to exercise his functions as CEO of the Company when he reaches the age limit specified in the Company's Articles of Association.
Gérard Andreck	14 June 2012	General Shareholders' Meeting called to approve the financial statements for 2014	Vice Chairman	
Xavier Blandin	29 June 2011	General Shareholders' Meeting called to approve the financial statements for 2013	Director	
Nathalie Delapalme	29 June 2011	General Shareholders' Meeting called to approve the financial statements for 2013	Director	
Roman Gozalo	29 June 2011	General Shareholders' Meeting called to approve the financial statements for 2013	Director	
Emmanuel de Marion de Glatigny	13 June 2013	General Shareholders' Meeting called to approve the financial statements for 2015	Director	Emmanuel de Marion de Glatigny's term of office was renewed by the General Shareholders' Meeting of 13 June 2013.
Carole Delorme d'Armaillé	13 June 2013	General Shareholders' Meeting called to approve the financial statements for 2014	Director	On 27 March 2013 the board of Directors coopted Carole Delorme d'Armaillé to replace Bryant Chukwueloka Orjiako, who had resigned, for the remaining term of her predecessor. The General Shareholders' Meeting of 13 June 2013 ratified this cooptation. This cooptation forms part of the policy of increasing the number of women on the Board of Directors.
Alexandre Vilgrain	14 June 2012	General Shareholders' Meeting called to approve the financial statements for 2014	Director	

Jean-François Hénin, 69 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

Mr Hénin was Chief Executive Officer of Thomson CSF Finance, then of Altus until May 1993. He was then Chairman and Chief Executive Officer of Électricité et Eaux de Madagascar between 1994 and 2000. Since that date, Mr Hénin has been a manager and partner at Maurel & Prom (a partnership limited by shares until 2004) with the role of Chairman and Chief Executive Officer of Aréopage. He became Chairman of the management board after the Company was transformed into a public limited company (société anonyme) with a management board and supervisory board on 28 December 2004.

Mr Hénin was appointed Chairman of the Board of Directors on 14 June 2007, at the close of the General Shareholders' Meeting called to approve the tranformation of the Company into a public limited company with a Board of Directors. His directorship was initially renewed by the General Shareholders' Meeting of 20 May 2010. The General Shareholders' Meeting of 13 June 2013 renewed his term of office for a further three-year period, until the close of the General Shareholders' Meeting called in 2016 to approve the financial statements for fiscal year 2015.

On that occasion, the Board of Directors also appointed him as Chairman of the Board of Directors and Chief Executive Officer.

Mr Hénin also performs management functions within the Group, as indicated in paragraph 3.2.1.2 of this Annual Report.

Gérard Andreck, 69 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

As Chairman of Macif and the Macif group, Mr Andreck has knowledge and expertise of corporate finance, strategy and governance.

Mr Andreck was initially appointed on 29 June 2005 as the permanent representative of Macif on the supervisory board, then as a member of the supervisory board in his own right from 7 November 2005 and was appointed Chairman of the supervisory board on the same day, replacing Mr Jacquard.

The cooptation of Gérard Andreck as a member of the supervisory board in his own right was ratified by the General Shareholders' Meeting of 20 June 2006.

Mr Andreck has been a member of the Board of Directors since the General Shareholders' Meeting of 14 June 2007. His initial term of office was renewed on 18 June 2009. It was then renewed for three years by the Combined Ordinary and Extraordinary General Shareholders' Meeting of 14 June 2012, until the close of the General Shareholders' Meeting called in 2015 to approve the financial statements for the year ending 31 December 2014.

Xavier Blandin, 63 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

Xavier Blandin was appointed director by the General Shareholders' Meeting of 29 June 2011 for a period of three years, until the close of the Ordinary General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2013.

The General Shareholders' Meeting of 12 June 2014 will be asked to renew his term of office for a further three-year period, until the close of the General Shareholders' Meeting called to approve the financial statements for the 2016 fiscal year.

A graduate of the HEC business school in Paris and former student of the prestigious ENA administrative college, Mr Blandin spent the early part of his career (1978-1991) in the French civil service, notably with the Treasury Department. During this time, he was Deputy Director for France with the International Monetary Fund in Washington and financial attaché at the French Embassy in the United States (1983-1985), head of the Banks and Banking Regulation office at the Treasury Department (1985-1986), technical advisor to the Cabinets of Mr Cabana and subsequently Mr Balladur (1986-1988), head of the public enterprise office (1988-1989) and Assistant Director of the Treasury Department (1989-1991).

From 1991 until the end of December 2010, Mr Blandin worked in the banking sector, first for Banque Paribas

(1991-1999) and then for BNP Paribas, where he was a member of the Executive Committee of the Corporate Finance Department before becoming Senior Banker.

Nathalie Delapalme, 57 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

Ms Delapalme was coopted as a director by the Board of Directors on 20 May 2010 to replace the company Financière de Rosario, which had resigned from its position. Her term of office, which expired at the close of the General Shareholders' Meeting called to approve the financial statements for the 2010 fiscal year, was then renewed by the General Shareholders' Meeting of 29 June 2011 for a period of three years, until the close of the General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2013.

The General Shareholders' Meeting of 12 June 2014 will be asked to renew her term of office for a further three-year period, until the close of the General Shareholders' Meeting called to approve the financial statements for the 2016 fiscal year.

Nathalie Delapalme began her career in the French Senate, serving between 1984 and 1985 and then between 1997 and 2002, mainly as an administrator and then as an advisor to the National Finance, Budget and Accounts Commission.

From 1995 to 1997 she was a deputy director serving under the Minister for Development Cooperation, and then became Africa advisor for the Minister for Foreign Affairs from 2002 to 2007. From 2007 to 2010 she held the position of General Inspector of Finances for the Inspectorate-General of Finance (IGF), and in June 2010 she joined the Mo Ibrahim Foundation as Executive Director for Research and Public Policy.

Roman Gozalo, 68 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

Roman Gozalo was a member of the management board from 24 October 2005 to 14 June 2007. Following the transformation of the Company into a public limited company with a Board of Directors, he was appointed Chief Executive Officer by the Board of Directors on 30 August 2007, holding this position until May 2008.

Mr Gozalo was appointed as a Company director by the General Shareholders' Meeting of 12 June 2008. As his term of office was due to expire at the close of the General Shareholders' Meeting of 29 June 2011, it was renewed for a further three years until the close of the General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2013.

The General Shareholders' Meeting of 12 June 2014 will be asked to renew his term of office for a further three-year period, until the close of the General Shareholders' Meeting called to approve the financial statements for the 2016 fiscal year.

Mr Gozalo developed his management expertise by serving as an executive officer of three subsidiaries of the Total group between 1988 and 2002 and also as Administrative Director (General Secretary) of the Elf group from 1995 to 1999.

Emmanuel de Marion de Glatigny, 67 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

A member and Vice Chairman of the supervisory board of Maurel & Prom (which, at that time, was a partnership limited by shares), Mr de Marion de Glatigny was first appointed to the supervisory board on 19 June 2001.

Mr de Marion de Glatigny has been a member of the Board of Directors since the General Shareholders' Meeting of 14 June 2007. His term of office was initially renewed by the General Shareholders' Meeting of 20 May 2010. It was renewed for a further three years by the

General Shareholders' Meeting of 13 June 2013 until the close of the General Shareholders' Meeting called in 2016 to approve the financial statements for the 2015 fiscal year.

Mr de Marion de Glatigny developed his management expertise through his work as the director of an insurance company and during his terms as a member of supervisory boards and boards of directors since 1984.

Alexandre Vilgrain, 58 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

Mr Vilgrain has been a member of the Board of Directors since the General Shareholders' Meeting of 14 June 2007. His most recent directorship was renewed for three years by the General Shareholders' Meeting of 14 June 2012, until the close of the General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2014.

Prior to that, Mr Vilgrain was coopted as a member of the supervisory board of Maurel & Prom by the Board on 18 August 2005, replacing Jean-Louis Chambon.

Alexandre Vilgrain has been Chief Executive of the SOMDIAA group since 1995. Appointed to succeed his father, Jean-Louis Vilgrain, as the head of the group, he now runs all SOMDIAA subsidiaries and holds various mandates within other companies (CARE, SIDA Entreprises). With extensive experience of Africa's economic development and as Chief Executive of a leading African food processing group, Mr Vilgrain has been Chairman of the Conseil Français des Investisseurs en Afrique (French Council of Investors in Africa – CIAN) since 2009.

Having joined the family company in 1979 after studying Law at the Paris II Panthéon-Assas University, Mr Vilgrain held various positions within the family business in Africa, Asia and Europe.

In 1985, he founded Délifrance Asia, a French-style café-bakery chain based in a number of countries in Asia. The unexpected success of this concept in the region allowed Mr Vilgrain to have the company listed on the Singapore Stock Exchange in 1996, before leaving this position in 1998 to focus on the Group's activities in Africa.

Carole Delorme d'Armaillé, 51 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

Ms Delorme d'Armaillé was coopted by the Board of Directors on 27 March 2013 to replace Mr Orjiako, who had resigned, and her cooptation was ratified by the General Shareholders' Meeting of 13 June 2013. Her mandate will expire at the close of the General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2014.

Carole Delorme d'Armaillé began her career in 1984 at Péchiney (now Alcan). She then joined Batif, the merchant bank of Thomson CSF (now Thalès), in 1987, and went from there to J.P. Morgan Paris in 1992. In 1995 she returned to the packaging sector at Crown Cork & Seal (formerly CarnaudMetalBox) where she was international treasurer for five years before moving to the Association Française des Trésoriers d'Entreprise (AFTE) in 2000 as Managing Director.

From 2003 to September 2012, she was director of investor communications and relations at Paris EUROPLACE, an organisation tasked with promoting the Paris financial market.

Ms Delorme d'Armaillé is a member of the IFA and the SFAF.

3.2.1.1.2. Observer

The Board of Directors may appoint a maximum of four observers to the Company, chosen from among the individual shareholders.

The term of office for observers is set at three years.

Observers are called upon to attend and observe the meetings of the Board of Directors, and may be consulted by it. They may also present observations at General Shareholders' Meetings on the proposals submitted to them, if they deem it appropriate. They must be invited to each meeting of the Board of Directors. The Board of Directors may assign specific tasks to observers.

They may sit on committees created by the Board of Directors, except for the Audit and Risk Committee.

The Board of Directors may decide to pay observers a proportion of the attendance fees allotted to it by the General Shareholders' Meeting, and authorise the reimbursement of expenses incurred by observers during the course of their work for the Company.

At its meeting of 29 June 2011, the Board of Directors appointed Christian Bellon de Chassy as observer.

Christian Bellon de Chassy, 80 years of age

Maurel & Prom
51, rue d'Anjou
75008 Paris

Mr Bellon de Chassy became a member of the Board of Directors at the General Shareholders' Meeting of 14 June 2007. His term of office expired at the close of the General Shareholders' Meeting of 29 June 2011 and he did not request its renewal. He was appointed as an observer by the Board of Directors on 29 June 2011 following the General Shareholders' Meeting held on the same date.

Prior to that, he was a member of the supervisory board of Maurel & Prom, having been coopted by the supervisory board of Maurel & Prom on 11 May 2006 to replace Laurent Lafond, who had resigned. The cooptation of Christian Bellon de Chassy was ratified by the General Shareholders' Meeting of 20 June 2006.

Mr Bellon de Chassy is an expert court witness and international arbitrator. He is a graduate in Science (Chemistry and Geology) and Engineering from the Institut Français du Pétrole (Ecole Nationale Supérieure du Pétrole et des Moteurs, ENSPM 1966: drilling and production).

As a director of Comex, and then of Elf, he acquired a great deal of first-hand experience in drilling, production and offshore construction, particularly in Norway. In founding and running his own oil consulting company, Orcal Offshore (with 15 employees), he has completed more than 200 marine oil assignments as a Lloyds-certified loss adjuster. He has acted as an advisor to oil operators and/or their insurers, and has certified oil work procedures in more than 30 countries.

As a consultant to the European Community (DG 13), he took part in directing energy research, and subsequently was tasked with managing budgets for the European Central Bank. Appointed by the International Chamber of Commerce, he worked as arbitrator for the International Court of Arbitration.

3.2.1.1.3. Management

Details of the Company's management team are given on page 6.

3.2.1.1.4. Other information

To the best of the Company's knowledge, no member of the Board of Directors or former member of the management board or former member of the supervisory board:

- has been convicted of fraud during at least the last five years;
- has ever been involved, as an executive or non-executive corporate officer, in any bankruptcy, sequestration or liquidation proceedings;
- has been prohibited by a court from serving as a member of an administrative, management or supervisory board of an issuer or from participating in the management or conduct of an issuer's business during the last five years; and
- has been subject to official public sanctions applied against him or her by statutory or regulatory authorities (including designated professional bodies), with the exception of Jean-François Hénin and Fréderic Boulet:

– Mr Hénin was ordered by the Budget and Financial Discipline Court (Cour de Discipline Budgétaire et Financière) in the Altus Finance case to pay a fine (judgment of 24 February 2006) and who, under the terms of the certification of a settlement in July 2006 in the Executive Life case (a US procedure which allows the defendant to maintain his innocence while agreeing, depending on the circumstances, to plead guilty to the facts in order to end the prosecution), had to pay a fine of US$1 million and has been banned from US territory for a period of five years. Lastly, in the Altus Finance case, the Paris High Court, in a judgment handed down on 14 May 2008, acquitted Mr Hénin of all of the charges against him; and

– Mr Hénin and Mr Boulet were fined by the disciplinary tribunal of the French Financial Markets Authority (AMF), which, by a decision dated 4 December 2008, ordered Maurel & Prom and Mr Hénin, Chairman of its management board at the time of the offence, to pay monetary sanctions of €300,000 and €200,000 respectively for their failure to disclose accurate, fair and precise information to the public through two statements released on 10 June and 26 October 2005. The statement published in June 2005 included the third party-portion in the oil reserves the Company had just acquired. The inclusion of this third-party portion also skewed the cost price per barrel announced to the public. The statement published in October 2005 mentioned a less substantial reserve amount and attributed this difference to a change in the calculation criteria and to the adoption of IFRS accounting standards without clearly showing the inaccurate accounting for the third-party portion in the statement released in June. The disciplinary tribunal stressed the importance for an oil and gas exploration and production company of the basic distinction between the directly owned portion and the third-party portion, and the evident anomaly to which the inclusion of the third-party portion in calculating the purchase price had led. Furthermore, the disciplinary tribunal of the AMF disciplined Mr Boulet, the Company's former Chief Executive Officer. Both Mr Hénin personally and Maurel & Prom appealed against this decision under Articles R. 621-44 to R. 621-46 of the French Monetary and Financial Code. The Paris Court of Appeal, in an order dated 2 February 2010, rejected the appeal against the decision of the disciplinary tribunal of the AMF. Mr Hénin personally, and Maurel & Prom, have decided not to lodge an appeal with the Court of Cassation.

3.2.1.2. List of positions and duties performed by the members of the Board of Directors and executive management in other companies in the last five years

As a preliminary point, it should be noted that in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, Jean-François Hénin, an executive corporate officer of the Company, no longer holds more than two directorships in listed companies outside the Group, including foreign companies. The executive corporate officer of the Company must also seek the Board of Directors' advice before accepting a new directorship in a listed company outside the Group.

Furthermore, when appointing a director or renewing their term of office, the Appointments and Compensation Committee ensures that the Company director concerned holds no more than four directorships outside the Company, including foreign companies.

In order to ensure compliance with the aforementioned rules and the rules relating to the total number of mandates permitted by the French Commercial Code, each director must inform the Board of Directors of any mandates he/she exercises in other companies, including participation on the boards of directors of French or foreign companies.

The positions held by the members of the Board of Directors are described on the next page:

Jean-François HÉNIN

Positions held during fiscal year 2013

Readers should note that pursuant to Article 14.1 of Annex 1 of Regulation (EC) No 809/2004 of 29 April 2004, the Company, in the tables below, does not list all of the positions held by Mr Hénin in the Group's companies.

Within the Group:

Chairman and Chief Executive Officer	Etablissements Maurel & Prom S.A. (listed company)
Managing Director A	Maurel & Prom Latin America BV
General Director	Prestoil Kouilou ≤ 30/09/2013

Positions held in French companies:

Chairman of the management board	Pacifico S.A.
Chairman of the Board of Directors	MPI (listed company) (formerly M&P Nigeria)
Director	Pacifico Forages
Member of the supervisory board	CIMV

Positions held in foreign companies:

Director	Seplat Petroleum Development Company Ltd; Newton Energy Ltd

Positions held in previous years

/ Fiscal year 2012 /

Within the Group:

Chairman and Chief Executive Officer	Etablissements Maurel & Prom S.A. (listed company)
Managing Director A	Maurel & Prom Latin America BV
General Director	Prestoil Kouilou

Positions held in French companies:

Chairman of the management board	Pacifico S.A.
Chairman of the Board of Directors	Maurel & Prom Nigeria (listed company)
Director	Pacifico Forages
Member of the supervisory board	CIMV

Positions held in foreign companies:

Director	Seplat Petroleum Development Company Ltd; New Gold Mali; representative of Pacifico (until 12 October 2012)

/ Fiscal year 2011 /

Within the Group:

Chairman and Chief Executive Officer	Etablissements Maurel & Prom S.A. (listed company); Maurel & Prom Nigeria (until 22 September 2011)
Chairman of the Board of Directors	Maurel & Prom Nigeria (listed company since 15 December 2011), since 22 September 2011
Managing Director A	Maurel & Prom Latin America BV
General Director	Prestoil Kouilou

Positions held in French companies:

Chairman of the management board	Pacifico S.A.
Director	Pacifico Forages
Member of the supervisory board	CIMV

Positions held in foreign companies:

Director	New Gold Mali; representative of Pacifico

/ Fiscal year 2010 /

Within the Group:

Chairman and Chief Executive Officer	Etablissements Maurel & Prom S.A. (listed company); Maurel & Prom Nigeria
Chairman	Caroil
Managing Director A	Maurel & Prom Colombia BV; Maurel & Prom Latin America BV
General Director	Prestoil Kouilou

Positions held in French companies:

Chairman of the management board	Pacifico S.A.
Director	Pacifico Forages; EO2
Member of the supervisory board	CIMV

Positions held in foreign companies:

Director	New Gold Mali; representative of Pacifico

/ Fiscal year 2009 /

Within the Group:

Chairman and Chief Executive Officer	Etablissements Maurel & Prom S.A. (listed company)
Chairman	Caroil
Managing Director A	Maurel & Prom Colombia BV; Maurel & Prom Latin America BV
General Director	Prestoil Kouilou

Positions held in French companies:

Chairman of the management board	Pacifico S.A.
Director	Pacifico Forages; EO2

Positions held in foreign companies:

Director	New Gold Mali; representative of Pacifico

Gérard ANDRECK

Positions held during fiscal year 2013

Positions held in French companies:

Chairman of the Board of Directors	MACIF SAM; MACIF SGAM; OFI Holding; SOCRAM BANQUE S.A.
Chairman	GEMA; AFA
Vice Chairman	IMA S.A. (member of the supervisory board); OFI Asset Management S.A.; SFEREN (member of the Board of Directors)
Director	Foncière de la Macif; Couleurs Mutuelles (UGM); Foncière de Lutèce S.A; Fondation MACIF; MACIF Gestion; MACIF Participations S.A; MACIFILIA S.A; MACIF Mutualité; SICAV OFI MIDCAP; SCOR (listed company); SFEREN; CEGES
Member of the supervisory board	GPIM S.A.S.; MUTAVIE S.A.
Member of the management committee	SIEM S.A.S.; SIIL S.A.S. (rental investment property company)
Member of the steering committee	MACIFIMO S.A.S.
Observer	SICAV OFI Trésor/Altima Assurances

Positions held in foreign companies:

Chairman	Eurecos (Spain)
Director	Atlantis Seguros (Spain); Atlantis Vida (Spain); S.A. EURESA Holding (Luxembourg)

Positions held in previous years

/ Fiscal year 2012 /

Positions held in French companies:

Chairman of the Board of Directors	AFA; MACIF; MACIF SGAM; OFI Holding (formerly OFI Instit); SOCRAM BANQUE S.A.
Chairman	GEMA
Vice Chairman	IMA S.A. (member of the supervisory board); OFI Asset Management S.A.; SFEREN
Director	CEGES; Foncière de la Macif; Couleurs Mutuelles (UGM); Foncière de Lutèce S.A.; Fondation MACIF; MACIF Gestion; MACIF Participations S.A.; MACIFILIA S.A.; MACIF Mutualité; SICAV OFI SMIDCAP OPPORTUNITIES; SCOR (listed company)
Member of the supervisory board	GPIM S.A.S.; MUTAVIE S.A.
Member of the management committee	SIEM S.A.S.; SIIL S.A.S. (rental investment property company)
Member of the steering committee	MACIFIMO S.A.S.
Observer	SICAV OFI Trésor ISR

Positions held in foreign companies:

Chairman	Eurecos (Spain)
Director	Atlantis Seguros (Spain); Atlantis Vida (Spain); S.A. EURESA Holding (Luxembourg)

/ Fiscal year 2011 /

Positions held in French companies:

Chairman of the Board of Directors	CEMM; CEGES MACIF; MACIF SGAM; OFI Holding (formerly OFI Instit); SOCRAM BANQUE S.A.
Chairman	GEMA
Vice Chairman	AFA; IMA S.A. (member of the supervisory board); OFI Asset Management S.A.
Director	Foncière de la Macif; Couleurs Mutuelles (UGM); Foncière de Lutèce S.A.; Fondation MACIF; MACIF Gestion; MACIF Participations S.A.; MACIFILIA S.A.; MACIF Mutualité; SICAV OFI MIDCAP; SCOR (listed company); SFEREN
Member of the supervisory board	GPIM S.A.S.; MUTAVIE S.A.
Member of the management committee	SIEM S.A.S.; SIIL S.A.S. (rental investment property company)
Member of the steering committee	MACIFIMO S.A.S.
Observer	SICAV OFI Trésor

Positions held in foreign companies:

Chairman	Eurecos (Spain)
Director	Atlantis Seguros (Spain); Atlantis Vida (Spain); S.A. EURESA Holding (Luxembourg)

/ Fiscal year 2010 /

Positions held in French companies:

Chairman of the Board of Directors	CEMM; CEGES MACIF; MACIF SGAM; OFI Holding (formerly OFI Instit); SOCRAM BANQUE S.A.
Chairman	GEMA
Vice Chairman	AFA; IMA S.A. (member of the supervisory board); OFI Asset Management S.A.
Director	Foncière de la Macif; Couleurs Mutuelles (UGM); Foncière de Lutèce S.A.; Fondation MACIF; MACIF Gestion; MACIF Participations S.A.; MACIFILIA S.A.; MACIF Mutualité; SICAV OFI MIDCAP; SCOR (listed company); SFEREN
Member of the supervisory board	GPIM S.A.S.; MUTAVIE S.A.
Member of the management committee	SIEM S.A.S.; SIIL S.A.S. (rental investment property company)
Member of the steering committee	MACIFIMO S.A.S.
Observer	SICAV OFI Trésor

Positions held in foreign companies:

Chairman	Eurecos (Spain)
Director	Atlantis Seguros (Spain); Atlantis Vida (Spain); S.A. EURESA Holding (Luxembourg)

/ Fiscal year 2009 /

Positions held in French companies:

Chairman of the Board of Directors	CEMM; CEGES; MACIF SAM; MACIF SGAM; OFI Holding (formerly OFI Instit); SOCRAM BANQUE S.A.
Chairman	GEMA S.A.
Vice Chairman	AFA; IMA S.A. (member of the supervisory board); OFI Asset Management S.A.
Director	Compagnie Foncière de la Macif S.A.S.; Couleurs Mutuelles (UGM); Foncière de Lutèce S.A.; MACIF Gestion; MACIF Participations S.A.; MACIFILIA S.A.; MACIF Mutualité; SICAV OFI MIDCAP; OFIMALLIANCE; SEREN S.A.; SCOR (listed company); SFEREN; SGAM
Member of the supervisory board	GPIM S.A.S.; MUTAVIE S.A.; OFI RES
Member of the management committee	SIEM S.A.S.; SIIL S.A.S. (rental investment property company)
Member of the steering committee	MACIFIMO S.A.S.
Observer	SICAV OFI Trésor

Positions held in foreign companies:

Director	Atlantis Seguros (Spain); Atlantis Vida (Spain); S.A. EURESA Holding (Luxembourg)

Xavier BLANDIN

Positions held during fiscal year 2013

Positions held in French companies:

Director	MPI (listed company); FIDEAL
Chairman	FISTRA Conseil S.A.S.

Positions held in previous years

/ Fiscal year 2012 /

Positions held in French companies:

Director	Maurel & Prom Nigeria (listed company); FIDEAL
Chairman	FISTRA Conseil S.A.S.

/ Fiscal year 2011 /

Positions held in French companies:

Director	Maurel & Prom Nigeria (listed company since 15 December 2011); FIDEAL
Chairman	FISTRA Conseil S.A.S.

In previous years (2009 and 2010), Mr Blandin was a director of various SOFICA companies.

Nathalie DELAPALME

Positions held during fiscal year 2013

Positions held in French companies:

Director	MPI (listed company)
Member of the supervisory board	CFAO (listed company)

Positions held in previous years

/ Fiscal year 2012 /

Positions held in French companies:

Director	Maurel & Prom Nigeria (listed company)
Member of the supervisory board	CFAO (listed company)

/ Fiscal year 2011 /

Positions held in French companies:

Director	Maurel & Prom Nigeria (listed company since 15 December 2011)
Member of the supervisory board	CFAO (listed company)

/ Fiscal year 2010 /

Positions held in French companies:

Member of the supervisory board	CFAO (listed company)

Carole DELORME D'ARMAILLÉ

Positions held during fiscal year 2013

To the best of the Company's knowledge, Carole Delorme d'Armaillé holds no other positions or roles.

Positions held in previous years

Carole Delorme d'Armaillé has held no positions in other companies in the last five years.

Roman GOZALO

Positions held during fiscal year 2013

Positions held in French companies:

Observer	MPI (listed company)

Positions held in previous years

/ Fiscal year 2012 /

Positions held in French companies:

Observer	Maurel & Prom Nigeria (listed company)

/ Fiscal year 2011 /

Positions held in French companies:

Observer (since 14 December 2011)	Maurel & Prom Nigeria (listed company since 15 December 2011)

To the best of the Company's knowledge, Mr Gozalo held no positions in other companies in 2009 and 2010.

Emmanuel de MARION DE GLATIGNY

Positions held during fiscal year 2013

Positions held in French companies:

Chairman of the supervisory board	Pacifico S.A.
Director	MPI (listed company); Pacifico Forages
Manager	Glatigny Patrimoine

Positions held in previous years

/ Fiscal year 2012 /

Positions held in French companies:

Chairman of the supervisory board	Pacifico S.A.
Director	Maurel & Prom Nigeria (listed company); Pacifico Forages
Manager	Glatigny Patrimoine

/ Fiscal year 2011 /

Positions held in French companies:

Chairman of the supervisory board	Pacifico S.A.
Director	Maurel & Prom Nigeria (listed company since 15 December 2011); Pacifico Forages; Safetic
Manager	Glatigny Patrimoine

/ Fiscal year 2010 /

Positions held in French companies:

Chairman of the supervisory board	Pacifico S.A.
Director	Safetic; Pacifico Forages; Maurel & Prom Nigeria
Manager	Glatigny Patrimoine

/ Fiscal year 2009 /

Positions held in French companies:

Chairman of the supervisory board	Pacifico S.A.
Director	Easydentic; SEREN; Pacifico Forages
Manager	Glatigny Patrimoine

Alexandre VILGRAIN

Positions held during fiscal year 2013

Positions held in French companies:

Chairman and Chief Executive Officer	SOMDIAA; Conetrage; Alexandre Vilgrain Holding; Fromentiers de France; Europe des Pains
Permanent representative	SOMDIAA on the Board of Directors of SOMINFOR
Director	SECRIA; CARE FRANCE; MPI (LISTED COMPANY)
Chairman	CIAN (French Council of Investors in Africa); Fromentiers Magasins

Positions held in foreign companies:

Director	Gabonese company SMAG; Société Sucrière du Cameroun (SOSUCAM); Compagnie Sucrière du Tchad (C.S.T.); US company Food Research Corporation; SUCAF Ivory Coast; SUCAF Gabon; SUCAF RCA
Chairman and Chief Executive Officer	Saris-Congo; Société Le Grand Moulin du Cameroun (SGMC)

Positions held in previous years

/ Fiscal year 2012 /

Positions held in French companies:

Chairman and Chief Executive Officer	SOMDIAA; Conetrage; Alexandre Vilgrain Holding; Fromentiers de France; Europe des Pains
Permanent representative	SOMDIAA on the Board of Directors of SOMINFOR
Director	Secria; Care France; Maurel & Prom Nigeria (listed company)
Chairman	CIAN (French Council of Investors in Africa); Fromentiers Magasins

Positions held in foreign companies:

Director	Gabonese company SMAG; Société Sucrière du Cameroun (SOSUCAM); Compagnie Sucrière du Tchad (C.S.T.); US company Food Research Corporation; SUCAF Ivory Coast; SUCAF Gabon; SUCAF RCA
Chairman and Chief Executive Officer	Saris-Congo; Société Le Grand Moulin du Cameroun (SGMC)

/ Fiscal year 2011 /

Positions held in French companies:

Chairman and Chief Executive Officer	SOMDIAA; Conetrage; Alexandre Vilgrain Holding
Chairman of the Board of Directors	Fromentiers de France
Permanent representative	SOMDIAA on the Board of Directors of SOMINFOR
Director	Secria; Sonopros; Care France; Maurel & Prom Nigeria (listed company since 15 December 2011)
Chairman	CIAN (French Council of Investors in Africa)
Member of the supervisory board	CFAO (listed company)

Positions held in foreign companies:

Director	SMAG (Gabonese company); Société Sucrière du Cameroun (SOSUCAM); Compagnie Sucrière du Tchad (C.S.T.); US company Food Research Corporation; SUCAF Ivory Coast
Chairman and Chief Executive Officer	Saris-Congo; Société Le Grand Moulin du Cameroun (SGMC)

/ Fiscal year 2010 /

Positions held in French companies:

Chairman and Chief Executive Officer	SOMDIAA; Conetrage; Alexandre Vilgrain Holding
Chairman of the Board of Directors	Fromentiers de France
Permanent representative	SOMDIAA on the Board of Directors of SOMINFOR
Manager	Fromimo
Director	Secria; Sonopros; Care France; Maurel & Prom Nigeria
Chairman	CIAN (French Council of Investors in Africa)
Member of the supervisory board	CFAO (listed company)

Positions held in foreign companies:

Director	SMAG (Gabonese company); Société Sucrière du Cameroun (SOSUCAM); Compagnie Sucrière du Tchad (C.S.T.); US company Food Research Corporation; SUCAF Ivory Coast
Chairman and Chief Executive Officer	Saris-Congo; Société Le Grand Moulin du Cameroun (SGMC)

/ Fiscal year 2009 /

Positions held in French companies:

Chairman and Chief Executive Officer	SOMDIAA; Conetrage; Alexandre Vilgrain Holding
Chairman of the Board of Directors	Fromentiers de France
Permanent representative	SOMDIAA on the Board of Directors of SOMINFOR
Representative	COGEDAL on the Board of Directors of Petrigel (Reunion Island)
Manager	Fromimo
Director	Secria; Sonopros; Care France
Chairman	CIAN (French Council of Investors in Africa)
Member of the supervisory board	CFAO (listed company)

Positions held in foreign companies:

Director	SMAG (Gabonese company); Société Sucrière du Cameroun (SOSUCAM); Compagnie Sucrière du Tchad (C.S.T.); US company Food Research Corporation; Le Grand Moulin du Cameroun (SGMC)
Chairman and Chief Executive Officer	Saris-Congo

Christian Bellon de Chassy - Observer

Positions held during fiscal year 2013

To the best of the Company's knowledge, Mr Bellon de Chassy held no other positions or roles.

Positions held in previous years

Mr Bellon de Chassy held no positions in other companies in 2009, 2010, 2011 or 2012 except that of director of the Company from 2008 to 2011.

3.2.1.3. Potential conflicts of interest

The Company is not aware of any potential conflict of interest between the private interests of the members of the Board of Directors and/or former members of the management board and their duties with respect to the Company, other than those shown below.

Under the terms of a service agreement concluded in 2005 by Maurel & Prom and Pacifico S.A., a company in which Mr Hénin is a shareholder and Chairman of the management board, Pacifico S.A. has invoiced a total sum of €362,032 excluding tax for the 2013 fiscal year.

Mr Hénin also has an interest in two service agreements (technical services agreement and transitional services agreement) concluded in 2011 by the Company and MPI (formerly Maurel & Prom Nigeria).

Mr Hénin is both Chairman and Chief Executive Officer of the Company, and a Director and Chairman of the Board of Directors of MPI.

He is also a shareholder of the Company and of MPI through Pacifico S.A., of which he is Chairman of the management board.

Consequently, these agreements are subject to the regulated agreements procedure. The service agreement signed by the Company and Pacifico S.A. was subject to the prior authorisation of the Company's Board of Directors and the approval of its General Shareholders' Meeting.

The technical services agreement and the transitional services agreement signed by the Company and MPI were pre-approved by the Company's Board of Directors on 23 May 2011 and were submitted for the approval of its General Shareholders' Meeting of 14 June 2012. The technical services agreement renews automatically. The transitional services agreement, having expired, was renewed on 5 November 2012 and then again on 5 November 2013.

In addition, Mr Blandin, Ms Delapalme, Mr de Marion de Glatigny and Mr Vilgrain are all directors of both the Company and of MPI.

Under the terms of the Company's Bylaws, all directors must inform the Board of Directors of any existing or potential conflict of interest arising from his or her duties in another company, and must take all appropriate measures (particularly concerning information available to directors) and refrain from voting in the corresponding deliberations.

3.2.2. Functioning of administrative and management bodies

3.2.2.1. Relations between members of the Board of Directors and the management with the Company

3.2.2.1.1. Securities transactions

The Company is not aware of any securities transactions carried out by its corporate officers during fiscal year 2013.

3.2.2.1.2. Contracts with the issuer or its subsidiaries granting benefits under the terms of such contracts

With the exception of the agreements described below, the members of the Board of Directors have not, during the last three years, entered into any contracts with Maurel & Prom or its subsidiaries that grant benefits under the terms of such contracts.

Agreement with Pacifico S.A. for the provision of services

A support and consulting agreement dated 21 June 2005, as amended on 22 December 2005 and 11 June 2007, was signed between Maurel & Prom and Pacifico S.A., of which Mr Hénin is a shareholder and Chairman of the management board.

The services provided by Pacifico S.A. for Maurel & Prom are as follows:

- search for strategic partners in the area of oil and gas;
- conduct fact-finding missions for investment and divestment projects, determine the target parameter;
- search for new markets and new opportunities for growth;
- design and development of acquisition or disposal scenarios and determination of financing policy;
- advise and follow-up on any negotiations entrusted to it (draft contracts, Group development), in particular with respect to technical cooperation proposals; and
- monitoring and technical, accounting, financial and administrative support for drilling activities.

The financial terms of this agreement are as follows:

- annual lump-sum fee of €100,000, payable quarterly; and
- additional fees calculated on the basis of the services rendered and the actual cost of these services provided by the consultants. This amount is adjusted quarterly according to the number of days of services actually rendered and the corresponding daily rate. Until 31 December 2013, only one consultant, Michel Perret (the Company's drilling director), had drilling-related responsibilities. In total, Pacifico S.A. invoiced €362,032 excluding tax for the 2013 fiscal year.

This agreement may be terminated by the parties at any time with two months' advance notice.

Sublease agreement with Pacifico S.A.

A sublease agreement was signed between the Company and Pacifico S.A. and was approved by the meeting of the Company's Board of Directors on 13 December 2007, for offices on the ground floor of the building located at 12, rue Volney, 75002 Paris.

By a decision of the Board of Directors with effect from 27 March 2013, the Company signed a new sublease agreement with Pacifico S.A. on 5 April 2013 for offices located at 51, rue d'Anjou, 75008 Paris, to which it moved its registered office. The sublease took effect on 29 April 2013 and will expire on 31 January 2022, when the main lease ends. It covers offices on the 4th floor with a surface area of 250 m². The annual rent excluding VAT and fees is €147,805.

The rent under this sub-lease in 2013 (rue Volney and rue d'Anjou) was €110,881.17 excluding tax.

3.2.2.2. Organisation and functioning of the Board of Directors

3.2.2.2.1. Presentation of the Board of Directors

The Board of Directors determines the strategies for the Company's business and ensures their implementation. Subject to the powers expressly given to the Shareholders' Meetings and within the limits of the corporate purpose, it addresses all questions relating to the proper functioning of the Company and governs, through its decisions, the affairs that concern it.

In its relations with third parties, the Company is bound even by acts of the Board of Directors that are not included within the scope of the corporate purpose (unless the Company can prove that the third party knew that the act was beyond the scope of that purpose or that, given the circumstances, the third party could not ignore that fact), the publication of the Articles of Association alone not constituting sufficient proof.

The Board of Directors carries out the audits and controls that it deems necessary. This also raises the question of the desirable balance of its composition and that of its specialised committees, particularly with regard to gender equality (see paragraph 3.2.1.1.1 of this Annual Report), nationalities and the range of skills, taking appropriate measures to guarantee to shareholders and to the market that their responsibilities are carried out with the necessary independence and objectivity. These themes are covered in the assessment of the work of the Board of Directors (see paragraph 3.2.2.2.6 of this Annual Report).

The Company's Board of Directors, in its meeting on 25 April 2008, drafted and unanimously approved its Bylaws. These Bylaws were updated by the Board of Directors at its meetings on 31 March 2010 and 29 March 2012.

These Bylaws outline and specify certain articles of the Articles of Association such as the composition of the Board of Directors and the notion of independent director, the rules of functioning, the missions, rights and obligations imposed upon members as part of a "charter", the designation and role of observers as well as the composition and the tasks of the Audit and Risk Committee and the Appointments and Compensation Committee. The Bylaws are available on the Company's website.

To the best of the Company's knowledge, the breakdown of equity interests held by the corporate officers of the Company at 31 December 2013 is shown in the following table:

Corporate officer	Shares	OCEANE	Warrants
Jean-François Hénin (1)	28,749,616	-	28,749,616
Gérard Andreck (2)	1	-	-
Emmanuel de Marion de Glatigny (3)	135,097	-	135,097
Xavier Blandin	40	-	-
Nathalie Delapalme	100	-	-
Carole Delorme d'Armaillé	-	-	-
Roman Gozalo	17,266	-	20,936
Alexandre Vilgrain	1	-	-

(1) Held by Pacifico S.A., of which Mr Hénin and his family have majority control.

(2) Mr Andreck is also Chairman of Macif, the Company's second largest shareholder with 8,324,204 shares held at 31 December 2013.

(3) Mr de Marion de Glatigny directly owns 111,847 shares of the Company and indirectly, through a PEA (company shareholding plan) held in his spouse's name, a further 23,250 shares.

The Bylaws of the Board of Directors, in their updated version of 29 March 2012, specify the criteria, listed below, that the Appointments and Compensation Committee and the Board of Directors examine to qualify an independent director:

- not be an employee or executive corporate officer of the Company, or an employee or director of a company consolidated by the Company, and not have been so in the last five years;
- not be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated as such or a corporate officer of the Company (currently or having been so for less than five years) holds a directorship;
- not be a customer, supplier, investment banker or financing banker of the Company or of its Group or for which the Company or its Group represents a significant portion of its activity;
- not have any close family relationships with a corporate officer;
- not have been, in the preceding five years, a Statutory Auditor of the Company or of a company that owns at least 10% of the Company's capital or of a company of which the Company owns at least 10% of the capital, when its duties end;
- not be a director of the Company for more than twelve years; and
- not be or represent a significant shareholder of the Company holding more than 10% of the capital or voting rights of the Company.

Directors who represent major shareholders of the Company can be considered independent if they do not participate in the control of the Company. If a director holds more than 10% of the Company's capital or voting rights, the Board of Directors should automatically investigate, through its Appointments and Compensation Committee, the director's qualification of independence, taking into consideration the composition of the Company's capital and the existence of potential conflicts of interest.

On this basis, and after consulting the Appointments and Compensation Committee, the Board of Directors, at its meeting on 19 December 2013, deemed that as at 31 December 2013, six members of the Board of Directors should be considered independent:

- Gérard Andreck;
- Xavier Blandin;
- Nathalie Delapalme;
- Roman Gozalo;
- Carole Delorme d'Armaillé; and
- Alexandre Vilgrain.

Each of these directors satisfies the criteria used by the AFEP-MEDEF Corporate Governance Code to define the independence of directors and adopted in full by the Bylaws of the Board of Directors as indicated above.

The following table summarises the situation of the Company's directors with respect to the independence criteria included in the Bylaws of the Board of Directors of the Company:

	Mr Hénin	Mr Andreck	Mr Blandin	Ms Delapalme	Ms Delorme d'Armaillé	Mr Gozalo	Mr de Marion de Glatigny	Mr Vilgrain
Employee or executive corporate officer of the Company, employee or director of a company in its consolidation scope in the last 5 years	X	-	-	-	-	-	-	-
Executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated as such or a corporate officer of the Company (currently or having been so in the past five years) holds a directorship	-	-	-	-	-	-	-	-
Significant customer, supplier, investment banker or financing banker of the Company or of its Group or for which the Company or its Group represents a significant portion of its activity	-	-	-	-	-	-	-	-
Close family relationship with a corporate officer	-	-	-	-	-	-	-	-
Statutory Auditor of the Company or of a company that owns at least 10% of the Company's capital or of a company of which the Company owns at least 10% of the capital, when its duties end, in the last five years	-	-	-	-	-	-	-	-
Director of the Company for more than 12 years		-	-	-	-	-	-	-
Significant shareholder or representative of a significant shareholder of the Company holding more than 10% of the capital or voting rights	X	-	-	-	-	-	X	-
Independence eligibility	NO	YES	YES	YES	YES	YES	NO	YES

3.2.2.2.2. Chairmanship and convening of the Board of Directors

The Board of Directors chooses a Chairman from among its own members, who should be an individual, and, if it deems it necessary, one or more Vice Chairmen. It sets the term of their mandate, which cannot exceed the term of their mandate as a director. The Board can terminate these mandates at any time.

After the General Shareholders' Meeting of 14 June 2007 in which it was decided that the Company should be transformed into a public limited company with a board of directors, its Board of Directors appointed Mr Hénin as its Chairman on that same day. Mr Hénin's mandate was renewed by the General Shareholders' Meeting of 20 May 2010, then by the General Shareholders' Meeting of 13 June 2013, after which the Board of Directors met on that same day and appointed him Chief Executive Officer.

The age limit for holding the position of Chairman of the Board of Directors is set at seventy-five (75). If the Chairman of the Board of Directors reaches this age during his term of office, he shall be deemed to have automatically resigned.

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, and reports on this work to the General Shareholders' Meeting.

The Chairman oversees the proper functioning of the Company's bodies and ensures, in particular, that the directors are capable of fulfilling their duties.

3.2.2.2.3. Deliberations

The Board of Directors meets as often as required in the interests of the Company when convened by the Chairman or when the Board of Directors has not met for more than two months. At least one-third of the members of the Board of Directors may ask the Chairman to convene a Board meeting.

The Board of Directors may only validly deliberate when at least half of its members are present.

Decisions are taken by the majority of its members present or represented. In the case of a tied vote, the Chairman of the meeting has the casting vote.

The deliberations of the Board of Directors are recorded in meeting minutes established in accordance with law.

The agenda is set by the Chairman of the Board of Directors, and is sent to the members within a reasonable period of time before the meeting is held.

Each member is informed of the responsibilities and of the confidentiality of the information received in the meetings of the Board that he/she attends.

The meeting minutes are recorded in a special register. The minutes of each meeting must be expressly approved at the next meeting of the Board of Directors.

The Board of Directors met seven times during 2013, and the average attendance rate of its members was 97%.

In accordance with the applicable legal provisions, the Statutory Auditors are invited to the meetings of the Board of Directors called to review the interim and annual financial statements. They have also been invited to attend all meetings of the Board of Directors.

Board of Directors' meetings	Attendance rate
11 March 2013	100%
27 March 2013	87.50%
13 June 2013	87.50%
1 July 2013	100%
28 August 2013	100%
14 October 2013	100%
19 December 2013	100%
AVERAGE ATTENDANCE	97%

The Board of Directors' meetings of 11 and 27 March, 13 June, 1 July, 28 August, 14 October and 19 December 2013 deliberated in particular on the following points:

- composition of the Board, financing;
- review and approval of the individual company and consolidated financial statements for the year ending 31 December 2012, proposal of the allocation of income for the year ending 31 December 2012 and the distribution of dividends;
- the date and venue of the Ordinary and Extraordinary General Meeting, its agenda and draft resolutions;
- relocation of the Company's registered office;
- partnership agreement with MPI;
- renewal of the mandate of the Chairman and Chief Executive Officer; delegation of powers to the Chairman with respect to security bonds, endorsements and guarantees;
- regulated agreements;
- review of the financial statements for the first half of 2013 and the draft statement concerning the results for the first half of 2013;
- production sharing contract in Gabon;
- presentation of a year-end estimate for 2013 and the draft budget for 2014; and
- the signing of a credit agreement.

