Paris, 27 August 2010
No. 25-10

Activity during the first half of 2010

- **Sales up by 68% to €131m**
  - Production increase in Gabon
  - Gross average production for Q1 2010 of 10,164 bopd and 13,299 bopd for Q2
  - Actual gross production of 16,750 bopd
  - Caroil's contribution to sales up to €51.0m

- **Strong increase in the net income of €51m versus €2m for H1 2009 due to :**
  - Exploration write-off of €75m for H1 2010 versus €6m for H1 2009
  - An important financial income: €104m compared to €9m, related to the exchange gains on the dollar positions

- **A cash position as of 30/06/2010 of €128m**
  - A gross operating income up by 143% to €60m compared to €25m for H1 2009
  - Reimbursement of the OCEANE 2010 the 2nd of January 2010 (€183m)
  - receipt of €45m ($60m) related to the establishment of crude oil call option sales to monetise the earn-out clause attached to the sale of the Colombian assets

Post balance sheet events

- **Closing of the acquisiton by SEPLAT of 45% of the OMLs 4, 38 and 41 in Nigeria:**
  - drawing from the RBL-type facility (Reserve-Based Loan) : $240m
  - issuing OCEANE bonds maturing in 2015 in the form of a private investment: €70m
  - establishing a short-term credit line: $50m

- **Disappointed exploration results in Colombia**
  - Failures of Bachue-1 and Cascabel-1 wells
  - SAB-1 result to be confirmed by the drilling of SAB-SE1

Financial indicators

In €m	H1 2010	H1 2009*
Sales	**131,3**	**78,3**
Gross margin	**78,6**	**37,9**
Gross operating income	**60,0**	**24,7**
Income from oil production and services activities	*36,2*	*6,5*
Exploration write-off	*(75,4)*	*(6, 1)*
Income from oil production, exploration and services	*(39,2)*	*0,4*
Operating income	**(41,8)**	**5,9**
Financial income	**103,8**	**9,1**
Net income of consolidated Group	**51,0**	**1,6**
Closing cash	**128**	**431**

(*) Adjusted for the change in accounting method.

An appropriate strategy, a risk profile improved

Maurel & Prom has based its strategy on developing its exploration segment and quickly getting its discoveries into production.

In order to adapt to the economic and financial context, in 2009 and during the first six months of 2010, the Group refocused its strategy on appraising and developing its resources, particularly in Gabon and Nigeria.

In a particularly difficult environment, the Group sold some of its assets in Colombia, the proceeds of which helped restore the Group's financial balance and allowed the Group to continue exploration work in order to replenish its reserves and have the means to leverage potential opportunities.

Consequently, at the end of January 2010 the Group signed a memorandum of understanding with Shell, Total and Eni, via the Nigerian-registered company Seplat (M&P 45%), to acquire 45% of the rights on OMLs 4, 38 and 41 in Nigeria.

This transaction was a significant development for Maurel & Prom, given the potential of this acquisition.

Continued exploration and development efforts on the Omoueyi license means that the Group now has two real development hubs in Gabon and Nigeria.

This revised strategy, the result of work carried out in 2009 and 2010, will lower Maurel & Prom's risk profile through a smoother flow of operations, while still keeping the door open to potential exploration opportunities.

Exploration

In Gabon, exploration work during the first half of the year identified a new formation in both the Omoueyi and Onal exploration licenses: Kissenda. This new formation was proven when the OMOC-N-101 well was spudded in February 2010.

The OMOC-N-1 exploration well revealed a 111-m column of oil in the Grès du Kissenda. Pump tests established a flow of 1,700 b/d of 33.4° API oil. (Flow was limited by the pump's maximum capacity.) As the characteristics of this oil are similar to that of Onal, it can be processed and evacuated using existing facilities.

The discovery of this oil accumulation confirms the extension of the Grès du Kissenda in the Onal license and the importance of this new exploration play for the entire eastern rim of Gabon's coastal basin, where the Group has significant exploration acreage.

The Kissenda play was encountered several times in the Omoueyi exploration license (M&P operator, 100%) with the OMKO, OMOE, OMAL and OMOC discoveries. This new play supplements the Group's traditional focus of research, hitherto the Grès de Base, which was the source of the Group's major success in this sedimentary basin.

