MAUREL & PROM NIGERIA

H1 2012 INTERIM FINANCIAL STATEMENT

1 CONTENTS

2 PERSON RESPONSIBLE FOR INTERIM FINANCIAL STATEMENTS

As the Chief Executive Officer of MP Nigeria (hereafter "**MPN"** or the "**Company** ”), and reporting to the Chairman, Mr. Jean-François Hénin, Mr. Michel Hochard is in charge of financial information and the Semi-Annual Financial Report.

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Mr. Michel Hochard
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Certification

“I hereby certify that, to the best of my knowledge, the consolidated semi-annual financial statements have been prepared in accordance with applicable standards and are a true and fair picture of the assets, financial position and income of the Company and its consolidated entities, and that the interim management report on pages 4 to 8 offers a true and fair picture of the significant events in the first six months of the fiscal year, their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties in the remaining six months of the year.”

The Chief Executive Officer

Michel Hochard,
Paris, Thursday 30.08.12

3 MP NIGERIA'S POSITIONING

MP Nigeria (MPN) was formed from the demerger of the Nigerian business activities from Etablissements Maurel & Prom's scope. MPN is a public limited company (société anonyme) headquartered in Paris with a Board of Directors and is incorporated under French law.

MPN holds 45% of the share capital of Seplat, a Nigerian oil and gas exploration and production company, operating on Oil Mining License 4, 38 and 41 in Nigeria. These permits present a balanced combination of fields in production, fields to be developed, and exploration possibilities. Through its association with leading Nigerian partners, MPN benefits from strong local involvement, either from local authorities or 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.

4 GROUP ACTIVITY IN THE FIRST HALF OF 2012

4.1 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 boepd, versus 24,515 boepd 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.

Operated production (SEPLAT data) resumed with a well-head output of 39,000 boepd and amounted to approximately 41,000 boepd in July 2012.

4.2 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.

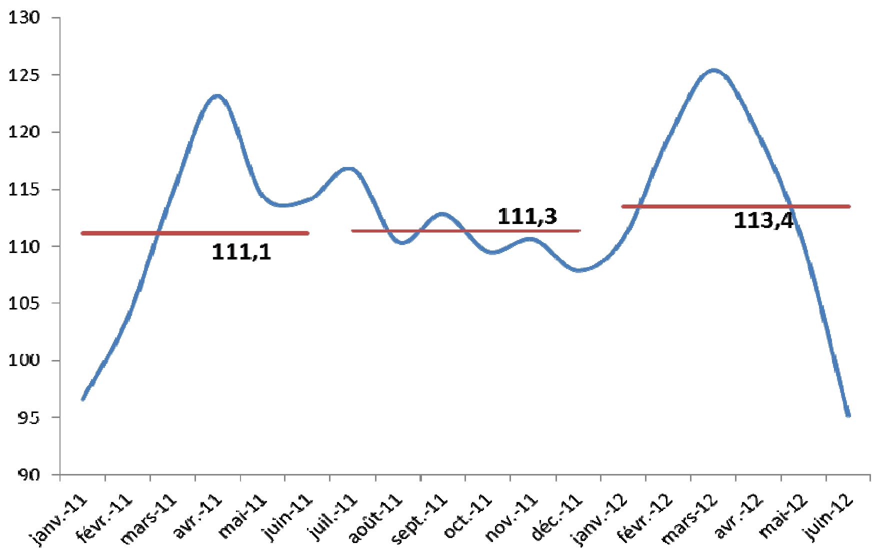
Negotiations are in progress with SPDC, and an adjustment in favour of the partners of the joint venture covering the entire period starting in August 2010, is expected before year end.

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.

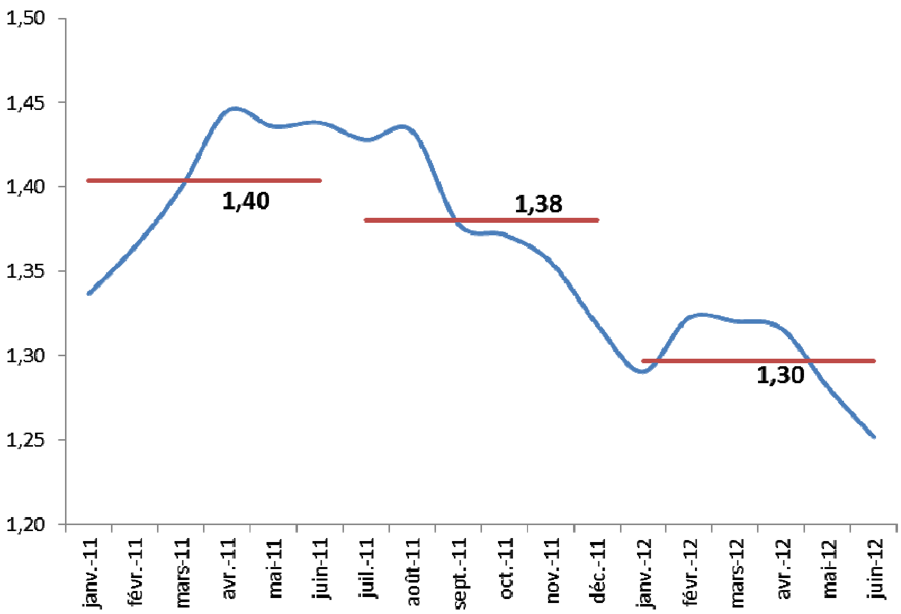
5 FINANCIAL POSITION AT 30.06.12

5.1 Economic environment

The average cost of Brent in the first half of 2012 was $113.4. It was on average $95.2 in June 2012 compared to $107.9 in December 2011.



