



MPI

Public limited company with capital of €11,533,653.40

Registered office: 51, rue d'Anjou – 75008 Paris

Paris Trade and Companies Register 517 518 247

(The “**Company**”)

MANAGEMENT REPORT 2013



DISCLAIMER

PRELIMINARY REMARKS

In this Management Report:

- the term “**Listing**” refers to the listing of shares of Maurel & Prom Nigeria (now known as MPI) on the NYSE Euronext regulated market in Paris on 15 December 2011;
- the term “**Maurel & Prom Group**” refers to the Maurel & Prom Group, i.e. Maurel & Prom and all of the subsidiaries and equity interests held directly or indirectly by Maurel & Prom;
- the term “**MPI Group**” refers to the MPI group, i.e. MPI and all of the subsidiaries and equity interests held directly or indirectly by MPI (formerly known as Maurel & Prom Nigeria);
- the term “**Maurel & Prom**” refers to Etablissements Maurel & Prom SA, a public limited company (société anonyme) with capital of €93,579,827.11, whose registered office is located at 51 rue d’Anjou – 75008 Paris, France, and which is registered with the Paris Trade and Companies Register under number 457 202 331;
- the terms “**MPI**” and “**Company**” refer to MPI;
- the term “**MPNATI**” means the Swiss subsidiary of the Company, MPNATI, a public limited company incorporated under Swiss law, with capital of CHF 100,000, whose registered office is located at 47 route des Acacias, 1227 Les Acacias, Switzerland, registered in the Geneva Trade and Companies Register under number CH-660-1603012-2;
- the term “**NPDC**” refers to the Nigerian Petroleum Development Company;
- the term “**NNPC**” refers to the Nigerian National Petroleum Corporation;
- the term “**Platform**” refers to Platform Petroleum (JV) Limited (BVI);
- the term “**Partners**” refers to Shebah and Platform, as well as their respective parent companies, the Nigerian companies Shebah Petroleum Development Company Limited and Platform Petroleum Joint Ventures Limited;
- the term “**Pacifico**” refers to Compagnie de Participations Commerciales Industrielles et Financières – Pacifico, a public limited company with capital of €1,196,736.48, whose registered office is located at 51 rue d’Anjou – 75008 Paris, France, and which is registered with the Paris Trade and Companies Register under number 362 500 274;
- the term “**Saint-Aubin Energie**” refers to Saint-Aubin Energie SAS, a simplified joint stock company (société par actions simplifiée) with capital of €37,000, whose registered office is located at 51 rue d’Anjou – 75008 Paris, France, and which is registered with the Paris Trade and Companies Register under number 532 175 965;
- the term “**Seplat**” refers to Seplat Petroleum Development Company Limited;
- the term “**Shebah**” refers to Shebah Petroleum (JV) Limited (BVI);
- the term “**SWST**” refers to Shell Western Supply and Trading Limited; and
- the term “**SPDC**” refers to Shell Petroleum Development Company of Nigeria Limited.

A glossary defining the technical terms used in this report is included at the end of this document.

FORWARD-LOOKING INFORMATION

This Management Report contains forward-looking statements concerning the outlook for the Company and its development strategies, particularly in section 1.6 of the Report. In places such indications are identified by the use of the future or conditional tenses or by forward-looking terminology, such as “consider”, “envision”, “think”, “have the objective of”, “in expectation of”, “understand”, “should”, “aspire”, “estimate”, “believe”, “hope”, “may” or, as the case may be, the negative form of these terms, or other variations or comparable terminology. Such information is not historical data and should not be interpreted as a guarantee that the data or facts stated will occur. Such information is based on data, assumptions and estimates considered reasonable by the Company. It is liable to change or to be altered due to uncertainties surrounding the economic, financial, competitive and regulatory environment. Such information is mentioned in various sections of this Management Report and contains data relating to the Company’s intentions, estimates and objectives, particularly those concerning the market in which it operates and its strategy, growth, income, financial position, cash flow and forecasts. The forward-looking statements contained in this Management Report are current as of the date of the Report.

The Company cannot anticipate all risks, uncertainties or other factors that may affect its activity, their potential impact on its activity, or even the extent to which the appearance of a risk or combination of risks may lead to results differing significantly from those mentioned in the forward-looking statements, bearing in mind that no forward-looking statement constitutes a guarantee of actual performance.

The Company makes no commitment and gives no assurance as to the achievement of the objectives and forecasts set out in this Management Report.

EQUAL ACCESS TO INFORMATION

The information contained in this Management Report, as of the date stated herein, satisfies in all significant respects the principle that all shareholders have equal access to information about the Company.

RISK FACTORS

This Report includes risk factors as described in chapter 2, “Risk factors”, which should be carefully considered, as should those in the Company’s Annual Report for 2012 as registered by the Autorité des Marchés Financiers (French Financial Markets Authority) on 9 July 2013 (and available from the Company’s website at www.mpienergy.com), as well as, for those risk factors having a direct impact on Seplat and an indirect impact on the Company, the factors identified by Seplat in its base prospectus as prepared for its stock market listing in April 2014 (and available from the Seplat website at www.seplatpetroleum.com). Should all or some of these risks occur, they may have a significant adverse impact on the Company and its activity, image, financial position, results or ability to achieve its objectives.

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1.1 Profile and history

1.1.1 GENERAL PRESENTATION

On Thursday 20 June 2013, the Combined (Ordinary and Extraordinary) General Shareholders' Meeting of MP Nigeria approved the change of corporate name from MP Nigeria to MPI.

The Company was formed by the Maurel & Prom Group, a group specialising in hydrocarbon exploration and production, with the aim of acquiring rights to Oil Mining Licences (OMLs) 4, 38 and 41 in Nigeria, in a joint venture with Nigerian partners within Seplat (namely, Shebah and Platform). The Company's membership in the Maurel & Prom Group gives it the benefit of the knowledge, experience and expertise developed by Maurel & Prom within the context of its oil operations carried out on several continents.

It should be noted that Maurel & Prom's shareholders, meeting at the Ordinary General Shareholders' Meeting on 12 December 2011, approved by a very large majority the distribution of 100% of the Company's capital to the shareholders of Maurel & Prom. Since 15 December 2011, all of the Company's shares have been listed for trading on the NYSE Euronext regulated market in Paris.

During the second half of 2013, the Company (which had held 45% of Seplat since divestment by Maurel & Prom on 29 January 2010) sold 14.9% of its interest in Seplat to three UK investment funds. As a result of these transactions, MPI held 30.1% of Seplat capital.

Following Seplat's decision to list its shares on the London (LSE) and Lagos (NSE) stock exchanges, which took place on 14 April 2014, the Company's holding in Seplat's share capital was diluted to 21.76% following exercise of the over-allocation option. Following the successful listing of Seplat's shares on the London (LSE) and Lagos (NSE) stock exchanges on 14 April 2014, the Company and the Nigerian companies Shebah Petroleum Development Company Limited (which held 31% of Seplat's capital prior to the stock market listing) and Platform Petroleum Joint Ventures Limited (which held 24% of Seplat's capital prior to the stock market listing), terminated the shareholders' agreement between them, via their wholly-owned subsidiaries, Shebah and Platform respectively.

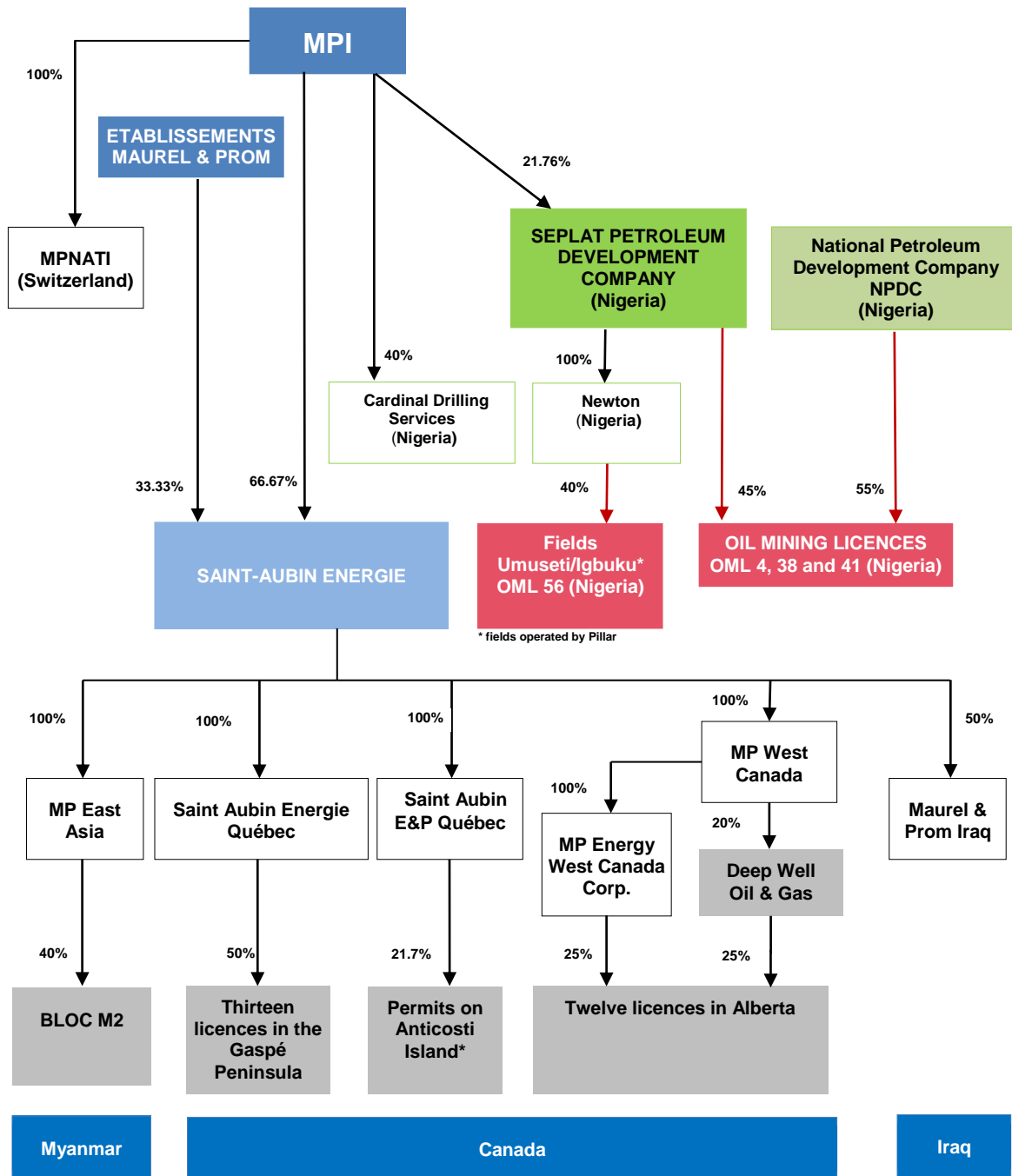
As a result of this interest in Seplat, as at the date of this Management Report the Company has indirect rights in four onshore OMLs offering a balanced combination of fields in production, fields to be developed, and exploration opportunities. It also enjoys strong local involvement in Nigeria through this interest.

In addition to this presence in Nigeria, 2013 also saw the Company begin to diversify its asset portfolio, particularly with the acquisition of equity interests in oil companies in Canada (in Alberta, on the Gaspé Peninsula and Anticosti) and in Myanmar via investment company Saint-Aubin Energie, the result of a partnership between the Company and Maurel & Prom. The partnership was approved by the General Shareholders' Meetings of both companies on 20 June 2013 and 13 June 2013 respectively. Saint-Aubin Energie also holds 50% of a company that has been selected by the Iraqi authorities to participate in upcoming permit allocations. This diversification is described more fully in section 1.1.2 of this Management Report.

This diversification of the Company's asset portfolio outside of Nigeria does not conflict in any way with the Company's desire to maintain a significant equity interest in Seplat.

1.1.2 ORGANISATION CHART FOR THE MPI GROUP

As at the date of this Management Report, the Company primarily holds interests of 21.76% in Seplat (Nigeria) and 66.67% in Saint-Aubin Energie (France):



Since 14 April 2014, shares of Seplat have been listed on the stock exchanges in both London (LSE; ISIN NGSEPLAT0008) and Lagos (NSE). At the conclusion of this offering, the Company's holding, which was 30.1% of Seplat's share capital before the listing, was diluted to 21.76% (after exercise of 97% of the over-allotment option). Part of the proceeds from the issue were used by Seplat on 22 April 2014 to repay all of the remaining sums owed under the shareholders' loan granted by the Company to Seplat on 25 June 2010 in the amount of US\$48 million. The rest of the proceeds from the issue will mainly be used to finance new acquisitions.

In addition, the Company has, since September 2013, held 40% of the capital of Cardinal Drilling Services, with the remainder of the capital being held by Shebah (34%) and Platform (26%). Cardinal Drilling Services performs oil drilling activities in Nigeria on behalf of Seplat.

Diversification of the MPI Group in 2013

During fiscal year 2013, the MPI Group set out to diversify its asset portfolio by acquiring, in particular, equity interests in oil companies in Canada and Myanmar through an investment company formed with Maurel & Prom and called Saint-Aubin Energie, with 67% owned by MPI and 33% by Maurel & Prom.

As at the date of this Management Report, this partnership has developed the projects described below.

Myanmar

In May 2013, MP East Asia, a wholly-owned subsidiary of Saint-Aubin Energie, signed an agreement with PetroVietnam Exploration Production Corporation Ltd to take a 40% stake in the M2 block situated off the coast of Myanmar, with effect from 13 May 2013. As at the date of this Management Report, this stake remains subject to approval by the Government of Myanmar as well as by the partners in the joint venture. On the date of the final completion of this transaction, the interests in the M2 block will be split as follows: PetroVietnam Exploration Production Corporation Ltd. (45%), MP East Asia (40%) and Eden Group Company Ltd. (15%).

In addition, Myanmar Oil and Gas Enterprise (MOGE), a company wholly-owned by the Republic of the Union of Myanmar, is entitled to a 20% stake in the M2 block in the event of a commercial discovery, which could reach 25% if reserves exceed five billion cubic feet.

An exploration well was drilled during the first half of 2013. This revealed the presence of gas, the extent of which is currently being assessed by the operator. Drilling for a second exploration well will start in the first half of 2014.

On 27 August 2013, Saint-Aubin Energie and PetroVietnam signed a cooperation agreement to exchange information and to undertake new investment projects in Vietnam or any other country where the parties may have projects, for an initial term of two years.

Canada

Agreement with Pétrolia

In July 2013, Saint-Aubin Energie signed a 50/50 partnership agreement with Pétrolia (a Quebec company whose shares are listed on the Toronto Stock Exchange under the symbol PEA-TSXV) to develop 13 hydrocarbon prospecting permits covering 1,892 km² of the Gaspé Peninsula in Canada.

Although the prospecting targets are in unconventional reservoirs, this does not preclude the presence of conventional deposits. Over the next few months, the Company's and Pétrolia's technical teams will be devoting their efforts to developing a focused exploration programme. They will pool their technical expertise in exploration and production, initially appointing Pétrolia as operator for carrying out the work.

This investment will be the Group's first experience of non-conventional oil, for which Quebec shows major potential.



Agreement concluded with Ressources Québec in 2014

On 2 April 2014, Saint-Aubin (E&P) Québec Inc., a wholly-owned subsidiary of Saint-Aubin Energie SAS, concluded the final documentation for the creation of a joint venture with Ressources Québec, Pétrolia and Corridor Resources.

The equity interests in the joint venture are as follows:

- Ressources Québec: 35%
- Pétrolia: 21.7%
- Corridor Resources: 21.7%
- Saint-Aubin (E&P) Québec: 21.7%

The joint venture holds exploration permits on Anticosti Island, Quebec, which are operated by Pétrolia. The exploration program should begin in the summer of 2014 with an initial drilling phase composed of 15 to 18 stratigraphic wells and 3 exploration wells with completion, for an amount not exceeding US\$60 million, financed by Saint-Aubin (E&P) Québec Inc. (43.33%) and Ressources Québec (56.67%). In this first assessment phase, Saint-Aubin (E&P) Québec Inc.'s initial commitment covers the 15 to 18 stratigraphic wells and the first exploration well with completion.

Agreement with Deep Well Oil & Gas

In July 2013, a wholly-owned subsidiary of Saint-Aubin Energie acquired 20% of Deep Well Oil & Gas (a company with its head office in Edmonton, Alberta, Canada and whose shares are listed on the OTCQB exchange under the symbol DWOG) and at the same time, bought up half of the interests held by that company in 12 blocks operated by Deep Well Oil & Gas in Sawn Lake, Alberta, for the purpose of testing a steam-injection-based production process for bituminous oil. If the results prove positive on the technical and economic level, this process will be used for developing fields.

Iraq

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

1.2 Description of the business

As at the date of this Management Report, the Company is active in the upstream sector of the oil and gas industry, and, more precisely, in the field of onshore hydrocarbon exploration and production. As at the date of this Management Report, the Company's main exploration/production activities are located in Nigeria, through Seplat: once extracted, Seplat's production is shipped to the oil terminal where, after processing and storage, it is transferred to the trading company, SWST, which acquires 100% of the production and is responsible for marketing it. As at the date of this Management Report, the Company holds interests or stakes in oil projects through subsidiaries or companies that, with the exception of Seplat, do not operate said projects.

The presence of Nigerian co-investors in Seplat, which was increased as a result of Seplat's recent listing on Nigeria's Lagos Stock Exchange (see section 1.1.1 of this Management Report) should make it easier to secure local support for developing oil fields for which it holds the operating licence, exploring fields that are as yet undeveloped and applying for new licences, thereby benefiting from the Nigerian government's policy and regulations designed to promote Nigerian companies, depending upon changes to the applicable regulations and the Nigerian government's procedures for intervention in the oil and gas industry, as described in section 2.3.2.1 of the Company's Annual Report for 2012 as registered with the French Financial Markets Authority on 9 July 2013 (and available from the Company's website at

www.mpienergy.com).

In this regard, in February 2014, Seplat was granted “Pioneer industry” status by the Nigerian tax authorities, whereby it benefits from a five-year exemption from corporation tax. This new, retroactively applicable status allowed the Company to post a deferred tax income of US\$93 million.

In addition to this presence in Nigeria, fiscal year 2013 also saw the MPI Group begin to diversify its asset portfolio, particularly with the acquisition of equity interests in oil companies in Canada and in Myanmar via Saint-Aubin Energie, the investment company formed with Maurel & Prom (see section 1.1.2 of this Management Report). The projects in which Saint-Aubin Energie’s subsidiaries hold interests are not yet in production.

1.2.1 DESCRIPTION OF SEPLAT’S EXPLORATION/PRODUCTION ACTIVITIES

1.2.1.1 Asset portfolio

Seplat has operator status for OMLs 4, 38 and 41. These OMLs include four developed fields (Oben, Amukpe, Ovhor and Sapele), nine undeveloped fields and a 24-inch pipeline with a capacity of 144 Kbb/d (Amukpe-Rapele section).

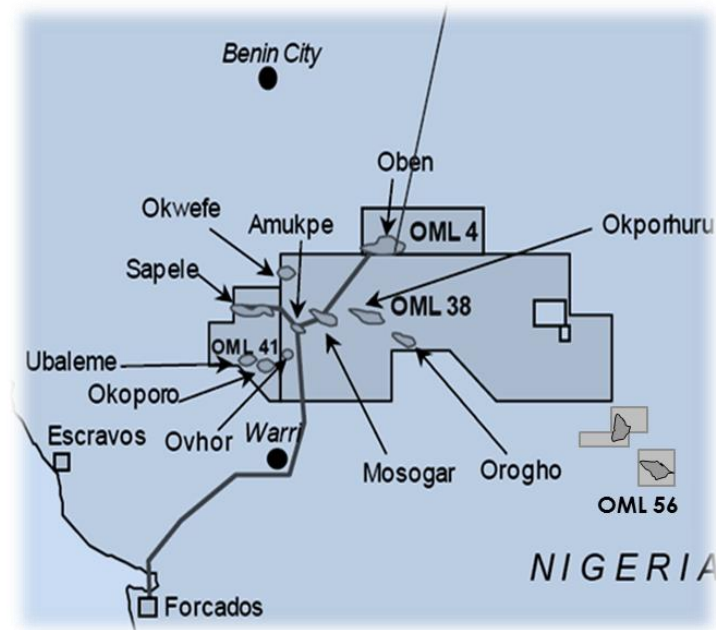
The agreement signed with the operator Chevron in 2013 for a 40% stake in OML 53 is awaiting approval by the government and the outcome of a legal challenge filed by Britannia-U, whose bid was not accepted by Chevron.

In addition, in 2013, Seplat acquired a 40% stake through its Newton subsidiary in the marginal fields operated by Pillar on OML 56 (Umuseti/Igbuku).

The crude oil produced by Seplat is sold to SWST under the terms of a sales contract signed with this company.

In the context of Shell’s sale of its interests in OMLs 18, 24, 25 and 29, Seplat has been selected to participate in the tender process. Located in the Niger Delta, these four blocks currently in production could offer multiple development opportunities for Seplat. In the first quarter of 2014, Shell informed Seplat that it was not the preferred bidder for OMLs 29 and 24.

The locations of Seplat’s various OMLs are shown below:



1.2.1.2 Seplat's exploration and production

Drilling of the first exploration well at OGEGERE-1, operated by Seplat under its joint venture with NPDC, began on 29 December 2013. This first exploration well was drilled to a depth of 12,260 ft MD (11,830 ft, around 3,605 m), leading to the discovery of six areas of tar sands.

Based on initial results from drilling, particularly in the deepest target layer, and in line with other results from the same stratigraphic layer, Seplat believes that said deep layer could hold the potential to open a new area for exploration in the region under licence to Seplat. The well has been suspended pending further evaluation.

Production at OMLs 4, 38 and 41 was an average of 51,380 boepd during fiscal year 2013. Production was halted for a total of 22 days in 2013 for pipeline maintenance and repair.

Shell Petroleum Development Company's (SPDC) production from these same fields averaged 46,807 boepd during fiscal year 2013, compared with 32,260 boepd for the same period in 2012. SPDC therefore applied a retention factor of 9% across the whole of the year. It should be noted that in 2013, Seplat secured the reallocation of 1,647,810 barrels of 2012 production pursuant to the agreement signed with SPDC in early 2013.

The increase in production was mainly due to the connection of two new fields developed by Seplat, namely Okporhuru in May and Orogho in December 2013.

Seplat has signed a transportation agreement with SPDC for routing oil to the Forcados terminal; Seplat now has a new oil pipeline to the Warri refinery which is complete and came into operation in the first quarter of 2014.

This new pipeline gives Seplat an alternative channel for exporting fluids, reducing the impact of any closures of third party terminals or pipelines.

Seplat is continuing to study other, more permanent solutions to evacuate the oil, including the use of pipelines of other companies operating in the sector and the construction of a pipeline to an existing processing and storage facility (see section 2.3 of this Management Report).

1.2.1.3 Reserves and resources of OMLs 4, 38 and 41 as Seplat's share net of royalties

The reserves of OMLs 4, 38 and 41 are the reserves that hold the estimated quantities of oil assumed to be commercially recoverable from known concentrations through development projects, starting from a given date and in the future, depending on the terms and conditions specified, and were estimated on 31 October 2013 by DeGolyer and MacNaughton in its report dated 6 March 2014.

Certified reserves as at 31 October 2013, Seplat share

P1 reserves <i>Seplat working interest 45%</i>	Oil + condensate (Mbbbl)	Gas (Bcf)
OML 4	20.7	194.0
OML 38	22.4	19.0
OML 41	25.0	102.3
TOTAL P1	68.1	315.3

P1+P2 reserves <i>Seplat working interest 45%</i>	Oil + condensate (Mbbbl)	Gas (Bcf)
OML 4	30.7	413.5
OML 38	35.6	26.6
OML 41	35.4	133.3

Total P1+P2	101.8	573.5
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Reserves P1+P2+P3 <i>Seplat working interest 45%</i>	Oil + condensate (Mbbbl)	Gas (Bcf)
OML 4	38.1	479.5
OML 38	45.6	31.9
OML 41	48.5	159.0
TOTAL P1+P2+P3	132.2	670.5

Umuseti/Igbuku <i>Newton working interest 40%</i>	Oil + condensate (Mbbbl)	Gas (Bcf)
P1	4.2	47.0
P1+P2	9.7	89.8
P1+P2+P3	17.3	140.7

In addition to these reserves, there are discovered fields that require further investment to enable the certification of additional reserves, and there is also significant exploration potential, not quantified to date, covered by 2D and 3D seismic data.

Reserves are generally estimated or measured as at the end of each reporting period.

During the fiscal year and as new discoveries are made, the reserves may be adjusted to reflect any new information.

1.2.2 DESCRIPTION OF SAINT-AUBIN ENERGIE'S EXPLORATION/PRODUCTION OPERATIONS

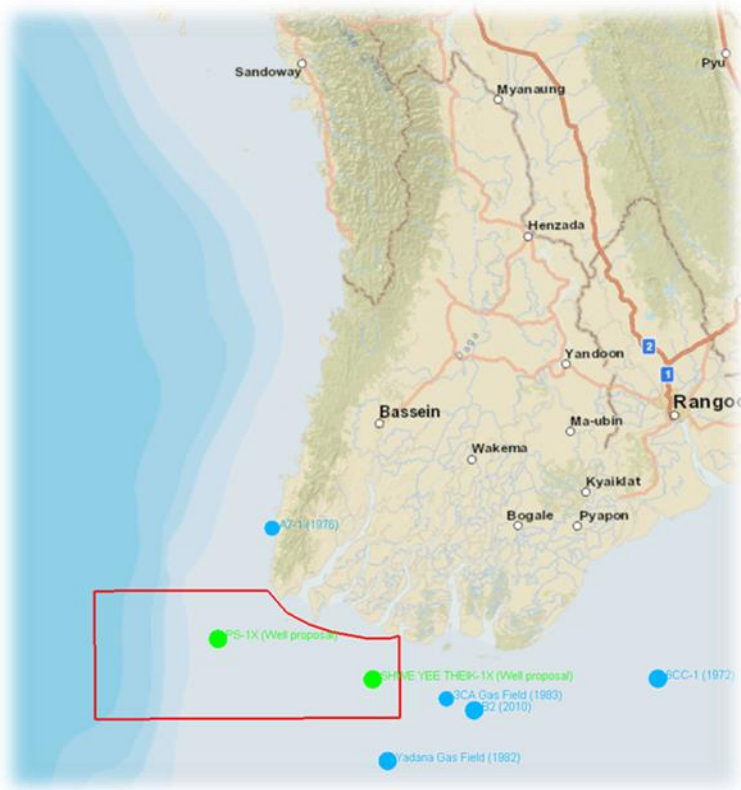
The projects in which Saint-Aubin Energie's subsidiaries hold interests are not yet in production. The Company holds 66.67% of the share capital of Saint-Aubin Energie. Its projects are led by operators and neither Saint-Aubin Energie and its subsidiaries, nor the Company, have been appointed as the operators for these projects (see below).