In addition, the Group continued its seismic acquisition work in the Omoueyi license, with 789 km of 2D seismic.

In Tanzania, the Group selected RPS Energy, independent experts who had already worked with most operators in Tanzania and thus had good technical knowledge of the region, to assess the potential of the gas zones of the Mafia Deep well. Studies are underway and the results should enable the Group to enter into discussions from October 2010 to further develop all work performed to date.

The net booking value of intangible assets on 30/06/2010 of the licence Bigwa Rufiji Mafia is €156m of which €104m for the Mafia Deep well.

Maurel & Prom and Dominion have signed an agreement in principle related to an additional working interest in the Mandawa license and a new carried interest in the Kisangire license as follows:

- 40% in the Mandawa exploration license, thus taking Maurel & Prom's interest to 90% and reducing Dominion's to 10%;
- 35% carried interest in the Kisangire exploration license, operated by Heritage Oil, which owns a 55% interest.

In Colombia, the Cascabel-1 and Bachue-1 exploration wells were spudded during the first half of 2010. Drilling reached final depth of 5,190 m and 2,956 m respectively in August 2010, without proving oil.

The SAB-1 exploration well was spudded in the Sabanero exploration license. The well reached final depth of 924 m and proved oil in the Carbonera C7 formation with a thickness of 12 m and a potential yet to be confirmed.

The Group is planning to start immediately drilling the deviated well SAB-SE1 from the same platform with the objective of proving additional reserves. 3D seismic covers a large portion of the drilling area, facilitating the assessment of reserves and potential development, should this be required.

Maurel & Prom and Hocol, a Grupo Empresarial Ecopetrol company, have entered into an Exchange Agreement to exchange a 50% working interest in the exploration and production license in block SSJN-9 (Lower Magdalena) for a 50% working interest in the exploration license CP-17 (Llanos basin). The agreement includes exchange of operatorship in the blocks, once the ongoing seismic acquisition programmes are completed. Maurel & Prom will be the operator in block CPO-17 and Hocol will be the operator in block SSJN-9.

In the Congo, the NGoumba-1D (NGB-1) exploration well was drilled as a deviated borehole in the Marine-3 license from a platform located in the Noumbi license. Drilling reached final depth of 2,600 m in the Djeno formation. During drilling, sandstone and porous levels were encountered in the Pointe Indienne formation. On the basis of the test results, the well was plugged and abandoned. The M'Bafou exploration well reached a depth of 2,701 m and hit oil, but the characteristics of the reservoir were too poor for production. As a result, the well was abandoned.

In the Noumbi license (M&P operator, 49%), the Tié-Tié-NE-1 well reached final depth of 2,550 m in the Djeno formation (Lower Cretaceous). Between 1,775 m and 1,875 m, a siltstone interval showed hydrocarbon indications. Well completion measurements showed that this interval (exhibiting strong gas shows) would not be commercially viable due to its distance from potential markets. The well was therefore plugged and abandoned.

In Syria, the Al Asi license is located along the Mediterranean coast north of the Lebanon-Syria border and covers an area of 8,427 km². Following the 890 km of 2D seismic acquired by the Group in 2007 and 2008, two zones of interest were identified. The Draco prospect was identified in the East zone. The Draco-1 well reached final depth of 3,919 m in the Lower Carboniferous. Two zones of the Kurrachine formation (Trias), which had shown hydrocarbon indications during drilling, were tested in succession. The characteristics of the Kurrachine reservoirs proved too poor for hydrocarbon production. Based on the results from the Draco-1 well, the Group will now concentrate its efforts on the second zone of interest situated to the west of the license.

In France, the Group took a 25% stake in the Mios exploration license. As a reminder, the Group owns 25% of the rights in the adjacent Lavignolle exploration license.

Development

When developing the Onal field, the teams from Maurel & Prom decided to make the production centre large enough to accommodate production from potential adjacent fields.

Such a strategy meant that the Group was able to develop almost immediately and at limited cost the Ombg and Omgw fields, which were discovered in Gabon in 2008 and 2009 respectively. The OMGW-102 and OMGW-201 wells were thus drilled and linked to the production centre during the first half of the year. The OMGW-103 well, drilled during the summer, should enter production in the coming days.

