

Press release

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RESULTS FOR THE FIRST HALF OF 2012

Paris, 31 August 2012: MP Nigeria (NYSE- Euronext: FR0011120914 - MPNG), an independent player specialising in hydrocarbon exploration and production in Nigeria, announces its audited results for the first half of 2012, approved by the Board meeting of 30 August 2012.

<i>In millions of €</i>	30/06/2012	30/06/2011
Sales	97.2	72.0
Gross margin	72.6	63.1
Gross operating surplus	50,9	47.3
Operating income	37.1	37.1
Financial income	(3.3)	(11.3)
Income before tax	33.8	25.8
Income tax	(20.7)	(23.6)
Net income from consolidated companies	13.1	2.2
Earnings Per Share	0.11	0.02

Production (operator)

Recognised production recognised by SPDC for OMLs 4, 38 and 41 continued to grow at a robust rate of 20% in H1 2012, to an average of 29,278 bopd, versus 24,515 bopd over the same period in 2011.

In April 2012, oil production was interrupted for 12 days, including 10 days for maintenance on the section of the oil pipeline belonging to SPDC and 2 days to get it working again. The operator SEPLAT used this period to work on its own routing system, to improve its operational performance.

Update on oil sales adjustments

1,058,049 barrels of oil, corresponding to the 20.25% share held by MPN in OML fields 4, 38 and 41, were sold at an average price of US\$ 110.3/bbl.

A preliminary adjustment of 297,133 barrels to the benefit of the partnership (60,169 barrels for MPN) was obtained at the end of June 2012 for the oil sales prior to the installation of the definitive metering unit on 1 November 2011. This adjustment is incorporated in the total recognised entitlements in H1 2012, namely 5,328,516 barrels (at 100%).

For the period 1 November 2011 to 30 June 2012, the volume of recognised entitlements and production sold take into account the adjustments made by Shell Petroleum Development Company (SPDC) for crude pipeline losses during transportation at the Forcados oil terminal. These significant adjustments (of approximately 20%) are disputed by the operator, Seplat.

Negotiations are in progress with SPDC, and an adjustment in favour of the partners of the joint venture covering the entire period starting in August 2010, is expected before year end.

In addition to different kind of administrative recourse, the operator is actively conducting studies into alternative routing facilities that could be implemented within approximately a year.

Financial position at 30.06.12

The Group's activity, described above, and the economic and financial environment are reflected in consolidated accounts through the following elements. Consolidated accounts were approved by the Board meeting of 30 August 2012.

Sales

Oil sales amounted to €90.2 million, i.e. 1,058,049 barrels of oil, corresponding to the 20.25% share held by MPN in OML fields 4, 38 and 41, sold at an average price of US\$ 110.3/bbl.

Gas sales posted by MPN totalled €6.6 million. This figure corresponds to gas sales to NGC (Nigerian Gas Company) and sale price adjustments agreed during negotiations with the company.

Operating income

<i>in millions of €</i>	30/06/2012	30/06/2011
Sales	97	72
Gross margin	73	63
<i>as a % of Sales</i>	75%	88%
Gross operating surplus	51	47
<i>as a % of Sales</i>	52%	66%
Amortisations for depletion	-12	-8
Other operating elements	-2	-2
Operating income	37	37
<i>as a % of Sales</i>	38%	51%

The decline in gross margin rates (75% vs. 88%) and gross operating surplus (52% vs. 66%) stems mainly from a programme supported by workovers carried out during the first half of 2012.

Financial income

<i>in millions of €</i>	30/06/2012	30/06/2011
Cost of Seplat's debt	(6)	(3)
Payment of shareholders' loan	1	2
Other (including foreign exchange differences)	1	-11
Financial income	(3)	(11)

The increase in the cost of debt is directly related to interest charges for the USD 550 million syndicated loan provided to Seplat.

Payment of advances granted by MP Nigeria to Seplat amounted to €1.3 million.

The foreign exchange gain reflects the Group's reduced exposure to foreign exchange risk as a result of the decision by MP Nigeria to adopt the dollar as its operating currency instead of the euro starting from 1 January 2012. The presentation currency for the Group's financial statements remains in euros.

Net income

Net income for the period was €13 million after recognition of a tax expense, compared to €2 million for the same period in 2011.

Cash and cash equivalents

UBA and FBN was signed by Seplat on 12 June 2012. This line of credit makes up to US\$550 million available over five years, repayable according to the constant amortisation system at a variable rate (Libor plus 5 to 7.5% depending on the lenders). This loan, initially drawn down up to US\$275 million, has been partially reimbursed. US\$230 million was drawn down as of 30 June 2012, amounting to €82 million for MNP's share.

As of 30 June 2012, Seplat posted a positive cash position of \$175 million (at 100%), i.e. €62 million for MPN's share, in addition to the €183 million (US\$231 million) held on MPN's own balance sheet.

As a result, the Group's consolidated cash position as of 30 June 2012 stood at €246 million, which gives it substantial room for manoeuvre for continuing to implement its development plan.

2012 outlook

Following the action undertaken by Seplat over the first half of 2012, operated production (SEPLAT data) resumed with a well-head output of 39,000 bopd and amounted to approximately 41,000 bopd in July 2012.