3.2.2.2.4. Missions of the Board of Directors

Management mission

The Board of Directors determines the strategies for the Company's business and ensures their implementation. With due respect to the powers expressly given to the Shareholders' Meetings and within the limits of the corporate purpose, it addresses all questions related to the Company's proper functioning and governs, by its decisions, the affairs that concern it.

Appointment and dismissal of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers

The Board of Directors appoints the Chief Executive Officer and the Deputy Chief Executive Officers and appoints the Chairman of the Board of Directors from among its members. The Board of Directors determines and may revoke the compensation of the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers. The Board of Directors may also grant to one or more of its members, or to third parties, who may or may not be shareholders, any special mandates for one or more specific purposes.

Audits and controls

The Board of Directors carries out the audits and controls that it deems necessary. In particular its mission is to ensure adherence to the standards of good management and prudence in preparing the financial statements and managing the risks linked to the Company's activity, while providing its assistance and its advice to management in its strategy for growth and organisation.

The Board of Directors conducts these controls and audits at any time during the year and may obtain any documents it considers useful in order to carry out its mission. Each director receives all the information necessary for the performance of his/her duties, and may obtain all necessary documents from the Chairman or Chief Executive Officer.

This audit is independent from that conducted by the Statutory Auditors, since it involves not only the regularity and consistency of the financial statements, but also the compliance of the Company's management activities with the rules of good governance.

Specialised committees

The Board of Directors has specialised committees that carry out their activities under its responsibility. The functioning and activities of the specialised committees established by the Board of Directors are described in paragraph 3.2.2.3. of this Annual Report.

Powers of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer organises and directs the work of the Board of Directors, and in this regard, in accordance with the Articles of Association, he convenes and chairs the meetings of the Board of Directors. More generally, he oversees the proper functioning of the Company's bodies. The Chairman and Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, and exercises his powers within the limits of the Company's corporate purpose, in due respect of those powers that the law expressly reserves for Shareholders' Meetings.

In compliance with the provisions of Articles L. 225-35 and R. 225-28 of the French Commercial Code, the Board of Directors unanimously decided to authorise for one year, starting on 13 June 2013, regardless of the duration of commitments that are secured, endorsed or guaranteed, the Chairman and Chief Executive Officer to freely grant endorsements or guarantees in the name of the Company, up to a maximum unit amount of €50 million and a maximum overall amount of €200 million.

Above these ceilings, the Chairman and Chief Executive Officer cannot grant any security, endorsement or guarantee in favour of third parties without the express authorisation of the Board of Directors. He may grant securities, endorsements or guarantees in the name of the Company to the tax and customs authorities with no restriction as to the amount.

There are no limitations on the powers of the Chairman and Chief Executive Officer, other than those described above.

3.2.2.2.5. Nature of the information provided to members of the Board of Directors for the preparation of work

Information prior to each meeting of the Board of Directors

Prior to each meeting, a detailed file is sent to the members of the Board of Directors containing the information that allows a full examination to be made of the points included within the agenda of the Board of Directors.

More specifically, it contains the minutes of the previous meeting, the significant events occurring since the previous meeting of the Board of Directors and, where relevant, ongoing or planned operations. These documents are generally commented on by the Chairman and Chief Executive Officer during the meetings of the Board of Directors.

The members of the Board of Directors can also ask to be provided with any additional information and documents in advance of or during the meetings of the Board of Directors.

Financial information

Each quarter, the Chairman and Chief Executive Officer, with the assistance of the Chief Financial Officer, presents a report on the activity of the Group and its principal subsidiaries for the past quarter.

A detailed and annotated income statement and balance sheet shall be presented by the Chief Financial Officer at the time of each half-year or annual closing.

In the three months after the closing of each fiscal year, the draft consolidated financial statements are sent to the Board of Directors for verification. The Board of Directors then presents its activity report and the annual financial statements to the General Shareholders' Meeting.

Information on specific transactions

With regard to external growth transactions or the sale of assets, the Board of Directors examines the information provided to it by the Chairman and Chief Executive Officer on the transactions and strategy, gives its opinion on the appropriateness of the files presented and, if necessary, gives authorisation to the Chairman and Chief Executive Officer to carry out the transactions.

Permanent information

The Board of Directors may also ask the Chairman and Chief Executive Officer and management, whenever necessary, for any information or analysis it deems appropriate or to give a presentation on a specific subject.

In addition, between meetings, the members of the Board of Directors are regularly kept informed of the events or transactions that are of significance for the Company.

3.2.2.2.6. Assessment of the Board of Directors

In accordance with the AFEP-MEDEF Corporate Governance Code to which the Company adheres, the Board of Directors conducted a self-assessment to review its composition, organisation and functioning, as well as that of its committees. This annual assessment is designed to review the Board of Directors' operating procedures, to verify that important issues are correctly prepared and discussed and to measure the actual contribution of each director to the work of the Board of Directors in terms of their competence and involvement in its deliberations.

This assessment was conducted using a questionnaire sent to each Board member as well as individual interviews with the Chairman of the Appointments and Compensation Committee. The results of these questionnaires were compiled by the Appointments and Compensation Committee and presented to the Board of Directors during its meeting on 26 March 2014.

Upon reviewing the results, the members of the Board of Directors expressed a generally very favourable opinion on the Board's composition and functioning, as well as that of its committees. It was specifically noted that the pertinence and quality of the information contained in the reports given to the directors contributed to the overall improvement of the Board's work.

The Board of Directors took the work conducted as part of this self-assessment into consideration in order to identify certain areas for operational improvement, which will be implemented at its subsequent meetings. In addition, the Board of Directors is continuing its considerations on the number of female directors occupying a place on the board, skills (placing greater emphasis on oil-related specialities, in particular) and its internationalisation.

3.2.2.2.7. Prevention of insider trading

In order to ensure the prudent management of securities in compliance with applicable regulations and, in accordance with the principle of precaution, escalation to directors, the Chairman, the Chief Executive Officer and, to the extent that such roles exist, the Vice Chairman and Deputy Chief Executive Officer (collectively, the "Corporate Officers") of the Company and its employees, the Company's Board of Directors decided, at its meeting of 30 August 2012, to update the code of ethics as it relates to insider trading and to ensure that it complies with AMF recommendation No 2010-07 of 3 November 2010, as amended on 8 July 2013.

The code explains in some detail the rules of professional conduct relating to transactions in financial instruments (within the meaning of Article L. 211-1 of the French Monetary and Financial Code) issued or to be issued in the future by the Company and to derivatives and other instruments linked to these securities (options, units in company mutual funds (FCPE), etc.) (collectively, the "Securities") executed by Corporate Officers.

The code of ethics on the prevention of insider trading adopts the regulatory definition of inside information and gives examples of information that could be considered as such. This is, in particular, information about the Company's financial position, the Company and/or the Group's strategy, development focus, operations, commercial activity, disputes, investigations or actions involving the Company and/or Group in court, arbitration or administrative proceedings.

The code of ethics on the prevention of insider trading then outlines the type of person(s) that could be considered "insiders" within the meaning of the applicable regulations.

The prevention of insider trading requires the establishment of specific procedures. In this respect, the code of ethics sets out:

- the obligation of insiders to observe discretion, such as the general obligations relating to Securities Transactions, the prohibition on disclosing inside information, specific obligations (securities must be held in registered form, percentage holding of bonus shares or stock options, prohibition of potentially speculative transactions, closed periods or "freezes", prior consultation with a compliance officer) as well as a description of the structured management mandate that may, under certain conditions, fall outside the presumption of use of inside information arising from the European Court of Justice ruling in Spector Photo Group NV, Chris Van Raemdonck v CBFA;
- the establishment of a list of insiders, kept updated and made available to the AMF, in accordance with the applicable regulations; and
- a specific obligation for insiders to individually disclose their Securities Transactions, in accordance with the applicable regulations.

Lastly, the code of ethics on the prevention of insider trading presents the sanctions that can be applied against insider deals or against a failure to refrain from using inside information. In addition to any disciplinary sanctions that the Company may decide upon, the code of ethics on the prevention of insider trading specifies that:

- the administrative sanctions decided by the AMF Sanctions Commission can be up to €100 million or may be deducted from any profits realised; and
- the criminal sanctions decided by a court can range from one year's imprisonment plus a €150,000 fine to seven years' imprisonment and a €1.5 million fine.

3.2.2.3. Organisation and functioning of the specialised committees

In accordance with the Bylaws of the Board of Directors, adopted by the Board of Directors on 25 April 2008 (and updated on 31 March 2010 and 29 March 2012), the Board of Directors has set up specialised committees: (i) an Audit and Risk Committee and (ii) an Appointments and Compensation Committee.

3.2.2.3.1. Audit and Risk Committee

By a decision of the Board of Directors dated 26 March 2014, the Audit Committee was renamed the "Audit and Risk Committee". This new name appears more appropriate in view of the current responsibilities of this committee.

Composition of the Audit and Risk Committee

The Audit and Risk Committee is made up of at least three members chosen by the Board of Directors from among its members. The members of the Audit and Risk Committee are experts in finance and accounting (see paragraph 3.2.1.1.1 of this Annual Report). The Chair of the Audit and Risk Committee is elected by his/her peers, it being stated that his/her appointment or renewal is made on the recommendation of the Appointments and Compensation Committee and is subject to special consideration by the Board of Directors. The Board of Directors aims to ensure that at least two-thirds of the Audit and Risk Committee is made up of independent directors. It does not include any executive corporate officers of the Company.

The Chairman and Chief Executive Officer does not attend the meetings of the Audit and Risk Committee.

Since 29 June 2011, the Audit and Risk Committee has been composed of:

- Roman Gozalo, independent director; Chairman;
- Xavier Blandin, independent director; and
- Nathalie Delapalme, independent director.

The members of the Audit and Risk Committee are appointed for a term commensurate with their term of office as a member of the Board of Directors, or for a term set by the Board of Directors. They may, however, resign during any meeting of the Board of Directors without reason or advance notice.

Missions of the Audit and Risk Committee

The general role of the Audit and Risk Committee, as defined by the Bylaws, is to assist the Board of Directors so that the latter has the information and resources needed to ensure the quality of internal controls and the reliability of the financial information provided to shareholders and the financial markets.

The main duties of the Audit and Risk Committee are as follows:

- monitoring the process of preparing financial information;
- examining the individual company and consolidated financial statements of the Company and those of its principal subsidiaries. This review is accompanied by a presentation by the Statutory Auditors focusing on the key points of the statutory audit and the accounting options adopted, as well as a presentation by the Chief Financial Officer explaining the Company's significant risks and off-balance-sheet commitments;
- verifying the relevance and consistency of the accounting methods adopted (i) for the preparation of the company and consolidated financial statements and (ii) for the consolidation scope;
- examining major transactions involving the risk of a conflict of interest between the Company and members of the Board of Directors;
- monitoring legal compliance of the semi-annual, annual, consolidated and individual company financial statements by the Statutory Auditors;
- monitoring the independence of the Statutory Auditors;
- the monitoring of the independence of the Statutory Auditors (in particular, communication of the Statutory Auditors' declaration of independence, the amount of fees paid to the Statutory Auditors' network by entities controlled by the Company as part of services that are not directly related to the Statutory Auditors' duties and information on the services performed relating directly to the Statutory Auditors' duties);
- examining the main risks to which the Company is exposed and the solutions used by the Company to address such risks;
- examining significant off-balance-sheet commitments;
- monitoring the effectiveness of the internal control and risk management systems, and examining the report on these subjects by the Chairman of the Board of Directors to the General Shareholders' Meeting; and
- examining any subject likely to have a significant impact on the substance and presentation of the financial statements.

As part of its duties, the Audit and Risk Committee hears from the Statutory Auditors, including when executive officers are not present, notably at committee meetings called to review the process of preparing the financial information and the auditing of financial statements. The Statutory Auditors thus issue a report on the performance of their work, the conclusions resulting from their work and, if appropriate, areas for improvement in terms of internal control with regard to the procedures for preparing and processing accounting and financial information.

The Audit and Risk Committee issues a recommendation on the Statutory Auditors proposed for appointment by the General Shareholders' Meeting. It suggests to the Board of Directors a selection procedure and in particular whether a call for tender would be appropriate. In such a case, it supervises the call for tender and approves the specifications as well as the choice of auditor on a "best-bid" basis.

It reports regularly on its work to the Board of Directors and immediately informs the latter of any problem encountered.

The Audit and Risk Committee meets as often as it deems necessary or appropriate, at the invitation of any one of its members, at least twice yearly and in all cases before the meetings of the Board of Directors to approve the financial statements. For its deliberations to be valid, at least half of its members must be present.

The resolutions of the Audit and Risk Committee are adopted by majority approval of the members attending the meeting. Each member has one vote. In the case of a tied vote, the Chairman shall have the casting vote.

The Audit and Risk Committee may issue non-binding written or verbal recommendations for the Board of Directors. The members of the Audit and Risk Committee may, as part of their mission, hear from the corporate officers of the Group, including the Chairman and Chief Executive Officer, the Chief Financial Officer and the heads of the Accounting and Treasury services. These hearings can be held whenever the Audit and Risk Committee wishes and not necessarily in the presence of the Executive Management. The Audit and Risk Committee can also commission external studies on topics relating to its field of expertise, Company expenses, after having informed the Chairman of the Board of Directors or the Board of Directors itself and promised to report to the Board on that matter.

When the Audit and Risk Committee uses the services of an external consultancy, it must be diligent in ensuring the objectivity of the consultancy in question.

Activity of the Audit and Risk Committee during fiscal year 2013

During the 2013 fiscal year, the Audit and Risk Committee held three working sessions attended by the Company's administrative and financial management and the Statutory Auditors. The attendance rate at these sessions was 100%.

During these sessions, the Audit and Risk Committee worked primarily on approving the 2012 financial statements, reviewing the Annual Report, and approving the financial statements for the first six months of 2013, the forecast results for 2013 and the budget for 2014.

3.2.2.3.2. Appointments and Compensation Committee

Composition of the Appointments and Compensation Committee

The Appointments and Compensation Committee is composed of at least three members, chosen by the Board of Directors from among its members or third parties from outside the Company, who are recognised for their expertise. The Chair of the Appointments and Compensation Committee is elected by his/her peers. The Board of Directors aims to ensure that at least half of the Appointments and Compensation Committee's members are independent directors.

The Company's executive corporate officers may not be members of the Appointments and Compensation Committee.

Members of the Appointments and Compensation Committee who are also directors are appointed for a term commensurate with their term of office as members of the Board of Directors. Members of the Appointments and Compensation Committee who are not directors are appointed for a term of one year, renewable automatically. They may resign during any meeting of the Board of Directors without reason or advance notice.

It consists of:

- Christian Bellon de Chassy, Observer, Chairman;
- Emmanuel de Marion, director; and
- Alexandre Vilgrain, independent director.

Missions of the Appointments and Compensation Committee

Selection and appointment missions

The Chairman is involved in the work of the Appointments and Compensation Committee in such matters:

• applicants for director positions:

- the Appointments and Compensation Committee may have to make proposals and issue opinions on individual candidates, whether independent or not, for the Company's director positions.

• applicants for executive corporate officer positions (CEO/Deputy CEO):

- the Appointments and Compensation Committee may have to make proposals and issue opinions on candidates for the Company's executive corporate officer positions.

- the Appointments and Compensation Committee must draw up a succession plan for the executive corporate officers in the event of unforeseen vacancies.

• recruitment of executives who are not corporate officers:

- the Board of Directors may seek the opinion of the Appointments and Compensation Committee when recruiting or dismissing an executive who is not a corporate officer.

Missions with respect to compensation

• Compensation of executive corporate officers:

- the Appointments and Compensation Committee is required to make proposals regarding the compensation of executive corporate officers (amounts of fixed and variable compensation, if any);

- the Appointments and Compensation Committee also makes recommendations with regard to the retirement and benefits plan, benefits in kind and rights to various monetary benefits for executives and corporate officers and the financial conditions of the termination of their mandate;

- the Appointments and Compensation Committee makes its proposals at the beginning of each year for the year in progress. In particular, the Appointments and Compensation Committee, at the beginning of each year, will issue its opinion on the details of compensation, company benefits and benefits in kind for the Chairman and Chief Executive Officer, in compliance with regulations, market conditions and in the best interests of the Company.

• compensation policy for executives who are not corporate officers:

- the Appointments and Compensation Committee ensures that the compensation policy for executives who are not corporate officers of the Company is consistent with market practice and in the best interests of the Company. On this occasion, the Appointments and Compensation Committee has the Company's executive corporate officers among its members.

• allocation of attendance fees and non-recurring compensation:

- each year, the Appointments and Compensation Committee is responsible for determining, (i) the overall amount of attendance fees submitted to the General Shareholders' Meeting for approval and (ii) the procedures for allocating such attendance fees among the members of the Board of Directors, which will be submitted to the Board of Directors, taking into consideration, in particular, the attendance of these members at the meetings of the Board and the committees on which they sit;

- the Appointments and Compensation Committee may also be asked to issue an opinion on any proposals for non-recurring compensation made by the Board of Directors for the compensation of any member assigned particular duties or given a special mandate, in compliance with the provisions of Article L. 225-46 of the French Commercial Code.

- the Appointments and Compensation Committee may contact, in the performance of its duties, the Company's senior executives after having informed the Chairman of the Board of Directors, and promised to report to the Board. The Appointments and Compensation Committee can also commission external studies on topics relating to its field of expertise, Company expenses, after having informed the Chairman of the Board of Directors or the Board of Directors itself and promised to report to the Board on that matter. When the Appointments and Compensation Committee uses the services of an external consultancy, it must be diligent in ensuring the objectivity of the consultancy in question.

- the Appointments and Compensation Committee meets as often as its members consider necessary or appropriate, and at least twice a year. In order for its deliberations to be valid, at least half of its members must be present.

- the Appointments and Compensation Committee's resolutions are adopted by majority approval of the members attending the meeting. Each member has one vote. In the case of a tied vote, the Chairman has the casting vote.

- the Appointments and Compensation Committee can issue non-binding written or oral recommendations for the attention of the Board of Directors.

Activity of the Appointments and Compensation Committee during 2013

The Appointments and Compensation Committee met twice during 2013, with a 100% attendance rate. It dealt mainly with the compensation of corporate officers, the allocation of attendance fees and the preparation of the Board's self-assessment questionnaire. Its recommendations regarding compensation were based principally on an analysis of the individual performances and contributions of the people concerned.

3.2.3.

Compensation and benefits of all kinds given to corporate officers

No non-executive corporate officer received any compensation in 2013, for whatever reason, other than the attendance fees allocated each year to the members of the Company's Board of Directors (see paragraph 3.2.3.1.1.1.).

3.2.3.1. Non-executive corporate officers

3.2.3.1.1. Compensation of non-executive corporate officers

The Company's non-executive corporate officers received the compensation shown in the table below (in euros) during the fiscal years ending 31 December 2012 and 31 December 2013, respectively:

Non-executive corporate officers	Amounts paid in 2012	Amounts paid in 2013
Mr ANDRECK		
Attendance fees	47,884	47,776
Other compensation	-	-
Mr BLANDIN		
Attendance fees	53,805	52,742
Other compensation	-	-
Ms DELAPALME		
Attendance fees	52,205	49,822
Other compensation	-	-
Ms DELORME D'ARMAILLÉ(1)		
Attendance fees	-	29,863
Other compensation	-	-
Mr GOZALO		
Attendance fees	55,085	55,370
Other compensation	-	-

Non-executive corporate officers	Amounts paid in 2012	Amounts paid in 2013
Mr DE MARION DE GLATIGNY		
Attendance fees	50,605	49,822
Other compensation	-	-
Mr ORJIAKO(2)		
Attendance fees	34,602	14,118
Other compensation	-	-
Mr VILGRAIN		
Attendance fees	47,404	45,441
Other compensation	-	-
Mr BELLON DE CHASSY		
Attendance fees	54,605	51,574
Other compensation	-	-
TOTAL	396,195	396,528

(1) *Ms Delorme d'Armaillé was coopted at the Board of Directors' meeting of 27 March 2013. Her cooptation was ratified by the General Shareholders' Meeting of 13 June 2013.*

(2) *Mr Orjiako ceased to be a director on 27 March 2013.*

The members of the Board of Directors and the observer receive attendance fees which are voted on each year by the General Shareholders' Meeting. The above breakdown takes into consideration the respective term of office of each member of the Board of Directors (for the fixed attendance fees) as well as their presence at the meetings of the Board of Directors and the committees (for the variable attendance fees). The Board of Directors, on the recommendation of the Appointments and Compensation Committee, distributes the budget of attendance fees according to the following rule:

- a fixed portion, which represents 50% of the overall budget and is proportionally distributed over the year of the duties;
- a variable portion, which represents 50% of the overall budget and is distributed in accordance with the rating attached to each member's role (director, Chairman of the Board of Directors, Vice Chairman of the Board of Directors, Chairman of a specialised committee, and member of a specialised committee).

The total amount of attendance fees allocated by the General Shareholders' Meeting has remained unchanged for six years.

Non-executive corporate officers, however, receive no specific benefits in kind. There is no supplementary retirement plan in place for non-executive corporate officers.

The allocations of stock options and bonus shares are detailed in paragraph 3.2.3.1.2 below.

3.2.3.1.2. Stock options and bonus shares

No options for the subscription or purchase of shares or for bonus shares have been granted to the Company's non-executive corporate officers by the Company or by the Group companies during the last three fiscal years. In addition, no non-executive corporate officer has exercised any options to subscribe or purchase shares during fiscal year 2013.

To the best of the Company's knowledge, no non-executive corporate officers have set up any hedging instruments in respect of the bonus shares that they hold. In all cases, under the terms of the code of conduct on the prevention of insider trading (see paragraph 3.2.2.2.7 of this Annual Report), Corporate Officers (as defined in paragraph 3.2.2.2.7 of this Annual Report) shall refrain from entering into hedging transactions on Company securities granted free of charge and on any Company stock options or warrants that they may hold.

3.2.3.2. Executive corporate officers

The Board of Directors, based on a proposal of the Appointments and Compensation Committee, determines the compensation of its executive corporate officers, taking into account in particular the rules set out in the AFEP-MEDEF Corporate Governance Code.

This compensation within the Company concerns only one person, the Chairman and Chief Executive Officer.

The compensation of the Chairman and Chief Executive Officer does not include a variable portion.

Its amount is reviewed every year and is set based on a decision of the Board of Directors. Having been unchanged since 2007, it was reviewed by the Board of Directors on 28 August 2013 and now stands at a gross annual amount of €650,000, with effect from 1 July 2013.

There is no specific retirement plan for executive corporate officers, who benefit from the same retirement plans as those applicable to the Group's employees.

No bonus shares or stock options are allocated to the executive corporate officers.

DETAILS OF COMPENSATION, OPTIONS AND SHARES GRANTED TO EXECUTIVE CORPORATE OFFICERS

Name and title of executive corporate officer Jean-François Hénin, Chairman and Chief Executive Officer	Fiscal year 2012	Fiscal year 2013
Compensation due for the year	500,000	575,000
Value of options allocated during the year	-	-
Value of performance shares allocated in the year	-	-
TOTAL	500,000	575,000

SUMMARY TABLE OF COMPENSATION GRANTED TO EXECUTIVE CORPORATE OFFICERS

Name and title of executive corporate officer Jean-François Hénin, Chairman and Chief Executive Officer	Amounts in fiscal year 2012		Amounts in fiscal year 2013	
	due	paid	due	paid
Fixed compensation	500,000	500,000	575,000	575,000
Variable compensation	-	-	-	-
NON-RECURRING COMPENSATION			-	-
Attendance fees	53,805	53,805	53,472	53,472
Benefits in kind/car	-	-	-	-
TOTAL	553,805	553,805	628,472	628,472

Table of attendance fees

Members of the Board	Attendance fees paid in 2012	Attendance fees paid in 2013
Jean-François Hénin	55,945	53,805
TOTAL	55,945	53,805

It should be noted that since his appointment as a director on 14 June 2007, and until 2011, Mr Hénin had voluntarily declined to receive attendance fees (and these were not redistributed among the other directors). He received attendance fees in 2012 and 2013 in respect of fiscal years 2011 and 2012.

For the other corporate officers, see the table in paragraph 3.2.3.1.1 of this Annual Report.

No option to subscribe to or purchase shares was allocated during 2013 to any executive corporate officer, or was exercised by any executive corporate officer.

In addition, no performance shares were allocated to any executive corporate officer during the fiscal year.

HISTORY OF ALLOCATIONS OF OPTIONS FOR THE SUBSCRIPTION OR PURCHASE OF SHARES GRANTED TO CORPORATE OFFICERS

Options to subscribe or purchase shares granted to the top ten non-executive corporate officer employees and options exercised by them	Total number of options allocated/ shares subscribed or purchased	Average weighted price	Plan Nº 1	Plan Nº 2
Options granted, during the period, by the issuer and any company included in the scope of option allocation, to the top ten employees of the issuer and of any company included in this scope, of which the number of options granted is highest (overall information)	NONE	-	-	-
Options held on the issuer and the above-referenced companies exercised during the year by the top ten employees of the issuer and of these companies, with the highest number of options thus purchased or subscribed (overall information)	NONE	-	-	-

Executive corporate officers	Work contract	Supplementary retirement plan	Indemnities or benefits due or likely to be due because of termination or a change of functions	Indemnities relating to a non-compete clause
Name: Jean François Hénin Position: Chairman and CEO Start date of mandate: 14 June 2007 End date of mandate: Approval of financial statements for 2015	No	No	No (*)	No

* *Except for the group retirement plan*

Lastly, it should be noted that Pacifico S.A., a company of which 99% of the capital and voting rights are controlled by Mr Hénin and his family (with Mr Hénin personally owning approximately 10% of the capital and voting rights of Pacifico S.A.), invoiced Maurel & Prom, pursuant to a support and consulting agreement dated 21 June 2005, as amended by addenda dated 22 December 2005 and 11 June 2007 (see paragraph 3.2.2.1.2 of this Annual Report), for a total amount of €362,032 (excluding tax) for fiscal year 2012 and €362,032 (excluding tax) for fiscal year 2013.

CONSULTATION OF SHAREHOLDERS ON THE ELEMENTS OF THE COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Items of compensation due or received in the period	Accounting amounts or valuation submitted for vote	Présentation
Fixed compensation	575,000 per year (gross)	From 2007 and until 1 July 2013, Jean-François Hénin received a gross annual amount of €500,000. This was reviewed by the Board of Directors on 28 August 2013 and was increased to €650,000 with effect from 1 July 2013.
Annual variable compensation	N/A	Jean François Hénin receives no variable compensation.
Deferred variable compensation	N/A	Jean François Hénin receives no deferred variable compensation.
Multiannual variable compensation	N/A	Jean François Hénin receives no multiannual variable compensation.
Non-recurring compensation	N/A	Jean François Hénin receives no non-recurring compensation.
Stock options, performance shares or any other long-term compensation	Shares = N/A Other compensation: N/A	Jean François Hénin receives no performance shares or stock option allocation rights.
Attendance fees	€53,472	This amount corresponds to the attendance fees paid in 2013.
Valuation of benefits of any kind		Jean François Hénin receives no other benefit.

Items of compensation due or received in the period submitted for vote to the General Shareholders' Meeting under the procedure for regulated agreements and commitments	Amount submitted for vote	Presentation
Severance pay	N/A	Jean François Hénin receives no severance pay.
Non-compete compensation	N/A	Jean François Hénin receives no non-compete compensation.
Supplementary retirement plan	N/A	Jean François Hénin receives no supplementary pension benefits.

3.2.3.3. Equity interest of corporate officers in the Company's capital

As at 31 December 2013 and to the best of the Company's knowledge, the Company's corporate officers together held 28,902,121 Company shares (corresponding to 23.78% of its capital), which represent 38,635,939 (or 28.95% of the theoretical voting rights and 30.22% of the exercisable voting rights).

To the best of the Company's knowledge, the details of equity interests in the Company as well as the transferable securities issued by Company and held by the corporate officers on the same date are shown in the table in paragraph 3.2.2.2.1 of this Annual Report.

The members of the Board of Directors are subject to the legal and regulatory provisions governing transactions on the securities of companies regarding which they possess information that is not yet public.

3.3. Internal control and risk management

3.3.1.

Internal control and risk management procedures

At the request of the Chairman and Chief Executive Officer, the administrative and financial management has compiled the elements that make up this report on the basis of various work conducted by the Company's internal departments. The resulting report was presented to the Audit and Risk Committee.

3.3.1.1. Definition and objectives

Internal control at Maurel & Prom may be defined as all of the policies and procedures for control implemented by the management and personnel of the Company and of the Group, the aim of which is to ensure:

- the reliability and truthfulness of accounting and financial data;
- the accuracy and completeness of accounting records;
- execution and optimisation in the conduct of the Group's transactions;
- that the actions of management and execution of the transactions as well as the conduct of personnel are consistent with the guidelines given to the Group's activities by the corporate bodies, and consistent with the values, standards and internal rules of the Group;
- adherence to applicable local laws and regulations; and
- safekeeping of the Group's assets by providing, among other things, for the prevention and control of the risks resulting from the Group's activities, particularly those detailed in Chapters 2 and 7 of this Annual Report.

The purpose of internal control is to provide reasonable assurance of compliance with rules and regulations, the securing of assets and the effectiveness of operations. It cannot however provide an absolute guarantee that these risks are totally eliminated.

3.3.1.2. Organisation of internal control

Maurel & Prom's objective is to make its workers aware of their responsibilities with regard to internal control procedures, knowing that these procedures rely on the knowledge, behaviour and expertise of each individual.

To do this, and as personnel dedicated to internal control, Maurel & Prom's executive management and administrative and financial management, together with the Board of Directors and more specifically its Audit and Risk Committee, define the priorities of internal control. On the basis of these priorities, the Group's employees work together to implement procedures that aim to achieve these objectives. Operational coordination of the internal audit procedure is ensured by Maurel & Prom's General Secretary.

Maurel & Prom's management implements the organisation, the methods and the procedures to ensure the control and supervision of activities. It meets regularly to discuss management issues within and outside the normal course of business. The members of the management committee (the Chairman and Chief Executive Officer, the Director of Production, the Director of Exploration, the Director of Drilling and the Chief Financial Officer) meet every two weeks to deal with matters relating to the Company's management and to analyse the effectiveness of the actions undertaken. Between these meetings, each member of the management committee may, if necessary, call an exceptional meeting.

An expanded management committee including, in addition to the members of the management committee, the Director of Health, Safety and the Environment as well as the main operational and functional managers, meets quarterly. This committee's primary goal is to analyse anomalies and malfunctions, as well as risk factors, and prevent any possible consequences resulting from them. In this regard, it issues recommendations and suggestions to the relevant officials and monitors their proper application.

3.3.1.3. Risk management

Circulars to the various departments concerned and at internal company meetings (legal, insurance, management control) have identified and quantified the significant off-balance-sheet commitments and risks to the Company. Commitments likely to be made by the Company are centralised at the registered office.

The Group has implemented an approach, led by the management, to identify and manage risks and which includes the process of reviewing and approving operations undertaken by operating subsidiaries. The Board of Directors shall, throughout the year, ensure that the risks involved in the Group's activities are fully understood and also provide for the implementation of risk-monitoring measures. A biannual review of all risks is drawn up under its authority, with the assistance of the Audit and Risk Committee, at the closing of accounting periods. In addition, the identification and management of risks is based on an organisational structure with an allocation of clearly defined competencies, formalised through the distribution of operational and functional organisation charts, the establishment of delegated powers, a regular process of operational and financial reporting and the formation of multidisciplinary teams dedicated to each project or action plan presenting specific risks that are deemed significant.

The main external risks are oil prices and the legal and political risks related to the Group's exploration and production regions, as described in Chapter 2 "Risk factors" of this Annual Report.

Maurel & Prom's management, in coordination with the subsidiary managers, the Board of Directors and the Audit and Risk Committee, identify and analyse the risks that are likely to have a significant impact on the activity or assets of the Group.

The Group has insurance covering several types of risks, including specific policies for its oil activities and the nature and location of its assets. These policies are described in paragraph 2.4 of this Annual Report.

3.3.1.4. Implementation

The Group is made up of a registered office, subsidiaries and operating establishments, with each of these being placed under the responsibility of a local management team which reports to the Group's executive management. This local management team coordinates the Group's activities by country or by geographic area of activity.

In the countries in which the Group's operations are the most developed, the operating subsidiaries, in addition to their technical functions, have their own financial, accounting and legal departments. For the subsidiaries that do not have their own administrative departments, Maurel & Prom's operating departments provide support services for such operations. The prevention and control of industrial and environmental risks are the responsibility of the operating entities.

The operational and financial managers of the establishments and subsidiaries benefit, on a case-by-case basis, from the appropriate delegations of powers.

The specific "business" responsibilities are ensured by the different functional managers in charge, at the Group level, of exploration, development and production, drilling, HSE, and finance/administration/human resources activities. Consequently, the important decisions are prepared in coordination with and validated by the functional managers concerned before being sent to the Group's executive management for approval.

Legally, the preparation and validation of key actions in the life of the Group's subsidiaries are centralised by the Group's legal department.

To limit the legal risks linked to disputes, the Group has set up a centralised legal department, assisted by lawyers specialising in the areas of law concerned, in order to formalise its contractual commitments, comply with its obligations of all kinds and defend its interests, when these are deemed to present a significant risk factor.

Administrative and financial risk management was reorganised in 2009 by combining the accounting and management control services within the accounting and management control department.

Maurel & Prom's accounting department is responsible for preparing the Group's consolidated income statements. This department continuously monitors changes in accounting regulations, in particular those concerning international standards, in close coordination with the Statutory Auditors. The consolidated financial statements are prepared biannually. The accounting data from the operating subsidiaries are reviewed at the registered office in Paris before being incorporated into the financial statements. The financial statements are prepared by the Company's accounting department prior to being evaluated and controlled by management, the Audit and Risk Committee and the Board of Directors.

Maurel & Prom's management control department coordinates the financial preparation of the Group's budget and the consolidated monthly reporting. It conducts analyses of the variations between the budget and the results as well as a general analysis of costs.

In the main operating entities, a management auditor, with a dual operational and functional attachment, strengthens the internal control process.

The management of cash flows, positions and liquid assets as well as the financial instruments are centralised (cash pooling agreement) by the treasury and financing department. This department is also in charge of managing risks associated with financial instruments and cash and foreign exchange activities as part of the policy implemented by the Group's executive management.

With regard to the information systems, the Group uses standard tools for processing general and cost accounting, consolidation, cash and personnel management (integrated consolidation software used in all subsidiaries, use of consultants at closings, subcontracting of information systems to external service providers).

The entire financial communication process is placed under the responsibility of the Chief Executive Officer and the Chief Financial Officer.

Each quarter, Maurel & Prom sends its sales data to the financial market and, in the months following the half-year closing, an income statement, a balance sheet and a consolidated financing summary for the half-year.

The communication schedule is distributed at the beginning of the period in accordance with NYSE Euronext requirements. The financial documents provided to the market are prepared by the accounting and management control departments and validated by the Board of Directors.

The administrative and financial management then ensures that the information sent to markets is consistent with the Group's results, with the recommendations of the Board of Directors and with legal and regulatory requirements. The Statutory Auditors validate the interim and annual financial documents prior to publication.

The Group has drawn the attention of its employees that have access to inside information to the obligation not to conduct market transactions on Company securities during certain periods and not to disclose information likely to have an impact on the share price.

Oil operations are carried out within a framework that involves host countries which must intervene in the application of specific legal limits, and frequently as partners.

The usual practice of partnerships involves the partners' participation, with the understanding that all investments or commitments of oil cost must be within a budget that is approved and/or validated by all stakeholders to the various partnership agreements in place.

This results in operational internal control procedures, which involve the systematic commitment of expenses by the people in charge of the cost centres at each of the operational stages (prospecting, drilling, exploitation).

3.3.1.5. Supervision of the internal control procedures

3.3.1.5.1. Board of Directors

The Board of Directors has always emphasised the importance that it places, along with the executive management, on internal control and its main areas of application.

3.3.1.5.2. Audit and Risk Committee

The Audit and Risk Committee is in charge of monitoring internal control measures, with priority being placed on the accounting and financial areas, without disregarding the other functions. This committee reports to the Board of Directors.

The main duties of the Audit and Risk Committee include:

- monitoring the process of preparing financial information;
- examining the individual company and consolidated financial statements of the Company and those of its principal subsidiaries;
- verifying the relevance and consistency of the accounting methods adopted (i) for the preparation of the company and consolidated financial statements and (ii) for the consolidation scope;
- examining major transactions involving the risk of a conflict of interest between the Company and members of the Board of Directors;
- monitoring legal compliance of the semi-annual, annual, consolidated and individual company financial statements by the Statutory Auditors;
- monitoring the independence of the Statutory Auditors;
- examining the main risks to which the Company is exposed and the solutions used by the Company to address such risks;
- monitoring the effectiveness of the internal control and risk management systems, and examining the report on these subjects by the Chairman of the Board of Directors to the General Shareholders' Meeting; and
- examining any subject likely to have a significant impact on the substance and presentation of the financial statements.

3.3.1.5.3. Executive management

The executive management has the specific task of defining the general principles governing internal control and ensuring their proper application.

3.3.1.5.4. Internal auditors

Since 2009, the General Secretary of Maurel & Prom has coordinated the Group's audit and internal control process. He reports directly to the management committee and reports to the Audit and Risk Committee.

To perform the due diligence procedures, he relies on the internal auditing in place at the Group's principal operating subsidiary (Maurel & Prom Gabon) and on external consultants who are duly appointed for this purpose.

The duties assigned will specifically take into account the assessment of the most significant risks. The weight, contribution and precedence of activities and their pace of development are taken into consideration in the risk assessment. The action plans decided upon following the audits are regularly monitored by the General Secretary.

3.3.1.5.5. Statutory Auditors

The Statutory Auditors, through their various checks, perform their due diligence procedures to validate the preparation, treatment and consistency of the accounting and financial information for Maurel & Prom and its subsidiaries.

They are informed in advance of the process of preparing the financial statements, and they present a summary of their work to financial and executive management, the Audit and Risk Committee and to the Board of Directors.

The Statutory Auditors conduct the internal control checks deemed necessary as part of their duty to certify the financial statements, and communicate their observations to the Audit and Risk Committee.

3.3.1.5.6. 2013 achievements and 2014 outlook

In 2013, the Group's internal control procedures focused in particular on its principal subsidiary, Maurel & Prom Gabon. With the aid of an audit consultancy firm, all of the subsidiary's existing procedures were reviewed, updated and supplemented. They were all compiled into a manual of procedures applicable to Gabon. It should also be noted that the purchasing/commitment process in Gabon was also fully computerised in 2013, strengthening its reliability and the traceability of its various operations.

With respect to its sustainable development policy in Gabon, the Group strengthened its process for gathering corporate, environmental and societal information. To do so, an audit was carried out in Gabon in order to ensure the reliability of the information sent by the subsidiary. Once collected, consolidated and analysed by the Company, this data was incorporated into this Annual Report (see Chapter 4 of this Annual Report).

3.4. Rules for admission and convening general shareholders' meetings

3.4.1.

Convening General Shareholders' Meetings

Shareholders' Meetings are convened, under conditions stipulated by law, by the Board of Directors or, otherwise, by the Statutory Auditors or by any other legally authorised persons.

Meetings are held at the registered office or at any other place specified in the notice of meeting.

The conditions of admission to General Shareholders' Meetings are as follows:

In accordance with Article R. 225-85 of the French Commercial Code, a person is entitled to participate in a General Shareholders' Meeting on the basis of the registration of shares in the name of the shareholder or the authorised intermediary registered on the shareholder's behalf, pursuant to paragraph 7 of Article L. 228-1 of the French Commercial Code, by midnight, Paris time, on the third business day before the meeting, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorised intermediary.

The registration or accounting entry of shares in the bearer share accounts kept by the authorised intermediary is evidenced by a shareholding certificate issued by the authorised intermediary, sent electronically where necessary, under the conditions set out in Article R. 225-61 of the French Commercial Code, and attached to the postal vote or proxy form or to the request for the admission card made out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to a shareholder wishing to attend the meeting in person and who has not received their admission card by midnight, Paris time, on the third business day before the meeting.

3.4.2.

Access and participation of shareholders in General Shareholders' Meetings

A duly convened General Shareholders' Meeting represents all shareholders. Its decisions are binding for all shareholders, even those who are absent, dissenting or legally incapable.

Every shareholder, regardless of the number of shares that he/she owns, has the right to participate in General Shareholders' Meetings, be it personally, by appointing a proxy or by voting remotely, in accordance with current laws and regulations.

Any shareholder may also send a proxy to the Company without indicating the name of their representative. Any such proxies which do not indicate the name of the representative will be considered as a vote in favour of the resolutions submitted or approved by the Board of Directors at the meeting.

However, proof of the right to participate in the Company's General Shareholders' Meetings, in any form whatsoever, can be shown by accounting records or by the registration of shares under the terms and conditions stipulated by the applicable regulations.

Postal or proxy voting forms, as well as shareholding certificates may, if the Board of Directors so stipulates, be established in electronic form and duly signed in accordance with applicable laws and regulations. For this purpose, the form may be directly entered and signed electronically on the website set up by the meeting's clearing agent. The form may be electronically signed (i) by entering, in accordance with the provisions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, an identifying code and a password, or (ii) by any other process that meets the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

The proxy or vote thus expressed before the meeting via this electronic method, as well as the acknowledgement of receipt given, if any, shall be considered an irrevocable written instruction enforceable against all parties, except in cases of sales of securities, which are subject to the notification provided for in Section IV of Article R. 225-85 of the French Commercial Code.

The procedures for sending postal and proxy voting forms shall be specified by the Board of Directors in the advance notice and notice of meeting.

The Board of Directors may organise, under the applicable legal and regulatory conditions, the participation and voting of shareholders at the meeting via videoconferencing or other telecommunications methods that allow shareholders to be identified and which comply with legal and regulatory requirements. The Board shall ensure the effectiveness of the means of identification.

For the calculation of the quorum and majority required for any General Shareholders' Meeting, shareholders who attend the General Shareholders' Meeting via videoconferencing or other telecommunications methods that allow them to be identified, in accordance with applicable legal and regulatory conditions, shall be deemed present.

4 CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY OF THE COMPANY

Due to the nature of its activities, the Group manages social, environmental and societal risks on a daily basis. Implementing the principles of sustainable development is one of the keys to its performance. In this respect, Maurel & Prom has a duty to exercise the utmost diligence in preventing and managing the potential impacts of its activities on the safety and health of people and on the environment, and to enhance as much as possible the beneficial aspects of its activities for the economic development of the regions that host them.

The Group applies these fundamental principles in the field, in its role as an operator, as well as in selecting financial investments as a responsible partner.

In terms of employment and the organisation of work, the year 2013 was marked by the continued strengthening of the teams in Gabon, preparing the development of activities in Tanzania, reallocating resources in Peru and Colombia, and providing human and technical support for the drive to diversify investments.

The Gabon subsidiary, with its 300-strong workforce and a pioneer for the Group in terms of HSE on the African continent, launched a number of initiatives to optimise human resource management and to improve HSE risk prevention and management in terms of health, safety, security and the environment ("HSSE").

In all countries, the Group's policy of reducing the environmental impact of its activities remained a priority. Various projects were launched to improve the management of potential impacts. Subsidiaries were able to rely on the Group's support by commissioning external consultancy firms specialising in certain types of studies or by recruiting the additional staff needed to properly manage these themes, as part of an approach of continuous improvement.

In terms of sustainable development and aid to local communities, the Group renewed its financial contribution to local sustainable development and social projects. In addition to its contractual commitments, the Group donated US$4.8 million to funding projects that support local communities.

In 2014, the Group will continue to support its teams in achieving its sustainable development objectives by allocating the necessary technical, human and financial resources.

In accordance with Articles L. 225-102-1 and R. 225-105 et seq. of the French Commercial Code, the management report presents information on the manner in which the Company takes the social and environmental consequences of its activities into account as well as its societal commitments to promote sustainable development, anti-discrimination measures and diversity. This presentation is made in accordance with applicable laws and regulations relating to the obligation of corporate transparency in social and environmental matters.

4.1. Corporate information

The global oil and gas industry is facing a major challenge: satisfying growing energy demand in a strained labour market. Massive investments, technological progress, the exploration of new geographical regions that are increasingly difficult to access, combined with an ageing workforce and experienced employees being replaced by those less so, will create a shortage of skilled labour in the short term.

Training up a skilled local workforce, and promoting access for women and local employees to positions at every level of the organisation, are some of the issues to be addressed by the oil and gas industry.

4.1.1.

Employment

The Group's recruitment policy is aimed at equipping it with the best skills to support its development. In promoting mobility, the Group offers international career opportunities to strengthen the loyalty of its managerial staff.

In 2013, the Gabon subsidiary, which accounts for 74% of the Group's total workforce, brought in a new career management tool in the form of a job matrix. The aim is to reclassify staff and redefine roles in order to improve flexibility and to offer realistic 20-year career plans.

4.1.1.1. Total workforce and breakdown by gender, age and geographic region

At 31 December 2013, the Group had 411 employees in nine countries, compared to 343[1] employees as at 31 December 2012.

The tables below show, as at the end of 2012 and 2013, the breakdown by the following criteria: position, age range, geographic region and gender and expatriates/local employees.

