

2008 Annual Report



Etablissements Maurel & Prom

Société anonyme with Board of Directors

with capital of €92,838,751.39

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The 2008 Annual Report includes the annual financial report as defined in Article L. 223-3 of the General Regulations of the AMF



The French language version of this *Document de référence* (Annual Report or “Registration Document”) was filed with the French Autorité des Marchés Financiers on 30 April 2009 pursuant to Article 212-13 of its General Regulations. It may be used for the purposes of a financial transaction only if it is completed by a prospectus registered with the Autorité des Marchés Financiers, hereafter the AMF. This document was prepared by the issuer and under the responsibility of the signatories.

Incorporation by reference: Pursuant to Article 28 of EC Regulation no 809/2004 of 29 April 2004, readers of this document are invited to refer to previous Annual Reports with respect to certain information:

- 1 – for fiscal year 2006: the management report, the consolidated financial statements and the annual financial statements, including the reports of the Auditors on those statements, provided respectively in Sections 13.2.2 and 13.2.4 of the Annual Report filed on 31 May 2007 with the AMF under number D. 07-528;
- 2 – for fiscal year 2007: the management report, the consolidated financial statements and the annual financial statements, including the reports of the Auditors on those statements, provided respectively in Sections 13.2.2 and 13.2.4 of the Annual Report filed on 29 April 2008 with the AMF under number D. 08-0330;

Those documents are available on the website of the Company at www.maureletprom.fr and the website of the AMF at www.amf-france.org.

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■ RESPONSIBLE PERSONS

1.1 - Person responsible for the registration document and update

As Chairman and Chief Executive Officer of Etablissements Maurel & Prom (hereinafter "Maurel & Prom" or the "Company"), Jean-François Hénin is responsible for the financial information and this Annual Report.

His contact details are:

Jean-François Hénin
Chairman and Chief Executive Officer

Maurel & Prom
12, rue Volney
75002 Paris

Telephone: 33 (0) 1 53 83 16 00
Fax: 33 (0) 1 53 83 16 04

1.2 - Declaration

"I hereby certify, after taking every reasonable measure for this purpose, that the information contained in this Annual Report does, to my knowledge, fairly represent reality and contains no omission that might alter the significance thereof.

I certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and present a true and fair view of the assets, financial position, and earnings of the Company and of all the companies included in the consolidation, and that this Annual Report, including the management report as presented on pages 16 to 29, presents a true and fair view of the changes in the business, the results and the financial position of the Company and of all the companies included in the consolidation, and a description of the principal risks and uncertainties to which they are exposed.

I have obtained from the statutory auditors an end of engagement letter, in which they state that they have verified the information concerning the financial position and the financial statements provided in this document and that they have read the entire document.

The historical financial information presented in this Annual Report has been covered by reports from the statutory auditors. The auditors reports in respect of the year ended 31 December 2008 are presented in Section 13 of the said document.

The report on the fiscal year 2008 consolidated financial statements contains the following observation:

Without modifying our opinion expressed above, we draw your attention to Note 27 in the Notes to the financial statements, on post-balance sheet events, which describes significant events for the Group that occurred after 31 December 2008.

The report on the fiscal year 2008 company financial statements contains the following observation:

Without modifying our opinion expressed above, we draw your attention to Note 3.26 in the Notes to the financial statements, on post-balance sheet events, which describes significant events for the Group that occurred after 31 December 2008.

The report on the fiscal year 2007 consolidated financial statements contains the following observation:

"Without qualifying our opinion stated above, we draw your attention to the change in accounting policy relating to transactions to finance oil investments on behalf of third parties as stated under Notes 2.26 and 19 of the notes to the financial statements".

The auditors' reports for fiscal year 2006 contain the following observations:

"Without qualifying our opinion stated above, we draw your attention to Note 27 (events after the balance sheet date) of the notes to the financial statements relating to significant events for the Group that occurred after 31 December 2006, and Note 20 relating to changes in presentation of the 2005 financial statements".

The report on the fiscal year 2006 company financial statements contains the following observation:

"Without qualifying our opinion stated above, we draw your attention to Note 29 of the notes (events after the balance sheet date), which describes significant events since 31 December 2006."

Jean-François Hénin,
Chairman & CEO
Paris, 30 April 2009

STATUTORY AUDITORS

2.1 - Persons responsible for auditing the financial statements

Name	Date of first appointment	Current term of office	Term expiration
Daniel de Beaurepaire 119, avenue de Wagram 75017 Paris	General meeting of 12 June 2008	6 years from 12 June 2008	At the end of the General Meeting called to approve the annual financial statements for the year ended 31 December 2013
Ernst & Young Audit Represented by Patrick Atzel Tour Ernst & Young Faubourg de l'Arche 92400 Courbevoie	General meeting of 27 June 1996	6 years from 12 June 2008	At the end of the General Meeting called to approve the annual financial statements the year ended 31 December 2013
Name	Date of first appointment	Current term of office	Term expiration
IAC 46, rue du Général Foy 75008 Paris	General meeting of 12 June 2008	6 years from 12 June 2008	At the end of the General Meeting called to approve the annual financial statements for the year ended 31 December 2013
Auditex Faubourg de l'Arche 92400 Courbevoie	General meeting of 12 June 2008	6 years from 12 June 2008	At the end of the General Meeting called to approve the annual financial statements for the year ended 31 December 2013

2.2 - Resignation/non-renewal of the statutory auditors

At the Combined Ordinary and Extraordinary general meeting of 12 June 2008, Daniel de Beaurepaire was appointed Statutory Auditor of the Company, replacing Mr Michel Bousquet, whose term of office had expired. The term of office of the Statutory Auditor Ernst & Young was renewed. In addition, IAC and Auditex were appointed alternate Statutory Auditors, replacing Mr François Caillet and Mr Jean-Louis Robic respectively, whose terms of office had expired.

KEY DATA

3.1 - Key consolidated data for year ended 31 December 2008

<i>In € millions</i>	2008	2007	2006*	2006
Sales	385.2	289.5	325.9	583.7
Operating income	95.5	23.3	83.3	272.1
Net income before tax	90.6	-33.4	50.5	229.2
Income from discontinued operations	-	816.5	178.6	-
Consolidated net income, Group share	62.5	766.1	180.7	180.7
Net cash flow from operating activities	192.8	97.4	186.7	311.7
Cash at year end	188.7	694.3	186.3	186.3
Net earnings per share (basic, in €)	0.55	6.58	1.6	1.6
Total non-current assets	1,487.7	999.0	1,108.4	1,102.3
Total current assets	407.5	845.0	325.7	331.8
Shareholders' equity	1,036.4	1,057.8	569.3	569.3
P1+P2 reserves net of royalties	209.6***	125.6	109.5	226.6
Dividends**	0.35	1.2	1.2	1.2

* Restated for the assets sold to Eni in Congo and changes in accounting methods.

** The General Meeting on 18 June 2009 will be asked to approve the payment of a dividend of 0.35/share.

*** Including Maurel & Prom's interest in Lagopetrol (Venezuela)

3.2 - Reserves certified by Degolyer & MacNaughton (DMN) at 1 January 2009

M & P reserves (net of royalties) in Mboe	P1**	P1+P2**	P3 estimated**
Reserves (01/01/2008)	49.5	126	137
2008 production	(6.5)	(7)	(0)
Revision	52	91	163
Reserves (01/01/2009)	95	210	300
Reserves (01/01/2009) excluding Colombia*	35	119	288

P1 reserves are proven reserves.

P2 reserves are probable reserves.

P3 reserves define possible reserves.

* Following the signature of a memorandum to sell Hocol on 10 March 2009 (see Section 5.6.1.), all the Colombia reserves will be excluded from the Group's certified reserves at 01/01/2009.

** as at 01/01/09 including the Company's stake in Lagopetrol (Venezuela)

Details of the reserves can be found in Section 5.2 of this document.

3.3 - Market

Place de cotation : Euronext Paris (France)

Codes :	ISIN :	FR 000051070
	MNEMO :	YMAU
	Reuters :	MAU.PA
	Bloomberg	MAU FP
Market:	Euronext Paris (compartment A)	
Principal index:	CAC AllShares	
Other indices:	CAC Mid, CAC Mid Small 190, CAC Mid100, Next 150, NextPrime, SBF120	

Number of shares at 31 December 2008:
120,569,807 shares

Average daily volume for 2008:
424,754 shares

Market capitalisation at 22 April 2009:
€1,416,695,000 at the price of €11.75 per share
(on the basis of 120,569,807 shares).

GRAPH



MARKET PRICE CHANGES FOR THE LAST THREE YEARS:

Share price (in €)	2008	2007	2006
Low (mid session)	7.14	12.61	13.75
High (mid session)	16.49	17.70	20.56
Last price of year (closing)	8.18	14.31	16.11

I PRESENTATION OF THE GROUP

4.1 - History

A trading company operating between Bordeaux and the French colonies of West Africa, Etablissements Maurel & Prom, founded in 1813, was a leading shipping company between France and Senegal, Ivory Coast, Cameroon, Gabon and Congo.

The decline of the shipping industry in the 1970's led the Group to refocus its activity on the food sector, then on the oil and gas, gold and forestry sectors. 76% controlled by *Electricité et Eaux de Madagascar* (EEM) until 2000, Maurel & Prom separated from EEM to focus on the oil business. Since that date, and under the leadership of the current Chairman and Chief Executive Officer Jean-François Hénin, Maurel & Prom has focused on the oil and gas exploration and production sector.

Maurel & Prom made one of the largest onshore discoveries in Africa in the last ten years with the M'Boundi field, sold in the first half of 2007 to the Italian group Eni. The creation of value through the sale of petroleum interests, like the M'Boundi field or the recent sale of Hocol, the Group's Colombian subsidiary (see Section 5.6 of this Annual Report), is in line with the Group's strategy of sale and value creation.

At 31 December 2008, the Company operated directly in 10 countries on four continents. Its largest projects are located in Tanzania, Gabon and Colombia.

4.2 - Description of the group and businesses

4.2.1 - Assets of the Group

As at 31 December 2008 and to date, Maurel & Prom Group operations are focused on the following two main businesses:

- hydrocarbon (oil and gas) exploration and production; and
- drilling operations.

These operations are not subject to seasonal fluctuations or specific periods.

The geographic locations of the oil and gas operations at 31 December 2008 were as follows:

- Exploration: Gabon, Colombia, Tanzania, Congo, France, Italy, Peru, Syria and Senegal;
- Production and development: Colombia, Venezuela, Gabon, Cuba, Congo.



4.2.2 - List of permits at 31 December 2008

OIL AND GAS ACTIVITIES				GOLD
COLOMBIA	COLOMBIA	CONGO	VENEZUELA	New Gold Mali S.A. (NGM)
Llanos	Val du Magdalena	Kouilou: 15%	Bloc B2X 70/80	M&P: 26%
Casanare*: 12.96%	Doima*: 100%	Marine III: 20%	M&P: 26.35%	
Cocli*: 100%	La Hocha***: 100%	La Noubi: 49%	(via Empresa Mixta Lagopetrol)	
Clarinero* 100%	Orquidea*: 60%	Tilapia: 20%		
CPO-17* 100%	Ortega*: 69%		TANZANIA	
Corocora*: 27.91%	Palermo*: 50%	GABON	Bigwa-Rufiji	
Estero*: 6.98%	Rio Paez*: 36,67%	Banio: 100%	and Mafia: 60%	
Garcero*: 15.22%	Saman*: 50%	Etekamba: 100%	Mandawa: 50%	
Guarrojo*: 100%	San Jacinto*: 36,67%	Kari: 100%		SYRIA
Lince*: 100%	SSJN-9: 100%	Nyanga-Mayombé:	Block XI, Alasi: 75%	
Mundo Nuevo*: 15%	VSM-10* 100%	100%		PERU
Niscota*: 20%	Cordillera de l'est	Omoueyi: 100%	Block 116: 100%	
Orocué*: 23.47%	Muisca: 100%	Onal: 85%		SENEGAL
Sabanero: 100%				Sebikhotane: 90%
Saltarin*: 100%		ITALY		
Tangara**: 49%		Panther Eureka		
		M&P: 30%		

* These licenses are being sold to Ecopetrol under an agreement dated 9 March 2009, which will be finalised, after certain conditions precedent are met, during the second quarter of 2009. See Section 5.6 of this Annual Report.

** The Group will sell Ecopetrol only 24.5% of the Tangara permit, representing half the interest held by the Group; the remaining 24.5% will be held by a subsidiary of Maurel & Prom.

*** The La Hocha and La Canada Norte fields are retained under the San Jacinto and Rio Paez contracts.

4.2.3 - Certification of reserves

The reserves of the Maurel & Prom Group were certified on 1 January 2009 by an independent organisation, the US firm of DeGolyer & MacNaughton (DMN).

This firm specialises in the oil and gas sector. Its corporate headquarters are located at 5001 Spring Valley Road, Suite 800 East, Dallas, Texas 75244.

DMN is internationally known for studies conducted on oil fields and reserves. For more than sixty years, it has completed hundreds of thousands of studies on oil fields in

over one hundred countries. DMN's clients include oil and gas companies, petroleum and chemical refining companies and financial institutions. More detailed information is available on the DMN website at www.demac.com.

The certification methods used are based on the international standards normally used in the oil and gas sector. The certified reserves are described in Section 5.2 of this document.

4.2.4 - Description of the businesses

4.2.4.1 - Exploration

The primary business of Maurel & Prom is exploration, to which a large percentage of its investments and a recognised team are allocated. Exploration includes geological studies, seismic acquisition and processing, geophysical analysis and drilling.

Today, the strategic oil exploration regions are in Africa, Latin America, Europe, and since the end of 2006, the Middle East. The operations in Tanzania, Peru and Syria have expanded the geographic diversification of the Group.

The Maurel & Prom technical teams are composed of geologists, geophysicists, and engineers from the petroleum world with proven expertise. Their experience and qualifications make them fundamental assets for the Group, which is intensifying its exploration efforts.

Today, this activity gives Maurel & Prom significant reserves and real growth potential.

4.2.4.2 - Production and Development

In 2008, the Group's production came essentially from the Colombian assets acquired in August 2005. Production from the Onal field in Gabon will not come on stream until the first quarter of 2009.

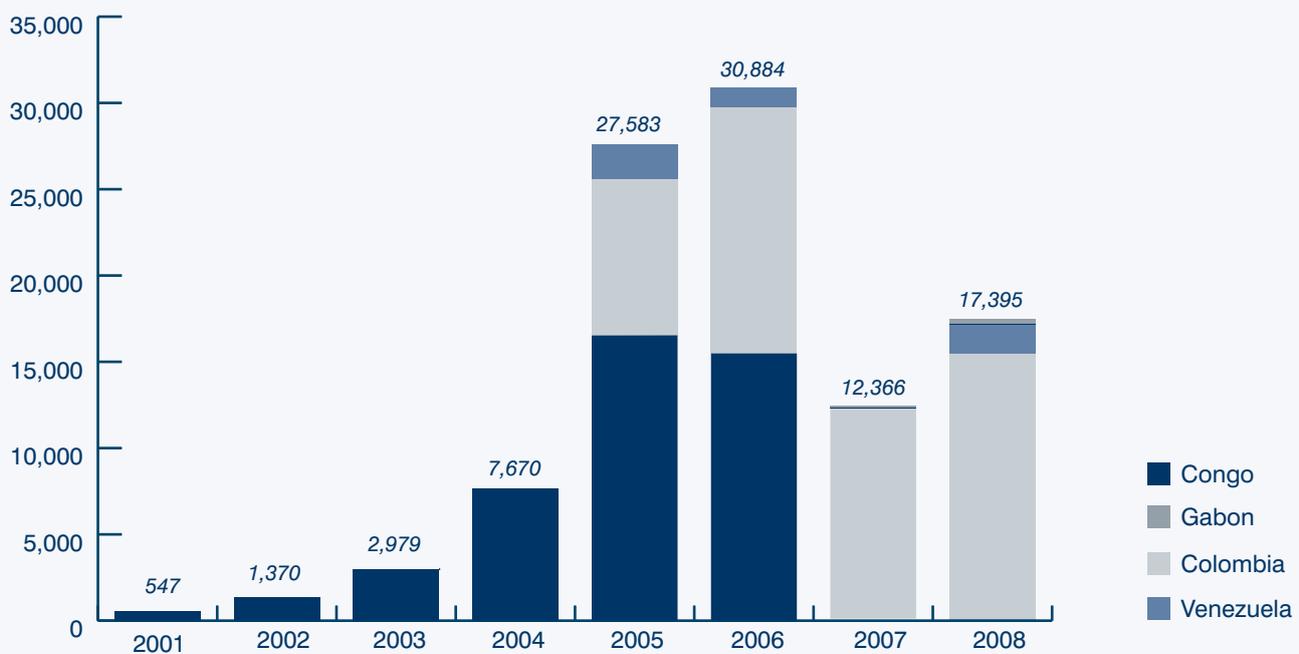
4.2.4.3 - Drilling

Drilling is performed by Caroil, a wholly owned subsidiary of the Company, which is developing its business in the onshore drilling segment.

Caroil's strategy is to expand its portfolio of orders with third-party companies and expand its field of action, while maintaining its preferred relationship with Maurel & Prom.

At 31 December 2008, the Company managed 15 rigs, 14 of which were in operation.

PRODUCTION NET OF OIL TAXES (ENTITLEMENT) IN B/D



4.3 - Organisation of the Group

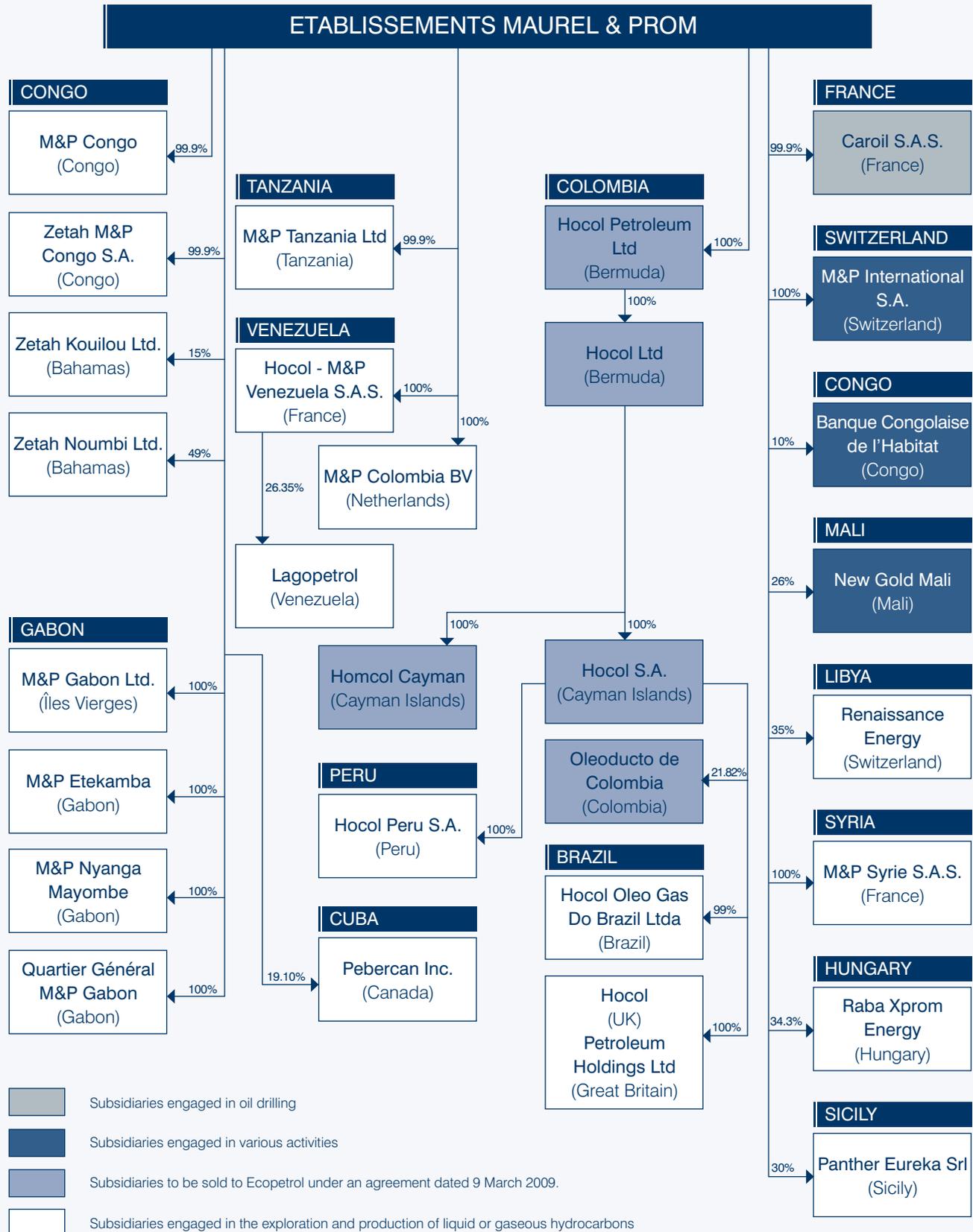
4.3.1 - Organisational chart

The organisational chart of the main subsidiaries of Maurel & Prom Group (hereinafter "Maurel & Prom Group" or the "Group") at 31 December 2008 shows the number of subsidiaries of the Group, their geographic locations and the geographic distribution of the Group's operations.

Etablissements Maurel & Prom, which conducts its own business activity, is also the holding company for the

Maurel & Prom Group. At 31 December 2008, the Company held three French subsidiaries, namely Caroil S.A.S. (drilling company), Hocol – Maurel & Prom Venezuela S.A.S., and Maurel & Prom Syrie S.A.S.

The percentages indicated in this organisational chart represent equity holdings and voting rights.



4.3.2 - Intra-group relations

The table below shows the Group's key figures and the breakdown between its principal subsidiaries.

<i>In thousands of euros</i>						
Consolidated amounts (ex. dividends)	Hocol	Caroil	Gabon	Other	Holding company	Consolidated total
Non-current assets (inc. goodwill)	615,269	111,106	556,223	124,231	3,231	1,410,060
Financial debt (*)	17,784	1	27	2,821	375,055	394,688
Net cash on balance sheet (**)	73,945	32,352	4,858	5,602	71,938	188,695
Cash flows from operating activities	155,907	56,244	260,402	80,916	-360,654	192,815
Dividends paid in the year, attributable to the publicly traded company	-	-	-	-	80,531	80,531

(*) excluding bank overdrafts presented as net cash.

(**) cash net of bank overdrafts.

Transactions between the Company and its subsidiaries exist in various areas (services, current account agreements, etc.). The financial transactions governed by related-party agreements are presented in the special report of the auditors which is provided in Section 13.3.

Mr Hénin, Chairman and Chief Executive Officer, also holds management positions within the Group's subsidiaries. The offices held by Mr Hénin within the subsidiaries are indicated in Section 6.1.2.

BUSINESSES OF THE COMPANY: MANAGEMENT REPORT

5.1 - Group exploration and production activity and highlights in 2008

5.1.1 - Change in scope of consolidation in fiscal year 2008

In 2008, Maurel & Prom continued to expand its exploration territory, signing four exploration permits in Colombia (CPO-17, SSJN-9, VSM-10, MUISCA).

The Achira permit in Colombia, in which Maurel & Prom held 25.67% as operator, expired and was relinquished at the end of March 2008. Likewise, Maurel & Prom and its partners have initiated a procedure to relinquish the Upar permit (M&P 35%) in Colombia.

The EGOE permits were renegotiated. Maurel & Prom, which held 31.75% of these contracts, now holds 6.98% in the Estero permit, 15.22% in the Garcero permit, 23.47% in the Orocué permit, and 27.91% in the Corocora permit. These contract amendments took effect on 1 February 2008. The revised production rights are compensated with an extension of these agreements until the end of the economic life of the fields in question.

In Tanzania, Maurel & Prom signed an agreement on 10 September 2008 with Dominion Oil & Gas Limited to acquire a 50% interest in the Mandawa exploration permit. This permit is located just south of the Bigwa-Rufiji-Mafia permit, which is 60% held by Maurel & Prom. The total area of the operating permit covered by the Mandawa Production Sharing Contract (PSC) is 6,811 km² onshore in Tanzania. The PSC was signed in 2005. The initial exploration period is 4 years, during which the contractor must acquire 300 km of 2D seismic and drill two exploration wells. Dominion, the operator has already completed the seismic acquisition. The PSC also provides for two optional additional exploration periods. The first is 4 years, during which the contractor must acquire an additional 150 km of 2D seismic and drill two other exploration wells. The second is three years, during which the contractor must drill one additional exploration well.

In Gabon, Maurel & Prom on 18 March 2008 increased its interest in the Etekamba permit from 65% to 100% by purchasing 35% of the rights held by Transworld.

5.1.2 - Financial summary of 2008

5.1.2.1 – Consolidated financial statements

The Group's oil and gas operations are particularly geared toward exploration and the development of the Group's mining portfolio. Maurel & Prom also works to ensure the rapid production of its discoveries through ambitious development campaigns that rely on its drilling subsidiary Caroil among other resources. In this respect, the Group's results for fiscal year 2008 reflect the intensity of the exploration-appraisal and development activity, and current macroeconomic elements.

In 2008, the oil industry was impacted by the strong volatility in oil prices. Over 2008, the average price for Brent and WTI rose 34% and 37% respectively compared with 2007. On the other hand, the decline in the US\$/€ exchange rate (-7%) had a negative impact on sales, thus attenuating the positive effect of higher oil prices.

PRODUCTION

The Group's entitled production over 2008, including Venezuela and in-kind oil taxes, was 17,395 boepd.

SALES

Consolidated sales, which totalled €385.2 million, rose 33% over the previous year because of the increase in entitled production and higher oil prices.

OPERATING INCOME

This increase in sales was essentially generated in operating income because of the improvement in margin rates and the stability of fixed costs. Operating income totalled €95.5 million and was impacted by the following:

- €(55.8) million for exploration expenses due to the intense exploration programme, with 25 wells drilled (€219 million) during the year, including 11 dry wells;
- non-recurring income of €19.0 million related to the first-time equity accounting of the Venezuelan company Lagopetrol;
- the depreciation of assets in Sicily for €(26) million;
- and the reversal of a provision on the litigation with Messier Partners for €6 million.

It also includes €76.5 million in amortization and depreciation and €11.3 million in impairment of operating assets.

In January 2009, Pebercan, in which the Company holds a 19.1% stake, announced that its subsidiary Peberco Limited and the Cuban company Cubapetroleo S.A. ("Cupet") had ended a production sharing contract with an original expiration date of 2018. In consideration, Peberco announced on 10 February 2009 that it had received the net flat amount of \$140 million. Based on the partnership signed between Peberco and Sherrit International Oil & Gas, Sherrit will receive its share of this amount, which represents approximately \$60 million. As a result, Maurel & Prom depreciated its stake in Pebercan by the amount of €9.1 million.

FINANCIAL INCOME

The Group's financial loss of (4.9) million is characterised primarily by the following:

- net cost of debt (OCEANes and investment products) for (11) million;
- unrealised gains and losses on derivative instruments for (15) million and purchase of currency option hedges for (10) million;
- income realised on crude derivatives purchased in 2008 for 100 million; this amount corresponds to the purchase in December 2008 of hedges on oil prices;
- provisions for a litigation on financial instruments in the amount of (36.8) million. The Company notes that information concerning complex structured transactions

initiated individually by an employee and executed outside the Group's standards and procedures, and disputed by the Group, was provided in the 2008 half-year financial statements. As a precaution, the maximum risk was provisioned, without prejudice to the result of actions to dispute the transactions or obtain damages;

Exchange losses for €(30) million, resulting essentially from the decrease in the US dollar.

CONSOLIDATED NET INCOME

After taking into account the above items, the tax on corporations and the share of income/loss in equity associates (+€9.7 million), net income from continuing operations improved significantly. It totalled €62.5 million in 2008 compared with €(50.7) million for fiscal year 2007, excluding recognition of the Congolese operations sold to Eni.

BALANCE SHEET

The balance sheet total amounted to €1,895 million. Group share of shareholders' equity was €1,036 million.

INVESTMENTS

The total amount of the investments made in 2008 was €539 million and can be analysed as follows:

<i>In millions of euros</i>	Colombia	Gabon	Tanzania	Congo	Other	Total
Exploration	86	44	76	4	9	219
Development	73	217	0	2	1	292
Oil-related services	6	2	0	2	17	28
Total	165	263	76	8	27	539

CASH FLOW

The Group's after-tax cash flow was €246 million. Net cash flow from operating activities totalled €193 million.

At 31 December 2008, Maurel & Prom had net cash of €189 million. In addition, there was an inflow of €63 million for the receipts from the sale of hedges on 8 January 2009. The change in cash of €(506) million over 2008, based on cash flow of €193 million generated, primarily reflects:

A significant investment effort:

- exploration expenses for €219 million;
- development investments for €292 million;
- investments in drilling activity for €28 million.

Return to shareholders:

- a dividend payment of €137 million;
- the buy-back of treasury stock for €34 million.

HEDGING

The Company's policy is to hedge a portion of its future production against any decline in oil prices, thus taking advantage of a possible rise thereof for the portion of the production that is not hedged. This hedging policy is part of the management of bank credit lines available to the Group (Reserves Based Loan "RBL").

At the end of 2007, anticipating that the prices reached for oil could not continue to last, and in order to guarantee a satisfactory margin for its investments, the Company substantially increased the volumes hedged economically. In 2008, as market fluctuations resulting in prices at levels significantly higher than the swaps in place, the Company's banking partners noted the increase in their risks and forced the Group to mobilise a substantial portion of its

cash with margin calls and to modify its hedging policy. As a result, the Company was forced to repatriate to the parent company these contracts classified as hedges in the accounts and cancel them according to the following schedule:

- On 9 October 2008, Maurel & Prom assumed the swaps it had executed and allocated to its Hocol subsidiary on 2,250 b/d and the (classification as a hedge was terminated on that date);
- On 10 October 2008, restructuring of the swaps initially subscribed by Hocol by scheduling quantities over the 3 years from 2009 to 2011 in order to meet the requirements of the banks as part of the new negotiations in progress;
- On 14 October 2008, sale to Maurel & Prom of the swaps executed by Hocol (4,000 b/d).

The purchase of those positions from the banks became effective on 11 and 12 December for one and on 17 December 2008 for the other, generating respective cash balances of \$63,132 K (booked as financial income) and \$82,914 K (of which \$70,379 K were booked as income for 2008, the balance being booked as income for 2009).

At 31 December 2008, the Group had primarily the following hedging instruments:

- 2,000 b/d at a Brent price of \$58.5/b through a forward sale for the first quarter of 2009;
- 4,000 b/d at a Brent price of \$64.2/b through a forward sale for the remainder of 2009;
- 2,750 b/d at a Brent price of \$62.2/b through a forward sale for the first half of 2010;
- 2,000 b/d at a Brent price of \$59.0/b through a forward sale for the second half of 2010.

For each of these periods, "floors" (sales of put options) were instituted, limiting the hedges to a level of \$50/b for 500b/d, 2,500 b/d, 1,250 b/d and 500 b/d respectively for each period. The exercise price for the swap is increased by the premium received for the sale of the Put attached to the swap.

PORTFOLIO OF COMMODITY SWAPS & OPTIONS 31/12/2008

Type of contract	Price	Quality	USD USD/b	Total volume in b
Swap sale	71,000	Brent	38,925,750	548,250
Sale put option	50,000	Brent		548,250
Swap sale	63,400	Brent	20,288,000	320,000
Sale put option	50,000	Brent		320,000
Swap sale	57,000	Brent	41,610,000	730,000
Swap sale	58,300	Brent	10,639,750	182,500
Sale put option	50,000	Brent		182,500
Swap sale	55,000	Brent	20,075,000	365,000
			131,538,500	

■ type of commitments: these transactions executed primarily in December 2008 in order to hedge the future Gabonese production have not been classified under hedge accounting. As a result, the changes in market value are immediately recognised through the income statement.

■ authorisation and monitoring of commitments: the transactions are executed on a decision of the Chairman/Chief Executive Officer and are confirmed by two exclusive signatories, the Chairman/Chief Executive Officer and the Chief Financial Officer of the Group. Reporting updated after each transaction validates the structuring of the positions. The transactions are recorded in the systems by the Treasury department and confirmed by Accounting, which is the direct recipient of the request for confirmation issued by the banks.

■ sensitivity: all upward or downward price change will have an immediate impact on income based on the non-classification as a hedge.

During January 2009, the Company established the following additional hedging instruments:

- 5,500 b/d at a WTI price of \$61.6/b for 2009 and 2010;
- 2,000 b/d at a WTI price of \$62.8/b for 2011;
- 500 b/d at a Brent price of \$62/b for 2009, 2010 and 2011.

5.1.2.2 – Company financial statements

Sales for fiscal year 2008 were €31.9 million, up from sales of €10.7 million the previous year. This increase was primarily related to the invoicing of general assistance services to the subsidiaries.

Operating income rose to -€34.7 million, up from -€60.8 million the previous year.

Net income for 2008 amounted to -€41.7 million. In the previous year, net income was €567.6 million because of the extraordinary income on the sale of the Congolese assets.

For information regarding dividends distributed in respect of the last three fiscal years, please refer to Section 8.2 and the third draft resolution to be submitted to the Annual General Meeting and enclosed as Appendix 9 to this Annual Report.

5.1.3 - Oil and gas activity

At the time of the sale of the M'Boundi assets, Maurel & Prom set ambitious targets for renewing production and reserves. For this purpose, the Group made significant investments in the production and development of fields and in exploration, drilling and the acquisition of new exploration zones.

In 2008, 25 exploration wells were started and completed: 11 were abandoned, 9 yielded positive and commercially viable results, and 5 were suspended. 4 exploratory wells were in the process of being drilled at 31 December 2008.

These results allowed the Group to validate the hypotheses formulated on the Omoueyi permit (Onal satellites) and highlighted a new petroleum theme in Gabon (Le Kissenda) with the discovery of the Omko field in July 2008. This

2009				2010				MtoM 31/12/08 in EUR K	Accounting classification
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	1,500	1,500	1,500	750	750			4,467.5	Not assigned
								- 2,605.6	Not assigned
	500	500	500	500	500	500	500	238.2	Not assigned
								- 1,416.9	Not assigned
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	- 1,950.6	Not assigned
500	500	500	500					306.7	Not assigned
								- 838.2	Not assigned
500	500	500	500	500	500	500	500	- 1,459.3	Not assigned
2,000	4,000	4,000	4,000	2,750	2,750	2,000	2,000	- 3,258.2	

exploratory well, located 6 km. east of the Onal field (3.6 km. east of the production centre) found two oil-impregnated sandstone intervals in the geological formations:

- the Kissenda at 56 m, a new theme in this region of Gabon. This level produced a flow of 3,050 b/d on a 40/64" choke with a head pressure of 595 psi;
- base sandstone themes at 43.5 m, which Maurel & Prom has already identified in the Congo with the M'Boundi and Kouakouala fields and in Gabon with the Onal field. This level produced a flow of 2,460 b/d on a 32/64" choke with a head pressure of 660 psi.

The oil produced had an API of between 35.7 and 36.7°. A long-term test authorisation was obtained for the Omko-1 well. A request for an Exclusive Development Authorisation will be filed after drilling two appraisal wells on the Omko field, to be performed in the first half of 2009.

In Tanzania, activity in fiscal year 2008 focused on two major objectives: appraisal of the potential of the M'Kuranga discovery, which was below expectations, and drilling of the Mafia prospecting well, which is currently underway. Regarding the Bigwa Rufiji Mafia permit, the Minangu-1 well reached the planned final cut of 2,883 m. The Kipatimu formation tests identified a "tight gas" type reservoir (gas in largely impermeable formations). Undoubtedly, these reservoirs are not commercially viable in the absence of a discovery of a more conventional field in the vicinity.

The exploratory works carried out in Colombia defined new prospects and identified new reserves, specifically in the Guarrojo permit, where the Ocelote field, currently in development, was prospected, with an extension to the north identified.

Development works largely involved the Onal and Ocelote fields.

Maurel & Prom developed the Ocelote field in Colombia, which was discovered in early 2007 and identified a northern extension. A development plan for this field was filed with the National Hydrocarbons Agency in August 2008. The operating license was obtained on 19 December 2008. Development consisted of drilling new wells and increasing processing capacity. Since early January, this capacity has attained a 100% level of oil production, 10,300 b/d.

Regarding the start-up of production of the Onal field, construction of the production centre was completed and the gas pipeline, intended to supply the Onal facilities, was connected on 23 December 2008. On 9 February 2009, the Group announced connection of the gas from the Onal production centre. The oil line from the Onal field production facilities was connected on 23 February 2009, after the opening of the Omko-101 well (Omko structure) located 7 km from the facilities. Only Kissenda came on-stream as part of the long-term test authorised by the General Hydrocarbons Division. The choice of this well to initiate the Onal facilities had to do with the lower paraffin content of the Omko oil, facilitating the transitory period of increasing the temperature of the oil pipelines and the equipment. The Onal oil well was opened on Monday, 9 March 2009, along with the opening of the first 11 wells of the PF-500, PF-700 and PF-900 platforms, at a planned initial level of 10,000 b/d at 100%. The evacuation pipeline (120 km) installed between Onal and the Coucal delivery point was completed on 13 March 2009.

5.1.4 - Drilling operations: Caroil

Caroil, the oil services subsidiary of Maurel & Prom, continued to grow sixty-two percent of Caroil's operations are conducted with customers other than Maurel & Prom and represents 22% of the Group's total business. At 31 December 2008, Caroil had 15 onshore drilling rigs, 14 of which were in operation.

Caroil's contributed sales rose to €84.8 million from €76.1 million in 2007, i.e., an 11% increase. Expressed in US dollars, contributed sales in 2008 were \$124.8 million compared to \$104.4 million in 2007, i.e., a 20% increase.

Caroil's company sales in 2008 rose by 40%, in other words, total sales were €136.1 million compared to €97.4 million in 2007. Expressed in US dollars, Caroil's company sales were \$200.2 million compared to \$133.5 million in 2007, i.e., a 50% increase from 2007.

5.1.5 - Exceptional events

See 5.6.1

5.1.6 - Supplier relations

See 7.3.3

5.1.7 - Customer relations

See 7.3.3

5.1.8 - Competitive position

See 7.3.4

5.2 Oil reserves

The reserves were certified on 1 January 2009 by DeGolyer & MacNaughton on the basis of economic conditions and the existing geological and engineering data to estimate the quantities of hydrocarbons that could be produced. The valuation process involves subjective judgements and may lead to later revaluations as knowledge of the oil fields improves.

The Group found an additional 90.6 Mboe of P1+P2 reserves net of royalties, compared with a production net of royalties of 6.57 Mboe (including Venezuela). On this basis, the P1 Reserve Replacement Rate (RRR)⁽¹⁾ is 796% and 1,62% for P1 + P2 reserves.

The following table shows the Group's level of reserves net of royalties at 1 January 2009. This table excludes the potential reserves related to exploration, and includes the reclassification of all P2 reserves in Sicily as P3 reserves.

⁽¹⁾: Change in reserves not in production (i.e. revisions + discoveries, extensions + acquisitions – sales)/production for the period.

Régions	Permit	M&P reserves (less royalties) in Mboe(*)	P1	P1+P2	P3
Congo					
	Loufika	Reserves (01/01/2008)	-	0.21	0.51
	(Oil)	Production 2008	-	-	-
		Revision	-	-	0.00
		Reserves (01/01/2009)	-	0.21	0.51
	Tilapia	Reserves (01/01/2008)	0.01	0.01	-
	(Oil)	Production 2008	0.01	0.01	-
		Revision	0.01	0.01	-
		Reserves (01/01/2009)	0.01	0.01	-
Gabon					
	Onal	Reserves (01/01/2008)	15.50	50.22	12.70
	(Oil)	Production 2008	-	-	-
		Revision	8.10	34.38	9.41
		Reserves (01/01/2009)	23.59	84.60	22.10
	OMKO	Reserves (01/01/2008)	-	-	-
	(Oil)	Production 2008	-	-	-
		Revision	3.15	18.46	152.97
		Reserves (01/01/2009)	3.15	18.46	152.97
	OMBG	Reserves (01/01/2008)	-	-	-
	(Oil)	Production 2008	-	-	-
		Revision	0.83	4.19	13.87
		Reserves (01/01/2009)	0.83	4.19	13.87
	Banio	Reserves (01/01/2008)	0.07	1.21	3.03
	(Oil)	Production 2008	0.12	0.12	-
		Revision	0.45	-0.54	-3.03
		Reserves (01/01/2009)	0.41	0.55	0.00
Sicily					
	Fiume Tellaro	Reserves (01/01/2008)	-	9.33	88.94
	(Gas)	Production 2008	-	-	-
		Revision	-	-9.33	9.33
		Reserves (01/01/2009)	-	-	98.27
Venezuela***					
	Oil	Reserves (01/01/2008)	4.59	6.59	0.08
		Production 2008	0.35	0.35	-
		Revision	0.01	-	-
		Reserves (01/01/2009)	4.25	6.24	0.08
	Gas	Reserves (01/01/2008)	3.73	5.57	0.02
		Production 2008	0.27	0.27	-
		Revision	-0.46	-0.67	-0.01
		Reserves (01/01/2009)	3.01	4.63	0.02

Régions	Permit	M&P reserves (less royalties) in Mboe(*)	P1	P1+P2	P3
Colombia					
	Oil	Reserves (01/01/2008)	24.54	50.59	30.86
		Production 2008	5.49	5.49	-
		Revision	40.20	43.89	-20.03
		Reserves (01/01/2009)	59.24	88.98	10.83
	Gas	Reserves (01/01/2008)	0.93	1.87	1.05
		Production 2008	0.33	0.33	-
		Revision	0.19	0.19	0.01
		Reserves (01/01/2009)	0.79	1.74	1.05
Total					
	Oil	Reserves (01/01/2008)	44.7	108.8	47.2
		Production 2008	6.0	6.0	-
		Revision	52.7	100.4	153.2
		Reserves (01/01/2009)	91.5	203.2	200.4
	Gas	Reserves (01/01/2008)	4.7	16.8	90.0
		Production 2008	0.6	0.6	-
		Revision	- 0.3	- 9.8	9.3
		Reserves (01/01/2009)	3.8	6.4	99.3
	Total	Reserves (01/01/2008)	49.37	125.60	137.17
		Production 2008	6.57	6.57	-
		Revision	52.46	90.58	162.51
		Reserves (01/01/2009)	95.27	209.61	299.68
		Reserves (01/01/2009) hors Colombie**	35	119	288

(*) Mboe = Millions of barrels of oil equivalent.

** Following the signature of a memorandum to sell Hocol on 10 March 2009 (see Section 5.6.1.), all the Colombia reserves will be excluded from the Group's certified reserves at 01/01/2009.

*** Through the stake in Lagopetrol

P1 = proven reserves

P2 = probable reserves

P3 = possible reserves

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

At 1 January 2009, proven reserves were 95.3 Mboe (P1) and proven and probable reserves were 209.6 Mboe (P1+P2). They represent the Company's share on each of the permits, minus royalties.

After deducting production, the Group's proven reserves rose 93%. Proven and probable reserves (P1+P2) were up 67% at 1 January 2009.

In Gabon, where the Group is developing the Onal field, the P1+P2 reserves are up 110%. This increase is due to the number of wells drilled in 2008 in order to define the scope

of the field and obtain a better understanding of the total structure of the Onal field. This increase also comes from the discoveries made on the Omoueyi permit (OMKO, OMBG and OMAL).

In Sicily, the P2 reserves were reclassified as P3 after the failure of the Eureka-1 well.

In Colombia, the P1 reserves rose 136% and the P1+P2 reserves 73%. This change is related to the development of the Ocelote field discovered early in 2007.

Because there is no contract guaranteeing the marketing of the resources from the gas discovery made in Tanzania early in 2007, DeGolyer & MacNaughton did not certify reserves in accordance with industry practices.

As at 1 January 2009, Maurel & Prom held a total of 9 years of P1 reserves and 19 years of P1+P2 reserves at a production rate of 30,000 b/d.

Following the signature of a memorandum to sell Hocol on 10 March 2009 (see Section 5.6.1), all the Colombia reserves will be excluded from the Group's certified reserves at 1 January 2009.

5.3 - Analysis of the activity by sector and geographic zone

5.3.1 - Change in sales and net income

5.3.1.1 - Sales by activity

SALES AT 31 DECEMBER 2008

In millions of euros	2008	2007	Change
Congo	0.5	0.8	n/s
Tilapia	0.5	0.6	n/s
Loufika	-	0.2	n/s
Gabon	6.9	1.5	n/s
Banio	6.9	1.5	n/s
Onal	-	-	n/a
Colombia	292.9	207.5	41%
Oil	288.7	207.5	39%
Gas	4.2	-	n/s
Oil production	300.3	209.9	43%
Oil-related services	84.8	76.1	11%
Other	0.1	3.5	-
Total	385,2	289,5	33 %

Sales for fiscal year 2008 jumped 33% from €289.5 million in 2007 to €385.2 million in 2008.

Expressed in US dollars, the Group's total sales in 2008 were \$567 million, up from \$397 million in 2007, an increase of 43%. This increase comes essentially from the increase in average oil prices (Brent +34% and WTI +37%) and the rising production from the Ocelote field in Colombia.

The change in sales was negatively impacted by the US\$/€ exchange rate (-7%).

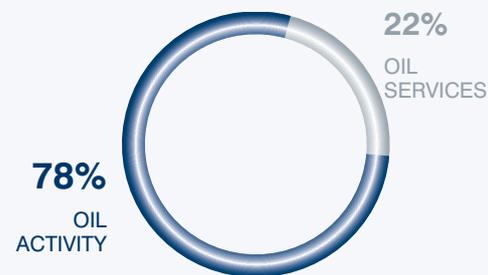
These sales are subject to the following deductions:

- \$6.7 million for the application of the high price clause in to the Estero and Garcero contracts renegotiated in February 2008;
- \$7.8 million for the royalties paid in foreign currencies (US dollar) on the Ocelote and Hocha fields in Colombia which came on stream in 2008;
- \$1.3 million for royalties and the "profit oil" percentage for the Gabonese State paid in foreign currencies (US dollars) on the Banio contract.

This is a total of \$15.8 million which appears in the "Income and other taxes" item of the income statement.

2008 sales came essentially from oil production in Colombia and the drilling operations of the Caroil subsidiary, wholly owned by Maurel & Prom.

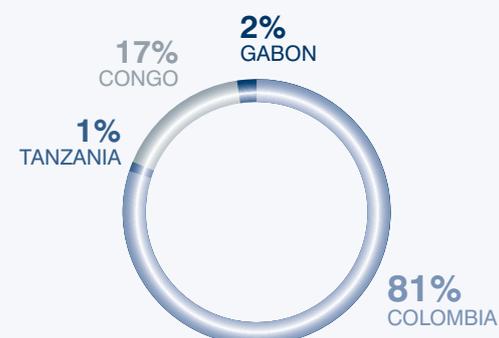
BREAKDOWN OF SALES BY ACTIVITY (IN €M)



5.3.1.2 - Sales by region

	2008	2007	2006*	2006
Congo	65.3	67.5	72.5	327.2
	17%	23%	22%	56%
Gabon	6.9	1.5	-	0,8
	2%	1%	-	-
Tanzania	2.1	6.2	-	2.1
	0.1%	2%	-	-
Colombia	310.8	210.8	243.3	243.3
	81%	73%	75%	42%
Venezuela	-	-	6.6	6.6
	-	-	2%	1%
France (Holding Company)	0,1	3.5	3.6	3.6
	-	1%	1%	1%
Total	385.2	289.6	326	583.7

BREAKDOWN OF SALES BY GEOGRAPHIC REGION (IN €M)



5.3.2 - External factors with a significant influence on operations

The external factors most influential on the Group's results are the productivity of the fields, international oil prices expressed in dollars and the conversion into euros in the accounts. The average EUR/USD exchange rate over the year is taken from data from Banque de France.

Environmental data	2008	2007	Change
	12 months	12 months	
Exchange rate (EUR/USD)	1.470	1.3704	-7%
Brent (\$/b)	96.99	72.4	34%
WTI (USD/b)	98.90	72.5	36%

The Group's oil activities in 2008 were influenced by the volatility of oil prices and exchange rates.

The political risks that could directly or indirectly influence the Company's operations are described in Section 7.2.1.

5.3.3 - Breakdown of Group sales and operating income

For the breakdown of the sales and operating income by business segment and geographic segment, please refer to Note 25 "Segment reporting" to the consolidated financial statements under Section 13.2.1.

5.4 Other information on the income statement

<i>In thousands of euros</i>	2008	2007	2006 *
Operating income	95,511	23,311	83,266
Pre-tax income	90,621	-33,393	50,545
Income taxes	-37,810	-16,763	-45,995
Net income of consolidated companies	52,811	-50,156	4,550
Share of income/loss of associates	9,694	-571	-2,522**
Net income from discontinued operations	-	816,481	178,637
Net income, Group share	62,504	766,096	180,665

* Restated for operations sold to Eni and the change in accounting policy (see Note 18 to the 2007 consolidated financial statements) under IFRS 5.

** Share of Perbercan income accounted for as at 30 June 2006.

5.5 - Other activities

5.5.1 - Gold division

Under a Joint Venture Agreement (JVA) dated 5 September 2002 signed with New Gold Mali (hereinafter NGM), the company Afriore agreed to invest \$2.5 million in a project to explore a gold permit in Mali and produce a feasibility study of the project. In consideration for this investment, Afriore was supposed to be given the possibility to become a 60%-owner of the project.

Through a contract dated 4 September 2005, Afriore having decided to withdraw from the project had transferred its rights and obligations under the JVA to Pacifico S.A.

In 2007, Pacifico S.A., having met its contractual obligations, purchased a 60% equity stake in NGM from NGM shareholders, including CEAB, a subsidiary of the Company.

The feasibility study seems to conclude there is a possibility of creating a small mine (legal classification in Mali) to develop the surface portion of the resource.

5.5.2 - Corporate offices

The Maurel & Prom Group continued its efforts to strengthen and organise its structure, particularly at its corporate headquarters at 12, rue Volney in Paris, while controlling structural costs.

The accounting department was expanded and the cash unit completely restructured.

A tax audit of Maurel & Prom covering the period from 1 January 2003 to 31 December 2005 was initiated in September 2006. The proposed corrections have been disputed by the Company. The discussions in progress concern the regional allocation of expenses, the existence of permanent establishments abroad, and some specific provisions and expenses. This audit ended in 2008 with the payment of €1,259,905 and the balance of the assessment being posted to loss carry-forwards.

5.5.3 - Maurel & Prom International (formerly Maurel & Prom Suisse S.A)

Maurel & Prom International manages some employees who work on international operations.

5.6 Trends

5.6.1 - Significant events since 31 December 2008

SALE OF HOCOL

On 10 March 2009, Maurel & Prom and Ecopetrol announced that they had signed a memorandum of understanding on the sale of Hocol Petroleum Ltd (Hocol Colombia), wholly owned by Maurel & Prom. The total amount of the transaction, payable in cash, is \$748 million and may be increased by the earnout resulting from the application of the following two clauses:

- adjustment based on certified 2P reserves on the potential Huron field on the Niscota permit;
- adjustment based on the level of oil prices.

Maurel & Prom retains the following assets:

- 100% of the Muisca exploration permit;
- 50% of Hocol's rights to the Tangara exploration permit (in partnership with Ecopetrol and Talisman);
- 100% of the Sabanero exploration permit;
- 100% of the SSJN-9 exploration permit;

- 100% of block 116 in Peru;
- all its rights in Venezuela;
- potential rights in Brazil (pending signature).

This agreement is effective retroactively to 1 January 2009. Its performance is subject to the completion of conditions precedent, including the approval of the Colombian competition authorities, which is planned for the second quarter of 2009. The final sale price may be adjusted on the basis of the net contract financial position decided by the parties.

MANDAWA PERMIT

Dominion, the partner of Maurel & Prom on the Mandawa permit (M&P 50%) issued a press release on 6 March 2009, which was restated by Maurel & Prom, announcing the abandonment of the Mihambia well in Tanzania.

COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING

In order to have greater reactivity and financial flexibility, Maurel & Prom called a General Meeting of Shareholders on 24 February 2009 to renew existing authorisations and grant new financial delegations to the Board of Directors. All resolutions were adopted. These delegations and financial authorisations allow the Board to seize market opportunities for investments and refinancing, without having to wait for the Annual General Meeting scheduled for June 2009.

ONAL PRODUCTION CENTRE ON LINE

Construction of the production centre was completed at year end and the gas pipeline, intended to supply the Onal facilities, was connected on 23 December 2008. On 9 February 2009, the Group announced connection of the gas from the Onal production centre. The oil line from the Onal field production facilities was connected on 23 February 2009, after the opening of the Omko-101 well (Omko structure) located 7 km from the facilities. Only Kissenda came on-stream as part of the long-term test authorised by the General Hydrocarbons Division. The choice of this well to initiate the Onal facilities had to do with the lower paraffin content of the Omko oil, facilitating the transitory period of increasing the temperature of the oil pipelines and the equipment. The Onal oil well was opened on Monday, 9 March 2009, along with the opening of the first 11 wells of the PF-500, PF-700 and PF-900 platforms, at a planned initial level of 10,000 b/d at 100%. The evacuation pipeline (120 km) installed between Onal and the Coucal delivery point was completed on 13 March 2009.

MESSIER PARTNERS LITIGATION

In 2007, the consulting firm of Messier Partners initiated legal action against Maurel & Prom to obtain payment of a performance commission following the sale of the Congolese assets to the Eni oil group. Maurel & Prom believes it is not required to remunerate Messier Partners, as the disposal of the Congolese assets to Eni was not included under the contract signed by the parties. On 18 December 2007, the Paris Commercial Court partially ruled for Messier Partners and ordered Maurel & Prom to pay €5.6 million, which are provisioned in the 2007 accounts. In a judgment of 5 March 2009, the fifth chamber of the Court of Appeals cancelled all provisions of the ruling from the Commercial Court and ordered Messier Partners to pay court and appeal costs and to pay €50,000 to Maurel & Prom for legal fees. All claims of Messier Partners were dismissed.

5.6.2 - Change in the Company's activity: Known trends, uncertainties, commitments or events that could significantly influence the outlook for the current year

In 2009, with a known and prolific territory, high potential prospects and available drilling rigs, Maurel & Prom will continue its exploration-appraisal campaign, primarily on the fields discovered in 2008, but also on new themes found in 2007 and 2008.

The Group's exploration programme for 2009 could change depending on the economic context and environment.

In January 2009 the Pebercan Company, in which the Company holds 19.1%, announced that its subsidiary Peberco Limited and the Cuban company Cubapetroleo S.A. ("Cupet") had terminated the production sharing contract initially signed in 1993 which was to expire in 2018. In consideration for the early termination, the payment of claims owed to Peberco Limited for crude oil sales made, and Cupet's assumption of all Peberco's obligations for its operations in Cuba, Peberco announced on 10 February 2009 that it had received the net flat sum of \$140 million. This agreement reflects Cupet's desire to regain ownership and operation of the assets in question. Based on the partnership signed between Peberco and Sherrit International Oil and Gas, Sherrit will receive its share of this amount, which represents approximately \$60 million. For information, the only oil asset of Pebercan and its subsidiary Peberco was the permit returned to Cupet. The effects of this situation have been taken into account in the fiscal year 2008 financial statements.

5.7 Outlook for the company

5.7.1 - Production

Following the signature of a memorandum to sell Hocol in Colombia, the Group is reformulating its production strategy as at the date of this document.

On this date, and taking this sale into consideration, the Group's 2009 production would come entirely from the Gabonese fields of Banio, Onal and Omko.

Regarding the start-up of production of the Onal and Omko fields, construction of the production centre was completed and the gas pipeline, intended to supply the Onal facilities, was connected on 23 December 2008. On 9 February 2009, the Group announced connection of the gas from the Onal production centre. The oil line from the Onal field production facilities was connected on 23 February 2009, after the opening of the Omko-101 well (Omko structure) located 7 km from the facilities. Only Kissenda came on-stream as part of the long-term test authorised by the General Hydrocarbons Division. The choice of this well to initiate the Onal facilities had to do with the lower paraffin content of the Omko oil, facilitating the transitory period of increasing the temperature of the oil pipelines and the equipment. The Onal oil well was opened on Monday, 9 March 2009, along with the opening of the first 11 wells of the PF-500, PF-700 and PF-900 platforms, at a planned initial level of 10,000 b/d at 100%. The evacuation pipeline (120 km) installed between Onal and the Coucal delivery point was completed on 13 March 2009.

5.7.2 - Sales

2009 sales, with assumptions for a barrel of Brent at \$50 and an annual average EUR/USD exchange rate of 1.30 is budgeted at €273 million.

5.7.3 - Investments

Projected exploration investments for 2009 are \$139 million. They may be revised during the year based on the results from studies and drilling in progress. The appraisal of the Omko and Banio fields is estimated at \$17 million. The development programme, which includes continued development of Onal, and the development of the Omko field, has been budgeted at \$135 million. Investments in oil services are expected to total \$23 million.

5.8 Principal risks and uncertainties

See Section 7 of this Annual Report.

5.9 List of directorships and functions exercised by the directors

See Section 6.1.1.1

5.10 Directors' and employees' shareholdings

For information about employees' profit sharing, see Section 6.3.3.

For information about directors' profit sharing, see Section 6.3.2.

For information about corporate actions, see Section 6.1.4.

For information about the share buy-back programme for purposes of allocating stock to employees, see Section 11.3.2.

5.11 Share capital

For information about the share capital breakdown, see Section 8.1.

For information about the share buy-back programme, see Section 11.3.2.

5.12 Directors' compensation

See Section 6.4 of this Annual Report.

5.13 Employee and environmental information

For employee information, see Section 6.3.

For environmental information, see Section 10.2.3.

5.14 Research and development

Maurel & Prom Group does not undertake any research and development activities and holds no patents or significant licences.

5.15 Items liable to have an impact during periods of public tender offers

None.

5.16 Credit rating

None.

5.17 Results of the company and the group over the last five years

See Appendix 5.

5.18 Schedule of financial authorisations

See Section 11.3.1.2.

5.19 Subsidiaries and equity investments

See Section 4 relating to the presentation of Maurel & Prom Group.

A schedule of subsidiaries is included under Section 12.9.

CORPORATE GOVERNANCE

6.1 - Administrative, executive, supervisory and management bodies

The transformation, in June 2007, of the Company's governance into a *société anonyme* with a board of directors was the culmination of a change desired by the executives and shareholders who have seen the Company change from a *société en commandite* (originally) to a *société anonyme* with management board and supervisory board in December 2004.

The Board of Directors meeting of 14 June 2007 elected Jean-François Hénin as Chairman of the Board and also appointed him Chief Executive Officer.

6.1.1 - Corporate governance bodies

6.1.1.1 Members of the Board of Directors at 12 June 2008

The General Meeting of 12 June 2008, in its seventh and eighth resolutions, renewed for a further three years the

terms of office of the Company's Board of Director members Financière de Rosario and of Mr Christian Bellon de Chassy. In addition, by virtue of its ninth resolution, it appointed as a new member of the Board of Directors to replace Mr Fabien Chalandon, whose term of office had expired, Mr Roman Gozalo for a term of three years until the end of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2010.

Mr Gozalo was formerly a member of the Management Board from 24 October 2005 until 14 June 2007 and a non-corporate officer CEO until May 2008. Mr Gozalo developed his management expertise while serving as Chief Executive Officer of three subsidiaries of the Total group between 1979 and 2002 and as Chief Administrative Officer (Secretary) of the Elf group between 1995 and 1999.

On the date of this document, the following persons were members of the Board of Directors of the Company:

Members of the Board	Date of election	Expiration of term	Positions
Jean-François Hénin	14 June 2007	General meeting called to approve the financial statements for 2009	Chairman & CEO
Gérard Andreck	14 June 2007	General meeting called to approve the financial statements for 2008	Vice Chairman
Christian Bellon de Chassy	12 June 2008	General meeting called to approve the financial statements for 2010	Director
Roman Gozalo	12 June 2008	General meeting called to approve the financial statements for 2010	Director
Financière de Rosario represented by Jean-François Michaud	12 June 2008	General meeting called to approve the financial statements for 2010	Director
Alain Gomez	14 June 2007	General meeting called to approve the financial statements for 2008	Director
Roland d'Hauteville	14 June 2007	General meeting called to approve the financial statements for 2009	Director
Emmanuel de Marion de Glatigny	14 June 2007	General meeting called to approve the financial statements for 2009	Director
Alexandre Vilgrain	14 June 2007	General meeting called to approve the financial statements for 2008	Director
Non-voting Director "Censeur"			
Gilles Brac de la Perrière	14 June 2007	General meeting called to approve the financial statements for 2009	

Jean-François Hénin, 65

Maurel & Prom
12, rue Volney
75002 Paris

Mr Hénin served as Chief Executive Officer of Thomson CSF Finance, then of Altus until May 1993. Mr Hénin then served as Chairman/Chief Executive Officer of *Electricité et Eaux de Madagascar* between 1994 and 2000. After that date, he served as manager of Maurel & Prom, then has been Chairman of the Management Board since the transformation of the Company into a *société anonyme* at the end of 2004.

Mr Hénin was elected Chairman of the Board of Directors on 14 June 2007 for a term of three years, until the General Meeting called to approve the financial statements for the year ended 31 December 2009.

Prior to the change in the management structure of the Company, Mr Jean-François Hénin had served as Chairman of the Management Board since 28 December 2004.

Prior to the transformation of Maurel & Prom into a *société anonyme* with Management Board and Supervisory Board, Mr Jean-François Hénin served as Manager of Maurel & Prom (in the form of a partnership until 2004) and Chairman and Chief Executive Officer of the Company Aréopage, the managing partner of Maurel & Prom (in the form of a limited partnership).

Mr Hénin's other executive positions within the Group are described in Section 6.1.2 of this Annual Repo

Emmanuel de Marion de Glatigny, 62

Adress:
40, rue des Hauts Fresnays
92500 Rueil Malmaison

Mr de Marion de Glatigny was elected to the Board of Directors by the General Meeting of 14 June 2007, for a term of three years, until the end of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2009.

Previously a member and Vice Chairman of the Supervisory Board of Maurel & Prom, he was first elected to the Maurel & Prom Supervisory Board on 19 June 2001 (then a limited partnership with shares).

Mr de Marion de Glatigny has developed his management expertise as a director of an insurance company and also his service on the Supervisory Board and Board of Directors since 1984.

Roland d'Hauteville, 67

Adress:
8, rue de Villersexel
75007 Paris

Mr d'Hauteville was named member of the Board of directors by the General Meeting of 14 June 2007, for a term of three years, until the end of the General Meeting called to approve the financial statements for the year ended 31 December 2009.

In May 2006, Mr d'Hauteville was appointed exercise the duties of member of the Supervisory Board of Maurel & Prom.

Mr d'Hauteville has spent most of his career in banking and finance. After studies at the HEC (1964) and military service as a teacher in Madagascar, he joined First National City Bank in Paris, then *Banque Commerciale de Paris* which merged with *Banque Vernes* in 1971. He remained with this institution for 17 years, where he held the position of Chief Financial Officer. In 1985, he founded *Banque de Finance-ment et de Trésorerie* (BFT) and served as Chief Executive Officer until 1990, the date on which it was taken over by *Crédit Agricole*. He then served as CEO of *Banque Elkann*, then of the Leven brokerage firm, before serving as *Censeur* to the Chairman of Cyril Finance.

Today, he is Chairman of *Compagnie Financière Internationale Privée* (COFIP), a Director of *Banque Michel Inchauspé*, the *Léséleuc* group, and Panhard General Defense, and Manager of COFFIP, as described in Section 6.1.2 of this Annual Report.

Alexandre Vilgrain, 53

Adress:
SOMDIAA
39, rue Jean-Jacques Rousseau
75001 Paris

Mr Vilgrain was elected to the Board of Directors by the General Meeting of 14 June 2007, for a term of two years, until the end of the General Meeting called to approve the financial statements for the year ended 31 December 2008.

Previously, Mr Vilgrain was appointed to the Supervisory Board of Maurel & Prom by the Board on 18 August 2005 to replace Mr Jean-Louis Chambon.

Mr Vilgrain began his professional career in 1979 in Jean-Louis Vilgrain, the family industrial group, in which he served in a variety of capacities in subsidiaries located in Africa, the Indian Ocean, Asia and France. In 1985, Mr Vilgrain assumed the position of Chairman of Delifrance Asia Ltd. Under his direction, the company was floated on the

Singapore stock exchange in 1996. Since 1995, Mr Vilgrain, who succeeded his father, has served as Chairman and Chief Executive Officer of Somdiaa. Mr Vilgrain defined and implemented a strategy for the growth of the Group in Africa in the milling and sugar industry.

Mr Vilgrain also holds various board positions, including the Boards of Directors of the Somdiaa subsidiaries. He represents Somdiaa on the Board of Directors of Conseil Français des Investisseurs en Afrique (CIAN) and also represented Somdiaa as an advisor to the Board of Directors of Proparco for nearly 10 years. Mr Vilgrain is also Chairman/Chief Executive Officer of Les Fromentiers de France.

Mr Vilgrain received his legal education at the Assas law faculty, in Paris.

Alain Gomez, 70

Address:
Maurel & Prom
12, rue Volney
75002 Paris

Mr Gomez was appointed as a member of the Board of Directors by the General Meeting of 14 June 2007, for a term of two years, until the end of the General Meeting called to approve the financial statements for the fiscal year ended 31 December 2008.

He previously served as a member of the Supervisory Board of Maurel & Prom, elected for the first time on 28 December 2004.

Mr Gomez has extensive management expertise. He has held the position of Chairman and Chief Executive Officer at a number of companies since 1973. In particular, Mr Alain Gomez served as Chairman and Chief Executive Officer of the Thomson group from 1982 to 1996.

G rard Andreck, 65

Address:
MACIF
2/4, rue de Pied de fond
79037 Niort Cedex

As Chairman of MACIF and the MACIF group, Mr Andreck has experience and expertise in finance, strategy and corporate governance.

Mr Andreck was elected to the Board of Directors by the General Meeting of 14 June 2007, for a period of two years, until the end of the General Meeting called to approve the financial statements for the year ended 31 December 2008.

He previously served on the Supervisory Board of Maurel & Prom, and was named Chairman of the Supervisory Board on 7 November 2005 to replace Mr Pierre Jacquard.

He was named to the Board for the first time on 29 June 2005 as the permanent representative of MACIF, then served on the Supervisory Board as an individual board member as at 7 November 2005. The appointment of Mr G rard Andreck as an individual member of the Supervisory Board was ratified by the General Meeting on 20 June 2006.

Roman Gozalo, 63

3, rue Aristote
2070 Gammarth La Marsa - Tunisia

Mr Gozalo was elected to the Board of the Company by the General Meeting of 12 June 2008 for a term of three years, until the end of the General Meeting called to approve the financial statements for the year ended 31 December 2010.

Mr Gozalo previously served as a member of the Management Board from 24 October 2005 until 14 June 2007, and then was appointed Chief Executive Officer by the Board on 30 August 2007 until May 2008.

Mr Gozalo developed his management expertise while serving as Chief Executive Officer of three subsidiaries of the Total group between 1988 and 2002 and as Chief Administrative Officer (Secretary) of the Elf group between 1995 and 1999.

Christian Bellon de Chassy, 75

Address:
194, route de l' glise
40390 Saint Barth l my

Mr Bellon de Chassy was elected to the Board of Directors by the General Meeting of 14 June 2007 (his term was renewed for three years by the General Meeting of 12 June 2008) until the end of the General Meeting called to approve the financial statements for the year ended 31 December 2010.

He previously served on the Supervisory Board of Maurel & Prom, and was appointed by the Board on 11 May 2006 to replace Mr Laurent Lafond, who resigned. Mr Christian Bellon de Chassy's appointment was ratified by the General Meeting of 20 June 2006.

Mr Bellon de Chassy is an expert in the judicial system and an international arbitrator. He holds a degree in sciences (chemistry and geology) and engineering from the Petro-

leum Institute (Ecole Nationale Supérieure du Pétrole et des Moteurs, ENSPM 1966: drilling - production).

As a director of Comex, then with Elf, he acquired extensive on-site experience in offshore drilling, production and construction, particularly in Norway. After forming his own oil consulting company Orcal Offshore, he completed more than 200 maritime and petroleum appraisals as a Lloyds-certified "loss adjuster". At the request of the oil companies and their insurers, he served as consultant and certified work procedures in over thirty countries.

As consultant to the European Community, he has participated in defining energy research and, finally, he was responsible for the management of budgets for the World Bank.

Financière de Rosario,

permanently represented by

Jean-François Michaud, 52,

Chairman & CEO

Paris Trade Register No 716 580 477

Registered Office: 260, Boulevard Saint-Germain – 75007 Paris.

Financière de Rosario was elected to the Board of Directors by the General Meeting of 12 June 2008, serving for a period of three years until the end of the General Meeting called to approve the financial statements for the year ended 31 December 2010.

Financière de Rosario was previously a member of the Maurel & Prom Supervisory Board, and its first appointment in the Financière de Rosario was 14 June 2002. Financière de Rosario was elected to the Board for the first time at the General Meeting of 14 June 2007.

6.1.1.2 - Other information

To the Company's knowledge, no member of the Board of Directors or a former member of the Management Board:

- has been convicted for fraud during at least the last five years;
- has been associated in any bankruptcy, receivership or liquidation;
- has been accused by statutory or regulatory authorities, with the exception of Mr Jean-François Hénin, who was ordered:

- by the Budget and Financial Discipline Court in the Altus Finance case to pay a fine (Judgment of 24 February 2006) and who, under the terms of the certi-

fication of a settlement in July 2006 in the Executive Life case (a US procedure which allows the defendant to maintain his innocence while agreeing, given the circumstances, to plead guilty to the facts in order to end the prosecution) had to pay a fine of \$1 million and has been banned from US territory for a period of five years; and finally, in the Altus Finance case, the Paris district court, in a judgment handed down on 14 May 2008, acquitted Mr Jean-François Hénin of all charges against him; and

- by the Disciplinary Tribunal of the AMF, which in a decision dated 4 December 2008, fined Maurel & Prom and Mr Jean-François Hénin Chairman of its management board at the time of the facts €300,000 and €200,000 respectively for providing inaccurate and untrue information to the public in two releases dated 10 June and 26 October 2005. The press release published in June 2005 included the third-party share in oil reserves that the Company had just acquired. Taking said third-party share into account resulted in a distorted cost price per barrel released to the public. The press release published in October 2005 listed a lower amount for reserves and attributed the difference to a change in calculation criteria and the adoption of IFRS without clearly explaining the erroneous nature of having taken into account such third-party share in the June press release. The Disciplinary Tribunal of the AMF underscored the significance for a hydrocarbon exploration and production company carried by the fundamental nature of the distinction between own share and third-party share and the obvious irregularity to which taking a third-party share into account leads in the calculation of the purchase price. In addition, the Disciplinary Tribunal of the AMF took disciplinary action against Mr Frédéric Boulet, former CEO of the Company. Jean-François Hénin, personally, and Maurel & Prom have appealed this decision under the terms of Articles R.621-44 to R.621-46 of the French Monetary and Finance Code.

- has been prohibited by a court from serving as a member of an administrative, management or supervisory bond of an issuer or from acting in the management or conduct of an issuer's business during the last five years.

6.1.1.3 - Members of other corporate bodies

Gilles Brac de la Perrière, 82

Adress:
8, rue de la Boétie
75008 Paris

Mr Brac de la Perrière was appointed by the Board of Directors, at its meeting of 14 June 2007, as non-voting director to the Company for a period of three years, until the end of the General Meeting called to approve the financial statements for the year ended 31 December 2009.

Mr Brac de la Perrière has served as Bank Chairman, Inspector of Finance, and is a former member of the French Commission des Opérations de Bourse.

6.1.2 - Offices held and executive functions exercised for other companies by members of the Board of Directors over the last five years

Jean-François Hénin

Within Maurel & Prom Group:

- Chairman/Chief Executive Officer of MAUREL & PROM CONGO
- Chairman/Chief Executive Officer of ZETAH M&P CONGO (dormant)
- Director of ZETAH KOUILOU Ltd.
- Director of M&P GABON Ltd.
- Director of HOCOL S.A.
- Director of HOMCOL CAYMAN INC.
- Director of HOCOL PERU S.A.
- Director of PANTHER EUREKA S.r.l.
- Chairman of CAROIL S.A.S.
- Chairman of HOCOL-MAUREL & PROM VENEZUELA S.A.S.
- Director, HOCOL (UK) PETROLEUM HOLDINGS Ltd
- Director A of MAUREL & PROM COLOMBIA BV
- Director A of MAUREL & PROM LATIN AMERICA BV

Offices held in French companies:

- Chairman of the Management Board of PACIFICO S.A.
- Director of PACIFICO FORAGES

Offices held in foreign companies:

- Representative of PACIFICO S.A. on the Board of Directors of NGM (Mali)

Emmanuel de Marion de Glatigny

- Chairman of the Supervisory Board of PACIFICO S.A.
- Director of EASYDENTIC
- Director of SEREN
- Director of PACIFICO FORAGES
- Manager of GLATIGNY PATRIMOINE S.A.R.L.

Roland d'Hauteville

- Chairman of *COMPAGNIE FINANCIÈRE INTERNATIONALE PRIVÉE* (COFIP) S.A.S.
- Member of the Supervisory Board of BANQUE MICHEL INCHAUSPÉ
- Director of the LÉSÉLEUC GROUP
- Director of PANHARD GENERAL DEFENSE
- Manager of COFFIP S.C.

Roman Gozalo

- Director of MAUREL & PROM CONGO
- Director of HOCOL S.A.
- Director of HOCOL PERU
- Director of HOMCOL CAYMAN

Alexandre Vilgrain

Offices held in French companies:

- Chairman/Chief Executive Officer of SOMDIAA
- Permanent representative of SOMDIAA on the Board of Directors of SOMINFOR
- Director of SECRIA
- Chairman/Chief Executive Officer of CONETRAGE
- Chairman/Chief Executive Officer of FROMENTIERS DE FRANCE
- Director of SONOPROS
- Manager of FROMIMO
- Director of COGEDAL
- Representative of COGEDAL on the Board of Directors of PETRIGEL
- Chairman/Chief Executive Officer of ALEXANDRE VILGRAIN HOLDING
- Chairman of the Board of Directors of CIAN (Conseil Français des Investisseurs en Afrique)
- Director of CARE FRANCE

Offices held in foreign companies:

- Director of GABONAISE SMAG
- Director of SUCRIÈRE DU CAMEROUN (SOSUCAM)
- Director of SARIS-CONGO
- Director of COMPAGNIE SUCRIÈRE DU TCHAD (C.S.T.)
- Director of the US company FOOD RESEARCH CORPORATION (FRC)
- Chairman of the Board of Directors of SGMC (Cameroon)

Alain Gomez

To the knowledge of the Company, Mr Gomez does not hold any other offices.

G rard Andreck

Offices held in French companies:

- Director of MACIF PARTICIPATIONS S.A.
- Director of Compagnie FONCI RE DE LA MACIF S.A.S.
- Director of DOMICOURS HOLDING S.A.S.
- Director of FONCI RE DE LUT CE S.A.
- Director of MACIFILIA S.A.
- Director of OFIMALLIANCE
- Director of MACIF Mutualit 
- Director of SCOR
- Director of CCR (Caisse Centrale de R assurance)
- Director of SEREN S.A.
- Chairman/Chief Executive Officer of OFI INSTIT
- Chairman of the Board of Directors of MACIF SAM
- Chairman of the Board of Directors of MACIF Gestion
- Chairman of the Board of Directors of MACIF SGAM
- Chairman of the Board of Directors of SOCRAM S.A.
- Chairman of the supervisory board of CAPA Conseil S.A.S.
- Chairman of the Board of Directors of CEMM S.A.S.
- Chairman of SICAV OFI MIDCAP
- Member of the Management Committee of SIIL (Soci t  Immobili re d'investissement Locatif) S.A.S.
- Member of the Supervisory Board of GPIM S.A.S.
- Member of the Strategy Committee of MACIFIMO S.A.S.
- Member of the Supervisory Board of OFI RES S.A.S.
- Member of the Supervisory Board of MUTAVIE S.A.
- Vice Chairman of the Board of Directors of OFI ASSET MANAGEMENT S.A.
- Vice Chairman and member of the Supervisory Board of IMA S.A.
- Chairman of GEMA (mutual insurance company grouping)
- Member of the Executive Committee of SIEM S.A.S.
- Non-voting director, ALTIMA S.A.
- Non-voting director, SICAV OFI TRESOR

Offices held in foreign companies:

- Director of ATLANTIS SEGURO (Spain)
- Director of ATLANTIS VIDA (Spain)
- Member of the Supervisory Board of MACIF Zycie (Poland)
- Director of S.A. EURESA HOLDING (Luxembourg)

Christian Bellon de Chassy

To the Company's knowledge, Mr Bellon de Chassy holds no other office.

Jean-Fran ois Michaud, representative of Financiere de Rosario S.A.

- Chairman of the Board and Chief Executive Officer of FINANCIERE DE ROSARIO
- Chairman of the Board and Chief Executive Officer of FINANCIERE SLOTA
- Chairman of the Board and Chief Executive Officer of SLOTA S.A.
- President, DYB S.A.S.
- Deputy Director, COMCELL INVESTISSEMENTS S.A. (Luxembourg)
- Director of FINANCIERE DE ROSARIO
- Director of SLOTA S.A.
- Director of FINANCIERE SLOTA S.A.
- Director of COPAGNO S.A.
- Director of COPAGMONT S.A.
- Director of TAXIS PARIS ILE DE France S.A.
- Director, JDP Luxembourg S.A.
- Director of COMCELL MANAGEMENT (Luxembourg)
- Permanent representative of FINANCIERE DE ROSARIO on the Board of SEREN
- Manager, CELLGATE (Luxembourg)
- Manager, ABLIS TAXIS S.A.R.L.
- Manager, AMBOISE TAXIS S.A.R.L.
- Manager, APOLLONIA TAXIS S.A.R.L.
- Manager, ARRAS TAXIS S.A.R.L.
- Manager, ATOLS LOCATION S.A.R.L.
- Manager, BENYAMIN TAXIS S.A.R.L.
- Manager, BLOIS TAXIS S.A.R.L.
- Manager, BREHAT TAXIS S.A.R.L.
- Manager, CAESAREA S.A.R.L.
- Manager, CHARTRES TAXIS S.A.R.L.
- Manager, CHAUMONT TAXIS S.A.R.L.
- Manager, CLISSON TAXIS S.A.R.L.
- Manager, DOMREMY S.A.R.L.
- Manager, DYKA S.A.R.L.
- Manager, FREDALEX S.A.R.L.
- Manager, JOUTRED S.A.R.L.
- Manager, KADY S.A.R.L.
- Manager, KARAM S.A.R.L.
- Manager, KITAX S.A.R.L.
- Manager, KRIZERTAX S.A.R.L.
- Manager, LAHIRE TAXIS S.A.R.L.
- Manager, LAVI TAXIS S.A.R.L.
- Manager, LOCHES TAXIS S.A.R.L.
- Manager, LOIRE TAXIS S.A.R.L.
- Manager, MICPOL S.A.R.L.
- Manager, MONTFORT TAXIS S.A.R.L.
- Manager, ORLEANS TAXIS S.A.R.L.
- Manager, PATAY S.A.R.L.
- Manager, PIERREFONDS TAXIS S.A.R.L.
- Manager, POLMIC S.A.R.L.
- Manager, PYRENEES TAXIS S.A.R.L.
- Manager, REIMS TAXIS S.A.R.L.

- Manager, ROCHEFORT TAXIS
- Manager, SAINT-CLOUD TAXIS S.A.R.L.
- Manager, SEVA S.A.R.L.
- Manager, SOCIETE NOUVELLE ATELIER 60 S.A.R.L.
- Manager, SPLENDID TAXIS S.A.R.L.
- Manager, TAXIS ALEX S.A.R.L.
- Manager, TAXIBIS S.A.R.L.
- Manager, TAXICAP S.A.R.L.
- Manager, TAXIGAR S.A.R.L.
- Manager, TAXIPAC S.A.R.L.
- Manager, TAXIRAY S.A.R.L.
- Manager, TAXIVANES S.A.R.L.
- Manager, TOLBIAC TAXIS S.A.R.L.
- Manager, VALISA TAXIS S.A.R.L.
- Manager, VAUCOULEURS TAXIS S.A.R.L.
- Manager, VAUCRESSON TAXIS S.A.R.L.

Gilles Brac de la Perrière

- Managing Director of GLP Conseil S.A.
- Director of RDI Gioia S.A., insurance brokerage
- Non-voting director, *Association Nationale des Sociétés par Actions* (ANSA)
- Vice-Chairman of the Supervisory Board of Banque Robeco until May 2008

6.1.4 - Corporate Actions

As at 31 March 2009, the corporate actions for the corporate officers were as follows:

Corporate Officer	Transaction	date	Security	Unit price	Total amount
Christian Bellon de Chassy	Sell	29/02/08	Shares	€12.65	€18,975
Roland d'Hauteville ^(*)	Buy	18/01/08	Shares	€12.37	€123,806
Roland d'Hauteville ^(*)	Buy	14/02/08	Shares	€11.46	€106,524
Roland d'Hauteville ^(*)	Buy	15/04/08	Shares	€12.99	€65,056
Roland d'Hauteville ^(*)	Buy	11/09/08	Shares	€11.67	€58,456
Roland d'Hauteville	Buy	24/02/09	Shares	€8.05	€110,574
Roland d'Hauteville ^(*)	Buy	24/02/09	Shares	€8.05	€124,601
Roland d'Hauteville ^(*)	Buy	02/03/09	Shares	€7.31	€58,552
Christian Bellon de Chassy	Buy	29/10/08	Shares	€7.80	€9,360
Christian Bellon de Chassy ^(**)	Buy	30/10/08	Shares	€8.40	€12,354

^(*) through COFIP in which he is the Chairman

^(**) through his spouse

6.1.3 - Potential conflicts of interest

To the Company's knowledge, there are no potential conflicts 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 listed below.

Under a service agreement between Maurel & Prom and Pacifico S.A., a company in which Mr Jean-François Hénin is a shareholder and Chairman of the Management Board, Pacifico S.A. has invoiced a total of €1,438 K including VAT.

6.1.5 - Contracts with the issuer or its subsidiaries to grant benefits in accordance with such contracts

Except for the agreements described below, during the last three years, members of the Board of Directors have not entered into any contract with Maurel & Prom or its subsidiaries involving benefits granted under such contracts.

PACIFICO S.A. SERVICE AGREEMENT

A service agreement was signed on 21 June 2005 between Maurel & Prom and Pacifico S.A., in which Jean-François Hénin is shareholder and Chairman of the Management Board. A rider to this agreement was drafted on 11 June 2007. The services provided by Pacifico S.A. to Maurel & Prom are as follows:

- finding strategic partners in the oil and gas industry;
- reviewing investment and divestment projects, establishing the criteria for acquisition targets;
- finding new markets and new growth opportunities;
- proposing ideas for asset purchase or sale and establishing the financing policy;
- advising and following up on related negotiations (draft contracts, Group growth), particularly on technical cooperation projects; and
- technical, accounting, financial and administrative support for the drilling activities.

The financial terms of this agreement are as follows:

- payment of an annual fixed fee: €100,000; and
- payment of additional fees calculated on the basis of the services performed and the actual cost of the services for financial consulting and missions related to the drilling projects of Maurel & Prom's subsidiary. The additional fees are calculated on a maximum basis of €84,470 ex-tax for 2008. This monthly amount is adjusted quarterly on the basis of the number of days of services actually rendered and the corresponding daily rate. These services are the missions performed by consultants of Pacifico S.A.; there were 5 consultants until August 2008, who have been reduced to 4 since that date.

This agreement may be terminated by the parties at any time with a two-month notice.

SUBLET AGREEMENT WITH PACIFICO S.A.

A subletting agreement dated 11 June 2007 was signed between the Company and Pacifico S.A. and approved by the Company's Board of Directors at its meeting of 13 December 2007.

This sublet pertains to the offices located on the ground floor of the building located at 12 rue Volney, 75002 Paris for a surface area of approximately 240 m².

This agreement concluded for one year as from 11 June 2007 is automatically renewable thereafter.

The annual rent totalled €199,731.

6.1.6 - Operation of the corporate bodies

The Board of Directors of the Company, at its meeting on 25 April 2008, drew up and unanimously approved the terms of its rules of procedure.

These rules of procedure reprise and set forth certain articles contained in the articles of association including membership of the Board of Directors and the independent director concept, the operating rules, missions, rights and obligations incumbent on Directors laid down in a "charter", the appointment and role of non-voting directors of the Board and the membership and attributions of the audit committee and the appointments and compensation committee.

6.1.6.1 - Operation of the Board of Directors

POWERS OF THE BOARD OF DIRECTORS

The Board of Directors establishes the Company's business strategy and supervises its execution. Subject to powers expressly granted to the General Meetings of Shareholders and in accordance with the corporate purpose, it handles all issues that relate to the proper operation of the Company and settles the issues that concern it.

In the relationship with third parties, the Company shall be bound even if actions of the Board of Directors do not fall within the corporate purpose, unless it can prove that the third party was aware of the fact that such actions exceeded this purpose or that such third party could not have not been unaware of it considering the circumstances, it being ruled out that the sole publication of the articles of association would suffice to constitute such proof.

The Board of Directors conducts checks and controls as it deems appropriate.

MEMBERS

The Board of Directors shall comprise at least three and at most twelve members, appointed by the Ordinary General Meeting of Shareholders, subject to the exception provided by law for mergers. The members of the Board of Directors shall be eligible for re-election.

As a temporary measure and in order to enable the partial renewal of the members of the Board of Directors, the General Meeting of Shareholders of 14 June 2007 instituted three categories of directors A, B, and C, each comprising from one to three directors named by said General Meeting for terms in office from one to three years.

At the expiration of the terms of office of directors from categories A, B, or C named by the General Meeting of Shareholders of 14 June 2007, the terms of the directors' offices shall be three years.

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

The current composition of the Board of Directors is presented in Section 6.1.1.1.

COMPENSATION

The members of the Board of Directors may receive director's fees as compensation for a total amount set out by the General Meeting of Shareholders and freely allocated by the Board of Directors. The amounts of directors' fees are noted in Section 6.4.1.2.

DELIBERATIONS

The Board of Directors meets as often as the interests of the Company require, convened by its Chairman or when the Board of Directors has not met for more than two months, at least a third of the members of the Board of Directors may request the Chairman to convene it.

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

Decisions are made by majority vote if at least half of its members are present or represented. In the event of a tie, the Chairman of the meeting has a casting vote.

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

CHAIRMAN OF THE BOARD OF DIRECTORS

The Board of Directors elects from among its members a Chairman who must be an individual and, if deemed appropriate, one or more Vice-Chairmen. It sets their terms in office which may not exceed the term in office of a Director, both being duties that a director may terminate at any time.

The age limit for the office of the Chairman of the Board of Directors is set at seventy (70) years. If in the performance of his duties, such age limit is reached, the Chairman of the Board of Directors shall be deemed having resigned ex office.

The Chairman of the Board of Directors shall organise and direct the work of the Board of Directors and report thereon to the General Meeting of shareholders.

The Chairman shall ensure the proper operations of the Corporate bodies and in particular the Chairman shall ensure that the Directors can fulfil their duties.

NON-VOTING DIRECTOR ("CENSEUR")

The Board of Directors may appoint, to the company, up to four non-voting directors selected from among the shareholders who are individuals.

The term in office of such non-voting directors is set at three (3) years.

Non-voting directors attend the meetings of the Board of Directors as observers and the Board may consult with them; they may, on motions submitted thereto, and if they deem it appropriate, present their observations to the General Meetings of Shareholders. They must be invited to each meeting of the Board of Directors. The Board of Directors may assign specific duties to non-voting directors.

They may participate in the committees created by the Board of Directors.

The non-voting directors must own at least one company share. The Board of Directors may decide to pay non-voting directors a portion of the directors' fees allocated thereto by the General Meeting and to authorise reimbursement for expenses incurred by non-voting directors in the interest of the Company.

6.2 Corporate governance/ report of the chairman

The company confirmed that the AFEP and MEDEF Code constitutes the corporate code of governance to which the Company voluntarily refers in preparing the report stipulated in Article L.225-37 of the Commercial Code.

6.2.1 - Preparation and organisation of the working sessions of the Board of Directors

6.2.1.1 - Presentation of the Board of Directors

As from the General Meeting of the Shareholders of 14 June 2007, Maurel & Prom is organised as a *société anonyme* with a Board of Directors. Prior to that date, Maurel & Prom was organised as a *société anonyme* with a Management Board and a Supervisory Board.

Since this change in management method, the Board of Directors has assumed the duties of the Supervisory Board in matters of corporate governance and internal control.

The following are the members of the Board of Directors:

Members of the Board	Date of election	Expiration of term	Positions
Jean-François Hénin	14 June 2007	General meeting called to approve the financial statements for 2009	Chairman & CEO
Gérard Andreck	14 June 2007	General meeting called to approve the financial statements for 2008	Vice Chairman
Christian Bellon de Chassy	12 June 2008	General meeting called to approve the financial statements for 2010	Director
Roman Gozalo	12 June 2008	General meeting called to approve the financial statements for 2010	Director
Financière de Rosario represented by Jean-François Michaud	12 June 2008	General meeting called to approve the financial statements for 2010	Director
Alain Gomez	14 June 2007	General meeting called to approve the financial statements for 2008	Director
Roland d'Hauteville	14 June 2007	General meeting called to approve the financial statements for 2009	Director
Emmanuel de Marion de Glatigny	14 June 2007	General meeting called to approve the financial statements for 2009	Director
Alexandre Vilgrain	14 June 2007	General meeting called to approve the financial statements for 2008	Director
Non-voting Director "Censeur"			
Gilles Brac de la Perrière	14 June 2007	General meeting called to approve the financial statements for 2009	

As a temporary measure and in order to enable the partial renewal of the members of the Board of Directors, the General Meeting of Shareholders of 14 June 2007 instituted three categories of directors A, B, and C, each comprising from one to three directors named by said General Meeting for terms in office from one to three years.

At the expiration of the terms of office of directors from categories A, B, or C named by the General Meeting of Shareholders of 14 June 2007, the terms of the directors' offices shall be three years.

To the knowledge of the Company, the details pertaining to equity interest held in the Company by the corporate officers are provided in the table below:

	Shares
Jean-François Hénin ⁽¹⁾	28,750,246
Gérard Andreck ⁽²⁾	1
Emmanuel de Marion de Glatigny ⁽³⁾	135,103
Financière de Rosario	1,684,530
Alain Gomez	50
Alexandre Vilgrain	1
Christian Bellon de Chassy ⁽⁴⁾	16,363
Roland d'Hauteville ⁽⁵⁾	138,000
Roman Gozalo	15,000

(1) Through Pacifico S.A., controlled by Mr Jean-François Hénin and the members of his family.

(2) Mr Gérard Andreck is also chairman of MACIF, the Company's second largest shareholder with 8,324,204 shares held at 24 February 2009.

(3) Mr de Marion de Glatigny holds 111,853 shares directly and 23,250 shares indirectly via a PEA (personal equity plan) held by his wife.

(4) Directly and indirectly with the members of his family.

(5) Mr d'Hauteville holds 30,000 Company shares directly. He is a 55% shareholder of COFIP, which held 108,000 shares at 2 March 2009.

Mr Brac de la Perrière, a non-voting member of the Board of Directors, holds with his family, directly or indirectly, 4,075 Maurel & Prom shares.

The criteria reviewed by the Appointments and Compensation Committee and the Board to qualify an independent director are:

- not to be a Company employee or corporate officer, or an employee or director of a consolidated company, or have been such at any time during the previous five years;
- not to be a corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or a corporate officer of the Company (currently or having been so for less than five years) holds a directorship;
- not to be a major customer, supplier, investment banker or financing banker of the Company or the Group;
- not to have close family ties with a corporate officer;
- not to have been an auditor of the Company; and
- not to have been a director of the Company for more than 12 years.

Directors representing majority Company shareholders may be considered independent provided that they do not control the Company. Beyond a threshold of 10% of the capital or voting rights, the Board must systematically make sure of a Director's independence, taking into account the composition of the Company's capital and the existence of potential conflicts of interest.

On this basis, the Appointments and Compensation Committee judged, at a meeting held on 16 December 2008, that at year end, five members of the Board of Directors should be considered independent:

- Christian Bellon de Chassy;
- Alain Gomez;
- Roland d'Hauteville;
- Alexandre Vilgrain.

With respect to this, the Company is not in compliance with the recommendations of the AFEP/MEDEF Code, which stipulates that at least half of the Directors must meet the independence criteria.

6.2.1.2 - Chairmanship and convening Board of Directors meetings

The members of the Board elect among them a Chairman and Vice Chairman according to the rules presented in Section 6.1.6.1 of this Annual Report.

Mr Jean-François Hénin was appointed as Chairman of the Board of Directors at its meeting of 14 June 2007 which also named Gérard Andreck vice-chairman at the same meeting.

The convening of the Board of Directors is presented in Section 6.1.6.1 of this Annual Report.

6.2.1.3 - Non-voting Director ("Censeur")

At the Board Meeting of 14 June 2007, it was decided to reappoint a non-voting director to the Board in an advisory capacity. The "Censeur", a reputable and thoroughly experienced person, participates in the Board's deliberations and gives advice on matters of governance and on finance and accounting matters.

Gilles Brac de la Perrière was appointed for this duty, as indicated in Section 6.1.6.1 of this Annual Report.

6.2.1.4 - Deliberations

DELIBERATION OF THE BOARD OF DIRECTORS

The agenda is set by the Chairman of the Board of Directors and communicated to the members with reasonable notice prior to the meeting of the Board.

The Board of Directors deliberates in accordance with the procedures presented in Section 6.1.6.1 of this Annual Report.

All members are informed of their responsibilities and the confidentiality of the information received at meetings of the Board of Directors attended.

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

The Board of Directors met 8 times in fiscal year 2008 and the attendance rate of the members of the Board of Directors was 90%.

In accordance with legal requirements, the Statutory Auditors are called to meetings of the Board of Directors reviewing the half-yearly and annual financial statements. More generally, they were also called to attend all the meetings of the Board of Directors.

Board of Directors meeting	Attendance rates
15 January 2008	90%
25 March 2008	100%
25 April 2008	90%
12 June 2008 (before GM)	90%
12 June 2008 (post GM)	100%
28 August 2008	80%
25 September 2008	90%
16 December 2008	90%
Average attendance rate	90%

At its meeting of 15 January 2008, the Board of Directors deliberated in particular on the following agenda:

- follow-up on projects presented to the Board of Directors on 6 December 2007;
- budget estimate for fiscal year 2008;
- other business (allocation of directors' fees);
- finalisation of the dates for the 2008 Board of Directors meetings and General Meeting of the Shareholders.

At its meeting of 25 March 2008, the Board of Directors deliberated in particular on the following agenda:

- business development status;
- review and approval of the Company and consolidated financial statements for the fiscal year ended 31 December 2007
- other business (press release, presentation to financial analysts, New Gold Mali issue, Board of Directors' rules of procedure);

At its meeting of 25 April 2008, the Board of Directors deliberated on the following agenda:

- proposed appropriation of earnings for the year ended 31 December 2007 and dividend distribution;
- expiration of the appointments of the Company's Auditors;
- expiration of the terms on the Board of Messrs. Bellon de Chassy, Chalandon and Financière de Rosario;

- appointment of a new Director;
- notice to attend the Ordinary and Extraordinary General Meeting and the agenda;
- approval of the draft management review from the Board of Directors as the annual financial report and Annual Report;
- approval of the draft special reports:
- report of the Chairman of the Board on internal control;
- report of the Board of Directors on stock options;
- report of the Board of Directors on bonus shares allotted;
- report of the Board of Directors on the stock buy-back programme;
- report of the Board of Directors on the resolutions to be submitted to the General Meeting;
- other business;
- approval of the internal rules;
- abandonment of the agreement for Pacifico financing for Maurel & Prom;
- exceptional allotment of bonus shares to all personnel;
- mandate between the Company and its subsidiaries in Gabon for management of the activities of the various subsidiaries by Maurel & Prom Gabon until liquidation after transfer of their assets to that branch.

At its meeting of 12 June 2008 held before the General Meeting, the Board of Directors deliberated on the following agenda:

- answers to potential written questions from shareholders;
- other business.

At its meeting of 12 June 2008 held after the General Meeting, the Board of Directors deliberated on the following agenda:

- delegation of powers to the Chairman for pledges, endorsements and guarantees;
- reorganisation of the Board special committees.

At its meeting of 28 August 2008, the Board of Directors deliberated on the following agenda:

- finalising the financial statements for the first half of 2008;
- approval of the business report for the first half of 2008;
- review of the draft press release on the results for the first half of 2008;

- approval of an RBL (Reserve based loan) financing agreement;
- related-party agreements: Contract to assign crude hedging to Hocol.

At its meeting of 25 September 2008, the Board of Directors deliberated on the following agenda:

- finalising and certification of the financial statements for the first half of 2008;
- update on current projects;
- business market;
- signature of a credit agreement;
- approval and authority to be granted to the Chairman/Chief Executive Officer of the Company to sign a credit agreement for refinancing a portion of the existing debt of Etablissements Maurel & Prom;
- approval and authority to be granted to the Chairman/Chief Executive of the Company to sign an Intercreditor Agreement and certain security documents for the refinancing of a portion of the existing debt of Etablissements Maurel & Prom, as well as any document necessary to set up the refinancing of a portion of the existing debt of Etablissements Maurel & Prom;
- sub-delegation of authority to the Chairman/Chief Executive Officer to allot bonus new or existing shares to employees and/or corporate officers of the Company;
- capital increase and definitive allotment of the bonus shares to employees;
- capital reduction by cancelling treasury stock following the allotment of bonus shares and the corresponding capital increase decided above.

At its meeting of 16 December 2008, the Board of Directors deliberated on the following agenda:

- business market and update on current projects;
- presentation of a 2008 closing estimate and 2009 proposed budget;
- report on the sub-delegation to the Chairman/Chief Executive Officer to allot bonus shares;
- application of the AFEP/MEDEF recommendations on setting the compensation of executive officers;
- capital increase and definitive allotment of bonus shares to the employees on 14 December 2006;
- capital reduction through cancellation of treasury shares;
- related-party agreements: contracts for crude hedges;
- calendar of 2009 Board meetings.

6.2.1.5 - Duties of the Board of Directors

(1) MANAGEMENT DUTIES

The Board of Directors establishes the Company's business strategy and supervises its execution. Subject to powers expressly granted to the General Meetings of Shareholders and in accordance with the corporate purpose, it handles all issues that relate to the proper operation of the Company and settles the issues that concern it.

(2) APPOINTMENT AND DISMISSAL OF THE CHAIRMAN, MANAGING DIRECTOR AND DEPUTY MANAGING DIRECTORS

The Board of Directors appoints the Chief Executive Officer and the Chief Operating Officers, and designates from its individual members the Chairman of the Board of Directors. The Board of Directors determines the remuneration of the Chairman, Managing Director and Deputy Managing Directors, and can remove them from office. The Board of Directors may also delegate special assignments to one or more of its members, or to a third party, whether or not a shareholder, for one or more specific purposes.

(3) CHECKS AND CONTROLS

The Board of Directors conducts checks and controls as it deems appropriate. It specifically ensures that the standards of good management and prudence are followed in the preparation of the financial statements and that the risks arising from the Company's business are controlled, and provides management with assistance and advice in its growth and organisational strategy.

At any time, the Board is responsible for the checks and controls considered appropriate and may demand the documents considered necessary to perform its duties. Each director receives all the information required to perform his duties and may ask the Chairman or Managing Director for all documents required to that effect.

This control is independent from that of the Statutory Auditors because it relates not only to the truth and fairness of the financial statements, but also to the Company's management actions complying with the rules of good governance.

(4) SPECIAL COMMITTEES

The Board of Directors may decide to set up special committees. These committees, the membership and attributions of which are determined by the Board of Directors, carry out their activities under the responsibility of the Board. The operations and activity of the Special Committees created by the Board of Directors are described in Section 6.2.2.

(5) POWERS OF THE CHAIRMAN/ CHIEF EXECUTIVE OFFICER

At its meeting held on 14 June 2007, the Board of Directors decided that the Chairman and Chief Executive Officer would organise and oversee the work of the Board and that as such, and in accordance with the articles of association, he would call and chair the meetings of the Board of Directors and, more generally, would supervise the proper running of the Company. The Chairman and Chief Executive Officer is vested with full powers to act in the Company's name in all circumstances. He exercises such powers within the limit of the corporate purpose, without prejudice to the powers expressly granted to General Meetings of Shareholders.

Pursuant to the provisions of Articles L. 225-35 and R. 225-28 of the Commercial Code, the Board of Directors unanimously decided to authorise the Chairman/Chief Executive Officer, for one year as at 12 June 2008, whatever the term of the undertakings pledged, endorsed or guaranteed, to freely make pledges, endorsements or guarantees in the name of the Company, up to a maximum of a unit amount of €50 million, and up to a maximum total amount of €200 million.

It is specified that, above these caps, the Chairman/Chief Executive Officer may not grant any pledge, endorsement or guarantee in favour of third parties without the express authorisation of the Board of Directors, and that he may make pledges, endorsements or guarantees in the name of the Company, in any amount, to the tax and customs authorities.

(6) ACTIVITY OF THE BOARD OF DIRECTORS DURING THE YEAR

See Section 6.2.1.4 above.

6.2.2 - Special Committees

Based on the recommendations of the French financial regulator, the AMF, the Board had set up special committees.

6.2.2.1 - Audit Committee

(1) MEMBERS OF THE AUDIT COMMITTEE

Following the change in the Company's management structure on 14 June 2007, the current Audit Committee was reappointed as at 14 June 2007 and is continuing the work undertaken by the previous Audit Committee. Until 12 June 2008, the Audit Committee was composed of:

- Gilles Brac de la Perriere, chairman of the Audit Committee and non-voting director of the Board of Directors;
- Fabien Chalandon, an independent director; and
- Roland d'Hauteville, an independent director.

Mr Fabien Chalandon was replaced by Mr Roman Gozalo after the General Meeting of 12 June 2008 at which Mr Gozalo was elected to the Board.

Pursuant to the provisions of Article 6 of the Internal Rules of the Board, the Audit Committee has three members selected by the Board from Board members of third parties recognised for their expertise. The Chairman of the Audit Committee is elected by the members.

The members of the Audit Committee are appointed for their term of office as members of the Board of Directors or for a term determined by the Board of Directors. They may, however, resign at any Board meeting without reason and without notice.

(2) DUTIES OF THE AUDIT COMMITTEE

The general role of the Audit Committee, as defined by the Internal Rules, is to assist the Board of Directors so that it has the information and resources necessary to assure the quality of internal controls and the reliability of the financial information sent to shareholders and the financial markets.

The Audit Committee's main duties include:

- a review of the individual and consolidated financial statements of the Company and those of its principal subsidiaries;
- control of the appropriateness and permanence of the accounting methods adopted (i) to establish the Company and consolidated financial statements and (ii) all companies included in the consolidation;
- a review of the consistency of the internal and external control procedures established within the Maurel & Prom Group and the report on these issued from the Chairman of the Board to the General Meeting;
- a review of the major transactions involving a risk of conflict of interests between the Company and members of the Board of Directors;
- verification of the independence of the auditors;
- a review of the main risks to which the Company is exposed and the solutions adopted by the Company to deal with those risks; and
- a review of any issue that could have a significant impact on the substance and presentation of the accounts.

The Audit Committee meets as often as it deems necessary or appropriate. Meetings may be convened by any member and are held at least twice a year and always before the Board of Directors approves the financial statements. For its deliberations to be valid, at least half of all members must be present.

Audit Committee resolutions are passed on a majority vote of the members attending the meeting. Each member has one vote. In the event of a tie, the Chairman shall have the casting vote.

The Audit Committee may make non-binding recommendations to the Board of Directors either verbally or in writing.

Members of the Audit Committee may, in the course of performing their duties, consult the directors of Maurel & Prom Group, including the Chairman and Chief Executive Officer.