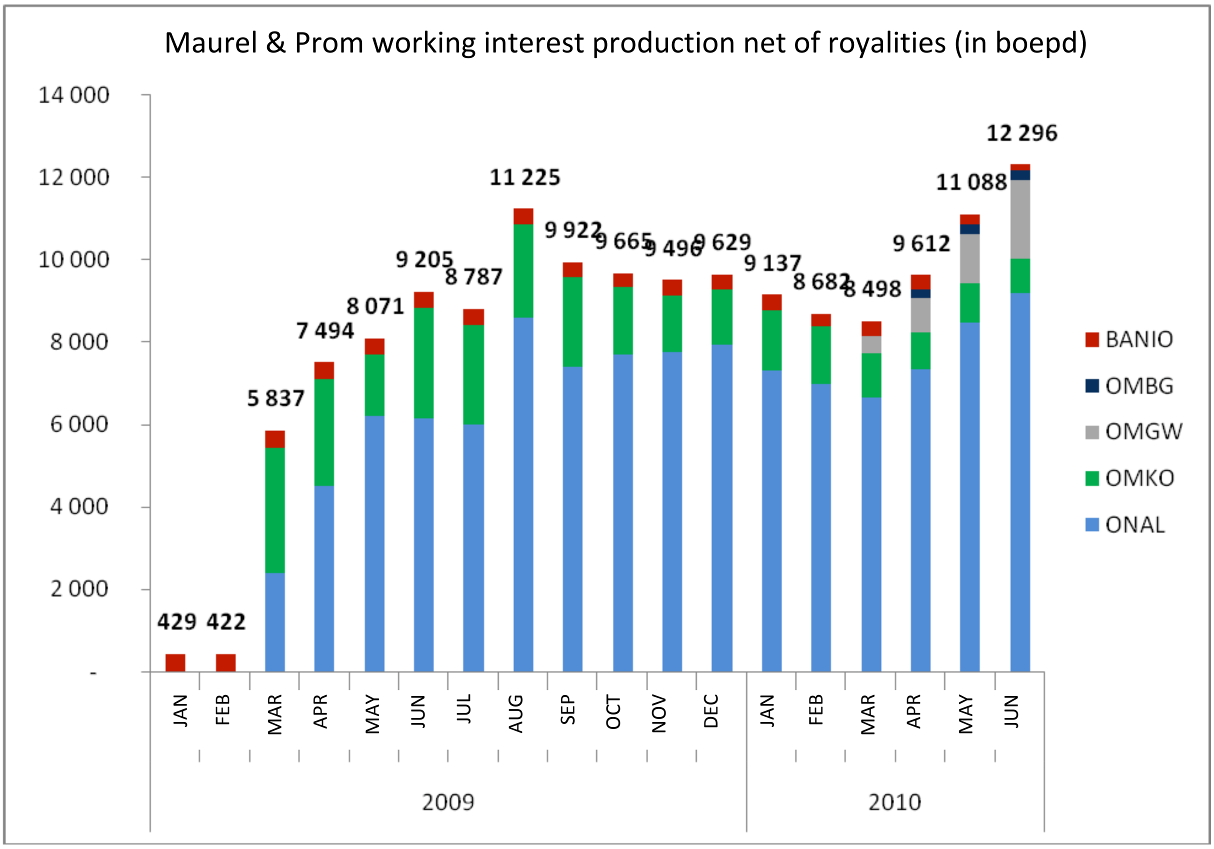
At the same time, the Group began developing the OMOC-North field. Initial orders have been placed and appraisal wells began to be drilled at the end of July 2010. Development expenditure for this discovery focuses on drilling the wells and laying pipeline to connect them to the Onal field facilities.

In the Nyanga Mayombe license, the Banio-5 exploration well was drilled in Gabon on the Banio EDA. Drilling reached final depth of 1,853 m in the Melania formation. This well encountered Banio limestone 4 m thick, filled with formation water. Based on these results, the well was cemented in anticipation of possibly re-using it as a side-track, the direction of which would need to be determined by further studies.

Production

The Group's production during the first half of 2010 came solely from fields in Gabon. As a result of the Group's strategy, teams were able to have first oil in March 2010 from the Omgw field, which was discovered in December 2009. The Ombg field, discovered in December 2008, was connected in April 2010.

The water injection in the Onal field and the development of the OMOC-N field should continue to increase the level of the oil production over the next 12 months.