In H1 2012, the average €/$ exchange rate was 1.297 versus 1.404 during the first half of 2011. As of 30 June 2012, the average €/$ exchange rate was 1.259 and was 1.294 as of 31 December 2011.



5.2 Financial elements

The Group's activity, described above, as well as its economic and financial environment, is reflected in the following elements of the consolidated financial statements. The consolidated financial statements were approved by the Board of Directors on 30.08.12.

5.2.1 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.

5.2.2 Operating income

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

5.2.3 Financial income

in millions of €	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 US$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.

5.2.4 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.

5.2.5 Cash and cash equivalents

The syndicated line of credit which was being negotiated at the end of 2011 with Afrexim, Skye Bank, 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 total consolidated cash and cash equivalents as of 30 June 2012 totalled €246 million.

5.3 Events occurring after closing

None

6 SHAREHOLDERS' EQUITY AND CORPORATE LIFE

6.1 General Meeting

The Combined General Meeting of MP Nigeria's shareholders held on Thursday 21 June chaired by Mr. Jean-François Hénin, Chairman, approved all the resolutions proposed.

The General Meeting approved the company and consolidated financial statements for the fiscal year ended 31.12.11 and discharged the Board of Directors' duties for the year.

6.2 Total number of voting rights and shares comprising Maurel & Prom capital

In accordance with Article L.233-8 II of the French Commercial Code and the French Financial Markets Authority (AMF) General Regulation, MP Nigeria informed its shareholders of the total number of voting rights and shares comprising its share capital at 30 June 2012 which was as follows:

Date	Number of shares comprising the capital	Number of voting rights
30.06.12	115,336,534	Theoretical*: 115,336,534 Exercisable: 112,165,226

*: theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares and not-voting shares.

6.3 Risks and uncertainties

The risks linked to MP Nigeria's business activities are described in Chapter 2 of the Group's 2011 Annual Report.

7 GROUP CONSOLIDATED FINANCIAL STATEMENT

7.1 Group Balance Sheet

7.1.1 Assets

In thousands of euros	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**

7.1.2 Liabilities

In thousands of euros	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**

7.2 Change in shareholders' equity

In thousands of euros	Capital	Treasury shares	Premiums	Other reserves	Currency translation adjustment	Income for the period	Shareholders' equity, Group share	Total shareholders' equity
1 January 2011	**133,434**			**(2)**	**(1,694)**	**1,445**	**133,183**	**133,183**
Net income						2,198	2,198	**2,198**
Other elements of comprehensive income					(2,412)		(2,412)	**(2 412)**
Total comprehensive income					**(2,412)**	**2,198**	**(213)**	**(213)**
Allocation of net income – Dividends				1,445		(1,445)		
Capital increase/decrease								
Total transactions with shareholders				**1,445**		**(1,445)**		
30 June 2011	**133,434**			**1,443**	**(4,106)**	**2,198**	**132,970**	**132,970**
1 January 2012	**11,534**	**(3,983)**	**226,900**	**1,318**	**168**	**18,114**	**254,051**	**254,051**
Net income						13,130	13,130	**13,130**
Other elements of comprehensive income					7,550		7,550	**7,550**
Total comprehensive income					**7,550**	**13,130**	**20,680**	**20,680**
Allocation of net income – Dividends				18,114		(18,114)		
Capital increase/decrease								
Movements on treasury shares		(1,415)					(1,415)	**(1,415)**
Total transactions with shareholders		**(1,415)**		**18,114**		**(18,114)**	**(1,415)**	**(1,415)**
30 June 2012	**11,534**	**(5,398)**	**226,900**	**19,432**	**7,718**	**13,130**	**273,317**	**273,317**

7.3 Consolidated Comprehensive Income Statement

7.3.1 Net income for the period

In thousands of euros	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

7.3.2 Comprehensive income for the period

In thousands of euros	30/06/2012	30/06/2011
Net income for the period	**13,130**	**2,198**
Other elements of comprehensive income		
Currency translation adjustment	7,550	(2,412)
Total comprehensive income for the period	**20,680**	**(214)**
- Group share	20,680	(214)
- Non-controlling interests	0	0

7.4 Cash Flow Statement

In thousands of euros	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**

7.5 Notes to the consolidated financial statements

7.5.1 NOTE 1: HIGHLIGHTS FROM THE PERIOD

Change of MP Nigeria's operating currency

When the company was formed, MP Nigeria was an intermediary holding company of the Maurel & Prom Group, wholly financed in euros, whose sole asset was a 45% equity interest in Seplat, a company with no operating activities at the time. In view of these elements, the euro was chosen as MP Nigeria's operating currency.