(3) ACTIVITY OF THE AUDIT COMMITTEE DURING 2008

During fiscal year 2008 the Audit Committee met on 7 occasions attended by the Administration and Finance Department and the Statutory Auditors.

During its working meetings, the primary task of the Audit Committee was to prepare the 2008 budget, close the annual and half-year accounts, reorganise the treasury, and the Internal Control linked to cash and hedging transactions.

6.2.2.2 - Appointments and Compensation Committee

(1) MEMBERS OF THE APPOINTMENTS AND COMPENSATION COMMITTEE

Following the change in the Company's management structure on 14 June 2007, the current Appointments and Compensation Committee was reappointed on 14 June 2007 and is continuing the work undertaken by the previous Appointments and Compensation Committee.

Composed until 12 June 2008 of:

- Fabien Chalandon, Chairman of the Appointments and Compensation Committee and an independent director;
- Alain Gomez, an independent director; and
- Christian Bellon de Chassy, an independent director.

The Appointments and Compensation Committee was reorganised after the departure of Mr Fabien Chalandon. He was replaced by Alexandre Vilgrain. Christian Bellon de Chassy was elected Chairman of the Committee to replace Fabien Chalandon.

The operation of the Appointments and Compensation Committee is governed by the Internal Rules of the Board of Directors. The Appointments and Compensation Committee is composed of three members chosen by the Board of Directors from its individual members or from third parties to the Company acknowledged for their expertise. The Chairman of the Appointments and Compensation Committee is elected by its members.

The members of the Appointments and Compensation Committee are appointed for their term of office as member of the Board of Directors. They may, however, resign at any Board meeting without reason and without notice.

(2) DUTIES OF THE APPOINTMENTS AND COMPENSATION COMMITTEE

The duties of the Appointments and Compensation Committee include making recommendations on the

compensation for members of the Board of Directors (the amount of fixed compensation and the methods for determining any variable compensation) and for the Chairman/Chief Executive Officer.

It verifies that the policy for compensation of the non-officer executives complies with market practices and the interests of the Company.

With respect to the members of the Board of Directors, the Appointments and Compensation Committee is responsible for determining each year the amount of directors' fees that will be submitted for approval to the General Meeting and the allocation of those directors' fees among the members of the Board, taking into account the members' attendance at Board and committee meetings.

The Appointments and Compensation Committee is also responsible for issuing an opinion prior to any proposal for exceptional compensation made by the Board of Directors regarding payment to one of its members charged with a mission or agency agreement in compliance with Article L. 225-84 of the French Commercial Code.

The Appointments and Compensation Committee also makes recommendations concerning retirement and life insurance schemes, benefits in kind, the financial rights of the corporate officers and their severance payments.

The Appointments and Compensation Committee also formulates recommendations and gives an opinion on candidates for the positions as officers of the Company. The Chairman may request its opinion when recruiting an executive.

It is informed of the appointment and compensation of the managers of the main subsidiaries.

(3) ACTIVITY OF THE APPOINTMENTS AND COMPENSATION COMMITTEE DURING FISCAL YEAR 2008

The Committee met five times during 2008. Its main activity was to decide on the remuneration of the corporate officers. Its recommendations were largely based on an analysis of the individual performances and contributions of the Chairman and Chief Executive Officer.

With respect to the allocation of directors' fees among the Board members, for 2008 the Committee recommends applying the rules introduced in 2005 and reviewed in 2008. These rules were at the time based on the recommendations of a reputable firm. A major proportion (50%) of the fees is based on the regular attendance of members at meetings of the Board of Directors and their active participation in the work of the special committees.

(4) INDEPENDENT DIRECTORS

See Section 6.2.1.1.

6.2.3 - Information provided to members of the Board of Directors

6.2.3.1 - Information prior to each Board Meeting

Detailed documentation containing information required for the analysis of the points on the Board's agenda is provided prior to each meeting to members of the Board.

In particular, it contains minutes of the previous meeting, key events since the previous Board meeting, and, if applicable, transactions planned or in progress. The Chairman and Chief Executive Officer usually comments upon these documents during the Board meetings.

Board members may also request further information and documents prior to or during Board meetings.

6.2.3.2 - Financial information

(1) FINANCIAL INFORMATION

With the help of the Chief Financial Officer, the Chairman and Chief Executive Officer reports every quarter on the activity of the Group and its main subsidiaries for the quarter just ended.

At the end of each half-year or year, the Chief Financial Officer presents a detailed and summary income statement and balance sheet.

Within three months after the end of each fiscal year, the draft consolidated financial statements are submitted to the Board of Directors for verification. The Board then provides the General Meeting of shareholders with its report on the activity and financial statements for the year.

(2) INFORMATION ON SPECIFIC TRANSACTIONS

With regard to mergers and acquisitions or asset sales, the Board of Directors reviews the data provided by the Chairman and Chief Executive Officer on transactions and strategy, gives its opinion on the accuracy of the documentation, and, where applicable, authorises the Chairman and Chief Executive Officer to proceed with the transactions.

(3) ONGOING INFORMATION

Whenever necessary, the Board of Directors may also ask the Chairman and Chief Executive Officer and management to provide any information or analysis it considers appropriate or to give a presentation on a given subject.

Furthermore, between meetings, Board members are regularly informed of events or transactions likely to be of significance to the Company.

6.2.4 – Internal Controls System

6.2.4.1 – Internal control

on the basis of the work performed by the Company's in-house departments. The resulting report was presented to the Audit Committee.

6.2.4.1.1- Definition and objectives

Internal Control at Maurel & Prom can be defined as all policies and control procedures implemented by Management and the employees of the Company and the Group, and designed to ensure:

- the reliability and accuracy of financial and accounting information;
- the accuracy and completeness of accounting records;
- the Group's efficiency in carrying out its business operations;
- that management actions and the execution of transactions as well as the behaviour of employees comply with the Group's corporate guidelines and the Group's values, policies and rules;
- compliance with applicable local laws and regulations; and
- the protection of the Group's assets by preventing and controlling in particular risks resulting from the Group's business, and, among others, the risks specified in Chapter 7 of this Annual Report.

The purpose of Internal Control is to provide reasonable assurance of compliance with these rules and regulations, the protection of assets and operational efficiency. It cannot, however, provide an absolute guarantee that these risks are totally eliminated.

6.2.4.1.2 – Components of the procedure

(1) ORGANISATION OF INTERNAL CONTROL

The Company's objective is to increase employee responsibility for the Internal Control procedure, knowing that this procedure is based on the culture, behaviour and expertise of each person. To achieve this goal, and as the major players in Internal Control, the Group's Management and the Administration and Finance Department, in conjunction with the Board of Directors and, more particularly the Board's Audit Committee, define the priorities for Internal Control. On the basis of these priorities, employees share the responsibility for implementation of procedures designed to achieve these objectives.

Group Management establishes the organisation, methods and procedures to ensure the control and supervision of the Company's activities. It meets regularly to discuss management issues both within and outside the normal course of business. The members of the Management

Committee (the Chairman and Chief Executive Officer, Production Director, Exploration Director, Drilling Director and Chief Financial Officer) meet every two weeks to address any management issues and to analyse the results of actions taken. If necessary, each member of the Management Committee may call a special meeting between regular meetings.

An expanded Management Committee meets quarterly and includes the Director of Health, Safety and Environment and the key operational and staff managers.

The purpose of the Committee is to analyse irregularities and problems as well as risk factors and to prevent possible consequences. For this purpose, it makes recommendations to the various managers concerned and ensures these recommendations are carried out effectively.

As a result of the work performed in 2008, it was decided to individualise the Internal Control function with a dominant administrative and financial process as the short-term objective by assigning research and organisational work to a project leader whose work will be performed in accordance with the needs and priorities defined by Management and the Audit Committee.

(2) IMPLEMENTATION AND SUPERVISION OF THE INTERNAL CONTROL PROCEDURE

Maurel & Prom is made up of a holding company, operating companies and subsidiaries, each of which is locally managed and reports to Group Management. The local managers coordinate the Group's activities according to country or geographic region.

In countries where the Group's operations are most developed, the operating subsidiaries have their own finance, accounting and legal departments in addition to their own technical divisions. For subsidiaries that do not have their own administration departments, the functional departments of the holding company offer support for such operations. Prevention and activities to control industrial and environmental risks are under the jurisdiction of the operational entities.

Corporate offices and legal representation of the subsidiaries is provided by members who have been designated by Group Senior Management. Operational and chief financial officers of companies and subsidiaries are granted the necessary powers individually.

Business operations are run by the various Group directors for exploration, development and production, drilling, HSE and finance/administration/human resources. As a result, major decisions are discussed with and validated by the administrative managers concerned before being submitted to Group Management for approval. The legal department centralises the preparation and approval of the major legal documents for the Group's subsidiaries.

Oil operations are conducted within a framework of host countries, which impose specific legal constraints and often act as partners. The partnership operating method traditionally practiced means the participation of partners and means that any investment or oil cost commitment must be included in a budget approved and/or validated by all the stakeholders of the various partnership agreements in place.

This implies operational Internal Control procedures that require a systematic commitment to expenditures by cost centre managers at each operating stage (i.e., exploration, drilling, production).

It should be noted that in fiscal year 2008, complex structured transactions initiated individually by an employee and executed outside the Group's standards and procedures with respect to market transactions (currencies), led to a complete overhaul of the organisation of this type of transactions resulting primarily in:

- using specialised consultants;
- redefining the powers and authorisations;
- redefining the applicable principles and procedures with strict respect for the principle of separation of tasks between: Recording and complete administration of transactions in the specific application established. Tracking and valuing positions. Tracking and recording flows;
- the installation of dedicated special software (Special Front2Back application).

6.2.4.1.3 – Participants in Internal Control

A) THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE

The Board of Directors has always affirmed the importance it gives, as does Management, to Internal Control and the main areas of application. The Audit Committee is responsible for measures taken in this respect; the priority is the accounting and financial areas, but includes the other functions. It reports to the Board of Directors.

B) MANAGEMENT

The mission of Management is to define the general principles of Internal Control and ensure they are correctly applied.

C) INTERNAL CONTROL

A Methods, Audit and Internal Control unit will be established within the Administrative and Finance Department. This unit, which is attached to the Management Committee and reports to the Secretary, will be responsible for auditing the internal control system.

A work programme will be established annually. The conclusions of the studies and work conducted will be reported regularly to the Audit Committee and, therefore, to the Board of Directors.

The choice of duties will be primarily based on an assessment of the greatest risks. The weight, contribution and priority of the activities, and the rate of development, will be parameters taken into consideration in the risk assessment. The action plans decided as a result of the audits will be monitored regularly by the Internal Control Organisation Methods and Audit unit.

6.2.4.1.4 – *Internal Control of the preparation and treatment of accounting and financial information*

A) DEFINITION, OBJECTIVES AND SCOPE

Accounting and financial Internal Control covers the processes that supply the accounting data: the production of financial information, closing the accounts, and communication actions.

The control procedure is designed to ensure:

- compliance with accounting regulations and the correct application of the principles on which the financial statements are based;
- the application of the strategies defined by management for financial information;
- the preservation of assets;
- the quality of the information provided and used in preparing the published financial statements and the reliability of the centralised treatment for the Group for distribution and use for management purposes;
- control of the production of the financial, accounting and management elements, including the prevention of fraud.

B) DIRECTING THE ACCOUNTING AND FINANCIAL ORGANISATION

Organisation of the Administrative and Finance Department

Within the Administrative and Finance Department, the Accounting Department prepares the consolidated results of the Group. Working closely with the statutory auditors, the Group's Accounting Department permanently monitors changes in accounting regulations, particularly international accounting standards. The consolidated financial statements are prepared twice a year. The accounting data of the operating subsidiaries is reviewed by head office in Paris prior to consolidation. The financial reports are drafted by the Company's accounting department before being assessed and reviewed by Management, the Audit Committee and the Board of Directors.

The existence of a management controller, within the principal operational entities, who reports to both the administration and the operational managers, strengthens the Internal

Control procedure. This network of management controllers is directed by the Group Director of Management Control. Note that the Gabon company was strengthened with the arrival of a Finance Director in early 2009.

The management control department of the parent company analyses the differences between budgeted and actual expenses and carries out a general review of costs. Reconciliations are made, if necessary, with the financial controller responsible for each region, who also carries out budget/actual reconciliations with the local managers of the various operating cost centres.

Management of flows, positions, and liquid assets as well as financial instruments are centralised (cash pooling agreement) by the Treasury and Financing Department. This Department is also responsible for managing risks on financial instruments and cash and foreign exchange activities within the framework of the policy defined by Group Management.

With respect to information systems, the Group uses standard tools for financial and cost accounting, consolidation, treasury and employee management (integrated consolidation software at all the subsidiaries, consultants brought in at closing, information systems sub-contracted to third-party providers).

Audit Committee

The Audit Committee's main duties include:

- verification that the accounting policies adopted are appropriate and consistent for (i) the preparation of the individual and consolidated financial statements and (ii) all companies included in the consolidation;
- review of the consistency of the internal and external control procedures established within the Maurel & Prom Group and the report on these issues from the Chairman of the Board of Directors to the Shareholders' Meeting;
- review of the main risks to which the Company is exposed and the solutions adopted by the Company to deal with them.

Statutory Auditors

The Auditors conduct the work of their profession through their various audits and verify the preparation, treatment and consistency of the accounting and financial information at the level of the parent company and its subsidiaries.

They are informed in advance of the procedure for preparing the financial statements and present a summary of their work to the Finance Department and to Management, as well as to the Audit Committee and Board of Directors.

The Auditors conduct the Internal Control verifications they deem necessary for their mission to certify the statements, and they transmit their comments to the Audit Committee.

Accounting and financial information

With respect to external financial communication, all procedures are under the responsibility of Management and the Chief Financial Officer. Each quarter, the Company reports its sales to the financial markets, and in the months following the end of the half year, provides an income statement, balance sheet and consolidated cash flow statement for that half year. The communication schedule is issued at the beginning of the fiscal year in accordance with the requirements of Euronext. The accounting and financial control departments provide the information required to prepare the documentation used in financial communication. This information is then submitted to the Board of Directors for approval. The Administrative and Finance Department ensures that the information provided to the stock market is consistent with the Group's results, the recommendations of the Board of Directors and legal and regulatory obligations. The Statutory Auditors approve the half-year and annual financial documents before they are distributed.

The Group reminds employees who hold an insider position about the need not to execute market transactions in the Company's securities during certain periods, and not to disclose information which could have an impact on the market price of the stock.

6.2.5 – Risk management

The main external risks are the price of oil and the legal and political risks related to the Group's exploration and production regions, as described in Chapter 7, "Risk Factors" of this Annual Report. Management, in conjunction with the subsidiary managers and the Board of Directors identify and analyse the risks likely to have a significant impact on the Group's activity or assets. The Group carries insurance covering several types of risks, including insurance policies specifically for its petroleum operations and the nature and location of its assets. This coverage is described in Section 7.4.

6.2.6 – Compensation and benefits of any kind paid to corporate officers:

6.2.6.1 Corporate officers:

The Board of Directors, on the recommendation of the Appointments and Compensation Committee, sets the compensation for the executive officers.

This compensation within the Company affects only the Chairman/Chief Executive Officer.

The compensation of the Chairman/Chief Executive Officer includes no variable compensation.

The amount is reviewed every year. The current compensation paid to the Chairman/Chief Executive Officer was set by the Board of Directors on 14 June 2007 and has not been re-evaluated since that date;

There is no pension plan specifically for executives, who benefit from the same pension plans as those applicable to Group employees;

No bonus shares or stock options have been granted to corporate executives.

The details of the compensation paid for the last two years are provided in Section 6.4.1.1.

6.2.6.2 Non-executive corporate officers

The members of the Board of Directors receive directors' fees, which are approved every year by the Shareholders' Meeting. The Board of Directors distributed the package of directors' fees, on the recommendation of the Appointments and Compensation Committee, based on the following rule:

- a fixed portion, which represents 50% of the total package and which is prorated on the basis of the effective years of membership on the Board;
- a variable portion, representing 50% of the total package, which is distributed on the basis of attendance and the duties performed by each member.

The details of the directors' fees paid for the last three years are provided in Section 6.4.1.2.

It should be noted that the total amount of directors' fees allocated by the Shareholders' Meeting has not changed in three years, and that the Chairman/Chief Executive Officer has waived his fees for three fiscal years.

6.2.7 – Participation of shareholders in the General Meeting

At all General Meetings, every shareholder has as many votes as he owns or represents shares, without limitation other than those arising from legal requirements.

Each share entitles its bearer to one vote. A double voting right is given to owners of fully paid-up registered shares able to prove registration in the Company's books dates for at least four years, without interruption.

The conditions for entering and participating in General Meetings are detailed in Section 11.2.6.2 of the Annual Report.

The factors that may have an effect in the event of a public offer are listed in Section 11.2.9.1 of the Annual Report.

This report was approved by the Board of Directors at its Meeting of 28 April 2009 after review by the Audit Committee; it will be available on the Company's website.

6.3 Employees

6.3.1 – Employees

2008 was characterised by a stable work force in the oil segment and by an increase in the number of employees in the drilling segment.

Breakdown by activity	2008	2007	2006
Oil and gas exploration / Production	258	246	334
Oil drilling	162	133	19
Registered Office	21	24	26
Total	441	403	379

Geographic breakdown	2008	2007	2006
Africa	82	61	157
Asia	-	-	-
Latin America	266	253	165
Europe	93	89	57

6.3.1.1 - Parent company employees (operational companies excluded) at 31 December 2008

As at 31 December 2008, the parent company had a total of 49 employees.

It had 54 employees at 31 December 2007 and 56 employees at 31 December 2006.

The total 2008 payroll charge amounted to €6,945,163 (versus €5,532,965 in 2007). Social Security contributions for the year amounted to €3,008,896 (versus €4,026,765 in 2007). Employer costs, restated for non-recurring items (Social Security contributions on stock-options, bonus share allotment, etc.) were stable over the two years and totalled approximately 52%.

In 2008 temporary workers and external services (excluding Pacifico S.A. employees under the services agreement described in Section 6.1.3) represented a total expense for the parent company of €207,897 (versus €520,254 in 2007).

6.3.1.2 - New employees hired since 20 April 2008

Within the parent company, 4 employees were hired between 20 April and 31 December 2008, distributed as follows:

- 4 people were recruited under open-ended contracts;
- 1 person was recruited under a fixed-term contract; and
- no apprentices were recruited.

In addition, 2 training agreements were signed in 2007.

6.3.1.3 - Redundancies in 2008

Within the parent company, 7 employees were dismissed in 2008. Four of these dismissals were related to the Congo sale, 2 to an employee disagreement with his supervisor, and one for gross misconduct.

6.3.1.4 - Other

The Company has been under the oil industries collective labour agreement since 1 March 2004.

An agreement relating to the adjustment and reduction in working hours has been in force since 19 May 2003. Pursuant to this agreement, the 35-hour working week is applied in the Company.

The Company runs a supplementary pension scheme which is a collective insurance agreement with Generali. This scheme applies to all personnel, and employer contributions are 8% for categories A, B and C.

The Company paid a total of €431,226 in 2007 and €14,518 in 2008 into the scheme.

6.3.2 - Profit Sharing and stock options for corporate officers

6.3.2.1 - Executives' shareholdings in the Company's equity

At 31 March 2009, and to the Company's knowledge, the Company's corporate officers together held 30,739,294 shares, representing 25.49% of the capital and 25.20% of the theoretical voting rights (vs. 26.53% of the voting rights that may be exercised).

To the Company's knowledge, the interests held in the Company and the securities issued by Maurel & Prom and held by the corporate officers at that date are as follows:

	Shares OCEANEs	
Jean-François Hénin ⁽¹⁾	28,750,246	-
Gérard Andreck ⁽²⁾	1	-
Emmanuel de Marion de Glatigny ⁽³⁾	135,103	-
Financière de Rosario	1,684,530	-
Alain Gomez	50	-
Alexandre Vilgrain	1	-
Christian Bellon de Chassy ⁽⁴⁾	16,363	-
Roland d'Hauteville ⁽⁵⁾	138,000	-
Roman Gozalo	15,000	-

⁽¹⁾ Through Pacifico S.A., controlled by Mr Jean-François Hénin and the members of his family.

⁽²⁾ Mr Gérard Andreck is also chairman of MACIF, the Company's second largest shareholder with 8,324,204 shares held at 24/02/09.

⁽³⁾ Mr de Marion de Glatigny holds 111,853 shares directly and 23,250 shares indirectly via a PEA (personal equity plan) held by his wife.

⁽⁴⁾ Directly and indirectly with the members of his family.

⁽⁵⁾ Mr d'Hauteville holds 30,000 Company shares directly. He is a 55% shareholder of COFIP, which held 108,000 shares at 2 March 2009.

Mr Brac de la Perrière, a non-voting member of the Board of Directors, holds with his family, directly or indirectly, 4,075 Maurel & Prom shares.

Each of the Board members holds the minimum number of shares stipulated in Article 15 of the Company's articles of association (1 share), although the law no longer requires a director to hold at least one share of the company to sit on the Board.

The members of the Board of Directors must comply with the legal and regulatory requirements concerning insider trading.

6.3.2.2 - Stock options granted to corporate officers and options exercised

The information below is updated as at the issue date of the Annual Report.

The table below lists the options granted to officers and not yet exercised in the last three fiscal years.

Plan	Date of grant	Exercise price	Start of the exercise period	Expiration date	Number of options		
					Granted	Exercised	Remaining
Mr Roman Gozalo (member of the Management Board until 14 June 2007 and Director since 12 June 2008)							
Plan n° 3	21/12/2005	€12.91	22/12/2005	21/12/2010	100,000	-	100,000

Other than the aforementioned options, no stock option was granted to the Company's corporate officers by the Company or by Maurel & Prom Group companies in 2008. Furthermore, no corporate officer exercised any stock options in 2008.

6.3.2.3 - Bonus shares granted to each corporate officer

A programme to give bonus shares to Company employees was implemented by the Management Board at its meeting held on 21 December 2005, according to the authorisation granted by the General Meeting of Shareholders held on 29 June 2005 (18th resolution).

To date, Roman Gozalo, Chief Executive Officer and member of the Management Board until 14 June 2007, has received 15,000 bonus shares, which were granted to him on 21 December 2005, and Mr Daniel Pélerin, Exploration Director and member of the Management Board, has received 50,000 bonus shares, which were granted to him on 3 October 2006.

	Plan n°1	Plan n°1 c)
	Roman Gozalo (Member of the Management Board until 14/06/2007)	Daniel Pélerin (Member of the Management Board until 14/06/2007)
Date of grant	21/12/2005	3/10/2006
Vesting period	21/12/2007	3/10/2008
Lock-in period	21/12/2009	3/10/2010
Number of bonus shares	15,000	50,000

Mr. Gozalo received 6,206 bonus shares on 15 October 2008, under a compensation agreement dated 7 July 2006.

No other bonus shares were granted to the Company's corporate officers either by the Company or by Maurel & Prom Group companies.

6.3.3 - Employees interest

At 31 December 2008, 23 employees of the Group (excluding the Chairman) held 573,380 Company shares. Some employees hold Maurel & Prom shares through the corporate savings scheme that has been implemented.

6.3.3.1- Profit sharing and employee savings scheme

The Company has a policy to allow employees to share in the performance of the Company and its stock through an employee savings plan.

(1) INCENTIVE PLAN

An incentive agreement was implemented on 1 January 2005, due to the termination of the first agreement signed in 2002. This 3-year agreement remained in effect until 31 December 2007.

(2) EMPLOYEE SAVINGS

On 1 March 2002 the Company began an active employee savings policy by launching a Corporate Savings Plan and a Voluntary Salary Savings Partnership Plan for employees: all these schemes have been in force since fiscal year 2003.

At 31 December 2008, 62 employees had an equity interest in Maurel & Prom amounting to 0.09% or 104,329 shares.

(a) Corporate Savings Plan ("PEE")

All Company employees with at least three months' service may join if they wish.

Investments into the PEE may come from all or part of any existing employee profit-sharing allocation, voluntary payments by the beneficiaries (within the limits stipulated by law), additional contributions from the Company and transfers from the beneficiary's savings into the plan, the Group savings plan or the profit-sharing agreement of a former employee when funds are available following redundancy.

Employee savings are encouraged through an incentive contribution that varies according to a rule that applies to all beneficiaries.

The plan, which took effect on 1 March 2002 for one year, can be tacitly renewed for one-year terms.

The Company's 2008 contribution to the Company Savings Plan (funds paid into the PEE for current employees) amounted to €103,400.

(b) Voluntary Salary Savings Partnership Plan with rolling maturity date ("PPESV")

The Company implemented a PPESV, a collective savings scheme allowing Company employees with at least three months' service the possibility of building an Investment portfolio, with the Company's support.

As required by the "Fillon Act" dated 21 August 2003, the PPESV scheme was withdrawn. The amount allocated to the PPESV may be transferred to a shorter-term savings plan.

6.3.3.2- Stock options granted to employees and options exercised

Stock options are granted to some Company employees. The main characteristics of these Maurel & Prom stock options are indicated in the table below.

MAUREL & PROM STOCK OPTIONS AS AT 31 DECEMBER 2008

Plan	Date of GM authorisation	Allocation date	Beneficiaries	Number of options granted	Initial exercise price
1	11/09/2001	25/10/2001	12 persons - 1 officer ⁽¹⁾ , and 11 employee non-officers ⁽²⁾	154,000 8,000 146,000	€12.15
3 a	28/12/2004	6/04/2005	8 employee non-officers	480,000	€13.44
3 b	28/12/2004	21/12/2005	2 persons 1 officer ⁽⁵⁾ , and 1 employee non-officer	170,000 100,000 70,000	€12.91
3 c	28/12/2004	3/01/2006	1 employee non-officer	80,000	€12.86
3 d	28/12/2004	10/04/2006	1 employee non-officer	80,000	€14.72

⁽¹⁾ Maurel & Prom subsidiaries.

⁽²⁾ Of these options, (i) 410,130 were held by Frédéric Boulet, an employee of Maurel & Prom at the time, who became a member of the Management Board on 28 December 2004 and left the Company on 18 August 2005, and (ii) 153,800 were held by Daniel Pélerin, an employee of Maurel & Prom at the time, was a member of the Management Board from 22 April 2005 to 14 June 2007 and is now an employee.

⁽³⁾ Option exercised before division of share nominal value by ten.

⁽⁴⁾ Takes account of the exercise of 5,127 shares before the December 2004 adjustment.

⁽⁵⁾ Relates to Roman Gozalo, Chief Executive Officer and member of the Company's Management Board from 24 October 2005 to 14 June 2007 and Member of the Board of Directors since 12 June.

NOTES :

- each existing option gives the right to subscribe for one Maurel & Prom share with a nominal value of €0.77;
- no option granted has been cancelled;
- for all options, no clause prohibiting immediate resale of all or part of the shares has been included, and no minimum period for keeping the shares after exercising the option has been laid down.

In 2008, one employee exercised 35,890 stock options.

6.3.3.3 - Bonus shares granted to employees

At 31 December 2008, some Company employees hold Maurel & Prom bonus shares, the main characteristics of which are stated in the tables below:

	Plan n° 1 b)	Plan n° 1 c)	Plan 2007	Plan 2008 n°1	Plan 2008 n°2	Plan 2008 n°3
Date of grant	3/10/06	14/12/06	21/12/07	25/04/08	15/10/08	16/12/08
Vesting period	3/10/08	14/12/08	21/12/09	25/04/10	15/10/10	16/12/10
Lock-in period	3/10/10	14/12/10	21/12/11	25/04/12	15/10/12	16/12/12
Number of staff concerned	4	23	40	40	17	32
Number of bonus shares	70,000	65,300	116,524	46,750	93,892	102,750

During fiscal year 2008, 243,392 bonus shares were awarded to 64 Group employees. Since 2006, 495,216 bonus shares have been allotted to employees, representing 0.41% of the capital.

To the best of the Company's knowledge, no other securities are held by Company employees.

Initial exercise date	Expiration date	Number of options after readjustment of July 2004	Exercise price	Number of options after adjustment of December 2004	Exercise price	Number of options exercised	Number of residual options
26/10/2004	no	157,903	€11.85	1,579,030	€1.185	1,568,270	10,760
		8,203		82,030		8,030	-
		149,700		1,497,000 ⁽⁴⁾		1,421,700	
						5,127 ⁽³⁾	10,760
7/04/2005	6/04/2010	N/A	N/A	N/A	N/A	200,000	280,000
22/12/2005	21/12/2010	N/A	N/A	N/A	N/A	-	170,000
						-	100,000
						-	70,000
4/01/2006	3/01/2011	N/A	N/A	N/A	N/A	N/A	80,000
11/04/2006	10/04/2011	N/A	N/A	N/A	N/A	-	80,000

6.4 Compensation and benefits

6.4.1 Compensation paid to each corporate officer

With the exception of the Chairman & Chief Executive Officer, and of the former Chief Executive Officer (prior to the change in the Company's governance structure), no corporate officer

receives any compensation other than the directors' fees awarded each year to members of the Board of Directors of the Company (See Section 6.4.1.1 - Table 3 and 6.4.1.2).

6.4.1.1- Chairman & CEO

Summary of compensation and options and stock awarded to each corporate officer

Name and office of the officer	2007	2008
Jean-François Hénin, Chairman/Chief Executive Officer		
Compensation due for the year (detailed in table 2)	500,000	500,000
Valuation of the options granted during the year (detailed in table 2)	-	-
Valuation of the performance shares granted during the year (detailed in table 4)	-	-
Total	500,000	500,000

Summary of compensation paid to each corporate officer

Name and position of the corporate officer	Amounts for year 2007		Amounts for year 2007	
	owed	paid	owed	paid
Jean-François Hénin, Chairman/Chief Executive Officer				
Fixed compensation	500,000	500,000	500,000	500,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Fringe benefit-vehicle	-	-	-	-
Total	500,000	500,000	500,000	500,000

Directors' fees

Members of the Board	Directors' fees paid in 2008	Directors' fees paid in 2009
M. Hénin	-	-
Total	-	-

For the other corporate officers see table in Section 6.4.1.2

Stock options granted to each corporate officer during the year

Options granted to each officer by the issuer and by any company of the Group (by name)	Plan no. and date	Type of options (existing or new shares)	Valuation of the options under the method used for the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
NONE						

Stock options exercised during the year by each corporate officer

Options exercised by corporate officers (name)	Plan no. and date	Number of options exercised during the year	Exercise price	Year granted
NONE				

Performance shares granted to each corporate officer

Performance shares awarded during the year to each officer by the issuer and by any company of the Group (list by name)	Plan no. and date	Number of shares awarded during the year	Valuation of the options under the method used for the consolidated financial statements	Vesting date	Date available
NONE					

Performance share available during the year for each officer

Performance shares becoming available for the officers (by name)	Plan no. and date	Number of shares available during the year	Vesting terms	Date granted
NONE				

History of stock options granted

Dates of General Meetings	28/12/2004 Plan
Date of meeting of Board or Management Board, as applicable	21/12/2005
Total number of new or existing shares that may be purchased:	100,000
Corporate officers	-
Mr Roman Gozalo	100,000
Start of exercise period	22/12/2005
Expiration date	22/12/2010
Subscription or purchase price	€12.91
Terms for exercise (when the plan has several tranches)	-
Number of shares purchased as at [...] (most recent date)	-
Total number of options cancelled or expired	-
Options remaining at year end	100,000

Options for new or existing shares granted to the top ten non-officer employees and options they have exercised

	Total number of options granted/shares purchased	Weighted average price	Plan n° 1	Plan n° 2
Options granted during the year by the issuer or any company within the scope of consolidation to the top ten employees of the issuer and any consolidated company with the highest number of options granted (total information)	NONE			
Options held on the issuer and the companies described and exercised during the year by the ten employees of the issuer and these companies holding the highest number of options (total information)	NONE			

Corporate officer	Employment Contract	Supplemental pension plan	Indemnities or benefits owed or which could be owed for termination of change of position	Indemnities under a non-compete clause
Name: Jean-François Hénin Position, Chairman & CEO Start of appointment, 14 June 2007 End of position, Approval of 2009 fin. statements	No	No	No	No

6.4.1.2 - Board of Directors

The members of the Maurel & Prom Board of Directors received the following amounts (in €) as directors' fees for the years

2008, 2007 and 2006, which were paid in 2009, 2008 and 2007 respectively:

	Fixed directors' fees			Variable directors' fees			Total		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Mr Hénin	-	-	-	-	-	-	-	-	-
Mr Andreck	22,494	25,000	29,457	16,890	22,131	37,350	39,384	47,131	66,807
Mr Chalandon	10,078	25,000	29,457	18,374	46,475	46,262	28,452	71,475	75,719
Mr de Marion de Glatigny	22,494	25,000	29,457	13,604	16,230	27,336	36,098	41,230	56,793
Mr Bellon de Chassy	22,494	25,000	15,656	29,324	23,607	14,720	51,818	48,607	30,376
Mr Gomez	22,494	25,000	29,457	24,127	17,705	27,336	46,621	42,705	56,793
Mr d'Hauteville	22,494	25,000	16,656	27,840	32,459	18,925	50,334	57,459	34,581
M. Gozalo	12,476	-	-	14,848	-	-	27,324	-	-
Financière de Rosario	22,494	25,000	29,457	9,280	8,852	21,028	31,774	33,852	50,485
Mr Lafond	-	-	8,877	-	-	12,617	-	-	21,494
Mr Verspieren	-	-	8,070	-	-	2,103	-	-	10,173
Mr Vilgrain	22,494	25,000	29,457	16,704	14,754	16,822	39,198	39,754	46,279
Mr Brac de la Perrière (Censeur)	22,494	22,500	-	31,737	42,787	-	54,231	67,787	-
Total	202,506	225,000	225,001	202,728	225,000	224,499	405,234	450,000	449,500

Mr Jean-François Hénin was elected to the Board of Directors at the General Meeting of Shareholders held on 14 June 2007. The Board of Directors accepted his request not to be granted directors' fees for his role on the Board. For 2008, the directors' fees of Mr Jean-François Hénin were not distributed among the other Board members. Mr Hénin receives a salary as the Company's CEO as described in Section 6.4.1.1.

Mr Lafond resigned from the Company's Supervisory Board on 20 April 2006.

Mr Verspieren resigned from the Company's Supervisory Board on 10 April 2006.

Mr Gozalo was Chief Executive Officer and Member of the Company's Management Board until 14 June 2007. From 1 January to 14 June 2007, he received a compensation of €268,850. He later became an employee until 19 May 2008 when he terminated his duties as a salaried employee. He was then appointed a Company director on 12 June 2008. He received from 19 May to 31 December 2008, the sum of €55,525 pursuant to the terms of the non-competition clause in his employment agreement.

The above distribution takes into account the respective term of each member of the Board of Directors (for fixed directors' fees) and attendance at meetings of the Board of Directors and Committees (for variable directors' fees).

Corporate officers do not have any special benefits in kind, apart from the Managing Director's company car and mileage allowance for the former Exploration Director, both of whom are former members of the Management Board. There is no supplemental pension scheme for corporate officers.

The allocation of stock options is specified in Section 6.3.2.2 and bonus shares in Section 6.3.2.3.

■ RISK FACTORS

7.1 Market risks

The Group's results are sensitive to various market risks. The most significant ones being the hydrocarbon price expressed in US dollars, and the EUR/USD exchange rate. Nevertheless, it should be noted that the operational currency of the Group is the US dollar, as its sales, a major portion of its operational expenses and a significant portion of its investments are denominated in that currency.

7.1.1 - Risk relating to the hydrocarbons market

The Company's policy is to hedge a portion of its future production against any decline in oil prices, thus taking advantage of a possible rise thereof for the portion of the production that is not hedged. This hedging policy is part of the management of bank credit lines available to the Group (Reserve-Based Loan "RBL").

In the unhedged portion of the production, the Company is therefore exposed to oil price fluctuations. The Group uses as a hedging instrument oil derivatives (Swaps, futures, floors), using WTI prices, on the NYMEX market, and BRENT prices.

From February to December 2008, the Group undertook certain transactions aimed at restructuring or repurchasing existing derivatives.

At 31 December 2008, the Group held the following products:

- 2,000 b/d at a Brent price of \$58.5/b through a forward sale for the first quarter of 2009;
- 4,000 b/d at a Brent price of \$64.2/b through a forward sale for the remainder of 2009;
- 2,750 b/d at a Brent price of \$62.2/b through a forward sale for the first half of 2010;
- 2,000 b/d at a Brent price of \$59.0/b through a forward sale for the second half of 2010.

For each of these periods, "floors" (sales of puts) were instituted, limiting the hedges to a level of \$50/b for 500b/d, 2,500 b/d, 1,250 b/d and 500 b/d respectively for each period. The swap exercise price is increased by the premium received for the swap-backed put sale.

PORTFOLIO OF COMMODITY SWAPS & OPTIONS 31/12/2008

Type of contract	Price	Quality	USD USD/b	Total volume in b
Swap sale	71,000	Brent	38,925,750	548,250
Sale put option	50,000	Brent		548,250
Swap sale	63,400	Brent	20,288,000	320,000
Sale put option	50,000	Brent		320,000
Swap sale	57,000	Brent	41,610,000	730,000
Swap sale	58,300	Brent	10,639,750	182,500
Sale put option	50,000	Brent		182,500
Swap sale	55,000	Brent	20,075,000	365,000
			131,538,500	

- type of commitments: these transactions, executed primarily in December 2008 in order to cover the future Gabonese production, have not been recognised as hedges in the accounts. As a result, changes in market value are recognised immediately as income/loss;
- authorisation and tracking of commitments: the transactions are executed on a decision of the Chairman-Chief Executive Officer and are confirmed by two exclusive signatories, the Chairman-Chief Executive Officer and the Chief Financial and Administrative Officer of the Group. Reporting updated after each transaction validates the structuring of the positions. The transactions are recorded in the systems by the Treasury Department and confirmed by Accounting, which directly receives the confirmation requests issued by the banks;
- sensitivity: all fluctuations up or down will have an immediate impact on income based on the classification as unassigned hedge.

In January 2009, the Company put in place the following additional products:

- 5,500 b/d at a WTI price of \$61.6/b for 2009 and 2010;
- 2,000 b/d at a WTI price of \$62.8/b for 2011;
- 500 b/d at a Brent price of \$62/b for 2009, 2010 and 2011.

7.1.2 - Exchange rate and price risks

Change in the EUR/USD exchange rate impact the Group's net income because a significant portion of the income is generated in US dollars. In addition, the Group suffers a foreign exchange risk related to the revaluation at the closing rate of the money market items in foreign currencies held by the Group companies which present their accounts in the Euro.

In order to reduce this risk, the Company uses hedging strategies through derivative instruments (forward foreign exchange transactions and currency options). Moreover, the Company holds a portion of its liquidities in US dollars intended to finance provisional investment expenditures in US dollars.

The Company has set up foreign exchange hedging instruments, primarily on foreign exchange puts and calls and USD/EUR forwards over a period until December 2009, which are intended to reduce exposure to a decline in the US dollar.

These transactions, which do not qualify for hedge accounting, generated unrealised losses at 31 December 2008, recognised in the financial statements as at 31 December 2008.

2009				2010				MtoM 31/12/08	Accounting
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	in EUR K	classification
	1,500	1,500	1,500	750	750			4,467.5	Not assigned
								- 2,605.6	Not assigned
	500	500	500	500	500	500	500	238.2	Not assigned
								- 1,416.9	Not assigned
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	- 1,950.6	Not assigned
500	500	500	500					306.7	Not assigned
								- 838.2	Not assigned
500	500	500	500	500	500	500	500	- 1,459.3	Not assigned
2,000	4,000	4,000	4,000	2,750	2,750	2,000	2,000	- 3,258.2	

7.1.3 - Interest rate and liquidity risks

The Group's loan terms and structure of financing are presented in detail in Section 9.8.1 of this Annual Report.

Those are:

- a bond issue (OCEANEs) of €375 million;
- an RBL which at the end of December 2008 had residual draw-down capacity of \$75 million, unutilised;
- a loan in Colombian pesos with an equivalent value of \$17 million.

In addition, liquidities which at 31 December 2008 amounted to €192 million are all placed in bank deposits for periods of less than three months.

In order to redeem the OCEANEs 2010, continue to expand the Group and finance its exploration investments, the Company on 30 January 2009 concluded a new RBL financing, in the form of a Facility Agreement, with a pool of 4 banks (BNP Paribas, Calyon, Natixis, Standard Bank) for an initial amount of \$255 million, the principal terms and conditions of which are detailed in paragraph 9.8.1 of this Annual Report.

This facility, which has not been used, is currently being renegotiated to reflect the upcoming disposal of Hocol, whose shares are to be used as the guarantee.

7.1.4 - Equity risks

Successive own share buy-back plans have been implemented since 12 January 2005. Under those share buy-back programmes, 2,570,651 additional treasury shares were purchased in 2008 compared to the number at 31 December 2007. They are intended to be used under the authorisations issued by the General Meetings of Shareholders.

As at 31 December 2008, the number of treasury shares held by the Company was 6,436,407.

The book value of the treasury shares held at 31 December 2008 was €86,016 K for a market value of €54,893 K. This difference of €31 million, which had no impact on the Group's consolidated earnings, was provisioned in the company financial statements.

A 10% drop in the value of these securities would have a negative impact of €5,536 K on the corporate earnings of the Company.

Based on the foregoing, the Company considers that it is not exposed to any equity risk and consequently does not use any specific hedging instrument.

7.1.5 - Counterparty risk

The Group is exposed to counterparty risk through:

- loans made to third parties and receivables from third parties in the context of its operating activities or the default or payment default of a customer,
- short-term cash investments with banking institutions and transactions on derivatives revalued at positive fair value.

In order to limit this first risk, the Group makes a contractual commitment only after it has conducted a detailed review of the solvency of its counterparties, particularly when those counterparties wish to obtain credit payment terms. In fact, the Group's customers are generally international oil companies (including Total, BP and ENI), recognised independents or state-owned operators (for example, the Venezuelan National Oil Company), with whom the Group has long-standing commercial relationships.

Colombian production is sold on the market through traders who use letters of credit issued by banks.

In addition, Caroil has continued its policy of customer diversification and at 31 December 2008 achieved 62% of its sales outside the Group with customers who are primarily international oil groups.

7.2 Legal risks

7.2.1 - Political risks

Part of the Group's activities and hydrocarbon reserves are in countries which may in some cases be considered to present the risk of political or economic instability. In one or more of these countries, the Group could in the future face risks such as the expropriation or nationalisation of its assets, the breaking or renegotiation of Production Sharing Contracts (PSCs), exchange control restrictions, losses due to armed conflict or terrorist action, or other problems arising from those countries' political or economic instability.

Since fiscal year 2005, the Group's activity has diversified geographically, through the acquisition of Hocol Group, then specifically through the development of activities in Gabon and in Tanzania.

7.2.2 - Risks relating to the regulatory procedure for obtaining some permits

The Group's oil and gas exploration and development activity is subject to the various regulations that apply in this sector (Oil Code, law on oil and gas exploitation) in each of the countries in which the Group operates, particularly as regards the granting of drilling rights or the obligations concerning minimum work programmes.

The context of the oil and gas businesses, particularly production sharing procedures, operational decisions, the recording and limiting oil costs, certain tax issues in connection with operations and rules of cooperation between the Group and its partners who hold oil and gas exploration or development permits on the one hand, and the host country, on the other hand, is generally defined in a Production Sharing Contract concluded between these parties and the Oil Minister of the host country.

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

In addition to the PSCs, permits are granted by the host government which authorises the Group to carry out its hydrocarbon exploration and production activities. The duration

of these permits is limited in time with renewal periods and they include obligations regarding surface area rehabilitation during the exploration period.

The impact on the PSCs (or more generally the ways of putting these permits into production) that might arise from a downturn in the political or economic situation or more rigorous regulations or conditions for obtaining permits in one or more of the countries in which the Group currently holds oil exploration or development permits is a risk that is difficult to assess.

7.2.3 - Risks related to current legal litigations

The Maurel & Prom Group is involved in various legal actions and claims during the normal course of its business activities. Risks have been assessed on the basis of past experience and an analysis by the Group's legal departments and counsel. With the exception of the legal actions described below, the Company has at the date hereof no knowledge, relative to the past twelve month period, of any pending or threatened governmental, court or arbitration proceedings that could have or that recently has materially affected the financial position or profitability of the Company and/or the Maurel & Prom Group. The legal litigations are reviewed regularly, particularly when new facts arise and provisions are set aside, if required, on the basis of those assessments. The Group ensures that it has the legal resources to defend its interests.

The main current legal litigations or those that have occurred in fiscal year 2008 are the following:

MESSIER PARTNERS LITIGATION

Messier Partners, a financial consultancy company hired by the Company to provide financial assistance, brought legal proceedings in 2007 against the Company for payment of a success commission following the signing of the disposal agreement with Eni. The claims put forward by Messier Partners in these proceedings totalled €14.7 million. Messier Partners partially won in the first instance proceedings and the Company was ordered to pay Messier Partners the sum of €5.6 million. The Company has lodged an appeal against the ruling. A provision has been booked in the Company's accounts for this sum. The Paris Court of Appeals, in a judgment issued on 5 March 2009, dismissed all provisions of the judgment rendered on 18 December 2007 by the Paris Commercial Court, dismissing all claims of Messier Partners and ordering Messier Partners to pay court costs for the lower court and appeals court and the payment of €50,000 for unrecoverable legal costs.

CAROIL/PANAFRICAN ENERGY TANZANIA LTD

As part of its onshore drilling business, Caroil signed a contract in February 2007 with the company Panafrican Energy Tanzania Ltd in relation to the provision in Tanzania of drilling services, including the supply of a drilling rig and suitable staff to construct a firm well, with an option on a second well.

In late September 2008, Panafrican Energy Tanzania Ltd instituted arbitration proceedings at the International Chamber of Commerce seeking payment of the sum of US\$ 6.4 million plus interests as reimbursement of direct and indirect expenses related, according to Panafrican Energy Tanzania Ltd, to the alleged malfunctioning of the drilling equipment. Caroil is disputing the claims of Panafrican Energy Tanzania Ltd and is asking the court to sentence Panafrican Energy Tanzania Ltd to the pay its invoices and the VAT advanced for a total of \$2.3 million plus interest. In addition, Caroil is requesting the sentencing of Panafrican Energy Tanzania Ltd to the payment of \$1.5 million plus interests for the damages borne due to the delays in the execution of the drilling operations caused by Panafrican Energy Tanzania Ltd, and US\$0.5 million plus interests for the damage to the Caroil's image.

AGRI CHER-TRANSAGRA LITIGATION

From its prior business activity, there is still a contractual liability action dating back to 1996 against Maurel & Prom in connection with the court-supervised bankruptcy restructuring of Transagra and in the insolvency of the Agricher cooperative. The Company considers this action, for the amount of approximately €33 million, to be unfounded and has made no provision for it.

BANKING INSTITUTION LITIGATION

On 26 November 2008, a bank initiated legal action against the Company in the Paris Commercial Court to obtain a judgment for the recognition of the validity of a framework agreement signed by the Company. The bank is seeking a ruling that the complex financial instruments executed under this framework agreement in the summer of 2008 were validly issued in order to obtain payment from the Company of the sum of \$51 million (i.e., €36.8 million) due for unwinding those instruments.

The Company, which provided information about this transaction when it published its half-year and annual financial statements, disputes the transactions and believes that the bank acted in violation of the applicable rules and procedures. Concurrently to this procedure, negotiations are in progress between the parties to find an amicable resolution to the litigation. However, as a precaution, provisions have been set aside for maximum risk (€36.8 million), without prejudice as to the outcome of actions to dispute the transactions or obtain damages;

AMF SANCTIONS

In a decision of 4 December 2008, the Sanctions Commission of the French Autorité des Marchés Financiers (AMF) levied a fine of €300,000 against Maurel & Prom for inaccurate and misleading information issued to the public in two press releases dated 10 June and 26 October 2005. Maurel & Prom has appealed this decision pursuant to Articles R.621-44 to R.621-46 of the French Monetary and Financial Code.

7.3 Risks related to the Maurel & Prom group's business activity**7.3.1 - Risks related to the Maurel & Prom Group's business sector****7.3.1.1 - Reserves**

The reserves at 1 January 2009, presented in paragraph 5.2 of this document, are certified by DeGolyer & MacNaughton according to the current economic conditions and using existing geological and engineering data to assess the quantities of hydrocarbons that can be produced. The valuation process involves subjective judgements and may lead to subsequent revaluations as knowledge of the oil fields improves.

In addition, it is impossible to guarantee that new crude oil or natural gas resources will be discovered in sufficient quantities to renew the level of reserves currently developed, produced and marketed by the Maurel & Prom Group. The reserves presented in the Annual Report have been certified every year by DeGolyer & MacNaughton since 1 January 2006.

7.3.1.2 - Production

The Group's oil production may be restricted, delayed or cancelled for many reasons, within or outside the Group, including production plant malfunctions, administrative delays, in particular with the project development approval procedures of host countries, shortages, and late deliveries of equipment or weather conditions. Such restrictions, delays or cancellations could have an impact on the Group's earnings.

7.3.1.3 - Oil and gas exploration

This type of activity, which is based on the discovery and extraction of hydrocarbons, requires the implementation of major preliminary operations. The operations of geological and seismic analysis are prior to exploration drilling. This type of operation is used to decide where to perform the exploration drilling, move on to the production stage or continue exploration. At the time these operations are

implemented there is still much uncertainty about the quality of the hydrocarbons and the feasibility of extracting them. As a result, the many uncertainties that remain during the exploration and development phases mean that the Group cannot guarantee that the investments made will be sufficiently profitable.

Furthermore, once extraction has started, the knowledge of the reserves may sometimes be uncertain as it emerges only as extraction progresses. Finally, the practical conditions of extraction and its cost may vary while the reserves are being extracted.

7.3.2 - Risks related to the reconstitution of reserves

Following the completion of the disposal signed in 2009 with Ecopetrol, Maurel & Prom Group sold 43% of the P1+P2 reserves certified at 1 January 2009.

As part of its reserves rebuilding strategy, the Company has set up an ambitious development and exploration programme.

However, the Company cannot guarantee that such investments will be successful and that it will manage to rebuild its reserves and/or increase its production to a level comparable to the level prior to the sale.

7.3.3 - Risks related to the possible dependence of Maurel & Prom Group on customers, suppliers or subcontractors

The Company considers that it has no commercial relations which could result in a situation of major dependence.

In Colombia, production is sold on the market through traders who provide a bank guarantee covering their commitments.

In July 2008 Maurel & Prom signed a Sales Contract with the company Socap International Ltd, a subsidiary of the Total group. This contract provides for the extraction and sale of the production from the Onal field in Gabon. Due to the quality of its counterparty, the Group does not consider that it faces a counterparty risk in this respect.

In Venezuela, as for any oil operator, the production is sold to PVDSA (the Venezuelan National Oil Company).

Matters regarding the personnel on the rigs operated by Caroil are handled by a company specialising in the supply of the technical skills required in the gas, oil and drilling industry. That personnel is interchangeable and may be seconded to similar companies in the industry.

Caroil is currently a service provider for Eni Congo S.A. as part of the contractual obligations that were transferred following the sale of its Congolese business activities by the Maurel & Prom Group. This contract expired in February 2009. The call for bids launched by ENI was awarded to Caroil.

7.3.4 - Competition risks

The Group is in competition with other oil companies when acquiring rights on oil permits for the exploration and production of hydrocarbons.

Because of its positioning and size, the Group's main competitors are "junior" or "mid-size" oil companies.

7.3.5 - Industrial and environmental risks

Within its oil business activities, Maurel & Prom Group pays constant attention to prevent industrial and environmental risks and takes the utmost care to respect the regulatory requirements of the countries in which it operates.

It also constantly monitors the legal and regulatory, national and international trends concerning industrial and environmental risks. Maurel & Prom is also constantly seeking to improve its safety, security and risk prevention resources on the production sites.

Nevertheless, there are environmental risks associated with the features of oil and gas fields. These risks include crude oil or natural gas blow-outs, well side collapses, seepage or leaks of hydrocarbons causing toxic, fire or explosion risks. All these are likely to damage or destroy the hydrocarbon wells in production and the surrounding installations, endanger human lives or goods, interrupt work and cause environmental damage with direct consequences on the surrounding populations' health and economic life.