1.2.2.1 Myanmar

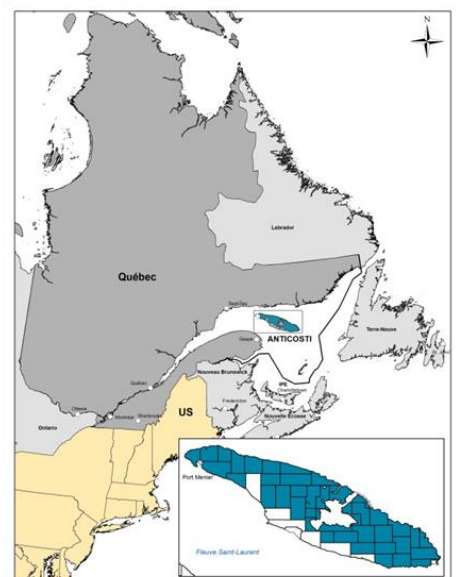
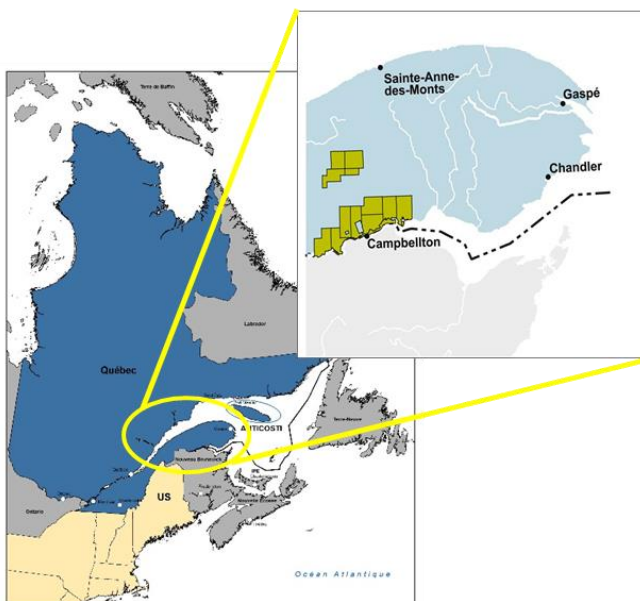
In May 2013, MP East Asia, a wholly-owned subsidiary of Saint-Aubin Energie, signed an agreement with PetroVietnam Exploration Production Corporation Ltd to take a 40% stake in the M2 block situated off the coast of Myanmar, with effect from 13 May 2013 and operated by PetroVietnam.

An exploration well was drilled during the first half of 2013.

This revealed the presence of gas, the extent of which is currently being assessed by PetroVietnam. A second exploration well is to be drilled in the first half of 2014.



1.2.2.2 Canada



(a) Gaspé Peninsula

Via Saint-Aubin Energie, the Company is a stakeholder in the development of 13 hydrocarbon prospecting permits covering 1,892 km² of the Gaspé Peninsula. Although the prospection targets are in unconventional reservoirs, this does not preclude the presence of conventional deposits.

Over the next few months, the Company's and Pétrolia's technical teams will be devoting their efforts to developing a focused exploration programme. They will pool their technical expertise in exploration and production, initially appointing Pétrolia as operator for carrying out the work.

(b) Anticosti

A joint venture holds exploration permits on Anticosti Island, Quebec. Following the agreements signed on 2 April 2014 by Saint-Aubin Energie subsidiary Saint-Aubin (E&P) Québec Inc, the Pétrolia-operated exploration program is set to begin in the summer of 2014 with an initial drilling phase composed of 15 to 18 stratigraphic wells and 3 exploration wells with completion, for an amount not to exceed US\$60 million, financed to the extent of 43.33% by Saint-Aubin (E&P) Québec Inc.

(c) Sawn Lake, Alberta

Since July 2013, a Saint-Aubin Energie subsidiary has held a 25% interest in permits for the purpose of testing a steam-injection-based production process for bituminous oil. These permits are operated by Andora.

1.2.2.3 Iraq

As at the date of this Management Report, there is no exploration activity to speak of in Iraq, given the overall situation in the country. Nonetheless, Maurel & Prom Iraq, in which Saint-Aubin Energie holds 50% of the capital and which was established for the purpose of sourcing oil assets in Iraq in which the Group could acquire interests, was selected by the Iraqi authorities to participate in upcoming permit allocations. This certification could allow the MPI Group to access very significant oil and gas resources.

1.3 Development potential for the Company

The Company's partnership with Maurel & Prom via Saint-Aubin Energie provides the Company with access to an increased number of opportunities while diversifying risk, and the Company continues to study investment opportunities outside Nigeria to continue its development in exploration and production operations in high-potential areas.

This diversification of the Company's asset portfolio outside of Nigeria does not conflict in any way with the Company's desire to maintain a significant equity interest in Seplat.

In addition, the Company continues to have an interest in Nigeria, a country that remains attractive in terms of investments in the hydrocarbons sector (see section 1.6.1 of this Management Report on investments by the Company).

The Company can rely on a high level of cash flow to support its development.

1.4 Financial information

The Company notes that the MPI Group changed its accounting method for fiscal year 2012. With a view to improving and streamlining financial reporting to the MPI Group's shareholders, it was decided that from the fiscal year ending 31 December 2012, Seplat should be consolidated under the equity method rather than via proportional consolidation.

This change in accounting method had no impact on the Company's control over Seplat, which remains a jointly-controlled entity.

1.4.1 REVIEW OF THE FINANCIAL POSITION AND INCOME

1.4.1.1 Accounting method and framework

(a) Change in accounting method

As indicated in the introduction to section 1.4 of this Management Report, from fiscal year 2012, the Company decided to consolidate Seplat using the equity method, in accordance with the treatment authorised by IAS 31, and no longer proportionately.

This change in accounting method is described in the Company's Management Report for 2012, available on the Company's website at www.mpienergy.com.

As a reminder, the Company's consolidated financial statements are available on its website at www.mpienergy.com.

(b) Framework

The consolidated financial statements are prepared on a historical cost basis, except for certain categories of assets and liabilities, in accordance with IFRS.

For the year ended 31 December 2013, the consolidated financial statements of the Company were prepared in accordance with the IAS/IFRS international accounting standards applicable as at 31 December 2013, as approved by the European Union (available at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

For the fiscal year ended 31 December 2012, Seplat's financial statements were prepared according to (i) the standards of the Nigerian Statements of Accounting Standards Board applicable as at 31 December 2012 and (ii) the provisions of the Allied Matters Act, CAP C20 of 2004.

In preparation for its stock market listing, Seplat then drew up its financial statements for periods ending after 1 January 2013, according to IFRS standards.

(c) Historical financial information

Pursuant to Article 28 of European Commission Regulation (EC) No. 809/2004, the following information is included in this Management Report by way of reference:

- for fiscal year 2011: the management report, consolidated financial statements and annual financial statements, including the Statutory Auditors' reports on these statements, appear on pages 130 and 145 respectively of the Annual Report registered by the Autorité des marchés financiers on 8 June 2012 under number R12-026.
- for fiscal year 2012: the Management Report, consolidated financial statements and annual financial statements, including the Statutory Auditors' reports on these statements, appear on pages 190 and 206 respectively of the Annual Report registered by the Autorité des marchés financiers on 9 July 2013 under number R13-037.

For verifications of historical financial information, please see the Statutory Auditors' reports on the individual company and consolidated financial statements referred to in section 6.1 of this Management Report and in the documents mentioned in this section of the Management Report (and available on the Company's website at www.mpienergy.com). In addition,

the Statutory Auditors' reports on the report of the Chairman of the Board of Directors on internal control can be found in section 3.4 of this Management Report.

1.4.1.2 Significant events within Seplat

Production at OMLs 4, 38 and 41 was an average of 51,380 boepd during fiscal year 2013. It was halted for 22 days during the fiscal year to allow for maintenance of and repairs to the evacuation pipeline.

Shell Petroleum Development Company's (SPDC) production from these same fields averaged 46,807 boepd during fiscal year 2013, compared with 32,260 boepd for the same period in 2012. SPDC therefore applied a retention factor of 9% across the whole of the year. It should be noted that in 2013, Seplat obtained the reallocation of 1,647,810 barrels of 2012 production pursuant to the agreement signed with SPDC in early 2013.

The increase in production was mainly due to the connection of two new fields developed by Seplat, namely Okporhuru in May and Orogho in December 2013.

Seplat's oil sales amounted to US\$862 million, including US\$11 million received from Newton (OML 56), an increase of 44% on the previous year. They correspond to 7,688,086 barrels of oil sold at an average price of US\$113 per barrel (showing a US\$2 premium over the average price of Brent during the period).

Gas sales totalled US\$18 million, corresponding to the gas sales achieved with NGC (Nigerian Gas Company). Average production sold in fiscal year 2013 was limited to 65 Mmscfd compared to the 120 Mmscfd budgeted, due to the shutdown of one of the buyer's gas plants.

The table below shows Seplat's sales and production for fiscal years 2013 and 2012:

		Q1	Q2	Q3	Q4	2013	2012	var. 13/12
<i>Nombre de jours</i>	<i>j</i>	90	91	92	92	365	366	
Droits à enlèvement reconnus	b	3 454 031	4 841 288	4 085 087	4 704 230	17 084 636	11 807 088	45%
	<i>b/j</i>	<i>38 378</i>	<i>53 201</i>	<i>44 403</i>	<i>51 133</i>	<i>46 807</i>	<i>32 260</i>	
en part Seplat	b	1 554 314	2 178 580	1 838 289	2 116 904	7 688 086	5 313 190	45%
	<i>b/j</i>	<i>17 270</i>	<i>23 940</i>	<i>19 981</i>	<i>23 010</i>	<i>21 063</i>	<i>14 517</i>	
Vente d'huile	b	1 188 873	2 037 859	2 344 451	2 116 904	7 688 087	5 187 409	48%
	<i>b/j</i>	<i>13 210</i>	<i>22 394</i>	<i>25 483</i>	<i>23 010</i>	<i>21 063</i>	<i>14 173</i>	
Chiffre d'affaires - Huile	M\$	135	218	262	236	852	600	42%
Chiffre d'affaires - Gaz	M\$	3	3	6	6	18	26	-33%
Autres	M\$	0	0	0	0	0	4	n/a
Chiffre d'affaires huile Newton	M\$			6	5	11		
Chiffre d'affaires Seplat	M\$	139	221	274	246	880	629	40%

It should be noted that the production volumes (recognised entitlements and production sold) take into account technical adjustments and a fixed discount applied by SPDC. In this respect, Seplat believed in 2011 that the production volumes recognised for Seplat by SPDC after the application of the technical adjustments and the fixed discount did not correspond to Seplat's production data, as the volumes recognised by SPDC were significantly lower than Seplat's estimates, thus generating a substantial shortfall for Seplat. Seplat informed SPDC of this issue and, in order to resolve this dispute over production volumes, in November 2011 Seplat installed a fiscal metering unit that was approved by the Nigerian authorities. Negotiations were then entered into with SPDC, particularly in relation to determining the net amount (oil/water percentage) and the reallocations to be given to Seplat.

Finally, in preparation for its stock market listing, Seplat received the results of a new evaluation of its reserves and resources on OMLs 4, 38 and 41 as at 31 October 2013, conducted by DeGolyer and MacNaughton in its *Competent Person's Report* dated 6 March 2014. The data from this report, restated for royalties, is presented in section 1.2.1.3 of this Management Report. The comprehensive report on the evaluation of reserves is available in full as part of the documentation relating to Seplat's stock market listing, available on its website at www.seplatpetroleum.com.

1.4.1.3 Analysis of results – Consolidated financial statements

The change in accounting method (moving from proportionate consolidation to the equity method) described above in section 1.4.1.1 (a) of this Management Report led to a reconsideration of the relevance of the financial aggregates historically presented. In this respect, sales and gross operating surplus, which are generally key figures in financial communications in that they reflect the Company's operations, are not relevant in this case for assessing the Company's performance. In fact, the Company performs a holding activity which generates little or no sales or operating income; most of the revenues and income derive from the Seplat subsidiary, its sole operational asset, the contribution of which is recognised as income from equity associates. As a result, the key financial data relating to Seplat will be presented in addition to the Company's financial indicators.

(a) Company consolidated financial statements

(i) Income statement

The table below presents the Company's key financial data at 31 December 2013 and 31 December 2012:

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Sales	42	501
Operating income	28,982	(1,917)
Financial income	3,955	5,009
Income before tax	32,937	3,092
Income taxes	(1,707)	(497)
Net income from consolidated companies	31,230	2,595
Total net income from equity associates	165,131	48,229
Consolidated net income	196,360	50,824
<i>Net income, Group share</i>	<i>196,360</i>	<i>50,824</i>

Sales

The Company's consolidated sales for the fiscal year ended 31 December 2013 amounted to €42 thousand, in comparison with €501 thousand during the previous year. These sales were generated primarily by the services invoiced by the Company to Seplat under the Services Agreement between the two companies.

Operating income

The Company's consolidated operating income for the year ended 31 December 2013 was a loss of €29 million, compared to a loss of €1.9 million for the previous year. This operating income mainly reflects the consolidated capital gain of €30.9 million from the two-stage sale of 14.9% of Seplat's share capital in the second half of 2013. The Company also posted €2 million in expenses relating to the listing of Seplat (statutory audit, financial communication, legal costs, etc.).

Financial income

Consolidated financial income for the Company was €3.96 million for the year ended 31 December 2013 compared to a profit of €5.0 million for the year ended 31 December 2012.

Financial income corresponds primarily to revenues related to the remuneration of sums paid by the Company to Seplat as part of the shareholder loan (of which the balance repayable at 31 December 2013 was US\$48 million), i.e. €2.6 million, as well as to Saint-Aubin Energie.

Net income from consolidated companies

Given the items described above and the corporation tax expense, which was €1.7 million for the year ended 31 December 2013 compared to €0.5 million for the year ended 31 December 2012, net income from consolidated companies was €31.23 million for the year ended 31 December 2013 compared with €2.6 million for the year ended 31 December 2012.

Income from equity associates - Net income from continuing activities

As a result of the change in accounting method adopted last year and the fact that Seplat represents the Company's only operating asset, most of the Company's income is recognised at this level.

Income from equity associates for the year ended 31 December 2013 amounted to €165.1 million, up from €48.2 million for the year ended 31 December 2012.

The details of the line for "total share of net income from equity associates" are explained in the section on the presentation of Seplat's results for the year ended 31 December 2013.

Income from equity associates for the year ended 31 December 2013 amounted to €165.1 million, up from €48.2 million for the year ended 31 December 2012.

Consolidated net income

Consolidated net income for the year ended 31 December 2013 was €196.4 million, versus €50.8 million for the previous year, owing to (i) capital gains on sales of Seplat securities over the period (up by €30.8 million) and (ii) the recognition of income from equity associates totalling €165.1 million (compared with €48.2 million in 2012) reflecting the ramping-up of Seplat's production and its financial results.

Earnings per share

Earnings per share at 31 December 2013 and at 31 December 2012 were as follows:

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Net income, Group share	196.360	50,824
Average number of shares outstanding	110,926,459	111,768,202
Average number of diluted shares	115,336,534	115,336,534
Earnings per share (in euros)		
Basic	1.77	0.45
Diluted	1.70	0.44

(ii) Summary balance sheet

The tables below present the Company's summary balance sheet at 31 December 2013 and 31 December 2012:

<i>In thousands of euros</i>	31/12/2013	31/12/2012
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Other non-current financial assets	38,160	35,705
Equity associates	169,244	77,780
Non-current assets	207,404	113,485
Trade receivables and related accounts	174	588
Other current financial assets	34,937	74,229
Other current assets	113	364
Income tax receivable	0	2,435
Cash and cash equivalents	225,805	106,334
Current assets	261,029	183,950
Total Assets	468,433	297,435

In thousands of euros

31/12/2013

31/12/2012

Share capital	11,534	11,534
Additional paid-in capital	226,900	226,900
Consolidated reserves	36,114	13,399
Treasury shares	(9,883)	(6,442)
Net income, MPI Group share	196,360	50,824
Shareholders' equity, MPI Group share	461,025	296,216
Minority interests		0
Shareholders' equity	461,025	296,216
Non-current liabilities	30	0
Other current borrowings and financial debt	70	-
Trade payables and related accounts	2,204	794
Income tax payable	660	-
Other creditors and miscellaneous liabilities	4,444	425
Current liabilities	7,379	1,219
Total Liabilities	468,433	297,435

The comments on the Company's summary balance sheet as at 31 December 2013 are presented below.

Non-current financial assets

The €38 million of non-current financial assets as at 31 December 2013 correspond primarily to the advances granted to Saint-Aubin Energie to finance its investments in Myanmar and Canada.

Equity associates

The "Equity associates" item reflects the value under the equity method of the Company's 30.1% stake in Seplat.

Cash and cash equivalents

The change in “Cash and cash equivalents” is shown in the Company’s cash flow statements for the years ended 31 December 2011 and 31 December 2012:

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Income before tax	198,067	51,322
Share of income from equity associates	(165 131)	(48,229)
Payment of tax due	1,398	(5,933)
Other income and expenses	892	101
Change in working capital requirements relating to operating activities	1,958	(839)
Net cash flow generated by operating activities	(816)	(3,579)
Net cash flow related to investment activities	142,324	(65,842)
Net cash flow related to financing activities	(12 809)	(2,498)
Change in net cash	119,398	(71,919)
<i>Net cash at start of period</i>	<i>106,334</i>	<i>178,251</i>
<i>Net cash and cash equivalents at end of period</i>	<i>225,732</i>	<i>106,334</i>

Shareholders’ equity

The increase of €164,809 thousand in the “Shareholders’ equity” item between 31 December 2012 and 31 December 2013 results primarily from an increase in income for 2013 of €145,356 thousand.

(b) Seplat

Seplat’s financial statements, drawn up according to the Group’s accounting standards, are set out below. Restatements to comply with MPI’s standards had an impact of -US\$8.5 million on net income and +US\$37.7 million on Seplat shareholders’ equity as published on 31 December 2013.

These restated financial statements were consolidated by the equity method, taking into account the fact that MPI’s stake in Seplat, which was 45% until the end of August 2013, was reduced to 35% with effect from September 2013 and then to 30.1% at the end of the fiscal year, following sales of securities (see section 1.6.1 of this Management Report).

Income for the period

	31/12/2013		31/12/2012	
	<i>USD 000’</i>	<i>€ 000’</i>	<i>USD 000’</i>	<i>€ 000’</i>
Sales	880,227	662,772	629,304	489,578
Operating income	470,180	354,025	293,592	228,405
Financial income	(21,147)	(15,923)	(27,547)	(21,431)
Income before tax	449,033	338,102	266,045	206,974
Income taxes	92,745	69,833	(128,282)	(99,799)



Net income	541,778	407,935	137,763	107,175
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Sales

Seplat's sales for the fiscal year ended 31 December 2013 totalled US\$880.3 million, up from US\$629.3 million for the year ended 31 December 2012 – an increase of 40% over the period in question.

Production at OMLs 4, 38 and 41 was an average of 51,380 boepd during fiscal year 2013. The production retained by SPDC at these same fields averaged 46,807 boepd for fiscal year 2013 compared with 32,260 boepd over the same period in 2012. SPDC therefore applied a retention factor of 9% across the whole of the year. It should be noted that in 2013, Seplat secured the reallocation of 1,647,810 barrels of 2012 production pursuant to the agreement signed with SPDC in early 2013. The increase in production was mainly due to the connection of two new fields developed by Seplat, namely Okporhuru in May and Orogho in December 2013.

Gas sales totalled US\$18 million, corresponding to the gas sales achieved with NGC (Nigerian Gas Company). Average production sold in fiscal year 2013 was limited to 65 Mmscfd compared with the 120 Mmscfd budgeted, owing to the shutdown of one of the buyer's gas plants.

Operating income

The ramping up of production and sales led to a significant increase in operating income which amounted to US\$470 million in 2013, versus US\$294 million the previous year. The operating margin (Operating income / sales) rose by six percentage points, from 47% at the end of December 2012 to 53% at the end of December 2013, as a result of better absorption of fixed operating costs and a reduction in depreciation and amortisation provisions for production facilities following the upward revision of hydrocarbon reserves at the end of April 2013, as certified by specialist independent assessor DeGolyer and MacNaughton.

Financial income

Seplat's financial income for the fiscal year ended 31 December 2013 was a loss of US\$(21.1) million compared to a loss of US\$(27.5) million the previous year.

The financial income (loss) corresponds to interest charges on debt comprising credit lines and the shareholder loan granted by the Company.

Income before tax / Income tax

Seplat's income before tax for the fiscal year ended 31 December 2013 amounted to US\$449 million, compared with US\$266.0 million for the year ended 31 December 2012.

Tax income for the fiscal year ended 31 December 2013 was US\$92.7 million, compared with a tax expense of US\$(128.3) million for the year ended 31 December 2012.

In February 2014, Seplat obtained "Pioneer industry" status from the Nigerian tax authorities whereby it benefits from a 5-year exemption from corporation tax. This new, retroactively applicable status allowed the Company to post a deferred tax income of US\$93 million.

Net income

After taking the aforementioned factors into account, Seplat's net income was US\$542 million in 2013 compared to US\$138 million the previous year (data drawn from Seplat's financial statements published and restated in accordance with MPI's accounting standards).

1.4.1.4 Analysis of results – Company financial statements

The Company financial statements for the fiscal year ended 31 December 2013 were marked by the following events:

- during the second half of 2013, the Company sold 14.9% of its 45% interest in Seplat Petroleum to three UK investment funds. These sales were made for a price of €109.4 million (i.e. US\$147 million), generating a pre-tax capital gain of €98.8 million;
- In the last quarter of 2012, the Company granted a current account advance of US\$98 million to Seplat to submit an offer for an external growth operation planned in Nigeria (sale offer of ConcoPhillips' assets in Nigeria). As Seplat's offer was not selected as the "best", Seplat repaid the advance to the Company early in January 2013. As a result, the Company's cash resources at the end of the fiscal year ended 31 December 2013 stood at €225.8 million, up by nearly €119.5 million compared with the year ended 31 December 2012;
- in relation to the acquisition of OMLs 4, 38 and 41, on 25 June 2010 the Company granted Seplat a Shareholder Loan of US\$153 million. Seplat had repaid US\$106 million of this shareholder loan by the end of the fiscal year ended 31 December 2011. The balance of the receivable owed by Seplat to the Company in respect of the Shareholder Loan was US\$48 million at 31 December 2012 and this did not change during the fiscal year ended 31 December 2013.

The Company's sales for the year ended 31 December 2013 amounted to €0.04 million, compared with €0.7 million for the year ended 31 December 2012. These sales correspond exclusively to services and studies provided to Seplat under the Service Agreement.

After taking account of the Company's overheads, operating income for the fiscal year ended 31 December 2013 was a loss of €(8.9) million, compared with a loss of €(2) million the previous year.

The Company's financial income for the year ended 31 December 2013 was €(8) million, compared with €12.5 million for the year ended 31 December 2012. It primarily comprises income from interest on the advances granted to Seplat and Saint-Aubin Energie (€2.7 million) and from exchange differences (-€8.5 million). This financial income was strongly impacted by the absence of dividends received from Seplat.

Lastly, the exchange differences in the region of €(8.5) million result from the significant fluctuations in the US dollar during fiscal year 2013 and the size of the currency positions at the end of said year as a result of the current account advances paid to Seplat and Saint-Aubin Energie (US\$98 million) and US dollar cash resources (US\$305.5 million).

1.4.2 FINANCING AND FINANCIAL DEBT

The Company's consolidated cash flow statement at 31 December 2013 and at 31 December 2012 was as follows:

In thousands of euros	31/12/2013	31/12/2012
Consolidated pre-tax income	198,067	51,322
- Net increase (reversals) of amortisation, depreciation and provisions	31	0
- Other calculated income and expenses	892	101
- Gains (losses) on asset disposals	(38,031)	0
- Share of income from equity associates	(165,131)	(48,229)
- Other financial items	0	(1)
Cash flow before taxes	(4,172)	3,193
Payment of tax due	1,398	(5,933)
Change in working capital requirements for operations	1,958	(839)
- Customers	404	(509)
- Suppliers	1,500	(330)
- Other	54	0
NET CASH FLOW FROM OPERATING ACTIVITIES	(816)	(3,579)
Payments associated with acquisitions of financial assets	(3,012)	0
Proceeds from disposals of financial assets	110,684	0
Impact of changes in consolidation scope	(24)	0
Dividends received (equity associates and non-consolidated securities)	0	10,990
Other cash flows from investing activities	34,676	(76,832)
NET CASH FLOW FROM INVESTMENT ACTIVITIES	142,324	(65,842)
Amounts received from shareholders for capital increases	3	0
Dividends paid	(8,949)	0
Treasury share acquisitions	(3,863)	(2,499)
NET CASH FLOW FROM FINANCING ACTIVITIES	(12,809)	(2,498)
Impact of exchange rate fluctuations	(9,301)	0
CHANGE IN NET CASH	119,398	(71,919)
Cash at start of period	106,334	178,251
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	225,732	106,334

The Company posted cash of €226 million for the year ended 31 December 2013, in comparison with €106 million for the year ended 31 December 2012 – an increase of €120 million. The main reason for this increase is income from the sale of Seplat shares (which generated a pre-tax capital gain of €98.8 million). The level of cash remains high, and it should allow the MPI Group to pursue its development in Nigeria, Canada and Myanmar and to seize the opportunities for growth

offered by the oil industry.

1.4.3 CONTRACTUAL COMMITMENTS

1.4.3.1 Financial debt

As at the date of this Management Report, the Company has not entered into any financing agreements.

On the other hand, Seplat benefits from a financing agreement set up on 12 June 2012 with retrospective effect from 25 August 2011 and described in section 1.4.3.3 below; at the end of December 2013, US\$335 million had been drawn.

1.4.3.2 Property, plant and equipment pledged, mortgaged or offered as collateral

At the close of fiscal year 2013, neither the Company nor Seplat had any property, plant or equipment pledged, mortgaged or offered as collateral other than the Seplat shares held by the Company and its Partners, which had been pledged to lending institutions to secure the financing described in section 1.4.3.3 below.

1.4.3.3 Financing commitments

Seplat's acquisition of 45% of the rights to OMLs 4, 38 and 41 was financed partly by a bank loan in the principal amount of US\$187 million, granted to it on 25 June 2010 by BNP Paribas (the "**BNP Paribas Loan**"), and partly by a Shareholder Loan in the principal amount of US\$153 million, granted to Seplat on the same day by the Company.

During the fiscal year ended 31 December 2011, Seplat obtained a Bridge Loan on 29 March 2011 from the African Export-Import Bank and Skye Bank Plc (the "**Bridge Loan**") in the principal amount of US\$200 million, which allowed it to repay the BNP Paribas Loan in full, as well as a portion of the Shareholder Loan with the additional amount available. On 22 July 2011, the Bridge Loan was amended by a first amendment to increase the amount to US\$550 million, US\$275 million of which can be drawn down subject to certain contractual conditions.