The spin-off transaction conducted on 15 December 2011, and the decision made by MP Nigeria to convert the majority of its cash into US dollars in the days following the transaction, led the company to review this position and to adopt the dollar as its operating currency. The currency change became effective on 1 January 2012 and significantly reduced the exposure of MP Nigeria's financial income to foreign exchange risk. This risk now relates to the company's euro position, which is very limited.

The presentation currency for the Group's financial statements remains in euros, since it is listed on the Paris NYSE Euronext market. The financial statements of MPN and Seplat are translated into euros according to the closing rate method, as follows:

- Income and expenses are translated at the average rate for the period
- Asset and liability elements, including goodwill on foreign subsidiaries, are translated at the exchange rate in effect on the reporting date.
- Translation adjustments are recognised in equity under "Currency translation adjustments".

Currency translation adjustments recognised in equity as of 30 June as a result of changing the presentation currency to euros amounted to €7.1 million.

Production (operator)

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.

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.

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.

Production carried out (SEPLAT data) resumed with a well-head output of 39,000 boepd and amounted to approximately 41,000 boepd in July 2012.

Update on oil sales adjustments

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.

Arrangement of a five-year US$550 million line of credit for Seplat

The syndicated line of credit which was being negotiated at the end of 2011 with Afrexim, Skye Bank, UBA and FBN was signed by Seplat on 12 June 2012 by all parties, effective retroactively to 25 August 2011. This line of credit makes available up to US$550 million over five years, repayable according to the constant amortisation system at a variable rate (Libor plus a 5 to 7.5% margin depending on the lenders), to replace the US$258 million bridging loan drawn down at the end of 2011, US$100 million of which was a loan repayable on demand. The implementation of this five-year financing led to converting a significant portion of the loan into non-current debt.

Proportionate consolidation of Seplat

MP Nigeria has right of veto until the shareholder loan granted to Seplat by the Company on 25 June 2010, the outstanding balance of which amounts to US$47 million as of 30 June 2012, has been repaid in full. Once full repayment of this loan has been made, and if MP Nigeria no longer has joint control of the joint venture as a result of this repayment, the latter will cease to be proportionately consolidated.

Moreover, the prior written consent of the Company is also required for any transfer by Shebah or Platform of their Seplat shares (i) to a third party and (ii) that would result in reducing their aggregate share to less than 10% of Seplat's capital until the (refinanced) bank loan used by Seplat to finance part of the acquisition price of the 45% of the entitlements to the OMLs is repaid in full.

Future application of IFRS 11 Joint Arrangements, not yet endorsed by the European Union, but which will apply to financial years starting on or after 01/01/2013, may cause the Group to reconsider the consolidation method of Seplat in its financial statements from that date.

7.5.2 NOTE 2: ACCOUNTING METHODS

The MP Nigeria Group interim consolidated financial statements as of 30 June 2012 have been prepared in accordance with IAS 34 –Interim financial reporting, which provides for presenting selected explanatory notes. The consolidated interim financial statements do not include all the disclosures and information required under IFRS for annual financial statements and must be read in conjunction with the annual financial statements for 2011.

The accounting principles that apply to interim accounts are not significantly different from those used for the 31 December 2011 consolidated financial statements, which were prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and available on the website http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

All new legislative texts or amendments adopted by the European Union and mandatory since 1 January 2012 have been taken into account.

IFRS 7, Financial Instruments: Disclosures

These new texts have no significant impact on the 30.06.12 consolidated financial statements.

The Group has not applied any standards and interpretations that were not mandatory prior to 1 January 2012, such as:

IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine) (mandatory for reporting periods starting on or after 01/01/2013 – not endorsed)

Amendments to IFRS 7 and IAS 32, Offsetting of Financial Assets and Financial Liabilities (mandatory for reporting periods starting on or after 01/01/2013 (IFRS 7) and 01/01/2014 (IAS 32) – not endorsed)

IFRS 13, Fair Value Measurement (mandatory for reporting periods starting on or after 01/01/2013 – not endorsed)

Amendment to IAS 19, Employee Benefits (mandatory for reporting periods starting on or after 01/01/2013 – endorsed on 6 June 2012)

Amendments to IAS 1, Presenting other Elements of Comprehensive Income (mandatory for reporting periods starting on or after 01/07/2012 – endorsed on 6 June 2012)

IAS 27, Consolidated and Separate Financial Statements (mandatory for reporting periods starting on or after 01/01/2013 – not endorsed)

IAS 28, Revised Investments in Associates and Joint Ventures (mandatory for reporting periods starting on or after 01/01/2013 – not endorsed)

IFRS 12, Disclosure of Interests in Other Entities (mandatory for reporting periods starting on or after 01/01/2013 – not endorsed)

IFRS 10, Consolidated Financial Statements (mandatory for reporting periods starting on or after 01/01/2013 – not endorsed)

IFRS 9, Financial Instruments (mandatory for reporting periods starting on or after 01/01/2015 – not endorsed)

Amendments to IAS 12 Recovery of Underlying Assets (mandatory for reporting periods starting on or after 01/01/2012 – not endorsed)

Amendments to IFRS 1, Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (mandatory for reporting periods starting on or after 01/07/2011 – not endorsed)

Amendments to IFRS 1, Government Subsidies (mandatory for reporting periods starting on or after 01/01/2013 – not endorsed)

IFRS 11, Joint Arrangements (mandatory for the reporting period starting on or after 01/01/2013 – not endorsed). The future application of this standard could cause the Group to reconsider the consolidation method of certain partnerships, if the need arises.