SYSTEMATIC IMPACT STUDIES

Pursuant to applicable regulations in the countries where the Group operates, Maurel & Prom carries out systematic impact studies before starting specific work, examines and assesses the safety risks and the impact on the environment. In order to identify, quantify and prevent the onset of risks, Maurel & Prom relies on its own expertise as well as on that of external experts.

The external experts are approved by the governments of the countries concerned. These are:

- Environnement Plus in Congo;
- Cîmes and Téréa in Gabon
- Recuperam Ltda in Colombia; and
- Fredka International Ltd and Environmental Benchmark in Tanzania.

APPROVAL OF SURFACE INSTALLATIONS

Maurel & Prom seeks to obtain the competent ministry's approval relating to safety for the surface installations. This approval may also be required by Maurel & Prom's insurers and/or by the local government (civil security).

APPROVAL AND PERMISSION TO INSTALL PIPELINES

In compliance with the host country's regulations, Maurel & Prom Group seeks to obtain the necessary authorisations and approvals to install pipelines to carry away the hydrocarbons that have been produced.

STANDARDS

In its drilling operations, Maurel & Prom applies API standards. The production installations are designed according to the recommendations of American insurance companies (GE GAP Guidelines) and systems and equipment comply with French or international standards for the field concerned (API, ISO, ASME, NF, etc.). Maurel & Prom must also respect standards in radio and satellite communication and takes out the appropriate authorisations depending on the host country.

SAFETY PROCEDURES

Maurel & Prom has set up an integrated HSE management system to implement a Health, Safety and Environment policy based on rules recognised by the international Oil and Gas Producers Association (OGP). A manual of reference texts was developed throughout the Group to enable each subsidiary to set its own rules in the areas of health, safety and the environment. Maurel & Prom employees benefit from an HSE awareness and training policy involving constant improvement of safety and prevention of risks. The Group is constantly making improvements in terms of prevention of industrial and environmental hazards. It strives to develop its oil business while improving the management and operating rules concerning the safety of persons, facilities and intellectual property.

SITE RESTORATION

Maurel & Prom has a policy of restoring the exploration sites (drilling dry wells) to their original state when operations are completed. In addition, because of the nature of its business, Maurel & Prom Group will normally be required to bear the costs of operating sites and the oil transport equipment

restoration. Every year the Company makes a valuation and if necessary updates the provision it has made to cover the future costs of dismantling and restoring the sites.

7.4 INSURANCE

The Group has taken out the following insurance:

- directors and officers liability;
- fire, storm, natural catastrophe, and water damage;
- theft and vandalism, glass breakage; and
- office public liability excluding business public liability, basic legal protection.

In addition to insurance for such basic risks, the Company has taken out insurance policies specific to its business and to the nature and location of its assets.

The insurance policies relating to the oil business cover:

- risk of any damage to the oil facilities, including the pipeline networks and drilling rigs up to their declared value, the risk of actual losses of assets, which are covered for the replacement value, and the risks of pollution associated with drilling operations; and
- public liability risks for up to \$50 million per claim.

In addition to this coverage for the hydrocarbon exploration and production activities, the Group has taken out a "Contractor's all risks" type insurance policy which covers risks related to the construction of production installations on the Onal field in Gabon.

The total annual premiums paid by the Group are of the order of €3.9 million for the period of 1 July 2008 to 1 July 2009.

To date, the Company has decided not to take out insurance for business interruption losses.

Through its oil exploration, production and development work, the Maurel & Prom Group may cause environmental damage due particularly to subsidence, blow-outs, leaks, fires, and explosions in oil wells and related installations. Such damage is covered by insurance policies as part of an "Energy Package." Contracts signed with subcontractors and providers of services used by Maurel & Prom also require these subcontractors and providers to take out sufficient insurance to cover their liabilities for such contracts.

MAUREL & PROM AND ITS SHAREHOLDERS

8.1 - Current shareholding structure

The composition of the Company's share capital at the close of fiscal years 2007 and 2008 is summarised in the following table. The presentation of the tables below is

different from that provided in the previous Annual Report with a view to achieving a clearer understanding of the shareholding structure.

At 31 December 2008, the breakdown of equity and voting rights was as follows:

31 December 2008	Number of shares	% of capital	Number of voting rights	% of voting rights
Institutional shareholders	55,527,960	46.06%	55,527,960	48.64%
including: Pacifico S.A. (*)	19,499,616	16.17%	19,499,616	17.08%
MACIF	8,324,204	6.90%	8,324,204	7.29%
Financière de Rosario	1,684,520	1.41%	1,684,520	1.48%
Other	26,019,620	21.58%	26,019,620	22.79%
Registered shareholders	10,205,816	8.47%	10,228,547	9.35%
including: Pacifico S.A. (*)	9,250,000	7.67%	9,052,645	7.92%
Pm – Total double votes			273,001	
Company	6,436,407	5.34%		
Employees	677,709	0.56%	677,979	0.59%
Public	47,721,915	39.58%	47,721,915	39.30%
Total	120,569,807	100%	114,156,401	100%

* Pacifico S.A. therefore holds a total of 28,749,616 shares, representing 23.84% of the capital and 25% of the voting rights (See Section 8.1.2).

At 31 December 2007, the breakdown of equity and voting rights was as follows:

31 December 2007	Number of shares	% of capital	Number of voting rights	% of voting rights
Institutional shareholders	47,059,428	39.04%	47,059,428	38.99%
including: Pacifico S.A. (*)	8,644,326	7.17%	8,644,326	7.16%
MACIF	8,324,204	6.91%	8,324,204	6.90%
Financière de Rosario	1,447,420	1.20%	1,447,420	1.20%
Other	28,643,478	23.76%	28,643,478	23.73%
Registered shareholders	22,730,146	18.86%	22,888,177	18.96%
including: Pacifico S.A. (*)	20,105,290	16.68%	20,105,290	16.66%
Pm – Total double votes			158,031	
Company	3,865,755	3.21%		
Employees	707,610	0.59%	707,610	0.58%
Public	46,170,978	38.30%	46,170,978	38.26%
Total	120,533,917	100%	116,826,193	100%

* Pacifico S.A. therefore holds a total of 28,749,616 shares, representing 23.82% of the capital and 23.85% of the voting rights.

8.1.1 - Shareholders holding more than 5% of the equity

To the knowledge of the Company, no shareholder other than MACIF and Pacifico S.A. holds directly, indirectly, alone or in concert, more than 5% of the Company's capital and/or voting rights.

It should be noted that Pacifico S.A. is controlled by Jean-François Hénin, Chairman and Chief Executive Officer of Maurel & Prom, and his family (more than 99% of the equity and voting rights).

Maurel & Prom crossed the 5% equity threshold under the share buy-back programme on 7 April 2008.

8.1.2 - Voting rights of the main shareholders exceeding their equity holding

Pursuant to Article 11, Part 7 of the articles of association, "rights and obligations attached to the shares," *"a double voting right is given to shares fully paid-in, as demonstrated by a record in the company share register for a period dating back at least 4 years prior to the date on which they were fully paid-in, in the name of the same shareholder without interruption"*.

Since 30 December 2008, 7,000,000 of the 28,749,616 shares held by Pacifico, 7,000,000 have double theoretical voting rights. However, in accordance with Article L. 233-14 of the French Commercial Code, Pacifico's voting rights cannot exceed 25% of total voting rights for a period of two years.

8.1.3 - Control exercised on the issuer by one or more shareholders

To the Company's knowledge, none of its shareholders, acting alone or in concert, controls the Company within the meaning of Article L. 233-3 of the French Commercial Code.

8.1.4 - Agreements known by the issuer that might cause a change in its control if implemented

To the Company's knowledge, there is no pact between the Company's shareholders or any clauses of an agreement specifying preferential terms for selling or buying Maurel & Prom shares relating to at least 0.5% of the Company's equity or voting rights that, if implemented, could cause the Company to be taken over.

8.2 Dividend

The Combined Ordinary and Extraordinary General Meeting of 20 June 2006, decided to pay a dividend of €0.33 per share for the year ended 31 December 2005. The dividends were paid on 5 July 2006 for a total amount of €38,273,750. This amount includes dividends paid on the shares outstanding as at 5 July 2006, i.e., 115,981,062 shares.

The Combined Ordinary and Extraordinary General Meeting of 14 June 2007, decided to pay an ordinary dividend of 0.5 per share and a supplementary dividend of €0.70 per share for the year ended 31 December 2006. The dividends were paid on 25 June 2007 for a total amount of €143,737,717. This amount includes dividends paid on the shares outstanding as at 25 June 2007, i.e., 120,189,607 shares.

The Combined Ordinary and Extraordinary General Meeting of 12 June 2008 approved a dividend payment of €1.20 per share, representing a total of €137,080,245.60 for the year ended 31 December 2007. The dividends were paid out on 19 June 2008.

At the General Meeting of 18 June 2009, the Board of Directors decided to recommend to the shareholders a dividend of €0.35 per share for fiscal year ended 31 December 2008 with the option of paying 100% of the dividend in shares and a 5% issue price calculation discount applied to the average opening price for the twenty trading days preceding this Meeting, less the net dividend amount.

FINANCIAL INFORMATION

9.1 Historical financial information

The management report, the consolidated financial statements and the annual financial statements for the years ended 31 December 2006 and 31 December 2007, including the Statutory Auditors' reports on these financial statements, are included in the Annual Reports submitted on 31 May 2007 to the *Autorité des Marchés Financiers* (AMF) under number D. 07-528 and on 29 April 2008 under number D.08-0330 which are incorporated by reference in this Annual Report.

9.2 Financial statements

9.2.1 - Consolidated financial statements

The consolidated financial statements are provided in Appendix 2, Section 13.2.1.

9.2.2 - Company financial statements

The company financial statements are provided in Appendix 2, Section 13.2.3.

9.3 Balance sheet

The balance sheet is provided in Appendix 2, Section 13.2.1.

9.4 Audit of the historical annual financial information

9.4.1 - Audit of the historical financial information

For the audit of the historical financial information, see the reports of the Statutory Auditors on the company and consolidated financial statements provided in the financial appendices to this Annual Report and to the previous Annual Report listed under Section 9.1.

9.4.2 - Other information provided in the Annual Report and audited by the Statutory Auditors

The reports of the Statutory Auditors on the report of the Chairman of the Board of Directors and on related-party transactions are provided respectively in the financial appendices.

9.4.3 - Financial information provided in the Annual Report but not based on the certified financial statements of the issuer

None

9.5 Date of the latest audited financial information

The date of the latest audited financial information is 31 December 2008.

9.6 Interim and other information

9.6.1 - Quarterly or half-year financial information prepared since the date of the latest audited financial statements

Not applicable

9.6.2 - Interim information for the first six months of the fiscal year following the end of the audited fiscal year

Not applicable

9.7 Investments

9.7.1 Main investments over the last three years

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

<i>In thousands of euros</i>	2008	2007	2006
Oil business	510,881	391,371	240,377
Congo	6,015	76,275	107,481
Gabon	260,031	200,650	55,929
Tanzania	76,121	14,068	78
Senegal	1,050		
Colombia	159,329	96,376	75,730
Venezuela	27	-	5
Syria	8,154	3,761	-
Other	154	-	1,154
Drilling activities	27,700	56,119	21,431
Other activities	407	1,105	12,276
Total	538,988	448,354	274,084

9.7.2 - Principal capital expenditure in progress

In addition to the exploration and development investments plans, which are detailed in Section 5.7.3 of this Annual Report, current investments as at 31 December 2008 totalled €3.8 million. They are related to Maurel & Prom's office building in Gabon.

9.7.3 - Principal investments planned

See 5.7.3.

9.8 - Loans and financing

9.8.1 - Borrowing terms and financing structure

OCEANES

On 9 March 2005, the Company issued 16,711,229 bonds with the option to convert and/or exchange them for new or existing shares (OCEANES) for a total amount of €375 million. The bonds bear interest at the rate of 3.5% per year (coupons payable on the first day of each year) and shall be completely amortised by redemption at par on 1 January 2010. They

may be converted or exchanged at any time at the rate of one share per bond (initial conversion ratio of 1 per 1 - See Section 11.3.3.1). The bond issue was fully subscribed.

BORROWINGS:

(A) Following its expansion, the Company decided, in July 2006, to restructure its bank financing facilities to benefit from more favourable conditions in terms of interest rate and duration. It negotiated with a bank consortium, led jointly by NATIXIS and BNP Paribas, a new \$350 million facility backed by a pledge of the Group's Congolese and Colombian reserves ("Reserve Based Loan," known as RBL).

For this loan, Maurel & Prom pledged the oil reserves financed, as well as the shares of the companies holding the permits and products stemming from the exploitation of said permits until the loan maturity date, i.e. 1 December 2009.

The Company also undertook to comply with the following main ratios:

- Working capital ratio > 1.1;
- total Debt-to-EBITDA < 2.5; and
- EBITDA-to-interest expense > 5.

The company is in compliance with these ratios as at the date of this document.

Maurel & Prom has also agreed:

- not to grant securities or guarantees on the assets of a member of Maurel & Prom Group worth more than \$2 million;
- not to sell a Group asset other than at its full market value and in the context of ordinary management, with the exception of certain disposals;
- not to take on additional financial debt, other than the current loans and up to a limit of \$15 million for the whole Group; and
- not to grant third parties, except in the normal course of business, more than \$1 million per loan or more than \$6 million total for all loans.

In accordance with the contractual amortisation schedule for this loan, in November 2008 the total usable amount was reduced to \$75 million. The Colombian peso facility of \$40 million was cancelled at this time, and consequently, a local Colombian facility equivalent to \$17.6 million was implemented by Hocol.

As at 31 December 2008, the RBL facility had not been used by the Group. This facility must be cancelled prior to any drawing under the new RBL facility entered into in 2009 as discussed below.

(B) On 30 January 2009, the Company entered into a new facility with a bank consortium composed of BNP Paribas, CALYON, Natixis and Standard Bank Plc, for a maximum of \$500 million, \$255 million of which is covered by firm commitments from these banks, secured by a pledge of the Group's Gabonese and Colombian oil reserves («2009 Reserve Based Loan,» known as RBL 2009). This facility, which was not used, is currently being renegotiated to reflect the upcoming disposal of Hocol, whose shares are to be used as the guarantee.

On the first availability date of this loan, the company had to pledge shares of certain Company subsidiaries holding interests in Colombia, pledge income from the operation of those permits and pledge certain sale, insurance and hedging agreements related to its operating activities until the maturity date of the loan, which is set for no later than 31 December 2013.

The Company also undertook to comply with the following main ratios:

- working capital ratio > 1.1;
- total Debt-to-EBITDA < 3.0.

The company is in compliance with these ratios on the date of this document.

The Company also agreed to:

- periodically update the cash plan and submit it for approval;
- grant no securities or guarantees on certain assets of a Group member;
- not sell certain of the Group's oil assets on which the RBL 2009 was based, particularly from certain oil fields located in Gabon and Colombia;
- subscribe no additional financial debt, except for current loans, a new issuance of OCEANEs which could be completed before 30 June 2009, subordinated loans maturing later than the 2009 Reserve Based Loan, certain intra-group loans, and other debt up to a maximum of \$15 million for the entire Group; and
- grant no loans to third parties, excluding current commercial transactions related to its activities.

The first use of this facility must be solely for the purpose of financing the redemption of the 2010 OCEANEs and/or their redemption at maturity. For this purpose, the funds made available would have to be subject to a cash pledge in favour of the banks authorised to purchase the 2010 OCEANEs, and the unused balance would have to be blocked in a non-available account. This initial draw is subject to certain conditions precedent and to the condition subsequent that the Company obtain prior to 30 June 2009 additional financing totalling approximately €200 million, specifically

in the form of an issue of new OCEANEs, in order to allow the purchase or redemption of the 2010 OCEANEs no later than at maturity in January 2010.

9.8.2 - Restrictions on the use of capital with a material influence on operations

Under the 2009 Reserve Based Loan, the Company undertakes to subscribe no additional financial debt, except for current loans, a new OCEANE issuance in 2009, subordinated loans with maturity later than that of the 2009 Reserve Based Loan, certain intra-group loans, and other debt up to a maximum of \$15 million for the entire Group. The Company also commits to grant no surety or guarantee on assets of a Group member. The 2006 RBL will have to be cancelled prior to any draw from the 2009 Reserve Based Loan. This facility, which has not been used, is being renegotiated to take into account the upcoming sale of Hocol, whose shares were used to secure the facility.

9.8.3 - Expected sources of financing for the main planned investments

With the income from the disposal of the Colombian assets, the Company will have cash to finance its programme of investments in exploration, appraisal and development based on the major themes discovered by the Group in Gabon (base sandstone, Kissenda), and to continue drilling in Colombia and Tanzania, the appraisal of the Omko field and the start of production on Onal and Omko.

Moreover, in addition to a \$255 million bank facility based on its oil reserves, which initially included the reserves of its Hocol subsidiary, which is currently being renegotiated to take the upcoming sale into account, the Company received authorisation from the General Meeting on 24 February 2009 to raise capital on the markets, specifically through the issue of equity shares or shares giving access to the capital.

■ SUSTAINABLE DEVELOPMENT

Maurel & Prom continues to implement its sustainable development policy, demonstrating through the continuation of measures initiated in previous years and an ongoing search for new projects, that consideration of the social, cultural and environmental impacts of its operations remains a priority focus.

For the Maurel & Prom Group, a commitment to a policy of sustainable development means an active participation in society's efforts to reconcile the three key "economic, environmental and social" components.

To achieve this goal, Maurel & Prom and its subsidiaries have set themselves a line of conduct within the framework of the local regulations in the countries hosting the Group's operations, but also as part of a voluntary and continuing approach to combine the Group's exploration and production activities with a real, concrete dynamic movement in society.

As a result, improved human safety and health, accident prevention, environmental protection, and a contribution to local development are all implemented in diversified action plans which require the personal mobilization, responsibility and involvement of everyone.

To achieve this goal, Maurel & Prom has a variety of "sustainable development tools" to establish effective models that can be applied to all its subsidiaries.

An increasingly rigorous control of its expertise, greater responsibility taken by its teams as a result of an increased sensitivity about exploration and production activities, and respect for the location of the operations are the guidelines for the code of conduct which the Maurel & Prom Group has defined and intends to implement through the following:

- improvements in safety: of the sites, for Group personnel and the populations living near the Group's operating zones;
- preservation of the environment and the development of certain sites;
- training and support to local populations.

10.1 Our policy, our rules: code of conduct, responsibility, respect

The sustainable development policy adopted by Maurel & Prom is illustrated in a set of rules contained in a code of conduct specific to the businesses we operate, and then adapted to the different countries which host our activities.

Conscious of the challenges of its activities, the Group works to maintain a fair balance between the operations conducted and the corollary responsibilities.

10.1.1 - Our businesses

The primary purpose of the Maurel & Prom Group is oil and gas exploration and production. Structures are studied using geology and geophysics, sciences which respectively lead to an initial picture of the sub-soil configuration based on aerial or satellite identification, and then a "sound" picture from the surface, a crucial preliminary step before the selection of drilling locations. A successful exploration phase then leads to the development of a field. These exploration-production activities, which are based on the expertise and specialization of experienced teams of geologists and geophysicists, require significant financial investments.

The Group, which was initially present in Congo, has been able to diversify and expand the locations of its permits, benefiting from significant reserves and real growth opportunities.

Since the beginning of this decade, the choices of the sites for exploration-production operations and the management of permit renewals have enhanced the dynamic strategy established.

The drilling activity has been assigned to Caroil, a wholly-owned subsidiary of Maurel & Prom which today owns 15 rigs. Caroil has continued to grow and meet increasingly diversified and complex technical demands.

10.1.2 - Our geographical regions

Our oil exploration zones are now located in Africa, Latin America, Europe and the Middle East. The operations conducted in Tanzania, Italy (Sicily), Peru and Syria have diversified the Group's geographic spread.

In Colombia, Hocol, a wholly owned subsidiary of Maurel & Prom, has been operating for more than 50 years as an oil and gas exploration and production company. Hocol has largely strengthened its strategic positions on the South American continent through acquisitions in Venezuela as a producer on mature fields, and in Peru and Brazil on exploration permits. In Venezuela, Maurel & Prom's production activities are located on lake Maracaibo in the State of Zulia in Western Venezuela. A strategic agreement was signed in December 2007 enabling the Group to maintain its presence in Venezuela, an oil country of paramount importance.

In Gabon, Maurel & Prom is beginning an important turn with the development of the Onal field. Large teams have been mobilised locally to build the infrastructures, bring the field on stream, and evacuate the oil.

In Tanzania, where Maurel & Prom has been present since 2005, the Group continues to expand its operations and teams.

Following the sale of some of its interests in Congo, Maurel & Prom remains present in the country, primarily on the La Noubi permit (operator, 49%) where seismic surveys are currently in progress.

In Syria, following acquisition of an exploration permit in 2006, Maurel & Prom created a structure and set up teams to monitor current projects.

Furthermore, Maurel & Prom holds interests in Cuba (non-consolidated, 19.1% of Pebercan), in Italy (Sicily) (30% of Panther Eureka) and in Venezuela (26.35% of Lagopetrol).

10.1.3 - Our code of good conduct

The Group's Management, concerned with Human safety, the implementation of effective procedures, and protection of the environment, drafted a formalised Code of Conduct in 2006 reflected in the "Safety, Environment and Quality Charter."

The purpose of the Group's Charter is to increase awareness and involve every participant in human health and safety, secure operations and environmental protection. In this context, prevention plays a crucial role through training procedures, internal communications, even audits and impact studies. The procedural models defined are adapted to the specific characteristics and requirements of each subsidiary, and are reflected in the activity of our partners and

subcontractors, and also increase the awareness of local residents of the basic principles we have been defending for more than ten years: responsibility, health, safety, protection, prevention, sharing, permanence and solidarity.

The implementation of the Charter at each step in our business is proof of the reality of our commitment.

10.1.4 - Our responsibilities

Our operations imply a responsibility which involves an "internal dimension" to educate employees about health and safety in the work place and an "external dimension" in the choice of our partners and their ability to respect the natural resources (flora, fauna) of the countries in which we work.

10.1.4.1 - Respecting and giving responsibility to our workforce

From an internal standpoint, the Group has a two tier social responsibility: health and safety in the workplace.

Our priority is to maintain safety and protect the health of our teams.

Every individual must act in accordance with the health and safety rules, both for his/her fellow employees and for himself/herself, and must comply with the HSE standards defined by the Group. These standards are regularly modified, often because of changes in practices in the Oil and Gas Industry or issues handled by internationally recognised and certified organisations like the Accident Prevention Reference Guide (IADC) or the American Petroleum Institute (API).

To protect health in the workplace, Maurel & Prom continues to communicate on the specific risks inherent to certain regions of the world. Thus, recommendations about certain tropical infectious diseases, like malaria in Africa, are regularly issued to employees and restated for all employees, in cooperation with Occupational Medicine organisations. This effort to increase employee awareness led to the development of the "malaria test kit" in Tanzania, which allows the employees concerned to conduct a test as soon as possible, at any time, particularly after returning from a mission and away from medical assistance, at the least appearance of any symptoms so that they can act more quickly if there is an actual infection.

In 2008, the Group began keeping defibrillators on site in order to improve the quality of first-aid measures.

At the level of safety in the work place, increased vigilance is given to compliance with the procedures in force which are formalised in the "Group HSE Standards." These written procedures are constantly restated and control audits are organised for the persons responsible for safety at Group level. On the basis of these "Group HSE Standards" and

depending on the specific environment of each mission, lines of conduct are defined to increase subsidiary responsibility through direct training adapted on a case by case basis.

In 2008, as part of the Group's drilling operations in Congo, detailed prevention work was performed to set up detailed procedures translated into different languages to make them accessible to everyone. These procedures were developed based on the specific features of each drilling rig. They highlight the risks inherent in the activity and train employees in the appropriate preventive measures. These procedures should be extended to other Group sites in 2009. In the same way during drilling, mission heads rigorously supervise the update and renewal of certificate of competency in security techniques for operational employees every two years, which includes sitting for and validating test examinations.

Fire-fighting training has also strengthened safety in the offices.

Maurel & Prom has pledged to continue its efforts and maintain the quality of its prevention by reconciling the general rules of conduct defined at the Group level and the specific nature of each site. Whether it is a question of health or safety in the workplace, every worker can contribute actively, at any time, to the improvement and vitality of the procedures in force.

The Hygiene, Safety and Health (HSE) management policy established in 2006 continues and becomes better through ongoing improvements in the existing procedures, and more specifically through: internal audits, system impact studies to anticipate risks, advanced training for workers and improved internal communications.

Maurel & Prom works to mobilize and give responsibility to its partners to improve health and safety in the work place. At the same time, the Group's commitment to local residents remains a priority.

10.1.4.2 - Respecting and giving responsibility to our partners and the local population

Maurel & Prom continues to promote health and safety in the work place in its relations with its subcontractors by including these two criteria in the criteria for the selection of partner or subcontracting companies.

For example, Maurel & Prom ensures that specific schedules designed to guarantee compliance with the rules defined by the Group are included in its contracts. This ensures a specific definition of the respective obligations of each party and harmonises the "health-safety" approach of our partners with our Charter.

The Group also pursues its commitments with local communities by making a significant contribution to the development and improvement of their quality of life.

Maurel & Prom conducts a convincing policy initiated several years ago which gives priority to employment and training related to the Group's exploration and production activities and by developing effective social programmes.

Maurel & Prom continues its close association with ethnic communities and residents near its exploration and prospecting projects to maintain relations between the company and the environment, with respect for local customs.

10.2 Our action, our commitments: prevention, protection, information

The Group continues to base its projects on a preliminary study and analysis of risks in order to establish adequate preventive measures.

This policy of active intervention to anticipate accidents and reduce the risks to which the Group is exposed is reflected in the implementation of multiple action plans. Specific resources are also assigned to accident management.

10.2.1 - Health

Maurel & Prom continues to pay careful attention to the health of its employees and the health of local residents.

Thus, the Group continues to fight AIDS and malaria in Congo, working closely with the Congolese Red Cross. Increased public awareness of these diseases includes information and prevention through display campaigns, seminars and meetings. In 2008, the Group stood out through its assistance to rehabilitation at the Siafoumou Centre of Infectious Pathology (Pointe-Noire), in collaboration with the Congo Assistance Foundation.

Action plans are regularly conducted at the sites in the form of sanitation campaigns (disinfection, pest control, extermination of rats and snakes). Hygiene inspections are carried out regularly on the compounds at the sites.

In Gabon, Maurel & Prom continues its medical assistance programme by offering care, providing medication and ensuring health evacuation for residents near the BANIO, ONAL and COUCAL facilities.

10.2.2 - Safety

Maurel & Prom has made safety its core priority. In 2008, safety measures were strengthened.

In order to ensure the safety of the workforce, the effectiveness and coordination of work at the sites, special permits have to be obtained in all cases of specific tasks: contact with

heat sources, work at heights/suspension, confined spaces, changes or blockage of roads/passages, work on electric circuits, handling of explosives and, generally speaking, all work that presents a risk.

All employees are equipped with individual protection equipment to prevent exposure to dangerous situations for the employee, other persons or even the environment. International standards and norms are valuable indicators for the Group in making its choices.

The personnel are trained continuously in accordance with detailed, internationally recognised schedules. Attendance and competence in these training sessions are demonstrated in the issue of certificates required to enter the work sites. The nine disciplines of training to improve safety continue: control, first aid, advanced first aid, fire fighting, evaluation of risks, work at heights, scaffolding, observation files and special permits. A specific analysis then allows the Group to complete the actions to be taken and improve safety.

The objective is twofold: highlight any failure to comply with safety rules and stress good practices so they are replicated at all Group sites. The observation sheets established by Maurel & Prom allow the Group to evaluate the processes and optimise them if necessary.

10.2.3 - Protection of the environment

The Group has a dual objective in protecting the environment: preserves zones that may be affected by our operations and increase public awareness of the environment.

The Group's environmental policy as set forth in the Charter includes "control of its energy consumption, its greenhouse gas emissions and the optimum management of waste emissions". The Group also works to ensure that its industrial facilities are not contaminated and that the sites are restored once operations have been completed, in order to re-establish the initial environmental balance.

The implementation of a "Platform Management" procedure in October 2008 established the division of responsibilities for each action that is part of the different phases in the life of a drilling platform, from design to restoration. The Group also works to ensure that all drilling sites are clean and the soils rehabilitated when all work has been completed. Special directives and recommendations have been drafted for this purpose, particularly to ensure that this restoration obligation is expressly stipulated in contracts with subcontracting companies. At the end of the work, site rehabilitation includes civil engineering work, most often completed by a planting campaign and the use of natural fertilizers to restore the natural balance of the environment.

The reinforced policy for managing HSE problems is reflected in the development of internal rules required of subsidiary managers in the areas of:

- awareness and information for the workforce;
- waste management;
- storage and handling of dangerous chemical products.

Compliance with the laws and regulations in force in countries where the company is established implies the systematic organisation of impact studies before each new project is launched or impact evaluations during development.

During the development of exploration and production projects, the operations which can generate environmental damage are covered by ad hoc insurance policies.

Prior to launch and to combat soil deterioration, deterioration of water tables or mud pollution of crops and rivers, the Group asks the civil engineering departments and companies to consolidate the excavation work for roads and site platforms. Fragile areas are stabilised by planting vegetation over them. Rivers are systematically cleaned and flushed, particularly after the rainy season, to restore life in waters to be used for the domestic and economic activities of the resident populations.

After a project launch, site preservation includes, for example in Gabon, the restoration of deforested areas or the sorting and controlled destruction of waste products.

In 2008, whether in Gabon where Maurel & Prom installed pipes in protected natural areas, or in Congo where several hundred kilometres of seismic work was conducted in a natural park, there has been no record or formulation of a local restriction or ban/comment from an NGO.

The Group's commitment to environmental protection and stimulating activity in the regions in which it operates is reflected in the rehabilitation of schools and health centres, the water wells drilled, and/or even the construction of access roads.

In Tanzania in 2008, Maurel & Prom continued its sustainable development project which requires that any oil project is automatically tied, at a minimum, to a significant local action to serve the population. This rule is intended to ensure actions in proportion to the size of the project, adjusted as a function of the nature and scale of the population's expectations and requirements.

10.3 Our means, their territory: resources, development, knowledge

10.3.1 - Local development

Maurel & Prom and its teams make it their duty to promote local development and improve living conditions for the local populations living near operations support measures are focused on several areas: food, water, training and education.

FOOD:

Maurel & Prom supports the crops and animals raised, particularly in Gabon, where Maurel & Prom is preparing to relaunch agricultural projects.

WATER: A RARE RESOURCE:

In many countries where Maurel & Prom operates, water remains a rare and precious resource. During excavation work for roads and platforms at the sites, effective measures are taken to fight soil deterioration and avoid polluting crops and rivers. After the rainy season, Maurel & Prom, again makes the water consumable for populations by cleaning and flushing the rivers.

In collaboration with the NGOs and local authorities, the Company voluntarily participates in the construction of water wells in rural areas. Together with its geophysical work, water wells are drilled systematically and made available to the village authorities (Gabon: water wells drilled in lake regions)

On the island of Mafia in Tanzania, drilling allowed the installation of pumps for two water wells. In the same way, a well finalised at the Minangu site will soon allow the installation of a pump.

SUPPORT FOR EDUCATION

In a desire for long-term involvement in the local life and to provide useful, targeted and committed support, the company has set up teaching aid programmes from infant school up to university. Thus in Congo, the Company continues its close collaboration with the head of the Academy by participating in geology and geophysics classes for students in their final year of studies for a Master's degree at the Marien Ngouabi University of Science in Brazzaville. In the same way, careful attention is paid to the IT equipment of the Geology Department of the same university.

In Gabon, Maurel & Prom continue to support the region's schools, distributing school supplies or computer equipment to the N'dindi school, or performing maintenance work at the schools in the village of Ezanga.

In Tanzania, Maurel & Prom continues a project to support the population through a pro-active educational assistance for education. This support is reflected in the renovation of schools in the Mbezi region (purchase of 60 desks and benches, painting, construction of a second bathroom for girls, and more) and in Minangu (painting, construction of a new classroom, purchase of 40 desks and benches), but also in the Group's concern to give priority to hiring local workers whenever possible.

HABITAT SUPPORT

In order to encourage the creation and development of a residential real estate market in Congo, the government authorities created the Banque Congolaise de l'Habitat, funded with capital of 5 billion francs CFA and held by the Congolese government and various state-owned companies, the Banque de l'Habitat de Tunisie (operator of the Institution) and the Maurel & Prom Group, which holds a 10% interest, representing 500 million francs CFA. This institution finances the Congolese real estate sector, with the mission of expanding home ownership by financing all players in the sector: private individuals, property developers, construction companies, project managers and public works enterprises generally. Maurel & Prom take part in this project whose social impacts promote the country's economic development. The conditions governing the success of this project are in place thanks to the presence of the Banque de l'Habitat de Tunisie in the capacity of technical operator. This bank enjoys an excellent reputation in this field following its success in similar projects in Africa.

At the Mafia site in Tanzania, two clinics have been equipped with solar panels and a building at the port was renovated.

In Gabon, civil engineering work (road repairs) was undertaken in N'dindi, the capital of the department in which the Group conducts its operations.

HEALTH

In Gabon, Maurel & Prom has made a significant commitment to the fight to protect human health. The Group supports the "New Horizons" Foundation which assists visually handicapped and disabled children in their daily life. (Purchase of school supplies, organisation of celebrations: Christmas and other events). Maurel & Prom is currently sponsoring 12 children.

In addition, the Company is preparing a campaign on sickle cell anaemia for 2009. A genetic disease responsible for a haemoglobin anomaly in red blood cells, sickle cell anaemia, whose principal symptoms include anaemia, various infections or vascular crises. Since there is at the present no treatment to cure the disease, the support provided by Maurel & Prom consists of providing care and reducing the symptoms of the disease: by distributing antibiotics, vaccinating against certain germs (e.g.: pneumococcus),

or ensuring constant hydration of patients or the administration of analgesics.

THE ENVIRONMENT: FAUNA

In 2008, Maurel & Prom Gabon completed a project initiated in 2006-2007, bringing assistance to the National Park of Mayumba by creating a whale observatory. A twenty-meter high signal station was created and equipped with computers to observe the migration patterns of the whales.

10.3.2 - An illustration: The Hocol Foundation

Again in 2008, the Maurel & Prom teams worked to maintain close and strong relations with local populations through the Hocol Foundation in Colombia.

In addition to its legal obligations and measures set up within the framework of its activities, Hocol set up the Hocol Foundation in 1987 to create a framework for its relations and programmes for the benefit of local communities. Maurel & Prom reaffirmed through this foundation their will to share these same values, to perpetuate them and to associate themselves fully with the life of the Colombian population.

The objectives of the Hocol Foundation are as follows:

- create close links between the communities, the State, institutions, NGOs, and Maurel & Prom;
- contribute to training and education;
- promote protection of the environment;
- support social, economic, cultural and environmental projects;
- contribute to the completion of projects to create businesses that offer an alternative to the oil industry;
- assist local industry through the transfer of technologies.

These missions were reflected in various projects in 2008, the most important of which were: assistance in training executives, support for cultural and sports activities, support for quality education, improvements to infrastructures, strengthening the economy, support for agriculture, environmental tourism and protection of the environment.

COMPANY MODE OF OPERATION

11.1 Information concerning the company

11.1.1 - Trade and Company name

Company's name: "Etablissements Maurel & Prom".

The company is a *société anonyme* with a Board of Directors.

11.1.2 - Location and Company registration number

The Company is incorporated in the Paris Trade Register under no. 457 202 331.

The Company's NAF code (formerly APE code) is 7010Z (extraction of hydrocarbons).

11.1.3 - Company's date of incorporation and term

Company's date of incorporation: 10 December 1919.

Company's term: 99 years, i.e., until 1 November 2018 unless dissolved beforehand or extended.

11.1.4 - Registered office and legal status, legislation governing the activities, country of origin, address and telephone number of the registered office

The Company has been set up in accordance with French law.

Maurel & Prom is a *société anonyme en commandite* with a Board of Directors, subject to the provisions of the Commercial Code (and, in particular, the provisions of Articles L. 225-57 et seq. of said Code), as well as to all other French legislative stipulations and regulations applicable to it.

Before 14 June 2007, Maurel & Prom was a *société anonyme* with a Management Board and Supervisory Board. On the occasion of the Ordinary and Extraordinary General Meetings of 14 June 2007, the shareholders decided to change the company's management method and to replace the Management Board and Supervisory Board by a Board of Directors.

Before 28 December 2004, Maurel & Prom assumed the form of a *société en commandite*. On the occasion of the

Ordinary and Extraordinary General Meetings of 28 December 2004, the shareholders decided to have Maurel & Prom merge with and absorb the company Aréopage, its limited partner, and the subsequent conversion of Maurel & Prom into a *société anonyme*.

Registered Office:

12, rue Volney – 75002 Paris

Tel.: 01 53 83 16 00 - Fax: 01 53 83 16 04

11.2 Information concerning the company's articles of association

11.2.1 - Corporate purpose

The corporate purpose is set out by Article 3 of the Articles of Association. The Corporate purpose, in France as well as abroad, consists of:

- the management of shares and corporate rights and, for this purpose, the acquisition of interests in any company, group and association, particularly by way of purchase, subscription and contribution, as well as the sale in any form of the said shares or corporate rights;
- the prospecting and exploitation of all mineral deposits, particularly liquid or gaseous oil deposits and related product;
- leasing, acquisition, transfer and sale of wells, land, deposits, concessions, development permits and prospecting permits, either for its own personal account or for the account of third parties, or by participation or otherwise, transport, storage, treatment, transformation and marketing of all natural or synthetic oil, liquid or gaseous products or sub-products of the sub-soil, ores and metals;
- the acquisition of buildings, their management and sale;
- dealing in all products and goods; and
- generally speaking, the Company's direct or indirect participation in all commercial, industrial, property, agricultural and financial transactions, in France or other countries, either by the setting up of new companies or by contribution, subscription, purchase of shares or corporate rights, merger, joint venture company or otherwise, and generally all transactions of any kind whatsoever directly or indirectly related to these activities and liable to facilitate their development or management.

11.2.2 - Summary of the statutory provisions concerning members of the Board of Directors

The Board of Directors of the Company, at its meeting on 25 April 2008, drew up and unanimously approved the terms of its rules of procedure.

These rules of procedure reprise and set forth certain articles contained in the articles of association including membership of the Board and the independent director concept, the operating rules, missions, rights and obligations incumbent on Directors laid down in a "charter", the appointment and role of the non-voting member of the Board and the membership and attributions of the audit 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.

11.2.3 - Conditions governing voting rights – right to double votes

At all General Meetings, every shareholder, member of these Meetings, has as many votes as he owns or represents shares, without any limitation other than those arising from statutory provisions.

Each share entitles its bearer to one vote. The right of double vote is conferred upon the owners of fully paid-up registered shares able to prove that their registration in the Company's books dates back at least four years, without interruption. Furthermore, in the event of a capital increase by capitalisation of reserves, profits or issue premiums, the right of double vote is conferred, immediately following their issue, upon registered shares allocated free of charge to a shareholder at the rate of old shares benefiting from this entitlement.

This right of double vote shall lapse automatically in respect of any shares having been the subject of conversion into bearer shares or a transfer, but this right can be reinstated when the new holder of the shares proves that his name has been registered for an uninterrupted period of at least four years.

Nevertheless, any transfer from registered share to registered share following an "ab intestato" succession or testamentary succession or division of jointly owned assets or joint acquisition between spouses, does not interrupt the above four year period or retains the acquired right. The same applies in the case of gifts between living persons in favour of a spouse or of a relative entitled to inherit.

Double voting rights are set out by the shareholding tables of Section 8.1.

11.2.4 - Sale and transfer of shares

The shares are freely negotiable, subject to the statutory provisions and regulations. They are registered in an account and are transmitted by way of transfer from account to account.

11.2.5 - Change of shareholders' rights procedure

Any change in the Articles of Association has to be decided or authorised by the General Meeting deliberating subject to the conditions of quorum and majority required by the statutory provisions or regulations in force concerning Extraordinary General Meetings.

11.2.6 - Notice and admission to General Meetings

11.2.6.1 - Notice to General Meetings

The Board of Directors or, otherwise, the auditors or any other legally authorised person may convene General Meetings, subject to statutory conditions.

General Meetings are held at the Registered Office or any other venue stated in the notice to meet.

11.2.6.2 - Shareholders' access to and participation in General Meetings

The properly constituted General Meeting represents all shareholders. Its decisions are binding on all, even on those who are absent, who disagree or who are legally incompetent.

Every shareholder is entitled to attend General Meetings and to take part in its deliberations, in person or through a proxy, regardless of the number of shares held by him, by simple proof of his identity.

However, in order to be entitled to take part in General Meetings, in person or through a proxy, owners of registered shares have to prove, at least five days before the date of the Meeting, that their names appear in the Company's books, and owners of bearer shares have to deposit, at least 5 days before the date of the Meeting, at the Registered Office or any other place stated in the notice, a certificate issued by the authorised agent in charge of the account, stating that the shares are restricted prior to the date of this Meeting.

The Board of Directors may reduce or cancel this period of five days by a general measure benefiting all shareholders.

Every shareholder may be represented by his spouse or another shareholder. For this purpose, the proxy has to prove his authority.

Every shareholder may also send a power of attorney to the Company without indicating the name of his proxy. A power of attorney not stating the name of the proxy may be considered as a vote in favour of the resolutions submitted or approved by the Board of Directors at the Meeting.

Every shareholder may vote in writing by using a form made out and addressed to the company pursuant to the conditions laid down by the law and regulations. This form has to reach the company three (3) days before the day of the Meeting, failing which it is disallowed.

Following a decision made by the Board of Directors, shareholders may take part in Meetings by video conference or by means of telecommunication allowing for their identification subject to the conditions laid down by regulations in force.

11.2.7 - Provisions of the articles of association or any internal regulations liable to result in delaying change in the Company's control

Any change in capital or voting rights attached to the shares which compose them is subject to the statutory provisions, the Articles of Association failing to provide any specific stipulations in the matter.

11.2.8 - Statutory thresholds

In addition to the thresholds pursuant to the legislative provisions and regulations applicable, any natural person or corporate body who, acting on his own or jointly, holds, directly or indirectly, a number of shares representing a proportion of the capital or voting rights in excess of or equal to 5%, followed by a tranche in excess of 5% of the capital or voting rights as long as he does not hold, on his own or jointly, a total number of shares representing more than two thirds of the Company's capital and voting rights, has to inform the Company of the total number of shares and securities owned by him granting access to the Company's capital which he owns, by registered letter with receipt sent to the Registered Office, within 5 stock market trading days as from the date of crossing the said threshold(s).

Upon demand, recorded in the minutes of the General Meeting, by one or several shareholders owning at least 5% of the Company's capital or voting rights, non-compliance with this disclosure duty shall be sanctioned, as regards the shares exceeding the fraction which should have been declared, by deprivation of voting rights at any General Meeting to be held pending expiry of a period of 2 years following the date of regularisation of the disclosure.

The identical disclosure requirement, within the same period and in accordance with the same procedure, is imposed every time the fraction of the capital or voting rights held by a shareholder drops below one of the above thresholds.

In order to identify the owner of bearer shares, the Company is at all times entitled to request, in accordance with the conditions and the methods pursuant to the statutory provisions and regulations, the central depository keeping the account for the issue of shares, to disclose the identity of the owners of shares conferring immediately or at a later date the voting right at General Meetings, as well as the number of shares held by each of them and, if applicable, any restrictions relating to the shares.

11.2.9 - Provisions strengthening the statutory provisions governing changes to the share capital

The Company's capital may only be changed in accordance with the conditions stipulated by the statutory provisions or regulations in force. No clause of the Articles of Association, a charter or internal regulations provides for more stringent conditions than the law in the field of changes of the Company's capital.

11.2.9.1 - Elements liable to have an effect in the case of a public offer

There is at present no element liable to generate an effect in the event of a public offer.

11.3 Company's share capital

11.3.1 Subscribed capital and authorised capital

11.3.1.1 - Subscribed capital

The share capital of Maurel & Prom as at 31 December 2008 was €92,838,751.39, divided among 120,569,807 shares with par value of €0.77 each, completely paid-in. Every share entitles its holder to a proportional part of profits and the company's assets at the capital ratio represented by it. Maurel & Prom's capital may be increased, reduced or redeemed pursuant to the provisions stipulated by the law, the Articles of Association failing to state any specific stipulations in the matter.

For illustrative purposes, on 1 January 2008 the Company's share capital was €92,811,116.09, divided among 120,533,917 shares with par value of seventy-seven euro cents (€0.77) each.

The company is not aware of any pledging of the company's shares by its shareholders.

11.3.1.2 - Authorised capital

Authorisations and delegations granted by the Combined Ordinary and Extraordinary General Meeting of 24 February

2009 to the Board of Directors with regard to issuances of stock and bonds are the following:

Resolution No.	Type of delegation or authorisation	Ceiling (€)	Duration of the authorisation as at 24 February 2009
Two	Delegation of authority to the Board of Directors to issue Company stock and warrants of the Company or one of its subsidiaries, maintaining the shareholders' pre-emptive subscription rights.	Total par value of capital increases: €50 million. Total par value of any debt instruments that might be issued: €500 million.	26 months, until 23 April 2011.
Three	Delegation of authority to the Board of Directors to issue Company stock and warrants of the Company or one of its subsidiaries, eliminating the shareholders' pre-emptive subscription rights.	Total par value of capital increases: €20 million. Total par value of any debt instruments that might be issued: €250 million. These ceilings were applied to the ceilings set in the Second Resolution.	26 months, until 23 April 2011.
Four	Delegation of authority to the Board of Directors, in case of issuance, with elimination of the shareholders' pre-emptive subscription rights, of Company stock and warrants of the Company or one of its subsidiaries, to set the issuance price in accordance with the conditions set by the General Meeting.	Total par value of capital increases: 10% of the Company's share capital (existing at the date of the General Meeting) per 12-month period. The par value of issuances made under this authorisation shall be allocated to the ceilings set in the Third Resolution.	26 months, until 23 April 2011.
Five	Authorisation to the Board of Directors to increase the number of instruments to be issued, in case of capital increase with or without elimination of shareholders' pre-emptive subscription rights.	15% of the issuance set by the Second, Third and Fourth Resolutions.	26 months, until 23 April 2011.

N° de la résolution	Nature de la délégation ou autorisation	Plafond en euros	Durée de l'autorisation à compter du 24 février 2009
Six	Delegation of authority to the Board of Directors to issue shares and securities in case of a public exchange offering initiated by the Company.	Total par value of capital increases: €20 million The par value of capital increases made under this authorisation shall be allocated to the ceilings of Third Resolution. The par value of debt instruments resulting from issuances made under this authorisation shall be allocated to the ceilings of Second Resolution.	26 months, until 23 April 2011.
Seven	Authorisation to the Board of Directors to issue shares and securities with a view to compensating contributions in kind granted to the Company consisting of shares or securities.	Maximum par value of capital increases: 10% of the Company's share capital (existing on the date of the General Meeting). The par value of capital increases made under this authorisation shall be allocated to the ceilings of Third Resolution. The par value of debt instruments resulting from issuances made under this authorisation shall be allocated to the ceilings of Second Resolution.	26 months, until 23 April 2011.
Eight	Delegation of authority to the Board of Directors to increase the Company's share capital by incorporating reserves, earnings or premiums.	Maximum par value: €100 million.	26 months, until 23 April 2011.
Ten	Authorisation to the Board of Directors to allocate Company shares to employees and/or directors, free of charge.	The total number of shares allocated free of charge may not exceed 1% of the Company's share capital (existing on the date of the General Meeting).	38 months, until 23 June 2012.
Eleven	Delegation of authority to the Board of Directors to undertake capital increases reserved to employee members of the Company savings plan.	Maximum par value of capital increases: €1 million (excluding capital increases by incorporating reserves, earnings or premiums).	26 months, until 23 April 2011.

11.3.2 Company's buy-back of its treasury shares

11.3.2.1 - Authorisation given by the Combined Ordinary and Extraordinary General Meeting of 24 February 2009

First Resolution adopted by the General Meeting of 24 February 2009 is aimed at permitting renewal of the current share purchase programme that had been authorised by the combined ordinary and extraordinary General Meeting of 12 June 2008.

The conditions and objectives of this authorisation are similar to those of the previous authorisation, with the exception of ceilings, which have been adjusted. The General Meeting of 24 February 2009 thus terminated, for the unused portion, the authorisation given in Sixth Resolution of the combined ordinary and extraordinary General Meeting of 12 June 2008, to purchase Company shares, and authorised the Board of Directors to purchase Company shares, limited to a number of shares representing 10% of the existing share capital on the date of that General Meeting, under the following conditions:

- the maximum purchase price of Company shares within the framework of the share purchase programme is €18 per share, while for transactions involving share capital, specifically through the incorporation of reserves after the creation and free allocation of shares, and/or the splitting or consolidation of shares, this price will be adjusted accordingly;
- the maximum amount of funds allocated to the stock purchase programme is €217,025,640, based on the share capital of 31 December 2008. This authorisation is valid for 18 months starting from 24 February 2009.

Company purchases under this new authorisation may not under any circumstances result in the direct or indirect holding, at any time whatsoever, of more than 10% of the shares comprising the share capital on the date in question.

Shares may be bought, sold or transferred, including during a public offering period of the Company's shares, provided that such offering is settled entirely in cash, by any means, specifically on regulated markets, multilateral trading systems, or over the counter, including by buying or selling blocks of shares, or using derivative instruments traded on regulated markets, multilateral trading systems or over-the-counter systems, in accordance with the law and current regulation on the date of the transactions in question and during periods to be set by the Board of Directors or such party as acts on behalf of the Board of Directors.

These share purchases may be carried out with a view to any allocation permitted by law or regulation, with the purposes of this stock purchase programme being:

- to honour obligations related to stock option programmes or other allocations of stock to employees and/or corporate directors, specifically within the framework of (a) company profit sharing, (b) any plan for the purchase or free allocation of shares in favour of employees under the conditions set by law, specifically Articles L. 3331-1 et seq. of the Labour Code (including any sale of shares covered by Article L. 3332-24 of the Labour Code) or (c) any plan for the purchase of options, including the free allocation of shares in favour of any or all employees and corporate directors;
- to honour obligations linked to Company equities of any kind, whether immediately or over time (including engaging in any hedging transactions by reason of the Company's obligations linked to these securities);
- to ensure the liquidity of the Company's shares by an investment services provider within the framework of a liquidity agreement in accordance with the charter of ethics recognised by the *Autorité des Marchés Financiers*;
- to retain shares for subsequent remittance for exchange or payment within the framework of any external growth transactions;
- to reduce the Company's capital in accordance with Twelfth Resolution submitted to the General Meeting, subject to its approval.

The number of shares purchased by the Company for holding and subsequent remittance in payment or exchange within the framework of a merger, split or contribution may not exceed 5% of the share capital.

Moreover, the General Meeting of 24 February 2009 granted all authority to the Board of Directors to approve and implement this authorisation, to define, if necessary, the terms and set the conditions, to approve all bourse orders, to enter into any agreements, to prepare any documents, specifically for information purposes, to fulfil any formal recording requirements, including allocating or reallocating shares purchased for the various purposes pursued and any statements to any government entities and, in general, to take any necessary measures.