Negotiations between the parties to the Bridge Loan (Seplat, African Export-Import Bank, Skye Bank, UBA and First Bank) continued during the fourth quarter of 2011 and resulted in an agreement in principle to set up a syndicated line of credit of up to US\$550 million, available for five years from signature of the contractual documentation and replicating the main contractual conditions of the Bridge Loan. On 12 June 2012, the parties to the Bridge Loan definitively signed the syndicated credit facility with retrospective effect from 25 August 2011 (the "**Syndicated Credit Facility**"). The Syndicated Credit Facility replaces the Bridge Loan, of which US\$258 million had been drawn down at the end of 2011.

The Syndicated Credit Facility is worth up to US\$550 million. It comes with a straight line depreciation schedule that stipulates that the final repayment should be made on 25 August 2016. All sums remaining due under the credit line at the maturity date must be repaid on that date. The sums drawn on this line of credit bear interest at the Libor rate plus a percentage ranging from 5% to 7.5%, depending on the lending institutions in question.

As at 31 December 2013, US\$335 million of the Syndicated Credit Facility had been drawn down.

To secure the Syndicated Credit Facility, the Company and its Partners pledged the shares held in Seplat to the lending institutions. In addition, Seplat agrees under the Syndicated Credit Facility to respect certain financial ratios, including:

- a debt to equity ratio less than 3; and
- an amount borrowed that is less than the level of P2 reserves multiplied by US\$70 multiplied by 40%.

These ratios were being respected as at 31 December 2013.

Seplat has defined an intensive three-year drilling programme to enable it to achieve its stated objective of increasing production to a level of 85 kbbls per day and 250 million cubic feet of gas by 2016. The completion of this programme entails the use of several drilling rigs working at full capacity over the duration of the programme.

In order to ensure its independence from the drilling companies, Seplat decided in 2011 to acquire rigs that would be booked as assets of a Nigerian company formed specifically for this purpose: Caroil Drilling, subsequently renamed Cardinal Drilling Services.

As a result, Seplat paid US\$45 million in advances during the course of 2011 to the American rig manufacturer BHP Billiton to finance the acquisition by Cardinal Drilling Services of two new drilling rigs. This company obtained bank financing of US\$30 million in 2012 which allowed it to repay a portion of the advance it had received. At the end of 2012, the balance on the advances granted by Seplat to Cardinal Drilling Services was US\$25 million. Five million US dollars of this debt has been repaid by offsetting the cost of the drilling services performed by Cardinal Drilling Services for Seplat during 2013.

The remaining US\$20 million, which constitutes an exclusive right of reservation for the two rigs for a term of five years, is depreciated over this period.

As a reminder, the Company has held 40% of Cardinal Drilling Services since September 2013, with the remainder of the capital being held by Shebah (34%) and Platform (26%). Cardinal Drilling Services performs oil drilling activities in Nigeria on behalf of Seplat.

1.4.3.4 Purchase/lease of property, plant and equipment

As at the date of this Management Report, the Company has not purchased or hired any property, plant or equipment.

In order to offset the risk of dependence on a single evacuation route for its production, Seplat signed a memorandum of agreement with Shebah Exploration and Production Company Ltd and Alenne British Virgin Islands Ltd on 16 November 2010, giving it an exclusive option on the possible leasing or acquisition of the FPSO Trinity Spirit floating oil production, storage and offloading unit. In this regard, Seplat paid Alenne British Virgin Islands Limited US\$15 million as a deposit in the form of an advance.

In late 2012, Seplat finally decided not to purchase, lease or use this FPSO and requested that this advance be repaid. An initial payment of US\$3 million was made in late 2012. The outstanding balance of US\$12 million was repaid in 2013.

1.4.4 CASH FLOW AND FINANCING

Consolidated cash flow and potential funding requirements for the fiscal year ended 31 December 2013 are described in section 1.4.2 of this Management Report.

1.4.5 BORROWING CONDITIONS AND FINANCING STRUCTURE

As at the date of this Management Report, the Company has not entered into any financing agreements. By contrast, Seplat's current borrowings are those described in Section 1.4.3.3 of this Management Report.

1.4.6 RESTRICTION ON THE USE OF CAPITAL

As at the date of this Management Report, there are no restrictions on the use of the capital available to the Company.

1.5 Investments

1.5.1 PRINCIPAL INVESTMENTS PLANNED OR COVERED BY FIRM COMMITMENTS FROM THE MANAGEMENT BODIES OF THE COMPANY

The Company developed a programme of investment in 2013 that yielded a partnership with Maurel & Prom for the joint development of new projects outside the traditional areas of business of both groups. The agreement was structured through a joint undertaking – Saint-Aubin Energie – in which MPI holds a 66.67% stake and Maurel & Prom, 33.33%.

An initial investment was made under this new partnership in May 2013. Maurel & Prom East Asia, a wholly-owned subsidiary of Saint-Aubin Energie, signed an agreement to take a stake in PetroVietnam's interests in the M2 block located off the coast of Myanmar.

Saint-Aubin Energie then acquired 50% of a company that has been selected by the Iraqi authorities to participate in upcoming permit allocations.

Two projects commenced in Canada in the second half of 2013. Saint-Aubin Energie and Pétrolia entered into an agreement for joint hydrocarbon exploration on 13 permits on the Gaspé Peninsula in Quebec. In addition, MP West Canada, a wholly-owned subsidiary of Saint-Aubin Energie, acquired 20% of Deep Well Oil & Gas and at the same time bought up half of the interests held by that company in 12 blocks in Alberta, for the purpose of testing a steam-injection-based production process for bituminous oil. If the results prove positive on the technical and economic level, this process will be used for developing fields.

In 2014, a Saint-Aubin Energie subsidiary finalised the documents on the creation of a joint venture, in partnership with Ressources Québec, Pétrolia and Corridor Resources, relating to a programme of exploration set to begin in the summer of 2014 with an initial drilling phase and comprising 15 to 18 stratigraphic wells and 3 exploration wells with completion, for an amount not to exceed US\$60 million, financed by Saint-Aubin (E&P) Québec Inc. (43.33%) and Ressources Québec (56.67%).

Furthermore, in September 2013 the Company invested in the Nigerian company Cardinal Drilling Services by purchasing 40% of its share capital for the sum of €6,059,688 (US\$8 million). Half of the share capital was fully paid-up initially. The remainder will be paid up in September 2014.

1.5.2 FINANCING OF INVESTMENTS

The MPI Group's investments described in the section above are financed by the Company's available cash flow. This cash flow will also allow the Company to take advantage of opportunities that may arise in the world oil industry.

1.5.3 PROPERTY, PLANT AND EQUIPMENT

The Company owns no facilities or equipment, since it is not an operator.

1.6 Information on trends and Company strategy

1.6.1 INVESTMENT PROGRAMME

Having commenced a programme of investment in 2013 via Saint-Aubin Energie, on 22 August 2013 and 23 December 2013 respectively, the Company sold (i) 10% of Seplat's capital to Mercuria Capital Partners Limited (6%), a subsidiary of Mercuria Energy Group Limited, and to the Blakeney Management investment fund (4%) and (ii) 4.9% of Seplat's capital to Quantum Power International Holdings Limited, a subsidiary of Quantum Power Group; the Company's gradual withdrawal from Seplat was a prerequisite to the process of stock market listing for Seplat, which took place on 14 April 2014.

The Company's partial withdrawal from Seplat's capital provided it with a high level of available cash resources. This will therefore allow the MPI Group to pursue its development in Nigeria, Canada and Myanmar and enable it to seize the opportunities for external growth offered by the world oil industry.

1.6.2 OBJECTIVE AND STRATEGY

During fiscal year 2013, the MPI Group began to diversify its asset portfolio, particularly with the acquisition of equity interests in oil companies in Canada and Myanmar via Saint-Aubin Energie.

This partnership with Maurel & Prom was approved by the Company's Board of Directors on 26 April 2013, which also decided its guiding principles, and it was approved by the Company's General Shareholders' Meeting of 20 June 2013.

The purpose of this joint venture is to support development projects put forward by one or other of the partners. Under this partnership, future development projects for oil exploration and production will be conducted jointly by the two companies through the joint venture (with the specific exception of projects located in the respective historical operating areas of each company). However, if one of the two partners decided not to take part in a development operation, the other partner would be free to carry out the development operation outside the joint venture (alone or in association with another partner).

The value for the two companies in joining forces resides in their complementary characteristics, as Maurel & Prom is a recognised player in the oil sector and has the requisite skills and expertise, while the Company has the necessary cash to be able to invest (particularly as part of its policy of expanding its asset portfolio), but does not have its own technical resources.

This partnership allows the Company to access a large number of opportunities while diversifying risk and the Company continues to study investment opportunities outside Nigeria to continue its development in exploration and production operations in regions with high potential. This diversification of the Company's asset portfolio outside of Nigeria does not conflict in any way with the Company's desire to maintain a significant equity interest in Seplat. In addition, the Company continues to take an interest in Nigeria, a country that remains attractive in terms of investments in oil and gas.

2

Risk factors

2.1 Major risks related to the Company's oil operations

- 2.1.1 Risks related to exploration, the replacement of reserves and decisions affecting licences
- 2.1.2 Risks related to the identification and appraisal of reserves and resources
- 2.1.3 Risks related to hydrocarbon production capacity
- 2.1.4 Industrial and environmental risks
- 2.1.5 Risks related to competition

2.2 Financial risks

- 2.2.1 Risk of fluctuations in hydrocarbon prices
- 2.2.2 Foreign exchange risk
- 2.2.3 Liquidity risks
- 2.2.4 Market risk

2.3 Risks related to the Company's holding of only one significant operational asset, located in Nigeria

2.4 Other risks

- 2.4.1 Risks related to operational dependency on the Maurel & Prom Group
- 2.4.2 Risks related to shareholders and to the management of the Company
- 2.4.3 Risks related to disputes

2.5 Company insurance

2.1 Major risks related to the Company's oil operations

2.1.1 RISKS RELATED TO EXPLORATION, THE REPLACEMENT OF RESERVES AND DECISIONS AFFECTING LICENCES

Exploration activity, which relies on the discovery and extraction of hydrocarbons, requires major preliminary operations to be undertaken. Geological and seismic analyses are prerequisites to exploration drilling. Operations of this type make it possible to decide on the location of exploration drilling, to transition to the production start-up phase or to decide whether or not to pursue exploration. At the time that such operations are launched, there are still numerous uncertainties about whether the quantity and quality of the hydrocarbons are sufficient and whether they can feasibly be extracted. In fact, the hydrocarbons sought when obtaining exploration/production permits are obtained and during drilling operations may ultimately be absent or in insufficient quantities to be economically producible.

As a result, the many uncertainties that persist during the exploration phase mean that the Company cannot ensure that the investments that are or will be made for current or future exploration will be profitable.

It is thus impossible to guarantee that new hydrocarbon resources will be discovered in sufficient quantities to replace existing reserves and to allow the Company to recover all of the capital invested in exploration activities and to ensure a return on the investments made.

In order to limit the technical risks of exploration, exploration programmes are validated upstream based on technical criteria prior to being implemented.

An acquisition or transfer of interests in production permits generally requires approval from the local government, which could delay or hinder transfers of interests or growth operations. Moreover, when such interests are transferred, the local government could require certain work to be performed by specific deadlines or impose various other constraints (particularly the payment of financial compensation), which may have a significant detrimental impact on the Company's business, income and prospects in Nigeria.

2.1.2 RISKS RELATED TO THE IDENTIFICATION AND APPRAISAL OF RESERVES AND RESOURCES

The evaluation process implies subjective judgments and may lead to subsequent revaluations, perhaps even downward, as more information is obtained about the deposits. Any error or inaccuracy in the assessment of Seplat's resources and reserves and any downward revision that may result could have a significant detrimental impact on the Company's business, financial position and prospects.

2.1.3 RISKS RELATED TO HYDROCARBON PRODUCTION CAPACITY

When the estimate of hydrocarbon reserves and the economic analysis justify the development of a discovery, the reserves may, at any time during production, prove to be less than projected, and thus compromise the economics of the operation.

In addition, the development of a hydrocarbon production field requires significant investments to build the facilities required for the operation, the completion of production or injection wells, and implement advanced technologies to extract and produce hydrocarbons with complex properties over the duration of the permit, which is generally for several decades.

Making such investments and the use of these technologies in generally difficult environments may result in uncertainties about the amount of the investments required and the development costs, and additional costs incurred above and beyond the initial budgets may have a negative impact on the Company's outlook, financial position and results.

2.1.4 INDUSTRIAL AND ENVIRONMENTAL RISKS

Through its equity interests in Seplat and the projects in which it is involved via Saint-Aubin Energie (in Myanmar and in Canada, including Alberta, the Gaspé Peninsula and Anticosti Island), the Company is exposed to the industrial and environmental risks inherent in the business of exploring and producing hydrocarbons. These risks include eruptions of crude oil or natural gas during drilling, wellhead collapses, and hydrocarbon spills or leaks that generate, in particular, toxic risks and the risk of fire or explosion.

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

In addition to these usual risks in exploration/production, there are the additional specific risks described below.

In fact, the Company is exposed to all these risks, to the same extent in the future as it has been in the past, insofar as liability for environmental damage before or after the date on which rights were acquired generally resides with the parties to the projects, which may have a negative impact on the Company's business.

The principal industrial and environmental risks are:

- Risks related to a lack of authorisation and/or approval of existing equipment and pipeline locations
- Risks related to gas flaring
- Risks related to noise pollution
- Risks related to water and subsoil quality

The Company's Annual Report for 2012, registered by the Autorité des marchés financiers on 9 July 2013 (available from the Company's website at www.mpienergy.com) sets out the preventive measures that Seplat has taken to limit these risks.

2.1.5 RISKS RELATED TO COMPETITION

In developing its activities beyond the current scope of its assets, the Company could face competition from other oil companies in acquiring rights to oil permits for the exploration and production of hydrocarbons. Given its current positioning and its size, the Company's main competitors are junior and mid-sized oil companies.

The Company is therefore likely to be in competition with oil companies that have greater financial resources and thus have a competitive advantage in relation to any sellers of oil rights.

However, the Company's modest size in comparison with the majors in the sector represents an advantage in terms of functional flexibility and the ability to make decisions more rapidly. This functional flexibility and rapid decision-making may also give the Company a competitive edge in other countries in which it may plan to operate in the future.

2.2 Financial risks

2.2.1 RISK OF FLUCTUATIONS IN HYDROCARBON PRICES

Both the economy and, more importantly, the profitability of the oil and gas industry are highly sensitive to hydrocarbon prices as expressed in US dollars. As a result, the cash flow and future results of the Company and Seplat are strongly impacted by changes in hydrocarbon prices as expressed in US dollars.

As at the date of this Management Report, the Company has not implemented any specific policy to hedge this risk, particularly because of the costs of implementation and the associated unfavourable tax treatment. However, the Company does not rule out the possibility of using hedging instruments in the future, if the related costs and taxes become more favourable, or if it is warranted by a change in the price of hydrocarbons.

The following table presents an analysis of the sensitivity of the Company's consolidated shareholders' equity and income to fluctuations in the price of hydrocarbons as at 31 December 2013 (in millions of euros):

	Changes in barrel price	
	+10%	- 10%
Percentage change	+10%	- 10%
Impact on consolidated net income	+ 22.1	- 22.1
Impact on consolidated net equity	+ 22.1	- 22.1

2.2.2 FOREIGN EXCHANGE RISK

Although the Company's reporting currency is the euro, Seplat and the Company have used the US dollar as their operating currency since 1 January 2012, since sales, the majority of operating expenses and a significant portion of the investments of the Company and Seplat are denominated in this currency.

This situation leads to a sensitivity to the €/US\$ exchange rate in the Company's consolidated financial statements, related to the conversion of assets and liabilities into the reporting currency at the closing rate, with the discrepancy resulting from this conversion being recorded directly under equity.

The impact on income before tax, profits and the currency translation adjustment (equity) at 31 December 2013 of a 10% increase or decrease in the €/US\$ exchange rate on that date is set out below (in millions of euros):

	Impact on income before income tax		Impact on exchange gain/loss (shareholders' equity)	
	10% rise in €/US\$ rate	10% fall in €/US\$ rate	10% rise in €/US\$ rate	10% fall in €/US\$ rate
USD	0.0	0.0	- 42.3	51.6
Other currencies				
Total	0.0	0.0	- 42.3	51.6

The Company may occasionally employ hedging strategies using derivative instruments (forward currency transactions and currency options) to limit its exposure to foreign exchange risk. As at the date of this Management Report, there is no foreign exchange hedging.

The Company's consolidated foreign exchange position at 31 December 2013 breaks down as follows (in US\$ million):

	<i>Assets and liabilities</i>	<i>Foreign currency commitments (c)</i>	<i>Net position before hedging (d) = (a) - (b) +/- (c)</i>	<i>Hedging financial instruments (e)</i>	<i>Net position after hedging (f) = (d) - (e)</i>
Non-current financial assets	53	0	53	0	53
Equity associates	235	0	235	0	235
Other current assets	48	0	48	0	48
Derivative instruments	0	0	0	0	0
Other creditors and miscellaneous liabilities	0	0	0	0	0
Cash and cash equivalents	305	0	305	0	305
US\$ exposure	641	0	641	0	641

2.2.3 LIQUIDITY RISKS

Like any industrial and commercial activity, the Company is exposed to the risk of insufficient liquidity or the risk that its financing strategy is inadequate.

To address this risk, the Company maintains a balance between debt and shareholders' equity, on the one hand, and its debt and its ability to repay on the other, in compliance with ratios that are usually considered cautious. Financing options are reviewed and validated by the Company's Board of Directors.

As at 31 December 2013 and 31 December 2012, the MPI Group had no significant financial liabilities.

The MPI Group's liquid assets, which were €225.8 million as at the reporting date, are held in sight deposit accounts.

The Company has conducted a specific review of its liquidity risk, and believes that it is able to meet its future contractual maturities over the next 12 months.

2.2.4 MARKET RISK

In recent years, the financial markets have been subject to significant fluctuations, which at times have not reflected the results of the companies whose shares are traded on the markets. Market fluctuations and the state of the economy could significantly affect the price of the Company's shares.

The price of the Company's shares could also be influenced by numerous events affecting the Company, its interests, its competitors or general economic conditions, and the oil and gas sectors in particular. The price of the Company's shares could also fluctuate significantly in reaction to events such as:

- announcements relating to changes in the Company's shareholder composition;
- changes in the Company's financial results or those of its competitors from one period to the next;
- changes in the estimates of hydrocarbon reserves for projects in which the Company is involved via Saint-Aubin Energie;
- announcements by competitors or announcements regarding the oil and gas sectors;
- announcements relating to changes in the management team or key personnel of the Company;
- changes in the future prospects or strategy of the Company and its businesses or the oil and gas sectors;
- changes in the content of research analyses involving the Company;
- changes in economic and market conditions; and
- political and criminal risks in Nigeria.

2.3 Risks related to the Company's holding of only one significant operational asset, located in Nigeria

In preparation for its stock market listing on 14 April 2014, Seplat describes in its base prospectus the risks that it has identified to its operations. This document (incorporated by reference into this Management Report) is available on its website at www.seplatpetroleum.com. Realisation of the risks identified (and others which may not have been identified in this document) may have a significant detrimental impact on Seplat's operations and income, and therefore also on the Company.

As at the date of this Management Report, the Company's only significant asset consists of its 21.76% minority interest in Seplat (following its stock market listing on 14 April 2014), a Nigerian company registered with the Nigerian Corporate Affairs Commission under number RC 824 838, whose production and exploration activities and hydrocarbon reserves are located entirely in Nigeria, a country considered to carry significant risks of political and economic instability, as reiterated below.

However, Seplat's activities in Nigeria are now spread over several exploration and production areas by virtue of its three licences (plus marginal fields) in that country, thus mitigating the consequences of an isolated event occurring at one of its exploration or production sites. Furthermore, in addition to the acquisition of new production sources in Nigeria, the Company is planning to study the opportunities that may arise, primarily in West Africa, with the other founders of Seplat (namely Shebah and Platform), in order to diversify its production areas.

In addition, the Company is studying investment opportunities outside of Nigeria to continue its development in exploration and production operations in high-potential regions. For this purpose, the Company has signed a partnership agreement with Maurel & Prom, providing for joint investment in oil projects through a joint venture, Saint-Aubin Energie. The partnership has been implemented in Myanmar and in Canada. The Company holds significant cash for use in development (see section 1.4.2 of this Management Report), which will allow it to react quickly to attractive, promising opportunities.

Nonetheless, as at the date of this Management Report, Seplat remains its sole significant asset; as a result, the Company is particularly sensitive to risks that may affect Seplat. The risks to the Company described above could have a significant detrimental impact on the Company's operations and its development if they were to affect Seplat.

Furthermore, in its base prospectus drafted in preparation for its stock market listing on 14 April 2014, Seplat describes the risks that it has identified to its operations and which are incorporated by reference into this Management Report. This document is available on its website at www.seplatpetroleum.com.

The Company highlights the following risks in particular, which may affect Seplat and have a significant detrimental impact on its operations and its financial situation, it being understood that these risks are described in more detail in MPI's Annual Report for 2012, registered with the Autorité des marchés financiers on 9 July 2013 and available from the Company's website at www.mpienergy.com:

- Risks related to the lack of a controlling interest in Seplat: As a minority shareholder, the Company is therefore exposed to the risk that decisions contrary to its interests may be adopted by Seplat;
- Risks related to the operation of the Joint Operating Agreement between Seplat and NPDC: Since 30 July 2010, Seplat has held 45% of the rights to OMLs 4, 38 and 41, with the remaining 55% of the rights being owned by NPDC; any disagreement persisting between Seplat and NPDC could have a long-term effect on production from OMLs 4, 38 and 41, which could have a significant detrimental impact on Seplat's operations and income and therefore also on the Company;
- Risks of dependency on suppliers or subcontractors: Non-performance, poor performance or late performance by a third party of its contractual obligations to Seplat or the Company could subject Seplat or the Company to additional costs, delays, or even the abandonment of projects, which could have a significant adverse effect on the operations, outlook, financial position and income of Seplat and the Company. Specifically in relation to the transportation agreement entered into with SPDC, Seplat now has a new pipeline to the Warri refinery that has

been completed and came into operation during the first quarter of 2014, giving Seplat an alternative channel for exporting fluids and reducing the impact of any closures of third party terminals or pipelines;

- Risks of dependence on customers: Seplat, which does not have its own structure to market the hydrocarbons produced to end users, is obliged to enter into agreements with intermediary companies that specialise in this field. The Company believes that Seplat incurs no major counterparty risk in this respect, insofar as its production is sold, as at the date of this Management Report, to SWST, a Barbados company and a member of the Shell group, one of the world's leading oil groups. However, Seplat remains exposed to other risks inherent in this type of contract, such as contractual non-performance or renegotiation under less favourable conditions.
- Risks related to the absence of historical production data regarding production from OMLs 4, 38 and 41: Seplat has no detailed historical information on production relating to the operation of OMLs 4, 38 and 41 prior to its acquisition of 45% of the rights in these OMLs on 30 July 2010; Seplat does, though, have sufficient production information to set reasonable and informed production targets and has available to it the experience and knowledge of most of the staff who operated these OMLs previously. However, the lack of historical production data for the OMLs prior to August 2010 may deprive Seplat of information that is important for their operation, preventing it from optimising future production and the costs associated therewith.
- Risks relating to a presence in Nigeria, given the country's political and economic instability, acts of terrorism, armed conflict and criminal activities, to corruption, the inadequacy of Nigerian state infrastructure, changes in the regulations for oil operations and the way the regulations are interpreted by the Nigerian courts.

2.4 Other risks

2.4.1 RISKS RELATED TO OPERATIONAL DEPENDENCY ON THE MAUREL & PROM GROUP

The Company's activities were, until the date of Listing, carried out within the Maurel & Prom Group, using an internal system adapted to its status as a publicly traded group, which the Company no longer has since the Listing date of 15 December 2011.

The Company is therefore in the process of establishing the structures necessary for its independent operation in accordance with its status as a listed company. However, such an undertaking can take time and, during the transition period, the Company will have to procure certain services to ensure the continuity of its operations and manage its status as a listed company. For that purpose, the Maurel & Prom Group made a commitment, in the context of the Transitional Services Agreement (the terms and conditions of which are set out in detail in the Company's annual financial report, which is available from the Company's website at www.mpienergy.com and is incorporated by reference into this Management Report), to provide the Company with a number of administrative and operational services for a period of up to 12 months from 15 December 2011, which was renewable once, for a period of 12 months, at the Company's request. On 5 November 2012, the Company decided to renew this agreement for a further 12-month period from 15 December 2012, and on 5 November 2013 for a further period of one year from 15 December 2013, which allows it to honour its commitments in respect of the Service Agreement, under the terms of which it committed to providing certain services to Seplat.

As at 31 December 2013, before the Company set up its own teams, the Maurel & Prom Group provided the Company with a team of 16 staff comprising 6 technical experts and 10 staff dedicated to the Company's support functions, under the Transitional Services Agreement. All these staff are temporarily shared with Maurel & Prom.

The expiration or total or partial non-performance of this contract could disrupt the Company's operations if it is unable to perform the relevant functions internally. It could also generate significant costs to ensure that these services are maintained (either due to the hiring of new personnel needed to ensure the performance of these functions internally, or the need to use other external service providers).

Any change in the control of Maurel & Prom could also affect the nature of relations between Maurel & Prom and the Company, as well as the performance of the agreement at issue, which could have a significant detrimental impact on the organisation and operation of the Company.

Moreover, as a result of its exit from the Maurel & Prom Group, the Company will have to commit substantial financial or physical resources to be recognised under its new name and earn recognition and attractiveness both for its economic and financial partners and for its customers or suppliers. The Company could suffer from a lack of name recognition.

Finally, the Company, as a result of having less recognition or fewer financial resources, could encounter difficulties in negotiating agreements with existing or new partners under conditions equivalent to those obtained by Maurel & Prom (particularly for financing).

2.4.2 RISKS RELATED TO SHAREHOLDERS AND TO MANAGEMENT OF THE COMPANY

As at the date of this Management Report, Pacifico, the principal shareholder of Maurel & Prom, holds around 25% of the capital and voting rights in the Company. This significant equity interest could delay or prevent a third party from purchasing the Company's securities (particularly through the launch of a tender offer) if Pacifico does not support such an acquisition. Pacifico's power to prevent or delay this type of transaction could unfavourably affect the Company's liquidity and share price.

In addition, it cannot be excluded that conflicts of interest may arise between the Company and Maurel & Prom, particularly because of the existence of directors common to Maurel & Prom and the Company, and because as at the date of this Management Report, the Chairman of the Board of Directors of the Company is also the Chairman of the Board of Directors of Maurel & Prom and the Chief Executive Officer of the Company has been appointed as the Chief Executive Officer of Maurel & Prom.