MPN is reaffirming its objective of achieving a well-head output of approximately 50 000 bopd (on a 100 % basis) by the end of 2012. This does not include gas production.

GROUP CONSOLIDATED FINANCIAL STATEMENT

Assets

<i>In thousands of euros</i>	Notes	30/06/2012	31/12/2011
Intangible assets	4	59,010	60,352
Property, plant and equipment	5	67,609	82,300
Non-current financial assets	6	33,903	20,127
Deferred tax assets	16	0	0
Non-current assets		160,522	162,779
Inventories	7	5,570	3,791
Trade receivables and related accounts	8	5,552	738
Other current financial assets	8	38,151	16,618
Other current assets	8	1,977	1,803
Income tax receivable	16	0	0
Cash and cash equivalents	10	245,803	248,601
Current assets		297,053	271,551
Total Assets		457,575	434,330

Liabilities

<i>In thousands of euros</i>	Notes	30/06/2012	31/12/2011
Share capital		11,534	11,534
Additional paid-in capital		226,900	226,900
Consolidated reserves		27,151	1,486
Treasury shares		(5,398)	(3,983)
Net income, Group share		13,130	18,114
Equity, Group share		273,317	254,051
Minority interests		0	0
Total shareholders' equity		273,317	254,051
Non-current provisions	11	1,597	2,008
Other non-current borrowing and financial debt	12	63,019	44,917
Deferred tax liabilities	16	7,952	2,643
Non-current liabilities		72,568	49,566
Current bond borrowing		0	0
Other current borrowing and financial debt	12	19,390	44,878
Suppliers and related accounts	13	17,499	10,630
Income tax payable	16	45,441	36,540
Other creditors and sundry liabilities	13	17,575	27,237
Current derivative instruments	9	11,786	11,428
Current liabilities		111,691	130,713
Total Liabilities		457,575	434,330

Net income for the period

<i>In thousands of euros</i>	Notes	30/06/2012	30/06/2011
Sales		97,172	72,022
Other income		592	0
Purchases and change in inventories		(5,263)	0
Other operating purchases and expenses		(19,901)	(8,967)
Tax and duties		(20,096)	(14,896)
Compensation expenses		(1,624)	(818)
Amortisation charges		(12,098)	(7,844)
Provisions		(1,030)	(2,324)
Other expenses		(624)	(104)
Operating income	14	37,128	37,069
Gross cost of debt		(5,580)	(2,751)
Income from cash		243	0
Net gain (loss) on derivative instruments		(41)	(2,574)
Net cost of debt		(5,378)	(5,326)
Other financial income and financial expenses		2,060	(5,993)
Financial income	15	(3,318)	(11,319)
Income before tax		33,810	25,750
Income tax	16	(20,680)	(23,552)
Net income from consolidated companies		13,130	2,198
Earnings per share			
Basic		0.11	0.02
Diluted		0.11	0.02

Cash Flow Statement

<i>In thousands of euros</i>	Notes	30/06/2012	30/06/2011
Consolidated net income		13,130	2,198
Tax charge		20,680	23,552
Consolidated income before tax		33,810	25,750
- Net increase (reversals) of amortisation, depreciation and provisions		13,476	10,411
- Unrealised gains (losses) due to changes in fair value		41	2,574
- Other calculated income and expenses		0	
- Gains (losses) on asset disposals		0	
- Other financial items		5,580	2,826
Cash flow before taxes		52,907	41,561
Payment of tax due		(7,943)	(7,856)
Change in working capital requirements for operations		(28,089)	(7,634)
- Customers		(4,677)	(7,975)
- Suppliers		6,381	(3,579)
- Inventories		(1,624)	(1,027)
- Other		(28,169)	4,947
NET CASH FLOW FROM OPERATING ACTIVITIES		16,875	26,071
Disbursements for acquisitions of tangible and intangible assets		(9,764)	(901)
Proceeds from acquisitions of tangible and intangible assets		0	
Disbursements for acquisitions of financial assets (non-consolidated securities)		(84)	
NET CASH FLOW FROM INVESTMENT ACTIVITIES		(9,848)	(901)
Amounts received from shareholders as part of capital increases		0	
Proceeds from new loans		0	63,349
Interest paid		(5,580)	(2,826)
Borrowing repayments		(9,410)	(67,845)
Treasury share acquisitions		(1,266)	
NET CASH FLOW FROM FINANCING ACTIVITIES		(16,256)	(7,322)
Impact of exchange rate movements		6,606	2,981
CHANGE IN NET CASH		(2,623)	20,831
Cash at start of period		248,427	10,279
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	245,803	31,110

About MP Nigeria

A limited company with a Board of Directors headquartered in Paris, MP Nigeria (MPN) is the result of the demerger of the Nigerian activities of Etablissements Maurel & Prom. MP Nigeria owns 45% of Seplat, a Nigerian oil and gas exploration and production company that operates Nigerian Oil Mining Permits 4, 38 and 41. These oil permits present a balanced combination of producing fields, fields to be developed and exploration opportunities. Thanks to its association with top-rank Nigerian partners, MP Nigeria benefits from strong local involvement by both state authorities and local communities. On the strength of its assets and this high-quality partnership, MP Nigeria is well positioned to ensure its development and benefit from numerous growth opportunities. You can find more information about the company on its website www.mpnigeria.com.

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