11.3.2.2 - Description of the share buy-back programme pursuant to Article 241-1 et seq. of the General Regulations of the Autorité des Marchés Financiers (AMF)

LEGAL FRAMEWORK

Implementation of this programme, which falls within the framework of the provisions of Articles L. 225-209 et seq. of the Commercial Code, European Regulation No. 2273/2003 of 22 December 2003, and the AMF General Regulation, was approved by the Company's General Meeting of 24 February 2009 in its first resolution, drafted as follows:

"The General Meeting, ruling under the conditions of quorum and majority required for ordinary General Meetings, after having acknowledged the report of the Board of Directors,

- 1°) effective immediately, hereby terminates the unused amount under the authorisation given by the combined ordinary and extraordinary General Meeting of 12 June 2008 through its Sixth Resolution, to buy the Company's shares;
- 2°) pursuant to Articles L. 225-209 et seq. of the Commercial Code, authorises the Board of Directors to purchase the Company's shares, up to a maximum of 10% of the share capital existing on the date of this meeting, under the following conditions;
 - the maximum purchase price must not exceed €18 per share, provided that in the case of stock transactions, specifically involving the incorporation of reserves followed by the creation and free allocation of shares, and/or the splitting or consolidation of shares, this price shall be adjusted accordingly;
 - consequently, the maximum amount of funds allocated for the purchase programme is €217,025,640, based on the share capital of 31 December 2008; this maximum amount may be adjusted to take into consideration the total share capital on the date of the General Meeting;
 - this authorisation is valid for a period of 18 months;
 - acquisitions made by the Company under this authority may not under any circumstances result in the direct or indirect holding, at any time, of more than 10% of the shares composing the share capital on the date in question;
 - shares may be bought, sold or transferred, including during a tender offer for the Company's shares, provided that this offer is settled entirely in cash, by any means, specifically on regulated markets, multilateral trading systems, or over the counter, including by buying or selling blocks of shares, or using derivative instruments traded on regulated markets, multilateral trading systems or over-the-counter systems,

in accordance with the law and current regulations on the date of the transactions in question and during periods to be set by the Board of Directors or determined by the person acting on the delegation of the Board of Directors.

These share purchases may be carried out with a view to any allocation permitted by law or regulation, with the purposes of this stock purchase programme being:

- (i) to honour obligations related to stock option programmes or other allocations of stock to employees and/or corporate directors, specifically within the framework of (a) company profit sharing, (b) any plan for the purchase or free allocation of shares in favour of employees under the conditions set by law, specifically Articles L. 3331-1 et seq. of the Labour Code (including any sale of shares covered by Article L. 3332-24 of the Labour Code) or (c) any plan for the purchase of options, including the free allocation of shares in favour of any or all employees and corporate directors;
- (ii) to honour obligations linked to Company equities of any kind, whether immediately or over time (including engaging in any hedging transactions by reason of the Company's obligations linked to these securities);
- (iii) to ensure the liquidity of the Company's shares by an investment services provider within the framework of a liquidity agreement in accordance with the charter of ethics recognised by the Autorité des Marchés Financiers;
- (iv) to retain shares for subsequent remittance for exchange or payment within the framework of any external growth transactions;
- (v) to reduce the Company's capital in accordance with the Twelfth Resolution submitted to the General Meeting, subject to its approval.

The number of shares purchased by the Company for holding and subsequent remittance in payment or exchange within the framework of a merger, split or contribution may not exceed 5% of the share capital.

Each year the Board of Directors will inform the General Meeting of transactions carried out within the framework of this resolution, pursuant to Article L. 225-209 of the Commercial Code.

The General Meeting grants all authority to the Board of Directors to approve and implement this authorisation, to define, if necessary, the terms and set the conditions, to approve all bourse orders, to enter into any agreements, to prepare any documents, specifically for information purposes, to fulfil any formal recording requirements, including allocating or reallocating shares purchased for the various purposes pursued and any statements to any government entities and, in general, to take any necessary measures.

The Board of Directors may delegate to the chief executive officer the necessary authority to engage in the transactions provided for by this resolution.

Moreover, Twelfth Resolution of the General Meeting of 24 February 2009 authorised the Board of Directors to reduce the Company's share capital by cancelling up to a maximum of 10% thereof per 24-month period, in accordance with the following:

"The General Meeting, ruling under the conditions of quorum and majority required for extraordinary General Meetings, after having acknowledged the report of the Board of Directors and the special report of the statutory auditors, and ruling in accordance with Article L. 225-209 of the Commercial Code,

- 1) hereby terminates, effective immediately, the unused amount under the authority granted by the combined ordinary and extraordinary meeting of 12 June 2008 in its Fifteenth Resolution;
- 2) delegates to the Board of Directors all powers to cancel, on one or more occasions, up to a maximum of 10% of the Company's share capital per 24-month period, all or part of the Company's shares acquired under the stock buy-back programmes authorized by the First Resolution submitted to this meeting, as well as stock buy-back programmes authorised prior or subsequent to the date of this meeting;
- 3) resolves that the excess purchase price of the shares over their par value shall be charged to "Issuance Premiums" or to any available reserve item, including the legal reserve, up to a maximum of 10% of the capital reduction completed;
- 4) delegates all powers to the Board of Directors, with the option of delegation under legal conditions, to reduce the capital resulting from the cancellation of shares and the aforementioned charging and to amend Article 6 of the bylaws accordingly; and
- 5) sets the duration of this authority at 18 months from of the date of this meeting".

NUMBER OF SHARES AND PROPORTION OF SHARE CAPITAL THAT THE ISSUER HOLDS DIRECTLY OR INDIRECTLY

As at 31 December 2008, the company held 6,436,407 shares, i.e. 5.34% of the Company's capital, divided as follows:

- 281,316 shares under a liquidity contract, and
- 6,155,091 shares held by itself.

DISTRIBUTION BY OBJECTIVE OF THE SHARES HELD BY THE COMPANY

As at 31 December 2008, 4.37% of the treasury shares (i.e., 281,316 shares) were held within the framework of a liquidity agreement.

5,828,431 shares, i.e., 90.5% of the treasury shares, are held for the purpose of retaining shares of the Company in order to remit them at a later date for exchange or as payment in potential future acquisition transactions,

326,660 shares, of those purchased in April and May 2008, were set aside to be cancelled.

OBJECTIVES OF THE NEW REPURCHASE PROGRAMME

The programme has the following objectives:

- (i) to honour obligations related to stock option programmes or other allocations of stock to employees and/or corporate officers, specifically within the framework of (a) company profit sharing, (b) any plan for the purchase or bonus allotment of shares in favour of employees under the conditions set by law, specifically Articles L. 3331-1 and ff. of the Labour Code (including any sale of shares covered by Article L. 3332-24 of the Labour Code) or (c) any plan for stock options or the bonus allotment of stock to any or all employees and corporate officers;
- (ii) to honour obligations linked to securities which give rights, immediately or in the future, to shares of the Company (any hedging transactions for Company obligations linked to these securities);
- (iii) to ensure the liquidity of the Company's shares by an investment services provider under a liquidity agreement in accordance with the charter of ethics recognised by the *Autorité des Marchés Financiers*;
- (iv) to retain shares for subsequent remittance for exchange or payment within the framework of any external growth transactions;
- (v) to reduce the Company's capital in accordance with the Twelfth Resolution submitted to the meeting, subject to its approval.

MAXIMUM SHARE OF CAPITAL, MAXIMUM NUMBER AND FEATURES OF SHARES, MAXIMUM PURCHASE PRICE**Shares concerned**

The purchase programme corresponds to the Company's shares (ISIN code FR0000051070), traded on Euronext Paris (compartment A).

Maximum proportion of capital

The maximum number of shares which may be purchased may not exceed 10% of the total number of shares composing the Company's capital, with the understanding that:

- the number of shares acquired by the company to be retained and subsequently remitted as payment or in exchange in a merger, demerger or spinoff may not exceed 5% of its capital pursuant to the provisions of Article L. 225-209, Paragraph 6 of the Commercial Code, which is 6,028,490 shares on the date of publication of this description; and
- this limit applies to an amount of the Company's capital which will be adjusted, if applicable, to take into account the operations affecting the Company's capital after the General Meeting of 24 February 2009. The purchases made by the Company may under no circumstances allow it to hold, directly or indirectly, more than 10% of its capital.

Purchase price

The maximum purchase price set by the Company for its own stock must not exceed €18 per share.

Repurchase procedure

Such share purchases, sales, exchanges or transfers may be carried out by any means, i.e. on the stock market or over the counter, including through the acquisition or sale of blocks of shares, or through the use of financial instruments, particularly derivatives traded on a regulated or over the counter market, such as put or call options or any combination thereof, except for purchases of call options, or warrants, subject to the terms authorised by the competent market authorities and for the periods set by the Company's Board of Directors. The portion of the share capital acquired or transferred in blocks of shares may equal the total programme.

Such transactions may take place at any time, in compliance with legal requirements in force, including during a tender offer, subject to all legal and regulatory provisions applicable in such matters.

DURATION OF THE PURCHASE PROGRAMME

The duration of this repurchase of shares scheme is 18 months as from the General Meeting of 24 February 2009, i.e., until 23 August 2010 (inclusive).

RESULTS OF PREVIOUS PROGRAMMES

As at 31 December 2008, the Company was using stock purchase programmes involving a total of 6,436,407 shares purchased for a total sum of €86,016,346.03. Details of these operations are as follows:

Situation on 31 December 2008

Percentage of capital held by the company	5.34%
Number of shares cancelled over the last 24 months (135,300) or	0.11%
Number of shares held in the portfolio	6,436,407
Book value of the portfolio in €	86,016,346
Market value of the portfolio in € (on the basis of an average price of 8.528 in December 2008)	54,893,548

Results of executing the previous programmes between 1 April 2008 and 31 December 2008

	Cumulative gross cash flows *		Open positions as at the publication date of the description of the scheme	
	Purchases	Sales/Transfers**	Open purchase positions	Open sales positions
Number of securities	2,777,582	2,044,471		
Average maximum maturity				
Average transaction price	14.134	14.555		
Average exercise price				
Totals	39,258,344	29,757,762		

* Cumulative gross flows include cash purchase and sale transactions as well as options and forward or spot transactions.

** Of which 428 shares delivered following the conversion of 406 OCEANES.

Under the liquidity agreement, 2,130,922 shares were purchased for €30,309,798, i.e., €14.22 per share, and 2,044,471 shares were sold for €29,757,762, i.e., €14.555 per share.

11.3.3 Securities providing future access to the issuer's capital

11.3.3.1 - Bonds with the option of conversion and/or exchange for new or existing shares

On 9 March 2005, Maurel & Prom, pursuant to the decisions of the Management Board on 28 February and 1 March 2005, and of a member of the Board dated 1 March 2005, acting on a delegation from the Management Board, issued, with elimination of pre-emptive subscription rights, bonds convertible for conversion and/or exchange for new or existing shares, maturing on 1 January 2010, for a total nominal amount of €374,999,978.76, represented by 16,711,229 bonds with a nominal value of €22.44 (the "OCEANES").

The OCEANES were listed for trading on the Euronext Paris market under ISIN code FR0010173690. A prospectus relating to the issue of OCEANE bonds was approved by the Autorité des Marchés Financiers on 1 March 2005, under number 05-122, and is available on the AMF's website.

On 25 June 2008, the company informed the holders of OCEANES that following the distribution of a dividend of €1.20 per share on 19 June 2008, the stock conversion ratio was automatically increased from 1.05 Maurel & Prom shares for 1 OCEANE to 1.10 share for one OCEANE, in accordance with the issuance agreement.

During fiscal year 2008, 406 OCEANES were converted and exchanged for 428 existing treasury shares held by the Company. Consequently, on 31 December 2008, 16,703,858 OCEANES, with a total par value of €374,834,574, remain in circulation and are likely to undergo a capital increase totalling €14,148,167.88 through the creation of 18,374,244 new shares with par value of €0.77 each.

11.3.3.2 - History of the share capital

The following table shows the change in the Maurel & Prom share capital during fiscal year 2008 and up to 31 December 2008:

Transactions and dates	Change in capital			Total Cumulative Of shares outstanding
	Total share capital	Number of shares	Share capital after the deal	
2008 12 June exercise of options	€27,635.30	35,890	€92,838,751.39	120,569,807
2008 25 September capital increase	€53,900	70,000	€92,892,651.39	120,639,807
2008 25 September cancellation of treasury shares	€(53,900)	(70,000)	€92,838,751.39	120,569,807
2008 16 December, capital increase	€50,281	65,300	€92,889,032.39	120,635,107
2008 16 December cancellation of treasury shares	€(50,281)	(65,300)	€92,838,751.39	120,569,807

11.3.4 Potential dilution of capital

The table below enables assessment of the maximum potential dilution of the Company's capital resulting from the conversion or exercise of all securities that give access

to the Company's capital still existing on 31 December 2008 (stock options, OCEANEs, free shares):

	Date of issuance/ allocation	Conversion deadline début	fin	Number of securities	Number of shares current	potential	Dilution potential
Capital at 31 Dec. 2008				€92,838,751.39	120,569,807		
Stock options	25/10/01	26/10/04	Unlimited	10,760		10,760	0.01%
Stock options	06/04/05	07/04/05	06/04/10	280,000		280,000	0.23%
Stock options	21/12/05	22/12/05	21/12/10	170,000		170,000	0.14%
Stock options	04/01/06	03/01/06	03/01/11	80,000		80,000	0.07%
Stock options	10/04/06	11/04/06	10/04/11	80,000		80,000	0.07%
Total stock options					620,760	620,760	0.51%
Bonus shares	21/12/07			116,524		116,524	0.10%
Bonus shares	25/04/08			46,750		46,750	0.04%
Bonus shares	15/10/08			93,892		93,892	0.08%
Bonus shares	16/12/08			102,750		102,750	0.08%
Total Bonus shares				359,916		359,916	0.3%
OCEANEs	01/03/05	09/03/05	31/12/09	16,703,858		18,374,244	15.24%
Total				17,834,834		19,505,220	16.17%

OTHER

12.1 Major contracts

In Gabon, Maurel & Prom has no direct significant client relationships except with Socap International Ltd., a subsidiary of the Total group, and in Colombia with companies specialising in the sale and trading of crude oil. Socap will engage in the extraction and sale of crude from the Onal field in Gabon. Regarding Socap's signature quality, the Company does not believe there is any client risk.

In Colombia, contracts with buyers of production from various fields operated by the Maurel & Prom subsidiary in Colombia, Hocol, have been entered into over periods ranging from three to six months on calls for bids. Payment is guaranteed by letters of credit issued by international banks.

On 30 January 2009 the Company entered into an RBL financing agreement with a banking pool, the terms and conditions of which are described in Section 9.8.1 of this document.

Outside of these agreements and agreements entered into within the normal framework of its activities, the Company has not entered into any major agreements.

12.2 Transactions with related parties

In addition to its traditional holding activities conducted through general assistance contracts, and for the last three years, Maurel & Prom performed no specific services for its subsidiaries in 2008, except for providing employees to its subsidiaries (M&P Congo S.A. in Congo, Hocol in Colombia and Venezuela, M&P Gabon S.A. and Caroil S.A.S.). That service was invoiced at cost.

The special report of Maurel & Prom Statutory Auditors on the regulated agreements for 2008 is in Section 13.3.

Aside from the transactions indicated in the first paragraph, no other transaction has been conducted with affiliates since the start of fiscal year 2008.

12.3 Legal and arbitration proceedings

The main litigations in which the Company or its subsidiaries are involved are described below. For the period of the last twelve months, the Company has no knowledge of any administrative, judicial or arbitration proceedings, pending or threatened, that are likely to have, or have had in the recent past, a significant impact on the financial situation or profitability of the Company and/or the Maurel & Prom Group.

12.3.1 - Messier Partners litigation

Messier Partners, a financial consultancy company hired by the Company to provide financial assistance, brought legal proceedings in 2007 against the Company for payment of a success commission following the signing of the sale agreement with Eni. The claims put forward by Messier Partners in these proceedings totalled €14.7 million. Messier Partners partially won in the first instance proceedings and the Company was ordered to pay Messier Partners the sum of €5.6 million. The Company has lodged an appeal against the ruling. A provision has been booked in the Company's account for this sum. The Paris Court of Appeals, in a judgment issued on 5 March 2009, dismissed all provisions of the judgment rendered on 18 December 2007 by the Paris Commercial Court, dismissing all claims of Messier Partners and ordering Messier Partners to pay court costs for the lower court and appeals court and the payment of €50,000 for unrecoverable legal costs.

12.3.2 - Other litigation

12.3.2.1 - Caroil/Panafrican Energy Tanzania Ltd arbitration

As part of its onshore drilling business, Caroil signed a contract in February 2007 with the company Panafrican Energy Tanzania Ltd in relation to the provision in Tanzania of drilling services, including the supply of a drilling rig and suitable staff to construct a firm well, with an option on a second well.

In late September 2008, Panafrican Energy Tanzania Ltd instituted arbitration proceedings at the International Chamber of Commerce seeking payment of the sum of \$6.4 million plus interests as reimbursement of direct and indirect expenses related, according to Panafrican Energy Tanzania

Ltd, to the alleged malfunctioning of the drilling equipment. Caroil is disputing the claims of Panafrican Energy Tanzania Ltd and is asking the court to sentence Panafrican Energy Tanzania Ltd to the pay its invoices and the VAT advanced for a total of \$2.3 million plus interest. In addition, Caroil is requesting the sentencing of Panafrican Energy Tanzania Ltd to the payment of \$1.5 million plus interests for the damages borne due to the delays in the execution of the drilling operations caused by Panafrican Energy Tanzania Ltd, and \$0.5 million plus interests for the damage to Caroil's image.

12.3.2.2 - Agri Cher-Transagra litigation

From its prior business activity, there is still a contractual liability action dating back to 1996 against Maurel & Prom in connection with the court-supervised bankruptcy restructuring of Transagra and in the insolvency of the Agricher cooperative. The Company considers this action, for the amount of approximately €33 million, to be unfounded and has made no provision for it.

12.3.2.3 - Banking institution litigation

On 26 November 2008, a bank filed legal action against the Company in the Paris Commercial Court asking the court to recognise the validity of a framework agreement signed with the Company. This claim is seeking a finding that the complex financial instruments executed under this framework agreement in the summer of 2008 were validly issued, in order to obtain payment from the Company of the sum of \$51 million (€36.8 million) due for unwinding those instruments.

The Company, which provided information on this transaction when it published its half-year and annual financial statements, is disputing these transactions and believes that the bank acted in violation of the applicable rules and procedures. Concurrently with this procedure, negotiations are currently in progress between the parties to find an amicable resolution of this litigation. As a precaution, provisions have been recognised for maximum risk (\$36.8 million), without prejudice to the result of actions to dispute the transactions or obtain damages.

12.3.2.4 - AMF sanction

In a decision dated 4 December 2008, the Sanctions Commission of the French Autorité des Marchés Financiers (AMF) levied a fine of €300,000 against Maurel & Prom for incorrect and misleading information issued to the public in two press releases of 10 June and 26 October 2005. Maurel & Prom has appealed this decision pursuant to the provisions of Articles R.621-44 to R.621-46 of the French Monetary and Financial Code.

12.4 Sale of the Colombian subsidiary

On 10 March 2009, Maurel & Prom and Ecopetrol announced that they had signed a memorandum of understanding for the sale of Hocol Petroleum Ltd (Hocol Colombia), wholly owned by Maurel & Prom. The total amount of the transaction, payable in cash, is \$748 million and may be increased by the earnout resulting from the application of the following two clauses:

- adjustment based on certified 2P reserves on the potential Huron field on the Niscota permit;
- adjustment based on the level of oil prices.

Maurel & Prom retains the following assets:

- 100% of the Muisca exploration permit;
- 50% of Hocol's rights to the Tangara exploration permit (in partnership with Ecopetrol and Talisman);
- 100% of the Sabanero exploration permit;
- 100% of the SSJN-9 exploration permit;
- 100% of block 116 in Peru;
- all its rights in Venezuela;
- potential rights in Brazil (pending signature).

This agreement will come into force with retroactive effect on 1 January 2009. Its implementation is subject to the performance of conditions precedent, including the approval of the Colombian competition authorities, which is scheduled to occur in the 2nd quarter of 2009. The final price may be adjusted based on the net contractual financial position determined by the parties.

12.5 Property, plant and equipment

With the exception of a building in Gabon, no company of the Maurel & Prom Group owns buildings.

The registered office is leased under a commercial lease.

Maurel & Prom Group is the co-owner with its partners of the equipment and installations needed for the production of hydrocarbons on the fields it operates throughout the duration of their extraction and of some of the oil pipelines used to carry the crude oil to the take-off point. The Group also owns, through its subsidiary Caroil, most of the equipment needed for its exploration and drilling activities.

12.6 Research and development, patents and licences

Maurel & Prom Group does not carry out any research and development activities and holds no patents or any significant licences.

12.7 Information from third parties, expert reports, and declarations of interest

The Company requested the US firm DeGolyer & MacNaughton, an independent entity, to certify the Group's hydrocarbon reserves. The results of this assignment were communicated by the Company on 11 February 2009. Any information relating to the hydrocarbon reserves of the Maurel & Prom Group provided in this document is based on the independent certification from DeGolyer & MacNaughton.

12.8 Documents available to the public

12.8.1 - Consultation of legal documents

Generally, the Articles of Association, minutes of General Meetings, Statutory Auditors' reports and other corporate documents relating to Maurel & Prom may be consulted at the Company's registered office:

12, rue Volney - 75002 Paris, France.

The nature of these documents and the terms under which they are transmitted or made available are determined by applicable laws and regulations.

Financial notices are regularly published in the business and financial press on release of sales, results and other important events for the Company or Maurel & Prom Group.

Information on the Company is available on the Internet at: www.maureletprom.fr so that shareholders, employees and the general public may view a general presentation of Maurel & Prom Group and key financial information, such as results, press releases, Annual Reports, presentations to analysts, share prices, key statistics, information on shareholders and corporate governance and any significant event regarding the Company and Maurel & Prom Group.

Financial PR agency:

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The 2008 Annual Report, established pursuant to the terms of Article 222-7 of the general regulations of the *Autorité des Marchés Financiers* is attached in 13.7.

12.8.2 - Tentative financial reporting timetable

30/04/2009
First quarter 2009 sales

18/06/2009
2009 General Meeting

30/07/2009
First half 2009 sales

27/08/2009
First half 2009 results

10/09/2009
First half 2009 results – SFAF presentation

29/10/2009
Third quarter 2009 sales

This timetable, available at: www.maureletprom.fr is tentative and will be changed.

12.9 Information on equity interests

The characteristic data as at 31 December 2008 on the main Maurel & Prom Group subsidiaries concerning its hydro-

carbon exploration and extraction activity appear in the chart below.

This presentation of the interests is not exhaustive and covers only the main subsidiaries.

Company	Registered Office	Percentage interest		
		31/12/2008	31/12/2007	31/12/2006
France Drilling				
Caroil S.A.S.	Paris	100.00	100.00	100.00
Congo				
Maurel & Prom Congo S.A.	Pointe Noire. Congo	99.90	99.90	-
Zetah Kouilou Ltd	Nassau Bahamas	15.00	15.00	65.00
Zetah Noumbi Ltd	Nassau Bahamas	49.00	49.00	49.00
Colombia et Venezuela				
Hocol S.A.	Cayman Islands	100.00	100.00	100.00
Homcol Cayman Inc.	Cayman Islands	100.00	100.00	100.00
M&P Colombia BV (formerly Hocol Venezuela BV)	The Netherlands	100.00	100.00	100.00
Hocol - Maurel & Prom - Venezuela S.A.S.	Paris	100.00	100.00	
Gabon				
Maurel & Prom Gabon Ltd.	British Virgin Islands	100.00	100.00	100.00
M&P Etekamba S.A.	Libreville. Gabon	100.00	100.00	100.00
M&P Gabon Nyanga-Mayombé S.A.	Libreville. Gabon	100.00	100.00	100.00
Cuba				
Pébercan Inc.	Montreal, Canada	19.10	19.15	19.39*
Italy (Sicily)				
Panther Eureka S.r.l.	Ragusa, Italy	30.00	30.00	30.00

* As at 30 June 2006.

APPENDICES TO THE ANNUAL REPORT

13.1 Appendix 1 - glossary

Below is a list of the main terms, symbols and abbreviations used in the Annual Report:

\$	US dollar.
\$/b	dollars per barrel.
\$K	thousands of dollars
\$m	millions of US dollars.
€	euro.
€K	thousands of euros.
€m	millions of euros.
2D/3D seismic	seismic surveying is one of the basic essential methods used in oil exploration. it is the geophysical method consisting of transmitting sound waves through the sub-surface and recording their propagation in the sub-surface so as to obtain information on the earth's structure. It can be 2 or 3-dimensional.
Anhydrous	containing no water.
Annual production	the production available for sale (after oil taxes).
b (barrel)	refers to the unit of volume measurement of crude oil, 159 litres (42 US gallons). A ton of oil is approximately 7.5 barrels.
b/d	barrels per day.
CAPEX	capital expenditures: tangible and intangible investments/development expenditure.
Certified reserves	reserves certified by DeGolyer and MacNaughton correspond to Maurel & Prom's share of reserves after deduction of royalties in kind.
Choke	a calibrated orifice, expressed in inches, used to regulate the flow of a well during production trials and during production.

Drilling	drilling involves creating a passage through the earth's crust to take samples from the sub-surface or extract fluid substances. Originally, the boreholes were always vertical. But today, when this is not possible, diagonal holes are drilled, which may be pointed to specific points, as for off-line drilling.
EPSC	refers to an Exploration and Production Sharing Contract.
Farm-in	equity interests in an oil permit.
Flowing	produced by blowout.
HSE	Health, Safety and Environment.
Kboe	thousands of barrels of oil equivalent.
Lead	a pre-prospect (see below for the definition of "prospect").
LTIF	lost time injured frequency.
Maurel & Prom/own working interest production	operational production less partners' share.
Maurel & Prom/own working interest production net of royalties	Maurel & Prom/own working interest production less royalties.
Mboe	millions of barrels of oil equivalent.
MMSCFPD	billions of standard cubic feet per day.
Net reserves	the Company's share of total reserves of the oil fields (based on its equity stake) and taking into account the production agreement for sharing oil profits and costs.
Operator	the company in charge of operations on an oil field.
OPEX	"operating expenses": operating expenses.
P1 reserves	proven reserves are the quantities of hydrocarbons contained in reservoirs and blocks with wells which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially viable at current market prices. A portion of proven reserves may not be developed and require additional investment to be produced.
P2 reserves	probable reserves are unproven reserves which analysis of geological and engineering data suggests are likely to be recoverable particularly (1) by extension drilling inside the perimeter defined by the oil-water contact, (2) and by putting in place secondary recovery methods.

P3 reserves	possible reserves are unproven reserves which, based on geological interpretations (1) could possibly exist beyond areas classified as probable, (2) appear to be separated from the proven area by major faults, (3) are located in an area structurally lower than the proven area but above the structural closure of the field.
Pipeline	a pipeline for conveying fluids.
Production entitled after oil tax paid in cash/Entitlement	net Maurel & Prom working interest production after royalties and oil tax paid in kind, equivalent to production sold before changes in inventories.
Production operated	total production of a field before production profit share.
Production-sharing contract (PSC)	the contract entered into between the State and the company exploiting the permit; this contract determines all the operator's rights and obligations, and particularly the percentage of cost oil (by which the operator recovers the exploration and development costs borne by the operating company) and the level of profit oil.
Prospect	the region in which, after surveys, the geologists believe hydrocarbons can be found.
Reserves net of royalties	total reserves of a field less royalties.
Rig	drilling rig.
Royalties	oil taxes in kind based on a percentage of the production from a field.
RRR	reserve replacement ratio.
TEA	Technical Evaluation Agreement.
Vasconia benchmark	benchmark on which the price of a barrel of oil is based in Colombia.
Vasconia differential	discount between Vasconia and WTI, depending on the oil quality.
Work over	an operation to reopen wells.
WTI	West Texas Intermediate, the reference price for oil quality in the United States.

13.2 Appendix 2 - Consolidated financial statements and company financial statements as of 31 December 2008

13.2.1 - Consolidated financial statements

Group Balance Sheet

ASSETS

<i>In thousands of euros</i>	Notes	31/12/2008	31/12/2007
Intangible fixed assets	4	681,766	554,922
Tangible fixed assets	5	728,294	389,954
Non-current financial assets	6	21,000	28,216
Investments accounted for under the equity method	7	37,701	3,138
Deferred tax assets	21	18,979	22,7866
Non-current assets		1,487,740	999,016
Inventories	8	10,123	7,389
Trade receivables and related accounts	9	39,003	52,852
Other current financial assets	9	23,220	29,671
Other current assets	9	72,482	42,615
Income tax receivable	21	417	7,074
Derivatives and other financial instruments	10	70,734	5,430
Cash and cash equivalents	12	191,544	699,939
Current assets		407,523	844,970
Total Assets		1,895,263	1,843,986

LIABILITIES

<i>In thousands of euros</i>	Notes	31/12/2008	31/12/2007
Share capital	13	92,839	92,811
Issue premiums, merger and acquisition	13	199,113	201,139
Consolidated reserves	13	768,005	52,385
Treasury shares	13	(86,016)	(54,296)
Net income, Group share		62,505	766,096
Shareholders' equity, Group share		1,036,446	1,058,135
Minority interests		1	(342)
Total shareholders' equity		1,036,447	1,057,793
Non-current provisions	14	42,830	30,795
Non-current bonds	15	-	336,932
Other non-current borrowings and loans	15	3,656	15,754
Trade payables and non-current related accounts	16	-	3,624
Non-current financial instruments	10	4,500	-
Deferred taxes, liabilities	21	157,005	146,199
Non-current liabilities		207,991	533,304
Current bonds	15	375,024	13,089
Other current borrowings and loans	15	16,008	16,145
Trade payables and related accounts	16	104,395	107,685
Income tax payable	21	29,644	121
Other creditors and sundry liabilities	16	60,708	71,899
Financial instruments	10	14,861	22,274
Current provisions	14	50,185	21,676
Current liabilities		650,825	252,889
Total Liabilities		1,895,263	1,843,986

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>In thousands of euros</i>	Share Capital	Treasury shares	Share premium	Share Reserves	Exchange gains/losses	Net income for the year	Shareholders equity Group share	Minority interests	Total shareholders' equity
1 January 2007	92,546	(10,483)	198,500	148,849	(40,760)	180,665	569,317		569,317
Exchange gains/losses					(81,202)		(81,202)		(81,202)
Financial instruments				(12,517)			(12,517)		(12,517)
Net income posted directly as shareholders' equity				(12,517)	(81,202)		(93,719)		(93,719)
Appropriation of income (losses)				20,802	16,125	(180,665)	(143,738)		(143,738)
Net income						766,096	766,096	(342)	765,754
Total income and expenses recognised for the year				20,802	16,125	585,431	622,358	(342)	622,016
Capital increase	265		2,639				2,904		2,904
Stock options - bonus shares				1,088			1,088		1,088
Movements on treasury shares		(43,813)					(43,813)		(43,813)
31 December 2007	92,811	(54,296)	201,139	158,222	(105,837)	766,096	1,058,135	(342)	1,057,793
1 January 2008	92,811	(54,296)	201,139	158,222	(105,837)	766,096	1,058,135	(342)	1,057,793
Exchange gains/losses					62,039		62,039	342	62,381
Derivative instruments				22,992			22,992		22,992
Net income posted directly as shareholders' equity				22,992	62,039		85,031	342	85,373
Appropriation of income (losses)				629,016		(766,096)	(137,080)		(137,080)
Net income						62,505	62,505	1	62,506
Total income and expenses recognised for the year				629,016		(703,591)	(74,575)	1	(74,574)
Increase/decrease in share capital	28		34				62		62
Stock options - bonus shares				1,677			1,677		1,677
Movements on treasury shares		(31,720)	(2,060)	(104)			(33,884)		(33,884)
31 December 2008	92,839	(86,016)	199,113	811,803	(43,798)	62,505	1,036,446	1	1,036,447

GROUP INCOME STATEMENT

<i>In thousands of euros</i>	Notes	31/12/2008	31/12/2007
Sales		385,213	289,548
Other income		15,773	4,440
Purchases and change in inventory		(33,511)	(23,579)
Other purchases and operating expenses		(79,770)	(78,392)
Other taxes		(16,078)	(5,570)
Payroll	17	(30,133)	(29,000)
Amortisation		(76,516)	(70,526)
Depreciation of exploration and production assets		(67,076)	(48,373)
Provisions and impairment of current assets		(27,961)	(9,578)
Reversals of operating provisions		12,457	1,989
Income from sale of assets		19,041	(110)
Other expenses		(5,928)	(7,538)
Operating income		95,511	23,311
<i>Gross cost of debt</i>		(28,665)	(29,677)
<i>Income from cash</i>		14,350	29,337
<i>Net gains and losses on derivative instruments</i>		75,073	(17,941)
Net cost of debt		60,758	(18,281)
Other financial income and financial expenses		(65,648)	(38,423)
Financial income (loss)	20	(4,890)	(56,704)
Income before tax		90,621	(33,393)
Income tax	21	(37,810)	(16,763)
Net income of consolidated companies		52,811	(50,156)
Total share in net income (loss) of companies consolidated under the equity method	7	9,694	(571)
Net income from continuing operations		62,505	(50,727)
Net income from discontinued activities	18	0	816,481
Net income of consolidated Group		62,505	765,754
Net income – Group share		62,504	766,096
Minority interests		1	(342)
Earnings per share	22		
Basic		0.55	6.58
Diluted		0.47	6.79
Earnings per share from discontinued activities			
Basic		-	7.01
Diluted		-	7.01
Earnings per share from continuing activities			
Basic		0.55	-0.44
Diluted		0.47	-0.22

CASH FLOWS STATEMENT

<i>In thousands of euros</i>	Notes	31/12/2008	31/12/2007
Consolidated income from continued activities before taxes		100,315	(33,963)
- Net contributions (writebacks) of amortizations and provisions		132,480	78,721
- Unrealised gains and losses due to changes in fair value		(7,183)	32,205
- Exploration posted as expense		56,622	21,199
- Calculated expenses and income related to stock options and similar		1,677	1,088
- Other calculated income and expenses		25,476	24,487
- Gains and losses from sales of assets		(24,505)	(17)
- Share in income (loss) of companies consolidated by the equity method	7	(9,694)	571
- Income from cash	20	(14,811)	(28,904)
- Other financial items		3,412	5,427
Cash flow before tax		263,789	100,814
Tax		(17,564)	(53,045)
Change in working capital from operations		(53,410)	49,232
- Trade receivables		11,001	(21,596)
- Trade payables		(11,725)	36,776
- Inventories		(2,094)	(790)
- Other		(50,592)	34,842
Net cash flow generated by operating activities		192,815	97,001
Disbursements for acquisitions of tangible and intangible fixed assets		(540,627)	(384,930)
Receipts from sales of tangible and intangible fixed assets		4,106	2,560
Disbursements for acquisitions of financial assets (unconsolidated securities)		(919)	(847)
Receipts from sales of financial assets (unconsolidated securities)		-	-
Acquisition of subsidiaries		(18)	-
Increased stake in equity-method companies		8,932	-
Change in loans and advances granted		(6,000)	(5,615)
Other cash flows from investing activities		105	-
Net cash flow from investing activities		(534,421)	(388,832)
Amounts received from shareholders during capital increases		62	2,904
Dividends paid		(137,080)	(143,738)
Receipts from new loans		11,847	437
Interest paid		(3,413)	(5,427)
Interest received		14,811	28,904
Loan repayments		(22,230)	(35,772)
Treasury share acquisitions		(33,884)	(43,812)
Net cash flow from financing activities		(169,887)	(196,504)
Impact of foreign currency fluctuations		5,882	(23,544)
Net receipts from sold activities *		-	1,019,843
Net change in cash flow		(505,611)	507,964
Opening net cash and cash equivalents		694,306	186,342
Net cash and cash equivalents at year end from sold activities		-	-
Closing net cash and cash equivalents	12	188,695	694,306

* Net of cash flow from operations minus capital expenditure and repayment of RBL

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NOTE 1 : General

In 2008, the petroleum environment was marked by sharp volatility in the price per barrel. The price of Brent, approximately \$90 at the start of the year, increased steadily throughout the first half to peak at over \$140 in July, before declining continuously in the second half to below the \$60 threshold at year-end.

The average price per barrel in 2008 was \$97 for Brent and \$99 for WTI, i.e., up 34% and 37% respectively, over the previous year. The resulting positive impact on revenues, however, was partially offset by the 7% decline in the \$/€ exchange rate.

This environmental data only partially explains the increase in revenues in 2008 to €385.2 million, up 33% over the previous year.

The group share of average daily net production (after in-kind oil taxes) increased 27% in one year, after the increase in production at the Ocelote field in Colombia. It rose to 15,704 b/d (17,396 b/d including Venezuela) in 2008, compared to 12,365 b/d in 2007.

Regarding the strategy implemented to restore reserves after the disposal of the M'Boundi assets, the Group invested heavily in the production and development of fields, as well as in the prospecting, drilling and acquisition of new exploration zones.

EXPLORATION ACTIVITY

In 2008, 25 exploratory drills were started and completed: 11 were abandoned for lack of results, 9 yielded positive and commercially exploitable results, and 5 were suspended. 4 exploratory wells were in the process of being drilled at 31 December 2008. These results allowed the Group to validate the hypotheses formulated on the Omoueyi permit (Onal satellites) and highlighted a new petroleum theme in Gabon (Le Kissenda) with the discovery of the Omko field in July 2008. This exploratory well, located 6 km. east of the Onal field (3.6 km east of the production centre) found two oil-impregnated sandstone intervals in the geological formations:

- the Kissenda at 56 m, a new theme in this region of Gabon. This level produced a flow of 3,050 b/d on a 40/64" choke with a head pressure of 595 psi;
- base sandstone themes at 43.5 m, which Maurel & Prom has already identified in the Congo with the M'Boundi and Kouakouala fields and in Gabon with the Onal field. This level produced a flow of 2,460 b/d on a 32/64" choke with a head pressure of 660 psi.

The oil produced had an API of between 35.7 and 36.7°. A long-term test authorisation was obtained for the Omko-1 well. A request for authorisation for Exclusive Exploitation will be filed after drilling two appraisal wells in the Omko field, to take place in 2009.

In Tanzania, activity in fiscal year 2008 focused on two major objectives: appraisal of the potential of the M'Kuranga discovery, which was disappointing, and drilling of the Mafia prospecting well, which is currently underway. Regarding the Bigwa Rufiji Mafia permit, the Minangu-1 well reached the planned final cut of 2,883 m. The Kipatimu formation tests identified a barely permeable reservoir containing gas. Undoubtedly, these reservoirs are not commercially exploitable in the absence of a discovery of a more conventional field in the vicinity.

The exploratory works carried out in Colombia defined new prospects and identified new reserves, specifically in the Guarrojo permit, where the Ocelote field, currently in development, was prospected, with an extension to the north identified.

DEVELOPMENT ACTIVITY

Development works largely involved the Onal and Ocelote fields. Maurel & Prom developed the Ocelote field in Colombia, which was discovered in early 2007 and identified a northern extension. A development plan for this field was filed with the National Hydrocarbons Agency in August 2008. The operating license was obtained on 19 December 2008. Development consisted of drilling new wells and increasing processing capacity. Since early January, this capacity has attained a 100% level of oil production, 10,300 b/d.

Regarding the start-up of production of the Onal field, construction of the production centre was completed and the gas pipeline, intended to supply the Onal facilities, was connected on 23 December 2008. On 9 February 2009, the Group announced connection of the gas from the Onal production centre. The oil line from the Onal field production facilities was connected on 23 February 2009, after the opening of the Omko-101 well (Omko structure) located 7 km from the facilities. Only Kissenda came on-stream as part of the long-term test authorised by the General Hydrocarbons Division. The choice of this well to initiate the Onal facilities had to do with the lower paraffin content of the Omko oil, facilitating the transitory period of increasing the temperature of the oil pipelines and the equipment. The Onal oil well was opened on Monday, 9 March 2009, along with the opening of the first 11 wells of the PF-500, PF-700 and PF-900 platforms, at a planned initial level of 10,000 b/d at 100%. The evacuation pipeline (120 km) installed between Onal and the Coucal delivery point was completed on 13 March 2009.

ACTIVITY OF SUBSIDIARIES

In Venezuela, the Maurel & Prom Group obtained 26.35% of the share capital and 2 (out of 5) director positions at the Company Lagopetrol. These rights were obtained in exchange for petroleum assets, particularly reserves of petrol, which Maurel & Prom was holding in Venezuela. An agreement to transfer these assets to Lagopetrol was signed with PdVSA on 12 December 2007, and made official upon publication of the transfer decree in the Venezuelan official government gazette on 11 January 2008. Consequently, Maurel & Prom has consolidated Lagopetrol in accordance with the equity method since January 2008.

Drilling activities are carried out by our wholly-owned subsidiary Caroil, which is developing in the onshore drilling segment. Caroil's strategy is to expand its client portfolio among third-party companies and develop its scope of activity, while maintaining its privileged relationship with Maurel & Prom. At 31 December 2008, the Company was managing 15 operating units and earning 62% of its revenues from clients other than the Group. Caroil's contribution to consolidated revenues in 2008 totalled €84.8 million, up 11% over the previous year.

NOTE 2 : Accounting methods

The consolidated financial statements were prepared in accordance with the historic cost method, with the exception of certain categories of assets and liabilities in accordance with IFRS.

In application of European Regulation 1606/2002 of 19 July 2002 on international standards, the consolidated financial statements of Maurel & Prom as at 31 December 2008 were prepared in accordance with IAS/IFRS applicable at 31 December 2008, as approved by the European Union and available at the website http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

International accounting standards include the IFRS (International Financial Reporting Standards), IAS (International Accounting Standards), and their interpretations (Standing Interpretations Committee and International Financial Reporting Interpretations Committee).

New texts or amendments adopted by the European Union, mandatory as of 1 January 2008, do not have a material impact on the consolidated financial statements of 31 December 2008: IFRIC11 – IFRS2 (treasury shares and intra-group transactions), and amendments of IAS39 and IFRS7 (reclassification of financial assets).

Moreover, these principles do not differ from the IFRS as published by the IASB, insofar as the application of the following standard or interpretations, mandatory for the fiscal years starting on and after 1 January 2008 and not yet endorsed by the European Union, have no impact on the Group's financial statements: IFRIC12 (Service concession arrangements) and IFRIC14 (Asset floors under defined benefit regimes, minimum financing requirements).

The Group has not provided for the advance application of standards and interpretations that are not mandatory at 1 January 2008, such as IAS1 (presentation of financial statements – capital management), IAS23 (borrowing costs), IFRS8 (operating segments), IFRIC 13 (customer loyalty programme), revised IFRS3 (business combination), amended IAS27 (consolidated and individual financial statements), amended IFRS2 (share-based payments, vesting conditions and cancellation), and amended IAS32 (redeemable financial instruments).

The process of determining the potential impacts of the application of these new standards on the Group's financial statements is underway. In an initial analysis, these impacts should have little or no impact, since at this stage they cannot be known with sufficient precision.

These IFRS standards have been applied by the Group consistently for all periods presented.

In order to prepare consolidated financial statements compliant with IFRS, the Group had to make accounting choices, undertake a certain number of estimates and select assumptions which affect the amount of assets and liabilities, the notes on the potential assets and liabilities at the end of the year, and the income and expenses recorded for the period. Changes in facts and circumstances may lead the Group to review these estimates.

The results obtained may significantly differ from these 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 policies that will provide relevant and reliable information. The financial statements are a true and sincere reflection of the Group's financial position, performance, and cash flows. They reflect the substance of transactions, are prepared in a prudential manner, and are complete in all material aspects.

Management's key accounting choices and estimates include:

- the preliminary, then final allocation of the acquisition price;
- the impairment tests on oil reserves;
- provisions for site restoration;

- provisions for severance and retirement benefits;
- accounting for financing of petroleum costs on behalf of third parties;
- and the recognition of deferred tax assets.

2.1 Consolidation methods

The companies controlled by Maurel & Prom are fully consolidated. Control is alleged when the percentage of voting rights is greater than 50% or is established when the Company has effective control through agreements with the partners.

Intra-group balances, transactions, income and expenses are eliminated in the process of consolidation.

The companies in which Maurel & Prom has a significant influence are consolidated with the equity method. Significant influence is assumed to exist when the percentage of voting rights is greater than or equal to 20%, unless the absence of participation in the Company's management demonstrates an absence of significant influence. When the percentage is lower, consolidation with the equity method is applied in cases where significant influence can be proven.

Joint ventures are consolidated proportionally.

2.2 Business combinations and goodwill

Business combinations are recognised according to the acquisition method. Thus, when a company is taken over, assets, liabilities and contingent liabilities of the acquired company are valued at fair value according to IFRS requirements.

Purchase price discrepancies realised within such occasions are posted to the corresponding assets and liabilities, including for minority interests.

The difference between the purchase cost and the buyer's share in the net assets at their fair value is recorded as goodwill.

If the cost of an acquisition is less than the fair value of the net assets of the acquired subsidiary, the identification and assessment of the identifiable asset and liability items are subject to an additional analysis.

Residual negative goodwill must be directly recorded as net operating income.

Goodwill analysis is finalized within a period of one year as from the acquisition date.

Goodwill is not amortised but is subject to systematic impairment tests at each year-end; losses of value reported on goodwill are irreversible.

Goodwill for companies consolidated according to the equity method is posted to securities consolidated according to the equity method.

When the loss of value criteria such as defined by IAS39 "Financial instruments - recognition and measurement" indicate that investments recorded on an equity basis have lost value, the amount of the loss is established according to the rules defined by IAS36 "Impairment of assets".

Furthermore, acquisitions of minority interests are booked by using the "parent entity extension method" according to which the difference between the price paid and the carrying amount of the share of the acquired net assets is booked under goodwill.

2.3 Oil business assets

Maurel & Prom carries out its exploration and production business partly under production-sharing contracts (PSC). This type of contract, signed with the host State, sets the rules for cooperation (in association with any partners), production sharing with the State or national company representing it, and defines the tax conditions corresponding to the business.

Under these agreements, the Company undertakes, with regard to its interests, to finance exploration and production activities, and in exchange receives a share of the production known as cost oil; the sale of this production must allow for a return on its investment as well as on the operating costs incurred; the balance of the production (profit oil) is then shared in variable proportions with the State; the Company thus discharges in kind its portion of the tax on its business revenues.

In these production sharing contracts (PSC), the Company records its share of assets, revenue and income according to its share in the permit concerned.

The main methods of recording the costs of oil business are as follows:

OIL EXPLORATION 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 at the amortisation rate for the oil production installations.

If the permit is withdrawn or the exploration fails, the remaining amortisation is reported all at once.

Acquisition of reserves

The 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 year to the hydrocarbon reserves at the beginning of the same year, re-estimated based on an independent appraisal.

Exploration costs

The Group applies IFRS6 on the recognition of exploration expenditure. Oil production and assets are recorded according to the full costs method.

Exploration surveys and activities, including geological and geophysical expenditure, are recorded under assets on the balance sheet as intangible assets.

The expenses incurred prior to the exploration permit allocation are recorded as expenses.

Expenses incurred after such date are capitalised and amortised as from the beginning of operations.

Exploration costs incurred for a permit that does not result in a commercial discovery and which leads to the decision to definitively stop work on a region or geological structure are expensed in the year the failure is recognised.

At the time of the discovery, these costs then become operating costs, a portion of which is transferred to property, plant and equipment, depending upon their nature.

As soon as a sign of loss of value is detected (maturity of a permit, subsequent unbudgeted expenses, etc.), an impairment test is carried out to check that the carrying value of the expenses incurred does not exceed the recoverable value.

Apart from the signs of impairment, with regard to exploration costs, impairment tests are carried out as soon as the Maurel & Prom Group has sufficient data (based on the results of the appraisal wells or seismic survey works, etc.) as to determine technical feasibility and economic viability; these tests are carried out in the field.

Oil production assets

Oil production assets include all the exploration-related costs transferred to exploration costs following the discovery and those relating to field development (production drilling, surface facilities, oil evacuation systems, etc.)

This asset appears under the Technical facilities heading (see Note 5).

Fixed assets that are not completed at the year-end are recorded under fixed assets in progress.

Completed fixed assets are amortised according to the unit of production method. The amortisation rate equals the ratio between the field's hydrocarbon production during the year and the hydrocarbon reserves re-estimated at the beginning of the same year by an independent appraiser.

For assets relating to the entire field (pipelines, surface units, etc.), estimated reserves are the proven and probable "2P" reserves compared to the group share.

For assets relating to specific areas of a field, the estimated level of reserves corresponds to the area's developed proven reserves.

The reserves taken into account are those established on the basis of analyses carried out by independent entities provided that they are available on the year-end date.

Except for borrowing costs directly assignable to a fixed asset acquisition, the borrowing costs are not incorporated into the cost price of a fixed asset in a construction period.

Site restoration costs

Provisions for site restoration are established whenever the Group is required to dismantle and restore sites (see Note 2.18). They are estimated for each field.

The discounted cost of sites restoration is capitalized and connected to the value of the underlying asset and amortised at the same rate as such asset.

Financing of petroleum costs on behalf of third parties

The financing of petroleum costs on behalf of third parties is a transaction that consists, in a petroleum partnership, of standing in for another member of the partnership to finance its share in the work cost.

When the characteristics are similar to those of other petroleum assets due to the contractual terms, financing of petroleum costs on behalf of third parties is treated as a petroleum asset.

Consequently, under Paragraph 47 (d), FAS 19, which is normally applied to the oil sector, the accounting rules are those that apply to expenses of the same kind as the corresponding group share (fixed assets, amortisation, depreciation, operating costs as expenses).

- posting of financed exploration costs to intangible assets (Maurel & Prom share of financed partner's costs);
- in the case of research that did not result in production: recognition of all costs as expenses;
- if it does result in production: transfer of costs recorded under intangible assets as tangible assets (technical facilities);

- the share of hydrocarbons that reverted to financed partners and used for reimbursement of the amount financed is considered as revenues for the financing partner;
- reserves corresponding to financed costs are added to the reserves of the partner carrying the costs;
- amortisation of technical facilities (including the share of financed partners) according to the production unit method, by incorporating into the numerator the production of the period assigned to reimbursement of the costs financed, and into the denominator the share of reserves used to reimburse all of the costs financed.

2.4 Other intangible assets

balance sheet for such value, less the total of any amortisation and impairment.

Amortisation is calculated using the straight-line method and the amortisation period is based on the estimated service life of the various categories of intangible assets amortised over one to three years.

2.5 Other tangible assets

The gross value of other tangible assets corresponds to their cost of acquisition or production. It is not revalued. The borrowing costs are excluded from the cost of the assets.

Amortisation is calculated with the straight-line method and the amortisation period is based on the estimated service life of the various categories of assets, the main ones being:

- construction: 10 years;
- infrastructure works: 8 to 10 years;
- ships: 10 to 20 years;
- drilling rigs: 3 to 20 years;
- technical facilities: 3 to 10 years;
- fixtures and fittings: 4 to 10 years;
- vehicles: 3 to 8 years;
- office and computer equipment: 2 to 5 years; and
- office furniture: 3 to 10 years.

A finance lease is a lease that transfers almost all the risks and rewards inherent in the ownership of the assets from the lessor to the lessee. These agreements are recorded at their fair value under assets in the balance sheet, and if they are low, at the discounted value of the minimum lease payment defined by the finance lease agreement. The

corresponding lease obligation is recorded on the consolidated balance sheet as a financial liability. These capitalisations are amortised to reflect the utility periods applied by the Group.

Lease agreements that are not finance lease agreements as defined above are recognised as operating leases.

2.6 Assets impairment

When events are likely to cause a loss of value of tangible or intangible assets, and by default at least once a year, a detailed analysis is carried out on assets in order to establish whether their net carrying value is inferior to their recoverable value, the latter being defined as the highest of the fair value (minus the disposal costs) and the value in use. The value in use is determined by discounting the future cash flow expected from the use or the disposal of the good.

Cash flow is determined according to the identified reserves, the associated production profile and the expected selling price after taking into account the fiscal aspects applicable under the Production-Sharing Contracts.

The discount rate takes into account the risk relating to the business and its location.

The field is usually used as the cash generating unit (CGU). CGUs are homogenous groups of assets that generate cash flows from continuing use and that are largely independent of the cash flows from other asset groups.

If the recoverable amount is inferior to the net carrying value, a loss is recorded for an amount equal to the difference between these two amounts.

This loss of value may possibly be recorded, up to the limit of the net carrying value which the fixed asset would have on the same date if it had not been impaired. Impairment recognised on goodwill is irreversible.

2.7 Other non-current financial assets

Financial loans and receivables are initially recorded at their fair value and appear on the balance sheet at their amortised cost. They are written down if there is any objective sign of impairment. This impairment charge against earnings may subsequently be written back through the income statement if the conditions that caused the impairment cease to exist.

Non-consolidated long-term securities holdings are classified in the category of Available for Sale Financial Assets (see Note 6) and are valued initially and on the closing date at their fair value. For listed securities, the fair value is the stock market price representative of a liquid and open market; for unlisted securities, valuation models are used; if the fair value cannot be determined reliably, the securities are recorded at their cost.