The Group has applied the IFRS standards homogeneously in all review periods.

Preparing the consolidated financial statements to IFRS standards means that the Group has made accounting choices, estimates and assumptions that impact its assets and liabilities, the ratings of any potential assets and liabilities at period end, and any income and expenses recognized during the period. Changes of fact and circumstance may cause the Group to revise these estimates.

Actual results may differ significantly from these estimates if circumstances or assumptions are different.

Moreover, if a particular transaction is not governed by a standard or interpretation, senior management can use its own judgment in defining and applying any accounting principle that will provide pertinent and reliable information. The financial statements provide a fair and true picture of the Group's financial position, performance and cash flow. They reflect the substance of transactions, are prepared in a prudential manner, and are complete in all material respects.

The primary estimates that Management uses when preparing financial statements relate mainly to:

- impairment tests on petroleum assets;
- provisions for site restorations;
- the accounting treatment of derivative instruments subscribed for by the Group;
- the recognition of deferred tax assets;
- the measurement of investments required to develop proven but undeveloped reserves, included in calculating depletion of assets.

7.5.3 NOTE 3: CHANGES IN THE COMPOSITION OF THE GROUP

Company	Head Office	Consolidation Methods	% control	
			30/06/2012	31/12/2011
MP Nigeria	Paris, France	Consolidating company	Consolidating company	
Oil and gas activities				
Seplat	Lagos, Nigeria	Proportionately consolidated	45.00%	45.00%
Other activities				
MPN Assistance Technique International S.A.	Geneva, Switzerland	Not consolidated	100%	

MPN Assistance Technique International (MPNATI) is a wholly owned subsidiary of MP Nigeria, formed in June 2012 to provide technical support for the Group's expatriate personnel. It conducted no business activities during the first half of the year and will be consolidated starting on 31 December 2012.

7.5.4 NOTE 4: INTANGIBLE ASSETS

Changes in intangible assets

In thousands of euros	Goodwill	Oil research and exploitation rights	Exploration costs	Other	Total
Gross value as of 31.12.11	**0**	**65,597**	**0**	**0**	**65,597**
Exploration investment	0	0	0	0	0
Currency translation adjustment	0	1,809	0	0	1,809
Transfers	0	(323)	0	0	(323)
Gross value at 30.06.12	**0**	**67,083**	**0**	**0**	**67,083**
Cumulative amortisation and impairment as of 31.12.11	**0**	**5,245**	**0**	**0**	**5,245**
Amortisation charges	0	2,927	0	0	2,927
Disposals/Reversals	0	0	0	0	0
Exploration expenses	0	0	0	0	0
Currency translation adjustment	0	224	0	0	224
Changes in consolidation scope	0	0	0	0	0
Sales of subsidiaries	0	0	0	0	0
Transfers	0	(323)	0	0	(323)
Cumulative amortisation and impairment as of 30.06.12	**0**	**8,073**	**0**	**0**	**8,073**
Net book value as of 30.06.12	**0**	**59,010**	**0**	**0**	**59,010**
Net book value as of 31.12.11	**0**	**60,352**	**0**	**0**	**60,352**

Reserves are amortised for depletion based on proven and probable reserves.

7.5.5 NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment

In thousands of euros	Land and construction	Technical facilities	Down payments and constructions in progress	Other assets	Total
Gross value as of 31.12.11	**107**	**82,152**	**16,230**	**1,563**	**100,052**
Development/prod. investments	175	2,648	6,453	488	9,764
Dismantling assets		(823)			(823)
Sales/Reductions	0	0	0	0	0
Assets decommissioned	0	0	0	0	0
Changes in consolidation scope	0	0	0	0	0
Sales of subsidiaries	0	0	0	0	0
Currency translation adjustment	8	2,338	158	58	2,562
Transfers	0	10	(15,904)	0	(15,894)
Gross value at 30.06.12	**290**	**86,325**	**6,937**	**2,109**	**95,661**

Cumulative amortisation and impairment as of 31.12.11	**22**	**17,231**	**0**	**499**	**17,752**
Amortisation charges	28	9,192	0	299	9,519
Disposals/Reversals	0	0	0	0	0
Assets decommissioned	0	0	0	0	0
Currency translation adjustment	1	757	0	23	781
Changes in consolidation scope	0	0	0	0	0
Sales of subsidiaries	0	0	0	0	0
Transfers	0	0	0	0	0
Cumulative amortisation and impairment as of 30.06.12	**51**	**27,180**	**0**	**821**	**28,052**
Net book value as of 30.06.12	**239**	**59,145**	**6,937**	**1,288**	**67,609**
Net book value as of 31.12.11	**85**	**64,921**	**16,230**	**1,064**	**82,300**

Development/production investments

Investments in the period (€9.8 million for MP Nigeria's share, i.e. US$61 million at 100%) concern the drilling of three producing wells at the Oben and Sapele fields and the completion of an oil/water separation unit at the Amupke field. With commissioning expected in October 2012, the purpose of this investment is to reduce the percentage of water in well-head output to less than 5% in order to optimise transportation and hydrocarbon processing costs, contractually invoiced by SPDC based on the total fluid output (water + oil) passing through its routing system.