Position	2012	2013
Engineers	84	111
Technicians	74	72
Support staff	185	228
TOTAL	343	411

Breakdown by age range	2012	2013
< 25 years	5	7
25 to 34 years	103	124
35 to 44 years	136	155
45 to 54 years	72	87
> 55 years	27	38
TOTAL	343	411

(1) *Workforce adjusted for staff turnover at the end of the year not taken into account in 2012.*

Geographic distribution (employees recorded, all types of employment contract) by gender	2012			2013		
	Men	Women	Men + Women	Men	Women	Men + Women
Africa	238	38	276	311	43	354
Latin America	22	9	31	14	10	24
Europe – Middle East	26	10	36	23	9	32
North America	-	-	-	1	-	1
SUBTOTAL	286	57	343	349	62	411
TOTAL	343		343	411		411

Breakdown of expatriate/local employees	Expatriate	Local	Total
Africa	30	324	354
Latin America	2	22	24
Europe – Middle East	1	31	32
TOTAL	34	377	411

4.1.1.2. Recruitment and dismissals

The recruitment policy in 2013 was marked by the continued insourcing of skills in Gabon and by the reallocation of resources in Latin America.

Between 31 December 2012 and 31 December 2013 the workforce increased by 19.8%.

In Gabon, the subsidiary significantly strengthened the maintenance teams at its production facilities.

Asset sales in Colombia and Peru in 2013 were accompanied by the transfer of Maurel & Prom staff to Group partner Pacific Rubiales Energy (PRE). The Colombian subsidiary also transferred eight people to PRE. Likewise, the HSE manager of the Peruvian subsidiary was transferred to Pacific Stratus Energy SA, the new operator of the Block 116 permit.

Recruitment	2012			2013		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Total Group	105	9	114	69	30	99
o/w Company	2	2	4	1	1	2

The table below shows departures from the Group, excluding retirees, role changes and early retirements, as at 31 December 2012 and 31 December 2013:

	2012	2013
Departures excluding retirees/role changes/early retirement	20	26
Voluntary departures (resignations, negotiated departures, contract terminations)	4	15
End of fixed-term contracts	9	3
Dismissals	6	6
Deaths	1	1
Leave to start up a business	-	1
TOTAL DEPARTURES / TOTAL WORKFORCE	5.83%	6.33%

In the present context and given the development of the Group's activities, there are no plans to reduce the workforce and safeguard jobs.

4.1.1.3. Compensation and changes in compensation

The compensation of corporate officers is described in paragraph 3.2.3 of this Annual Report, it being understood that the variable portion of that compensation (attendance fees) is not subject to qualitative or quantitative criteria associated with the Company's corporate social and environmental responsibility.

The Group strives to recognise and fairly reward the contribution of each employee to the Company's success. Compensation varies according to each person's position, skills, performance and potential. These common principles are adjusted in accordance with local parameters such as social legislation, economic conditions and the job market in the various countries in which the Group operates.

For the Group as a whole, personnel expenses break down as follows:

	2012	2013
TOTAL PAYROLL, INCLUDING:		
Salaries and compensation	17,777,841	19,317,780
Profit-sharing	624,992	591,007
Expenses/employer contributions	6,131,880	6,814,769
TOTAL	24,534,713	26,723,556

4.1.1.3.1. Profit-sharing

The Group has a profit-sharing policy for employees of the Company and Maurel & Prom Assistance Technique (the "Group's French companies"), allowing employees to share in the Group's performance and its capital by implementing a profit-sharing plan and an employee savings scheme. The Group has also decided to establish a comprehensive bonus share allocation system to reward employees of the Group's foreign companies in which the collective profit-sharing schemes permitted under French law do not exist.

4.1.1.3.1.1. Profit-sharing plan

Since 2002, Group companies that are headquartered in France and that have employees have operated a profit-sharing plan. The profit-sharing plans currently in place at the Group's French companies were set up for Maurel & Prom Assistance Technique and for the Company on 23 June 2010 and 21 May 2012 respectively, with the latter replacing the previous agreement which had expired on 31 December 2011. These agreements have a dual purpose: (i) to rally employees in order to boost Group productivity and (ii) to reward each person's contribution to the common effort to increase productivity and improve the organisation of work.

4.1.1.3.1.2. Company savings plan

On 1 March 2002, the Group companies that are headquartered in France and that have employees set up a proactive employee savings scheme by giving employees the option of subscribing to a Company Savings Plan ("CSP"). This plan has a one-year term and is automatically renewable for one-year periods.

Under this plan, as at 31 December 2013, 47 participating employees (including 11 former employees) of the Group's French companies held 229,000 Company shares representing 0.19% of its share capital.

All employees of the Group's French companies with at least three months' service may join the plan, if they wish to do so.

Contributions to the CSP may be made from all or part of any employee profit-sharing, voluntary additional payments by the beneficiary (to the extent permitted by law), contributions of the Group's French companies, and transfers of savings to the plan by the beneficiary.

The Group's French companies encourage employees to save through a flexible contribution schedule that is applied across the board and available to all beneficiaries.

Contributions to the CSP in 2013 (amounts paid to the CSP for employees working in the Group's French companies) amounted to €196,488 (versus €230,468 in 2012).

4.1.1.3.1.3. Bonus shares granted to Group employees

	2009 Plan No 1	2009 Plan No 2	2010 Plan	2011 Plan No 1	2011 Plan No 2	2011 Plan No 3	2012 Plan	2013 Plan
Allocation date	19/06/09	15/12/09	20/12/10	01/06/11	20/07/11	19/12/11	21/12/12	30/08/13
Vesting period	19/06/11	15/12/11	20/12/12	01/06/13	20/07/13	19/12/13	21/12/14	30/08/15
Retention period	19/06/13	15/12/13	20/12/14	01/06/15	20/07/15	19/12/15	21/12/16	30/08/17
Number of employees concerned	46	32	47	2	4	41	35	3
Number of bonus shares	51,000	145,035	252,100	29,750	41,650	90,238	72,451	34,000

4.1.1.3.1.4. Pension plan and other benefits

The Group's French companies belong to a supplementary pension plan, which is a Group insurance policy with Generali. This affiliation concerns all employees of the Group's French companies, with employer contributions set at 8% for tranches A, B and C. The sums paid under this plan by the Group's French companies amounted to €400,075 in 2013 (versus €422,299 in 2012).

4.1.2.

Organisation of work

4.1.2.1. Organisation of working time

The average working week is set by national law and adjusted according to the local context.

In France, the Company has been governed by the oil industry collective agreement since 1 March 2004.

Working hours

In France, a protocol to control and reduce working hours has been in place since 19 May 2003. Under this protocol, the working week for Company employees is 35 hours.

In addition, on 1 January 2011, the Company implemented a system for all managers and employees who have discretion over how to assign their time, based on a set number of working days. Under this system, the working time for the employees concerned is calculated in days and no longer in hours. An annual limit is set by collective agreement at a maximum of 218 days, but an employee may legally work beyond this limit up to 282 days.

Overtime

There is no overtime system in place for employees who work a 35-hour week, or for employees working for a set number of days. However, the latter may recoup any day worked over and above the limit set by the collective agreement.

4.1.2.2. Absenteeism

In 2013, the total rate of absenteeism is estimated to be 3.63%, including 1.45% due to illness. The estimated rates in 2012 were 2.3% and 1%, respectively*.

The following calculation method is used:

- total absenteeism: B / (A+B)
- absenteeism due to illness: C / (A+B)

Where:

(A) corresponds to the number of days actually worked by all employees under contract, training days included;

(B) corresponds to the number of days of absence (due to sickness, occupational illness, maternity, workplace accident including work-related travel accident, or any other absence not provided for contractually); and

(C) is the number of sick days (excluding occupational illness, maternity, workplace accident or work-related travel accident, etc.).

4.1.3.

Industrial relations

(A) Organisation of social dialogue, notably procedures for employee information, consultation and negotiation

The quality of industrial relations within the Group is the result of dialogue between employees, their representatives and management. In the Group's subsidiaries, dialogue is organised in accordance with applicable laws and regulations.

In Gabon, social dialogue is of particular importance. A Permanent Committee for Economic and Social Cooperation, pursuant to the country's Labour Code, meets at least once a year. At these meetings, the employees' representatives are presented with current budgets, budget forecasts, the Company's development priorities and recruitment needs. An Industrial Relations Organising Committee and the financial or technical backer of Maurel & Prom's Gabonese subsidiary for social projects also participate in the social dialogue.

** In 2012, the scope of calculation included staff available to Maurel & Prom but who were not employees of the Company*
In 2013, the scope was reduced to only include Maurel & Prom staff and the 2012 data was revised accordingly

In Colombia, the joint occupational health and safety committee (see paragraph 4.1.4.2 of this Annual Report) provides an opportunity for exchanging ideas between employees and employers that go beyond occupational health and safety issues.

(B) Overview of collective agreements

The Group operates in countries where the relatively recent local oil and gas exploration and production industry does not always have a collective bargaining agreement.

In the absence of such measures, the Group's subsidiaries, on a case-by-case basis, enter into collective agreements with the specific purpose of covering employee healthcare costs and compensation.

In Gabon, negotiations for a collective bargaining agreement between the Gabonese government and the country's main trade union, ONEP, had not been concluded at the end of 2013. Once it comes into effect, it will apply to all oil companies operating in Gabon.

Maurel & Prom Gabon has had a compensation agreement since 2010 which is now being revised in 2014 based on the job matrix set up in 2013 (see paragraph 4.1.1 of this Annual Report). In 2013, the subsidiary continued negotiations begun in 2012 to form an employee representative body.

4.1.4.

Health and safety

Health and safety are a key Group concern. Maurel & Prom is committed to continuing to improve working conditions, preventing risks and reducing nuisances, by implementing a "Health and Safety, Security, Environment and Quality" management programme, which is based on industrial best practices, in compliance with national regulations.

In terms of organisation, the responsibilities for health, safety and the environment ("HSE") are clearly defined at all levels.

The Chairman and Chief Executive Officer of Maurel & Prom is responsible for the Group-wide implementation of the principles of the Group's Safety, Environment and Quality Charter drawn up in 2006. In this respect, he defines the HSE policy, objectives and organisation for the Group.

The Group has also set up an HSE executive committee, chaired by Maurel & Prom's Chairman and Chief Executive Officer. It consists of the Group's Chief Operating Officer, the Group's Director of Exploration, the Group's Director of Drilling, the Group's Chief Financial Officer, and the Group's HSE Manager. This committee confirms the Group's HSE policy and objectives, revises the objectives when necessary, and monitors HSE performance and the corresponding action plans.

Within the Group's subsidiaries, their respective CEOs are ultimately responsible for HSE issues and are tasked with ensuring that, in all their subsidiary's activities, the health and safety of individuals, environmental protection and the protection of goods and property are respected.

In May 2013, the Gabonese subsidiary adopted its own Health & Safety policy covering health, safety, security and the environment. It commits M&P Gabon's executive management and its employees, partners and subcontractors to continuous improvement of performance.

4.1.4.1. Occupational health and safety conditions

The countries in which the Group operates, in particular Gabon and Colombia, have passed specific laws governing employee health and working conditions, which the subsidiaries apply.

In Colombia, compliance with the guidelines for the prevention of workplace accidents and occupational illness is verified via semi-annual HSE activity and performance reports sent to the National Hydrocarbon Agency, by audits carried out by the Agency as part of its annual HSE audits of all exploration and production contracts as well as via audits conducted by the Colombian Security Council. Maurel & Prom Colombia BV's internal procedures (HSE audits, training) ensure that its subcontractors also apply the relevant legal standards.

In Gabon, risk prevention programmes are systematically deployed at all Maurel & Prom Gabon sites and facilities. The emphasis is notably on the storage and handling of hazardous chemical products as well as on fire-fighting training as part of an agreement with the Libreville fire brigade and the prevention of road traffic risks. In addition, Maurel & Prom's Gabonese subsidiary has signed a service agreement covering occupational health and consultations with a clinic in Port-Gentil, its purpose being to provide medical check-ups for its employees.

To ensure the best conditions for its business development and growing workforce, the subsidiary's HSE team was strengthened in 2013. A Methods Engineer, a Helicopter Landing Officer and an HSE technician for the Onal site were recruited. The subsidiary also commissioned two external service providers to supervise drilling operations and simultaneous operations (SIMOPS) in HSE terms, for the purpose of skills transfer.

4.1.4.2. Overview of collective agreements on occupational health and safety signed with trade unions or employee representatives

For several years now, at most of its subsidiaries (France, Gabon, Colombia, Tanzania), the Group has established agreements on social protection for its employees. Under certain conditions, these agreements will cover employees' medical expenses and potentially those of their family.

In Colombia, local laws stipulate that any company doing business in the country and employing more than 10 people must have a joint occupational health and safety committee. Maurel & Prom Colombia BV's has set up this committee which includes an employee representative and an employer representative. This committee is tasked with promoting and monitoring compliance with occupational health and safety rules and regulations.

4.1.4.3. Workplace accidents and occupational illness

The frequency rates of workplace accidents involving Group employees are shown in the table below:

	2012	2013
Lost Time Injury Frequency (LTIF)*	4.55	7.27
Total Recordable Injury Rate (TRIR)*	7.93	8.49

** In 2012, the scope of calculation included staff available to Maurel & Prom but who were not employees of the Company. In 2013, the scope was reduced to only include Maurel & Prom staff and the 2012 data was revised accordingly.*

The Lost Time Injury Frequency (LTIF) rate is the total number of deaths and injuries or illnesses resulting from the work that prevent the person from working on the day following the accident (Lost Time Injuries – LTI), multiplied by 1 million hours worked and divided by the number of hours worked.

The Total Recordable Injury Rate (TRIR) is the total number of (i) deaths; (ii) injuries or illnesses resulting from work that prevent the person from working on the day following the accident (LTI); (iii) Restricted Work Day Cases (RWDC) corresponding to an injury causing medically certified incapacity provided it is not caused by death or injury with work stoppage, plus (iv) cases requiring medical treatment (Medical Treatment Cases – MTC) defined as an injury requiring treatment by a doctor or nurse, multiplied by 1 million hours worked and divided by the number of hours worked.

For Gabon, the severity rate (average work time lost per accident) was 9.71 days in 2013 versus 6.04 days in 2012. The other subsidiaries did not report accidents in terms of lost time.

The Group's French companies did not report any occupational illnesses in 2013. Furthermore, the Company is not aware of any occupational illnesses that could be reportable by the Group's subsidiaries under the applicable regulations in the countries in which those subsidiaries are based. In 2013, the Gabonese subsidiary worked closely with the HSE teams and the clinic at Port-Gentil on health monitoring and control procedures to improve the identification and detection of occupational illnesses.

In Gabon, road accidents account for a large proportion of industrial accidents. They were the cause of 32.83% of the accidents reported in 2012. This figure is partly due to the vastness of the site and its remote location in a mountainous region. During the rainy season and during the dry season, both of which are extreme, the tracks are slippery. The area's undulating terrain exacerbates the safety issue. Since 2009, Maurel & Prom has successively taken various corrective measures to reduce this risk, mainly by setting up a "Good Driving" training programme. Also, a vehicle location monitoring system was rolled out in 2013. All these measures contributed to a reduction in the number of road traffic accidents in 2013.

4.1.5.

Training

The Group faces a two-fold challenge in its training programme: on the one hand, to develop an HSE corporate culture internally and among its contractors and subcontractors, and, on the other, to develop continuous training and skills transfer to local workers.

4.1.5.1. Training policies implemented

Maurel & Prom's training policy is organised around missions such as the updating and renewal of skills certificates in safety techniques, training local employees in oil-related occupations, continuous training based on individual career paths and training for HSE managers, all of which are entrusted to external training agencies.

Skills transfer and "localisation" are arranged internally. In every Group subsidiary, training, information and awareness sessions are given on HSE topics. In Gabon, a "buddy" system has been set up between expatriates and local employees. In addition, in 2013, the Tanzanian subsidiary's HSE manager took a four-week training course at the Gabonese subsidiary.

Furthermore, the growth in the Company's workforce in Gabon during the fiscal year ended 31 December 2013 and the resulting number of hours' training given to employees in Gabon and Colombia explain the significant increase in the number of hours of external training between 2012 and 2013 (see paragraph 4.1.5.2 below).

4.1.5.2. Number of hours of training

The table below shows the number of hours of external training, as well as its associated cost, given to Group employees in fiscal year 2012 and 2013:

	2012		2013	
	Number of hours of training	Cost	Number of hours of training	Cost
Group employees	7,098	€252,219	38,653	€705,631

4.1.6.

Equality of treatment

The Group ensures that all employees receive equal opportunities by basing its recruitment around explicit and non-discriminatory criteria, by raising the awareness of operating entity managers and recruitment staff on these issues and by complying with applicable laws. Due to its international presence, the Group is fully aware that promoting diversity is also synonymous with the fight against all forms of discrimination, whether it involves access to different social environments, gender equality or integration.

(A) Measures taken to promote gender equality

The Group does not discriminate between men and women when hiring to fill vacancies. As at 31 December 2013, women represented 15.1% of the Group's workforce and 10% of its recruitment that year, compared to 16.7% and 7.3%, respectively, in 2012. In 2013, 25.8% of the women employed in the Group had engineering degrees – versus 27% of the Group's entire workforce – and held positions as geologists, oil engineers, drilling engineers, HSE department heads and legal officers.

(B) Measures taken to encourage the employment and integration of people with disabilities

The Group has not taken affirmative action to integrate the diverse range of disabilities into its working environment and strategic business planning.

An ILO report entitled "Current and future skills, human resources development and safety training for contractors in the oil and gas industry" released in 2012, indicates that at the end of 2012 only one oil company had joined the Global Business and Disability Network created by the International Labour Office. This illustrates the sector-wide problems in doing more in this field.

In 2013, only one employee in the Group's entire workforce was disabled.

(C) Anti-discrimination policy

The Group strives to offer equal opportunities for all employees at every stage of their professional career. In this respect, the Group's decision-making criteria are not based on race, nationality, religion, ethnic origin, gender, marital status, morals, political opinions, union activities and – unless declared incapacitated by an occupational physician – state of health. The only criteria that the Group recognises as valid are a person's professional qualities and qualifications.

The Group is committed to full compliance with the principles of non-discrimination, as set out in applicable French (Declaration of the Rights of Man and of the Citizen, laws and decrees in force), European and local texts.

4.1.7.

Promotion of and compliance with the International Labour Organisation's Fundamental Conventions

Freedom of association and the right to collective bargaining/Elimination of discrimination in respect of employment and occupation/Elimination of forced and compulsory labour/Effective abolition of child labour

The Company's general policy complies with the general principles of international law (OECD, ILO, EU law) as well as national laws that exclude, in particular, all forms of discrimination, harassment, forced labour and child labour.

4.2. Environmental information

In terms of environmental protection, the Group's objective is to preserve the areas that may be affected by its activities and to raise awareness among local communities of environmental issues. Each subsidiary implements an environmental management programme aimed at the identification, prevention and mitigation of environmental risks.

4.2.1.

General environmental policy

The Group's environmental policy is based on "control of its energy consumption, control of its greenhouse gas emissions and optimal management of its release of waste products".

(A) Group arrangements to address environmental issues and, where necessary, environmental assessment and certification initiatives

The management of environmental issues is integrated into the HSE departments of the Group's subsidiaries. It is the subject of regular reporting to the highest echelons of the Company. In Gabon, there is an environment department that is separate from all other functions. It is due to be integrated into the HSE department in 2014.

The Group's integrated HSE management system was defined in 2008 based on the HSE management model used by the International Association of Oil and Gas Producers (« OGP »).

The management programmes concerning respect for the environment are built around waste management, environmental impact assessment, the transportation and storage of hazardous products, and the development and restoration of sites and platforms.

The review of HSSE procedures began in early 2012 with an audit and continued throughout 2013, culminating in the adoption of Group guidelines and procedures as well as the updating of subsidiaries' procedures.

Site management and restoration requires access to financial reserves. These are mentioned in paragraph 4.2.1 (D) of this Annual Report.

The operational implementation of the environmental management system in the Group's various subsidiaries varies according to the size of the subsidiary concerned and its activity level. Maurel & Prom's Gabonese subsidiary is a pilot facility for the Group. It has entered the consolidation phase of its management system.

Although the Group recognises the value of certification – all of the Group's facilities in each of the various countries are subject to regular inspections and audits by non-governmental organisations, local governments and local populations – it has not sought, until now, to set up a certification process for its facilities.

(B) Employee training and information actions on environmental protection

In 2013, Maurel & Prom Gabon provided the following training and information for its employees on the theme of the environment:

- environmental inspections of platforms with the sites' HSE managers and the implementation of action plans for monitoring anomalies;
- awareness initiatives for teams working on platforms, on cleaning and tidying the work space and equipment at the end of the shift;
- awareness initiatives for environmental staff working in waste disposal, on selective sorting and waste treatment;
- debriefing meetings with the head of the site and site HSE managers, after every visit to report the anomalies found and corrective actions;
- drafting and submitting a written report after each inspection;
- training in risk analysis;
- training in the causal tree method;
- site HSE Management training;
- workshops in chemical safety database validation and the implementation of the Strategic Approach to International Chemicals Management (SAICEM); and

- workshops to improve Gabon's National Emergency Plan following the testing of a similar plan in 2012 by the Global Initiative for West, Central and Southern Africa ("GI WACAF"), a partnership between the International Maritime Organisation ("IMO") and IPIECA, the global oil and gas industry association for environmental and social issues, whose objective is to strengthen countries' ability to prepare for and respond to hydrocarbon spills.

(C) Resources dedicated to the prevention of environmental and pollution risks

Every project is initially based on a preliminary risk study that leads to the definition of an environmental action plan approved by the competent authorities. Adequate financial, human and technical resources are then made available to apply it. The implementation of these plans is subject to regular internal and external audits by the competent authorities.

Impact studies are carried out in accordance with local regulations, before the project and then throughout the project. In order to enable the identification, assessment and prevention of risks, the Group relies on internal expertise and on independent experts recommended by the local authorities.

If the site is located in a national or marine park, any project is discussed with the park's managers.

Once these risk studies have been completed, the Group deploys the following action plans:

- upstream, to combat soil degradation, the deterioration of water tables or sludge seeping into farmland and rivers, the Group asks civil engineering contractors and services to consolidate landscaping work along roads and at site platforms. Weaker areas are stabilised by putting in plant cover (replanting by hydroseeding); and
- downstream, sites are preserved by restoring deforested areas and by the sorting and controlled destruction of waste.

In Gabon in 2013, 16 full-time employees of the subsidiary were assigned to environmental issues. In Colombia, in 2013, on the various COR 15, Muisca, Sabanero and SSNJ9 permits and blocks, Maurel & Prom's Colombian subsidiary estimates that 150 people were assigned to such issues. Some 200 people were involved in environmental issues in Colombia in 2012.

(D) Amount of provisions and guarantees for environmental risks

As at 31 December 2013, provisions and guarantees for environmental risks across the Group were nil. However, the Group had established a provision for abandoning and restoring sites. As at 31 December 2013, this amounted to €10.13 million compared to €10.36 million for the 2012 fiscal year.

Furthermore, as at 31 December 2013, the Group had not established any other provisions for non-financial risk.

4.2.2. Pollution and waste management

(A) Measures to prevent, reduce or remedy releases into the air, water and soil that seriously affect the environment

Water

In Gabon, in order to control water quality, Maurel & Prom has built a water treatment plant to process waste water from drilling and has installed piezometric wells at certain fields (four at the Onal field). These measures allow it to sample, monitor and analyse waste water from drilling, river water surrounding the platforms, and groundwater. These monitoring actions are supplemented by measures aimed at limiting the effects of accidental hydrocarbon pollution through the availability of floating booms and dispersants to be used only when absolutely necessary.

Air

Hydrocarbon exploitation produces atmospheric emissions that can contribute to the formation of particle clouds and acid rain. These atmospheric emissions may be governed by local regulations that define the type of substance to be controlled, based on local standards and operating permits.

In Colombia, the Group assesses atmospheric emission levels in relation to the applicable standards. Fixed and mobile emission sources are measured by monitoring the various stages of construction and drilling. Maurel & Prom Colombia BV measures particulate matter (PM10), suspended particulate matter (SPM), nitrous oxide (NOx), sulphur oxide (SOx), volatile organic compounds (VOC), carbon monoxide (CO) and methane hydrocarbons. Based on the results obtained, vehicle and equipment maintenance and standardisation work is carried out.

Samples have been taken in compliance with applicable regulations, but not continuously. Therefore, the subsidiary does not have total atmospheric emission figures. In 2013, the air quality measurements performed at the fields operated by Maurel & Prom Colombia BV were in line with regulatory standards. These measurements were duly reported to the competent local authorities.

Soil

The risks of soil contamination related to the Group's activities arise essentially from drilling mud, accidental spills and waste (see paragraph 4.2.2.B of this Annual Report).

In 2013 there were seven accidental hydrocarbon spills into the natural environment totalling 63 m^3. Six of these spills occurred in Gabon and one in Tanzania. The spills led to the following corrective actions: the formation of environmental teams to tackle clean-up operations, pollution containment and the excavation of contaminated soil, along with the involvement of external companies specialising in decontamination and, if necessary, waste treatment.

	2012	2013
Number of hydrocarbon spills reaching the environment (>1 barrel)	1	7
Total volume of hydrocarbons spills reaching the environment, in m^3	5	63

(B) Measures to prevent, recycle and eliminate waste

In accordance with Article 9 of the Charter, the Group strives to control its waste production. The Group's subsidiaries engaged in hydrocarbon exploration and production have set up waste sorting, treatment and recycling systems.

(C) Management of noise and other forms of pollution specific to an activity

Oil and gas activities can cause a nuisance for people living or working near the exploration or production sites. This is mainly due to noise and smells, but could also be related to vibrations and road, sea or waterway traffic.

To prevent noise pollution, the Group enclosed equipment such as electricity generators.

In Colombia, noise levels are compared against the regulatory maximum standards for the area concerned. The Colombian subsidiary complies with these standards in all operational areas and when the noise registered approaches the maximum level permitted, sound baffles are installed.

The subsidiary has also altered tanker-truck operating times to limit traffic noise.

In Gabon, noise pollution is not deemed to be significant outside the sites.

In addition, it should be noted that the Group's facilities in Tanzania, situated in a protected marine park, must strive not to create light pollution during the turtle egg-laying and whale breeding seasons.

4.2.3.

Sustainable use of resources

(A) Water consumption and supply in accordance with local restrictions

No Group sites are involved in disputes over water use.

The water produced by the Group, which is water mixed with reservoir oil or brine, is separated, treated and reinjected into the geological formation.

Freshwater extractions are for domestic needs (human consumption for life's essentials) and industrial needs (making concrete for construction, civil engineering and maintenance, making mud during drilling, and cooling systems for facilities).

In Colombia, the use of freshwater for domestic and industrial needs is tightly controlled and is subject to authorisation. Waste water is treated and then sprinkled on roads to combat dust or is returned to the soil by spraying.

In Gabon, the majority of the underground and surface freshwater extracted for sanitation or industrial (drilling) purposes was then reinjected or treated and released into the natural environment.

In Tanzania, freshwater consumption is limited to bottled drinking water (the camp water is desalinated). Water for industrial use, for drilling, is extracted from wells close to the facilities. This water is not metered. It is used in a closed water circuit to limit the volumes extracted.

(B) Consumption of raw materials and measures taken to improve the efficiency of their use

The main raw materials consumed by the Group's activities are water and power. The measures taken by the Group for the recovery and re-use of associated gas are presented below.

(C) Energy consumption, measures taken to improve energy efficiency and use of renewable energy

The Group uses various energy sources for its oil and gas exploration and production operations. The facilities consume bought or produced natural gas, diesel for certain generators, fuel (kerosene, diesel, petrol) for transportation and a marginal amount of electricity.

To improve the energy efficiency of the Gabonese activities, all platforms are eventually be electrified in order to be able to use gas associated with oil extraction, rather than diesel. The diesel burner of the boiler at the Onal field has also been replaced with a gas burner for the same consumption reduction reasons.

The Group's estimated energy consumption to operate fixed and mobile sources within the Gabonese subsidiary in 2013 was 29,844 tep. The Group's estimated energy consumption to operate fixed sources within the Gabonese subsidiary in 2012 was 17,529 tep.

(D) Land use

The land footprint of seismic surveys and exploration activities is very limited over time. When operations cease and the land is released, the Group works to return it to its original state by involving the local populations in the restoration process (choice of varieties to be replanted, for example). The effects of its production activities are felt over a longer period. The Group strives to minimise its footprint by reconstructing slopes, seeding embankments and the differences in levels created by the activity and that may cause surface runoff and landslides.

The Group's activities are located on land that is not subject to any land use disputes. In Gabon, the areas used are situated in logging concessions exploited by other companies. In Colombia and Peru, operating restrictions are in force depending on the type of zone (exclusion zone, operating zone with tight restrictions, operating zone with moderate restrictions, and operating zone with no restrictions). As at 31 December 2013, after selling its stake in the Sabanero field in September 2013, the Colombian subsidiary's operational footprint was limited to the four Muisca platforms. To date, this footprint represents 15 hectares of the total 86,650 permit hectares. At the end of 2012, the subsidiary's footprint was 70 hectares of the total 145,000 permit hectares.

4.2.4.

Climate change

(A) Greenhouse gas (GHG) emissions

In oil exploration and production activities, greenhouse gas emissions are mainly linked to natural gas associated with oil production, which may be flared, vented or possibly leaked.

It is standard practice to "flare" (burn off) excess gas to ensure the safety of the facility. The quantity of gas flared can also depend on whether or not processes have been put in place for reinjecting gas and infrastructures for processing gas, using the gas internally at the facility, selling the hydrocarbons extracted commercially or even the type of hydrocarbon extracted. Flared gas is therefore a non-value-adding resource and a source of pollution. In recent years, the sector has made progress in reducing the volumes of gas flared and the associated greenhouse gas emissions.

Within the Group, gas flaring is limited. In Tanzania, the subsidiary does not flare gas. In Colombia, the heavy oil extracted does not contain any associated gas. Lastly, in Gabon, the Onal wells have a low gas/oil ratio (GOR). The GOR represents the amount of gas dissolved in the oil; the lower the ratio, the less gas needs to be flared, relatively speaking.

Other direct sources of greenhouse gas emissions are mainly generator groups that run on petrol and gas, generators, compressors at facilities and camps, and transportation methods used by the Group (small boats, vehicles, trucks, planes and potential momentary leaks).

In Gabon, over the scope existing in 2013, the volume of gas flared was 35.5 MNm^3 versus 25.5 MNm3 in 2012. In 2013, GHG figures reflected emissions from fixed and mobile sources over the whole of the subsidiary's scope, amounting to an estimated 19,567 tCO_2e/M barrels versus 17,447 tCO_2e/M barrels in 2012 solely from fixed sources.

In line with the Gabonese national policy to reduce greenhouse gas emissions and the associated gas flaring, the Group has decided to install compressors in Gabon to recover the associated gas and use it to supply plants used to heat exported oil. This gas would be a substitute for the natural gas currently bought from third parties. This project, launched in the 2012 budget, will be operational in 2015.

(B) Adapting to the consequences of climate change

A large number of specific impacts of climate change are highly uncertain. In this context, for the oil and gas sector, adaptation to climate change means, first, improving the reliability and flexibility of the infrastructures and, second, boosting the "adaptation capacity" of the sector, the host countries and their people.

The adaptation strategy necessitates the inclusion of the impact of climate change in the risk management system at the sector level and throughout the entire value chain. It requires responses and technical solutions to alleviate these risks and to share this knowledge with the countries and communities in order to assist them in planning the adaptation to climate change, such as, for example, preparing for emergency situations.

The Group's facilities are located in climate zones with severe seasonal extremes. The Group intends to capitalise on its experience to internally assess the risks posed by climate change and to define an adaptation policy. In Gabon, the Group participates in workshops relating to this issue and implements measures to lower GHG emissions, in line with the national reduction policy.

4.2.5.

Protection of biodiversity

(A) Measures taken to preserve or develop biodiversity

On all the permits, the potential impact of activities on biodiversity is assessed by conducting environmental impact studies. Species are surveyed, detailed forest inventories are produced and environmental management plans are drawn up.

Preservation of the ecosystem requires training and raising the awareness of staff, subcontractors and local populations, by emphasising the prohibition on clearing plant material, hunting and poaching.

In the Congo, the La Noumbi research permit zone lies within the bounds of a protected area rich in wildlife. Maurel & Prom's Congo subsidiary has implemented a strategy to prevent environmental degradation, aimed in particular at preventing the impact of intensified hunting due to an uncontrolled influx of people in wildlife areas. Non-governmental regional programmes for the study, monitoring and conservation of wildlife are also proposed to offset the potential impacts.

In Gabon, following 2D surveys undertaken on the Kari permit which is located near the Moukalaba Doudou National Park, a number of special biodiversity protection measures were adopted: limitation on the width of clearances, prohibition on felling trunks less than 15 cm in diameter, environmental inspections, and support from two teams of French National Parks Agency eco-guards while seismic surveys are being conducted.

As part of the international RAMSAR convention for the conservation and rational use of wetlands and their resources, in early 2013 the Gabonese subsidiary participated in a land inspection following a working session organised by the WWF at the Onal site. The purpose of the inspection was to map the industrial facilities at the Ramsar Bas Ogooué site. The ultimate objective was to design a plan for the sustainable management of wetlands at the site in conjunction with the public and private entities concerned.

In the regions in which it operates, the Group contributes to developing employment at local level and participates in regional development. In terms of sustainable development, the Group is committed, on the one hand contractually, alongside national governments, to local development programmes, and on the other hand and on its own initiative, by being involved in projects identified by its subsidiaries.

4.3. Information on corporate commitments to promote sustainable development

In the regions in which it operates, the Group contributes to developing employment at local level and participates in regional development. In terms of sustainable development, the Group is committed, on the one hand contractually, alongside national governments, to local development programmes, and on the other hand and on its own initiative, by being involved in projects identified by its subsidiaries.

4.3.1. Regional, economic and social impact of the Company's activities

(A) Maurel & Prom's regional, economic and social impact on employment and regional development

Firstly, impact studies have concluded that Maurel & Prom's activities have a positive impact on local development.

The Group takes a proactive approach to local employment. Between 2010 and 2013, it created 1,179 temporary and 99 permanent jobs in Gabon.

(B) Maurel & Prom's regional, economic and social impact on neighbouring or local populations

The policies with regard to local communities are developed within the Group at subsidiary level and adapted to the countries in which they operate. In Colombia, Peru, Gabon and Tanzania, employees form a dedicated team to manage relations with the communities living near the sites.

In Gabon, the Group's subsidiary contributes to the Local Communities Development Fund created in 2010. This fund, which receives an annual donation of US$1.3 million from Maurel & Prom Gabon for its four permits, is administered by a quadripartite commission that consists of the Directorate-General for Hydrocarbons, the Company, the local administrative authority and community representatives. In practice, the fund identifies programmes at a local level, ensures their implementation and monitors them.

The projects identified by the quadripartite commission in 2012 and continued in 2013 relate to (i) education and health (construction of housing or dispensaries, renovation of schools, provision of equipment for schools, provision of an operating theatre, studies for village electrification and water-supply projects, capacity expansion for the Gamba medical centre, provision of equipment for dispensaries); (ii) infrastructure and equipment (water drilling and supply, provision of a bulldozer and boats, rehabilitation of a road, strengthening of infrastructures); (iii) micro-development projects; and (iv) agriculture.

Since 1 January 2013, Maurel & Prom Gabon also contributes to the Provision for Diversified Investment (PID) and the Provision for Hydrocarbon Investment (PIH) as part of the Omoueyi exploration and production sharing contract, in order to contribute to the challenges of sustainable development. The PID and PIH provide financial support for nationwide development projects. The selected projects are managed and supervised by a commission statutorily comprised of a representative of the French Presidential Office, two representatives of the oil authorities, a representative of the Ministry of the Economy and one person representing the operator. The winning project is to rehabilitate and develop the road system in the city of Lambaréné (in the Province of Moyen-Ogooué) for a contribution for the 2013 fiscal year of €7.3 million.

In addition to its contractual obligations, Maurel & Prom Gabon provides aid and assistance to populations, non-governmental organisations, administrations and local authorities. In 2013, Maurel & Prom Gabon made voluntary aid donations amounting to US$393,000. This aid totalled US$266,000 in 2012.

In Colombia, its support for local community development initiatives mainly related to (i) education (teacher training), (ii) culture, (iii) healthcare, (iv) infrastructure and (v) habitats and biodiversity. In 2012, Maurel & Prom Colombia donated around US$3,569,000 to this local community development aid.

In Peru, Maurel & Prom Peru's social investment in 2013 mainly included (i) funding a permanent structure to manage relations with the local community of Santa Maria de Nieva set up in 2012; (ii) the construction of infrastructure (system of photovoltaic electrification in the community of Ciro Alegria), support for various local actions, and (iii) civic action and measures to boost capacity. Maurel & Prom Peru donated over US$1 million to such local community development aid in 2012, and US$862,000 in 2013.

In Tanzania, the Bylaws of the Group's subsidiary require it to develop a social project for every industrial project in the country. In 2012, its contribution was the construction of a classroom in the village of Mnete.

In 2013, the subsidiary committed US$25,000 to building classrooms and offices for elementary schools in Msimbati and Mtandi, and as a donation to the medical staff of the Rafiki Foundation.

In the Congo, Maurel & Prom's voluntary contribution to local community initiatives, for a total amount of XAF 53,158,000 (US$112,350), was mainly used to purchase a plot of land for the Les Amis de l'Enfant Jésus orphanage; to fund the construction of a chapel for the Nzambi Catholic diocese (within the Noumbi permit zone); to sponsor the Sibiti organisation, the United Nations' International Women's Day, World Food Day and International Day for the Eradication of Poverty; to provide a vehicle for the monitoring of the Conkouati-Douli National Park by eco-guards for a period of ten months; and to pave the procession path for the Parish of Notre Dame de l'Assomption in Pointe-Noire.

4.3.2.

Relations between persons or organisations with an interest in Maurel & Prom's activities, notably social integration associations, teaching establishments, environmental protection associations, consumer groups and local residents' associations

(A) Conditions for dialogue with these persons or organisations

Maurel & Prom has special relationships with environmental NGOs that work in the national parks, or in their surroundings, in which the Group carries out some of its activities.

In order to develop focuses for sustainable development in the Lacs-du-Sud canton in Moyen-Ogooué province where the Group's Gabonese subsidiary operates, Maurel & Prom Gabon approached researchers at CENAREST in Gabon (the national centre for scientific and technical research). This work led to the creation of the Lacs-du-Sud Canton Strategy for Sustainable Development, which aims to involve local populations in planning and development projects in the canton.

(B) Partnership or sponsorship actions

The Group offers sponsorship, particularly with regard to environmental protection issues. Maurel & Prom Gabon contributes material and logistical assistance, and also raises awareness of anti-poaching initiatives among neighbouring populations and agents, in collaboration with the WWF, the Compagnie des Bois du Gabon ("CBG") and the National Parks Agency ("ANPN"). The Group's Gabonese subsidiary sits on local management committees for national parks. These committees are advisory bodies intended to promote dialogue between villages, civil society, non-governmental organisations, the private sector and the administrative authorities. In the Congo, in accordance with an agreement signed in 2007 with the Warden of the Conkouati-Ndouli National Park, Maurel & Prom helps finance the eco-guards tasked with park surveillance.

4.3.3.

Subcontractors and suppliers

(A) Social and environmental issues taken into account in the Group's procurement policy

Sourcing is guided by accessibility criteria. The equipment purchased by the Group is prefabricated and assembled in European countries, close to the Group's registered office. Recently, a trend has arisen whereby the production of this equipment is outsourced to countries that may be considered sensitive from an environmental or social point of view. The Group remains particularly attentive, insofar as the control measures allow, to the quality produced by the supplier and production conditions.

(B) Importance of subcontracting and of taking social and environmental responsibility into consideration in relations with suppliers and subcontractors

As part of its operations, the Group regularly calls for technical assistance in its exploration and production activities, civil engineering and construction works, as well as its programmes to promote environmental protection and sustainable development.

In 2012, the Group's subsidiaries reflected the Group's social and environmental policies in their own internal procedures. In 2013, the Group adopted an HSE management procedure and a comprehensive subcontractor selection procedure that applies to all subsidiaries.

4.3.4.

Fair practices

(A) Anti-corruption measures

To prevent corruption, the Group's purchasing policy is based on a tendering process (in excess of US$750,000 for Gabon). Calls for tender are open to shortlisted companies. The bids are opened in the presence of the supervisory authority.

The Group is committed to the fight against corruption, participating in Extractive Industry Transparency Initiative investigations (in Gabon, Tanzania, Colombia and the Congo).

(B) Measures taken to promote consumer health and safety

As it is not a participant in the downstream hydrocarbon sector, the Group is not able to provide or adopt measures to promote the health and safety of consumers.

4.3.5.

Other actions undertaken to promote human rights

As part of its responsible approach, the Group also strives to ensure respect for human rights when assessing new investment projects. Non-compliance with human rights principles can have an adverse effect on the feasibility of a project, its financing, progress and completion as well as the Group's image.

4.4. Report of the Independent Third-Party Body on the social, environmental and societal information contained within the 2013 Annual Report

Maurel & Prom Group, year ended 31 December 2013

Report of the independent third-party auditors on social, environmental and societal data

Following the request made to us as auditors (COFRAC having issued a favourable opinion on the eligibility of SOCOTEC for accreditation as a third-party body – Ref INS/14/I-67439/BBT/HBE), we hereby present the result of our review carried out in accordance with the terms of Article L. 225-102-1 of the French Commercial Code and the Decree of 24 April 2012 currently in force.

The purpose of our review was to verify the presence of all required social, environmental and societal information (the "CSR Information") and to issue an opinion on the fairness of the CSR Information selected by the Maurel & Prom Group and presented in its 2013 Annual Report.

This CSR Information was collected and collated under the responsibility of Alain Torre, General Secretary of the Maurel & Prom Group, in accordance with the procedures of the Maurel & Prom Group.

We are required – in accordance with the Ministerial Order of 13 May 2013 on the procedures governing independent third parties when performing their work, and based on our own review – to issue an opinion on that CSR Information. The conclusions below relate only to the information required by Article R. 225-105-1 of the French Commercial Code (Chapter 4 of the Annual Report: *Corporate Social Responsibility)* and not to the 2013 Annual Report as a whole.

Nature and scope of work

SOCOTEC completed its work by conducting:

- an assessment of the Company with the objective of understanding the Maurel & Prom Group's activities and structure (including an analysis of the 2013 Annual Report and interviews with Management);
- a risk assessment to establish an audit plan specific to the activities undertaken and the CSR Information reported;
- the implementation of the audit plan;
- the drafting of a preliminary report subject to the Company's approval; and
- the drafting of a final report (declaration of presence and opinion on the CSR Information).

Based on a documentary audit (14 March-17 April 2014) and an on-site audit (19-20 March 2014) by two of our CSR experts, our review consisted of interviews with several members of the management at the Maurel & Prom Group's head office and with the directors of subsidiaries in Gabon and Tanzania as well as the individuals at the head office and in Gabon responsible for preparing CSR Information. The reviews described below were performed.

We implemented the following procedures to obtain assurance that the selected CSR Information is free from material misstatement:

- we assessed the Maurel & Prom Group's procedures in terms of their relevance, reliability, ease of comprehension and completeness (use of a questionnaire sent to subsidiaries, additional requests made to the CSR Steering Committee, consolidation tools and internal control);
- at the Maurel & Prom Group, we conducted interviews with the persons responsible for environmental and social reporting and with subsidiary directors to check compliance with internal procedures; and

- with regard to the sites and entities selected, we performed a thorough examination of the understanding and proper application of procedures for important information* (questionnaire responses), and conducted in-depth tests based on sampling techniques, consisting of checking the calculations made and reconciling the CSR Information with the supporting evidence in terms of quantitative information.

In 2013, the two largest subsidiaries (Gabon and Tanzania) were selected, thereby covering 83% of the Maurel & Prom Group's consolidated workforce and 100% of production.

Checks have been performed on all quantitative 2013 CSR Information for all the consolidated subsidiaries of the Maurel & Prom Group (except for Caroil, which was acquired on 23 December 2013) with regard to its consistency with the previous year's data and with the Maurel & Prom Group's current position, as well as to ensure that it has been properly compiled.

In our opinion, our methodology for identifying important information and auditing data based on the sampling adopted provides a reasonable basis for the conclusions and comments expressed below.

Conclusion

Declaration of presence

We confirm the presence in the Maurel & Prom 2013 Annual Report of all the information set out in the Decree of 24 April 2012 (extensive list of listed companies), except for:

- information on measures taken to promote consumer health and safety,

for which the explanation given by the Maurel & Prom Group as to its lack of relevance in terms of the Group's activities and customers was deemed satisfactory.

Opinion on CSR Information

Based on our work, we did not identify any material misstatements that could call into question:

- the development and consolidation of the CSR Information drawn up in accordance with the procedures of the Maurel & Prom Group and the information gathered; and
- the fairness of the CSR Information reported.

In due respect of the conclusion expressed above, we make the following observations:

- the data regarding energy consumption and greenhouse gas emissions does not cover the whole of the Maurel & Prom Group: in 2013, the Gabonese subsidiary was taken into account for stationary combustion sources and other mobile sources; the other subsidiaries were not taken into consideration; and
- methods for calculating training hours and costs can vary between the subsidiaries.

For SOCOTEC, the Auditors
Patrick Armando and Jean-Michel Prioleau
28 April 2014

* *Important information considered in 2013: Workforce and age distribution; Organisation of working hours; Organisation of social dialogue; Health and safety conditions and Workplace Accidents; Training; Ways and Means of preventing environmental risks; Financial guarantees; Greenhouse gas emissions; Conditions for dialogue with stakeholders; Subcontractor and supplier relations; Corruption*

5.1. Current shareholding structure

5.1.1.