Variations in fair value are directly recognised in shareholders' equity. If there is an objective sign of long-term loss of value, impairment is recorded through the income statement. This impairment is reversed through the income statement only when such securities are sold.

2.8 Inventories

Inventories are valued at acquisition or production cost. Production cost includes the items purchased and direct and indirect production costs.

Inventories are valued according to the FIFO method (First In First Out).

Hydrocarbon inventories are valued at production cost including the field and transport expenses and amortisation of the goods used in production.

A provision is recognised when the net realised value is lower than the gross value of the inventories.

2.9 Trade receivables

Trade receivables are initially recorded at their fair value.

At the year-end, provisions were recognised to cover cases of risk of non-recoverability.

2.10 Foreign currency transactions

Expenditure and income in foreign currencies are reported at their euro value equivalent to the functional currency value for the entity concerned on the date of the transaction. Debts, external borrowings, receivables and cash in foreign currencies appear on the balance sheet at their euro value equivalent to the functional currency value for the entity concerned at the year-end exchange rate. The differences resulting from the conversion into foreign currencies at that final exchange rate are recorded in the income statement under "other financial income" or "other financial expenses".

However, when the cash in foreign currency is only allocated to the financing of a foreign investment in the same currency, the impact of the revaluation of the investment concerned is posted to shareholders' equity

2.11 Conversion of the annual financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries with functional currency other than the euro are converted at their year-end exchange rate.

The asset and liability items, including purchase price discrepancies and goodwill on foreign subsidiaries are converted at the exchange rate applicable on the year-end date. Income and expenditure are converted at the average exchange rate for the period.

Conversion differences reported, either on the opening balance sheet or through the income statements are recorded, for the share of the consolidating company, in its shareholders' equity under "exchange gains/losses" and, for the minority shareholders, in "minority interests".

Exchange gains/losses relating to a net investment in a foreign country are recognised in shareholders' equity.

2.12 Derivative instruments

Maurel & Prom has implemented strategies to hedge foreign exchange risk and hydrocarbon risk using derivative financial instruments.

Derivative instruments are measured at fair value at their initial recognition. According to the accounting qualification for hedging, changes in the fair value of derivatives are recorded differently:

- for non-qualified hedging instruments: changes in fair value are directly recognised in the income statement,
- for instruments qualified as future cash flow hedges: the change in the effective part of the fair value attributable to the hedged risk is recorded net of tax under shareholders' equity. Amounts accumulated under shareholders' equity are recycled to the income statement when the hedged item has an impact on profit or loss. The change in the ineffective portion of fair value is retained in income for the period,
- for instruments qualified as fair value hedges: the hedged item is revalued under the hedged risk and the hedging instrument is revalued at fair value by a counter entry on the balance sheet. Changes in the fair value of the two items are recorded on the income statement for the period.

The fair value of foreign exchange contracts (term and optional) and hydrocarbon contracts (term and optional) is estimated by independent third parties applying market conditions on the closing date.

2.13 Cash and cash equivalents

Cash equivalents are short term investments of surplus cash.

Purchases and disposals of these assets are recorded on the date of their payment.

Money market funds are valued at fair value through profit or loss in accordance with the principles of monitoring of these assets under management.

Short-term bank certificates of deposit are classified as loans and receivables and are recorded at cost less impairment.

2.14 Convertible bonds

Some financial instruments contain both a financial liability component and an equity component. Such is the case with the OCEANE issued by the Group in March 2005. According to IAS32, "Financial instruments – Disclosure and presentation," these two components are recorded separately and calculated as such:

- the liability component corresponds to the value of future contractual cash flows (including coupons and redemption) discounted at the market rate (taking into account the credit risk upon issuance) of a similar instrument with the same conditions (maturity, cash flow) but without a conversion option, in addition to the impact of issuance expenses (effective interest rate);
- the equity component represents the value of the option of converting bonds to stock. It is determined by the difference between the income resulting from the issue of the loan and the liability component calculated according to the methods described above; and
- a deferred tax liability is recognised for the difference between the carrying value and the tax value of the debt; this deferred tax is established by deducting from the equity component.

The conversion of OCEANEs is recorded in the financial statements when the bonds are converted and the shares exchanged.

2.15 Other loans

Other loans are initially recorded at their fair value. Loans are recorded on the balance sheet at their amortised cost. This measure reports the issue expenses as a deduction from the initial fair value of the loan. Also, the financial expense is calculated based on the effective interest rate of the loan (that is the actuarial rate taking into account the issue expenses).

2.16 Fair value

For presentation purposes, under IFRS7 (see Note 11: Fair value):

- the fair value of loans and receivables is calculated by discounting expected cash flows at the market rate current on the balance sheet date; for receivables with maturity less than 6 months, the balance sheet value represents a good approximation of fair value;
- the fair value of financial liabilities is calculated by discounting the cash flows remaining to be disbursed at the market rate, on the closing date, by a date of the same residual maturity. For trade payables, the balance-sheet value is a good approximation of their fair value.

2.17 Treasury shares

The Company's treasury shares are recorded as a reduction in shareholders' equity at their acquisition cost.

Subsequent changes in fair value are not applied to income. Similarly, gains on sale of the Company's treasury shares do not affect net income for the year.

2.18 Provisions for risks and contingencies

According to IAS37, "Provisions, contingent liabilities and contingent assets", provisions are recorded when, at the year-end, the Group has a present obligation to a third party due to a past event; the payment of which would require an outflow of resources constituting economic benefits.

The provisions are discounted when the effect of discounting is material.

The site restoration obligation is recorded at the discounted value of the estimated dismantling cost; the impact of the passage of time is measured by applying a risk-free interest rate to the provision.

The effect of discounting is recorded under "Other financial expenses".

2.19 Pensions and other post-employment benefits

The Group's obligations on pensions and similar benefits are limited to the payment of contributions to compulsory general schemes and to the payment of retirement benefits; these are defined either by the applicable collective bargaining agreements or on the basis of voluntary plans (Latin America).

Retirement benefits correspond to defined benefits plans. They are funded as follows:

- the actuarial method used is the so-called projected units of credit method, which stipulates that each service period yields a right to a unit of payment. These calculations imply assumptions on mortality, staff revenues and projected future salaries; and
- the so-called corridor method is applied. Thus, only actuarial differences representing more than 10% of the amount of the commitments or the market value of the investments are recorded and amortised on the employee's average residual work time.

For basic schemes and other defined contribution schemes, the Group records under expenses contributions payable when due, and no provision is recorded, as the Group has no obligation beyond the contributions paid.

2.20 Oil sales

Hydrocarbon sales

Revenues reflecting the sale of the production from the oil fields operated by the Company pursuant to Production-Sharing Contracts include crude oil deliveries as production royalties and taxes when they are actually paid.

An income is recognised as revenue when the Company has transferred to the buyer the risks and benefits corresponding to ownership of the assets pursuant to the terms of the contract.

Drilling

Sales are recorded as the drilling progresses and progress is measured according to the drilling depth and elapsed time of mobilisation.

2.21 Payments in shares

Stock options and bonus shares allotted by Maurel & Prom to its employees are recorded as expenses when they are granted and spread over the rights vesting period; the spreading method depends on the respective vesting terms of each plan.

The estimated fair value of the stock options is determined according to the Black & Scholes method.

The fair value of free shares is determined according to the stock market price on the allotment day and a discount is applied to it according to the terms of the plan in order to take into account the unavailability due to the mandatory share holding period.

2.22 Income taxes

The income tax expense reported in the income statement includes the current tax expense (or income) and the deferred income tax expense (or income).

Deferred taxes are recognised over the temporary differences between the carrying value of the assets and liabilities and their tax bases. Deferred taxes are not discounted. Deferred tax assets and liabilities are calculated at the voted tax rates on the closing date.

Deferred tax assets, particularly due to losses carried forward or deferred amortisations are taken into account only if it is likely that they will be recovered.

To assess the Group's ability to recover these assets, the following items are mainly used:

- existence of sufficient taxable temporary differences through the same tax authority by the same taxable entity, which will yield taxable amounts on which unused tax losses and tax credits may be allocated prior to their expiration; and
- projections of future tax results that allow for the allocation of previous tax losses.

2.23 Earnings per share

Two types of earnings per share are shown: the basic net earnings and diluted earnings. The number of shares used to calculate diluted earnings takes into account the conversion into shares of the instruments giving deferred access to the capital and having a dilutive effect. Diluted earnings are based on the group share of net income minus the financial cost net of tax of the dilutive instruments giving deferred access to the capital.

The Group's treasury shares are not taken into account for the calculation.

2.24 New principles not yet applicable

Standards or interpretations published, respectively, by the IASB (International Accounting Standards Board) and the IFRIC (International Financial Reporting Interpretations Committee) not yet in force at 31 December 2008 but which would be likely to affect the Group's financial statements include IFRS 8 "Operating segments" and IAS23 Amended "Borrowing Costs".

IFRS 8, published in November 2006, replaces IAS14, "Segment reporting". It requires the use of an approach based on the internal data used by corporate management to determine the segments that they report on, while IAS14 focuses on segment risks and profitability. It applies to fiscal years starting on and after 1 January 2009. The Company has performed an analysis of the impacts of applying this new principle and has not identified, at this stage, any discrepancy between the segmentation applied for monitoring management, and that applied under IAS14.

The changes made by IAS23 Amended "Borrowing Costs" do not apply to the Group's financial statements.

NOTE 3 : Changes in composition of the Group

Company	Head Office	Consolidation Method	Control %	
			31/12/2008	31/12/2007
Etablissements Maurel & Prom	Paris	Holding company	Holding company	
Oil and gas activities				
Caroil S.A.S.	Paris	Fully consolidated	100.00%	100.00%
Panther Eureka	Ragusa, Sicily	Equity method	30.00%	30.00%
Maurel & Prom Gabon Ltd (ex Rockover Oil and Gas)	British Virgin Islands	Fully consolidated	100.00%	100.00%
S.A. M&P Gabon Etekamba (ex Ofoubou) Libreville	Libreville	Fully consolidated	100.00%	100.00%
S.A. M&P Gabon Omoueyi (Onal) Libreville	Libreville	Fully consolidated	100.00%	100.00%
S.A. M&P Gabon Nyanga Mayombe Libreville	Libreville	Fully consolidated	100.00%	100.00%
S.A. M&P Gabon Quartier General Libreville	Libreville	Fully consolidated	100.00%	100.00%
Maurel & Prom Syrie S.A.S.	France	Fully consolidated	100.00%	100.00%
Hocol Petroleum Ltd	Bermuda	Fully consolidated	100.00%	100.00%
Hocol Ltd	Bermuda	Fully consolidated	100.00%	100.00%
Hocol S.A	Cayman Islands	Fully consolidated	100.00%	100.00%
Homcol Cayman Inc	Cayman Islands	Fully consolidated	100.00%	100.00%
Hocol Peru	Peru	Fully consolidated	100.00%	100.00%
Hocol Maurel & Prom Venezuela S.A.S	France	Fully consolidated	100.00%	100.00%
Hocol (UK) Petroleum Holdings Ltd	United Kingdom	Fully consolidated	100.00%	100.00%
Maurel & Prom Colombia BV (*)	Netherlands	Fully consolidated	100.00%	-
Hocol Venezuela BV (**)	Netherlands	Fully consolidated	-	100.00%
Maurel & Prom Latin America BV	Netherlands	Fully consolidated	100.00%	-
Oleoducto de Colombia S.A	Colombia	Proportionately consolidated	21.82%	21.82%
Lagopetrol	Venezuela	Equity method	26.35%	26.35%
Zetah M&P Congo	Congo	Fully consolidated	100.00%	100.00%
Zetah Kouilou Ltd	Nassau, Bahamas	Proportionately consolidated	15.00%	15.00%
Zetah Noubie Ltd	Nassau, Bahamas	Proportionately consolidated	49.00%	49.00%
Maurel & Prom Congo S.A	Pointe Noire, Congo	Fully consolidated	100.00%	100.00%
Maurel & Prom Tanzanie Ltd	Tanzania	Fully consolidated	100.00%	100.00%
Raba Xprom Energia Kft	Hungary	Equity method	34.30%	34.30%
Orchard S.A. (**)	France	Fully consolidated	-	100.00%
Renaissance Energy	Switzerland	Equity method	35.00%	35.00%
Miscellaneous activities				
Compagnie Européenne et Africaine du Bois (***)	Luxembourg	Fully consolidated	-	100.00%
New Gold Mali (NGM)	Bamako, Mali	Equity method	26.00%	26.00%
Maurel & Prom International S.A (Switzerland)	Geneva, Switzerland	Fully consolidated	99.99%	99.99%
Multipurpose Ships				
M&P Internat. Shipping Ltd (Mepis) (****)	Saint-Vincent and the Grenadines	Fully consolidated	-	100.00%
Mepis Clémentine Ltd (****)	Saint-Vincent and the Grenadines	Fully consolidated	-	100.00%
Mepis Marie Ltd (****)	Saint-Vincent and the Grenadines	Fully consolidated	-	100.00%

(*) The name of the Company Hocol Venezuela BV was changed to Maurel & Prom Colombia BV in 2008.

(**) This company was merged in 2008 with the Company Etablissements Maurel & Prom.

(***) This company was liquidated in 2008.

(****) These companies were liquidated in November 2007, but were not removed from the consolidation scope until 2008.

The change in the Group's consolidation scope in 2008 involves:

■ Lagopetrol:

The transaction is described in Note 1 – “General Information”.

The Company Lagopetrol is recorded for the first time in the Group's financial statements, consolidated in accordance with the equity method at the start of January 2008.

■ New Gold Mali:

As Maurel & Prom ceased to exert exclusive control over the New Gold Mali company but retains significant influence, there was a change from the full consolidation of New Gold Mali to the equity method in the Group's consolidated financial statements.

This change of consolidated method yielded an impact of -€1,534 K on the Group's financial income at 31 December 2008.

In addition, it should be noted that the entities of the MEPIS segment were removed from the consolidation scope following their liquidation.

Finally, the following elements should be noted:

Since the Group has ceased to exercise a significant influence over Pebercan, this company was deconsolidated in the financial statements at 31 December 2007 and the securities held appear under available-for-sale financial assets in the amount of €11,992 K (Note 6 – “Other non-current financial assets”).

In Hungary, following the default of a partner (which held an interest of 29.3%), the share of the income/loss of Raba XProm Energia Kft consolidated was raised to 63.6% since the second half of 2005. The Company is currently in liquidation.

The Company Hocol Venezuela BV in the Netherlands changed its name to Maurel & Prom Colombie BV.

The Company Maurel & Prom Latin America BV was created in 2008.

NOTE 4 : Intangible assets

CHANGES IN INTANGIBLE ASSETS

<i>In thousands of euros</i>	Goodwill	Oil search and exploration rights	Exploration costs	Other	Total
Gross value at 1 January 2007		606,338	78,955	13,957	699,251
Acquisitions		43,768	129,060	181	173,009
Disposals/Decreases		-	(1,792)	-	(1,792)
Write-offs		(34,501)		(34,501)	-
Acquisitions on changes in consolidation scope		-	-	-	-
Disposals on changes in consolidation scope		(70,040)	(20,906)	-	(90,946)
Exchange gains/losses		(61,302)	(9,767)	(232)	(71,301)
Transfers		241	(10,501)	(546)	(10,806)
Gross value at 31 December 2007		519,005	130,548	13,360	662,914
Acquisitions		1,830	206,138	11,193	219,161
Disposals/Decreases		-	(1,488)	-	(1,488)
Write-offs		(2,719)	(53,254)	(233)	(56,206)
Changes in consolidation scope		1,158	(2,341)	(876)	(2,059)
Exchange gains/losses		28,452	9,377	(224)	37,605
Asset exchange		(22,867)	-	-	(22,867)
Transfers		(58)	(19,745)	(4)	(19,807)
Gross value at 31 December 2008		524,801	269,235	23,216	817,253
Amortisation charges		30,312	23,268	1,844	55,424
Disposals/reversals		-	-	(274)	(274)
Write-offs		-	(8,448)	-	(8,448)
Exchange gains/losses		(7,824)	(1,601)	(212)	(9,637)
Disposals on changes in consolidation scope		(7,046)	-	-	(7,046)
Transfers		-	-	(71)	(71)
Cumulative amortisation and impairment at 31 December 2007		80,677	24,538	2,777	107,992
Amortisation charges		19,971	2,983	973	23,927
Disposals/reversals		-	-	-	-
Write-offs		(242)	-	(145)	(387)
Exchange gains/losses		5,283	1,436	(122)	6,597
Disposals on changes in consolidation scope		-	(1,124)	(8)	(1,132)
Asset exchange		(953)	-	-	(953)
Transfers		(7,029)	-	6,472	(557)
Cumulative amortisation and impairment at 31 December 2008		97,707	27,833	9,947	135,487
Net Book value at 31 December 2008		427,094	241,402	13,269	681,766
Net Book value at 31 December 2007		438,328	106,010	10,583	554,922

Acquisitions

Acquisitions of intangible assets totalled €219,161 K at 31 December 2008, i.e., up 27% over the previous year, reflecting the significant effort made by the Group in terms of exploration. The main investments concerned the following:

- exploratory works carried out in Colombia for a total of €85,900 K, primarily on the Ortega Incremental, Guarrojo, Niscota, Cocli, Lince and Upar permits;
- seismic works and drilling preparation carried out in Tanzania for €76,083 K, essentially on the Bigwa – Rufiji – Mafia permit;
- exploratory wells drilled in Gabon on the Omoueyi permit for €37,885 K. These expenses cover exploratory seismic works, the drilling of several wells, and completion and testing activities;
- seismic work carried out in Syria for €8,053 K;
- the increase in rights held in the Etekamba permit in Gabon, following the purchase of 35% of rights from Transworld for €1,830 K, and exploration investments made on this permit for €3,700 K.

Transfers

Transfers, for a net value of (€19,250 K), are primarily due to the reclassification of exploration costs under property, plant and equipment, including (€19,113 K) in Colombia, primarily after assets on the Guarrojo permit came on-stream.

Exchange

Les réserves pétrolières détenues par le Groupe au Venezuela ont été échangées contre 26,35 % des intérêts dans la société Lagopetrol mise en équivalence en janvier 2008 (cf Note 1 - « Généralités »). La valeur nette des actifs échangés s'élève à 21 914 K€ à la date d'échange.

Write-offs

In 2008, 25 exploratory wells were drilled, compared to 12 in 2007. As a direct consequence of the increase in exploration programmes, the amount of expenses incurred on ultimately dry wells rose significantly over the previous year (+€27,201 K to €53,254 K). In Colombia, expenses recorded for this item totalled €39,740 K, primarily due to failures experienced on the Upar, Cocli, Orquidea, Doima, Saltarin, San Jacinto and Lince 1 contracts.

In Tanzania, the Group recorded an expense of €11,005 K for the failed drilling of the Minangu well.

In Tanzania again, the Group recorded an expense of €2,509 K on the Mandawa permit, for the failed drilling of the Mihambia well.

Changes in consolidation scope

Movements of intangible assets related to changes in the consolidation scope primarily reflect:

- the change in the method of consolidation of the New Gold Mali company from full consolidation to the equity method at 26%. This change in the consolidation scope resulted in a decrease in net fixed assets by €2,078 K;
- the capitalisation of an acquisition earnout for M&P Gabon Ltd. (formerly Rockover Oil&Gas) of €1,158 K.

Amortisation and impairment

The increases primarily represent:

- the amortisation of reserves acquired in Colombia for €18,998 K. This amount is down significantly (€9,868 K) from the previous year, because of the upward adjustment in certified oil reserves;
- the amortisation of various mining rights;
- extraordinary impairment of €2,170 K on the Nyanga Mayombe permit (Banio wells) supplementing the provision of €19,678 K applied the previous year. Assets corresponding to this well, which are still in the testing phase, are henceforth depreciated in their entirety, excluding the permit.

Exchange gains and losses

The revaluation of dollar-denominated assets at the rate on the close resulted in an exchange gain with a net value of €31,008 K.

NOTE 5 : Tangible assets

5.1. Change in property, plant and equipment

<i>In thousands of euros</i>	Land and buildings	Technical facilities	Down payments and construction in progress	Other assets	Total
Gross value at 1 January 2007	8,537	494,531	40,933	8,323	552,325
Acquisitions	26	193,726	79,582	2,010	275,343
Disposals/Decreases	(303)	(1,509)	(126)	(2,254)	(4,191)
Write-offs		(1,516)	(1,094)		(2,610)
Acquisitions on changes in consolidation scope					
Disposals on changes in consolidation scope		(259,618)	(42,819)	(2)	(302,439)
Currency translation adjustments	(865)	(42,528)	(4,244)	(528)	(48,166)
Transfers	121	14,530	(2,988)	515	12,179
Gross value at 31 December 2007	7,516	397,616	69,244	8,064	482,441
Acquisitions	161	310,812	4,147	4,720	319,840
Dismantled assets		24,020			24,020
Disposals/Decreases		(2,688)		(247)	(2,935)
Exploration recorded as expenses	(4)	(2,307)		(34)	(2,345)
Changes in consolidation scope	(38)	(88)		(159)	(285)
Exchange gains/losses	227	35,280	18	1,122	36,647
Transfers	(3,755)	49,266	(68,731)	11,303	(11,917)
Gross value at 31 December 2008	4,107	811,911	4,678	24,769	845,466
Cumulative amortisation and impairment at 1 January 2007	2,672	119,531		5,307	127,510
Amortisation	267	58,985		1,407	60,659
Disposals/reversals	(20)	(16,819)		(1,115)	(17,954)
Write-offs		(1,466)			(1,466)
Exchange gains/losses	(286)	(8,751)		(392)	(9,429)
Acquisitions on changes in consolidation scope					
Disposals on changes in consolidation scope		(68,937)		299	(68,638)
Transfers	(77)	2,209		(326)	1,809
Cumulative depreciation and impairment at 31 December 2007	2,557	84,752		5,179	92,488
Amortisation	255	53,567		1,331	55,153
Disposals/reversals		(2)		(216)	(218)
Write-offs	(3)	(1,632)		93	(1,542)
Exchange gains/losses	160	2,346		181	2,687
Changes in consolidation scope	(38)	(88)		(154)	(280)
Transfers		(29,653)		(1,463)	(31,116)
Cumulative amortisation and impairment 31 December 2008	2,931	109,290		4,951	117,172
Net Book value at 31 December 2008	1,176	702,621	4,678	19,818	728,294
Net Book value at 31 December 2007	4,959	312,865	69,244	2,885	389,954

Acquisitions

Acquisitions during the period, totalling €319,840 K, primarily correspond to the development of the Onal field in Gabon and the Ocelote field in Colombia.

- production investments at Onal totalled €212,125 K in 2008. As of the close, construction of the production centre was complete and the gas pipeline to supply the heating stations had been connected.
- production investments in Colombia totalled €73,430 K, specifically on the Guarrojo (Ocelote), Ortega Incremental and Palermo permits;
- investments by Caroil totalled €27,604 K. In 2008, 3 additional rigs were acquired or placed into service, bringing to 15 the number of the company's drilling rigs.

Transfers

Transfers are shown in the following table:

	Gross amounts	Depreciation and amortisation
Renegotiation of the EGOC agreements		
– removal of assets	-38,693	-29,990
Renegotiation of the EGOC agreements		
– assets received	8,703	
Start-up of production of Ocelote	19,113	
Other	-1,040	-1,126
Total transfers	-11,917	-31,116

The EGOC association permits (Estero, Garcero, Orocue and Corocora) were renegotiated. Maurel & Prom, which holds 31.75% of the permits, saw its holding percentage brought to 6.98% in the Estero permit, 15.22% in the Garcero permit, 23.47% in the Orocue permit and 27.91% in the Corocora permit. In exchange, expiration of the permits was extended until the end of the fields' economic life. Assets received were recorded at the net book value of the transferred assets.

After production at the Ocelote field (Guarrojo permit) came on-stream, exploration was transferred to petroleum technical facilities in the amount of €19,113 K.

We also note the significant decline (-€68,731 K) in down payments and construction in progress because of start-ups occurring during the fiscal year. These movements corresponded to approximately €33,775 K for drilling rigs and €34,956 K for investments at Omoueyi.

Dismantling assets

Dismantling assets recorded in exchange for the provision for the restoration of production sites totalled €24,020 K, of which €10,298 K corresponded to the Omoueyi (Onal) permit in Gabon and €13,722 K to the Colombian permits, specifically Guarrojo (Ocelote).

Amortisation and impairment

In 2007, assets of the Tilapia permit in the Congo were subject to an extraordinary impairment of €20,976 K. This was due to the fact that depreciation during the period was less than the final year, despite the sharp increase in property, plant and equipment.

Depreciation of technical facilities changed as follows between 2007 and 2008:

	2008	2007
Hocol	40,591	29,588
Caroil	11,207	6,687
Tilapia	1,690	20,976
Other	79	1,734
Total	53,567	58,985

Exchange gains/losses

The revaluation of dollar-denominated assets at the closing rate resulted in an exchange gain of €33,960 K net value.

5.2. Assets held under lease financing

The Hocol offices at Bogota and various transport equipment are financed by lease financing agreements with purchase option clauses.

As at 31 december 2008

<i>In thousands of euros</i>	Minimum payments	Discounted value of payments
< 1 year	952	488
from 1 to 5 years	3,731	3,323
> 5 years	389	333
Total minimum payments under the lease	5,072	4,144
Minus financial expenses	928	-
Discounted value of minimum payments under the lease	4,144	4,144

5.3 Assets under operating lease

Payments during the year corresponded primarily to operating property leases and long-term lease agreements

for office hardware. In France, leases are generally entered into on a 3-6-9 lease basis indexed on construction cost.

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Minimum payments for operating leases recorded during the period	4,292	-
Payments due at year end	6,030	6,031
< 1 year	1,644	1,312
From 1 to 5 years	4,386	3,363
> 5 years	-	1,356

NOTE 6 : Other non-current financial assets

Other non-current financial assets are broken down as follows:

<i>In thousands of euros</i>	Financial assets available for sale	Loans and receivables	Total
Value at 1 January 2007	59	13,733	13,792
Changes in consolidation scope	21,076	(5,432)	15,644
Increase	847	1,095	1,942
Decrease	-	(1,211)	(1,211)
Impairment	-	-	-
Fair value	-	-	-
Reversal of impairment	-	-	-
Exchange gains/losses	-	(521)	(521)
Transfers	(59)	(1,371)	(1,431)
Value at 31 December 2007	21,924	6,292	28,216
Changes in consolidation scope	(85)	(1)	(86)
Increase	18	7,795	7,813
Decrease	-	(236)	(236)
Impairment	(9,084)	-	(9,084)
Fair value	-	-	-
Reversal of impairment	-	-	-
Exchange gains/losses	-	15	15
Transfers	-	(5,638)	(5,638)
Value at 31 December 2008	12,773	8,227	21,000

6.1 Financial assets available for sale

Available-for-sale securities correspond essentially to a 19.10% share in the company Pebercan, the business of which consists of operating oil fields in Cuba through its Peberco subsidiary.

In February 2009, Peberco received payment, from the Cuban state enterprise, totalling €140 million in exchange for early termination of the production sharing agreement it held. Of this amount, \$60 million will revert to Pebercan's partner, Sheritt International. Moreover, on 20 February 2009, the company announced its intent to terminate its commercial activities. It anticipates distributing its remaining assets to its shareholders.

Acknowledging this situation, the Group reduced its share in Pebercan by €9,084 K in order to value it at the acquisition cost of the securities, i.e., €11,992 K. This amount is very close to the company's net share reverting to the Group as resulting from the interim financial statements at end-December 2008.

6.2 Non-current loans and receivables

This item consists primarily of a total of €5,030 K deposited within the framework of current litigation with a bank for transactions involving complex financial instruments that the Group disputes. This litigation is described in Note 14 "Provisions for risks and contingencies" of this note.

A deposit of €1,437 K was also paid in September 2008, to secure the construction commitments assumed as part of new exploration activities in Senegal.

Changes in transfers correspond completely to the reclassification in current financial assets of a deposit paid on a permit in Syria to guarantee works commitments, the expiration of which now occurs in less than 1 year.

NOTE 7 : Investments accounted under the equity method

The companies Panther Eureka Srl, RabaXProm Energia Kft, Renaissance Energy, New Gold Mali and Lagopetrol are consolidated in accordance with the equity method.

Lagopetrol, 26.35% of the voting rights of which are held by Maurel & Prom, was consolidated for the first time on 1 January 2008.

The company New Gold Mali has been consolidated since 1 January 2008 under the equity method, following the loss of exclusive control (see Note 3 – "Change in group shareholding structure").

Drillings carried out by Panther in Sicily on the Eureka wells did not end with the discovery of commercially-viable reserves. This led the Group to depreciate the receivables it held on its equity interest. Moreover, a provision of €3,851 K for costs for the completion of site construction and restoration (see Note 14 – "Provisions", Other provisions, point 4) was recognised. The 2010 drilling of a well at the South Gallo site is currently being studied.

At 31 December 2007

<i>In thousands of euros</i>	Balance sheet value	of which, share of net income for the year
Panther Eureka Srl	4,906	(461)
Raba Xprom Energia Kft	(1,756)	(77)
Renaissance Energy	(11)	(33)
Total	3,138	(571)

At 31 December 2008

<i>In thousands of euros</i>	Balance sheet value	of which, share of net income for the year
Lagopetrol	33,159	8,502
New Gold Mali	-	(119)
Panther Eureka Srl	6,403	1,497
Raba Xprom Energia Kft	(1,827)	(166)
Renaissance Energy	(34)	(20)
Total	37,701	9,694

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<i>In thousands of euros</i>	Lagopetrol	New Gold Mali	Panther Eureka Srl	Raba Xprom Energia Kft	Renaissance Energy
Assets	204,150	3,621	5,731	159	18
Liabilities	124,047	11,097	5,731	3,031	115
Sales	92,619	-	-	-	-
Net income	32,266	(459)	4,990	(261)	(57)

NOTE 8 : Inventories

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Hydrocarbon inventories	4,188	2,992
Work in progress	-	-
Consumables	8,164	6,570
Total	12,352	9,562
Depreciation to be deducted	(2,229)	(2,173)
Net value	10,123	7,389

The increase in consumable inventories is primarily due to the growth in the Caroil business.

The depreciation relates to the consumable inventories.

NOTE 9 : Receivables and other current assets

Trade receivables can be analysed as follows:

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Oil and gas	26,218	34,096
Drilling	13,487	18,510
Other	278	632
Total	39,983	53,238
Depreciation to be deducted	(980)	(386)
Net value	39,003	52,852

Trade receivables generated by the oil activity were down, primarily because of falling oil prices. Thus, a barrel of Vasconia (the quality of oil produced in Colombia) fell from \$86 at the end of 2007 to \$33 at year-end 2008.

The equity-method consolidation in 2008 of the Venezuelan operations which were previously fully consolidated also generated a decrease in the various items of working capital requirements and trade receivables in particular.

In the drilling segment, Eni's 2009 payment of a debt of €5,691 K explains the decrease in the item.

The other current financial and non-financial assets consist of the following items:

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Other Current Financial Assets		
Receivable assets	-	182
Receivables on investments and associations	36,648	14,728
Loans and others	5,585	1,636
Other debtors	16,137	19,282
Gross value	58,370	35,828
Depreciation to be deducted	(35,150)	(6,157)
Net value	23,220	29,671
Other current assets		
Advances and down payments	1,659	1,371
Prepaid expenses	2,845	2,721
Fiscal and corporate receivables (excluding income taxes)	67,993	37,412
Other assets	(15)	1,111
Gross value	72,482	42,615
Depreciation to be deducted	-	-
Net value	72,482	42,615

Receivables on investments and associations:

The increase of €12,597 K in current account receivables from Panther and the partial deconsolidation of NGM explain almost all the change in the gross value of the item (+€21,920 K). These receivables have all been fully written off (for the amounts of €22,438 K for Panther and €6,726 K for NGM respectively).

Loans and other:

The increase in loans is primarily the result of the €3,418 K change (including €5,638 K in a transfer from non-current to current) in the deposit paid in accordance with the Exploration and Production Contract signed with the Syrian government to guarantee work commitments.

Other debtors:

The decrease in this item is the result of Eni's payment in 2008 of receivables on the sale of the Congolese fields recorded in 2007.

In addition, this item includes the receivables representing advances made to the joint ventures in Colombia.

For information, the other Transagra and Socofran receivables are entirely impaired in the amounts of €1,529 K and €2,573 K respectively, representing a total of €4,102 K.

Fiscal and corporate receivables:

This item, which primarily reflects VAT receivables, was up €30,581 K.

€19,186 K of this increase is due to the change in the VAT balance deductible on the Latin American entities, which is directly related to the expansion in operations and purchases. The VAT may not be charged during the year on sales as the company is classified as an exporter. It will be settled by offset with the corporate tax debt of €28,529 K at the time of liquidation in the first half of 2009.

The VAT deductible was also up significantly on Onal (+€6,498 K) and on Maurel & Prom Tanzania (+€2,924 K) because of the size of the investments made.

NOTE 10 : Derivative instruments and other financial instruments

<i>In thousands of euros</i>	31/12/2008			31/12/2007
	Current	Non-current	Total	Total
Financial instruments (assets)	70,734	-	70,734	5,430
Interest rate instruments	-	-	-	-
Currency instruments	403	-	403	5,185
Oil and gas instruments	70,331	-	70,331	245
Financial instruments (liabilities)	14,861	4,500	19,361	22,274
Interest rate instruments	-	-	-	-
Currency instruments	12,317	-	12,317	-
Oil and gas instruments	2,544	4,500	7,044	22,274
Total	55,873	(4,500)	51,373	(16,844)
Derivative instruments, assets	4,516	-	4,516	5,430
Other financial instruments, assets	66,218	-	66,218	-
Derivative instruments, liabilities	14,861	4,500	19,361	22,274
Other financial instruments, liabilities	-	-	-	-
	55,873	(4,500)	51,373	(16,844)

In the context of its current operations, the Group uses financial instruments to reduce its exposure to the risk of fluctuations in oil prices and foreign exchange rates.

Various instruments are used, including contracts on organised or over the counter markets, forward transactions, swaps and options.

The derivative instruments fair value variance is recorded through the income statement or shareholders' equity in compliance with IFRS, specifically IAS32 and 39.

In order to hedge the risks on oil and gas prices, the Group uses derivative products on oil (swaps, futures, floors) using the prices of WTI, which is traded on the Nymex market, to hedge its Colombian operations and Brent prices to hedge its planned activity in Gabon. This practice is used because of the very strong correlation—greater than 80%—between the prices of WTI and Brent and local market prices.

The derivatives used to hedge the risks on operations in Colombia until the end of September were cleared at the head offices in October and partially restructured as part of the issuance of the new RBL borrowing. They were liquidated at the end of December for a total price of \$146,127 K (€104,998 K) prior to the sale of the Colombian assets.

At closing, the sum of \$92,156 K (€66,218 K) remained to be collected over the early days in January. It was recognised at 31 December 2008 on the asset side as oil and gas derivative instruments.

As the sale of the Colombia business line is planned for June 2009 (the estimate date of the change in control), the fair value portion of the derivatives intended to cover the sales for the first five months of the year, which is \$12,535 K, was maintained as shareholders' equity pursuant to IAS39. As a result, the profit recorded over 2008 amounted to \$133,591 K (€95,991 K).

The features of these derivatives and their selling price are detailed in the table below:

Contrat	Quality	Start date	Date in	Sale price	2008	2009	2010	2011	Resale in K\$
Sale of swap	Brent	01-Feb-08	31-Jan-12	87.21	250	250	250	250	
Sale of swap	Brent	01-Feb-08	31-Jan-12	87.50	250	250	250	250	
Sale of swap	Brent	06-Feb-08	31-Jan-12	86.55	250	250	250	250	
Sale of swap	Brent	07-Feb-08	31-Jan-12	85.40	250	250	250	250	
Sale of swap	WTI	01-Mar-08	31-Jan-12	93.50	250	250	250	250	
Sale of swap	WTI	01-Mar-08	31-Jan-12	93.50	250	250	250	250	
Sale of swap	WTI	01-Mar-08	29-Feb-12	91.65	500	500	500	500	
Sale of swap	WTI	01-Mar-08	29-Feb-12	98.70	250	250	250	250	
First tranche				90.63	2,250	2,250	2,250	2,250	63,132
Sale of swap	WTI	1-Oct-08	31-Dec-08	87.90	4,000 ⁽¹⁾				
Sale of swap	WTI	1-Jan-09	31-Dec-09	87.90		3,586			
Sale of swap	WTI	1-Jan-10	31-Dec-10	87.90			3,336		
Sale of swap	WTI	1-Jan-11	31-Dec-11	87.90				3,086	
Second tranche				87.90	4,000	3,586	3,336	3,086	82,995
Total quantities in b/d:					6,250	5,836	5,586	5,336	
Average sale price in \$:					88.88	88.95	89.00	89.05	
Total resale price									146,127

⁽¹⁾ The sale price of €82,995 K does not include €5,721 K received for the monthly liquidation of 4,000 barrels.

In preparation for production start-up in Gabon, the Group also set up the following hedges in December:

- 2,000 b/d at a Brent price of \$56.8/b for the first quarter of 2009;
- 4,000 b/d at a Brent price of \$63/b for the rest of 2009;
- 2,750 b/d at a Brent price of \$61.6/b for the first half of 2010;
- 2,000 b/d at a Brent price of \$58.1/b for the second half of 2010.

Along with the set up of these swaps, and in order to improve the sale price, "floors" (sales of puts) were subscribed at a level of \$50/b for 500 b/d (1st quarter 2009), 2,500 b/d (from April to December 2009), 1,250 b/d (1st half of 2010) and 500 b/d (second half of 2010). Given the existence of these floors, these derivative instruments

(sale swaps and floors) have not been stated as hedging accounting and are revalued as a contra to income.

The re-marking of these various transactions to market price at 31 December 2008 resulted in the recognition of net liabilities of €2,933 K (representing €2,187 K in positive re-marking as assets and €-5,120 K in negative re-marking as liabilities).

In order to hedge the foreign exchange risk, the Group holds liquidities in US dollars to finance provisional investment expenditures in this currency.

Moreover, forward currency transactions and currency options to reduce exposure to the foreign exchange risk were initiated during the year. At 31 December 2008, the re-marking to market led the company to record a liability of €12.3 million.

The impact of the hedging derivatives on equity capital is presented in the table below:

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Fair value reserve at beginning of year	-11,652	
Change in the portion of hedges not due (current during the previous year)	-	
Fair value of the new hedges for the period recognised in shareholders' equity	7,482	-14,991
Fair value of the portion of hedges recycled in the income statement	20,668	-
Deferred taxes	-5,158	2,473
Exchange gain/loss	278	865
Fair value reserve at year-end	11,618	-11,652
Change in shareholders' equity for the period	22,992	-12,517
Closing rate at 31 December 2007	1.4721	-
Closing rate at 31 December 2008	1.3917	-
Average rate at 31 December 2008	1.471078	-

NOTE 11 : Fair value

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH THE INCOME STATEMENT

The various categories of financial assets (excluding financial instruments) at 31 December 2008 and at 31 December 2007 are presented in the tables below:

At 31/12/2008

<i>In thousands of euros</i>	Financial assets available for sale	Loans and receivables	Financial assets measured at fair value through income statement	Total Balance sheet	Fair value
Other non-current financial assets	12,773	8,227	-	21,000	21,000
Trade receivables	-	39,003	-	39,003	39,003
Other current financial assets	-	23,220	-	23,220	23,220
Cash and cash equivalents	-	191,544	-	191,544	191,544
Total balance sheet value	12,773	261,994	-	274,767	274,767
Total fair value	12,773	261,994	-	274,767	274,767

At 31/12/2007

<i>In thousands of euros</i>	Financial assets available for sale	Loans and receivables	Financial assets measured at fair value through income statement	Total Balance sheet	Fair value
Other non-current financial assets	21,924	6,292	-	28,216	28,216
Trade receivables	-	52,852	-	52,852	52,852
Other current financial assets	-	29,671	-	29,671	29,671
Cash and cash equivalents	-	699,939	-	699,939	699,939
Total balance sheet value	21,924	788,754	-	810,678	810,678
Total fair value	21,924	788,754	-	810,678	810,678

FINANCIAL LIABILITIES (EXCLUDING DERIVATIVES AND FINANCE LEASE) AND FAIR VALUE

The different categories of financial liabilities (excluding financial instruments) at 31 December 2008 and at 31 December 2007 were the following:

At 31/12/2008

<i>In thousands of euros</i>	Current	Non-current	Total balance sheet	Fair value
Bonds	375,024	-	375,024	364,231
Other current loans and financial debt	16,008	3,656	19,664	19,664
Trade payables	104,395	-	104,395	104,395
Other payables and sundry financial liabilities	60,708	-	60,708	60,708
Total	556,135	3,656	559,791	548,998

Au 31/12/2007

<i>In thousands of euros</i>	Current	Non-current	Total balance sheet	Fair value
Bonds	13,089	336,932	350,021	344,600
Other current loans and financial debt	16,145	15,754	31,899	31,899
Trade payables	107,685	3,624	111,309	111,309
Other payables and sundry financial liabilities	37,413	-	37,413	37,413
Total	174,332	356,310	530,642	525,221

ASSUMPTIONS

Fair value was calculated for the Oceane bonds. The fair value of the debt was recalculated by discounting the flow of interest and capital over the years remaining to maturity. The discounting rates used were 8.01% over 2007 and 6.56% over 2008.

For other liabilities at 31 December 2007 and 31 December 2008, the following approach was used:

- the borrowing lines in Colombia generate variable interest. Therefore, book value was considered to be representative of the fair value;
- finance lease borrowings are considered immaterial in terms of the Group's total debt.

NOTE 12 : Cash and cash equivalents

Cash equivalents consist of liquid assets and investments maturing in less than 3 months.

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Liquid assets, Banks and other financial institutions	130,899	61,166
Short-term bank deposits	60,645	637,986
Short term investments	-	787
Total	191 544	699,939
Bank loans	2,849	5,633
Net flow and flow equivalents at year end	188,695	694,306

At 31 December 2008, Maurel & Prom posted net cash of €188.7 million (including \$219.9 million equivalent to €158 million), down €505.6 million from 31 December 2007, primarily because of the following:

- the positive cash generated by the activity: €192.8 million;
- significant self-financed investments (-€540.6 million), almost all of which were for exploration (€219.1 million), development (€292.2 million) and drilling activities (€27.7 million);
- the return to shareholders with the payment of a dividend of €137.1 million and purchases of treasury shares for €33.9 million.

NOTE 13 : Shareholders' equity

At 31 December 2008, share capital was composed of 120,569,807 shares with a par value of €0.77, representing total capital of €92,838,751.39.

INSTRUMENTS GIVING ACCESS TO THE SHARE CAPITAL**Stock options**

The Extraordinary General Meeting of 11 September 2001 authorised Management to grant to its employees and officers Maurel & Prom stock subscription and stock purchase options.

Thus, on 25 October 2001, Management allotted 154,000 stock options at €12.15 each, exercisable from 26 October 2004 with no time limit to 12 people and, on 16 June 2003, to one employee, 26,000 stock options at €19.98 each; these figures became 1,579,030 and 266,540 respectively due to the adjustment subsequent to the issue of the BSARs and the division by ten of the nominal value, the new exercise prices have been changed to €1.185 and €1.949 per share respectively.

By amendment dated 23 May 2005 to the stock options terms and conditions dated 25 October 2001 and 16 June 2003, the corresponding stock options became exercisable immediately.

On the basis of the authorisation of the General Meeting of 26 June 2003, on 29 July 2003 the Management granted 123,000 stock options to 5 beneficiaries at the exercise price of €17.82; these were exercisable immediately within 5 years; this increased to 1,261,160 stock options exercisable at €1.738 after the adjustment caused by the issue of the BSARs and the division of the nominal value by 10.

On the basis of the authorisation granted the same date, i.e. 26 June 2003, Management on 22 June 2004 granted

13,500 stock options to employees of the Company (3 beneficiaries), which could be exercised immediately and within a period of 5 year at a price of €66.94. The number of options was raised to 138,420 and the exercise price reduced to €6.529 a share following the issue of the BSAR and the 10 for 1 reverse stock split.

On the authority of the General Meeting of 28 December 2004, the Management Board, on 16 March 2005, granted 220,000 stock options to one employee (subsequently becoming a corporate officer) at the price of €13.59. Such stock options being exercisable immediately and within 5 years; pursuant to the same authorisation and exercisable under the same terms and conditions, on 6 April 2005, 480,000 stock options were granted to 8 employees at an exercise price of €13.44 per option and on 21 December 2005, 170,000 stock options were granted at an exercise price of €12.91 to 2 people, one of whom was a corporate officer.

In 2006, 160,000 stock options were granted to two employees, 80,000 options were granted on 3 January 2006 at an exercise price of €12.86 and 80,000 options granted on 10 April 2006 at an exercise price of €14.72.

Furthermore, 121,790 options were exercised, leading to the issue of 121,790 new shares, representing a capital increase of €94 K and a gross share premium of €668 K.

In 2007, 344,310 options were exercised, generating the creation of 344,310 shares, representing a capital increase of 265 K and a gross share premium of €2,638 K.

In 2008, 35,890 options were exercised, generating the creation of 35,890 shares, a capital increase of €28 K and a gross issue premium of €35 K.

At 31 December 2008, 620,760 options were still to be exercised, which could result in the creation of 620,760 new shares.

MOVEMENT ON PLANS

	Plan	Total								
Allocation date	25/10/2001	16/06/2003	29/07/2003	22/06/2004	16/03/2005	06/04/2005	21/12/2005	03/01/2006	10/04/2006	
Exercise price	1.185	1.949	1.738	6.529	13.59	13.44	12.91	12.86	14.72	
Expiry date	none	16/06/2008	29/07/2008	22/06/2009	16/03/2010	06/04/2010	21/12/2010	03/01/2011	10/04/2011	
2005 average										
exercise price	16.84	15.45	17.14	18.52	19.92	20.18				17.06
2006 average										
exercise price	15.95		17.04		19.20					17.75
2007 average										
exercise price	15.61			16.59		16.60				16.21
2008 average										
exercise price			13.67							13.67
Number of options										
At 01/01/2006	95,300	-	97,410	123,040	47,000	430,000	170,000	-	-	962,750
granted in 2006								80,000	80,000	160,000
granted in 2007										-
cancelled in 2007										-
exercised in 2007	71,270	-	-	123,040	-	150,000	-	-	-	344,310
outstanding										
at 31/12/07	10,760	-	35,890	-	-	280,000	170,000	80,000	80,000	656,650
may be exercised										
at 31/12/2007	10,760	-	35,890	-	-	280,000	170,000	80,000	80,000	656,650
granted in 2008										-
cancelled in 2008										-
exercised in 2008	-	-	35,890	-	-	-	-	-	-	35,890
outstanding										
at 31/12/08	10,760	-	-	-	-	280,000	170,000	80,000	80,000	620,760
may be exercised										
at 31/12/2008	10,760	-	-	-	-	280,000	170,000	80,000	80,000	620,760

The assumptions used to assess the fair value of the stock options in the application of the Black & Scholes model are as follows:

B&S assumptions	16/06/03	16/03/05	06/04/05	21/12/05	03/01/06	10/04/06
Exercise price	1.949	13.59	13.44	12.91	12.86	14.72
Volatility	41%	44%	42%	38%	38%	38%
Maturity	3 years	1 year				
Interest rate	4%	4%	4%	4%	4%	4%
Reference price	22.98	16.52	17.28	16.14	16.08	18.40
Expected dividends	-	-	-	-	-	-

SHARES RESERVED FOR EMPLOYEES AND BONUS SHARES

The General Meeting of 20 June 2006 gave the Management Board power, for a period of 38 months, to carry out, on one or more occasions, the free allotment to employees and/or corporate officers of existing ordinary shares or shares to be issued. The total number of bonus shares allotted may not represent more than 0.5% of the capital on the date of the meeting, or the equivalent value of this amount, as applicable; it is specified that the nominal amount of any capital increase executed under this delegation through the capitalisation of premiums, reserves or profits to issue bonus shares may not exceed €1,000,000. The allotment of shares to their beneficiaries shall be final after a minimal vesting period of two years and the minimum share holding period by the beneficiaries is fixed at two years as from the final allotment of the said shares.

The Management Board used these authorisations and granted 70,000 bonus shares on 3 October 2006, and 66,800 on 14 December 2006. The vesting period is set at 2 years and is subject to the employee's presence within the Company. The holding period is set at 2 years as from the vesting date.

The combined ordinary and extraordinary meeting of 14 June 2007 delegated authority to the Board of Directors, for a period of 26 months, to issue new shares (up to a maximum nominal amount of €2,000,000) reserved for the employees of the Company, with the elimination of the pre-emptive subscription right, and gave the Board all powers to determine the conditions for subscription.

The Board of Directors also received, at this same meeting, authority to allot to company employees and/or officers bonus existing or new shares up to a maximum of 1% of the capital on the date of the meeting. The allotment of shares to their beneficiaries shall be final after a minimal vesting period of two years and the minimum share holding period by the beneficiaries is fixed at two years as from the final allotment of the said shares.

The Board of Directors used this authority and allotted 116,524 bonus shares on 21 December 2007, the vesting period was set at 2 years, and the lock-in period is 2 years from the vesting date.

On 25 April 2008, it also decided to allot 46,750 bonus shares; the vesting period was set at 2 years, and the lock-in period is 2 years from the vesting date.

The combined extraordinary and ordinary general meeting of 12 June 2008 delegated authority to the Board of Directors, for a period of 38 months, to decide on one or more occasions a bonus allotment, up to a maximum of 1% of the share capital at 12 June 2008, for employees, or some

employees and/or corporate officers or some officers of the Company and/or companies and economic interest groups affiliated with the Company. This delegation of 12 June 2008 terminated, effective immediately for the unused fraction, the delegation granted on 14 June 2007.

The Board of Directors used this new authority and allotted 93,892 bonus shares on 15 October 2008 and 102,750 bonus shares on 16 December 2008. For both allotments, the vesting period is set at 2 years and the lock-in period is 2 years from the date of vesting.

SHARE BUYBACK PROGRAMME

Pursuant to the authority granted by the Combined extraordinary and ordinary meeting of 28 December 2004, the Management Board launched and defined the conditions of a share buyback plan on 12 January 2005: buy-back limited to 10% of the share capital and maximum buying and minimum selling prices of €17 and €11 respectively.

As part of this buyback plan, on 19 June 2006, 308,994 shares were purchased at an average price of €16.08; 31,829 shares were sold for an average price of €15.98 and none were cancelled.

Under the authority granted by the combined extraordinary and ordinary meeting of 20 June 2006, the Management Board amended the conditions of the share buyback plan of 12 January 2005: buy-back limited to 10% of the share capital and maximum buying and minimum selling prices of €25 and €15 respectively.

As part of this buyback plan, on 20 June 2006, 756,333 shares were purchased at an average price of €16.97; and 615,702 shares were sold for an average price of €17.21 and none were cancelled.

Regarding the purchased shares, 794,064 were acquired under the liquidity agreement, 265,000 for distribution to employees and 6,263 were used to convert the OCEANE bonds.

Regarding the sold shares, 641,268 were acquired under the liquidity agreement, and 6,263 for the conversion of the OCEANE bonds.

At 31 December 2006, 657,477 treasury shares were held by the company with a total acquisition value of €10,483 K.

Pursuant to the authority granted by the combined extraordinary and ordinary meeting of 14 June 2007 for a period of 18 months, the Board of Directors is authorised to purchase shares of the company under the following conditions: buy-back limited to 10% of the capital at a maximum purchase price per unit of €22 and minimum selling price of €12.

Under this buyback programme, €3,274,710 shares were purchased in 2007 at an average price of €13.79 and 15,739 shares were remitted (15,000 as bonus shares and 739 for conversions of Oceanes); no shares were cancelled.

Over the same period, under the liquidity agreement, 4,185,707 shares were purchased and 4,236,399 were sold.

At 31 December 2007, the company held 3,865,756 treasury shares (representing 3.22% of the capital for a value of €54.3 million at the end of 2007), including 102,104 shares under the liquidity contract.

Under the authority granted by the General Meeting of 12 June 2008 for a term of 18 months, the Board of Directors is authorised to purchase its own shares, up to a maximum of 10% of the amount of the share capital, under the following conditions: maximum unit purchase price of €24 and minimum sale price of €13.