The advances paid by Seplat to the US company, BHP Billington, as part of financing the acquisition of two new drilling rigs by the drilling company, Stallion Drilling, (see Note 17 on Related Parties), entered under "Down payments and construction in progress" in the amount of €15.9 million (US$20.6 million) as of 31 December 2011, were reclassified as circulating assets on 30 June 2012.

Impairment

As of 30 June 2012, no indicators of impairment of Nigerian property plant and equipmenthave been recorded.

7.5.6 NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

In thousands of euros	Financial assets available for sale	Loans and receivables	Total
Value As of 01.01.11	**0**	**34,942**	**34,942**
Changes in consolidation scope	0	0	0
Increase	0	0	0
Decrease	0	(14,815)	(14,815)
Impairment	0	0	0
Fair value	0	0	0
Impairment reversals	0	0	0
Currency translation adjustment	0	0	0
Transfers	0	0	0
Value as of 31.12.11	**0**	**20,127**	**20,127**
Changes in consolidation scope	0	0	0
Increase	84	0	84
Decrease	0	(3,093)	(3,093)
Impairment	0	0	0
Fair value	0	0	0
Impairment reversals	0	0	0
Currency translation adjustment	3	889	892
Transfers	0	15,893	15,893
Value as of 30.06.12	**87**	**20,628**	**20,715**

Financial assets available for sale

This item includes the securities of MPN Assistance Technique International S.A., a company not consolidated as of 30 June 2012 (see Note 3 Changes in the composition of the group).

Loans and receivables

MP Nigeria advance to Seplat

Taking into account the proportionate consolidation of Seplat, the amount recognised in the Group's financial statements corresponds to 55% of the amount receivable (or the stake held by partners Shebah and Platform), namely €20,628,000.

This advance, which totalled US$47.2 million at 100% on 30 June 2012, is all long-term and repaid at a rate of 7.125%. It is expected to be repaid within three to five years, depending on the cash flow generated by the business.

Stallion Drilling advance

An advance was granted by Seplat to the American company BHP Billington within the context of financing the acquisition of two new drilling rigs by the drilling company Stallion Drilling (see Note 17 on related parties). This advance, of initially $20.6 million for Seplat's share, was partially repaid and amounted to $16.6 million as of 30 June 2012, i.e. €13.2 million.

As of 31 December 2011, this advance was classified as "Down payments and constructions in progress" (see Note 5 "Property, plant and equipment").

7.5.7 NOTE 7: TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables (US$15.8 million in Seplat's accounts, i.e. €5.5 million for MP Nigeria's share) correspond to the amounts invoiced by Seplat to NGC in June 2012, following an agreement carried out between these two companies to retroactively increase the price of gas provided by Seplat to NGC. Total gas sales invoiced in H1 2012 amount to US$7 million. The invoices resulting from revising the rates applicable to the volumes provided between September 2010 and December 2011 totalled US$11 million.

Other financial and non-financial current assets break down as follows:

In thousands of euros

Other current financial assets	30/06/2012	31/12/2011
Receivables for participations and associations	33,445	11,312
Sundry debtors	5,386	5,306
Gross value	38,831	16,618
Depreciation to be deducted	(680)	0
Net value	38,151	16,618

Other current assets	30/06/2012	31/12/2011
Prepaid expenses	1,788	1,795
Tax and social receivables (excl. inc. tax)	188	8
Gross value	1,976	1,803
Depreciation to be deducted	0	0
Net value	1,976	1,803

Receivables for participations and associations

These relate to Seplat's receivables from its partner NPDC for re-invoicing 55% of the costs incurred by the partnership.

Sundry debtors

This item consists primarily of the advances paid by Seplat for the lease or purchase of a floating oil production, storage and offloading platform (FPSO), the "Trinity Spirit" (see Note 17 on Related Parties).

7.5.8 NOTE 8: FINANCIAL INSTRUMENTS

The fair value of the price supplement to be paid for the acquisition of Nigerian assets is recorded under derivative instruments liabilities. This price supplement, capped at US$33 million, will be paid if the average price of Brent remains above US$80/bbl for 731 consecutive days from the date the assets were acquired, i.e. July 2012.

As of 30 June 2012, the fair value of this derivative instrument (at 100%) was US$32,976,000, equal to an €11.8 million liability in the Group's financial statements. Changes in the fair value (€42,000) of this instrument were recognised in the income statement under net gains and losses on derivative instruments.

The fair value hierarchy of this derivative instrument is Level 2, corresponding to the use of prices based on observable data.