Composition

At 31 March 2014, the capital and voting rights of the Company were distributed as follows:

31/03/2014	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
				s/127,767,346	s/133,455,581
INSTITUTIONAL SHAREHOLDERS	59,628,430	49.07%	59,628,430	46.67%	44.68%
Pacifico S.A.*	10,644,326	8.76%	10,644,326	8.33%	7.97%
Macif	8,324,204	6.85%	8,324,204	6.52%	6.24%
Other	40,659,900	33.46%	40,659,900	31.82%	30.47%
REGISTERED SHAREHOLDERS	20,251,817	16.66%	31,698,677	24.81%	23.75%
o/w Pacifico S.A.*	18,105,290	14.90%	27,710,580	21.69%	20.76%
MAUREL & PROM (treasury shares)	5,688,235	4.68%	-	-	(4.27%)
EMPLOYEES	1,291,370	1.06%	1,767,848	1.38%	1.32%
PUBLIC	34,672,391	28.53%	34,672,391	27.14%	25.98%
TOTAL	121,532,243	100.00%	127,767,346	100.00%	100.00%

Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares (non-voting shares)

** At 31 March 2014, Pacifico S.A. held a total of 28,749,616 shares, representing 23.66% of the share capital and 30.02% of the exercisable voting rights (and 28.74% of the theoretical voting rights)*

At 31 December 2013, the Company's share capital and voting rights were distributed as follows:

31/12/2013	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
				s/127,859,960	s/133,449,000
INSTITUTIONAL SHAREHOLDERS	59,628,430	49.07%	59,628,430	46.64%	44.69%
Pacifico S.A.*	10,644,326	8.76%	10,644,326	8.33%	7.98%
Macif	8,324,204	6.85%	8,324,204	6.51%	6.24%
Other	40,659,900	33.46%	40,659,900	31.80%	30.47%
REGISTERED SHAREHOLDERS	20,264,741	16.67%	31,707,094	24.80%	23.76%
o/w Pacifico S.A.*	18,105,290	14.90%	27,710,580	21.67%	20.76%
MAUREL & PROM (treasury shares)	5,589,040	4.60%	-	-	(4.19%)
EMPLOYEES	1,291,370	1.06%	1,767,848	1.38%	1.32%
PUBLIC	34,756,588	28.60%	34,756,588	27.18%	26.04%
TOTAL	121,530,169	100.00%	127,859,960	100.00%	100.00%

Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares (non-voting shares)

** At 31 December 2013, Pacifico S.A. held a total of 28,749,616 shares, representing 23.66% of the share capital and 30% of the exercisable voting rights (and 28.74% of the theoretical voting rights)*

The composition of the Company's capital at the close of fiscal years 2011 and 2012 is shown in the following tables.

At 31 December 2012, the share capital and voting rights were distributed as follows:

31/12/2012	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
				s/126,086,070	s/132,040,291
INSTITUTIONAL SHAREHOLDERS	60,533,530	49.82%	60,533,530	48.01%	45.84%
Pacifico S.A.*	10,644,326	8.76%	10,644,326	8.44%	8.06%
Macif	8,324,204	6.85%	8,324,204	6.60%	6.30%
Other	41,565,000	34.21%	41,565,000	32.97%	31.48%
REGISTERED SHAREHOLDERS	20,280,024	16.69%	30,352,778	24.07%	22.99%
o/w Pacifico S.A.*	18,105,290	14.90%	27,355,290	21.71%	20.72%
MAUREL & PROM (treasury shares)	5,954,221	4.90%	-	-	(4.51)%

Current shareholding structure /

31/12/2012	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
EMPLOYEES	982,559	0.81%	1,437,662	1.14%	1.09%
PUBLIC	33,762,100	27.78%	33,762,100	26.78%	25.57%
TOTAL	121,512,434	100.00%	126,086,070	100.00%	100.00%

Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares (non-voting shares)

** At 31 December 2012, Pacifico S.A. held a total of 28,749,616 shares, representing 23.66% of the share capital and 30.15% of the exercisable voting rights (and 28.78% of the theoretical voting rights)*

At 31 December 2011, the share capital and voting rights were distributed as follows:

31/12/2011	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
					s/131,862,733
INSTITUTIONAL SHAREHOLDERS	60,521,530	49.81%	60,521,530	48.13%	45.90%
Pacifico S.A.*	10,644,326	8.76%	10,644,326	8.47%	8.08%
Macif	8,324,204	6.85%	8,324,204	6.62%	6.31%
Other	41,553,000	34.20%	41,553,000	33.04%	31.51%
REGISTERED SHAREHOLDERS	20,120,285	16.56%	30,126,018	23.96%	22.85%
o/w Pacifico S.A.*	18,105,290	14.90%	27,355,290	15.72%	21.75%
MAUREL & PROM (treasury shares)	6,119,440	5.04%	-	-	(4.64)%
EMPLOYEES	936,020	0.77%	1,299,486	1.03%	0.98%
PUBLIC	33,796,259	27.82%	33,796,259	26.88%	25.63%
TOTAL	121,493,534	100.00%	125,743,293	100.00%	100.00%

Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares (non-voting shares)

** At 31 December 2011, Pacifico S.A. held a total of 28,749,616 shares, representing 23.66% of the share capital and 24.19% of the exercisable voting rights (and 29.83% of the theoretical voting rights)*

5.1.2.

Shareholders with more than 5% of the capital

On the date of this Annual Report and to the best of the Company's knowledge, only Macif and Pacifico S.A. each hold, directly or indirectly, more than 5% of the share capital and/or voting rights of the Company.

Pacifico S.A. is a company controlled by Jean-François Hénin, Chairman and Chief Executive Officer of Maurel & Prom, and his family (with more than 99% of the share capital and voting rights).

The percentage of shares held by the Company fluctuates depending on the share repurchase plan and changes in the liquidity agreement (described in paragraph 6.2.2 of this Annual Report). On 31 January 2012, after maintaining the treasury share threshold at 5% for several months, the Company fell below this level to hold only 4.91% of the share capital. It was 4.60% at the end of fiscal year 2013.

5.1.3.

Voting rights of the main shareholders exceeding their share of the capital

In accordance with Article 11, paragraph 7 of the Articles of Association, *"Rights and obligations attached to shares"*, *"a double voting right is granted to fully paid-up shares for which registration in the name of the same shareholder in the Company's registers can be proven for at least four uninterrupted years from the date on which they were fully paid up"*.

5.2. Dividends

The Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 29 June 2011 approved the payment of a dividend of €0.25 per share for the fiscal year ending 31 December 2010. The dividend was paid out on 5 July 2011 in the total amount of €28,772,332.

The Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 14 June 2012 approved the payment of a dividend of €0.40 per share for the fiscal year ending 31 December 2011. The dividend was paid out on 26 June 2012 in the total amount of €46,205,552.

The Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 13 June 2013 approved the payment of a dividend of €0.40 per share for the fiscal year ending 31 December 2012. The dividend was paid out on 26 June 2013 in the total amount of €46,270,690. No dividend will be paid for fiscal year 2013.

5.3. Control over the issuer exercised by one or more shareholders

5.3.1.

Control over the issuer exercised by one or more shareholders

To the best of the Company's knowledge, no shareholder, acting alone or in concert, controls the Company, as defined by Article L. 233-3 of the French Commercial Code.

5.3.2.

Agreements known to the issuer, the implementation of which could result in a change in control

To the best of the Company's knowledge, no agreements between its shareholders or clauses in any agreement exist providing preferential terms for the sale or purchase of Maurel & Prom shares affecting 0.5% or more of the share capital or voting rights of the Company, the implementation of which could result in a change in the control of the Company.

6 CORPORATE INFORMATION

6.1. Information about the Company

Company name: "Etablissements Maurel & Prom".

The Company's APE code (French business code) is 7010Z (Registered office activities).

Trade and Companies Register: the Company is entered in the Paris Trade and Companies Register (Registre du Commerce et des Sociétés de Paris) under number 457 202 331.

Company's date of incorporation (entry in the Trade and Companies Register): 10 December 1919. The Company is incorporated under French law.

Company duration: 99 years, until 1 November 2018, unless dissolved early or extended.

Maurel & Prom is a public limited company (société anonyme) with a Board of Directors, governed by the French Commercial Code (in particular by the provisions of Articles L. 225-17 et seq. of the Code), as well as by all other French laws and regulations applicable to it.

From 21 November 1989 to 28 December 2004, Maurel & Prom was a partnership limited by shares. The Combined Ordinary and Extraordinary General Shareholders' Meeting of 28 December 2004 decided to merge Maurel & Prom with its general partner, Aréopage, by absorbing the latter and subsequently converted Maurel & Prom into a public limited company.

The Combined Ordinary and Extraordinary General Shareholders' Meeting of 14 June 2007 decided to change the Company's management model and replace the management board and supervisory board with a Board of Directors.

Registered office:
51, rue d'Anjou – 75008 Paris, France
Tel.: +33 (0)1 53 83 16 00 – Fax: 01 53 83 16 04

In accordance with Article L. 225-36 of the French Commercial Code, the Combined Ordinary and Extraordinary General Shareholders' Meeting of 13 June 2013 ratified the Board of Directors' decision at its meeting of 27 March 2013 to relocate the Company's registered office from 12, rue Volney, 75002 Paris, France to 51, rue d'Anjou, 75008 Paris, France with immediate effect, and to amend Article 4 of the Company's Articles of Association accordingly.

6.2. Share capital

6.2.1. Share capital and authorisations to increase capital

6.2.1.1. Subscribed capital

At 1 January 2013, Maurel & Prom's share capital was €93,564,574.18 (ninety-three million five hundred and sixty-four thousand five hundred and seventy-four euros and eighteen euro cents), divided into 121,512,434 (one hundred and twenty-one million five hundred and twelve thousand four hundred and thirty-four) fully paid-up shares with a nominal value of €0.77 (seventy-seven euro cents) each.

To take into account the shares issued upon the exercise of a number of share subscription warrants:

- a capital increase dated 10 January 2013 raised the Company's share capital to €93,568,206.27 (ninety-three million five hundred and sixty-eight thousand two hundred and six euros and twenty-seven euro cents);
- a second capital increase dated 15 April 2013 raised the Company's share capital to €93,573,357.57 (ninety-three million five hundred and seventy-three thousand three hundred and fifty-seven euros and fifty-seven euro cents); and

- a third capital increase, formally approved by the Chairman & Chief Executive Officer on 2 December 2013, raised the Company's share capital to €93,578,230.13 (ninety-three million, five hundred and seventy-eight thousand two hundred and thirty euros and thirteen euro cents).

Thus, at 31 December 2013, the Company's share capital was €93,578,230.13 (ninety-three million five hundred and seventy-eight thousand two hundred and thirty euros and thirteen euro cents), divided into 121,530,169 (one hundred and twenty-one million five hundred and thirty thousand one hundred and sixty-nine) fully paid-up shares with a nominal value of €0.77 (seventy-seven euro cents) each.

Each share confers a right to the Company's profits and assets in proportion to the fraction of capital that it represents. Maurel & Prom's share capital may be increased, reduced or amortised under the terms and conditions governed by law, the Articles of Association making no specific provision for this.

6.2.1.2. Authorised capital

Authorisations and delegations granted by the Combined Ordinary and Extraordinary General Shareholders' Meeting of 14 June 2012 to the Board of Directors with respect to issues of shares and securities conferring access to capital but as yet unused were as follows:

Resolution N°	Type of delegation or authorisation	Ceiling (€)	Term of authorisation from 14/06/2012	Comments
Ten	*Delegation of authority to the Board of Directors to issue Company shares or transferable securities conferring access to the capital of the Company or of one of its subsidiaries, with shareholders' preferential subscription rights maintained* (1)	*Maximum nominal value of capital increases: €50 million counting towards a total limit for capital increases of €50 million* *Maximum nominal amount of debt security issues: €1 billion counting towards a total limit for debt security issues of €1 billion*	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 17th submitted to the General Shareholders' Meeting)*
Eleven	*Delegation of authority to the Board of Directors to issue Company shares or transferable securities conferring access to the capital of the Company or of one of its subsidiaries, with removal of shareholders' preferential subscription rights as part of a public offering* (1)	*Total nominal value of capital increases: €25 million* (2) *Total nominal value of any debt securities that may be issued: €450 million* (3)	*26 months, until 14 Augus2014*	*You are asked to approve the renewal of this resolution (Resolution 18th submitted to the General Shareholders' Meeting)*

Resolution Nº	Type of delegation or authorisation	Ceiling (€)	Term of authorisation from 14/06/2012	Comments
Twelve	*Delegation of authority to the Board of Directors to issue Company shares or transferable securities conferring access to the capital of the Company or of one of its subsidiaries, with removal of shareholders' preferential subscription rights by private investment governed by Article L. 411-2, section II of the French Monetary and Financial Code* (1)	*Total nominal value of capital increases: €25 million* (2) *Total nominal value of any debt securities that may be issued: €450 million* (3) *Limit: 20% per year of the Company's share capital as calculated as at the date of the Board of Directors' decision to use the delegation*	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 19th submitted to the General Shareholders' Meeting)*
Thirteen	*Delegation of authority to the Board of Directors, in the event of an issue, with removal of shareholders' preferential subscription rights, of shares and transferable securities conferring access to capital, to set the issue price in accordance with the conditions set by the General' Shareholders' Meeting* (1)	*Total nominal value of capital increases: 10% of the Company's share capital (as it exists at the date of decision of the Board of Directors) per 12-month period* (2, 3) *This applies to each issue pursuant to Resolutions 11 and 12 adopted by the General Shareholders' Meeting of 14 June 2012, subject to compliance with the ceiling in the Resolution under which the issue is decided*	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 20th submitted to the General Shareholders' Meeting)*

Resolution Nº	Type of delegation or authorisation	Ceiling (€)	Term of authorisation from 14/06/2012	Comments
Fourteen	*Authorisation to the Board of Directors to increase the number of instruments to be issued, in the event of capital increase with or without removal of shareholders' preferential subscription rights* (1)	*The increase must be made within 30 days of the end of the initial subscription period and may not exceed 15% of the initial issue.* (2, 3) *This applies to each issue pursuant to Resolutions 10, 11, 12, and 13 adopted by the General Shareholders' Meeting of 14 June 2012.* *In the event of a capital increase in which preferential subscription rights are maintained, this authorisation may be used solely to service reducible requests made by shareholders and/or sellers of preferential subscription rights.*	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 21th submitted to the General Shareholders' Meeting)*
Fifteen	*Delegation of authority to the Board of Directors to issue shares and transferable securities conferring access to capital in the event of a public exchange offer initiated by the Company* (1)	*Total nominal value of capital increases: €25 million* (2) *Total nominal value of any debt securities that may be issued: €450 million* (3)	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 22th submitted to the General Shareholders' Meeting)*
Sixteen	*Authorisation for the Board of Directors to issue shares and transferable securities conferring access to capital, with a view to compensating in-kind contributions granted to the Company in the form of shares or transferable securities conferring access to capital* (1)	*Maximum nominal value of capital increases: 10% of the Company's share capital (as at the date of the Board of Directors' decision)* (2) *Total nominal value of any debt securities that may be issued: €450 million* (2)	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 23th submitted to the General Shareholders' Meeting)*

Resolution Nº	Type of delegation or authorisation	Ceiling (€)	Term of authorisation from 14/06/2012	Comments
Seventeen	*Delegation of authority to the Board of Directors to increase the Company's capital by incorporating reserves, profits, premiums or other sums which may be capitalised*	*Maximum nominal value equal to the total sums that may be incorporated into the capital pursuant to the regulations in force*	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 24th submitted to the General Shareholders' Meeting)*
Eighteen	*Delegation to the Board of Directors for the purpose of issuing transferable securities that confer the entitlement to debt securities*	*Maximum nominal value: €300 million*	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 25th submitted to the General Shareholders' Meeting)*
Nineteen	*Authorisation to the Board of Directors to allocate Company shares freely to employees and/or corporate officers of the Company and its subsidiaries*	*The total number of shares allocated free of charge may not represent more than 1% of the Company's share capital (as at the date of the Board of Directors' decision to allocate them)*	*38 months, until 14 August 2015*	*Resolution used* *i) on 21 December 2012: 72,451 bonus shares were allocated to 35 employees of the Company* *ii) on 30 August 2013: 34,000 bonus shares were allocated to 3 employees of the Company*
Twenty	*Delegation of authority to the Board of Directors to execute capital increases reserved for employees who are members of the Company savings plan*	*Maximum nominal value of capital increases: €1 million*	*26 months, until 14 August 2014*	*You are asked to approve the renewal of this resolution (Resolution 28th submitted to the General Shareholders' Meeting)*

Authorisations and delegations granted by the Combined Ordinary and Extraordinary General Shareholders' Meeting of 13 June 2013 to the Board of Directors with respect to issues of shares and securities conferring access to capital were as follows:

Resolution Nº	Type of delegation or authorisation	Ceiling (€)	Term of authorisation from 13/06/2013	Comments
Thirteen	*Authorisation to allow the Board of Directors to purchase, hold and sell Company shares*	*10% of the share capital at any time (this percentage applying to share capital adjusted by transactions subsequent to this General Shareholders' Meeting) or 5% in the case of acquisitions with a view to retaining them or their subsequent delivery in payment or exchange as part of an external growth transaction* *Impossibility of exceeding the threshold of 10% of the share capital on the date in question as a result of the use of the authorisation* *Maximum purchase price of €18 per share* *Maximum amount of the share repurchase plan set at €218,742,914*	*18 months, until 13 December 2014*	*You are asked to approve the renewal of this resolution (Resolution 16th submitted to the General Shareholders' Meeting)*
Fourteen	*Delegation of authority to the Board of Directors to reduce share capital by cancelling shares*	*10% of the capital per 24-month period*	*18 months, until 13 December 2014*	*Resolution used on 23 June 2013 (cancellation of 29,750 shares), 28 August 2013 (cancellation of 41,650 shares) and 19 December 2 013 (cancellation of 84,893 shares).* *You are asked to approve the renewal of this resolution (Resolution 29th submitted to the General Shareholders' Meeting)*

(1) Counts towards the €50 million total ceiling on capital increases and the €1 billion total ceiling on debt securities.
(2) €25 million ceiling on the nominal value of capital increases applies to all Resolutions referenced to this footnote.
(3) €450 million ceiling on the nominal value of debt securities applicable to all resolutions referenced in this footnote.

6.2.2.

Treasury shares held by the issuer or on its behalf, or by its subsidiaries Treasury share repurchase plan

6.2.2.1. Authorisation granted by the Combined General Shareholders' Meeting of 13 June 2013

The authorisation given to the Board of Directors by the Combined Ordinary and Extraordinary General Shareholders' Meeting of 14 June 2012 to repurchase the Company's shares (Resolution Nine) was renewed by the Combined Ordinary and Extraordinary General Shareholders' Meeting of 13 June 2013 by adopting Resolution Thirteen.

The share repurchase plan adopted on 13 June 2013, detailed in paragraph 6.2.2.2 below, can be summarised as follows:

- the Board of Directors is authorised to purchase, hold or transfer shares of the Company, within the limit of the number of shares representing 10% of the existing share capital at any time (this percentage applying to share capital adjusted by transactions subsequent to this General Shareholders' Meeting);
- when the shares are redeemed to boost liquidity (under the conditions set out below), the number of shares used to calculate this 10% limit corresponds to the number of shares purchased, less the number of shares resold over the term of this authorisation;
- the maximum purchase price must not exceed €18 per share. This price may be adjusted in the event of transactions relating to the share capital such as, in particular, the incorporation of reserves followed by the creation and allocation of bonus shares and/or the splitting or grouping of shares;
- the maximum value of funds designated for the repurchase plan is €218,742,914 (calculated on the basis of the share capital at 31 December 2012); and
- authorisation is given for a period of 18 months, beginning on 13 June 2013 and expiring on 13 December 2014.

6.2.2.2. Description of the share repurchase plan pursuant to Articles 241-1 et seq. of the French Financial Markets Authority (AMF) General Regulations

Legal framework

This plan is implemented in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, Regulation (EC) No 2273/2003 of 22 December 2003 and the AMF General Regulations.

It was ratified by the Combined Ordinary and Extraordinary General Shareholders' Meeting of 13 June 2013 by adopting Resolution Thirteen, which reads:

"The General Shareholders' Meeting, acting with the quorum and majority required for Ordinary General Shareholders' Meetings, having reviewed the report of the Board of Directors,

1) *authorises the Board of Directors, in compliance with the conditions and obligations set out in Articles L. 225-209 et seq. of the French Commercial Code, Regulation (EC) No 2273/2003 of 22 December 2003 and the AMF General Regulations, as well as all other laws and regulations that may apply, to purchase or arrange for the purchase of shares of the Company, within the limit of the number of shares representing 10% of the share capital at any time (this percentage applying to share capital adjusted by transactions subsequent to this General Shareholders' Meeting rovided that when the shares are redeemed to maintain liquidity in the market as part of the liquidity contract under the conditions mentioned below, the number of shares taken into account for calculating this 10% limit equals the number of shares purchased, less the number of shares re-sold over the term of this authorisation) or 5% if it involves shares acquired for holding and their subsequent delivery in payment or exchange as part of external growth operations, under the following conditions:*

- *the maximum purchase price may not exceed €18 per share, although this price may be adjusted in the event of capital operations such as, in particular, the incorporation of reserves followed by the creation and free allocation of bonus shares and/or the splitting or grouping of shares;*
- *the maximum amount of funds that the Company may use for this repurchase plan is €218,742,914;*
- *the purchases made by the Company under this authorisation may under no circumstances cause the Company to hold, directly or indirectly at any time, more than 10% of the shares making up the share capital at the date under consideration, and*
- *the shares may be purchased, sold or transferred, including during a public offering of Company shares, under the conditions set out in the applicable legislative and regulatory provisions, by any means; specifically, on regulated markets, multilateral or over-the-counter trading*

systems, including when purchased or sold in blocks, or through derivative financial instruments or transferable securities conferring access to the Company's capital, in accordance with the law and regulations in force on the date of the transactions in question and subject to the time periods estimated by the Board of Directors.

2) decides that these shares may be purchased within the allocation terms specified by law or regulations, the aims of this repurchase plan being:

- *to honour obligations under share option plans, bonus share allocations or other share allocations or sales to employees and/or corporate officers of the Company and its subsidiaries, specifically as part of Company profit-sharing or any share purchase plan or bonus share plan;*
- *to honour obligations relating to transferable securities conferring access to Company shares, by any means, immediately or as futures (including any hedging transactions by virtue of the Company's obligations relating to such transferable securities);*
- *to ensure the liquidity of Company shares through an investment services provider under a liquidity agreement in accordance with the ethics charter of the French Association of Financial Markets (AMAFI) recognised by the French Financial Markets Authority (AMF);*
- *to hold shares for subsequent use as exchange or payment in a possible external growth operation; and*
- *to cancel all or part of the shares thus repurchased as part of a capital reduction decided or authorised by the General Shareholders' Meeting pursuant to Resolution Twenty-One or by any subsequent General Shareholders' Meeting.*

This plan would also be intended to allow the Company to operate for any other purpose authorised or that comes to be authorised by the laws and regulations in force. In such a case, the Company would make a statement to inform its shareholders.

The General Shareholders' Meeting confers all powers to the Board of Directors to decide and implement this authorisation, to specify the terms and procedures for this implementation, to place any stock market orders, enter into any agreements, prepare any documents, particularly information documents, carry out any formalities, including allocating or reallocating the shares acquired for any purpose, and file any declarations with any entity and, generally, to do everything necessary in order to implement this authorisation.

The Board of Directors may, within the limits previously set, sub-delegate the powers granted to it under this Resolution, in accordance with applicable laws and regulations.

This authorisation terminates with immediate effect and replaces the authorisation granted by Resolution Nine of the Ordinary and Extraordinary General Shareholders' Meeting of 14 June 2012 and is valid for a period of 18 months from the date of this General Shareholders' Meeting."

Furthermore, the Combined Ordinary and Extraordinary General Shareholders' Meeting of 13 June 2013 authorised the Board of Directors in Resolution Fourteen to reduce the Company's share capital by cancelling shares, within the limit of 10% of the Company's share capital, by 24-month periods. Resolution Fourteen therefore reads:

"The General Shareholders' Meeting, acting with the quorum and majority required for Extraordinary General Shareholders' Meetings, after having considered the Board of Directors' report and the Statutory Auditors' special report, and acting in accordance with the legislative and regulatory provisions in force and specifically those of Article L. 225-209 of the French Commercial Code:

1) delegates to the Board of Directors all authority to cancel, on one or more occasions, within the limit of 10% of the Company's share capital, by 24-month periods, all or some of the shares of the Company acquired in the context of the share repurchase plan authorised by Resolution Ten submitted to this meeting, or share repurchase plans authorised prior to or after the date of this meeting;

2) decides to allocate any positive difference between the purchase price and the nominal value of the shares to the "Issue premiums" item or to any other available reserves item, including the legal reserve, within the limit of 10% of the capital reduction made; and

3) delegates to the Board of Directors all authority, with the option to delegate under the conditions set out in the legislative and regulatory provisions, to reduce the capital resulting from the cancellation of shares and the aforementioned allocation, and consequently to amend Article 6 of the Company's Articles of Association.

This authorisation terminates with immediate effect and replaces the authorisation granted by Resolution Twenty-One of the Combined Ordinary and Extraordinary General Shareholders' Meeting of 14 June 2012 and is valid for a period of 18 months as from the date of this General Shareholders' Meeting."

Number of securities and proportion of capital held directly or indirectly by the issuer

At 31 December 2013, the Company held 5,589,040 of its own shares, or 4.60% of the share capital. This figure refers to the number of treasury shares held by the Company on 31 December 2013, according to that day's management report.

Breakdown by objective of securities held by the company

At the end of fiscal year 2013, the 5,589,040 shares held by the Company were distributed as follows:

- 62,723 shares, or 1.12% of the treasury shares held (representing 0.052% of the Company's share capital) were held under a liquidity contract; and
- 5,526,317 shares or 98.88% of treasury shares (representing 4.55% of the Company's share capital) were held as part of the Company's share retention objective with a view to their subsequent use in payment or exchange as part of potential external growth operations. Of these shares, 115,107 or 2.06% of treasury shares (representing 0.095% of the share capital) are allocated for cancellation.

Since 1 January 2013, 158,673 shares have been cancelled as part of plans for the allocation of bonus shares to Company employees.

Objectives of the new repurchase plan submitted to the general shareholders' meeting of 12 june 2014

The authorisation given to the Board of Directors by the Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 13 June 2013 should be renewed by the adoption, if ratified, of Resolution Thirteen. The purpose of the new programme will be:

- to honour obligations under share option plans or other share allocations to employees and/or corporate officers, specifically as part of (a) company profit-sharing, (b) any share purchase plan or bonus share allocation for employees under the conditions laid down by law, in particular Article L. 3331-1 et seq. of the French Labour Code (including any sale of shares referred to in Article L. 3332-24 of the French Labour Code), or (c) any share option plan or bonus share allocation for employees and corporate officers or for some of them;
- to honour obligations relating to transferable securities conferring access to Company shares, by any means, immediately or as futures (including any hedging transactions by virtue of the Company's obligations relating to such transferable securities);
- to ensure the liquidity of Company shares through an investment services provider under a liquidity agreement in accordance with the ethics charter recognised by the AMF;
- to hold shares for subsequent use as exchange or payment in a potential external growth operation; and
- to reduce the Company's capital.

Maximum share of capital, maximum number and characteristics of securities, maximum purchase price

Securities concerned

The repurchase plan concerns Company shares (ISIN code FR0000051070), traded on Euronext Paris (compartment A).

Maximum share of capital

No more than 10% of the total number of shares making up the Company's share capital may be purchased, it being stated that:

- the number of shares purchased by the Company to hold for use as payment or exchange in a merger, demerger or capital contribution may not exceed 5% of its share capital, in accordance with the provisions of Article L. 225-209, paragraph 6 of the French Commercial Code, i.e. 6,076,509 shares at the date of this publication; and
- this limit refers to the Company's share capital which may, if necessary, be adjusted to account for subsequent transactions affecting the share capital that take place after the General Shareholders' Meeting of 12 June 2014; under no circumstances may the purchases made by the Company cause it to hold, directly or indirectly, more than 10% of its share capital.

Purchase price

The Company may not pay more than €18 per share for its treasury shares.

Repurchase procedures

Such shares may be purchased, sold or transferred by any means, i.e. on the market or over-the-counter operations, including by the purchase or sale of blocks, financial instruments, particularly derivatives traded on regulated or over-the-counter markets, such as buy or sell options or any combination thereof, excluding call options or warrants to do so, under the terms authorised by the competent market authorities and within the time periods estimated by the Company's Board of Directors. The maximum share capital purchased or transferred as blocks may be the total authorised amount for the plan.

Such transactions may be executed at any time in accordance with the applicable regulations, including during any public offering, subject to the laws and regulations governing such operations.

Duration of the repurchase plan

The duration of this share repurchase plan is 18 months from the General Shareholders' Meeting of 12 June 2014, i.e. until 12 December 2015.

Report on preceding plans

During the past fiscal year, the Company made use of its share repurchase plan (share repurchase agreement and liquidity contract):

Situation as at 31/12/2013	
Percentage of capital held as treasury shares	4.60%
Number of shares cancelled in the past 24 months (396,649)	0.326%
Number of shares held in portfolio	5,589,040
Carrying value of the portfolio in €	€70,860,487.67
Market value of the portfolio in €	€64,201,861.38
(Based on the weighted average share price in December 2013 of: €11.487)	-

From 1 January to 31 December 2013, the repurchased shares were subject to the following movements:

- 158,673 shares (of the 396,649 cancelled during the previous 24 months) cancelled;
- 38 shares issued as part of the conversion of 32 OCEANE 2014 bonds; and
- no shares issued for OCEANE 2015 because no conversion requests were received.

The execution report of the preceding plans undertaken between 1 January and 31 December 2013 under the liquidity contract is as follows:

	Total gross flows*		Positions open on the date that the plan was published			
	Purchases	Sales/ transfers	Open buy positions		Open sell positions	
Number of securities	1,994,832	1,963,326	-	-	-	-
Average maximum term	-	-	-	-	-	-
Average transaction price	12.59392	12.655275	-	-	-	-
Average strike price	-	-				
AMOUNTS	25,122,754.62	24,846,430.44	-	-	-	-

** Total gross flows include cash purchases and sales as well as exercised or expired options and futures*

At the Combined Ordinary and Extraordinary General Shareholders' Meeting of the Company on 12 June 2014, shareholders will be asked to renew the authorisation to allow the Board of Directors to purchase, hold or transfer Company shares.

6.2.3.

Convertible or exchangeable securities and warrants

OCEANE 2014 bonds

On 7 July 2009 the Company issued, with removal of preferential subscription rights, bonds with an option to convert to and/or exchange for new or existing shares, maturing on 31 July 2014, with a total nominal value of €297,562,496.40. This loan represented 19,074,519 bonds with a nominal value of €15.60 each (OCEANE 2014, ISIN code FR0010775098).

Between their issue date and 31 December 2009, 1,266 OCEANE 2014 bonds were converted into 1,266 existing treasury shares, based on a conversion ratio of one share per bond.

During fiscal year 2010, 265 OCEANE 2014 bonds were converted into 270 existing treasury shares, based on a conversion ratio of 1.02 shares per bond.

During fiscal year 2011, 9,383 OCEANE 2014 bonds were converted into 9,571 existing treasury shares, based on a conversion ratio of 1.02 shares per bond.

In January 2012, a request to convert 2,340 bonds was made to the Company to obtain 2,854 shares, the conversion ratio being 1.22 shares per OCEANE bond. No other conversion took place during fiscal year 2012.

Between 1 January and 31 December 2013, the Company received requests to convert 32 OCEANE 2014 bonds to obtain 38 existing treasury shares, the conversion ratio being 1.22 shares per bond. No other conversion took place during the fiscal year.

OCEANE 2015 bonds

On 28 July 2010, the Company launched an issue, reserved for qualified investors, of bonds with an option to convert and/or exchange for new or existing shares, maturing on 31 July 2015, with a nominal value of approximately €65 million, increased to approximately €70 million after the full exercise of the over-allocation option.

This bond issue is represented by 5,511,812 bonds issued at a price of €12.70 per bond (OCEANE 2015, ISIN code FR0010921916).

Between their issue date and 31 December 2010, there have been no conversions of OCEANE 2015 bonds.

At 30 November 2011, 100,000 OCEANE 2015 bonds were converted into 100,000 existing treasury shares, based on a conversion ratio of one share per bond.

In April and July 2012, a total of 1,300 OCEANE bonds were converted to 1,547 existing treasury shares, based on a conversion ratio of 1.19 shares per bond. No other conversion took place during the fiscal year.

The Company received no conversion requests between 1 January and 31 December 2013.

Share subscription warrants

By a decision of the Board of Directors dated 7 April 2010, the Company proceeded with the bonus allocation of share subscription warrants. Each shareholder was therefore allocated one share subscription warrant per share held (as registered at the close of business on 18 May 2010), totalling 121,252,271 share subscription warrants, with 10 share subscription warrants carrying the right to subscribe to one new Company share at a strike price of €14.20. The share subscription warrants, which were issued to shareholders on 19 May 2010, may be exercised at any time between 19 May 2010 and 30 June 2014 inclusive. If all share subscription warrants are exercised, the Company would thus bolster its equity up to a maximum amount of €172,178,223.40.

At 31 December 2010, 527,300 share subscription warrants had been exercised, resulting in the creation of 52,730 new shares. Between 1 January and 31 December 2011, 1,887,830 share subscription warrants were exercised and 188,783 new shares were created. During the course of fiscal year 2012, 196,150 share subscription warrants were exercised, resulting in the creation of 23,617 new shares, taking adjustments into account and the allocation ratio of 1.19 shares for 10 share subscription warrants. The capital increase resulting from the exercise of 39,690 share subscription warrants was not recorded for legal and accounting purposes until 10 January 2013.

Between 1 January and 31 December 2013, 110,180 share subscription warrants were exercised.

- between 1 January and 30 November 2013, 109,330 share subscription warrants were exercised which, taking into account adjustments and the allocation rate of 1.19 shares for 10 share subscription warrants, resulted in the creation of 13,018 new shares (6,690 shares created as part of the capital increase formally enacted by the Chairman and Chief Executive Officer on 15 April 2013 and 6,328 shares created as part of the capital increase formally enacted by the Chairman and Chief Executive Officer on 2 December 2013); and
- between 1 and 31 December 2013, 850 share subscription warrants exercised resulted in the creation of 100 new shares formally recognised by the Chairman and Chief Executive Officer in 2014.

As at 31 December 2013, there remained 112,610,601 unexercised share subscription warrants.

Since 15 December 2011, the rights of holders of OCEANE 2014 and OCEANE 2015 bonds and those of share subscription warrant holders have been adjusted. The conversion rates (for the OCEANE bonds) and allocations (for the share subscription warrants) are as follows:

OCEANE 2014: 1.22 shares for 1 OCEANE 2014 bond

OCEANE 2015: 1.19 shares for 1 OCEANE 2015 bond

Share subscription warrants: 1.19 shares for 10 share subscription warrants.

6.2.4.

Share capital history

The table below shows the change in the share capital of Maurel & Prom during fiscal year 2011.

Dates and transactions		Change in capital		Total share capital after transaction	Total number of shares outstanding
		Nominal value of the transaction	Number of shares		
04/01/2011	Capital increase for exercise of share subscription warrants	€6,238.54	8,102	€93,404,850.77	121,305,001
25/05/2011	Capital increase for exercise of share subscription warrants	€21,100.31	27,403	€93,425,951.08	121,332,404
19/06/2011	Capital increase (bonus share plan)	€39,270.00	51,000	€93,465,221.08	121,383,404
19/06/2011	Cancellation of treasury shares	(€39,270.00)	(51,000)	€93,425,951.08	121,332,404
28/06/2011	Capital increase for exercise of share subscription warrants	€32,269.16	41,908	€93,458,220.24	121,374,312
04/10/2011	Capital increase for exercise of share subscription warrants	€18,033.40	23,420	€93,476,253.64	121,397,732
14/12/2011	Capital increase for exercise of share subscription warrants	€73,767.54	95,802	€93,550,021.18	121,493,534
15/12/2011	Capital increase (bonus share plan)	€111,676.95	145,035	€93,661,698.13	121,638,569
15/12/2011	Cancellation of treasury shares	(€111,676.95)	(145,035)	€93,550,021.18	121,493,534

The table below shows the change in the share capital of Maurel & Prom during fiscal year 2012.

Dates and transactions		Change in capital: Nominal value of the transaction	Change in capital: Number of shares	Total share capital after transaction	Total number of shares outstanding
31/05/2012	Capital increase on exercise of share subscription warrants	€14,553	18,900	€93,564,574.18	121,512,434
20/12/2012	Capital increase (bonus share allocation plan)	€183,241.52	237,976	€93,747,815.70	121,750,410
20/12/2012	Cancellation of treasury shares	(€183,241.52)	(237,976)	€93,564,574.18	121,512,434

The table below shows the change in the share capital of Maurel & Prom during fiscal year 2013.

Dates and transactions		Change in capital: Nominal value of the transaction	Change in capital: Number of shares	Total share capital after transaction	Total number of shares outstanding
10/01/2013	Capital increase on exercise of share subscription warrants	€3,632.09	4,717	€93,568,206.27	121,517,151
15/04/2013	Capital increase on exercise of share subscription warrants	€5,151.30	6,690	€93,573,357.57	121,523,841
13/06/2013	Capital increase (bonus share allocation plan)	€22,907.50	29,750	€93,596,265.07	121,553,591
13/06/2013	Cancellation of treasury shares	(€22,907.50)	(29,750)	€93,573,357.57	121,523,841
28/08/2013	Capital increase (bonus share allocation plan)	€32,070.50	41,650	€93,605,428.07	121,565,491
28/08/2013	Cancellation of treasury shares	(€32,070.50)	(41,650)	€93,573,357.57	121,523,841
02/12/2013	Capital increase on exercise of share subscription warrants	€4,872.56	6,328	€93,578,230.13	121,530,169
19/12/2013	Capital increase (bonus share allocation plan)	€65,367.61	84,893	€93,643,597.74	121,615,062
19/12/2013	Cancellation of treasury shares	(€65,367.61)	(84,893)	€93,578,230.13	121,530,169

6.2.5.

Potential capital dilution

The table below shows the maximum potential dilution of the Company's share capital resulting from the conversion or exercise of all securities conferring access to the Company's share capital existing as at 1 January 2014 (OCEANE 2014 bonds, OCEANE 2015 bonds, share subscription warrants) or the allocation of bonus shares:

Capital as at 31 December 2013	€93,578,230.13	121,530,169

	Allocation date	Acquisition date	Number of potential shares	Potential dilution
Bonus shares	21/12/2012	21/12/2014	72,451	0.060%
Bonus shares	30/08/2013	30/08/2015	34,000	0.028%
TOTAL bonus shares	-	-	106,451	0.088%

	Allocation date	Conversion expiration	Number of potential shares	Potential dilution
Share subscription warrants Balance as at 31 December 2013: 112,610,601	19/05/2010	30/06/2014	13,400,662	11.027%
TOTAL share subscription warrants	-	-	13,400,662	11.027%

	Issue date	Conversion expiration	Number of potential shares	Potential dilution
OCEANE 2014 bonds Balance as at 31 December 2013: 19,061,233	07/07/2009	31/07/2014	23,254,705	19.135%
OCEANE 2015 bonds Balance as at 31 December 2013: 5,410,512	08/07/2010	31/07/2015	6,438,509	5.298%
TOTAL OCEANE	-	-	29,693,214	24.433%
TOTAL share subscription warrants + OCEANE	-	-	43,093,876	35.46%
TOTAL including bonus shares (note that bonus shares will have no dilutive impact because the number of treasury shares cancelled will be the same as the number of shares issued and bonus shares granted)			43,093,876 + 106,451 43,200,327	35.548%

6.3. Charter and Articles of Association

The following information:

- corporate purpose;
- provisions relating to administrative and management bodies;
- conditions for exercising voting rights – double voting rights;
- disposal and transfer of shares;
- procedure for modifying shareholders' rights;
- Shareholders' Meeting notices and conditions of admission;
- statutory thresholds; and
- rights and obligations attached to each share class;

is included in the Company's Articles of Association and available on the website: www.maureletprom.fr

The Company's Articles of Association were amended during the General Shareholders' Meeting of 29 June 2011 to take into account the changes pursuant to the Decree of 23 June 2010 and Order No 2010-1511 of 9 December 2010.

They were further amended to permit the distribution of Maurel & Prom Nigeria shares to the Company's shareholders.

They were also amended (i) by the Board of Directors' decision of 27 March 2013 to transfer the Company's registered office, as ratified by the Combined Ordinary and Extraordinary General Shareholders' Meeting of 13 June 2013, and (ii) by the decision of the same General Shareholders' Meeting on the same date to amend Article 17 relating to the physical offices of the Board of Directors.

6.3.1.

Corporate purpose

The Company's corporate purpose is described in Article 3 of its Articles of Association. The Company has the following purpose, both in France and abroad:

- the management of all shares and membership rights and, to this end, the acquisition of interests in any company, group or association, particularly by way of purchase, subscription and contribution, as well as the sale in any form of said shares or membership rights;
- the prospecting and exploitation of all mineral deposits, particularly liquid or gaseous hydrocarbon deposits and related products;
- the leasing, acquisition, transfer and sale of all wells, land, deposits, concessions, operating permits and prospecting permits, either on its own account or on behalf of third parties, whether by participation or otherwise, and the transportation, storage, processing, transformation and trading of all natural or synthetic hydrocarbons, all liquid or gaseous products or by-products of the subsoil, and all minerals or metals;
- the acquisition of any buildings and their management or sale;
- trading in all products and commodities; and
- generally speaking, the Company's direct or indirect participation in all commercial, industrial, real estate, agricultural and financial transactions, in France or other countries, either by the formation of new companies or by the contribution, subscription or purchase of shares or membership rights, merger, joint venture or otherwise, and generally all transactions of any kind whatsoever directly or indirectly related to these activities and likely to facilitate development or management.

6.3.2.

Provisions relating to administrative and management bodies

At its meeting of 29 March 2012, the Company's Board of Directors updated the Bylaws which its members had unanimously approved on 31 March 2010.

These Bylaws reprise and set out certain articles in the Articles of Association including membership of the Board and the concept of independent director, the operating rules, missions, rights and obligations incumbent on directors laid down in a "charter", the appointment and role of observers and the membership and remits of the Audit and Risk Committee and the Appointments and Compensation Committee.

Since the Company has not adopted any specific rules limiting or preventing members of the Board of Directors from trading in the Company's shares, the relevant statutory provisions and regulations apply. It has also adopted a code of conduct to prevent insider trading (see paragraph 3.2.2.2.7 of this Annual Report).

6.3.3.

Rights, privileges and restrictions attached to each class of existing shares

At all General Shareholders' Meetings, every shareholder who is a member of such meetings has as many votes as the shares that he/she owns or represents, without any limitations other than those arising from statutory provisions.

Each share entitles the holder to one vote. A double voting right is conferred upon the holders of fully paid-up registered shares who are able to prove that they have been shareholders for at least four years without interruption. Furthermore, in the event of a capital increase through the capitalisation of reserves, profits or issue premiums, the double voting right is conferred – immediately upon the issue of any registered shares allocated free of charge – to a shareholder who had old shares benefiting from this same entitlement.

This double voting right will automatically lapse in respect of any shares that were able to be converted into bearer shares or transferred, but it may be reinstated if the new holder of the shares can prove that he/she has been their registered holder for at least four years.

Nevertheless, any transfer from registered share to registered share following an "ab intestate" succession or testamentary succession or division of jointly owned assets or joint property as between spouses shall not interrupt the above four-year period or shall retain the acquired right. The same applies in the case of inter-vivos gifts between living persons in favour of a spouse or of a relative entitled to inherit.

Details of double voting rights are given in the share ownership tables in paragraph 5.1 of this Annual Report.

6.3.4.

Necessary procedures for modifying shareholders’ rights

Any amendment to the Articles of Association must be decided or authorised by the General Shareholders’ Meeting, acting with the quorum and majority required by the legislative or regulatory provisions in force for Extraordinary General Shareholders’ Meetings.

6.3.5.

Provisions to delay, defer or prevent a change of control

Statutory restrictions on the exercise of voting rights

Article 10 of the Articles of Association, which also appears in paragraph 6.3.6 of this Annual Report, deprives any shareholder of the right to vote who has not declared to the Company that they have exceeded a threshold of 2% of the capital or voting rights or any multiple of this 2% threshold, with respect to the shares exceeding the percentage which should have been declared. This restriction may, as the case may be, have an impact in the event of a public offering.

Agreements modified or terminated in the event of a change in control of the company

The Group draws the attention of investors to the fact that the OCEANE 2014 and OCEANE 2015 bonds, described in paragraph 1.4.1 of this Annual Report, each contain a change in control clause, stipulating that any bearer may request the early repayment of his/her bonds in cash in the event of a change in control of the Company.

The Credit Agreement and Bank Facility described in paragraph 1.4.1 of this Annual Report also contain a change in control clause which, if the majority of the lenders so decide, means that the credit arrangements granted to the Company may be cancelled and the immediate repayment of each line of credit may be demanded in the event of a change in control of the Company.

Above all, the Group draws the attention of investors to the regulatory and contractual environment inherent to the Group’s activities in the hydrocarbon sector, described in paragraph 2.3.3 of this Annual Report, which, in certain jurisdictions, includes provisions that may apply in the event of a change of control of the Company (notably in Gabon, Tanzania, the Congo and Mozambique).