The production of oil and gas in Venezuela, after a 30% in-kind tax, was 1,038 barrels of oil equivalent per day over the first half. Oil represents 52% of production. This activity, consolidated using the equity method, is not included in Group sales.

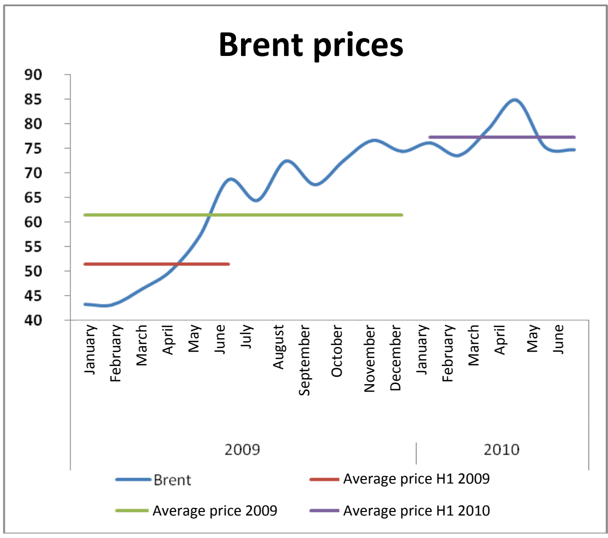
The signature of the final agreements relating to the acquisition of assets in Nigeria will enable SEPLAT, Maurel & Prom 45%, to benefit from the production of OMLs 4, 38 and 41 some time in August 2010.

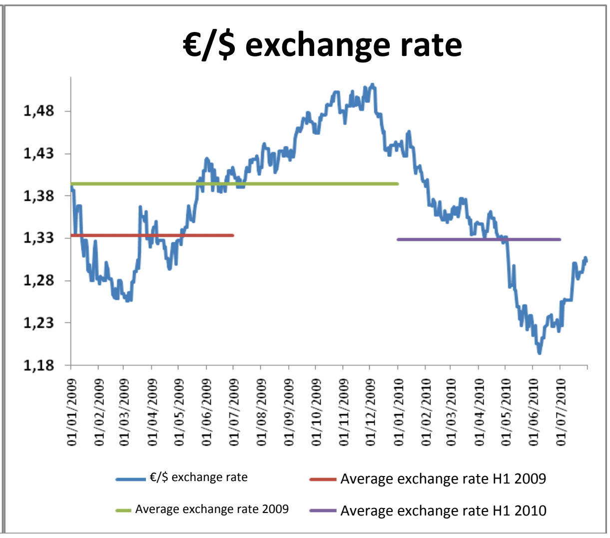
Oil services

Maurel & Prom Group drilling operations are conducted through its wholly-owned Caroil subsidiary, which owns 15 drilling rigs.

The first half of 2010 featured the opening of a subsidiary in Cameroon where rigs from Tanzania started drilling on 14 July 2010. The average use rate of the Caroil rigs was 90% during the first half of 2010. Caroil generated 69% of its business with customers other than Maurel & Prom.

Economic environment





The average price of Brent during the first half of 2010 was $77.3 (up 50% compared with the first half of 2009). The average €/$ exchange rate was 1.33. As of 30 June 2010, the €/$ exchange rate was 1.23, up 15% over the first six months of the year.

Financial items

The Group's activity described above and the economic and financial environment are reflected in the consolidated financial statements through the items outlined below. The consolidated financial statements were approved by the Board of Directors on 25 August 2010.

Sales

Group sales for the first half of 2010 were up 68% at €131.3m compared with €78.3m for the first half of 2009.

Higher sales were the result of increased production from the fields in Gabon and in particular the start-up of production in the Omgw and Ombg fields during the first half of the year. With respect to the Onal field, which came on stream in March 2009, the water injection programme, introduced in December 2009, resulted in production being at least maintained if not increased.

In early 2009, at the conclusion of the Reserve-Based Loan financing, the Group established hedges on oil prices. The average hedge price in the first half of 2010 was $60.9/bbl, whereas the average price of Brent was $77.3/bbl. This led to a negative adjustment of €18.4m.

Excluding the impact of hedging, the average selling price in Gabon for first half of 2010 stood at $76.5/bbl for production from Onal, Omko, Ombg and Omgw, and $63.3/bbl for production from Banio.