2.4.3 RISKS RELATED TO DISPUTES

With regard to the risk of disputes, the Company is not, as at the date of this Management Report, involved in any governmental, legal or arbitration proceedings, and there is no other proceeding of this kind, including any pending or threatened proceeding of which the Company is aware that could have or has had within the last 12 months, a significant impact on the Company's financial position or profitability. Lastly, the Company is not aware of any ongoing audits or audits announced by the tax authority, the URSSAF social security agency or the competition authority in relation to the Company.

2.5 Company insurance

The Company has insurance policies to cover the following categories of risk:

- public liability of the management team;
- fires, storms, natural disasters and water damage;
- theft, vandalism and glass damage; and
- civil liability for offices, not including professional civil liability, and basic legal protection.

In addition, as the Company, as at the date of this Management Report, does not directly conduct any exploration/production activity, no insurance policy has been taken out to cover the risks associated with these activities.

3

Corporate governance

(Chairman's report pursuant to Article 225-37 of the French Commercial Code)

3.1 Administrative, management and supervisory bodies and executive management

3.1.1 Members of the management and supervisory bodies of the Company and Seplat

3.1.2 Potential conflicts of interest on the Company's administrative bodies and executive management

3.2 Compensation and benefits

3.2.1 Compensation and benefits of all types given to corporate officers

3.2.2 Equity interest of corporate officers in the capital of the Company

3.3 Operation of the administrative and management bodies

3.3.1 Terms of office of members of the administrative and management bodies

3.3.2 Deliberations of the Board of Directors

3.3.3 Assessment of the work of the Board of Directors

3.3.4 Prevention of insider trading

3.3.5 Information on the service contracts binding members of the administrative and management bodies to the Company or to any of its subsidiaries

3.3.6 Committees of the Board of Directors

3.3.7 Declaration relating to corporate governance

3.3.8 Internal control and risk management

3.4 Report of the Statutory Auditors, prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of



Directors of the Company

This report was prepared pursuant to Article L. 225-37 of the French Commercial Code and approved by the Board of Directors on 23 April 2014.

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the Company adheres to the Corporate Governance Code for Small and Midcaps published by Middlednext in December 2009 (see section 3.3.7 of this Management Report).

3.1. Administrative, management and supervisory bodies and executive management

3.1.1 MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY AND SEPLAT

3.1.1.1 Members of the management and supervisory bodies of the Company

The Company is a public limited company (societe anonyme) with a Board of Directors. A brief description of the key provisions of the Articles of Association and by-laws for the Board of Directors, particularly its operating procedures and powers, can be found in section 5.1.2 of the Annual Report for 2012 and will also be included in the Annual Report for 2013.

Unless otherwise specified, references to the Articles of Association in this Chapter mean the Articles of Association of the Company adopted by the Ordinary and Extraordinary General Shareholders' Meeting of 7 October 2011 and later amended by the Ordinary and Extraordinary General Shareholders' Meeting of 21 June 2013.

(a) Board of Directors

(i) Members of the Board of Directors

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

The version of the by-laws of the Board of Directors of 22 September 2011 specifies the criteria listed below that are examined by the Appointments and Compensation Committee and the Board in order to classify a director as independent; it is specified that the Board of Directors must have at least two independent directors.

A director is deemed to be "independent" if he or she has no significant financial, contractual or familial relationship that could impair his or her independence of judgement, in particular a director who:

- is neither an employee nor a corporate officer of the Company or of a company of the MPI Group and has not been in the last three years;
- is not a significant customer, supplier or bank of the Company or of the MPI Group, or for which the Company or the MPI Group represents a significant portion of its business;
- is not a major shareholder in the Company, i.e. a shareholder who holds a large stake in a company that gives him or her significant influence in decision-making;
- has no close family ties with a corporate officer of the Company or a major shareholder of the Company; and
- has not been an auditor of the Company during the last three years.

Based on the aforementioned criteria, at its meeting of 22 September 2011, the Company's Board of Directors noted that four directors in office or to be appointed by the General Shareholders' Meeting of 7 October 2011 were independent. The four directors considered to be independent were:

- Mr Xavier Blandin;
- Ms Nathalie Delapalme;
- MACIF; and
- Mr Alexandre Vilgrain.

The independence criteria for directors of the Company were revised in 2013. At its meeting of 25 March 2013, the Appointments and Nominations Committee decided that the four directors considered to be independent on 22 September 2011 were still independent in 2013, which the Board of Directors confirmed once again at its meeting of 27 March 2013 and its meeting of 19 December 2013.

As at the date of this Management Report, the members of the Board of Directors are as follows:

Mr Augustine Ojunekwu Avuru, 55, director

Address: c/o MPI - 51, rue d'Anjou, 75008 Paris.

Augustine Ojunekwu Avuru was elected director of the Company by the Shareholders' Meeting of 7 October 2011 for a term of three years, or until the Shareholders' Meeting of 2014 called to approve the financial statements for the year ended 31 December 2013.

The Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 19 June 2014 will be asked to reappoint him for another three-year term, until the end of the General Shareholders' Meeting called in 2017 to approve the financial statements for the 2016 fiscal year.

Augustine Ojunekwu Avuru holds a Bachelor of Science degree in Geology from the University of Nsukka in Nigeria and a post-graduate diploma in oil engineering from the University of Ibadan.

Augustine Ojunekwu Avuru has over 30 years of experience in the oil and gas industry. He began his career at the Nigerian National Petroleum Corporation where he served for more than 12 years as a geologist for well placement, as a production seismologist and reserves engineer. He then worked for 10 years as director of exploration and then as technical director at Allied Energy Resources, a Nigerian oil production company. Mr Augustine Ojunekwu Avuru also served on the ministerial committee for restructuring the Directorate of Petroleum Resources and as an outside consultant for the Senate Committee on Petroleum Resources. He is a member and former Chairman of the Nigerian Oil Exploration Association.

In 2002, Mr Avuru formed Platform Petroleum Limited, a company in which he held the post of managing director until 2010, when he stepped down to become managing director of Seplat.

Mr Xavier Blandin, 63, independent director

Address: c/o MPI - 51, rue d'Anjou, 75008 Paris.

Mr Xavier Blandin has been a director of the Company since 22 September 2011. His term of office was renewed for a period of three years by the Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013, and will expire at the close of the General Shareholders' Meeting to be called in 2016 to approve the financial statements for fiscal year 2015.

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

From 1991 to the end of December 2010, Mr Blandin worked in the banking sector, first for Banque Paribas (1991-1999) and then for BNP Paribas, where he was a member of the Executive Committee of the Corporate Finance Department before becoming a Senior Banker.

Ms Nathalie Delapalme, 57, independent director

Address: c/o MPI - 51, rue d'Anjou, 75008 Paris.

Nathalie Delapalme was appointed as a director of the Company by the General Shareholders' Meeting of 7 October 2011 for a three-year term, or until the General Shareholders' Meeting called in 2014 to approve the financial statements for the

year ended 31 December 2013.

The Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 19 June 2014 will be asked to reappoint her for another three-year term, until the end of the General Shareholders' Meeting called in 2017 to approve the financial statements for the 2016 fiscal year.

Nathalie Delapalme spent the early part of her career in the Senate, between 1984 and 1985 and then from 1997 to 2002, primarily as administrator and then as advisor to the National Finance, Budget and Accounts Commission.

She was also a Deputy Director serving under the Minister for Development Cooperation between 1995 and 1997, and then became Africa advisor to the Foreign Minister from 2002 to 2007. After her role as Inspector General in the Finance Department (Inspectorate General of Finance, IGF) between 2007 and 2010, she joined the Mo Ibrahim Foundation in June 2010 as Director of Research and Public Policy.

Mr Jean-François Hénin, 70, Chairman of the Board of Directors

Address: c/o MPI - 51, rue d'Anjou, 75008 Paris.

Jean-François Hénin was appointed as Director of the Company by the General Shareholders' Meeting of 15 November 2010 for a three-year term, until the General Shareholders' Meeting called in 2013 to approve the financial statements for the year ended 31 December 2012. At its meeting of 15 November 2010, the Board of Directors elected Mr Jean-François Hénin as Chairman and Chief Executive Officer of the Company. However, at its meeting of 22 September 2011, the Board of Directors decided to modify the management structure of the Company and separate the positions of Chairman and Chief Executive Officer. Mr Hénin took official note of the termination of his duties as Chairman and Chief Executive Officer. At the same meeting, and as a result of the change in the Company's management structure, the Board of Directors appointed Jean-François Hénin as Chairman of the Board of Directors of the Company.

The Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013 decided to reappoint him for another three-year term, until the end of the General Shareholders' Meeting to be called in 2016 to approve the financial statements for the 2015 fiscal year.

Jean-François Hénin was Chief Executive Officer of Thomson CSF Finance, then of Altus until May 1993. He was then Chairman and Chief Executive Officer of Électricité et Eaux de Madagascar from 1994 to 2000. Since that date, Mr Hénin has been a manager and partner at Etablissements Maurel & Prom (a partnership limited by shares until 2004) with the role of Chairman and Chief Executive Officer of Aréopage. He then became Chairman of the Management Board after Etablissements Maurel & Prom became a public limited company in December 2004. He has served as Chairman of the Board of Directors and Chief Executive Officer of Etablissements Maurel & Prom since the adoption of the status of a public limited company with a Board of Directors in June 2007.

MACIF (Mutuelle Assurance des Commerçants et Industriels de France), permanently represented by Mr Olivier Arlès, 46, independent director

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

MACIF was appointed as a director of the Company by the General Shareholders' Meeting of 7 October 2011 for a three-year term, until the General Shareholders' Meeting to be called in 2014 to approve the financial statements for the fiscal year ended 31 December 2013. Mr Gérard Andreck was appointed permanent representative of MACIF on 26 October 2011 and resigned from this position on 26 March 2013. He was replaced by Mr Olivier Arlès on 24 April 2013, who was officially appointed as permanent representative on 24 April 2013.

The Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014 will be asked to reappoint MACIF for another three-year term, until the end of the General Shareholders' Meeting to be called in 2017 to approve the financial statements for the 2016 fiscal year.

A property insurer (automobile, housing, etc.) since it was formed in 1960, MACIF has gradually diversified its activities and is today present in health, pension schemes, savings, life insurance and banking.

Mr Olivier Arlès, the permanent representative of MACIF, is a graduate of the Ecole Polytechnique, the Paris School of Economics (ENSAE) and the Centre d'Etudes Actuarielles (Centre for Actuarial Studies – CEA) where he is a member of the Institute of Actuaries. Olivier Arlès began his career with the *Commission de contrôle des assurances, mutuelles et*

institutions de prévoyance (CCAMIP) from 1992 to 2005, where he served successively as insurance commissioner-controller and head of an audit team within the CCAMIP. He then joined the Mornay Group in 2005 where he held the position of Health/Provident Technical Director until 2008. In 2008, he joined MACIF where he served as Actuarial Director and then as Chief Financial Officer. Since 2012, he has been the Deputy Chief Executive Officer for economic and financial planning at MACIF.

Mr Emmanuel de Marion de Glatigny, 67, director

Address: c/o MPI - 51, rue d'Anjou, 75008 Paris.

Emmanuel de Marion de Glatigny was appointed as a member of the Board of Directors of the Company by the General Shareholders' Meeting of 15 November 2010 for a three-year term, until the General Shareholders' Meeting in 2013 called to approve the financial statements for the year ended 31 December 2012.

The Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013 decided to reappoint him for another three-year term, until the end of the General Shareholders' Meeting to be called in 2016 to approve the financial statements for the 2015 fiscal year.

Mr de Marion de Glatigny gained management expertise by serving as a director of an insurance company and has also held positions on various supervisory boards and boards of directors since 1984.

Mr Ambrosie Bryant Chukwueloka Orjiako, 53, director

Address: c/o MPI - 51, rue d'Anjou, 75008 Paris.

Ambrosie Bryant Chukwueloka Orjiako was appointed as a director of the Company by the General Shareholders' Meeting of 7 October 2011 for a three-year term, until the General Shareholders' Meeting called in 2014 to approve the financial statements for the year ended 31 December 2013.

The Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 19 June 2014 will be asked to reappoint him for another three-year term, until the end of the General Shareholders' Meeting called in 2017 to approve the financial statements for the 2016 fiscal year.

Ambrosie Bryant Chukwueloka Orjiako holds a doctorate in medicine and surgery from the University of Calabar in Nigeria. He worked as an intern in the surgery unit at Lagos University Hospital (LUTH) from 1989 to 1991. In 1996, Mr Orjiako set up the Daniel Orjiako Memorial Foundation (DOMF), which finances bursary programmes for disadvantaged students. In 2006, he attended the Owner/President Management Programme at Harvard University.

Mr Orjiako has over 25 years' experience in various business sectors in Nigeria, including maritime transport, pharmaceuticals, insurance and oil & gas.

Mr Alexandre Vilgrain, 58, independent director

Address: c/o MPI - 51, rue d'Anjou, 75008 Paris.

Alexandre Vilgrain was appointed as a director of the Company by the General Shareholders' Meeting of 15 November 2010 for a three-year term, until the General Shareholders' Meeting in 2013 called to approve the financial statements for the year ended 31 December 2012.

The Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013 decided to reappoint him for another three-year term, until the end of the General Shareholders' Meeting to be called in 2016 to approve the financial statements for the 2015 fiscal year.

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

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

In 1985, he founded Délifrance Asia, a French-style café-bakery chain based in a number of countries in Asia. The success

of this new concept in the region allowed Mr Vilgrain to have the company listed on the Singapore Stock Exchange in 1996, before leaving this position in 1998 to focus on the Group's activities in Africa.

(ii) Positions and offices held by members of the Board of Directors in other companies

Mr Augustine Ojunekwu Avuru

Positions held in French companies

None.

Positions held in foreign companies

Augustine Ojunekwu Avuru is a director, managing director, and Chairman of the Seplat bid tender committee.

He also served as a member of the National Committee on Local Content Development, an advisor for Platform Petroleum Limited and director of Professional Support Limited (which he also founded).

He was previously the managing director of Platform Petroleum Limited and Chairman of the Technical Sub-committee, which helped to draft the Local Content Act of 2010.

Mr Xavier Blandin

Positions held in French companies

Mr Blandin was a director of various SOFICA companies in 2009 and 2010.

Since 2011, Xavier Blandin has been a director of Maurel & Prom and Fideal.

He is the Chairman of Fistra Conseil SAS.

Positions held in foreign companies

None.

Nathalie Delapalme

Positions held in French companies

Since 2010, Nathalie Delapalme has been a member of the Supervisory Board of CFAO and a director of Maurel & Prom.

Positions held in foreign companies

None.

Jean-François Hénin

Positions held in French companies

In 2009, 2010, 2011, 2012 and 2013 Mr Hénin was (i) Chairman and Chief Executive Officer of Etablissements Maurel & Prom, of the Company (until 22 September 2011) and of Maurel & Prom Volney 5; (ii) Chairman of the management board of Pacifico; (iii) Chairman of the Board of Directors of the Company (from 22 September 2011), (iv) Chairman of Maurel & Prom West Africa; Maurel & Prom Assistance Technique; Caroil SAS (until 2010), Maurel & Prom Volney 2; Maurel & Prom Venezuela (until 1 April 2011), Maurel & Prom Peru Holdings, Maurel & Prom Namibia, Maurel & Prom Volney 6 and Maurel & Prom Volney 4; (v) director of Pacifico Forages and EO2 and (vi) a member of the supervisory board of CIMV.

Positions held in foreign companies

In 2009, 2010, 2011, 2012 and 2013, Mr Hénin served as (i) Chairman and Chief Executive Officer of Maurel & Prom Congo (Congo) and Zetah Maurel & Prom Congo (Congo) (liquidated in 2011), (ii) Co-Managing Director of Maurel & Prom Colombia BV (Netherlands) and Maurel & Prom Drilling Services BV (Netherlands), (iii) General Director of



Prestoil Kouilou (Congo) and (iv) a director of Zetah Noubi Ltd (Congo), Maurel & Prom Exploration Production Tanzania Ltd (Tanzania), Panther Eureka S.r.l. (Italy) and a director of Seplat (Nigeria).

Mr Jean-François Hénin was also the representative of Pacifico on the Board of New Gold Mali until October 2012.

Mr Emmanuel de Marion de Glatigny

Positions held in French companies

In 2009, Emmanuel de Marion de Glatigny was (i) Chairman of the Supervisory Board of Pacifico; (ii) a director of Etablissements Maurel & Prom, Pacifico Forages, SEREN and Easydentic and (iii) the managing director of Glatigny Patrimoine SARL.

In 2010, 2011, 2012 and 2013, Mr de Marion de Glatigny was Chairman of the Supervisory Board of Pacifico. He served as a director of Etablissements Maurel & Prom, Pacifico Forages and Safetic (formerly Easydentic) until February 2012. He is also the managing director of Glatigny Patrimoine SARL.

Positions held in foreign companies

None.

MACIF (Mutuelle Assurance des Commerçants et Industriels de France), permanently represented by Mr Olivier Arlès

Positions held in French companies by MACIF

In 2013

MACIF served as (i) director of Altima Courtage S.A.; Avise S.A.S., BPCE Assurances S.A.; CEREMH (Association); Chèque Domicile S.A.; Compagnie Foncière de la MACIF S.A.S., Domicours Holding S.A.S.; Enercoop S.C.I.C.; ESFIN S.A.S.; France Active SIFA.; Foncière de Lutèce S.A.; Gestéparagne Investissements Services S.A.; GIE IMH; MACIF Gestion S.A.; MACIF Participations S.A.S.; Macifilia S.A.; OFI Holding; SICAVs - OFI Bond Allocation, OFI Convertibles, OFI Euro Investment Grade, OFI Palmarès Actions Europe; OFI SMIDCAP Opportunité; OFI Tresor ISR; OFIVALMO Partenaires; SECTA; SOCRAM Banque; Solaire Direct; THEMIS SA; QUALIDOM; (ii) Chair and director of ARDEVIE (iii) member of the supervisory board of Altima Assurances, D.A.R.V.A; DV Holding; G.P.I.M.; Inter Mutuelles Assistance; Mutavie; OFI Investment Solutions; (iv) chairperson and member of the strategic committee of IDMACIF; (v) member of the supervisory board of OFI MGA; (vi) member of the strategy committee of SIPEMI; (vii) observer at Foncière Inéa; (viii) full member of the GEMA association and (ix) member of the management committee of SFEREN Réparations.

In 2012

MACIF served as (i) director of ADI Alternative Investments S.A., Altima Courtage S.A., Avise S.A.S., BPCE Assurances S.A., CEREMH (Association); Chèque Domicile S.A., Compagnie Foncière de la MACIF S.A.S., Domicours Holding S.A.S., Enercoop S.C.I.C., ESFIN S.A.S., RIED (Réseau International Eco Développement); France Active SIFA. Foncière de Lutèce S.A., Gestéparagne Investissements Services S.A., GIE IMH; G.I.E., GIE Navmut G.I.E., MACIF Gestion S.A., MACIF Participations S.A.S., Macifilia S.A.; Meilleurtaux S.A., OFI AM S.A., OFI Holding; OFI Convertibles; OFI Euro Souverains; OFI Euro Investment Grade; OFI Palmarès Actions Europe; OFI SMIDCAP Opportunité; OFI Tresor ISR; SECTA; SOCRAM Banque; Solaire Direct; QUALIDOM. (ii) Chairman and director of ARDEVIE (iii) member of the Supervisory Board of Altima Assurances; D.A.R.V.A; DV Holding; G.P.I.M.; Inter Mutuelles Assistance; Mutavie; OFI Investment Solutions; OFIVALMO Partenaires; Rencontres Sociales; (iv) Chairman and member of the strategic committee of IDMACIF, (v) member of the supervisory board of OFI MGA (vi) Member of the strategy committee of SIPEMI, (vii) observer at Foncière Inéa and (viii) full member of the GEMA association.

In 2011

MACIF served as (i) director of ADI Alternative Investments S.A., Altima Courtage S.A., Avise S.A.S., BPCE Assurances S.A., Chèque Domicile S.A., Compagnie Foncière de la MACIF S.A.S., Domicours Holding S.A.S., Enercoop S.C.I.C., ESFIN S.A.S., Foncière de Lutèce S.A., Gestépargne Investissements Services S.A., GIE IMH G.I.E., GIE Navmut G.I.E., MACIF Gestion S.A., MACIF Participations S.A.S., Macifilia S.A., Meilleurtaux S.A., OFI AM S.A., OFI Holding (formerly OFI INSTIT) S.A., OFI Participations S.A., Secta S.A., Socram Banque S.A., Solaire Direct S.A., (ii) Chairman and director of ARDEVIE, (iii) member of the Supervisory Board of Altima Assurances S.A., D'ARVA S.A., DV Holding S.A.S., G.P.I.M S.A.S., Inter Mutuelles Assistance SA S.A., Mutavie S.A., OFI Private Equity Capital S.C.A., OFI Private Equity S.A., Ofivalmo Partenaires S.A., (iv) observer of Foncière Inéa, (v) member of GEMA, (vi) member of the EIG of GIE MACIF Mutavie Assurance Vie G.I.E. and GIE Services Assurances G.I.E., (vii) Chairman and member of the strategic committee of IDMACIF S.A.S., (viii) member of the advisory committee of Imagecom S.A.S., (ix) member of the board of OFI MGA S.A.S and UES du R.E.S. de l'Offre de Services aux Personnes à Domicile and (x) a member of the Supervisory Board of OFI Investment Solutions S.A.S.

In 2010

MACIF was (i) a director of ADI Alternative Investments S.A., Altima Courtage S.A., Avise S.A.S., BPCE Assurances S.A., Chèque Domicile S.A., Compagnie Foncière de la MACIF S.A.S., Domicours Holding S.A.S., Enercoop S.C.I.C., ESFIN S.A.S., Foncière de Lutèce S.A., Gestépargne Investissements Services S.A., GIE IMH G.I.E., GIE Navmut G.I.E., MACIF Gestion S.A., MACIF Participations S.A.S., Macifilia S.A., Meilleurtaux S.A., OFI AM S.A., OFI Holding (formerly OFI INSTIT) S.A., OFI Participations S.A., Oterom Holding S.A.S., Secta S.A., Socram Banque S.A., Solaire Direct S.A.; (ii) Chairman of the Supervisory Board of Inservio S.A.S.; (iii) a member of the Supervisory Board of Altima Assurances S.A., D'ARVA S.A., DV Holding S.A.S., G.P.I.M S.A.S., Inter Mutuelles Assistance SA S.A., Mutavie S.A., OFI Private Equity Capital S.C.A., OFI Private Equity S.A., Ofivalmo Partenaires S.A., (iv) an observer on the Board of Foncière Inéa; (v) member of GEMA; (vi) a member of the EIG of GIE MACIF Mutavie Assurance Vie G.I.E. and GIE Services Assurances G.I.E.; (vii) Chairman and member of the Strategic Committee of IDMACIF S.A.S.; (viii) a member of the Advisory Committee of Imagecom S.A.S.; (ix) Chairman of the Strategy and Partnerships Committee of Meilleurtaux S.A.; (x) a member of the Board of OFI MGA S.A.S and UES du R.E.S. de l'Offre de Services aux Personnes à Domicile; and (xi) a member of the Supervisory Board of OFI Investment Solutions S.A.S.

In 2009

MACIF was (i) a director of ADI Alternative Investments S.A., Altima Courtage S.A., Avise S.A.S., Chèque Domicile S.A., Compagnie Foncière de la MACIF S.A.S., Domicours Holding S.A.S., Enercoop S.C.I.C., ESFIN S.A.S., Foncière de Lutèce S.A., GCE Assurances S.A., Gestépargne Investissements Services S.A., GIE IMH G.I.E., GIE Navmut G.I.E., MACIF Gestion S.A., MACIF Participations S.A.S., Macifilia S.A., Meilleurtaux S.A., OFI Instit (formerly OFI Holding) S.A., OFI Participations S.A., Oterom Holding S.A.S., Secta S.A., Socram Banque S.A., Solaire Direct S.A. and GCE Assurances S.A.; (ii) Chairman of the Supervisory Board of Inservio S.A.S.; (iii) a member of the Supervisory Board of Altima Assurances S.A., D'ARVA S.A., DV Holding S.A.S., G.P.I.M S.A.S., Inter Mutuelles Assistance SA S.A., Mutavie S.A., OFI Private Equity Capital S.C.A., Ofivalmo Partenaires S.A.; (iv) observer on the Board of Foncière Inéa.; (v) owner of GEMA; (vi) a member of the EIG of GIE MACIF Mutavie Assurance Vie G.I.E. and GIE Services Assurances G.I.E.; (vii) Chairman and member of the strategic committee of IDMACIF S.A.S.; (viii) a member of the Advisory Committee of Imagecom S.A.S.; (ix) Chairman of the Strategy and Partnership Committee of Meilleurtaux S.A.; and (x) a member of the Board of OFI MGA S.A.S and UES du R.E.S. de l'Offre de Services aux Personnes à Domicile.

Positions held in foreign companies by MACIF

In 2013

MACIF served as (i) director of Groupement Mutualiste pour la Prévoyance (Tunisia), Euresa Holding (Luxembourg); Vivium (Belgium).

In 2012

MACIF served as (i) director/Vice-Chairman of Atlantis Seguros and Atlantis Vida in Spain; (ii) director of: Groupement Mutualiste pour la Prévoyance (Tunisia), Euresa Holding and Euresa Life (Luxembourg); MACIF Zycie (Poland); Société



d'Assurance de Prévoyance et de Santé (Algeria) and Vivium (Belgium).

In 2011

MACIF served as (i) director/Vice-Chairman of Atlantis Seguros and Atlantis Vida in Spain; (ii) director of: Groupement Mutualiste pour la Prévoyance (Tunisia), Euresa Holding (and Secretary) and Euresa Life (Luxembourg); PARTISAGRES (Portugal); Tuv Tuv (Poland); and Vivium (Belgium).

In 2010

MACIF was (i) a director of Vivium in Belgium, Atlantis Seguros and Atlantis Vida in Spain, Daman in Tunisia, Euresa Holding and GEIE in Luxembourg and Unipol in Italy, and (ii) a member of the Supervisory Board of Tuv Tuv in Poland.

In 2009

MACIF was (i) a director of Vivium in Belgium, Atlantis Seguros and Atlantis Vida in Spain, Daman in Tunisia, Euresa Holding and GEIE in Luxembourg, Unipol in Italy and Syneteresistiki in Greece, and (ii) a member of the Supervisory Board of Tuv Tuv in Poland.