With respect to Gabon in particular, pursuant to Decree 0673/04/MECIT dated 16 May 2011 relating to the application of the investment charter to foreign investments in the Republic of Gabon, the direct or indirect acquisition, by a foreign investor, of control of a company which has its registered office in Gabon and which carries out activities related to the research and exploitation of mines and hydrocarbons, is subject to prior authorisation of the Gabonese Minister for the Economy, who has two months from the date on which the authorisation request is received to rule on it. The authorisation may, in certain circumstances, be accompanied by conditions aimed at ensuring that the proposed investment does not harm national interests. If the authorisation is refused, the Minister must explain the reasons for doing so. If a foreign investment is found to have been made in violation of these provisions, activity will be immediately suspended until authorisation is obtained.

Such regulatory or contractual constraints are generally applicable to players in the industry. However, the following observations should be made:

- change in control clauses are not all of equal importance and should be assessed according to several criteria such as penalties for failure to comply (suspension of activity, invalidity of the transfer in control, right of pre-emption or call for additional guarantees), local practice (notably the frequency of objections effectively made in practice by the relevant government body), the identity and financial resources of the new controlling shareholder (certain authorisations are more concerned with defending national interests) and, above all, the proportion represented by the Company’s activities exercised in the respective jurisdiction out of all activities exercised by the Company;
- in some jurisdictions, contracts concluded with the government authorities contain a stabilisation clause preventing the application of a regulation, when it is less favourable for the investor, which postdates the regulation in force on the date that the contract was concluded; and

- lastly, even if the penalty for failure to comply with the change in control clause is the suspension of activity in the jurisdictions in question or the transfer in control being rendered invalid, the Group emphasises that these penalties are, to its knowledge, rarely applied in practice, and are more often than not subject to discussions with the competent authorities. With this in mind, the Group strives to maintain good relations with the authorities in the countries in which it operates.

6.3.6.

Declarations of thresholds exceeded

In addition to the thresholds provided by the applicable legal and regulatory provisions, any individual or legal entity, acting alone or in concert, that comes to hold, directly or indirectly, a number of shares representing a percentage of the capital or voting rights equal to or greater than 2%, or a multiple of 2%, as long as it does not hold, alone or in concert, a total number of shares representing more than two thirds of the Company's capital and voting rights, must inform the Company of the total number of shares conferring entitlement to the Company capital that it owns, by registered mail with acknowledgement of receipt sent to the registered office within a period of five trading days from the date on which the aforementioned ownership thresholds are exceeded.

At the request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders holding at least 2% of the Company's capital or voting rights, any failure to comply with this obligation shall be penalised, with respect to the shares exceeding the percentage that should have been declared, by the withdrawal of the right to vote at any General Shareholders' Meeting that may be held until the end of a two-year period following the date on which the notification was formally recorded.

The same duty of information applies, with the same timescale and under the same conditions, each time the fraction of capital or voting rights held by a shareholder falls below one of the thresholds mentioned above.

In order to identify the owners of bearer shares, the Company is at all times entitled, in accordance with the conditions and the methods laid down by the legal and regulatory provisions, to request that the central depository keeping its share issue account disclose the identity of the owners of shares conferring immediate or future voting rights at General Shareholders' Meetings, as well as the number of shares held by each of them and, if applicable, any restrictions relating to the shares.

6.3.7.

Provisions of the Articles of Association reinforcing the laws governing changes to share capital

The Company's share capital may only be changed in accordance with the laws and regulations in force. The law takes precedence over any provision of the Articles of Association, Charter or Bylaws in matters concerning changes to the Company's share capital.

6.3.8.

Disposal and transfer of shares

Subject to the legal and regulatory provisions, the shares are freely transferable. The shares are registered in an account and are transferred by means of a transfer from one account to another.

7 OTHER INFORMATION ABOUT THE GROUP

7.1. Transactions with related parties

Beyond its traditional holding business, through technical and general assistance contracts, cash centralisation and current account advances, Maurel & Prom has not rendered any specific services to its subsidiaries either during 2013 or during the two previous fiscal years, except for providing employees to its subsidiaries (M&P Congo in the Congo, Maurel & Prom Colombia BV in Colombia, Maurel & Prom Gabon in Gabon). This provision was re-invoiced at cost plus a margin.

The Statutory Auditors' special report on regulated commitments and agreements in paragraph 8.3 of the 2012 Annual Report (p. 248-251).

With the exception of the transactions mentioned in the paragraphs above, no other transaction has been concluded with related parties since the beginning of fiscal year 2013.

7.2. Litigation and arbitration

The main disputes in which the Company or its subsidiaries are involved are described below.

With the exception of the disputes described below, no other governmental, legal or arbitration proceeding exists, including any proceeding of which the Company is aware, whether pending or threatened, that could have or that has had significant effects on the financial position or profitability of the Company and/or the Group over the course of the last twelve months.

7.2.1.

Ecopetrol dispute

As part of the sale of its subsidiary Hocol to Ecopetrol in 2009, the Company, under the terms of the underlying sale, benefits from a price supplement of up to US$50 million based on the assessment of the reserves at the Niscota field in Colombia. This assessment was in principle to be done on 31 December 2012 and confirmed by an independent expert appointed jointly by the Company and Ecopetrol.

In its financial statements dated 31 December 2011, Ecopetrol recorded a debt in the amount of US$27.3 million in respect of this price supplement. Maurel & Prom asked Ecopetrol for the basis on which it calculated this valuation and for any information contained in the Hocol sale contract that might help value the change in reserves at the Niscota field and their level at 31 December 2012.

As Ecopetrol did not submit this information on time, the Company was not able to assess the level of reserves at the Niscota field before the end of 2012, or to appoint an independent expert as specified in the Hocol sale contract. Consequently, in December 2012 the Company initiated proceedings against Ecopetrol at the International Chamber of Commerce to set the amount of the price supplement mentioned above. The arbitration tribunal is expected to hear the case in June 2014.

7.2.2.

Update on other disputes

Messier Partners dispute

Messier Partners, a financial advisory company, to which the Company had entrusted a mission for financial assistance, filed a lawsuit in 2007 against the Company in order to obtain payment of a performance fee following the conclusion of the sales agreement with Eni. All of the claims made by Messier Partners within the context of these proceedings amounted to €14.7 million. The court ruled partially in favour of Messier Partners in the first instance and the Company was ordered to pay Messier Partners the sum of €5.6 million. The Company appealed this ruling. The Paris Court of Appeal, in a ruling dated 5 March 2009, overturned all provisions of the ruling issued on 18 December 2007 by the Paris Commercial Court, on the one hand by dismissing all of the claims brought by Messier Partners and on the other hand by ordering Messier Partners to pay procedural costs related to the first hearing and the appeal, and to pay €50,000 for unrecoverable costs.

Messier Partners lodged an appeal with the Court of Cassation on 6 May 2009. Under the terms of a ruling dated 4 May 2010, the Court of Cassation quashed the ruling of the Paris Court of Appeal and referred the case to the same court. In a ruling dated 24 November 2011, the Paris Court of Appeal ordered the Company to pay Messier Partners the sum of €5.6 million plus the statutory interest. The Company is appealing the ruling.

On 4 June 2013, the Court of Cassation dismissed the appeal.

7.3. Property, plant and equipment

With the exception of one building located in Gabon, no company in the Group owns any buildings.

The Company's registered office is under commercial lease.

The Group is co-owner, with its partners, of the equipment and facilities necessary for producing hydrocarbons at the fields it operates for the duration of their exploitation, as well as certain pipelines used to deliver crude oil to the point of extraction.

7.4. Research and development, patents and permits

The Group does not conduct research and development and does not own any patents or significant permits.

7.5. Information from third parties, declarations of experts and declarations of interests

Any information relating to the hydrocarbon reserves and resources of the Group provided in this Annual Report is founded on the certification or evaluation of independent experts, whose names are given in paragraph 1.2 of this Annual Report.

7.6. Publicly available documents

Generally speaking, the Articles of Association, the minutes of General Shareholders' Meetings, the Statutory Auditors' reports and other corporate documents related to Maurel & Prom may be consulted at the Company's registered office: 51, rue d'Anjou – 75008 Paris.

The nature of these documents and the conditions for delivering or making them available are established by the applicable laws and regulations.

Financial notices are published regularly in the economic and financial press for communications of sales data, results and other significant events in the life of the Company or the Group.

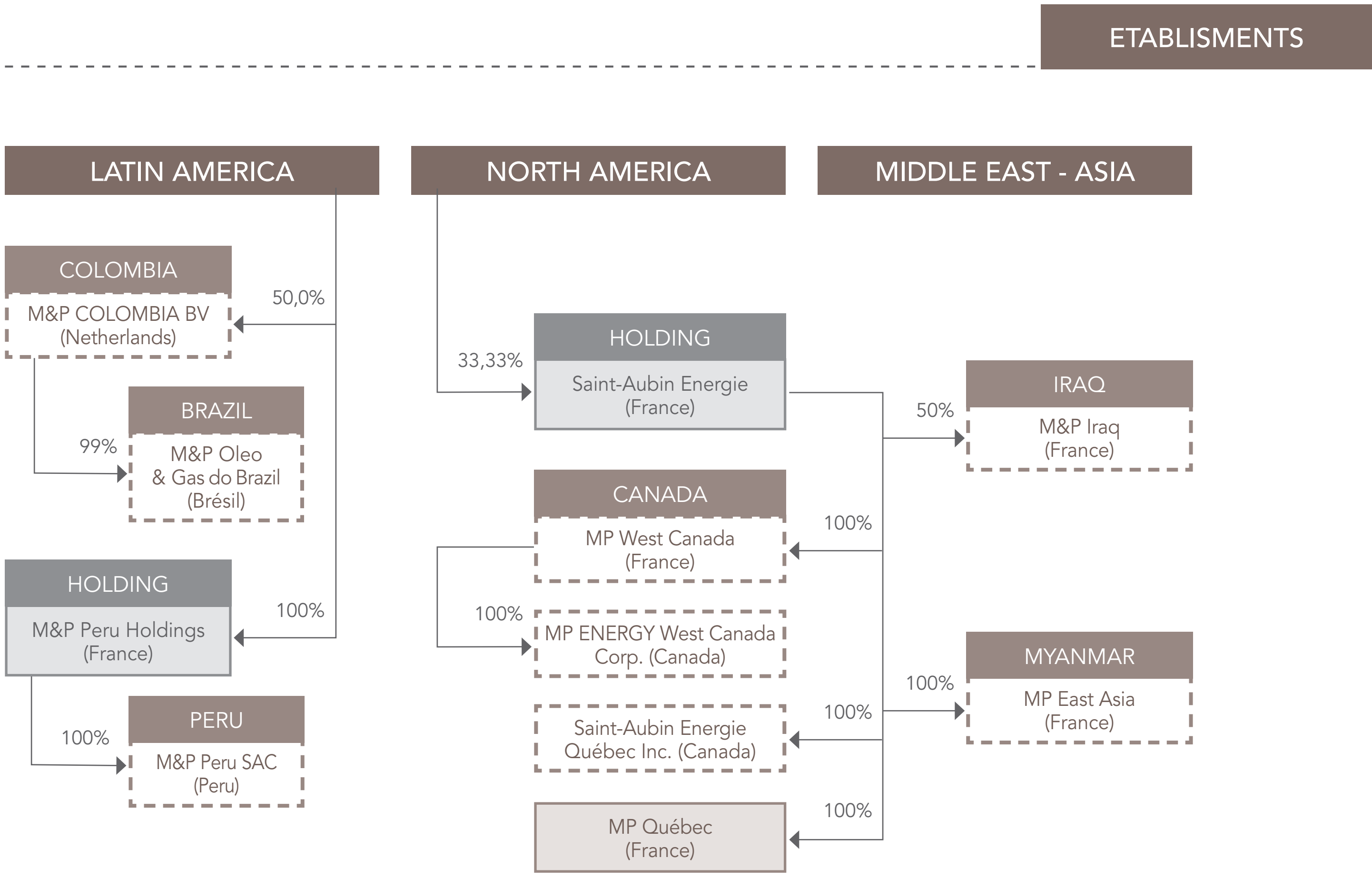
Information on the Company is available on the website www.maureletprom.fr, which allows shareholders, employees and the general public to access a general presentation of the Group and its key financial information, such as results, press releases, annual reports, presentations to analysts, share prices, key figures, information on shareholders and corporate governance and all other significant events concerning the Company and the Group.

For information:

Press, shareholder and investor relations
Tél : +33 1 53 83 16 45
Email : ir@maureletprom.fr

7.7. Organisation chart

Group organisation chart as at 31 December 2013

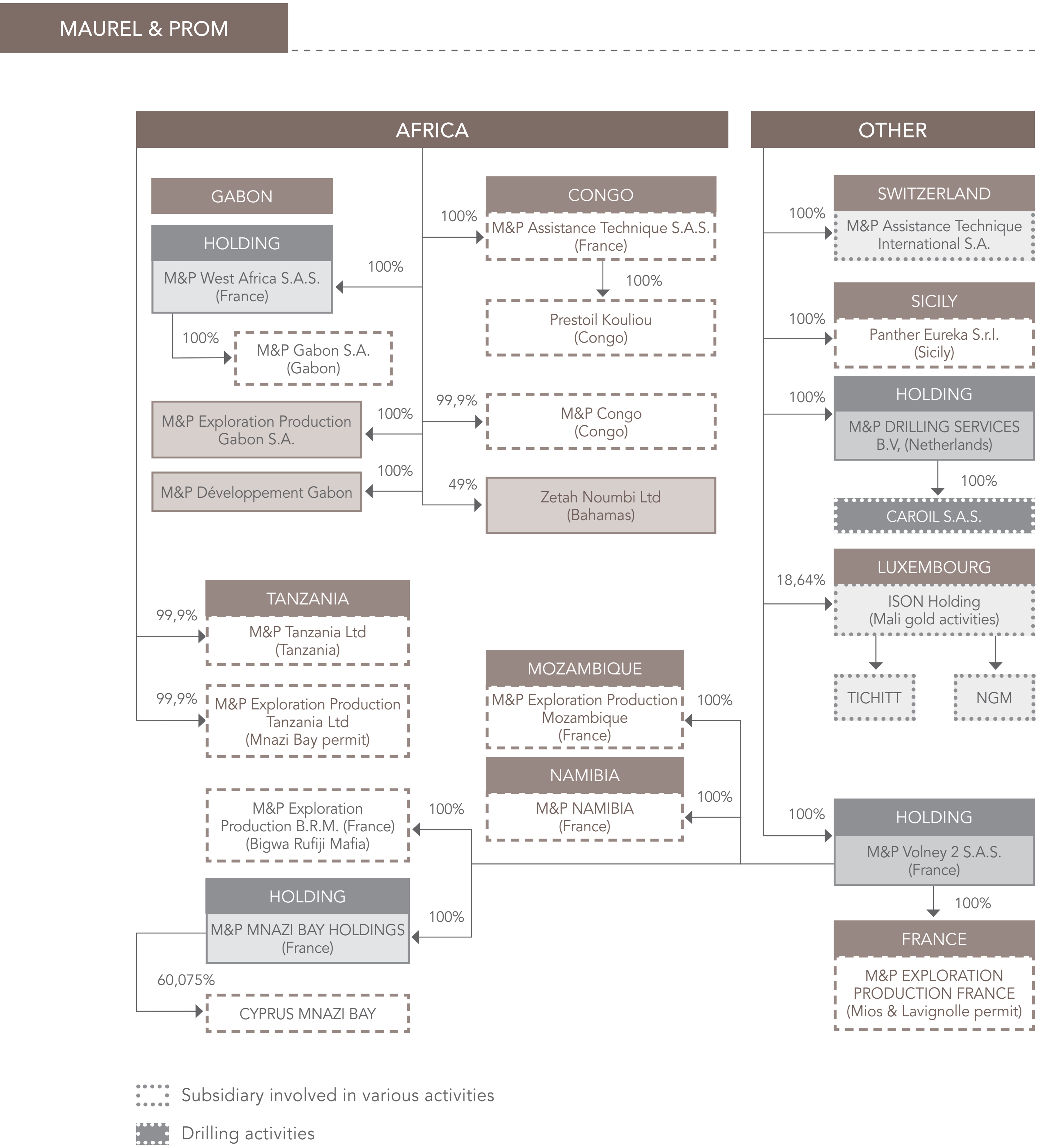


Company with no immediate activity

Holding

Subsidiaries engaged in liquid or gas hydrocarbon exploration and production

Organisation chart



7.8. Other Group activities

7.8.1.

Gold

In July 2012, the Company acquired the entire share capital of Ison Holding SARL, a company incorporated under Luxembourg law.

On 20 July 2012, it launched a capital increase in which some new partners participated. For its part, the Company subscribed to 5,323,968 new company shares (nominal value of €0.01), paying for them in kind through the contribution of shares (26%) that it held in the capital of New Gold Mali (NGM).

The Company no longer holds any shares in NGM and its gold activities are now limited to its 18.64% stake in ISON HOLDING SARL.

7.8.2.

Registered office

The teams at the registered office have rallied strongly to support development and production operations at the Onal field (in Gabon) as part of the partnership with MPI.

7.8.3.

Maurel & Prom Assistance Technique International

The company Maurel & Prom Assistance Technique International is entirely devoted to managing the majority of the personnel dedicated to international activities.

8.1. Glossary

The table below contains a list of the main terms, acronyms and abbreviations used in the Annual Report.

bbl (barrel)	*Unit of volumetric measurement for crude oil, equivalent to 159 litres (42 US gallons). One tonne of oil contains approximately 7.5 barrels.*
bbl/d	*Barrels per day.*
bopd	*Barrel of oil equivalent per day.*
Brent	*Class of North Sea oil.*
Kboe	*Thousands of barrels of oil equivalent.*
Mboe	*Millions of barrels of oil equivalent.*
PSC Production Sharing Contract	*Contract signed by the government and the company operating under the permit. This contract determines all the rights and obligations of the operator, in particular the percentage of cost oil (so that the operator can be reimbursed for exploration and development costs borne by the operating company) and the share of the profit oil (remuneration).*
EPSC	*Exploration and production sharing contract*
Drilling	*Drilling consists of creating a passage through the surface of the earth in order to take samples from the subsoil or extract fluids. Originally, drilling was always performed vertically. Today, however, when drilling cannot be done vertically, it is done at an angle, whether directed or not towards specific objectives, as in directional drilling.*
HSE	*Health, Safety and Environment.*
MPI	*Public limited company with its registered office at 51, rue d'Anjou - 75008 Paris, and listed in the Paris Trade and Companies Register (RCS) under number 517 518 247.*
Mcf	*Million cubic feet.*
Oil pipeline	*Pipeline for transporting fluids.*
OML	*Oil Mining Licence.*
Operator	*The company in charge of operations on an oil field.*
Annual production	*The production available for sale (after oil taxes).*
Operated production	*The total production of a field, before production sharing.*
Maurel & Prom production share/own share	*The production realised minus the share of partners.*
Maurel & Prom production share net of royalties	*Maurel & Prom's production share after deducting royalties.*

Glossaire

Production available for sale after oil taxes/entitlements	*Maurel & Prom's net share of production after royalties and oil taxes. This is the production sold.*
Royalties	*In-kind oil taxes corresponding to a percentage of a field's production.*
Assessed reserves	*Maurel & Prom's share of reserves, as assessed by an independent expert, after deducting royalties in kind, and before the taxes applicable to each type of contract (production sharing, concession).*
Net reserves	*The proportion of total reserves from fields reverting to the Company (according to its interest share), taking into consideration the stipulations of the production sharing contract for the cost oil and profit oil.*
Reserves net of royalties	*The total reserves of a field after deducting royalties.*
P1 reserves (proven)	*Gas and oil reserves "reasonably certain" of being produced using current technology, at current prices, with current commercial terms and government consent. In the industry, these are also known as P1 reserves. Some industry specialists refer to them as P90 reserves, because they have at least a 90% chance of being produced.*
P2 reserves (probable)	*Gas and oil reserves "reasonably probable" of being produced using current technology, at current prices, with current commercial terms and government consent. In the industry, these are also known as P2 reserves. Some industry specialists refer to them as P50 reserves, because they have at least a 50% chance of being produced.*
P3 reserves (possible)	*Gas and oil reserves defined as "having a chance of being developed under favourable circumstances". In the industry, these are also known as P3 reserves. Some industry specialists refer to them as P10 reserves, because they have at least a 10% chance of being produced.*
Resources	*Reserves that do not yet have any contractual commercial outlet.*
C1+C2 resources	*Recoverable quantities of hydrocarbons associated with fields that have been discovered but not yet developed and/or connected to a production centre or for which there is no approved budget.*
Rig	*Drilling apparatus.*
2D/3D seismic survey	*Geophysical surveying method consisting of sending sound waves into the subsoil and recording their propagation, thus making it possible to obtain information on the structure of the subsoil.*

8.2. Consolidated financial statements at 31 december 2013

8.2.1.

Consolidated financial statements at 31 december 2013

Contents

I. Statement of financial position

Assets

In thousands of euros	Note	31/12/2013	31/12/2012*	01/01/2012*
Intangible assets	4	431,655	441,533	411,129
Property, plant and equipment	5	965,248	870,778	739,546
Non-current financial assets	6	6,683	740	8,844
Equity associates	7	-	72,496	81,031
Non-current derivative instruments		-		1,186
Deferred tax assets	21	2,753	4,966	8,133
NON-CURRENT ASSETS		1,406,339	1,390,513	1,249,869
Inventories	8	8,349	3,268	2,105
Trade receivables and related accounts	9	127,777	75,287	60,246
Other current financial assets	9	60,508	47,978	99,591
Other current assets	9	78,852	60,573	31,002
Income tax receivable	21	1,185	290	21
Current derivative instruments	10	-	2,166	5,323
Cash and cash equivalents	12	208,396	67,371	60,771
CURRENT ASSETS		485,067	256,933	259,059
TOTAL ASSETS		1,891,406	1,647,446	1,508,928

** Restated to reflect the change in accounting method*

Liabilities

In thousands of euros	Note	31/12/2013	31/12/2012*	01/01/2012*
Share capital		93,578	93,565	93,550
Additional paid-in capital		216,391	218,280	221,199
Consolidated reserves		463,961	491,414	369,609
Treasury shares		(70,860)	(72,737)	(76,246)
Net income, Group share		62,768	41,001	178,017
SHAREHOLDERS' EQUITY, GROUP SHARE		765,838	771,523	786,129
Non-controlling interests		(2,506)	2,408	1
TOTAL SHAREHOLDERS' EQUITY		763,332	773,931	786,130
Non-current provisions	14	8,937	8,531	7,206
Non-current bonds	15	66,383	346,752	338,271
Other non-current borrowings and financial debt	15	226,608	-	61,829
Non-current derivative instruments		-		2,974
Deferred tax liabilities	21	261,926	179,975	118,755
NON-CURRENT LIABILITIES		563,854	535,258	529,035
Current bond borrowing	15	300,677	10,933	10,968
Other current borrowings and financial debt	15	68,522	113,707	11,144
Trade payables and related accounts	16	92,860	104,028	78,059
Income tax payable	21	3,634	2,506	12,421
Other creditors and miscellaneous liabilities	16	87,384	93,678	53,118
Current derivative instruments	10	198	5,787	16,506
Current provisions	14	10,945	7,618	11,547
CURRENT LIABILITIES		564,220	338,257	193,763
Assets held for sale and discontinued operations		-		
TOTAL LIABILITIES		1,891,406	1,647,446	1,508,928

** Restated to reflect the change in accounting method*

Consolidated financial statements at 31 december 2013

Changes in shareholders' equity

In thousands of euros	Capital	Treasury shares	Premiums	Derivative instruments	Other reserves	Currency translation adjust-ment	Net income for the year	Shareholders' equity, Group share	Non-controlling interests	Total share-holders' equity
1 JANUARY 2012**	93,550	(76,246)	221,199	(10,704)	345,162	35,151	178,017	786,129	1	786,130
Net income from continuing activities	-	-	-	-	-	-	41,001	41,001	(158)	40,843
Other comprehensive income	-	-	-	6,819	-	(14,676)	-	(7,857)	(186)	(8,043)
TOTAL INCOME	-	-	-	6,819		(14,676)	41,001	33,144	(344)	32,800
Appropriation of income – Dividends	-	-	-	-	131,811	-	(178,017)	(46,206)	-	(46,206)
Increase/decrease in capital	15	-	(2,919)	-	(5,324)	-	-	(8,228)	2,751	(5,477)
Stock options – bonus shares	-	-	-	-	3,004	-	-	3,004	-	3,004
Movements on treasury shares	-	3,509	-	-	172	-	-	3,681	-	3,681
TOTAL TRANSACTIONS WITH SHAREHOLDERS	15	3,509	(2,919)	-	129,663	-	(178,017)	(47,749)	2,751	(44,999)
31 DECEMBER 2012**	93,565	(72,737)	218,280	(3,885)	474,825	20,475	41,001	771,524	2,408	773,931
1 JANUARY 2013	93,565	(72,737)	218,280	(3,885)	474,825	20,475	41,001	771,524	2,408	773,931
Net income from continuing activities	-	-	-	-	-	-	65,344	65,344	(223)	65,120
Activities held for sale	-	-	-	-	-	-	(2,575)	(2,575)	-	(2,575)
Other comprehensive income	-	-	-	3,885	-	(31,842)	-	(27,957)	112	(27,845)
TOTAL INCOME	-	-	-	3,885	-	(31,842)	62,769	34,811	(111)	34,701
Appropriation of income – Dividends	-	-	-	-	(5,271)	-	(41,001)	(46,272)	-	(46,272)
Increase/decrease in capital	13		(1,889)	-	(122)	-	-	(1,998)	-	(1,998)
Other restatement*	-	-	-	-	4,803	-	-	4,803	(4,803)	
Stock options – bonus shares	-	-	-	-	1,288	-	-	1,288	-	1,288
Movements on treasury shares	-	1,877	-	-	(195)	-	-	1,682	-	1,682
TOTAL TRANSACTIONS WITH SHAREHOLDERS	13	1,877	(1,889)	-	503	-	(41,001)	(40,497)	(4,803)	(45,300)
31 DECEMBER 2013	93,578	(70,860)	216,392	-	475,328	(11,367)	62,769	765,838	(2,506)	763,332

* *Restatement of non-controlling interests as part of the acquisition of Cyprus Mnazi Bay Ltd*
** *Restated to reflect the change in accounting method*

II. Consolidated comprehensive income statement

Net income for the period

In thousands of euros	Note	31/12/2013	31/12/2012*
SALES		580,302	451,515
Other income		800	2,897
Purchases and change in inventories		(19,557)	(8,140)
Other purchases and operating expenses		(82,501)	(79,793)
Tax expense		(39,806)	(25,537)
Personnel expenses		(18,428)	(17,471)
Amortisation and depreciation charges		(69,255)	(83,393)
Depreciation of exploration and production assets		(28,242)	(42,064)
Provisions and impairment of current assets		(513)	(13,188)
Reversals of operating provisions		142	1,840
Gain (loss) on asset disposals		(13,273)	1
Other expenses		2,733	(1,155)
OPERATING INCOME	19	312,402	185,511
Gross cost of financial debt		*(47,704)*	*(38,358)*
Income from cash		*967*	*538*
Net gains and losses on derivative instruments		*264*	*4,459*
Net cost of debt		(46,473)	(33,361)
Other income and expenses		(20,731)	(9,064)
FINANCIAL INCOME	20	(67,204)	(42,425)
INCOME BEFORE TAX		245,198	143,086
Income tax	21	(135,278)	(97,044)
NET INCOME FROM CONSOLIDATED COMPANIES		109,920	46,042
Net income from sales of equity associates	7	(19,721)	
Total net income from equity associates	7	(25,080)	(5,199)
NET INCOME FROM CONTINUING ACTIVITIES		65,120	40,843
Net income from discontinued activities		(2,575)	-
CONSOLIDATED NET INCOME		62,544	40,843
Net income, Group share		*62,768*	*41,001*
Non-controlling interests		*(223)*	*(158)*
EARNINGS PER SHARE			
Basic		0.539	0.353
Diluted		0.510	0.234
EARNINGS PER SHARE FROM DISCONTINUED ACTIVITIES			
Basic		-0.02	-
Diluted		-0.02	-
EARNINGS PER SHARE FROM CONTINUING ACTIVITIES			
Basic		0.562	0.353
Diluted		0.536	0.234

* *Restated to reflect the change in accounting method*

Comprehensive income for the period

In thousands of euros	31/12/2013	31/12/2012*
NET INCOME FOR THE PERIOD	62,544	40,843
OTHER COMPREHENSIVE INCOME	-	-
Currency translation adjustment	(31,730)	(14,862)
Derivative instruments	3,885	6,819
– Change in fair value of unexpired hedges (in existence the previous year)	-	197
– Fair value of new hedges for the period recognised as shareholders' equity	-	-
– Fair value of the portion of hedges recycled through the income statement	3,885	6,622
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	34,701	32,800
– Group share	34,811	33,144
– Non-controlling interests	(111)	(344)

** Restated to reflect the change in accounting method*

III. Cash flow statement

In thousands of euros	Note	31/12/2013	31/12/2012*
CONSOLIDATED NET INCOME FROM CONTINUING ACTIVITIES		65,120	40,843
Tax expense for continuing activities		135,278	97,044
CONSOLIDATED INCOME FROM CONTINUING ACTIVITIES BEFORE TAX		200,398	137,887
- Net increase (reversals) of amortisation, depreciation and provisions		69,796	86,604
- Unrealised gains (losses) due to changes in fair value		4,673	308
- Exploration expenses		28,252	42,064
- Calculated expenses and income related to stock options and similar benefits		1,167	2,232
- Other calculated income and expenses		4,831	13,965
- Gains (losses) on asset disposals		10,298	(1,582)
- Income from equity associates		44,801	5,199
- Other financial items		38,555	3,769
CASH FLOW BEFORE TAXES		402,771	290,446
Payment of tax due		(43,315)	(38,985)
Change in working capital requirements for operations		(11,622)	70,424
- Customers		(48,605)	(16,320)
- Suppliers		(18,423)	33,712
- Inventories		930	(3,671)
- Other		54,476	56,703
NET CASH FLOW FROM OPERATING ACTIVITIES		347,834	321,885
Payments associated with acquisitions of property, plant and equipment and intangible assets		(282,989)	(295,202)
Proceeds from disposals of property, plant and equipment and intangible fixed assets		2,977	10
Payments associated with acquisitions of financial assets (unconsolidated securities)		(5,542)	(66)
Proceeds from disposals of financial assets (unconsolidated securities)		1,854	2,375
Acquisition of subsidiaries		(5,648)	(15,311)
Change in loans and advances granted		4,917	31
Other cash flows from investing activities		(11)	-
NET CASH FLOW FROM INVESTMENT ACTIVITIES		(284,442)	(308,163)
Amounts received from shareholders for capital increases		(2,010)	(818)
Dividends paid		(46,271)	(46,206)
Proceeds from new loans		268,489	45,253
Interest paid		(38,555)	(3,769)
Borrowing repayments		(113,554)	(161)
Treasury share acquisitions		1,877	3,509
NET CASH FLOW FROM FINANCING ACTIVITIES		69,976	(2,192)
Impact of exchange rate fluctuations		(2,555)	(4,991)
CHANGE IN NET CASH		130,813	6,539
Cash at start of period		67,240	60,701
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	12	198,053	67,240

** Restated to reflect the change in accounting method*

NOTE 1 : OVERVIEW

Activity in fiscal year 2013 focused mainly on diversifying the asset portfolio and increasing production in Gabon.

Increase in production in Gabon

The Group's investments in development projects significantly increased production potential. Gross field output reached 29,000 bopd at the end of December 2013, despite production being reduced for 60 days in the fourth quarter (averaging 24,210 bopd) at the request of pipeline operator Total to allow for maintenance work.

Sales averaged 19,580 bopd in 2013, compared to 15,541 bopd in 2012, a +26% increase.

Management of Group assets

Sale of Sabanero: On 1 September 2013, Maurel & Prom (which holds 50.001% of Maurel & Prom Colombia) sold its stake in the Sabanero field to Meta Petroleum Corporation, a wholly owned subsidiary of Pacific Rubiales Energy (PRE). The total amount of the transaction was US$104 million, paid by the assumption of a US$94 million debt to PRE plus a cash payment of US$10 million to Etablissements Maurel & Prom.

Formation of Saint-Aubin Energie as an investment joint venture with MPI: Maurel & Prom and MPI have established a partnership through Saint-Aubin Energie, one third of which is owned by Maurel & Prom and two thirds by MPI.

Under the terms of this partnership, the two groups' new development projects outside of their traditional sphere of activity will first be proposed to the joint venture which will be responsible for their fulfilment, with each of the two shareholding companies being free to develop its own traditional field of activity.

Saint-Aubin Energie therefore combines the acknowledged technical expertise of Etablissements Maurel & Prom and the financial resources of MPI. Moreover, human resources are made available to the joint venture by Maurel & Prom, under the terms of a service agreement.

Three projects were started in 2013 under this partnership: one in Myanmar and two in Canada.

In Myanmar, MP East Asia, a wholly owned subsidiary of Saint-Aubin Energie, took a 40% stake in May in the M2 offshore exploration block operated by PetroVietnam. A first exploration well was drilled and revealed the presence of gas.

In the province of Quebec, MP Quebec Energy, a wholly owned subsidiary of Saint-Aubin Energie, signed a 50/50 partnership agreement with Pétrolia in July to develop 13 hydrocarbon prospecting permits in the Gaspé Peninsula. Although the prospection targets are in unconventional reservoirs, this does not preclude the presence of conventional deposits. A first well has been drilled under this agreement.

In the province of Alberta, Canada, Saint-Aubin Energie signed an agreement with Deep Well Oil & Gas to acquire a 20% stake in Deep Well Oil & Gas as well as the sale of half of the stakes that Deep Well Oil & Gas holds in 12 blocks in the Peace River oil sands of Alberta, and an option on 56 other blocks for which Deep Well Oil & Gas is the operator. Deep Well Oil & Gas was paid US$22 million under this agreement.

Through a pilot project, the work undertaken in 2013 consisted of demonstrating the feasibility of a steam-assisted gravity drainage project (SAGD) that could lead to production starting in early 2014.

Saint-Aubin Energie has committed to invest up to US$40 million in the pilot plant and, if the results lead to a decision to continue development, to potentially increase its financial investment to US$110 million.

Saint-Aubin's share in this project is carried by its wholly owned subsidiary MP West Canada.

Acquisition of Caroil: Maurel & Prom, which held a 29.05% stake in Tuscany International Drilling Inc. (an oil drilling company listed on the Toronto Stock Exchange in Canada), bought Tuscany's African operations carried by its subsidiary Caroil, a former Maurel & Prom drilling subsidiary sold to Tuscany in 2011. Caroil currently has a portfolio of nine rigs operating primarily in Gabon, Congo and Tanzania.

This transaction was concluded under the following terms:

Transferred to Tuscany:

- Maurel & Prom's 29.05% stake in Tuscany.

Acquired by Maurel & Prom:

- all shares in Caroil;
- a syndicated bank loan run by Crédit Suisse in the amount of US$50 million. Taking on this liability reduces Tuscany's outstanding loans from this syndicate.

Caroil's assets and liabilities were reassessed at their fair value as at the acquisition date as €59.6 million. The net impact of this transaction on the Group's results was a loss of €19.7 million recorded under income from the disposal of equity associates.

The stake in Caroil and the US$50 million loan taken up at reduced interest rate have been lodged in the wholly owned Dutch subsidiary Maurel & Prom Drilling Services BV.

Furthermore, along with this transaction, Maurel & Prom acquired two drilling rigs from Tuscany for the total price of US$23 million, 60% of which (US$15.6 million) was paid in the fourth quarter of 2013, and the balance in January 2014.

Line of credit restructured and a new US$200 million facility set up

On 29 May 2009, the Group entered into a US$255 million bank facility (Reserve Based Loan, or RBL) which was increased to US$330 million in January 2011. As at 31 December 2012, the amount drawn down was US$130 million.

On 5 November 2012, the Group announced it had arranged a syndicated revolving loan in the amount of US$350 million (Senior Secured Facility) between MP Gabon and Natixis (lead lender), Calyon, Standard Bank, Standard Chartered Bank and the Canadian International Development Agency, Rand Merchant Bank and Nedbank Ltd.

This line of credit was drawn down in full on 25 January 2013 by MP Gabon, which allowed it to repay a significant part (€218 million) of its current account debt to Maurel & Prom. The holding company used US$130 million to pay off the RBL loan and €15 million to repay the BGFI loan.

Furthermore, the Company has signed a credit facility with a bank consortium for up to US$200 million. This package is to cover, if necessary, the redemption of OCEANE 2014 bonds by their maturity on 31 July 2014. Any amounts drawn on this facility will have to be repaid in instalments no later than 31 December 2015.

New production sharing contract in Gabon

The new "Ezanga" permit, which replaces the Omoueyi permit, was awarded to Maurel & Prom Gabon by the Republic of Gabon through a contract signed on 10 January 2014.

The corresponding exploration and production sharing contract renews the five existing Exclusive Exploitation Authorisations for a 20-year period. The possibility of a further 20-year extension is also under consideration.

Under current regulations, this new contract as well as the five Exclusive Exploitation Authorisations will be applicable once they have been formally promulgated by a decree of the Republic of Gabon.

This new contract was taken into account when certifying the Group's reserves at 1 January 2014 as well as in the calculation of the depletion expense relating to Gabonese assets for fiscal year 2013. Taking into account the increase in P1 reserves due in particular to the extension of the lifetime of the permit, this depletion expense is lower than for 2012.

NOTE 2 : ACCOUNTING METHODS

The consolidated financial statements are prepared on a historical cost basis, except for certain categories of assets and liabilities, in accordance with IFRS standards.

Pursuant to Regulation (EC) No 1606/2002 of 19 July 2002 on international standards, the consolidated financial statements of the Maurel & Prom Group for the year ended 31 December 2013 have been prepared in accordance with IAS/IFRS international accounting standards applicable as at 31 December 2013, as approved by the European Union and available at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee and International Financial Reporting Interpretations Committee).

New legislation or amendments adopted by the European Union and mandatory from 1 January 2013 have been taken into account. They do not have a significant impact on the consolidated financial statements as at 31 December 2013. They are:

Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income".

Amendment to IAS 19 "Employee Benefits".

Amendment to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities".

IFRS 13 "Fair Value Measurement".

Amendment to IAS 12 "Recovery of Underlying Assets".

Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters".

Amendment to IFRS 1 "Government Loans".

Annual Improvements to IFRS (2009-2011 cycle).

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine".

The Group has chosen not to apply the standards and interpretations which were not mandatory on 1 January 2013, such as:

IFRS 10 "Consolidated Financial Statements" (applicable to reporting periods starting on 01/01/2014).

IFRS 11 "Joint Arrangements" (applicable to reporting periods starting on 01/01/2014). The estimated impacts are not significant, and concern Colombia and the company Saint-Aubin Energie and its subsidiaries.

IFRS 12 "Disclosure of Interests in Other Entities" (applicable to reporting periods starting on 01/01/2014).

IAS 27R "Separate Financial Statements" (applicable to reporting periods starting on 01/01/2013).

IAS 28R "Investments in Associates and Joint Ventures" (applicable to reporting periods starting on 01/01/2014).

Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities" (applicable to reporting periods starting on 01/01/2014).

Moreover, these principles do not differ from the IFRS as published by the IASB insofar as the application of the following standards or interpretations, mandatory for periods starting on or after 1 January 2013 and not yet ratified by the European Union, has no impact on the Group's financial statements:

Amendments to IFRS 12 "Disclosure of Interests in Other Entities" (methods of application for first-time adopters applicable to reporting periods starting on 01/01/2013) (exception to consolidating particular subsidiaries of an investment entity applicable to reporting periods starting on 01/01/2014).

Amendments to IFRS 11 "Joint Arrangements" (Methods of application for first-time adopters applicable to reporting periods starting on 01/01/2013) (Exception to consolidating particular subsidiaries of an investment entity applicable to reporting periods starting on 01/01/2014).

Amendments to IFRS 10 "Consolidated Financial Statements" (Methods of application for first-time adopters applicable to reporting periods starting on 01/01/2013) (Exception to consolidating particular subsidiaries of an investment entity applicable to reporting periods starting on 01/01/2014).

IFRS 9 "Financial Instruments" (applicable to reporting periods starting on 01/01/2017).

Amendment to IAS 19 "Employee Contributions".

IFRIC 21 "Levies".

IFRS standards have been applied by the Group consistently for all of the periods presented.

The preparation of consolidated financial statements under IFRS requires the Group to make accounting choices, make a number of estimates and use certain assumptions that affect the reported amounts of assets and liabilities, the notes on the assets and liabilities at the closing date, and the income and expenses during the period. Changes in facts and circumstances may lead the Group to review such estimates.

The results obtained may differ significantly from such estimates when different circumstances or assumptions are applied.

In addition, when a specific transaction is not treated by any standard or interpretation, the Group's Management uses its own discretion to define and apply the accounting methods that will provide pertinent, reliable information. The financial statements present a faithful representation of the Group's financial position, performance and cash flows. They reflect the substance of transactions, are prepared in a prudent manner and are complete in all material respects.

Management estimates used in preparing financial statements relate primarily to:

- impairment tests on oil assets;
- provisions for site restoration;
- recognition of oil carry transactions;
- accounting treatment of derivative instruments subscribed by the Group;
- recognition of deferred tax assets; and
- assessment of the investments required to develop undeveloped proven reserves included in asset depletion calculations.

2.1. Consolidation methods

The entities controlled by Maurel & Prom are fully consolidated. Control is assumed when the percentage of voting rights is greater than 50% or established when the Company has actual control through agreements with partners.

Intra-group balances, transactions, income and expenses are eliminated in consolidation.

Companies in which Maurel & Prom has considerable influence are consolidated by the equity method. Considerable influence is assumed when the percentage of voting rights is greater than or equal to 20%, unless a lack of participation in the Company's management reveals a lack of considerable influence. When the percentage is less, the entity is consolidated using the equity method if significant influence can be demonstrated. Joint ventures are proportionately consolidated.

2.2. Business combinations and goodwill

Business combinations are recognised in accordance with IFRS 3R using the acquisition method. Thus, when control of a company is acquired, the assets, liabilities and contingent liabilities of the acquired company are assessed at their fair value in accordance with IFRS guidelines.

Goodwill generated in such a circumstance is recognised in the corresponding assets and liabilities, including the share of non-controlling interests.

The residual difference representing the difference between the purchase price and the buyer's share in the net assets assessed at their fair value is entered as goodwill.

If the cost of an acquisition is lower than the fair value of the net assets of the subsidiary acquired, the identification and valuation of the identifiable asset and liability elements are further analysed.

The residual negative goodwill must be posted directly under operating income.

The analysis of goodwill must be finalised within a period of one year from the date of acquisition.

Such goodwill is not amortised but rather subjected to systematic impairment tests at the end of each accounting period, and any losses in value ascertained on goodwill are irreversible.

Goodwill relating to equity associates is recognised under equity associates.

When the impairment criteria as defined in IAS 39 "Financial Instruments: Recognition and Measurement" indicate that equity associates may have declined in value, the amount of such a loss is measured using the rules specified in IAS 36 "Impairment of Assets".

If a business combination is formed in stages, the interests and/or assets held are assessed at their fair value and any possible variance is recognised in net income.

Acquisitions of non-controlling interests will also be recognised in accordance with IFRS 3R and IAS 27R.

2.3. Oil activity assets

Maurel & Prom conducts its exploration and production activities partly under Production Sharing Contracts (PSCs). This type of contract, signed with the host country, sets rules for cooperation (in association with any partners), for sharing production with the government or the national company that represents it and defines the taxation method.

By virtue of these agreements, the Company agrees to finance its percentage of interest in exploration and production operations, and in exchange it receives a share of the production known as "cost oil"; the sale of this share of production should make it possible for it to recover its investments, as well as the operating costs incurred; the balance of the production (profit oil) is then shared in variable proportions with the government; and the Company thus settles its share of tax on the revenue from its activities.

Under such Production Sharing Contracts (PSCs), the Company recognises its share of assets, revenues and net income in proportion to its percentage holding in the permit concerned.

The following methods were used to account for the costs of oil-related activities.

Oil search and exploitation rights

Mining permits

Expenditures for the acquisition and allocation of mining permits are recorded as intangible assets and, during the exploration phase, amortised on a straight-line basis over the estimated duration of the permit or, in the development phase, at the amortisation rate for the oil production facilities.

If the permit is withdrawn or the exploration fails, the remaining amortisation is recorded in full at once.

Acquisitions of reserves

Acquisitions of oil reserves are recorded as intangible assets and amortised according to the unit of production method based on proven and probable reserves.

The amortisation rate equals the ratio of the field's hydrocarbon production during the fiscal year to the proven and probable hydrocarbon reserves at the beginning of the same year, re-estimated based on an independent appraisal.

Exploration costs

The Group applies IFRS 6 for the recognition of exploration costs. Hydrocarbon production fees and assets are recognised in accordance with the "full cost" method.

Exploration studies and work, including geology and geophysics costs, are entered on the asset side of the balance sheet under intangible assets.

Charges incurred prior to the issuance of the exploration permit are recognised as expenses.

Expenditure incurred after that date is capitalised and amortised once exploitation commences.

Drilling expenditure that does not result in a commercial discovery is posted under expenses for the total amount incurred, at the time that it is decided to totally abandon work in the zone concerned or in the connected zone.