Caroil's contribution to sales in the first half of 2010 (oil services) was €51.0m, compared with €42.8m for the same period in 2009. Expressed in US dollars, the contribution of this activity totalled $67.8m.

Caroil's corporate sales in the first half of 2010 amounted to €74.0m. Expressed in US dollars, Caroil's corporate sales were stable at $98.4m compared with $98.2m in the first half of 2009.

Operating income

Income from oil production and services was up sharply as a result of increased hydrocarbon sales. It stood at €36m after depletion amortisation, an increase directly related to increased production.

Operating income recorded a significant amount in exploration costs written off (€75.4m), reflecting the Group's contrasting results from such operations in the first half of 2010.

Amortisation primarily involves the amortisation of Caroil's rigs for €8.1m and depletion of the Onal and Omko fixed assets for €11.9m.

Financial income

Financial income amounted to €103.8m. It was strongly impacted by favourable foreign exchange differences (€122.8m), related to the revaluation at the closing rate of the Group's currency positions. It should be noted that this result is volatile and depends on the closing rate of the period. A 10% increase in the €/$ exchange rate would have a negative impact of €70m, whereas a 10% decline would have a positive impact of €86m.

As a reminder, the €/$ closing rate as of 31/12/2009 was 1.44. As of 30/06/2010, it was 1.23.

Interest on the OCEANE 2014 bond amounted to €12.3m.

Net income

The Maurel & Prom Group's consolidated net income amounted to €51m.

This was impacted by the difference between the tax applied on a regulatory basis and that calculated in the consolidated financial statements on the Omoueyi license for €9.2m. Taking into account the tax charge due for the period (€10.5m), total income tax amounted to -€20.1m.

Group income was positively impacted by the equity accounting of the Group's stake in the public/private company Lagopetrol for €2.5m, as well as by net income from activities sold for €6.7m (related to the earn-out clause), which was marked by the receipt in the first half of the year of a premium of €44.6m after sales of crude oil call options were established to monetise the earn-out clause attached to the sale of the Colombian assets and based on WTI prices between 01/01/2010 and 31/12/2010.

Balance Sheet

The balance sheet total as of 30 June 2010 amounted to €1,663m. Shareholders' equity, Group share, was €1,061m compared with €940m as of 31 December 2009, an increase of €121m, due primarily to the impact of income for the period (€51m), the adjustment made to the derivative valuation as of 30 June 2010 (€24m), the dividend distribution (€12m paid in June 2010), and the translation adjustment (+€58m).

The change in bond debt was related to the redemption of the OCEANE 2010 bonds for €183m and the accretion of the amount of the OCEANE 2014 bond for €12m.

Investments

Total investments in the first half of 2010 amounted to €191m and can be broken down as follows:

In thousands of euros	Colombia	Gabon	Tanzania	Congo	Syria	Other	TOTAL
Exploration	19	63	27	27	8	2	**147**
Production		27					**27**
Oil services	4	3	0	7		1	**16**
TOTAL	23	94	27	34	8	4	**191**

In Gabon, development work on the Omgw and Ombg fields is classified under exploration activity until an Exclusive Development Authorisation is obtained for these fields. Production investment corresponds to work carried out in the Onal and Omko fields. It should be noted that the discovery of Omoc-N was made in the Onal field.

Intangible assets as of 30 June 2010 were valued at €579m, of which €156m pertained to the Bigwa Mafia Rufiji license in Tanzania.

Cash flow

As of 30 June 2010, Maurel & Prom posted net cash of €128m (including $130.6m equivalent to €106.5m), down €300m from 31 December 2009, primarily due to:

- the redemption on 1 January 2010 of OCEANE 2010 for €183m, including interest of €6.2m;
- steady investments (€191m) for all Group operations;
- an increase in production and therefore in cash flow from operating activities (+€170m);
- receipt of €45m related to the establishment of crude oil call option sales to monetise the earn-out clause attached to the sale of the Colombian assets;
- currency impacts (-€93m);
- funds paid in connection with new interests in Nigeria (-€42m).

Recent developments in Gabon (identification of Kissenda and increased production), together with Nigeria's entry into the consolidation scope, will enable the Group to increase significantly its production and reserves over the coming months.

The end of the 2010 fiscal year will see a gradual reduction in high risk exploration efforts in favour of appraisal-delineation and development operations.