7.5.9 NOTE 9: CASH AND CASH EQUIVALENTS

Cash equivalents include liquid assets and investments with terms of less than three months**.**

In thousands of euros	**30/06/2012**	**31/12/2011**
Cash, Banks and similar	142,547	248,601
Long-term investment securities	103,256	0
Total	245,803	248,601
Bank loans	0	174
Net cash & cash equivalents at period end	245,803	248,427

The Group's cash totalled €246 million. It consists of 45% of Seplat's cash (€62 million) and the cash held by the parent company MP Nigeria (€183 million).

7.5.10 NOTE 10: PROVISIONS

In thousands of euros	**Site remediation**	**Employee benefits**	**Other**	**Total**
Balance as of 01.01.11	**0**	**0**	**0**	**0**
Currency translation adjustment	142	0	0	142
Changes in consolidation scope	0	0	0	0
Provisions constituted in the period	131	0	0	131
Used	0	0	0	0
Other prov. constituted and reversals	1,735	0	0	1,735
Impact of accretions	0	0	0	0
Balance as of 31.12.11	**2,008**	**0**	**0**	**2,008**
Current portion	0	0	0	0
Non-current portion	2,008	0	0	2,008

In thousands of euros	Site remediation	Employee benefits	Other	Total
Balance as of 01.01.12	**2,008**	**0**	**0**	**2,008**
Currency translation adjustment	42	0	0	42
Changes in consolidation scope	0	0	0	0
Provisions constituted in the period	370	0	0	370
Used	0	0	0	0
Other prov. constituted and reversals	(823)	0	0	(823)
Impact of accretions	0	0	0	0
Balance as of 30.06.12	**1,597**	**0**	**0**	**1,597**
Current portion	0	0	0	0
Non-current portion	1,597	0	0	1,597

7.5.11 NOTE 11: OTHER BORROWINGS AND FINANCIAL DEBT

Other borrowings and financial debts are detailed below:

In thousands of euros	Currency	30/06/2012			31/12/2011
		Current	Non-current	Total	Total
Other borrowing and debt		**19,390**	**63,019**	**82,409**	**89,620**
BNP - Discount	USD				0
AFREXIM syndicated loan	USD	19,390	63,019	82,409	0
AFREXIM bridging loan	USD			0	89,620
Debts on finance leasing		**0**	**0**	**0**	**0**
Bank loans		**0**	**0**	**0**	**174**
Total other borrowings and financial debt		**19,390**	**63,019**	**82,409**	**89,794**

The amount of the US$550 million syndicated line of credit used by Seplat as of 30 June 2012 was US$230.5 million, or €82 million for the Group.

This line of credit was signed by Seplat in June 2012 and is repayable over five years according to the constant amortisation system at a variable rate (Libor plus 5 to 7.5% depending on the lenders). It replaces the US$257 million bridging loan drawn down at the end of 2011, US$100 million of which was a loan repayable on demand. The implementation of this five-year financing led to converting a significant portion of the loan into non-current debt.

7.5.12 NOTE 12: TRADE PAYABLES – OTHER CREDITORS AND SUNDRY FINANCIAL LIABILITIES

In thousands of euros	30/06/2012			31/12/2011		
	< 1 yr	> 1 yr	Total	< 1 yr	> 1 yr	Total
Suppliers	**17,499**	**0**	**17,499**	**10,630**	**0**	**10,630**
Suppliers	1,812	0	1,812	615	0	615
Accrued charges	15,687	0	15,687	10,015	0	10,015
Other creditors & sundry liabilities	**17,575**	**0**	**17,575**	**27,237**	**0**	**27,237**
Social debts	1,141	0	1,141	1,343	0	1,343
Tax debts	1,589	0	1,589	973	0	973
Fixed asset suppliers	0	0	0	0	0	0
Sundry creditors	14,845	0	14,845	24,921	0	24,921

Suppliers and related accounts

Accrued expenses mainly relate to sums due to Shell for transportation, processing and storage of production (€15.3 million).

Other creditors and sundry liabilities

This item includes, in particular, royalties payable on production as well as various taxes applicable to companies operating in the oil sector in Nigeria (NDDC levy and education tax).

As of 31 December 2011, a liability of €12.7 million was recognised under this item related to the overlift situation at the time. In view of the absence of overlift at this time, no corresponding liabilities were recorded in the financial statements as of the end of June 2012.

Overlift refers to quantities lifted and invoiced that exceed the entitlements resulting from the quantities produced. Such a situation leads to a downward adjustment of sales with a corresponding entry in liabilities.

7.5.13 NOTE 13: OPERATING INCOME

In thousands of euros	**30/06/2012**	**30/06/2011**
Sales	97,172	72,022
Gross margin	72,600	63,055
Gross operating surplus	50,880	47,341
Amortisations for depletion	(12,098)	(7,844)
Income from production activities	**38,782**	**39,497**
Exploration expenses	0	0
Income from production and exploration activities	**38,782**	**39,497**
Other operating elements	(1,654)	(2,428)
Operating income	**37,128**	**37,069**

MP Nigeria sales totalled €97.2 million in H1 2012. Oil sales amounted to €90.2 million. Of this amount, €77.4 million corresponds to the entitlements for the period (i.e. 1,058,000 bbl sold at an average price of US$110.3 per barrel), and €9.9 million to the adjustment of the overlift recorded at the start of the period. Gas sales to NGC (Nigerian Gas Company) amounted to €6.6 million.