At the time of discovery, these costs then become operating costs, a portion of which is transferred to property, plant and equipment, depending on their nature.

Once an indicator of impairment arises (expiration of a permit, additional unbudgeted expenses, etc.), an impairment test is carried out to verify that the book value of the expenses incurred does not exceed the recoverable amount; this test is performed at least once per year.

Besides indicators of impairment concerning operating expenses, impairment tests are carried out once the Maurel & Prom Group has enough data (based on the outcome of appraisal wells or seismic study work, etc.) to determine technical feasibility and commercial viability; these tests are done at field level.

Oil production assets

Oil production assets include all exploration-related costs transferred into operating costs following discovery, as well as those relating to field development (production drilling, surface installations, oil routing systems, etc.).

These assets appear under the technical facilities heading (see Note 5).

Assets not completed at fiscal year-end are entered as fixed assets under construction.

Completed assets are amortised according to the unit of production method. General facilities that support all aspects of a field (pipelines, surface units, etc.) are weighted by the ratio (proven)/(proven+probable) reserves for that field, in order to take into account their relative role in the exploitation of all proven and probable reserves of the field concerned. The amortisation rate equals the ratio of the field's hydrocarbon production during the year to the proven reserves at the beginning of the same year, re-estimated based on an independent appraisal.

For specific facilities, i.e. facilities for specific parts of a field, the estimated reserves correspond to the area's proven reserves.

The depreciation base consists of the investments made plus the future investments necessary for developing undeveloped proven reserves.

The reserves taken into account are the reserves determined on the basis of analyses conducted by independent organisations, to the extent that the said analyses are available on the reporting date.

In accordance with IAS 23R, the application of which has been mandatory since 1 January 2009, borrowing costs directly attributable to the acquisition of an eligible asset are capitalised when the conditions set by the standard are met. Otherwise, borrowing costs are not included in the cost price of a fixed asset under construction.

Costs of site restoration

Provisions for site restoration are made when the Group has an obligation to dismantle and restore sites (see Note 2.18).

The adjusted site restoration cost is capitalised and added to the value of the underlying asset and amortised at the same rate.

Financing of oil-related costs for third parties

The financing of third-party oil costs is an operation that consists of the substituting, as part of an oil partnership, for another member of the partnership to finance its share of the cost of works.

When the contractual terms give it characteristics similar to those of other oil assets, the financing of third-party oil costs is treated as an oil asset.

Consequently and in accordance with paragraph 47 (d) of FAS 19 usually applied in the oil sector, the accounting rules are those applicable to expenses of the same nature as the Group's own share (fixed assets, amortisation, impairment, operating costs as expenses):

- posting of exploration costs financed as intangible assets (partners' share entered as the Maurel & Prom share);
- if prospection does not result in a producing asset: entry of all the costs as expenses;
- if prospection does result in a producing asset: costs shown under intangible assets are transferred to property, plant and equipment (technical facilities);
- the share of hydrocarbons accruing to the partners carried and used to repay that cost of carry is treated as sales for the partner that carries it;
- reserves corresponding to the costs carried are added to the reserves of the partner that carries the costs; and
- amortisation and depreciation of technical facilities (including the share of partners carried) according to the unit-of-production method by including in the numerator the production for the period allocated to the recovery of the costs carried and in the denominator the share of reserves used to recover all of the costs carried.

2.4. Other intangible assets

Other intangible assets are recognised at their acquisition cost and posted on the balance sheet at that value, after deducting accrued amortisation, depreciation and any impairment.

Amortisation is calculated on a straight-line basis, and the amortisation term is based on the estimated useful life of different categories of intangible assets amortised over a term ranging from one to three years.

2.5. Other property, plant and equipment

The gross value of other property, plant and equipment corresponds to their acquisition or production cost. It is not revalued. Borrowing costs are capitalised when the asset in question meets the eligibility conditions as defined by IAS 23R.

Depreciation is calculated on a straight-line basis, and the depreciation term is based on the estimated useful life of the different categories of property, plant and equipment, which are predominantly as follows:

- buildings: 10 years;
- infrastructure: 8 to 10 years;
- drilling rigs: 3 to 20 years;
- technical facilities: 3 to 10 years;
- fixtures and fittings: 4 to 10 years;
- transportation equipment: 3 to 8 years;
- office and computer equipment: 2 to 5 years; and
- office furniture: 3 to 10 years.

Finance lease contracts are agreements whose effect is to transfer virtually all risk and benefits inherent in the ownership of the asset from the lessor to the lessee. Such contracts are recognised in the balance sheet assets at fair value, or at the minimum discounted value of the leases in the contract, whichever is greater. The corresponding debt is recognised under balance sheet liabilities as financial debt. Such assets are depreciated on the basis of the Group's estimation of their useful life.

Leasing contracts which are not finance lease contracts as defined above are recognised as simple lease contracts.

2.6. Asset depreciation

When events indicate a risk of impairment of intangible and tangible assets, and in any case at least once a year, they are subject to a detailed analysis in order to determine whether their net carrying value is lower than their recoverable amount, with the latter defined as the higher of fair value (less costs to sell) or value in use. Value in use is determined by discounting future cash flows expected to arise from the use of the asset and its disposal.

Cash flows are determined in keeping with the reserves identified, the related production profile and the discounted sale prices after taking into account the applicable tax according to the Production Sharing Contracts.

The discount rate used takes into account the risk associated with the activity and its geographical location. A field is generally taken as being the cash-generating unit (CGU). A CGU is a homogeneous set of assets whose ongoing usage generates cash inflows that are largely independent of the cash inflows from other groups of assets.

If the recoverable amount is lower than the net carrying value, an impairment is recognised for the difference between these two amounts.

This impairment may be reversed according to the net carrying value that the asset would have had on the same date, had it not been impaired. Impairment losses recorded on goodwill are irreversible.

2.7. Other non-current financial assets

Loans and financial receivables are initially recognised at fair value and are posted on the balance sheet at their amortised cost. They are the subject of an impairment if there is an objective indication of impairment. This impairment, carried through profit and loss, may later be reversed under income if the conditions that led to the impairment cease to exist.

Non-consolidated equity interests are classified as Financial Assets Available for Sale (see Note 6) and are assessed at their fair value both initially and on the reporting date. For listed securities, this fair value corresponds to the representative share price on a liquid and open market; for unlisted securities, various valuation models are used; if the fair value cannot be reliably determined, the securities are recognised at cost.

Changes in fair value are recognised directly under shareholders' equity. If there is objective evidence of permanent impairment, a depreciation is recognised under net income. Any such depreciation is not reversed under net income until the date that the securities concerned are sold.

2.8. Inventories

Inventories are valued at acquisition or production cost. Production cost includes consumables and direct and indirect production costs.

Inventories are valued according to the FIFO ("First In, First Out") method.

The Group has voluntarily changed its accounting methods as indicated in Note 17 of the notes to the financial statements.

2.9. Trade receivables

Trade receivables are initially recognised at their fair value.

At the end of the period, write-downs are created in the event of there being a proven risk of non-recoverability.

2.10. Foreign currency transactions

Expenses and income in foreign currencies are posted at their equivalent in the functional currency for the entity concerned at the transaction date. Debts, external financing, receivables and liquid assets in foreign currencies are reported on the balance sheet at their equivalent value in the functional currency for the entity concerned based on the closing rate. Differences resulting from the conversion into foreign currencies at this rate are carried on the income statement as other financial income or other financial expenses.

However, when cash in foreign currencies relates solely to the financing of a foreign investment in that same currency, the impact of the revaluation of the investment concerned is posted to shareholders' equity.

2.11. Currency conversion of the annual financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries whose functional currency is not the euro are converted into euros using the closing price method.

Assets and liabilities, including goodwill on foreign subsidiaries, are converted at the exchange rate in effect on the reporting date. Income and expenses are converted at the average rate for the period.

The currency translation adjustments ascertained, both on the initial balance sheet as well as on the income statement, are entered, for the share due to the consolidating company, in its shareholders' equity under "currency translation adjustments" and, for the share due to minority interests, under "non-controlling interests".

Currency translation adjustments related to a net investment in a foreign activity are posted directly to shareholders' equity.

2.12. Derivative instruments

In order to hedge the selling price of oil or foreign exchange risk, Maurel & Prom uses future cash flow hedges consisting mainly of options and swaps. Such transactions are treated as follows:

1. the financial instrument is initially recognised at its fair value;
2. on the closing date, the change in fair value corresponding to the effective portion (intrinsic value of the option) is posted under recyclable shareholders' equity; the change in fair value corresponding to the ineffective portion (time value of the option) is posted under financial expenses and income; and
3. the change in fair value recognised under shareholders' equity is recycled through net income (other operating expenses and income) either when the hedged element impacts upon income, or when the contract expires.

The fair value of the instruments taken out by the Group is determined according to appraisals by independent experts.

2.13. Cash and cash equivalents

Cash equivalents correspond to short-term investments of surplus cash.

Purchases and sales of these assets are recognised on their settlement date.

Money market UCITS funds managed on a net asset value basis are measured at fair value through net income in accordance with the principles applied in managing those assets.

Short-term bank certificates of deposit are classified as loans and receivables and are recognised at amortised cost.

2.14. Convertible bonds

Some financial instruments contain both a financial debt component and an equity component. This is the case with the OCEANE bonds issued by the Group in July 2009 and July 2010. In accordance with IAS 32 "Financial Instruments: Presentation", these two components are recognised separately and determined as follows:

- the debt component corresponds to the value of future contractual cash flows (including coupons and repayment) discounted at the market rate (taking into account the credit risk at issuance) of a similar instrument presenting the same terms and conditions (maturity, cash flow) but without a conversion option, plus the impact of issuance costs (effective interest rate);
- the equity component represents the value of the option to convert the bonds into shares. It is determined by the difference between the proceeds of the bond issue and the debt component calculated according to the methods described above; and
- a deferred tax liability is ascertained as the difference between the book value and the value of the debt for tax purposes; this deferred tax is constituted as a drawdown from the equity component.

The OCEANE conversion is posted when the bonds are converted and the shares exchanged.

2.15. Other borrowings

Other borrowings are initially recognised at fair value. They are entered on the balance sheet at their amortised cost. The effect of this is to post issuance costs as a deduction against the initial fair value of the loan. Furthermore, financial expenses are calculated on the basis of a loan's effective interest rate (i.e. the actuarial rate taking issuance costs into account).

2.16. Fair value

For the purposes of presentation in accordance with IFRS 7 (see Note 11: Fair value):

- the fair value of loans and receivables is determined by discounting expected cash flows at the market rate in force at the reporting date; for debts with a term of less than six months, the balance sheet value represents a reliable approximation of their fair value; and
- the fair value of financial liabilities is determined by discounting the cash flows outstanding at the market rate in force on the reporting date, for a debt with the same residual maturity. For trade payables, the balance sheet value is a reliable approximation of fair value.

Fair value hierarchy

IFRS 7 "Financial instruments: Disclosures", as amended in 2009, establishes a hierarchy for measuring fair value based on three levels:

- level 1: the quoted prices for identical assets and liabilities (to those being measured), available on the valuation date on an active market to which the entity has access;
- level 2: inputs are observable data, but do not correspond to the prices quoted for identical assets or liabilities; and
- level 3: inputs are not based on observable market data (for example, the data resulting from extrapolations). The latter level applies when no market or observable data exists and the Company is required to make its own assumptions when estimating the data that other market operators would have used to measure the fair value of the asset.

All fair value assessments are disclosed, according to their level, in Note 10 of the notes to the consolidated financial statements.

2.17. Treasury shares

Treasury shares are recognised as a reduction of shareholders' equity measured at their acquisition cost.

Subsequent changes in fair value are not taken into account. Similarly, proceeds from the disposal of treasury shares do not affect net income for the year.

2.18. Provisions for risks and contingencies

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", provisions are recognised when the Group has an obligation at year-end to a third party deriving from a past event, the settlement of which should result in an outflow of resources constituting economic benefits.

Provisions are adjusted when the effect of the adjustment is significant.

The site restoration obligation is recognised at the adjusted amount of the estimated cost or the contractual obligation for dismantlement; the impact of the passage of time is measured by applying a risk-free interest rate to the amount of the provision.

The effect of the accretion is posted under "Other financial expenses".

2.19. Retirement and other post-employment benefits

The Group's obligations in respect of retirement and other post-employment benefits are limited to paying contributions to general mandatory pension plans and to making severance payments on retirement; these are defined by the applicable collective agreements.

Severance payments on retirement correspond to defined benefit plans. They are provisioned as follows:

- the actuarial method used is known as the projected credit unit method, which sees each year of service as giving rise to an additional unit of benefit. These calculations incorporate assumptions about mortality, staff turnover and projections of future salaries; and
- the differences between actual and forecast commitments (based on new projections or assumptions) as well as between the actual and forecast return on funds invested are called actuarial gains and losses. They are recognised as other items of comprehensive income, without the possibility of being subsequently recycled through income. The cost of past services is recognised under income, whether they are acquired or not.

For basic plans and other defined contribution plans, the Group recognises under expenses the payable contributions when they are due and no provision is constituted, as the Group is not committed to more than the contributions paid.

2.20. Oil sales

Sales corresponding to the sale of production from deposits operated by the Company under Production Sharing Contracts include deliveries of crude oil as production royalties and taxes when they are actually paid.

With effect from fiscal year 2013, (see Note 17, "Change in accounting methods") oil sales are no longer recognised when oil is collected from the oil terminals, but when oil is delivered to the terminals. Sales are adjusted to reflect whether the Group is in an over-entitlement position (in which case the Group records a debt to its partners), or under-entitlement position (in which case the Group records a receivable).

2.21. Share-based payments

Bonus shares allocated by Maurel & Prom to its employees are recognised under personnel expenses when they are granted and are spread over the vesting period; the method by which they are spread depends on the respective vesting conditions of each plan.

The fair value of bonus shares is determined on the basis of the share price on the allocation date, minus a discount depending on the terms of the particular plan in order to take into account their unavailability during the lock-in period.

2.22. Income tax

The tax expense presented on the income statement includes the current tax expense (or income) and the deferred tax expense (or income).

Deferred taxes are recorded based on the temporary differences between the book values of assets and liabilities and their tax bases. Deferred taxes are not updated. Deferred tax assets and liabilities are measured based on the tax rates approved on the reporting date.

Deferred tax assets, resulting primarily from losses carried forward or deferred amortisation, are not taken into account unless their recovery is likely.

To ascertain the Group's ability to recover these assets, the following elements in particular have been taken into account:

- the existence of sufficient temporary differences taxable by the same tax authority for the same taxable entity, which will create taxable amounts on which unused tax losses and tax credits may be charged before they expire; and
- forecasts of future taxable income allowing prior tax losses to be offset.

2.23. Earnings per share

Two earnings per share are presented: basic net earnings per share and diluted earnings per share. The number of shares used for calculating diluted earnings per share takes into account the conversion into shares of instruments providing deferred access to the capital and having a dilutive effect. Diluted earnings per share are calculated based on net income, Group share, adjusted by the financial cost, net of taxes, of dilutive instruments providing deferred access to the capital.

Treasury shares are not taken into account in the calculation.

Consolidated financial statements at 31 december 2013

NOTE 3 : CHANGES IN THE COMPOSITION OF THE GROUP

Company	Registered office	Consolidation method	% control	
			31/12/2013	31/12/2012
Etablissements Maurel & Prom	Paris	Consolidating company	Consolidating company	
OIL AND GAS ACTIVITIES				
Caroil	*Paris, France*	*Fully consolidated*	100.00%	-
Saint-Aubin Energie	*Paris, France*	*Proportional consolidation*	33.33%	-
Panther Eureka S.r.l.	*Ragusa, Sicily*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom West Africa	*Paris, France*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom Gabon	*Port-Gentil, Gabon*	*Fully consolidated*	100.00%	100.00%
M&P Etekamba Gabon	*Port-Gentil, Gabon*	*N/A*	N/A	100.00%
Quartier General M&P Gabon	*Port-Gentil, Gabon*	*Fully consolidated*	100.00%	100.00%
MP East Asia	*Paris, France*	*Proportional consolidation*	33.33%	-
M&P Peru SA	*Lima, Peru*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom Colombia BV	*Rotterdam, Netherlands*	*Proportional consolidation*	50.01%	50.01%
Maurel & Prom Drilling Services BV (formerly Maurel & Prom Latin America BV)	*Amsterdam, Netherlands*	*Fully consolidated*	100.00%	100.00%
Zetah Noumbie Ltd	*Nassau, Bahamas*	*Proportional consolidation*	49.00%	49.00%
Maurel & Prom Congo SA	*Pointe-Noire, Congo*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom Tanzanie Ltd	*Dar es Salaam, Tanzania*	*Fully consolidated*	100.00%	100.00%
Prestoil Kouilou	*Pointe-Noire, Congo*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom Exploration Production Tanzania Ltd	*Dar es Salaam, Tanzania*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom Volney 2	*Paris, France*	*Fully consolidated*	100.00%	100.00%
Cyprus Mnazi Bay Limited	*Nicosia, Cyprus*	*Fully consolidated*	60.08%	60.08%
Maurel & Prom Mnazi Bay Holdings	*Paris, France*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom Peru Holdings	*Paris, France*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom Exploration and Production BRM	*Paris, France*	*Fully consolidated*	100.00%	100.00%
Maurel & Prom Iraq	*Paris, France*	*Not consolidated*	16.67%	100.00%
Saint-Aubin Energie Québec Inc.	*Montreal, Canada*	*Proportional consolidation*	33.33%	-
MP Energy West Canada Corp.	*Calgary, Canada*	*Proportional consolidation*	33.33%	-
MP Québec	*Paris, France*	*Proportional consolidation*	33.33%	-
MP West Canada	*Paris, France*	*Proportional consolidation*	33.33%	-
Maurel & Prom Namibia	*Paris, France*	*Fully consolidated*	100.00%	100.00%
Tuscany	*Canada*	*Equity method*	N/A	29.05%

Company	Registered office	Consolidation method	% control	
			31/12/2013	31/12/2012
Etablissements Maurel & Prom	Paris	Consolidating company	Consolidating company	
OTHER ACTIVITIES				
Maurel & Prom Technical Support (formerly Prestoil S.A.S.)	*Paris, France*	*Fully consolidated*	100.00%	*100.00%*
Maurel & Prom Assistance Technique International SA	*Geneva, Switzerland*	*Fully consolidated*	*99.99%*	*99.99%*

Saint-Aubin Energie

In the first half of 2013, the Maurel & Prom Group entered into a partnership with MPI (formerly Maurel & Prom Nigeria) in the form of a joint venture with share capital of €100 million, one third owned by Maurel & Prom and two thirds by MPI.

This joint venture, called Saint-Aubin Energie, is governed and controlled jointly with MPI and is therefore consolidated on a proportional basis, in accordance with the IFRS principles applicable in fiscal year 2013.

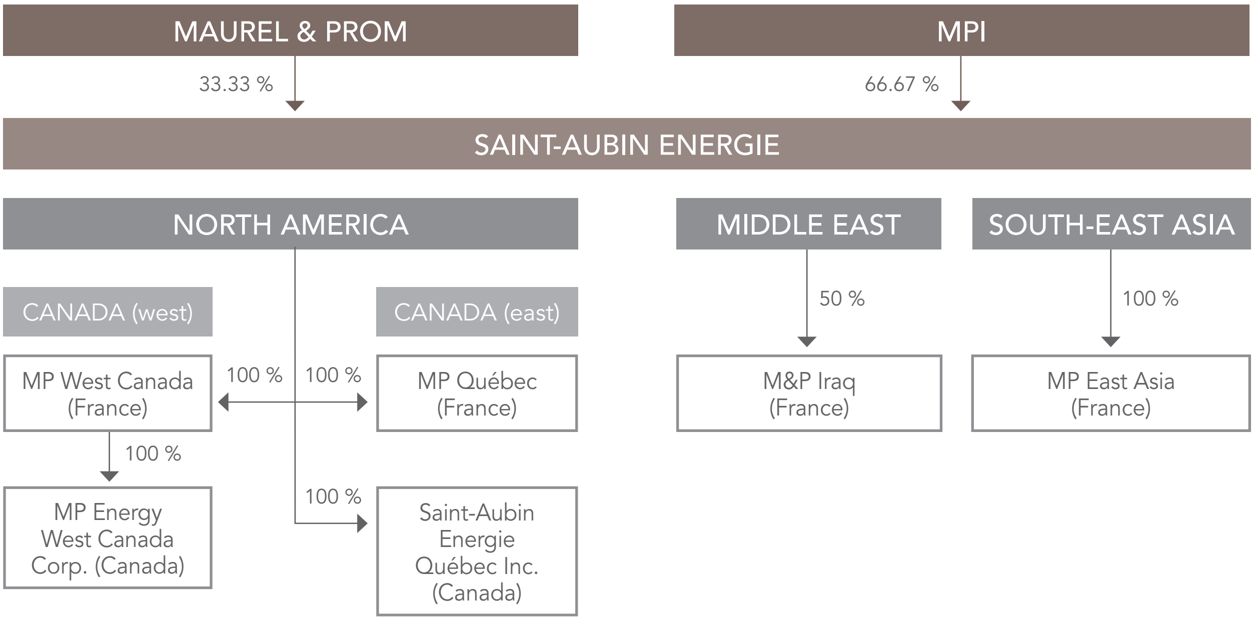
MP East Asia

MP East Asia is a wholly owned subsidiary of Saint-Aubin Energie, and is therefore included within the partnership with MPI. In June 2013, MP East Asia signed an agreement to take a stake in PetroVietnam's interests in the M2 block located off the coastline from Myanmar to Vietnam. PetroVietnam is 33.33% owned, jointly controlled like its parent company, Saint-Aubin Energie, and is therefore consolidated on a proportional basis. This agreement is awaiting validation by the State of Myanmar.

MP West Canada and MP Energy West Canada Corp are two companies set up as part of the Maurel & Prom Group's business development in Alberta, Canada. Both companies are 33.33% owned, jointly controlled like their parent company, Saint-Aubin Energie, and are therefore consolidated on a proportional basis.

MP Québec and Saint-Aubin Energie Québec Inc. are two companies set up as part of the Maurel & Prom Group's business development in Quebec, Canada. Both companies are 33.33% owned, jointly controlled like their parent company, Saint-Aubin Energie, and are therefore consolidated on a proportional basis.

SAINT-AUBIN ENERGIE HOLDING STRUCTURE



Maurel & Prom Iraq

Maurel & Prom Iraq, 50% owned and wholly controlled by Etablissements Maurel & Prom at 31 December 2012, was sold to Saint-Aubin Energie in fiscal year 2013, reducing Maurel & Prom's stake in Maurel & Prom Iraq from 50% to 16.665%. Consequently, with effect from 31 December 2013, Maurel & Prom Iraq is no longer consolidated in the Maurel & Prom Group's financial statements.

Caroil and Tuscany

As described in Note 1 "Overview", on 23 December 2013 Maurel & Prom completed the acquisition from Tuscany International Drilling Inc. of the entire share capital of Caroil in consideration for the sale all of its 109 million shares in Tuscany.

Maurel & Prom also took on US$50 million of Tuscany's debt, after obtaining a line of credit from Crédit Suisse.

As part of this transaction, Maurel & Prom acquired two drilling rigs belonging to Tuscany for a total cost of US$23 million.

The financial impact is disclosed in Note 7 "Equity Associates".

NOTE 4 : INTANGIBLE ASSETS

CHANGES IN INTANGIBLE ASSETS

In thousands of euros	Goodwill	Oil search and exploitation rights	Exploration costs	Other	Total
GROSS VALUE AT 01/01/2012	6,403	207,018	315,701	2,915	532,036
Exploration investments	-	467	85,218	3,576	89,261
Sales/Decreases	-	-	-	-	-
Exploration expenses	-	-	(41,694)	-	(41,694)
Changes in consolidation scope	-	12,921	1,577	-	14,498
Currency translation adjustments	-	(4,756)	(4,736)	(14)	(9,506)
Transfers	-	-	(19,892)	-	(19,892)
GROSS VALUE AT 31/12/2012	6,403	215,650	336,174	6,477	564,703
Exploration investments	-	334	71,061	53	71,448
Sales/Decreases	-	(25,524)	(1,727)	-	(27,251)
Exploration expenses	-	(11,822)	(22,850)	-	(34,672)
Changes in consolidation scope	-	-	-	224	224
Currency translation adjustments	-	(7,622)	(10,472)	(33)	(18,127)
Transfers	-	-	5,696	(2,188)	3,508
GROSS VALUE AT 31/12/2013	6,403	171,016	377,882	4,533	559,834
CUMULATIVE AMORTISATION AND IMPAIRMENT AT 01/01/2012	-	19,907	99,127	1,872	120,906
Amortisation and depreciation provisions	-	6,440	2,906	300	9,646
Sales/Reversals	-	-	-	-	-
Exploration expenses	-	-	-	-	-
Currency translation adjustments	-	(455)	(210)	(4)	(669)
Changes in consolidation scope	-	-	-	-	-
Transfers	-	-	(6,713)	-	(6,713)
CUMULATIVE AMORTISATION AND IMPAIRMENT AT 31/12/2012	-	25,892	95,110	2,168	123,170
Amortisation and depreciation provisions	-	5,946	3,470	386	9,802
Sales/Reversals	-	(650)	-	-	(650)
Exploration expenses	-	(2,780)	(3,650)	-	(6,430)
Currency translation adjustments	-	(984)	(443)	(16)	(1,443)
Changes in consolidation scope	-	-	-	215	215
Transfers	-	-	3,515	-	3,515
CUMULATIVE AMORTISATION AND IMPAIRMENT AT 31/12/2013	-	27,424	98,002	2,753	128,179
NET CARRYING VALUE AT 31/12/2013	6,403	143,592	279,880	1,780	431,655
NET CARRYING VALUE AT 31/12/2012	6,403	189,758	241,064	4,309	441,533

Exploration investments

Acquisitions of intangible assets amounted to €71,448K as at 31 December 2013.

The main investments in the period related to:

- investments made in Gabon in the amount of €14,638K which mainly related to:
- exploration work on the Omoueyi permit in the amount of €3,745K, mainly to cover the cost of exploration platforms at the Maroc 600, 700 and 800 wells; and
- expenses incurred on the Kari permit in the amount of €10,402K, mainly for seismic data acquisition.
- investments made at Maurel & Prom Colombia BV in the amount of €9,212K, mainly to cover exploration expenses incurred on the Muisca permit in the amount of €4,717K (including €3,035K in drilling costs and €1,125K for seismic data acquisition), on the CPO 17 permit in the amount of €3,961K (including €3,368K for drilling), on the COR 15 permit in the amount of €342K, and on the SSJN 9 permit in the amount of €62K;
- exploration expenses incurred in Tanzania mainly relate to the Mnazi Bay permit in the amount of €11,458K (mostly 2D and 3D seismic data acquisition) and the Bigwa Rufiji Mafia permit in the amount of €9,541K;
- exploration expenses incurred on the permits in Canada in the amount of €3,283K through Saint-Aubin Energie, in which a 33.3% stake is held;
- exploration expenses incurred in the Congo on the Kola-1 and Kola-2 wells in the amount of €6,785K;
- exploration expenses incurred in Myanmar on the M2 block in the amount of €10,009K through Saint-Aubin Energie, in which a 33.3% stake is held;
- investments at the Rovuma field in Mozambique in the amount of €5,038K; and
- investment expenses in Namibia in the amount of €669K.

Exploration expenses

At 31 December 2013, exploration costs recognised as expenses amounted to a net value of €28,242K and related to:

- the Kola-1 and Kola-2 wells on the Noumbi permit in the amount of €9,316K;
- exploration assets relating to the Etekamba permit in the amount of €9,436K taking into account the Gabonese government's rejection of the request to extend the lifetime of the permit;
- costs relating to the SSJN9 permit in the amount of €63K as well as the component relating to oil search and exploitation rights on the permit in the amount of €9,041K; and
- costs relating to the Muisca permit in the amount of €225K (€3,875K on the gross value, and -€3,650K on amortisation and depreciation).

Amortisation and impairment

The Group recorded the following provisions for fiscal year 2013:

- the provisions recorded for the depletion of reserves in Gabon (Onal) and Colombia amounted to €3,385K and €650K respectively;
- a depreciation expense of €3,177K was recorded on the Omoueyi permit in relation to the amortisation of seismic data recorded as intangible assets, having been used in the discovery of fields now in production in Gabon; and
- a provision of €1,911K for the amortisation of mining permits held by the Group.

Sale/Decrease

Sales recorded in fiscal year 2013 related to:

- the entry of Pacific Rubiales Energy into block 116 in Peru and the assumption of costs already incurred (€1,727K); Maurel & Prom is carried under exploration expenses incurred in Peru from 1 January 2013; and
- the impact of the exit of the portion of oil search and exploitation rights on the Sabanero permit in the amount of €25,524K following the sale of Maurel & Prom's interests to Pacific Rubiales Energy.

The reduction in the oil search and exploitation rights (-€650K) corresponds to the reversal of provisions recorded for the depletion of reserves in Colombia following the sale of Sabanero.

Change in consolidation scope

The change in scope of intangible assets reflects the acquisition of Caroil and refers to software.

Currency translation adjustments

The revaluation of assets held in US dollars at the closing exchange rate produced a net negative translation adjustment of €16,684K.

NET CARRYING VALUE OF INTANGIBLE ASSETS PER PERMIT

Permit *In € M*	Drilling	Studies	Total	Permits and reserves	Other	Total intangible assets
Omoueyi	51	48	99	91	-	190
Etekamba	-	-	-	-	-	0
Nyanga Mayombe	-	1	1	2	-	3
Kari	-	*23*	*23*	1	-	24
Bigwa Rufiji Mafia (BRM)	30	22	52	-	-	52
Peru block 116	-	*6*	*6*	-	-	6
Colombia	18	23	41	33	-	74
Mnazi Bay	-	12	*12*	*18*	-	30
Alasi	-		*0*	*1*	-	1
Noumbi	-	14	*14*	*1*	-	15
Rovuma (Mozambique)	-	12	*12*	-	-	13
Myanmar (Burma)	9	1	*10*	-	-	10
Other permits	-	7	7	1	6	14
TOTAL	108	169	277	148	6	432

The main estimates used by the Company are as follows:

In Tanzania, development prospects on the BRM permit depend on expressions of interest from other players in the sector, in particular in terms of gas supply, and the support of the Tanzanian authorities to set up a contractual framework for selling the gas produced.

As a result of the change of control in 2011 (joint venture with Pacific Rubiales), the Company reported intangible assets relating to all its Colombian assets, measured at fair value on the transaction date.

The value of this asset is rising in line with our Company's success in this country (Colombia), taking into account the exploration and production prospects, and the work commitments related to the underlying permits, in particular those relating to the Muisca permit which the Group expects to be renewed in 2014. This probable renewal would require additional investment including the drilling of an exploration well.

NOTE 5 : PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment *In thousands of euros*	Land and buildings	Technical facilities	Down payments and assets under construction	Other fixed assets	Total
GROSS VALUE AT 01/01/2012	5,658	848,436	1,086	17,055	872,235
Development/production investments	99	197,930	169	7,742	205,940
Decommissioning assets	-	621	-	-	621
Sales/Decreases	-	-	-	(374)	(374)
Assets decommissioned	-	(908)	-	-	(908)
Changes in consolidation scope	-	370	-	(38)	332
Currency translation adjustments	9	(22,671)	1	(443)	(23,104)
Transfers	(2,071)	21,707	(872)	944	19,708
GROSS VALUE AT 31/12/2012	3,695	1,045,485	384	24,886	1,074,450
Development/production investments	640	179,327	17,204	14,447	211,618
Decommissioning assets	-	(617)	-	-	(617)
Sales/Decreases	-	(74,279)	-	(199)	(74,478)
Assets decommissioned	-	-	-	(16)	(16)
Changes in consolidation scope	0	106,994	397	1,759	109,150
Currency translation adjustments	(9)	(51,116)	(12)	(1,377)	(52,514)
Transfers	(1,124)	(47)	(67)	121	(1,117)
GROSS VALUE AT 31/12/2013	3,202	1,205,747	17,906	39,621	1,266,476

Changes in property, plant and equipment *In thousands of euros*	Land and buildings	Technical facilities	Down payments and assets under construction	Other fixed assets	Total
CUMULATIVE DEPRECIATION AND IMPAIRMENT AT 01/01/2012	746	128,539	-	3,404	132,689
Amortisation and depreciation provisions	364	75,198	-	738	76,300
Sales/Reversals	-	-	-	(365)	(365)
Assets decommissioned	0	(538)	-	0	(538)
Currency translation adjustments	(2)	(4,426)	-	(11)	(4,439)
Changes in consolidation scope	-	-	-	0	0
Transfers	1	-	-	24	25
CUMULATIVE DEPRECIATION AND IMPAIRMENT AT 31/12/2012	1,109	198,773	-	3,790	203,672
Amortisation and depreciation provisions	179	59,336	-	786	60,301
Sales/Reversals	-	(7,541)	-	(179)	(7,720)
Assets decommissioned	-	-	-	(5)	(5)
Currency translation adjustments	(6)	(10,912)	-	(31)	(10,949)
Changes in consolidation scope	-	55,773	-	1,279	57,052
Transfers	(1,028)	(285)	-	190	(1,123)
CUMULATIVE DEPRECIATION AND IMPAIRMENT AT 31/12/2013	254	295,144	-	5,830	301,228
NET CARRYING VALUE AT 31/12/2013	2,948	910,603	17,906	33,791	965,248
NET CARRYING VALUE AT 31/12/2012	2,586	846,712	384	21,096	870,778

Development/production investments

Investments in property, plant and equipment over the period amounted to €211,618K, primarily for:

- production investments on the Omoueyi permit in the amount of €185,188K. These mainly relate to production infrastructures, platforms, drilling and completions for wells at the Onal and Maroc-Nord fields;
- investments in Colombia on the Sabanero permit in the amount of €6,577K. These are mainly drilling-related;
- the acquisition by Maurel & Prom of two drilling rigs for €17,204K.

Decommissioning assets

At 31 December 2013, the decommissioning assets recognised in the financial statements related to the Omoueyi fields in the amount of €6,076K and to the Nyanga Mayombe fields in the amount of €58K.

Sales/Decreases

The net value of sales and decreases corresponds to the disposal of Colombian assets relating to Sabanero following the sale of Maurel & Prom's rights in the Sabanero permit to Pacific Rubiales Energy for €66,758K.

Changes in consolidation scope

The net change in consolidation scope of €52,098K (net value) corresponds to the inclusion of property, plant and equipment following the acquisition of Caroil.

Depreciation and impairment

Allowances amounting to €59,336K recognised under depreciation of technical facilities relate mainly to the depletion of field assets on the Omoueyi permit in the amount of €56,913K and the depletion of Colombian assets in the amount of €2,006K.

Currency translation adjustments

The revaluation of assets held in US dollars at the closing exchange rate produced a net negative translation adjustment of €41,565K.

NOTE 6 : NON-CURRENT FINANCIAL ASSETS

In thousands of euros	Financial assets available for sale	Loans and receivables	Total
VALUE AT 01/01/2012	1,394	7,450	8,844
Changes in consolidation scope	(74)	-	(74)
Increase	66	1	67
Decrease	(779)	(3,868)	(4,647)
Impairments	-	-	-
Fair value	-	-	-
Impairment reversals	-	-	-
Currency translation adjustments	-	(1)	(1)
Transfers	(6)	(3,443)	(3,449)
VALUE AT 31/12/2012	601	139	740
Changes in consolidation scope	(74)	220	146
Increase	5,542	265	5,807
Decrease	-	-	-
Impairments	-	-	-
Fair value	-	-	-
Impairment reversals	-	-	-
Currency translation adjustments	-	(10)	(10)
Transfers	-	-	-
VALUE AT 31/12/2013	6,069	614	6,683

Financial assets available for sale

The increase in this item is mainly due to the acquisition of equity securities in Deep Well, as part of the acquisition of blocks in Alberta, Canada, by MP West Canada, owned by Saint-Aubin Energie. Maurel & Prom owns a 6.6% share which corresponds to €5,529K.

NOTE 7 : EQUITY ASSOCIATES

The Tuscany International Drilling securities representing the 29.05% stake that Maurel & Prom had acquired in that company were all sold in December 2013 to a company registered in the Cayman Islands.

As at 31 December 2013, the Group had no equity associates remaining in its consolidation scope.

At 31/12/2012 *In thousands of euros*	Share of equity	Balance sheet value	Share of net income in the fiscal year
Tuscany International Drilling	72,496	72,496	(7,924)
TOTAL	72,496	72,496	(7,924)

At 31/12/2013 *In thousands of euros*	Share of equity	Balance sheet value	Share of net income in the fiscal year
Tuscany International Drilling	-	-	(44,801)*
TOTAL	-	-	(44,801)

* *Including €25,080K of Tuscany income up to 30 September 2013*

Impact of the removal of Tuscany:

ASSET DISPOSAL	
Book value of equity associate at date of sale	-47.1
o/w share of Tuscany 2013 net income until date of sale	-25.1
NET ASSET ACQUISITION	
Discounted Crédit Suisse debt	-32.2
Fair value of Caroil	59.6
INCOME FROM DISPOSAL	-19.7
SHARE OF TUSCANY 2013 NET INCOME UNTIL DATE OF SALE	-25.1
P&L IMPACT 2013	-44.8

FINANCIAL INFORMATION AT 30 SEPTEMBER 2013 *In thousands of euros*	Tuscany International Drilling
Sales	96,893
Net income	(86,335)

NOTE 8 : INVENTORIES

In thousands of euros	31/12/2013	31/12/2012*
Hydrocarbon inventories	-	255
Current	-	-
Consumables	8,349	3,013
TOTAL	8 349	3 268
IMPAIRMENT TO BE DEDUCTED	-	-
NET VALUE	8,349	3,268

* *Restated to reflect the change in accounting method*

The increase in the net value of inventories at 31 December 2013 is mainly due to the consolidation of inventories of Caroil consumables in the amount of €6,120K. They consist mainly of spare parts for drilling platforms.

Hydrocarbon inventories are recognised using the entitlement method and posted to sales in return for an entitlement (see Note "Change in accounting method").

NOTE 9 : TRADE RECEIVABLES AND OTHER CURRENT ASSETS

In thousands of euros	31/12/2013	31/12/2012
Trade receivables – oil and gas activities	118,226	74,258
Trade receivables – drilling activities	9,056	-
Other	495	1,029
TOTAL	127,777	75,287
Impairment to be deducted	-	-
NET VALUE	127,777	75,287

Outstanding trade receivables for hydrocarbon sales mainly correspond to receivables from Socap (Total group) and Sogara, to whom the production of the fields on the Omoueyi permit is sold (€115,574K) and to receivables held on the sale of hydrocarbons from the Mnazi Bay permit (€1,979K).

The change in trade receivables relating to drilling is due to the acquisition of Caroil in December 2013.

Other current financial and non-financial assets consist of the following items:

In thousands of euros

Other current financial assets	31/12/2013	31/12/2012*
Receivables on equity interests and joint ventures	31,516	18,955
Loans and other borrowings	2,073	6,390
Miscellaneous receivables	80,719	77,078
GROSS VALUE	114,308	102,423
Impairment to be deducted	-53,800	-54,445
NET VALUE	60,508	47,978

Other current assets	31/12/2013	31/12/2012
Advances and down payments	24,043	16,882
Prepaid expenses	1,677	1,646
Tax and social security receivables (excluding corporation tax)	49,537	33,125
Other assets	3,595	8,920
GROSS VALUE	78,852	60,573
Impairment to be deducted	-	-
NET VALUE	78,852	60,573

* *Restated to reflect the change in accounting method*

Receivables on equity interests and joint ventures

The change in receivables on equity interests and joint ventures is mainly due to the change in the current accounts for Saint-Aubin Energie S.A.S. (+€12,553K).

As at 31 December 2013, this item consisted primarily of the following:

- the Ison Holding current account in the amount of €11,792K, fully written off;
- the current accounts of partners on the Mnazi Bay permit in the amount of €1,912K and on the Noumbi permit in the amount of €3,256K;
- the Maurel & Prom Développement Gabon current account in the amount of €978K, fully written off as at 31 December 2013; and
- the non-Group share of Saint-Aubin Energie S.A.S. current accounts, consolidated on a proportional basis in the amount of €12,553K.

Loans and other borrowings

The balance of this item mainly consists of receivables from personnel in the amount of €1,377K (including €1,228K in Gabon) and sundry guarantee deposits maturing in less than one year in the amount of €431K.

The change in this item is mainly due to the balance of the guarantee deposit relating to the drawdown of the RBL loan which was repaid in full in January 2013 (-€4,926K) and the increase in receivables relating to personnel in Gabon in the amount of €705K.

Miscellaneous receivables

As at 31 December 2013, the balance of miscellaneous receivables was primarily made up of the following items:

- the recognition of the Integra receivable in respect of the sale of Maurel & Prom Venezuela in the amount of €37,500K, fully written off;
- the balance of the receivable recognised in 2011 relating to the price adjustment on the sale of 49.99% of Colombia for €6,300K;
- entitlements on unsold oil production in Gabon as at 31 December 2013 in the amount of €14,528K;
- miscellaneous receivables relating to the Omoueyi permit in the amount of €11,725K, of which €10,073K relates to the re-invoicing of costs to the partner Tullow;
- the SOCOFRAN receivable in the amount of €2,573K (including €204K in interest). This receivable has been fully written off; and
- various receivables held by Maurel & Prom Colombia BV in the amount of €4,327K. These receivables mainly correspond to a payment received from Meta Petroleum in respect of the sale of interests in the Sabanero field.

Impairment of other current financial assets

The balance of impairments on other current financial assets mainly consists of:

- the provision of the entire Integra receivable as part of the sale of Maurel & Prom Venezuela in the amount of €37,500K;
- the provision for the whole of the Ison Holding current account, in the amount of €11,792K;
- the provision of the entire SOCOFRAN receivable, in the amount of €2,573K; and
- the provision of the Maurel & Prom Développement Gabon current account in the amount of €978K, fully written off.

Advances and down payments

The change in "Advances and down payments" is mainly due to an increase in the advances and down payments on orders for the investment needs of the Omoueyi field, in the amount of €7,220K. As at 31 December 2013, the balance of this account amounted to €22,721K, corresponding to the advances and down payments paid in respect of investments on the Omoueyi permit.

Tax and social security receivables

Group tax and social security receivables rose by €16,412K. This rise mainly reflects an increase in VAT receivables in Gabon amounting to €4,740K and Caroil VAT receivables amounting to €11,430K.

As at 31 December 2013, this item mainly consisted of VAT receivables recognised:

- in Gabon in the amount of €24,680K (including €23,930K on Omoueyi);
- in Colombia in the amount of €7,404K;
- in Sicily on the company Panther in the amount of €3,443K;
- on the drilling company Caroil in the amount of €11,430K; and
- on the Mnazi Bay permit in the amount of €1,089K.

Other assets

As at 31 December 2013, the balance of other assets consisted mainly of expenses to be allocated on the US$200 million bridge loan, in the amount of €2,914K.

NOTE 10 : FINANCIAL INSTRUMENTS

In thousands of euros	31/12/2013			31/12/2012
	Current	Non-current	Total	Total
FINANCIAL INSTRUMENTS (ASSETS)	-	-	-	2,166
Interest rate instruments	-	-	-	-
Exchange rate instruments	-	-	-	-
Hydrocarbon instruments	-	-	-	2,166
FINANCIAL INSTRUMENTS (LIABILITIES)	198	-	198	5,787
Interest rate instruments	-	-	-	-
Exchange rate instruments	-	-	-	-
Hydrocarbon instruments	198	-	198	5,787
TOTAL	198	-	198	3 621

As part of its ongoing operations, the Group uses financial instruments to reduce its exposure to the risk of fluctuations in oil prices and, to a lesser degree, to foreign exchange rates.

Various instruments are used, including contracts on organised or over-the-counter markets for futures, forwards, swaps and options.

Changes in the fair value of derivative instruments are posted under income or shareholders' equity in accordance with IFRS, specifically IAS 32 and 39.

The fair values of energy derivative instruments are included at level 2, corresponding to the use of prices based on observable data.

Hydrocarbon derivative instruments

There are two types of derivatives used to reduce exposure to the risk of changes in the price of hydrocarbons:

- crude oil sale swaps, setting the sale price per barrel for a given volume and period; and
- more sophisticated products that combine sales of swaps and options to set the barrel sale price of crude while benefiting to a certain extent from favourable market conditions.

Although they are used for economic hedging, when these derivative products display certain optional characteristics they may be fully or partially ineligible for hedge accounting treatment under IFRS.

There are no hedges in place beyond 31 December 2013.