The final signing of the agreements between Seplat (the Nigerian-registered company, M&P 45%), SPDC, TOTAL and ENI became effective on 30 July 2010. A gradual takeover of operations by Seplat will result in that company having the full benefit of its working interest production during the month of August 2010. It should be noted that the operated production level of these OMLs has been forecast initially at 30,000 b/d of oil and 120 MMscf of natural gas, translating to 4,800 b/d of oil and 22.5 MMscf of gas for the Maurel & Prom working interest production net of royalties.

At the conclusion of these transactions, Maurel & Prom consolidated its financial structure by:

- issuing OCEANE bonds maturing in 2015 in the form of a private investment of €70m;
- drawing $240m from the RBL-type facility (Reserve-Based Loan) at the end of July 2010;
- monetising the “Hocol” earn-out clause based on the price of WTI in May 2010 for an amount of $60m;
- establishing a short-term credit line of $50m in July 2010.

Group Balance Sheet

Assets

In thousands of euros	Notes	30/06/2010	31/12/2009
Intangible assets	4	578,497	457,731
Property, plant and equipment	5	671,255	547,432
Non-current financial assets	6	43,467	21,030
Investments accounted under the equity method	7	41,405	32,508
Non-current derivative instruments	9	0	37,912
Deferred tax assets	17	10,438	10,647
Non-current assets		**1,345,062**	**1,107,260**
Inventories		5,467	4,095
Trade receivables and related accounts	8	49,564	33,434
Other current financial assets	8	41,537	31,671
Other current assets	8	41,062	39,432
Income tax receivable	17	582	1,518
Current derivative instruments	9	50,520	162
Cash and cash equivalents	10	129,461	427,576
Current assets		**318,193**	**537,888**
Total Assets		**1,663,255**	**1,645,148**

Liabilities

In thousands of euros	Notes	30/06/2010	31/12/2009
Common stock		93,364	93,364
Additional paid-in capital		220,943	221,607
Consolidated reserves		774,366	753,972
Treasury shares		(78,609)	(78,664)
Net income, Group share		51,141	(50,650)
Net equity Group share		**1,061,205**	**939,629**
Minority interests		(106)	1
Net equity total		**1,061,099**	**939,630**
Non-current provisions	11	17,916	15,346
Non-current bond loans	12	262,542	260,770
Non-current derivative instruments	9	11,995	14,976
Deferred taxes, liabilities	17	40,422	27,339
Non-current liabilities		**332,875**	**318,431**
Current bond loans	12	23,179	195,682
Other current loans and financial debt	12	3,593	53
Trade payables and related accounts	13	92,395	89,165
Income tax liability payable	17	8,138	3,849
Other creditors and liabilities	13	55,988	45,277
Current derivative instruments	9	70,585	40,395
Current provisions	11	15,403	12,666
Current liabilities		**269,281**	**387,087**
Total Liabilities		**1,663,255**	**1,645,148**

Consolidated statement of comprehensive income

Net income for the period

In thousands of euros	Notes	30/06/2010	30/06/2009*	30/06/2009
Sales		131,281	78,301	75,697
Other income		215	212	212
Purchases and change in inventories		(16,933)	(12,440)	(12,440)
Other purchases and operating expenses		(35,923)	(28,177)	(28,177)
Other taxes		(8,430)	(3,941)	(3,941)
Compensation expense		(10,190)	(9,279)	(9,279)
Amortisation and depreciation		(23,836)	(18,133)	(18,133)
Impairment of exploration assets		(75,398)	(6,143)	(6,143)
Provisions and impairment of current assets		(4,642)	(3,901)	(3,901)
Reversals of operating provisions		3,459	5,589	5,589
Gains on sale of assets		2	4,285	4,285
Other expenses		(1,446)	(432)	(432)
Operating income	**15**	**(41,841)**	**5,941**	**3,337**
Gross cost of debt		*(12,326)*	*(13,149)*	*(13,149)*
Income from cash		*297*	*280*	*280*
Net gains or losses on derivatives instruments		*(692)*	*27,984*	*27,984*
Net cost of debt		(12,721)	15,115	15,115
Other financial income and financial expenses		116,509	(6,062)	(6,063)
Financial income	**16**	**103,788**	**9,053**	**9,052**
Income before tax		**61,947**	**14,994**	**12,389**
Corporate income taxes	17	(20,053)	(5,248)	(2,644)
Net income of consolidated companies		**41,894**	**9,746**	**9,745**
Total share in net income (loss) of companies consolidated under the equity method	7	2,487	1,890	1,890
Net income from continuing activities		**44,381**	**11,636**	**11,635**
Net income from activities sold	14	6,653	(9,994)	(9,994)
Net income of consolidated Group		**51,034**	**1,642**	**1,641**
Net income, Group share		*51,141*	*1,642*	*1,642*
Minority interests		*(107)*	*0*	*0*