Offices held in French companies by Olivier Arlès, the permanent representative appointed by MACIF

In 2013

Olivier Arlès served as (i) a director of Compagnie Foncière de la MACIF S.A.S, MACIF Gestion S.A., OFI Asset Management S.A. and OFI Bon Allocation (S.I.C.A.V., until March 2013), (ii) he served as the permanent representative of Mutavie, as a director at OFI Smidcap Opportunities (S.I.C.A.V.), OFI Tresor ISR (S.I.C.A.V.) and OFI Holding S.A.; the permanent representative of MACIF, itself a director of OFI Euro Investment Grade (S.I.C.A.V.) and of OFI Palmares Actions Europe (S.I.C.A.V., until March 2013) and member of the supervisory board of OFI Investment Solutions; permanent representative of MACIF Participations S.A., a director of Foncière de Lutèce; the permanent representative of MACIF, a member of the supervisory board, at OFI MGA S.A.S., (iii) a member of the management committee of SIEM S.A.S and a member of the management board of Mutavie S.E., (iv) chief executive officer of MACIF Mutavie Finance G.I.E., (v) chairman and member of the supervisory board of GPIM and chairman and member of the strategy committee of MACIFIMO, (vi) member of the supervisory board of New Alpha AM (from October 2013) and (vii) observer at OFI Convertibles (S.I.C.A.V., until April 2013). He was also Chief Executive Officer of GIE MMF.

In 2012

Olivier Arlès served as (i) a director of Compagnie Foncière de la MACIF S.A.S, MACIF Gestion S.A., OFI Asset Management S.A. and OFI Euro Souverains (S.I.C.A.V.), (ii) he served as the permanent representative of Mutavie, as a member of the Board at OFI Smidcap Opportunité (S.I.C.A.V.), OFI Tresor ISR (S.I.C.A.V.) and OFI Holding S.A.; the permanent representative of MACIF, director of OFI Euro Investment Grade (S.I.C.A.V.) and of OFI Palmares Actions Europe (S.I.C.A.V.); permanent representative of MACIF Participations S.A., a director of Foncière de Lutèce; the permanent representative of MACIF, a member of the supervisory board of OFI MGA S.A.S. and OFI Investment Solutions S.A.S, (iii) a member of the management committee of SIEM S.A.S and a member of the management board of Mutavie S.E., (iv) chief executive officer of MACIF Mutavie Finance G.I.E., (v) chairman and member of the supervisory board of GPIM and chairman and member of the strategy committee of MACIFIMO and (vi) observer at OFI Convertibles (S.I.C.A.V.).

In 2011

Olivier Arlès served as (i) director of Compagnie Foncière de la MACIF S.A.S, (ii) the permanent representative of Mutavie, a director of OFI Smidcap Opportunité (S.I.C.A.V.), OFI Tresor ISR (S.I.C.A.V.), (iii) a member of the management committee of SIEM S.A.S., (iv) chief executive officer of MACIF Mutavie Finance G.I.E. and (v) observer at OFI Convertibles (S.I.C.A.V.).

In 2009 and 2010

None.

Offices held in foreign companies by Olivier Arlès, the permanent representative appointed by MACIF

Mr Arlès is a director of OFI Lux (since September 2013).

Mr Ambrosie Bryant Chukwueloka Orjiako

Positions held in French companies

Ambrosie Bryant Chukwueloka Orjiako was a member of the Board of Directors of Maurel & Prom from 31 March 2010 until the date his resignation on 26 March 2013.

Positions held in foreign companies

Ambrosie Bryant Chukwueloka Orjiako is Chairman and a director of Seplat. He is also Chairman of Shebah Exploration and Production Company Limited and Chairman and director of several Nigerian companies, including Zebra Energy Limited, Shebah Marine Services Limited and Neimeth International Pharmaceuticals Plc.

In 2009, he already held the positions of Chairman and Chief Executive Officer of Shebah Exploration and Production Company Limited. He was also Chairman and Chief Executive Officer of Ordrec Investments Limited.

Mr Alexandre Vilgrain

Positions held in French companies

Alexandre Vilgrain has been a member of the Board of Directors of Maurel & Prom since 14 June 2007.

Alexandre Vilgrain has served as Chairman & Chief Executive Officer of Somdiaa since 2006 (he has also been Somdiaa's permanent representative on the Board of Directors of Sominfor since 2009), of Conetrage and Alexandre Vilgrain Holding since 2009 and of Europe des Pains since May 2012.

He has held the positions of Chairman of the Board of Directors of CIAN (since 2008), of Fromentiers de France (from 2009 to 2011) of which he became Chairman & Chief Executive Officer in 2012, and the Chairman of Fromentiers Magasins (May 2012).

Since 2008, he has been a director of Care France, Secria and Sonopros (until 1 January 2012).

Lastly, from 2009 to 2011, Mr Vilgrain served as the managing director of Fromimo and a member of the Supervisory Board of CFAO.

Positions held in foreign companies

Alexandre Vilgrain has been Chairman & Chief Executive Officer of Saris-Congo since 2009 and of Le Grand Moulin Du Cameroun (SGMC) since 2010 (he was previously a director from 2006 until 2010).

From 2006 to 2012, he was a director of the Gabonese company SMAG; of Société Sucrière du Cameroun (SOSUCAM), Compagnie Sucrière du Tchad (C.S.T.), the US company Food Research Corporation and SUCAF Côte d'Ivoire. Since 2012, he has also served as a director of SUCAF Gabon and SUCAF RCA.

(iii) Measures taken to promote the equality of men and women

As at the date of this Management Report, the Board of Directors comprises one woman and seven men.

To comply with the provisions of Law No. 2011-103 of 27 January 2011 relating to the balanced representation of men and

women on boards of directors, which states in particular that the proportion of directors of each sex must be no less than 20% at the close of the first Ordinary General Shareholders' Meeting following the first day of January of the third year following the year of publication of the Law, i.e. 1 January 2014, the Board of Directors of the Company decided, on 23 April 2014, on the recommendation of the Appointments and Compensation Committee meeting of 25 March 2014, to submit the appointment of Caroline Catoire as a director of the Company to the vote of the Company's shareholders attending the Combined General Shareholders' Meeting taking place on 19 June 2014 (two of the nine members of the Board of Directors, or 22.22%, will then be women).

(b) Chief Executive Officer

Pursuant to the provisions of Article 20 of the Company's Articles of Association, the Board of Directors, at its meeting of 22 September 2011, appointed Michel Hochard as Chief Executive Officer of the Company. His term of office, which expired at the end of the General Shareholders' Meeting of 20 June 2013 called to approve the 2012 financial statements, was renewed by the Board of Directors on 20 June 2013 for a period of one year, until the end of the General Shareholders' Meeting called in 2014 to approve the financial statements for the year ended 31 December 2013.

Michel Hochard holds a degree from the Institut Commercial de Nancy (ICN). He is a chartered accountant and has served as an internal auditor in the Finance Department of Elf Aquitaine, head of the Africa-Middle East finance department of this company, Chief Financial Officer of SNEAP and then of Elf Aquitaine Production. He was director of operations for PricewaterhouseCoopers BPO. He also currently holds the offices of Chief Financial Officer of Etablissements Maurel & Prom and has done since September 2007.

Pursuant to the legislative and statutory provisions, the Chief Executive Officer is vested with the broadest powers to act on behalf of the Company in all circumstances. He exercises these powers within the limit of the corporate purpose and subject to those powers expressly attributed by law to the General Shareholders' Meeting and to the Board of Directors. He represents the Company in its relations with third parties. The Company is bound even by acts of the Chief Executive Officer that are not within the scope of the corporate purpose, unless the Company can prove that the third party knew that the act was beyond the scope of said purpose or the third party could not be unaware of it given the circumstances, although mere publication of the Articles of Association does not constitute such proof.

Positions held in foreign companies

Michel Hochard has been a director of Seplat since 14 December 2009. He has also held the offices of Chairman and director of MPNATI (Switzerland) since June 2012.

Within the Maurel & Prom Group, Mr Hochard has been Chairman and director of Maurel & Prom Assistance Technique International (Switzerland) since October 2010, Chief Executive Officer of Maurel & Prom Gabon (Gabon) since 30 June 2009 and of Quartier Général Maurel & Prom (Gabon) since 30 June 2010. A director of Maurel & Prom Tanzania Ltd and Maurel & Prom Exploration Production Tanzania Ltd, he has also been the permanent representative of Etablissements Maurel & Prom on the Board of Directors of Maurel & Prom Congo (Congo) since 2009 and of Maurel & Prom Volney 5 since December 2010.

(c) Observer

Mr Roman Gozalo was appointed Company observer by the Board of Directors on 14 December 2011.

Mr Gozalo developed his management expertise by serving as the executive manager of three subsidiaries of the Total Group from 1979 to 2002 and also as Administrative Director (General Secretary) of the Elf Group from 1995 to 1999. He has held the office of Chief Executive Officer at TotalFinaElf Norway.

A member of the management board of Maurel & Prom from 24 October 2005 to 14 June 2007, Mr Gozalo held the position of Chief Executive Officer from 30 August 2007 until 19 May 2008. He has been a director of Maurel & Prom since the General Shareholders' Meeting of 12 June 2008; he was reappointed by the Ordinary and Extraordinary General Shareholders' Meeting of 29 June 2011.

(d) Management Boards

As at the date of this Management Report, the Company has no Deputy Chief Executive Officers.

(e) Family ties

As at the date of this Management Report, there are no family connections between members of the Board of Directors and the Chief Executive Officer.

(f) Legal information

As at the date of this Management Report, and to the best of the Company's knowledge, during the past five years at least, no member of the Board of Directors has been:

- convicted of fraud;
- involved, as an executive or non-executive corporate officer, in any insolvency, seizure or liquidation;
- prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from being involved in managing or conducting the affairs of an issuer;
- subject to an official public sanction issued by a statutory or regulatory authority (including designated professional bodies), with the exception of Mr Jean-François Hénin, who was ordered:
 - o by the Budget and Financial Discipline Court in the Altus Finance case to pay a fine (judgment of 24 February 2006), and who, following the approval of the settlement reached in July 2006 in the Executive Life case (a US case allowing the defendant to maintain his innocence while agreeing, depending on the circumstances, to plead guilty to the charges in order to end the prosecution), had to pay a fine of US\$1 million and has been prohibited from entering US territory for a period of five years. Lastly, in the Altus Finance case, the Paris high court, in a judgment handed down on 14 May 2008, acquitted Mr Jean-François Hénin of all of the charges against him, and
 - o by the disciplinary tribunal of the Autorité des marchés financiers, which, by a decision dated 4 December 2008, ordered Maurel & Prom and Mr Jean-François Hénin, Chairman of its Management Board at the time of the events, to pay financial penalties of €300,000 and €200,000 respectively for failure to disclose accurate, fair and precise information to the public in two statements released on 10 June and 26 October 2005. The statement published in June 2005 included the third-party portion in the oil reserves the Company had just acquired. The inclusion of this third-party portion also skewed the cost price per barrel announced to the public. The statement published in October 2005 indicated lower reserves and attributed the difference to a change in calculation criteria and the adoption of IFRS accounting standards without explicitly mentioning the fact that an error had been made in including the third-party share in the June statement. The disciplinary tribunal stressed the importance for an oil and gas exploration and production company of the basic distinction between the directly owned portion and the third-party portion, and the evident anomaly to which the inclusion of the third-party portion in calculating the purchase price had led. Furthermore, the AMF disciplinary tribunal also penalised Mr Frédéric Boulet, the former Chief Executive Officer of Maurel & Prom. Both Mr Hénin personally and Maurel & Prom appealed this decision under Articles R. 621-44 to R. 621-46 of the French Monetary and Financial Code. The Paris Court of Appeal, in a judgment dated 2 February 2010, dismissed the appeals against the AMF disciplinary tribunal's decision. Both Mr Hénin personally and Maurel & Prom have decided not to lodge an appeal with the Court of Cassation.

(g) Committees

At the meeting of 22 September 2011, the Board of Directors of the Company adopted by-laws establishing specialised committees: an Audit Committee and an Appointments and Compensation Committee. The members, operating rules and powers of the specialised committees are described in section 3.3.6 of this Management Report.

3.1.1.2 Members of Seplat's management and supervisory bodies

Seplat is a company limited by shares incorporated under Nigerian law. Since 14 April 2014, its shares have been listed on the stock exchanges in both London (LSE) and Lagos (NSE). It is governed by a Board of Directors and a Chief Executive Officer.

(a) Board of Directors

Seplat's Board of Directors was initially composed of five members, including two directors representing Shebah, one director representing Platform and two directors representing the Company, as well as a managing director, making a total of six members.

If Seplat's shareholders decide to increase the number of directors, each shareholder will be entitled to appoint additional directors on a pro rata basis to their equity interest in Seplat. Each of Seplat's shareholders may freely decide to dismiss the director(s) it has appointed, subject to notifying the other shareholders of their decision.

As at the date of this Management Report, Seplat's Board of Directors is composed of eight directors, one managing director and two executive directors.

The Board of Directors is chaired by a director of Shebah or Platform.

As at the date of the Management Report, the Chairman of the Board of Directors has been a director of Shebah, Mr Ambrosie Bryant Chukwueloka Orjiako, since 3 March 2010.

As at the date of this Management Report, the members of the Board of Directors are as follows:

Mr Michel Hochard, 64, director

The history of the positions that Mr Michel Hochard has held in the Company can be found in section 3.1.1.1 (b) of this Management Report.

Mr Macaulay Agbada Ofurhie, 68, director

Mr Macaulay Agbada Ofurhie has been a director of Seplat since 14 December 2009. He holds a Bachelor's degree in Sciences from the University of Ibadan in Nigeria.

He has over 30 years' experience in the oil and gas sector in Nigeria. Now retired, he held several executive posts during the course of his career with the Nigerian National Petroleum Corporation and the Directorate of Petroleum Resources. He was formerly Chief Executive Officer of the Nigerian Petroleum Development Company and the Nigeria Gas Company, both subsidiaries of the Nigerian National Petroleum Corporation.

Ms Ifueko Marina Omoigui Okauru, 51, independent director

Ms Ifueko Marina Omoigui Okauru has been a director of Seplat since 22 March 2013. She holds a Bachelor's degree in Accounting with first class honours and an MSc in Management Science.

Ms Omoigui Okauru has over 30 years' experience in the private and public sectors, where she has held various positions on boards of directors and in executive management. She was previously a partner at Arthur Andersen & Co (which became KPMG Professional Services and Accenture) and Executive Chairman of the Federal Inland Revenue Service of Nigeria. She is also a member of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. She is currently Managing Director of Compliance Professionals Plc.

Mr Charles Chinedu Okeahalam, 51, independent director

Mr Charles Chinedu Okeahalam has been a director of Seplat since 22 March 2013. He holds a Ph.D in Econometrics from the University of London, England, and a Higher Doctorate (D.Sc) in banking and finance from the University of Exeter, England.

Mr Okeahalam is the co-founder and Chief Executive Officer of AGH Capital, a private equity and investment fund in Johannesburg, South Africa. Before founding AGH Capital in 2002, he was the Liberty Life Chair Professor of Finance, Economics and Banking at the University of the Witwatersrand in Johannesburg, South Africa. He has experience in financial sector restructuring, capital market development and infrastructure financing and has served as a non-executive director of a number of large companies. He was a director of Cadiz Holding from 1999 to 2001, ABSA Corporate and Merchant Bank from 2001 to 2006, the Bond Exchange of South Africa from 2003 to 2009, Sun International South Africa from 2003 to 2005, National Discount House in Zimbabwe from 2001 to 2004 and South African Airways (2003-2006), where he also held the posts of Chairman of the Audit Committee and Chairman of the Investment Committee. Mr Charles Chinedu Okeahalam has just completed a two-year contract under which he was the non-executive chairman of Société Générale Bank Nigeria (SGBN), now known as Heritage Bank.

Mr Basil Efoise Omiyi, 68, independent director

Mr Basil Omiyi has been a director of Seplat since 22 March 2013. He holds a Bachelor's degree in Chemistry and a postgraduate diploma in Petroleum Technology.

He joined the Shell Group in 1970 as a trainee petroleum engineer, then held various positions in the Shell Group in the petroleum engineering, production, operations and external affairs departments in Nigeria, the Netherlands, and the United Kingdom before being appointed as Chief Executive Officer of Relations and the Environment at Shell Petroleum Development Company and joining its Board of Directors. In September 2004, he was appointed the first Nigerian Chief Executive Officer of Shell Petroleum Development Company and manager of Shell's companies in Nigeria. He held these positions until his retirement in December 2009 after 39 years with the Shell Group. He has also served as Chairman of the Oil Producers Trade section with the Chamber of Commerce and Industry of Lagos, Nigeria, since 2006.

Mr Michael Richard Alexander, 66, independent director

Mr Michael Richard Alexander has been an independent director of Seplat since June 2013. In 1969, he gained a Bachelor of Science degree in Chemical Engineering, followed in 1970 by a Master of Science in Computer Control of Process Plants, both from the University of Manchester. He is a member of the Institution of Engineering and Technology, the Institution of Chemical Engineers, the Institution of Gas Engineers and Managers and the Institute of Directors.

He was the Chief Executive Officer of British Energy Group plc from 2003 to 2005 and Executive Director of Centrica plc; prior to that, he held various offices at British Gas plc, including that of Managing Director of British Gas Trading and Commercial Director of British Gas Exploration & Production. Before joining British Gas plc in 1991, he spent 25 years in various roles at BP plc.

In addition to his offices at Seplat, he is also an independent director at the Payments Council Limited and senior board adviser at EGS Limited. He is also a member of the European Advisory Board of Landis & Gyr Limited.

Lord Malloch-Brown, 60, independent director

Lord Malloch-Brown has been an independent director of Seplat since February 2014. He gained a BA in 1975 and an MA in history from Magdalene College, Cambridge University in 1976, as well as an MA in political science from the University of Michigan in 1977.

Lord Malloch-Brown was a member of Prime Minister Gordon Brown's government from 2007 to 2009, with responsibility for strengthening relations with Africa and Asia. He was Chief of Staff at the United Nations and Deputy

Secretary General under Koffi Annan from 2005 to 2006. For six years prior to that, he was a director of the United Nations' Development Programme. From 1994 to 1999, he was Vice-President in charge of External Affairs for the World Bank. Before that, he started his career as a journalist with The Economist. Lord Malloch-Brown joined FTI Consulting in September 2010, where he is Chairman for the EMEA region. Lord Malloch-Brown also sits on the Royal Africa Society and on the boards of directors and advisory councils of not-for-profit organisations such as the International Crisis Group and the Open Society Foundation. He was made a Life Peer and Privy Counsellor when he joined the UK government in 2007. He is a member of the House of Lords and was created a peer by Her Majesty Queen Elizabeth II in 2007.

Mr Ambrosie Bryant Chukwueloka Orjiako, 52, Chairman

The history of the positions that Mr Ambrosie Bryant Chukwueloka Orjiako has held in the Company can be found in section 3.1.1.1 (a) (i) of this Management Report.

(b) Chief Executive Officer of Seplat

The meeting of the Board of Directors on 1 May 2010 appointed Mr Augustine Ojunekwu Avuru as Chief Executive Officer of Seplat.

The history of the positions that Mr Avuru has held in the company can be found in section 3.1.1.1 (a) (i) of this Management Report.

(c) Executive Director

Mr Stuart Connal, 57, Executive Director – Chief Operating Officer

Mr Stuart Connal has been an executive director of Seplat since 22 March 2013. He joined Seplat in 2010 as Chief Operating Officer to contribute the experience he has acquired in international greenfield and brownfield development operations.

Mr Connal is an engineer by training, with over 30 years' experience with top engineering companies (Aker, Kvaerner, Amec Process and Energy, and Brown and Root and McDermott) and major oil and gas companies. He worked for the Shell Group on the implementation of the Group's long-term field development strategy for the Brent field. He then held a number of senior positions, including director of construction and engineering with the Deutag group in Norway, where he worked on the development of new fields for Norsk Hydro, Statoil and Esso Norge. He then joined Centrica Energy, where he held various positions over the course of 10 years, including project director for new field development and for the Langeded gas terminal. Over the last four years, he has held the positions of Chief Executive Officer and Country Manager at Centrica Resources in Nigeria. He then joined Seplat as Chief Operating Officer.

Mr Roger Thompson Brown, 44, Executive Director – Chief Financial Officer

Mr Roger Thompson Brown has been Chief Financial Officer and an executive director of Seplat since July 2013. In 1992, he gained a Bachelor of Science degree in Finance from the University of Dundee, in Scotland, followed in 1993 by a Master of Science in Finance from the University of Ulster. He is also a member of the Institute of Chartered Accountants in Scotland.

He has 18 years' experience in the energy sector, primarily in emerging markets, with significant experience of major projects on the African continent. Before joining Seplat, he was Managing Director Oil and Gas EMEA for Standard Bank Group. From 2001 to 2005, he was Director of the Energy, Infrastructure and Services teams at Standard Bank. Before

joining Standard Bank, he worked at PricewaterhouseCoopers, advising government and private equity promoters in the United Kingdom and the Middle East.

3.1.2 POTENTIAL CONFLICTS OF INTEREST ON THE COMPANY'S ADMINISTRATIVE BODIES AND EXECUTIVE MANAGEMENT

Under the terms of Articles L. 225-38 and L. 225-40 of the Commercial Code, Jean-François Hénin is party to (i) two service agreements entered into between the Company and Seplat and between the Company and Etablissements Maurel & Prom, (ii) a mandate given by the Company to Seplat (it should be noted that this mandate was terminated by Seplat's stock market listing on 14 April 2014) and (iii) the partnership agreement entered into by the Company and Etablissements Maurel & Prom.

Mr Hénin is effectively both a director and Chairman of the Board of Directors of the Company, and Chairman and Chief Executive Officer of Etablissements Maurel & Prom. He was a director of Seplat up until the end of fiscal year 2013. Furthermore, he is also a shareholder of the Company, and of Etablissements Maurel & Prom through Pacifico.

Consequently, the two aforementioned agreements were submitted for the prior authorisation of the Board of Directors and for the approval of the Company's General Shareholders' Meeting as part of the related-party agreements procedure.

In addition, Xavier Blandin, Nathalie Delapalme, Emmanuel de Marion de Glatigny and Alexandre Vilgrain, directors of the Company and Roman Gozalo, observer, are also directors of Etablissements Maurel & Prom. Ambrosie Bryant Chukwueloka Orjiako ceased to be a director of the Company and of Etablissements Maurel & Prom on 26 March 2013, having submitted his resignation to the Board of Directors of Etablissements Maurel & Prom on that date. In addition, since that date, Gérard Andreck, who was a director of Etablissements Maurel & Prom and the permanent representative of MACIF, a director of the Company, has resigned from his duties as MACIF's permanent representative. He was replaced in this capacity by Olivier Arlès on 24 April 2013.

With the exception of the foregoing, to the Company's knowledge, as at the date of this Management Report, there are no potential conflicts of interest for (i) members of the Board of Directors between their duties toward the Company and their private interests, or (ii) the Chief Executive Officer, Michel Hochard, between his duties toward the Company and his private interests.

Finally, it should be noted that at its meeting of 27 March 2013, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, deemed that at that date, four directors fulfilled the criteria of independence stipulated by the recommendations of the Middlednext Corporate Governance Code. At its meeting of 19 December 2013, the Board of Directors confirmed the independence of these same four directors on the basis of the recommendations of the Middlednext Corporate Governance Code.

Furthermore, directors have an obligation to contribute toward good governance as defined in the Middlednext Corporate Governance Code (Code of Ethics for Board members).

3.2 Compensation and benefits

3.2.1 COMPENSATION AND BENEFITS OF ALL TYPES GIVEN TO CORPORATE OFFICERS

For the year ended 31 December 2013, with the exception of the Chairman of the Board of Directors and the Chief Executive Officer (see sections 3.2.1.2 and 3.2.1.3 of this Management Report), no corporate officer of the Company received compensation from the Company, for any reason, other than the directors' fees allocated each year to members of the Company's Board of Directors (see section 3.2.1.1 of this Management Report) and paid in 2014.

3.2.1.1 Non-executive corporate officers

The members of the Company's Board of Directors receive attendance fees which are voted on each year by the General Shareholders' Meeting. On the recommendation of the Appointments and Compensation Committee, the Board of Directors distributes the budget for directors' fees on the basis of the following rule:

- a fixed portion, which represents 50% of the overall budget and is proportionally distributed over the year of the duties; and
- a variable portion, representing 50% of the overall budget, which is allocated based on attendance and on the functions performed by each member (membership of a specialised committee, performance of the functions of Chairman of the Board of Directors).

The amount of directors' fees to be distributed among Board members in respect of fiscal year 2013 was set at €280,000 by the sixth resolution of the Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013.

At its meeting of 25 March 2014, the Company's Appointments and Compensation Committee recommended that the Board distribute to directors, as directors' fees for 2013, a total sum of €200,000 out of an overall amount available for distribution of €280,000, in accordance with the breakdown shown in the table below, which was approved by the Board of Directors at its meeting of 26 March 2014.

The members of the Board of Directors of the Company received the following amounts (indicated in the table below in euros) as directors' fees for fiscal years 2012 and 2013, paid in 2013 and 2014 respectively:

Board member	Fixed fees		Variable fees		Total	
	2013	2012	2013	2012	2013	2012
Mr Avuru	11,111	8,333	4,831	4,580	15,942	12,913
Mr Blandin	11,111	8,333	14,372	11,336	25,483	19,669
Ms Delapalme	11,111	8,333	16,908	11,450	28,019	19,784
Mr Gozalo	11,111	8,333	10,870	9,160	21,981	17,494
Mr Hénin	11,111	8,333	14,493	10,305	105,604	18,639
MACIF	11,111	8,333	4,831	3,435	15,942	11,768
Mr de Marion de Glatigny	11,111	8,333	17,995	12,137	29,106	20,471
Mr Orjiako	11,111	8,333	4,831	4,580	15,942	12,913
Mr Vilgrain	11,111	8,333	10,870	8,015	21,981	16,349
TOTAL	100,000	75,000	100,000	75,000	200,000	150,000

Furthermore, at its meeting of 25 March 2014, the Company's Appointments and Compensation Committee recommended that, in addition to the amounts stated above, the Board distribute to the Chairman of the Board of Directors, €80,000 as directors' fees for 2013, with €50,000 being paid in respect of the fixed portion and €30,000 in respect of the variable portion; this recommendation was approved by the Board of Directors at its meeting of 26 March 2014.

3.2.1.2 Executive corporate officers

(a) Compensation of the Chairman and Chief Executive Officer

Given the Company's development strategy and the resulting workload, at its meeting of 27 March 2013 the Board of Directors decided, on the recommendation of the meeting of the Appointments and Compensation Committee of 25 March

2013, to re-evaluate the compensation paid to these executives and to increase it to a gross annual sum of €50,000 each. On the recommendation of the meeting of the Appointments and Compensation Committee of 17 December 2013, the Board of Directors, on 19 December 2013, increased the fixed compensation for the Chief Executive Officer to €150,000 gross per annum for fiscal year 2014 and left the Chairman's compensation unchanged. A variable portion will be added to the compensation for the Chief Executive Officer's compensation, for which the amount and the form will be determined at a later date.

Furthermore, the Chairman and Chief Executive Officer are also directors of Seplat. As such, they received the following for the 2013 fiscal year:

- US\$55,000 in directors' fees and US\$19,375 as reimbursement of expenses to Jean-François Hénin; and
- US\$55,000 in directors' fees and US\$24,250 as reimbursement of expenses to Michel Hochard.

The executive corporate officers of the Company receive no benefits in kind.

The executive corporate officers of the Company receive no compensation or benefits other than those described in this section of the Management Report, and do not receive a severance package or any other sum which is or might be due when they leave the Company.