Fair value reserve in shareholders' equity

The impact on shareholders' equity of hedging derivatives is shown in the table below:

Impact of financial instruments on shareholders' equity *In thousands of euros*	31/12/2013	31/12/2012
FAIR VALUE RESERVE AT START OF PERIOD	(3,885)	(10,704)
Change in the portion of unexpired hedges (in existence the previous year)	-	122
Fair value of new hedges for the fiscal year recognised as shareholders' equity	-	-
Fair value of the portion of hedges recycled in the income statement	(3,859)	6,666
Deferred tax	-	-
Foreign exchange effect	(26)	32
FAIR VALUE RESERVE AT END OF PERIOD	-	(3,885)
CHANGE IN SHAREHOLDERS' EQUITY DURING THE PERIOD (excluding foreign exchange effect)	(3 859)	6 788
Closing rate at 31/12/2012	1.3194	-
Average rate at 31/12/2013	1.3281	-
Closing rate at 31/12/2013	1.3791	-

NOTE 11 : FAIR VALUE

Financial assets at fair value through income

The various categories of financial assets (excluding financial instruments) as at 31 December 2013 and 31 December 2012 are shown in the following tables:

At 31/12/2013 *In thousands of euros*	Financial assets available for sale	Loans and receivables	Balance Sheet Total	Fair value
Other non-current financial assets	6,069	614	6,683	6,683
Trade receivables and related accounts	-	127,777	127,777	127,777
Other current financial assets	-	60,508	60,508	60,508
Cash and cash equivalents	-	208,396	208,396	208,396
TOTAL BALANCE SHEET VALUE	6,069	397,295	403,364	403,364
TOTAL FAIR VALUE	6,069	397,295	403,364	403,364

At 31/12/2012* *In thousands of euros*	Financial assets available for sale	Loans and receivables	Balance Sheet Total	Fair value
Other non-current financial assets	601	139	740	740
Trade receivables and related accounts	-	75,287	75,287	75,287
Other current financial assets	-	47,978	47,978	47,978
Cash and cash equivalents	-	67,371	67,371	67,371
TOTAL BALANCE SHEET VALUE	601	190,775	191,376	191,376
TOTAL FAIR VALUE	601	190,775	191,376	191,376

* *Restated to reflect the change in accounting method*

Other assets at 31/12/2013 were analysed according to the following principles:

- other non-current financial assets are already valued at their fair value in the Group's financial statements;
- trade receivables and related accounts with maturities of less than one year are not discounted;
- other current financial assets, such as trade receivables and related accounts, with maturities of less than one year, are not discounted. When necessary, the receivables are assessed at their economic value and are recognised as such in the Group's financial statements; and
- the Group's cash is viewed as liquid assets.

Financial liabilities (excluding derivatives and finance leases) and fair value

The various categories of financial liabilities (excluding financial instruments) as at 31 December 2013 and 31 December 2012 are as follows:

At 31/12/2013 *In thousands of euros*	Current	Non-current	Balance Sheet Total	Fair value
Bonds	300,677	66,383	367,060	364,499
Other borrowings and financial debt	68,522	226,608	295,130	295,130
Trade payables	92,860	-	92,860	92,859
Other creditors and sundry financial liabilities	60,254	-	60,254	60,254
TOTAL	522,313	292,991	815,304	812,742

At 31/12/2012 *In thousands of euros*	Current	Non-current	Balance Sheet Total	Fair value
Bonds	10,933	346,752	357,685	377,133
Other borrowings and financial debt	113,707	-	113,707	113,707
Trade payables	104,028	-	104,028	104,028
Other creditors and sundry financial liabilities	80,582	-	80,582	80,582
TOTAL	309,250	346,752	656,002	675,449

Assumptions made

The drawdown of the Gabon credit facility in the amount of US$350 million is valued and recognised at amortised cost in the Maurel & Prom Group's financial statements. The Crédit Suisse loan was taken out on 23 December 2013 under market conditions and is recognised at the discounted value of the contractual cash flows at the interest rate of the loan.

Other liabilities at 31 December 2013 were analysed according to the following principles: trade payables and other creditors and sundry financial liabilities have maturities of less than one year and therefore their fair value does not differ from the balance sheet value. Estimates were updated where necessary and have already been taken into account in the presentation of the financial statements.

The two OCEANE bond borrrowings are measured at their fair value.

The value adopted for the OCEANE 2014 bonds is their redemption value, i.e., €297,355K based on the maturity date of 31 July 2014.

The value of the OCEANE 2015 bonds was recalculated using the applicable market rate in accordance with the applicable conditions on 31 December 2013, based on the amount borrowed of €70,000K over the residual term. The interest rate is 2.67%. The calculated value is €67,144K.

Upon the completion of this analysis, the total fair value of the OCEANE bonds is €364,499K.

NOTE 12 : CASH AND CASH EQUIVALENTS

Cash equivalents include liquid assets and investments with a term of less than three months.

In thousands of euros	31/12/2013	31/12/2012
Liquid assets, banks and savings banks	85,642	37,980
Short-term bank deposits	122,754	29,391
Marketable securities	-	-
TOTAL	208,396	67,371
BANK LOANS	10,343	131
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	198,053	67,240

At 31 December 2013, Maurel & Prom had net cash of €198 million, up €130.8 million from 31 December 2012, due in particular to:

- payments linked to acquisitions of property, plant and equipment and intangible assets in the amount of €283 million; and
- dividend payment in the amount of €46 million;
- cash flow generated by operating activities (+€348 million);
- drawdown of the facility set up in Gabon in the amount of US$350 million (€266.5 million);
- repayment of the RBL drawn down in the amount of US$130 million (€98 million) at 31 December 2012 and of the BGFI line of credit (€15 million).

NOTE 13 : SHAREHOLDERS' EQUITY

Instruments conferring access to capital

Employee share issues and bonus shares

The Combined Ordinary and Extraordinary General Shareholders' Meeting of 14 June 2012 authorised the Board of Directors, for a period of 38 months, to decide on one or more occasions to allocate bonus shares, representing no more than 1% of share capital at 14 June 2012, to some or all employees and/or to some or all of the Company's corporate officers and/or to related companies and groups with related economic interests. This authorisation of 14 June 2012 terminated with immediate effect the unused portion of the authorisation granted on 29 June 2011.

This authorisation, which is valid for 38 months, was not renewed at the General Shareholders' Meeting of June 2013.

For all of the plans issued by the Company since 2006, the allocation of shares to their beneficiaries will be definitive at the end of the minimum two-year vesting period, and the minimum lock-in period is set at two years from the vesting date.

The allocations of bonus shares granted since 2009 are as follows:

Date of allocation decision	Number of shares
19/06/2009	57,500
15/12/2009	120,500
21/12/2010	202,256
01/06/2011	29,750
20/07/2011	41,650
19/12/2011	90,238
21/12/2012	72,451
30/08/2013	34,000

Share repurchase plan

Following the approval by the General Shareholders' Meeting of 13 June 2013, the Board of Directors is authorised to repurchase up to 10% of the Company's existing share capital, under the following terms: maximum purchase price of €18 per share.

Within the context of this repurchase plan, in 2013 no shares were bought and 37 shares were delivered in the form of OCEANE bond conversions.

Over the same period, 1,994,832 shares were bought and 1,963,526 shares were sold under the liquidity agreement.

At 31 December 2013, the Company held 5,589,041 treasury shares (4.60% of share capital for a gross value of €70.9 million at the end of 2013), including 62,723 shares under the liquidity agreement.

At 31 December 2013, as shown in the capital movements table below, there were 121,530,169 Company shares and the share capital amounted to €93,578,230.13.

Summary of capital movements *In euros*	Number of shares	Treasury shares
AT 31/12/2009	121,252,271	6,029,739
Issue for exercise of share subscription warrants	52,730	-
Repurchase of treasury shares	-	333,314
AT 31/12/2010	121,305,001	6,363,053
Issue for exercise of share subscription warrants	188,533	-
Repurchase of treasury shares	-	-389,973
AT 31/12/2011	121,493,534	5,973,080
Issue for exercise of share subscription warrants	18,900	-
Repurchase of treasury shares	-	-256,835
AT 31/12/2012	121,512,434	5,716,245
Issue for exercise of share subscription warrants	17,735	-
Repurchase of treasury shares	-	-127,204
AT 31/12/2013	121,530,169	5,589,041

Distribution

The General Shareholders' Meeting of 13 June 2013 approved the payment of a dividend of €0.40 per share for the fiscal year ended 31 December 2012.

The dividend was paid out on 24 June 2013 in the total amount of €46,270,690.

NOTE 14 : PROVISIONS

In thousands of euros	Site restoration	Employee benefits	Other	Total
BALANCE AT 01/01/2012	9,138	899	8,716	18,753
Currency translation adjustments	(199)	(6)	(4)	(209)
Changes in consolidation scope	-	-	-	-
Provisions in the period	400	287	616	1,303
Use	(4)	-	-	(4)
Other provisions and reversals	621	-	(4,720)	(4,099)
Impact of accretions	405	-	-	405
BALANCE AT 31/12/2012	10,361	1,180	4,608	16,149
Current portion	2,073	937	4,608	7,618
Non-current portion	8,288	243	-	8,531

In thousands of euros	Site restoration	Employee benefits	Other	Total
BALANCE AT 31/12/2012	10,361	1,180	4,608	16,149
Currency translation adjustments	(424)	(14)	(30)	(468)
Changes in consolidation scope	-	72	3,804	3,876
Provisions in the period	422	142	-	564
Use	-	-	-	-
Other provisions and reversals	(643)	(8)	-	(651)
Impact of accretions	412	-	-	412
BALANCE AT 31/12/2013	10,128	1,372	8,382	19,882
Current portion	1,753	810	8,382	10,945
Non-current portion	8,375	562	-	8,937

Site restoration

At 31 December 2013, the provision for site restoration in the Maurel & Prom financial statements relates to Gabon in the amount of €9,402K (including €9,344K on the Omoueyi permit) and €724K for Sicily.

Employee benefits

At 31 December 2013, the provision for retirement and other post-employment benefits mainly relates to Maurel & Prom's registered office (€1,007K), Maurel & Prom Colombia BV (€271K) and Caroil (€72K). This liability is measured by an independent actuary.

Other provisions

Other provisions for risks and contingencies are shown in the table below:

In thousands of euros	December 2012	Change	December 2013	
Operating risks in the Congo	1,073	-	1,073	*(1)*
Other	3,535	3,774	7,309	*(2)*
OTHER PROVISIONS FOR RISKS AND CONTINGENCIES	4,608	3,774	8,382	

(1) The provision allocated in 2007 to hedge a series of risks linked to the sale of most of the Group's activities in the Congo to Eni appears in the financial statements in the amount of €1,073K.

(2) The change in "Other" provisions is mainly due to the consolidation of Caroil provisions following its acquisition in December 2013. The Caroil provisions mainly relate to provisions recorded on activity in the Congo.

NOTE 15 : BONDS, OTHER BORROWINGS AND FINANCIAL DEBT

Bonds, other borrowings and financial debt are detailed below:

In thousands of euros	Currency	31/12/2013			31/12/2012
		Current	Non-current	Total	Total
BONDS		300,677	66,383	367,060	357,685
OTHER BORROWINGS AND DEBTS		58,009	223,867	281,876	113,530
BGFI – line of credit	*EUR*	-	-	-	15,000
BNP – RBL	*USD*				98,530
Crédit Suisse loan	*USD*	-	32,253	32,253	-
Gabon credit facility	*USD*	58,009	191,615	249,623	-
DEBTS ON LEASE FINANCING		171	2,741	2,912	46
BANK LOANS		10,343	-	10,343	131
TOTAL OTHER BORROWINGS AND FINANCIAL DEBT		68,522	226,608	295,130	113,707

Bonds

The Group issued two OCEANE bonds in 2009 and 2010, maturing on 31 July 2014 and 31 July 2015 respectively.

The interest recorded over the period was:

- for the OCEANE 2014 bond: €29,393K; and
- for the OCEANE 2015 bond: €6,065K.

Other borrowings and financial debt

Gabon credit facility

The Reserve Based Loan (RBL) facility entered into on 29 May 2009 with a consortium of four banks comprising BNP Paribas, Calyon, Natixis and Standard Bank, of which US$130 million (equivalent to €98,530K) was drawn down at 31 December 2012, was repaid in full in January 2013.

The same is true of the line of credit agreed with BGFI in April 2011 in the amount of €15 million, which was drawn down in full at 31 December 2012.

These repayments occurred after Maurel & Prom Gabon SA had set up a new line of credit in the amount of US$350 million (Senior Secured Facility) with a consortium of seven international banks (Natixis, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Standard Bank Plc, Standard Chartered Bank, Rand Merchant Bank and Export Development Canada), approved by the Gabonese authorities in late January 2013.

This facility, recognised at amortised cost, was drawn down in full at 31 December 2013. It bears interest at LIBOR + 4% for a drawdown exceeding US$262 million, LIBOR + 3.75% for a drawdown of between US$175 million and US$262 million, and LIBOR + 3.5% for a drawdown below US$175 million.

The terms and conditions of this facility are disclosed in the Note "Off-balance-sheet commitments".

Crédit Suisse loan

As part of the purchase of Caroil from Tuscany, Maurel & Prom took on US$50 million of Tuscany debt following a credit agreement with Crédit Suisse. This loan, taken out on 23 December 2013, is repayable in full on 23 December 2018 and bears interest at LIBOR + 2%.

NOTE 16 : TRADE PAYABLES – OTHER CREDITORS AND MISCELLANEOUS FINANCIAL LIABILITIES

	31/12/2013			31/12/2012		
In thousands of euros	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
TRADE PAYABLES AND RELATED ACCOUNTS	92,860	-	92,860	104,028	-	104,028
Suppliers	36,663	-	36,663	50,810	-	50,810
Accrued expenses	56,197	-	56,197	53,218	-	53,218
OTHER CREDITORS AND MISCELLANEOUS LIABILITIES	87,384	-	87,384	93,678	-	93,678
Social security liability	6,626	-	6,626	5,524	-	5,524
Tax liability	20,504	-	20,504	7,572	-	7,572
Miscellaneous creditors	60,254	-	60,254	80,582	-	80,582

Trade payables and related accounts

The balance of trade payables at 31 December 2013 mainly consists of trade payables directly related to requirements generated in Gabon in the amount of €19,399K, of which €17,487K is for the Omoueyi permit. This balance also includes Caroil trade payables amounting to €10,082K, M&P Colombia BV trade payables amounting to €2,990K and trade payables relating to the Mnazi Bay permit amounting to €3,064K.

The change in trade payables during fiscal year 2013 of -€14,147K mainly reflects the decrease in expenses incurred in Colombia following the sale of Sabanero (-€18,025K), in Gabon (-€3,891K), on the Mnazi Bay permit (-€1,135K) and the acquisition of Caroil (+€10,082K).

The balance of accrued expenses at 31 December 2013 mainly consisted of accrued expenses on the fields in Gabon amounting to €51,793K (including €48,044K relating to drilling works and completions in progress on the Omoueyi permit).

Other creditors and miscellaneous liabilities

Social security liability

The social security liability mainly corresponds to debts relating to personnel and social welfare bodies at Maurel & Prom's registered office in the amount of €2,286K, in Gabon in the amount of €2,210K and on Caroil in the amount of €1,478K.

The change in this item is mainly due to the acquisition of Caroil (+€1,478K).

Tax liability

The change in the tax liability is mainly due to:

- the increase in tax liabilities on Omoueyi in the amount of +€9,759K due primarily to an increase in the Sogara contribution which rose by +€9,432K; and
- the tax liabilities consolidated into the Group's financial statements following the acquisition of Caroil, in the amount of €1,391K.

The balance consists of tax liabilities in Gabon amounting to €15,783K, of which €14,229K is Sogara's contribution on Omoueyi, the tax liabilities consolidated into the Group's financial statements following the acquisition of Caroil in the amount of €1,391K and tax liabilities in Colombia amounting to €2,183K.

Miscellaneous creditors

The -€20,328 change in miscellaneous creditors reflects:

- the reduction in the miscellaneous creditors of M&P Colombia BV in the amount of -€50,619K which is mainly related to the sale of interests in the Sabanero permit;
- the increase in miscellaneous creditors at the registered office in the amount of €8,900K which mainly corresponds to the non-Group share of other liabilities to M&P Colombia BV in the amount of €3,470K and the remaining balance to be paid in respect of the acquisition of drilling rigs as part of the Tuscany deal in the amount of €5,587K;
- the increase in miscellaneous Maurel & Prom Gabon creditors from operating the Omoueyi permit (+€9,651K) due to the change in retrocessions of sales to its partner, Tulip Oil; andd
- miscellaneous MPI debt accounts held by Saint-Aubin Energie in the amount of €12,551K.

The balance of miscellaneous creditors consists of:

- retrocessions of its share of sales on the Omoueyi permit to its partner Tulip Oil in the amount of €23,313K;
- the MPI current account held by Saint-Aubin Energie in the amount of €12,719K (including €167K in interest);
- the non-Group share of the recognised debt to M&P Colombia BV in the amount of €3,470K and the remaining balance to be paid in respect of the acquisition of drilling rigs as part of the Tuscany transaction in the amount of €5,587K; and
- miscellaneous creditors of M&P Colombia BV in the amount of €11,790K, relating mainly to Pacific Rubiales Energy's financing of the COR 15 permit.

NOTE 17 : CHANGE IN ACCOUNTING METHOD

As indicated in Note 2.20 "Oil Sales" in the consolidated financial statements at 31 December 2012, "income is recognised as sales when the Company has transferred the risks and benefits inherent in ownership of the assets to the buyer, i.e. when the oil is collected from the oil terminals".

Given that production is mainly located in Gabon, and that only a single commercialisation route exists in that country (Cap Lopez), the Group's financial statements can be differ significantly depending on whether oil is loaded onto a tanker just before or just after the end of a period.

To eliminate these effects, the Group has decided to use the "entitlement method", which consists of measuring over- and under-entitlement positions at the end of the period at their realisable value, rather than the sales method which it has historically applied. The Group no longer recognises a sale when the oil is collected from the oil terminal, but when the oil is delivered to the oil terminal. Sales are adjusted to reflect whether the Group is in an over-entitlement position (in which case the Group posts a debt to its partners), or under-entitlement position (in which case the Group posts a receivable).

This is a voluntary change of accounting method in accordance with IAS 8.14 and is common practice in the oil industry.

The new method will allow for better comparability of the Group's financial data with that of other companies in the sector, as well as better comparability of financial performance from year to year, especially in the event of significant variances in period-end oil collection figures.

The Group has reliable information to be able to monitor this new method and to calculate the impact of its implementation. As the impact of the change of method is significant, the Group has decided to apply it retrospectively, as well as to update its accounting principles and methods in the notes to the financial statements, Note 2 "Accounting Methods", Note 2.8 "Inventories" and Note 2.20 "Oil Sales".

The impact on the restated 2012 financial statements is presented below:

Income statement *In thousands of euros*	**31/12/2012 published**	**31/12/2012* published**	**Change**
SALES	472,104	451,515	20 589
Other income	2,897	2,897	20,589
Purchases and changes in inventories	(13,484)	(8,140)	-
Other purchases and operating expenses	(79,793)	(79,793)	(5,344)
Tax expense	(25,537)	(25,537)	-
Personnel expenses	(17,471)	(17,471)	-
Amortisation and depreciation provisions	(83,393)	(83,393)	-
Depreciation of exploration and production assets	(42,064)	(42,064)	-
Provisions and impairment of current assets	(13,188)	(13,188)	-
Reversals of operating provisions	1,840	1,840	-
Income from asset disposals	1	1	-
Other expenses	(1,155)	(1,155)	-
OPERATING INCOME	200,757	185,511	15,246
Gross cost of financial debt	(38,358)	(38,358)	-
Income from cash	538	538	-
Net gains and losses on derivative instruments	4,459	4,459	-
Net cost of debt	(33,361)	(33,361)	-
Other financial income and expenses	(9,064)	(9,064)	-
FINANCIAL INCOME	(42,425)	(42,425)	-
INCOME BEFORE TAX	158,332	143,086	15,246
Income tax	(95,212)	(97,044)	1,832
NET INCOME FROM CONSOLIDATED COMPANIES	63,120	46,042	17,078
Net income from disposals of equity associates	-	-	-
Total net income from equity associates	(5,199)	(5,199)	-
NET INCOME FROM CONTINUING ACTIVITIES	57,921	40,843	17,078
Net income from discontinued activities	-	-	-
Gain/Loss on distribution (IFRIC 17)	-	-	-
CONSOLIDATED NET INCOME	57,921	40,843	17,078
Net income, Group share	*58,079*	*41,001*	17,078
Non-controlling interests	*(158)*	*(158)*	-

Consolidated financial statements at 31 december 2013

Statement of financial position *In thousands of euros*	**31/12/2012 published**	**31/12/2012* restated**	**Change**	**31/12/2011 published**	**01/01/2012* restated**	**Change**
Intangible assets	441,533	441,533	-	411,129	411,129	-
Property, plant and equipment	870,778	870,778	-	739,546	739,546	-
Non-current financial assets	740	740	-	8,844	8,844	-
Equity associates	72,496	72,496	-	81,031	81,031	-
Non-current derivative instruments	-	-	-	1,186	1,186	-
Deferred tax assets	6,751	4,966	1,785	8,133	8,133	-
NON-CURRENT ASSETS	1,392,298	1,390,513	1,785	1,249,869	1,249,869	-
Inventories	5,060	3,268	1,792	9,240	2,105	7,135
Trade receivables and related accounts	75,287	75,287	-	60,246	60,246	-
Other current financial assets	40,426	47,978	-7,552	71,437	99,591	-28,154
Other current assets	60,573	60,573	-	31,002	31,002	-
Income tax receivable	290	290	-	21	21	-
Current derivative instruments	2,166	2,166	-	5,323	5,323	-
Cash and cash equivalents	67,371	67,371	-	60,771	60,771	-
CURRENT ASSETS	251,173	256,933	-5,760	238,040	259,059	-21,019
TOTAL ASSETS	1,643,471	1,647,446	-3,975	1,487,909	1,508,928	-21,019

* *Restated to reflect the change in accounting method*

In thousands of euros	31/12/2012 published	31/12/2012* restated	Change	31/12/2011 published	01/01/2012* restated	Change
Share capital	93,565	93,565	-	93,550	93,550	-
Additional paid-in capital	218,280	218,280	-	221,199	221,199	-
Consolidated reserves	470,361	491,414	(21,053)	362,047	369,609	(7,562)
Treasury shares	(72,737)	(72,737)	-	(76,246)	(76,246)	-
Net income, Group share	58,079	41,001	17,078	164,560	178,017	(13,457)
SHAREHOLDERS' EQUITY, GROUP SHARE	767,548	771,523	(3,975)	765,110	786,129	(21,019)
Non-controlling interests	2,408	2,408	-	1	1	-
TOTAL SHAREHOLDERS' EQUITY	769,956	773,931	(3,975)	765,111	786,130	(21,019)
Non-current provisions	8,531	8,531	-	7,206	7,206	-
Non-current bonds	346,752	346,752	-	338,271	338,271	-
Other non-current borrowings and financial debt	-	-	-	61,829	61,829	-
Non-current derivative instruments	-		-	2,974	2,974	-
Deferred tax liabilities	179,975	179,975	-	118,755	118,755	-
NON-CURRENT LIABILITIES	535,258	535,258	-	529,035	529,035	-
Current bond borrowing	10,933	10,933	-	10,968	10,968	-
Other current borrowings and financial debt	113,707	113,707	-	11,144	11,144	-
Trade payables and related accounts	104,028	104,028	-	78,059	78,059	-
Income tax payable	2,506	2,506	-	12,421	12,421	-
Other creditors and miscellaneous liabilities	93,678	93,678	-	53,118	53,118	-
Current derivative instruments	5,787	5,787	-	16,506	16,506	-
Current provisions	7,618	7,618	-	11,547	11,547	-
CURRENT LIABILITIES	338,257	338,257	-	193,763	193,763	-
Assets held for sale and discontinued activities	-	-	-	-	-	-
TOTAL LIABILITIES	1,643,471	1,647,446	(3,975)	1,487,909	1,508,928	(21,019)

Restated to reflect the change in accounting method

Consolidated financial statements at 31 december 2013

Cash flow statement *In thousands of euros*	31/12/2012 published	31/12/2012* restated	Change	31/12/2011 published	01/01/2012* restated
CONSOLIDATED NET INCOME FROM CONTINUING ACTIVITIES	57,921	40,843	17,078	151,925	165,832
Tax expense for continuing activities	95,212	97,044	(1,832)	98,214	98,214
CONSOLIDATED INCOME FROM CONTINUING OPERATIONS BEFORE TAX	153,133	137,887	15,246	250,139	264,046
- Net increase (reversals) of amortisation, depreciation and provisions	86,604	86,604	-	91,469	91,469
- Unrealised gains (losses) due to changes in fair value	308	308	-	30,197	30,197
- Exploration expenses	42,064	42,064	-	36,514	36,514
- Calculated expenses and income related to stock options and similar benefits	2,232	2,232	-	2,511	2,511
- Other calculated income and expenses	13,965	13,965	-	(10,757)	(10,757)
- Gains (losses) on asset disposals	(1,582)	(1,582)	-	(122,141)	(122,141)
- Share of income from equity associates	5,199	5,199	-	1,330	1,330
- Other financial items	3,769	3,769	-	6,219	6,219
CASH FLOW BEFORE TAXES	305,692	290,446	15,246	285,481	299,388
Payment of tax due	(38,985)	(38,985)	-	(24,092)	(24,092)
Change in working capital requirements for operations	55,178	70,424	(15,246)	(22,258)	(36,038)
- Customers	(16,320)	(16,320)	-	(23,179)	(23,179)
- Suppliers	33,712	33,712	-	24,508	24,508
- Inventories	1,673	(3,671)	5,344	740	4,775
- Other	36,113	56,703	(20,590)	(24,327)	(42,142)
NET CASH FLOW FROM OPERATING ACTIVITIES	321,885	321,885	-	453,735	453,862
Payments associated with acquisitions of intangible assets and property, plant and equipment	(295,202)	(295,202)	-	(178,585)	(178,585)
Proceeds from disposals of intangible assets and property, plant and equipment	10	10	-	43,880	43,880
Payments associated with acquisitions of financial assets (unconsolidated securities)	(66)	(66)	-	(539)	(539)
Proceeds from disposals of financial assets (unconsolidated securities)	2,375	2,375	-	34	34
Acquisition of subsidiaries	(15,311)	(15,311)	-	478	478
Change in loans and advances granted	31	31	-	145,166	145,166
Other cash flow from investment activities	-	-	-	(589)	(589)
NET CASH FLOW FROM INVESTMENT ACTIVITIES	(308,163)	(308,163)	-	(278,230)	(278,230)
Amounts received from shareholders for capital increases	(818)	(818)	-	(205)	(205)
Dividends paid	(46,206)	(46,206)	-	(28,772)	(28,772)
Proceeds from new loans	45,253	45,253	-	68,155	68,155
Interest paid	(3,769)	(3,769)	-	(6,226)	(6,226)
Borrowing repayments	(161)	(161)	-	(267,445)	(267,445)
Treasury share acquisitions	3 509	3,509	-	5,255	5,255
NET CASH FLOW FROM FINANCING ACTIVITIES	(2,192)	(2,192)	-	(211,978)	(211,978)
Impact of exchange rate fluctuations	(4,991)	(4,991)	-	(3,774)	(3,774)
CHANGE IN NET CASH	6,539	6,539	-	(34,801)	(34,674)
Cash at start of period	60,701	60,701	-	95,375	95,375
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	67,240	67,240	-	60,701	60,701

** Restated to reflect the change in accounting method*

NOTE 18 : PERSONNEL EXPENSES

In thousands of euros	31/12/2013	31/12/2012
Wages	12,667	10,909
Profit-sharing	518	625
Stock options and bonus shares	1,167	2,232
Social security contributions and other personnel-related expenses	4,076	3,705
TOTAL	18,428	17,471

NOTE 19 : OPERATING INCOME

In thousands of euros	31/12/2013	31/12/2012*
Sales	580,302	451,515
Gross margin	479,044	366,478
Gross operating surplus	420,810	323,470
Amortisation and depreciation of depletion and other impairment	(69,255)	(83,393)
INCOME FROM PRODUCTION ACTIVITIES	351,555	240,077
Impairment of exploration and production assets	(28,242)	(42,064)
INCOME FROM OIL PRODUCTION AND EXPLORATION ACTIVITIES	323,313	198,013
Income from asset disposals	(13,273)	1
Other operating items	2,362	(12,503)
OPERATING INCOME	312,402	185,511

* *Restated to reflect the change in accounting method*

The gross margin corresponds to sales of services, net of purchases of materials and consumables.

The gross operating surplus corresponds to the gross margin net of taxes and duties (excluding corporation tax) and personnel expenses.

These two indicators provide a realistic overview of the performance from production activities and oil services.

The improvement in income from production activities and oil services is mainly due to the increased volumes sold in Gabon where production sold amounted to 19,580 bopd compared to 15,541 bopd in fiscal year 2012.

Environmental factors were, however, less favourable, with the average barrel price of US$108.6 in 2013, compared to US$111.7 in 2012 (-3%). At the same time, the US dollar declined in value against the euro with an average exchange rate of 1.3281 in 2013, versus 1.2854 in 2012 (-3%).

Change in sales

In millions of euros

31/12/2012*	452
Impact of hedges	13
Gabon	121
Sabanero	-7
Other	1
31/12/2013	580

* Restated to reflect the change in accounting method

Change in operating income

In millions of euros

31/12/2012*	186
Gain/loss on asset disposals 2013 (Sabanero)	-13
Sales	128
Gabon depletion	9
Royalties – Sogara contribution	-11
Exploration expenses	14
Other	-6
31/12/2013	312

* Restated to reflect the change in accounting method

Itemised exploration expenses

In thousands of euros

Etekamba (Gabon)	9,436
Kola-1 and Kola-2 – Noumbi (Congo)	9,312
SSJN9 (Colombia)	9,041
Other	453
TOTAL	28,242

The change in gross operating surplus is shown in the table below:

In millions of euros	2013			2012 restated		
	Sales	Gr. Op. Surplus		Sales	Gr. Op. Surplus	
*Gabon**	*573*	*439*	*77%*	*451*	*372*	*82%*
Other (Colombia – Mnazi Bay)	11	-2	*ns*	18	-	*ns*
Hydrocarbon production	583	438	*75%*	469	372	*79%*
Hedges	-3	-3	-	-16	-16	-
Structures	-	-14	-	-	-17	-
TOTAL	580	421	*73%*	452	339	*75%*

** Omoueyi et Nyanga Mayombe*

Amortisation and depreciation charges mainly consisted of the following:

- depletion of assets in Gabon: €64,293K including the amortisation of the mining permits; and
- depletion of Sabanero in Colombia: €2,858K.

NOTE 20 : FINANCIAL INCOME

In thousands of euros	31/12/2013	31/12/2012
Interest on overdrafts	(67)	(136)
Interest on OCEANE bonds	(35,458)	(34,589)
Interest on other borrowings	(12,179)	(3,633)
GROSS COST OF DEBT	(47,704)	(38,358)
Income from cash	967	538
Net gains and losses on derivative instruments	264	4,459
NET COST OF DEBT	(46,473)	(33,361)
OTHER NET FINANCIAL INCOME AND EXPENSES	(20,731)	(9,064)
Net foreign exchange differences	(19,189)	1,384
Other	(1,542)	(10,448)
FINANCIAL INCOME	(67,204)	(42,425)

Interest expenses on the OCEANE 2014 and 2015 bonds, whose characteristics are described above in the Note "Bonds, other borrowings and financial debt", amounted to €35,458K. This amount breaks down as follows:

- interest expenses calculated at the nominal borrowing rate and paid at each annual maturity: €26.1 million; and
- "debt readjustment" technical charge: €9.4 million.

The breakdown of bonds at the time of their issue into a shareholders' equity component and a debt component, in accordance with IFRS, requires a technical "debt readjustment" charge to be recorded every year until maturity.

Interest expenses on other borrowings consist of interest on the Gabon facility amounting to €11.8 million.

Net foreign exchange gains (€19.2 million) were linked primarily to the revaluation of the Group's foreign currency positions at the closing rate. The €/US$ exchange rate at the end of the period had a significant impact on Maurel & Prom's financial income because at the same time:

- the US$ exchange position of the parent company, which is traditionally a lending position as it ensures the Group's financing, was revalued in euros (its operating currency and the Group's reporting currency); and
- the debts in euros of operating subsidiaries (mainly Gabon) were revalued in their operating currency, the US dollar.

Thus, the relative stability of the US dollar throughout the year was reflected in the limited impact of foreign exchange gains and losses in the financial statements of the holding company and the operating subsidiaries.

At 31 December 2013, the parent company had a net borrowing position of US$928 million and M&P Gabon a borrowing position of €872 million.

The impact on consolidated financial income at 31 December of a 10% rise or fall in the €/US$ exchange rate on that date is presented below:

Impact on income before tax in €K

In thousands of euros	10% rise in €/US$ rate (i.e. drop in US$ value)	10% fall in €/US$ rate (i.e. rise in US$ value)
US$	-40,660.7	29,573.4
Other currencies	-	-
TOTAL	-40,660.7	29,573.4

Other items of financial income consist of undrawn commissions and the amortisation of charges to be allocated under the RBL

NOTE 21 : INCOME TAX

Breakdown of the charge for the fiscal year

The corporation tax payable (€38,845K) corresponds mainly to the recognition of the State's share of "profit oil" in relation to the Omoueyi and Nyanga Mayombe permits in Gabon and to the additional 3% tax on dividends borne by Etablissements Maurel & Prom in the amount of €1,388K.

The deferred tax charge reflects the posting of the difference between the recognition of the recoverable costs, on a tax base and the posting in the consolidated financial statements under the Omoueyi permit of -€95,263K.

In thousands of euros	31/12/2013	31/12/2012*
Tax charge payable for the fiscal year	40,015	28,760
Deferred tax income or charge	95,263	68,284
TOTAL	135,278	97,044

* *Restated to reflect the change in accounting method*

Change in current tax *In thousands of euros*	31/12/2013	31/12/2012
Income tax receivable	1,185	290
Income tax payable	3,634	2,506

Origin of deferred taxes *In thousands of euros*	31/12/2013	31/12/2012*
Tax deficits	2,753	4,966
Temporary difference in the valuation of Gabon oil inventories	-	-
TOTAL DEFERRED TAX ASSETS	2,753	4,966
Goodwill on property, plant and equipment	259,173	175,009
Accelerated depreciation	-	-
OCEANE equity component	2,753	4,966
Other	-	-
TOTAL DEFERRED TAX LIABILITIES	261,926	179,975
NET	259,173	175,009

* *Restated to reflect the change in accounting method*

The initial deferred taxation between the tax base of recoverable costs and consolidated assets at Omoueyi was measured on 31 December 2009. At 31 December 2013, this base difference generated a deferred tax liability of €259 million.

Deferred tax assets relating to deferred losses are not recognised in excess of deferred tax liabilities if there is not sufficient probability of future taxable profits on which the tax losses could be charged.

Reconciliation of the tax charge and income before tax *In thousands of euros*	31/12/2013	31/12/2012*
Income before tax from continuing activities	200,399	146,160
- Net income from equity associates	-44,801	3,074
INCOME BEFORE TAX EXCLUDING EQUITY ASSOCIATES	245,200	143,086
Distortion of the Gabon tax base	-321,098	-265,418
Non-taxable gains – France	-	-
TAXABLE INCOME BEFORE TAX	-75,897	-122,332
Theoretical tax charge of 33.33%	-25,297	-40,773
Reconciliation	-	-
- Tax rate discrepancy	-2,885	-92
-Tax difference on Gabon recoverable costs	95,263	67,041
- Profit oil tax/Notional sales	38,845	30,814
- Non-activated deficits and other	29,351	40,054
ACTUAL TAX CHARGE	135,278	97,044

* *Restated to reflect the change in accounting method*

Tax rate discrepancies are mainly due to the taxation applied to entities or establishments that have an oil activity in African countries.

Non-activated deficits correspond to the non-activated share of tax on subsidiaries or establishments whose recovery prospects are not proven. This is particularly the case, structurally, for the Maurel & Prom parent company.

NOTE 22 : EARNINGS PER SHARE

Potential ordinary shares are treated as dilutive if, and only if, their conversion to ordinary shares has the effect of reducing earnings per share from the ordinary activities undertaken.

	31/12/2013	31/12/2012*
Net income, Group share	62,768	41,001
Net income from discontinued activities	-2,575	-
Net income from continuing activities	65,343	41,001
Average number of shares outstanding	115,933,284	115,788,370
Stock options and bonus shares (weighted number)	205,807	411,231
Share subscription warrants	14,113,151	14,130,852
OCEANE bonds (weighted number)	29,693,215	29,694,953
Average number of diluted shares	165,661,702	165,741,652
EARNINGS PER SHARE		
Basic	0.539	0.353
Diluted	0.510	0.234
EARNINGS PER SHARE FROM DISCONTINUED ACTIVITIES		
Basic	-0.02	-
Diluted	-0.02	-
EARNINGS PER SHARE FROM CONTINUING ACTIVITIES		
Basic	0.562	0.353
Diluted	0.536	0.234

* *Restated to reflect the change in accounting methode.*

In accordance with IAS 33, diluted earnings per share are equal to the income attributable to ordinary shareholders arising from the parent company divided by the weighted average number of outstanding ordinary shares at the price for the period, after adjusting the numerator and denominator for the impact of any potentially dilutive ordinary shares.

Thus, the resulting income has been adjusted for interest expenses related to the OCEANE bonds and expenses incurred for bonus shares, in the total amount of €36,625K as at 31 December 2013.

In accordance with IAS 33, potential ordinary shares are treated as dilutive if, and only if, their conversion to ordinary shares has the effect of reducing earnings per share from the ordinary activities undertaken.

NOTE 23 : RELATED PARTIES

At 31/12/2013 *In thousands of euros*	Income	Expenses	Amounts due from related parties (net)	Amounts due to related parties
1) EQUITY ASSOCIATES				
- Tuscany International Drilling	-	-	-	-
2) OTHER RELATED PARTIES				
- Pacifico	111	362	-	22

At 31/12/2012 *In thousands of euros*	Income	Expenses	Amounts due from related parties (net)	Amounts due to related parties
1) EQUITY ASSOCIATES				
- Tuscany International Drilling	76	-	205	2 825
2) OTHER RELATED PARTIES				
- Pacifico	226	362	66	22

Equity associates

Tuscany International Drilling was an equity associate until 23 December 2013. It conducted drilling operations through its subsidiary, Caroil, on behalf of Maurel & Prom Group companies, mainly in Gabon on the Omoueyi permit.

Other related parties

With respect to other related parties, transactions with Pacifico were conducted under normal conditions of competition and relate to rentals and support services.

Accordingly, Maurel & Prom signed a premises subleasing agreement with Pacifico, a 23.71% shareholder. Pacifico also provides Maurel & Prom with technical and financial support services. The service agreement with Pacifico was the subject of an addendum approved by the Maurel & Prom Supervisory Board on 29 May 2007 and signed on 11 June 2007 (effective 1 February 2007). This addendum relates solely to fee adjustments for services rendered.

Compensation of senior executives

"Senior executives" refers to directors (department heads) and other members of the Board of Directors and to the Chairman and Chief Executive Officer.

In thousands of euros	31/12/2013	31/12/2012
Short-term benefits	2,842	2,719
Severance indemnities	-	-
Post-employment benefits	462	437
Payment in shares	170	365
TOTAL	3,474	3,521

NOTE 24 : OFF-BALANCE-SHEET COMMITMENTS

In thousands of euros	31/12/2013	31/12/2012
Customs surety bonds	898	898
Guarantees made on borrowings	253,789	150,068
Work commitments	271,699	252,813

Guarantees made on borrowings: Maurel & Prom Gabon SA credit facility

On 5 November 2012, Maurel & Prom Gabon entered into an agreement with a consortium of five international banks (Natixis, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Standard Bank Plc and Standard Chartered Bank) and Canada's export agency (Export Development Canada) for a senior loan facility in the amount of US$350 million (the "Credit Agreement").

Under the terms of the Credit Agreement, Maurel & Prom Gabon can draw the entire amount available under this agreement until 30 June 2014. At the end of this period, the amount available under the Credit Agreement will decrease in accordance with a predetermined schedule.

In addition to the standard market conditions that may lead to the cancellation of the facility, the amount available under the Credit Agreement may be reduced if Maurel & Prom Gabon sells all or some of its interests in the production sharing contract on the Omoueyi permit, including the Onal, Omko, Omgw, Ombg, Omoc and Omoc-Nord fields in Gabon (the "Underlying Assets"), and as a consequence, does not achieve the minimum production level set out in the Credit Agreement.

This Credit Agreement is guaranteed by the Company and Maurel & Prom West Africa. The following sureties have also been granted as part of the Credit Agreement:

- a pledge of the entitlements held by Maurel & Prom Gabon under the "Contract for the Sale of Rabi Light Crude Oil" concluded between Maurel & Prom Gabon and Socap International Limited on 25 July 2008 (as amended);
- a pledge of the receivables held by Maurel & Prom Gabon as part of the intra-Group loans granted by Maurel & Prom Gabon to the Company under the cash pooling agreements;
- a pledge of certain bank accounts held by Maurel & Prom Gabon, the Company and Maurel & Prom West Africa;
- a pledge of the entitlements held by Maurel & Prom Gabon under the "Contract for the Sale of Crude Oil" concluded between Maurel & Prom Gabon and Société Gabonaise de Raffinage on 4 February 2011;
- a pledge of the Maurel & Prom Gabon shares held by Maurel & Prom West Africa;

- a pledge of the Maurel & Prom West Africa shares held by the Company; and
- the transfer, in the form of a guarantee, of the respective entitlements held by Maurel & Prom Gabon, the Company and Maurel & Prom West Africa under any (i) hedge agreement, (ii) insurance policy and (iii) future oil sale contract on the Underlying Assets concluded between Maurel & Prom Gabon and any party authorised to carry out extractions.

The sums made available under the Credit Agreement must be used to:

- lend the Company the necessary funds to repay the RBL;
- finance Maurel & Prom Gabon's investments in the Underlying Assets; and
- finance Maurel & Prom Gabon's general requirements, including granting loans to any member company of the Group.

The Credit Agreement includes an amortisation schedule that stipulates that the final repayment should be made on 31 December 2017. Maurel & Prom Gabon will have to pay interest on the loan, on predetermined due dates, at a rate equal to the LIBOR plus mandatory costs as well as a margin of between 3.5% and 4% per year. This margin varies depending on the credit usage ratio (3.50% when the usage ratio is less than or equal to 50%, 3.75% when more than 50% and less than or equal to 75%, and 4% when more than 75%). Interest will be calculated per three-month period, unless specified otherwise.

Maurel & Prom Gabon undertakes to respect certain financial ratios as at 30 June and 31 December of every year:

- the ratio of Group consolidated current assets/current debt is to be at least 1.10:1.00; and
- the debt ratio of Group consolidated debt/income (before interest, taxes, amortisation and depreciation and excluding the impact of foreign exchange gains and losses) calculated on the 12-month period preceding the observation period must not exceed 3.00:1.00.

In addition, the debt service coverage ratio must be at least 1.300:1.00 for each six-month period. Maurel & Prom Gabon's entitlements on oil production from the fields included in the Omoueyi production sharing contract must not be less than the net production level set out in the Credit Agreement, and Maurel & Prom Gabon must not cease to hold the majority of the entitlements in the Omoueyi production sharing contract.

As at 31 December 2013 all covenants were complied with.

Under the terms of the Credit Agreement (subject to certain exceptions), Maurel & Prom Gabon and Maurel & Prom West Africa are not authorised to (i) issue a guarantee on their assets; (ii) bear additional financial debt; or (iii) take out new loans. Maurel & Prom Gabon also undertakes not to (x) issue guarantees to any person or entity and not to (y) sell all or some of its Underlying Assets with the consequence that production falls below the threshold set in the Credit Agreement. In terms of guarantees, a subordinated guarantee may be granted for issues of debt securities or bonds made by the Company provided that such a guarantee is expressly subordinated to the debt of the Credit Agreement lenders and that the maturity date of said borrowings or bonds is later than the final repayment date of the Credit Agreement.

US$200 million credit agreement

In December 2013, the Company signed a credit agreement with a consortium of banks, which is virtually identical to the agreement described above, for US$200 million.

This package is to cover, if necessary, the redemption of OCEANE 2014 bonds by their maturity on 31 July 2014. Any amounts drawn on this facility will have to be repaid in instalments no later than 31 December 2015.

The interest rate will be the LIBOR or EURIBOR rate plus a margin and any mandatory costs, if applicable. This margin is calculated based on the repayment date of the loan: until 31 July 2014, the margin is 4.5%; from 1 August 2014 (inclusive) to 31 January 2015 (inclusive), the margin is 5%; from 1 February 2015 (inclusive) to 31 July 2015 (inclusive), the margin is 5.50%, and from 1 August 2015 (inclusive) to 31 December 2015 (inclusive), the margin is 6%. The agreement expires on 31 December 2015.

The following sureties have been set up:

- a pledge of any receivable that the Company may have under loans granted to other Maurel & Prom Group companies;
- a pledge of the balance of the bank account into which subsidiaries' dividend payments will be deposited, or repayments will be deposited on intra-group loans subscribed by Maurel & Prom Gabon and Maurel & Prom West Africa;
- a pledge of the Company's rights to the repayment of the balance of the recovery by the beneficiaries of *(i)* the pledge of the Company Collection Account relating to the revolving line of credit (Senior Secured Facility) signed in 2012 and *(ii)* the pledge of MP West Africa shares relating to the revolving line of credit (Senior Secured Facility) signed in 2012;

- a subordinated pledge of the bank account balance;
- a subordinated pledge of financial securities covering all Maurel & Prom West Africa shares as well as the pledge relating to them; and
- a guarantee under English law covering *(i)* its rights under any permitted hedging agreement to which the Company is a signatory, *(ii)* its rights under Agreed Insurances to which the Company is a signatory and *(iii)* its rights under any future sales contract to which the Company may be a signatory.

The Company has also entered into an intercreditor agreement in this respect to handle the respective rights and obligations of the beneficiaries of the senior and subordinated pledges. This agreement has also been signed by Maurel & Prom West Africa, among others.