Under this buyback programme, 2,527,168 shares were purchased in 2008 for an average price of €12.73 and 135,728 shares were remitted (135,300 for bonus shares and 428 for conversions of Oceanes); 135,300 shares were cancelled as a result of the allotment of bonus shares to employees.

Over the same period, under the liquidity agreement, 2,969,634 shares were purchased and 2,790,422 were sold.

At 31 December 2008, the company held 6,436,408 treasury shares (representing 5.34% of the capital for a total value of €86 million at year-end 2008), including 281,316 shares under the liquidity contract.

At 31 December 2008, as shown in the capital change table below, there were 120,569,807 shares of the Company and the share capital was €92,838,751.39.

SUMMARY OF CAPITAL MOVEMENTS

	Number of shares	Treasury shares
At 31 December 2006	120,189,607	657,477
Issue by exercise of stock options	344,310	-
Buy-back of treasury shares		3,208,279
At 31 December 2007	120,533,917	3,865,756
Issue by exercise of stock options	35,890	-
Buy-back of treasury shares	-	2,570,652
At 31 December 2008	120,569,807	6,436,408

DISTRIBUTION

The General Meeting of 12 June 2008 approved the payment of a total dividend of €1.20 per share on the basis of the number of shares existing on that date.

The dividend effectively paid on 19 June amounted to €137,080,245.60, including non-payment of the portion corresponding to the treasury shares on the pay-out date.

NOTE 14 : Provisions

<i>In thousands of euros</i>	Site restoration	Employee benefits	Other	Total
Balance at 1 January 2007	9,806	11,533	12,444	33,784
Exchange gains/losses	(869)	(1,125)	(1,986)	(3,981)
Changes in consolidation scope	(2,996)	-	31	(2,965)
Allowance for the year	(44)	4,141	18,788	22,885
Utilisation	(260)	(5,932)	(7,148)	(13,339)
Other allocations and reversals	559	-	14,086	14,645
Discounting effect	349	1,093	-	1,442
Balance at 31 December 2007	6,545	9,710	36,215	52,471
Current part	1,685	592	19,399	21,676
Non-current part	4,860	9,118	16,816	30,795

<i>In thousands of euros</i>	Site restoration	Employee benefits	Other	Total
Balance at 1 January 2008	6,545	9,710	36,215	52,471
Exchange gains/losses	1,825	548	(1,749)	623
Changes in consolidation scope	(162)	-	-	(162)
Allowance for the year	-	713	41,712	42,425
Utilisation	(132)	(1,176)	(4,558)	(5,866)
Other allocations and reversals	23,567	-	(21,345)	2,222
Discounting effect	477	825	-	1,302
Balance at 31 December 2008	32,120	10,620	50,275	93,015
Current part	1,765	424	47,996	50,185
Non-current part	30,355	10,196	2,279	42,830

SITE RESTORATION

The funding of provisions for site restoration the sites in Colombia (€13,723 K), primarily on Ocelote, and in Gabon on the Omoueyi permit (€10,298 K) explains the increase in this item.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

Almost all of the provisions for pensions and other post-employment benefits are related to the Latin American subsidiary (€10,030 K at 31 December 2008 compared with €9,152 K at 31 December 2007). The other plans are immaterial for the Group. The corresponding provision totalled €590 K at 31 December 2008.

<i>In thousands of euros</i>	Hocol	Other	Total
Change in the actuarial value of accumulated rights			
Actuarial value of rights at the beginning of the period	9,152	558	9,710
Accumulated rights vested during the year	1,840	32	1,871
Financial cost	-333	-	-333
Benefits paid	-1,176	-	-1,176
Change in assumptions	-	-	-
Exchange gains/losses (foreign plans)	547	-	548
Actuarial value of rights accumulated at 31 December 2008	10,030	590	10,620
At 31 December 2008			
Pension commitments			
Actuarial value of accumulated rights	10,030	590	10,620
Current value of investments	-	-	-
(Surplus)/insufficient investments on accumulated rights	10,030	590	10,620
Estimate of future payments			
2009	164	368	532
2010	635	63	698
2011	1,918	109	2,027
2012	12,283	18	12,301
2013	-	-	-
2014-2016	-	477	477
Assumptions used to determine commitments at 31 December 2008			
Discount rate	11.16%	5.25%	
Inflation	7.73%	2.00%	
Average rate of increase in salaries	9.73%	4.36%	
Analysis of expenses for the 2008 financial year			
Rights accumulated during the year	1,840	32	1,871
Financial cost	-333	-	-333
Change in assumptions	-	-	-
Net expense (income) for the consolidated entity	1,507	32	1,539

These calculations come from a report issued by an independent actuary

In comparison to 2007, the actuarial assumptions for the Hocol entities were adjusted to reflect a significant increase of 2.31 points in the inflation rate, an increase in the average salary hike of 2.31 points, and 0.93 point adjustment in the discount rate.

The data below provide a measurement of the sensitivity of the actuarial debt to a change in the discount and inflation rates (covering the Latin American operations):

■ a 0.25% increase in the expense increase rate would result in:

- An increase in the actuarial value of accumulated rights of €95 K,
- An increase of €12 K in the cost of services rendered.

■ a 0.25% decrease in the discount rate would result in:

- an increase of €93K in the actuarial value of accumulated rights,
- a €7 K decrease in the cost of services rendered.

OTHER PROVISIONS

The other provisions for risks and contingencies are analysed in the table below:

<i>In thousands of euros</i>	Dec-07	var.	Dec-08	
Litigation with financial institution		36,849	36,849	(1)
Litigation with Messier Partners	6,050	-6,050	-	(2)
Risks on Congo operations	7,234	-5,734	1,500	(3)
Costs of Sicily dismantling		3,851	3,851	(4)
Risk on distribution tax	14,905	-14,905	-	(5)
Risks on equity associates		1,929	1,929	(6)
Other litigations in Colombia	4,100	39	4,139	
Other	3,926	-1,919	2,007	
Other provisions for risks and contingencies	36,215	14,060	50,2755	

(1) There is currently a litigation over transactions for complex financial instruments disputed by the Group. The litigation is over the existence of a claim for \$51.3 million (€36.8 million). This risk has been fully funded for prudential reasons, without impairing the company's rights to challenge the claim and also bring a liability action for damages.

(2) In 2007, the consulting firm of Messier Partners initiated legal action against Maurel & Prom to obtain payment of a performance commission following the sale of the Congolese assets to the Eni oil group. The Commercial Court ruled in favour of Messier in the lower court and ordered Maurel & Prom to pay the sum of €5.6 million plus late penalties. The provision recognised for this purpose was fully reversed following the 5 March 2009 ruling by the Paris Court of Appeals dismissing all Messier claims.

(3) The provision funded in 2007 to cover a set of risks following the sale of most of the Group's operations in Congo to Eni has been used up to €2,500 K and partially reversed.

(4) The wells drilled by Panther in Sicily on the Eureka well did not result in a discovery of commercial reserves. This led the Group to fund a provision for €3,851 K for end of work costs and site restoration. It should also be noted that the Panther permit in Sicily is covered by a carry agreement.

(5) Colombian tax rules stipulate tax at the rate of 20% on profits distributed within five years after they are earned. As this tax has been repealed, the provision funded for this purpose was, therefore, reversed.

(6) The Group sets aside provisions, as applicable, for the negative net positions of the companies it consolidates using the equity method in accordance with IAS28. The provision funded is for NGM.

NOTE 15 : Bonds, other borrowings and financial debt

Bonds, other borrowings and financial debt are detailed below:

<i>In thousands of euros</i>	Currency	31/12/2008			31/12/2007
		Current	Non-current	Total	Total
Bonds		375,024	-	375,024	350,021
Other borrowings and debt	12,659	-	12,659	21,668	-
Natexis Banques Populaires/BNP Paribas (syndicated loan)	USD	-	-	-	-
Banco Colombia (syndicated loan)	USD/COP	12,655	-	12,655	19,409
Banco Colombia	USD/COP	-	-	-	2,259
Debts on lease financing	USD/COP	500	3,656	4,156	4,598
Bank loans		2,849	-	2,849	5,633
Total of other borrowings and financial debt		16,008	3,656	19,664	31,899

BONDS

On 9 March 2005, the company issued 16,711,229 bonds with option for conversion and/or exchange for new or existing shares (OCEANE) for a total amount of €374,999 K. The bonds bear interest at 3.5% a year (coupons payables on the first day of each year) and will be fully amortised by redemption at par on 1 January 2010. The conversion or exchange may be exercised at any time in a ratio of 1.1 shares for one bond. The bond issue was fully subscribed.

Initially, the bond issue was booked under financial liabilities at its amortised cost of €327,658 K. This amortised cost was determined by discounting contractual future cash flow at the effective interest rate of 7.17%.

Shareholders' equity was also credited with the value of the conversion option for €44,003 K, or €29,115 K net of deferred tax.

At 31 December 2008, the bond appears on the balance sheet for €375,024 K (versus €350,021 K at 31 December 2007). In 2008, 406 bonds were converted. The delivery of those bonds had no impact on net income as treasury shares had been used as counterpart of this conversion; the number of outstanding bonds at 31 December 2008 totalled 16,703,858.

The fair value of the OCEANE was determined by discounting the interest and capital flows over the years remaining until maturity. The discount rates used were 8.01% at 31 December 2007 and 6.56% at 31 December 2008.

OTHER BORROWINGS AND FINANCIAL DEBT

In July 2006, the Group negotiated with a banking consortium led jointly by Natexis and BNP Paribas, for a facility of \$350 million guaranteed by the pledge of the Group's Congolese and Colombian reserves ("Reserve Based Loan", RBL). Prior to the sale of the Congolese assets to ENI, the outstanding amount on the facility related to the Congolese reserves was repaid and this facility was definitively cancelled (\$200 million).

As a result, only the credit line assigned to the Colombian reserves is still available. In accordance with the contractual amortisation plan for this loan, the useable amount was reduced in November 2008 to \$75 million.

The maturity on this financing is set at 31 December 2009 and bears interest at the Libor rate + 3.25%. In addition to the pledges made on the Colombian reserves, the Group agreed to meet the following financial ratios at all times:

- working capital ratio greater than 1.1;
- total debt (including unconverted OCEANE)/EBITDA of less than 2.5;
- EBITDA / interest expense greater than 5.

In addition, Hocol borrowed at 31 December 2008, from local banks, the equivalent value of \$17.6 million in Colombian pesos in the context of very short-term cash transactions.

The payment schedule for other borrowings and financial debt is as follows:

<i>In thousands of euros</i>	December 2008	December 2 007
Payment schedule		
- from 1 to 5 years	3,323	14,589
- more than 5 years	333	1,164
Total	3,656	15,754

NOTE 16 : Trade payables – other creditors and other financial liabilities

Bonds, other borrowings and financial debt are detailed below:

<i>In thousands of euros</i>	31/12/2008			31/12/2007		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Trade payables	104,395	-	104,395	107,685	3,624	111,309
Trade payables	83,742	-	83,742	95,539	3,378	98,917
Accrued expenses	20,653	-	20,653	12,146	246	12,392
Other creditors and sundry liabilities	60,708	-	60,708	71,860	39	71,899
Social security liabilities	5,468	-	5,468	5,717	17	5,734
Tax liabilities	12,810	-	12,810	8,103	22	8,125
Fixed asset suppliers	19,258	-	19,258	18,639	-	18,639
Sundry creditors	23,172	-	23,172	39,401	-	39,401

The change in trade payables from 2007 is immaterial.

The decrease in other creditors is essentially the result of the loss of control of the activities in 2008 which resulted in

a change in the method of consolidation. These operations, which were previously fully consolidated, are now accounted for using the equity method.

NOTE 17 : Compensation expenses

These expenses can be analysed as follows:

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Salaries	18,678	15,320
Profit sharing	-	-
Stock options and bonus shares	1,677	1,088
Employment taxes and other compensation costs	9,778	12,592
Total	30,133	29,000

The total increase in compensation expenses (salaries and payroll taxes) results primarily from the increase in the number of employees (rising to 456 people at the end of 2008 from 418 in 2007, an increase of 38 people), particularly at Caroil Colombia which had a significant increase in its activity over 2008.

In 2007, other compensation expenses included the effects of the labour measures taken as a result of the reorganisations completed. There was no equivalent to those non-recurring costs in 2008.

NOTE 18 : Gain on 2007 asset sales

In accordance with the disposal agreement signed on 21 February 2007, Maurel&Prom transferred on 29 May 2007 to the oil company Eni, a subsidiary of the Italian group Eni S.p.a., its participating interest in the M'Boundi and Kouakouala operating licenses in Congo, and part of its interest in this latter license was reduced from 65% to 15%.

In accordance with disposal agreement stipulations, Maurel & Prom received \$1,394 million, corresponding to 95% of the disposal price, plus \$32.3 million in interest on this amount on 29 May 2007.

The final settlement consolidated a price adjustment calculated on a balance of sales, cash calls and working capital at 1 January 2007. The final price was thus adjusted so that at the closing date of the operation, Maurel & Prom received the amounts relating to the realization of current assets and made payment for current liabilities incurred prior to January 2007. Maurel & Prom was also reimbursed for amounts spent on behalf of Eni after 1 January 2007, and paid Eni for the sums received for production after 1 January 2007.

GAIN ON 2007 ASSET SALES

<i>In thousands of euros</i>	
Sale price	1,112,587
Income from shortened period	77,684
Repayment of income from the shortened period	(77,684)
Interest on sales price	25,509
Book value of assets disposed of	(334,751)
Capital gain on asset disposal	803,345
Net exchange gains	9,388
Other gains on sale	3,748
Income from discontinued operations	816,481

2007 INCOME

<i>In thousands of euros</i>	
Income statement for the shortened period 1 January 2007 to 29 May 2007	
Sales net of deductions in kind	95,504
Operating expenses	(15,073)
Operating income	80,431
Financial expenses	(2,747)
Income for the period (excluding depletion)	77,684

2007 CASH FLOW STATEMENT

<i>In thousands of euros</i>	
Cash flow statement for the period 1 January 2007 to 29 May 2007	
Cash inflow on disposal price	1,090,393
Net flows from operating activities	55,913
Net flows from investing activities	(51,072)
Net flows from financing activities	(75,391)
Net cash flows	1,019,843

NOTE 19 : Restatements on the 2007 financial statements

Not applicable.

NOTE 20 : Financial income

<i>In thousands of euros</i>		
Cost of debt	31/12/2008	31/12/2007
Interest on overdrafts	-468	-229
Interest on OCEANEs	-25,012	-24,283
Interest on other borrowings	-3,185	-5,165
Cost of gross debt	-28,665	-29,677
Income from cash	14,350	29,337
Net gains or losses on derivatives	75,073	-17,941
Cost of net debt	60,758	-18,281
Other net financial income	-65,648	-38,423
Net exchange differentials	-29,725	-37,284
Other	-35,923	-1,140
Financial income	-4,890	-56,704

The costs related to the Oceane bond consist of €13.1 million in interest expense at the rate of 3.5% and a debt discounting effect of €11.9 million.

Other interest represents the borrowing contracted in Colombia (see Note 15 – “Bonds, other borrowings and financial debt”).

The cash income reflects the remuneration on term deposits. This income was particularly significant in 2007 because of the investment of the income from the sales of the Congolese assets.

Gains on derivative instruments totalled €75.1 million and can be analysed as follows (in €million):

<i>In thousands of euros</i>	
Profits on oil and gas derivative instruments *	99.8
Losses on foreign exchange transactions **	-9.7
Unrealised losses resulting from valuation to market price of the derivatives existing at closing ***	-15.0
Gains on financial instruments	75.1

* This amount includes a gain of 96 million relating to the liquidation of the crude hedges assigned to Colombian sales and other oil derivative instruments prior to the sale of the Colombian assets. This point is described in Note 10 – “Derivative instruments and other financial instruments” of these notes.

** These expenses include the purchase cost for currency option hedges set up because of negative changes in market conditions.

*** This essentially represents the revaluation of transactions designed to reduce exposure to the foreign exchange risk.

The foreign exchange losses on headquarters amounted to €25.9 million. They result from the decline in the dollar at a time when the company had a very large cash position in this currency (\$764 million at 1 January 2008; \$358 million at 31 March 2008).

The dollar, with a parity of 1.4721 at the end of 2007 significantly depreciated in March (1.5812 at the end of a March, a decline of -7%) and then stabilised at this level over the second quarter (1.5764 at the end of June).

In addition to this loss on cash in currency was also the foreign exchange losses realised on the investments in Gabon (-€2.1 million) and in Tanzania (-€1.9 million).

The other financial expenses primarily reflect the provision of €36.8 million funded to cover the risk related to the current dispute with a banking institution. This dispute is described in Note 14 – “Provisions” of these notes.

NOTE 21 : Income taxes

The income tax liability primarily represents the tax on results in Colombia.

A tax consolidation agreement was signed by the parent company of the Maurel & Prom Group and its French subsidiary Caroil, effective 1 January 2004. An amendment to this agreement was signed on 19 January 2009 in order to include Hocol Maurel & Prom Venezuela SAS within the consolidation Group.

The tax audit of fiscal years 2002 to 2005 conducted on the parent company was completed in 2008.

The principal increases were related to the territory of the expenses, the existence of permanent offices established abroad and on specific provisions and expenses. They did not result in additional taxes because of the company's deficits carried forward with the exception of withholding in the amount of €1.3 million. The provision funded for this reason in the accounts at year-end 2007 was reversed following the effective payment of this amount in 2008.

BREAKDOWN OF EXPENSES FOR THE YEAR

<i>In thousands of euros</i>	2008	2007
Corporate income tax due for the financial year	52,095	28,144
Recognition of prior tax losses in assets		
Adjustment on the tax due for the year	52,095	28,144
Deferred tax income or expense	-14,285	-7,953
Deferred tax adjustment due to change in tax rates		-3,428
Deferred tax income resulting from a prior deficit	-14,285	-11,381
Total	37,810	16,763

€21.9 million of the €24.0 million increase in the current tax liability is due to the increase in taxable income in Colombia.

The increase of €6.3 million in deferred tax income (excluding effects related to rate changes) is primarily the result of provisions for site restoration recognised in Colombia following the start of production from the Ocelote field.

It should be noted that the change in the tax rate in Colombia (from 34% to 33%) generated income of €3.4 million in 2007.

Over the tax consolidation group, the deferred tax assets related to deficit carry-forwards are not recognised above deferred tax liabilities because of a lack of sufficient probability of future taxable profits against which the losses can be charged.

CHANGES IN CURRENT TAXES

<i>In thousands of euros</i>	2008	2 007
Current tax assets	417	7,074
Current tax liabilities	29,644	121

The VAT receivables can be charged against the corporate tax debt in Colombia. For this reason, Hocol's corporate tax liability was presented net of VAT receivables in 2007.

The set-off of these positions in 2008 explains the increase in the current tax liability.

ORIGIN OF DEFERRED TAX ASSETS AND LIABILITIES

<i>In thousands of euros</i>	2008	2007
Tax losses	3,668	6,952
Provisions for dismantling	7,007	2,134
Retirement provisions	3,310	3,020
Deferred tax on financial instruments	4,863	2,303
Other	131	8,377
Total deferred valuation	132,526	119,551
Accelerated amortisation and depreciation	11,467	14,737
Deferred tax on financial instruments	5,299	-
Equity component, OCEANEs	3,668	6,952
Other	4,045	4,959
Total deferred tax liabilities	157,005	146,199
Net	138,025	123,413

RECONCILIATION OF TAX EXPENSE TO INCOME BEFORE TAX

<i>In thousands of euros</i>	2008	2007
Income before tax from continuing operations	100,315	-32,822
Net income of equity associates	9,694	-571
Income before tax excl. equity associates	90,621	-33,393
Theoretical tax expense 33.33%	30,204	-11,130
Reconciliation	-	-
Tax paid in kind	-	-
Divergence of tax rates	-5,548	-5,248
Capitalisation of prior losses	-	-
Non-capitalised losses	13,154	33,141
Actual tax expense	37,810	16,763

NOTE 22 : Earnings per share

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Net income group share	62,504	766,096
Net income from discontinued operations	-	816,481
Net income from continuing operations	62,504	-50,727
Average number of shares outstanding	114,683,940	116,510,501
Stock options and bonus shares (weighted)	828,272	-
OCEANE (weighted number)	18,374,244	-
Average number of diluted shares	133,886,457	116,510,501
Earnings per share		
Basic	0.55	6.58
Diluted	0.47	6.79
Earnings per share from discontinued operations		
Basic	-	7.01
Diluted	-	7.01
Earnings per share from continuing operations		
Basic	0.55	-0.44
Diluted	0.47	-0.22

The potential common shares are treated as dilutive if, and only if, their conversion into ordinary shares results in reducing the earnings per share of the ordinary activities pursued.

In this respect, the OCEANEs, bonus shares and stock options are anti-diluting and the 2007 earnings per share were calculated excluding the impact of the OCEANEs.

NOTE 23 : Related parties**COMMERCIAL AND FINANCIAL TRANSACTIONS**

At 31/12/2007

<i>In thousands of euros</i>	Income	Expenses	Amounts due by related parties (net)	Amounts due to related parties
1) Companies carried on an equity basis				
- Panther Euréka Srl	711		711	
- Raba Xprom Energia Kft	103		103	
2) Other related parties				
- Pacifico	58	1,547	31	503

At 31/12/2008

<i>In thousands of euros</i>	Income	Expenses	Amounts due by related parties (net)	Amounts due to related parties
1) Companies carried on an equity basis				
- Lagopetrol	-		-	-
- New Gold Mali (NGM)	202		2,363	-
- Panther Euréka Srl	1,396		24	-
- Raba Xprom Energia Kft	119		1,293	13
- Renaissance Energy	5		29	-
2) Other related parties				
- Pacifico	254	1,438	-	196

The transactions with equity associates are for interest on interest-bearing financial advances made to Panther Eureka Srl to finance its exploration work under contractual agreements made for this purpose at the time of the acquisition of the stake.

An advance was also granted to the Hungarian associate for exploration work; given the failure of this work, this advance was written off.

With respect to related parties, arm's length transactions pertain to leasing services and support services.

Thus, Maurel & Prom signed an agreement to sub-lease premises with Pacifico, a 23.82% shareholder. In addition, Pacifico has provided Maurel & Prom with technical and financial assistance since August 2005. The service agreement with Pacifico was amended, approved by the Maurel & Prom Supervisory Board on 29 May 2007, and signed on 11 June 2007 (effective as of 1 February 2007). This rider concerns primarily the adjustment of fees for services provided.

SENIOR EXECUTIVES' COMPENSATION

Senior executives include Directors (Department managers) and members of the Board of Directors (formerly members of the Supervisory Board)

<i>In thousands of euros</i>	2008	2007
Short-term benefits	2,891	3,409
Severance benefits	448	277
Post-employment indemnities	305	353
Share-based compensation	650	1,034
	4,294	5,073

NOTE 24 : Off-balance sheet commitments

To Maurel & Prom's knowledge, there are no exceptional events, disputes, risks or off-balance sheet commitments other than those described in Notes 1 – "General information" and 26 – "Post-balance sheet events" which could materially influence the financial position, holdings, results or businesses of the Group.

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Customs surety bonds	610	1,126
Guarantees given on loans	53,891	101,895
Work commitments	69,583	126,073

Commitments given

CUSTOMS SURETY BONDS GIVEN

Customs surety bonds are the guarantees given by the Group to comply with the requirements of local authorities for the import of equipment. They also include the customs surety bonds issued in Gabon for €610 K.

GUARANTEES GIVEN ON LOANS

In the context of the Group's refinancing operations, Maurel & Prom in 2006 contracted a loan from a bank pool which included Natexis and BNP ("Reserve Based Loan") for \$350 million allocated to financing operations in Congo for \$200 million and \$150 million in Colombia.

For this loan, Maurel & Prom pledged the oil reserves financed, as well as the shares of the companies holding the permits and products stemming from the exploitation of said permits until the loan maturity date at 31 December 2009.

In addition, Maurel & Prom agreed for the term of the loan to meet certain technical and financial covenants (see Note 15 – "Bonds, other borrowings and financial debt").

In 2007, prior to the sale of the Congolese assets to ENI, the outstanding amount on the facility related to the Congolese reserves was repaid and this facility was definitively cancelled (\$200,000 K). As a result, only the line of credit assigned to the Colombian reserves (\$150,000 K) remains available.

At 31 December 2008, \$75,000 K of this line of credit, which has not been used, remained available.

WORK COMMITMENTS

As part of its normal operations and in keeping with common industry practices, the Group takes part in numerous agreements with third parties. These commitments are often made for commercial or regulatory purposes or for other operational contracts.

At 31 December 2008, the operational commitments, which include estimated oilfield work commitments, broke down as follows:

<i>In thousands of euros</i>	31/12/2008	31/12/2007
Congo	12,812	-
Gabon	719	75,290
Colombia	24,956	39,264
Tanzania	14,874	10,190
Other	16,223	1,330
Total	69,583	126,073

The assessment of oilfield work commitments is based on the budgets approved with the partners. They are subject to numerous revisions during the year depending in particular on the results of the oilfield work carried out.

The Congo work commitments in the amount of €12.8 million reflect the commitment to drill 2 wells stipulated in the contract on the Kouilou exploration permit and one well on M'Bafou.

In 2007, the work commitments on the Onal project in Gabon were particularly significant given the investments to be made in 2008.

The commitments in Colombia primarily represent the drilling of 1 well on the Tangara permit for \$14 million and geological studies on the Sabanero and Niscota sites for \$8.6 million.

In Tanzania, the firm oilfield work commitments include wells on the Mandawa and Bigwa Rufiji Mafia permits for a total amount of \$20.5 million.

The other work commitments primarily represent wells on the Syrian Alasi permit for \$18 million, costs for closing the Fiume Tellaro permit in Sicily (2 million), and obligation costs under the production sharing contract on the Sebikhotane permit in Senegal for \$2.5 million.

OTHER COMMITMENTS GIVEN

Rockover

The contract to purchase the Rockover company in February 2005 stipulated a return clause for former shareholders for 10% in the event of a discovery on one of the permits sold (Ofoubou/Ankani, Omoueyi, Nyanga Mayombe, Kari) and for 50% on the Banio permit.

At the initiative of Maurel & Prom, an agreement to purchase this clause was signed on 13 July 2007. This agreement stipulated the payment by Maurel & Prom to former shareholders of \$55 million (including \$30 million paid on 13 July and \$25 million in debts, plus interest, 5 days after the first production of 1,000 b/d for 30 days on the Onal

field currently being developed), plus a royalty of 2% when total production exceeds 39 million barrels on all the fields sold to Maurel & Prom in 2005 (excluding Banio), and a royalty of 10% on the production from the Banio field when total production from this field exceeds 3.9 million barrels.

In addition the following commitments were continued:

- Maurel & Prom will have to pay the sellers a total royalty in the amount of \$1.30 per barrel produced as of the date on which total production in all the license zones exceeds 80 Mb;
- Maurel & Prom will have to pay one of the two sellers a royalty equivalent to 2% of the total production available up to a threshold of 30 Mboe and 1.5% above that threshold, on the production from the production permits resulting from the MT 2000-Nyanga Mayombé exploration permit.

Heritage

Maurel & Prom's commitments on Heritage following the purchase of Heritage's rights to the Kouakouala permit were transferred to Eni.

Transworld

Following the purchase of Transworld's residual rights to the Etekamba permit on 18 March 2008, a "net profit interest agreement" was signed, under which Maurel & Prom must pay 10% of the profit oil and 8% of the profit gas to Transworld Exploration Ltd.

Omoueyi exploration and production sharing contract

As of the start of production on the Onal field, the Gabonese State automatically obtains 15% of the rights and obligations resulting from the Omoueyi contract for the development and production of the Onal production zone, unless it expressly waives this interest within 120 days after the start date of production on the permit. On 13 December 2006, an exclusive production authorisation was granted for the Onal zone located on this permit.

In addition, Maurel & Prom is liable for a customs duty of 5% on the exploration and production assets which were admitted duty-free until then. These customs duties will be due only when production on the Onal field exceeds 10,000 tons (approximately 75,000 barrels).

COMMITMENTS RECEIVED

Agricher litigation

The following are guaranteed by joint and several bond of the Agricher cooperative:

- the loan of €3,659 K including interest made to the Transagra group; and
- the receivable of €1,528 K from the Transagra company.

Because these two companies have filed for bankruptcy, Maurel & Prom has written off all of these receivables.

LEGAL DISPUTES

Messier Partners

Messier Partners, a financial consultancy company hired by the Company to provide financial assistance, brought legal proceedings in 2007 against the Company for payment of a success commission following the signing of the sale agreement with Eni. The claims put forward by Messier Partners in these proceedings totalled €14.7 million. Messier Partners partially won in the first instance proceedings and the Company was ordered to pay Messier Partners the sum of €5.6 million. The Company has lodged an appeal against the ruling. A provision has been booked in the Company's account for this sum. The Paris Court of Appeals, in a judgment issued on 5 March 2009, dismissed all provisions of the judgment rendered on 18 December 2007 by the Paris Commercial Court, dismissing all claims of Messier Partners and ordering Messier Partners to pay court costs for the lower court and appeals court and the payment of 50,000 for unrecoverable legal costs.

Agricher/Transagra

In 1996, an action was brought against Maurel & Prom in relation to Transagra receivership proceedings and the insolvency of the Agricher cooperative. The company believes that this action for approximately 33 million has no legal basis and has not funded a provision.

Maurel & Prom has filed action against the individual directors of the cooperative Group holding Transagra for liability for the losses incurred by Maurel & Prom through the Promagra company. As of this date, this dispute is still in progress.

Caroil/Panafrican Energy Tanzania Ltd/arbitration

As part of its onshore drilling business, Caroil signed a contract in February 2007 with the company Panafrican Energy Tanzania Ltd in relation to the provision in Tanzania of drilling services, including the supply of a drilling rig and suitable staff to construct a firm well, with an option on a second well.

At the end of September 2008, Panafrican Energy Tanzania Ltd initiated an arbitration proceeding with the International Chamber of Commerce to obtain the sum of \$8.7 million for reimbursement of the direct and indirect costs related to the alleged malfunction of the drilling rig. Caroil is disputing the claim and is claiming payment of its invoices and the VAT advanced for a total of \$2.3 million plus interest.

Banking institution dispute

This dispute is described in Note 14 – "Provisions" of these notes.

NOTE 25 : Segment reporting

In accordance with the Group's internal reporting policies, segment information is presented by geographic region (on the basis of the location of the company's facilities) and then by business.

25.1 Reporting by geographic region

In 2008, current and deferred tax assets were excluded from segment assets, in accordance with IAS14. Current and deferred tax liabilities, as well as borrowings, were also excluded from segment liabilities.

December 2008	Congo	Gabon	Colombia	Venezuela	Tanzania	Syria	Other	Total
Income statement at 31 December 2008								
Oil sales	521	6,897	292,887	-	-	-	-	300,305
Services rendered	64,793	50	17,920	-	2,055	-	11,234	96,052
Inter-region sales	-	-	-	-	-	-	(11,144)	(11,144)
Total sales	65,314	6,947	310,807	-	2,055	-	90	385,213
Operating income	11,189	(3,634)	108,777	18,728	(17,051)	(420)	(22,078)	95,511
Depreciation and amortisation	7,598	1,939	63,784	9	1,628	296	1,262	76,516
Impairment	88	2,170	42,217	-	13,514	-	9,087	67,076
Other non-cash expenses	272	-	796	-	407	-	10,982	12,457
Share in earnings from companies carried on an equity basis	-	-	-	8,502	-	-	1,192	9,694
Balance sheet at 31 December 2008								
Segment assets	70,197	589,918	751,317	1,054	119,727	14,784	28,906	1,575,903
Investments accounted for under the equity method	-	-	-	33,159	-	-	4,542	37,701
Total segment assets	70,197	589,918	751,317	34,213	119,727	14,784	33,448	1,613,604
Segment liabilities	11,582	38,747	119,284	973	15,889	2	71,640	258,117
Total segment liabilities	11,582	38,747	119,284	973	15,889	2	71,640	258,117
Acquisition of non-current assets	25,418	261,743	165,574	27	76,475	8,155	1,609	539,001

<i>December 2007</i>	Congo	Gabon	Colombia	Venezuela	Tanzania	Syria	Other	Total
Income statement at 31 December 2007								
Oil sales	800	1,539	207,515	-	-	-	-	209,854
Services rendered	66,689	-	3,268	-	6,218	-	4,216	80,391
Inter-region sales	-	-	-	-	-	-	(697)	(697)
Total sales	67,489	1,539	210,783	-	6,218	-	3,519	289,548
Operating income	(16,616)	(27,934)	97,731	(476)	(4,091)	(414)	(24,889)	23,311
Depreciation and amortisation	6,044	1,153	60,877	-	1,682	253	517	70,526
Impairment	25,270	26,359	(3,265)	-	-	-	9	48,373
Other non-cash expenses	1,332	258	406	401	-	-	928	3,325
Share in earnings from companies carried on an equity basis	-	-	-	-	-	-	(571)	(571)
Balance sheet at 31 December 2007								
Segment assets	124,502	261,097	603,174	31,848	36,994	9,146	43,842	1,110,603
Investments accounted for under the equity method	-	-	-	-	-	-	3,138	3,138
Total segment assets	124,502	261,097	603,174	31,848	36,994	9,146	46,980	1,113,741
Segment liabilities	14,490	20,489	159,714	15,945	8,308	-	39,007	257,953
Total segment liabilities	14,490	20,489	159,714	15,945	8,308	-	39,007	257,953
Acquisition of non-current assets at 31 December 2007	120,161	200,656	108,603	-	14,068	3,761	1,105	448,354

25.2 Reporting by activity

<i>December 2008</i>	Oil and gas exploration/Production	Oil drilling	Other	Total
Sales	300,305	-	-	300,305
Services rendered	-	84,819	89	84,908
Total Sales	300,305	84,819	89	385,213
Segment assets	1,411,833	135,605	28,465	1,575,903
Acquisition of non-current assets	487,932	27,700	23,369	539,001

<i>December 2007</i>	Oil and gas exploration/Production	Oil drilling	Other	Total
Sales	209,854	-	-	209,854
Services rendered	-	76,175	3,519	79,694
Total Sales	209,854	76,175	3,519	289,548
Segment assets	944,526	122,407	43,670	1,110,603
Acquisition of non-current assets	391,372	56,119	863	448,354

NOTE 26 : Risks

CREDIT RISK

The Group is exposed to a credit risk on the following:

- loans to and receivables from third parties in the context of its operating activities;
- short-term deposits made to banking institutions and derivative instruments with a positive fair value.

<i>In thousands of euros</i>	2008		2007	
	Maximum exposure to credit risk	Balance Sheet outstanding amount	Maximum exposure to credit risk	Balance Sheet
Other non-current financial assets	8,228	21,000	6,292	28,216
Trade receivables and related accounts	39,003	39,003	52,852	52,852
Other current financial assets	23,220	23,220	29,671	29,671
Financial derivatives	70,734	70,734	5,430	5,430
Cash and cash equivalents	191,544	191,544	699,939	699,939
Total	332,729	345,501	794,184	816,107

The maximum exposure corresponds to the balance sheet outstanding amounts, including provisions.

Because of its operating method Maurel & Prom believes it does not incur a counterparty risk, since the Colombian production is sold on the market through traders who settle the letters of credit issued by first-tier international banks.

In Venezuela, as for any oil operators, the production of the subsidiary is sold to PdVSA, Société Nationale pétrolière Vénézuélienne.

RECEIVABLES DUE BUT NOT DEPRECIATED

Only financial assets classified under loans and receivables include late payments at the balance sheet date.

At 31/12/2008

<i>In thousands of euros</i>	Assets due not reserved					Assets reserved	Assets neither due nor reserved	Total
	0-1 months	1-3 months	3-12 months	over 1 year	Total	Total	Total	
	Trade receivables and related accounts	25,881	3,022	1,028	0	29,931	37	9,035

At 31/12/2007

<i>In thousands of euros</i>	Assets due not reserved					Assets reserved	Assets neither due nor reserved	Total
	0-1 months	1-3 months	3-12 months	over 1 year	Total	Total	Total	
	Trade receivables and related accounts	33,214	4,830	1,338	4,329	43,711	37	9,104

The Colombian receivables are payable in cash which explains the outstanding receivables due but not reserved at less than a month. There is no proven credit risk for these receivables.

Outstanding receivables provisioned represented €980 K at 31 December 2008 (compared with €386 K at 31 December 2007) and primarily consisted of the provisions for the current dispute with the Panafrican company in Tanzania.

LIQUIDITY RISK

The Group's liquidity is monitored through cash statements prepared weekly and transmitted to Management.

These statements consolidate the cash position (borrowings and surpluses) of each entity by currency and the projected change in this position at 7 and 30 days.

Actual results are compared to forecasts through these statements on which, in addition to liquidity, the foreign

exchange position may be assessed and managed via an electronic quotation system.

With respect to management statements, these tools have been developed internally insofar as monitoring the risk does not require specific tools.

The cash department at the corporate offices consists of two professionals assisted by managers in each entity. The department's mission is to manage currency, rate and commodities risks.

At 31 December 2008 and at 31 December 2007, the non-discounted contractual flows (principal and interest) on the outstanding financial liabilities, by maturity date, were as follows; for variable rate loans, the interest was estimated using the last known rate:

At 31/12/2008

	2009	2010	2011	2012	2013	> 5 yrs	Total contractual flows sheet	Total Balance value
<i>At 31 December 2008</i>								
Bonds¹	388,125						388,125	375,024
Other borrowings and financial debt								
Banco Colombia (syndicated loan)	14,252						14,252	12,655
Banco Colombia ²	-						-	-
Financial lease loans	937	937	937	937	937	373	5,058	4,156

At 31/12/2007

	2009	2010	2011	2012	2013	> 5 yrs	Total contractual flows sheet	Total Balance value
<i>At 31 December 2007</i>								
Bonds¹	13,119	387,963					401,082	350,021
Other borrowings and financial debt								
Natexis Banques Populaires/BNP Paribas (syndicated loan)	-	-					-	-
Bancolumbia (syndicated loan)	9,252	12,390					21,642	19,409
Bancolumbia ²	2,259	-					2,259	2,259
Financial lease loans	1,046	982	982	982	982	1,391	6,365	4,598

¹ Includes current and non-current outstanding amounts

² Financing line roll-over

The loan terms and the Group's financing structure are as follows:

- a bond of €375 million at a fixed rate of 3.5%;
- a borrowing in Colombian pesos for the equivalent value of \$17.6 million, bearing interest at the DTF rate +5%

In addition, liquid assets on the closing date amounted to €191.5 million and were all invested in demand bank deposits.

MARKET RISK

The Group's results are sensitive to various market risks. The most significant are the price of hydrocarbons denominated in dollars, and the Euro/dollar exchange rate. However, it should be noted that the Group's operational currency is the dollar, since sales, a major portion of operating expenses, and a significant portion of the capital expenditures are denominated in this currency.

FOREIGN EXCHANGE RISK

Change in the EUR/USD exchange rate impact the Group's net income because a significant portion of the income is generated in dollars. In addition, the Group suffers a foreign exchange risk related to the revaluation at the closing rate of the money market items in foreign currencies held by the companies whose accounting presentation currency is the Euro.

In order to reduce this risk, the Company uses hedging strategies through derivative instruments (forward foreign exchange transactions and currency options). Moreover, the Company holds a portion of its liquidities in US dollars intended to finance provisional investment expenditures in US dollars.

The Company has set up foreign exchange hedging instruments, primarily on foreign exchange puts and calls and USD/EUR forwards over a period until December 2009, which are intended to reduce exposure to a decline in the US dollar.

These transactions, which are not classified as hedges in the accounts, generated unrealised losses at 31 December 2008.

The transactional position used to calculate the US dollar exchange rate risk as at the closing date is summarised in the chart below:

Balance sheet positions as at 31 December 2008

<i>In millions of currency</i>	\$	€
Net position before management	127.0	91.3
Off-balance sheet position	-21.1	-15.2
Net position after management	105.9	76.1

The Euro/US dollar exchange rate was €1.3917 at 31 December 2008.

An unfavourable exchange rate of 1 USD cent to the Euro would have an impact of €551 K on the net position in the currency.

In addition, with respect to the exposure to the exchange rate risk in Colombian pesos, the current loans are for the most part covered by cash in the same currency.

Foreign exchange derivatives

Foreign exchange derivatives are presented below:

Foreign exchange derivatives 31/12/2008 31/12/2007		
<i>In thousands of euros</i>	Total Fair Value	Total Fair Value
Fair value hedge		
Cash flow hedge		
Net investment hedge		
Derivatives not qualifying as hedges	-12,089	5,185
Total	-12,089	5,185

As at 31 December 2008, the commitments in foreign exchange derivatives included:

- a USD COP swap tied to a pesos borrowing of the Colombian subsidiary,
- Euro Dollar options.

INTEREST RATE RISK

Borrowings outstanding at 31 December 2008 in the Group and the available lines are described in Note 15. This note measures the potential liquidity and interest rate risk.

With the exception of the OCEANE bonds, borrowings from financial institutions outstanding at 31 December 2008 are variable rate.

The liquidities held by the Group are placed in short-term deposit with a variable interest rate. It should be noted that these liquidities amounted to 192 million at 31 December 2008. If there is a 1% change in interest rates, the Company runs a risk of a loss of opportunity of €1.9 million if it declines, which becomes a gain of opportunity if it rises.

The portfolio of financial investments covers 49% of the Group's debt. In addition, the Group has confirmed and unused bank lines of credit of \$ 75 million as part of the "Reserve Based Loan" facility linked to pledges of the Colombian reserves.

RATE RISK

At 31 December 2008, the rate risk may be valued as follows:

Gross debt

The amounts below show the bond issues and other loans and financial liabilities:

In thousands of euros	31/12/2008			31/12/2007		
	Before	Impact of accounting hedge derivatives	After	Before	Impact of accounting hedge derivatives	After
Variable	12,655		12,655	21,668		21,668
Fixed	379,180		379,180	354,619		354,619
Total	391,835	-	391,835	376,287	-	376,287

Actifs financiers exposés au risque de taux en représentation de la dette

In thousands of euros	31/12/2008			31/12/2007		
	Before	Impact of accounting hedge derivatives	After	Before	Impact of accounting hedge derivatives	After
Variable	191,544		191,544	699,939		699,939
Fixed						
Total	191,544	-	191,544	699,939	-	699,939

The table below shows the impact of a 1% rise in the interest rate for variable rate borrowings:

In thousands of euros	31/12/08	31/12/07
Banco Colombia borrowing (syndicated loan)	126	194
Banco Colombia borrowing	-	2
Total	126	196

For assets and on the basis of outstandings at the end of 2008 constant over the year, a decline of 100 basis points in rate would result in the recognition of €1.9 million less in financial income.

The Group's outstanding loans at 31 December 2008 as well as the available lines of credit are described in Note 15 of the consolidated financial statements in this Annual Report which also describes any liquidity and interest rate risks.

With the exception of the OCEANE bonds, borrowings from financial institutions outstanding at 31 December 2008 are variable rate loans.

It should be noted that these liquidities amounted to €191.5 million at 31 December 2008. If there is a 1% change in interest rates, the Company runs a risk of a loss of opportunity of €1.9 million if it declines, which becomes a gain of opportunity if it rises.

The financial investments portfolio covers 49% of the Group's debt. In addition, the Group has confirmed and unused bank lines of credit of \$75 million as part of the "Reserve Based Loan" facility linked to pledges of the Colombian reserves.

Exposure to hydrocarbon risks

The company's policy is to protect a portion of its future production against a potential decline in prices and take advantage of any increase in prices on the non-hedged portion of the production, which was an average 15,704 barrels per day over 2008.

This hedging policy is conducted within the context of managing the bank credit lines available to the Group. In effect, these lines are increased if the protection price is higher than the price used by the institutions to determine the "Borrowing Base".

The hedges set up in 2008 are identified in Note 10 on derivative instruments.

The fair value of the hedges at 31 December 2008 was -€2.9 million. The sensitivity of this position to changes in crude prices is immaterial at Group level.

Derivative instruments hedging hydrocarbon risk and sensitivity

In anticipation of the production start-up in Gabon, the Group set up the following hedges in December:

- 2,000 b/d at a Brent price of \$56.8/b for the first quarter of 2009;
- 4,000 b/d at a Brent price of \$63/b for the rest of 2009;
- 2,750 b/d at a Brent price of \$61.6/b for the second half of 2010;
- 2,000 b/d at a Brent price of \$58.1/b for the second half of 2010.

Along with the set up of these swaps, and in order to improve the sale price, "floors" (sales of puts) were subscribed at a level of \$50/b for 500 b/d (1st quarter 2009), 2,500 b/d (from April to December 2009), 1,250 b/d (1st half of 2010) and 500 b/d (second half of 2010). Given the existence of these floors, these derivative instruments (sale swaps and floors) have not been accounted for as hedges and are revalued as an income/loss contra item.

Equity risk

- Equity risk exposure and management

The only financial assets exposed to equity risk are the available-for-sale securities, representing primarily a 19.15% stake in Pebercan recognised on the balance sheet for a value of €11,992 K. This stake is described in Note 6 "Other non-current financial assets".

NOTE 27 : Post-balance sheet events

27.1 Sale of the Colombian operations to Ecopetrol

On 9 March 2009 Maurel & Prom and Ecopetrol announced that they had signed a memorandum of understanding on the sale of Hocol Petroleum Ltd (Hocol Colombia), wholly owned by Maurel & Prom.

The total amount of the transaction, payable in cash, is \$748 million and may be increased by the earnout resulting from the application of the following two clauses:

- adjustment based on certified 2P reserves on the potential Huron field on the Niscota permit;
- adjustment based on the level of oil prices.

Maurel & Prom retains the following assets:

- 100% of the Muisca exploration permit;

- 50% of Hocol's rights to the Tangara exploration permit (in partnership with Ecopetrol and Talisman);
- 100% of the Sabanero exploration permit;
- 100% of the SN-9 exploration permit;
- 100% of block 116 in Peru;
- all its rights in Venezuela;
- potential rights in Brazil (pending signature).

This agreement will take effect retroactively as of 1 January 2009. The final agreement should be signed no later than June and as soon as approval from the Colombian competition authorities has been obtained. The final price will be set following an audit to validate the net financial position.

The balance of the assets and liabilities transferred amounts to €545 million, including €512 million in non-current assets net of deferred taxes.

The sale is for 43% of the Group's proven and probable reserves net of royalties, certified by DeGolyer and MacNaughton at 1 January 2009, and represents \$6.55 per share (on the basis of 114,133,400 shares).

27.2 Start-up of production on the Onal field

Production from the Onal field began on Monday, 9 March 2009 with the opening of the first 11 wells on the platforms PF-500, PF-700 and PF-900 at an initial provisional level of 10,000 b/d at 100%. The oil began to be processed and stored in the Onal facilities which have been on stream since 23 February with the start-up of the Omko field (production of 3,000 b/d at 100%).

27.3 Test results

- the drilling conducted on the Lince 1 well in Colombia did not result in a discovery of producible reserves. This failure noted in March 2009 resulted in expensing the exploration costs of €5.7 million over fiscal 2008.
- the drilling on the Mihambia-1 well in Tanzania in a partnership with Dominion was not conclusive. The well was abandoned and closed in March. The loss recorded amounts to €2.5 million.

NOTE 28 : Audit fees

Auditors' fees in 2008 totalled €1,811 K (including fees for members of their networks) and break down as follows:

	ERNST & YOUNG				Michel BOUSQUET in 2007 Daniel de BEAUREPAIRE in 2008			
	Amount		%		Amount		%	
<i>In thousands of euros</i>	2008	2007	2008	2007	2008	2007	2008	2007
Audit								
* Auditing, certification, review of corporate and consolidated accounts:								
- Issuer (*)	1,140	782	85%	75%	322	337	69%	70%
- Fully consolidated subsidiaries	181	184	13%	18%	145	110	31%	23%
* Other work and services directly related to the auditing mission:								
- Issuer (*)	22	76	2%	7%		36	-	7%
- Fully consolidated subsidiaries			-				-	
Subtotal	1,343	1,042	100%	100%	467	483	100%	100%
Other services rendered by the affiliated offices to the fully consolidated subsidiaries								
* Legal, tax, social security								
* Other (specify if >10% of the audit fees)					1		-	
Subtotal	-	-	-	-	1	-	-	-
Total	1,343	1,042	100%	100%	468	483	100%	100%

(*) Amount including tax; the issuer has no taxable activity in France.

13.2.2 - Statutory Auditors' Report on the consolidated financial statements

To the Shareholders,

In performance of the audit engagement assigned to us by your General Meeting, we hereby present our report on the fiscal year ended 31 December 2008, regarding:

- our audit of the Maurel & Prom consolidated financial statements, as attached to this report;
- the basis for our assessments;
- the specific verifications required by law.

The consolidated financial statements were approved by the Board of Directors. Our role

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit consists of examining, on a test basis or other methods of selection the items underlying the amounts and disclosures in the consolidated financial statements. It also consists of reviewing the accounting principles adopted, material estimates applied and the overall presentation of the financial statements. We believe that the items we collected provide an adequate basis for our opinion.

In our opinion, the consolidated financial statements present fairly in all material respects, the Company's assets and liabilities, financial position, and earnings of the persons and entities included the consolidation, in accordance with the IFRS as adopted in the European Union.

Without qualifying the opinion stated above, we draw your attention to Note 27 (events after the balance sheet date) of the notes to the financial statements relating to significant events that have occurred for the Group after 31 December 2008.

II. BASIS FOR OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the basis for our assessments, we draw your attention to the following matters:

- As stated in Notes 2.3 and 4, the Company amortises its intangible assets (exploration rights and capitalised exploration expenses) and, where applicable, recognises impairment of those assets based on the economic value of the recoverable oil reserves. In this connection, our assessment of the valuation of the corresponding assets was based on the findings of the independent expert appointed by the Company or, where there are no reserves, on the assumptions for continuing exploration work.
- The Company recognises provisions for risks and contingencies in accordance with the policies and methods disclosed in Notes 2.18, 2.19, and 3.14. As these estimating procedures are sometimes complex, our assessments were based on a review of the reasonable nature of the assumptions made by the management of the Company in those estimates.
- As stated under Note 27, after the balance sheet date, the Company sold nearly all its Colombian assets. In accordance with our review of the accounting principles applied in the financial statements, we obtained assurance that the accounting treatment for this transaction was reasonable and appropriate.

The assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and, therefore, contributed to our opinion expressed in the first part of this report.

III. SPECIFIC CHECKS

We have also carried out specific testing as required by law on the disclosures provided in the report on the management of the Group.

We have no matters to report on the fair presentation and consistency of those disclosures with the consolidated financial statements.

Paris and Paris-La Défense, 28 April 2009
The Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
Patrick Atzel

13.2.3 - Company financial statements for the year ended 31 December 2008

None.

13.3 Appendix 3 - Statutory auditors' special report on related party agreements

To the Shareholders,

In our capacity as statutory auditors of the Company, we hereby report on the agreements and commitments with related parties.

Agreements and commitments approved during the year

Pursuant to Article L. 225-40 of the French Commercial Code (*Code de commerce*), we have been advised of the agreements and commitments that have been approved in advance by the Board of Directors.

We are not required to ascertain whether any other agreements and commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us. We are not required to comment as to whether they are beneficial or appropriate. In accordance with Article R. 225-31 of the French Commercial Code, it is up to the shareholders to ascertain the commercial reason for entering into the agreements and commitments for purposes of their approval.

We have applied procedures that we considered necessary in relation to the professional guidelines of the French auditors institute (*Compagnie nationale des commissaires aux comptes*) with respect to this engagement. These procedures consisted of verifying the consistency of the information provided to us with the relevant underlying documents.

1. WITH HOCOL

Person Concerned

Mr Jean-François Hénin, Chairman and CEO of the Company and Director of Hocol.

Nature and purpose

A crude oil hedging agreement between the Company and Hocol dated 1 September 2008 taking effect as from 1 April 2008.

This agreement was approved by the Board of Directors on 28 August 2008.

Terms

This hedging agreement covered Hocol's production of hydrocarbons of 2,250 b/d that the Company purchased during the first quarter of 2008.