(b) Amounts provisioned by the Company and its subsidiaries to provide pension, retirement or similar benefits for executives

There is no specific supplementary pension plan for executives. They will benefit from the same pension plans as those applicable to Company employees.

3.2.1.3 Stocks options and bonus shares

The Board of Directors of the Company received authorisation from the Ordinary and Extraordinary Shareholders' Meeting of 7 October 2011, to issue bonus shares to eligible employees and corporate officers, up to a limit of 1% of the share capital (twenty-first resolution). As this authorisation is valid for 38 months, until 7 December 2014, a new authorisation will be requested by shareholders at the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014. Furthermore, a long-term incentive programme for employees and corporate officers, which is set to take the form of a free allocation of preference shares (share category to be created in advance), convertible to ordinary shares, will be put to the vote of shareholders attending the Ordinary and Extraordinary General Shareholders' Meeting taking place on 19 June 2014.

At its meeting of 27 March 2013, the Board of Directors of the Company approved the principle of an allocation of bonus shares to the Company's Chief Executive Officer, subject to performance conditions, as recommended by the Appointments and Compensation Committee meeting of 25 March 2013. On 20 June 2013, on the recommendation of the Appointments and Compensation Committee meeting of 25 March 2013, the Board of Directors of the Company decided on three mutually independent performance conditions (the sale of equity in Seplat, the diversification of Company assets and the level of the share price), limiting to 45,000 the number of bonus shares that can be allocated if these conditions are surpassed.

At its meeting of 26 March 2014, the Board of Directors of the Company established that these three conditions had been met or surpassed; accordingly, 45,000 shares were allocated to the Chief Executive Officer.

3.2.2 EQUITY INTEREST OF CORPORATE OFFICERS IN THE CAPITAL OF THE COMPANY

As at 31 December 2013 and to the best of the Company's knowledge, the Company's corporate officers hold a total of

37,229,583 shares in the Company, representing 32.28% of its capital and 33.31% of the exercisable voting rights (against 32.28% of theoretical voting rights).

The members of the Board of Directors are subject to the laws and regulations governing trading in securities for which they have information that is not yet public. In addition to the applicable laws and regulations, the Company wishes to ensure prudent management of its securities, in compliance with the regulations in force and, in accordance with the precautionary principle, shall alert the corporate officers and its employees, as well as persons acting on behalf of the MPI Group, to the rules associated with certain transactions on any financial instrument, as defined in Article L. 211-1 of the French Monetary and Financial Code, which has been or will be issued by the Company and on derivatives and other instruments related to these securities. In this respect, at its meeting of 22 September 2011, the Company's Board of Directors adopted a Code of Conduct relating to the prevention of insider trading that entered into force after the Company's listing on the NYSE Euronext regulated stock exchange in Paris on 15 December 2011; a summary of this Code is provided in section 7.3.4 of this Management Report.

To the Company's knowledge, the details of the equity interests held in the Company by the corporate officers at 31 December 2013 are shown in the table below.

Members of the Board of Directors	SHARES
Augustine Avuru	0
Xavier Blandin	0
Nathalie Delapalme	100
Jean-François Hénin (1)	28,749,616
MACIF	8,324,204
Emmanuel de Marion de Glatigny (2)	144,097
Ambrosie Bryant Chukwueloka Orjiako	0
Alexandre Vilgrain	0
<i>Roman Gozalo</i>	<i>11,566</i>

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

(2) Mr de Marion de Glatigny directly owns 120,847 shares of the Company and a further 23,250 shares indirectly, through a PEA (company shareholding plan) held in his spouse's name.

3.3 Operation of the administrative and management bodies

3.3.1 TERMS OF OFFICE OF MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

The table below indicates the dates on which the Company executives were first appointed and the dates on which their terms of office expire.

Name	Date of appointment	Date on which term of office expires	Position
Jean-François Hénin	15 November 2010	General Shareholders' Meeting called to approve the 2015 financial statements	Director / Chairman
Emmanuel de Marion de Glatigny	15 November 2010	General Shareholders' Meeting called to approve the 2015	Director

Name	Date of appointment	Date on which term of office expires	Position
		financial statements	
Alexandre Vilgrain	15 November 2010	General Shareholders' Meeting called to approve the 2015 financial statements	Director
Xavier Blandin	22 September 2011	General Shareholders' Meeting called to approve the 2015 financial statements	Director
Nathalie Delapalme	7 October 2011	General Shareholders' Meeting called to approve the 2013 financial statements	Director
MACIF, represented by Olivier Arlès*	7 October 2011	General Shareholders' Meeting called to approve the 2013 financial statements	Director
Ambrosie Bryant Chukwueloka Orjiako	7 October 2011	General Shareholders' Meeting called to approve the 2013 financial statements	Director
Augustine Ojunekwu Avuru	7 October 2011	General Shareholders' Meeting called to approve the 2013 financial statements	Director
Michel Hochard	22 September 2011	General Shareholders' Meeting called to approve the 2013 financial statements	Chief Executive Officer

*Mr Gérard Andreck was appointed permanent representative of MACIF on 26 October 2011. He resigned from this position on 26 March 2013 and was replaced by Mr Olivier Arlès on 24 April 2013.

3.3.2 DELIBERATIONS OF THE BOARD OF DIRECTORS

During the year ended 31 December 2013, the Board of Directors met eight times and the average attendance rate of its members was 79.17%. The table below shows the rate of directors' attendance at meetings of the Board of Directors of the Company held during the year ended 31 December 2013:

Board of Directors Meetings	Attendance rate
11 March 2013	89%
27 March 2013	67%
26 April 2013	89%
20 June 2013	56%
1 July 2013	78%
20 August 2013	67%
28 August 2013	89%
19 December 2013	100%
Average attendance	79.17%

The meetings of the Board of Directors of 27 March, 26 April, 21 June, 28 August and 19 December 2013 deliberated primarily on the following items on their respective agendas:

- 2013 proposed budget; review and approval of the company and consolidated financial statements for the year ended 31 December 2012; Proposed appropriation of income for the year ended 31 December 2012 and dividend distribution;
- Relocation of the Company's registered office and change of corporate name;
- Notice of the Ordinary and Extraordinary General Meeting; setting of the agenda and draft resolutions;
- Creation of subsidiaries;
- Allocation of bonus shares;
- Activation of the share repurchase programme;
- Review of the financial statements for the first half of 2013;
- Approval of the business report on the first half of 2013; draft press release on the results for the first half of 2013;
- Investment projects; and
- Presentation of a year-end estimate for 2013 and the draft budget for 2014.

3.3.3 ASSESSMENT OF THE WORK OF THE BOARD OF DIRECTORS

The Company's bylaws of 22 September 2011 set out, in Article 3, that the Board of Directors conducts, at the invitation of the Chairman of the Board, an assessment of its own operations and the preparation of its work once a year. The assessment of the operation of the Board of Directors is performed in accordance with recommendation 15 of the Corporate Governance Code for Small and Midcaps published by Middelnext in December 2009, to which the Company adheres.

At the initiative of the Chairman of the Board, an evaluation was conducted by means of a questionnaire given to each member of the Board of Directors. This questionnaire contained questions regarding the composition of the Board (number of directors, the number of independent directors, the professional backgrounds of the directors, average age, the number of women on the Board and the representation of foreign nationalities on the Board), the operations of the Board of Directors (frequency of meetings, duration of meetings, attendance at meetings, quality of the files sent to the directors before each meeting, the quality and quantity of the information provided and the quality of the minutes), the operations of the committees, the efficiency of the Board and the compensation of Board members.

A summary of the responses to the latest questionnaires sent out was presented to the Board of Directors on 26 March 2014. This self-assessment, which the Board of Directors discussed at its meeting of 26 March 2014, shows that directors are generally satisfied with the composition, operations and efficiency of the Board and with the compensation of Board members. However, members of the Board of Directors believe that consideration could be given to having younger and more foreign and female members on the Board and that the handling of certain issues could be improved. In addition, although satisfactory, the directors suggested that the questionnaire be improved/supplemented with space for comments after each question.

3.3.4 PREVENTION OF INSIDER TRADING

In order to ensure prudent management of its securities, in compliance with the regulations in force and, in accordance with the precautionary principle, to alert directors, the Chairman, the Chief Executive Officer and, if applicable when such positions exist, the Vice-Chairman, the Chief Operating Officer (together the "**Corporate Officers**") of the Company and its employees, as well as persons acting on behalf of the MPI Group, the Board of Directors of the Company decided, at its meeting of 22 September 2011, to adopt a Code of Conduct for the prevention of insider trading and to comply with the provisions of AMF Recommendation No. 2010-07 of 3 November 2010. This Code came into effect on 15 December 2011.

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

The code of ethics on the prevention of insider trading adopts the regulatory definition of inside information and gives examples of information that could be considered as such. This is the case, in particular, for information relating to the financial position of the business, the strategy and development priorities of the Company and/or the MPI Group and/or Seplat, the operational and commercial activity of the Company and/or the MPI Group and/or Seplat, and disputes, investigations or legal proceedings involving the Company and/or the MPI Group and/or Seplat in the courts or before arbitral or administrative judicial authorities. The code of ethics on the prevention of insider trading then outlines the type of person(s) that could be considered “insiders” within the meaning of the applicable regulations.

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

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

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

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

3.3.5 INFORMATION ON THE SERVICE CONTRACTS BINDING MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES TO THE COMPANY OR TO ANY OF ITS SUBSIDIARIES

There are no service contracts binding members of the administrative or management bodies to the issuer or any of its subsidiaries that grant benefits to such members.

3.3.6 COMMITTEES OF THE BOARD OF DIRECTORS

3.3.6.1 Audit Committee

(a) Composition of the Audit Committee

Pursuant to the provisions of Article 6.1 of the bylaws of the Board of Directors, adopted by the Board on 22 September 2011, the Audit Committee is composed of three directors selected by the Board of Directors from its members; the objective is for at least two-thirds of the committee to be independent directors. At its meeting of 2 November 2011, the Board of Directors appointed the following members, whose appointment became effective on the Listing date, 15 December 2011:

- Mr Xavier Blandin, Chairman, independent director;
- Mr Emmanuel de Marion de Glatigny, director; and
- Ms Nathalie Delapalme, independent director.

The Chair of the Audit Committee is elected by his/her peers. The directors who hold management positions within the Company may not be members of the Audit Committee.

The members of the Audit Committee are appointed for a term commensurate with their term of office as a member of the Board of Directors (which was decided by the Board of Directors of the Company dated 2 November 2011 for the members above), or for a term set by the Board of Directors. They may, however, resign during any meeting of the Board of Directors without reason or advance notice.

(b) Role of the Audit Committee

The general role of the Audit Committee, as defined by the bylaws of the Board of Directors adopted by the Board on 22 September 2011, is to assist the Board of Directors so that the Board has the information and resources needed to ensure the quality of internal controls and the reliability of the financial information provided to shareholders and the financial markets. The main duties of the Audit Committee include:

- monitoring the process of preparing financial information;
- reviewing the interim, annual, consolidated and company financial statements in coordination with the statutory auditors;
- verifying the relevance and permanence of the accounting methods adopted (i) to prepare the company and consolidated financial statements and (ii) for the scope of consolidation;
- reviewing major transactions that carry a risk of conflicts of interest between the Company and members of the Board of Directors;
- monitoring the statutory audit of the interim, annual, company and consolidated financial statements conducted by the statutory auditors;
- monitoring the independence of the statutory auditors;
- examining the main risks to which the Company is exposed and the solutions adopted by the Company to address such risks;
- monitoring the effectiveness of the internal control and risk management systems, and examining the report on these subjects by the Chairman of the Board of Directors to the General Shareholders' Meeting; and
- examining any subject likely to have a significant impact on the substance and presentation of the financial statements.

The Audit Committee issues recommendations on the statutory auditors proposed for appointment by the General Shareholders' Meeting.

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

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

The resolutions of the Audit Committee are adopted by majority approval of the members attending the meeting. Each member has one vote. In the case of a tied vote, the Chairman shall have the casting vote. The Audit Committee may issue non-binding written or verbal recommendations for the Board of Directors. The members of the Audit Committee may, as part of their duties, interview the Company's executives, including the Chief Executive Officer.

In 2013, the Audit Committee met three times, to approve the annual financial statements for 2012, to approve the 2013 interim financial statements, and to review the annual financial statements and the projected budget.

3.3.6.2 Appointments and Compensation Committee

(a) Composition of the Appointments and Compensation Committee

Pursuant to the provisions of Article 6.1 of the bylaws of the Board of Directors adopted by the Board on 22 September 2011, the Appointments and Compensation Committee is composed of three directors selected by the Board of Directors from among its members or from outside the Company; the objective is for at least half of the committee to be independent directors. At its meeting of 2 November 2011, the Board of Directors appointed the following members, whose appointment became effective on the Listing date, 15 December 2011:

- Mr Emmanuel de Marion de Glatigny, Chairman, director;
- Mr Alexandre Vilgrain, independent director; and
- Ms Nathalie Delapalme, independent director.

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

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

(b) Roles of the Appointments and Compensation Committee

(i) Selection and appointment missions

The Chairman of the Company shall be involved in the work of the Appointments and Compensation Committee.

Applicants for director positions

The Appointments and Compensation Committee may have to make proposals and give opinions on individual candidates, whether independent or not, for positions as directors of the Company.

Applicants for executive corporate officer positions (Chief Executive Officer/Deputy Chief Executive Officer)

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

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

Recruitment of executives who are not corporate officers

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

(ii) Duties relating to compensation

Compensation of executive corporate officers

The Appointments and Compensation Committee has a duty to make proposals on the compensation of executive corporate officers (the amount of fixed and variable compensation, if any).

The Appointments and Compensation Committee bases its proposals for the compensation of executive corporate officers on such principles as thoroughness, balance between compensation elements, benchmarks, consistency, clarity of rules, moderation and transparency.

The Appointments and Compensation Committee also makes recommendations with regard to the pension and benefits plan, benefits in kind and rights to various financial rights for executives and corporate officers and the financial conditions of their departure.

The Appointments and Compensation Committee makes its proposals at the beginning of each fiscal year for the year in

progress. In particular, at the beginning of each year the Appointments and Compensation Committee issues an opinion on the details of compensation, company benefits and benefits in kind for the Chairman and Chief Executive Officer, or the managing director, in compliance with regulations and market conditions and in the best interests of the Company.

Compensation policy for executives who are not corporate officers

The Appointments and Compensation Committee ensures that the compensation policy for executives who are not corporate officers of the Company is consistent with market practices and in the Company's best interests.

Distribution of directors' fees and exceptional compensation

The General Shareholders' Meeting of 21 June 2013 set the amount of the directors' fees to be distributed among Board members for 2013 at €280,000. All €280,000 of this budget was used (see section 3.3.6.2 of this Management Report). It is noted that the Board of Directors' meeting of 26 March 2014, on the recommendation of the Appointments and Compensation Committee meeting of 25 March 2014, decided to recommend to the Company's shareholders at their meeting on 19 June 2014 that the budget for directors' fees be set at €360,000 for fiscal year 2014.

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

The Appointments and Compensation Committee met three times in 2013. It made decisions on the distribution of directors' fees for 2012, the compensation of the Chairman of the Board of Directors and the Chief Executive Officer, the amount of directors' fees for 2013 and the self-assessment of the Board of Directors.

3.3.6.3 Observer

Pursuant to the provisions of Article 5 of the bylaws of the Board of Directors, adopted by the Board on 22 September 2011, the Board may appoint to the Company one or more observers, who must be individuals, but not more than four.

At its meeting of 14 December 2011, the Board of Directors appointed Roman Gozalo as observer.

3.3.7 DECLARATION RELATING TO CORPORATE GOVERNANCE

In the interests of transparency and public information, on 22 September 2011 the Board of Directors decided, in accordance with the provisions of Article L. 225-37 of the French Commercial Code, to commit voluntarily to the Corporate Governance Code for Small and Midcaps published by Middlednext in December 2009. The Company decided to comply with all recommendations of this Code.

3.3.8 INTERNAL CONTROL AND RISK MANAGEMENT

3.3.8.1 Internal control within the Company

(a) Scope of internal control

Internal control within the Company can be defined as all policies and procedures for control designed to ensure:

- the reliability and fair presentation of accounting and financial data;
- the accuracy and completeness of accounting records;
- the execution and optimisation of the Company's transactions;
- that the acts of management and execution of transactions are consistent with the guidelines issued for the Company's activities by the corporate bodies and with the Company's values, standards and internal rules;
- adherence to applicable local laws and regulations; and
- the protection of the Company's assets.

The aim of the internal control that the Company intends to implement will be to provide reasonable assurance of

compliance with the rules and regulations, the security of assets and the effectiveness of operations. It cannot, however, provide an absolute guarantee that all risks will be totally eliminated.

(b) Risk management

The Company has a risk identification and management system similar to that in operation within its former parent company, Maurel & Prom. The adoption, implementation, and application of these measures are explained and all the more consistent since it is the teams from Maurel & Prom, under the Transitional Services Agreement, who are responsible for these measures since the Listing.

Risk management consists of an understanding of the risks incurred due to the Company's activity, in addition to the monitoring measures that must be established to prevent such risks.

The main external risks are oil prices and the legal and political risks related to Seplat's exploration and production zones, as described in section 2, "Risk factors", of the Annual Report for 2012 registered by the Autorité des marchés financiers on 9 July 2013 and available on the Company's website at www.mpienergy.com.

The Company and Seplat have arranged suitable insurance policies for the risks incurred in connection with the activities carried out.

(c) Supervision of internal control procedures

(i) Board of Directors

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

(ii) Audit Committee

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

The main duties of the Audit Committee are described in section 3.3.6.1 (b) of this Management Report.

The Audit Committee relies on services rendered by Maurel & Prom under the Transitional Services Agreement. The duties assigned will specifically take into account the assessment of the most significant risks. The weighting, contribution, priority and development are the parameters that will be taken into consideration in the risk assessment. The action plans decided following the audits will be regularly monitored by the Audit Committee.

(iii) Executive management

The executive management's role is to define the general principles governing internal control and to ensure their proper application.

(iv) Statutory auditors

The statutory auditors, through their various checks, exercise the necessary professional diligence to validate the preparation, treatment and consistency of the consolidated accounting and financial information.

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

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

3.3.8.2 Seplat's internal control procedures

(a) Scope of internal control

Seplat's internal control can be defined as all policies and procedures for control designed to ensure:

- control over and the efficiency of transactions;

- reliability of the financial information; and
- the legal and regulatory compliance of Seplat's operations.

Internal control consists of a set of rules aimed at:

- ensuring the correct operation of Seplat's internal processes, particularly those contributing to the protection of its assets (tangible and intangible);
- faithfully recording all operations performed by Seplat in order to guarantee comprehensive and precise information in accordance with the laws and regulations governing the oil and gas industry; and
- implementing effective internal control procedures.

(b) Implementation of internal control procedures

For the purpose of its stock market listing in London and Lagos on 14 April 2014 and in compliance with the new regulations applicable in Nigeria, Seplat has adopted the IFRS standards and has taken and continues to take steps to improve its financial reporting and internal control. Seplat has introduced reporting procedures, practices and internal controls that are typical of those in place in international listed companies, has hired qualified individuals for its Finance department and has outsourced the internal audit function to reinforce its independence.

An audit committee and an HSE and risk management committee were created within Seplat's Board of Directors.

Lastly, Seplat's statutory auditors perform the internal control audits they deem necessary as part of their duties.

Seplat's internal control procedures consist of the following interdependent elements:

(i) Definition of objectives

Seplat's Board of Directors and Management Committee define the objectives for internal control, based on the risks to which it is exposed. Seplat's objectives can be divided into three categories:

- strategic objectives;
- operational objectives;
- legislative and regulatory compliance objectives.

(ii) Identification of an event

The Head of Business Risk & Controls performs an assessment of internal and external events that could have an influence on the achievement of its objectives by identifying and distinguishing events with a negative impact on activities (risks) and those with a positive impact (opportunities).

(iii) Risk assessment

The internal auditors assess the risks identified in terms of impact and probability of occurrence and quantify those risks in order to determine the appropriate means to manage these risks.

(iv) Risk response

Seplat's Management Committee chooses, on a case-by-case basis, the solution that seems most adapted to the risk encountered by adopting one of the following approaches: rejection, acceptance, reduction or sharing of the risk.

(v) Information and communication

All risk activities and risk analysis results are documented in regular reports to the internal auditors and the Head of Business Risk & Controls. Information is sent to the various departments concerned for a rapid decision.

(c) Supervision of internal control procedures

Seplat's Board of Directors, which specifically defines ethical standards (company values and code of conduct), is in charge of overseeing internal control procedures.

The effectiveness of internal control is guaranteed by regular performance checks, the implementation of a secure IT system, an internal organisational structure that is subject to approval and authorisation and the sharing of tasks and responsibilities, under the specific supervision of the Risk and HSE Management Committee of Seplat's Board of Directors.

The purpose of the Risk and HSE Management Committee is to assist the Board, which is responsible for:

- improving transparency, and the development by Seplat of fair dealing and procedures for procurement;
- supervising Seplat's risk management, including the policies and key practices used to manage credit and market risk, operational risk and a number of other risks such as health, safety and environmental risk, as well as risks associated with related-party transactions and conflicts of interest;
- supervising Seplat's policy and practice relating to matters of cash flow and more generally, matters relating to capital, liquidity and financing, as well as to merger and acquisition activity and business diversification;
- giving advice on setting up and maintaining an internal control framework at Seplat, and
- the development of a mechanism for supervising and for declaring to the Board risk factors or issues relating to Board risks.

For this purpose, the committee's responsibilities include:

- analysis and approval of Seplat's risk management policies and strategy;
- the examination of risk management procedures for credit, market and liquidity risk, including policies and procedures and the systems used by management to manage risk, as well as the methods and approaches for evaluating risk (stress testing);
- the centralisation of information originating from the Finance Department, the Business Risk and Controls Unit, the Legal Department, Seplat's statutory auditors, regulators and external experts, if applicable, on any topic relating to risk management;
- in consultation with the Audit Committee, analysing the main guidelines and policies governing major Seplat processes relating to risk assessment and risk management at least once a year, in conjunction with the management team;
- the assessment of the effectiveness of Seplat's policies and systems for identifying and managing environmental, health and safety risks in respect of its operations;
- scrutiny of the results of independent audits of the Group's performance as regards environmental, health, safety and community relations issues, the scrutiny of all strategies and action plans developed by management in response to issues raised and, if applicable, the preparation of recommendations for the Board of Directors.



3.4 Report of the Statutory Auditors, prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors of the Company

INTERNATIONAL AUDIT COMPANY

46, rue du Général Foy
75008 Paris

a simplified joint stock company (SAS) with capital of €46,000

Statutory Auditor
Member of the Compagnie
Régionale de Paris

FRANÇOIS CARREGA

13 Boulevard des Invalides
75007 Paris

Statutory Auditor
Member of the Compagnie
Régionale de Paris

MPI

(Formerly Maurel & Prom Nigeria)

Year ended 31 December 2013

Report of the Statutory Auditors, prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors of MPI

Dear Shareholders,

In our capacity as statutory auditors of MPI and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by your company's Chairman, in accordance with Article L. 225-37 of the French Commercial Code for the fiscal year ended 31 December 2013.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code relating in particular to corporate governance arrangements.

We are required to:

- report on any matters relating to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- certify that the report also includes the other information required by Article L. 225-37 of the French Commercial Code. It should be noted that it is not our responsibility to verify the accuracy of this other information.

We have carried out our work in accordance with the professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures mainly consist of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work leading to the preparation of this information and the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information on the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We hereby certify that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris, 30 April 2014

The Statutory Auditors

INTERNATIONAL AUDIT COMPANY

François Carrega

Daniel de Beaurepaire

4

Corporate, social and environmental responsibility

- 4.1** Corporate information
 - 4.1.1 Employment
 - 4.1.2 Organisation of work
 - 4.1.3 Industrial relations
 - 4.1.4 Health and safety
 - 4.1.5 Training
 - 4.1.6 Equality of treatment
 - 4.1.7 Promotion of and compliance with the International Labour Organisation's Fundamental Conventions

- 4.2** Environmental information
 - 4.2.1 General environmental policy
 - 4.2.2 Pollution and waste management
 - 4.2.3 Sustainable use of resources
 - 4.2.4 Climate change
 - 4.2.5 Protection of biodiversity

- 4.3** Information on corporate commitments to promote sustainable development
 - 4.3.1 Regional, economic and social impact of the Company's operations
 - 4.3.2 Relations between persons or organisations with an interest in the Company's operations
 - 4.3.3 Subcontractors and suppliers
 - 4.3.4 Fair practices
 - 4.3.5 Other actions undertaken to promote human rights

In accordance with the provisions of the French Commercial Code pursuant to the New Economic Regulations Act of May 2001, as amended by the Law of 12 July 2010 on national commitment to the environment (the “Grenelle” Law), the Law of 22 October 2010 on banking and financial regulation, the Law of 27 January 2011 on the balanced representation of men and women on boards of directors and supervisory boards and on professional equality, the Law of 16 June 2011 on immigration, integration and nationality, and the Law of 22 March 2012 on the simplification of legal and administrative procedures, the Management Report presents information on the manner in which the Company takes into account the social and environmental consequences of its activities as well as its societal commitments to promote sustainable development, non-discrimination and diversity. This presentation is made in accordance with the terms of the Decree of 24 April 2012 relating to the obligation of corporate transparency in social and environmental matters.

Therefore, this chapter on Corporate Social Responsibility sets forth the corporate information, for the Company, its subsidiary MPNATI and Saint-Aubin Energie, on the workforce, compensation, organisation of work, labour relations, accidents in the workplace and occupational illness, as well as the promotion of and compliance with the core conventions of the International Labour Organisation.

It is noted that, as at the date of this Management Report, the Company holds 21.76% of Seplat’s capital, following completion of the Seplat stock market listing on 14 April 2014 (and after exercise of the over-allocation option). The legal and regulatory provisions stipulate that the information provided in relation to corporate social responsibility must be consolidated when the company prepares consolidated accounts, and this information must pertain to the company itself and to all its subsidiaries within the meaning of L. 233-1 of the French Commercial Code or to the companies that it controls within the meaning of L. 233-3 of said Code.

Accordingly, since the Company does not control Seplat, this chapter does not contain any information pertaining to Seplat.

Furthermore, as at 31 December 2013, neither Saint-Aubin Energie nor its subsidiaries had any employees, nor did it operate any of the oil projects (described in sections 1.1.2 and 1.2.2 of this Management Report) in which it holds an interest.

In the light of all these elements, the Company has not appointed an independent third party organisation to draw up a report on corporate social responsibility information this year.

4.1 Corporate information

4.1.1 EMPLOYMENT

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

As at 31 December 2013, the Company had three employees and MPNATI, the subsidiary of the Company that carries the Company’s international staff, had two employees. By way of reminder, as at this date, neither Saint-Aubin Energie nor its subsidiaries had any employees.