At the end of June 2011, the Group reported €72 million in oil sales exclusively (i.e. 880,000 bbl sold at an average price of US$113/bbl).

Recognised production (on a 100% basis) was 29,277 boepd on average for the first half of 2012, compared to 24,515 boepd for the first six months of 2011.

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

7.5.14 NOTE 14: FINANCIAL INCOME

In thousands of euros	30/06/2012	30/06/2011
Interest on other borrowing	(5,580)	(2,751)
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 net financial income and expenses	**2,060**	**(5,993)**
Net translation adjustments	715	(7,989)
Other	1,345	1,996
FINANCIAL INCOME	**(3,318)**	**(11,319)**

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

Net gains and losses on derivative instruments correspond to the change in fair value of the price adjustment in the period.

The low foreign exchange gain or loss reflects the Group's reduced exposure to foreign exchange risk as a result of MP Nigeria's decision to adopt the dollar as its operating currency instead of the euro starting from 1 January 2012 (see Note 1: "General Information").

Other elements of financial income are primarily payment of advances granted by MP Nigeria to Seplat (recognised in the Group's financial statements in the amount of the share belonging to its associates).

7.5.15 NOTE 15: INCOME TAX

Breakdown of the charge for the fiscal year

In thousands of euros	30/06/2012	30/06/2011
Tax due for the fiscal year	15,598	23,477
Deferred tax income or charge	5,082	75
TOTAL	**20,680**	**23,552**

Origin of deferred taxes

In thousands of euros	30/06/2012	31/12/2011
Temporary difference on oil taxes		0
Activation of prior deferrable deficits		0
TOTAL DEFERRED TAX ASSETS	**0**	**0**
Temporary differences on depreciation and overlift positions	7,952	2,643
TOTAL DEFERRED TAX LIABILITIES	**7,952**	**2,643**
Net	**7,952**	**2,643**

Reconciliation between tax charge and pre-tax income

In thousands of euros	30/06/2012	30/06/2011
Pre-tax income from continuing activities	33,810	25,751
- Net income of equity associates	0	0
Pre-tax income excluding equity associates	**33,810**	**25,751**
Theoretical tax charge of 65.75% Nigeria	22,230	16,931
Reconciliation		
-Tax rate divergence	(1,550)	
-Non-activated deficit on the MP NIGERIA holding business	0	3,034
-Permanent tax differences	0	2,963
- Other		624
Actual tax charge	**20,680**	**23,552**

Change in tax due

In thousands of euros	30/06/2012	31/12/2011
Income tax payable	45,441	36,540

The effective tax rate is 61%, compared to 65.75% on the results of Seplat's oil sales. The difference stems from a 30% taxation of gas sales in Nigeria and the 33.33% corporate tax rate in France.

7.5.16 NOTE 16: RELATED PARTIES

Commercial and financial transactions

In thousands of euros

30/06/2012	Income	Charges	Amounts due from related parties (net)	Amounts due to related parties
1) Joint venture				
- SEPLAT	1,640		37,622	19
2) Other related parties				
- Etablissements Maurel & Prom		484	0	568

31/12/2011	Income	Charges	Amounts due from related parties (net)	Amounts due to related parties
1) Joint venture				
- SEPLAT	5,660		36,849	0
2) Other related parties				
- Etablissements Maurel & Prom		0	0	0

Shareholder loan

In 2010, MP Nigeria granted a shareholder loan to Seplat in the amount of US$153 million at a rate of 7.125%. Two repayments were made in 2011 totalling US$107 million. The balance stood at US$47 million as of 30 June 2012. Interest invoiced during the reporting period amounted to €1.7 million.

Support services

MP Nigeria provides technical and general support services to Seplat under normal competitive conditions. Invoices for these services during the first half of the year amounted to €329,000 (US$432,000).

On 2 November 2011, Maurel & Prom and MP Nigeria agreed a temporary services contract according to which Maurel & Prom undertakes, for a period of 12 months starting from 15 December 2011, renewable on one occasion on MP Nigeria's request, to provide the latter with administrative and operating services with a view to ensuring the independent operation of MP Nigeria. Invoices for these services during the first half of the year amounted to €484,000.

Memorandum of Understanding between Seplat, Shebah Exploration and Production Company Ltd. - Allenne British Virgin Island Limited

Seplat's hydrocarbon production is routed under the agreement signed with Shell Petroleum Development Company (SPDC) in Nigeria.

In order to reduce the risk of dependence on a single evacuation route for its production, Seplat signed a memorandum of understanding with Shebah Exploration and Production Ltd. and Allenne British Virgin Islands Ltd. on 16 November 2010. The MOU relates to the leasing or acquisition of the Trinity Spirit floating oil production, storage and offloading (FPSO) platform, which would therefore provide Seplat with an alternative means of transporting its hydrocarbons to SPDC’s Nigerian pipeline.