Maurel & Prom Drilling Services BV credit agreement

As part of the acquisition of Tuscany's African drilling activities through the acquisition of the shares in Caroil, on 23 December 2013, Maurel & Prom Drilling Services BV, a wholly owned subsidiary of the Company, signed a credit agreement with a bank syndicate led by Crédit Suisse, in the form of a US$50 million bank loan (corresponding to the assumption of the same amount of Tuscany debt to a bank syndicate led by Crédit Suisse), repayable in 5 years (repayment terms LIBOR + 2%).

The following sureties have been set up:

- a pledge of bank accounts;
- a subordinated pledge of bank accounts;
- a pledge of Caroil goodwill;
- a subordinated pledge of Caroil goodwill;
- a pledge of the securities account of Caroil shares;
- a pledge of the receivables subscribed by the Company; and
- confirmations of certain guarantees subscribed by Caroil in 2011 and 2012 with Crédit Suisse (acting as the agent of the bank syndicate).

Work commitments *In thousands of euros*	31/12/2013	31/12/2012
Congo	-	8,170
Gabon	192,172	210,128
Canada	20,303	-
Tanzania	38,127	16,410
Mozambique	16,823	-
Other	4,274	18,105
TOTAL	271,699	252,813

Oil-related work commitments are assessed on the basis of budgets approved with the partners. They are subject to multiple revisions during the year, mainly to reflect the oil work completed. They also take into account firm commitments made to governments under the permit agreements.

In Gabon, the commitments partly relate to exploration work:

- on the Omoueyi permit, US$13 million of drilling work; and
- on the Nyanga Mayombe permit, US$12.8 million of civil engineering work.

In Peru, taking into account the farm-in agreement finalised with Pacific Rubiales on a 50:50 basis on block 116 with carriage, the commitment to drill two wells is carried by our partner.

In Tanzania, the Group is obligated under the Mnazi Bay permit to carry out civil engineering work amounting to US$8.8 million. On the Bigwa Rufiji Mafia permit, the Group is committed to carrying out civil engineering work amounting to US$16.5 million.

The other areas concerned are:

- in Canada, where US$14 million of drilling work will be undertaken in Quebec and US$14 million of work on facilities in Alberta; and
- in Mozambique, where a firm programme of work was approved for US$23.2 million of work to be undertaken in relation to the drilling of one well.

Commitments to carry out development work in Gabon amount to US$239 million, covering the drilling of 37 wells (US$148 million) and work on their corresponding facilities (US$91 million). On the Mnazi Bay permit, US$12 million has been allocated for drilling work, US$2 million for civil engineering and US$13 million for work on facilities.

Commitments received

As part of the sale of its subsidiary Hocol to Ecopetrol in 2009, a price adjustment clause was agreed allowing Maurel & Prom to receive a price supplement of up to US$50 million, based on the valuation of the reserves at the Niscota field in Colombia, which were part of the transaction.

The valuation of the Niscota field reserves should in principle have taken place by 31 December 2012 and been validated by an independent expert appointed jointly by Maurel & Prom and Ecopetrol.

In its financial statements dated 31 December 2011, Ecopetrol recorded a debt in the amount of US$27.3 million to reflect this price adjustment. Maurel & Prom asked Ecopetrol for the basis on which it calculated this valuation and for any information contained within the Hocol sale contract that may enable the change in reserves at the Niscota field to be assessed and to ascertain their level at 31 December 2012.

The information belatedly received from Ecopetrol did not allow Maurel & Prom to assess the level of reserves at the Niscota field before the end of 2012, or to appoint an independent expert as specified in the Hocol sale contract. In December 2012 Maurel & Prom therefore initiated arbitration proceedings against Ecopetrol at the International Chamber of Commerce in order to have an arbitral tribunal appoint an expert whose role will be to decide the amount of the potential receivable corresponding to the price adjustment mentioned above.

Other commitments given

Cyprus Mnazi Bay Limited

The contract for Wentworth to buy Cyprus Mnazi Bay Limited signed on 26 July 2012 provides for the payment to Wentworth of up to US$5 million if gas production exceeds 100 million cubic feet per day over a period of 30 consecutive days.

Rockover

The Rockover purchase agreement in February 2005 included a 10% snap-back clause for former shareholders in the event of a discovery at any of the permits sold (Ofoubou/Ankani, Omoueyi, Nyanga Mayombe, Kari) and a 50% snap-back on the Banio permit.

At the initiative of Maurel & Prom, an agreement to buy out this clause was signed on 13 July 2007. This agreement specified the payment by Maurel & Prom to the former shareholders of US$55 million (paid to date) plus a royalty of 2% when total production exceeds 39 million barrels on all fields sold to Maurel & Prom in 2005 (excluding Banio), as well as a royalty of 10% on production from the Banio field when the total production of this field exceeds 3.9 million barrels.

In addition, the following commitments have been maintained:

- Maurel & Prom will be required to pay the sellers a total royalty amounting to US$1.30 for every barrel produced from the date that total production across all permits exceeds 80 Mboe; and

- Maurel & Prom will be required to pay one of the two sellers a royalty equivalent to 2% of the total available production up to a threshold of 30 Mboe, and 1.5% for any production beyond that amount, from the MT 2000-Nyanga Mayombe exploration permit.

Transworld

Following the purchase of Transworld's residual rights to the Etekamba permit on 18 March 2008, a net profit interest agreement was signed, whereby Maurel & Prom must transfer 10% of the profit oil and 8% of the profit gas to Transworld Exploration Ltd.

Omoueyi CEPP (exploration and production sharing contract)

The Gabonese government benefited from a right of entry to all fields (Exclusive Exploitation Authorisation or "AEE") on the Omoueyi permit under certain conditions.

Following the signature of the new Ezanga contract, a similar right of entry is applicable once an AEE is granted.

Ecopetrol

As part of the sale of Hocol Colombia to Ecopetrol, Maurel & Prom gave the latter a guarantee of liabilities in this matter. As part of the transaction, Maurel & Prom also paid €2,575K, recognised under income from discontinued activities.

Litigation

Messier Partners dispute

Following its defeat on appeal, the Company appealed to the Court of Cassation in November 2011. In June 2013, the Court of Cassation dismissed the appeal, definitively ending this litigation.

Agri-Cher – Transagra dispute

From its former activity, Maurel & Prom remains the subject of proceedings in respect of an alleged contractual liability dating from 1996 in a legal bankruptcy case of the company Transagra and in the collapse of the Agri-Cher cooperative. The Company deems this action of €33 million to be unfounded and has not made any provision for it. All the parties to the dispute have given written notice of their intention not to continue with the action, and the Court ordered that these proceedings be withdrawn in 2009. The ad hoc attorney appointed in this case requested that the case be re-entered for 2011. The case was heard on 7 February 2013 at Bourges District Court. The ruling dated 21 March 2013 dismissed all of the plaintiff's claims.

No other governmental, legal or arbitration proceeding exists, including any proceeding of which the Company is aware, whether pending or threatened, that could have or that has had significant effects on the financial position or profitability of the Company and/or the Group over the course of the last twelve months.

NOTE 25 : OPERATING SEGMENTS

In compliance with IFRS 8, in effect since 1 January 2009, segment information is reported according to the same principles as internal reporting, reproducing the internal segment information defined to manage and measure the Group's performance. Maurel & Prom's activities are divided into three segments: exploration, production and drilling. Taking into account the sale of Caroil in September 2011, the Group now has two business segments: exploration and production.

The other activities mainly cover the holding companies' support and financial services.

Operating income and assets are broken down for each segment from the contributing entity statements that include consolidation restatements.

25.1. Information by activity

The data presented below come from the IFRS statements.

At 31/12/2013 *In thousands of euros*	Exploration	Production	Oil drilling	Other activities	Intra-Group adjustments and eliminations	Total
Inter-segment sales	-	-	-	(493)	493	-
SALES	9,590	573,734	-	(3,022)		580,302
Write-off of intangible assets	(28,242)	-	-	-	-	(28,242)
Write-off of property, plant and equipment	-	-	-	-	-	-
OPERATING INCOME	(43,355)	372,525	-	(16,767)		312,403
INTANGIBLE ASSETS (GROSS)						
Investments in the period	71,448	-	-	-	-	71,448
Total investments at the end of the period	434,967	118,240	223	2	-	553,431
PROPERTY, PLANT AND EQUIPMENT (GROSS)						
Investments in the period	1,198	192,674	-	17,746	-	211,618
Total investments at the end of the period	8,544	1,130,443	108,447	19,043	-	1,266,478

Write-offs are detailed in Note 4 “Intangible Assets”.

At 31/12/2012 *In thousands of euros*	Exploration	Production	Other activities	Intra-Group adjustments and eliminations	Total
Inter-segment sales	-	-	-2,821	2,821	-
SALES	16,805	451,146	-16,436	-	451,515
Write-off of intangible assets	-41,694	-	-	-	-41,694
Write-off of property, plant and equipment	-	-	-370	-	-370
OPERATING INCOME	-61,309	280,873	-34,053	-	185,511
INTANGIBLE ASSETS (GROSS)					
Investments in the period	89,261	-	-	-	89,261
Total investments	354,732	134,048	2	-	488,782
PROPERTY, PLANT AND EQUIPMENT (GROSS)					
Investments in the period	675	204,959	306	-	205,940
Total investments	8,527	1,064,401	1,525	-	1,074,453

25.2. Sales by geographic region

	Congo	Gabon	Colombia	Tanzania	Other	Total
INCOME STATEMENT AT 31/12/2013						
Oil sales	-	572,504	9,590	1,230	(3,022)	580,302
Services	-	-	-	-	1,317	1,317
Inter-zone sales	-	-	-	-	(1,317)	(1,317)
TOTAL SALES	-	572,504	9,590	1,230	(3,022)	580,302

	Congo	Gabon	Colombia	Tanzania	Other	Total
INCOME STATEMENT AT 31/12/2012*						
Oil sales	-	450,142	16,805	1,004	-16,436	451,515
Services	-	-	-	-	2,887	2,887
Inter-zone sales	-	-	-	-	-2,887	-2,887
TOTAL SALES	-	450,142	16,805	1,004	-16,436	451,515

* *Restated to reflect the change in accounting method*

The Group's two main customers are customers of M&P Gabon, i.e., Socap and Sogara, to whom the production from the fields on the Omoueyi permit is sold.

NOTE 26 : RISKS

Credit risk

The Group is exposed to credit risk due to loans and receivables that it grants to third parties as part of its operating activities, short-term deposits that it holds at banks and, if applicable, derivative instrument assets that it holds.

In thousands of euros	2013		2012 *	
	Maximum exposure to credit risk	Balance sheet outstanding	Maximum exposure to credit risk	Balance sheet outstanding
Other non-current financial assets	614	6,683	139	740
Trade receivables and related accounts	127,777	127,777	75,287	75,287
Other current financial assets	60,508	60,508	47,978	47,978
Derivative financial instruments	-	-	2,166	2,166
Cash and cash equivalents	208,396	208,396	67,371	67,371
TOTAL	397,295	403,364	192,940	193,541

* *Restated to reflect the change in accounting method*

Maximum exposure corresponds to the balance sheet outstanding net of provisions.

The Group believes that it does not incur any counterparty risk as its production is sold to leading oil groups such as Socap (Total group) in Gabon.

Receivables due but not impaired

On the reporting date, only trade receivables show delays in payment.

At 31/12/2013 *In thousands of euros*	Assets due but not impaired					Assets impaired (net)	Assets neither due nor impaired	Total
	0-1 months	1-3 months	3-12 months	> 1 year	Total	Total	Total	
Trade receivables and related accounts (net)	-	10,044	17,378	344	27,766	-	100,011	127,777

At 31/12/2012 *In thousands of euros*	Assets due but not impaired					Assets impaired (net)	Assets neither due nor impaired	Total
	0-1 months	1-3 months	3-12 months	> 1 year	Total	Total	Total	
Trade receivables and related accounts (net)	3,546	58,246	12,558	166	74,516	-	771	75,287

Liquidity risk

The Group's liquidity is detailed in the consolidated cash flow statements generated weekly and sent to the executive management.

Seven-day, monthly, quarterly and year-end forecasts are drawn up at the same time.

The earnings are compared to forecasts using these statements which, in addition to liquidity, make it possible to see the foreign exchange position.

The registered office's treasury service is provided by a professional directly attached to the Group's finance department. This person is assisted by the managers in each entity. The central treasury's mission is to manage foreign exchange, interest rate and commodity risks.

At 31 December 2013 and 31 December 2012, unadjusted contractual flows (principal and interest) on the outstanding financial liabilities, by maturity date, are as follows:

At 31/12/2013 *In thousands of euros*	2014	2015	2016	2017	2018	> 5 years	Total contractual flows	Total balance sheet value [1]
Bonds	323,750	74,987	-	-	-	-	398,737	367,059
OTHER BORROWINGS AND FINANCIAL DEBT								
Crédit Suisse loan	816	816	816	816	37,072	-	37,072	36,256
Gabon credit facility	58,009	90,639	59,459	38,431	7,251	-	253,789	249,613
FINANCE-LEASE LOANS	170	165	180	197	215	1,985	2,911	2,911

At 31/12/2012 *In thousands of euros*	2013	2014	2015	2016	2017	> 5 years	Total contractual flows	Total balance sheet value [1]
Bonds	26,086	323,750	74,987	-	-	-	424,823	357,685
OTHER BORROWINGS AND FINANCIAL DEBT								
BNP RBL	98,530	-	-	-	-	-	98,530	98,530
BGFI	15,000	-	-	-	-	-	15,000	15,000
FINANCE-LEASE LOANS	-	-	-	-	-	-	-	-

(1) *Includes current and non-current amounts outstanding.*

Group debt consists of:

- a convertible bond of €297.6 million at a fixed rate of 7.125% issued in 2010 and maturing in July 2014;
- a convertible bond of €70 million at a fixed rate of 7.125% issued in 2011 and maturing in July 2015;
- a US$350 million bank facility; and
- a US$50 million line of credit from Crédit Suisse.

Liquid assets of €198 million at the reporting date are held in sight deposit accounts.

Market risk

The Group's income is sensitive to various market risks. The most significant of these are the price of hydrocarbons, expressed in US dollars, and the €/US$ exchange rate. The Group's operating currency is the US dollar, since sales, the majority of operating expenses and a significant portion of investments are denominated in that currency.

Foreign exchange risk

Given that its activity is to a large extent international, the Company is exposed to various types of foreign exchange risk.

First of all, exchange rate fluctuations affect the transactions recorded under operating income (revenue stream, cost of sales, etc.).

Revaluation at the closing rate of debts and receivables in foreign currencies also generates a financial exchange risk.

Lastly, in parallel with these operating and financial exchange risks, the impact of which is recorded under income, there is a foreign exchange risk linked to the conversion into euros of the accounts of the Group's entities whose operating currency is the US dollar. The resulting exchange gain or loss is recorded directly in shareholders' equity.

In order to reduce its financial exchange risk, during the fiscal year Maurel & Prom conducted a number of currency futures transactions including sales and purchases of foreign exchange options on the euro and US dollar. No such transaction was outstanding at the end of the period.

The Group also holds liquid assets in US dollars intended to finance its projected investment expenses in that currency.

As at 31 December 2013, the Group's foreign exchange position was US$455 million (excluding currency translation adjustments under shareholders' equity).

Interest rate risk

Current borrowings as at 31 December 2013 as well as available lines of credit are described in Note 15. This note makes it possible to measure potential liquidity and interest rate risk.

Liquid assets held by the Group are placed in a non-interest bearing current account.

Rate risk

As at 31 December 2013, interest rate risk can be evaluated as follows:

Gross debt

The amounts below summarise bonds, other borrowings and financial debt:

Bonds, other borrowings and financial debt *In thousands of euros*	31/12/2013			31/12/2012		
	Before	Impact of hedge derivatives	After	Before	Impact of hedge derivatives	After
Variable	281,876	-	281,876	113,530	-	113,530
Fixed	367,059	-	367,059	357,685	-	357,685
TOTAL	648,935	-	648,935	471,215	-	471,215

Financial assets exposed to interest rate risk, representing debt *In thousands of euros*	31/12/2013			31/12/2012		
	Before	Impact of hedge derivatives	After	Before	Impact of hedge derivatives	After
Variable	198,053	-	198,053	67,240	-	67,240
Fixed	-	-	-	-	-	-
TOTAL	198,053	-	198,053	67,240	-	67,240

Variable rate debt amounted to €72.8 million. An increase of one point in interest rates would result in an additional interest expense of €0.7 million over one year.

Exposure to hydrocarbon risk

The Company's policy is to protect a portion of its future production against any decline in prices and take advantage of any rise in prices on the unhedged portion of production.

This hedging policy forms part of its management of bank lines of credit made available to the Group, the amount of which would be increased if the protection price is higher than the price adopted by the banks to determine the borrowing base.

No new hedging arrangements were established beyond 31/12/2013. Existing hedges in 2013 are disclosed in Note 10 "Financial Instruments".

Equity risk

Exposure to equity and management risk

The Group's financial assets are not exposed to equity risk.

NOTE 27 : EVENTS OCCURRING AFTER CLOSING

New production sharing contract in Gabon

The new "Ezanga" permit, which replaces the Omoueyi permit, was awarded to Maurel & Prom Gabon by the Republic of Gabon through a contract signed on 10 January 2014.

The corresponding exploration and production sharing contract renews the five existing Exclusive Exploitation Authorisations for a 20-year period. The possibility of a further 20-year extension is also under consideration.

Under current regulations, this new contract as well as the five Exclusive Exploitation Authorisations will be applicable once they have been formally promulgated by a decree of the Republic of Gabon.

Strategic partnership in Canada: Maurel & Prom teams up with the Government of Quebec to carry out an exploration programme on Anticosti Island

Maurel & Prom has signed an agreement with the Government of Quebec (through its subsidiary Ressources Québec) and local partners (Pétrolia and Corridor Resources) to undertake an oil exploration programme on Quebec's Anticosti Island. Pétrolia, the project operator, will be relying on the expertise of the French oil group Maurel & Prom. This preliminary agreement, subject to approval by the relevant authorities, should be finalised in the near future.

At the conclusion of this transaction, the interests of the partners in the joint venture will be as follows:

Ressources Québec	*35.0%*
Pétrolia	*21.7%*
Maurel & Prom	*21.7%*
Corridor Resources	*21.7%*

NOTE 28 : AUDIT FEES

Fees paid to statutory auditors in 2013 totalled €1,037K (including members of their networks), and are summarised below:

In thousands of euros	ERNST & YOUNG				DANIEL DE BEAUREPAIRE			
	Amount		%		Amount		%	
Audit	2013	2012	2013	2012	2013	2012	2013	2012
Statutory auditor, certification, examination of individual and consolidated financial statements								
Issuer	571	546	75%	85%	263	252	96%	98%
Fully consolidated subsidiaries	115	94	15%	15%	6	-	2%	-
Other measures and services directly related to the duties of the statutory auditor								
Issuer	61	4	8%	1%	5	5	2%	2%
Fully consolidated subsidiaries	16	-	2%	-	-	-	-	-
SUBTOTAL	763	644	100%	100%	274	257	100%	100%
Other services rendered via the networks to fully consolidated subsidiaries								
Legal, tax, corporate	-	-	-	-	-	-	-	-
Other (specify if > 10% of audit fees)	-	-	-	-	-	-	-	-
SUBTOTAL	-	-	-	-	-	-	-	-
TOTAL	763	644	100%	100%	274	257	100%	100%

8.2. Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby present our report on the fiscal year ended 31 December 2013, on:

- the audit of the consolidated financial statements of Etablissements Maurel & Prom, as attached to this report;
- the justification of our assessments; and
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. It is our responsibility, based on our audit, to express an opinion on the financial statements.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have gathered is a sufficient and appropriate basis on which to form our opinion.

We hereby certify that the consolidated financial statements for the period give a true and fair view of the assets, financial position and income of the Group, in accordance with International Financial Reporting Standards as adopted by the European Union.

In due respect of the opinion expressed above, we draw your attention to:

- note 1 "Overview" of the notes to the consolidated financial statements, which includes a reference to the "Ezanga" production sharing contract in Gabon, taken into consideration for the certification of the Group's reserves and the calculation of the depletion expense on Gabonese assets. The note states that, under current regulations, this contract must be formally promulgated by a decree of the Gabonese Republic.
- note 4 "Intangible assets" of the notes to the consolidated financial statements, which shows in particular the net carrying value of the assets associated with the Bigwa-Rufiji-Mafia (BRM) permit in Tanzania and the Group's activities in Colombia. The note describes the methodology adopted by the Company for estimating the value of such intangible assets; and
- note 17 "Change in accounting method" concerning the recognition of sales according to the entitlements method.

II. Justification of our assessments

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring the following matters to your attention:

- as disclosed in Notes 2.3 "Oil activity assets", 2.6 "Asset depreciation", 4 "Intangible assets" and 5 "Property, plant and equipment" of the notes to the consolidated financial statements, your Company depreciates its intangible assets (accumulated exploration costs and rights) and tangible fixed assets (oil production assets), and records impairment on these assets, where applicable, based on the economic value of the recoverable oil reserves. Our assessment of the reasonableness of the data and assumptions used in valuing the above-mentioned assets is based on the conclusions of independent experts appointed by your Company to assess the reserves or, in the absence of certified oil reserves, on the grounds presented by the management of your Company for undertaking exploration work;
- notes 1 "Overview" and 7 "Equity associates" disclose the transactions with the Tuscany International Drilling Inc. group relating to the sale of Maurel & Prom's stake in that company, the acquisition by the Maurel & Prom Group of Caroil shares, and a US$50 million bank loan. We have ensured that these transactions have been correctly accounted for, and that the appropriate information is provided in the Notes; and

- notes 1 "Overview", 15 "Bonds, other borrowings and financial debt" and 24 "Off-balance-sheet commitments" refer to the Bank Facility set up by the Company to cover the bond redemptions payable on 31 July 2014. We have verified that the Group is in a position to meet its obligations over the next 12 months, based on the Group's cash projections. We have obtained reasonable assurance of the assumptions used when making significant estimates.

The resulting assessments form part of our audit of the consolidated financial statements as a whole, and have therefore contributed to the formation of our opinion expressed in the first part of this report.

III. Specific verification

In accordance with the professional standards applicable in France, we have also carried out the specific verification required by law on the information presented in the Group's management report.

We have no observations to make on its fair presentation and consistency with the consolidated financial statements.

Paris and Paris-La Défense, 29 April 2014

The Statutory Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
Patrick CASSOUX
François CARREGA

8.3. Special Statutory Auditors' report on regulated agreements and commitments

Dear Shareholders,

In our capacity as statutory auditors of your Company, we hereby present our report on the regulated agreements and commitments.

Our duty is to communicate to you, on the basis of the information provided to us, the main characteristics and terms of the agreements and commitments of which we have been informed or that have come to our attention during our work, without being required to offer an opinion on their usefulness or their legitimacy or identify any other agreements or commitments. It is your duty, under the provisions of Article R. 225-31 of the French Commercial Code, to assess the benefits of entering into these agreements and commitments when they are submitted for your approval.

Furthermore, it is our duty, where applicable, to communicate to you any information of the type referred to in Article R. 225-31 of the French Commercial Code relating to the execution, during the previous fiscal year, of any agreements and commitments already approved by the General Shareholders' Meeting.

We have performed the procedures that we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) in respect of this assignment. These procedures are designed to verify the consistency of the information that we have been provided, with the documents from where this information originates.

Agreements and commitments submitted for the approval of the General Shareholders' Meeting

Agreements and commitments authorised during the past fiscal year

In accordance with Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements and commitments which were subject to the prior approval of your Board of Directors.

1. The signing of a credit agreement

Persons concerned

Jean-François Hénin, Chairman and Chief Executive Officer of your Company and Chairman of Maurel & Prom West Africa S.A.S.

Nature and purpose

On 19 December 2013, your Board of Directors authorised the conclusion by your Company of a «Senior Secured Term Loan Facility Agreement» under English law in the amount of US$200,000,000.

Conditions

The purpose of this credit agreement is to (i) allow the Company to redeem the OCEANE 2014 bonds issued by the Company on 7 July 2009 which will mature on 31 July 2014; and (ii) meet Maurel & Prom Gabon's obligations under the Waiver Letter of 17 October 2013 signed by Maurel & Prom Gabon as the borrower and by Natixis as the facility agent to ensure that Maurel & Prom Gabon can satisfy the solvency tests under the US$350,000,000 revolving credit facility agreed on 5 November 2012.

To guarantee its obligations under the credit agreement, the Company has set up, for the benefit of the lenders, a series of pledges and has signed an Intercreditor Agreement to handle the respective rights and duties of the beneficiaries of the senior and subordinated pledges. This Intercreditor Agreement was signed by, among others, Maurel & Prom West Africa S.A.S., a wholly owned subsidiary of your Company.

2. Agreement to abandon a current account with Panther Eureka S.r.l.

Persons concerned

Jean-François Hénin, Chairman and Chief Executive Officer of your Company and Director of Panther Eureka S.r.l.

Nature and purpose

On 19 December 2013, the Board of Directors authorised the abandonment of a receivable, to the benefit of Panther Eureka S.r.l.

Conditions

As the losses registered in fiscal year 2013 and the estimated losses in fiscal year 2014 exceeded the capital and reserves of Panther Eureka S.r.l., it was necessary, in order to comply with Italian law, for your Company to abandon the receivable that it held against Panther Eureka S.r.l. in the amount of €1,000,000.

Agreements and commitments authorised since the closing date

We have been informed of the following agreements and commitments authorised since the closing date of the previous fiscal year, which required the prior approval of your Board of Directors.

First demand guarantee agreement with MPI as part of the Anticosti project

Persons concerned

Jean-François Hénin, Xavier Blandin, Alexandre Vilgrain, Emmanuel de Marion de Glatigny and Nathalie Delapalme, all directors of both your Company and MPI.

Nature and purpose

On 23 April 2014, your Board of Directors authorised the signing of a first demand guarantee agreement as part of the oil exploration programme on Anticosti Island in Quebec.

Conditions

Saint-Aubin Energie (1/3 owned by your Company and 2/3 by MPI) guaranteed, as the primary guarantor, the obligations of its wholly owned subsidiary Saint-Aubin Energie Exploration Production Inc., and the payment of €50,000,000 to establish a partnership with the government of Quebec. Under the terms of this guarantee, your Company is jointly responsible with Saint-Aubin Energie for meeting the obligations up to a maximum of €50,000,000.

Furthermore, MPI has decided to issue, to the benefit of your Company, an independent first demand guarantee of up to €33,333,333 representing two-thirds of the maximum amount that may be owed by your Company under the terms of the guarantee agreement.

Agreements and commitments already approved by the General Shareholders' Meeting

Agreements and commitments approved in previous years for which implementation continued during the past fiscal year.

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the General Shareholders' Meeting in previous years, continued to be implemented during the past fiscal year.

1. With Pacifico S.A.

a. Nature and purpose

A service agreement was concluded on 21 June 2005 between your Company and Pacifico S.A., the main shareholder of your Company, and in which Jean-François Hénin is a shareholder and Chairman of the management board. This agreement was subject to an addendum dated 11 June 2007, previously authorised by your Board of Directors on 29 May 2007.

Conditions

This addendum amended several articles of the agreement, in particular Article 1, in order to clarify the parties' respective duties and to eliminate any ambiguities in the wording.

For the record, the services provided by Pacifico S.A. to your Company are as follows:

- search for strategic partners in the area of oil and gas;
- conduct fact-finding missions for investment and divestment projects, determine the target parameter;
- search for new markets and new opportunities for growth;
- design and development of acquisition or disposal scenarios and determination of the financing policy;
- advise and follow up on any negotiations entrusted to it (draft contracts, Group development), in particular with respect to technical cooperation proposals;
- monitoring and technical, accounting, financial and administrative support for drilling activities.

The financial terms of this agreement are as follows:

- payment of an annual lump-sum fee of €100,000 exclusive of tax; and

- the payment of additional fees calculated based on services rendered, and the actual cost of services in the field of financial consultation and tasks related to the drilling area of your Company's subsidiary. In 2013, these were services performed by a drilling consultant.

This agreement may be terminated by the parties at any time with two months' advance notice.

The amount paid by your Company for the fiscal year ended 31 December 2013 was €362,032 exclusive of tax.

b. Nature and purpose

A sublease dated 11 June 2007 was concluded between your Company and Pacifico S.A.; it was authorised by your Company's Board of Directors on 13 December 2007.

Conditions

This sublease covers the offices situated on the ground floor of the building located at 12 rue Volney, 75002 Paris with a surface area of approximately 240 m².

The agreement, which was signed for a period of one year commencing on 11 June 2007 and which renewed automatically, was terminated during fiscal year 2013 following the expiry of the lease and the move by your Company to offices located at 51 rue d'Anjou, 75008 Paris.

The rent, with all rental charges included, invoiced by your Company for fiscal year 2013 was €110,881 exclusive of tax.

2. With Panther Eureka S.r.l.

Nature and purpose

As part of a contract to buy Panther Eureka securities signed on 19 February 2005 and authorised by your Company's Supervisory Board on 22 April 2005, your Company opened a partner's current account with Panther Eureka S.r.l.

Conditions

This contract provides for interest fees at a rate of 8.30% p.a.

At 31 December 2013, the current account, interest included, amounted to €5,984,180 to the benefit of your Company.

Interest income in respect of fiscal year 2013 was €547,382.

3. With New Gold Mali S.A., then with Ison Holding Sarl ("ISON")

Nature and purpose

On 30 September 1999, your Board of Directors authorised a cash management agreement between New Gold Mali and your Company.

Conditions

This agreement, concluded on 20 March 2000, took effect on 1 January 2000 for a term of one year, renewable automatically for equivalent terms. Current account advances are compensated at the tax-deductible rate.

The receivable which at 30 June 2012 amounted to €11,430,616 (principal and interest) was transferred to ISON, a company in which your Company holds an 18.64% equity interest, in consideration for the signing of a loan agreement between ISON and your Company under the same terms and conditions and for a debit balance of principal and interest in the same amount.

At 31 December 2013, the current account (interest included) amounted to €11,792,436 to the benefit of your Company. Interest income in respect of fiscal year 2013 was €320,077.

4. With MPI

a. Nature and purpose

As a result of MPI (formerly Maurel & Prom Nigeria) leaving the Etablissements Maurel & Prom Group at the end of 2011, and insofar as MPI for the time being has no employees or the necessary technical means or resources to (i) perform day-to-day administrative and accounting operations; or (ii) provide services to Seplat, an MPI subsidiary, it was necessary for your Company to enter into a transitional services agreement.

Conditions

Under the terms of this agreement concluded on 2 November 2011, your Company provides to MPI, for a period of 12 months beginning on 15 December 2011 and renewable for a further 12 months, services enabling it to perform its administrative and accounting functions and to honour its commitments to Seplat. This contract was renewed for one year on 5 November 2012, and then again on 5 November 2013.

The services invoiced by your Company for fiscal year 2013 amounted to €493,337 exclusive of tax.

5. Financing agreement

Nature and purpose

On 30 August 2012, your Board of Directors authorised (i) the signing of a Revolving Credit agreement between the subsidiary Maurel & Prom Gabon and Natixis (and potentially one or more other banks) in the amount of US$350 million, and in which your Company acts as guarantor; (ii) the signing of an agreement to cancel the securities account covering all shares in Maurel & Prom West Africa and (iii) the signing of other Security Documents as needed.

Conditions

On 5 November 2012, Maurel & Prom Gabon entered into an agreement with a consortium of seven international banks (Natixis, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Rand Merchant Bank, Standard Bank, Nedbank and Standard Chartered Bank) and Canada's export agency (Export Development Canada) for a senior loan facility in the amount of US$350 million.

This Credit Agreement is guaranteed by your Company and Maurel & Prom West Africa.

Agreements approved during the past fiscal year

We have also been informed of the performance, during the past fiscal year, of the following agreement, already approved by the General Shareholders' Meeting of 13 June 2013, on the special statutory auditors' report of 18 April 2013.

With MPI

Nature and purpose

At its meeting on 27 March 2013, your Board of Directors authorised the establishment of a partnership with MPI (formerly Maurel & Prom Nigeria) and appointed its key directors. Under the terms of this partnership, future development projects relating to oil exploration and production will be carried out jointly by the two companies (except in the two companies' respective historical regions of operation).

Conditions

This partnership took the form of a joint venture, called Saint-Aubin Energie, which is involved in various development projects. Maurel & Prom owns one-third of the capital in this joint venture, with MPI holding the remaining two-thirds. During the fiscal year, Saint-Aubin Energie launched three projects, one of which was in Myanmar and the other two in Canada.

Paris and Paris-La Défense, 29 April 2014

The Statutory Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
Patrick CASSOUX
François CARREGA

8.4. Report of the Statutory Auditors, prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors of Maurel & Prom

Dear Shareholders,

In our capacity as statutory auditors of Maurel & Prom and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your Company, in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2013.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code relating to matters such as corporate governance.

We are required to:

- report on any matters relating to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code. It should be noted that our role is not to verify the fairness of this other information.

We have carried out our work in accordance with the professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures mainly consist of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work leading to the preparation of this information and the existing documentation; and
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We hereby confirm that the report prepared by the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris, and Paris-La Défense, 29 April 2014

The Statutory Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
Patrick CASSOUX
François CARREGA

8.5. Audit fees

Fees paid to statutory auditors in 2013 totalled €1,037K (including members of their networks), and are summarised below:

In thousands of euros	ERNST & YOUNG				DANIEL DE BEAUREPAIRE			
	Amount		%		Amount		%	
Audit	2013	2012	2013	2012	2013	2012	2013	2012
Statutory auditor, certification, examination of individual and consolidated financial statements								
Issuer	571	546	75%	85%	263	252	96%	98%
Fully consolidated subsidiaries	115	94	15%	15%	6	-	2%	-
Other measures and services directly related to the duties of the statutory auditor								
Issuer	61	4	8%	1%	5	5	2%	2%
Fully consolidated subsidiaries	16	-	2%	-	-	-	-	-
SUBTOTAL	763	644	100%	100%	274	257	100%	100%
Other services rendered via the networks to fully consolidated subsidiaries								
Legal, tax, corporate	-	-	-	-	-	-	-	-
Other (specify if > 10% of audit fees)	-	-	-	-	-	-	-	-
SUBTOTAL	-	-	-	-	-	-	-	-
TOTAL	763	644	100%	100%	274	257	100%	100%

8.6. Five-year financial summary for the company

In euros	2009	2010	2011	2012	2013
I – FINANCIAL POSITION AT THE END OF THE FISCAL YEAR					
a) Share capital	93,364,249	93,404,851	93,550,021	93,564,574	93,578,230
b) Number of shares issued	121,252,271	121,305,001	121,493,534	121,512,434	121,530,169
II – TOTAL INCOME FROM OPERATING ACTIVITIES					
a) Sales (exclusive of tax)	12,279,500	14,396,078	13,180,296	12,875,149	13,287,876
b) Income before tax, amortisation, depreciation and provisions	-30,330,400	38,149,480	-7,079,270	-9,844,960	-36,098,069
c) Income tax	-42,260	-9,615,417	-261,127	-10,726,043	420,004
d) Income after tax, amortisation, depreciation and provisions	143,466,435	-179,517,484	-29,551,000	46,661,303	-64,648,732
e) Distributed profits*	11,531,602	28,772,332	46,205,552	46,270,690	-
III – EARNINGS PER SHARE					
a) Earnings after tax, but before amortisation, depreciation and provisions	-0.250	0.394	-0.056	0.007	-0.300
b) Earnings after tax, amortisation, depreciation and provisions	1.18	-1.48	-0.24	0.38	-0.53
c) Net dividend per share*	0.10	0.25	0.40	0.40	-
IV – PERSONNEL					
a) Number of employees	46	40	37	31	32
b) Total payroll	7,304,867	6,739,725	6,184,489	5,290,727	5,322,096
c) Sums paid for employee benefits (social security, welfare schemes, etc.)	3,461,980	3,407,750	3,488,834	3,472,659	2,846,624

* *Amount payable for the year indicated, paid in the next fiscal year*

8.7 Availability of the information

Electronic version

All relating to the Company are available on the Company's website:

www.maureletprom.fr

Press releases, statements, annual reports, declarations of directors regarding their treasury shares and notes on operations are available on the AMF website:

www.amf-france.org

and on the Euronext website:

www.euronext.com

Press releases are also available on the Les Echos website:

http://www.lesechos-comfi.fr

BALO publications are available on the Bulletin des Annonces Legales Obligatoires website:

http://balo.journal-officiel.gouv.fr

The annual financial statements are filed with the Clerk of the Paris Commercial Court, and may be consulted at:

http://www.infogreffe.fr

Printed version

All documents mentioned in this Annual Report are available free of charge on request from the Company:

Établissements Maurel & Prom
51, rue d'Anjou - 75008 PARIS

8.8 Concordance tables

8.8.1.

Management report

ITEMS REQUIRED BY THE FRENCH COMMERCIAL CODE, MONETARY AND FINANCIAL CODE, GENERAL TAX CODE AND GENERAL REGULATIONS OF THE AMF	SECTIONS Corresponding sections of the Annual Report	PAGES Corresponding pages of the Annual Report
Analysis of the development of the business, earnings and financial position of the Company, the Company's position during the previous fiscal year (L. 225-100 and L. 232-1 of the French Commercial Code)	Presentation of the Group; 1; 8.2.1; 8.6	2-19; 22-40; 163-228; 237
Analysis of the development of the business, earnings and financial position of the Group, the Group's position during the previous fiscal year (L. 225-100-2 and L. 233-26 of the French Commercial Code)	Presentation of the Group; 1; 8.2.1	2-19; 22-40; 163-228
Results of subsidiaries and controlled companies by branch of activity (L. 233-6 of the French Commercial Code)	1; 8.2.1;	22-40; 163-228;
Projected changes (L. 232-1 and L. 233-26 of the French Commercial Code)	1.5	37-38
Research and development activities (L. 232-1 and L. 233-26 of the French Commercial Code)	1.5.1	37
Interests or controlling interests in companies with their registered office in France (L. 233-6 of the French Commercial Code)	7.4	155
Information on corporate social and environmental responsibility, corporate commitments in favour of sustainable development and anti-discrimination measures and the promotion of diversity (L. 225-100 and L. 225-102-1 of the French Commercial Code)	N/A	N/A
Description of main risks and uncertainties (L. 225-100 and L. 225-100-2 of the French Commercial Code)	4	104-124
Group financial risk management policy (L. 225-100 and L. 225-100-2 of the French Commercial Code)	2	42-55
Group exposure to price, credit, liquidity and treasury risks (L. 225-100 and L. 225-100-2 of the French Commercial Code)	2.2; 3.3	48-53; 98-101
Group exposure to price, credit, liquidity and treasury risks (L. 225-100 and L. 225-100-2 of the French Commercial Code)	2.2	48-53

ITEMS REQUIRED BY THE FRENCH COMMERCIAL CODE, MONETARY AND FINANCIAL CODE, GENERAL TAX CODE AND GENERAL REGULATIONS OF THE AMF	SECTIONS Corresponding sections of the Annual Report	PAGES Corresponding pages of the Annual Report
Table summarising delegations of powers currently in force granted by the General Shareholders' Meeting to the Board of Directors for capital increases and the use of these delegations of powers during the year (L. 225-100 of the French Commercial Code)	6.2.1.2	134-138
Elements likely to have an impact in the event of a public offering (L. 225-100-3 of the French Commercial Code)	6.3.5	149-150
Employee share capital shareholding at the last day of the fiscal year (L. 225-102 of the French Commercial Code)	5.1.1	127-129
Identity of shareholders holding more than 5%; treasury shares (L. 233-13 of the French Commercial Code)	5.1.2	130
Summary of transactions made by directors involving the securities of the Company (L. 621-18-2 of the French Monetary and Financial Code and 223-26 of the AMF General Regulations)	3.2.2.1.1	80
Total compensation and benefits of any kind paid to each corporate officer (L. 225-102-1 of the French Commercial Code)	3.2.3	92-97
Positions and roles held in any company by each of the corporate officers during the year (L. 225-102-1 of the French Commercial Code)	3.2.1.2	65-79
Information on treasury share repurchases (L. 225-211 of the French Commercial Code)	6.2.2	138-142
Amount of dividends distributed during the last three fiscal years (243-bis of the French General Tax Code)	5.2	130
Changes made in the presentation of the annual financial statements (L. 123-17 of the French Commercial Code)	8.2.1; 1.1.1	163-228 23-29

8.8.2 EC Regulations

In order to facilitate the interpretation of this Annual Report, the following concordance table identifies the information required by Commission Regulation (EC) No 809/2004 of 24 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council (as amended by Commission Delegated Regulation (EU) 486/2012 of 30 March 2012).

	HEADING	SECTIONS Corresponding sections of the Annual Report	PAGES Corresponding pages of the Annual Report
1	RESPONSIBLE PERSONS		Inside front cover
2	STATUTORY AUDITORS		Inside front cover
3	SELECTED FINANCIAL INFORMATION	Presentation of the Group	2-19
4	RISK FACTORS	2	42-55
5	INFORMATION ABOUT THE ISSUER		
5.1	History and development of the Company	Presentation of the Group	2-19
5.1.1	Corporate and trade name of the issuer	6.1	133
5.1.2	Registration location and number of the issuer	6.1	133
5.1.3	Date of incorporation and term of the issuer	6.1	133
5.1.4	Registered office and legal form of the issuer, legislation governing its activities, its country of origin, address and telephone number of its registered office	6.1	133
5.1.5	Significant events in the development of the issuer's activities	Presentation of the Group; 1.1.1.1; 1.5	2-19; 24-25; 37-38
5.2	Investments	1.3	33-34
5.2.1	Main investments made over the previous three fiscal years	1.3.1	33
5.2.2	Main investments in progress	1.3.2	34
5.2.3	Main investments considered	1.3.3	34

	HEADING	SECTIONS Corresponding sections of the Annual Report	PAGES Corresponding pages of the Annual Report
6	OVERVIEW OF ACTIVITIES		
6.1	Main activities	Presentation of the Group; 1.1.1.1	2-19; 24-25
6.2	Main markets	1.1.1.1; 1.1.1.2.2; 1.2	24-25; 27; 31-32
6.3	Exceptional events	N/A	N/A
6.4	Possible dependence of the Group with regard to certain significant customers or procurement contracts	2.1.8; 2.2.6	47; 53
6.5	Competitive position	2.1.6	45
7	ORGANISATION CHART		
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7.2	Main subsidiaries	7.7	156-157
8	RESERVES – REAL ESTATE PROPERTIES, PLANTS AND EQUIPMENT		
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9.2	Operating income	1.1.1.3	27-28

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10.1	Information on short-term and long-term capital	1.1.1.3 at 1.1.1.9	27-29
10.2	Source, amount and description of cash flows	1.1.1.8	29
10.3	Borrowing conditions and financing structure	1.4.1	34-36
10.4	Restrictions on the use of capital having a significant effect on operations	1.4.2	36-37
10.5	Sources of financing planned for the main investments considered and major expenses on the most significant property, plant and equipment	1.3.3; 1.4.1	34; 34-36
11	RESEARCH AND DEVELOPMENT, PATENTS AND PERMITS	7.4	155
12	INFORMATION ON TRENDS	1.5	37-38
12.1	Main trends having affected production, sales and inventories, costs and sale prices since the close of the previous fiscal year	1.5.1	37
12.2	Known trends, uncertainties, commitments or events likely to significantly influence the outlook for the current year	1.5.2	38
13	FORECASTS AND ESTIMATES OF SALES AND INVESTMENT BUDGETS	7.4	N/A
14	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND EXECUTIVE MANAGEMENT		
14.1	Information regarding members of the administrative and management bodies	3.2.1	59-80
14.2	Conflicts of interest, commitments relative to appointments, restrictions on disposals of interests in the issuer's share capital	3.2.1.3	80

	HEADING	SECTIONS Corresponding sections of the Annual Report	PAGES Corresponding pages of the Annual Report
15	COMPENSATION AND BENEFITS	3.2.3	92-98
15.1	Compensation allocated for the last completed fiscal year, of any kind, to each member of the administrative, management and supervisory bodies	3.2.3	92-98
15.2	Sums provisioned or recognised for pensions, retirement or other benefits	3.2.3	92-98
16	FUNCTIONING OF ADMINISTRATIVE AND MANAGEMENT BODIES		
16.1	Expiry date of current terms of office and dates on which office was taken	3.2.1.1.1	59-63
16.2	Contracts with the issuer or its subsidiaries granting benefits under the terms of such contracts	3.2.2.1.2	80-81
16.3	Information on the Company's Audit and Compensation committees	3.2.2.3	88-91
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20.2	Pro forma financial information	N/A	N/A
20.3	Annual financial statements	8.2.1	163-230
20.4	Audit of the annual historical financial information	1.7.1	40
20.4.1	Audits of the historical financial information	1.7.2	40
20.4.2	Other information featured in the Annual Report, verified by the Statutory Auditors	1.7.3	40
20.4.3	Financial information appearing in the Annual Report and not taken from the issuer's certified financial statements	N/A	N/A
20.5	Date of the last audited financial information	31 December 2013	31 December 2013
20.6	Interim and other information	N/A	N/A
20.6.1	Quarterly or half-yearly financial information established since the date of the last audited financial statements	N/A	N/A
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21.1.5	Conditions governing any right of acquisition and/or any bond attached to capital subscribed but not paid up, or to any capital increase	N/A	N/A
21.1.6	Capital of any Group portion subject to an option	N/A	N/A
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NOTES

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