Since the Listing, the Company has benefited from the expertise and assistance of Maurel & Prom in the exploration and production of hydrocarbon fields under the terms of the Transitional Services Agreement concluded with Maurel & Prom on 2 November 2011 for a term of 12 months and which may be renewed for the same period at the Company’s request. Under this agreement, Maurel & Prom agreed to perform the technical assignments and work that will be needed by the Company. The Agreement, which took effect on 15 December 2011, was renewed for a further one-year period on 5 November 2012, and again on 5 November 2013 for another period of one year.

The tables below indicate the respective distribution of the employees of the Company and MPNATI as at 31 December 2013, according to the following criteria: position, age group, geographic region and gender. By way of reminder, as at this date, neither Saint-Aubin Energie nor its subsidiaries had any employees.

Position	2013	2012
Engineers/geoscientists	1	1
Technicians	0	0
Support staff	4	2
TOTAL	5	3

Breakdown by age range	2013	2012
< 25 years old	0	0
25 to 34 years old	2	1
35 to 44 years old	0	0
45 to 54 years old	1	0
> 55 years old	2	2
TOTAL	5	3

Geographic distribution (employees recorded, all types of employment contract) by gender	2013		2012	
	Men	Women	Men	Women
Africa (Nigeria)	2	0	2	0
Europe	3	0	1	0
SUBTOTAL	5	0	3	0
TOTAL	5		3	

4.1.1.2 Recruitment and dismissals

The transition period during which the Company benefits from the Transitional Services Agreement concluded with Maurel & Prom allows the Company to organise its recruitment process in order to secure quality employees who have the required expertise in exploration/production.

The table below shows the new employees hired by the Company and MPNATI during fiscal year 2013:

Recruitment	2013			2012		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Company + MPNATI	1	1	2	4	0	4

Neither Saint-Aubin Energie nor its subsidiaries hired any employees during the fiscal year ended 31 December 2013.

The table below shows departures, excluding retirees, role changes and early retirement:

	2013	2012
Departures excluding retirees/role changes/early retirement	1	0
Voluntary departures (resignations, negotiated departures, contract terminations)	0	1
Dismissals	0	0
Deaths	0	0
Total departures / total workforce	0.20	0.25

Other than for reasons of retirement, transfer or early retirement, there were no departures from Saint-Aubin Energie or its subsidiaries during the fiscal year ended 31 December 2013.

4.1.1.3 Compensation and changes in compensation

For the Company and MPNATI, the payroll covering salaries, social security contributions, employer's contributions and bonuses was as follows (in thousands of euros):

	2013	2012
Payroll	1,605	560.99

As neither Saint-Aubin Energie nor its subsidiaries had any employees during the fiscal year ended 31 December 2013, the payroll is therefore zero for these companies.

(a) Profit-sharing

In order to attract quality employees and provide them with a stake in the performance of the Company, MPI has set up a profit-sharing plan and a company savings plan.

Profit-sharing plan

On 26 June 2012, the Company established a three-year profit-sharing plan, covering 2012, 2013 and 2014. Under the terms of this plan, any employee affiliated with the Company by an employment contract, who has worked for MPI for three months or more, benefits from the incentive even if he/she is no longer an employee at the end of the fiscal year.

The method for calculating the incentive is based on (i) the level of equity interests held by the Company, (ii) the level of dividend distribution by the equity interests held by the Company, (iii) the increase in the market value of the Company in relation to the CAC Mid & Small and (iv) the increase in hydrocarbon reserves within the equity interests held by the Company.

Payments will be allocated among the employees of the Company in proportion to their basic salary for the year. This choice is motivated by a dual goal: to increase employee solidarity in order to stimulate the group productive dynamic, and to respect the contribution of each person to the effort to increase productivity and improve the organisation of the work.

Company savings plan

On 23 November 2012, the Company established an employee savings policy offering all employees the benefit of a company savings plan ("plan épargne entreprise" or "PEE"). This PEE has an indefinite term. Under the terms of the PEE, any employee who has been part of the Company for three months will be eligible for the company savings plan.

The PEE is funded through (i) scheduled or periodic voluntary contributions made by each beneficiary, (ii) additional

payments from the Company, (iii) all or some of the incentive bonuses, (iv) all or some of the profit-sharing, (v) the transfer of sums from another employee savings plan with an identical term, and (vi) the transfer of sums and rights from a time savings account. It is, however, specified, that the annual voluntary payments from a beneficiary (including profit-sharing) may not exceed 25% of his/her annual compensation or professional income subject to income tax for the previous year.

If it wishes, the Company can fund the PEE by supplementing the payments of the beneficiaries participating in the PEE with a maximum employer's contribution equal to 300% of their payments. The annual contribution paid by the Company for each employee is capped at the statutory limit, which is 8% of the annual social security ceiling (for information, this was €2,963.00 for the 2013 calendar year).

Pension plan and other benefits

The Company has joined a supplementary retirement plan which is a group insurance agreement from Generali. This affiliation covers current and future personnel of the Company, and the rates of employer contributions are 8% on tranches A, B and C. The total amount paid by the Company for this plan was €11,969.

4.1.2 ORGANISATION OF WORK

4.1.2.1 Organisation of working time

Organisation of working time within the Company

In France, the Company has applied the collective agreement of the oil industry since 15 June 2012.

Working hours

During the fiscal year ended 31 December 2012, the Company established a system of a fixed number of days for (i) managers who have independence in the use of their time and (ii) self-employed workers. This system counts the working time of the people concerned in days and not in hours. An annual limit is set by collective agreement at a maximum of 218 days, but an employee may legally work beyond this limit up to 282 days. This system was applied for the fiscal year ended 31 December 2013.

To date, given the number of employees in the Company, no protocol for the adjustment and reduction of working time has been adopted by the Company.

Overtime

Insofar as an employee employed with "fixed days" can work beyond 218 days, thus recovering the additional days worked, the Company does not use overtime hours.

4.1.2.2 Absenteeism

For the year ended 31 December 2013, the rates of total absenteeism and absenteeism due to illness for the Company and MPNATI were zero. By way of reminder, as at this date, neither Saint-Aubin Energie nor its subsidiaries had any employees.

4.1.3 INDUSTRIAL RELATIONS

4.1.3.1 Organisation of social dialogue, notably procedures for employee information, consultation and negotiation

As a result of the current structure of the MPI Group, social dialogue within the Company and its subsidiary MPNATI takes place directly between the management teams of these companies and their employees on issues relating particularly to working time, the organisation of working time and compensation.

4.1.3.2 Overview of collective agreements

Given the current number of employees in the Company and MPNATI, no collective agreement has been signed to date with the employees of these entities.

4.1.4 HEALTH AND SAFETY

Health and safety are a key concern for the MPI Group. The Company is committed to continuing to improve working conditions, preventing risks and reducing nuisance, in compliance with national regulations. As a result of the current structure, the Chief Executive Officer of the Company assumes direct responsibility for matters relating to health, safety and the environment (HSE).

Within the MPI Group's subsidiaries, the legal representatives for each subsidiary are responsible for HSE issues and are tasked with ensuring that the health and safety of individuals, environmental protection and the protection of goods and property are respected in all operations of their subsidiary.

4.1.4.1 Occupational health and safety conditions

The Company and MPNATI shall ensure that their employees carry out their duties in good health and in a safe environment.

4.1.4.2 Overview of collective agreements on occupational health and safety signed with trade unions or employee representatives with respect to health and safety in the workplace

The Company has not signed any agreement with its employees relating to health and safety.

4.1.4.3 Workplace accidents and occupational illness

In 2013, there were no accidents at work among employees of the Company and MPNATI.

The Company and MPNATI did not declare any occupational illnesses in 2013.

4.1.5 TRAINING

4.1.5.1 Training policies implemented

The Company and MPNATI value and encourage the implementation of training measures insofar as such measures improve employee effectiveness and performance and ensure that its operations are carried out under satisfactory safety conditions.

4.1.5.2 Number of hours of training

One hundred (100) hours of training have been recorded for Company and MPNATI employees.

4.1.6 EQUALITY OF TREATMENT

4.1.6.1 Measures taken to promote the equality of men and women

The MPI Group does not discriminate between men and women when hiring to fill vacancies, paying close attention to the balance of men and women.

4.1.6.2 Measures taken to encourage the employment and integration of people with disabilities

The MPI Group's general policy establishes the principle of equal opportunity in recruitment, compensation, benefits, promotion and access to opportunities for learning and development.

4.1.6.3 Anti-discrimination policy

The MPI Group's general policy establishes the principle of equal opportunity in recruitment, compensation, benefits, promotion and access to opportunities for learning and development.

4.1.7 PROMOTION OF AND COMPLIANCE WITH THE INTERNATIONAL LABOUR ORGANISATION'S FUNDAMENTAL CONVENTIONS

4.1.7.1 Freedom of association and the right to collective bargaining / Elimination of discrimination in respect of employment and occupation / Elimination of forced and compulsory labour / Effective abolition of child labour

The MPI Group's general policy complies with the general principles of international law (OECD, ILO and EU law) as well as national laws that exclude, in particular, all forms of discrimination, harassment, forced labour and child labour.

4.2 Environmental information

The MPI Group's operations may have consequences for the environment and natural resources that must be measured, controlled and minimised. Furthermore, any potential environmental disturbance or damage could expose the Group to various risks, which could generate additional costs and also undermine the Company's image and reputation.

In terms of environmental protection, the Company's objective is to preserve the areas that may be affected by its activities, or those in which it has interests, and to raise awareness among its partners and neighbouring local communities of the sensitive topic of the environment and its conservation and protection. The Company shall ensure that these subsidiaries implement an environmental management programme to identify, prevent and mitigate environmental risks. The Company's environmental policy is based on control of its energy consumption and optimal management of its release of waste products.

Furthermore, and as a result of its operations, the MPI Group's environmental footprint remains very small.

4.2.1 GENERAL ENVIRONMENTAL POLICY

The Company undertakes to comply with the principles of sustainable development in its operations. It shall ensure that environmental protection and compliance with local regulations, international instructions and codes of good practice are taken into consideration when conducting its operations. It shall also ensure that its partners act in compliance with local regulations, international instructions and codes of good practice relating to the environment.

Given the structure of the Company, consideration for environmental issues is integrated into its management system at the very highest level, since the Chief Executive Officer of the Company is responsible for managing HSE policy and the managers of the subsidiaries are tasked with the same responsibility in respect of said subsidiaries.

The Company's environmental protection strategy involves continually ensuring employee and contractor awareness.

As the Company is not an operator, and its only business is as a holding company, it does not have a dedicated budget for environmental protection or the prevention of pollution; nonetheless, this issue is considered in the management team's decision-making process.

4.2.2 POLLUTION AND WASTE MANAGEMENT

The Company tracks issues relating to pollution and waste management. However, with regard to its operations during fiscal year 2013, the Company did not produce any dangerous waste.

4.2.2.1 Measures to prevent, reduce or remedy releases into the air, water and soil that seriously affect the environment

(a) Air

Owing to the nature of its operations, the Company does not release any atmospheric emissions and it is mindful of preventing and reducing atmospheric emissions and pollutant releases as far as possible.

Insofar as control measures allow, the Company carefully monitors the quality of atmospheric releases associated with its operations and with projects in which it has an interest via Saint-Aubin Energie.

(b) Water

Owing to the nature of its operations, the amount spent on water by the Company cannot be quantified and is not significant. To the extent that it is able to influence the operators of projects in which it has an interest via Saint-Aubin Energie, the Company strives to reduce the environmental impact of its operations, particularly with regard to managing water.

(c) Soil

Insofar as is possible, and in keeping with its operations, the Company ensures that steps are taken to prevent any risk of soil pollution in respect of the projects with which it is involved via Saint-Aubin Energie.

4.2.2.2 Consideration of noise and any other form of pollution specific to an activity

The Company's business operations mean that it is not a source of noise pollution, and it ensures that the operators responsible for projects in which it has an interest via Saint-Aubin Energie perform regular maintenance on their equipment, and that they have due regard for reducing noise pollution.

4.2.3 SUSTAINABLE USE OF RESOURCES

4.2.3.1 Water consumption and water supply based on local constraints

Owing to the nature of its operations, the Company uses fresh water for domestic purposes. In 2013, its consumption of fresh water was not quantifiable, and remained insignificant.

4.2.3.2 Consumption of raw materials and measures taken to improve efficiency of use

The main raw materials consumed by the Company's operations are water and power; they are neither quantifiable nor significant.

4.2.3.3 Energy consumption, measures taken to improve energy efficiency, and use of renewable energy

Owing to the nature of its operations, the Company is not required to be able to use various sources of renewable energy.

4.2.3.4 Land use

In view of its operations, the Company shall ensure that the operator takes all steps to protect groundwater extraction infrastructure on sites that supply their own water for drilling.

4.2.4 CLIMATE CHANGE

4.2.4.1 Greenhouse gas (GHG) emissions

In oil exploration and production activities, greenhouse gas emissions are mainly linked to natural gas associated with oil production, which may be flared, vented or possibly leaked. It is standard practice to "flare" (burn off) excess gas to ensure the safety of the facility. The quantity of gas flared can also depend on whether or not processes have been put in place for reinjecting gas and infrastructures for processing gas, using the gas internally at the facility, selling the hydrocarbons extracted commercially or even the type of hydrocarbon extracted. Flared gas is therefore a non-value-adding resource and a source of pollution. In recent years, the sector has made progress in reducing the volumes of gas flared and the associated greenhouse gas emissions.

Through its business activity, the Company encourages operators to implement and follow a gas flaring elimination programme.

4.2.4.2 Adapting to the consequences of climate change

A large number of specific impacts of climate change are highly uncertain. In this context, for the oil and gas sector, adaptation to climate change means, first, improving the reliability and flexibility of the infrastructures and, second, boosting the "adaptation capacity" of the sector, the host countries and their people.

The adaptation strategy necessitates the inclusion of the impact of climate change in the risk management system at the sector level and throughout the entire value chain. It means planning responses and technical solutions to alleviate these risks, and share this knowledge with the countries and communities in order to assist them in planning the adaptation to climate change, such as, for example, preparing for emergency situations. The Company is sensitive to the responses and solutions that it must provide and, commensurate with its role in the projects in which it is involved via Saint-Aubin Energie, it ensures that an adaptation policy is defined.

4.2.5 PROTECTION OF BIODIVERSITY

4.2.5.1 Measures taken to preserve or develop biodiversity

The Company takes care to ensure that the potential impact on biodiversity of operations in the permits in which it is active via Saint-Aubin Energie is evaluated in environmental impact studies. Insofar as is possible, it ensures that animal species are surveyed, detailed forestry inventories are produced and environmental management plans are drawn up. Preservation of the ecosystem requires training and raising the awareness of staff, subcontractors and local populations, by emphasising the prohibition on clearing plant material, hunting and poaching; in this respect, its focus is on ensuring awareness amongst the staff involved and surrounding communities.

4.3 Information on corporate commitments to promote sustainable development

The Company's societal policy is reflected in the basic principle that the development of relationships with its stakeholders, viewed as a partnership, contributes to the success of the company.

4.3.1 REGIONAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S OPERATIONS

4.3.1.1 The Company's territorial, economic and social impact on employment and regional development

The nature of the Company's business operations means that its societal contribution resides particularly in its economic and social footprint.

4.3.1.2 The Company's territorial, economic and social impact on local or neighbouring populations

Owing to the nature of its operations, the Company ensures that operators for those projects in which it is active via Saint-Aubin Energie are aware of the requirement to maintain relations with non-governmental environmental organisations which may be involved with national parks in or near which they carry out some of their operations.

4.3.2 RELATIONS BETWEEN PERSONS OR ORGANISATIONS WITH AN INTEREST IN THE COMPANY'S OPERATIONS

4.3.2.1 Conditions for dialogue with these individuals or organisations

Owing to the nature of its operations, the Company is not required to and does not engage in regular dialogue with individuals or organisations in support of sustainable development.

4.3.2.2 Partnership or sponsorship actions

The Company neither exercised nor developed any partnership or sponsorship actions in 2013.

4.3.3 SUBCONTRACTORS AND SUPPLIERS

4.3.3.1 Consideration of societal and environmental challenges in the procurement policy

The Company's consideration of social and environmental issues in its purchasing policy essentially consists in giving preference to local offers when purchasing non-technical work. Insofar as control measures allow, the Company carefully monitors supplier quality, local sourcing and production conditions.

4.3.3.2 Importance of subcontracting and consideration of their social and environmental responsibility in relations with suppliers and subcontractors

As part of its operations, the Company ensures that any subcontractors who may work for it, directly or indirectly, share the same social and environmental concerns and are at least as demanding.

4.3.4 FAIR PRACTICES

4.3.4.1 Anti-corruption measures

As a responsible investor, the Company is committed to the application of best practice in terms of ethics. As part of this drive for continuous improvement, the Company encourages its subsidiaries to implement best practice in the prevention and detection of fraud and corruption, as adapted to the specific features of each subsidiary.

4.3.4.2 Measures taken to promote consumer health and safety

The Company and MPNATI have no direct contact with consumers through their operations. It should be noted that the companies in which the Company is involved via Saint-Aubin Energie do not refine or distribute hydrocarbons and do not therefore come into contact with consumers. It is not therefore appropriate, in view of the operations of the Company and MPNATI, to plan or adopt measures in support of consumer health and safety.

4.3.5 OTHER ACTIONS UNDERTAKEN TO PROMOTE HUMAN RIGHTS

The Company has not undertaken any action to promote human rights. However, it ensures compliance with human rights in projects with which it may be involved.

5

Information about the Company and its capital

5.1 Information about the Company

5.2 Information about capital

5.2.1 General information regarding capital

5.2.2 Major shareholders

5.2.3 Dividend distribution policy

5.3 Large contracts

5.3.1 Contracts concluded by the Company

5.3.2 Contracts concluded by Seplat

5.4 Special report of the Statutory Auditors on related-party agreements and commitments

5.1 Information about the Company

(a) Corporate name

As at 31 December 2013, the Company's corporate name was MPI. Prior to the Company's Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013, its name was "Maurel & Prom Nigeria".

(b) Trade and Companies Register

The Company is entered in the Paris Trade and Companies Register under number 517 518 247.

(c) Company incorporation date

The Company was registered on 13 October 2009 in the form of a simplified joint-stock company and then converted to a public limited company on 15 November 2010. In the absence of early dissolution or extension, the Company will cease trading on 12 October 2108.

(d) Registered office, legal form and applicable law

The Company's registered office is located at 51 rue d'Anjou – 75008 Paris, France.

Telephone: +33 (0) 1 53 83 16 00

The ICB sector code⁽¹⁾ of the Company is "0533 – Exploration & Production". This category includes companies engaging in exploration and drilling, production, refining and oil and gas product supply activities.

(e) History of the Company

The Company was formed by Maurel & Prom, a group specialising in hydrocarbon exploration and production, with the aim of acquiring, in a joint venture with Nigerian partners within Seplat, rights to OMLs 4, 38 and 41 in Nigeria. The fact that the Company belongs to the Maurel & Prom Group has enabled it to benefit from the knowledge, experience and expertise developed by Maurel & Prom in the context of its oil business operations on several continents.

As at the date of this Management Report, the Company holds an interest of 21.76% in Seplat.

Through this 21.76% interest in Seplat, the Company benefits indirectly from rights in four onshore OMLs offering a balanced combination of fields in production, fields to be developed and exploration opportunities. Through this interest, it also enjoys strong local involvement.

In addition to this interest, since 2013 the Company has held 66.67% of the capital of Saint-Aubin Energie, ensuring diversification of its asset portfolio, given Saint-Aubin Energie's equity interests in oil companies in Myanmar, Canada and Iraq via its subsidiaries.

(f) Articles of Association and amendments to the Articles of Association

The references to the Articles of Association in this section are references to the Articles of Association adopted by the Company's General Shareholders' Meeting of 7 October 2011, as amended by the Board of Directors of the Company on 27 March 2013.

As a reminder, the Articles of Association of the Company are referred to in section 6.1 of this Management Report and are available on the Company's website at www.mpienergy.com.

In accordance with the provisions of Articles L. 225-96 and L. 225-97 of the French Commercial Code, General Shareholders' Meetings are said to be extraordinary when their purpose is to amend the Company's Articles of Association or its nationality.

Extraordinary General Shareholders' Meetings are held whenever the interests of the Company so require.

The Extraordinary General Shareholders' Meeting may only validly deliberate if the shareholders present, represented or voting remotely possess, at the first convening, at least one quarter of the shares with voting rights.

If these conditions are not satisfied, the Meeting is reconvened. It may only validly deliberate if the shareholders present, represented or voting remotely at the second convening possess at least one-fifth of the shares with voting rights. If this quorum is not satisfied, the second Meeting may be postponed until a date no later than two months after the date on which it was originally convened.

Resolutions of the Extraordinary General Shareholders' Meeting are passed by a majority of two-thirds of the shareholders present, represented or voting remotely. However, in the event of a capital increase through capitalisation of reserves, profits or share premiums, the resolutions of the Meeting are passed on the basis of the quorum and majority required for Ordinary General Shareholders' Meetings.

5.2 Information about capital

5.2.1 GENERAL INFORMATION REGARDING CAPITAL

5.2.1.1 Amount of capital

The Company's capital at 31 December 2013 was €11,533,653.40. It was divided into 115,336,534 shares with a nominal value of €0.10 each, fully paid-up.

Each share confers a right to the Company's profits and assets in proportion to the fraction of capital that it represents. The Company's share capital may be increased, reduced or amortised under the terms and conditions governed by law, the Articles of Association making no specific provision for this.

5.2.1.2 Shares held by the Company or on its behalf

(a) Share repurchase plan authorised by the Twelfth Resolution of the Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013

(i) Legal framework

The terms of the twelfth resolution of the Company's Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013 authorised the Board of Directors, with the option to sub-delegate, to acquire, sell or transfer, on one or more occasions at the times it shall determine, shares of the Company up to a maximum of 10% of the share capital as it exists on the date of said Meeting (it being specified that when the shares are purchased to stimulate the market under a liquidity agreement, the number of shares used to calculate this 10% limit corresponds to the number of shares purchased, less the number of shares resold during the authorisation period) or 5% if they are shares acquired for holding and subsequent remittance in payment or exchange in external growth transactions.

The authorisation granted by the Company's Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013 immediately terminated and replaced the authority granted by the General Shareholders' Meeting of 21 June 2012. This authorisation is valid for a period of 18 months from 21 June 2012.

The framework for the authorisation is provided by Articles L. 225-209 et seq. of the French Commercial Code, European Regulation no. 2273/2003 of 22 December 2003 and the General Regulations of the Autorité des marchés financiers, as well as any other legal and regulatory provisions that could apply.

(ii) Objectives of the share repurchase plan

Share repurchases may be made with a view to:

- honouring obligations under stock option plans, allocations of bonus shares or other share allocations or sales to employees and/or corporate officers of the Company, specifically as part of company profit-sharing or any share purchase plan or bonus share allocation for employees;
- honouring obligations relating to securities conferring access to Company shares, by any means, immediately or as futures (including any hedging of Company bonds through such securities);

- ensuring the liquidity of Company shares through an investment services provider under a liquidity agreement, in accordance with the ethics charter of the French Financial Markets Association (AMAFI) recognised by the French Financial Markets Authority;
- holding shares for subsequent use as exchange or payment in a potential external growth transaction; and
- cancelling all or some of the shares thus repurchased as part of a capital reduction decided or authorised by the General Shareholders' Meeting pursuant to the Seventh Resolution of the General Shareholders' Meeting of 21 June 2012 or by any subsequent General Shareholders' Meeting.

This plan would also be intended to allow the Company to operate for any other purpose authorised or that may be authorised by the laws and regulations in force. In such a case, the Company would inform its shareholders through a statement.

(iii) Principal characteristics and procedures of the plan

The maximum number of shares that can be repurchased by the Company cannot exceed 10% of the Company's share capital at any time, with this percentage being applicable to capital adjusted for transactions effective after the General Shareholders' Meeting of 21 June 2013, or 5% of this capital if it involves shares acquired for holding and subsequent remittance in payment or exchange as part of external growth transactions.

The maximum purchase price may not exceed €6 per share, it being specified that the maximum amount of the funds that the Company can allocate to its share repurchase plan may not exceed €69,201,921.

The acquisitions made by the Company under the authorisation granted by the Twelfth Resolution of the Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013 may not, under any circumstances, lead the Company to hold, directly or indirectly, at any time, more than 10% of the shares comprising the share capital on the date in question.

The shares may be purchased, sold or transferred, including during a public offering of Company shares, under the conditions set out in the applicable legislative and regulatory provisions, by any means; specifically, on regulated markets, multinational trading platforms or over-the-counter systems, including when purchased or sold in blocks, or through derivative financial instruments or transferable securities conferring access to the Company's capital, in accordance with the law and regulations applicable on the date of the transactions concerned and subject to the time periods estimated by the Board of Directors.

(iv) Number of shares held directly and indirectly by the Company and distribution of the shares held by the Company by objectives

As at 31 December 2013, the Company held 4,410,075 of its own shares representing 3.8% of its share capital, distributed as follows:

- 608,006 shares under a liquidity agreement; and
- 3,802,069 treasury shares. They are held for subsequent exchange or settlement in potential external growth operations.

(b) Description of the new share repurchase plan submitted to the General Shareholders' Meeting of 19 June 2014

(i) Date of the General Shareholders' Meeting called to authorise the Company's new share repurchase plan

The Company's Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014 will be asked to approve a resolution authorising the Board of Directors, with the option to sub-delegate, to acquire, sell or transfer, on one or more occasions at the times it shall determine, shares of the Company up to a maximum of 10% of the Company's share capital as it exists on the date of said Meeting (it being specified that when the shares are purchased to stimulate the market under a liquidity agreement, the number of shares used to calculate this 10% limit is the number of shares purchased, minus the number of shares resold during the authorisation period) or 5% if they are shares acquired for holding and subsequent remittance in payment or exchange in external growth transactions.

The framework for the authorisation is provided by Articles L. 225-209 et seq. of the French Commercial Code, European Regulation no. 2273/2003 of 22 December 2003 and the General Regulations of the Autorité des marchés financiers, as well as any other legal and regulatory provisions that could apply.

(ii) Distribution of the shares held by the Company by objective

The distribution by objective of the shares held by the Company is indicated in section 5.2.1.2 (a) (iv) of this Management Report.

(iii) Objectives of the new share repurchase plan

Repurchases of shares may be made for any purpose permitted by law or the applicable regulations; the purposes of this share repurchase plan are:

- to honour obligations under stock option-plans, bonus share allocations or other share allocations or sales to employees and/or corporate officers of the Company and its subsidiaries, specifically as part of Company profit-sharing or any share purchase plan or bonus share plan;
- to honour obligations relating to transferable securities conferring access to Company shares, by any means, immediately or in the future (including any hedging transactions by virtue of the Company's obligations relating to such transferable securities);
- to ensure the liquidity of Company shares through an investment services provider under a liquidity agreement in accordance with the ethics charter of the French Financial Markets Association (AMAFI) recognised by the French Financial Markets Authority;
- to hold shares for subsequent use as exchange or payment in a potential external growth operation, and
- to cancel all or part of the shares repurchased in this way as part of a capital reduction decided or authorised by this General Shareholders' Meeting pursuant to Resolution Twenty or by any subsequent General Shareholders' Meeting.