Under the terms of this agreement, Seplat paid Allenne British Virgin Islands Limited a US$15 million advance in 2010. This sum is expected to be repaid by the contra-party by the end of 2012 upon Seplat’s request, if, by that time, 1) Seplat decides not to purchase the FPSO unit; 2) Seplat decides not to lease the FPSO unit; or 3) Seplat does not use the transportation, processing and delivery services of the FPSO unit for its oil production.

Mr. Ambroisie Bryant Chukwueloka Orjiako, Director of Maurel & Prom Nigeria and Chairman of Shebah Exploration and Production Company Ltd, is a stakeholder in this agreement.

Financing of the acquisition of drilling rigs

Seplat has drawn up a programme of intensive drilling for 2012, 2013 and 2014 in order to achieve its stated objective of increasing production from the current 40,000 bbl per day to 100,000 bbl per day by 2015. This programme requires the use of several drilling rigs at full capacity for the three years of the programme.

To ensure its independence from drilling companies, in 2011, Seplat decided to purchase a number of rigs to be entered in the assets of a specially created company, Stallion Drilling.

As a result, in 2011, Seplat paid US$45 million in advances to the American rig manufacturing company, BHP Billington to finance the acquisition of two new drilling rigs by this Nigerian drilling company, Stallion drilling. In 2012, Stallion Drilling secured US$30 million in bank financing which enabled it to repay part of the advance it had received. At the end of June 2012, the balance of the advances provided by MP Nigeria to Stallion Drilling stood at US$26.9 million. This loan will be repaid by offsetting against the cost of the drilling services that will be provided by Stallion Drilling to MP Nigeria. This advance is now recognised under current assets. In 2012, MP Nigeria and Stallion Drilling signed exclusive reservation contracts for the two rigs for a two-year period starting from May 2012. These contracts include a one-year extension option. The undertaking for the first two years relates to services totalling US$90 million. These contracts were approved by Seplat's Board of Directors.

As of 30 June, Stallion Drilling Limited was held by Shebah and Platform with the agreement that this company will have the same shareholding as Seplat. The transfer of Stallion Drilling's securities will take place at par value, which is insignificant.

7.5.17 NOTE 17: POTENTIAL ASSETS AND LIABILITIES

Commitments given

Guarantees posted for loans
Seplat's securities were pledged to lending institutions to guarantee the financing described in Note 1: "General Information".

Under these financing agreements, Seplat must comply with the following two covenants:

- debt-equity ratio of less than 3.
- Amount borrowed < P2 reserves * 70$ * 40%

These ratios were within compliance as of 30 June 2012.

Firm reservation commitment for two drilling rigs.
This point is described in Note 17 on Related Parties, § "Financing of the acquisition of drilling rigs"

7.5.18 NOTE 18: OPERATING SEGMENTS

In accordance with IFRS 8, operating segment information is presented according to the same segmentation principles used in internal reporting and reproduces the internal segment information defined to manage and measure the Group's performance. MP Nigeria's business activities are divided into two segments: operations and holding.

The data is split between the two segments based on the contributing accounts of the entities after consolidation adjustments.

	30/06/2012			30/06/2011		
	Holding	Production	**Group**	Holding	Production	**Group**
Cash flow	908	48,906	**49,814**	(4,539)	46,101	**41,562**
Change in working capital requirements	(4,268)	(28,672)	**(32,939)**	4,581	(20,071)	**(15,490)**
Cash flow generated by activity	(3,360)	20,235	**16,875**	42	26,030	**26,072**
Cash flow related to investment operations	(84)	(9,764)	**(9,848)**		-901	**(901**
Cash flow related to financing operations	3,259	(19,515)	**(16,256)**	(74)	(2,853)	**(2,927)**
Impact of exchange rate variations	5,277	1,329	**6,606**		(1,415)	**(1,415)**
Change in cash flow	**5,092**	**(7,715)**	**(2,623)**	**(32)**	**20,861**	**20,829**

Income from ordinary business activities corresponds almost exclusively to the sale of Forcados-grade petroleum from OMLs 4, 38 and 41.

This production is sold to SPDC, a company with an international reputation and a member of the Shell Group.

7.5.19 NOTE 19: EVENTS AFTER THE REPORTING PERIOD

There are no particular events to report.

8 STATUTORY AUDITOR'S REPORT

To the Shareholders,

In compliance with the assignment entrusted to us by your general meeting and your articles of association and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Maurel & Prom Nigéria, for the period from January 1 to June 30, 2012, and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

8.1 Opinion on the consolidated financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to note 1 "Highlights from the period – Update on Oil Sales Adjustments" which sets out that the turnover of the first semester 2012 includes adjustments made by Shell Petroleum Development Company (SPDC) on the volume of recognized entitlements and production sold. It is indicated that those significant adjustments are contested by the operator Seplat and that negotiations are in progress.

8.2 Justification of our assessments

We have also verified the information presented in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

French original signed at Paris, on August 30, 2012, by the statutory auditor

Daniel de Beaurepaire

Ernst & Young Audit François Carrega – Patrick Cassoux

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