This agreement was cancelled on 2 October 2008 with effect from 9 October 2008. This cancellation was approved by the Board of Directors at its meeting on 16 December 2008.

2. WITH HOCOL AND HOMCOL CAYMAN

Persons concerned

Messrs Jean-François Hénin and Roman Gozalo, Chairman and CEO and Director of the Company respectfully, and Directors of Hocol and Homcol Cayman.

Nature and purpose

The Board of Directors meeting of 25 September 2008 authorised signature of a draft contract entitled "Senior Secured Reserves Based Facility Agreement (RBL)" and various surety agreements, which were due to be signed between the Company and a banking pool of banks for which company subsidiaries Hocol S.A., Homcol Cayman Inc., Hocol Limited and Hocol Petroleum Limited are also party as guarantors.

Terms

Given that these documents were not signed following the 25 September 2008 Board Meeting and were amended, the Board of Directors approved a "Senior Secured Reserves Based Facility (RBL)" and various surety agreements on 14 January 2009.

This RBL was signed on 30 January 2009.

3. WITH PANTHER EUREKA

Person Concerned

Mr Jean-François Hénin, Chairman and CEO of the Company and director of Panther Eureka

Nature and purpose

On 23 February 2009, the board of directors approved an agreement to write off a receivable in favour of Panther Eureka, in which the Company holds a 30% equity stake.

Terms

In view of the €22.4 million losses incurred by Italian company Panther Eureka in the financial statements as at 31 December 2008, the Company has decided to cover said losses and then inject new capital into the Company by writing off a part of the receivable owing from Panther Eureka. In consideration for writing-off this receivable, the Company's equity stake in Panther Eureka will increase to 60%. The formal contracts concerned are currently in preparation.

Agreements and commitments approved in prior fiscal years which continued during the past fiscal year

Furthermore, in accordance with the French Commercial Code, we have been informed that the following agreements and commitments, which were approved in prior fiscal years, continued during the past fiscal year.

1. WITH PACIFICO FORAGES

a. Nature and purpose

A services agreement was signed on 21 June 2005 between the Company and Pacifico. This agreement was amended on 11 June 2007, and authorised in advance by the Board of Directors on 29 May 2007.

Terms

This amendment modified several articles in the agreement and in particular Article 1 in order to clarify the respective obligations of the parties and to remove any potentially ambiguous wording used.

Note that Pacifico performs the following services for the Company:

- finding strategic partners in the oil and gas industry;
- reviewing investment and divestment projects, establishing the criteria for acquisition targets;
- finding new markets and new growth opportunities;
- proposing ideas for asset purchase or sale and establishing the financing policy;
- advising and following up on related negotiations (draft contracts, Group growth), particularly on technical cooperation projects; and
- technical, accounting, financial, and administrative support for the drilling activities.

The financial terms of that agreement are as follows:

- payment of a fixed annual fee of €100,000, exclusive of tax;
- payment of additional fees calculated based on the services performed and the actual cost of the services in the financial consultancy and drilling projects of the Company's subsidiary. For 2008, the additional fees amounted to €84,470, exclusive of tax, per month. This monthly amount is adjusted quarterly based on the number of actual service days rendered and the corresponding daily rate. These services correspond to projects carried out by five consultants from Pacifico. Since 1 September 2008, the number of consultants has been reduced to four.

This agreement may be terminated by the parties at any time with a two-month notice.

The Company's expense under this agreement in respect of the fiscal year ended 31 December 2008 amounted to €1,438,068 including taxes.

b. Nature and purpose

A sub-letting agreement dated 11 June 2007 was signed between the Company and Pacifico and authorised by the Company's Board of Directors at its meeting of 13 December 2007.

Terms

This sub-let pertains to a surface area of approximately 240 m² located on the ground floor of the building at 12 rue Volney, 75002 Paris.

The agreement was concluded for one year as from 11 June 2007 and may be renewed by tacit agreement thereafter.

The Company invoiced rent in respect of fiscal year 2008 amounting to €253,583 exclusive of tax.

2. WITH PANTHER EUREKA

Nature and purpose

As part of an agreement for the acquisition of Panther Eureka shares signed on 19 February 2005 and authorised by the Supervisory Board at its meeting of 22 April 2005, the Company opened an associate current account with Panther Eureka.

Terms

The agreement stipulates an annual 8.30% interest rate paid on the account.

As at 31 December 2008, the current account balance amounted to €22,437,882 owing to the Company.

Interest income for fiscal year 2008 was €1,307,026.

3. WITH CAROIL

a. Nature and purpose

The Supervisory Board at its meeting of 7 October 2003 authorised a cash agreement between Caroil and the Company.

Terms

This agreement, signed on 9 October 2003, entered into force on 1 January 2003 for a one-year period and is renewable by tacit agreement. The interest paid on advances from the current account is at the rate deductible for tax purposes.

A cash pooling agreement was signed on 13 October 2008, with effect from 1 October 2008, between the Company and several other group companies including Caroil, which supersedes the cash pooling agreement with Caroil described above. Consideration for cash advances is based on the

Eonia interest rate for amounts denominated in euros and on LIBOR interest rate for amounts denominated in dollars, plus a margin in accordance with normal criteria stated in the agreement.

As at 31 December 2008, the cash advance (including interest) owing to the Company amounted to €81,437,453. Interest income for fiscal year 2008 was €3,808,494.

b. Nature and purpose

The Supervisory Board at its meeting of 15 April 2004 authorised a domiciliation agreement between Caroil and the Company.

Terms

This agreement, signed on 16 June 2004, entered into force on 21 June 2004. The amount invoiced for fiscal year 2008 was €20,931.

4. WITH COMPAGNIE EUROPÉENNE ET AFRICAINE DU BOIS (CEAB) AND NEW GOLD MALI S.A.

Nature and purpose

The Supervisory Board at its meeting of 30 September 1999 authorised a cash pooling agreement between CEAB, New Gold Mali, and the Company.

Terms

The agreement, signed on 20 March 2000, entered into force on 1 January 2000 for a one-year period and is renewable by tacit agreement for equivalent periods. The interest paid on advances from the current account is at the rate deductible for tax purposes. As at 31 December 2008, the current account owing to the Company (interest included) amounted to €9,089,756. Interest income for fiscal year 2008 was €202,066.

Agreements and commitments not approved in advance

We also hereby present our report on the agreements and commitments subject to Article L. 225-42 of the French Commercial Code.

In accordance with Article L. 823-12 of the French Commercial Code, we hereby state that these agreements were not approved in advance by the Board of Directors.

Our duty is to report to you the circumstances causing the fact that the approval procedures were not applied, based on the information provided to us.

WITH HOCOL

Person Concerned

Mr Jean-François Hénin, Chairman and CEO of the Company and Director of Hocol.

Nature and purpose

A crude oil hedging agreement between the Company and Hocol was signed on 2 October 2008.

Terms

The crude oil hedging agreements subscribed by Hocol were transferred to the Company with effect from 14 October 2008 based on the mark-to-market price as at 14 October 2008 plus a fee subject to conditions. This conditional fee is set at \$28 per barrel per day for a maximum 18 month period and capped at 5,000 barrels.

The Board of Directors did not approve this agreement before it was signed but afterwards on 16 December 2008.

This agreement was settled in advance by an amendment dated 9 March 2009 that involved the Company paying Hocol a fixed amount of \$65,600,000.

This amendment by the board of directors at its meeting dated 30 March 2009.

Paris and Paris-La Défense, 28 April 2009
The Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
Patrick Atzel

13.4 Appendix 4 - Statutory auditors report on the chairman of the board of directors' report

To the Shareholders,

In our capacity as statutory auditors of Etablissements Maurel & Prom and in accordance with Article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairman of the Company in accordance with Article L. 225-37 of the French Commercial Code for the fiscal year ended 31 December 2008.

It is the duty of the Chairman to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and on the other disclosures required under Article L. 225-37 of the French Commercial Code relating in particular to corporate governance procedures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and treatment of the accounting and financial information, and
- to confirm that said report includes the other information required under Article L. 225 37 of the French Commercial Code. It is not our responsibility to verify whether such other information is presented fairly.

We conducted our work in accordance with the relevant French professional standards.

Internal control procedures for the preparation and treatment of accounting and financial information

Those standards require that we plan and perform the necessary procedures to assess the fairness of the infor-

mation provided in the Chairman's report in respect of the internal control procedures relating to the preparation and treatment of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and treatment of the accounting and financial information on which the information presented in the Chairman's report is based, and the existing documentation;
- obtaining information of the work involved in the preparation of this information and existing documentation;
- determining if any significant 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 engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control procedures relating to the preparation and treatment 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 certify that the report of the Chairman of the Board of Directors includes other information required under Article L. 225 37 of the French Commercial Code.

Paris and Paris-La Défense, 28 April 2009
The Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
Patrick Atzel

13.5 Appendix 5 - Maurel & prom's financial results for the last five years

<i>In euros</i>	2004	2005	2006	2007	2008
Financial situation position at the end of the fiscal year					
Share capital	83,236,992	89,502,157	92,545,997	92,811,116	92,838,751
Number of shares outstanding	108,099,990	116,236,567	120,189,607	120,533,917	120,569,807
Total earnings from transactions					
Net sales	113,534,600	354,141,755	522,707,361	10,651,294	31,933,297
Income before income, tax, depreciation and amortisation, and provisions	86,924,766	203,198,825	340,921,399	726,595,079	158,738,229
Income taxes	14,094,278	66,491,974	151,800,713	33,750	392,864
Income after income taxes, depreciation and amortisation, and provisions	54,668,040	76,214,850	132,107,460	567,641,365	-41,701,817
Amount of distributed profits		16,626,528	38,273,750	143,737,717	137,080,246
Earnings per share					
Income after tax, but before depreciation and amortisation, and provisions.	0.674	1.176	1.574	6.028	1.313
Income after income taxes, depreciation and amortisation, and provisions	0.51	0.66	1.10	4.71	-0.35
Net dividend paid per share		0.15	0.33	1.20	1.20
Employees					
Number of employees	34	44	54	55	49
Total payroll expenses	3,290,211	4,304,293	9,632,249	5,532,965	9,058,911
Total paid for social charges (social security and other contributions etc.)	1,466,743	7,176,726	5,646,671	4,026,765	3,533,604

13.6 Appendix 6 - Compensation of the statutory auditors

In thousands of euros	ERNST & YOUNG				Michel BOUSQUET in 2007 Daniel de BEAUREPAIRE in 2008			
	Amount		%		Amount		%	
	2008	2007	2008	2007	2008	2007	2008	2007
Audit								
* Auditing, certification, review of corporate and consolidated accounts:								
- Issuer (*)	1,140	782	85%	75%	322	337	69%	70%
- Fully consolidated subsidiaries	181	184	13%	18%	145	110	31%	23%
* Other work and services directly related to the auditing mission:								
- Issuer (*)	22	76	2%	7%		36	-	7%
- Fully consolidated subsidiaries			-				-	
Subtotal	1,343	1,042	100%	100%	467	483	100%	100%
Other services rendered by the affiliated offices to the fully consolidated subsidiaries								
* Legal, tax, social security								
* Other (specify if >10% of the audit fees)					1		-	
Subtotal	-	-	-	-	1	-	-	-
Total	1,343	1,042	100%	100%	468	483	100%	100%

(*) Amount including tax; the issue has no taxable activity in France.

13.7 Appendix 7 - Annual report



Etablissements Maurel & Prom

Société anonyme with Board of Directors
with capital of €92,838,751.39

Registered Office: 12 rue Volney – 75002 Paris

Tel.: 33 (0) 1 53 83 16 00 – Fax: 33 (0) 1 53 83 16 04

PARIS Trade Registry 457 202 331 – SIRET 457 202 331 00064 – APE 111 Z

prepared in compliance with the provisions of Article 222-7
of the General Regulations of the *Autorité des marchés Financiers*

Photo copyright : Krista Boggs

13.8 Information

Pursuant to Article 222-7 of the General Regulations of the French Autorité des marchés Financiers, Etablissements Maurel & Prom, a company listed for trading on Compartment A

of Euronext Paris, has prepared this document indicating all information which it has published or made public in the last twelve months in France in order to meet its legal and regulatory obligations governing financial instruments, issuers of financial instruments and markets for financial instruments.

13.8.1 - Published Information

13.8.1.1 - Financial Information

Date of publication	Topic	Medium
7 February 08	• 4th quarter 2007 sales	Press release (Reuters, Bloomberg, Boursorama) M&P and AMF website
27 March 08	• Business and results for 2007	Press release (Reuters, Bloomberg, Boursorama)
30 April 08	• Sales of €74.9 million for first quarter 2008 (+25%) 42% increase in business expressed in US\$. 6% increase in M&P production share.	Press release (Reuters, Bloomberg, Boursorama) M&P and AMF website
30 April 2008	• 2007 Annual financial statements	BALO (bulletin n°52)
24 July 2008	• Sales of €176.5 million for 1st half 2008. 49% increase in business expressed in US\$. 15% increase in M&P production share.	Press release (Reuters, Bloomberg, Boursorama) M&P and AMF website
25 July 2008	• Annual Report of the Auditors on the annual and consolidated financial statements	BALO (No. 52)
29 August 2008	• 1st half 2008 results: steady activity and promising outlook	Press release (Reuters, Bloomberg, Boursorama) Site M&P et AMF
6 October 2008	• Consolidated financial statements as at 30 June 2008	Press release (Reuters, Bloomberg, Boursorama) Site M&P et AMF
4 November 2008	• 3rd quarter 2008 sales and earnings	Press release (Reuters, Bloomberg, Boursorama) Site M&P et AMF
5 February 2009	• 2008 Sales	Press release (Reuters, Bloomberg, Boursorama) Site M&P
31 March 2009	• Maurel & Prom: 2008 Annual Results	Press release (Reuters, Bloomberg, Boursorama) Site M&P
30 April 2009	• 1st quarter 2009 sales and earnings	Press release (Reuters, Bloomberg, Boursorama) Site M&P

13.8.1.2 - Additional information on Company activities

Date of publication	Topic	Medium
12 March 2008	<ul style="list-style-type: none"> Colombia: Balcon-22 development well. Pacande Sur-2 and Canada Norte 2 and 3 appraisal wells 	Press release (Reuters, Bloomberg, Boursorama) M&P website
14 March 2008	<ul style="list-style-type: none"> Results of tests on Onal 901 development well. in Gabon 	Press release (Reuters, Bloomberg, Boursorama) M&P website
16 April 2008	<ul style="list-style-type: none"> Colombia: Ocelote SW-1 Exploration well POcelote-2 exploration well Cumbia exploration well 	Press release (Reuters, Bloomberg, Boursorama) M&P website
11 June 2008	<ul style="list-style-type: none"> Colombia: New exploration permit in the Llanos region Exploration update. 	Press release (Reuters, Bloomberg, Boursorama) M&P website
9 July 2008	<ul style="list-style-type: none"> Colombia: Success of Ortega Sud. Exploration update Failure of Coeli NE well. 	Press release (Reuters, Bloomberg, Boursorama) M&P website
22 July 2008	<ul style="list-style-type: none"> Accident on Ocelote field 	Press release (Reuters, Bloomberg, Boursorama) M&P website
24 July 2008	<ul style="list-style-type: none"> Oil discovery in Gabon. Success of OMKO-1 exploration well 	Press release (Reuters, Bloomberg, Boursorama) M&P website
11 September 2008	<ul style="list-style-type: none"> M&P expands its exploration territory. in Colombia: Muisca contract in Tanzania: PSC (Mandawa 50%) 	Press release (Reuters, Bloomberg, Boursorama) M&P website
10 October 2008	<ul style="list-style-type: none"> New exploration success: OMBG-1 	Press release (Reuters, Bloomberg, Boursorama) M&P website
14 November 2008	<ul style="list-style-type: none"> M&P awarded two exploratory blocks in Columbia 2008 round 	Press release (Reuters, Bloomberg, Boursorama) M&P website
5 December 2008	<ul style="list-style-type: none"> Increase in production and extension of the Ocelote field 	Press release (Reuters, Bloomberg, Boursorama) M&P website
22 December 2008	<ul style="list-style-type: none"> Operating license granted for Ocelote field in Colombia. New exploration permit in Colombia. Latest update on Onal launch. Evidence of oil on OMAL-1D in Gabon 	Press release (Reuters, Bloomberg, Boursorama) M&P website
09 February 2009	<ul style="list-style-type: none"> Onal begins final acceptance phase of facilities 	Press release (Reuters, Bloomberg, Boursorama) M&P website

Date of publication	Topic	Medium
11 February 2009	• New certified reserves	Press release (Reuters, Bloomberg, Boursorama) M&P website
6 March 2009	• Statement from Dominion, a Maurel & Prom partner	M&P website
9 March 2009	• Maurel & Prom: the Onal field comes on stream (Gabon)	Press release (Reuters, Bloomberg, Boursorama) M&P website
30 March 2009	• Maurel & Prom: New discovery in Gabon	Press release (Reuters, Bloomberg, Boursorama) M&P website
20 April 2009	• Maurel et Prom: Update on the Mafia Deep drilling (Tanzania)	Press release (Reuters, Bloomberg, Boursorama) M&P website

13.8.1.3 - Corporate information

Date of publication	Topic	Medium
4 January 2008	• Disclosure of trading in treasury shares	Press release (Reuters, Bloomberg, Boursorama) M&P website and AMF website
10 January 2008	• Half-year balance on liquidity contract	Press release M&P website and AMF website
11 January 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
18 January 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
25 January 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
1 February 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
11 February 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
18 February 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
25 February 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
3 March 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
10 March 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
7 April 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
14 April 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
15 April 2008	• Maurel & Prom exceeds 5% holding threshold	Press release
21 April 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
5 May 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
7 May 2008	• Notice of General Meeting of the Shareholders	BALO (bulletin n°56)
23 May 2008	• Notice to attend General Meeting of the Shareholders	BALO (bulletin n°63)
2 June 2008	• Disclosure of trading in treasury shares	Press release M&P website and AMF website
13 June 2008	• Report of the Combined Ordinary and Extraordinary General Meeting of 12 June 2008	Press release (Reuters, Bloomberg, Boursorama) M&P website and AMF website
23 June 2008	• Memorandum on the OCEANEs: modification of the share allotment ratio Information on total number of voting rights and shares constituting the share capital	Press release (Reuters, Bloomberg, Boursorama) M&P website and AMF website

Date of publication	Topic	Medium
9 July 2008	• Half-year report on liquidity contract	Press release M&P and AMF website
2 December 2008	• Boursoscan 2008 results	Press release (Reuters, Bloomberg, Boursorama) M&P website
23 December 2008	• AFEP/MEDEF recommendations on compensation of executive directors of trade companies.	Press release (Reuters, Bloomberg Boursorama) M&P and AMF website
6 January 2009	• Group entrusts financial communications to Influences	Press release (Reuters, Bloomberg, Boursorama) M&P website
7 January 2009	• Half-year report on liquidity contract	Press release M&P and AMF website
8 January 2009	• Cash management	Press release (Reuters, Bloomberg, Boursorama) M&P website
16 January 2009	• Notice of Combined Ordinary and Extraordinary General Meeting	Press release (Reuters, Bloomberg, Boursorama) M&P website and BALO
22 January 2009	• AMF statement	M&P and AMF website
6 February 2009	• Notice of General Meeting	M&P website and BALO
24 February 2009	• M&P reaffirms strategy at General Meeting of Shareholders	Press release (Reuters, Bloomberg, Boursorama) M&P website
24 February 2009	• Report of the Combined Ordinary and Extraordinary General Meeting of 24 February 2009	Press release (Reuters, Bloomberg, Boursorama) M&P website
9 March 2009	• The Paris Court of Appeals dismisses the financial claims of Messier Partners and finds in favour of Maurel & Prom	Press release (Reuters, Bloomberg, Boursorama) M&P website
10 March 2009	• Maurel & Prom: Sale of Hocol Colombia to Ecopetrol for \$748 million	Press release (Reuters, Bloomberg, Boursorama) M&P website
10 March 2009	• Maurel & Prom strengthen strategic mobility	Press release (Reuters, Bloomberg, Boursorama) M&P website

13.8.2 - Availability of the information

13.8.2.1 - Electronic versions

All the press releases cited above are available on the Company's website: www.maureletprom.fr.

Press releases, statements, Annual Reports, statements from executives on their treasury shares and memorandums are available on the AMF website: www.amf-france.org and on the Euronext website: www.euronext.com.

The press releases can also be viewed on the Les Echos website: <http://www.lesechos-comfi.fr>.

BALO publications are available on the site of the Bulletin of Mandatory Legal Notices (Bulletin des Annonces Légales Obligatoires or BALO): <http://www.balo.journal-officiel.gouv.fr>.

Annual financial statements are filed with the registrar of the Paris Commercial Court and can be viewed at <http://www.infogreffe.fr>.

13.8.2.2 - Printed versions

All the documents mentioned in this Annual Report are available at no cost upon request to the Company: Maurel & Prom, 12 rue Volney – 75002 Paris, France, 12, rue Volney 75002 Paris.

13.9 Appendix 9 - resolutions

DRAFT RESOLUTIONS TO BE SUBMITTED FOR APPROVAL TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 18 JUNE 2009

Items to be submitted to the Ordinary General Meeting:

- approval of the company financial statements for the fiscal year ended 31 December 2008.
- approval of the consolidated financial statements for the fiscal year ended 31 December 2008.
- appropriation of net income for the fiscal year ended 31 December 2008 and dividend distribution (€0.35 per share).
- approval of the related-party agreements pursuant to Article L. 225-38 of the French Commercial Code
- Directors' fees allocated to the Board of Directors.
- Decisions to be made regarding the expiry of the directorship of some directors.

Items to be submitted to the Extraordinary General Meeting

- delegation of authority to the Board of Directors to issue Company stock and equity instruments of the Company or of one of its subsidiaries, with elimination of the shareholders' pre-emptive subscription rights under a public offer.
- delegation of authority to the Board of Directors, in case of issuance through a public offer, with elimination of the shareholders' pre-emptive subscription rights, of Company stock and equity instruments of the Company or of one of its subsidiaries, to set the issuance price in accordance with the conditions set by the General Meeting.
- delegation of authority to the Board of Directors to issue Company stock and equity instruments of the Company or of one of its subsidiaries, eliminating the shareholders' pre-emptive subscription rights in connection with the offer described in II of Article L. 411-2 of the French Monetary and Financial Code.
- authorisation to the Board of Directors, in the event of issuance, with elimination of the shareholders' pre-emptive subscription rights in connection with the offer described in II of Article L. 411-2 of the French Monetary and Financial Code, of stocks or equity instruments, to set the issuance price according to the terms set by the General Meeting
- Authorisation to the Board of Directors, in the event of an increase in capital with or without elimination of shareholders' pre-emptive subscription right, to increase the number of shares to be issued.
- Amendment of the second, sixth and seventh resolutions adopted by the General Meeting Shareholders on 24 February 2009.
- Delegation of authority to the Board of Directors to carry out capital increases reserved for employees participating in the Company's Corporate Savings Plan.
- Powers for legal formalities.

Items to be submitted to the Ordinary General Meeting

First Resolution

(Approval of the parent company financial statements for the fiscal year ended 31 December 2008.)

The General Meeting, deliberating with the quorum and majority required for Ordinary General Meetings, after having taken cognizance of the Board of Directors' management report and the Auditors' report on the company financial statements, approves said financial statements for the fiscal year ended December 31, 2008,

consisting of the Balance Sheet, Income Statement and Notes thereto, as presented to the Meeting, as well as the operations reflected in those financial statements and summarised in those reports.

The General Meeting sets the loss for the fiscal year 2008 at -€41,701,817.40.

The General Meeting discharges the members of the Board of Directors for the performance of their duties for the fiscal year ended 31 December 2008.

It also discharges the Auditors for the completion of their engagement.

Second Resolution

(Approval of the consolidated financial statements for the fiscal year ended 31 December 2008.)

The General Meeting, deliberating with the quorum and majority required for Ordinary General Meetings, after having taken cognizance of the Board of Directors' management report and the Auditors' report on the consolidated financial statements, approves said financial statements for the fiscal year ended 31 December 2008, consisting of the Balance Sheet, Income Statement and Notes thereto, as presented to the Meeting, as well as the operations reflected in those financial statements and summarised in those reports.

Third Resolution

(Appropriation of net income for the fiscal year ended 31 December 2008 and dividend distribution.)

The General Meeting, deliberating with the quorum and majority required for Ordinary General Meetings, after having taken cognizance of the Board of Directors' management report, and the Auditors' report on the company financial statements for the year:

- (i) notes that, considering the loss for the fiscal year amounting to -€41,701,817.40, the distributable profit would be €453,881,999.34.
- (ii) resolves to pay to shareholders, as dividend, an amount of €0.35 per share, representing a total amount of €42,199,432.45 (on the basis of the number of shares comprising the Company's share capital as at 31 December 2008) and to assign the balance of distributable profit to "Retained earnings".

The General Meeting resolves, in application of the provisions of Articles L. 232-18 to L. 232-20 of the Commercial Code and Article 37 of the bylaws, to grant to each shareholder an option of receiving their dividend payment in either cash or shares.

The issue price of Etablissements Maurel & Prom shares given for payment will be 95% of the average opening quote of Etablissements Maurel & Prom on the NYSE market Paris during the twenty market sessions preceding the date of the decision of the present meeting, less the net dividend amount. The Board of Directors will be able to round up the price thus determined to the nearest eurocent.

Each shareholder will be able to choose one of these means of dividend payment, but this option will apply to the total amount of the dividend, i.e., €0.35 per share; the shareholder must make this request to his financial intermediary during the period from 22 June 2009 to 10 July 2009 inclusive. After this date, the dividend will only be payable in cash.

If the dividend amount for those who choose this option does not correspond to a whole number of shares, the shareholder will receive the whole number of shares immediately below plus the balance in cash.

The new shares will be subject to all the legal and statutory provisions and will be entitled to dividends as from 1 January 2009.

The General Meeting hereby grants full powers to the Board of Directors to determine the conditions for the payment of this dividend, and specifically, to set the dividend payment date.

In accordance with the law, the shares held by the Company on the dividend payment date will not be entitled to dividends.

The General Meeting hereby resolves to grant all powers necessary to the Board of Directors to determine the number of shares held by the Company on the dividend payment date and, where applicable, the number of new shares with current dividend rights that would be created between 1 January 2009 and the dividend payment date, the sum total of the dividend payment, and the net amount of distributable profit to be posted to "Retained earnings".

It has also granted the Board of Directors all powers necessary, with the power of delegation, to recognise the capital increase that would result from the present decision, to implement the corresponding changes in the bylaws, and to complete all formalities related thereto.

The entirety of the distributed income amount will give individuals resident in France to the 40% tax break mentioned in point 2, paragraph 3 of Article 158 of the General Tax Code, unless they elect for the flat-rate withholding tax specified in Article 117 quater of the General Tax Code.

In accordance with the provisions of Article 243 bis of the General Tax Code, it is noted that the amounts paid as dividends for the previous three fiscal years were as follows:

Fiscal year:	2005*	2006*	2007*
Amount per share:	0,33	1,20	1,20
Total amount in euros	38 359 637,91	143 737 717,20	137 080 245,60

* For certain taxpayers, the dividend was eligible for a 40% allowance pursuant to Article 158-3 of the General Tax Code.

Fourth Resolution

(Approval of the related-party agreements referred to in Article L. 225-38 of the Commercial Code).

The General Meeting, deliberating with the quorum and majority required for Ordinary General Meetings, after having taken cognizance of the special report from the Auditors on the related-party agreements referred to in Article L. 225-38 of the Commercial Code for the fiscal year ended 31 December 2008, duly notes the conclusions of this report and approves the agreements referred to therein.

Fifth Resolution

(Directors' fees allocated to the Board of Directors)

The General Meeting, deliberating with the quorum and majority required for Ordinary General Meetings, after having taken cognizance of the Board of Directors' Management report, hereby sets the total amount of Directors' fees for fiscal year 2009 to be distributed to the members of the Board of Directors at €450,000.

Sixth Resolution

(Re-election of Mr Gérard Andreck as director)

The General Meeting, deliberating with the quorum and majority required for Ordinary General Meetings, after having taken cognizance of the Board of Directors' Management report, resolves to re-elect Mr Gérard Andreck as a member of the Board of Directors for a three-year term ending at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2011.

Seventh Resolution

(Re-election of Mr Alexandre Vilgrain as director)

The General Meeting, deliberating with the quorum and majority required for Ordinary General Meetings, after having taken cognizance of the Board of Directors' Management report, resolves to re-elect Mr Alexandre Vilgrain as a member of the Board of Directors for a three-year term ending at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2011.

Eighth Resolution

(Re-election of Mr Alain Gomez as director)

The General Meeting, deliberating with the quorum and majority required for Ordinary General Meetings, after having taken cognizance of the Board of Directors' Management report, resolves to re-elect Mr Alain Gomez as a member of the Board of Directors for a three-year term ending at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2011.

Items to be submitted to the Extraordinary General Meeting

Ninth Resolution

(Delegation of authority to the Board of Directors to issue Company stock and equity instruments of the Company or of one of its subsidiaries, with elimination of the shareholders' pre-emptive subscription right under a public offer.)

The General Meeting, deliberating with the conditions of quorum and majority required for Extraordinary General Meetings, after having taken cognizance of the Board of Directors' report and the Auditors' special report and pursuant to the provisions of Articles L. 225-129 et seq. of the French Commercial Code, specifically Articles L. 225-129-2, L. 225-135 and L. 225-136 of said Code and Articles L. 228-91 et seq. of said Code, hereby delegates to the Board of Directors, for a period of 26 months as from the day of this meeting, its authority to decide the issue through a public offer (i) of the Company's shares, (ii) of equity instruments giving immediate or future access, through all means, to existing shares, to shares to be issued in a company and (iii) the Company directly or indirectly holds more than 50% of the capital ("Subsidiary"). The subscription may be in cash or through offset of receivables.

The General Meeting resolves to eliminate shareholders pre-emptive subscription rights to these shares and securities, to be issued through a public offer under the conditions specified in Article L. 225-136 of the Commercial Code.

Under this authorisation, the maximum nominal amount of the Company's capital increase, immediate or deferred, resulting from the issues made pursuant to the present delegation is set at €20 million, on the understanding that the nominal amount of the capital increases made under the present resolution will be deducted from the ceiling set by the second resolution adopted by the General Meeting on 24 February 2009. The nominal amount of the Company's shares to be issued, possibly, under adjustments made to protect the holders of the rights attached to the equity securities will be added to the ceiling set in this provision.

The securities giving access to the stock of the Company or of a Subsidiary under this authorisation may comprise debt securities or be tied to the issue of such instruments, or allow the issue thereof as intermediary instruments. The provisions concerning securities of the same nature that can be issued on the basis of the second resolution adopted by the General Meeting of Shareholders on 24 February 2009 shall apply to their issue, during their existence and to their access to shares, their redemption or their amortisation. The nominal amount of the debt securities thus issued cannot exceed €350 million or their equivalent value on the date the issuance decision is taken, on the understanding that (i) this amount does not include the redemption premium or premiums above par, if an allowance had been made for it, (ii) that this amount shall be deducted from the ceiling on debt securities set by the second resolution adopted by the General Meeting of Shareholders on 24 February 2009 (iii) but that this amount is autonomous and separate from the amount of the securities that entitle the holders to the allotment of the debt securities that might be issued on the basis of the ninth resolution adopted by the General Meeting of Shareholders on 24 February 2009 and the amount of debt securities whose issue may be decided or authorised by the Board of Directors in accordance with Article L. 228-40 of the Commercial Code.

The Board of Directors may grant shareholders an irrevocable and possibly revocable priority right to all or part of the issue, to subscribe to the shares or securities, for which it will fix, under the legal and regulatory conditions, the terms and conditions for exercise, without resulting in the creation of negotiable rights.

If the subscriptions, including where applicable, those of shareholders, do not absorb the entire issue, the Board of Directors may restrict the operation to the amount of subscriptions received on condition that the latter reaches, at least, three quarters of the decided issue.

The General Meeting duly notes that this delegation implies a waiver by the shareholders of their pre-emptive subscription right to the Company's shares that they may be entitled to through the securities that may be issued pursuant to this delegation of authority.

The Board of Directors will define the characteristics, amount and terms of any issue and of any securities issued. In particular, it shall determine the category of securities issued and will set the subscription price, with or without a premium, their dividend bearing date, which may be retroactive, and where applicable, the duration, or the terms of exercise of the rights attached to the issued securities (where applicable, the right to convert, swap, redeem, including by remittance of assets such as the securities already issued by the Company or a subsidiary); it may, if necessary, amend the terms of the securities issued or to be issued pursuant

to the present resolution, during the life of the relevant securities and in compliance with the applicable formalities; additionally, it may, if necessary proceed to any adjustment aimed at taking into account the impact of transactions on the company's capital especially in case of a change to the share's par value, capital increase through capitalisation of reserves, bonus share grants, split or reverse split, distribution of reserves or of all other assets, amortisation of capital, or any other transactions on the capital (including possible changes to the Company's management) or equity, and set the terms under which, the rights of equity instrument holders shall be enforced;

with the understanding that:

- a) the share issue price shall be at least equal to the minimum amount defined by the laws and regulations in force at the time of this delegation, after adjustment, as needed, of the amount in order to take into account the difference of the dividend bearing date;
- b) the issue price of the securities will be such that the sum immediately received by the Company, or for issues of equity instruments of a Subsidiary, by the Subsidiary, plus, where applicable, the sum that may be subsequently collected by the Company or the Subsidiary, as the case may be, or, for each share issued as a result of the issue of these instruments, at least equal to the amount described under "a)" above after adjustment, if necessary of this amount to take into account the dividend bearing date difference.

The Board of directors shall have full powers to implement this resolution, particularly by issuing any covenant for this purpose, especially for the proper completion of any issuance and carry out in one or several operations, with the volumes and at the times that it shall deem appropriate in France and/or, if necessary, abroad and/or on the international market, the above mentioned issues as well as, if necessary, in order to obtain a stay thereof - note the implementation and proceed to the corresponding amendment of the bylaws, and to carry out any and all formalities and reports, and request any authorisations that may be necessary for the performance and the proper completion of these issues.

The Board of Directors may, within the limits that it will have previously set, delegate to the Chief Executive Officer, the powers delegated to it under the present resolution.

The General Meeting hereby terminates, with immediate effect, for the non-utilised portion, the authorisation given by the Combined Ordinary and Extraordinary General Meeting of 24 February 2009 by its third resolution.

Tenth Resolution

(Delegation of authority to the Board of Directors, in case of issuance, with elimination of the shareholders' pre-emptive subscription rights, of Company stock and warrants of the Company or one of its subsidiaries, to set the issuance price in accordance with the conditions set by the General Meeting.)

The General Meeting, deliberating with the quorum and majority required for Extraordinary General Meetings, after having taken cognizance of the reports of the Board of Directors and of the Statutory Auditors, and deliberating in accordance with Article L. 225-136 of the Commercial Code, authorises the Board of Directors for a period of 26 months as from the date of this meeting, for each of the issues decided pursuant to the nine preceding resolutions and within the limit of 10% of the Company's capital (as existing on the date of this meeting) by 12-month periods (this limit being common to the present resolution and to the twelfth resolution submitted to this meeting) to waive the price setting conditions set forth in the ninth resolution above and to see the issuance price for the shares and/or instruments issued, according to the terms below:

- a) the share issuance price shall be at least equal to the Company's share closing price on Euronext Paris at the last trading session preceding the price setting day, less a maximum discount of 10% as applicable;
- b) the issue price of securities shall be such that the sum immediately received by the Company, plus, where applicable, the sum likely to be subsequently received by it, will be, for each share issued as a result of the issue of these securities, at least equal to the minimum subscription price defined under "a)" above.

The total nominal amount of the Company's capital increase carried out pursuant to this delegation shall be deducted from the ceiling of the capital increase set by the foregoing ninth resolution.

The nominal amount of the Company's debt securities resulting from the issues carried out pursuant to this delegation shall be deducted from the debt securities ceiling set by the foregoing ninth resolution.

The Board of Directors may, within the limits that it will have previously set, delegate to the Chief Executive Officer, the powers delegated to it under the present resolution.

The General Meeting terminates, with immediate effect, for the non-utilised portion, the authorisation given by the Combined Ordinary and Extraordinary General Meeting of 24 February 2009 by its fourth resolution.

Eleventh Resolution

(Delegation of authority to the Board of Directors for the purpose of issuing the Company's shares or securities giving access to the shares of the Company or of one of its subsidiaries, with elimination of shareholders' pre-emptive subscription right under an offering described in II of Article L. 411-2 of the Monetary and Financial Code)

The General Meeting, deliberating with the conditions of quorum and majority required for Extraordinary General Meetings, after having taken cognizance of the Board of Directors' report and the Auditors' special report and pursuant to the provisions of Articles L. 225-129 et seq. of the French Commercial Code, specifically Articles L. 225-129-2, L.225-135 and L.225-136 of said Code and Articles L. 228-91 et seq. of said Code, hereby delegates to the Board of Directors, for a period of 26 months as from the date of this meeting, its authority to decide the issue through an offer described in II of Article L. 411-2 of the Monetary and Financial Code (i) of the Company's shares, (ii) of equity instruments giving immediate or future access, through all means, to existing shares, to shares to be issued in a company and (iii) the Company directly or indirectly holds more than 50% of the capital ("Subsidiary"). The subscription may be in cash or through offset of receivables.

The General Meeting resolves to eliminate shareholders pre-emptive subscription rights to these shares and instruments, to be issued through a public offer under the conditions specified in Article L. 411-2 of the Monetary and Financial Code and in Article L. 225-136 of the Commercial Code.

The maximum nominal amount of the Company's capital increase, immediate or deferred, resulting from the issues made pursuant to the present delegation is set at €20 million, on the understanding that the nominal amount of the capital increases made under the present resolution will (i) be deducted from the ceiling set by the second resolution adopted by the General Meeting on 24 February 2009 and the one laid down by the preceding ninth resolution and (ii) may not, in accordance with the law, exceed 20% of the share capital a year. The nominal amount of the Company's shares to be issued will be added to the ceiling set by this resolution, if necessary, as adjustments made to protect the holders of rights attached to the equity instruments.

Equity instruments of the Company or a Subsidiary under this authorization may include debt securities or be tied to the issue of such securities, or even allow the issue of interim securities. The provisions concerning securities of the same nature that can be issued on the basis of the second resolution adopted by the general meeting of shareholders on 24 February 2009 shall apply for their issue. The nominal

amount of the debt securities thus issued cannot exceed €350 million or their equivalent value on the date the issuance decision is taken, on the understanding that (i) this amount does not include the redemption premium or premiums above par, if an allowance had been made for it, (ii) that this amount is deducted from the ceiling on debt securities set by the second resolution adopted by the General Meeting of shareholders on 24 February 2009 and the ceiling set by the foregoing ninth resolution (iii) but that this amount is autonomous and separate from the amount of the securities that entitle the holders to the allotment of the debt securities that might be issued on the basis of the ninth resolution adopted by the General Meeting of Shareholders on 24 February 2009 and the amount of debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L. 228-40 of the Commercial Code.

The Board of Directors may introduce in favour of shareholders an irrevocable and revocable priority right, on all or part of the issue, to subscribe to the shares or securities, for which it will fix, under the legal and regulatory conditions, the terms and conditions for exercise, without resulting in the creation of negotiable rights.

If the subscriptions do not absorb the entirety of the issue, the Board of Directors may restrict the operation to the amount of subscriptions received on condition that the latter reaches, at least, three quarters of the decided issue.

The General Meeting duly notes that this delegation implies a waiver by the shareholders of their pre-emptive subscription right to the Company's shares which the securities that may be issued based on this delegation of authority may give them entitlement thereto.

The Board of Directors will define the features, amount and terms of any issue and of any securities issued. In particular, it shall determine the category of securities issued and will set the subscription price, with or without a premium, their dividend bearing date, which may be retroactive, and where applicable, the deadline, or the terms of exercise of the rights attached to the issued securities (where applicable, the right to convert, swap, redeem, including by remittance of assets such as the instruments already issued by the Company or a subsidiary); it may, if necessary, amend the terms of the securities issued or to be issued pursuant to the present resolution, during the life of the relevant securities and in compliance with the applicable formalities; additionally, it may, if necessary proceed to any adjustment aimed at taking into account the impact of transactions on the company's capital especially in case of a change to the share's par value, capital increase through capitalisation of reserves, bonus share grants, split or reverse split, distribution of reserves or all other assets, amortization of capital, or any other transactions on the capital (including possible changes

to the Company's management) or equity, and set the terms under which, the rights of equity instrument holders shall be enforced;

with the understanding that:

- a) the share issue price shall be at least equal to the minimum amount defined by the laws and regulations in force at the time of this delegation, after adjustment, as needed of the amount in order to take into account the difference of the dividend bearing date;
- b) the issue price of the instruments will be such that the sum immediately received by the Company, or for issues of equity instruments of a Subsidiary, by the Subsidiary, plus, where applicable, by the sum likely to be subsequently collected by the Company or the Subsidiary, as the case may be, or, for each subsidiary, for each share issued as a result of the issue of these instruments, at least equal to the amount described under "a)" above after adjustment, if necessary of this amount to take into account the dividend bearing date.

The Board of Directors shall have full powers to implement this resolution, particularly by issuing any covenant for this purpose, especially for the proper completion of any issuance and carry out in one or several operations, with the volumes and at the times that it shall deem appropriate in France and/or, if necessary, abroad and/or on the international market, the above mentioned issues as well as, if necessary, in order to obtain a stay thereof—note the implementation and proceed to the corresponding amendment of the bylaws, and to carry out any and all formalities and reports, and request any authorisations that may be necessary for the performance and the proper completion of these issues.

The Board of Directors may, within the limits that it will have previously set, delegate to the Chief Executive Officer, the powers delegated to it under this resolution.

Twelfth Resolution

(Authorisation to the Board of Directors, in the event of issuance, with elimination of the shareholders' pre-emptive subscription rights in connection with the offer described in II of Article L. 411-2 of the French Monetary and Financial Code, of stocks or equity instruments, to set the issuance price according to the terms set by the General Meeting)

The General Meeting, deliberating with the conditions of quorum and majority required for Extraordinary General Meetings, having taken cognizance of the Board of Directors' report and of the Auditors' special report and, pursuant to the provisions of Article L. 225-136 of the Commercial Code, hereby authorises the Board of Directors for a duration of 26 months counting as from the day of this meeting, for each of the issues decided by dint of application of the

foregoing eleventh resolution and within a limit of 10% of the capital of the Company (such as it is on the date of this meeting) for a period of 12 months (this limit applying in common to this resolution and the tenth resolution submitted to this meeting) to override the price-setting conditions provided by the aforementioned eleventh resolution and to set the issuance price for shares and/or for issued securities in accordance with the following procedures:

- a) the share issuance price shall be at least equal to the Company's share closing price on Euronext Paris at the last trading session preceding the price setting day, less a maximum discount of 10% as applicable;
- b) the issue price of securities shall be such that the sum immediately received by the Company, plus, where applicable, the sum likely to be subsequently received by it, will be, for each share issued as a result of the issue of these securities, at least equal to the minimum subscription price defined under "a)" above

The total nominal amount of the Company's capital increase carried out pursuant to this delegation shall be deducted from the ceiling of the capital increase set by the foregoing eleventh resolution and the limit set by the foregoing ninth resolution.

The nominal amount of the Company's debt securities resulting from the issues carried out pursuant to this delegation shall be deducted from the debt securities ceiling set by the foregoing eleventh resolution and the limit set by the foregoing ninth resolution.

The Board of Directors may, within the limits it has previously set, delegate to the Chief Executive Officer the powers delegated to it under this resolution.

Thirteenth Resolution

(Authorisation to the Board of Directors, in the event of an increase in capital with or without elimination of shareholders' pre-emptive subscription right, to increase the number of shares to be issued)

The General Meeting, deliberating with the conditions of quorum and majority required for Extraordinary General Meetings, after having taken cognizance of the Board of Directors' report and the Auditors' special report and pursuant to the provisions of Article L. 225-135-1 of the Commercial Code, hereby authorises the Board of Directors, for a period of 26 months as from 24 February 2009, to decide within the term and limits provided by law and by the regulations applicable on the day of issuance (to date, within 30 days after the close of the subscription, and within the limit of 15% of the initial issue and at the same price as set for the initial issue) for each of the issues decided by application of the second resolution adopted by the General Meeting on 24 February 2009, as well as by application of

the foregoing ninth, tenth, eleventh, and twelfth resolutions, to increase the number of shares to be issued, subject to complying with ceiling provided in the resolution by the application of which the issue was decided.

The Board of Directors may, within the limits that it will have previously set, delegate to the Chief Executive Officer, the powers delegated to it under the present resolution.

The General Meeting terminates, with immediate effect, for the non-utilised portion, the authorisation given by the Combined Ordinary and Extraordinary General Meeting of 24 February 2009 by its fifth resolution.

Fourteenth Resolution

(Amendment of the second, sixth and seventh resolutions adopted by the General Meeting Shareholders on 24 February 2009)

The General Meeting, deliberating with the quorum and majority required for Extraordinary General Meetings, and having taken cognizance of the report of the Board of Directors, hereby decides consequent to the adoption of the foregoing ninth to thirteenth resolution:

- to replace the words "of the third to the seventh resolutions" in the second resolution adopted by the General Meeting of Shareholders on 24 February 2009 with the words "of the third through seventh resolution as well as any resolutions having the same subject that may be adopted later by an Extraordinary General Meeting of the Company".
- to replace the words "and the third, fourth, sixth and seventh resolutions submitted to the present shareholders meeting" in the second resolution adopted by the General Meeting of Shareholders on 24 February 2009 by the words "the third, fourth, sixth and seventh resolutions submitted to this meeting and all resolutions having the same subject that may be adopted later by the Extraordinary General Meeting of the Company";
- to replace the words "under the conditions provided for by the foregoing third resolution" in the sixth resolution adopted by the General Meeting of Shareholders on 24 February 2009 with the words "under the conditions provided for by the foregoing third resolution and any resolution having the same subject that may be adopted later by the Extraordinary General Meeting of the Company";
- to replace the words "up to the limit set by the third resolution" in the sixth resolution adopted by the General Meeting of Shareholders on 24 February 2009 with the words "the limit set by the third resolution or any resolution having the same subject that may be adopted later by the Extraordinary General Meeting of the Company";

- to replace the words “up to the limit on capital increase set by the third resolution” in the seventh resolution adopted by the General Meeting of Shareholders on 24 February 2009 by the words “up to the limit set for a capital increase by the third resolution and all resolutions having the same subject that may be adopted later by the Extraordinary General Meeting of the Company”;

Fifteenth Resolution

(Delegation of authority to the Board of Directors to carry out capital increases reserved for employees participating in the Company's Corporate Saving Plan)

The General Meeting, deliberating with the quorum and majority required for Extraordinary General Meetings, having taken cognizance of the report of the Board of Directors and of the special report of the Statutory Auditors and, pursuant to Articles L. 225-129-6, L.225-138 I and II and L. 225-138-1 of the Commercial Code and to Articles L. 3332-18 et seq. of the Labour Code:

- 1) hereby terminates with immediate effect, for the non-utilised portion, the authorisation given by the Combined Ordinary and Extraordinary General Meeting of 24 February 2009 by its eleventh resolution, and
- 2) hereby delegates to the Board of Directors, for a period of 26 months as from the date of this meeting, its authority to decide the increase of the share capital, once or several times, on the basis of its own decisions alone, at times and by procedures that it shall determine, by the issuance of shares or of securities giving access to existing shares or shares yet to be issued by the Company that are reserved for employees of the Company or companies associated with it as defined in Article L. 225-180 of the Commercial Code, and, moreover, who are participants in the Company's Corporate Savings Plan (the “Employees”) or also by free allotment of shares or of securities giving access to existing shares or shares yet to be issued by the Company, in particular, by capitalising reserves, profits or premiums within the legal and regulatory limits.

The ceiling on the nominal amount of the Company's capital increase, whether immediate or forward, resulting from the totality of issues implemented on the basis of this delegation (not including capital increases by capitalisation of reserves, profits or premiums) is hereby set at €1 million, whereby it is stipulated that this maximum amount is fixed (i), not counting the nominal value of Company shares that may yet be issued in the form of adjustments made to protect the holders of the rights attached to securities giving access to shares and (ii) as well as in a way separate and distinct from the limits on capital increases authorised by the foregoing second to eighth resolutions.

The upper limit for the nominal increase in the Company's capital resulting from the totality of share issues implemented by virtue of the present delegation by capitalisation of reserves, profits, or premiums under the conditions and limits set by the foregoing articles of the Labour Code and their applicable texts is hereby set at €1 million, whereby it is stipulated that this maximum amount is fixed (i), irrespective of the nominal value of Company shares that may yet be issued in the form of adjustments made to protect the holders of the rights attached to securities giving access to shares and (ii) as well as in a manner independent and distinct from the limit on issues authorised by the foregoing eighth resolution.

If subscriptions have not absorbed the totality of an issue of securities, the capital increase will only be to the limit of the securities subscribed.

The General Meeting hereby decides to suspend, to the benefit of the Employees concerned, the shareholders' pre-emptive right to subscribe to shares or to securities giving access to shares to be issued later under the terms of the present delegation and to waive all rights to shares or other securities distributed freely on the basis of the present delegation.

The General Meeting hereby resolves that:

- (i) the subscription price of new shares shall be equal to the average of the prices quoted in the twenty stock market sessions preceding the decision setting the date of opening of the subscription, less the maximum discount provided by law on the date of the decision of the Board of Directors, with the stipulation that the Board of Directors can reduce this discount if it deems such to be opportune, in particular, in the event that securities are offered on the international market or abroad to those participating in a corporate savings plan to meet the requirements of applicable local rights. The Board of Directors may also substitute all or part of the discount by distribution of shares or other securities by application of the provisions below; and
- (ii) the Board of Directors may also provide for the free allotment of existing shares or of securities giving access to existing shares on the understanding that the overall advantage accruing from this distribution and, where relevant, from the discount mentioned in the preceding item may not exceed the legal limits, and on the condition that taking into account the monetary exchange value, evaluated at the subscription price, of the freely distributed shares does not cause the legal limits to be exceeded.

The Board of Directors shall possess all powers necessary to implement the present resolution, in particular, to:

- will define the characteristics, amount and terms of any issue or allotment of bonus shares;
- decide that such issues can be carried out directly in favour of the beneficiaries or through a mutual fund;
- compile, in compliance with the law, a list of companies or groups whose employees are eligible to subscribe to issued shares or securities and, as applicable, receive shares or securities freely distributed;
- determine the nature and procedures for capital increase as well as the procedures for any issue or free allotment of securities;
- set the conditions of seniority applicable to the beneficiaries of the shares or securities that are part of the free allotment set forth in this resolution;
- set the conditions and methods for the issue of shares or of securities yet to be issued by virtue of this delegation; in particular, their dividend bearing date, and the methods to fully pay-in such issues;
- duly record a capital increase effected by means of the issue of shares up to the limit of the amount that will be effectively subscribed;
- determine, as applicable, the nature of the shares freely allotted as well as the conditions and procedures of such allotment;
- determine, as applicable, the amount of the sums to be capitalised within the limit set in the foregoing, the shareholders' equity line item(s) to which such sums are charged, as well as the dividend bearing date for shares thus issued;
- charge, at its discretion, as it sees fit, the costs of capital increases to the amount of premiums relating to such increases and deduct from such amount the sums necessary to bring the legal reserve up to one tenth of the new capital after each increase;
- take all measures necessary to carry out the capital increases, and proceed to the formalities attendant on the latter, in particular, those relating to the listing of the securities issued, and to make the amendments relative to such capital increases in the articles of association, and, in general, to do all that may be necessary.

The Board of Directors may, within the limits that it will have previously set, delegate to the Chief Executive Officer, the powers delegated to it under this resolution.

Sixteenth Resolution

(Powers for legal formalities)

The General Meeting hereby grants all powers to the bearer of the original, of a copy or extract of the minutes of this meeting for the purpose of completing all formalities of disclosure, filing, and any other formalities that may have to be accomplished.

13.10 Appendix 10 - Table of concordance

In order to facilitate the reading of this Annual Report, the following table of concordance identifies the information required under EC Regulation 809/2004 of the Commission of 24 April 2004 implementing Directive 2003/71/EC of the European Parliament and Council.

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