This plan would also be intended to allow the Company to operate for any other purpose authorised or that comes to be authorised by the laws and regulations in force. In such a case, the Company would inform its shareholders through a statement.

(iv) Maximum share of capital, maximum number and characteristics of the securities and maximum purchase price

Pursuant to the terms of the Eleventh Resolution that will be submitted to the Company's Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014, the Board of Directors is authorised to purchase or arrange for the purchase of shares of the Company (ISIN code: FR0011120914, listed on the NYSE Euronext regulated market in Paris, compartment B), up to a maximum of 10% of the share capital (it being understood that when the shares are purchased to stimulate the market under a liquidity agreement, the number of shares used to calculate this 10% limit corresponds to the number of shares purchased, minus the number of shares resold during the authorisation period) or 5% if they are shares acquired for holding and subsequent remittance in payment or exchange in external growth transactions. By way of indication, as at the date of this Management Report, 5% of the Company's capital corresponds to 5,766,826 shares and 10% of the Company's capital corresponds to 11,533,653 shares.

The maximum purchase price must not exceed €6 per share, for a maximum amount that may be allocated to the share repurchase plan of €69,201,918.

5.2.1.3 Other securities conferring rights to capital

As at the date of this Management Report, there are no securities in existence that confer access to the Company's capital,

other than the bonus shares allocated to the Company's Chief Executive Officer.

5.2.1.4 Authorised capital not issued

The table below shows the financial authorisations and delegations granted to the Board of Directors by the Combined (Ordinary and Extraordinary) General Shareholders' Meetings of 7 October 2011 and 20 June 2013, as well as those that your General Shareholders' Meeting is asked to renew:

Date of the General Shareholders' Meeting	Resolution	Type of delegation or authorisation	Ceiling in euros	Period of validity
7 October 2011	21	Authorisation to the Board of Directors to freely allocate Company shares to employees and/or corporate officers of the Company and its Subsidiaries	The total number of bonus shares awarded free of charge may not represent more than 1% of the Company's capital (on the date of the Board of Directors' decision to allocate them), it being specified that the awarding of bonus shares to the Chairman of the Board of Directors, the Chief Executive Officer and any Deputy CEOs is subject to performance conditions and may not exceed 0.5% of the Company's capital (on the date of the Board of Directors' decision to award them)	38 months, until 7 December 2014
20 June 2013	13	Delegation of authority to the Board of Directors to issue Company shares or transferable securities conferring access to the capital of the Company or one of its subsidiaries, maintaining shareholders' pre-emptive subscription rights	Maximum nominal amount of increases: €6.5million ⁽¹⁾ Maximum nominal amount of debt security issues: €300 million ⁽³⁾	26 months, until 20 August 2015
20 June 2013	14	Authorisation for the Board of Directors to increase the number of securities to be issued for a capital increase maintaining shareholders' pre-emptive subscription rights	The increase must be made within 30 days of the initial subscription and may not exceed 15% of the initial issue. This concerns each of the issues governed by the ceiling set under Resolution 13 adopted by the General Shareholders' Meeting of 20 June 2013, solely to service reducible requests made by shareholders and/or assignees of pre-emptive subscription rights.	26 months, until 20 August 2015
20 June 2013	15	Delegation of authority to the Board of Directors to issue shares or securities conferring access to the capital in the event of a public exchange offer initiated by the Company, removing pre-emptive subscription rights.	Maximum nominal amount of the capital increases: €3.25 million ⁽¹⁾⁽⁴⁾ Total nominal amount of debt securities that may be issued: €150 million ⁽²⁾⁽³⁾	26 months, until 20 August 2015
20 June 2013	16	Authorisation for the Board of Directors to issue shares and transferable securities conferring access to the capital, in order to compensate in-kind contributions made to	Maximum amount of the capital increases: 10% of the Company's capital on the date of the Board of Directors' decision ⁽¹⁾⁽⁴⁾ Total nominal amount of debt securities that may be issued: €150 million ⁽²⁾⁽³⁾	26 months, until 20 August 2015

Date of the General Shareholders' Meeting	Resolution	Type of delegation or authorisation	Ceiling in euros	Period of validity
		the Company in the form of shares or securities conferring access to the capital, removing pre-emptive subscription rights		
20 June 2013	17	Delegation of authority to the Board of Directors to increase the Company's capital through the capitalisation of reserves, profits, premiums or other sums which may be capitalised, maintaining shareholders' pre-emptive subscription rights.	The maximum nominal amount of the capital increases is equal to the total amount of sums that can be capitalised pursuant to the regulations in force, calculated autonomously, separately and independently from the ceilings specified in the other resolutions.	26 months, until 20 August 2015
20 June 2013	18	Delegation of authority to the Board to issue transferable securities giving rise to the allocation of debt securities	Maximum nominal amount of the securities to be issued: €300 million (this ceiling is independent of the amount of debt securities that may be issued on the basis of Resolutions 13 to 16).	26 months, until 20 August 2015
20 June 2013	19	Delegation of authority to the Board of Directors to execute capital increases reserved for employees who are members of the corporate savings plan, removing shareholders' pre-emptive subscription rights.	Maximum nominal amount of immediate or future capital increases: 0.5% of the Company's capital on the date of the Board's decision to allocate, autonomously and separately from the ceilings specified in the other resolutions. Subscription price equal to the average closing price over the 20 trading days preceding the date on which the Board of Directors set the opening date of the subscription period (with the maximum possible discount provided for by law)	26 months, until 20 August 2015
20 June 2013	20	Authorisation for the Board of Directors to reduce the share capital by cancelling shares.	Delegation of authority to cancel, subject to a limit of 10% of the capital in any 24-month period, all or some of the shares acquired as part of a share repurchase plan.	18 months, until 20 December 2014

- (1) Counts towards the overall ceiling of €6.5 million specified in Resolution 13 and which applies to all issues that may be made pursuant to Resolutions 13 to 16.
- (2) This amount of €150 million is an overall ceiling covering all debt securities issued pursuant to Resolutions 15 and 16.
- (3) Counts towards the overall ceiling of €300 million specified in Resolution 13 and which applies to all issues that may be made pursuant to Resolutions 13 and 16.
- (4) This ceiling counts towards the ceiling of €3.25 million on the nominal amount of capital increases covering all issues that may be made under Resolutions 15 and 16.

5.2.1.5 History of the share capital over the last three fiscal years

The table below shows the change in the Company's share capital since its incorporation:

Date	Nature of operation	Capital before operation	Issue premium	Shares created	Nominal value	Total number of shares	Capital after operation, in euros
13/10/2009	Incorporation	N/A	N/A	37,000	1	37,000	37,000
15/11/2010	Capital increase by incorporation of receivable subscribed in full by Maurel & Prom	37 000	N/A	N/A	1.10	37,000	40, 700
15/11/2010	Capital increase by incorporation of receivable subscribed in full by Maurel & Prom	40, 700	N/A	121,266,213	1.10	121,303,213	133,433,534.30
02/12/2011	Capital reduction by reducing the total number of shares	133,433,534.3 0	26,418,272.10	N/A	1.10	97,286,602	107,015,262.20
02/12/2011	Capital reduction by reduction of the nominal value of the shares	107,015,262.2 0	97 286 602	N/A	0.10	97,286,602	9,728,660.20
02/12/2011	Capital increase maintaining preferential subscription right	9,728,660.20	103,289,167.10	17,108,329	0.10	114,394,931	11,439,493.10
14/12/2011	Capital increase by incorporation of sums deducted on issue premiums	11,439,493.10	94,160.30	941,603	0.10	115,336,534	11,533,653.40

5.2.2 MAJOR SHAREHOLDERS

5.2.2.1 Major shareholders

At 31 December 2013, the capital and voting rights of the Company were distributed as follows:

31/12/2013	Number of shares	% of capital	Number of voting rights exercisable	% of voting rights exercisable	% of theoretical voting rights*
				s/110,987,992	s/115,336,534
• INSTITUTIONAL SHAREHOLDERS	50,435,530	43.73%	50,435,530	45.44%	43.73%
Pacifico S.A.**	10,644,326	9.23%	10,644,326	9.59%	9.23
Macif	8,324,204	7.22%	8,324,204	7.50%	7.22
Other	31,467,000	27.28%	31,467,000	28.35%	27.28%
• REGISTERED SHAREHOLDERS	20,339,848	17.63%	20,339,848	18.33%	17.63%
Pacifico S.A.**	18,105,290	15.70%	18,105,290	16.31%	15.70%
Other	962,500	0.83%	962,500	0.87%	0.83%
Natural persons	1,272,058	1.10%	1,272,058	1.15%	1.10%
• TREASURY SHARES	4,410 075	3.82%	0	0	0
• PUBLIC	40,212,614	34.87%	40,212,614	36.23%	34.87%
TOTAL	115,336,534	100.-%	110,987,992	100.-%	96.23%

* Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares (non-voting shares).

** As at 31 December 2013, Pacifico held a total of 28,749,616 shares, representing 24.93% of the capital and exercisable voting rights (and 25.90% of theoretical voting rights).

At 31 December 2012, the share capital and voting rights were distributed as follows:

31/12/2012	Number of shares	% of capital	Number of voting rights exercisable	% of voting rights exercisable	% of theoretical voting rights*
				s/111,768,202	s/115,336,534
• INSTITUTIONAL SHAREHOLDERS	50,810,043	44.06	50,810,043	45.46	44.06
Pacifico S.A.**	10,644,326	9.23	10,644,326	9.52	9.23

Macif	8,324,204	7.22	8,324,204	7.45	7.22
Other	31,841,513	27.61	31,841,513	28.49	27.61
• REGISTERED SHAREHOLDERS	20,481,701	17.76	20,481,701	18.33	17.76
Pacifico S.A.**	18,105,290	15.70	18,105,290	16.20	15.70
Other	962,584	0.83	962,584	0.86	0.83
Natural persons	1,413,827	1.23	1,413,827	1.27	1.23
• TREASURY SHARES	3,568,332	3.09	0	0	0
• PUBLIC	40,476,458	35.09	40,476,458	36.21	35.09
TOTAL	115,336,534	100.--%	111,768,202	100.--%	96.91%

* Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares (non-voting shares).

** As at 31 December 2012, Pacifico S.A. held a total of 28,749,616 shares, representing 24.93% of the capital and theoretical voting rights (and 25.72% of exercisable voting rights).

At 31 December 2011, the share capital and voting rights were distributed as follows:

31/12/2011	Number of shares	% of capital	Number of voting rights exercisable	% of voting rights exercisable	% of theoretical voting rights*
				s/113,338,986	s/115,336,534
• INSTITUTIONAL SHAREHOLDERS	57,769,056	50.09%	57,769,056	50.97 %	50.09%
Pacifico S.A.**	10,644,326	9.23	10,644,326	9.39	9.23
Macif	8,324,204	7.22	8,324,204	7.34	7.22
Other	38,800,526	33.64	38,800,526	34.24	33.64
• REGISTERED SHAREHOLDERS	20,744,977	17.99%	20,744,977	18.30 %	17.99%
Pacifico S.A.**	18,105,290	15.70	18,105,290	15.97	15.70
Other	1,264,038	1.10	1,264,038	1.12	1.10
Natural persons	1,375,649	1.19	1,375,650	1.21	1.19
• TREASURY SHARES	1,997,548	1.73%	0	0	0
• PUBLIC	34,824,953	30.19%	34,824,953	30.73 %	30.19%
TOTAL	115,336,534	100.--%	113,338,986	100.--%	98.27%

* Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares without voting rights.

** As at 31 December 2011, Pacifico S.A. held a total of 28,749,616 shares, representing 24.93% of the share capital and theoretical voting rights (and 25.36% of exercisable voting rights).

To the Company's knowledge, none of its shareholders has offered any shares as pledges.

5.2.2.2 Major shareholders' voting rights

The voting rights attached to capital or dividend shares are proportional to the portion of the capital they represent. Each share entitles the holder to one vote.

However, Article 11 paragraph 7 of the Company's Articles of Association provides for a double voting right attached to fully paid-up shares with evidence of registration in the Company's records for at least four (4) years without interruption from the date on which they were fully paid-up, in the name of the same shareholder.

5.2.2.3 Shareholders with more than 5% of the capital

To the best of the Company's knowledge, only Pacifico and Macif each directly or indirectly hold more than 5% of the capital and/or voting rights of the Company. As at 31 December 2013, Pacifico and Macif respectively held 24.93% of the capital and exercisable voting rights of the Company and 7.22% of the capital and 7.50% of the exercisable voting rights of the Company.

Pacifico is a company in which more than 99% of the capital and voting rights are held by Jean-François Hénin, Chairman of the Board of Directors of the Company, and his family (Jean-François Hénin personally holds approximately 10% of Pacifico's capital and voting rights).

5.2.2.4 Control over the issuer exercised by one or more shareholders

As at 31 December 2013, Pacifico held 24.93% of the capital and exercisable voting rights of the Company.

It should be noted that the presence of Macif, another major shareholder which holds 7.22% of the capital and 7.50% of the exercisable voting rights of the Company at 31 December 2013, the organisation and operating procedures of the Board of Directors and its specialised committees, the number of independent directors (forming half of the Board which ensures the prevention of conflicts of interest and regularly conducts its assessment, two-thirds of the Audit Committee and two-thirds of the Appointments and Compensation Committee, it being stated that no executive corporate officer is a member of one of those committees), the separation of the offices of Chairman and Chief Executive Officer, compliance with the bylaws, with the code of conduct to prevent insider trading and the corporate governance code for small and mid-cap companies published by Middlednext in December 2009, all contribute to the absence of control by any one shareholder of the Company.

5.2.2.5 Agreement that could result in a change of control

As at the date of this Management Report, there was, to the best of the Company's knowledge, no shareholders' agreement or other arrangement that could lead to a change in control of the Company.

5.2.2.6 Elements likely to have an impact in the event of a public offering

As at 31 December 2013, the elements that could have an impact in the event of a public offering are indicated below:

- structure of the Company's capital: see section 5.2.2.1 of this Management Report;
- statutory restrictions on the exercise of voting rights and transfers of shares or clauses of the conventions brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code: none;
- direct or indirect interests in the capital of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code: see section 5.2.2 of this Management Report;
- list of holders of any security carrying special control rights and a description of those rights: none;
- control mechanisms provided in a possible employee shareholding system when the controlling rights are not exercised

by these shareholders: none;

- agreements among shareholders of which the Company is aware and which can result in restrictions on the transfer of shares and the exercise of voting rights: none;
- rules applicable to the appointment and replacement of members of the Board of Directors and amendments to the Company's Articles of Association: see sections 3.1.1.1 (a) and 5.1 of this Management Report;
- powers of the Board of Directors, in particular the issue and repurchase of shares: see sections 5.2.1.2 and 5.2.1.4 of this Management Report;
- agreements signed by the Company which are modified or end in the event of a change of control of the Company, unless this disclosure, excluding cases with a legal disclosure obligation, would seriously harm its interests: none; and
- agreements providing for indemnities for members of the Board of Directors or employees, if they resign or are dismissed without real or serious cause, or if their employment ends because of a public offering: none

5.2.3 DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy is defined by the Company's Board of Directors. Among other things, it takes into account the Company's results, its financial position and Seplat's distribution policy.

The Company's policy regarding managing its equity consists mainly, as an exploration/production company, of making the necessary investments for the purposes of developing its current and future production sources. In this respect, it decided not to distribute dividends for fiscal years 2010 and 2011. The Company nonetheless indicated that it would consider the possibility of distributing dividends in future fiscal years, in keeping with its cash flow requirements and plans for investment.

Based on the Company's consolidated income for the year ended 31 December 2012, the Board of Directors recommended to the Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013 that a dividend of €0.08 per share be paid in respect of fiscal year 2012. This resolution was approved by the Company's Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013.

Based on the Company's consolidated income for the year ended 31 December 2013, the Board of Directors decided to recommend to the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014 that a dividend of €0.24 per share be paid in respect of fiscal year 2013.

6

Additional information

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6.1 Financial statements

The Company notes that the following documents have been included in its annual financial report, which is available from the Company's website at www.mpienergy.com. Copies may also be obtained from the Company's registered office at 51 rue d'Anjou, 75008 Paris, France.

- Consolidated financial statements for the year ended 31 December 2013;
- Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2013;
- Company financial statements for the fiscal year ended 31 December 2013;
- Statutory auditors' report on the annual financial statements for the fiscal year ended 31 December 2013;
- Table of statutory auditors' fees.

The table of the Company's financial results for the last five fiscal years is shown below:

In euros	2009	2010	2011	2012	2013
I – FINANCIAL POSITION AT THE END OF THE FISCAL YEAR					
a) Share capital	37,000	133,433,534	11,533,653	11,533,653	11,533,653
b) Number of shares issued	37,000	121,303,213	115,336,534	115,336,534	115,336,534
II – TOTAL INCOME FROM OPERATING ACTIVITIES					
a) Sales (exclusive of tax)	0	0	320,200	697,900	42,300
b) Income before taxes, amortisation, depreciation and provisions	-2,109	7,073,849	11,166,061	6,219,750	85,568,434
c) Income tax	0	1,988,195	2,918,487	465,292	1,658,325
b) Income after taxes, amortisation, depreciation and provisions	-2,109	2,722,307	5,424,976	10,128,533	81,122,249
e) Distributed profits	0	0	0	8,948,767	27,680,768*
III – EARNINGS PER SHARE					
a) Income after tax, but before amortisation, depreciation and provisions	-0,057	0,042	0,072	0,050	0,728
b) Income after tax, amortisation, depreciation and provisions	-0,057	0,022	0,047	0,088	0,703
c) Net dividend per share	0	0	0	0,08	0,24**
IV – PERSONNEL					
a) Number of employees	0	0	0	1	2
b) Total payroll	0	0	0	112,379	230,448
c) Sums paid for employee benefits (social security, welfare schemes, etc.)	0	0	0	119,265	171,916

* Subject to the approval of the General Shareholders' Meeting of 19 June 2014 and based on the total number of shares as at 31 December 2013

** Subject to the approval of the General Shareholders' Meeting of 19 June 2014 and excluding treasury shares



6.2 Publicly available documents

The Company's press releases, its historical financial information and this Management Report are available on the Company's website at www.mpienergy.com and a copy may be obtained from the Company's registered office at 51 rue d'Anjou – 75008 Paris, France. The Company's Articles of Association, minutes of General Shareholders' Meetings, company and consolidated financial statements, statutory auditors' reports and all other corporate documents may be consulted at the Company's registered office.

6.3 Provisional calendar

7 August 2014: Sales for H1 2014

28 August 2014: Income for H1 2014

6 November 2014: 3rd quarter 2014 sales

6.4 Glossary

The table below contains a list of the main technical terms, acronyms and abbreviations used in the Annual Report.

Term	Definition
'	Inch.
Appraisal	All operations performed after a discovery in order to determine the limits or the extent of a hydrocarbon deposit, evaluate its reserves and its production potential.
barrel	Unit of volumetric measurement for crude oil, equivalent to 159 litres (42 US gallons). One tonne of oil contains approximately 7.5 barrels.
Brent	Class of North Sea oil.
Condensate	Fractions of natural gas that exist, either in a gaseous phase or in solution, in the crude oil under the initial pressure and temperature conditions of the reservoir, and which are recovered in liquid form in separators, on-site facilities or units.
Production Sharing Contract – PSC	Contract entered into between a government and the company exploiting a conferred permit; this agreement determines all of the operator's rights and obligations, particularly the percentage of cost oil (allowing the operator to recover the exploration and development expenses that it has incurred), and establishes the basis for the sharing of profit oil (remuneration).
Joint Operating Agreement	A contract governing relations between the parties in the exploration, development and exploitation of oil permits (and designating the operating company in particular)
Drilling	Drilling consists of creating a passage through the surface of the earth in order to take samples from the subsoil or extract fluids. Originally, drilling was always done vertically. Today, however, when drilling cannot be done vertically, it is done at an angle, whether directed or not towards specific objectives, as in deviated drilling.
FPSO	Floating Production, Storage and Offloading: a floating unit combining the equipment needed for producing, processing and storing hydrocarbons and transferring directly to a tanker at sea.
Associated gas	Gas present in solution in oil and separated during oil extraction.
Non-associated gas	Non-associated gas is natural gas found in reservoirs that do not contain significant quantities of crude oil, where the volume is too low and where the production of such gas does not have a significant consequence on crude oil recovery.
Hydrocarbons	Mixture of molecules composed primarily of carbon and hydrogen atoms. They may be solid like asphalt, liquid like crude oil or gaseous like natural gas. They may include components with sulphur, nitrogen, metals, etc.
Permit	Surface area contractually assigned to an oil company (or group of companies) by the host country for a determined period. The permit gives the oil companies the exclusive right to carry out exploration work (exploration permit) and/or to exploit a deposit (exploitation permit).

Mboe	Millions of barrels of oil equivalent.
OML	Oil Mining Licence refers to the oil deposit exploitation contracts that give the right to exploit and sell crude oil in Nigeria.
Operator	The company in charge of operations on an oil field.
OPEC	Organisation of the Petroleum Exporting Countries.
Company share/own share	Operated share less the Partners' share.
Light oil	Oil with an API gravity of more than 31.1°, also known as light crude.
Heavy oil	Oil with an API gravity of less than 10°, also known as bitumen.
Pipeline	Pipeline for transporting fluids.
Operated production	Total quantity of hydrocarbons produced on the fields.
Production profile	Change over time in a deposit's level of production. At the start of a deposit's exploitation, production increases sharply before stabilising for a few years (production plateau), then progressively declines.
Well	Name generally given to a cavity when drilling is completed or when technicians are certain that it will be productive. In administrative terms, the wells of an oil field are generally designated by a group of letters and figures indicating their locations and the order in which they were determined.
Royalties	In-kind oil taxes corresponding to a percentage of a field's production.
Reserves	Hydrocarbon reserves corresponding to estimated quantities of crude oil, condensate and gas presumed to be commercially recoverable from known concentrations by application of development projects, starting from a given date and for the future, in keeping with defined conditions.
P1 reserves (proven)	Oil and gas reserves which, after analysis of the geo-scientific and technical data, may be considered with reasonable certainty to be commercially recoverable, starting from a given date and for the future, from known reservoirs, by using current techniques, under current economic conditions and according to current regulations.
P2 reserves (probable)	Gas and oil reserves which constitute additional oil and gas reserves, for which an analysis of the geo-scientific and technical data indicates that they are less likely to be recovered than proven reserves (P1) but more likely to be recovered than possible reserves (P3).
P3 reserves (possible)	Hydrocarbon reserves that constitute additional oil and gas reserves, for which an analysis of the geo-scientific and technical data indicates that they have less of a chance of being recovered than probable reserves (P2).
Contingent resources	Contingent resources are quantities of oil estimated, on a given date, to be potentially recoverable from known concentrations, but for which recovery projects are not yet considered to be sufficiently mature for commercial development due to one or more risk factors.
1C contingent resources (low estimates)	Contingent resources characterised by a prudent estimate of the quantity that will remain to be recovered by a project based on concentrations (1C = C1).
2C contingent resources (best estimates)	Contingent resources characterised by a best estimate of the quantity that will remain to be recovered by a project based on concentrations (2C = C1 + C2).

3C contingent resources (high estimates)

Contingent resources characterised by an optimistic estimate of the quantity that will remain to be recovered by a project based on concentrations ($3C = C1 + C2 + C3$).

2D/3D seismic survey

Geophysical surveying method consisting of sending sound waves into the subsoil and recording their propagation, thus making it possible to obtain information on the structure of the subsoil. They may be in 2 or 3 dimensions.

6.5 Concordance tables

MANAGEMENT REPORT

	Corresponding Sections of this Management Report	Corresponding Pages of this Management
Analysis of the change in the business, earnings and financial position of the Company and position of the Company during the previous fiscal year (art. L. 225-100 and L. 232-1 of the French Commercial Code)	1.4	14
Analysis of the change in the business, earnings and financial position of the Group and position of the Group during the previous fiscal year (art. L. 225-100-2 and L. 233-26 of the French Commercial Code)	1.4	14
Earnings of subsidiaries and controlled companies by area of activity (art. L. 233-6 of the French Commercial Code)	1.4	14
Projected change (Art. L. 232-1 and L. 233-26 of the French Commercial Code)	1.6	27
Significant events occurring after the close of the fiscal year (art. L. 232-1 and L. 233-26 of the French Commercial Code)	1.1.1, 1.2.1.1 and 1.4.1.2	5, 9 and 15
Research and development activities (art. L. 232-1 and L. 233-26 of the French Commercial Code)	N/A	N/A
Acquisitions of equity interests or control in companies headquartered in France (Art. L. 233-6 of the French Commercial Code)	N/A	N/A
Information regarding environmental issues and environmental consequences of operations (Art. L. 225-100 and L. 225-102-1 of the French Commercial Code)	Chapter 4	68
Corporate, social and environmental information regarding activities (art. L. 225-100 and L. 225-102-1 of the French Commercial Code)	Chapter 4	68
Description of the main risks and uncertainties (art. L. 225-100 and L. 225-100-2 of the French Commercial Code)	Chapter 2	28
Group policy on managing financial risks (art. L. 225-100 and L. 225-100-2 of the French Commercial Code)	2.2	31

Code)		
Group exposure to price, credit, liquidity and cash flow risks (art. L. 225-100 and L. 225-100-2 of the French Commercial Code)	2.2	31
Summary table of currently valid delegations granted by the General Shareholders' Meeting to the Board of Directors in connection with capital increases and the use made of those delegations during the fiscal year (art. L. 225-100 of the French Commercial Code)	5.2.1.4	84
Elements likely to have an impact in the event of a public offer (art. L. 225-100-3 of the French Commercial Code)	5.2.2.6	89
Employee share ownership on the last day of the fiscal year (art. L. 225-102 of the French Commercial Code)	N/A	N/A
Identity of shareholders holding more than 5%; self-checking (art. L. 233-13 of the French Commercial Code)	5.2.2.3	89
Summary statement of transactions made by the management on Company securities (Art. L. 621-18-2 of the French Monetary and Financial Code and 223-26 of the AMF General Regulations)	3.2.2	55
Total compensation and benefits of any kind paid to each corporate officer (Art. L. 225-102-1 of the French Commercial Code)	3.2	53
Offices held and duties performed in any company by each of the corporate officers during the fiscal year (Art. L. 225-102-1 of the French Commercial Code)	3.1.1.1 (a) (ii) 3.1.1.1 (b)	42 and 47
Information on treasury share repurchases (Art. L. 225-211 of the French Commercial Code)	5.2.1.2	82
Dividend amounts distributed over three fiscal years (Art. 243(a) of the French General Tax Code)	5.2.3	90
Changes made in the presentation of the annual financial statements (Art. L. 232-6 of the French Commercial Code)	1.4.1.1 (a)	14
Company financial income in the last five fiscal years	6.1	92