Earnings per share			
Basic	0.44	0.01	0.01
Diluted	0.41	0.01	0.01
Earnings per share from activities sold			
Basic	0.06	-0.09	-0.09
Diluted	0.05	-0.07	-0.07
Earnings per share from continuing activities			
Basic	0.38	0.10	0.10
Diluted	0.36	0.09	0.09

(*) Adjusted for the change in accounting method (see Note 18).

Total comprehensive income for the period

	30/06/2010	30/06/2009
Net income for the period	**51,034**	**1,642**
Other comprehensive income items		
Currency trans. adjustments	57,750	38,759
Derivative instruments	23,954	(58,587)
- Change in fair value of hedges not due (current during the previous period)	*23,954*	
- Fair value of new hedges for the period recognised in equity		*(48,759)*
- Fair value of the portion of hedges recycled in the income statement		*(15,274)*
- Taxes on derivative instruments		5,446
Total comprehensive income for the period	**132,738**	**(18,186)**
- Group share	*132,845*	*(18,186)*
- Minority interests	*(107)*	*0*

Cash flow statement

In thousands of euros	Notes	30/06/2010	30/06/2009*
Consolidated net income from continuing operations		**44,381**	**11,636**
Tax expense from continuing operations		20,053	5,248
Consolidated income from continuing operations before taxes		**64,434**	**16,884**
Net amortisation and provisions (reversals)		23,928	(28,690)
- Unrealised gains and losses due to changes in fair value		166	(15,337)
- Write-offs		75,398	6,066
- Calculated expenses and income related to stock options and similar		1,087	925
- Other calculated income and expenses		16,617	(54)
- Gains and losses from sales of assets		(2)	(3,845)
- Share in income (loss) of companies consolidated by the equity method	7	(2,487)	(1,890)
- Other financial items		(296)	188
Cash flow before tax		**178,845**	**(25,753)**
Corporate income tax payment/disbursements		(6,013)	(3,340)
Change in working capital requirements on operations		(3,011)	36,429
- Trade receivables		(8,094)	(27,962)
- Trade payables		(9,272)	22,321
- Inventories		(611)	(1,050)
- Other		14,966	43,120
NET CASH FLOWS FROM OPERATING ACTIVITIES		**169,821**	**7,336**
Disbursements for acquisitions of tangible and intangible assets		(192,105)	(176,882)
Receipts from sales of tangible and intangible assets		4	4,285
Disbursements for acquisitions of financial assets (unconsolidated securities)		(4,698)	(14,648)
Receipts from sales of financial assets (unconsolidated securities)		10,321	0
Change in loans and advances granted		(39,981)	(36,391)
Other cash flows from investing activities		17	1,439
Net receipts from activities sold	14	44,565	461,315
NET CASH FLOW FROM INVESTING ACTIVITIES		**(181,877)**	**239,118**
Amounts received from shareholders during capital increases		(699)	0
Dividends paid		(11,532)	0
Receipts from new loans		374	0
Interest paid		296	(188)
Loan repayments		(183,040)	(13,160)
Treasury share acquisitions		56	2,580
NET CASH FLOW FROM FINANCING ACTIVITIES		**(194,545)**	**(10,768)**
Impact of foreign currency fluctuations		(93,429)	6,389
NET CHANGE IN CASH FLOW		**(300,030)**	**242,075**
Opening net cash and cash equivalents		427,544	188,695
CLOSING NET CASH AND CASH EQUIVALENTS	**10**	**127,514**	**430,768**
(*) Adjusted for the change in accounting method (see Note 18).			

Maurel & Prom financial report, the consolidated financial statements with their notes can be consulted on Maurel & Prom site (www.maureletprom.fr).

For more information, visit www.maureletprom.fr

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